



CREIGHTONS

MADE IN ENGLAND

QUALITY . SERVICE . INNOVATION



Interim Results
April – September 2024

29th November 2024





AGENDA

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Company Introduction and Highlights

Pippa Clark,
Group Managing Director

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Financial Review

Qadeer Mohammed,
Director of Finance

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Group Managing Director

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Pippa Clark,
Group Managing Director

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Q+A

Paul Forster
Pippa Clark
Qadeer Mohammed



COMPANY INTRODUCTION AND HIGHLIGHTS

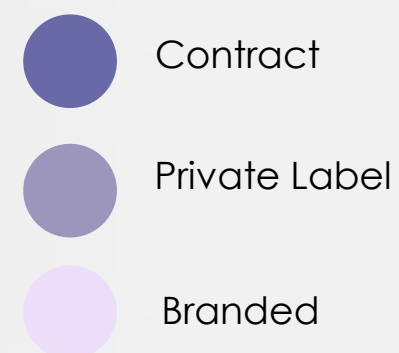
Pippa Clark,
Group Managing Director



CREIGHTONS

MADE IN ENGLAND

- Creightons designs, develops, manufactures and distributes high quality beauty and personal care products in a broad range of categories
- Route to market via three revenue streams; Private Label, Owned Brands and Contract Manufacturing
- 380 employees over two manufacturing sites in the UK; Peterborough, Cambridgeshire and Tiverton, Devon
- Full-service supply to key brands and major retails chains in the UK and International markets



We are:



Award Winning



Performance Products

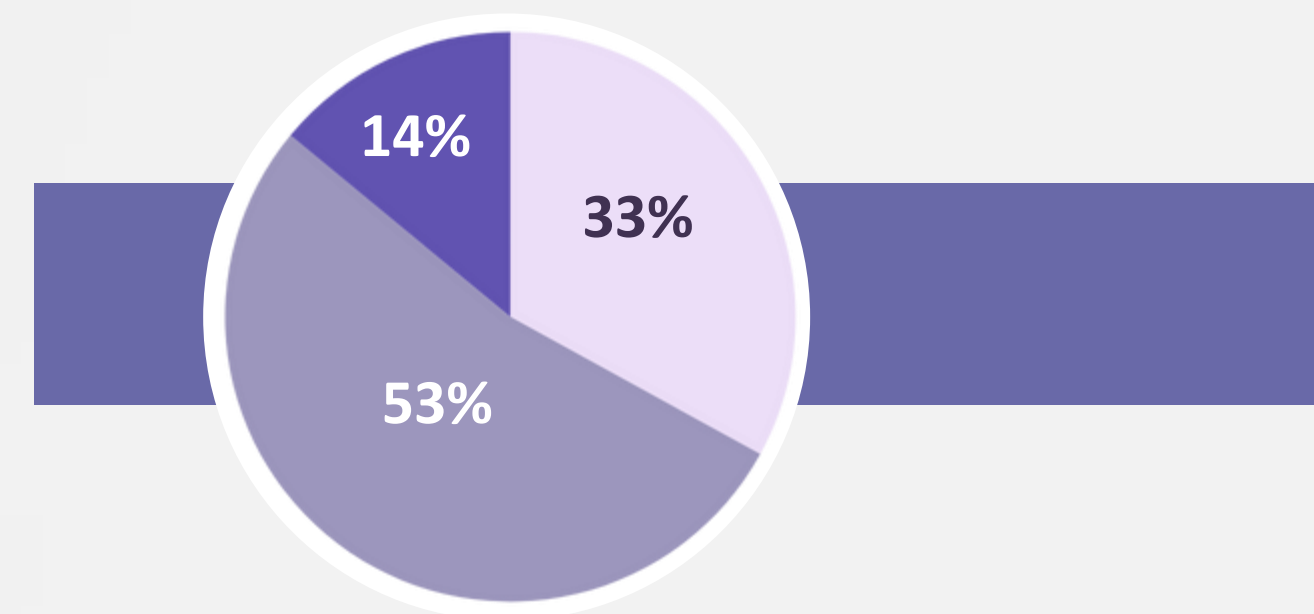


Innovative Solutions

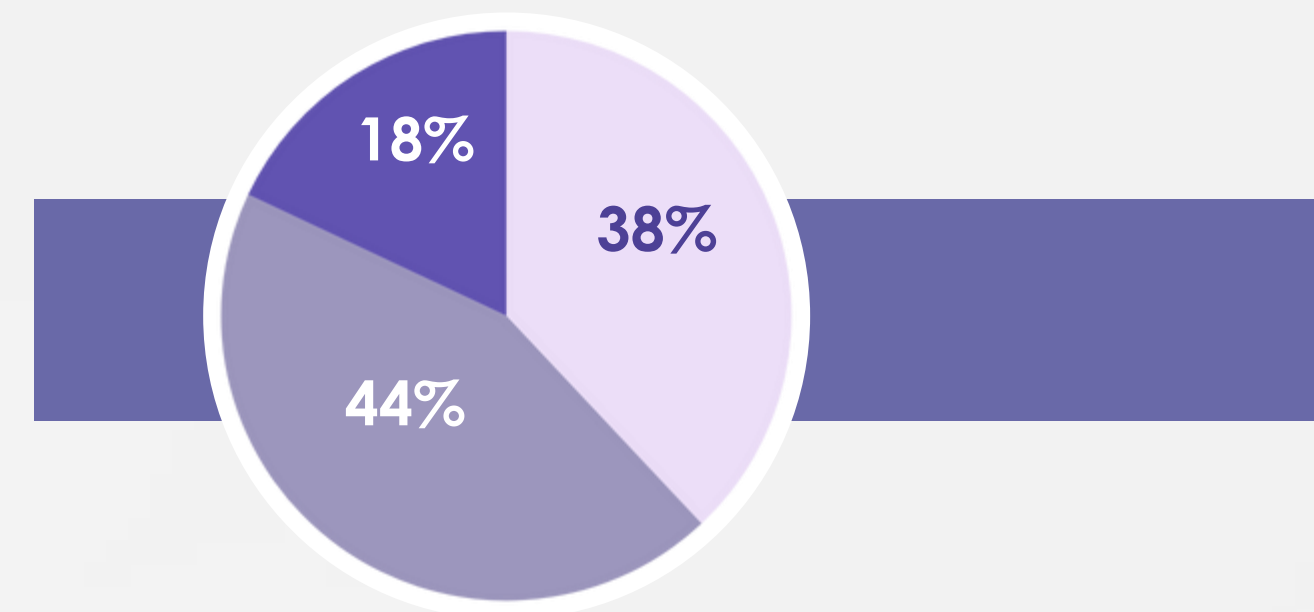


Global Appeal

Group Sales by Revenue Stream April 24 – Sept 24



Group Sales by Revenue Stream April 23 – Sept 23



OPERATIONAL HIGHLIGHTS

Private Label

+17.4%

£14.4m

(2023: £12.3m)

Brand

-15%

£8.9m

(2023: £10.4m)

Contract Manufacturing

-21.5%

£3.8m

(2023: £4.9m)

1

Customer pricing strategies impacting positively on gross margin improvement **+1.8%** to **44%** (2023: **42.2%**)

2

Control of overheads including administration costs reduced by **4.8%** to **£8.8m** (2023: **£9.3m**)

3

Distribution costs decreased by **25.3%** to **£1.4m** (2023: **£1.9m**) as full benefit of repatriating warehousing in-house being realised

4

Reduced stock levels to **£8.7m** (2023: **£10.4m**)



FINANCIAL HIGHLIGHTS



Improved performance

Improved performance on lower revenue £27.1m (2023 : £27.6m)



Gross margin improvement

Increase of 1.8% to 44.0%
(2023: 42.2%)



Operating profit

Increased by 236% to £1.7m
(2023: £0.5m)

Key Drivers: Margin Improvement, Cost Reduction and Operational Efficiencies



EBITDA

£2.5m (2023: £1.4m)



Net cash on hand

+£1.5m (2023: - £1.7m)



Diluted EPS

Increased to 1.61p (2023: 0.37p)



