Card Factory

It looks like a gift

Outlook note

Retail

28 October 2025

Card Factory (CARD) made good progress on its strategy to become a leading global celebrations group in FY25. In the UK, further development of its product categories and space expansion led to market outperformance, while its international presence was boosted by extending existing relationships and M&A. Management expects the recent acquisition of funkypigeon.com to provide a meaningful fillip to its online capabilities and growth aspirations. CARD's attractive medium-term growth prospects and rapidly de-gearing balance sheet provide plenty of flexibility in how to deploy its capital above and beyond existing cash returns. These are not reflected in its valuation with c 64% upside to our revised DCF-based valuation of 169p/share and a double-digit equity free cash flow yield.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
1/24	510.9	64.2	13.85	4.50	7.4	4.4
1/25	542.5	67.8	14.75	4.80	7.0	4.7
1/26e	600.9	73.0	15.59	5.20	6.6	5.0
1/27e	647.2	80.1	17.04	5.50	6.0	5.3

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments and fully diluted.

More products to more customers in more markets

Management identifies three key drivers of growth in transforming to a leading global celebrations group. From a revenue perspective these include: reaching more customers in more locations through a combination of targeting under-penetrated markets in the UK and Ireland and developing a presence in attractive international markets; and increasing its share of the UK celebration occasions market by gaining share of wallet across newer product categories to complement its market leadership in greeting cards. From a profit perspective CARD will leverage its vertically integrated model to drive efficiency and lowest cost to operate.

Attractive new medium-term guidance

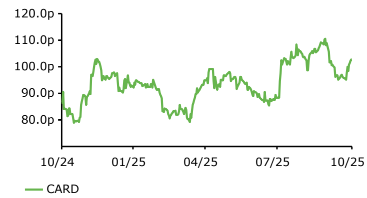
With the FY25 results management introduced new guidance for the medium term, targeting mid-to-high single-digit profit growth in adjusted PBT after FY26, implying margin growth on mid-single-digit revenue growth. Relative to previous FY27 targets, the guidance reflects better growth by cardfactory stores, lower growth for online, underlying growth for partnerships instead of factoring in new partnerships, and higher industry-wide cost inflation than previously anticipated. With the H126 results, management provided guidance for the acquisition of funkypigeon.com. With high free cash conversion, 70–80% of adjusted earnings, we estimate CARD should de-gear quickly, with net cash by FY28 assuming no surplus cash returns.

Valuation: Compelling versus peers and DCF

There is a clear valuation disparity between CARD and its quoted peers with a c 45% discount using P/E multiples despite our forecasts for comparable revenue growth and higher profitability. The attractive valuation is confirmed with an equity free cash yield that increases from c 10% in FY26 to 18% in FY28 and our updated DCF-based valuation of 169p per share (from 200p per share previously) as we factor in the new guidance, the acquisition of funkypigeon.com and a higher WACC.

Price	**103.00p**
Market cap	**£362m**
Net debt at 31 July 2025, excluding IFRS 16 liabilities	£(78.9)m
Shares in issue	351.3m
Free float	88.7%
Code	CARD
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(10.7)	11.8	16.6
52-week high/low		115.0p	70.3p

Business description

Card Factory is the UK's leading specialist retailer of greeting cards, gifts and celebration essentials. Its UK and Ireland customers are served via an extensive store estate and digital channels. Partnerships and franchises provide further access to UK and international customers.

Next events

Trading update	January 2026

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Edison profile page

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Investment summary

Many growth levers

CARD is the UK's leading specialist retailer of greeting cards, gifts and celebration essentials. Management's strategy, 'Opening Our New Future', has positioned the company in larger addressable markets of related products, which it expects will provide greater growth opportunities, making CARD less reliant on the fortunes of the core product category, which has historically been low growth but relatively resilient, and its domestic market. In the UK, it benefits from an extensive store portfolio, which continues to grow, and online sites. In addition to providing growth in both distribution channels, management believes better use of the offline and online assets are enabling it to boost customer loyalty and spend by offering new services, as evidenced by the success of click and collect (C&C). In addition to the growth opportunities in the UK, management has identified seven key international markets, in which the population has a high propensity to give cards and gifts, where it believes the brand proposition will resonate. This is not completely new territory for the company, as it has an established 'partnership' model with a number of other companies in the UK and in three of the seven identified international markets.

Financials: Guidance implies rapid de-gearing of balance sheet

FY25 was a good year with c 6% growth in both revenue and adjusted PBT. The key contributors to this growth were the core cardfactory stores and partnerships, which included some benefit from M&A, while online revenue growth was limited, partly due to a change in focus to more personalised products. At the time, management updated its financial guidance so that in the medium term, post FY26, it targets mid-single-digit revenue growth and margin accretion so that adjusted PBT increases at a greater rate, with mid-to-high single-digit growth on an annual basis. The guidance for higher growth in FY26, mid-to-high single-digit growth of revenue and adjusted PBT, includes the annualisation of international partnership revenues acquired during FY25. Along with the guidance of profitability, management also guided to high free cash conversion of 70–80% of adjusted earnings after FY26. The subsequent H126 results demonstrated good revenue growth helped by the first-time contributions from acquisitions completed in FY25, as well as the typical seasonality of CARD's profit generation. The acquisition of funkypigeon.com leads to an increase in the expected growth rates, and it should become a meaningful contributor to the group over the next three years. Our forecasts suggest the company will move to a net cash position excluding IFRS 16 liabilities in FY28, which provides management with lots of flexibility in how it allocates its capital between investment, including M&A, and further shareholder returns.

Valuation: Compelling on all measures

We believe CARD's valuation continues to look compelling from many viewpoints. Our updated DCF-based valuation of 169p per share (from 200p per share) reflects a combination of the changes to our estimates in accordance with management's new guidance and a higher weighted average cost of capital (WACC, from 8.5% to 9%), which takes into account an increase in both the risk-free rate (to 4.7% from 4.0%) and the equity risk premium (to 5.1% from 4.9%, source: Damodaran). Relative to its quoted peers, which are not a perfect comparison due to category and geographic exposure, CARD is valued at a significant discount using prospective EV/sales and P/E multiples despite our estimates for comparable revenue growth and higher profitability versus the medians of these peers (see Exhibit 16). In Exhibits 17–19 we show that CARD's prospective valuation multiples are also at a significant discount to its own historical multiples, despite enjoying better profitability and cash generation.

Sensitivities: Competition, online growth and international development

While many of the growth opportunities play to the strengths of CARD's brand and value proposition, and it has already made good progress with its new growth initiatives, we believe the key sensitivities are: the product categories are highly competitive and some are low growth; it is in the early stages of leveraging its brand online; developing international partnerships in new countries presents execution and macroeconomic risks; overseas sourcing brings potential for supply disruption and exposes the company to changes in foreign exchange; and the expansion into new categories and business areas may provide margin headwinds.

All about the celebration

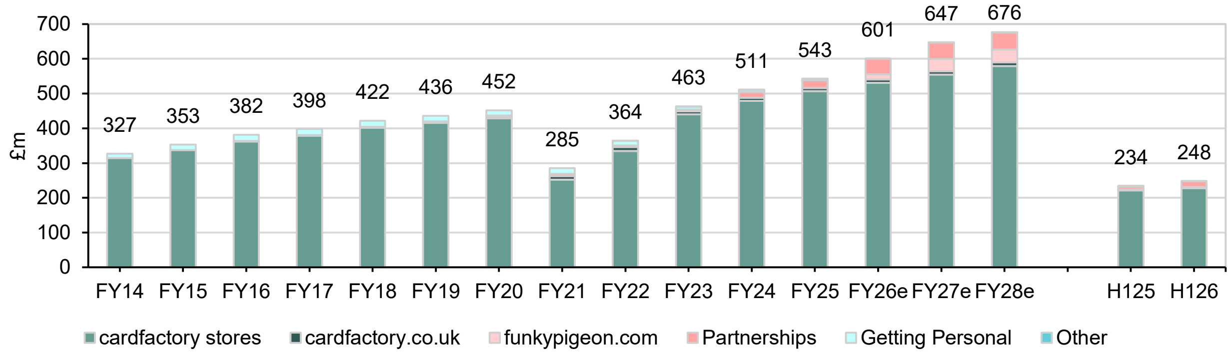
CARD is the UK's leading specialist retailer of greeting cards and has expanded its focus into other complementary categories – celebration essentials (balloons, party supplies, gift wrap and bags) and gifts (soft toys, stationery, books, candles, etc) – with a strategy to build its presence online and in select international markets.

CARD opened its first UK store in Wakefield (the company is headquartered in the city) in 1997 and has grown its estate, mainly organically but also some through transactions, to 1,090 stores as at the end of January 2025. As the company grew, it acquired warehousing and distribution (2003), design (2005) and manufacturing (2009; Printcraft is the largest greeting card manufacturer in Europe) capabilities, to become a vertically integrated supplier of the majority of the cards it sells.

To complement its physical stores, CARD has an online presence via two transactional websites, cardfactory.co.uk which was launched in 2012, and funkypigeon.com that was acquired from WH Smith in August 2025. Prior to its January 2025 closure, the company also operated Getting Personal, an online retailer of personalised gifts, which it acquired in 2011.

In addition to expanding its own store footprint in the UK and Ireland, CARD has expanded into other countries (Australia, the Middle East, South Africa and the US), where customers have a high propensity to give cards and gifts, through partnerships and wholesale arrangements and via acquisition.

Exhibit 1: Card Factory's revenue constituents



Source: Card Factory, Edison Investment Research

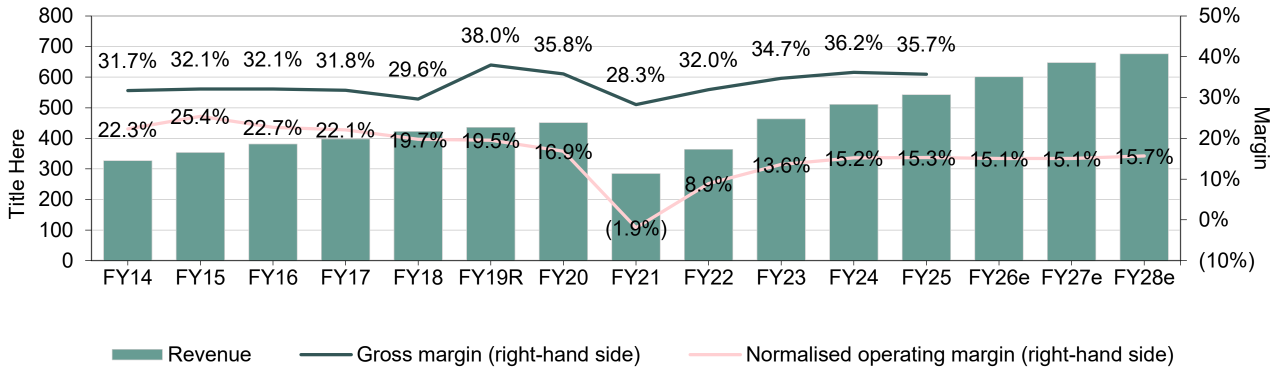
CARD historically focused on the value and mid-market segments of its product categories, offering better value at each price point than its competitors. With an initial focus on cards, the product categories expanded to complementary products associated with card giving so that non-card (ie gifting and celebration essentials) make up more than half of revenue. Today, it also offers products with higher price points, albeit maintaining its relative value proposition versus its peers is core to the brand offer. The pricing strategy is built around intelligently stretching average selling prices with a 'good, better, best' approach that ensures value for money across all categories.

CARD's vertical integration enables it to offer differentiated and high-quality products and to better control costs with the aim of offering affordable prices to its customers. The vertical integration enables the company to react to changes in market trends and produce more of the items that are selling well. This is further helped by improved data gathering from its store portfolio and online activities. In addition to its own cards, the customer offer is rounded out by third-party products (eg licensed cards). In FY25, 90% of cards, 75% of gifts and 80% of celebration essentials were designed in-house.

