

Embargoed until 25 October 2023

IG Design Group Plc
(‘Design Group’ or the ‘Group’)

Trading Update for the 6 months ended 30 September 2023

Significant growth in profit and margin alongside strong cash flow

Full year results expected to be in line with expectations

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of Gift Packaging, Celebrations, Craft & Creative Play, Stationery, Gifting and related product categories provides a Trading Update ahead of the announcement of its results for the six months ended 30 September 2023 (‘the period’).

The Group has continued to make good progress on its journey of improving operational efficiency and simplifying the business. These initiatives have resulted in significant growth in profit and margin for the period compared to the same period last year. In addition, net debt is significantly lower than a year ago, reflecting strong cash flow. Both measures are notably ahead of management’s expectations for the period.

The Group has seen a return toward normal ordering seasonality following the disruption to international supply chains in recent years, meaning that some sales have returned to being in the second half of the financial year rather than the first. Alongside this, the Group has seen lower consumer demand for Everyday products in some markets and reduced order quantities guided by lower customer expectations of the forthcoming Christmas season. Consequently, the Group delivered lower sales versus the same period last year. The reduction in the DG Americas division has been partially offset by sales growth in DG International, particularly in continental Europe.

Despite lower sales in the period, DG Americas continues to benefit from the various strategic initiatives undertaken since the start of 2022. These initiatives have more than offset the effect of lower sales, such that absolute profit and margins have improved during the period.

The Board believes the trading results for the full year to 31 March 2024 remain in line with the Board’s expectations for the year. This represents a strong year-on-year improvement in profit and cash flow compared to the prior financial year, albeit sales will be lower for the reasons given. It demonstrates continued delivery of the Board’s aspiration to return the Group to pre-pandemic operating margins by the end of FY2025.

Further details on the performance over the period, along with the outlook for the period ahead, will be set out with the Company’s interim results which will be published on 28 November 2023.

Results Presentation

Management will be hosting a webinar for analysts on Tuesday 28th November 2023 at 10.45am. If you would like to register, please contact designgroup@almastrategic.com

In addition, management will be hosting a webinar for retail investors on Tuesday 28th November 2023 at 13.30. Investors can register for the webinar via https://bit.ly/IGR_H1_2024_webinar.

For further information, please contact:

IG Design Group Plc

Paul Bal, Chief Executive Officer
Rohan Cummings, Chief Financial Officer

Tel: +44 (0)1525 887310

Canaccord Genuity Limited (Nomad and Broker)

Bobbie Hilliam, NOMAD
Alex Orr

Tel: +44 (0)20 7523 8000

Alma Strategic Communications

Rebecca Sanders-Hewett
Sam Modlin
Josh Royston

Tel: +44 (0)20 3405 0205

designngroup@almastrategic.com

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain.