RNS Number : 2589H
Angling Direct PLC
08 October 2024

8 October 2024

Angling Direct PLC
('Angling Direct', the 'Company' or the 'Group')

Half Year Results

Continued strategic progress alongside revenue and margin growth, trading in line with FY25 market expectations

Angling Direct PLC (AIM: ANG), the leading omni-channel specialist fishing tackle and equipment retailer, is pleased to announce its unaudited financial results for the six months ended 31 July 2024 (**H1 FY25**).

£m	H1 FY25	H1 FY24	% Change
Revenue	**45.8**	43.3	*+5.6%*
UK retail store sales	**26.4**	24.4	*+8.4%*
UK online sales	**17.0**	16.5	*+2.8%*
Total UK sales	**43.5**	40.9	*+6.2%*
European sales	2.4	2.4	*0.0%*
Gross profit	**16.8**	15.2	*+10.6%*
Gross margin %	**36.7%**	35.1%	*+160bps*
Adj. EBITDA[1]	**2.8**	2.4	*+16.9%*
UK Adj. EBITDA	**3.2**	2.9	*+12.7%*
European Adj. EBITDA	**(0.5)**	(0.5)	*+7.7%*
Profit before tax	**2.3**	1.7	*+35.7%*
Basic EPS	**2.24p**	1.71p	*+31.0%*
Net cash & cash equivalents at period end	**17.0**	17.6	*-3.8%*

Financial highlights:

- Group revenue increased by 5.6% to £45.8m
- UK sales grew 6.2% to £43.5m, +7.6% during key Q2 trading period
- UK retail store estate delivered sustained strong growth, with total store sales increasing by 8.4%, largely driven by new stores acquired and opened
- Like-for-like store sales increased by 1.8%[2] underpinned by improved customer footfall and ATV
- UK online sales grew 2.8% with increasing unique customer numbers and transactions growth
- In Europe, overall sales were flat at £2.4m, within this positive progress in Germany
- Gross margin increased by 160 bps, driven in part by a higher mix in sales from own brand products
- Adj. EBITDA grew by 16.9% to £2.8m
- Adj. EBITDA margin increased by 50 bps to 6.0%, benefitting from operating leverage
- Profit before tax increased 35.7%, +28.1% on a pre interest income basis
- Operating cashflow of £4.9m (HY24: £5.5m)
- Strong balance sheet with Group net cash of £17.0m at 31 July 2024 (31 July 2023: £17.6m) underpinning UK M&A and strategic opportunities

Operational highlights:

- Annualised the launch of MyAD with membership increasing 50% in the first half to over 330k members (31 January 2024: 220k). This has proven to drive better customer loyalty and engagement, with over 75% of UK revenues now transacted through MyAD
- Completed three UK acquisitions of existing retail businesses alongside opening two new UK retail catchments, scaling the UK store footprint to 52 stores
- Higher margin own brand gross profits grew by 40%, leveraged through new ranges, everyday pricing, and improved sourcing and buying. This growth came through both the demand for our entry level "Discover" Brand as well as further progress on the established Advanta Brand

Advanta Brand
- Secured a new UK logistics facility in the West Midlands to support further scale roll out of own brand ambitions beyond FY25
- Opened first store in Europe in Utrecht, The Netherlands, to trial European omni-channel model

Current trading and outlook

- The Company remains focused on delivering its medium-term financial objectives[3] with good progress made against these during H1 FY25
- Strong trading in the last key seasonal trading weeks in the two months to 30 September 2024, with Group revenues increasing 19.8% on the same period last year
- Post the period end, the Group agreed terms with a third-party logistics operator in Europe to service customer fulfillment in this region
- The Board remains confident in the long-term prospects for the Group, underpinned by its leading UK omni-channel proposition and strong balance sheet which reinforces the Group's decision to continue to invest in its home market to support the long-term strategy alongside continued prudent European investment
- Overall, a combination of continued UK sales momentum and pursuing a profitable European growth strategy means the Group is well placed to deliver revenue and Adj. EBITDA in line with market expectations for FY25[4]

Steve Crowe, CEO of Angling Direct, said:
"We have delivered significant progress in the first half and I would like to thank the team for their continued dedication and hard work. We successfully completed three acquisitions and increased our UK store estate to 52 while also opening our first European store, in Utrecht, the Netherlands. Online sales continued to increase and our focus on availability during peak season resulted in the UK online business taking greater share of the higher ticket item market. The Group's loyalty and repeat purchase membership club, MyAD, gathered further momentum in the UK, increasing member numbers by 50% to over 330,000 in the first half. Over 75% of Angling Direct's UK revenues are now transacted through MyAD, providing greater insights into customer behaviours and buying patterns and driving loyalty.

"Looking forward, I am pleased that the strong trading has continued into the second half with revenue in the first two months increasing 19.8% on the same period last year. The solid foundations that we have established ensure that the Group is well placed to take advantage of the significant growth opportunities available in the UK, alongside prudent and controlled expansion in Europe which will significantly grow our addressable market and support our longer term growth ambitions.

