Tuesday, 13 June 2017

Trifast plc

('*Trifast*', the 'Group' '*TR*' or 'Company')

"HOLDING THE WORLD TOGETHER"

Leading international specialists in the engineering, manufacturing and distribution of high quality, industrial fastenings to major global assembly industries

Preliminary results for the year ended 31 March 2017
"MOVING FORWARD WITH GROWTH"

Our FY2017 trading performance across the business has delivered another record breaking financial year with results, ahead of our expectations. Dividend for the year is 3.50p per share, an increase of 25.0%

KEY FINANCIALS

Continuing operations	**Year ended 31 March 2017 at CER**	**Year ended 31 March 2017 at AER**	Year ended 31 March 2016	**Change CER†**	**Change AER^**
Total Group revenue	**£172.6m**	**£186.5m**	£161.4m	+7.0%	+15.6%
Gross profit %	**31.1%**	**31.1%**	29.7%	+140bps	+140bps
Underlying operating profit*	**£18.6m**	**£21.0m**	£16.8m	+10.9%	+25.2%
Operating profit	**£15.6m**	**£17.9m**	£13.9m	+12.5%	+28.8%
Underlying profit before tax*	**£18.1m**	**£20.5m**	£16.0m	+13.2%	+28.1%
Profit before tax	**£15.1m**	**£17.3m**	£13.1m	+15.4%	+32.6%
Underlying diluted earnings per share*	**11.28p**	**12.82p**	9.99p	+12.9%	+28.3%
Diluted earnings per share	**8.97p**	**10.40p**	8.50p	+5.5%	+22.4%
Dividend:					
— final proposed		**2.50p**	2.00p		+25.0%
— interim		**1.00p**	0.80p		+25.0%
— total for the year		**3.50p**	2.80p		+25.0%
Net debt		**£6.4m**	£16.0m		-£9.6m
Return on capital employed (ROCE)*		**19.9%**	18.5%		+140bps

*Before separately disclosed items (see note 2)
†Constant exchange rate (CER)
^Actual exchange rate (AER)

- Total revenue increase of 7.0% at Constant Exchange Rate (CER), 15.6% at Actual Exchange Rate (AER)
- Revenue to multinational OEMs up 10.0% at CER
- At 31.1%, gross margin exceeds 30.0% for the first time in our history
- Underlying profit before tax increases by 13.2% at CER, 28.1% at AER
- Significant FX tailwinds add £2.4m to underlying profit before tax
- Ongoing investment for growth in our sales and operations around the world
- *TR* España - a base to grow from in one of Europe's most vibrant economies
- *TR* Kuhlmann continues to perform above expectations
- Strong cash conversion reduces net debt to £6.4m (normalised £7.6m)
- Capital investment of £2.9m increases our manufacturing capacity and capabilities, with more to follow
- Total dividend of 3.50p, an increase of 25.0% on the prior year

"The current financial year has started well and, with a robust pipeline in place, there is no indication this will change. The additional investments we are making in our people across the world, including into our global and local sales teams, mean the Group is in a good position to move forward. There are, of course, some macroeconomic factors we cannot fully mitigate, including movements in foreign currency and the ongoing volatility in the raw materials markets, as well as the wider potential implications of Brexit on our business and the UK economy.

However, taking the Group as a whole, with our geographical diversity, our balanced sector mix and our clear strategies for growth, we remain optimistic about the Group's prospects."

Mark Belton, CEO

"I have had the absolute privilege in witnessing first the recovery, and now the ongoing underlying growth and development of what I regard as a uniquely dynamic, professional and caring organisation that has every reason to feel confident, but not in any way complacent, about its future prosperity"

Malcolm Diamond MBE, Non-Executive Chairman

PRELIMINARY STATEMENT ATTACHED

NOTE:

Unless stated otherwise, amounts and comparisons with prior year are calculated at constant currency (Constant Exchange Rate 'CER') and, where we refer to 'underlying' this is defined as being before separately disclosed items (see note 2 in this announcement).

PRESENTATION OF RESULTS

Results briefing will be held at 8.45am-9.45am (UK) today at No1 Cornhill Business Centre, London, EC3V 3ND
Conference dial-in facility: on request, please contact Fiona Tooley on +44 (0)7785 703523 or email fiona@tooleystreet.com.

Enquiries please contact:

***Trifast* plc**
Today: Mobile: +44 (0) 7979 518493 (MMD)
Malcolm Diamond MBE, Non-Executive Chairman
Mark Belton, Chief Executive Officer
Clare Foster, Chief Financial Officer
Thereafter: +44 (0) 1825 747630
Email: corporate.enquiries@trifast.com

Peel Hunt LLP *Stockbroker & financial adviser*
Justin Jones
Mike Bell
Tel: +44 (0)20 7418 8900

TooleyStreet Communications *IR & media relations*
Fiona Tooley
Tel : +44 (0)7785 703523
Email : fiona@tooleystreet.com

EDITOR'S NOTE

***TRIFAST* PLC**
LSE Premium Listing: Ticker: TRI

About us: *Trifast* is a leading international specialist in the engineering, manufacturing and distribution of high quality industrial fastenings to major global assembly industries.

We are a 24/7 'full service provider' offering 'end-to-end' support to all our customers. Our success and ongoing growth is based on a unique mix of high quality manufacturing, sourcing know-how and adaptable, reliable global logistics.

Key sectors are automotive, domestic appliances, electronics and distributors. The Group employs *c.*1,200 staff across 27 global locations across the UK, Europe, Asia and the USA.

For more information, please visit
Group website: www.trifast.com
LinkedIn: www.linkedin.com/company/tr-fastenings
Twitter: www.twitter.com/trfastenings
Facebook: www.facebook.com/trfastenings

CHAIRMAN'S LETTER TO SHAREHOLDERS

The older that one becomes then the quicker the time passes it seems, and this is certainly the case with our progress throughout the 2016/17 Financial Year.

