

31 March 2025

Portmeirion Group PLC
(the "Group")

Preliminary results for the year ended 31 December 2024

***Sales performance reflects challenging global economic backdrop.
Cautious optimism for 2025 with strategic priorities to restore profitable growth.***

Portmeirion Group PLC, the global homewares brands group, announces its preliminary results for the year ended 31 December 2024.

Commenting on the Group's performance Mike Raybould, Chief Executive said:

"2024 was a disappointing year and our financial performance overshadowed good growth in our Spode brand and improved profitability in the US, our largest sales market. Our customers reported strong sell through of our collections during the key Christmas period and Wax Lyrical, our home fragrance business also saw strong top and bottom line growth.

Action is being taken across our operations to position the business for sustainable future growth and we are moving forward with clear priorities to return our established markets to growth, strengthen our balance sheet, invest in our premium brands and develop new international markets. Trading in 2025 has started positively and we are cautiously optimistic at this early point in the year, mindful of the headwinds many businesses are facing in this uncertain economic climate."

Financial overview

Key performance indicators ⁽¹⁾

	2024	2023	Change
	£m	£m	%
Revenue	91.2	102.7	(11.2)
Headline profit before tax⁽²⁾	1.1	3.0	(63.3)
Statutory profit/(loss) before tax	0.0	(8.5)	100.0
Headline basic earnings per share⁽²⁾	8.04p	21.36p	(62.4)
Statutory basic earnings/(loss) per share⁽⁵⁾	2.50p	(61.46)p	104.1
Dividends paid and proposed per share (total in respect of the year)	1.50p	5.50p	(72.7)
Free cash flow⁽³⁾	(3.7)	4.4	(184.1)
Net debt⁽⁴⁾	(12.1)	(7.9)	(53.2)

Notes:

- (1) The key performance indicators (KPIs) have been reviewed and changed to those KPIs shown above which ensure focus on growing the business and profit and strengthening our balance sheet.
- (2) Headline measures exclude exceptional costs.

- (3) Free cash flow is a measure of a company's financial health representing cash that remains available to reinvest in the operations or distribute to shareholders after the cost of supporting its operations. This is calculated as net cash inflow from operating activities plus net cash outflow from investing activities plus capital elements. All of which is available on the Consolidated Statement of Cash flows.
- (4) Net debt is a financial liquidity measure that nets the company's cash and cash equivalents against its interest bearing debt.
- (5) See EPS note 2

Summary

- Revenue down 11% to £91.2m (2023: £102.7m) against the backdrop of a much tougher consumer market and reflecting the significant downturn in the Group's South Korean market. Revenue excluding the South Korean market and at constant currency was broadly flat on the prior year, down 1%.
- Headline profit before Tax down 63% to £1.1m (2023: £3.0m) due to the decline in sales in our South Korean market and its consequential impact on factory utilisation. Profit in line with December's trading update and forecast.
- Net profitability up 18% to £4.2m (2023: £3.6m) in the US, our largest sales market, despite supply chain delays limiting Q4 sales.
- Free cash outflow of £3.7m (2023: £4.4m inflow). Cash flow generated from operations +£2.1m (2023: +£10.8m).
- Net debt up £4.2m, due to higher stock levels, largely due to South Korea, and later invoicing of Christmas collections in the US.
- Interim dividend paid of 1.5 pence per ordinary share at the half year with no dividend recommended for the full year as priority focus is to reduce net debt.
- Spode sales up 5% at constant currency^[1], fourth consecutive year of growth, now up c.45% since 2019.
- Wax Lyrical sales up 25% to £16.1m; due to gaining further new listings in national retailers.
- Overhead costs down 13% (£5.3m), to provide a leaner base for future operating margin improvement.
- Ongoing automation investments in our factories continue to drive further operational improvements and efficiencies.
- Energy usage down 9% vs 2023 and 17% lower than 2022.

Current trading & outlook

- 2025 has started positively with actions currently underway on our strategic priorities to strengthen operations and position the business for sustainable future growth.
- The Board remains mindful of the challenges ahead in what continues to be an uncertain economic environment and with a significant Q4 weighting for the business.
- Transforming our business: announcing a number of near term priorities for the business to drive transformation and improvements in operational and financial performance.

Notes: This announcement contains inside information for the purposes of the retained UK version of the EU Market Abuse Regulation (EU) 596/2014 ("UK MAR").

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NOTES TO EDITOR:

Portmeirion Group PLC is a global homewares brand group based in Stoke-on-Trent, England. The Group owns six unrivalled heritage and contemporary brands; Spode, Portmeirion, Royal Worcester, Pimpernel, Wax Lyrical and Nambé. The Group serves markets across the world, with global demand driven by diversified international markets including the key geographies of North America, the UK and South Korea.

Portmeirion Group PLC**Chairman's Statement**

I present my first report as your Non-Executive Chairman having been appointed to the Board of Portmeirion Group PLC on 1 February 2025. In our 36 years history as a listed company I am your 4th Chairman and although I join the Board after a period of disappointing performance and in a challenging global economy, I am excited for the Group's future, by the craftsmanship, skill and creativity I see across our operations, by the colleagues I have met and by the customers I have spoken with.

Our company owns an exceptional portfolio of premium homeware brands, all with rich and authentic origin stories renowned around the world for bold and enduring creative designs and products which are made to the highest standards of manufacture, for a loyal and growing customer base. The people in our Group are experienced, skilled and passionate for our brands, and determined to succeed. I look forward to working closely with my colleagues to improve performance, return to growth and achieve our full potential over the long term.

Our results in 2024 are disappointing. After three years of sales over £100m and headline profits in 2022 peaking at £8.0m, Group sales fell by 11% to £91.2m (2023: £102.7m) in 2024, 10% on a constant currency basis. Headline profit before tax fell by 63% to £1.1m (2023: £3.0m) as a result of a mix of global inflation, international supply chains disruption and overstocking in one key market. The Group ended the year with net debt up by 53% to £12.1m (2023: £7.9m). We monitor our performance against key performance measures, which are set out in the financial overview table above.

Nearly all our sales shortfall stemmed from one market - South Korea - which experienced an unprecedented 45% fall in sales due to a significant stock overhang at our key customers, just as the economic backdrop across Asia tightened on our core customer. Substantial progress has been made to reduce the stock overhang but it will take until 2027 to completely sell through and return to our historic levels of sales in this market. Our brands and products remain hugely popular in South Korea, and we have had success introducing new brands and collections, but once again it is Portmeirion's Botanic Garden collection which is our leading collection in the market.

Profits in our largest market, the US, improved vs 2023. US market performance was adversely impacted by supply chain disruption resulting in many of our Christmas ranges arriving late to customers, however the feedback on ultimate seasonal sell through was very positive.

Our Spode brand has grown each of the last four years and is now up 45% on pre-Covid levels. We see substantial opportunity to grow Spode brand sales in established and new markets over the next 5 years.

