

cardfactory

Creating celebrations for all life's moments

Card Factory plc
FY27 Interim Results (HY27)

29 September 2026



Agenda

Introduction

Darcy Willson-Rymer

Financial Performance

Matthias Seeger

Strategy & Operational Update

Darcy Willson-Rymer

Outlook & Summary

Darcy Willson-Rymer

Q&A

*Darcy Willson-Rymer &
Matthias Seeger*



Section 1

Introduction

Darcy Willson-Rymer, CEO



HY27 overview

Group revenue up 5.3%, with positive free cash generation

- Group sales up year-on-year reflecting contribution from Funky Pigeon.
- Continued pressure on UK consumer sentiment impacted footfall and LFL sales.
- Improved UK store profitability and positive free cash flow.



Focused execution strengthening the foundations for future growth

- New party proposition developed and launched, broadening cardfactory's role across celebration occasions.
- Store segmentation programme, targeted openings and operational improvements.
- Further progress in partnerships, international wholesale and Funky Pigeon integration.



Strong Golden Quarter plans underpin confidence in full-year expectations

- Significant product newness and a broader Christmas offer across cards, gifts, wrap and party.
- Sharper value, clearer in-store value communication and improved seasonal execution focused on driving traffic and conversion.



Section 2

Financial Performance

Matthias Seeger, CFO



HY27 financial summary

+5.3% Group revenue growth

Adjusted EPS increases by +1.6%

**Improved profitability on UK stores despite
challenging consumer environment**

**Containing inflation through benefits of
'Simplify & Scale' programme**

Strong cash generation

**Predictable, sustainable
and growing returns to shareholders**

Revenue

£260.8m

(HY26: £247.6m)

+£13.2m

Adj. EPS

2.9 pence

(HY26: 2.8 pence)

+0.1p/+1.6%

Adj. PBT

£12.7m

(HY26: £13.2m)

-£0.5m

Free Cash

Flow (LTM)

£47.8m

(HY26: £37.9m)

+£9.9m

Net Debt

£87.4m

(HY26: £78.9m)

+£8.5m

Interim

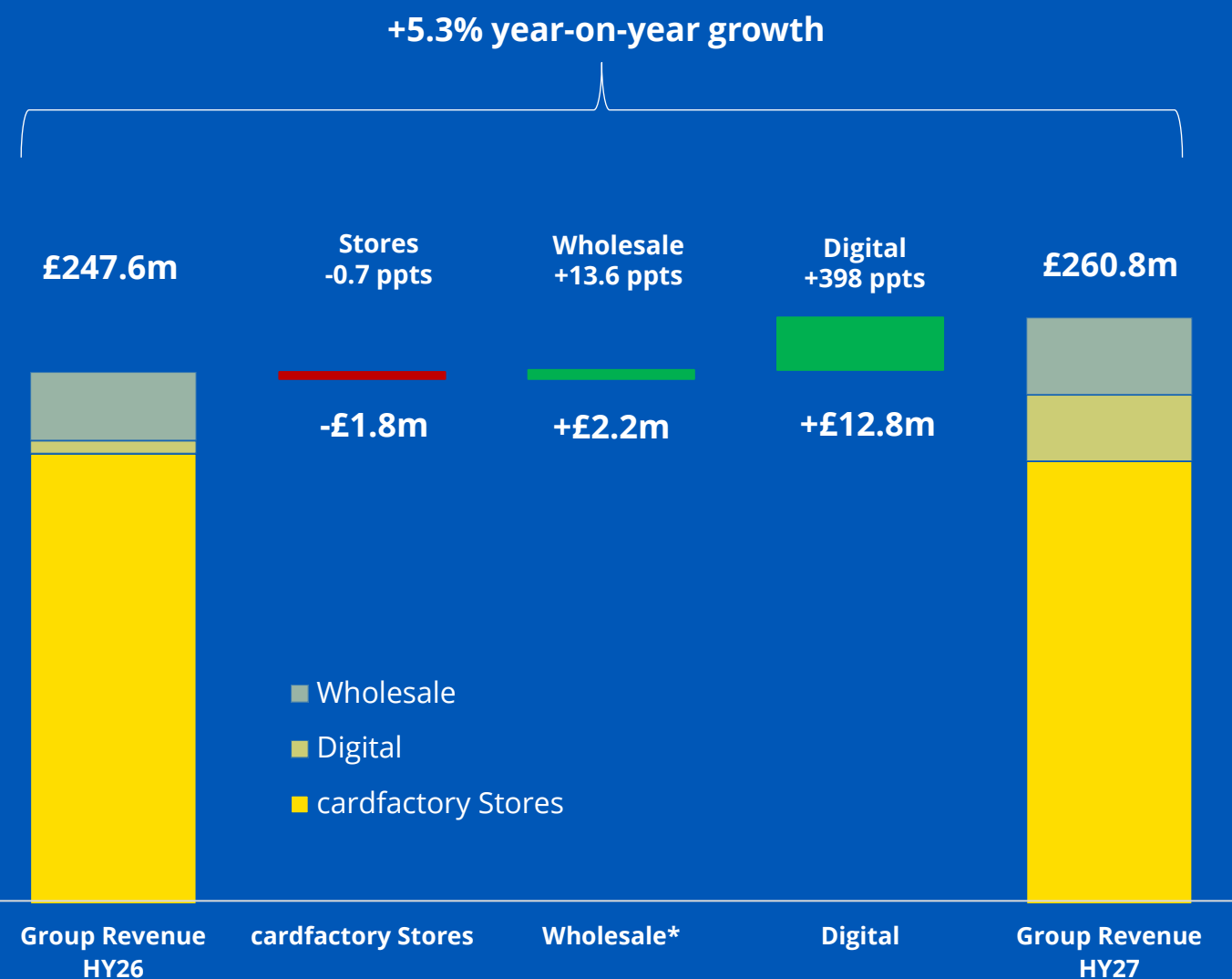
Dividend

1.4 pence

(HY26: 1.3 pence)

