



Coats
Group plc

Annual General Meeting 2018

16 May 2018

Housekeeping

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Not a profit forecast


The financial information contained in this presentation is based on publicly available historic financial information of Coats and is not intended to be a profit forecast or profit estimate under applicable rules.

Rounding

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Housekeeping

Today's slides will be available on our website www.Coats.com (investors / shareholder centre / general meetings) later today



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Investors

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General meetings

Details of all forthcoming shareholder meetings will be displayed below:

The 2018 Annual General Meeting for Coats Group plc will be held at 2.30pm on Wednesday 16 May 2018 at FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD.

If you do not have a form of proxy and believe that you should, please contact the Company's Registrars, Computershare Investor Services PLC on 0370 707 1022.

2018	2017	2016	2015
All	Presentation	AGM	Other

2018	Download
16 April: Form of proxy	Download PDF (0.2MB)
16 April: Notice of Annual General Meeting	Download PDF (0.2MB)
7 March: Annual Report 2017	Download PDF (3.70MB)

Agenda

- 1 **Welcome and Chairman's presentation**
Mike Clasper, Chairman
- 2 Trading update
Rajiv Sharma, Group Chief Executive
- 3 Questions and answers
- 4 Notice of Meeting and Poll Vote on resolutions
- 5 Close of meeting and proxy totals



Welcome

Introductions

Present today we have the members from our Board

- Mike Clasper CBE, Chairman
- Rajiv Sharma, Executive Director and Group CEO
- Simon Boddie, Executive Director and Group CFO
- Nicholas Bull, Senior Independent Non-Executive Director
- Mike Allen, Independent Non-Executive Director
- Ruth Anderson, Independent Non-Executive Director
- Anne Fahy, Independent Non-Executive Director
- David Gosnell, Independent Non-Executive Director
- Echo Lu, Independent Non-Executive Directors
- Fran Philip, Independent Non-Executive Director
- Alan Rosling CBE, Independent Non-Executive Director

Stuart Morgan, Chief Legal and Risk Officer and Group Company Secretary is also in attendance today



Mike Clasper, CBE
Chairman



Rajiv Sharma
Group Chief Executive



Simon Boddie
Chief Financial Officer



Nicholas Bull
Senior Independent Non-Executive
Director



Mike Allen
Independent Non-Executive Director



Ruth Anderson
Independent Non-Executive Director



Anne Fahy
Independent Non-Executive Director



David Gosnell
Independent Non-Executive Director



Hongyan Echo Lu
Independent Non-Executive Director



Fran Philip
Independent Non-Executive Director



Alan Rosling, CBE
Independent Non-Executive Director



Stuart Morgan
Chief Legal & Risk Officer and Group
Company Secretary

Chairman's presentation

- Board changes
- Pensions settlement completed
- FTSE 250 entry
- Dividend



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Business update

Coats is the world's leading industrial thread manufacturer and a major player in the Americas textile crafts market



BURBERRY



DECATHLON

P&G



Apparel and Footwear (A&F)

- Apparel, footwear and accessories thread
- Zips and trims products
- Software Solutions



Performance Materials

- High technology threads and yarns from performance materials



Crafts Americas

- Foundation and fashion handknitting
- Needlecrafting

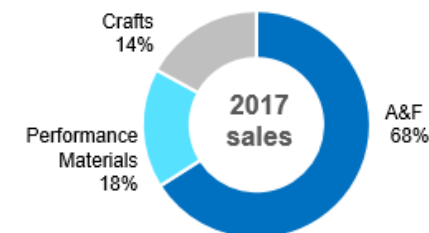


COATS



Global footprint

- 19,000 employees
- Some 50 sites
- Sales in 100+ countries
- Global distribution network
- UK headquartered, COA:LSE
- FTSE 250 member



Group	2017
Sales	\$1.5bn
Operating profit	\$174m
Adj EPS growth	30%
Adj free cash flow	\$87m
ROCE (restated)	35%



