smiths news
Full Year Results
November 2026

Jon Bunting

Chief Executive Officer

smiths news

Headlines

Headlines

FY results in line with upgraded market expectations* driven by a strong performance across the group

- **Strong financial results** delivering adjusted operating profit of £38.7m and adjusted profit after tax of £27.4m
- **Strong performance from collectables market**, driven by FIFA Men's World Cup and ongoing Pokémon demand
- **Growth revenues up 31% YoY**, with particularly strong contribution from recycling activities
- **£4.5m of operational efficiencies** delivered in FY2026
- Proposed **final ordinary dividend** of 3.90 pence per share, bringing total for FY2026 to 5.65 pence per share

Awarded transformational national newspaper and magazine contract wins, **c.£600m revenue opportunity**

- New contracts generate **sustainable revenue uplift from 2027 to 2037**
- Go National can be **funded utilising existing cash resources and financing arrangements**
- FY2027 build costs between £21-27m and transition costs £7-9m, **delivering operating profit between £12-18m from FY2029+**
- **23 new depots, c.700 additional routes** involving 1000+ new contractors / colleagues
- Intend to **maintain FY2027 ordinary dividend** at or above 5.2p

* Prior to this announcement, the Company determined that consensus market expectation for FY2026 is adjusted operating profit of £38.4m

Richard Clay

Chief Financial Officer

- Financial summary
- Revenue analysis
- Income statement
- Cash flow

Financial Summary

Adjusted (£m)	2026	2025	Variance
Revenue	**1,036.2**	1,064.0	*-2.6%*
Adjusted operating profit	**38.7**	39.1	*-1.0%*
Adjusted profit after tax	**27.4**	27.0	*1.5%*
Adjusted earnings per share	**11.3p**	11.1p	*1.8%*
Average net cash	**15.7**	3.3	*375.8%*
Ordinary dividend per share	5.65p	5.55p	+0.1p

Revenue

Reduced by 2.6%, in line with historic norms excluding benefit of World Cup.

Operating profit

Lower profit reflects annualisation of NIC increases and investments in cost base which offset World Cup benefit.

Average net cash

Strong ongoing cash generation.

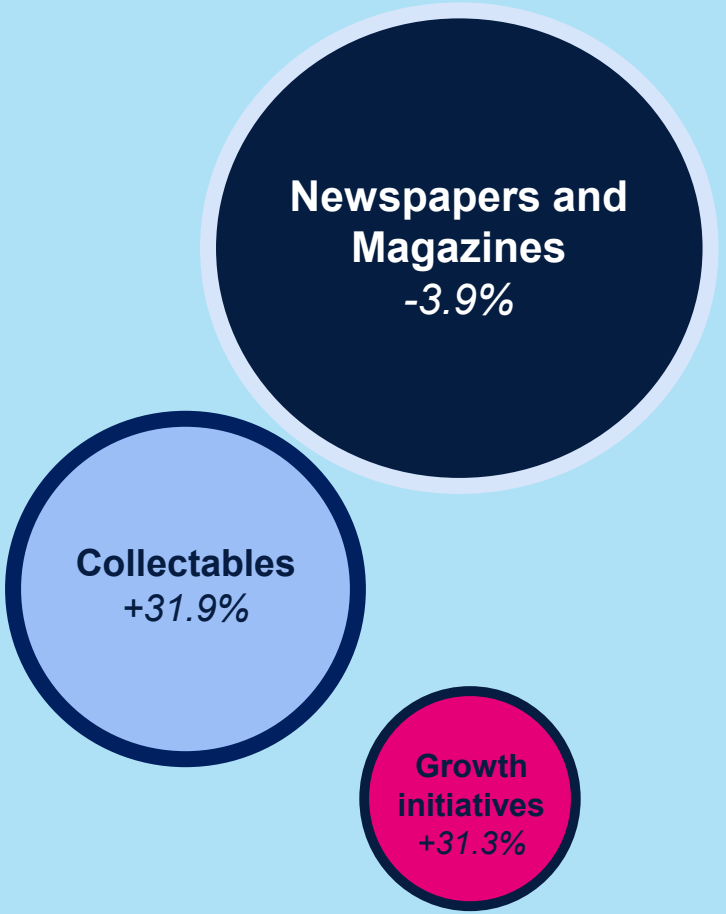
Dividend

Proposed ordinary dividend 5.65p, a 0.1p increase on last year.

