Q3 FY26
Trading Update

9 July 2026

Q3 FY26 Highlights

Stephan Borchert | Chief Executive Officer

Q3 FY26 HIGHLIGHTS

+8.5%

Strong Q3 growth - led by Western Europe, with solid contribution from CEE

Revenue +8.5% (cc) and LFL (excl FMCG) +5.4% with continued gross-margin progress.

Dealz sale agreed

A clean exit from FMCG, creating a pure-play Pepco

Sale of Dealz Poland agreed on 3 June 2026 — completing the Group's exit from FMCG retail.

€400m

Enhanced shareholder returns

Up to €400m one-off tender buyback in FY26, with pro-forma financials for the Group excluding Dealz now provided.

SIMPLIFYING THE GROUP AROUND PEPCO

A clear, sequenced transformation to a focused, higher-margin business

1

Exit FMCG retail

Successful exit of FMCG from Pepco brand.

Completed FY25

2

Sell Poundland

Divestment of the Poundland business.

Completed June 2025

3

Separate Dealz

Sale of Dealz Poland agreed.

Agreed 3 June 2026

4

Pure-play Pepco

A scalable, efficient, single-format creating a high-growth, high-returns retail business.

Target state

Following completion of the Dealz Poland sale, Pepco Group will operate as a single-format business built entirely around the Pepco clothing and general merchandise proposition.

THE STRENGTHS OF A PURE-PLAY PEPCO

1 **Strong store economics**
Low-cost, standardised format

2 **Rapid cash payback**
<24-month store payback

3 **High returns & cash**
22.4% EBITDA margin[1]
~€300m FY26 FCF guidance

4 **Reinvest in growth**
600+ new stores in Western Europe FY27–30

5 **Shareholder returns**
€400m buyback, ~40% regular dividend payout over time

PURE-PLAY PEPCO
A self-funding growth engine

THE MODEL

A self-funding growth engine.

Low-cost, scalable, standardised stores **pay back fast** , generating significant cash that funds new openings and reinvestment.

The surplus is **returned to shareholders**, enabling **sector-leading returns.**

€400m	~40%
Tender buyback in FY26	**Dividend payout ratio** over time, rising from 25%

(1) Pro forma Group EBITDA margin (IFRS 16) as at H1 FY26

PEPCO STRATEGY FOR GROWTH

Continued strategic progress, pillar one complete

- 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

Financial review

Willem Eelman | Chief Financial Officer

DEALZ SALE AGREED

- Agreed the sale of **Dealz Poland (100% of shares)** to Modella Capital on 3 June 2026, for **nominal consideration (PLN 1)**.
- Anti-trust approval received by Modella Capital, completion expected imminently.
- 18-month asset-backed vendor financing facility of up to **GBP 20m**; Pepco retains **35%** of net proceeds of any future onward sale.
- Dealz contributed **~6.9%** of H1 FY26 Group revenue but generated **negative profit** — a drag on Group profitability.
- Sale **completes the Group's exit from FMCG retail**, following the sale of Poundland in June 2025.

Benefits to Pepco Group

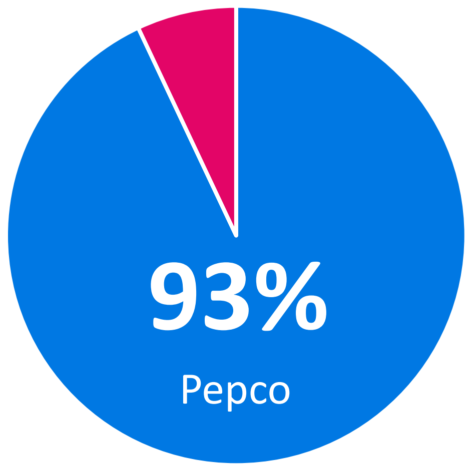
Completes FMCG exit	Increases focus on the core business	Drives greater profitability & enhanced ROCE	Improves cash generation

THE GROUP EXCLUDING DEALZ IS STRONGER

Pepco is a **higher-growth** business — the Group is stronger with Pepco as its sole brand.

Pepco has **structurally higher margins** and has continued to overperform, driving Group profitability and cash generation.

Separation simplifies the model and **materially improves** the Group's financial profile.