+0.1p/+7.7%

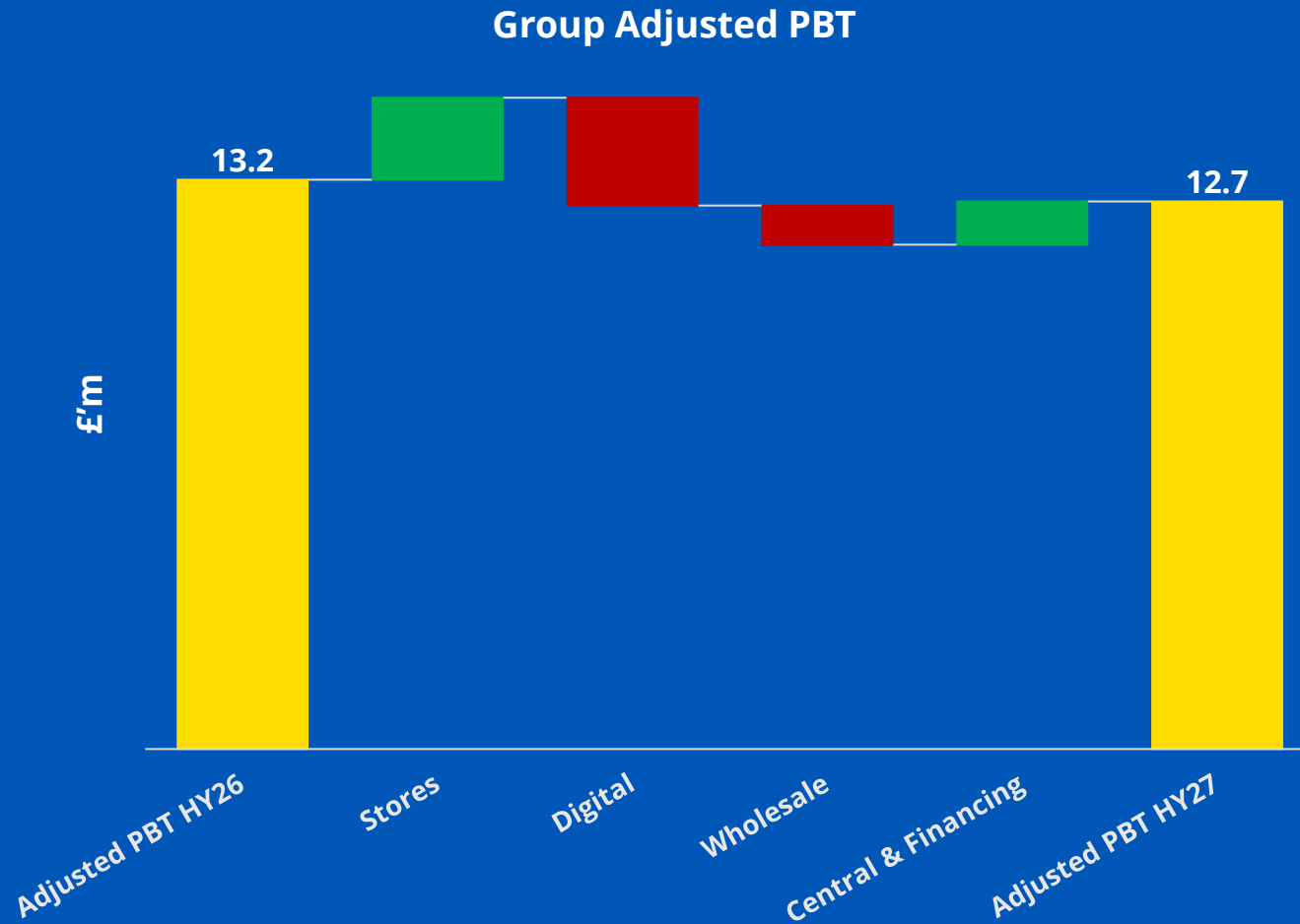
Growth in Group revenue driven by Funky Pigeon



- Total cardfactory sales growth of +5.3%
- Group sales were flat, excluding impact of Funky Pigeon acquisition
- Store sales down -0.7% (UK: -1.5%, Republic of Ireland +24.3%)
 - UK affected by low consumer confidence and resulting soft footfall (-2.3% LFL sales), partially offset by net new stores.
 - +5.6% LFL sales in Republic of Ireland.
- Double-digit organic wholesale sales growth
 - Republic of Ireland and US businesses performing in line with expectations.
- Digital sales growth +398% reflects acquisition of Funky Pigeon
 - Focus on integration and unlocking synergies.

*Wholesale includes partnership arrangements managed from the UK plus international businesses (SA Greetings, Garven, Garlanna)

