

TANDEM GROUP PLC
(the "Company" or "Group")

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

11% growth in revenues and performance in line with market expectations

The Board of Tandem Group plc (AIM: TND), designers, developers, distributors and retailers of sports, leisure and mobility equipment, announces its audited results for the year ended 31 December 2024 ("FY24").

Summary

- Group revenue in FY24 of £24.6 million, an 11% increase (FY23: £22.2 million) - with growth across all categories other than Home & Garden:
 - Toys, Sports & Leisure revenue increased 19% to £12.4m (FY23: £10.4m) across both licensed and own-brand products and all channels.
 - Bicycles revenue grew 11% to £7.4m (FY23: £6.6m), including 39% increase in mechanical bikes revenues and a 69% increase in Squish children's bike sales during the year.
 - Golf sales increased 13% to £2.5m (FY23: £2.3m).
 - Home & Leisure revenues decreased 21% to £2.3m (FY23: £3.0m), reflecting the effect of unfavourable weather conditions throughout key sales periods.
- Profit before taxation and exceptionals* of £0.5 million (FY23 loss before tax and exceptionals : £1.0 million).
- Gross profit of £7.4 million (FY23: £6.0 million) at a gross profit margin of 29.9% - an increase of 290 bps (FY23: 27.0%)
- Cash and cash equivalents of £1.4 million at 31 December 2024 (31 December 2023: £0.4 million)
- Net assets at 31 December 2024 of £23.9 million (31 December 2023: £23.8 million)
- Net debt at 31 December 2024 of £4.3 million (31 December 2023: £3.6 million)
- Amidst a difficult economic environment, there have been encouraging signs. The Group has delivered resilient performance during a period in which multiple industry participants have become highly distressed. The continued success of our initiatives and a strategic focus provide the Board with confidence for the future.
- Despite ongoing market challenges and uncertainties, we are pleased to report that sales for 2025 have started well and are in line with the Board's expectations, marking an optimistic beginning to the current financial year.
- As signalled at the time of the Company's interim results published in September 2024, the Board will resume dividend payments in the future at such time as the Company's profits permit.

*Exceptional costs in 2024 £409,000 (£103,000 in 2023) in respect of employment costs relating to planned retirement of the commercial director for whom a replacement was on board in July 2024, relocation costs for the Hong Kong

Office and the non-cash impairment of the new IT system costs, the development of which has ceased, in light of the developments of the business. There was £71,000 in Finance costs relating to the pension schemes (£73,000 in 2023).

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The information contained within this announcement is deemed by the Company to constitute inside information pursuant to Article 7 of EU Regulation 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 as amended. Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Chairperson's statement

Introduction

I am pleased to present the results of the Group for the year ended 31 December 2024, a year in which the Group delivered a double-digit increase in revenue and a return to a pre-tax profit.

Financial highlights

- Group revenue increased by 11% to £24,619,000 (FY23: £22,242,000)
- Strong H2 growth: 19% revenue increase delivered across all categories, except for Home & Garden
- The Group returned to profitability, with a net profit before tax of £30,000
- The Group's net assets have increased to £23,915,000 (FY23: £23,811,000)

Toys, Sports & Leisure

Revenue increased by 19% in 2024 compared to the previous year with an uplift across both licensed and own-brand products. Despite widespread reports of challenging retail conditions, we saw growth across every channel. In 2023, we experienced a drop in FOB sales as more customers opted to mitigate risk by shifting towards domestic purchases. However, this trend reversed in 2024, with FOB sales rising by 14% over the previous year, while domestic sales also grew by 22% as a result of an increased customer base and new product development.

In addition, sales through our own websites saw significant growth, particularly in marketplace sales, which surged by 34%. The success of these increases in sales can be attributed to our focus on newness and innovation, which has allowed us to better meet customer needs, drive interest, and maintain a competitive edge in the market. We are delighted this has been recognised by receiving multiple industry awards, including Right Start Awards and Made For Mums across both our own brand and licensed wheeled products.

Bicycles

Total bicycle sales, including electric bikes, finished 11% ahead of the previous year, significantly outperforming the broader sector. This was against a challenging market across all customer types, from independents to national retailers.

Sales of mechanical bikes finished 39% ahead of the previous year and outperformed the market. Within this category sales of our premium kids' bike brand, Squish, surged by 69% in part driven by our partnerships and recognition as 'BikeBiz Brand of the Year'. Electric bikes saw an 8% decline in sales, which is in line with the market, however we have managed our inventory and developed a comprehensive range of industry leading products that we expect to deliver growth in 2025 and beyond.

Our B2C Electric Life brand has continued to deliver consistent year-on-year growth. Our contemporary designed public showroom, led by passionate and skilled colleagues provide servicing and repairs across bikes and scooters whilst delivering a first-class customer experience, something reflected in our online reviews. The product range has been enhanced with the addition of market leading brands including Dasher helmets, Tern, Gocycle and VanMoof to our existing retail portfolio of Whyte, Orbea and own brands; Dawes, Claud Butler and Falcon, which are all available for free test rides. To complement the showroom our fully transactional website also includes the addition of non-electric bikes from all brands to the online portfolio which are available for click & collect and home delivery.

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 more than offset by exceptional growth in the Pro Rider range. A focus on product development drove triple digit growth from Pro Rider new golf trolleys and package sets and highlighted the success of our innovation-led approach. In 2025 our Ben Sayers range will receive a comprehensive refresh and enhancement to the range.

