

25 March 2020

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

**COVID-19 Update**

IG Design Group plc, one of the world's leading designers, innovators and manufacturers of celebrations, craft, gifting, stationery and creative play products, today issues a trading and financial update noting the impact of COVID-19.

**Trading update**

The Company announced on 4 March 2020 that it was trading in line with market expectations after taking into account the initial impact of the COVID-19 outbreak on the Group's operations in China and the completion of the CSS Industries Inc. ("CSS") acquisition on 3 March 2020. Since then, our China operations have continued to operate at increased production levels and remain operational today.

Across the wider Group, during March, the continued spread of the virus and associated prevention measures has seen reduced demand from customers and disruption to our operations and customer deliveries. As of today, our manufacturing and distribution in the UK and Europe have been suspended temporarily, in line with guidance, with our office based teams now working from home where possible. In the US our business operations are partially suspended in certain states but otherwise operating where possible elsewhere. Our Australian business remains operational. Across the Group, health and safety remains our priority and our businesses are operating within the appropriate guidelines.

Considering these developments, the Company's current financial year performance, to 31 March 2020 will see an impact, although this will be substantially limited to March trading.

**Looking ahead and the Christmas Season**

Looking ahead, as the situation continues to develop, the Board is preparing for an impact on customer order volumes across all parts of the business over the coming months, although the scale of this is not yet known at this stage. This will have an impact on the financial performance of the Group, but because this impact is correlated to how order volumes change it is too early to fully assess. We are in close conversation with our customers and remain focused on the fulfilment of our everyday orders while working with customers on developing their seasonal and event based programmes.

It is important to note that the critical ordering period for customers for the Christmas season is between January to May each year, and the Company has already built a substantial order book for Christmas 2020 with its biggest customers. Alongside this, it is anticipated that the Group's diversity across category, channel and geography will provide resilience in the current environment.

The Company expects to announce a trading update following the end of its March 2020 financial year in April 2020.

**Actions being taken**

Considering the anticipated change in demand across some of the business, the Directors believe that it is important to take prudent steps to mitigate and manage our cost base and cash flow. These include:

- All non-essential expenditure and capital investment has been frozen
- Careful management of cash resources
- Optimisation of overheads

The Company is also assessing its final dividend payment for the financial year ended March 2020 and will provide further clarification in its April 2020 trading update. The Directors are committed to the payment of dividends, however, believe the maintenance of a strong balance sheet during this period of instability is of the utmost importance.

**Financial update**

At the end of the current financial period Design Group is expected to have net cash in the range of £30m-£35m. In addition, the Company has access to bank facilities in excess of £220m and, if drawn, these facilities have covenants which are calculated on a historic twelve-month basis. The Directors are therefore comfortable that the Company has a strong balance sheet from which to manage the current situation.

**CSS**

Notwithstanding the wider challenges, the Company, following the completion of the CSS acquisition on 3 March 2020, has successfully commenced the integration of CSS into the wider Group, and has already started to realise cost synergies.

**Outlook**

The Directors are confident of the Group's ability to weather the current situation and look forward to continuing to drive the business forward over the long term.

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**About IG Design Group plc**

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

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

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

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

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