5 May 2021

SIG plc: Positive Trading Momentum

SIG plc ("SIG", or "the Group") today issues a trading update for 1 January to 30 April 2021, in advance of its Annual General Meeting, which is being held on 13 May.

Trading Summary

The Group has made an encouraging start to the year, with the Return to Growth strategy continuing to deliver good progress and with trading underpinned by continued strength in RMI demand. After a solid start in January and February sales volumes then picked up strongly, and March and April traded ahead of management's expectations.

Prior year comparative growth rates from late March are distorted by the impact of Covid, notably in the UK, Ireland and France, and therefore the table below includes comparisons with both 2020 and 2019. Performance for the year to date has been ahead of expectations. Group sales were 29% up on 2020 for the four-month period. They were 4% lower than the same period in 2019, and flat against 2019 in March and April.

1 January to 30 April LFL[1] Sales Growth	**2021 vs 2020**	**2021 vs 2019**	**2021 Jan-April £'m**
UK Distribution	40%	(24)%	153
UK Exteriors[2]	57%	10%	128
UK	**47%**	**(12)%**	**281**
France Distribution	44%	8%	65
France Exteriors	41%	13%	127
Germany	6%	(3)%	123
Benelux	(2)%	(11)%	31
Poland	10%	12%	51
Ireland	1%	(27)%	22
EU	**19%**	**2%**	**419**
Group	**29%**	**(4)%**	**700**

The UK Distribution turnaround, focused on delivering distinctive expertise and superior local service, is progressing well and is ahead of plan. Customer numbers are rising and we are regaining market share. The business's sales were on a declining trend throughout 2019 and most of 2020, and hence the 24% drop versus 2019 shown above. Daily sales are now showing very consistent progress, with the improvement accelerating in March/April, and April sales up approximately a third on the daily averages seen last summer. Based on current momentum, we expect the monthly growth figures vs 2019 to turn positive early in the second half.

The UK Exteriors business is also trading well, benefiting from the demand environment, with strong growth versus both 2020 and 2019 comparatives.

The French businesses are continuing to perform strongly, and are also benefiting from strong RMI demand. Germany and Poland are both performing solidly, with good growth in recent weeks. We have recently made changes to the commercial leadership in the Benelux and are confident its performance will pick up over coming months. Our Ireland business was affected by the significant

Government restrictions imposed on construction from 1 January 2021, and we are pleased that these are now being eased.

We are seeing signs of shortages of materials in certain areas, as reported previously, and input price inflation remains significant in some categories. We have navigated these uncertainties successfully to date, despite some longer delivery times.

Outlook

Whilst the evolving Covid-19 backdrop will continue to create uncertainty in the short term, more so in our EU markets than the UK, the strong demand across territories and sectors in the first four months of the year was encouraging and gives the Board increased confidence for the full year performance.

The momentum we have seen through March and April, together with improving visibility on the near-term order book, means that we now expect the Group to deliver an underlying operating profit in the first half, returning the Group to profitability earlier than expected.

Given the prevailing macro-economic uncertainties, we retain a cautious view of the second half at this stage. We do however continue to expect the second half to be both profitable and cash generative, and in light of the stronger than anticipated recent performance we now expect full year revenues to be slightly ahead of prior expectations, and profits also to be higher than previously expected.

1. *Like-for-like ("LFL") is defined as sales per working day in constant currency, excluding completed acquisitions and disposals.*
2. *UK Exteriors includes the Building Solutions business, as in the Group's 2020 Annual Report and Accounts.*

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Cautionary Statement

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