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Creating celebrations for all life's moments

Card Factory plc
FY26 Interim Results

30 September 2025

Agenda

Introduction	*Darcy Willson-Rymer*
Financial Performance & Outlook	*Matthias Seeger*
Strategy Update	*Darcy Willson-Rymer*
Summary	*Darcy Willson-Rymer*
Q&A	*Darcy Willson-Rymer & Matthias Seeger*

Section 1

Introduction

Darcy Willson-Rymer, CEO

HY26 overview

Resilient first half performance with good topline growth

- Effective execution of strategy while successfully containing impact of H1 headwinds.
- Core stores business continues to perform positively against a challenging retail backdrop.
- Recently acquired businesses Garven and Garlanna performing in line with expectations.
- Interim dividend announced of 1.3 pence.

£247.6m
Revenue

+5.9%

Acquisition of Funky Pigeon to accelerate digital strategy

- Platform for online growth, particularly in card-attached gifting market.
- Access to enhanced capability, high quality technology and large established customer base.
- Supports vision to create online celebration destination for customers.

Expectations for FY26 full-year unchanged

- Strong value proposition and newness across Christmas and Halloween ranges underpins H2 trading plans.
- Second half weighting of 'Simplify and Scale' initiatives and seasonal sales driving PBT growth.

FY26:
Mid-high single digit % growth in Adj PBT

Section 2

Financial Performance

Matthias Seeger, CFO

HY26 financial highlights

- Resilient +6% top line growth
- Strong underlying cash generation and disciplined capital allocation
- Containing inflation through benefits of 'Simplify and Scale' programme
- Strategic acquisitions in US and Republic of Ireland delivering expected returns
- Predictable, sustainable and growing returns to shareholders

Revenue
£247.6m
(HY25: £233.8m)
+£13.8m

Adj. PBT
£13.2m
(HY25: £14.5m)
-£1.3m

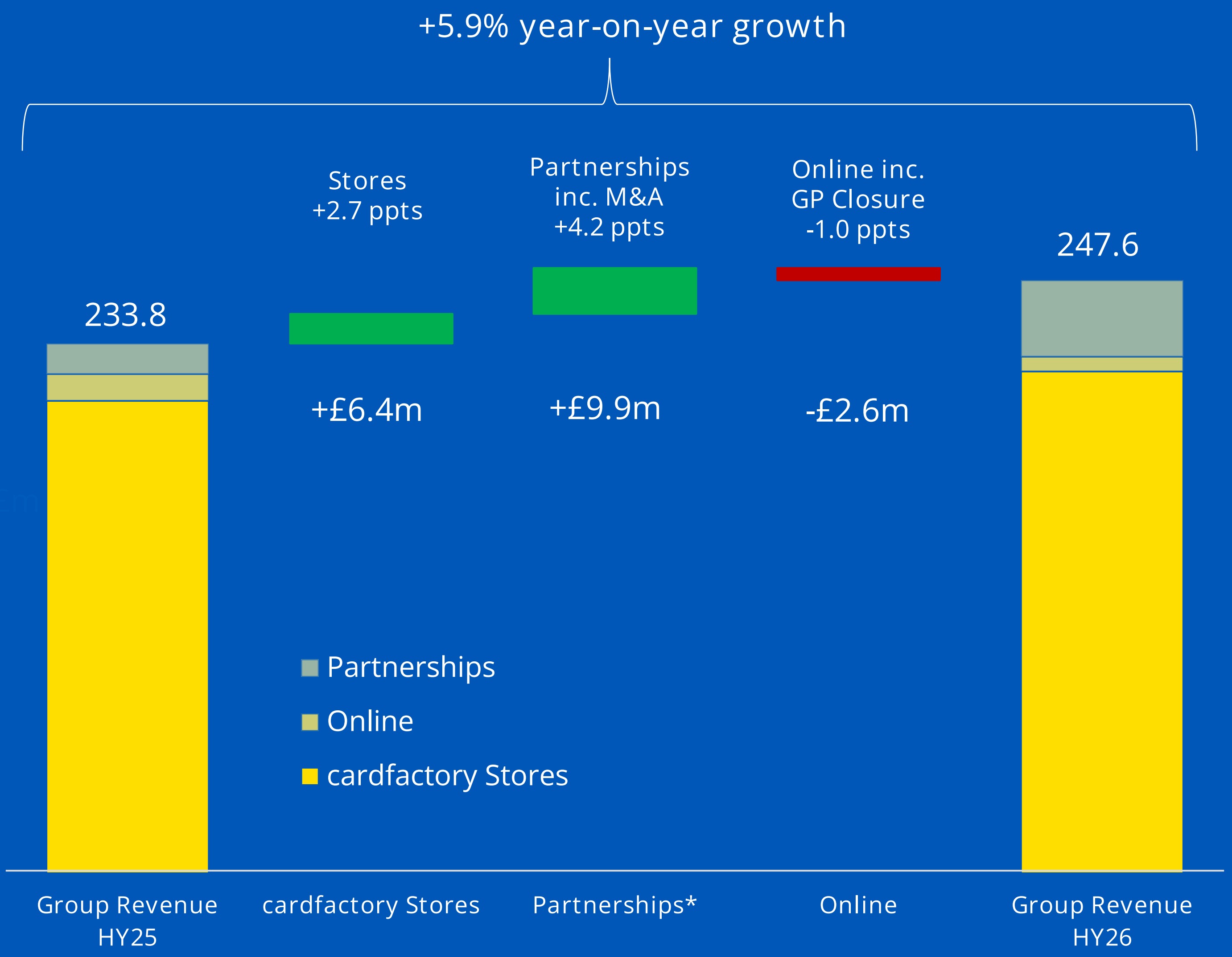
Interim Dividend
1.3 pence
(HY25: 1.2 pence)
+0.1p

