

29 September 2026

Card Factory plc ("cardfactory" or the "Group")

Interim results for the six months ended 31 July 2026

Revenue growth and positive free cash generation, with strong Golden Quarter plans supporting delivery of full-year expectations

cardfactory, the UK's leading specialist retailer of greeting cards, gifts and celebration essentials, announces its interim results for the six months ended 31 July 2026 ('HY27').

Financial Metrics¹	HY27	HY26	Change	FY26
Revenue	£260.8m	£247.6m	+5.3%	£582.7m
Adjusted EBITDA	£45.1m	£44.2m	+2.0%	£123.6m
Adjusted PBT	£12.7m	£13.2m	(3.8%)	£56.0m
Adjusted EPS	2.9p	2.8p	+1.6%	11.8p
Dividend per share	1.4p	1.3p	+7.7%	5.0p
Net Debt (exc. leases)	£87.4m	£78.9m	+£8.5m	£67.9m
Adjusted Leverage (exc. leases)	1.1x	1.0x	+0.1x	1.0x
Adjusted Free Cash Flow	£0.8m	(£6.3m)	+£7.1m	£40.7m
EBITDA	£46.2m	£39.1m	+18.2%	£116.8m
Profit Before Tax	£12.3m	£7.5m	+63.4%	£43.9m
Basic EPS	2.7p	1.6p	+63.5%	9.0p
Cash from operations	£42.0m	£30.5m	+37.7%	£122.3m

1 For further information and definitions of Like-for-like (LFL) and other alternative performance measures, see "Alternative Performance Measures" (APMs) in the appendix.

2 Adjusted measures exclude the effect of transactions (and, where applicable, any associated tax and/or cash effect) that, in the opinion of the Directors, are either one-off in nature and/or are unreflective of the underlying trading performance of the Group in the period. A full description of the transactions and events excluded from Adjusted results for this purpose is provided in the appendix.

Darcy Willson-Rymer, Chief Executive Officer, commented:

"We made further progress in the first half towards building a broader, more diversified celebrations business. Despite continued pressure on the UK consumer, Group revenue increased and profitability remained broadly flat, with improved store profitability and disciplined working capital management delivering strong Free Cash Flow.

"We remain focused on strengthening our store estate and increasing our share of the celebrations market. During the first half, we continued to optimise our stores and space, strengthened our value proposition and rolled out our new party range. In addition, the ongoing development of our partnerships and international businesses are broadening our reach and creating further opportunities for growth, and the integration of Funky Pigeon and delivery of the expected synergies remain on track."

"We are confident of delivering full-year expectations with strong Golden Quarter plans in place, supported by significant product newness and a further strengthening of our great value offer."

Financial summary

- Group revenue increased 5.3% to £260.8 million, compared to HY26, reflecting the contribution from Funky Pigeon following its acquisition in August 2025 and continued growth in wholesale sales.
- Adjusted PBT of £12.7 million, compared with £13.2 million in HY26, with Group profitability broadly flat as improved store profitability was balanced by investment in digital and the international businesses to support

future growth. Improvement in store profitability was delivered through higher profit margins and benefits of our 'Simplify & Scale' efficiency and productivity programme

- Positive Adjusted Free Cash Flow of £0.8 million in H1, which has historically generated negative free cash flow. This is an improvement of £7.1 million year-on-year, reflected continued disciplined management of working capital.
- Total store sales declined 0.7%, reflecting continued pressure on UK consumer sentiment which has impacted footfall and Like-for-like (LFL)¹ stores sales, which were down -2.0%.
- Despite the challenging backdrop, improved store execution, particularly through spring sale and range change activity, resulted in higher product margins and improved store profitability through the period.
- Republic of Ireland stores continued to perform strongly, with total store sales up 24.3% and Like-for-like sales up 5.6%.
- Wholesale sales increased 13.6%, with good performance from our partnerships with The Reject Shop and Aldi, as well as Garlanna in the Republic of Ireland, alongside further progress in developing a scalable international wholesale model.
- Digital sales increased by £12.8 million, reflecting the acquisition of Funky Pigeon; integration and delivery of the expected £5 million synergies, from FY28, remain on track.
- Interim dividend of 1.4 pence per share (HY26: 1.3 pence per share), demonstrates continued commitment to sustainable, progressive shareholder returns.
- Previously announced £15 million share buyback now 83% complete. Intend to launch £3 million buyback to treasury to satisfy future obligations under colleague share schemes.

¹ For definitions of Like-for-like (LFL) and other alternative performance measures, see "Alternative Performance Measures" (APMs) in the appendix.

Strategic and operational highlights

Stores:

- Strengthening the store estate through targeted openings and the continued rollout of store segmentation to optimise space and profitability.
- Developed new party proposition, which rolled out from mid-July, broadening cardfactory's role across the £14.9 billion UK celebration occasions market.
- Strong plans in place for the Golden Quarter through significant product newness, broader cross-category merchandising, enhanced seasonal theatre, and improved forecasting, replenishment and stock allocation.

Digital:

- Digital strategy evolving from post-acquisition of Funky Pigeon towards support long-term growth. Good progress towards a single technology platform and fulfilment optimisation, with team integration now complete.
- Re-instated brand marketing in Funky Pigeon, supported by improved performance marketing, driving +11% growth in new customers year-on-year in H1.

International & Wholesale:

- International businesses continued to provide an important platform for the Group's international ambitions, contributing to sales and profit growth while extending capabilities and market reach.
- Continued strong performance from The Reject Shop and Aldi partnerships, reflecting positive impact of full-service model and expanded ranges. Availability of cardfactory products through the Garlanna business drove positive revenue growth in H1.
- In North America, we continue to make progress in moving from the current test and learn phase through to wider activation. This includes ongoing discussions with potential retail partners and integrating card capability into Garven.

Outlook

- We recognise that the consumer environment remains uncertain and have been working to ensure that our offer remains relevant and attractive to consumers.
- We have been encouraged by trading since the half year, with UK store Like-for-likes improving from H1 levels and returning to positive growth in recent weeks. While it is still early in the period, this provides encouraging evidence that the actions implemented at the end of the period and beginning of H2, are gaining traction.
- We have strong Golden Quarter plans in place, supported by significant product newness, targeted value investment and an increased focus on driving customer traffic.
- Our ongoing 'Simplify & Scale' programme continues to drive efficiency and productivity benefits, ensuring the Group maintains a lean, scalable operating structure to support profitable growth.
- As a result, the Board remain confident in expectations for Adjusted PBT in FY27³, with performance weighted to H2 and the key Christmas trading period, as usual and as expected.

³ FY27 expectations are based on Company compiled consensus estimates at 28 September 2026, which show a current range of market expectations for FY27 for Adjusted PBT between £54.0m and £59.0m, with an average of £56.7m.

Interim results webcast

There will be a meeting for analysts and investors at 10am this morning. To register to attend the event in person and receive full attendance details, please contact cardfactory@almastrategic.com

There will also be a live video and audio webcast of the presentation, available by registering via the following link:

https://storm-virtual-uk.zoom.us/webinar/register/WN_7mFatq9MSJyijH1cF1cxRg

A copy of the webcast and the accompanying presentation will be made available via the cardfactory investor relations website: www.cardfactoryinvestors.com.

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Forward Looking Statements

This announcement contains certain forward-looking statements with respect to the financial condition, results or operation and businesses of Card Factory plc. Such statements and forecasts by their nature involve risks and uncertainty because they relate to future events and circumstances. There are a number of other factors that may cause actual results, performance or achievements, or industry results, to be materially different from those projected in the forward-looking statements.

These factors include general economic and business conditions; changes in technology; timing or delay in signing, commencement, implementation and performance of programmes, or the delivery of products or services under them; industry; relationships with customers; competition; and ability to attract personnel. You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. We undertake no obligation to update or revise any forward-looking statements to reflect any change in our expectations or any change in events, conditions or circumstances.

BUSINESS UPDATE

Performance in the period

The first half of FY27 saw further strategic and operational progress as we continued the transition of cardfactory from a predominantly UK store-based card retailer into a broader celebrations business. Group revenue increased by 5.3% to £260.8 million, while Group profitability remained broadly flat, with improved store product margins balanced by investment in digital to support future growth. Disciplined management of working capital supported positive Adjusted Free Cash Flow of £0.8 million. Historically, Free Cash Flow has been negative in H1. Net Debt was £87.4 million and Adjusted Leverage was 1.1 times at the period end.

The opening of 23 new stores in the prior 12 months partially mitigated the impact of subdued UK consumer confidence and soft footfall, with total store sales decreasing by 0.7% during the period. Prolonged hot weather over the summer months also resulted in regional variations in trading performance, contributing to a 2.0% decline in H1 LFL sales in UK and Republic of Ireland (ROI) stores. Despite this, H1 store profitability improved, driven by higher product margins.

Our ROI stores continued to perform strongly, with total store revenue increasing by 24.3% year-on-year and Like-for-like sales increasing by 5.6%. This was driven by the continued expansion of the ROI estate, with new stores opened in attractive locations and formats that are well suited to our broader celebrations offer.

Wholesale partnerships and international sales increased by 13.6% due to the continued strong performance from The Reject Shop and Aldi partnerships, reflecting positive impact of full-service model and expanded ranges. The availability of cardfactory products through the Garlanna business drove positive revenue growth in H1.

Digital sales increased by £12.8 million, reflecting the acquisition of Funky Pigeon. Integration and delivery of the expected £5 million of synergies from FY28 remain on track, with good progress made during the period on fulfilment optimisation, team integration and the transition towards a single technology platform.

As we move through Funky Pigeon's planned transition year, our focus is increasingly shifting from integration towards plans for future growth. This is being supported by reinstating brand marketing in Funky Pigeon and improved performance marketing which has delivered encouraging initial results with +11% growth in new customers year-on-year in H1. Other areas of focus include clear brand positioning between cardfactory.co.uk and Funky Pigeon with a differentiated customer proposition and improving the delivery proposition and customer experience.

Strategy and operational update

We continued to make progress against our strategic ambition to build a broader, more diversified celebrations business. Our store estate remains central to that ambition, providing extensive customer reach and a strong platform from which to increase our share of the £14.9 billion UK celebration occasions market. At the same time, progress across digital, wholesale partnerships and international is extending cardfactory's reach and creating additional opportunities for growth over the medium term.

Stores: strengthening the core and broadening our role in celebrations

H1 has seen the development and implementation, over the summer months, of a number of strategic and operational initiatives to strengthen our core store estate and broaden our role in celebrations, providing a platform for growth in H2 and beyond:

- Maintained our programme of targeted store openings with 13 new store openings in H1 alongside four closures.
- As we continue to focus on building authority in celebrations, our multi-year, test and learn store segmentation programme has delivered some encouraging initial results. In H1 where we rolled out an enhanced merchandising and space allocation model to 118 stores that primarily serve our customers Party & Gift missions, sales in these store were 1.6ppts ahead of the broader store estate. Further trials across other store segments are providing valuable insight into how range, space and merchandising can be tailored to the opportunity within each store.

- Following rollout of our new Party proposition, sales from mid-July to date have increased 13% with the rollout representing an important step in increasing our share of customers celebration spend.
- We reinforced our value proposition through targeted investment in key value indicator products, supported by clearer in-store value communication, which rolled out across July and August, driving increases in net promoter scores (NPS) relating to 'recommendation' and 'good value'.
- Through H1 we have developed a new loyalty proposition, which we intend to launch by the end of FY27. This is an important step in our omnichannel ambition and is designed to deepen relationships with our customers and support greater engagement and frequency across our channels over time.

Digital: moving from integration towards long-term growth

- Our immediate digital priorities are to complete the transition to a single technology platform and deliver the expected £5 million of Funky Pigeon synergies from FY28. Through H1 further progress has been made to move both brands to one technology platform. Team integration is now complete, as is the fulfilment of parcel deliveries from our Baildon fulfilment centre in West Yorkshire, with plans on track to fulfil all card orders from Guernsey in H2.
- As integration progresses, investment will increasingly focus on sustainable revenue growth, customer acquisition and retention, and improving the profitability and returns of the combined digital business. The H1 focus has been on reestablishing Funky Pigeon's marketing investment to drive sessions and customer growth, range development across own range and partnerships, and a focus on delivery services and post-purchase experience to boost retention rates.

Partnerships and international: building scalable routes to growth

- Our wholesale partnerships delivered further sales growth and extended the reach of the cardfactory offer beyond our owned store estate.
- Our international businesses continued to provide an important platform for the Group's international ambitions, contributing to sales and profit growth while extending our capabilities and market reach.
- In North America, our focus through FY27 remains on evolving from testing market entry to building a scalable and profitable wholesale model.

