

LPA GROUP PLC

("LPA" or the "Group")

AGM Trading Update

At the AGM of the Group to be held at 12:00 noon today, at the offices of LPA Connection Systems, Peter Pollock, Chairman, will make the following statement:

Trading Update

"In my comments accompanying the Preliminary Statement I stated that, in common with our customers and suppliers, we had been affected by Covid-19, but were fully prepared for Brexit. The full impact of these events on our customer base has now become manifest with very recent rescheduling of work out of the current financial year into later periods, the extent of which could not have been foreseen. No business has been lost and our medium and longer term prospects have been enhanced, but at the expense of the near term.

We have been victims of our own success in managing the business successfully through the UK lockdown. Other parts of our customers' supply chains have not performed so well and, as a consequence, our customers have production issues caused by lack of supply of parts needed to run their production lines. Following programme reviews by customers, further supplies of many of the parts we manufacture are now not expected to be required for several months. Approximately £2.7m of output will be delayed from the second half of this financial year into later periods, and strong action has been taken by management to mitigate the impact. As our customers' production recovers to normal levels, equilibrium should be restored and our sales output recover. The medium and longer term remains very encouraging; no business has been lost.

We continue to have a very strong order book and a strong balance sheet and expect to remain profitable and cash generative through the current financial year. We will keep our dividend policy under review.

Encouragingly, and as previously announced, we have won new business which extends our technical offering beyond traditional connection systems and lighting systems to control systems for passenger seating, evidence of our strategy to expand beyond our traditional technology and, in due course, markets as well. We expect to make further comments on our future strategy in the half year announcement in June."

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.