FINANCIAL REVIEW

Qadeer Mohammed,
Director of Finance



REVENUE STREAMS



Revenue for the interim period was £27.1m (2023: £27.6m), a reduction of 1.7%



Excluding Hygiene in 2020, revenue grew in 2021



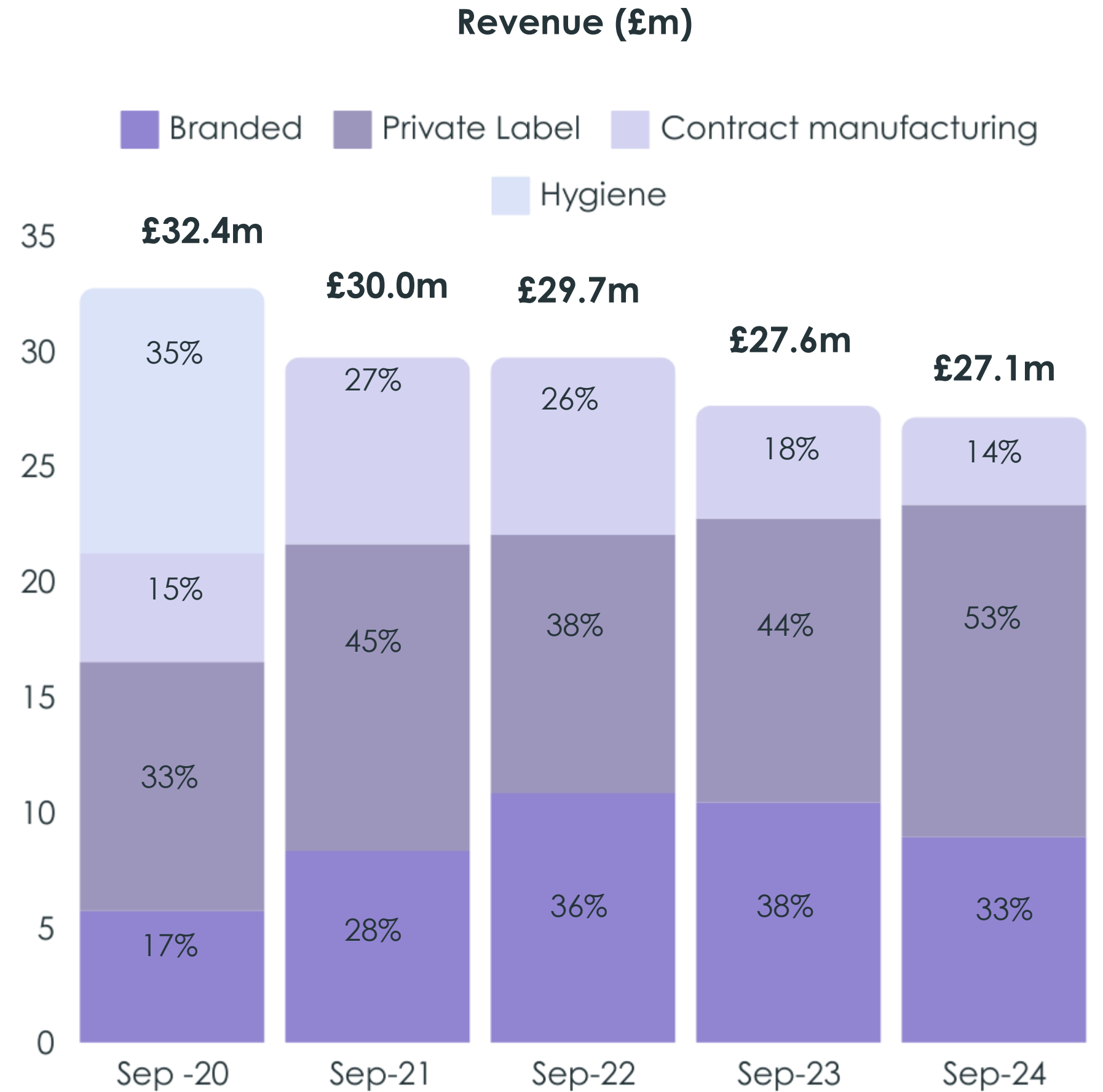
Despite a reduction in Revenue, operating performance improved