In recent years, we have dedicated ourselves to blending organic revenue growth with carefully chosen acquisitions under the umbrella of Continuous Improvement within our operational processes and procedures. This recipe for consistent profit growth clearly keeps on giving as we report another successful year completed and near our first quarter end for the current 2017/18 period.

Our Board is regularly asked for the business outlook implications from Brexit, especially with part of our global interests being within the automotive Tier 1 sector. The most strategic impact is likely to be import and export tariffs in and out of the UK. Fortunately, with our substantial logistics facilities based in Germany, Sweden, Hungary and Holland, plus our new Spanish site, we can switch purchase, warehousing and sales activities between Europe and the UK should the markets demand. Our manufacturing and logistics facility in Italy also provides substantial flexibility to our supply chain should the need arise.

Despite much research and many site visits, this past year has not yielded a suitable acquisition that we felt comfortable with. However, our consistent organic growth provides robust investor returns sufficient for us to maintain our strict acquisition criteria.

This organic growth trajectory is not only driven by selling more to existing customers, and winning new customers, but also by our introduction of new product ranges that are known to be already in demand from our three key market sectors of automotive, domestic appliances and electronics.

Our most strategic new product investment by far is into enclosure hardware (e.g. locks, hinges, handles, cable management etc.) where the global market spend extends to hundreds of millions of dollars, and where the majority of our international OEMs are already large users, often paying premium prices due to design, specification and supply constraints. We believe that our enhanced and unique supply chain flexibility provides *TR* with a competitive market advantage on this vast range of high volume components.

This year has seen another period of major capital and people investment to help sustain our future prosperity, including the significant decision to open a greenfield distribution and technical support facility in Barcelona. Although the UK has grown its automotive production significantly in the last decade, it is not widely known that Spain produced 50% more units than the UK last year, providing *TR* with a clear opportunity to invest to respond to this market demand.

Market dynamics have also prompted our *TR* Midlands team to acquire a second building to accommodate more efficient warehousing plus a training, technical and customer fulfilment facility – mainly to support our automotive customers.

The automotive sector is the most prolific exponent of design and production consolidation and rationalisation on a global basis, which has seen *Trifast* ramp up its technical support and supply chain disciplines across the Group. *TR* VIC in Italy, *TR* Kuhlmann in Germany, TR Inc. in USA and *TR* Spain are now aligned with *TR* in the UK, Hungary, India, Thailand, Malaysia, Taiwan, Sweden and Holland with the consistent high level capabilities required by this industry. Recent demand has also turned our focus on to Japan, where currency changes and high quality demands have made our exports into that country more competitive.

This past year has seen a whole raft of new operational process and people resource initiatives, with our Executive team grasping the reins of a wide range of improvement opportunities that range from broadening our HR support, management training and succession planning to digital investments and treasury management. Most of these activities span more than a year and so I look forward to updating you at a later stage with what I believe will be significant progress.

Having re-joined *Trifast* with Jim Barker way back in March 2009, I have had the absolute privilege in witnessing first the recovery, and now the ongoing underlying growth and development of what I regard as a uniquely dynamic, professional and caring organisation that has every reason to feel confident, but not in any way complacent, about its future prosperity.

I fundamentally believe that we now have the most competent and committed management teams across the Group that I have ever seen in my many years with the Company. This trust has allowed me to step down from my Executive role of the last eight years, while still remaining loyal and supportive as Non-Executive Chairman of *Trifast* going forward.

I believe very much that every employee is important and that management must constantly endorse that personally with daily encouragement, recognition and mentorship. It is with pride that I can claim that the *TR* culture is very light on ego, politics and status seeking, whilst being big on loyalty, commitment and work ethics. As this is a core requirement for success I want to sincerely thank our management and all our staff for their contribution to our Company and its excellent performance, not only on my behalf but on behalf of all our stakeholders.

MALCOLM DIAMOND MBE, NON-EXECUTIVE CHAIRMAN
12 June 2017

TRIFAST PLC

(‘*Trifast*’, the ‘Group’ ‘*TR*’ or ‘Company’)
Preliminary results for the year ended 31 March 2017

“Our people continue to be the driving force of our business and their length of service, their loyalty, their enthusiasm and their skills and experience form the backbone of our success”

Clare Foster, CFO

SUMMARY BUSINESS REVIEW

	FY2017 CER	FY2017 AER	FY2016	Growth at Constant Exchange Rate (CER)	Growth at Actual Exchange Rate (AER)
Revenue	**£172.6m**	**£186.5m**	£161.4m	7.0%	15.6%
Gross profit (GP)	**£53.6m**	**£58.0m**	£48.0m	11.7%	20.9%
GP%	**31.1%**	**31.1%**	29.7%	+140bps	+140bps
Underlying operating profit (UOP)*	**£18.6m**	**£21.0m**	£16.8m	10.9%	25.2%
UOP%*	**10.8%**	**11.3%**	10.4%	+40bps	+90bps
Operating profit (OP)	**£15.6m**	**£17.9m**	£13.9m	+12.5%	+28.8%
OP%	**9.0%**	**9.6%**	8.6%	+40bps	+100bps
Underlying profit before tax*	**£18.1m**	**£20.5m**	£16.0m	13.2%	28.1%
Profit before tax	**£15.1m**	**£17.3m**	£13.1m	+15.4%	+32.6%
Underlying diluted EPS*	**11.28p**	**12.82p**	9.99p	+12.9%	+28.3%
Diluted EPS	**8.97p**	**10.40p**	8.50p	+5.5%	+22.4%
Underlying Return on capital employed (ROCE)*		**19.9%**	18.5%		+140bps

*Before separately disclosed items (see note 2)

OUR GROUP PERFORMANCE

Our performance across the business has delivered another record breaking financial year with strong trading results ahead of our expectations. Strong profitable top line growth has continued across every region, up by 7.0% at CER and leading to revenues of £186.5m at Actual Exchange Rate (‘AER’) for 2017.