Group Adj. PBT reflects store performance balanced by investment in digital



Improved stores profitability

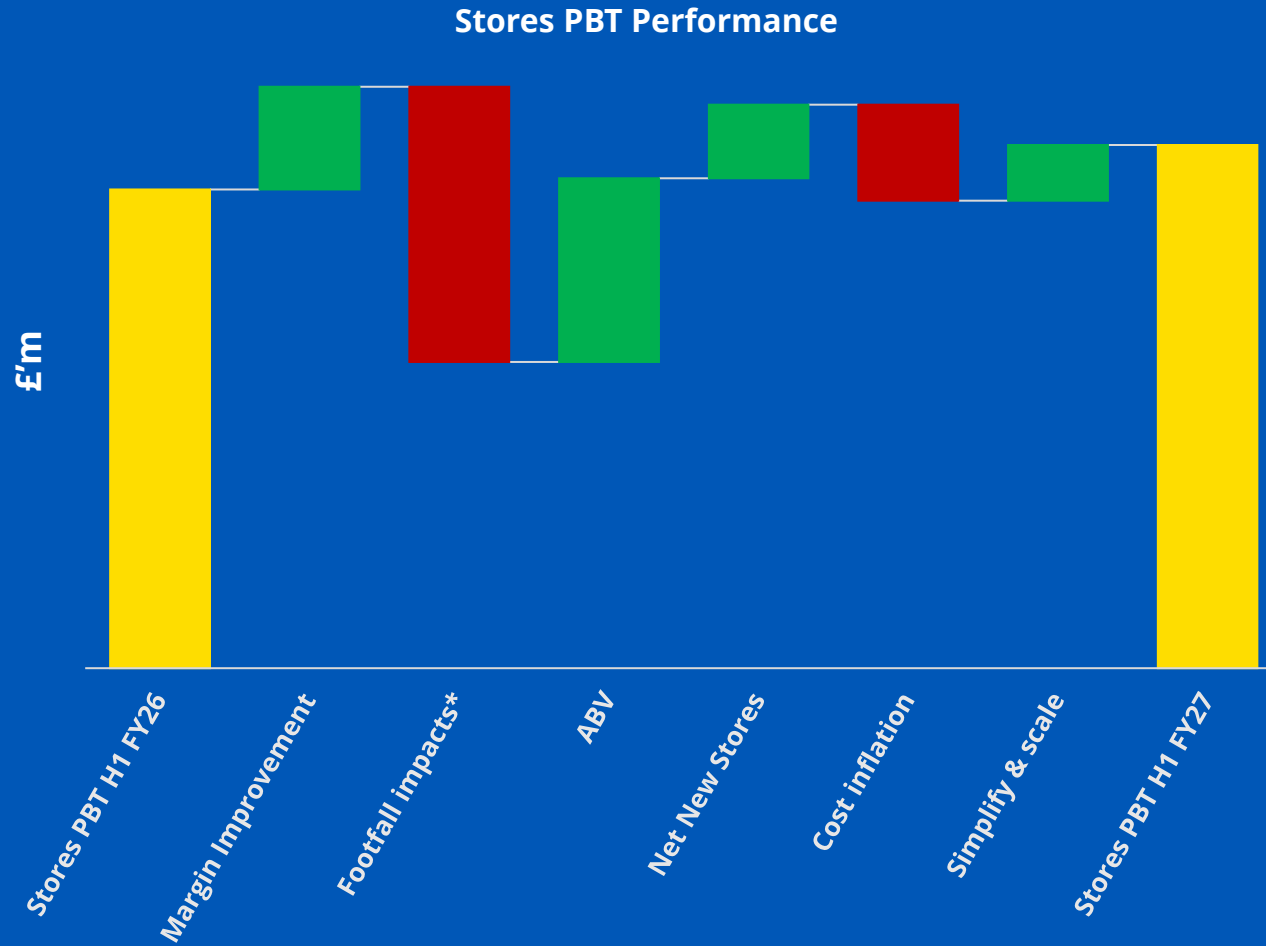
- Higher product margins and lower costs.
- Benefits of actions on range, pricing, sourcing and operational efficiency.

Digital and wholesale divisions reflect investment in future growth

- Digital in transitional year with investment in integration and marketing.
- Growth and investment in wholesale and international. SA Greetings performing behind expectations.

Continued close control of operating costs and benefits of 'Simplify & Scale'

Stores improved profitability against a challenging UK consumer backdrop



- 200bps improvement in product margin through efficient assortment & stronger in-store execution
- Macro picture remains challenging
 - Weak consumer sentiment, hot weather and lower disposable incomes among our core customer groups.
- Becoming a celebration destination
 - Average basket value (ABV) improvement reflects increased share of celebration products.
 - Maintained card market share position.
- 'Simplify & Scale' mostly offset the impact of inflation driven by NLW increases

**BRC
Footfall**
-3.5%

*Feb-Jul, pro-rata to
cardfactory locations*

**GFK
Consumer
Confidence**
-21pts

Feb-Jul Average

Continuing to build our profitable store estate

Stores Revenue

£226.0m
(HY26: £227.8m)

Adj Store EBITDA

£50.4m
(HY26: 47.7m)

Stores LFL Sales

-2.0%
(HY26: +1.5%)

Average Basket Value (stores)

£5.13
(HY26: £4.95)

Sales share of gifts & celebration essentials (in-store)

55.4%
(HY26: 53.4%)

H1 Net New Stores

+9
(HY26: +13)

- Store estate remains highly profitable and cash generative
- Adjusted EBITDA improved by +5.7% through higher product margin and efficiencies
- Sales of £226m, down -0.7% with LFL of -2%
 - +5.6% LFL in Republic of Ireland behind strength of proposition.
 - -2.3% LFL in the UK reflecting consumer sentiment and macro-economic challenges.
- Continuous growth of ABV and proportion of total sales from celebration, gifts and party products
- 1,126 store estate at 31 July 2026:
 - +23 net new stores in LTM.
 - +9 net new stores in H1 (13 openings, 4 closures).
- Right range, space and customer proposition for each location



