

11 February 2020

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

**Full Year Trading Update
and
Notice of Results**

Walker Greenbank PLC (AIM: WGB), the luxury interior furnishings group, announces its full year trading update for the financial year ended 31 January 2020.

The results for the year are expected to be in line with the Board's expectations.

Group sales for the year are expected to be approximately £111.0 million, down 2.0% compared with the previous year (2019: £113.3 million), reflecting a generally difficult marketplace offset by continued strong performances from the Morris & Co. and Clarke & Clarke brands, core licensing and digital fabric printing.

Total brand sales, which exclude licensing income, were down 2.7% in reportable currency (down 3.0% in constant currency) compared with the prior year. In the UK, our largest market, brand sales were down 3.0% owing to the subdued UK consumer environment. In the US, our second largest market, brand sales were down 3.8% in reportable currency (down 6.9% in constant currency) with the decrease, in part, resulting from the necessary change mid-year in the distribution of the Clarke & Clarke brands. The new distribution partnership, with Kravet Inc., which has been extended to include Canada, is progressing in line with the Board's expectations. Brand sales in Northern Europe were up 1.1% in reportable currency (up 2.1% in constant currency).

The Morris & Co brand continued its strong growth, up 22.3% in constant currency compared with the prior year, reflecting the continued revival of interest in the Arts & Crafts movement. The Company has continued to invest in Morris & Co to leverage this growing interest. The brand grew strongly in all key territories and grew particularly strongly in Scandinavia, where the brand's sales were up 28.7%.

The integration of the Clarke & Clarke business is now complete and positive growth is continuing from the Clarke & Clarke brands. The Company's focus on cost reduction initiatives, with approximately £1 million of savings delivered during the second half of the year, has included Clarke & Clarke's support functions being combined with those of the Group.

As anticipated, the Company's high-margin licensing business performed well during the year with core licensing income* ahead of historic levels, up 13.9% to £3.5 million (2019: £3.1 million), reflecting a strong performance from bedding, blinds and Japanese licensees. The reported licence income is expected to be approximately £5.5 million compared with £6.5 million in 2019, the year in which the Morris & Co brand had a significant, one-off agreement with fashion retailer H&M.

Third party manufacturing sales were up 5.5% at £21.1 million (2019: £20.0 million). Digital fabric printing grew strongly, up 12.3%, reflecting demand from both third party customers and Walker Greenbank's own brands.

Whilst the Company has continued its targeted investment and the ongoing focus on costs, the balance sheet remains strong. It is expected that net funds at the year end, excluding the impact of IFRS 16, will be approximately £1.0 million compared with £0.4 million at 31 January 2019.

At this very early stage of the current financial year, market conditions remain generally difficult, particularly in the UK, but the implementation of the Group's strategy, as set out in the Company's Interim Results in October 2019, is advancing well.

Further to the Company's announcement of 18 December 2019, good progress has been made in the recruitment of a full time Chief Financial Officer and a further update will be provided shortly.

Notice of Results

Walker Greenbank intends to announce its results for the year ended 31 January 2020 on Thursday 23 April 2020. A meeting for analysts will be held at 10am on the day of the results announcement at the offices of Buchanan, 107 Cheapside, London EC2V 6DN. For further information please contact Buchanan on 020 7466 5000 or email walkergreenbank@buchanan.uk.com.

** Core licensing income excludes the recognition of fixed minimum guaranteed licensing income under IFRS 15 and income from apparel collaborations*

For further information:

Walker Greenbank PLC

+44 (0) 1895 221068

Lisa Montague, Chief Executive Officer
Michael Williamson, Interim Chief Financial Officer
Caroline Geary, Company Secretary

Investec Bank plc (Nominated Adviser and Broker)
David Anderson / Henry Reast / Alex Wright

+44 (0) 20 7597 5970

Buchanan
Mark Court / Toto Berger / Charlotte Slater

+44 (0) 20 7466 5000

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 Zoffany, Sanderson, Morris & Co, Harlequin, Scion and Clarke & Clarke.

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 650 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.

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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