Our underlying businesses have performed well with foreign exchange tailwinds also having a positive impact.

By far the biggest driver of our performance in 2017 has been organic growth (5.2%; 13.7% at AER), with the focus on our core strategy leading to sales increases to our 25 key multinational OEMs of 14.2% at AER. On the non-organic side, 2017 has seen the first full year of trading from our acquisition of *TR* Kuhlmann, successfully generating 1.8% (1.9% at AER) of revenue growth for the Group.

The strongest measure of the Group’s success this year has been at the profit level. For the first time in our history we have ended the year with a gross margin in excess of 30%, representing the achievement of a long held ambition. Gross margin has increased by 140bps to 31.1% (at both AER and CER; 2016: 29.7%) and our gross profit is up by 11.7% to £53.6m (£58.0m at AER; 2016: £48.0m).

Against this gross margin increase, our Group underlying operating margin has stayed more consistent at 10.8% (11.3% at AER; 2016: 10.4%), reflecting the ongoing investments for growth that we have been making around the Group in our sales and operational teams as well as our capital investment programmes. Despite this ongoing investment for future growth, our underlying operating profit has continued to grow strongly with a 10.9% increase at CER and 25.2% at AER.

All of the above factors has helped to drive substantial growth in our underlying diluted EPS, up by 28.3% at AER to 12.82p (2016: 9.99p).

Given the significant weakening of Sterling since June 2016, CER continues to be the best way of understanding the positive progress of our business. To aid understanding, the table below details the impact AER has made to some of our key numbers.

	FY2017 CER	AER uplift	FY2017 AER
Revenue	£172.6m	£13.9m	£186.5m
Underlying PBT*	£18.1m	£2.4m	£20.5m
Underlying diluted EPS*	11.28p	1.54p	12.82p
Normalised net debt	£7.1m	£0.5m	£7.6m
Shareholders’ funds	£95.4m	£6.3m	£101.7m

*Before separately disclosed items (see note 2)

DIVIDEND POLICY

With our proven track record, a strong balance sheet and a confident strategy for growth, we remain committed to a progressive dividend policy.

As a result the Directors are proposing, subject to shareholder approval, a final dividend of 2.50p per share. This together with the interim dividend of 1.00p (paid on 13 April 2017), brings the total for the year to 3.50p per share, an increase of 25.0% on the prior year (2016: 2.80p). The final dividend will be paid on 13 October 2017 to shareholders on the register at the close of business on 15 September 2017. The ordinary shares will become ex-dividend on 14 September 2017.

The 2017 final proposed dividend means that over the last six years dividends have grown from 0.50p to 3.50p, equating to a compound annual growth rate ('CAGR') of 47.6%.

At the same time, dividend cover has fallen, now representing a cover of 3.7x. For the medium term, we believe an appropriate level of cover will continue to be in the range of 3x to 4x. As is always the case, the actual dividend each year will need to take in to account our ongoing strategy of investment driven growth, potential acquisitions and the working capital requirements of a growing business.

GROUP REVENUE

This year's key revenue message is one of consistent growth. In FY2017, all of our regions have experienced strong top line growth ranging from 4.6% in our UK businesses to 12.3% in the US (4.6% to 28.2% at AER).

In Europe, our total growth has been 9.8%, made up of 4.6% of organic growth and 5.2% from acquisitions. This reflects a particularly strong HY1, specifically in our Italian domestic appliances business, and FY2017 gains in electronics in Hungary and automotive in Sweden.

In Asia, we have seen a robust return to growth, with total sales (including intercompany) in the region growing by 6.5% to £47.8m (2016: 1.1% and £44.9m) following a strong HY2. Growth at entity level has been equally good, with Singapore continuing to perform well, up by 9.4% (25.2% at AER), in the domestic appliances market and Shanghai, up 9.8% (18.4% at AER), on the automotive side. Most notable is the successful return to growth in our PSEP, Malaysia business. A contraction in the local automotive market has reduced trading levels over recent years. However, in FY2016 we saw this bottom out and in FY2017 top line growth of 6.2% (16.1% at AER) has come from of a mix of both domestic, and export sales.

For our UK businesses, it has also been a year of good growth in what is a mature market. Overall total revenues are up 4.6% to £69.3m (2016: £66.2m), with the biggest increase being seen across our distribution businesses, 10.4% to £12.5m at AER, predominantly arising out of additional sales volumes to our European distributors. Outside of this, growth has largely come from increased sales to our multinational OEMs in the automotive sector.

In the US, we continue to see very strong revenue growth of 12.3% to £5.3m (£6.0m at AER; 2016: £4.7m) again largely as a result of our ongoing multinational OEMs focus.

GROSS MARGIN

The Group's gross margin has increased by 140bps (at both AER and CER) to 31.1% (2016: 29.7%). Outside of the US, gross margin improvements have been seen across all regions. This is most specifically within Europe, largely due to favourable cost variances and capacity increases at our Italian manufacturing site.

In the UK, gross margins have increased by 100bps, largely due to transactional gains on our export revenues caused by positive movements in the Euro exchange rate. Whilst in Asia, a change in product mix and capacity increases at our Singapore and Malaysian sites has had a similar margin impact.

In the US gross margins have fallen by 410bps as the result of product mix changes and an increased focus on the automotive sector.

GROUP UNDERLYING OPERATING MARGIN

Underlying operating margins have increased by 40bps to 10.8% (11.3% at AER; 2016: 10.4%). The biggest increase is in Europe of 160bps (180bps at AER), largely as the result of the increase in gross margin noted above. In Asia, margins have fallen by 40bps to 14.6% (14.9% at AER; 2016: 15.0%) partly as the result of a foreign exchange balance sheet translation loss of £0.2m (2016: gain of £0.2m) due to the ongoing weakness in the Euro & Sterling as well as additional investments to support ongoing growth in the region.