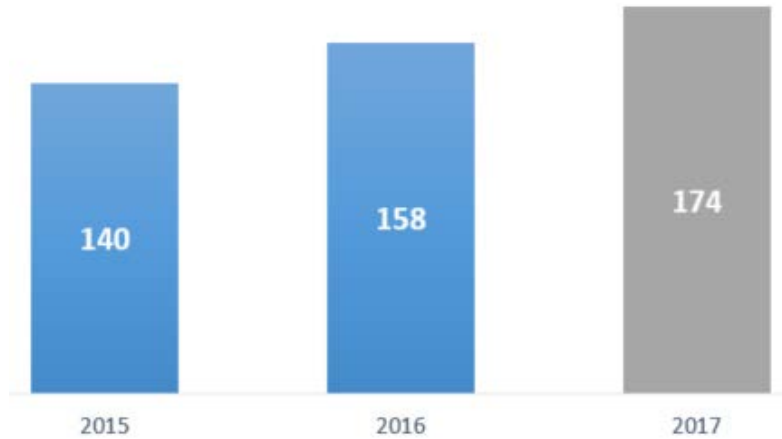
2017 reflections

FTSE 250	Employee Engagement 83%	Apparel & Footwear sales \$1 Billion
Performance Material sales 12% growth	PM Innovation >20%	Acquisition Patrick Yarns
NA Crafts sales 11% decline	Digital = speed = share gain	EBIT 11% growth

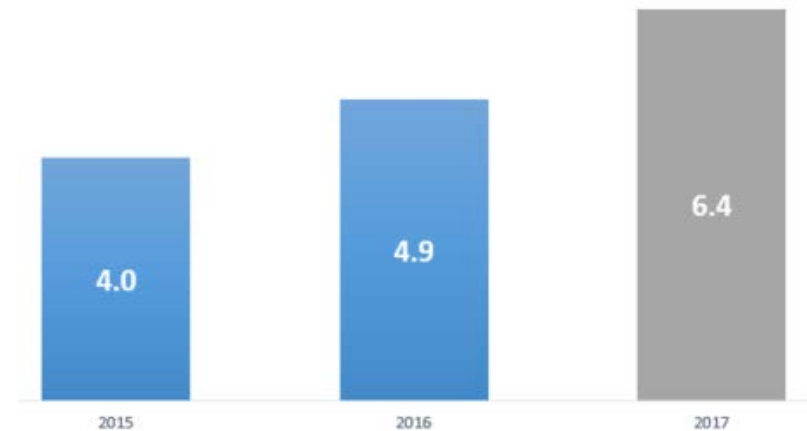
Our recent financial journey

Strong progress across a range of key financial measures

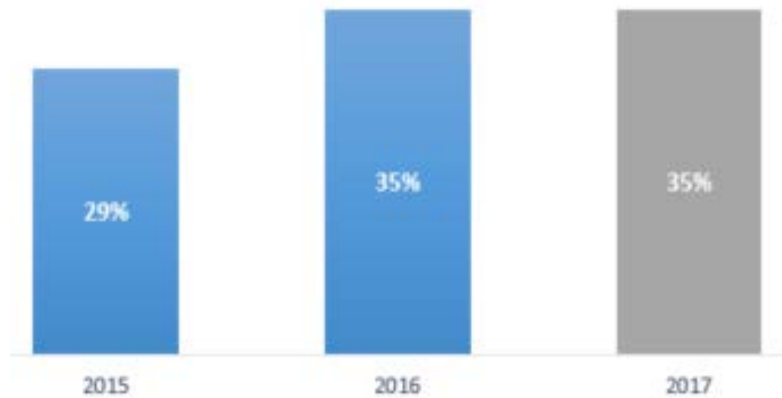
Adjusted operating profit \$m



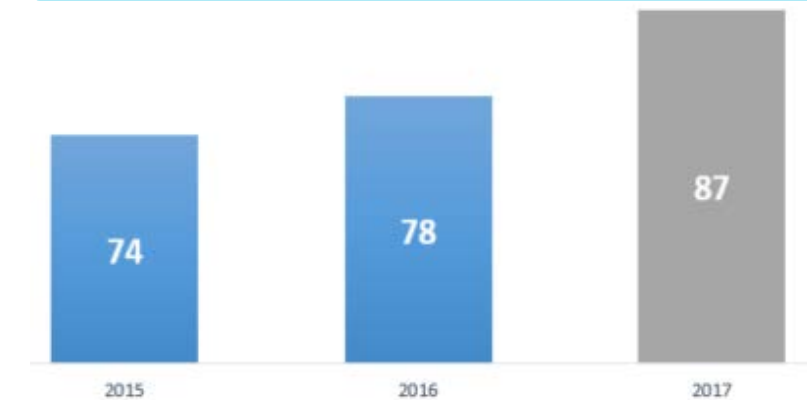
Adjusted EPS (US cents)



Return on capital employed



Adjusted free cash flow (US\$m)



