

FY27 H1 Results

Gear4music (Holdings) plc
Investor Presentation November 2026

performing

FY27 H1 Overview

Sustained financial performance

- **Total revenue of £85.4m up 6%**
  - FY26 H1 revenue: £80.7m
- **Gross profit of £23.6m up 4%**
  - FY26 H1 Gross profit: £22.7m
- **Gross margin of 27.7%**
  - FY26 H1 Gross margin: 28.2%
- **EBITDA of £5.7m**
  - FY26 H1 EBITDA: £6.9m
- **EBITDA margin of 6.7%**
  - FY26 H1 EBITDA margin: 8.5%
- **Profit before tax of £1.0m**
  - FY26 H1 PBT: £2.7m

UK Logistics transformation on track

- Phase 1 warehouse automation project delivered and operational
- Additional capacity of up to 3,000 orders per day ahead of peak
- Leverage automation to drive operational efficiency and enhance customer experience
- Investment of £10.6m in Phase 1 with expected payback of 3–5 years
- Net bank debt increased by £8.3m to fund logistics expansion; significant headroom at low point in annual cash cycle

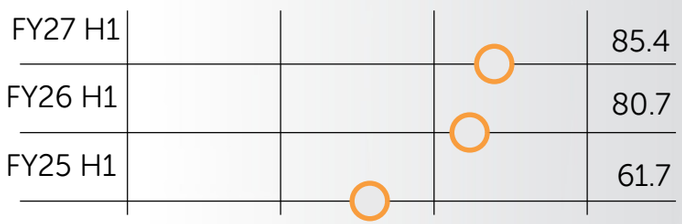
Trading outlook

- FY27 Q3 revenue to date down 13% year on year; still 19% ahead on a two-year LFL basis
  - Lower paid-search traffic reflects evolving search habits and more prominent AI-generated results
  - Rapid sterling appreciation increased short-term pricing pressure from European retailers; other-brand sales down 16%
- FY27 EBITDA now expected to be approximately £11.5m, significantly below current consensus market expectations
- Improving AI search visibility supports confidence in future website traffic growth
- Long-term fundamentals remain unchanged

FY27 H1 Financial Trends

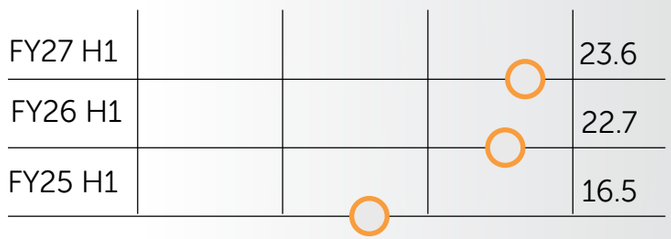
TOTAL REVENUES

£85.4m +6%



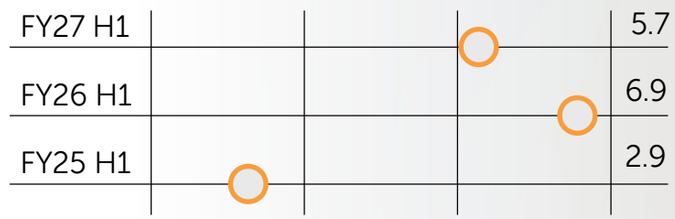
GP

£23.6m +4%



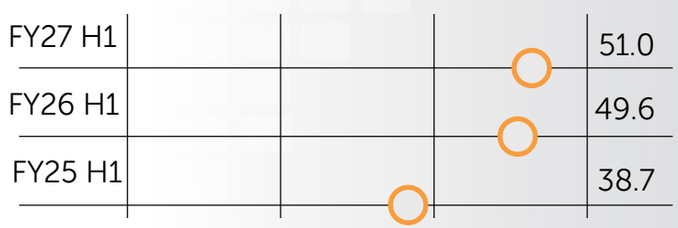
EBITDA

£5.7m -£1.2m



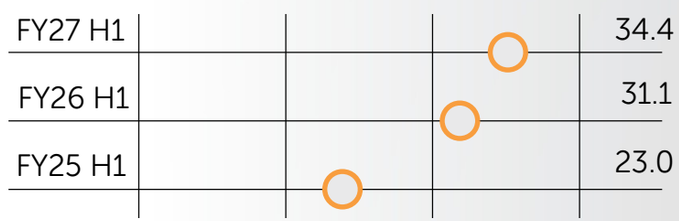
UK REVENUES

£51.0m +3%



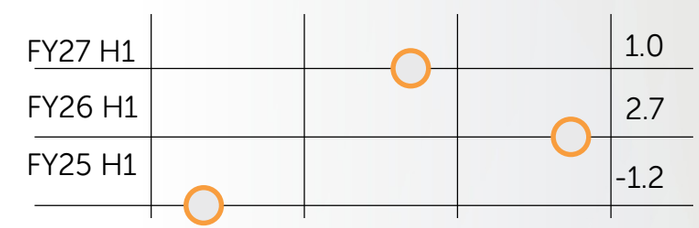
INTERNATIONAL REVENUES

£34.4M +11%



PROFIT BEFORE TAX

£1.0m -£1.7m



UK Logistics Transformation

Phase-1 now operational ahead of FY27 peak trading

3,000
additional order capacity per day
(4,500 by March 2027)

60%
of in-stock SKUs covered in Phase 1

18,000
orders/day capacity after Phase 2

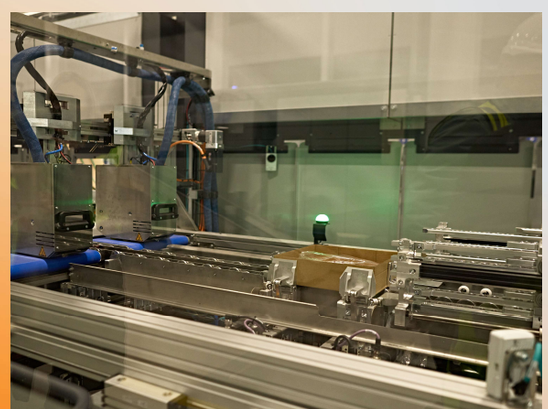
3–5 years
expected payback period

OPERATING BENEFITS

- Greater labour efficiency and operating leverage
- Retained York space released for showroom, second-hand and returns
- Bacup closure from FY28 removes £0.6m annual operating cost

