

WELCOME TO OUR
INVESTOR SITE DAY.
FEBRUARY 2ND 2022.

PORTMEIRION GROUP PLC

TODAY'S AGENDA

- WELCOME & MEET THE TEAM
- STOKE FACTORY TOUR: NEW INVESTMENTS
- DELIVERING FY 2021
- BUSINESS MODEL & AMBITIONS
- BUILDING OUR STRATEGIC CAPABILITIES TO DRIVE SUSTAINABLE GROWTH
 - Leveraging our Brands
 - Building Online channels
 - US market & drop ship
 - Building new markets (geography)
 - Operational capability & productivity investments
- SUMMARY & P&L OPPORTUNITY
- Q&A



A VERY WARM WELCOME.
A FEW INTRODUCTIONS.

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PLEASE JOIN US ON THE
FACTORY TOUR.

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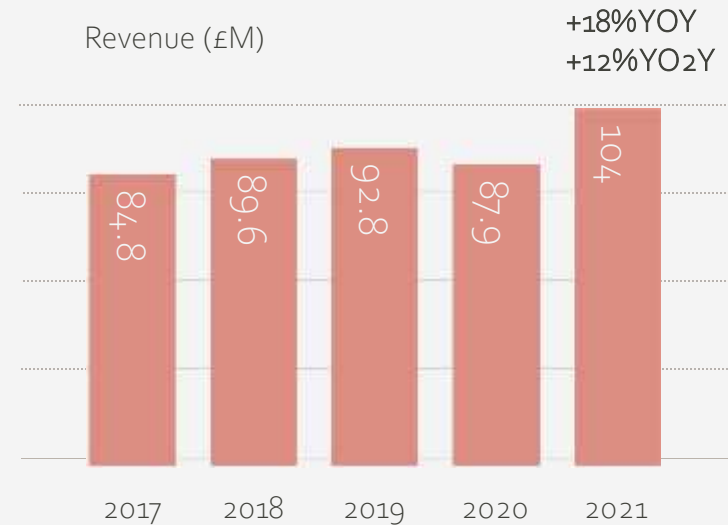


DELIVERING FY 2021.

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HEADLINES FROM JANUARY TRADING UPDATE

- Record revenue year/ significant sales beat and corresponding profit pick up
- Growth across all key markets
- Online channels continue to be significant driver of growth
- Benefit realised of 2019/20 stabilisation work in South Korea
- Navigated Covid/supply chain disruptions well- strength of teams & market experience
- Ongoing supply chain disruption & inflationary pressures but expect to continue to navigate
- Good sales momentum and expect to continue to grow
- Cash and balance sheet remain strong
- Prelims March 2022





OUR BUSINESS MODEL & AMBITION.

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→ BUSINESS MODEL & AMBITIONS

OUR CORE STRENGTHS

- Six high quality homeware brands
- Diversified product portfolio
 - Heritage ranges & contemporary/gifting
- Diversified sales markets
- UK/US sales & distribution infrastructure.
- Significant design, own UK manufacturing & sourcing category experience
- Cash generative / strong balance

OUR AMBITION

Huge opportunity to reach wider customer base & grow our brands sales foot print:

- New channels: Online
- New product / gifting formats
- Build out international markets (Geography)
- Leverage our brands more effectively

BUILDING OUR STRATEGIC CAPABILITIES

Building significant new capabilities to allow us to fully realise our brands' potential:

- Online /digital channels & infrastructure
- Brand led roadmaps & processes
- New product development engine
- ROW sales teams
- Operational capabilities & productivity
- Talent & Process

→ CLEAR OPPORTUNITY TO LEVERAGE OUR BRANDS (AND INFRASTRUCTURE) BY REACHING MORE CUSTOMERS



BUILDING OUR
STRATEGIC CAPABILITIES
TO ENABLE GROWTH.

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→ BUILDING STRATEGIC CAPABILITIES

LEVERAGING OUR BRANDS.

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DESIGN YOUR LIFE®

PORTMEIRION GROUP PLC
2022.

