

AIM: CFX

COLEFAX GROUP PLC

("Colefax" or the "Group")

**Half Year Results
for the six months ended 31 October 2025**

Colefax is an international designer and distributor of furnishing fabrics & wallpapers and owns a leading interior decorating business. The Group trades under five brand names, serving different segments of the soft furnishings marketplace; these are Colefax and Fowler, Cowtan & Tout, Jane Churchill, Manuel Canovas and Larsen.

Highlights

- Group sales up 11.7% to £58.96 million (2024: £52.79 million) and up 13.6% on a constant currency basis
- Group profit before tax up 21.3% to £5.29 million (2024: £4.36 million)
- Earnings per share up 25.0% to 66.5p (2024: 53.2p)
- Share Buyback returned £6.1 million of surplus capital to shareholders in October 2025
- Fabric Division sales up 11.4% to £51.97 million (2024: £46.67 million) and up 13.6% on a constant currency basis
 - o US up by 12.9% excluding tariff surcharges, UK up by 10.5%, Europe up by 2.9%
- Decorating Division sales of £5.42 million (2024: £4.65 million) with project completions weighted to the first half of the financial year
 - o Profit of £351,000 (2024: loss of £63,000)
- Cash generation of £6.2 million excluding share buybacks and dividend payments (2024: £3.6 million)
- Interim dividend of 3.0p (2024: 2.8p) up 7% in line with a progressive dividend policy

David Green, Chairman, said:

"The Group has delivered another good performance in the first six months primarily due to a strong Fabric Division performance in the US and despite the additional cost and ongoing uncertainty caused by very significant increases in US import tariffs. We believe that US trading is benefitting from the very strong US stock market. Sales in November, December and January have continued to perform well and unless there is a significant stock market correction, we expect this trend to continue through to the end of the financial year. As a result, the Group's profits for the year ended 30 April 2026 are expected to be ahead of current market forecasts. This is despite a weaker US dollar exchange rate and an expected breakeven performance from our Decorating Division. Next year, Fabric Division sales growth will be more challenging due to strong prior year comparatives and the Group's performance will partly depend on the stability of market conditions.

"The Group has a strong balance sheet with cash of £22.2 million. We will continue to focus on investing in our US distribution network and our portfolio of Fabric Division brands to take advantage of growth opportunities in our major markets."

Enquiries:

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CHAIRMAN'S STATEMENT

Financial Results

Group sales for the six months to 31 October 2025 increased by 11.7% to £58.96 million (2024: £52.79 million) and by 13.6% on a constant currency basis. Pre-tax profits increased by 21.3% to £5.29 million (2024: £4.36 million).

Earnings per share increased by 25.0% to 66.5p (2024: 53.2p). The Group ended the half year with cash of £22.16 million (30 April 2025: £22.31 million).

In October 2025 the Group returned £6.1 million of surplus capital to shareholders by way of a share buyback. The Group purchased and cancelled 691,680 shares, representing 11.7% of the issued ordinary share capital, at a price of £8.80 per share. The share buyback will benefit earnings per share in the current and future financial years.

Sales in our core Fabric Division increased by 13.6% on a constant currency basis compared to a 4.5% constant currency increase in the first half of the prior year. This increase was mainly due to a strong performance in the US where sales increased by 18.3% on a constant currency basis. The percentage increase includes surcharges to cover significant increases in US import tariffs and excluding these, US sales increased by 12.9% on a constant currency basis. This was still a strong performance which we attribute to the ongoing stock market boom in the US. The profit benefit of the US sales increase was partly offset by a weaker US dollar exchange rate which averaged 1.34 compared to 1.29 for the prior year. Fabric Division sales in the UK increased by 10.5% but against a weak prior year comparative and sales in Europe increased by 2.9% on a constant currency basis.

The Group's first half results include an improved performance from our Decorating Division which made a pre-tax profit of £351,000 compared to a loss of £63,000 in the prior year.

In line with the Group's progressive dividend policy the Board has increased the interim dividend by 7% to 3.0p (2024: 2.8p). This will be paid on 15 April 2026 to shareholders on the register at 13 March 2026.

Product Division

Fabric Division - Portfolio of five brands: "Colefax and Fowler", "Cowntan and Tout", "Jane Churchill", "Manuel Canovas" and "Larsen".