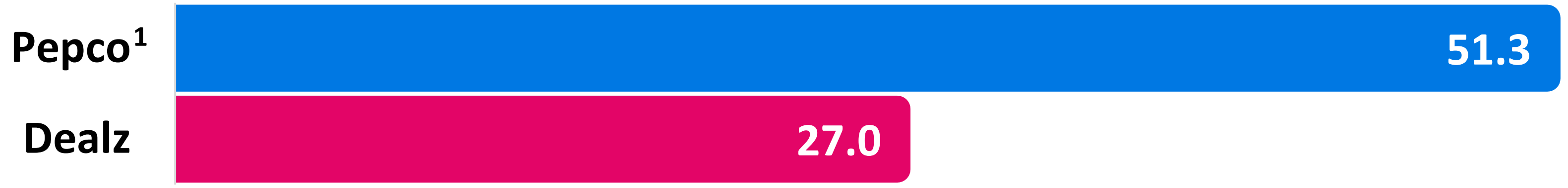
H1 FY26 revenue

Pepco **93.1%**

Dealz **6.9%**

LFL revenue growth (%, H1 FY26)

Gross margin (%, H1 FY26)



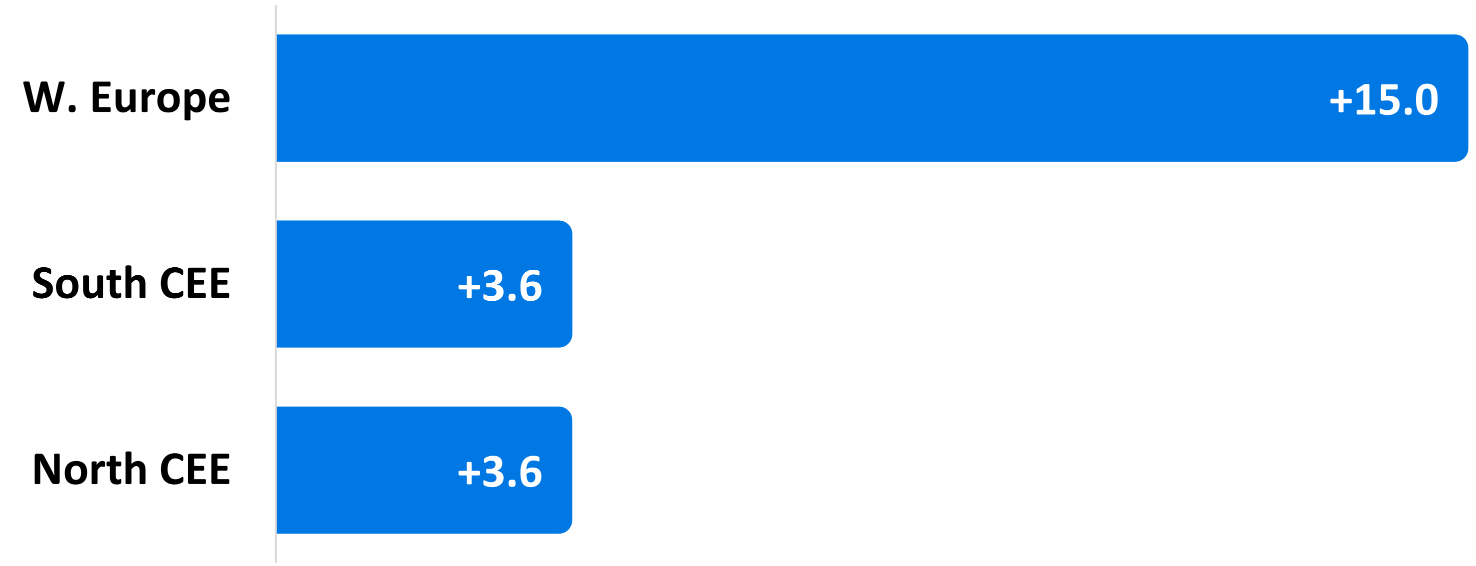
EBITDA margin (% (IFRS 16), H1 FY26)

Pepco LFLs exclude FMCG. (1) "Pepco" includes Pepco, PGS and corporate costs.

