

24 October 2023

**Angling Direct PLC**  
(‘Angling Direct’, the ‘Company’ or the ‘Group’)

**Half Year Results**

***Strong sales growth across UK & Europe coupled with tangible strategic progress in retail and online***

**Angling Direct PLC** (AIM: ANG), the leading omni-channel specialist fishing tackle and equipment retailer, is pleased to announce its unaudited financial results for the six months ended 31 July 2023 (**H1 FY24**).

<b>£m</b>	<b>H1 FY24</b>	<b>H1 FY23</b>	<b>% Change</b>
<b>Revenue</b>	<b>43.3</b>	38.9	+11.4%
Retail store sales	<b>24.4</b>	21.9	+11.3%
UK online sales	<b>16.5</b>	15.3	+8.3%
<b>Total UK sales</b>	<b>40.9</b>	37.2	+10.1%
European Online sales	2.4	1.7	+39.9%
<b>Gross profit</b>	<b>15.2</b>	13.4	+13.0%
<b>Gross margin %</b>	<b>35.1%</b>	34.6%	+50bps
<b>EBITDA (pre IFRS-16)</b>	<b>2.3</b>	1.9	+26.6%
<b>Profit before tax</b>	<b>1.7</b>	1.1	+52.4%
<b>Basic EPS</b>	<b>1.71p</b>	1.14p	+50.0%

**Financial highlights:**

- Group revenue increased by 11.4% to £43.3m
- Retail store estate experienced another strong period of growth with total store sales increasing by 11.3% against H1 FY23
- Like-for-like store sales increased by 4.9%<sup>1</sup> underpinned by improved conversion
- UK online sales growth of 8.3% with strong average transaction value growth
- In Europe, online sales grew by 39.9% with online sales to our key European territory of Germany growing 61.5%
- Gross margin increased by 50 bps, with progress in both the UK and Europe
- Group Pre IFRS 16 EBITDA growth of 26.6% to £2.3m (45.7% excluding cyber recoveries from FY22<sup>2</sup>):
  - UK EBITDA increased by 24.1%<sup>2</sup> to £2.8m
  - Europe’s EBITDA loss reduced by 27.2% to £0.5m
- Positive operating cashflow of £5.5m (H1 FY22: £2.4m)
- Strong balance sheet with Group net cash of £17.6m at 31 July 2023 (31 January 2023: £14.1m, 31 July 2022: £17.1m)
- The Group remains well capitalised and securely positioned to continue investing in strategic opportunities to capture further market share in the UK and Europe

## Operational highlights:

- Launched MyAD, the loyalty and repeat purchase membership model, in the UK, attracting 110k members from launch in June to the period end
- Increased our UK digital reach by signing an exclusive agreement with “Catch”, the fishing peg booking App
- Gross profit on higher margin own brand products grew by 15.7%, both through the launch of the new entry level brand “Discover” as well as further progress on our established Advanta brand
- Improved in-store retail proposition through new on-shelf labelling technology, the use of our BAITS assisted selling programme, and new own brand merchandising
- Continued new store rollout in the UK in the period with new locations in Cardiff, (the Company’s first store outside of England) and Goole

## Current trading and outlook

- Cumulative August and September sales were in line with expectation, up 13.9% versus FY23. This was against a softer comparative period, with the prolonged extreme temperatures in the prior year.
- The Company has gained further market share both in the UK and Europe and believes that a significant opportunity remains in both of these markets
- The Group will continue to invest digitally and physically in the UK, to further drive market share growth, leveraging its strong balance sheet to ensure it is well placed competitively as consumer confidence returns
- The European market remains a highly competitive landscape, driven by more intense price competition. The Group has continued to take market share and will continue to invest prudently, to ensure it is well positioned once markets and consumer confidence stabilise
- The Board remains confident that a combination of continued UK sales momentum and optimising European growth means that the Group is well placed to deliver revenue and pre-IFRS 16 EBITDA for the current year in line with market expectations<sup>3</sup>

## Steve Crowe, CEO of Angling Direct, said:

*“We are pleased to have achieved robust sales growth during H1 FY24 of 11.4% against a challenging consumer backdrop, highlighting the strength of our omni-channel model.*

*In the UK, we achieved strong growth in both retail stores and online sales which saw total UK sales increase by 10.1%. Simultaneously we made strong progress on our strategic priorities in the UK growing our store estate and unveiling our MyAD loyalty programme which attracted 110,000 members in its first two months.*

*Despite the more competitive market conditions in Europe, European sales in H1 FY24 were 39.9% ahead of H1 FY23, re-validating the significant growth opportunity that Europe represents for the business. We are committed to building a sustainably profitable international business and have taken steps to develop margin and optimise costs in H1 FY24 and this will continue into H2 and beyond.*

*The Board is optimistic about the long-term growth prospects of the Group, underpinned by its robust balance sheet. The UK angling market remains resilient, with strong demand for a compelling product offering alongside quality service. Following positive H1 FY24 results, the Board remains confident that the full year results will be in line with market expectations<sup>3</sup> and would like to acknowledge and thank all members of the Angling Direct team for their efforts and we look forward to sharing continued success in the future.”*

<sup>1</sup> Excluding the Reading store which hasn’t materially traded in the period after it suffered a fire in the first week of February. Total like for like stores grew 2.6% including Reading.