Net Debt
£78.9m
(HY25: £74.9m)
+£4.0m

Free Cash Flow (LTM)*
£37.9m
(HY25: £13.5m)
+£24.4m

* LTM = Last 12 months
Adjusted measures exclude transactions considered to be one-off or otherwise unreflective of business performance.

Resilient revenue growth driven by effective execution of strategy



Total cardfactory sales growth of +5.9%, robust stores performance and contribution from strategic acquisitions:

- Total stores growth of +2.9%, underpinned by +30 net new stores year-on-year and LFL sales of +1.5%.
- Double-digit percentage sales growth in organic partnerships (excluding acquisitions).
- Performance from recently-acquired businesses in the US and Republic of Ireland in line with expectations.
- Small reduction in cardfactory.co.uk sales as we focus on higher margin sales.
- Closure of Getting Personal from 31 January 2025.

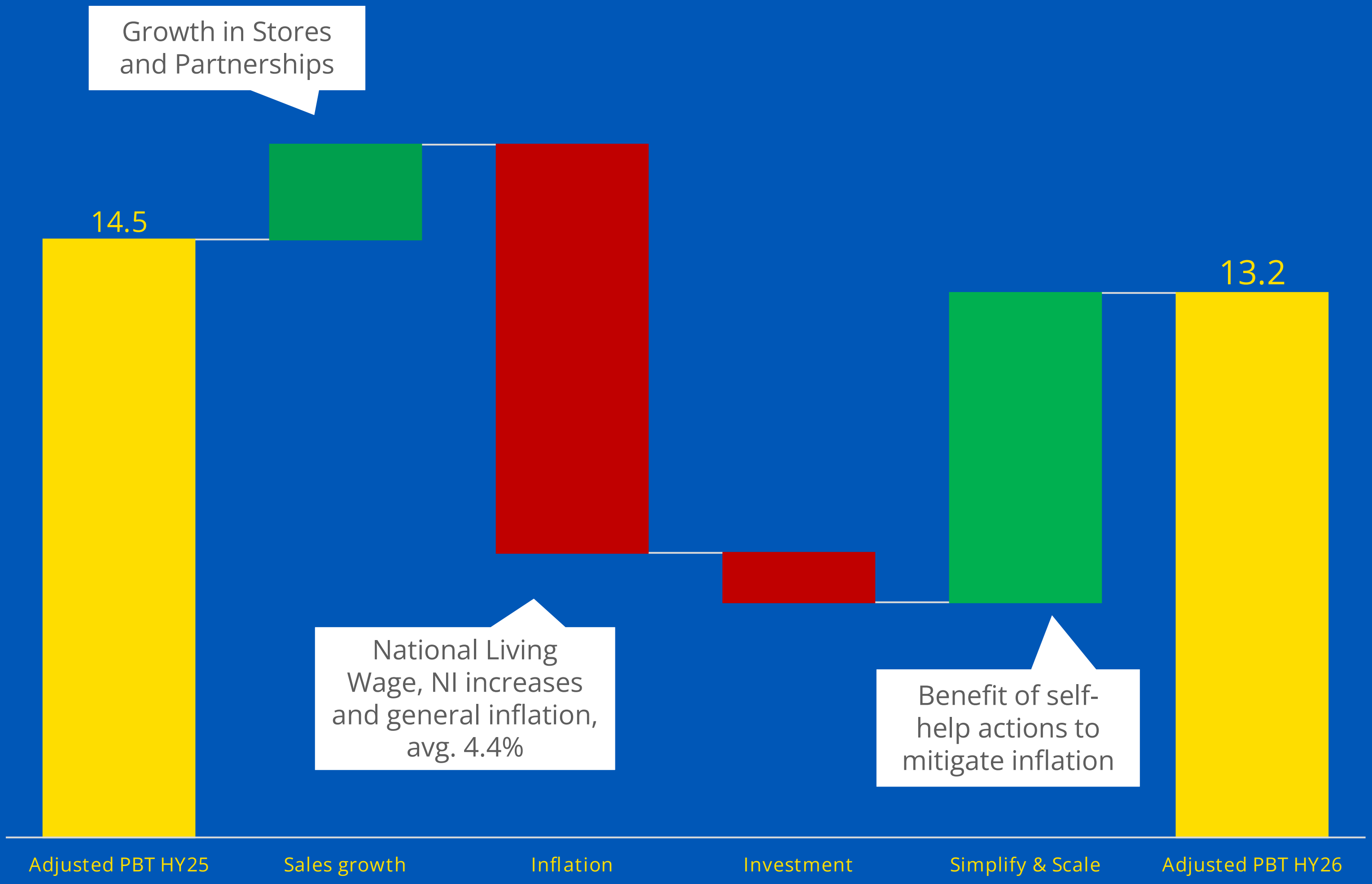
*Partnerships includes 'organic' partnerships managed from the UK plus international acquisitions (SA Greetings, Garven, Garlanna)

Robust Stores growth against softer Q2 footfall

	HY24	HY25	HY26
Sales	£209m	£221m	£228m
# of Stores	1,043	1,073	1,103
% Like-for-Like (LFL)	10.5%	3.7%	1.5%
% of gift & celebration essentials	51.4%	52.5%	53.4%
Average Basket Value (ABV)	£4.40	£4.75	£4.95

- Robust store-based growth of +2.9% based on new store openings (+1.4%) and LFL growth (+1.5%).
- Opening of +13 net new stores in H1 (+30 in last 12 months) using our proven low-cost, low-capital store model delivering payback in less than two years.
- LFL of +1.5% is driven by +4.1% ABV improvement as share of gift and celebration essentials grows in execution of our strategy, offsetting the impact of the soft Q2 footfall.

Inflationary headwinds contained by ‘Simplify and Scale’ programme



Adjusted PBT down compared to HY25:

- Strong underlying progress with both Stores and Partnerships sales growth.
- H1 dynamics of inflation and investment with partial offset from ‘Simplify and Scale’ measures.
- Accelerated investment in point-of-sale till upgrades.

