

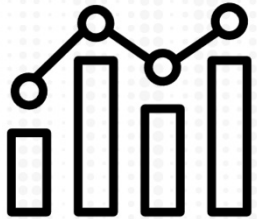
A DJ with blonde hair, wearing a black and silver striped top and a black jacket, is performing at a DJ booth. She is smiling and has her right hand raised in the air. The background is a dark stage with blue and orange lighting, featuring a grid of small lights and several white circles of varying sizes.

# FY24 Results

## Turning up the volume

Gear4music (Holdings) plc  
Investor Presentation June 2024

# FY24 Overview: key objectives met



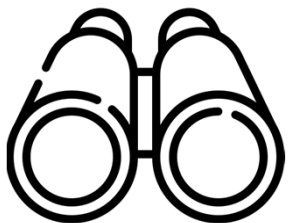
## Financial Performance In line with Market Expectations

- Adjusted EBITDA of £9.9m 34% up on last year (FY23: £7.4m)
- Gross margin of 27.3% was 160bps higher than last year (FY23: 25.7%)
- Revenues reflect focus on margin & profitability improvements as previously signalled
- Cost reductions implemented through FY24 are now delivering full-year benefits



## Further reduction in Net Debt

- Net debt nearly halved to £7.3m at 31 March 2024 (31 March 2023: £14.5m)
- Reduced by £16.9m in 2 years (31 March 2022: £24.2m)
- Now represents just 0.7x adjusted EBITDA
- Further reductions expected during FY25



## Trading Outlook

- Relunched Growth Strategy for FY25
- Well positioned to capitalise on emerging opportunities following debt reduction
- Continued discipline on margins and profitability
- FY25 trading to date in line with Board expectations

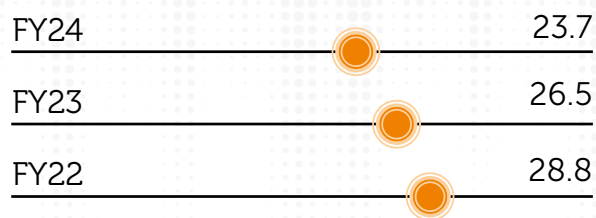
# FY24 Highlights

## Websites



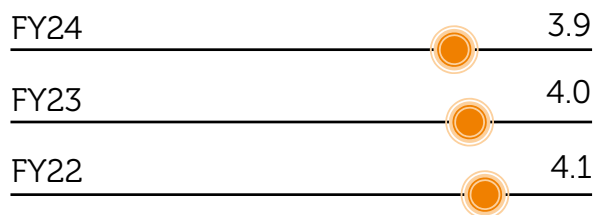
WEBSITE USERS -11%

### 23.7m



CONVERSION RATE -10BPS

### 3.9%

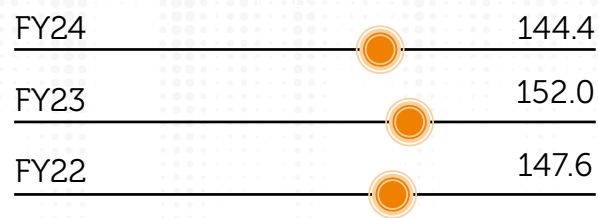


## Revenues



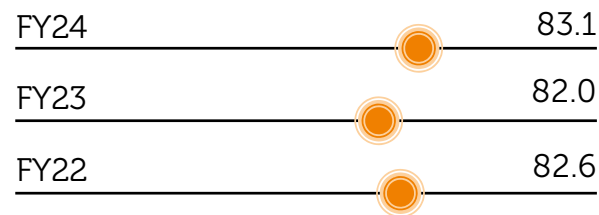
TOTAL REVENUES -5%

### £144.4m



UK REVENUES +1%

### £83.1m

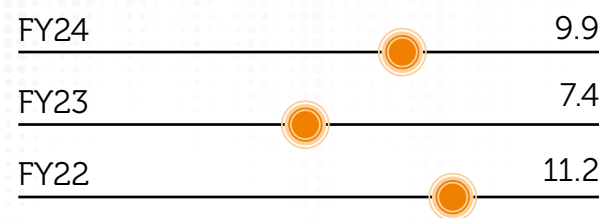


## Profitability



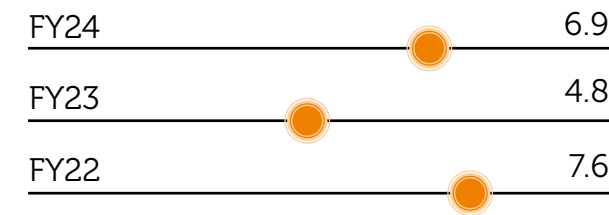
ADJUSTED EBITDA +34%

### £9.9m



ADJUSTED EBITDA MARGIN +210BPS

### 6.9%



# Profitable Growth strategy

Gear4music's growth strategy is built around four key pillars:

- 1) Transforming our platform, with AI at its core
- 2) Enhancing our product offerings
- 3) Diversifying our channels to market
- 4) Expanding our sales verticals



# Growth Strategy Detail

- > **Develop**
- > **Enhance**
- > **Diversify**
- > **Expand**

	 <b>Bespoke platform</b>	 <b>Product offer</b>	 <b>Channels to market</b>	 <b>Sales verticals</b>
<p><b>Artificial intelligence across our business</b></p> <ul style="list-style-type: none"> <li>AI-First Approach: Integrate artificial intelligence; optimise efficiency &amp; UX</li> <li>Build on AI already used in content creation, marketing &amp; customer service</li> </ul>	<p><b>Second-hand product sales</b></p> <ul style="list-style-type: none"> <li>YR1 Product margins of 37% on £1.1m revenues; &gt;£4m FY25 forecast revenue based on current run-rate</li> <li>Medium term opportunity of £10m+ revenue @ 40% product margin  p6</li> </ul>	<p><b>European marketplace integrations</b></p> <ul style="list-style-type: none"> <li>Drive own-brand sales in Europe; integrate with more Marketplaces</li> <li>Marketplaces account for a large share of European e-commerce sales</li> </ul>	<p><b>Additional European operations by 2025</b></p> <ul style="list-style-type: none"> <li>Expand European footprint to support European growth</li> <li>Potential to establish low-cost own-brand focused mini-hubs from 2025</li> </ul>	
<p><b>User experience &amp; backend systems</b></p> <ul style="list-style-type: none"> <li>Continuous rollout of UX upgrades (e.g. new 'site search' in May 2024)</li> <li>New Forecasting &amp; Purchasing system currently in development</li> </ul>	<p><b>Own-brand product development</b></p> <ul style="list-style-type: none"> <li>&gt;45% FY24 Product margins on <b>£38m</b> revenue</li> <li>Medium term opportunity of <b>£60m+</b> following accelerated investment into product development team  p7</li> </ul>	<p><b>Data, systems and reporting tools</b></p> <ul style="list-style-type: none"> <li>Enhanced data structures enable integration with AI &amp; 3rd party tools</li> <li>Upgraded data systems improve marketing efficiency &amp; accelerate channel expansion</li> </ul>	<p><b>European purchasing, fulfilment &amp; marketing</b></p> <ul style="list-style-type: none"> <li>New senior role to lead European purchasing, supported by expanded marketing channels</li> <li>Additional European Distributor integrations by FY26</li> </ul>	
<p><b>Development tools &amp; 3rd party applications</b></p> <ul style="list-style-type: none"> <li>Drive Efficiency and Productivity through systems and data automation</li> <li>Integrate specialist 3rd party apps to reduce in-house development costs</li> </ul>	<p><b>Explore additional brand acquisitions</b></p> <ul style="list-style-type: none"> <li>Premier brand acquired in 2022 is scaling up (FY24 sales: <b>£1m</b>)</li> <li>Potential for further legacy brand acquisitions</li> </ul>	<p><b>Additional marketing channels to reduce reliance on PPC</b></p> <ul style="list-style-type: none"> <li>PPC accounted for <b>86%</b> of advertising spend in FY24</li> <li>Plan to increase number of marketing channels and reduce reliance on PPC</li> </ul>	<p><b>Explore opportunities in USA, India, SE Asia</b></p> <ul style="list-style-type: none"> <li>Additional English speaking retail markets under evaluation</li> <li>Potential to extend own-brand Distribution and Licence agreements</li> </ul>	
<p><b>Second hand &amp; digital download functionality</b></p> <ul style="list-style-type: none"> <li>Unique Second-hand proposition demonstrating high growth in <b>\$8bn*</b> Global market</li> <li>Expand Digital software downloads; Specialist competitor generates <b>£20m+</b> in download revenue</li> </ul>	<p><b>Strategic brand partnerships</b></p> <ul style="list-style-type: none"> <li>Consolidate SKU ranges; focus on higher margin products</li> <li>Work closely with selected brand partners to maximise margin opportunities</li> </ul>	<p><b>Influencers, affiliates, social &amp; brand building</b></p> <ul style="list-style-type: none"> <li>Influencer model is showing early promise; plan in place to scale-up</li> <li>UK affiliate programme already in place, refreshed European affiliate roll-out underway</li> </ul>	<p><b>Second-hand, digital downloads &amp; AV.COM</b></p> <ul style="list-style-type: none"> <li>Second-hand revenue growing quickly; further investment will accelerate growth</li> <li>AV.com positioned for growth following rebuilding of the proposition</li> </ul>	