Private label continues positive sales momentum

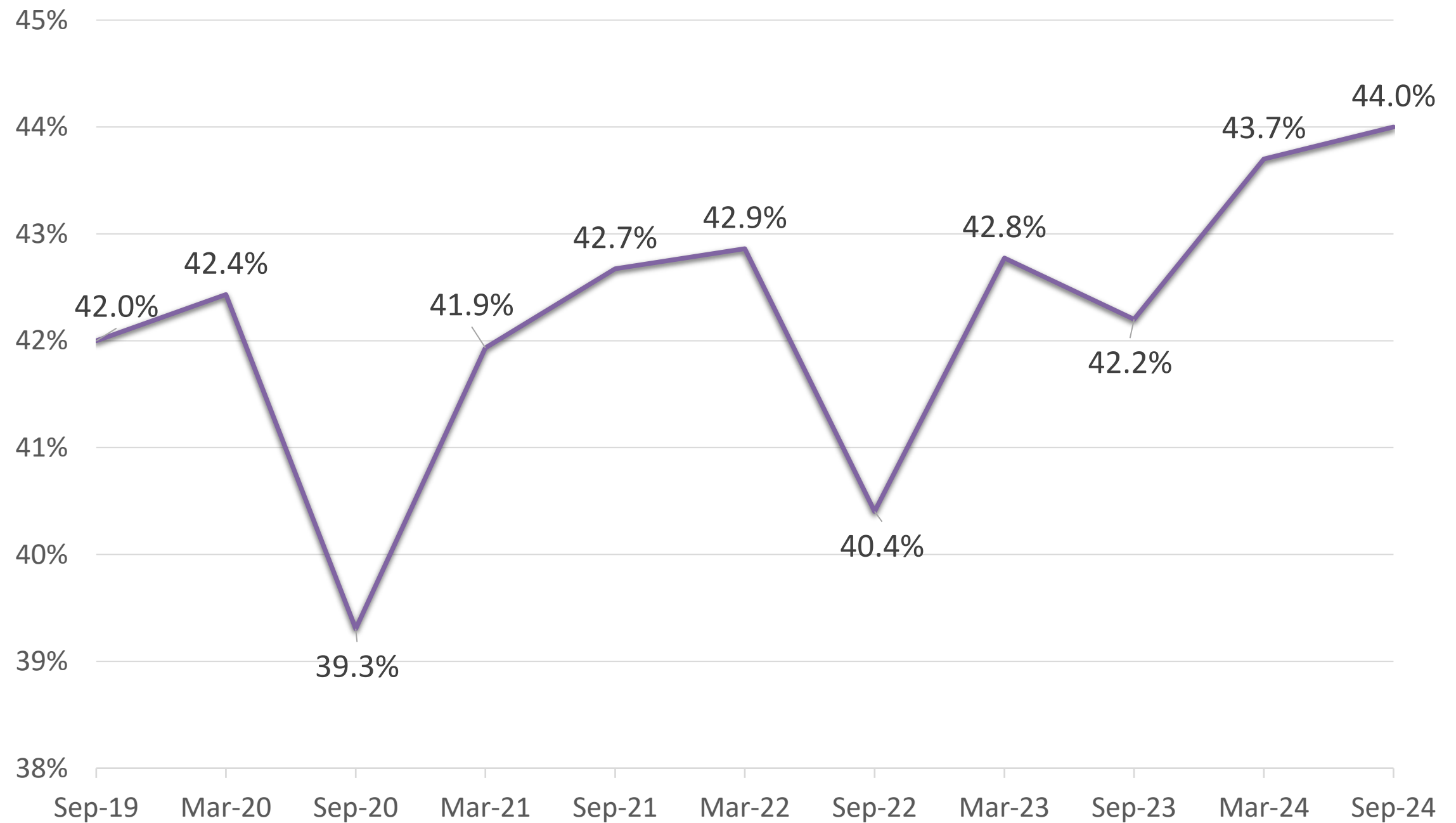


Challenging markets for Contract and Branded sales



Gross Profit Margin

- **September 2020:**
Covid 19, increased costs air-freighting goods and reduced productivity
- **September 2022:**
Increase in direct costs due to global supply chain and inflationary pressures
- **September 2023 onwards:**
GPM has been on an increasing trend



