

## **Tyman plc (“Tyman” or the “Group”) Trading Update**

Tyman, a leading international supplier of engineered components to the door and window industry, issues the following trading update for the period from 30 June 2017 to date. This trading update contains inside information.

### **Current trading and outlook**

Revenue and Underlying Profit before Taxation for the full year for Tyman are expected to be ahead of 2016, assisted by full year contributions from the acquisitions of Giesse and Bilco, synergy benefits and favourable exchange rates.

Underlying Profit before Taxation for the full year is now expected to be slightly below the current range of analyst expectations\*, principally due to increased input costs not yet recovered and the previously reported temporary operational issues in the AmesburyTruth Division.

Schlegel International has continued to perform encouragingly in 2017 and ERA has taken some share in a market that is down in the UK. The temporary operational issues in North America resulted in AmesburyTruth trading slightly behind the overall market, which has seen modest growth in the year to date.

The Group expects to make further progress in 2018 with the market outlook in North America and Continental Europe remaining positive. Tyman will continue with its programme of self help initiatives, including price recovery where appropriate, to improve margins.

*\* as at 7 November 2017 the range of analyst expectations compiled by the Group from published research notes for Underlying Profit before Taxation for the 2017 financial year is between £69.6 million - £72.3 million.*

### **AmesburyTruth**

North American residential and commercial markets have seen modest growth in 2017 with the Canadian market performing more robustly than in recent years. Bilco has traded in line with 2016 in the year to date with pricing actions offsetting slightly lower volumes and integration remains on track. Underlying operating margins for the Division for the full year are expected to be lower than in 2016, principally due to the consolidation of Bilco for a full twelve months and increased input costs not yet recovered.

AmesburyTruth’s new facility in Statesville, North Carolina is now operational and the planned 2018 closures of the Amesbury, Massachusetts and Rochester, New York facilities have been announced. The Juarez, Mexico facility is operating at its targeted production levels and customer service levels are returning to normal as the previously reported operational issues are being resolved. The Division remains confident that the North American footprint project will deliver the expected US\$10.0 million of cost benefits from 2020.

The new national sales representative network has seen an improvement in the level of new client wins and leads generated and a first distribution warehouse has opened in Dallas, Texas. The new network is expected to lead to an increase in market share among tier 3 and 4 accounts during 2018.

Input costs have continued to increase in the second half of 2017; most notably zinc, paint and oil derivatives. Given this year's operational issues, the Division has not fully recovered the impact of these increases through price; although expects to resume its usual price recovery programme in 2018.

AmesburyTruth expects to see continued growth in North American residential and commercial markets in 2018 with lead indicators for new construction and repair and remodelling remaining positive in both the US and Canada.

## **ERA**

UK RMI markets have remained subdued in 2017. ERA's like for like Revenue for the full year is expected to be ahead of 2016 due to successful pricing and surcharge actions, increased volumes into distribution and only slightly lower volumes into OEM; indicating some modest market share gains. Bilco UK and Howe Green continue to have encouraging pipelines of opportunities. As previously indicated, Underlying operating margins in ERA for the full year will be lower than 2016, principally due to last year's exchange benefits not repeating in 2017.

The Division has started to occupy its new premises in the West Midlands with full occupancy scheduled for the start of 2018. As a result, three existing UK distribution facilities will be closed by the end of the year.

ERA remains cautious about the outlook for RMI in 2018 and expects the market will be flat to down next year. However, the Division will look to build on the share gains made this year in distribution and OEM, and the opportunities afforded for improved customer service in operating from a single location.

## **Schlegel International**

Schlegel International's full year like for like Euro Revenue is expected to be slightly ahead of 2016, principally reflecting the continued improvement in Continental European trading conditions. Since the half year Middle Eastern markets have strengthened and Latin American markets have shown some early signs of recovery. Asia Pacific markets, including China and Australia, have remained flat to down in the year to date.

Underlying operating margins in Schlegel for the full year will be higher than in 2016 due to recovering European markets and realised synergy benefits which remain on target.

Schlegel International expects to see further growth in EMEAI markets in 2018 and Latin American markets are expected to be more robust than in recent years. Asia Pacific markets are likely to remain profitable but subdued.

## **Financial position**

The Group has achieved good cash generation in the year to date. Leverage is expected to be within the Group's core year end target range of 1.5x to 2.0x at 31 December 2017.

## **Capital markets event – 8 November 2018**

On Wednesday 8 November 2017 Tyman will hold a capital markets event for analysts and institutional investors focussed on the Group's AmesburyTruth Division. No new

financial information will be disclosed at the event and presentation materials will be made available at the Group's website.

**Louis Eperjesi, Chief Executive of Tyman, commented:**

"For the full year we expect to report Revenue and Underlying Profit before Taxation ahead of 2016, assisted by contributions from the acquisitions of Giesse and Bilco, synergy benefits and favourable exchange rates. Underlying Profit before Taxation for the full year is now expected to be slightly below the current range of analyst expectations, principally due to increased input costs not yet recovered and the previously reported temporary operational issues in the AmesburyTruth Division.

"The year to date has seen an encouraging performance from Schlegel International with the expanded product offering gaining traction, most notably in Continental Europe, and Middle East and Latin American trading also improving in Q3. AmesburyTruth has made further progress in its footprint project in 2017 with the operational issues in Mexico now being resolved and the Canadian market continues to improve. ERA has taken some share in what remains a flat to down market and has started operating from its new West Midlands facility.

"We expect to make further progress in 2018 with the market outlook in North America and Continental Europe remaining positive and will continue with our programme of self help initiatives, including price recovery, to improve margins."

**7 November 2017**

**Enquiries:**

**Tyman plc**

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**Conference call dial in details**

A conference call with Louis Eperjesi and James Brotherton for analysts and investors will be held at 08.30 a.m. today, Tuesday 7 November 2017.

UK toll number: 0333 300 0804  
UK toll-free number: 0800 358 9473  
Participant PIN code: 97946956#

A replay facility will be made available shortly after the conclusion of the conference call:

UK toll number: 0333 300 0819  
UK toll-free number: 0800 358 2049  
Participant PIN code: 301208618#

**Future dates**

Tyman will issue its preliminary results announcement in respect of the year ending 31 December 2017 on Tuesday 6 March 2018.

**Notes to editors****Tyman plc**

Tyman plc is a leading international supplier of engineered components to the door and window industry. The Group's three Divisions – AmesburyTruth, ERA and Schlegel International – are market leaders in their respective geographies.

The Group employs over 3,500 people and operates facilities in 19 countries worldwide. Tyman is listed on the London Stock Exchange under the ticker TYMN.

Further information on Tyman and the Group's products is available at the Group's website: [www.tymanplc.com](http://www.tymanplc.com).