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RS Group plc today issues a trading update for the first quarter ended 30 June 2023

STRATEGIC FOCUS AND CONTINUED INVESTMENT IN A CHALLENGING ENVIRONMENT

Like-for-like revenue growth ¹					
Region	Q1 to Jun 2022	Q2 to Sep 2022	Q3 to Dec 2022	Q4 to Mar 2023	Q1 to Jun 2023
EMEA	16%	14%	12%	6%	(3)%
Americas	24%	19%	6%	(4)%	(13)%
Asia Pacific	13%	6%	(8)%	(16)%	(19)%
Group	18%	15%	8%	1%	(7)%

Q1 revenue marginally softer than anticipated reflecting softening PMI² data, a weak electronics market and tough comparatives

- Total revenue declined by 2%, with 6% added from the acquisitions of Risoul and domnick hunter.
- Like-for-like revenue declined 7% reflecting a more challenging environment as indicated by deteriorating PMI data, the continued tough electronics market and the weakening industrial market.
- Trading in EMEA and Americas was marginally softer than anticipated and volatile in Asia Pacific.
- Q1 like-for-like revenue was impacted by the 2022/23 strategic repositioning of OKdo reducing Group revenue by over 1%, as well as the lack of the previously reported Q1 2022/23 tailwinds of constrained supply (particularly for electronics products) and customer inventory builds which are now unwinding.
- Industrial product ranges like-for-like revenue, c. 78% of Group, was flat. Electronics products range declined 24%.
- The £313 million Distrelec acquisition completed at the end of June, which expands our continental European presence and has significant synergy potential.

SIMON PRYCE, CHIEF EXECUTIVE OFFICER, COMMENTED: “Trading for the quarter was marginally softer than anticipated, reflecting the more difficult macroeconomic backdrop and tough comparatives. We are reacting well in this more challenging trading environment with greater focus and by managing our cost base effectively whilst continuing to make strategic investments for the future. I am confident in the RS strategy and scale of opportunity as we continue to position the Group to deliver long-term and through-cycle value creation for our stakeholders.”

Notes:

1. Like-for-like revenue growth is growth in revenue adjusted to eliminate the impact of acquisitions and the effects of changes in exchange rates and trading days year on year. Acquisitions are only included once they have been owned for a year, at which point they start to be included in both the current and comparative periods for the same number of months. 2022/23 is converted at 2023/24 average exchange rates for the period.
2. Purchasing manager index (PMI) is a survey-based economic indicator designed to provide a timely insight into business conditions. The PMI is widely used to anticipate changing economic trends in official data such as GDP, or sometimes as an alternative gauge of economic performance and business conditions to official data, as the latter sometimes suffer from delays in publication, poor availability or data quality issues (Source: S&P Global).
3. Our profit remains sensitive to movements in exchange rates on translation of overseas profits. Average exchange rates for the year ended 31 March 2023 for euro and US dollar respectively were €1.158 and \$1.206 respectively. Every 1 cent movement in the euro has a c. £2.1 million impact on annual adjusted profit before tax. Every 1 cent movement in the US dollar has a c. £1.2 million impact on annual adjusted profit before tax.
4. We expect to see a negative impact of around £24 million on revenue from fewer trading days in 2023/24 compared to 2022/23.

Enquiries:

Jane Titchener	Interim Chief Financial Officer	020 7239 8400
Lucy Sharma	VP Investor Relations	020 7239 8427
Martin Robinson / Olivia Peters	Teneo Communications	020 7353 4200