



For the attention of all Westley Group customers

20th April 2020 - Coronavirus Update

As we reach the start of the seventh week of running our respective businesses during these unprecedented times, we wish to provide you with a further update on our current position.

Before going in to the specifics of the update, we would like to praise our colleagues for the exceptional attendance record we have achieved during this challenging period. Today, of the 270 staff employed by Westley Group, 257 are in work, and only 8 of the 13 absence are due to any Covid-19 related issues. We are extremely grateful and respectful of the commitment everyone has shown, and also for the professionalism and responsible attitude all our colleagues have exhibited in abundance.

By way of a current update, as we have said previously we have an audited, insurance approved Business Continuity Plan, however it is better to think in terms of staff at work, cash availability, orders on hand and supply availability.

Our update around this is as follows:

- As you know we employ 270 staff at Westley Group, and as a result of a continued phenomenal effort from all concerned, we currently have 257 of these staff in work and working as normal. This level of attendance has remained relatively constant and is a phenomenal effort from all concerned for which we are very grateful.
- We continue to have adequate cash resources to accommodate the short to medium term cash impact of this situation and continue to have the full support of our banking partner, Barclays.
- Our order books continue to be supportive of remaining at work. We have seen a slowing in the number of enquiries and in general activity, however the overall intake for the month of March 2020 was broadly in line with budget. We are seeing a reduction in order intake levels during April and as we said on the last update, we have begun to maintain more of a watching brief on this.
- In our last update we reported we were beginning to feel pinch point in our supply base and that as a result we were communicating at a Board to Board level with number of key suppliers to try to help, guide and work with them to alleviate these pinch points as far as possible.
 - We have contacted some customers about this as we seek a basket of solutions to solve some issues.
 - One of the impacts has been to our radiographed items as many radiography sub-contractors have temporarily furloughed staff. We do have our own in house radiography facility but this usually needs to be supported by additional resources from our suppliers. We have increased the number of personnel working in the in house facility and this appears to be working well, with a temporary extension to some lead times. Any customers affected by this have been contacted.
 - We expressed in our last update that we felt we may need to take a forward looking safety stock holding position in some instances, and that we may want to ask some customers to assist us in this endeavour. We can confirm we have invested in a significant safety stock of raw material (metal in the form of ingot, pure copper and alloying additions) and that this will remain in place until the Government restrictions are released. As yet we do not see a need to ask for any assistance in this investment but will contact any customers affected by this should it become necessary.

We can also report, as was announced in our last update, that in the vast majority of cases we have implemented the condensing of our colleagues' working week in to four days. This is a temporary measure to help us to manage our colleagues' physical and mental health during this time, whilst maintaining capacity at 100%, and so far it appears to be working well. We can see we have lost a small amount of productive output, but this is much less than the 20% reduction in the number of working days our colleagues are attending site, and as such we see it as a careful investment in ensuring that we can sustainably manage Westley Group through this period.

Should you wish to discuss any aspect of this communication, in the first instance please email james.salisbury@westleygroup.co.uk and we will be do all we can to assist or to provide further information.

Once again, we would like to wish you, your family and your colleagues safe passage through this difficult time.

James Salisbury

Chief Executive Officer, Westley Group, 20th April 2020

For and on behalf of: FW Birkett, Walter Frank, Spunalloys, Meighs & Westley