OPERATING PROFIT BEFORE EXCEPTIONAL COSTS

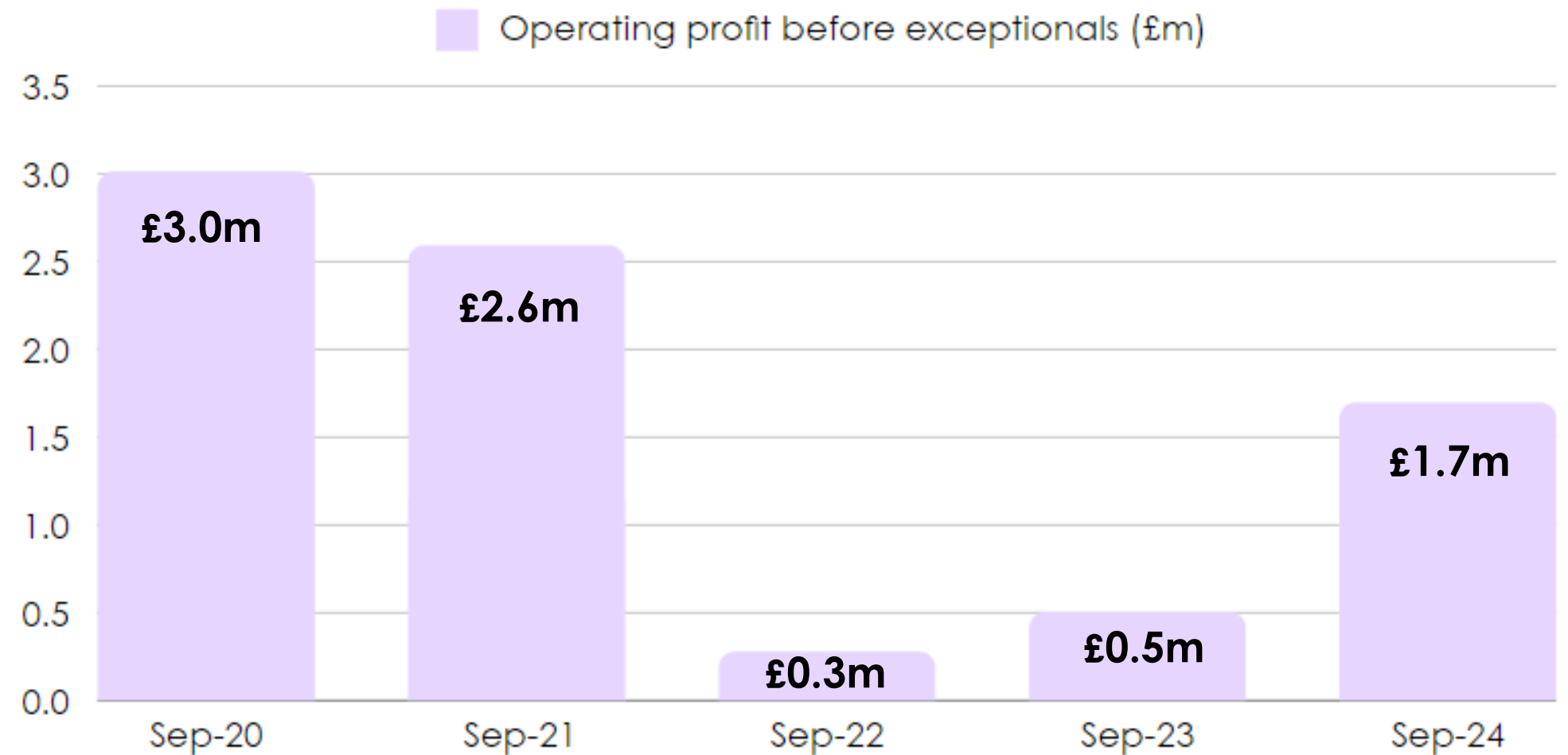
Despite a reduction in Revenue the operating profit before exceptional items has increased significantly

Distribution costs have decreased by 25.3% to £1.4m (2023: £1.9m)

