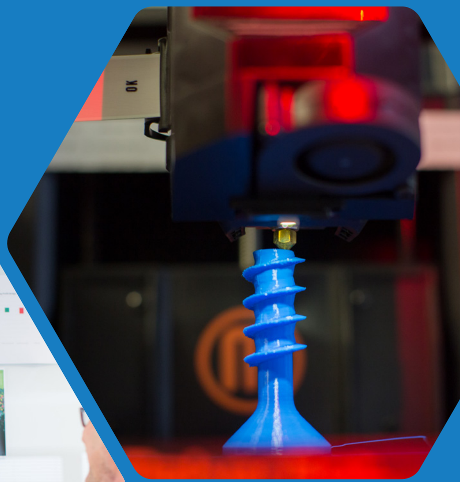
Trifast plc



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

HALF YEAR REPORT

for the six months ended 30 September 2016

HY2016

Investing for growth

Stock Code: TRI

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

HALF-YEARLY FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

"Yet another record breaking six months, with strong underlying trading growth driving our underlying PBT up by **8.0%** at CER **(20.3%** at AER)."

Trifast plc

KEY FINANCIALS

Continuing operations (Actual Exchange Rate, AER)	Change HY2017 v HY2016	HY2017	HY2016	FY2016
Group revenue	**+14.9%**	**£89.7m**	£78.1m	£161.4m
Gross profit %	**+230bps**	**31.6%**	29.3%	29.7%
Underlying operating profit*	**+18.7%**	**£10.3m**	£8.6m	£16.8m
Operating profit	**+17.3%**	**£8.8m**	£7.5m	£13.9m
Underlying profit before tax*	**+20.3%**	**£9.9m**	£8.3m	£16.0m
Profit before tax	**+19.1%**	**£8.5m**	£7.1m	£13.1m
Underlying diluted earnings per share*	**+24.2%**	**6.27p**	5.05p	9.99p
Diluted earnings per share	**+24.8%**	**5.33p**	4.27p	8.50p
Basic earnings per share	**+24.7%**	**5.50p**	4.41p	8.78p
Interim/total dividend^	**+25.0%**	**1.00p**	0.80p	2.80p
Net debt	**-£2.1m**	**£14.2m**	£16.3m	£16.0m
Return on capital employed (ROCE)*	**-70bps**	**18.6%**	19.3%	18.5%

* Before separately disclosed items (see note 2).
^ Change is in interim dividend only.

OPERATIONAL HIGHLIGHTS

- Total revenue increase of 8.1% at Constant Exchange Rate (CER), 14.9% at AER
- A growth strategy that continues to deliver - revenue from multinational OEMs grew by 8.9% at CER
- FX tailwinds bring additional £1.0m to underlying profit before tax
- Underlying diluted earnings per share up by 10.3% at CER, 24.2% at AER
- Growth in profitability drives interim dividend increase
- £0.9m capital investment programme in our manufacturing capabilities, which is expected to increase in the second half
- Ongoing investment for growth in our sales teams and operations around the world
- *TR* Fastenings Espana – an exciting new *TR* location near Barcelona giving the Group access to a key growth market

"HY2017 has seen another six months of strong trading, putting us firmly on track with our expectations to achieve another record breaking financial year.

There are, of course, some macroeconomic factors we cannot fully mitigate, including the ongoing volatility in the foreign currency and 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 in our UK business from the ongoing weakness in Sterling and we expect these pressures to increase over time if that weakness persists. However, as an international business with over 70% of our revenue being generated outside of the UK, the Board remains confident we have the flexibility and foresight to meet these challenges head on as and when they arise.

Right now, in what is our seventh year of continuous profitable growth, with a strong balance sheet, renewed banking facilities and a dedicated, motivated and professional team of people around the world, the Group is in a great position to keep moving forward."

Malcolm Diamond MBE**,** Executive Chairman

Presentation of Results:
This will be held at 9.30am (UK) today at, The Wellington Room, Octagon Point, St Paul's, London, EC2V 6AA.
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**
Malcolm Diamond MBE, Executive Chairman
Mark Belton, Chief Executive Officer
Clare Foster, Chief Financial Officer
Today: Mobile: +44 (0) 7979 518493 (MMD)

Office: +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

Editors' note:
LSE Premium Listing: Ticker: TRI
Group website: www.trifast.com

About us: *Trifast*, leading international specialists in the engineering, manufacturing and distribution of high quality industrial fastenings to major global assembly industries. 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, visit
Commercial website: www.trfastenings.com
LinkedIn: www.linkedin.com/company/tr-fastenings
Twitter: www.twitter.com/trfastenings
Facebook: www.facebook.com/trfastenings

Electronic Communications
The Company is not proposing to bulk print and distribute hard copies of this half-yearly financial report for the six months ended 30 September 2016 unless specifically requested by individual shareholders. News updates, Regulatory News, and Financial statements, can be viewed and downloaded from the Group's website, www.trifast.com. Copies can also be requested via corporate.enquiries@trifast.com or, in writing to, The Company Secretary, *Trifast* plc, *Trifast* House, Bellbrook Park, Uckfield, East Sussex, TN22 1QW.

