

FY26 Interim Results & Christmas Trading Update

22 January 2026

Agenda

Overview

Gavin Peck, CEO

Financial Review & Outlook

Rosie Fordham, CFO

Strategy Update

Gavin Peck, CEO

Summary

Gavin Peck, CEO

Q&A





Overview

Gavin Peck, CEO

#Time well spent

Significant strategic progress, strong store performance and improved profitability



- **Fulfilling our mission to become the favourite destination for affordable, screen-free activities for the whole family**
Continued execution of our 'Elevating The Works' strategy
- **Significant improvement in H1 profitability**
Strong store LFL sales growth, sustained product margin growth and cost savings, more than offsetting cost inflation headwinds and impact of online fulfilment challenges
- **H2 trading in line with expectations**
Robust store LFLs and continued product margin growth and cost savings
- **On track to meet FY26 market expectations and deliver sales & profit growth in FY27**





Financial Review

Rosie Fordham, CFO

Time well spent



HY26 Financial highlights

Revenue **£123.8m**

(HY25: £124.2m)

Stores
LFL sales **+4.0%**

(HY25: +0.9%)

Total
LFL Sales **+0.3%**

(HY25: -0.8%)

Pre-IFRS 16
Adjusted
EBITDA **-£1.0m**

(HY25: -£2.8m)

Loss
before tax **-£5.6m**

(HY25: -£6.9m)

Net Debt **-£5.3m**

(HY25: -£8.5m)

Strong product margin
growth +330bps

Delivering against our
FY26 £2m cost
reduction programme



Strong store LFL sales in a tough environment

Weak consumer confidence & spend



Store LFL growth well ahead of non-food retail sector

+4.0%

Non-food retail sector LFL growth ⁽¹⁾

+0.6%

H1	Stores	Online ⁽²⁾	Total
LFL Sales	4.0%	(36.1%)	0.3%

Stores represent over 90% of total sales

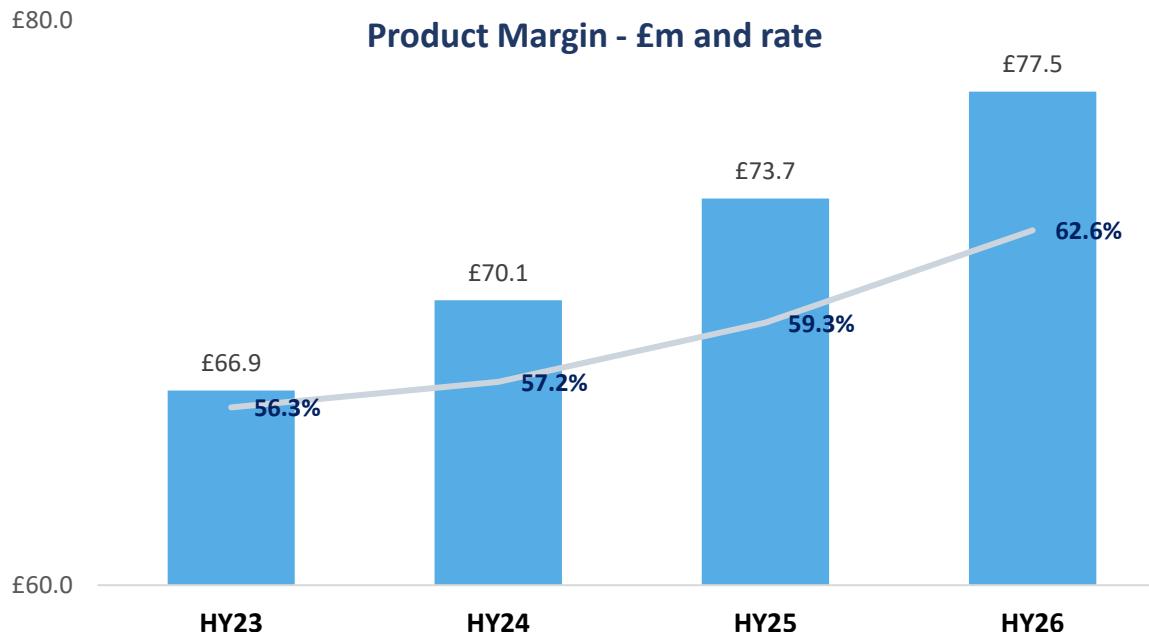
(1) Data from the British Retail Consortium (BRC) showed non-food sales increased by 0.6% year on year during the six months to the end of October 2025

