



# Half Year Results 2025



KEVIN LYONS-TARR, CEO

# Highlights



# Results Summary

## Revenue

\$659.4m

↓ 1%

## Operating profit

\$70.7m

↑ 1%

## Basic EPS

197.4c

↑ 2%

## Cash and bank deposits

\$102.3m

2024 FY: \$147.6m

2024 HY: \$121.5m

## Interim Dividend

80.0c

2024 HY: 80.0c

MICHELLE BRUKWICKI, CFO

# Financial Review



# Income Statement

	H1 2025	H1 2024		FY 2024
	\$m	\$m		\$m
<b>Revenue</b>	<b>659.4</b>	667.5	-1%	1,367.9
Cost of sales	(442.9)	(453.5)	-2%	(932.5)
Gross profit	<b>216.5</b>	214.0	1%	435.4
<i>Gross profit percentage</i>	<b>32.8%</b>	<b>32.1%</b>		<b>31.8%</b>
Marketing costs	(84.7)	(87.4)	-3%	(173.7)
Selling costs	(25.3)	(24.7)	2%	(49.8)
Admin & central costs	(35.8)	(32.0)	12%	(63.8)
<b>Operating profit</b>	<b>70.7</b>	69.9	1%	148.1
<i>Operating profit percentage</i>	<b>10.7%</b>	<b>10.5%</b>		<b>10.8%</b>
Net finance income	<b>3.3</b>	3.1		6.3
<b>Profit before tax</b>	<b>74.0</b>	73.0	1%	154.4
<i>Profit before tax percentage</i>	<b>11.2%</b>	<b>10.9%</b>		<b>11.3%</b>
Taxation	(18.5)	(18.3)		(37.2)
<b>Profit after tax</b>	<b>55.5</b>	54.7	1%	117.2
<b>Basic EPS</b>	<b>197.4c</b>	194.3c	2%	416.3c

- Revenue -1%
  - US \$646.8m; UK \$12.6m
  - Resilient performance in volatile market conditions
- Gross profit +1%
  - Margin benefit from modest price adjustments and minimal supplier cost increases more than offsetting impact from lower revenue
- Marketing costs -3%
  - Flexible marketing mix enabled adjustments to fit demand conditions
  - Revenue per mktg dollar \$7.79 (H1 2024: \$7.64)
- Selling costs +2%
  - Stable at 4% of revenue following prior investment in customer service resource
- Admin and central costs +12%
  - Investment in people and IT development, and IFRS 2 costs of new LTIP awards
- Operating profit +1%
  - Margin increased to 10.7% (H1 2024: 10.5%) driven by factors above; reflects strength of the business model
- Net finance income
  - Interest earned on cash deposits
- Effective tax rate 25% (2024 FY: 24%)

# Balance Sheet

	H1 2025	H1 2024	FY 2024
	\$m	\$m	\$m
Goodwill	1.0	1.0	1.0
Fixed assets	49.1	46.4	49.6
Right-of-use assets	3.3	11.0	4.2
Deferred tax assets	3.5	3.9	3.2
Retirement benefit asset	0.1	-	-
	<b>57.0</b>	<b>62.3</b>	<b>58.0</b>
Inventories	18.9	20.4	17.1
Receivables	70.7	74.7	64.4
Payables	(112.9)	(116.3)	(95.0)
	<b>(23.3)</b>	<b>(21.2)</b>	<b>(13.5)</b>
Current tax	(1.3)	(1.6)	0.4
Deferred tax liabilities	(1.8)	(1.2)	(2.1)
Lease liabilities	(4.3)	(12.0)	(5.3)
Cash and bank deposits	102.3	121.5	147.6
	<b>94.9</b>	<b>106.7</b>	<b>140.6</b>
<b>Net assets</b>	<b>128.6</b>	<b>147.8</b>	<b>185.1</b>

- Fixed asset additions \$2.2m
  - Investment in IT infrastructure and machinery to support embroidery and digital print operations
- Right-of-use-assets and lease liabilities reassessed at 2024 year-end under IFRS16
  - Alternative options for Oshkosh leased office space under consideration
- Working capital \$(23.3)m
  - Net negative position reflects low inventory requirements, high proportion of customers paying by credit card and payment of suppliers on agreed terms
- Financial strength
  - Cash and bank deposits \$102.3m at the HY, after the \$119.9m of 2024 final and special dividends paid in the first half; no debt
  - Use of cash under regular review by the Board in accordance with capital allocation framework and balance sheet funding guidelines



