7 May 2025

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

Preliminary results for the year ended 31 January 2025

Strong strategic progress driving profitable growth.

cardfactory, the UK's leading specialist retailer of greeting cards, gifts and celebration essentials, announces its preliminary results for the year ended 31 January 2025 ('FY25').

Financial summary[1]

Financial Metrics	FY25	FY24	Change £	Change %
Revenue	£542.5m	£510.9m	£31.6m	+6.2%
EBITDA	£127.5m	£122.6m	£4.9m	+4.0%
Adjusted Profit Before Tax[2]	£66.0m	£62.1m	£3.9m	+6.3%
Profit Before Tax (PBT)	£64.1m	£65.6m	£(1.5)m	-2.3%
Adjusted Leverage (exc. Leases)[3]	0.7x	0.4x	0.3x	n/a
Net Debt (exc. Leases)	£58.9m	£34.4m	£24.5m	+71.2%
Cash from operations	£105.6m	£118.7m	£(13.1)m	-11.0%
Basic EPS	13.8p	14.4p	(1.4)p	-4.2%
Adjusted EPS	14.3p	13.5p	0.8p	+5.9%
Dividend per share	4.8p	4.5p	0.3p	+6.7%

1.For further information and definitions of Like-for-like (LFL) and other alternative performance measures see Explanatory Notes (below) "Alternative Performance Measures ('APMs').
2.Adjusted PBT excludes transactions that are either one-off in nature or otherwise not part of the Group's underlying trading performance. In FY25 this includes one-off restructuring costs (£1.9 million), acquisition-related costs (£1.0 million), refinancing costs (£0.5 million) and unrealised gains on derivative contracts (£1.5 million).
3. Adjusted leverage is the ratio of Net Debt (excluding lease liabilities) to EBITDA less lease related charges which is consistent with our covenant reporting.

Darcy Willson-Rymer, Chief Executive Officer, commented:

"Our performance in FY25 demonstrates the strength and resilience of cardfactory and our strategy as we continue to evolve the business into a leading global celebrations group. We delivered strong revenue growth, outperforming the wider celebration occasions market. Further expansion of our store estate combined with continued development of our gift and celebration essentials categories, were key drivers of our performance."

"We are now halfway into our 'Opening Our New Future' growth strategy and I am pleased with what we have achieved across the business. With entry into new markets, including the US, and expansion of existing partnerships, we are reaching more customers, in more locations."

"As we move into FY26, good momentum has continued during our Spring seasons. Despite an uncertain and inflationary backdrop, we remain confident in our ability to deliver mid-to-high single-digit percentage profit growth, underpinned by our strategic focus, our ongoing productivity and efficiency programme and our strong financial discipline. I want to thank our dedicated colleagues whose passion and focus on helping our customers celebrate life's moments, continues to drive our success."

Highlights:

- Strong revenue growth of +6.2% to £542.5 million and Adjusted PBT growth of +6.3% to £66.0 million in line with guidance, driven by effective execution of our strategy.
- Total store sales growth of +5.8% and LFL store sales +3.4% growth, ahead of the wider retail sector[4] reflects the continued strength of our store estate and developing celebrations offer.
- Targeted acquisitions of Garlanna in the Republic of Ireland and Garven in the US accelerating our partnerships strategy by increasing our international presence and routes to market.

- Disciplined financial performance, with delivery of multiyear efficiency and productivity programme, alongside sales growth, successfully offsetting inflationary impacts in FY25 to maintain Adjusted PBT profit margins.
- Expectations for FY26 of mid-to-high single-digit percentage increases in Adjusted PBT remain unchanged and the Board remains confident in the compelling growth opportunity for the business.

4. BRC-KPMG Retail Sales Monitor February 2024 – January 2025.

Financial highlights:

- Group revenue growth of +6.2% to £542.5 million for the full year (FY24: £510.9m):
  - Total store revenue up +5.8% including positive contribution from +32 net new stores.
  - LFL Store revenue grew +3.4% through combination of range expansion and development, as well as targeted pricing action.
  - Partnerships revenue of £22.2 million in FY25 (FY24: £17.0 million) includes contributions from Garlanna, acquired in September 2024, and Garven, acquired in December 2024, both of which are delivering in line with our expectations.
- Gross profit of £193.8 million (FY24: £184.9m) with margins broadly maintained vs. FY24, as we successfully mitigated the majority of increased freight costs and a c.10% increase in National Living Wage.
- Adjusted PBT growth of +6.3% to £66.0 million (FY24: £62.1m) reflects the disciplined management of operating costs and the benefits of our ongoing efficiency and productivity programme.
- Good cash performance with adjusted free cash flow ahead of FY24 at £29.0 million (FY24: £27.1m).
- Net debt (exc. lease liabilities) increased by £24.5 million to £58.9 million (FY24: £34.4m), reflecting the combined expenditure of £43.0 million on acquisitions and dividends.
- Capex investment in FY25 of £18.4 million (FY24: £27.8m) enabled strategic progress through store estate development and IT infrastructure.
- Recommended final dividend of 3.6p per share, resulting in a total dividend of 4.8p per share for FY25 (FY24: 4.5p).

Strong delivery against our strategic objectives:

- **Stores: Highly profitable store estate growing revenues significantly ahead of the retail sector**
  - Opened +32 net new stores in FY25, adding to our extensive store footprint which totalled 1,090 as of 31 January 2025.
  - Space optimisation programme allowed in-store innovations such as stationery and kids zones which contributed significantly to LFL store revenue growth, by underpinning category expansion of gift and celebration essentials, driving double-digit LFL growth in key categories including confectionery (+25%), soft toys (+22%) and stationery (+18%).
  - Targeted pricing action drove around a third of LFL store revenue growth.

- **Categories: Growing share of the celebration occasions market through expansion of our gift and celebration essentials offer, leveraging our continued leadership in the card market**
  - Expanded proposition, with 70% of gift ranges new for FY25 including new baby, toys, gift food, balloon and confectionery ranges driving LFL growth of +5.7% in gift and celebration essentials.
  - Range development supported higher retail pricing of gifts which contributed to a +6.7% year-on-year improvement in store Average Basket Value (ABV) in FY25, with approximately half of all baskets in FY25 including gift or celebration essentials items.
  - Retain our authority within the UK card market with LFL growth of +0.7% across seasonal and everyday cards, reflecting trend-focused range development and our strong customer appeal and value credentials.

- **Partnerships: Encouraging progress with new agreements and market entries in FY25**

  - Full-service partnership model capability now in place and delivering success with UK partners, leading to rollout for international partners in FY26.
  - Full rollout to the Aldi UK & Ireland estate completed in September 2024 and secured extension of our partnership with The Reject Shop in Australia, to a new multiyear agreement, including seasonal range supply.
  - First wholesale supply agreement with a nationwide US retailer, initially covering over 1,100 stores with a curated Christmas card range. This was extended to Valentine's Day and Mother's Day in Q1 FY26, in addition, roll out of a curated Everyday card and celebration essentials range launched in April 2025 in 93 stores.
  - Targeted acquisitions of Garlanna in the Republic of Ireland and Garven in the US accelerating our partnerships strategy by increasing our international presence and routes to market.
  - Refocusing our partnership model in the Middle East market in the near-term from low-cost franchise trial to wholesale agreements, closing the existing four franchised stores in in H1 FY26.

- **Online and omnichannel: Continued focus on developing our online offer and omnichannel propositions**
  - cardfactory.co.uk LFL sales in line with FY24 as we focused on refining online ranges to support online margin growth.
  - Full online range review undertaken resulting in removal of stock cards to focus on personalised print on demand alongside an expanded online celebration essentials range, featuring premium personalised balloons, personalised tableware and decorations.
  - Continued to develop omnichannel propositions as we work to leverage USP of our extensive store estate. This included improvements made to our nationwide Click & Collect service, with average order value higher than online and store ABVs. New balloon appointment trial went live at the end of Q1 FY26, enabling customers to pre-order inflated balloon arrangements online and collect in store.
  - Decision taken to close gettingpersonal.co.uk as of 31st January 2025 to focus on driving efficient, profitable online growth at cardfactory.co.uk.

Efficiency and productivity programme

- Building on our proven, proactive approach to managing inflationary headwinds in FY26 our multiyear 'Simplify and Scale' efficiency and productivity programme will continue to offset inflationary cost pressures, alongside sales growth and pricing.
- The annualised benefit of our labour optimisation programme introduced in H1 FY25, will make a significant contribution to the 'Simplify and Scale' programme in FY26.
- Additional efficiency and productivity benefits in FY26 will be driven by investment in our technology infrastructure, operational warehouse efficiencies; insourcing of third-party manufacturing; and central overhead efficiencies such as the restructuring following the closure of gettingpersonal.co.uk and automation of processes.

Current Trading

- Trading through the first months of the new financial year has been in line with management expectations.
- Good momentum continued across our FY26 Spring seasons of Valentine's Day and Mother's Day with card range development and new gift and celebration essentials products resonating strongly with customers.
- New record trading day reported on Saturday before Mother's Day FY26.

Outlook

- The Board's expectations for FY26 remain unchanged and we expect to deliver mid-to-high single-digit percentage increases in Adjusted PBT in FY26, with margin in line with FY25 reflecting:
  - Continued sales growth, underpinned by LFL growth, new stores and annualization of acquisitions.

    - Annualised benefit of sales and profit contribution from the acquisitions of Garven and Garlanna.
    - Expected average inflation of 4-5% across the cost base, including circa. £14 million from changes to National Living Wage and Employer National Insurance contributions.
    - Continued benefit of our proven efficiency and productivity programme, targeting circa. 1% reduction in the underlying cost base before inflation.
    - We currently do not expect there to be a material impact from tariffs on the Group's financial performance in FY26.
- PBT growth will be weighted towards the second half of the year, following a similar profile as in FY25. This reflects the timing of the National Living Wage increase in H1, and the majority of efficiency opportunities in our 'Simplify and Scale' programme, being realised in H2.
- Beyond FY26 we will continue to build on the growth achieved since our Capital Markets Strategy Update in May 2023. Since FY23, we have added £80 million in revenue and increased Adjusted PBT by +35%. Against the backdrop of significantly higher inflation than anticipated we are targeting Adjusted PBT growth in the mid-to-high single digit percentage range and mid-single-digit percentage sales growth each year going forwards.
- cardfactory remains well positioned to capitalise upon the significant opportunity presented by the celebration occasions market across all countries we operate in.

Preliminary results webcast

There will be a meeting for analysts and investors in Canary Wharf at 10 am. In order to register to attend the event in person and receive full attendance details, please contact cardfactory@teneo.com

We will also provide 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_nI3zL19uTtW3Nqpa1SupeA

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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CHAIR'S STATEMENT

Introduction

The strong top and bottom-line growth delivered in the year reflects our continued clear market leadership in card combined with the emerging strength of our celebrations proposition. As we progress delivery against our 'Opening Our New Future' strategy, we begin to see the operational and financial benefits as we look to meet our ambition of becoming a leading global celebrations group.

Our unwavering focus on value and quality remains central to our customer offer. Our ability to innovate and evolve ranges ensures that we are relevant and accessible to a broadening base of customers. A clear focus on improving productivity and efficiency enables us to target the lowest possible operating costs, supporting the achievement of stable profit margins.

The Board recognises and appreciates the hard work and commitment of colleagues throughout the business. Against a challenging economic background, the business has continued the cultural journey, with our customers benefitting from increased customer-centric decision-making that is helping to build our reputation as a celebrations retailer.

Year in review

FY25 saw encouraging progress against our strategic objectives with our store estate, in particular, making further good progress through space optimisation and range development. As a consequence, both Like-for-like card sales and average basket value increased.

Internationally, FY25 saw encouraging progress. Two further acquisitions, in the Republic of Ireland and US, will help build our internal capability whilst adding in-market presence. We are confident that the US market presents a significant opportunity for the business in the medium term. Our wholesale model is resonating well with partners both in the UK and internationally, evidenced by contract renewal and geographical expansion with key partners.

The decision to close gettingpersonal.co.uk as of 31st January 2025 will allow the business to focus on driving efficient, profitable online growth at cardfactory.co.uk. The Board recognises the growth potential of our online business and continues to support the development of this strategic initiative.

Outlook and macro environment

Trading through the first months of the new financial year has been in line with management expectations. The Board was encouraged by the good momentum from the second half of FY25, that continued across our FY26 Spring seasons of Valentine's Day and Mother's Day. A particular highlight was a new record trading day being achieved on Saturday before Mother's Day FY26.

The Board's expectations for FY26 remain unchanged; we expect to deliver a mid-to-high single-digit percentage increase in Adjusted Profit Before Tax in FY26 with margin expected to be in-line with FY25.

Changes to the rates of the National Living Wage and Employer National Insurance contributions will result in annual cost inflation of c.£14 million in FY26. We expect to offset this through a combination of our productivity and efficiency programme, product range development and retail pricing.

Our capital allocation policy details the methodology for determining the extent of any surplus cash and how that may be returned to shareholders. In line with this policy, the Board has recommended a final dividend of 3.6 pence per share, resulting in a total dividend of 4.8 pence per share for FY25 (FY24: 4.5 pence).

ESG strategy

The Board continued to provide oversight of progress towards the 'Delivering a Sustainable Future' plan. This plan will deliver on cardfactory's commitment to combine our focus on maintaining value and business growth with playing our part in helping to protect the planet, supporting our communities, and managing the impacts of environmental and social changes on our business and supply chain. Positive progress was made across all five pillars of the plan: climate, waste and circularity, protecting nature, people and equity, and governance.

Board appointments

In June 2024, the Board welcomed Pam Powell as Senior Non-Executive Director, following Roger Whiteside stepping down. Pam is an internationally experienced blue-chip consumer FMCG marketeer and brings extensive non-executive and consumer facing executive experience which will prove valuable to the Board's strategic debates. Pam was appointed a member of each of the Company's Remuneration Committee, Audit & Risk Committee and Nomination Committee. Nathan (Tripp) Lane also stepped down from the Board in July 2024.

Summary

The Board remains confident in the compelling growth opportunity for the business, which has a clear strategy to become a leading global celebrations group.

Paul Moody
Chair
7 May 2025

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

Progress on our growth journey continued at pace in FY25 with further strong revenue and profit growth. As the leading omnichannel retailer of cards, gift and celebration essentials in the UK and with a growing international presence, we are well positioned to capitalise upon the exciting opportunity presented by the celebration occasions market across all the countries we operate in.

Our ambition is to become a leading global celebrations group. We are achieving this by reaching more customers, in more locations through our channels and markets and increasing our share of wallet in the £13.4 billion UK celebration occasions market. This is underpinned by our vertically integrated model that drives efficiency and allows us to target the lowest possible operating costs as a value business.

