



# Angling Direct

Getting everyone fishing

## 2021 Full Year Results

for the 12 months to 31 January 2021

May 2021

## Agenda

FY21 Highlights & Strategic Progress

FY21 Financial Overview

Business Review

Summary & Outlook

## FY21 Overview

### Financial highlights

- Group revenue increased 27.1% to £67.6m (FY20: £53.2m)
- Online sales up 39.9% to £35.3m (FY20: £25.2m), with international sales accounting for 12.4% of total online sales
- Retail store sales up 15.5% to £32.3m (FY20: £27.9m), despite impact of national lockdowns
- Gross profit of £23.1m, up 39.5% (FY20: £16.6m) with a 300bps improvement in gross margin to 34.2% (FY20: 31.2%), underpinned by more disciplined approach to pricing and inventory management
- Operating cashflow up 825% to £6.9m
- EBITDA (post IFRS 16) of £5.7m (FY20: £0.7m)
- Profit before tax of £2.6m, up 279% (FY20: (£1.5m loss))
- Basic earnings per share of 3.33p (FY20: (2.03p loss))
- Strong balance sheet with Group net cash of £15.0m at 31 January 2021

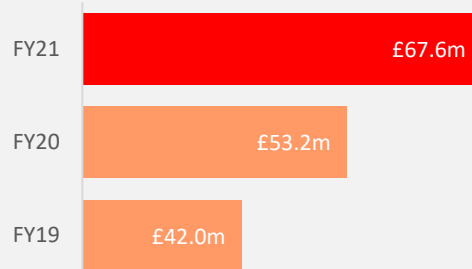
### Operational highlights

- Web platform upgrade delivering new and improved customer journey functionality across UK and international websites (.uk, .de, .fr, .nl)
- Online direct wage cost efficiency improvement of 240 bps to 3.6% of sales alongside distribution centre reconfiguration
- Four new stores opened (Warrington, Bristol, Northampton, Leicester) in strategically located, high density fishing catchments, bringing store estate total to 38 at period end (FY20: 34)
- Post period-end opening of new Redditch store (February) and Sittingbourne re-sited (April)
- Growing contribution from higher margin own brand Advanta range, representing 4.8% of total sales (FY20 2.8%)
- Became exclusive retail partner of Angling Trust's Get Fishing campaign; at least two Angling Trust qualified fishing coaches now in each store
- Key hires within growth critical areas of Web development, Technology, Buying, Finance and Operations

# FY21 Highlights

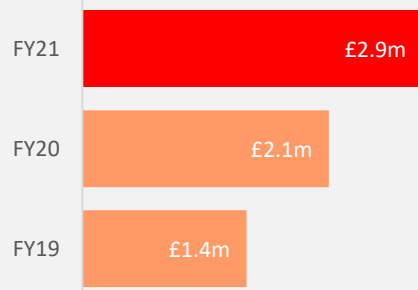
## Sales

### TOTAL REVENUE GROWTH



**£67.6m**  
+27.1%

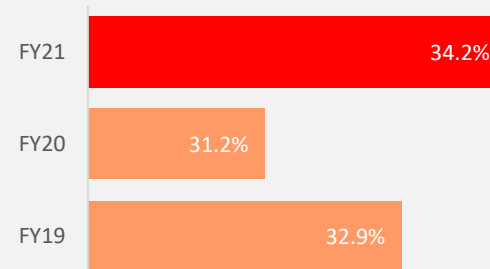
### NATIVE WEBSITE COUNTRY REVENUE GROWTH



