

FY2024 Full Year Results

For the 12 months
to 31 January 2024



May 2024

Angling Direct
Getting Everyone Fishing

Agenda

1. Introduction and Strategy

2. Business Review

3. Financial Review

4. FY25 Focus and Outlook

FY24 Overview

Financial highlights

- Group revenue increased by 10.2% to £81.7m, including record UK sales of £77.4m
- Retail store sales increased 7.6% against FY23 (£41.3m) as the store rollout strategy continued with two new stores opened in FY24
- Like-for-like store sales increased by 3.1%* underpinned by improved conversion
- UK online sales grew 11.1%, driven by average basket increases, representing a return to growth and a significant increase on pre-Covid levels
- In Europe, online sales grew 36.3% with our key European territories of Germany, France and the Netherlands growing 40% year-on-year
- Gross margin increased to 34.9% with progress in both the UK and Europe driven by ranging and own brand progression, offsetting increased levels of store theft
- Group EBITDA (Pre IFRS 16) grew 21.0% to £2.7m
- Positive operating cashflow of £6.5m with a strengthened balance sheet and a net cash (pre-IFRS16) position of £15.8m as at 31 January 2024 (31 January 2023: £14.1m)
- Well-positioned to manage ongoing consumer headwinds and capture further market share in the UK and Europe

Operational highlights

- Launched MyAD proposition, a UK omni-channel customer loyalty club, the cornerstone for our ambition to become Europe's largest fishing club, gained a membership of over 220k members at the period end
- Ongoing development of own brand offer through Advanta and Discover, increasing their gross profit by 16.0%
- Progressed UK store rollout, opening two new stores in Cardiff and Goole, reaching a total network of 47 UK sites at year end
- Engaged over 27,000 new and lapsed participants to angling as a pastime through continued support of the Angling Trust as lead sponsor for the "Get Fishing" campaign

Our Purpose

Inspiring everyone to get out and enjoy an exceptional fishing experience, regardless of background or ability, in the great outdoors

“Getting Everyone Fishing”



Our Ambition

To become Europe's largest fishing club, through which all anglers can shop with confidence, seek advice and be inspired

Underpinned by 6 medium-term objectives

1. UK business on a flightpath to revenue of £100m
2. UK business on a flightpath to >£6m EBITDA* (pre-IFRS16)
3. Creating Europe's largest fishing club, MyAD, and leveraging its value
4. Development of a sustainable European business
5. Deployment of surplus liquidity to further grow the business beyond the medium-term objectives
6. Angling retail's largest responsible employer

**Clear purpose,
strategy and
medium-term
objectives**

* Pre-IFRS2

Medium Term Objectives and Capital Deployment

- Targeting a core UK business of **>£100m revenue** and **>£6m EBITDA**
- Sales growth delivered through:
 - **Stores:** continuing the accelerated UK store roll out programme including small format
 - **Online:** continuing to invest in technology that drives customer engagement and sales
 - Both channels leveraging MyAD
- EBITDA growth substantially over indexing sales growth, underpinned by continued gross margin progression and further leveraging the cost base through further deployment of technology
- Delivering a UK double digit ROCE %
- Delivering a break-even position for Europe and position the business for growth
- Surplus cash above the minimum working capital requirement will be deployed to exceed the UK >£100m target:
 - The material component of this **deployment into the UK business** via a scale brand supply chain partnership and retaining headroom for opportunistic bolt-on acquisitions
 - Flexibility retained around **European deployment**



Objective Tracking

We have a clear purpose, strategy and medium-term objectives, we are tracking well against these

