EDISON

4imprint Group

H126 results

Improved trading feeds through to upgrades

Media

5 August 2026

4imprint's (FOUR's) H126 results show more-encouraging trends through H126 from a new orders perspective. While negative year-on-year, the decline has moderated. In addition, management has been successful at passing on targeted price increases to mitigate the cost pressures from tariffs, delivering better margin protection than it expected at the start of the year. The better-than-expected H126 performance leads to an upgrade to management's adjusted profit before tax (PBT) guidance of c 9% versus our prior estimate. A continuation of these more-encouraging trends would support further upgrades.

Year end	Revenue ($m)	PBT ($m)	EPS (¢)	DPS (¢)	P/E (x)	Yield (%)
12/24	1,367.9	154.4	415.31	490.00	14.2	8.3
12/25	1,346.8	150.8	403.31	240.00	14.6	4.1
12/26e	1,351.4	129.6	350.52	240.00	16.8	4.1
12/27e	1,370.5	133.2	355.07	240.00	16.6	4.1

Note: PBT and EPS are underlying. FY24 DPS includes a special dividend.

Trends more encouraging in H126

The key financial headlines are revenue increased by 1.1% in H126, the gross margin declined by 130bp to 31.5% giving c 3% lower gross profit, and adjusted operating profit was 11.6% lower with a similar 130bp reduction in operating margin versus H125. The main revenue drivers were a c 3% increase in average order value, with improving recovery of tariff-related costs as H126 progressed, offset by 1.3% fewer orders. While overall orders continued to decline in H126 and with existing customer orders broadly unchanged, there were more-encouraging trends in orders received from new customers as the period progressed, with a Q226 decline of 5% following a 9% decline in Q126. Changes in the growth rates in orders from new customers are an important indicator of the business's potential growth. The declared interim dividend of 80c/share is unchanged versus H125. Adjusting items related to uncertain tax treatments were included in management's announcement (discussed below).

A healthy upgrade to profit estimates

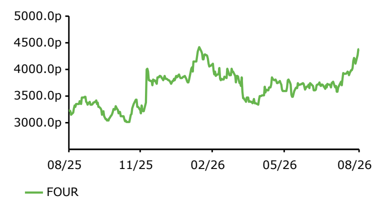
The better-than-expected H126 performance enabled management to increase its FY26 guidance to revenue slightly above FY25's $1.35bn and adjusted PBT of 'approximately $130m'. The revenue guidance implies a modest year-on-year revenue decline in H226, partly reflecting the annualisation of price increases that began in H225. The delivery of PBT of exactly $130m would represent a decline of c 14% y-o-y from FY25's $150.8m; more importantly it would represent an upgrade of c 9% from our prior estimate. Our new FY26 estimate of $129.6m incorporates a modest pick-up in marketing spend, as we assume management continuously tests to ascertain the strength of any potential recovery. Our FY27 forecasts reflect the higher FY26 base and no changes to our assumptions for growth rates or cost ratios.

Valuation discount to historical multiples

A return to growth and higher profitability would be supportive of a re-rating towards historical multiples (see Exhibit 3).

Price	**4,390.00p**
Market cap	**£1,237m**
Net cash at 27 June 2026 (excluding IFRS 16 liabilities of $2.9m)	$136.9m
Shares in issue	28.2m
Free float	97.6%
Code	FOUR
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	19.3	21.2	23.6
52-week high/low		4,424.0p	2,884.8p

Business description

4imprint Group is a leading direct marketer of promotional products in the United States, Canada, the UK and Ireland. In FY25, 98% of revenues were generated in the US and Canada.

Next events

10-month trading update	November 2026
FY26 trading update	January 2027

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H126: Better trends in volume and prices

In Exhibit 1 we show a number of FOUR's core KPIs and the financial results for FY24 to H126 as well as our new forecasts for FY26 and FY27. We include FY24 to demonstrate the disruption to FOUR's growth and profitability as a result of the introduction of tariffs at the start of FY25.

