RNS Number : 5089A
Ultimate Products PLC
27 October 2026

27 October 2026

Ultimate Products plc
("Ultimate Products", the "Company" or the "Group")

AUDITED RESULTS FOR THE YEAR ENDED 31 JULY 2026
FY26 in line with expectations; continued focus on UP proprietary brands

Ultimate Products, the owner of leading homeware brands including Salter (the UK's oldest houseware brand, est.1760) and Beldray (est.1872), announces its audited results for the year ended 31 July 2026 ("FY26" or "the Year").

Financial summary

	FY26 £'000	FY25 £'000	Change £'000	Change %
UK branded sales	82,923	89,208	(6,285)	-7%
International branded sales	56,475	47,115	9,361	20%
3P clearance and white label	5,517	13,813	(8,265)	-60%
Revenue	**144,915**	**150,135**	**(5,220)**	**-3%**
Gross profit	32,801	34,847	(2,046)	-6%
GM%	*22.6%*	*23.2%*	*-0.6%*	
Adjusted EBITDA*	**10,004**	**12,505**	**(2,501)**	**-20%**
Adjusted profit before tax*	6,271	8,705	(2,435)	-28%
Statutory profit before tax	5,072	8,049	(2,977)	-37%
Adjusted Basic EPS*	5.5	7.4	(1.89)	-26%
Basic EPS	4.3	6.8	(2.49)	-36%
Dividend	2.7	3.7	(1.00)	-27%
Net Bank Debt	(8,596)	(14,111)	5,516	-39%
Operating Cash conversion	130%	77%		
Net bank debt/adjusted EBITDA*	0.9x	1.1x		

Financial highlights

- Revenue down 3% to £144.9m, reflecting subdued consumer demand for general merchandise and a deliberate reduction in third-party clearance sales, with total branded sales up 2% to £139.4m (FY25: £136.3m)
- Continued expansion in international branded sales, which were up 20% to £56.5m
- Adjusted EBITDA* of £10.0m (FY25: £12.5m), which includes £0.8m of reorganisation costs relating to the restructuring of the commercial function
- Operating cash conversion of 140% (FY25: 82%), with a £4.1m reduction in working capital due to lower trading and stock levels benefitting from more reliable freight times

Operational highlights

- Continued focus on strengthening the equity of UP proprietary brands which now account for 88% of sales
- Commercial function restructured and strengthened to help drive future sales growth, with a particular focus on returning the UK business to growth
- Greater operational efficiency achieved through our Product Information Management ("PIM") system, automation and AI, including saving an annualised 33,000 hours across 355 tasks automated during the Year
- Successful transition of the Group's listing from the LSE's Main Market to AIM
- Appointment of Simon Harrison as our new CEO, bringing extensive leadership, operational and commercial experience

Current trading and outlook

Current trading remains in line with market expectations. Whilst the current backdrop of subdued consumer demand and geopolitical uncertainty continues to persist, the Board is confident that the ongoing investment in the Group's operational

capabilities and commercial function will position the Group to maximise future growth opportunities.

Commenting on the results, Chris Dent, Chief Financial Officer of Ultimate Products, said:
"FY26 was a year of important strategic progress for Ultimate Products against a challenging consumer backdrop. Our proprietary brands continued to grow, particularly across our strategically important international segment, while we took the difficult but necessary decision to exit third-party clearance. This has sharpened our focus and reinforced the central role our proprietary brands will play in the Group's long-term growth.

"We also made substantial changes to our commercial function to ensure we have the right capabilities, structure and ways of working to build deeper customer relationships and improve commercial execution. While this has inevitably created some disruption in the short term, we believe the business is now better placed to translate the strength of our brands into sustainable top-line growth. Alongside our continued investment in technology and Simon Harrison's appointment as CEO, these changes give us renewed confidence as we enter the next phase of Ultimate Products' development and pursue the growth opportunities ahead."

Consensus market expectations immediately prior to this announcement

	FY25 (Actual)	***FY26 (Consensus)***	***FY27 (Consensus)[1]***
Revenue	*£150.1m*	*£144.9m*	*£145.5m*
Adjusted EBITDA	*£12.5m*	*£9.9m*	*£10.1m*
Adjusted EPS	*7.4p*	*5.4p*	*5.5p*

[1] *Consensus comprises the average of analyst financial forecasts published by Equity Development, Shore Capital and Canaccord Genuity and compiled by the Company as at 19 August 2026*

** Adjusted measures are before share-based payment expenses and non-recurring items*

For further information, please contact:

Investor questions on this announcement — https://investors.upplc.com/link/rAo4Xy

We encourage all investors to share questions on this announcement via our investor hub

Ultimate Products — *Via our investor hub*
Simon Harrison, CEO
Chris Dent, CFO

Sodali & Co — ultimateproducts@sodali.com
Rob Greening / Sam Austrums / Oliver Banks

Shore Capital (Nomad and Broker) — +44 (0)20 7408 4090
Malachy McEntyre / Isobel Jones (Corporate Broking)
Mark Percy / David Coaten / Harry Davies-Ball (Corporate Advisory)

Subscribe to our news alert service: https://ultp-l.investorhub.com/s/5b213f

Notes to Editors

Ultimate Products is the owner of leading homeware brands including Salter and Beldray. According to its market research, nearly 80% of UK households own at least one of the Group's products.

The Group sells to over 300 retailers in over 30 countries - spanning discounters, supermarkets and general retailers, and ranging from large national and international multi-channel retailers to smaller retail chains. Its products are also available on salter.com and beldray.com, as well as major third-party online marketplaces. The Group specialises in four product categories: Small Domestic Appliances; Housewares; Laundry; and Audio. Other UP brands include Progress (bakeware, cookware and kitchen electrical), Kleeneze (laundry and floorcare), Petra (small domestic appliances), George Wilkinson (cookware and kitchen electrical) and Intempo (audio).

Founded in 1997, Ultimate Products is headquartered in Oldham, Greater Manchester, where it has design, sales, marketing, buying, quality assurance, support functions and warehouse facilities across two sites. Manor Mill, the Group's head office, includes a 20,000 sq ft showroom that showcases each of its brands. In addition, the Group has an office and showroom in Guangzhou, China and Paris, France. Ultimate Products employs over 300 staff and is certified as a Great Place to Work® . A significant number of its employees joined via the Group's Graduate Development Scheme, one of the biggest in the North West.

Please note that Ultimate Products is not the owner of Russell Hobbs. The Group currently has licence agreements in place granting it an exclusive licence to use the "Russell Hobbs" trademark for cookware and laundry (NB this does not include Russell Hobbs electrical appliances).

Engage with the Ultimate Products management team directly by asking questions and seeing what other shareholders have to say. Navigate to our interactive investor hub here: https://ultp-l.investorhub.com/s/3ffb1d

Chair's Statement

FY26 has seen several important changes across Ultimate Products. These have included the planned transition of Simon Showman and Andrew Gossage to non-executive roles after many years as the driving forces behind the Group, as well as the transformation of our commercial function. Throughout, however, there has been continuity in the purpose, values and culture that have long defined the business.

Central to that culture is a commitment to continuous improvement, reflected in the constant desire to be better today than we were yesterday, and better tomorrow than we are today. That sometimes requires difficult choices and meaningful change. The decisions we have taken during FY26 have been made in that spirit, seeking to strengthen the business and its prospects while remaining true to the Ultimate Products identity.