INVESTMENT & ROLLOUT

- Phase 1 capex: £10.6m | Phase 2 estimate: £9.4m
- Phase 2 due to start FY28 and complete FY29
- Duplicated costs: up to £1.0m FY27 and £0.5m FY28, subject to timing


Packaging automation



Truck loading automation


Automated storage


Efficient handling

FY27 H1 Results



financial overview

FY27 H1 Financial Highlights

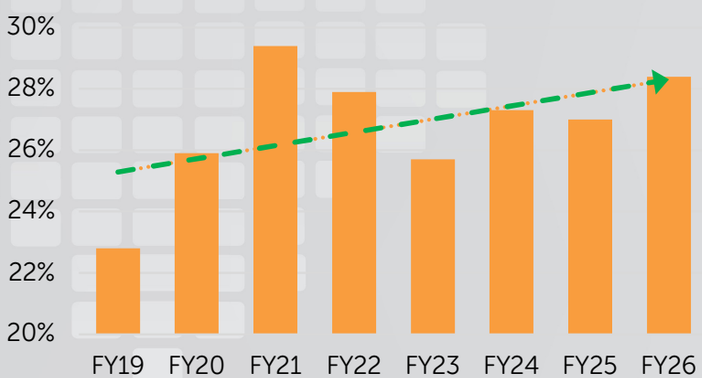
Profitability

Gross profit +4%

£23.6m



Full year gross margin



	FY27 H1		FY26 H1	FY25 H1
	£'000	% of total sales		
Revenue	**85,394**	**100.0%**	80,747	61,742
Gross profit	**23,613**	**27.7%**	28.2%	26.7%
European Distribution	**(2,002)**	**(2.3%)**	(2.1%)	(2.6%)
Marketing costs	**(5,900)**	**(6.9%)**	(6.4%)	(7.3%)
UK labour costs	**(6,804)**	**(8.0%)**	(7.5%)	(8.3%)
Other costs	**(3,160)**	**(3.8%)**	(3.7%)	(3.8%)
EBITDA margin	**5,747**	**6.7%**	8.5%	4.7%

Product Margin analysis

	FY27 H1		FY26 H1	FY25 H1
	£'000		% of total sales	
Product profit	**25,669**	**30.1%**	30.8%	29.6%
Carriage Income	**3,184**	**3.7%**	3.6%	3.9%
Carriage & packaging cost	**(5,240)**	**(6.1%)**	(6.2%)	(6.8%)
Gross profit	**23,613**	**27.7%**	28.2%	26.7%
			Product Margin	
Own brand margin	**9,339**	**50.8%**	49.1%	47.4%
Other brand margin	**16,330**	**25.8%**	27.3%	25.9%
Total product margin	**25,669**	**31.4%**	32.1%	30.9%

- Gross margin decrease of 50bps comprises a 70bps decrease in product margin net of a 20bps improvement in net carriage and packaging cost
- Product margin of 31.4% reflects continued focus on buying and pricing discipline in a challenging market:
  - Own-brand margin 170bps up on FY26 H1 further to a 170bps increase last year; &
  - Other-brand margin 150bps down on FY26 H1 reversing last year's 140bps improvement that included one-off upside from sales of deal stock
- Improved sales mix – Own-brand accounts for 22.5% of product sales compared to 22.2% last year
- Net carriage & packaging costs decreased from 2.6% of sales to 2.4%

Trading KPIs

Half Year ended	30 Sept 26	30 Sept 25	30 Sept 24
Rate of overall sales growth	**5.8%**	30.8%	(1.4%)
Rate of UK sales growth	**2.7%**	28.2%	6.0%
Rate of International sales growth	**10.7%**	35.1%	(11.8%)
Own-brand sales (£'000)	**18,397**	17,182	13,787
Own-brand growth	**7%**	24.6%	(9.4%)
Other-brand sales (£'000)	**63,397**	60,347	45,334
Other-brand growth	**5%**	33.1%	1.5%
Own-brand % of total sales	**21.5%**	21.3%	22.6%
Marketing costs (£'000)	**5,900**	5,142	4,527
Marketing as % of sales	**6.9%**	6.4%	7.3%
Labour costs (£'000)	**8,400**	7,410	6,373
Labour costs as % of sales	**9.8%**	9.2%	10.3%

- Sales +6% on an exceptionally strong FY26 H1. Momentum slowed through the Period – FY27 Q1 up 13% & FY27 Q2 down 1%
- UK sales increased £1.4m: +3% on FY26 H1 and +32% on FY25 H1. Estimated market share c.13.0%
- International sales increased £3.3m: +11% on FY26 H1 and +49% on FY25 H1. Estimated European market share c.1.9%
- Own-brand and Branded both delivered positive sales growth
- Marketing return decreased from 6.4% to 6.9% of sales reflecting increased investment in less-direct marketing
- Labour cost increase of 13% reflects an 11% increase in average headcount and a 2% increase in average pay

Income statements

Half Year ended	30 Sept 26	30 Sept 25	30 Sept 24
	£'000	£'000	£'000
Total Sales	**85,394**	80,747	61,742
Product Profit	**25,669**	24,908	18,324
Product Margin	**31.4%**	32.1%	30.9%
Gross Profit	**23,613**	22,742	16,495
Gross Margin	**27.7%**	28.2%	26.7%
EBITDA	**5,747**	6,868	2,873
EBITDA as % of sales	**6.7%**	8.5%	4.7%
Depreciation & Amortisation	**(3,663)**	(3,458)	(3,364)
Net Finance expenses	**(1,124)**	(689)	(713)
Tax	**(174)**	(709)	(25)
Net profit/(loss)	**786**	2,012	(1,229)
Basic earnings/(loss) per share	**3.7p**	9.6p	(5.9p)