# Strategy in focus: Second-hand product sales

## Overview

- Proprietary system launched in March 2023
- Unique positioning; simplifies equipment trade-in
- 19,000 products currently available for trade-in, up from 8,000 at launch
- Available on Gear4music UK, Europe & AV.com

## Opportunity in numbers

Global market Size	Trade-ins to date
<b>\$8bn</b>	<b>&gt;8,000</b>
FY24 Product Margin:	Average sale value
<b>37.4%</b>	<b>£286</b>
FY25 Sales forecast	2yr+ opportunity
<b>£4m+</b>	<b>£10m+</b>



Instant prices calculated & offered



Gear4music arranges collection



Verify product & pay cash or credit on account



Item listed for re-sale

## Gear4music advantages

- Access to a new & large market
- Good resale margins
- Follow-on sales: large proportion choose 'credit'
- Increased customer loyalty
- SEO & content benefits
- Alternative source of product supply

## Customer advantages

- Quick, low effort process; no photography or delivery requirements
- Selling risks eliminated
- Attractive cash price; increased value for G4M account credit to support next purchase
- Existing equipment gets reused & value realised

# Strategy in focus: Own-brand product development

## New Own-brand

- Great value, premium music gear own-brand launched in June 2023
- FY25 Sales estimate of £2m+

SKUs now live      FY24 Product Margin:

**164**      **46.5%**

FY25 Sales forecast      2yr+ opportunity

**£1m+**      **£3m+**



## Brand Acquisitions

- Premier & Eden acquired in 2022, and delivering £1m+ sales
- Worldwide distribution in place for Premier; Eden being explored
- Potential for further legacy brand acquisitions



## Gear4music Own-brands



## New Own-brands in FY24



# Growth Strategy Objectives

## ILLUSTRATIVE SALES GROWTH OUTCOMES BASED ON STRATEGY IMPLEMENTATION

	FY23 % of revenues	FY24 % of revenues	Future target % of revenues	Change Target
Own-brand products	25.6%	26.0%	33.0%	+7.0bps
International	46.0%	42.4%	50.0%	+7.6bps
AV.com	4.3%	4.6%	6.0%	+1.4bps
Showrooms	2.1%	2.5%	1.4%	-0.9bps
Second-hand	-	0.8%	5.0%	+4.2bps
Digital products & supplier fulfilment	0.6%	0.9%	3.0%	+2.1bps



Management is focused on driving own-brand product sales to increase profitability, and continuing to develop new features and functionality on the existing platform to enhance productivity and efficiency. With an emphasis on higher margin, high growth sales channels such as second-hand, there are no current plans for a physical store roll-out.

FY24 Results

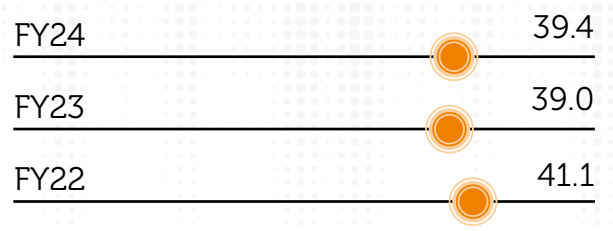


# Financial overview

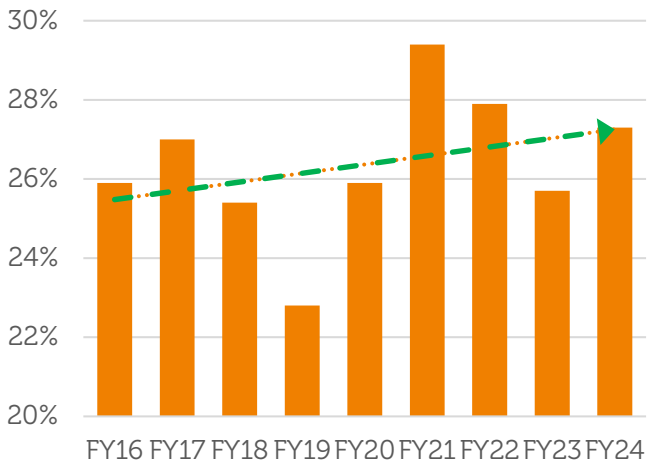
# FY24 Financial Highlights

## Profitability

Gross profit +1%  
**£39.4m**



## Full year gross margin



	FY24		FY23	FY22
	£'000	% of total sales		
Revenue	144,384	100%	152,039	147,630
Gross profit	39,437	27.3%	25.7%	27.9%
European Distribution	(3,291)	(2.3%)	(2.2%)	(2.2%)
Marketing costs	(10,077)	(7.0%)	(7.0%)	(7.3%)
UK labour costs	(10,949)	(7.6%)	(7.8%)	(7.2%)
Other costs	(5,227)	(3.5%)	(3.9%)	(3.6%)
Adjusted EBITDA margin	9,893	6.9%	4.8%	7.6%

# Product Margin Analysis

	FY24		FY23	FY22
	£'000		% of total sales	
Product profit	43,225	29.9%	28.7%	30.7%
Carriage Income	5,809	4.0%	4.1%	4.2%
Carriage & packaging cost	(9,597)	(6.6%)	(7.1%)	(7.0%)
Gross profit	39,437	27.3%	25.7%	27.9%
<b>Product Margin</b>				
Own brand margin	17,020	45.3%	41.5%	43.4%
Other brand margin	26,205	26.1%	25.8%	28.0%
Total product margin	43,225	31.3%	30.0%	32.2%

- Product margin of 31.3% is 130bps up on FY23 reflecting re-prioritisation of gross margins ahead of sales growth:
  - Own-brand margin 380bps up on FY23 and 190bps on FY22;
  - Other-brand margin 30bps up on FY23 and 190bps down on FY22; and
  - Sales mix effect – Own-brand accounts for 27.2% of product sales compared to 27.1% last year.
- Carriage & packaging costs reduced to 6.6% of sales (FY23: 7.1%) reflecting a higher proportion of cheaper UK-deliveries, and a small increase in AOV.

