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Portmeirion Group PLC
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6th May 2026

Portmeirion Group PLC
(the "Group")

Preliminary results for the year ended 31 December 2025

Positive progress on transformation plan

Portmeirion Group PLC, the global homewares brands group, announces its preliminary results for the year ended 31 December 2025.

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

"2025 was a transitional year for the Group, with material progress made on our transformation programme and the development of a refreshed strategy - Elevating Portmeirion.

We saw an improved performance in the second half of 2025, with strong seasonal sell-through of our re-designed Christmas ranges. Strong trading performance in the majority of the business was undermined by the introduction of tariffs during the first half of the year in the US - our largest and most profitable market.

Entering 2026, we are seeing positive signs in some key areas of our transformation plan with overall trading in Q1 ahead of last year and the US and International markets showing growth.

While macroeconomic uncertainty continues, the Board remains cautiously optimistic about the Group's prospects. Portmeirion Group owns great premium brands which provide us with significant global potential and we have clear plans in place to help us reclaim lost ground, return to growth and deliver performance."

Financial overview

	2025 £m	2024 £m	Change £m
Revenue	**91.1**	91.2	(0.1)
Headline (loss)/profit before tax[1]	**(3.6)**	1.1	(4.7)
Statutory (loss)/profit before tax	**(7.2)**	0.0	(7.2)
Headline EBITDA[1]	**2.6**	7.3	(4.7)
EBITDA	**(1.1)**	6.3	(7.4)
Headline basic earnings per share[1]	**(25.3p)**	8.04p	(33.34p)
Statutory Basic earnings/(loss) per share	**(45.3p)**	2.50p	(47.80p)
Dividends paid and proposed per share (total in respect of the year)	**-**	1.50p	(1.50p)
Free cash flow	**(5.7)**	(3.7)	(2.0)
Net debt	**(17.5)**	(12.1)	(5.4)

[1]Headline (loss)/profit before tax measured as follows: Statutory (loss)/profit before tax £(7.2)m add back additional inventory provision £2.9m and Exceptional Costs £0.7m = Headline (loss)/profit before tax £(3.6)m

Summary

Financial and Operational

- **Positive trading performance offset by US market weakness in H1**
  - Revenue was in line with prior year at £91.1m (2024: £91.2m) and +1% on a constant currency basis despite the disruption caused by US tariffs.
  - Excluding the US market, Group sales were 8.6% higher on a constant currency basis.
  - Strong sell through of Christmas product in Q4, particularly online
  - International markets, a key focus of our transformation plan, +14.3% in constant currency.
  - South Korea performance particularly encouraging with 25.6% growth in constant currency.
  - Wax Lyrical sales were in line with prior year, but with improvement of £0.3m in PBIT.

- **Profitability impacted by macroeconomic headwinds**
  - As previously reported headline loss before tax of £3.6m (2024: headline profit before tax of £1.1m) primarily due to the disruption caused by US tariffs, initial margin investment in accelerating our Made in Stoke-on-Trent onshoring initiative and higher costs, including energy, National Insurance and minimum wage increases.
  - Statutory loss before tax reflects the headline loss plus additional inventory write down of £2.9m (2024: £Nil) allowing the Group to responsibly clear excess aged and second quality inventory, and an additional cost for restructuring of £0.7m (2024: £1.0m).

- **Active Balance Sheet management**
  - Cash flow generated from operations +£0.5m (2024: +£2.1m).
  - Free cash outflow of £5.7m (2024: £3.7m outflow).
  - Net debt £17.5m (2024: £12.1m) +£5.4m, due to the operating loss and higher tariffs in closing US inventory, partially offset by improved working capital management.
  - No dividend is being proposed for the full year, in line with previous guidance and focus on 'Fortress Balance Sheet'
  - £2.5m inventory volume clearance in 2025

Strategic & Operational Highlights

- **On-shoring and refreshed product strategy showing early encouraging signs**
  - Strong sell through growth on our UK-made Spode 'Christmas Tree' tableware and on key like-for-like Christmas lines.
- **Strengthened Leadership Team**
  - Promotion of Michael Scheepers as Chief Executive Officer as of week commencing 11th May 2026 (subject to regulatory checks), Victoria Brabender as our first ever Product Strategy Director, Sam Pearce promoted to Chief Operating Officer, and Michael Close to President of Sales North America.

- **Elevating Portmeirion Strategy**
  - Three strategic priorities to simplify the group's operating model to deliver more attractive financial performance and return the Group to growth. *Drive higher returns, Focused expansion, Excellence everywhere.*

- **Energy**
  - As part of our long term energy hedging process, in October 2025 we placed significant hedges for electricity at 100% of our requirements and gas at 80% at favourable rates through to 31 March 2027.

- Energy usage down 1.3% on 2024 and 6.4% lower than 2023.
- We continue to call on Government for immediate inclusion of Ceramics industry in the Supercharger Scheme.

Current trading & outlook

- **Return to growth in Q1 2026 with revenue at the end of March ahead of last year and with the US and International markets showing growth.**
- **Good initial progress against 'Elevating Portmeirion' strategic priorities**
  - *Fortress balance sheet & drive higher returns:*
    - § Inventory clearance: Since the year-end we have had a number of material excess inventory deals with a combined value of over £2 million. Management continues to focus on realising cash to reduce net debt and invest to support growth.
    - § Wax Lyrical confirmed as non-core and a disposal will be sought in due course.
  - *Focused Expansion:*
    - § Product license deal signed, since the year-end, with Ashley Wilde (a leading British textile and soft furnishings company), strengthening our high margin, capital light licensing business with building pipeline of further licensing deals
    - § USA Amazon sales team taken in-house and more initiatives planned across the Group as we reinvigorate channels, distributors, sales & marketing and open new markets. Such initiatives require upfront investments.
  - Excellence Everywhere:
    - § Successful initiatives to improve factory performance
    - § Our Made in Stoke-on-Trent initiative extends beyond the factory. We have taken certain activities in-house which were previously outsourced giving us better customer insight and greater control of pricing (and in time inventory management).

Update on US claims:

- Following the US Supreme Court ruling on 20th February 2026 that the use of tariffs under IEEPA was unlawful, and having taken appropriate professional advice, the Group has submitted a refund claim for $3m into the US Customs and Border Protection (USCBP) Consolidated Administration and Processing of Entries (CAPE) system.
- We continue to pursue our September 2023 claim of $0.8m with the Internal Revenue Service (IRS) in the US for support under the COVID Employee Retention Credits (ERC) Scheme. This programme has been very slow in settling claims but we continue to pursue through our advisors.
- Any proceeds from either claim will be used to reduce the Groups net debt in line with our Fortress Balance Sheet priority.