→ BUILDING STRATEGIC CAPABILITIES – LEVERAGING OUR BRANDS

WE HAVE AN ENVIABLE PORTFOLIO OF HOMEWARES BRANDS



- Over 750 years of combined history
- Brands that have stood the test of time thanks to their rich histories, iconic designs and craftsmanship

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2022.

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→ BUILDING STRATEGIC CAPABILITIES – LEVERAGING OUR BRANDS

IN THE LAST 18-24 MONTHS, WE'VE BEEN ON A JOURNEY TO STEP CHANGE PERFORMANCE THROUGH UNLOCKING THE POWER OF OUR BRANDS

1.

REDEFINED OUR BRANDS TO ENSURE THEIR RELEVANCE FOR TODAY

2.

CREATED A CONSUMER-LED PIPELINE OF COLLECTIONS & PRODUCTS

3.

GENERATED CONSUMER PULL THROUGH TARGETED BRAND COMMUNICATIONS & DIGITALISATION

→ BUILDING STRATEGIC CAPABILITIES – LEVERAGING OUR BRANDS

STEP 1: REDEFINED OUR BRANDS TO ENSURE THEIR RELEVANCE FOR TODAY

CASE STUDY:
UNLOCKING THE
POWER
OF SPODE

Clarity on the positioning & audience
of each of our brands



Brand Blueprints & toolkits developed



Strengthened assets and content globally



→ BUILDING STRATEGIC CAPABILITIES – LEVERAGING OUR BRANDS

STEP 2: CREATED A PIPELINE OF COLLECTIONS & PRODUCTS BASED ON CONSUMER & MARKET INSIGHT

CASE STUDY:
UNLOCKING THE
POWER
OF SPODE



Protecting & growing our heritage patterns to ensure their enduring relevance through product & category extensions

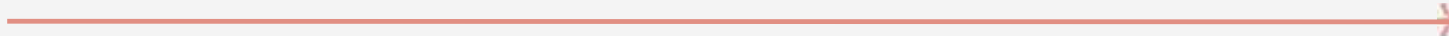


Driving growth of existing collections in new markets



Building our customer base with new contemporary collections

HERITAGE



CONTEMPORARY

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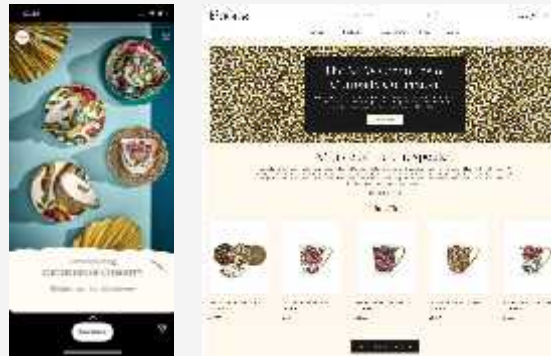
→ BUILDING STRATEGIC CAPABILITIES – LEVERAGING OUR BRANDS

CASE STUDY:
UNLOCKING THE
POWER
OF SPODE

STEP 3: GENERATED CONSUMER PULL THROUGH TARGETED BRAND COMMUNICATIONS



Moved to a customer centric approach with clearly defined core and secondary target audiences



Driven consistency of assets across channels and markets providing brand distinction



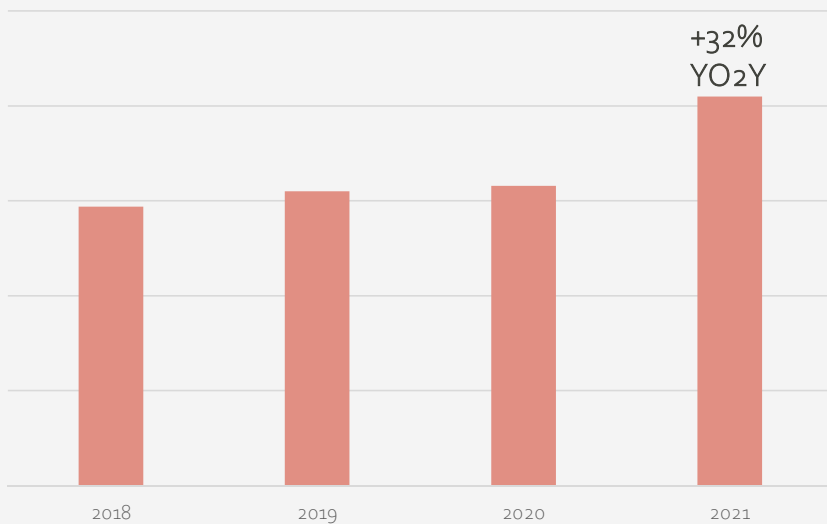
Implemented a digital first channel mix, included PPC, SEO, paid social, email and PR to drive consumer engagement & conversion

