

Card Factory

FY26 results

UK's performance offsets underlying progress

FY26 was a frustrating year as the steady progress on Card Factory's main strategic drivers – growing market share in gifts and celebration essentials, international partnerships performing in line with expectations and the start of the integration of Funky Pigeon – were more than offset by the UK's H2 weak trading. Management did a good job of controlling the controllables, which paid off handsomely with a significant improvement in adjusted free cash flow. This enables a further and enhanced share buyback in addition to the progressive annual dividend. Despite the ongoing challenging backdrop in the UK, management believes continued execution of the strategy will lead to profit progress in FY27. The main contributor in absolute terms will likely be the annualisation of Funky Pigeon's profit, however store expansion and space reallocation opportunities in the UK, as well as further progress in partnerships should play their part too. Management also re-iterated medium-term guidance, with high confidence in the North American opportunity.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
1/25	542.5	66.0	14.18	4.80	4.7	7.2
1/26	582.7	56.0	11.78	5.00	5.7	7.5
1/27e	614.4	58.2	12.76	5.20	5.2	7.8
1/28e	639.3	63.6	15.10	5.40	4.4	8.1

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

Weak UK high street offsets progress elsewhere

All divisions supported FY26's revenue growth of c 7%, which was helped by the first-time contribution from Funky Pigeon and annualisation of prior-year partnership acquisitions. The main profit delta from FY25 to FY26 was a c £11m drop in Stores adjusted EBITDA, more than offsetting progress in Digital, helped by the elimination of Getting Personal's losses, and Wholesale partnerships. On the positive side for UK stores, the broadening of the range continued to drive a positive customer response with higher average basket value, and the 'Simplify & scale' programme continued to deliver efficiencies. Unfortunately, these were insufficient to offset the weaker footfall. From a cash flow perspective, working capital was neutral versus prior year outflows and capital investment of c £19m was below management's indicated medium-term range of £20–25m. As a result, there was impressive growth in adjusted cash flow in absolute terms, over 40%, and on a relative basis, to 99% free cash conversion from 58% in FY25. Having completed the prior £5m share buyback, a new £15m earnings accretive share buyback has commenced.

Some profit recovery expected in FY27

With flat revenue excluding Funky Pigeon in Q127 there is no apparent recovery in trading. Management expects FY27 adjusted EBITDA to be in line with consensus of £54.8–60.5m. We trim our estimates towards the middle of the range, and incorporate a £15m share buyback in both FY27 and FY28.

Lowly valued with attractive dividend yield

The valuation is attractive with a prospective P/E multiple towards the low end of its historical range.

Retail

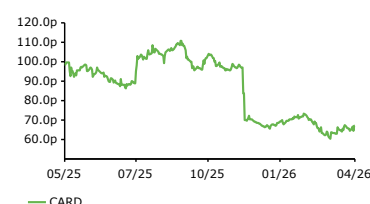
30 April 2026

Price 66.70p
Market cap £231m

Net debt at 31 January 2026 £(67.9)m
(excluding IFRS 16 liabilities of £123.2m)

Shares in issue 345.8m
Free float 88.7%
Code CARD
Primary exchange LSE
Secondary exchange N/A

Share price performance



%	1m	3m	12m
Abs	7.2	(7.9)	(28.9)
52-week high/low		113.5p	58.3p

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

H127 results September 2026

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Exhibit 1: Financial summary