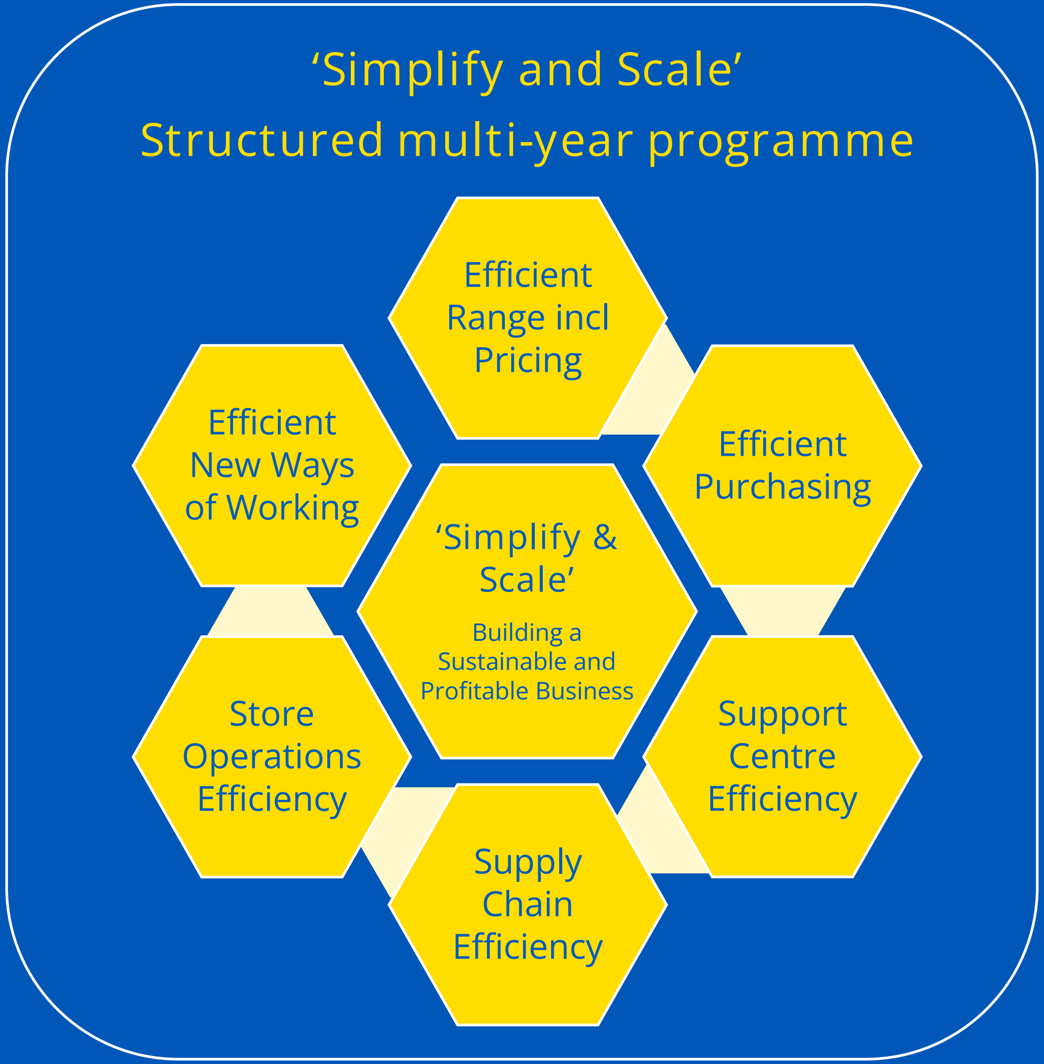
Significant inflationary headwinds:

- Third consecutive year of double-digit wage inflation, driven by National Living Wage and NI increases.
- High general inflation across the cost base.

Ongoing benefit of ‘Simplify and Scale’ programme, acquisitions and disposals:

- Benefit of range and pricing.
- Savings in wages and operating costs driven by focus on efficiency and productivity.
