

# Card Factory

## Challenging UK high street

FY26 trading update

Retail

12 December 2025

Card Factory's (CARD's) trading update highlights that continuing weak consumer confidence has contributed to soft footfall on the high street as it heads into its key trading period. As a result, sales performance in its UK stores was lower than previously expected. Therefore, with the assumption that the same trend continues, management anticipates FY26 adjusted PBT will be £55–60m, some 15–22% below our prior forecast. While the trading update is undoubtedly disappointing, there are a number of positives outside the UK stores. First, the UK sales performance is volume related (ie due to lower footfall), implying average basket values have not been affected. Second, the performances of the other businesses, including Funky Pigeon, are in line with management's expectations. Finally, the 'Simplify and Scale' productivity and efficiency programme is progressing well.

Year end	Revenue (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
1/24	510.9	64.2	13.85	4.50	5.4	6.0
1/25e	542.5	67.8	14.75	4.80	5.1	6.4
1/26e	557.8	57.4	12.26	5.00	6.1	6.7
1/27e	602.2	62.0	13.19	5.20	5.7	6.9

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

## Reducing estimates to the bottom end of guidance

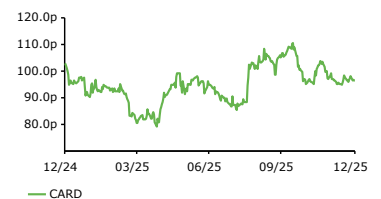
Management's new guided range for adjusted PBT of £55–60m is £10.7–15.7m below our prior estimate of £70.7m using the company's definition of adjusted PBT. This differs to our definition as we add back share-based payments. Assuming no incremental operating cost savings beyond our prior forecasts and simplistically grossing up the lower expected profit, we estimate this equates to a revenue shortfall of c £31–45m versus our prior forecast. We have reduced our FY26 estimates to the bottom end of the guided range and carried this reduction through to FY27 and beyond.

## Valuation: Deep discount to peers remains

The company's valuation remains at a significant discount to its peers. The average FY26 P/E multiple for its peers, annualised to CARD's year-end, is 12.7x versus 6.1x for the company.

<b>Price</b>	<b>75.00p</b>
<b>Market cap</b>	<b>£261m</b>
Net debt at 31 July 2025, excluding IFRS 16 liabilities	£(78.9)m
Shares in issue	348.4m
Free float	88.7%
Code	CARD
Primary exchange	LSE
Secondary exchange	N/A

### Share price performance



%	1m	3m	12m
Abs	(1.7)	(7.2)	(1.0)
52-week high/low		113.5p	69.4p

### 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

FY26 trading update	January 2026
---------------------	--------------

### Analysts

Russell Pointon	+44 (0)20 3077 5700
Chloe Wong	+44 (0)20 3077 5700

[consumer@edisongroup.com](mailto:consumer@edisongroup.com)  
[Edison profile page](#)

**Card Factory is a research client of Edison Investment Research Limited**

**Exhibit 1: Financial summary**

£m	2023	2024	2025	2026e	2027e	2028e
Year end 31 January	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
<b>INCOME STATEMENT</b>						
Revenue	463.4	510.9	542.5	557.8	602.2	629.5
EBITDA	111.2	123.8	131.2	132.3	139.7	146.8
Operating profit (before amort. and excepts.)	63.0	77.6	83.0	75.0	79.5	84.7
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	70.5	76.0	81.2
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	55.1	59.7	65.7
Profit Before Tax (norm)	51.6	64.2	67.8	57.4	62.0	68.0
Profit Before Tax (reported)	52.4	65.6	64.1	52.9	58.5	64.5
Reported tax	(8.2)	(16.1)	(16.3)	(14.4)	(15.5)	(17.0)
Profit After Tax (norm)	42.4	48.1	51.5	43.1	46.5	51.0
Profit After Tax (reported)	44.2	49.5	47.8	38.6	43.0	47.5
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	43.1	46.5	51.0
Net income (reported)	44.2	49.5	47.8	38.6	43.0	47.5
Average Number of Shares Outstanding (m)	342.3	343.3	346.9	350.3	351.6	351.6
EPS – normalised (p)	12.4	14.0	14.8	12.3	13.2	14.5
EPS – normalised fully diluted (p)	12.3	13.9	14.7	12.26	13.19	14.47
EPS – basic reported (p)	12.9	14.4	13.8	11.0	12.2	13.5
DPS (p)	0.0	4.5	4.8	5.0	5.2	5.5
Revenue growth (%)	27	10	6	3	8	5
EBITDA Margin (%)	24.0	24.2	24.2	23.7	23.2	23.3
Normalised Operating Margin (%)	13.6	15.2	15.3	13.4	13.2	13.5
<b>BALANCE SHEET</b>						
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	83.1	88.2	93.9
Stocks	45.3	50.0	61.1	62.8	67.8	70.9
Debtors	13.3	11.6	17.0	24.6	25.4	26.1
Cash & cash equivalents	11.7	11.3	16.5	(8.4)	(9.1)	(7.2)
Other	5.3	0.9	4.1	4.1	4.1	4.1
Current Liabilities	(150.0)	(122.1)	(104.3)	(102.9)	(102.6)	(102.2)
Creditors	(84.7)	(80.1)	(76.8)	(77.4)	(79.1)	(80.1)
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	369.9	395.4	424.7
Minority interests	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	268.2	315.8	346.9	369.9	395.4	424.7
<b>CASH FLOW</b>						
Operating Cash Flow	101.2	113.0	112.2	110.2	118.7	126.6
Working capital	(6.8)	(6.1)	(22.1)	(10.7)	(6.1)	(4.2)
Exceptional & other	13.4	11.8	15.5	19.9	19.8	19.0
Tax	(7.9)	(13.5)	(16.7)	(14.4)	(15.5)	(17.0)
Net operating cash flow before interest	99.9	105.2	88.9	105.0	116.9	124.4
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)	(16.9)	(17.8)	(18.5)
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	(24.9)	(0.6)	1.9
Opening net debt/(cash) excluding leases	74.2	57.2	34.4	58.9	72.4	53.1
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	72.4	53.1	26.2
Closing net debt/(cash) including leases	162.6	135.2	169.3	190.8	174.1	149.9

Source: Card Factory, Edison Investment Research

---

## General disclaimer and copyright

This report has been commissioned by Card Factory and prepared and issued by Edison, in consideration of a fee payable by Card Factory. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

**Accuracy of content:** All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

**Exclusion of Liability:** To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

**No personalised advice:** The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

**Investment in securities mentioned:** Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

---

## Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

---

## New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

---

## United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

---

## United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.

---