



14 July 2021

## Coats Group plc

### Post-close trading update

### Strong H1 trading

Coats Group plc ('Coats', the 'Company' or the 'Group'), the world's leading industrial thread manufacturer, today announces a trading update for the first six months of the year to 30 June 2021 ('the period'). Given the exceptional circumstances of 2020, we include 2019 detail in this statement.

#### Trading Update

- Strong operational performance and demand recovery have continued, despite recent lockdown impacts in India in May and June which have now subsided
- Group sales for the period of \$732 million (2020: \$536 million, 2019: \$705 million)
- Organic group sales\* for the period grew 34% year-on-year (1% versus 2019); excluding India lockdown impact in May / June organic growth would have been 3% vs 2019
  - A&F: flat vs 2019; 2% growth in core thread (85% of A&F) vs 2019; positive end market sentiment across US, Europe and Asia; sports and athleisure continue to perform well, casualisation trend continues
  - PM: 4% growth; all segments are continuing to perform strongly apart from Personal Protection which continues to be impacted by US labour availability issues
- Group adjusted operating profit for the first half now expected to be around \$95 million (2020: \$34 million, 2019: \$102 million)
- Pricing actions and self-help productivity programmes continue to offset heightened inflationary pressures
- Strong cash generation in the period; net debt (excl. IFRS 16) of \$168 million, 0.8x leverage
- Performance for the full year 2021 is now anticipated to be moderately ahead of our previous expectations

The Company will release its Half Year Results as previously announced on 3 August 2021. The numbers in this update remain subject to final close procedures and to interim review.

This announcement contains inside information for the purposes of the Market Abuse Regulation.

\*Organic growth on a CER basis includes like-for-like contributions from acquisitions post acquisition date: Pharr from February 2020; Threadsol from February 2019.

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#### Enquiry details

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#### About Coats Group plc

Coats is the world's leading industrial thread company. At home in some 50 countries, Coats has a workforce of 17,000 people across six continents. Revenues in 2020 were US\$1.2bn. Coats' pioneering history and innovative culture ensure the company leads the way around the world. It provides complementary and value added products, services and software solutions to the apparel and footwear industries. It applies innovative techniques to develop high technology Performance Materials threads, yarns and fabrics in areas such as Transportation, Telecommunications and Energy, and Personal Protection. Headquartered in the UK, Coats is a FTSE 250 company, a constituent of the FTSE4Good Index Series, a participant in the UN Global Compact and a member of the Ellen MacArthur Foundation. It has also committed to developing a long-term target to reach net-zero emissions by 2050, the highest level of ambition on climate under the Science Based Target Initiative.