



23 November 2021

## Coats Group plc

### Trading update: 6% organic revenue growth vs 2019, on track for Full Year expectations

Coats Group plc ('Coats', the 'Company' or the 'Group'), the world's leading industrial thread manufacturer, today announces a trading update for the period 1 July 2021 to 31 October 2021 ('the period'). Given the exceptional circumstances of 2020, we include 2019 detail in this statement.

- 6% organic growth vs 2019, despite Covid disruption in Vietnam during the period, which has now subsided
- Pricing and productivity actions continue to offset inflationary pressures
- Performance for the year anticipated to be in line with Group expectations

	July to October Revenue vs 2020	July to October Revenue vs 2019
	Organic <sup>2</sup>	Organic <sup>3</sup>
<b>Group</b>	<b>22%</b>	<b>6%</b>
Apparel & Footwear	25%	5%
Performance Materials	17%	8%

All following references are on an organic CER basis.

Strong organic Group revenue performance for the period, up 22% year-on-year, and up 6% versus 2019 (H1 up 1%).

Strong operational performance, demand recovery, market share gains and customer wins have continued, despite recent lockdown impacts in Vietnam which have now subsided. The lessons learnt from shutdowns around the globe in 2020 mean the Group continues to be well-placed to manage regional Covid disruption as our global footprint and organisational agility allow many of our customers to be supported from other manufacturing sites.

Apparel & Footwear grew 5% vs 2019 (vs flat in the first half). We continued to see positive end market sentiment across the US, Europe and Asia. Sports and athleisure continued to perform well.

Performance Materials grew 8% (organic) vs 2019; all segments continued to perform strongly apart from US Personal Protection which has a healthy demand pipeline but continues to be impacted by US labour availability issues.

Pricing and procurement actions and self-help productivity programmes continue to offset heightened inflationary pressures in the supply chain (raw materials, energy, labour and freight inflation).

#### Outlook

Given the Group's continued positive trading we anticipate performance for the Full Year 2021 to be in line with our expectations.

For the remainder of the year, and into 2022, we will continue to drive profitable revenue growth by focusing on our strong customer relationships, our digital, innovation and sustainability credentials and ongoing pricing and productivity actions.

The Group will release its Full Year 2021 results on 3 March 2022.

1 Constant Exchange Rate (CER) are 2020 and 2019 results restated at 2021 exchange rates;

2 Organic on a CER basis includes like-for-like contributions from Pharr HP (post acquisition date of February 2020);

3 Organic on a CER basis includes like-for-like contributions from Threadsol (post acquisition date of February 2019) and excludes contribution from Pharr HP (acquired in February 2020)

## Appendix:

	July to October Revenue vs 2020			July to October Revenue vs 2019		
	Reported	CER <sup>1</sup>	Organic <sup>2</sup>	Reported	CER <sup>1</sup>	Organic <sup>3</sup>
<b>Group</b>	<b>22%</b>	<b>22%</b>	<b>22%</b>	<b>9%</b>	<b>11%</b>	<b>6%</b>
Apparel & Footwear	25%	25%	25%	4%	5%	5%
Performance Materials	16%	17%	17%	26%	29%	8%

	YTD Revenue vs 2020			YTD Revenue vs 2019		
	Reported	CER <sup>1</sup>	Organic <sup>2</sup>	Reported	CER <sup>1</sup>	Organic <sup>3</sup>
<b>Group</b>	<b>31%</b>	<b>30%</b>	<b>29%</b>	<b>6%</b>	<b>8%</b>	<b>3%</b>
Apparel & Footwear	35%	34%	34%	0%	2%	2%
Performance Materials	20%	20%	18%	24%	26%	6%

---

### Enquiry details

<b>Investors</b>	Victoria Huxster	Coats Group plc	+44 (0)7880 471 350
<b>Media</b>	Richard Mountain / Nick Hasell	FTI Consulting	+44 (0)20 3727 1374

---

### 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. The pioneering history and innovative culture of Coats ensure it 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, fabrics and composites in areas like personal protection, telecoms, energy, transportation, and household and recreation. 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.