(2) Online sales disrupted by third party fulfilment challenges



Continued strong product margin growth

HY26 Product gross margin rate growth of 330bps to 62.6% (HY25 : 59.3%)



HY25 Margin rate	59.3%
Price & Promotion Refinement	1.4%
COGs & Product mix	1.3%
FX	0.4%
Freight	0.2%
HY26 Margin rate	62.6%

Stronger product margins and cost savings drove improvement in profitability

	£m
HY25 EBITDA	(2.8)
Year-on-year sales decline impact	(0.2)
Higher product gross margin percentage	4.0
Variable web running costs	1.2
Store Payroll	(2.4)
Distribution costs	0.4
Increased property costs	(0.4)
Brand marketing & Other	(0.8)
HY26 EBITDA	(1.0)



Continued optimisation of our store estate

	HY26	FY25
Stores at beginning of period	503	511
Opened	7	7
Closed	(5)	(15)
Relocated*	1	4
Stores at period end	505	503

- **Growth of the store estate**
- **Higher quality more profitable portfolio**
- **More than 98% of the estate is profitable**
- **Average payback for new stores around 18 months**

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

Increased capital investment and improved net debt position

- **HY26 stock £52.1m**
(HY25: £51.7m)
- **HY26 net debt: £5.3m**
(HY25: £8.5m)
- +£1.4m increased capital investment

Summary Cashflow	HY26 £m	HY25 £m	Variance £m
Operating profit	(2.8)	(4.4)	1.7
Other operating cashflows ⁽¹⁾	1.3	(0.2)	1.5
Net movement in working capital	(3.1)	(2.3)	(0.8)
Investing Activities	(3.5)	(2.2)	(1.4)
Tax paid	(0.5)	(0.5)	0.0
Interest and financing costs	(0.8)	(0.3)	(0.4)
Purchase of Treasury Shares	0.0	(0.3)	0.3
Cash Flow before FX	(9.3)	(10.2)	0.9
Exchange rate movements	(0.1)	0.1	(0.2)
Net decrease in cash and cash equivalents	(9.4)	(10.1)	0.7
Opening net cash/(debt)	4.1	1.6	
Closing net cash/(debt)	(5.3)	(8.5)	

⁽¹⁾ Other operating cashflows relate to pre-working capital movements, excluding tax and interest.

Online fulfilment challenges being addressed

- Online fulfilment issues in Christmas 2024 – decision to move to a new fulfilment provider
- New fulfilment provider selected in Q1 2025 after comprehensive RFP process
- Transition to new provider (Sep-25), met with issues from day one
- New provider remains committed to resolving their issues
- Will update further alongside full-year trading update in May 2026

Current Trading and Outlook

#Time well spent



Strong store performance and product margin growth driving profitability during peak

(11 weeks ended 18 January 2026)

Store LFL sales

+1.2%

ahead of non-food retail sector⁽¹⁾

Online sales

-51.8%

Total LFL sales

-4.2%

Product margin growth

+200bps YOY

⁽¹⁾ Data from the British Retail Consortium (BRC) showed non-food sales decline of 0.4% during the 9 weeks of November and December 2025

A photograph of a woman with blonde hair, wearing a brown cardigan, looking down at a book she is holding. She is standing in an aisle of a bookstore, with bookshelves filled with books in the background.

