



The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

LONDON: Friday, 22 January 2021

THE CHARACTER GROUP PLC
("Character", "Group" or "Company")

Designers, developers and international distributor of toys, games and giftware

Trading Update

Ahead of the Group's Annual General Meeting being held today (22 January at 11.00am.) Character provides the following trading update:

The Christmas 2020 trading period was buoyant for the UK toy sector generally, with the UK market reportedly up by c.5% year-on-year. The Group's UK sales for the four months to 31 December 2020 were up c.25% over the same period in 2019. International sales in the period were also significantly higher than in the same period last year, with sales to the USA featuring particularly well. As a consequence, overall Group sales were boosted, with an aggregate increase of over 30% against the comparable period in 2019.

All our major brands and hero lines have sold exceptionally well. This, coupled with the judicious approach to purchases made for the UK market for the commencement of this calendar year, has resulted in the Group's inventory at 31 December 2020 being at its lowest level for over a decade.

As announced on 7 January 2021, the Group has sold the freehold to its former over-spill warehousing facility in Oldham, Vernon Works, for £3.5 million in cash (ex VAT), with completion scheduled for the end of this month. The sale at this price will result in an exceptional profit of approximately £2 million.

Despite the extended lockdowns and logistical difficulties that have arisen from container shortages, delays with shipping from the Far East, congestion at UK ports and the fall-out from Brexit, underlying profitability for the six months ending 28 February 2021 will be significantly higher than for the same period last year. Looking beyond this, we expect that the second half year of this financial year to be challenging due to the continuance of the lockdowns, restrictions and the continuing effect that the logistical difficulties are having on freight rates from the Far East (at times quadrupling since September 2020). Assuming no further worsening of these conditions, the Board believes the Group will achieve current market expectations for the year ending 31 August 2021.

The Board looks forward to updating shareholders at the time of the publication of its interim results at the end of April 2021.

Note:

Traditionally, the Board enjoys the opportunity to meet with all shareholders at its AGM. However, due to Covid-19 guidelines and as previously communicated to investors, the Company will be conducting today's Meeting (22 January at 11.00am.), as a closed meeting with the minimum necessary quorum of shareholders present or by proxy required under these circumstances. Results of voting at the AGM will be announced later today.

The Character Group plc

FTSE sector: leisure goods:

FTSE AIM All-share: symbol: CCT

Market cap: £91m

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Group website: www.thecharacter.com

Product ranges can also be viewed at www.character-online.co.uk

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