

9 October 2017

**Angling Direct plc**  
**(“Angling Direct” or “the Company” or “the Group”)**

**Half-yearly report for the period ended 31 July 2017**

**Angling Direct plc** (AIM: ANG.L), the largest specialist fishing tackle and equipment retailer in the UK, is pleased to announce its unaudited financial results for the six months ended 31 July 2017.

**Financial Highlights:**

- Group revenue of £14.08 million up by 39.2% (H1 2017: £10.12 million)
- Gross profit of £4.73 million up by 35.3% (H1 2017: £3.50 million)
- EBITDA £0.93 million up by 72.6 % (H1 2017: £0.54 million)
- Net cash and cash equivalents at 31 July 2017 of £4.10 million (H1 2017: £1.55 million)
- Successful listing on AIM and associated placing to strengthen the balance sheet for future expansion and growth

**Operational Highlights:**

- Online sales up 67% to £6.57 million
- Store sales up 38% to £6.20 million, included like for like store growth of 10%
- Continued investment in online marketing, logistics and distribution
- Opened new 4,000 sq ft store in Swindon, with further new store openings in Slough and Stoke expected before the end of the financial year

**Post-Period End:**

- £3.0 million acquisition of fishing tackle store, Fosters of Birmingham, as announced on 2 October 2017

**Martyn Page, Executive Chairman, said:** *“We are delighted to announce Angling Direct’s first maiden set of results as a quoted company in respect of the six month period to 31 July 2017, demonstrating further growth across our network of stores and online. Following our admission to AIM in July 2017, we have developed a strong pipeline of new store openings and acquisitions, and we look forward to another period of strong growth in the second half of the year.”*

*“I would like to thank my fellow directors and the whole of the Angling Direct team for their efforts over the interim period and for seeing the Group through its highly successful IPO.”*

**For further information:**

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### **Darren Bailey, Chief Executive's review**

I am pleased to report a strong set of interim results for the six months ended 31 July 2017. This has been a transformational period for the Company and, in particular, the performance of the Group's retail stores and online divisions during the first six months of the year has been very encouraging. Revenue for the period was £14.08 million, an increase of £3.97 million or 39.2% (H1 2017: £10.12 million). EBITDA was £0.93 million, an increase of £0.39 million or 72.6% (H1 2017: £0.54 million). Following various adjustments including the costs associated with the company's flotation on the AIM market, the income statement shows a pre-tax profit of £0.09 million.

### **Current Trading**

The Group has continued its strong start to the year with retail store revenue increasing by 38% to £6.20 million (H1 2017: £4.50 million) demonstrating continued growth, backed with increased footfall in store of 10.8% v (H1 2017: 0.6%) and an online revenue increase of 66% to £6.57 million (H1 2017: £3.90 million). Average basket values during the period rose by 5.3% to £96.96 (H1 2017: £92.12), reflecting the continuous improvements and investment we are making to protect the Groups position as a market leader both instore and online.

Ebay sales have continued to fall, as expected, reducing by 21% to £0.74 million (H1 2017: £0.93 million), which is in line with our strategy to migrate customers across to the Company's e-commerce platform. In addition, Insurance replacement sales also reduced by 18% to £0.55 million (H1 2017: £0.68 million) low claim volumes and reduced crime rates delivering the reduction.

The Group continues to invest in its own branded product range, Advanta, which contributed £0.45 million of the group's total sales, up 26% from last year (H1 2017: £0.35 million). We have employed a full-time brand manager who oversees the product range from manufacture to sale and in addition we have increased our investment in stock to improve the availability throughout the year of key selling items.

The group's strategy of remaining competitive with its pricing structure, as per its price checker policy will remain, however market conditions, online growth and price increases from suppliers in the far east have affected our margin to be down slightly at 34%. We will continue to monitor the margin and look to increase this with more own brand sales.

### **Store Roll-out**

The Group's focus remains on expanding the number of its retail sites through a programme of expansion, although the Group does continue to assess acquisition opportunities that may be a strategic fit and add value to the Group's overall operations.

The Group ended the period owning and operating 15 stores based around the UK. Following the period end a further store was opened in Swindon (August 2017) and the acquisition of Fosters of Birmingham was completed (as further explained below). Since opening the Swindon store, trading has been very strong, further complimenting the Groups retail offering along the M4 corridor alongside Reading.

It is anticipated that the Group will open two further new sites before the end of December 2017, in Slough and Stoke. The Group therefore expects to own and operate 19 stores based by the end of the financial year. The new store pipeline for 2018 is already being developed and will see expansion into new areas of the country in line with the Company's stated strategy.

### **Acquisitions**

Subsequent to the period end, the Company acquired Fosters of Birmingham for a total consideration of £3.0 million. Fosters is one of the largest single-store fishing tackle retailers in Europe and the acquisition strengthens Angling Direct's presence in the Midlands. Integration and re-branding was started immediately upon acquisition. As part of the acquisition, the Company acquired a freehold property valued at £0.50 million. Where possible the Company will seek not to purchase freehold property as part of any acquisition unless absolutely necessary. Further details on the acquisition are set out in note 5 below.

### **Outlook**

The Group continues to control its costs and improve its operational efficiencies and margins, with the quality of the new site openings planned for the remainder of the financial year. Expansion through new store roll outs and acquisitions, together with the continuing solid trading that the Group has experienced in July and August, there is confidence that the Board's expectations for the full 2017 financial year will be achieved.

Darren Bailey  
***Chief Executive Officer***

**CONSOLIDATED INCOME STATEMENT  
FOR THE 6 MONTHS ENDED 31 JULY 2017**

	Note	(Unaudited) 6 months to 31 July 2017 £ 000's	(Unaudited) 6 months to 31 July 2016 £ 000's	(Audited) Year ended 31 Jan 2017 £ 000's
<b>CONTINUING OPERATIONS</b>				
Revenue		14,083	10,116	21,032
Cost of sales		<u>(9,353)</u>	<u>(6,620)</u>	<u>(13,859)</u>
<b>GROSS PROFIT</b>		4,730	3,496	7,173
Distribution costs		(797)	(568)	(1,206)
Administrative expenses		<u>(3,079)</u>	<u>(2,457)</u>	<u>(5,229)</u>
<b>OPERATING PROFIT BEFORE EXCEPTIONAL ITEMS</b>		854	471	738
Exceptional items	3	<u>(740)</u>	=	=
<b>OPERATING PROFIT</b>		114	471	738
Finance costs		<u>(28)</u>	<u>(33)</u>	<u>(75)</u>
<b>PROFIT BEFORE INCOME TAX</b>		86	438	663
Income tax		<u>(117)</u>	<u>(62)</u>	<u>(103)</u>
<b>(LOSS)/PROFIT FOR THE PERIOD</b>		<u>(31)</u>	<u>376</u>	<u>560</u>
(Loss)/Profit attributable to: Owners of the parent		<u>(31)</u>	<u>376</u>	<u>560</u>
(Loss)/Earnings per share attributable to the ordinary equity holders of the parent: Basic and diluted (pence)		<u>(0.33)</u>	<u>375.83</u>	<u>547.22</u>

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE 6 MONTHS ENDED 31 JULY 2017**

	(Unaudited) 6 months to 31 July 2017 £ 000's	(Unaudited) 6 months to 31 July 2016 £ 000's	(Audited) Year ended 31 Jan 2017 £ 000's
<b>(LOSS)/PROFIT FOR THE PERIOD</b>	(31)	376	560
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Item that may be reclassified subsequently to profit or loss:</b>			
Bonus share <b>issue</b>	(302)	-	(9)
Income tax relating to components of other comprehensive income	=	=	=
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX</b>	(302)	-	(9)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>(333)</u>	<u>376</u>	<u>551</u>
Total comprehensive income attributable to:			
Owners of the parent	<u>(333)</u>	<u>376</u>	<u>551</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 JULY 2017**

		(Unaudited) 6 months to 31 July 2017 £ 000's	(Unaudited) 6 months to 31 July 2016 £ 000's	(Audited) Year ended 31 Jan 2017 £ 000's
<b>ASSETS</b>	Notes			
<b>NON-CURRENT ASSETS</b>				
Intangible assets		1,816	1,828	1,816
Property, plant and equipment		<u>1,310</u>	<u>1,015</u>	<u>1,121</u>
		<u>3,126</u>	<u>2,843</u>	<u>2,937</u>
<b>CURRENT ASSETS</b>				
Inventories		4,818	4,795	4,378
Trade and other receivables		770	485	496
Cash and cash equivalents		<u>4,099</u>	<u>1,649</u>	<u>283</u>
		<u>9,687</u>	<u>6,929</u>	<u>5,157</u>
<b>TOTAL ASSETS</b>		<u>12,813</u>	<u>9,772</u>	<u>8,094</u>
<b>EQUITY</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Called up share capital	4	430	1,401	1,410
Share premium		7,032	-	-
Retained earnings		<u>650</u>	<u>815</u>	<u>990</u>
<b>TOTAL EQUITY</b>		<u>8,112</u>	<u>2,216</u>	<u>2,400</u>
<b>LIABILITIES</b>				
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables		-	403	200
Financial liabilities – borrowings Interest bearing loans and borrowings		62	1,401	1,120
Deferred tax		<u>163</u>	<u>162</u>	<u>160</u>

	<u>225</u>	<u>1,966</u>	<u>1,480</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	4,173	4,800	3,362
Financial liabilities – borrowings			
Bank overdrafts	-	94	187
Interest bearing loans and borrowings	29	438	501
Tax payable	<u>274</u>	<u>258</u>	<u>164</u>
	<u>4,476</u>	<u>5,590</u>	<u>4,214</u>
<b>TOTAL LIABILITIES</b>	<u>4,701</u>	<u>7,556</u>	<u>5,694</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>12,813</u>	<u>9,772</u>	<u>8,094</u>

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE 6 MONTHS ENDED 31 JULY 2017**

	Called up share capital £ 000's	Share premium £ 000's	Retained earnings £ 000's	Total equity £ 000's
<b>Balance at 31 January 2016</b>	<u>1</u>	=	<u>464</u>	<u>465</u>
<b>Changes in equity</b>				
Issue of share capital	1,400	-	-	1,400
Dividends	-	-	(25)	(25)
Profit for the period	-	-	376	376
Other comprehensive income	=	=	=	=
<b>Balance at 31 July 2016</b>	<u>1,401</u>	=	<u>815</u>	<u>2,216</u>
<b>Changes in equity</b>				
Issue of share capital	9	-	-	9
Costs associated with share issue	-	-	-	-
Profit for the period	-	-	184	184
Other comprehensive income	=	=	<u>(9)</u>	<u>(9)</u>

<b>Balance at 31 January 2017</b>	<u>1,410</u>	=	<u>990</u>	<u>2,400</u>
<b>Changes in equity</b>				
Issue of share capital	420	7,402	-	7,822
Costs associated with share issue	-	(370)	-	(370)
Redemption of preference shares	(1400)	-	-	(1400)
Dividends	-	-	(7)	(7)
Loss for the period	-	-	(31)	(31)
Other comprehensive income	=	=	<u>(302)</u>	<u>(302)</u>
<b>Balance at 31 July 2017</b>	<u>430</u>	<u>7,032</u>	<u>650</u>	<u>8,112</u>

**CONSOLIDATED CASHFLOW STATEMENT  
FOR THE 6 MONTHS ENDED 30 JULY 2017**

<b>Cash flows from operating activities</b>	Note	(Unaudited ) 6 months to 31 July 2017 £ 000's	(Unaudited) 6 months to 31 July 2016 £ 000's	(Audited) Year ended 31 Jan 2017 £ 000's
Cash generated from operations	1	85	1,002	(99)
Interest paid		(25)	(29)	(69)
Interest element of finance lease payments made		(3)	(4)	(6)
Taxation refund		-	-	13



Taxation paid		<u>(3)</u>	<u>(64)</u>	=
Net cash from operating activities		<u>54</u>	<u>905</u>	<u>(161)</u>
<b>Cash flows from investing activities</b>				
Purchase of goodwill		-	(1,524)	(1,524)
Purchase of tangible fixed assets		(264)	(41)	(216)
Sale of tangible fixed assets		=	<u>18</u>	<u>18</u>
Net cash from investing activities		<u>(264)</u>	<u>(1,547)</u>	<u>(1,722)</u>
	(264)	(1,547)	(1,722)	
<b>Cash flows from financing activities</b>				
New loans in period			1,250	1,250
Loan repayments in period		(1,515)	(63)	(267)
Capital repayments in period		(15)	(8)	(22)
Share issue		7,520	1,400	1,400
Cost of share issue		(370)	-	-
Redemption of preference shares		(1,400)	-	-
Equity dividends paid		(7)	(25)	(25)
Net cash from financing activities		<u>4,213</u>	<u>2,554</u>	<u>2,336</u>
<b>(Decrease)/Increase in cash and cash equivalents</b>		4,003	1,912	453
Cash and cash equivalents at beginning of period		<u>96</u>	<u>(357)</u>	<u>(357)</u>
<b>Cash and cash equivalents at end of period</b>	2	<u>4,099</u>	<u>1,555</u>	<u>96</u>

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE 6 MONTHS ENDED 31 JULY 2017**

**1. RECONCILIATION OF PROFIT BEFORE TAX TO CASH GENERATED FROM OPERATIONS**

	(Unaudited) 6 months to 31 July 2017 £000's	(Unaudited) 6 months to 31 July 2016 £000's	(Audited) Year ended 31 Jan 2017 £000's
Profit before income tax	86	438	663
Depreciation charges	75	55	125
Impairment of goodwill	-	12	24
Profit on disposal of fixed assets	-	(3)	(3)
Finance costs	<u>28</u>	<u>33</u>	<u>75</u>
	189	535	884
(Increase)/Decrease in inventories	(440)	(1,384)	(967)
(Increase)/Decrease in trade and other receivables	(274)	168	156
Increase/(Decrease) in trade and other payables	<u>610</u>	<u>1,683</u>	<u>(172)</u>
<b>Cash generated from operations</b>	<u>85</u>	<u>1,002</u>	<u>(99)</u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of the statement of financial position amounts:

<b>Period ended 31 July 2017</b>	(Unaudited)	(Audited)
	As at 31 July	As at 31 Jan
	2017	2017
	£000's	£000's
Cash and cash equivalents	4,099	283
Bank Overdrafts	-	<u>(187)</u>
	<u>4099</u>	<u>96</u>
<b>Period ended 31 July 2016</b>	(Unaudited)	(Audited)
	As at 31 July	As at 31 Jan
	2016	2016
	£000's	£000's

Cash and cash equivalents	1,649	6
Bank Overdrafts	<u>(94)</u>	<u>(363)</u>
	<u>1,555</u>	<u>(357)</u>

<b>Period ended 31 January 2017</b>	(Unaudited)	(Audited)
	As at 31 Jan	As at 31 Jan
	2017	2017
	£000's	£000's
Cash and cash equivalents	283	6
Bank Overdrafts	<u>(187)</u>	<u>(363)</u>
	<u>96</u>	<u>(357)</u>

## NOTES TO THE FINANCIAL STATEMENTS UNAUDITED RESULTS FOR THE 6 MONTHS ENDED 31 JULY 2017

### 1. Basis of preparation

These interim financial statements for the six-month period ended 31 July 2017 have been prepared using the historical cost convention, on a going concern basis and in accordance with applicable International Financial Reporting Standards as adopted by the European Union ("IFRS") and with those parts of the UK Companies Act 2006 applicable to companies reporting under IFRS as adopted by the European Union. They have also been prepared on a basis consistent with the accounting policies expected to be applied for the year ending 31 January 2018 and which are also consistent with the accounting policies applied for the year ended 31 January 2017 except for the adoption of any new standards and interpretations.