Medium-term objectives		FY24 performance	
A UK business on a flightpath to revenue of £100m	→	UK revenue growth of 9.0% to £77.4m ✓ FY24: UK retail +7.6%, UK stores L4L* +3.1%, UK digital +11.1% ✓ 5 year CAGR 12.6%	●
UK business on a flightpath to >£6m EBITDA*** (pre-IFRS16)	→	EBITDA growth of 15.6% to £3.7m** ✓ EBITDA% growth of +20 bps to 4.7%** ✓ 5 year 550 bps improvement in UK EBITDA%	●
Creating Europe's largest fishing club, MyAD, and leveraging its value	→	>220,000 members at 31 Jan '24 ✓ >75% of revenue now through MyAD	●
Development of a sustainable European business	→	Revenue growth of 36.3% to £4.3m ✓ European EBITDA accretion of 19.3%, these losses reduced to 35.9% of Group EBITDA (FY23: 53.8%)	●
Deployment of surplus liquidity to further grow the business beyond the medium-term objectives	→	Net cash generation of £1.7m taking cash to £15.8m ✓ Creation of 2 small format sites via 3 modest post year end acquisitions (commenced FY24) ✓ H2 FY24 £1m commitment to UK automated packaging solution for FY25 implementation	●
Angling retail's largest responsible employer	→	446 colleagues ✓ 303 colleagues offering in-store expertise ✓ Improving our carbon intensity ratio by 14.1%	●

Clear purpose, strategy and medium-term objectives



On target



Additional action required



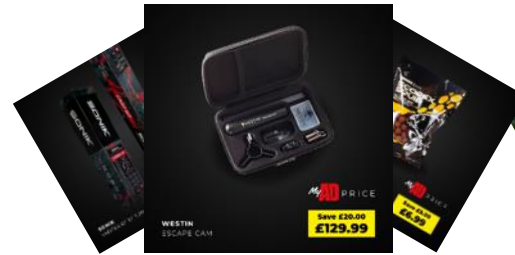
Behind target

* Excluding the Reading store which has not material traded in the period after it suffered a fire in the first week of February 2023

** Excluding insurance income as a result of the cyber-attack reported in FY23 but relating to FY22

*** Pre-IFRS2

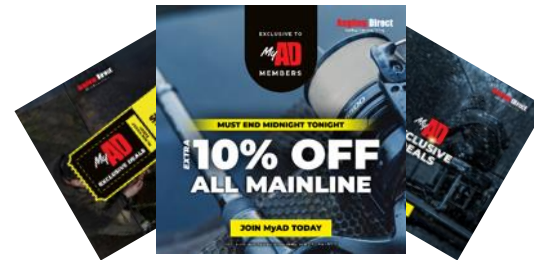
The Evolution of MyAD



Minimum
600+ 'everyday
deals'



Monthly
'money can't
buy prize'



Exclusive
MyAD deals
and bundles



Monthly free
giveaway
prizes



Developing year
round member
benefits package

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FY24 Strategic Developments

UK Customer

Creating Europe's largest fishing club, MyAD and leveraging its value

- Launched MyAD in June 2023 as a unique proposition in UK angling retail, bridging the gap between our physical stores and digital offering, with >220,000 members at 31 January 2024
- >75% of revenue now through MyAD, offering early positive insights into cross channel customer behaviour and the impact of targeted customer offers and promotions
- MyAD supporting the development of a new commercial marketing revenue stream, selling digital and physical promotional space for our brand partners

UK Retail

Growing portfolio, evolving formats, rolling out a service-based revenue stream

- Two new stores (Cardiff and Goole) as we continue to enter new catchments
- Growth in conversion driven by new on shelf labelling technology, daily optimised rostering and "BAITS" assisted selling programme
- Rolled out a new in-store service-based revenue stream (reel spooling)
- Significant increase in retail theft, investment in preventative measures as well as additional operating protocols now in place

UK Digital

Market leading digital capability underpinned by the deployment of new AI retail technologies

- Point upgrade of digital platform drove further optimised site speed and search capability
- Deployment of innovative contemporary digital technologies to provide customers with inspiration and recommendations to drive subsequent conversion
- Roll out of AI retail technology to enhance our digital paid marketing and bidding strategies

FY24 Strategic Developments

Europe

Delivering growth in a challenging consumer and competitor landscape, trialling our omni channel offer

- Challenging landscape in terms of both consumer and competitor dynamics
- The digital business continues to make gains in all the key target territories. Strong growth in unique customers and, underpinned by new technologies, German trading is now aligned with the more mature UK digital business, leveraging the UK learnings
- In January 2024 we signed the lease on our first European store in existing angling retail catchment in the Netherlands, to start to trial the omni channel offer in FY25