Following the 3% decline in total orders received through FY25, there has been a clear slowing in the rate of decline to 1.3% in H126. The key driver of the decline has been orders from new customers, while existing customers have been relatively loyal, with small growth/declines since the start of FY25. The decline in orders from new customers was significant in FY25 at c 12%, but eased to c 7% in H126, with management noting a lower rate of decline in Q226 of 5% versus Q126's 9%.

Of particular interest is the 3% growth in average order value that FOUR enjoyed in H126. Following flat prices in H125, management began to introduce targeted price increases to mitigate the new import tariffs, which led to growth in the average order value of 1% for the full year, implying c 2% increases in H225. The targeted price increases have continued through H126, and we note the benefits of these has increased through the period. At the AGM in May 2026, management highlighted an increase in average order value of 2% in the first four months of FY26, implying an even greater increase in the remaining two months of the period.

Revenue per marketing dollar, which highlights the productivity of marketing, was broadly stable in H126 versus H125.

Following a better-than-anticipated gross margin performance, management had warned that FY26 would begin to see gross margin contraction as the tariff-related cost increases fed into the supply chain. The reported gross margin decline of 130bp is better than management had anticipated, as a result of the increase in average order value.

The underlying operating margin decline of 130bp to 9.4% in H126 is consistent with the decline in gross margin, indicating good control of costs on an absolute basis, maintaining them overall relative to revenue.

With the results, management has quantified adjustments related to uncertain tax treatments. Management's best estimate of one-time costs is c $5.1m. This follows a change to management's assessment of certain historical income tax positions and a reallocation of payments across jurisdictions. The balance sheet includes a current tax asset of $19.0m and a current tax liability of $19.5m, which we expect to reverse out in FY27. We have included new line items in our financial summary table in Exhibit 4 to show underlying profit figures that exclude these adjusting items.

Exhibit 1: Summary income statement and KPIs

	H124	H224	FY24	H125	H225	FY25	H126	H226e	FY26e	FY27e
Orders received (m)	**1.1**	**1.0**	**2.1**	**1.1**	**1.0**	**2.1**	**1.0**	**1.0**	**2.0**	**2.0**
Growth y-o-y	3.6%	(0.4%)	1.6%	(2.9%)	(3.2%)	(3.0%)	(1.3%)	(1.5%)	(1.4%)	0.4%
Orders received existing customers (m)	**0.8**	**0.8**	**1.6**	**0.8**	**0.8**	**1.6**	**0.8**	**0.8**	**1.6**	**1.6**
Growth y-o-y	7.7%	2.9%	5.3%	0.2%	(0.9%)	(0.3%)	0.1%	(0.1%)	0.0%	0.5%
Orders received new customers (m)	**0.3**	**0.2**	**0.5**	**0.2**	**0.2**	**0.4**	**0.2**	**0.2**	**0.4**	**0.4**
Growth y-o-y	(8.1%)	(10.5%)	(9.3%)	(13.2%)	(11.3%)	(12.3%)	(6.9%)	(7.1%)	(7.0%)	0.0%
Average order value growth	**2.0%**	**0.0%**	**2.0%**	**flat**	**N/A**	**1.0%**	**3.0%**	**1.2%**	**1.8%**	**1.0%**
$m										
Revenue	**667.5**	**700.4**	**1,367.9**	**659.4**	**687.4**	**1,346.8**	**666.4**	**685.0**	**1,351.4**	**1,370.5**
Growth y-o-y	5.0%	1.4%	3.1%	(1.2%)	(1.9%)	(1.5%)	1.1%	(0.3%)	0.3%	1.4%
Gross profit	**214.0**	**221.4**	**435.4**	**216.5**	**219.5**	**436.0**	**209.9**	**209.0**	**418.9**	**424.8**
Gross margin	32.1%	31.6%	31.8%	32.8%	31.9%	32.4%	31.5%	30.5%	31.0%	31.0%
Gross margin change y-o-y	1.6%	1.4%	1.5%	0.8%	0.3%	0.5%	(1.3%)	(1.4%)	(1.4%)	0.0%
Gross profit per order ($)	197	213	205	205	218	212	202	211	206	208
Growth y-o-y	6.8%	6.5%	6.6%	4.1%	2.4%	3.2%	(1.7%)	(3.3%)	(2.5%)	1.0%
Underlying operating profit	**69.9**	**78.2**	**148.1**	**70.7**	**74.5**	**145.2**	**62.5**	**61.3**	**123.8**	**126.9**
Underlying operating margin	10.5%	11.2%	10.8%	10.7%	10.8%	10.8%	9.4%	8.9%	9.2%	9.3%
Margin change y-o-y	9.6%	8.0%	8.7%	1.1%	(4.7%)	(2.0%)	(11.6%)	(17.8%)	(14.8%)	2.5%
Adjusting items	0.0	0.0	0.0	0.0	0.0	0.0	(2.9)	0.0	(2.9)	0.0
Reported operating profit	**69.9**	**78.2**	**148.1**	**70.7**	**74.5**	**145.2**	**59.6**	**64.2**	**120.9**	**126.9**
Net finance costs	3.1	3.2	6.3	3.3	2.3	5.6	2.3	3.5	5.8	6.3
Adjusting finance items	0.0	0.0	0.0	0.0	0.0	0.0	(2.3)	0.0	(2.3)	0.0
Underlying profit before tax	**73.0**	**81.4**	**154.4**	**74.0**	**76.8**	**150.8**	**64.8**	**64.8**	**129.6**	**133.2**
Reported profit before tax	**73.0**	**81.4**	**154.4**	**74.0**	**76.8**	**150.8**	**59.6**	**67.7**	**124.4**	**133.2**