- Acquisitions accretive to PBT margin.
- Closure of Getting Personal.

Containing inflationary headwinds



Significant inflationary headwinds continue through FY26

- 4.4% cost price inflation in H1 with a similar rate of inflation expected in H2, mainly due to increases from NLW and NI.
- Total inflationary headwind of more than £20m in FY26.

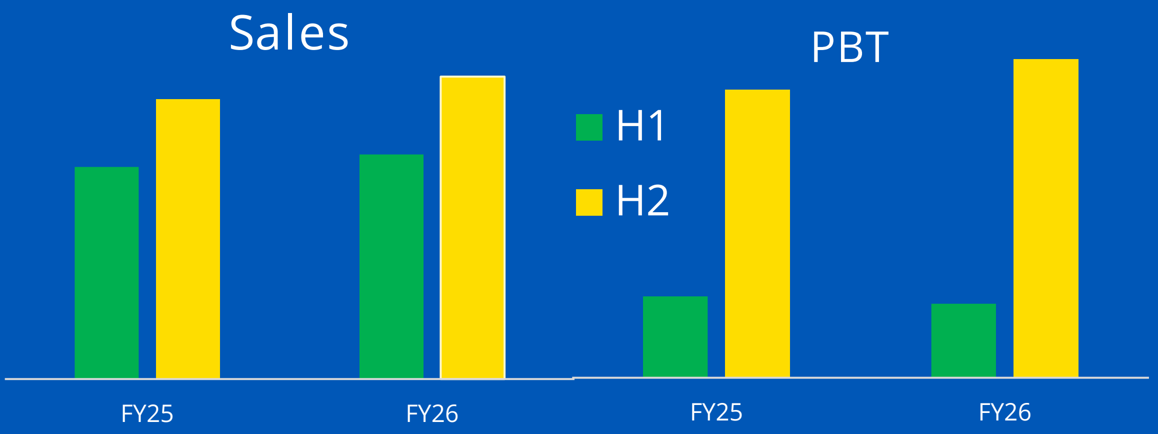
'Simplify and Scale' self-help programme mitigated H1 headwinds