Commercial

Growing portfolio, evolving formats, rolling out a service-based revenue stream

- Continued development of our own brand Advanta range, alongside our new entry level Discover range, providing a competitive advantage and supply chain resilience – making significant progress with gross profit up 16.1% YoY
- Strong progress in stock ranging, fulfilment and availability enabling bolder decision on working capital deployment
- Clearer communication with brand partners, improving strategic alignment

Communities & Sustainability

Experienced customer facing colleagues and working with brand and supply chain partners

- 303 in-store customer colleagues with significant angling expertise delivering an exceptional experience, supported by an additional 143 colleagues across the business, most of which are experienced and passionate anglers
- Continue to work with Tackling Minds and returned £26k to support their ongoing work to help people from all walks of life that are struggling with a range of issues
- Engaging with our brand partners to sponsor line recycling centres, resulting in c900 miles of line being recycled in the year, bringing the total to date to over 3,100 miles

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Financial Review

Continuing to deliver record revenues, strengthening EBITDA margins and generating cash to execute our strategy

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		FY24		FY23		Var	
		£m	%	£m	%	%	bps
Record revenues	Revenue	81.7		74.1		10.2%	
	UK revenue	77.4		71.0		9.0%	
	European revenue	4.3		3.1		36.3%	
Strengthening EBITDA margins	Gross profit	28.5	34.9%	25.8	34.8%	10.5%	10
	UK gross profit	27.3	35.4%	25.0	35.3%	9.2%	10
	European gross profit	1.2	27.4%	0.7	23.3%	60.3%	410
	EBITDA	2.7	3.3%	2.2	3.0%	21.0%	30
	UK EBITDA	3.7	4.7%	3.4	4.8%	6.9%	(10)
	European EBITDA	(1.0)	-22.5%	(1.2)	-38.0%	-19.3%	1,550
	EBITDA*	2.7	3.3%	2.0	2.7%	36.9%	60
	UK EBITDA *	3.7	4.7%	3.2	4.5%	15.6%	20
	European EBITDA	(1.0)	-22.5%	(1.2)	-38.0%	-19.3%	1,550
Generating cash	Cash balance	15.8		14.1		11.6%	
	Working capital movement	1.0		(2.4)			
	Interest income	0.5		0.1			
	Net cash movement	1.7		(2.5)			

Reinvigorated UK sales growth and sustained gross profit % despite store theft headwind

Strong revenue growth over indexing into EBITDA growth, delivering improved EBITDA margins

Additional cash generation from working capital efficiencies and cash balance optimisation to ensure we are well positioned to execute our strategy

EBITDA shown on a pre-IFRS16 basis in line with market guidance

* Excluding insurance income as a result of the cyber-attack reported in FY23 but relating to FY22

Financial Review

Continuing to deliver record revenues, strengthening EBITDA margins and generating cash to execute our strategy

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Continuing to deliver record revenues:

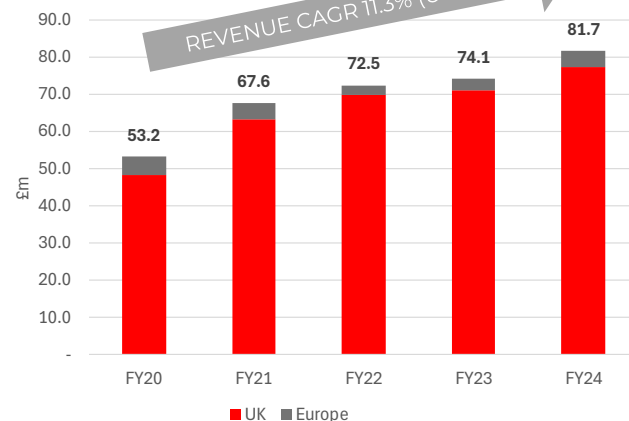
- Total FY24 Group revenue up 10.2% to £81.7m
- **UK stores** revenue growth of 7.6% to £44.4m (LFL* 3.1% to £40.7m) underpinned by new space and improved conversion
- **UK online** revenue growth of 11.1% to £32.9m underpinned by growth in average transaction value
- Resulting in the **core UK business** delivering reinvigorated revenue growth of 9.0% to £77.4m (1.7% in FY23)
- **Europe** revenue growth of 36.3% to £4.3m driven by growth in the key target territories of DE and NL delivering YoY growth of >40%