# Trading KPIs

Year ended	31 Mar 24	31 Mar 23	31 Mar 22
Rate of overall sales growth	(5.0%)	3.0%	(6.2%)
Rate of UK sales growth	1.2%	(0.7%)	5.0%
Rate of International sales growth	(12.4%)	7.6%	(17.5%)
Own-brand sales (£'000)	37,607	38,860	38,121
Own-brand growth	(3.2%)	1.9%	(16.0%)
Other-brand sales (£'000)	100,404	106,189	102,473
Other-brand growth	(5.4%)	3.6%	(1.7%)
Own-brand % of total sales	26.0%	25.6%	25.8%
Marketing costs (£'000)	10,077	10,572	10,774
Marketing as % of sales	7.0%	7.0%	7.3%
Labour costs (£'000)	13,521	14,425	13,146
Labour costs as % of sales	9.4%	9.5%	8.9%

- Sales 5% down on FY23 at £144.4m; FY24 H1 down 6% & H2 down 5%
- UK sales increased by £1.1m (1%) to £83.1m reflecting strength of brand and proposition in most mature market, and new initiatives such as 2<sup>nd</sup> hand launching in UK first. Estimated market share c.9.5%.
- International sales decreased £8.7m (12%) to £61.3m reflecting a highly competitive market in certain European territories.
- Own-brand sales performed relatively better than other-branded sales.
- Marketing return maintained at 7.0% of sales.
- Labour costs decreased by £0.9m (6%) reflecting restructuring and tight control on recruitment. Excludes £487,000 one-off redundancy cost.
- Closing headcount down 112 (21%) from 526 to 414

# Income Statements

Year ended	31 Mar 24	31 Mar 23	31 Mar 22
Total Sales	£'000	£'000	£'000
	144,384	152,039	147,630
Product Profit*	43,225	43,579	45,244
Product Margin	31.3%	30.0%	32.2%
Gross Profit	39,437	39,043	41,130
GP%	27.3%	25.7%	27.9%
Adjusted EBITDA	9,893	7,368	11,174
Adjusted EBITDA as % of sales	6.9%	4.8%	7.6%
Depreciation & Amortisation	(6,643)	(6,081)	(5,105)
Finance expenses	(2,223)	(1,694)	(1,055)
Tax	67	(237)	(1,291)
Net profit/(loss)	651	(644)	3,723
Basic earnings/(loss) per share	3.1p	(3.1p)	17.8p

- Sales decrease reflects pre-communicated focus on improving gross margins during a challenging period for retailers of discretionary consumer products.
- Gross margin improved 130bps on FY23. Disciplined focus on margins on-going.
- Admin expenses (exc. redundancy costs) of £37.1m were £1.6m (4%) lower than FY23 including £0.5m lower marketing costs, and £0.9m lower labour costs.
- European admin expenses of £4.9m (FY23: £5.0m) includes £3.3m overheads and £1.6m PPE and right-of-use asset depreciation.
- 'Reported' EBITDA includes a one-off £0.5m redundancy cost. Adjusting for these costs results in underlying EBITDA of £9.9m and an EBITDA margin of 6.9%.
- Financial expenses increased £0.5m to £2.2m largely due to a £0.4m increase in bank interest reflecting higher interest rates.

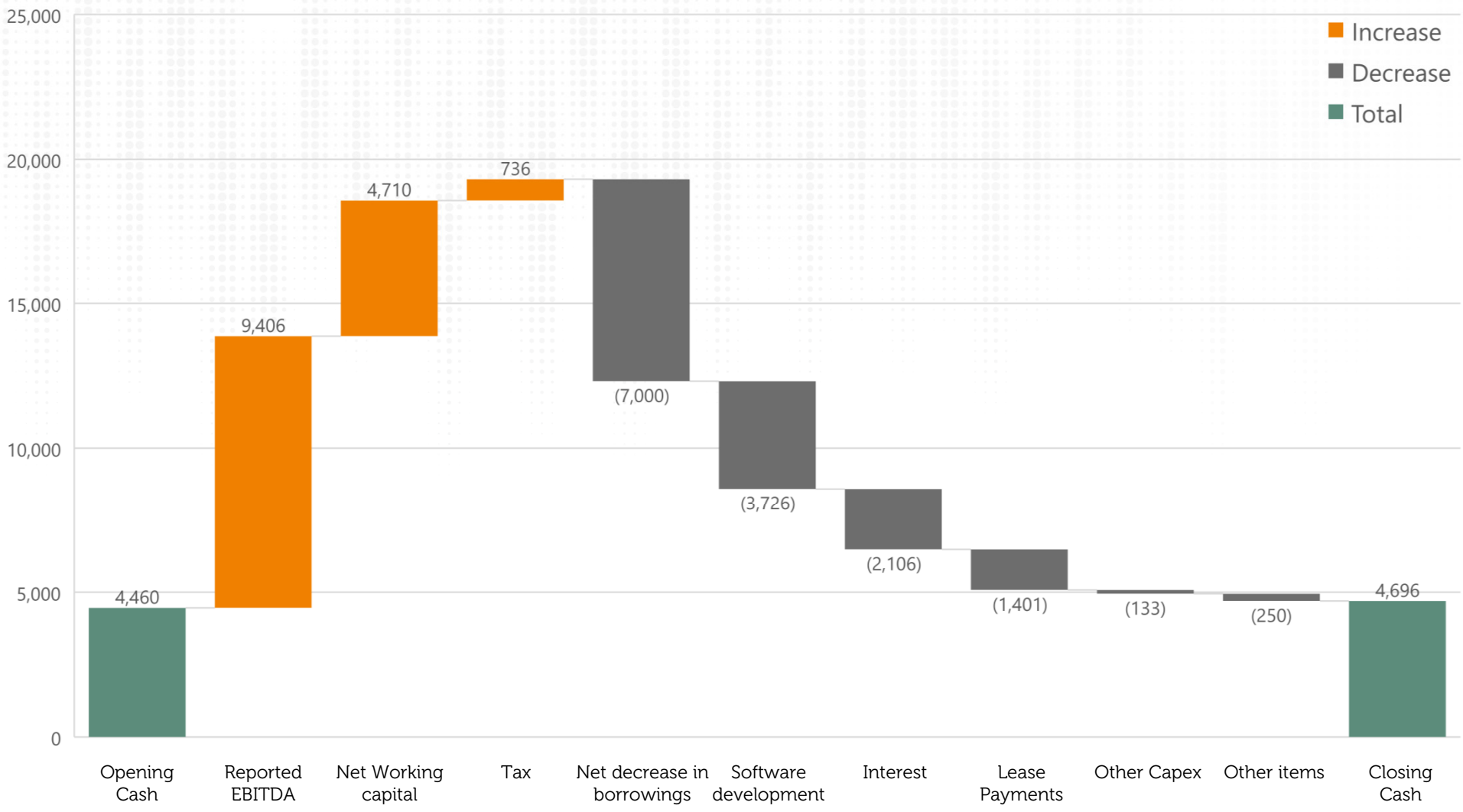
\* Representing product profit, excluding warranty income and consumer finance commissions