In the UK, margins have remained broadly stable at 9.4% (2016: 9.3%), whereas in the US we have seen the drop in gross margin feeding down into a similar fall at the underlying operating profit level. As sales continue to build, we expect underlying operating profits in this region to improve as planned investments for growth can be better absorbed.

NET FINANCING COSTS (AT AER)

Interest costs have continued to fall to £0.5m (2016: £0.8m) reflecting both a decrease in the average net debt balance to £12.2m (2016: £16.6m) and a reduction in the interest margin charged following an amendment of our HSBC banking facilities on the 7 October 2016.

TAXATION (AT AER)

The Underlying Effective Tax Rate ('UETR') has reduced slightly in the year to 23.6% (2016: 24.9%) largely as a result of an increase in the tax deductibility of certain permanent staff costs in Italy.

Subject to future tax changes and excluding prior year adjustments, our UETR is expected to be c.25% going forward.

NET DEBT (AT AER)

Our net debt position has significantly decreased by £9.6m to £6.4m (2016: £16.0m). One of the key reasons driving that reduction is our very strong cash generation. In FY2017 our underlying EBITDA to underlying operating cash conversion rate was 97.3% (2016: 88.9%, 102.7% net of the de-factoring in VIC). This led to an operating cash inflow of £22.5m, and despite our significant increase in trading (15.6% and £25.1m at AER), a working capital increase of only £0.8m reflecting our continued high focus on working capital levels around the Group.

Our normalised net debt position at 31 March 2017 is higher at £7.6m. This adjustment reduces our cash holding at year end to take in to account the £1.2m of cash specifically held to settle the NI and income tax payments (due in April 2017) relating to Malcolm Diamond's exercise of 1,000,000 share options on 17 February 2017. Further information is included in the Directors' Remuneration Report regarding this transaction and Malcolm's shareholding.

BANKING FACILITIES

The Group finalised amended banking facilities with HSBC on 7 October 2016. In summary, the amendments reduce the Group's reliance on the Asset-Backed Lending (ABL) facilities, decrease the overall cost structure and extend the maturity profile of a proportion of our borrowings to better reflect the Group's core funding and investment requirements.

Taking these changes into account, headroom has increased by c.£5.0m, helping to support our strategy of investment driven growth. In addition, an Accordion facility of £20.0m has been written in to the agreement, providing the potential flexibility to debt finance future acquisitions and investments.

RETURN ON CAPITAL EMPLOYED (AT AER)

As at 31 March 2017, the Group's shareholders' equity had increased significantly to £101.7m (2016: £83.8m). This £17.9m movement is made up of retained earnings of £11.3m, share issues totalling £0.3m and a substantial foreign exchange reserve gain of £6.3m which arose due to the sustained weakening in Sterling in the financial year.

Over this increased asset base, our very strong trading performance has led to a higher underlying ROCE of 19.9% (2016: 18.5%).

GROUP OUTLOOK

Looking ahead, the global fastenings market is forecast to grow by 5% a year over the next 5 years, with all our regions predicting growth.

Geographically Europe, Asia and USA all remain key focus areas for us both organically and non-organically and with our new Spanish greenfield site now up and running, we are in a prime position to continue to develop that important market in the future.

The current financial year has started well and, with a robust pipeline in place, there is no indication this will change. The additional investments we are making in our people across the world, including into our global and local sales teams, mean the Group is in a good position to move forward. Moreover, the strategic investments we are making in our global Customer Relationship Management systems and our key account management have been specifically targeted to further support our core strategy of focusing on our multinational OEMs.

In manufacturing, our capital expenditure plans will increase capacity at both our Italian and Singaporean sites so as to reduce our per part production costs, and allow us to retain higher profits per sale by bringing more manufacturing in-house in the future.

To complement these strong underlying growth plans, further acquisitions remain an important strategic growth pillar for the Group. Our acquisition strategy has been developed to identify key criteria and geographies and we will continue to use this to drive our proactive search for the next successful acquisition.

There are, of course, some macroeconomic factors we cannot fully mitigate, including movements in foreign currency and the ongoing volatility in the raw materials markets, as well as the wider potential implications of Brexit on our business and the UK economy. We are already starting to see some purchase price challenges arising out of both the ongoing weakness in Sterling and the relative strength of the US$, which we expect to increase over time if circumstances persist. However, taking the Group as a whole, with our geographical diversity, our balanced sector mix and our clear strategies for growth, we remain optimistic about the Group's prospects.

MARK BELTON, CEO
CLARE FOSTER, CFO
TRIFAST PLC

12 June 2017

CONSOLIDATED INCOME STATEMENT

for the year ended 31 March 2017

	Note	2017 £000	2016 £000
Continuing operations			
Revenue	3	**186,512**	161,370
Cost of sales		**(128,495)**	(113,366)
Gross profit		**58,017**	48,004
Other operating income	4	**395**	317
Distribution expenses		**(3,964)**	(3,202)
Administrative expenses before separately disclosed items		**(33,430)**	(28,326)
IFRS2 charge	2	**(1,512)**	(1,687)
Acquired intangible amortisation	2	**(1,273)**	(974)
Net acquisition costs	2	**-**	(264)
Profit on sale of fixed assets	2	**195**	-
Costs on exercise of executive share options	2	**(567)**	-
Total administrative expenses		**(36,587)**	(31,251)
Operating profit	5	**17,861**	13,868
Financial income		**60**	60
Financial expenses		**(581)**	(851)
Net financing costs		**(521)**	(791)
Profit before taxation	2,3	**17,340**	13,077
Taxation	6	**(4,642)**	(2,852)
Profit for the year (attributable to equity shareholders of the Parent Company)		**12,698**	10,225
Earnings per share			
Basic	13	**10.72p**	8.78p
Diluted	13	**10.40p**	8.50p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2017