Gross profit contribution to strengthening EBITDA ratios:

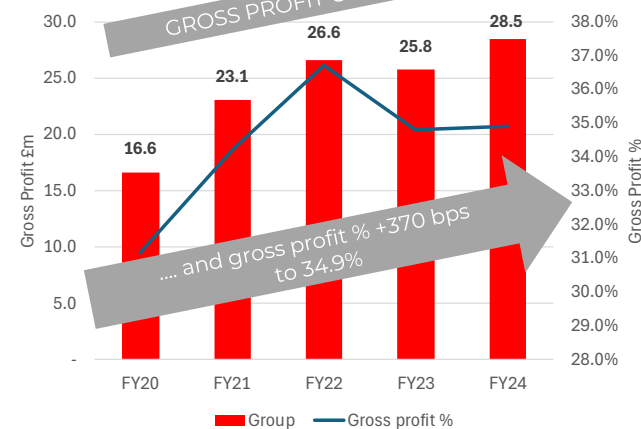
- FY24 gross profit up 10.5% to £28.5m and gross profit % up 10 bps to 34.9%
- **UK gross profit %** up 10 bps through progression in own brand, supplier terms, range reviews, commercial marketing and in-store services, substantially offset by store theft and out of season promotional activity
- **European gross profit %** up 410 bps through range optimisation and mix

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Revenue



Gross Profit



Revenue and gross profit growth demonstrates we continue to win market share underpinned by continued investment in the retail estate and digital business, with an engaged UK customer base through MyAD

UK and European revenue splits shown above prior to the establishment of ADNL B.V. relate to the revenues reported through the native DE, NL, FR and international websites

* Excluding the Reading store which has not materially traded in the period after it suffered a fire in the first week of February 2023

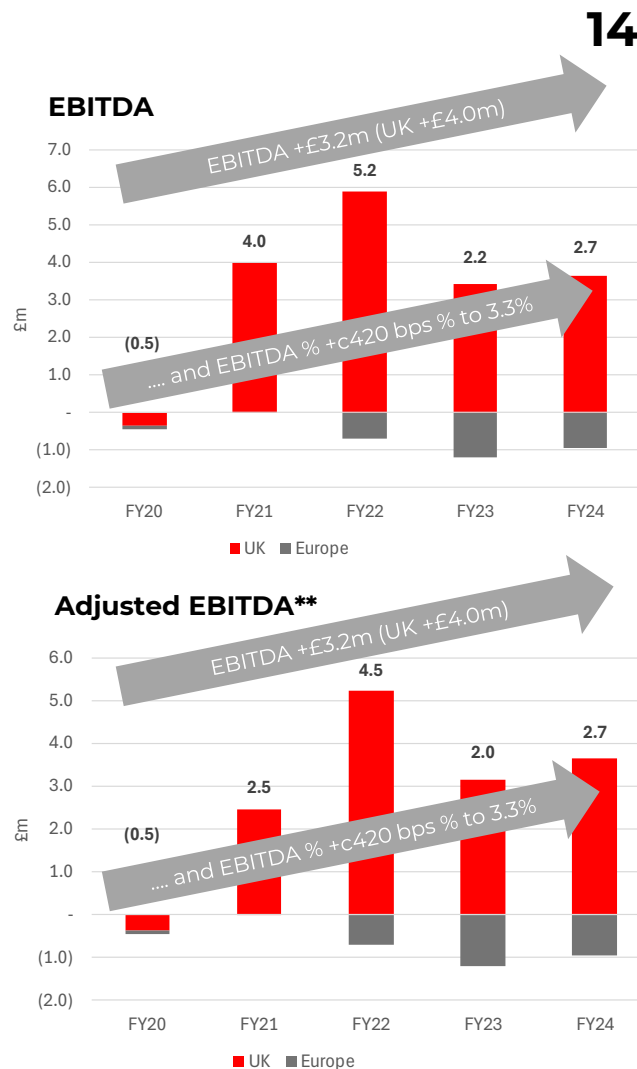
Financial Review

Continuing to deliver record revenues, strengthening EBITDA margins and generating cash to execute our strategy

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Strengthening EBITDA margins:

- Progressing gross profit %, delivering operational initiatives, and leveraging the current cost base has ensured an improving EBITDA ratio in the **core UK business**, over indexing* versus sales growth:
 - UK Stores** +7.6% revenue growth vs +9.1% EBITDA growth, improving the EBITDA margin by 20 bps to 12.0%
 - UK Online** +11.1% revenue growth vs. +11.9% EBITDA growth, improving the EBITDA margin by 10 bps to 10.9%
 - UK group overheads*** improved 20 bps to 6.8% of UK revenue from 7.0%
 - Overall, the **core UK business** EBITDA margin* improved by 30 bps to 4.7%
- Europe EBITDA** losses improved by 19.3% to -£1.0m driven by gains in gross profit % and better cost ratios, with EBITDA losses improving by c1,800 bps to 35.8% of Group EBITDA (FY23: 53.8%).



Our investment in retail, digital and support functions, alongside improvements in commercial management and operational delivery, continue to underpin sustainable growth in EBITDA

EBITDA shown on a pre-IFRS16 basis in line with market guidance

* Excluding insurance income as a result of the cyber-attack reported in FY23 but relating to FY22

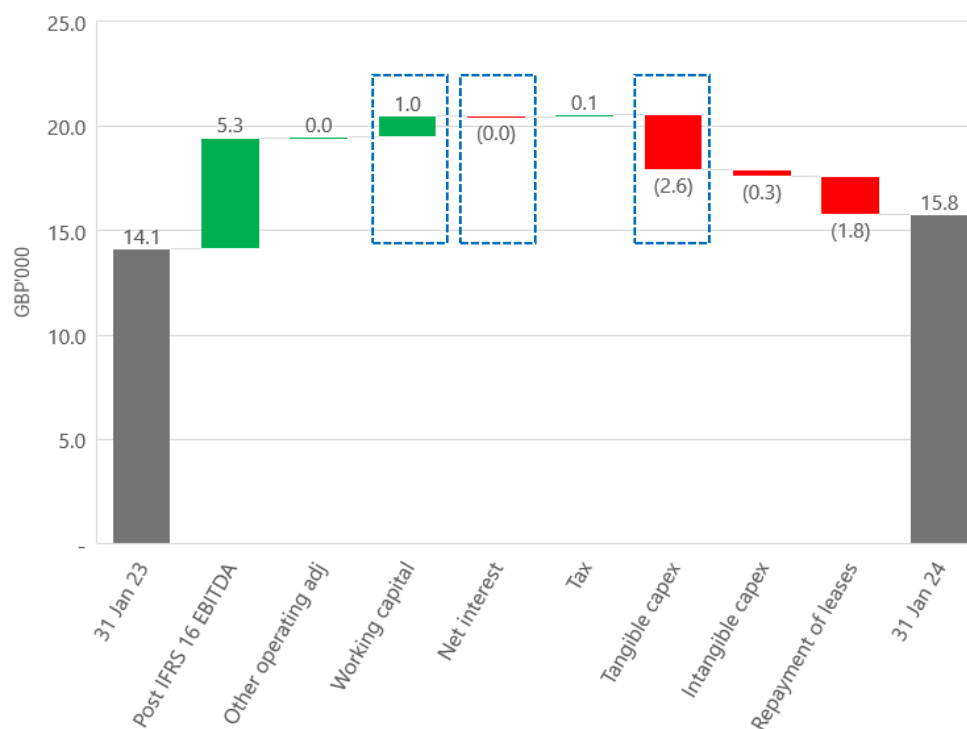
** Adjusted EBITDA is pre-IFRS16 EBITDA with (i) the insurance income as a result of the cyber-attack reported in FY23 but relating to FY22, being re-allocated to FY22, to align with the actual period in which the cyber-attack occurred, and (ii) removes all other income relating to government grants relating to Covid

Financial Review

Continuing to deliver record revenues, strengthening EBITDA margins and generating cash to execute our strategy

Generating cash to execute our strategy:

- Alongside strengthening EBITDA, **working capital** inflow of +£1.0m, net of investment in new space, highlighting the positive impact of stock ranging whilst also improving availability
- Net **interest** income includes c£0.5m of interest income less c£0.5m of IFRS 16 rental interest
- Continued **capex** investment, including:
 - Two new stores (Cardiff and Goole) and one re-fit (Guildford)
 - Continuing to invest into FY25