Containing inflation through self-help measures

'Simplify & Scale' Structured multi-year programme



£60 million

*Inflation absorbed
over last three
financial years*

**£10 million
in FY27**

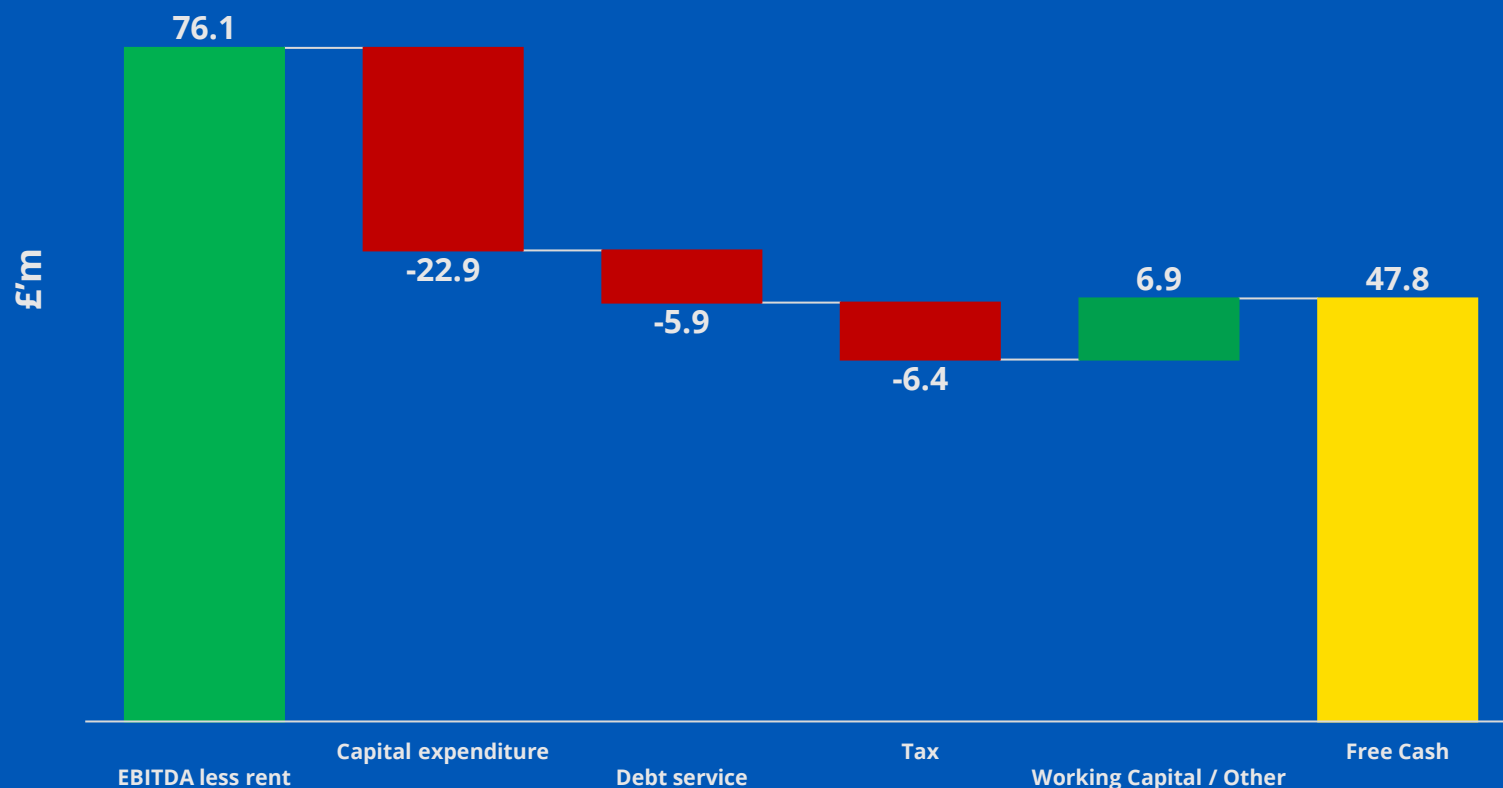
*3-4% Inflation in
FY27*

**40%
delivered in
H1**

- **Containing the impact of inflation on our cost base**
- **Plans on track in FY27 to deliver expected benefits**
 - Store hours optimisation.
 - Warehouse and central efficiencies.
 - Insourcing third-party production.
 - Simplifying and automating support centre activities.

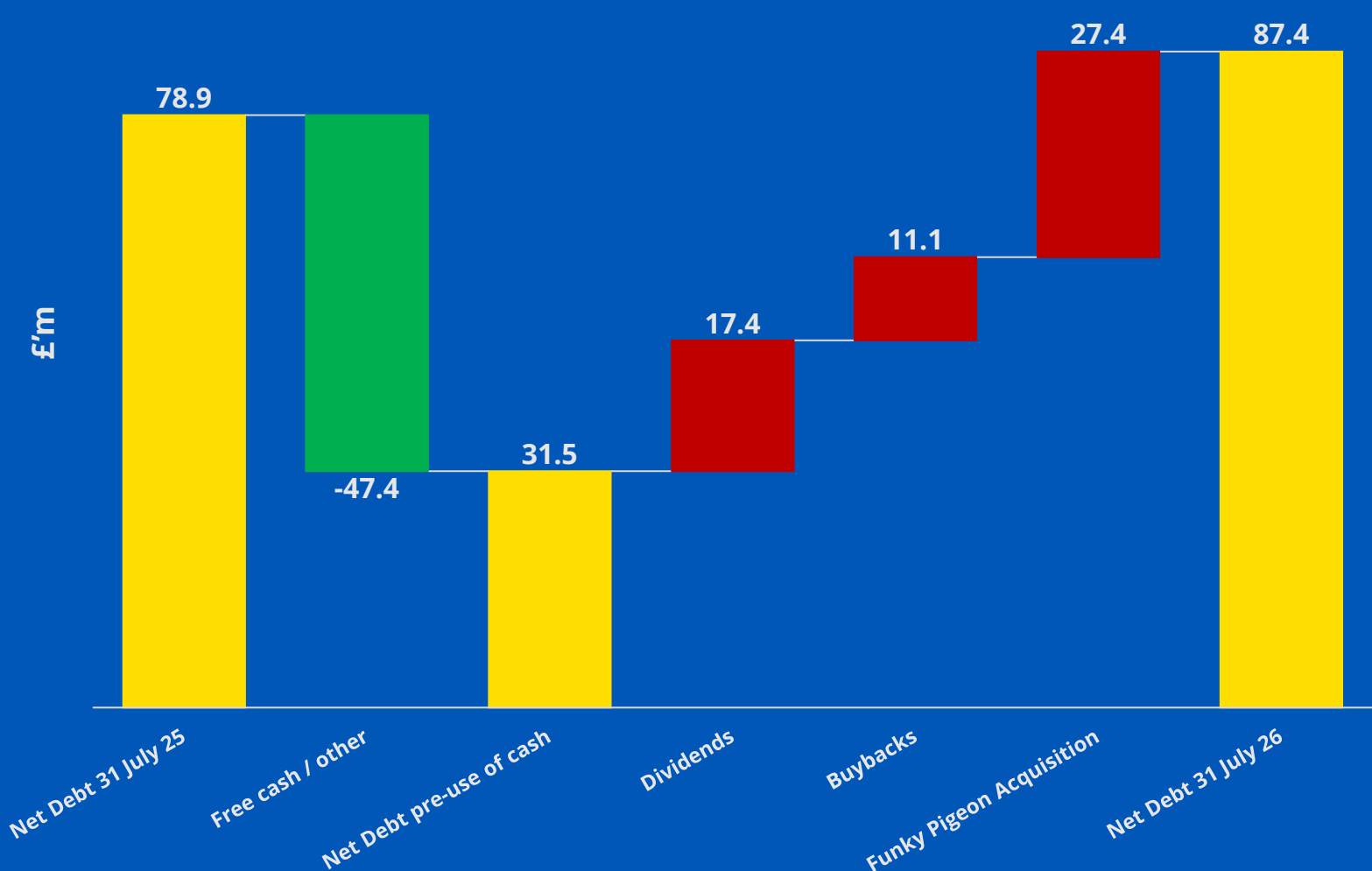
Strong, positive free cash generation in H1