At the time of the company's IPO in May 2014, there were four pillars to the strategy: continue delivering like-for-like sales growth; expand the store base to 1,200 stores (from 713 at end-FY14), including 100 store in the Republic of Ireland; control costs to deliver best-in-class margins; and develop online activities, which represented c 6% of the greeting card market at the time. The strategy produced good long-term revenue growth, but profitability suffered despite relatively resilient gross profit margins.

We can see from Exhibits 1 and 2 that the company has a successful history of growth, with a decline only in FY21 due to the COVID-19 pandemic, and management's new strategy, discussed below, has stabilised and improved profitability despite the high levels of cost inflation in the last couple of years.

Exhibit 2: Card Factory's revenue and profitability



Source: Card Factory, Edison Investment Research

'Opening Our New Future' strategy

The CEO, Darcy Willson-Rymer, was appointed in May 2021, while the company was managing the effects of the COVID-19 pandemic. The company's new strategy, 'Opening Our New Future', was announced in FY22 and was subsequently presented in detail at the capital markets day (CMD) in May 2023, along with the presentation of FY23 final results.

Delivery of the strategy would mean that CARD becomes:

- The omnichannel brand helping customers every day to celebrate life's special moments.
- The UK's number one destination for all customers seeking unrivalled quality, value, choice, convenience and experience.
- A global competitor putting cards and gifts in the hands of more customers.

There are three key drivers of growth in transforming CARD to a leading global celebrations group:

- **Reaching more customers in more locations**. Broadly, this involves continuing to grow its store estate in the core markets of the UK and Ireland and further developing its international presence via partnerships in a global celebrations market estimated to be worth £80bn, significantly increasing its addressable market. The company has previously identified seven core international markets where the brand should resonate with customers, given that there are apparent gaps in these markets for value and quality products. CARD continued its international expansion in FY25 by entering into the US market and through another acquisition that grew its presence in the Republic of Ireland.
- **Increasing its share of the £13.4bn UK celebration occasions market**. From its historical core focus on greeting cards, over time CARD has leveraged its growing omnichannel presence into the much larger and growing gifts and celebration essentials market. As shown in the section on the stores below, entering these markets has been hugely beneficial to CARD's financial results. With an estimated 24 million customers in FY25, management believes it can continue to gain share of wallet at a similar rate as it has in the last two years following the introduction of the new strategy. This applies in both the company's stores and its online activities, with omnichannel initiatives such as C&C.
- **Leveraging its vertically integrated model to drive efficiency and lowest cost to operate.** Management believes its vertically integrated business enables it to respond quickly to changes in customer tastes and needs and its multi-year 'Simplify and Scale' efficiency and productivity programme will continue to deliver a structural reduction in the underlying cost base. Key initiatives during FY25 included the implementation of a new labour management system to enable prioritisation of value-add customer service activity and remove store inefficiencies.

As we show in the following sections, two years after the CMD, the company has made progress on the strategy, leading to good growth in FY25, with year-end results in line with our prior estimates.

With the publication of the FY25 results management updated its financial guidance. In the medium term (ie after FY26) it will target the following on an annual basis:

- Mid-single-digit sales growth.
- Mid-to-high single-digit percentage growth in adjusted PBT, indicating it expects the margin to increase each year.
- Free cash generation of 70–80% of adjusted earnings.
- A sustainable, progressive dividend based on 2–3x dividend cover ratio on adjusted earnings. Since the company reinstated dividend payments in FY24, the earnings cover on the declared dividends has been at the top end of the 2–3x range. As we demonstrate in the Financials section, our estimates of the company's free cash flow suggest CARD will be approaching a net cash position by the end of FY27, excluding IFRS 16 liabilities, suggesting plenty of flexibility in how it deploys it capital between investment and/or cash returns.

In the Financials section we show how applying the new guidance from beyond FY26, as well as the new targets for FY26, mid-to-high single-digit revenue and profit growth aided by the annualisation of M&A from FY25, produces lower forecasts for FY27 than targeted at the CMD in 2023. The key drivers to the change can broadly be summarised as changes in growth expectations for the main divisions: core stores being ahead of expectations while partnerships and online are lower than anticipated; and cost inflation has been much higher than originally anticipated when the targets were set.

In the following interview, the CEO provides an update on progress made with the strategy, the H126 results and the importance of the acquisition of funkypigeon.com.

Card Factory – executive interview

Source: Edison Investment Research

Stores: The core of the growth story

An extensive and refreshed store estate to accommodate newer product categories is central to CARD's growth story, selling more products to more customers, and critical to the provision of omnichannel retail to customers given that they represented more than 90% of the company's revenue in FY25.

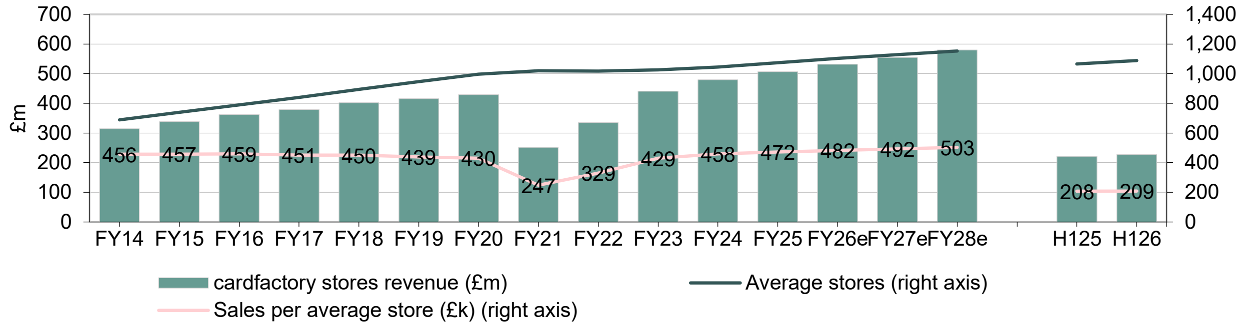
In FY25 the company made good progress, with store revenue growth of 5.8% to c £507m, including like-for-like growth of 3.4% and a contribution from new space growth of c 2.4%. Between H125 and H225 the like-for-like growth was relatively consistent at 3.7% and 3.4%, respectively. Roughly one-third of FY25's like-for-like revenue growth came from targeted price increases and two-thirds from volume growth or mix changes. Gifts and celebrations essentials, which represent c 50% of total sales, enjoyed stronger like-for-like revenue growth of 5.6%, and there was also 'positive' growth in everyday cards, which management believes represents an increase in market share by value. The positive growth in cards is impressive against a background of space being allocated away from cards towards gifts and celebrations essentials.

Management is rightfully proud that revenue growth in its stores outpaced retail sales growth for its markets across all categories of 0.8% (source: CARD FY25 results presentation).

The 6.7% increase in average basket value from range development, and with approximately half of all baskets including gifts or celebrations essentials items, implies a reduction in the number of transactions in line with the expected long-term trend.

Revenue growth slowed to 2.9% in H126 as the more challenging macroeconomic environment weighed broadly on overall retail sales growth and footfall was affected by unseasonably hot weather during the summer. The 1.5% like-for-like growth includes 4.1% growth in the average basket value, of which around a half was due to a combination of targeted pricing activity and expanding and developing the range, such as a new in-house designed premium card range.

Exhibit 3: cardfactory stores revenue and drivers



Source: Card Factory, Edison Investment Research

CARD has an extensive store base, operating 1,090 stores at the end of FY25. The stores are in a wide range of locations, including on high streets in small towns through to major cities, shopping centre developments, out-of-town retail parks and factory outlet centres.

Under the 'Opening Our New Future' strategy at the CMD, management indicated it would add c 90 new net stores by the end of FY27, equivalent to c 2% growth in the store base per year on average, taking the number of stores to c 1,120. The main under-penetrated markets include Ireland (41 stores at end-FY25 versus 33 stores at end-FY24) and London (four stores at end-FY25 versus three stores at end-FY24). The move into London has been helped by more appealing property costs, but has required a slightly different product range, and the company remains in the learning phase with respect to the best layout for its stores in London.

The company opened 26 and 32 net new stores in FY24 and FY25, so with 1,090 stores at the end of FY25 it is well on the way to the target of 1,120 stores by the end of FY27. In H126 a further 13 net new stores were opened, taking the number of stores to 1,103 at the period end. Management has indicated it will continue to open new stores at a similar rate to the past two years for the foreseeable future, therefore we have included 25 net new stores in our forecast for each year in FY26–28, taking the number of stores to 1,140 at the end of FY27 and 1,165 by the end of FY28. In our updated estimates for FY26 and new estimates, we assume like-for-like sales growth of 2.5% each year, lower than the 3.4% achieved, in order to deliver 4–5% annual revenue growth, which is in line with management's new targets for mid-single-digit revenue growth in the medium term, after FY26.

In addition to growing the store base to reach new customers, the company realigned the space in it stores to accommodate the newer product categories.

Over the long term, the company has a good record in increasing the sales productivity of the stores. Previously, there was an expected natural dilution in store productivity (ie sales per average store), as the new stores were opening in locations with lower footfall. As can be seen in Exhibit 3, outside the pandemic-affected years FY20 and FY21, there was some minor dilution in sales per average store in only FY17 and FY18, so it was able to fend off the expected dilution in most years. The FY25 results showed a further 3% improvement in sales productivity, with revenue per average store (ie the simple average) of c £472k ahead of the prior peak of c £459k in FY16 for the first time. Notwithstanding the slowdown in growth reported in H126, sales per average store increased. Our estimates of 2.5% like-for-like sales growth translate into slightly lower growth in sales densities due to the maturity cycle of the new stores. Management typically expects a new store to pay back within a couple of years.

The inventory in stores is replenished frequently, typically weekly, with most product being sent direct from CARD's central warehouse using third-party transportation.

Online: Targeting profitable growth

Management is optimistic about online prospects in isolation and as an important conduit to driving the wider omnichannel aspirations. The vision is for online to become a destination to help customers celebrate all of life's moments.

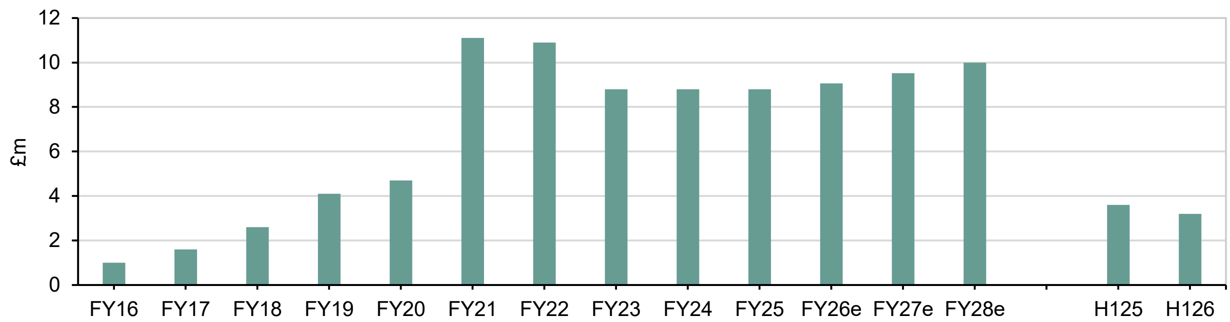
From a financial perspective, management's core focus is to drive profitable growth in its online activities.

The last few months have seen a number of important developments in the shaping of CARD's online activities. Most important was the August 2025 acquisition of funkypigeon.com from WH Smith for a cash consideration of £24m. This follows the closure of the gettingpersonal.co.uk website at the end of January 2025. Therefore, CARD's online activities now consist of its eponymous website, cardfactory.co.uk, and funkypigeon.com, making it the second-largest online card and attached gift retailer in the UK market.

cardfactory.co.uk

At under 2% of group sales in FY25, it is fair to say cardfactory.co.uk's development has lagged that of the wider card and gifting market online.

