

Tandem Group plc

Investor Pack
October 2024

Tandem Group plc



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AGENDA

- About Us
- 2024 H1 Finance Update
- 2024 YTD Overview
- 2024/2025 Outlook
- Electric Life Shop & Website
- Warehouse Operations
- Summary
- Q&A



Tandem Group plc

About Us



UK based designers, developers, importers, distributors and retailers of sports, leisure, home & garden.

- 1. Toys, Sports & Leisure:** wheeled toys, outdoor play, football training
- 2. Bicycles:** adult, junior & kids' in both traditional and eBike ranges
- 3. Home & Garden:** gazebos, garden furniture, storage and homewares
- 4. Golf:** Clubs, package sets and golf trolleys

Operating in UK and European markets with a Birmingham based office and retail shop, supported by an office and showroom in Hong Kong

B2B accounts include blue chip national retailers, independent shops and direct consumers for Toys, Sports & Leisure and Bicycles

B2C eRetailing via multiple marketplaces and own website

Group Mission

Shareholder Value

Profitability

“Maximise **shareholder** value by operating **cost efficiently**, remaining **customer** orientated and delivering **profitable** activity across all business divisions”

Customer Orientated

Cost Efficiencies

A man with a beard and a blue helmet is riding a black bicycle on a paved path. He is wearing a light blue t-shirt and dark pants. A woman with an orange helmet is riding a black bicycle next to him. She is wearing a blue and white checkered dress. They are both smiling. The path is paved with blue bricks. In the background, there is a black metal fence, a brick wall, and a large green tree. A body of water is visible behind the fence. A church spire is visible in the distance. The text "2024 H1 FINANCE UPDATE" is overlaid on the image in white, bold, sans-serif font.

2024 H1 FINANCE UPDATE

2024 H1 Financial Performance

Investing In Our Future

Property, plant & equipment

£15.3m

(+£0.4m YoY)

Strong Balance Sheet

Net assets

£23.3m

(-£2.6m YoY)

Positive Cash Balance

Cash and cash equivalents

£0.8m

(-£1.2m YoY)

Loss Before Interest & Tax

Loss

£0.4m

(-£1.0m LY)

Margin Improvement

Gross Margin %

28.8%

(+2.9% YoY)

Interest Rate Control

Interest rate hedge derivative

2% cap

(£2.6m @ y/e)

2024 Financial Outlook

Results and outlook

	FY22	FY23	FY24E*
Revenue	£26.7m	£22.2m	£26.5m
Gross profit	£7.8m	£6.0m	£8.0m
Costs (incl exceptionals)	£6.7m	£6.9m	£7.0m
Finance costs	£0.2m	£0.3m	£0.5m
Profit/(loss) before tax	£0.9m	(£1.2m)	£0.5m

*Cavendish Capital Markets, current market expectations of performance for FY24.



