

**13 November 2018**

## **MELROSE INDUSTRIES PLC**

### **TRADING UPDATE**

Melrose Industries PLC (“Melrose” or the “Group”) publishes the following trading update for the four months from 1 July 2018 to 31 October 2018 (the “Period”). All numbers are calculated at constant currency.

Melrose is trading in line with the Board’s expectations for 2018.

In the Period, Melrose has seen strong revenue growth in Aerospace and Powder Metallurgy with flat revenue in Automotive. Melrose is confident the GKN businesses offer an outstanding opportunity for value creation over the medium term.

#### **Divisional highlights**

##### *Aerospace*

Aerospace is performing well, revenue was up over 6% on last year in the Period and good progress has been made on margin including improvement in the performance of North America. With an experienced and incentivised management team, the Aerospace business is making the improvements necessary to achieve the acquisition objectives.

##### *Powder Metallurgy*

This business has achieved revenue growth in the Period of 9% compared to last year with improved margins. This good momentum gives confidence that the 14% margin target can be achieved in the medium term.

##### *Automotive*

In the Automotive division, revenue has been flat in the Period compared to last year despite some well publicised industry factors. Consistent with previous reporting periods, margin was lower but Melrose remains confident that operational improvements identified on acquisition are achievable and will positively impact performance in 2019 and beyond.

Liam Butterworth was appointed CEO of the Automotive division on 5 November 2018. He is assembling a new management team from internal and external sources to significantly enhance the performance of the business.

##### *Nortek Air & Security and Other Industrial*

Nortek Air & Security has achieved broadly flat sales compared to last year in the Period. The effects of U.S. tariffs in these businesses are materially confined to Security and Ergotron in respect of their factories based in China, and thus tariff issues for these businesses should not have a material effect on the Melrose Group.

#### **Net Debt**

Net debt and cash generation are in line with the Board’s expectations.

Melrose will be presenting its full year results on 7 March 2019, and hosting a Capital Markets Day in London on 3 April 2019 focused on the Aerospace and Automotive divisions.

**Christopher Miller, Chairman of Melrose said:**

“Melrose has a proven business model, which has been successful over many years and through several economic cycles. We are confident that there is an outstanding opportunity to make significant and lasting improvements to the performance of the GKN businesses. Whilst certain end markets may be unpredictable, the Group is on track to meet our expectations for this year. We are excited by the future prospects of the Group and look forward to delivering significant value for shareholders.”

-ends-

**Enquiries:**

Melrose Investor Relations:

+44 (0) 207 647 4500 / +44 (0) 7974 974690 / ir@melroseplc.net

Montfort Communications:

Nick Miles                      +44 (0) 20 3514 0897 / +44 (0) 7973 130 669 / miles@montfort.london  
Charlotte McMullen        +44 (0) 20 3514 0897 / +44 (0) 7921 881 800 / mcmullen@montfort.london