Source: 4imprint, Edison Investment Research

Our new revenue estimate for FY26 of $1.351bn is broadly in line with management's updated guidance of slightly above FY25's $1.35bn as is our adjusted PBT estimate of $129.6m (compared to guidance of 'approximately $130m').

Management's guidance implies relatively consistent rates of change in the main KPIs in H226, suggesting upside if the improving trends in orders from new customers continues. The implied average order increase of c 1% in H226 compounds the c 2% growth in H225 to give c 3% growth on a two-year basis, consistent with H126.

FOUR typically reports a lower gross margin in the second half of any financial year due to changes in product mix more heavily weighted towards apparel.

Cash flow and balance sheet

In Exhibit 2 we show a summary of FOUR's cash generation and uses in absolute terms and relative to revenue.

On a relative basis, the lower profitability, less favourable working capital and higher capital spend weighed on free cash generation in H126 versus H125.

Exhibit 2: Summary cash flow

$m	H125	H225	FY25	H126
Underlying operating profit	70.7	74.5	145.2	62.5
Share option related charges	1.8	1.2	3.0	1.2
Defined benefit pension scheme admin and past service costs	0.0	0.1	0.1	0.0
Depreciation and amortisation	2.7	2.6	5.3	2.6
Lease depreciation	0.9	0.7	1.6	0.8
Chang in working capital	9.6	(2.9)	6.7	3.3
Capex	(2.2)	(1.7)	(3.9)	(7.4)
Underlying operating cash flow	**83.5**	**74.5**	**158.0**	**63.0**
Tax and interest	(12.9)	(18.1)	(31.0)	(11.0)
Own share transactions	(3.2)	(2.2)	(5.4)	(1.7)
Capital element of lease payments	(1.0)	(0.9)	(1.9)	(1.0)
Exchange and other	8.2	0.1	8.3	0.0
Free cash flow	**74.6**	**53.4**	**128.0**	**49.3**
Relative to revenue:				
Underlying operating profit	10.7%	10.8%	10.8%	9.4%
Share option related charges	0.3%	0.2%	0.2%	0.2%
Defined benefit pension scheme admin and past service costs	0.0%	0.0%	0.0%	0.0%
Depreciation and amortisation	0.4%	0.4%	0.4%	0.4%
Lease depreciation	0.1%	0.1%	0.1%	0.1%
Chang in working capital	1.5%	(0.4%)	0.5%	0.5%
Capex	(0.3%)	(0.2%)	(0.3%)	(1.1%)
Underlying operating cash flow	**12.7%**	**10.8%**	**11.7%**	**9.5%**
Tax and interest	(2.0%)	(2.6%)	(2.3%)	(1.7%)
Own share transactions	(0.5%)	(0.3%)	(0.4%)	(0.3%)
Capital element of lease payments	(0.2%)	(0.1%)	(0.1%)	(0.2%)
Exchange and other	1.2%	0.0%	0.6%	0.0%
Free cash flow	**11.3%**	**7.8%**	**9.5%**	**7.4%**

