2024 Interim Results

September 2024

PORTMEIRIONGROUP PLC
2024

About Portmeirion Group

ABOUT PORTMEIRION GROUP

Who we are

1960	6	750+	80+
FOUNDED IN STOKE-ON-TRENT	CONSUMER HOMEWARE BRANDS	YEARS OF COLLECTIVE HERITAGE	MARKETS DISTRIBUTED TO WORLDWIDE

- We are an omni-channel British homewares manufacturer and retailer
- An unrivalled portfolio of heritage and contemporary brands, comprising tableware, home fragrances and hand & body products
- Global demand across diversified international markets, including key geographies of the US, UK and South Korea

ABOUT PORTMEIRION GROUP

Our brands

PORTMEIRION®

Beautiful tableware taking inspiration from nature

Since 1960

Spode®

Unmistakeable homeware design

Since 1770

pimpernel®

The premier brand for placemats

Since 1945

WAX LYRICAL

UK made home fragrance and body care

Since 1980

nambe

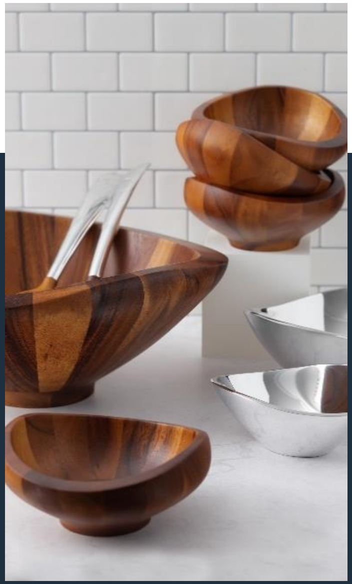
Iconic mid-century modern design in homewares and giftware

Since 1951

ROYAL WORCESTER®
ESTABLISHED 1751

Refined design and heritage for the table

Since 1751



Our investment case

01 Owner, manufacturer and omni-channel retailer of leading homeware brands globally

02 Sales model and brand heritage offers worldwide diversification and revenue visibility

03 Proven capital-light and well developed, self funded growth strategy

04 Substantial margin improvement opportunity to transform profitability

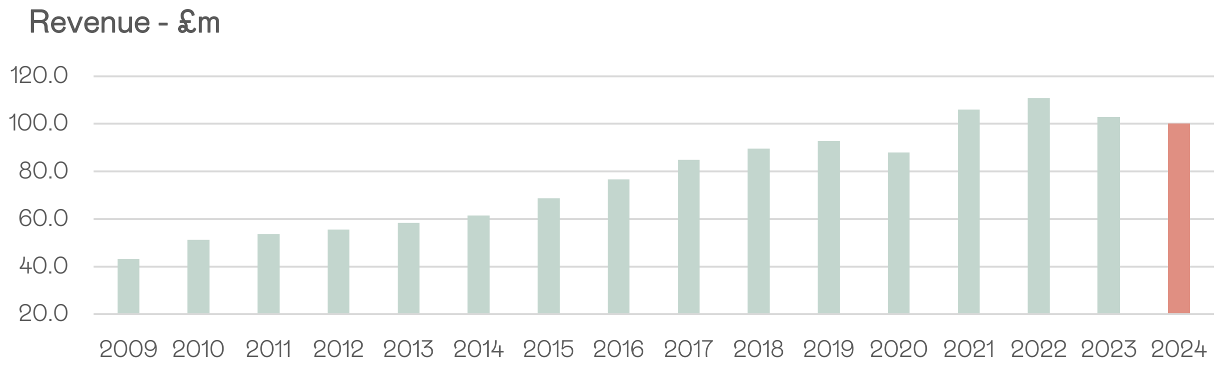
05 Strong balance sheet, cash generative and dividend paying