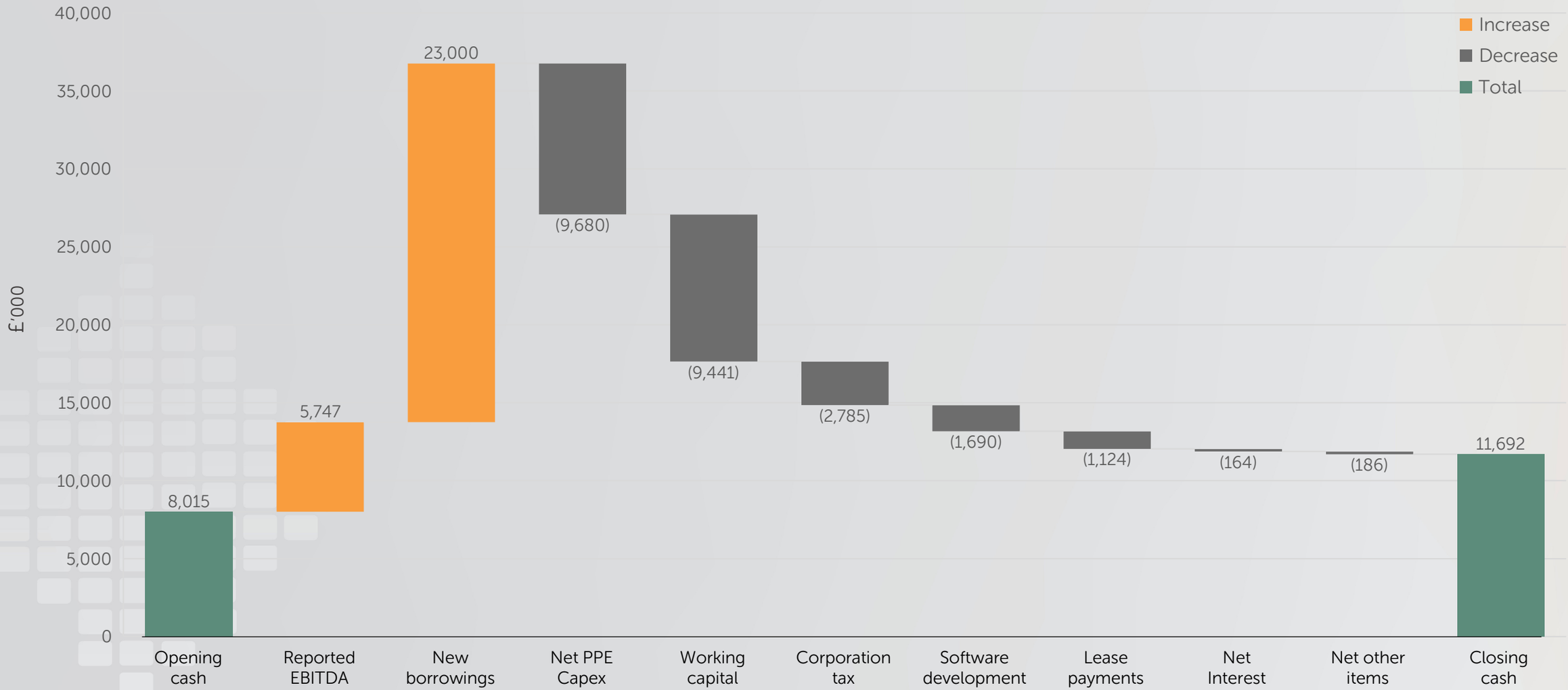
- Sales increase of £4.7m (6%) consolidates significant market share gains made last year
- Gross margin of 27.7% reflects disciplined focus on margin retention, and continued investment in Own-brand and other higher margin areas
- New UK-DC increases full-year IFRS16 depreciation and interest by £1.3m in FY27; first annual rent of £1.1m payable FY29
- Admin expenses of £22.1m were £2.2m (11%) higher than FY26 H1, reflecting higher marketing and labour costs and a £0.4m increase in Right-of-use asset depreciation relating to our new DC
- European admin expenses of £2.7m (FY26 H1: £2.5m) comprises £2.0m overheads and £0.7m of PPE and right-of-use asset depreciation
- Net financial expenses increased £0.4m to £1.1m principally due to £0.3m increase in IFRS16 lease interest on new UK-DC

Balance Sheet overview

As at	30 Sept 26	30 Sept 25	30 Sept 24
	£'000	£'000	£'000
Freehold land and buildings	**6,663**	7,310	7,474
Other PPE including ROU and AUC assets	**26,273**	8,122	10,270
Intangible asset – software platform	**11,147**	11,886	12,476
Intangible assets – brand and goodwill	**9,280**	9,272	9,213
Fixed assets	**53,363**	36,590	39,433
Inventories	**55,377**	50,044	40,065
Trade and other receivables	**5,923**	5,391	3,554
Cash and cash equivalents	**11,692**	4,045	6,553
Current assets	**72,992**	59,480	50,172
Trade and other payables	**(24,550)**	(25,265)	(21,086)
Leases	**(1,795)**	(1,860)	(1,790)
Current liabilities	**(26,345)**	(27,125)	(22,876)
Net current assets	**46,647**	32,355	27,296
Loans and borrowings	**(36,000)**	(20,000)	(21,000)
Leases	**(14,618)**	(5,095)	(6,865)
Other long-term liabilities	**(2,351)**	(2,506)	(1,576)
Non-current liabilities	**(52,969)**	(27,601)	(29,441)
Net assets	**47,041**	41,344	37,288

- Strong balance sheet - £47.0m net assets underpinned by a £45m committed RCF with HSBC
- Net bank debt of £24.3m was £8.3m higher than last year reflecting £10.6m fitout of new-DC, and a £3.1m increase in stock-on-hand
- Net bank debt equates to x1.4 times 12m-rolling EBITDA (30 September 26: x1.1 times) and is supported by freehold properties valued at £6.7m
- PPE capex of £9.5m (FY26 H1: £0.1m)
- In both FY27 H1 and FY26 H1 capitalised £1.7m of software development costs and amortised £2.1m, resulting in NBV of £11.1m (30 September 2026: £11.9m)
- Reported stock of £55.4m includes £10.0m of inbound stock-in-transit ahead of peak

