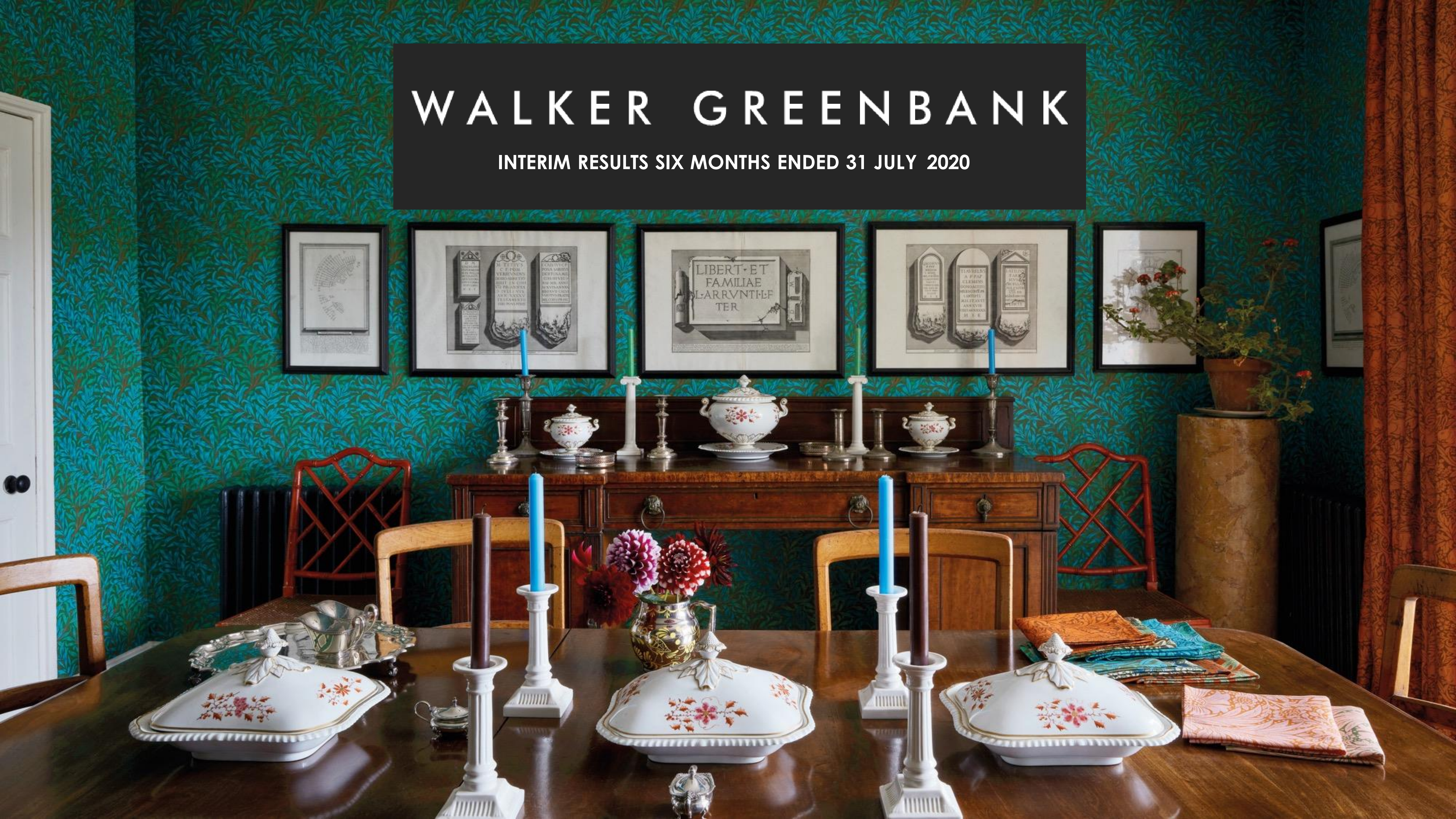
WALKER GREENBANK

INTERIM RESULTS SIX MONTHS ENDED 31 JULY 2020



AGENDA

COVID-19

KEY PRIORITIES

- Health and wellbeing of our colleagues, customers, suppliers
- Supporting the business through management and government initiatives

ACTION TAKEN

- Tight control of cash and cost of operations
- Manufacturing sites and showrooms temporarily closed whilst the UK and US warehouses remained open
- Phased re-opening of both factories – both now fully open with just 13 staff currently furloughed

