



RNS Number : 55020
Tyman PLC
08 November 2016

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 2016 to date. This trading update contains inside information.

Current trading and outlook

Trading in 2016 remains in line with expectations across the Group as a whole. Encouraging growth has continued in European markets and volumes have held up in UK and Irish markets, offsetting slower trading in North America since the half year.

Constant currency like for like revenue in the year to date remains marginally ahead of 2015 and there has been incremental expansion in Group profitability generated through pricing actions, early benefits derived from acquisitions and cost reduction initiatives. The devaluation of Sterling against international currencies in 2016 will also enhance the translation of revenue and operating profit compared with 2015.

The Group's broad international exposure and balanced portfolio means Tyman is well positioned for 2017 and beyond, despite macroeconomic uncertainties and continued currency volatility.

AmesburyTruth

North American residential markets have been broadly flat in the year to date with activity levels slowing after a strong first quarter and the expected improvement from the half year not materialising.

In the new build sector there has been a small increase in single family home activity which has partially offset declines in multifamily completions. Permit levels in the new build sector of the market remain strong. The repair and remodelling sector, which comprises the majority of the market, has remained relatively subdued for a second successive year. Canadian markets have shown some signs of improvement since the half year.

Bilco has traded ahead of 2015 since acquisition on 1 July and integration initiatives remain on schedule.

The North American footprint rationalisation project continues with the extended facility in Juarez, Mexico now offering full service production, the Canton, South Dakota facility expected to close by the end of 2016 and the move to the new facility in Sioux Falls, South Dakota expected to complete by the end of the first quarter of 2017. The project will start to generate incremental cost benefits from 2017 and remains on track to deliver the US\$10.0 million of cost benefits from 2020.

AmesburyTruth expects to see modest growth in North American residential markets in 2017 with lead indicators for both new construction and repair and remodelling remaining positive. The Division is well positioned to start to grow its share in US commercial utilising the Bilco channels to market.

ERA

UK and Ireland RMI markets, which softened around the time of the EU referendum, have remained reasonably steady across the summer months and into the autumn. The Division has made good progress with new product introductions into the UK market and has succeeded in regaining some share in the distribution sector.

The majority of ERA's products are sourced from the Far East and the Division continues to see significant increases in the landed cost of imported products into the UK market as a result of the devaluation of Sterling. To date these increases have successfully been recovered through pricing and surcharge actions.

Given macroeconomic uncertainties, ERA remains cautious about the outlook for RMI in the UK and Ireland in 2017 and expects the market to be flat to down next year. However, the Division has additional new products coming to market next year, including the launch of trade and retail wireless alarm offerings, and expects to make further progress in distribution.

Schlegel International (incorporating Giesse)

Trading conditions for Schlegel International in EMEAI continued to improve although, as expected, the pace of year on year improvement in Continental Europe moderated during the third quarter. South American markets remain variable with Argentina slowing and seeing significant cost inflation and the Brazilian market continuing to contract. Asia Pacific markets, including China and Australia, have remained broadly flat in the year to date.

The integration of Giesse is progressing well with the closures of the Giesse facility in Mauá, Brazil and the Schlegel warehouses in Barcelona and Singapore all completed since the half year. The Schlegel Italy distribution facility in Milan is expected to close before the year end. The formal transfer of the Giesse Gulf trade and assets to Schlegel International completed on 31 August 2016.

Schlegel International expects to see continued encouraging growth in EMEAI markets in 2017. South American and Asia Pacific markets are likely to remain profitable but subdued for some time to come.

Financial position

The Group has achieved good cash generation in the year to date. Leverage is expected to reduce, from the 2.35x reported on the completion of the Bilco acquisition, to around the top of the Group's core year end target range of 1.5 to 2.0x by 31 December 2016.

Capital markets event

On Thursday 10 November 2016 Tyman will hold a capital markets event for analysts and institutional investors focussed on the Group's Schlegel International Division. No new financial information will be disclosed at the event and presentation materials will be made available at the Group website.

Louis Eperjesi, Chief Executive of Tyman, commented:

"The Group has continued to make good progress during 2016, despite generally softer end markets in the year to date. Profitability and cash generation have expanded and the integrations of both Giesse and Bilco are proceeding according to plan.

"We expect to make further progress next year through our well established self help, growth and innovation initiatives, despite the uncertainties surrounding the general macro economic outlook. These include the completion of the integrations of our newly acquired businesses, further investment to improve the Group's manufacturing and supply chain capabilities, continued new product introductions and focus on margin expansion and cash generation.

"Our broad international exposure and balanced portfolio means Tyman is well positioned for 2017 and beyond."

8 November 2016

Enquiries:

Tyman plc

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Conference Call Details

A conference call with Louis Eperjesi and James Brotherton for analysts and investors will be held at 08.30 am today, Tuesday 8 November 2016.

UK Toll Number: 020 3139 4830

UK Toll-Free Number: 080 8237 0030

Participant PIN code: 95666878#

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

UK Toll Number: 020 3426 2807

UK Toll-Free Number: 080 8237 0026

PIN code: 679066#

Future Dates

Tyman will issue its preliminary results announcement in respect of the year ending 31 December 2016 on Wednesday 8 March 2017.

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.

Following the acquisitions of Bilco, Giesse and Response 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 the Group and the Group's products is available at www.tymanplc.com.

This information is provided by RNS
The company news service from the London Stock Exchange

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