



19 May 2021

## Coats Group plc Trading update

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 January 2021 to 30 April 2021 ('the period'), ahead of its Annual General Meeting later today. Given the exceptional circumstances of 2020, we include 2019 detail in this statement.

### Trading Update

- Strong operational performance and a return to organic growth vs 2019
- Pricing and productivity actions being successfully implemented to offset inflationary pressures
- Performance for the year anticipated to be slightly ahead of our previous expectations

	Revenue vs 2020			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>28%</b>	<b>27%</b>	<b>26%</b>	<b>3%</b>	<b>5%</b>	<b>1%</b>
Apparel & Footwear	31%	30%	30%	(2)%	0%	0%
Performance Materials	18%	18%	14%	22%	24%	4%

All following references are on an organic CER basis.

Organic group sales for the period grew 26% year-on-year (1% versus 2019).

In Apparel and Footwear we saw improving momentum and recovery (up 30% versus 2020 and flat versus 2019). Robust volume growth resulted in increased factory activity. Against 2019 the core thread business (which represents c.85% of Apparel and Footwear) grew solidly (up 2%). Key markets performed well vs 2019, albeit zips are recovering at a slower pace.

Performance Materials was up 14% versus 2020 and 4% versus 2019, with all segments performing well and growing against 2019 and 2020, with the exception of Personal Protection. Personal Protection continues to be impacted by labour availability issues, specifically in the US Yarns business.

Pricing and productivity actions are being successfully implemented to offset inflationary pressures (raw materials, labour and freight inflation) in the supply chain.

In April we announced the completion of a three year \$360 million ESG-linked bank refinancing (with the ability for two one-year extensions). Our committed debt facilities total \$585 million across our Banking and US Private Placement group, with a range of maturities from 2024 through to 2027, and we currently have around \$350 million of committed headroom against these banking facilities. As at 30 April 2021 our net debt (excluding IFRS16) was \$162 million (31 December 2020 \$181 million).

### Rajiv Sharma, Chief Executive, commented:

*"We are pleased to have seen recovery and positive momentum during the period, which resulted in a strong operational performance and a return to growth vs 2019. Whilst we remain vigilant around the ongoing Covid pandemic, given the improving end market sentiment, we anticipate that the recovery in our trading will continue and that our anticipated performance for the year will be slightly ahead of our previous expectations."*

*During the period we continued to implement self-help programs related to price and productivity. We also maintained focus on our strategic pillars of Digital, Innovation and Sustainability, which are a source of competitive advantage today and into the future. A strong balance sheet provides strategic optionality and positions us well to continue to win the recovery."*

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)

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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.