Exhibit 4: cardfactory.co.uk revenue



Source: Card Factory, Edison Investment Research

From its launch in 2012 and through the pandemic, cardfactory.co.uk generated strong year-on-year revenue growth, but growth has been more variable over the last few years due to external reasons, such as the return of shoppers to the high street and rail and postal strikes affecting demand at key times, and internal reasons, such as management concentrating on migration of its two platforms (cardfactory and Getting Personal) with a focus on improving the customer experience.

There has been a consistent message from management of improving online capability, the platform's performance and customer experience. These have included redesigning the event reminder tool and the introduction of AI-powered product recommendations.

To its customers, the first and most apparent indication of CARD's omnichannel credentials is the roll-out of its C&C service, which enables customers to order products online and collect them in store, aiding convenience. The national roll-out of C&C was completed by the end of April 2023 (Q124). The roll-out has been successful, with average basket values 55% higher than the online channel and even higher again versus retail in FY25.

C&C orders are currently fulfilled from CARD's central warehouse. The ordered products typically take one to two days to arrive in stores. As ongoing investment helps to improve in-store availability of individual stock keeping units (SKUs), fulfilment of C&C is likely to improve significantly.

The roll-out of C&C (see below) began to stimulate better revenue growth for cardfactory.co.uk in H224 and H125 before a full online range review to focus on higher-margin products provided a headwind in H225 as stock greeting cards (ie those that are available in the stores) were removed so that the company's online focus is now on more value-added personalised cards. The removal of the stock cards will by definition affect revenue growth in FY26, but management believes the focus on higher-priced personalised products should also be helpful in generating greater add-on sales for gifting and celebrations essentials. This was evident in the c 11% reduction in H126 revenue to £3.2m from £3.6m in H125. In our new forecasts we factor in 5% annual revenue growth for online through FY26–28, in line with management's new guidance for mid-single-digit revenue growth for the group in the medium term.

Disclosure with respect to cardfactory.co.uk's profitability has been limited until recent years. Having generated EBITDA of £0.6m in FY22, a margin of 5–6%, it moved to a loss of £2.2m in FY23 and £3.7m in FY24. There was no separate disclosure for its profitability in FY25, but management disclosed the combined losses for cardfactory.co.uk and Getting Personal at £6.3m. The combined loss was £0.6m greater than FY24's £5.7m, with cardfactory.co.uk's revenue flat in absolute terms but Getting Personal's declining by £1.5m versus FY24, suggesting good relative control of costs with the challenging revenue performance by the latter. The elimination of Getting Personal's losses should be helpful for the group in future years. The focus on more profitable sales is evident in cardfactory.co.uk's EBITDA loss reducing to £1.6m from H125's £2.0m.

funkypigeon.com

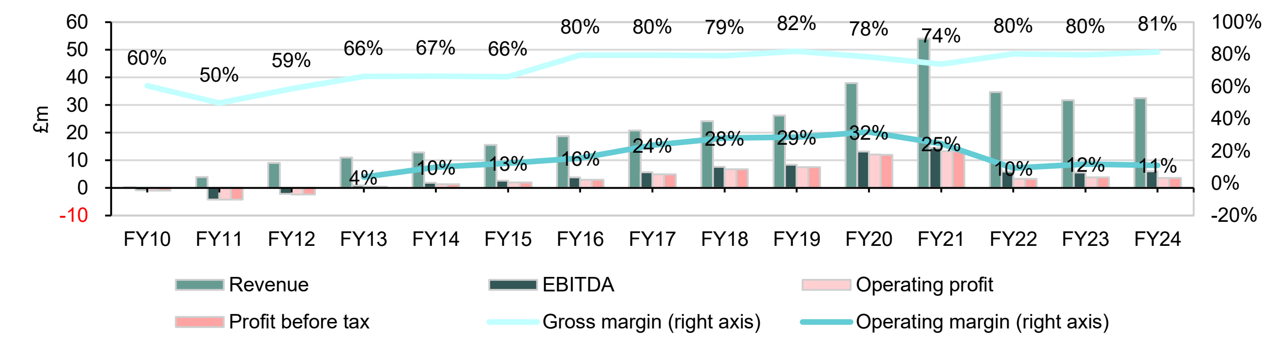
The strategic rationale behind the acquisition of funkypigeon.com was to accelerate CARD's existing digital strategy, particularly in the direct-to-recipient card and attached gifting market.

The acquisition accelerates management's online strategy by providing a large, established online customer base and a high-quality technology platform. Over time, funkypigeon.com's technology platform will become the core digital platform for CARD's UK and Ireland business, and management believes this will help to improve the customer experience.

When the two platforms (cardfactory and funkypigeon) are consolidated, there will be natural operating synergies. In addition, management expects further operating synergies from using both the former's in-house manufacturing and fulfilment facility in West Yorkshire for card and attached gifting orders, and the latter's order fulfilment capability in Guernsey for personalised cards.

There has been relatively limited commentary on funkypigeon.com's performance in WH Smith's published results and reports, and financial disclosure has mainly focused on revenue and EBITDA. However, separate company accounts for funkypigeon.com are available from Companies House, so we are able to present a more complete picture of its performance over the long term. The figures reported by WH Smith may vary depending on intercompany sales and allocations of central costs, among other factors. CARD's press release for the acquisition indicated average revenue of c £32m per year and EBITDA of £5m in the prior two financial years (ended 31 August 2023 and 2024).

Exhibit 5: funkypigeon.com's long-term financial results



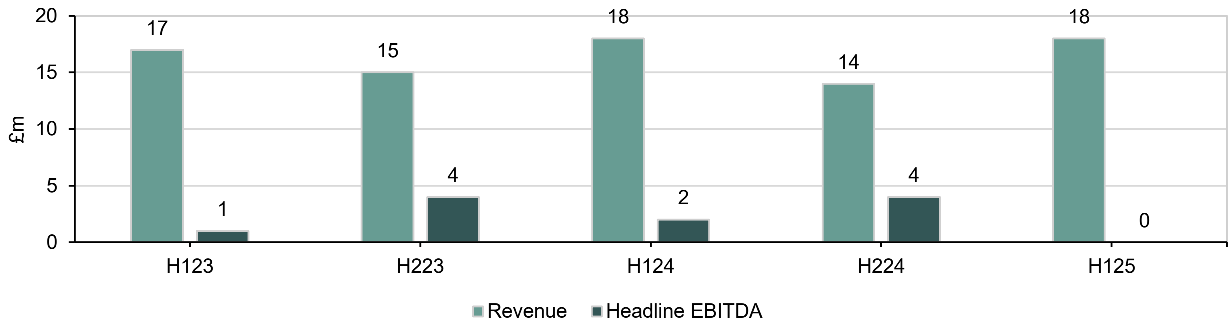
Source: Company accounts. Note: Period ends are August.

Our first observation is funkypigeon.com is a larger business with £32.5m of revenue in FY24 versus cardfactory.co.uk's revenue of £8.8m in FY25, meaning it will significantly increase CARD's online and omnichannel capabilities and scale. funkypigeon.com's revenue grew quickly reaching £37.9m in FY20 and £54.1m in FY21, which were helped by the boost from retail store closures during the COVID-19 pandemic.

It is also more profitable than cardfactory.co.uk, including positive EBITDA, operating profit and profit before tax in every financial year from FY13–24.

Headline EBITDA in H125 was £0m versus £2m in H124, which was attributed to a period of investment with higher levels of spend on the platform and brand. It is not possible to tell whether this investment led to any growth in revenue given the rounding (zero decimal points) in the disclosure.

Exhibit 6: funkypigeon.com's recent financial results



Source: WH Smith accounts

The acquisition of funkypigeon.com has been funded by a drawdown on the bank's facility of up to £35m, with management estimating a modest impact on leverage of 0.3x on a pro forma basis at the end of FY26. They anticipate the additional debt will be paid down over the next three years.

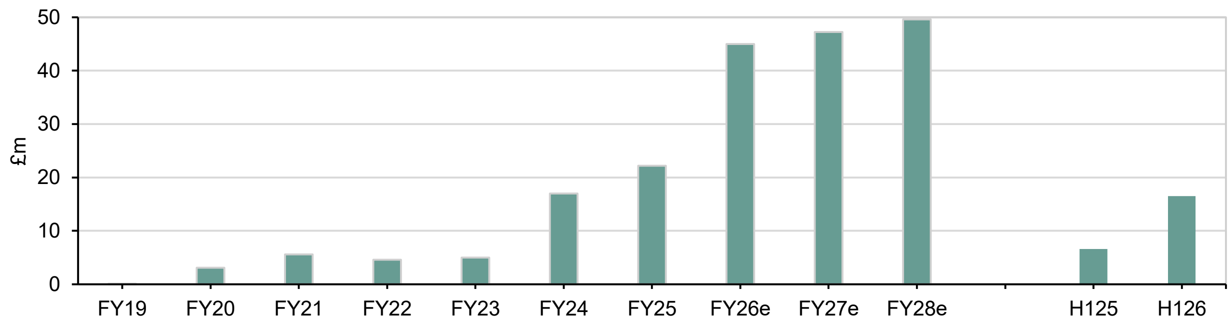
Management has stated more than £5m of synergies are expected from the optimisation of manufacturing and fulfilment, technology platforms and product ranging, to be achieved through the course of FY27 and fully realised in FY28.

Partnerships: Capital-light UK and international growth

CARD partners with companies in the UK and international markets in order to maximise distribution of its products and convenience for all potential customers. It is a critical element of management's strategy to reaching more customers in more locations.

Management has identified seven key international markets where it thinks the brand or products will resonate, given gaps in the market for value and quality products. In descending order of the size of the perceived opportunity the markets are: the US, Australia, Canada, South Africa, the Middle East, India and New Zealand. The main attractions of these markets are that the populations have a high propensity to give greeting cards and gifts, and the average transaction compares favourably with the UK.

Exhibit 7: Partnerships revenue



Source: Card Factory, Edison Investment Research

For partnerships the company offers three types of operating model: franchises, wholesale-full service and wholesale-supply only. For each, CARD recognises either a wholesale margin or royalty based on sales with no or low capital investment requirements and no or limited operating costs.

With respect to wholesale, the main difference between the two models is who provides the last mile logistics and in-store merchandising: CARD in the case of full service, and the whole partner in supply only. For wholesale relationships, CARD recognises a wholesale margin, therefore as these become more important to the group they will be dilutive to the gross margin, but operating costs to support revenue are lower than for non-typical own-store revenue and help to leverage CARD's other fixed costs.

Franchise partners are required to provide a commitment to a market development plan, local customer and market insight and the capital investment to grow the brand in return for CARD's brand, product range and initial financial support for training, merchandising and store layout, such as contributing to or investing in fixtures and fittings and/or supply of point-of-sale materials.

So how is the company progressing with its international partnership strategy?

- In the largest market, the US, CARD made great inroads in FY25 with the announcement of its first wholesale-supply agreement with a nationwide retailer and the acquisition of Garven, a designer and wholesaler of gifts and celebration essentials, for an enterprise value of US$25m on a cash free and debt free basis, and an indicated EV/EBITDA multiple of c 5x at the time of the announcement. The wholesale agreement with the nationwide retailer initially covered over 1,100 stores with a curated Christmas card range. Post FY25 year-end, the arrangement was extended to Valentine's Day and Mother's Day and an everyday card and celebration essentials range was launched in 93 stores.
- In Australia, the existing relationship with The Reject Shop moved to a full-service relationship and was extended for a number of years, including the supply of a seasonal range. A third-party logistics provider has been onboarded to drive the roll-out of the full-service model in H226, which has also opened up a new wholesale opportunity in New Zealand.
- In South Africa, CARD acquired SA Greetings, a wholesaler and retailer of greetings cards, gifts and celebration essentials for £2.5m, in April 2023 (FY24). It provided a leading presence in the market through 27 Cardies stores, an online store and 6,500 distribution points. In FY25, SA Greetings contributed £11.6m of revenue, versus £10.4m in the prior year, albeit the latter was for nine months of the year including the most important season of the year.
- In the Middle East, the franchise trial was ended, as this was likely to take more time to progress and require more investment than originally expected. The prior four franchises closed in H126. CARD originally anticipated the potential for 36 franchise locations, and is moving to a wholesale model.