	2017 £000	2016 £000
Profit for the year	**12,698**	10,225
Other comprehensive income/(expense) for the year:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**8,486**	4,764
(Loss) on a hedge of a net investment taken to equity	**(2,155)**	(2,537)
Other comprehensive income recognised directly in equity	**6,331**	2,227
Total comprehensive income recognised for the year (attributable to the equity shareholders of the Parent Company)	**19,029**	12,452

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2017

	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2016	**5,837**	**21,161**	**8,569**	**48,183**	**83,750**
Total comprehensive income for the year:					
Profit for the year	-	-	-	12,698	12,698
Other comprehensive income for the year	-	-	6,331	-	6,331
Total comprehensive income recognised for the year	**-**	**-**	**6,331**	**12,698**	**19,029**
Issue of share capital	177	217	-	(53)	341
Share based payment transactions (including tax)	-	-	-	1,888	1,888
Dividends (note 12)	-	-	-	(3,310)	(3,310)
Total transactions with owners	177	217	-	(1,475)	(1,081)
Balance at 31 March 2017	**6,014**	**21,378**	**14,900**	**59,406**	**101,698**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2016

	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2015	5,809	20,978	6,342	38,551	71,680
Total comprehensive income for the year:					
Profit for the year	-	-	-	10,225	10,225
Other comprehensive income for the year	-	-	2,227	-	2,227
Total comprehensive income recognised for the year	-	-	2,227	10,225	12,452
Issue of share capital	28	183	-	-	211
Share based payment transactions (including tax)	-	-	-	1,847	1,847
Dividends (note 12)	-	-	-	(2,440)	(2,440)
Total transactions with owners	28	183	-	(593)	(382)
Balance at 31 March 2016	5,837	21,161	8,569	48,183	83,750

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2017

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2016	**5,837**	**21,161**	**1,521**	**16,013**	**44,532**
Total comprehensive income for the year:					
Profit for the year	-	-	-	4,814	4,814
Total comprehensive income recognised for the year	-	-	-	4,814	4,814
Issue of share capital	177	217	-	(53)	341
Share based payment transactions (including tax)	-	-	-	1,758	1,758
Dividends (note 12)	-	-	-	(3,310)	(3,310)
Total transactions with owners	177	217	-	(1,605)	(1,211)
Balance at 31 March 2017	**6,014**	**21,378**	**1,521**	**19,222**	**48,135**

COMPANY STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2016

	Share capital £000	Share premium £000	Merger reserve £000	Retained earnings £000	Total equity £000
Balance at 31 March 2015	5,809	20,978	1,521	5,586	33,894
Total comprehensive income for the year:					
Profit for the year	-	-	-	11,068	11,068
Total comprehensive income recognised for the year	-	-	-	11,068	11,068
Issue of share capital	28	183	-	-	211
Share based payment transactions (including tax)	-	-	-	1,799	1,799
Dividends (note 12)	-	-	-	(2,440)	(2,440)
Total transactions with owners	28	183	-	(641)	(430)
Balance at 31 March 2016	5,837	21,161	1,521	16,013	44,532

STATEMENTs OF FINANCIAL POSITION

at 31 March 2017

		Group		Company	
	Note	2017 £000	2016 £000	2017 £000	2016 £000
Non-current assets					
Property, plant and equipment		**19,258**	17,171	**2,574**	2,362
Intangible assets		**39,682**	38,259	**-**	-
Equity investments		**-**	-	**41,440**	41,440
Deferred tax assets		**2,359**	2,165	**685**	836
Total non-current assets		**61,299**	57,595	**44,699**	44,638
Current assets					
Inventories	7	**41,926**	39,438	**-**	-
Trade and other receivables	8	**49,360**	43,386	**31,382**	33,613
Cash and cash equivalents	9	**24,645**	17,614	**2,587**	1,406
Total current assets		**115,931**	100,438	**33,969**	35,019
Total assets	3	**177,230**	158,033	**78,668**	79,657
Current liabilities					
Bank overdraft	9	**-**	33	**-**	2,273
Other interest-bearing loans and borrowings	10	**14,872**	16,901	**11,077**	12,091
Trade and other payables	11	**37,145**	33,030	**4,362**	5,720
Tax payable		**2,471**	2,773	**-**	-
Provisions		**76**	76	**-**	-
Total current liabilities		**54,564**	52,813	**15,439**	20,084
Non-current liabilities					
Other interest-bearing loans and borrowings	10	**16,221**	16,675	**14,930**	14,866
Provisions		**1,111**	1,117	**-**	-
Deferred tax liabilities		**3,636**	3,678	**164**	175
Total non-current liabilities		**20,968**	21,470	**15,094**	15,041
Total liabilities	3	**75,532**	74,283	**30,533**	35,125
Net assets		**101,698**	83,750	**48,135**	44,532
Equity					
Share capital		**6,014**	5,837	**6,014**	5,837
Share premium		**21,378**	21,161	**21,378**	21,161
Reserves		**14,900**	8,569	**1,521**	1,521
Retained earnings		**59,406**	48,183	**19,222**	16,013
Total equity		**101,698**	83,750	**48,135**	44,532

