

SAN DER SON

DESIGN GROUP

RESULTS
HALF YEAR FY27



AGENDA

HIGHLIGHTS

FINANCIALS

STRATEGIC UPDATE

OUTLOOK



SANDERSON DESIGN GROUP - AT A GLANCE



We are a global design house specialising in luxury interior furnishings.

We design, manufacture and market wallpapers, fabrics and paints, through trade suppliers and direct-to-consumer, alongside licensing partnerships.

Design is at the heart of everything we do.



STRATEGIC DELIVERY & PROFITABLE GROWTH

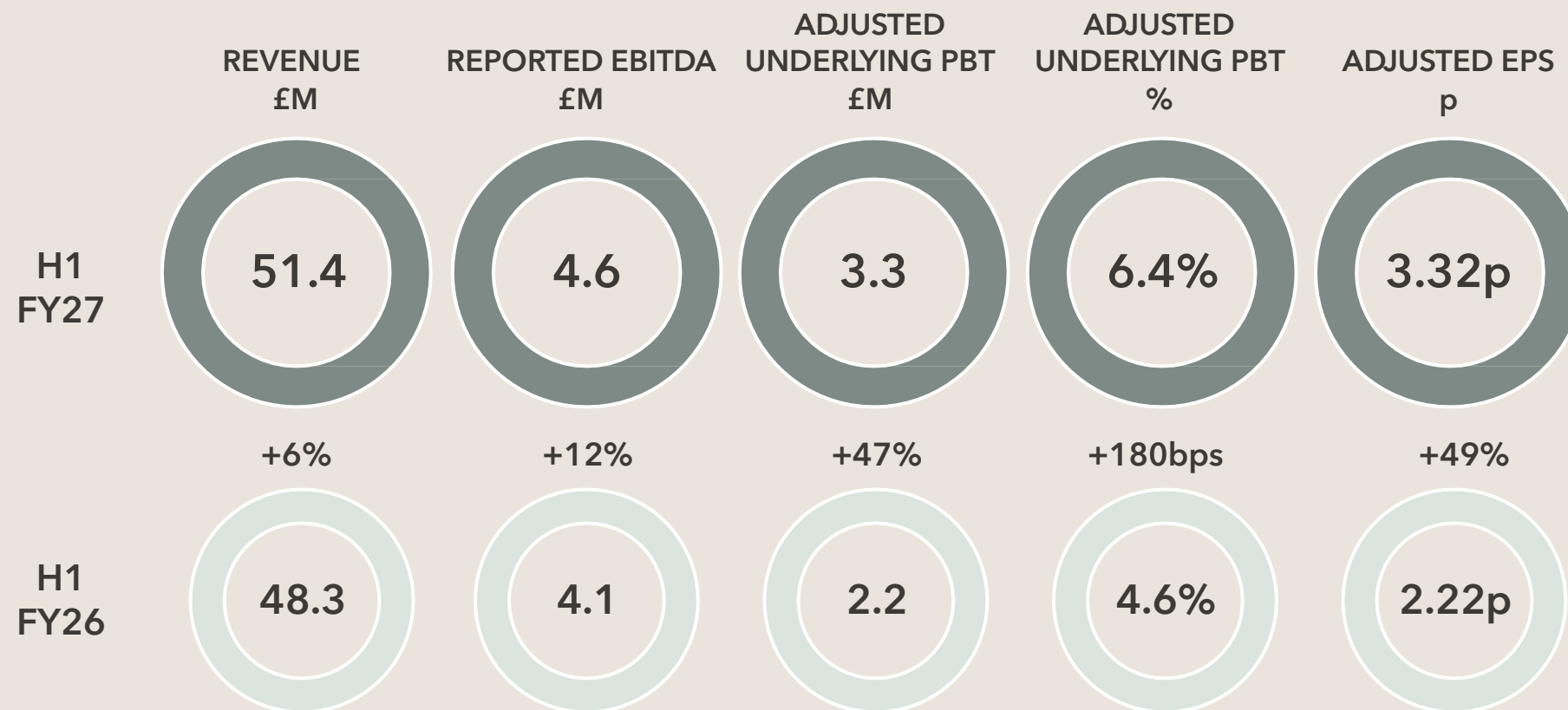
- **Group revenue up 6%** to £51.4m (H1 FY26: £48.3m), reflecting continued strategic progress and prior actions
- **North America growth up 19%** (on CER basis), underpinning overall brand product revenues of £35.5m (up 2% versus H1 FY26)
- **Third Party Manufacturing revenue up 19%** to £11.0m, driven by strong US demand
- **Licensing revenue up 13%** to £4.9m, including £1.4m accelerated income from Blinds2Go renewal
- **DTC revenue up 137%** to £1.6m (H1 FY26: £0.7m), reinforcing its high-margin growth potential
- **Net cash increased to £10.4m**, (31 January 2026: £9.8m) after £1.3m of EBT share purchases
- **Adjusted PBT increased to £3.3m** (H1 FY26: £2.2m)
- **Interim dividend 0.5p** in line with last year



