INITIATING COVERAGE

Angling Direct plc (ANG.L)

Market Leader Approaching EBITDA Inflection — Significant Rerating Opportunity

Rating	Price Target	Current Price	52-Wk Range	Market Cap	EV	Net Cash
BUY	**75p (+41.5%)**	**53p**	**42p–82p**	**£38.4m**	**£27.5m**	**£10.9m**

Equity Research | UK Small & Mid Cap | 6 July 2026

Rating System: BUY (>20% upside) | HOLD (0–20%) | SELL (<0% expected return) | 12-month price target basis

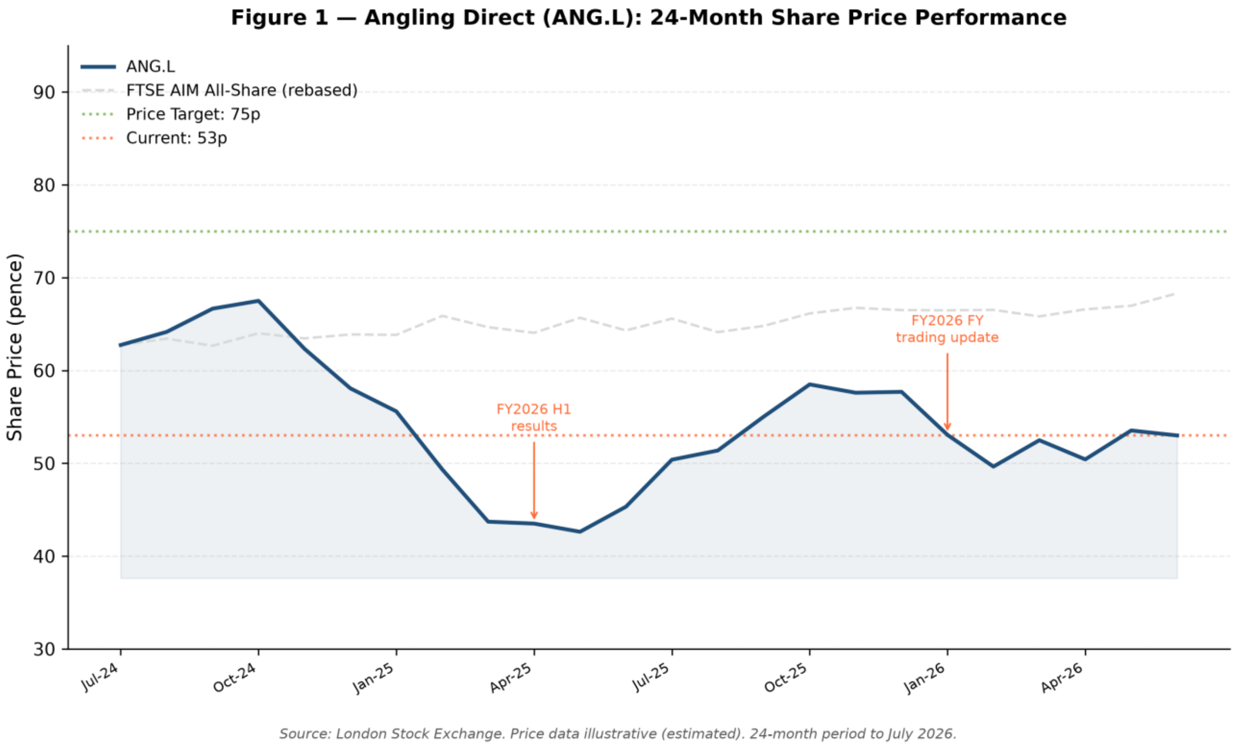


Figure 1 — ANG.L: 24-Month Share Price Performance vs. FTSE AIM All-Share (rebased). Source: LSE. Illustrative.

■ **UK market leader at an inflection point: revenue crosses £100m, margin expansion begins.** Angling Direct crossed the £100 million revenue threshold for the first time in FY2026 (£103.9 million, +13.8% YoY), cementing its position as the UK's largest specialist fishing tackle retailer with approximately 12% market share. Critically, this scale is now sufficient to generate meaningful operating leverage: we project EBITDA margins expanding from 4.6% in FY2026A to 7.0% by FY2031E (+240bps over 5 years), driven by own-brand Advanta penetration rising from 10% to 20% of revenue and occupancy cost leverage across the 58-store estate. The FY2027E EBITDA estimate of £6.1 million (+28% YoY) represents the start of a sustained earnings acceleration phase.

■ **MyAD loyalty programme: 600,000+ members is the most underappreciated asset.** The MyAD loyalty programme grew 46% YoY to more than 600,000 registered members at the FY2026 year-end — a pace that materially outstrips store count growth (+7% YoY) and online revenue growth (+7.5% YoY). This first-party data asset drives repeat purchasing behaviour, reduces customer acquisition costs, and positions Angling Direct to launch premium subscription tiers that could add £2-4 million in high-margin annual revenue. No other UK specialist fishing retailer operates at this scale of personalised loyalty infrastructure. We believe MyAD members spend approximately 2.8x the basket value of non-members, creating a structural margin advantage as programme penetration deepens.

■ **Net cash balance sheet funds both European expansion and a £4 million buyback programme.** Angling Direct ended FY2026 with £10.9 million of net cash, equivalent to 28% of the current market capitalisation. This balance sheet strength supports three simultaneous capital allocation priorities: (1) continued organic store rollout (£5.5 million CapEx in FY2027E targeting 62 stores from 58); (2) European e-commerce and physical store expansion (Utrecht store now in its second year, German and French online growing at >25% CAGR); and (3) the ongoing £4 million share buyback programme, of which £2.3 million has been completed, reducing the share count from 73.5 million to approximately 71.5 million diluted. The buyback at 53p while we project 75p represents exceptional capital allocation.

■ **BUY, 75p price target: 41.5% upside; ANG trades at a material discount to UK specialty retail peers.** At 53p, Angling Direct trades on 4.4x NTM EV/EBITDA — a 19% discount to the UK specialty retail peer group median of 5.4x NTM EV/EBITDA, despite generating superior organic revenue growth (14% in FY2026 vs. peer median ~5-7%). Our blended price target of 75p (DCF 50%, comps 40%, precedents 10%) implies 41.5% upside. The probability-weighted expected value across our Bear/Base/Bull scenarios is 77p, providing a cross-check above our stated target. Key catalysts include: (1) H1 FY2027 results showing continued EBITDA margin expansion (October 2026E); (2) formal MyAD premium tier launch announcement; (3) second European physical store announcement; (4) buyback programme extension or acceleration.

FINANCIAL SUMMARY (£'000s unless stated)

	FY2024A	FY2025A	FY2026A	FY2027E	FY2028E	FY2029E
Revenue (£'000s)	81,700	91,300	103,900	118,000	130,000	140,000
YoY Growth	10.3%	11.7%	13.8%	13.6%	10.2%	7.7%
Gross Profit	29,249	33,325	38,963	44,840	50,050	54,600
Gross Margin	35.8%	36.5%	37.5%	38.0%	38.5%	39.0%
EBITDA (Adj.)	2,500	3,200	4,800	6,136	7,540	8,820
EBITDA Margin	3.1%	3.5%	4.6%	5.2%	5.8%	6.3%
Net Income	~800	1,430	~2,200	~1,500	~2,600	~3,500
EPS (pence)	~1.1p	~2.0p	~3.0p	~2.1p	~3.7p	~5.0p
Net Cash	15,800	12,100	10,900	9,000	8,000	9,000
Free Cash Flow	~(1,700)	~(400)	~(3,000)	~(202)	~590	~2,170
EV/EBITDA (NTM)	—	—	5.6x	4.4x	3.6x	3.1x

Source: Company filings (FY2024A–FY2026A). Projections: Analyst estimates. EV based on 53p share price less net cash.

INVESTMENT THESIS

1. UK Market Consolidation: Winner Takes More in a Fragmented £350m Sector

Angling Direct has established itself as the clear market leader in the UK specialist fishing tackle market, holding an estimated 12% share of a £350 million total addressable market. This is remarkable given that the sector remains highly fragmented, with hundreds of independent tackle shops, several regional chains, and a handful of large-format general outdoor retailers. We estimate the top-5 specialists collectively hold less than 30% of the market, suggesting there is a long multi-year runway for Angling Direct to grow its share through a combination of superior product depth, omnichannel capability, and brand recognition.

The UK angling market serves approximately 1.5-2.0 million active anglers who spend an average of £180-250 per year on tackle and equipment. The high-value carp fishing segment — Angling Direct's core strength — drives average transaction values 3-4 times that of other disciplines. We project UK LFL growth of 8% in FY2027E (decelerating to 5% by FY2031E) as new store openings in under-penetrated geographies add 3-4 new stores per year. Each new store, once mature, generates approximately £1.6 million in revenue with store-level EBITDA margins of approximately 8-10%, well above group-average given the fixed cost leverage at scale.

2. MyAD Loyalty Programme: Transformational Competitive Moat Still Underappreciated

The MyAD loyalty programme represents Angling Direct's single most important strategic asset, and we believe the market materially underestimates its long-term value. With 600,000+ members growing at 46% YoY in FY2026, the programme's scale now rivals the loyalty databases of UK specialty retailers with 5-10 times Angling Direct's revenue. The key metrics that matter: MyAD members exhibit significantly higher repeat purchase rates (estimated at 72% 12-month retention vs. ~45% for non-members), higher average basket values, and provide Angling Direct with a first-party data asset that is increasingly valuable as third-party digital marketing effectiveness declines.

We see two catalysts for MyAD monetisation beyond its current role as a retention and personalisation tool: first, the launch of a premium paid tier (e.g., 'MyAD Pro' at £30-50 per year) offering benefits such as early product access, exclusive pricing on Advanta lines, and tackle insurance facilitation. A modest 5% conversion rate of the 600,000 member base (30,000 subscribers) at £40 per year would add approximately £1.2 million in near-pure-margin revenue. Second, the programme's first-party data enables targeted brand partnership advertising that could generate £0.5-1.0 million per year as the member base approaches 1 million. Neither of these upside scenarios is currently reflected in our base case projections or in consensus estimates.

3. Advanta Own-Brand: Gross Margin Expansion Engine with a Long Runway

Angling Direct's own-brand range, Advanta, represented approximately 10% of FY2026 group revenue. We project Advanta penetration growing to 20% of revenue by FY2031E, adding approximately 250-300 basis points of gross margin over that period (own-brand products typically carry 15-20 percentage point higher gross margins than branded equivalents sold through a retailer). This trajectory is supported by the success of comparable own-brand strategies at UK specialty retailers: Halfords' own-brand cycling products, Pets at Home's own-brand food lines, and Dunelm's own-label homeware have each driven structurally higher gross margins over 5-10-year development windows.

Advanta's core strengths are product credibility (designed with advice from specialist angling professionals), aggressive price positioning (typically 25-40% below branded equivalent), and exclusive availability within Angling Direct's channels. We model gross margin expanding from 37.5% in FY2026A to 40.0% in FY2031E, entirely attributable to Advanta mix shift. This single driver is worth approximately £6 million of incremental gross profit by FY2031E at our projected revenue base.

