



PORTMEIRION GROUP PLC

Interim Statement 2023
for the six months to 30 June 2023
Stock code: PMP

Timeless Design

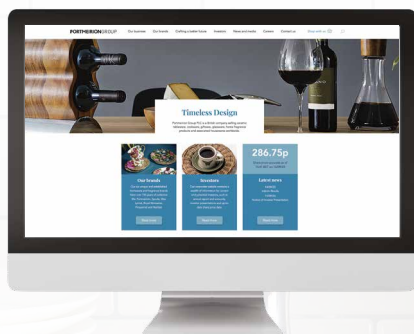
Portmeirion Group PLC, the designer, manufacturer and worldwide distributor of high quality homewares under the Portmeirion, Spode, Royal Worcester, Pimpernel, Wax Lyrical and Nambé brands, is pleased to announce its results for the six months ended 30 June 2023.

Overview

- 1 Headlines
- 2 Interim Review

Financial Statements

- 4 Consolidated Income Statement
 - 5 Consolidated Statement of Comprehensive Income
 - 6 Consolidated Balance Sheet
 - 7 Consolidated Statement of Changes in Equity
 - 8 Consolidated Statement of Cash Flows
 - 9 Notes to the Interim Financial Information
- BC Company Information



Visit our website at

[portmeiriongroup.com](https://www.portmeiriongroup.com)

Pictured on front cover, inside front cover and inside back cover: Sophie Conran for Portmeirion Lavandula, Nambé and Portmeirion Botanic Garden



Headlines

Financial

- H1 Group revenue of £44.1 million, a decrease of 3% compared to the record prior year sales (H1 2022: £45.5 million); as previously stated this is reflective of increased caution on ordering from US customers, in particular the destocking by retailer customers.
- Headline profit before tax¹ was £0.0 million (H1 2022: £2.0 million).
- H1 headline operating profit margin¹ of 1.6% was impacted by the fall in revenue (H1 2022: 4.3%) and gross margin reduction.
- H1 gross margin impacted by peak inflation in stock due to container freight rates which are expected to subside through H2 2023 and 2024.
- Solid growth in the UK, South Korea and rest of world markets.
- Headline basic loss per share¹ of 0.12p (H1 2022: earnings per share of 12.00p).
- Interim dividend declared of 3.50p per share (H1 2022: 3.50p).
- Strong balance sheet maintained with like-for-like inventory reduction of 5% since FY 2022 and further reduction expected in H2 2023.
- Net debt is £15.0 million but we expect this to reduce below FY 2022 levels (FY 2022: £10.1 million) by year end as working capital unwinds and we maintain significant headroom within current borrowing facilities.

Operational

- Improved productivity in Stoke-on-Trent ceramic factory maintained through ongoing automation programme.
- Spode brand continues to grow, with further benefit expected in H2 from new collaboration with Kit Kemp Design Studio and further new product development in Spode Christmas Tree range.
- Rest of world ceramic sales continue to grow, diversification being a key part of our long term growth strategy, with further growth expected in H2.
- Home fragrance division benefits from adding AromaWorks London brand with sales growth and factory now operating at a more efficient level. We expect growth and improved profitability in H2.
- Launch of new sustainability strategy 'Crafting a Better Future' demonstrates the Group's commitment to becoming a more sustainable business. In H1 we were pleased to reduce gas and electricity usage by 6% compared to the prior year.

Current Trading & Outlook

- H2 has started in line with our expectations and we have a strong Christmas order book, which is ahead of the same period last year.
- We expect FY sales and profit to be in line with consensus market expectations which were revised in July as a result of North American retailer destocking.
- We remain committed to our long term ambition of rebuilding operating margins.

¹ Headline profit before tax, headline operating margin and headline basic earnings per share excludes exceptional items – see note 3.

Our Brands



PORTMEIRION®

Beautiful designs built for the real world, taking inspiration from the beauty of nature.

Pictured: Sara Miller London for Portmeirion

portmeirion.co.uk

Spode®

Unmistakable homeware design, standing the test of time for over 250 years.