Colleagues continue to focus on our core values, ensuring we put the customer first in our decision-making. By doing so, we continue to make good, profitable progress that is resonating with customers as we deliver on our purpose of making celebrating life's moments special, and accessible for all.

FY25 performance

In FY25, we achieved strong sales and Adjusted PBT growth in line with market expectations which was driven by effective execution of our strategy. Our revenue growth of +6.2% to £542.5 million was ahead of the wider celebration occasions market. We maintained stable profit margins through disciplined financial performance and the delivery of our efficiency and productivity programme which, alongside sales growth, successfully offsets inflationary impacts.

UK consumers continue to celebrate life's moments, with around 99% of UK adults shopping for celebrations in the 52 weeks to 26 January 2025. While Kantar reports a modest -0.8% decline in the celebrations market, improving momentum emerged towards the end of 2024. cardfactory outperformed the market, with basket spend up +5.4% versus a -2.0% market decline, supported by a +2.9% year-on-year rise in market penetration to 61%. Despite higher shopping frequency, customers remain price sensitive, with value perceptions of cardfactory driven by low and consistent pricing. Our proposition continues to resonate strongly in this environment, reinforcing our leadership in value-led celebration retail.

Our highly profitable store estate delivered revenue growth significantly ahead of the retail sector in FY25. Total store revenue grew +5.8% with 32 net new stores opened in FY25, bringing our extensive store footprint to 1,090 as of 31 January 2025. Our capex light approach to space optimisation also significantly contributed to LFL Store revenue growth of +3.4% in FY25 as it continued to underpin strategic category expansion of gift and celebration essentials. This drove double-digit LFL growth in key categories including confectionery (+25%), soft toys (+22%) and stationery (+18%).

We continue to grow our share of the celebration occasions market through the expansion of our gift and celebration essentials offer +5.7% LFL while leveraging our continued leadership in the card market +0.7% LFL. With 70% of gift ranges new for FY25, highlights included new baby, toys, gift food and confectionery ranges, as well as an updated and expanded party range and balloon offer, where we remain the UK market leader. Range development also enabled higher retail pricing on gifts which contributed to a +6.7% year-on-year improvement in average basket value ('ABV') with approximately half of all baskets in FY25 including gift or celebration essentials items.

Further growth was achieved across both seasonal and everyday cards as we added more choice through trend-focused range development and our strong value credentials.

Partnerships revenue grew by 30.6% to £22.2 million including contributions from Garlanna, acquired in September 2024, and Garven, acquired in December 2024. Both businesses are delivering in line with our expectations as we focus on identifying and unlocking opportunities in their respective markets. Our full-service partnership model continued to deliver success with UK partners, with rollout for international partners in FY26. We completed rollout to the full Aldi UK & Ireland estate in September 2024 and extended our partnership with The Reject Shop in Australia, to a new multiyear agreement, including seasonal range supply. In the US, we secured our first wholesale supply agreement with a nationwide retailer covering over 1,100 stores, initially with a curated Christmas card range which was extended to a curated Valentine's Day and Mother's Day offer in FY26.

We continued to focus on developing our online offer and omnichannel propositions with cardfactory.co.uk LFL sales in line with FY24 as we refined our ranges to support online margin growth. The decision was taken to close gettingpersonal.co.uk as of 31st January 2025 to focus on driving efficient, profitable online growth at cardfactory.co.uk. Development of our omnichannel propositions also continued with improvements made to our nationwide Click & Collect service, with average order value ('AOV') 55% higher than online AOV, which continues to be materially higher than store ABVs.

Our proven productivity and efficiency programme remains key to offsetting inflationary impacts and maintaining profit margins. In FY25, this was further developed into a multiyear 'Simplify and Scale' programme with key initiatives for the past year including the implementation of a new industry-recognised labour management system to enable prioritisation of value-add customer service activity and remove store inefficiencies. Inflation management was also supported through our pricing methodology with strategic range development introducing a 'good', 'better' 'best' approach to evolve card pricing architecture.

Strategy delivery

Two years on from our Capital Markets Strategy Update in FY23, we have made good progress on our 'Opening Our New Future' growth strategy. By delivering on our building blocks of growth we are achieving growth ahead of the wider celebration occasions market, combining our market-leading greeting card offer with an expanding range of gifts and celebration essentials.

Since FY23, we have added £80 million of sales (+17%) to our business and increased Adjusted PBT by +35%, despite a much higher level of inflation than originally anticipated. Our profitable and expanding retail footprint combined with the increasing penetration of our gift and celebration essentials offer has delivered a +7.3% store sales CAGR since FY23. We continue to grow our store network in FY25, including in underpenetrated markets such as London and Republic of Ireland, and in FY26 we expect new store opening to continue at a similar rates to those achieved over the past two years.

By leveraging our leadership in card, we are achieving good levels of growing celebration and gift attachment rates as we continue our transition into a celebrations destination. Previous work on our space optimisation programme allowed in-store innovations such as stationery and kids zones which helped contribute to the strong growth seen from key expanded categories. This approach is allowing us to further unlock gift and celebration essentials range expansion while maintaining our authority and choice for card. This is supported by further card range curation in-store to optimise choice and release space for new and expanded gift and celebration essential ranges. As we further develop our marketing and trading strategy, we are continuing to grow share of our 24 million customers' annual celebration spend, building on the 1ppts growth in share of wallet we have seen across the past two years.

In FY25, we secured new retail partnerships while expanding existing contracts as seen through our successes in Aldi and The Reject Shop in Australia, as well as our first US wholesale agreement. By acquiring well-established, accretive businesses, which included Garlanna and Garven in FY25, we have been able to accelerate our plans to create an international footprint. As we continue with positive discussions with new prospective partners in the UK, Republic of Ireland and other international markets of interest, we took the decision to refocus our partnership model in the Middle East market. In the near-term we will move from the current low-cost franchise trial to broader wholesale agreements, leading to the closure of the existing four franchised stores in H1 FY26.

We have made progress building our online presence as part of our omnichannel strategy. We have stabilised and improved our online platform and have a fuller understanding of online growth and profit levers. With the foundations for growth now in place, we recognise that online requires further focus, which is now underway.

People & culture

At cardfactory we use our cultural transformation as a key growth enabler with our priorities centred around customer, community and purpose. Our customer and community focus ensures our customers sit at the heart of our business. At the same time, it remains vital for us to create an inclusive culture which is empowered by exceptional leadership and driven by passion and commitment. Keeping our purpose at the heart of everything we do helps us drive collective, collaborative decision-making across the business.

Areas of focus in FY25 included colleague induction and onboarding, internal mobility and talent acquisition, and continuing to develop the colleague experience. To ensure we maintain our lowest cost to operate proposition and reflecting the closure of gettingpersonal.co.uk, we undertook a role restructure leading to a headcount reduction of 49 roles in our support centre and online fulfilment.

ESG progress

In FY25, we have continued the process of embedding sustainability considerations across the business, with key focus areas including waste reduction through product design and operational changes. We progressed our greenhouse gas emissions reduction initiatives, including a successful AI energy management system trial across approximately 200 stores with further rollout to 800 stores planned this year. This forms part of our Net Zero pathway activity which in FY26 will also include the transition of our diesel van fleet to plug-in hybrid EVs. We also evolved our 'Giving Something Back' programme facilitating more opportunities for colleagues to support local charities and launching a new donation scheme for discontinued stock.

For FY26, at a strategic level we have begun a full supply chain climate risk review. Operationally, we continue with our plastic reduction work, eliminating bubble wrap use at Printcraft and cellophane wrap from all own-label roll wrap.

Summary

cardfactory continues to make good progress delivering on our 'Opening Our New Future' growth strategy and at the same time we remain proactive in managing inflationary pressures. With robust operating cash flow and the continued strength of our balance sheet, we are well-positioned to confidently invest in our growth ambitions.

Darcy Willson-Rymer

Chief Executive Officer
7 May 2025

CHIEF FINANCIAL OFFICER'S REVIEW

Financial highlights

The Group delivered a robust performance and made significant strides towards our strategic ambition including continued, resilient growth in stores revenue and successful expansion in partnerships.

- Total sales of £542.5 million increased by £31.6 million (+6.2%) year on year.
- Strong revenue growth of +5.8% across our stores in the UK & Ireland underpinned by Like-for-like (LFL) sales growth of +3.4% compared to last year, with particularly strong growth in revenue from gift and celebration essentials.
- Our international growth accelerated with the acquisitions of Garven in the US and Garlanna in the Republic of Ireland for combined net consideration of £22.5 million.

- Growth in Adjusted PBT of +6.3% to £66.0 million, at a margin of 12.2%, margins are in line with prior year as our strong performance and efficiency programme offset the impact of inflationary headwinds.
- Robust balance sheet, with strong cashflow from operations and net debt of £58.9 million (FY24: £34.4 million). The net debt position reflects £43.0 million of acquisitions and dividends during FY25.
- Store portfolio in UK & Ireland stands at 1,090 stores at 31 January 2025, up by +32 from 1,058 stores on 31 January 2024.
- Successful refinancing in April 2024, delivered a new four-year £125 million committed revolving credit facility which provides greater flexibility and a firm platform from which we can execute our strategy.
- Dividend per share for FY25 progressively increased by 6.6% to 4.8 pence with a 1.2 pence interim dividend paid in December 2024 and a final proposed dividend of 3.6 pence per share.

Financial performance

	FY25	FY24
Revenue	**£542.5m**	£510.9m
EBITDA	**£127.5m**	£122.6m
Adjusted Profit Before Tax	**£66.0m**	£62.1m
Profit Before Tax	**£64.1m**	£65.6m
Adjusted earnings per share	**14.3 pence**	13.5 pence
Basic earnings per share	**13.6 pence**	14.4 pence
Dividend per share	**4.8 pence**	4.5 pence
Net debt	**£58.9m**	£34.4m
Cash from operations	**£105.6m**	£118.7m
Adjusted Leverage (exc. Leases)	**0.7x**	0.4x

Adjusted PBT excludes transactions that are either one-off in nature or otherwise not part of the Group's underlying trading performance. In FY25 this includes one-off restructuring costs (£1.9 million), acquisition-related costs (£1.0 million), refinancing costs (£0.5 million) and unrealised gains on derivative contracts (£1.5 million).

Sales

	Total Sales		
	FY25 £m	FY24 £m	Change %
Stores	**506.8**	478.9	+5.8%
cardfactory Online	**8.8**	8.8	+0.1%
Getting Personal	**4.4**	5.9	-25.4%
Partnerships	**22.2**	17.0	+30.6%
Other	**0.3**	0.3	-
Group	**542.5**	510.9	+6.2%

	LFL Sales	
	FY25	FY24
cardfactory Stores	**+3.4%**	+7.7%
cardfactory Online	**+0.1%**	+0.4%
cardfactory LFL	**+3.3%**	+7.6%
Getting Personal	**-27.4%**	-26.1%

Total Group sales for FY25 were £542.5 million, an increase of £31.6 million or +6.2% when compared to the previous year. The sales growth in FY25 was underpinned by LFL sales in cardfactory stores of +3.4% and a £5.2 million increase in partnerships revenue, including £3.9 million of revenue for Garlanna and Garven, which we acquired in the year.

Store sales across the UK & Ireland of £506.8 million increased by £27.9 million or +5.8% compared to the prior year, with LFL sales of +3.4%. Everyday ranges performed strongly, with gifts (+17.8%) and celebration essentials (+3.5%) showing continued positive momentum on LFL sales, supported by positive LFL growth in everyday card. Approximately a third of the total LFL growth was delivered through targeted price increases. Total store sales and LFL store sales both outperformed the wider retail sector LFL sales as general high street footfall was down year-on-year.

Average basket values increased by +6.7%. The increase in basket values was supported by higher average selling prices, delivered via a combination of the price activity described above and continuing to expand and develop our range, particularly in gift and celebration essentials. Gift and celebration essentials had positive LFL growth of 5.6% compared to 2024 and now represents 50.2% of total sales, with approximately one in every two baskets now containing a gift or celebration essentials product.

We continue to optimise and improve our store portfolio and during FY25 added 32 net new stores to our store network. We opened 40 new stores and closed 8 increasing our portfolio to 1,090 stores. The value of our flexible approach to the store portfolio is illustrated in the incremental sales growth delivered by non-LFL sales in the year.

Our partnerships business, which focuses principally on B2B sales, delivered total sales of £22.2 million in FY25, compared to £17.0 million in FY24. This included an £11.6 million contribution from SA Greetings (FY24: £10.4 million) as well as a £3.9 million contribution from Garlanna and Garven since they were acquired during the year in September and December 2024 respectively. Other partnerships delivered total sales of £6.7 million, including increased contributions from the annualisation of our offer across the Matalan store estate in the UK and the expansion of our existing agreement with Aldi in both the UK & Ireland.

In online, cardfactory.co.uk delivered positive sales growth towards the end of the year resulting in LFL growth for the full year of +0.1%. Following the cessation of trade on the Getting Personal platform, we are now focused on driving efficient, profitable growth at cardfactory.co.uk.

Within Online, Click & Collect is a key component of our omnichannel offer, differentiating cardfactory.co.uk from pure play online and bricks and mortar retailers in allowing customers to Click & Collect and, since the year end, book balloon appointments in a select number of trial stores. Total online sales (including Getting Personal) declined by £1.5 million, entirely driven by Getting Personal. Following a review of our online offer, we made the decision to close the Getting Personal platform from 31 January 2025. Sales on our cardfactory.co.uk platform grew slightly in the year as we focused on delivering improved margins.

Gross profit

	FY25 £m	**FY25 % Sales**	FY24 £m	FY24 % Sales
Group sales	**542.5**		510.9	
COGs	**(164.4)**	**(30.3%)**	(155.9)	(30.5%)
Product margin – constant currency	**378.1**	**69.7%**	355.0	69.5%
FX (losses)/gains	**(0.8)**	**(0.1%)**	0.6	0.1%
Product margin	**377.3**	**69.5%**	355.6	69.6%
Store & warehouse wages	**(134.4)**	**(24.8%)**	(124.0)	(24.3%)
Property costs	**(25.0)**	**(4.6%)**	(24.7)	(4.8%)
Other direct costs	**(24.1)**	**(4.4%)**	(22.0)	(4.3%)
Gross profit	**193.8**	**35.7%**	184.9	36.2%
Adjusted gross profit	**192.9**	**35.6%**	184.9	36.2%

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.