Forward-looking statements
This announcement contains certain forward looking statements. These reflect the knowledge and information available to the Company during the preparation and up to the publication of this document. By their very nature, these statements depend upon circumstances and relate to events that may occur in the future thereby involving a degree of uncertainty. Therefore, nothing in this document should be construed as a profit forecast by the Company.

TRIFAST PLC
HALF-YEARLY FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

"OVER 75% of GROUP EBIT TODAY COMES FROM OUTSIDE THE UK"

INTRODUCTION

In addition to our ongoing focus on continuous operational improvement, we are into a sustained period of investment in both capital and people around the Group, an initiative that was implemented back in mid-2015. This investment is enhancing not only our manufacturing capacity and sales capability but is a clear signal to everyone of the Board's confidence for the future.

Global market overview

Despite negative media predictions of both UK and global economic malaise, the Group has sustained its trading dynamics in virtually every one of its geographic and sector divisions. The one exception is the reduced domestic automotive output in Malaysia which has affected Power Steel & Electro-Plating Works (PSEP). However, that is currently being addressed by promoting its unutilised capacity to the Tier 1 automotive customers in the EU and USA. Meanwhile, our other Asian businesses plus the UK, *TR* Europe and *TR* USA are all maintaining organic growth in our key customer sectors of automotive, electronics and domestic appliances.

Our most recent acquisition, Kuhlmann in Germany (October 2015), is performing extremely well and has enlarged its sales force to add more resource to its domestic growth opportunities that have been clearly identified by the team.

TR strategy update

We reported back in June the creation of a new senior role, Sales Director *TR* Fastenings UK, which completes the UK operational board. Kevin de Stadler, who took up this role, has since completed his review of our UK sales strategy and during the rest of this financial year we will look forward to beginning the roll out of his recommendations.

Over recent years there has been a trend for high volume assembly operations to migrate to new countries to preserve, or even to achieve, competitive advantage. It is this transience that has helped to drive *TR*'s international expansion by following customers to new production sites, our latest step seeing us open a new logistics centre in Barcelona, Spain. Trading from this greenfield site is expected to start early next calendar year and responds positively to customer requests to provide technical and logistics support locally in Spain.

Our perpetual search for acquisitions that align with our growth strategy continues to be a key priority for the management team to further add material value to our organic growth. Since 2011 we have added three earnings enhancing businesses with highly experienced and successful teams - PSEP (Malaysia), VIC (Italy) and Kuhlmann (Germany). This clearly is an indication of the timescales involved to not only identify the best fit, but also to ensure growth and cultural harmony post transaction.

With meaningful manufacturing capacity expansion projects underway in Italy and Singapore, the senior UK management team is reviewing the cost benefits of how we collect, store and access the Group's purchase, logistics and sales data by means of more interactive systems that will vastly improve processing efficiency. This is a long-term project with the benefits expected by year end 2018 and is a key example of how the Group now has the resource to undertake fundamental modernisation of basic, highly labour intensive core administrative processes.

Succession and people

It is over twelve months since Mark Belton moved to CEO with Clare Foster replacing him as CFO. I must applaud how smooth this transition has been, especially in view of the ongoing high performance of the Group this year along with a cluster of new policy initiatives they have introduced whilst maintaining enthusiastic support for our well proven existing core strategies for growth.

In May this year we wished Carlo Perini (MD of VIC) a fond farewell as he retired from the Group and moved to the USA. We welcomed Karol Gregorczyk and Francesco Cricco as new internally appointed VIC board directors reporting to Geoff Budd (Group Commercial Director). VIC continues to perform extremely well, justifying the extra capacity investment that is being dedicated to the plant.

TR Fastenings UK has created an additional management role for major continuous improvement investments which resulted in the appointment of Des Christian to the team in July as Project Manager.

In March 2009, I re-joined *Trifast* as Executive Chairman alongside Jim Barker as incoming CEO and over seven years I have witnessed the gradual emergence of what is now considered a world class player in our sector. The seamless senior management succession has resulted in a motivated and experienced Executive Board that has clear direction, focus and determination going forward. For this reason, I think it is now appropriate that my role as Executive Chairman switches to Non-Executive Chairman from April 2017, a measured step that will provide continuity in the Boardroom and allow me more time to support my other commitments outside of *Trifast.*

As always these days, I never fail to be in awe of what our nearly 1,200 colleagues achieve by driving *Trifast* consistently forward, often in the face of challenging market and economic headwinds. My colleagues and I sincerely thank them all for their skill, energy and enthusiasm and look forward to our combined continued success in the near and mid-term future.