Home & Garden

The Home & Garden division was challenged by the ongoing cost-of-living crisis which suppressed discretionary consumer

spending, a trend widely reported throughout the year, resulting in ending the year 21% behind the prior year's revenue. The effect of unfavourable weather conditions throughout key sales periods, Easter and the Summer School holidays curbed demand for outdoor products including cooling, gazebos, outdoor furniture, and parasols which declined significantly. The short burst of cold weather in December did however increase sales in heating and home products which helped mitigate the overall impact.

Group operating profit

Group operating profit before exceptional costs, finance costs and taxation increased to £814,000 for the year ended 31 December 2024 compared to a loss of £768,000 for the year ended 31 December 2023. Gross margin was 29.9% against 27.0% in FY2023 and a decrease in operating expenses from £6,768,000 in the prior period to £6,552,000 in the year to 31 December 2024. This reduction was partly due to a rates refund of £156,000, after the rateable value date was finalised.

Group balance sheet

The business has continued to control its levels of inventory throughout the year, ending the period in a good stock position with new, innovative products being introduced, leading to an increase in levels held at the year end to £5,930,000 compared to £5,161,000 in the prior period. Due to Chinese New Year being earlier and the longer shipment times from the Far East, this led to higher goods in transit of £535,000 compared to £16,000 for 2023.

Cash and cash equivalents increased to £1,385,000 at 31 December 2024 compared to £447,000 at 31 December 2023, with the Group moving from a net debt position as at 31 December 2023 of £3,568,000 to £4,322,000 at 31 December 2024 due to the higher inventory.

Further details of operational activities can be found in the Strategic Review.

Dividend

In previous years it has always been the Board's intention to maintain a progressive dividend as trading results and funds permit. However, and as previously announced, the Board is of the view that no dividend should be paid in respect of FY24, as was the case for the year ended 31 December 2023.

This will also assist to preserve cash in accordance with the provision that in any calendar year should dividend payments exceed pension deficit contributions, an additional contribution, equal to the excess, is paid into the Tandem Group Pension Plan. For the year ended 31 December 2023, an additional payment of approximately £188,000 was paid into the Tandem Group Pension Plan. Due to no dividend for 2023, no additional payment was required during the year ended 31 December 2024.

Colleagues

Our colleagues remain a key differentiator in delivering our strategic objectives. Over the past year, we have strengthened our already talented team by attracting new colleagues to support our strategic goals and growth opportunities.

Leadership

Peter brings an energetic and forward-thinking approach to the business, guided by a clear and focused strategic vision. He has enhanced the team in key areas, positioning the Company to successfully pursue its long-term growth objectives.

Outlook

Despite ongoing market challenges and uncertainties, we are pleased to report that sales for 2025 have started well and are in line with the Board's expectations, marking an optimistic beginning to the year.

In our Toys, Sports & Leisure division both FOB and domestic sales continue to show growth over 2024, highlighting our resilience and adaptability in the face of evolving market conditions. This growth reinforces our confidence in the future as we keep driving the division forward through continuous innovation and fresh offerings.

In line with our strategy, we are also expanding our licensed ranges, adding five new licenses. This strengthens our position as the UK's market leader in licensed wheeled goods. Our 2025 lineup includes exciting new partnerships with brands such as Wicked, Jurassic Park, Unicorn Academy, Hot Wheels, and Superman. Additionally, we are thrilled to share that both Disney's 'Stitch' and the BBC's 'Bluey' brands are expected to continue to grow in 2025, with strong consumer demand driving encouraging sales.

We are further introducing new products across our own-label portfolio, which we believe will resonate strongly with our customer base. Notably, we have launched a new children's scooter brand, 'Pets2Go,' which combines the latest trend in pet plush toys with practical scooter storage, offering a fresh and innovative take on tri-scooters.

We successfully introduced 11 new eBikes to our Dawes, Claud Butler and Falcon brands in H2 last year and we will benefit from full availability of these throughout 2025. We have also developed an additional four new eBikes that will launch in H1 2025 and result in a complete range of 18 market leading entry price point eBikes across eMTB, eHybrid, eHeritage and eFolding. With retail prices below £1,000 for a selection of our own-brand eBikes, we have strengthened our position as the UK's leading distributor of affordable electric bikes.

Alongside continuing to grow and expand our exclusive distribution of own brand bikes, we will continue to grow our exclusive distribution partnership with third-party brands. In April we took over the full UK distribution of Swytch, which uses an innovative conversion kit turning mechanical bikes into an e-bike with ease. Joining Swytch in our line up in Q4 was VanMoof, Netherlands based with its high-tech, sleek award-winning urban e-bikes. We are also exclusively distributing Dasher helmets, British designed and manufactured stylish helmet brand which produces their products from recycled plastic with B-Corp status. The addition of these third-party brands complements our core own brand product range whilst driving category growth and market share.

We are delighted to continue our partnership with the premium brands Orbea, Whyte, Gocycle and Tern through our Electric Life retail showroom. These partnerships continue to enhance our market position and expand our reach to a wider customer base, enabling us to capitalise on the growing demand for electric bicycles in our retail proposition.

We are excited to build upon the success of our mechanical bike range with a complete relaunch of the Dawes Discovery/Venture hybrid range across 9 models, and Claud Butler Haste Mountain bike range in Q1 2025. This newly designed product line up is competitively positioned within the market and includes modern specification, geometry and artwork.