Wax Lyrical, our home fragrance business also has good momentum. The brand reported year-on-year sales growth of 25% and has returned to profitability. Wax Lyrical continues to win listings in national retailers and we expect further growth over the next few years driven by increased domestic and international listings.

We continue to grow penetration in online channels around the world, including our own US and UK websites which, in 2024, accounted for 9% of our sales.

Our inventory increased in the year by £2.3m to £38.2m driven by the significant reduction in South Korea orders together with cancelled US Christmas orders following late stock arrival after supply chain disruption. An appropriate level of stock for the Group would be c£32.0m and our ambition over the next 12-24 months is to turn the £6.0m surplus into cash, hence reducing our debt, mindful to protect our brand and margins in all markets.

We ended the year with net debt of £12.1m (2023 £7.9m); the increase driven by the later invoicing of Christmas ranges in the US and higher inventory in our Stoke-on-Trent factory due to the reduced order flow from our South Korean market.

We reduced total overhead costs during the year by £5.3m, a reduction of 13%. A lean cost base will help mitigate unforeseen cost inflation, most notably the impact of the Autumn Budget which increased our costs by £0.8m (annualised) due to the rise in National Insurance Contributions and the National Minimum Wage, with additional inflation expected in utilities.

Our objective is to develop our premium brands responsibly and to realise their full growth potential over the long term, across different products, channels and markets. This will maintain our reputation, as an owner of great homeware brands, drive profitability and shareholder returns. More on our Objectives and Strategy is set out below.

Dividend

The Board does not recommend payment of a final dividend and has prioritised growth. To fund this growth we must invest, which requires us to first strengthen our balance sheet. As a consequence this will reduce the associated interest costs on our Profit & Loss account - which in 2024 was a £1.6m cost to the business. Savings in interest costs, efficiencies and growth will over time organically provide funds to enable us to make judicious investments for growth, particularly in sales & marketing, to support our premium brands in our established and international markets.

We are cognisant that a significant percentage of our shares are held by individuals and we recognise that dividends can be a contributor to an individual shareholders annual income and our overall total shareholder return. Since floatation in November 1988, this enterprise has paid £57.8m in ordinary dividends to its shareholders (not adjusted for inflation). My priority is to put the Group in a strong position to compete globally and to do this we must eradicate our debt, and maintain a 'Fortress Balance Sheet', which I define as a growing net cash position, returning capital to our shareholders from a position of strength and comfortably funded from the earnings of an appropriately well invested business. I know we are far from that position today, but we are on that path now.

Made In Stoke-on-Trent

Approximately 26% of our branded tableware products are made in our Stoke-on-Trent factory and we intend to increase this over the next 24 months. This may have an initial impact on our gross margins due to the cost of manufacturing in the United Kingdom, but it is a necessary margin investment in our brands. I am confident that we will recover the margin investment and reap substantial benefits over the medium term.

We will continue to work closely with our worldwide factory partners on certain products lines and collections as they have a specific expertise and consistently deliver high quality products.

TRANSFORMING OUR BUSINESS: OUR 2025-2026 PRIORITIES

As we begin the journey of transforming your business, I have reflected on the challenges of 2024 and am pleased to announce a series of immediate priorities, which the Board believes will position the Group to accelerate our strategy and objectives below, and support a recovery of long-term, profitable growth.

1. RETURN TO GROWTH IN OUR ESTABLISHED MARKETS

We are focused on returning our three established markets - US, South Korea and UK - to stability and onto growth after a year of disruption. In the US, we will accelerate in-stock dates for key Christmas collections and in South Korea, we will continue to support our distributors and retail partners to reduce stock levels. Across all markets we will develop our customer base, introduce new collections and expand existing collections, develop our online and eCommerce offer and exercise better control and oversight.

2. FORTRESS BALANCE SHEET

We are focused on generating cash and our intent is to repay our debt in full over the next 2 to 3 years to maintain a net cash position. As we repay debt we benefit from lower associated interest costs, which together with efficiencies and growth, releases capital for investment in marketing our premium brands in established and international markets.

3. INVEST IN OUR PREMIUM BRANDS

Our future success and prosperity depends on how we execute and develop our premium brands globally over the next few years. We will spend more on brand marketing in the years ahead, with certain brands seeing an anticipated c.5-8x increase in spend from current levels as funds become available. Success will not be instant. It requires commitment, consistency and patience, and as we spend we will evaluate effectiveness. In all markets we will engage direct with the end customer to introduce our brands, earn

their trust and loyalty, and in parallel support our retail partners and brand ambassadors to drive sales for them and our own eCommerce.

We intend to completely overhaul and re-energise our own retail store portfolio in the UK and our global eCommerce over the next 12 months to improve our customers brand experience very markedly. Increasing the proportion of branded product 'Made in Stoke-on-Trent' is an important commitment to our customer and our brands.

4. EXPLORE & DEVELOP

International markets' are defined by 57 individual markets and account for 8% of Group sales, and only three contribute more than £0.5m sales each. We have the premium brands and collections to be successful in these markets, but until we build a consistent brand presence and connect with our end customer, growth will be hard fought. Our international sales team has been tasked to explore these markets and will be focusing on developing a handful initially. I am confident that we have the leadership and infrastructure in place to be successful; we certainly have the determination and integrity.

Explore & Develop is not just about geography and markets, it applies throughout the business. We have a history of innovation across the business and at every level. We will explore the value and potential of our extensive design archives whether that be for ceramic tableware, giftware, or indeed licensing opportunities for other categories. We will continue to develop new, beautiful product; to innovate and support not only existing customers, but develop new customer demographics.

5. EXCELLENCE EVERYWHERE

There is real opportunity for improvement across the Group and every colleague, at every level, across every department and geography can contribute to our performance improvement and transform our business. We will ingrain *Excellence Everywhere* in our everyday behaviours and actions and at every level, our mindset will be one of brand first, attention to detail, and continuous improvement everywhere. We have an open and entrepreneurial culture and a determination to succeed. Our colleagues are encouraged to take risks and learn from their mistakes to produce better results and generate a positive impact.

Board

Clare Askem, Mick Knapper and Bill Robedee will not seek re-election at the forthcoming AGM. I am delighted that both Mick and Bill will continue in their present roles as Group Operations Director and President of North America respectively. Clare has been a Non-executive Director since August 2020 and Chair of the Remuneration Committee since April 2021 and I would like to record our collective thanks for the valuable contributions Clare has made, particularly in retail and digital transformation. Angela Luger, our Senior Non-Executive Director, will take over as chair of the Remuneration Committee from the conclusion of the AGM.

Our Group Board is suitably structured for the business we are today, with appropriate skills and experience to contribute towards the transformation now underway. I am confident that the Board will provide both challenge *and* support to the Executive and Senior Leadership Team as they work towards delivering our 2025-2026 Transformation Priorities and execute our long-term strategy.

