



2025 PRE-CLOSE TRADING UPDATE

25 September 2025





2025 HIGHLIGHTS

Stephan Borchert

CEO

2025 HIGHLIGHTS

**Positive LFL growth
in H2 FY25 in all key
regions**

**Gross margin
performance ahead
of expectations**

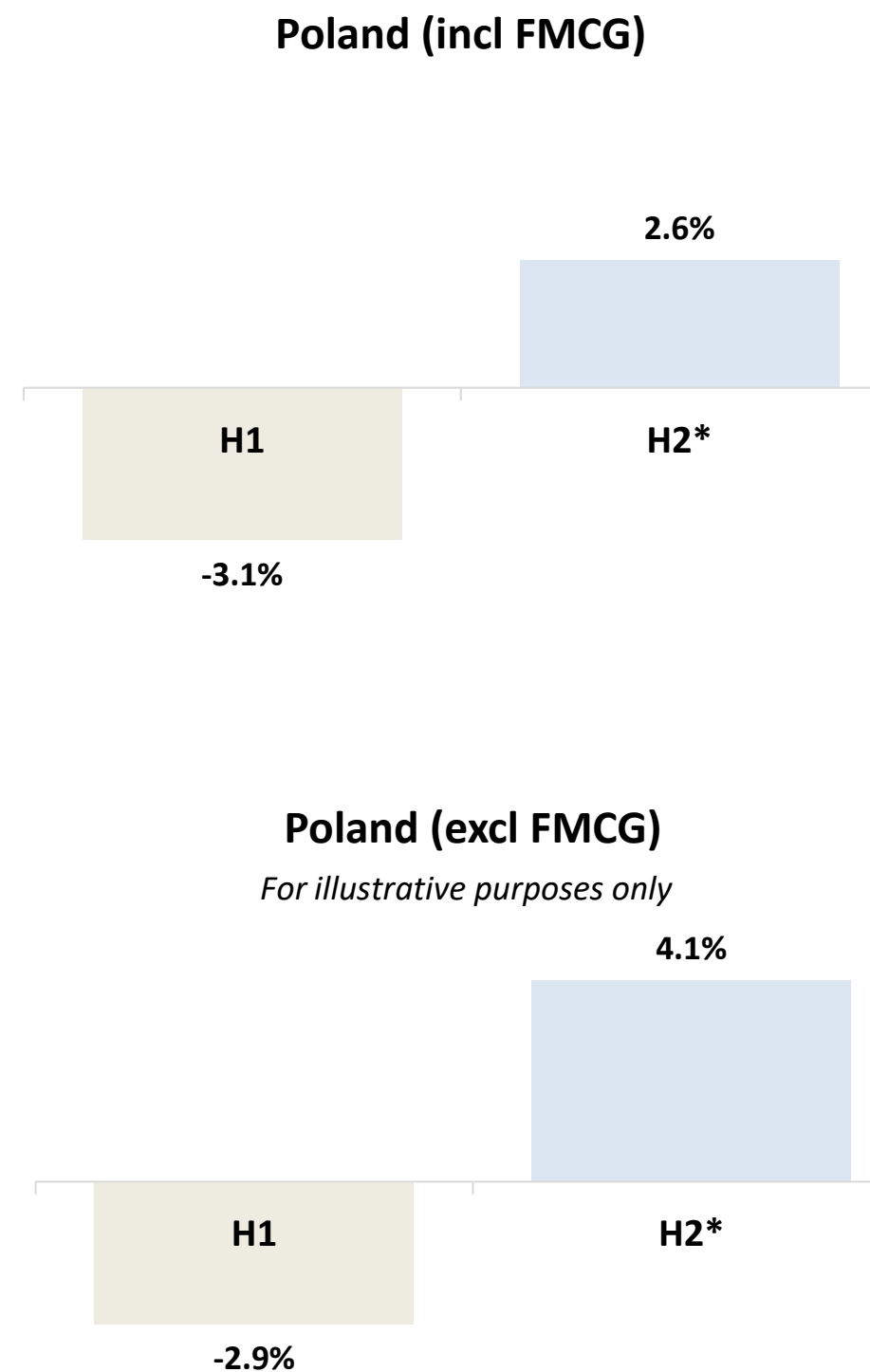
**Strong progress in
line with our
strategic objectives**