"The Board is fully focused on the options available for deployment of surplus capital and these continue to develop as opportunities present themselves. We will continue to actively manage the key aspects of both our balance sheet and wider growth strategy for the business, having regard to our overarching objective of maximising shareholder returns."

1 Adjusted EBITDA figures are presented on a Pre IFRS 16 and Pre IFRS 2 basis unless otherwise stated.
2 Excluding the Reading store which hasn't materially traded in the comparative period after it suffered a fire in the first week of February 2023. Total like for like stores grew 2.6% including Reading.
3 The Company's medium-term financial objectives were published in the Company's FY24 Preliminary Results announcement on 14 May 2024 and comprise: 1. UK business generating £100m annual revenues; 2. An Adjusted EBITDA in excess of £6m; 3. Moving the European business through the early stages of development to break-even; and 4. Deployment of surplus capital to accelerate growth beyond our medium-term targets, including selective M&A, with investment weighted towards the UK business.
4 Angling Direct believes that consensus market expectations for the year ending 31 January 2025 are for revenues of £88.4 million and pre-IFRS 16 EBITDA of £3.15 million.

Investor Meet Company presentation - 14 October 2024
Steve Crowe (CEO) and Sam Copeman (CFO) will provide a live presentation via the Investor Meet Company platform at 11.00 a.m. BST on 14 October. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company platform up until 9.00 a.m. the day before the meeting or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free via the following link: https://www.investormeetcompany.com/angling-direct-plc/register-investor. Investors who already follow Angling Direct on the platform will automatically be invited.

For further information please contact:

Angling Direct PLC Steven Crowe, Chief Executive Officer Sam Copeman, Chief Financial Officer	**+44 (0) 1603 258 658**
Singer Capital Markets - NOMAD and Broker Peter Steel Tom Salvesen Alex Bond James Todd	**+44 (0) 20 7496 3000**
FTI Consulting - Financial PR Alex Beagley Matthew Young Hannah Butler	**+44 (0) 20 3727 1000** anglingdirect@fticonsulting.com

About Angling Direct

Angling Direct is the leading omni-channel specialist fishing tackle retailer in the UK, with an established and growing presence in Europe. Headquartered in Norfolk UK, the Company sells fishing tackle products and related equipment through its network of in excess of 50 UK retail stores, as well as products and related equipment through its network of in excess of 50 UK retail stores, as well as through its leading digital platform (www.anglingdirect.co.uk) and the MyAD Fishing Club app. The Company has three further native language websites in its key European territories (www.anglingdirect.de, .fr, .nl), with orders fulfilled by its international distribution centre in The Netherlands.

Angling Direct's purpose is to inspire everyone to get out and enjoy an exceptional fishing experience, regardless of background or ability, in the great outdoors. Angling Direct's active digital channels and over 500 colleagues contribute to the Company's ethos of care for the wider community and the environment (www.anglingdirect.co.uk/sustainability). Angling Direct currently sells over 25,000 fishing tackle products from industry leading brands alongside its own brands 'Advanta', and entry level offering 'Discover'.

Delivering against our strategy - Building Europe's largest fishing club

Angling Direct is the UK's largest scale omni-channel fishing tackle retailer and the Group holds a leading position in this attractive market. The Group's published medium-term objectives, as introduced in May 2024 and commented on in further detail below, are as follows:

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

The Board is confident that delivery of our strategy and medium-term objectives will further differentiate us from our competitors and unlock the unique opportunity we see ahead, generating long-term sustainable value for all stakeholders.

1. UK business on a flightpath to revenue of £100m

The UK business delivered revenue of £43.5m, growing 6.2% against H1 FY24, with Q2 FY25 being particularly strong at 7.6%. Pleasingly, despite a soft start in Q1 FY25, our stores and the digital channel showed positive progression in H1 FY25. The growth was delivered in both channels through increasing customer numbers as our omni-channel model, underpinned by MyAD and our price promise, continued to increase its reach and gain traction in a consolidating market.

UK Retail Stores

Total store sales in the period increased 8.4% to £26.4m (H1 FY24: £24.4m). Like-for-like store sales grew by 1.8% (excluding Reading, which didn't materially trade in the prior year period due to a fire in February 2023). Recent new stores (opened since January 2023 - Cardiff, Goole, Cannock, Walsall, Crewe, Newark and Shrewsbury) contributed £1.7m of sales in the period with our UK estate increasing to 52 stores overall.

During the period, we saw an increase in footfall and customer numbers across both our established and new spaces. This has been driven by the success of our MyAD loyalty and repeat purchase membership club, alongside the increased use of merchandising technology, growing demand for our in-store services and our valued assisted selling model.

In line with our medium-term objectives of delivering a UK retail stores portfolio with annual sales in excess of £60m, we continued to invest in new UK retail stores. This investment, for the first time since 2019, included the acquisitions of three businesses which allows us to enter attractive catchments and scale earnings faster than our traditional "green field" approach. These opportunities have arisen as the pace of consolidation in the market increases against the backdrop of single site operators' costs increasing ahead of sales, and the need for investment in technology and working capital to mitigate these challenges.