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, Wax Lyrical and Nambé. The Group serves markets across the world, with global demand driven by diversified international markets including the key geographies of the US, UK and South Korea.

CHAIRMANS STATEMENT

I present my second report as Non-Executive Chairman, with the Group navigating another year of significant external macro-economic shocks, while at the same time making material progress on our transformation programme and developing a refresh strategy - Elevating Portmeirion. 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.

The Group finds itself at an important moment - it benefits from assets (brands, heritage, freehold assets, plant & machinery, and inventory) well in excess of its current market capitalisation, but also not currently delivering a sufficient return on this significant and attractive asset base. The Board and I firmly believe that the transformation work that we began in 2024, combined with the strategy refresh are critical to establishing a sustainably higher profit, higher return, strong free cash flow generating Group. This radical transformation will not happen immediately, and despite significant macro-economic and geo-political headwinds which are out of our control, there were signs of improvement in the second half of 2025 and the Group has taken the positive momentum into 2026. Our transformation will enable us to invest in growth, explore new expansion opportunities, build its fortress balance sheet and reward shareholders.

2025 FINANCIAL PERFORMANCE

Our results in 2025 reflect proactive measures the Group took to commercially reset US product and distribution, alongside well-known cost pressures around energy and wages. That said, the performance remains disappointing. Group sales were in line with last year at £91.1m (2024: £91.2m) and +1% on a constant currency basis. Headline loss before tax of £3.6m (2024: Headline profit before tax of £1.1m) as a result of proactive commercial changes in our US product offer and distribution, the impact of US tariffs, higher energy costs and National Insurance and minimum wage increases. The Group ended the year with net debt up by 44.6% at £17.5m (2024: £12.1m). We monitor our performance against key performance measures, which are set out in the financial overview in the Annual Report.

The strong trading performance in the majority of the business was undermined by one market - the US - our largest and most profitable market. The introduction of tariffs during the first half of the year adversely affected our business. The Group made proactive commercial changes in the US product offer and distribution, adversely affecting sales, but creating a stronger platform to sustainably grow our profits from. Despite this hugely disruptive period, on a like-for-like basis, most of our customers reported strong sell through of our Christmas product in Q4 2025, particularly online; in many cases up on the prior year highlighting that end demand for our well-known brands and products remains strong. Excluding the US market, Group sales grew 8.6% on a constant currency basis.

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 Strategy and Objectives is set out in our Annual Report

MADE IN STOKE-ON-TRENT

We have executed on our strategy to increase production from our Stoke-on-Trent factory during the year, accounting for approximately 33.7% of our branded tableware production during the year, an increase of c7% compared to 2024. While this has had a short-term impact on gross margin due to high energy and labour costs in the United Kingdom, we believe the mid-term benefits (brand equity, responsiveness, customer appeal) far out-weigh this impact. The success of our Christmas ranges was a good example of the benefits of moving production back to the UK.

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

REFRESHING AND STRENGTHENING OUR LEADERSHIP TEAM

We made several important appointments to our Global Leadership Team in Q4. Michael Scheepers joined as Group Brand and Commercial Director, Victoria Brabender as our first ever Product Strategy Director, and Sam Pearce was promoted to Chief Operating Officer. They bring a strong mix of commercial expertise and outstanding calibre of homewares experience, with both external hires joining from senior roles within internationally renowned cookware and consumer brands. In the US, Michael Close was appointed President of Sales, North America. The Group also made two further senior US sales hires in January 2026 and appointed experienced industry executive leader Shaun Dubberley to the new role of Wax Lyrical MD to drive improved results and lead the business.

Mike Raybould has decided to step down as Chief Executive Officer, having launched the Group's transformation plan, strengthened the senior leadership team, navigated Covid, energy shocks, cost inflation, and being with the Group for 9 years. Michael Scheepers has been promoted to Chief Executive Officer and will take up the appointment week commencing 11th May 2026 (subject to regulatory checks).

The Board has confidence that this refreshed senior leadership team has the energy, passion and experience to deliver our new strategy and take Portmeirion into the next phase of its growth.

TRANSFORMING OUR BUSINESS: OUR 2025-2026 PRIORITIES

During the second half of 2025, the strengthened senior leadership team has created a refreshed strategy for the Group - Elevating Portmeirion - which leverages the collective strengths of the Group, setting a series of strategic priorities that simplify the group's operating model, will deliver more attractive financial performance and return the Group to growth.

1. DRIVE HIGHER RETURNS

Our balance sheet is too capital intensive, and we are not achieving an acceptable level of profitability. To address both sides of this challenge, we have a number of workstreams that will strengthen our balance sheet and reduce inventory. At the same time, improved factory economics, a focus on procurement, a move away from excessive discounting and disposing of non-core assets will improve our profitability.

2. FORTRESS BALANCE SHEET

One of the key strategic priorities outlined in March 2025 was the creation of a Fortress Balance sheet at Portmeirion. During the course of the year, we have maintained a close relationship with Barclays, the provider of our RCF. During the year our net debt has increased by £5.4m and the Group has agreed covenant waivers with Barclays, recognising the transformation underway at Portmeirion. We are in the final stages of completing a new £36m 5-year ABL (Asset Backed Lending) facility secured against inventory, receivables and our property assets. This facility is with a major international bank and has been fully credit approved by the bank and is a more appropriate debt facility for our Group. In addition, there are further steps available to us, to include but not limited to, a future sale of our Wax Lyrical Business and a possible sale & leaseback of our Trentham Lakes Distribution Centre.

3. FOCUSED EXPANSION

The Group is far from its sales potential in any of the markets in which operates, and in most markets we have barely begun. To maximise our sales potential, everything starts with our brand refresh and renewal of our product portfolio, while taking full advantage of our perennial bestsellers. We are embedding our brand mindset into everything we do.

Through refining our pricing architecture, introducing new premium products and refocusing our distribution towards premium, full price channels, we have multiple growth and profit levers to pull.

Expansion will come through a laser focused international expansion in five priority markets, alongside our established UK, US and South Korean markets. Our Direct to Consumer (DTC) strategy is primarily focused on our eCommerce platform, capturing all the benefits that a move to one platform will open up. Finally, product licensing is a significant, untapped opportunity for the Group. Product licensing is now an integral part of all the product roadmaps for each of our brands. This high margin, capital light growth opportunity can quickly transform our P&L and ROCE.

