

18 February 2020

Titon Holdings Plc ("Titon" or "the Company") AGM Statement

Titon Holdings Plc ("Titon", the "Group" or the "Company"), a leading international manufacturer and supplier of ventilation systems, and window and door hardware, is today holding its Annual General Meeting at which Keith Ritchie, Executive Chairman, will make the following statement:

“As I noted in the 2019 preliminary results announcement on 12 December 2019, we continued to face political and economic uncertainties into our 2020 financial year, which made for a challenging first two months. These trends have continued and trading conditions across our geographies in the first four months of the year have been tougher than we anticipated; as a result, we anticipate that underlying profit before tax for the year ending 30 September 2019 will be materially below management’s expectations.

“Sales in our Ventilation Systems business in the UK have risen slightly compared to the same period in 2019, but sales of our window and door hardware products in the UK have been lower than we expected as the UK economy suffered a very weak fourth quarter in 2019 and competition intensified. Despite reduced political uncertainty, we have not yet seen any uplift in trading in 2020 following the 2019 General Election and the UK leaving the EU on 31st January 2020.

“Activity levels in the Korean new-build market have continued to fall as the Government there has intervened to slow house price growth through restricting lending. This means that full year sales by Titon Korea are expected to be some 10% lower than we forecast at the time of the release of the preliminary results announcement in December 2019. Ventilation Systems sales in Europe have been significantly weaker than expected caused by customers overstocking last year because of the original Brexit dates and by the postponement of a number of projects in Germany due to the weak economy there. Our Hardware business in the USA is also trading below expected levels.

“We are clearly disappointed that current trading has continued to be challenging for the first four months of the financial year, but we have taken steps to manage our cost base by reducing our workforce and continuing to bear down on all costs in the business for the rest of the year. Our financial position remains strong, with net cash balances at the end of January 2020 amounting to £4.03m.

“We will be reporting more fully on the first six months’ trading in our Interim Report for the six month period to 31 March 2020, which is due to be published on 14th May 2020.”

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The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014.

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