LTM Free Cash Generation



- Strong free cash flow of £47.8m in LTM
- Positive free cash generation of £0.8m in HY27 – substantially improved in the context of high seasonal cash outflows
 - Improved working capital.
 - Capital expenditure of £11.8m (vs £7.6m in HY26) includes investments in manufacturing capability and new HR system.
- Free cash in FY27 projected to be >£30m:
 - Continuous strong cash generation expected.
 - Lower end of cash conversion target due to one-off capital spending on Funky Pigeon integration and to enhance manufacturing capability.

Maintaining a strong balance sheet



Adjusted Leverage
1.1x
(HY26: 1.0x)

Target Leverage
<1.5x

- Continued strong free cash performance
- Dividends and buybacks totalling £28.5 million in last 12 months (to HY26 end)
- Funky Pigeon acquisition £25.7m plus costs, funded by extending existing debt facilities
- Adjusted Leverage at 31 July 2026 just below 1.1x, comfortably inside 1.5x maximum target
- Total RCF facilities £160m with available cash and committed facilities at 31 July 2026 of £70.9 million

Free cash/other: includes £0.4m non-cash movements affecting net debt,
Dividends: Interim and final dividends for FY26.
Buyback: to mitigate dilution of earnings through employee share scheme and shares repurchased and cancelled in 12 months ended 31 July 2026.
Funky Pigeon acquisition £25.7m after completion adjustments, plus £1.7m transaction costs.

cardfactory's approach to generating attractive returns for our shareholders

Capital Allocation Policy

Maintain a strong balance sheet

Invest to deliver our plans

Sustainable, growing dividends

Return surplus cash to shareholders

Mid-term targets

Mid-single digit % sales growth per annum

+

Mid-to-high single digit % profit before tax growth per annum

+

Free cash conversion at a rate of 70-80%

=

Highly attractive total return potential for shareholders

Key drivers

Store LFL growth + New store growth + Digital/ Wholesale

'Simplify & Scale' efficiency programme + Operational leverage from vertical integration

Disciplined capital investment + Working capital management

Strong profit growth + Progressive dividend + Potential for additional returns

Sustainable, progressive cash returns to shareholders

☛ Interim dividend

- 1.4 pence per share/ £4.6 million payable in December 2026, up by 7.7% versus last year.
- Based on expected progressive full-year dividend.

☛ Share buyback of £15 million ongoing

- Completion expected in Oct 26 (83% completed by 25 Sept 2026).
- Purchased shares are being cancelled.

☛ Intend to launch anti-dilution share purchase programme, £3 million

- To commence upon completion of £15 million buyback.
- Shares held in treasury to settle future employee share scheme issuances and prevent dilution.

☛ Attractive, resilient shareholder returns

- Strong resilient cash generation.
- Reliable, progressive dividends with recent yield of 6-7%.

**HY27 Interim
dividend**

1.4p

(HY26: 1.3p)