**Results tracking in
line with CMD
guidance**



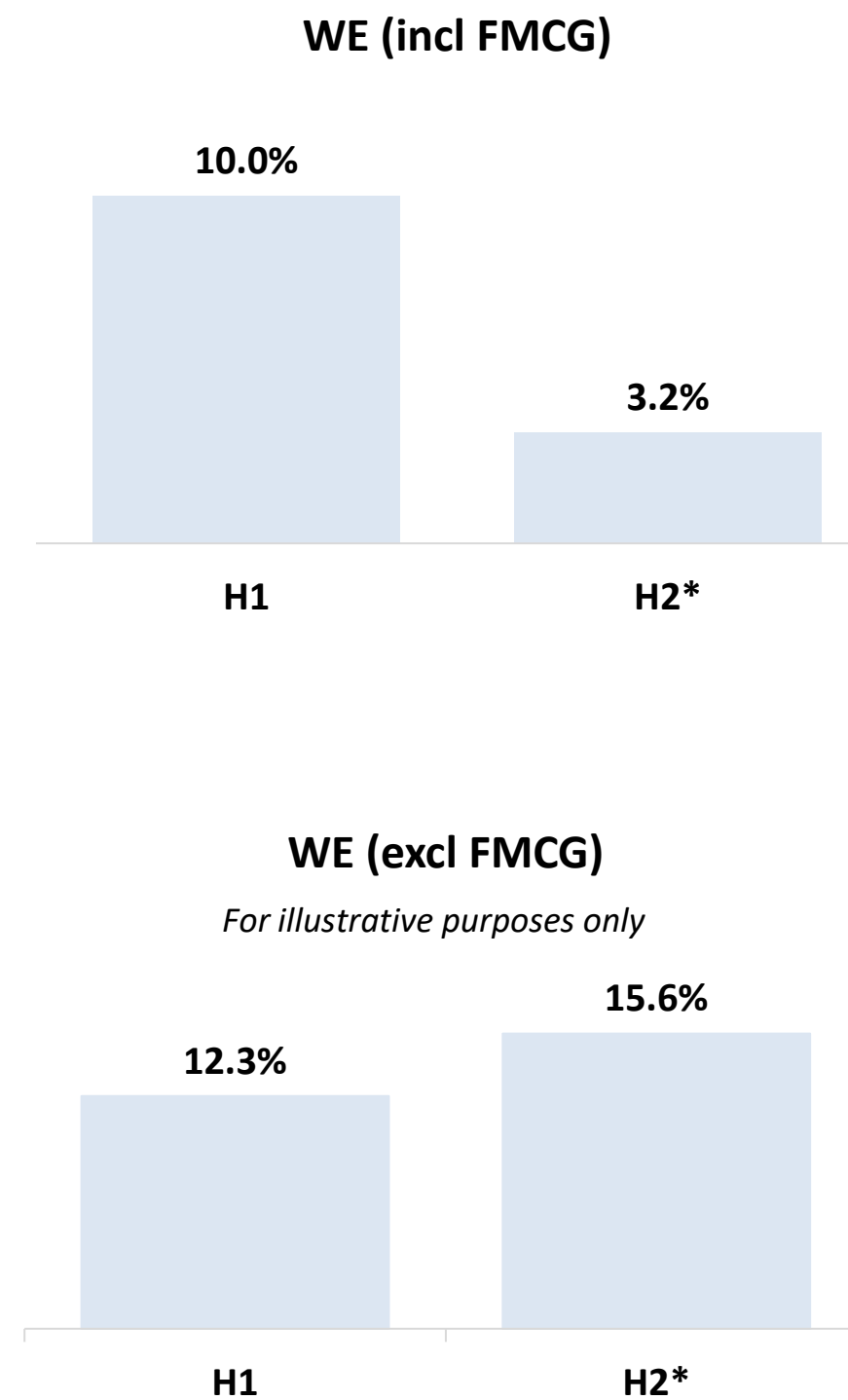
PEPCO POLAND RETURNS TO GROWTH

- **Poland returned to positive LFL growth** in H2, with strong momentum in Q4
- Performance driven by **improved product availability** generating higher volume growth and investment in refits to turnaround weakest stores
- LFL excl. FMCG boosted by the reallocation of floor space (checkout 'snake') as we completed FMCG exit
- 45 net new stores YTD, 1,384 stores overall in Pepco Poland
- Strong performance across our Polish estate with **99% of stores operating profitably**



WE: SUCCESS IN IBERIA & ITALY

- **Strong LFL performance** through the year in Western Europe
- Significant benefit on LFL excl. FMCG due to floor space reallocation post **successful Pepco Plus store conversions in Iberia**
- **Converted stores delivering an EBITDA margin uplift of 13ppts**
- **Gross margin up 410bps YTD**, for Iberia & Italy due to increased sales of higher margin clothing & GM and onshoring distribution
- **Average store EBITDA margin for Iberia and Italy up 6ppts** on prior year
- Spain, Portugal & Italy now all profitable on an underlying EBITDA basis



STRATEGIC HIGHLIGHTS

Simplify the Group

- **Sale of Poundland complete**
- **Pepco Plus conversions complete**
- **Dealz fully separated, operating with independent management team**

Central Eastern Europe / Western Europe

- **Strong turnaround in LFL performance delivered in both CEE & WE**
- **Reallocation of space following FMCG exit benefitting gross margin**

Digitise the customer proposition

- **Coupon-at-till pilot launched with customers in Poland; positive early results**
- **New mobile app ready for launch in early calendar 2026**

POUNDLAND SALE COMPLETE

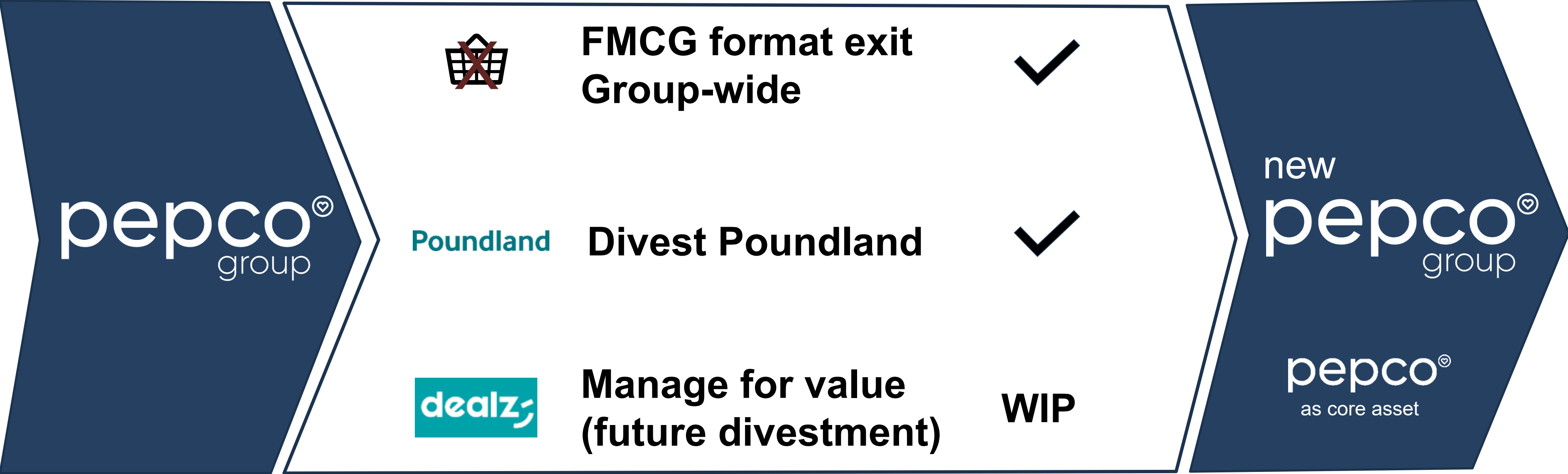
- **Pepco Group sold Poundland to Gordon Brothers on 12 June 2025** for a nominal consideration
- Restructuring plan approved by the High Court on 26 August
- A secured loan of £30m remains in place between Pepco Group and Poundland, as well as an overdraft facility of up to £30m
- **Pepco Group to participate in the long-term value creation** potential of Poundland through a minority investment



Benefits to Pepco Group include:



2025: YEAR OF INFLECTION POINT – PORTFOLIO UPDATE



CURRENT TRADING

- New Pepco Group revenue growth in the 51 weeks to 21 September 2025 of +8.8% driven by store expansion and LFL revenue growth
- Positive performance in Pepco banner with LFL growth in the 51 weeks to 21 September 2025 of +2.7%
- Momentum accelerated in Q4 with LFL growth of +3.9%
- Measured store expansion plan progressing well with 248 net new store openings expected for FY25