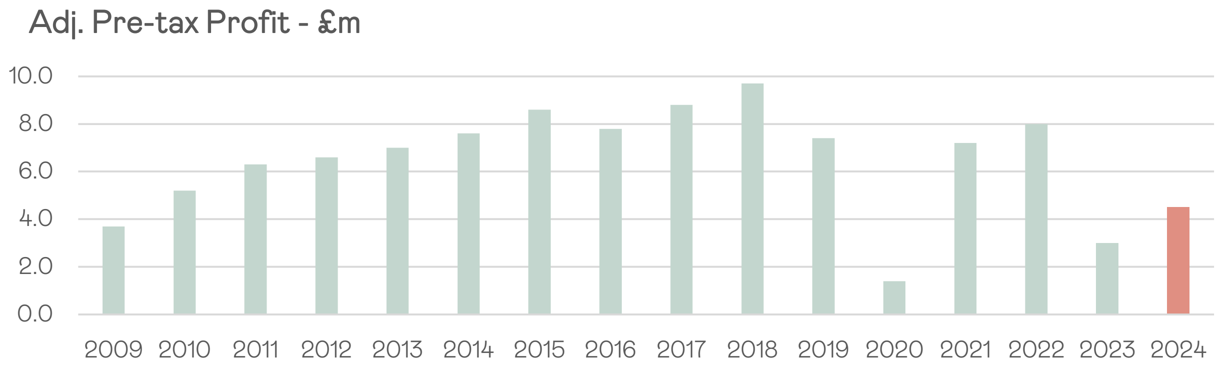
ABOUT PORTMEIRION GROUP

Confident vision

- Significant opportunity for long-term revenue growth
- Leveraging brands through global geography and omni-channel routes to market
- Medium term operating margin target of 10%

Long term track record





*2024 figures are consensus market expectations.

- Long term track record of sales growth and profitability even in toughest of macro conditions
- Opportunity and strategy in place to return to historical levels of operating margin & profitability

High class global customer list

UK

JOHN LEWIS & PARTNERS
WAITROSE & PARTNERS
Dunelm
FORTNUM & MASON EST 1707
Boots
ASDA
TESCO

USA

macy's
belk
Dillard's
NORDSTROM
Neiman Marcus
WILLIAMS SONOMA
bloomingdale's

CANADA

THE BAY
WILLIAM ASHLEY

GLOBAL

amazon
wayfair
TJX

KOREA

SHINSEGAE
coupang
LOTTE

CHINA

TMALL 理想生活上天猫
淘宝网 Taobao.com

MEXICO

El Palacio de Hierro

AUSTRALIA

DAVID JONES

MALAYSIA

PARKSON

H1 24 overview

- Sales down 17% due to significant short term de-stocking in Korea
- Sales, excluding Korea, up 5% on constant currency
- 50bps GM improvement in US, largest sales market
- H1 loss due to sales reduction and ensuing impact on factory utilisation
- Christmas orders ahead of prior year
- Cost reduction programme saves £2.3m H1 overheads on track to deliver £4m lower overheads at full year
- Forecast FY24 profit in line with market expectations (£4.5m, 2023 £3m)
- Interim dividend at 1.5p due to rebalancing across year. FY dividend expectations 7.25p (2023 5.50p)
- Bank 4+1 facility deal signed Aug 30th with Barclays £30m RCF.

H1 2024 performance

- Sales decline 17% from H1 2023, driven by South Korean market, as previously indicated
- Sales up 5% excluding South Korea (at constant currency)
- Headline loss before tax of £2.0 million
- Interim dividend of 1.50p
- Inventory maintained below 2023 levels
- Net debt at £13.4 million, £1.6m better than H1 2023

	2024 £m	2023 £m	2022 £m	2019 £m	2024 v 2023 Change	2024 v 2019 Change
Revenue	36.6	44.1	45.5	34.9	-17%	+5%
Headline* (loss)/profit before tax	(2.0)	0.0	2.0	0.5	-	-400%
Headline* operating (loss)/profit margin	(3.4%)	1.6%	4.3%	1.7%	-5.0%	-5.1%
Headline* EPS	(15.81p)	(0.12p)	12.00p	3.96p	-15.69p	-19.77p
Dividends	1.50p	3.50p	3.50p	8.00p	-2.00p	-6.50p
Net debt	(13.4)	(15.0)	(6.8)	(5.8)	1.6	-7.6

*Headline numbers exclude exceptional items; acquisition and restructuring costs.