FINANCIAL POSITION

- Financially resilient position and liquidity enhanced

IMPACT

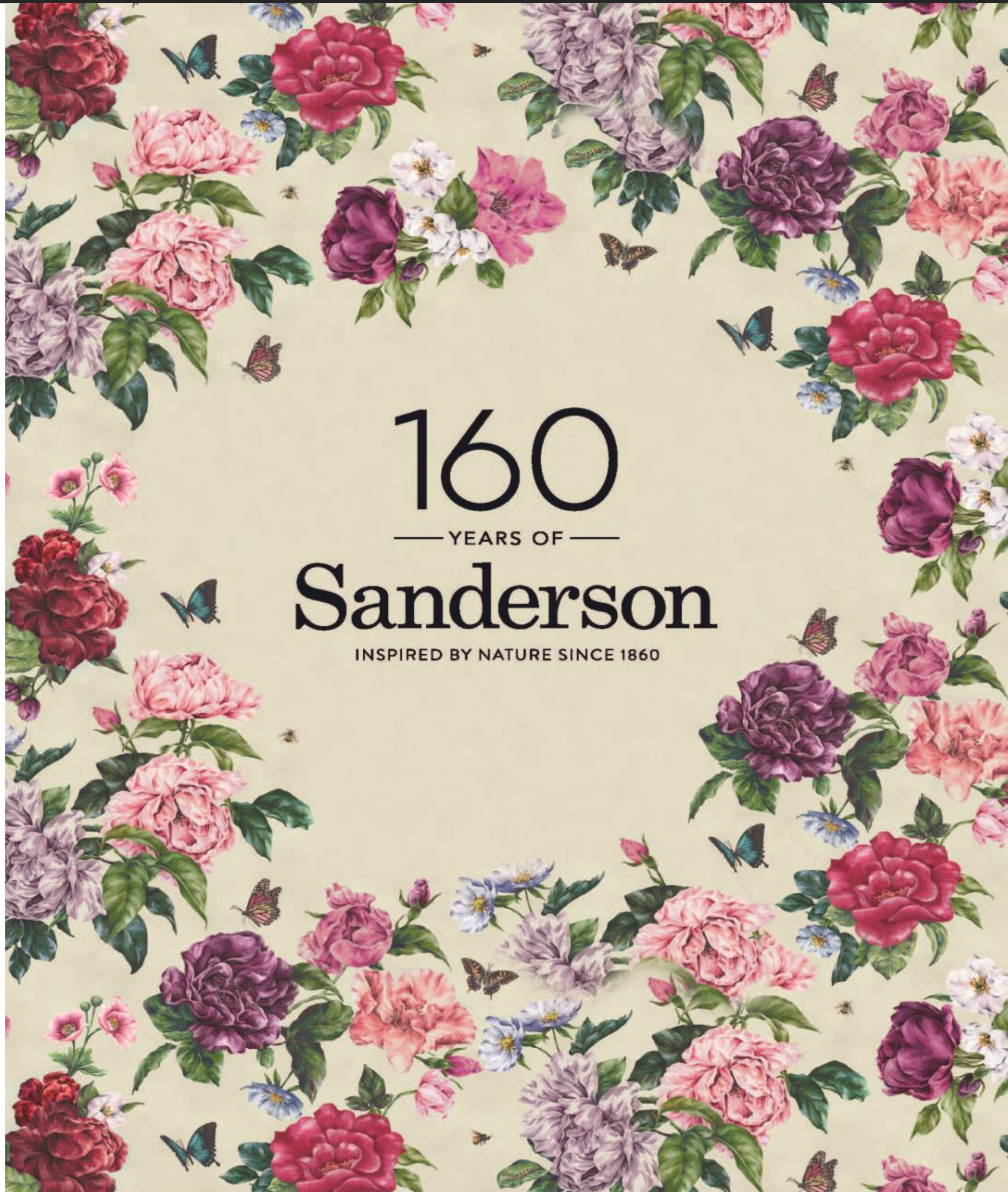
- Sharpened strategy, accelerated operational efficiency and cost savings

INTERIM RESULTS

6 MONTHS ENDED 31 JULY 2020

STRATEGY AND OPERATIONAL HIGHLIGHTS

- Continued progress on the strategic development of the Company, particularly focused on efficiency, agility and productivity
- Decision to rename Walker Greenbank Plc to Sanderson Design Group Plc to highlight design as being at the heart of what we do, as well as helping drive internal efficiencies. The name change is expected to become effective in December 2020
- Licences signed during the first half include a licensing deal that the Scion brand signed with major retailer NEXT for a range of homeware, nursery and fashion items
- Recent product launches include Harlequin's Book of Little Treasures, where digital pattern books have been used for the first time; Zoffany's Palladio collection of wallpapers; and Morris & Co's Queen Square collection with Ben Pentreath
- Efficiency and cost-savings implemented in the year to date are expected to deliver a saving of £1.2m in the current financial year and annualised savings of £3.0m



INTERIM RESULTS

6 MONTHS ENDED 31 JULY 2020

FINANCIAL HIGHLIGHTS

The interim results reflect the impact of Covid-19 on the Group, including the temporary closure of the manufacturing sites and the effect of UK and international lockdowns on market demand

- Adjusted underlying profit before tax* of £0.4m (H1 2020: £4.9m), which includes £3.2m furlough grant from UK and US governments
- Measures taken to improve liquidity resulted in cash headroom against banking facilities of £19.5m at 31 July 2020 compared with £13.8m at 31 January 2020
- Net debt following the adoption of IFRS 16 'Leases' reduced to £2.6m (31 July 2019: £7.7m on an equivalent basis). Excluding the impact of IFRS 16 net funds increased to £4.5m (31 July 2019: net funds of £0.9m)
- An interim dividend is not being proposed (H1 2020: 0.52p); the Board remains committed to future dividend payments when conditions allow

INCOME STATEMENT	H1 2021 £000	H1 2020 £000	CHANGE
Revenue	**38,842**	**55,932**	(30.6%)
Net other income	2,374	2,694	(11.9%)
Underlying (loss) / profit before tax	**(37)**	**4,560**	(100.8%)
Non-underlying items	(870)	(1,058)	
(Loss) / profit before tax	**(907)**	**3,502**	(125.9%)
Tax income / (expense)	123	(892)	
(Loss) / profit for the period	**(784)**	**2,610**	(130.0%)
Underlying (loss) / profit before tax	**(37)**	**4,560**	
LTIP accounting charge	106	13	
Net defined benefit pension charge	296	359	
Adjusted underlying profit before tax	**365**	**4,932**	(92.6%)
Underlying adjusted * EPS	0.54p	5.54p	(90.3%)

NON-UNDERLYING ITEMS	H1 2021 £000
Amortisation of acquired intangible assets	(508)
Restructuring and reorganisation costs	(362)
Total non-underlying charges included in profit before tax	**(870)**

* Adjusted underlying profit before tax excludes accounting charges relating to share- based incentives, defined benefit charge and non-underlying items.