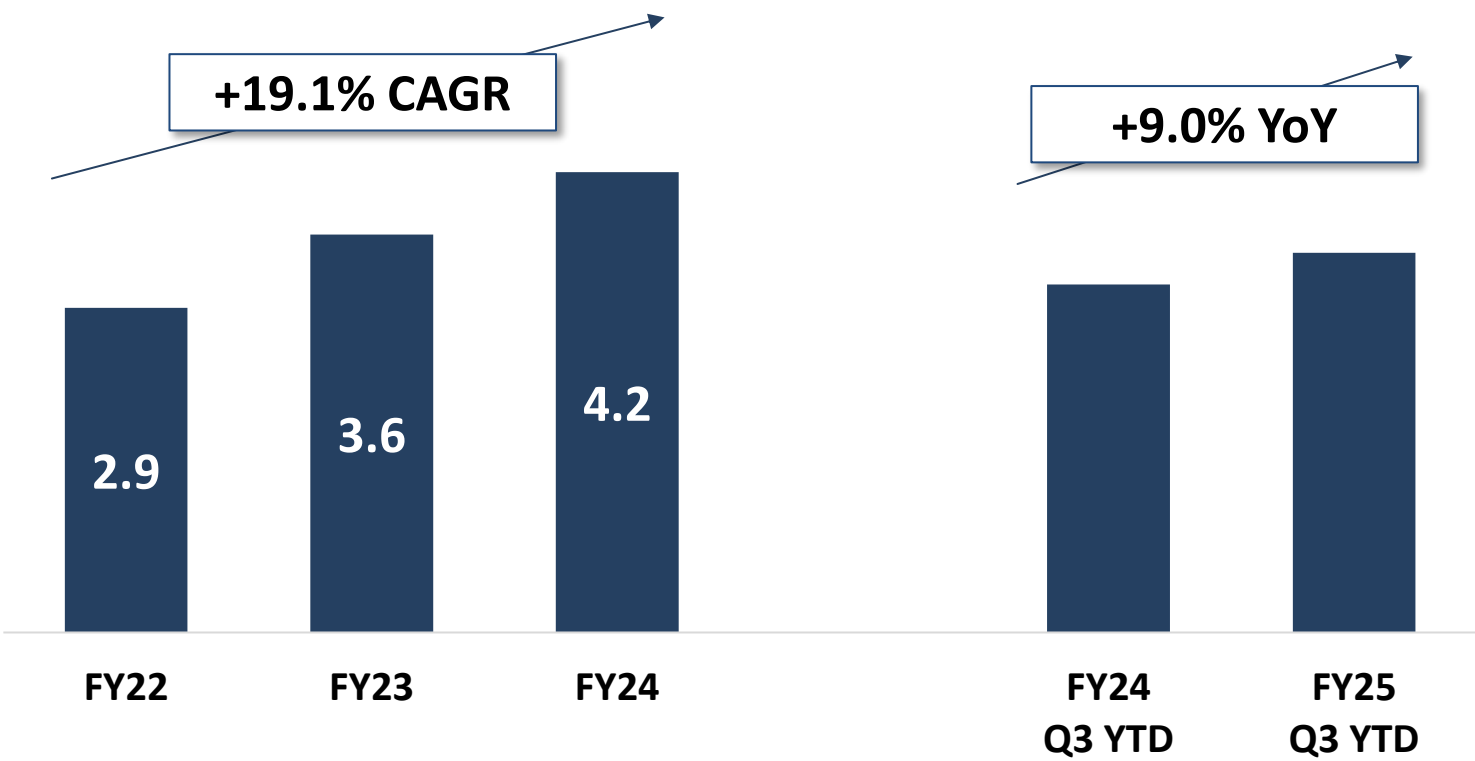


FINANCIAL OVERVIEW

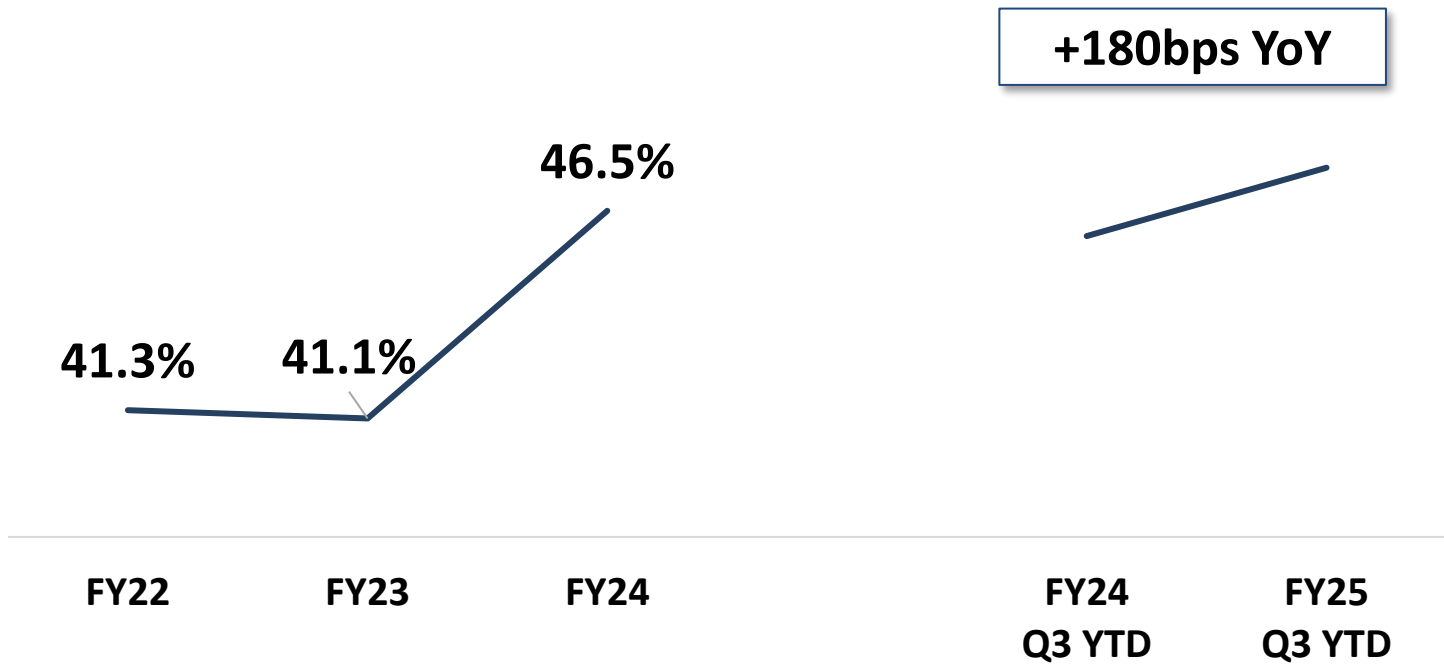
Willem Eelman
CFO

NEW PEPCO GROUP HAS SHOWN CONSISTENT GROWTH

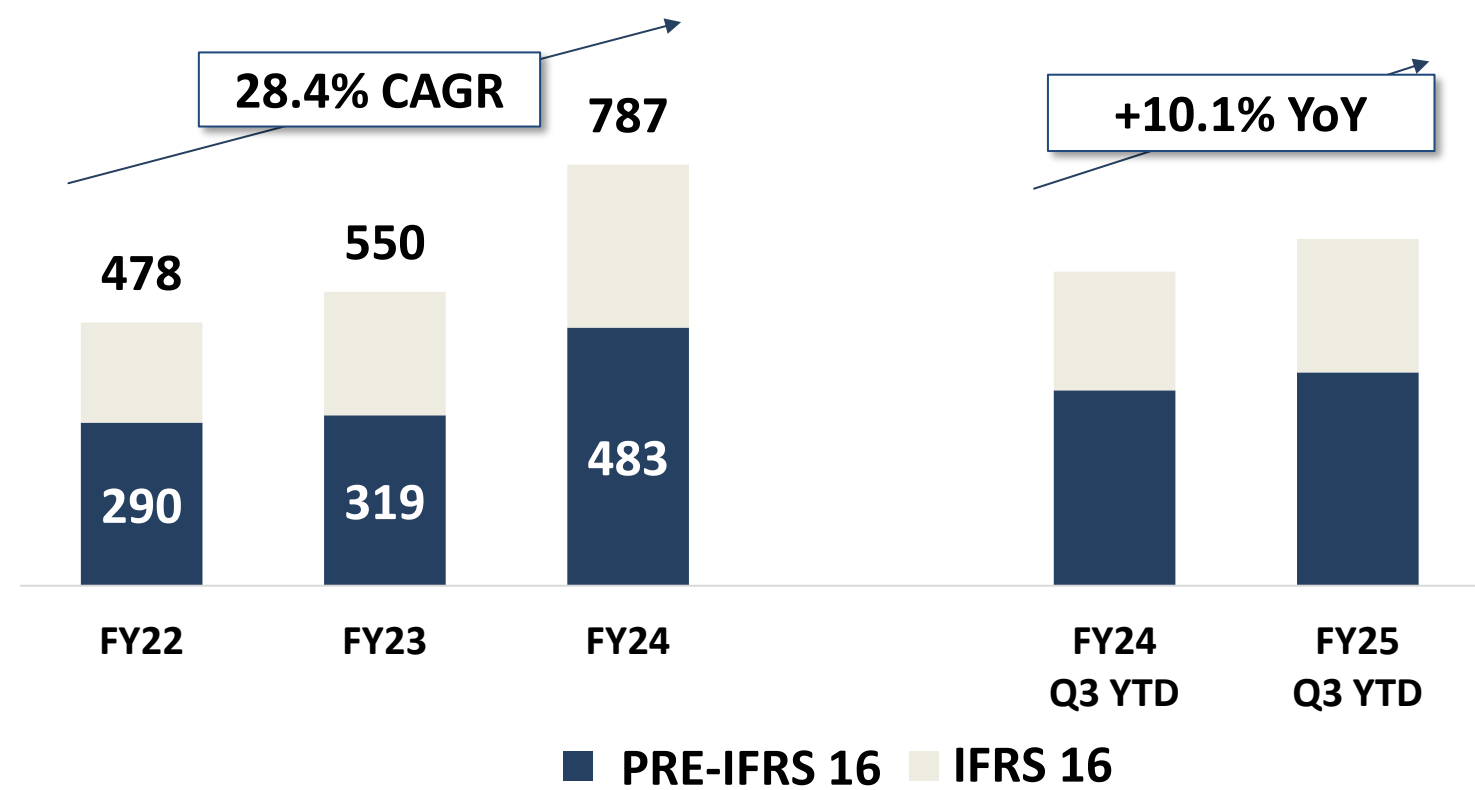
REVENUE (€BN)



