

Embargoed to 07:00  
Thursday 2 April 2020

## **Volution Group plc**

### **COVID-19 Trading Update**

Volution Group plc ("Volution" or "the Group" or "the Company", LSE: FAN), a leading supplier of ventilation products to the residential and commercial construction markets in the UK, Continental Europe and Australasia, today provides an update in respect of COVID-19.

#### **Trading Update**

Since our last update on Wednesday 25<sup>th</sup> March the restrictions and lockdowns in the UK, Belgium and latterly Australia and New Zealand have resulted in a marked reduction in order intake and revenue across our businesses in these countries. The impact in the Nordics and Germany to date has been less pronounced although we have started to see some reduction in activity in these markets. We therefore anticipate demand across our businesses to remain considerably below normal levels of trading, however we expect to maintain a baseline of orders and revenue throughout the crisis due to our geographic and product diversity.

Our ventilation product ranges are supplied to a wide range of applications in both residential and commercial buildings, and in the UK, for example, ventilation has been classified as an essential product. Maintaining excellent indoor air quality is very important and we are proud to be supporting some of the important projects that are taking place as the UK responds to the pandemic. Earlier this week we delivered a large batch of air movement ventilation axial fans for use in the newly constructed Nightingale Hospital in London. A number of other projects are underway to reopen mothballed hospital wards and our sales, production and logistic teams are supporting these initiatives to ensure that we can service these requirements in full.

#### **Our People**

The safety, wellbeing and security of our employees is paramount to Volution and especially at the current time. As the crisis evolved we acted early on to ensure that in the vast majority of our geographies, any employee who was able to move to remote home working was supported to do so. Our production sites are still operating, strictly adhering to the government guidelines on social distancing and with enhanced cleaning and hygiene. Our teams across the Group have responded with great speed and agility during this difficult time and we want to thank them for their considerable efforts, understanding and cooperation.

With activity expected to be materially lower for the next few months and potentially beyond, we have made use of the appropriate government employee protection schemes in each of the geographies we trade from, to tailor our capacity to the anticipated levels of demand. In the UK we have furloughed approximately 60% of the workforce and will remain flexible to further changes in the volume of furloughed employees relative to the evolving picture of demand.

## **Liquidity and mitigating actions**

We have scaled back discretionary expenditure to the absolute minimum, whilst almost all capital expenditure other than that related to health and safety requirements has been put on hold. Furthermore the Board including the Executive Directors will take a 20% salary reduction for the next two months and this remains subject to ongoing review depending on the length and severity of the crisis.

Our gross cash balance as at 31 March stood at £41 million, with a further £14 million of undrawn facilities available under the Group's Revolving Credit Facility. With the cost containment actions already implemented and an expected continuation of variable levels of trading across our markets, we are therefore, well placed to withstand the challenges of the coming months.

## **Outlook**

The unprecedented uncertainty around the impact of Covid-19, means it is not possible to assess with any certainty our near term financial performance. However, we benefit from geographic and product diversity and have sufficient cash reserves to see our business through a prolonged hiatus in economic activity.

Our near term focus is to protect our employees, support the governments' actions, whilst seeking to ensure we are well placed when the recovery takes place.

**-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.

Legal Entity Identifier: 213800EPT84EQCDHO768.

**Note to Editors:**

Volution Group plc (LSE: FAN) is a leading supplier of ventilation systems and products to both the residential and commercial construction markets in the UK, Continental Europe and Australasia.

Volution Group comprises 16 key brands across the three regions:

UK: Vent-Axia, Manrose, Diffusion, National Ventilation, Airtech, Breathing Buildings, Torin-Sifan.

Continental Europe: Fresh, PAX, VoltAir, Kair, Air Connection, inVENTer, Ventilair.

Australasia: Simx, Ventair.

For more information, please go to: [www.volutiongroupplc.com](http://www.volutiongroupplc.com)