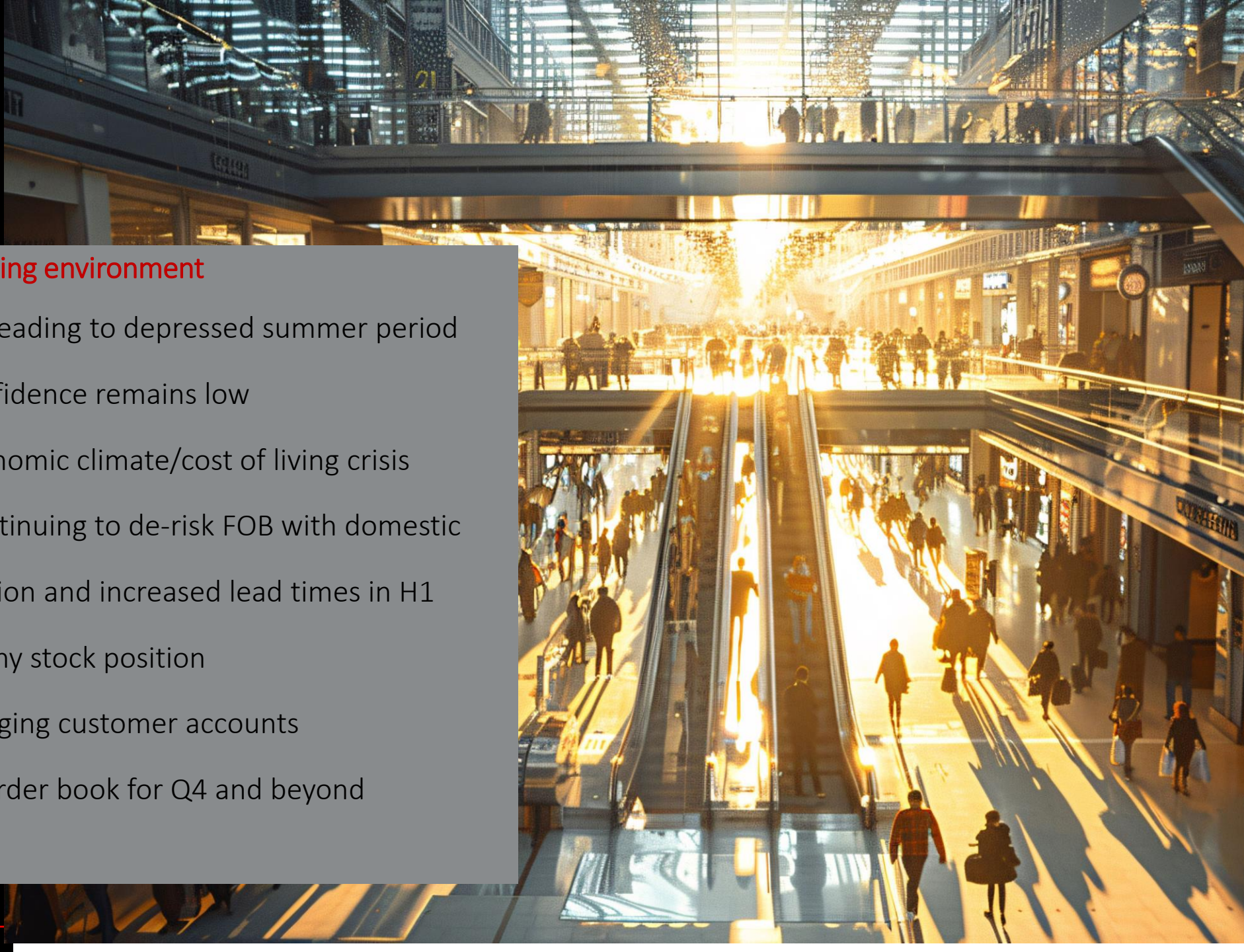
2024 YTD OVERVIEW

TO END OF AUGUST

2024 Retail Landscape

Challenging but improving environment

- Poor weather leading to depressed summer period
- Consumer confidence remains low
- Improving economic climate/cost of living crisis
- Customers continuing to de-risk FOB with domestic
- Freight disruption and increased lead times in H1
- Strong & healthy stock position
- New and emerging customer accounts
- Building FOB order book for Q4 and beyond



2024 YTD Toys, Sports & Leisure



Headlines

- Despite lower consumer spending, ensuing retailer caution and poor summer weather the business performance is up YOY
- Outperforming the market to end August +16%
- Outdoor toy sector -2% to end August

Milestones

- Major on-line retailer +78%
- Leading value supermarket chain +101%
- No 1 International Toy Specialist Multiple +41%
- No 2 Toy specialist Multiple +154%
- New distribution into major Garden Centre Chain

- In discussion with a further major National for 2025
- Top preschool licenses Peppa Pig, Paw Patrol, Bluey, Stitch and Spidey & Friends
- All the top girls' properties Moana, Barbie, LOL Surprise!, Disney Princess, Frozen
- Spider-Man/Spidey & Friends biggest property
- Licensed share of business +12% YOY
- New/trending licenses; Stitch, Bluey, Sonic, Spidey
- Growth in non-licensed kid's wheeled category e.g. Stunted +86%. Kickmaster brand growth +55%

2024 MV Sports Licensed Brands

Long-term relationships with
major licensors (25 years+)



