

2 October 2024

SIG plc: Q3 Trading Update

SIG plc ("SIG", or "the Group"), a leading supplier of specialist insulation and building products across Europe, today issues a trading update for the three months to 30 September 2024 ("Q3" or "the period").

Key points

- Group like for like¹ ("LFL") revenue performance saw, as expected, a sequential improvement in the period, being down 4% versus prior year compared to the 7% decline reported in H1.
- The Group continues to perform well relative to its markets and is also continuing to deliver on the cost reduction and efficiency objectives reported at the half year results in August. These initiatives are helping support near-term performance, but will also help drive higher profitability as markets recover.
- Underlying operating profit guidance for the full year remains unchanged and in line with market expectations².
- Cash performance for the period was also in line with expectations, and the RCF remains undrawn.

Trading Summary

Whilst weak demand has continued to be a factor in the majority of the Group's markets, reflecting the ongoing softness in the European building and construction sector, LFL performance improved sequentially in Q3 as expected. This was despite the effect of strategic branch closures, which form part of the restructuring programmes in the UK, Germany and France, and which impacted the Group LFL performance by c1% in the period. Deflationary headwinds moderated further in the period, to c2%, and there has been some encouraging stabilisation in overall volumes, which are down only 1% excluding the branch closure impact.

1 July to 30 September 2024	LFL growth	£m
Revenue		
UK Interiors	(12)%	129
UK Roofing	4%	104
UK Specialist Markets	(2)%	61
UK	(5)%	294
France Interiors	(8)%	45
France Roofing	(7)%	91
Germany	(2)%	114
Poland	(9)%	64
Benelux	(2)%	25
Ireland	20%	29
EU	(4)%	368
Group	(4)%	662

Nearly all of the Group's businesses achieved an improved LFL result in Q3 compared to H1, with the UK businesses, France Roofing, Ireland and Benelux showing the biggest improvements. Poland reported a weaker Q3 as the non-residential market slowed more than expected over the summer.

The Group continues to make good progress on its strategic and operational initiatives. These have included permanent cost restructuring to lower central and operating company overheads, as

previously reported. The German e-commerce platform was launched successfully during the period, as planned.

Outlook

The Board's expectations for full year underlying operating profit are unchanged and in line with the guidance provided in August, with the benefits from productivity and cost initiatives underpinning this outlook.

The Board continues to expect its strategic and commercial initiatives to benefit medium term margin and profit growth, which will also be supported by meaningful operating leverage when market volumes recover. In addition, the continued focus on cash generation has ensured that the Group retains good levels of liquidity, providing a solid base for the Board to continue its evaluation of the optimal approach to the refinancing of the Group's debt facilities ahead of their maturity dates.

1. *Like-for-like is defined as sales per working day in constant currency, excluding completed acquisitions and disposals. It does not reflect adjustments for branch closures, openings, or consolidations.*
2. *Company collated analyst expectations is for Full Year 2024 underlying operating profit (EBIT) of £25.4m, within a range of £24.0m to £27.0m, as at 1 October 2024.*
3. *Underlying represents the results before Other items. Other items relate to the amortisation of acquired intangibles, impairment charges, profits and losses on agreed sale or closure of non-core businesses and associated impairment charges, net operating profits and losses attributable to businesses identified as non-core, net restructuring costs, and other non-underlying profits or losses.*

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