FY26 Results Presentation
52 weeks ended 3rd May 2026

23rd July 2026

Agenda

Overview	Gavin Peck, CEO
Financial Review	Rosie Fordham, CFO
Strategic Review	Gavin Peck, CEO
Summary & Outlook	Gavin Peck, CEO
Q&A	

THE WORKS

We are the UK's leading specialist retailer of affordable, screen-free activities for the whole family

The Works

Britain's Leading Discount Book Store

Established high street presence in 1981, initially as a discount book chain

Value retailer - we sell across four core product categories Books, Arts & Crafts, Stationery, Toys & Games

THE WORKS

Time well spent

Connecting people with feel-good ways to spend their time away from screens

THE SUNDAY TIMES Best Places to Work

POWERED BY WorkL

Ranked one of the Best Places to Work in the UK

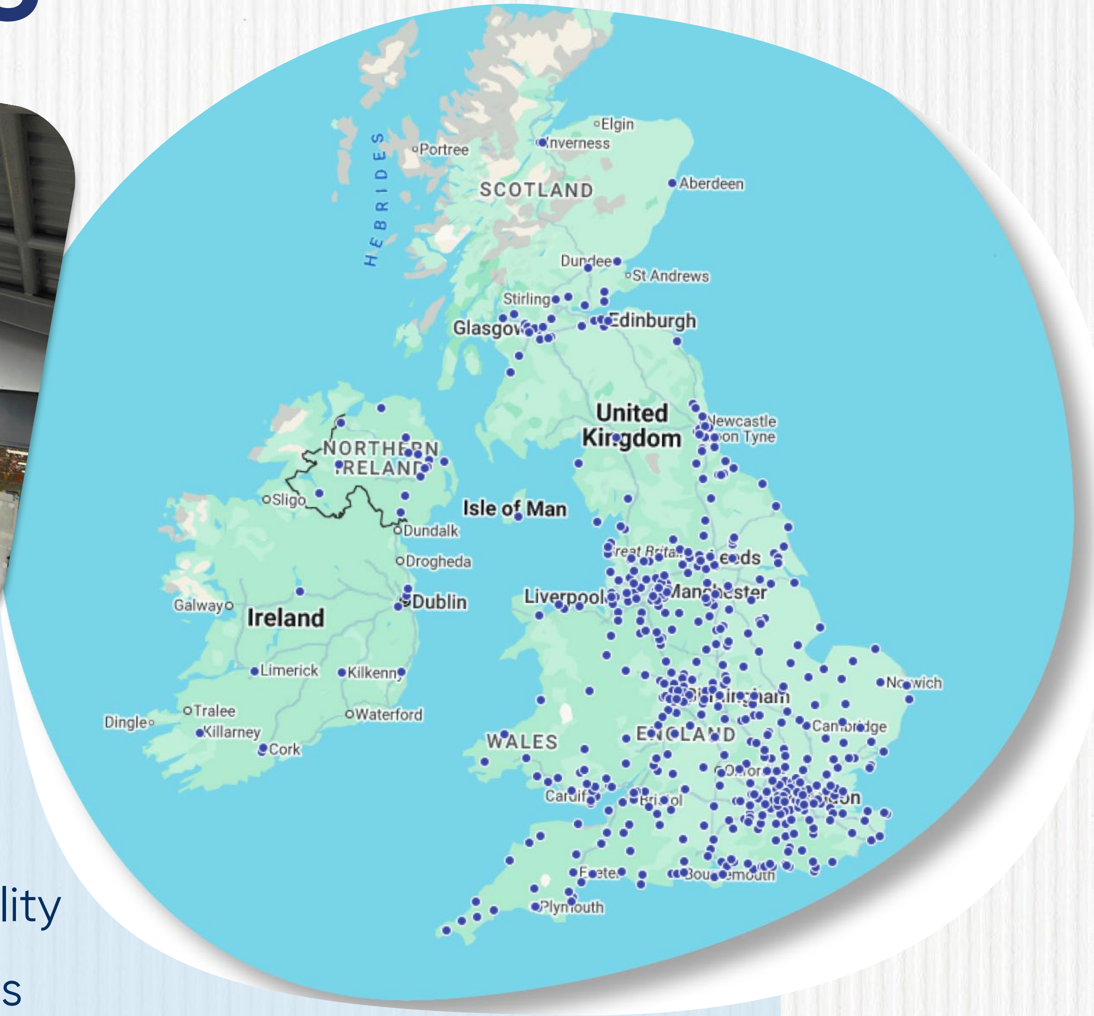
(The Sunday Times Best Places to Work 2026, Very Big Organisation Category)