Preparations for the Golden Quarter

We enter the second half with strong plans in place for the Golden Quarter. These plans build on learnings from last Christmas and Halloween, alongside customer insight gathered through the first half. While pressure on household finances continues to influence purchasing decisions, customers remain committed to celebrating life's important moments. Our focus is therefore on making our value credentials even more visible, driving customer traffic and increasing cardfactory's relevance across the overall celebration.

Our enhanced Christmas proposition will include a broader offer, significant product newness and stronger cross-category merchandising across cards, gifts, bags, wrap and party. Improved merchandising and seasonal theatre will create a more engaging in-store celebration experience and make it easier for customers to shop across the whole occasion.

We are supporting the proposition with targeted investment to further reinforce our value credentials, supported by clearer in-store communication. We have invested in core systems to improve forecasting, replenishment and stock allocation, supporting availability and better aligning products with local demand and our store segmentation approach.

There is also significant newness online. On Funky Pigeon, we are expanding personalised gifting, including new licensed calendars, photobooks and mugs, while broadening our branded gifting offer through licensed partnerships.

Together, the operational progress made through the first half and our enhanced Golden Quarter plans provide a strong platform for the second half and the key Christmas trading period.

Outlook

Notwithstanding the wider consumer environment, our outlook is supported by initiatives already underway across the business, including actions that will benefit performance through the second half.

We have been encouraged by trading since the half year, with UK store Like-for-likes improving from H1 levels. While it is still early, this provides encouraging evidence that the actions we are taking are gaining traction.

Our embedded 'Simplify & Scale' programme continues to drive efficiency and productivity benefits. Delivery of our efficiency plans are on track to offset known annual inflationary pressures around (3–4%). Circa 40% of this has been delivered in H1 with the remaining benefit to be realised in H2, through store and warehouse efficiencies, in-sourcing of third-party manufacturing, and automation of selected central support activities.

The Board remains confident in delivering expectations for Adjusted PBT in FY27 and are focused on disciplined execution through the Golden Quarter, improving the performance of our core store estate and continuing to build the digital, partnership and international capabilities that will support cardfactory's long-term development as a broader celebrations business.

Group Financial Review

Financial Highlights

In the first half of FY27, cardfactory has delivered another period of year-on-year growth in sales and free cash generation.

Against a continued backdrop of low consumer confidence in the UK, Like-for-like sales and total revenue in our stores business were down compared to the same period last year; but stronger execution in store led to an improvement in achieved product margins and overall profitability in our stores business.

Group Adjusted PBT for the period was slightly down, as we invested in the transformation and integration of our digital business and developing a scalable international wholesale model in support of our ambition to capture a greater share of our customer's overall celebration spend.

The financial summary for the HY27 period (six months ending 31 July 2026) is as follows:

- Group revenue growth of +5.3% to £260.8 million.
 - Growth driven by contribution from Funky Pigeon and continued growth in partnerships.
- Adjusted PBT broadly flat at £12.7 million (HY26: £13.2 million).
 - Improved profitability in stores, offset by investments in transitional year for digital.
- Statutory reported PBT of £12.3 million (HY26: £7.5 million).
- Year-on-year growth in Adjusted Free Cash Flow to +£0.8 million (HY26: -£6.3 million).
 - Supported by control of working capital and lower inventory intake.
- Strong balance sheet and disciplined capital allocation with Net Debt at 31 July 2026 of £87.4 million (HY26: £78.9 million).
 - Adjusted Leverage of 1.1x, comfortably within 1.5x target.
- Commitment to sustainable, progressive shareholder returns – interim dividend of 1.4 pence per share (HY26: 1.3 pence per share).
 - Previously announced £15 million share buyback now 83% complete.

	HY27	HY26	Change	Change %
Revenue	£260.8m	£247.6m	+£13.2m	+5.3%
Adjusted EBITDA ¹	£45.1m	£44.2m	+£0.9m	+2.0%
Adjusted PBT ¹	£12.7m	£13.2m	(£0.5m)	(3.8%)
Adjusted EPS ¹	2.9p	2.8p	+0.1p	+1.6%
Dividend per share	1.4p	1.3p	+0.1p	+7.7%
Net Debt (exc. leases) ¹	£87.4m	£78.9m	+£8.5m	+10.8%
Adjusted Leverage (exc. leases) ¹	1.1x	1.0x	+0.1x	+14.7%
Adjusted Free Cash Flow ¹	£0.8m	(£6.3m)	+£7.1m	+112.1%
EBITDA ¹	£46.2m	£39.1m	+£7.1m	+18.2%
Profit Before Tax	£12.3m	£7.5m	+£4.8m	+63.4%
Basic EPS	2.7p	1.6p	+1.1p	+63.5%
Cash from operations	£42.0m	£30.5m	+£11.5m	+37.7%

¹ This table includes Alternative Performance Measures (APM's) that are defined and reconciled to the relevant equivalent IFRS metrics in the appendix to this interim report.

Financial Performance

Throughout this financial review, alternative performance measures (APMs) are presented alongside measures defined in IFRS and the UK Companies Act. We use APMs to provide more information about the Group's financial

performance and, where relevant, to highlight the effect of one-off or otherwise material items that are not reflective of the Group's trading performance.

A full description of all APMs, adjusting items, and a reconciliation to relevant equivalent metrics is provided in the appendix to this interim report.

Sales

Total Sales			
	HY27	HY26	Change %
	£m	£m	
Stores	226.0	227.8	(0.7%)
Digital	16.0	3.2	+397.9%
Wholesale	18.7	16.5	+13.6%
Other	0.1	0.1	(4.2%)
Group	260.8	247.6	+5.3%

LFL Sales			
	HY27	HY26	Change %
cardfactory Stores	-2.0%	+1.5%	-3.5 ppts
cardfactory Online	-15.5%	-11.3%	-4.2 ppts
cardfactory LFL	-2.2%	+1.3%	-3.5 ppts

Sales growth in the HY27 period was the result of the contribution of Funky Pigeon, which was acquired in the second half of the previous financial year. Excluding Funky Pigeon, Group sales were broadly flat year-on-year.

Our strategic goal is to increase our share of our customers' total celebration spend.

Our highly profitable and cash generative store portfolio remains central to this ambition. The store portfolio continues to generate a substantial majority of our revenues, 87% in HY27 (HY26: 92%). However, over time, the proportion of our revenues that are derived from stores is reducing, as we grow our digital and wholesale channels.

Developing our digital and wholesale channels underpins our aim to be an omnichannel celebrations retailer, and capture our fair share of our customers' celebration spend via digital and convenience missions, in addition to those served by our stores.

Total store sales declined slightly year-on-year by -0.7%. We continue to see the impact of weak consumer confidence in the UK, with the average GfK consumer confidence survey in HY27 approximately two points lower than in the same period in HY26. We have seen this translate into weaker footfall, particularly on the high street, and thus fewer transactions in our stores. BRC data, when pro-rated to the locations of our stores, indicates that market wide footfall was circa 3.5% lower in HY27 than in the same period last year.

As a result, UK Like-for-like (LFL) sales declined by -2.3% in the period. Ongoing developments in our range and offer are, however, resonating with customers, as those customers that shopped with us in the period continued to spend more than previously, with average basket values up approximately 3.6% compared to the same period last year.

Total store sales in the UK declined -1.4%, with a positive contribution from net new stores as we continued our programme to expand the store estate.

Our stores in the Republic of Ireland, which are newer and trading in more consumer-favourable conditions, continued to perform well with LFL growth of +5.6% and total sales growth of +24.3%. The performance of our Irish stores demonstrates the strength of our proposition, and illustrates the impact of celebration-led stores with a confident consumer.

In categories, our focus on celebrations is driving sales, with LFL sales in celebration essentials of +7.6%. Party, gift and celebration sales continue to represent a growing proportion of our total sales: 55.4% in HY27 compared to 53.4% in the same period last year. In mid-July we began roll out of our new party range in store and online and have been encouraged by its initial performance.

We opened +9 net new stores in the first half of the year, opening 13 stores and closing four. Our store portfolio at 31 July 2026 stood at 1,126 stores, with 1,077 in the UK and 49 in the Republic of Ireland.

The substantial increase in digital sales, +398% year-on-year, reflects the contribution of Funky Pigeon. There was a small offset as a result of a decline in cardfactory.co.uk sales. Our primary focus is to complete the integration of our two online brands onto a single platform, with Funky Pigeon focused on personalised card and attached gift missions, and cardfactory.co.uk transitioning to be celebrations-led, complementing our store based offer.

Wholesale sales, which include retail partnerships run from the UK plus our international businesses, delivered double-digit sales growth, supported by the rollout of the updated contract with TRS/Dollarama in Australia. Our wholesale businesses in the Republic of Ireland (Garlanna) and the US (Garven) continue to perform well and in line with expectations. Sales performance was flat year-on-year in South Africa, as we invest to stabilise and improve the operating model to provide a platform for future performance.

Direct costs, product margin & gross profit

	HY27 £m	HY27 % Sales	HY26 £m	HY26 % Sales
Group sales	260.8		247.6	
COGs	(79.2)	(30.4%)	(79.8)	(32.2%)
Product Margin – constant currency⁴	181.6	69.6%	167.8	67.8%
FX gains / (losses)	1.8	0.7%	(3.2)	(1.3%)
Product margin	183.4	70.3%	164.6	66.5%
Store & warehouse wages	(69.4)	(26.6%)	(67.5)	(27.3%)
Property costs	(13.3)	(5.1%)	(12.8)	(5.2%)
Other direct costs	(16.8)	(6.4%)	(11.0)	(4.4%)
Gross profit	83.9	32.2%	73.3	29.6%
Non-underlying items ¹	(1.9)	(0.7%)	3.4	1.4%
Adjusted gross profit	82.0	31.4%	76.7	31.0%

¹ For an explanation of non-underlying items and other alternative performance measures, see “Alternative Performance Measures” (APMs) in the appendix.

⁴ Product margin calculated on a constant currency basis using a consistent GBPUSD exchange rate across both periods. FX gains and losses reflect conversion from the constant rate to prevailing market rates at the period end.

On a constant-currency basis, Group-wide product margin improved 180bps year-on-year, predominantly due to improved execution in stores which saw an improvement of 200bps in UK stores, following improved promotional and range change performance, offsetting a similar decline observed in the same period last year. This improvement underpinned an overall improvement in the profitability of our store portfolio, despite the reduction in sales in the UK.

Over the medium-term, as we execute our strategy, we expect product margins will gradually reduce due to i) the mix of products sold in our stores continuing to shift towards non-card products, and ii) the growth of our wholesale channel, both of which reduce margin rate but drive higher sales and cash margin.

The Group purchases approximately half of its goods for resale in US dollars from suppliers in the Far East, and has a well-established hedging policy to manage the risk of exchange rate fluctuations. Our average achieved GBPUSD rate in HY27 was 1.2779, compared to 1.2644 in HY26, driving a small improvement in underlying all-in product margin inclusive of currency.

Total FX gains and losses include valuation movements on our portfolio of derivative currency contracts that we use to hedge FX risk related to future periods. Under IFRS, changes in the valuation of certain contracts are recognised in the income statement. The US dollar strengthened from £1:\$1.37 at 31 January 2026 to £1:\$1.35

at 31 July 2026, which increases the balance sheet valuation of our portfolio of foreign exchange (FX) contracts and results in unrealised gains being recognised in the income statement. We exclude these amounts from the calculation of Adjusted results – see the appendix to this report for more information.

Store and warehouse wages increased by £1.9 million (2.8%), which included the impact of the National Living Wage increasing by +6.7% from April 2025 and +4.1% from April 2026. As noted above, the store portfolio has also further expanded, by approximately 2%, in the past 12 months. Store and warehouse wages as a percentage of revenue has decreased year-on-year through a combination of store efficiency measures through our ongoing ‘Simplify & Scale’ efficiency programme.

Property costs and other direct expenses include business rates, insurance and service charges, as well as warehouse costs, store opening costs, utilities, maintenance, point of sale and pay-per-click expenditure. The biggest driver behind the increase in other direct costs has been direct marketing costs at Funky Pigeon as we invest in brand marketing following the acquisition. We continue to have good visibility of forward energy commodity costs with the majority of our requirements for the remainder of FY27 secured before the most recent spike in commodity costs driven by the ongoing geopolitical situation in the Middle East.

