

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 (as amended), which forms part of domestic UK law pursuant to the European Union (Withdrawal) Act 2018. Upon publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

Tandem Group plc
(the 'Company' or 'Group')

Interim Results

Increased revenues and profitability and reduction in net debt

Trading in line with market expectations

Tandem Group plc (AIM: TND), designers, developers, distributors and retailers of sports, leisure and mobility equipment, announces its unaudited interim results for the six months ended 30 June 2025 ("H1 2025").

Summary

- Group revenue increased 14.3% to £11.2 million (H1 2024: £9.8 million)
- 21.4% increase in gross profit to £3.4 million (H1 2024: £2.8 million), with an increase in gross margin, to 30.9% (H1 2024: 28.8%), primarily due to strong inventory management, cost reductions and foreign exchange movements during the period.
- Adjusted EBITDA ⁽¹⁾ profit of £81k (H1 2024: loss of £248k)
- Loss before Interest and taxation of £167k (H1 2024: loss of £405k)
- Ongoing emphasis on inventory optimisation to drive profitability
- Net assets at 30 June 2025 remained at £23.3 million (H1 2024: £23.3m)
- Net debt as at 30 June 2025 reduced by 17.9% to £3.2 million (30 June 2024: £3.9 million)
- July and August 2025 has shown a growth in sales, with sales year to date +11% ahead year on year
- Trading for the full year in line with market expectations
- The Board will propose the resumption of dividend payments when the Group's profits permit in the future

⁽¹⁾ Adjusted EBITDA is defined as earnings before interest, taxation, depreciation, amortisation and exceptional costs

Enquiries:

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Chairmans Statement

The Group has continued to navigate a trading landscape defined by ongoing macroeconomic changes and shifts in consumer behaviour. While reduced interest rates, favourable weather and foreign exchange rates have positively benefited our customers and consumers, other pressures remain with unemployment currently running at a 4-year high and store closures are predicted to be the highest since pre-covid by the end of 2025. Employer costs have also increased with energy prices still rising and

pre Covid by the end of 2020. Employer costs have also increased, with energy prices still rising and increased National Insurance contributions from April this year. International shipping rates though, remain low and have remained consistent, providing necessary stability.

Diversification remains central to our strategy. We have broadened our product portfolio, introduced innovative new ranges, and expanded our licensing partnerships, while strengthening our own-label capabilities across Toys, Golf, Cycling and Home & Garden. Seasonal demand benefited from more favourable weather in late spring and summer, helping to underpin performance in a number of our core categories.

A disciplined focus on inventory management, rigorous cost control, better buying and reduced reliance on clearance activity have enabled us to safeguard and expand margins and have resulted in the Group delivering a resilient performance. Together with a continued pipeline of product innovation, this demonstrates the robustness of our strategy and provides a strong platform for sustainable long-term growth.

Financial Highlights

Group revenue in the six months ended 30 June 2025 was ahead by 14.3% at £11.2m vs £9.8m for the same period last year.

There was an increase of 21.4% in gross profit from £2.8 million to £3.4 million. Gross profit margin increased to 30.9% versus 28.8% in the prior period last year, primarily due to favourable foreign exchange variances and improved product margins.

Operating expenses increased from £3.2m to £3.5m. This was primarily due to the benefit of the rates credit in 2024, increased salary cost due to the increase in employers NI and additional expenditure in advertising to support the increase in sales.

As a result of the above, the Group recognised an operating loss before exceptional expenses of £80,000 compared to a loss of £405,000 in the previous year.

Adjusted EBITDA profit was £81,000 for H1 2025, compared to a loss of £248,000 in the prior year.

Cash and cash equivalents were £396,000 at 30 June 2025 which compared to £805,000 at 30 June 2024. However, net debt dropped from £3.9 million at 30 June 2024 to £3.2 million at 30 June 2025.

Net assets at 30 June 2025 remain at £23.3 million.

Trading Update and Outlook

Consumer confidence remains subdued (index -18⁽²⁾) against a backdrop of increasing levels of unemployment, rising business costs, and continued cost-of-living pressures. Encouragingly, interest rates have lowered, and shipping rates have stabilised. We are currently cautiously optimistic about an improvement in conditions through the remainder of 2025 and beyond.

