

# Tandem Group plc

(the 'Group' or 'Company')

## Annual General Meeting ('AGM') Statement

Tandem Group plc (AIM: TND), designers, developers, distributors and retailers of sports, leisure and mobility equipment, announces that at the AGM of the Company to be held today, the Company's Chairman, Steve Grant, will make the following statement.

### Trading

I am pleased to report that it has continued to be a positive trading year so far for the Group, with revenue for the 25 weeks to 22 June 2021 approximately 14% ahead of the same period in the previous year.

Revenue from our sports, leisure and toy business was approximately 11% ahead of last year against a very strong comparative during lockdown. In addition, there are currently over \$3 million of products manufactured and ready to ship pending improvements in shipping conditions.

In our licensed property ranges, Paw Patrol, Nerf and Disney Princess were significantly ahead of the prior period. Other licences including Peppa Pig, Batman and Barbie were also ahead of the prior period.

In own brands, sales of scooters under our Wired and Li-Fe brands made an excellent contribution, Kickmaster football training and Hedstrom outdoor play products along with uMoVe and Stunted scooters were all ahead of the previous year to date period.

Revenue from our Ben Sayers golf business was approximately 95% ahead of the same period last year which in itself was also a strong period. The forward order book remains well ahead of last year.

Bicycle revenue, derived from both independent bicycle dealer (IBD) and national retailer business, was approximately 12% ahead of the prior period. We are also pleased to report that our lightweight children's bicycle range Squish continues to grow and was approximately 29% ahead of the same period last year.

Our greatest challenges continue to be to remain in stock of bicycles and to maintain timely supply to our customers. For the reasons I will explain in relation to the Group's Outlook, this has been a significant challenge year to date and will remain an ongoing issue for the foreseeable future. Notwithstanding this, the forward order book for bicycles remains exceptionally strong.

In our Expressco B2C business, revenues were approximately 14% ahead of the previous year despite the relatively poor weather prior to June 2021, with May 2021 being the fourth wettest on record and coldest since 1996, supply chain issues in June and a strong comparative period. However, we performed well in a number of categories, most notably gazebos, party tents, golf, heating and various other home categories.

We continue to invest in our key websites; Garden Comforts by Garden & Camping ([www.garden-camping.com](http://www.garden-camping.com)), At Home Comforts by Jack Stonehouse ([www.jackstonehouse.com](http://www.jackstonehouse.com)), Pro Rider Mobility ([www.proridermobility.com](http://www.proridermobility.com)) and Pro Rider Leisure ([www.proriderleisure.com](http://www.proriderleisure.com)) and have recruited additional digital marketing and product development/buying resources for the second half of the year which we expect to have a positive impact in 2022 and beyond.

## **Outlook**

The outlook for the remainder of 2021 remains positive. Our forward order books are at record levels with Group outstanding orders currently totalling £34.7 million compared to £10.7 million at the same point last year. Whilst this is very encouraging, it should be noted that our bicycle customers have ordered much further forward than usual, well into 2022, to ensure that they have ongoing supply in order to meet future predicted demand which may or may not materialise as envisaged. Currently, there are no signs of a slowing in demand in certain product categories such as bicycles, golf and outdoor.

We continue, however, to face a number of unprecedented challenges. Global demand is high and containers are in short supply. Far East container ports are overloaded and in some cases have closed for a period or are operating at reduced capacity. Shipping lines persist with blank sailings of container ships. During June, the Malaysian Shimano factory has been closed due to COVID which has reduced the supply of cycle components. Input costs such as steel, oil, plastic and cardboard have risen significantly during the year. These issues have led to stock shortages, unparalleled freight rates, reduced freight capacity and large supplier cost increases which, in turn, put pressure on margins.

Nevertheless, we are managing these challenges well. Operating expenses continue to be closely controlled and, taking account of the impact of furlough at the beginning of the lockdown last year, are broadly in line with the prior year.

Although there are still uncertainties regarding what will happen as the economy returns to a degree of normality, the Board remains confident that the Group will deliver another strong year.

## **Investor relations**

The Company remains committed to seeking to engage with shareholders, as appropriate, and in light of this year's AGM arrangements investors are encouraged to continue to email the Company's dedicated shareholder email address [investorrelations@tandemgroup.co.uk](mailto:investorrelations@tandemgroup.co.uk) with any questions regarding the business. In addition, the Board continues to evaluate ways to enhance its investor relations activities and will make an update in this regard in due course.

## **Dividend**

We announced on 26 March 2021 that following a further strong year in 2020 it was the Board's view that there was capacity to again increase the dividend and therefore that it was our intention to pay a final dividend of 5.50 pence per ordinary share. A resolution to that effect will be proposed at the AGM today. Subject to this resolution being passed, the dividend will be paid on or around 1 July 2021 to shareholders on the register on 14 May 2021 (ex-dividend date 13 May 2021).

This announcement contains inside information for the purposes of the UK Market Abuse Regulation and the Directors of the Company take responsibility for this announcement.

## **Enquiries:**

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#### Forward-Looking Statements

Certain statements made in this announcement are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates, and projections about its industry; its beliefs; and assumptions. Words such as 'anticipates,' 'expects,' 'intends,' 'plans,' 'believes,' 'seeks,' 'estimates,' and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond the Company's control, are difficult to predict, and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions security holders and prospective security holders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this announcement. The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances, or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.