

30 April 2024

Elementis plc First quarter trading update

Sales and profit growth with margin improvement; CMD objectives on track.

Elementis plc ("Elementis" or the "Group"), a global specialty chemicals company, today issues its scheduled trading update for the three months ("the quarter") ended 31 March 2024.

Elementis will publish its interim results for the six months to 30 June 2024 on 1 August 2024.

Business performance

The Group delivered a good first quarter performance, with constant currency revenue up by 3%, adjusted operating profit up by double digits, and a material improvement in operating margin, compared to Q1 2023.

Personal Care sales in the quarter were broadly flat on the strong prior year period. We saw good growth in Cosmetics, offset by an expected slower start to the year in AP Actives due to order phasing.

Performance Specialties delivered an improved performance in the quarter, with sales and profit above a weak prior year period.

- **Coatings** sales increased low double-digit percentage versus the prior year period, benefiting from volume restocking and improved mix.
- **Talc** had a challenging quarter, impacted by the Finnish transport workers' union strike in early March, closing ports and stopping railway freight traffic for four weeks. This resulted in higher logistics costs and reduced sales in the quarter.

Cash generation in the first quarter was in line with expectations, with further reduction in inventory levels.

Outlook

The year has started well. Whilst we have not yet seen a positive step change in the demand environment, we remain confident about our ability to deliver profit growth and margin improvement in line with expectations¹.

Implementation of the growth and efficiency programmes presented at the November 2023 Capital Markets Day ("CMD") is progressing well. Self help is critical in this, particularly the \$30 million of cost savings commitment, and we are on-track to deliver \$12 million this year and \$18 million in 2025. In addition, we launched five new products and delivered \$13 million of sales from new business in the first quarter, despite a continued challenging demand environment.

Paul Waterman, CEO of Elementis, said:

"Elementis has had a good start to the 2024 financial year, with our focus firmly on the execution of our CMD objectives. I am confident that our clear strategy focused on innovation, growth and efficiency will allow us to achieve a significant improvement in our full-year performance and continued margin expansion, in line with expectations¹."

Note: 1. Based on company compiled consensus dated 25 April 2024, adjusted operating profit of \$117 million and adjusted operating margin of 15.8% for the financial year 2024.

Enquiries

Investors: Eva Hatfield, Elementis plc
Press: Martin Robinson/Olivia Peters, Teneo

Tel: +44 7553 340380
Tel: +44 (0) 20 7353 4200