We will continue to grow our lightweight kids bike brand, Squish, by leveraging the BikeBiz 'Brand of the Year' award, taking market share from competitors, and by growing brand recognition/future market size through our nationwide partnerships in schools. We are looking forward to expanding the range and introducing a 'Squish Go', a competitively priced lightweight entry sized balance bike.

In our golf division and following incredibly successful innovative product launches for Pro Rider in 2024, we have developed a new range of Ben Sayers products launching in Q1 2025 to complement our core range. Our new product range will continue to target the mid to high handicap golfers, with more modern, aesthetically pleasing designs and a focus on

value-performance. The headline range updates will include our best-selling package sets and the entire range of Ben Sayers stand/cart bags.

We are pleased to announce for 2025 a range of new categories to expand our Home & Garden division. These additional products span categories across outdoor heating, outdoor rugs, clocks, indoor décor with further enhancements to our storage proposition. This year we are leveraging new domestic sourcing partners allowing us to remain agile and help mitigate any potential Far East shipping distribution issues which may impact stock availability. This expansion reflects our continued commitment to offer on-trend, innovative solutions for both indoor and outdoor living. We strive to enhance our customers' lifestyle experience by offering stylish, functional options that deliver exceptional value, helping customers to transform their living spaces.

As part of our commitment to driving growth, we continue to invest in marketing content across our Group's diverse product portfolio. We remain dedicated to supporting all accounts, partners, and our own retail channels with high-quality product content across visual, motion, and written formats. The positive feedback we are receiving from our accounts highlights the effectiveness of these improvements and positions us to build upon this and further enhance and expand our content strategy in 2025.

As the business looks ahead to the remainder of 2025, we hold a cautiously optimistic view of our market position. With our strategic initiatives well underway across the Group, we are confident in our continued growth momentum for 2025 and beyond. Looking ahead, the Group is well-positioned to seize emerging opportunities and leverage its core strengths to drive long-term, sustainable growth. The Board remains assured of the Group's strategic direction, anchored by our unwavering commitment to innovation, customer focus and operational excellence.

S J Grant

Chair

21 March 2025

Strategic report

Operating and Financial Review

Revenue

Group revenue for the year ended 31 December 2024 was £24,619,000 compared to £22,242,000 in the prior year. As detailed in our Interim Results published on 19 September 2024, we have revised our sales reporting format which is crucial for enhancing operational efficiency and strategic decision-making. This approach not only provides more accurate and timely insights but also aligns seamlessly with our Group's operational strategies. By transitioning to this improved reporting method, we can better track performance, quickly identify trends, and make informed decisions that drive growth and innovation. Ultimately, this transformation in sales reporting empowers us to operate more effectively and stay ahead in a competitive marketplace. The Group's revenue is split into the four main business segments as follows.

	2024 (£000s)	2023 as restated (£000s)	2022 as restated (£000s)
Toys, Sports and Leisure	12,362	10,369	14,260
Bicycles, including electric	7,380	6,630	6,033
Golf	2,548	2,261	2,492
Home and Garden	2,329	2,982	3,898
	24,619	22,242	26,683

Gross profit

Gross profit of £6,000,000 in 2023 increased by 22.8% to £7,366,000 in 2024.

The gross profit margin percentage increased from 27.0% to 29.9%. The Group has again continued to work hard on negotiating cost reductions, together with less clearance activity and foreign exchange hedging in place.

Operating expenses

Group operating expenses decreased by 3.2% to £6,552,000 in the year (year ended 31 December 2023 - £6,768,000). This reduction was partly due to a rates refund of £156,000, after the rateable value date was finalised.

Operating result

Operating profit before exceptional costs was £814,000 for the year ended 31 December 2024 compared to an operating loss of £768,000 in the prior year.

Non-underlying items

Non-underlying items comprised:

- Exceptional costs of £409,000 (year ended 31 December 2023 - £103,000) in respect of employment costs relating to the planned retirement of the Group's commercial director, for whom a replacement was onboarded in July 2024, relocation costs of the Hong Kong office and the non-cash impairment of the new IT system costs, the development of which has ceased, in light of the developments of the business.
- Pension finance costs under IAS19 of £71,000 (year ended 31 December 2023 - £73,000); and
- A deferred tax charge of £83,000 (year ended 31 December 2023 - £130,000) in respect of pension schemes.

Finance costs

Total net finance costs increased to £375,000 in the year ended 31 December 2024 compared to £327,000 in the year ended 31 December 2023.

There was an increase in total interest payable on bank loans, overdrafts, hire purchase and invoice finance facilities from £324,000 in the prior year to £374,000 in 2024 due to the increased borrowing to fund the new warehouse construction. This was offset by the income received from the Group's interest rate hedge of £70,000 (2023: £70,000).

Finance costs in respect of the pension schemes provided in line with IAS19 were £71,000 compared to £73,000 for the year ended 31 December 2023.

Taxation

The tax expense for the year ended 31 December 2024 was £90,000 compared to £39,000 in the prior year.

The corporation tax charge in the year ended 31 December 2024 of £2,000 is in relation to the Hong Kong operation (year ended 31 December 2023 net credit - £155,000, which comprised a corporation charge for the Hong Kong operation and a net refund of UK corporation tax paid in 2022).

There was a deferred tax charge of £88,000 compared to £194,000 in the prior year.

Net loss

Net loss for the year ended 31 December 2024, after non-underlying items, finance costs and taxation charges was £60,000 compared to a loss of £1,237,000 for the year ended 31 December 2023.

Adjusted EBITDA

Adjusted EBITDA (Earnings Before Interest, Taxation, Depreciation, Amortisation and Exceptional Costs) was £1,132,000 for the year ended 31 December 2024, compared to (£461,000) in the prior year.

