

GEAR4MUSIC

CONSUMER DISCRETIONARY

20 October 2026

G4M.L

241p

Market Cap: £50.6m

SHARE PRICE (p)



12m high/low

323p/226p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£(5.0)m (at 31/03/26)
Enterprise value	£55.6m
Index/market	AIM
Next news	Interims, 17 November
Shares in issue (m)	21.0
Executive Chair	Andrew Wass
CEO	Gareth Bevan
CFO	Chris Scott

COMPANY DESCRIPTION

Gear4music is a leading international online retailer of musical instruments and equipment.

www.gear4musicplc.com

GEAR4MUSIC IS A RESEARCH CLIENT OF
PROGRESSIVE

ANALYSTS

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Resilient H1 revenue performance

Trading continues to be in line with Board expectations. Lapping last year's demanding H1 comparative of 31% revenue growth, G4M has delivered H1 revenue growth of 6% (and over 38% on a two-year basis) to £85.4m (FY26: £80.7m). This was achieved despite some moderation in Q2, driven by the prolonged period of extremely hot weather over the summer months. Gross profit has also advanced, with EBITDA expected to be £5.7m (FY26: £6.5m) reflecting set up costs of the new automated UK warehouse.

- H1 trading – further revenue growth in UK and Europe.** Despite the phenomenal strength of revenue growth in H1 FY26 (and across the whole year) and the adverse impact of this year's extreme summer temperatures, G4M saw revenues expand in both the UK and Europe/Rest of the World. Europe delivered impressive double-digit growth of 11%, compounding last year's 31% growth to a two-year growth figure of 50%. The comparable UK two-year growth figure reached 32% following its H1 FY27 revenue increase of 3%. H1's gross margin is expected to be 27.6%. While 40bps lower than last year, this is high by historical standards, especially in the absence of deal stock, which boosted FY26's figure. Expected gross profit of £23.6m (+£0.9m, +4.4% vs H1 FY26) is over 40% and £7m higher than the equivalent H1 FY25 figure of £16.5m.
- UK warehouse – continued progress.** As well as ongoing investment in its proprietary e-commerce platform, G4M's new UK warehouse reflects the group's commitment to sustainable profitable growth over the medium- and longer-term. Progress towards opening continues apace, and as previously signposted, initial set-up and double-running costs will impact current year profitability. Expected H1 EBITDA of £5.7m (vs £6.5m) reflects these costs but is still almost double the £2.9m EBITDA of H1 FY25.
- AIM Entrepreneur of the Year Award – due market recognition.** G4M's founder and Executive Chairman, Andrew Wass, won the prestigious AIM Entrepreneur of the Year Award at the AIM Awards dinner on 15 October. This underlines market recognition of his vision, drive and skills in the development and profitable growth of G4M's unique proposition.
- Forecasts unchanged – ahead of November interims.** Ahead of the key Christmas trading period and with year-to-date performance in line with Board expectations, our forecasts are unchanged into the interim results, which will be published on 17 November.

FYE MAR (£M)	2024	2025	2026	2027E	2028E
Revenue	144.4	146.7	190.7	200.4	214.1
Adj EBITDA	9.9	10.0	18.4	16.0	17.5
Fully Adj PBT	1.1	1.6	10.3	6.0	6.1
Fully Adj EPS (p)	5.2	3.8	34.9	20.4	20.9
EV/Sales (x)	0.4x	0.4x	0.3x	0.3x	0.3x
EV/EBITDA (x)	5.6x	5.5x	3.0x	3.5x	3.2x
PER (x)	46.8x	63.6x	6.9x	11.8x	11.5x

Source: Company Information and Progressive Equity Research estimates.

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Trading update – further details

G4M's H1 trading performance is to be commended against the backdrop of both last year's remarkable achievements and the unhelpful impact of a sustained period of very hot temperatures across the summer months. The latter saw the double-digit revenue growth referenced in June's prelims moderate to five-month growth of 7%, and 6% across the whole period. For reference, our FY27E full year revenue forecast of £200m is predicated on a 5% year-on-year increase, with a gross margin decline of 60bps to 27.8%. The gross margin decline of 40bps to 27.6% is modest and at this level remains strong by historical standards. Gross margin is typically also stronger in the H2 trading period.

The table below summarises the data points provided by G4M in its H1 trading update. This shows the group's continued growth in revenue on top of last year's excellent performance and growth over the H1 FY25 period.

H1 FY27E revenue and profit performance, with prior-year comparatives (£m unless otherwise stated)

Revenue:	H1 FY27E	H1 FY26	H1 FY25	% change on H1 FY26	% change on H1 FY25	Two-year CAGR
UK sales	51.0	49.6	38.7	3%	32%	14.8%
Europe/RoW sales	34.4	31.1	23.0	11%	50%	22.3%
Total sales	85.4	80.7	61.7	6%	38%	17.6%
Gross profit	23.6	22.6	16.5	4%	43%	19.6%
Gross margin (%)	27.6%	28.0%	26.7%	(40bps)	90bps	n.a.
EBITDA	5.7	6.5	2.9	(12%)	97%	40.2%
EBITDA margin (%)	6.7%	8.1%	4.7%	(140bps)	200bps	n.a.