Malcolm Diamond MBE, Executive Chairman

BUSINESS REVIEW

Unless stated otherwise, comparisons with prior year are calculated at constant currency ("CER") and where we refer to 'underlying', this is defined as being before separately disclosed items (see note 2). For consistency with the year end, CER calculations have been calculated by translating the HY2017 figures by the average exchange rate for FY2016.

Given the significant weakening of Sterling since June, more so than ever before, CER is the best way of understanding the positive progress of our underlying business. Over the second quarter of HY2017, we witnessed Sterling weaken against our key global currencies with average exchange rates falling 8.3% against the US Dollar, 10.2% against the Euro, and 10.2% against the Singapore Dollar.

The impact of foreign exchange movements has increased our revenue by an additional 6.8% (£5.3m), our underlying profit before tax by a further 12.3% (£1.0m) and our underlying diluted EPS by 13.9% (0.70p) in HY2017.

Our Group performance

	HY2017 CER	HY2017 AER	HY2016	Growth at CER	Growth at AER
Revenue	£84.4m	£89.7m	£78.1m	8.1%	14.9%
Gross profit (GP)	£26.7m	£28.4m	£22.9m	16.5%	24.1%
GP%	31.6%	31.6%	29.3%	+230bps	+230bps
Underlying EBITDA	£10.2m	£11.2m	£9.3m	9.3%	20.9%
Underlying operating profit (UOP)*	£9.2m	£10.3m	£8.6m	6.9%	18.7%
UOP%	10.9%	11.4%	11.1%	-20bps	+30bps
Underlying profit before tax*	£8.9m	£9.9m	£8.3m	8.0%	20.3%
Underlying diluted EPS*	5.57p	6.27p	5.05p	10.3%	24.2%

*The non-underlying measures are included in the Key Financials table at the start of this report

In HY2017 we have seen strong, continued revenue growth of 8.1% up by £6.3m to £84.4m.

Non-organic growth accounts for 3.6% of the 8.1% increase, coming from a second successful six months of trading at our latest acquisition, *TR* Kuhlmann in Germany. The strong organic growth of 4.5% was largely driven from our multinational OEMs where revenue has increased by 8.1% on HY2016 (8.9% including *TR* Kuhlmann).

TR Kuhlmann is integrating well, having generated £2.8m of revenue and £0.6m of underlying operating profit. This was noticeably ahead of their first six months in the Group and their performance continues to exceed our expectations.

Gross margins continue to strengthen, up by 190bps on FY2016, and bringing us to above 30% for the first time in our history. This represents the achievement of a long held ambition for the Group, and is a tangible sign of how far we have come over the last seven years of consistent growth. While gross margins increased, underlying operating margins have slightly decreased compared to HY2016 at 10.9%, reflecting the investments for growth we are making around the Group in both our sales and operational teams.

Our underlying PBT continues to grow, up by 20.3% at AER to £9.9m (HY2016: £8.3m) and 8.0% at CER, driving a very strong increase in our underlying diluted earnings per share (EPS) at AER, up 24.2% to 6.27p (HY2016: 5.05p).

Revenue (CER)

By far the biggest driver of growth was our European business where revenue has increased by 22.1% to £29.2m (HY2016: £24.0m). Non-organic growth has driven 11.6% (£2.8m) of that increase, coupled with very strong organic growth in our domestic appliances business in Italy, electronics in Hungary and automotive across Holland and Sweden.

In Asia, we saw strong growth across our Singaporean and Chinese businesses being offset by slower sales in Malaysia, specifically in the domestic automotive market as previously highlighted. Overall revenue remains stable for the region with a 0.5% increase to £19.9m (HY2016: £19.8m).

As expected, in the UK we have seen a return to marginal growth of 1.7% to £32.6m after a slight overall fall in FY2016. This represents a good recovery for what remains our biggest region by sales. Our smallest region, the USA, continues to perform very well with double-digit growth of 14.7% increasing revenue to £2.7m (HY2016: £2.3m).