Cash Flow overview



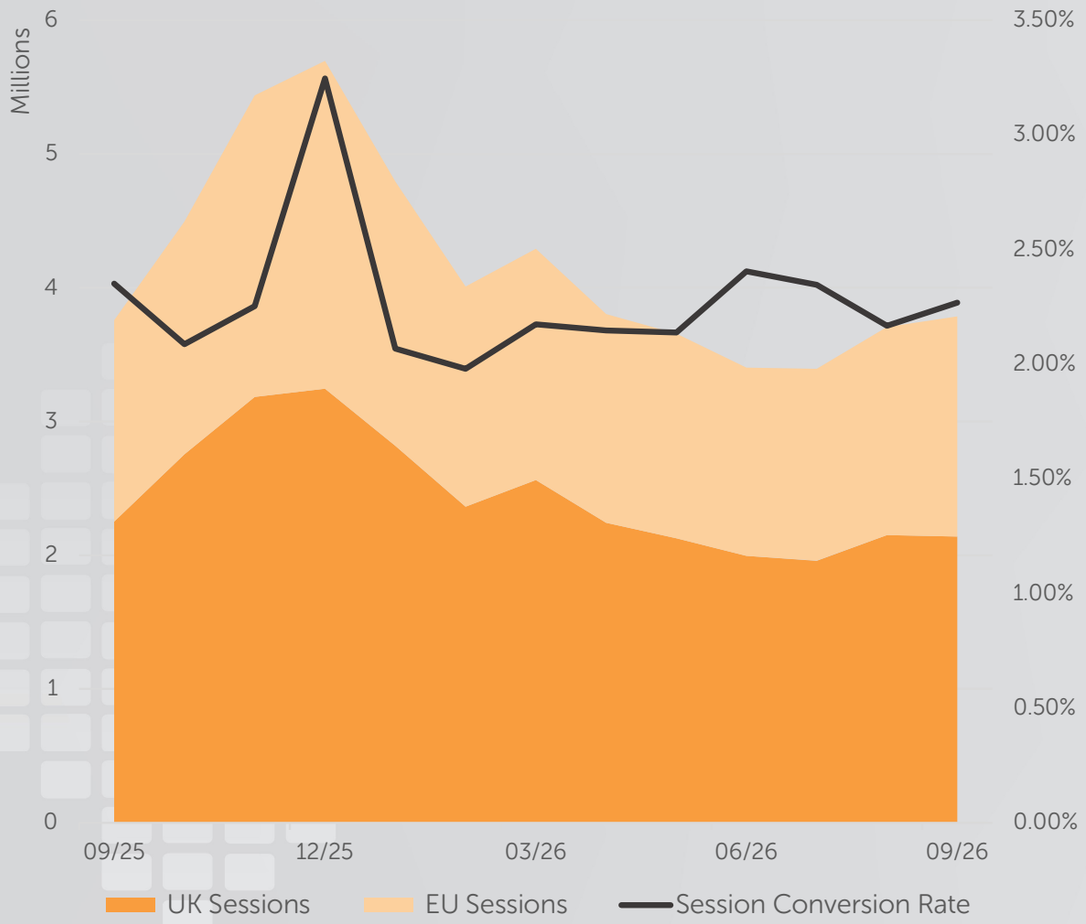
FY27 H1 Results



KPI review

FY27 H1 Website metrics

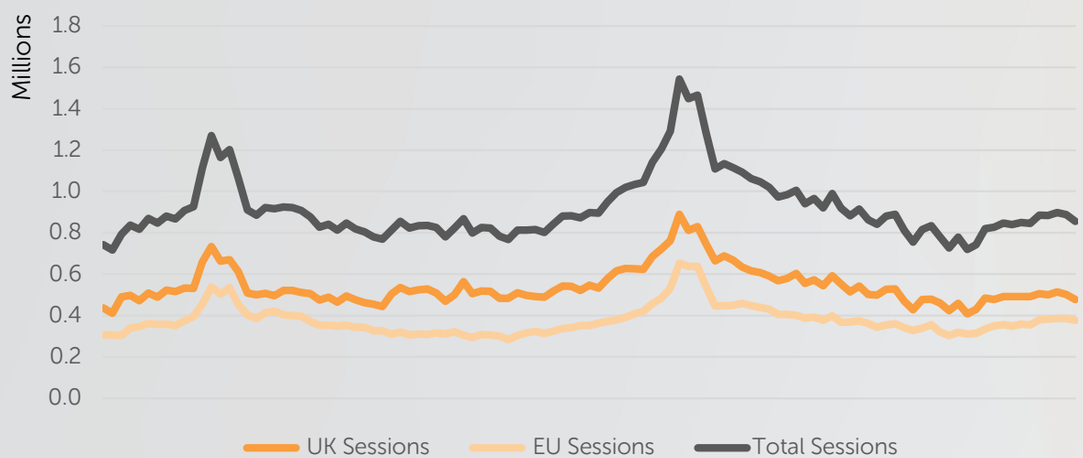
12-Month website conversion & traffic



Website data

	Diff.	FY27 H1	FY26 H1	FY25 H1
Total unique sessions	**-1%**	**21.7m**	21.8m	18.8m
UK sessions	**-7%**	**12.6m**	13.6m	10.6m
European sessions	**+10%**	**9.1m**	8.3m	8.2m
Total pages viewed	**+2%**	**70.8m**	69.2m	65.1m
Mobile sessions as % of total	**-90bps**	**62.4%**	63.3%	62.5%
UK session conversion rate	**+21bps**	**2.29%**	2.08%	2.17%
European session conversion rate	**-12bps**	**2.19%**	2.31%	1.83%

