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JAMES HALSTEAD PLCRNS Number : 9708M
James Halstead PLC
01 February 2021*James Halstead*

JAMES HALSTEAD PLC

1 February 2021

JAMES HALSTEAD PLC
(the "Company")**Trading Update**

James Halstead plc, the commercial flooring manufacturer and distributor, is providing the following trading update ahead of its interim results for the half-year to 31 December 2020.

The backdrop to the trading period remained challenging with the resurgence of the Covid-19 virus and subsequent lockdown restrictions across most of the territories in which we trade. Nevertheless, the normal course of business has evolved and we continue to trade at normal levels through the various national lockdowns, but it has been hard work. The cost and availability of international freight towards the end of the period has also been a major issue – and there has been upward pressure on raw material costs.

In his AGM statement, on 12 November 2020, the Chairman, Mr. Anthony Wild, noted that trading to date had been encouraging in terms of turnover for the first four months of the current financial year with sales on a par with the levels of last year. This trend continued through November and December. Diverse projects using our flooring include a 10 cinema IMAX complex in Aruba, the AXA Insurance Towers in Casablanca, several modular hospital contracts in Argentina and the Big Brother house in Portugal.

Turnover has been solid and we believe this is a creditable performance against the prevailing market conditions. There was noticeable market share growth in the UK in November and December, due in part to "Brexit" concerns of customers about supply from European based competitors. Underlying margins were under pressure due to increased shipping costs both into the UK and on exports plus the difficulties of manufacturing during the six months owing to understandable manning problems. Notwithstanding this adversity, the Company expects to report pre-tax profit for the half-year in line with last year's record level.

Our balance sheet remains robust, with cash balances above our year end in June and the comparative for December 2019.

The interim results will be published on 31 March 2021.

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