Sales in the Fabric Division, which represent 88% of the Group's sales, increased by 11.4% to £51.97 million (2024: £46.70 million) and increased by 13.6% on a constant currency basis. Excluding US tariff surcharges, Fabric Division sales increased by 10.3% on a constant currency basis. Profits increased by 13.2% to £4.76 million (2024: £4.21 million). The profit benefit of the sales increase was partly offset by a weaker US Dollar exchange rate and budgeted increases in operating costs, notably staff and premises.

Sales in the US, which represent 64% of the Fabric Division's turnover, increased by 13.8% in reported terms and 18.3% on a constant currency basis. The increase is distorted by tariff surcharges to cover substantial increases in US import duty costs which have increased from an average of 5% to over 20% of the value of US imports. Excluding tariff surcharges sales increased by 12.9% on a constant currency basis. Considering the magnitude and on-off-on nature of the US tariff increases the sales performance in the US was very strong and we attribute this to the stock market boom which has particularly benefitted the luxury market in which we operate. The higher tariffs do affect most of our competitors as the majority of luxury fabrics sold are manufactured outside of the US.

We have continued to invest in our US showroom network and in December we moved to new showroom premises in Florida in an improved location. We are also planning to move to a new showroom in San Francisco and have signed a lease which will commence in September 2026.

Sales in the UK, which represent 16% of the Fabric Division's turnover, increased by 10.5% during the period compared to a decrease of 8.3% in the first half of the prior year. The increase largely reflects weak trading in the prior year caused by uncertainty around the General Election and the first post-election Budget. Market conditions remain relatively challenging in the UK due to subdued high-end housing market conditions. High rates of stamp duty are a particular drag on housing market activity and all the economic benefits that would flow from higher transaction levels. However, lower inflation and lower interest rates should help market conditions going forward.

Sales in Continental Europe, which represent 18% of the Fabric Division's turnover, increased by 4.7% on a reported basis and 2.9% on a constant currency basis. This follows an 11.5% constant currency increase in sales in the first half of the prior year when we benefitted from some significant one-off contract orders. Market conditions have been fairly stable in Europe which we attribute to the steady reduction in interest rates from 4.50% to 2.15% in the year to June 2025.

Sales in the Rest of the World, which represent just 2% of the Fabric Division's turnover, increased by 7.7% on a constant currency basis. This compares to a 15.5% decrease in the prior year. Our largest market in the Rest of the World is the Middle East and sales can fluctuate significantly due to the number and timing of contract orders.

Furniture - Kingcome Sofas

Sales for the six months to October 2025 increased by 6.0% to £1.57 million (2024: £1.48 million) and the Company made an operating profit of £176,000 (2024: £216,000). Furniture is the Group's only manufacturing activity. The reduction in profit was due to increased operating expenses but is considered a good performance in challenging UK market conditions for high-end furniture. Sales reflect orders delivered during the period and the actual order intake was down by 3% compared to an increase of 19% in the prior year. Overall, the forward order book remains healthy and the business should benefit from post Budget certainty and any further reductions in interest rates.

Interior Decorating Division

Decorating sales, which account for just over 9% of Group turnover, increased by 16.7% in the period to £5.42 million (2024: £4.65 million) and the business made a profit of £351,000 compared to a loss of £63,000 for the same period last year. This strong performance has boosted the Group's first half profits but is mainly due to timing differences with project completions weighted to the first half of the financial year. This contrasts with the prior year and is reflected in the level of decorating work in progress which ended the half year at £1.4 million compared to £3.6 million one year ago. Overall, we expect the Decorating Division to achieve only a breakeven performance this year, primarily due to a difficult high-end housing market in the UK.

Prospects

The Group has delivered another good performance in the first six months primarily due to a strong Fabric Division performance in the US and despite the additional cost and ongoing uncertainty caused by very significant increases in US import tariffs. We believe that US trading is benefitting from the very strong US stock market. Sales in November, December and January have continued to perform well and unless there is a significant stock market correction, we expect this trend to continue through to the end of the financial year. As a result, the Group's profits for the year ended 30 April 2026 are expected to be ahead of current market forecasts. This is despite a weaker US dollar exchange rate and an expected breakeven performance from our Decorating Division. Next year, Fabric Division sales growth will be more challenging due to strong prior year comparatives and the Group's performance will partly depend on the stability of market conditions.

The Group has a strong balance sheet with cash of £22.2 million. We will continue to focus on investing in our US distribution network and our portfolio of Fabric Division brands to take advantage of growth opportunities in our major markets.