Pictured: Spode Creatures of Curiosity
spode.co.uk



ROYAL WORCESTER® ESTABLISHED 1751

Bringing refined design and heritage to your table.

Pictured: Royal Worcester Wrendale Designs

royalworcester.co.uk



Consciously created, ethically sourced and sustainably produced home fragrance and body care.

Pictured: Wax Lyrical Home Grown
wax-lyrical.com



nambé®

Iconic mid-century modern lifestyle brand.

Pictured: Nambé

Nambe.com

pimpernel®

The premier brand for placemats and coasters.

Pictured: Pimpernel Mono Stripe

pimpernelinternational.co.uk





Interim Review

H1 results impacted by US retailer destocking with growth across other markets

Financial highlights

Revenue was £44.1 million for the first six months of the year, a decrease of 3% over the record prior year sales (H1 2022: £45.5 million).

Our operating performance was negatively impacted by the sales reduction; headline operating profit¹ was £0.7 million (H1 2022: £2.0 million). This left the Group's operating margin at 1.6% for the first half of the year (H1 2022: 4.3%).

Due to the reduced operating margin performance and increased interest costs, headline profit before tax¹ was £nil (H1 2022: £2.0 million).

Headline basic loss per share¹ was 0.12p (H1 2022: earnings per share of 12.00p).

Operational overview

The Group's largest sales market, North America (the US and Canada), accounted for 33% of total Group revenue. Sales were 13% behind the first half of 2022 at £14.4 million (H1 2022: £16.7 million) as major retailers undertook aggressive destocking ahead of anticipated fears of a slowdown in consumer spending. Where we have retailer sales out data to the end consumer, this evidences that demand remains robust and we therefore believe our diversified range of products and sizeable online penetration will result in an improved trading performance once this destocking exercise is complete.

Our second largest market is the UK, which accounted for 27% of total Group sales. Sales were slightly ahead of prior year at £11.7 million (H1 2022: £11.5 million) as we benefitted from additional sales from the AromaWorks London brand that the Group acquired in August 2022. We are closely monitoring the impact of inflationary pressures on consumer spending but currently this market is performing in line with our expectations.

In South Korea, our third largest market accounting for 32% of total Group revenue, sales grew by 7% to £14.3 million (H1 2022: £13.4 million) as we continued our strategy of increasing online exposure of our brands and diversifying our ranges. We

have introduced new ranges in this market but expect both the increasing impact of inflation and currency movement to impact consumer sentiment in the short term.

In our rest of world markets, sales were down 4% over the same period in 2022 at £3.7 million (H1 2022: £3.8 million). The prior year included some Q1 sales to Russia/Eastern Europe and some loss-making home fragrance contracts which we have since discontinued; excluding these, underlying ceramic sales were 10% ahead of the prior year as part of our long-term strategy.

We continue to invest in new products for our customers around the world, and are pleased with the initial performance of a number of new ranges including the new Spode collaboration with the Kit Kemp Design Studio.

Balance sheet

The Group ended the first half of 2023 with net debt of £15.0 million at 30 June 2023; this compares to net debt of £6.8 million at 30 June 2022 and net debt of £10.1 million at 31 December 2022. In addition to the cash balance of £1.5 million and bank borrowings of £16.4 million, the Group also has unutilised bank facilities of £10.1 million. The increase in net debt since 30 June 2022 is largely driven by working capital movements, with higher receivables due to customer mix and lower payables due to reduced inventory purchasing. We expect both of these movements to unwind in H2.

Our stock balance at 30 June 2023 was £42.1 million compared to £42.6 million at 30 June 2022 and £41.1 million at 31 December 2022. Excluding the impact of AromaWorks London inventory (brand acquired in August 2022) and seasonal shipping timing, we have reduced inventory from both June 2022 and December 2022 on a like-for-like basis by 5%. We have a number of initiatives in the second half of 2023 which should see further reductions in inventory and an improved net debt position by 31 December 2023 compared to the prior year end.