SEGMENTAL ANALYSIS

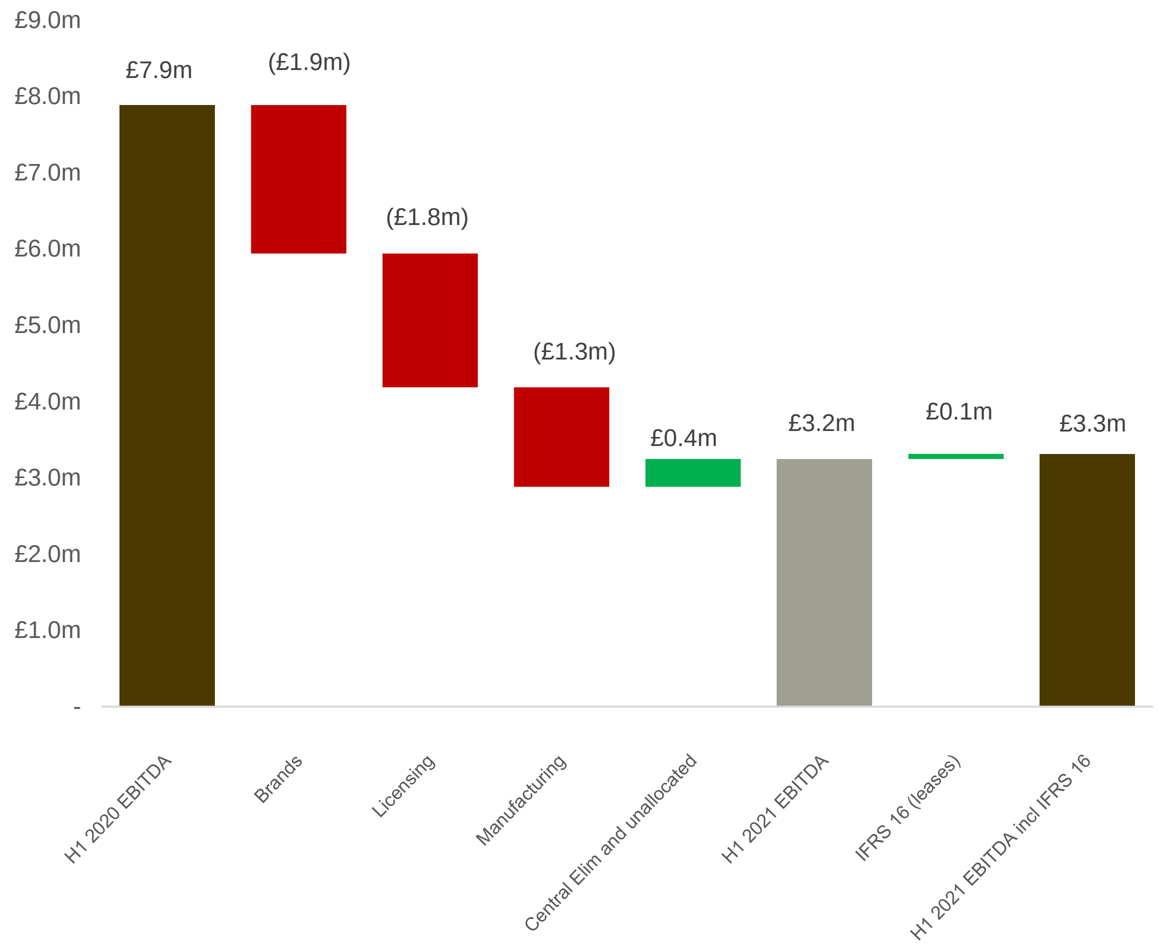
- Total Brand product sales down 27.8% in reportable currency, down 27.7% in constant currency
- UK retail sales down 30.2%
- North America sales down 34.1%. Kravet distribution of Clarke & Clarke continues to progress and we are confident in the future
- Northern Europe sales down 12.3%, reflecting the strength of the Morris & Co. brand in Scandinavia
- Core licensing (excluding upfront payments and apparel, which tend to be one-off in nature) was down 7.2%
- Total third-party manufacturing sales down 32.5% reflecting the temporary closure of both factories due to Covid-19 resulting in two months' lost production representing £7m of revenue
- Clarke & Clarke performed well, positioned at the more affordable end of our premium target markets; Morris & Co. continued strongly, reflecting the sustained revival of consumer interest in Arts & Crafts

REVENUE	H1 2021 £000	H1 2020 £000	% CHANGE
Total Brands (inc. licensing)	32,375	46,346	(30.1%)
Manufacturing	10,538	17,143	(38.5%)
	42,913	63,489	(32.4%)
Internal Manufacturing	(4,071)	(7,557)	(46.1%)
Group	**38,842**	**55,932**	**(30.6%)**

			% CHANGE	
REVENUE	H1 2021 £000	H1 2020 £000	Reported currency	Constant currency
UK Brand product sales	15,445	22,215	(30.2%)	n/a
International Brand product sales	15,597	20,893	(25.4%)	(25.0%)
- North America	5,450	8,102	(33.3%)	(34.1%)
- Northern Europe	5,655	6,517	(12.3%)	(12.3%)
- Rest of the World	4,492	6,274	(28.6%)	(26.2%)
Total Brand product sales	31,042	43,108	(27.8%)	(27.7%)

UNDERLYING EBITDA

- Overriding H1 2021 had an £18m shortfall compared with H1 2020, worth £11m of gross profit
- Brand sales reflect the impact of Covid-19
- Licensing largely reflecting prior period impact of recognising accelerated income (IFRS 15)
- Manufacturing driven by temporary closure of Standfast and Anstey in March 2020 owing to Covid-19
- Central costs driven by improvements in cost control and efficiencies instigated during the lockdown period
- We have benefited from £3.2m of government support



NET DEBT/CASH

WORKING CAPITAL

- Driven by decreased inventory as a result of better stock management and reduced trade receivables due to lower sales and improved credit management

CAPEX

- £0.4m reflects Group's strategy to suspend non-essential expenditure to conserve cash in light of Covid-19