Newness and innovation remain key drivers of growth. In H1, we launched 165 new products. A further 48 new products are scheduled for H2, bringing the total to 213 new launches in 2025.

Our sourcing strategy continues to strengthen, reducing costs and lead times through closer collaboration with suppliers and logistics partners. The relocation of our Hong Kong office in October 2024 is already delivering tangible cost efficiencies.

Toy Sports & Leisure (TSL)

For the Group, outdoor toy sales were -3% vs last year (YTD Aug -8%). Although some retailers have reported growth in H1 2025, this was due to sell through of stock that had previously been purchased in 2024 as excess stock holdings at the end of the year built due to poorer weather. Improved weather in late spring and early summer this year, supported by promotional activity, drove stronger sell-through in the market. Therefore, newer purchases are now being ordered by customers and supports a more positive outlook for H2 and beyond.

We continue to innovate and develop our product portfolio, with 25 new products delivered in H1, together with two new exciting licenses, Dora and Paw Patrol 3. Key licensed brands including Bluey, Hot Wheels, Disney, Peppa Pig and Paw Patrol continue to perform strongly, enhancing both revenues and brand equity.

Bikes

The UK cycling market remains competitive, with deep discounting as competitors clear legacy stock. Against this backdrop, Group bike sales grew +50% vs last year (YTD Aug: +38%), supported by favourable weather and the launch of refreshed products.

Our Squish brand, named 2024 BikeBiz Brand of the Year, delivered sales of +64% vs last year (YTD Aug +42%). Junior bikes will be further strengthened in H2 with the launch of Hoy Bikes, in partnership with Sir Chris Hoy, with over 100 dealers already onboarded.

Electric bikes remain a core growth driver, with four new models launched in H1, taking our sub-£2,000 range to 19 models. Own-brand electric bike sales grew 60% vs last year (YTD Aug +44%) and now account for two-thirds of the category. Further expansion will include introducing Brompton to our D2C channel in H2.

Golf

Golf sales in H1 were -3% vs last year (YTD Aug +3%), reflecting a later phasing of Freight-On-Board

orders compared to 2024.

Our Ben Sayers brand continues to win share with new package sets and bags generating strong forward orders. Pro Rider sales grew +4%, driven by refreshed colours of our electric trolleys.

Home & Garden (HMGD)

Exceptionally hot weather and prolonged sunshine have significantly boosted trading, with sales at +16% vs last year (YTD Aug +33%). The warmest spring and summer on record accelerated demand for cooling solutions, awnings, and parasols.

We launched over 65 new SKUs, broadening our range with new categories such as outdoor heating, outdoor rugs, internal storage, and home décor, all of which have been well received.

We have introduced nine further products within our indoor and outdoor heating ranges in H2, alongside additional SKUs in outdoor storage. These will be available across the Jack Stonehouse website and marketplaces, positioning us strongly for the remainder of the year.

Online, marketplaces and direct to consumer

As part of the Group's direct-to-consumer growth strategy, Jack Stonehouse has delivered sales of +68% vs H1 2024 (YTD Aug +75%). Marketplaces also performed well, delivering +5% vs H1 2024 (YTD Aug +18%) revenue growth compared to the prior year.

While website traffic was broadly in line with the first half of 2024, improved product mix and more efficient marketing drove stronger conversion and higher customer spend. Transactions increased 52% year-on-year, accompanied by growth in average order value, with customers purchasing more items per order or opting for higher-value products. Customer confidence in the brand also strengthened, reflected in our continued 'Excellent' rating on Trustpilot, underpinned by an increasing volume of positive reviews.

Colleagues and year end outlook

We are pleased with the progress achieved in H1, with increased diversification and resilience. The Group is now strengthened and better positioned for the future. Our colleagues remain the cornerstone of our success. Their commitment, expertise, and energy continue to power growth and innovation across the Group.

As a result, the Board remains confident in the Group delivering full year performance in line with current market expectations.

The Group's financial position remains robust, underpinned by a strong balance sheet and substantial property assets. Solid cash reserves ensure financial flexibility, providing confidence in our ability to deliver on both current and future opportunities.

Looking ahead, we remain resolutely focused on our strategic priorities, disciplined growth, operational efficiency, and continuous innovation. While headwinds persist, we see significant opportunities to strengthen our market position and deliver sustainable long-term value for all stakeholders.

Dividend

In light of H1 performance and full-year expectations, the Board is not proposing an interim dividend. We continue to review our dividend strategy and remain committed to reinstating dividends when profits permit.

Investor Presentation

The interim results presentation will be available on the Company's website in due course. Shareholders with questions are encouraged to contact the Company via investorrelations@tandemgroup.co.uk or through our Nominated Advisors.

(2) Source: GfK Consumer Confidence June 2025

Steve Grant
Chairman
26 September 2025

CONDENSED CONSOLIDATED INCOME STATEMENT For the 6 months ended 30 June 2025

6 months ended 30 June 2025 <i>Unaudited</i> £'000	6 months ended 30 June 2024 <i>Unaudited</i>	Year ended 31 December 2024 <i>Audited</i> £'000
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			£'000	
	Note			
Revenue		11,175	9,787	24,619
Cost of sales		<u>(7,726)</u>	<u>(6,969)</u>	<u>(17,253)</u>
Gross profit		3,449	2,818	7,366
Operating expenses		<u>(3,529)</u>	<u>(3,223)</u>	<u>(6,552)</u>
Operating (loss)/profit before exceptional costs		(80)	(405)	814
Exceptional costs	1	<u>(87)</u>	<u>-</u>	<u>(409)</u>
Operating (loss)/profit after exceptional costs		(167)	(405)	405
Finance costs		<u>(211)</u>	<u>(201)</u>	<u>(375)</u>
(Loss)/profit before taxation		(378)	(606)	30
Tax expense		-	(1)	(90)
Net loss for the period		<u>(378)</u>	<u>(607)</u>	<u>(60)</u>
		Pence	Pence	Pence
Loss per share				
Basic	2	<u>(6.9)</u>	<u>(11.1)</u>	<u>(1.1)</u>
Diluted	2	<u>(6.9)</u>	<u>(11.1)</u>	<u>(1.1)</u>

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All figures relate to continuing operations.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the 6 months ended 30 June 2025

6 months ended 30 June 2025	6 months ended 30 June 2024	Year ended 31 December 2024
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	Unaudited £'000	Unaudited £'000	Audited £'000
Loss for the period	(378)	(607)	(60)
Other comprehensive income:			
<i>Items that will be reclassified subsequently to profit and loss:</i>			
Foreign exchange differences on translation of overseas subsidiaries	(80)	6	11
Cashflow hedging contracts	(185)	88	100
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial gain on pension schemes	-	-	44
Movement in pension schemes' deferred tax provision	-	-	(11)
Other comprehensive (loss)/profit for the period, net of tax	(265)	94	144
Total comprehensive (expense)/profit attributable to equity shareholders of Tandem Group plc	(643)	(513)	84

All figures relate to continuing operations.

CONDENSED CONSOLIDATED BALANCE SHEET As at 30 June 2025

	At 30 June 2025	At 30 June 2024	At 31 December 2024
	Unaudited £'000	Unaudited £'000	Audited £'000
Note			
Non current assets			
Intangible fixed assets	5,489	5,523	5,494
Property, plant and equipment	14,788	15,268	14,939
Deferred taxation	563	663	564
	20,840	21,454	20,997
Current assets			
Inventories	6,128	5,943	5,930
Trade and other receivables	5,069	5,659	6,376
Derivative financial asset held at fair value	102	189	201
Current tax Assets	9	10	37
Cash and cash equivalents	396	805	1,385
	11,704	12,606	13,929
Total assets	32,544	34,060	34,926
Current liabilities			
Trade and other payables	-5,339	-5,428	-4,945
Borrowings	3 -297	-1,113	-2,262
Derivative financial liability held at fair value	-86	-	-
Current tax Liabilities	-	-	-1
	-5,722	-6,541	-7,208
Non current liabilities			
Borrowings	3 -3,330	-3,623	-3,445
Pension schemes' deficits	-147	-584	-358
	-3,477	-4,207	-3,803
Total liabilities	-9,199	-10,748	-11,011
Net assets	23,345	23,312	23,915
Equity			
Share capital	1,503	1,503	1,503
Shares held in treasury	-122	-135	-135