Operating expenses, EBITDA & operating profit

	HY27	HY27	HY26	HY26
	£m	% Sales	£m	% Sales
Group sales	260.8		247.6	
Gross profit	83.9	32.2%	73.3	29.6%
Operating expenses	(37.7)	(14.5%)	(34.2)	(13.8%)
EBITDA	46.2	17.7%	39.1	15.8%
Non-underlying items	(1.1)	(0.4%)	5.1	2.1%
Adjusted EBITDA	45.1	17.3%	44.2	17.8%
Depreciation & amortisation	(9.1)	(3.5%)	(7.1)	(2.9%)
Right-of-use asset depreciation	(18.1)	(6.9%)	(18.1)	(7.3%)
Impairment reversal / (charge)	(0.1)	(0.0%)	0.6	0.2%
Operating profit	18.9	7.2%	14.5	5.8%
Non-underlying items	0.4	0.2%	5.7	2.3%
Adjusted operating profit	19.3	7.4%	20.2	8.1%

Operating expenses, excluding the inorganic increase as a result of the acquisition of Funky Pigeon (+£3.7 million) are broadly flat year-on-year, with the cost base well-controlled and small inflationary increases in certain cost lines offset by benefits from ‘Simplify & Scale’. We anticipate benefits of around £10 million in FY27 from ‘Simplify & Scale’, of which circa 40% has been delivered in the first half.

As a result, both EBITDA and Adjusted EBITDA increased year-on-year.

Total depreciation and amortisation charges increased £2.0 million compared to HY26. This includes a net £0.6 million increase in charges related to digital following the acquisition of Funky Pigeon, a £0.8 million increase in non-underlying amortisation on acquisition intangibles, and a small increase reflecting growth in recent capital expenditure.

Right of use depreciation, which relates to our store estate leases, remained flat year-on-year as we continue to benefit from net rent reductions on renewal in certain stores, offsetting growth in the portfolio.

Financing costs & profit before tax

	HY27	HY27	HY26	HY26
	£m	% Sales	£m	% Sales
Group sales	260.8		247.6	
Operating profit	18.9	7.2%	14.5	5.8%
Finance costs	(6.6)	(2.5%)	(7.0)	(2.8%)
Profit Before Tax	12.3	4.7%	7.5	3.0%
Non-underlying items	0.4	0.2%	5.7	2.3%

Adjusted Profit Before Tax	12.7	4.9%	13.2	5.3%
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Total financing costs have reduced year-on-year, with the components of this charge set out in the table below:

	HY27	HY26
	£m	£m
Interest paid on bank loans and overdrafts	2.6	2.8
Interest received on deposits	(0.5)	(0.2)
Loan issue cost amortisation	0.4	0.2
IFRS 16 Leases interest	4.1	4.2
Total finance expenses	6.6	7.0

Interest paid on debt facilities reduced by circa 7% compared to HY26, which principally reflects year-on-year reductions in SONIA rates, reducing the average cost of debt. Despite the acquisition of Funky Pigeon in the second half of the previous fiscal year and £28.5 million of distributions in the form of regular dividends and buybacks since 1 August 2025, our average level of debt drawn during HY27 was only slightly higher than the same period last year, due to strong free cash generation.

The average cost of debt, taking into account margin, indexation and the impact of hedging activity, in the period was 5.8% (HY26: 6.4%).

Profit Before Tax, calculated in accordance with IFRS, was £12.3 million in HY27, a £4.8 million increase on the prior period. The improvement was principally driven by transactions that we classify as non-underlying, particularly the significant volatility in mark-to-market gains and losses on our FX portfolio, which were a £3.4 million loss in HY26 and a £1.9 million gain in HY27.

Adjusted Profit Before Tax

Adjusted Profit Before Tax excludes the effect of these items, which do not reflect the trading performance of the business. A full description, explanation and reconciliation of the adjustments is provided in the appendix at the end of this report.

Adjusted Profit Before Tax in HY27 was £12.7 million, down £0.5 million compared to the same period last year. This principally reflects the improvement in profitability in stores, underpinned by product margin performance, offset by investments in digital and wholesale.

Taxation, earnings and earnings per share (EPS)

	HY27	HY26
Profit Before Tax (£m)	12.3	7.5
Tax charge (£m)	(3.1)	(1.9)
Profit after tax (£m)	9.2	5.6
Basic EPS (pence)	2.7 pence	1.6 pence
Diluted EPS (pence)	2.7 pence	1.6 pence
Adjusted Profit Before Tax (£m)	12.7	13.2
Adjusted tax charge (£m)	(2.8)	(3.3)
Adjusted profit after tax (£m)	9.9	9.9
Adjusted EPS (pence)	2.9	2.8
Adjusted diluted EPS (pence)	2.9	2.8

The tax charge for the six months ended 31 July 2026 of £3.1 million is based on an expected effective tax rate for the full year of 25% (HY26: 25%).

The Group makes UK corporation tax payments under the 'Very Large companies' regime and thus pays its expected tax bill for the financial year in quarterly instalments in advance. Corporation tax payments in the six months ended 31 July 2026 were £5.5 million, compared to £8.0 million in the same period last year. In HY27, we

received a £4.6m corporation tax refund in relation to a prior year where instalments paid in advance ultimately exceeded the final assessment for the period.

The adjusted tax charge excludes the tax effect of transactions excluded from Adjusted PBT.

EPS and Adjusted EPS are calculated based on earnings (reported and Adjusted, respectively) divided by the weighted average number of shares in issue in the period.

Shares in issue have reduced during the course of HY27, due to progress with the £15 million share buyback announced in April 2026. Shares purchased under this programme have been cancelled. The programme was 83% complete on 25 September 2026.

As a result, despite Adjusted earnings being flat year-on-year at £9.9 million, Adjusted EPS increased by 0.1 pence to 2.9 pence.

Cash flow & Net Debt

Free cash generation

	HY27	HY26
	£m	£m
Cash from operating activities (after tax payments)	41.1	24.0
Capital expenditure	(11.8)	(7.6)
Net bank interest paid	(2.1)	(2.6)
Payment of leases liabilities (including interest)	(23.5)	(21.5)
Other financing costs	–	–
Other cashflows	(0.2)	0.2
Free Cash Flow	3.5	(7.5)
Impact of amendments to IFRS 7 and IFRS 9 ⁵	(2.7)	–
Transformation costs	–	1.2
Adjusted Free Cash Flow	0.8	(6.3)
Dividends paid	(12.8)	(12.6)
Own shares purchased	(6.1)	–
Net increase in borrowings	21.7	23.0
Net increase in cash and cash equivalents	6.3	2.9
Operating cash flows less lease repayments	17.6	6.7
Operating cash conversion	90.9%	78.1%

⁵ Amendments to IFRS 7 and IFRS 9, effective from FY27, have resulted in card receipts in stores only being recognised as a cash or cash equivalent in the balance sheet at the point the associated cash is received in the Group's bank accounts. In accordance with the transitional provisions of the amendment, comparatives have not been restated. Adjusted Free Cash Flow has been amended to be more comparable to the prior period. See note 2 to the condensed consolidated financial statements and the appendix at the end of this report for further information.

Cash generation in HY27 was strong and continued to improve from the prior period.

The Group's cash cycle is cyclical and seasonal, with typically stronger cash inflows in the second half of the year, associated with the significant increase in sales in the important Christmas season. The inverse is true in the first half, with higher cash outflows associated with stock build and lower sales.

In that context, the Group delivered a strong cash performance, with the strongest operating cash inflow after tax payments (£41.1 million) in a first half since 2018 and positive adjusted free cash generation increasing £7.1 million compared to the prior year.

The improvement in operating cash flows reflects the improved trading performance, with EBITDA improving year-on-year as described above, plus disciplined management of working capital. Working capital positions were supported by a reduced inventory inflow compared to prior years, in response to higher exit stock in FY26.

Capital expenditure increased, as expected, as we invest in expanding our manufacturing capabilities, inventory management systems, and the technology required to deliver our target operating model for digital. In FY28, we expect capital expenditure to return towards the lower end of our £20 million to £25 million guidance range.

Net Debt, Leverage & liquidity

	HY27 Net Debt £m	HY27 Leverage	HY26 Net Debt £m	HY26 Leverage
Current borrowings	1.3		0.9	
Non-current borrowings	105.9		96.9	
Total borrowings	107.2		97.8	
Add back capitalised debt costs	1.1		1.4	
Gross bank debt	108.3		99.2	
Less cash	(20.9)		(20.3)	
Net Debt (exc. leases)	87.4		78.9	
Leverage (exc. leases)		0.7x		0.6x
Adjusted Leverage (exc. leases)		1.1x		1.0x
Lease liabilities	116.6		121.4	
Net Debt (inc. leases)	204.0		200.3	
Leverage (inc. leases)		1.6x		1.6x

Net Debt, excluding lease liabilities, has increased by £8.5 million compared to twelve months ago. In that period, we have generated Free Cash Flows of £47.8 million, completed the acquisition of Funky Pigeon (£27.4 million, including transaction costs), paid regular dividends in respect of FY26 totalling £17.4 million, and bought back shares totalling £11.1 million.

The acquisition of Funky Pigeon was funded by exercising £35 million of the accordion option in the Group's facilities, in August 2025.

Adjusted Leverage compares the ratio of Net Debt to EBITDA, after deducting lease-related charges to promote consistency with an equivalent covenant in our primary financing facilities. Adjusted Leverage at 31 July 2026 was 1.1x, slightly higher than the previous year reflecting the increase in Net Debt and a reduction in last-twelve-months EBITDA but remaining comfortably within our 1.5x target.

The Group's banking facilities and amounts drawn are set out in the table below:

Facility	31 July 2026 (HY27)	31 July 2025 (HY26)	31 January 2026 (FY26)
£160m Revolving Credit Facility	£107.0m	£98.0m	£75.0m
Overdraft facilities	£1.2m	£0.9m	-
Other facilities	£0.1m	£0.3m	£0.4m
Gross bank debt	£108.3m	£99.2m	£75.4m

The Group retains significant liquidity headroom, with undrawn committed facilities at 31 July 2026 of £51.8 million (HY26: £25.8 million) under current financing arrangements, resulting in total cash on hand plus committed facilities of £72.2 million (HY26: £46.1 million).

In addition, the Group's RCF facility has a further £40 million accordion option available, subject to lender approval, if required.

The Group's RCF facility has a term that runs to November 2028. In the period since 31 July 2026, the Group has exercised its right to request the option in the facilities that would extend the termination date to November 2029. The extension is subject to lender approval.

Capital Structure & Shareholder Returns

Capital allocation policy

The Group maintains a disciplined approach to capital allocation, which aims to balance delivering the strategy with sustainable, progressive cash returns to shareholders and long-term growth in shareholder value.

Our capital allocation policy is unchanged, and based on four key tenets with relevant guardrails and controls:

- **Maintain a strong balance sheet** – targeting a maximum Leverage of 1.5x during the year.
- **Invest to deliver the strategy** – investment to accelerate progress must deliver attractive returns relative to cost of capital.
- **Regular, progressive returns to shareholders** – via an ordinary dividend with dividend cover between 2-3x adjusted earnings.
- **Disciplined use of surplus cash** – total returns will not exceed free cash generated.

Our capital allocation priorities for the remainder of FY27 are unchanged. We anticipate capital investment to be at the higher end of our £20-25 million per annum guidance range. Assuming business performance for the year meets our expectations, we remain committed to our policy to pay a progressive total ordinary dividend for the year.

The Board will make decisions regarding uses of any cash generated in excess of these priorities at the end of the financial year, taking into account, inter-alia, financial position, performance and investment opportunities.

Acquisitions

Over the last three-and-a-half years, the Group has completed the acquisitions of SA Greetings, Garlanna, Garven and Funky Pigeon.

SA Greetings, Garven and Garlanna each play an important role in building our capability, presence and market share in the wholesale celebration markets in South Africa, the US and Republic of Ireland respectively. Since acquisition, Garven and Garlanna have performed in line with our expectation and now represent around 5% of Group revenues, and are both contributing PBT at an accretive margin. SA Greetings is performing behind our expectations at the moment, as we restructure the business to provide a platform for future performance.

The acquisition of Funky Pigeon represented an important milestone in our digital journey. FY27 is a year of investment and transition, as we build the infrastructure to bring our two digital brands together onto a single platform and provide the foundation for future growth, as we aim to win more of our customers' total celebration spend.

We remain confident in the long-term value that these acquisitions will bring to the Group.

Distributions & shareholder returns

The Board has approved an interim dividend in respect of FY27 of 1.4 pence per share, an increase of 0.1 pence per share compared to the prior year. The interim dividend will be payable to shareholders on the register on 6 November 2026, with payments made on 11 December 2026.

In addition, today we have announced our intention to continue our programme of share purchases into treasury to satisfy future obligations under colleague share schemes, thus preventing dilution that would otherwise arise from these schemes, with a £3 million purchase programme later this year.

We expect to commence this process upon conclusion of the current £15 million share buyback (previously announced in April 2026, under which purchased shares are being cancelled). The £15 million buyback was 83% complete as at 25 September 2026.