LEASE PAYMENTS

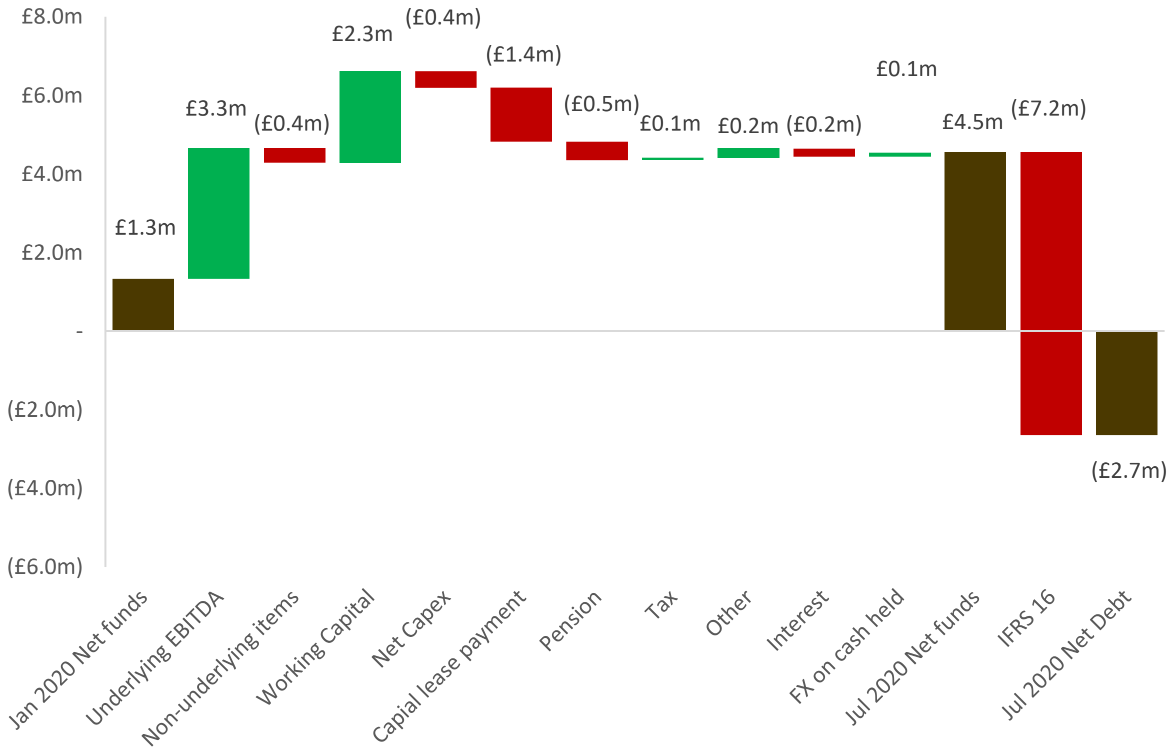
- £1.4m represents payment of the capital element of lease liabilities under IFRS 16

PENSION

- £0.5m cash contribution to DB schemes

NET DEBT

- Reported net debt reduced to £2.6m (31 July 2019: £7.7m)
- Excluding impact of IFRS 16 net funds of £4.5m (31 July 2019: net funds of £0.9m)
- Additional £2.5m overdraft facility agreed to enhance liquidity



BALANCE SHEET

- Net assets of the Group were £61.2m at end of July 2020
- With limited capex non-current assets declined £4.6m in 12 months to £49.2m
- Targeted inventory management reduced by £5.4m over 12 months to £23.4m
    - Reduced purchasing of finished goods
    - Working group formed to rationalise finished goods inventory
    - Fewer collection launches
- Trade receivables declined by £4m versus July last year due to robust credit management and reduced sales
- Fall in trade creditors and other creditors reflects lower activity
- Credit management protected against bad debts

GROUP	AS AT H1 2021 £000	AS AT H1 2020 £000	AS AT FY 2020 £000
Non-current asset			
Intangible assets	**29,051**	30,291	29,815
Property, plant & equipment	**13,123**	14,679	14,101
Right-of-use assets	**7,008**	8,793	8,392
	49,182	**53,763**	**52,308**
Net current assets			
Inventories	**23,383**	28,807	28,456
Receivables	**17,068**	21,077	20,543
Current liabilities	**(16,785)**	(22,380)	(22,940)
Deferred income tax asset /(liabilities)	**147**	(1,510)	(802)
	23,813	**25,994**	**25,257**
Funds			
Net Funds / (Debt)	**4,549**	922	1,336
Finance lease liabilities	**(7,166)**	(8,666)	(8,413)
Retirement benefit obligation	**(9,209)**	(5,186)	(5,659)
Net assets	**61,169**	**66,827**	**64,829**
Capital & reserves			
Share capital	**710**	710	710
Share premium account & other reserves	**58,593**	58,851	58,624
Retained earnings	**1,866**	7,266	5,495
Equity shareholders funds	**61,169**	**66,827**	**64,829**