Capital expenditure

Total expenditure on property, plant and equipment incurred during the year was £86,000 (year ended 31 December 2023 - £985,000). A decision was made by the Board to write off the costs of £263,000 relating to a new IT system that was going to be introduced due to the development of which has ceased, in light of the developments of the business.

Cash flows, working capital and net cash

Net cash inflow from operating activities before movements in working capital for the year ended 31 December 2024 was £612,000 compared to an outflow of £1,146,000 in the year ended 31 December 2023.

Cash outflow from operations was £347,000 compared to £358,000 last year.

Net cash outflows from investing activities were £86,000 in 2024, against £1,009,000 in the previous year due to the capital expenditure for last year of £985,000.

There was a net cash inflow from financing activities of £1,692,000 in 2024, which compared to an outflow of £1,170,000 in 2023. The net inflow was due to the drawdown of the invoice finance facility in December 2024.

As a result of these movements the closing cash position at 31 December 2024 was £1,385,000 compared to £447,000 at 31 December 2023.

Net debt, comprising cash and cash equivalents less invoice financing liabilities and borrowings, was £4,322,000 at 31 December 2024, compared to £3,568,000 at the end of the previous year.

Dividends

Due to the current year results, no final dividend will be paid for the year ended 31 December 2024 (year ended 31 December 2023 - nil pence per share).

Total dividends paid and proposed for the year ended 31 December 2024 are nil pence per share (year ended 31 December 2023 - nil). As the total dividend will not exceed the deficit repair contributions paid to the Tandem Group Pension Plan, in accordance with a previous agreement with the pension scheme trustees, there will be no requirement to pay an additional contribution equal to the excess into the scheme.

Loss per share

Basic loss per share was 1.1 pence per share for the year ended 31 December 2024 compared to a basic loss per share of 22.6 pence per share in the year ended 31 December 2023.

Product range overview

Turnover has been split into four segments: Toys, Sports & Leisure, Bicycles, Golf and Home & Garden.

Toy, Sports & Leisure

In 2024, this division delivered a revenue increase of 19% compared to the previous year. Despite widespread reports of challenging retail conditions, we achieved growth across all channels. Following a decline in FOB sales in 2023, as many customers shifted to domestic purchases to mitigate risk, this trend reversed in 2024. FOB sales rose by 14%, while domestic sales grew by 22%.

Additionally, our online sales grew significantly, with marketplace sales increasing by 34%. This success is a result of our emphasis on product innovation and the introduction of new ranges, allowing us to better meet customer needs, drive engagement, and maintain a competitive edge.

Building on our successful strategy, we are expanding our licensed ranges with five exciting new licenses, further cementing our position as the UK's leading brand in wheeled goods. Our 2025 lineup features fantastic collaborations with hot new properties and brands like Wicked, Jurassic Park, Unicorn Academy, Hot Wheels, and Superman offering even more choices for our customers.

We are also pleased with the success of Disney's 'Stitch' and the BBC's 'Bluey' in 2024, as both have far exceeded management expectations, driven by strong consumer demand and growing sales performance.

Looking ahead, we are introducing an exciting range of new products across our own-label portfolio, designed to truly connect with our customers. One standout addition is 'Pets2Go,' a brand-new children's scooter that blends the latest pet plush toy trends with practical scooter storage, creating a fun and innovative twist on tri-scooters.

Bicycles

In 2024, total bicycle sales, including electric bikes outperformed the broader market with an 11% year-on-year growth despite challenging market conditions across customer segments from independent retailers to national chains.

Mechanical bike sales were particularly strong, growing 39% year-on-year and significantly outpacing the market. Notably, the Squish premium kids bike brand saw a significant increase of 69%, driven by our strategic partnerships and our recognition as BikeBiz Brand of the Year.

While electric bike sales declined by 8%, mirroring the broader market trend, we have strategically managed inventory levels and expanded our product range, positioning ourselves for growth in 2025 with industry-leading offerings. In the second half of 2024 we launched 11 new eBikes under our Dawes, Claud Butler, and Falcon brands, and we look forward to benefiting from a positive sales uplift with full availability of this range in H1 2025. We will also introduce four new eBikes in H1 2025, completing a comprehensive portfolio of 18 market-leading entry-level eBikes spanning eMTB, eHybrid, eHeritage, and eFolding categories, and priced under £1,000. Launching new products in H1 is a strategic decision that is driven by our dealers and end customers increased propensity to buy during this period and allows retailers to establish listings in time for the peak summer season.

In light of the recent government decision to drastically reduce import duty on electric bikes from China, we are completing

a full strategic sourcing review in this category with the results coming to market in Q4 2025.

Electric Life, our direct-to-consumer brand, continues to achieve strong year-on-year growth, driven by its enhanced customer experience and expanded product range. Our modern, customer-centric showroom is a hub for bike and scooter consumers, offering expert servicing and repairs. Staffed by knowledgeable and passionate colleagues, the showroom is designed to deliver a seamless shopping experience, something that is consistently reflected in our positive online customer reviews. Throughout the year, we enriched our product lineup with Dashel helmets, Tern, Gocycle, and VanMoof. These new offerings complement our existing portfolio of Whyte, Orbea, and our own-brands, Dawes, Claud Butler, and Falcon; all of which are available for free test rides. To further support customer convenience and choice, our fully integrated website has also expanded to include non-electric bikes from all featured brands. These products are available for both click-and-collect and home delivery, ensuring flexible purchasing options that align with our customers' needs.

