



ONGOING MARKET OUTPERFORMANCE

2026 Half Year Results
28 July 2026

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AGENDA

01. Highlights

02. Financial Results

03. Strategic Update

04. Summary & Outlook

05. Appendix





HY26 HIGHLIGHTS



GOOD MARKET PROGRESS

1% Organic revenue growth

19.8% Group adjusted EBIT margin maintained

Mid-single digit market outperformance in Apparel

Organic Footwear acceleration in Q2 (+6% YoY)

Significant OrthoLite sales synergies identified

HY26 FINANCIAL RESULTS

ONGOING MARKET OUTPERFORMANCE



Revenue
\$837m
+1% organic CER

(H1 2025: \$705m)



EBIT
\$166m
(2%) organic CER

(H1 2025: \$140m)



EBIT Margin
19.8%
+0bps

(H1 2025: 19.8%)



EPS
4.4c

(H1 2025: 4.7c)



Free Cash Flow¹
\$30m

(H1 2025: \$38m)



Leverage
2.3x

(FY 2025: 2.2x)

1. Free cash flow after interest, tax, minority interests and exceptionals, before dividend distribution and M&A





FINANCIAL PERFORMANCE

\$m	H1 26	H1 25	Organic CER
Revenue	486	482	1%
EBIT	92	93	(2%)
EBIT (%)	18.9%	19.4%	

CONTINUED STRONG PERFORMANCE

Apparel thread market estimated down mid-single digit

Broad-based share gains, including China domestic and automotive

Strengthened market leadership in 100% recycled thread

Targeted investments in Coats Digital and technology

Exceptional agility, price and cost management



FINANCIAL PERFORMANCE

\$m	H1 26	H1 25	Organic CER
Revenue	351	223	0%
EBIT	74	47	(2%)
EBIT (%)	21.1%	20.8%	

GROWTH AND MARGIN IMPROVEMENT

Footwear market estimated down mid-single digit

Sequential growth acceleration in Q2 in a soft market

Share gains in thread and components, strong growth in energy

OrthoLite sales down on pro forma basis due to market and temporary capacity issues in Indonesia. Returning to growth in H2

OrthoLite 70bps accretion to margin

INCOME STATEMENT



Exceptional / acquisition related items

Exceptional: \$7m costs to deliver OrthoLite integration and divisional structure change, partly offset by \$4m property sales benefit

Acquisition related: increase in acquisition intangibles due to OrthoLite

Finance costs

Higher than H1 2025 due to interest on OrthoLite financing

Effective tax rate

29% in line with guidance

Earnings per share

Adjusted EPS 4.4 cents: lower than H1 2025 due to higher finance costs and increased shares in issuance

Interim Dividend

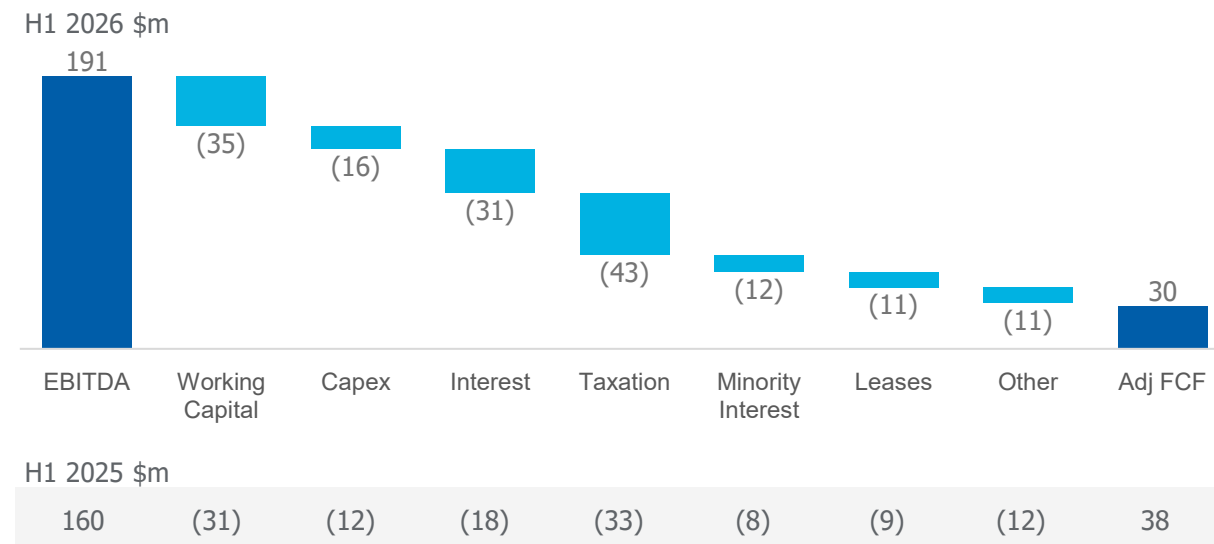
5% increase to 1.05 cents per share, reflecting confidence in the full year and medium-term outlook