Tandem Group plc

2024 New Product MV Sports



12" Licensed Balance Bikes with Light Up Wheels



Licensed Playmats



Kickmaster
Adjustable
Rebounder

Kickmaster Free
Standing
Football Table



Squishle Scooters - Licensed & MoVe brand



6v Bluey 4 x 4 Powered Ride On



Stitch & Sonic Ranges



6v Bumper Cars
Licensed & MoVe brand



Licensed Fast Fold
& Toddler Swings

2024 YTD Electric Bikes



Headlines

- YTD sales of own brand e-bikes -13% YoY
- BA have reported that UK eBike volumes fell by 9% H1 2024 vs 2023
- Annualising strong sales from Pure Electric and Orbea launches in 2023.
- Own brand e-bikes accounted for 64% of all e-bike sales
- Signed an exclusive distribution partnership with VanMoof

Milestones

- Developed a full range of 21 own brand e-bikes covering all disciplines and all at affordable price points
- 15 of these new e-bikes set to launch in H2 2024
- Introduced 2 new factory partners, successfully completing full production cycles
- Introduced Swytch, Cannondale, Gocycle and Tern to our 3rd party brand portfolio
- Rationalised our stock file and exited all aged stock in this category

2024 New Product Electric Bikes



Claud Butler Wrath 2.0



Dawes Scenic LS & CB



Dawes Arc



Claud Butler Wrath 1.0



Falcon Horizon LS & CB



Falcon Flow



Claud Butler Ridge 1.0



Falcon Zone



Falcon Compact

2024 YTD Mechanical Bikes



Headlines

- YTD sales mechanical +20% YoY
- YTD sales of our premium lightweight children's brand Squish were up +31% YoY
- The BA reported mechanical bike sales down 10% in H1 2024 vs 2023

Milestones

- Successful launch of our Claud Butler Alpina range of premium mountain bikes.

- Released three new models in our Squish balance bike range.
- Designed and produced a co-branded Squish x Bikeability helmet.
- Designed and sourced new Claud Butler mountain and Dawes hybrid ranges for release in spring 2025.
- Opened over 60 new IBD accounts YTD.

2024 New Product Mechanical Bikes



Claud Butler Alpina 2.0



Squish 14" Balance & Bikeability



Dawes Discovery Hybrid Range



Claud Butler Alpina 1.0



Squish 12" Balance



Dawes Venture Hybrid Range



Dawes Cambridge Mint



Falcon Jade 20" / Venus 24"



Claud Butler Haste 1.0 & 2.0

2024 YTD Golf



Headlines

- Ben Sayers sales +4% YoY
- Pro Rider sales +85% YoY
- Datatech: Q1 showed a 25% decline in overall UK sales and Q2 showed an improvement to a 3% decline YoY
- Opened over 19 new accounts in golf with a focus on national retail channels e.g. Decathlon and Sports Direct

Milestones

- Launched a range of Pro Rider golf equipment including electric trolleys, junior and adult package sets and bags
- Grew sales in key accounts through the introduction of direct from supplier deliveries
- Designed a new range of Ben Sayers bags and package sets for launch in Spring 2025
- Successfully introduced the Pro Rider brand to several national retailers including Very

2024 New Product Pro Rider Golf



Pro Rider 18-Hole Lithium
Electric Golf Trolley



Pro Rider PR1 Stand Bag
Package Set



Pro Rider Deluxe
Stand Bag



Pro Rider Deluxe
Cart Bag



Pro Rider 36-Hole Lead Acid
Electric Golf Trolley



Pro Rider JR1 Junior Package Set



Pro Rider 6''
Stand Bag

2024 YTD Home & Garden



Headlines

- Sales of Home & Garden -17% YoY
- H1 Unseasonal weather, impacting Cooling & Heating
- Enhanced Product margin +10% YoY
- Top 3 Categories YoY growth: Outdoor Storage, Rise & Recline, Radiator Covers
- Total Garden category Average Order Value +8.5%
- Direct to Consumer channels contributed +18% division turnover, delivering +3% growth YoY

