

22 January 2019

IG Design Group PLC

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

Trading Update

Strong Christmas trading with earnings per share¹ on track for substantial year-on-year growth

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of gift packaging, greetings, stationery, creative play products and giftware, is pleased to announce its trading update for the nine month period to 31 December 2018.

The Group continued to deliver a strong performance with reported revenues for the nine months to 31 December 2018 up 36%, with like-for-like sales up 9%². The Group has seen growth in reported revenue and profit across all regions, with non-UK based customer revenues now accounting for over 70% of the Group.

The integration of Impact Innovations ("Impact"), acquired in August 2018, is progressing ahead of expectations and on schedule to deliver the anticipated US\$5 million of annual synergies by the end of FY21. The US manufacturing operations are now fully consolidated and the proposed sale of the Midway site, as announced at the Group's interim results on 27 November 2018, has now been completed ahead of schedule with gross proceeds of \$7million.

The Board is pleased to confirm that the Group's full year performance remains on track to deliver diluted earnings per share¹ in line with current market expectations, with year-on-year growth expected to be in excess of 20%. We continue to see strong cash conversion across the Group and expect average leverage³ for FY19 to follow the progress made in recent years and be below 1.3 times.

Looking forward to the year ahead, we have a strong committed order book and pipeline of contracts in negotiation, with a number already secured for FY20. Our UK based Not for Resale bags business continues to grow ahead of expectations with the order book now consisting of over 30 million bags, including having won a number of contracts with new retail brands. In addition, we have already secured new business in everyday cards in the UK, renewed card contracts in Australia and have concluded new licensing deals including Disney's Frozen 2 and Toy Story 4 in the UK and Australia.

Paul Fineman, Chief Executive said:

"The performance of the Group throughout this period has been strong with all regions growing both revenue and profit, underpinning significant year on year growth. The acquisition of Impact has delivered everything we expected with the integration ahead of schedule and planned synergies remain on track.

"Continued delivery against our strategy means we confidently enter FY20 with good overall momentum, across our diversified Group including further benefits from the integration of the Impact acquisition in the US."

1 – Diluted Earnings per Share is calculated before exceptional items and LTIP charges.

2 – Excluding the effect from the acquisition of Impact Innovations ('Impact') which was completed on 31 August 2018.

3 - Calculated as the twelve month average net debt divided by the last twelve months EBITDA before exceptional items and LTIP charges as at 31 March 2019

This announcement contains inside information.

- Ends -

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