→ BUILDING STRATEGIC CAPABILITIES – LEVERAGING OUR BRANDS

CASE STUDY:
UNLOCKING THE
POWER
OF SPODE

THE RESULTS: SIGNIFICANT STRIDES MADE IN BRAND VALUE AND ENGAGEMENT WITH OUR BRAND

Spode Sales £m - Breakout year in 2021



Spode Sales are up 32% YO2Y

- Growth seen across both heritage collections (Blue Italian and Christmas Tree) as well as new collections in Creatures of Curiosity

Social following up 96% YO2Y

- Consumers are engaged and inspired by our products and brand content
- Influencers want to partner with us – on both heritage and new collections
- UGC at an all time high



→ BUILDING STRATEGIC CAPABILITIES – LEVERAGING OUR BRANDS

SUMMARY

CASE STUDY:
UNLOCKING THE
POWER
OF SPODE

→ A BREAKOUT SALES YEAR FOR SPODE

→ WE HAVE CREATED SIMILAR MODELS / ROADMAPS FOR EACH OF OUR FOUR CORE TABLEWARE BRANDS

→ SEE BIG OPPORTUNITY TO GROW SALES FOOTPRINTS OF THESE BRANDS:

- Maintain and further leveraging our major 'heritage' ranges : Portmeirion Botanic Garden & Spode Christmas Tree.
- Create contemporary new collections for a wider potential consumer reach
- Backed by ramped up digital assets & communication

→ CLEAR OPPORTUNITY TO LEVERAGE OUR BRANDS AND OPERATIONS BY REACHING MORE CUSTOMERS

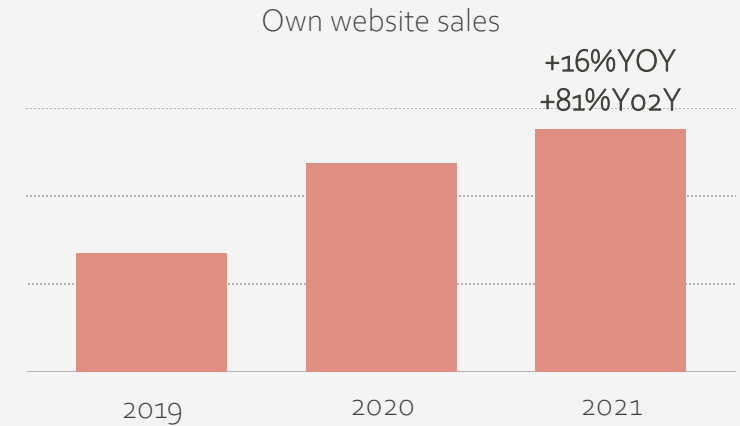
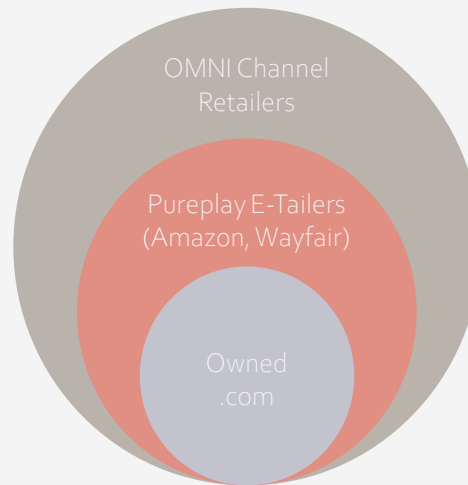
→ BUILDING STRATEGIC CAPABILITIES

BUILDING ONLINE CHANNELS.

THE SHIFT TO DIGITAL

Online sales a significant and fast growing part of Group.

