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Portmeirion Group PLC
18 July 2024

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PORTMEIRION GROUP PLC
('the Group')

H1 2024 Trading update

Improved demand across US/UK, tough macroeconomic backdrop remains in South Korea
Remain on track to meet Full Year market expectations

Portmeirion Group PLC, the owner, designer, manufacturer and omni-channel retailer of leading homeware brands in global markets, provides an update on its trading for the six months to 30 June 2024.

Sales for our first, traditionally quieter half, are expected to be c.£36.5m, down 17% on the same period last year (and down 16% at constant currency). This is in line with what was anticipated in the Group's full year results in March, which stated that H1 sales would be down due to lower order levels in South Korea. Group sales, excluding the South Korean market, were up 5% in constant currency.

Encouragingly, sales during the period in the US, our largest market, were up 4% in constant currency combined with an improvement in gross margins however there continues to be a difficult market backdrop. In the UK, sales were significantly ahead of the prior year aided by further growth of over 25% in Wax Lyrical, our home fragrance division, which benefitted from the impact of recent new listing wins in the grocery channel. In South Korea, sales were down 60% against a comparison of an abnormally high first half in 2023. Softer consumer spending in South Korea was compounded by significant de-stocking by distributors and retailers.

Outlook

We expect FY24 profit to be up on the prior year with improved operating margins and we remain on track to meet FY market expectations. We expect sales in the second half in our South Korean market to be back to broadly in line with the prior year and we have healthy order books for Christmas across the US and UK.

The actions we have taken to reduce our overhead cost base by 10% leaves us better placed to navigate any continuing macro pressures as trading conditions around our key markets across the world continue to be unpredictable. We also continue to manage the increasing disruption to global container freight shipping together with rising rates.

Mike Raybould, Chief Executive, commented:

"We are pleased with the progress we are making in the US, our largest sales market, with improving sales and higher gross margins and also the continued strong growth recovery in Wax Lyrical, although consumer markets remain uncertain around the world. We are also encouraged by our advance US orders for Christmas which remain significantly ahead of last year.

In South Korea, following a significant stock refill in 2022 and first half 2023, the more recent consumer slowdown has resulted in distributors and retailers needing to reduce high stock levels. This has impacted short term orders for this market however we are confident that our Portmeirion brand remains ever popular with the end consumer as evidenced by healthy, growing online channel sales in the market.

The benefits of our cost restructuring are on track, and this supports our commitment to growing our operating margins in the short and long term and we believe that our increasingly distributed brands are well placed to grow in the medium and long term."

The Group expects to report its Interim results for the six months ended 30 June 2024 in the second half of September 2024.

Notes: This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 ("UK MAR").

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NOTES TO EDITOR:

Portmeirion Group PLC is a leading, omni-channel British ceramics manufacturer and retailer of leading homeware brands.

Based in Stoke-on-Trent, United Kingdom, the Group owns six unrivalled heritage and contemporary brands, with 750+ years of collective heritage; Portmeirion, Spode, Royal Worcester, Pimpernel, Wax Lyrical and Nambé.

The Group serves markets across the world, with global demand driven by diversified international markets including the key geographies of the US, UK and South Korea.

Portmeirion Group has a proven capital-light, well developed and self-funded growth strategy focused on building a wider customer base and growing the sales footprint of its brands, through:

- Building and growing international sales markets
- Developing online sales channels in core markets
- Designing and launching new product to widen appeal and take market share
- Leveraging brands and extensive product ranges

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