Consolidated income statement

For the six months ended 31 July 2026

	Note	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Revenue		260.8	247.6	582.7
Cost of sales		(176.9)	(174.3)	(394.0)
Gross profit		83.9	73.3	188.7
Operating expenses		(65.0)	(58.8)	(129.3)
Operating profit		18.9	14.5	59.4
Finance income	5	0.5	0.2	0.3
Finance expense	5	(7.1)	(7.2)	(15.8)
Profit Before Tax		12.3	7.5	43.9
Taxation	6	(3.1)	(1.9)	(12.7)
Profit for period		9.2	5.6	31.2

Earnings per share		pence	pence	pence
- Basic	7	2.7	1.6	9.0
- Diluted	7	2.7	1.6	8.9

All activities relate to continuing operations.

Management assess the underlying performance of the Group based on the adjusted profit before tax of £12.7 million in HY27 (HY26: £13.2 million). After tax, this gives adjusted earnings per share of 2.9 pence (HY26: 2.8 pence). See the alternative performance measures appendix which provides detailed reconciliations to the reported statutory figures above.

Consolidated statement of comprehensive income

For the six months ended 31 July 2026

	Six months ended 31 July 2026	Six months ended 31 July 2025	Year ended 31 January 2026
	£'m	£'m	£'m
Profit for the period	9.2	5.6	31.2
<i>Items that are or may be recycled subsequently into profit or loss:</i>			
Exchange differences on translation of foreign operations	0.1	-	(0.3)
Cash flow hedges - changes in fair value	1.2	(3.0)	(5.9)
Cost of hedging reserve - changes in fair value	-	(0.5)	(0.7)
Tax relating to components of other comprehensive income	(0.3)	0.9	1.7
Other comprehensive income/(expense) for the period, net of income tax	1.0	(2.6)	(5.2)
Total comprehensive income for the period attributable to equity shareholders of the parent	10.2	3.0	26.0

Consolidated statement of financial position

As at 31 July 2026

	Note	31 July 2026	31 July 2025	31 January 2026
		£'m	£'m	£'m
Non-current assets				
Intangible assets	9	390.8	356.4	388.8
Property, plant and equipment	10	52.3	49.3	51.6
Right of use assets	11	109.3	116.9	114.8
Deferred tax assets		0.7	0.9	0.9
Derivative financial instruments	14	0.5	1.3	0.7
		553.6	524.8	556.8
Current assets				
Inventories	12	68.8	68.3	58.9
Trade and other receivables		18.3	18.8	20.8
Tax receivable		2.0	6.3	4.6
Derivative financial instruments	14	0.6	0.8	1.0
Cash at bank and in hand		20.9	20.3	18.8
		110.6	114.5	104.1
Total assets		664.2	639.3	660.9
Current liabilities				
Borrowings		(1.3)	(0.9)	(1.5)
Lease liabilities	11	(32.8)	(29.2)	(32.8)
Trade and other payables		(74.6)	(70.7)	(73.9)
Provisions	18	(3.4)	(4.2)	(3.3)
Derivative financial instruments	14	(2.9)	(2.7)	(4.9)
		(115.0)	(107.7)	(116.4)
Non-current liabilities				
Borrowings		(105.9)	(96.9)	(83.8)
Lease liabilities	11	(83.8)	(92.2)	(90.4)
Deferred tax liabilities		(9.7)	(0.6)	(9.9)
Provisions		(2.5)	-	(2.5)
Derivative financial instruments	14	(1.1)	(2.7)	(3.4)
		(203.0)	(192.4)	(190.0)
Total liabilities		(318.0)	(300.1)	(306.4)
Net assets		346.2	339.2	354.5
Equity				
Share capital	15	3.4	3.5	3.5
Share premium	15	203.8	203.7	203.8
Own shares held	15	(3.3)	-	(5.0)
Hedging reserves ¹	16	(1.1)	(1.2)	(2.4)
Other reserves ²	16	1.6	1.6	1.4
Retained earnings		141.8	131.6	153.2
Equity attributable to equity holders of the parent		346.2	339.2	354.5

¹ Hedging reserves includes the Hedging reserve and Cost of hedging reserve which were shown separately in HY26 (see note 16)

² Other reserves includes the Reverse acquisition reserve, Merger reserve and Translation reserve which were shown separately in HY26 (see note 16)

Consolidated statement of changes in equity

For the six months ended 31 July 2026

	Share capital	Share premium	Hedging reserves	Other reserves ¹	Own shares held	Retained earnings	Total equity
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Six months ended 31 July 2026							
At 31 January 2026	3.5	203.8	(2.4)	1.4	(5.0)	153.2	354.5
Total comprehensive expense for the period							
Profit or loss	–	–	–	–	–	9.2	9.2
Other comprehensive expense	–	–	0.9	0.1	–	–	1.0
	–	–	0.9	0.1	–	9.2	10.2
Hedging gains/(losses) and costs of hedging of inventory	–	–	0.5	–	–	–	0.5
Deferred tax on transfers to inventory	–	–	(0.1)	–	–	–	(0.1)
Transactions with owners, recorded directly in equity							
Own shares purchased (note 16)	–	–	–	–	(6.8)	–	(6.8)
Own shares cancelled (note 16)	(0.1)	–	–	0.1	6.8	(6.8)	–
Shares transferred to employees to satisfy share options exercised (note 16)	–	–	–	–	1.7	(1.7)	–
Share-based payment charges	–	–	–	–	–	0.9	0.9
Dividends (note 8) ²	–	–	–	–	–	(13.0)	(13.0)
Total contributions by and distributions to owners	(0.1)	–	–	0.1	1.7	(20.6)	(18.9)
At 31 July 2026	3.4	203.8	(1.1)	1.6	(3.3)	141.8	346.2

¹ Other reserves are analysed in note 16

² Dividends includes £0.2m of dividend equivalents that are payable on vesting of employee share awards

	Share capital	Share premium	Hedging reserves ¹	Other reserves ²	Own shares held	Retained earnings	Total equity
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Six months ended 31 July 2025							
At 31 January 2025	3.5	203.2	0.9	1.6	–	137.7	346.9
Total comprehensive expense for the period							
Profit or loss	–	–	–	–	–	5.6	5.6
Other comprehensive expense	–	–	(2.6)	–	–	–	(2.6)
	–	–	(2.6)	–	–	5.6	3.0
Hedging gains/(losses) and costs of hedging of inventory	–	–	0.5	–	–	–	0.5
Deferred tax on transfers to inventory	–	–	–	–	–	–	–
Transactions with owners, recorded directly in equity							
Shares issued (note 16)	–	0.5	–	–	–	–	0.5

Share-based payment charges	–	–	–	–	–	1.2	1.2
Dividends (note 8)	–	–	–	–	–	(12.9)	(12.9)
Total contributions by and distributions to owners	–	0.5	–	–	–	(11.7)	(11.2)
At 31 July 2025	3.5	203.7	(1.2)	1.6	–	131.6	339.2

¹ Hedging reserves includes the Hedging reserve and Cost of hedging reserve which were shown separately in HY26 (see note 16)

² Other reserves includes the Reverse acquisition reserve, Merger reserve and Translation reserve which were shown separately in HY26 (see note 16)

	Share capital	Share premium	Hedging reserves ¹	Other reserves ²	Own shares held	Retained earnings	Total equity
	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Year Ended 31 January 2026							
At 31 January 2025	3.5	203.2	0.9	1.6	–	137.7	346.9
Total comprehensive expense for the period							
Profit or loss	–	–	–	–	–	31.2	31.2
Other comprehensive expense	–	–	(4.7)	(0.2)	–	(0.3)	(5.2)
	–	–	(4.7)	(0.2)	–	30.9	26.0
Hedging gains/(losses) and costs of hedging of inventory	–	–	1.9	–	–	–	1.9
Deferred tax on transfers to inventory	–	–	(0.5)	–	–	–	(0.5)
Deferred tax related to share-based payments	–	–	–	–	–	(0.1)	(0.1)
Transactions with owners, recorded directly in equity							
Shares issued (note 16)	–	0.6	–	–	–	–	0.6
Own shares purchased (note 16)	–	–	–	–	(5.0)	–	(5.0)
Share-based payment charges	–	–	–	–	–	2.2	2.2
Dividends (note 8) ³	–	–	–	–	–	(17.5)	(17.5)
Total contributions by and distributions to owners	–	0.6	–	–	(5.0)	(15.3)	(19.7)
At 31 January 2026	3.5	203.8	(2.4)	1.4	(5.0)	153.2	354.5

¹ Hedging reserves includes the Hedging reserve and Cost of hedging reserve which were shown separately in HY26 (see note 16)

² Other reserves includes the Reverse acquisition reserve, Merger reserve and Translation reserve which were shown separately in HY26 (see note 16)

³ Dividends includes £0.2m of dividend equivalents that are payable on vesting of employee share awards

Consolidated cash flow statement
For the six months ended 31 July 2026

	Note	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Cash from operations	17	42.0	30.5	122.3
Corporation tax paid		(0.9)	(6.5)	(12.0)
Net cash inflow from operating activities		41.1	24.0	110.3
Cash flows from investing activities				
Interest received on bank deposits and other interest received	5	0.5	0.2	0.3
Purchase of property, plant and equipment	10	(5.7)	(5.1)	(11.7)
Purchase of intangible assets	9	(6.1)	(2.5)	(7.7)
Acquisition of subsidiaries net of cash acquired		–	–	(25.7)
Net cash outflow from investing activities		(11.3)	(7.4)	(44.8)
Cash flows from financing activities				
Interest paid on bank borrowings	5	(2.6)	(2.8)	(6.5)
Proceeds from bank borrowings		117.0	121.0	238.0
Repayment of bank borrowings		(95.3)	(98.0)	(228.2)
Other financing costs paid		–	–	(0.2)
Shares issued under employee share schemes		–	0.5	0.6
Own shares purchased ¹	15	(6.1)	–	(5.0)
Payment of lease liabilities		(19.4)	(17.3)	(37.0)
Interest in respect of lease liabilities	5	(4.1)	(4.2)	(8.7)
Dividends paid	8	(12.8)	(12.6)	(17.2)
Net cash inflow/(outflow) from financing activities		(23.3)	(13.4)	(64.2)
Net cash flow for the period		6.5	3.2	1.3
Impact of changes in foreign exchange rates		(0.2)	(0.3)	(0.4)
Net increase in cash and cash equivalents in the period		6.3	2.9	0.9
Cash and cash equivalents at the beginning of the period (prior to restatement)		17.4	16.5	16.5
Adjustment on initial application of amendments to IFRS 9 on 1 February 2026	2	(4.0)	–	–
Cash and cash equivalents at the beginning of the period		13.4	16.5	16.5
Closing net cash and cash equivalents	13	19.7	19.4	17.4

¹ £0.7 million of Treasury Shares were purchased from the market before 31 July 2026 but the cash was not settled until after 31 July 2026

Notes to the condensed consolidated interim financial statements

1 General information

Card Factory plc ('the Company') is a public limited company incorporated in the United Kingdom. The Company is domiciled in the United Kingdom and its registered office is Century House, Brunel Road, 41 Industrial Estate, Wakefield WF2 0XG.

2 Basis of preparation

These unaudited, condensed consolidated interim financial statements ('interim financial statements') for the six months ended 31 July 2026 comprise the Company and its subsidiaries (together referred to as the 'Group'). The interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and the requirements of IAS 34 Interim Financial Reporting as adopted by the United Kingdom. The interim report was approved by the Board of Directors on 28 September 2026.

These interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. The interim financial statements should be read in conjunction with the Group's annual report and accounts for the year ended 31 January 2026 ('Annual Report') which includes consolidated financial statements prepared in accordance with UK-adopted international financial reporting standards (UK IFRS) and applicable law.

The comparative figures for the financial year ended 31 January 2026 are an extract from the Annual Report and are not the Group's statutory accounts for that financial year within the meaning of section 434 of the Companies Act 2006. Those accounts have been reported on by the Company's auditor and delivered to the registrar of companies. The report was (i) unqualified, (ii) did not contain an emphasis of matter paragraph and (iii) did not contain any statement under section 498 of the Companies Act 2006. The statutory accounts for the year ended 31 January 2026 were approved by the Board of Directors on 27 April 2026 and delivered to the Registrar of Companies.

Significant judgements and sources of estimation uncertainty

The preparation of the interim financial statements in accordance with UK IFRS requires the application of judgement in forming the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may subsequently differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected. Judgements are also reviewed on an ongoing basis to ensure they remain appropriate.

There were no new significant judgements made in the six months ended 31 July 2026 that had a material effect on the Group's interim financial statements.

The review of estimates and assumptions in the period concluded that the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 January 2026. In each case, estimates were made using a consistent methodology, with inputs and assumptions updated to reflect the Group's latest forecasts and prevailing market conditions at 31 July 2026 where appropriate.

As part of this process, the Group maintained assumptions in respect of inventory provisions where sales data for the six months ended 31 July 2026 indicated a materially consistent provisioning requirement for retail inventory as at 31 January 2026. Overall, these assumptions, in combination with the movement in gross stock value, reduced the value of inventory provisions by approximately £1.3 million, compared to the provision value as at 31 January 2026. The total inventory provision for the Group at 31 July 2026 was £9.3 million (see note 12).