Connecting for growth - driving the next phase of growth at Coats

- Global mega trends positive for Coats, but **industry is changing** which brings new opportunities
- **Now is the right time to change** from a position of strength and momentum
- We will reposition Coats to achieve greater **speed, agility, innovation and productivity** – **Talent** and **Technology** to underpin this journey
- **Connecting for Growth is a 2 year transformation programme** to deliver this change, and will result in **\$15m p.a. of net cost savings** (by 2020) after \$10m p.a. of reinvestments
- Continued financial discipline to **deliver further EPS growth and cash to reinvest in future growth**

Trading update summary

YTD (Jan-Apr) sales performance

- **+5%** Group sales growth at CER
- Driven by Industrial division **+6%**:
 - Apparel and Footwear **+3%** (thread **+4%**)
 - Performance Materials **+19%**;
 - **+4%** organic; double digit growth in hi-tech end uses
 - **+15%** contribution from Patrick Yarns; in line with business case
- Crafts **-4%** sales decline driven by NA Crafts

Connecting for Growth

- Programme on track to deliver anticipated gains

Outlook

- The Group continues to perform well
- 2018 full year results in line with expectations

Year-on-year sales performance (January to April)

	Reported	CER	Organic
Industrial	9%	6%	3%
<i>Apparel & Footwear</i>	6%	3%	3%
<i>Performance Materials</i>	24%	19%	4%
Crafts	(4%)	(4%)	(4%)
Group	8%	5%	2%

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Notice of Meeting and Poll Vote on resolutions

On today's agenda there are 19 resolutions

- Resolutions 1 to 16 inclusive are proposed as Ordinary Resolutions
- Resolutions 17 to 19 inclusive are proposed as Special Resolutions

The full text of the resolutions and an explanation of each can be found in your Notice of Meeting

Procedure to complete your poll card:

- You should enter your full name in block capitals.
- You should cast your votes on each separate resolution by putting a cross in one of the boxes marked “for”, “against” or “vote withheld”.
- If you are not voting your total holding in the company’s shares, would you please also write down the number of shares you wish to vote.

Please make sure you have signed your poll card and then put this in the ballot box as you leave.

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Proxy totals

Resolution		Total Votes For		Total Votes Against		Total Votes cast as % of Issued Share Capital	Votes Withheld
			%*		%*	%	
1	Receipt of Annual Report 2017	1,151,854,447	99.94	716,269	0.06	75.83%	6,046,765
2	Approval of Remuneration Report	1,081,831,158	99.31	7,462,036	0.69	75.82%	69,324,286
3	Approval of Dividend	1,158,603,399	100.00	7,736	0.00	74.30%	243
4	Re-election of Mike Allen	1,158,597,643	100.00	15,098	0.00	75.83%	4,740
5	Election of Simon Boddie	1,158,539,383	100.00	52,510	0.00	75.83%	25,588
6	Re-election of Nicholas Bull	1,158,575,925	100.00	16,026	0.00	75.83%	25,530
7	Re-election of Mike Clasper	1,082,403,149	99.37	6,875,523	0.63	75.83%	69,338,808
8	Re-election of David Gosnell	1,089,315,469	100.00	15,815	0.00	73.79%	69,286,197
9	Re-election of Fran Philip	1,158,569,519	100.00	19,435	0.00	75.83%	28,527
10	Re-election of Alan Rosling	1,158,590,685	100.00	17,652	0.00	75.83%	9,144
11	Re-election of Rajiv Sharma	1,156,713,735	99.84	1,868,915	0.16	75.83%	34,831
12	Election of Anne Fahy	1,156,082,063	99.78	2,525,109	0.22	75.83%	10,309
13	Election of Hongyan Echo Lu	1,158,557,776	100.00	50,331	0.00	74.32%	9,374
14	Reappointment of Auditor	1,151,572,517	99.39	7,011,064	0.61	74.31%	33,899
15	Approval of Auditor remuneration	1,158,604,945	100.00	8,514	0.00	74.32%	4,022
16	Authority to allot relevant securities	1,158,541,340	99.99	67,200	0.01	74.31%	8,941
17	Authority to disapply pre-emption rights	1,158,485,606	99.99	109,075	0.01	74.31%	42,800
18	Authority to purchase own Shares	1,157,884,992	99.94	704,034	0.06	74.31%	28,454
19	Authority to call general meetings on clear 14 days' notice	1,065,685,600	91.98	92,905,839	8.02	74.31%	26,042

*As a percentage of the aggregate of votes For plus votes Against (excluding votes Withheld).