

11 April 2019



Scapa Group plc
("Scapa" or "the Group")

Year-end trading update

Group revenue and trading profit in line with market expectations; surpasses £300m revenue

Scapa Group plc (AIM: SCPA) announces the following unaudited trading update for the twelve months ended 31 March 2019.

The Group delivered record revenue and trading profit¹. Statutory Group revenue increased 7.0% to £311.8m (2018: £291.5m) and revenue on a continuing basis² increased 5.7% to £308.2m (2018: £291.5m). Overall Group revenue, trading profit¹ and margins are expected to be in line with market expectations.

Healthcare: Revenues grew 22.1% on a continuing basis² for the year, including the impact of the BioMed and Systagenix acquisitions. As expected, organic revenue growth in H2 improved 5.1% over H1, resulting in an overall decline of 3.6% for the year. Organic trading profit¹ is expected to be in line with the prior year, reflecting improved margin as we continue to drive our portfolio toward turnkey products. Since successfully completing the acquisition of Systagenix, the business has performed ahead of expectations, both in revenue and profit. Integration progresses well with the synergy programme, outlined in October 2018, delivering ahead of schedule.

Industrial: As previously guided, revenues declined 4.6% due to adverse macro conditions particularly in the automotive and European cable markets. Organic trading profit is expected to be slightly less than the prior year as a result of additional cost incurred at Markel. Excluding the impact of Markel, the margins improved 5.6%, making further good progress toward the medium-term target of 15%.

Adjusted Net debt³ of £43.7m is after the acquisition of the Systagenix manufacturing facility for £34.0m (reflecting the customary closing adjustments post transaction) and includes the impact of the one-off stock build of £2.9m for the Dunstable and Knoxville site moves.

Heejae Chae, Group Chief Executive of Scapa, commented:

"We reached a milestone of £300 million in revenue and delivered a record profit. In Industrial, we continue to focus on margin improvement and cash generation to support future growth. In Healthcare, the technology transfer of Systagenix's R&D and manufacturing capabilities from a strategic partner and customer was a transformative transaction. It has enhanced the foundations of our Healthcare strategy and provides the capabilities to deliver long-term sustainable growth as we continue to expand our offering across the complete value chain."

Scapa expects to report its full year results on 21 May 2019.

This announcement contains inside information.



For further information:

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¹ *Trading profit is before exceptional items, reorganisation and site closure costs, amortisation of intangible assets and legacy pension costs and finance charges*

² *Excluding IFRS15 statutory uplift*

³ *Excluding temporary finance lease for Knoxville site*