Outlook

2024 was undoubtedly a disappointing year. We have started 2025 positively and are taking a number of actions across our operations to position the business for sustainable future growth through our transformation plans.

We are mindful of the challenges we need to overcome in an uncertain economic environment. From a global perspective we will continue to closely follow the evolving situation with regards to new or increased import tariffs between the US market and other parts of the world. From a UK perspective, it remains disappointing that UK energy costs continue to be significantly higher than the rest of the world, impacting the general competitiveness of UK manufacturing on the world stage. Both these challenges are outside of our control, but we continue to monitor them closely and take mitigating action in response where appropriate.

Despite these uncertainties we have plenty of reasons to be cautiously optimistic. We own great premium brands which provide us with significant global potential and have clear plans in place to help us reclaim lost ground, return to growth and deliver performance. I look forward to updating shareholders on our progress in due course.

On behalf of the Board, I would like to thank our people around the world who work tirelessly every day for our brands, our customers who delight in owning our branded product and finally, our shareholders for their ongoing support.

Peter Tracey
Non-Executive Chairman

STRATEGIC REPORT

Strategy & Objectives

Our Strategy: to establish the highest standards of manufacturing and creative design, to maintain our reputation as makers of high quality products, and to develop our premium brands responsibly, so we continue to delight our customers around the world.

Our Objective: to think and act as responsible brand owners at all times, nurturing our premium brands for long term growth, constantly striving to realise their full potential across different products, channels and markets.

If we are successful in our endeavours, we will enhance our reputation as a great owner of homeware brands, and retain committed and caring people who are motivated to build a global business capable of sustainable growth, with increasing profitability, lower risk, and higher returns to our shareholders.

Brands

We have success when our customers connect with one of our premium brands, when they have a great experience with our branded products, and when they share their positive experience with family and friends.

As we continue our customer journey, we are fortunate to own several incredible premium homeware brands which are known globally for their quality, that excite with their creative designs and which have authentic rich origin stories and histories.

Our Spode brand was founded in Stoke-on-Trent, Staffordshire, England by Josiah Spode I in 1770, Portmeirion was founded in 1965 by Susan Williams-Ellis, daughter of Sir Clough Williams-Ellis who created the Italian style Portmeirion Village in North Wales, and Royal Worcester was founded in 1751. Our Pimpernel tablemat brand was founded in 1933, Nambé, our premium design US homewares business was founded in Sante Fe, New Mexico, USA in 1951 and our home fragrance brand, Wax Lyrical, in Cumbria, UK was founded in 1980.

Tableware is a functional product. Our products are certainly functional, manufactured to the highest standards to be strong, resilient and durable. But they are also designed to be

tactile, beautiful, bold and loved. Our customers delight in using our products every day, or to mark a special occasion, season or celebrations with them, or love adding to a cherished collection that they intend to pass down through the generations.

We are thankful that over 250 years ago Josiah Spode I had the integrity of character and business nous to design '*planned permanence*' into the beautiful blue & white tableware he made in Stoke-on-Trent and sold to his customers in London and around the world. We keep with Josiah's approach, and it continues to serve us and our customers extremely well.

We are proactively working to centre production in Stoke-on-Trent, England where possible, over the next 12-24 months, which will increase the proportion of products we manufacture in the city. This will have an impact on our gross margins initially, but it is a necessary investment of margin in our brands. '*Made in Stoke-on-Trent*' is the foundation of our brand DNA and it is what our customers expect from our brand. This margin investment will take time to repay, but over the medium term, as volume increases, the factory economics improve materially, and we are confident that we will recover that margin investment and reap multiple benefits.

Strategy

We see a significant opportunity to grow top line sales around the world, thereby increasing the utilisation and efficiency of our factories and warehouses, leading to improved operating margins, profitability and cash generation.

We will capture our portfolios of premium brands full potential by:

(1) Brand mindset

The way we think and act across all areas of our business must be in the long term best interests of our brands, and supporting their growth. This brand mindset should inform every decision and action, keep us striving for excellence and focused on delighting our customers. It should influence how we work, who we partner with, when we do something and what we explore next.

(2) International sales growth

We sell to over 60 markets, but our 3 'established markets' of North America, UK and South Korea dominate, accounting for 92% of our sales. The 8% balance is derived from 57 remaining 'international markets', of which only 3 generate more than £0.5m of sales each.

These international markets offer a clear opportunity to introduce our premium brand presence for the first time and build new relationships with end customers and appropriate retail partners in those markets. It is frustrating that over the many decades we have failed to grow more than a handful of these markets to any level of significance. However, with consistent investment in sales and marketing in future years, we are confident that we can establish our brands in these markets and develop them.

(3) Increase online channel penetration and own eCommerce

We have successfully grown our online direct-to-consumer sales over the last 4 years and our own websites account for c. 9% of the Group's sales. We will continue to invest in customer acquisition, conversion and improving digital assets for all online platforms where our products are featured.

We have identified areas where we can improve and that requires investment to better align with our premium brands, to deliver a much enhanced customer experience and financial contribution.

(4) Our design archive

We have an extensive designs archive which we are not actively commercialising. We are exploring how to grow this area of our business in a responsible way, particularly in licensing and through exclusive products and working with appropriate partners in every category.

(5) Seasonal products

Seasonal products enable our brands to build enduring relationships with our customers at times of the year that matter to them. Our Christmas tableware collection Spode Christmas Tree was first produced in 1938 for the American market, and 87 years later it is still growing its sales footprint, with growth still to come from existing and new customers in our established and international markets.

We have expertise in the seasonal product category, and while we have achieved a great deal in recent years, we will do more to develop product for other seasonal occasions.

(6) Return to sustainable levels of trade in South Korea

South Korea has been an important market for us over the last 15 years and the Portmeirion Botanic Garden collection is one of the best known in that market. We are confident that sales will recover over time through elimination of overstocks (meaning customers will order more, so increasing our revenue); recovery of Asian consumer economies; and selling our wider collections from our existing portfolio and new products.

We are taking a disciplined approach with controls to improve order flow and channel oversight.

(7) Engage and grow our brand fans, creating tomorrow's customer!

We work to delight our customers. When we achieve that, they share their experience with family and friends and we expand our customer base. We will continue to develop deeper brand engagement through our social channels and online / offline advertising.

(8) Reduce net debt and invest savings in our marketing key brands

The long term success of our business will be determined by how we nurture and grow our premium brands over time. Growth requires investment, specifically in sales and marketing, and a long term commitment to *consistently* support our premium brands with marketing spend in established and international markets. Over the next 2-3 years, as our net debt reduces, the associated interest cost savings at a minimum will be judiciously allocated to support international brand marketing.