\$m	H1 2026	H1 2025
Adjusted EBIT	166	140
Exceptional items	(3)	(12)
Acquisition related items	(28)	(12)
EBIT	135	128
Share of profit from JVs	1	1
Finance costs	(32)	(18)
Profit before tax	104	111
Tax	(32)	(34)
Profit from continuing operations	72	77
Discontinued operations	-	(7)
Profit for the period	72	70
Minority interest	(11)	(11)
Attributable profit	61	59
Adjusted EPS (cents)	4.4	4.7
EPS (cents)	3.2	4.1
Interim DPS (cents)	1.05	1.00

CASH FLOW AND LEVERAGE



STRONG FREE CASH FLOW



FCF \$30m including positive contribution from OrthoLite net of higher interest cost

Strong working capital efficiency. H1 outflow in line with typical seasonality

H1 taxation cash flows included expected \$6m one-off tax payment

Fully on track for leverage to fall to 2x or below by end 2026, given strong H2 cash generation

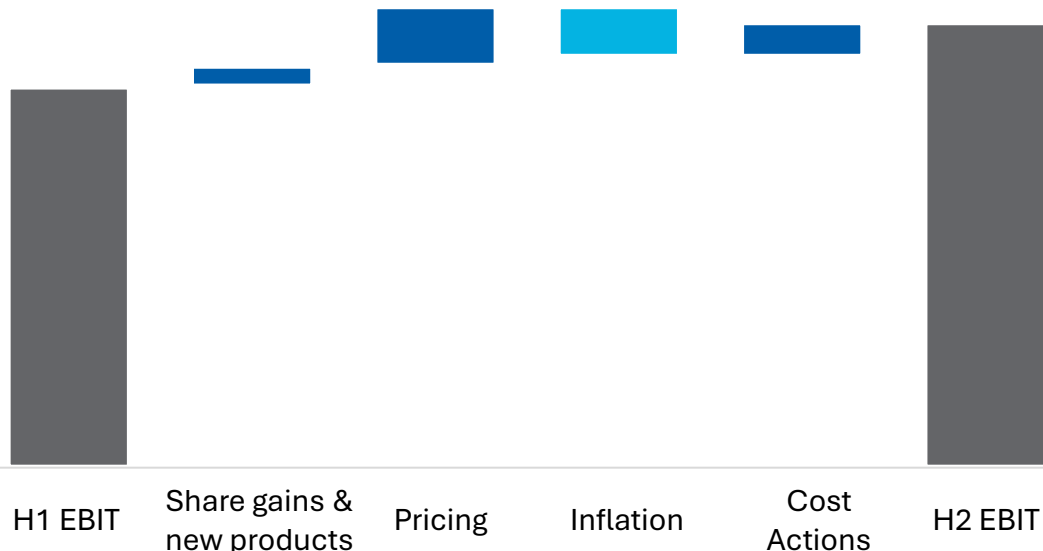
\$m	H1 2026	H1 2025
Free cash flow ¹	30	38
Acquisitions and disposals	(13)	16
Dividends paid to equity shareholders	(43)	(35)
FX and other movements	(2)	(1)
Movement in leases (IFRS 16)	12	14
Change in net debt (incl. IFRS 16)	(17)	31
Group net debt (excl. IFRS 16)	(842)	(430)
Leases (IFRS 16)	(82)	(71)
Group net debt (incl IFRS 16)	(924)	(501)
Proforma leverage (excl IFRS 16)	2.3x	1.4x

1. Free cash flow after interest, tax, minority interests and exceptionals, before dividend distribution and M&A

MODELLING GUIDANCE



CONFIDENCE IN H2 EBIT IMPROVEMENT



Assumes modest market decline in H2

Volume growth driven by accelerated share gains and new product/programme launches