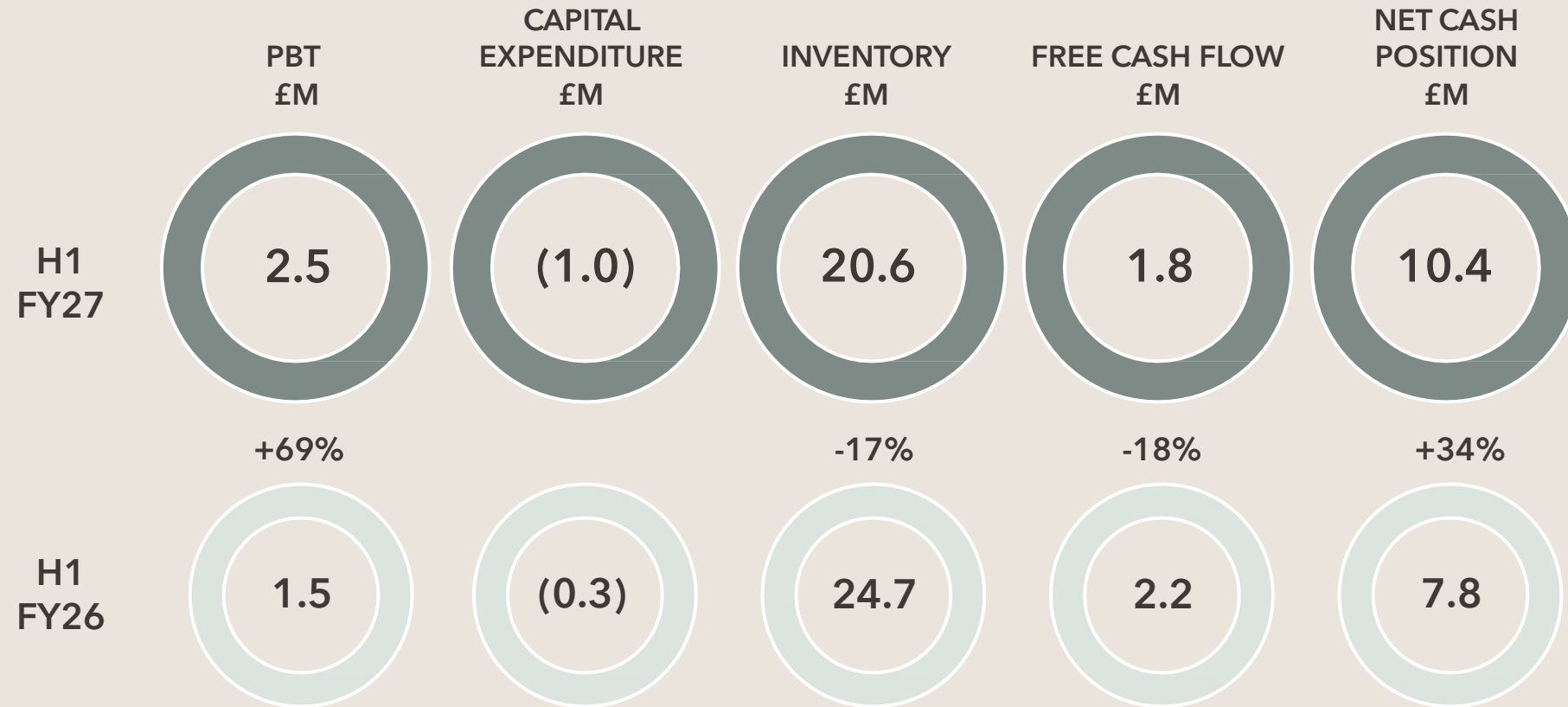


FINANCIALS

KEY FINANCIAL INDICATORS



KEY FINANCIAL INDICATORS (Continued)