Comparative information

The Group provides comparative financial information in these interim financial statements for both the six months ended 31 July 2025 ('HY26') and the year ended 31 January 2026 ('FY26'). Where included within text, income statement comparatives refer to the six months ended 31 July 2025 and balance sheet comparatives are as at 31 January 2026, unless otherwise stated.

Going concern basis of accounting

The Board continues to have a reasonable expectation that both the Group and the parent company have adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate. The Group has delivered a resilient financial performance in the current financial year, continuing to show improved positive cash generation, with continued growth in sales overall as a result of the acquisition of Funky Pigeon in FY26 and an overall increase in profitability in the Stores business in spite of significant inflationary headwinds. There have been no material events that have adversely affected the Group's liquidity headroom.

The Group's banking facilities include covenants for a maximum Leverage ratio (calculated as Net Debt excluding leases divided by EBITDA less rent costs for the prior 12 months) of 2.5x and a fixed charge cover ratio of at least 1.75x. The Group

expects to operate comfortably within these covenant levels for the foreseeable future. At 31 July 2026, Net Debt (excluding lease liabilities) was £87.4 million and the Group had £51.8 million of undrawn committed facilities.

The UK Corporate Governance Code requires that an assessment is made of the Group's ability to continue as a going concern for a period of at least 12 months from the signing of these financial statements; however it is not specified how far beyond 12 months should be considered. For the purpose of assessing the going concern assumption, the Group has prepared cash flow forecasts for the 12 month period following the date of approval of these accounts, which incorporate our debt facilities and related covenant measures.

These forecasts are extracted from the Group's approved budget and strategic plan which covers a period of five years. Within the 12-month period, the Group has considered qualitative scenarios and the Group's ability to operate within its existing banking facilities and meet covenant requirements. Beyond the 12-month period, the Group has qualitatively considered whether any factors (for example the timing of debt repayments, or longer-term trading assumptions) indicate a longer period warrants consideration.

The results of this analysis were:

- The Group's base case forecasts indicate that the Group will continue to trade profitably, generate positive operating cash flows and retain considerable liquidity headroom against facility limits whilst meeting all covenant requirements on the relevant test dates in the 12-month period.
- In the Board's view, there are no other factors arising in the period immediately following 12 months from the date of signing these accounts that warrant further consideration.
- The Group performed a review of the scenario analysis performed for its FY26 Annual Report & Accounts. Performance in the six months ended 31 July 2026 is consistent with the forecasts that underpinned this analysis and therefore the analysis has not materially changed.

The Group conducted a review of the reverse stress test analysis originally performed for the FY26 Annual Report & Accounts, which considered the extent of sales loss or cost increase that would be required to result in either a complete loss of liquidity headroom, or a covenant breach during the period. Seasonality of the Group's cash flows, with higher purchases and cash outflows over the summer to build stock for Christmas, means liquidity headroom is at its lowest in September and October ahead of the Christmas season.

Given the Group's strong Free Cash Flow performance in the first half of the year, updating the reverse stress test analysis to reflect actual performance in the period to 31 July 2026 demonstrated that a greater level of sales loss or cost increase would be required, and to be sustained over a longer period, in order to completely remove liquidity headroom or cause a covenant breach than was required in the analysis conducted in the FY26 Annual Report. In addition, these scenarios did not factor in any possible mitigating actions available to management. Accordingly, such scenarios are not considered to be reasonably likely to occur.

The Group expects to operate comfortably within its financial covenants for the foreseeable future. Based on these factors, the Board has a reasonable expectation that the Group has adequate resources and sufficient loan facility headroom and accordingly the accounts are prepared on a going concern basis.

Principal accounting policies

The interim financial statements have been prepared under the historical cost convention except for certain assets and liabilities (principally derivative financial instruments) which are stated at their fair value. The accounting policies are consistent with those applied in the consolidated financial statements for the year ended 31 January 2026 with the exception of those changes noted below.

IFRS 7 and IFRS 9

As of 1 February 2026, the Group has adopted the amendments to IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments. As a result of these amendments, the timing of recognition of certain financial assets (and associated movements in cash and cash equivalents recognised in the balance sheet) has been clarified.

Management have performed an assessment of financial assets held by the Group and concluded that the financial assets may only be derecognised when the contractual rights to the cash flows expire or the asset is transferred. As a result, certain electronic cash settlements, such as amounts due from credit card companies, which were previously included within cash and cash equivalents are now recognised within other receivables until settlement occurs and the cash is received into the Group's bank accounts. This usually occurs within 1-3 days of the transaction taking place in store or online.

On transition at 1 February 2026, £4.0 million of such payments, previously classified as cash and cash equivalents were reclassified to other receivables in the consolidated cash flow statement. At 31 July 2026, the equivalent balance recorded in other receivables was £1.3 million.

The resulting £2.7 million reduction in receivables resulted in a working capital inflow within reported operating cash flows in the consolidated cash flow statement for HY27. As the amendments to IFRS 7 and IFRS 9 do not require restatement of the comparative cash flow statement, the £4.0 million held at 31 January 2026 within cash, was recorded as a working capital inflow in FY26 and formed part of free cash flow.

The £2.7 million inflow represents a transition-related timing benefit rather than an improvement in the Group's underlying cash generation. Therefore, to ensure comparability of alternative performance measures with the prior period, we have excluded the £2.7 million timing benefit above in arriving at Adjusted Free Cash Flow of £0.8 million for HY27.

The amendments to IFRS 9 introduce an accounting policy choice permitting a financial liability settled through an electronic payment system to be derecognised before settlement date subject to certain criteria. This has been adopted by the Group as having assessed the requirements relating to the derecognition of financial liabilities settled through electronic payment systems, the Group has determined that there is no impact on the accounting treatment for such liabilities.

Capital redemption reserve

During HY26, the Group purchased its own shares with the intention to cancel for the first time. Shares repurchased for cancellation have been credited to a capital redemption reserve within equity. See note 16 for further information, including the accounting policy related to this reserve.

Other amended standards and interpretations effective in the period do not have a material effect on the Group's financial statements.

3 Segmental reporting and revenue

The Group is organised into four main business areas, which meet the definition of an operating segment under IFRS, those being cardfactory stores, digital, wholesale partnerships and Printcraft. Each of these business areas has a dedicated management team and reports discrete financial information to the Board for the purpose of decision making.

- cardfactory stores sell greeting cards, celebration essentials, and gifts to consumers through an extensive network of retail stores across high streets, retail parks and shopping centres in the UK & the Republic of Ireland.
- Digital sells greeting cards, celebration essentials and gifts to consumers via its online platforms. The digital business has operated cardfactory.co.uk throughout HY27 and FY26. funkypigeon.com has formed part of this operating segment since 14 August 2025 and as such does not form part of the results for the six months to 31 July 2025.
- Wholesale represents the Group's 'B2B' wholesale operations and sells greeting cards, celebration essentials and gifts via a network of third-party retail partners both in the UK and overseas.
- Printcraft is a manufacturer of greeting cards and personalised gifts and sells the majority of its output intra-group to the stores and digital businesses.

Following its acquisition on 14 August 2025, the Group has been working to integrate Funky Pigeon into the existing digital business, with a common management structure. The results of Funky Pigeon are included in the Digital operating segment.

Over the last three and a half years, the Group acquired SA Greetings, Garlanna and Garven. All three businesses' principal activities relate to the sale of cards, gifts and/or celebration essentials to business customers, and, therefore, their results are included in the Wholesale operating segment for the purposes of segmental reporting.

The accounting policies applied in preparing financial information for each of the Group's segments are consistent with those applied in the preparation of the consolidated Financial Statements. The Group's support centre and administrative functions are run by the cardfactory Stores segment, with operating costs recharged to other segments where they are directly attributable to the operations of that segment.

The Board reviews revenue and EBITDA by segment, with the exception of Printcraft by virtue of its operations being predominantly intra-group in nature. Note that under IFRS, EBITDA is considered to be a non-GAAP measure as considered in the glossary to these Financial Statements.

Revenue and EBITDA for each segment, and a reconciliation to the consolidated operating profit per the financial statements, is provided in the table below:

	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Revenue:			
cardfactory Stores	226.0	227.8	514.6
Digital	16.0	3.2	20.6
Wholesale	18.7	16.5	47.2
Other	0.1	0.1	0.3
Consolidated Group revenue	260.8	247.6	582.7
Of which derived from customers in the UK	235.0	225.6	522.9
Of which derived from customers overseas	25.8	22.0	59.8
EBITDA:			
cardfactory Stores	51.2	44.0	118.1
Digital	(4.1)	(1.6)	(3.5)
Wholesale	(0.1)	0.6	3.2
Other	(0.8)	(3.9)	(1.0)
Consolidated Group EBITDA	46.2	39.1	116.8
Consolidated Group depreciation, amortisation & impairment	(27.6)	(24.8)	(58.1)
Consolidated Group gain/(loss) on disposal	0.3	0.2	0.7
Consolidated Group Operating Profit	18.9	14.5	59.4

The 'Other' category principally reflects central overheads, Printcraft sales to third parties and consolidation adjustments not impacting another operating segment.

The Group also reports Adjusted EBITDA, which excludes certain transactions that are either one off in nature and/or are unreflective of the underlying trading performance of the Group. A full description and reconciliation is provided in the appendix at the end of this report. Adjusted EBITDA by segment for HY26 was as follows: cardfactory Stores +£50.4 million (HY26: +£47.7 million), Digital -£3.5 million (HY26: -£1.6 million), Wholesale -£0.1 million (HY26: +£0.6 million) and Other -£1.7 million (HY26: -£2.5 million). Group Adjusted EBITDA was therefore +£45.1 million (HY26: +£44.2 million).

Group revenue is predominantly derived from retail customers. Average transaction value is low and products are transferred at the point of sale. Group revenue is presented as a single category as, by segment, revenues are subject to substantially the same economic factors that impact the nature, amount, timing and uncertainty of revenue and cash flows. The types of products sold via each operating segment are fundamentally similar in nature and it is the channel or location of sale that differs. As such, we consider that the segmental analysis above provides a reasonable breakdown of sales by product type.

The table below sets out a geographical analysis of revenues for the current and prior year:

	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Revenue derived from customers in the UK:	235.0	225.6	522.9
Revenue derived from customers overseas:			
- South Africa	3.8	3.7	11.8
- Republic of Ireland	10.9	9.3	20.5
- United States of America	8.4	8.3	24.9
- Rest of World	2.7	0.7	2.6
Consolidated revenue	260.8	247.6	582.7

Revenues from customers are allocated to geographical locations based on the location of the customer to whom the sale is made. Rest of World includes revenue derived from all other geographical locations, none of the components of this category are individually material.

4 EBITDA

Earnings before interest, tax, depreciation, amortisation and impairment charges (EBITDA) represents profit for the period before net finance expense, taxation, depreciation, amortisation and impairment of assets.

	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Operating profit	18.9	14.5	59.4
Depreciation, amortisation and impairment	27.6	24.8	58.1
Gain on disposal	(0.3)	(0.2)	(0.7)
EBITDA	46.2	39.1	116.8

5 Net finance expense

	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Net finance expense			
Interest received	(0.5)	(0.2)	(0.3)
Interest on bank loans and overdrafts	2.6	2.8	6.5
Other finance costs ¹	0.4	0.2	0.6
Lease interest	4.1	4.2	8.7
	6.6	7.0	15.5

1. Other finance costs includes loan issue cost amortisation and other financing costs.

6 Taxation

The tax charge for the six months ended 31 July 2026 has been calculated on the basis of the estimated effective tax rate on Profit Before Tax for the full financial year to 31 January 2027, which has been assessed as 25% (HY26: 25%).

The estimated effective tax rate is in line with the standard rate of corporation tax in the UK applicable for the period (25%). Whilst it is expected that deductions available for capital allowances are likely to be greater than the equivalent depreciation charge for the period, the impact on the effective tax rate will not be material.

7 Earnings per share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is based on the weighted average number of shares in issue for the period, adjusted for the dilutive effect of potential ordinary shares. Potential ordinary shares represent share incentive awards and save as you earn share options.

	Six months ended 31 July 2026	Six months ended 31 July 2025	Year ended 31 January 2026
	(Number)	(Number)	(Number)
Weighted average number of shares in issue	344,453,218	349,012,771	348,196,571
Weighted average number of dilutive share options	68,615	1,026,940	771,642
Weighted average number of shares for diluted earnings per share	344,521,833	350,039,711	348,968,213
	£'m	£'m	£'m
Profit for the financial period	9.2	5.6	31.2
	pence	pence	Pence
Basic earnings per share	2.7	1.6	9.0
Diluted earnings per share	2.7	1.6	8.9

Adjusted EPS, which excludes the post-tax effect of items excluded from Adjusted PBT in the period, is equal to 2.9 pence per share (HY26: 2.8 pence per share). Adjusted diluted earnings per share is equal to 2.9 pence per share (HY26: 2.8 pence per share). These are Alternative Performance Measures not defined under IFRS, which is defined and reconciled in the appendix.