Overall gross profit for the Group increased by £8.9 million, or +4.8%, to £193.8 million. This reflects a slight reduction in gross margin from 36.2% in FY24 to 35.7% this year, largely due to increased wage costs and a lower effective FX rate. The cost of goods sold (COGs) figure for FY25 includes a one-off impact of £0.6 million relating to the cessation of trade of the Getting Personal platform which reduced the underlying gross margin by 0.2%.

Product margin, when calculated using a constant GBPUSD exchange rate year-on-year, was favourable with an increase of +0.2ppts to 69.7%. This product margin improvement was achieved in spite of a slight shift towards lower-margin non-card products in the sales mix, 51.8% non-card in FY25 which is an increase on a 50.5% proportion in FY24.

The Group purchases approximately half of its goods for resale in US Dollars from suppliers in the Far East. Our well-established currency hedging policy continues to protect us against unexpected volatility in GBPUSD exchange rates. Our average USD delivered rate in FY25 of 1.2589 was lower than the prior year (FY24: 1.3121) as expected, which reflects market rates at the time hedges were entered into. Our hedging policy operates over a three-year period, with most hedges placed in the 12-24 months prior to delivery, which was a particularly volatile period for FY25 including record historical low GBPUSD rates in late 2022. The average spot rate during FY22 and FY23, when most of our FY25 deliveries were contracted, was 1.2365. Going forward we expect average delivered rates to move slightly higher, reflecting subsequent increases in market rates.

The net foreign exchange (FX) loss of £0.8 million includes £1.5 million of unrealised gains on our derivative portfolio that will mature in future years and do not reflect current period trading performance. Given the size of these gains in FY25, we have excluded the gain from our Adjusted results. Previously these values have been negligible. The increase in underlying FX loss year-on-year reflects the reduction in average delivered rates described above.

Store and warehouse wages increased by £10.4 million (8.5%), which included the impact of the National Living Wage increasing by +9.7% in April 2023 and +9.8% from April 2024, as well as the further expansion of the store portfolio.

Building on our strong track record of managing inflation through a combination of pricing, efficiency and productivity, we have carried out a robust programme of activity to drive profit margin, as previously guided.

We have actively managed the impact of specific retail inflationary pressures, successfully offsetting a significant proportion of these inflationary wage increases through driving greater efficiencies and improving productivity in our stores via the introduction of a new industry-recognised labour management system implemented in H1.This is optimising labour costs, prioritising value-add customer service activity and removing inefficiencies whilst also allowing us to reduce temporary seasonal and agency labour costs.

This detailed programme also includes evolving our pricing architecture through a ‘good, better, best’ approach to range development across card, gift and celebration essentials, enabling product margin improvements.

Property costs, which cover business rates, insurance and service charges (rent is reflected in depreciation and interest costs as a result of the lease accounting rules in IFRS 16) increased by £0.3 million or 1.2%, compared to an increase in the overall size of the store portfolio of 3%.

Other direct expenses include warehouse costs, store opening costs, utilities, maintenance, point of sale and pay-per-click expenditure. We have seen some direct costs increase year on year including energy commodity costs and costs of transmission and distribution. The Group continued to benefit from its long-term energy hedge in FY25, which fixed commodity unit costs at FY22 levels until September 2024. Following expiration of this hedge, we saw increases in commodity costs in the last third of the year. We continue to have good visibility of commodity costs going forward, with the majority of the Group’s requirements out to September 2026 secured.

EBITDA & operating profit

	FY25 £m	**FY25 % Sales**	FY24 £m	FY24 % Sales
Group sales	**542.5**		510.9	
Gross profit	**193.8**	**35.7%**	184.9	36.2%
Other operating income	**-**	**-**	2.0	0.4%
Operating expenses	**(66.3)**	**(12.2%)**	(64.3)	(12.6%)
EBITDA	**127.5**	**23.5%**	122.6	24.0%
Adjusted EBITDA	**128.6**	**23.7%**	120.6	23.6%
Depreciation & amortisation	**(12.2)**	**(2.2%)**	(10.4)	(2.0%)

Right-of-use asset depreciation	**(36.4)**	**(6.7%)**	(34.7)	(6.8%)
Impairment reversals/(charges)	**0.4**	**0.1%**	(1.1)	(0.2%)
Operating profit	**79.3**	**14.6%**	76.4	15.0%
Adjusted Operating profit	**80.7**	**14.9%**	75.5	14.8%

Operating expenses (excluding depreciation and amortisation) include remuneration for central and regional management, business support functions, design studio costs and business insurance together with central overheads and administration costs.

Total operating expenses increased by £2.0 million compared to the prior year, £3.4 million of which arose from acquisition-related activity, annualisation of SA Greetings, plus the in-year acquisition of Garven and Garlanna. This also includes the one-off impact of a write down of trade debtors at SA Greetings. We have also incurred one-off restructuring costs associated with the closure of the Getting Personal website and streamlining central support operations as well as transaction costs related to the acquisitions of Garlanna and Garven totalling £1.9 million, which have been excluded from Adjusted results.

We have seen successful early results from our productivity and efficiency programme, which saw operating expenditure prior to acquisitions and one-off costs decrease. This programme and the focus on cost efficiency has enabled us to continue to invest in key areas such as major long-term IT projects and in marketing, where spend has historically been very low, whilst reducing our overall core expenditure. The net impact of the above has seen the operating expenses as a percentage of sales reduce by 0.3% year on year in spite of the inflationary headwinds seen in FY25.

As a result, driven primarily by the improved trading performance, EBITDA improved to £127.5 million (FY24: £122.6 million); however, the reduced gross margin as a result of increase in the National Living Wage, means EBITDA margin fell slightly from 24.0% to 23.5%.

Right of use asset depreciation increased by £1.7m in FY25 as a result of an overall increase in the store portfolio in the past couple of years, a higher overall average asset value per store and gains in FY24 on disposal of lease assets. We maintain an average lease term at inception across the portfolio of five years, with a break clause typically at three years. On average 20% of the lease portfolio renews each year, enabling us to capture reductions in market rents where available. During FY25, we achieved net rent reductions on average of around 7% which will flow through depreciation charges in future years.

EBITDA after deducting depreciation and interest charges relating to store leases, was £83.5 million (a margin of 15.4%) in FY25 compared to £81.8 million in FY24 (a margin of 16.0%).

Depreciation and amortisation, at £12.2 million, was higher than the prior year which reflects the increased capital investment over the last two years and also amortisation related to intangible assets, principally customer-related assets and brands, recognised as a result of the acquisitions of Garlanna and Garven.

Profit Before Tax

	FY25 £m	**FY25 % Sales**	FY24 £m	FY24 % Sales
Group sales	**542.5**		510.9	
Operating profit	**79.3**	**14.6%**	76.4	15.0%
Gain on acquisition	**-**	**-**	2.6	0.5%
Net finance costs	**(15.2)**	**(2.8%)**	(13.4)	(2.6%)
Profit Before Tax	**64.1**	**11.8%**	65.6	12.8%
Non-underlying transactions	**1.9**	**0.4%**	(3.5)	(0.6%)
Adjusted Profit Before Tax	**66.0**	**12.2%**	62.1	12.2%

Net finance costs increased by £1.8 million to £15.2 million, which includes interest paid on bank debt, amortisation of refinancing costs and lease interest, offset by interest income earned on cash investments.

The composition of net finance costs is set out in the table below.

	FY25	FY24

	£m	£m
Interest on bank loans and overdrafts	**6.4**	6.5
Interest received on deposits	**(0.2)**	-
Loan issue cost amortisation	**1.0**	0.6
IFRS 16 leases interest	**8.0**	6.3
Total finance expenses	**15.2**	13.4

	FY25 £m	FY24 £m
IFRS 16 depreciation	**36.0**	34.5
IFRS 16 leases interest	**8.0**	6.3
Total IFRS 16	**44.0**	40.8

IFRS 16 depreciation includes impairment and gains/losses on disposal. Total costs in this table reflect lease costs not included in the calculation of EBITDA, above.

The average cost of debt, taking into account margin, indexation and the impact of hedging activity, in the period was 7.1% (FY24: 7.4%). This decrease was a result of a lower margin rate achieved in the refinancing completed in April 2024, in addition to gradually lowering market rates of interest. As a result, bank loan interest reduced year on year despite a higher level of overall borrowings as a result of the recommencement of dividends and the acquisitions of Garven and Garlanna.

Loan issue cost amortisation of £1.0 million includes a £0.5 million one off charge as a result of the refinancing completed in April 2024. IFRS 16 leases interest has increased, reflecting both the increase in size of the store portfolio and changes in market interest rates reflected in renewals. Our average lease term is five years, with higher rates of interest applicable on new and renewed leases compared to those entered into five years ago.

Adjusted Profit Before Tax, which excludes the impact of one-off transactions in the period that are not reflective of the Group's underlying trading performance, was £66.0 million compared to £62.1 million in FY24, an increase of 6.3%. Adjusted PBT margin of 12.2% is in line with the prior year, despite the significant inflationary headwinds seen in FY25.

Reported Profit Before Tax for the year was £64.1 million, down £1.5 million from £65.6 million for the previous year.

The total reported Profit Before Tax for the year includes non-recurring finance charges of £0.5 million in respect of the refinancing completed in April 2024, £1.0 million of transaction costs and amortisation related to the acquisitions of Garven and Garlanna, £1.9 million of one-off restructuring costs and unrealised gains on derivatives of £1.5 million. These items are not considered to be reflective of the underlying trading performance of the Group or they are one-off in nature and as such have been excluded from Adjusted PBT. (FY24: One-off gains in relation to SA Greetings gain, Covid provision release and Getting Personal impairment totalling £3.5 million excluded from Adjusted PBT).

Taxation

The tax charge for FY25 of £16.3 million reflects an effective tax rate of 25.4% and increased £0.2 million compared to FY24.

The effective rate of tax for the year is higher than the equivalent rate applied for the same period last year (24.5%) largely due to the annualisation of increases in corporation tax rates effective from 1 April 2023. The rate is slightly higher than the standard rate applicable to the current financial year (25.0%).

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 FY25 totalled £16.7 million (FY24: £13.5 million).

Earnings per share

The net reported result for the year was a Profit after tax of £47.8 million, decreased from £49.5 million in FY24. As a result, basic earnings per share (EPS) for the year was 13.8 pence, with diluted EPS of 13.7 pence.

	FY25	FY24
Profit after tax (£m)	**47.8**	49.5
Adjusted EPS (pence)	**14.3 pence**	13.5 pence
Basic EPS (pence)	**13.8 pence**	14.4 pence
Diluted EPS (pence)	**13.7 pence**	14.3 pence

Adjusted EPS, which excludes the post-tax effect of one-off transactions in the period, was 14.3 pence compared to 13.5 pence in FY24. A reconciliation of all Alternative Performance Measures is set out in the appendix below.

Cash flows

	FY25 £m	FY24 £m
Cash from Operating Activities (after tax)	**88.9**	105.2
Cash used in Investing Activities	**(40.5)**	(30.0)
Cash used in Financing Activities	**(42.9)**	(73.2)
Impact of foreign currency exchange rates	**(0.1)**	(0.8)
Net Cash Flow for Year	**5.4**	1.2
Operating cash flows less lease repayments	**43.3**	61.5
Operating cash conversion (%)	**82.9%**	96.8%
Free Cash Flow	**17.3**	27.1
Adjusted Free Cash Flow	**29.0**	27.1

The Group continued to deliver strong cash performance in FY25, with cash from operations (before corporation tax payments) of £105.6 million. This reflects cash outflows considered one-off in nature of £11.7 million (related to the refinancing costs, acquisition transaction costs and Covid provision settlements) or due to timing differences on working capital outflows due to an additional weekly payment run falling into FY25 compared to the previous and subsequent year. As a result cash from operations decreased from £118.7 million in the prior year.

Working capital outflow increased, partially due to timing of payments considered one-off in nature of £6.0 million compared to the prior year. Total fees of £1.6 million were paid as a result of the refinancing completed in April 2024. Furthermore, £3.3 million was paid in FY25 as a settlement of part of the remaining Covid provision which is non-recurring.

Operating cash conversion, which is the ratio of Cash from Operations to EBITDA, decreased as a result of the outflows in working capital as above to 82.9% (FY24: 96.8%).

Capital expenditure decreased to £18.4 million in the year (FY24: £27.8 million) as expected, as we continued to invest in infrastructure and growth projects to support our strategy.

Free cash flow, which we define as net cash before M&A activity, distributions or debt repayments, was £17.3 million. Adjusted free cash flow increased year on year to £29.0 million when the impact of one-off cash outflows are excluded.

We invested £22.5 million in the acquisitions of Garven and Garlanna during the year and paid total dividends of £19.8 million in respect of a final dividend for FY24 (4.5 pence per share) and an interim dividend for FY25 (1.2 pence per share).

Acquisitions

During the year, we accelerated our international growth plans by completing two acquisitions, Garlanna in the Republic of Ireland and Garven in the United States.

On 4 September 2024 the Group acquired 100% of the issued equity of Garlanna Holdings Limited (‘Garlanna’) for an enterprise value of €3.6 million (£2.9 million) calculated on a cash free, debt free basis. This consideration was settled in cash funded from existing facilities.

Garlanna trades as a publisher and wholesale supplier of cards, wrap and gift bags in the Republic of Ireland. Garlanna’s historical revenues have typically been less than 1% of the consolidated annual revenue of the Group. The acquisition has strengthened the Group’s position within the Republic of Ireland market and is expected to provide further wholesale opportunities, particularly in the convenience sector.

On 4 December 2024 the Group acquired 100% of the members’ interest of Garven Holdings, LLC (‘Garven’) for an enterprise value of $25.0 million (£19.6 million) calculated on a cash free, debt free basis. This consideration was settled in cash funded from existing facilities.

In line with cardfactory’s growth plan, this acquisition accelerates our partnerships strategy in one of our key international target markets. It marks cardfactory’s physical entry into the US gift and celebration essentials market, which represents the biggest market globally at c.£70 billion. Garven has an established customer base of general and specialty retailers which will allow cardfactory to drive design and buying synergies, alongside opportunities to introduce its own ranges into the US wholesale market.

Garven’s historical revenues have typically been less than 5% of the consolidated annual revenue of the Group. We have started to explore the full range of potential growth opportunities with our new colleagues in both businesses and enhancing our presence and offer in both the US and Ireland.

We are working to explore and identify growth opportunities with our new colleagues in both businesses, and enhancing our presence and offer in both the US and Ireland

The accounting for the acquisitions has been completed and has resulted in the recognition of intangible assets of £12.9 million and £8.7 million of goodwill. We expect to exclude the amortisation of acquired intangibles from our Adjusted PBT going forward.

Capital expenditure

Total capital investments to grow the business and deliver the strategy were £18.4 million in FY25, decreased from £27.8 million in FY24.