**£2.9m**  
+35.0%

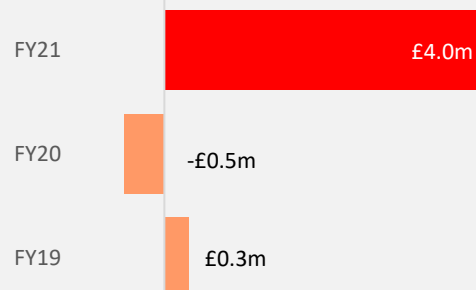
## Profitability

### GROSS MARGIN %



**34.2%**  
+300 bps

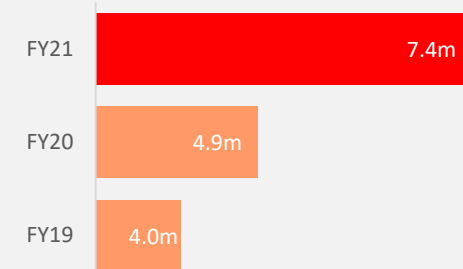
### EBITDA - PRE IFRS 16



**£4.0m**  
+958%

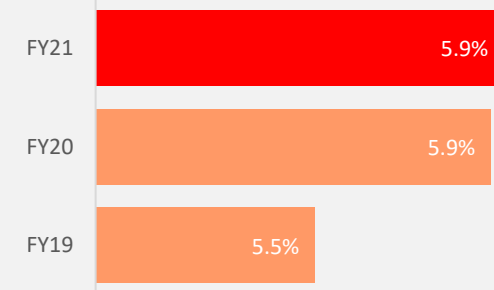
## Websites

### UK WEBSITE VISITORS



**7.4m**  
+50%

### UK WEBSITE CONVERSION



**5.9%**  
+3bps

# Evolving Strategy

**Purpose - Inspiring everyone to get outdoors and enjoy an exceptional fishing experience**

**Ambition - To become Europe's first choice omni-channel fishing tackle destination, for all anglers regardless of experience or ability**

## Strategic Pillars

### Product Authority

- The most comprehensive range all major fishing disciplines
- Always delivering choice, value, quality and availability

### Customer Experience

- The very best digital and physical retail interactions to:
  - drive conversion
  - create loyal customers
  - prompt recommendation

### Inspiration and Advice

- Making fishing accessible to all
- Providing friendly advice, education and inspiration to all sections of the angling community

### Responsibility

- Actively engaging the fishing community
- Promoting environmental best practices
- Best employers in our market

## Underpinned By Key Enablers

### ***Our founding philosophies -***

Inspirational, passionate, trustworthy and genuine - these are the values that form our frame of reference for the business decisions we take each day

### ***Our colleague knowledge, experience and passion -***

Are crucial for inspiring anglers of all backgrounds and abilities to stretch themselves and seek more from their fishing

### ***Our contemporary digital technologies -***

Facilitate our growth, stand us apart and uniquely position us to grow market share

### ***Our value based, data driven decision making -***

Underpins and directs all that we do, ensuring that we maximise value for all our stakeholders

# FY21 Strategic Progress

*Strong strategic and operational progress despite COVID year*

## Operational excellence

### Trading agility, fulfilment capacity and efficiency, technology

- Lower discounting and targeted sell through
- Distribution Centre efficiency improved by 240bps to 3.6%
- Stock loss reduced, 50 bps margin accretion

## Return on capital

### Store contribution, stock turn, Advanta own brand growth, investment rigour

- Advanta Own Brand sales increased 122%, 4.8% total sales
- Stock turn improved to 3.6x (FY20: 2.8x)
- Improved store EBITDA contribution %

## Customer segmentation

### Category management, developing margin growth, supplier and range management

- Investment in key Category Management hires
- Commenced rolling data driven, range reviews

## Digital capability

### Web functionality, marketing investment, customer advice, social media

- Uninterrupted online trading and social media through lockdowns
- New web platform functionality deployed – UK conversion rate 5.93%
- Basket building, across all site maintains average web basket at c.£71

## FY21 Strategic Progress continued

*Strong strategic and operational progress despite COVID year*

### Store catchments

#### New store formats, under served customer types, under served fishing disciplines

- New and refitted stores reflect improved space allocation with trials of extended Sea ranges
- Improved customer messaging and Team AD community area
- Site acquisition and capex models refined

### International growth

#### Game changing growth opportunity, extend reach, in region fulfilment

- Focus on profitable growth in five key countries
- Native website conversion increase 90 bps to 2.8% from FY20 1.9%
- Successfully deployed post Brexit customs and VAT processes

### Organisational capability

#### Supply chain & systems infrastructure, colleague skills & experience, developing governance

- Improved data provision
- Investment in server resilience, stability, security and capacity
- Key growth critical hires to strengthen colleague team

### Colleagues & communities

#### Engagement relevance and sustainability

- Employee incomes protected during furlough
- Mental health and wellbeing workshops
- Exclusive retail partner of Angling Trusts 'Get Fishing' campaign

LOOKING FOR SOMETHING DIFFERENT?