We continue to actively identify opportunities within attractive catchments across the UK, including traditional scale opportunities (greenfield and acquisition) now complemented by smaller catchment areas where we can deploy a smaller store footprint with a margin intense range model. Both Crewe and Walsall represent our first conscious investments in smaller store formats and their performance since opening has been in line with our internal plans. We continue to make progress with a trial "store in store" concept representing a further opportunity to accelerate the reduced footprint format.

Outside of new space, we continue to evaluate our store refresh and roll back concepts across the existing estate to drive further like for like sales. Three store refreshes are scheduled for the second half of FY25.

UK Online

UK online sales grew by 2.8% to £17.0m (H1 FY24: £16.5m) as our MyAD and everyday low-price propositions, alongside our focus on availability during peak season, resulted in the UK online business continuing to take greater share of the higher ticket item market.

As part of our drive to grow market share and customer loyalty, we continue to invest in contemporary digital infrastructure and customer marketing, further increasing our competitive moat. These investments delivered increased customer numbers, alongside improved conversion (+c120 bps) despite the more challenging consumer landscape for higher ticket items.

Utilising a more data led approach to our digital marketing continues to prove a clear differentiator and source of competitive advantage. Our YouTube channel subscribers at 31 July surpassed 75,000 with views of c.800,000 in the month of July alone, 16x greater than our next largest omni-channel competitor. Alongside this our social media reach, in particular TikTok and Instagram, continues to scale with our total social followers increasing 17% since 31 July 2023.

Leveraging store footfall to offer customers our broader digital range is a clear opportunity. During H1 FY25 we have built the technology to offer customers in store access to our full range delivered next day to home or the store of their choice. The technology is being trialled in an increasing number of stores with the full launch across the estate scheduled in FY26.

2. UK business on a flightpath to >£6m EBITDA

UK Trading

The UK business increased Adj. EBITDA by 12.7% to £3.2m, exceeding sales growth by c.2 times, with the business able to balance cost investment and revenue growth to deliver earnings aligned to the medium-term ambition.

A key component of delivering the UK profitability ambitions requires further progress on our gross margin. During the period our increasingly sophisticated and agile ranging, buying and pricing practices have increased the gross margin +150 bps, with overall UK margin + 160 bps to 37.1%.

Higher margin own brand gross profit grew by c40% (third party brands c8%), playing an increasingly pivotal role in the overall UK gross margin profile. Stock availability within own brand ranges remains at good levels and provides a strong platform to develop this further in H2 FY25.

Alongside our growing scale, we have continued to deepen our relationships with key suppliers, increasingly allowing us to secure stock at favourable trade terms while giving supplier partners surety of volume and cashflow. In conjunction with this, we have continued the sale of physical and digital space to join up with our MyAD strategy and these revenues increased 100% in the period.

The team has successfully secured new distribution capacity located in Wednesbury (West Midlands) to serve as the Group's own brand storage and logistics operation. With the increasing reputation and demand of our own brand offer, the need for increased space and more frequent store replenishment capability is critical. The team has worked hard to deliver this ambition and the project is substantially advanced, with go live for picking own brand replenishment from the new facility scheduled for Q3 FY25.

Our technology deployment in the second half is focused on operational efficiency improvements to reduce the exposure of the business to any further above inflationary increases of the living wage in FY26 and beyond.

UK Retail Stores

Following our investment in footfall counting technology in Q4 FY22, we have deployed customer targeted colleague working rotas and store opening hours, which have gone some way towards mitigating significant inflationary pressures from the c.10% increase in the living wage in April 2024. We continue to investigate further deployment model changes, with a view to mitigating future living wage increases. These include, for example, trialling two digital shelf edge labelling solutions as one potential strategy alongside handheld digital technologies to support store colleagues with in-store tasks

In H2 FY24 the business observed increasing levels of product theft from its stores. In response, further operational measures were deployed. These measures have abated some of the impact on earnings with the year-on-year UK retail stores gross margin improving by +20 bps in H1 FY25 as a result and providing a strong platform to leverage further gains in the second half of the year.

UK Online

The online business balanced revenue progression and an increasingly volatile paid advertising landscape against further cost investment in some retail AI and pricing technologies as a mitigatory measure. Alongside this, we have implemented new AI technologies into the customer service journey and continue to trial new digital checkout payment propositions. We have made strong progress in ensuring earnings delivery has kept pace with revenue progression while at the same time selectively investing to deliver further progress in H2 and beyond.

3. Development of a sustainable European business

The European opportunity for medium term market share growth remains clear in an addressable market within Germany, the Netherlands and France over three times that of the UK. During the period the European digital trading landscape remained challenging with significant pressure on both customer price and paid advertising costs. Management therefore concentrated on optimising trading in our key target territories of Germany and the Netherlands. This approach provides a clear focus on controlled expansion in order to protect margins and reduce trading losses from the digital business ahead of any further material capital deployment in Europe.

In the period, the Group made strong progress against a number of like for like European KPIs including:

- Gross margins advancing +160 bps to 29%;
- Operating margins +440 bps to -9.5%; and
- Adj. EBITDA losses reduced 20% to £0.4m with an associated 360 bps improvement in the EBITDA margin.