Strong balance sheet maintained

- New bank facility signed Aug 24, 4+1 £30m RCF
- Gives significant facility headroom at peak time of year
- Net debt £13.4m: 10% lower than prior year
- 5% decrease in ongoing inventory reduction
- Pension scheme small surplus with no ongoing contributions

	2024 £m	2023 £m	2022 £m	2019 £m	2024 v 2023 Change	2024 v 2019 Change
Non-current assets	31.2	41.0	38.9	30.3	-24%	3%
Inventory	40.0	42.1	42.6	24.2	-5%	65%
Trade & other receivables	16.9	17.3	14.0	12.9	-2%	31%
Cash	0.7	1.5	3.2	2.2	-53%	-72%
Total current assets	57.6	60.9	59.8	39.3	-5%	47%
Trade and other payables	-23.5	-22.3	-27.0	-16.7	-5%	-41%
Borrowings	-14.2	-16.4	-10.0	-8.0	13.4%	-78%
Pension scheme	1.1	0.6	1.4	0.6	83%	83%
Net assets	52.2	63.8	63.1	45.5	-18%	15%

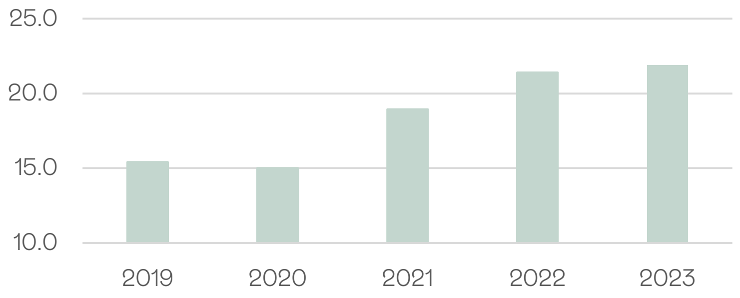
Sales analysis by market

- US, our largest market, up 5% in constant currency despite tough market economics
- UK sales +11% driven by improving Wax Lyrical top line with new listing wins in the grocery channel
- South Korea (61%) represents c. (10%) market down; rest is de-stocking in mass channel following significant 2022/23 pipe refill
- Total ROW ceramic markets down slightly in H1 (timing) but expect FY growth for 4th consecutive year

Sales by country	2024 £m	2023 £m	2022 £m	2019 £m	2024 v 2023 Change	2024 v 2019 Change
US	13.0	12.9	14.1	8.5	1%	53%
UK	13.0	11.7	11.5	12.3	11%	6%
South Korea	5.6	14.3	13.4	10.5	-61%	-47%
Canada	1.5	1.5	2.6	0.5	-%	200%
Europe	1.7	1.5	1.4	1.5	13%	13%
Asia Pac/M East	1.4	1.7	1.7	1	-18%	40%
Russia/Eastern Europe	-	-	0.2	0.4	-	-100%
Other	0.4	0.5	0.6	0.2	-20%	100%
Total	36.6	44.1	45.5	34.9	-17%	5%

Sales analysis by brand

- Trend in growth in Spode continues since increased focus on brands in 2020
- Portmeirion brand sales decline is primarily due to weak Botanic Garden sales in Korea
- Nambe stores impacted by reduced tourism footfall
- Wax Lyrical sales +31% driven by further new listings in grocery channel

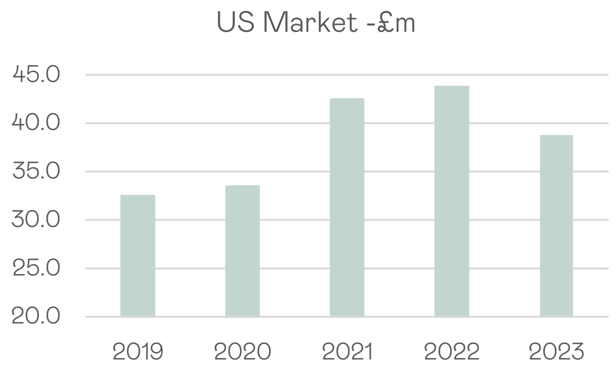


Sales by brand	2024 £m	2023 £m	2022 £m	2019 £m	2023 v 2022 Change	2023 v 2019 Change
Portmeirion	13.3	22.5	22.3	21.7	-41%	-39%
Spode	6.9	5.5	5.3	3.4	25%	103%
Royal Worcester	2.3	2.6	3.1	2.5	-12%	-8%
Pimpernel	2.2	2.3	2.6	1.1	-4%	100%
Nambe	4.5	5.4	6.5	-	-17%	100%
Wax Lyrical*	6.4	4.9	4.5	6.2	31%	3%
Other	1.0	0.9	1.2	-	11%	100%
Total	36.6	44.1	45.5	34.9	-17%	5%

(*Wax Lyrical includes sales of AromaWorks acquired August 2022).