# Cash Flow

	H1 2025 \$m	H1 2024 \$m	FY 2024 \$m
<b>At start of period</b>	<b>147.6</b>	104.5	104.5
Operating profit	<b>70.7</b>	69.9	148.1
Share option charges	<b>1.8</b>	0.9	1.6
Depreciation and amortisation	<b>2.7</b>	2.3	5.1
Lease depreciation	<b>0.9</b>	0.8	1.7
Change in working capital	<b>9.6</b>	13.3	5.6
Capital expenditure	<b>(2.2)</b>	(13.4)	(19.5)
<b>Underlying operating cash flow</b>	<b>83.5</b>	73.8	142.6
Tax and interest	<b>(12.9)</b>	(12.9)	(29.5)
Own share transactions	<b>(3.2)</b>	(0.6)	(2.0)
Capital element of lease payments	<b>(1.0)</b>	(0.7)	(1.5)
Exchange and other	<b>8.2</b>	(0.5)	(1.0)
<b>Free cash flow</b>	<b>74.6</b>	59.1	108.6
Dividends to Shareholders	<b>(119.9)</b>	(42.1)	(65.5)
<b>Net cash flow in the period</b>	<b>(45.3)</b>	17.0	43.1
<b>At end of period</b>	<b>102.3</b>	121.5	147.6

- Highly cash generative business model
  - Strong financial performance in H1
  - Attractive working capital profile
  - Cash conversion of 118% of operating profit demonstrates strength of drop-ship business model
- Tax payments in line with profitability
- Own share transactions are to cover the maturing share awards/options under executive and employee plans
- Exchange gain realised on cash remitted from the US at the end of 2024 to the parent and exchanged into GBP to enable payment of final and special dividends
- 2024 final and special dividends of \$119.9m paid to Shareholders in June 2025
  - Interim regular dividend maintained in line with capital allocation guidelines

KEVIN LYONS-TARR, CEO

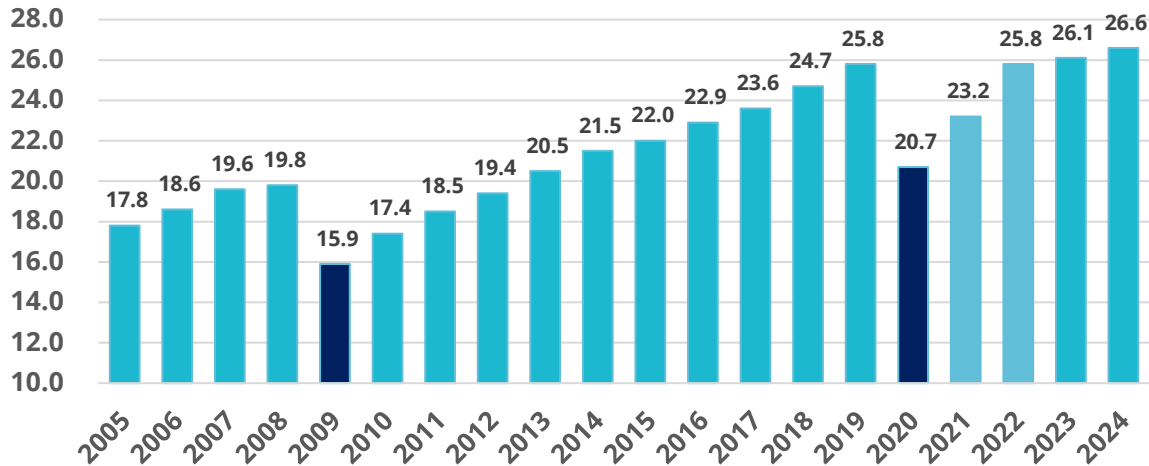
# Operational Review





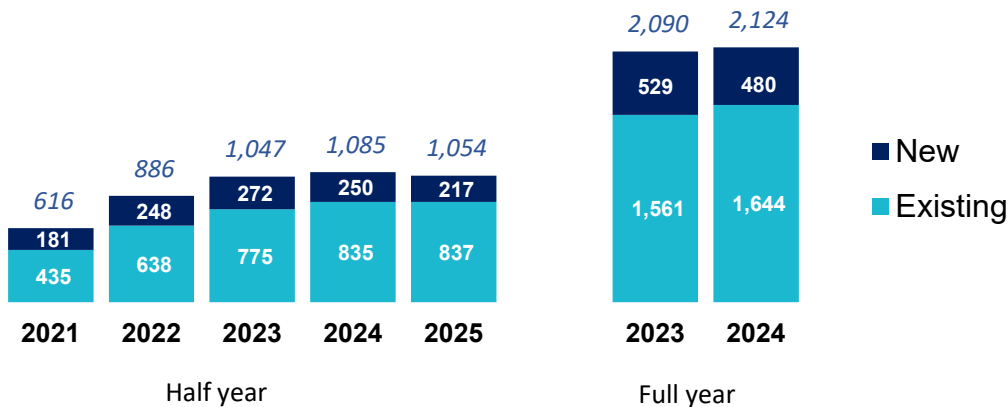
# Market

**ASI Industry Sales North America 2005 - 2024 \$bn**



- Industry sales declined 3.6% and 3.2% in Q1 and Q2, respectively, as a challenging environment for demand generation continued
- Industry revenue remains similar to 2019; volumes below pre-pandemic levels