Revenue analysis

Reported decline -2.6%

- Underlying newspapers and magazines in line with guidance (-3.9%)
- Collectables supported by record World Cup revenues
- Growth initiatives +31.3% (prior year +16%) although small in overall mix



Adjusted income statement

Adjusted (£m)	2026	2025
Revenue	1,036.2	1,064.0
Operating profit	38.7	39.1
Operating margin	*3.7%*	*3.7%*
Net finance charges	-2.5	-3.3
Profit before tax	36.2	35.8
Tax	-8.8	-8.8
Effective tax rate	*-24.3%*	*-24.6%*
Profit after tax	27.4	27.0
Average number of shares (m)	242.6	242.4
Adjusted earnings per share	11.3p	11.1p
Ordinary dividend per share	5.65p	5.55p
Special dividend	-	3.0p

Operating profit £0.4m lower

Driven by NIC increases and investments in the cost base

Net finance charges £0.8m lower

Benefits of net cash position

Adjusted EPS 2% higher

Benefit of reduction in interest costs

Free cash flow

£m	2026	2025
Operating profit	**38.7**	39.1
Depreciation and amortisation	9.4	9.5
EBITDA	**48.1**	**48.6**
Working capital	(5.8)	4.1
Capital expenditure	(2.5)	(4.5)
Lease payments	(6.2)	(6.5)
Net interest and fees	(2.3)	(3.2)
Taxation	(6.6)	(8.8)
Other	1.5	1.3
Free cash flow (excluding Adjusting items)	**26.2**	**31.0**
Adjusting items	(2.1)	5.1
Free cash flow inflow/(outflow)	**24.1**	**36.1**

Free cash flow £24.1m inflow

Underlying cash flow improved excluding PY one-off income and working capital timing