Business Model

Creative design

Any of our products will fulfil their raw purpose and function brilliantly well, because they have been manufactured to the highest standards, to be strong, resilient and durable. But it is our creative design team which makes the difference, they elevate functional to fabulous, and that's what delights our customers and keeps our product on the table or on display for decades. A design, a theme or a style can often be instantly recognised or connected to one of our brands. Spode is designed to be beautifully bold and Portmeirion is designed simply to be loved.

Because design is central to our brand proposition, we never out-sourced the creative design process, choosing to keep it in-house, with a team based in the UK and US. They take inspiration from our own archive and are informed by fashion and consumer trends, working to an 18-24 month forward product roadmap. At the time this report is published in Q1 2025, our team are finalising new designs to be in-store for Christmas 2026 and excited for what 2027 might hold.

Our heritage collections are extended every year and this keeps them front of mind with customers and collectors. Examples in 2024 include our annual Spode Christmas Tree plate, new decorations and Spode Staccato - which can be mixed and matched with our classic Spode Blue Italian collection which was first introduced over 200 years ago.

New products are designed and introduced to a collection every year, often targeting new and different demographics in the market. In 2024, we launched our beautiful Portmeirion Minerals tableware collection - a reactive stoneware collection presented in recyclable packing that appeals to a younger and sustainability conscious customer. New shapes are developed each year to extend successful collections. Often this will enable access to new markets which may require different dining experience or cultural need. Similarly, our new Wax Lyrical England home fragrance collection, which launched in 2023, gained wider distribution in 2024. It offers an incredible quality, UK made product, for exceptional value and is gaining very good traction in the grocery channel.

Operations: administration, manufacture, supply and logistics

Our business was founded over 65 years ago in Stoke-on-Trent, Staffordshire, England, and the city has remained the location of our headquarters, our tableware factory and warehouse ever since. Stoke-on-Trent has been the global centre of ceramic design and manufacture since the 1700s, it is our home and was the birth place of our Spode and Portmeirion brands. We benefit from the wonderful skills and talent that have been passed down from generation to generation. Our US offices are located in New Jersey, Connecticut and New Mexico, and we have further offices in China, Canada and Germany.

Our Wax Lyrical home fragrance business is based 120 miles north of Stoke-on-Trent in the Lake District National Park at Ulverston, Cumbria, which is the location of both its office and factory.

We manufacture c40% of all the product we sell globally at our two factories in England and what we do not manufacture ourselves we outsource to long standing partner factories that we have worked with for many years, all to our same exacting quality standards and in compliance with our ethical codes of conduct. Our ambition is to increase the percentage of product we make in our Stoke-on-Trent factory over the next 12-24 months.

Our UK warehouses service the UK and international customers and our US warehouses in Connecticut and New Mexico service the US, Canada and Latin America.

Routes to market

Our revenue is generated from three routes to market:

Wholesale (national and independent retailers):

Our wholesale channel accounts for 83% of total sales and our customers are national and independent retailers, or distributors in some markets, who in turn sell to national and independent retailers.

We support our wholesale customers through the use of wholesale marketing, online marketing and digital assets to promote the sale of our premium branded products. Many of our wholesale customers are omni-channel retailers with both physical stores and online sites.

Own eCommerce:

We operate our own eCommerce websites in the US and UK which accounts for 9% of total sales, offers a higher margin and the opportunity to build closer relationships with customers and engender long term brand loyalty.

Own Retail:

We have 5 factory outlet stores which trade as Portmeirion Home in the UK and 7 Nambé stores in New Mexico, USA which accounts for c8% of total sales.

In international markets, outside of North America and the UK we have used distributors which allows access to markets but permits us to limit our stock holding locations around the world.

Marketing

Over the next 3 years we will increase capital allocated to brand marketing, so that we can get behind our premium brands and support their growth in our 3 existing established markets (UK, North America & South Korea) and most critically, to explore and develop new international markets where our premium brands have no presence and the medium-long term opportunity is most abundant. Certain of our brands will see c.5-8x increase in spend from current levels as funds are available.

In 2024, we increased social media engagement across our tableware brands with in-house and influencer videos reaching more eyes than ever before. Online engagement with fans of our brands and potential new customers represents a great opportunity for us to further leverage our design portfolio and collections.

Our investment in marketing covers a wide range of assets, including the production of digital assets (images and video content) for online platforms; communicating to our consumer base across social media channels, exhibiting our products at trade shows and in our showrooms around the world. Our 2024 investment in a larger showroom in Atlanta, Georgia for the US market, has allowed us to present more of our products and has been well received by our customers.

Structure

Our business is controlled centrally from our headquarters in Stoke-on-Trent, UK, with divisional responsibility in the US and in our home fragrance operation in Cumbria, UK.

Our Board of Directors and their responsibilities are set out on our website at www.portmeiriongroup.com. In addition, we have a senior leadership team comprising leaders of all key functions. This structure of the Board and senior leadership provides the governance framework for the Group in the implementation of our strategy and delivery of our business model.

Our Group functions are US and UK based and globally focused. We have senior leaders in our key regions to ensure we are connected to our customers and can act quickly. We feel this approach allows a balance of efficiency but remains responsive to our customer needs and allows us to maximise opportunities at a market level.

Stakeholders

Our business model aims to address the needs of our stakeholders:

For shareholders - to treat every shareholder as an owner, to provide them with insights which enable them to understand our long term business model and appreciate the brands we own, to determine what is important to our future success and prosperity, and to enable them to make informed investment decisions. With owners who are aligned to our Brand Mindset and support our endeavours we can create long term value, build a sustainable profitable and growing business, with lower risk and increasing capacity for shareholder returns;

For customers - we strive to produce products which delight our customers and they can enjoy, that can be used every day or for occasions, a product which lasts many lifetimes;

For our people and local communities - our focus on social impact and a clear governance structure are at the heart of our business and core to our brand DNA. More information is available at <https://www.portmeiriongroup.com/sustainability>;

For suppliers - having a positive interaction with suppliers allows us to deliver higher standards and reduce risk in our supply chain whilst seeking cost efficiencies and positive environmental outcomes.

For the environment - we strive for operational excellence whilst reducing environmental impact. More information is available in "Our commitment to ESG" and The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 Report on pages 24 to 28 in our Annual Report for 2024 soon to be published.

Our People

The beating heart of our Company is our talented people, and our 659 colleagues embody our creativity, professionalism, ambition, focus, passion, resilience, and determination. Working together they design, develop, manufacture, sell and work with our customers and suppliers every day. They have a huge combined level of experience and skill; they have a passion for our brands and the products they produce. Such commitment and passion is hard to replicate.

As a result of the challenges that the business has faced over the last two years and their subsequent and significant impact on factory volumes, we have had to take the very difficult decision to reduce our colleague numbers over the last two years from 868 to 659. We fully recognise the impact that these decisions will have had on all those affected and I would like to sincerely thank our teams for their commitment and understanding during this very difficult time.

Culture

Despite the challenges of recent years, we consider ourselves fortunate to have such committed and loyal people across the world and we thank them for their continued commitment and hard work.