Source: 4imprint, Edison Investment Research

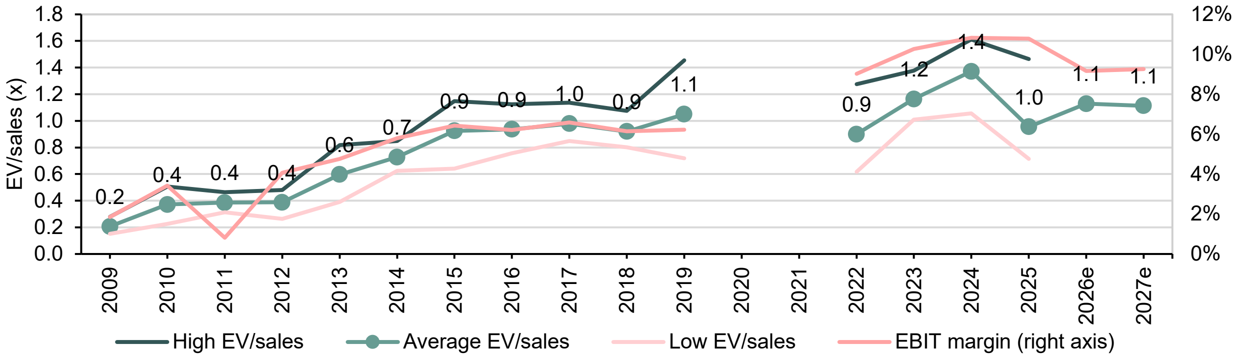
At the period end, FOUR had a cash balance of c $137m with no debt beyond leases of c $3m.

Valuation

In Exhibit 3 we show how FOUR's prospective EV/sales multiples and operating margins compare with its long-term history. For historical multiples we show the high, average (figure quoted) and low for the year, and we exclude FY20 and FY21 due to the distortion provided by the global COVID pandemic. We also exclude leases from our calculation of enterprise value in order to get a longer-term picture of valuation.

We conclude a recovery in profitability would be supportive of a re-rating.

Exhibit 3: EV/sales and profitability



Source: 4imprint, Edison Investment Research, LSEG Data & Analytics. Note: Prices at 4 August 2026.

