

23 August 2021

**UP Global Sourcing Holdings plc
“Ultimate Products” or “the Group”**

PRE-CLOSE TRADING UPDATE AND NOTICE OF RESULTS

Ultimate Products, the owner, manager, designer and developer of an extensive range of value-focused consumer goods brands, announces its trading update for the financial year ended 31 July 2021 (“FY21”).

Overview

- Completed the acquisition of Salter Brands Limited (“Salter”) from FKA Brands Limited on 15 July 2021: integration proceeding to plan and is expected to be significantly earnings enhancing in FY22
- Unaudited Group revenues up 17.9% to £136.4m (FY20: £115.7m), with growth across each of the Group’s four strategic pillars – i.e. international, supermarkets, online channels and discount retailers – despite a challenging commercial environment with significant operational and shipping disruption as a result of COVID-19
- Unaudited underlying EBITDA* increased by 28.3% to £13.3m (FY20: £10.4m), and unaudited underlying PBT* increased by 36.6% to £11.2m (FY20: £8.2m), (ahead of market consensus of £10.8m)
- Net bank debt increased by £15.1m to £18.9m (FY20: £3.8m), reflecting £17.2m of increased borrowings to fund the acquisition of Salter in July, offset by strong operating cash flows during the financial year
- Net bank debt/underlying EBITDA ratio of 1.4x at 31 July 2021 (31 July 2020: 0.4x). The Group maintains comfortable levels of headroom within its bank facilities, with headroom at 31 July 2021 of £16.2m (31 July 2020: £21.3m)

Current trading and outlook

- The FY22 order book for the core business, excluding the effect of the recent Salter acquisition, is ahead of this time last year
- Shipping availability continues to present challenges with forward orders from the Group’s retail customers being prioritised ahead of stock purchases. Management expects that global shipping will remain disrupted until after Chinese New Year (February 2022)
- Current trading remains in line with expectations, with growth expected in FY22 both from the core business and through the acquisition of Salter

Commenting on the performance, Simon Showman, Chief Executive of Ultimate Products, said:

“Against the challenging backdrop that COVID-19 continues to present, we are very pleased to have delivered a performance in FY21 that is ahead of the market’s expectations. As ever, I am hugely proud of the hard work, dedication and professionalism of the Ultimate Products team. As a result of their efforts, our business is emerging from the pandemic with closer customer relationships, a stronger portfolio of products, and in excellent financial and operational shape.

In addition, the acquisition of Salter, the UK’s oldest housewares brand, has delivered a step change in the depth and quality of the Group’s brand portfolio, providing further opportunities for future growth both domestically and internationally. As a result, the Board remains confident in the long-term prospects for the Group.”

Notice of results

The Group intends to announce its full year financial results on 2 November 2021.

* Underlying EBITDA and underlying PBT are *non-GAAP measures*. Both underlying EBITDA and underlying PBT exclude the transaction costs from the acquisition of Salter, as well as the charge from repaying monies previously claimed under the COVID-19 Job Retention Scheme, and are calculated after adding back share-based payment charges.

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION (EU) 596/2014.

Notes to Editors

Ultimate Products is an owner, manager, designer and developer of a series of well-known brands focused on the home, selling to over 300 retailers across 37 countries. It has six product categories: Audio; Heating and Cooling; Housewares; Laundry; Luggage; and Small Domestic Appliances. Its brands include Beldray (laundry, floor care, heating and cooling), Intempo (audio), Salter (kitchenware and scales), Constellation (luggage), and Progress (cookware and bakeware).

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. Its best-selling products include frying pans, mugs and speakers, selling approximately one million of each every year.

Founded in 1997, Ultimate Products 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 Cologne, Germany.

Ultimate Products' graduate development scheme was launched in 2012 and in 2020 it welcomed its 300th graduate. In total, Ultimate Products now employs over 300 staff.

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 (NB this does not include Russell Hobbs electrical appliances).

For further information, please visit www.upgs.com