David Green
Chairman

28 January 2026

COLEFAX GROUP PLC

INTERIM GROUP INCOME STATEMENT

Unaudited Six months to 31 Oct 2025	Unaudited Six months to 31 Oct 2024	Audited Year to
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	31 Oct 2025	31 Oct 2024	30 April 2025
	£'000	£'000	£'000
Revenue	58,960	52,789	109,986
Cost of sales	(26,396)	(22,640)	(46,760)
Gross profit	32,564	30,149	63,226
Operating expenses	(27,002)	(25,498)	(53,629)
Profit from operations	5,562	4,651	9,597
Finance income	325	232	478
Finance expense	(596)	(521)	(1,175)
Profit before taxation	5,291	4,362	8,900
Tax expense	(1,405)	(1,090)	(2,392)
Profit for the period attributable to equity holders of the parent	3,886	3,272	6,508
Basic earnings per share	66.5p	53.2p	108.4p
Diluted earnings per share	66.5p	53.2p	108.4p

INTERIM GROUP STATEMENT OF COMPREHENSIVE INCOME

	Unaudited Six months to 31 Oct 2025 £'000	Unaudited Six months to 31 Oct 2024 £'000	Audited Year to 30 April 2025 £'000
Profit for the period	3,886	3,272	6,508
Other comprehensive (expense):			
Items that will or may be reclassified to profit and loss:			
Exchange differences on translation of foreign operations	152	(213)	(436)
Cash flow hedges:			
(Losses) / gains recognised directly in equity	(34)	-	205
Transferred to profit and loss for the period	(115)	-	-
Total other comprehensive (expense):	3	(213)	(231)
Total comprehensive income for the period attributable to equity holders of the parent	3,889	3,059	6,277

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INTERIM GROUP STATEMENT OF FINANCIAL POSITION

	Notes	Unaudited As at 31 Oct 2025 £'000	Unaudited As at 31 Oct 2024 £'000	Audited As at 30 April 2025 £'000
Non-current assets:				
Right of use assets		21,107	25,370	23,240
Property, plant and equipment		7,031	7,930	7,542
Deferred tax asset		183	24	179
		28,321	33,324	30,961
Current assets:				
Inventories and work in progress	5	16,200	18,513	18,013
Trade and other receivables	6	9,024	8,852	7,952
Cash and cash equivalents		22,161	18,595	22,312
		47,385	45,960	48,277
Current liabilities:				
Trade and other payables	7	18,104	18,672	17,291
Lease liabilities		5,463	3,727	4,340
Current corporation tax		345	133	257
		23,912	22,532	21,888
Net current assets		23,473	23,428	26,389
Total assets less current liabilities		51,794	56,752	57,350
Non-current liabilities:				
Lease liabilities		18,808	24,369	21,938
Deferred tax liability		78	153	128
Net assets		32,908	32,230	35,284
Capital and reserves attributable to equity holders of the Company:				
Called up share capital		523	592	592
Share premium account		11,148	11,148	11,148
Capital redemption reserve		2,352	2,283	2,282
ESOP share reserve		(113)	(113)	(113)
Foreign exchange reserve		906	977	754
Cash flow hedge reserve		56	-	205
Retained earnings		18,036	17,343	20,416
Total equity		32,908	32,230	35,284

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INTERIM GROUP STATEMENT OF CASH FLOWS

	Unaudited Six months to 31 Oct 2025 £'000	Unaudited Six months to 31 Oct 2024 £'000	Audited Year to 30 April 2025 £'000
Operating activities			
Profit before taxation	5,291	4,362	8,900
Finance income	(325)	(232)	(478)
Finance expense	596	521	1,175
Loss on disposal of property, plant and equipment	0	60	60
Depreciation on right of use assets	2,475	2,189	4,662
Depreciation	1,300	1,347	2,720
Cash flows from operations before changes in working capital	9,337	8,247	17,039
Decrease / (increase) in inventories and work in progress	2,331	(305)	140
(Increase) / decrease in trade and other receivables	(209)	(156)	447
(Decrease) in trade and other payables	(684)	(449)	(1,056)
Cash generated from operations	10,775	7,337	16,570
Taxation paid			
UK corporation tax paid	(624)	(261)	(866)
Overseas tax paid	(686)	(107)	(1,565)
	(1,310)	(368)	(2,431)
Net cash inflow from operating activities	9,465	6,969	14,139
Investing activities			
Interest received	325	232	478
Payments to acquire property, plant and equipment	(722)	(921)	(2,068)
Net cash outflow from investing	(397)	(689)	(1,590)
Financing activities			
Purchase of own shares	(6,087)	(2,395)	(2,395)
Principal paid on lease liabilities	(2,261)	(2,097)	(4,566)
Interest paid on lease liabilities	(599)	(547)	(1,175)
Equity dividends paid	(182)	(179)	(343)
Net cash outflow from financing	(9,129)	(5,218)	(8,479)
Net (decrease) / increase in cash and cash equivalents	(61)	1,062	4,070
Cash and cash equivalents at beginning of period	22,312	17,763	17,763
Exchange (loss) / gains on cash and cash equivalents	(90)	(230)	479
Cash and cash equivalents at end of period	22,161	18,595	22,312