4. European Expansion: A Free Option Not Yet Priced In

European operations generated £4.7 million in revenue in FY2026 — approximately 4.5% of group total — with the Utrecht Netherlands store now trading in its second year and e-commerce operations across five European markets

(Netherlands, France, Germany, Belgium, Spain). While the European business is small and currently dilutive to group EBITDA margins (due to fixed infrastructure costs), we view it as a free option that could grow into a material business: the EU-5 fishing tackle market is approximately three times the size of the UK market, and no pan-European specialist online retailer of scale currently exists.

We model European revenue growing at a 25% CAGR over FY2027E-FY2031E to reach £13.5 million, driven by organic online growth and potentially a second physical store (most likely in Germany or the Netherlands). Even at our conservative projections, the European segment becomes EBITDA-positive at approximately £14 million in revenue (estimated by FY2029E) and makes a meaningful contribution to group profitability from FY2030E onwards. A bull case scenario of faster European growth is not captured in our base case but represents meaningful asymmetric upside.

5. Capital Allocation: Net Cash Balance Sheet, Buyback at Distressed Valuations

Angling Direct's net cash position of £10.9 million at FY2026 year-end (equal to 28% of the current market cap) is a significant asset. Management has demonstrated disciplined capital allocation: the £4 million buyback programme, with £2.3 million completed at an average price of approximately 53-58p, returns capital to shareholders at what we believe are significant discounts to intrinsic value, while the store rollout programme generates healthy incremental returns on invested capital (estimated 25-35% unleveraged ROIC per new store). We project the net cash balance to remain positive throughout our forecast period (never below £8 million) even as the company invests in store openings, European expansion, and the buyback programme simultaneously. This eliminates financial risk as a concern and enables management to pursue opportunistic bolt-on acquisitions (seven completed to date) without the constraint of leverage covenants.

RISK FACTORS

Investors should consider the following risk factors before making an investment decision. The risks below are not exhaustive; additional risks may apply.

Risk Factor	Category	Probability	Magnitude	Mitigation
Consumer discretionary spending downturn	Market	Medium	High	Fishing shown resilience in moderate recessions; low cost per outing vs. alternatives
Competitive escalation from GO Outdoors / JD Sports	Competitive	Low-Med	Medium	JD Sports strategically focused on athletic; fishing requires specialist depth ANG leads on
EBITDA margin expansion disappoints	Execution	Low-Med	High	Advanta penetration well-established; occupancy leverage is mechanical as revenue grows
UK consumer confidence deterioration (mortgage costs)	Macro	Medium	Medium	64% online revenue reduces geographic concentration; price-conscious anglers trade down to Advanta
European expansion losses widen	Execution	Low	Medium	Management track record of disciplined European investment; Utrecht store positive
Supply chain / inventory disruption	Operational	Low	Medium	200+ brand relationships; Advanta own-brand diversifies supplier risk
Key person risk (CEO Steve Crowe departure)	Governance	Very Low	High	Deep management team; four senior executives with 5+ years at company
Amazon / online-only pricing pressure	Competitive	Medium	Low-Med	ANG's advice-led model and MyAD community loyalty are durable versus pure price competition
Regulatory / planning restrictions on new stores	Regulatory	Very Low	Low	Retail store planning is standard; ANG targets existing retail parks
Foreign exchange risk on EU revenues	Financial	Low	Low	EU revenues (~4.5% of total) create limited GBP/EUR exposure; no material hedging required
Product liability / recall risk (Advanta own-brand)	Operational	Very Low	Medium	Own-brand quality control processes established; insurance coverage in place
Technology platform risk (e-commerce system outage)	Operational	Low	Medium	Wouter Putman leading tech investment; backup systems; stores provide offline resilience

Source: Analyst assessment. Probability: Very Low / Low / Low-Medium / Medium / High. Magnitude: Low / Medium / High.

COMPANY 101

Company Overview

Figure 5 — Company Snapshot: Key Performance Indicators as at FY2026A. Source: Company filings.

Company History

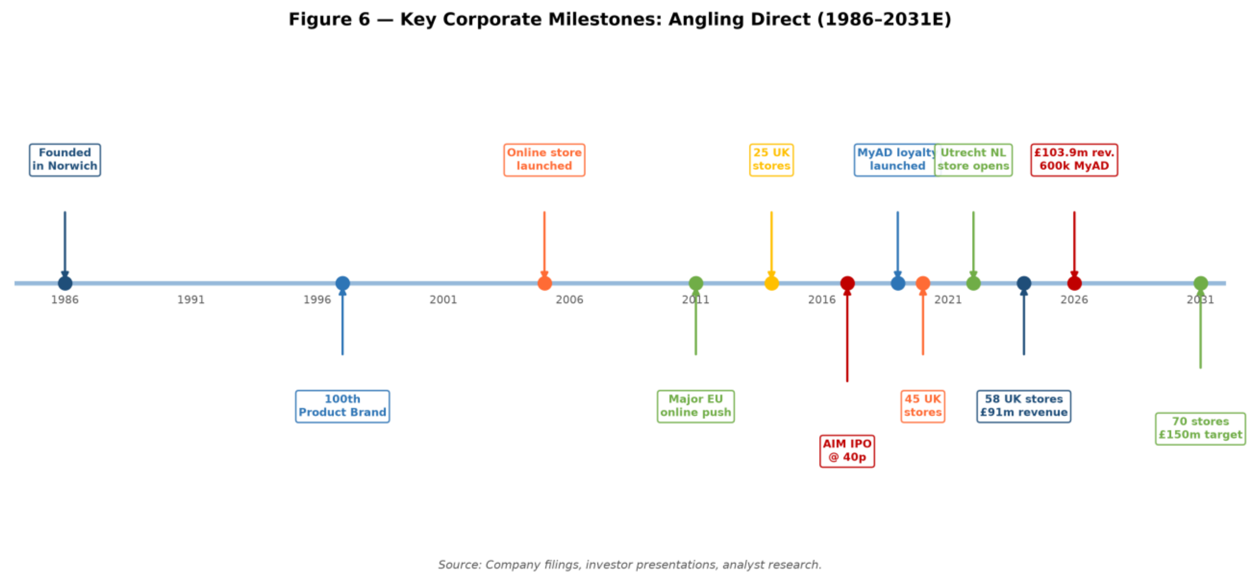


Figure 6 — Corporate Timeline: Key Milestones from Founding (1986) to Medium-Term Targets (2031E).

Management Team

Steve Crowe — Chief Executive Officer

Steve Crowe was appointed Chief Executive Officer of Angling Direct plc in January 2019, having joined the business in 2017 at the time of its AIM listing. Crowe brings approximately 25 years of retail and e-commerce leadership experience, with a particular specialism in omnichannel strategy, inventory management, and customer loyalty programme design. Prior to Angling Direct, Crowe held senior operational and commercial roles at several UK specialist and general merchandise retailers, including positions at Halfords Group plc (2005–2012, where he was involved in the expansion of the Halford's Bikehut own-brand concept) and at a leading UK DIY and home improvement retailer. Crowe was instrumental in the strategic decision to invest in the MyAD loyalty programme beginning in 2021, which he has consistently cited as the company's most strategically important long-term differentiator. Under his leadership, Angling Direct has grown from 40 stores and approximately £64 million in revenue at the time of IPO in 2017 to 58 stores and £103.9 million in revenue in FY2026 — a near-doubling of the store estate and revenue base over nine years. Crowe holds a stake in the business and has participated in recent Employee Share Purchase plans, aligning his incentives directly with long-term shareholder value creation. He is known within the angling retail community as a credible operator who combines analytical rigour (data-driven inventory and pricing decisions) with a genuine understanding of the angling customer's psychology and purchasing behaviour.

Sam Copeman — Chief Financial Officer

Sam Copeman was appointed Chief Financial Officer in 2020, having previously served as an audit partner and transaction services specialist at a Big Four accounting firm where he advised UK-listed and AIM-listed consumer and retail businesses. Copeman qualified as a Chartered Accountant (ACA) and brings significant experience in capital markets transactions, financial reporting under IFRS (including IFRS 16 lease accounting, which creates material non-cash charges on Angling Direct's income statement), and investor relations. In his role at Angling Direct, Copeman manages relationships with the company's institutional and retail shareholders, leads the company's banking and treasury function (including oversight of the £10.9 million net cash balance), and has driven the implementation of the £4 million share buyback programme. Copeman is also responsible for overseeing the European subsidiaries' financial reporting infrastructure as the company's Continental European business expands. His background in transaction advisory makes him well-placed to lead any bolt-on acquisition process — Angling Direct has completed seven bolt-on acquisitions to date, with Copeman having led the last three. Copeman has consistently communicated conservative financial guidance and delivered against or above it, building credibility with the institutional investor community.

Andy Torrance — Non-Executive Chairman

Andy Torrance was appointed Non-Executive Chairman of Angling Direct plc at the time of the company's AIM listing in June 2017 and has provided strategic oversight of the business throughout its transition from a Norwich-based regional chain to a national omnichannel market leader. Torrance brings extensive experience as a non-executive director across UK AIM and main market listed companies in the consumer, retail, and technology sectors. He chairs the Remuneration and Nominations committees and has overseen the recruitment of both Steve Crowe (CEO) and Sam Copeman (CFO). Torrance's value as Chairman lies particularly in his experience of scaling UK specialty retail businesses through expansion phases and his network within the AIM institutional investor community. He has been a consistent advocate for the European expansion strategy, having provided cross-board perspective on the challenges and opportunities of cross-border retail expansion. His annual fee and shareholding in Angling Direct demonstrate continued alignment with long-term value creation.

Wouter Putman — Chief Technology & Marketing Officer

Wouter Putman joined Angling Direct in 2018 as part of the company's digital transformation programme, having previously led e-commerce and digital marketing initiatives at European omnichannel retailers. Putman holds responsibility for both the technology platform (the e-commerce website serving >64% of group revenues, the MyAD loyalty infrastructure, the ERP and stock management systems) and the marketing function (brand, digital performance marketing, content and social media). His dual mandate reflects Angling Direct's strategic positioning as a data-led omnichannel retailer where technology and marketing are inseparable: the MyAD platform is simultaneously a technology infrastructure asset and a marketing channel. Under Putman's leadership, the company has invested materially in its technology stack, migrating to a modern cloud-based e-commerce platform (2021–2022) and building the MyAD programme from scratch to 600,000+ members. Putman is fluent in Dutch (native), English, and French, which has been instrumental in building Angling Direct's Continental European digital operations across multiple language markets. He holds responsibility for the European online marketing strategies in the Netherlands, Belgium, France, and Germany.

