

The Stanley Gibbons Group

Interim Results
Investors Presentation

13 November 2015



BY APPOINTMENT TO
HER MAJESTY THE QUEEN
PHILATELISTS
STANLEY GIBBONS LTD
LONDON

Contents

| | Pages |
|----------------------------------|-------|
| 1. Financial Highlights | 3 |
| 2. Operating Review | 4-5 |
| 3. Operating Highlights | |
| a) Philatelic Trading | 6 |
| b) Publishing | 7 |
| c) Coins and medals | 8 |
| d) Other Collectibles | 9 |
| e) Internet | 10 |
| 4. Outlook | 11 |
| 5. The Board and Management Team | 12 |
| 6. Contact Details | 13 |

Financial Highlights

| | 6 months to 30 Sep 2015 | 6 months to 30 Sep 2014 |
|--------------------------------|----------------------------|----------------------------|
| Revenue | £27.0m | £27.1m |
| Like-for-like Revenue | £21.6m | £27.1m |
| Trading profits* | £0.5m | £6.1m |
| Profit before tax | £0.4m | £3.7m |
| Earnings per share | 0.57p | 7.02p |
| Interim dividend per share | - | 3.25p |
| | At | At |
| | 30 Sep 2015 | 30 Sep 2014 |
| Net assets per share (p) | 173.8 | 183.2 |
| Net debt | £17.0m | £3.3m |
| Inventories – at historic cost | £54.9m | £50.7m |

- Excludes investment on internet development, exceptional operating charges, actuarial accounting charges and amortisation of customer lists and brands

Operating Review - Sales

| | 6 months to 30 Sep 2015 | 6 months to 30 Sep 2014 |
|--|----------------------------|----------------------------|
| Philatelic trading and retail operations | £9.1m | £15.1m |
| Publishing and philatelic accessories | £1.6m | £1.3m |
| Coins and military medals | £6.3m | £4.9m |
| Dealing in other collectibles (exc. Mallett) | £4.5m | £5.7m |
| Internet development | £0.1m | £0.1m |
| | | |
| Like-for-like sales | £21.6m | £27.1m |
| Mallett acquisition | £5.4m | - |
| TOTAL SALES | £27.0m | £27.1m |
| | | |

Operating Review – Profit

| | |
|--|---------------|
| Profit before tax – six months ended 30 Sep 2014 | 3.74 |
| Profit variance in: | |
| Philatelic trading and retail operations | (4.56) |
| Publishing and philatelic accessories | (0.05) |
| Coins and medals | (0.11) |
| Dealing in other collectibles | (0.62) |
| Corporate overheads | (0.13) |
| Net finance costs | (0.19) |
| Variance in trading profits | (5.66) |
| Profit variance in: | |
| Internet development | (0.26) |
| Actuarial accounting adjustments & amortisation of Noble intangibles | (0.08) |
| Exceptional income/(costs) | 2.63 |
| | 2.29 |
| Profit before tax – six months ended 30 Sep 2015 | 0.37 |

Philatelic Trading

- Sales reduced by £6.0m and profit contribution reduced by £4.6m
- Trading in prior period benefited from high margin sales made to high net worth clients from acquisitions of major collections
- Significant fall in high value sales to key clients - top ten clients contributed sales of £3.0m in six months ended 30 September 2015 (2014: £7.3m)
- Offices in Asia (Hong Kong and Singapore) experienced a difficult trading period contributing sales of £0.4m (2014: £1.5m) and incurring a loss of £0.2m (2014: profit of £0.6m)
- Loss of sales focus during period of integration of acquisitions and restructuring of executive team



Publishing

- Sales increased by £0.3m but profit contribution reduced by £0.1m
- Outsourced distribution of a significant proportion of our catalogues, albums and accessory stock in May 2015
- Reduced gross margins as a result of outsourcing with associated overhead savings not yet fully realised
- As a result of outsourcing, cost of stocks held of catalogues, albums and accessories reduced from £1.2m at 30 September 2015 to £0.3m at 30 September 2014
- Introduction of ePublishing as an integral element of our online development work expected to contribute revenues from Q4