Share premium	773	729	729
Other reserves	6,922	7,170	7,187
Profit and loss account	14,269	14,045	14,631
Total equity	23,345	23,312	23,915

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
As at 30 June 2025

	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 2024	1,503	(135)	729	100	1,036	1,427	3,860	653	14,638	23,811
Net loss for the period	-	-	-	-	-	-	-	-	(607)	(607)
Retranslation of overseas subsidiaries	-	-	-	-	-	-	-	6	-	6
Forward contracts	-	-	-	14	-	-	-	-	-	14
<i>Total comprehensive income for period attributable to equity shareholders</i>	-	-	-	14	-	-	-	6	(607)	(587)
Share based payments	-	-	-	-	-	-	-	-	14	14
Reclassify to cost of inventory	-	-	-	74	-	-	-	-	-	74
<i>Total transactions with owners</i>	-	-	-	74	-	-	-	-	14	88
At 30 June 2024	1,503	(135)	729	188	1,036	1,427	3,860	659	14,045	23,312
Net loss for the period	-	-	-	-	-	-	-	-	547	547
Retranslation of overseas subsidiaries	-	-	-	-	-	-	-	5	-	5
Forward contracts	-	-	-	12	-	-	-	-	-	12
Net actuarial gain on pension schemes	-	-	-	-	-	-	-	-	33	33
<i>Total comprehensive income for period attributable to equity shareholders</i>	-	-	-	12	-	-	-	5	580	597
Share based payments	-	-	-	-	-	-	-	-	6	6
<i>Total transactions with owners</i>	-	-	-	-	-	-	-	-	6	6
At 1 January 2025	1,503	(135)	729	200	1,036	1,427	3,860	664	14,631	23,915

	1,000	(1,000)	1,000	1,000	1,000			1,000	1,000	1,000
Net loss for the period	-	-	-	-	-	-	-		(378)	(378)
Retranslation of overseas subsidiaries	-	-	-	-	-	-	-	(80)	-	(80)
Forward contracts	-	-	-	(185)	-	-	-	-	-	(185)
Total comprehensive income for period attributable to equity shareholders	-	-	-	(185)	-	-	-	(80)	(378)	(643)
Share based payments	-	-	-	-	-			-		
Exercise of share options		13	44						16	16
										57
Total transactions with owners	-	13	44	-	-	-	-	-	16	73
At 30 June 2025	1,503	(122)	773	15	1,036	1,427	3,860	584	14,269	23,345

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
For the 6 months ended 30 June 2025

	30 June 2025 <i>Unaudited</i> £'000	30 June 2024 <i>Unaudited</i> £'000	31 December 2024 <i>Audited</i> £'000
Cash flows from operating activities			
Loss for the period	(378)	(607)	(60)
<i>Adjustments:</i>			
Depreciation of property, plant and equipment	155	146	285
Amortisation of intangible fixed assets	6	4	33
Loss on sale of property, plant and equipment	-	7	267
Contributions to defined benefit pension schemes	(211)	(195)	(397)
Finance costs	211	201	375
Tax expense	-	1	90
Share based payments	16	14	19
Net cash flow from operating activities before movements in working capital	(201)	(429)	612
Change in inventories	(198)	(782)	(769)
Change in trade and other receivables	1,307	(483)	(1,200)
Change in trade and other payables	395	1,493	1,010
Cash flows from operations	1,303	(201)	(347)
Interest paid	(211)	(152)	(304)
Tax received/(paid)	26	-	(28)
Net cash flow from operating activities	1,117	(353)	(679)
Cash flows from investing activities			
Purchase of property, plant and equipment	(4)	(16)	(86)
Net cash flow from investing activities	(4)	(16)	(86)
Cash flows from financing activities			
Net (loan repayments)/new loans	(117)	71	(38)
Movement in invoice financing	(1,963)	650	1,730
Exercise of share options	57	-	-