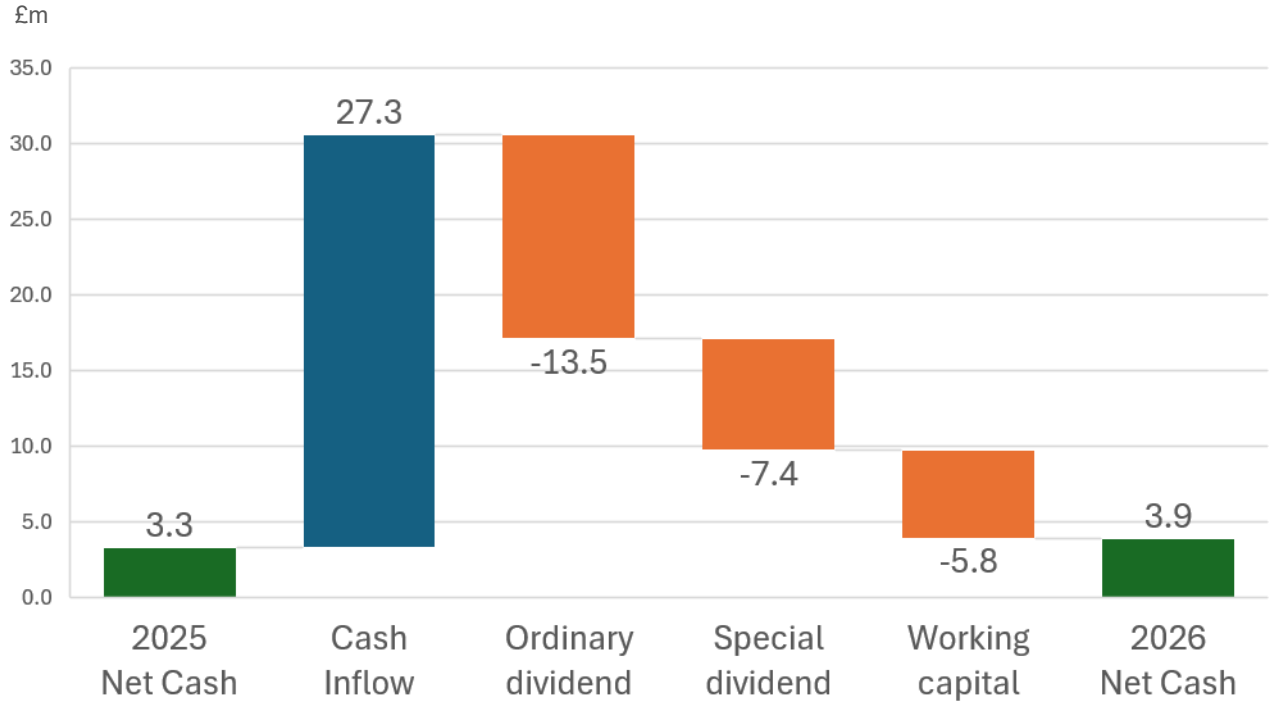
Capital expenditure

Reduced spending ahead of national expansion

Adjusting items

Prior year includes McColls dividends £5.4m and tax refund £1.5m

Movement in net cash



Cash flow rolling 12 months

2024	£21.0m
2025	£27.6m
2026	£27.3m

Average bank net (debt)/cash

2024	(£11.7m)
2025	£3.3m
2026	£15.7m

Dividends (cash)

2024	£10.8m
2025	£17.4m
2026	£20.9m

Jon Bunting

Chief Executive Officer

FY Operational Review

- Newspapers and Magazines
- Collectables
- Recycle
- Final Mile & New Categories
- Future Tech investment

Newspapers and Magazines

- **No major change to long-term market trends**, continuing to perform in line with our expectations of 3-5% annual decline
- **Sales volume decline** also **trending in line** with our expectations
- **Cover price inflation** in newspapers and magazines has continued
- Despite a challenging high street, we have **only seen a marginal reduction** in the number of retail customers stocking the category
- **Service excellence and strong partnerships** remain a key foundation for the business and at the heart of our proposition

Secured transformational exclusive national contracts

Market share gains underpin growth aspirations

Collectables

- **Strong performance in growth category**
- **Record contribution** from the FIFA Men's World Cup in the Period
- **Pokémon demand continues**, underpinned by sustained popularity and ongoing trading
- **Expanded customer base** with new listings secured in four major supermarkets
- **New collectable product lines** – including Japanese anime - secured and trialed
- Go National has the **potential to expand the market opportunity** for collectables

Recycle

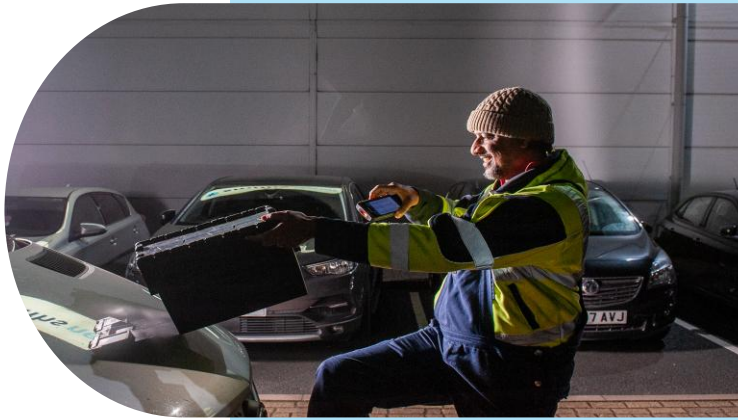
- **Recycling proposition significantly expanded** to cover cardboard, plastic film, general waste, small WEEE, dry mixed recycling, food waste, vapes, paper and coffee cups
- Now operates over **7,000 collection services** across our network, operating seven days a week
- **Vehicle capacity increasingly being utilised** across our network
- **Waste broker relationships remain a key growth channel**, providing the most efficient route to market and supporting new contract wins
- Currently participating in the **DRS tender process** for manual collections