Underlying operating profit (CER)
Underlying operating margins have remained steady at 10.9% (HY2016: 11.1%), generating an overall increase in profit of 6.9% to £9.2m (HY2016: £8.6m). Once more it is Europe that has driven a large element of the improvement with underlying operating margins increasing 380bps to 15.9% (HY2016: 12.1%) mainly due to gross margin improvements most specifically in Italy, Sweden and Hungary. In Asia, underlying operating profits have fallen by £0.9m to £2.9m (HY2016: £3.8m). Most of this decrease (£0.7m) reflects foreign exchange movements on the retranslation of non-local currency cash and debtor positions. In HY2016 we experienced a one-off £0.5m gain on retranslation due to the weakening in the Asian currencies following the sudden fall in the value of the Chinese Yuan in September 2016. In HY2017, this position has reversed to a £0.2m loss. Outside of this, lower trading levels in our Malaysian business have also acted to reduce underlying operating margins. Together explaining the majority of the 390bps fall in margin to 12.6% (HY2016: 16.5%).

In the UK, margins reduced slightly by 60bps, reflecting good ongoing control of our cost base as our growth investment projects start to be implemented. The US business has seen the biggest reduction in underlying operating margin with a fall of 510bps to 5.4% (HY2016: 10.5%). This fall has occurred through our ongoing successful penetration into the automotive sector, as we have invested in our US resourcing levels ahead of the curve to support actual and expected revenue growth. We would expect to see margins improve as revenue streams continue to increase.

Net financing costs and banking (AER)
These have continued to fall and at the end of the HY2017 stood at £0.3m (HY2016: £0.4m) despite a broadly consistent average net debt position against HY2016. This is due to both the decrease in EURIBOR and a reduced reliance on our more expensive Asset Based Lending (ABL) facilities.

Taxation (AER)
The HY2017 effective tax rate (ETR) of 23.6% is lower than our normalised ETR of c.26.5%, based on the geographical split of the Group's profits. The main reasons for this difference are favourable prior year corporation tax adjustments in our Malaysian and Italian businesses. In FY2016, this was lower still at 21.8%, as we saw the recognition of a deferred tax asset in the US relating to brought forward losses.

Earnings per share (AER)
Our strong growth in underlying profit before tax, coupled with foreign exchange tailwinds from a weaker Sterling, has significantly increased underlying diluted EPS by 24.2% to 6.27p (HY2016: 5.05p).

Dividend
To reflect the Board's confidence in the business and its future prospects, we are declaring an interim dividend of 1.00 pence per share, an increase of 25.0%. The interim dividend will be paid on 13 April 2017, to shareholders on the Register as at 17 March 2017. The shares will become ex-dividend on 16 March 2017.

Shareholder equity (AER)
As at 30 September 2016, the Group's shareholders' equity increased considerably to £93.5m (FY2016: £83.8m). The £9.7m increase is made up of retained earnings of £3.8m (HY2016: £3.3m), share issues totalling £0.1m and a net foreign exchange reserve gain of £5.8m arising from the weakening in Sterling in the second quarter.

Net debt (AER)
Our net debt position at the end of HY2017 has decreased by £1.8m to £14.2m (FY2016: £16.0m) despite the £1.5m (€1.7m) deferred consideration payment for *TR* Kuhlmann. This represents the final payment and timed in with the one year anniversary of the successful joining of our two businesses.

Additional capital expenditure of £0.9m in the period reflects our ongoing commitment to investing in the business, most specifically within our manufacturing sites with additional capacity projects both underway and planned in Italy and Singapore. Although our cash is held across a number of currencies around the world, our gross debt is held predominantly in Euros and so we have seen a £1.1m net increase in net debt mainly from the weakness in Sterling in the period.

Outside of these investments, our cash generation has remained strong, reporting a conversion rate of underlying EBITDA to cash of 82.6% (FY2016: 88.9%; HY2016: 46.3%). This figure includes a £2.1m additional investment in stock to support our ongoing growth, most specifically within our Italian, Taiwanese and UK businesses.

Banking facilities
The Group finalised amended banking facilities with HSBC just after the HY2017 period end on 7 October 2016. In summary, the amendments reduce the Group's reliance on the 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 investment.

Outlook

HY2017 has seen another six months of strong trading, putting us firmly on track with our expectations to achieve another record breaking financial year.

For us, Europe remains a key area for organic growth. We have investment projects already underway to increase our manufacturing capacity in Italy and our new greenfield site in Spain (opened in October 2016) is already providing ample opportunities to better access the multinational OEMs head-quartered and operating in this region.

Additional investments are being made across the world, in both our global and local sales resources and supporting teams, as well as to improve our digital and integrated business management systems. Right now, in what is our seventh year of continuous profitable growth, with a strong balance sheet, renewed banking facilities and a dedicated, motivated and professional team of people around the world, the Group is in a great position to keep moving forward.

There are, of course, some macroeconomic factors we cannot fully mitigate, including the ongoing volatility in the foreign currency and 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 in our UK business from the ongoing weakness in Sterling and we expect these pressures to increase over time if that weakness persists. However, as an international business with over 70% of our revenue being generated outside of the UK, the Board remains confident we have the flexibility and foresight to meet these challenges head on as and when they arise.

