

7 August 2025



SANDERSON DESIGN GROUP PLC

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

Half Year Trading Update

Group trading on track to meet full year expectations and net cash continues to build

Sanderson Design Group PLC (AIM: SDG), the luxury interior design and furnishings group, announces its trading update for the six months ended 31 July 2025.

Highlights

- Group sales in the six-month period were in line with Board expectations at £48.3 million (H1 FY25: £50.5 million), down 4% in reported currency and down 3% in constant currency
- Licensing revenue performed well at £4.4 million (H1 FY25: £4.1 million), with strong growth of 22% in underlying performance (licensing revenue excluding accelerated income under IFRS 15)
- Strategic focus on North America continues to deliver sales growth, with brand product sales up 4% in constant currency (H1 FY25: 6%)
- The previously announced restructuring at our factories has resulted in a strong recovery in manufacturing's financial performance and we continue to expect manufacturing to achieve break-even, or slightly better, for the current financial year
- Continued focus on cost efficiencies - management is well-advanced with a new initiative to further reduce central overhead costs by approximately £1 million on an annualised basis
- Strengthened Group balance sheet with net cash of approximately £7.5 million at 31 July 2025 (31 January 2025: £5.8 million), reflecting a planned inventory reduction
- Brand sales in the nine-week period of June and July 2025, although slightly below last year, performed better than the full six months to 31 July 2025, providing an early indication of stabilisation in trading
- Overall, the Group is on track to achieve the Board's expectations for the full year

Brand product, manufacturing and licensing revenue

	Six months ended 31 July		Change (%)	
	2025 (H1 FY26)	2024 (H1 FY25)	Reported	Constant currency
Brand product				
UK	£15.1m	£16.7m	(9%)	(9%)
North America	£11.2m	£11.1m	1%	4%
Northern Europe	£4.3m	£4.8m	(10%)	(9%)
Rest of the World	£4.1m	£4.6m	(10%)	(9%)
Total Brand product revenue	£34.7m	£37.2m	(7%)	(5%)
Manufacturing				
External	£9.2m	£9.2m	(1)%	-
Internal	£5.3m	£8.0m	(34%)	-
Total Manufacturing revenue	£14.5m	£17.2m	(16%)	-
Licensing				
Total Licensing revenue	£4.4m	£4.1m	6%	-
Group total revenue	£48.3m	£50.5m	(4%)	(3%)

The strategic focus on North America continues to deliver sales growth with progress in the first half being driven by contract orders. The heritage brands, Morris & Co. and Sanderson, continue to perform well in the USA and the re-emergent Harlequin brand is performing strongly.

Harlequin brand is performing strongly.

Our Morris & Co. direct-to-consumer site launched in the USA in March 2025 and has performed ahead of expectations, which is encouraging for the upcoming launch of direct-to-consumer sites for the Sanderson and Harlequin brands.

The Highgrove by Sanderson collection, whose retail launch was in May 2025, has been very well received internationally, with requests for samples running at unprecedented levels for the brand.

Third-party manufacturing at £9.2 million was in line with the same period last year and, as mentioned earlier, our factories' future financial performance has been transformed by the restructuring initiatives implemented earlier this year. The decrease in internal manufacturing revenue at £5.3 million (H1 FY25: £8.0m) was in line with our planned inventory reduction strategy. We continue to expect manufacturing to achieve break-even, or slightly better, for the current financial year.

Licensing revenue was up 6% at £4.4 million (H1 FY25: £4.1m) with underlying revenue, which excludes the impact of the IFRS 15 accounting standard, growing strongly to £3.9 million (H1 FY25: £3.2m) and contributing to the Group's cash generation.

First half accelerated income was £2.4 million (H1 FY25: £2.7m), reflecting the signing of new licensees, renewals and extensions. Notable agreements signed in the first half include a renewal in the USA for The Tile Shop with the Morris & Co. brand, and an extension for the Sanderson brand with Portmeirion's Royal Worcester tableware. We continue to expect licensing revenue in the current year to be broadly the same as last year.

Balance sheet

The Group's balance sheet has strengthened in the first half with net cash of approximately £7.5 million as at 31 July 2025 compared with £5.8 million at 31 January 2025 (H1 FY25: £9.6 million). The increase in cash reflects a planned reduction in inventory and net cash is expected to continue to build in the remainder of the financial year.

Outlook

The Company remains focused on the growth opportunity in North America and on strategic cost-saving initiatives to align the Group with the current demand environment, particularly in the UK, and position the Group for future growth. Through the new cost-saving initiative mentioned above, we expect to save approximately £1 million on an annualised basis.

The retail launch of Morris & Co.'s first collection with The Huntington Library, Art Museum and Botanical Gardens ("Huntington"), California, will take place internationally at the beginning of next month. This collection, titled The Unfinished Works, includes 26 original but unfinished Morris & Co. designs, which have rarely been seen and never produced before. The collaboration with the Huntington represents an exciting new opportunity for the Morris & Co. brand, bringing a completely new body of work to the Arts & Crafts community and marking a major event in art history.

Our digitalisation initiatives are progressing well and we are on track to launch our improved Trade Hub followed by direct-to-consumer sites for the Sanderson and Harlequin brands.

The Board's expectations for the full year remain unchanged.

Notice of Results

Sanderson Design Group expects to announce its interim results for the six months ended 31 July 2025 on 15 October 2025.

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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 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 500 people and its products are sold worldwide. It has showrooms in London, New York and Chicago.

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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