In line with our strategy to enhance our product offering and expand market presence, we continue to grow our exclusive distribution of own-brand bikes while growing new partnerships with leading third-party brands. These strategic additions strengthen our portfolio and provide our customers with an even broader range of high-quality, innovative products. In April, we took on full UK distribution of Swytch, a brand known for its innovative e-bike conversion kits that easily transform traditional bicycles into electric models. Later in the year, VanMoof joined our portfolio, bringing its cutting-edge, award-winning urban e-bikes from the Netherlands to our growing customer base. Rounding out the lineup, we are now the exclusive distributor of Dashel helmets, a British brand renowned for its stylish, sustainably manufactured helmets made from recycled plastic and holding B-Corp certification. These exciting partnerships complement our core own-brand products and help drive additional growth across categories. By expanding our offerings and diversifying our product mix, we are well-positioned to capture additional market share and meet the evolving demands of the cycling community.

Golf

Golf sales grew 13% year-on-year, underscoring robust performance across the division. Building on the success of our Pro Rider innovations in 2024, we are preparing a new range launch across Ben Sayers line starting in Q1 2025. Our new range will continue to target the mid to high handicap golfers, featuring modern aesthetics and a strong value-performance proposition. The updates will include new iterations of our popular M8 package sets and a complete redesign of the Ben Sayers stand/cart bags, reinforcing our commitment to delivering accessible, high-quality products for the growing entry-level golf segment.

While Ben Sayers saw a slight decline of 2%, this was more than offset by exceptional growth in the Pro Rider range, reflecting the effectiveness of our innovation-driven strategy. This success is a testament to our focus on product development, which drove triple-digit growth. The Ben Sayers range is undergoing strategic development in 2025 to align with evolving market trends and consumer needs.

Home & Garden

Our Home & Garden segment encompasses direct to consumer retailing of outdoor living and homeware products experienced a challenging year with a 21% decline in revenue compared to the previous year. We were challenged with unfavourable weather conditions during key sales periods, reducing demand for outdoor products resulting in a substantial sales decline in these categories. We did however, during these short periods of cold weather, partially offset some of the short fall by increased sales in heating and home products.

We remain firmly committed to innovation and product development, despite these challenges. Our focus remains on introducing new, innovative products in this segment to stay aligned with evolving consumer preferences and shifting market conditions.

For 2025 we look forward to benefiting from the introduction of full availability of the new product ranges we developed in the second half of last year across cooling, gazebos and outdoor furniture. This year the team have found new sourcing partners and identified incremental new categories and opportunities to expand our range across outdoor rugs, outdoor heating, internal storage solutions and home décor which are on-trend and deliver exceptional value to our customers.

Content Marketing

As part of our ongoing commitment to driving growth, we continue to make significant investments in marketing content across our Group's product portfolio. This comprehensive approach ensures that we are delivering high-quality, consistent product content that caters to our breath of stakeholders, including accounts, partners and our own retail channels. Our focus is on developing credible and engaging content across multiple formats visual, motion, and written that effectively showcases our products' strengths and unique propositions. The positive feedback we have received from our accounts is a testament to the progress we have made in this area, highlighting the improvements in both quality and relevance. These developments will enhance sales conversion rates and our brand visibility across the markets we serve. As we move into 2025, we are well-positioned to build on this momentum, further evolving our content strategy to meet developing market demands and to continue driving sustainable growth across our business.

Consumer Channels

The Group experienced a 2% increase in revenue from its consumer channels compared to the previous year. Alongside our own websites Jack Stonehouse, Electric Life, Tandem Group Cycles, and Ben Sayers we continued to expand our market presence through third-party marketplace platforms. In addition to Amazon Seller and eBay, we operate on the platforms of leading retailers such as B&Q, Tesco, The Range, and Wayfair.

In 2025, we are continuing to identify new strategic opportunities to drive sales growth and expand our market share through partnerships with additional platforms. Our customer-centric approach remains a core priority, supported by dedicated customer service teams committed to delivering exceptional experiences, evidenced by consistently positive customer review ratings on Google and Trustpilot.

Sourcing & Logistics

The Hong Kong office remains a vital sourcing hub for the Group, driving efficiency, cost savings, and product quality. In October 2024 we relocated our offices to Kowloon East, a dynamic and growing business district, which we also expected to deliver cost savings over the coming years. The team also oversees technical and quality control, ensuring that all products meet the Group's high standards. Strengthening supplier relationships, negotiating competitive pricing, and optimising logistics, while continuing to enhance cost efficiencies and supply chain resilience across the Group.

Pension schemes

The Group operates two defined benefit pension schemes with both schemes closed to new members. There are no active members in either scheme.

The collective deficit of the schemes at 31 December 2024 decreased to £358,000 compared to £726,000 at 31 December 2023. Gilt yields were higher at 5.25% (4.8% for 2023) which led to the reduction in the deficit.

The pension schemes continued to utilise the Group's cash resources with payments in respect of the schemes totalling

£526,000 (year ended 31 December 2023 - £723,000). The total comprised deficit contributions of £397,000 and £nil in respect of the Tandem and Casket schemes respectively (year ended 31 December 2023 - £563,000 and £34,000) and government levies and administration costs of £129,000 (year ended 31 December 2023 - £126,000).

The latest triennial valuation date for the Tandem scheme was 1 October 2022 and the Casket scheme 5 April 2022, details of which were provided in the 2023 Annual Report.