Continuity of Purpose

Ultimate Products is the Home of Brands, and our purpose is to provide beautiful products for every home. Over the past decade, the Group has transformed from a sourcing and trading business into an owner of brands and a strategic partner to retail customers, with a portfolio of products that resonate with consumers.

	FY17 £000	FY18 £000	FY19 £000	FY20 £000	FY21 £000	FY22 £000	FY23 £000	FY24 £000	FY25 £000	FY26 £000
UP Proprietary Brands	51,277	44,421	70,820	60,042	75,550	116,184	131,663	116,882	121,946	128,419
Licensed brands	24,535	20,762	30,252	37,575	45,219	20,165	16,458	12,059	14,376	10,979
3P close-out & own label	34,141	22,388	22,185	18,067	15,598	17,842	18,194	26,556	13,813	5,517
Total Sales	**109,953**	**87,571**	**123,257**	**115,684**	**136,367**	**154,191**	**166,315**	**155,497**	**150,135**	**144,915**

Consumers value buying quality, branded products at affordable prices. As such, we develop our extensive branded product ranges with a sharp focus on what consumers want to buy, while our prioritisation of affordability enables retail customers to price them competitively against own-label alternatives. It is this model that has been the engine of our growth over the past ten years, as demonstrated by the table above. Sales of our proprietary brands have increased from £51.3m in FY17 to £128.4m in FY26. That growth has not always been linear, with changing customer order patterns impacting FY18 and the air fryer boom in FY23, which subsequently unwound in FY24. However, we firmly believe that our brands will drive the long-term growth of the business and are key to increasing shareholder returns.

While our brands, particularly Salter and Beldray, are central to our long-term strategic success, they have not always been given the commercial primacy they required. This was particularly evident during FY24, when widespread industry overstocking led to a greater availability of clearance parcels. Ultimate Products began life as a clearance and sourcing business, and the skills associated with those activities remained deeply embedded in our commercial function as the business evolved, but it became clear that their strategic drawbacks outweigh their short-term tactical benefits.

We therefore took the difficult decision to close the Group's clearance division. Third-party clearance sales are typically higher-margin, but they are one-off, volatile and ultimately proved to be cannibalistic rather than additive to our top line. They also distracted both our commercial function and our retail customers from developing long-term brand-led relationships. While exiting this activity marked a departure from UP's historic roots, it was a necessary step to sharpen our strategic focus on branded growth and to support our ambition to become the 'Home of Brands'.

Continuity of Values

Throughout the changes made during the year, we have remained guided by our seven core values:

- We always strive to do the right thing
- We love our brands
- We are passionate about product
- We go the extra mile for our customers
- We invest in our people
- We care about our community
- We care about the environment

These values have been a defining feature of Ultimate Products since the business was founded by Simon Showman, who led the Group for 27 years. His entrepreneurial approach and sharp commercial instincts have shaped the business and the fast-moving culture that underpins it. Together with Andrew Gossage, Simon has been fundamental to UP's development from a founder-led sourcing business into the multi-brand homewares group it is today. They have overseen the development of a diversified portfolio of brands, the establishment of deep and enduring retailer relationships, and the Group's international expansion, all while remaining true to the shared values that have guided the business from the outset.

The first of our values is that we always strive to do the right thing. Sometimes the right things are difficult, and this has been particularly true during the transformation of our commercial function. While sales of our proprietary brands have continued to grow, this has been driven by our international customers, whereas in the UK we have seen a disappointing fall in sales. Although

challenging trading conditions have undoubtedly played a part, we believe that we can do better. We have therefore made important improvements to how we operate commercially, strengthening the foundations of the business to better position us to maximise future opportunities and return to top-line growth.

Because we are passionate about product, we must be proactive in identifying the consumer trends that make our branded products desirable to both consumers and retail customers alike. Product development is where we commit the greatest proportion of our resources and capital, so it is vital that the process is as effective as possible. All decisions and activities relating to product development now sit under Katie Maxwell, our Chief Product Officer, allowing for a more coordinated approach and clearer ownership of product outcomes. Under the previous siloed structure, buying teams developed products based more on instinct. Decisions are now grounded in data-led analysis of what our consumers want on their countertops and, in turn, what our retail customers want on their shelves.

However, it is in our approach to sales, under the leadership of Duncan Singleton, our Chief Commercial Officer, that we have seen the most significant changes to the commercial function. Given the origins of our business, the primary skills of our sales function were previously geared towards selling third-party clearance and white-label products rather than our UP proprietary branded products. This approach was not aligned with our value of loving our brands and the Ultimate Products of today.

Building long-term commercial partnerships with retail customers requires a deep understanding of their needs, supported by detailed data gathering and analysis. The focus should not simply be on the sale made today, but on developing shared, long-term plans for the years ahead, including product pipelines and brand progression, and going the extra mile to develop products and ranges that work for both our customers and their consumers. With this in mind, during the year we restructured and strengthened the sales function to ensure it has the capabilities and skills to better understand and anticipate customer needs. This has been a major challenge and a source of significant change during FY26, but in the medium term it will support sustainable sales growth and enable the business to build long-term value.

Continuity of Culture

Ultimate Products has always had a culture of continuous improvement, driven by the energy and ability of our people. We take pride in being a talent-led business that gives colleagues a multitude of opportunities to develop across all areas of the organisation. Our workforce is unafraid to challenge the status quo and the way things are done, and this is something we actively encourage because it allows us to nurture our culture of continuous improvement.

Our Graduate Development Scheme sits at the heart of that. It brings the best and brightest talent into the business and provides them with an industry-leading training programme that is both collegial and intellectually stimulating. The scheme was the brainchild of Andrew Gossage and is one of the key legacies of the extraordinary contribution he has made to Ultimate Products over more than two decades with the Group. Our culture drives us to challenge how we work and is increasingly visible in the productivity gains being delivered across the business.

During the year, we automated 355 different tasks, saving an annualised 33,000 hours. These enhancements have driven significant productivity improvements within the business and have helped mitigate recent increases in the National Living Wage and employer National Insurance contributions, while allowing colleagues to spend more time on higher-value activities.

Automation is now embedded in the way we operate, with more than 1,500 automated processes live across the Group. Other productivity gains have been driven by the teams closest to the work, with colleagues submitting 760 improvement ideas during the year, in keeping with our culture of continuous improvement. Separately, artificial intelligence has moved from experimentation into everyday usage and is increasingly embedded within our core platforms rather than bolted on, thereby providing further opportunities to improve productivity.

Our Product Information Management (PIM) platform, Salsify, is now the single source of truth for product data and the engine of our digital shelf. The discipline, data integrity and automation created through PIM provide an important foundation for Project Catalyst, the ongoing programme to replace our core ERP system and our most significant transformation programme to date. The new cloud-based platform will bring multiple disconnected systems together and create a nucleus around which all Group operational data will flow.

For a business of our complexity, the opportunity is substantial. A unified platform will give us the operational leverage to grow without proportionate increases in cost or headcount, provide real-time analytics and customisable dashboards directly to decision-makers and support faster, better-informed decisions across the Group. Taken together, PIM, robotic process automation, AI, and the new ERP system will form the digitally-enabled operating model that will underpin our productivity and profitability for years to come.

Productivity is therefore not a one-off initiative but a core driver of long-term profitability. By continuing to work more efficiently, we are helping to protect margin against rising costs, reinvesting the savings into price, quality and growth, and building a business fit for the future.

