



**Zotefoams plc**  
("Zotefoams" or "the Group")

**Trading Update**

**1<sup>st</sup> November 2018** – Zotefoams, a world leader in cellular materials technology, today provides a trading update for the third quarter ended 30 September 2018.

Zotefoams is pleased to report a record third quarter sales performance. Using foreign exchange rates as at 30 September 2018, full-year revenues and profit before tax are now expected to be slightly ahead of consensus market expectations.

In the nine months ended 30 September 2018, the Group has recorded:

- 16% increase in Group revenues against the comparative period, 18% in constant currency
- 7% growth in Polyolefin foams (72% of Group revenue)
  - Improved sales mix
  - Additional capacity contributing to 5% higher sales volumes;
- 97% increase in HPP sales (26% of Group revenue)
  - Increased product adoption by end-users delivered very strong growth in our ZOTEK® PEBA elastomeric foams used in performance footwear;
  - Strong recovery in ZOTEK® F fluoropolymer foams mainly from aviation applications;
  - Orders for T-FIT® insulation products, down slightly year-to-date, are more strongly weighted in the final quarter this year, with annual growth in this product range dependent upon timing of shipments in the final quarter;
- MuCell Extrusion (2% of Group revenue)
  - Year-to-date sales fell by 21%, excluding the one-off equipment sale in 2017;
  - Q3 sales were impacted as a result of our internal restructuring, described in our interim results statement, which absorbed resource;
  - MuCell Extrusion is being re-focused to develop the full potential of its technology;
- Capacity expansion programmes in the UK and USA are progressing well, with planned commissioning in 2019, while the announced new capacity in Poland is planned to come on stream in 2020.

**Commenting on the update David Stirling, Group CEO of Zotefoams, said:**

"We expect 2018 to be another year of substantial progress for the Group: growing revenue, developing our portfolio of opportunities supported by committed capacity investments and enhancing our talent pool. We remain confident about the future prospects of the business."

**- Ends -**



**ZOTEFOAMS**

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**About Zotefoams plc**

Zotefoams plc (LSE – ZTF) is a world leader in cellular materials technology. Utilising a variety of unique manufacturing processes, including environmentally friendly nitrogen expansion for lightweight AZOTE® polyolefin and ZOTEK® high-performance foams, Zotefoams sells to diverse markets worldwide. Zotefoams uses its own cellular materials to manufacture T-FIT® advanced insulation for demanding industrial markets. In addition, Zotefoams owns and licenses patented MuCell® microcellular foam technology, developed specifically for extrusion applications, from a base in Massachusetts, USA to customers worldwide.

Zotefoams is headquartered in Croydon, UK, with additional manufacturing sites in Kentucky and Oklahoma, USA (foam products manufacture and conversion), Massachusetts, USA (MuCell Extrusion) and Jiangsu Province, China (T-FIT®). A third foam-manufacturing site, in Poland, is planned to begin operations in 2020.

[www.zotefoams.com](http://www.zotefoams.com)

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