

30 March 2017

Polypipe Group plc
Audited results for the year ended 31 December 2016

Continued growth drives record performance

Polypipe Group plc (“Polypipe” or the “Group”), a leading manufacturer of plastic piping and ventilation systems for the residential, commercial, civils and infrastructure sectors, today announces its audited results for the year ended 31 December 2016.

Financial Results

	2016	2015	Change
Revenue	£436.9m	£352.9m	+23.8%
Underlying operating profit ¹	£69.4m	£54.2m	+28.0%
Underlying operating margin ¹	15.9%	15.4%	+50bps
Underlying profit before tax ¹	£61.8m	£48.0m	+28.8%
Operating profit	£62.0m	£49.4m	+25.5%
Profit before tax	£54.4m	£41.5m	+31.1%
Earnings per share (diluted)	22.1p	17.1p	+29.2%
Underlying earnings per share (diluted) ¹	25.0p	19.4p	+28.9%
Cash generated from operations	£86.5m	£72.6m	+19.1%
Dividend per share	10.1p	7.8p	+29.5%

Financial Highlights

- Revenue 23.8% higher at £436.9m, or 9.1% on a like for like basis²
- UK revenue 10.5% ahead on a like for like basis²
- Underlying operating profit 28.0% higher at £69.4m
- 50bps improvement in underlying operating margin to a record 15.9%
- Underlying diluted earnings per share 28.9% higher at 25.0 pence per share
- Strong cash conversion rate maintained at 97.1%
- Net debt down to 1.9 times EBITDA³
- Recommended final dividend of 7.0 pence per share giving a full year dividend of 10.1 pence per share, 29.5% higher

Operational Highlights

- Excellent UK revenue growth reflecting continued strong demand for our products with no discernible impact of the EU Referendum on our end markets
- Legacy material substitution and legislative tailwinds driving growth ahead of the overall UK construction market
- Nuairé successfully integrated into Group and performing in line with expectations
- Middle East manufacturing plant commissioned and in full operation in the second half of the year
- Significant growth in export revenue, up by 28.7%

Outlook

- Underlying fundamentals and growth prospects in the overall UK construction market remain positive
- Level of economic uncertainty has eased since the immediate reaction to the outcome of the EU Referendum, but we remain alert to market risks
- Impact of selling price increases, due to the increase in base polymer and other costs, expected to come through from second quarter, expected to deliver planned margin for the full year

David Hall, Chief Executive said:

“Our record performance during 2016 and continuing growth underscores the strength of the Polypipe business model and the robust fundamentals underlying the majority of our market segments. In a period of heightened political and market uncertainties, Polypipe continued to focus on its priorities and delivered results toward the top end of our expectations. The combination of forecast market growth, our focus on executing our strategic development initiatives and resolve to recover input cost inflation mean that we look forward to 2017 being a further year of progression for the Group”.

¹ Underlying profit and earnings measures exclude certain non-underlying items which are provided in Note 3, and where relevant, the tax effect of these items. The Directors consider that these measures provide a better and more consistent indication of the Group's underlying financial performance and more meaningful comparison with prior and future periods to assess trends in our financial performance.

² Like for like (LFL) measures exclude acquisitions, where relevant, and are at constant currency translation.

³ EBITDA is defined as underlying operating profit before depreciation for the twelve months preceding the balance sheet date, adjusted where relevant to include a full year of EBITDA from acquisitions made during those twelve months.

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A copy of this report will be available on our website polypipe.com today from 0700hrs (BST).

An analyst and investor presentation will be held today at Deutsche Bank's offices, Winchester House, 1 Great Winchester Street, London, EC2N 2DB at 0830hrs (BST) with registration from 0800hrs.

For those unable to attend, a live conference call will be available at 0830hrs (BST).

Dial-In number +44 (0) 1452 555 566

Conference ID 86980405

The webcast can be viewed [at this link](#).

Notes to Editors:

Polypipe 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 20 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, French and Irish building and construction markets with a presence in Italy and the Middle East and sales to specific niches in the rest of the world.