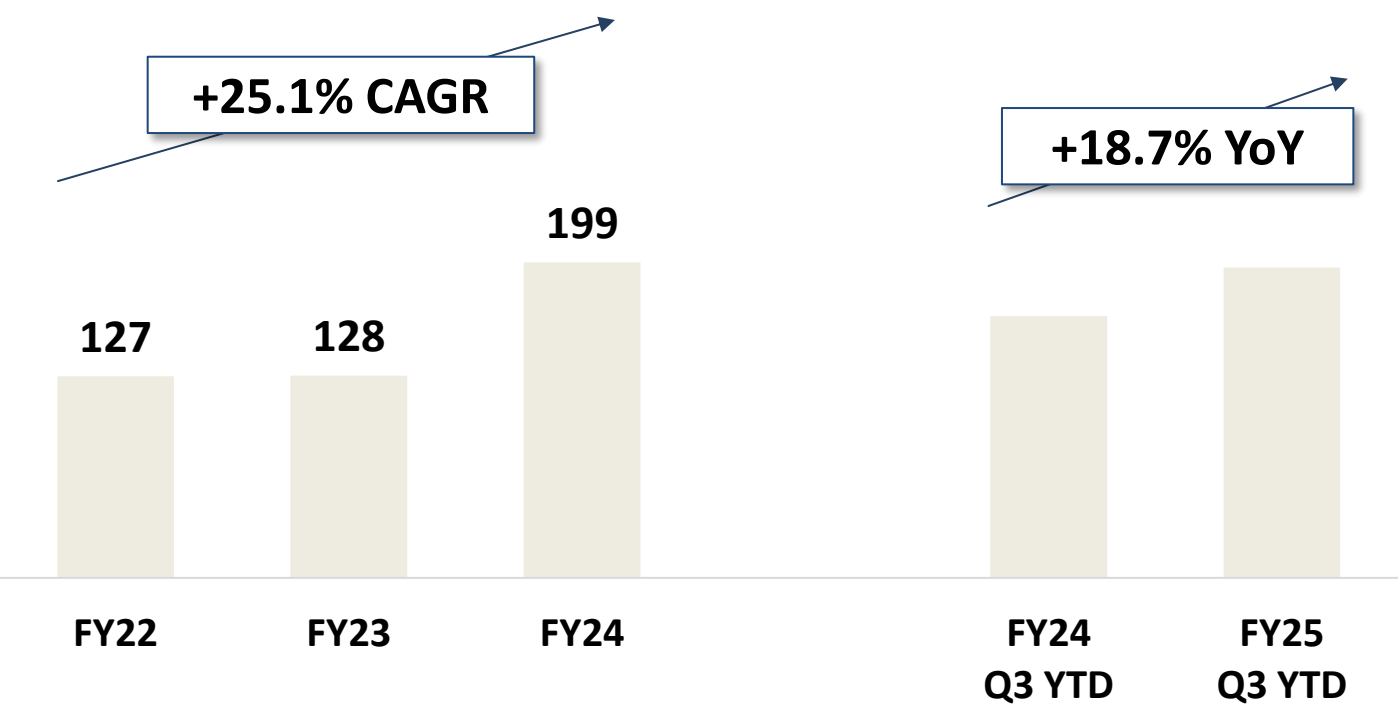
GROSS MARGIN %



EBITDA (€M)



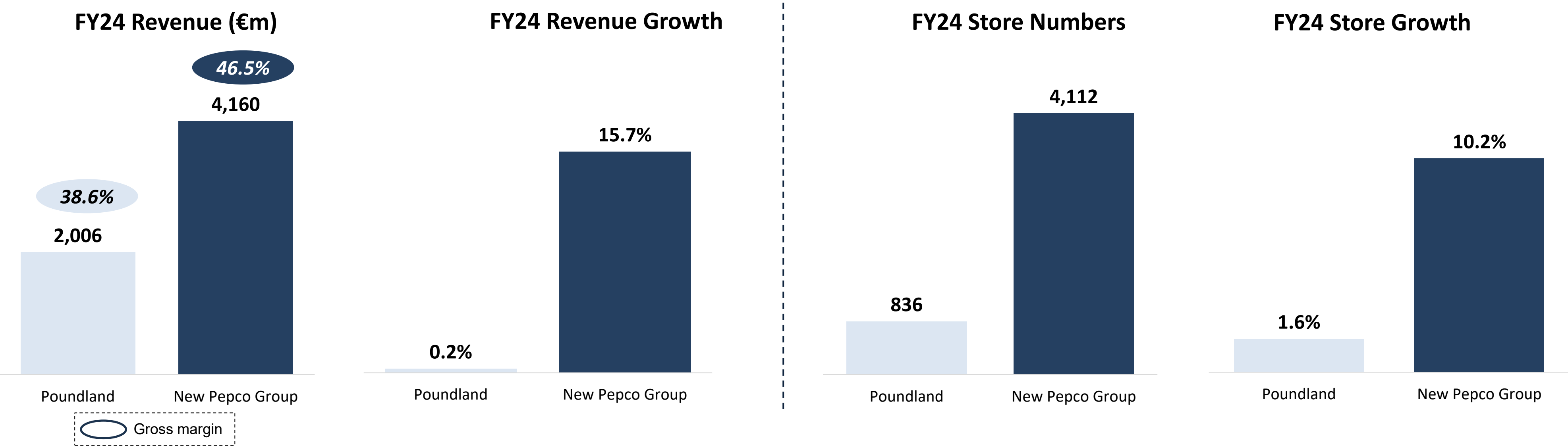
PAT (€M)



Note: New Pepco Group data includes Pepco, Dealz, PGS and Corporate costs and excludes Poundland
Note: CAGR & YoY metrics for EBITDA & EBIT calculated on an IFRS 16 basis