Dividend

The Board is committed to a dividend policy which ensures we retain and invest

enough capital in our business to drive long-term growth in our brands and maintain a prudent and sustainable level of dividend cover.

Despite the short term challenges in the Group's trading performance, we expect to generate cash in the current financial year and with our medium term expectations for profit and cash generation, the Board is declaring an interim dividend of 3.50p per share (2022: 3.50p). The interim dividend will be paid on 15 December 2023. The ex-dividend date will be 16 November 2023 with a record date of 17 November 2023.

The cover for dividends paid and proposed for 2022 was 3.0 times. We remain of a view that a dividend cover level of approximately 3.0 times is in the long-term interest of the Group and shareholders.

Environmental, Social and Governance (ESG)

In May 2023, the Group launched a new sustainability strategy and roadmap entitled '*Crafting a Better Future*' which outlines the Group's commitment to becoming a more sustainable business. The launch represents the next level of ambition for the Group – to ensure that we continue to reduce our impact on the environment and support our colleagues and communities.

We continue to drive our progress on reducing our energy consumption and in H1 reduced gas and electricity usage by 6% compared to the prior year.

Further details on our ESG commitments and integration within the Group can be found on our website, www.portmeiriongroup.com, and in the Section 172(1) statement – Engaging with key stakeholders, Our commitment to ESG and the Corporate Governance Statements in our Annual Report and Accounts.

Corporate governance

The Group is a committed member of the Quoted Companies Alliance ("QCA") and has chosen to apply the QCA Corporate Governance Code, complying with its principles throughout the period. Further details can be found on our website at www.portmeiriongroup.com/investors.

¹ Headline profit before tax, headline operating profit and headline earnings per share excludes exceptional items (see note 3).



Interim Review continued

The Board keeps its composition and performance under review to ensure that we have the appropriate skills and experience in place to deliver our strategy. In June 2023, the Group announced that Jeremy Wilson had been appointed as a Non-executive Director.

Group strategy

Our homeware brands have a combined history of more than 750 years and are much loved around the world.

We remain focused on our strategic goal of growing the sales footprint of the business over the next 3-5 years. We plan to do that by continuing to develop our key heritage ranges through product extensions and developing new sales channels to reach new customers, whilst at the same time increasing our market share in contemporary and giftware homewares through launching beautifully designed new products and leveraging these new ranges across our existing global sales infrastructure.

Our strategy remains to return operating margins back to historical levels with a medium-term target of reaching 10%.

Further detail on executing our growth strategy

1. Geography – building and growing sales markets outside of our three core markets of North America, UK and South Korea

Rest of World ceramic sales markets (excluding Russia/Eastern Europe) grew by 10% in H1 2023. Our products are sold in more than 80 countries around the world. Our three core markets of North America, UK and South Korea accounted for 92% of Group sales in H1 2023.

We continue to see a significant opportunity to grow the contribution from sales outside of core markets over the next 3-5 years.

2. Online – further developing online sales channels in our core markets reaching more potential customers on more occasions

In our core UK and US markets, sales through all online channels accounted for 48% of sales (H1 2022: 52%, FY 2022: 51%). In addition, we continued to build our online presence in international markets including South Korea.

For our own websites, our customer lists continue to grow and are now 10% larger than twelve months ago. This has allowed us to reduce investment in

traffic acquisition spend and drive an improved operating margin performance for our online sales.

3. Designing and launching new products – widening the appeal with our existing customer base and taking market share

Sales from new product launches in H1 2023 accounted for in excess of 10% of the Group's total sales, with a strong roadmap of new launches for the next 18 months.

We expect to see further strengthening of this KPI due to our investment in this area.

4. Leveraging our brands

We continue to invest in our six global brands and work on leveraging the strength of our brands outside of their current core markets.

Our Spode brand has grown again in H1 2023 and we expect further benefits in H2 2023 from the new collaboration with Kit Kemp Design Studio.

