

5 January 2018

Gear4music (Holdings) plc

Trading Update

Gear4music (Holdings) plc (“Gear4music” or “the Group”), the largest UK based online retailer of musical instruments and music equipment, today announces a trading update for the four months from 1 September 2017 to 31 December 2017.

£'000	4 months to 31 December 2017	4 months to 31 December 2016	% change
UK sales	18,763	15,019	+25%
Europe and Rest of the World sales	15,801	9,365	+69%
Total sales	34,564	24,384	+42%

Highlights

- 42% increase in total sales with continuing strong growth into the UK and Europe during an important trading period
- On a two-year basis, sales growth was 120%, ahead of the 114% for the same period last year
- Both Own-brand and Other-brand revenues grew by 42% during the period
- Active Customer¹ numbers up by 38% to 450,000 at 31 December 2017, compared with 31 December 2016
- Website conversion improved to 3.3% in the period, up from 3.0% last year

Gear4music’s Chief Executive Officer, Andrew Wass, said:

“We are very pleased with our trading performance over the last four months, with sales growth of 42% building on the 44% achieved in the first half, and trading for the year to date is in line with the board’s expectations. This has been achieved as we continue to invest in our customer proposition, marketing, people and websites, all with a view to enhancing our long-term growth prospects.

Growth in our more established UK market has remained strong alongside very strong growth in our international markets which are being further driven by an improved delivery proposition as we continue to scale up our European hubs. Our Swedish distribution centre now fulfils over 50% of all our Scandinavian orders, and our German Distribution centre, which became operational just 10 months ago, dispatched over 800 orders on its busiest day in December.

We are confident that the Group will continue to grow rapidly over the medium and longer term, as we continue our mission to become the best musical instrument and equipment retailer in Europe.”

- Ends -

¹ Active customers are customers of the Group who have purchased item(s) at least once in the last year

For further information, please contact

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About Gear4music.com

Operating from a Head Office in York, showrooms in York and Sweden, and Distribution Centres in York, Sweden and Germany, the Group sells own-brand musical instruments and music equipment alongside premium third-party brands including Fender, Yamaha and Gibson, to customers ranging from beginners to musical enthusiasts and professionals, in the UK, Europe and, more recently, into the Rest of the World.

Having developed its own e-commerce platform, with multilingual, multicurrency and fully responsive design websites delivering to over 190 countries, the Group has rapidly expanded its database and continues to build its overseas presence.

This announcement contains inside information for the purposes of Article 7 of Regulation (EU) No 596/2014.