8 Dividends

HY26 interim dividend

On 28 September 2026, the Directors resolved to pay an interim dividend of 1.4 pence per share (HY26: interim dividend of 1.3 pence per share). The interim dividend will be payable to shareholders on the share register on 6 November 2026, with payments to be made on 11 December 2026.

FY26 final dividend

On 25 June 2026, a final dividend of 3.7 pence per share (totalling £12.8 million) was authorised in respect of the FY26 financial year. This brought total dividends paid in respect of FY26 to 5.0 pence per share (totalling £17.4 million).

Dividends paid in the year:

	Pence per share	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Twelve months ended 31 January 2026 £'m
Final dividend for the year ended 31 January 2025	3.6p	–	12.6	12.6
Interim dividend for the year ended 31 January 2026	1.3p	–	–	4.6
Final dividend for the year ended 31 January 2026	3.7p	12.8	–	–
Total dividends paid to shareholders in the year		12.8	12.6	17.2

Dividend equivalents totalling £0.2 million (HY26: £0.3 million) were accrued in the year in relation to share-based long-term incentive schemes.

9 Intangible assets

	Goodwill	Acquired Customer relationships	Acquired Brands	Software	Total
	£'m	£'m		£'m	£'m
Cost					
At 1 February 2026	329.9	23.7	8.9	56.9	419.4
Additions	–	–	–	6.1	6.1
At 31 July 2026	329.9	23.7	8.9	63.0	425.5
Amortisation and impairment					
At 1 February 2026	–	2.1	0.3	28.2	30.6
Amortisation in the period	–	1.2	0.3	2.6	4.1
At 31 July 2026	–	3.3	0.6	30.8	34.7
Net book value					
At 31 July 2026	329.9	20.4	8.3	32.2	390.8
At 31 January 2026	329.9	21.6	8.6	28.7	388.8

10 Property, plant and equipment

	Freehold property	Leasehold improvements	Plant, equipment, fixtures & vehicles	Total
	£'m	£'m	£'m	£'m
Cost				
At 1 February 2026	24.1	40.8	117.9	182.8
Additions	–	0.1	5.6	5.7
At 31 July 2026	24.1	40.9	123.5	188.5
Depreciation and impairment				
At 1 February 2026	6.2	40.5	84.5	131.2
Depreciation in the period	0.3	–	4.7	5.0
At 31 July 2026	6.5	40.5	89.2	136.2
Net book value				
At 31 July 2026	17.6	0.4	34.3	52.3
At 31 January 2026	17.9	0.3	33.4	51.6

11 Leases

The Group has lease contracts, within the definition of IFRS 16 leases, in relation to its entire Store lease portfolio, some warehousing locations and motor vehicles. Other contracts, including distribution contracts and IT equipment, are deemed not to be a lease within the definition of IFRS 16 or are subject to the election not to apply the requirements of IFRS 16 to short-term or low value leases.

Right of use assets	Six months ended 31 July 2026	Six months ended 31 July 2025	Year ended 31 January 2026
	£'m	£'m	£'m
Buildings	108.3	115.7	113.5
Motor Vehicles	1.0	1.2	1.3
	109.3	116.9	114.8

The right of use assets movement in the period is as follows:

	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
At the beginning of the period	114.8	110.2	110.2
Acquisition of Funky Pigeon	–	–	0.6
Additions:			
Buildings	13.3	23.8	41.1
Motor vehicles	–	0.7	1.4
Disposals	(0.2)	(0.2)	(0.4)
Depreciation charge:			
Buildings	(18.1)	(18.1)	(36.4)
Motor vehicles	(0.3)	(0.3)	(0.9)
Net impairment (charge) / reversal	(0.1)	0.7	(1.1)
Effect of foreign exchange rates	(0.1)	0.1	0.3
At the end of the period	109.3	116.9	114.8

Disposals and depreciation on disposals include fully depreciated right of use assets in respect of expired leases where the asset remained in use whilst a lease renewal was negotiated.

Lease liabilities	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Current lease liabilities	(32.8)	(29.2)	(32.8)
Non-current lease liabilities	(83.8)	(92.2)	(90.4)
Total lease liabilities	(116.6)	(121.4)	(123.2)

Lease expense	Six months ended 31 July 2026 £'m	Six months ended 31 July 2025 £'m	Year ended 31 January 2026 £'m
Depreciation expense on right of use assets	18.4	18.4	37.3
Impairment charge / (reversal) of right of use assets	0.1	(0.7)	1.1
Profit on disposal of right of use assets	(0.3)	(0.2)	(0.7)
Lease interest	4.1	4.2	8.7
Expense relating to variable lease payments	0.4	–	0.4
Total lease related income statement expense	22.7	21.7	46.8

12 Inventories

	31 July 2026	31 July 2025	31 January 2026
	£'m	£'m	£'m
Finished Goods	68.3	67.5	58.5
Work in progress	0.5	0.8	0.4
	68.8	68.3	58.9

Inventories are stated net of provisions totalling £9.3 million (FY26: £10.6 million, HY26: £7.3 million). The cost of inventories recognised as an expense and charged to cost of sales in the period, net of movements in provisions, was £80.5 million (FY26: £186.0 million, HY26: £83.0 million).

13 Analysis of Net Debt

Six months ended 31 July 2026	At 1 February 2026	Cash flow	Non-cash changes	At 31 July 2026
	£'m	£'m	£'m	£'m
Secured bank loans and accrued interest	(83.9)	(21.7)	(0.4)	(106.0)
Lease liabilities	(123.2)	23.5	(16.9)	(116.6)
Total debt	(207.1)	1.8	(17.3)	(222.6)
Debt costs capitalised	(1.4)	–	0.3	(1.1)
Bank overdraft	(1.4)	0.2	–	(1.2)
Cash and cash equivalents	18.8	6.1	(4.0)	20.9
Net Debt	(191.1)	8.1	(21.0)	(204.0)
Lease liabilities	123.2	(23.5)	16.9	116.6
Net Debt excluding lease liabilities	(67.9)	(15.4)	(4.1)	(87.4)

Six months ended 31 July 2025	1 February 2025	Cash flow	Non-cash changes	At 31 July 2025
	£'m	£'m	£'m	£'m
Secured bank loans and accrued interest	(74.0)	(20.1)	(2.8)	(96.9)
Lease liabilities	(110.4)	21.5	(32.5)	(121.4)
Total debt	(184.4)	1.4	(35.3)	(218.3)
Debt costs capitalised	(1.4)	–	–	(1.4)
Bank overdraft	–	(0.9)	–	(0.9)
Cash and cash equivalents	16.5	3.8	–	20.3
Net Debt	(169.3)	4.3	(35.3)	(200.3)
Lease liabilities	110.4	(21.5)	32.5	121.4
Net Debt excluding lease liabilities	(58.9)	(17.2)	(2.8)	(78.9)

Year ended 31 January 2026	At 1 February 2025	Cash flow	Non-cash changes	At 31 January 2026
	£'m	£'m	£'m	£'m
Secured bank loans and accrued interest	(74.0)	(3.3)	(6.6)	(83.9)
Lease liabilities	(110.4)	45.7	(58.5)	(123.2)
Total debt	(184.4)	42.4	(65.1)	(207.1)
Debt costs capitalised	(1.4)	(0.2)	0.2	(1.4)
Bank overdraft	-	(1.4)	-	(1.4)
Cash and cash equivalents	16.5	2.3	-	18.8
Net Debt	(169.3)	43.1	(64.9)	(191.1)
Lease liabilities	110.4	(45.7)	58.5	123.2
Net Debt excluding lease liabilities	(58.9)	(2.6)	(6.4)	(67.9)

Cash and cash equivalents	31 July 2026	31 July 2025	31 January 2026
	£'m	£'m	£'m
Cash at bank and in hand presented as current assets on the balance sheet	20.9	20.3	18.8
Bank overdraft presented as current liabilities on the balance sheet	(1.2)	(0.9)	(1.4)
Net cash and cash equivalents	19.7	19.4	17.4

Non-cash changes in respect of lease liabilities reflect changes in the carrying amount of leases arising from additions, disposals and modifications.

The Group's financing facilities are principally comprised of a revolving credit facility (RCF) originally entered into in April 2024. In August 2025, the Group exercised a £35 million accordion option with lender approval, to extend the total size of the RCF to £160 million.

The facilities had an initial maturity date in April 2028, which was extended to November 2028 during FY26.

The facilities include £40 million of remaining accordion and a further extension option to November 2029, both of which can be executed subject to certain administrative conditions and lender approval.

The margin on the facilities is dependent upon the Group's Leverage position, with margins between 1.9–2.8%. The facilities include covenants for a maximum Leverage ratio (calculated as Net Debt excluding leases divided by EBITDA less rent costs for the prior 12 months) of 2.5x and a fixed charge cover ratio of at least 1.75x (calculated as the ratio of EBITDA plus IFRS 16 interest and depreciation to net finance charges plus IFRS 16 interest and depreciation). The Group expects to operate comfortably within these covenant levels for the foreseeable future.

The Group's cash generation profile typically follows a seasonal pattern, with higher cash outflows in the first half of the year associated with lower seasonal sales and investment in working capital ahead of the Christmas season. The inverse is then usually true in the second half, as Christmas sales lead to reduced stock levels and higher cash inflows. As a result, Net Debt at the end of both the half year and at the year-end is usually lower than the intra-year peak, which typically occurs during the third quarter.

14 Financial instruments

Financial instruments carried at fair value are measured by reference to the following fair value hierarchy:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of the Group's foreign currency derivative financial instruments are largely determined by comparison between forward market prices and the contract price; therefore, these contracts are categorised as Level 2.

For all other financial instruments, the fair value approximates to their carrying amounts.

	31 July 2026	31 July 2025	31 January 2026
	£'m	£'m	£'m
Derivative assets			
<i>Non-current</i>			
Foreign exchange contracts	0.5	1.3	0.7
	0.5	1.3	0.7
<i>Current</i>			
Interest-rate contracts	–	0.1	–
Foreign exchange contracts	0.6	0.7	1.0
	0.6	0.8	1.0
Derivative liabilities			
<i>Current</i>			
Foreign exchange contracts	(2.9)	(2.7)	(4.9)
	(2.9)	(2.7)	(4.9)
<i>Non-current</i>			
Foreign exchange contracts	(1.1)	(2.7)	(3.4)
	(1.1)	(2.7)	(3.4)
Net derivative financial instruments			
Interest rate contracts	–	0.1	–
Foreign exchange contracts	(2.9)	(3.4)	(6.6)
	(2.9)	(3.3)	(6.6)

Fair value movements in foreign currency derivatives are recognised in other comprehensive income to the extent the contract is part of an effective hedging relationship. The fair value gains of £1.9 million that do not form part of an effective hedging relationship have been charged to the income statement (HY26: loss of £3.4 million) within cost of sales.

These fair value movements recognised in the income statement do not reflect the underlying trading performance of the Group as they are not relevant to transactions occurring in the current period, as a result they are removed from Adjusted Profit Before Tax as seen in the appendix.

15 Share capital, share premium and own shares held

Share capital	31 July 2026	31 July 2025	31 January 2026
	(Number)	(Number)	(Number)
Allotted, called up and fully paid ordinary shares of one pence:			
At the start of the period	351,595,922	348,004,716	348,004,716
Issued in the period	–	3,135,148	3,591,206
Cancelled in the period	(9,759,849)	–	–
	341,836,073	351,139,864	351,595,922

Share capital	£'m	£'m	£'m
Allotted, called up and fully paid ordinary shares of one pence:			
At the start of the period	3.5	3.5	3.5
Issued in the period	–	–	–
Cancelled in the period	(0.1)	–	–
	3.4	3.5	3.5

Share premium

Allotted, called up and fully paid ordinary shares of one pence:			
At the start of the period	203.8	203.2	203.2
Issued in the period	–	0.5	0.6
	203.8	203.7	203.8

Shares issued in the period relate entirely to those issued upon vesting of employee share schemes.

Own shares held

Own shares held represents shares in Card Factory plc held in treasury, including transaction costs, to satisfy liabilities to employees for long-term incentive plans, or for cancellation. Own shares are treated as a deduction to equity until the shares are cancelled, reissued or sold, at which point they are transferred to retained earnings.

