

10 May 2017

## Vesuvius plc (“Vesuvius” or “the Group”) AGM Trading Update

Vesuvius plc, a global leader in molten metal flow engineering, releases the following Trading Update in conjunction with its Annual General Meeting being held today.

### TRADING SUMMARY

At our year-end results in early March, we highlighted encouraging early signs of improvement in the global market environment. This trend has continued since then across our major regions resulting in our delivery of a strong Q1 2017 in comparison to a relatively weak Q1 2016. Consequently, whilst it is still early in the year and whilst recognising the inherent uncertainty in predicting end market resilience, our expectations for 2017 trading performance are cautiously optimistic.

### MARKETS

We have benefitted in Q1 2017 from the 5.7% year-on-year growth in global steel production, as reported by the World Steel Association. However, this Q1 2017 increase in global steel production is off the relatively low base of Q1 2016 and full year 2017 growth expectations for the market are materially lower than this figure. In Foundry, the market environment remains mixed with light vehicles slowing in the USA and static in the rest of the world. Heavy truck and mining sales are showing slight signs of recovery but this varies by region.

### RESTRUCTURING

We continue to make progress in the delivery of our restructuring programme. In addition to the benefits previously announced, we have increased the total targeted savings of the current restructuring programme by £5m at no extra cost. We expect to see the benefit of this additional £5m saving commence in the final quarter of the year such that the impact in 2017 will be limited. The total targeted annual savings now stand at £40m, up from £35m, whilst associated costs remain unchanged at £45m. We continue to assess restructuring opportunities across our businesses which could potentially yield further savings in the future.

### FOREIGN EXCHANGE

Although Sterling has strengthened against most major currencies during 2017, we continue to benefit from a foreign exchange tailwind given that Sterling remains weaker in Q1 2017 than its average 2016 level. In Q1 2017, we have benefited from a foreign exchange tailwind of approximately £2.8m compared with average 2016 rates. All things being equal, based on the average exchange rates in Q1 2017, and were current spot foreign exchange rates to persist for the remainder of 2017, this would have increased our 2016 Trading Profit by approximately 7%.

### FINANCIAL POSITION

Whilst working capital has shown some increase in absolute terms due to growth in sales, we have achieved a modest reduction in working capital as a percentage of sales during the quarter. Similarly, the net debt / EBITDA ratio has improved from the 1.8x at year end 2016 to within our preferred range of between 1.75x and 1.25x where we expect to remain for the year.

### BOARD

We are delighted that Holly Keller Koepfel joined the Board on 3 April 2017, as an Independent Non-executive Director. Holly has 35 years of global experience in business and finance. Holly serves on the Audit, Remuneration and Nomination Committees.

## CONFERENCE CALL

François Wanecq (Chief Executive) and Guy Young (Chief Financial Officer) will be hosting a conference call for analysts and investors at 08.30 (UK time) today (10 May).

To join the call, please use the dial in number below:

Conference call:

+44 (0)33 0336 9107 all participants

Confirmation code: 1116529

To listen to the replay of the call use the following number:

Replay:

+44 (0)20 7984 7568 non-US participants

+1 719 457 0820 US participants

Confirmation code: 116529

## ANNUAL GENERAL MEETING

The Group's Annual General Meeting is being held today at 11.00 (UK time) at The Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED.

## FUTURE EVENTS

The Vesuvius final 2016 dividend of 11.40 pence per share will be paid, subject to approval at the Annual General Meeting, on 19 May 2017 to shareholders on the register as at 7 April 2017.

Vesuvius' half year results for the six months ending 30 June 2017 are expected to be announced on Thursday, 27 July 2017.

## For further information please contact:

### Shareholder/analyst enquiries:

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### Media enquiries:

<b>MHP Communications</b>	John Olsen/Jamie Ricketts/Ollie Hoare	+44 (0) 203 128 8100
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### About Vesuvius plc

Vesuvius is a global leader in molten metal flow engineering principally serving the steel and foundry industries.

We develop innovative and customised solutions, often used in extremely demanding industrial environments, which enable our customers to improve their manufacturing processes, enhance product quality and reduce energy consumption. 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 low-cost 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 he or she is recognised, developed and properly rewarded.

### **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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