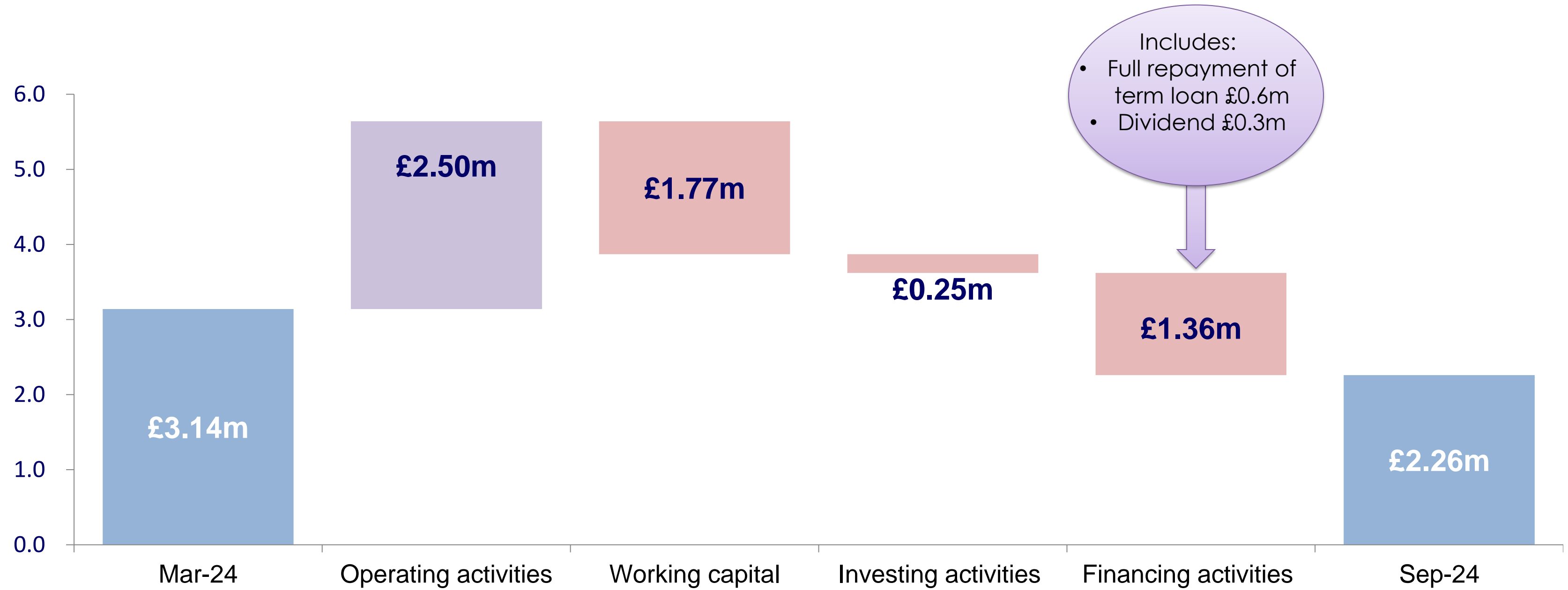
Exited the majority of third-party logistics providers and bringing picking and packing of finished goods in house

Administrative costs have decreased by 4.8% to £8.8m (2023: £9.3m)

Strategy of cost rationalisation as well as the integration of the Emma Hardie subsidiary into the Group



CASH FLOW MOVEMENT





STRATEGY UPDATE

Pippa Clark,
Group Managing Director





STRATEGY IN SUMMARY

Build Brands

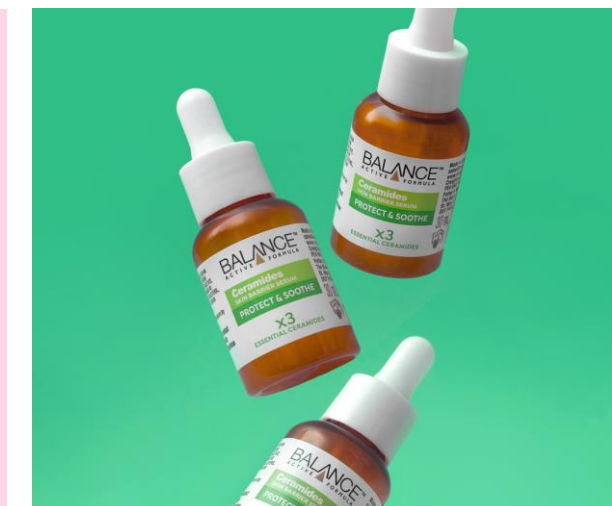
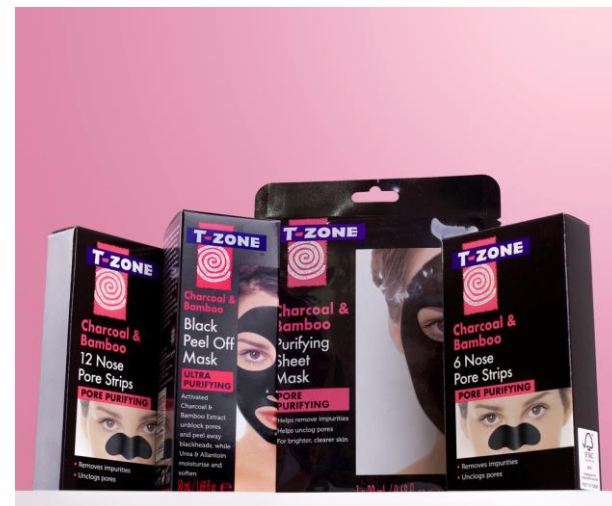
Grow Private Label Share