<sup>2</sup> Excluding insurance recoveries received during H1 FY23 in respect of the cyber-attack in the FY22 year

<sup>3</sup> Note: Angling Direct believes that consensus market expectations for the year ending 31 January 2024 are for revenues of £83.0 million and pre-IFRS 16 EBITDA of £2.7 million.

### **Investor Meet Company presentation – 30 October 2023**

Management will provide a live presentation via the Investor Meet Company platform at 2.00 p.m. GMT on 30 October. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via your Investor Meet Company dashboard up until 9.00 a.m. the day before the meeting or at any time during the live presentation. Investors can sign up to Investor Meet Company for free to meet Angling Direct plc via: <https://www.investormeetcompany.com/angling-direct-plc/register-investor>. Investors who already follow Angling Direct on the Investor Meet Company platform will automatically be invited.

### **For further information please contact:**

#### **Angling Direct PLC**

Steven Crowe, Chief Executive Officer  
Sam Copeman, Chief Financial Officer

**+44 (0) 1603 258 658**

#### **Singer Capital Markets - NOMAD and Broker**

Peter Steel, Alex Bond, James Fischer (Corporate Finance)  
Tom Salvesen (Corporate Broking)

**+44 (0) 20 7496 3000**

#### **FTI Consulting - Financial PR**

Alex Beagley  
Sam Macpherson  
Hannah Butler

**+44 (0) 20 3727 1000**

### **About Angling Direct**

Angling Direct is the leading omni-channel specialist fishing tackle retailer in the UK. The Company sells fishing tackle products and related equipment through its network of retail stores, located strategically throughout the UK as well as through its leading digital platform ([www.anglingdirect.co.uk](http://www.anglingdirect.co.uk), [.de](http://www.anglingdirect.de), [.fr](http://www.anglingdirect.fr) and [.nl](http://www.anglingdirect.nl)) and other third-party websites.

Angling Direct is committed to supporting its active customer base and widening access to the angling community through its passionate colleagues, store-based qualified coaches, social media reach and ADTV YouTube channel. The Company currently sells over 28,000 fishing tackle products, including capital items, consumables, luggage and clothing. Angling Direct also owns and sells fishing tackle products under its own brands 'Advanta', and the recently launched entry level offering 'Discover'.

From 1986 to 2002, the Company's founders acquired interests in a number of small independent fishing tackle shops in Norfolk and, in 2002, they acquired a significant premise in Norwich, which was branded Angling Direct. Since 2002, the Company has continued to acquire or open new stores, taking the total number up to 47 retail stores. In 2015, the Company opened a 2,800 sq. metres central distribution centre in Rackheath, Norfolk, where the Company's head office is also located. In March 2022, Angling Direct opened a 3,940 square metre distribution centre in Venlo, Netherlands to service its established, and rapidly growing, presence in Europe with native language websites set up in key regions to address demand.

# Angling Direct PLC

## Interim Report - 31 July 2023

Angling Direct PLC  
Chief Executive Officer's Review  
31 July 2023

The Group is pleased to have continued to grow sales and improve earnings in the UK and Europe despite the persistent cost of living pressures facing consumers. This performance is testament to the resilience of our model and market leading position.

Our growth strategy is centred around becoming **Europe's first choice fishing tackle destination, for all anglers, regardless of experience or ability**. As a result of our increasingly differentiated, market leading omni-channel trading platform the Group gained further market share in the period, making good progress against all of its stated strategic priorities. Encouraged by the sales growth and market share gains achieved, as well as the longer-term growth opportunity, the Group maintained its programme of strategic investment in the UK in H1 FY24 despite the economic headwinds.

As well as new opportunities, H1 FY24 has presented several significant challenges, most notably balancing our ambition to rapidly grow turnover in our key European territories, against intense price competition. Despite these challenges, the European market offers a significant medium term growth opportunity alongside the established UK business where we continue to build an increasingly modern, contemporary and cash generative omni-channel business.

We have assumed that the current cost of living pressures will persist into H2 FY24 and beyond which will inevitably impact many of our current and potential new customers. During this time, we will continue to invest in profitable growth in the UK, alongside prudently investing in our strategic objective to grow a European business capable of delivering meaningful economic returns as consumer confidence returns.

The H1 FY24 results reflect the resilience of our model and continued professionalism and dedication of our colleagues in providing high quality advice and service to our customers and I would like to take this opportunity to thank them for their significant contribution.

### Results

Group revenue increased by 11.4% to £43.3m for the six months ended 31 July 2023 (H1 FY23: £38.9m). The Company recorded strong sales growth across both channels in the UK, leveraging existing infrastructure, as well as new space from the physical retail estate. Overall H1 FY24 UK revenues grew 10.1% against 3.4% in H2 FY23.