NET DEFINED BENEFIT PENSION SCHEME

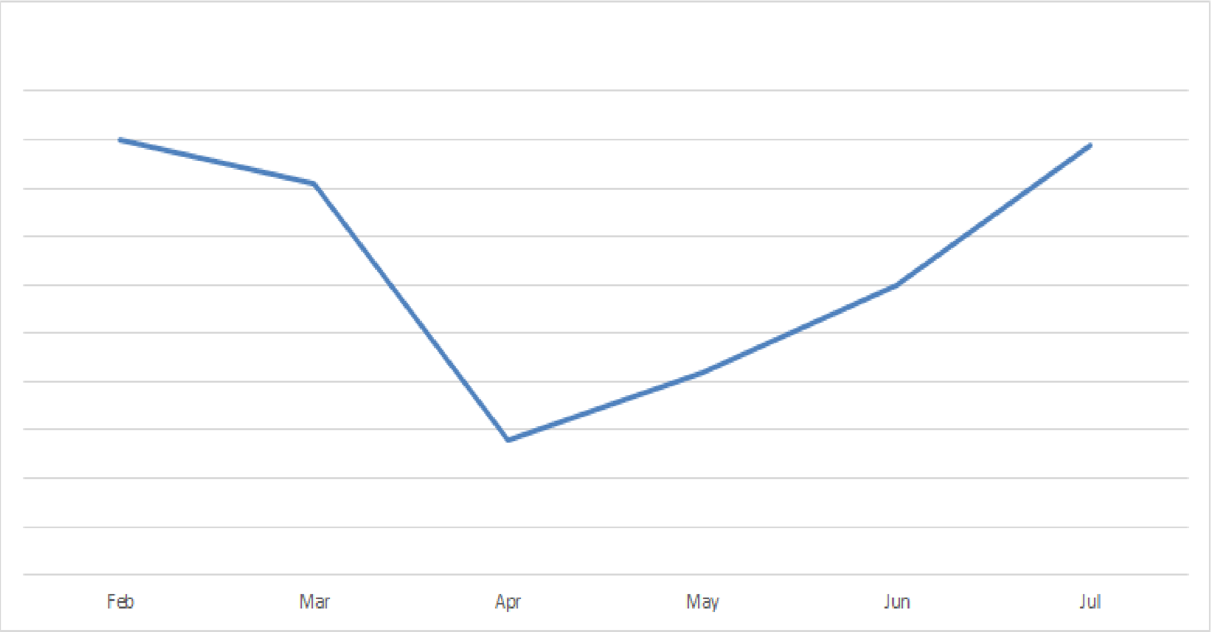
- IAS 19 Pension deficit £9.2m (H1 2020: £5.2m), increase driven by reduced asset values and increasing liabilities due to lower bond yields
- P&L charge £296k (H1 2020: £359k)
- Recovery plan cash contributions (per last triennial review): £192k per month
- Next triennial valuation in April 2021
- Fund is hedged so performance is better than current economic and stock market falls
- We continue to monitor and manage this liability closely with the Trustees, Regulator and Advisors

	H1 2021 £000
Deficit at 1st February 2020	**(5,659)**
Scheme expenses	(255)
Interest cost	(703)
Expected return on plan assets	662
Contributions	470
Actuarial loss from the change in financial assumptions	(3,724)
Deficit at 31st July 2020	**(9,209)**

REVENUE PROGRESSION

- Lockdown announced by UK Government 23 March 2020
- Scenario planning covered all options including extreme sales reductions on a long term basis
- In May we started to bring back furloughed staff to meet demand and in late May, after 2 months shut down, our factories reopened
- In June the Government allowed retailers to open after 12 weeks of lockdown
- July saw the effect of opening up and our sales were in line with prior year