Elevating THE WORKS

New 5-year strategy to "Elevate The Works" launched in January 2025 - transforming business and performance

THE WORKS

Profitable and Growing Store Portfolio



- High quality portfolio of 508 stores
  - >98% profitable
  - LFL growth outperforming wider market
  - Short average lease length (c1.5 years) gives flexibility
- Trade well in multiple location types and demographics
- Opportunity for a further 100 new stores over the medium-term
  - Net 10 planned in the coming year on top of net 5 last year (60 by FY30)
  - Strong payback, on average less than 2 years

Supported by our Non-Transactional Website

- **Online transactional business discontinued March 2026**
  - <10% of sales and unprofitable
  - Fulfilment challenges with two third-party providers
- **Has simplified the business and enables focus on high quality, profitable and growing store estate**
- **Website will continue to play an important role as a shop window to our brand and stores, enabling customers to**
  - Browse our ranges
  - Find ideas and inspiration
  - Connect with the brand before visiting one of our stores
- **Positive store footfall impact in recent months supports decision**

FY26: A Pivotal Year

- **Strong progress in first full year delivering on transformational, Elevating The Works, strategy:**
  - Sharpened proposition around affordable, screen-free activities for the whole family
  - Grew store estate, adding a net 5 new stores
  - Improved operational execution and efficiency

- **Significant improvement in financial performance**
  - LFL sales increased 3.3%, well-ahead of non-food retail market
  - Pre-IFRS 16 Adjusted EBITDA [1] increased 47% to £14.0m

- **Strong momentum from Q4 (LFLs +5.3%) continued into start of FY27**
  - LFLs sales increased 8.8% for first 11wks (FY26: +7%)
  - Underpins confidence in recently upgraded FY27 market expectations Pre-IFRS 16 Adjusted EBITDA of £15.0m

[1] Continuing operations

Financial Review

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FY26 Financial highlights

All financial figures are based on continuing operations

Revenue	**£260.0m**	(FY25: £252.2m)
Stores LFL sales	**+3.3%**	(FY25: +2.3%)
Pre- IFRS 16 Adjusted EBITDA	**£14.0m**	(FY25: £9.5m)
Adjusted PBT	**£7.2m**	(FY25: £5m)
PBT	**£6.8m**	(FY25: £9.5m)
Net Cash	**£3.6m**	(FY25: £4.1m net cash)

Strong product margin growth +240bps

Delivering against our £2m cost reduction programme

Strategic decision to focus on our profitable store-led model

- Discontinued operations Adjusted EBITDA loss of £2.5m and £4.8m loss before tax
- Total company EBITDA £11.5m, £0.5m ahead of market expectations