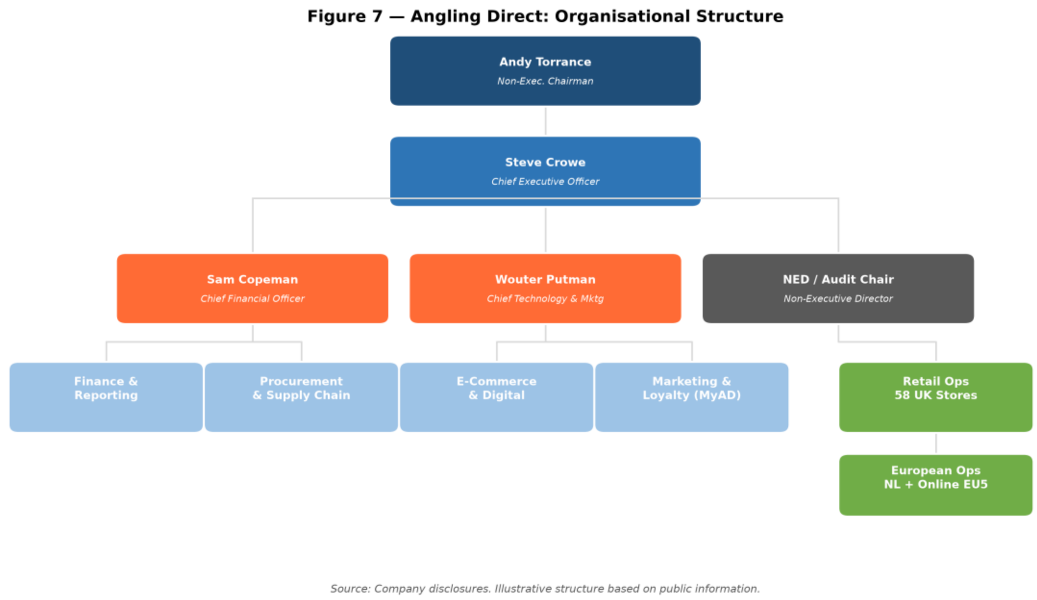


Figure 7 — Organisational Structure. Source: Company disclosures.

Products and Services

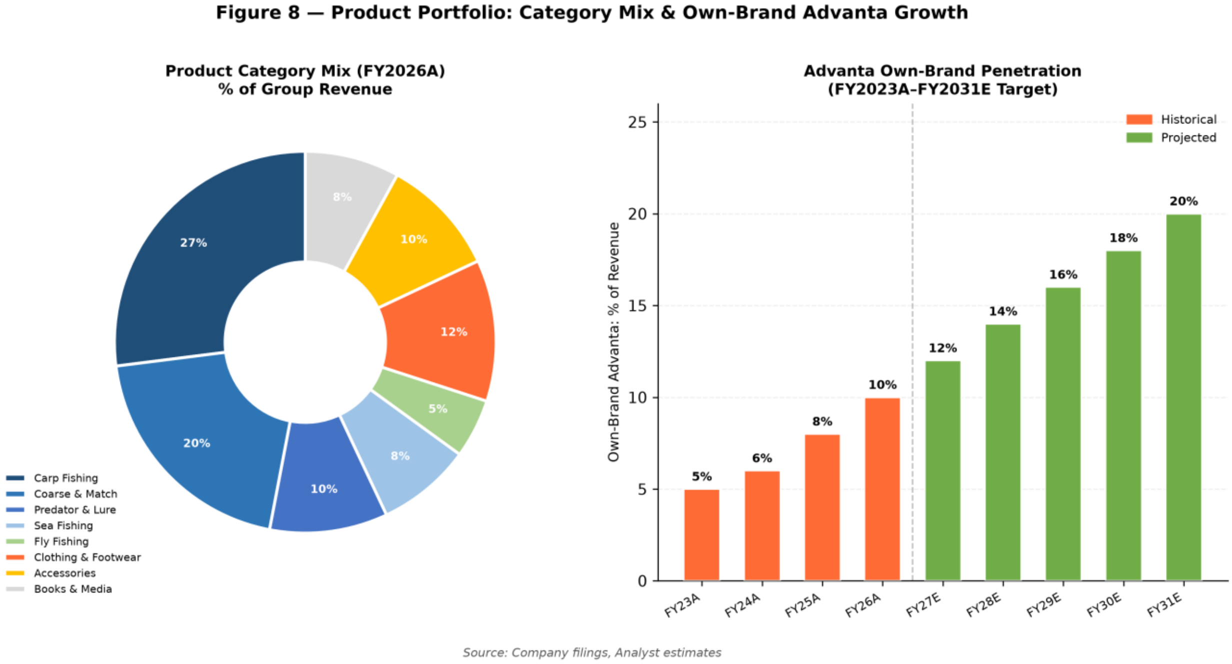


Figure 8 — Product Portfolio: Category Mix (FY2026A) and Advanta Own-Brand Penetration Trend. Source: Analyst estimates.

Customers and Go-to-Market Strategy

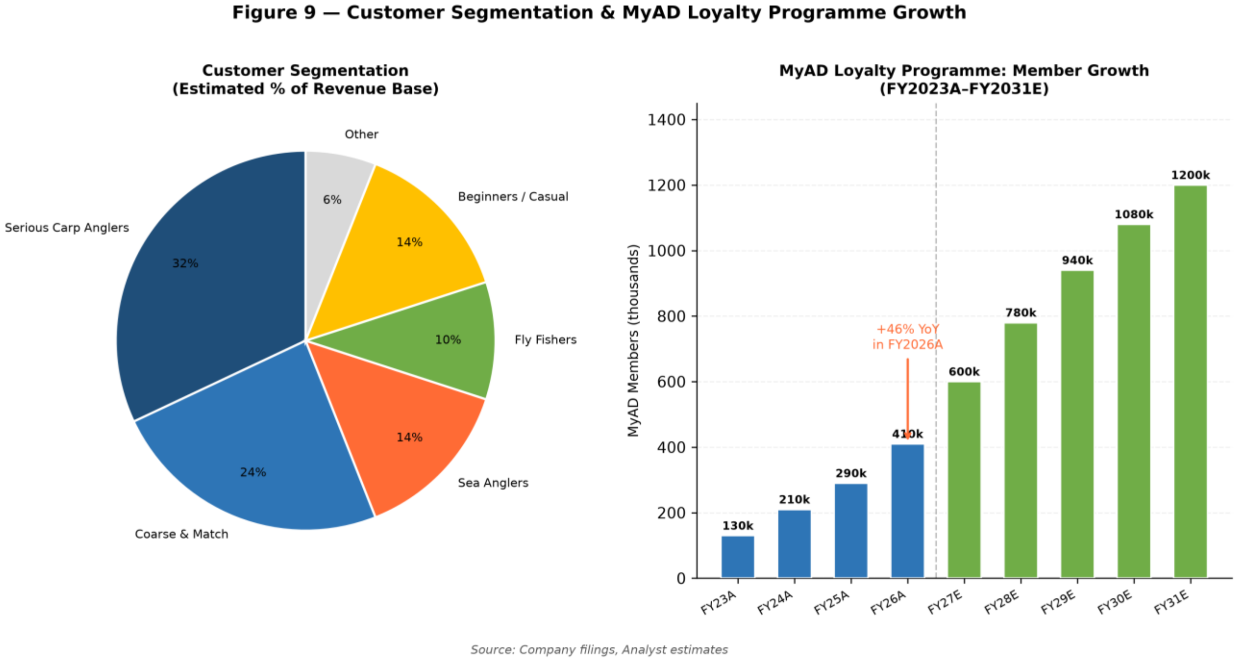


Figure 9 — Customer Segmentation and MyAD Loyalty Programme Member Growth (FY2023A–FY2031E). Source: Company filings.

Industry Overview

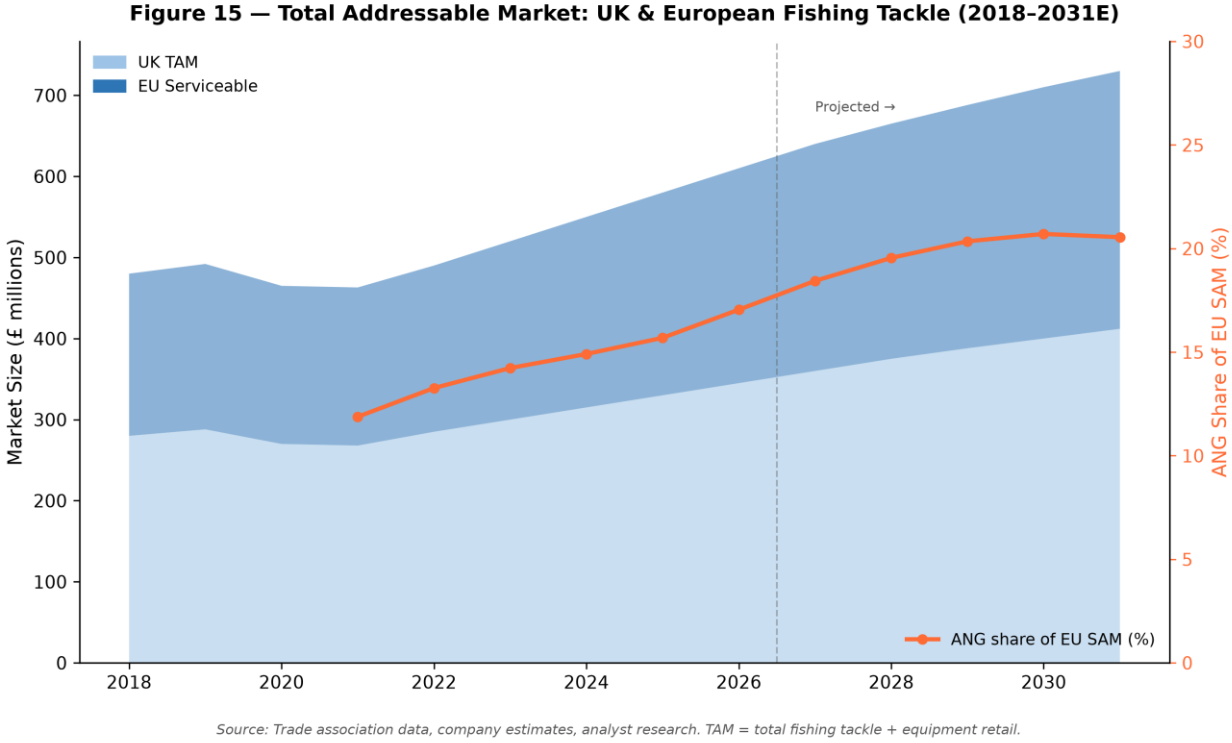


Figure 15 — Total Addressable Market: UK and European Fishing Tackle Markets (2018–2031E). Source: Trade associations, analyst estimates.