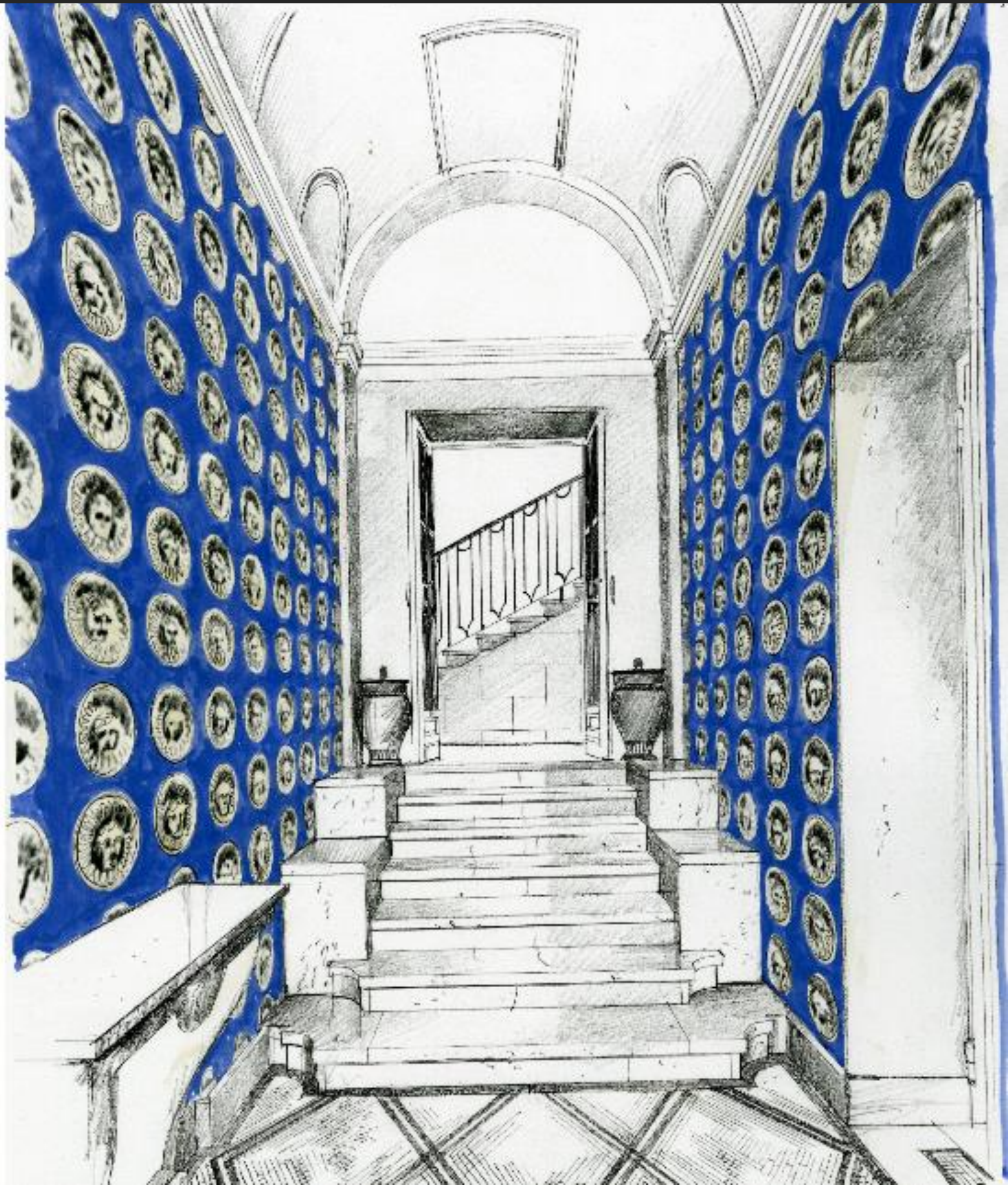
MONTHLY GROUP REVENUE



CURRENT TRADING AND OUTLOOK

Our trading performance in July, August and September was better than expected such that trading in the 12 weeks to the end of September 2020 was just 0.8% behind the same time last year. YTD we are now tracking down 20% for the same period last year.

At the start of our key autumn selling period, we remain cautious on the outlook for the months ahead. The Board believes that the actions taken by the leadership team have given the business a strong foundation on which to withstand the impact of Covid-19 and to build for future growth.



STRATEGY UPDATE

The key strategic pillars established in 2019, with new priority focus areas:

- Through necessity; responding robustly, and decisively, to the impacts of the Covid-19 pandemic
- Through opportunity; identifying new activities that will accelerate business transformation

Central to this are:

- **Culture** – building on the new team spirit and organisational agility
- **Communication** – simplifying our brand and company structure (for customers and colleagues), whilst giving the brands powerful voices to drive consumer demand
- **Digitalisation** – putting our customers' needs first in a post-Covid world. Focusing on digitalisation and simplifying the ways we serve customers with enhanced support
- **Collection management** – creating responsive design, manufacture and distribution

OUR STRATEGIC FRAMEWORK IS UNCHANGED

STRATEGIC FRAMEWORK
Strengthen the foundations, and create long-term sustainable value

BRANDS
Elevate our brands and create consumer demand

PRODUCTS
Focus on fabric, wallpaper, paint and homewares

CUSTOMERS
Digitalisation to meet customers' needs

GEOGRAPHIES
Grow UK, USA and Northern Europe

PEOPLE
Nurture talent for the future

EFFICIENCY
Collection management (Design ROI / SKUs efficiency) and process improvement (reduce waste)

FINANCIAL HEALTH
Tightly manage inventory and cash whilst continuing to reduce overheads

KEY MILESTONES: '20/'21 – '22/'23

Revisit, revalidate and develop to ensure execution and delivery

15 MONTHS TO JAN'21

✓Leadership team effective

✓Brands differentiated

✓Trade customers stabilized

✓ESG immersive program in place

✓Kravet distribution showing growth

✓Manufacturing analysis complete

✓Digital strategy complete

- Website language-enabled – on track

✓ Fewer collections launched

✓KPI's in place for SKU RO

✓ Instagram followers increased 72k from 282k (Feb-20) to 354k (Oct-20)

27 MONTHS TO JAN'22

- Rebrand group
- Brands lead communication
- Brand engagement grows
- Archive launched as business unit
- Growth in key markets UK, US, N.EUR
- Core licensing growth plus new agreements signed
- Contract business re-booted
- Product reduced to 14,000 SKUS (from 2020 20k, 2021 17k)
- Increase ROI per new SKU (14,000 SKUS 2020 and 1,200 2021 SKUS increase (LY)
- Standfast new server
- Anstey new digital printer
- Define and measure ESG goals

39 MONTHS TO JAN'23

- Group re-established as market leader in UK
- Growth in all brands
- Brand followers and engagement in rapid growth
- Archive contributing to profit
- Growth in all key territories
- Licensing income double-digit growth
- Contract in double-digit growth
- Product reduced to 12,000 skus (fabric and wallpaper)
- ROI per new sku growing
- Logistics updated
- Future Factory roadmap
- New accounting system
- Progress expected against ESG goals

CAPEX

Invest in innovative printing techniques and digital printers

INVENTORY

Tightly manage inventory, optimising the numbers of products launched; Flexible books; Reduce minimum order

LEVERAGE

Barclays 5 year RCF and accordion; Gearing objectives, Pension and Lease adjusted, below c.1.5x (IFRS 16)