The changes we have made during FY26 have therefore been underpinned by continuity in our purpose, values and culture of continuous improvement. In appointing Simon Harrison, a key priority was that he shared those foundations. He also brings outstanding leadership qualities, strong operating discipline and considerable commercial experience. We are confident that he has the right credentials to take Ultimate Products forward into its next chapter as we work to fulfil our purpose of providing beautiful products for every home.

Finally, I know I speak for everyone at Ultimate Products in thanking Andrew and Simon for their exceptional contribution, dedication and loyalty to the Group. We are delighted that both will remain with Ultimate Products as Non-Executive Directors.

Financial Review FY26

	FY26 £'000	FY25 £'000	Change £'000	Change %
Revenue	**144,915**	**150,135**	**(5,220)**	**-3%**
Cost of sales	(112,114)	(115,288)	3,174	-3%
Gross profit	**32,801**	**34,847**	**(2,046)**	**-6%**
Administrative expenses	(22,797)	(22,342)	(455)	2%
Adjusted EBITDA	**10,004**	**12,505**	**(2,501)**	**-20%**
Depreciation & amortisation	(2,136)	(2,149)	13	-1%
Finance expense	(1,597)	(1,651)	54	-3%
Adjusted profit before tax	**6,271**	**8,705**	**(2,434)**	**-28%**
Tax expense	(1,686)	(2,424)	738	-30%
Adjusted profit after tax	**4,585**	**6,281**	**(1,696)**	**-27%**
Adjusting items	(1,012)	(640)	(373)	58%
Share-based payment expense	(186)	(16)	(170)	1063%
Tax on adjusting items	233	182	51	28%
Statutory profit after tax	**3,619**	**5,807**	**(2,188)**	**-38%**

During the year, Group revenues decreased by 3% (£5.2m) to £144.9m (FY25: £150.1m). This reflected subdued consumer demand for general merchandise, particularly in the UK, together with our deliberate reduction in third-party clearance sales as we sharpened our focus on branded growth and recurring revenue streams.

	H1 FY26 £000	H2 FY26 £000	FY26 £'000	H1 FY25 £000	H2 FY25 £000	FY25 £'000	Change H1 %	Change H2 %	Change FY %
UP Proprietary Brands	65,898	62,521	**128,419**	62,632	59,314	**121,946**	5%	5%	5%
Licensed brands	5,640	5,339	**10,979**	7,475	6,901	**14,376**	-25%	-23%	-24%
3P clearance and white label	2,912	2,605	**5,517**	9,377	4,436	**13,813**	-68%	-43%	-60%
Total	**74,450**	**70,465**	**144,915**	**79,484**	**70,651**	**150,135**	-6%	0%	-3%

As the year progressed, the reduction in clearance sales became less significant to the Group's overall growth rate. Group revenue declined by 6% in H1 but was broadly flat in H2, while UP proprietary brand sales rose 5% in both H1 and H2. We expect the continued investment in our brands to be the key driver of longer-term growth.

	FY26 £'000	FY25 £'000	Change £'000	Change %
UK branded sales	82,923	89,208	(6,285)	-7%
International branded sales	56,475	47,114	9,361	20%
3P clearance and white label	5,517	13,813	(8,296)	-60%
Total	**144,915**	**150,135**	**(5,220)**	**-3%**

In line with our strategic plans, international branded sales grew strongly, up 20% to £56.5m (FY25: £47.1m). This was driven by a 64% increase in branded sales to European discounters, which reached £38.9m. Europe remains an important long-term opportunity given the Group's relatively low market penetration compared with the UK. Our ambition is to grow our market share in the sizeable European market by leveraging our first-class capabilities and our trusted UK brands, and we are encouraged by the initial progress being made.

UK branded sales declined by 7% to £82.9m (FY25: £89.2m), reflecting the well-documented challenging trading conditions in this market. However, the performance also highlights areas in which our commercial function needs to improve. To tackle this, we restructured and strengthened the function this year, centring our approach on branded selling, data-led decision-making and

longer-term customer planning. While these substantial changes have been necessary, they have also been disruptive and, while it remains too early to assess their full impact, the benefits are expected to be seen in future periods.
The table below shows the breakdown of our sales by key sales channels (Supermarkets, Discounters, Online & Other) and geographical location (UK & International), as well as breaking out the non-strategic sales of third-party clearance and white label (3PC & WL).

	FY26			FY25			Change %		
	3PC & WL £000	Branded sales £000	Total £000	3PC & WL £000	Branded sales £000	Total £000	3PC & WL %	Branded sales %	Total %
Supermarket	(138)	28,517	28,379	1,128	32,657	33,785	-112%	-13%	-16%
Discounter	(42)	10,283	10,241	941	10,852	11,793	-104%	-5%	-13%
Online	728	28,473	29,201	1,179	27,837	29,016	-38%	+2%	+1%
Other	619	15,650	16,269	1,718	17,862	19,580	-64%	-12%	-17%
UK	**1,167**	**82,923**	**84,090**	**4,966**	**89,208**	**94,174**	**-77%**	**-7%**	**-11%**
Supermarket	2	9,107	9,109	76	13,189	13,265	-97%	-31%	-31%
Discounter	4,045	38,851	42,896	7,874	23,701	31,575	-49%	+64%	+36%
Online	5	3,456	3,461	10	3,689	3,699	-50%	-6%	-6%
Other	298	5,061	5,359	887	6,535	7,422	-66%	-23%	-28%
International	**4,350**	**56,475**	**60,825**	**8,847**	**47,114**	**55,961**	**-51%**	**+20%**	**+9%**
Supermarket	(136)	37,624	37,488	1,204	45,846	47,050	-111%	-18%	-20%
Discounter	4,003	49,134	53,137	8,815	34,553	43,368	-55%	+42%	+23%
Online	733	31,929	32,662	1,189	31,526	32,715	-38%	+1%	+0%
Other	917	20,711	21,628	2,605	24,397	27,002	-65%	-15%	-20%
TOTAL	**5,517**	**139,398**	**144,915**	**13,813**	**136,322**	**150,135**	**-60%**	**+2%**	**-3%**

Branded sales rose by 2% to £139.4m (FY25: £136.3m), while third-party clearance and white-label sales declined by 60% to £5.5m (FY25: £13.8m), reflecting the closure of the clearance division.

Online sales were flat, reflecting generally difficult trading conditions. However, we were pleased to see encouraging growth in sales from our own websites, with Salter.com up 50% to £2.5m and Beldray.com up 29% to £0.6m. The focus on our proprietary brand websites has improved the resilience of the Group's online division, diversifying the platforms through which we sell.

Branded sales in the UK were down 7% to £82.9m (FY25: £89.2m), reflecting weak macroeconomic trading conditions. However, we believe that even in challenging trading conditions UP has the ability to improve its trading performance, given our relatively low market share. The performance of our individual brands, reflecting both the weaker UK market and strong growth with international discounters, is shown in the table below.

	FY26 £'000	FY25 £'000	Change £'000	Change %
Salter	50,380	52,004	(1,624)	-3%
Beldray	43,073	37,979	5,094	13%
George Wilkinson	7,717	7,193	524	7%
Progress	6,941	5,004	1,937	39%
Petra	6,249	3,131	3,118	100%
Kleeneze	1,189	2,766	(1,577)	-57%
Other proprietary brands	12,870	13,869	(999)	-7%
UP Proprietary Brands	**128,419**	**121,946**	**6,473**	**5%**
Licensed brands (Russell Hobbs)	10,979	14,376	(3,397)	-24%
Third Party Clearance & white label	5,517	13,813	(8,296)	-60%
Total	**144,915**	**150,135**	**(5,220)**	**-3%**

UP proprietary brand sales increased by 5% to £128.4m (FY25: £121.9m), while licensed brand sales declined by 24% to £11.0m (FY25: £14.4m). Licensed brand sales are primarily generated from Russell Hobbs, where we have a four-year rolling licence for cookware and laundry. The decline reflects weaker sales to international supermarkets (primarily in Germany) where sales were down 31%.

