

Trading Update for the year ended 31 March 2021

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Renold plc

("Renold", the "Company" or the "Group")

Trading Update for the year ended 31 March 2021

Renold, a leading international supplier of industrial chains and related power transmission products, today issues a trading update covering the year ended 31 March 2021 (the "Year"), ahead of the preliminary results announcement for the Year on 8 June 2021, together with the completion of a small bolt on acquisition in the UK.

Trading Update

The recovery in both order intake and revenues has continued and trading for the Year has been in line with the Board's revised expectations, as announced in the Company's trading update on 13 January 2021.

Group order intake in the Year fell to £170.0m, down 7.4% compared to the prior year. At constant exchange rates the reduction was 6.6%. Encouragingly, Group order intake in Q4 was 10.2% ahead of the equivalent prior year period, and the order book at 31 March 2021 of £53.6m was 3.6% ahead of the prior year figure (9.3% at constant exchange rates).

Group revenue in the Year fell to £165.3m, down 12.7% compared to the prior year, as the Group experienced the impact of the Covid-19 pandemic across many of the Group's key end markets, particularly in the first half. At constant exchange rates the reduction was 11.9%. Trading improved in the latter part of the Year and Group revenue in Q4 was behind the prior year by 8.3% (5.6% at constant exchange rates), being held back in the short term by constraints on global supply chains emerging from the pandemic.

During the Year, cash generation outperformed initial expectations, as a strong focus on cash management resulted in a c.50% reduction of net debt to £18.4m (2020: £36.6m).

The Company will provide a further update on trading at the time of release of its preliminary results for the Year on 8 June 2021.

Acquisition

On the 8 April 2021 Renold completed the acquisition of the conveyor chain business of Brooks Ltd in Manchester, UK, for a total consideration of £0.6m, including £0.3m of deferred consideration. In the current year the business is expected to generate additional sales for the Group of c. £1.0m, and add c. £0.2m to Group operating profit. The business will be integrated into the Renold UK Service centre in Manchester.

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NOTES FOR EDITORS

Renold is a global leader in the manufacture of industrial chains and also manufactures a range of torque transmission products which are sold throughout the world to a broad range of original equipment manufacturers and distributors. The Company has a well-deserved reputation for quality that is recognised worldwide. Its products are used in a wide variety of industries including manufacturing, transportation, energy, steel and mining.

Further information about Renold can be found on the website at: www.renold.com

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