

Prior to publication, the information contained within this announcement was deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 ("MAR"). With the publication of this announcement, this information is now considered to be in the public domain.

13 December 2019

H C SLINGSBY PLC
("Slingsby", "the Group" or the "Company")

Update Regarding Defined Benefit Pension Scheme

HC Slingsby PLC, one of the market leaders in the distribution of industrial and commercial equipment, issues the following update in respect of its defined benefit pension scheme, the H.C. Slingsby PLC Retirement Benefits Scheme ("the Scheme").

As at 30 June 2019, the Scheme liability on an accounting basis was £10.54 million (including arrears of contributions of £1.58m million as at that date), increasing from £8.44 million as at 31 December 2018 due to a change in the assumption regarding interest rates and the Group making no deficit reduction contributions. However, the Company has now agreed a Schedule of Contributions and Recovery Plan with the Trustee of the Scheme pursuant to the requirements of the Pension Act 1995 ("the Trustee Agreement") and replaces previous Scheme funding obligations.

The Trustee Agreement removes the short-term uncertainty concerning the Company's cash flows as regards the Scheme. It also removes the risk that the Scheme's Trustee can demand payment of the arrears of contributions to August 2019 (previously payable under the Scheme's 2015 valuation documents) which totalled £1.62 million, which will now form part of the contributions set out below..

On 11 December 2019, the Company received a letter from the Trustee confirming that due to transfers from the Scheme, the funding position had improved sufficiently that the arrears were irrevocably and permanently extinguished. The impact of this improvement on the Company's pension deficit, on an accounting basis, will be reviewed at 31 December 2019 and reflected in the Company's annual financial statements.

Under the Trustee Agreement, the Company is scheduled to pay

- £125,000 on or before 31 December 2019;
- £25,000 per month from 1 December 2019 to 30 June 2020;
- £25,750 per month from July 2020 to June 2021;
- £26,500 per month from July 2021 to June 2022, rising annually thereafter on an agreed basis.

The Company will pay an additional contingent shortfall-correction contribution to the Scheme equal to 50% of the Group's cashflow in excess of £150,000 for each year (on the basis of the audited cashflow statement adjusted for any changes in borrowings). The first such contribution will be assessed in respect of the year ending 31 December 2019.

The payments due under the Trustee Agreement will be reviewed no later than 15 months after 1 January 2020, the next actuarial valuation date of the Scheme. The Company will also continue to pay £160,000 per annum towards the running costs of the Scheme.

The Company has undertaken not to make any distribution to shareholders prior to 1 June 2021 and to limit distributions to an amount not greater than £60,000 plus 50% of its audited net cashflow (adjusted for any changes in borrowings). The Company is obliged to consult with the Trustee regarding certain other matters but is not obliged to change its approach as a result.

The Company is continuing to work with the Trustee and the appropriate regulatory authorities in relation to a long-term solution regarding the Scheme. A further announcement will be made at the appropriate time.

For further information, please contact:

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