

19 February 2019

WALKER GREENBANK PLC
("Walker Greenbank" or the "Company")

Full Year Trading Update

Walker Greenbank PLC (AIM: WGB), the luxury interior furnishings group, announces a trading update for the year ended 31 January 2019 (the "Period").

The results for the Period are expected to be in line with management's expectations.

Group sales for the year are expected to be £113.3 million, up 1.1% compared with the prior year (2018: £112.1 million*), reflecting a generally difficult marketplace offset by increased overseas third-party manufacturing orders and a very strong performance from licensing.

Total Brand product sales, excluding licensing, were down 4.1% in reportable currency (down 3.9% in constant currency) compared with the prior year. Brand sales in the UK, our largest market, were down 6.2% as the modest improvement seen in the first nine weeks of the second half of the year was not sustained as a result of the weak UK consumer environment leading to a further deterioration in sales during the key autumn selling season. International brand sales were down 1.6% in reportable currency (down 1.1% in constant currency).

Brand sales in the US, our second largest market, were up 6.6% in reportable currency (up 8.7% in constant currency). Sales in Western Europe were down 3.0% in reportable currency (down 3.9% in constant currency) and sales in the Rest of the World were down 7.9% in reportable currency (down 7.4% in constant currency).

The Company's high-margin licence income performed very strongly, benefiting particularly from apparel contracts including a very successful agreement with global fashion brand H&M. Total licence income in the Period is expected to be in excess of £6.0 million (2018: £3.3 million*), which is ahead of management's expectations and driven by the H&M agreement.

The Company's wallpaper and fabric manufacturing operations experienced a reduction in orders from the Company's own brands and from UK third parties though this was mitigated by strong growth in overseas third-party manufacturing orders and continued growth in digital fabric printing.

Cash and working capital have been well controlled and the Company is expected to have a debt-free balance sheet at the year end, 31 January 2019. The Group continued to invest for growth with capital expenditure of almost £3.0 million during the Period.

As the Company commences its new financial year our core market in the UK remains both challenging and uncertain and the trend in Brand product sales remains unchanged. The focus of the Company is to seek to mitigate some of the impact of this difficult trading environment through cost saving initiatives.

After the very strong performance in the Period, licensing income in the current financial year is anticipated to be closer to historic levels. Agreements with apparel retailers are generally for one season only.

The ongoing recruitment of a new Chief Executive Officer continues to progress well and a further announcement will be made in due course.

Walker Greenbank intends to announce its results for the year ended 31 January 2019 on 10 April 2019.

* *The prior period has been restated for IFRS 15 Revenue from Contracts with Customers*

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Notes for editors:

About Walker Greenbank

Walker Greenbank PLC is a luxury interior furnishings company that designs, manufactures and markets wallpapers, fabrics and paints. In addition, the Company derives significant licensing income from the use of its designs on a wide range of interior products such as bed linen, rugs and tableware.

Walker Greenbank's brands include Sanderson, Morris & Co, Harlequin, Zoffany, Scion, Clarke & Clarke and Studio G.

The Company has a strong UK manufacturing base, comprising a wallpaper factory in Loughborough and a fabric printing factory in Lancaster. Both factories manufacture for the Company and for other wallpaper and fabric brands.

Walker Greenbank employs more than 600 people and its products are sold in more than 85 countries worldwide. It has showrooms in London, New York, Chicago, Paris, Amsterdam, Moscow and Dubai along with a partnership showroom in Shenzhen, China.

Walker Greenbank trades on the AIM market of the London Stock Exchange under the ticker symbol WGB.

For further information please visit: www.walkergreenbank.com

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