RISKS AND UNCERTAINTIES

The Directors do not consider that the principal risks and uncertainties of the Group have changed since the publication in June 2016 of the Group's Annual Report for the year ended 31 March 2016. A copy of this can be found on our website www.trifast.com.

No system can fully eliminate risk and therefore the understanding of operational risk is central to the management process within *TR*. The Group operates a system of internal control and risk management in order to provide assurance that we are managing risk whilst achieving our business objectives. Risk assessment reviews are regularly carried out by management, with responsibilities for monitoring and mitigating personally allocated to a broad spread of individual managers. The review is analysed and discussed at Audit Committee meetings chaired by our Senior Independent Non-Executive Director.

As with all businesses, the Group faces risks, with some not wholly within its control, which could have a material impact on the Group, and may affect its performance with actual results becoming materially different from both forecast and historic results. There are indications that the macroeconomic climate is still under pressure, and so, we continue to remain vigilant for any indications that could adversely impact expected results going forward. Past and future acquisitions can also carry impairment risks on goodwill should there be a sustained downturn in trading within an acquired subsidiary.

The long-term success of the Group depends on the ongoing review, assessment and control of the key business risks it faces.

***Trifast* plc — responsibility statement**

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;
- the interim management report includes a fair review of the information required by:
  a. DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b. DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Mark Belton, Chief Executive Officer
7 November 2016

Condensed consolidated interim income statement

Unaudited results for the six months ended 30 September 2016

	Notes	**Six months ended 30 September 2016 £000**	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Continuing operations				
Revenue		**89,747**	78,142	161,370
Cost of sales		**(61,347)**	(55,260)	(113,366)
Gross profit		**28,400**	22,882	48,004
Other operating income		**203**	169	317
Distribution expenses		**(1,806)**	(1,717)	(3,202)
Administrative expenses before separately disclosed items	**2**	**(16,535)**	(12,690)	(28,326)
Net acquisition costs		**—**	(252)	(264)
Intangible amortisation		**(721)**	(302)	(974)
IFRS 2 charge		**(670)**	(608)	(1,687)
Sale of fixed assets		**194**	—	—
Cost on exercise of executive share options		**(287)**	—	—
Total administrative expenses		**(18,019)**	(13,852)	(31,251)
Operating profit		**8,778**	7,482	13,868
Financial income		**27**	28	60
Financial expenses		**(340)**	(401)	(851)
Net financing costs		**(313)**	(373)	(791)
Profit before tax		**8,465**	7,109	13,077
Taxation	**4**	**(1,995)**	(1,984)	(2,852)
Profit for the period		**6,470**	5,125	10,225
(attributable to equity shareholders of the parent company)				
Earnings per share				
Basic	**6**	**5.50p**	4.41p	8.78p
Diluted	**6**	**5.33p**	4.27p	8.50p

Condensed consolidated interim statement of comprehensive income

Unaudited results for the six months ended 30 September 2016

	Six months ended 30 September 2016 £000	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Profit for the period	**6,470**	5,125	10,225
Other comprehensive income/(expense):			
Exchange differences on translation of foreign operations	**8,231**	(3,201)	4,764
Net loss on hedge of net investment in foreign subsidiary	**(2,433)**	(302)	(2,537)
Other comprehensive income/(expense) recognised directly in equity, net of income tax	**5,798**	(3,503)	2,227
Total comprehensive income recognised for the period (attributable to equity shareholders of the parent company)	**12,268**	1,622	12,452

Condensed consolidated interim statement of changes in equity

Unaudited results for the six months ended 30 September 2016

Unaudited results for the six months ended 30 September 2016	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2016	5,837	21,161	8,569	48,183	83,750
Total comprehensive income for the period:					
Profit for the period	—	—	—	6,470	6,470
Other comprehensive income/(expense):					
Foreign currency translation differences	—	—	8,231	—	8,231
Net loss on hedge of net investment in foreign subsidiary	—	—	(2,433)	—	(2,433)
Total other comprehensive income	**—**	**—**	**5,798**	**—**	**5,798**
Total comprehensive income for the period	**—**	**—**	**5,798**	**6,470**	**12,268**
Transactions with owners, recorded directly in equity:					
Issue of share capital	104	42	—	(52)	94
Share based payment transactions (including tax)	—	—	—	698	698
Dividends	—	—	—	(3,310)	(3,310)
Total transactions with owners	**104**	**42**	**—**	**(2,664)**	**(2,518)**
Balance at 30 September 2016	**5,941**	**21,203**	**14,367**	**51,989**	**93,500**

