

## FY2024 PRE-CLOSE TRADING UPDATE

Released : 21/01/2025 07:00

RNS Number : 0297U  
Essentra plc  
21 January 2025

### ESSENTRA PLC

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

#### PRE-CLOSE FULL YEAR TRADING UPDATE

##### FY24 expectations unchanged

Essentra plc, a leading global provider and manufacturer of essential components and solutions, today provides a trading update for the financial year ended 31 December 2024 ("FY24"), ahead of the announcement of its full year results on 19 March 2025.

The Group expects to deliver FY24 adjusted<sup>1</sup> operating profit in line with previous guidance and current analyst expectations<sup>2</sup>.

#### Trading performance

Group revenue for the full year is expected to grow by 0.3% on a constant currency basis. Revenue growth from the acquisition of BMP s.r.l ("BMP TAPPI") increased revenue by c.3.0% year-on-year, offset by a c.2.7% reduction in like-for-like<sup>3</sup> ("LFL") revenue, reflecting mixed end-market conditions, including a softening in EMEA end-markets in the latter part of the year, as previously reported. FX impacted Group revenue by c.5%, with reported Group revenue expected to be 4.4% below the prior year.

As anticipated, the Group continued to experience differences in trading conditions across its three regions in the fourth quarter. In Q4 (the "period" or "quarter"), Group revenue reduced by 2.9% at constant currency, compared to the prior year period on a working day adjusted basis. LFL revenue reduced by 3.7% year-on-year, offset by a positive contribution to revenue of 0.8% from the acquisition of BMP TAPPI.

EMEA (including Turkey) saw a softening in trading conditions in the quarter, with performance remaining closely correlated to manufacturing PMI metrics across the region, particularly in West Europe. Encouragingly, the Americas region saw conditions stabilise in Q4. Distributor volume trends remain unchanged, with no clear indications of further destocking or re-stocking. The APAC region delivered a steady improvement, with a further consecutive quarter of year-on-year growth. The China export business, including access hardware products, continues to drive commercial business wins in faster growing end-markets across the rest of Asia and the Middle East.

Regional gross margins remain stable compared to the prior year. The Company's manufacturing and distribution facilities continue to adjust capacity to reflect demand, demonstrating the strength and agility of our differentiated business model. The Group retains its disciplined approach to cost control while ongoing procurement actions and selective investments in capital are driving efficiencies, mitigating the effect of volume decline.

The Group's financial position is robust and operational cashflow conversion continues to be strong. FY24 pre-IFRS 16 net debt leverage guidance is unchanged, and is expected to close within the targeted leverage range of <1.5x. The Group retains headroom into 2025 to execute operational and strategic value-enhancing growth initiatives.

#### Scott Fawcett, Chief Executive Officer, commented:

*"Essentra expects to deliver FY24 adjusted operating profit in line with previous guidance. While end-market conditions throughout the year have been mixed, Essentra's global manufacturing and distribution footprint, and operational flexibility have supported the delivery of regional gross margin stability.*

*We remain committed to our hassle-free customer proposition and I am pleased that both the 2024 employee engagement and Net Promoter Scores have improved year-on-year despite a challenging market backdrop, as Essentra retains its strong market positions.*

*Whilst we are taking a cautious view on the timing of any material improvement in end-market conditions, we remain focused on continuing to deliver on the elements that remain within our control. We will drive operational excellence to ensure customers receive enhanced levels of service; we will optimise our efficiency to support operating leverage and margins; and we will continue to invest selectively with returns discipline for growth. This approach, in combination with our differentiated business model, supports our confidence in our ability to deliver progress on our strategic objectives, and benefit from material levels of operational gearing as market conditions improve."*

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 £39.8m to £40.3m
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")

#### Enquiries

##### **Essentra plc**

Rowan Baker, Chief Financial Officer  
Claire Goodman, Head of Investor Relations  
Emma Reid, Company Secretary

Tel: +44 (0)1908 359100

##### **FTI Consulting**

Richard Mountain  
Ariadna Peretz

[FTI\\_essentra@fticonsulting.com](mailto:FTI_essentra@fticonsulting.com)

Tel: +44 (0)20 3727 1340

#### 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](http://www.essentraplc.com)

LEI: 5493007MOZNA03BVNE96

#### 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 of developments, whether as a result of new information, future events or otherwise, except to the extent legally required.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lseg.com](mailto:rns@lseg.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTSEFFASEISEIF