

19 June 2020

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

Trading Update

HC Slingsby PLC, one of the market leaders in the distribution of industrial and commercial equipment, issues the following trading update in respect of the five months ended 31 May 2020 in advance of the Annual General Meeting which is to be held at 10.00 a.m. today.

In the Chairman's Statement accompanying the Annual Report and Accounts for the year ended 31 December 2019, it was reported that whilst Group sales were 4 per cent. lower in the three months to 31 March 2020 compared with the corresponding period in 2019, improved Group gross profit margin and lower overheads had led to operating profit being ahead of the same period in the prior year.

Group sales in the five months to 31 May 2020 were 3 per cent. lower when compared to the same period in the prior year. The trends in Group gross profit margin and overheads experienced in the first quarter of 2020 have continued in the second quarter and, as a result, operating profit in the five months to the end of May 2020 has remained higher when compared with the same period to May 2019.

The market remains competitive and the Group remains cautious regarding the outlook. This is particularly the case due to the significant uncertainty caused by Coronavirus. Orders are concentrated on a limited product range and it is unclear as to the impact that the virus will have on demand going forward. There is also heightened potential for credit related issues should companies become insolvent. Furthermore, demand could be impacted as we approach the end of the Brexit transition period.

The Board

The position as regards the composition of the Board remains as previously reported.

Cash Position

The Group had net debt of £0.95 million as at 31 May 2020 compared to £1.3 million as at 31 May 2019 and £1.1 million as at 31 December 2019. The Group is operating within its existing banking facilities and considers that it has additional funding options available should the need arise. The Group continues to make payments to the defined benefit pension scheme in accordance with the agreement reached with the scheme's trustee in December 2019 and is utilising appropriate Government schemes to assist with cashflow.

For further information, please contact:

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