On track to meet expectations of EBITDA growth in FY26

£11m EBITDA

FY25 £9.5m

c.£4m cash

FY25 £4.1m

c.£7m capex

FY25 £5m



Well positioned to deliver further operational progress and profit growth in FY27

Actions being taken

- Initiatives to drive sales growth
- Resolution of online challenges
- Further cost savings
- Continued focus on driving strong product margin growth

Headwinds/tailwinds

- £2.9m NLMW increases
- Net c.£1.0m business rates reduction

Expect to deliver

- Significant EBITDA growth
- 10 net new stores





Strategy Update

Gavin Peck, CEO

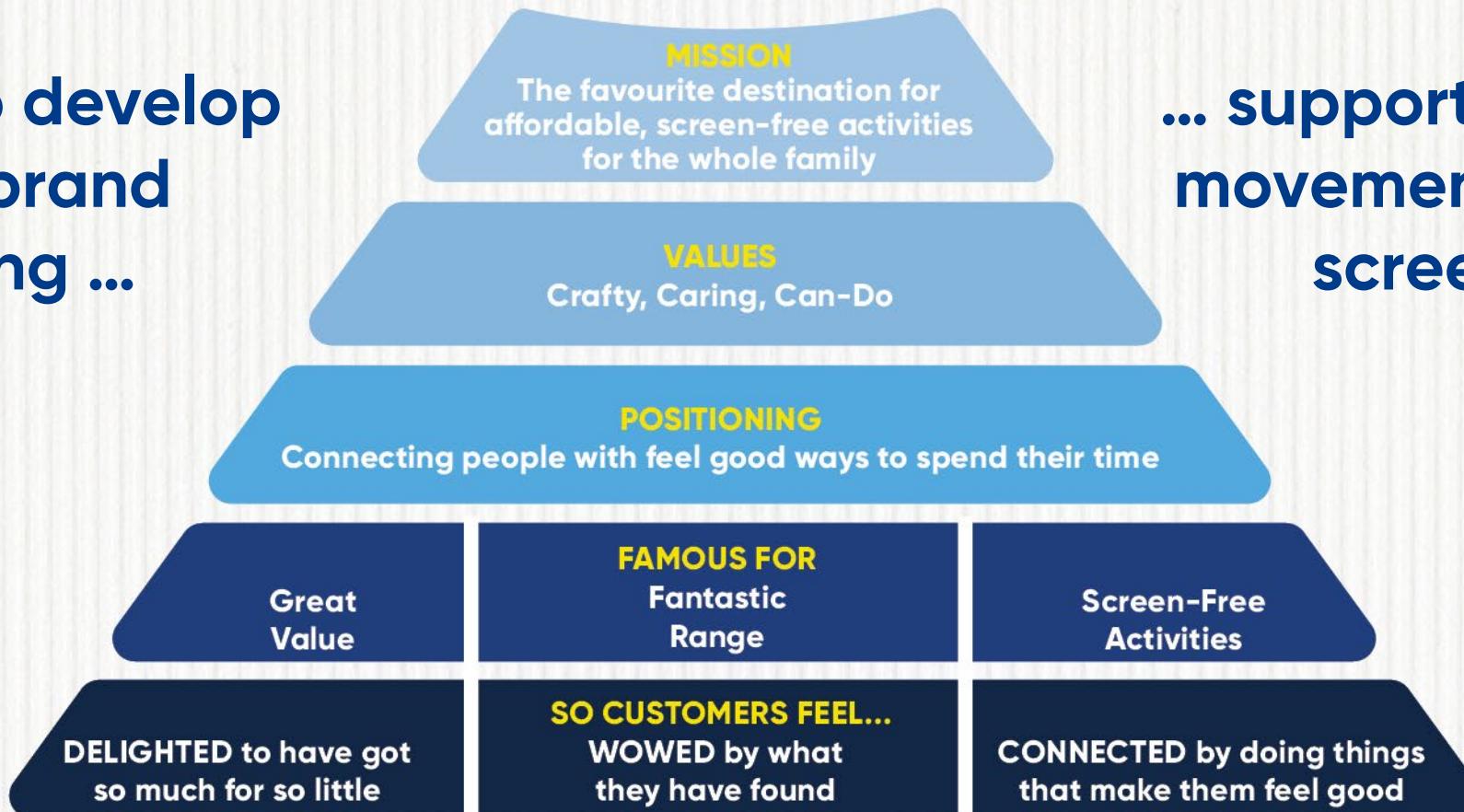
#Time well spent

Time well spent

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

Continuing to develop
our clear brand
positioning ...