- Online sales are made up of:
 - Own websites.com,
 - Pureplay e-tailers,
 - OMNI channel retailers
- In 2021, all online channel sales reached 50% in core UK/US markets growing again on 2020 despite physical retail reopening
- Own website.com has seen explosive growth with + 16% YOY; Yo2Y +81% vs 2019. With significantly accretive margins.



OWN WEBSITE.COM GROWTH DRIVERS

Keys to driving consistent revenue growth and profitability

DELIVER A STRONG USER EXPERIENCE



- Website and UX Enhancements
- Simplify Customer Journey
- Enhance brand storytelling
- DAM - Amplify visual assets
- PIM - Establish a single source of truth

INCREASE CUSTOMER ACQUISITION



- PPC - Consistent prospecting and retargeting
- Generate customer list growth
- Utilize referral marketing
- Active social media presence to engage potential customers

MAXIMISE CUSTOMER LIFETIME VALUE



- Mine customer data to capitalise on personalisation and segmentation opportunities
- CRO & AOV Programmes - recommendations, cross and upsell opportunities
- Loyalty Programme

STAND OUT ON THE DIGITAL SHELF

- Product exclusives, including bundles and curated sets
- Brand connected experiences

→ BUILDING STRATEGIC CAPABILITIES – BUILDING ONLINE CHANNELS

1. CONSIDERABLE OPPORTUNITY TO INCREASE CONVERSION

Drive brand stickiness & emotional resonance through experience

- Webstores redesign UK ROW Q2 - multi-brand springboard
- Successful US replatform Q4 FY20 - strong conversion increase
- Reduce friction, simplify purchase journey
- Infuse with our unique brand product stories
- CRO programme including xsell, upsell, payments, alerts, product reviews, ugc

→ “CONSUMERS WANT TO FEEL A DEEPER CONNECTION WITH THE BRANDS THEY SHOP.”

→ BUILDING STRATEGIC CAPABILITIES – BUILDING ONLINE CHANNELS

EXAMPLES: CUSTOMER EXPERIENCE DEVELOPMENTS



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2022.

US Replatform/Redesign -
Portmeirion Homepage

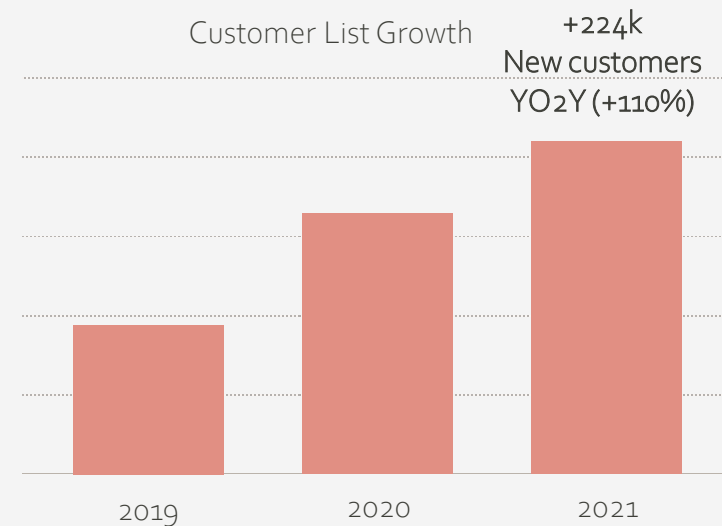


UK ROW Redesign
- Spode mobile Q2

2. OWNING THE CUSTOMER CONVERSATION

Establish direct consumer relationships to drive loyalty & profitability

- Accelerate list growth and data acquisition
 - > 25% YOY growth FY21
- Increase reach and engage new audiences through consistent acquisition programme
- Maximise customer insights to deliver advanced segmentation and personalisation programmes
 - > c.50% of sales are from returning customers
- Build Loyalty proposition, including VIP scheme



→ "A STRONG CUSTOMER VALUE PROPOSITION REQUIRES MORE THAN JUST LEVELLING UP ECOMMERCE BASICS."