Secured pricing fully offsets expected inflation impacts

Incremental cost actions deliver c.\$15m benefit including OrthoLite synergies

2026 GUIDANCE UNCHANGED

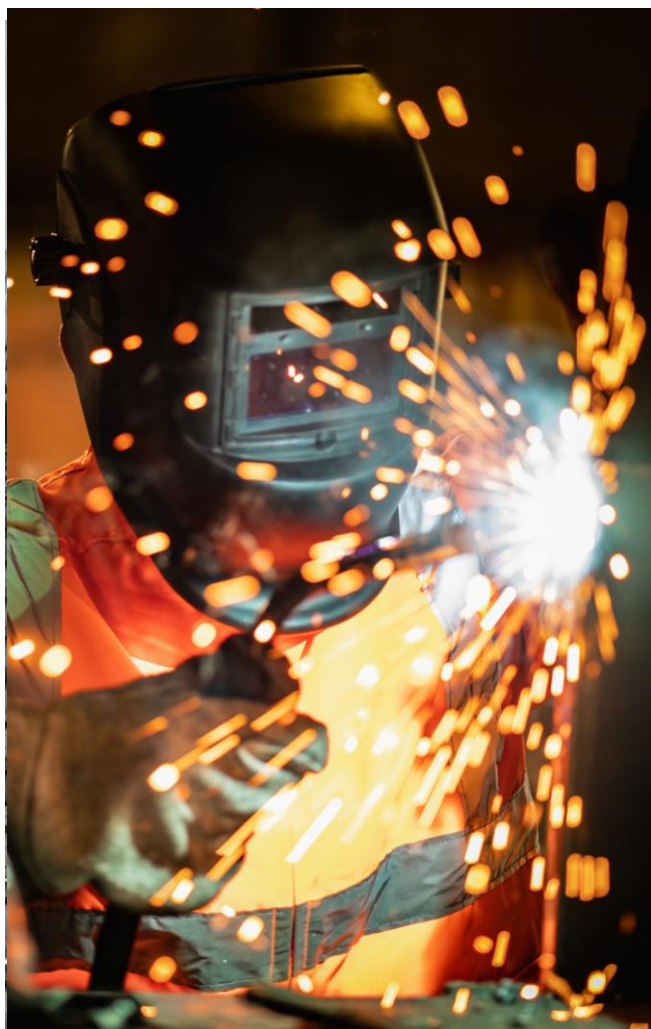
Working Capital	c.12% of sales Expect H2 working capital unwind based on typical seasonality
Capital Expenditure	c.\$40-45m Plus \$5m related to OrthoLite integration capex (see below)
Finance costs	\$60-65m Cash interest expected to be lower
Taxation	Effective tax rate: c.29% Cash tax rate expected to be higher due to one off items
OrthoLite cost synergies	c.\$5m in year
OrthoLite integration costs	c.\$10m cash outlay Including c.\$5m integration capex for Indonesia capacity



Focus on Innovation and Operational Excellence

Strategic Update

STRATEGIC HIGHLIGHTS



MSD% of market outperformance in H1

Market-leading manufacturing footprint with system-driven operational agility
Broadest product portfolio, leader in sustainability, increased focus on innovation

Footwear division enhanced to drive accelerated growth

Four product P&Ls with dedicated leadership and specialised sales forces
Investments in commercial and operational excellence initiatives delivering results

Target adjacencies delivering 1% of Group growth

Particularly strong performance from composite energy tapes
New product acceleration across the five adjacencies

Strengthened confidence in OrthoLite shareholder value creation

On track to deliver \$5m cost synergies in 2026 and at least \$20m annually by 2028
\$40m+ incremental annual sales synergies by 2030 not included in acquisition case

OUR BUILDING BLOCKS FOR GROWTH



MEDIUM-TERM
GUIDANCE

H1 2026
PERFORMANCE

MARKET GROWTH



3% CAGR

c.(MSD%)

