

## **Vesuvius plc - Trading Update**

### **Resilient trading in the year to date, expectations for the year unchanged**

Vesuvius plc, a global leader in molten metal flow engineering and technology, announces the following update covering trading in the period 1 January to 30 April 2023.

#### **Summary**

- Vesuvius has performed well in the period, due to a combination of better volume and pricing performance relative to our expectations, in both our Steel and Foundry divisions
- As expected, our end markets have started to recover from the low level of Q4 2022. However, the pace of this recovery remains slow and uncertain
- Working capital intensity has started to improve and will remain an area of focus
- Our growth capital investment program is proceeding as planned and will support the Group's performance when the market recovery accelerates
- Despite the current uncertain environment and thanks to our positive performance in the year to date, our expectations remain unchanged for the full year

#### **Good trading**

Vesuvius has traded well in the period, with both pricing and volumes modestly ahead of our initial expectations across both divisions. Foundry has delivered particularly well with resilient pricing in the period driving better than expected margin. The Steel division was also ahead of expectations, benefitting from resilient pricing as well as slightly better than anticipated volumes.

This good performance has been achieved despite the impact of the cyber incident that occurred earlier in the year, which we expect to have a cost impact of c. £3.5m.

#### **End markets gradually recovering**

Steel production volumes started to improve in Q1 versus Q4 2022 as destocking gradually came to an end during the quarter. However, steel production for the World excluding China and Iran in Q1 2023 was 6.8% lower than in Q1 2022 (Source: WSA) reflecting continued weakness of end markets in all major regions, with the notable exception of China and India. We expect steel production to continue progressing in the coming months but at a slow pace. Foundry markets have also started to moderately improve, supported in particular by a positive evolution of the light vehicle production. As in steel, the pace at which foundry markets will continue to recover in the coming months remains uncertain.

#### **Working capital focus**

Working capital management continues to be a priority, and progress has been made in debtors and creditors. Progress in inventory management has been slowed down by the cyber incident but is expected to resume in the coming months. We remain focused and are confident in continuing to make improvements throughout the year.

## Outlook

Trading in the period to date has been ahead of our initial expectations and our end markets have started to recover. However, the pace of this recovery is slow and remains uncertain for the coming months. Despite this, and thanks to our positive performance in the year to date, our expectations for the full year remain unchanged.

**Patrick Andre, Chief Executive, commented** “Trading in the year to date has been positive, reflecting the beginning of a recovery of our end markets and continued traction with our customers, who value the high quality of the value-added solutions and products we supply. Despite short-term uncertainty, we remain highly confident in the growth potential of our performance as soon as the market recovery accelerates. Consequently, we continue, at pace, our industry leading investment in R&D and our growth capital investment program.”

## CONFERENCE CALL

Patrick André (Chief Executive) and Mark Collis (Chief Financial Officer) will be hosting a conference call for analysts and investors at 09:00 (UK time) today.

To participate, please register at least 30 minutes prior to the start of the call by following the link [here](#)

A replay of the call will be available for one week on the following numbers:

UK Freephone: 08081891386

UK Direct: 0203 608 8021

Replay Global Access URL: link [here](#)

Passcode: 44405

## Future dates

Half-year results            27 July 2023

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## About Vesuvius plc

Vesuvius is a global leader in molten metal flow engineering and technology principally serving process industries operating in challenging high-temperature conditions.

We develop innovative and customised solutions, often used in extremely demanding industrial environments, which enable our customers to make their manufacturing processes safer, more efficient and more sustainable. These include flow control solutions, advanced refractories and other consumable products and increasingly, related technical services including data capture.

We have a worldwide presence. We serve our customers through a network of cost-efficient manufacturing plants located close to their own facilities, and embed our industry experts within their operations, who are all supported by our global technology centres.

Our core competitive strengths are our market and technology leadership, strong customer relationships, well established presence in developing markets and our global reach, all of which facilitate the expansion of our addressable markets.

Our ultimate goal is to create value for our customers, and to deliver sustainable, profitable growth for our shareholders giving a superior return on their investment whilst providing each of our employees with a safe workplace where they are recognised, developed and properly rewarded.

We think beyond today to create solutions that will shape the future for everyone.

### **Forward looking statements**

This announcement contains certain forward looking statements which may include reference to one or more of the following: the Group's financial condition, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities for existing products, plans and objectives of management and other matters.

Statements in this announcement that are not historical facts are hereby identified as "forward looking statements". Such forward looking statements, including, without limitation, those relating to the future business prospects, revenue, working capital, liquidity, capital needs, interest costs and income, in each case relating to Vesuvius, wherever they occur in this announcement, are necessarily based on assumptions reflecting the views of Vesuvius and involve a number of known and unknown risks, uncertainties and other factors that could cause actual results, performance or achievements to differ materially from those expressed or implied by the forward looking statements. Such forward looking statements should, therefore, be considered in light of various important factors that could cause actual results to differ materially from estimates or projections contained in the forward looking statements. These include without limitation: economic and business cycles; the terms and conditions of Vesuvius' financing arrangements; foreign currency rate fluctuations; competition in Vesuvius' principal markets; acquisitions or disposals of businesses or assets; and trends in Vesuvius' principal industries.

The foregoing list of important factors is not exhaustive. When considering forward looking statements, careful consideration should be given to the foregoing factors and other uncertainties and events, as well as factors described in documents the Company files with the UK regulator from time to time including its annual reports and accounts.

You should not place undue reliance on such forward looking statements which speak only as of the date on which they are made. Except as required by the Rules of the UK Listing Authority and the London Stock Exchange and applicable law, Vesuvius undertakes no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward looking events discussed in this announcement might not occur.

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