European revenues grew by 39.9% as the Group continued to optimise its European growth trajectory against a backdrop of striving to write only profitable business.

Gross profit increased by 13.0% to £15.2m (H1 FY23: £13.4m) and gross margin grew 50 bps to 35.1%, 40 bps in the UK and 510 bps in Europe.

Pre IFRS 16 EBITDA grew by 26.6% to £2.3m (H1 FY23: £1.9m). The UK grew 12.2% (24.1% excluding Cyber-attack insurance recoveries received in H1 FY23 relating to the FY22 cyber incident) with progression in both stores and online (18.3% growth in stores, 10.0% growth online).

The Company retains a strong net cash position at 31 July 2023 of £17.6m (31 July 2022: £17.1m), with positive cash generation in the period having increased working capital investment in retail space and securing record stock availability, alongside continued capital expenditure investment in the store portfolio in the period.

## Operational Review

### Retail Stores

Total store sales in the period increased 11.3% to £24.4m (H1 FY23: £21.9m). Like-for-like store sales grew by 4.9% (excluding Reading, which hasn't materially traded in the period due to a fire in the first week of February). New space (Washington, Stockton, Coventry, Cardiff and Goole) contributed £1.9m of sales in the period.

Our evolving "BAITS" assisted selling programme alongside our new on shelf labelling technology and own brand merchandising has delivered significant value with in-store conversion in the period improving 300 bps. To enhance this initiative, we launched MyAD in June, our loyalty and repeat purchase free to join membership club. The proposition enables our customers to access a range of products at preferential pricing, alongside tailored offers based on their shopping history with Angling Direct. The App based technology will for the first time enable us to understand our customer base across both our store and online business with early positive insight. Bringing these aspects together is designed to support our purpose of **Getting Everyone Fishing**, and ensures our customers consistently get the very best advice and support tailored to their specific needs and fishing ambitions. This is crucial for driving conversion, creating satisfied, loyal customers, and prompting recommendation.

During the period we also started to explore alternative paid for services in store with the launch of our reel spooling and pole elastication services.

Since our investment in footfall counting technology in FY22, we have been able to deploy customer-targeted store colleague working rotas, which are helping to mitigate significant inflationary wage pressures from the c10% increase in living wage in April 2023. Whilst store footfall across the existing estate was broadly flat, there was significant progress in conversion in the like-for-like stores (360 bps) underpinning our increase in transaction volumes. Deployment models more than offset the living wage drag with an improved colleague cost to sales ratio.

In line with our strategic commitment to being the first choice omni-channel fishing retailer in all our markets, we continue to invest in new UK retail stores. Continuing to utilise out-sourced development contractors we built two new stores in the period, opening in Cardiff in February and Goole in May. We continue to seek out opportunities within unserved catchments with one further store opening targeted for H2 FY24, as well as our Reading store re-opening.

Alongside this, we are observing an increasing trend where customers in certain catchments are underserved by existing retailers, presenting an opportunity for Angling Direct to penetrate these markets with a reduced footprint. We also continue to re-evaluate our store refresh and merchandising concepts across the estate. In the period we re-sited the Guilford store as well as refreshing our Farlows store.

### UK Online

UK online sales in the period grew by 8.3% to £16.5m (H1 FY23: £15.3m) as our everyday low-price proposition alongside our focus on availability during peak season resulted in UK online taking greater share of the higher ticket capital item market. Website sessions and customer numbers remained broadly flat against the more challenging consumer landscape reflected in modestly reduced conversion and increased pressure on paid advertising bidding costs.

As part of our drive to grow market share and customer loyalty, we are continuing to invest in contemporary digital infrastructure and customer marketing, to ensure we stand apart from our competitors.

As a precursor to the launch of MyAD in June we continued to develop our App offering, with c5% of total orders now placed through the App. Alongside this our paid subscription model AD+ accounted for c17% of the orders in the period, showing the strength of our repeat custom model despite the increasingly uncertain consumer and competitive landscape.

During the period we signed an exclusive agreement with "Catch", the fishery peg booking App. The first stage of this relationship has focused on transparency of partnership and respective offerings across our respective

platforms, with the emphasis now moving towards embedding the offer as part of our respective digital customer journeys.

Alongside these trading initiatives the team has changed its customer delivery carrier arrangements following a re-tendering process. The improvements being observed in service (reducing lost parcels) and unit cost economics have positively impacted the latter part of the period. Alongside the improvement in average transaction value, this has significantly improved the carriage and packing ratio, offsetting the cost of paid advertising and colleague living wage inflationary pressures.

### *UK Trading*

We are committed to providing the most comprehensive range of products for major fishing disciplines, ensuring that we always deliver a variety of choice, value, quality and stock availability.

The MyAD programme launched in June and attracted 110,000 members by the period end. The early insights from this data are encouraging, pointing to loyalty, repeat purchase and value for customers.