# Balance Sheet Overview

As at	31 Mar 24	31 Mar 23	31 Mar 22
	£'000	£'000	£'000
Freehold land and buildings	7,556	7,721	8,446
Other PPE including Right of Use asset	11,405	11,501	12,747
Intangible asset – software platform	12,814	12,788	10,519
Intangible assets – brand and goodwill	<u>9,235</u>	<u>9,261</u>	<u>9,293</u>
<b>Fixed assets</b>	<b>41,010</b>	<b>41,271</b>	<b>41,005</b>
Inventories	25,643	34,381	45,516
Trade and other receivables	3,847	4,500	3,841
Cash and cash equivalents	<u>4,696</u>	<u>4,460</u>	<u>3,903</u>
<b>Current assets</b>	<b>34,186</b>	<b>43,341</b>	<b>53,260</b>
Trade and other payables	(13,478)	(17,647)	(16,183)
Leases	<u>(1,794)</u>	<u>(1,130)</u>	<u>(1,229)</u>
<b>Current liabilities</b>	<b>(15,272)</b>	<b>(18,777)</b>	<b>(17,412)</b>
<b>Net current assets</b>	<b>18,914</b>	<b>24,564</b>	<b>35,848</b>
Loans and borrowings	(12,000)	(19,000)	(28,000)
Leases	(7,599)	(7,470)	(8,455)
Other long-term liabilities	<u>(1,959)</u>	<u>(2,131)</u>	<u>(2,362)</u>
<b>Non-current liabilities</b>	<b>(21,558)</b>	<b>(28,601)</b>	<b>(38,817)</b>
<b>Net assets</b>	<b>38,366</b>	<b>37,234</b>	<b>38,036</b>

- Strong balance sheet - £38.4m net assets and £30m committed RCF with HSBC.
- Net bank debt down £7.2m to £7.3m (31 March 23: £14.5m) and down £16.9m over 2-years, reflecting significant reduction in stock.
- Net bank debt equates to x0.7 times adjusted EBITDA and is secured by freehold properties valued at £7.6m.
- PPE capex held to £0.2m (FY23: £1.0m).
- Capitalised £3.7m of software development costs (FY23: £5.3m), of which £2.4m was in H1 and £1.3m in H2 reflecting exit run rate.
- Stock decreased £8.8m (26%) further to an £11.2m (24%) decrease in FY23.
- ROU asset increased reflecting conclusion of a rent review at our York distribution centre.

# Cash Flow Overview



FY24 Results

# KPI Review



# FY24 Customer metrics

## Profitable from first transaction

**£15**  
Cost of acquisition

**£153**  
Average order value

**£42**  
GP per transaction

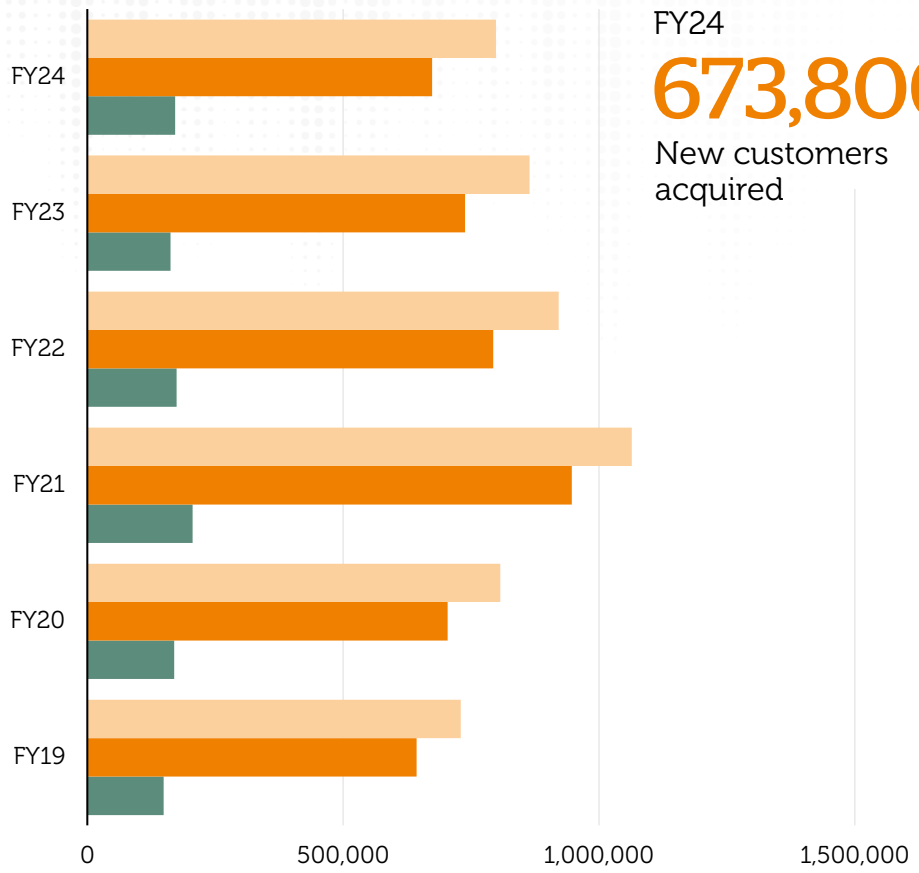
**£322**  
Sales lifetime value

	FY22	FY23	FY24
Average order value	£125	£150	<b>£153</b>
Gross profit per transaction	£33	£36	<b>£42</b>
Relevant Marketing cost*	£10.5m	£10.1m	<b>£9.6m</b>
Cost of acquisition	£14	£14	<b>£15</b>
Sales life time value	£241	£302	<b>£322</b>
Email subscriber database	1.28m	1.65m	<b>1.83m</b>

\* Excludes Amazon and POS

## Customer Profiles, FY19 - FY24

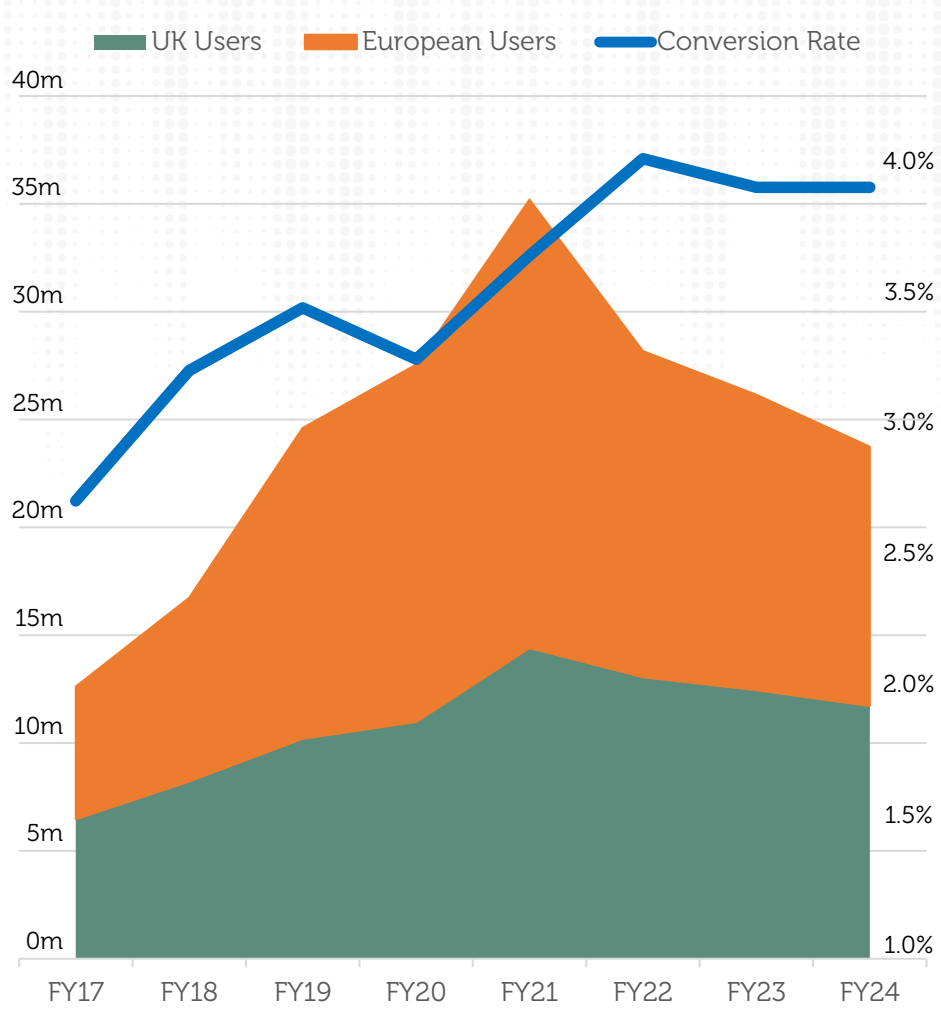
- Active Customers
- New Customers
- Repeat Customers



FY24  
**673,800**  
New customers acquired

# FY24 Website metrics

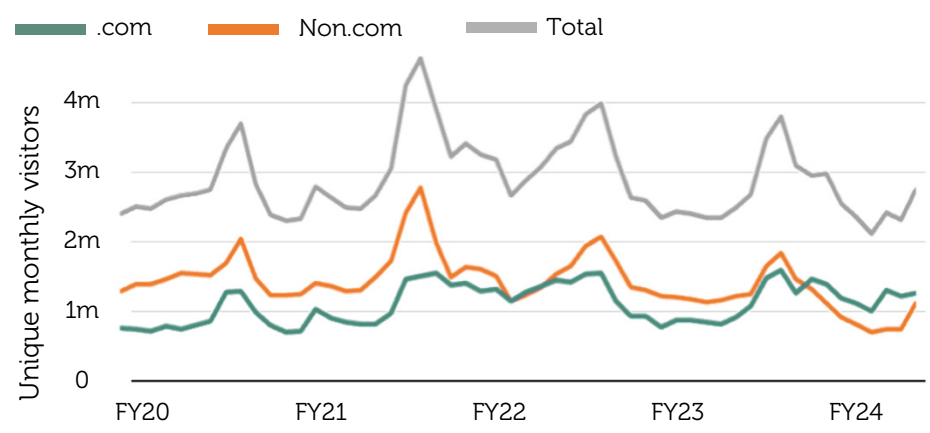
## Annual website conversion & traffic



## Website data

	FY22*	FY23*	FY24**	Diff.
Total unique website users	28.8m	26.6m	<b>23.7m</b>	-11%
UK website users	13.1m	12.5m	<b>11.7m</b>	-6%
European website users	15.1m	13.7m	<b>12.0m</b>	-12%
Total pages viewed	181m	183m	<b>171m</b>	-7%
Mobile traffic as % of total	53%	72%	<b>58%</b>	-1400bps
UK conversion rate	5.52%	4.53%	<b>4.44%</b>	-9bps
European conversion rate	2.93%	3.49%	<b>3.41%</b>	-8bps
Mobile conversion	3.19%	2.66%	<b>2.49%</b>	-17bps

## FY20 - FY24 Website traffic



\*Data compiled using Google Analytics v3 (GA3)  
 \*\*Data compiled using Google Analytics v4 (GA4)



# FY24 Product sales



## 29%

### GUITARS

Electric, acoustic & bass guitars

Revenue  
**£39.3m**

Growth  
**-5.1%**

Own-brand share  
**+1.0%**



## 15%

### KEYS

Pianos, synths, digital keyboards

Revenue  
**£20.2m**

Growth  
**-11.0%**

Own-brand share  
**+2.5%**



## 11%

### STUDIO

Mixers, headphones, monitors, interfaces

Revenue  
**£14.3m**

Growth  
**-12.0%**

Own-brand share  
**+1.0%**



## 23%

### LIVE & PA

Speakers, lighting & microphones

Revenue  
**£30.9m**

Growth  
**-5.7%**

Own-brand share  
**+0.5%**



## 11%

### DRUMS

Electric, acoustic & percussion

Revenue  
**£15.3m**

Growth  
**0.8%**

Own-brand share  
**+1.0%**



## 6%

### ORCHESTRAL

String instruments, brass, woodwind

Revenue  
**£8.0m**

Growth  
**-5.5%**

Own-brand share  
**+3.0%**

Categories totalling 5% or less of sales are excluded

# Summary

## Financial

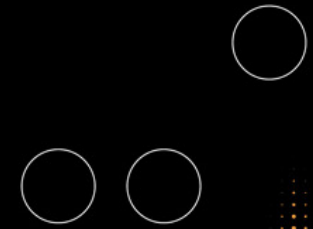
- FY24 successfully focused on delivering improved gross margins and cost base reductions
- Cost base reductions will deliver full year benefits from FY25
- Further net debt reduction expected
- Well positioned to invest in growth projects

## Strategy

- Refreshed growth strategy in place
- Continued focus on efficiency and productivity
- Prioritise higher margin products, including own-brand and second hand
- Continue diversifying sales and fulfilment channels