4. EXCELLENCE EVERYWHERE

Our new and refreshed senior leadership team brings a new energy and wealth of experience gained across the consumer branded sector. We are implementing best practices from internationally recognised brands across our operational processes, building on our craftsmanship and product expertise. Made in Stoke-on-Trent has real resonance and relevance to our customers. By driving operational and financial improvements from the factory, the factory will become an ever more important differentiator for the Group.

Today, data is an area of relative weakness for the Group, leading to inefficiencies, constraining consistency and constraining decision making. We are embarking on a three-year data roadmap to build much more robust data, align master data across the Group and radically improve our reporting and forecasting capabilities.

BOARD

Our Group Board is contributing well towards the transformation now underway. I am pleased with how the Board is operating, with good collaboration and support to the Executive and Senior Leadership Team as they work towards delivering our transformation plan and refreshed strategy. The Board welcomes Michael Scheepers to his new role as Chief Executive Officer and will provide support and guidance to Michael. The Board would like to thank Mike Raybould for his significant contributions over the last 9 years and wish him well in his future endeavours.

OUTLOOK

2025 has been a transitional year, with lots of areas of progress, albeit our financial performance was disappointing and a long way from reflecting the potential of the Group. We delivered an improved performance in the second half of 2025, saw strong seasonal sell-through of our re-designed Christmas ranges and our two most important trade shows in January 2026 - Atlanta and Frankfurt - were encouraging.

The macro-economic backdrop remains uncertain, consumer confidence remains low and there remains ongoing risk of global trade shocks, as has been witnessed in the recent past. The UK continues to have energy costs significantly higher than large parts of the developed economy and UK Government policies have put significant pressure on wages.

Despite this, we are seeing positive signs in some key areas of our transformation plan with overall revenue at the end of March 2026 ahead of last year and the US and International markets showing growth. We have experienced timing differences in Korea and our Wax Lyrical business is short of budget projections but we believe the appointment of the first ever MD in Wax Lyrical will drive improved results.

In addition, we are in the process of agreeing deals to clear old inventory and continue to invest in the business to support the platform for growth, which includes the development of our own inhouse Amazon capability in the US to allow further control of brand pricing and a reduction in concentration risk for sales and receivables. There will be some modest, but worthwhile, upfront investments to deliver this improvement.

Following the US Supreme Court ruling on 20th February 2026 that the use of tariffs under IEEPA was unlawful, and having taken appropriate professional advice, the Group has submitted a refund claim for $3m into the US Customs and Border Protection (USCBP) Consolidated Administration and Processing of Entries (CAPE) system. We continue to pursue our September 2023 claim of $0.8m with the Internal Revenue Service (IRS) in the US for support under the COVID Employee Retention Credits (ERC) Scheme. This programme has been terribly slow in settling claims but we continue to pursue through our advisors. Any proceeds will be used to reduce the Groups net debt in line with our Fortress Balance Sheet priority.

In March 2026, the business had 3 properties valued by Avison Young, a globally recognised real estate advisory company. The 3 properties included the Stoke HQ factory, offices and associated land and the Trentham Lakes Distribution Centre and were valued at £11.7m (net book value: £5.2m).

Despite these uncertain times 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 AND 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.

Our key performance indicators are set out in the Financial Overview on page 1.

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. Nambé, our premium design US homewares business was founded in Sante Fe, New Mexico, US 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, which will increase the proportion of products we manufacture in the city. This had an impact on our gross margins in 2025, 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 benefits including increased responsiveness and enhanced brand equity.

STRATEGY

Over the last year, our Senior Leadership Team has worked on a revised strategy for the Group, with three inter-connected strategic priorities - to simplify the Group; deliver attractive financial returns and unlock growth opportunities. Collectively, these priorities will reduce debt and inventory, improve gross margin and drive sales growth. This revised strategy is called Elevating Portmeirion and built on three work streams.

DRIVE HIGHER RETURNS

(1) Inventory reset

The Group has built up an excess inventory position over the last few years, reflecting a combination of factors including weaker than expected end markets, a desire to maintain factory volumes for unit cost efficiency and the need to do responsible end-of-line clearance to protect brand and pricing, particularly in the Korean market. These are all being addressed with the intention of operating with a structurally lower value of inventory. This will free cash tied up in inventory, improve operational processes and reduce excessive discounting, hence enhancing brand equity.

(2) Fix factory economics

Our Stoke-on-Trent factory is a core asset of the Group and a key part of the value of our brands, but its performance in recent years has been challenging both in terms of production efficiency and cost per piece. There has been a significant impact from cost inflation including minimum wage inflation, government National Insurance increases and the high energy costs in the UK. In addition, in 2025 factory efficiency saw one off impacts from both the acceleration of onshoring our Spode Christmas Tree range and planned trials to switch to a new glaze, which were subsequently reversed. The result has been gross margin erosion. During the second half of 2025, Sam Pearce (Group COO) took charge of the factory, to ensure coordination with the rest of the Group and to improve the factory economics. The early signs are encouraging and we will focus on driving further improvement in 2026, delivering improved gross margin for the Group, strategic alignment with our customers and improved inventory management.

(3) Commercial model refresh

Over a number of years, the Group has experienced gross margin erosion, due to deteriorating factory economics - both lower production volumes reflecting weaker consumer markets and significant inflationary pressure, particularly on energy costs. The combination of improved factory economics, including the benefit of onshoring production and reduced inventory balances together with refreshed brand and products, and a focus on full price sales channels (see point 1 below) will combine to support gross margin rebuild.

(4) Non-core disposals

The Group has a rich heritage in ceramics and homewares and these categories will be the primary focus for the Group. The Group now considers Wax Lyrical as non-core, and, in February 2026, has put in place a new MD for the business to deliver an improved performance ahead of looking to dispose of the business. This will free up capital tied up in Wax Lyrical and allow the Group to concentrate on its core product categories where it has leading brands.

FOCUSED EXPANSION

(1) Fresh brand and product

As we embed our brand mindset, we will prioritise and focus on our core Spode and Portmeirion brands, striving to excite and delight our customers. Under Victoria Brabender, our new Product Strategy Director, we are refining our brand positioning, tone of voice and how we communicate our brands. Alongside this, we are refining our product ranges, implementing more structured pricing hierarchy and making commercial policy changes around off-price distribution channels. Our priority is on maximising full price sales and improving our mix through elevating our craftsmanship and product quality.

(2) D2C expansion

Our direct-to-consumer distribution is built on our own stores and our own eCommerce platforms. Expansion of our own store network is not a short-term priority for the Group. Our investments will focus on significantly increasing our eCommerce business. During 2026 we will move to a single platform for our UK and US eCommerce activities, saving costs and improving efficiency. Our customer acquisition and retention strategies for the year ahead include loyalty, more exclusive products and renewed brand communications alongside our updated product offer.