Own shares held	31 July 2026	31 July 2025	31 January 2026
	(Number)	(Number)	(Number)
Ordinary shares of one pence:			
At the start of the period	5,766,834	–	–
Own shares purchased for cancellation	9,759,849	–	–
Own shares purchased for treasury	–	–	5,795,564
Own shares cancelled	(9,759,849)	–	–
Settlement of vested share options in equity	(1,899,194)	–	(28,730)
	3,867,640	–	5,766,834

Own shares held	31 July 2026	31 July 2025	31 January 2026
	£'m	£'m	£'m
Ordinary shares of one pence:			
At the start of the period	5.0	–	–
Own shares purchased for cancellation	6.8	–	–
Own shares purchased for treasury	–	–	5.0
Own shares cancelled	(6.8)	–	–
Settlement of vested share options in equity	(1.7)	–	–
	3.3	–	5.0

On 30 October 2025, the Group announced the commencement of a share repurchase programme, the purpose of which was to acquire shares to satisfy future awards under the Group's employee share schemes. This programme had a total value of £5.0 million and was wholly completed in FY26.

On 28 April 2026, the Group announced the intention to return surplus cash to shareholders via a £15 million share buyback programme. Shares purchased under the programme have been cancelled in the year to date and will continue to be until completion of the programme. The programme was 83% complete at 25 September 2026.

Shares in issue	31 July 2026	31 July 2025	31 January 2026
	(Number)	(Number)	(Number)
Total allotted, called up and fully paid ordinary shares:			
At the end of the period	341,836,073	351,139,864	351,595,922
Less: own shares held in treasury	(3,867,640)	–	(5,766,834)
	337,968,433	351,139,864	345,829,088

16 Other reserves

Capital redemption reserve

The nominal value of shares in Card Factory plc purchased and subsequently cancelled is shown as a reduction in share capital and an equal and opposite transfer to the capital redemption reserve.

The share buyback announced in April 2026 is ongoing with 9,759,849 shares repurchased up to 31 July 2026 for a total cost, including transaction costs, of £6.9m.

Other reserves

Certain individually immaterial reserve balances, previously shown separately on the statement of financial position, have been aggregated within Other Reserves and Hedging Reserves to simplify the Statement of Changes in Equity.

Comparatives within equity have been re-presented to align with the current year presentation. There is no impact on total equity.

	Hedging reserve	Cost of hedging reserve	Hedging reserves	Reverse acquisition reserve	Merger reserve	Translation reserve	Capital redemption reserve	Other reserves
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Six months ended 31 July 2026								
At 31 January 2026	(1.8)	(0.6)	(2.4)	(0.5)	2.7	(0.8)	–	1.4
Total comprehensive expense for the period								
Other comprehensive expense	0.9	–	0.9	–	–	0.1	–	0.1
	0.9	–	0.9	–	–	0.1	–	0.1
Hedging gains/(losses) and costs of hedging of inventory	0.5	–	0.5	–	–	–	–	–
Deferred tax on transfers to inventory	(0.1)	–	(0.1)	–	–	–	–	–
Transactions with owners, recorded directly in equity								
Cancellation of own shares	–	–	–	–	–	–	0.1	0.1
Total contributions by and distributions to owners	–	–	–	–	–	–	0.1	0.1
At 31 July 2026	(0.5)	(0.6)	(1.1)	(0.5)	2.7	(0.7)	0.1	1.6

	Hedging reserve	Cost of hedging reserve	Hedging reserves	Reverse acquisition reserve	Merger reserve	Translation reserve	Capital redemption reserve	Other reserves
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Six months ended 31 July 2025								
At 31 January 2025	1.0	(0.1)	0.9	(0.5)	2.7	(0.6)	–	1.6
Total comprehensive expense for the period								
Other comprehensive expense	(2.2)	(0.4)	(2.6)	–	–	–	–	–
	(2.2)	(0.4)	(2.6)	–	–	–	–	–
Hedging gains/(losses) and costs of hedging of inventory	0.4	0.1	0.5	–	–	–	–	–
At 31 July 2025	(0.8)	(0.4)	(1.2)	(0.5)	2.7	(0.6)	–	1.6

	Hedging reserve	Cost of hedging reserve	Hedging reserves	Reverse acquisition reserve	Merger reserve	Translation reserve	Capital redemption reserve	Other reserves
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Year Ended 31 January 2026								
At 31 January 2025	1.0	(0.1)	0.9	(0.5)	2.7	(0.6)	–	1.6
Total comprehensive expense for the period								
Other comprehensive expense	(4.2)	(0.5)	(4.7)	–	–	(0.2)	–	(0.2)
	(4.2)	(0.5)	(4.7)	–	–	(0.2)	–	–
Hedging gains/(losses) and costs of hedging of inventory	1.9	–	1.9	–	–	–	–	–
Deferred tax on transfers to inventory	(0.5)	–	(0.5)	–	–	–	–	–
At 31 January 2026	(1.8)	(0.6)	(2.4)	(0.5)	2.7	(0.8)	–	1.4

17 Notes to the cash flow statement

Reconciliation of operating profit to cash generated from operations:

	31 July 2026	31 July 2025	31 January 2026
	£'m	£'m	£'m
Profit Before Tax	12.3	7.5	43.9
Net finance expense	6.6	7.0	15.5
Operating profit	18.9	14.5	59.4
Adjusted for:			
Depreciation and amortisation	27.6	25.5	53.6
Charge / (reversal) of Impairment of right of use assets	0.1	(0.7)	1.1
Impairment of tangible assets	–	–	0.3
Impairment of intangible assets	–	–	3.2
Gain on disposal of right of use assets	(0.3)	(0.2)	(0.7)
Cash flow hedging foreign currency movements	(1.9)	3.8	4.7
Unrealised foreign exchange (gains)/losses	–	(0.6)	(1.3)
Share-based payments charge	0.9	1.2	2.3
Operating cash flows before changes in working capital	45.3	43.5	122.6
Decrease / (Increase) in receivables	6.4	(1.9)	(2.7)
(Increase) in inventories	(4.1)	(3.5)	(1.4)
(Decrease) in payables	(5.7)	(6.4)	5.9
Movement in provisions	0.1	(1.2)	(2.1)
Cash from operations	42.0	30.5	122.3

18 Provisions

Six months ended 31 July 2026	Covid-19-related support	Property provision	Total
	£'m	£'m	£'m
At 1 February 2026	2.1	3.7	5.8
Provisions utilised during the period	–	(0.2)	(0.2)
Provisions provided during the period	–	0.3	0.3
At 31 July 2026	2.1	3.8	5.9
Current provisions as at 31 July 2026	2.1	1.3	3.4
Non-current provisions as at 31 July 2026	–	2.5	2.5
At 31 July 2026	2.1	3.8	5.9

Six months ended 31 July 2025	Covid-19-related support	Property provision	Restructuring provision	Total
	£'m	£'m	£'m	£'m
At 1 February 2025	2.1	2.1	1.2	5.4
Provisions utilised during the period	–	(0.3)	(1.2)	(1.5)
Provisions provided during the period	–	0.3	–	0.3
At 31 July 2025	2.1	2.1	–	4.2
Current provisions as at 31 July 2025	2.1	2.1	–	4.2
At 31 July 2025	2.1	2.1	–	4.2

Year ended 31 January 2026	Covid-19-related support	Property Provision	Restructuring provision	Total
	£'m	£'m	£'m	£'m
At 1 February 2025	2.1	2.1	1.2	5.4
Acquisitions	–	2.5	–	2.5
Provisions utilised during the year	–	(0.4)	(1.2)	(1.6)
Provisions released during the year	–	(0.8)	–	(0.8)
Amounts provided during the year	–	0.3	–	0.3
At 31 January 2026	2.1	3.7	–	5.8
Current provisions as at 31 January 2026	2.1	1.2	–	3.3
Non-current provisions as at 31 January 2026	–	2.5	–	2.5
At 31 January 2026	2.1	3.7	–	5.8

Covid-19-related support provisions reflect amounts received under one-off schemes designed to provide support to businesses affected by Covid-19 restrictions, including lockdown grants and CJRS, in excess of the value the Group reasonably believes it is entitled to retain under the terms and conditions of those schemes. The provisions have been estimated based on the Group's interpretation of the terms and conditions of the respective schemes and, where applicable, independent professional advice.

A partial settlement of these amounts was paid in April 2024 amounting to £3.3 million, leaving £2.1 million outstanding. The Group continues to hold discussions regarding settlement of the remaining element of the provision. The Group has not obtained any information that changes its assessment of the valuation of the remaining provision at 31 January 2026. The Group believes a range of reasonably possible outcomes remains and that the Group's provision reflects a reasonable assessment of the amount that may be repayable. The Group does not believe that any position within the range of reasonably possible outcomes would reflect a material change to the provision held at the balance sheet date and this provision is classified as current as the Group is actively aiming to resolve this settlement in the next 12 months.

The costs incurred as a result of the restructuring programme associated with the closure of the Getting Personal website in FY25 were wholly utilised in FY26.

The Group maintains provisions in respect of its store portfolio to cover the estimated cost of restoring properties to their original condition upon exit of the property. Despite the size of the Group's store portfolio, such provisions are generally small, which is consistent with the Group's experience of actual dilapidations and restoration costs.

Specific provisions are usually made where the Group has a reasonable expectation that the related property may be exited, or is at a higher risk of exiting, in the near future and are generally expected to be utilised in the short term. Any non-current portion of the provision is considered immaterial.

In FY26, we recognised a £2.5 million provision for dilapidations related to the Guernsey property acquired in the acquisition of Funky Pigeon in FY26, which remains at 31 July 2026.

19 Principal risks and uncertainties

The principal risks and uncertainties facing the Group are materially unchanged since the publication of the Annual Report (as published and explained in more detail on pages 72 to 77 of the Group's Annual Report for the year ended 31 January 2026) and are set out below for each category of risk.

Financial Risks:

- Geopolitical Instability
- Cost price inflation

Operational Risks:

- IT Infrastructure and risk of IT/security disruption
- Business continuity
- Cyber security
- Supply Chain
- Regulatory compliance

Strategic Risks:

- ESG Compliance and climate change risks
- Loss of position as leading value specialty retailer for cards

20 Related party transactions

The Group has taken advantage of the exemptions contained within IAS 24 'Related Party Disclosures' from the requirement to disclose transactions between Group companies as these have been eliminated on consolidation.

A full listing of the Group's subsidiary undertakings is provided in the 2026 Annual Report and Accounts.

The Card Factory Foundation is considered a related party of the Group due to one common individual considered as key management personnel. In the period ended 31 July 2026, the Group donated £0.6 million (HY26: £0.6 million) to the Foundation from carrier bag sales and has an outstanding balance due from the Foundation of £46,364 at 31 July 2026 (HY26: owed £33,388).

The key management personnel of the Group comprise the Card Factory plc Board of Directors, the Executive Board and the Senior Leadership Team. Disclosures relating to remuneration of key management personnel are included in note 5 of the 2026 Annual Report and Accounts financial statements. Further details of Directors' remuneration are set out in the Directors' Remuneration Report of the Annual Report and Accounts on pages 100 to 107. Directors of the Company and their immediate families control 0.53% of the ordinary shares of the Company.

There were no other related party transactions in the period.

Responsibility statement of the Directors in respect of the half-yearly financial report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as contained in UK-adopted IFRS;
- the interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the *Disclosure and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - b) DTR 4.2.8R of the *Disclosure and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Darcy Wilson Rymer

Chief Executive Officer

Matthias Seeger

Chief Financial Officer

28 September 2026

Independent review report to Card Factory plc

Conclusion

We have been engaged by Card Factory plc (“the company”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2026 which comprises of the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and related notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 July 2026 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 (Revised) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” (“ISRE (UK) 2410”) issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the company is prepared in accordance with UK adopted IFRSs. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, “Interim Financial Reporting.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410; however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom’s Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with the terms of our engagement. Our review work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Signed:

Forvis Mazars LLP

Chartered Accountants

Manchester

Date: 28 September 2026

APPENDIX

Alternative Performance Measures (“APMs”) and other explanatory information

In the reporting of the condensed consolidated financial statements, the Directors have adopted various Alternative Performance Measures of financial performance, position or cash flows other than those defined or specified under International Accounting Standards (‘IFRS’).

These measures are not defined by IFRS and therefore may not be directly comparable with other companies’ APMs, including those in the Group’s industry or that appear to have similar titles or labels. APMs should be considered in addition to IFRS measures and are not intended to be a substitute for IFRS measurements.

The Directors believe that these APMs provide additional useful information on the performance and position of the Group and are intended to aid the user in understanding the Group’s results.

The APMs presented are consistent with measures used internally by the Board and management for performance analysis, planning, reporting and incentive setting purposes.

The table below sets out the APMs used in this report, with further information regarding the APM, and a reconciliation to the closest IFRS equivalent measure, below.