FY24 Results



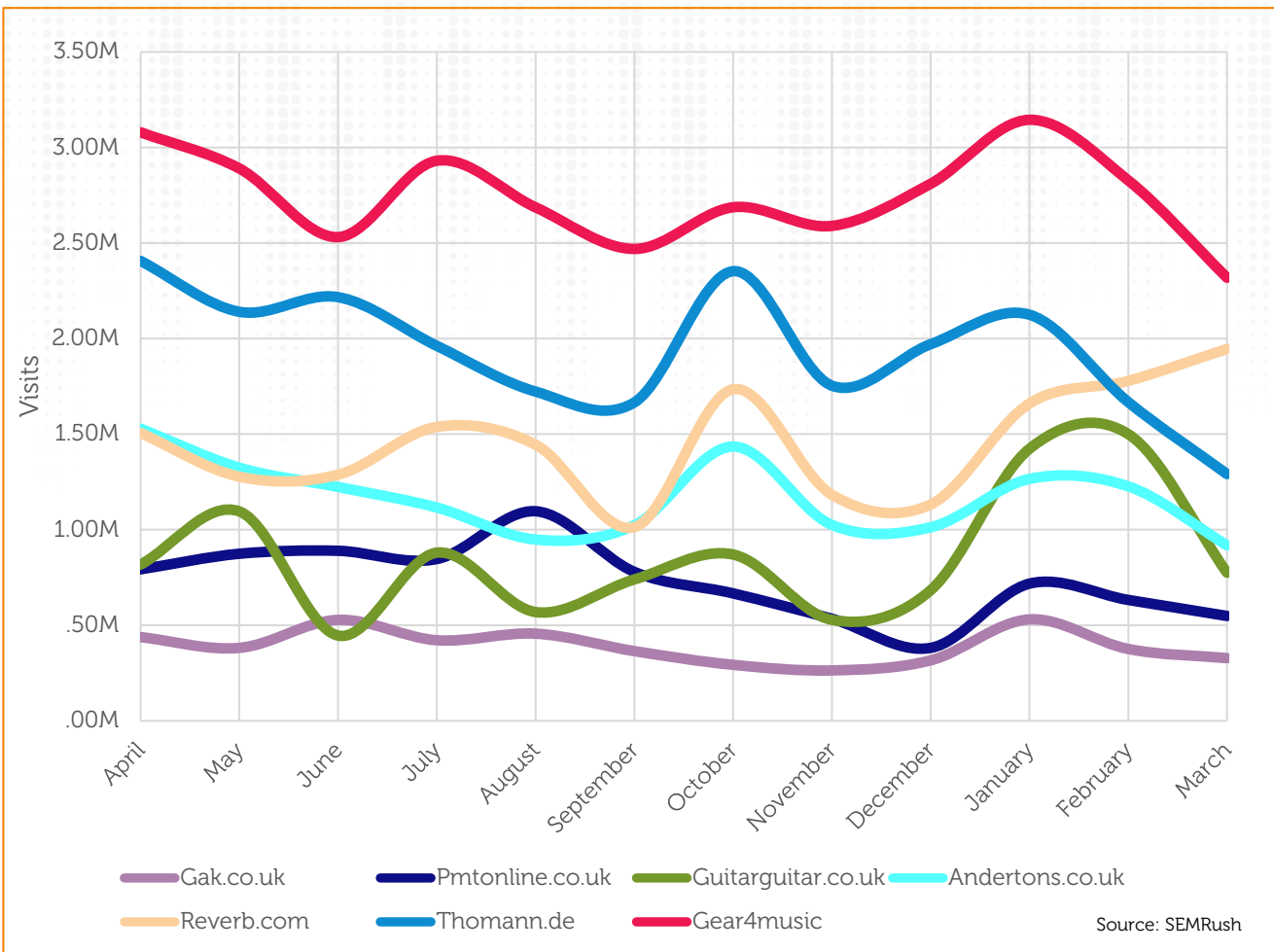
# Market background





# Estimated UK market: £877m

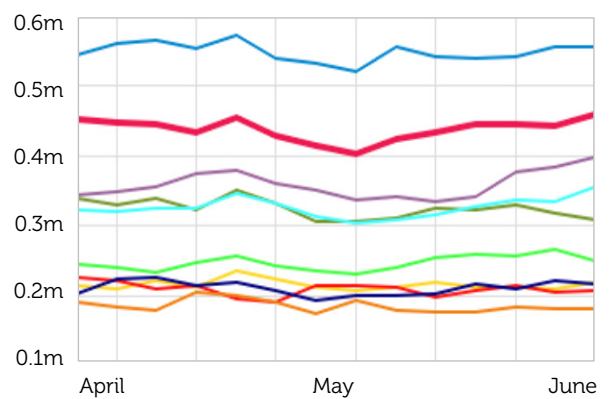
## FY24 UK Internet traffic share



- Gear4music FY24 market share c.9.5%, up 0.4% on FY23
- Estimated UK online market c.£327m
- Highly fragmented market, contracted c.2% in FY23 (Source: Music Trades)
- Long term shift: high street to online

## FY16 website traffic\*

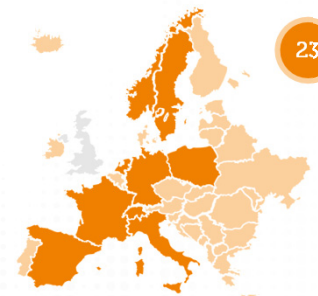
The chart below shows comparative unique UK website visitors in the UK in FY16.



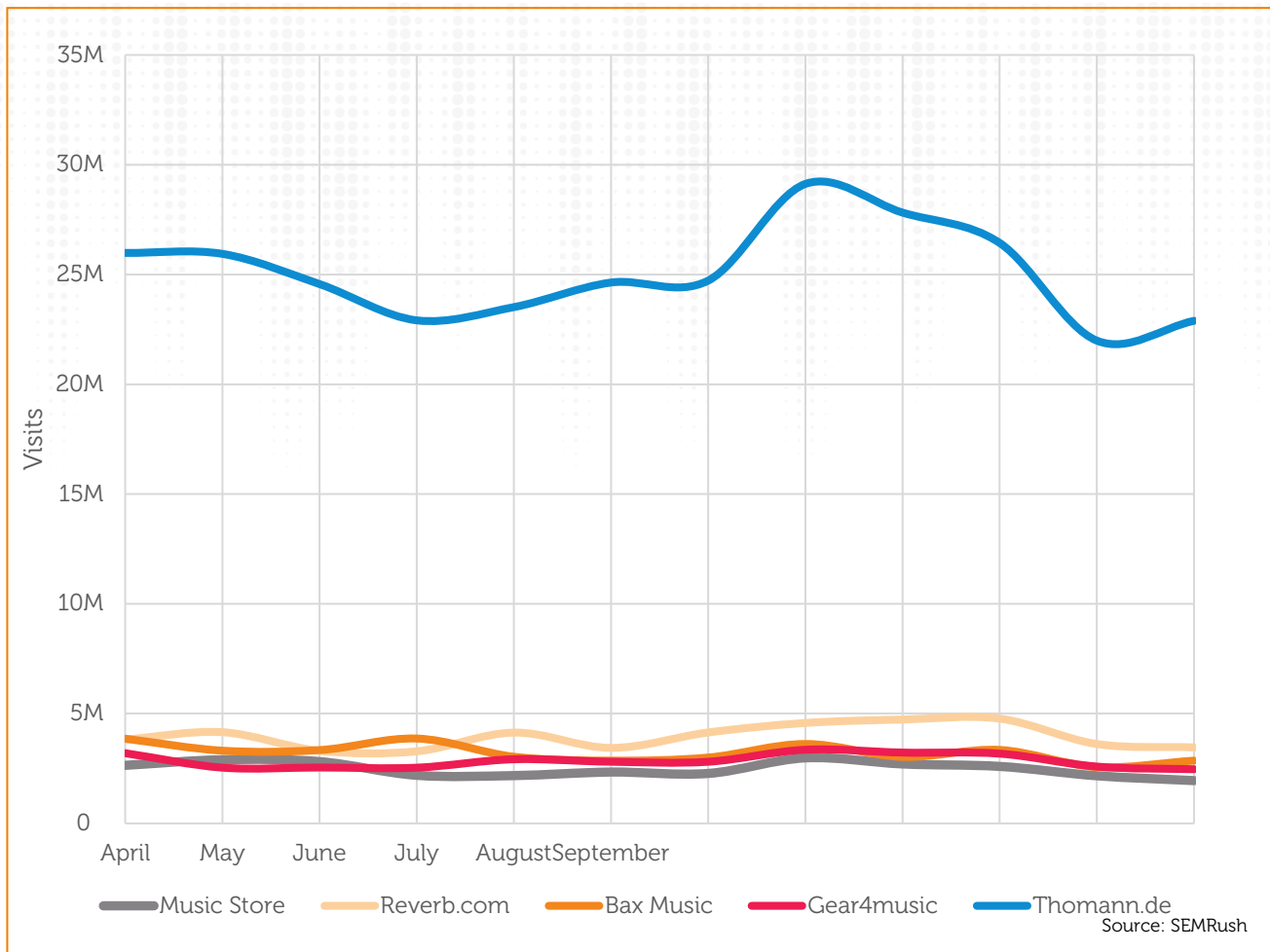
\*Source: Hitwise



# Estimated European market: £4.1bn



## FY24 European traffic share



- Gear4music European market share down 0.2% to 1.4%; significant opportunity for growth
- FY24 European revenues of £59.2m, down 12% on FY23
- Four European Distribution hubs with capacity to service revenues up to £150m
- Localised proposition features 15 languages and 8 currencies

## Top European Markets\*

Country	Estimated Market Size (£m)
Germany	1,394
France	1,006
Italy	675
Netherlands	235
Austria	211
Spain	193
Switzerland	164
Sweden	125
Norway	99
<b>Total Size</b>	<b>4,099</b>