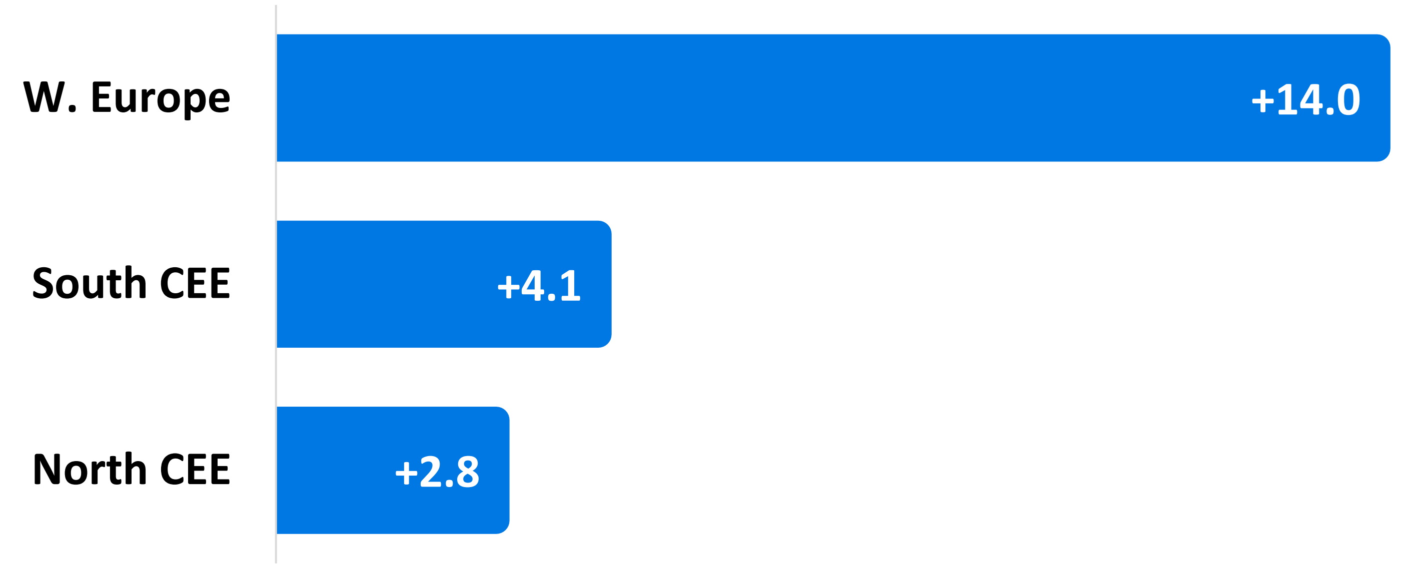
PEPCO TRADING STRONG ACROSS REGIONS

- **Q3 revenue +8.5% at constant currency**, driven by new space and **+5.4%** LFL.
- Particularly **strong May and June** performance
- Supported by improved availability, sharper price leadership, higher full-price participation and favourable weather.
- 9M FY26: revenue **+6.4%** and LFL **+4.9%**
- ~250 net new stores expected across FY26.

Q3 FY26 LFL by region (%)



9M FY26 LFL by region (%)

