

LPA GROUP PLC

("LPA" or the "Group")

Trading Update & Contract Wins

LPA Group plc, the high reliability LED lighting and electro-mechanical system manufacturer, announces the following trading update.

Further to the AGM Statement on 21 March 2019, which stated that the first half of the current financial year would be affected by contract delays, the Group confirms that these delivery schedules, which are outside of the Group's control, continue to be delayed, largely as a result of corporate activity within customers' supply chains. As a consequence, approximately £3 million of revenues will be delayed beyond the Group's year end date of 30 September 2019, which will negatively affect the anticipated outturn for the current financial year. It should be emphasised that none of these contracts have been lost, they have simply been substantially delayed and will be delivered in future periods.

LPA is however pleased to report that order entry continues at very strong levels with the award of two significant contracts for electro-mechanical solutions. The first is for the UK market valued at £1.7 million, and the second is for export to the Far East and is valued at £0.8 million, with further opportunities in the pipeline. Deliveries are expected to commence at the end of this financial year. The medium-term outlook for the Group remains very positive.

In addition, in line with the High Court ruling in October 2018 requiring all UK companies to remove inequalities between men and women in scheme benefits that arose under Guaranteed Minimum Pensions (GMP), the surplus on the Group's defined benefit pension scheme, which was £2.4m at 30 September 2018, will reduce by £0.4m. This is a historical cost expected to be recognised in the current financial year. Furthermore, the Chairman of the LPA Industries Pension Trustees Ltd, which operates the defined benefit scheme, has retired. This executive role will be discharged by Peter Pollock, Group Chairman, until he retires in September 2021 and Mr Pollock will now remain Executive Group Chairman for the duration. In addition, Chris Buckenham, Chief Financial Officer, is appointed to the Trustee Board.

Peter Pollock, Chairman of LPA Group, commented:

"The Group is operating in interesting times for the industry, and whilst the delay in the delivery of some contracts is disappointing, order entry remains very strong and hence our outlook in the medium term is robust. We are well-placed to meet both the challenges and take advantage of the opportunities available to the Group, as we continue to review our operations and cost structure to ensure we remain competitive. The Board looks to the future with confidence."

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

Enquires:

LPA Group Plc

Peter Pollock

Paul Curtis

Chris Buckenham

Chairman

COO

CFO

Tel:

01799 512844

01799 512858

01799 512859

Cairn Financial Advisers

James Caithie / Tony Rawlinson

Nominated Adviser

020 7213 0880

WH Ireland

Mike Coe / Chris Savidge

Broker

0117 945 3472

Instinctif Partners

Rosie Driscoll / Christine Galloway /

Mark Garraway

PR Adviser

020 7457 2020