VIEW OUR WHOLE RANGE AT [www.anglingdirect.co.uk](http://www.anglingdirect.co.uk)

COARSE & MATCH BAIT



CARP BAIT

SECTION 2

# FINANCIAL OVERVIEW



Use hand sanitiser regularly

ORDER ONLINE  
CLICK+COLLECT  
PICK UP IN-STORE

ESSENTIAL RIG PROTECTION

OVERVIEW

PROMOTION

SOLAR 6-Rod Super Quiver

SOLAR 6-Rod Super Quiver

SOLAR 6-Rod Super Quiver

DON'T FORGET YOUR RIG FOAM

DON'T FORGET YOUR RIG FOAM



## Trading KPIs – *Online Driving Strong Trading Performance*

Year ended	31 Jan 2021	31 Jan 2020
Overall sales growth	<b>27.1%</b>	26.6%
UK Sales	<b>£63.2m</b>	<b>£48.2m</b>
UK Sale growth rate	<b>31.2%</b>	29.0%
Native website country sales	<b>£2.9m</b> <b>35.0%</b>	<b>£2.1m</b> 47.4%
Other country Sales	<b>£1.5m</b>	<b>£2.9m</b>
Other country growth rate	<b>-47.9%</b>	-10.2%
Other country ex Russia	<b>£1.5m</b>	<b>£2.3m</b>
Other country ex Russia growth rate	<b>-35.2%</b>	-4.7%
Branded Products Sales	<b>£64.3m</b>	<b>£51.7m</b>
Branded Products growth rate	<b>24.4%</b>	27.3%
Own Brand Sales	<b>£3.2m</b>	<b>£1.5m</b>
Own Brand growth rate	<b>122.1%</b>	6.9%
Own Brand penetration	<b>4.8%</b>	2.8%
Online Sales - % of total t/o	<b>52.3%</b>	47.5%
Stores Sales - % of total t/o	<b>47.7%</b>	52.5%
Gross margin %	<b>34.2%</b>	31.2%
Employee no - average	<b>407</b>	369
People cost	<b>£10.1m</b>	<b>£8.3m</b>
Online advertising costs	<b>£1.6m</b>	<b>£1.2m</b>
Ratio of online sales	<b>4.5%</b>	4.8%

- Overall sales growth driven by strong online performance
- Stores closed over 30% of trading days delivered Like-for-Like sales reduction of 7.7%
- Strong double digit native language website growth, modest £100k EBITDA loss, Q4 BREXIT impact
- Other country sales outside native sites delivered positive EBITDA contribution
- Significant focused investment in depth of Advanta stock and new ranges delivered growth and improved own brand penetration
- Focus on sustainable margin growth further evidenced in H2 FY21
- People cost as % of sales reducing despite periods of closure
- Compelling online advertising ratio sustained despite continued investment in native language site strategies

## Income Statement - *Delivering Margin Accretive Revenue Growth*

Year ended	31 Jan 2021	31 Jan 2020
	£'000	£'000
Total sales	<b>67,581</b>	53,181
Gross profit	<b>23,123</b>	16,580
Gross profit %	<b>34.2%</b>	31.2%
<b>EBITDA (post IFRS - 16)*</b>	<b>5,718</b>	659
EBITDA Margin	<b>8.5%</b>	1.2%
Depreciation & Amortisation	<b>2,662</b>	1,887
Net finance expenses	<b>410</b>	252
Taxation	<b>241</b>	(170)
<b>Net profit /(loss)</b>	<b>2,405</b>	(1,310)
Earnings per share pence	<b>3.33</b>	(2.03)

- Group sales growth of 27.1%
- Gross profit growth outstripping sales progression
- Gross margin 300bps progression through
  - Lower blanket discounting
  - Pricing discipline
  - Reduced sell through of discontinued
  - Improved shrinkage
- 730 bps increase in EBITDA margin
- Depreciation and finance charges increase as store estate continues to grow
- Deferred taxation arising from utilisation of brought forward losses