Unaudited results for the six months ended 30 September 2015	Share capital £000	Share premium £000	Translation reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2015	5,809	20,978	6,342	38,551	71,680
Total comprehensive income for the period:					
Profit for the period	—	—	—	5,125	5,125
Other comprehensive expense:					
Foreign currency translation differences	—	—	(3,201)	—	(3,201)
Net loss on hedge of net investment in foreign subsidiary	—	—	(302)	—	(302)
Total other comprehensive expense	**—**	**—**	**(3,503)**	**—**	**(3,503)**
Total comprehensive (expense)/income for the period	**—**	**—**	**(3,503)**	**5,125**	**1,622**
Transactions with owners, recorded directly in equity:					
Issue of share capital	1	5	—	—	6
Share based payment transactions (including tax)	—	—	—	650	650
Dividends	—	—	—	(2,440)	(2,440)
Total transactions with owners	**1**	**5**	**—**	**(1,790)**	**(1,784)**
Balance at 30 September 2015	**5,810**	**20,983**	**2,839**	**41,886**	**71,518**

Condensed consolidated interim statement of financial position
Unaudited results for the six months ended 30 September 2016

Group	Notes	**30 September 2016 £000**	30 September 2015 £000	31 March 2016 £000
Non-current assets				
Property, plant and equipment		**18,176**	14,752	17,171
Intangible assets		**40,350**	31,306	38,259
Deferred tax assets		**2,121**	1,485	2,165
Total non-current assets		**60,647**	47,543	57,595
Current assets				
Inventories		**43,713**	38,796	39,438
Trade and other receivables		**46,230**	39,503	43,386
Cash and cash equivalents	**7**	**22,783**	20,889	17,614
Total current assets		**112,726**	99,188	100,438
Total assets		**173,373**	146,731	158,033
Current liabilities				
Bank overdraft	**7**	**94**	1	33
Other interest-bearing loans and borrowings	**7**	**20,900**	20,268	16,901
Trade and other payables		**33,421**	28,587	33,030
Tax payable		**2,089**	3,138	2,773
Dividends payable	**5**	**2,376**	1,743	—
Provisions		**70**	222	76
Total current liabilities		**58,950**	53,959	52,813
Non-current liabilities				
Other interest-bearing loans and borrowings	**7**	**16,020**	16,882	16,675
Provisions		**1,117**	883	1,117
Deferred tax liabilities		**3,786**	3,489	3,678
Total non-current liabilities		**20,923**	21,254	21,470
Total liabilities		**79,873**	75,213	74,283
Net assets		**93,500**	71,518	83,750
Equity				
Share capital		**5,941**	5,810	5,837
Share premium		**21,203**	20,983	21,161
Reserves		**14,367**	2,839	8,569
Retained earnings		**51,989**	41,886	48,183
Total equity		**93,500**	71,518	83,750

Condensed consolidated interim statement of cash flows
Unaudited results for the six months ended 30 September 2016

Group	Notes	**Six months ended 30 September 2016 £000**	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Cash flows from operating activities				
Profit for the period		**6,470**	5,125	10,225
Adjustments for:				
Depreciation, amortisation & impairment		**1,697**	952	2,331
Unrealised foreign currency loss/(gain)		**46**	(648)	(119)
Financial income		**(27)**	(28)	(60)
Financial expense		**340**	401	851
(Gain)/loss on sale of property, plant & equipment and investments		**(206)**	(2)	15
Equity settled share based payment charge		**670**	608	1,687
Taxation charge		**1,995**	1,984	2,852
Operating cash inflow before changes in working capital and provisions		**10,985**	8,392	17,782
Change in trade and other receivables		**(127)**	(1,077)	(1,360)
Change in inventories		**(2,087)**	(2,300)	(421)
Change in trade and other payables		**228**	(708)	(58)
Change in provisions		**(6)**	(2)	(70)
Net cash generated from operations		**8,993**	4,305	15,873
Tax paid		**(2,830)**	(931)	(3,080)
Net cash generated from operating activities		**6,163**	3,374	12,793
Cash flows from investing activities				
Proceeds from sale of property, plant & equipment		**206**	15	16
Interest received		**29**	43	91
Acquisition of subsidiary, net of cash acquired		**(1,471)**	(3,361)	(7,684)
Acquisition of property, plant & equipment		**(928)**	(769)	(2,339)
Net cash used in investing activities		**(2,164)**	(4,072)	(9,916)
Cash flows from financing activities				
Proceeds from the issue of share capital		**94**	6	181
Proceeds from new loan		**2,773**	10,496	11,451
Repayment of borrowings		**(2,036)**	(2,129)	(8,969)
Payment of finance lease liabilities		**(4)**	(13)	(31)
Dividends paid		**(934)**	(697)	(2,440)
Interest paid		**(340)**	(429)	(895)
Net cash (used)/generated from financing activities		**(447)**	7,234	(703)
Net change in cash and cash equivalents		**3,552**	6,536	2,174
Cash and cash equivalents at 1 April		**17,581**	15,014	15,014
Effect of exchange rate fluctuations on cash held		**1,556**	(662)	393
Cash and cash equivalents at end of period	7	**22,689**	20,888	17,581

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

Unaudited results for the six months ended 30 September 2016

1. Basis of preparation

These condensed consolidated interim financial statements have been prepared on the basis of accounting policies set out in the full Annual Report and Accounts for the year ended 31 March 2016.

