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Sanderson Design Group PLC
10 February 2026

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SANDERSON DESIGN GROUP PLC
("Sanderson Design Group", the "Company" or the "Group")

Full Year Trading Update

Results in line with expectations and strong cash position

Sanderson Design Group PLC (AIM: SDG), the luxury interior design and furnishings group, is pleased to announce its trading update for the financial year ended 31 January 2026.

The Group traded in line with management expectations for the full year, with the delivery in the second half of strong growth in brand sales in the US and other overseas markets and a good recovery in third-party manufacturing revenue. Licensing performed robustly throughout the year and, within brand sales, the direct-to-consumer channel achieved rapid growth, primarily reflecting Morris & Co. sales. Subdued trading conditions in the UK continued as expected through the second half.

Group revenue for the year is expected to be £99.5 million (FY2025: £100.4m), marginally lower than the prior year in reported currency and consistent with the prior year in constant currency.

Adjusted underlying profits for the year are expected to be at least £5 million (FY2025: £4.4m). This strong growth in profitability reflects the Board's continued focus on strategic cost-saving initiatives.

The Group's net cash continued to build in the second half of the year to approximately £9.8 million at 31 January 2026 (FY2025: £5.8m; H1 FY2026: £7.8m) owing to further planned inventory reductions, working capital management and controlled capital expenditure.

Brand product, manufacturing and licensing revenue

	Year to 31 January (£ million)		**%Change** FY2026 v FY2025		**%Change (CER)** FY2026 v FY2025	
	2026	2025	REP(1)	CER(2)	H126 v H125	H226 v H225
Brand product						
UK	**30.0**	32.8	(9)%	(9)%	(9)%	(8)%
North America	**22.3**	21.0	6%	10%	4%	15%
North America (underlying)(3)			*5%*	*9%*	*4%*	*12%*
Northern Europe	**9.4**	9.1	3%	1%	(9)%	11%
Rest of the World	**8.4**	8.4	0%	0%	(9)%	8%
Total Brand product revenue	**70.1**	71.3	(2)%	(1)%	(5)%	3%
Manufacturing						
External	**18.9**	18.1	5%	5%	(1)%	11%
Internal	**10.8**	13.6	(21)%	(21)%	(34)%	2%
Total Manufacturing revenue	**29.7**	31.7	(6)%	(6)%	(16)%	6%
Licensing						
Total Licence revenue	**10.5**	11.0	(5)%	(5)%	6%	(11)%
TOTAL GROUP REVENUE	**99.5**	100.4	(1)%	0%	(3)%	3%

(1) On a reported currency basis

(2) On a constant currency basis

(3) North America (underlying) excludes surcharges added to US sales to mitigate additional costs resulting from the introduction of tariffs

The targeted growth market of North America performed strongly in the year, with underlying brand product sales up 5% in reported currency and up 9% in constant currency. US sales delivered double digit growth in the early part of the financial year followed by a significant drop in Q2 as a result of uncertainty around the US tariff regime. A strong recovery was seen in the second half. Brand product sales in North America including surcharges implemented to mitigate tariff costs were up 6% in reported currency and up 10% in constant currency. Brand product sales in mitigate tariff costs were up 6% in reported currency and up 10% in constant currency. Brand product sales in Northern Europe and the Rest of the World performed well in the second half, driven in part by contract orders.

Total licensing revenue was robust at £10.5 million (FY2025: £11.0m) with underlying revenue, which excludes the impact of the IFRS 15 accounting standard, up 35% at £9.0 million (FY2026: £6.6m). This strong growth in underlying performance, which contributes to the Group's cash generation, reflects the receipt of minimum guaranteed amounts from licensing agreements signed in previous years and revenue above those minimum guarantees.

Accelerated income, under IFRS 15, was £6.1 million (FY2026: £7.3m). Licence renewals and extensions signed during the second half of the year with significant accelerated income include Ruggable, which has broadened its product range and included the Morris & Co. Huntington designs, and Sangetsu, which has extended the Morris Chronicles agreement for a further five-year period.

Third-party manufacturing revenue, at £18.9 million, was up 5% (FY2025: £18.1m), benefiting from the improved momentum in order books referenced at the time of the half year results in October 2025. Cost-saving and efficiency initiatives have transformed the financial performance of the Group's manufacturing operations and the flexibility of the manufacturing workforce. Manufacturing is expected to have achieved slightly above break-even for the financial year in line with the Group's target.

Direct-to-consumer ("DTC") is a new sales channel with all brands now having DTC websites. Following the Scion DTC pilot, the Morris & Co. DTC site went live in September 2024 in the UK. It was launched in the US in March 2025 and since then DTC sites have been launched for Sanderson, Harlequin, Clarke & Clarke and, most recently, Zoffany.

DTC sales in the year ended 31 January 2026, which are primarily from Morris & Co., were £1.8 million, up from £0.4 million in the prior year, with a substantial amount of the growth coming from the US from new customer audiences.

Senior leadership

The Company has recently strengthened its management team with key appointments to drive digitalisation and US growth. Charlotte O'Sullivan was recently appointed as Group Digital & Innovation Director to further develop the Company's DTC business and lead the broader digitalisation of the Company. Scott Christopher Hans, who joined the Company as SVP of Sales in the US in November 2024 has this month been appointed President of the Company's North American business. Both of these senior leadership team roles will support the Company's strategic growth priorities.

Outlook

As we begin the new financial year, there is increasing momentum in the business, particularly in the US, manufacturing and DTC, although UK trading conditions remain subdued. The Group benefits from a strong portfolio of brands, a valuable archive and strong cash balances and the Board remains confident in the Group's strategy in the year ahead and beyond.

The Group's full year results are expected to be announced in late April 2026.

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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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