(3) International expansion

Today the Group has scale in three markets - UK, US and South Korea. We have a huge opportunity in many other markets that the Group operates in today. To maximise our potential success, we will prioiritise five markets, including Malaysia, Germany and Australia, for growth in 2026 and beyond. Our marketing and sales resources will be focused on these markets, ensuring we partner with the best distribution and build brand awareness and a loyal customer base.

(4) Capital light licence expansion

The Group has a brand portfolio that is storied and has deep heritage. Many other brands want to commercialise the potential of our brands and we have a nascent product licensing business, which accounted for £0.2m revenue in 2025. This high margin, low capital employed business provides a great opportunity for the Group and is now an integral part of our product strategy and roadmap. We are in active discussions with a number of high quality licence partners and expect to deliver several new commercial agreements in the year ahead, the first of which is a global bedding and towels licence with Ashley Wilde.

EXCELLENCE EVERYWHERE

(1) Enhanced data

The Group is undertaking a detailed 3-year data roadmap to improve data quality, create Group-wide aligned master data and improve a broad range of forecasting and planning tools. Collectively, these actions will improve decision making and operational efficiency.

(2) Made in Stoke-on-Trent

Our customers value Made in Stoke-on-Trent given our brand heritage and DNA. As many of our peers have closed production in the UK and moved offshore, we believe the Group can take advantage of our commitment to production in the UK. During 2025, we strategically re-shored production of numerous tableware product lines to Stoke-on-Trent, including one of our most successful ranges, Spode Christmas Tree range. We are actively working on additional product lines that will be reintroduced to our Stoke-on-Trent factory and we will further build specialism and craftmanship in the UK. As we turnaround our factory economics and more closely align our brand messages around Made in Stoke-on-Trent, our competitive advantage will be strengthened.

(3) Refreshed leadership team

Over the last 12 months, a series of leadership changes have been made, bringing deep industry knowledge and expertise into the Group and ensuring full alignment on our refreshed strategy - Elevating Portmeirion. Collectively, our refreshed leadership team are bringing a new energy and intensity to delivering our transformation.

Following nine years on the Board of Portmeirion, including the last seven as Chief Executive Officer, Mike Raybould has decided to step down as CEO. Mike has led the Group during a period of significant macro disruption, including Covid, energy price spikes, high inflation, and US tariffs. Mike has worked closely with the Board to create and launch the Elevating Portmeirion strategy and the strengthening of the senior leadership team. Mike hands over the baton of leading Portmeirion as the Group enters its' next stage of development.

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 outsourced 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 Q2 2026, 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 2025 include extensions to our key Spode Christmas range, new variations on our Portmeirion Botanic Garden range and new Spode Heritage Green Italian range, a new twist on our classic Blue Italian collection which was first introduced over 200 years ago.

New products are designed and introduced every year, often targeting new and different demographics in the market. In 2025, we extended our 2024 Portmeirion Minerals tableware collection with new colourways. We launched several new Nambé collections including a bread making range in collaboration with Tom Papa. Finally, at the end of 2025, we also launched new cookware products under our Portmeirion Botanic Garden range, initially for our important Asian markets. Similarly, our Wax Lyrical England home fragrance collection, which launched in 2023, continued to gain wider distribution during the period and will be extended further, with a more premium focus in 2026.

OPERATIONS: ADMINISTRATION, MANUFACTURE, SUPPLY AND LOGISITCS

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 birthplace 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 c.39% 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 five factory outlet stores which trade as Portmeirion Home in the UK and 7 Nambé stores in New Mexico, US which accounts for 8% 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 inventory holding locations around the world.

MARKETING

Over the next 3 years we plan to increase capital allocated to brand marketing, so that we can get behind our premium brands and support their growth in our three 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 2025, we increased spend with social media influencers in both the UK and for the first time in Asia, helping to drive greater brand awareness and supporting new product launches. We increased online customer acquisition spend in our key seasonal Q4 trading period - and together these actions drove a significant increase in online Christmas orders.

We developed a huge number of new digital assets for key Spode and Portmeirion ranges to support and increase conversion levels across all global online platforms.

We continue to improve and develop our product showroom spaces around the world. Our Atlanta showroom is becoming an increasingly important asset to support our strategy of growing the US independents sales channel. New York remains a key showroom location for us, and we are moving to a more cost effective showroom during 2026.

Finally, we developed a new brand led stand and returned to the global Frankfurt Ambiente show in February 2026, after a number years of absence - successfully engaging with new and existing customers from around the world. Our brands received a great response at Ambiente, as was the case at the Atlanta show in January 2026.

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 and responsiveness to our customer needs, allowing 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 20 to 30 of the Annual Report.

OUR PEOPLE

The beating heart of our Company is our talented people, and our 664 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 664. 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" as part of the Annual Report.

Mike Raybould

Chief Executive

FINANCIAL AND OPERATIONS VIEW OF THE PERIOD

SUMMARY

- Revenue was in line with last year at £91.1m (2024 £91.2m) and +1% at constant currency. Excluding the US market, impacted by tariffs, sales +8.6% at constant currency.
- Headline loss before tax £3.6m (2024: headline profit before tax £1.1m) chiefly due to the impact from the disruption caused by the US tariffs, initial margin investment in accelerating our Made in Stoke-on-Trent onshoring initiative and higher costs, including energy, National Insurance and minimum wage increases.
- Strong sell through growth on our UK-made Spode 'Christmas Tree' tableware and on key like-for-like Christmas lines reflects early success of our onshoring and refreshed product strategy.
- Wax Lyrical our home fragrance business held revenue in line with last year, a disappointing outcome after a strong first half but remains focused on sales and profit growth in 2026. However, PBIT increased due to gross margin improvement.
- We continue to retain close management of costs. Overhead costs increased by 7.9% (£2.8m), reflecting higher costs such as energy and National Insurance together with accelerated investment as part of our transformation plan.
- Cash flow generated from operations +£0.5m (2024: +£2.1m).
- Net debt £17.5m (2024: £12.1m) +£5.4m, due to the operating loss and higher tariffs in closing US inventory, partially offset by improved working capital management.
- £2.9m additional write down of inventory, allowing the business to convert aged and seconds quality inventory to cash in a responsible manner, protecting price points and volumes.
- As part of our long term energy hedging process, in October 2025 we placed significant hedges for electricity at 100% of our requirements and gas at 80% at favourable rates through to 31 March 2027.
- Energy usage down 1.3% on 2024 and 6.4% lower than 2023.

