

Polypipe Group plc

Trading Update

24 May 2017

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 issues an update on trading for the four months ended 30 April 2017 ahead of its Annual General Meeting which takes place at 1030hrs (BST) today at the Holiday Inn, High Road, Doncaster, DN4 9UX. Polypipe will report its interim results for the six months ending 30 June 2017 on 8 August 2017.

Trading update

As a result of continued strong organic growth in the UK Residential Systems segment and solid performances from our Commercial and Infrastructure Systems segments, we are on track to achieve management expectations for the full year.

Revenue for the four months ended 30 April 2017 was 6.0% higher than the prior year at £157.8m (2016: £148.9m), and 4.6% higher on a like for like* basis.

The following table sets out Group revenue by operating segment:

Revenue	Four months ended 30 April			LFL Change* %
	2017 £m	2016 £m	Change %	
Residential Systems	75.6	70.6	7.1	7.1
Commercial and Infrastructure Systems – UK	63.0	60.9	3.4	3.4
Inter-segment sales	(4.3)	(3.4)		
UK operations	134.3	128.1	4.8	4.8
Commercial and Infrastructure Systems – Mainland Europe	24.2	21.2	14.0	4.2
Inter-segment sales	(0.7)	(0.4)		
Group	157.8	148.9	6.0	4.6

* Like for like (LFL) measures are at constant currency translation. The structure of the Group is the same in both periods so no adjustment is necessary for acquisitions or disposals.

UK operations

The UK business achieved growth of 4.8%, although underlying performance is somewhat stronger because of the way price increases affected merchant buying patterns. Last year demand was pulled forward into April 2016 because of imminent price increases at that time and again into December 2016 as a result of imminent price increases in early 2017.

Revenue in our UK Residential Systems segment increased 7.1% compared to the same period last year with strong demand from housebuilders, particularly for underground products helped by the mild winter. Our UK Commercial and Infrastructure Systems

segment delivered solid growth of 3.4%, notwithstanding very strong comparables and the impact of delays in the timing of new roads projects.

UK operating margins are in line with expectations, slightly lower than the prior year and we are progressively benefitting from selling price increases implemented to cover polymer and other inflationary costs seen in the second half of 2016.

Mainland European operations

Reported revenue for the four months ended 30 April 2017 was 14.0% ahead of the prior year, and on a like for like constant currency basis was 4.2% ahead. The general economic environment appears to be improving and this performance represents good progress. The business continues to be profitable but at lower margins than the UK.

David Hall, Chief Executive, commented:

"We continue to deliver good organic growth through our long-term structural drivers of legacy material substitution, legislative tailwinds in water management and carbon efficiency, and development of selected export markets. I am encouraged by our progress in recovering cost inflation to date, and whilst we remain alert to the potential effects of economic and political uncertainty on our markets, we continue to believe the Group is well placed to achieve management expectations for the full year."

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A copy of this trading update will be available on our website <http://ir.polypipe.com> today from 0700hrs (BST).

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.