STATEMENTS OF CASH FLOWS

for the year ended 31 March 2017

		Group		Company	
		2017	2016	**2017**	2016
	Note	**£000**	£000	**£000**	£000
Cash flows from operating activities					
Profit for the year		**12,698**	10,225	**4,814**	11,068
Adjustments for:					
Depreciation, amortisation and impairment/(reversal)		**3,123**	2,331	**76**	(6,676)
Unrealised foreign currency loss/(gain)		**165**	(119)	**-**	(256)
Financial income		**(60)**	(60)	**(28)**	(32)
Financial expense		**581**	851	**350**	406
(Gain)/loss on sale of property, plant and equipment and investments		**(184)**	15	**-**	-
Dividends received		**-**	-	**(10,814)**	(8,532)
Equity settled share based payment charge		**1,512**	1,687	**1,145**	1,224
Taxation charge/(credit)		**4,642**	2,852	**402**	(277)
Operating cash inflow/(outflow) before changes in working capital and provisions		**22,477**	17,782	**(4,055)**	(3,075)
Change in trade and other receivables		**(3,075)**	(1,360)	**4,653**	(3,914)
Change in inventories		**(273)**	(421)	**-**	-
Change in trade and other payables		**3,764**	(58)	**(1,361)**	(3,743)
Change in provisions		**(6)**	(70)	**-**	-
Cash generated from/(used in) operations		**22,887**	15,873	**(763)**	(10,732)
Tax paid		**(5,136)**	(3,080)	**-**	-
Net cash from/(used in) operating activities		**17,751**	12,793	**(763)**	(10,732)
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		**198**	16	**-**	-
Interest received		**60**	91	**26**	32
Acquisition of subsidiary, net of cash acquired		**(1,471)**	(7,684)	**-**	-
Acquisition of property, plant and equipment and intangibles		**(2,948)**	(2,339)	**(288)**	(2)
Dividends received		**-**	-	**10,814**	8,532
Net cash (used in)/from investing activities		**(4,161)**	(9,916)	**10,552**	8,562
Cash flows from financing activities					
Proceeds from the issue of share capital, net of acquisition		**341**	181	**341**	181
Proceeds from new loan		**2,236**	11,451	**2,100**	9,252
Repayment of borrowings		**(7,030)**	(8,969)	**(5,120)**	(1,825)
Payment of finance lease liabilities		**(6)**	(31)	**-**	-
Dividends paid		**(3,310)**	(2,440)	**(3,310)**	(2,440)
Interest paid		**(581)**	(895)	**(346)**	(419)
Net cash (used in)/from financing activities		**(8,350)**	(703)	**(6,335)**	4,749
Net change in cash and cash equivalents		**5,240**	2,174	**3,454**	2,579
Cash and cash equivalents at 1 April	9	**17,581**	15,014	**(867)**	(3,446)
Effect of exchange rate fluctuations on cash held		**1,824**	393	**-**	-
Cash and cash equivalents at 31 March	9	**24,645**	17,581	**2,587**	(867)

1. PREPARATION OF THE PRELIMINARY STATEMENT

The preliminary results announcement for the year ended 31 March 2017 has been prepared by the Directors based on the results and position reflected in the statutory accounts. The statutory accounts are prepared in accordance with international Financial Reporting Standards as adopted by the European Union ('Adopted IFRS').

The Board of Directors approved the preliminary announcement on 12 June 2017.

2. UNDERLYING PROFIT BEFORE TAX AND SEPARATELY DISCLOSED ITEMS

	2017 £000	2016 £000
Underlying profit before tax	**20,497**	16,002
Separately disclosed items within administrative expenses		
IFRS2 share based payment charge	**(1,512)**	(1,687)
Acquired intangible amortisation	**(1,273)**	(974)
Net acquisition costs	**-**	(264)
Profit on sale of fixed assets	**195**	-
Costs on exercise of executive share options	**(567)**	-
Profit before tax	**17,340**	13,077

	2017 £000	2016 £000
Underlying EBITDA	**22,868**	18,150
Separately disclosed items within administrative expenses		
IFRS2 share based payment charge	**(1,512)**	(1,687)
Net acquisition costs	**-**	(264)
Profit on sale of fixed assets	**195**	-
Costs on exercise of executive share options	**(567)**	-
EBITDA	**20,984**	16,199
Acquired intangible amortisation	**(1,273)**	(974)
Depreciation and non-acquired amortisation	**(1,850)**	(1,357)
Operating profit	**17,861**	13,868

3. OPERATING SEGMENTAL ANALYSIS

Segment information is presented in the consolidated financial statements in respect of the Group's geographical segments. This reflects the Group's management and internal reporting structure, and the operating basis on which individual operations are reviewed by the Chief Operating Decision Maker (the Board).

Performance is measured based on each segment's underlying profit before finance costs and income tax as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. This is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within the industry. Inter-segment pricing is determined on an arm's length basis. Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Goodwill and intangible assets acquired on business combinations are included in the region to which they relate.

Geographical operating segments

The Group is comprised of the following main geographical operating segments:

— UK
— Europe: includes Norway, Sweden, Hungary, Ireland, Holland, Italy, Germany, Spain and Poland
— USA: includes USA and Mexico
— Asia: includes Malaysia, China, Singapore, Taiwan, Thailand and India

In presenting information on the basis of geographical operating segments, segment revenue and segment assets are based on the geographical location of our entities across the world, and are consolidated into the four distinct geographical regions, which the Board use to monitor and assess the Group.

March 2017	UK £000	Europe £000	USA £000	Asia £000	Common costs £000	Total £000
Revenue						
Revenue from external customers	66,825	67,231	5,900	46,556	-	**186,512**
Inter segment revenue	2,443	613	123	7,262	-	**10,441**
Total revenue	**69,268**	**67,844**	**6,023**	**53,818**	**-**	**196,953**
Underlying operating result	6,538	9,818	334	8,005	(3,677)	**21,018**
Net financing costs	(145)	(73)	-	20	(323)	**(521)**
Underlying segment result	**6,393**	**9,745**	**334**	**8,025**	**(4,000)**	**20,497**
Separately disclosed items (see note 2)						**(3,157)**
Profit before tax						**17,340**
Specific disclosure items						
Depreciation and amortisation	423	1,626	25	973	76	**3,123**
Assets and liabilities						
Segment assets	40,348	68,289	3,742	58,876	5,975	**177,230**
Segment liabilities	(19,535)	(13,689)	(294)	(11,581)	(30,433)	**(75,532)**

March 2016	UK^ £000	Europe £000	USA £000	Asia* £000	Common costs ^ £000	Total £000
Revenue						
Revenue from external customers	64,156	54,030	4,602	38,582	—	**161,370**
Inter segment revenue	2,057	341	97	6,276	—	**8,771**
Total revenue	**66,213**	**54,371**	**4,699**	**44,386**	**—**	**170,141**
Underlying operating result	6,172	6,880	401	6,730	(3,390)	**16,793**
Net financing costs	(278)	(107)	(2)	(29)	(375)	**(791)**
Underlying segment result	**5,894**	**6,773**	**399**	**6,701**	**(3,765)**	**16,002**
Separately disclosed items (see note 2)						**(2,925)**
Profit before tax						**13,077**
Specific disclosure items						
Depreciation and amortisation	231	1,181	22	833	64	**2,331**
Assets and liabilities						
Segment assets	36,525	63,568	3,164	50,295	4,481	**158,033**
Segment liabilities	(15,792)	(14,952)	(385)	(9,679)	(33,475)	**(74,283)**

^ Including the offset of the UK overdrafts from Common costs, as allowable under financing agreements with HSBC.

