

Polypipe Group plc Trading Update

17 November 2020

Polypipe Group plc (“Polypipe”, the “Company” or the “Group”), a leading provider of sustainable water and climate management solutions for the built environment, today issues an update on trading for the four months ended 31 October 2020.

Trading update for four months ended 31 October 2020 ahead of expectations

- Sustained recovery with Group revenue for the four months ended 31 October 2020 ahead of the Board’s expectations and only 1.5% lower than the prior year at £156.1m (2019: £158.4m) with continued improvement throughout the period
- Operating margins have also improved compared to the first six months as volumes recovered during this period despite the Group bearing the ongoing costs of dealing with COVID-19
- Uncertainty remains around the possible effects of the second lockdown, however the Board expects underlying operating profit for the year to be at least £35m, compared to the current consensus range of £30–35m
- The Group remains highly cashflow generative and at 31 October 2020 net debt was £32.4m. This is better than the Board’s expectations and reflects recent trading performance
- The Group has resumed capital expenditure investment to pursue growth opportunities and product development and repeats its guidance of spending circa £20-25m for this year
- The medium-term fundamentals of our markets remain robust

The Residential Systems segment’s revenue for the four months ended 31 October 2020 was 3.9% lower than the prior year; compared to a 28.1% year-on-year decline in the first half. This has been driven by the UK housing market recovering faster and stronger than expected as well as a resilient RMI market. Revenue for the ten months ended 31 October 2020 was 18.0% lower than the prior period.

The Commercial & Infrastructure segment’s revenue for the four months ended 31 October 2020 was 1.9% higher than the prior year, with the contract markets continuing to recover well. Revenue for the ten months ended 31 October 2020 was 7.6% lower than prior year. For the Group as a whole, revenue for the ten months ended 31 October 2020 was 13.6% lower than prior year.

ESG

The current and future focus of the business is on serving the needs created by four key sustainability drivers: the needs for resilient drainage, green urbanisation, clean healthy indoor air and ventilation, and a low, or zero carbon, built environment. We plan to hold ourselves accountable by setting out a clear strategy and measuring performance across a range of ambitious targets and will provide further information around this at our capital markets event later today.

Martin Payne, Chief Executive Officer, commented:

“The Group’s end markets in the UK have continued to recover ahead of expectations, and I am pleased that the Group’s resilient performance in the last four months has reflected this. I would like to thank our colleagues around the Group for their continued dedication and support in achieving these results.

The government in its national lockdown announcements has been clear that construction, manufacturing, and the housing market should all continue to operate normally subject to operating in a COVID-19 safe environment. Whilst still early days into lockdown, there are no signs

of any significant changes to demand patterns. Looking into 2021, we have strong medium-term fundamentals in our markets, and sustainability at the heart of our business, although we remain alert to the broader macro related risks in the market. The Board remains confident that the Group is well positioned for the future”.

Capital markets event

A capital markets event will be held online at 10.00am GMT today, providing an update on our Group strategy, operational progress ESG targets and how Polypipe is positioned for the future. The event will be hosted by Martin Payne, CEO and Paul James, CFO and feature presentations from senior members of the executive team.

To access the presentation, participants will be required to register in advance using the following webcast

link: <https://webcast.merchantcantoscdn.com/webcaster/dyn/4000/7464/16532/124624/Lobby/default.htm>

Participants are requested to register 15 minutes before the start of the presentations at 09.45 GMT.

Questions can be asked at the end of the presentation using the below conference phone line.

Standard International Access +44 (0) 20 3003 2666

UK Toll Free 0808 109 0700

Questions can also be typed in and submitted via the webcast link.

A recording of the presentation will be available following the event on Polypipe’s website.

Full Year Results

Full year results for year ending 31 December 2020 will be announced on 16 March 2021.

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This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) No 596/2014.

Notes to Editors:

Polypipe Group plc (“Polypipe”, the “Company” or the “Group”), a leading provider of sustainable water and climate management solutions for the built environment, is the largest manufacturer in the UK, and among the ten largest manufacturers in Europe, of plastic piping systems for the residential, commercial, civils and infrastructure sectors by revenue. It is also a leading designer and manufacturer of energy efficient ventilation systems in the UK.

The Group operates from 19 facilities in total, and with over 20,000 product lines, manufactures the UK’s widest range of plastic piping systems for heating, plumbing, drainage and ventilation. The Group primarily targets the UK and European building and construction markets with a presence in Italy, the Netherlands and the Middle East and sales to specific niches in the rest of the world.