In May 2024 we opened our first European store in Utrecht, the Netherlands. Revenues continue to scale alongside improved footfall and we are focusing on trading as nimbly as possible to learn at pace and maximise the profit opportunity.

During the period we have been in discussion with a third-party logistics operator to service our European customer fulfilment, enabling our European business to access labour and carriage rates which reflect the third party's greater economies of scale. This agreement will also enable the European business to reduce property costs and provides greater flexibility on property space requirements in FY26 and beyond.

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

Thirteen months from launch, MyAD had attracted over 330k members by 31 July 2024, growing 50% through H1 (220k at 31 January 2024). The proposition provides access to everyday deals, 'money can't buy' prizes, special MyAD bundles and monthly free prize giveaways, which continues to resonate well and attract new customers. Alongside this, we launched the MyAD Choice awards in H1 FY25 which allows customers to vote for products across a number of categories. We then share the results with suppliers to leverage the exposure of these products which has proven to be engaging for customers and value accretive for suppliers.

Outside of this, we continue to work on the planned H2 delivery of personalised offers to customers based on data and behaviours. The annualisation of MyAD has enabled the business to see year on year customer behaviours, in particular around frequency, average basket and buying patterns. Over 75% of our UK revenues are now transacted through MyAD, with approximately one third of our MyAD customers being an omni-channel customer, one third digital only with the remaining third store only. We are increasingly confident that our deepening and unique insights into anglers' needs and preferences will drive improved performance in revenues and operations through growing levels of loyalty, repeat purchasing and better ability to engage with our customer base.

5. Deployment of surplus liquidity to further grow the business beyond the medium-term

objectives

We have a strong balance sheet which allows us to remain focused on deploying surplus capital into accelerating the growth of the UK business. The significant opportunity to scale the UK store roll out programme is clear and we continue to develop existing greenfield sites, develop our store acquisition pipeline and develop our 'store in store' programme to ensure that we are best positioned to fully capitalise on the opportunities available to us in the market.

Outside of store growth, during the period we have committed further capital to secure the Group's new own brand distribution facility, as well as further investment in the UK automated packaging project for the UK online business which is due to go live in Q4 FY25.

There is a distinct opportunity for the Group to further scale investment in owned brands and we will continue to actively develop this pipeline both organically and inorganically.

The Board is fully focused on the options available for deployment of surplus capital and these continue to develop as opportunities present themselves. We will continue to actively manage the key aspects of both our balance sheet and wider growth strategy for the business, having regard to our overarching objective of maximising shareholder returns.

6. Angling retail's largest responsible employer

We remain fully committed to acting responsibly and sustainably within our environment and communities. We continue to be the employer of choice for an increasing number of anglers with our colleague count increasing to over 500 for the first time.

We continue to develop our approach to sustainability and have focused on reducing our waste sent to landfill and reducing plastic packaging within our own brand ranges in the period. We continue to support our fishing line recycling programme to source recycling bins for fisheries from suppliers and have introduced recycling points in our new retail stores.

Protecting the environment is core to everything we do and we remain focused on leveraging our size and scale to increase our environmental impact. Our angler engagement programme, through our collaboration with the Angling Trust, is helping fishing clubs gain knowledge and access to testing water quality in their locality, alongside some of the work our colleagues have been doing on river litter picks and the benefits to water quality and fisheries. We have also continued our work with the Pike Anglers Club of Great Britain to discourage warm water pike fishing to help reduce stress impact for pike during the warmer months when oxygen levels are lower in the water.

We continue to support Tackling Minds, a Community Interest Company focused on positively supporting those with mental health issues and rehabilitation through access to angling and blue spaces. Our support comes through the sale of their merchandise in some of our key trading locations with all proceeds returned to Tackling Minds alongside associated donations.

It is more important than ever to ensure we rigorously scrutinise any incremental organisational risk and investment, whilst ensuring we appropriately plan and resource for future share growth in our consolidating markets. In the period, we have deployed the new major release of our ERP platform alongside improving our flexibility and resilience by moving our key technology to being cloud hosted. Outside of this our appetite for increasingly contemporary technology and deployment within the business increases and the Board continues to review the opportunities and associated risks this represents.

Current trading and Outlook

Following a strong performance in H1, Angling Direct has seen the positive momentum continue into August and September with current trading ahead of the H1 FY25 run rate. As such, the Board remains confident in delivering continued revenue and earnings growth while remaining laser focused on progressing against the stated medium-term objectives.

The UK angling market remains resilient and is benefiting from increasing consolidation, with good demand for a compelling product offering alongside quality service. Our customer loyalty programme, MyAD, has proven successful to date and will further help to meet the needs of our customers while simultaneously driving loyalty and repeat purchase. We will continue our investment in the UK in our people, technology, physical estate and brands in order to support further organic growth. This will be augmented by investment in selective acquisitions which complement the existing business and accelerate our ambitions.

In Europe, the competitive landscape remains tough and achieving profitable digital customer acquisition growth has proven challenging. However, selective bricks and mortar investment remains a realistic target to deliver value within these markets to leverage existing investments already made. The Group will continue to invest to drive market share and consolidation, where prudent to do so, and review operational flexibility and performance to ensure it is well positioned as consumer pricing and markets stabilise.