Net cash flow from financing activities	(2,023)	721	1,692
Net change in cash and cash equivalents	(909)	352	927
Cash and cash equivalents at beginning of period	1,385	447	447
Effect of foreign exchange rate changes	(80)	6	11
Cash and cash equivalents at end of period	396	805	1,385

NOTES TO THE HALF YEARLY REPORT

1 GENERAL INFORMATION

Tandem Group plc is a public limited company incorporated and domiciled in the United Kingdom with its shares admitted to trading on AIM, the market of that name operated by the London Stock Exchange.

The principal activity of the Group is the design, development, distribution and retail of sports, leisure and mobility equipment.

The ultimate parent company of the Group is Tandem Group plc whose principal place of business and registered office address is 35 Tameside Drive, Castle Bromwich, Birmingham, B35 7AG.

The interim financial statements for the period ended 30 June 2025 (including the comparatives for the period ended 30 June 2024 and the year ended 31 December 2024) were approved by the Board of Directors on 25 September 2025.

The financial information set out in this interim report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory financial statements for the year ended 31 December 2024, prepared under International Financial Reporting Standards ("IFRS"), have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain statements under Sections 498(2) and 498(3) of the Companies Act 2006.

This interim financial information has been prepared using the accounting policies set out in the Group's 2024 statutory accounts. Copies of the annual statutory accounts and the interim report may be obtained by writing to the Company Secretary of Tandem Group plc, 35 Tameside Drive, Castle Bromwich, Birmingham, B35 7AG and can be found on the Company's website at www.tandemgroup.co.uk.

Exceptional costs of £87,000 (six months ended 30 June 2024 £nil and year ended 31 December 2024 £409,000) are in respect of employment costs relating to the retirement of the commercial director, for whom a replacement was on board in July 2024. In the year ended 31 December 2024 they are in respect of employment costs relating to the planned retirement of the commercial director, for whom a replacement was on board 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.

The net retirement benefit obligation recognised at 30 June 2025 is based on the actuarial valuation under IAS19 at 31 December 2024 updated for movements in net defined benefit pension income and contributions paid during the half year period. A full valuation for IAS19 financial reporting purposes will be carried out for incorporation in the audited financial statements for the year ending 31 December 2025.

2 LOSS PER SHARE

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

	6 months ended 30 June 2025 £'000	6 months ended 30 June 2024 £'000	Year ended 31 December 2024 £'000
Loss for the period	(378)	(607)	(60)
	Number	Number	Number
Weighted average shares in issue used for basic earnings per share	5,517,707	5,471,959	5,471,959
Weighted average dilutive shares under option	17,161	17,256	15,440
Average number of shares used for diluted earnings	5,534,868	5,489,215	5,487,399

per share

	Pence	Pence	Pence
Basic loss per share	<u>(6.9)</u>	<u>(11.1)</u>	<u>(1.1)</u>
Diluted loss per share	<u>(6.9)</u>	<u>(11.1)</u>	<u>(1.1)</u>

Loss per share is calculated based on the share capital of Tandem Group plc and the earnings of the Group for all periods. There are options in place at 30 June 2025. The impact on the loss per share for all periods is anti-dilutive.

3 Borrowings

	At 30 June 2025 <i>Unaudited</i> £'000	At 30 June 2024 <i>Unaudited</i> £'000	At 31 December 2024 <i>Audited</i> £'000
Invoice finance liability	(19)	(902)	(1,982)
Current borrowings maturing in less than one year -other borrowings	(278)	(211)	(280)
Total current borrowings	<u>(297)</u>	<u>(1,113)</u>	<u>(2,262)</u>
Non current borrowings with contractual maturities between two and five years -other borrowings	(3,330)	(3,623)	(3,445)
Total non current borrowings	<u>(3,330)</u>	<u>(3,623)</u>	<u>(3,445)</u>
Total borrowings	<u>(3,627)</u>	<u>(4,736)</u>	<u>(5,707)</u>

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