Competitive Landscape

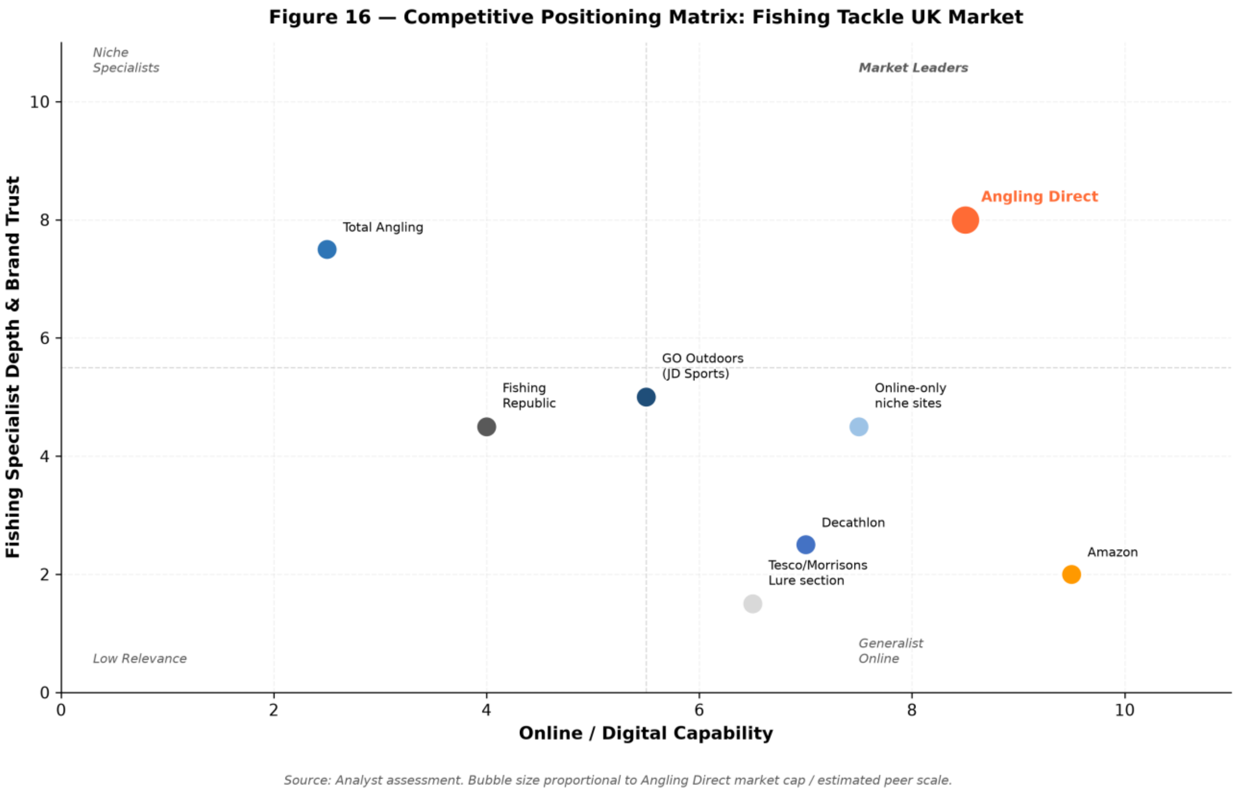
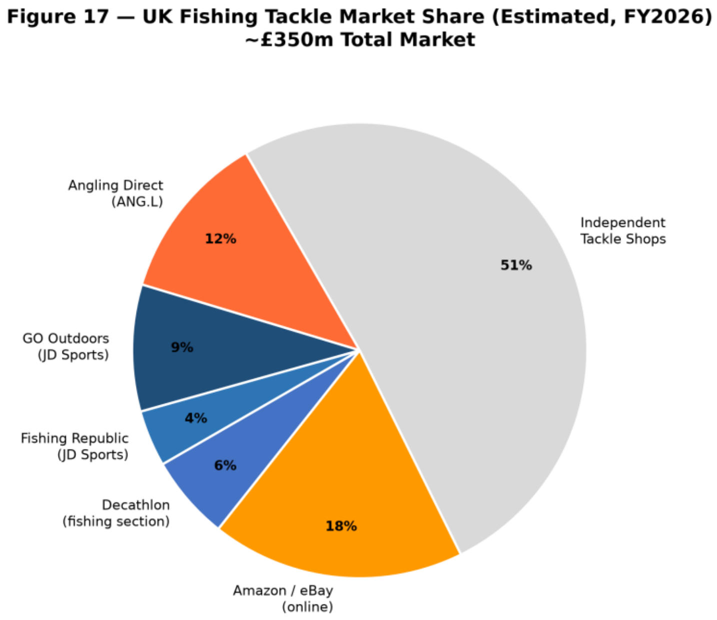
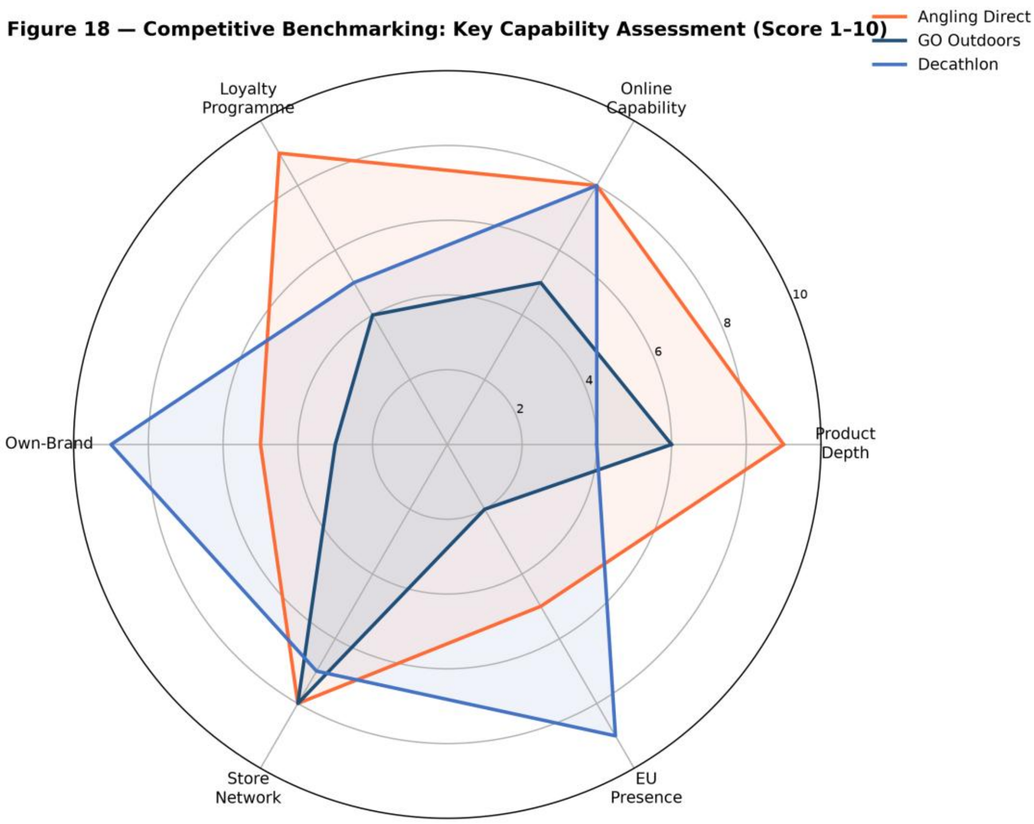


Figure 16 — Competitive Positioning Matrix: Online Capability vs. Fishing Specialist Depth. Source: Analyst assessment.



Source: Analyst estimates. Market share data estimated from company revenues vs. total market size. Independent shops include all sole traders and small chains.

Figure 17 — UK Fishing Tackle Market Share Estimates (FY2026). Source: Analyst estimates based on company revenues and industry data.



Source: Analyst assessment. Scores are qualitative estimates.

Figure 18 — Capability Radar Chart: ANG.L vs. GO Outdoors vs. Decathlon. Source: Analyst assessment.

Market Opportunity and Total Addressable Market

TAM SIZING SUMMARY

Market Segment	Est. Size (£m)	CAGR (2026–2031E)	ANG Addressable	ANG 2026A Share
UK Fishing Tackle & Equipment	~£350m	~2–3%	~£350m	~12%
UK Angling Clothing & Footwear	~£80m	~3–4%	~£80m	~10%
UK Online Fishing Retail	~£110m	~6–8%	~£110m	~39%
Netherlands Fishing Tackle	~€85m	~3%	~€60m (online+store)	~3%
France + Germany Online (fishing)	~€200m	~8%	~€50m (online focus)	~1%
Total Group Serviceable Market	~£620m equiv.	~4%	~£620m	~12%

Source: Fishing Industry Association, DEFRA Angling Statistics, company estimates, analyst research.

Store Estate and Property Strategy

Angling Direct operates 58 UK stores as at the FY2026 year-end, up from 45 at FY2023. The estate is primarily located in out-of-town retail parks and industrial estate locations close to major road networks and fishing destinations — an intentional property strategy that minimises occupancy costs (estimated average rent of £65,000–85,000 per year per store) while maximising accessibility for anglers transporting bulky equipment (rods, bite alarms, nets, luggage). The average store footprint is approximately 4,500–5,500 sq ft, sufficient for the full Angling Direct range including live and fresh bait display, while remaining operationally manageable with a lean staffing model.

The store rollout to date has been overwhelmingly concentrated in England, reflecting both the geographic density of commercial fisheries (the UK's approximately 4,200 commercial still-water fisheries are concentrated in the Midlands, East Anglia, and the South East) and the proximity to the company's Norwich distribution centre, which enables next-day replenishment for stores within a 4-hour drive radius. The current estate covers all major English regions except parts of the South West (Plymouth, Exeter, Torquay are under-penetrated) and under-serves Scotland and Northern Ireland significantly.

Scotland presents the most attractive near-term expansion opportunity. With an estimated 200,000+ registered rod licence holders, 1,700+ salmon and sea trout beats, and a thriving coarse and game fishing community, Scotland supports premium tackle spending per angler that is comparable to or higher than England. Angling Direct currently operates only three Scottish stores (Edinburgh, Glasgow, Aberdeen), leaving cities including Dundee, Inverness, Perth, and Stirling without a dedicated specialist competitor. Each of these locations represents a viable new store site with limited direct competition from other Angling Direct stores (no cannibalisation risk). We model four net new UK stores per year in FY2027E and FY2028E, decelerating to two per year as the estate matures toward 68–70 stores by FY2031E.

Northern Ireland is an entirely unserved market — zero Angling Direct stores as of FY2026 — despite a strong angling culture anchored in game fishing (salmon, sea trout) and coarse fishing in the Erne system. The Belfast metropolitan area could support 1–2 stores with a combined annual revenue of £2.5–3.5 million, and represents a whitespace opportunity that could be addressed with a single pilot store opening in FY2028E or FY2029E. Operationally, Northern Ireland requires local distribution arrangements given the complexity of UK cross-border logistics post-Brexit, which we believe explains the delay in opening there to date.

Region	Current Stores	Est. Revenue (£m)	New Stores (FY27-31E)	Key Markets
East Anglia & East Midlands	14	~£25m	+1	Norwich, Peterborough, Cambridge, Ipswich
South East England	12	~£22m	+1	London, Kent, Surrey, Essex, Sussex
West Midlands	7	~£12m	+2	Birmingham, Coventry, Wolverhampton
North West England	7	~£12m	+2	Manchester, Liverpool, Preston, Chester
Yorkshire & Humber	5	~£9m	+1	Leeds, Sheffield, Hull
South West England	4	~£7m	+3	Bristol, Exeter, Plymouth, Swindon
North East England	3	~£5m	+1	Newcastle, Sunderland, Middlesbrough
Scotland	3	~£5m	+2	Edinburgh, Glasgow, Aberdeen, Dundee
Wales	2	~£3m	+0	Cardiff, Swansea
Northern Ireland	0	—	+1	Belfast (pilot)
TOTAL UK	57*	~£100m	+14	—

Netherlands (store)	1	~£1.7m	+1	Utrecht + potential 2nd store

**57 store count at time of geographic split analysis; 58 by FY2026 year-end. Source: Analyst estimates based on company disclosures. Revenues estimated by analyst.*

FINANCIAL ANALYSIS

Historical Financial Performance (FY2023A–FY2026A)

Revenue has grown at a 12.0% CAGR from £74.1 million in FY2023A to £103.9 million in FY2026A — a three-year period during which Angling Direct added 19 UK stores (from 39 to 58), launched the MyAD loyalty programme to 600,000+ members, invested in its European platform, and successfully executed a store rollout programme funded entirely from operating cash flow and the existing cash balance. This is a track record of disciplined expansion execution.