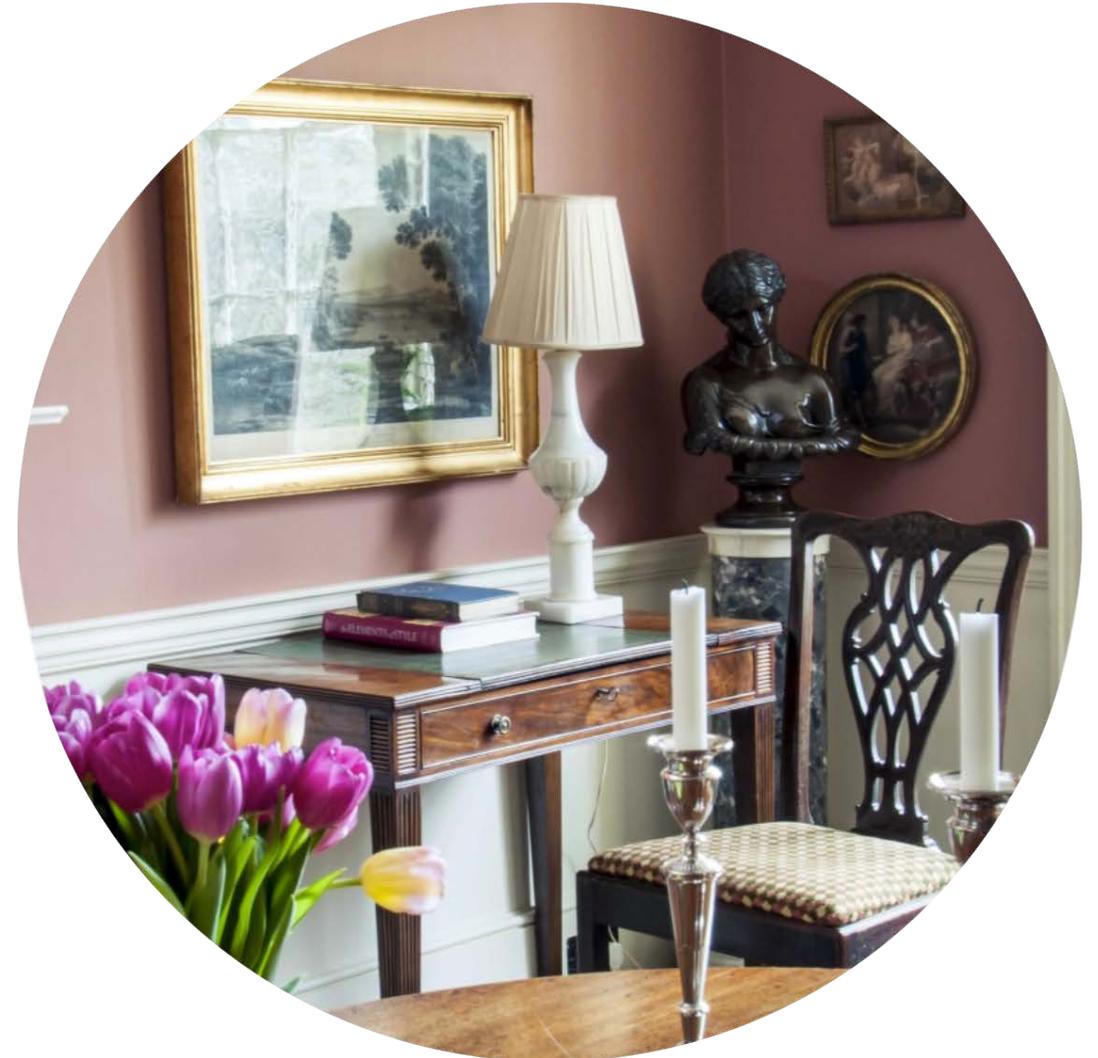
Coins and Medals

- Sales increased by £1.3m but profit contribution reduced by £0.1m
- Strong market for rare coins reflected in higher retail sales levels
- Weaker auction schedule in first half compared to prior period, which included the world collection of the late Ake Linden, resulting in lower gross margins
- A number of world record prices achieved at Baldwin's auctions in period including a superb Queen Victoria, 1839 Una & Lion proof set, which sold for over £550,000
- Demand for high value numismatic rarities still outstrip supply and our team continue to travel the world in search of rarities