GROUP REVENUE BY SEGMENT

	H1 FY27 £M	H1 FY26 £M	% CHANGE v H1 FY26
Brand product	35.5	34.7	2%
Licensing	4.9	4.4	13%
Manufacturing – external	11.0	9.2	19%
Group revenue	51.4	48.3	6%

Brand product

- Strong growth in North America
- Anticipated UK softness

Licensing

- £3.6m of accelerated income including significant Blinds2Go renewal
- Underlying revenue up 5%

Manufacturing - external

- Successful restructuring driven improved performance
- Strong North America demand

BRAND PRODUCT REVENUE BY GEOGRAPHY

	H1 FY27 £M	H1 FY26 £M	% CHANGE v H1 FY26 REPORTED	CER
UK	14.0	15.1	(7%)	(7%)
North America	13.0	11.2	16%	19%
Northern Europe	4.4	4.3	2%	(3%)
Rest of the World	4.1	4.1	0%	(1%)
Brand product	35.5	34.7	2%	2%

UK

- Continued softness driven by independent retailers and consumer confidence
- Opportunity to consolidate the market e.g. Designers Guild

North America

- Continued strong growth and positive momentum
- Most profitable, highest margin, fastest growing territory

Northern Europe

- Republic of Ireland experiencing softness similar to UK

Rest of the World

- Includes £0.4m of sales in the Middle East (up 6% v H1 FY26)

BRAND PRODUCT REVENUE BY BRAND

	H1 FY27 £M	H1 FY26 £M	% CHANGE v H1 FY26 REPORTED	CER
Morris & Co.	9.3	8.8	5%	5%
Clarke & Clarke	8.2	9.4	(13%)	(13%)
Sanderson	8.0	6.8	17%	17%
Harlequin	6.0	6.0	0%	1%
Zoffany	3.4	3.3	3%	3%
Scion	0.5	0.3	63%	62%
Other	0.1	0.1	n/a	n/a
Brand product	35.5	34.7	2%	2%

Morris & Co.

- Huntington brought unproduced archive designs to market
- Revenues up 14% in North America

Clarke & Clarke

- Trades at value-conscious end of market
- US constrained by delayed launches

Sanderson

- Highgrove best performing launch in brand history. High US adoption

Harlequin

- Stabilised and recalibrated for future

Zoffany

- Michael S. Smith indoor outdoor

MANUFACTURING REVENUE

	H1 FY27 £M	H1 FY26 £M	% CHANGE v H1 FY26
Anstey	7.8	6.7	17%
Standfast	9.4	7.8	20%
Total Manufacturing	17.2	14.5	19%
Revenue – external	11.0	9.2	19%
Revenue – internal	6.2	5.3	18%
Total Manufacturing	17.2	14.5	19%

	H1 FY27 %	H1 FY26 %	% CHANGE H1 FY26
Digital	64%	60%	5%
Conventional	36%	40%	(10%)

- **Restructuring** Factories benefitting from cost saving and restructuring programme completed in prior year
- **External revenue** driven by US brands and buyers
- **Internal revenue** up but Group inventories continue to reduce
- **Digital** Investment increasing capacity at Anstey

LICENSING REVENUE

	UNDERLYING PERFORMANCE - £M	PRIOR YEAR ACCELERATED INCOME - £M	CURRENT YEAR ACCELERATED INCOME - £M	IFRS - £M
Category Specialist (core)	2.5	(1.6)	2.7	3.6
Retail Groups (core)	1.6	(1.2)	0.9	1.3
H1 FY27	4.1	(2.8)	3.6	4.9
Category Specialist (core)	2.0	(1.0)	2.4	3.4
Retail Groups (core)	1.9	(0.9)	-	1.0
H1 FY26	3.9	(1.9)	2.4	4.4

Renewals

- Blinds2Go: 3-year renewal to 2029 generating £1.4m of accelerated income for Sanderson, Harlequin, Clarke & Clarke and Scion

Extensions

- Williams Sonoma: Sanderson and Highgrove

LICENSING UNDERLYING PERFORMANCE

	H1 FY27 £M	H1 FY26 £M	% CHANGE v FY26
UK	2.0	1.8	11%
North America	1.3	1.3	0%
Asia	0.5	0.6	(17%)
Northern Europe	0.3	0.2	50%
Underlying	4.1	3.9	5%