... supporting growing
movement to reduce
screen-time



Our



mission and strategy

Our Mission

"The favourite destination for affordable, screen-free activities for the whole family"

Our 5 Year Financial Goals

- **Sales in excess of £375m**
- **EBITDA margins of at least 6%**

Our Strategic Drivers





Significant strategic progress delivered YTD

Grow Our Brand Fame

- Embedded Time Well Spent and “screen-free” brand positioning through marketing strategy
- Extended ranges in larger stores and online
- Grown all year-round appeal – regular new products across all categories and leveraging other moments / seasons
- Improved customer experience – standards and service

Improve Customer Convenience

- Improved product availability and stock allocations
- Further optimised store estate – net 2 added in H1, expect net 5 for full-year
- Further improving store standards through “What Good Looks Like” initiative
- Continued store space optimisation initiatives and trials

Be a Lean & Efficient Operator

- Significant improvement in product margin rate through multiple levers
- Material cost savings delivered – on track for £2m savings in FY26
- Completed investment in DC mezzanine, with successful operation in H2 CY25
- Systems transformation scoped, with delivery underway in H1 CY26





Strategy in Action: Boredom Board Campaign

Campaign Overview

- Summer campaign supporting a Summer Well Spent
- Highlighted screen-free activities for parents and grandparents to do with their children or grandchildren over the Summer Holidays
- Survey conducted and supporting insights from child development expert Dr Amanda Gummer



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

DAILY STAR
Psychologist says being bored over the summer is good for children



Campaign Highlights

- Two press releases:
 - First focussed on survey results & quotes from Dr Amanda
 - Second focussed on 'Fed up Friday' activity
- Key research stats included: Over 40% of parents want to limit screen time, but need practical alternatives
- 59 pieces of coverage, 1.1m video views & 5m impressions





Strategy in Action: Big Little Christmas Campaign

Campaign Overview

- Christmas campaign supporting a Christmas Well Spent
- Tackled unrealistic perfectionism with a Christmas campaign from a child's perspective, proving it's the little things that matter most
- Supported by consumer research commissioned around our screen-free messaging

**Have yourself a
Big little
Christmas**

BirminghamLive **CornwallLive** **WalesOnline**
What children really want to do at Christmas - and what presents they want

PlymouthLive **StokeonTrentLive**

DAILY STAR **msn**
Brits fear 'tech-filled Christmas' will ruin festive fun as we sit on our phones

South East Online
More and more Brits are worrying that their family time over Christmas will be taken up with people sat on their phones, rather than talking

News from the North
The ultimate alternative advent calendars for your kids this Christmas

THE STANDARD
British kids would rather spend time with family than game alone this Christmas, study finds

Mirror **yahoo!**
Parents fear screen time ruining Christmas with three in five concerned at tech

THE Mirror
A survey found that 60% of five to 16-year-olds would prefer to spend Christmas Day watching films and playing board games with their family

Mums News
Best bookish Christmas present ideas from someone who's read over 200 in 2025

NEWS FROM WALES
Make Christmas Eve magical with a bedtime story to remember

Campaign Highlights

- Two press releases, supported by our research
- Key research stats included:
 - 60% of parents say festive family time is dwindling and 73% attribute this to screen time
 - 61% of kids say they would prefer to spend all of Christmas Day with their family – playing board games, watching films and hanging out together
- 57 pieces of coverage (incl. Channel 5 & Daily Mirror), 1.5m video views & 5.8m impressions



Strategy in Action: New Store Openings



- Opened 7 new stores in H1; expect 14 in full-year (plus 5 relocations)
- Overall performance in line with expectations
- Good engagement with landlords on evolved brand and proposition
- Up to 60 net new stores in next 5 years, with payback of <2 years
- Strong pipeline of new opportunities heading into FY27