In addition to theseven markets identified for international expansion, in September 2024, CARD acquired Garlanna, a leading supplier of card, gift wrap and bags to independent retailers in the Republic of Ireland. Garlanna has its own design team, sales and relationship managers who manage orders and merchandising in convenience stores. Therefore, in Ireland CARD has both a retail and supply presence, as it does in the UK and US.

So, we conclude the company has made good initial progress by developing a presence in a number of the identified countries. The developments in the Middle East are likely a frustration, but valuable insight has been gained with respect to the operation of franchises in overseas markets.

Returning closer to home, the full-service partnership model has been rolled out to Aldi in the UK and Ireland, and the partnership with Matalan continues.

In our new estimates, FY26 revenue growth is helped by the annualisation of the acquisitions of Garven (US) and Garlanna (Ireland) in FY25 and after FY26 we assume growth of 5% per year, consistent with management's new guidance for mid-single-digit revenue growth, which we believe excludes any contribution from new partnerships, that may or may not be accelerated via M&A. This takes our new FY27 revenue estimate for partnerships to c £47m versus the CMD target for FY27 of £84m, which likely included the assumption that CARD would have a presence in all seven of the identified attractive markets by that stage. Future acquisitions that build out its presence in new markets would be incremental to current guidance. In H126, partnership revenue increased to £16.5m from £6.6m in H125. This included the first-time contributions from Garven and Garlanna (acquired at the end of FY25) of £9.8m, which was described as in line with management's expectations, and double-digit organic revenue growth due to expanded product offerings.

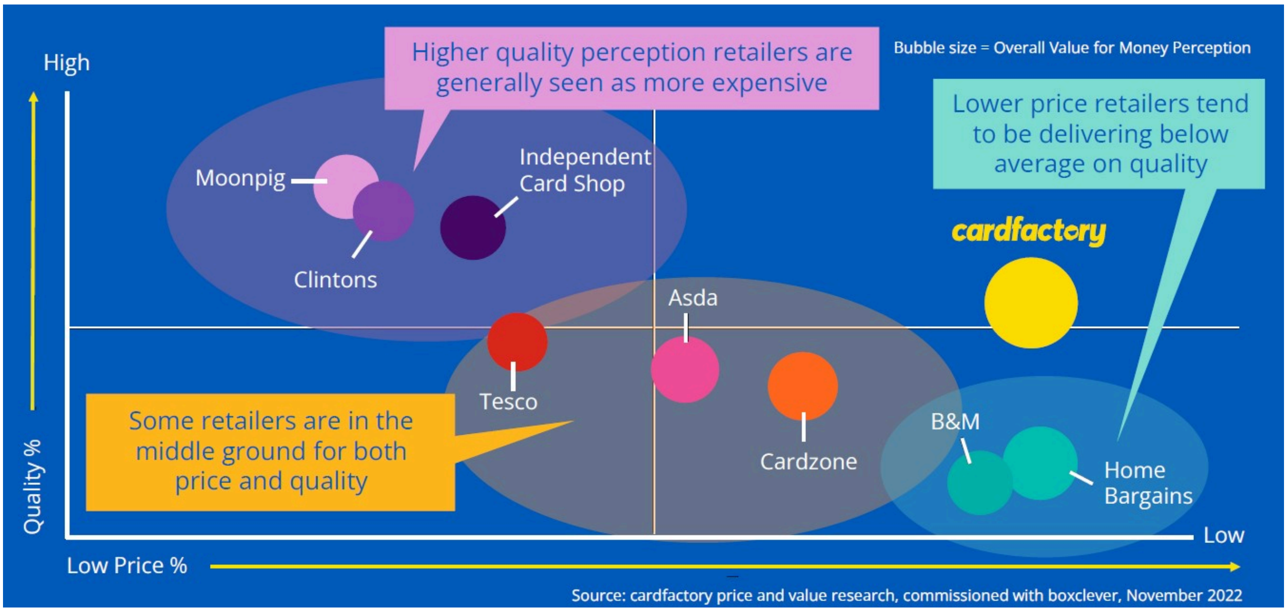
With an EBITDA of £1m in FY25, a margin of 4.5%, CARD's partnerships revenue was dilutive to the overall group EBITDA margin of 23.5%, reflecting that the business is in the early stages of its development. EBITDA of £0.6m in H126 versus H125's £0.7m indicates a lower margin due to the phasing of the development of the businesses.

Card Factory's markets and positioning

As already highlighted, CARD's 'Opening Our New Future' strategy significantly increases its addressable markets in the UK and Ireland (mainly product categories but distribution channels too) and in new international markets. Naturally, entering and expanding into the new product categories brings the company into competition with existing and new competitors, and expanding overseas presents new macroeconomic and execution risks.

The UK greetings card market is fragmented, with competitors including specialist chains, grocery chains, other generalists and online operators. CARD's value for money proposition versus its competitors is well understood by the UK consumer.

Exhibit 8: UK card market competition



Source: Card Factory CMD 2023 presentation

The single card market is described as resilient. Historically it has been low growth with volume declines offset by price growth. According to CARD's Annual Report, the market volume of greeting cards purchased by customers increased marginally, by 0.2%, in the 12 months to the end of February 2025.

Prior to the COVID-19 pandemic, online gained share of the card market, and naturally the pandemic provided a significant boost to the market, but this has subsequently normalised and is growing slowly. With just under 2% of group revenue from cardfactory.co.uk in FY25, it presents an obvious growth opportunity for CARD if it can build brand awareness and engagement following the investment in online, but we note the headwind of increasing postage costs for all online operators.

The greetings card market is not as sensitive to the macroeconomic environment, but there is some seasonality around major events. Around a third of sales each year, including everyday products, occur in the Christmas season, which makes H2 of the financial year more important for revenue and profit than H1 (see: Financials section). External factors (eg weather) can affect the purchasing of cards for events without a fixed date. Within categories, trends have shifted over time. For example, individual cards for close friends and relatives have increased in popularity, while the traditional box of Christmas cards has declined.

There would be a natural assumption that the younger demographic is moving away from purchasing cards, but CARD's own customer survey from its CMD shows 16–24-year-olds have been buying an increasing number of cards since 2017. As CARD diversifies into other higher-value and more gifting-related products, we believe it is reasonable to expect some greater macroeconomic sensitivity (ie customers trading down in tougher times, for which CARD represents a good option to customers, and vice versa). However, with low market share, there appears to be plenty of opportunity to catch additional sales without worrying too much about the cyclicality.

According to CARD's FY25 Annual Report, the celebration essentials market was affected by the wider macroeconomic trends in 2024 with a value decline of 1.4%. Despite this market weakness, CARD's own celebration essentials revenue increased by 5.7%, as it benefited from greater space allocation and more customers shopping its expanded range. The gifts market was also weak, declining by 1.7% in 2024. Again, CARD saw an increase in revenue as more customers shopped with the company more frequently.

Sensitivities

We see the main sensitivities for CARD as follows:

- The markets in which CARD operates are highly competitive, with limited brand loyalty and a high incidence of impulse buying. The company is expanding into new product categories where competition is already high, therefore it must take market share from the incumbents in order to grow revenue. Failure to react to changes in customer tastes and preferences could have a significant effect on future profitability. CARD's extensive store portfolio helps to ensure that it has a presence in the main locations, and its internal design team pays careful attention to social and political changes in order to amend its product offering.

- The UK greeting card market typically demonstrates volume declines that have been offset by price increases. An acceleration in the volume decline or an inability to increase prices would negatively affect revenue growth and profitability.
- Prior to and during the COVID-19 pandemic, online gained share of the card market, but this has subsequently normalised. Failure to adapt existing offline and online activities may affect CARD's growth outlook and future profitability. A key focus of management's strategy is to maximise the opportunity from online in isolation, following a period of investment, and as part of the ongoing transition to omnichannel retail. The investment requirements of competing in the online channel may increase as customer demand and preferences evolve, but CARD has significant manufacturing capacity to fulfil the growth opportunity. The acquisition of funkypigeon.com significantly increases CARD's scale and capabilities in the online world.
- The company sells products through franchise and wholesale relationships with a number of UK and international partners. Its ability to attract new and retain potential partners is the most significant driver to management's stated FY27 financial targets. As per management's CMD 2023 targets, new partnerships will contribute lower margins than the core stores.
- A growing international presence in new markets presents the risks of lack of brand appeal to new customers, increased complexity of supply, geopolitical events and foreign currency changes.
- The business produces the majority (c 70%) of its cards at, and online orders are fulfilled from, CARD's manufacturing facility, Printcraft, which operates from a single site. Any disruption to the facility's operations may affect revenue and profitability.
- Approximately 50% of total goods for resale are purchased in US dollars, therefore CARD is exposed to movements in exchange rates. The company typically hedges: 50–100% of the next 12 months' rolling expected US dollar requirements, 25–75% of the following 12–24 months, and up to 50% of the following 12 months. In FY25, a 10% increase or decrease in the value of the US dollar versus sterling was estimated to reduce or increase profit after tax by £2.2m or £2.6m, respectively. Management is actively monitoring the supply base and managing value versus risk.
- The majority of products that are not produced in-house are sourced from the Far East, specifically China, and are therefore vulnerable to geopolitical changes, shipping delays, changes in shipping costs as well as movements in foreign exchange rates (see above).
- Helium, a non-renewable natural element, is a significant input cost that is used in the sale of balloons. The company is therefore exposed to changes in the cost of the gas, which is likely to increase as availability reduces.
- The company uses third-party distributors to supply from its own warehouses to its own stores and partnership sites, therefore is vulnerable to disruption.
- The company is introducing ERP systems to replace and update its existing infrastructure, which presents the potential for business disruption and data loss. The first two phases of the new ERP systems have been completed, so the risk appears to be low.
- With a high reliance on paper and packaging and other inputs such as foil, CARD's revenue growth is vulnerable to changes in sentiment towards the use of these inputs. The company has made significant progress in the gradual removal of single-use plastic from its products, increasing the recyclability of products, and removing glitter from products, and all cards are certified by the Forest Stewardship Council.

Financials

Income statement

In Exhibit 9 we show a summary income statement with our updated estimates for FY26 and our new estimates for FY27 and FY28. We have discussed the growth drivers of the individual businesses in the prior sections and in this section bring these together to look at how the group has performed and how we expect it to perform.