REVENUE

Sales remained constant at £91.1m and +1% at constant currency with our US market heavily impacted by the tariff disruption. Group sales excluding the US market +8% including a strong sales rebound in our Korean market from its 2024 low and pleasing growth of 14% in international markets.

NORTH AMERICA (US and Canada) (39% of sales)

North American sales were -7% year-on-year to £36.6m in constant currency (2024: £39.7m), with the market impacted by the US tariff disruption. In response, we accelerated the onshoring of manufacture of key Christmas products and were successful in getting our customers into stock earlier than last year. We proactively withdrew our Spode brand from key off-price channels to support the higher price points on UK made ranges and we cancelled production of some China made seasonal lines due to uncertainty around tariffs. These actions are long-term positive for our brands in the US market but reduced sales by 10% in the short term. The majority of our remaining US customer base grew sales year on year including our independents channel which was up double digit and remains a key focus for growth in the future.

On a like-for-like basis, most of our customers reported strong sell through of our Christmas product in Q4 2025, particularly online; in many cases up on the prior year highlighting that end demand for our well-known brands and products remains strong.

On a reported basis, PBIT in the US market was 52% lower, nearly all of which was due to tariff impacted sales however gross margins were largely protected on a % basis, reducing by 0.7ppts, as we were successful in passing on higher tariffs through price rises. We took actions in Q4 to reset our cost base and expect profitability to recover in 2026.

Following the successful sell through of our on-shored production of our Spode Christmas Tree line, we will continue to focus, where possible, on UK-made production for the US market working over time, to elevate price and brand position.

SOUTH KOREA (16% of sales)

South Korea sales grew 26% on a constant currency basis, a strong rebound from its 2024 low. We continued to support customers with new product ranges and are on track to clear customer excess inventory (driven by post Covid customer restocking) in 2027.

Sales continued to grow with our online partner and our Portmeirion brand remains one of most well-known, respected and searched for brands in the category.

Late in Q4, we were excited to ship first production runs of our new Botanic Garden cookware range, a new introduction and this will be on sale in the market from February 2026.

We will continue to innovate on pattern and shape for this key market and have a strong roadmap of new product for the next 18 months.

UK (36% of sales)

UK sales were +1% to £32.6m (2024: £32.4m). We saw an improved performance in the second half of the year in our UK tableware business with growth of 6%, with strong double-digit growth in our own ecommerce channel.

Wax Lyrical, our home fragrance brand, grew by 2%, a disappointing outcome after a strong first half performance. We were given less promotional space in the grocery channel in Q4, which impacted sales in the second half. However, we retained key national account listings and expect growth to resume in this division in 2026. We are in advanced stages of development for expansion of our successful 'Wax Lyrical England' range of candles and diffusers, for new category launches and are looking to leverage recent successful UK product launches with new international distributors.

INTERNATIONAL (9% of sales)

Ceramic sales in our international markets grew by 14% to £8.5m on a constant currency basis, aided by new product innovation including the Q4 launch of a new Botanic Garden cookware range. We were pleased to see growth across markets including Malaysia, Australia and Europe. In Malaysia, our Portmeirion Botanic Garden range continues to gain online and physical retail distribution and our UK-made heritage ranges and several of our brand license collaborations continue to resonate strongly across Asian and European markets. We see a significant opportunity to grow these markets across the next 3-5 years lead by our Portmeirion and Spode brands.

PROFIT

Headline loss before tax was £3.6m (2024: £1.1m profit). Profit in the year was impacted by a number of factors including the 8% reduction in sales from our largest market, the US, short term margin investment in onshoring production to the UK and cost inflation - including National Insurance, minimum wage and high energy costs.

We have taken proactive measures in Q4 2025 to reset our US cost base for 2026 and remain focused on cost control across our whole business going forward.

Headline EBITDA of £2.6m (2024: £7.3m). Note 1, Page 1

INTEREST AND FINANCING COSTS

Finance costs for the Group were flat at £2.0m (2024: £2.0m). This included interest costs of £1.7m (2024 £1.6m).

TAXATION

There was a tax credit for the year of £1.0m (2024: £0.3m). This was mainly due to a deferred taxation credit of £1.4m (2024: £0.6m) and the current corporation taxation charge was £0.4m (2024: £0.3m).

DIVIDENDS

No interim dividend was paid in 2025 (2024: £1.50p).

The Board does not recommend payment of a final dividend (2024: £Nil).

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 2025 was £1.7m. 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 GENERATED AND NET DEBT

At 31 December 2025, the Group had net debt of £17.5m (comprising cash and cash equivalents of £6.5m less borrowings of £24.0m). This compares to net debt of £12.1m at the prior year end. This increase is due to the loss for the year and the payment of higher tariff costs in the US.

Cash generated from Operations reduced to £0.5m (2023: £2.1m), due to the full year operating loss. Operating cash flows before movements in working capital were an inflow of £1.6m (2024: £6.3m inflow).

BANK FACILITIES

During the year, the Group signed a bank facility amendment agreement with our lending bank, Barclays, replacing the previous EBITDA leverage and interest cover covenants with Asset Cover and Adjusted EBITDA for the period up to and including April 2027. This recognised the volatility in trading caused by US tariffs, which were announced on 2 April 2025, just days after we launched our two-year Transformation Plan on 31 March 2025. The modified facility carried an interest margin of 3.0% until September 2026 thereafter dropping back to the original 1.8% interest margin until the maturity date on 30 April 2027.

Post year-end in April 2026, a further amendment to the facility was agreed with Barclays to extend the terms of the facility to October 2027, waiving covenants requirements for March '26 and April '26 together with revised covenants being in place for the period May '26 to October '27 which align to the Group forecasts. The revised covenants require monthly compliance evaluations in respect of 'EBITDA over the last twelve months' ("EBTIDA LTM") and Asset Cover. There is no change in the interest rates charged over the extended period.

These facilities are secured by an unlimited debenture from the Group and the Company and a first charge over the Group's property.

The Group and Company have given a guarantee of up to $900,000 to the landlord of the premises of Portmeirion Group USA, Inc. located in Connecticut, US. The fair value of the guarantee and any expected credit loss are considered immaterial.

At the year end, we worked with Barclays to agree special treatment of the additional inventory write down to exclude it from EBITDA covenant calculations, allowing us to focus on the responsibly managed clearance of old inventory and its conversion to cash. As mentioned earlier, this is a key focus and we are actively working on and agreeing clearance deals of old, discontinued and 'seconds quality inventory' in early 2026.

We have appreciated the constructive support of our lenders Barclays in working with us to provide a revised RCF that is appropriate for our business in the current macro environment and underpins the continued delivery of our Transformation Plan.