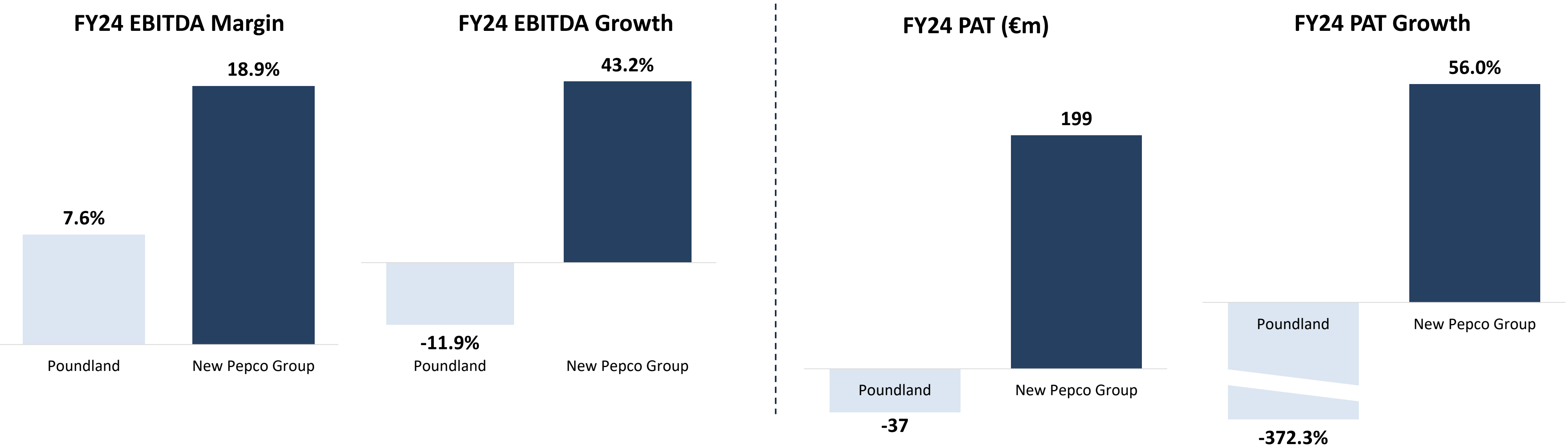
NEW PEPCO GROUP – STRONG BASE FOR FURTHER GROWTH

- By exiting Poundland, **we have transformed the baseline of our business** putting us in an excellent position for continued growth
- **New Pepco Group generates significantly faster topline growth**, no longer inhibited by stagnant Poundland growth trajectory
- **Significant white space opportunity for Pepco** drives measured but effective store expansion



NEW PEPCO GROUP – ENHANCED PROFITABILITY

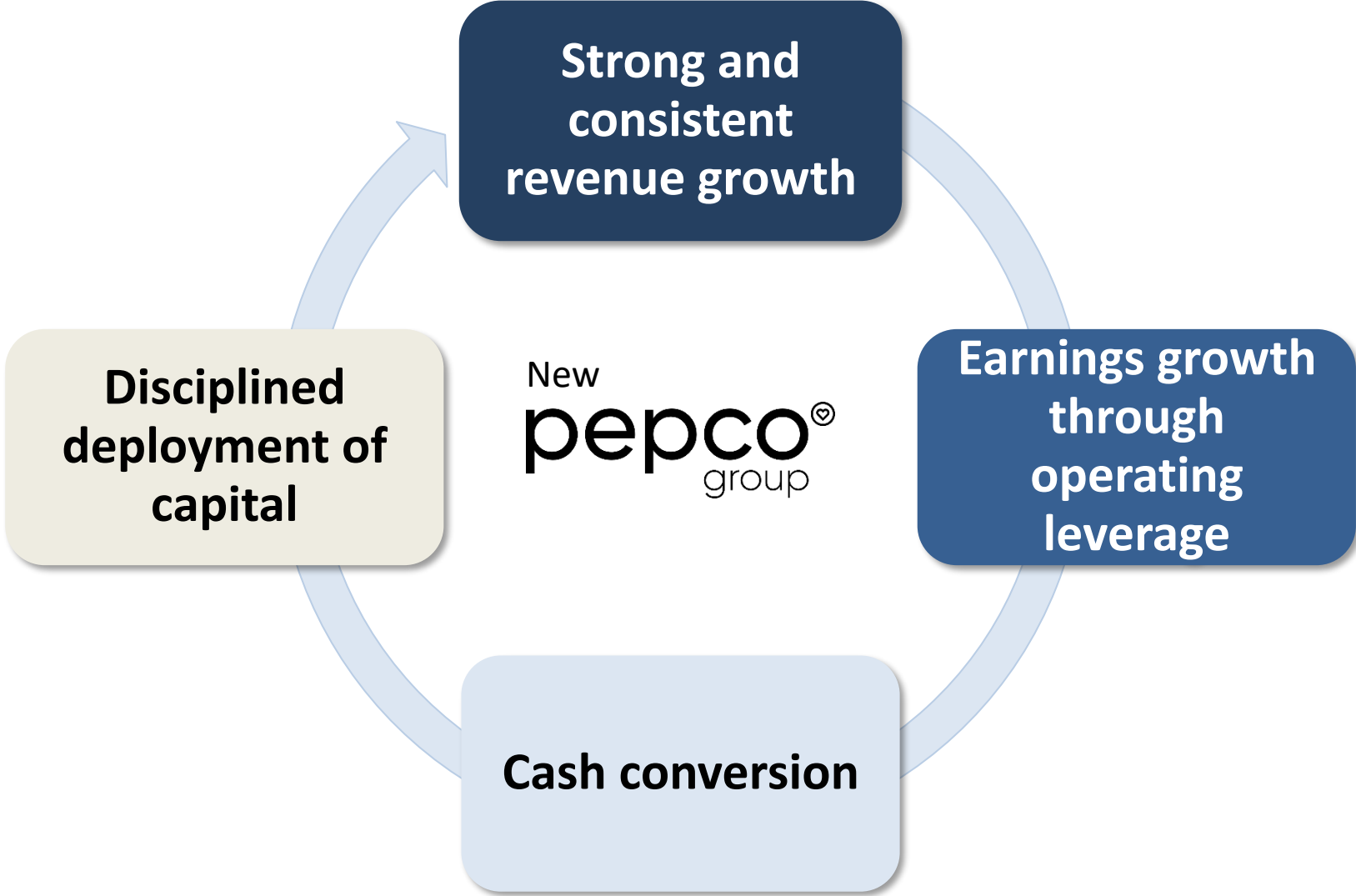
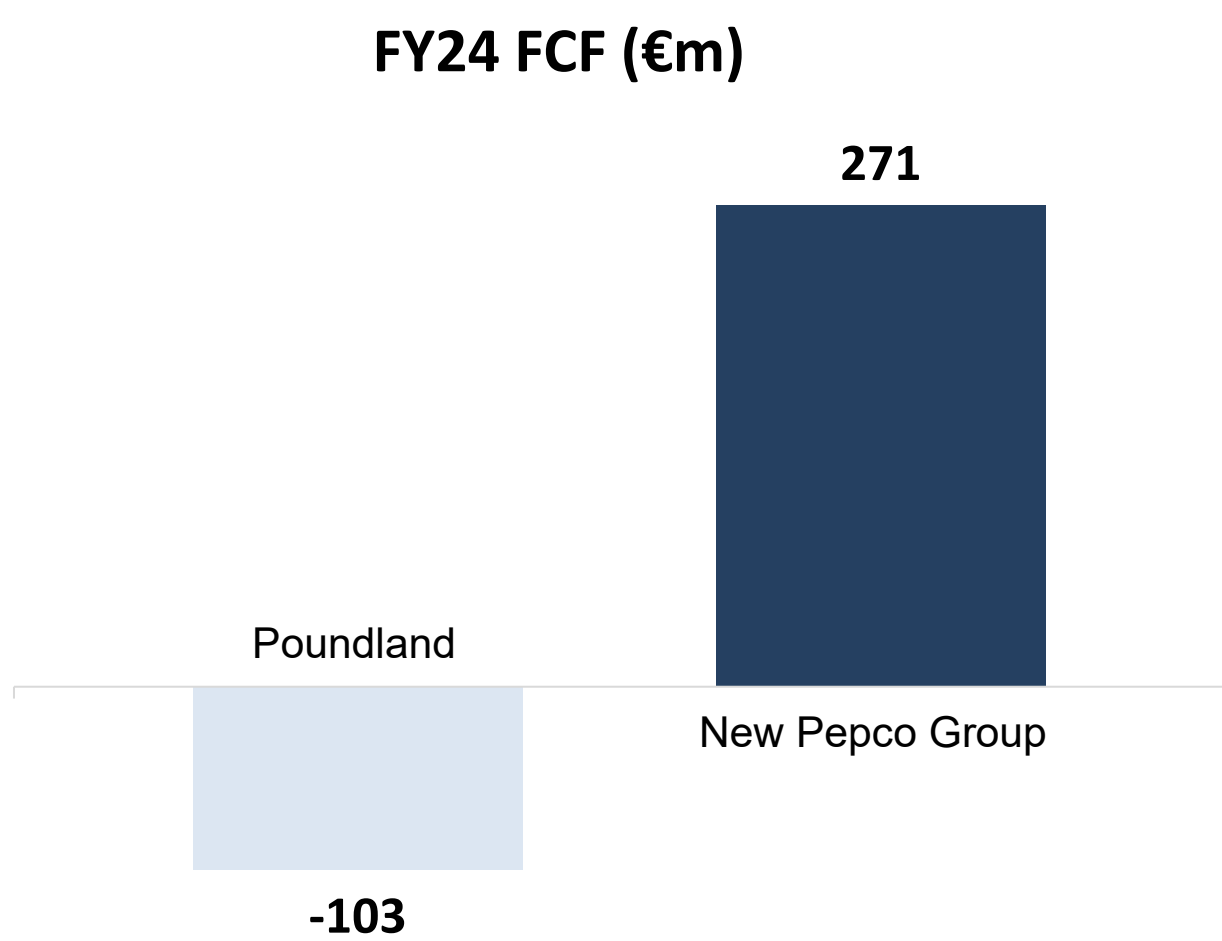
- New Pepco Group delivering **far greater EBITDA growth** trajectory due to **superior gross margin performance** demonstrating value in FMCG-exit and in refocusing the Group on higher margin clothing & general merchandise
- Group **earnings potential significantly enhanced** post-Poundland disposal