Key investments included a point of sale (POS) till upgrade in stores which is expected to roll out across FY26, developing our network infrastructure in stores and the continued delivery of our long-term project to upgrade our business support systems, with extended ERP functionality in relation to inventory management.

In addition, we continue to invest in opening new stores and refreshing the store estate, including continued delivery of our store optimisation programme, which has enabled expansion of gift and celebration essentials in store , without negatively impacting card LFLs.

Looking forward, we continue to expect capital expenditure will average £20 million per annum through to FY27. FY26 priorities include the POS till rollout across our store estate, implementation of enhanced ERP functionality and other infrastructure projects to enable us to deliver online growth and improved partnership capabilities.

Net debt

	FY25 £m	**FY25 Leverage**	FY24 £m	FY24 Leverage
Current borrowings	**0.1**		7.1	
Non-current borrowings	**73.9**		37.9	
Total Borrowings	**74.0**		45.0	
Add back capitalised debt costs	**1.4**		0.7	
Gross Bank Debt	**75.4**		45.7	
Less cash	**(16.5)**		(11.3)	
Net Debt (exc. Leases)	**58.9**		34.4	
Leverage (exc. Leases)		**0.5x**		0.3x
Adjusted Leverage (exc. Leases)		**0.7x**		0.4x

Lease Liabilities	**110.4**		100.8	
Net Debt (inc. Leases)	**169.3**		135.2	
Leverage (inc. Leases)		**1.3x**		1.2x

Our balance sheet remains strong. In FY25 we delivered strong underlying operating cashflows and made disciplined investments in line with the principles of our capital allocation policy.

Net debt increased to £58.9 million in FY25, which includes expenditure on acquisitions, dividend payments and the one-off cash flow impacts described above. We have accelerated our international growth strategy with the acquisitions of Garven and Garlanna, for cash consideration of £22.5 million, net of cash acquired as above. We have also recommenced dividends payments in FY25, with total payments of £19.8 million.

The Group focuses on net debt excluding lease liabilities, this reflects the way the Group's covenants are calculated in its financing facilities. Leverage compares the ratio of net debt to EBITDA as calculated above, Adjusted Leverage reflects adjustments in the Group's bank facilities to deduct lease-related EBITDA charges from EBITDA. A full description, calculation and reconciliation of Alternative Performance Measures is provided in the appendix below. Both metrics remain comfortably below the Group's long-term target to keep leverage below 1.5x throughout the year.

The Group's banking facilities and amounts drawn in the current and prior periods are summarised in the table below:

Facility	**31 January 2025 £m**	31 January 2024 £m
£18.75m Term Loan 'B'	**-**	18.8
£125m/£100m Revolving Credit Facility	**75.0**	26.0
Overdraft facilities	**-**	0.2
Property mortgage	**0.4**	0.6
Accrued interest	**-**	0.1
Gross Bank Debt	**75.4**	45.7

On 26 April 2024, the Group successfully concluded a refinancing of its debt facilities, having agreed a new four-year £125 million committed revolving credit facility with a syndicate of banks. The previous revolving credit facility and Term Loan B have been fully repaid and cancelled.

The new facilities have an initial maturity date in April 2028, with options to extend by up to 19 months, subject to lender approval. The facilities include a £75 million accordion, which can be drawn subject to lender approval. The interest margin on the facilities is dependent upon the Group's leverage position, with margins between 1.9-2.8% which is lower than the previous facilities.

The new 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 leverage covenant is consistent with the Group's definition of Adjusted Leverage. The Group expects to operate comfortably within these covenant levels for the foreseeable future. These facilities provide a firm platform from which we can execute our strategy with all previous dividend and capital restrictions removed.

At 31 January 2025 the Group had undrawn committed facilities of £48.8 million (FY24: £74.0 million), resulting in total cash and committed facilities of £65.3 million (FY23: £85.3 million)

The Group's cash generation profile typically follows an annualised 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 led to reduced stock levels and higher cash inflows. As a result, net debt at the end of the year is usually lower than the intra-year peak, which typically occurs during the third quarter and also higher than the intra-year low which is usually at the end of December. The Group's intra-year working capital requirement (reflecting the difference between these two points) is typically £70-80 million.

Capital structure and distributions

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

Our capital allocation policy has four key tenets, each with relevant guardrails and controls designed to ensure balanced application:

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

Investment may include M&A activity, where the Board considers that the proposed transaction delivers both attractive returns and a significant enhancement or acceleration to our strategic objectives.

During FY25, we invested £22.5 million in the acquisitions of Garlanna and Garven, as described above.

On 24 September 2025, the Board declared an interim dividend for FY25 of 1.2 pence per share which was paid on 11 December 2025 to shareholders on the register on 1 November 2024.

At the Annual General Meeting on 19 June 2025, the Board will recommend to shareholders a final dividend of 3.6 pence per share for the year. If approved, the dividend will be paid on 27 June 2025 with a record date of 30 May 2025.

At the present time, considering the ordinary dividends paid and proposed in respect of FY24 and FY25, completed acquisitions, the Group's liquidity profile and available cash and committed facilities for FY26, the Board does not consider there to be surplus cash for further returns.

The Board remains confident in the future cash flow generation prospects of the Group and, in future, where the Board concludes that the Group has excess cash, taking into account, inter alia, the performance and prospects of the Group, together with any potential investment opportunities, the Board expects to make additional returns to shareholders. The Board will consider at the time the most appropriate method of returning such cash to shareholders.

Outlook

The Board remains confident in the compelling growth opportunity for our business, in particular to grow our share of our customers' total celebrations spend.

Our expectation to deliver mid-to-high single digit percentage growth in Adjusted Profit Before Tax in FY26 is unchanged.

This will be underpinned by the continued growth of our core stores business, integration and delivery from our acquired businesses and ongoing successful execution of our efficiency and productivity programme to maintain PBT margin rates.

Further, we expect to continue to be significantly cash generative, supporting continued progressive cash returns to shareholders in line with our capital allocation policy.

The macro-environment remains uncertain and cost inflation, particularly in wages and employment taxes in the UK will continue at elevated levels into FY26.

We are well placed to manage these challenges and are confident in our ability to offset cost inflation over the course of the year to deliver our expectation of profit growth. We currently expect the phasing of profit delivery in FY26 to be similar to FY25, reflecting the seasonal nature of the business and the timing of wage and tax inflation in H1.

Matthias Seeger

Chief Financial Officer

7 May 2025

Condensed consolidated financial statements

Consolidated income statement for the year ended 31 January 2025

	Note	2025 £'m	2024 £'m
Revenue	**4**	**542.5**	**510.9**
Cost of sales		(348.7)	(326.0)
Gross profit		**193.8**	**184.9**
Other operating income	20	–	2.0
Operating expenses	5	(114.5)	(110.5)
Operating profit	5	**79.3**	**76.4**
Gain on bargain purchase		–	2.6
Finance income	8	0.2	–
Finance expense	8	(15.4)	(13.4)
Profit before tax		**64.1**	**65.6**
Taxation	9	(16.3)	(16.1)
Profit for the year		**47.8**	**49.5**

Earnings per share		**Pence**	**Pence**
– Basic	11	13.8	14.4
– Diluted	11	13.7	14.3

All activities relate to continuing operations.

Management assess the underlying performance of the Group based on the adjusted profit before tax of £66.0 million in FY25 (2024: £62.1 million). After tax, this gives adjusted earnings per share of 14.3 pence (2024: 13.5 pence).

Consolidated statement of comprehensive income

For the year ended 31 January 2025

		2025 £'m	2024 £'m
Profit for the year		**47.8**	**49.5**
Items that may be recycled subsequently into profit or loss:			
Exchange differences on translation of foreign operations		(0.2)	(0.5)
Cash flow hedges – changes in fair value		1.4	(2.9)
Cost of hedging reserve – changes in fair value		(0.1)	0.1
Tax relating to components of other comprehensive income	9	(0.4)	0.7
Other comprehensive income for the period, net of income tax		**0.7**	**(2.6)**
Total comprehensive income for the period attributable		**48.5**	**46.9**

to equity shareholders of the parent

Consolidated statement of financial position

As at 31 January 2025

	Note	2025 £'m	2024 £'m
Non-current assets			
Intangible assets	12	356.5	331.4
Property, plant and equipment	13	48.7	45.9
Right of use assets	14	110.2	99.2
Deferred tax assets		0.6	1.2
Derivative financial instruments		0.9	0.6
		516.9	**478.3**
Current assets			
Inventories	15	61.1	50.0
Trade and other receivables		17.0	11.6
Tax receivable		1.7	–
Derivative financial instruments		2.4	0.9
Cash at bank and in hand	16	16.5	11.3
		98.7	**73.8**
Total assets		**615.6**	**552.1**
Current liabilities			
Borrowings	17	(0.1)	(7.1)
Lease liabilities	14	(21.7)	(25.3)
Trade and other payables		(76.8)	(80.1)
Provisions	20	(5.4)	(7.5)
Tax payable		–	(0.4)
Derivative financial instruments		(0.3)	(1.7)
		(104.3)	**(122.1)**
Non-current liabilities			
Borrowings	17	(73.9)	(37.9)
Lease liabilities	14	(88.7)	(75.5)
Deferred tax liabilities		(1.4)	–
Derivative financial instruments		(0.4)	(0.8)
		(164.4)	**(114.2)**
Total liabilities		**(268.7)**	**(236.3)**
Net assets		**346.9**	**315.8**
Equity			
Share capital		3.5	3.5
Share premium		203.2	202.7
Hedging reserve		1.0	(0.6)
Cost of hedging reserve		(0.1)	–
Reverse acquisition reserve		(0.5)	(0.5)
Merger reserve		2.7	2.7
Translation reserve		(0.6)	(0.4)
Retained earnings		137.7	108.4

Equity attributable to equity holders of the parent	**346.9**	**315.8**

Consolidated statement of changes in equity

For the year ended 31 January 2025

	Share capital £'m	Share premium £'m	Hedging reserve £'m	Cost of hedging reserve £'m	Reverse acquisition reserve £'m	Merger reserve £'m	Translation reserve £'m	Retained earnings £'m	Total equity £'m
At 31 January 2023	**3.4**	**202.2**	**3.5**	**(0.1)**	**(0.5)**	**2.7**	**0.1**	**56.9**	**268.2**
Total comprehensive income for the period									
Profit or loss	–	–	–	–	–	–	–	49.5	49.5
Other comprehensive income	–	–	(2.2)	0.1	–	–	(0.5)	0.1	(2.5)
	–	**–**	**(2.2)**	**0.1**	**–**	**–**	**(0.5)**	**49.6**	**47.0**
Hedging (losses) and costs of hedging transferred to the cost of inventory	–	–	(2.5)	–	–	–	–	–	(2.5)
Deferred tax on transfers to inventory	–	–	0.6	–	–	–	–	–	0.6
Deferred tax related to Share-based payments	–	–	–	–	–	–	–	(0.2)	(0.2)
Transactions with owners, recorded directly in equity									
Shares issued	0.1	0.5	–	–	–	–	–	–	0.6
Share-based payment charges	–	–	–	–	–	–	–	2.1	2.1
Dividends (note 10)	–	–	–	–	–	–	–	–	–
Total contributions by and distributions to owners	**0.1**	**0.5**	**–**	**–**	**–**	**–**	**–**	**2.1**	**2.7**
At 31 January 2024	**3.5**	**202.7**	**(0.6)**	**–**	**(0.5)**	**2.7**	**(0.4)**	**108.4**	**315.8**
Total comprehensive income for the period									
Profit or loss	–	–	–	–	–	–	–	47.8	47.8
Other comprehensive income	–	–	1.4	(0.1)	–	–	(0.2)	(0.4)	0.7
	–	**–**	**1.4**	**(0.1)**	**–**	**–**	**(0.2)**	**47.4**	**48.5**
Hedging gains and costs of hedging transferred to the cost of inventory	–	–	0.2	–	–	–	–	–	0.2
Deferred tax related to Share-based payments	–	–	–	–	–	–	–	(0.1)	(0.1)
Transactions with owners, recorded directly in equity									
Shares issued	–	0.5	–	–	–	–	–	–	0.5
Share-based payment charges	–	–	–	–	–	–	–	2.3	2.3
Dividends (note 10)[1]	–	–	–	–	–	–	–	(20.3)	(20.3)
Total contributions by and distributions to owners	–	0.5	–	–	–	–	–	(18.0)	(17.5)
At 31 January 2025	**3.5**	**203.2**	**1.0**	**(0.1)**	**(0.5)**	**2.7**	**(0.6)**	**137.7**	**346.9**

[1] Dividends include £0.5 million of dividend equivalents payable on employee share awards.

Consolidated cash flow statement

For the year ended 31 January 2025

	Note	**2025 £'m**	2024 £'m
Cash from operations	18	**105.6**	**118.7**
Corporation tax paid		(16.7)	(13.5)
Net cash inflow from operating activities		**88.9**	**105.2**
Cash flows from investing activities			
Interest received on bank deposits	8	0.2	–
Purchase of property, plant and equipment	13	(11.4)	(18.8)
Purchase of intangible assets	12	(7.0)	(9.0)
Acquisition of subsidiaries net of cash acquired	22	(22.5)	(2.2)
Proceeds from disposal of fixed assets		0.2	–
Net cash outflow from investing activities		**(40.5)**	**(30.0)**
Cash flows from financing activities			
Interest paid on bank borrowings	8	(6.4)	(6.5)
Proceeds from bank borrowings	19	258.5	167.0
Repayment of bank borrowings	19	(228.5)	(190.6)
Other financing costs paid	8	(1.6)	–
Shares issued under employee share schemes		0.5	0.6
Payment of lease liabilities	19	(37.6)	(37.5)
Interest paid in respect of lease liabilities	19	(8.0)	(6.2)
Dividends paid	10	(19.8)	–
Net cash outflow from financing activities		**(42.9)**	**(73.2)**
Impact of changes in foreign exchange rates		**(0.1)**	**(0.8)**
Net increase in cash and cash equivalents		5.4	1.2
Cash and cash equivalents at the beginning of the year		11.1	9.9
Closing cash and cash equivalents	16	**16.5**	**11.1**

Notes to the condensed consolidated 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.

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the ‘Group’).

2 Basis of preparation

This preliminary announcement and condensed consolidated financial statements have been prepared in accordance with the recognition and measurement principles of UK-adopted International Accounting Standards ('UK-IFRS') in conformity with the requirements of the Companies Act 2006.

It does not include all the information required for full annual accounts. The financial information contained in this preliminary announcement does not constitute the company's statutory accounts for the years ended 31 January 2025 ('FY25') or 31 January 2024 ('FY24') but is derived from these accounts.