The Company's category management process remains firmly embedded in the business. As stock availability across our sector returned to more historically normal levels post COVID, depressed consumer demand in FY23 against the COVID sales spike left many suppliers with excess inventory positions. Our team has been nimble, navigating this through buying into ranges and volumes where AD has more ability to manage its price point.

Higher margin own brand gross profit in the period grew by a pleasing 15.7% against a backdrop of increasing sales of these items by 6.4%. The launch of our entry level brand, 'Discover' later in the period, alongside the strategy of developing ranges in smaller dimension higher margin categories, underpinned the growth in the gross profit. Stock availability within own brand ranges remains at good levels and presents a strong platform from which to develop further in H2 FY24.

As we deepen our relationships with key suppliers, we have increasingly secured stocks at favourable trade terms with a view to enhancing margins, whilst giving supplier partners surety of volume and cashflow. In conjunction with this, during the period we formalised our approach to the selling of physical and digital space to join up with our MyAD strategy. The pipeline and appetite from key suppliers for further development of this in H2 FY24 and beyond is strong. Alongside this we continue to grow the number of innovative products to market exclusively for our customers. These include the extension of the One More Cast terminal tackle range by leading angler Ali Hamedi and developing product bundle concepts with key partners such as Korda fishing tackle and Sticky Baits. This approach provides further opportunity for us to develop value levers exclusively through the MyAD offer.

As a result of these strategies alongside the 10.1% increase in sales, the UK delivered a 40 bps improvement in its gross margin to 35.5%.

### *Europe*

The opportunity for growth of market share within Europe remains clear, despite the European digital trading landscape intensifying as a result of competitive pricing and paid advertising costs.

During the period, our team has focused upon optimising trading and efficiencies to support our first full financial year of trading directly from The Netherlands.

As a result of these positive advancements, active unique customer numbers in our key European territories have increased by 41.3% to 25,100, with the conversion rate increasing by 63 bps to 3.13%. European key territory sales increased by 39.9% in H1 FY23 to £2.4m (H1 FY22: £1.7m).

We are committed and see a significant opportunity to build a sustainably profitable international business and have taken steps to develop margin and optimise costs in H1 FY24 until such time that more normal pricing trends resume. In the period gross margins improved 510 bps to 27.4%, contribution improved 990 bps to -5.0%, operating margin improved 1,240 bps to -13.9% and pre IFRS 16 EBITDA losses reduced 27.2% to £0.5m.

The Board continues to believe that the full Angling Direct omni-channel model will be attractive to European customers and that, in the medium term, bricks and mortar retail stores will complement our growing online business. We have carefully evaluated the trading strategies required for this opportunity to create shareholder value. We are now focused on securing ranges and locations which deliver these metrics and will continue to monitor and review our progress against these plans closely over the coming months.

### **Environmental and Organisational Development**

We remain fully committed to acting responsibly and sustainably within our environment and communities. We continue to develop our approach to sustainability with key successes in the period of particular note around reducing our waste sent to landfill, reducing plastic packaging within our own brand ranges, and continuing our roll out of LED lighting in our store estate. We have also extended our fishing line recycling programme to source recycling bins for fisheries from suppliers, introduced recycling points in our 2024 built stores and commenced our angler engagement programme through our collaboration with the Pike Anglers Club of Great Britain to discourage warm water pike fishing. To complement this, we have also commenced sign posting to our communities through our sustainability digital content a number of established environmental campaigns which would support the sustainability of angling.

Within the context of the current highly inflationary environment, it is more important than ever to ensure we rigorously scrutinise any incremental organisational investment, whilst ensuring we appropriately plan and resource for future share growth in our consolidating markets. In the period, we have continued to supplement and upskill key capabilities within our digital and IT development teams.

At the start of the period the Group announced its Board succession plan with Andy Torrance stepping down from his role as CEO and appointed Non-executive Chair. Martyn Page consequently stepped down from his role as Non-Executive Chair and remains on the Board as a Non-executive Director. These changes facilitated myself stepping up to CEO and following this we successfully concluded a CFO search and were delighted to welcome Sam Copeman to the Board in June at the completion of the AGM. Christian (Chris) Keen and Nicola (Nicki) Murphy continue as the Company's Independent Non- Executive Directors. Chris continues as Chair of the Audit Committee with Nicki moving to Chair of the Remuneration Committee.

### **Current trading and Outlook**

We remain confident of continued growth and delivery of our strategic goals. The UK angling market remains resilient, with good demand for a compelling product offering alongside quality service. Our customer loyalty programme MyAD will further help to meet the needs of our customers and at the same time drive loyalty and repeat purchase. We will continue our investment in the UK in our people, technology and our physical estate in order to support further organic growth. This will be augmented by investment in selective acquisitions and development of exceptional greenfield sites in the UK. This investment in the UK will be targeted at driving further market share growth and leveraging our strong balance sheet to ensure we are best placed competitively as consumer confidence returns.

Europe retains a more competitive landscape which means growing profitable digital customer acquisition is challenging as we build scale. However selective bricks and mortar remains a realistic target to deliver value within these markets to leverage existing investments already made. The Group will continue to invest to drive market share, where prudent to do so, to ensure it is well positioned as markets stabilise post and the macroeconomic consumer challenges impacting these markets.

