

Embargoed until 07.00
Tuesday 13 August 2019

Volution Group plc
Trading Update for the Financial Year ended 31 July 2019
Revenue growth of 14.6%. Reading facility upgrade
and acquisition of Ventair both complete.

Volution Group plc (LSE: FAN; “the Group” or “Volution”), a leading supplier of ventilation products to the residential and commercial construction markets, today announces a Trading Update, following the completion of its financial year on 31 July 2019.

The Group anticipates that results for the financial year 2019, will be in line with expectations.

Revenue in the year was £236 million, a 14.6% increase (15.7% on a constant currency basis) of which 12.0% was the result of acquisitions. Organic growth was 2.6% (3.6% on a constant currency basis) with an improving trend through the year (first half 3.2%, second half 3.9%).

In the UK, we benefitted from a return to growth in Public Residential RMI of 5.3%, partly as a result of the significant enhancement we have made to our product portfolio and sales processes in the last two years. Private Residential RMI grew by 1.7% for the year with accelerating growth in the second half of 3.8%. Residential New Build Systems grew by 8.6%, supported by regulatory drivers relating to carbon efficient residential dwellings. Commercial revenue grew by 4.1% supported by our new product introductions for natural and hybrid ventilation. Overall we delivered growth for the year in the UK of 3.3%.

Our project in the UK to rationalise two older facilities in to one new purpose-built facility in Reading is now complete. Service levels have returned to normal leaving us with substantial capacity headroom to support future growth.

Revenue in the Nordics grew by 28.1% (32.6% on a constant currency basis) primarily as a result of acquisitions completed in July 2018. The new build construction market in Sweden has been weak for over twelve months and, whilst our exposure in Sweden is primarily to the refurbishment market, this has also continued to slow, resulting in an organic decline of 6.6% (decline of 2.3% on a constant currency basis). Our Kair brand in Finland, acquired in July 2018, has delivered strong revenue growth during the year under our ownership.

Revenue in Central Europe grew by 8.9% (9.3% on a constant currency basis) supported by new product introductions in Germany and the considerable increase in cross selling of new and existing products from across the Group in to Belgium and the Netherlands.

Revenue in Australasia grew by 172% (176% on a constant currency basis) driven by a full year of trading from Simx and the acquisition of Ventair. Organic revenue grew by 8.7% (10.0% on a constant currency basis). We now have a leading market position in residential ventilation in our Australasian market and have successfully launched many Volution products there, new to both Australia and New Zealand, in the last four months.

Torin-Sifan, our OEM segment, grew organically during the year by 4.5% (4.8% on a constant currency basis), and the sales of the new range of EC3 motorised impellers continued to gain momentum in the second half of the year. As previously reported, our operations in Torin-Sifan were adversely impacted during the first half of the year by procurement issues which manifested in higher input costs for electronic components, however we are confident these issues have now been substantially resolved.

M&A strategy

Growing by acquisition is a core tenet of our strategy, and Volution's acquisition in March 2019 of Ventair in Australia complements our presence in Australasia with Simx in New Zealand whilst further broadening and strengthening the Group's market reach and geographical diversity. The four acquisitions completed in the previous year are now fully integrated and progressing in line with our expectations.

Ronnie George, Chief Executive Officer of Volution Group plc, said:

"The Group made good progress again in the year with a 14.6% revenue growth and an improving organic growth of 2.6% (3.6% on a constant currency basis). We're pleased the project to rationalise two older production facilities in to one new purpose built future-proofed facility in Reading in the UK is now complete, and are delighted to have acquired Ventair in Australia, further increasing our geographic diversity and market reach. Whilst there continues to be significant uncertainty in the UK economy as a consequence of plans to leave the EU, our considerable investment in new products, our leading brands, our increasing geographic diversity and the breadth of our product portfolio, gives us confidence in the future."

The full year results for the financial year ended 31 July 2019 will be announced on 9 October 2019.

-Ends-

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Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No. 596/2014) prior to its release as part of this announcement. The person responsible for arranging the release of this announcement on behalf of Volution is Andy O'Brien, Chief Financial Officer.

Legal Entity Identifier: 213800EPT84EQCDHO768.

Note to Editors:

The Volution Group operates through two divisions: the Ventilation Group and the OEM (Torin-Sifan) division. The Ventilation Group comprises 16 key brands - Vent-Axia, Manrose, Diffusion, National Ventilation, Airtech, Breathing Buildings, Fresh, PAX, VoltAir, Welair, Kair, Air Connection, inVENTer, Ventilair, Simx and Ventair, focused primarily on the UK, the Nordic, Central European and Australasian ventilation markets. The Ventilation Group principally supplies ventilation products for residential and commercial ventilation applications. The OEM (Torin-Sifan) division supplies motors, fans and blowers to OEMs of heating and ventilation products for both residential and commercial construction applications in Europe. For more information, please go to: www.volutiongroupplc.com

Cautionary statement regarding forward-looking statements

Certain statements made in this announcement may be forward-looking statements. Such statements are based on current expectations and assumptions and are subject to a number of known and unknown risks and uncertainties that may cause actual events or results to differ materially from any expected future events or results expressed or implied in these forward-looking statements. Persons receiving this announcement should not place undue reliance on forward-looking statements. Unless otherwise required by applicable law, regulation or accounting standard, the Group does not undertake to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.