The Board would like to acknowledge and thank all members of the Angling Direct team for their efforts and we look forward to sharing continued success in the future.

Consolidated statements of profit or loss and other comprehensive income
For the period ended 31 July 2024

	Note	Unaudited six months ended 31 July 2024	Unaudited six months ended 31 July 2023	Audited year ended 31 January 2024
		£'000	£'000	£'000
Revenue from contracts with customers	4	45,838	43,341	81,657
Cost of sales of goods		(29,031)	(28,149)	(53,153)
Gross profit		16,807	15,192	28,504
Other income		17	111	205
Interest revenue calculated using the effective interest method		309	140	494

Expenses				
Administrative expenses		(12,764)	(11,820)	(23,728)
Distribution expenses		(1,719)	(1,656)	(3,458)
Finance costs		(315)	(246)	(500)
Profit before income tax expense		2,335	1,721	1,517
Income tax expense	6	(601)	(400)	(299)
Profit after income tax expense for the period attributable to the owners of Angling Direct PLC		1,734	1,321	1,218
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation		(68)	(81)	(96)
Other comprehensive income for the period, net of tax		(68)	(81)	(96)
Total comprehensive income for the period attributable to the owners of Angling Direct PLC		1,666	1,240	1,122

		Pence	Pence	Pence
Basic earnings	15	2.24	1.71	1.58
Diluted earnings	15	2.22	1.69	1.57

Consolidated statements of financial position
As at 31 July 2024

	Note	Unaudited six months ended 31 July 2024	2023	Audited year ended 31 January 2024
		£'000	£'000	£'000
Non-current assets				
Intangibles	7	6,315	6,007	6,052
Property, plant and equipment	8	9,674	7,916	8,675
Right-of-use assets	9	12,822	11,150	11,237
Total non-current assets		28,811	25,073	25,964
Current assets				
Inventories		21,899	20,013	16,974
Trade and other receivables		770	751	403
Prepayments		875	763	811
Cash and cash equivalents		16,955	17,624	15,765
Total current assets		40,499	39,151	33,953
Current liabilities				
Trade and other payables	10	12,697	11,702	6,976
Contract liabilities		518	481	790
Lease liabilities		2,059	1,809	1,809
Derivative financial instruments		14	32	9
Income tax		235	315	32
Total current liabilities		15,523	14,339	9,616
Net current assets		24,976	24,812	24,337
Total assets less current liabilities		53,787	49,885	50,301
Non-current liabilities				
Lease liabilities		11,071	9,583	9,754
Restoration provision		914	840	851
Deferred tax		1,569	910	1,171
Total non-current liabilities		13,554	11,333	11,776
Net assets		40,233	38,552	38,525

Equity	Note			
Share capital	11	773	773	773
Share premium		31,037	31,037	31,037
Reserves		593	543	619
Retained profits		7,830	6,199	6,096
Total equity		40,233	38,552	38,525

Consolidated statements of changes in equity
For the period ended 31 July 2024

Unaudited six months ended 31 July	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2024	773	31,037	619	6,096	38,525
Profit after income tax expense for the period	-	-	-	1,734	1,734
Other comprehensive income for the period, net of tax	-	-	(68)	-	(68)
Total comprehensive income for the period	-	-	(68)	1,734	1,666
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	42	-	42
Balance at 31 July 2024	773	31,037	593	7,830	40,233

Audited year ended 31 January	Share capital £'000	Share premium account £'000	Reserves £'000	Retained profits £'000	Total equity £'000
Balance at 1 February 2023	773	31,037	602	4,878	37,290
Profit after income tax expense for the period	-	-	-	1,218	1,218
Other comprehensive income for the period, net of tax	-	-	(96)	-	(96)
Total comprehensive income for the period	-	-	(96)	1,218	1,122
Transactions with owners in their capacity as owners:					
Share-based payments	-	-	113	-	113
Balance at 31 January 2024	773	31,037	619	6,096	38,525

Consolidated statements of cash flows
For the period ended 31 July 2024

	Note	Unaudited six months ended 31 July 2024 £'000	2023 £'000	Audited year ended 31 January 2024 £'000
Cash flows from operating activities				
Profit before income tax expense for the period		2,335	1,721	1,517

