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PORTMEIRION GROUP PLC 2020 Interim Results



Global Brands
Timeless
Design



Agenda

1. H1 Overview
2. Strategy Recap
3. Update on Strategy & Equity Raise initiatives
4. Outlook & Dividend
5. Summary



Mike Raybould
Chief Executive Officer



David Sproston
Group Finance Director

Resilient performance H1 2020 shows brand strength

Overview

- Sales -8%, like for like (excl Nambe) -20% led to £2.7m loss before tax, (2019 £0.5m profit)
- Major Covid disruption due to global retail shutdown negated by
 - Substantial Online growth : Own website sales + 90% YOY
 - Re-purposing of UK Wax Lyrical factory to make 1m bottles hand sanitiser Q2 demonstrates agility
- Successful £11m Equity raise June 20: To invest & accelerate our growth strategy
- Strong Balance sheet maintained with net cash balance and significant facility headroom
- Improving sales trend seen June, pleasingly continued through Q3.
- Continued to invest throughout 2020 & good strategic progress on initiatives since fundraise
- Two UK factories now at, or very close, to pre-Covid output levels
- Expect to return to profitability H2 and return to sustainable dividend payments in 2021



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Strong brands, diversified across 72 markets with over seven hundred years of history

Resilient H1 2020 Performance

	H1 2020 £m	H1 2019 £m	Change	FY 2019 £m
Revenue	32.0	34.9	-8.3%	92.8
Headline* (loss)/profit before tax	-2.7	0.5	-3.2	7.4
Headline* (loss)/profit before tax margin	-8.3%	1.5%	-9.8%	8.4%
Headline* EPS	-20.71p	3.96p	-24.67p	56.32p
Dividends	0.00p	8.00p	-8.0p	8.00p
Net cash/(debt)	1.1	(5.8)	-	(12.3)

*Headline profit and EPS excludes exceptional items, being acquisition costs.

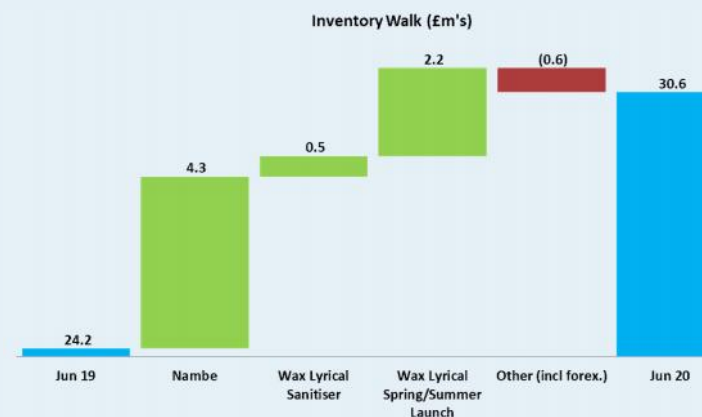
- Revenue down 8.3% YOY but -20% like for like
- Nambe first half adds to revenue but loss making H1 due to Covid own retail store closures Q2.
- PBT loss £2.7m vs £0.5m profit 2019 – in line with internal expectations June 20
- Anticipate resuming dividend payments in 2021
- Net debt reduced in H1 before equity raise proceeds of £11m



Strong Balance Sheet Maintained

	Jun-20 £m	Jun-19 £m	Change
Total non-current assets	28.9	25.5	13.3%
Lease assets	5.6	4.8	16.7%
Inventory	30.6	24.2	26.4%
Trade & other receivables	12	12.9	-7.0%
Cash	13	2.2	490.9%
Total current assets	55.6	39.3	41.5%
Trade & other payables	-13.8	-11.9	16.0%
Borrowings	-11.9	-8	48.8%
Pension scheme deficit	-2	0.6	-433.3%
Net assets	56.5	45.5	24.2%
Share capital	0.7	0.6	16.7%
Share premium	18.3	7.3	150.7%
Other	-0.1	-0.4	-75.0%
Retained earnings	37.6	38.0	-1.1%
Total equity	56.5	45.5	24.2%

- Strong Balance sheet, significant facility headroom with funds to invest behind growth strategy
- Cash inflow H1 £2.2m before equity raise due to swift Covid response & action



