

5 February 2025

Tandem Group plc

(the '**Company**' and together with its subsidiaries the '**Group**')

Trading Update and Notice of Results

11% growth in FY24 revenues and return to Group profitability

Tandem Group plc (AIM: TND) designers, developers, distributors and retailers of sports, leisure and e-mobility, provides the following trading update and confirms that its annual results for the year ended 31 December 2024 (the "period" or "FY24") will be announced on 24 March 2025.

Trading and operations update

As reported in the Company's interim results on 20 September 2024, first-half revenue remained stable compared to the equivalent period in the previous year, reflecting the ongoing challenges within the consumer sector and broader economic environment. A stronger second half of the financial year drove an improvement, resulting in unaudited FY24 revenue of £24.6 million, representing an 11% increase year-on-year. This performance highlights the Company's adaptability and growth despite external pressures.

Amid ongoing challenges in the consumer sector, compounded by broader economic pressures and political uncertainty in the UK, the market came under additional strain due to elevated shipping rates and delays in the Suez Canal. These factors further suppressed already subdued consumer spending in the domestic market.

The Board is pleased that the Group has returned to profitability in FY24 and remains confident that profit before tax and exceptionals (including the non-cash impairment of legacy IT systems), subject to audit, will be in line with market expectations. This performance reflects disciplined execution, cost controls, and operational resilience, maintaining profitability in a challenging environment and underscoring the strength of the Company's business model.

Toys, Sports, and Leisure (TSL)

The TSL business, including character-licensed wheeled toys and in-house sports and leisure products, performed strongly, contributing significantly to Group performance. Revenue increased by 20% year-on-year, driven by an 18% growth in licensed product sales and a 26% increase in own-label products.

In FY24 we observed a reversal in the trend we had seen on Freight on Board (FOB) sales in the previous year, with growth of 14%. Domestic sales also grew 23% year-on-year by securing seven new national accounts in the period, driving revenue growth and market penetration.

Bicycles

Bicycle sales, including electric bikes, finished 11% ahead of the previous year, outperforming broader sector challenges. Sales of electric bikes saw a comparative decline of 8%, however, this was more

than offset with 39% revenue growth in mechanical bikes.

Sales of premium *Squish* bikes surged by 69% year-on-year, reflecting robust consumer demand and the brand's growing reputation. This momentum was boosted by the brand's recognition as 'Bike Brand of the Year', increasing visibility and customer confidence.

Golf

Golf sales increased by 13% year-on-year, reflecting strong performance across the division. The Ben Sayers brand finished 2% down year-on-year; however, this was offset by exceptional growth in the Pro Rider range. Our focus on product development within the Pro Rider portfolio drove more than two-fold revenue growth, highlighting the success of our innovation-led approach.

Home & Garden

Home and Garden revenue finished 22% behind the prior year, mainly due to adverse weather conditions throughout the period. Unfavourable weather during key outdoor periods, such as Easter and the Summer School holidays, affected outdoor categories. Products like cooling systems, gazebos, outdoor furniture, and parasols experienced significant declines in demand. However, heating and home products partially offset this decrease, as increased volume in these categories helped to soften the impact. Short bursts of extreme weather have helped with the heating and cooling categories.

Outlook

Early indicators from retailers in January 2025 align with management expectations and the addition of new national retailer accounts is expanding the Group's market presence and positioning it for sustainable growth. As a result, confidence in the Group's strategy for the year ahead and beyond remains, with management targeting growth in revenues in FY25 in line with that seen in FY24, with resultant improvements in profitability.

To improve operational efficiency and profitability, we have undertaken strategic optimisation initiatives in Hong Kong. This includes relocating the Group's offices, modernising our showroom, and achieving an annual cost reduction in this location, positively impacting profitability as well as the customer experience.

Innovation remains a key strategic priority across the Group's divisions for FY25, with efforts centred on developing new products, introducing enhanced features, designing new electric and mechanical bikes, and advancing Home and Garden product development. Our commitment to innovation, newness, international sales, exciting new licenses and new distribution partnerships will further enhance growth in FY25 and FY26.

The Group heads into 2025 with a strong balance sheet and well-managed stock, well positioned for the year ahead, with planned new partnerships with retailers and independent accounts, major operational improvements, and opportunities for international growth. Our commitment to progress and adaptability remains a focus to delivering lasting value to our shareholders.

Notice of results

The Group expects to publish its FY24 results on 24 March 2025.

A final results presentation will be available on the website after the results are published at www.tandemgroupplc.co.uk/investor-presentations. Investors with questions are asked to email the Company at investorrelations@tandemgroupplc.co.uk

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company take responsibility for this announcement.

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Forward Looking Statements

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