Cautious customer ordering;
Tariffs + Middle East conflict



SHARE GAINS



1-2% CAGR

+c.MSD%

Strong share gains across
product lines



TARGET ADJACENCIES



c.1% CAGR

+1%

Strong growth in composite
energy tapes



GROUP TOTAL



>5% CAGR¹

+1%

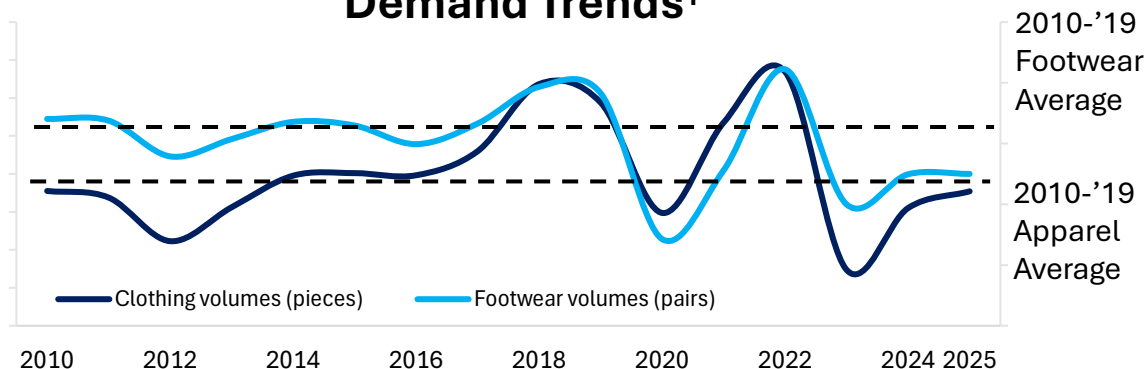
MSD outperformance vs.
market

INDUSTRY ENVIRONMENT



LEAN INVENTORIES FOLLOWING THREE QUARTERS OF INDUSTRY DESTOCKING

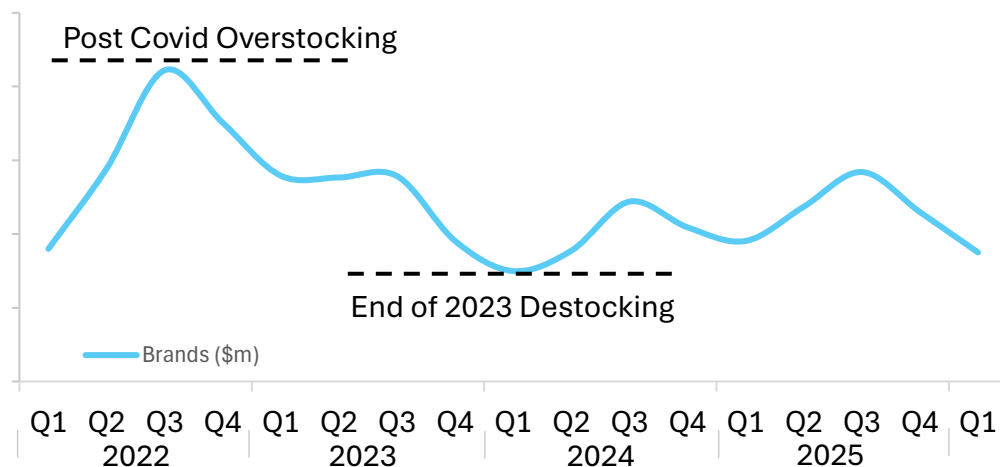
Demand Trends¹



Industry demand below historical averages

Both apparel and footwear volumes below 2010-19 average

Brand Inventory Levels²



Low inventories at brands

Three consecutive quarters of inventory reduction

Lower absolute levels since Covid

End of destocking cycle could drive upside

Not assuming recovery in H2, ongoing modest declines

CONTINUED SHARE GAIN MOMENTUM



MID-SINGLE DIGIT MARKET OUTPERFORMANCE IN H1

INDUSTRY CONSOLIDATION TRENDS

Faster fashion cycles → Shorter lead times

Tier 1 productivity → Product quality and consistency

Inventory control → Smaller order patterns

Changing tariffs → Change in production countries

Sustainability → Recycled product leadership

Product performance & design → Innovation crucial

New regulations → Supply chain transparency

COATS' DIFFERENTIATION

Fast prototyping; Production planning systems

Best quality and consistency; colour management

Investments in small batch manufacturing equipment

Best global footprint & capability

Largest recycled product portfolio and scale

Scale to invest; capability in polymers / textile

Investments in digital technology



H1 share gains across the portfolio

ACCELERATION IN FOOTWEAR



+6% GROWTH IN Q2 YEAR-ON-YEAR IN A DECLINING MARKET, BUILDING MOMENTUM

SIGNIFICANT STRUCTURAL CHANGE IN H2 25

From 3 to 2 Divisions

IMPACT

- New Divisional CEO
- Four product P&Ls with dedicated MDs
- From shared to product-focused sales teams
- Significant leadership talent infusion
- Strengthened innovation teams