Within our proprietary brand portfolio, Salter - which currently holds a strong market position in the UK but is less well known internationally - saw sales fall by 3%. The strongest growth came from brands with greater exposure to European discounters, where branded sales grew by 64%. This can be seen in the growth of Petra, where sales doubled to £6.2m, and George Wilkinson,

where sales increased by 7% to £7.7m. Beldray, which is sold across both supermarkets and discounters, also performed strongly following its significant rebrand in FY25, with sales growing by 13% to £43.1m.

	FY26 £'000	FY25 £'000	Change £'000	Change %
Revenue	**144,915**	**150,135**	**(5,220)**	**-3%**
Cost of sales	(112,114)	(115,288)	3,174	-3%
Gross profit	**32,801**	**34,847**	**(2,046)**	**-6%**
GM%	*22.6%*	*23.2%*	*-0.6%*	

Gross margin decreased slightly to 22.6% (FY25: 23.2%) Despite the benefit from more stable freight rates during the year, the decrease was largely attributable to the change in sales mix. Although third-party clearance sales, because of their one-off nature, represent lower quality earnings in the long term, they typically generate a higher gross margin of around 30%. In addition, sales to larger discounters tend to be at a lower margin because of higher unit volumes. Furthermore, we also incurred a £444,000 impact from the UK Government's Extended Producer Responsibility (EPR) tax.

Administrative expenses increased by 2% (£0.5m) to £22.8m (FY25: £22.3m), with the most significant increase being the £760,000 of costs relating to the reorganisation of our commercial function. In addition, we continue to invest in robotic process automation and AI to help mitigate cost pressures and increase our level of future operational leverage. Our increased productivity has allowed us to decrease headcount by 8% to an average FTE of 317 (FY25: 345). During the Year, most of the benefit has been used to offset inflationary pressures, including increases in the National Living Wage and employer National Insurance contributions, as well as our own commitment to an employee remuneration policy designed to attract and retain talent. Over time, we expect the benefits of these productivity improvements to accrue more evenly between stakeholders as we enhance our operational capabilities to drive top-line growth.

The combination of a 3% fall in revenues, the impact of sales mix on gross margin and higher overheads from reorganisation costs resulted in a 20% fall in adjusted EBITDA to £10.0m (FY25: £12.5m).

Adjusted & statutory profit

Depreciation and amortisation was stable at £2.1m (FY25: £2.1m). The finance charge decreased by 3% to £1.6m (FY25: £1.7m), while average bank debt reduced by 22% to £14.9m (FY25: £19.2m). This reflected the expiry in March 2025 of the benefit we saw in relation to our interest rate caps and swaps entered into when rates were lower. Adjusted profit before tax decreased by 28% to £6.3m (FY25: £8.7m).

The tax charge for the year was 27.0% (FY25: 27.9%), above the UK statutory rate of 25%, reflecting the higher rate of tax paid on our European branches.

During the Year, the Group continued with Project Catalyst, the replacement of its core ERP system, which will be a critical step in further enhancing our operational capabilities. The project is progressing in line with expectations and budget, with £748k of costs incurred in FY26 (FY25: £640k). Total implementation costs are currently expected to be in the region of £2m, with expenditure recognised in the period in which it occurs. The new system is currently expected to launch during 2027. These costs have been shown separately in the Income Statement to provide a clearer view of the underlying performance of the business.

Following a shareholder vote at the Company's AGM on 12 December 2025, the Group changed its listing venue from the London Stock Exchange's Main Market to AIM on 15 January 2026. The Board continues to believe that AIM is the most suitable listing venue for the Group at its current market capitalisation. The reduced administrative requirements will allow more time and resources to be focused on executing the Group's commercial growth strategy. The costs associated with the change in listing venue amounted to £265,000 (FY25: £nil) and are also shown separately in the Income Statement to better reflect the performance of the underlying business.

Earnings per share

As a result of the Group's share buyback programme, the average number of shares in issue has decreased from 87,478,678 in 2025 to 86,330,132 in 2026. The weighted average number of shares, after taking account of shares held in the EBT, decreased by 2% to 83,366,745 (2025: 84,981,047).

	FY26 £'000	EPS p	FY25 £'000	EPS p
Adjusted profit after tax	**4,585**	**5.5**	**6,280**	**7.4**
Share-based payments	(186)	(0.2)	(16)	(0.0)
ERP costs	(748)	(1.0)	(640)	(0.8)

AIM costs	(265)	(0.3)	-	-
Tax on adjusting items	233	0.3	1,832	0.2
Statutory profit	**3,619**	**4.3**	**5,807**	**6.8**

Adjusted profit after tax decreased 27%, while adjusted earnings per share decreased by 26%. Statutory profit after tax decreased 38% and statutory earnings per share decreased by 36%.

Financing and cash flow

The Group generated £13.0m of cash from operating activities (FY25: £9.6m), representing an operating cash conversion of 130% (FY25: 77%), as working capital reduced by £4.1m, due to the reduced level of trading of the Group.

As a result, at the period end, the Group had a net bank debt/adjusted EBITDA ratio of 0.9x (FY25: 1.1x), and net bank debt of £8.6m (FY25: £14.1m). The Group sees significant movements in its working capital requirement during the year due to the timing of customer orders. As such, a longer view can be helpful when considering the level of gearing within the business, with the 12-month rolling average ratio of net bank debt/adjusted EBITDA being 1.4x (FY25: 1.3x).

Capital Allocation Policy

It is the Board's intention to maintain the net bank debt/adjusted EBITDA ratio at around 1.0x, with debt being used to fund the Group's working capital. The Board believes that this level of leverage is an efficient use of the Group's balance sheet and allows for further returns of capital to shareholders. The Board also intends to continue investing in the business for growth while returning around 50% of post-tax profits to shareholders through dividends, and to supplement this with share buybacks pursuant to its policy of maintaining the net bank debt/adjusted EBITDA ratio at around 1.0x.

In line with this policy, the Board is pleased to propose a final dividend of 1.80p per share (FY25: 2.15p per share) taking the total dividend for the year to 2.7p per share (FY25: 3.7p per share). Subject to shareholder approval at the AGM on 11 December 2026, the final dividend will be paid on 30 January 2027 to shareholders on the register at the close of business on 4 January 2027 (ex-dividend date 31 December 2026).