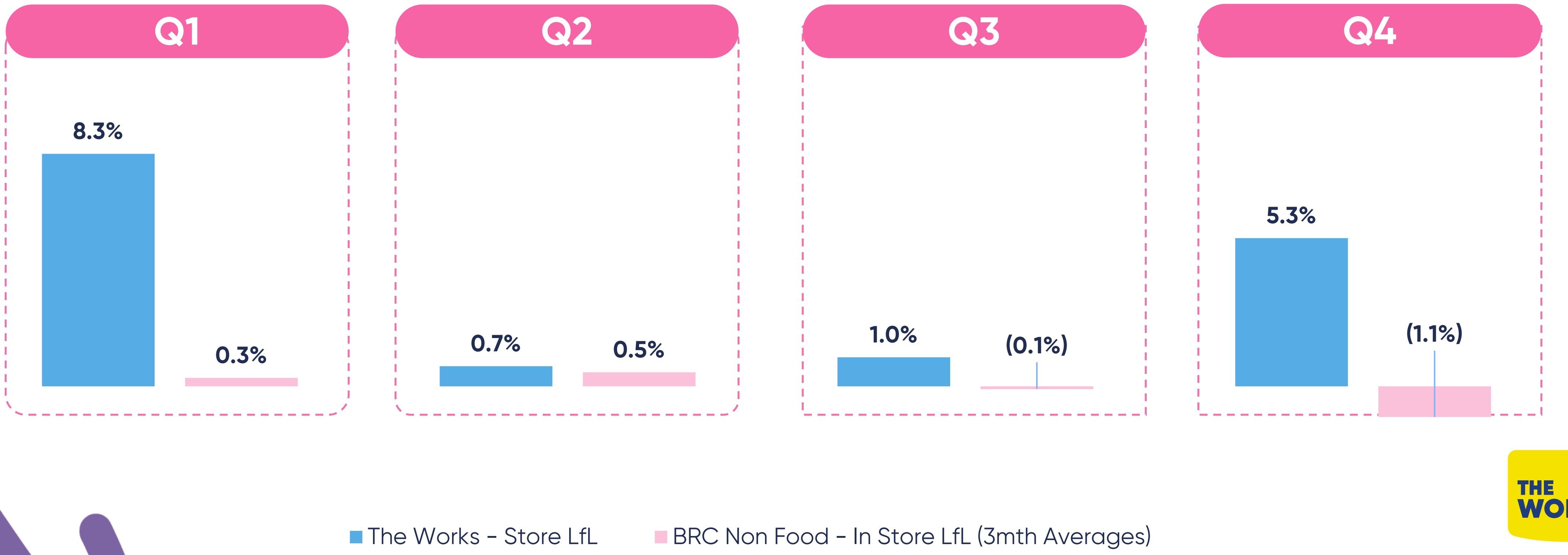
FY26	**Continued Operations**	**Discontinued Operations**	**Total Company**
Revenue	260.0	13.9	274.0
Product Margin	161.3	8.8	170.1
Pre IFRS16 Adjusted EBITDA	**14.0**	**(2.5)**	**11.5**
Adjusted PBT	**7.2**	**(2.5)**	**4.7**
Adjusting items	***(0.5)***	***(2.3)***	***(2.7)***
PBT	**6.8**	**(4.8)**	**2.0**

FY25	**Continued Operations**	**Discontinued Operations**	**Total Company**
Revenue	252.2	24.9	277.0
Product Margin	150.4	14.1	164.5
Pre IFRS16 Adjusted EBITDA	**9.5**	**0.0**	**9.5**
Adjusted PBT	**5.0**	**(0.4)**	**4.6**
Adjusting items	***4.5***	***(0.8)***	***3.8***
PBT	**9.5**	**(1.2)**	**8.3**