Milestones

- Jack Stonehouse website Users +6% / SEO Sessions +160% YoY
- New strategic Far East sourcing, rationalization of supplier base by 28%
- Launched new ranges across; Cooling, Outdoor Furniture, Awnings
- YoY +37% additional SKU's listed onsite including New categories / Unused Returns / Dropship
- Trustpilot rating 'Excellent' 4.3 stars

2024 New Product Home



New Style Radiator Covers



12000btu Air Conditioner / Air Venting Kit



DC Vortex Portable Air Cooler

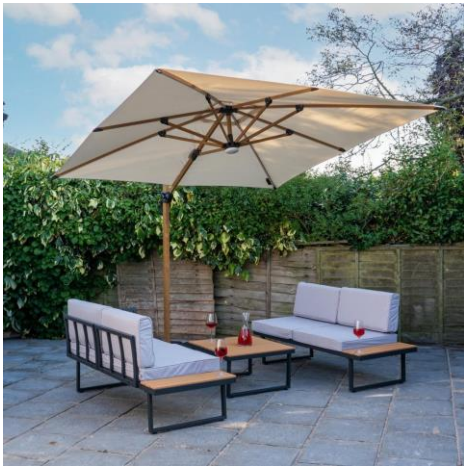


Ceiling Fans



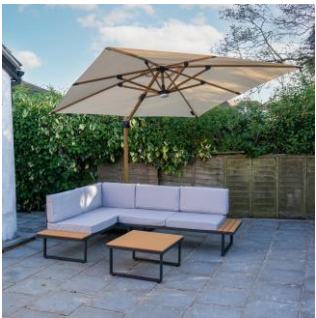
Air Circulator Fan

2024 New Product Garden



Roma Square Cantilever Wooden Parasol & New Bases

Wall Mounted Pergola



Outdoor Sofa & Seating Sets

Electric & Manual Awnings

Triple Wheelie Bin Storage



Improved Gazebo Range



2024/2025 OUTLOOK

2024/25 Outlook Toys, Sports & Leisure



- Set up to support retailers favouring domestic/online drop-ship model to mitigate stock risk
- Countering cost of living and high freight rates, supplier costs continue to fall
- Signs of recovery with some retailers returning to FOB trading
- New film / TV series launches providing a very strong line up for 2025-2027
- Over 200 new products launched this year
- 2024 & 2025 brand new developments for Squishles, Rollacases and Outdoor Games
- Stitch, Bluey, Sonic and Spidey & Friends in big demand from all retailers
- New licenses. Star Wars, Hot Wheels, Jurassic Park, Wicked, Moana 2
- New major accounts on board in 2024

2024/25 Outlook Bikes



- Largest category potential for the group, forecasting significant growth in H2 2024 & 2025
- Strengthen our position as No. 1 supplier of 'value for money' bikes to national retailers
- Launching new range of MTB, hybrids and eBikes targeting sub-£1000 segment
- Expanding our Bikeability schools partnership with Squish balance bikes capturing market share
- Relaunch VanMoof in the UK as market leading distributed e-bike brand
- Forming distribution partnerships with innovative products and recognised brands
- Continuously improve our sourcing strategy driving down costs and reducing lead times
- Open key IBD accounts securing new exciting corporate partners

2024/25 Outlook Golf



- Grow sales of Ben Sayers through established national retailer channels
- Focus on core range of high-volume SKUs via dropship, domestic or FOB stock
- Utilise direct containers into key-retailer reducing freight/warehousing costs and improving margin
- Champion electric trolleys, junior, ladies and entry range products across both brands
- Ben Sayers major launch Spring 2025, package sets & bags design
- Grow Pro Rider sales of new electric trolleys, package sets and bags via new & existing B2B channels
- Expand our European market presence through strategic distribution partnerships

