



James Halstead

JAMES HALSTEAD PLC

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RNS Number : 4622H
James Halstead PLC
04 August 2021

4 August 2021

JAMES HALSTEAD PLC
(the "Company")

Trading Update

James Halstead plc, the commercial flooring manufacturer and international distributor, is providing the following trading update ahead of its results for the year to 30 June 2021.

Trading in the second half of year has been encouraging despite the ongoing uncertainties in the global marketplace and notwithstanding some of the travails noted below, the Company expects to report both turnover and pre-tax profit at record levels for the period.

Early indications in February that international freight was showing signs of improving, in terms of cost and availability, was short lived and the chaos of the closure of the Suez Canal has been matched by the turmoil in China and in particular the port of Yantain which handles vast amounts of international freight. Consequently, there have been delays in the supply of goods and ongoing adverse shipping costs.

In the UK, the availability of basic raw materials has continued to threaten smooth production but more disruptive has been the effect of employee shortages due to absenteeism mostly a result of the self-isolation of employees exposed to the virus. The Radcliffe production site has consequently struggled to achieve full output for many months. Teesside production has fared much better and third-party sourced finished goods have performed admirably.

It is apparent that the entire market has faced production issues and several of our competitors have had to suspend production due to material shortages. To date, we have not curtailed output and we believe this has helped us gain market share. In addition, it seems clear to us that while flooring retailers were closed, due to lockdown restrictions, our commercial flooring offerings (particularly in luxury vinyl tile) were used increasingly and significantly in domestic settings. This was a result not only of our long-held pedigree as a reliable global supplier but also of contractors playing a bigger part in the product choice decision as retailers, and to an extent, distributors were closed. Another notable point was a big increase in online retailing of flooring where, again, our strong brands aided growth. Both factors contributed to our expansion in the domestic UK flooring market, where demand increased not just because of rising consumer spending on the home but also with the move to home/garden offices and home gyms. Most of our major markets have experienced these trends.

Many of our end users have been extensively disrupted over the last year with an obvious reduction in demand for new outlets and refurbishment across many sectors, with hospitality being the most obvious deficit. Against this were notable uplifts in healthcare and the provision of vaccine supply. To date, we have delivered flooring to

several hundred significant covid-care / vaccination facilities across the globe including Latin America, South Africa as well as China, Mexico and Italy.

Our balance sheet remains robust and continues to be bolstered by solid cash balances.

The Company will announce its full results for the year to 30 June 2021 around the end of September 2021.

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