# IG DESIGN GROUP

## BUSINESS SERVICES

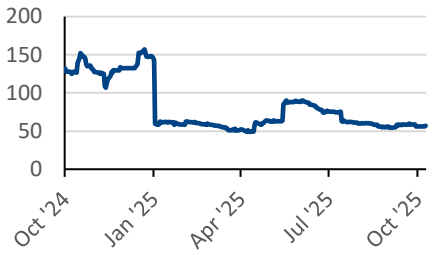
28 October 2025

**IGR.L**

56p

Market Cap: £55.1m

**SHARE PRICE (p)**




12m high/low 157p/49p

*Source: LSE Data (priced as at prior close)*

**KEY DATA**

| | |
|---|---|
| Net (debt)/cash | $2.0m *(at 30/09/25)* |
| Enterprise value | £53.6m |
| Index/market | LSE |
| Next news | Interims, 2 Dec |
| Shares in issue (m) | 98.3 |
| Interim Executive Chair | Stewart Gilliland |
| CFO | Rohan Cummings |

**COMPANY DESCRIPTION**

IG Design Group designs and manufactures gift packaging, giftware, celebrations, stationery and creative play products.

**www.thedesigngroup.com**

**IG DESIGN GROUP IS A RESEARCH CLIENT OF PROGRESSIVE**

**ANALYSTS**


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## On course to meet full-year expectations

**The key takeaway from IG Design's post-close trading update for the six months to 30 September is that it remains on course to meet the FY26E guidance issued at its preliminary results in July. This outlook is underpinned by an H1 adjusted operating margin of 4.3%, above the full-year guided range of 3%-4%, together with strong orderbook visibility of 91%. Period-end net cash remained positive at $2m despite an outflow of $33m relating to the disposal of DG Americas (DGA) on 30 May this year.**

- **H1 revenues – unchanged guidance.** Following the disposal of DGA to Hilco in May, the focus now switches to the continuing group, essentially the former DG International (DGI) division. H1 revenues for the continuing group are expected to be around 13% lower than last year. This reflects the factors previously highlighted by the group, namely softer UK demand, tariffs (on UK sales into the US) and competitive pricing pressures in Europe. In addition, the timing of shipments has seen an estimated $7m of (primarily European) revenues shift into H2. The full-year revenue outlook remains in line with previous guidance of $270-280m.
- **H1 adjusted operating margin – ahead of FY26E guidance at 4.3%.** The group expects to deliver H1 adjusted operating profit of $5.6m, equating to an adjusted operating margin of 4.3%. This is ahead of the guidance for a full-year adjusted operating margin of 3%-4%, which remains unchanged. Profit performance has been underpinned by tight cost disciplines, ongoing operational efficiencies and a strategic focus on higher-margin channels.
- **Cash management – disciplined business as usual.** Cash resources continue to be managed efficiently, with period-end net cash estimated at around $2m (vs $7.4m at the same juncture last year, and $84.8m at the FY25 year-end on 31 March). It should be noted that the cash outflow in the period included $33m relating to DGA. In addition, it is encouraging to see that the outflow relating to the continuing business improved by 13%, reflecting further progress on working capital management.
- **FY26E outlook – forecasts unchanged, other news.** Our forecasts remain unchanged given the H1 performance and board commentary, with the interims scheduled for 2 December to include updated segment reporting. On other fronts of investor interest, the CEO recruitment process is underway, as is Hilco's sale process of DGA, which will determine what, if any, future net proceeds are due to IG Design upon completion.

| FYE MAR ($M) | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Revenue | 800.1 | 729.3 | 275.3 | 284.9 | 296.3 |
| Adj EBITDA | 61.1 | 31.7 | 18.8 | 20.5 | 23.1 |
| Fully Adj PBT | 25.9 | 2.0 | 7.1 | 8.9 | 10.8 |
| Fully Adj EPS (c) | 16.3 | (5.6) | 3.2 | 4.2 | 5.3 |
| EV/Sales (x) | 0.1x | 0.1x | 0.3x | 0.3x | 0.2x |
| EV/EBITDA (x) | 1.2x | 2.3x | 3.8x | 3.5x | 3.1x |
| PER (x) | 4.6x | N/A | 23.3x | 17.7x | 14.2x |

*Source: Company Information and Progressive Equity Research estimates.*


*This publication should not be seen as an inducement under MiFID II regulations.*

*Please refer to important disclosures at the end of the document.*

## Financial Summary: IG Design Group

**Year end: March ($m unless shown)**

| PROFIT & LOSS | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Revenue | 800.1 | 729.3 | 275.3 | 284.9 | 296.3 |
| Adj EBITDA | 61.1 | 31.7 | 18.8 | 20.5 | 23.1 |
| Adj EBIT | 31.1 | 5.2 | 9.6 | 11.4 | 13.3 |
| Reported PBT | 23.8 | (55.5) | 3.1 | 8.9 | 10.8 |
| Fully Adj PBT | 25.9 | 2.0 | 7.1 | 8.9 | 10.8 |
| NOPAT | 20.9 | (15.7) | 4.3 | 5.5 | 6.7 |
| Reported EPS (c) | 36.6 | (104.6) | 1.6 | 4.4 | 5.3 |
| Fully Adj EPS (c) | 16.3 | (5.6) | 3.2 | 4.2 | 5.3 |
| Dividend per share (p) | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