Exhibit 9: Summary income statement

£m	FY23	FY24	H125	H225	FY25	H126	H226e	FY26e	FY27e	FY28e
Group revenue	**463.4**	**510.9**	**233.8**	**308.7**	**542.5**	**247.6**	**353.3**	**600.9**	**647.2**	**676.5**
– cardfactory stores	440.4	478.9	221.4	285.4	506.8	227.8	303.4	531.2	555.0	579.7
– cardfactory.co.uk	8.8	8.8	3.6	5.2	8.8	3.2	5.9	9.1	9.5	10.0
– funkypigeon.com	N/A	N/A	N/A	N/A	N/A	N/A	15.3	15.3	35.1	36.9
– Partnerships	5.0	17.0	6.6	15.6	22.2	16.5	28.5	45.0	47.3	49.6
– Getting Personal	8.5	5.9	2.1	2.3	4.4	N/A	N/A	N/A	N/A	N/A
– Other	0.7	0.3	0.1	0.2	0.3	0.1	0.2	0.3	0.3	0.3
Growth year-on-year:										
Group revenue	27.2%	10.3%	5.9%	6.4%	6.2%	5.9%	14.5%	10.8%	7.7%	4.5%
– cardfactory stores	31.4%	8.7%	6.1%	5.5%	5.8%	2.9%	6.3%	4.8%	4.5%	4.4%
– cardfactory.co.uk	(18.8)%	0.0%	8.8%	(3.7)%	0.0%	(11.1)%	12.8%	3.0%	5.0%	5.0%
– funkypigeon.com	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	129.1%	5.0%
– Partnerships	10.0%	240.0%	3.1%	47.2%	30.6%	150.0%	82.7%	102.7%	5.0%	5.0%
– Getting Personal	(34.7)%	(30.6)%	(12.5)%	(34.3)%	(25.4)%	N/A	N/A	N/A	N/A	N/A
– Other	(22.2)%	(57.1)%	(50.0)%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Product margin	**318.1**	**355.6**	**164.0**	**213.3**	**377.3**	**164.6**				
Margin	68.6%	69.6%	70.1%	69.1%	69.5%	66.5%				
Gross profit	**160.7**	**184.9**	**76.2**	**117.6**	**193.8**	**73.3**				
Gross margin	34.7%	36.2%	32.6%	38.1%	35.7%	29.6%				
Normalised operating profit (Edison)	**63.0**	**77.6**	**23.0**	**60.0**	**83.0**	**21.4**	**69.2**	**90.6**	**97.6**	**105.9**
Margin	13.6%	15.2%	9.8%	19.4%	15.3%	8.6%	19.6%	15.1%	15.1%	15.7%
Underlying operating profit (company definition)	**61.3**	**75.5**	**21.5**	**59.2**	**80.7**	**20.2**	**68.1**	**88.3**	**95.3**	**103.6**
Margin	13.2%	14.8%	9.2%	19.2%	14.9%	8.2%	19.3%	14.7%	14.7%	15.3%
Reported operating profit	**63.8**	**76.4**	**21.5**	**57.8**	**79.3**	**14.5**	**71.6**	**86.1**	**94.1**	**102.4**
Margin	13.8%	15.0%	9.2%	18.7%	14.6%	5.9%	20.3%	14.3%	14.5%	15.1%
Adjusted profit before tax (company definition)	**48.9**	**62.1**	**14.5**	**51.5**	**66.0**	**13.2**	**57.7**	**70.7**	**77.8**	**86.9**
Margin	10.6%	12.2%	6.2%	16.7%	12.2%	5.3%	16.3%	11.8%	12.0%	12.9%
Growth y-o-y	0.0%	27.0%	(34.4)%	28.8%	6.3%	(9.0)%	12.1%	7.1%	10.0%	11.8%
EPS adjusted (company definition) (p)	**12.1**	**13.5**	**3.2**	**11.1**	**14.3**	**2.8**	**12.1**	**15.0**	**16.4**	**18.4**
Growth y-o-y	410.3%	12.0%	(35.0)%	27.8%	5.4%	(10.0)%	9.2%	5.0%	9.7%	11.9%
DPS (p)	**N/A**	**4.5**	**1.2**	**3.6**	**4.8**	**1.3**	**3.9**	**5.2**	**5.5**	**6.1**
Growth y-o-y	N/A	0.0%	N/A	(20.0)%	6.7%	8.3%	8.3%	8.3%	5.8%	10.9%

Source: Card Factory, Edison Investment Research

FY25 results ahead of expectations

As shown in Exhibit 12, CARD's FY25 results were modestly ahead of our prior forecasts. CARD enjoyed a good FY25 with c 6% revenue growth to c £543m and broadly comparable rates of growth between H1 and H2, which translated into a similar rate of growth in adjusted PBT, to £66m from £62.1m in FY24, and therefore resulting in an unchanged margin of 12.2%.

The greatest absolute contribution to growth was from cardfactory stores, a reflection of its scale in the group, while partnerships demonstrated the strongest rate of growth, c 31% y-o-y, helped by the acquisitions of Garlanna and Garven, which provided three-quarters of the absolute growth of partnerships.

Higher wage costs, a lower effective foreign exchange rate on cost of goods sold and a one-off impact for the closure of Getting Personal led to a 50bp reduction in gross margin to 35.7% from 36.2%.

The decline in gross margin was mitigated at the normalised operating profit level by the company's productivity and efficiency programme, which helped to offset the inflationary headwinds.

Although the figures are skewed a little by the phasing of M&A activity in the year, we can clearly see the seasonality of CARD's FY25 results with 56% of cardfactory stores revenue, 61% of group gross profit and 73% of group operating profit earned in H2.

Following the reinstatement of dividend payments in FY24 with a total 'annual' dividend of 4.5p per share, CARD declared total dividends of 4.8p per share in FY25 with a 25%:75% split between the interim and final dividends. In both years, the dividend cover was 3x adjusted earnings, at the top end of the indicated range for dividend cover, with management targeting regular and progressive cash returns as part of its capital allocation policy. We have amended our future forecasts for dividends to be consistent with dividend cover of 3x. As we show in the cash flow and balance sheet section below, management is entering a period where it has significant flexibility in how it deploys its capital.

H126 revenue growth consistent with guidance and typical seasonality of profitability

CARD's H126 revenue growth of c 6% to c £248m was consistent with the growth reported through FY25 and towards the top end of guidance for FY26. However, the drivers of the growth were slightly different than in FY25:

- cardfactory stores revenue growth of 2.9% compares with its c 6% growth during FY25. On a like-for-like basis, H126's growth of 1.5% compares withthe c 3–4% growth through FY25, and reflects the more challenging backdrop that has weighed on retail sales more generally, and the softer footfall through the summer when the weather was unseasonably hot. During the period, 13 net new stores were added, taking the total number of stores above 1,100 for the first time (ie to 1,103 by the end of H126). The company continues to see a growing contribution from gifts and celebration essentials, quantified at 53.4% of sales in H126 from 52.5% in H125 and 51.4% in H124.
- Management's focus on higher-priced and more profitable personalised products, which entails an initial reduction in the number of products on offer, shows in the c 11% reduction in cardfactory.co.uk's revenue to c £3m in H126.
- Partnership revenue growth to £16.5m from £6.6m in H125 includes the first-time contribution from the acquisitions of Garven and Garlanna (acquired in the later stages of FY25) of £9.8m, and double-digit organic growth as underlying revenue increased from £2.4m in H125 to £2.8m in H126.

The 360bp reduction in product margin, which includes the price of goods, freight, carriage and packing, from 70.1% in H125 to 66.5% in H126, broadly reflects changes in business and product mix as well as the intra-period changes of the individual cost lines. Over the long term, management expects that changes in product mix (ie more non-card products) and in business mix (ie a growing contribution from partnerships) will enhance both sales and cash profits, but will be dilutive to percentage margin. Management has worked hard to mitigate the inflationary cost pressures faced in H126, and the lower margin includes some timing influence from range activity ahead of the key trading period in H226. On a constant currency basis, the decline in product margin is modestly lower, at 270bp, when an unrealised foreign exchange loss of £3.4m is excluded.

The reported gross margin includes store and warehouse wages, property costs and other direct costs. In aggregate these costs grew by 4% y-o-y in H126, below CARD's revenue growth in the period, and were therefore incremental to the reported gross margin, partially offsetting the decline in product margin. Perhaps most noteworthy among the line items here was the almost 5% growth in store and warehouse wages as the significant increases in the National Living Wage (+9.8% from April 2024 and +6.7% from April 2025) and changes to employers' National Insurance contributions (increases in the rates payable and reductions in the threshold at which contributions are payable) were offset by efficiencies from CARD's multi-year 'Simplify and Scale' productivity and efficiency programme.

Below gross profit, there is further evidence of the benefits accruing from the 'Simplify and Scale' programme in the 2.6% underlying decline in operating expenses, such that the company's definition of underlying operating profit was only £1.3m lower than H125's £21.5m.

Management quantified the realisation of £9m of synergies in H126 from the 'Simplify and Scale' programme through the streamlining of operations (including in-sourcing, printing and distribution of store merchandising materials) and optimisation of warehousing and agency labour that have delivered a 9% efficiency in stores, and the optimisation of ranges and pricing. There are further plans to mitigate the ongoing inflationary headwinds in H226, with a total inflationary headwind of more than £20m expected by management for FY26, equivalent to growth of about 4.4% y-o-y. H226 will see further benefits from the H126 investment in the new point-of-sale tills and automating support centre back office processes, as well as a relentless focus on range development. As a reminder, inflationary pressures have a disproportionate effect on H1 results given the seasonality of the business and phasing of the benefit accruing from the self-help initiatives.

In addition to the unrealised hedging loss, included in product margin, which is treated as an adjusting item, CARD recognised £1.7m of acquisition-related transaction costs for funkypigeon.com and an incremental £0.6m amortisation of acquired intangibles for the acquisitions of Garven and Garlanna. The combined cost of these items, £5.7m, took reported operating profit to £14.5m from £21.5m in H125.

To demonstrate management's confidence in the outlook for the year, the interim dividend was increased to 1.3p per share, from 1.2p per share in H125, growth of over 8%.

Cash flow and balance sheet: Cash generation and de-gearing provides financial flexibility

In Exhibit 10 we show the key moving parts in CARD's free cash flow relative to revenue since FY19, when IFRS 16 was introduced, in order to get a better view of the underlying trends in its operating and free cash generation. We expect a gradual improvement in relative free cash generation helped by the growth in the company's adjusted PBT margin.

We should note the relatively high working capital outflow in FY25 was due to phasing issues with an additional weekly payment occurring in the year. In H126, a significant improvement in working capital versus H125 led to much better operating cash generation despite the lower absolute level of profit.

Exhibit 10: Cash flow relative to revenue

Relative to revenue	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e	H125	H126
Operating activities	**30%**	**24%**	**26%**	**31%**	**22%**	**21%**	**16%**	**19%**	**20%**	**21%**	**4%**	**10%**
Profit before tax	16%	14%	(6%)	3%	11%	13%	12%	11%	12%	13%	6%	3%
Depreciation, amortisation and impairments	14%	12%	19%	15%	11%	9%	9%	10%	9%	9%	10%	10%
Working capital	1%	(0%)	12%	8%	(1%)	(1%)	(4%)	(2%)	(1%)	(1%)	(12%)	(5%)
Tax paid	(3%)	(3%)	(2%)	0%	(2%)	(3%)	(3%)	(3%)	(3%)	(3%)	(4%)	(3%)
Investing activities	**(3%)**	**(3%)**	**(2%)**	**(2%)**	**(4%)**	**(6%)**	**(7%)**	**(8%)**	**(4%)**	**(4%)**	**(3%)**	**(3%)**
Net capex	(3%)	(3%)	(2%)	(2%)	(4%)	(5%)	(3%)	(4%)	(4%)	(4%)	(3%)	(3%)
Capital element of leases	(9%)	(9%)	(8%)	(15%)	(11%)	(7%)	(7%)	(6%)	(6%)	(5%)	(8%)	(7%)
Other items	0%	0%	0%	(2%)	(0%)	(0%)	(0%)	0%	0%	0%	(1%)	0%
Free cash flow before interest	**18%**	**12%**	**16%**	**12%**	**6%**	**8%**	**6%**	**9%**	**11%**	**12%**	**(8%)**	**(0%)**
Net interest	(2%)	(2%)	(3%)	(3%)	(2%)	(3%)	(3%)	(3%)	(3%)	(2%)	(3%)	(3%)
Free cash flow after interest	**16%**	**10%**	**13%**	**9%**	**4%**	**5%**	**3%**	**6%**	**8%**	**10%**	**(11%)**	**(3%)**

Source: Card Factory, Edison Investment Research

Looking at CARD's cash flow in absolute terms we get a clear view that the company has plenty of flexibility in the coming years as to how it deploys its free cash generation and capital as the balance sheet de-gears. We estimate CARD will be in a net cash position by the end of FY28, both excluding IFRS 16 liabilities, in the absence of any further M&A or cash returns to shareholders.