Weekly Website traffic since Oct 2024



FY27 H1 Customer metrics

Trustpilot 4.6

Profitable from the first transaction

£22 Cost of acquisition

£164 Average order value

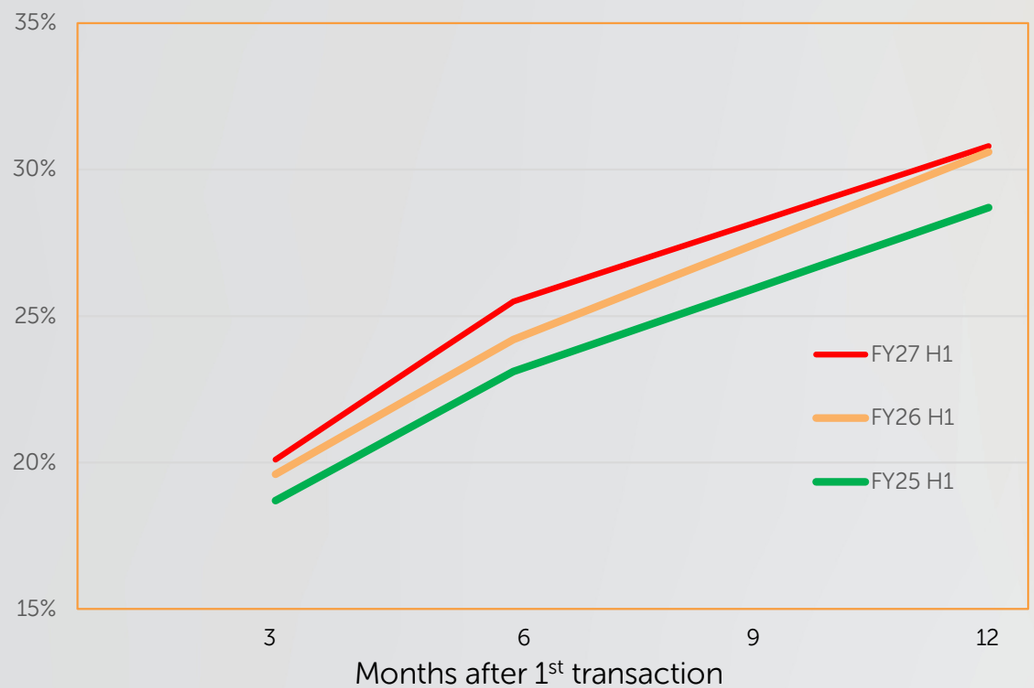
£45 GP per transaction

	FY27 H1	FY26 H1	FY25 H1
Average order value	**£164**	**£163**	£153
Gross profit per transaction	**£45**	**£46**	£35
Cost of acquisition	**£22**	**£15**	£16

Customer Profiles	FY27 H1	FY26 H1	FY25 H1
Active Customers (12m)	**916,000**	**817,000**	711,000
New Customers (6m)	**242,000**	**239,000**	192,000
Repeat Customers (6m)	**168,000**	**154,000**	126,000
Email subscriber database	**2.83m**	**2.13m**	1.92m

Customer retention improving

Retention rates	FY27 H1	FY26 H1	FY25 H1
3-month	**20.1%**	**19.6%**	18.7%
6-month	**25.5%**	**24.2%**	23.1%
12-month	**30.8%**	**30.6%**	28.7%



FY27 H1 Product sales



30%
Guitars
Electric, acoustic & bass guitars

Revenue
£24.7m
Growth
+7.8%



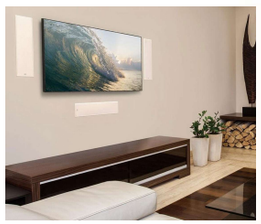
12%
Keys
Pianos, synths, digital keyboards

Revenue
£9.9m
Growth
+0.3%



11%
Drums
Electric, acoustic & percussion

Revenue
£9.1m
Growth
+14.5%



5%
Home audio & visual
HiFi, TVs, Projectors, Surround Sound

Revenue
£3.8m
Growth
+12.8%



24%
Live & PA
Speakers, lighting & microphones

Revenue
£19.9m
Growth
+4.1%



11%
Studio
Mixers, headphones, monitors, interfaces

Revenue
£8.8m
Growth
(4.9%)



6%
Orchestral
String instruments, brass, woodwind

Revenue
£4.6m
Growth
+8.7%



3%
Second-hand
All product categories

Revenue
£2.5m
Growth
+62.5%

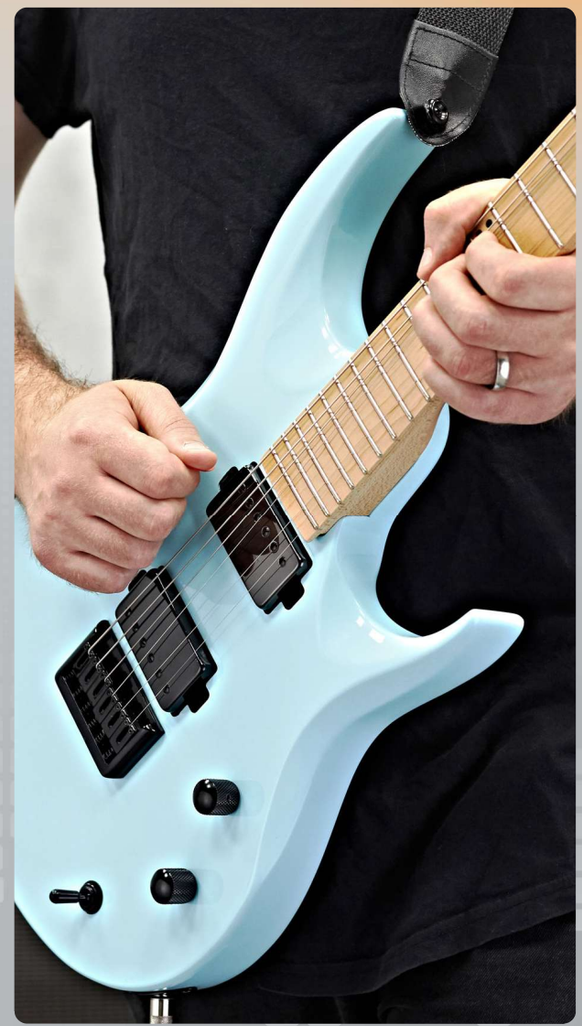
Summary & outlook

Financial

- FY26 delivered transformational financial performance, establishing a strong platform for FY27 and beyond
- H1 FY27 consolidated market share gains, delivering £1.0m PBT in the seasonally quieter first half
- Net bank debt increased by £8.3m to £24.3m, reflecting £10.6m investment in the automated distribution centre, and seasonal stock build ahead of peak
- Significant headroom within £45m revolving credit facility at a seasonal low point in the cash cycle; net bank debt equivalent to 1.4x rolling 12-month EBITDA
- FY27 EBITDA expected to be approximately £11.5m, following FY27 Q3 drop in paid-search traffic and stronger sterling impacting trading