**£15m Share
Buyback**

83%

Completed

*At 25 September
2026*

Section 3

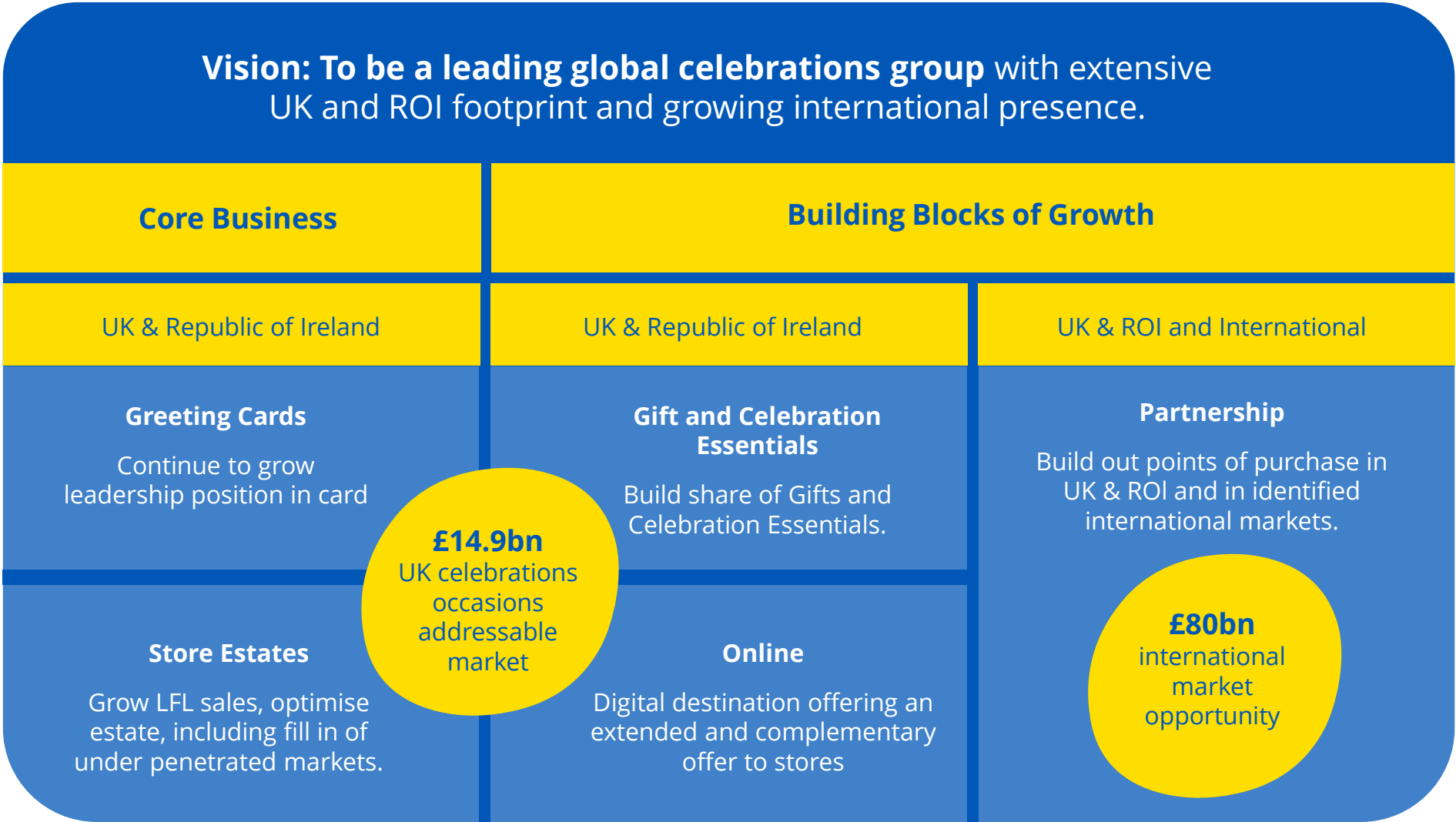
Strategy Update

Darcy Willson-Rymer, CEO

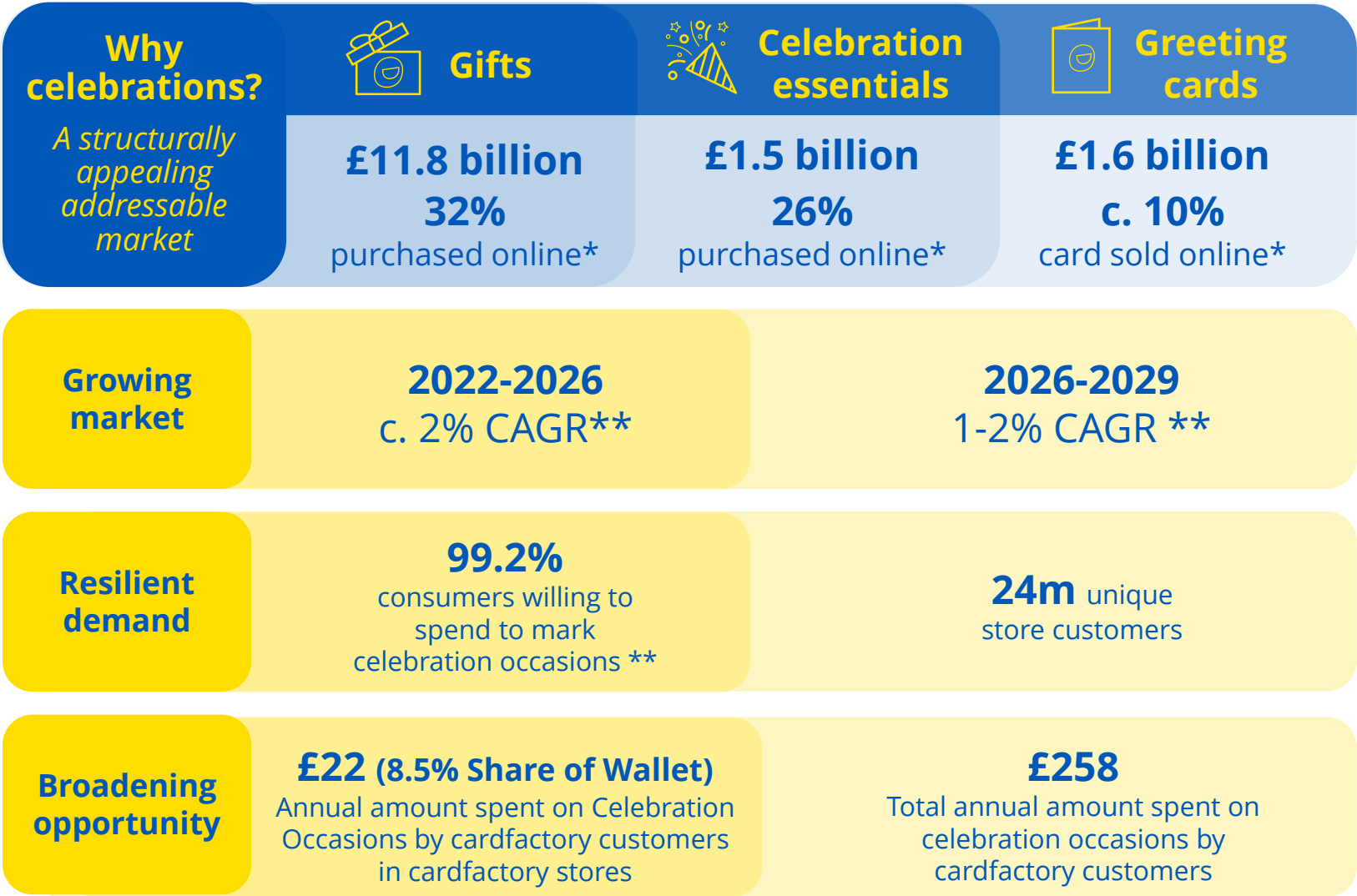


Building Blocks of Growth

- 1 Increasing our share of the celebrations market
- 2 Reaching more customers
- 3 Unlocking international opportunity



The UK celebration occasions market opportunity





Capturing more of the celebration

Broadening the offer beyond cards into complementary categories.



Growing the value of each occasion

Encouraging bigger baskets and greater share of spend.



Shifting the growth model

Evolving from cards-led to multi-category celebrations retailer.

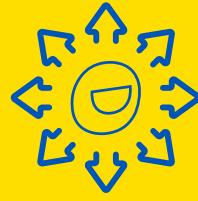
Delivering against our strategic priorities



Increasing our share of celebrations market

FY27 priorities

- Expand key celebration categories.
- Maintain card leadership through value and range.
- Continue in-store space optimisation and store segmentation.



Reaching more customers

FY27 priorities

- Continue targeted store expansion.
- Bring the best of cardfactory.co.uk and Funky Pigeon together into one digital business.
- Create the foundation and capability to acquire new digital customers through our omnichannel proposition.