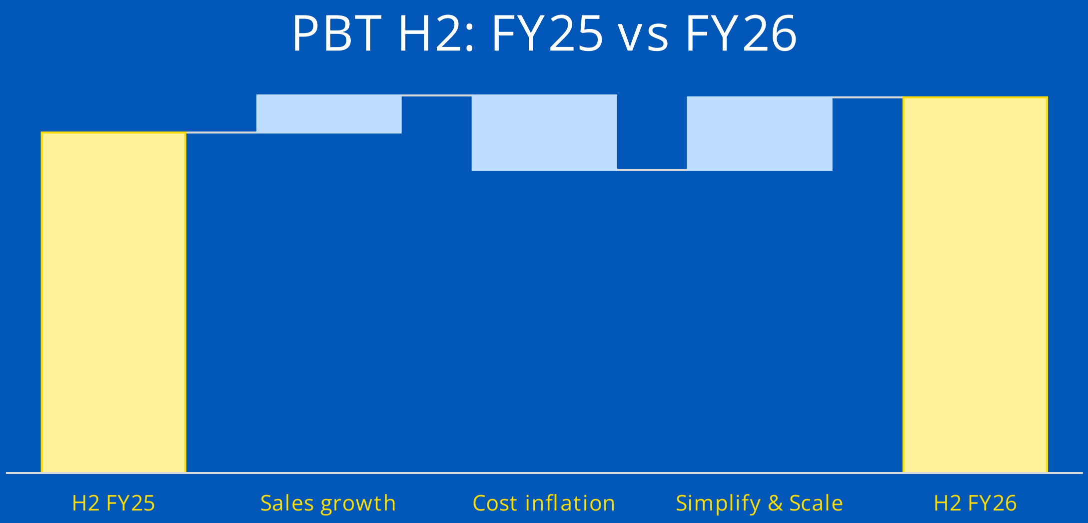
- Total efficiencies of £9m in H1 from streamlining our end-to-end operations and optimising our ranging incl. pricing:
  - 9% efficiency increase in stores.
  - Warehouse & agency labour optimisation.
  - Insourcing of merchandising printing and distribution.

H2 plans will offset remaining FY26 cost inflation

- Plans in motion to mitigate full inflationary headwinds in H2:
  - H1 Investment in till systems and dynamic range change capability enabling further labour productivity and efficiencies in stores.
  - H2 plans include automating support centre back-office tasks and processes, further store labour efficiencies.
  - Range development including Halloween.

H2 vs H1 Sales and PBT





Seasonal profile of revenue and profit delivery in line with last year:

- Phasing of inflationary headwinds and investment has disproportionate impact on first half.
- Operational leverage delivers significantly higher profit margins in H2.

Second half underpinned by store sales and growth from acquisitions:

- Store growth reflects net new store openings and continued LFL at similar levels to H1.
- Additional sales from full year of Garven and Garlanna, plus acquisition of Funkypigeon.com.

'Simplify and Scale' mitigates inflationary headwinds:

- £20m+ of inflationary headwinds across FY26, predominantly driven by NLW and NI increases.
- Fully offset by 'Simplify and Scale' self-help programme.