Strategy

- Increasing capacity and improving efficiency
  - New automated UK warehouse operational ahead of FY27 peak trading,
  - Continued logistics investment to support growth and consolidate existing facilities
  - Investing in platform development and AI to improve productivity and reduce operating costs
- Strengthened cyber defences through additional security systems and software protection
- Diversifying sales channels and strengthening visibility across AI search platforms to support future traffic growth
- Expanding own-brand ranges, second-hand operations and higher-margin product categories; long-term fundamentals remain unchanged



FY27 H1 Results



background information

Board of directors

Executive



Chair Andrew Wass

- Launched Gear4music in 2003
- Responsible for strategy and implementation, Andrew has taken Gear4music from concept to a multisite international business with revenues of £190m
- Previously ran a recording studio business, before setting up an IT business supplying other studios with recording equipment



CEO Gareth Bevan

- Joined Gear4music in July 2012, taking responsibility for Commercial strategy execution, Purchasing, Pricing & Supplier relations
- Over 23 years' experience in music equipment retail
- Previously at DV247, the largest music equipment retailer at that time, where he was responsible for purchasing, sales & marketing



CFO Chris Scott

- Joined Gear4music in October 2012, and is responsible for Finance and Governance, and is Company Secretary
- An experienced stakeholder communicator, playing a key role in the 2015 IPO and subsequent reporting & investor roadshows
- Chartered Accountant & Executive MBA graduate, 12 years with KPMG in the advisory practice, and previous industry experience as CFO of Officers Club and a 15-month secondment at Barclays Bank

Non-executive



Senior Independent Director (SID) Neil Catto

- CFO of Revolution Beauty
- NED and Audit Committee Chair of tinyBuild Inc.
- Former CFO of BooHoo Group Plc 2011-2022
- Neil has significant UK plc experience with previous positions at Dabs.com plc, BT Plc and Carphone Warehouse Group
- Qualified as a chartered accountant with EY



Non-Executive Director Harriet Williams

- Joined Gear4music in January 2021
- NED at Lindex Group
- Former Vice President of Global E-commerce at the LEGO Group, and Former Chief Digital Officer at The Body Shop
- Previous industry experience: Gucci, Debenhams, Marakon Associates