STRONG UNLEVERED FREE CASH FLOW GENERATION

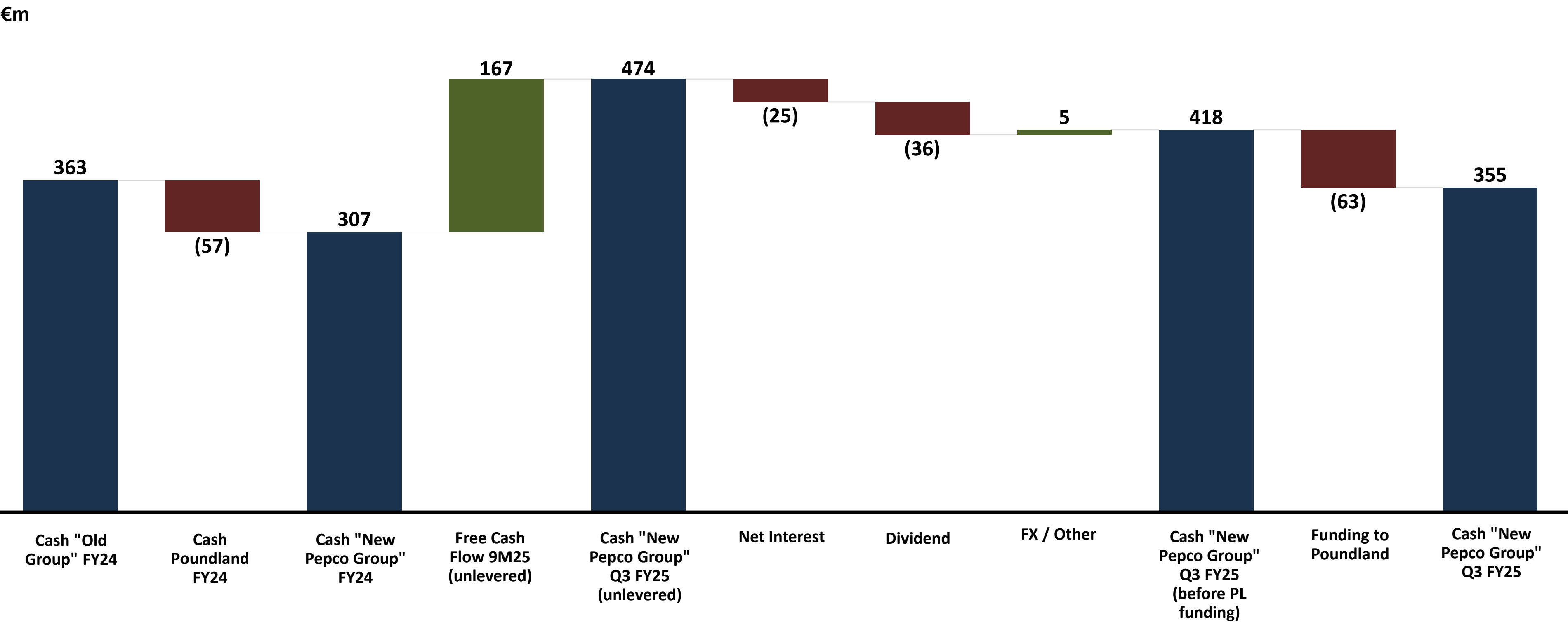
- **New Pepco Group is highly cash generative** whereas Poundland has required ongoing cash support

- Virtuous circle of growth delivering **strong FCF generation**
- This enhanced FCF profile will **enable greater shareholder returns**



MID-TERM AMBITION UNLEVERED FCF OF >€200M P.A.