Returning our operating margin to 12.5% in the long term

1. Improving productivity in our UK factories through investment in automation to reduce manual handling

We continue to invest in our UK factories and have a number of new automation investments being installed over the remainder of 2023 which will reduce manual handling and increase our pieces output per labour hour.

Productivity in our UK ceramic factory was maintained in H1 2023 despite a small reduction in output as we balance inventory levels.

2. Leveraging our fixed cost base as we grow top line sales

We still see a significant opportunity to grow our sales footprint over the next 3-5 years which will enable us to leverage our spare factory capacity and improve capabilities in our UK factories and our existing sales and distribution infrastructure around the world.

3. Improving the profitability of our home fragrance division back to pre-Covid levels

Wax Lyrical, our home fragrance division, had a positive H1 2023 with both an improved sales and profit performance.

In 2022 we purchased the AromaWorks London brand and have now absorbed the manufacturing of all of its product ranges within the existing capacity at our Wax Lyrical factory in Cumbria, UK. This has driven better recovery of fixed overheads and we expect the home fragrance division to return to profitability for the full year.

Outlook

We are cognisant of the ongoing challenges facing consumers around the world with significant inflationary cost pressures and rising interest rates. Whilst in the short term this will continue to impact consumer spending decisions, we expect demand for our brands to remain robust. We expect retailer customer stock levels to stabilise after a period of destocking during the first half.

The second half of the year has started in line with our expectations and we have strong advance order books for our key Christmas ranges which are ahead of last year and provide us with good visibility of H2 sales. We will also continue to mitigate economic pressures by bringing new products to the market. We expect FY sales and profit to be in line with consensus market expectations which were revised in July as a result of North American retailer destocking.

Despite short term pressures, we remain confident in our medium and long term ambitions to grow our sales and operating margins. We have taken market share in key markets in recent years, particularly in the US – and together, with the ongoing work to increase productivity through investments in our factories, will drive much improved levels of profitability in the medium term.

Dick Steele
Non-executive Chairman

Mike Raybould
Chief Executive

13 September 2023



Consolidated Income Statement

Unaudited

	Notes	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Revenue	2	44,122	45,467	110,820
Operating costs		(43,408)	(43,510)	(102,154)
Headline operating profit ¹		714	1,957	8,666
Exceptional items	3			
– restructuring costs		(124)	(1,006)	(958)
– acquisition costs		—	—	(76)
Operating profit		590	951	7,632
Interest income		—	—	29
Finance costs	4	(703)	(212)	(956)
Other income		—	265	265
Headline profit before tax ¹		11	2,010	8,004
Exceptional items	3			
– restructuring costs		(124)	(1,006)	(958)
– acquisition costs		—	—	(76)
(Loss)/profit before tax		(113)	1,004	6,970
Tax	5	—	(218)	(1,415)
(Loss)/profit for the period attributable to equity holders		(113)	786	5,555
Earnings per share	7			
Basic		(0.82p)	5.72p	40.39p
Diluted		(0.82p)	5.70p	40.35p
Headline earnings per share¹	7			
Basic		(0.12p)	12.00p	46.59p
Diluted		(0.12p)	11.97p	46.54p
Dividends proposed and paid per share	6	3.50p	3.50p	15.50p

All the above figures relate to continuing operations.

1 Headline operating profit is statutory operating profit of £590,000 (H1 2022: £951,000) add exceptional items of £124,000 (H1 2022: £1,006,000). Headline profit before tax is statutory loss before tax of £113,000 (H1 2022: profit before tax of £1,004,000), add exceptional items of £124,000 (H1 2022: £1,006,000).



