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Shoe Zone PLC
27 October 2026

Shoe Zone plc

("Shoezone" or the "Company")

Full Year Trading Update

Shoezone announces its unaudited full year trading update for the 53 weeks to 3 October 2026 ("FY 2026").

Financial Highlights:

- Revenue reduced by 4.5% to £142.4m (FY 2025: £149.1m)
- Store numbers reduced by 6.7% to 251 (FY 2025: 269)
- Product margin increased to approximately 63.1% (FY 2025: 61.0%)
- Adjusted loss before tax expected to be approximately £1.0m[1] (FY 2025: Adjusted profit before tax £2.4m), in line with management expectations
- Net cash increased to approximately £15.1m (FY 2025: £5.9m)

[1]Adjusted to exclude foreign exchange revaluation gain of £0.4m.

Financial Summary

Revenue

Unaudited revenue for FY2026 was £142.4m (FY 2025: £149.1m), down 4.5% due to trading out of 18 fewer stores (6.7% reduction) and a continued decline in consumer confidence and the general negativity in the UK economy.

Product margin

Product margin increased to approximately 63.1% (FY 2025: 61.0%), primarily due to lower, less volatile container prices and a better Sterling to Dollar exchange rate. However, at the end of the year, container prices increased due to issues at Chinese ports and the continuing geo-political issues resulting in increased fuel prices, which is expected to negatively impact product margin performance.

Loss before tax

Unaudited statutory loss before tax is expected to be approximately £0.6m (FY 2025: Statutory profit before tax £3.3m). Adjusting for a £0.4m foreign exchange revaluation gain, and the adjusted loss before tax will be approximately £1.0m (FY2025: PBT £2.4m). The reduction, compared to FY2025, is due to the reduced sales, combined with a full year of the National insurance increase, and a further increase in the National Living Wage, which was partly offset by an improved margin achieved.

Net cash

We ended the year with net cash of approximately £15.1m (FY 2025: £5.9m). The increase in the net cash balance was due primarily to lower capital spend, lower cost of product, and an overall reduction in cost of sales.

Dividend

A dividend of £nil was declared at the H1 2026 with the Company expecting to maintain prudent but active cash management and declare a £nil dividend for the full year FY26.

Store numbers

We ended the year trading out of 251 (FY 2025: 269) retail stores. We closed 25 stores, opened 7 and refitted 6. The portfolio is now made up of 211 larger format stores and 40 original High Street stores. We continue our strategy of expanding the number of new format stores but are limiting the capital expenditure to essential expenditure only.

Outlook

Management continue to be cautious about the near-term outlook, with trading conditions expected to remain subdued. The start to the Autumn/Winter season has been slower than

expected, impacting the last few weeks of the financial year FY 2026, and continuing into the new year FY 2027. We continue to monitor the macro and geo-economic/political environment closely and await the outcome of the Government's October 2026 Budget. We have recently seen an increase in container prices and a weakening of Sterling to Dollar exchange rate, as well as an increase in fuel prices, all of which could negatively impact trading. 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 first half, as consumer confidence continued to be weak, and fell further following the Government's November 2025 budget, with persistent inflation, higher interest rates remaining elevated and reduced levels of disposable income all contributing to a generally 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 was in line with last year and the ongoing strategy of refitting and relocating stores to our larger format continued, albeit at a slower pace as we get towards the end of the project with 211 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 2027.

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

For further information please call:

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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 251 stores and has approximately 2,014 employees across the UK.

The store portfolio consists of 211 larger format stores and 40 original high street stores. The new format stores sell additional brands such as Skechers, Hush Puppies, Rieker and Lilley & 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 12.4 million pairs of shoes per annum at an average retail price of c.£13.20.

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