Sales analysis by market



PORTMEIRION GROUP PLC

	H1 2020	H1 2019	Change
Sales by Country	£m	£m	
UK	12.7	13.5	-5.9%
US (incl Nambe)	10.5	8.5	23.5%
South Korea	2.1	3.9	-46.2%
Europe	1.0	1.8	-43%
Rest of World	5.7	7.2	-21.3%
TOTAL	32.0	34.9	-8.3%

- Covid 3 month retail shutdowns impact all markets
- US excl Nambe first half -26%
- Korea - market impacted earliest (Jan 20) by Covid
 - Distributor sales out improving through period as retail gradually reopened. YOY Sales out data last 3 months is up on prior year
 - New product lines made H2, 2019, selling through in market
 - 2019 issue of Botanic Garden overstocks in mid market now subsided through much improved discipline on grey ship market

INVESTOR PRESENTATION 6



Strategy Update

Strategy : 6 key areas of focus

Sales Growth

Operating Margin

Focused Brand & Product development

Fully leverage our strong brands and product development engine to drive sales growth

Digital & Online Transformation

Accelerate our online transformation and the growth opportunities therein

Continued focus on South Korean market

Ongoing discipline and diversification to protect our brands there long term

Leverage Wax Lyrical and Nambe opportunities

Leverage our Wax Lyrical and Nambé acquisitions - new product categories and ROW market expansion

Targeted ROW Export growth

More targeted focus on key ROW growth opportunities

Operating & Procurement Efficiency and Capabilities

Become more efficient and agile: in our factories, our processes and how we work across our global teams



Deliver consistent & accelerated sales growth



Deliver consistent operating margin growth

Strategy: Timeline & Progress



- Strong Cash management
- Repurpose Wax Lyrical factory
- Reopened ceramic factory May
- Online +90% H1
- Online increased investment

-> Accelerate strategy
-> Post Covid opportunities

- Online growth
- Manufacturing efficiency
- Factory extension 'Hand & Body' care range
- Purchase Canadian JV

- Online - further investment systems / people / fulfilment capability H2
- Canada JV purchased in Aug
- Custom build started for first factory automation project. Other smaller projects already completed.
- Build started for 'Hand & Body' range factory extension
- Board changes and UK structure simplified Aug 20 for sales & cost synergies

Strategy Update : Accelerate Online Penetration



2019

- UK/US markets total online sales now c.30%
- Own ecommerce 6% (+16% YOY)
- Customer list grew c.100%

2020 H1

- Own ecommerce +90% (now 15% of sales) boosted by Covid
- Strong growth in most retailer.coms
- Customer database +31% vs Dec19. Now 225,000 vs 50,000 Dec18
- Increasing investment & resource

Objective 2020-22: Significant Online channel sales growth

(Own online sales 15%+ (vs 6% 2019) & all channel online sales >50% total sales)

Strategic Action & Progress

Boost Customer Acquisition

- Email customer list is key source of repeat revenue : grown 31% since Dec19.
- Increased investment / resource behind paid search/social
- Filmed D2C advert for US market Q4 2020 trial

Customer Conversion & Brand Presence all online

- Four new website platforms launched Mar-Sept 20
- Doubled photography resource: all key ranges being reshot
- New global DAMS system in build; live Jan 1 2021; all brands

Building People Capabilities

- Added hires YTD;
- 4 further hires join Oct 20

Objective 2020-22: Future proof warehouse online fulfilment & service levels

Strategic Action & Progress

- Built 100% YOY UK online drop ship capacity increase for Q4 2020
- Built JLP drop ship order integration - goes live Oct 20
- Initiatives underway for further capacity 2021/22

Strategy Update : Double size of Wax Lyrical business



H1 2020

- Sales + 2% despite Covid retailer shutdown
- 1m bottles hand sanitiser Q2
- New International customers

Objective 2020-22: Double sales with strong profit drop through

Strategic Action & Progress

Increase core market sales

- Wrendale range launched – strong initial order flow
- Core market sales started to return in Q3
- New Sophie Conran range ready for 2021 launch

International expansion

- Disrupted during retail shutdowns but still opened new markets in China, Taiwan with good initial order flow and sell through
- Agents appointed for US.