Adjustments for:				
Depreciation and amortisation		1,973	1,787	3,796
Share-based payments		42	22	113
Net movement in provisions		17	16	30
Net variance in derivative liabilities		5	(19)	(42)
Interest received		(309)	(140)	(494)
Interest and other finance costs		298	230	512
		4,361	3,617	5,432
Change in operating assets and liabilities:				
(Increase)/decrease in trade and other receivables		(364)	(300)	49
(Increase)/decrease in inventories		(4,431)	(2,252)	910
Increase in prepayments		(63)	(162)	(206)
Increase in trade and other payables		5,621	4,893	171
(Decrease)/increase in contract liabilities		(272)	(246)	63
		4,852	5,550	6,419
Interest received		309	140	494
Interest and other finance costs		(298)	(230)	(512)
Income taxes (paid)/refunded		-	-	79
Net cash from operating activities		4,863	5,460	6,480
Cash flows from investing activities				
Payment for purchase of business, net of cash acquired		(740)	-	-
Payments for property, plant and equipment	8	(1,535)	(1,012)	(2,595)
Payments for intangibles	7	(232)	(116)	(332)
Net cash used in investing activities		(2,507)	(1,128)	(2,927)
Cash flows from financing activities				
Repayment of lease liabilities		(1,086)	(885)	(1,835)
Net cash used in financing activities		(1,086)	(885)	(1,835)
Net increase in cash and cash equivalents		1,270	3,447	1,718
Cash and cash equivalents at the beginning of the financial period		15,765	14,127	14,127
Effects of exchange rate changes on cash and cash equivalents		(80)	50	(80)
Cash and cash equivalents at the end of the financial period		16,955	17,624	15,765

Notes to the consolidated financial statements
31 July 2024

Note 1. General information

The financial statements cover Angling Direct PLC as a Group consisting of Angling Direct PLC ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (collectively referred to in these financial statements as the 'Group'). The financial statements are presented in British Pound Sterling ('GBP'), which is Angling Direct PLC's functional and presentation currency.

Angling Direct PLC is a listed public company limited by shares incorporated under the Companies Act 2006, listed on the AIM (Alternative Investment Market), a sub-market of the London Stock Exchange. The Company is incorporated and domiciled in England and Wales within the United Kingdom. The registered number of the Company is 05151321. Its registered office and principal place of business is:

2d Wendover Road,
Rackheath Industrial Estate
Rackheath
Norwich
Norfolk
NR13 6LH

The principal activity of the Group is the sale of fishing tackle through its websites and stores. The Group's business model is designed to generate growth by providing excellent customer service, expert advice and ensuring product lines include a complete range of premium equipment. Customers range from the casual hobbyist through to the professional angler.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 12 October 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These financial statements for the interim half-year reporting period ended 31 July 2024 have been prepared in accordance with the AIM Rules for Companies, International Accounting Standard IAS 34 'Interim Financial Reporting' and the Companies Act for for-profit oriented entities.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 January 2024 and any public announcements made by the Company during the interim reporting period.

The interim consolidated financial information has been prepared on a going-concern basis.

The principal accounting policies adopted are consistent with those set out on pages 68 to 94 of the consolidated financial statements of Angling Direct PLC for the year ending 31 January 2024, except for taxation which has been accounted for as described in note 6.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board that are mandatory for the current reporting period. There was no impact on the adoption of these new or amended Accounting Standards and Interpretations on the financial performance or position of the Group during the financial half-year ended 31 July 2024 and is not expected to have an impact for the full financial year ending 31 January 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 3. Segmental reporting

Segment information is presented in respect of the Group's operating segments, based on the Group's management and internal reporting structure, and monitored by the Group's Chief Operating Decision Maker (CODM).

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly own brand stock in transit from the manufacturers, group cash and cash equivalents, taxation related assets and liabilities, centralised support functions salary and premises costs, and government grant income.

Operating segments

Management has made a judgement that there are three operating segments (Stores, UK Online and Europe Online). The business operated predominantly in the UK, also operating three native language web sites for Germany, France and the Netherlands, being the European segment.

Each of these operating segments is managed separately as each segment requires different specialisms, marketing approaches and resources. Head Office includes costs relating to the employees, property and other overhead costs associated with the centralised support functions.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation) pre IFRS 16 and IFRS 2 ("Adjusted EBITDA"). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements, save for IFRS 16 and IFRS 2. A full reconciliation of pre IFRS 16 and IFRS 2 EBITDA to post IFRS 16 and IFRS 2 EBITDA performance is provided to the CODM.

The information reported to the CODM is on a monthly basis.

At 31 July 2024, £ 27,767,000 of non-current assets are located in the UK (31 July 2023 £24,167,000) and £ 1,044,000 of non-current assets are located in the Netherlands (31 July 2023 £906,000).

Operating segment information

31 July 2024	Stores £'000	UK Online £'000	Europe £'000	Head Office £'000	Total £'000
Revenue	26,422	17,001	2,415	-	45,838
Profit/(loss) before income tax	3,369	1,902	(479)	(2,457)	2,335
EBITDA post IFRS 16 and IFRS 2	5,004	2,206	(321)	(2,575)	4,314
Total assets	33,746	8,392	1,962	25,210	69,310
Total liabilities	(15,190)	(9,760)	(1,495)	(2,632)	(29,077)
EBITDA Reconciliation					
Profit/(loss) before income tax	3,369	1,902	(479)	(2,457)	2,335
Less: Interest income	-	-	-	(309)	(309)
Add: Interest expense	263	21	19	12	315
Add: Depreciation and amortisation	1,372	283	139	179	1,973
EBITDA post IFRS 16 and IFRS 2	5,004	2,206	(321)	(2,575)	4,314
Less: Costs relating to IFRS 16 lease liabilities	(1,195)	(126)	(134)	(133)	(1,588)
Add: Costs relating to IFRS 2 share-based payments	-	-	-	42	42
Adjusted EBITDA	3,809	2,080	(455)	(2,666)	2,768