Consolidated Statement of Comprehensive Income

Unaudited

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
(Loss)/profit for the period	(113)	786	5,555
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of net defined benefit pension scheme asset	—	—	(1,517)
Deferred tax relating to items that will not be reclassified subsequently to profit or loss	—	—	380
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translation of foreign operations	(1,050)	2,082	2,466
Other comprehensive income for the period	(1,050)	2,082	1,329
Total comprehensive income for the period attributable to equity holders	(1,163)	2,868	6,884



Consolidated Balance Sheet

Unaudited

	30 June 2023 £'000	30 June 2022 £'000	31 December 2022 £'000
Non-current assets			
Goodwill	9,467	8,978	9,416
Intangible assets	9,119	7,176	8,581
Property, plant and equipment	16,640	16,326	16,842
Right-of-use assets	5,820	6,366	5,869
Pension scheme surplus	617	1,360	317
Total non-current assets	41,663	40,206	41,025
Current assets			
Inventories	42,100	42,597	41,117
Trade and other receivables	17,319	13,998	19,887
Current income tax asset	121	649	792
Cash and cash equivalents	1,460	3,189	1,681
Total current assets	61,000	60,433	63,477
Total assets	102,663	100,639	104,502
Current liabilities			
Trade and other payables	(12,938)	(18,188)	(16,469)
Borrowings	(14,436)	(6,044)	(8,789)
Lease liabilities	(1,239)	(1,842)	(1,696)
Total current liabilities	(28,613)	(26,074)	(26,954)
Non-current liabilities			
Deferred tax liability	(3,213)	(2,562)	(3,230)
Borrowings	(2,000)	(3,977)	(2,981)
Lease liabilities	(5,058)	(4,967)	(4,654)
Total non-current liabilities	(10,271)	(11,506)	(10,865)
Total liabilities	(38,884)	(37,580)	(37,819)
Net assets	63,779	63,059	66,683
Equity			
Called up share capital	710	710	710
Share premium account	18,344	18,344	18,344
Investment in own shares	(3,108)	(3,124)	(3,108)
Share-based payment reserve	58	160	148
Translation reserve	2,602	3,268	3,652
Retained earnings	45,173	43,701	46,937
Total equity	63,779	63,059	66,683



Consolidated Statement of Changes in Equity

Unaudited

	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 2022	710	18,344	(3,124)	128	1,186	44,703	61,947
Profit for the period	—	—	—	—	—	786	786
Other comprehensive income for the period	—	—	—	—	2,082	—	2,082
Total comprehensive income for the period	—	—	—	—	2,082	786	2,868
Increase in share-based payment reserve	—	—	—	32	—	—	32
Dividends paid	—	—	—	—	—	(1,788)	(1,788)
At 30 June 2022	710	18,344	(3,124)	160	3,268	43,701	63,059
Profit for the period	—	—	—	—	—	4,769	4,769
Other comprehensive income for the period	—	—	—	—	384	(1,137)	(753)
Total comprehensive income for the period	—	—	—	—	384	3,632	4,016
Dividends paid	—	—	—	—	—	(481)	(481)
Increase in share-based payment reserve	—	—	—	59	—	—	59
Transfer on exercise or lapse of options	—	—	—	(71)	—	71	—
Shares issued under employee share schemes	—	—	16	—	—	(16)	—
Deferred tax on share-based payment	—	—	—	—	—	30	30
At 31 December 2022	710	18,344	(3,108)	148	3,652	46,937	66,683
Loss for the period	—	—	—	—	—	(113)	(113)
Other comprehensive loss for the period	—	—	—	—	(1,050)	—	(1,050)
Total comprehensive loss for the period	—	—	—	—	(1,050)	(113)	(1,163)
Decrease in share-based payment reserve	—	—	—	(90)	—	—	(90)
Dividends paid	—	—	—	—	—	(1,651)	(1,651)
At 30 June 2023	710	18,344	(3,108)	58	2,602	45,173	63,779