\*Source: Management estimate

# Operations & Competitors

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

## Gear4music

FY24 Revenues: £144m  
FY23 Revenues: £152m  
Growth -5%

## S&T Audio (PMT)

2023 Revenues £47.1m  
2022 Revenues £48.0m  
Growth -2%

## Andertons

2022 Revenues £65m  
2021 Revenues £72m  
Growth -9%

## GuitarGuitar

2023 Revenues £48m  
2022 Revenues £44m  
Growth +3%

## Bax Shop

2022 Revenues £152m  
2021 Revenues £140m  
Growth 9%

## Kytary.cz

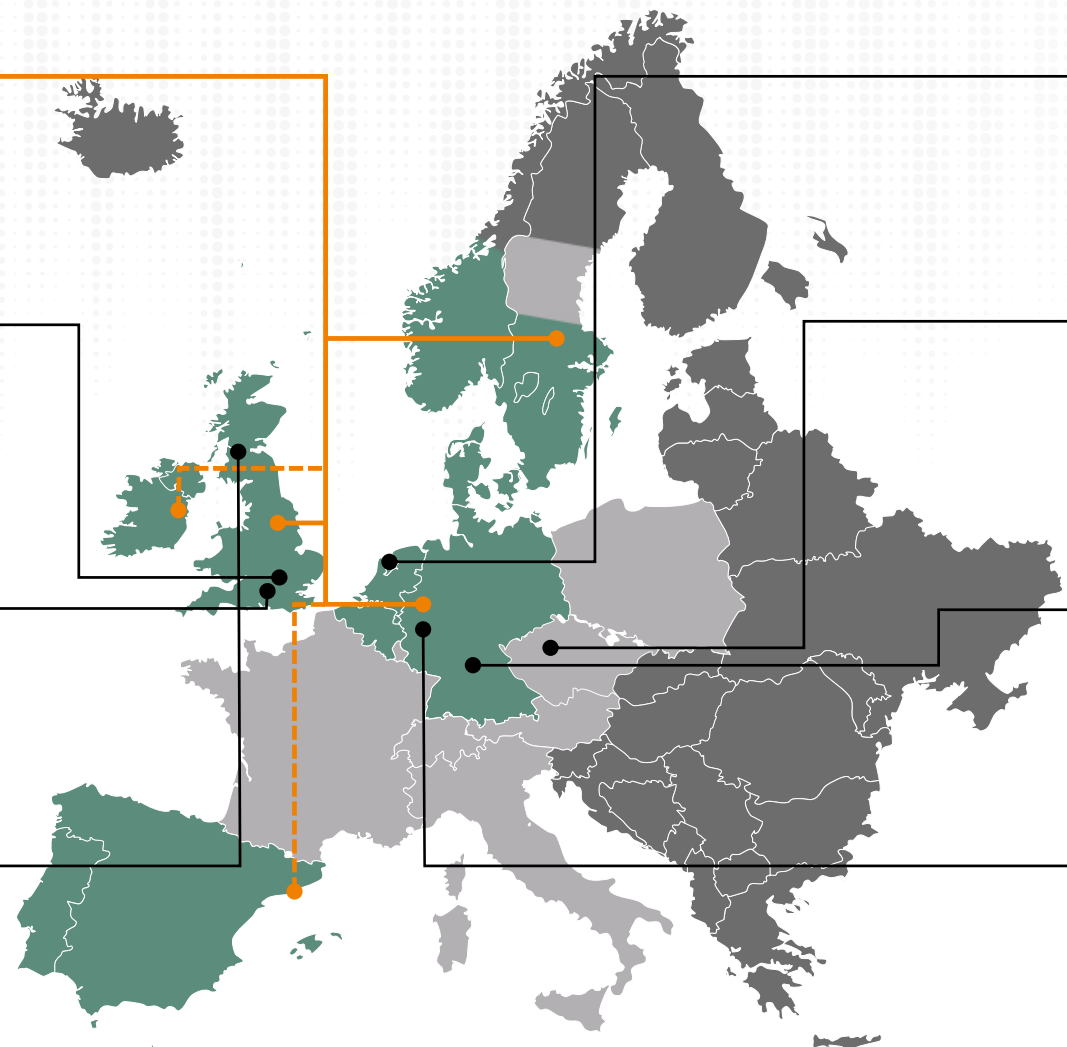
2022 Revenues £42m  
2021 Revenues £38m  
Growth 12%

## Thomann

2022 Revenues £1.3bn  
2021 Revenues £1.3bn  
Growth 2%

## Music Store

2022 Revenues £155m  
2021 Revenues £152m  
Growth 8%



FY24 Results

# Background information



# Revised Board of Directors from 05 July 2024

## 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 £150m
- Previously ran a recording studio business, before setting up an IT business supplying other studios with recording equipment

## NON-EXECUTIVE



**Senior Independent Director (SID)**  
Neil Catto

- Current 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, BT Plc and Carphone warehouse
- Qualified as a chartered accountant with EY



**CEO**  
Gareth Bevan

- Joined Gear4music in July 2012, taking responsibility for Commercial strategy execution, Purchasing, Pricing & Supplier relations
- Over 22 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



**Non-Executive Director**  
Harriet Williams

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



**CFO**  
Chris Scott

- Joined Gear4music in October 2012, and responsible for Finance, Internal 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

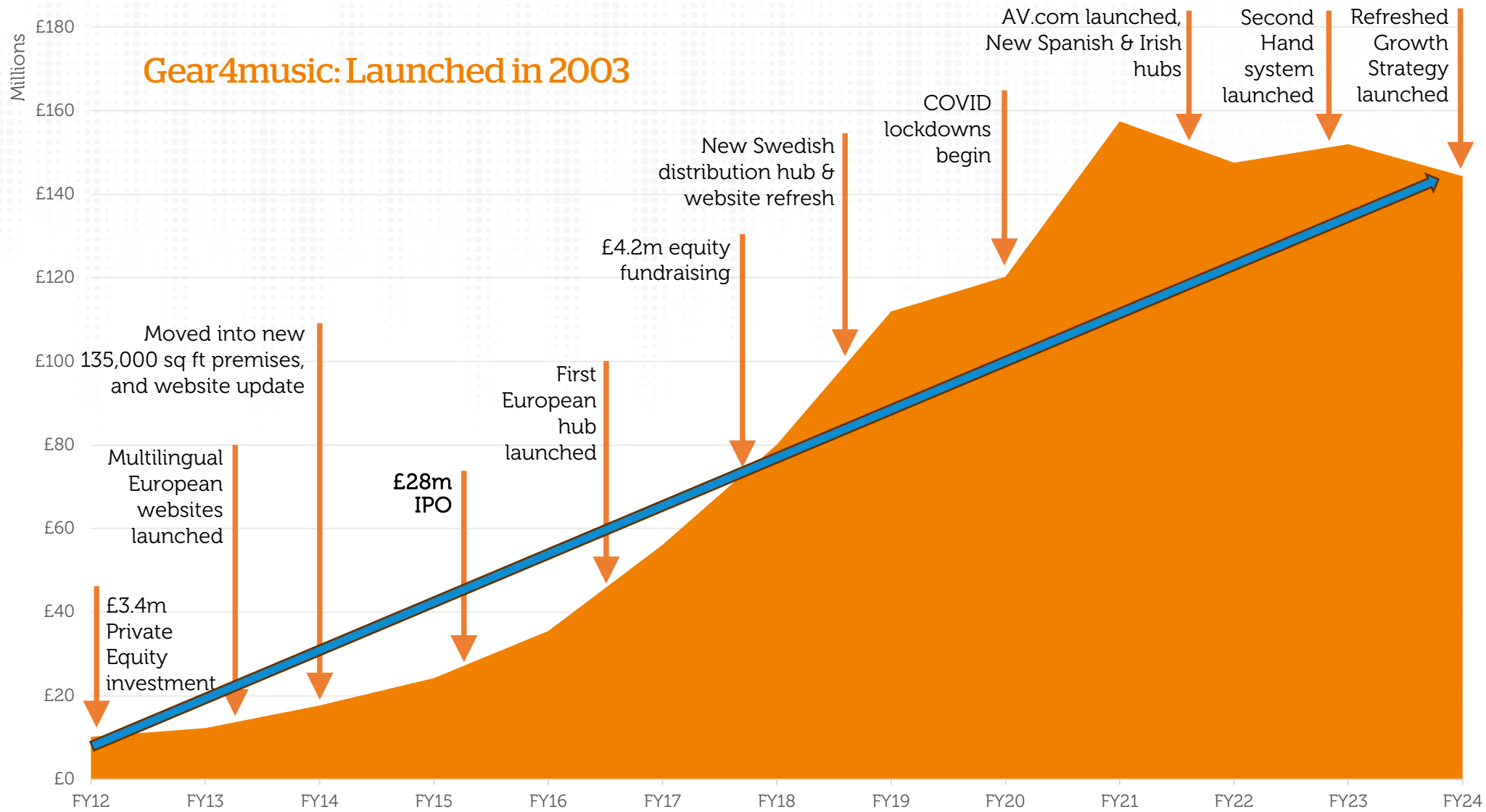


**Non-Executive Director**  
Sharon Daly

- Current Non-Executive Director of Warpaint London PLC, and member of their Audit and Remuneration Committees
- Current Non-Executive Director of Brickability Group Plc, and member of their Audit and Chair of Remuneration Committee
- Co-founded Venture Life Group in 2010, who joined AIM in 2014
- More than 25 years of business experience