Statutory accounts for the year ended 31 January 2024 have been delivered to the registrar of companies, and those for the year ended 31 January 2025 will be delivered to the registrar in due course. The auditor has reported on those accounts; the audit reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

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 strong financial performance in the current financial year, with continued growth in sales and good progress towards our overall strategic goals. Furthermore, the Group has delivered robust operating cash flows before movements in working capital. Trading since the balance sheet date has remained in line with expectations and there have been no material events that have adversely affected the Group’s liquidity headroom.

On 26 April 2024, the Group entered into an updated £125 million revolving credit facility. The new facilities have an initial maturity date in April 2028, with options to extend by up to 19 months, subject to lender approval. The facilities include an uncommitted £75 million accordion, which can be drawn subject to lender approval. The interest margin on the facilities is dependent upon the Group’s leverage position, with margins between 1.9-2.8% which is lower than the previous facilities. The new 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.

The Board believes that the updated facilities provide adequate headroom for the Group to execute its strategic plan. At 31 January 2025, net debt (excluding lease liabilities) was £58.9 million and the Group had £48.8 million of undrawn 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.

- Scenario analysis, which considered a reduction in sales, profitability and cash flows on a permanent basis of c.10% indicated that the Group would maintain liquidity headroom and covenant compliance throughout the 12 month period. The analysis did not consider any potential upside from mitigating actions, including the £75 million accordion facility, a reduction in discretionary costs as well as timing of cash outflows, which could all significantly increase the headroom further.

The Group conducted a reverse stress test analysis 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 breach of covenants associated with the Group's financing. Seasonality of the Group's cash flows, with higher purchases and cash outflows over the summer to build inventory for Christmas, means liquidity headroom is at its lowest in September and October ahead of the Christmas season. Conversely, covenant compliance is most sensitive around the year-end.

The reverse stress test analysis demonstrated that the level of sales loss or cost increase required to result in either a covenant breach or exhausting liquidity would require an significant reduction in sales that was sustained over a number of months, this scenario also did not factor in any possible mitigating actions that management could take. Accordingly, such scenarios are not considered to be reasonably likely to occur.

It should be noted that as a result of the higher net debt position at the year-end due to the recommencement of dividends and acquisitions in FY25, we expect overall headroom in our facilities to be lower than in the prior year but management consider that there are sufficient mitigations available to offset any reasonably possible downturn in trade.

Over recent years, the business has demonstrated a significant degree of resilience and a proven ability to manage cash flows and liquidity during a period of unprecedented economic downturn. Accordingly, the Board retains confidence that, were such a level of downturn to reoccur in the assessment period, the Group would be able to take action to mitigate its effects.

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.

Accounting judgements and estimates
The preparation of financial statements in conformity with UK IFRS requires judgement to be applied in forming the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Actual results may subsequently differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively in the period in which the estimate is revised.

Judgements are also reviewed on an ongoing basis to ensure they remain appropriate. The Group does not consider there to be any judgements made in the current period that have had a significant material effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty
The key sources of estimation uncertainty, being those estimates and assumptions that carry the most significant risk of a material adjustment to the carrying amounts of assets and liabilities in the next financial year, are set out below.

Inventory provisioning
The Group holds significant volumes, and a broad range of inventory. The Group calculates an inventory provision to cover the risk that the net realisable value of inventory is lower than its cost. This provision is calculated in accordance with an established, documented policy, that is based on historical experience and the Group's inventory management strategy, which determines the range of product that will be available for sale in-store and online. Provisions are made against inventory that is no longer on the Group's merchandising plan, is expected to be removed from that plan in the near future, or where certain ranges do not perform as anticipated. The amounts provided are calculated by product line and are adjusted annually to reflect experience.

In FY25, the Group applied a consistent policy with prior year and, in accordance with that policy, updated the judgement over categorisation of, and provision rates applied to, inventory informed by the latest available sell-through data. These changes are not considered to have had a significant impact on the overall value of the provision, although have contributed to the reduction in the value of the provision compared to the prior year due to improving sell-through rates across all categories of inventory.

At the end of FY25, the total inventory provision was £8.2 million (FY24: £9.5 million). The reduction in the value of the provision year-on-year generally reflects an improvement in our inventory sell through rate observed in FY25. As a result, the overall proportion of gross inventory provided for reduced compared to the prior year.

The full range of reasonably possible outcomes in respect of the provision is difficult to calculate at the balance sheet date as it is dependent on the accuracy of forecasts for sales volumes and future decisions we may take on aged, discontinued and potentially excess inventory in response to market and supply developments. The Group believes it has taken a balanced approach in determining the provision. It has considered the nature of the estimates involved and has concluded that it is possible, on the basis of existing knowledge, that outcomes within the next financial year may be different from the Group's assumptions applied as at 31 January 2025 and could require a material adjustment to the carrying amount of the provision in the next financial year.

The provision applied is based on the application of sell-through rates in the previous financial year, if those rates were changed +/-5% this would cause a +/-£1.2m movement in the overall value of the provision.

Other sources of estimation uncertainty
Impairment testing
An impairment review is conducted annually in respect of goodwill, and as required for other assets and cash-generating units ('CGUs') where an indicator of potential impairment exists. The carrying amounts of the assets involved and the level of estimation uncertainty inherent in determining appropriate assumptions for the calculation of the assets' recoverable amounts means impairment reviews are an area of significant management focus. However, whether that estimation uncertainty is significant to the financial statements is not known until the analysis is concluded. The Group generally considers the estimation uncertainty in impairment reviews to be significant if a reasonably possible change in the key assumptions would lead to a material change in the accounting outcome.

Goodwill
In FY25, the Group conducted an impairment review in respect of goodwill and noted no reasonably possible change in assumptions that would lead to an impairment charge being recognised against goodwill in either the Stores CGU or the Garven CGU. The assumptions considered are described in more detail in notes 10 and 29. The carrying amount of goodwill in the consolidated balance sheet totals £322.5 million of which £8.7 million relates to the acquisition of Garven Holdings, LLC in FY25 and is allocated entirely to the Garven CGU, as well as £313.8 million which is allocated in its entirety to the group of CGUs, shared assets and functions that comprise the Group's Stores business.

Right of use assets and tangible assets

In addition, the Group conducted a store-level impairment review specifically covering right-of-use assets and property, plant and equipment insofar as they are directly allocable to stores. As below, the Group estimates the value in use of ROU and tangible assets at a store level based on future cash flows derived from forecasts included within the Group's approved budget. The Group assesses indicators of impairment for the store portfolio on the basis of whether a material impairment charge (or reversal) could arise in respect of the store portfolio as a whole in the period. Due to the challenging macro-economic environment, existence of a material carried forward impairment charge, and an ongoing expectation that around 1% of the store portfolio can be loss-making at any time, the Group concluded this condition was met for FY25.

Intangible assets

Due to the financial performance in the year, the Group also conducted an impairment test of the cardfactory Online CGU. No impairment test was carried out for the Getting Personal CGU as all assets held were previously written down.

Approach and results

The Group assessed the recoverable amount of these CGUs on a value in use basis, using consistent assumptions across all reviews where applicable, with estimates of future cash flows derived from forecasts included within the Group's approved budget adjusted to exclude cash flows from new stores and initiatives so as to assess the assets in their current state and condition. Where impairment reviews are prepared in respect of assets not yet ready for use, future development costs and revenues are not excluded so as to fairly reflect the value of the assets being developed and costs to complete. The assessment of future cash flows that underpin such impairment reviews inherently require the use of estimates, notably in respect of future revenues, operating costs including material, freight, wage and energy inflation, terminal growth rates, foreign currency exchange rates, and discount rates.

The results of the impairment tests are set out in note 12 (intangible assets) and note 14 (leases) which includes the key assumptions considered. The impairment test in respect of the Stores business and cardfactory Online had significant headroom and accordingly, having undertaken scenario analysis on the key assumptions, the Group does not believe there are any reasonably possible changes in those key assumptions that would lead to a material impairment. The impairment tests show that reasonably possible changes in the assumptions relating to the Online assets could lead to an immaterial impairment charge in the future if Online sales do not grow in line with our expectations in future years.

The Group recorded a net impairment reversal of £0.4 million in respect of stores, which is comprised of £2.2 million of impairment reversals and £1.8 million of impairment charges. The reversals reflect those stores where an impairment charge made in a prior period has been reversed due to improved trading and outlook. The net impairment charge in the current year included a net reversal to impairment on Right of use assets of £0.4m and a net charge to PPE of £nil.

Having considered scenarios consistent with those reviewed in respect of goodwill impairment testing, the Group is satisfied that reasonable changes in the key assumptions would not materially change the impairment charge for stores.

Identification and valuation of intangible assets arising on the acquisition of Garven Holdings

Under IFRS 3, Business Combinations, the identification of intangible assets acquired in a business combination requires a degree of judgement. This judgement involves determining whether identifiable intangible assets exist apart from goodwill and recognising them separately. An intangible asset is identifiable if it meets either the separability criterion or the contractual-legal criterion. Management consider that the intangible assets identified as part of the acquisition of Garven Holdings meet the separability criterion and although there is judgement involved in reaching this conclusion, we do not consider that a significant degree of judgement was required in making this determination. As part of this judgement, we considered other possible intangible assets that could be recognised but concluded that either they did not meet the above criteria or had a trivial fair value.

As a result of the acquisition of Garven Holdings, LLC on 3 December 2024, the Group have recognised both goodwill and intangible assets associated with existing customer relationships and branding of the acquired business. Management have performed a valuation of the intangible assets using the Muti-Period Excess Earnings Method (MPEEM) to determine the fair value of the customer relationships which carry the material value in terms of the intangibles recognised.

The MPEEM valuation method relied on several key assumptions in reaching a valuation for the customer relationships and this method uses forecast cashflows of the acquired business in order to generate the present value of future cashflows which represents the fair value of the assets acquired. The key assumptions underpinning the valuation include the growth rate of sales, the discount rate applied and the retention rate of existing customer relationships.

We have performed sensitivity analysis over the key assumptions to consider the impact on the valuations of reasonably possible outcomes. We have sensitised the key assumptions in discrete scenarios by changing the discount rate by 2.5%, the growth rate by 2% and the retention allowance for the existing customer relationships by 2.5%, each of the associated scenarios does not cause a material movement in the valuation of intangibles. It should be noted that any adjustments to the valuations assessed would be a reclassification between goodwill and intangible assets with no impact on the profit of the Group.

Climate change

The Group has reviewed the potential impact of climate change and ESG-related risks and uncertainties on the consolidated financial statements. Given the nature of the Group's business and operations, the exposure to both physical and transitional risks associated with climate change is considered to be low.

In particular, the Group has considered climate change in respect of impairment testing (potential impact of climate and ESG risks on estimates of future cash flows, notes 12 and 13), going concern (above), and inventory provisions (impact of customer preferences and ESG considerations on potential stock obsolescence, above) and concluded in each case that there is no material impact in each area at 31 January 2025.

3 Principal accounting policies

The preliminary announcement has been prepared using accounting policies that are consistent with those published in the Group's accounts for the year-ended 31 January 2024 (available on the Company's website).

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

The Group adopted a new accounting policy in respect of acquired intangible assets, following the recognition of such assets for the first time in FY25.

Acquired intangible assets

Intangible assets that are acquired by the Group as a result of business combinations are recorded at fair value at the acquisition date and stated on an ongoing basis as fair value less accumulated amortisation and less any accumulated impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

- Customer relationships and Brands – 10 years.

4 Segmental reporting and revenue

Following investment in the Group's people, systems and infrastructure to support its strategy, the Group is organised into four main business areas which meet the definition of an Operating segment under IFRS, those being cardfactory Stores, cardfactory Online, 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 retails greeting cards, celebration accessories, and gifts through an extensive network of stores in the UK & Republic of Ireland.
- cardfactory Online retails greeting cards, celebration accessories, and gifts via its online platforms.
- Partnerships represents the Group's "B2B" operations and sells greeting cards, celebration accessories and gifts across various brands 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 online businesses.

We consider that both Getting Personal and cardfactory Online, which have previously been disclosed as separate operating segments, fall under a single operating segment of cardfactory Online. This is due to the fact that there are common management teams, the Board consider aggregated financial information relating to Online performance and strategic decisions are considered based on a single Online channel. This has no impact on the financial statements with the exception of aggregating the revenue and EBITDA performance within this note. At the end of the period, from 30 January 2025, the Group took the decision to close the gettingpersonal.co.uk store. Going forward, the Group will trade from a single online platform, cardfactory.co.uk.

The Group acquired SA Greetings on 25 April 2023, Garlanna Holdings Limited on 04 September 2024 and Garven Holdings, LLC on 04 December 2024. All three business' principal activities relate to the sale of cards, gifts and/or celebration essentials to business customers, and therefore the results of SA Greetings, Garven and Garlanna are included in the Partnerships 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 appendix to these financial statements. Whilst only cardfactory Stores meets the quantitative thresholds in IFRS to require disclosure, the Group's other trading segments are reported below as the Group considers that this information is useful to stakeholders in the context of the Group's 'Opening Our New Future' strategy.

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

	2025	2024
	£'m	£'m
Revenue:		
cardfactory Stores	**506.8**	478.9
cardfactory Online	**13.2**	14.7
Partnerships	**22.2**	17.0
Other	**0.3**	0.3
Consolidated Group revenue	**542.5**	510.9
Of which derived from customers in the UK	**509.8**	484.8
Of which derived from customers overseas	**32.7**	26.1

EBITDA[1]:		
cardfactory Stores	**131.8**	127.4
cardfactory Online	**(6.3)**	(5.7)
Partnerships	**1.0**	1.2
Other	**1.0**	(0.3)
Consolidated Group EBITDA[1]	**127.5**	122.6
Consolidated Group depreciation, amortisation & impairment	**(48.1)**	(47.4)
Consolidated Group (loss)/gain on disposal	**(0.1)**	1.2
Consolidated Group Operating Profit	**79.3**	76.4

[1]*This is an Alternative Performance Measure not defined under IFRS*

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

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:

	2025 £'m	2024 £'m
Revenue derived from customers in the UK	**509.8**	484.8
Revenue derived from customers overseas:		
- South Africa	**11.6**	10.2
- Republic of Ireland	**15.4**	11.1
- United States of America	**3.1**	–
- Rest of the World	**2.6**	4.8
Consolidated revenue	**542.5**	510.9

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 (including Australia and the Middle East), none of the components of this category are individually material.