US market review: taking share in a tough market

- Since 2019, have seen a strong trajectory in market share, but tough market economics in 23/24
- Gross Margin up 50 bps
- Nambe brand hit hardest due to decreased footfall in premium department stores/decline in tourism
- Asia supply chain lead times and container rates remain challenging and erratic
- Strong advance Christmas order books ahead of last year



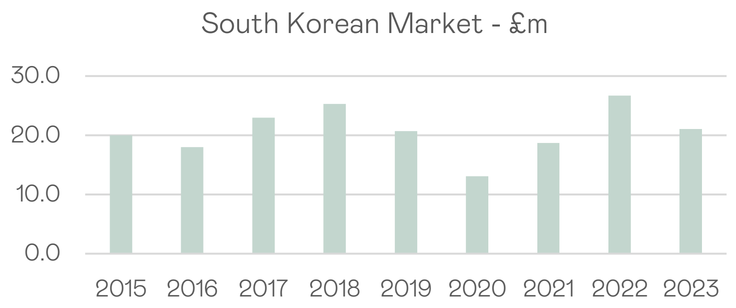
New business / listings

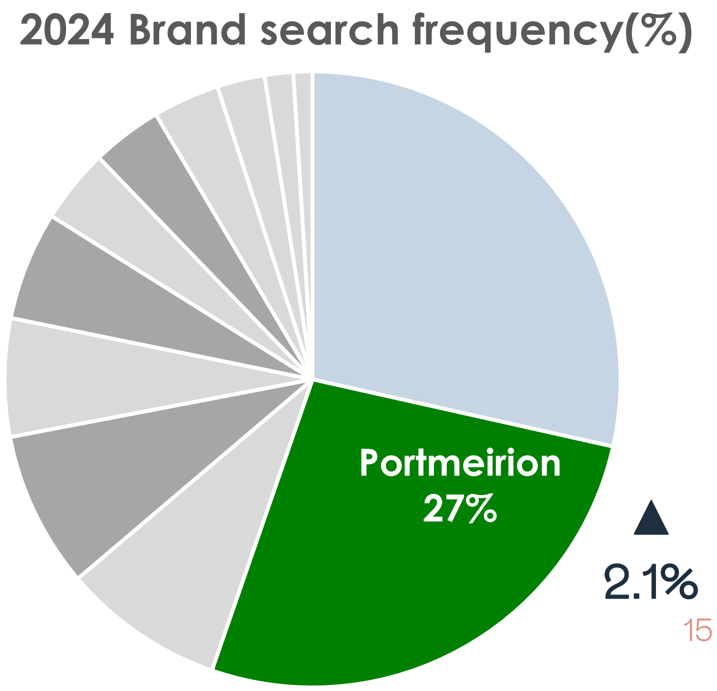
- William Sonoma : Spode
- The Knot : Online bridal

- Expect falling container rates to support margin growth in 2025

Korea : Stabilising order flow & continuing to build an online presence

- Tough H1 sales (down 61%) driven by :
  - Market economics down 10%
  - Overstocking in mass channel following 2022/23 distributor refill
  - Decline in premium department store performance
- Focused work on stabilising order flow
  - Reduced overstocking
  - Accelerated product development for short term 'newness'
  - Significantly expanding ranges on Coupang platform including Spode Christmas Tree
- Reasons for medium term optimism
  - Built a highly successful market position for Botanic Garden
  - Coupang online sales to the end consumer up 37% YOY
  - Leading brand search position retained, up 2.1% to 27% of all searches
  - Expect H2 2024 sales to be broadly in line with 2023





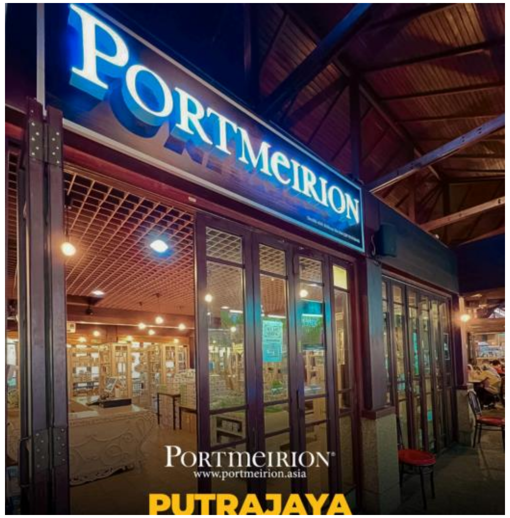
Home fragrance division continued improvement

