

26 September 2024

**IG Design Group Plc
('Design Group' or the 'Group')**

AGM Trading Update

Ahead of today's Annual General Meeting, IG Design Group PLC announces an update on trading for the period covering the five months ended 31 August 2024 (the "Period"), and an update on its outlook for the year ended 31 March 2025.

Overview:

- Transformation of the Group continues
- Overall Group revenue impacted by continuation of trends in DG Americas
- Remain on track to return margins to above proforma pre-pandemic levels of at least 4.5% in FY25
- Continued strong cash generation
- FY25 adjusted profit expected to deliver in excess of 20% year-on-year growth, albeit below but within 10% of previous market expectations (believed to be 36.0m)

The trends around consumer demand and the broader retail environment remain unchanged from the sentiment in our Full Year Results in June. Notwithstanding this, we continue with the turnaround of the DG Americas business, reducing the complexity that was built over successive acquisitions, and improving margins through more simplification and better leverage of its scale.

At the time of our Full Year Results, we announced that the DG Americas division had seen revenue decline 16%. This was mainly driven by reduced demand for certain categories, from Everyday product categories to Seasonal ones, as our main customers ordered more cautiously ahead of seasonal peaks, especially Christmas 2023. In addition, we were carefully managing our credit risk exposure, which weighed on revenues, as some of our US retail customers gave us cause for concern. These trends have continued into the current financial year with revenue in DG Americas declining c14% for the period.

The CEO of DG Americas left the business in July 2024, and we are actively recruiting a successor who will complete DG Americas' transformation journey sooner and return that business to profitable revenue growth. Until the new DG Americas CEO has been successfully onboarded, the DG Americas top-team are reporting directly to Paul Bal, who is now visiting the US regularly. To facilitate this, other Board members and senior leaders are supporting certain of Paul's responsibilities across the rest of the Group.

DG International continues to perform well and in line with the Board's expectations, with continued growth from our key customers in continental Europe offset by ongoing softness in the UK and Australian markets.

Overall Group revenue has declined c13% in the period compared to prior year. Whilst the H1 versus H2 revenue split is expected to remain similar to the prior year, we anticipate an improvement in H2 profitability driven by the timing of benefits from strategic initiatives and mix improvements.

Net Cash continues to be strong, and the Group has been cash positive for the entire five month period, with cash balances well in excess of the prior year.

Outlook for the full year:

With the order book now c77% complete at this point (FY2024 equivalent: 77%), we anticipate Group revenue to decline c5% for the full year, mainly driven by the trends we are experiencing in DG Americas.

Notwithstanding the challenges in DG Americas, the Group's Operating Profit is expected to grow year-on-year, and the margin is still expected to return to above proforma pre-pandemic levels of at least 4.5%.

The Group expects to deliver in excess of 20% year-on-year adjusted profit growth, however, as a result of the lower expected revenue, the Group now expects results for the year to be below, but within 10% of, previous market profit expectations and towards the lower end of the Board's profit expectations.

The Board recognises the increased difficulties being faced in some of the markets in which we operate and thank our teams everywhere for their determination to deliver to their best ability in the circumstances.

On completing the first half of our year, the Board will provide another trading update on 29 October 2024 as previously scheduled. The publication of the half year results is scheduled for 26 November 2024.

For further information, please contact:

IG Design Group Plc

Paul Bal, Chief Executive Officer
Rohan Cummings, Chief Financial Officer

Tel: +44 (0)1525 887310

Canaccord Genuity Limited (Nomad and Broker)

Bobbie Hilliam
Harry Pardoe

Tel: +44 (0)20 7523 8000

Alma Strategic Communications

Rebecca Sanders-Hewett
Sam Modlin
Will Merison

Tel: +44 (0)20 3405 0209

designgroup@almastrategic.com

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTPPUBWBUPCGMA