

18 August 2022

Angling Direct plc

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

Half Year Trading Update and Notice of Results

Angling Direct plc (AIM: ANG), the leading omni-channel specialist fishing tackle and equipment retailer, provides an update on trading for the six months ended 31 July 2022 ('H1 23').

Financial Highlights

| £m | H1 2023 | H1 2022 | Change |
|---|------------|------------|--------------|
| Revenue | 38.9 | 38.4 | 1.3% |
| Retail store sales | 21.9 | 19.9 | 9.8% |
| Online sales | 17.0 | 18.5 | -7.9% |
| UK Online sales | 15.3 | 17.2 | -11.1% |
| European Online sales | 1.7 | 1.3 | 36.9% |
| <i>Of which European key territory sales*</i> | <i>1.6</i> | <i>1.0</i> | <i>55.0%</i> |

Net cash and cash equivalents as at 31 July 2022: £17.1m (31 July 2021: £19.6m).

Trading Performance Summary

The Company has made further progress on its strategic objectives in H1 23 whilst growing sales despite the continuation of significant unforeseen macro-economic factors impacting customers, suppliers and colleagues.

The Company recorded sales growth of 5.4% in Q1 23 (against the same period in the prior year), however the well documented pressure on discretionary spending and consumer confidence significantly impacted Q2 23, with sales reducing marginally by 1.6% against the prior year, meaning an overall H1 23 growth rate for the Group of 1.3%.

Total store sales grew strongly by 9.8% in H1 23, with like for like store sales increasing by 4.6% supported by a period free from any COVID-19 trading restrictions. During H1 23, the Company opened one new store, in Washington, in July, and now operates a total of 43 stores across the UK. A further two new stores are scheduled to open in Q3 23.

As expected, given the annualisation of prior year COVID-19 store restrictions, total online sales declined by 7.9%. UK online sales reduced by 11.1% in H1 23, recovering to -0.2% in Q2 23. Following the successful opening of the Company's European Distribution Centre in March 2022, sales from its key European territories* grew by 55% in the period, accelerating* to 87.5% in Q2 23, highlighting the long-term growth opportunity for the Group.

Strategy

The Board has remained focused on delivering its long-term omni-channel strategy of profitable growth through both online and bricks and mortar stores. Additionally, considerable management focus has been spent on maintaining growth whilst managing gross margins and mitigating cost inflation. Whilst facing similar economic challenges to the UK, the highly fragmented European market remains a very attractive strategic priority for the Group to accelerate market share. To deliver on its strategic objectives, the Company continued its planned investment to drive European customer acquisition and has also invested in margin, where appropriate, to further establish its competitive position.

The Company continues to strengthen its customer proposition by developing several innovative, digital first and industry leading initiatives, including the ongoing refinement of its trading app, expanding its own brand penetration and developing a range of exclusive branded products, all of which further differentiate the Company from its competitors.

Outlook

The Company's focus remains on gaining market share both in the UK and Europe over the medium to long term. The Group will therefore continue to drive market share growth, leveraging its market leading position in the UK and strong balance sheet to ensure it is best placed competitively when consumer confidence returns.

Despite the current exceptional macro-economic circumstances, the Board continues to proactively manage operations and believes the Company is gaining market share and demonstrating resilience in the UK. However there has been an inevitable impact from the ongoing cost of living pressures, declining consumer confidence and unavoidable inflationary pressures on trading. More recently, adverse fishing conditions caused by the heatwave and its resulting effect on river levels and fish health has also impacted trading in the usually busy month of August. In addition, the same factors have impacted sales growth and profitability to a similar extent in Europe as the Company continues to invest in the early stages of its European rollout.

As a result of these market headwinds the Group now expects to generate revenues marginally below current market expectations for FY 2023. However, Pre-IFRS 16 EBITDA is now expected to be materially behind current market expectations for FY 2023 and in a range of between £3.0 million and £3.4 million.**

*Sales through German, French and Dutch native language websites

**Angling Direct believes that market expectations for the year ending 31 January 2023 prior to this announcement were revenue of £82.0 million and pre-IFRS 16 EBITDA of £4.3 million.

Notice of Results

The Company will announce its half year results for the six months ended 31 July 2022 on 12 October 2022.

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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 43 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.