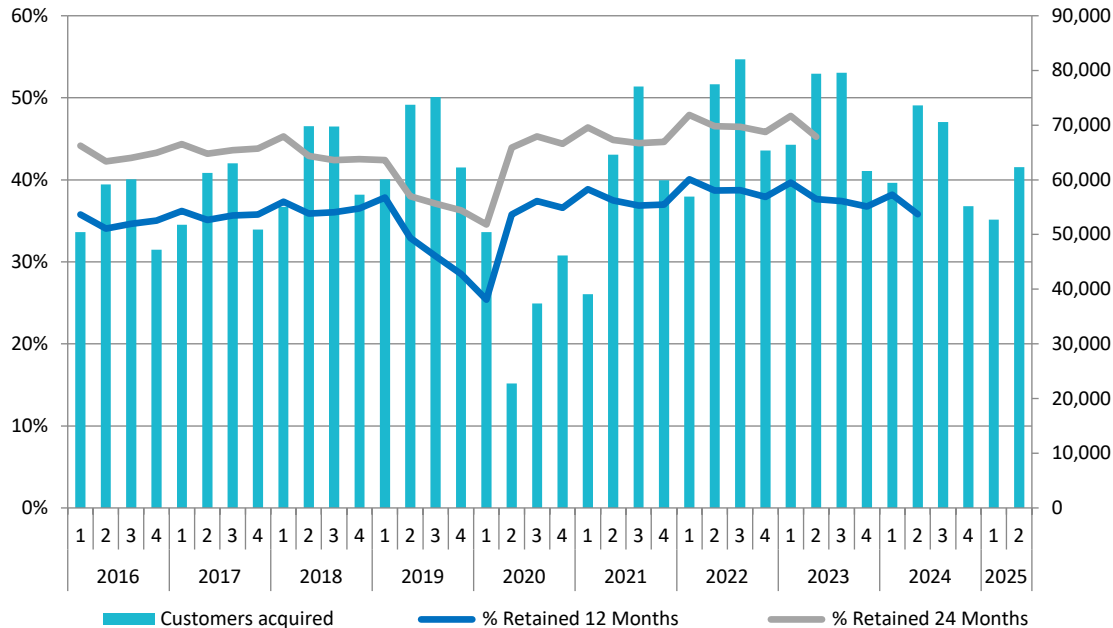
**No. of orders received ('000)**



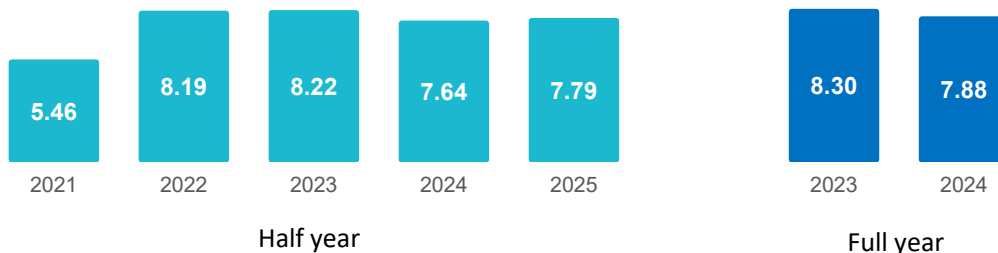
- Over one million orders received in H1 2025, down 2.8% to H1 2024
- Average order values remained strong (flat to H1 2024)
- 125,000 new customers acquired (145,000 H1 2024)
- 217,000 new customer orders were received v 250,000 during the same period last year
- Existing customer orders slightly up over H1 2024, representing strong and consistent retention rates and the quality of the new customers acquired

# Marketing Effectiveness

## US and Canada Acquired and Retained %



## Revenue per marketing dollar



- Total marketing spend \$84.7m, a reduction of 3% over H1 2024
- Revenue per marketing dollar \$7.79 vs. \$7.64 for H1 2024. Flexibility of marketing mix evident, allowing overall spend to be reduced whilst maintaining strong marketing presence
- Mix of marketing spend similar to prior year; brand element remains largest component
- Although marketing spend was down slightly, investment in testing of new tactics continued
- Existing customer retention remains strong and consistent; new customer acquisition continues to be challenging in the current market
- Brand awareness metrics show continued strength, representing careful management of the marketing spend adjustments

# Operational Update

## Supply chain

- Volatility and uncertainty resulting from new tariff policies has introduced stress into the supply chain.
- Minimal impact on product costs from the tariff situation in H1 as most of our suppliers had significant inventory positions.
- During H2, we anticipate increased pressure on product cost as inventory is replenished. However, significant stock outages aren't anticipated.

## Team

- We continue to invest in a small number of key appointments to strengthen the team as required.

# Summary & Outlook

Despite some market challenges and an anticipated level of rising product cost due to tariffs in the second half, the Board expects that full year Group revenue and profit before tax will remain within the current range of analysts' forecasts.

The Board is confident in the Group's ability to navigate current market conditions, delivering the strongest possible near-term financial results while positioning the business to take advantage of opportunities that will present themselves as conditions improve.

