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Victoria PLC

('Victoria', the 'Company', or the 'Group')

Full Year Trading Update

Results To Meet Market Expectations

Victoria PLC (LSE: VCP) the international designers, manufacturers and distributors of innovative floorcoverings is pleased to provide the following trading update.

The Board is pleased to confirm that current trading is consistent with our previous trading update of 18 February 2019, and that the Group's performance for the financial year ended 30 March 2019 is expected to meet consensus market expectations.

Outlook

The strategy adopted last financial year to drive top line growth, is continuing to deliver in the current calendar year, with like-for-like revenue gains across the Group continuing to be +3%. Management remain confident that this growth is sustainable for the foreseeable future.

Importantly, the various management actions to continue to grow operating margins, which were set out in some detail in the February market announcement, have been completed as scheduled and are having the positive impact expected. As a consequence, it is expected that the Group's margin increase of over 100bps in the 2019 financial year will be compounded by a further circa 100bps increase in the 2020 financial year.

Management expect to generate substantial positive cash flow in the 2020 financial year. The Group has, historically, consistently converted 85-95% of operating profits into cash (before tax). Last year, with the focus on integration and productivity gains, the Group invested heavily in capex and reorganisational costs with new ceramic tile production lines installed in Ceramiche Serra and Keraben, the operational integration of Ceramica Saloni with Keraben, a new carpet backing line commissioned at our South Wales factory as part of the integration of UK manufacturing activities, and new warehouses opened across the UK to better service customers. With capex returning to normal levels and limited reorganisation anticipated, the 2020 financial year will achieve significant free cash generation.

Finally, having secured new long-term debt financing in April 2019, the Group is well-placed to continue to create wealth for shareholders from organic and acquisition-led growth.

Group Chief Executive, Philippe Hamers commented,

“Over the last five years Victoria has steadily built what I believe to be one of the finest management teams in the industry and the value of this is demonstrated by the speed of execution and successful delivery of our productivity and margin improvement plan. Shareholders can be confident margins are steadily improving alongside continued market share growth.”

Date of Preliminary Results

The Board of Victoria expect to announce the Group’s preliminary results for the year ended 30 March 2019 in July 2019.

For more information contact:

Victoria PLC

+44 (0) 15 6274 9610

Geoff Wilding, Executive Chairman

Philippe Hamers, Group Chief Executive

Michael Scott, Group Finance Director

Cantor Fitzgerald Europe (Nomad and Joint Broker)

+44 (0) 20 7894 7000

Rick Thompson, Phil Davies, Will Goode (Corporate Finance)

Caspar Shand-Kydd (Sales), Andrew Keith (Equity Sales)

+44 (0) 20 3207 7800

Berenberg (Joint Broker)

Ben Wright, Mark Whitmore, Laura Fine (Corporate Broking)

Buchanan Communications

+44 (0) 207 466 5000

Charles Ryland, Vicky Hayns, Maddie Seacombe, Tilly Abraham

The person responsible for arranging the release of this information is Michael Scott Group Finance Director of the Company.