We value our people and want to make our Company as good a place to work as we can, a place which is able to attract and retain apprentices every year and where careers can be built. It is important we keep skills and knowledge within our business to be passed on.

People are a foundation element of our brand DNA. Our people, not consultants, defined our values, culture and purpose "*inspired by our heritage to craft a better future*" which provides a framework for our decision-making, our day-to-day behaviours and actions and our guiding principles and our moral compass.

We promote an open culture through engagement, development and resource management and we consider ourselves a caring employer with an excellent health and safety record, fair and balanced equality policies, diversity in our workforce and management structures and a consultative approach with our people.

Environmental, Social and Governance

We report on greenhouse gases, social, community, human rights and gender diversity in the "Our Commitment to ESG" section on page 19 to 23 of the Annual Report 2024 soon to be published.

Mike Raybould
Chief Executive

Financial & Operational Review of the period

Summary

- Revenue down 11% to £91.2m (2023: £102.7m) against the backdrop of a much tougher consumer market and reflecting the significant downturn in the Group's South Korea market. Sales (excluding our South Korean market) and at constant currency were down 1%.
- Headline profit before tax down 63% to £1.1m (2023: £3.0m) chiefly due to the decline in sales in our South Korean market and the ensuing impact on our factory utilisation. Profit in line with December's trading update and forecast.
- Net profitability up 18% to £4.2m (2023: £3.6m) in the US, our largest sales market despite supply chain delays limiting Q4 sales.
- Spode delivered its fourth consecutive year of growth with sales up 5% at constant currency, now up c.45% since 2019.
- Wax Lyrical our home fragrance business saw a return to profitability with sales up 25%.
- Close management of costs with a reduction in overhead costs by 13% (£5.3m) to provide a leaner base for future operating margin improvement.
- Ongoing automation investments in our factories continue to drive further operational improvements and efficiencies.
- Cash flow generated from operations +£2.1m (2023: +£10.8m).
- Net debt increased £4.2m due to higher stock levels and later invoicing of Christmas collections in the US.
- Energy usage down 9% on 2023 and 17% lower than 2022.

Revenue

After three years of sales in excess of £100.0m, 2024 saw a disappointing year-on-year fall of 11%, against a tougher consumer market backdrop, particularly in the Group's South Korean market and aggressive de-stocking by our customers.

Sales of our Spode brand increased 5% at constant currency despite tougher consumer markets and lost US Christmas orders due to supply chain disruption. Spode sales are up 45% vs pre-Covid levels in 2019.

North America (US & Canada) (43% of sales)

North American sales down 7% to £39.7m in constant currency (2023: £42.4m), partly driven by weaker consumer spending levels and retailers' policy to reduce stock levels across the board in response to higher interest rates. In addition, supply chain disruption, including East Coast port strikes in the run up to the election, delayed arrival of key Christmas stock resulting in cancelled and lost replenishment orders. However, despite supply chain costs, the gross margins in the US remained flat and overall net profitability increased 18%.

We are already advanced in bringing forward production of our key Christmas lines for 2025, creating additional contingency for unforeseen supply chain disruption.

Our retail customers have reported strong sell through of our Christmas product in Q4 2024, particularly online, and in many cases up on the prior year. This highlights that end demand for our well-known brands and products remains strong.

South Korea (13% of sales)

South Korea sales down 45% to £11.7m in constant currency (2023: £21.5m). 2024 was a regrettable 'perfect storm' for the Group in South Korea which cost us dearly and we intend never to repeat. Following the lifting of Covid restrictions in 2021 in South Korea our customers delivered high order flow which we fulfilled and reported on in 2021/22. This created a level of overstocking in the market which was in the process of being sold through, just as new stock was arriving. At the same time our end customers were being hit by high inflation and weaker currency, driving much higher living costs and lower discretionary incomes.

The level of overstock reduced in 2024, and whilst there is more to do in 2025, actions have been taken so this does not repeat. We have introduced stricter oversight and controls and will take a disciplined approach to stocking this market. We have also taken action to simplify our routes to market that will lead to improved margins. We have accelerated new product launches which have been well received and are engaging our end brand fans and retail partners.

Sales continued to grow strongly with our online platform partner and our lead brand, Portmeirion, continues to rank in the top two in the category for online search. In 2024, we introduced a limited amount of our Spode Christmas Tree collection into South Korea which was positively received by customers and sold through very well. We expect this to lead to repeat orders at larger values.

UK (36% of sales)

UK sales were up 5% to £32.4m, (2023: £30.8m). This was driven by the strong performance of our home fragrance division, Wax Lyrical, with Ceramic sales in the UK down 9% due to a much tougher consumer spending backdrop. Sell through in our key Q4 and Christmas trading period was strong and up on last year for most major accounts.

Our Wax Lyrical business, where sales were up 25%, continued to benefit from winning new listings across national retailer chains and is now back to profit and we foresee further strong top and bottom line progress in 2025 with our UK made products continuing to perform well.

International (8% of sales)

Ceramic sales in our international markets fell 6% to £7.3m. In particular, we were more cautious in managing receivables, particularly for Asian distributors. International market sales remain up 40% vs pre-Covid levels in 2019 and we see significant upside opportunity over the next 5 years to grow in these markets. Our Spode brand and Portmeirion Botanic Garden collection will lead the way forward.

Profit

Headline profit before Tax^[2] down 63% to £1.1m (2023: £3.0m). Profit in the year was impacted by the 45% reduction in sales from our South Korean market, which severely affected factory utilisation, and loss of US Christmas orders due to supply chain disruption.

During 2024, we proactively reduced operating costs by £5.3m, c13% of our overheads, through headcount reductions and efficiency savings. This followed a restructuring exercise earlier in the year.

Headline EBITDA^[3] of £7.3m (2023: £9.2m).

Cost inflation

Our cost base will rise by £0.8m (annualised) as a direct result of the Autumn Budget, most notably from rises in National Insurance Contributions and the National Minimum Wage. Utility costs will also increase and remain volatile.

Interest and financing costs

Finance costs for the Group increased £0.2m to £2.0m (2023: £1.8m) as higher interest rates have impacted discount factors on lease liabilities. Interest paid on borrowings has remained broadly consistent with last year at £1.6m.

Taxation

There was a tax credit for the year of £0.3m (2023: tax credit of £0.1m). This was mainly due to a deferred taxation credit of £0.6m. The current corporation tax charge was £0.3m.

Dividends

At the half year, an interim dividend of 1.50 pence per ordinary share was paid to shareholders at a total cost of £207,000. The Board does not recommend payment of a final dividend.

The Board has prioritised growth which requires investment in the business, and to enable this we must strengthen our balance sheet. The resultant reduction in net debt will reduce the associated interest costs on our Profit & Loss account, which in 2024 was £1.6m.

Savings and growth will provide the funds that enables us to make judicious investments in the business and support our premium brands, which is in the long-term best interests of our shareholders.

