

25 January 2021

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

Trading 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 update for the nine month period ended 31 December 2020.

Trading update

The Group's trading in the period delivered a 35% year on year increase in reported revenue to approximately \$737 million (including \$242 million from CSS Industries Inc. ('CSS')). These results reflect good growth in the Americas as a result of the CSS acquisition and a better than expected performance in International, particularly in Europe. Group revenues excluding CSS were 9.2% down year on year reflecting the impact of Covid-19 across the Group, with proforma CSS revenues in the period down year on year a similar amount.

The continued focus on cost management across the Group, and the ongoing realisation of synergies from the CSS acquisition, alongside the inclusion of CSS results for the first time in the nine month period to 31 December 2020, have driven an increase in the Group's Adjusted profit before tax compared to the same period in the prior year, with both Americas and International continuing to deliver year on year profit growth.

The Group has continued to deliver a year on year reduction in net debt, which as at 31 December 2020 stood at \$26.3 million, compared to \$69.1 million in the prior year. This strong performance continues to reflect the focus on cash management during the period, particularly in all aspects of working capital. The Group expects to report average leverage for the full year 2021 below 0.5x Adjusted EBITDA.

Across all our regions retail customers have reported very strong sell-through rates over the festive period. Sales of all Christmas product categories have performed well, with particular best sellers including gift wrap, Christmas Décor and creative play. This has ensured minimal inventory overhang going into the start of the ordering process for Christmas 2021. Everyday sales have also continued to remain robust, particularly in the Craft and creative play categories in the US, while we are also seeing stronger performances from our enlarged e-commerce based activities with further developments expected in the new financial year. Product design and innovation continue to focus on developing sustainable product lines following the success of our eco nature range at Christmas.

Despite various restrictions tightening in several locations globally, all our regional businesses and manufacturing operations have remained open, maintaining their focus on working closely with our customers to maximise trading opportunities. Furthermore, following the end of the Brexit transition period we have not experienced any significant disruption to our operations.

The integration of CSS continues to progress well and to deliver synergy savings ahead of schedule. In addition, the fully integrated management team's focus on its programme of priorities is developing further sales opportunities and cost savings ahead of original estimates.

The Group continues to note the effect of Covid-19 and in particular, the impact of the current lockdowns around the world. Whilst demand for the Group's product offering remains robust, the ongoing restrictions, together with associated macro-economic challenges, create ongoing uncertainty. For this reason, whilst the Board notes that performance in the nine months to 31 December 2020 has been stronger than expected, the full year outlook remains in line with current market expectations. A further update will be provided as part of the post-close trading update in April.

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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, Gifting, Craft & creative play, Stationery 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.