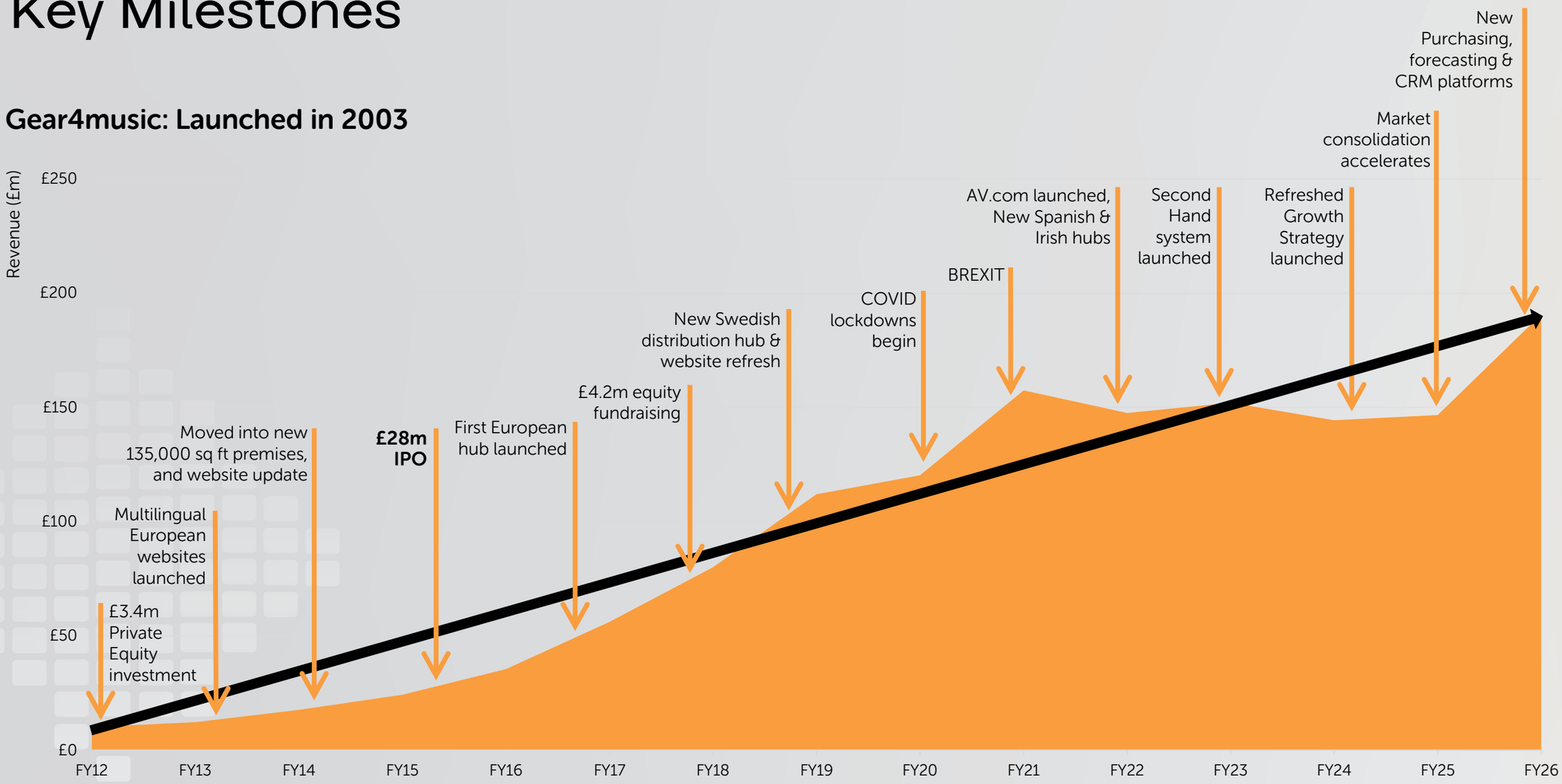


Non-Executive Director Sharon Daly

- NED of Warpaint London PLC , and member of their Audit and Remuneration Committees
- NED and a member of Audit, Remuneration and Nominations Committees at BRCK Group Plc and Billington Holdings plc
- Co-founded Venture Life Group in 2010, which joined AIM in 2014
- More than 30 years of business experience

Key Milestones

Gear4music: Launched in 2003



Gear4music Advantages

A unique combination of specialist expertise, scale and customer focus

Gear4music	Traditional Retailers
Digital-first platform	Store-led model
Centralised logistics hubs supporting breadth & depth	Fragmented inventory
Broad catalogue across all categories, including high margin own-brand	Limited catalogue breadth
Scalable trade-in & resale ecosystem	Weak second-hand capability
Operational leverage & scalability	High fixed-cost structure
Pan-European localised experience	Local market focus



Growth Strategy Enablers

Key initiatives driving the next phase of growth

LAUNCHED H2 FY26

CRM & Promotions

- Delivers more personalised customer interactions
- Improves promotional effectiveness
- Enhances customer engagement
- Strengthens our customer proposition

LAUNCHED MARCH 2026

AI-Powered Forecasting & purchasing

- Increases productivity through AI-powered forecasting
- Improves purchasing decisions
- Enhances product availability
- Supports revenue growth



LAUNCHED OCTOBER 2026

Investing in Scalable UK Infrastructure

- Provides up to 2.5x additional UK capacity
- Enhances operational efficiency
- Supports future growth
- Creates space to expand showroom, second-hand & returns

LAUNCHED JUNE 2026

Range Expansion & G4M Courier

- Supports growth in high-value orders
- Expands addressable market
- Enables entry into new product categories
- Supports growth in premium digital and acoustic pianos

Operations and Competitors

Gear4music delivery timescales: 1 day road/ economy delivery | 2 days road/ economy delivery | 3+ days road/ economy delivery

Gear4music

FY26 Revenues: $257m (Growth +30%)
FY25 Revenues: $198m (Growth: +2%)
FY24 Revenues: $194m

GuitarGuitar

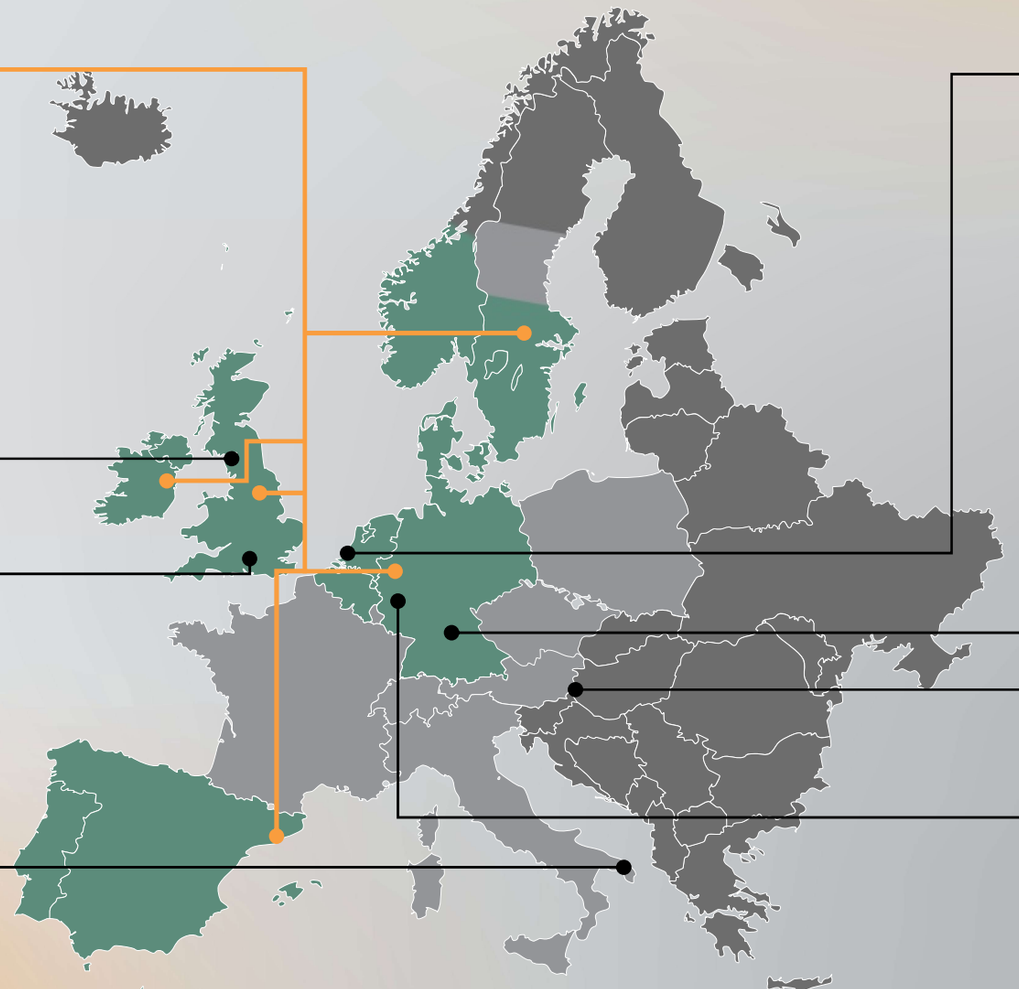
2024 Revenues $63m
2023 Revenues $61m
Growth +3%