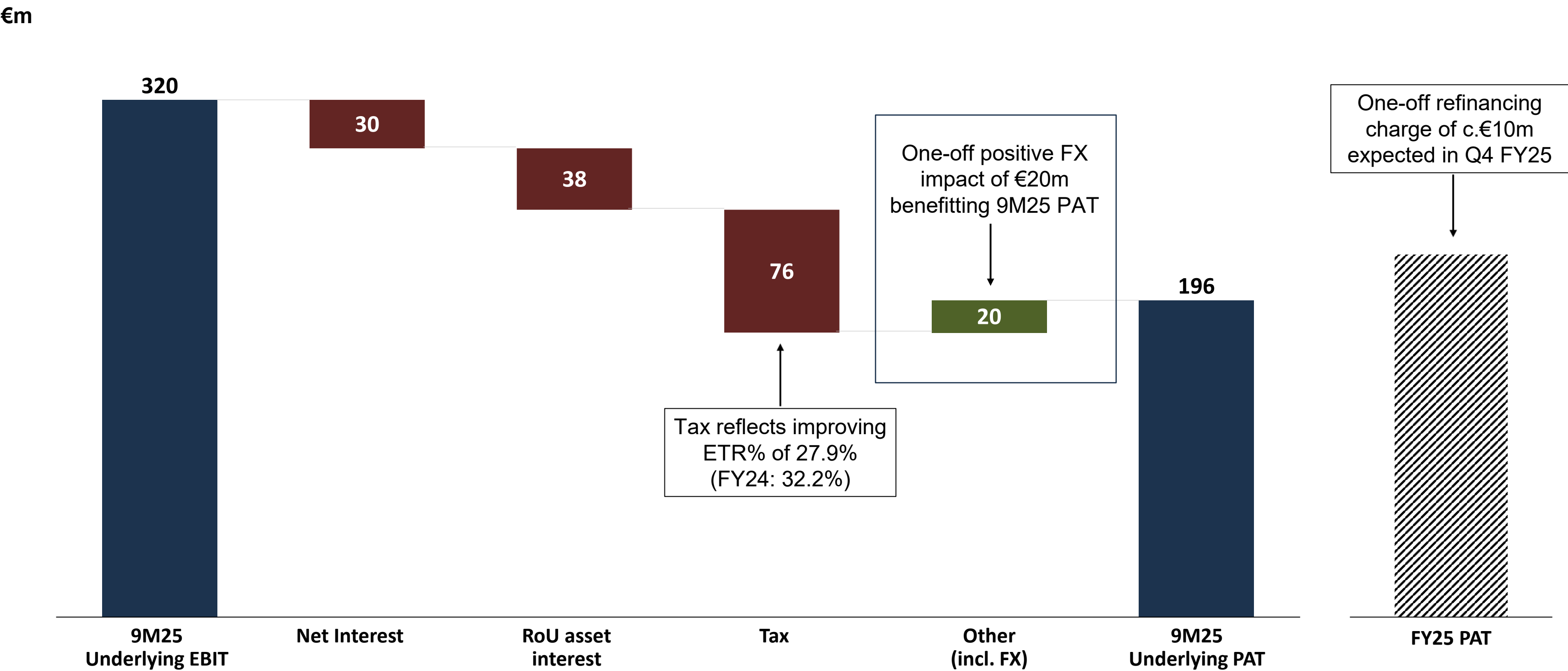
9M25 PRO FORMA CASH FLOW SUMMARY



FY24 & 9M25 PRO FORMA FINANCIAL SUMMARY

	FY24		9M25
€m	Old Pepco Group ¹	New Pepco Group ²	New Pepco Group ²
Revenue	6,167	4,160	3,431
Gross profit	2,706	1,934	1,632
<i>Gross margin</i>	<i>43.9%</i>	<i>46.5%</i>	<i>47.6%</i>
Underlying EBITDA (IFRS 16)	944	787	647
<i>Underlying EBITDA margin (IFRS 16)</i>	<i>15.3%</i>	<i>18.9%</i>	<i>18.9%</i>
Underlying EBIT (IFRS 16)	380	379	320
Underlying PBT	271	294	272
Underlying PAT	179	199	196
Underlying EPS	31.1	34.6	34.0

9M25 PRO FORMA PAT BRIDGE



FINANCING

- **April 2026 €250m Term Loan B is now current.** As a result, we are focused on refinancing
- **On 24 September, the Group called €175m of its €375m corporate bond.** We are considered a range of financing options for the remaining €200m part of the bond
- The partial bond redemption allows the Group flexibility to obtain best pricing at the ideal time
- RCF (due April 2027) of €390m provides additional working capital (Zero drawn at end of 9M25)

Public credit ratings from all 3 rating agencies	
	'BB' rating
	'Ba3' rating
	'BB-' rating

Facility	Amount	Coupon	Expiry
Term Loan B	€250m	6m Euribor + 1.50% (2.08% + 1.50% = 3.58%)	April 2026
RCF	€390m	6m Euribor + 1.15% (2.08% + 1.15% = 3.23%)	April 2027 (+1Y extension option)
Corporate Bond	€375m	7.25%	July 2028

Net debt (pre-IFRS 16)	€261m
Leverage LTM (pre-IFRS 16)	0.5x
Net debt (IFRS 16)	€1,304m
Leverage LTM (IFRS 16)	1.5x
CMD leverage guidance	0.5-1.5x pre IFRS 16 EBITDA

NEW PEPCO GROUP IS DELIVERING ON CMD OBJECTIVES

		<u>FY24 PF baseline²</u>	<u>FY25 CMD guidance</u>	
New Pepco ¹	Revenue growth	€3,853m	High single-digit growth	✓
	Gross margin %	47.5%	Flat y-o-y	>
	EBITDA growth (IFRS 16)	€763m	High single-digit growth	✓
	EBIT growth (IFRS 16)	€388m	High single-digit growth	✓
Dealz	EBITDA growth (IFRS 16)	€24m	Strong growth	✓
	EBIT growth (IFRS 16)	(€8m)	Near breakeven	✓

(1) New Pepco Group includes Pepco, Dealz, PGS and corporate costs
(2) FY24 pro forma EBITDA & EBIT baseline differ slightly from CMD baseline due to re-presenting intercompany transactions with Poundland as a result of the sale



Summary & Outlook

Stephan Borchert

CEO

RECAP OF OUR STRATEGIC FRAMEWORK



**SIMPLIFY AND
STREAMLINE
THE GROUP
PORTFOLIO**



**TOPLINE GROWTH
THROUGH
MEASURED
EXPANSION IN CEE**



**WIN IN
WESTERN
EUROPE**



**REFOCUS AND
DIGITISE PEPCO'S
CUSTOMER
PROPOSITION**



**UPGRADE
CORE
OPERATING
PLATFORM**

SUMMARY & OUTLOOK

- **Strong Pepco performance**
 - LFL +2.7% for the 51 weeks YTD
 - Successful return to growth in Poland
 - Continued positive momentum in CEE
 - Powerful early progress in Western Europe
- Poundland sale and Pepco FMCG exit drives simplification in Group structure and **significant improvement in FCF generation**
- **Focus on shareholder returns** with second share buyback tranche of €50m confirmed
- **On track to deliver FY25 underlying EBITDA (IFRS 16) year-on-year growth towards the top end of our guided high-single digit range**
- Further strategic progress in FY2026, including continued store expansion, entry into new markets like North Macedonia and Kosovo, mobile app launch and ongoing efficiency improvements

EXECUTING AT PACE WITH STRONG FOCUS ON SUSTAINABLE VALUE CREATION





Q&A

Appendix

NEW PEPCO GROUP PRO FORMA HISTORIC FINANCIALS

€m	2022	2023	2024
Revenue	2,933	3,595	4,160
Gross profit	1,211	1,477	1,934
<i>Gross profit margin %</i>	<i>41.3%</i>	<i>41.1%</i>	<i>46.5%</i>
Underlying EBITDA (pre-IFRS 16)	290	319	483
<i>Underlying EBITDA (pre-IFRS 16) margin %</i>	<i>9.9%</i>	<i>8.9%</i>	<i>11.6%</i>
Underlying EBITDA (IFRS 16)	478	550	787
<i>Underlying EBITDA (IFRS 16) margin %</i>	<i>16.3%</i>	<i>15.3%</i>	<i>18.9%</i>
Underlying EBIT (IFRS 16)	201	244	379
<i>Underlying EBIT margin %</i>	<i>6.8%</i>	<i>6.8%</i>	<i>9.1%</i>