Unlocking international opportunity

FY27 priorities

- Progress retailer discussions and expand wholesale reach.
- International businesses as platforms for further growth.
- Move North America from test and learn towards activation.



Spotlight on Store Segmentation



- Multi-year test and learn programme that builds on the success of space optimisation.
- Supports our focus on capturing more of customers' annual celebration spend using customer and basket data to enable space, range and flow to be tailored to different customer missions.
- Progress to date:
 - Party & Gift-led: for customers focused on party & gifts missions.
 - 118 stores updated in H1 FY27.
 - Sales 1.6ppts ahead of the rest of the store estate.
 - Cross-Category: for customers who see cardfactory as their celebration destination.
 - Test-and-learn commenced in 20 stores in H1 FY27.
 - Sales 1.9ppts ahead of the rest of the store estate.
 - Further suitable stores to rollout in FY28.

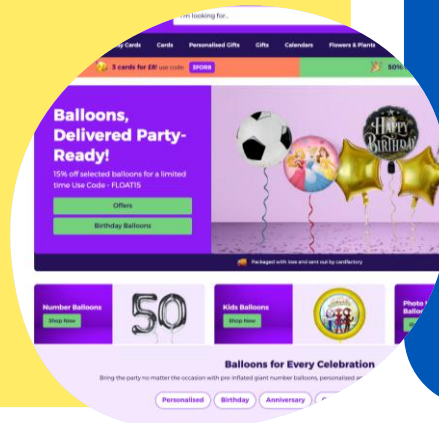
Spotlight on creating one digital business



Reaching
more
customers

Funky Pigeon integration & synergy delivery:

- Progressing through planned transition year, with integration and delivery of expected £5m synergies from FY28 remaining on track.
- H1 integration progress includes:
 - Fulfilment optimisation and integration well underway with all parcel orders now fulfilled in Baildon; all card fulfilment to move to Guernsey in H2.
 - Completed team and agency integration and restructure.
 - Good progress on moving both brands to a single tech platform.



Investing for future growth:

- Clear brand positioning with a differentiated product strategy.
- Reinstated Funky Pigeon brand marketing, supported by improved performance marketing.
 - +11% growth in new customers YOY in H1.
- Continuously improving onsite experience and evolution of search capability underway.
- Funky VIPs membership +46% YOY (H1).
 - Now 16% of the active customer base.

Spotlight on the Republic of Ireland



Organic store expansion

- 49 stores at 31 July 2026, building a nationwide presence since market entry in 2017.
- Republic of Ireland stores continued to perform strongly, with total store sales increasing by 24.3% year on year and like-for-like sales increasing by 5.6%.
- Disciplined organic expansion into an underpenetrated market, applying established approach to site selection, flexible leases and low-cost operation.
- Estate model targeting 24-month payback, with limited cannibalisation and significant remaining white space.
- c.50% estate growth targeted over the next five years, through selective expansion into remaining underpenetrated locations.



Extending our reach through Garlanna

- Garlanna provides established wholesale platform alongside cardfactory's growing directly operated store estate.
- cardfactory seasonal and everyday products introduced to Garlanna in H1.
 - Card, bag, wrap and gifting solution for wholesale customers.
 - Key differentiator from competitors.
- Successful trial and subsequent rollout demonstrates opportunity to leverage the Group's product portfolio and extend reach beyond own store network.

Section 3

Operational Update

Darcy Willson-Rymer, CEO



Operational progress made through H1 provides a strong platform for H2

The RANGE
to grow in
celebrations



Delivering
VALUE for
customers



IN-STORE
COMMUNICATION
that drives
sales



SPACE that
performs





The RANGE to grow in celebrations

- Significant product newness across the Golden Quarter.
- New party proposition rolled out in mid-July with party sales +13% LFL.
- Stronger cross-category merchandising to capture more of each celebration mission.
- Product and range decisions increasingly informed by customer insight and local demand, supported by investment in improved forecasting, replenishment and stock allocation.





Delivering VALUE for customers

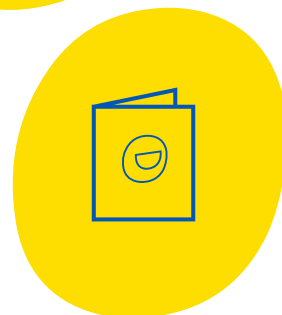
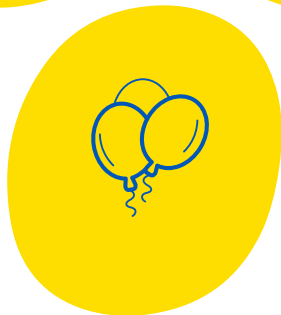
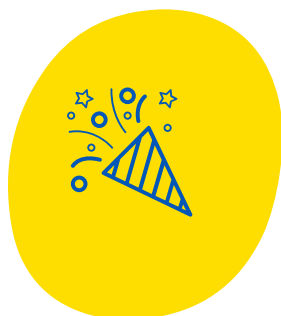
- Targeted investment in pricing, choice and promotions.
- Sharper opening price points across key card lines.





SPACE that performs

- Multi-year test & learn store segmentation approach.
- Optimising space to support the evolving mix across cards, gifts, celebration essentials and party.
- Maintaining a targeted programme of openings in underpenetrated locations.