Following strong H1 2024 results, cumulative August and September sales were in line with expectation, up 13.9% versus FY23. This was against a softer comparative period, with the prolonged extreme temperatures in the prior year. The Board remains confident that the full year results will be in line with consensus market expectations. The Board would like to acknowledge and thank all members of the Angling Direct team for their efforts, and we look forward to sharing continued success in the future.

**Angling Direct PLC**  
**Consolidated statements of profit or loss and other comprehensive income**  
**For the period ended 31 July 2023**

	Note	Unaudited six months ended 31 July 2023 £'000	Unaudited six months ended 31 July 2022 £'000	Audited year ended 31 January 2023 £'000
Revenue from contracts with customers	4	43,341	38,898	74,096
Cost of sales of goods		(28,149)	(25,450)	(48,307)
Gross profit		15,192	13,448	25,789
Other income	5	111	268	287
Interest revenue calculated using the effective interest method		140	26	104
<b>Expenses</b>				
Administrative expenses		(11,820)	(10,699)	(21,742)
Distribution expenses		(1,656)	(1,689)	(3,260)
Finance costs		(246)	(225)	(509)
<b>Profit before income tax expense</b>		1,721	1,129	669
Income tax expense	7	(400)	(251)	(130)
<b>Profit after income tax expense for the period attributable to the owners of Angling Direct PLC</b>		1,321	878	539
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Foreign currency translation		(81)	-	127
Other comprehensive income for the period, net of tax		(81)	-	127
<b>Total comprehensive income for the period attributable to the owners of Angling Direct PLC</b>		1,240	878	666
		Pence	Pence	Pence
Basic earnings	15	1.71	1.14	0.70
Diluted earnings	15	1.69	1.12	0.69



**Angling Direct PLC**  
**Consolidated statements of financial position**  
**As at 31 July 2023**

	Note	Unaudited six months ended 31 July 2023 £'000	Unaudited six months ended 31 July 2022 £'000	Audited year ended 31 January 2023 £'000
<b>Non-current assets</b>				
Intangibles	8	6,007	6,124	6,060
Property, plant and equipment	9	7,916	7,158	7,534
Right-of-use assets	10	11,150	10,771	11,418
Total non-current assets		<u>25,073</u>	<u>24,053</u>	<u>25,012</u>
<b>Current assets</b>				
Inventories		20,013	17,564	17,813
Trade and other receivables		751	1,093	447
Income tax refund due		-	-	58
Prepayments		763	474	603
Cash and cash equivalents		17,624	17,084	14,127
Total current assets		<u>39,151</u>	<u>36,215</u>	<u>33,048</u>
<b>Current liabilities</b>				
Trade and other payables	11	11,702	9,398	6,765
Contract liabilities		481	425	727
Lease liabilities		1,809	1,709	1,793
Derivative financial instruments		32	-	51
Income tax		315	566	-
Total current liabilities		<u>14,339</u>	<u>12,098</u>	<u>9,336</u>
<b>Net current assets</b>		<u>24,812</u>	<u>24,117</u>	<u>23,712</u>
<b>Total assets less current liabilities</b>		<u>49,885</u>	<u>48,170</u>	<u>48,724</u>
<b>Non-current liabilities</b>				
Lease liabilities		9,583	9,116	9,750
Restoration provision		840	759	801
Deferred tax		910	893	883
Total non-current liabilities		<u>11,333</u>	<u>10,768</u>	<u>11,434</u>
<b>Net assets</b>		<u>38,552</u>	<u>37,402</u>	<u>37,290</u>
<b>Equity</b>				
Share capital	12	773	773	773
Share premium		31,037	31,037	31,037
Reserves		543	375	602
Retained profits		6,199	5,217	4,878
<b>Total equity</b>		<u>38,552</u>	<u>37,402</u>	<u>37,290</u>

**Angling Direct PLC**  
**Consolidated statements of changes in equity**  
**For the period ended 31 July 2023**

	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
<b>Unaudited six months ended 31 July</b>					
Balance at 1 February 2023	773	31,037	602	4,878	37,290
Profit after income tax expense for the period	-	-	-	1,321	1,321
Other comprehensive income for the period, net of tax	-	-	(81)	-	(81)
Total comprehensive income for the period	-	-	(81)	1,321	1,240
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	-	22	-	22
Balance at 31 July 2023	<u>773</u>	<u>31,037</u>	<u>543</u>	<u>6,199</u>	<u>38,552</u>
<b>Audited year ended 31 January</b>					
Balance at 1 February 2022	773	31,037	266	4,339	36,415
Profit after income tax expense for the period	-	-	-	539	539
Other comprehensive income for the period, net of tax	-	-	127	-	127
Total comprehensive income for the period	-	-	127	539	666
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments	-	-	209	-	209
Balance at 31 January 2023	<u>773</u>	<u>31,037</u>	<u>602</u>	<u>4,878</u>	<u>37,290</u>