\*Reconciliation to pre IFRS 16 set out on slide 10

## IFRS 16 reconciliation

£m	Excluding IFRS 16	IFRS 16	Reported
Gross profit	23,123		23,123
Overheads	(19,142)	1,737	(17,405)
<b>EBITDA</b>	<b>3,981</b>	<b>1,737</b>	<b>5,718</b>
EBITDA Margin	5.9%		8.5%
Depreciation and Amortisation	(1,246)	(1,416)	(2,662)
<b>EBIT/Operating profit</b>	<b>2,735</b>	<b>321</b>	<b>3,056</b>
Finance costs	14	(424)	(410)
<b>Profit before tax</b>	<b>2,749</b>	<b>(103)</b>	<b>2,646</b>

- IFRS 16 remains a material uplift to EBITDA, 260 bps
- Business continues to use pre IFRS 16 operationally to review rent recovery through respective store P&L accounts
- Right of Use assets in FY20 of £10.5m, increased to £10.9m in FY21
- £100k difference pre and post IFRS 16 at PBT level

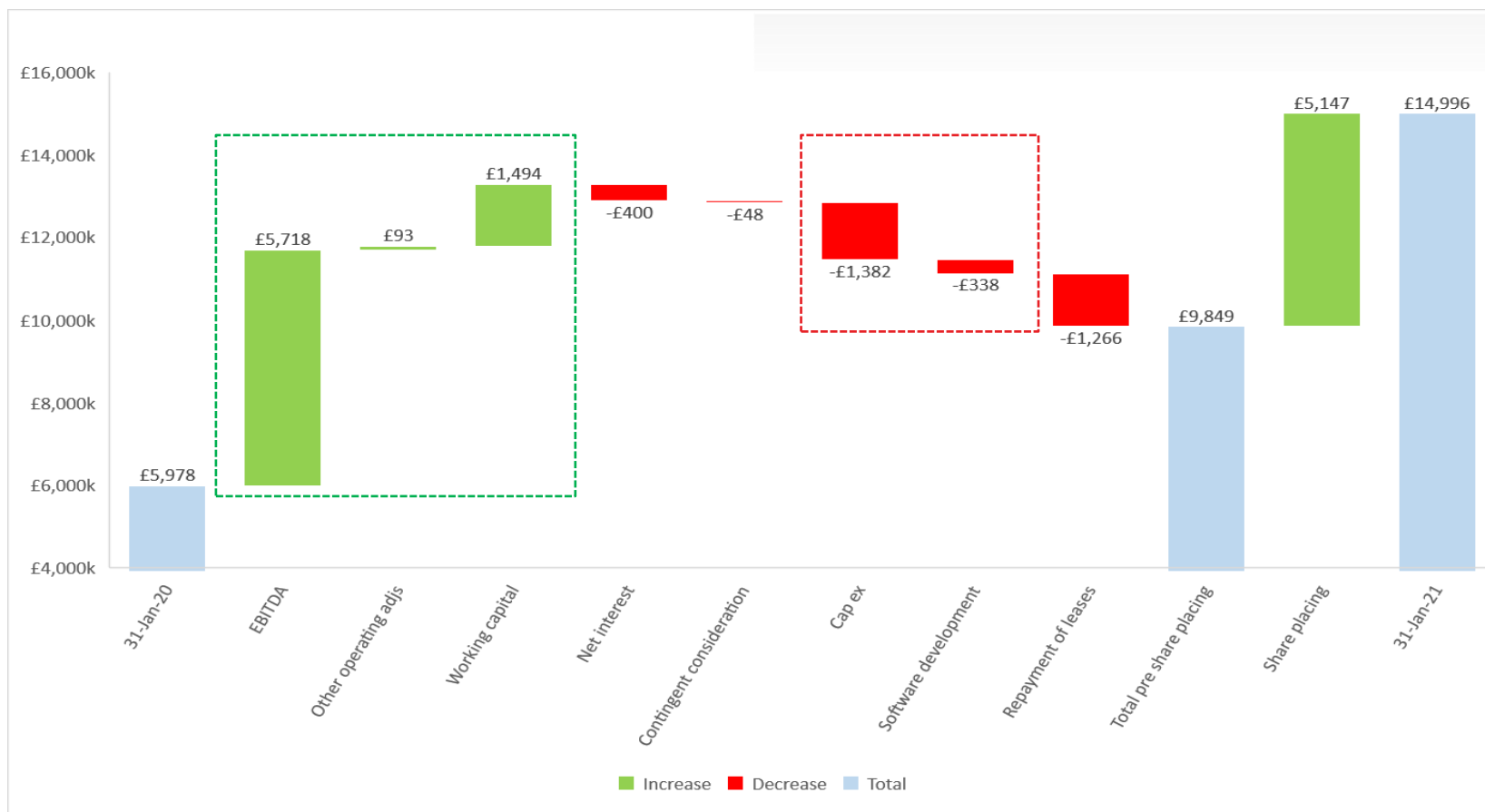
## Robust Balance Sheet and Liquidity Position