New Categories and Final Mile

- **A year of incremental progress** across both New Categories and Final Mile
- **Book volumes growing**, quality pipeline with **more than 1.7 million books and DVDs delivered annually** to existing customers
- Service delivery around books has **expanded to include instore merchandising** for a major supermarket
- **Greeting cards continue to be well received**, with customer numbers increased to circa 600 stores
- **Engineer spare parts trial completed** but no broader roll out at this stage

Future Tech investment

- **Transport Management System** implementation, enabling real time tracking, enhanced driver and customer communication
- **Warehouse Management System** upgrades, enabling new methods of customer fulfilment, diversification of services and greater tracking of inventory
- New **Zoom contact centre solution** to strengthen service delivery and operational efficiency for our customer experience teams
- **Upgrades underway** with functions including back-office data processing, manage time and attendance, and dynamic labour planning



Go National

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Go National

Growing our market share from 55%

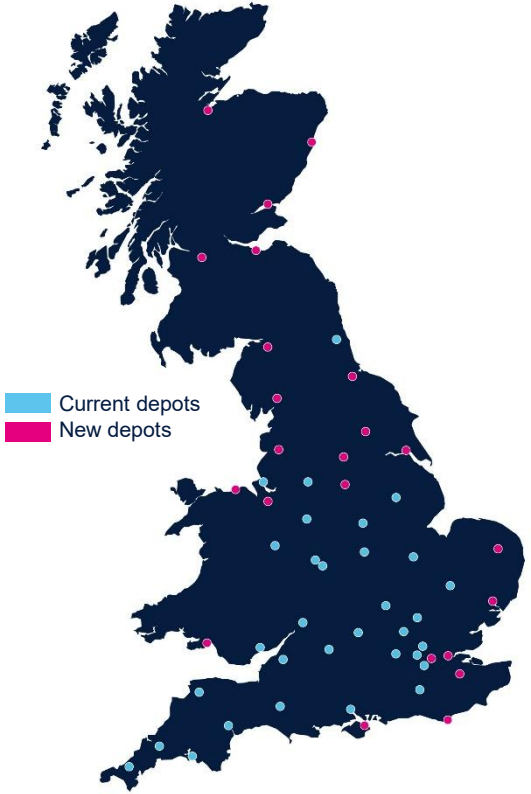
c.£600m
Additional revenue potential

23
New depots

c.700
Additional routes

1000+
Colleagues / contractors

Extending our reach



Market driven evolution

Publishers have driven structural decision to create a sustainable supply chain capable of supporting the future needs of both publishers and retailers