These interim results for the six months ended 31 July 2017 are unaudited and do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The financial statements for the year ended 31 January 2017 have been delivered to the Registrar of Companies and filed at Companies House and the auditors' report on those financial statements was unqualified and did not contain a statement made under Section 498(2) or Section 498(3) of the Companies Act 2006.

### 2. Profit per share

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares of 9,172,306 (31 July 2016: 100,000 and 31 January 2017: 102,400) outstanding during the period. (The comparative figures weighted average number of shares have been re-stated to reflect the sub-division of share capital on 19 June 2017).

There is no difference between the basic and diluted loss per share.

### 3. Exceptional items

During the period the Group incurred exceptional costs of £740k, of which £623k was in respect of achieving a listing on AIM. These AIM costs included £483k for legal and professional fees, together with £140k paid to the auditors in their capacity as reporting accountants.

	(Unaudited) 31 July 2017 £	(Unaudited) 31 July 2016 £	Audited 31 Jan 2017 £
<b>Allotted, called up and fully paid</b>			
Ordinary shares of £1 each	-	1,000	10,000
Ordinary shares of 1p each	430,000	-	-
Preference shares of £1 each	-	<u>1,400,000</u>	<u>1,400,000</u>
	<u>430,000</u>	<u>1,401,000</u>	<u>1,410,000</u>

#### 4. Called up share capital

1,400,000 £1 preference shares were issued at par on 30 June 2016.

A bonus issue of 9,000 £1 ordinary shares was announced on 30 January 2017 with 9 ordinary shares being issued for every 1 share held.

On 22 March 2017 the company consolidated its 'A', 'B' 'C' and 'D' class £1 ordinary shares into a single class of £1 ordinary shares.

On 19 June 2017 the company sub-divided its ordinary share capital with each £1 ordinary share being converted into 100 1p ordinary shares.

A bonus issue of 30,250,000 1p ordinary shares was announced on 19 June 2017 with 30.25 ordinary shares being issued for every 1 share held.

On 13 July 2017 the company issued 11,562,500 new 1p ordinary shares at a premium of 63p per share and also redeemed its 1,400,000 £1 preference shares.

On 28 July 2017 the company issued 187,493 new 1p ordinary shares at a premium of 63p per share. The number of shares in issue was as follows:

	Preference £1 Shares No.	Ordinary 1p shares No.	Ordinary £1 shares No.
Balance as 31 January 2016	=	=	<u>1,000</u>
Balance at 31 July 2016	-	-	1,000
Bonus issue	-	-	9,000
Issued during the period	<u>1,400,000</u>	=	=
Balance at 31 January 2017	1,400,000	-	10,000
Sub-division of shares	-	1,000,000	(10,000)
Bonus issue	-	30,250,000	-
Issued during the period	-	11,749,993	-
Redemption of shares	<u>(1,400,000)</u>	=	=
Balance at 31 July 2017	=	<u>42,999,993</u>	=

## 5. Post balance sheet events

On 2 October 2017, the Company acquired the entire issued share capital of Fosters Fishing Limited ("Fosters") for a total consideration of £3.0 million payable in cash. In the year to 31<sup>st</sup> March 2017, Fosters generated revenues of c£5.9 million and an operating profit before tax of c£460,000, with net assets of c£1.1 million. Within net assets is the freehold property of the Fosters store, which has been recently valued at £0.5million.