→ BUILDING STRATEGIC CAPABILITIES – BUILDING ONLINE CHANNELS

3. LEVERAGING OUR BRAND PORTFOLIO

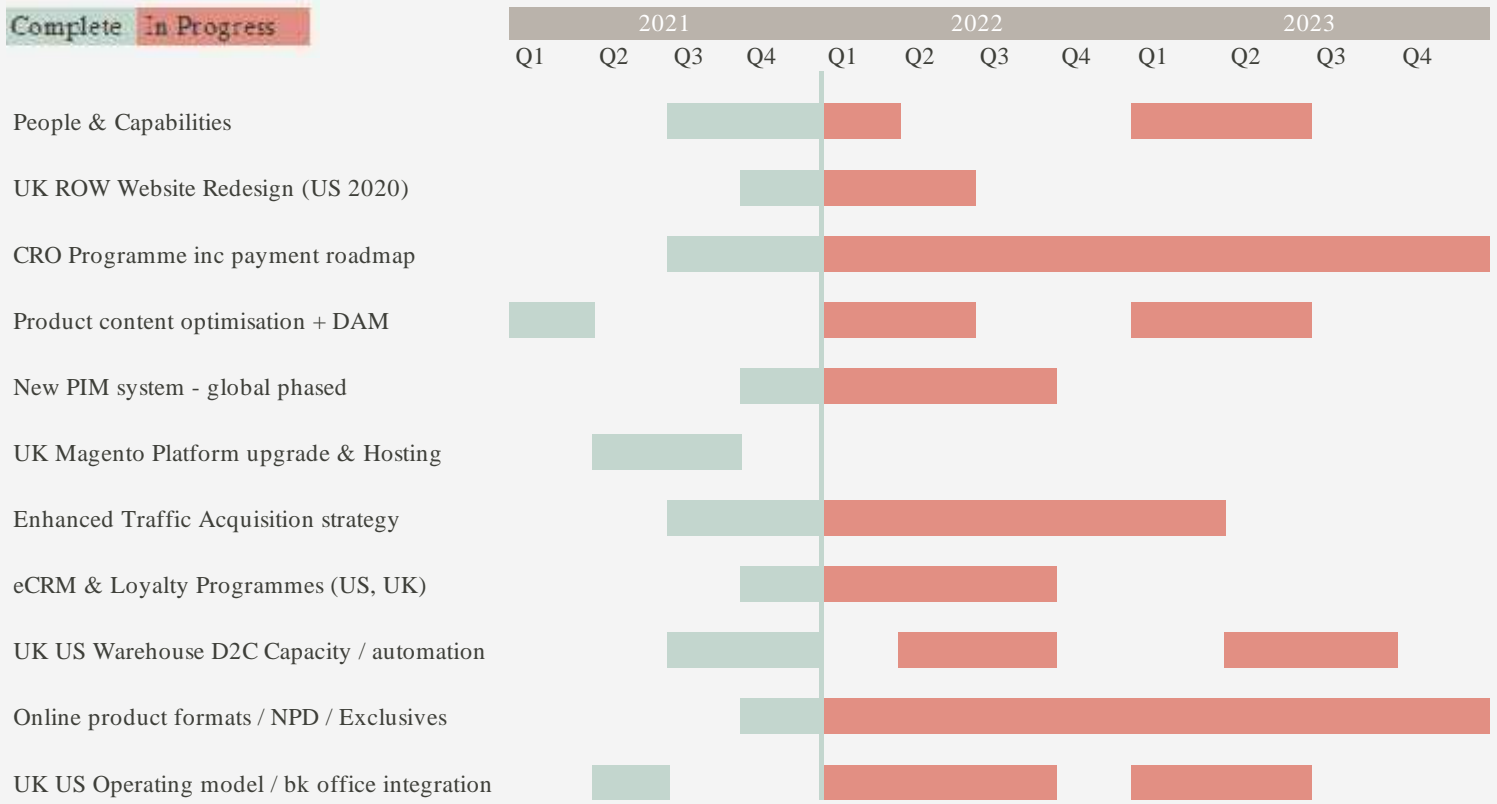
Create stand out on the digital shelf

- Increase Product limited exclusives
- Exploit customised sets and bundling
- Drive Category authority across Homewares
- 'Buy the Look' - underexploited potential
- Drive AOV

→ "DRIVE CUSTOMER PRODUCT HOLDINGS ACROSS CATEGORIES AND BRANDS."