Key Strategic Plans Underway

Grow Our Brand Fame

- Continuing to promote Time Well Spent and screen-free messaging
- Customer insight to support future brand and ranging developments
- Further newness in all categories, with additional range extension trials
- New customer experience training for store colleagues

Improve Customer Convenience

- Further stock improvement plan initiatives
- Additional net 10 new stores in FY27; net 60 to be added by FY30
- Further space optimisation trials and initiatives
- Online proposition and fulfilment enhancements

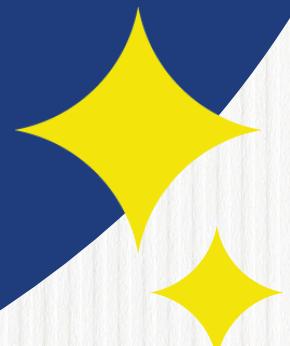
Be a Lean & Efficient Operator

- Further product margin growth
- Additional cost savings targeted in FY27
- Investment in IT systems and infrastructure transformation
- Business process reviews to drive efficiencies



Summary

- Fulfilling our ambition to become the favourite destination for affordable, screen-free activities for the whole family
- Continued execution of our 'Elevating The Works' strategy
- Significant improvement in H1 profitability
- H2 trading in line with expectations – robust store LFLs and continued product margin growth and cost savings
- On track to meet FY26 market expectations and deliver sales & profit growth in FY27



Questions

#Time well spent

Appendix

Time well spent

Basis of Financial Information

The prior period comparatives have been restated to reflect adjustments wholly related to IFRS 16 Lease accounting.

Adjusted profit figures exclude adjusting items which comprise non-underlying costs and adjustments with respect to the IFRS 16 accounting standard.

Statutory Income Statement

	26 Weeks to 02 November 2025			26 Weeks to 03 November 2024		
	Result before adjusting items £000	Adjusting Items £000	Total £000	Result before adjusting items £000	Adjusting Items £000	Total £000
Revenue	123,843	-	123,843	124,200	-	124,200
Cost of sales	(106,348)	(488)	(106,836)	(108,362)	(316)	(108,678)
Gross profit	17,495	(488)	17,007	15,838	(316)	15,522
Other operating income	4	-	4	4	-	4
Distribution expenses	(5,824)	-	(5,824)	(6,160)	-	(6,160)
Administrative expenses	(13,932)	(1)	(13,933)	(13,788)	-	(13,788)
Operating (loss)/profit	(2,257)	(489)	(2,746)	(4,106)	(316)	(4,422)
Finance income	33	-	33	-	-	-
Finance expense	(2,873)	-	(2,873)	(2,431)	-	(2,431)
Net financing expense	(2,840)	-	(2,840)	(2,431)	-	(2,431)
(Loss) / profit before tax	(5,097)	(489)	(5,586)	(6,537)	(316)	(6,853)
Tax	160	-	160	635	-	635
(Loss) / profit for the period	(4,937)	(489)	(5,426)	(5,902)	(316)	(6,218)
Basic (loss)/earnings per share (pence)	(7.9)		(8.7)	(9.4)		(9.9)
Diluted (loss)/earnings per share (pence)	(7.9)		(8.7)	(9.4)		(9.9)