Exhibit 11: Summary cash flow

£m	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26e	FY27e	FY28e	H125	H126
Operating activities	**128.7**	**110.2**	**73.6**	**113.7**	**99.9**	**105.2**	**88.9**	**113.4**	**130.3**	**140.1**	**8.9**	**24.0**
Profit before tax	68.2	65.2	(16.4)	11.1	52.4	65.6	64.1	68.5	76.6	85.7	14.0	7.5
Depreciation, amortisation and impairments	60.0	52.8	53.3	54.1	48.8	47.4	48.1	57.3	60.2	62.1	23.8	24.8
Working capital	4.9	(2.0)	33.4	28.5	(6.8)	(6.1)	(22.1)	(14.0)	(6.2)	(4.4)	(29.2)	(13.0)
Tax paid	(13.4)	(14.6)	(6.3)	0.1	(7.9)	(13.5)	(16.7)	(18.3)	(20.0)	(22.3)	(8.6)	(6.5)
Net capex	(11.9)	(14.1)	(7.0)	(6.9)	(18.2)	(27.8)	(18.2)	(24.0)	(24.0)	(24.0)	(6.8)	(7.6)
Capital element of leases	(38.5)	(41.0)	(22.1)	(54.5)	(52.5)	(37.5)	(37.6)	(36.3)	(36.3)	(36.3)	(18.5)	(17.3)
Other items	0.0	0.0	0.0	(8.7)	(1.8)	(0.2)	(1.7)	1.0	2.0	2.0	(1.8)	0.2
Free cash flow before interest	**78.3**	**55.1**	**44.5**	**43.6**	**27.4**	**39.7**	**31.4**	**54.1**	**72.0**	**81.8**	**(18.2)**	**(0.7)**
Net interest	(7.9)	(8.0)	(8.4)	(9.8)	(10.7)	(12.8)	(14.2)	(17.6)	(17.5)	(16.7)	(6.7)	(6.8)
Free cash flow after interest	**70.4**	**47.1**	**36.1**	**33.8**	**16.7**	**26.9**	**17.2**	**36.6**	**54.5**	**65.2**	**(24.9)**	**(7.5)**
Dividends	(48.9)	(48.9)	0.0	0.0	0.0	0.0	(19.8)	(17.1)	(18.5)	(19.8)	(15.5)	(12.6)
Change in borrowings	(6.4)	0.0	(25.6)	(8.0)	(45.1)	(23.6)	30.0	(10.0)	(20.0)	(25.0)	55.3	23.0
Cash at period-end	3.8	2.0	12.5	38.3	9.9	11.1	16.5	(0.1)	11.9	28.2	25.9	19.4
Gross debt at period-end	143.8	144.1	119.0	111.0	65.7	44.8	74.0	64.0	44.0	19.0	99.9	97.8
Leases at period-end	151.2	145.9	144.9	119.8	105.4	100.8	110.4	118.4	121.1	123.7	103.5	121.4
Net debt/(cash) excluding leases	**141.3**	**143.1**	**107.7**	**74.2**	**57.2**	**34.4**	**58.9**	**64.1**	**32.1**	**(9.2)**	**74.9**	**78.9**
Net debt/(cash) including leases	**292.5**	**289.0**	**252.6**	**194.0**	**162.6**	**135.2**	**169.3**	**182.5**	**153.2**	**114.5**	**178.4**	**200.3**
Leverage	**1.1**	**1.2**	**2.4**	**0.9**	**0.5**	**0.3**	**0.5**	**0.4**	**0.2**	**(0.1)**	**0.6**	**0.6**
Adjusted leverage	**N/A**	**N/A**	**N/A**	**N/A**	**0.8**	**0.4**	**0.7**	**0.7**	**0.3**	**(0.1)**	**0.9**	**1.0**
Free cash flow/adjusted earnings	**116%**	**88%**	**(291)%**	**417%**	**40%**	**58%**	**35%**	**70%**	**94%**	**101%**	**(228)%**	**(76)%**

Source: Card Factory, Edison Investment Research

We forecast CARD will generate free cash flow after interest payments of c £37m, £55m and £65m in FY26–28 from which our current expected ordinary dividend payments of £17–21m represent a smaller proportion of this free cash flow. This would leave free cash flow after dividends of around £100m over the three-year period, which can then be deployed in accordance with the company's capital allocation policy. Our estimate of free cash conversion of relative to adjusted earnings of over 90% after FY26 is above management's new financial guidance of 70–80% after FY26.

The company's capital allocation policy, which was published in April 2024, has four key tenets, each with relevant guardrails and controls designed to ensure balanced application:

- Maintain a strong balance sheet, targeting a maximum adjusted leverage of 1.5x during the year. When looking at leverage, management discloses two ratios, which we show in Exhibit 11. The first, leverage is defined as net debt (excluding lease liabilities) to EBITDA. The second, adjusted leverage is calculated in the same way but deducts lease-related charges, (depreciation, interest etc.) from EBITDA, and is consistent with a covenant in CARD's financing that requires it to remain below 2.5x. We should note that given the seasonality of CARD's trading, with peak investment in working capital ahead of Christmas and subsequent cash receipts and payments before the year-end, the closing leverage position is not reflective of the maximum leverage employed through the year. By the end of FY25 the adjusted leverage ratio was 0.5x, and the company confirmed that the ratio remained below 1.5x through the year.
- Invest to deliver the strategy, investment to accelerate progress must deliver attractive returns relative to the cost of capital. Here, investment includes M&A.
- Regular, progressive cash returns to shareholders, via an ordinary dividend with dividend cover between 2x and 3x adjusted earnings.
- Disciplined return of surplus cash to shareholders, total returns will not exceed the free cash generated.

With the publication of the H126 results, management announced that it would begin a share buyback programme later in FY26, initially focused on satisfying employee share scheme awards, thus avoiding the potential dilution from the schemes for other shareholders, which is typically 3–4m shares per annum.

As CARD has an extensive store estate, the most significant part of its debt is lease liabilities, which totalled c £121m at the end of H126.

Prior to FY25, the company's net debt position improved in every year. The increase at the end of FY25 of c £34m includes incremental M&A spend and working capital outflows of c £20m and £16m, respectively, versus FY24.

New guidance and estimates

With the publication of FY25 results, prior to the acquisition of funkypigeon.com, management updated its short- and medium-term financial guidance.

In FY26 management expected mid-to-high single-digit growth in adjusted PBT with a margin in line with FY25, implying similar rates of mid-to-high single-digit revenue growth. FY26 growth will be helped by the annualisation of new revenue from the acquisitions of Garlanna and Garven, which were completed in FY25. During FY25, these contributed revenue of £1.7m and £2.2m, respectively. From the company's disclosure we can determine their revenue contributions would have been £3.8m and £28.4m, respectively, if owned for the full year. This would therefore point to incremental revenue of c £28m on a constant currency basis for FY26. We have taken a slightly more conservative approach, adding c £23m incremental revenue in FY26 to allow for the depreciation of the US dollar versus sterling following the announcement of tariffs by the US government, and potential lower revenue as a result of the tariffs.

At the H126 results, management confirmed that its expectations for the remainder of the year are unchanged despite the challenging operating environment. From a revenue perspective, management is confident its product initiatives, including the expanding celebrations offer, and enhanced value proposition on seasonal products should stimulate revenue growth. The described efficiencies along with the typical seasonality and inherent operational gearing will drive profit growth, as was the case in FY25. As described earlier, there is a high level of seasonality in the group financials given the importance of Christmas and other events in H2. Excluding the new contribution from funkypigeon.com, we forecast just under 8% revenue growth for FY26, which implies growth of over 9% in H226. The H226 growth includes the further first-time contributions from Garlanna and Garven. Therefore, to get a sense of how rational the 'underlying' forecasts are, we can look at the seasonality of our estimates for cardfactory stores, which are the most significant part of the group. Looking at cardfactory stores in isolation, there is a broadly similar split in the H1:H2 weighting of our FY26 revenue estimate (43%:57%) as was reported in FY25 (44%:56%), which implies the estimates look sensible.

Beyond FY26, management expected to generate mid-single-digit percentage revenue growth every year and slightly higher growth in adjusted PBT of mid-to-high single-digit growth, which implies a gentle increase in the adjusted PBT margin.

Exhibit 12: Summary of changes to estimates

£m	FY24	FY25	FY26e	FY27e	FY28e	FY25e old	FY26e old	FY25 vs FY25e	FY26e change
Revenue	**510.9**	**542.5**	**600.9**	**647.2**	**676.5**	**540.7**	**588.9**	**0.3%**	**2.0%**
– cardfactory stores	478.9	506.8	531.2	555.0	579.7	505.0	517.8	0.3%	2.6%
– cardfactory.co.uk	8.8	8.8	9.1	9.5	10.0	9.0	22.4	(2.2%)	(59.5%)
– funkypigeon.com	N/A	N/A	15.3	35.1	36.9	N/A	N/A	N/A	N/A
– Partnerships	17.0	22.2	45.0	47.3	49.6	21.0	43.4	5.7%	3.7%
– Getting Personal	5.9	4.4	N/A	N/A	N/A	5.3	5.0	N/A	N/A
– Other	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.0%	0.0%
Adjusted PBT (company definition)	**62.1**	**66.0**	**70.7**	**77.8**	**86.9**	**65.9**	**70.9**	**0.2%**	**(0.2%)**
Margin	12.2%	12.2%	11.8%	12.0%	12.9%	12.2%	12.0%	(0.0%)	(0.3%)
EPS adjusted (company definition) (p)	**13.5**	**14.3**	**15.0**	**16.4**	**18.4**	**14.1**	**15.2**	**1.1%**	**(1.6%)**
Growth y-o-y	12.0%	5.4%	5.0%	9.7%	11.9%	4.2%	7.9%	1.1%	(2.9%)
DPS (p)	**4.5**	**4.8**	**5.2**	**5.5**	**6.1**	**4.8**	**5.8**	**0.0%**	**(9.7%)**
Growth y-o-y	N/A	6.7%	8.3%	5.8%	10.9%	6.7%	20.0%	0.0%	(11.6%)

Source: Card Factory, Edison Investment Research

Our underlying group forecasts for FY26 are broadly unchanged. Within the overall guidance, management has not provided any guidance with respect to the expected relative growth rates of the businesses. However, applying management's new guidance means our underlying estimates for FY27 are below management's prior targets for that year from the CMD in 2023, as set out in our initiation, for revenue of £650m and an adjusted PBT margin of 14%.

From a top-line perspective we believe there are a number of moving parts that led to the change in guidance versus the prior targets from the CMD:

- cardfactory stores are expected to generate much higher revenue than management's prior expectations, as can be seen in our new revenue forecast for FY27 of c £555m being well ahead of the CMD target of £520m, indicating the success the company has had in its core and new categories along with the addition of more stores than previously anticipated. We now assume the addition of 25 net new stores in each year, taking the total to 1,140 stores in FY27 (versus the c 1,122 targeted at the CMD). At more than 90% of group revenue in FY25, the stores are an important part of the overall growth strategy. Therefore, with our assumption of c 2% new stores in every year, if they are expected to contribute their fair share to the overall growth, mid-single-digit revenue growth requires like-for-like sales growth of c 2–3% each year, which compares with over 3% growth achieved in FY25.