The Board is cognisant of the significant percentage of our shares held by individuals, and recognises that dividends are an important contributor to total shareholder return and shareholder income. We own several incredible brands which provide us with a significant opportunity to grow sales, profits and margins over time. But to achieve this requires investment, commitment, consistency, excellent execution and time. Our objective is to drive towards a 'Fortress Balance Sheet' with a net cash position and pay dividends from a position of strength and from the earnings of a well invested business.

Cash generation and net debt

At 31 December 2024, the Group had net debt of £12.1m (comprising cash and cash equivalents of £10.9m less borrowings of £23.0m). This compares to net debt of £7.9m at the prior year end. This increase is due to the reduced profitability and the later timing of Christmas invoicing leading to receipts delayed to January.

Operating cash flow reduced to £2.1m (2023: £10.8m), due to the significant reduction in South Korean sales impacting receipts and manufacturing costs. This was partially offset by the significant reduction in overhead costs but could not be fully mitigated.

Mindful of the impact of the South Korean sale reduction, capital expenditure was contained to critical activities and totalled £1.6m (2023: £2.9m). This included investment in plant and IT.

Bank facilities

In August 2024, the Group signed a new 4+1 year term £30m revolving credit facility with Barclays, which replaced the existing facilities with Lloyds. This new facility allowed the Group to consolidate and simplify our borrowing structure, whilst providing a secure structure and sufficient working capital headroom for the future and an 80bps improvement in the interest rate charged.

Our business is seasonal due to the second half weighting of our sales. Consistent with previous years, we experienced a working capital swing of around £10.0m during the year as we built inventory to match our sales demand. At the year-end we had available cash and borrowing headroom of £9.8m.

We believe our committed funding lines adequately address this seasonal dynamic and are prudent. Our new facility requires delivery against leverage and interest cover covenants, which passed the benchmark requirements with headroom throughout the year.

Assets and liabilities

We had a net working capital outflow of £4.2m driven by increased inventory and receivables over the prior year.

After the success of our inventory reduction activity in 2023, 2024 saw an increase of £2.3m to £38.2m. This was due to the combination of the significant drop in South Korea sales, cancelled US orders ahead of the busy Christmas period resulting from late supply into the market due to floods at one of our outsourced factories followed by the port strikes along the East Coast of the US in October 2024, and the inflationary impact on production costs.

At 31 December 2024, we held 210,282 treasury shares with a book value of £0.4m (average price 187 pence) in order to satisfy employee share option schemes and 234,523 shares with a book value of £2.7m (average price 1158 pence) are held in The Portmeirion Employees' Share Trust. The balance of these shares did not move during the year.

The balance of other intangible assets increased during the year as we continue to develop our global website capabilities and completed a second phase of investment in our new US ERP system.

Pension scheme

We made no further contributions to our closed defined benefit pension scheme in the year due to the accounting surplus which was £1.9m at year-end, an increase from the £1.1m of surplus reported in 2023. The main reason for the improved position is an increase in the discount rate assumption (based on corporate bond yields) resulting in a decrease in the liability value. This has been partially offset by a lower than expected return on assets over the year and an increase in the inflation rate assumption.

Treasury and risk management

The impact of transactional currency flows on the Group's profit is not material due to the natural matching of revenue and costs across our global businesses.

When any anticipated exposure arises, our policy is to use appropriate hedging instruments to mitigate that risk. We have a robust approach to managing risk to deliver our strategy.

Changes to Key Performance Indicators (KPIs)

We have undertaken a comprehensive review of our Key Performance Indicators (KPIs) to ensure they accurately reflect our strategic priorities, which as described in our Strategic Review encompass our "Return to growth" most appropriately measured by the KPI's of Revenue, Headline profit before tax and statutory profit before tax. These measures track directly to our financial reporting and provide a greater transparency of our performance metrics, also aligning with our internal reporting and targets.

Our strategic focus on our "Fortress Balance Sheet" is targeted on cash generation and debt reduction and is represented by the KPI's of Free Cash Flow, Net Debt Reduction. We believe these metrics provide enhanced visibility over our strategic goals and replace Operating Cash Generation as a KPI. We continue to focus on shareholder return and a return to growth coupled with our strong balance sheet will ensure we meet this objective. Whilst Dividend Cover remains important we have replaced it as a KPI in favour of reporting and measuring our performance against Dividends paid and proposed, we will continue to report on Earnings per Share.

We will no longer report the KPI's of Headline Operating Margin or Own Ecommerce Sales, these performance indicators remain important to the Group but are not considered to be Key Performance Indicators that drive our actions and underpin our new strategy to refocus on our core brand strengths.

Note that our sustainability KPI's remain the same as in prior year.

Principal Risks & Uncertainties

The Group is exposed to a number of risks in the markets it operates across. The Board considers the risks to the business and the adequacy of internal controls with regard to the risks identified at every Board meeting. It formally reviews and documents the principle risks to the business at least annually.

Risk	Mitigation	Outlook
<p>Economic environment Our sales markets around the world have been impacted by inflationary pressures and tariffs, with rising energy costs and interest rates reducing discretionary consumer spending.</p> <p>This has created a difficult trading environment in our major sales markets.</p>	<p>The Group sells into more than 60 countries around the world, although the majority of sales are concentrated into three key markets. We continue to monitor the impact of global events in these markets and any material impact on our business. Our international sales team has been tasked with exploring further progress beyond the three key markets as set out in the "Explore and Develop" section of the 2025-2026 Priorities section.</p> <p>The Group maintains close relationships with our key customers and suppliers to identify any signs of financial difficulties in order to prevent or limit any potential losses. Customer orders and sales trends in major markets are constantly reviewed to</p>	<p>The Group will continue to monitor sales trends in our major markets around the world and ensure we respond accordingly to any threats or opportunities.</p>