*Historically this was stated after eliminating revenue between Asian entities. However management believe it is more appropriate to include this in the inter segment revenue number above and therefore this has been restated to £6.3m from £5.8m. In FY2017 the equivalent adjustment was £0.3m.

There were no material differences in Europe and USA between the external revenue based on location of the entities and the location of the customers. Of the UK, external revenue £11.3m (2016: £10.4m) was sold into the European market. Of the Asian external revenue, £4.6m (2016: £3.9m) was sold into the American market and £5.5m (2016: £5.9m) sold into the European market.

Revenue is derived solely from the manufacture and logistical supply of industrial fasteners and category 'C' components.

4. OTHER OPERATING INCOME

	2017 £000	2016 £000
Rental income received from freehold properties	**152**	139
Other income	**243**	178
	395	317

5. EXPENSES AND AUDITOR'S REMUNERATION

Included in profit for the year are the following:

	Note	**2017 £000**	2016 £000
Depreciation and amortisation		**1,850**	1,357
Amortisation of acquired intangibles	2	**1,273**	974
Operating lease expense		**2,529**	2,507
Net foreign exchange gain		**(46)**	(661)
(Gain)/loss on disposal of fixed assets		**(184)**	15

Auditor's remuneration:

	2017 £000	2016 £000
Audit of these financial statements	**38**	41
Audit of financial statements of subsidiaries pursuant to legislation	**222**	208
Taxation compliance services	**15**	15
Other assurance services	**28**	27
Other services relating to transaction services	**-**	60

6. TAXATION

Recognised in the income statement	**2017 £000**	2016 £000
Current UK tax expense:		
Current year	**520**	554
Adjustments for prior years	**(8)**	210
	512	764
Current foreign tax expense:		
Current year	**4,756**	3,052
Adjustments for prior years	**(138)**	19
	4,618	3,071
Total current tax	**5,130**	3,835
Deferred tax expense:		
Origination and reversal of temporary differences	**(454)**	(196)
Adjustments for prior years	**(34)**	(787)
Deferred tax income	**(488)**	(983)
Tax in income statement	**4,642**	2,852

Tax recognised directly in equity	**2017 £000**	**2016 £000**
Current tax recognised directly in equity — IFRS2 share based tax credit	**(522)**	**(70)**
Deferred tax recognised directly in equity — IFRS2 share based tax charge/(credit)	**130**	**(90)**
Total tax recognised in equity	**(392)**	**(160)**

Reconciliation of effective tax rate ('ETR') and tax expense	**2017 £000**	**ETR %**	2016 £000	ETR %
Profit for the period	**12,698**		10,225	
Tax from continuing operations	**4,642**		2,852	
Profit before tax	**17,340**		13,077	
Tax using the UK corporation tax rate of 20% (2016: 21%)	**3,468**	**20**	2,615	20
Tax suffered on dividends	**264**	**2**	133	2
Retention tax	**102**	**1**	71	-
Non-deductible expenses	**190**	**1**	223	2
Tax incentives	**(274)**	**(2)**	(123)	(1)
IFRS2 share option charge / (credit)	**(1)**	**-**	112	1
Deferred tax assets not recognised	**511**	**3**	72	-
Different tax rates on overseas earnings	**540**	**3**	256	2
Adjustments in respect of prior years	**(180)**	**(1)**	(558)	(4)
Tax rate change	**22**	**-**	51	-
Total tax in income statement	**4,642**	**27**	2,852	22

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future current tax charge accordingly. Deferred tax has been calculated based on these rates.

7. INVENTORIES - GROUP

	2017 £000	2016 £000
Raw materials and consumables	**4,903**	4,067
Work in progress	**1,972**	1,458
Finished goods and goods for resale	**35,051**	33,913
	41,926	39,438

8. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Trade receivables	**47,497**	41,931	**-**	-
Non trade receivables and prepayments	**1,863**	1,455	**183**	41
Amounts owed by subsidiary undertakings	**-**	-	**31,199**	33,572
	49,360	43,386	**31,382**	33,613

9. CASH AND CASH EQUIVALENTS/BANK OVERDRAFTS

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Cash and cash equivalents per Statement of financial position	**24,645**	17,614	**2,587**	1,406
Bank overdrafts per Statement of financial position	**-**	(33)	**-**	(2,273)
Cash and cash equivalents per Statements of cash flows	**24,645**	17,581	**2,587**	(867)

10. OTHER INTEREST BEARING LOANS AND BORROWINGS

This note provides information about the Group and Company's existing interest-bearing loans and borrowings.