Exhibit 4: Financial summary

$m	2023	2024	2025	2026e	2027e
Year end December	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS					
Revenue	**1,326.5**	**1,367.9**	**1,346.8**	**1,351.4**	**1,370.5**
Cost of Sales	(924.6)	(932.5)	(910.8)	(932.5)	(945.6)
Gross Profit	401.9	435.4	436.0	418.9	424.8
EBITDA	**141.3**	**154.9**	**152.1**	**131.2**	**134.4**
Intangible Amortisation	0.0	0.0	0.0	0.0	0.0
Exceptionals	0.0	0.0	0.0	(2.9)	0.0
Pensions and share options	(1.1)	(1.6)	(3.0)	(3.0)	(3.0)
Underlying operating profit	**136.2**	**148.1**	**145.2**	**123.8**	**126.9**
Operating Profit	**136.2**	**148.1**	**145.2**	**120.9**	**126.9**
Net Interest	4.5	6.3	5.6	5.8	6.3
Net pension finance charge					
Underlying profit before tax	**140.7**	**154.4**	**150.8**	**129.6**	**133.2**
Profit Before Tax (IFRS)	**140.7**	**154.4**	**150.8**	**124.4**	**133.2**
Tax	(34.5)	(37.2)	(37.2)	(30.5)	(32.6)
Underlying profit after tax	**106.2**	**117.2**	**113.6**	**99.1**	**100.6**
Profit After Tax (IFRS)	**106.2**	**117.2**	**113.6**	**93.9**	**100.6**
Discontinued businesses	0.0	0.0	0.0	0.0	0.0
Net income (norm)	**107.0**	**118.4**	**115.9**	**102.3**	**102.1**
Net income (IFRS)	**106.2**	**117.2**	**113.6**	**93.9**	**100.6**
Average Number of Shares Outstanding (m)	28.1	28.2	28.1	28.2	28.2
EPS - underlying fully diluted (c)	377.0	415.3	403.3	350.5	355.1
EPS - IFRS fully diluted (c)	377.0	415.3	403.3	332.1	355.1
Dividend per share (c)	215.0	240.0	240.0	240.0	240.0
Special dividend per share (c)	0.0	250.0	0.0	0.0	0.0
Gross Margin (%)	30.3	31.8	32.4	31.0	31.0
EBITDA Margin (%)	10.7	11.3	11.3	9.7	9.8
Operating Margin (undelrying) (%)	10.3	10.8	10.8	9.2	9.3
BALANCE SHEET					
Fixed Assets	**51.4**	**58.0**	**56.5**	**61.1**	**60.6**
Intangible Assets	1.5	1.3	1.2	1.2	1.2
Tangible Assets	34.7	49.3	49.0	53.6	53.1
Right of use assets	11.4	4.2	2.6	2.6	2.6
Deferred tax assets	3.8	3.2	3.4	3.4	3.4
Other	0.0	0.0	0.3	0.3	0.3
Current Assets	**186.9**	**229.5**	**205.8**	**252.7**	**264.3**
Stocks	13.6	17.1	14.7	15.0	15.3
Debtors	68.4	64.4	57.7	57.9	58.7
Cash and short-term deposits	104.5	147.6	132.8	160.8	189.8
Other	0.4	0.4	0.6	19.0	0.6
Current Liabilities	**(91.3)**	**(96.9)**	**(95.2)**	**(117.5)**	**(97.2)**
Creditors	(89.9)	(95.0)	(93.7)	(116.0)	(95.7)
Short term borrowings	0.0	0.0	0.0	0.0	0.0
Lease liabilities	(1.4)	(1.9)	(1.5)	(1.5)	(1.5)
Long Term Liabilities	**(12.5)**	**(5.5)**	**(3.8)**	**(3.8)**	**(3.8)**
Long term borrowings	0.0	0.0	0.0	0.0	0.0
Lease liabilities	(10.9)	(3.4)	(1.9)	(1.9)	(1.9)
Other long term liabilities	(1.6)	(2.1)	(1.9)	(1.9)	(1.9)
Net Assets	**134.5**	**185.1**	**163.3**	**192.5**	**223.9**
CASH FLOW					
Operating Cash Flow	**166.9**	**162.1**	**161.9**	**132.4**	**134.4**
Net Interest	3.9	6.3	5.7	5.8	6.3
Tax	(33.8)	(35.8)	(36.7)	(30.5)	(32.6)
Capex	(9.7)	(19.5)	(3.9)	(10.0)	(5.0)
Acquisitions/disposals	0.0	0.0	0.0	0.0	0.0
Pension contributions					
Equity financing	1.4	(2.0)	(5.4)	0.0	0.0
Dividends	(110.8)	(65.5)	(142.8)	(67.7)	(72.1)
Net Cash Flow	17.9	45.6	(21.2)	30.0	31.0
Opening net debt/(cash and short-term deposits) including leases	**(73.0)**	**(92.2)**	**(142.3)**	**(129.4)**	**(157.4)**
Forex	1.2	0.4	2.8	0.0	0.0
Other	0.1	4.1	5.5	(2.0)	(2.0)
Closing net debt/(cash and short-term deposits) including leases	**(92.2)**	**(142.3)**	**(129.4)**	**(157.4)**	**(186.4)**

Source: 4imprint, Edison Investment Research

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