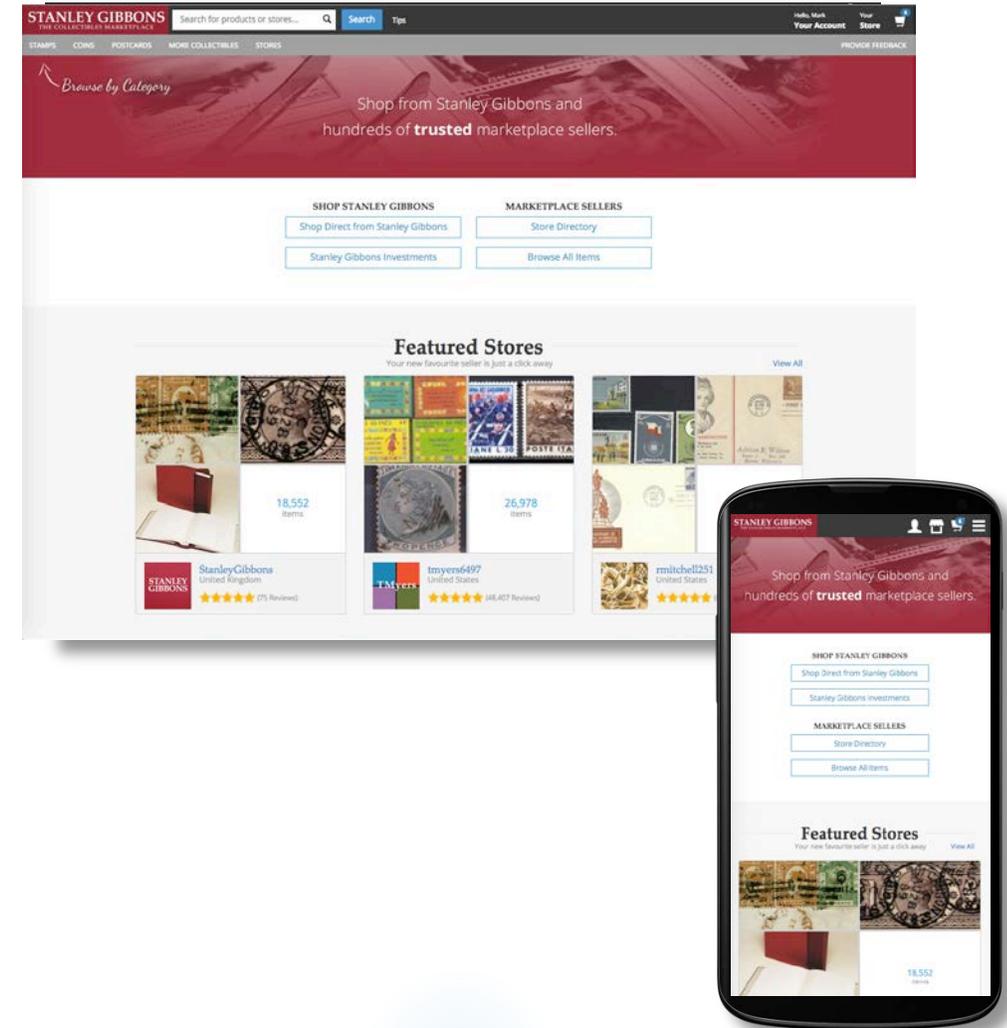
Other Collectibles

- Like-for-like sales, excluding Mallett acquisition, reduced by £1.2m with profit contribution down by £0.4m
- Sales at Mallet Antiques were £5.4m for the period incurring a loss of £0.2m
- Bloomsbury delivered an acceptable performance for the period with auction commissions up 6%
- Poor trading period from Fraser's autographs with sales down £0.7m and incurring a loss of £0.1m (2014: profit of £0.1m)
- Dreweatts auctions broadly in line with prior period with stronger auction schedule in second half of year
- Benham First Day Covers business sold in May 2015 as non core to long term strategy



Internet

- Stanley Gibbons Online Marketplace launched on 21 May 2015
- Visitor numbers down 7% to 2.2 million compared to same period last year due to curtailing of marketing spend whilst further development work completed
- Group Online GMV in the six months ended 30 September 2015 up 25% to £6.3m, primarily from growth in online auction revenues
- Development costs expended in period of £1.2m (2014: £0.9m) relating mainly to software engineers making up internet development team in Raleigh, US
- Increase of 172% in online auction realisations from Dreweatts & Bloomsbury auctions following launch of our in-house bidding platform in second half last year
- Visitor numbers to Stanley Gibbons Investment website up 274% since being redesigned in the second half of last year
- Baldwin's website undergoing significant redesign scheduled for launch in December 2015



Outlook

- Second half focus on realising profits and cash through sales of existing high value inventories on balance sheet
- Performance in the second half will benefit from a stronger auction schedule than the first half
- Following the completion of the integration and rationalisation of recent acquisitions, the Group will benefit from a reduced fixed cost base (£1.4m annualised savings going forward)
- Better cross selling of products and services across our customer base in second half
- Next release of Stanley Gibbons online marketplace on schedule for Q4
- A number of initiatives being worked on to recruit new high value clients in the UK and overseas

The Board and Management Team

- John Byfield, Corporate Development Director stepped down from the Board with effect from 17 September 2015, giving twelve months notice of his intention to retire at the age of 65
- The Board now consists of two executive directors and four independent non-executive directors
- Completion of restructuring in October 2015 including changes to executive structure and team enabling improved integration of acquisitions:



Contact Details

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