Year ended	31 Jan 2021	31 Jan 2020
	£'000	£'000
Intangibles - goodwill	5,620	5,620
Intangibles - software	631	596
Property plant & equipment	6,019	5,593
Right of use assets	10,910	10,480
<b>Non current assets</b>	<b>23,180</b>	<b>22,289</b>
Inventories	12,481	13,453
Other current assets	868	983
Cash	14,996	5,978
<b>Total current assets</b>	<b>28,345</b>	<b>20,414</b>
Current Lease liabilities	1,358	1,182
Other current liabilities	6,741	6,447
<b>Total current liabilities</b>	<b>8,099</b>	<b>7,629</b>
Non current Lease liabilities	9,773	9,334
Other non current liabilities	277	249
<b>Total non current liabilities</b>	<b>10,050</b>	<b>9,583</b>
Deferred tax	258	0
<b>Net assets</b>	<b>33,118</b>	<b>25,491</b>

- Strong balance sheet - £33.1m of net assets, 30% increase
- Net debt positive at £(3.9m) (FY20: £4.5m) reflecting strong operational cash generation and share placing
- Continued investment in software platform of £0.3m
- Inventory reduction of 7.2%, improved stock turn 3.6x (FY20: 2.8x) despite increased store footprint
- All payables including indirect taxes being settled to terms by Q3 FY21e

# Cash Flow Overview

- Cash generation for the year of £9.0m, £3.9m pre-placing
- Working capital improvement despite investment in four new stores
- Capex spend reflects four new store fit outs, two major refurbishments, relaying the Distribution Centre and IT server upgrade
- Modest decrease YOY in software investment as native sites more mature



*Cash flow reflects more disciplined approach to deployment of capital*

SECTION 3

**BUSINESS  
REVIEW**



**ANGLING  
DIRECT  
EXCLUSIVE  
RANGE**

## FY21 Operational Progress - *Optimising The Core Business*

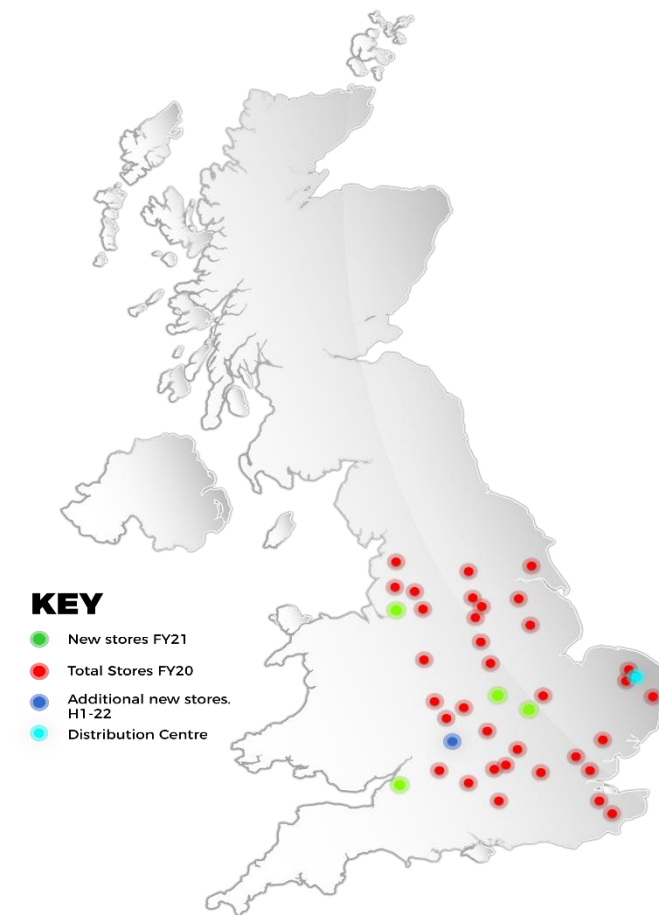
- Significant management focus and effort mitigating COVID-19 impacts
- New web functionality released to all four websites – increased site speed, improved search, ‘bought with’ suggestions, reserve & collect, eGiftcards
- Post Brexit customs and VAT processes successfully deployed allowing sales continuity to rationalised key territories despite boarder disruption
- Core system and webserver upgrade investment – configuration, capacity, security
- Warehouse reconfiguration increases capacity for growth by 80% along with improved throughput
- Focused action re-shapes stock profile, improving stock turn as well as stock depth of better selling lines
- Customer segmented category management structure and processes established
- Key new hires in Web development, IT, Finance, Category Management and Store Operations



