

30 April 2020

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

Post Close Trading Update

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of celebrations, craft, gifting, stationery and creative play products, today issues a post close trading update for the financial year ended 31 March 2020.

Post close trading update

The Group finished the financial year with revenues approximately 10% up year on year, including four weeks of trading from CSS Industries Inc. ('CSS'), following the completion of the acquisition on 3 March 2020. The Directors believe the revenues of the Group for the financial year ended 30 March 2020 were impacted by at least £7 million as a result of COVID-19.

As at 31 March 2020 the Group had net cash of £42 million supported by effective cash management during March and good cash generation from CSS since acquisition. The Group expects to report average leverage for FY 2020 below 1x Adjusted EBITDA. The Company's banking facilities remain in excess of £220 million.

The Group expects to report a significant increase in exceptional costs in the year ended 31 March 2020. This is as a result of the impact of COVID-19 (primarily in relation to year-end inventory and account receivable provisions), alongside the CSS acquisition related costs, and the previously announced integration, restructuring and related costs in our US businesses, following the acquisition of Impact in 2018.

The Company is continuing to review its final dividend payment for the financial year ended March 2020 and will provide further clarification at its full year results. The Directors are committed to the payment of dividends, however, believe that the maintenance of a strong balance sheet during this period of instability is of the utmost importance.

Operational update

Despite the various restrictions in place around the world, our businesses continue to operate with stringent employee safety protocols within each location, albeit at a reduced capacity. Our regional distribution facilities continue to take and fulfil customer orders and our manufacturing sites in the US, UK, China and Europe have now recommenced production, after a short suspension in order to implement appropriate health and safety protocols. Our office-based teams are continuing to work from home where possible. The Directors are confident that the Group is well positioned to continue to meet customer demand as it increases, once restrictions globally begin to ease.

Integration of CSS

The integration of CSS continues, with the programme for synergy realisation running ahead of schedule, delivering run rate cost savings above original estimates.

Looking ahead to FY2021 and beyond

Looking ahead, the Group has prepared detailed operational plans by region that aim to ensure that it emerges from the Coronavirus crisis strong and positioned to return to pursuing growth opportunities. In developing these plans each business unit has taken a view on a range of outcomes for FY2021 based on the impact of Coronavirus in each region. The Company continues to work with customers to understand their expectations, importantly including confirming orders where possible for the crucial Christmas trading period.

Assessing the range of outcomes above, the Directors believe that although revenues will remain ahead of FY2020 as a result of the full year effect of the CSS acquisition, there will be a material reduction in expected Group revenue for FY2021. The Group continues to forecast operating within its current banking facilities. Assuming a return to more normal sales volumes by the end of the FY2021, the Board would expect significant year on year growth in both revenues and earnings in FY2022.

The Company notes the recent comments published by the FCA and FRC regarding full year reporting. The Company expects to announce the date for the release of its financial results for the year ended 31 March 2020 in due course.

For further information, please contact:

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About IG Design Group plc

IG Design Group plc, the largest consumer gift packaging business in the world, is a designer, innovator and manufacturer of products that help people celebrate life's special occasions. Design Group works with more than 11,000 customers in over 80 countries throughout the UK, Europe, Australia and the USA.

Its products are found in over 210,000 retail outlets, including several of the world's biggest retailers, for example Walmart, Target, Amazon, Costco, Lidl and Aldi. Its brand, Tom Smith, also holds the Royal Warrant for the supply of Christmas crackers and Christmas wrapping paper to the Royal family. Design Group is a diverse business operating across multiple regions, categories, seasons and brands.

Its five major product categories are: Celebrations, Craft, Stationery and Creative Play, Gifting, and Not-for-resale consumables. It offers customers a full end-to-end service from design through to distribution, offering both branded and bespoke products from the value-focused through to the higher-margin ends of the market.

The Company was admitted to the Alternative Investment Market of the London Stock Exchange in 1995 under the name 'International Greetings plc' and rebranded to IG Design Group plc in 2016. For further information please visit www.thedesigngroup.com.