- H1 sales up 31% following from progress made in FY23
- New ranges gaining listings and market share in target grocery channel with Tesco and Waitrose going live in July 24 (Asda won in H2 2023)
- Improved Christmas lines and advance order books will help drive H2 growth
- Improving sell through rates in key accounts such as Dunelm
- Expect FY24 to be back to profitability
- New product and full year impact of 2024 listing wins to help in 2025

ROW : Developing Malaysia within our Asia growth ambition

- Malaysia fast developed to £2m sales through distributor partnerships across multi channels
- 40%+ sales now from TikTok - Botanic Garden one of the top lifestyle performing products on Malaysian TT
- High growth potential over next 3-5 years
- Asia market focus also includes China and from late 2024, online in Taiwan

Branded stores



Parksons department stores

TikTok online

Ambition & Group Strategy

Significant opportunity for top line growth over next 5 years

Geography: Grow ROW sales outside of core markets
- Developing new markets including Asia and leveraging our full range portfolio
- ROW ceramic sales continue to grow in FY24

Online: Further develop online sales channels in core markets to reach more customers
- Own ecommerce sales improved operating margins
- Growing market in Malaysia: 40%+ sales from TikTok platform
- Significantly expanding ranges available online in South Korea

New product launches
- Contemporary Minerals range launched with John Lewis in H1 2024
- UK made Spode Christmas Tree edition launched for H2 2024
- Wax Lyrical Grocery range increased distribution

Leveraging our full brand/range portfolio more effectively
- Leveraging wider ranges across South Korea and other ROW markets
- Working on potential launches of Botanic Garden into new categories
- Spode sales continue to grow worldwide

Medium & long term targets for significant operating margin growth

Operating margin medium-term target 10% and long-term 12.5%

1. Opportunity for further productivity gains & automation in our UK tableware factory

2. Leveraging our fixed cost base as we grow top line sales

3. Improve profitability of Covid impacted home fragrance division

How we deliver medium term target 10% Operating Margin

(1) Reduce high operating gearing

(1) Q1 '24: Restructured to a leaner operating model : £4m (10%) lower operating cost

→ +4%

(2) Wax Lyrical profitability

(1) Expect further 25% sales growth in 2024

(2) On track to be profitable in 2024

→ +1%

(3) Top line leverage

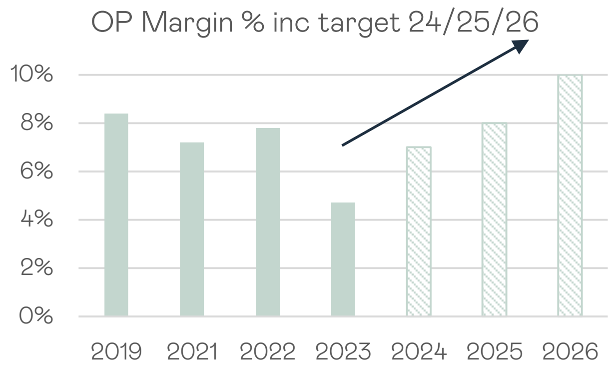
(1) Expect improvement in sales as the US & Korean markets normalise

(2) Will improve factory utilisation for Stoke ceramics

(3) Further supercharged by recent automation/efficiency investments

(4) Long term growth plan behind ROW sales / Online penetration

→ +2%



Energy & Carbon Net Zero

- H1 Energy consumption in operations successfully reduced by 10%
  - Ongoing automation / plant replacement driving energy efficiency
  - Ad hoc project roadmap to take energy out permanently
  - Extended energy contracts to 2027 at a lower cost
- Work continues on long term roadmap to
  - Significantly further reduce energy usage
  - Increase use of sustainable energy and self generation
  - Greener packaging solutions

Carbon net zero ambition by 2040

Summary

- Tougher market economics continue, with overstocking in Korea impacting H1
- Good progress elsewhere
    - Sales excluding Korea up 5%
    - US sales up 5% and improved margins
    - Wax Lyrical sales continue to rebound
    - Reduced net debt and inventory levels
    - Significant leaner cost base: £2.4m lower in H1, on track to deliver £4m lower overheads at full year
    - New bank facility signed £30m RCF
- 2024 Outlook
    - Encouraged by US advance Christmas order book up on prior year
    - Expect Korea H2 to be back broadly in line with prior year
- Expect to achieve FY24 market profit expectations (£4.5m ; 2023 £3m)
- Confident about medium term prospects for growing operating margin