

RNS Number : 9471D  
Genuit Group PLC  
25 October 2022

## Genuit Group plc Trading Update

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### 25 October 2022

Genuit Group plc ("Genuit", the "Company" or the "Group"), a leading provider of sustainable water, climate and ventilation products for the built environment, today issues an update on trading for the nine months ended 30 September 2022.

Group revenue for the nine months ended 30 September 2022 was £472 million (2021: £451 million) representing growth of 4.7% on a strong comparative period. On a like-for-like basis, Group revenue growth was 3.0%.

- For the nine months, Residential sales were £297 million up 6.2% (4.8% on a like-for-like basis) on the prior year and Commercial & Infrastructure sales were £176 million up 2.3% (0.4% on a like-for-like basis) over the same period.
- Against a backdrop of increased macro-economic and political uncertainty, the Group has experienced tougher trading conditions over recent weeks and has not seen the normal seasonal uplift in volumes in the latter part of Q3. This has impacted most parts of the business, and in particular RMI, although the areas that are driven by the need for energy efficiency are trading well.
- The Group continues to proactively counter ongoing cost inflation through robust price leadership and a successful September price increase has been implemented in parts of our business to deal with these continued pressures. Measures, including a planned restructuring, are also actively being taken to improve the efficiency of our operations and these will deliver approximately £8 million of savings on an annualised basis.
- Supply chain issues persist and the constraint in the supply of semiconductors and printed circuit boards in the upstream boiler market remain, inhibiting customer demand. We remain vigilant that further challenges to our supply chain such as the constraint in the supply of blowers to our Climate & Ventilation division are proactively mitigated to the greatest possible extent.
- The Group remains highly cash generative and net debt has reduced since the half year. We anticipate that capital expenditure for the full year will be approximately £40 million and the Group expects to report pre-IFRS16 net debt to EBITDA of circa 1.2x at the year end, reduced from 1.5x at 30 June 2022.
- As a consequence of the uncertainty impacting trading in the latter part of Q3, the Board now expects profit for the year to be at the lower end of analyst expectations\*.

**Joe Vorih, Chief Executive Officer, commented:**

"The overall trading environment remains challenging, and we are seeing some slowing in line with pressures on the sector. RMI is particularly impacted, though some bright spots remain, including conversion to renewable heating and improvement to existing heating system efficiency. The Group is well positioned to weather this uncertainty, with variable manufacturing capacity and we have already undertaken significant self-help measures with planned improvements to our cost structure. The medium- and long-term fundamentals of the Group are strong, as legislative growth drivers, customer commitments to Net Zero, and the climate-driven need for low-carbon heating solutions, improved building ventilation, and resilient stormwater management all play to Genuit's strengths."

**Capital Markets Day**

The Group will hold an in-person Capital Markets Day for investors and analysts on Thursday 10 November 2022 at the Group's Adey business in Gloucestershire.

**Full Year Results**

Full year results for the year ending 31 December 2022 will be announced on 14 March 2023.

*\* Genuit compiled analyst consensus forecast range for 2022 shows EBIT of £96.8 - £109.0 million.*

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## 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 30 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 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.*

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