# Key Milestones

**Gear4music: Launched in 2003**



# Diversifying Sales & Fulfilment

**EXISTING CORE BUSINESS**  
 Source, stock & sell products from manufacturers & distributors

**DIGITAL SALES**  
 New downloads system launched in July 22

**LICENCING**  
 USA & China Premier agreements now in place

**DEVELOPMENT PIPELINE**

- New purchasing platform
- 3rd party integrations
- UK/EU Entity split
- AI system integration

**AV.COM**  
 UK launch Jan '22 European websites launched in '23

**SECOND HAND**  
 New trade-in platform launched in March '23

**THIRD PARTY FULFILMENT**  
 Launched with 1<sup>st</sup> European distributor in FY24 H1

**SUPPORTING RECENT UPGRADES**

- AV.com European websites
- New courier integrations
- Custom bundle builder
- Improved sale pricing control

**DISTRIBUTION**  
 Premier agreements in place; G4M brand potential

**AGENCY SALES**  
 System planned for release in FY25

**EVOLVED MODEL**  
 Platform supports multiple verticals & channels between customers & suppliers



### Progress since launch

- 8,282 SKUs listed
- 196 Brands now online
- Multilingual websites launched
- Second-hand now launched
- New Management, content & merchandising teams in place

### Product categories include:

- Home Cinema & TV's
- HiFi & Speakers
- Headphones
- Cables & accessories
- Specialist AV Furniture

### Large European market



# £2.7 billion

## ADDRESSABLE EUROPEAN MARKET\*

- Mainly served by store-based retailers
- No dominant specialist online retailers

\*Management estimate based on extrapolation of Ibis World data for UK market size

### AV business operations

- Freehold property in Bacup acquired with the acquisition of AV Distribution Ltd
- Bacup warehouse upgraded, providing double the previous storage capacity
- Bacup showroom upgrade completed, to support new brands
- German showroom now open



# European Distribution Capacity Overview

## Significant expansion capacity



## UK Hubs, York & Bacup

- Hub in Bacup acquired with AV Distribution Ltd
- Total UK inventory capacity: £25m, sales capacity: £125m
- Serves UK and ROTW

## Northern European Hub, Stockholm

- Inventory capacity: £8m, sales capacity: £60m
- Serves Scandinavia & Europe

## Central European Hub, Mülheim

- Extended inventory capacity: £9m, sales capacity: £35m
- Serves Germany & Europe

## Irish Hub, Dublin

- Inventory capacity: £2.5m, sales capacity: £15m
- Serves Ireland & Northern Ireland

## Southern European Hub, Barcelona

- Inventory capacity: £7m, sales capacity: £40m
- Serves Spain & Southern Europe
- Provided additional bulk storage capacity for other European hubs

# ESG

## Gear4music ESG agenda

Environmental Pillar		Social Pillar		Governance Pillar
<b>Climate Change</b>	<b>Pollution &amp; Waste</b>	<b>Our Products</b>	<b>Our People</b>	<b>Corporate Behaviour</b>
Carbon emissions	Packaging Material & Waste	Product Safety & Quality	Health & Safety	Board Diversity and Structure
Product footprint	Electronic waste	Supply chain labour standards	Diversity and inclusion	Executive Pay
			Wellbeing	Ethics and Transparency
			Charities & Community	Anti-Corruption Policies
<p>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</p>		<p>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.</p>		<p>We are committed to conducting our business with integrity</p>

- First TCFD – aligned Climate Report to be published in full Annual Report
- ESG sub-committee formed in July 2023; Board level agenda item
- Energy use high on priority list: solar installation planned
- Continuing high standards in product procurement and waste management
- Launch of Second-hand system
- New initiatives support the Mental Health of our colleagues
- Partnering with new charities where appropriate. Existing charities include:

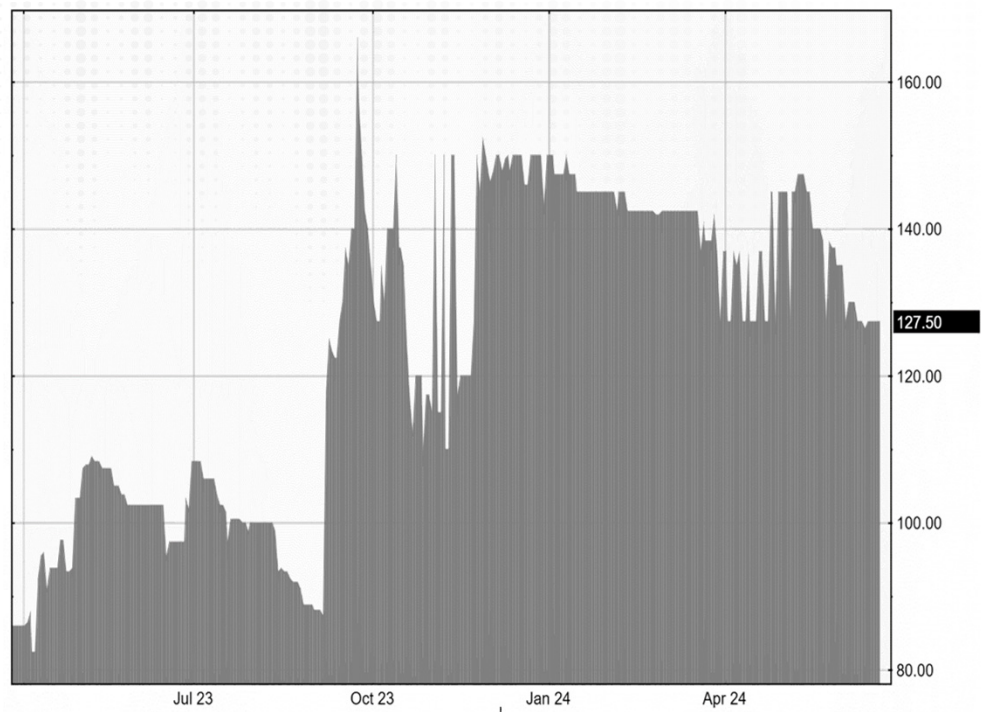


# Major Shareholders & Price Graph

## Major Shareholders as at 29 April 2024

Name	Number of shares	% of issued share capital
Andrew Wass	4,776,993	22.8%
Liontrust Investment Partners LLP	3,866,988	18.4%
Richard Harpin	2,251,289	10.7%
FIL Limited	1,751,742	8.4%
AXA Investment Managers S A	840,913	4.0%
Octopus Limited	634,018	3.0%

## Share price graph 01 April 2023 to 21 June 2024



52 week range:  
**87.5p - 167.5p**

Market cap as of 21 June '24  
**£26.75m**



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