

**TEX HOLDINGS plc**  
**(00405838)**

## **CHAIRMAN'S STATEMENT – 23RD JUNE 2020**

The following update was read by the Chairman at the Company's AGM today – 23rd June 2020

I will now provide you a brief report of the trading companies.

The Plastics Division is trading at approximately 70% of expected levels as a result of COVID-19. There have been a number of strategic initiatives to control costs and improve efficiencies to protect the bottom line.

Within the Engineering Division, a majority of the companies have opened the year as expected and the effects of COVID-19 has mainly resulted in the delay of projects. However, to date within the Division, no orders have been cancelled due to the pandemic.

The only exception is Tex Engineering who opened the year slowly, and its poor performance has been compounded by the effect of COVID-19. There has however been some gradual return towards normal trading levels in late May. Nevertheless we are looking to introduce some efficiencies during this year.

Eurotex has been busy supporting Fisheries Protection vessels and completing an engine build. An order for spares for a Sovereign Navy, which was delayed from 2018, has now been despatched as this customer finally raised the letter of credit. One of the main customers is now gradually opening facilities as the lockdown eases.

The A.T.C. Division has recently been awarded a contract for removal of and reinstallation of the bridge glazing on a Sovereign Navy vessel.

The Company continues to progress the Nigerian control room contracts, with production mobilisation commencing once funds have been received from the customers.

In addition, the Company has been awarded the contract to supply and install a control room for an airport in Oman.

BSP opened the year with a healthy order book which resulted in trading being ahead of budget expectations. Orders for specialised equipment for the US, Middle East and Eastern Europe have been received during the first quarter.

G&M TEX continued to operate with an active order book, however some shipments were delayed due to the COVID-19 pandemic. I am pleased to report that the Company is now receiving a number of repeat orders.

QK Honeycomb Products is the one company within our Group that has been most affected by the COVID-19 crisis. The Company's main customer base, in the caravan and leisure vehicle industry, shut down when the crisis hit and many of the manufacturers in this market are not returning to operations until September. This is as a consequence of camping and caravan sites and showrooms still being in lockdown.

Overall as a Group, the COVID-19 crisis has been the catalyst of a review of Group operating structures and has accelerated the strategic review of the Group's operations. Various initiatives are currently underway with a strong focus on cost reduction and further consolidation within the various business units.

G.C. Gray  
23rd June 2020

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