Our business remains seasonal with a second half weighting of our sales. Consistent with previous years, we experienced a working capital swing of £10.5m during the year as we built inventory to match our sales demand. At the year-end we had available cash of £6.5m and borrowing headroom of £6.0m.

The Group recognises the need to reduce net debt as part of its transformation plan and we continue to take the appropriate steps to strengthen our Balance Sheet under our Fortress Balance Sheet priority. The Board is looking at all options to build Balance Sheet strength.

Recognising the recent trading challenges and associated covenants we are in the final stages of agreeing a move from our RCF facility to a 5-year ABL (Asset Backed Lending) facility, a more appropriate debt facility for the nature of our Group, with a major international bank that allows us to leverage the working capital within our balance sheet. This facility provides a headline £36m borrowing capacity (subject to inventory and receivables levels) and a term loan against property. This has been credit approved by the bank, and we have now moved into legal documentation.

In addition, there are further steps available to us, to include but not limited to, a potential sale of our Wax Lyrical Business and possible sale & leaseback of our Distribution Centre.

ASSETS AND LIABILITES

Excluding the additional inventory write down, we had a net working capital outflow of £1.1m driven by tight management of all areas (2024: £4.2m outflow).

In 2025, we made progress in reducing excess and discontinued inventory lines in both our ceramic and Home Fragrance divisions. In total, volume reductions were c.£2.5m. These reductions were however offset by the impact of higher tariffs for importing inventory into the US market, manufacturing inflation and foreign exchange rates used to translate US inventory values into £ sterling. The US tariff impact on inventory was driven by a number of factors including the higher tariffs in inventory in the US at 31st December and the higher manufactured cost of UK made Spode product that was on shored from Asia during the year.

Recognising the significant level of inventory held in the business including aged inventory and seconds quality at the end of the year, and following a detailed review, a £2.9m additional write down of inventory was charged to the P&L. This allows the business to convert this inventory into cash as we continue to focus on Fortress Balance Sheet. We will continue to sell this inventory in a responsible manner that protects our and our customers' price position and core sales volumes. Early indications from clearance deals closed with partners in Q1 2026 are positive and we remain focused on bringing the inventory levels back in line with more suitable levels.

At 31 December 2025, we held 182,633 treasury shares (2024: 210,282) with a book value of £0.34m (2024: £0.39m) (average price 187 pence) in order to satisfy employee share option schemes and 234,523 shares (2024: 234,523) with a book value of £2.72m (average price 1158 pence) are held in The Portmeirion Employees' Share Trust.

The balance of other intangible assets increased during the year as we continue to develop our global systems and software including our global website.

PENSION SCHEME

We made no further contributions to our closed defined benefit pension scheme in the year due to the accounting surplus which was £3.0m at year-end (2024: £1.9m). The improved position is a result of better returns on assets than previously expected and a decrease in the liability value due to a slight decrease in the discount rate assumption, a decrease in long term inflation assumptions and new commutation factors partially offset by a change in mortality assumptions.

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.

PRINCIPAL RISKS AND UNCERTAINTY

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 principal risks to the business at least annually.

Risk	Mitigation	Outlook
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. This has created a difficult trading environment in our major sales markets.	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 'Focused Expansion' in the Annual Report. 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 enable early action to be taken in the event of declining sales. 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.	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.
Competitors 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.	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. 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.	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.

People 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.	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. The Group has a clearly defined recruitment policy which ensures that new colleagues meet the required standard and experience for each position.	The Group remains committed to hiring and retaining key personnel in order for the business to achieve our strategic objectives.
Suppliers The Group's purchasing activities could expose it to over-reliance in certain key suppliers or markets. 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 high ethical standards.	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. 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. For the sourcing process, suppliers are carefully selected to ensure a sufficient breadth in supply base. The Group also ensures that all intellectual property rights are retained and easily transferable should an alternative supplier be required. All major suppliers are subject to ethics due diligence.	The Group continues to closely monitor global supply chains to ensure our flow of products around the world is not disrupted.
Financial risk Financial risk is wide-ranging and covers capital management, credit risk, currency risk and liquidity risk. 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. Cyber threats are a key financial risk the Group faces across our global business.	The Groups approach to risk management and mitigating systems are covered in the Financial Risk Management Objectives in the Annual Report. The Group has headroom within current borrowing facilities. 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. Regular currency forecasts are reviewed in order to ensure the Group is not detrimentally impacted by any major exchange rate fluctuations. We remain vigilant to cyber risks and have a robust framework in place, including external audit, to ensure our systems are well protected.	The Group has sufficient headroom within ongoing borrowing facilities. The Group also has a strong natural currency hedge and continues to monitor currency fluctuations.

Jonathan Hill
Group Finance Director

GOING CONCERN

At 31st December 2025 the Group has a Revolving Credit Facility (RCF) totaling £30 million with Barclays. Originally agreed on the 30th August 2024, the RCF agreement was amended on the 24th September 2025 to adjust the covenant requirements to better reflect the operational cashflows and seasonality of the business. Post year end, on 28th April 2026, the lender (Barclays) agreed a waiver of these revised covenant reporting requirements for March 2026 and April 2026 together with a further revision to the ongoing covenants compliance requirements from May 2026 onwards.
The amendments in place from May 2026 reflect updated covenant requirements in respect to EBITDA and Asset Cover. The revised covenants are defined as: The EBITDA covenant is based on the Group's rolling 12-Month statutory EBITDA, as disclosed in the Segmental Analysis, and is further adjusted for allowable costs as defined in the facility agreement. The covenant is assessed against a threshold amount set out on a monthly basis, in accordance with the terms of the facility. The Asset Cover Ratio, tested monthly, is defined as the ratio of specified gross assets, being Inventory, Property, Plant and Equipment, and Trade Receivables, to net debt at the relevant test date. Net debt is consistent with the Group's net debt definition disclosed within the Key Performance Indicators. The available facility remains at £30 million.

The facility term was also extended post year end from April 2027 and now runs until October 2027. The business activities of the Group, its current operations and factors likely to affect its future development, performance and position are set out in the Chairman's Statement and Strategic Report in the Annual Report. In addition, the annual report includes an analysis of the Group's financial risk management objectives, details of its financial instruments and hedging activities and its exposures to credit and liquidity risk. The Group has a formalised process of monthly budgeting, reporting and review, and information is provided to the Board of Directors to allow sufficient review to be performed to enable the Board to ensure the adequacy of resources available for the Group to achieve its business objectives. The Group sells into over 60 countries worldwide and has a spread of customers and sales channels within its major UK and US markets. The Group manufactures approximately c40% of its products and sources the remainder from a range of third-party suppliers.
At the year end the Group had net debt of £17.5 million (comprising cash and cash equivalents of £6.5 million less borrowings of £24.0 million) with undrawn bank facilities available of £6.0 million. This was an increase in net debt of £5.4 million since the prior year end.