Colleagues

We currently employ 73 colleagues in the Group who remain our most important asset. The Group continues to offer a breadth of cost saving solutions for colleagues and their families, along with access to a discounted range of our clean energy transportation products.

Annual General Meeting

The 2025 Annual General Meeting will be held on 24 June 2025 at our Castle Bromwich offices.

Strategy

Our strategic objective is to drive sustained growth across all of our operating divisions as the sectors continue to evolve, by introducing exciting new product ranges and expanding our customer base. We are also focused on further enhancing our direct-to-consumer offering, particularly in the Home & Garden categories, through improved website marketing, compelling content, product innovation, and more efficient sourcing. To achieve this, we will continue to secure high-value licence agreements for leading character toy licences and develop innovative, high-quality own-brand product ranges that offer excellent value to consumers, thereby strengthening our market position.

The Chair's statement on page 2 provides an overview of the current outlook for the Group in the forthcoming year.

Principal risks and uncertainties

The management of the business and the nature of the Group's strategy are subject to a number of risks and uncertainties. The principal risks facing the business are as follows:

Economic conditions

The current economic environment in the UK presents significant challenges, which could adversely impact the Group's revenue and financial performance.

Suppliers

To maintain competitive pricing, the Group has outsourced production primarily to Asia. This approach introduces risks, including operational issues at factories, potential changes in import duties, and the possibility of increased costs due to freight and shipping delays. The Group mitigates these risks by maintaining a local office in Hong Kong, where a dedicated team works closely with suppliers. Additionally, the Group has contingency plans in place and diversifies its sourcing from Europe to reduce dependency on any single region.

Fluctuations in currency exchange rates

A substantial portion of the Group's purchases is denominated in US dollars, exposing the Group to fluctuations in foreign exchange rates. The Group manages this exposure by utilising forward foreign exchange contracts and has adopted formal hedge accounting practices. However, if these hedging activities are insufficient, the Group's financial performance and position could be negatively affected.

Interest rates

If interest rates increase, this could have an impact on the Group's finance costs. However, the Group has entered into an interest rate cap mechanism for £3 million on a depreciating basis of borrowings capped at 2%.

Licences

Several of the Group's brands are licensed from global licensors, typically under agreements lasting two to three years. If these licences are not renewed, the Group would secure additional new and on-trend licences to prevent any reduction in revenue.

Competition

The Group operates in highly competitive markets, leading to constant pressure on margins and the risk of not meeting customer expectations. To address these risks, the Group has implemented comprehensive strategies across supply chain management and product development.

Volatility in financial markets may require further cash contributions to our pension fund

The Group has commitments under two defined benefit pension schemes. The Group is obliged to make contributions to the schemes based on actuarial valuations, which in turn are based on long-term assumptions to calculate scheme liabilities. Volatility of the financial markets can also affect the value of the assets in the schemes. This may lead to a requirement to increase the cash contributed by the Group to the schemes. If the Group is required to make significant additional contributions, the financial position of the Group may be materially affected with a significant reduction in operating cash flows. In turn, this may adversely impact future developments of the business.

Financial risks

The main risks arising from the Group's financial instruments are interest rates, liquidity, credit and foreign currency. The Board reviews and agrees policies for managing each of these risks.

P Kimberley

Chief Executive Officer

21 March 2025

Consolidated income statement

31 December 2024			31 December 2023		
Before non-	Non-	After non-	Before non-	Non-	After non-

	Note	underlying items £'000	underlying items £'000	underlying items £'000	underlying items £'000	underlying items £'000	underlying items £'000
Revenue	3	24,619	-	24,619	22,242	-	22,242
Cost of sales		(17,253)	-	(17,253)	(16,242)	-	(16,242)
Gross profit		7,366	-	7,366	6,000	-	6,000
Operating expenses		(6,552)	-	(6,552)	(6,768)	-	(6,768)
Operating profit/(loss) before exceptional costs		814	-	814	(768)	-	(768)
Exceptional costs		-	(409)	(409)	-	(103)	(103)
Operating profit/(loss)		814	(409)	405	(768)	(103)	(871)
Finance costs		(304)	(71)	(375)	(254)	(73)	(327)
Profit/(loss) before taxation		510	(480)	30	(1,022)	(176)	(1,198)
Tax expense	4	(7)	(83)	(90)	91	(130)	(39)
Net profit/(loss) for the year		503	(563)	(60)	(931)	(306)	(1,237)
Loss per share				Pence			Pence
Basic				(1.1)			(22.6)
Diluted				(1.1)			(22.6)

Consolidated statement of comprehensive income

	31 December 2024 £'000	31 December 2023 £'000
Net loss for the year	(60)	(1,237)
Other comprehensive income:		
<i>Items that will be reclassified subsequently to profit and loss:</i>		
Foreign exchange differences on translation of foreign operations	11	(48)
Cashflow hedging contracts	100	(179)
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Actuarial gain/(loss) on pension schemes	44	(1,190)
Movement in pension schemes' deferred tax provision	(11)	3
Other comprehensive profit/ (loss) for the year, net of tax	144	(1,414)
Total comprehensive profit/(expense) for the year attributable to equity shareholders	84	(2,651)