Of the Group's non-current assets, £9.6 million (2024: £10.0 million) relates to assets based outside of the UK, principally in relation to the Group's stores in the Republic of Ireland and wholesale operations within the Republic of Ireland, United States and South Africa. Non-current assets related to stores based in the Republic of Ireland are £6.4 million as at 31 January 2025 (FY24: £4.8 million). Non-current assets related to wholesale operations are £0.2 million in the Republic of Ireland, £0.1 million in the United States and are £2.9 million (FY24: £5.2) in South Africa.

5 Operating profit

Operating profit is stated after charging/(crediting) the following items:

	2025 £'m	2024 £'m
Staff costs (note 7)	**174.5**	162.4

Depreciation expense		
– owned fixed assets (note 13)	**8.7**	7.6
– right of use assets (note 14)	**36.3**	35.9
Amortisation expense (note 12)	**3.5**	2.8
Reversal of impairment of right-of-use assets (note 14)	**(0.4)**	(0.2)
Impairment of tangible assets (note 13)	**–**	0.2
Impairment of intangible assets (note 12)	**–**	1.1
Loss/(profit) on disposal of fixed assets (notes 13 and 14)	**0.1**	(1.2)
Foreign exchange (gain)/loss	**(2.3)**	0.6

The total fees payable by the Group to Mazars LLP and their associates during the period was as follows:

	2025 **£'000**	2024 £'000
Audit of the consolidated and Company financial statements	**77**	55
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of subsidiaries of the Company	**624**	498
Audit-related assurance services	**92**	85
Total fees	**793**	638

6 EBITDA

EBITDA represents profit for the period before net finance expense, taxation, gains or losses on disposal, depreciation, amortisation and impairment charges.

	2025 **£'m**	2024 £'m
Operating profit	**79.3**	76.4
Depreciation, amortisation and impairment	**48.1**	47.4
Loss/(gain) on disposal	**0.1**	(1.2)
EBITDA[1]	**127.5**	122.6

[1]*This is an Alternative Performance Measure not defined under IFRS*

7 Employee numbers and costs

The average number of people employed by the Group (including Directors) during the year, analysed by category, was as follows:

	2025 **Number**	2024 Number
Management and administration	**773**	534
Operations	**9,748**	9,797
	10,521	10,331

The aggregate payroll costs of all employees including Directors were as follows:

	2025 **£'m**	2024 £'m
Employee wages and salaries	**154.3**	143.1
Equity-settled share-based payment expense	**2.3**	2.0
Social security costs	**11.1**	9.3
Defined contribution pension costs	**2.3**	2.1
Total employee costs	**170.0**	156.5

Agency labour costs	**4.5**	5.9
Total staff costs	**174.5**	162.4

Key management personnel

The key management personnel of the Group comprise the Card Factory plc Board of Directors and the Executive Board. Key management personnel compensation is as follows:

	2025	2024
	£'m	£'m
Salaries and short-term benefits	**7.9**	7.4
Equity-settled share-based payment expense	**2.0**	1.6
Social security costs	**1.1**	1.0
Defined contribution pension costs	**0.1**	0.2
	11.1	10.2

Remuneration of Directors

	2025	2024
	£'m	£'m
Directors' remuneration	**1.3**	1.6
Amounts receivable under long-term incentive schemes	**0.8**	0.5
Company contributions to defined contribution pension plans	**–**	–
	2.1	2.1

The table above includes the remuneration of Directors in each year. Amounts receivable under long-term incentive schemes reflects the value of options exercised during the year.

Further details of the remuneration of the current directors are disclosed in the Directors' Remuneration Report in the final Annual Report. The basis of calculation for certain items described in the Directors' Remuneration Report may differ to that used in this note, reflecting differences in the relevant regulations.

8 Finance expense

	2025	2024
	£'m	£'m
Finance expense		
Interest received	**(0.2)**	–
Interest on bank loans and overdrafts	**6.4**	6.5
Amortisation of loan issue costs[1]	**1.0**	0.6
Lease interest	**8.0**	6.3
	15.2	13.4

[1] Amortisation of loan issue costs includes £0.5m of costs related to the accelerated release of costs held on the balance sheet related to the previous financing facilities due to the completion of refinancing in the April 2024. These costs are excluded from Adjusted earnings.

9 Taxation

The tax charge includes both current and deferred tax. The tax charge reflects the estimated effective tax on the profit before tax for the Group for the year ended 31 January 2025 and the movement in the deferred tax balance in the year, so far as it relates to items recognised in the income statement.

Taxable profit or loss differs from profit or loss before tax as reported in the income statement, because it excludes items of income or expenditure that are either taxable or deductible in other years or never taxable or deductible.

Recognised in the income statement:

	2025 £'m	2024 £'m
Current tax charge		
Current year	**16.5**	13.8
Adjustments in respect of prior periods	**(1.5)**	0.2
Total current tax charge	**15.0**	14.0

Deferred tax charge/(credit)		
Origination and reversal of temporary differences	**(0.2)**	2.1
Adjustments in respect of prior periods	**1.5**	-
Total deferred tax charge	**1.3**	2.1

Total income tax charge	**16.3**	16.1

The effective tax rate of 25.4% (2024: 24.5%) on the profit before taxation for the year is slightly higher than (2024: higher than) the average rate of mainstream corporation tax in the UK for the year of 25% (2024: 24%).

The tax charge is reconciled to the standard rate of UK corporation tax as follows:

	2025 £'m	2024 £'m
Profit before tax	**64.1**	65.6
Tax at the standard UK corporation tax rate of 25% (2024: 24%[1])	**16.0**	15.8
Tax effects of:		
Expenses not deductible for tax purposes	**0.5**	0.6
Income not taxable for tax purposes	**–**	(0.6)
Adjustments in respect of prior periods	**–**	0.3
Effect of overseas tax rates	**(0.2)**	–
Total income tax charge	**16.3**	16.1

Total taxation recognised through the income statement, other comprehensive income and through equity are as follows:

	2025			2024		
	Current £'m	**Deferred £'m**	**Total £'m**	Current £'m	Deferred £'m	Total £'m
Income statement	**15.0**	**1.3**	**16.1**	14.0	2.1	16.1
Other comprehensive income	**–**	**0.4**	**0.4**	–	(0.7)	(0.7)
Equity	**–**	**0.1**	**0.1**	–	(0.4)	(0.4)
Total tax	**15.0**	**1.8**	**16.8**	14.0	1.0	15.0

1 In October 2022, the Government announced changes to the Corporation Tax rate increasing the main rate of Corporation Tax to 25% (previously 19%). This became effective as at 1 April 2023 giving an average Corporation Tax rate of 24.03% for the year to 31 January 2024.

10 Dividends

In June 2024, the Group paid a dividend of 4.5 pence per share (totalling £15.6 million) in respect of the FY24 financial year. This dividend represented the total dividend for FY24 (including an amount in lieu of an interim dividend) with interim dividends unable to be paid during FY24 due to restrictions in the Group's previous financing facilities that remained in place until 31 January 2024.

FY25 final dividend

At the forthcoming Annual General Meeting, the Board will recommend to shareholders that a resolution is passed to approve payment for a final dividend for the year ended 31 January 2025 of 3.6 pence per share, equivalent to approximately £12.5 million. The final dividend will be payable to shareholders on the share register on 30 May 2025, with payments to be made on 27 June 2025.

Dividends paid in the year:	Pence per share	**2025 £'m**	2024 £'m
Total dividend for the year ended 31 January 2024	4.5p	**15.6**	–
Interim dividend for the year ended 31 January 2025	1.2p	**4.2**	–
Total dividends paid to shareholders in the year		**19.8**	–

Dividend equivalents totalling £0.5 million (2024: £nil) were accrued in the year in relation to share-based long-term incentive schemes.

11 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 employee share incentive awards and save as you earn share options.

	2025 (Number)	2024 (Number)
Weighted average number of shares in issue	**346,910,019**	343,339,468
Weighted average number of dilutive share options	**2,295,420**	3,940,467
Weighted average number of shares for diluted earnings per share	**349,205,439**	347,279,935

	2025 £'m	2024 £'m
Profit for the financial period	**47.8**	49.5

	Pence	pence
Basic earnings per share[1]	**13.8**	14.4
Diluted earnings per share	**13.7**	14.3

[1] For calculation of adjusted earnings per share, based on adjusted PBT which removes the impact of non-underlying transactions, please see the appendix below.

12 Intangible assets

	Goodwill £'m	**Customer relationships and brands £'m**	**Software £'m**	**Total £'m**
Cost				
At 1 February 2024	328.2	–	35.0	363.2
Additions	–	–	7.0	7.0
Acquisitions (note 22)	8.7	12.9	–	21.6

At 31 January 2025	**336.9**	**12.9**	**42.0**	**391.8**

Amortisation/impairment				
At 1 February 2024	14.4	–	17.4	31.8
Amortisation in the period	–	0.3	3.2	3.5
Impairment in the period	–	–	–	–
At 31 January 2025	**14.4**	**0.3**	**20.6**	**35.3**

Net book value				
At 31 January 2025	**322.5**	**12.6**	**21.4**	**356.5**
At 31 January 2024	313.8	–	17.6	331.4

Customer relationships and brands are intangible assets with a finite life, the average remaining useful life of this class of assets is 9 years and 9 months. The average remaining useful life of Software is 4 years and 8 months.

As at 31 January 2025, the Group held £3.5 million of assets under construction within Software (FY24: £1.9 million).

During the prior year, the Group recognised an impairment charge of £1.1 million in respect of the online platform for Getting Personal. The charge to the Getting Personal assets reflected the more focused investment being targeted at the CF Online platform. There is no further impairment charge recognised in FY25 in relation to the Getting Personal platform.

	Goodwill £'m	Customer relationships and brands £'m	Software £'m	Total £'m
Cost				
At 1 February 2023	328.2	–	26.0	354.2
Additions	–	–	9.0	9.0
At 31 January 2024	**328.2**	**–**	**35.0**	**363.2**
Amortisation/impairment				
At 1 February 2023	14.4	–	13.5	27.9
Amortisation in the period	–	–	2.8	2.8
Impairment in the period	–	–	1.1	1.1
At 31 January 2024	**14.4**	**–**	**17.4**	**31.8**
Net book value				
At 31 January 2024	**313.8**	**–**	**17.6**	**331.4**
At 31 January 2023	313.8	–	12.5	326.3

Goodwill arising on the acquisition of Getting Personal in 2011 of £14.4 million was allocated to the Getting Personal CGU, which corresponds to the Online operating segment (see note 2). This goodwill in respect of Getting Personal was fully written down in 2020.

All remaining historical goodwill is in respect of the cardfactory Stores business, which is comprised of all of the cardfactory Stores (each an individual CGU for asset impairment testing purposes), associated central functions and shared assets. cardfactory Stores is the lowest level at which the Group's management monitors goodwill internally.

The total carrying amount of the cardfactory Stores group of CGUs for impairment testing purposes, inclusive of liabilities that are necessarily considered in determining the recoverable amount, at 31 January 2025 was £374.6 million (2024: £341.1 million).

As a result of the acquisition of Garven Holdings, LLC in FY25 (see note 29), £8.7 million of goodwill has been recognised by the Group and allocated wholly to the Garven CGU, which forms part of the Partnerships operating segment. The total carrying amount of the Garven CGU for impairment purposes, inclusive of liabilities that are necessarily considered in determining the recoverable amount, at 31 January 2025 was £19.8m million (2024: £nil).

Management have performed a valuation of intangible assets relating to existing customer relationships and branding using the Muti-Period Excess Earnings Method (MPEEM) to determine the fair value of the customer relationships which carry the material value in terms of the intangibles recognised. The MPEEM valuation method relied on several key assumptions in reaching a valuation for the customer relationships and this method uses forecast cashflows of the acquired business in order to generate the present value of future cashflows which represents the fair value of the assets acquired. The key assumptions underpinning the valuation include the growth rate of sales, the discount rate applied and the retention rate of existing customer relationships.

We have performed sensitivity analysis over the key assumptions to consider the impact on the valuations of reasonably possible outcomes. We have sensitised the key assumptions in discrete scenarios by changing the discount rate by 2.5%, the growth rate by 2% and the retention allowance for the existing customer relationships by 2.5%, each of the associated scenarios does not cause a material movement in the valuation of intangibles. It should be noted that any adjustments to the valuations assessed would be a reclassification between goodwill and Intangible assets with no impact on the profit of the Group.

Stores CGU

The recoverable amount has been determined based on a value-in-use calculation. This value-in-use calculation is based on the Group's most recent approved five-year strategic plan, to exclude any value from planned new stores or initiatives, so as to assess the valuation of the assets in their current state and condition.

The key assumptions used in determining the recoverable amount are:

- Future trading performance including sales growth, product mix, material and operating costs;
- Foreign exchange rates applicable to the Group's purchases of goods for resale;
- The terminal growth rate applied; and
- The discount rate.

The values assigned to the variables that underpin the Group's expectations of future trading performance were determined based on historical performance and the Group's expectations with regard to future trends. Where applicable, amounts take into account the Group's energy hedges and fixed contracts, changes in market prices and rates, and relevant industry and consumer data to inform expectations around future trends.

The Group assumes a long-term GBPUSD exchange rate in line with published forward curves at the balance sheet date, adjusted to reflect the value of forward contracts in place. The fair value of these contracts is included in the carrying amount.

A 0% (2023: 0%) terminal growth rate is applied beyond the five-year term of the plan, representing a sensitised view of the Group's estimate of the long-term growth rate of the sector. Whilst such long-term rates are inherently difficult to benchmark using independent data, the Group's reverse stress-testing of the goodwill impairment model indicated a significant negative terminal decline would be required in order to eliminate the headroom completely.

The forecast cash flows are discounted at a pre-tax rate of 12.0% (2024: 13.0%). The discount rate is derived from a calculation using the capital asset pricing model to calculate cost of equity utilising available market data. The discount rate is compared to the published discount rates of comparable businesses and relevant industry data prior to being adopted.

No impairment loss was identified. The valuation indicates sufficient headroom such that any reasonably possible change to the key assumptions would not result in an impairment of the related goodwill.

Garven CGU
The recoverable amount has been determined based on a value-in-use calculation. This value-in-use calculation is based on a sensitized projection of the forecast for the business to exclude any potential future growth as a result of being a part of the Group.

The key assumptions used in determining the recoverable amount are:

- Future trading performance including sales and margin based on pre-acquisition performance;
- The terminal growth rate applied; and
- The discount rate.

The values assigned to the variables have been based on current performance and balanced assumptions of how this translates into performance over the next 5 years.

A 0% terminal growth rate is applied beyond the five-year term of the plan, representing a prudent view of the Group's estimate of the long-term potential growth at Garven. Whilst such long-term rates are inherently difficult to benchmark using independent data, the Group's reverse stress-testing of the goodwill impairment model indicated a significant negative terminal decline would be required in order to eliminate the headroom completely.