31 July 2023	Stores £'000	UK Online £'000	Europe £'000	Head Office £'000	Total £'000
Revenue	24,382	16,545	2,414	-	43,341

31 July 2023	UK Stores £'000	Online £'000	Europe £'000	Head Office £'000	Total £'000
Profit/(loss) before income tax	2,974	1,838	(518)	(2,573)	1,721
EBITDA post IFRS 16 and IFRS 2	4,482	2,107	(382)	(2,593)	3,614
Total assets	19,662	7,435	4,013	33,114	64,224
Total liabilities	(7,574)	(4,725)	(1,224)	(12,149)	(25,672)

EBITDA Reconciliation

Profit/(loss) before income tax	2,974	1,838	(518)	(2,573)	1,721
Less: Interest income	-	-	-	(140)	(140)
Add: Interest expense	222	21	15	(12)	246
Add: Depreciation and amortisation	1,286	248	121	132	1,787
EBITDA post IFRS 16 and IFRS 2	4,482	2,107	(382)	(2,593)	3,614
Less: Costs relating to IFRS 16 lease liabilities	(959)	(84)	(111)	(115)	(1,269)
Add: Costs relating to IFRS 2 share based payments	-	-	-	22	22
Adjusted EBITDA	3,523	2,023	(493)	(2,686)	2,367

Note 4. Revenue from contracts with customers

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Unaudited six months ended 31 July 2024 £'000	Unaudited six months ended 31 July 2023 £'000	Audited year ended 31 January 2024 £'000
Route to market			
Retail store sales	26,499	24,382	44,438
E-commerce	19,339	18,959	37,219
	45,838	43,341	81,657
Geographical regions			
United Kingdom	43,423	40,927	77,371
Europe and Rest of the World	2,415	2,414	4,286
	45,838	43,341	81,657
Timing of revenue recognition			
Goods transferred at a point in time	45,838	43,341	81,657

Note 5. EBITDA reconciliation (earnings before interest, taxation, depreciation and amortisation)

The Directors believe that adjusted profit provides additional useful information for shareholders on performance. This is used for internal performance analysis. This measure is not defined by IFRS and is not intended to be a substitute for, or superior to, IFRS measurements of profit. The following table is provided to show the comparative earnings before interest, tax, depreciation and amortisation ('EBITDA') after adjusting for rents, dilapidation charges and associated legal costs, where applicable, relating to IFRS 16 lease liabilities, and adjusting for IFRS 2 share-based payments.

EBITDA reconciliation	Unaudited six months ended 31 July 2024 £'000	Unaudited six months ended 31 July 2023 £'000	Audited year ended 31 January 2024 £'000
Profit before income tax expense post IFRS 16 and IFRS 2	2,335	1,721	1,517
Less: Interest income	(309)	(140)	(494)
Add: Interest expense	315	246	500
Add: Depreciation and amortisation	1,973	1,787	3,796
EBITDA post IFRS 16 and IFRS 2	4,314	3,614	5,319
Less: Costs relating to IFRS 16 lease liabilities	(1,588)	(1,269)	(2,628)
Add: Costs relating to IFRS 2 share-based payments	42	22	113
Adjusted EBITDA	2,768	2,367	2,804

Note 6. Income tax expense

The tax charge for the six months ended 31 July 2024 is recognised based on management's estimate of the weighted average annual effective tax rate expected for the full financial year, adjusted for the tax impact of any discrete items arising in the period. Deferred tax balances are calculated using tax rates that have been enacted or substantively enacted by the balance sheet date and that are expected to apply in the period when the liability is settled or the asset realised.

Note 7. Intangibles

	Unaudited six months ended 31 July 2024 £'000	Unaudited six months ended 31 July 2023 £'000	Audited year ended 31 January 2024 £'000
Non-current assets			
Goodwill - at cost	6,015	5,802	5,802
Less: Impairment	(182)	(182)	(182)
	5,833	5,620	5,620
Software - at cost	2,283	1,835	2,052
Less: Accumulated amortisation	(1,801)	(1,448)	(1,620)
	482	387	432
	6,315	6,007	6,052

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Unaudited six months ended 31 July	Goodwill £'000	Software £'000	Total £'000
Balance at 1 February 2024	5,620	432	6,052
Additions	-	232	232
Additions through business combinations *	213	-	213
Amortisation expense	-	(182)	(182)
Balance at 31 July 2024	5,833	482	6,315

* During the period the Group has acquired the following:

- In Crewe, the following two transactions were consolidated on to a single site:
  - On 8 February 2024, the business and assets of HF Angling Limited (a company registered in England and Wales) for consideration of £0.21m. The business comprised of a single angling retail store in Crewe, UK.
  - On 9 February 2024, the specific assets of Fink Foods Limited (a company registered in England and Wales) for consideration of £0.04m. The assets were acquired from a single angling retail store in Crewe, UK.
- In Walsall, on 22 April 2024, the specific assets of Allen's Fishing Tackle Limited (a company registered in England and Wales) for consideration of £0.07m. The assets were acquired from a single angling retail store in Walsall, UK.
- In Shrewsbury, on 24 July 2024, the business and assets of Total Angling Limited (a company registered in England and Wales) for consideration of £0.43m. The business comprised of a single angling retail store in Shrewsbury, UK.