**Angling Direct PLC**  
**Consolidated statements of cash flows**  
**For the period ended 31 July 2023**

	Note	Unaudited six months ended 31 July 2023 £'000	2022 £'000	Audited year ended 31 January 2023 £'000
<b>Cash flows from operating activities</b>				
Profit before income tax expense for the period		1,721	1,129	669
Adjustments for:				
Depreciation and amortisation		1,787	1,672	3,485
Share-based payments		22	109	209
Net movement in provisions		16	13	30
Net variance in derivative liabilities		(19)	(1)	50
Interest received		(140)	(26)	(104)
Interest and other finance costs		230	212	429
		3,617	3,108	4,768
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables		(300)	(551)	95
(Increase) in inventories		(2,252)	(1,291)	(1,540)
(Increase)/decrease in prepayments		(162)	71	(58)
Increase/(decrease) in trade and other payables		4,893	1,227	(965)
(Decrease)/increase in contract liabilities		(246)	-	84
		5,550	2,564	2,384
Interest received		140	26	104
Interest and other finance costs		(230)	(212)	(429)
Income taxes paid		-	-	(513)
		5,460	2,378	1,546
<b>Cash flows from investing activities</b>				
Payments for property, plant and equipment	9	(1,012)	(841)	(2,014)
Payments for intangibles	8	(116)	(158)	(289)
		(1,128)	(999)	(2,303)
<b>Cash flows from financing activities</b>				
Repayment of lease liabilities		(885)	(899)	(1,720)
		(885)	(899)	(1,720)
Net increase/(decrease) in cash and cash equivalents		3,447	480	(2,477)
Cash and cash equivalents at the beginning of the financial period		14,127	16,604	16,604
Effects of exchange rate changes on cash and cash equivalents		50	-	-
		17,624	17,084	14,127
Cash and cash equivalents at the end of the financial period		17,624	17,084	14,127

**Angling Direct PLC**  
**Notes to the consolidated financial statements**  
**31 July 2023**

**Note 1. General information**

The financial statements cover Angling Direct PLC as a Group consisting of Angling Direct PLC ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (collectively referred to in these financial statements as the 'Group'). The financial statements are presented in British Pound Sterling ('GBP'), which is Angling Direct PLC's functional and presentation currency.

Angling Direct PLC is a listed public company limited by shares incorporated under the Companies Act 2006, listed on the AIM (Alternative Investment Market), a sub-market of the London Stock Exchange. The Company is incorporated and domiciled in England and Wales within the United Kingdom. The registered number of the Company is 05151321. Its registered office and principal place of business is:

2d Wendover Road,  
Rackheath Industrial  
Estate  
Rackheath  
Norwich  
Norfolk  
NR13 6LH

The principal activity of the Group is the sale of fishing tackle through its websites and stores. The Group's business model is designed to generate growth by providing excellent customer service, expert advice and ensuring product lines include a complete range of premium equipment. Customers range from the casual hobbyist through to the professional angler.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 23 October 2023. The Directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

These financial statements for the interim half-year reporting period ended 31 July 2023 have been prepared in accordance with the AIM Rules for Companies, International Accounting Standard IAS 34 'Interim Financial Reporting' and the Companies Act for for-profit oriented entities.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 January 2023 and any public announcements made by the Company during the interim reporting period.

The interim consolidated financial information has been prepared on a going-concern basis.

The principal accounting policies adopted are consistent with those set out on pages 74 to 100 of the consolidated financial statements of Angling Direct PLC for the year ending 31 January 2023, except for taxation which has been accounted for as described in note 7.

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board that are mandatory for the current reporting period. There was no impact on the adoption of these new or amended Accounting Standards and Interpretations

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 3. Segmental reporting**

Segment information is presented in respect of the Group's operating segments, based on the Group's management and internal reporting structure, and monitored by the Group's Chief Operating Decision Maker (CODM).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly own brand stock in transit from the manufacturers, group cash and cash equivalents, taxation related assets and liabilities, centralised support functions salary and premises costs, and government grant income.

#### *Geographical segments*

The business operated predominantly in the UK. It has three native language web sites for Germany, France and the Netherlands.

#### *Operating segments*

The Group is split into three operating segments (Stores, UK Online and Europe Online) and a centralised support function (Head Office) for business segment analysis. In identifying these operating segments, management follows the route to market for the generation of the customer order for its products.

Each of these operating segments is managed separately as each segment requires different specialisms, marketing approaches and resources. Head Office includes costs relating to the employees, property and other overhead costs associated with the centralised support functions.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation) pre IFRS 16. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements, save for IFRS 16. A full reconciliation of pre IFRS 16 EBITDA to post IFRS 16 EBITDA performance is provided to the CODM.

The information reported to the CODM is on a monthly basis.

At 31 July 2023, £24,167,000 of non-current assets are located in the UK (31 July 2022 £22,952,000) and £906,000 of non-current assets are located in the Netherlands (31 July 2022 £1,101,000).