Subsequent to the balance sheet date, the United Stated introduced new trade tariffs which will impact on the supply chain activities of Garven and its customers. The Group has completed an initial impact assessment and performed sensitivity analysis which indicated that, based on the tariffs and planned business activities in place at the date of approval of these financial statements, did not change the conclusion of the analysis above.

The forecast cash flows are discounted at a pre-tax rate of 12.0% which is based on the Group discount rate. The valuation indicates sufficient headroom such that any reasonably possible change to the key assumptions would not result in an impairment of the related goodwill. No impairment loss was identified.

Impairment testing: Intangible assets
Due to the performance of the cardfactory Online CGU, an impairment test in respect of this CGU was carried out at 31 January 2025.

The total carrying amount of the cardfactory Online CGU for impairment testing purposes, inclusive of liabilities that are necessarily considered in determining the recoverable amount, at 31 January 2025 was not material individually.

The key assumptions are consistent with those set out above in respect of the goodwill impairment review, with the exception of foreign exchange rates which are not significant to the analysis for this CGU. To ensure the analysis fairly reflected the expected value in use of the assets within this CGU, the estimated future cash flows included all costs to complete the assets under development and sales associated with those assets once deployed into use.

The cardfactory Online valuation indicated sufficient headroom such that any reasonably possible change in assumptions would not result in a material impairment charge.

13 Property, plant and equipment

	Freehold property £'m	Leasehold improvements £'m	Plant, equipment, fixtures & vehicles	Total £'m

			£'m	
Cost				
At 1 February 2024	22.6	40.8	95.7	159.1
Additions	0.1	–	11.3	11.4
Acquisitions (note 22)	–	–	0.2	0.2
Disposals	–	–	(0.7)	(0.7)
At 31 January 2025	**22.7**	**40.8**	**106.5**	**170.0**
Depreciation				
At 1 February 2024	5.3	40.0	67.9	113.2
Depreciation in the period	0.4	0.4	7.9	8.7
Depreciation on disposal	–	–	(0.6)	(0.6)
At 31 January 2025	**5.7**	**40.4**	**75.2**	**121.3**
Net book value				
At 31 January 2025	**17.0**	**0.4**	**31.3**	**48.7**
At 31 January 2024	17.3	0.8	27.8	45.9

As at 31 January 2025, the Group held £nil assets under construction within Plant, equipment, fixtures & vehicles (FY24: £2.2 million). These assets do not depreciate until brought into use.

	Freehold property £'m	Leasehold improvements £'m	Plant, equipment, fixtures & vehicles £'m	Total £'m
Cost				
At 1 February 2023	18.6	40.8	78.2	137.6
Additions	1.3	–	17.5	18.8
Acquisitions	2.7	–	–	2.7
At 31 January 2024	**22.6**	**40.8**	**95.7**	**159.1**
Depreciation				
At 1 February 2023	4.9	39.0	61.5	105.4
Depreciation in the period	0.4	1.0	6.2	7.6
Impairment in the period	–	–	0.2	0.2
At 31 January 2024	**5.3**	**40.0**	**67.9**	**113.2**
Net book value				
At 31 January 2024	**17.3**	**0.8**	**27.8**	**45.9**
At 31 January 2023	13.7	1.8	16.7	32.2

14 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	**2025 £m**	**2024 £m**

Buildings	**109.4**	98.2
Motor vehicles	**0.8**	1.0
	110.2	99.2

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

	2025 £m	2024 £m
At the beginning of the year	**99.2**	100.5
Acquisitions	**0.1**	1.9
Additions:		
Buildings	**47.5**	32.0
Motor vehicles	**0.3**	1.2
Disposals	**(1.0)**	(0.7)
Depreciation charge:		
Buildings	**(35.7)**	(35.4)
Motor vehicles	**(0.6)**	(0.5)
Net impairment reversal	**0.4**	0.2
At the end of the year	**110.2**	99.2

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. The net impairment reversal and disposals above relate entirely to Buildings.

Impairment Testing: Store assets
Reflecting continued macro-economic uncertainty, cost inflation and the existence of a small number of loss-making stores within the portfolio, the Group considers that an indicator of potential impairment exists in respect of the store portfolio and, accordingly, an impairment review of the Group's store assets was undertaken in the 2025 financial year.

For this purpose, each of the Group's stores is considered to be a CGU, with each store's carrying amount determined by assessing the value of right-of-use assets and property, plant and equipment insofar as they are directly allocable to an individual store. The assessment of whether an indicator of impairment may exist in respect of store assets is considered across the store portfolio and not on a store-by-store basis. Accordingly, the store impairment review considers all stores in the portfolio.

The recoverable amount of each store was determined based on the expected future cash flows applicable to each store, assessed using a basis consistent with the future cash flows used in the goodwill impairment test described in note 10, but limited to the term of the current lease as assessed under IFRS 16. As a result, the key assumptions are also considered to be consistent with those described in note 10, in addition to the allocation of central and shared costs to individual stores insofar as such an allocation can be made on a reasonable and consistent basis. Such costs are allocated on the basis of the relative contribution of each individual store.

Application of these assumptions resulted in a net impairment reversal of £0.4m (2024: £nil), comprised of impairment charges of £1.8 million (2024: £2.7 million) and the reversal of previous impairment charges of £2.2 million (2024: £2.7 million). The net impairment charge in the current year included a net reversal to impairment on Right of use assets of £0.4m and a net impairment charge to PPE of £nil.

Having conducted scenario analysis, the Group does not consider any reasonably possible change in the key assumptions would result in a material change to the net impairment position.

Lease liabilities	**2025**	**2024**

	£m	£m
Current lease liabilities	**(21.7)**	(25.3)
Non-current lease liabilities	**(88.7)**	(75.5)
Total lease liabilities	**(110.4)**	(100.8)

Lease expense	**2025 £m**	**2024 £m**
Depreciation expense on right of use assets	**36.3**	35.9
(Reversal of impairment) / impairment of right of use assets	**(0.4)**	(0.2)
Profit on disposal of right of use assets	**–**	(1.2)
Lease interest	**8.0**	6.3
Expense relating to short-term and low value leases[1]	**–**	–
Expense relating to variable lease payments[2]	**0.2**	0.6
Total lease related income statement expense	**44.1**	41.4

1 Contracts subject to the election not to apply the requirements of IFRS 16 to short-term or low value leases.

2 A small proportion of the store lease portfolio are subject to an element of turnover linked variable rents that are excluded from the definition of a lease under IFRS 16.

Disposals and depreciation/impairment on disposals includes fully depreciated right-of-use assets where the lease term has expired, including amounts in respect of leases that have expired but the asset remained in use whilst a new lease was negotiated. Profits on disposal arise where leases that have been exited before the end of the lease term where the asset has been previously impaired. The Group's full accounting policy in respect of leases and right-of-use assets is set out in note 1.

15 Inventories

	2025 £'m	2024 £'m
Finished goods	**60.5**	49.5
Work in progress	**0.6**	0.5
	61.1	**50.0**

Inventories are stated net of provisions totalling £8.2 million (2024: £9.6 million). The cost of inventories recognised as an expense and charged to cost of sales in the year, net of movements in provisions, was £162.8 million (2024: £155.8 million). Inventory has increased in 2025, in part this is due to mix of inventory with a higher proportion of non-card stock increasing the cost per unit of inventory.

16 Cash and cash equivalents

	2025 £'m	2024 £'m
Cash at bank and in hand	**16.5**	11.3
Cash presented as current assets in the balance sheet	**16.5**	**11.3**
Bank overdraft	–	(0.2)
Overdraft presented as current liabilities in the balance sheet	**–**	**(0.2)**
Net cash and cash equivalents	**16.5**	11.1

The Group manages its liquidity requirements on a Group-wide basis and regularly sweeps and pools cash in order to optimise returns and / or ensure the most efficient deployment of borrowing facilities in order to minimise fees whilst maintaining sufficient short-term liquidity to meet its liabilities as they fall due.

Cash in bank accounts and overdrafts are presented net where the Group has a legal right to offset amounts, such as those with the same banking provider or included in netting arrangements under its financing facilities.

The Group's cash and cash equivalents are denominated in the following currencies:

	2025	2024
	£'m	£'m
Sterling	**8.5**	6.8
Euro	**2.5**	3.3
US Dollar	**5.0**	1.2
South African Rand	**0.5**	(0.2)
	16.5	**11.1**

17 Borrowings

	2025	2024
	£'m	£'m
Current liabilities		
Bank loans and accrued interest	**0.1**	6.9
Bank overdraft	**–**	0.2
Total current liabilities	**0.1**	7.1
Non-current liabilities		
Bank loans	**73.9**	37.9

Bank loans

Bank borrowings as at 31 January 2025 are summarised as follows:

	Liability £'m	Interest rate %	Interest margin ratchet range %	
31 January 2025				
Secured revolving credit facility	**75.0**	Margin + SONIA	1.90 – 2.80	Total facility size = £125 million
SA Greetings property mortgage	**0.4**			
Debt issue costs	**(1.4)**			
	74.0			
31 January 2024				
Secured term loans – Tranche 'B'	18.8	5.50 +SONIA	–	
Secured revolving credit facility	26.0	Margin + SONIA	2.75 – 4.50	Total facility size = £100 million
Accrued interest	0.1			
SA Greetings property mortgage	0.6			
Bank overdraft	0.2			
Debt issue costs	(0.7)			
	45.0			

On 26 April 2024, the Group entered into an updated £125 million revolving credit facility. The new facilities have an initial maturity date in April 2028, with options to extend by up to 19 months, subject to lender approval. The facilities include a £75 million accordion, which can be drawn subject to lender approval. The

interest margin on the facilities is dependent upon the Group's leverage position, with margins between 1.9-2.8% which is lower than the previous facilities. At 31 January 2025, net debt (excluding lease liabilities) was £58.9 million, the Group had £48.8 million of undrawn RCF facility and £1.2 million of reserved ancillary facilities.

The new 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.

As part of the transaction to acquire SA Greetings in FY24, the Group acquired a property mortgage and overdraft facility, which are denominated in South African Rand. At 31 January 2025 the overdraft was undrawn and the carrying amount of the mortgage facilities was £0.4 million (2024: £0.2 million and £0.6 million respectively).

Debt issue costs in respect of the April 2024 refinancing totalled £1.6 million and are being amortised to the income statement over the duration of the revised facilities.

18 Notes to the cash flow statement

Reconciliation of operating profit to cash generated from operations:

	2025 £'m	2024 £'m
Profit Before Tax	**64.1**	65.6
Gain on bargain purchase	**–**	(2.6)
Net finance expense	**15.2**	13.4
Operating profit	**79.3**	76.4
Adjusted for:		
Depreciation and amortisation	**48.5**	46.3
Reversal of impairment of right-of-use assets	**(0.4)**	(0.2)
Impairment of tangible assets	**–**	0.2
Impairment of intangible assets	**–**	1.1
Gain on disposal of fixed assets	**–**	(1.2)
Cash flow hedging foreign currency movements	**(1.9)**	(0.4)
Unrealised foreign exchange (gains) / losses	**(0.1)**	0.5
Share-based payments charge	**2.3**	2.1
Operating cash flows before changes in working capital	**127.7**	124.8
(Increase)/decrease in receivables	**(3.3)**	3.6
(Increase)/decrease in inventories	**(11.2)**	(1.2)
(Decrease) in payables	**(4.1)**	(6.5)
Movement in provisions	**(3.5)**	(2.0)
Cash inflow from operating activities	**105.6**	118.7

19 Analysis of net debt

	At 1 February 2024 £'m	Cash flow £'m	Non-cash changes £'m	**At 31 January 2025 £'m**
Secured bank loans and accrued interest (note 17)	(44.8)	(23.6)	(5.6)	**(74.0)**
Lease liabilities	(100.8)	45.6	(55.2)	**(110.4)**
Total debt	**(145.6)**	**22.0**	**(60.8)**	**(184.4)**
Add: debt costs capitalised	(0.7)	(1.6)	0.9	**(1.4)**
Add: bank overdraft	(0.2)	0.2	–	**–**

Less: cash and cash equivalents (note 16)	11.3	5.2	–	**16.5**
Net debt	**(135.2)**	**25.8**	**(59.9)**	**(169.3)**
Lease liabilities	100.8	(45.6)	55.2	**110.4**
Net debt excluding lease liabilities	**(34.4)**	**(19.8)**	**(4.7)**	**(58.9)**

	At 1 February 2023 £'m	Cash flow £'m	Non-cash changes £'m	At 31 January 2024 £'m
Secured bank loans and accrued interest (note 17)	(65.7)	30.1	(9.2)	(44.8)
Lease liabilities	(105.4)	43.7	(39.1)	(100.8)
Total debt	**(171.1)**	**73.8**	**(48.3)**	**(145.6)**
Add: debt costs capitalised	(1.4)	-	0.7	(0.7)
Add: bank overdraft	(1.8)	1.8	(0.2)	(0.2)
Less: cash and cash equivalents (note 16)	11.7	(0.4)	-	11.3
Net debt	**(162.6)**	**75.2**	**(47.8)**	**(135.2)**
Lease liabilities	105.4	(43.7)	39.1	100.8
Net debt excluding lease liabilities	**(57.2)**	**31.5**	**(8.7)**	**(34.4)**

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

20 Provisions

	Covid-19-related support £'m	Property provisions £'m	Restructuring provision	Total £'m
At 31 January 2023	**7.4**	**2.1**	–	**9.5**
Provisions utilised during the year	–	(0.2)	–	(0.2)
Provisions released during the year	(2.0)	0.2	–	(1.8)
Amounts provided during the year	–	–	–	–
At 31 January 2024	**5.4**	**2.1**	–	**7.5**
Acquisitions	–	0.6	–	0.6
Provisions utilised during the year	(3.3)	(0.3)	–	(3.6)
Provisions released during the year	–	(0.8)	–	(0.8)
Amounts provided during the year	–	0.5	1.2	1.7
At 31 January 2025	**2.1**	**2.1**	**1.2**	**5.4**

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. 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 2025. 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.

We have incurred one-off costs relating to a restructuring programme associated with the closure of the Getting Personal website and streamlining central support operations and as a result have recognised a provision for £1.2 million. The total one-off costs related to the restructuring are £1.9 million with £0.7 million recognised as a provision within inventories.

The Group maintains provisions in respect of its store portfolio to cover both the estimated cost of restoring properties to their original condition upon exit of the property and any non-lease components of lease contracts (such as service charges) that may be onerous. 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.

21 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.