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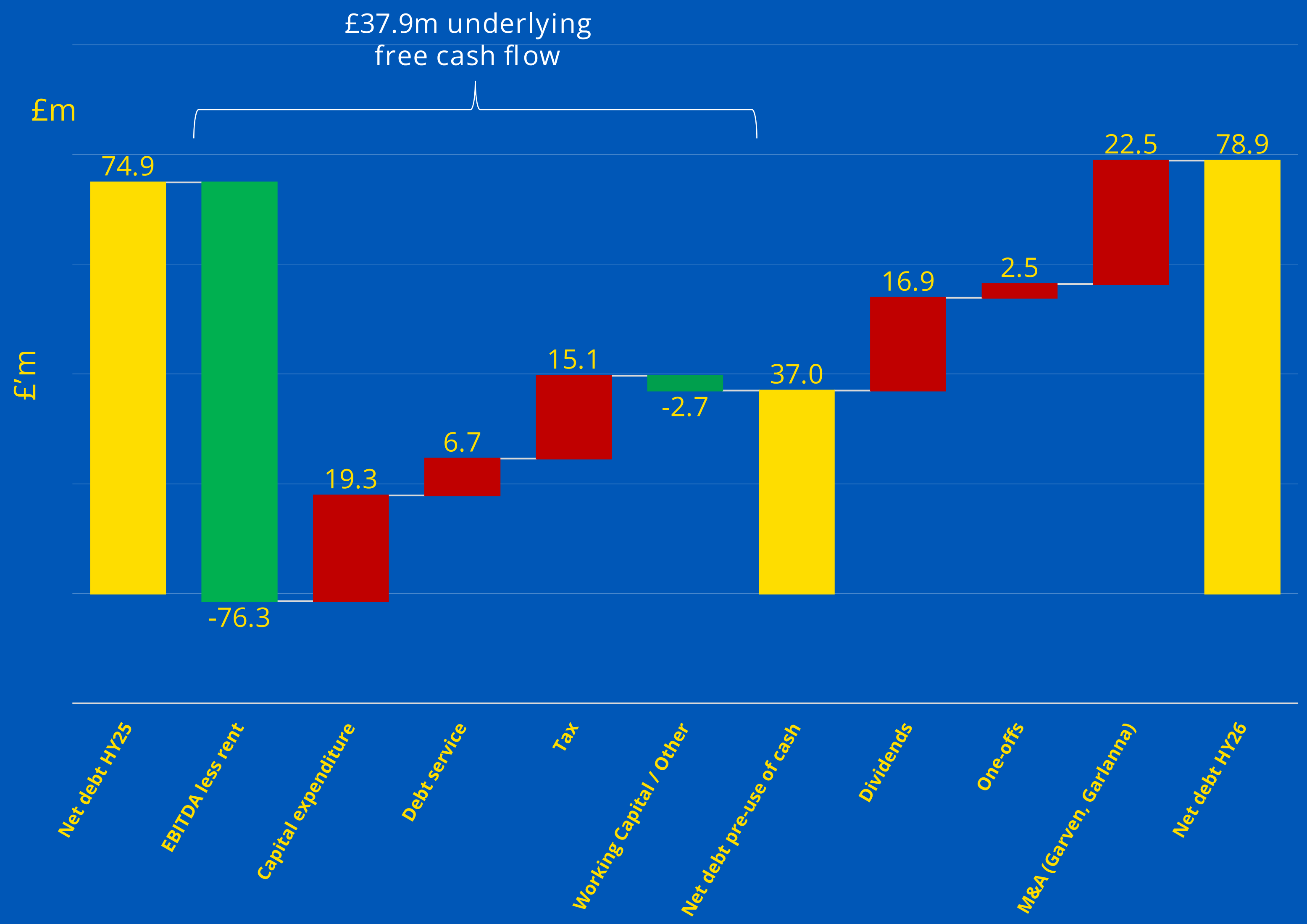
FY26 based on consensus Adjusted PBT of £70 million

Strong free cash flow generation over last 12 months



Strong underlying free cash flow of £37.9m in last 12 months

- Free cash conversion of 78% in last 12 months based on adjusted earnings.
- Leverage at 31 July 2025 of 1.0x.
- Surplus cash of £20m after payment of dividends was reinvested in M&A. (Garven & Garlanna) delivering superior returns.

Cash outflow in HY26 (6 months) of £7.5m reflects seasonal cash outflows but substantially improved versus last year

- Improved working capital.
- Capital expenditure of £7.6m includes investments in point-of-sale till upgrade alongside store estate development.