The Group has prepared cash flow forecasts covering a period of up to 18 months from the date of approval of the financial statements. The base case reflects the Board-approved 2026 budget, updated for actual trading in January and February 2026. Trading performance post year end, as set out in the annual report outlook analysis, has been in line with budget as a result of trading being in line with expectations. Under the base case scenario, the Group is forecast to remain compliant with its revised EBITDA and Asset Cover covenants in place from May 2026 throughout the forecast period with no mitigating actions required.

A plausible downside scenario has been prepared which incorporates a 7.5% reduction in revenue versus budget from April 2026 over going concern period. The plausible downside reflects a more subdued trading environment during the remainder of 2026 and FY2027 resulting from continued geopolitical and macro-economic factors that could feasibly impact the Group's core trading countries. This scenario still reflects an increase in revenue and margin performance from the 2025 financial year.

Should the Group face the plausible downside scenario as a reality, to avoid covenant breaches from June 2026 onwards, a number of mitigating measures would need to be adopted over the coming months to ensure continued compliance with the EBITDA and Asset Cover covenants. These are measures which in the Directors view could be adopted at pace and include items such as non-essential capital expenditure, marketing and warehousing, e-commerce cost reduction, and international travel. Assuming successful adoption of such measures the Group would remain within the facility and comply with all covenant restrictions with the lowest facility headroom being £1.0 million in September 2026.

A reverse stress test has also been prepared which assumes successful implementation of cost mitigation outlined above, together with further restructuring and cost cutting exercises which again, in the Directors view, could reasonably be brought into action. The reverse stress test indicates that revenue could decline by approximately 9.5% against the forecast when applied from April 2026 before facing a breach in the EBITDA and Asset Cover covenant.

CONCLUSION - GOING CONCERN ASSUMPTION APPROPRIATE

After undertaking a detailed review of the Group's budgets, forecasts and underlying assumptions, the Directors have concluded that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. This assessment reflects the Directors' evaluation of forecast cash flows, expected trading performance, and the availability of the Group's existing banking facilities, which are required under both the base case and downside scenarios to ensure sufficient liquidity is maintained.

Based on the current forecasts, the Directors have a reasonable expectation that the Group will be able to meet its obligations as they fall due for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the Directors continue to adopt the going concern basis in preparing the annual report and accounts.

In forming this view, the Directors note that the Group is subject to wider geopolitical and macro-economic factors as set out in the plausible downside scenario. In this situation mitigating actions are required to be successfully implemented to ensure compliance with covenants and to remain within facility limits. The reverse stress test only allows for 9.5% decline on revenue and requires further cost saving actions to be undertaken to avoid a covenant breach. Given these factors the Directors also acknowledge that conditions outlined in the going concern scenarios represent a material uncertainty which may cast doubt over the Group's and the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the carrying amounts or classification of assets and liabilities that may arise should the Group or Company be unable to continue in operational existence.

Peter Tracey
Mike Raybould
Non-Executive Chairman
Chief Executive

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2025

	Year to 31 December 2025 £'000	Year to 31 December 2024 (1) £'000
Revenue	**91,063**	91,212
Operating costs	**(95,656)**	(88,167)
Operating Profit/(Loss) before exceptionals	**(4,593)**	3,045
Exceptional items	**(730)**	(1,021)
Operating Profit/(Loss)[1]	**(5,323)**	2,024
Interest income	**102**	51
Finance costs	**(2,022)**	(2,030)
Profit/(Loss) before tax	**(7,243)**	45
Tax	**999**	299
Profit/(Loss) for the period attributable to equity holders	**(6,244)**	344
Earnings per share		
Basic	**(45.3p)**	2.50p
Diluted	**(45.3p)**	2.49p
Dividends proposed and paid per share	**-**	1.50p

(1) The financial results for the period ended 31 December 2024 have been re-presented to include exceptional items within Operating loss/(profit). This is a reclassification in nature only to present exceptional costs within operating profit bringing the presentation more in line with statutory format and representing a direct reconciliation to the operating result presented in the cashflow. The net results of the Group have not changed from that previously presented.

The results relate to continuing operations (2024: continued operations).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2025

	2025 £'000	2024 £'000
Profit/(Loss) for the period attributable to equity holders	**(6,244)**	344
Items that will not be reclassified subsequently to profit or loss:		
Deferred tax relating to items that will not be reclassified subsequently to profit or loss	**(242)**	(175)
Remeasurement of net defined benefit pension scheme asset	**967**	701
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**(1,691)**	136
Other comprehensive Income/(Loss) for the year	**(966)**	662
Total Comprehensive Income/(Loss) for the year attributable to equity holders	**(7,210)**	1,006

CONSOLIDATED BALANCE SHEET

31 December 2025

	2025 £'000	2024 £'000
Non-current assets		
Goodwill	**1,749**	1,749
Intangible assets	**7,598**	7,916
Property, plant and equipment	**13,579**	14,311
Right-of-use assets	**4,472**	6,336

Pension scheme surplus	**2,965**	1,896
Total non-current assets	**30,363**	32,208
Current assets		
Inventories	**39,024**	38,234
Trade and other receivables	**19,092**	21,048
Cash and cash equivalents	**6,495**	10,897
Total current assets	**64,611**	70,179
Total assets	**94,974**	102,387
Current liabilities		
Trade and other payables	**(16,091)**	(13,909)
Current income tax liability	**(76)**	(402)
Lease liabilities	**(1,719)**	(2,085)
Borrowings	**(24,000)**	(23,000)
Total current liabilities	**(41,886)**	(39,396)
Non-current liabilities		
Deferred tax liability	**(1,403)**	(2,591)
Lease liabilities	**(3,305)**	(4,838)
Total non-current liabilities	**(4,708)**	(7,429)
Total liabilities	**(46,594)**	(46,825)
Net assets	**48,380**	55,562
Equity		
Called up share capital	**710**	710
Share premium account	**18,344**	18,344
Investment in own shares	**(3,056)**	(3,108)
Share-based payment reserve	**28**	114
Translation reserve	**697**	2,388
Retained earnings	**31,657**	37,114
Total equity	**48,380**	55,562

