

ELECTROCOMPONENTS ANNOUNCES BETTER THAN EXPECTED H1 TRADING

Electrocomponents plc has today issued a trading update ahead of publishing half-year results on 18 November 2016

During the first half, we have made excellent progress on our initiatives to improve customer service, stabilise gross margins and reduce costs.

- We now expect underlying sales growth of around 2% in the first half, with a stronger performance in Q2 driven by a return to growth in North America in the quarter and better trading trends in Asia Pacific ⁽²⁾. Northern and Southern Europe have also continued to see good growth across the period, which has offset some softness in Central Europe.
- RS Pro continues to outperform with sales growth of around 7% expected in the first half.
- We continue to make good progress on our initiatives to stabilise the gross margin. We now expect the improvement in gross margins for the first half to be similar to that in Q1.
- Cost initiatives continue to run ahead of plan and we are confident of delivering at least £15 million of savings during the current financial year.
- Given stronger than expected progress to date and some benefit from translational foreign exchange, we now expect half-year profit before tax to be around £54 million (H1 2015/16: £31.3 million).

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Notes:

- 1) Sales growth rates, unless otherwise stated, are adjusted for trading days and currency movements (“underlying sales growth/decline”).
- 2) Our Asia Pacific hub includes our emerging market operations.
- 3) Our profits remain sensitive to movements in exchange rates on translation of overseas profits. Every 1 cent movement in Euro will have c. £0.6 million impact on profits. Every 1 cent movement in US \$ will have c. £0.3 million impact on profits. We will see around £7 million benefit to profits from sterling weakness upon translation of overseas profits during the first half, using average year to date foreign exchange rates, we would expect to see a benefit of closer to £13 million in the full year.