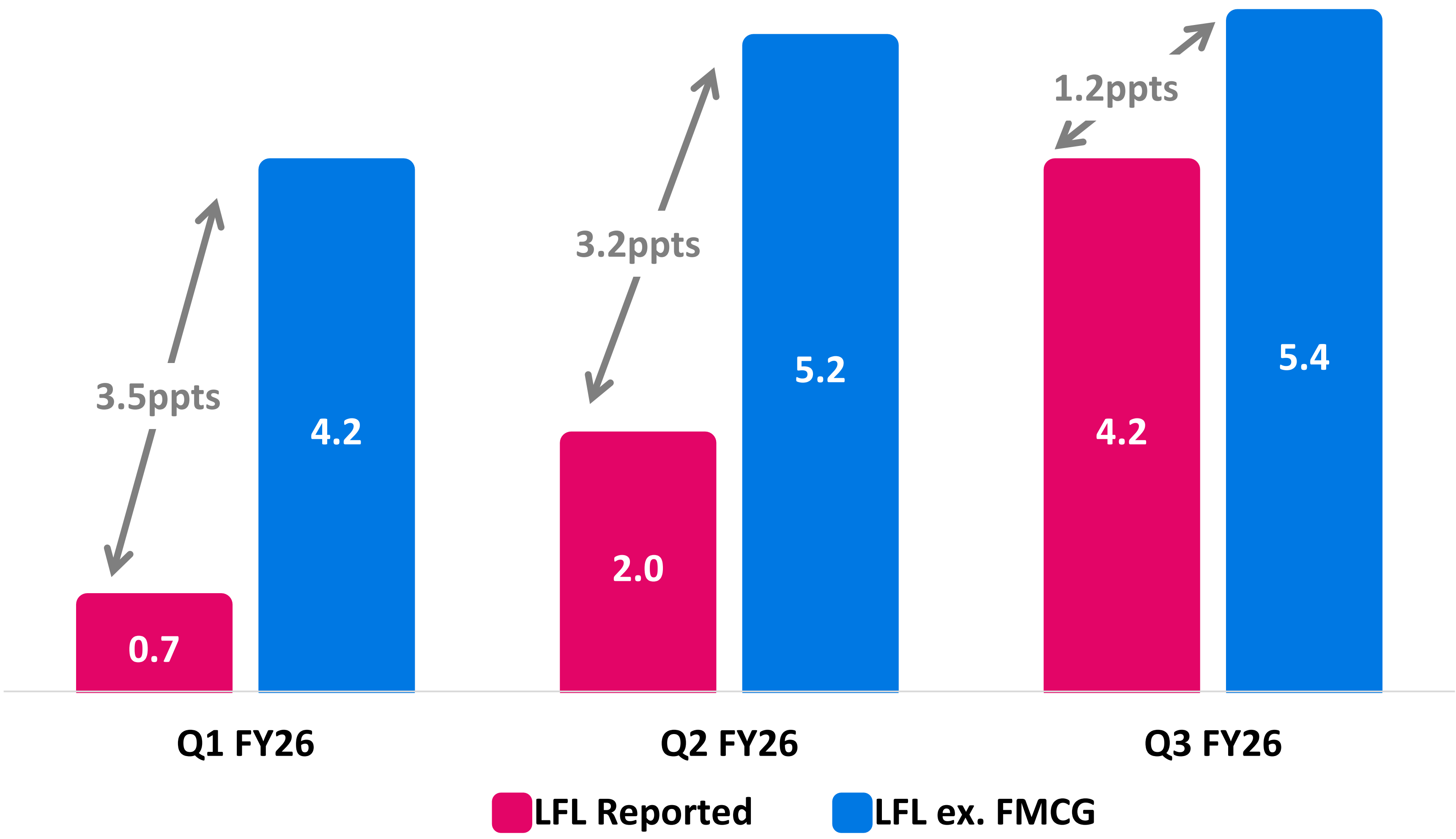


LFL data shown is excluding FMCG and is for the Pepco brand only (excludes Dealz). North CEE includes: Poland, Czechia, Hungary, Estonia, Lithuania, Latvia, Slovakia. South CEE includes: Romania, Serbia, Bulgaria, Croatia, Bosnia, N. Macedonia, Slovenia. W. Europe includes: Spain, Portugal, Italy, Germany, Greece

LFL EXCLUDING FMCG CONVERGING WITH REPORTED

- Pepco FMCG-exit began in March 2025 and completed August 2025
- As we lap this period, reported and excluding FMCG **LFL figures are converging**
- Going into Q4 there is negligible FMCG contribution to lap

Quarterly LFL development in FY26 (%)