Sales APMs	Like-for-like Sales (LFL)
Profitability APMs	EBITDA Adjusted Profit Before Tax (PBT) Adjusted EPS
Financial Position APMs	Net Debt Leverage and Adjusted Leverage
Cash Flow APMS	Free cash flow and Adjusted Free cash flow

Sales APMs

LFL Sales

Closest IFRS Equivalent: Revenue

Like-for-like or LFL calculates the growth or decline in gross sales in the current period versus a prior comparative period.

For stores, LFL measures exclude any sales earned from new stores opened in the current period or closed since the comparative period and only consider the time period where stores were open and trading in both the current and prior period.

LFL measures for product lines or categories, where quoted, are calculated using the same principles.

LFL measures for our online businesses compare gross sales for the current and comparative period made through the respective online platform.

All LFL measures in this report compare HY27 to HY26, unless otherwise stated.

In addition, the Group reports combined Like-for-like sales measures for certain components of the business as follows:

- “cardfactory LFL” is defined as Like-for-like sales in stores plus Like-for-like sales from the cardfactory website www.cardfactory.co.uk.

Sales by Printcraft, the Group's printing division, to external third-party customers and partnerships sales are excluded from any LFL sales measure.

Reconciliation of revenue to LFL Sales

	cardfactory Stores £m	cardfactory Online £m	cardfactory LFL £m
Revenue HY27	226.0	2.8	228.8
VAT	44.4	0.5	44.9
Adjustment for Stores not open in both periods	(5.5)	–	(5.5)
LFL Sales HY27	264.9	3.3	268.2
Revenue HY26	227.8	3.2	231.0
VAT	43.7	0.7	44.4
Adjustment for Stores not open in both periods	(1.2)	–	(1.2)
LFL Sales HY26	270.3	3.9	274.2
LFL sales growth	-2.0%	-15.5%	-2.2%

Note percentages are calculated based on absolute figures before rounding.

Profitability APMs

EBITDA

Closest IFRS Equivalent: Operating Profit¹

EBITDA is earnings before interest, tax, gains or losses on disposals, depreciation, amortisation and impairment charges. Earnings is equivalent to profit after tax calculated in accordance with IFRS and each adjusting item is calculated in accordance with the relevant IFRS.

The Group uses EBITDA as a measure of trading performance, as it usually closely correlates to the Group's operating cash generation.

Reconciliation of EBITDA to operating profit

	HY27 £m	HY26 £m
Operating profit	18.9	14.5
<i>Add back / (deduct):</i>		
Depreciation	23.4	22.9
Amortisation	4.1	2.6
Gains on disposal	(0.3)	(0.2)
Impairment charge / (reversals)	0.1	(0.7)
EBITDA	46.2	39.1
(Deduct) / add back unrealised (gains) / losses on derivative contracts	(1.9)	3.4
Add back acquisition related transaction costs	–	1.7
Add back one-off transformation costs	0.8	–
Adjusted EBITDA	45.1	44.2

¹ Whilst operating profit is not defined formally in IFRS, it is considered a generally accepted accounting measure.

Adjusted PBT

Closest IFRS Equivalent: Profit Before Tax

Adjusted PBT is Profit Before Tax adjusted to exclude the effect of transactions that, in the opinion of the Directors, are either one-off in nature and/or are unreflective of the underlying trading performance of the Group in the period. Adjusted PBT reports a normalised or underlying trading performance of the Group.

The transactions that are excluded from Adjusted PBT could distort the impression of future performance trends based on the current year results. The Group uses Adjusted PBT to assess its performance on an underlying basis excluding these items and believe measures adjusted in this manner provide additional information about the impact of unusual or one-off items on the Group's performance in the period.

It is the Group's policy to always exclude unrealised gains and losses on derivative contracts and the amortisation associated with intangibles recognised because of acquisitions from the calculation of Adjusted PBT.

In addition, in HY27 the Directors identified the following items that they believe to meet the definition of 'one-off/non-underlying' for this purpose:

- One-off restructuring costs of £0.8 million associated with the integration of Funky Pigeon and streamlining central support operations.

In HY26, the Directors identified the following further items that they believe to meet the definition of 'one-off/non-underlying' for this purpose:

- Transaction costs related to the acquisition of Funky Pigeon of £1.7 million.

Reconciliation of Adjusted PBT to Profit Before Tax		
	HY27	HY26
	£m	£m
Profit Before Tax	12.3	7.5
<i>Add back / (Deduct):</i>		
Unrealised (gains) / losses on derivative contracts	(1.9)	3.4
Amortisation of acquired intangibles	1.5	0.6
One-off transformation costs	0.8	–
Acquisition-related transaction costs	–	1.7
Adjusted PBT	12.7	13.2

In the Group Financial Review in this report, the tables and narrative refer to Adjusted equivalents to various line items and subtotals throughout the income statement. The table below sets out a reconciliation of each Adjusted measure to its equivalent as calculated in accordance with IFRS. The adjusting items are the same as those described in the reconciliation of Adjusted PBT, above, presented in the line of the income statement in which they are recognised:

	HY27			HY26		
	Adjusted	Adjusting	Statutory /	Adjusted	Adjusting	Statutory /
	£m	Items	Reported	£m	Items	Reported
	£m	£m	£m	£m	£m	£m
Revenue	260.8	–	260.8	247.6	–	247.6
Cost of sales	(178.8)	1.9	(176.9)	(170.9)	(3.4)	(174.3)
Gross profit	82.0	1.9	83.9	76.7	(3.4)	73.3
Operating expenses	(62.7)	(2.3)	(65.0)	(56.5)	(2.3)	(58.8)
Operating profit	19.3	(0.4)	18.9	20.2	(5.7)	14.5
Net finance costs	(6.6)	–	(6.6)	(7.0)	–	(7.0)
Profit before tax	12.7	(0.4)	12.3	13.2	(5.7)	7.5
Taxation	(2.8)	(0.3)	(3.1)	(3.3)	1.4	(1.9)
Profit for period	9.9	(0.7)	9.2	9.9	(4.3)	5.6

Adjusted EPS

Closest IFRS Equivalent: Basic EPS

Adjusted EPS is earnings per share adjusted to exclude the post-tax effect of items identified as one-off and excluded from Adjusted PBT in the period.

The Group calculates adjusted EPS as it is the basis of dividend cover ratio calculations under its capital allocation policy. The Board targets a dividend cover ratio of between 2–3x Adjusted EPS.

Calculation of Adjusted EPS and reconciliation to Basic EPS.

	HY27	HY26
Weighted average number of shares in issue (A)	344,453,218	349,012,771
Profit after tax for the period (B)	£9.2m	£5.6m
Basic EPS (B)/(A)	2.7 pence	1.6 pence
Adjusted PBT	£12.7m	£13.2m
Tax charge	(£3.1m)	(£1.9m)
Tax impact of non-underlying items	£0.3m	(£1.4m)
Tax charge on Adjusted PBT	(£2.8m)	(£3.3m)
Adjusted Profit for the period (C)	£9.9m	£9.9m
Adjusted EPS (C) / (A)	2.9 pence	2.8 pence
Diluted weighted average number of shares in issue (D)	344,521,833	350,039,711
Adjusted Diluted EPS (C) / (D)	2.9 pence	2.8 pence

Financial Position APMs

Net Debt

Closest IFRS Equivalent: No equivalent; however is calculated by combining IFRS measures for Cash and Borrowings.

Net Debt is calculated by subtracting the Group's cash and cash equivalents from its gross borrowings (before debt-issue costs). Net Debt is a key measure of the Group's balance sheet strength and financial flexibility. Net Debt is also a component of the calculation of Leverage (see below) which aligns to a financial covenant in the Group's financing facilities. The Group presents Net Debt both inclusive and exclusive of lease liabilities, but focusses upon the value exclusive of lease liabilities, which is consistent with the calculation used for covenant purposes. Throughout this interim review, where "Net Debt" is referred to, unless specified otherwise, this refers to Net Debt excluding lease liabilities.

Calculation of Net Debt		
	HY27	HY26
	£m	£m
Current borrowings	1.3	0.9
Non-current borrowings	105.9	96.9
Total Borrowings	107.2	97.8
Add back debt issue costs	1.1	1.4
Gross borrowings	108.3	99.2
Cash	(20.9)	(20.3)
Net Debt	87.4	78.9
Lease liabilities	116.6	121.4
Net Debt (inc. Leases)	204.0	200.3

Leverage & Adjusted Leverage

Closest IFRS Equivalent: No equivalent; however, is calculated with reference to Net Debt and EBITDA, which are reconciled to relevant IFRS measures in this section.

Leverage is the ratio of Net Debt (excluding lease liabilities) to EBITDA for the previous 12 months expressed as a multiple. Adjusted Leverage is calculated in the same way, but deducts lease-related charges from EBITDA. The Group monitors and reports Leverage as a key measure of its financing position relative to trading performance and as an assessment of the Group's ability to manage and repay its borrowings. Adjusted Leverage is consistent with a covenant defined within the Group's financing facilities.

The Group has set a target in its capital allocation policy to maintain Adjusted Leverage below 1.5x throughout the financial year. The Group have remained within the maximum Adjusted Leverage target in the year to 31 January 2026.

As described in the financial review, the Group's cash flows and earnings are materially affected by seasonality, with higher sales and cash flows in the second half of the year linked to the Christmas season. As a result, this leads to lower cash flows in the first half as inventory begins to build up for the key Christmas trading period. Net Debt levels are higher at the half year as a result.

Calculation of Leverage		
	HY27 £m	HY26 £m
Net Debt (as calculated above) (A)	87.4	78.9
EBITDA for H1 (as calculated above)	46.2	39.1
EBITDA for H2 of prior year	77.7	82.9
Add back transaction costs incurred	–	1.7
EBITDA (last 12 months) (B)	123.9	123.7
IFRS 16 depreciation	(18.4)	(18.4)
IFRS 16 impairment reversal/(charge)	(0.1)	0.7
Gains on modification/disposal	0.3	0.2
IFRS 16 interest	(4.1)	(4.2)
Rent costs for H2 prior year	(24.8)	(22.5)
LTM rent costs	(47.1)	(44.2)
EBITDA less rent costs (C)	76.8	79.5
Leverage (A/B)	0.7x	0.6x
Adjusted Leverage (A/C)	1.1x	1.0x

Cash Flow APMs

Free Cash Flow

Closest IFRS Equivalent: No equivalent; however, it is calculated with reference to net cash inflow from operating activities (an IFRS measure).

Free Cash Flow is net cash inflow from operating activities per the cash flow statement prepared in accordance with IFRS, less capital expenditure, lease payments (including interest) and net finance costs and adding proceeds from disposals of fixed assets.

Free Cash Flow therefore represents the cash generated before distributions, acquisitions and changes in borrowings.

Calculation of Free Cash Flow		
	HY27 £m	HY26 £m
Net cash inflow from operating activities	41.1	24.0
Less:		
Capital expenditure	(11.8)	(7.6)
Lease payments (inc. Interest)	(23.5)	(21.5)
Net finance costs	(2.1)	(2.6)
Other non-operating (costs) / income	(0.2)	0.2
Free Cash Flow	3.5	(7.5)
(Deduct) / add back adjusting items	(2.7)	1.2
Adjusted Free Cash Flow	0.8	(6.3)

Adjusted Free Cash Flow excludes the impact of one-off cash items where necessary to aid comparability or consistency with other Adjusted measures. Adjusting items in HY27 reflect the transitional timing difference as a result of adopting the amendments to IFRS 7 and IFRS 9, as described in note 2 to the condensed consolidated financial statements.

On transition at 1 February 2026, £4.0 million of store card receipts, previously classified as cash and cash equivalents were reclassified to other receivables in the consolidated cash flow statement. At 31 July 2026, the equivalent balance recorded in other receivables was £1.3 million.

The resulting £2.7 million reduction in receivables resulted in a working capital inflow reported in operating cash flows in the consolidated cash flow statement for HY27. As the amendments to IFRS 7 and IFRS 9 do not require restatement of the comparative cash flow statement, the £4.0 million held at 31 January 2026 within cash, was recorded as a working capital inflow in FY26 and formed part of free cash flow.

The £2.7 million inflow represents a transition-related timing benefit rather than an improvement in the Group's underlying cash generation. Therefore, to aid comparability of alternative performance measures with the prior period, we have excluded the £2.7 million timing benefit above in arriving at Adjusted Free Cash Flow of £0.8 million for HY27.

In HY26, this excludes £1.2 million of restructuring costs paid out after being provided for at 31 January 2025.

Net finance costs including interest received on bank deposits, interest paid on bank borrowings and other financing costs paid.

Other Financial Calculation Information

Unless otherwise stated, amounts in this report are presented in Pound Sterling (GBP), and have been rounded to the nearest £0.1 million.

Information in tables or charts may not add down or across, or calculate precisely, due to rounding.

Percentage movements, where provided, are based on amounts before they were rounded to the nearest £0.1 million.