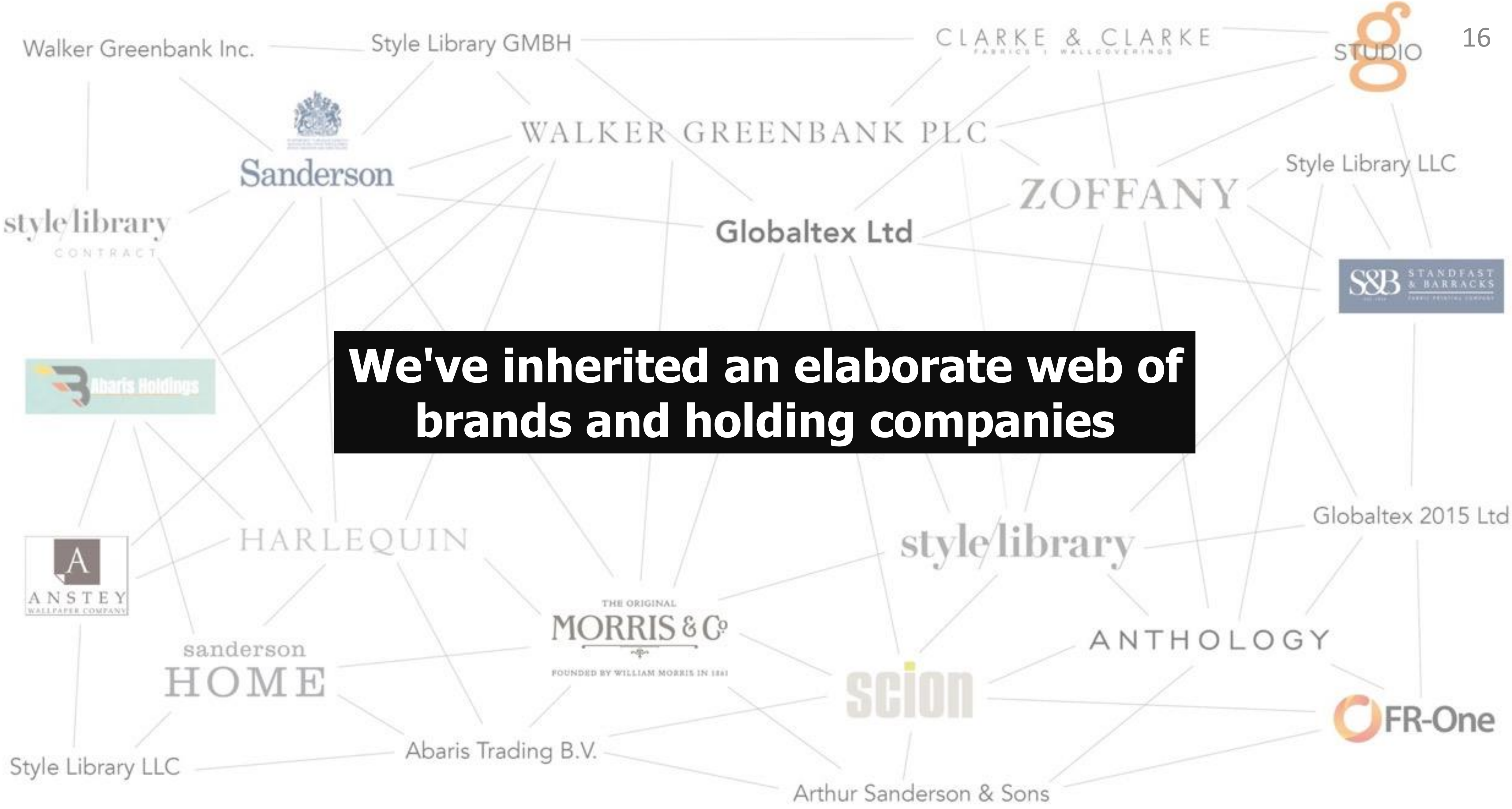
CASH

Tightly manage cash through working capital control

DIVIDEND

Board remains committed as soon as conditions allow

We've inherited an elaborate web of brands and holding companies



THE REASON FOR THE CHANGE

1. **A PLATFORM TO ELEVATE OUR BRANDS** with a group brand name that just makes sense. A comfortable home for our brands to be their best. Part of the family, each with their own role and personality.

2. **SIMPLIFICATION** and **EFFICIENCY** are a core part of our strategy. We are moving from multiple group names to one group name – Sanderson Design Group. Simple.

3. **A RETURN TO OUR CREATIVE ROOTS** with a group name that does what it says, and gives meaning to our precious archive - Sanderson Design Group Archive. Luxury British Design.

WITH A SINGLE COMPANY PURPOSE WHICH ALIGNS ALL OF OUR BRANDS

Craftsmanship
Artistry
Design
Research
Source
Print
Dye

The things that transform a space and make it yours
That express who you are and fill you with joy

'To bring the beautiful into people's homes and lives'

Younger
Older
Classic
Contemporary
Flamboyant
Reserved

Hallways
Drawing rooms & studies
Bedrooms & bathrooms
Kitchens & dining rooms
Where they rest & relax
Entertain and impress

For individuals, it's about enriching your quality of life, transforming how you feel and taking you somewhere new

And for communities and society, it's about broadening access so more people can benefit from and enjoy these incredible designs

SANDERSON

DESIGN GROUP

ANTHOLOGY

CLARKE & CLARKE

HARLEQUIN

MORRIS & Co

Sanderson

scion

ZOFFANY

Digitalisation *- putting our customers' needs first in a post- Covid world. Focusing on digitalisation, and simplifying the ways we serve customers with enhanced support.*

DIGITALISATION HIGHLIGHTS

NEW WEBSITE IN DECEMBER

- New website and customer experience aligning to simplified group structure and enhanced customer experience

TRADE CUSTOMER WEBSITE USAGE SIGNIFICANTLY UP

- Increased promotion and support of website functionality delivering results
- Active number of average daily trade customers users increased from c1k to 2k
- Further enhanced trade customer experience due in December

BRINGING THE ARCHIVE TO LIFE

- The new simplified Sanderson Design Group structure will provide a platform to share the treasures of the archive

DIGITALISATION HIGHLIGHTS (Cont.)

INTERIORS INSPIRATION WHERE CUSTOMERS WANT IT

- Increased promotion and content sharing where customers are e.g. in social media channels / Instagram
- Instagram followers increased in total by 73k to 355k*

FOCUS ON DIGITAL PRINTING

- Improved agility, responsiveness with product on demand
- Digital printing at Standfast & Barracks up from 56.3% in 2019 to 63.4% in 2020 and Anstey level with LY at 12.4% with plans to invest in new technology

Over **4,000 product detail page views** for **Ben Pentreath x Morris & Co.** collection in one day

1,636 downloads for Ben Pentreath x Morris & Co. Digital Design Book

3 times more sample requests for Kids collection than average new collection

22,800 opens on emails for Harlequin's Book of Little Treasures

*Instagram followers and average daily trade customer users from 1/2/20 to 9/10/20

DIGITALISATION HIGHLIGHTS (Cont.)

