



## Trifast plc

(Trifast, or Group)

**"Innovation today for a better tomorrow - Growing sustainably, together"**

### Trading Update & Notice of Full Year Results

**London, Thursday, 5 May 2022:** Trifast plc (LSE Main market premium listing: symbol: TRI), a leading international specialist in the design, engineering, manufacture, and distribution of high-quality industrial fastenings and Category 'C' components principally to major global assembly industries, issues the following unaudited Trading Update for the year ended 31 March 2022 (FY2022) ahead of the announcement of its Full Year results on 21 June 2022.

#### TRADING UPDATE

Strong trading continued in Q4, contributing to year-on-year organic revenue growth at constant exchange rate (CER) of c.15% for FY2022 (organic growth at CER of c.9% against FY2020). As a result, the Group expects to report an overall trading performance for FY2022, in line with the Board's expectations.

Driven by strong underlying demand, sales to distributors remained very high in the final quarter and our Hungarian operations saw robust growth in the energy, tech & infrastructure (ET&I) sector. Light vehicle sector volumes continue to experience high levels of volatility in demand due to ongoing supply chain disruption, particularly in Europe and the UK. Towards the end of Q4, we started to see this disruption move into the health & home sector, with temporary factory closures across several of our Global OEMs operating in Europe.

The Covid-19 lockdowns in Shanghai, have had a limited impact on FY2022 trading, however, we are currently unable to trade above a minimal level due to the restrictions in place. The impact on our wider Asia region has not been significant to date. Our North America region continues to go from strength to strength, with strong organic revenue growth at our Houston site, driven by light vehicle and ET&I sales, being further supplemented by a solid trading performance from TR Falcon. The Ukraine conflict has had a minimal direct impact on the business in Q4, with <1% of our global OEM revenues going into Russia and Ukraine. However, we have seen this exacerbate wider supply chain disruption, especially in Europe.

We have successfully concluded most of our phase one price increase programme negotiations. Although further inflationary cost increases have held back a full margin recovery, we are pleased to report that in March 2022 we recorded gross margins much closer to historic levels. We expect price increase negotiations to be an ongoing part of doing business in the current macroeconomic environment. With this in mind, we are already reaching out to our customer base to discuss a prompt pass-on of relevant additional costs, including increased energy and broader macro costs.

Supply chain challenges remain and although lead times are now stabilising across most of the world, these continue to stand at high levels. Considering this challenging backdrop and given our strong financial position, the business has continued to invest in inventory levels in the second half to ensure reliability of supply. Net debt (before IFRS16) at the period end was c.£25m, with this expected to reduce and drive historically high cash generation rates, as the macroeconomic environment settles.

Our acquisition strategy continues at pace and a good pipeline of targets in North America and beyond, present us with several exciting opportunities at different stages of the process.

#### PROJECT ATLAS

Project Atlas, a key driver of future growth and cost efficiencies, has continued to progress in the period. We are currently in a phased roll-out to our highest revenue trading subsidiary, TR Fastenings (UK), which is expected to complete by the end of calendar year 2022.

#### OUTLOOK

The Board believes that the fundamentals of our business model and strategy position us well to become a bigger, more profitable company in the medium-term. A continued focus on service levels and responsiveness have strengthened the Group's position in its established markets during this challenging period. We continue to see exciting opportunities in high growth and emerging technologies, including in the electric vehicle space, where our secured order pipeline has never been stronger. Strong momentum in contract wins, and new order pipeline, means we are looking ahead with confidence, although we remain mindful of the current macro level headwinds.

**Further enquiries please contact:**

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**Editors' notes**

**About Trifast plc**

Trifast (TR) is a leading international specialist in the design, engineering, manufacture, and distribution of high-quality industrial fastenings and Category 'C' components principally to major global assembly industries.

TR supplies to c. 5,000 customers in c.75 countries across a wide range of industries, including Light vehicle, Heavy vehicle, Health & Home, Energy, Tech and Infrastructure (ET&I), General industrial and Distributors. As a full-service provider to multinational OEMs and Tier 1 companies spanning several sectors, TR delivers comprehensive support to its customers from concept design through to technical engineering consultancy, manufacturing, supply management and global logistics.

TR employs c.1,300 people across 34 business locations within the UK, Asia, Europe, and the USA including seven high-volume, high-quality, and cost-effective manufacturing sites and three technical & innovation centres across the world.

**For more information, visit**

**Investor website:** [www.trifast.com](http://www.trifast.com)

**Commercial website:** [www.trfastenings.com](http://www.trfastenings.com)

**LinkedIn:** [www.linkedin.com/company/tr-fastenings](http://www.linkedin.com/company/tr-fastenings)

**Twitter:** [www.twitter.com/trfastenings](http://www.twitter.com/trfastenings)

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