Increased growth focus &
stronger talent

ENHANCING A WORLD-CLASS «DELIVERY» ORGANISATION

PROGRESS:

Commercial Excellence

- Strengthening brand & Tier 1 management
- Enhancing technical competence
- Deploying value selling playbook

Operational Excellence

- Lean deployment
- Investments in Digital & planning

INVESTING FOR THE FUTURE – ACCELERATING INNOVATION



Rhenoprint 2.0
Structural Components



SCF¹ Insoles
Light Insoles



ProWeave
Engineered Uppers



Cirql 2.0
Sustainable high-performance midsoles

INVESTMENT IN TARGET ADJACENCIES



1% OF GROUP REVENUE GROWTH IN H1, ONGOING INVESTMENT TO SUPPORT FUTURE GROWTH

One-step adjacencies
Known customers

Combined TAM c.\$2bn
Growing >5% CAGR

Differentiated
Coats offerings

SAFETY FABRICS



- New product launches

ENERGY TAPES



- New product launches

COATS DIGITAL



- H1 PROGRESS**
- New product launches
 - AI acceleration

PROWEAVE



- Customer expansion

LIFESTYLE



- New product range

TARGET ADJACENCIES: ENERGY TAPES



\$11M OF SALES IN 2025, \$40M+ POTENTIAL BY 2030

INDUSTRY DRIVERS

Increased deepwater oil exploration in the Americas driving high pipe demand

Engineered polymer tapes displacing steel layers in pipes due to harsh environment

Concentrated customer base with long qualification cycles

Coats' addressable market \$220m, growing at 5% p.a.

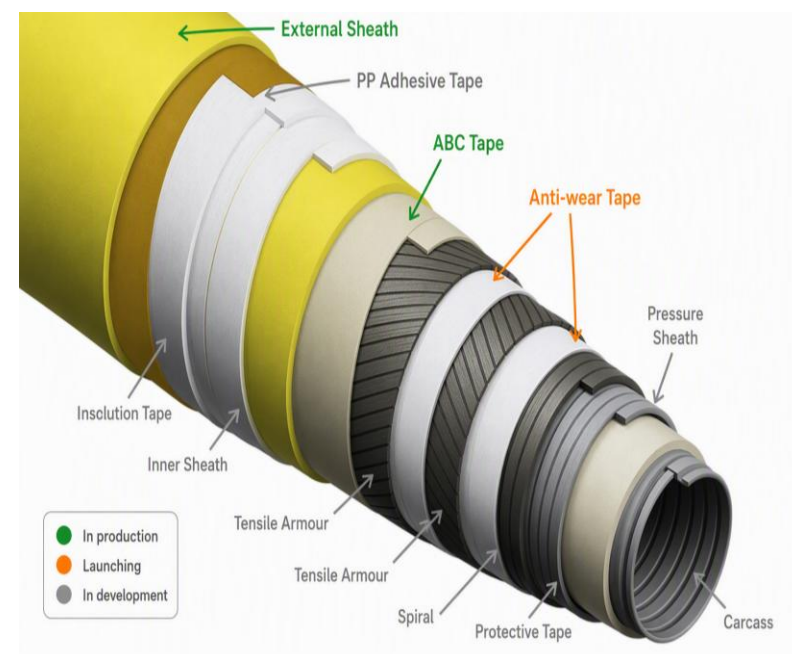
COATS DIFFERENTIATION

Deep know-how in polymer science and textile engineering

Proprietary product and process technology

Established customer relationships and reputation; world-class manufacturing

Expanding product portfolio from 2 to 8+ tape types



ORTHOLITE: PROGRESS SINCE ACQUISITION



AT LEAST \$20M ANNUALISED COST SYNERGIES BY FY28 FOR c.\$35M ONE-OFF COST

CURRENT PERFORMANCE

- **Footwear market decline in H1**
- **Indonesia capacity issues, impacting growth**
- **Strong new product and programme growth expected in H2**

