

22 February 2022

Angling Direct plc
("Angling Direct" or the "Company")

Full Year Trading Update and Notice of Results

Angling Direct plc (AIM: ANG), the leading omni-channel specialist fishing tackle and equipment retailer, provides the following update in relation to trading for the financial year ended 31 January 2022 ("FY22"), ahead of announcing its Final Results on 11 May 2022.

Financial Highlights

£m	FY 2022	FY 2021	FY 2020	<u>FY 2022 Growth</u>	
				<i>on FY 2021</i>	<i>on FY 2020</i>
Revenue	72.5	67.6	53.2	7.2%	36.3%
Online Sales	33.8	35.3	25.2	(4.3)%	33.9%
- of which UK Online Sales	31.1	30.3	18.8	2.7%	65.8%
Retail store Sales	38.7	32.3	27.9	19.9%	38.4%

Since the last update on 12 November 2021, the Company has traded in line with the Board's expectations and expects to report a 7.2% increase in revenue for FY22 to £72.5m against exceptional FY21 sales of £67.6m (representing a 36.3% increase on a two-year basis). This strong performance has been achieved despite all of the Group's retail stores being forced to close between 1 February 2021 and 11 April 2021 due to Covid-19 restrictions and consequently only being able to operate on a "call & collect" basis.

The Company's strong growth was driven by robust store sales as Covid-19 trading restrictions eased during FY22. Total store sales increased 19.9% to £38.7m (FY21: £32.3m) or 38.4% on a two-year basis, while the total number of stores increased from 38 to 42 in the year. Since its Interim Results on 13 October 2021, the Company has opened new stores in Ipswich (November), Southampton and Cheltenham (both January). These stores, along with Redditch which opened in February 2021, contributed £0.7m in sales in the period. Like-for-like store sales increased 14.1% partly as a consequence of fewer lost trading days due to Covid-19 restrictions (70 days or 19% available trading days in FY22 compared with 134 days or 37% available trading days in FY21).

As expected, total online sales declined modestly by 4.3% to £33.8m (FY21: £35.3m), against the exceptional prior year, but on a two-year basis grew 33.9%. UK online sales, representing 92% of total online sales, increased 2.7% while the Company's European sales reduced 39.3%, with its key European territories of Germany, France and Netherlands declining 21.8% as the Company was impacted by increased export costs and customer fulfilment times post-Brexit. Going forward, the Board expects a return to growth in Europe as a result of the imminent opening of its European Distribution centre which continues to progress on plan. Also, towards the end of the period, the Company launched its new web trading app in the UK, the only one of its kind serving angling customers, and initial feedback has been encouraging.

Management remains focused on delivering the Company's long-term strategy of profitable growth and continues to make progress in the key areas of developing its European customer proposition, product margin and operational efficiencies. The period included the significant investment phase of establishing the Company's European fulfilment capability, with the associated costs of expansion able to be absorbed within the strong trading performance of the UK operations. As a result, the Board expects to report pre IFRS-16 EBITDA of no less than £5.0m for FY22, in line with market expectations*, representing a significant improvement with growth of over 25% on the prior year.

Management has continued to invest in stock to both de-risk supply chain uncertainties and ensure robust stock levels ahead of the 2022 fishing season, as well as to satisfy its impending European fulfilment capability. The strong trading performance and associated cash conversion has mitigated these working capital investments and this has led to a 10.7% improvement in the cash position as at 31 January 2022 to £16.6m (31 January 2021: £15.0m).

As previously disclosed, whilst the cyber incident that occurred in November 2021 forced the cessation of online operations for seven days, the Company's stores remained trading throughout. The Company has since provided all of the required information to the Information Commissioner's Office and they have closed their investigation with no action taken. The Company continues to pursue residual claims with its insurers in relation to the disruption caused by the cyber-attack and will provide further updates as appropriate.

Current Trading and Outlook

The new financial year has started with a return to a more traditional channel split following the removal of most pandemic restrictions in the UK and in many of the Company's key European markets. The Board believes that Angling Direct's leading omni-channel model, combined with its strategic and operational progress in FY22, leaves the Company well placed to benefit from its significant European growth opportunity. Moreover, the strong balance sheet means the Company is well positioned to seize opportunities to invest in other key areas to accelerate growth.

The Board welcomes the wind down of the remaining Covid-19 restrictions and the expected return to more normalised conditions, with an associated withdrawal of government financial support for retailers, including business rates relief. The Board remains vigilant as to continuing challenges in the macro-environment such as rising inflation and supply chain disruption, however, mitigating actions taken by the Company to date have moderated these impacts and the Board re-affirms its view that the Company is well-placed to capitalise on the opportunities ahead. The Board remains committed to its growth plan and will invest in order to strengthen the Company's market leading position, maintain a compelling customer offer and gain market share both within the UK and Europe.

Andy Torrance, CEO of Angling Direct, commented:

"We are extremely pleased with the Company's trading performance through what has been another challenging year. Despite significant Government restrictions endured during the period, we have delivered against our operational and strategic objectives. We have reported record revenues, opened four new stores and continued to invest in our long-term growth strategy, including the imminent opening of our European Distribution centre in the Netherlands. This investment as well as our investment in technology and strong balance sheet leave the Company well positioned to accelerate our growth strategy. These achievements would not have been possible without the continued commitment of all our Angling Direct colleagues who I would like to thank again for their incredible support throughout the year."

*Angling Direct believes that current market expectations (i) for the year ended 31 January 2022 are revenue of £72.5 million and pre-IFRS 16 EBITDA of £5.0 million; and (ii) for the year ending 31 January 2023 are revenue of £82.0 million and pre-IFRS 16 EBITDA of £4.3 million.

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The information communicated in this announcement is inside information for the purposes of Article 7 of Regulation 596/2014.

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 .de, .fr and .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 20,000 fishing tackle products, including capital items, consumables, luggage and clothing. Angling Direct also owns and sells fishing tackle products under its own brand 'Advanta', which was formally launched in March 2016.

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 42 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 January 2022 Angling Direct acquired an additional 3,900 sq. metres 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.