

## AGM Trading Statement

Norcros plc ("Norcros" or the "Group"), a market leading supplier of high quality and innovative bathroom and kitchen products, issues the following trading update for the 16 week period ended 26 July 2020 ahead of its Annual General Meeting which takes place at 11.00am today.

### Trading Update

Trading continues to gather momentum as the COVID-19 lockdowns have gradually been lifted, with year to date revenue for the 16 weeks to 26 July 2020 at 65% of the same period last year on a reported basis and 68% on a constant currency basis.

It is pleasing to report that Group activity levels have continued to increase since the start of the financial year with revenue in June at 90% of June last year and July currently running at 108% of the same period last year both on a constant currency basis.

	Revenue % of prior year			
	Year to May (9 weeks)	June Month (4 weeks)	Month to 26 July (3 weeks)	Year to 26 July (16 weeks)
<b>UK</b>	<b>48%</b>	<b>91%</b>	<b>115%</b>	<b>73%</b>
<b>South Africa</b>	<b>25%</b>	<b>75%</b>	<b>80%</b>	<b>50%</b>
<i>South Africa (at CC)</i>	<i>30%</i>	<i>89%</i>	<i>95%</i>	<i>59%</i>
<b>Group</b>	<b>40%</b>	<b>85%</b>	<b>101%</b>	<b>65%</b>
<i>Group (at CC)</i>	<i>42%</i>	<i>90%</i>	<i>108%</i>	<i>68%</i>

Note: CC refers to constant currency basis

Our UK business has recovered well with June's revenue at 91% of the same period last year as builders and contractors returned to work and independent showrooms and retailers reopened, and July's month to date revenue is 115% of the same period last year. We continue to reopen our facilities and align capacity with demand and inventory levels, with the number of staff furloughed being reduced accordingly, whilst ensuring the safety and welfare of our people at all times.

We have also made good progress in South Africa with year to date revenue at 50% of prior year on a reported basis and 59% on a constant currency basis, with June revenue at 89% of last year on a constant currency basis and July month to date revenue at 95% on a constant currency basis. All our manufacturing facilities and retail outlets are now fully operational with the appropriate precautions in place for our staff and customers.

Overall, the Group broke even at the underlying operating profit level in May with a return to profitability on the same basis in June resulting in a small underlying operating profit for the first quarter.

### Strong balance sheet and liquidity

As outlined in our year end statement of 25 June, in response to the sharp impact of COVID-19 we took immediate action to preserve cashflow and reduce costs. Group net debt has reduced to £35.2m at the end of June compared with £36.4m at the year end. Net Debt: LTM EBITDA at the end of June was 1 times compared to 0.9 times at the year end.

### Board changes

As previously announced, Martin Towers will step down as a Non-Executive Director and Board Chair at the conclusion of today's AGM. Mark Allen joined the Board as a Non-Executive Director and Board Chair designate on 1 May 2020 and will, subject to his successful election as a director at today's AGM, take over as Board Chair.

Nick Kelsall, Group Chief Executive, commented:

*"We have reacted swiftly to adapt our businesses to operate safely and as cost effectively as possible. Our main markets are recovering from the impact of the pandemic and Norcros is emerging in a robust competitive position with a strong balance sheet and a well developed pipeline of new products. We are pleased that we have achieved what we set out to do some five months ago.*

*As our main economies emerge from the impact of the pandemic the shape of the recovery in demand for our products remains uncertain. Notwithstanding, Norcros is in a strong competitive position with significant funding and liquidity headroom. Its leading market positions, well established brands, broad distribution channels and experienced management teams mean the Group is well positioned to continue to take market share and return to growth as soon as practicable."*

## Enquiries

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## Notes to Editors

Norcros is a market leading supplier of high quality and innovative bathroom and kitchen products with operations primarily in the UK and South Africa.

- Based in the UK, Norcros operates under seven brands:
  - Triton - Market leader in the manufacture and marketing of showers in the UK
  - Merlyn - The UK and Ireland's No.1 supplier of shower enclosures and trays to the residential, commercial and hospitality sectors
  - Vado - A leading manufacturer and supplier of taps, mixer showers, bathroom accessories and valves
  - Croydex - A market-leading, innovative designer, manufacturer and distributor of high quality bathroom furnishings and accessories
  - Abode - A leading niche designer and distributor of high quality kitchen taps, bathroom taps, and kitchen sinks
  - Johnson Tiles - The leading manufacturer and supplier of ceramic tiles in the UK
  - Norcros Adhesives - Manufacturer of tile & stone adhesives, grouts and related products
- Based in South Africa, Norcros operates under four brands:
  - Tile Africa - Chain of retail stores focused on ceramic and porcelain tiles, and associated products such as sanitaryware, showers and adhesives
  - Johnson Tiles South Africa - Manufacturer of ceramic and porcelain tiles
  - TAL - The leading manufacturer of ceramic and building adhesives
  - House of Plumbing - Market leading supplier of specialist plumbing materials
- Norcros is headquartered in Wilmslow, Cheshire and employs around 2,000 people. The Company is listed on the London Stock Exchange. For further information please visit the Company website: <http://www.norcros.com>