- For the online activities (before taking account of the acquisition of funkypigeon.com), the closure of Getting Personal provides a drag on growth versus initial expectations and cardfactory online growth has been lower than targeted, with limited growth from FY23 to FY25. Although Getting Personal's year-on-year growth has been negative since FY23, it contributed revenue of £8.5m in FY23 and the elimination of its FY25 revenue of £4.4m provides a headwind to overall growth. We have reduced our revenue growth estimates for cardfactory online to 5%, so that they are in line with the overall group guidance of mid-single-digit revenue growth. In the CMD guidance, management targeted online and omnichannel revenue of £47m in FY27.
- If the above assumptions hold, then by definition management expects a more conservative expansion of its international partnerships than previously anticipated when it targeted £84m revenue from partnerships in FY27. The new guidance includes only the expected underlying growth from its existing assets, whereas the prior target anticipated growth from major new partners. Therefore, if a major transaction or contract was concluded, the company would update its guidance at the time. We incorporate 5% growth after FY26 to be consistent with the new guidance for the group's growth.

From a profit perspective, in addition to the above changes that are driving the changes to the outlook for revenue growth, management has been clear that cost inflation has been much higher than anticipated at the time of the CMD. Cost pressures remain high, with expected average inflation of 4–5% in FY26, including the additional extra costs of £14m from the announced changes to the National Living Wage and employer National Insurance contributions.

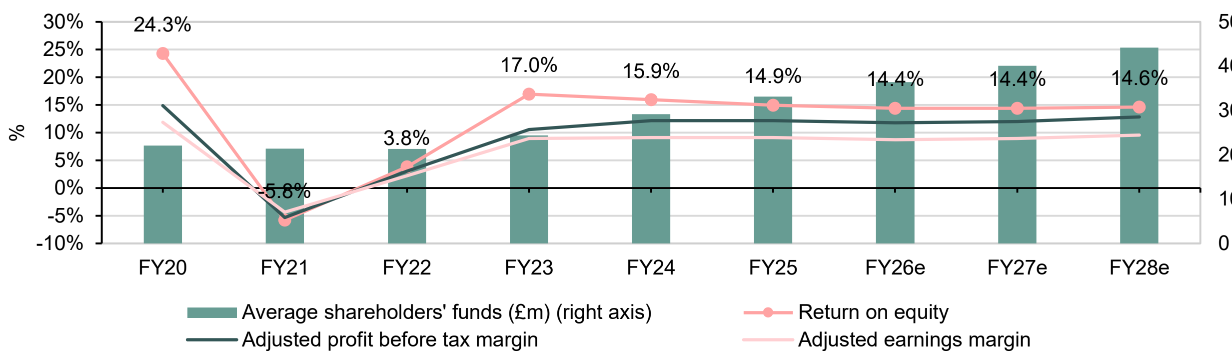
Our new forecasts include our estimates for funkypigeon.com. As the acquisition was completed in the middle of August 2025, our FY26 estimates include a revenue contribution for just over five months of the year and, therefore, FY27 will be its first full year. With the H126 results, management quantified the acquisition will enhance FY26's revenue growth by about 3pp. From a profit perspective, we include £1m of the indicated synergies in FY27 and £5m of synergies in FY28, at which stage we estimate the acquisition contributes almost £9m of operating profit.

Returns on equity and invested capital

The recovery in CARD's financial results is evident in the improvements to its returns on equity and invested capital in recent years.

From a profitability perspective, the underlying improvement in CARD's adjusted PBT margin in recent years has been partially offset by the increase in the standard UK corporate tax rate to 25%, from 19% in April 2024.

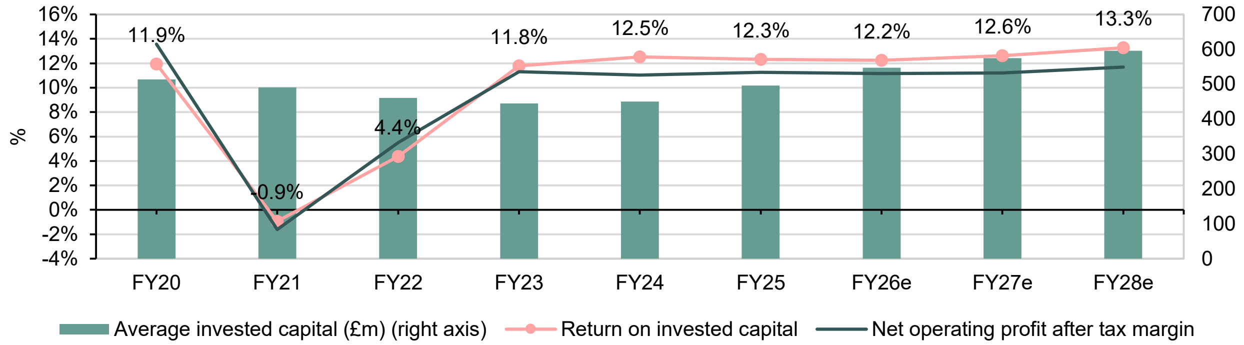
Exhibit 13: Card Factory's return on equity and its drivers



Source: Card Factory, Edison Investment Research

CARD's lease-adjusted return on invested capital has been stable at c 12% from FY23 to FY25 as a result of its net operating profit after tax margin being relatively consistent. Our calculations begin in FY20 as the introduction of IFRS 16 affects comparability prior to then.

Exhibit 14: Card Factory's return on invested capital and its drivers



Source: Card Factory, Edison Investment Research

Valuation

We look at CARD's valuation from three perspectives: a DCF-based valuation; comparison versus an imperfect peer group; and relative to its own history.

DCF-based valuation

The changes to our estimates, incorporating FY25 results, the acquisition and an increase in our estimated WACC to 9% from 8.5% previously, lead to a reduction in our DCF-based valuation to 169p per share, from 200p per share previously, providing significant upside from the current share price.

The main assumptions beyond our explicit forecasts through FY28 are revenue growth of 2% per year and in perpetuity and a c 15% drop-through of incremental revenue to operating profit, which is consistent with our forecasts for FY26–28, giving a relatively stable operating margin of c 15% through our terminal year in FY35.

Our estimated WACC has increased as a result of increases to the UK risk-free rate, to c 4.7% from 4.0%, and the equity risk premium to 5.1% from 4.9% (source: Damodaran), since our last update.

The sensitivity of CARD's valuation to changes in the WACC and terminal growth rate are as follows:

Exhibit 15: DCF sensitivity (pence per share)

		---------------Terminal growth rate----------------				
		0.0%	1.0%	2.0%	3.0%	4.0%
------------WACC------------	11.5%	97	103	110	119	131
	11.0%	104	111	119	130	143
	10.5%	112	120	129	142	158
	10.0%	121	130	141	155	175
	9.5%	130	141	154	171	195
	9.0%	141	153	**169**	190	219
	8.5%	153	167	186	211	248
	8.0%	166	183	206	237	285
	7.5%	181	202	229	269	332
	7.0%	199	223	257	309	395

Source: Edison Investment Research

A share price of 169p would represent prospective P/E multiples for FY26 of 10.8x and FY27 of 9.9x, which are not high when compared to its peers (see Exhibit 16) and its own historical multiples (see Exhibits 17–19).

Significant discount to peers

CARD does not have many direct quoted peers, as many of its competitors are either unquoted or have cards and gift categories that form a small part of their overall sales. The only quoted pure-play card and gift retailer is Moonpig, but it is focused on online activities and also has a presence in the Netherlands. Therefore, below we show CARD's financials and valuation relative to a number of other speciality retailers with a high bricks-and-mortar presence as well as varying levels of online activities. All are annualised to CARD's January year-end.

Exhibit 16: Peer valuations

	Share price (p)	Market cap (£m)	Enterprise value (£m)	Sales growth Jan '26 (%)	Sales growth Jan '27 (%)	EBIT margin Jan '26 (%)	EBIT margin Jan '27 (%)	EV/sales Jan '26 (x)	P/E Jan '26 (x)	P/E Jan '27 (x)	Div. yield Jan '26 (%)	Div. yield Jan '27 (%)
B&M European Value Retail SA	185.3	1,862	4,181	4	5	8.6	8.2	0.7	7.1	6.9	10.0	8.7
DFS Furniture PLC	160.5	376	840	(1)	(8)	6.0	7.4	0.7	14.1	10.4	1.5	3.4
Dunelm Group PLC	1,151.0	2,317	2,647	4	4	12.5	12.4	1.5	14.5	13.9	4.3	4.7
Greggs PLC	1,683.0	1,721	2,163	7	8	8.6	8.4	1.0	13.4	12.9	4.0	4.1
Halfords Group PLC	151.2	331	593	2	3	2.8	3.1	0.3	11.7	9.9	5.8	6.3
Pets at Home Group PLC	219.6	996	1,348	(0)	2	8.2	7.9	0.9	13.2	13.4	5.8	5.8
Moonpig Group PLC	220.5	707	808	6	8	21.5	21.4	2.2	14.0	12.2	1.6	1.9
Topps Tiles PLC	35.9	71	167	10	14	5.6	5.8	0.6	9.5	7.1	7.9	9.4
Median				**5**	**6**	**9.1**	**8.9**	**0.9**	**13.9**	**12.2**	**5.0**	**5.1**
Average				**6**	**7**	**8.0**	**9.7**	**1.1**	**12.5**	**11.3**	**5.3**	**5.3**
Card Factory	**103.0**	**362**	**555**	**11**	**8**	**14.7**	**14.7**	**0.9**	**6.6**	**6.0**	**5.0**	**5.3**
Premium/(discount) to median				7	3	6.3	6.6	13	(50)	(46)	0	2
Premium/(discount) to average				7	3	5.5	5.4	(6)	(46)	(44)	(1)	(3)

Source: LSEG Data & Analytics, Edison Investment Research. Note: Prices at 27 October 2025.

We believe there is a clear valuation disparity between CARD and these peers given that it trades at a significant discount using EV/sales and P/E multiples and offers a more appealing dividend yield, despite our forecasts for comparable revenue growth and it being more profitable than the median and average of these peers.

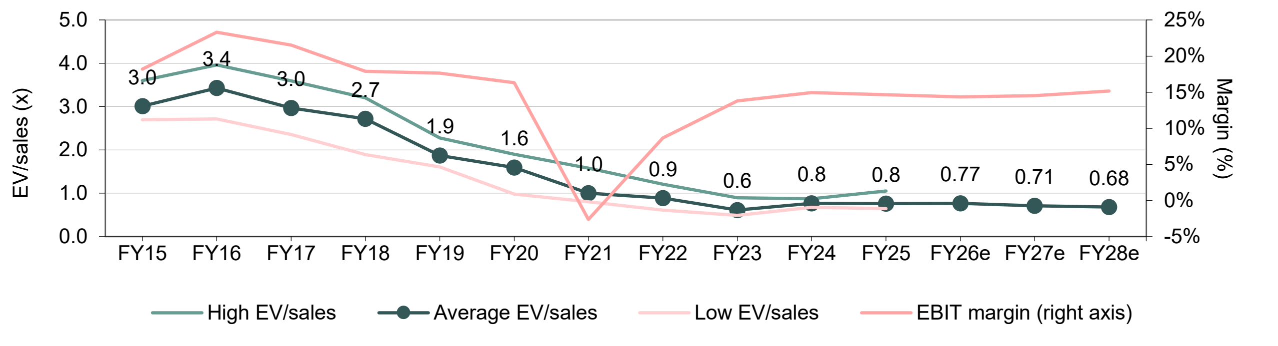
Valued at a significant discount to its own historical multiples

We forecast that CARD will show attractive revenue growth in absolute terms, a general improvement in its profitability that will feed through to good cash generation and a net cash position within three years.

Below we show how CARD's EV/sales multiples compare with its profitability over the long term. For each historical year, we include the high, average (quoted on chart) and low multiples in that particular year, and for the prospective years we included the current multiple. In the calculation of enterprise value we exclude lease liabilities in order to get a clear view of CARD's valuation over a longer time frame.