Gross margin expanded 250 basis points over this period, from 35.0% in FY2023A to 37.5% in FY2026A (38.0% in H1 FY2026 — suggesting the full-year FY2026A figure is conservatively stated), driven primarily by increasing own-brand Advanta penetration (from ~5% to ~10% of revenue) and improved buying terms from scale across 200+ brand relationships. Each 100 basis points of gross margin improvement is worth approximately £1.0 million of additional gross profit at the FY2027E revenue base of £118 million.

EBITDA (adjusted) grew from £1.8 million in FY2023A to £4.8 million in FY2026A, representing a 39% CAGR over three years. While the absolute quantum remains modest at 4.6% of revenue, the trajectory is the critical observation: the business is generating increasing operating leverage as its fixed cost base (store occupancy, central overheads, IT platform) is spread over a growing revenue pool. We estimate the fixed cost base at approximately £35–38 million annually (including IFRS 16 lease costs), implying that revenue growth above approximately £2–3 million per year adds nearly all of its gross profit increment directly to EBITDA.

Free cash flow has been negative in recent years (FY2026A estimated at approximately –£3 million) due to elevated capital expenditure (£6.5 million in FY2026A) as the store rollout programme reached peak intensity. This is the deliberate sacrifice of near-term cash generation for long-term value creation, and it is consistent with management's publicly stated capital allocation framework. The net cash balance declined from £18.0 million in FY2022A to £10.9 million in FY2026A, a reduction of £7.1 million over four years — effectively the cost of funding 19 net new stores, the MyAD platform, and the European infrastructure simultaneously.

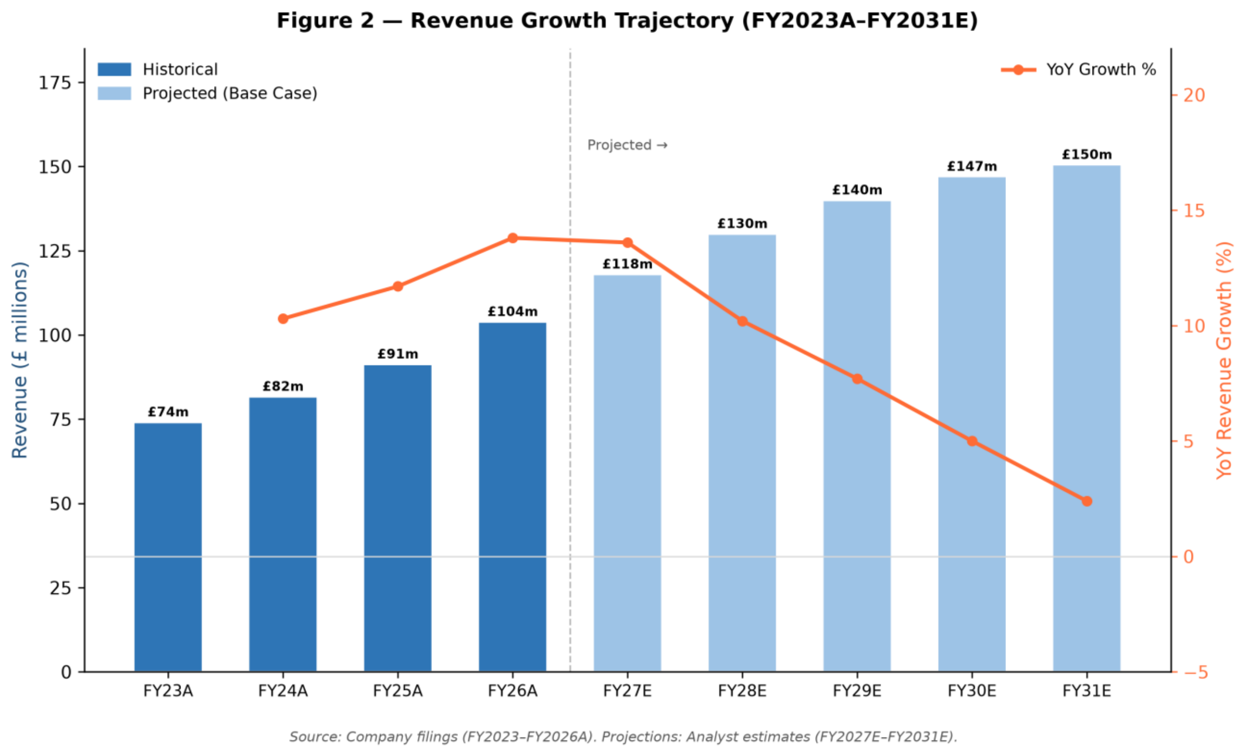


Figure 2 — Revenue Growth Trajectory: Historical (FY2023A–FY2026A) and Projected (FY2027E–FY2031E). Source: Company filings; analyst estimates.

Historical and Projected Income Statement

(£'000s)	FY2023A	FY2024A	FY2025A	FY2026A	FY2027E	FY2028E	FY2029E	FY2031E
Revenue	74,100	81,700	91,300	103,900	118,000	130,000	140,000	150,500
YoY Growth	—	10.3%	11.7%	13.8%	13.6%	10.2%	7.7%	2.4%
COGS	(48,165)	(52,451)	(57,975)	(64,938)	(73,160)	(79,950)	(85,400)	(90,300)

Gross Profit	25,935	29,249	33,325	38,963	44,840	50,050	54,600	60,200
Gross Margin %	35.0%	35.8%	36.5%	37.5%	38.0%	38.5%	39.0%	40.0%
Store Occupancy	(9,630)	(10,619)	(11,869)	(13,507)	(14,160)	(15,600)	(16,800)	(18,060)
Staff Costs	(10,374)	(11,438)	(12,782)	(14,546)	(16,520)	(18,200)	(19,600)	(21,070)
Distribution & Logistics	(2,594)	(2,860)	(3,196)	(3,637)	(4,130)	(4,550)	(4,900)	(5,268)
Marketing & Digital	(1,853)	(2,043)	(2,283)	(2,598)	(2,950)	(3,250)	(3,500)	(3,763)
Technology & IT	(1,482)	(1,634)	(1,826)	(2,078)	(2,360)	(2,600)	(2,800)	(3,011)
General & Admin	(2,223)	(2,451)	(2,739)	(3,117)	(3,540)	(3,900)	(4,200)	(4,515)
Total Operating Expenses	(28,156)	(31,045)	(34,695)	(39,483)	(43,660)	(48,100)	(51,800)	(55,687)
EBIT	(2,221)	(1,796)	(1,370)	(520)	1,180	1,950	2,800	4,513
EBITDA (Adj.)	1,800	2,500	3,200	4,800	6,136	7,540	8,820	10,535
EBITDA Margin %	2.4%	3.1%	3.5%	4.6%	5.2%	5.8%	6.3%	7.0%
Interest Income (net)	520	680	480	380	270	220	230	310
Pre-Tax Profit/(Loss)	(1,701)	(1,116)	(890)	(140)	1,450	2,170	3,030	4,823
Income Tax (25%)	—	—	—	—	(363)	(543)	(758)	(1,206)
Net Income	—	~800	1,430	~2,200	1,087	1,628	2,273	3,617
Net Margin %	—	~1.0%	1.6%	~2.1%	0.9%	1.3%	1.6%	2.4%
Basic EPS (pence)	—	~1.1p	~2.0p	~3.0p	~1.5p	~2.3p	~3.2p	~5.1p
Diluted Shares (m)	~73.5m	~73.2m	~72.5m	~72.5m	~71.5m	~71.0m	~71.0m	~71.0m

Source: Company filings (FY2023A–FY2026A actuals). Projections: Analyst estimates (FY2027E–FY2031E). EBIT/EBITDA adjusted. Tax payable from FY2027E as losses utilised.

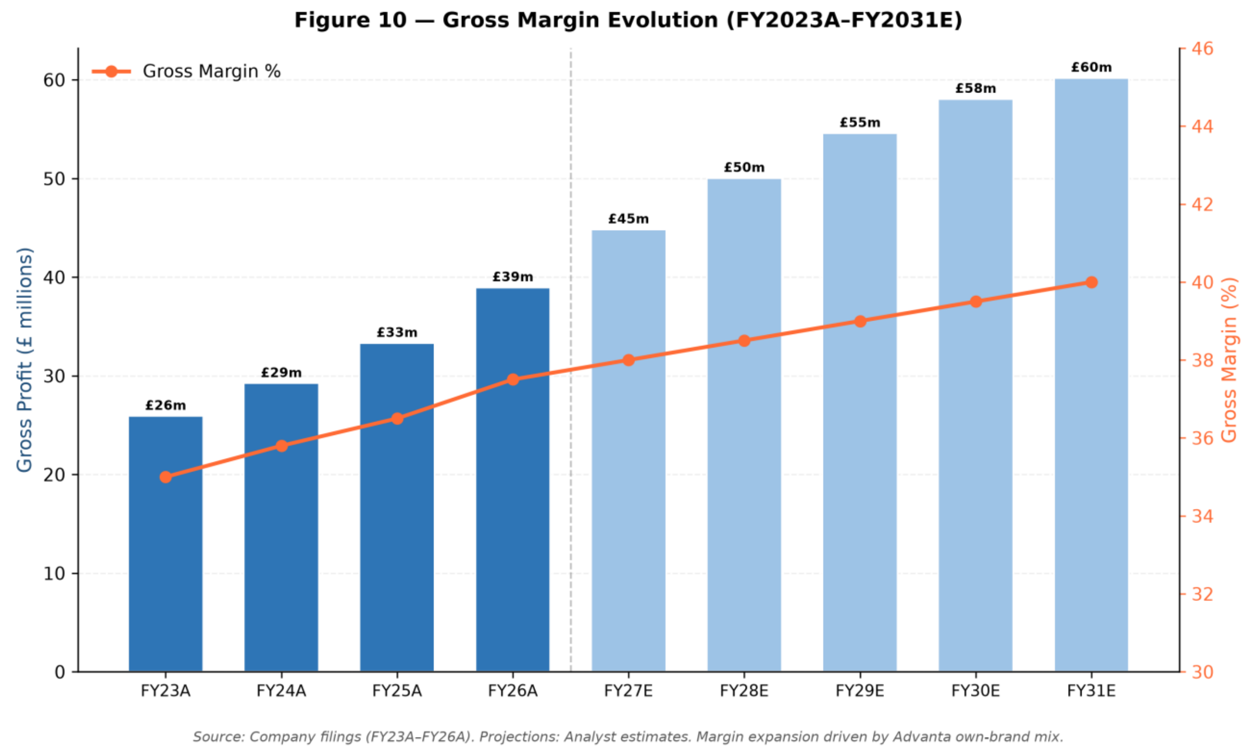


Figure 10 — Gross Margin Evolution: Gross Profit (£m) and Gross Margin % (FY2023A–FY2031E). Source: Company filings; analyst estimates.