FY26 performance consistently ahead of the wider market

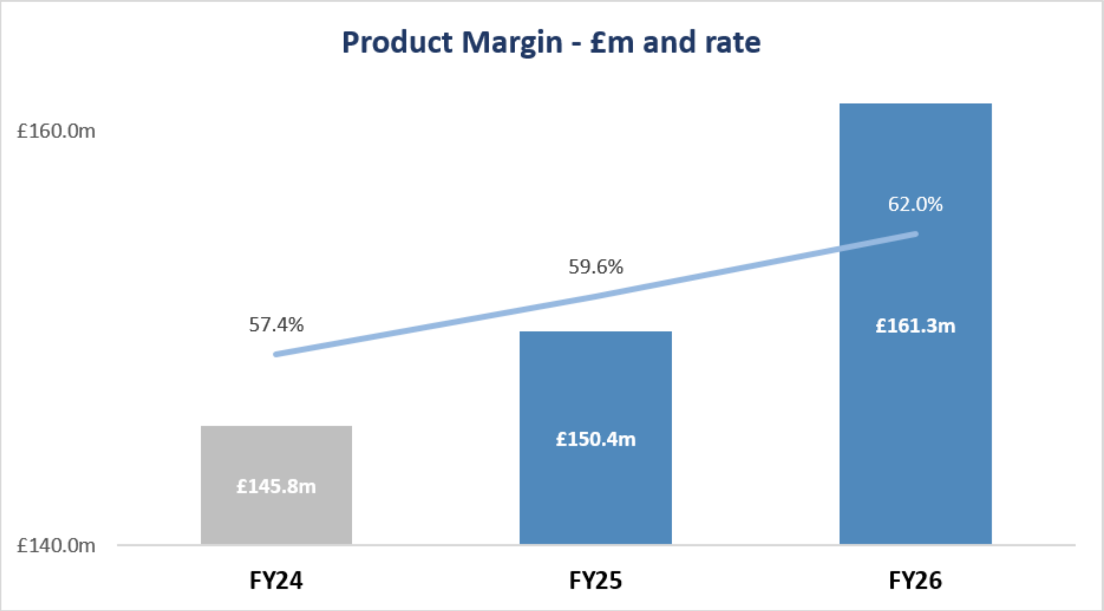
The Works
LFL sales (stores)
+3.3%
52 weeks to
03/05/2026

FY26 LFL sales – The Works v. BRC (non food instore)



Step change in product margin

Product margin expanded 240bps year-on-year to 62.0%, two-year growth of 460bps (FY24: 57.4%)



All financial figures are based on continuing operations

FY25 Margin rate	**59.6%**
Price & Promotion Refinement	0.7%
COGs & Product mix	0.4%
FX	0.4%
Freight	0.9%
FY26 Margin rate	**62.0%**
	+240bps

Stronger product margins and cost savings drove improvement in profitability

	£m
FY25 EBITDA	**9.5**
Increase in Margin - YoY sales growth	4.7
Increase in Margin - YoY margin % increase	6.3
NMLW and NI headwind	(6.0)
Cost saving programme	2.0
Strategic investments	(1.5)
Other cost headwinds	(1.0)
FY26 EBITDA	**14.0**

Strong balance sheet and cash supports execution of our strategy and future shareholder returns

Financially strong with **£3.6m net cash** (FY25: £4.1m) and a **newly refinanced £20m** Revolving credit facility – matures November 2029

Cash Generative

+£4.3m continuing ops cash inflow (1) (FY25 +£2.0m)

Investing for Growth

£5.9m capital investment (FY25: £5m)

Capital Allocation Framework balances:

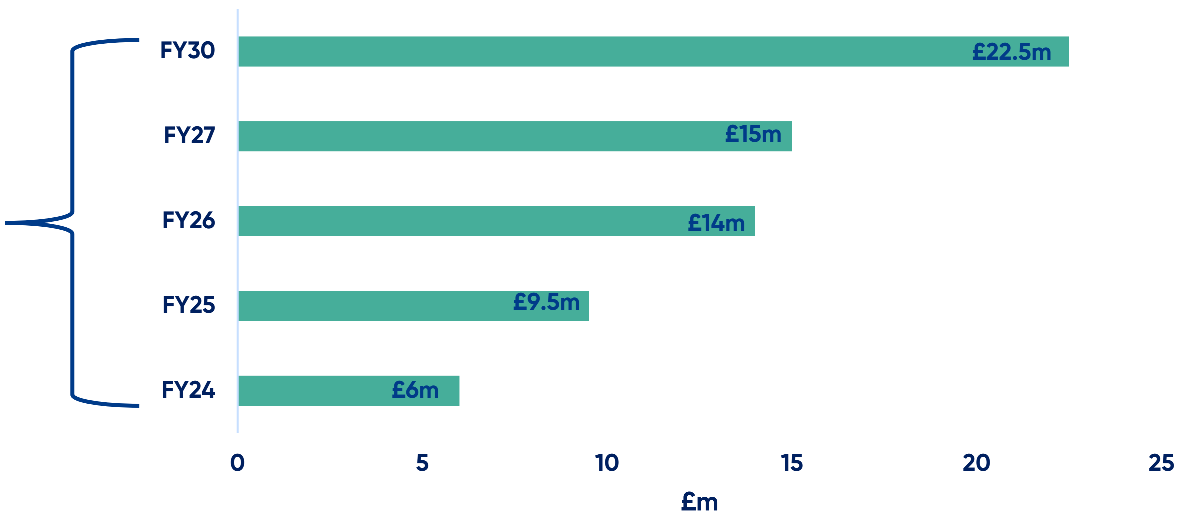
- Investment in **growth**
- Financial **resilience**
- **Future** shareholder **distributions**