New investment in permanent Hand & Body Lines

- Build on learning from pivot to Hand sanitiser production
- Project and build on track for Spring 21 launch
- Target: Baseline of continuing hand sanitiser sales + new hand & body soap/lotions ranges

Acquisition : Canadian Joint Venture

Opportunity to grow Canada market and revitalise



Objective 2020-22: Build more significant presence in Canada

Strategic Action & Progress

- Acquired Canadian JV August 20 for CAD \$1m (£0.6m)
- Lower price than expected at Equity raise June 20
- Opportunity to revitalise and grow sales in long standing market
- Started closer integration of Toronto team and warehouse into existing New Jersey office
- Already working on quick wins behind strong online sales channel opportunity
- Purchase came with ongoing exclusive premium glass licenses for Canada

Strategy Update : Manufacturing Efficiency

Objective 2020-22

- Reduce manufacturing cost / unit by 10% by year 3

Strategic Action & Progress

- Working with 3P automation manufacturers on automation roadmap for both UK factories
- Heat release machine £0.7m ordered and in build. Ready Spring 2021
- Litho cutter installed Aug 2020
- Decal automated mug machine live Aug 20
- Further projects to follow in next 12-18 months
- Ongoing projects to reduce energy usage



Targeted manufacturing investments

- Improved throughput UK factory and lower cost/unit
- Heat release machines, digital printing
- Improved energy efficiency

Manufacturing Efficiency: Examples of progress last 3 months



- 20 yr old Decal application technology



- Fully automated custom design
- In build now for Apr 21
- 2x output for 1/3rd the labour
- Less energy



- Hand applied decal onto Mug
- Labour intensive



- Automated mug machine went live Aug 20
- 4x output in same 8 hr shift



- Hand litho cutting
- Slow and labour intensive



- Automated litho cutting machine
- Implemented Aug 20
- 5x output in same 8 hr shift and 1/3rd labour

Forward Outlook / Dividend

Forward Outlook

- Improving sales trend seen in June has pleasingly continued throughout Q3.
- Our two UK factories now at, or very close, to pre Covid output levels
- Online sales channels growth continuing in Q3
- Cognisant that our key trading period is still ahead of us and Covid macro uncertainties still persist around the world
- Expect to return to profitability H2
- Expect to broadly return to 2019 trading levels in 2021 (ie Covid overhang persists offset by sales growth from new strategy)
- Investment now will drive sustained annual double digit sales growth thereafter and enhanced operating margin %

Dividends

- Understand dividend payments important to our shareholders / committed to recommencing
- Prudent to see out key seasonal Christmas period and expect to resume payments for FY21
- Will balance dividend payout levels with need to invest behind growth strategy and sustainable levels as measured by dividend cover



Summary

-  Strong brands enabled resilient H1 performance against backdrop of retail shutdowns
-  90% Online H1 sales growth shows what is possible: Key part of strategy
-  Robust balance sheet plus fundraise proceeds provides platform to invest
-  Improving sales trend continuing through Q3 pleasing but Covid still provides uncertainty ahead of key seasonal trading period
-  Continued investment through 2020 will drive strong top and bottom line growth



Appendix

Board and Management Team



Mike Raybould
Chief
Executive
Officer



Jacqui Gale
Chief
Commercial
Officer



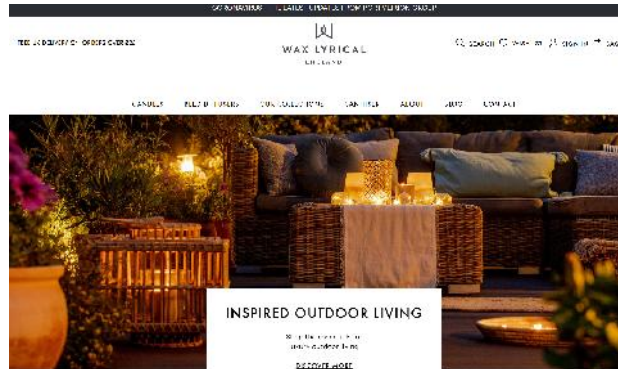
Mick Knapper
Operations
Director



David Sproston
Group
Finance
Director



Bill Robedee
President of
North America



Dick Steele
Non-executive
Chairman



Andrew Andrea
Non-executive
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