Consolidated Income Statement

For the year ended 31 July 2026

	2026 £'000	2025 £'000
Revenue	**144,915**	150,135
Cost of sales	**(112,114)**	(115,288)
Gross profit	**32,801**	34,847
Adjusted earnings before interest, tax, depreciation, amortisation, share-based payments & non-recurring items ('Adjusted EBITDA' ^)	**10,004**	12,505
Depreciation and loss on disposal of fixed assets	**(2,051)**	(2,104)
Amortisation of intangibles	**(85)**	(45)
Share-based payment expense	**(186)**	(16)
ERP implementation costs	**(748)**	(640)
AIM listing costs	**(265)**	–
Total administrative expenses	**(26,132)**	(25,147)
Operating profit	**6,669**	9,700
Finance cost	**(1,597)**	(1,651)
Profit before tax	**5,072**	8,049
Tax expense	**(1,453)**	(2,242)
Profit for the year attributable to equity holders of the Company	**3,619**	5,807
All amounts relate to continuing operations		
Earnings per share		
Basic	**4.3**	6.8
Diluted	**4.3**	6.7

Consolidated Statement of Comprehensive Income

For the year ended 31 July 2026

	2026 £'000	2025 £'000
Profit for the year	**3,619**	5,807
Items that may subsequently be reclassified to the income statement		
Fair value movements on cash flow hedging instruments	**244**	(1,910)
Amounts reclassified from hedging reserve to profit or loss	**1,728**	564
Tax relating to items that may be reclassified subsequently to profit or loss	**(493)**	335
Items that will not subsequently be reclassified to the income statement		
Foreign currency translation	**(2)**	–
Other comprehensive (loss)/income	**1,477**	(1,011)
Total comprehensive income for the year attributable to the equity holders of the Company	**5,096**	4,796

Consolidated Statement of Financial Position
At 31 July 2026

	2026 £'000	2025 £'000
Assets		
Intangible assets	**37,121**	37,072
Property, plant and equipment	**5,183**	5,800
Total non-current assets	**42,304**	42,872
Inventories	**29,191**	32,452
Trade and other receivables	**25,474**	26,779
Derivative financial instruments	**681**	47
Current tax	**–**	20
Cash and cash equivalents	**6,609**	4,063
Total current assets	**61,955**	63,361
Total assets	**104,259**	106,233
Liabilities		
Trade and other payables	**(29,298)**	(29,735)
Derivative financial instruments	**(354)**	(1,828)
Current tax	**(751)**	–
Borrowings	**(15,205)**	(18,174)
Lease liabilities	**(922)**	(821)
Total current liabilities	**(46,530)**	(50,558)
Net current assets	**15,425**	12,803
Deferred tax	**(6,950)**	(6,678)
Lease liabilities	**(2,306)**	(2,601)
Total non-current liabilities	**(9,256)**	(9,279)
Total liabilities	**(55,786)**	(59,837)
Net assets	**48,473**	46,396
Equity		
Share capital	**216**	**216**
Share premium	**14,334**	14,334

Capital redemption reserve	**7**	7
Employee Benefit Trust reserve	**(2,641)**	(2,071)
Share-based payment reserve	**529**	1,376
Hedging reserve	**182**	(1,297)
Retained earnings	**35,846**	33,831
Equity attributable to owners of the Group	**48,473**	46,396

Consolidated Statement of Changes in Equity
For the year ended 31 July

	Share capital £'000	Capital redemption reserve £'000	Share premium £'000	EBT reserve £'000	Share-based payment reserve £'000	Hedging reserve £'000	Retained earnings £'000	Total equity £'000
As at 1 August 2024	221	2	14,334	(1,946)	1,431	(286)	36,006	49,762
Profit for the year	–	–	–	–	–	–	5,807	5,807
Cash flow hedging movement	–	–	–	–	–	(1,346)	–	(1,346)
Deferred tax movement	–	–	–	–	–	335	–	335
Total comprehensive income for the year	–	–	–	–	–	(1,011)	5,807	4,796
Transactions with shareholders:								
Dividends payable	–	–	–	–	–	–	(5,513)	(5,513)
Share-based payments charge	–	–	–	–	16	–	–	16
Deferred tax on share-based payments	–	–	–	–	–	–	(87)	(87)
Transfer of reserve on exercise of share award	–	–	–	–	(71)	–	71	–
Transfer of shares by the EBT to employees on exercise of share award	–	–	–	200	–	–	(144)	56
Purchase of own shares by the EBT	–	–	–	(325)	–	–	–	(325)
Share buy-back	(5)	5	–	–	–	–	(2,309)	(2,309)
As at 31 July 2025	**216**	**7**	**14,334**	**(2,071)**	**1,376**	**(1,297)**	**33,831**	**46,396**
Profit for the year	–	–	–	–	–	–	3,619	3,619
Foreign currency retranslation	–	–	–	–	–	–	(2)	(2)
Cash flow hedging movement	–	–	–	–	–	1,972	–	1,972
Deferred tax movement	–	–	–	–	–	(493)	–	(493)
Total comprehensive income for the year	–	–	–	–	–	1,479	3,617	5,096
Transactions with shareholders:								
Dividends payable	–	–	–	–	–	–	(2,543)	(2,543)
Share-based payments charge	–	–	–	–	186	–	–	186
Deferred tax on share-based payments	–	–	–	–	–	–	(12)	(12)
Transfer of reserve on exercise/ lapse of share award	–	–	–	–	(1,033)	–	1,033	–
Transfer of shares by the EBT to employees on exercise of share award	–	–	–	80	–	–	(80)	–
Purchase of own shares by the EBT	–	–	–	(650)	–	–	–	(650)
As at 31 July 2026	**216**	**7**	**14,334**	**(2,641)**	**529**	**182**	**35,846**	**48,473**

Consolidated Statement of Cash Flows
For the year ended 31 July

	2026 £'000	2025 £'000
Net cash flow from operating activities		
Profit for the year	**3,619**	5,807
Adjustments for:		
Finance costs	**1,597**	1,651
Income tax expense	**1,453**	2,242
Depreciation	**2,041**	2,101
Amortisation	**85**	45
Loss on disposal of non-current assets	**10**	3
Derivative financial instruments	**(106)**	118
Share-based payments	**186**	16
Working capital adjustments		
Decrease in inventories	**3,261**	4,126
Decrease in trade and other receivables	**1,304**	2,931
(Decrease) in trade and other payables	**(426)**	(9,398)
Net cash from operations	**13,024**	9,642
Income taxes paid	**(913)**	(2,341)
Cash generated from operations	**12,111**	7,301
Cash flows used in investing activities		
Purchase of intangible assets	**(134)**	(136)
Purchase of property, plant and equipment	**(772)**	(330)
Net cash used in investing activities	**(906)**	(466)
Cash flows used in financing activities		
Purchase of own shares	**(650)**	(269)
Share buy-back	**–**	(2,309)
Proceeds from borrowings	**2,793**	3,374
Repayment of borrowings	**(5,705)**	(364)
Principal paid on lease obligations	**(900)**	(822)
Debt issue costs paid	**(171)**	(74)
Dividends paid	**(2,543)**	(5,513)
Interest paid	**(1,482)**	(1,527)
Net cash used in financing activities	**(8,658)**	(7,504)
Net increase/(decrease) in cash and cash equivalents	**2,547**	(669)
Exchange losses on cash and cash equivalents	**(1)**	(1)
Cash and cash equivalents brought forward	**4,063**	4,733
Cash and cash equivalents carried forward	**6,609**	4,063

Reconciliation of cash flow to the Group net debt position

Group	Overdraft £'000	RCF £'000	Invoice discounting £'000	Import loans £'000	Loan fees £'000	Leases £'000	Total liabilities from financing activities £'000	Cash £'000	Net debt £'000
At 1 August 2024	(4,791)	–	(8,765)	(1,668)	73	(4,247)	(19,398)	4,733	(14,665)
Financing cash flows	3,424	(5,000)	1,940	(3,374)	74	822	(2,114)	–	(2,114)
Other cash flows	–	–	–	–	–	–	–	(669)	(669)
Other changes	–	–	–	–	(87)	3	(84)	(1)	(85)
At 31 July 2025	**(1,367)**	**(5,000)**	**(6,825)**	**(5,042)**	**60**	**(3,422)**	**(21,596)**	**4,063**	**(17,533)**
Financing cash flows	(777)	–	5,705	(2,016)	171	900	3,983	–	3,983
Other cash flows	–	–	–	–	–	–	–	2,547	2,547
Other changes	–	–	–	–	(114)	(706)	(820)	(1)	(821)
At 31 July 2026	**(2,144)**	**(5,000)**	**(1,120)**	**(7,058)**	**117**	**(3,228)**	**(18,433)**	**6,609**	**(11,824)**

As at 31 July 2026, net bank debt, which excludes lease liabilities, was £8,596,000 (2025: £14,111,000).