News UK

Associated Newspapers

frontline seymour

telegraphmediagroup

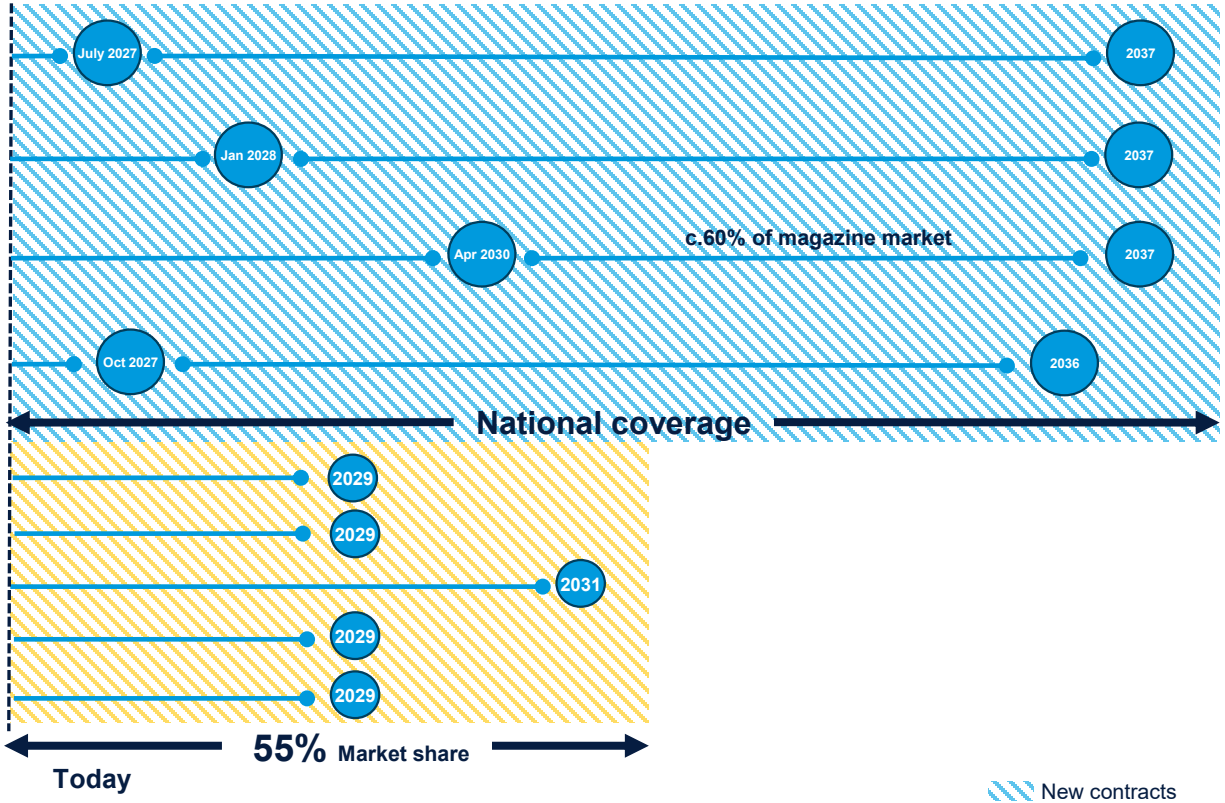
Reach

marketforce

The Guardian

FT Financial Times

Regional Press



c.£375m
Additional revenue from new territories*

c.£585m
Revenue from existing territories

New contracts
Existing contracts

*Run rate once contracts have fully commenced

Financial impacts of Go National - Overview

1. BUILD

Implementation investment

FY2027
£21–27m costs
(adjusting items / capex)

2. TRANSITION

Early-life impact

FY2027	FY2028
£7–9m	£0–2m
net cost	net profit

3. SCALE

Expected additional profit

FY2029+
£12–18m
net profit

Ranges impacted by many factors including: Depot selection & Contract wins/start dates

4. Dividend – ordinary dividend guidance maintained for FY2027 i.e. at or above consensus estimates at contract award of 5.2p per share

5. Financing arrangements – expect to deliver Go National network expansion within existing cash resources and financing arrangements

Financial impacts of Go National - BUILD

1. BUILD

Implementation Investment

FY2027
£21–27m costs
(adjusting items/capex)

- Dedicated project team
- IT set up costs
- Depot selection - fit out costs
- Early access and pre-go-live costs
- Investment covered within existing cash/financing

Financial impacts of Go National - TRANSITION

2. TRANSITION

Early-life impact

FY2027	FY2028
£7–9m net cost	£0–2m net profit

- Post go-live net incremental cost / profit
- Fewer contracts initially in the new territories impacts financial progress
- Profitability improves in FY2028 with additional titles going live
- All the infrastructure and many of the costs but not all the revenue contracts