	H1 FY27 £M	H1 FY26 £M	% CHANGE v FY26
Morris & Co.	2.5	2.2	14%
Sanderson	0.6	0.6	0%
Clarke & Clarke	0.4	0.4	0%
Scion	0.3	0.4	(25%)
Harlequin	0.2	0.2	0%
Other	0.1	0.1	0%
Underlying	4.1	3.9	5%

- **UK:** Habitat/Tu and Blinds2Go driving year-on-year increase
- **USA:** Ruggable and Williams Sonoma remain key partnerships
- **Morris & Co.** Continues to generate new agreements boosted by Huntington collaboration
- **Sanderson:** Highgrove expected to drive new agreements/extensions

GROSS PROFIT

	H1 FY27	H1 FY26	% CHANGE v FY26
	£M	£M	
Brand	35.5	34.7	(2%)
Licensing	4.9	4.4	13%
Manufacturing	17.2	14.5	19%
Eliminations	(6.2)	(5.3)	(18%)
Total Revenue	51.4	48.3	6%
Brand	24.1	23.4	3%
Licensing	4.9	4.4	13%
Manufacturing	6.8	4.9	39%
Eliminations	(0.3)	0.3	(200%)
Total Gross Profit	35.5	33.0	8%
Brand	67.9%	67.4%	50bps
Licensing	100.0%	100.0%	n/a
Manufacturing	39.7%	33.8%	590bps
Total Gross Margin %	69.2%	68.3%	90bps

Brands

- Higher margin US market
- Higher margin DTC channel

Manufacturing

- Volume growth utilising factories fixed cost base
- Efficiency projects across both factories drive margin improvement

GROUP INCOME STATEMENT

	H1 FY27	H1 FY26	% CHANGE v FY26
	£M	£M	
Revenue	51.4	48.3	6%
Cost of Sales	(15.8)	(15.3)	(3%)
Gross Profit	35.5	33.0	8%
Net distribution and selling expenses ⁽¹⁾	(10.3)	(10.2)	(1%)
Administration expenses ⁽²⁾	(22.5)	(20.8)	(8%)
Finance income - net	0.5	0.3	95%
Adjusted underlying profit before tax	3.3	2.2	47%
Other non-underlying and adjusting items	(0.8)	(0.8)	(6%)
Profit / (loss) before tax	2.5	1.5	69%