SOURCES OF COST SYNERGIES

Operational Management

Footprint optimisation
Operational excellence and automation

On Track

Indonesia in progress
Pleret insole production Q1 27
China & Vietnam in 2027-28

Procurement

Strategic procurement
Direct and indirect cost focus

On Track

Wave 1: direct/indirect achieved
Wave 2: in planning

Support Functions

Cost optimisation
Supported by phased ERP implementation

On Track

SAP in Indonesia in Q1 2027
China & Vietnam in 2027-28

\$40M+ ORTHOLITE SALES SYNERGIES



EXPANDED TAM OPENS SALES SYNERGY OPPORTUNITY, NOT INCLUDED IN ACQUISITION CASE

2030 TOTAL ADDRESSABLE MARKET

Core Business	\$700m in 2024 c. \$1 billion by 2030
Adjacencies	<u>Not in acquisition case</u> Safety Insoles SCF Insoles Carbon Plates Cirql midsoles \$600m by 2030 (~10% CAGR)
2030 <u>Annual</u> Sales Synergy target <u>\$40m+</u>	

Supporting OrthoLite **High Single Digit CAGR** to 2030

2026 PROGRESS

Safety Insoles



Product qualified by 5 brands
Expect first launch in H2

SCF Insoles



First launch by Chinese brand in H2
In qualification by another global brand

Carbon Plate



Ongoing testing by 2 global brands
Target launch in 2027

Cirql midsoles



First launch expected in H2
Technology selected by EU brand
Industrialisation in H2



Initial sales in H2

CIRQL: INNOVATION IN MIDSOLE



SUSTAINABLE MIDSOLES FOR NEW EU REGULATION

WHY CIRQL?

New EU ESPR regulation (2027-30) will drive carbon footprint reduction in footwear

Midsole represents 25-30% of total shoe carbon footprint

Cirql is a step change in sustainability for “low-density” (SCF) foam midsoles

Demonstrated up to 39% carbon-footprint reduction from Cirql vs. alternative midsole

STATUS OF COMMERCIALISATION

Strong IP protection of the chemistry and process

EU customer has selected the technology for launch; moving to industrialisation phase in H2

Initial launch with polymer compound sale to a Tier 1; Tier 1 will make the midsole



Addressable market of \$140m by 2030 for polymer compound sales

SUMMARY AND OUTLOOK



MARKET LEADING POSITION STRENGTHENED



Full year expectations unchanged

Assuming modest market decline in H2 despite low inventory levels

Good year-on-year earnings growth in full year

Continued outperformance from share gains

Secured pricing will offset expected inflation

New platform and product launches

Incremental c.\$15m of benefits from cost actions (including synergies)

Strong free cash flow in full year

Confidence in highly resilient H2 cash generation

Full year performance consistent with cumulative c.\$1bn 5-year cash target



Q&A



APPENDIX



THE COATS INVESTMENT CASE



1. Free cash flow after interest, tax, minority interests and exceptionals, before dividend distribution and M&A

KEY DIFFERENTIATORS FOR DRIVING SHARE GAINS



WIN WHERE IT MATTERS

SUSTAINABILITY

Sustainable portfolio
Sustainable operations
& suppliers

INNOVATION

Customer breadth and depth
Scale & financial power

DIGITAL

ShopCoats digital platform
Transparency & compliance

OPERATIONAL EXCELLENCE

Global footprint
Consistent quality & speed of delivery

COMMERCIAL EXCELLENCE

Global brand management
Local tech support

PEOPLE & CULTURE

Trusted relationships
Proven track record

MEDIUM TERM MODELLING GUIDANCE



GUIDANCE AREA	2026	MEDIUM TERM (2027 ONWARDS)
Working Capital	c.12% of sales Expect H2 working capital unwind based on typical seasonality	c.12% of sales
Capital Expenditure	c.\$40-45m including OrthoLite run rate Plus \$5m related to OrthoLite integration capex (see below)	c.2.5% of sales
Finance costs	Net finance costs c.\$60-65m Cash interest expected to be lower	Reducing interest costs as balance sheet de-levers Group retains capital allocation optionality
Taxation	Effective tax rate: c.29% Cash tax rate expected to be higher due to one-off items	Effective tax rate reducing to c.28% within 3 years Cash tax rate expected to be similar to ETR
Minority Interests	Growth in line with revenue	
Pension	No further cash contributions to UK scheme	
OrthoLite cost synergies	c.\$5m in year	At least \$20m annualised synergies achieved by end 2028
OrthoLite integration costs	c.\$10m cash outlay Including c.\$5m integration capex for Indonesia capacity	c.\$35m total cash outlay across three years
Other exceptionals	Minimal other exceptional cash outflows expected	

