

**The Alumasc Group plc (ALU.L) ("Alumasc" or the "group")
Trading Statement**

Alumasc has so far experienced a slower than expected third quarter performance, both in terms of revenue and order intake. The principal reasons are macro-economic and industry specific:

- continuing delays in building contractor customers committing to new work following recent margin pressures, exacerbated in January by the insolvency of Carillion and the consequential impact across the industry;
- broader economic and political uncertainties impacting demand particularly in the commercial new build sector, with recent reports of construction output in this sector showing decline;
- delays to public housing refurbishment contracts in Scotland; and
- severe winter weather over the last few weeks.

These issues have had an impact particularly on Levolux's UK Solar Shading business, the Roofing & Walling division and the Gatic business within the Water Management division. It is likely that the first three of these factors will also impact the group's final quarter performance.

In contrast, areas where Alumasc's products and systems are sold via building distribution channels continue to perform well, with revenue growth remaining ahead of UK construction market growth at Alumasc Water Management Solutions, Rainclear and Timloc.

In view of all the above, the Board's latest forecasts are that group revenues for the year ending 30 June 2018 will be 4-5% below previous expectations, with a consequential reduction in previously expected underlying profit before tax of around 15%.

The integration of Wade, the specialist drainage business acquired by Alumasc on 1 February 2018, is progressing well and the Board believes that potential synergies as part of Alumasc's broader Water Management division and its "rain to drain" strategy are significant.

Whilst Alumasc is not immune to current market headwinds, there have been numerous positive strategic developments across the group over the last year that make Alumasc well positioned to continue its recent underlying growth trajectory over the medium to longer term. The level of specifications and the value of pre-order pipelines remain strong across the group, particularly Levolux's relatively new business streams of North American Solar Shading & Screening and UK Balconies & Balustrading where market share is growing rapidly from a low base.

The Board continues to have confidence in the future growth prospects of the group in view of:

- The strategic positioning of our businesses in specialist growth markets;
- The consistent investment in recent years in growth resources and additional capacity, including the successful commissioning of the new Timloc factory in January;
- Levolux and Alumasc Water Management's potential to further develop export markets; and
- The recent acquisition of Wade, a high-quality business with development and synergy potential.

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