	<p>enable early action to be taken in the event of declining sales.</p> <p>The Group continues to invest in our online and digital capabilities and capacity in order to provide an increasingly direct to consumer element for product fulfilment.</p>	
<p>Competitors</p> <p>The Group faces strong competition in most of the major markets in which we operate. This presents a risk of losing market share, revenue and profit.</p>	<p>The risk is managed by ensuring that high quality and innovative products are brought to market, maintaining strong relationships with key customers and ensuring the Group is aware of local market conditions, trends and industry-specific issues and initiatives. This enables the Group to identify and address any specific matters within the overall business strategy.</p> <p>We are increasingly working with partners in our key UK and US markets on direct to consumer fulfilment, and ensuring we have the capabilities to meet required service levels.</p>	<p>The Group continues to invest in both its strong brands and new product development to provide a point of difference, whilst working closely with key customers to provide a reliable and timely service.</p>
<p>People</p> <p>Skilled senior managers and personnel are essential in order to achieve the strategic objectives of the Group. Failure to recruit and retain key staff would present significant operational difficulties for the Group.</p>	<p>Management seeks to ensure that colleagues are appropriately remunerated and good performance is recognised and rewarded. Staff are also provided with relevant training for their roles and career progression to improve motivation.</p> <p>The Group has a clearly defined recruitment policy which ensures that new colleagues meet the required standard and experience for each position.</p>	<p>The Group remains committed to hiring and retaining key personnel in order for the business to achieve our strategic objectives.</p>
<p>Suppliers</p> <p>The Group's purchasing activities could expose it to over-reliance in certain key suppliers or markets.</p> <p>The lingering impact of Covid-19 to supply chains has created significant inflationary cost increases and disruption through additional lead times. Suppliers may not reflect the Group's</p>	<p>The Group both manufactures and sources product from a range of suppliers which reduces the impact of inflation or disruption in one market or supplier.</p> <p>For the manufacturing processes in the UK, the Group ensures that key raw materials are available from more than one source to ensure continuity and competitive pricing.</p> <p>For the sourcing process, suppliers are carefully</p>	<p>The Group continues to closely monitor global supply chains to ensure our flow of products around the world is not disrupted.</p>

<p>high ethical standards.</p>	<p>selected to ensure a sufficient breadth in supply base.</p> <p>The Group also ensures that all intellectual property rights are retained and easily transferable should an alternative supplier be required.</p> <p>All major suppliers are subject to ethics due diligence.</p>	
<p>Financial risk Financial risk is wide-ranging and covers capital management, credit risk, currency risk and liquidity risk.</p> <p>The risks presented in these areas include the failure to achieve business goals, potential financial loss caused by default, reduction in profit due to currency fluctuations, insufficient funds to continue trading and going concern threat.</p> <p>Cyber threats are a key financial risk the Group faces across our global business.</p>	<p>The Group's approach to risk management and mitigating systems are covered in the financial risk management objectives in note 32 of the Report and Accounts for the year ended 31 December 2024 on pages 95 to 98 in the Annual Report, soon to be published.</p> <p>The Group remains profitable and has sufficient headroom within current borrowings facilities.</p> <p>The Board has a detailed and robust budget review process and assesses performance, including cash flow and liquidity, as part of regular management information reviews.</p> <p>Regular currency forecasts are reviewed in order to ensure the Group is not detrimentally impacted by any major exchange rate fluctuations.</p> <p>We remain vigilant to cyber risks and have a robust framework in place, including external audit, to ensure our systems are well protected.</p>	<p>The Group has sufficient headroom within ongoing borrowing facilities. The Group also has a strong natural currency hedge and continues to monitor currency fluctuations.</p>

Jonathan Hill
Group Finance Director

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2024

	Notes	2024 £'000	2023 £'000
Revenue	3	91,212	102,743
Operating costs before exceptionals		(88,167)	(97,920)
Headline operating profit¹		3,045	4,823

Exceptional items	4		
- restructuring costs		(1,021)	(694)
- impairment charge		-	(10,867)
- acquisition costs		-	-
Operating profit/(loss)		2,024	(6,738)
Interest income		51	23
Finance costs	5	(2,030)	(1,813)
Other income		-	-
Headline profit before tax¹		1,066	3,033
Exceptional items	4		
- restructuring costs		(1,021)	(694)
- impairment charge		-	(10,867)
- acquisition costs		-	-
Profit/(loss) before tax		45	(8,528)
Tax		299	72
Profit/(loss) for the year attributable to equity holders		344	(8,456)
Earnings per share	2		
Basic		2.50p	(61.46)p
Diluted		2.49p	(61.41)p
Headline earnings per share	2		
Basic		8.04p	21.36p
Diluted		8.03p	21.34p
Dividends proposed and paid per share	6	1.50p	5.50p

All the above figures relate to continuing operations.

¹ Headline operating profit is statutory operating profit of £2,024,000 (2023: £6,738,000 loss) add exceptional items of £1,021,000 (2023: £11,561,000). Headline profit before tax is statutory profit before tax of £45,000 (2023: £8,528,000 loss) add exceptional items of £1,021,000 (2023: £11,561,000).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

	2024	2023
	£'000	£'000
Profit/(loss) for the year	344	(8,456)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Remeasurement of net defined benefit pension scheme liability	701	504
Deferred tax relating to items that will not be reclassified subsequently to profit or loss	(175)	(126)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
Exchange differences on translation of foreign operations	136	(1,400)
Other comprehensive income/(loss) for the year	662	(1,022)
Total comprehensive income/(loss) for the year attributable to equity holders	1,006	(9,478)

CONSOLIDATED BALANCE SHEET**31 December 2024**

	2024	2023
	£'000	£'000
Non-current assets		
Goodwill	1,749	1,749
Intangible assets	7,916	7,511
Property, plant and equipment	14,311	15,020
Right-of-use assets	6,336	7,325
Pension scheme surplus	1,896	1,144
Total non-current assets	32,208	32,749
Current assets		
Inventories	38,234	35,956
Trade and other receivables	21,048	19,053
Cash and cash equivalents	10,897	888
Total current assets	70,179	55,897
Total assets	102,387	88,646
Current liabilities		
Trade and other payables	(13,909)	(13,860)
Current income tax liability	(402)	(161)
Lease liabilities	(2,085)	(1,972)
Borrowings	(23,000)	(7,825)
Total current liabilities	(39,396)	(23,818)
Non-current liabilities		
Deferred tax liability	(2,591)	(3,015)
Lease liabilities	(4,838)	(5,840)
Borrowings	-	(983)
Total non-current liabilities	(7,429)	(9,838)
Total liabilities	(46,825)	(33,656)
Net assets	55,562	54,990
Equity		
Called up share capital	710	710
Share premium account	18,344	18,344
Investment in own shares	(3,108)	(3,108)
Share-based payment reserve	114	66
Translation reserve	2,388	2,252
Retained earnings	37,114	36,726
Total equity	55,562	54,990

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**For the year ended 31 December 2024**

Share capital	Share premium account	Investment in own shares	Share-based payment reserve	Translation reserve	Retained earnings	T
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	£'000	£'000	£'000	£'000	£'000	£'000	£'
At 1 January 2023	710	18,344	(3,108)	148	3,652	46,937	66
Loss for the year	-	-	-	-	-	(8,456)	(8,456)
Other comprehensive loss for the year	-	-	-	-	(1,400)	378	(1,022)
Total comprehensive loss for the year	-	-	-	-	(1,400)	(8,078)	(9,478)
Dividends paid	-	-	-	-	-	(2,133)	(2,133)
Decrease in share-based payment reserve	-	-	-	(82)	-	-	(82)
At 1 January 2024	710	18,344	(3,108)	66	2,252	36,726	54,408
Profit for the year	-	-	-	-	-	344	344
Other comprehensive income for the year	-	-	-	-	136	526	662
Total comprehensive income for the year	-	-	-	-	136	870	1,006
Dividends paid	-	-	-	-	-	(482)	(482)
Increase in share-based payment reserve	-	-	-	48	-	-	48
At 31 December 2024	710	18,344	(3,108)	114	2,388	37,114	55,414