COLEFAX GROUP PLC

NOTES

1. Basis of Preparation

The condensed group financial statements for the 6 months ended 31 October 2025 have been prepared in accordance with UK-adopted international accounting standards in accordance with the requirements of the Companies Act 2006.

These unaudited group interim financial statements have been prepared in accordance with AIM Rules. In preparing this report, the group has adopted the guidance in the AIM Rules for interim accounts which do not require that the interim condensed group financial statements are prepared in accordance with IAS 34 "Interim financial reporting".

Going concern

The interim Financial Statements have been prepared on a going concern basis.

The Directors, having made appropriate enquiries, consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and that, therefore, it is appropriate to adopt the going concern basis in preparing the condensed group interim financial statements for the period ended 31 October 2025.

Risks and uncertainties

The Board continuously assesses and monitors the key risks of the business. The key risks that could affect the Company's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 30 April 2025 Annual Report and Financial Statements, a copy of which is available on the Company's website: www.colefaxgroupplc.com.

Critical accounting estimates

The preparation of condensed group interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the end of the reporting period. Significant items subject to such estimates are set out in Note 2 of the Group's 30 April 2025 Annual Report and Financial Statements. The nature and amounts of such estimates have not changed significantly during the interim period.

2. **Accounting Policies**
These interim results have been prepared in accordance with the accounting policies expected to be applied in the next annual financial statements for the year ending 30 April 2026.
3. Basic earnings per share have been calculated on the basis of earnings of £3,969,000 (2024: £3,272,000) and on 5,845,961 (2024: 6,152,600) ordinary shares being the weighted average number of ordinary shares in issue during the period.
4. Diluted earnings per share have been calculated on the basis of earnings of £3,969,000 (2024: £3,272,000) and on 5,845,961 (2024: 6,152,600) ordinary shares being the weighted average number of ordinary shares in the period.

5. Inventories and work in progress	As at 31 Oct 2025 £'000	As at 31 Oct 2024 £'000	As at 30 Apr 2025 £'000
Finished goods for resale	14,820	14,903	16,096
Work in progress	1,380	3,610	1,917
	16,200	18,513	18,013

6. Trade and other receivables	As at 31 Oct 2025 £'000	As at 31 Oct 2024 £'000	As at 30 Apr 2025 £'000
Trade debtors	4,020	4,445	3,389
Other debtors	3,049	2,560	2,644
Prepayments and accrued income	1,955	1,847	1,919
	9,024	8,852	7,952

7. Trade and other payables	As at 31 Oct 2025 £'000	As at 31 Oct 2024 £'000	As at 30 Apr 2025 £'000
Trade payables	6,144	5,359	4,685
Payments received on account	2,823	4,758	3,146
Other taxes and social security costs	708	548	628
Other payables	1,734	1,065	1,705
Accruals	6,695	6,942	7,127
	18,104	18,672	17,291

8. The financial information for the year ended 30 April 2025 does not constitute the full statutory accounts for that period. The Annual Report and Financial Statements for the year ended 30 April 2025 have been filed with the Registrar of Companies. The Independent Auditors' Report on the Annual Report and Financial Statements for the year ended 30 April 2025 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.
9. Copies of the interim report will be available from the Group's website on www.colefaxgroupplc.com. Copies will also be made available on request to members of the public at the Company's registered office at 19-23 Grosvenor Hill, London W1K 3QD.
10. **Approval of interim financial statements**
The interim financial statements were approved by the Board on 27 January 2026.

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