DIGITAL ROADMAP UPDATE – FY22



- **Retention & Launch VIP loyalty & referral**
Personalised email programme US – Q3 2022
- **Website UX Enhancements UK ROW Q2 2022**
US Ongoing CRO Programme
- **Acquisition**
Ongoing Paid PPC investment

→ BUILDING STRATEGIC CAPABILITIES – BUILDING ONLINE CHANNELS

SUMMARY

→ STRONG GROWTH 2020/21

2022/2023 FOCUS:

→ ENHANCED CUSTOMER EXPERIENCE

Successful US Replatform, UK ROW Redesign Q2

→ BUILD LOYALTY THROUGH DATA

VIP Loyalty Programme US Q2, UK 2023

→ UNDERPIN WITH SMART ENABLERS:

Systems/Data on extensive Roadmap

→ EXPECT CONTINUED STRONG OWN CHANNEL GROWTH, AT SIGNIFICANT PREMIUM GROSS MARGIN

→ BUILDING STRATEGIC CAPABILITIES

US MARKET & & DROP SHIP

2021 A RECORD YEAR.

→ BUILDING STRATEGIC CAPABILITIES – US MARKET UPDATE & DROP SHIP

- Despite significant challenges, 2021 was a record sales year in the US with sales up by a third YOY and significant YOY2 growth
- Driven by further strong online channel gains in tandem with successful re-opening of brick-and-mortar retail
- Growth aided by our investments in dropship capacity
- Navigated huge supply chain disruptions and grew share of key Christmas trading



→ BUILDING STRATEGIC CAPABILITIES – US MARKET UPDATE & DROP SHIP

PUREPLAY.COM – REACHING A WIDER AUDIENCE

- Partnered with Amazon experts to achieve platform success
- Streamlined supply chain with direct from factory deliveries
- Significant YOY sales growth meaning YO2Y growth of over 100%



OMNI CHANNEL: MACY'S – EXPANDING THROUGH DROPSHIP

- Leverage retailer traffic and reach to drive brand awareness and increase owned .com audience
- Dropship success requires seamless IT integration with warehousing and shipping
- Product assortment nurtured by expert digital merchandisers
- Macy's model and relationship allowed us to reach more customers. Significant sales growth Yo2Y.



NAMBÉ – REAPING THE BENEFITS OF OMNI CHANNEL

- 2021 marked a 5-year sales high for Nambé in the US
- Own D2C : Retail Stores & .com now represent nearly 50% of sales
- 2021 retail sales exceeded pre-covid revenue; +15% YO2Y (+29% inclusive of new store opening)
- Leverage .com customer data to identify future retail opportunities



→ BUILDING STRATEGIC CAPABILITIES – US MARKET UPDATE & DROP SHIP

SUMMARY

- RECORD SALES YEAR FOR US MARKET: REACHING MORE CUSTOMERS
- CONSIDERABLE OPPORTUNITY FOR CONTINUED GROWTH AS CONTINUE TO BUILD AND LEVERAGE OUR BRANDS



→ BUILDING STRATEGIC CAPABILITIES

BUILDING NEW MARKETS (GEOGRAPHY).

→ BUILDING STRATEGIC CAPABILITIES – BUILDING NEW MARKETS (GEOGRAPHY)

2021

- Significant YOY and YO2Y growth in core UK, US and International markets
- Reset of International sales team
- Aligned global RRP's in place
- South Korea now stabilised, brand protected long term and in (sustainable) growth
- International markets good progress in Australia, Scandinavia and Russia
- New key distributor signed in China

Key Targets for medium term international growth :

- China / Far East e.g. Indonesia
- Middle East
- Europe : Germany / Scandinavia



→ SIGNIFICANT OPPORTUNITY TO BUILD MORE SIZEABLE MARKETS

→ BUILDING STRATEGIC CAPABILITIES

BUILDING OPERATIONS FOR GROWTH & PRODUCTIVITY

→ BUILDING STRATEGIC CAPABILITIES – BUILDING OPERATIONS FOR GROWTH & PRODUCTIVITY

BUILDING OUR MANUFACTURING EFFICIENCY & CAPABILITY

- Building significant increased production capacity for our 2 UK factories
- Increasing productivity & reducing cost/unit -> Higher GM %
- Growing our capabilities
- Reduces reliance on skilled labour/ ageing workforce
- Continued focus on reducing energy /carbon footprint