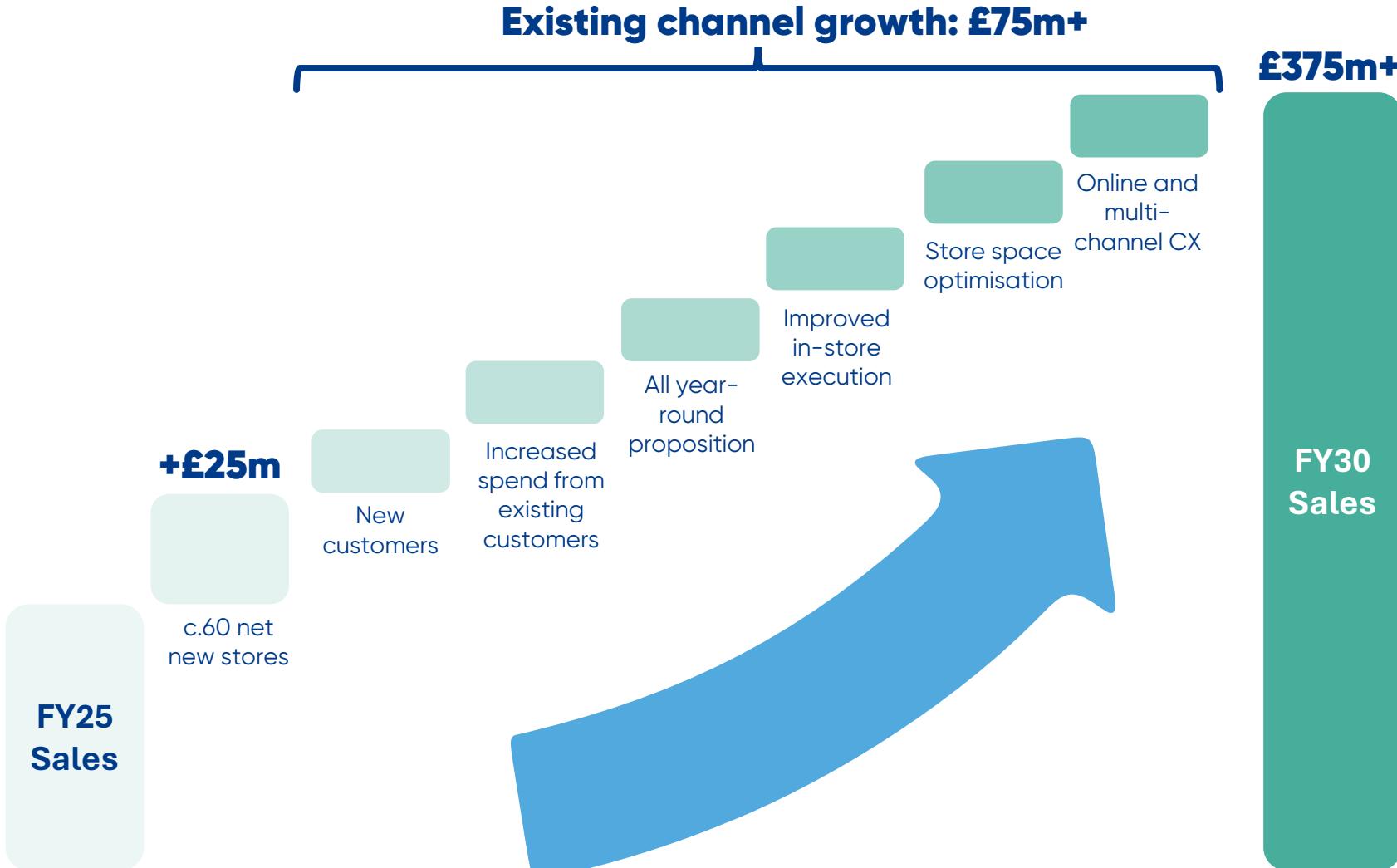
Rec to pre-IFRS16 EBITDA

	HY26		HY25		Variance	Variance	
					£m	%	
		£m	% of revenue	£m	% of revenue	£m	%
Revenue	123.8			124.2		(0.4)	(0.3)
Less: Cost of goods sold	(46.3)			(50.5)		4.2	8.3
Product gross margin	77.5	62.6		73.7	59.3	3.8	5.2
Store payroll	(27.1)	(21.9)		(24.7)	(19.9)	(2.4)	(9.7)
Store property and establishment costs	(24.8)	(20.0)		(24.4)	(19.7)	(0.4)	(1.6)
Brand marketing and transaction fees	(2.1)	(1.7)		(1.2)	(1.0)	(0.9)	(75.0)
Online variable costs	(5.4)	(4.4)		(6.6)	(5.3)	1.2	18.2
Store depreciation (excluding IFRS 16)	(1.4)	(1.1)		(1.0)	(0.8)	(0.4)	(40.0)
IFRS 16 impact (excluding Adjusting items)	0.8	0.6		0.0	0.0	0.8	100.0
Adjusting items	(0.5)	(0.4)		(0.3)	(0.3)	(0.2)	(66.7)
Gross Profit Per Financial Statements	17.0	13.7		15.5	12.5	1.5	9.7
Distribution expenses	(5.7)	(4.6)		(6.1)	(4.9)	0.4	6.6
Distribution depreciation	(0.1)	(0.1)		(0.1)	0.0	0.0	0.0
Distribution Costs per financial statements	(5.8)	(4.7)		(6.2)	(5.0)	0.4	6.5
Administrative expenses	(13.3)	(10.7)		(13.6)	(11.0)	0.3	2.2
Administrative depreciation	(0.9)	(0.7)		(1.0)	(0.8)	0.1	10.0
IFRS 16 impact (excluding Adjusting items)	0.3	0.2		0.9	0.7	(0.6)	(66.7)
Administrative Costs per financial statements	(13.9)	(11.2)		(13.8)	(11.1)	(0.1)	(0.7)
Operating loss per financial statements	(2.7)	(2.2)		(4.4)	(3.5)	1.7	38.6
Add back depreciation, amortisation included in Operating profit	2.4	1.9		2.1	1.7	0.3	14.3
Less IFRS 16 charges included in Operating profit (excluding Adjusting Items)	(1.2)	(1.0)		(0.8)	(0.6)	(0.4)	(50.0)
Add back Adjusting items ⁽¹⁾	0.5	0.4		0.3	0.2	0.2	66.7
Pre-IFRS 16 Adjusted EBITDA⁽¹⁾	(1.0)	(0.8)		(2.8)	(2.3)	1.8	64.3

Statutory Balance Sheet

	02-Nov-25 £000	03-Nov-24 £000
Non-current assets		
Intangible assets	2,254	2,177
Property, plant and equipment	13,550	11,936
Right of use assets	64,139	60,106
Deferred tax assets	4,279	4,860
	84,222	79,079
Current assets		
Inventories	52,113	51,721