Source: G4M, Progressive Equity Research

The percentage change columns above are both expressed in relation to the H1 FY27E performance. Thus, the % change on H1 FY25 column shows the two-year growth rate for the various sales and profit criteria delivered in H1 FY27E. These all show strong growth, including gross profit and EBITDA (and their respective margins), which is underlined by the two-year compound annual growth rate (CAGR) column we have calculated. These are all strongly in the double-digit growth domain, ranging from 15% for UK revenue to 40% for EBITDA growth.

The interim results will be published on 17 November, with G4M providing greater detail on its trading performance and operational progress.

Financial Summary: Gear4music

Year end: March (£m unless shown)

PROFIT & LOSS	2024	2025	2026	2027E	2028E
Revenue	144.4	146.7	190.7	200.4	214.1
Adj EBITDA	9.9	10.0	18.4	16.0	17.5
Adj EBIT	3.3	3.2	11.5	8.2	8.8
Reported PBT	0.6	1.6	10.3	6.0	6.1
Fully Adj PBT	1.1	1.6	10.3	6.0	6.1
NOPAT	3.1	1.7	8.2	6.2	8.8
Reported EPS (p)	3.0	3.8	34.9	20.4	20.9
Fully Adj EPS (p)	5.2	3.8	34.9	20.4	20.9
Dividend per share (p)	0.0	0.0	0.0	0.0	0.0
CASH FLOW & BALANCE SHEET	2024	2025	2026	2027E	2028E
Operating cash flow	13.5	8.9	10.9	15.7	16.8
Free Cash flow	8.2	2.5	3.0	(2.0)	0.6
FCF per share (p)	39.1	12.0	14.5	(9.4)	2.6
Acquisitions	0.0	0.0	0.0	0.0	0.0
Disposals	0.0	0.0	0.0	0.0	0.0
Shares issued	0.0	0.0	0.0	0.0	0.0
Net cash flow	7.2	0.9	1.4	(3.7)	(1.2)
Overdrafts / borrowings	(12.0)	(12.0)	(13.0)	(13.0)	(13.0)
Cash & equivalents	4.7	5.6	8.0	4.3	3.1
Net (Debt)/Cash	(7.3)	(6.4)	(5.0)	(8.7)	(9.9)
NAV AND RETURNS	2024	2025	2026	2027E	2028E
Net asset value	38.4	39.3	46.3	50.9	55.4
NAV/share (p)	182.9	187.4	220.7	242.7	263.9
Net Tangible Asset Value	16.3	17.7	25.5	31.1	36.5
NTAV/share (p)	77.8	84.4	121.7	148.2	173.8
Average equity	37.8	38.8	42.8	48.6	53.1
Post-tax ROE (%)	2.8%	4.0%	24.2%	12.4%	11.6%
METRICS	2024	2025	2026	2027E	2028E
Revenue growth	(5.0%)	1.6%	30.0%	5.1%	6.8%
Adj EBITDA growth	34.3%	1.5%	83.5%	(13.2%)	9.2%
Adj EBIT growth	152.5%	(0.4%)	256.2%	(28.8%)	7.6%
Adj PBT growth	(363.1%)	45.8%	562.2%	(41.8%)	2.1%
Adj EPS growth	(266.3%)	(26.5%)	819.3%	(41.3%)	2.1%
Dividend growth	N/A	N/A	N/A	N/A	N/A
Adj EBIT margins	2.3%	2.2%	6.0%	4.1%	4.1%
VALUATION	2024	2025	2026	2027E	2028E
EV/Sales (x)	0.4	0.4	0.3	0.3	0.3
EV/EBITDA (x)	5.6	5.5	3.0	3.5	3.2
EV/NOPAT (x)	18.0	32.2	6.8	9.0	6.3
PER (x)	46.8	63.6	6.9	11.8	11.5
Dividend yield	N/A	N/A	N/A	N/A	N/A
FCF yield	16.2%	5.0%	6.0%	(3.9%)	1.1%

Source: Company information and Progressive Equity Research estimates

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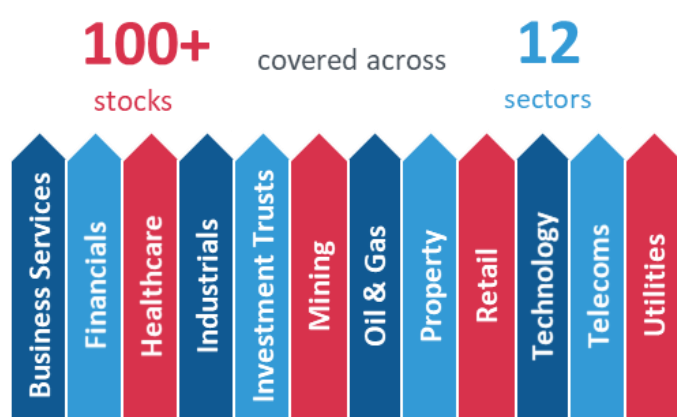
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