

ESSENTRA PLC

("Essentra", the "Group, or the "Company")

Q3 TRADING UPDATE

FY24 expectations in line with revised guidance

Essentra plc, a leading global provider and manufacturer of essential components and solutions, today provides a third quarter trading update for the thirteen weeks ended 28 September 2024 ("Q3" or the "period").

FY24 adjusted operating profit¹ guidance is unchanged from the trading update released on 17 September 2024, and is aligned with market expectations².

Trading update

Group revenue in Q3 reduced by 2.3% at constant currency, compared to the prior year period on a working day adjusted basis. Like-for-like³ ("LFL") revenue reduced by 5.8%, offset by a positive contribution to revenue of 3.5% from the acquisition of BMP s.r.l ("BMP TAPPI"), which completed in October 2023.

LFL revenue performance in Q3 was reflective of the weak manufacturing PMI metrics widely reported. EMEA (including Turkey) saw softening trading conditions whilst Americas reported slower than originally anticipated levels of recovery, although distributor volumes remained stable for another consecutive quarter. The APAC region delivered modest levels of growth, driven by a number of commercial business wins in faster growing end-markets from our China export business to the rest of Asia and Middle East.

Gross margins across all three regions remain strong, supported by good levels of cost control, procurement actions and operational efficiencies. When combined with Essentra's continued focus on its hassle-free customer proposition, the actions that have been taken over the last 18 months to right-size the cost base and optimise the business mean that the Group is well-positioned to benefit from material levels of operational gearing when normalised levels of volume return.

The Group's financial position is robust. FY24 leverage guidance is unchanged and is expected to be within the target range of 0.5x – 1.5x, providing a solid foundation from which the Group can continue to execute operational and strategic value-enhancing growth initiatives.

FY24 outlook unchanged

The Board expects FY24 adjusted operating profit to be in line with current market expectations. Trading in October supports the Group's revised internal forecasts, and Management remains focussed on delivering operational efficiencies in the near-term, whilst selectively investing for growth.

The underlying Essentra business model remains fundamentally strong, operating in a highly fragmented market combining the breadth and depth of its product offering, end-market capabilities and geographic footprint. Management continues to be confident that Essentra's robust and differentiated business model will support further progress towards its medium-term targets.

Notes

1. On a continuing operations basis, before amortisation of acquired intangible assets and adjusting items
2. Company compiled market expectations for 2024 adjusted operating profit is a range of £40.0m to £41.7m
3. The term "like-for-like" describes the performance of the continuing business on a comparable basis, adjusting for the impact of acquisitions, disposals and foreign exchange. 2024 LFL sales performance is adjusted for the acquisition of BMP s.r.l. ("BMP TAPPI") in October 2023

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Notes to Editors

Essentra plc is a FTSE 250 company and a leading global provider of essential components and solutions, focusing on the manufacture and distribution of plastic injection moulded, vinyl dip moulded and metal items.

Headquartered in the United Kingdom, Essentra's global network extends to 28 countries worldwide and includes c.3,000 employees, 14 manufacturing facilities, 24 distribution centres and 33 sales & service centres serving c.69,000 customers with a rapid supply of low cost but essential products for a variety of applications in industries such as equipment manufacturing, automotive, fabrication, electronics, medical and renewable energy. For further information, please visit www.essentraplc.com

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Cautionary forward-looking statement

These results contain forward-looking statements based on current expectations and assumptions. Various known and unknown risks, uncertainties and other factors may cause actual results to differ from future results or developments expressed or implied from the forward-looking statements. Each forward-looking statement speaks only as of the date of this document. The Company accepts no obligation to revise or update these forward-looking statements publicly or adjust them to future events or developments, whether as a result of new information, future events or otherwise, except to the extent legally required.