Consolidated Statement of Cash Flows

Unaudited

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Operating profit	590	951	7,632
<i>Adjustments for:</i>			
Depreciation of property, plant and equipment	686	895	1,810
Depreciation of right-of-use assets	988	1,008	1,881
Amortisation of intangible assets	434	408	813
Charge for share-based payments	(90)	32	91
Exchange gain/(loss)	618	(193)	(559)
Loss on disposal of tangible fixed assets	—	269	251
Operating cash flows before movements in working capital	3,226	3,370	11,919
Increase in inventories	(2,052)	(11,388)	(9,869)
Decrease in receivables	2,104	6,100	239
(Decrease)/increase in payables	(3,275)	754	(643)
Cash generated from/(used by) operations	3	(1,164)	1,646
Contributions to defined benefit pension scheme	(300)	(450)	(900)
Interest paid	(596)	(114)	(686)
Income tax refunded/(paid)	587	(179)	(300)
Net cash outflow from operating activities	(306)	(1,907)	(240)
Investing activities			
Interest received	—	—	5
Purchase of property, plant and equipment	(753)	(2,663)	(4,093)
Other income	—	265	265
Acquisition of subsidiary	—	—	(821)
Purchase of intangible assets	(1,007)	(491)	(1,933)
Net cash outflow from investing activities	(1,760)	(2,889)	(6,577)
Financing activities			
Dividends paid	(1,651)	(1,788)	(2,269)
Principal elements of lease payments	(1,086)	(1,057)	(1,864)
Drawdown of short term borrowings	11,916	4,060	6,803
Repayments of borrowings	(7,250)	(1,000)	(2,000)
Net cash inflow from financing activities	1,929	215	670
Net decrease in cash and cash equivalents	(137)	(4,581)	(6,147)
Cash and cash equivalents at beginning of period	1,681	7,616	7,616
Effect of foreign exchange rate changes	(84)	154	212
Cash and cash equivalents at end of period	1,460	3,189	1,681



Notes to the Interim Financial Information

1. Basis of preparation

The financial information included in the interim results announcement for the six months to 30 June 2023 was approved by the Board on 13 September 2023.

The interim financial information for the six months to 30 June 2023 has not been audited or reviewed and does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Company's statutory accounts for the year ended 31 December 2022 were prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The interim financial information has been prepared in accordance with IFRS on the historical cost basis, except that some derivative financial instruments are stated at their fair value. The same accounting policies, presentation and methods of computation are followed in the interim financial statements as were applied in the Group's last audited financial statements for the year ended 31 December 2022.

Statutory accounts for the year ended 31 December 2022 have been delivered to the Registrar of Companies.

Going concern

The Directors, having made suitable enquiries and analysis of the accounts, consider that the Group has adequate resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered the Group's current trading performance and available banking facilities with appropriate headroom in facilities and financial covenants.

There remains ongoing challenges in our sales markets around the world caused by the negative impact of the cost of living crisis, but the Group remains well-diversified with adequate funding headroom available.

The Group has also produced a sensitivity analysis to its cash flow forecast based upon possible downside scenarios. We have modelled a 10% sales reduction to assess the potential negative impact of a significant downturn in trading performance. This demonstrated the Group still has sufficient headroom within borrowing facilities and loan covenants.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those detailed on pages 80-81 of the Group's 2022 Financial Statements.

2. 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.

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Operating segment			
UK	29,547	27,567	59,753
North America	14,575	17,900	51,067
	44,122	45,467	110,820

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Geographical market			
United Kingdom	11,703	11,531	28,255
North America	14,422	16,659	48,944
South Korea	14,333	13,443	26,656
Rest of the World	3,664	3,834	6,965
	44,122	45,467	110,820



Notes to the Interim Financial Information continued

3. Exceptional items

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Restructuring costs	124	1,006	958
Acquisition costs	—	—	76
	124	1,006	1,034

Exceptional costs relate to a restructuring exercise undertaken within the Group. All of these costs are exceptional in nature and non-recurring.

4. Finance costs

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Interest paid	596	121	686
Interest on lease liabilities	107	91	270
	703	212	956

5. Taxation

Tax for the interim period is charged at 0% (year to 31 December 2022: 20%) due to a loss being incurred during the period. The expected weighted average annual corporation tax rate for the year is 23%.

6. Dividend

An interim dividend of 3.50p (2022: 3.50p) per ordinary share will be paid on 15 December 2023 to shareholders on the register on 17 November 2023. During the period a final dividend of 12.00p (2022: 13.00p) per ordinary share was paid in respect of the previous financial year.