⁽¹⁾ Includes other operating income

⁽²⁾ Excludes non-underlying items

Adjusted Profit before tax

- Sustained improvement in profitability

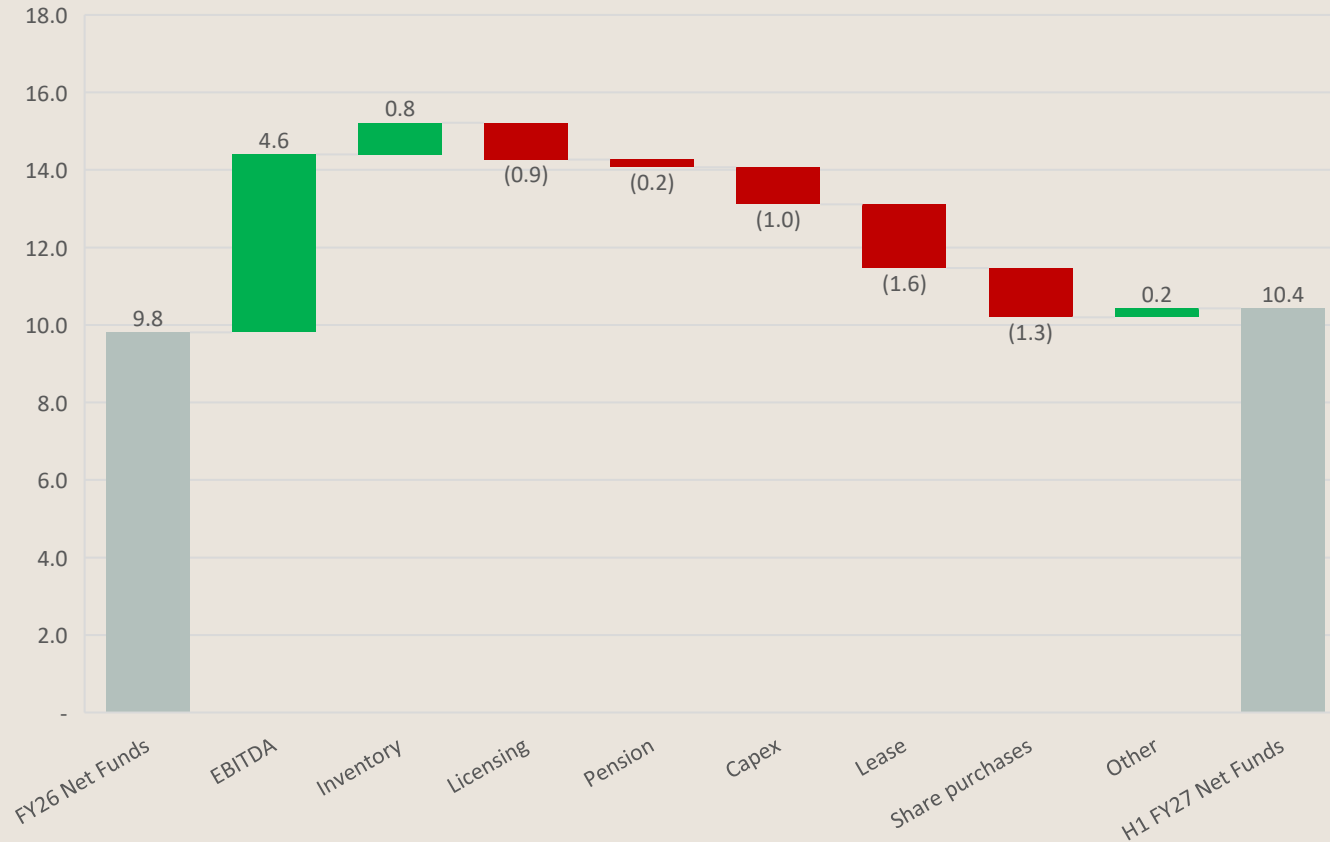
Net distribution and selling expenses

- Increases in carriage (fuel surcharges) and US tariffs
- Offset by efficiency programmes

Administration expenses

- Investments in IT and DTC platforms
- Marketing spend more front loaded this year

GROUP CASH FLOW



- **Headroom:** Undrawn £10m Barclays facility
- **Inventory:** Further decreases following £5.7m reduction in FY26
- **Licensing:** Impact of IFRS 15. £18.5m receivable at half year
- **Pension:** No deficit contributions – administration expenses only Investments de-risked.
- **Capital Expenditure:** Upgrade of digital capabilities will be H2 weighted
- **Share purchases:** By EBT to support share schemes



STRATEGIC UPDATE

OUR STRATEGIC DIRECTION



Evolution into an internationally recognised design house with global distribution



Strengthening our market position in North America – soon to be our largest market



Deepening strategic customer and licensing partnerships to drive recurring, scalable growth



Strengthening our omnichannel ecosystem by accelerating DTC



Increasing our Manufacturing utilisation and enhancing productivity through digitalisation



Building a scalable, profitable business beloved by customers around the world



Ecommerce Award 2026 Winners – Best eCommerce replatform & Best B2B Website of the year



UNIQUE, VERTICALLY INTEGRATED OPERATING MODEL

Sanderson is the only UK company with
end-to-end capabilities to design and
manufacture fabrics and wallpapers



Control over quality, cost and margins | Innovation | Third-party revenue

STRATEGIC FRAMEWORK



LIVE BEAUTIFUL

CUSTOMERS

INTERIOR
DESIGNERS &
OMNICHANNEL

BRANDS

SANDERSON
&
MORRIS & CO.

