

Shoe Zone plc
("Shoezone" or the "Company")
Full Year Trading Update

Shoezone is pleased to announce its unaudited full year trading update for the 52 weeks to 27 September 2025 ("FY 2025").

Financial Highlights:

- Revenue reduced by 7.6% to £149.1m (FY 2024: £161.3m)
- Store numbers reduced to 269 (FY 2024: 297)
- Product margin reduced to c.61.0% (FY 2024: 62.8%)
- Adjusted profit before tax expected to be approximately £2.4m¹ (FY 2024: £10.0m), in line with management expectations
- Net cash increased by 66.7% to £6.0m (FY 2024: £3.6m)

¹Adjusted to exclude foreign exchange revaluation gain.

Financial Summary

Revenue

Revenue for FY2025 was £149.1m (FY 2024: £161.3m), down 7.6% due to a decline in consumer confidence and the general negativity in the UK, as well as trading out of 28 fewer stores. However, the key weeks of Back-to-School trade were in line with expectations, with Digital revenue up 2.3% year-on-year.

Product margin

Product margin reduced to c.61.0% (FY 2024: 62.8%), primarily due to higher container prices for the first half of the year, and our February 2025 'Buy one get one free' promotion. Container prices started to fall after Chinese New Year, and started to benefit at the end of the second half of the financial year.

Profit before tax

Profit before tax is expected to be approximately £3.3m (FY 2024: £10.1m). Adjusting for a £0.9m foreign exchange revaluation gain, therefore the adjusted profit before tax will be approximately £2.4m (FY2024: £10.0m). The reduction, compared to FY2024, is due to the sales reduction, year-on-year increases in National insurance, depreciation, National Living Wage and first half container prices.

Net cash

We ended the year with net cash of c.£6.0m (FY 2024: £3.7m). The increase in the net cash balance was due to lower capital spend, lower cost of intake, offset by the impact of lower revenue.

Dividend

A dividend of £nil was declared at the H1 2025 with the Company expecting to maintain prudent cash management and declare a £nil dividend for the full year FY25.

Store numbers

We ended the year trading out of 269 (FY 2024: 297) retail stores. We closed 39 stores, opened 11 and refitted 6. The portfolio is made up of 201 larger format stores and 68 original High Street stores. We are continuing our strategy to expand the number of new format stores through relocations and refits of existing High Street stores.

Outlook

Management continue to be cautious about the near-term outlook, with trading conditions expected to remain subdued. We continue to monitor the macro-economic environment closely and await the outcome of the November UK Budget in the coming weeks. The Board is actively managing cash, which continues to remain healthy, providing resilience and flexibility in the coming months.

Charles Smith, Chairman stated:

"This was a challenging year, particularly in the second half, as consumer confidence fell following the Government's October 2024 budget, with persistent inflation, higher interest rates and reduced levels of disposable income all contributing to general negative economic and consumer sentiment in the UK. Sales were good when there was a clear reason to buy, such as the warm summer and the Back-To-School season. However, overall discretionary spending remains subdued as consumers exercise greater caution in their expenditure.

Digital revenue outperformed last year and the ongoing strategy of refitting and relocating stores to our larger format continued, with 201 conversions completed, alongside net cash levels improving year-on-year.

A more detailed update will be provided at the time of our final results in January 2026.

I would like to thank all of our teams for their continued commitment and hard work in a challenging year."

For further information please call:

Shoe Zone PLC
3001

Tel: +44 (0) 116 222

Charles Smith (Chairman)

Terry Boot (Finance Director)

Zeus (Nominated Adviser and Broker)

Tel: +44 (0) 203 829 5000

James Hornigold, Ed Beddows (Investment Banking)

Dominic King (Corporate Broking)

About Shoezone

Shoezone is a Town Centre, Retail Park and Digital footwear retailer, offering low price, high quality footwear for the whole family.

Shoezone operates from a portfolio of 269 stores and has approximately 2,150 employees across the UK.

The store portfolio consists of 68 original high street store and 201 larger format stores. The new format stores sell additional brands such as Skechers, Hush Puppies, Rieker and Lilly & Skinner.

shoezone.com combined with the store network, ensures a full multi-channel offering for great customer service.

During an average year Shoe Zone sells 12.8 million pairs of shoes per annum at an average retail price of c.£13.30.

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