Notes to the Financial Statements

1. General information

Ultimate Products plc (`the Company') and its subsidiaries (together the 'Group') is a supplier of branded, value-for-money household products to global markets. The Company is a public limited company incorporated and domiciled in England and Wales. The Company's ordinary shares were listed on the Main Market of the London Stock Exchange until 14 January 2026 and were admitted to trading on AIM on 15 January 2026. The address of its registered office is Ultimate Products plc, Manor Mill, Victoria Street, Chadderton, Oldham OL9 0DD.

2. Basis of preparation

The Financial Statements have been prepared in accordance with UK adopted international financial reporting standards. The consolidated Financial Statements and Company Financial Statements are presented in Sterling and rounded to the nearest thousand unless otherwise indicated. The Financial Statements are prepared on the historical cost basis, except for certain financial instruments and share-based payments that have been measured at fair value. The Directors have taken advantage of the exemption available under Section 408 of the Companies Act 2006 and have not presented an income statement or a statement of comprehensive income for the Company alone.

Going Concern

The Directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios, including supply chain issues and demand led falls in revenue due to inflation and rises in interest rates. The Directors have considered a number of impacts on sales, profits and cash flows, taking into account experiences learnt from previous business interruptions. The Directors have considered the resilience of the Group in severe but plausible scenarios, taking account of its current position and prospects, the principal risks facing the business, how these are managed and the impact that they would have on the forecast financial position. In assessing whether the Group could withstand such negative impacts, the Board has considered cash flow, impact on debt covenants and headroom against its current borrowing facilities. At the year end the Group had a net bank debt/adjusted EBITDA ratio of 0.9x (FY25: 1.1x), which represents net bank debt of £8.6m (FY25: £14.1m). The Group maintains comfortable levels of headroom within its bank facilities, with headroom at 31 July 2026 of £20.7m (FY25: £11.8m). The Group's banking facilities comprise a revolving credit facility of £5.0m (FY25: £5.0m), an import loan facility of £15.0m (FY25: £15.0m), and an invoice discounting facility with a total limit of £25.0m (FY25: £25.0m).

The Group's projections show that the Group will be able to operate within its existing banking facilities and covenants. Therefore, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of approval of these Financial Statements and, as a result, they have applied the going concern principle in preparing its consolidated and Company Financial Statements.

3. Revenue

Geographical split by location:	**2026 £'000**	2025 £'000
United Kingdom	**84,090**	94,174
Europe	**59,370**	53,804
Rest of the World	**1,455**	2,157
Total	**144,915**	150,135
International sales	**60,825**	55,961
Percentage of total revenue	**42%**	37%

Analysis of revenue by brand:	**2026 £'000**	2025 £'000
Salter	**50,380**	52,004
Beldray	**43,073**	37,979
George Wilkinson	**7,717**	7,193
Progress	**6,941**	5,004
Petra	**6,249**	3,131
Kleeneze	**1,189**	2,766
Other proprietorial brands	**12,870**	13,869
UP brands	**128,419**	121,946
Licensed brands (Russell Hobbs)	**10,979**	14,376
Third-party clearance and own label	**5,517**	13,813
Total	**144,915**	150,135

Analysis of revenue by product:	**2026 £'000**	2025 £'000
Small domestic appliances	**71,862**	58,981
Housewares	**41,885**	45,189
Laundry	**14,322**	18,703
Audio	**11,478**	12,786
Heating and cooling	**1,264**	3,611
Clearance	**1,066**	5,869
Others	**3,038**	4,996
Total	**144,915**	150,135

Analysis of revenue by sales channel:	**2026 £'000**	2025 £'000
Discount retailers	**53,137**	43,368
Supermarkets	**37,488**	47,050
Online channels	**32,662**	32,715
Other	**21,628**	27,002
Total	**144,915**	150,135

Included in the above, is revenue totalling £72,915,000 arising from sales to the Group's largest three customers. No other single customer contributed 10% or more during either the current or previous year.

4. Non-recurring items

ERP implementation cost

Operating profit is stated after costs of £748,000 (2025: £640,000) in relation to the project to replace the Group's Enterprise Resource Planning ('ERP') application with a new cloud-based system, a two-year programme expected to go live in 2027. These costs have been shown separately in the Income Statement in order to better reflect the performance of the underlying business.

AIM listing costs
Operating profit is stated after costs of £265,000 (2025: £nil) in respect of the Company's move from the Main Market of the London Stock Exchange to the Alternative Investment Market on 15 January 2026. These costs have been shown separately in the Income Statement in order to better reflect the performance of the underlying business.

5. Finance costs

	2026 £'000	2025 £'000
Interest on bank loans and overdrafts	**1,424**	1,502
Interest on lease liabilities	**162**	200
Foreign exchange in respect of lease liabilities (net of hedging actions)	**18**	(8)
Other interest payable and similar charges	**(7)**	(43)
Total finance cost	**1,597**	1,651

6. Taxation

	2026 £'000	2025 £'000
Current period – UK corporation tax	**1,395**	1,859
Adjustments in respect of prior periods	**14**	69
Foreign current tax expense	**277**	286
Total current tax	**1,686**	2,214
Origination and reversal of temporary differences	**(158)**	(16)
Adjustments in respect of prior periods	**(75)**	44
Total deferred tax	**(233)**	28
Total tax charge	**1,453**	2,242

Factors effecting the tax charge
The tax assessed for the current and previous period is higher than the standard rate of corporation tax in the UK. The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2026 £'000	2025 £'000
Profit before tax	**5,072**	8,049
Tax charge at 25%	**1,268**	2,012
Adjustments relating to underlying items:		
Adjustment to tax charge in respect of prior periods	**(61)**	113
Effects of expenses not deductible for tax purposes	**47**	63
Impact of overseas tax rates	**134**	54
Adjustments relating to non-underlying items:		
Effects of expenses not deductible for tax purposes	**67**	4
Differences arising on tax treatment of shares	**(2)**	(4)
Total tax expense	**1,453**	2,242

Corporation tax is calculated at 25% (2025: 25%) of the estimated assessable profit for the year, being the average effective tax rate in the year. Deferred tax balances at the year-end have been measured at 25%.

7. Earnings per share

Basic earnings per share is calculated by dividing the net income for the period attributable to ordinary equity holders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share amounts are calculated by dividing the profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year, adjusted for the effects of potentially dilutive options. The dilutive effect is calculated on the full exercise of all potentially dilutive ordinary share options granted by the Group, including performance-based options which the Group considers to have been earned.