7. Earnings per share

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Earnings			
Earnings for the purpose of basic and diluted earnings per share, being profit for the period attributable to equity holders	(113)	786	5,555
Number of shares			
Weighted average number of shares for the purpose of basic earnings per share	13,759,282	13,750,919	13,753,233
Weighted average dilutive effect of conditional share awards	13,658	33,507	14,773
Weighted average number of shares for the purpose of diluted earnings per share	13,772,940	13,784,426	13,768,006



Notes to the Interim Financial Information continued

7. Earnings per share continued

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

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
(Loss)/profit for the period attributable to equity holders	(113)	786	5,555
Add back/(deduct):			
Exceptional items	124	1,006	1,034
Tax effect of exceptional items	(28)	(142)	(182)
Headline earnings	(17)	1,650	6,407

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

Headline EBITDA

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Headline operating profit	714	1,957	8,666
Add back:			
Depreciation	1,674	1,903	3,691
Amortisation	434	408	813
Headline earnings before interest, tax, depreciation and amortisation	2,822	4,268	13,170

Statutory EBITDA

	Six months to 30 June 2023 £'000	Six months to 30 June 2022 £'000	Year to 31 December 2022 £'000
Operating profit	590	951	7,632
Add back:			
Depreciation	1,674	1,903	3,691
Amortisation	434	408	813
Earnings before interest, tax, depreciation and amortisation	2,698	3,262	12,136

9. Retirement benefit schemes

Defined benefit scheme

The defined benefit obligation as at 30 June 2023 is calculated on a year-to-date basis, using the latest actuarial valuation as at 31 December 2022 adjusted for payments to the scheme in line with the Schedule of Contributions.

There have been no significant market fluctuations and significant one-off events, such as plan amendments, curtailments and settlements that have resulted in an adjustment to the actuarially determined pension cost since the end of the prior financial year.

The Group has made contributions of £300,000 to the scheme during the period.

10. Related party transactions

The Group's related parties are as disclosed in the Report and Accounts for the year ended 31 December 2022. There were no material differences in related parties or related party transactions in the six months ended 30 June 2023 except for transactions with key management personnel.

The most significant of these was on 2 May 2023, under The Portmeirion Group 2022 Approved and Unapproved Share Option Plans, when 50,000, 35,000, 35,000, 35,000 and 15,000 share options awards were granted to M Raybould, M Knapper, W Robedee, D Sproston and M MacDonald respectively at an option price of £4.69 per share when the market price was £4.69 per share.

In addition, on 2 May 2023, under The Portmeirion Group 2018 Deferred Incentive Share Option Plan, 5,275, 2,686, 3,864 and 2,087 share option awards were granted to M Raybould, M Knapper, W Robedee and D Sproston respectively at a total exercise price of £1 per individual when the market price was £4.69 per share.



Notes to the Interim Financial Information continued

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11. Post balance sheet events

There were no post balance sheet events.

12. Availability of document

A copy of the interim results will shortly be available on the Company website at www.portmeiriongroup.com.



Company Information

Board of Directors

Non-executive Chairman
Dick Steele BCOM FCA CTA

Senior Non-executive Director
Angela Luger BSc

Chief Executive
Mike Raybould BSc ACA

Group Finance Director
David Sproston BSc ACA

Group Operations Director
Mick Knapper

Global Sales Director
Bill Robedee BA JD

Non-executive Director
Andrew Andrea BA MA ACA

Non-executive Director
Clare Askem BSc MBA

Non-executive Director
Jeremy Wilson BSc ACA

Company Secretary

Moira MacDonald FCG

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* Calls are charged at the standard geographic rate and will vary by provider. Lines open between 9:00 am and 5:30 pm GMT, Monday – Friday excluding public holidays in England and Wales.

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Financial Calendar

Annual Report	April
Annual General Meeting	May
Dividends	
Interim announced	September
Final announced	March

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