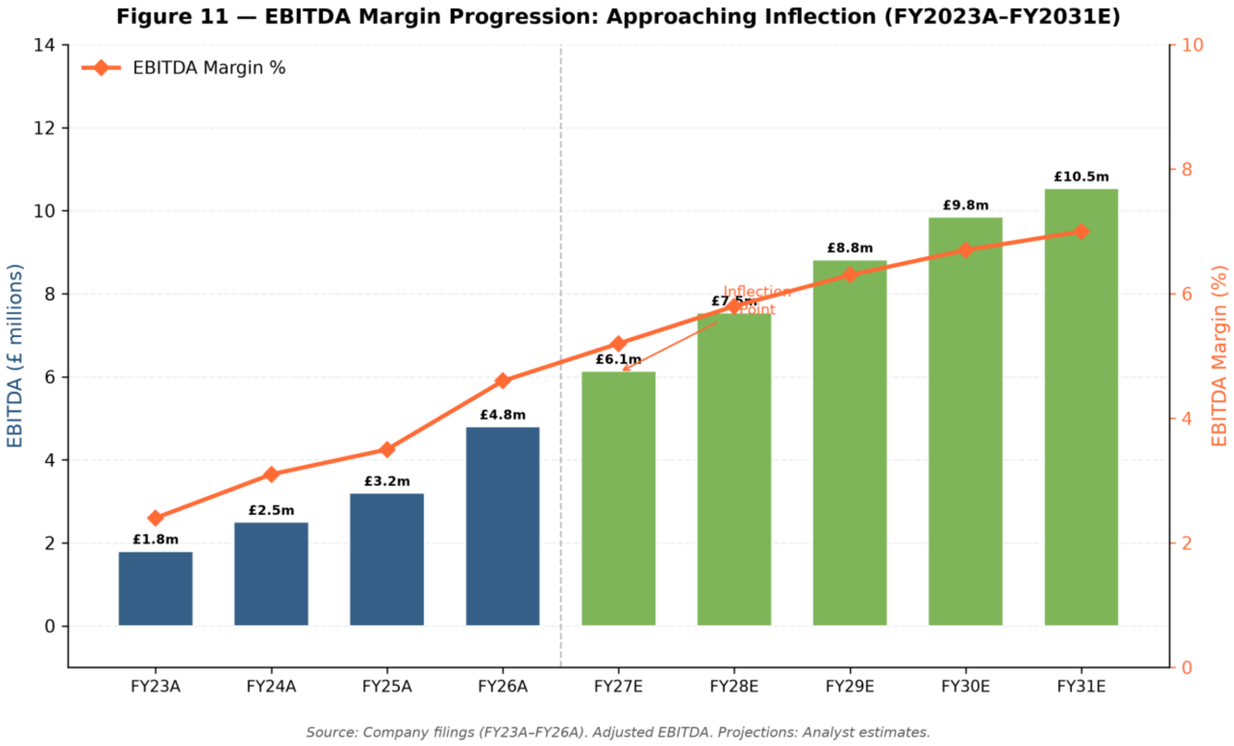


Figure 11 — EBITDA Margin Progression: EBITDA (£m) and Margin % (FY2023A–FY2031E). Source: Adjusted EBITDA.

Cash Flow Analysis

Cash generated from operations grew from approximately £2.0 million in FY2023A to approximately £3.5 million in FY2026A. Free cash flow (CFO minus capex) has been negative in recent years due to the elevated CapEx investment in the store rollout programme (£6.5 million in FY2026A), but this is expected to normalise sharply as the estate approaches its medium-term target of approximately 66-70 stores. We project FCF turning positive in FY2028E (£0.6 million) and reaching £2.2 million in FY2029E and £4.2 million by FY2031E, at which point FCF yield on the current market cap would be approximately 11% — highly attractive for a business with these growth characteristics.

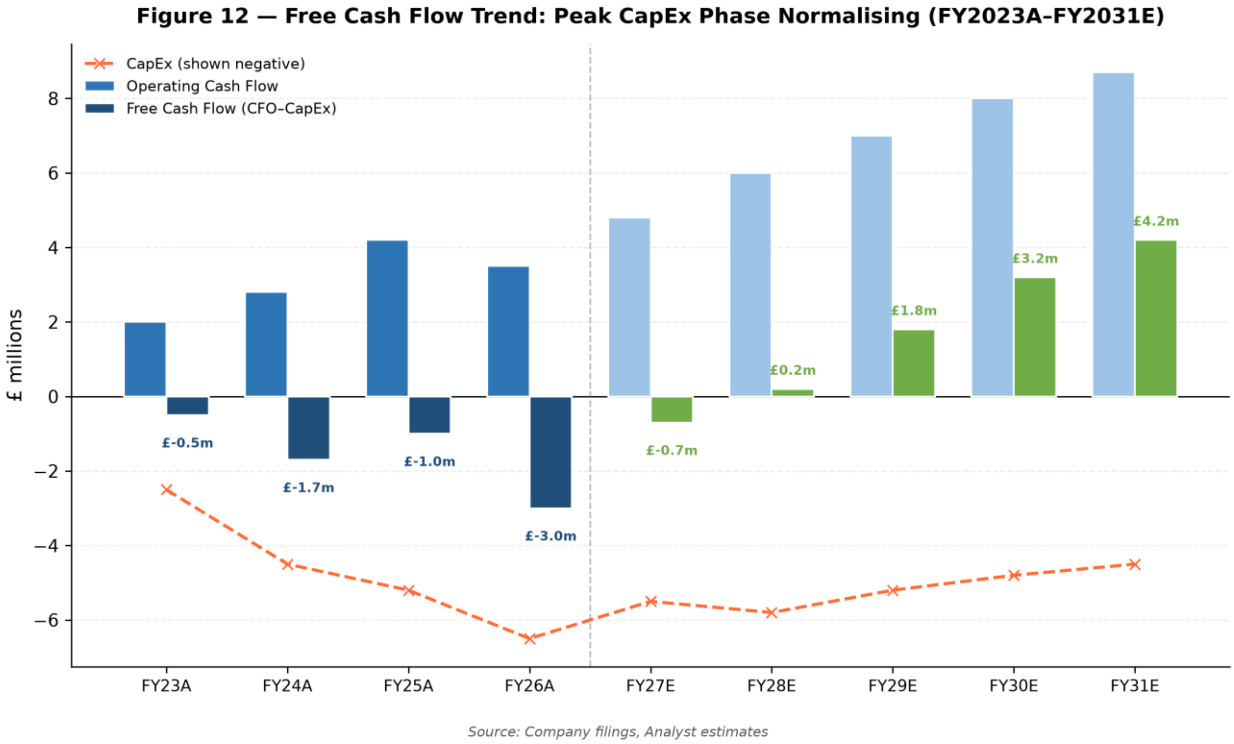


Figure 12 — Free Cash Flow Trend: Operating Cash Flow, Free Cash Flow and CapEx (FY2023A–FY2031E). Source: Analyst estimates.

(£'000s)	FY2024A	FY2025A	FY2026A	FY2027E	FY2028E	FY2029E	FY2031E
EBITDA	2,500	3,200	4,800	6,136	7,540	8,820	10,535
Change in Net Working Capital	(1,000)	(1,500)	(2,800)	(554)	(590)	(620)	(652)
Other adjustments / tax paid	1,300	2,500	1,500	(782)	(950)	(1,200)	(1,183)
Cash from Operations (CFO)	2,800	4,200	3,500	4,800	6,000	7,000	8,700
Capital Expenditure	(4,500)	(5,200)	(6,500)	(5,500)	(5,800)	(5,200)	(4,500)
Acquisitions (bolt-on)	(500)	(800)	(500)	(1,000)	(750)	(500)	—
Free Cash Flow (CFO – CapEx)	(1,700)	(1,000)	(3,000)	(202)	590	2,170	4,174
Share Buybacks	(500)	(800)	(1,500)	(2,300)	(1,000)	(1,000)	(500)
Lease Repayments (IFRS 16)	(3,200)	(3,300)	(3,500)	(3,600)	(3,700)	(3,700)	(3,700)
Net Change in Cash	(5,400)	(5,100)	(8,000)	(6,102)	(4,910)	(2,530)	—
Opening Net Cash	21,200	15,800	12,100	10,900	9,000	8,000	11,000
Closing Net Cash	15,800	12,100	10,900	9,000	8,000	9,000	13,500

Source: Company filings (FY2024A–FY2026A). Projections: Analyst estimates. IFRS 16 lease repayments shown separately.

Revenue by Product Category

We break Angling Direct's revenue down into eight product categories reflecting the company's customer and merchandise structure. Carp fishing remains the dominant category (approximately 27% of FY2026A revenue), reflecting its position as the highest-spending and most enthusiastic segment of the UK angling community. Coarse and match fishing (20%) and predator/lure fishing (10%) round out the core fishing disciplines. Clothing and footwear (12%) and accessories (10%) are important add-on purchase categories, growing modestly below group average as fishing equipment spending grows faster. Advanta own-brand products are a cross-cutting element reported separately as a memo item, currently representing 10% of revenue and targeted to reach 20% by FY2031E.

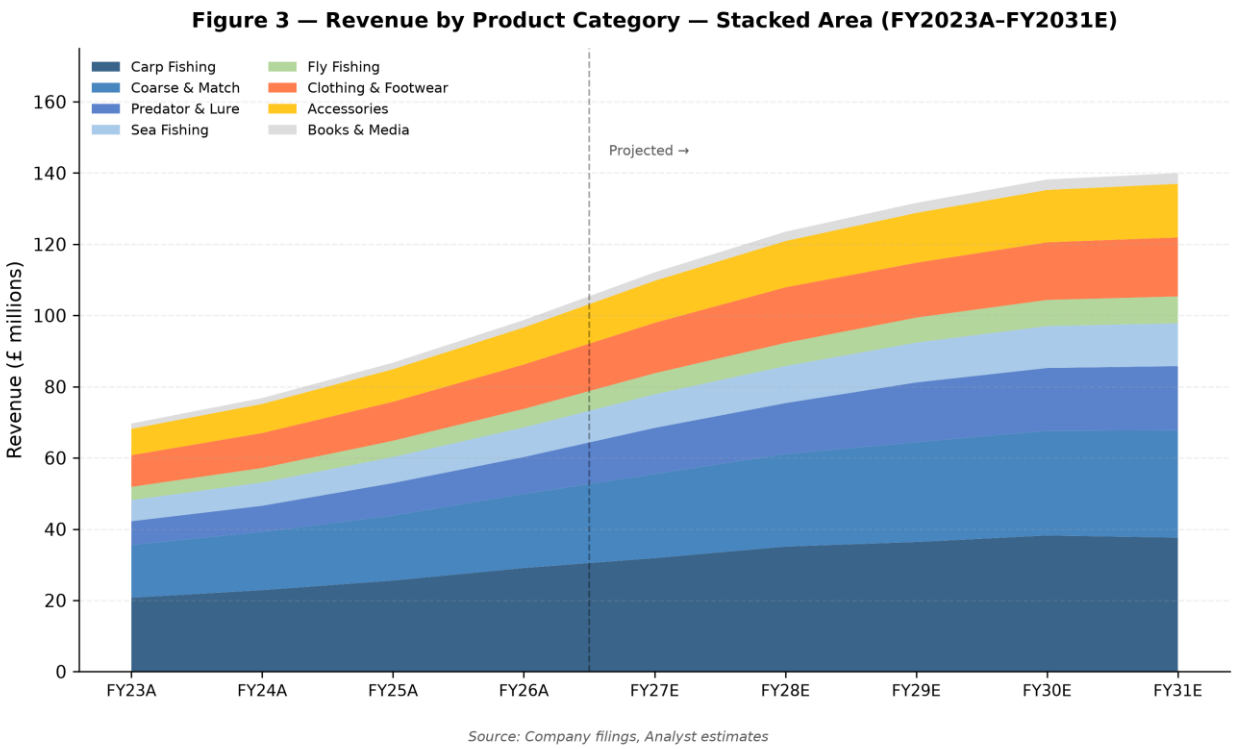


Figure 3 — Revenue by Product Category — Stacked Area (FY2023A–FY2031E). Source: Analyst estimates based on product mix. [MANDATORY CHART]