Andertons

2024 Revenues $70m
2023 Revenues $75m
Growth -7%

Strumenti Musicali

2024 Revenues $57m
2023 Revenues $60m
Growth -5%



Bankrupt March '25
Restructured June '25

Bax Shop

2024 Revenues $195m
2023 Revenues $196m
Growth -1%

Thomann

2024 Revenues $1,874m
2023 Revenues $1,735m
Growth +8%

Muziker

2024 Revenues $91m
2023 Revenues $90m
Growth +1%

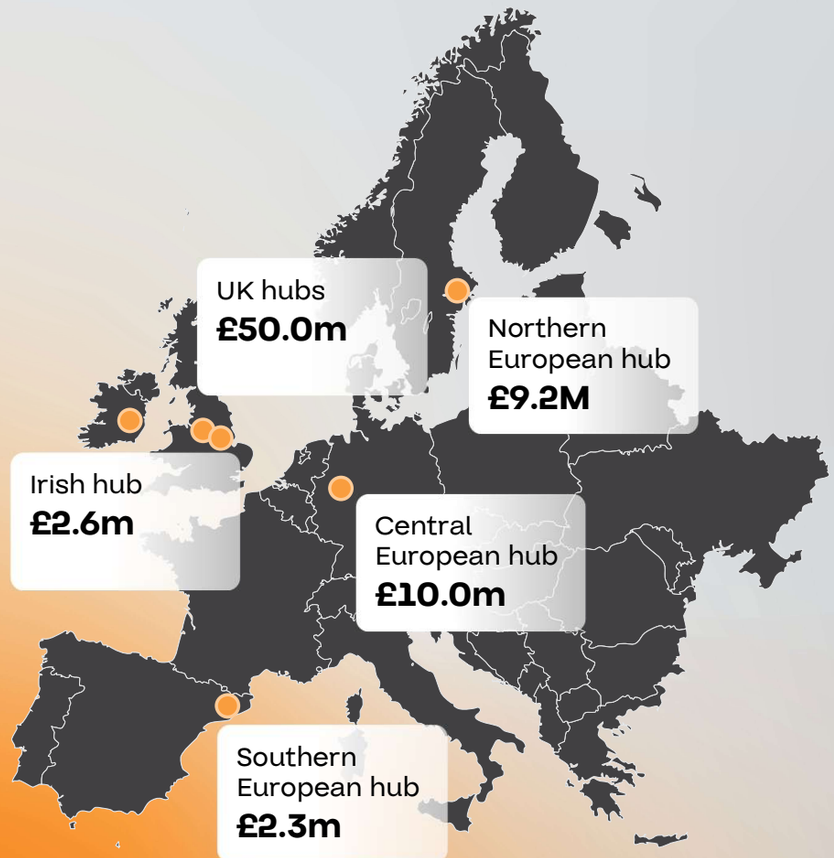
Music Store

2024 Revenues $149m
2023 Revenues $164m
Growth -9%

Revenue data: MusicTrades

Existing distribution capacity

Hub on-hand inventory storage capacities



Existing hub capacity forecast

Location	Forecast inventory storage capacity utilisation: Next 12 months	Forecast sales capacity: Next 12 months	Expected maximum capacity reached
UK: York	100%	100%	NOW
UK: Sherburn	15%	15%	
UK: Bacup	80%	47%	N/A - Closing
Central Europe: Germany	95%	90%	2029*
Ireland: Dublin	100%**	80%	2027
Northern Europe: Sweden	81%	68%	2030***
Southern Europe: Spain	70%	23%	2031

Forecast sales capacities updated taking into account seasonality & most recent information

***German hub:** Storage capacity increased in neighbouring building until August 2029

****Ireland:** Third-party off-site storage currently being utilised

*****Swedish hub:** Based on potential to increase capacity within the existing Swedish hub building

ESG

Gear4music ESG agenda

Environmental Pillar

Climate Change

Carbon emissions

Product footprint

Pollution & Waste

Packaging Material & Waste

Electronic waste

We recognise our responsibility to reduce our environmental impact, and can achieve this through technology, continuous improvements in operational efficiency, and doing things in new ways

Social Pillar

Our Products

Product Safety & Quality

Supply chain labour standards

We are committed to retailing high quality musical instruments and equipment and AV products and adopting and improving practices that ensure there is no slavery or human trafficking in our supply chain

Our People

Health & Safety

Diversity and inclusion

Wellbeing

Charities & Community

We recognise the success of our business is founded on the hard work of a team of talented and motivated individuals, and are committed to making Gear4music a great place to work

Governance Pillar

Corporate Behaviour

Board Diversity and Structure

Executive Pay

Ethics and Transparency

Anti-Corruption Policies

We are committed to conducting our business with integrity

- Published third Climate Report in FY26 Annual Report
- ESG sub-committee operating since 2023; Board level agenda item
- Energy use high on priority list: solar installations completed
- Continuing high standards in product procurement and waste management
- High growth Second-hand system
- Initiatives supporting the Mental Health of our colleagues
- Partnering with charities where appropriate. Existing charities include:

Major shareholders and price graph

Major Shareholders as at 30 October 2026

Name	Number of shares	% of issued share capital
Andrew Wass	4,776,993	22.8%
Liontrust Investment Partners LLP	3,475,198	16.5%
FIL Limited (Fidelity)	1,751,742	8.4%
Crucible Clarity Fund PLC	1,102,326	5.3%
AXA Investment Managers S.A.	840,913	4.0%

Share price graph 12 November 2024 to 11 November 2026



52-week range:

210p – 332p

Market cap as of 12 November '26

£45.2m

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