Consolidated balance sheet

	31 December 2024 £'000	31 December 2023 £'000
Non current assets		
Intangible fixed assets	5,494	5,527
Property, plant and equipment	14,939	15,404
Deferred taxation	564	663
	20,997	21,594
Current assets		
Inventories	5,930	5,161
Trade and other receivables	6,376	5,176
Derivative financial asset held at fair value	201	173
Current tax assets	37	10
Cash and cash equivalents	1,385	447
	13,929	10,967
Total assets	34,926	32,561
Current liabilities		
Trade and other payables	(4,945)	(3,935)
Borrowings	(2,262)	(4,015)
Derivative financial liability held at fair value	-	(74)
Current tax liabilities	(1)	-
	(7,208)	(8,024)
Non current liabilities		
Borrowings	(3,445)	-
Pension schemes' deficit	(358)	(726)
	(3,803)	(726)
Total liabilities	(11,011)	(8,750)
Net assets	23,915	23,811
Equity		
Share capital	1,503	1,503
Shares held in treasury	(135)	(135)
Share premium	729	729
Other reserves	7,187	7,076
Profit and loss account	14,631	14,638
Total equity	23,915	23,811

Consolidated statement of changes in equity

	Share capital £'000	Shares held in treasury £'000	Share premium £'000	Cash flow hedge reserve £'000	Merger reserve £'000	Capital redemption reserve £'000	Revaluation reserve £'000	Translation reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2023	1,503	(137)	716	279	1,036	1,427	3,860	701	17,403	26,788
Net loss for the year	-	-	-	-	-	-	-	-	(1,237)	(1,237)
Re-translation of overseas subsidiaries	-	-	-	-	-	-	-	(48)	-	(48)
Forward contracts	-	-	-	(179)	-	-	-	-	-	(179)
Net actuarial loss on pension schemes	-	-	-	-	-	-	-	-	(1,187)	(1,187)
Total comprehensive income for the year attributable to equity shareholders	-	-	-	(179)	-	-	-	(48)	(2,424)	(2,651)
Exercise of share options	-	2	13	-	-	-	-	-	-	15
Share based payments	-	-	-	-	-	-	-	-	20	20
Dividends paid	-	-	-	-	-	-	-	-	(361)	(361)
Total transactions with owners	-	2	13	-	-	-	-	-	(341)	(326)
At 1 January 2024	1,503	(135)	729	100	1,036	1,427	3,860	653	14,638	23,811
Net loss for the year	-	-	-	-	-	-	-	-	(60)	(60)
Re-translation of overseas subsidiaries	-	-	-	-	-	-	-	11	-	11
Forward contracts	-	-	-	100	-	-	-	-	-	100
Net actuarial gain on pension schemes	-	-	-	-	-	-	-	-	33	33
Total comprehensive income for the year attributable to equity shareholders	-	-	-	100	-	-	-	11	(27)	84
Share based payments	-	-	-	-	-	-	-	-	20	20
Total transactions with owners	-	-	-	-	-	-	-	-	20	20
At 31 December 2024	1,503	(135)	729	200	1,036	1,427	3,860	664	14,631	23,915

Consolidated cash flow statement

	31 December 2024 £'000	31 December 2023 £'000
Cash flows from operating activities		
Net loss for the year	(60)	(1,237)
Adjustments:		
Depreciation of property, plant and equipment	285	272
Amortisation of intangible fixed assets	33	35
Loss/(profit) on sale of property, plant and equipment	267	(5)
Contribution to defined benefit pension plans	(397)	(597)
Finance costs	375	327
Tax expense	90	39
Share based payments	19	20
Net cash flow from operating activities before movements in working capital	612	(1,146)
Change in inventories	(769)	(404)
Change in trade and other receivables	(1,200)	1,457
Change in trade and other payables	1,010	(265)
Cash used in from operations	(347)	(358)
Interest paid	(304)	(254)
Tax paid	(28)	(2)
Net cash flows from operating activities	(679)	(614)
Cash flows from investing activities		
Purchases of intangible fixed assets	-	(37)
Purchases of property, plant and equipment	(86)	(985)
Sale of property, plant and equipment	-	13
Net cash flows from investing activities	(86)	(1,009)
Cash flows from financing activities		
Loan repayments	(38)	(500)
Movement in invoice financing	1,730	(324)
Exercise of share options	-	15
Dividends paid	-	(361)
Net cash flows from financing activities	1,692	(1,170)
Net change in cash and cash equivalents	927	(2,793)
Cash and cash equivalents at beginning of year	447	3,288

Effect of foreign exchange rate changes	11	(48)
Cash and cash equivalents at end of year	1,385	447

Notes to the results

1. General information

The financial information set out in this announcement does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. The Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated balance sheet at 31 December 2024, the Consolidated statement of changes in equity, the Consolidated cash flow statement and the associated notes for the period then ended have been extracted from the Group's financial statements upon which the auditor's opinion is unqualified and does not include any statement under section 498 of the Companies Act 2006. The statutory accounts for the year ended 31 December 2024 will be delivered to the Registrar of Companies following the Group's Annual General Meeting.

2. Basis of preparation

The consolidated financial statements of the Group have been prepared under the historical cost convention and in accordance with UK adopted international accounting standards. The principal accounting policies adopted by the Group, which remain unchanged, are set out in the statutory financial statements for the year ended 31 December 2024.

Non-underlying items

Non-underlying items are material items which arise from unusual non-recurring or non-trading events. They are disclosed in aggregate in the Consolidated income statement where in the opinion of the Directors such disclosure is necessary in order to fairly present the results for the period. Non-underlying items comprise exceptional costs, the finance cost related to the Group's pension schemes calculated in accordance with IAS19 and the impact of the movement of the ineffective proportion of the hedge.

