

RNS Number : 2038Z
Genuit Group PLC
20 May 2021

20 May 2021

Genuit Group plc

Trading Update

Genuit Group plc ("Genuit", 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 30 April 2021 ahead of its Annual General Meeting ("AGM"), which takes place at 1030hrs (BST) today at its offices at Broomhouse Lane, Edlington, Doncaster, DN12 1ES. In light of current Government restrictions, shareholders will unfortunately not be permitted to attend the AGM in person but were offered the option to dial into the meeting and to submit questions and vote by proxy in advance of the meeting. Genuit Group plc will report its interim results for the six months ending 30 June 2021 on 17 August 2021.

Current trading and outlook

The Board is extremely encouraged by the success of the national vaccine programme and the health, safety and wellbeing of our people remains our greatest priority. We continue to operate in accordance with Government guidance at all our sites.

The Group has experienced a robust start to the year and the Board now expects underlying operating profit to be close to the top end of the current consensus* because of the stronger than anticipated revenue growth in the period to 30 April.

For ease of comparison, the current year's financial performance is compared to the comparative trading period for 2019, which excludes the distorting effect of the onset of the Covid-19 pandemic in March 2020. Group revenue for the four months ended 30 April 2021 was £193.0m (2020: £122.7m, 2019: £146.6m), 31.7% higher than the same period in 2019. On a like-for-like basis excluding the impact of acquisitions, revenue was 13.5% higher than 2019. Margin performance has been broadly in line with expectations, buoyed by strong operating leverage. The Group has also seen stronger than expected cash generation.

Residential Systems revenue, representing 63% of Group revenue, was 43.8% higher than the same period in 2019, helped by the acquisitions of Adey and NuHeat that were both acquired in February 2021. Revenue during the period was also partially boosted by merchants forward purchasing ahead of price increases. Within new housebuilding, new starts year to date have been particularly strong. There are ongoing challenges associated with the supply of raw materials and components but thus far we have been able to maintain manufacturing output as a result of the scale and flexibility of our operations. As a consequence our material costs have increased but sales prices have been increased accordingly.

Commercial and Infrastructure Systems revenue, representing 37% of Group revenue, was

15.3% higher than the same period in 2019, driven by the continued success of new product launches and the acquisition of Plura in February 2021.

The three acquisitions completed in February 2021 are all performing well, with Adey so far exceeding expectations. The integration of these businesses is proceeding according to plan.

Martin Payne, Chief Executive Officer said:

"The Group has delivered a positive performance so far this year as well as completing the acquisitions of Adey, NuHeat and Plura. The strength of trading conditions and that of the structural growth markets we operate in, leads the Board to expect that these improved trends will continue for the remainder of the first half of this year. There is some remaining uncertainty about how the pandemic will evolve, but the Board believes the Group is in a strong position to make continued progress in the current year."

** Underlying operating profit consensus as generated by Genuit Group plc is £85 million with a range of £80 - £88 million.*

Enquiries:

Genuit Group +44 (0) 1709 772 204

Martin Payne, Chief Executive Officer

Paul James, Chief Financial Officer

Brunswick +44 (0) 20 7404 5959

Nina Coad

Sophia Lazarus

Notes to Editors:

Genuit Group plc ("Genuit" 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 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 28 facilities in total, and manufactures the UK's widest range of solutions 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, Ireland and the Middle East and sales to specific niches in the rest of the world.

Genuit Group plc changed its corporate name from Polypipe Group plc on 6 April 2021. The Group was established in 1980 and has been listed on the London Stock Exchange since 2014.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END