Funky Pigeon acquisition post balance sheet date, funded by extending existing debt facilities.

cardfactory's approach to generating attractive returns for our shareholders

Capital Allocation Policy	Business Targets	Key Drivers
Maintain a strong balance sheet	**Mid-single digit % sales growth per annum**	**Store LFL growth + New Store growth + Online/ Partnerships**
Invest to deliver our plans	**+ Mid-to-high single digit % profit before tax per annum**	**Simplify & Scale Efficiency Programme + Operational leverage from vertical integration**
Sustainable, growing dividends	**+ Free cash conversion at a rate of 70-80%**	**Disciplined capital investment + Options for capital allocation, i.e. additional shareholder returns**
Return surplus cash to shareholders	**= Highly attractive total return potential for shareholders**	**Strong profit growth + Progressive Dividend + Potential for additional returns**

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Attractive shareholder returns

Interim dividend

- 1.3 pence per share / £4.6 million payable in December 2025 versus 1.2 pence per share last year.
- Based on expected full-year dividend and a 3x dividend cover ratio on Adjusted EPS.

Share purchase programme

- Intention to purchase shares to satisfy future employee share scheme awards, to avoid equity dilution and enhancing EPS as of FY26.
- Typical scope 3-4 million shares per annum, c1% annual benefit to EPS.

Attractive shareholder returns

- Resilient business with strong cash generation.
- Plans in place for continued profitable growth.
- Reliable dividends with recent 4-5% yield.

Interim Dividend

1.3 pence per share

Share Purchase Programme

3-4 million shares per annum

Funky Pigeon acquisition and FY26 guidance

Acquisition of Funky Pigeon

- Completed on 14th August 2025.
- £24.1m purchase price.
- Funded by extending the Group's existing debt facilities by £35m (£125m to £160m) giving headroom for working capital and investment.
- Annual sales c£32m and EBITDA c£5m.
- Annual synergies of more than £5m through optimising manufacturing and fulfilment, technology platforms and product ranging delivered by the end of FY27 (Jan 27).

FY26 Guidance

- For FY26 expect:
  - c3% increase in sales reflecting 5 ½ months of Funky Pigeon trade.
  - No change to PBT guidance as additional profit offset by initial investment and additional finance costs in FY26.
  - c0.3x increase in year-end leverage.
- Medium-term guidance remains unchanged with mid-high single-digit % Adjusted PBT growth each year.

FY26 Outlook: Continued growth

Resilient performance across the first half of FY26 with sales growth in stores despite softer market footfall.

- Good performance from recent acquisitions, with sales in line with expectations and accretive contribution to bottom line.
- Strong plans in place to deliver growth in the second half.

‘Simplify and Scale’ programme continues our proven systemic and structured approach to off-setting inflation.

Our expectations for FY26 remain unchanged:

- Mid-to-high single-digit percentage increases in Adjusted PBT.
- Profit margin expected to be in-line with FY25.
- 70-80% of adjusted earnings converted to free cash.

Section 3

Strategy Update

Darcy Willson-Rymer, CEO

Building blocks of growth

Vision: To be a leading global celebrations group with extensive UK and Republic of Ireland footprint and growing international presence.

Core Business

UK & Republic of Ireland

Greeting Cards

Continue to grow leadership position in card.

Store Estates

Grow LFL sales, optimise estate, including fill in of under penetrated markets.

£13.4bn
UK Celebrations Occasions addressable market

Building Blocks of Growth

UK & Republic of Ireland

Gift and Celebration Essentials

Build share of Gifts and Celebration Essentials.

Online

Digital destination offering an extended and complementary offer to stores.

UK, Republic of Ireland and International

Partnership

Build out wholesale points of purchase in UK and Republic of Ireland and in identified international markets.

£80bn
international market opportunity

Increasing our share of the UK and Republic of Ireland celebrations market

Market leading range

Focus on newness to respond to changing consumer trends

- 49% newness across H1.

Innovation across all categories

- Launched new, in-house designed premium card range.

Category growth driving celebrations market share, e.g.:

- Baby +28% to £1.3m.
- Tableware +23% to £2.5m.
- Stationery +20% to £3.2m.

Optimising store space

Stronger alignment of range development and store space optimisation enabling growth in key categories.

Updated, curated milestone age gift range freed up additional space for new stationery ranges:

- +20% LFL increase in stationery sales.
- +7% YoY uplift in our milestone age range.

