

**Embargoed until 07.00 on:  
Friday 10 August 2018**

## **Volution Group plc Trading Update for the Financial Year ending 31 July 2018**

### **Revenue growth of 11.3%; four acquisitions completed**

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 2018.

The Group anticipates that results for the financial year 2018, aided by acquisitions, will be in line with the Board’s expectations.

Revenue in the 12 month period was £206 million, an 11.3% increase (11.2% on a constant currency basis) compared with the prior year. This comprised 2.9% organic growth (2.5% on a constant currency basis), with 8.4% the result of new acquisitions.

Organic growth benefitted from a stronger performance in our UK sector, most notably in Residential New Build with growth of 13.3%, significantly ahead of growth in residential new build completions, and Exports from the UK growing at 22.6% compared to the prior year: another period of substantial growth. Private Residential RMI growth was 3.3% in the year despite the disruption caused by the commissioning of our new manufacturing facility in Reading. As anticipated, due to the ongoing difficult market conditions, our Public Residential RMI revenue declined 10.4% in 2018. Volution remains committed to this important market sector and new product innovations brought to market in 2018 are now starting to gain momentum with specifiers and will assist with the turnaround of this revenue stream in our new financial year. Commercial revenue grew by 2.3% as a result of the full year effect of prior year acquisitions, organic revenue declined by 3.4% mainly as a result of weaker RMI markets; however, the new build commercial projects order intake was stronger in the second half of the year.

Revenue in the Nordics grew by 19.2%, 20.4% on a constant currency basis, of which organic growth was 2.9%. Central Europe revenue grew by 3.7%, 1.0% at constant currency. In this area we have re-profiled our product range in Belgium and in the Netherlands; in Germany we launched our new leading range of Xenion™ decentralised heat recovery products which have been well received by the market.

Revenue in Australasia contributed 4.4% to our growth, with the integration of Simx progressing very well.

Torin-Sifan (our OEM segment) grew organically during the year by 2.8%, 1.8% on a constant currency basis and the new range of EC3 motorised impellers gained significant momentum with customers in the second half of the year.

## **New factory in Reading**

In January 2018, we commenced production in our new purpose built injection moulding and fan assembly facility in Reading, UK. At our half year we reported that the full transition to this new facility would be complete by the end of July 2018; however the project has taken longer than anticipated and has caused additional cost to be incurred which will be reported separately in the full year results. Customer service in the second half has been below our usual high level but has now been restored to more normal levels of performance and we expect further improvements in the near future. Over the coming months we will finalise this project, and once fully completed, it will provide us with the anticipated significant increase in injection moulding, ducting extrusion and fan assembly capacity to further underpin future growth.

## **M&A strategy**

Volution completed four acquisitions during the year which further broadened and strengthened our market and geographical diversity: Simx in New Zealand, Oy Pamon Ab in Finland, Air Connection ApS in Denmark and AirFan B.V. (now renamed Vent-Axia B.V.) in the Netherlands. The integration of the acquisitions is progressing in line with our expectations and the businesses will be earnings enhancing in FY 2019.

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

*“The Group made good progress with an 11.3% increase in revenue and the completion of four acquisitions. We completed our largest acquisition to date, Simx in New Zealand, widening Volution’s capability in new, geographically distinct markets with the leading residential ventilation products supplier in the region. The two acquisitions in the Nordics, Oy Pamon in Finland and Air Connection in Denmark, will strengthen and enlarge our presence in that region. Whilst there is continuing uncertainty in the UK economy as a consequence of plans to leave the EU, our increasing market and geographical diversity, together with significant investment in new product innovation, gives us confidence for the year ahead.”*

The full year results for the financial year ended 31 July 2018 will be announced on 11 October 2018.

**-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 Ian Dew, Chief Financial Officer.

Legal Entity Identifier: 213800EPT84EQCDHO768.

**Note to Editors:**

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

The Volution Group operates through two divisions: the Ventilation Group and the OEM (Torin-Sifan) division. The Ventilation Group consists of 16 key brands - Vent-Axia, Manrose, Diffusion, National Ventilation, Airtech, Breathing Buildings, Fresh, PAX, VoltAir, Welair, Kair, Pilpit, Air Connection, inVENTer, Ventilair and Simx 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.

**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.*