

18 May 2023

**Genuit Group plc**  
**Trading Update**

Genuit Group plc ("Genuit", the "Company" or the "Group"), the UK's largest provider of sustainable water, climate and ventilation solutions for the built environment, today issues an update on trading for the four months ended 30 April 2023 ahead of its Annual General Meeting ("AGM"), which takes place at 10:30hrs (BST) today at 4 Victoria Place, Holbeck, Leeds LS11 5AE. The Company will report its interim results for the six months ending 30 June 2023 on 15 August 2023.

**Current trading and outlook**

- Revenues in line with our expectations reflecting short-term market dynamics and disciplined approach to higher quality business
- Good progress made on self-help measures during the first four months of the year; margins ahead of the same period in the prior year
- FY2023 operating profit expected to be slightly ahead of current consensus for the year\*

Group revenue for the four months ended 30 April 2023 was £201.0m (2022: £209.0m), 3.8% lower than in 2022. On a like-for-like basis, Group revenue was 4.7%\*\* lower, reflecting a market-driven year-on-year volume decline of circa 11% offset by the Group's focus on managing inflationary pressures through pricing.

In line with the Group's strategy to drive margin improvement, the Group has taken a number of actions during the period to simplify the business and address its cost base. These include the continuing roll out of the Genuit Business System into two sites across separate businesses, which began last November, with a third to be launched this year. The Group is on track to deliver the annualised savings previously announced and sees further opportunity to simplify the business.

These management actions have driven the Group's performance so far this year and give the Board confidence of delivering operating profit slightly above the current consensus for the full year.\*

Sustainable Building Solutions revenue, representing approximately 41% of Group revenue, was 8.5% lower than the same period in 2022, reflecting market dynamics in the first part of the year. This part of the Group has made the most year-on-year progress on delivering cost saving initiatives.

Water Management Solutions revenue, representing approximately 29% of Group revenue, was 5.1% lower than the same period in 2022 (8.1% lower on a like-for-like basis, adjusting for the impact of the Keytec acquisition\*\*), but improvements in the quality of the portfolio mix and cost reductions means this business unit has also significantly improved operating margins compared to the four months ended April 2022.

Climate Management Solutions revenue, representing approximately 28%\*\*\* of Group revenue, was 7.4% higher than the same period ended April 2022 which was impacted last year by the isolated cyber incident at Nuairé. During 2023, this business unit has been particularly affected by ongoing supply chain shortages, which has meant we have not seen as much progress on cost reductions as we have seen in our other business units. We expect this to progressively improve as we move through the financial year, as additional measures are to be taken and customer demand in ventilation remains more resilient than in the broader market.

**Joe Vorih, Chief Executive Officer said:** *"Management has made real inroads in implementing the strategic priorities we set out at the time of our capital markets event last November; including simplification of Group structures and savings in procurement spend. I am also particularly pleased to see the progress already being made introducing the Genuit Business System in those parts of the business where rollouts have commenced. These improvements are already visible in our operating margins, which are ahead of the same period in the prior year, and we see further benefits ahead."*

\* EBIT consensus as compiled by Genuit Group plc is £84m with a range of £70 - £96m.

\*\* Like-for-like as adjusted for acquisitions, disposals (if relevant) and number of trading days.

\*\*\* The remaining 2% of Group revenue consists of Polypipe Italia, which is not part of our strategic business units.

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Notes to Editors:

Genuit Group plc ("Genuit", the "Company" or the "Group"), the UK's largest provider of sustainable water, climate and ventilation solutions for the built environment, 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 solutions in water-based heating systems in the UK. The Group operates from thirty 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 and the Netherlands and sells to specific niches in the rest of the world.

The Group was established in 1980 and has been listed on the premium segment of the London Stock Exchange since 2014.

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