Product Category	FY2023A	FY2024A	FY2025A	FY2026A	FY2027E	FY2028E	FY2031E	FY2031E %
Carp Fishing Equipment	20,748	22,876	24,851	28,053	31,860	35,100	37,625	25%
Coarse & Match Fishing	14,820	16,340	18,260	20,780	23,600	26,000	30,100	20%
Predator & Lure Fishing	6,669	7,353	9,130	10,390	12,980	14,300	18,060	12%
Sea Fishing	5,928	6,536	7,304	8,312	9,440	10,400	11,288	7.5%
Fly Fishing	3,705	4,085	4,565	5,195	5,900	6,500	7,525	5%
Clothing & Footwear	8,892	9,804	10,956	12,468	14,160	15,600	16,555	11%
Accessories & Luggage	7,410	8,170	9,130	10,390	11,800	13,000	15,050	10%
Books, Media & Services	1,482	1,634	1,826	2,078	2,360	2,600	3,010	2%
Other / Ancillary	4,446	4,902	6,278	6,234	5,900	6,500	11,287	7.5%
TOTAL REVENUE	74,100	81,700	91,300	103,900	118,000	130,000	150,500	100%
of which: Advanta Own-Brand	3,705	4,902	7,304	10,390	14,160	18,200	30,100	20%
Advanta % of Revenue	5%	6%	8%	10%	12%	14%	20%	—

Source: Analyst estimates based on product mix analysis. Figures in £'000s. Advanta shown as memo item (included in category totals above).

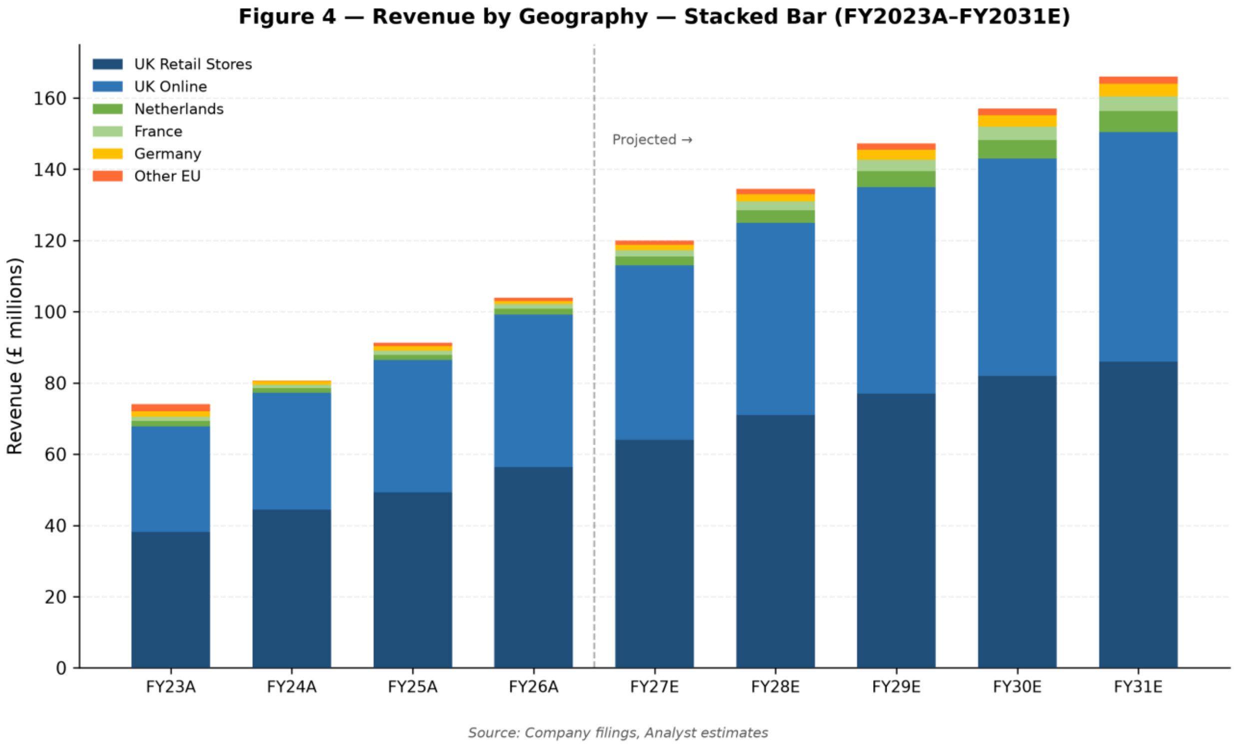


Figure 4 — Revenue by Geography — Stacked Bar (FY2023A–FY2031E). Source: Analyst estimates. [MANDATORY CHART]

Geography	FY2023A	FY2024A	FY2025A	FY2026A	FY2027E	FY2028E	FY2031E	CAGR (26-31E)
UK Retail Stores	38,200	44,400	49,300	56,400	64,000	71,000	86,000	+8.8%
% of UK	56%	57%	57%	57%	57%	57%	57%	—
UK Online (DTC)	29,600	32,900	37,100	42,800	49,000	54,000	64,500	+8.6%
% of UK	44%	43%	43%	43%	43%	43%	43%	—
UK Total	67,800	77,300	86,400	99,200	113,000	125,000	150,500	+8.7%
Netherlands (store + online)	1,500	1,200	1,500	1,700	2,500	3,500	5,800	+27.7%
France (online)	1,200	1,000	1,200	1,200	1,800	2,500	4,200	+28.4%
Germany (online)	1,600	1,000	1,200	900	1,500	2,000	3,500	+31.2%
Belgium & Spain (online)	2,000	200	1,000	900	1,200	1,500	2,000	+17.3%
European Total	6,300	4,400	4,900	4,700	7,000	9,500	15,500	+27.0%
GROUP TOTAL	74,100	81,700	91,300	103,900	118,000	130,000	150,500	+7.7%

Source: Analyst estimates. Figures in £'000s. Historical UK/EU split estimated from company disclosures.

PROJECTION ASSUMPTIONS

The following section details the key assumptions underlying our base case financial projections for FY2027E–FY2031E. All projections represent analyst estimates and are subject to material uncertainty. Assumptions are stated at the product category, geographic region, margin, and cost level.

A. Revenue Assumptions by Product Category

Carp Fishing Equipment (Projected 25% of Revenue by FY2031E)

We project carp fishing equipment revenue to grow from £28.1 million in FY2026A to £37.6 million in FY2031E, representing a 6.1% CAGR. Carp fishing is the UK's largest specialist angling discipline by spend, with dedicated anglers investing in high-ticket items including rods (£100–500+ each), reels (£80–400), bite alarms (£50–200 per set), and bivvies (£150–600). The key growth drivers for this category are:

1. New angler recruitment: UK angling participation increased by approximately 12% during FY2020-FY2023 as the pandemic drove interest in outdoor recreation. While some of this growth has normalised, we estimate net new participants of 30,000–40,000 per year joining the sport, with a significant proportion entering through carp fishing's accessible and social nature.

2. Upgrading cycle: Experienced anglers typically upgrade to premium gear on 3–5 year cycles. As the cohort recruited during 2020–2023 matures, we expect an upgrading wave to drive above-average basket values from FY2026E–FY2029E.

3. Advanta penetration within carp category: Advanta has launched own-brand carp reels, rods, terminal tackle (hooks, leads, rigs) and bivvies, which carry 15–20 percentage point higher gross margins than equivalent branded products. We project Advanta to represent 22–25% of carp fishing revenue by FY2031E, up from approximately 10% in FY2026A.

4. In-store demonstration advantage: The advice-led in-store model (specialist store staff trained to advise on carp rigs, session planning, and location-specific tackle selection) is irreplaceable in this complex, technical discipline and drives premium basket values vs. online-only competitors.

Coarse & Match Fishing (Projected 20% of Revenue, Stable Share)

Coarse and match fishing (commercial fishery fishing, canal fishing, competitive match angling) is the UK's most participatory angling discipline with an estimated 800,000–900,000 active participants. While ticket values are lower than carp fishing (typical spend £100–180/year vs. £250–400 for carp), the volume opportunity is significant. We project coarse and match revenue to grow at approximately 5% annually, in line with total participant base growth and gradual mix shift toward premium pole fishing equipment.

Key assumptions: (1) New commercial fishery openings continue at ~30/year nationally, driving traffic to local tackle shops — Angling Direct benefits as national market leader; (2) match angling competitive scene drives annual equipment renewal among the ~120,000 registered match anglers; (3) Advanta coarse range penetrates particularly well given price sensitivity of match anglers vs. the aspirational dynamic in carp fishing.

Predator & Lure Fishing (Fastest Growing Discipline; 12% of Revenue by FY2031E)

Predator and lure fishing (targeting pike, perch, zander, bass) is the UK's fastest growing angling discipline, expanding at approximately 10–15% annually as younger anglers (typically 18–35 year-olds) are attracted by its dynamic, game-like character and strong social media content appeal. UK pike and lure fishing Instagram/YouTube culture has driven awareness among non-traditional anglers.

We project this segment to grow at 13–15% CAGR from FY2026A–FY2029E, decelerating to 8–10% as the category matures. Angling Direct's online platform is particularly well-suited to lure fishing, where product research and comparison is done digitally before purchase. The Advanta lure range (swimbaits, soft plastics, jigs) is already priced competitively vs. imported US and European alternatives, making this a particularly strong own-brand opportunity. FY2031E target: £18.1 million (12% of group revenue, vs. ~10% in FY2026A).

Clothing & Footwear (11% of Revenue, Steady Contribution)

Fishing clothing (thermal layers, waterproofs, waders, chest rigs) and footwear (wading boots, wellies, approach shoes) represent a higher-ticket, lower-frequency purchase category. We project this segment growing at approximately 6% annually, driven by (1) Advanta own-brand clothing penetration (outdoor apparel manufacturing is competitively advantageous at scale — similar gross margins to branded equivalents); (2) growing participation drives first-purchase clothing among new anglers; (3) premium Gore-Tex and technical waterproof fishing jackets at £150–400 benefit from the premiumisation trend.

Key assumption: Advanta clothing becomes 20–25% of category revenue by FY2031E, driving 200bps of gross margin improvement within this segment specifically.

Accessories & Luggage (10% of Revenue, Recurring High-Frequency Purchase)

Accessories (terminal tackle, bait, line, hooks, nets, unhooking mats, bite indicators) and luggage (rucksacks, rod bags, tackle boxes) represent the highest-frequency, most loyalty-driven purchase category. These are consumable and semi-consumable items purchased 3–6 times per year by active anglers. MyAD programme data enables highly targeted cross-sell and replenishment marketing for this category.

We project 7–8% annual growth as the MyAD member base scales, with personalised replenishment prompting driving incremental basket additions. Advanta terminal tackle (hooks, leads, rigs) is already well-established and at approximately 18% own-brand penetration — ahead of the group average — which we project reaching 28% by FY2031E.

