

24 March 2017

**IG Design Group PLC**  
**(the "Company", the "Group" or "Design Group")**

**Trading Update**

*Record revenue, delivering EPS, profit and cash generation ahead of expectations*

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of celebrations, gifting, stationery and creative play products, is pleased to provide a trading update in relation to the year ended 31 March 2017.

**Financial milestones**

- Group revenues are now expected to achieve record levels - exceeding £300m;
- Profitability expected to be ahead of current market expectations;
- Cash generation is well ahead of previously expected levels and such that the Board's target of average annual leverage at less than 2.5x EBITDA will be achieved for the year ended 31 March 2017 - two years ahead of plan.

The Group is pleased to confirm all regions continue to trade profitably. The Group's upgraded trading profit, coupled with lower interest costs from a strong cash flow, are expected to yield a profit after tax and earnings per share outcome for the full year that is also significantly ahead of market expectations.

**Americas**

Profit growth in the Americas has been particularly strong due to the successful development of our product offering and customer base, alongside significant advances in operational efficiency.

The integration of The Lang Companies Inc. has progressed well with the realisation of synergies in line with those expected at this stage and more to come next year.

Momentum within the region remains strong with numerous opportunities for further growth.

**Australia**

Markets in Australia were more challenging. The business has invested to reposition itself in less commoditised product categories, including the costs to win and then deliver on a three-year contract for the supply of cards to Australia's largest discount retailer. This will suppress performance for FY17 but provides good growth opportunities for FY18 and beyond.

Scope remains to drive efficiency and focus on higher margin categories, whilst leveraging Group wide initiatives in product development and design.

**UK**

The currency headwinds faced by our UK businesses were largely neutralised by a robust performance within our Celebrations product categories. A reorganisation and further

integration of our three UK businesses is already in progress, positioning us well to provide great product and service solutions across all categories and customer channels.

### **Continental Europe**

The Group was able to grow revenue and profit during the period, due to an excellent operational performance, coupled with our strategy of focussing on growth retailers within the region. This approach is enabling us to expand our geographical footprint.

As well as expanding business within core markets in Western Europe, sales to Poland and Slovakia have also grown, yielding further incremental profitability.

### **Commenting on this year's performance, Paul Fineman, Group CEO said:**

'We are delighted with our performance in FY17, which will represent a record year for the Group on a number of metrics.

Not only has our performance surpassed historical revenue levels, but additionally, and in line with our strategy, we are now a significantly de-risked Group, with lower average debt and a much improved geographic and product diversity.

A huge breadth of opportunity remains available for us and we have pleasing momentum for the year ahead.

To ensure we remain efficient, we continue to seek improvements throughout the Group and are investing substantially for the future in all aspects of our business. We are confident in our ability to drive growth both organically and through strategic acquisitions, and look forward to updating the market on our progress."

This announcement contains inside information.

**- Ends -**

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