MEDIUM TERM TARGETS



ANNOUNCED IN MARCH 2026

Medium-term financial framework	
Revenue Growth ¹	>5% on average through the cycle 200+bps outperformance vs market
EBIT %	21-23%
FCF ^{1,2} (cumulative)	c.\$1bn over 5 years
Total EPS ¹ (CAGR)	>10%

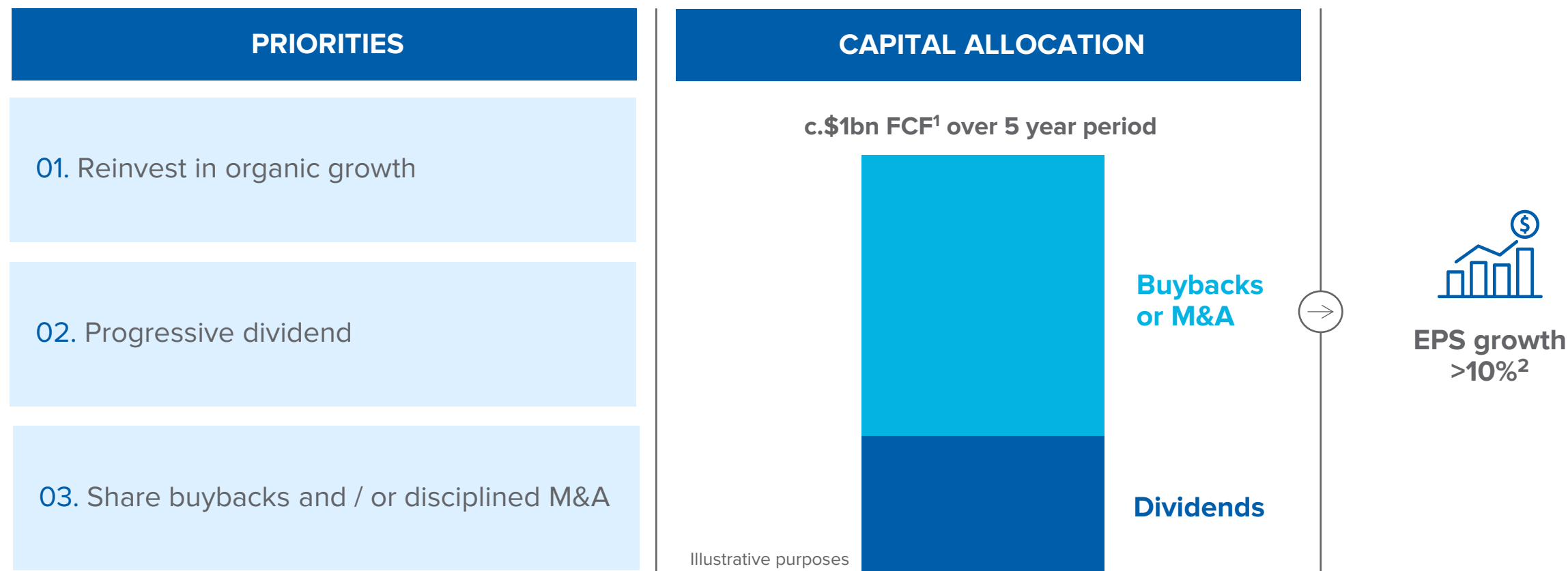
1. From a 2026 baseline

2. Free cash flow after interest, tax, minority interests and exceptionals, before dividend distribution and M&A

CAPITAL ALLOCATION



TAKING A DISCIPLINED AND RETURNS BASED APPROACH TO CAPITAL ALLOCATION



Targeting leverage ratio of 1-2x net debt to EBITDA

OPERATING MARGIN BRIDGE



RESILIENT MARGIN THROUGH STRONG EXECUTION AND ACQUISITIONS CONTRIBUTION