PRODUCTS

WALLPAPER FOCUS
&
LICENSING

GEOGRAPHIES

ACCELERATE GROWTH
IN
THE USA

PLATFORM Digital Innovation

PEOPLE Cultural Transformation

PLANET Striving for net zero

PROFIT For shareholder return

STRATEGIC EVOLUTION CONTINUES

NORTH AMERICA GROWTH

Our largest
opportunity



OMNICHANNEL EXPERIENCE

Seamless and
connected journeys



INTERIOR DESIGNERS

Stronger relationships
and advocacy



WALLPAPER LEADERSHIP

Stronger relationships
and advocacy



MARKET CONSOLIDATION

Designers Guild
licensing agreement



ENABLED BY

CULTURAL TRANSFORMATION

DIGITAL INNOVATION

OPERATIONAL SIMPLIFICATION

STRATEGIC PROGRESS: NORTH AMERICA

			
SCALING THROUGH PARTNERSHIPS	BUILDING LOCAL MARKET COVERAGE	OWNING BRITISH DESIGN LEADERSHIP	EXPANDING THROUGH LIFESTYLE LICENSING
• Aligned management and joint planning • Relocated Florida to larger space • Further expansion planned in H2 27, including LA and NYC	• Collaboration with Michael S. Smith for high-end, indoor/outdoor products • President has built a new team with exceptional contacts	• Joined Design Leadership Network • Fostering relationships through Design Destination London • Leveraging archive to launch collections that resonate with the US market (Highgrove)	• Grow our presence through licensing partners • Priority categories by brand and partners by brand • Protect brand positioning • Paige Jeans new capsule collection with Huntington design
OUTCOMES			
National scale through best-in-class partners	Deeper market penetration and customer proximity	Distinctive positioning and stronger brand preference	Broader reach and incremental high-margin revenue

STRATEGIC PROGRESS: DTC

Direct to Consumer: YTD net sales of £1.6m, more than double last year

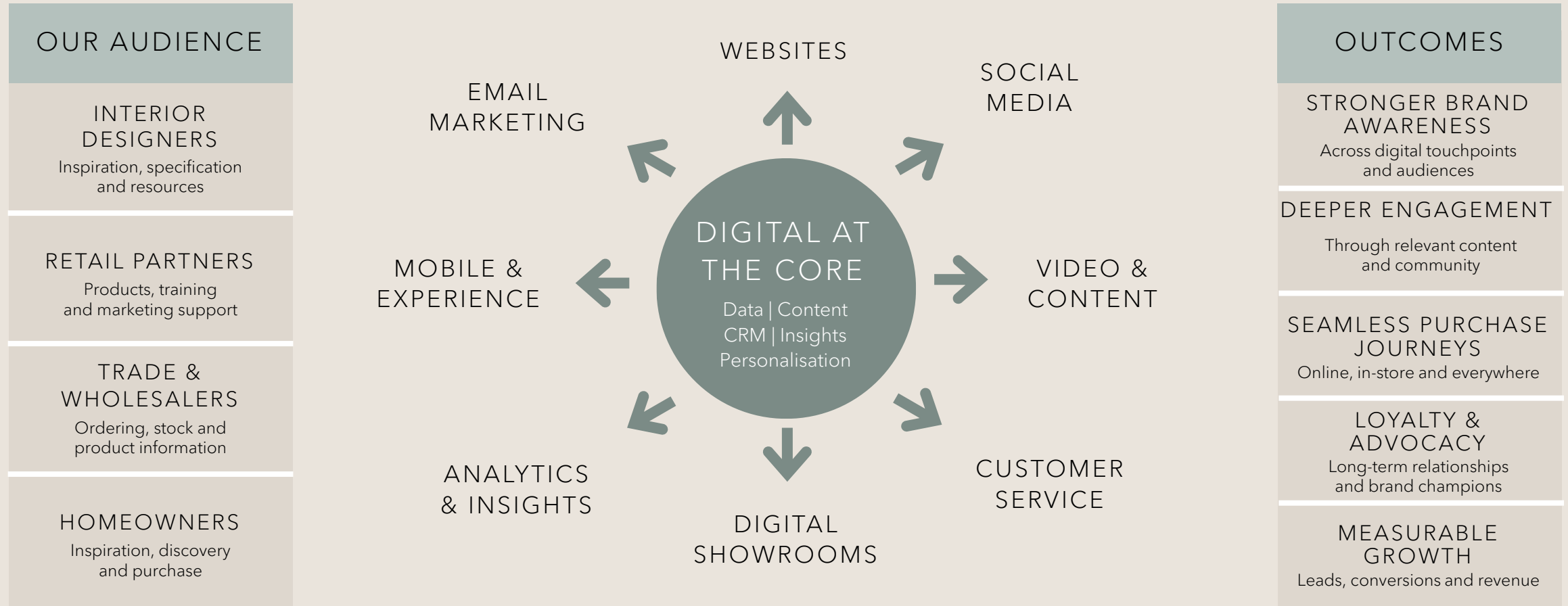
- Traffic up 215% to 2.4m sessions, orders up 33% and AOV up 61%
- Morris & Co. up 75%, with US & Canada up 96%
- Made to Measure curtains and Roman blinds now live in Phase 1
- Standalone Designers Guild DTC site in development
- Website enhancement programme across key customer journey touchpoints: new Morris & Co. product page live, with further enhancements rolling out across all sites in Q3-4