# FY21 Stores Performance

## Stores – Integral to our seamless Omni-Channel offering

- Four new stores (Warrington, Bristol, Northampton, Leicester,) in convenient locations in high density fishing catchments
- Two top 10 stores refitted: Rayleigh (mezzanine extension), Norwich (upgrade to latest format). Latest stores reflect significant improvements in space allocation, micro merchandising, hands on displays and customer messaging
- 38 stores at period end (FY20: 34). Additionally, Redditch opened February 2021 and Sittingbourne re-sited April 2021
- All stores closed for over 30% of trading days, although Like-for-Like sales decreased by less than 8% partly influenced by deployment of Call & Collect service
- New stores accounted for £2.2m of total sales despite opening with pandemic restrictions. Overall ATV increased by 11.3% to £40.30
- Key new Retail Transformation Director hire, field management structure revised and sales culture initiative launched
- 244 store colleagues at year end (not FTE), decrease of 8%. Colleagues' incomes topped up during furlough periods
- At least two Angling Trust qualified fishing coaches now in each store – supporting new and experienced anglers alike



*“Store colleagues are the vital touch point between Angling Direct and our customers. They’re all angling specialists with an infectious enthusiasm for fishing. For customers, our stores complement the webstore, providing market leading, hands-on product service and advice, as well as a real sense of community.” - Andy Torrance, CEO*

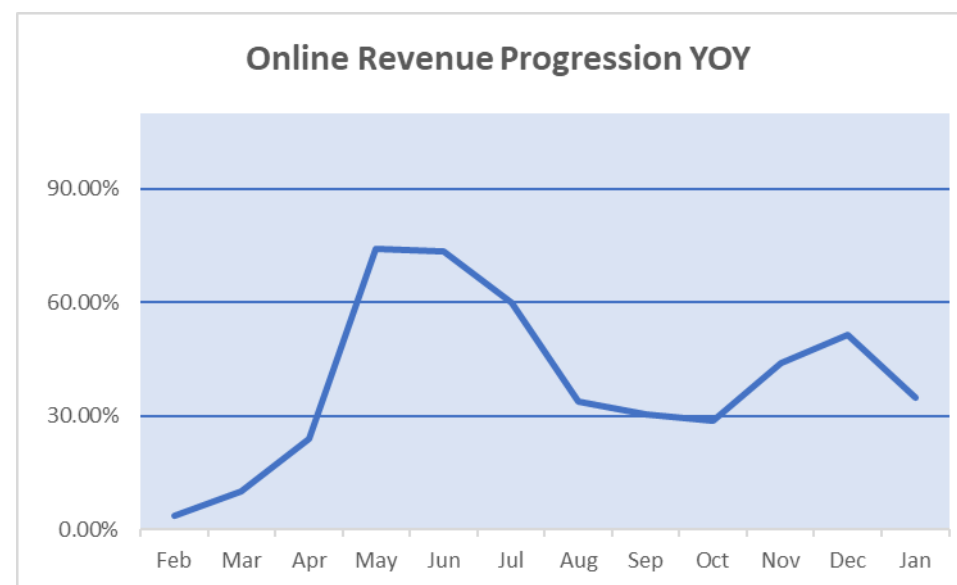


## FY21 Digital Performance – *Leading Online Presence*

	FY19	FY20	FY21	Change
Total unique website visits	4.4m	5.9m	<b>9.0m</b>	+53.2%
Active unique customers	126k	166k	<b>260k</b>	+56.6%
UK website visitors	4.0m	4.9m	<b>7.4m</b>	+50.0%
European website visitors	0.4m	1.0m	<b>1.7m</b>	+68.0%
UK conversion rate	5.50%	5.90%	<b>5.93%</b>	+3 BPS
European conversion rate	1.10%	1.90%	<b>2.80%</b>	+90 BPS

