TRI XLON Trifast PLC

Half-year Financial Report · RNS 3905D · 17 November 2026

Trifast cuts FY27 profit guidance as half-year underlying margins edge higher

Share price	87p
Market cap	£118m
52-week range	56.2p - 95p
Shares in issue	136.2m
12-month change	+20.3%

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SUMMARY

Trifast cut its full-year outlook today alongside half-year results, and now expects FY27 revenue of £200.0m to £205.0m and underlying EBIT of £14.0m to £14.5m, against October consensus of £214m and £18.2m. First-half underlying EBIT rose 5.7% to £7.4m at constant currency on revenue down 4.8%, lifting the margin to 7.3%. Separately disclosed costs of £8.4m, however, left a statutory pre-tax loss of £3.0m. The cut comes four weeks after a trading update that called trading in line and targeted double-digit second-half margins, and the new range implies a weaker second half than the first. With leverage at 0.80x and over £77.0m of facilities undrawn, the debate is about credibility and earnings quality more than solvency.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Revenue (CER)	£100.7m	H1 FY27, six months to 30 Sep 2026	(4.8)%
Underlying EBIT (CER)	£7.4m	H1 FY27	5.7%
Underlying EBIT margin (CER)	7.3%	H1 FY27	70 bps
Statutory (loss)/profit before tax	£(3.0)m	H1 FY27	from £1.3m profit (restated)
Underlying diluted EPS	1.70p	H1 FY27	(35.8)% from 2.65p
FY27 revenue guidance	£200.0m to £205.0m	Year to 31 Mar 2027	October consensus £214m
FY27 underlying EBIT guidance	£14.0m to £14.5m	Year to 31 Mar 2027	October consensus adjusted EBIT £18.2m
Adjusted net debt (excl. leases)	£15.8m	30 Sep 2026	£1.6m lower year on year
North America underlying EBIT margin	2.6%	H1 FY27	(810) bps from 10.7%
Interim dividend	0.60p	H1 FY27	unchanged

Sources: Half-year Financial Report RNS, 17 Nov 2026

THE ANNOUNCEMENT

- FY27 guidance cut to revenue of £200.0m to £205.0m and underlying EBIT of £14.0m to £14.5m. The company cites three causes: weaker automotive demand in North America and Asia made worse by logistics problems that now also affect non-automotive customers, lower Saudi revenue because of the Middle East conflict, and low-cost Chinese competition in household appliances.
- First-half revenue fell 4.8% to £100.7m at constant exchange rates (CER, which strips out currency translation). Underlying EBIT rose 5.7% to £7.4m, and the underlying margin improved 70 basis points to 7.3%, which the company puts down to efficiencies, cost discipline and transformation benefits.
- Separately disclosed items of £8.4m, including £4.2m for the Project Ignite ERP rollout, turned the result into a statutory pre-tax loss of £3.0m (prior half: profit of £1.3m). Underlying diluted EPS fell 35.8% to 1.70p because the underlying tax rate rose to 57.1% from 27.2%.
- The regions moved in different directions. UK & Ireland returned to growth and lifted underlying EBIT 46.2% to £1.9m, and the Asia margin rose to 12.7%. North America's underlying EBIT fell 77.8% to £0.4m, a 2.6% margin against 10.7% a year earlier.
- Adjusted net debt, which excludes lease liabilities, fell to £15.8m, with leverage of 0.80x and over £77.0m of £120.0m banking facilities undrawn. The interim dividend is held at 0.60p.
- The company expects new business wins to build through the second half and still expects a return to organic growth in FY28, alongside a medium-term underlying EBIT margin ambition of more than 10%.

AGAINST GUIDANCE

The new range falls well short of what the company signalled a month ago. In its 20 October trading update Trifast described trading as in line with market expectations and said it was targeting double-digit EBIT margins in the second half, ahead of its stated timeframe. The revised underlying EBIT range of £14.0m to £14.5m sits below the £18.2m adjusted EBIT consensus the company cites as at October, and revenue guidance of £200.0m to £205.0m compares with £214m. First-half underlying EBIT was £7.5m at actual exchange rates, so the range implies £6.5m to £7.0m in the second half. That is lower than the first half and points to a single-digit margin, the reverse of the acceleration flagged in October. The shares were quoted at 87.00p, down 2.07%, in today's trading.

BULL CASE

- Self-help is visibly working. Underlying EBIT rose on lower revenue, UK & Ireland returned to growth with EBIT up 46.2%, and Asia lifted its margin to 12.7% despite a 13.4% revenue fall. If second-half business wins and the FY28 return to organic growth arrive, extra revenue would flow through a leaner cost base.
- Project Ignite, the largest single charge at £4.2m, is now expensed as incurred and the company expects implementation to conclude in the second half. Once it ends, the gap between underlying and statutory profit should narrow, and cash spending on it should fall away.
- The balance sheet gives time. Adjusted net debt is £15.8m, leverage is 0.80x against a 3.00x covenant, more than £77.0m of facilities is undrawn, and the main facilities run to 2028.
- Large holders have been buying. Harwood Capital holds 20.50% after director Nicholas Mills's connected vehicles bought 3,970,000 shares at 68p on 2 July 2026, and Slater Investments raised its stake from 10.27% to 11.04% on 26 October.

BEAR CASE

- Credibility has taken a knock. A double-digit second-half margin target set on 20 October has given way four weeks later to guidance implying a weaker second half than the first. That reversal weakens the case for relying on the FY28 growth and more-than-10% margin ambitions until reported numbers show them.
- Earnings quality is poor. Separately disclosed items of £8.4m exceeded underlying EBIT, and charges such as £1.5m for organisational effectiveness and £1.6m for strategic capability may recur. Prior-period accounts were also restated for wrongly capitalised software costs and the presentation of a fraud loss.
- Cash and tax tell a weaker story than the underlying figures. Operating cash flow of £4.7m was below the prior half's £6.1m despite a £2.8m working-capital inflow, and inventories of £65.5m were higher than the £64.1m held at March even as sales fell. A 57.1% underlying tax rate cut underlying EPS by 35.8%, and on 1.70p of half-year underlying EPS the 0.60p interim is covered less than three times, below the Board's 3.0x to 4.0x range.
- The demand problems sit in Trifast's own end-markets: North American and Asian automotive, Saudi disruption and appliance customers losing share to Chinese rivals. North America's margin collapsed to 2.6%, and the £4.6m Mexico investment flagged in October is still to be spent.

WHAT TO WATCH

- The court hearing on the capital reduction, scheduled for 20 November 2026, which would create distributable reserves by cancelling the share premium account and merger reserve.
- The next trading update, expected in January 2027: whether the £14.0m to £14.5m range holds and new business wins show up in second-half revenue.
- Whether separately disclosed items fall once Project Ignite concludes in the second half, and whether inventory falls by year end as the company intends. Both will be visible in the FY27 results.
- Interest-cover headroom as the covenant minimum rises from 3.50x to 4.00x from 31 December 2026, alongside any recovery in the North America margin from 2.6%.

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