#### *Operating segment information*

	Stores	UK Online	Europe Online	Head Office	Total
31 July 2023	£'000	£'000	£'000	£'000	£'000
Revenue	24,382	16,545	2,414	-	43,341
Profit/(loss) before income tax	2,974	1,838	(518)	(2,573)	1,721
EBITDA post IFRS 16	4,482	2,107	(382)	(2,593)	3,614
Total assets	19,662	7,435	4,013	33,114	64,224
Total liabilities	(7,574)	(4,725)	(1,224)	(12,149)	(25,672)
<b>EBITDA Reconciliation</b>					
Profit/(loss) before income tax	2,974	1,838	(518)	(2,573)	1,721
Less: Interest income	-	-	-	(140)	(140)
Add: Interest expense	222	21	15	(12)	246
Add: Depreciation and amortisation	1,286	248	121	132	1,787
EBITDA post IFRS 16	4,482	2,107	(382)	(2,593)	3,614
Less: Costs relating to IFRS 16 lease liabilities	(959)	(84)	(111)	(115)	(1,269)
EBITDA pre IFRS 16	3,523	2,023	(493)	(2,708)	2,345

31 July 2022	Stores £'000	UK Online £'000	Europe Online £'000	Head office £'000	Total £'000
Revenue	21,897	15,275	1,726	-	38,898
Profit/(loss) before income tax	2,577	1,620	(707)	(2,361)	1,129
EBITDA post IFRS 16	3,859	1,923	(570)	(2,212)	3,000
Total assets	25,198	7,588	4,163	23,319	60,268
Total liabilities	(12,726)	(4,412)	(1,116)	(4,612)	(22,866)
<b>EBITDA Reconciliation</b>					
Profit/(loss) before income tax	2,577	1,620	(707)	(2,361)	1,129
Less: Interest income	-	-	-	(26)	(26)
Add: Interest expense	175	23	19	8	225
Add: Depreciation and amortisation	1,107	280	118	167	1,672
EBITDA post IFRS 16	3,859	1,923	(570)	(2,212)	3,000
Less: Costs relating to IFRS 16 lease liabilities	(882)	(84)	(107)	(75)	(1,148)
EBITDA pre IFRS 16	2,977	1,839	(677)	(2,287)	1,852

#### Note 4. Revenue from contracts with customers

##### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Unaudited six months ended 31 July		Audited year ended 31 January
	2023 £'000	2022 £'000	2023 £'000
<i>Route to market</i>			
Retail store sales	24,382	21,897	41,296
E-commerce	18,959	17,001	32,800
	43,341	38,898	74,096
<i>Geographical regions</i>			
United Kingdom	40,927	37,172	70,952
Europe and Rest of the World	2,414	1,726	3,144
	43,341	38,898	74,096
<i>Timing of revenue recognition</i>			
Goods transferred at a point in time	43,341	38,898	74,096

## Note 5. Other income

	Unaudited six months ended 31 July 2023 £'000	Unaudited six months ended 31 July 2022 £'000	Audited year ended 31 January 2023 £'000
Net foreign exchange gain/(loss)	-	8	-
Insurance claim	86	243	258
Rent income	25	17	29
	<hr/>		
Other income	111	268	287

The insurance claim income relates to the estimated loss of profit claim for the fire in the Reading store in respect of the period between February 2023 and 31 July 2023 (2022: Cyber claim insurance income).

## Note 6. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation)

The Directors believe that adjusted profit provides additional useful information for shareholders on performance. This is used for internal performance analysis. This measure is not defined by IFRS and is not intended to be a substitute for, or superior to, IFRS measurements of profit. The following table is provided to show the comparative earnings before interest, tax, depreciation and amortisation ('EBITDA') after adjusting for rents, dilapidation charges and associated legal costs, where applicable, relating to IFRS 16 lease liabilities.

	Unaudited six months ended 31 July 2023 £'000	Unaudited six months ended 31 July 2022 £'000	Audited year ended 31 January 2023 £'000
<b>EBITDA reconciliation</b>			
Profit before income tax expense post IFRS 16	1,721	1,129	669
Less: Interest income	(140)	(26)	(104)
Add: Interest expense	246	225	509
Add: Depreciation and amortisation	1,787	1,672	3,485
EBITDA post IFRS 16	3,614	3,000	4,559
	<hr/>		
Less: costs relating to IFRS 16 lease liabilities	(1,269)	(1,148)	(2,335)
EBITDA pre IFRS 16	2,345	1,852	2,224

## Note 7. Income tax expense

The tax charge for the six months ended 31 July 2023 is recognised based on management's estimate of the weighted average annual effective tax rate expected for the full financial year, adjusted for the tax impact of any discrete items arising in the period. Deferred tax balances are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date and that are expected to apply in the period when the liability is settled or the asset realised.