| CASH FLOW & BALANCE SHEET | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Operating cash flow | 69.0 | 24.9 | 20.2 | 21.9 | 23.8 |
| Free Cash flow | 49.0 | 6.4 | 11.1 | 8.9 | 9.9 |
| FCF per share (c) | 50.6 | 6.7 | 11.3 | 9.1 | 10.1 |
| Acquisitions | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 |
| Disposals | (0.4) | (0.6) | 0.0 | 0.0 | 0.0 |
| Shares issued | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Net cash flow | 44.7 | (10.4) | (43.9) | 5.9 | 7.9 |
| Overdrafts / borrowings | (62.1) | (51.7) | (51.7) | (51.7) | (51.7) |
| Cash & equivalents | 157.4 | 136.5 | 92.6 | 98.6 | 106.5 |
| Net (Debt)/Cash | 95.2 | 84.8 | 40.9 | 46.9 | 54.8 |

| NAV AND RETURNS | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Net asset value | 369.5 | 270.2 | 126.8 | 124.4 | 124.0 |
| NAV/share (c) | 378.2 | 276.5 | 129.8 | 127.3 | 126.9 |
| Net Tangible Asset Value | 294.7 | 247.3 | 112.4 | 110.4 | 110.4 |
| NTAV/share (c) | 301.7 | 253.1 | 115.0 | 113.0 | 113.0 |
| Average equity | 351.9 | 319.8 | 198.5 | 125.6 | 124.2 |
| Post-tax ROE (%) | 4.9% | (1.5%) | 1.6% | 3.4% | 4.4% |

| METRICS | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| Revenue growth | (10.1%) | (8.8%) | (62.3%) | 3.5% | 4.0% |
| Adj EBITDA growth | 26.2% | (48.1%) | (40.8%) | 9.1% | 12.8% |
| Adj EBIT growth | 93.4% | (83.2%) | 84.6% | 18.3% | 17.0% |
| Adj PBT growth | 181.9% | (92.4%) | 261.1% | 24.7% | 21.8% |
| Adj EPS growth | 10922.2% | (134.3%) | 157.6% | 31.7% | 24.4% |
| Dividend growth | N/A | N/A | N/A | N/A | N/A |
| Adj EBIT margins | 3.9% | 0.7% | 3.5% | 4.0% | 4.5% |

| VALUATION | 2024 | 2025 | 2026E | 2027E | 2028E |
|---|---|---|---|---|---|
| EV/Sales (x) | 0.1 | 0.1 | 0.3 | 0.3 | 0.2 |
| EV/EBITDA (x) | 1.2 | 2.3 | 3.8 | 3.5 | 3.1 |
| EV/NOPAT (x) | 3.4 | -4.6 | 16.6 | 13.1 | 10.8 |
| PER (x) | 4.6 | N/A | 23.3 | 17.7 | 14.2 |
| Dividend yield | N/A | N/A | N/A | N/A | N/A |
| FCF yield | 67.5% | 8.9% | 15.1% | 12.1% | 13.4% |

*Source: Company information and Progressive Equity Research estimates*

28 October 2025

**Disclaimers and Disclosures**

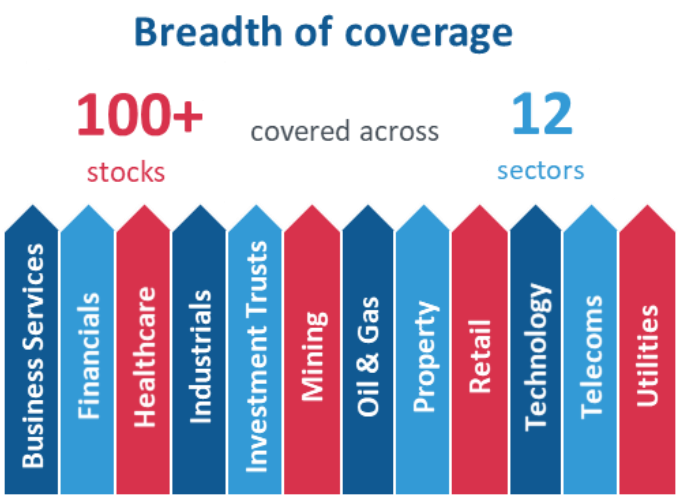
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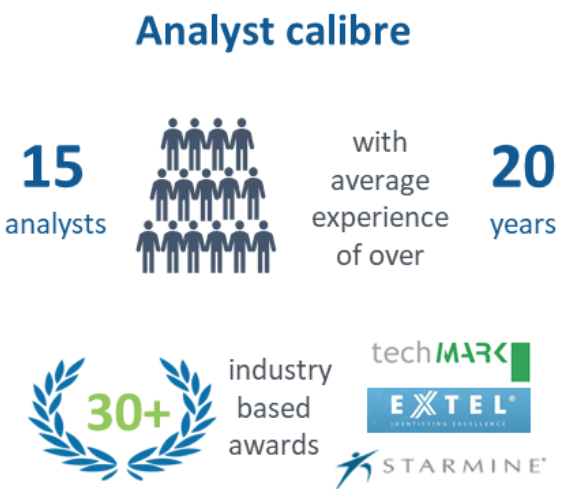
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