DIGITAL-FIRST LAUNCH CYCLE

- All collections are now launched digitally first:
    - Interactive digital design books for all collections
    - Digital collection previews with colleagues and customers

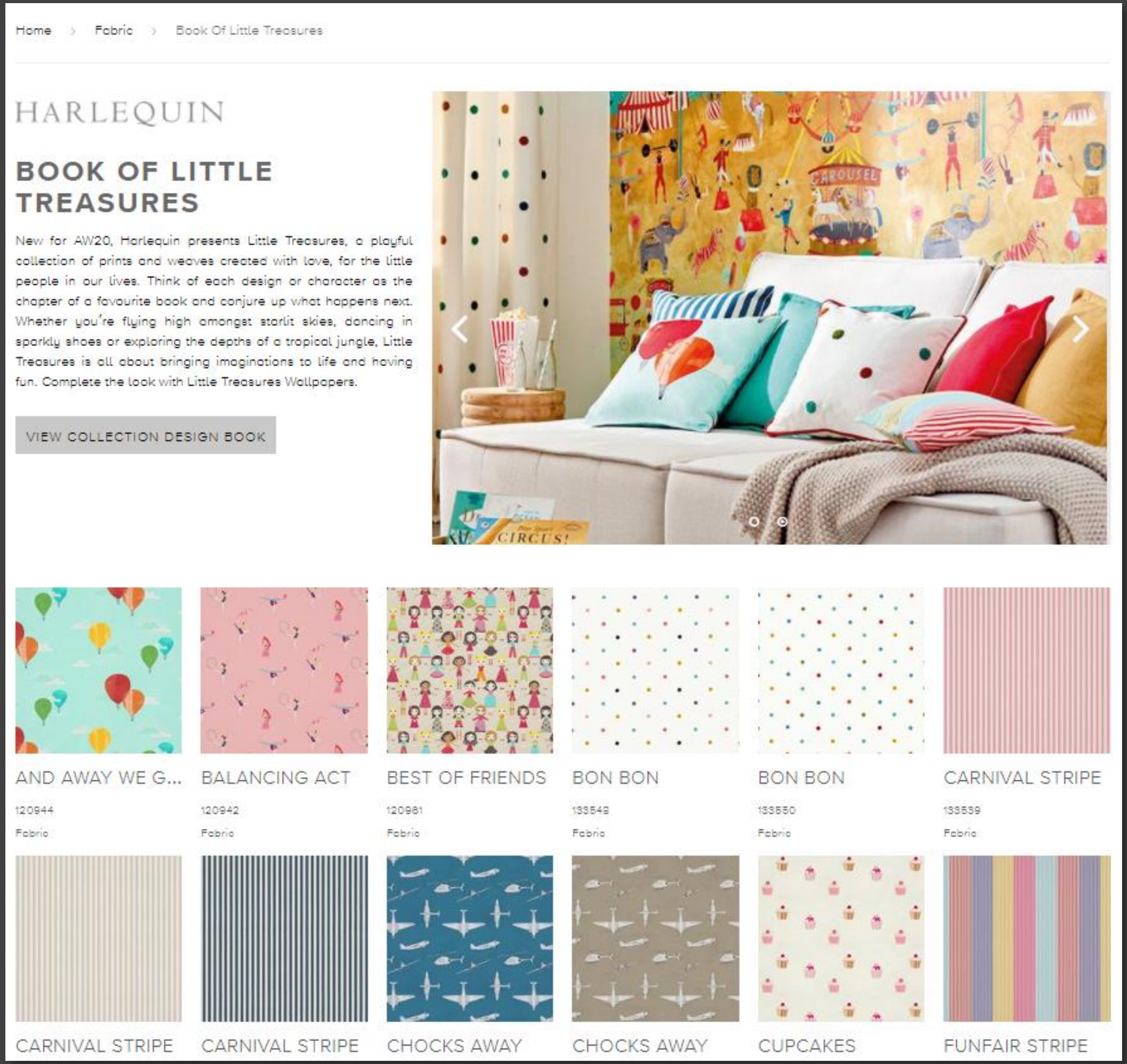

BOOK OF LITTLE TREASURES - LAUNCHED 23/07/2020
KPI DASHBOARD - WEEK 10

	WEEK	YTD	WEEKLY RUN-RATE
1 SAMPLES	x	x	x
2 WEBSITE VISITS			
FABRIC	x	x	x
WALLPAPER	x	x	x
3 DIGITAL DESIGN BOOK			
EMAIL CLICK THOUGH	x	x	x
WEBSITE VIEWS	x	x	x
4 SOCIAL ENGAGEMENT			
IMPRESSIONS	x	x	x
ENGAGEMENTS	x	x	x

	WEEK	YTD	WEEKLY RUN-RATE
5 SALES			
INVOICED SALES			
FABRIC	x	x	x
WALLPAPER	x	x	x
TOTAL	x	x	x
PENDING SALES			
BACKORDER	x	x	x
ORDER INTAKE	x	x	x
GRAND TOTAL	x	x	x

6 BEST SELLERS

MATT PVC - AND AWAY WE GO! POPPY/SKY/
MATT PVC - HIDE & SEEK POPPY/MARINE/OCHRE
ABOVE AND BELOW MARINE LIFE
HIDE AND SEEK POPPY/ MARINE/OCHRE
LIFES A CIRCUS CAROUSEL WALLPAPER



DIGITALISATION HIGHLIGHTS (Cont.)

DIGITAL-FIRST LAUNCH CYCLE – MORRIS & CO.

- Over 4,000 product detail page views of this collection alone in one day
- 27% of sample requests for BP X Morris were for Willow bough (olive / turquoise)
- Greater speed to market
- Increased reach
- More engaged audience

BRAND HIGHLIGHTS – ZOFFANY