## Note 8. Intangibles

	Unaudited six months ended 31 July		Audited year ended 31 January
	2023	2022	2023
	£'000	£'000	£'000
<i>Non-current assets</i>			
Goodwill - at cost	5,802	5,802	5,802
Less: Impairment	(182)	(182)	(182)
	<u>5,620</u>	<u>5,620</u>	<u>5,620</u>
Software - at cost	1,835	1,589	1,720
Less: Accumulated amortisation	(1,448)	(1,085)	(1,280)
	<u>387</u>	<u>504</u>	<u>440</u>
	<u>6,007</u>	<u>6,124</u>	<u>6,060</u>

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Goodwill	Software	Total
	£'000	£'000	£'000
<b>Unaudited six months ended 31 July</b>			
Balance at 1 February 2023	5,620	440	6,060
Additions	-	116	116
Amortisation expense	-	(169)	(169)
Balance at 31 July 2023	<u>5,620</u>	<u>387</u>	<u>6,007</u>

## Note 9. Property, plant and equipment

	Unaudited six months ended 31 July		Audited year ended 31 January
	2023	2022	2023
	£'000	£'000	£'000
<i>Non-current assets</i>			
Land and buildings improvements - at cost	1,002	1,002	1,002
Less: Accumulated depreciation	(347)	(310)	(342)
	<u>655</u>	<u>692</u>	<u>660</u>
Plant and equipment - at cost	10,096	8,253	9,158
Less: Accumulated depreciation	(3,325)	(2,370)	(2,836)
	<u>6,771</u>	<u>5,883</u>	<u>6,322</u>
Motor vehicles - at cost	15	15	15
Less: Accumulated depreciation	(13)	(12)	(12)
	<u>2</u>	<u>3</u>	<u>3</u>
Computer equipment - at cost	1,363	1,263	1,333
Less: Accumulated depreciation	(875)	(683)	(784)
	<u>488</u>	<u>580</u>	<u>549</u>
	<u>7,916</u>	<u>7,158</u>	<u>7,534</u>



### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
<b>Unaudited six months ended 31 July</b>					
Balance at 1 February 2023	660	6,322	3	549	7,534
Additions	-	943	-	31	974
Exchange differences	-	(4)	-	(1)	(5)
Depreciation expense	(5)	(490)	(1)	(91)	(587)
Balance at 31 July 2023	655	6,771	2	488	7,916

### Note 10. Right-of-use assets

	Unaudited six months ended 31 July 2023 £'000	Audited year ended 31 January 2023 £'000	Audited year ended 31 January 2023 £'000
<i>Non-current assets</i>			
Land and buildings - right-of-use	19,964	17,630	19,235
Less: Accumulated depreciation	(8,984)	(6,998)	(7,984)
	10,980	10,632	11,251
Plant and equipment - right-of-use	80	80	80
Less: Accumulated depreciation	(59)	(53)	(56)
	21	27	24
Motor vehicles - right-of-use	467	372	433
Less: Accumulated depreciation	(329)	(277)	(304)
	138	95	129
Computer equipment - right-of-use	59	59	59
Less: Accumulated depreciation	(48)	(42)	(45)
	11	17	14
	11,150	10,771	11,418

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
<b>Unaudited six months ended 31 July</b>					
Balance at 1 February 2023	11,251	24	129	14	11,418
Additions	1,021	-	34	-	1,055
Remeasurement	(273)	-	-	-	(273)
Exchange differences	(19)	-	-	-	(19)
Depreciation expense	(1,000)	(3)	(25)	(3)	(1,031)
Balance at 31 July 2023	10,980	21	138	11	11,150

### Note 11. Trade and other payables

	Unaudited six months ended 31 July		Audited year ended 31 January
	2023 £'000	2022 £'000	2023 £'000
<i>Current liabilities</i>			
Trade payables	8,023	6,011	4,543
Accrued expenses	1,287	1,286	1,088
Refund liabilities	56	58	55
Social security and other taxes	1,141	1,158	589
Other payables	1,195	885	490
	<u>11,702</u>	<u>9,398</u>	<u>6,765</u>

Contract liabilities has been reported separately on the Statement of financial position. This was previously reported in other payables.

### Note 12. Share capital

	Unaudited six months ended 31 July			
	2023 Shares	2022 Shares	2023 £'000	2022 £'000
Ordinary shares of £0.01 each - fully paid	77,267,304	77,267,304	773	773

### Note 13. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

## Note 14. Contingent liabilities

The Group had no material contingent liabilities as at 31 July 2023, 31 January 2023 and 31 July 2022.

## Note 15. Earnings per share

	Unaudited six months ended 31 July 2023 £'000	Unaudited six months ended 31 July 2022 £'000	Audited year ended 31 January 2023 £'000
Profit after income tax attributable to the owners of Angling Direct PLC	1,321	878	539
	Number	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	77,267,304	77,267,304	77,267,304
Adjustments for calculation of diluted earnings per share:			
Options over ordinary shares	851,266	962,010	900,536
Weighted average number of ordinary shares used in calculating diluted earnings per share	78,118,570	78,229,314	78,167,840
	Pence	Pence	Pence
Basic earnings per share	1.71	1.14	0.70
Diluted earnings per share	1.69	1.12	0.69