			Current		Non-current	
Initial loan value	Rate	Maturity	2017 £000	2016 £000	2017 £000	2016 £000
Group						
Asset based lending	Base +1.49%	-	**3,280**	3,144	**-**	-
PSEP acquisition loan	Fixed 3.14%	2016	**-**	1,170	**-**	-
VIC unsecured loan	EURIBOR +1.95%	2020	**513**	476	**1,283**	1,665
Kuhlmann unsecured loan	EURIBOR +1.55%	2024	**-**	18	**-**	132
Finance lease liabilities	Various	2017-19	**2**	2	**8**	12
Group and Company						
Facility A VIC acquisition loan	EURIBOR +1.50%	2021	**3,208**	2,091	**12,830**	14,866
Facility B Revolving Credit Facility	LIBOR/EURIBOR +1.50%	2019/2021	**7,869**	10,000	**-**	-
Property Loan	Base +1.25%	2021	**-**	-	**2,100**	-
Total Group			**14,872**	16,901	**16,221**	16,675
Total Company			**11,077**	12,091	**14,930**	14,866

11. TRADE AND OTHER PAYABLES

	Group		Company	
	2017 £000	2016 £000	2017 £000	2016 £000
Trade payables	**19,302**	17,164	**-**	-
Amounts payable to subsidiary undertakings	**-**	-	**954**	2,630
Deferred consideration	**-**	1,348	**-**	1,348
Non-trade payables and accrued expenses	**15,322**	13,149	**2,073**	1,623
Other taxes and social security	**2,521**	1,369	**1,335**	119
	37,145	33,030	**4,362**	5,720

12. DIVIDENDS

During the year the following dividends were recognised and paid by the Group:

	2017 £000	2016 £000
Final paid 2016 — 2.00p (2015: 1.50p) per qualifying ordinary share	2,376	1,743
Interim paid 2016 — 0.80p (2015: 0.60p) per qualifying ordinary share	934	697
	3,310	2,440

After the balance sheet date a final dividend of 2.50p per qualifying ordinary share (2016: 2.00p) was proposed by the Directors and an interim dividend of 1.00p (2016: 0.80p) was paid in April 2017.

	2017 £000	2016 £000
Final proposed 2017— 2.50p (2016: 2.00p) per qualifying ordinary share	3,007	2,376
Interim paid 2017 — 1.00p (2016: 0.80p) per qualifying ordinary share	1,203	934
	4,210	3,310

Subject to Shareholder approval at the Annual General Meeting which is to be held on 27 July 2017, the final dividend will be paid on 13 October 2017 to Members on the Register at the close of business on 15 September 2017. The ordinary shares will become ex-dividend on 14 September 2017.

13. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 31 March 2017 was based on the profit attributable to ordinary shareholders of £12.7m (2016: £10.2m) and a weighted average number of ordinary shares outstanding during the year ended 31 March 2017 of 118,493,886 (2016: 116,388,265), calculated as follows:

Weighted average number of ordinary shares

	2017	2016
Issued ordinary shares at 1 April	116,747,887	116,174,086
Effect of shares issued	1,745,999	214,179
Weighted average number of ordinary shares at 31 March	118,493,886	116,388,265

Diluted earnings per share

The calculation of diluted earnings per share at 31 March 2017 was based on profit attributable to ordinary shareholders of £12.7m (2016: £10.2m) and a weighted average number of ordinary shares outstanding during the year ended 31 March 2017 of 122,143,769 (2016: 120,345,662), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2017	2016
Weighted average number of ordinary shares at 31 March	118,493,886	116,388,265
Effect of share options on issue	3,649,883	3,957,397
Weighted average number of ordinary shares (diluted) at 31 March	122,143,769	120,345,662

The average market value of the Company's shares for the purposes of calculating the dilutive effect of share options was based on quoted market prices for the period that the options and deferred equity awards were outstanding.

Underlying earnings per share

	2017 EPS			2016 EPS		
EPS (total)	Earnings £000	Basic	Diluted	Earnings £000	Basic	Diluted
Profit after tax for the financial year	12,698	10.72p	10.40p	10,225	8.78p	8.50p
Separately disclosed items:						
IFRS2 share option	1,512	1.28p	1.24p	1,687	1.45p	1.40p
Intangible amortisation	1,273	1.07p	1.04p	974	0.84p	0.81p
Net acquisition costs	-	-	-	264	0.23p	0.22p
Costs on exercise of executive share options	567	0.48p	0.46p	-	-	-
Sale of fixed assets	(195)	(0.17p)	(0.16p)	-	-	-
Tax charge on adjusted items^	(193)	(0.16p)	(0.16p)	(1,132)	(0.97p)	(0.94p)
Underlying profit after tax	15,662	13.22p	12.82p	12,018	10.33p	9.99p

^ For the 2016 calculation this includes adjusting for the recognition of the deferred tax asset in *TR* Fastenings Inc

The 'underlying diluted' earnings per share is detailed in the above tables. In the Directors' opinion, this best reflects the underlying performance of the Group and assists in the comparison with the results of earlier years.

14. PRELIMINARY STATEMENT

The financial information set out above does not constitute the Group's statutory Report and Accounts for the years ended 31 March 2017 or 2016 but is derived from the 2017 Report and Accounts. The Report and Accounts for 2016 have been delivered to the Registrar of Companies and those for 2017 will be delivered in due course. The external auditor has reported on the 2017 Report and Accounts; the report was (i) unqualified, (ii) did not include references to any matters to which the external auditor drew attention by way of emphasis without qualifying the reports and (iii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.

16. INVESTOR COMMUNICATIONS

The Company is not proposing to bulk print and distribute hard copies of this Preliminary statement unless specifically requested by individual shareholders, however it can be downloaded from the investor website. News updates, Regulatory News, and previous years' Annual Reports, can also be viewed and downloaded from the Group's website, www.trifast.com.

The Report and Accounts for the year ended 31 March 2017, together with the Notice of Meeting will be posted to shareholders where requested and uploaded to the National Storage Mechanism (http://www.morningstar.co.uk/uk/NSM) and the Group's website, www.trifast.com in due course.

The 2017 Annual Report and Financial Statements will also be available on request by writing to: The Company Secretary, *Trifast* plc, Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW, Email: corporate.enquiries@trifast.com.

17. ANNUAL GENERAL MEETING

The Annual General Meeting will be held on 27 July 2017 at Trifast House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW.

13 June 2017