

Portmeirion

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Portmeirion's profits shattered on impact of weak Korean sales

Portmeirion Group PLC's (LON:PMP) shares plunged after cracks appeared in the pottery company's profit expectations because of lower export sales to South Korea.

The AIM-listed company issued a profit warning on Thursday, saying that it expects profits for the year to be "materially behind current market expectations".

READ: Portmeirion shares crack as it warns overseas troubles will put a big dent in this year's profits

Portmeirion blamed continued weak sales of its Botanic Garden crockery range in South Korea due to an overstocking problem, caused by other geographical markets re-shipping its products into the high-demand region.

The cups and plates manufacturer, which usually sells a tenth of its products in South Korea, already warned in May that profits were being dented by lower demand in the region.

Portmeirion explained that it was developing nearly a thousand new differentiated products for its South Korean distributor in order to tackle the overstocking problem, and said that these have started to sell positively.

These strategic investments will result in improved manufacturing efficiencies and sales growth in 2020, but the company warned that they will "inevitably" impact 2019's profits.

Newly-appointed chief executive officer, Mike Raybould, said: "With the actions we have now taken, I am confident that we will be able to turnaround our South Korean business and grow strongly in a greater number of markets in the coming years."

Shares slid 15% to 719.6p in Thursday morning trading.

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Price: 750

Market Cap: £81.58 m

1 Year Share Price Graph



Share Information

Code: PMP

Listing: AIM

52 week	High	Low
	1235	330

Sector: Fashion & brands

Website: www.portmeirion.co.uk

Company Synopsis:

Portmeirion markets and manufactures an extensive range of high quality tableware, cookware and giftware. Its product ranges include ceramics, glassware, textiles, placemats, trays and candles.

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