There are no new standards effective for the first time in the current financial period with significant impact on the Group's consolidated results or financial position.

These condensed consolidated interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Conduct Authority and International Financial Reporting Standard (IFRS) IAS 34: Interim Financial Reporting as adopted by the EU. They do not include all the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 March 2016. The annual financial statements of the Group are prepared in accordance with International Reporting Standards (IFRSs) as adopted by the EU.

This statement does not comprise full financial statements within the meaning of Section 495 and 496 of the Companies Act 2006. The statement is unaudited but has been reviewed by KPMG LLP and their Report is set out on page 16.

The comparative figures for the financial year ended 31 March 2016 are not the Company's statutory accounts for that financial year and have been extracted from the full Annual Report and Accounts for that financial year. Those accounts have been reported on by the Company's auditor and delivered to the Registrar of Companies. The Report of the Auditors was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their Report, and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the accompanying half-yearly financial report from the Executive Chairman, Chief Executive Officer and Chief Financial Officer. The financial position of the Company, its cash flows, liquidity position and borrowing facilities also are described in the same report. In addition, note 26 to the Company's previously published financial statements for the year ended 31 March 2016 include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

These condensed consolidated interim financial statements have been prepared on a going concern basis which the Directors consider to be appropriate.

Estimates

The preparation of financial statements in conformity with IFRSs requires management to make estimates, judgements and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions take account of the circumstances and facts at the period end, historical experience of similar situations and other factors that are believed to be reasonable and relevant, the results for which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may ultimately differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were in the same areas as those that applied to the consolidated financial statements as at and for the year ended 31 March 2016. These were as follows:

- Recoverable amount of goodwill
- Inventory valuation
- Valuation of intangible assets acquired in a business combination
- Provisions

2. Underlying performance (before separately disclosed items)

	Six months ended 30 September 2016 £000	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Underling profit before tax	**9,949**	8,271	16,002
Separately disclosed items within administrative expenses:			
Net acquisition costs	**—**	(252)	(264)
Intangible amortisation	**(721)**	(302)	(974)
IFRS 2 share based payment charge	**(670)**	(608)	(1,687)
Sale of fixed assets	**194**	—	—
Cost on exercise of executive share options	**(287)**	—	—
Profit before tax	**8,465**	7,109	13,077

	Six months ended 30 September 2016 £000	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Underlying EBITDA	**11,238**	9,294	18,150
Separately disclosed items within administrative expenses:			
Net acquisition costs	**—**	(252)	(264)
IFRS 2 share based payment charge	**(670)**	(608)	(1,687)
Sale of fixed assets	**194**	—	—
Cost on exercise of executive share options	**(287)**	—	—
EBITDA	**10,475**	8,434	16,199
Intangible amortisation	**(721)**	(302)	(974)
Depreciation	**(976)**	(650)	(1,357)
Operating profit	**8,778**	7,482	13,868

3. Geographical operating segments

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

- UK
- Europe includes Norway, Sweden, Germany, Hungary, Ireland, Italy, Holland 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 consolidated into the four distinct geographical regions, which the Board use to monitor and assess the Group.

Goodwill and intangible assets acquired on business combinations are included in the region to which they relate. This is an update on prior year when, outside of Asia, they were previously included in 'common' segment assets. The comparatives have been restated to reflect this. This is consistent with the internal management reports that are reviewed by the Chief Operating Decision Maker.

Segment revenue and results under the primary reporting format for the six months ended 30 September 2016 and 2015 are disclosed in the table below:

September 2016	**UK £000**	**Europe £000**	**USA £000**	**Asia £000**	**Central costs, assets and liabilities £000**	**Total £000**
Revenue*						
Revenue from external customers	32,612	32,570	2,917	21,648	—	89,747
Inter segment revenue	1,375	286	39	3,681	—	5,381
Total revenue	**33,987**	**32,856**	**2,956**	**25,329**	**—**	**95,128**
Underlying operating result	**3,131**	**5,349**	**166**	**3,302**	**(1,686)**	**10,262**
Net financing costs	(87)	(42)	—	1	(185)	(313)
Underlying segment result	**3,044**	**5,307**	**166**	**3,303**	**(1,871)**	**9,949**
Separately disclosed items (see note 2)						(1,484)
Profit before tax						**8,465**
Specific disclosure items						
Depreciation and amortisation	298	874	12	480	33	1,697
Assets and liabilities						
Segment assets	40,408	69,868	3,810	55,131	4,156	173,373
Segment liabilities	(21,086)	(13,949)	(410)	(11,195)	(33,233)	(79,873)