Trade and other receivables	7,210	11,980
Derivative financial assets	198	90
Current tax asset	2,059	1,645
Cash and cash equivalents	3,706	522
	65,286	65,958
Total assets	149,508	145,037
Current liabilities		
Interest bearing loans and borrowings	9,000	9,000
Lease liabilities	18,284	20,580
Trade and other payables	47,977	51,712
Provisions	686	303
Derivative financial liabilities	701	605
	76,648	82,200
Non-current liabilities		
Lease liabilities	59,604	58,716
Provisions	733	634
	60,337	59,350
Total liabilities	136,985	141,550
Net assets	12,523	3,487
Equity attributable to equity holders of the Parent		
Share capital	625	625
Share premium	28,322	28,322
Merger reserve	(54)	(54)
Share based payment reserve	2,491	2,771
Hedging reserve	(207)	(139)
Retained earnings	(18,654)	(28,038)
Total equity	12,523	3,487

Multiple levers in place to drive growth in sales to £375m+



Action to drive EBITDA margin improvement

Ongoing optimisation of store portfolio

LFL store sales growth on a largely fixed cost base

c.200bps product margin improvement

EBITDA margin of at least 6% supported by...

Reduced cost to serve ratio through growth in Average Selling Price

£5m+ reduction in operating cost base

Our Investment Case

A clear customer offering, with a refreshed strategy, building momentum and significant untapped growth potential in the value sector



1. Highly relevant purpose and meaningful ambition – "screen-free" activities



2. Clear position in the value retail sector, with all year-round appeal



3. Much loved by customers with significant opportunity to grow brand awareness



4. Accessible and convenient multi-channel proposition



5. Significant market share growth potential across key categories



6. New five-year strategy to transform the business that is already delivering results



7. Strong financial position

Our five-year financial goals

Sales in excess of £375m

EBITDA margins of at least 6%

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