→ TARGET – 10% REDUCTION IN COST PER PIECE & SIGNIFICANT INCREASED CAPACITY

SLIPHOUSE ASSISTED LIFTING

- Labour saving
- Reduced manual handling

COMPLETED
Q3 2021



→ BUILDING STRATEGIC CAPABILITIES – BUILDING OPERATIONS FOR GROWTH & PRODUCTIVITY

GLAZING MACHINE LOADING

- Labour saving
- Flexibility
- Future proofed
- Increased capacity

COMPLETED
Q4 2021



➔ BUILDING STRATEGIC CAPABILITIES – BUILDING OPERATIONS FOR GROWTH & PRODUCTIVITY

HEAT RELEASE MACHINE

- Labour saving
- Flexibility
- Future proofed
- Edge to edge printing
- Bespoke
- Increased throughput

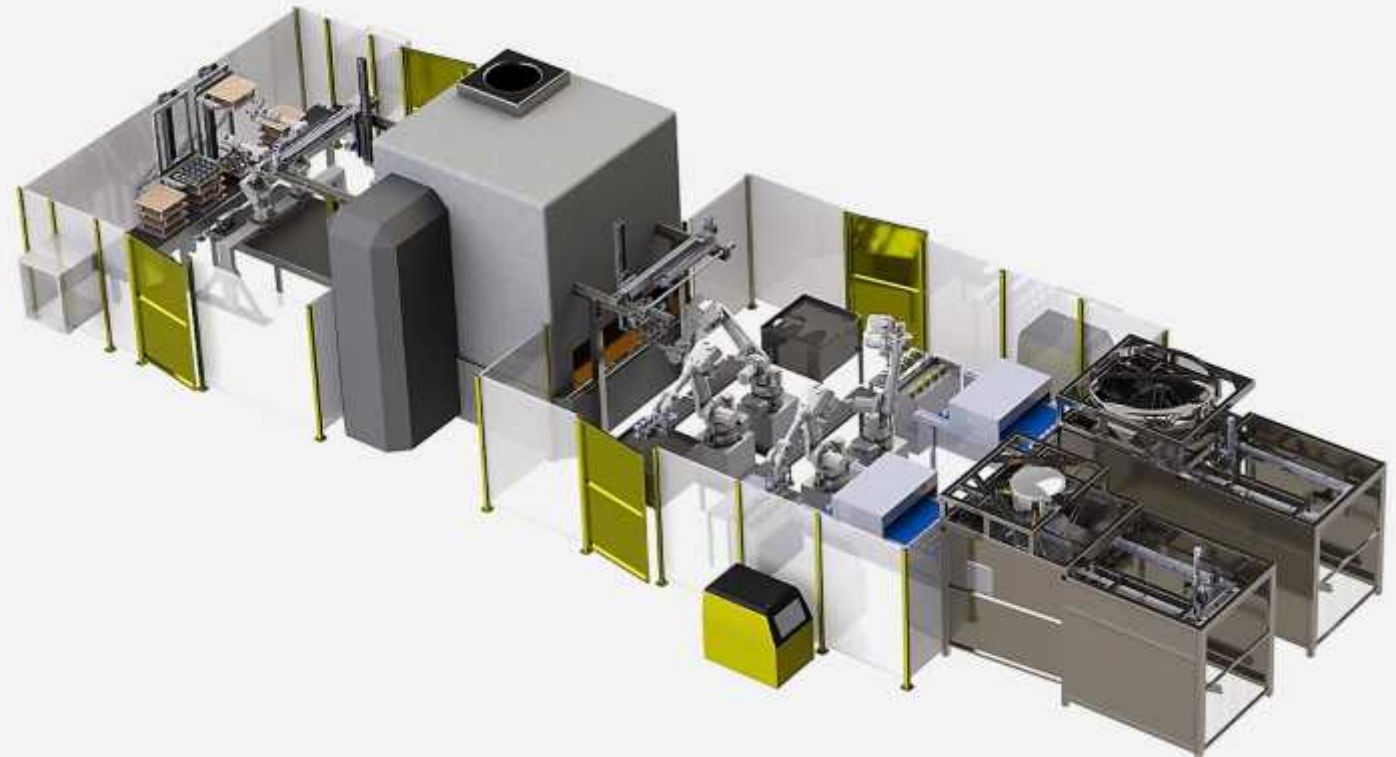


COMPLETED
Q1 2022

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HOLLOWWARE GLAZE DIPPING

- Labour saving
- Flexibility
- Future proofing-skills
- Improved manual handling
- Bespoke
- Increased throughput



DUE
Q4 2022

→ BUILDING STRATEGIC CAPABILITIES – BUILDING OPERATIONS FOR GROWTH & PRODUCTIVITY

PRODUCTION PROJECTS

Completed/Commissioning	Orders placed		Concepts/Capex	
Area	Labour saving	Increased capability	Increased throughput	Improved H&S
Automated Litho Cutting	✓	✓	✓	✓
Heat Release Automation	✓	✓	✓	✓
Sliphouse Pugging Automation	✓	✓	✗	✓
Inline spray machine loading	✓	✓	✓	✓
Hollowware Glaze Dipping	✓	✓	✓	✓
Multiprint Machine	✓	✓	✓	✓
Hollow ware making Machine	✓	✓	✓	✓
Flat ware making machine	✓	✓	✓	✓

→ ROI – AVERAGE 3 YEARS

→ BUILDING STRATEGIC CAPABILITIES – BUILDING OPERATIONS FOR GROWTH & PRODUCTIVITY

WAX LYRICAL FACTORY : HAND AND BODY PLANT

- New capability - expand into hand & body category
- Plant scalable to increase capacity to 10+ million bottles per year
- Adequate for future growth and support all key hand and body types of products
- Achieved ISO accreditation January 2022



COMPLETED
Q3 2021