The calculations of earnings per share are based upon the following:

	2026 £'000	2025 £'000
Profit for the year	**3,619**	5,807
	Number	**Number**
Weighted average number of shares in issue	**86,330,132**	87,478,678
Less shares held by the UPGS EBT	**(2,963,387)**	(2,497,631)
Weighted average number of shares – basic	**83,366,745**	84,981,047
Share options	**555,545**	1,393,056
Weighted average number of shares – diluted	**83,922,290**	86,374,103
	Pence	**Pence**
Earnings per share – basic	**4.3**	6.8
Earnings per share – diluted	**4.3**	6.7

8. Dividends

	2026 £'000	2025 £'000
Final dividend paid in respect of the previous year	**1,796**	4,208
Interim declared and paid	**747**	1,305
	2,543	5,513
Per share	**Pence**	Pence
Final dividend paid in respect of the previous year	**2.15**	4.93
Interim declared and paid	**0.90**	1.55
	3.05	6.48

The Directors propose a final dividend of 1.8p per share in respect of the year ended 31 July 2026.

9. Bank borrowings

	2026 £'000	2025 £'000
Overdrafts	**2,144**	1,367
Revolving credit facility	**5,000**	5,000
Invoice discounting	**1,120**	6,825
Import loans	**7,058**	5,042
Unamortised debt issue costs	**(117)**	(60)
Current	**15,205**	18,174
Total bank borrowings	**15,205**	18,174
Cash	**(6,609)**	(4,063)
Net bank borrowings	**8,596**	14,111

Contractual undiscounted maturities:	2026 £'000	2025 £'000
In less than one year	**8,713**	14,171
Between one and two years	**–**	–
Between three and four years	**–**	–
Less: Unamortised debt issue costs	**(117)**	(60)
Total borrowings	**8,596**	14,111

At the year end the Group had a net bank debt/adjusted EBITDA ratio of 0.9x (2025: 1.1x), which represents net bank debt of £8.6m (2025: £14.1m). The Group maintains comfortable levels of headroom within its bank facilities, with headroom at 31 July 2026 of £20.7m (2025: £11.8m). The Group's banking facilities comprise a revolving credit facility of £5.0m (2025: £5.0m), an import loan facility of £15.0m (2025: £15.0m), and an invoice discounting facility with a total limit of £25.0m (2025: £25.0m).

Current bank borrowings include a gross amount of £1.1m (2025: £6.8m) due under invoice discounting facilities, which are secured by an assignment of and fixed charge over the trade debtors of Ultimate Products UK Limited. Furthermore, current bank borrowings include an amount of £5.0m (2025: £5.0m) due under an import loan facility, which is secured by a general letter of pledge providing security over the stock purchases financed under that facility. Bank borrowings are secured in total by a fixed and floating charge over the assets of the Group. Total bank borrowings are net of £117,000 (2025: £60,000) of fees which are being amortised over the length of the relevant facilities. Interest on bank borrowings is payable at a margin ranging between 1.65% and 2.25% above the relevant bank reference rates. As the liabilities are at a floating rate and there has been no change in the creditworthiness of either of the counterparties, the Directors are of the view that the carrying amount approximates to the fair value.

10. Financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

	2026 £'000	2025 £'000
Trade receivables – held at amortised cost	**24,244**	25,779
Derivative financial instruments – carried at FVTOCI	**591**	–
Derivative financial instruments – carried at FVTPL	**90**	47
Trade and other payables	**(27,100)**	(27,666)
Derivative financial instruments – carried at FVTOCI	**(349)**	(1,729)
Derivative financial instruments – carried at FVTPL	**(5)**	(99)
Borrowings – held at amortised cost	**(15,205)**	(18,174)
Lease liabilities – held at amortised cost	**(3,228)**	(3,422)
Cash and cash equivalents – held at amortised cost	**6,609**	4,063

Financial assets

The Group held the following financial assets at amortised cost:

	2026 £'000	2025 £'000
Cash and cash equivalents – held at amortised cost	**6,609**	4,063
Trade receivables – held at amortised cost	**24,244**	25,779
	30,853	29,842

Financial liabilities

The Group held the following financial liabilities, classified as other financial liabilities at amortised cost:

	2026 £'000	2025 £'000
Trade payables	**(20,655)**	22,529
Borrowings	**(15,205)**	18,174
Other payables	**(6,445)**	5,137
Lease liabilities	**(3,228)**	3,422

	(45,533)	49,262

Derivative financial instruments

The Group held the following derivative financial instruments as financial assets/(liabilities):

	2026 £'000	2025 £'000
Derivative financial instruments – assets	**681**	47
Derivative financial instruments – liabilities	**(354)**	(1,828)
	327	(1,781)

The above items comprise the following under the Group's hedging instruments:

	2026 £'000	2025 £'000
Foreign currency contracts	**276**	(1,828)
Interest rate caps	**51**	47
	327	(1,781)

Forward contracts

The Group mitigates the exchange rate risk for certain foreign currency trade debtors and creditors by entering into forward currency contracts. At 31 July 2026, the Group was committed to:

	2026		2025	
	Buy	**Sell**	**Buy**	Sell
USD$'000	**57,300**	**–**	59,400	–
€'000	**–**	**31,900**	–	36,500
PLN'000	**–**	**–**	–	1,400
CNY'000	**514**	**–**	2,592	–

At 31 July 2026, all the outstanding contracts mature within 12 months of the period end. The forward currency contracts are measured at fair value using the relevant exchange rates for GBP:USD, GBP:EUR, GBP:PLN and GBP:CNY.

Forward currency contracts are valued using level 2 inputs. The valuations are calculated using the period end forward rates for the relevant currencies, which are observable quoted values at the period end dates. Valuations are determined using the hypothetical derivative method, which values the contracts based upon the changes in the future cash flows, based upon the change in value of the underlying derivative.

All of the forward contracts to buy US Dollars and some of those to sell Euros meet the conditions for hedge accounting. The fair value of forward contracts that are effective in offsetting the exchange rate risk is an asset of £243,000 (2025: liability of £1,728,000), which has been recognised in other comprehensive income. This will be released to profit or loss at the end of the term of the forward contracts as they expire, being £243,000 within 12 months (2025: £1,728,000 within 12 months). The cash flows in respect of the forward contracts will occur over the course of the next 12 months.

Interest rate caps

The Group has entered into interest rate caps to protect the exposure to interest rate movements on the various elements of the Group's banking facility. As at 31 July 2026, protection was in place over an aggregate principal of £13.1m (2025: £13.2m). At 31 July 2026, the Group had net bank borrowings of £nil (2024: £0.9m) not subject to interest rate protection.

Interest rate caps are valued using level 2 inputs. The valuations are based upon the current valuation of the present saving, determined by the notional value of the cap, the capped interest rate and the expected future interest rate.

The fair value of the interest rate caps that are effective in offsetting the variable interest rate risk on variable rate debt is an asset of £Nil (2025: £Nil). The agreements expire between 2 August 2027 and 1 March 2028. The cash flows in respect of the swaps occur monthly over the effective lifetime of the swaps.

Reconciliation of the financial instruments to the Statement of Financial Position

	2026 £'000	2025 £'000
Trade receivables	**24,244**	25,779
Prepayments and other receivables not classified as financial instruments	**1,230**	1,000
Trade and other receivables	**25,474**	26,779

	2026 £'000	2025 £'000
Trade and other payables	**27,100**	27,666
Other taxes and social security not classified as financial instruments	**2,198**	2,069
Trade and other payables	**29,298**	29,735

The Group's activities expose it to certain financial risks: market risk, credit risk and liquidity risk. The overall risk management programme focuses upon the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Risk management is carried out by the Directors, who identify and evaluate financial risks in close cooperation with key members of staff.

a. Market risk: Market risk is the risk of loss that may arise from changes in market factors such as interest rates and foreign exchange rates.
b. Credit risk: Credit risk is the financial loss to the Group if a customer or counterparty to financial instruments fails to meet its contractual obligation. Credit risk arises from the Group's cash and cash equivalents and receivables balances. Accordingly, the possibility of material loss arising in the event of non-performance by counterparties is considered to be unlikely. Cash at bank is held with banks with high-quality external credit rating.
c. Liquidity risk: Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. This risk relates to the Group's prudent liquidity risk management and implies maintaining sufficient cash. The Directors monitor rolling forecasts of the Group's liquidity and cash and cash equivalents based upon expected cash flow.