Alongside strengthening EBITDA, our focus on working capital management and optimisation of cash is enabling us to continue to invest in new retail space, digital technology investment, as well as strengthening our balance sheet to capitalise on further growth opportunities

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FY25 Operational Priorities

UK Customer

Continuing to leverage MyAD, digital full range solution and pricing optimisation technologies

- Further leverage MyAD with the evolution of everyday deals, MyAD exclusives, 'money can't buy' prizes and development of member benefits package
- Test deployment of personalised offers based on data insights for MyAD members
- Digital solution to shop the full AD range in-store
- Evaluate data led retail pricing optimisation technologies

UK Retail

Accelerate store openings, partnership with leading UK retailer, technology deployment

- Accelerate store opening plan focused on both traditional and small format catchments that would benefit from a more contemporary retail offer, delivered through both new 'greenfield' sites and via the acquisition of existing businesses
- Partnering with leading UK retailer to develop the proposition to utilise retail space within its existing estate
- Focus on further technology deployments within store to reduce colleague task against the backdrop of continued living wage increases

UK Digital

Develop market leading digital capability and invest in automated packaging

- Refreshing the checkout experience, including real time bespoke customer incentives to mitigate low margin single item baskets. Refresh and reposition merchant payment options
- Deploy an automated packaging solution in the UK distribution centre, to drive further efficiencies and scaling opportunities
- Further leverage development of AI retail technologies in customer acquisition and market bidding strategies

FY25 Operational Priorities

Europe

Trial the omni-channel model, balance growth with profitability in the digital business and deploy MyAD in the Netherlands

- Open Utrecht store in May 2024 and learn at pace to contribute to ongoing evaluation of further participation options
- Continue to balance growth and profitability of the digital business and further explore alternative operating models to provide greater flexibility
- Deployment of MyAD into the Netherlands to join up the omni-channel approach

Commercial

Ambitious own brand plans, deploy technology, upgrade infrastructure and evaluate opportunities

- Ambitious plan to scale our own brand offering through new categories and underpinned through investment in logistics
- Development through technology of in-store space planning and adjacencies to enhance revenue and gross profit opportunities
- Point upgrade of ERP system including migrating to a cloud infrastructure provides the platform to scale the business further
- Evaluate opportunities for scale brand supply chain partnership and incremental gross margin benefits

Communities & Sustainability

Build an experienced and engaged team, improve waste management

- Build Europe's largest and most experienced retail angling team, engaging with the angling community via the Angling Trust and Tackling Minds
- Further minimise the amount of landfill waste we generate
- Work with our own brand suppliers to reduce plastic packaging (e.g. saving over 20,000 blister packs from entering our supply chain)
- Continue our carbon reduction efforts, leveraging the progress made to date

Outlook

Current trading and outlook

- Total Q1 FY25 sales increased 4.0%, achieving growth in the UK and Europe
- In the UK, acquired two existing store catchments and opened one further new catchment in Q1 FY25
- Successfully opened first European store in Utrecht, the Netherlands, while maintaining a considered and prudent approach to ongoing European investment
- The changing UK competitive landscape creates a significant opportunity for further growth, and the Board is actively seeking and engaging in opportunities to deploy capital, take market share and reduce surplus liquidity to improve return on capital employed
- Resilient Q1 trading against an uncertain consumer landscape and sub-optimal weather conditions: focus on protecting operating margins, cost control and successfully optimising stock levels ahead of the key summer season
- The Board remains mindful of the macroeconomic headwinds facing the market and has confidence that its experienced management team and agile business model position the Company well to navigate and succeed in the period ahead while delivering against its medium-term objectives