The following summarises the total assets acquired through business combinations in the six months ended 31 July 2024:

Fair value of assets acquired	2024 £'000
Property, plant and equipment	65
Inventories	468
Contract liabilities	(6)
Total identifiable assets	527
Goodwill	213
Total consideration	740

Goodwill arising from the acquisitions consists largely of the synergies and economies of scale expected from combining the operations of Angling Direct and the businesses acquired.

Goodwill and intangible assets recognised in the year relating to business combinations are not expected to be deductible for tax purposes.

The Directors do not consider any individual in-year acquisition to be material to the Group and therefore have not disclosed these.

Note 8. Property, plant and equipment

	Unaudited six months ended 31 July 2024 £'000	2023 £'000	Audited year ended 31 January 2024 £'000
Non-current assets			
Land and buildings improvements - at cost	1,002	1,002	1,002
Less: Accumulated depreciation	(357)	(347)	(352)
	645	655	650
Plant and equipment - at cost	12,754	10,096	11,116
Less: Accumulated depreciation	(4,186)	(3,325)	(3,607)
	8,568	6,771	7,509
Motor vehicles - at cost	44	15	9
Less: Accumulated depreciation	(10)	(13)	(8)
	34	2	1
Computer equipment - at cost	1,444	1,363	1,432
Less: Accumulated depreciation	(1,017)	(875)	(917)
	427	488	515
	9,674	7,916	8,675

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Unaudited six months ended 31 July	Land and buildings improvements £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2024	650	7,509	1	515	8,675
Additions	-	1,643	35	12	1,690
Exchange differences	-	(4)	-	-	(4)
Depreciation expense	(5)	(580)	(2)	(100)	(687)
Balance at 31 July 2024	645	8,568	34	427	9,674

Note 9. Right-of-use assets

	Unaudited six months ended 31 July 2024 £'000	2023 £'000	Audited year ended 31 January 2024 £'000
Non-current assets			
Land and buildings - right-of-use	21,292	19,964	21,089
Less: Accumulated depreciation	(8,594)	(8,984)	(10,017)
	12,698	10,980	11,072
Plant and equipment - right-of-use	80	80	80
Less: Accumulated depreciation	(66)	(59)	(63)
	14	21	17
Motor vehicles - right-of-use	269	467	510
Less: Accumulated depreciation	(164)	(329)	(370)
	105	138	140
Computer equipment - right-of-use	59	59	59
Less: Accumulated depreciation	(54)	(48)	(51)
	5	11	8

	Unaudited six months ended 31 July 2024 £'000	2023 £'000	Audited year ended 31 January 2024 £'000
	12,822	11,150	11,237

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Unaudited six months ended 31 July	Land and buildings £'000	Plant and equipment £'000	Motor vehicles £'000	Computer equipment £'000	Total £'000
Balance at 1 February 2024	11,072	17	140	8	11,237
Additions	2,701	-	-	-	2,701
Exchange differences	(12)	-	-	-	(12)
Depreciation expense	(1,063)	(3)	(35)	(3)	(1,104)
Balance at 31 July 2024	12,698	14	105	5	12,822

Note 10. Trade and other payables

	Unaudited six months ended 31 July 2024 £'000	2023 £'000	Audited year ended 31 January 2024 £'000
Current liabilities			
Trade payables	8,729	8,023	4,503
Accrued expenses	1,499	1,287	1,107
Refund liabilities	49	56	32
Social security and other taxes	1,458	1,141	367
Other payables	962	1,195	967
	12,697	11,702	6,976

Contract liabilities has been reported separately on the Statement of financial position. This was previously reported in other payables.

Note 11. Share capital

	Unaudited six months ended 31 July 2024 Shares	2023 Shares	2024 £'000	2023 £'000
Ordinary shares of £0.01 each - fully paid	77,267,304	77,267,304	773	773

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial period.

Note 13. Contingent liabilities

The Group had no material contingent liabilities as at 31 July 2024, 31 January 2024 and 31 July 2023.

Note 14. Earnings per share

	Unaudited six months ended 31 July 2024 £'000	2023 £'000	Audited year ended 31 January 2024 £'000
Profit after income tax attributable to the owners of Angling Direct PLC	1,732	1,321	1,218
	Number of shares	**Number of shares**	**Number of shares**
Weighted average number of ordinary shares used in calculating basic earnings per share	77,267,304	77,267,304	77,267,304
Adjustments for calculation of diluted earnings per share:			
Options over ordinary shares	612,946	851,266	515,516
Weighted average number of ordinary shares used in calculating diluted earnings per share	77,880,250	78,118,570	77,782,820
	Pence	**Pence**	**Pence**

	Pence	Pence	Pence
Basic earnings per share	2.24	1.71	1.58
Diluted earnings per share	2.22	1.69	1.57

END

IR BRBDGLUGDGSR