Financial impacts of Go National - SCALE

3. SCALE

Additional Net Profit

FY2029+
£12–18m
net profit

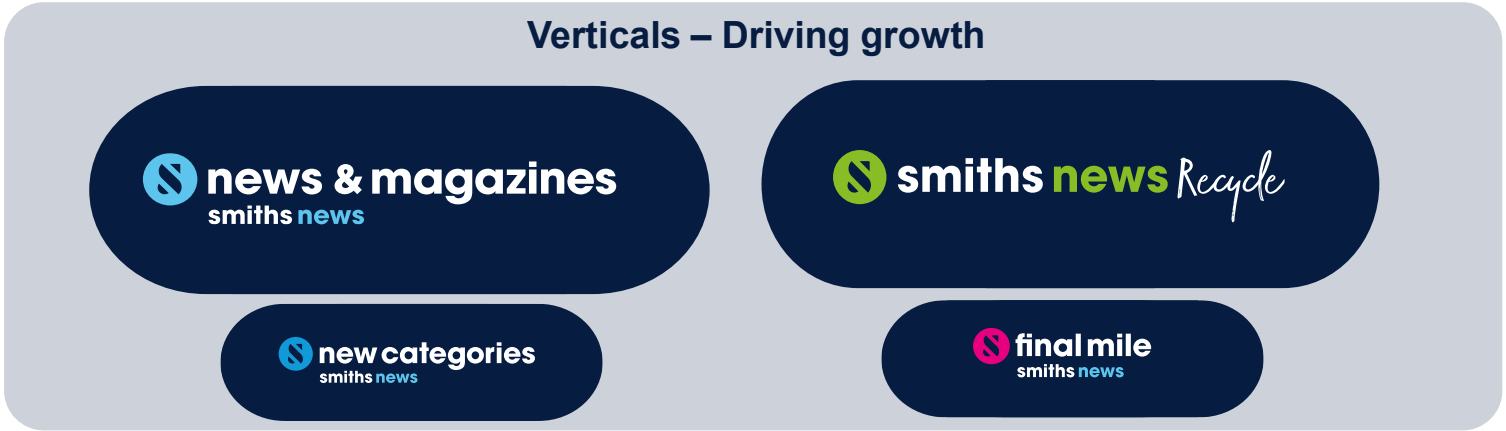
- Revenue and profit increase as more contracts included
- Scale drives financial returns
- Excludes impact of potential opportunities in other growth verticals

Capital priorities remain unchanged

Priority	Go National
Investment in organic/inorganic growth	• Disciplined approach, always tested against returns hurdle • Organic investment typically lower risk profile than inorganic • Go National focus - strong organic investment opportunity and returns are expected to be substantially ahead of WACC
Ordinary dividend	• Maintain sustainable ordinary dividend at 2x cover • Ordinary dividend to be maintained in FY2027 at or above 5.2p
Return excess cash to shareholders	• Overall 30p/£72m returned to shareholders FY2022-FY2026
Strong balance sheet	• Maintain a strong balance sheet • Net cash moves to net debt with Go National • Leverage remains <1.0x

Strategic Priorities & Outlook

Near term focus



Outlook

- Transformational national network creates **long-term revenue platform**
- **UK-wide footprint expansion** strengthens support for publishers and retailers and unlocks further opportunities across our growth verticals
- **FY2027 trading has started positively,** including ongoing positive momentum from collectables and recycling activities
- Execution of national expansion has commenced and is progressing to plan
- **Short-term profitability impact expected in FY2027** as the business absorbs expansion and transition costs, but intend to maintain ordinary dividend as guided
- Expansion expected to **add incremental net profit from FY2028**, with **material benefits anticipated from FY2029 and beyond**

** Company compiled analyst consensus can be found on Smiths News' website: Analyst consensus.*

Any questions?

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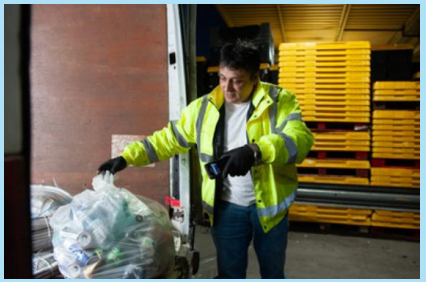
martin lavell

IN STORE

Deposit Return Scheme

- Due to be launched from **October 2027**
- Targeting **c.25 billion containers** (plastic and metal drinks bottles and cans)
- Aims to improve recycling rates, reduce litter and create a circular economy
- c.30k convenience and independent retailers in scope expected to opt for a manual collection service
- Expected **overlap with Smiths News existing retail customers** and those who participate in scheme
- Proposed process for manual collections has many **similarities with Newspapers and Magazines returns**



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The financial information referenced in this document does not contain sufficient detail to allow a full understanding of the results of Smiths News plc. For more detailed information, please see Preliminary Financial Results and/or the Annual Report and Accounts, each for the 52-week period ended 29 August 2026 which can each be found on the Investor Zone section of the Smiths News plc website - www.smithsnews.co.uk. However, the contents of Smiths News plc's website are not incorporated into and do not form part of this document.