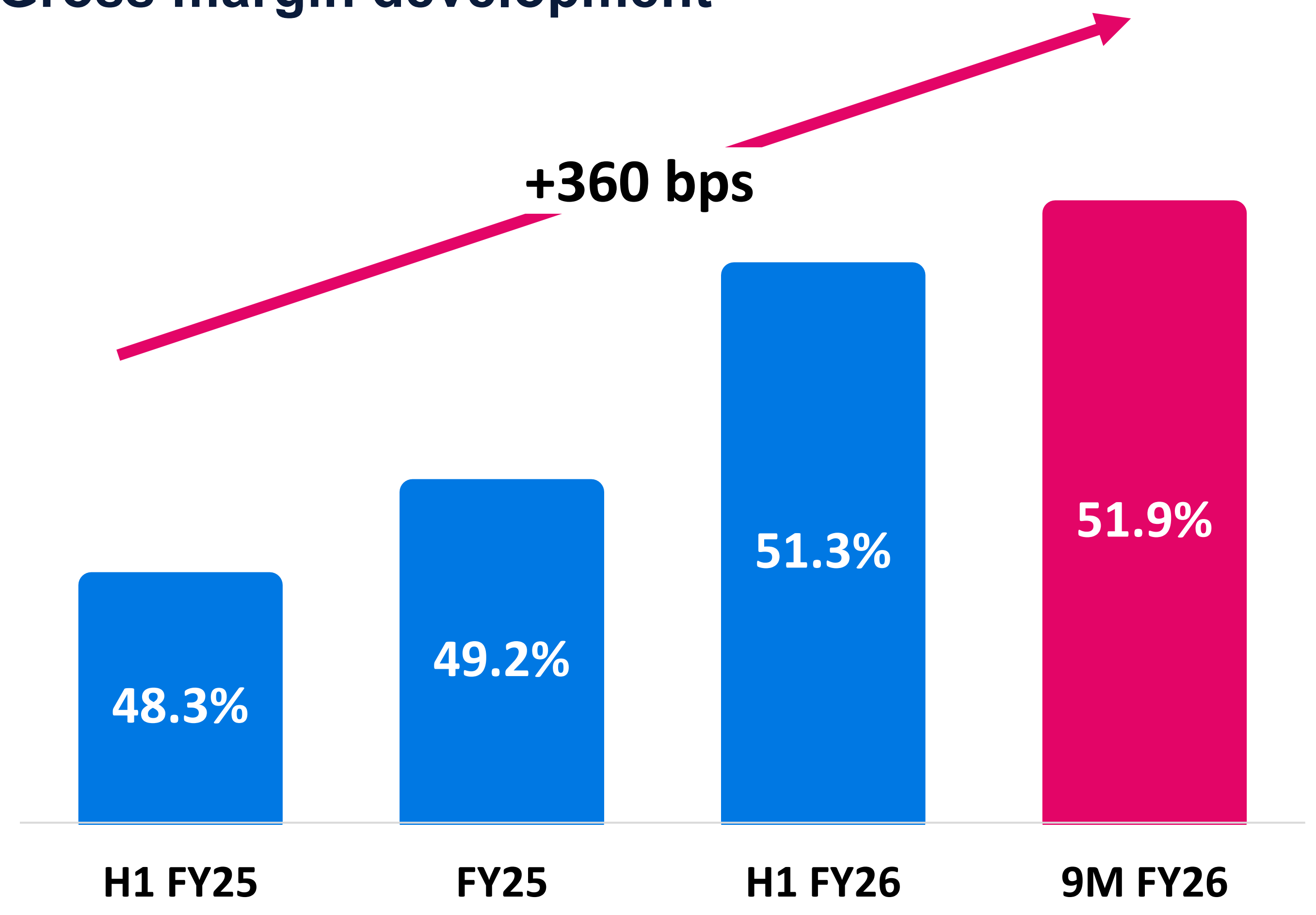


LFLs in the chart shown are Pepco only

CONTINUED MOMENTUM ON GROSS MARGIN

- Strong gross margin improvement **+290 bps** 9M FY26 Y-o-Y.
- **FMCG exit drives sustained improvement in product margin**, replacing low margin FMCG with higher margin clothing and GM sales.
- Sourcing efficiencies and continued FX tailwinds drive further margin improvements.
- Optimised inventory position reduces need for markdown.

Gross margin development



GUIDANCE

Restated to exclude Dealz and upgraded to reflect the strong performance of Pepco

Previous FY26 guidance

Metric	FY25 base	Growth
Revenue	€4,523m	6-8%
Gross margin	48%	At least 49.4%
Underlying EBITDA	€865m	Low-teens
Underlying PAT	€219m	At least 50%
Unlevered FCF	€342m	>€250m
Net new stores	247	~250

New FY26 guidance (Group excluding Dealz)

Metric	FY25 base	Growth
Revenue	€4,184m	6-8%
Gross margin	49.2%	~51%
Underlying EBITDA	€841m	Mid-teens
Underlying PAT	€234m	Above 50%
Unlevered FCF	€353m	~€300m
Net new stores	234	~250

New FY26 guidance (shown right) rebased to exclude Dealz following the agreed sale of Dealz Poland; previously provided on a Group-including-Dealz basis (shown left) at the H1 FY26 results (21 May 2026). Underlying EBITDA is IFRS 16.

Summary

Stephan Borchert | Chief Executive Officer

SUMMARY

Strong execution, simpler Group

+5.4%

Strong Q3 growth

LFL (excl FMCG) +5.4%, revenue +8.5% (cc), led by Western Europe.

Dealz sale agreed

A clean exit from FMCG, creating a pure-play Pepco

Sale of Dealz Poland agreed on 3 June 2026 — completing the Group's exit from FMCG retail.

Pepco-only Group

Strengthened financial profile

Pro-forma Group excl Dealz shows a stronger growth, margin and earnings profile.

€400m

Enhanced shareholder returns

Up to €400m one-off tender buyback in FY26, with pro-forma financials for the Group excluding Dealz now provided.