The Card Factory Foundation is considered a related party of the Group due to one common individual considered as key management personnel. In the year ended 31 January 2025 the Group donated £1.4 million (2024: £1.5m) to the Foundation from carrier bag sales and has an outstanding balance owed to the Foundation of £0.1m at 31 January 2025 (2024: £0.5m).

22 Business combination

Business combinations are accounted for using the acquisition method. The identifiable assets acquired and liabilities assumed are recognised at their fair values at the acquisition date.

Acquisition of SA Greetings

Following the end of the measurement period, the acquisition accounting for SA Greetings (acquired in FY24) has been finalised. There were no adjustments to the provisional values reported in the FY24 financial statements.

Acquisitions of Garlanna and Garven

During FY25, the Group acquired Garven Holdings LLC ('Garven') and Garlanna Holdings Limited ('Garlanna'). Acquisition-related costs totalling £0.7 million have been expensed and included within operating expenses in the Consolidated Income Statement. These costs have been excluded from adjusted PBT as they are one-off in nature and this can be seen in the glossary below.

The purchase price allocation for the acquisitions of Garven Holdings and Garlanna Holdings was prepared on a provisional basis in accordance with IFRS 3 with the fair values of the assets and liabilities set in the table below.

	Garven Holdings £'m	Garlanna Holdings £'m	**Total fair value £'m**
Non-current assets	**0.1**	**0.2**	**0.3**
Property, plant & equipment	–	0.2	**0.2**
Right-of-use assets	0.1	–	**0.1**
Current assets	**3.7**	**2.2**	**5.9**
Inventories	0.2	1.0	**1.2**

Trade & other receivables	1.5	0.6	**2.1**
Cash at bank and in hand	2.0	0.6	**2.6**
Total assets	**3.8**	**2.4**	**6.2**
Current liabilities	**(0.9)**	**(1.8)**	**(2.7)**
Trade & other payables	(0.8)	(0.3)	**(1.1)**
Tax payable	–	(0.1)	**(0.1)**
Lease liabilities	(0.1)	–	**(0.1)**
Provisions	–	(1.4)	**(1.4)**
Total liabilities	**(0.9)**	**(1.8)**	**(2.7)**
Net assets of acquired subsidiaries	**2.9**	**0.6**	**3.5**
Add: Intangible assets (note 12)	10.0	2.9	**12.9**
Add: Goodwill (note 12)	8.7	–	**8.7**
Total consideration paid	**21.6**	**3.5**	**25.1**
Less cash acquired:	(2.0)	(0.6)	**(2.6)**
Net cash outflow	**19.6**	**2.9**	**22.5**

The gross contractual amounts related to trade & other receivables is £2.1 million and at the acquisition date, the Group's best estimate of the contracted cash flows not expected to be collected is £nil.

Acquisition of Garlanna
On 4 September 2024, the Group completed the acquisition of 100% of the share capital of Garlanna Holdings Limited and its subsidiary companies ('Garlanna').

Garlanna trades as a publisher and wholesale supplier of cards, wrap and gift bags in the Republic of Ireland. The acquisition will strengthen the Group's position within the Republic of Ireland market and is expected to provide further wholesale opportunities, in particular in the convenience sector where the Group previously has limited exposure.

The total cash consideration for the transaction was £3.5 million (€4.2 million), all of which was paid in cash on the acquisition date, giving consideration of £2.9 million (€3.6 million) on a cash free, debt free basis. The agreement included €0.2 million of deferred contingent consideration but this has not and will not become payable due to the payment criteria not being met and the period of consideration has expired.

We have made fair value adjustments to the assets and liabilities in the acquiree's local financial records in arriving at the provisional fair values as required by IFRS 3 which are detailed below:

- Aligning Garlanna's inventory provision with Group accounting policies, increasing the provision by £0.6 million
- Recognising a provision (£0.6 million) in relation to costs expected to be incurred to return leased property to its original state.

The fair value of the net assets acquired was £0.6 million. We have recognised £2.9 million of identifiable intangible assets linked to the existing customer relationships in the acquired business, see note (10) for further details. This gives a total fair value of net assets acquired of £3.5 million, which is equal to the fair value of consideration paid resulting in no recognition of goodwill.

Garlanna contributed revenue of £1.7 million and £0.4 million to the Group's profit after tax for the period between the date of acquisition and the reporting date. If the acquisition of Garlanna had been completed on the first day of the financial year, Group revenues for the year to 31 January 2025 would have been £546.3 million and Group profit after tax would have been £48.3 million. Garlanna has a similar seasonal trading pattern to the rest of the Group and generates the majority of its sales and profits in the second half of the financial year.

Acquisition of Garven

On 04 December 2024, the Group completed the acquisition of 100% of the members' interest of Garven Holdings, LLC and its subsidiary companies ('Garven').

Garven trades as Garven Design and Cadence Packaging and is a leader in the design and wholesale of gifts and celebration essentials, based in Minnesota, USA.

In line with cardfactory's growth plan, this acquisition accelerates our partnerships strategy in one of our key international target markets.

It marks cardfactory's physical entry into the US gifts and celebration essentials market, which represents the biggest market globally at circa £70 billion in total.

Garven has an established customer base of general and speciality retailers which will allow cardfactory to further explore design and buying synergies, alongside opportunities to introduce its own ranges into the US wholesale market. We consider that this is a key factor in the recognition of goodwill related to this acquisition.

The total cash consideration for the transaction was £21.6 million ($27.5 million), all of which was paid in cash on the acquisition date, giving consideration of £19.6 million ($25.0 million) on a cash free, debt free basis. There is no further contingent or deferred consideration payable.

There were no fair value adjustments required by IFRS 3 made to the acquired assets and liabilities in the acquiree's local financial records in arriving at the provisional fair values.

The fair value of the net assets acquired is £2.9 million. We have recognised £10.0 million of identifiable intangibles assets linked to the existing customer relationships in the acquired business and acquired brands, see note 10 for further details. This gives a total fair value of acquired assets of £12.9 million, which is lower than the fair value of the consideration paid (Including cash acquired) of £21.6 million, the balance has resulted in recognition of £8.7 million of goodwill which is not deductible for tax purposes.

Garven Holdings, LLC contributed revenue of £2.2 million and a profit of £0.2 million to the Group's profit after tax for the period between the date of acquisition and the reporting date.

If the acquisition of Garven had been completed on the first day of the financial year, Group revenues for the year to 31 January 2025 would have been £568.7 million and Group profit after tax would have been £50.5 million. Garven has a similar seasonal trading pattern to the rest of the Group and generates the majority of its sales and profits in the second half of the financial year.

Explanatory Notes

Alternative Performance Measures (‘APMS’) and other explanatory information

In the reporting of the 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. In FY25 we have broadened our adjustments to the P&L and cash flow to aid clarity and consistency in understanding measures that are relevant to our capital allocation policy.

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	Operating Cash Conversion Free cash flow

Following the approval of the Group’s updated capital allocation policy, Adjusted Leverage and Adjusted EPS have been included in this report for the first time. These measures play an important role in the Group’s capital allocation decisions.

<u>Sales APMs</u>

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 (cardfactory.co.uk and gettingpersonal.co.uk) compare gross sales for the current and comparative period made through the respective online platform.

All LFL measures in this report compare FY25 to FY24, 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.
- "Online": Like-for-like sales for cardfactory.co.uk and gettingpersonal.co.uk combined.

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**	**Getting Personal £m**
Revenue FY25	506.8	8.8	515.6	4.4
VAT / other	99.0	1.9	100.9	1.0
Adjustment for Stores not open in both periods	(14.5)	—	(14.5)	—
LFL Sales FY25	**591.3**	**10.7**	**602.0**	**5.4**
Revenue FY24	478.9	8.8	487.7	5.9
VAT / other	93.3	1.9	95.2	1.5
Adjustment for Stores not open in both periods	(0.4)	—	(0.4)	—
LFL Sales FY24	**571.8**	**10.7**	**582.5**	**7.4**
LFL Sales Growth	**3.4%**	**+0.1%**	**3.3%**	**-27.4%**

Note percentages are calculated based on absolute figures before rounding.

Profitability APMs

EBITDA

Closest IFRS Equivalent: Operating Profit[1]

EBITDA is earnings before interest, tax, gains or losses on disposal, 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		
	FY25 £m	**FY24 £m**
Operating Profit	**79.3**	**76.4**
Add back:		
Depreciation	45.0	43.5
Amortisation	3.5	2.8
Losses/(gains) on disposal	0.1	(1.2)
Impairment (reversals)/charges	(0.4)	1.1
EBITDA	**127.5**	**122.6**
Deduct unrealised gains on derivative contracts	(1.5)	–
Add back one-off restructuring costs	1.9	–

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

Add back acquisition related transaction costs	0.7	–
Deduct Covid provision release	–	(2.0)
Adjusted EBITDA	**128.6**	**120.6**

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 have been adjusted 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.

In FY25 the Directors have identified the following items that they believe to meet the definition of 'one-off/non-underlying' for this purpose:

- Non-recurring finance charges related to refinancing completed in April 2024 of £0.5 million.
- Transaction costs related to the acquisitions of Garven and Garlanna of £0.7 million.
- Amortisation charged relating to intangible assets recognised as a result of the acquisitions of Garven and Garlanna of £0.3 million.
- One-off restructuring costs of £1.9 million associated with the closure of the Getting Personal platform and streamlining central support operations.
- Unrealised gains of £1.5 million on derivative contracts held at 31 January 2025.

In FY24 the Directors have identified the following items that they believe to meet the definition of 'one-off' for this purpose:

- The gain on bargain purchase related to the acquisition of SA Greetings of £2.6 million.
- A gain relating to the release of Covid-related provisions of £2.0 million
- An impairment charge relating to Getting Personal of £1.1 million

Reconciliation of Adjusted PBT to Profit Before Tax.		
	FY25 £m	**FY24 £m**
Profit Before Tax	**64.1**	**65.6**
Add back / (Deduct):		
Non-recurring refinancing charges	0.5	–
Acquisition-related transaction costs	0.7	–
Amortisation of acquired intangibles	0.3	–
One-off restructuring costs	1.9	–
Unrealised gains on derivative contracts	(1.5)	–
Acquisition gain	–	(2.6)
Covid provision release	–	(2.0)
GP intangible impairment	–	1.1
Adjusted PBT	**66.0**	**62.1**

The following table reconciles the impact of adjusting items as above on Adjusted Gross Profit, adjusted operating profit and Adjusted Profit Before Tax.

Reconciliation of Adjusting items on the Income Statement (FY25)

	FY25 £m	FY24 £m
Gross profit	**193.8**	**184.9**
Add back one-off restructuring costs	0.6	–
Deduct unrealised gains on derivative contracts	(1.5)	–
Adjusted Gross Profit	**192.9**	**184.9**
Operating expenses	(114.5)	(110.5)
Other operating income	–	2.0
Add back acquisition-related transaction costs	0.7	–
Add back one-off restructuring costs	1.3	–
Add back amortisation of acquired intangibles	0.3	–
Add back GP Intangible impairment	–	1.1
Deduct Covid provision release	–	(2.0)
Adjusted operating profit	**80.7**	**75.5**
Finance costs	(15.2)	(13.4)
Gain on bargain purchase	–	2.6
Add back non-recurring refinancing charges	0.5	–
Deduct acquisition gain	–	(2.6)
Adjusted Profit Before Tax	**66.0**	**62.1**

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 calculations under its capital allocation policy, under which the Board targets a dividend cover ratio of between 2-3x Adjusted EPS.

The starting point of the calculation is Adjusted PBT, as calculated above.

Calculation of Adjusted EPS		
	FY25 £m	**FY24 £m**
Adjusted PBT	66.0	62.1
Tax charge	(16.3)	(16.1)
Tax impact of non-underlying items	(0.2)	0.5
Adjusted PAT	49.5	46.5
Weighted average number of shares	346,910,019	343,339,468
Adjusted EPS	14.3p	13.5p

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 is also a 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.

Calculation of Net Debt		
	FY25 £m	**FY24 £m**
Current Borrowings	0.1	7.1
Non-Current Borrowings	73.9	37.9
Add back Debt Issue Costs	1.4	0.7
Gross Borrowings	**75.4**	**45.7**
Less cash	(16.5)	(11.3)
Net Debt (exc. Leases)	**58.9**	**34.4**
Add back Lease Liabilities	110.4	100.8
Net Debt (inc. Leases)	**169.3**	**135.2**

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 and as an assessment of the Group's ability to manage and repay its debt position. Adjusted Leverage is consistent with a covenant defined with-in the Group's financing facilities.

Under its capital allocation policy, the Group targets 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 2025. As described in the financial review above, 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, Net Debt levels are lower and Leverage improved at the year end, after the Christmas season.

Calculation of Leverage		
	FY25 £m	**FY24 £m**
Net debt (as calculated above) A	58.9	34.4
EBITDA (as calculated above) B	127.5	122.6
IFRS 16 depreciation	(36.3)	(35.9)
IFRS 16 impairment reversal	0.4	0.2
Gains on modification/disposal	(0.1)	1.2
IFRS 16 interest	(8.0)	(6.3)
EBITDA less rent costs C	83.5	81.8
Leverage (A/B)	**0.5x**	**0.3x**
Adjusted Leverage (A/C)	**0.7x**	**0.4x**

<u>Cash Flow APMs</u>

Operating Cash Conversion
Closest IFRS Equivalent: No equivalent; however is calculated with reference to Cash from Operating Activities (an IFRS measure) and EBITDA, which is reconciled to Operating Profit in this section

Operating cash conversion is Cash from operations (calculated as cash from operating activities before corporation tax payments) per the cash flow statement prepared in accordance with IFRS divided by EBITDA and expressed as a percentage.

Calculation of Operating Cash Conversion		
	FY25 £m	**FY24 £m**
Cash from Operations	105.6	118.7
EBITDA	127.5	122.6
Operating Cash conversion	**82.9%**	**96.8%**

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.

Adjusted Free Cash Flow excludes the impact of cashflows that are considered one-off in nature. In FY25, this includes £6.1 million of working capital outflow which is deemed one-off due to timing of payments, total fees of £1.6 million related to the refinancing completed in April 2024, transaction costs paid in the year related to acquisitions of £0.7 million and £3.3 million related to repayment of Covid grant funds.

Calculation of Free Cash Flow		
	FY25 £m	**FY24 £m**
Net cash inflow from operating activities	**88.9**	**105.2**
Less:		
Capital expenditure	(18.4)	(27.8)
Lease payments (inc. Interest)	(45.6)	(43.8)
Net finance costs	(7.8)	(6.5)
Proceeds from disposal of fixed assets	0.2	-
Free Cash Flow	**17.3**	**27.1**
Adjusted Free Cash Flow	**29.0**	**27.1**

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

<u>Other Financial Calculation Information</u>

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.