

**2 April 2025**

## **Gear4music (Holdings) plc**

### **Year-End Trading Update**

Gear4music (Holdings) plc ("Gear4music" or "the Group"), the largest UK based online retailer of musical instruments and music equipment, today announces a year-end trading update covering the 12 months to 31 March 2025.

<b>£m</b>	<b>12m to 31 Mar 2025</b>	12m to 31 Mar 2024	<b>% Change on FY24</b>
<b>UK sales</b>	<b>90.2</b>	83.1	<b>+9%</b>
<b>European and Rest of the World sales</b>	<b>56.5</b>	61.3	<b>-8%</b>
<b>Total sales</b>	<b>146.7</b>	144.4	<b>+2%</b>

#### **FY25 Highlights\***

- Robust revenue growth in the UK, with European revenues reflecting competitive pressures throughout the year in certain markets within the region
- Gross margin expected to be 27.1% (FY24: 27.3%; FY23: 25.7%)
- EBITDA expected to be £10.0m (FY24: £9.4m; FY23: £7.4m)
- PBT expected to be £1.6m (FY24: £0.6m; FY23: -£0.4m)
- Net bank debt further reduced to £6.4m at 31 March 2025 (31 March 2024: £7.3m; 31 March 2023: £14.5m)

*\* Prior to this update Gear4music believes that consensus market expectations for the year ending 31 March 2025 were revenues of £154.7 million, EBITDA of £11.7 million and profit before tax of £2.8 million.*

#### **Gear4music's Executive Chair, Andrew Wass, said:**

"Despite a challenging consumer environment over the past 12 months, we are pleased to report that the Group's financial performance in FY25 is expected to surpass FY24. Our performance reflects higher revenues, stable gross margins and a continued focus on cost control resulting in increased reported EBITDA, and a £1.0m improvement in Profit Before Tax for the year. A further reduction in net bank debt translates into leverage of x0.6 times FY25 EBITDA (FY24: x0.8 times).

Financial performance in February and early March 2025 was subdued, primarily due to aggressive discounting from underperforming competitors in both the UK and Europe coupled with ongoing weak consumer confidence. However, both UK and European like-for-like (LFL) sales improved markedly in the latter half of March, with early indications suggesting that the competitive pressures may be easing as a result of a number of significant retailers experiencing trading difficulties and now exiting the market.

Through FY25, we have laid robust foundations for our revised growth strategy first announced in June 2024, by investing in new own-brand products, expanding our second-hand offerings, strengthening our marketing capabilities, and enhancing our bespoke e-commerce platform. Economic uncertainty remains as we enter the new financial year, nevertheless we believe these strategic initiatives coupled with competitor developments in our market, position us well to maintain our recent positive momentum and drive accelerated commercial and financial performance in FY26 and beyond."

- Ends -

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**About Gear4music (Holdings) plc**

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

Having developed its own e-commerce platform, with multilingual, multicurrency websites delivering to over 190 countries, the Group continues to build its overseas presence.

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