Reaching more customers

Driving growth across UK and international channels and markets

Highly profitable store estate

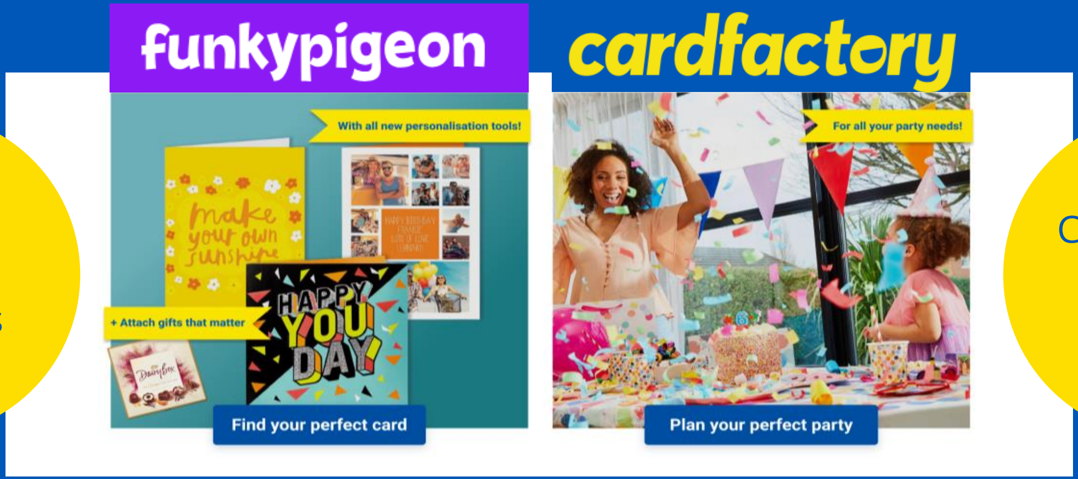
- 1,100 store milestone passed.
- 13 net new stores in HY26.

Capital light growth through strategic partnerships

- Aldi offer expanded to cover seasonal card in HY26 across Mother's Day and Father's Day, as well gift bags as part of 'special buy' offers.
- First international full-service model roll out to The Reject Shop in Australia in H2 supported initial entry into New Zealand market.
- Good progress in establishing foundations for growing our business in North America.

Funky Pigeon acquisition: Unlocking digital growth

Card & attached gift focus



Celebration & party focus

- Accelerates strong presence in high growth channel for cards.
- Foundation to build an extended online value driven celebration offer.
- Strengthens market position and capability in online “card plus” and direct-to-recipient market segment.
- Upweights in-house technology capabilities and advantage of Funky Pigeon platform.
- Creates structurally profitable business with strong foundation for growth.

Funky Pigeon acquisition: Near-term priorities

- Work to unlock annual synergy benefits of more than £5 million underway including:
    - Reconfiguring cardfactory manufacturing facility in Yorkshire and Funky Pigeon fulfilment facility in Guernsey.
    - Strategic planning to take full advantage of Funky Pigeon platform.
    - Extensive product review and planning to ensure right range.
- Plans in place to enhance data collection from our 24 million unique store customers that can then be leveraged across Funky Pigeon’s digital platform and our existing omnichannel offer.

Section 4

Summary

Darcy Willson-Rymer

H2 trading & preparations for peak trading period

Expanded H2 trading plan

- Strong trading plans in place with volume driving promotions and celebrations focused trading activity.
- Significantly expanded Halloween range.
- ‘Set to Celebrate’ programme rolled out to stores, to enhance customer experience.

Preparations for Christmas well underway

- Christmas offer features over 80% newness on gifts and 95% newness on celebration essentials.
- Stock build on schedule.
- Optimised replenishment process in place.

HY26 in summary

Resilient topline performance

- Core stores business continues to perform positively.
- Effective execution of strategy driving growth.
- Acquired businesses contributing positively.

Simplify and Scale programme successfully containing inflation

- Structured, multi-year programme continues to offset inflation.
- H1 headwinds successfully mitigated.
- Robust plans in place to mitigate full impact through H2.

Strong H2 plans and full-year expectations unchanged

- Expanded celebrations offer in place across peak trading plans, underpinned by our strong value proposition.
- Expect to deliver mid-to-high single-digit percentage growth increase in Adjusted PBT in FY26.
- Progressive approach to shareholder returns.

Section 5

Q&A

Darcy Willson-Rymer, CEO

Matthias Seeger, CFO

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