	FY19	FY20	FY21	Change
Average basket (web)	£75.98	£71.12	<b>£70.81</b>	-0.4%
Customer repeat percentage	68.6%	69.2%	<b>62.1%</b>	-710 BPS
Return on UK advertising spend	£13.7	£13.1	<b>£16.6</b>	+26.7%
Total database	203k	233k	<b>243k</b>	+10k
Total social media followers	158k	228k	<b>272k</b>	+19.3%
Web returns rate	3.9%	3.1%	<b>3.4%</b>	+30 BPS

- Distribution Centre remained safely open to dispatch orders across entire year
- Significant increase in website visitors and unique customers influenced by temporary store closures and increased browsing opportunity during lockdown
- UK conversion rate maintained despite significantly increased visitors, influenced by new web functionality and relative stock availability
- European visitor growth rate outperformed UK and conversion continues to grow towards target UK levels despite Q4 Brexit disruption, additional customs costs and restriction on bait sales
- ATV held up well as traditional store customers turned to online. Repeat customer percentage impacted by 174k new customers
- Strong return on advertising and increases in social media following



# Sustainability - *At the heart of our business*



## Protecting our environment

- First Streamlined Energy and Carbon Reporting (SECR) statement
- ISO 14001 standard achieved (environmental management system)
- Angling Trust's "Anglers against Pollution" campaign
- Energy saving measures implemented in Distribution Centre and across store estate

## Reducing waste

- Fishing line recycling service for customers
- Reuse of supplier packaging
- Customer product packaging recycling bins

## Giving to the community & supporting the next generation of anglers

- Free whip kits to under 16s
- Official exclusive partner for Angling Trust's "Get fishing" campaign
- Over 80 Angling Direct colleagues now certified as angling coaches

## Wellbeing and mental health

- Ongoing supporter of Tackling Minds charity
- Angling recommended as form of social prescribing to NHS patients
- Fishing increasingly recognised as way to improve mental health and physical wellbeing

## Key Priorities for FY22

### Digital

- Roll out priority subscription model – drives loyalty and repeat purchase
- Roll out mobile App, delivering contemporary engagement 'on the go'
- Further AI search enhancements – increases conversion

### Stores

- Roll back contemporary ranging, space allocation, customer messaging
- Roll out active selling processes, drive conversion, ATV
- Selective new store opening targeting unserved catchments
- Qualified Team AD coaching offer in all stores
- Roll out new till software

### International

- Establish in region fulfilment, improving customer proposition and cost efficiencies
- Drive customer traffic through continued marketing investment
- Increasingly tailor relevant ranges with local relevant brands

### Commercial

- Embed and drive benefits of category management, efficient ranging, margin development
- Continue to develop supplier relationships
- Re-package and develop Advanta range, increasing participation

### Communities & Sustainability

- Further develop partnership with Angling Trust
- Establish Environmental Steering Group, supporting Anglers Against Pollution
- Launch lake Partnership programme, extending reach into unserved catchments

## Summary

### Financial

- Continued significant growth opportunity – both online and in-store
- Resilient, flexible business model, responsive to opportunity and challenge
- European online markets opportunity is clear despite near term Brexit challenge
- Focus on growing margins and underlying efficiencies
- Managing operating cashflows, with headroom to invest

### Strategy – Europe's first choice omni-channel fishing tackle destination

- Build on 4 strategic pillars – Product authority, Customer experience, Inspiration & advice, Responsibility
- Continue to build platform to profitably grow UK and European market share
- Build on native language European website successes improving fulfillment proposition
- Leverage recent capital investment and store portfolio
- Limited but focused M&A where strategically appropriate
- Segment the angling markets for improved growth and margin

## Current Trading & Outlook

- Strong Q1 FY22 sales, up 54% on the prior year, reflecting closure periods in both years. Online sales up 42%, store sales up 75%
- Focused internationally on five key growth territories; Germany, France, Netherlands, Belgium and Austria
- Assuming no further lockdowns, the Group is well-placed to deliver profitable growth in revenues, albeit at a lower rate than the prior year as trading conditions and sales mix begin to normalise
- Financial guidance reinstated for FY22, on track to meet current year market expectations
- Cash at 30 April 2021 £15.5m