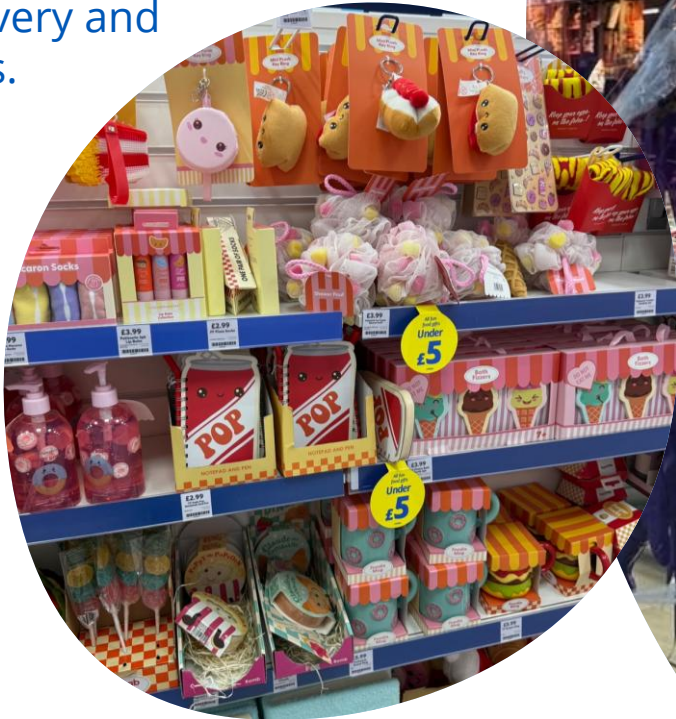
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IN-STORE COMMUNICATIONS that drives sales

- Reflecting consumer focus on value, updated messaging rolled out across the estate.
- Improved merchandising and seasonal theatre to create a more engaging celebration experience.
- Stronger cross-category signposting to support discovery and attachment sales.



Section 3

Plans and preparations for the Golden Quarter and Christmas



Plans and preparations for the Golden Quarter and Christmas



Sharper opening price points and compelling promotions



Significant product newness



More reasons to visit



'Tis the season to save

Great value Christmas cards **99p**

For more brilliant ways to *save* visit cardfactory.co.uk/offers

100's of cards at 99p or less

Plans and preparations for the Golden Quarter and Christmas



Broader
celebration
offer



Even clearer
value



Cross category
merchandising



Section 4

Outlook & Summary

Darcy Willson-Rymer, CEO

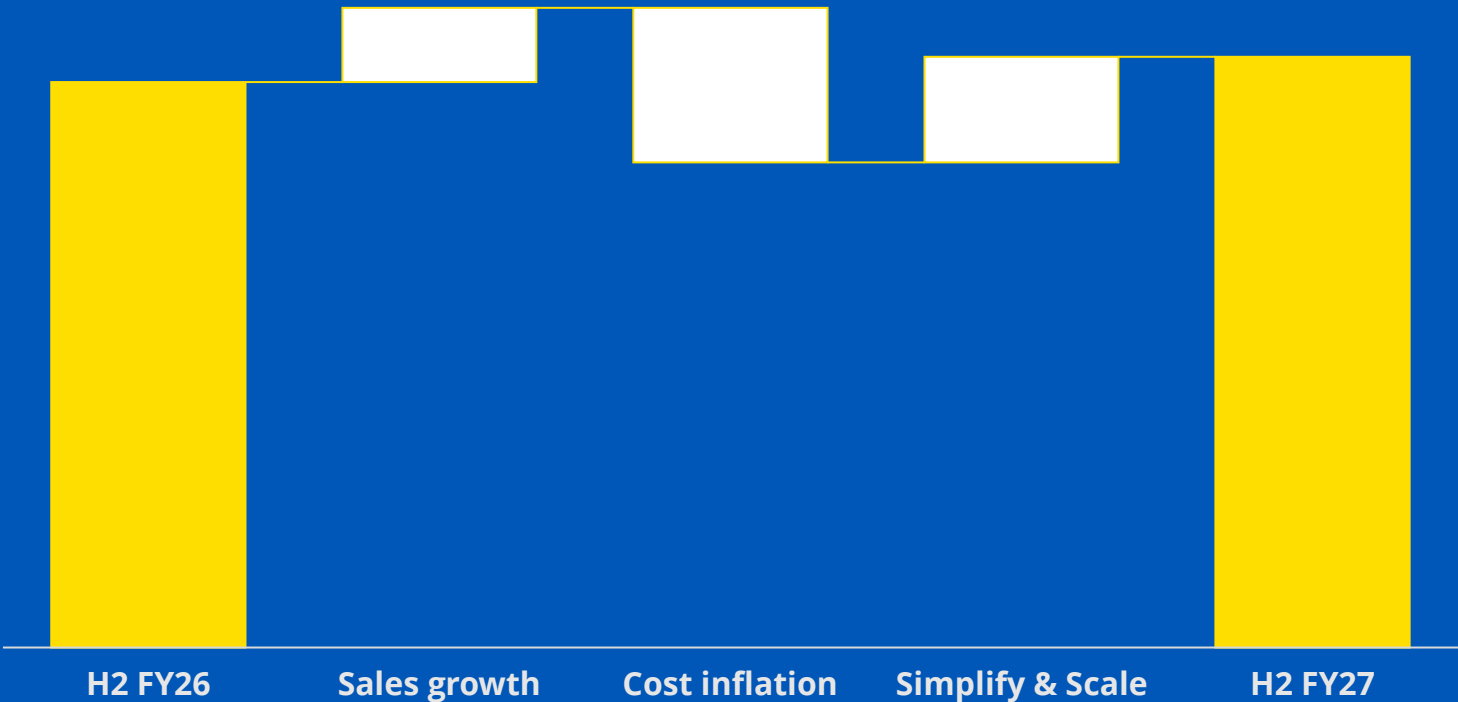


Priorities for H2 to deliver FY27 in line with expectations

Deliver year-on-year H2 PBT growth through:

- 1. Execution of strong commercial plans to deliver sales growth across channels.
- 2. Driving stronger operational execution through improved stock allocation and availability.
- 3. Continued efficiency in our operations and delivery of 'Simplify & Scale' benefits.

PBT H2: FY26 vs FY27



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

Group Outlook for FY27

- We recognise the consumer environment remains uncertain.
- Actions taken through H1, providing a stronger platform as we enter H2.
- Strong Golden Quarter plans are in place.
- 'Simplify & Scale' programme continues to drive efficiency and productivity.
- As a result, the Board remains confident in delivering expectations for Adjusted PBT in FY27*.



HY27 in summary

- Group revenue growth and increased store profitability in a challenging environment.
- Strategic and operational progress focused on strengthening stores and broadening cardfactory's role in celebration occasions.
- Building foundations for future growth in digital, wholesale and international.
- Progressive dividend and previously announced £15 million share buyback 83% complete.
- Confident in full-year delivery, underpinned by a strong Golden Quarter plan.



Q&A

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