Develop Teams and People

Maintain Core Stable Foundations

R+D Focused Business

Manufacturing + Capability Investment



BUILD BRANDS

1 Strong pipeline of new products

2 Increase store footprints:
better shelf position + more stores + more listings

3 Increase direct to retail international markets
current targets: Middle East, Europe.

4 Clear on Brand USPs, Consumer targets
and where we can win

5 Add additional brands

6 Digital investment and growth.



Must Win

**Emma Hardie
Feather & Down
The Curl Company
T-Zone
Balance Active
Formula**



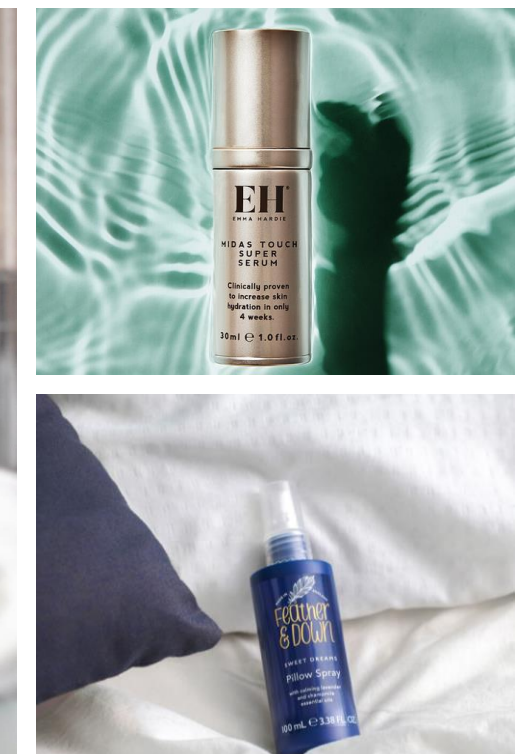
Development

**Janina
Natural World**



Trading + Exclusives

Creightons

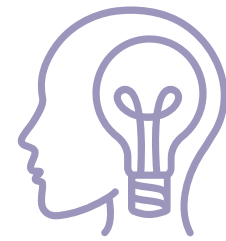


GROW PRIVATE LABEL SHARE



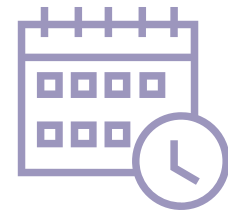
New products

Strong pipeline of new products



Expertise in the category

Direct + adjusts on best exceptional products



Forward planning

12 month plans with key retail partners



Margin positive

Focus on margin positive products



Extend expertise

Extend product + category expertise



Customers



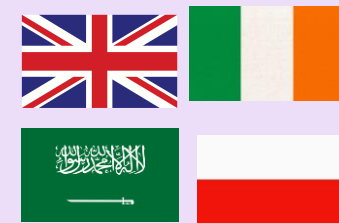
Categories



Skus



Markets



DEVELOP TEAM + PEOPLE

1

Roll out of operational teams grading system

4

Invest in sales & brand expertise

2

Apprenticeships

5

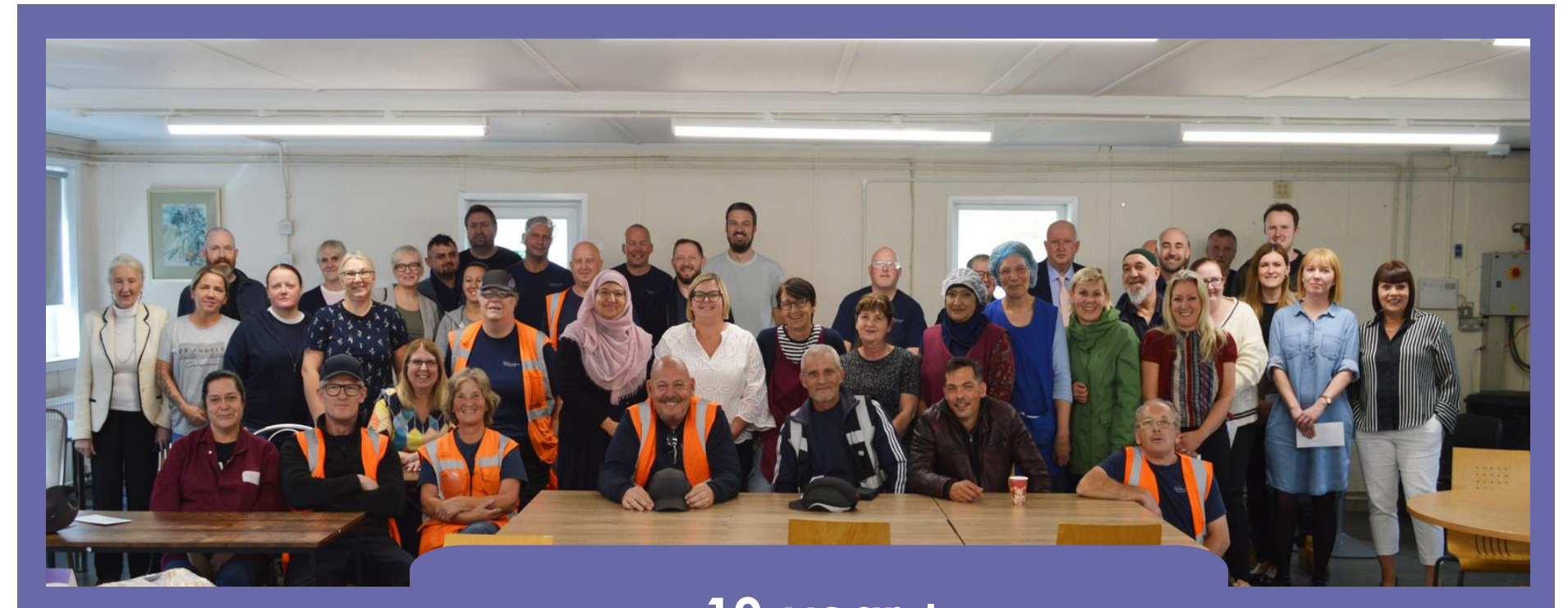