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Share capital £'000	**Share premium account £'000**	**Investment in own shares £'000**	**Share-based payment reserve £'000**	**Translation reserve £'000**	**Retained earnings £'000**	**Total £'000**
At 1 January 2024	**710**	**18,344**	**(3,108)**	**66**	**2,252**	**36,726**	**54,990**
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 1 January 2025	**710**	**18,344**	**(3,108)**	**114**	**2,388**	**37,114**	**55,562**
Loss for the year	-	-	-	-	-	(6,244)	(6,244)
Other comprehensive income for the year	-	-	-	-	(1,691)	725	(966)
Total comprehensive Loss for the year	**-**	**-**	**-**	**-**	**(1,691)**	**(5,519)**	**(7,210)**
Transfer on exercise or lapse of options	-	-	52	(114)	-	(62)	-

Increase in share-based payment reserve	-	-	-	28	-	-	28
At 31 December 2025	**710**	**18,344**	**(3,056)**	**28**	**697**	**31,657**	**48,380**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2025

	2025 £'000	2024 £'000
Operating Profit/(Loss)	**(5,323)**	2,024
Adjustments for:		
Amortisation of intangible assets	**784**	730
Depreciation of property, plant and equipment	**1,241**	1,288
Depreciation of right-of-use assets	**2,175**	2,225
Additional inventories provision (non-cash)	**2,952**	-
(Profit)/loss on disposal of fixed assets	**10**	-
Charge/(credit) for share-based payments	**29**	48
Exchange (gain)/loss	**(246)**	(1)
Operating cash flows before movements in working capital	**1,622**	6,314
(Increase)/decrease in inventories	**(4,596)**	(2,278)
Decrease/(increase) in receivables	**751**	(1,993)
Increase/(decrease) in payables	**2,750**	48
Cash generated from operations	**527**	2,091
Interest paid on borrowings	**(1,678)**	(1,618)
Interest paid on lease liabilities	**(344)**	(412)
Income taxes paid	**(288)**	(55)
Net cash (outflow) / inflow from operating activities	**(1,784)**	6
Investing activities		
Purchase of intangible assets	**(784)**	(1,070)
Purchase of property, plant and equipment	**(574)**	(569)
Net cash outflow from investing activities	**(1,358)**	(1,639)
Financing activities		
Equity dividends paid	**-**	(482)
Capital element of lease payments	**(2,507)**	(2,058)
Drawdown of short term borrowings	**1,000**	17,192
Repayments of borrowings	**-**	(3,000)
Net cash (outflow)/inflow from financing activities	**(1,507)**	11,240
Net decrease in cash and cash equivalents	**(4,648)**	10,019
Cash and cash equivalents at beginning of year	**10,897**	888
Effect of foreign exchange rate changes	**246**	(10)
Cash and cash equivalents at end of year	**6,495**	10,897

NOTES TO THE PRELIMINARY RESULTS

1. This announcement was approved by the Board of Directors on 6th May 2025.

1.1 The financial information set out above does not constitute the Company's statutory accounts for the years ended 31 December 2025 or 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the Registrar of Companies and those for 2025 will be delivered following the Company's Annual General Meeting.

1.2 For the year ended 31 December 2025 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 2025.

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	**2025 Weighted average number of shares**	**Earnings per share (p)**	Earnings £'000	2024 Weighted average number of shares	Earnings per share (p)
Basic Earnings/(Loss) per share	**(6,244)**	**13,775,265**	**(45.3)**	344	13,759,282	2.50
Effect of dilutive securities: employee share options	**-**	**5,342**	**-**	-	28,681	-
Diluted Earnings/(Loss) per share	**(6,244)**	**13,780,607**	**(45.3)**	344	13,787,963	2.49

The calculation of headline basic and diluted earnings per share adjusted for additional inventory provision and exceptional items and associated tax benefits is based on the following data:

	Earnings £'000	**2025 Weighted average number of shares**	**Earnings per share (p)**	Earnings £'000	2024 Weighted average number of shares	Earnings per share (p)
Headline Earnings/(Loss) per share	(3,486)	13,775,265	(25.3)	1,106	13,759,282	8.04
Effect of dilutive securities: employee share options	-	5,342	-	-	28,681	-
Diluted earnings per share	(3,486)	13,780,607	(25.3)	1,106	13,787,963	8.03

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

	2025 £'000	2024 £'000
Profit/(Loss) for the period attributable to equity holders	**(6,244)**	344
Add back/(deduct):		
Additional inventory provision and exceptional items	**3,682**	1,021
Tax effect of inventory provision and exceptional items	**(924)**	(259)
Headline Earnings/(Loss) incl. tax effect of additional provision and exceptional cost	**(3,486)**	1,106

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:

Operating segment	**2025 £'000**	2024 £'000
UK	**55,917**	51,487
North America	**35,146**	39,725
	91,063	91,212

Geographical market	**2025 £'000**	2024 £'000
United Kingdom	**32,600**	32,394
North America	**35,406**	39,532
South Korea	**14,522**	11,817
Rest of the World	**8,535**	7,469
	91,063	91,212

4. Exceptional items

Exceptional items by type are as follows:

	2025 £'000	2024 £'000
Restructuring costs	**730**	1,021
	730	1,021

5. Finance costs

	2025 £'000	2024 £'000
Interest expense	**1,678**	1,618
Interest on lease liabilities	**344**	412
	2,022	2,030

6. Dividends

The Directors recommend that no final dividend per ordinary share be paid for 2025 (2024: £Nil). The total dividend paid and proposed for the year is £Nil per share (2024: 1.50p).

7. Reconciliation of earnings before additional inventory provision, exceptional costs interest, tax, depreciation and amortisation (Headline EBITDA)

	2025 **£'000**	2024 £'000
Headline Profit/(Loss) before tax	**(3,561)**	1,066
Add back:		
Interest Income	**(102)**	(51)
Finance Cost	**2,022**	2,030
Depreciation	**3,416**	3,513
Amortisation	**784**	730
Headline Earnings before interest, tax, depreciation and amortisation	**2,559**	7,228

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

	2025 **£'000**	2024 £'000
Operating Profit/(Loss)	**(5,323)**	2,024
Add back:		
Depreciation	**3,416**	3,513
Amortisation	**784**	730
Earnings before interest, tax, depreciation and amortisation	**(1,123)**	6,267

8. Post balance sheet events

In April 2026, the Group amended the RCF facility with its lending bank, Barclays. This extended maturity to October '27, waived covenants for March '26 and April '26 and revised covenants for June'26 to October '27 in line with the Group's updated forecasts.

9. Availability of annual report and accounts

The accounts for the year ended 31 December 2025 will be posted to shareholders on or before 11th May 2026 and laid before the Company at the Annual General Meeting on 2nd June 2026. 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.

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