Trade Hub: focused on efficiencies for B2B partners. YTD net sales of £14.6m, up 7%

- US & Canada trade sales up 38%
- Sessions up 15%, AOV up 12%
- Ready Designers Guild for onboarding to the Trade Hub
- Significant Trade Hub enhancement programme underway to further improve the experience for B2B partners



OMNICHANNEL ECOSYSTEM



STRATEGIC PROGRESS: BRANDS

HIGHGROVE BY SANDERSON

- Prestige collection launched in May 2025 in partnership with Highgrove and the King's Foundation
- Our highest grossing launch ever in its first year
- Highest proportion of US sales of any new collection
- Now expanding with Highgrove Wools collection



VOYSEY HOUSE BY MORRIS & CO.

- Landmark wallpaper collection launched in September 2026
- Celebrating the enduring influence of C.F.A. Voysey
- Inspired by our design archive at Voysey House



STRATEGIC PROGRESS: BRANDS

MORRIS & CO. X THE HUNTINGTON

- Brought to life designs from its archive, produced for the first time
- Contributed to a 14% increase in Morris & Co. sales in North America



DESIGNERS GUILD

- Post period end, signed 10-year strategic licensing agreement to design, manufacture and sell Designers Guild wallpapers, fabrics, and paint globally
- One of the most recognised and influential interior brand designs



STRATEGIC PROGRESS: LICENSING

THE VALUE

Broadening awareness of
our iconic designs

Capital-light, high-margin
monetisation

Delivering premium,
desirable products

Building trusted partnerships
and inspiring spaces

Creating long-term value for
our brands and our people

A selection of licensing partners / renewals in H1 2027:

Ruggable

PAIGE

Blinds2Go™

Hug  Rug

**WILLIAMS
SONOMA**
CALIFORNIA


MILLE NOTTI
EST. 1991 — SWEDEN


**National
Trust**

habitat 

Licensing stabilised. Growth to come from US and Sanderson brand.

STRATEGIC PROGRESS: MANUFACTURING

FUTURE FACTORY INITIATIVE DELIVERING RESULTS

- Successful realignment of the Group's manufacturing capabilities with modern market demands
- Significant improvement in (external) Third Party Manufacturing performance
- Strong demand from brands in higher-value US market supporting improved internal manufacturing performance
- Further upgraded digital printing capabilities and optimised productivity across the sites
- Digital printing now 64% of revenues
- Momentum set to continue with positive order book

BIBAs
Winner

AREAS OF FOCUS TO FURTHER OPTIMISE OPERATIONS



Upgrading
digital printing at
Anstey



Optimising
forecasting and
supply chain
integration



Reducing
lead time



WORK BEAUTIFUL



Sanderson Design Group remains on course to deliver full year results in line with current market expectations.

- We have returned to topline growth this year and improved profitability
- US is demonstrating encouraging momentum - well-placed to deliver continued growth in the region
- Designers Guild deal reinforces SDG's reputation as a trusted partner for heritage brands
- Focused on maintaining market leading position in the UK and EU amid soft consumer sentiment
- Strong performance of recently launched collections, such as Huntington and Highgrove
- Good Manufacturing pipeline supported by third-party demand and US sales

We have the right product, distribution network and people in place to deliver continued momentum and profitable growth



THANK YOU

PRE-IFRS 16 INCOME STATEMENT

	Excluding IFRS £000	IFRS 16 Adjustments £000	Reported £000
Gross profit	35,545		35,545
Distribution and selling expenses	(11,297)		(11,297)
Administration expenses	(22,029)	1,382	(20,647)
Other operating income	993		993
EBITDA	3,212	1,382	4,594
Depreciation and amortisation ⁽¹⁾	(1,520)	(1,136)	(2,656)
Finance income/(costs) - net	865	(349)	516
Profit/(loss) before tax	2,557	(103)	2,454

⁽¹⁾ Lease depreciation per the ARA includes that on costs that would have been capitalised as PPE pre-IFRS 16 and therefore has not been included in the IFRS 16 adjustment above.