Q&A

pepco group

Appendix

GROUP EXCL DEALZ PRO-FORMA P&L

€m	H1 FY26 6 months	H1 FY25 6 months	FY25 12 months
Revenue	2,301	2,171	4,184
Gross profit	1,181	1,048	2,060
Gross margin	***51.3%***	***48.3%***	***49.2%***
Underlying EBITDA (IFRS 16)	**515**	**425**	**841**
Underlying EBITDA margin (IFRS 16)	***22.4%***	***19.6%***	***20.1%***
Underlying EBIT (IFRS 16)	337	214	388
Net financial expense	(57)	(37)	(70)
Underlying PBT	280	177	318
Underlying PAT	214	132	234
Underlying effective tax rate	*23.6%*	*25.4%*	*26.4%*
Loss from discontinued operations	(35)	(314)	(369)

Group excl Dealz = Pepco, PGS and corporate costs. FY25 = 12 months to 30 Sep 2025; H1 FY26 = 6 months to 31 Mar 2026. Underlying figures exclude exceptional items; prepared under IFRS 16. Discontinued operations: FY25 — Poundland (€347m) and Dealz (€22m); H1 FY26 — €35m. All figures unaudited.

GROUP EXCL DEALZ IFRS 16 IMPACT

	H1 FY26			H1 FY25			FY25		
	H1 FY26	IFRS 16 Impact	Pre-IFRS 16	H1 FY25	IFRS 16 Impact	Pre-IFRS 16	FY25	IFRS 16 Impact	Pre-IFRS 16
Underlying EBITDA	515	(163)	352	425	(154)	271	841	(309)	532
Depreciation & amortisation	(179)	140	(39)	(210)	139	(71)	(421)	278	(143)
Impairment	2	(3)	(1)	0	0	0	(33)	22	(11)
Underlying EBIT	337	(25)	312	214	(14)	200	388	(10)	378
Underlying PBT	280	9	289	177	3	180	318	27	345
Underlying PAT	214	7	221	132	3	135	234	23	257
Non-Underlying Items	(11)	0	(11)	(13)	1	(12)	(44)	10	(34)
Reported PBT	269	9	278	164	3	167	273	38	311
Reported PAT	204	8	212	121	4	125	193	33	226
Net Debt	1,781	(1,633)	148	1,364	(1,055)	309	1,182	(1,011)	171

H1 FY26 = 6 months to 31 Mar 2026. H1 FY25 = 6 months to 31 Mar 2025. FY25 = 12 months to 30 Sep 2025;

GROUP EXCL DEALZ CASH FLOW STATEMENT

	H1 FY26 6 months	H1 FY25 6 months	FY25 12 months
Underlying EBITDA pre-IFRS 16	**352**	**271**	**532**
Working capital	(12)	(129)	8
Tax paid	(88)	(43)	(77)
Operating Cash Flow	**252**	**99**	**463**
Non-underlying items	(11)	(9)	(19)
Capex	(48)	(35)	(91)
Free Cash Flow (unlevered)	**193**	**55**	**353**
Net interest paid	(25)	(20)	(31)
External Borrowing	(35)	0	0
External Dividends	0	0	(36)
Purchase of own shares	(115)	0	(50)
Proceeds on sale of PPE	0	0	1
Net financing to discontinued operations	(15)	(36)	(81)
Net cash flow	**3**	**(1)**	**156**
Effect of exchange rate fluctuations on cash held	(4)	12	4
Cash and cash equivalents at the beginning of the period	455	295	295
Cash and cash equivalents at the end of the period	**454**	**306**	**455**

H1 FY26 = 6 months to 31 Mar 2026. H1 FY25 = 6 months to 31 Mar 2025. FY25 = 12 months to 30 Sep 2025;

GROUP EXCL DEALZ BALANCE SHEET STATEMENT

	H1 FY26 31 March 2026	H1 FY25 31 March 2025	FY25 30 September 2025
Assets			
Property, plant and equipment	454	485	455
Right of Use Asset	1,537	1,012	933
Intangible assets	21	29	18
Assets Held for Sale	23	66	42
Trade and other receivables	54	62	58
External loan receivable	4	0	3
Derivative financial instruments (assets)	58	30	17
Deferred tax asset	100	88	113
Inventories	722	809	837
Cash and cash equivalents	454	306	455
Total assets	**3,427**	**2,887**	**2,931**
Liabilities			
Trade and other payables	890	871	960
Lease liabilities	1,633	1,055	1,011
Borrowings	602	615	627
Provisions	78	66	84
Derivative financial instruments (liabilities)	22	46	86
Total liabilities	**3,225**	**2,653**	**2,768**
Net assets	**202**	**234**	**163**