



Ultimate Products plc
("Ultimate Products", or "the Group")

Q3 trading update

Ultimate Products, the owner of a number of leading homeware brands including Salter (the UK's oldest houseware brand, est.1760) and Beldray (est.1872), announces its Q3 trading update for the period from 1 February 2024 to 30 April 2024.

In the Group's interim results, it reported total revenue down 4% with Adjusted EBITDA broadly flat on the prior year. Since that time, trading has been impacted by a slowdown in near-term sales from landed stocks (call off, regular stock and online sales), typically at higher gross margin, reflecting the broader slowdown seen in retail sales to consumers. This has resulted in revenue being down 7% year-on-year for Q3. The Directors believe it is sensible to assume that these trading conditions will continue throughout Q4. Therefore, the Directors expect FY24 revenues to be at least £156m, with gross margin being in line with last year, and Adjusted EBITDA to be in a range of £17.5-18.5m.

As the year progresses, we are continuing to see the gradual resumption of normal ordering patterns from our retailer customers as the overstocking issues brought about by the pandemic subside. The increase in forward ordering by retailers has primarily been benefitting our forward order book for FY25, and as a result we are already seeing significant growth over the FY24 order book. The Directors therefore have confidence in the Group's prospects for FY25.

Commenting on the update, Andrew Gossage, Chief Executive of Ultimate Products, said:

"It is disappointing that Spring has seen continued poor demand from consumers, which has adversely affected sales in the current quarter. Our assumption is that these challenging conditions will persist in the short-term and so impact our FY24 outcome. In contrast, the order book for FY25, at this early stage, is significantly ahead of FY24 as retailers continue to increase their forward orders as the overstocking issues brought about by the pandemic subside and consumer confidence builds as we see a return to real wage growth. As such, we remain confident in the Group's medium-term prospects."

** Consensus market expectations for the financial year ending 31 July 2024 are currently revenues of £166.7m, adjusted EBITDA of £21.5m and adjusted EPS of 15.6p*

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This announcement contains inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Notes to Editors

Ultimate Products is the owner of a number of leading homeware brands including Salter (the UK's oldest houseware brand, established in 1760) and Beldray (a laundry, floor care, heating and cooling brand that was established in 1872). According to its market research, nearly 80% of UK households own at least one of the Group's products.

Ultimate Products sells to over 300 retailers across 38 countries, and specialises in five product categories: Small Domestic Appliances; Housewares; Laundry; Audio; and Heating and Cooling. Other brands include Progress (cookware and bakeware), Kleeneze (laundry and floorcare), Petra (small domestic appliances) and Intempo (audio).

The Group's products are sold to a broad cross-section of both large national and international multi-channel retailers as well as smaller national retail chains, incorporating discount retailers, supermarkets, general retailers and online retailers.

Founded in 1997, Ultimate Products employs over 370 staff, a significant number of whom have joined via the Group's graduate development scheme, and is headquartered in Oldham, Greater Manchester, where it has design, sales, marketing, buying, quality assurance, support functions and warehouse facilities across two sites. Manor Mill, the Group's head office, includes a spectacular 20,000 sq ft showroom that showcases each of its brands. In addition, the Group has an office and showroom in Guangzhou, China and in Paris, France.

Please note that Ultimate Products is not the owner of Russell Hobbs. The company currently has licence agreements in place granting it an exclusive licence to use the "Russell Hobbs" trademark for cookware and laundry (NB this does not include Russell Hobbs electrical appliances).

For further information, please visit www.upplc.com.

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