(1) Net cash outflow from discontinued operations of £4.8m resulting in a net decrease in Group cashflows of £0.5m

Transformational profit growth

+137% growth EBITDA over 5YP

Step change in Pre-IFRS16 Adjusted EBITDA



- +47% growth in pre-IFRS16 Adjusted EBITDA YoY
- Significant profit growth to date +133% since FY24
- FY27 - the next phase of value creation with further strategic progress delivering £15m pre-IFRS16 Adjusted EBITDA
- Strong balance sheet with significant cash generation over the plan supporting potential future shareholder distributions

Strategic Review

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Our Unique Brand Positioning

PURPOSE

Our purpose is to inspire reading, learning, creativity and play

MISSION

To be the favourite destination for affordable, screen-free activities for the whole family

POSITIONING

Connecting people with feel good ways to spend their time

#Timewellspent

FAMOUS FOR

- Great Value
- Fantastic Ranges
- Screen-Free Activities

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Why Screen-Free?

Government Policy/Agenda

GOV.UK

Home > Parenting, childcare and children's services > Children's health and welfare

Press release

New screen time guidance for parents of under-5s

Government answers parents' calls for support on screen time with new evidence-backed guidance.

Phones to be banned in schools by law in England under government plans

Schools in England should be phone-free all day, education secretary says

Bridget Phillipson says pupils should not use mobiles at any point, as Ofsted prepares to inspect compliance

Growing Concern in Parents

Just under half of parents (40%) reveal they want to limit screen time but need practical alternatives

71% of parents admit they feel under pressure to keep their children entertained throughout the long summer holidays

1 in 3 children chose family moments as their favourite part of xmas day – beating time on phones or tablets

W > What's On > What's On News

Children have already said 'I'm bored' 422.2million times this summer

Child development expert Dr Amanda Gummer said that by mid-August many parents are running out of activities to entertain their kids

Our Campaigns

LIFESTYLE

Meet the children given jobs to stave off summer holiday boredom and get them off devices

As its reported that London parents are most likely to give their kids a phone if they complain about being bored, a UK retailer has employed three children to see how they fare during a screen-free summer

THE WORKS

Our Five Year Transformational Growth Strategy

Our Strategic Drivers

Grow Our Brand Fame

- Market our Brand, establishing screen-free positioning and Time Well Spent
- Build better customer knowledge
- Bring new and innovative products, growing all-year-round appeal

Improve Customer Convenience

- Tailor store space to better meet the needs of local customers
- Improve our end-to-end stock flows
- Open a net 60 new stores

Be a Lean & Efficient Operator

- Improve our product margins
- Transform our systems and processes
- Drive cost efficiencies across the business

2030 target of £22.5m EBITDA

Grow our brand fame

Grow our Brand Fame

FY26 Highlights

- Sharper brand campaigns to grow brand awareness and Time Well Spent message
- Increased product newness and focus on calendar of key customer moments to drive all-year round relevance
- New Customer Experience Programme launched

fame
finding a moment every time

FY27 Focuses

- Increase investment in Brand Marketing
- Continue to drive product newness and increased relevance outside of Christmas
- Roll-out “FAME” customer experience training to all store colleagues