Appendices

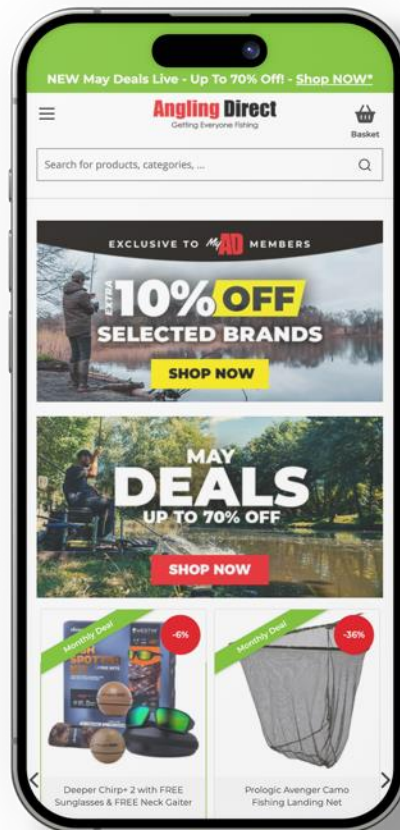
UK Retail Metrics



	FY24	FY23	Change
Footfall (total)	1,971k	1,906k	3.4%
Footfall - L4L *	1,791k	1,810k	-1.0%
Conversion	61.4%	58.9%	250 bps
ATV (average transaction value)	£37.80	£38.02	-0.6%

* Excluding the Reading store which has not material traded in the period after it suffered a fire in the first week of February 2023

UK Digital Metrics



	FY24	FY23*	Change
Website visitors	6.4m	6.3m	1.6%
App downloads	104k	55k	89.1%
Active unique customers	203k	199k	2.0%
Conversion rate	6.72%	6.69%	3 bps
ATV (average transaction value)	£78.57	£73.20	7.3%
Customer repeat percentage	65.5%	64.1%	140 bps
Return on advertising spend	£11.86	£12.00	-1.2%
App orders % total orders	5.1%	3.6%	146 bps
MyAD members	220k	0	n/a
Total social media followers	379k	339k	11.8%

European Digital Metrics



	FY24	FY23*	Change
Website visitors	1.9m	1.7m	11.8%
Active unique customers	40.0k	29.7k	34.7%
Conversion rate	3.54%	2.73%	81 bps
ATV (average transaction value)	€ 76.02	€ 82.13	-7.4%
Customer repeat percentage	48.0%		n/a
Return on advertising spend	£7.50	£7.10	5.6%
Total social media followers	26k	23k	13.0%

* FY23 website visitors have been restated due to a Google enforced change in the analytical tools that collect this data

IFRS Reconciliation

IFRS 16 Reconciliation

	Pre IFRS16 £m	IFRS16 £m	Post IFRS16 £m
Revenue	81.7	-	81.7
Gross profit	28.5	-	28.5
Overheads	(25.8)	(2.6)	(23.2)
EBITDA	2.7	(2.6)	5.3
Depreciation and amortisation	(1.7)	2.1	(3.8)
EBIT / operating profit	1.0	(0.5)	1.5
Finance costs	0.5	0.5	(0.0)
Profit before tax	1.5	0.0	1.5

Statement of financial position and statement of cashflows

Statement of financial position

	31 January 2024 £m	31 January 2023 £m
Property, plant and equipment	8.7	7.5
IFRS 16 Right-of-use assets	11.2	11.4
Intangible assets	6.1	6.1
Total non-current assets	26.0	25.0
Stock	17.0	17.8
Cash	15.8	14.1
Other current assets	1.2	1.1
Total current assets	34.0	33.0
Trade payables	(7.8)	(7.5)
Lease liabilities	(1.8)	(1.8)
Other current liabilities	(0.0)	(0.1)
Total current liabilities	(9.6)	(9.3)
Lease liabilities	(9.8)	(9.8)
Other non-current liabilities	(2.0)	(1.7)
Total non-current liabilities	(11.8)	(11.4)
Net assets	38.5	37.3

Statement of cashflows

	31 January 2024 £m	31 January 2023 £m
Opening cash	14.1	16.6
Profit before tax	1.5	0.7
Movement in working capital	1.0	(2.4)
Depreciation and amortisation	3.8	3.5
Taxation paid	0.1	(0.5)
Other operating adjustments	0.1	0.3
Net cash from operating activities	6.5	1.5
Net cash used in investing activities	(2.9)	(2.3)
Net cash used in financing activities	(1.8)	(1.7)
Net (decrease) / Increase in cash in year	1.7	(2.5)
FX changes on cash equivalents	(0.1)	0.0
Closing cash	15.8	14.1

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