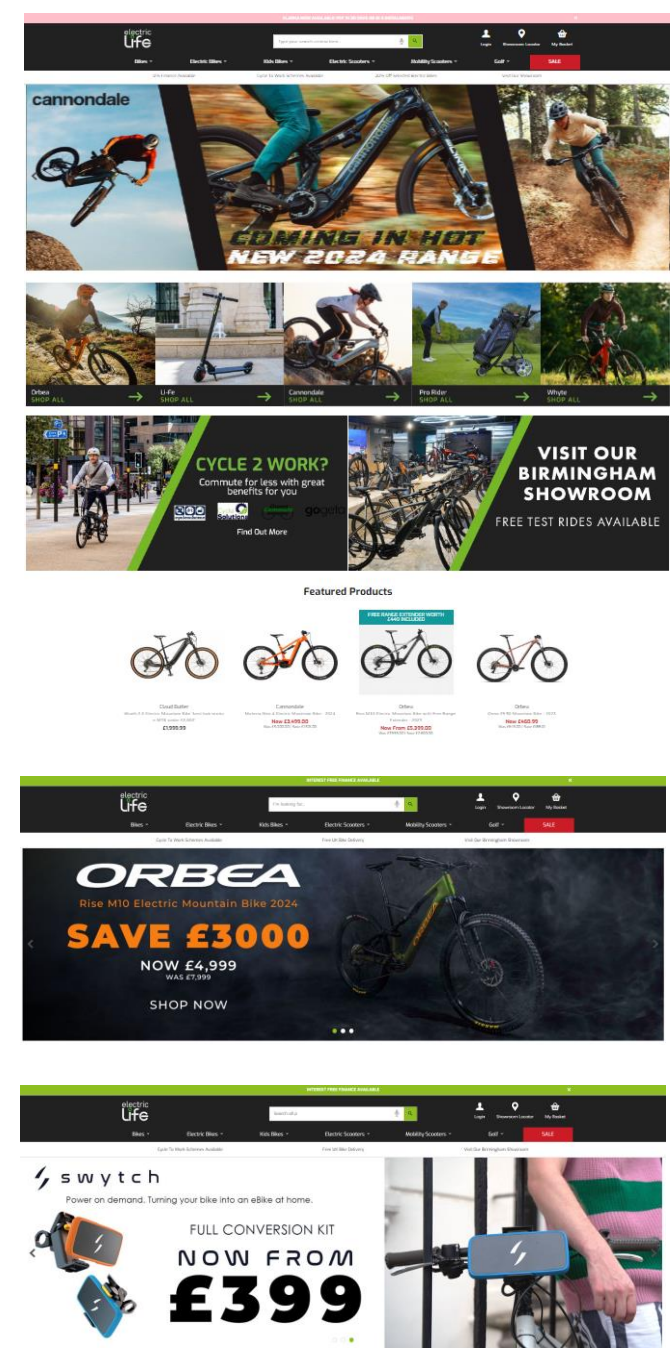
2024/25 Outlook Home & Garden



- 147 SKU's listed / +22% new products added by year end
- Sales opportunity from B2B bulk orders, extended Black Friday & Christmas promotional activity
- Declining freight costs, holding stronger L4L stock position to support Q4 trading
- Build upon marketplace performance, incremental growth expected from new accounts
- Exploring adjacent category opportunities for 2025 across 'Outdoor Living' category
- New supplier discussion for 2025 to delivery further optimum efficiencies
- Retaining our first-class customer service experience across D2C channels

Electric Life Shop & Website

- World class brands including Cannondale, Orbea, VanMoof, Whyte, Tern and GoCycle, alongside our own established value-for-money brands; Claud Butler, Dawes and Falcon.
- Specialist on-site public showroom
- Website growth; conversions +105%, transactions +167% YoY to August
- +411% YoY Bike & e-Bike products listed, +4.3k now available onsite / order instore
- Fully trained mechanics in market leading brands



2024/25 Warehouse Operations

- Completely self-sufficient – our 160,000 sqft premises owned by the group
- Perfectly located adjacent to our existing premises
- Commercial and strategic benefit
- Cost saving efficiencies being realised
- Solar panel installation
- BREEAM compliant



Summary



Strong Balance Sheet



Talented Colleagues



Exploring Acquisitions



Growing Customer Base



Increase Market Share



Maximise Consumer Reach



Drive Operational Efficiencies



Freight Uncertainty



New Product Innovative

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