FY24 PRO FORMA P&L SUMMARY

€m	Old Pepco Group	New Pepco Group
Revenue	6,167	4,160
<i>Like-for like revenue (%)</i>	-3.2%	-3.0%
Gross profit	2,706	1,934
<i>Gross profit margin (%)</i>	43.9%	46.5%
Underlying EBITDA (IFRS-16)	944	787
<i>Underlying EBITDA margin (%) (IFRS-16)</i>	15.3%	18.9%
Depreciation and amortisation	(564)	(408)
Net financial expense	(109)	(86)
Underlying PBT	271	294
Underlying PAT	179	199
Non-underlying items	(825)	(44)
Reported PBT	(554)	250
Tax	(108)	(95)
Reported PAT on cont. ops	(662)	155
Basic EPS (cents) on cont. ops	(114.9)	26.9
Discontinued Operations	(49)	(865)

FY24 PRE-IFRS 16 VS IFRS 16 PROFIT COMPARISON

All results below are presented on an underlying basis

€m	Old Pepco Group Pre-IFRS 16	Old Pepco Group IFRS 16	New Pepco Group Pre-IFRS 16	New Pepco Group IFRS 16
Revenue	6,167	6,167	4,160	4,160
Operating expenses	(2,192)	(1,762)	(1,451)	(1,146)
Operating profit	311	380	338	379
Net finance costs	(44)	(109)	(44)	(86)
PBT	267	271	294	294
EBITDA	515	944	483	787

FY24 PRE-IFRS 16 VS IFRS 16 ANALYSIS

€m	Old Pepco Group	New Pepco Group
Depreciation & amortisation: Pre-IFRS 16	(204)	(144)
Depreciation & amortisation: IFRS 16	(360)	(263)
Total depreciation & amortisation	(564)	(408)
Net interest: Pre-IFRS 16	(44)	(44)
Net interest: IFRS 16	(65)	(42)
Total net interest	(109)	(86)

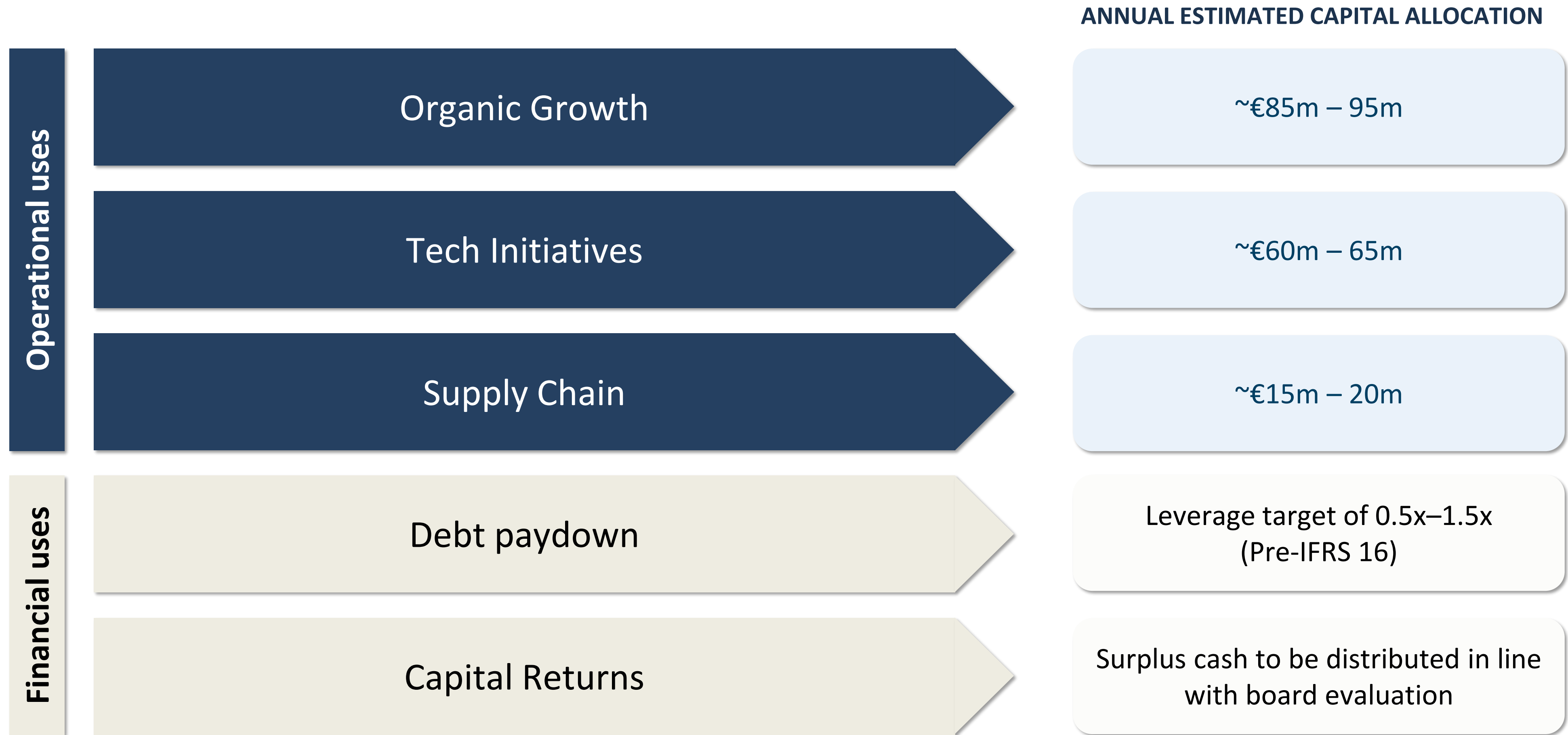
FY24 PRO FORMA CASH FLOW SUMMARY

€m	Old Pepco Group	New Pepco Group
Underlying EBITDA pre-IFRS 16	515	483
Working capital	3	68
Tax paid	(85)	(84)
Operating Cash Flow	432	466
Non-underlying items	(52)	(46)
Capex	(212)	(149)
Free Cash Flow (unlevered)	168	271
Net interest paid	(33)	(34)
External borrowing	(120)	(120)
External dividends	-	-
Net financing to Poundland	-	(109)
Proceeds from sale of PPE	2	2
Cashflows from discontinued operations (Pepco Austria)	(13)	(13)
Net cash flow	3	(3)
Effect of exchange rate fluctuations on cash held	30	29
Cash and cash equivalents at beginning of period	330	282
Cash and cash equivalents at end of period	363	307
Net debt (pre-IFRS 16)	256	307
Leverage (pre-IFRS 16, x EBITDA)	0.5x	0.6x

FY24 PRO FORMA BALANCE SHEET SUMMARY

€m	Old Pepco Group	New Pepco Group
Assets		
Property, plant and equipment	743	553
Right of Use Asset	1,305	1,007
Intangible assets	107	30
Trade and other receivables	103	51
External loan receivable	-	258
Derivative financial instruments (assets)	35	31
Deferred tax asset	106	83
Inventories	1,235	959
Cash and cash equivalents	363	307
Total assets	3,998	3,278
Liabilities		
Trade and other payables	1,406	1,067
Lease liabilities	1,381	1,057
Borrowings	613	613
Provisions	34	28
Derivative financial instruments (liabilities)	52	46
Total liabilities	3,486	2,811
Net assets	511	467

CAPITAL ALLOCATION FRAMEWORK



‘NEW PEPCO’ MEDIUM-TERM AMBITION FROM FY26

Revenue growth of at least 7% CAGR

EBITDA growth of at least 9% CAGR

Gross margin of c. 48%

Around 250 net new stores p.a.

Greater than €200m unlevered free cash flow; Capex of €160m to €180m p.a.

Leverage no higher than 1.5x (pre IFRS 16)