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Grow our brand fame

Strategy in Action
Find Your Story Campaign

Launched Spring 2026
- In support of National Year of Reading
- Partnership with National Literacy Trust

Encourages children to follow their interests and discover books that excite and engage them

Brought to life through:
- National Bus Tour
- PR and social campaign
- In-store execution

Improve customer convenience

Improve Customer Convenience

FY26 Highlights

- Opened a net 5 new stores
- Improved stock distribution and product availability, particularly in our "Platinum" stores
- Better use of store space – demographics and extended range trials

FY27 Focuses

- Open a net 10 new stores
- Further store space trials, alongside development of systematic solution
- Improve store operational execution through embedding and evolving 'What Good Looks Like' initiative

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Strategy in Action
Continued optimisation of our store estate

	FY26	FY25
Stores at beginning of period	503	511
Opened	14	7
Closed	(9)	(15)
Relocated*	3	4
Stores at period end	**508**	**503**

** Relocated stores are excluded from opened/closed above*

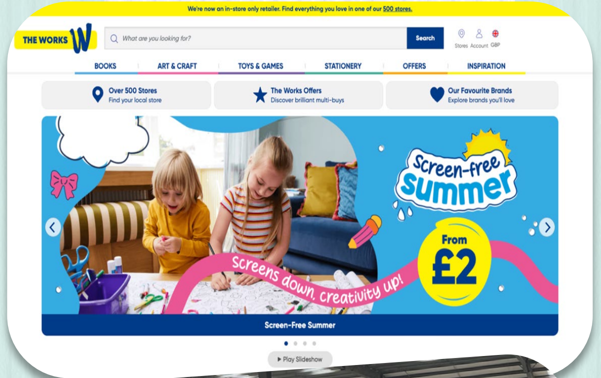
- Opportunity for a further 100+ stores - target of 60 net new stores by 2030 as part of "Elevating The Works" strategy
- Net 5 new stores opened in FY26, as planned
- A net 10 new stores to open in FY27 (25 openings and 15 closures, inc 5 relocations)
- Strong payback on new stores continues, on average less than 2 years

Be a lean & efficient operator

Be a Lean & Efficient Operator

FY26 Highlights

- Strategic decision to close transactional website and focus on successful store estate
- Enhanced product margin by 240bps through multiple levers
- Successful delivery of planned £2m cost reduction programme, inc successful DC Mezzanine investment



FY27 Focuses

- Continued execution against our Systems Transformation roadmap
- Further underlying product margin improvements to offset inflationary cost headwinds
- Drive further cost efficiencies, including review of store labour model

Strategy in Action
System Transformation

Be a lean & efficient operator

Systems Investment

- Financial Planning
- Operations
- Customer Experience
- Product

Capability Shift

Systemic, integrated ways of working

Data quality & validation automation & AI

Replacing legacy systems with a new ERP and a suite of best-in-class solutions

Business Outcomes

1. Faster, more accurate planning & analysis
2. Stronger controls, governance & visibility
3. Right stock, right store
4. Supplier & workflow efficiency
5. Future proof ways of working
6. Improved customer experience

c.£6m exceptional spend over the next 4 years, creating a more resilient, scalable and efficient operating platform

Summary & Outlook

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Summary & Outlook

FY26 a pivotal year

- Strong progress in first full year delivering on transformational, Elevating The Works, strategy
- Building a brand with a unique positioning around screen-free activities for the whole family
- Refocussed store trading model
- Significant improvement in financial performance (Pre-IFRS 16 Adjusted EBITDA up 47% to £14m)

Strong momentum continued into FY27

- LFLs +8.8% for first 11wks (FY26: +7%)
- Macroeconomic environment remains uncertain and peak trading still to come
- Remain confident of achieving FY27 pre-IFRS Adjusted EBITDA expectations of £15.0m (upgraded in March 2026)

Confident of achieving EBITDA target of £22.5m in FY30

Questions

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July 2026

THE WORKS