Key areas of estimation uncertainty

Impairment of goodwill

The annual impairment assessment in respect of goodwill requires estimates of the value in use of cash generating units to which goodwill has been allocated to be calculated. As a result, estimates of future cash flows are required, together with an appropriate discount factor for the purpose of determining the present value of those cash flows.

Financial instruments valuation

Derivatives are used to minimise the impact of foreign exchange and interest rate fluctuations on the Group. An asset or liability is recognised representing the fair value of the instruments in place at the year end. The fair value is calculated using certain estimates and valuation models by reference to significant inputs including; implied volatilities in foreign currency and interest rates and historical movements in foreign currency exchange and interest rates.

Pension scheme valuation

The liabilities in respect of defined benefit pension schemes are calculated by qualified actuaries and reviewed by the Group, but are necessarily based on subjective assumptions. The principal uncertainties relate to the estimation of the discount rate, life expectancies of scheme members, future investment yields and general market conditions for factors such as inflation and interest rates. Profits and losses in relation to changes in actuarial assumptions are taken directly to reserves and therefore do not impact on the profitability of the business, but the changes do impact on net assets.

Inventory provisioning

The Group reviews the net realisable value of and demand for its inventory on an ongoing basis to ensure recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices are the timing and success of future technological innovations, competitor actions, suppliers prices and economic trends. If total inventory losses differ, the Group's consolidated net income in the year would have improved or declined, depending upon whether the actual results were better or worse than expected.

Bad debt provision

At each reporting period, the Directors review outstanding debts and determine appropriate provision levels. The recovery of certain debts is dependent on the individual circumstances of customers. At the year end there are a number of debts which remain outstanding past their due date, which the Directors believe to be recoverable.

Intangible asset valuation

In attributing value to intangible assets arising on acquisition, management has made certain assumptions in terms of cash flows attributable to intellectual property and customer relationships. The key assumptions relate to the trading performance of the acquired business, royalty rates applied in the royalty relief calculation and discount rates applied to calculate the present value of future cash flows. The Directors consider the resulting valuation to be a reasonable approximation as to the value of the intangibles acquired.

Freehold property revaluation

In ascertaining an accurate estimate of the value of freehold property, the Directors utilise the latest professional valuation conducted along with available information on local property value movements since the valuation date.

Key judgements

Going Concern

The financial statements are prepared on the going concern basis.

The Group has cash reserves and finance facilities available and the Board continually monitor a rolling cashflow forecast for the business as a whole. Given the Group's low fixed cost base and the facilities available to it, the Board therefore considers the Group will continue to be able to meet its liabilities as they fall due.

On that basis, the Directors are confident that they will be able to manage the business in such a way that it will continue to operate and trade for at least 12 months from the date of the signing of the financial statements and have therefore prepared these financial statements on a going concern basis.

Deferred tax assets

In determining the deferred tax asset to be recognised the Directors carefully review the recoverability of these assets on a prudent basis and reach a judgement based on the best available information. Estimates and judgements used in the financial statements are based on historical experience and other assumptions that the Directors and management consider reasonable and are consistent with the Group's latest budgeted forecasts where applicable. Judgements are

considered reasonable and are consistent with the Group's latest budgeted forecasts where appropriate. Judgements are based on the information available at each balance sheet date. Although these estimates are based on the best information available to the Directors, actual results may ultimately differ from those estimates.

Cash flow hedging

In determining the proportion of forward foreign exchange contracts that are effective hedges against currency fluctuations, the Directors produce detailed forward forecasts to carefully determine the requirements of a particular foreign currency to match future planned supplier payments.

In determining the proportion of the interest rate hedge contracts that are effective against base interest rate fluctuations, the Directors measure the level of borrowing against the remaining value of the contracts.

3. Segmental analysis

Due to the integration of a number of functions across the Group it is not possible to accurately report operating segments in full, turnover has been analysed into four key segments being Toys, Sports & Leisure, Bikes, including Electric, Golf and Home & Garden.

	2024	2023
	(£000s)	(£000s)
Toys, Sports & Leisure	12,362	10,369
Bicycles, including electric	7,380	6,630
Golf	2,548	2,261
Home & Garden	2,329	2,982
	24,619	22,242

The turnover by geographical destination is detailed below.

	2024	2023
	(£000s)	(£000s)
UK	22,547	20,451
Europe	2,050	1,728
Rest of World	22	63
	24,619	22,242

4. Loss per share

The calculation of loss per share is based on the net loss and ordinary shares in issue during the year as follows:

	31 December 2024	31 December 2023
	£'000	£'000
Net loss for the year	(60)	(1,237)
Weighted average shares in issue (excluding shares held in treasury) used for basic earnings per share	5,471,959	5,470,829
Weighted average dilutive shares under option	15,440	41,217
Average number of shares used for diluted earnings per share	5,487,399	5,512,046
	Pence	Pence
Basic Loss per share	(1.1)	(22.6)

The impact on the loss per share of the share options for the year ended 31 December 2024 and 31 December 2023 is anti-dilutive.

5. Dividend

Due to the current year results, no final dividend will be paid for the year ended 31 December 2024 (year ended 31 December 2023 - Nil).

6. Annual report and accounts and final results presentation

The annual report and accounts will be posted to shareholders shortly and, along with the final results presentation, will be available on the Company's website, www.tandemgroup.co.uk.

7. Annual General Meeting

The Annual General Meeting will be held at 11:00 on 24 June 2025 at 35 Tameside Drive, Castle Bromwich, Birmingham, B35 7AG.

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.

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