£m	FY24	FY25	FY26	FY27e	FY28e
Year end 31 January	IFRS	IFRS	IFRS	IFRS	IFRS
INCOME STATEMENT					
Revenue	510.9	542.5	582.7	614.4	639.3
Adjusted EBITDA	120.6	128.6	123.6	133.4	141.5
EBITDA	122.6	127.5	116.8	133.4	141.5
Depreciation and amortisation	(46.2)	(48.2)	(57.4)	(60.6)	(63.7)
Adjusted operating profit	75.5	80.7	71.5	74.9	79.9
Amortisation of acquired intangibles	0.0	(0.3)	(2.1)	(2.1)	(2.1)
Exceptionals	0.9	(1.1)	(10.0)	0.0	0.0
Reported operating profit	76.4	79.3	59.4	72.8	77.8
Net Interest	(13.4)	(15.2)	(15.5)	(16.6)	(16.3)
JVS and associates (post tax)	0.0	0.0	0.0	0.0	0.0
Exceptionals	2.6	0.0	0.0	0.0	0.0
Adjusted profit before tax	62.1	66.0	56.0	58.2	63.6
Profit Before Tax (reported)	65.6	64.1	43.9	56.1	61.5
Reported tax	(16.1)	(16.3)	(12.7)	(15.1)	(16.5)
Profit After Tax (norm)	46.5	49.5	41.1	43.1	47.1
Profit After Tax (reported)	49.5	47.8	31.2	41.0	45.0
Discontinued operations	0.0	0.0	0.0	0.0	0.0
Net income (normalised)	46.5	49.5	41.1	43.1	47.1
Net income (reported)	49.5	47.8	31.2	41.0	45.0
Average Number of Shares Outstanding (m)	343.3	346.9	348.2	337.2	311.2
EPS – normalised (p)	13.5	14.3	11.8	12.8	15.1
EPS – normalised fully diluted (p)	13.4	14.2	11.8	12.8	15.1
EPS – basic reported (p)	14.4	13.8	9.0	12.2	14.5
DPS (p)	4.5	4.8	5.0	5.2	5.4
Revenue growth (%)	10	6	7	5	4
Adjusted EBITDA Margin (%)	23.6	23.7	21.2	21.7	22.1
Adjusted Operating Margin (%)	14.8	14.9	12.3	12.2	12.5
BALANCE SHEET					
Fixed Assets	478.3	516.9	556.8	561.0	561.2
Intangible Assets	331.4	356.5	388.8	390.8	389.0
Tangible Assets	45.9	48.7	51.6	51.3	50.6
Right-of-Use Assets	99.2	110.2	114.8	117.4	119.9
Investments & other	1.8	1.5	1.6	1.6	1.6
Current Assets	73.8	98.7	104.1	97.6	92.1
Stocks	50.0	61.1	58.9	62.1	64.6
Debtors	11.6	17.0	20.8	26.1	26.9
Cash & cash equivalents	11.3	16.5	18.8	3.7	(5.0)
Other	0.9	4.1	5.6	5.6	5.6
Current Liabilities	(122.1)	(104.3)	(116.4)	(118.6)	(118.2)
Creditors	(80.1)	(76.8)	(73.9)	(79.5)	(80.5)
Tax and social security	(0.4)	0.0	0.0	0.0	0.0
Short-term borrowings	(7.1)	(0.1)	(1.5)	(0.1)	(0.1)
Short-term leases	(25.3)	(21.7)	(32.8)	(32.8)	(32.8)
Other	(9.2)	(5.7)	(8.2)	(6.2)	(4.8)
Long-term liabilities	(114.2)	(164.4)	(190.0)	(172.5)	(150.0)
Long-term borrowings	(37.9)	(73.9)	(83.8)	(63.7)	(38.7)
Long-term leases	(75.5)	(88.7)	(90.4)	(93.0)	(95.5)
Other long-term liabilities	(0.8)	(1.8)	(15.8)	(15.8)	(15.8)
Net Assets	315.8	346.9	354.5	367.4	385.1
Minority interests	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	315.8	346.9	354.5	367.4	385.1
CASH FLOW					
Operating Cash Flow	113.0	112.2	102.1	116.7	125.1
Working capital	(6.1)	(22.1)	(0.3)	(4.9)	(3.8)
Exceptional & other	11.8	15.5	20.5	18.9	18.6
Tax	(13.5)	(16.7)	(12.0)	(15.1)	(16.5)
Net operating cash flow before interest	105.2	88.9	110.3	115.6	123.5
Capex	(27.8)	(18.2)	(19.4)	(25.0)	(24.0)
Acquisitions/disposals	(2.2)	(22.5)	(25.7)	0.0	0.0
Net interest	(6.5)	(6.2)	(6.2)	(7.3)	(6.8)
Equity financing	0.6	0.5	(4.4)	(13.0)	(13.0)
Dividends	0.0	(19.8)	(17.2)	(17.4)	(16.6)
Lease repayments and interest	(43.7)	(45.6)	(45.7)	(46.6)	(46.8)
Other	(23.6)	28.4	9.6	(20.0)	(25.0)
Net Cash Flow	2.0	5.5	1.3	(13.7)	(8.8)
Opening net debt/(cash) excluding leases	57.2	34.4	58.9	67.9	60.1
Card Factory 30 April 2026	(0.8)	(0.1)	(0.4)	0.0	0.0
Other non-cash movements	0.0	0.0	0.0	0.0	0.0

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