



23 May 2019

Coats Group plc

Trading update

Coats Group plc ('Coats', the 'Company' of the 'Group'), the world's leading industrial thread company, announces a trading update for the period 1 January to 30 April 2019 ahead of its Annual General Meeting later today.

Group performance

Group sales for the period grew 2% year-on-year on a CER and organic basis, driven by growth across both Apparel and Footwear (up 2%) and Performance Materials (up 4%).

On a reported basis, Group sales reduced 3% as a result of the anticipated year-on-year currency translation headwinds (notably Indian Rupee, Turkish Lira and Brazilian Real). Based on current FX rates, the impact of these translation headwinds is expected to be weighted to the first half of 2019 following the tailwinds seen in the same period in 2018.

Apparel and Footwear (A&F)

The A&F business grew 2% year-on-year as underlying retail markets remained mixed but overall supportive. This growth was driven by a robust performance in the core thread business, which grew 3%, as we continued to deliver high service levels to our customers. Geographically, key Asian markets performed strongly, with some offset in Latin America.

Performance Materials

The Performance Materials business grew 4% year-on-year. This was driven by double-digit growth in hi-tech end uses (for example, Wire and Cables, including Gotex), with some ongoing offset from traditional end use segments in North America, as well as the phasing of certain customer programmes.

Outlook

Whilst we remain cautious around the current macroeconomic uncertainties, based on our current assessment of business trends, we anticipate delivering 2019 full year performance in line with management's expectations.

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 18,000 people across six continents. Revenues in 2018 were US\$1.4bn. Coats' pioneering history and innovative culture ensure the company continues leading 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 automotive composites, fibre optics and Oil and Gas. Headquartered in the UK, Coats is a FTSE 250 company and is a constituent of the FTSE4Good Index Series. To find out more about Coats visit www.coats.com.