### Board changes

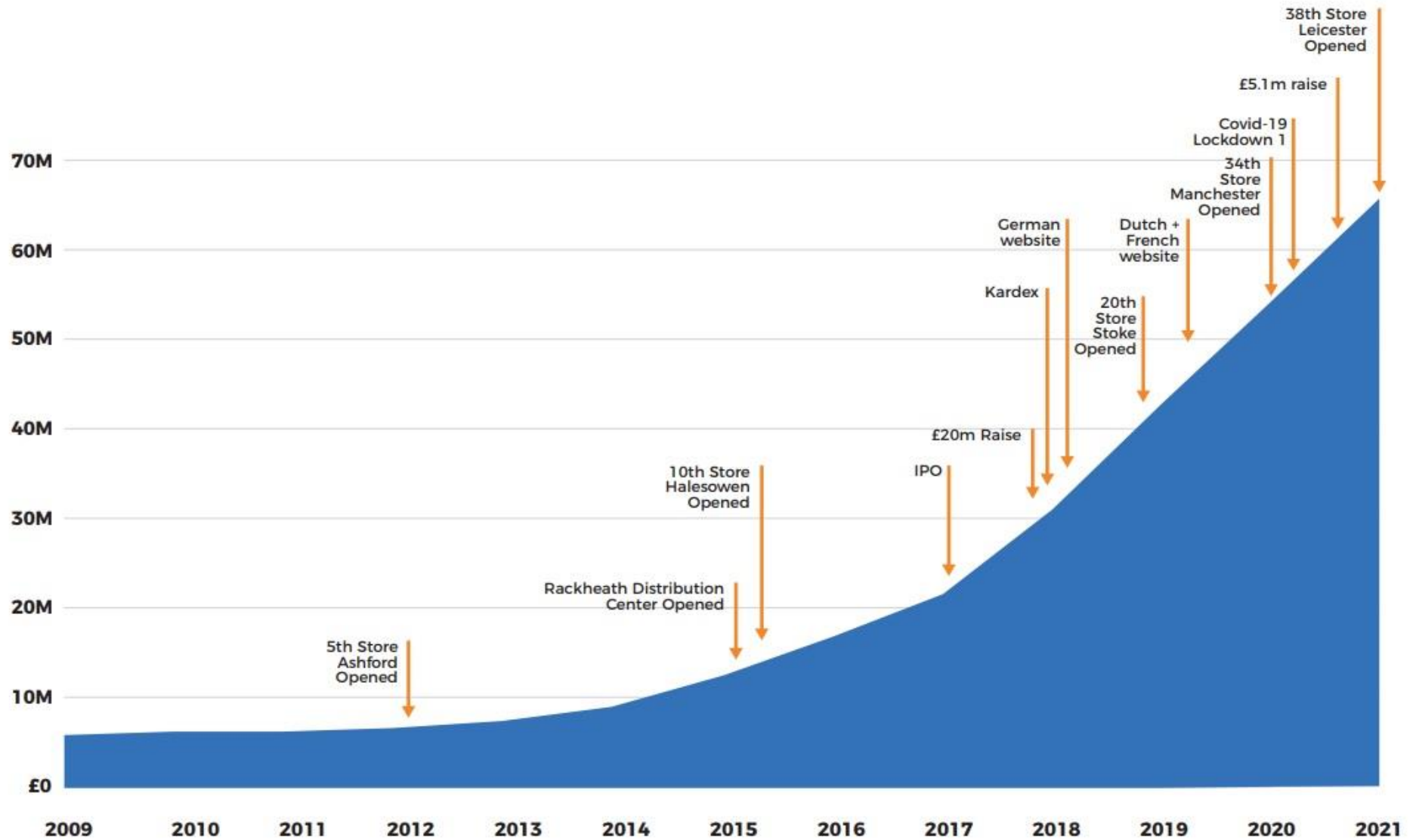
- Martyn Page to move from Executive Chairman to Non-Executive Chairman, Darren Bailey stepping down as Non-Executive Director at forthcoming Annual General Meeting

SECTION 5

Appendix



## Key Milestones



## Disclaimer

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