Market risk

The Group's interest-bearing liabilities relate to its variable rate banking facilities. The Group has a policy of maintaining a portion of its banking facilities under the protection of interest rate swaps and caps to ensure the certainty of future interest cash flows and offering protection against market-driven interest rate movements. The Group's market risk relating to foreign currency exchange rates is commented on below.

Credit risk

The Group's sales are primarily made with credit terms, exposing the Group to the risk of non-payment by customers. The Group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed regularly by the Board. In addition, the Group maintains a suitable level of credit insurance against its debtor book. Sales to uninsured accounts are monitored closely with weekly forecasts prepared and reviewed with appropriate actions to manage the exposure to credit risk.

Liquidity risk management

The Group is funded by external banking facilities provided by HSBC. Within these facilities, the Group actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions. Cash flow requirements are monitored by short and long-term forecasts, with headroom against facility limits and banking covenants assessed regularly.

Foreign currency risk management

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates. The Group's exposure to foreign currency risk is partially hedged by virtue of invoicing a proportion of its turnover in US Dollars and Euros. When necessary, the Group uses foreign exchange forward contracts to further mitigate this exposure. The following is a note of the financial instruments denominated at each period end in US Dollars:

	2026 £'000	2025 £'000
Trade receivables	**3,557**	6,611
Net cash and overdrafts	**12,953**	5,644
Import loans	**(7,058)**	(5,043)
Trade payables	**(17,163)**	(19,409)
	(7,711)	(12,197)

The effect of a 20% strengthening of Sterling at 31 July 2026 on the foreign denominated financial instruments carried at that date would, all variables held constant, have resulted in an increase to total comprehensive income for the period and an increase to net assets of £1.0m (2025: £1.5m). A 20% weakening of the exchange rate, on the same basis, would have resulted in a decrease to total comprehensive income and a decrease to net assets of £1.4m (2025: £2.3m).

The following is a note of the financial instruments denominated at each period end in Euros:

	2026 £'000	2025 £'000
Trade receivables	**12,426**	9,535
Net cash and overdrafts	**(2,089)**	(1,256)
Invoice discounting	**(7,422)**	(7,589)
Trade payables	**(1,205)**	(947)
Lease liabilities	**(712)**	(143)
	998	(400)

The effect of a 20% strengthening of Sterling at 31 July 2026 on the foreign denominated financial instruments carried at that date would, all variables held constant, have resulted in a decrease to total comprehensive income for the period and a decrease to net assets of £0.1m (2025: £0.1m increase to net assets). A 20% weakening of the exchange rate, on the same basis, would have resulted in an increase to total comprehensive income and an increase to net assets of £0.2m (2024: £0.1m decrease to net assets).

The Directors have shown a sensitivity movement of 20% as, due to the current uncertainty given the current economic climate, this is deemed to be the largest potential movement in currency that could occur in the near future. Financial instruments denominated in Polish Zloty and Renminbi are not significant and therefore do not pose a significant foreign exchange exposure.

Interest rate risk management

Interest rate risk is the risk of increased costs arising from movements in interest rates impacting the Group's liabilities. Interest on financial instruments is classified as fixed rate if interest resets on the instruments are less frequent than once every 12 months. Interest on financial instruments is classified as variable rate if interest resets on the instruments occur every 12 months or more frequently.

All of the Group's bank borrowings are variable rate. The Group is exposed to cash flow interest rate risk on its bank overdrafts, revolving credit facility, invoice discounting and import loans to the extent that they are used. The Group has interest rate caps to mitigate the exposure of interest rate movements as described above. The Group's interest-bearing financial assets and liabilities at the balance sheet date were as follows:

	2026			2025		
	Fixed £'000	**Variable £'000**	**Total £'000**	**Fixed £'000**	Variable £'000	Total £'000
Cash and cash equivalents	**–**	**6,609**	**6,609**	–	4,063	4,063
Bank borrowings	**–**	**(15,322)**	**(15,322)**	–	(18,234)	(18,234)
	–	**(8,713)**	**(8,713)**	–	(14,171)	(14,171)

The Group considers that a 100 basis points movement in interest rates is a reasonable measure of volatility. The effect on profit before tax of a 100 basis points increase in interest rates on the variable rate balances as at 31 July 2026 would be a reduction of £94,000 (31 July 2025: £83,000 reduction). The effect on profit before tax of a 100 basis points decrease in interest rates on the variable rate balances as at 31 July 2026 would be an increase of £153,000 (31 July 2025: £163,000 increase).

Capital risk management

The Group is funded by equity and loans. The Group's objective when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure of the Group is managed and adjusted to reflect changes in economic conditions. The Group funds its expenditure on commitments from existing cash and cash equivalent balances, primarily received from existing bank facilities and profits generated. There are no externally imposed capital requirements. Financing decisions are made based upon forecasts of the expected timing and level of capital and operating expenditure required to meet the Group's commitments and development plans.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate to their fair values because of the short-term nature of such assets and the effect of discounting liabilities is negligible. The Group is exposed to the risks that arise from its financial instruments. The policies for managing those risks and the methods to measure them are described earlier in this note.

Maturity of financial assets and liabilities

All of the Group's non-derivative financial liabilities and its financial assets at the reporting date are either payable or receivable within one year, except for lease liabilities.

11. Share capital & reserves

Allotted, called up and fully paid	**2026 £'000**	2025 £'000	**2026 No. of shares**	2025 No. of shares
At 1 August	**216**	221	**86,330,132**	88,628,572
Share buy-backs	**-**	(5)	**-**	(2,298,440)

At 31 July	**216**	216	**86,330,132**	86,330,132

The 0.25p Ordinary Shares carry rights to dividends and other distributions from the Company, as well as carrying voting rights.

Following approval at the General Meeting on 2 May 2024, the Company commenced a share buy-back programme. During the year, the Company purchased nil Ordinary Shares of 0.25p each (2025: 2,298,440 Ordinary Shares of 0.25 each) at a total cost of £nil (2025: £2.3m), including costs of £nil (2025: £23,000). The average price paid for these repurchased shares was nil pence per share (2025: 99 pence per share). Repurchased shares were cancelled during the year of purchase.

12. Annual Report and Accounts

The annual report and accounts for the year ended 31 July 2026 will be posted to shareholders in the week commencing 2 November 2026 and will be available immediately thereafter on the Company's website at https://www.upplc.com/investor-relations/financial-reports/

13. Annual General Meeting

The Annual General Meeting of Ultimate Products Plc will be held on 11 December 2026 at the Company's registered office at Manor Mill, Victoria Street, Chadderton, Oldham, OL9 0DD, notice of which will be sent to shareholders with the annual report and accounts in the week commencing 2 November 2026.

14. Publication on website

A copy of this announcement and an investor presentation of these results are available on the Company's website at https://www.upplc.com/investor-relations/.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

FR FLFFTITLRFIR