



## ZOTEFOAMS

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

### Operational and Trading Update

**2 June 2020** – Zotefoams, a world leader in cellular materials technology, today provides the following operational and trading update for the second quarter, to date.

- Maintained operational continuity throughout April and May despite challenging conditions
- Specified in substantial UK Government PPE contract awarded to largest UK customer, using Plastazote® polyolefin foam
- Expect overall trading for the second quarter to be in line with Board expectations at the time of preliminary results announced on 7 April 2020
- Stronger second half performance expected
- Good liquidity with cash performance in the period since 7 April 2020 in line with expectations

The health and safety of our colleagues, their families and our business partners has remained our primary concern. The Group is pleased to report that it has established safe working procedures at each of its sites, which has enabled the business to maintain operational continuity throughout April and May. Alongside this, the Group's supply chain has remained resilient, ensuring that Zotefoams has been able to continue to provide a high level of service to its customers.

As anticipated and reflecting the disruption arising from the COVID-19 outbreak on a number of markets, demand conditions have been more challenging during April and May. The Group has taken successful action to manage cost and continues to expect overall trading for the second quarter to be consistent with Board's expectations as at the time of the preliminary results announced on 7 April 2020.

Notwithstanding the more challenging conditions in the short term, Zotefoams has been proactive in seeking to identify new business opportunities and is pleased to announce that it will supply Plastazote® polyolefin foams for a substantial new contract awarded to its largest UK customer. The project, which starts immediately and is expected to run for a period of 26 weeks, involves the provision of foam for the UK Government's PPE initiative. This will significantly supplement existing AZOTE® volumes, particularly in the second half of 2020, and reinforces the benefits of the diverse range of applications and markets for the Group's products.

While the backdrop remains too uncertain to provide detailed financial guidance at this time, the Board continues to expect a stronger performance in the second half of the year, underpinned by more resilient demand for High-Performance Products. The current outlook for both footwear and T-FIT® technical insulation products in the second half remains positive, while conditions in the commercial aviation market are expected to remain weak.

As set out in the Group's results for the year ended 31 December 2019, there has been a significant focus on cash and cost management in response to the COVID-19 situation. A number of actions have been implemented swiftly and effectively, which have resulted in a cash performance in the period since 7 April 2020 in line with expectations at that time.

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

"We are delighted and proud that Zotefoams materials have been chosen for the provision of critical PPE equipment for front line workers, including within the NHS. This contract not only reflects the unique benefits of our foam products but also the adaptability of our business to provide solutions across a broad range of market segments.



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“We remain mindful of the continued level of uncertainty and expect market conditions to remain challenging in the short term. However, this incremental AZOTE® foam order, together with the continued robust HPP pipeline and strong cost management delivered to date, further supports the Board’s confidence in the Group’s balance sheet strength, its growth strategy and in the long-term prospects of the business.”

- Ends -

### Enquiries:

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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 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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