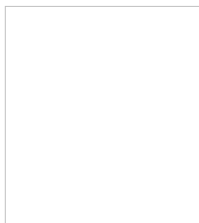


7 August 2024



SANDERSON DESIGN GROUP PLC

("Sanderson Design Group", the "Company" or the "Group")

Half Year Trading Update

Some improvement in trading at the end of the six-month period

New agreement signed with Kravet Inc. for distribution of the Scion brand in the USA

Sanderson Design Group PLC (AIM: SDG), the luxury interior design and furnishings group, announces its trading update for the six months ended 31 July 2024.

The Company's trading update on 27 June 2024 stated that, owing to a deterioration in trading conditions in the UK, brand product sales in May and June had impacted Group turnover in the current financial year. Since then, trading has showed some signs of improvement in July with brand product sales up 6% at constant currency compared with July last year. As a result, total brand product sales in the six-month period to 31 July 2024 were down 7% in constant currency, an improvement compared with being down 9% at the time of the June trading update and driven by North America. The Company continues to trade in line with the Board's expectations for the current financial year, as revised at the time of the June trading update.

Group sales in the six-month period of £50.5 million (comprising Brand product and external Manufacturing sales along with licensing revenue) were down 11% in reported currency compared with the same period last year (H1 FY24: £56.7m), down 10% in constant currency.

Licensing revenue has performed in line with Board expectations in the six-month period at £4.1 million (H1 FY24: £6.9m) against a strong comparator period that included two major licensing deals with significant accelerated income. Full year licensing revenue this year is expected to be approximately the same as last year.

Brand product, manufacturing and licensing revenue

	Six months to 31 July (£ million)		Change (%)	
	2024 (H1 FY25)	2023 (H1 FY24)	Reported	Constant currency
Brand product				
UK	16.7	19.5	(14%)	(14%)
North America	11.1	10.7	4%	6%
Northern Europe	4.8	5.1	(6%)	(2%)
Rest of the World	4.5	5.0	(10%)	(10%)
Total Brand product revenue	37.1	40.3	(8%)	(7%)
Manufacturing				
External	9.3	9.5	(2%)	-
Internal	8.0	7.6	5%	-
Total Manufacturing revenue	17.2	17.1	1%	-
Licensing				
Total Licensing revenue	4.1	6.9	(41%)	-
Group total revenue	50.5	56.7	(11%)	(10%)

As previously stated, UK brand product revenue in the first half was impacted by the challenges in the UK market, which represented approximately 45% of total brand product revenue. The strategic focus on North America continues to deliver sales growth and the pipeline of potential contract orders in the USA for the second half year remains strong.

Within the brands portfolio, Sanderson has reacted positively to the recent strategic emphasis on driving the brand's growth. Sales of the brand are up strongly in North America and in Northern Europe. Last year's launch of the Disney Home & Sanderson collection is selling well, and the more recent Celine Dion Sanderson capsule collection is performing

home x Sanderson collection is selling well, and the more recent Giles Deacon capsule collection is sampling strongly, particularly in the USA.

Third-party manufacturing at £9.3 million was 2% lower than the same period last year, primarily reflecting reduced demand for repeat orders in the subdued UK consumer environment.

Licensing revenue declined to £4.1 million, compared with £6.9 million in the same period last year when two major licensing deals, with NEXT and Sainsbury's, led to accelerated income of £4.9 million in H1 FY2024. Accelerated income of £2.7 million in the first half this year reflects the signing of new licensees along with renewals and extensions.

New licensees include Zara Home with Morris & Co. for a capsule bedding collection launching in September, underlining the continuing appeal of the Morris & Co. brand for licensed product. Other new licensees include Swyft Home for the Morris & Co. brand on sofas and other furniture.

New licences also include an agreement with John Lewis Partnership for the Sanderson brand, covering a wide range of John Lewis branded homewares, and a Morris & Co. agreement with Pottery Barn Kids, part of US retailer Williams Sonoma, for a wide range of children's homewares and other products.

Major licence renewals in the half year include window coverings company Blinds 2go and rugmaker Brink & Campman along with other renewals including Swan Mill Group, for cards, stationery and gifting, and Fulton umbrellas.

Balance sheet

The Group's balance sheet remains strong with net cash of approximately £9.6 million as at 31 July 2024 (H1 FY24: £15.9m), compared with £16.3 million on 31 January 2024.

The decrease in net cash is attributable to the £2.3 million cash payment announced on 19 June 2024 enabling the transfer to an insurer of the liabilities of the Company's Abaris Holdings Limited Pension Scheme along with an inventory build expected to unwind by the year end and capital expenditure items, which are not expected to recur in the second half, including a one-off investment in the new head office.

Outlook

In the trading update on 27 June 2024, the Company stated that it is accelerating its programme of strategic initiatives to address trading conditions in the UK and position the Group for growth. A detailed review of these initiatives will be provided at the time of the interim results in October 2024, but good progress has already been made in identifying strategic changes. The previously announced initiative to deliver a more efficient sales model in the UK has recently been completed, achieving annualised savings of approximately £0.6 million of which £0.3 million will be delivered in the current financial year.

At the same time, the Company remains focused on the growth opportunity in the US market and has recently signed a five-year distribution agreement with Kravet Inc. for the distribution of Scion fabrics and wallpapers in the USA. Kravet Inc. already distributes the Clarke & Clarke brand in North America and this new exclusive agreement for the Scion brand is expected to drive the profile of the brand in the USA.

The Group continues to benefit from a strong balance sheet and, whilst trading conditions continue to be challenging, the Board's expectations for the Group's full year cash and profits remain unchanged.

Notice of Results

Sanderson Design Group expects to announce its interim results for the six months ended 31 July 2024 on 16 October 2024.

For further information:

Sanderson Design Group PLC

c/o Burson Buchanan

+44 (0) 20 7466 5000

Lisa Montague, Chief Executive Officer

Mike Woodcock, Chief Financial Officer

Investec Bank plc (Nominated Adviser and Joint Broker)

+44 (0) 20 7597 5970

David Anderson / Ben Farrow

Singer Capital Markets (Joint Broker)

+44 (0) 20 7496 3000

Tom Salvesen / Jen Boorer / James Todd

Burson Buchanan

+44 (0) 20 7466 5000

Mark Court / Sophie Wills / Toto Berger / Abigail Gilchrist

SDG@buchanan.uk.com

Notes for editors:

About Sanderson Design Group

Sanderson Design Group PLC is a luxury interior furnishings company that designs, manufactures and markets wallpapers, fabrics and paints. In addition, the Company derives licensing income from the use of its designs on a

wallpapers, fabrics and paints. In addition, the Company derives increasing income from the use of its designs on a wide range of products such as bed and bath collections, rugs, blinds and tableware.

Sanderson Design Group's brands include Zoffany, Sanderson, Morris & Co., Harlequin, Clarke & Clarke and Scion.

The Company has a strong UK manufacturing base comprising Anstey wallpaper factory in Loughborough and Standfast & Barracks, a fabric printing factory, in Lancaster. Both sites manufacture for the Company and for other wallpaper and fabric brands.

Sanderson Design Group employs approximately 600 people and its products are sold worldwide. It has showrooms in London, New York, Chicago and Amsterdam.

Sanderson Design Group trades on the AIM market of the London Stock Exchange under the ticker symbol SDG.

For further information please visit: www.sandersondesigngroup.com

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