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 £'000	2023 £'000
Operating profit/(loss)	2,024	(6,738)
<i>Adjustments for:</i>		
Depreciation of property, plant and equipment	1,288	1,459
Depreciation of right-of-use assets	2,225	2,058
Amortisation of intangible assets	730	884
Charge/(credit) for share-based payments	48	(82)
Exchange loss	(1)	(1,053)
Impairment charge	-	10,867
Operating cash flows before movements in working capital	6,314	7,395
(Increase)/decrease in inventories	(2,278)	5,161
(Increase)/decrease in receivables	(1,993)	834
Increase/(decrease) in payables	48	(2,609)

Cash generated from operations	2,091	10,781
Contributions to defined benefit pension scheme	-	(300)
Interest paid on borrowings	(1,618)	(1,569)
Interest paid on lease liabilities	(412)	(215)
Income taxes (paid)/received	(55)	684
Net cash inflow from operating activities	6	9,381
Investing activities		
Purchase of property, plant and equipment	(569)	(1,340)
Purchase of intangible assets	(1,070)	(1,585)
Net cash outflow from investing activities	(1,639)	(2,925)
Financing activities		
Equity dividends paid	(482)	(2,133)
Capital element of lease payments	(2,058)	(2,068)
Drawdown/(repayment) of short term borrowings	17,192	(964)
Repayments of borrowings	(3,000)	(2,000)
Net cash inflow/(outflow) from financing activities	11,652	(7,165)
Net decrease in cash and cash equivalents	10,019	(709)
Cash and cash equivalents at beginning of year	888	1,681
Effect of foreign exchange rate changes	(10)	(84)
Cash and cash equivalents at end of year	10,897	888

NOTES TO THE PRELIMINARY RESULTS

1. This announcement was approved by the Board of Directors on 31 March 2025.

1.1 The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023, but is derived from those accounts. Statutory accounts for 2023 have been delivered to the Registrar of Companies and those for 2024 will be delivered following the Company's Annual General Meeting. The auditors have reported on those accounts: their reports were (i) unqualified, (ii) did not contain a statement under Sections 498(2) or (3) of the Companies Act 2006.

1.2 For the year ended 31 December 2024 the Group has prepared its annual report and accounts in accordance with accounting standards in conformity with the requirements of the Companies Act 2006 (International Financial Reporting Standards).

This financial information has been prepared in accordance with the accounting policies stated in the Group's financial statements for the year ended 31 December 2024.

The financial statements have been prepared on the historical cost basis, with the exception of derivative financial instruments which are stated at their fair value.

1.3 After making enquiries and reviewing budgets and forecasts for the Group, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. Further information on going concern is set out in the Financial Review section above.

NOTES TO THE PRELIMINARY RESULTS

Continued

2. Earnings per share

The calculation of basic and diluted earnings per share is based on the following data:

	Earnings £'000	2024 Weighted average number of shares	Earnings per share (p)	Earnings £'000	2023 Weighted average number of shares	Earnings per share (p)
Basic earnings/(loss) per share	344	13,759,282	2.50	(8,456)	13,759,282	(61.46)
Effect of dilutive securities: employee share options	-	28,681	-	-	10,566	-
Diluted earnings/(loss) per share	344	13,787,963	2.49	(8,456)	13,769,848	(61.41)

	Earnings £'000	2024 Weighted average number of shares	Earnings per share (p)	Earnings £'000	2023 Weighted average number of shares	Earnings per share (p)
Headline basic earnings per share	1,106	13,759,282	8.04	2,939	13,759,282	21.36
Effect of dilutive securities: employee share options	-	28,681	-	-	10,566	-
Headline diluted earnings per share	1,106	13,787,963	8.03	2,939	13,769,848	21.34

The calculation of basic and diluted headline earnings per share is based on the following data:

	2024 £'000	2023 £'000
Profit/(loss) for the year attributable to equity holders	344	(8,456)
Add back/(deduct):		
Exceptional items	1,021	11,561
Tax effect of exceptional items	(259)	(166)
Headline earnings	1,106	2,939

NOTES TO THE PRELIMINARY RESULTS

Continued

3. Segmental analysis

The following tables provide an analysis of the Group's revenue by operating segment and geographical market, irrespective of the origin of the products:

	2024	2023
Operating segment	£'000	£'000
UK	51,487	60,076
North America	39,725	42,667
	91,212	102,743

	2024	2023
Geographical market	£'000	£'000
United Kingdom	32,394	30,782
North America	39,532	42,407
South Korea	11,817	21,488
Rest of the World	7,469	8,066
	91,212	102,743

4. **Exceptional items**

Exceptional items by type are as follows:

	2024	2023
	£'000	£'000
Restructuring costs	1,021	694
Impairment charge	-	10,867
	1,021	11,561

5. **Finance costs**

	2024	2023
	£'000	£'000
Interest paid	1,618	1,568
Interest on lease liabilities	412	245
	2,030	1,813

NOTES TO THE PRELIMINARY RESULTS

Continued

6. **Dividends**

The Directors recommend that no final dividend per ordinary share be paid for 2024 (2023: 2.00p). The total dividend paid and proposed for the year is 1.50p per share (2023: 5.50p).

7. Reconciliation of headline earnings before interest, tax, depreciation and amortisation (Headline EBITDA)

	2024	2023
	£'000	£'000
Headline operating profit	3,045	4,823
Add back:		
Depreciation	3,513	3,517
Amortisation	730	884
Headline earnings before interest, tax, depreciation and amortisation	7,288	9,224

Reconciliation of earnings before interest, tax, depreciation and amortisation (EBITDA)

	2024	2023
	£'000	£'000
Statutory operating profit/(loss)	2,024	(6,738)
Add back:		
Depreciation	3,513	3,517
Amortisation	730	884
Impairment charge	-	10,867
Statutory earnings before interest, tax, depreciation and amortisation	6,267	8,530

8. Post balance sheet events

There are no post balance sheet events.

9. Availability of annual report and accounts

The accounts for the year ended 31 December 2024 will be posted to shareholders on or before 17 April 2025 and laid before the Company at the Annual General Meeting on 20 May 2025. Copies will be available from the Company Secretary at Portmeirion Group PLC, London Road, Stoke-on-Trent, Staffordshire, ST4 7QQ, or from the website www.portmeiriongroup.com.

[1] Constant currency reflects the like-for-like performance by removing the impact of any changes in currency rates across the periods. It is calculated by adjusting the current year value to reflect the average currency rate used for the prior period thereby removing the impact of currency in any comparative.

[2] Headline Profit before Tax excludes exceptional items - see Consolidated Income Statement.

[3] Headline EBITDA excludes exceptional items - see note 7.

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