September 2015	UK £000	Europe £000	USA £000	Asia £000	Central costs, assets and liabilities £000	Total £000
Revenue*						
Revenue from external customers	32,054	23,998	2,332	19,758	—	78,142
Inter segment revenue	1,093	159	63	3,079	—	4,394
Total revenue	33,147	24,157	2,395	22,837	—	82,536
Underlying operating result	3,239	2,921	247	3,764	(1,527)	8,644
Net financing costs	(143)	(56)	(1)	(20)	(153)	(373)
Underlying segment result	3,096	2,865	246	3,744	(1,680)	8,271
Separately disclosed items (see note 2)						(1,162)
Profit before tax						7,109
Specific disclosure items						
Depreciation and amortisation	106	395	10	409	32	952
Assets and liabilities						
Segment assets	45,272	49,983	2,309	45,969	3,198	146,731
Segment liabilities	(21,902)	(12,011)	(332)	(9,606)	(31,362)	(75,213)

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

4. Taxation

	Six months ended 30 September 2016 £000	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Current tax on income for the period			
UK tax	**241**	616	554
Foreign tax	**2,122**	1,636	3,052
Deferred tax expense	**(175)**	(285)	(196)
Adjustments in respect of prior years	**(193)**	17	(558)
	1,995	1,984	2,852

5. Dividend

The dividend payable of £2.4m represents the final dividend for the year ended 31 March 2016 which was approved by Shareholders at the AGM on 27 July 2016 and paid to Members on the Register on 14 October 2016.

6. Earnings per share

The calculation of earnings per 5 pence ordinary share is based on profit for the period after taxation and the weighted average number of shares in the period of 117,594,097 (HY2016: 116,198,101; FY2016: 116,388,265).

The calculation of the fully diluted earnings per 5 pence ordinary share is based on profit for the period after taxation. In accordance with IAS 33 the weighted average number of shares in the period has been adjusted to take account of the effects of all dilutive potential ordinary shares. The number of shares used in the calculation amount to 121,352,678 (HY2016: 119,967,521; FY2016: 120,345,662).

The underlying diluted earnings per share, which in the Directors' opinion best reflects the underlying performance of the Group, is detailed below:

	Six months ended 30 September 2016 £000	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Profit after tax for the period	**6,470**	5,125	10,225
Net acquisition costs	**—**	252	264
Intangible amortisation	**721**	302	974
IFRS 2 share based payment charge	**670**	608	1,687
Sales of fixed assets	**(194)**	—	—
Costs on exercise of executive share options	**287**	—	—
Tax adjustment	**(341)**	(232)	(1,132)
Underlying profit after tax	**7,613**	6,055	12,018
Basic EPS	**5.50p**	4.41p	8.78p
Diluted EPS	**5.33p**	4.27p	8.50p
Underlying diluted EPS	**6.27p**	5.05p	9.99p

7. Analysis of net debt

	At 30 September 2016 £000	At 30 September 2015 £000	At 31 March 2016 £000
Cash and cash equivalents	**22,783**	20,889	17,614
Bank overdraft	**(94)**	(1)	(33)
Net cash and cash equivalents	**22,689**	20,888	17,581
Debt due within one year	**(20,900)**	(20,268)	(16,901)
Debt due after one year	**(16,020)**	(16,882)	(16,675)
Gross debt	**(36,920)**	(37,150)	(33,576)
Net debt	**(14,231)**	(16,262)	(15,995)

8. Reconciliation of net cash flow to movement in net debt

	Six months ended 30 September 2016 £000	Six months ended 30 September 2015 £000	Year ended 31 March 2016 £000
Net increase in cash and cash equivalents	**3,552**	6,536	2,174
Net increase in borrowings	**(733)**	(8,354)	(2,451)
	2,819	(1,818)	(277)
Exchange rate differences	**(1,055)**	(1,029)	(2,303)
Movement in net debt	**1,764**	(2,847)	(2,580)
Opening net debt	**(15,995)**	(13,415)	(13,415)
Closing net debt	**(14,231)**	(16,262)	(15,995)

INDEPENDENT REVIEW REPORT TO *TRIFAST* PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 which comprises the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of financial position, the consolidated statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with IFRS as adopted by the EU. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.

Mark Sheppard
for and on behalf of KPMG LLP
Chartered Accountants
1 Forest Gate
Brighton Road, Crawley
West Sussex, RH11 9PT

7 November 2016