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2022.

BUILDING WAREHOUSE DROP SHIP CAPACITY/SERVICE LEVELS

UK warehouse

- Upgrade existing crane automation – Q2 2022
- Mezzanine Floor - built Q3 2021 – operational H2 2022

US warehouses (CT and NM)

- In progress – major ERP /WMS upgrade to support planned growth of increase in online sales – live Q3 2023



→ BUILDING STRATEGIC CAPABILITIES – BUILDING OPERATIONS FOR GROWTH & PRODUCTIVITY

SUMMARY

→ BENEFITS OF FACTORY AUTOMATION CAPEX FROM 2022

- Output gains /lower costs /lower labour per piece => GM% gains
- Increase in capabilities
- Reduce reliance on key skills / ageing workforce
- Ongoing focus in reducing energy / carbon footprint



BENEFITS OF UK WAREHOUSE EXPANSION H2 2022 -
BUILT AND READY FOR 2022 PEAK



2022/23 CAPEX WILL ADD FURTHER GAINS FOR 2023/24



SUMMARY & P&L OPPORTUNITY.

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→ SUMMARY & P&L OPPORTUNITY

SUMMARY

→ ADDED SIGNIFICANT STRENGTH/DEPTH TEAMS IN LAST 24M

→ OUR FOCUS IS GETTING OUR PRODUCT IN FRONT OF MORE POTENTIAL CUSTOMERS, THROUGH:

- Leveraging our brands more effectively
- Building online channels
- Building new markets / geography
- New product engine/ new categories

→ WE ARE BUILDING BOTH THE COMMERCIAL AND OPERATIONAL STRATEGIC CAPABILITIES TO DELIVER

→ WE ARE TARGETING:

- Double-digit sustainable sales growth
- Accretive operating margins
- Back to 10% asap (cognisant of continued short term (2022) drag from container freight inflation)
- 1% pa operating margin gains each year to 13%+ LT target

→ WE ARE A VERY DIFFERENT BUSINESS VS 2019 WITH VERY DIFFERENT POTENTIAL



ANY QUESTIONS?

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THANK YOU.

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