

Trifast plc

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

**Trading Update
and
Notice of Annual Results**

"A growth strategy that continues to perform, with our underlying business delivering against our core KPIs"

Mark Belton, CEO Trifast

Trifast plc (Main market: TRI), a leading international specialist in the engineering, manufacturing and distribution of high quality industrial fastenings to major global assembly industries, provides the following unaudited trading update ahead of the publication of the Group's annual results for the financial year ended 31 March 2018 which will be released on Tuesday, 12 June 2018.

Highlights

- Encouraging finish to the year with Group underlying profit before tax slightly ahead of management expectations
- Organic revenue growth delivered across all our regions
- Major capital investment programmes successfully build capacity at our Italian and Singaporean sites, with further investment planned
- On track to finalise scoping of significant multi-year IT investment in June
- Precision Technology Supplies successfully acquired on 4 April 2018 and the proactive search for future acquisitions continues
- Group's order pipeline continues to be encouraging such that *Trifast* enters the new financial year in a confident mood

TRADING**Revenue**

Our European operations have benefited from a stronger second half of underlying CER organic growth. We have witnessed good growth across a number of the key market sectors we serve, most specifically in the automotive sector with double digit growth across both our Dutch and Swedish operations. In addition, our newest green field location in Spain and our new TR Innovation and Technical Centre set up within Sweden's electric vehicle development area in Gothenburg, are both providing exciting prospects for further growth in the region. As previously reported, on the domestic appliances side we have seen an expected return to more normal trading levels over the year following abnormally high sales volumes as we supported a significant global product recall programme for one of our key accounts. We continue to consider the European domestic appliances sector to be a competitive market for us, providing ongoing opportunities notwithstanding the pricing pressures inherent within this industry.

Following a stronger second half, the UK also experienced robust year on year organic growth reflecting a targeted approach aimed at growing both core Multinational OEM customers and our European distributor sales. Looking ahead, recently announced changes in planned production volumes in the diesel automotive sector could influence specifically related pipeline activity in the region, although to date the expected impact of this is relatively minor.

Once again Asia has performed well both domestically and internationally. We have seen solid year on year CER growth particularly across our key domestic appliances and automotive sectors. As expected, the strong double digit growth experienced in the first half of the financial year was not sustained into the second half. This was largely due to the ongoing reduction in demand at one of the region's key automotive customers as a result of its own restructuring programme, coupled with the impact of deliberately reduced volumes following an e-bidding process at an electronics Multinational OEM customer. At *TR*, we do not, and will not, chase volume over margin and so will continue to walk away when pricing becomes unsustainable. Looking ahead, our new warehouse in Shanghai is already providing additional support for our ongoing strong automotive growth in mainland China and Japan. Furthermore, the significant capital investment we have made into our manufacturing facilities in Singapore will also start to feed through into margins over the coming financial year.

Within our North American presence, we are pleased to report that our *TR* operation is recovering well following the impact of Hurricane Harvey last year with strong year on year CER growth being driven from new automotive wins in the region. We plan to carry on investing to build the local team and to support future growth in this important market and we are excited to announce the opening of a larger *TR* warehouse and office site in Houston this month.

Underlying profit before tax

On both an AER and CER basis, the Board is pleased to report an encouraging finish to the financial year ended 31 March 2018 with Group underlying profit before tax slightly ahead of management expectations. All of our main geographies (excluding USA) have delivered growth in profits with each location contributing to the Group's trading results.

Financial position

The Group's balance sheet continues to be robust with the capacity to fund both our organic and acquisition growth. Strong cash conversion has been maintained, despite this being a period of growth and investment, as we continue to focus on good working capital management.

During the financial year we have initiated a number of significant capital investment projects. Our previous investments, most specifically into our Italian manufacturing operations, are already delivering capacity benefits and the completion of the mezzanine expansion at our Singapore manufacturing facilities was successfully achieved just ahead of the year end. Further warehouse expansion plans are underway in Holland and the USA in this current financial year.

As previously highlighted, the Group has spent time during FY 2018 considering how best to integrate and develop the Group's existing IT infrastructure. This project is essential to support our ongoing growth plans and to meet the evolving needs of our Multinational OEM customers. This will be an area of significant investment, underpinning our future growth strategy, and we look forward to updating shareholders further when we report our full year results in June.

Acquisitions

As a business we regularly evaluate propositions that could further strengthen our technical know-how, vendor sourcing, design and engineering skills, as well as expand our global footprint or add value to our sector specialisms. An example of this has been the growing demand for stainless steel fastenings that we have seen from several of our Multinational OEM customers, as these products are able to offer a fully recyclable, high strength and corrosion resistant fastening solution.

Accordingly, we were delighted to announce on 5 April 2018 that we had acquired Precision Technology Supplies Limited (PTS), a key supplier and distributor of stainless steel fastenings in the UK and, holding one of the widest product ranges of any supplier in Europe. The opportunity to expand our knowledge base and acquire highly skilled and experienced people in this key area of the market provides an exciting proposition and a foundation to further growth. The team at PTS and *TR* are delighted to have joined forces and this represents a great opportunity to further support our fast growing distributor sales which in the year ended 31 March 2018 accounted for c.10% of Group revenue. Not only is it expected that PTS will be earnings enhancing in the financial year ending 31 March 2019, it will also strengthen the Group's position when it comes to future sourcing synergies.

Summary and outlook

Overall, the Group has performed well this year and will deliver trading results for the financial year ended 31 March 2018 slightly ahead of management expectations.

There are, of course, some macroeconomic factors we cannot fully mitigate, including the ongoing volatility in the foreign currency and raw materials markets, and the wider potential implications of Brexit on our business and the UK economy. Nonetheless, we enter this new financial year confident in our growth prospects and the delivery of our strategic objectives.

We continue to believe that our experienced business teams, coupled with our wide geographical and sector coverage will give us the ongoing flexibility and foresight to meet both the many opportunities open to us as well as dealing with the macroeconomic and political challenges that could lie in front of us.

Notice of Annual results

The Directors look forward to presenting the Group's results for the year ended 31 March 2018 and providing shareholders with a further update on trading and strategy on 12 June 2018 at a presentation of results scheduled to be held at 8.45am.

For further details please contact the Company or its advisers shown below.

Enquiries please contact:

Trifast plc

Malcolm Diamond MBE, Chairman
Mark Belton, Chief Executive Officer
Clare Foster, Chief Financial Officer
Office: +44 (0) 1825 747630
email: corporate.enquiries@trifast.com

Peel Hunt LLP

Stockbroker & financial adviser
Justin Jones or Matthew Brooke-Hitching
Tel: +44 (0) 20 7418 8900

TooleyStreet Communications

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

Editors' note:

Trifast plc

LSE Premium Listing: Ticker: **TRI**

LEI REFERENCE: 213800WFIVE6RWK3CR22

About us: Trifast is a leading international specialist 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.1,300 staff across 31 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

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.