Graduate programme 10+ years

3

Upskilling manufacturing teams

6

One-to-one coaching & mentoring



10-year +
Long Service Awards
2024 : 25% total workforce

MAINTAIN CORE, STABLE FOUNDATION



Costs in line with revenue activity



Margin focus



Cash control & generation



Efficient stock management



Well-trained & skilled workforce



R+D FOCUSED BUSINESS

- 1 Speed to market
- 2 Ongoing SPF development
- 3 New Skincare technologies
microbiome, hyper-pigmentation
- 4 Cutting-edge textures & formats
- 5 Consumer need focused
- 6 Sustainable sources & ingredients
- 7 Created cross-over role: R&D and
Sales/Brand teams



MANUFACTURING + CAPABILITY INVESTMENT

Investment Priorities

- 1 Increase capacity
- 2 Increase flexibility
- 3 Improve labour efficiency and utilisation
- 4 Extend capabilities
- 5 AI & automation solutions to improve processes & efficiencies





SUMMARY

Pippa Clark,
Group Managing Director





SUMMARY

Building a core foundation for a higher growth, sustainable business

1

Profitable
Strong EBITDA
Cash positive
Low gearing

2

Focused
+ motivated
team

Sales team
investment

3

Strong
foundation
to position
for growth

4

Increased
Brand
Investment

5

Management
of 2025
headwinds

Targeted
improvement
plans



Q+A

Paul Forster
Pippa Clark
Qadeer Mohammed



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