We believe there is a clear disparity between CARD's prospective EV/sales multiples and its outlook for profitability. Its long-term average EV/sales multiple from FY15 to FY24 is 1.8x

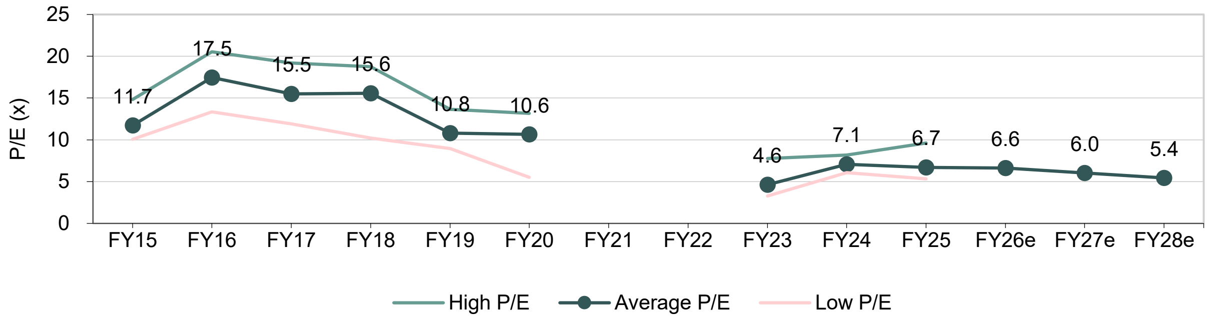
Exhibit 17: Card Factory's EV/sales multiple versus profitability



Source: Card Factory, Edison Investment Research, LSEG Data & Analytics. Note: Price at 27 October 2025.

There is a similar picture when we compare CARD's prospective P/E multiples versus its historical multiples. We exclude FY21, as CARD generated a loss due to the COVID-19 pandemic, and FY22, as the low earnings in the post-pandemic recovery make the comparison a bit meaningless as it skews the valuation upwards. In this calculation we use our definition of normalised earnings, which may differ slightly to the way it is calculated by consensus estimates.

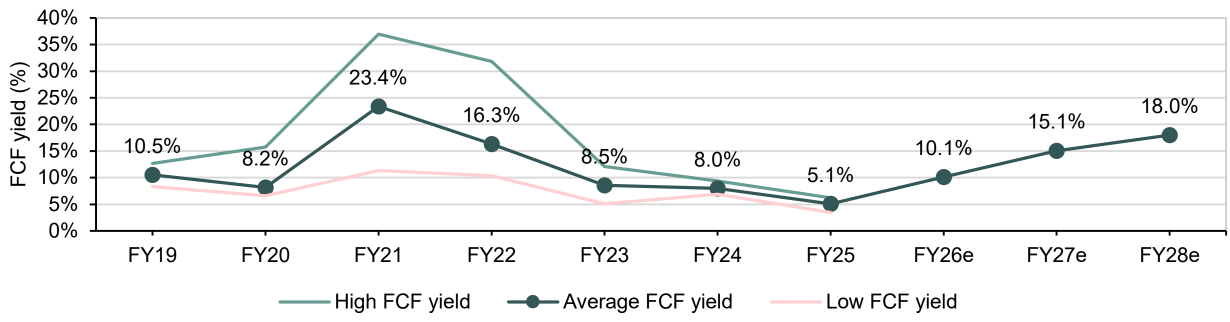
Exhibit 18: Card Factory's P/E multiple



Source: Card Factory, Edison Investment Research, LSEG Data & Analytics. Note: Price at 27 October 2025.

Switching our attention to equity free cash flow yield we can see CARD's valuation looks attractive on an absolute basis and versus its trading history. We start at FY19 given that the introduction of IFRS 16 affects comparability prior to this. We have kept the figures for FY21 and FY22 in the charts but believe they are not so useful from a comparative perspective given that the primary drivers to cash flow (ie profits) were low and changes in working capital led to large inflows, which were untypical versus other years.

Exhibit 19: Card Factory's equity free cash flow yield



Source: Card Factory, Edison Investment Research, LSEG Data & Analytics. Note: Price at 27 October 2025.

Exhibit 20: Financial summary

£m	2023	2024	2025	2026e	2027e	2028e
Year end 31 January	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT						
Revenue	463.4	510.9	542.5	600.9	647.2	676.5
EBITDA	111.2	123.8	131.2	147.8	157.7	168.0
Operating profit (before amort. and excepts.)	63.0	77.6	83.0	90.6	97.6	105.9
Amortisation of acquired intangibles	0.0	0.0	(0.3)	(1.2)	(1.2)	(1.2)
Exceptionals	2.5	0.9	(1.1)	(1.0)	0.0	0.0
Share-based payments	(1.7)	(2.1)	(2.3)	(2.3)	(2.3)	(2.3)
Reported operating profit	63.8	76.4	79.3	86.1	94.1	102.4
Net Interest	(11.4)	(13.4)	(15.2)	(17.6)	(17.5)	(16.7)
JVS and associates (post tax)	0.0	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	2.6	0.0	0.0	0.0	0.0
Adjusted profit before tax (company definition)	48.9	62.1	66.0	70.7	77.8	86.9
Profit Before Tax (norm)	51.6	64.2	67.8	73.0	80.1	89.2
Profit Before Tax (reported)	52.4	65.6	64.1	68.5	76.6	85.7
Reported tax	(8.2)	(16.1)	(16.3)	(18.3)	(20.0)	(22.3)
Profit After Tax (norm)	42.4	48.1	51.5	54.8	60.1	66.9
Profit After Tax (reported)	44.2	49.5	47.8	50.3	56.6	63.4
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	42.4	48.1	51.5	54.8	60.1	66.9
Net income (reported)	44.2	49.5	47.8	50.3	56.6	63.4
Average Number of Shares Outstanding (m)	342.3	343.3	346.9	350.2	351.3	351.3
EPS – normalised (p)	12.4	14.0	14.8	15.6	17.1	19.0
EPS – normalised fully diluted (p)	12.3	13.9	14.7	15.6	17.0	19.0
EPS – basic reported (p)	12.9	14.4	13.8	14.4	16.1	18.1
DPS (p)	0.0	4.5	4.8	5.2	5.5	6.1
Revenue growth (%)	27	10	6	11	8	5
EBITDA Margin (%)	24.0	24.2	24.2	24.6	24.4	24.8
Normalised Operating Margin (%)	13.6	15.2	15.3	15.1	15.1	15.7
BALANCE SHEET						
Fixed Assets	461.6	478.3	516.9	552.0	554.8	555.7
Intangible Assets	326.3	331.4	356.5	382.4	382.6	380.8
Tangible Assets	32.2	45.9	48.7	49.9	49.9	49.9
Right-of-Use Assets	100.5	99.2	110.2	118.2	120.9	123.5
Investments & other	2.6	1.8	1.5	1.5	1.5	1.5
Current Assets	75.6	73.8	98.7	96.3	114.2	134.6
Stocks	45.3	50.0	61.1	67.7	72.9	76.2
Debtors	13.3	11.6	17.0	24.6	25.4	26.1
Cash & cash equivalents	11.7	11.3	16.5	(0.1)	11.9	28.2
Other	5.3	0.9	4.1	4.1	4.1	4.1
Current Liabilities	(150.0)	(122.1)	(104.3)	(104.5)	(104.3)	(104.0)
Creditors	(84.7)	(80.1)	(76.8)	(79.0)	(80.8)	(81.9)
Tax and social security	0.0	(0.4)	0.0	0.0	0.0	0.0
Short-term borrowings	(27.1)	(7.1)	(0.1)	(0.1)	(0.1)	(0.1)
Short-term leases	(27.3)	(25.3)	(21.7)	(21.7)	(21.7)	(21.7)
Other	(10.9)	(9.2)	(5.7)	(3.7)	(1.7)	(0.3)
Long-term liabilities	(119.0)	(114.2)	(164.4)	(162.4)	(145.1)	(122.7)
Long-term borrowings	(40.4)	(37.9)	(73.9)	(63.9)	(43.9)	(18.9)
Long-term leases	(78.1)	(75.5)	(88.7)	(96.7)	(99.4)	(102.0)
Other long-term liabilities	(0.5)	(0.8)	(1.8)	(1.8)	(1.8)	(1.8)
Net Assets	268.2	315.8	346.9	381.4	419.7	463.6
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	268.2	315.8	346.9	381.4	419.7	463.6
CASH FLOW						
Operating Cash Flow	101.2	113.0	112.2	125.8	136.7	147.8
Working capital	(6.8)	(6.1)	(22.1)	(14.0)	(6.2)	(4.4)
Exceptional & other	13.4	11.8	15.5	19.9	19.8	19.0
Tax	(7.9)	(13.5)	(16.7)	(18.3)	(20.0)	(22.3)
Net operating cash flow before interest	99.9	105.2	88.9	113.4	130.3	140.1
Capex	(18.2)	(27.8)	(18.2)	(24.0)	(24.0)	(24.0)
Acquisitions/disposals	0.0	(2.2)	(22.5)	(24.1)	0.0	0.0
Net interest	(6.2)	(6.5)	(6.2)	(9.0)	(8.5)	(7.5)
Equity financing	0.0	0.6	0.5	(1.0)	(2.0)	(2.0)
Dividends	0.0	0.0	(19.8)	(17.1)	(18.5)	(19.8)
Lease repayments and interest	(57.0)	(43.7)	(45.6)	(44.9)	(45.3)	(45.5)
Other	(46.9)	(23.6)	28.4	(10.0)	(20.0)	(25.0)
Net Cash Flow	(28.4)	2.0	5.5	(16.6)	12.0	16.3
Opening net debt/(cash) excluding leases	74.2	57.2	34.4	58.9	64.1	32.1
FX	0.0	(0.8)	(0.1)	0.0	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	0.0	0.0	0.0
Closing net debt/(cash)	57.2	34.4	58.9	64.1	32.1	(9.2)
Closing net debt/(cash) including leases	162.6	135.2	169.3	182.5	153.2	114.5

Source: Card Factory, Edison Investment Research

Contact details

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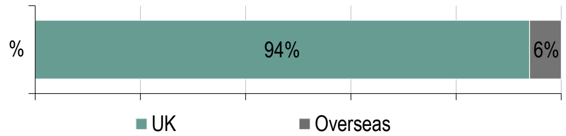
Revenue by geography



Management team

Non-executive chair: Paul Moody

Paul has extensive retail experience, having served for 20 years at Britvic, including eight years as CEO. He is currently chair of 4imprint Group, having been appointed in February 2016. Paul was chair of Johnson Service Group between May 2014 and August 2018 and was a non-executive director and chair of the remuneration committee of Pets at Home from March 2014 until July 2020. Paul assumed the interim role as executive chair of Card Factory from 1 July 2020 to 8 March 2021.

Chief executive officer: Darcy Willson-Rymer

Darcy joined Card Factory as CEO in March 2021. Prior to joining CARD he was CEO of Costcutter Supermarkets Group for eight years, where he steered the business through a period of significant change, including the development of a new operating model and the introduction of a data and insights led business growth programme that realised a 20% sales uplift, and led the brand transformation of Costcutter. He was CEO of Clinton Cards from 2011 to 2012 and before that held a range of roles in international branded businesses, including managing director (UK & Ireland) of Starbucks Coffee Company, and senior roles at Yum Restaurants International.

Chief financial officer: Matthias Seeger

Matthias joined Card Factory as chief financial officer in May 2023. He was chief financial officer at Ambassador Cruise Line from February 2022, having previously held the same position at Costcutter Supermarkets Group from September 2015 to September 2021, where he worked with Darcy. Previous roles throughout his career include senior finance roles with Procter & Gamble, in Germany, the UK, Belgium and Switzerland.

Principal shareholders	%
Brett Blundy	8.1%
Aberforth Partners	6.5%
Artemis Investment Management	6.1%
JP Morgan Asset Management	5.3%
Liontrust Portfolio Management	4.8%
Wellcome Trust	4.1%

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