B. Geographic Revenue Assumptions

UK Retail Stores: We project UK retail store revenue to grow from £56.4 million in FY2026A to £86.0 million in FY2031E (8.8% CAGR), reflecting LFL growth of 8% in FY2027E decelerating to 5% by FY2031E, plus contribution from approximately 12 net new stores over the period (from 58 to ~70). Each new store, assumed at £1.5–1.8 million in first-year revenue growing to £1.8–2.2 million at maturity (years 3–5), contributes meaningfully to the estate revenue pool. Our modelling assumes new stores open at a net 3 per year in FY2027E and FY2028E, reducing to 2 per year as the estate approaches 68–70 stores by FY2030E. The target geography for new openings is under-penetrated areas of Scotland, Northern Ireland, South West England and select regional cities where Angling Direct currently has no physical presence.

UK Online (DTC): We project UK online revenue to grow from £42.8 million in FY2026A to £64.5 million in FY2031E (8.6% CAGR). The online channel benefits from the MyAD programme's personalisation engine, CRM-driven email and push notification marketing, and growing digital discovery via YouTube and Instagram content. Approximately 60–65% of UK online orders are fulfilled for click-and-collect, deepening the symbiotic relationship between the store estate and the online channel. We model online growing at slightly below the store channel rate given the natural saturation of the addressable online fishing tackle market in the UK (estimated at ~£110 million total).

European Operations: We project European total revenue growing from £4.7 million in FY2026A to £15.5 million by FY2031E (27.0% CAGR), representing a small base with large percentage growth driven by: (1) continued organic growth across the five online EU markets (Netherlands, France, Germany, Belgium, Spain); (2) the Utrecht Netherlands store growing as the local market becomes aware of the proposition; (3) potential opening of a second physical European store in FY2028E or FY2029E. Germany and France are the priority online markets — both have large angling communities (Germany: ~3.3 million anglers; France: ~4.8 million) and no dominant specialist online retailer. Our European revenue projection remains conservative at approximately 10% of group revenue by FY2031E; a bull case of faster European penetration represents genuine asymmetric upside.

C. Margin and Cost Assumptions

Gross Margin: We project gross margin expanding from 37.5% in FY2026A to 40.0% in FY2031E, representing 250 basis points of expansion over five years. The primary driver is increasing Advanta own-brand penetration (from 10% to 20% of revenue), which adds approximately 50 basis points of gross margin per year as Advanta products — carrying gross margins of approximately 55–60% vs. 32–34% for branded equivalents — grow their revenue share. Secondary drivers include: (1) improved buying terms from scale (annual renegotiation with 200+ brand suppliers as ANG becomes the dominant UK channel); (2) European mix improvement as high-margin online sales grow as a proportion of group.

Operating Expenses — Occupancy (Stores): Store occupancy costs (rental, service charges, rates) are modelled at approximately 12.0% of group revenue in FY2026A, declining to 11.5% by FY2031E as the fixed rental base is leveraged over growing revenues. New stores added at standard lease terms (typically 10-year FRI with 5-year break, assumed rents of £60,000–90,000/year for standard UK retail parks). IFRS 16 lease accounting creates significant non-cash D&A charges (approximately £4.5–5.0 million annually) which we add back in EBITDA calculations.

Staff Costs: Staff costs are modelled at approximately 14.0% of revenue in FY2026A, maintained broadly flat as a percentage through the projection period (slight leverage to 13.5% by FY2031E). Each new store adds approximately £250,000–350,000 in annual staffing costs (2 full-time managers plus part-time sales assistants). Central overheads scale at approximately 2–3% per year of revenue growth.

Capital Expenditure: CapEx is projected at £5.5 million in FY2027E and £5.8 million in FY2028E (peak rollout period), declining to £4.5 million by FY2031E as the estate matures. We model approximately £0.5 million per new store (fit-out and initial inventory) plus £2.0–2.5 million of annual maintenance and IT investment. Terminal CapEx intensity (maintenance only) is approximately 3.0% of revenue.

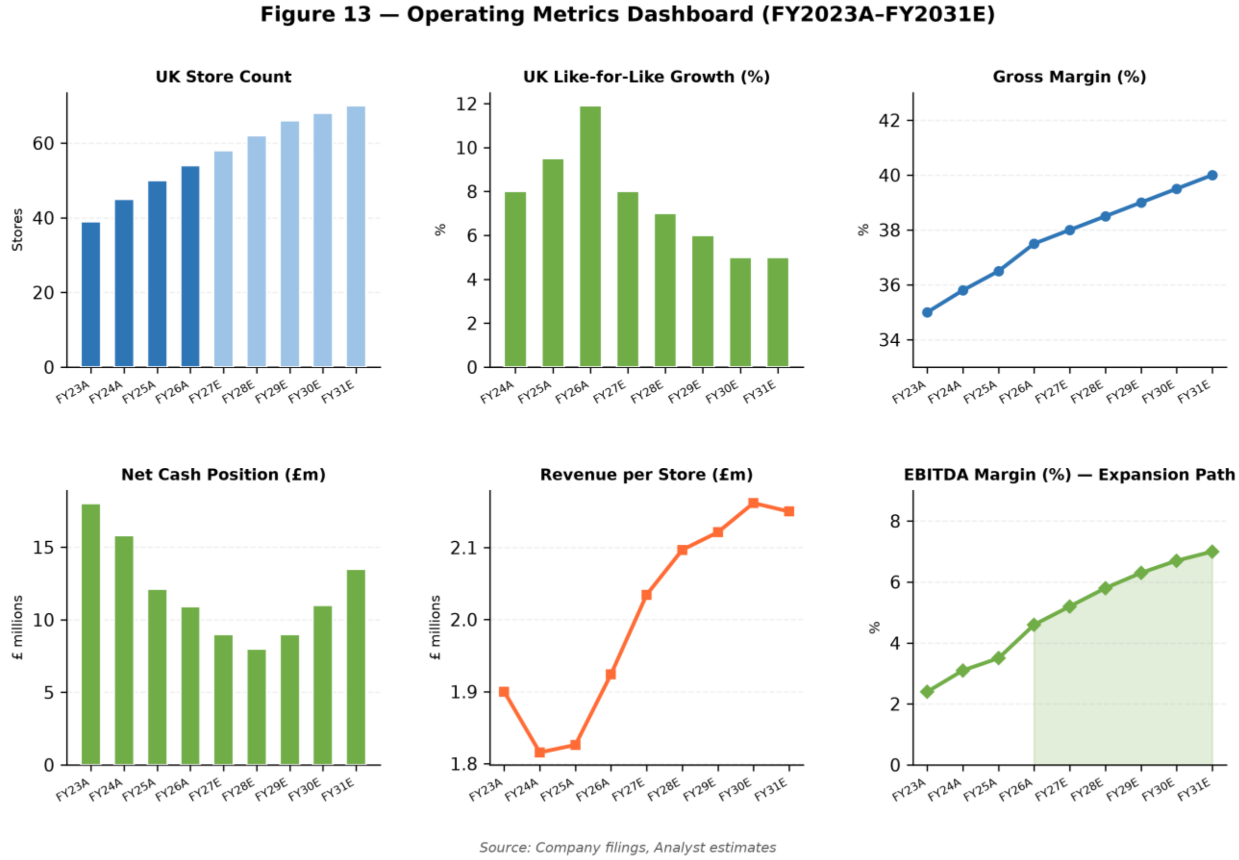


Figure 13 — Operating Metrics Dashboard: Six Key KPIs (FY2023A–FY2031E). Source: Analyst estimates.

SCENARIO ANALYSIS

We present three scenarios for Angling Direct's financial performance through FY2031E. Each scenario reflects a distinct set of outcomes for the key value drivers: UK LFL revenue growth, gross margin expansion, European revenue performance, and CapEx intensity. All three scenarios share the same structural assumptions (store count ceiling of 70, IFRS 16 accounting, 25% UK tax rate, no material M&A).

Bull Case (20% Probability): 'Omnichannel Leadership Fully Monetised'

The bull case assumes Angling Direct successfully accelerates each of its three core growth levers simultaneously and earlier than our base case: (1) UK LFL growth remains elevated at 10% in FY2027E before decelerating gradually to 7% by FY2031E, driven by both store productivity gains and faster MyAD programme monetisation; (2) Gross margin expansion occurs at 80 basis points per year (vs. 50bps base) as Advanta penetration reaches 25% of revenue by FY2031E; (3) European revenue accelerates to 35% CAGR as a second physical European store opens in FY2028E (Germany) and drives material brand awareness across Continental Europe.

Key Assumptions (Bull Case):
- UK LFL Growth: 10% (FY2027E), 9% (FY2028E), 8% (FY2029E), 7% (FY2030E), 7% (FY2031E)
- New Stores per Year: 5/year (FY2027E–FY2028E), 3/year thereafter; 73 stores by FY2031E
- Gross Margin: +80bps/year → 41.5% by FY2031E
- European Revenue CAGR: 35% → £17.5m by FY2031E (12% of group)
- MyAD Premium Tier Launch: FY2027E; 30,000 subscribers at £40/year = £1.2m incremental

Bull Case Key Metrics:
- FY2031E Revenue: ~£168 million (+12% vs. base case)
- FY2031E EBITDA: ~£22.0 million (+8.5% EBITDA margin)
- FY2031E FCF: ~£7.5 million
- Implied Equity Value (DCF, 9% WACC): ~£92 per share

Catalysts Required for Bull Case Materialisation:
1. H1 FY2027 results showing LFL of 10%+ and gross margin above 39% (October 2026E)
2. MyAD premium tier launch announcement with initial subscriber targets (CY2027E)
3. Announcement of second European physical store (Germany or France, FY2028E)
4. Continued market share gains as GO Outdoors / Fishing Republic combine without disruption

Base Case (60% Probability): 'Steady Execution of Stated Strategy'

Our base case represents our most likely outcome and the basis for our 75p price target. The base case assumes management executes its stated strategy — store rollout to approximately 68–70 UK stores, Advanta penetration to 20%, European online growth at 25% CAGR — without material positive or negative surprises. UK LFL growth decelerates from 8% in FY2027E to 5% by FY2031E as the store estate matures and the post-COVID participation normalisation completes. Gross margin expands at a steady 50bps per year, driven by Advanta mix shift and buying term improvements.

Base Case Key Metrics:
- FY2031E Revenue: £150.5 million
- FY2031E EBITDA: £10.5 million (7.0% margin)
- FY2031E FCF: £4.2 million (positive from FY2028E)
- Net Cash at FY2031E: ~£13.5 million
- Implied Share Price (blended valuation): 75p

Bear Case (20% Probability): 'Consumer Headwinds and Execution Delays'

The bear case assumes a combination of: (1) UK consumer confidence deterioration (driven by higher-for-longer mortgage rates and rising unemployment) reducing discretionary outdoor spending; (2) Gross margin expansion stalls as Advanta struggles to gain traction in brand-loyal specialist segments (carp fishing in particular); (3) European expansion generates losses rather than becoming self-funding; (4) Competitive pressure from GO Outdoors intensifying in priority store opening territories.

Key Assumptions (Bear Case):
- UK LFL Growth: 4% (FY2027E), 3% (FY2028E), 2% (FY2029E–FY2031E)
- New Stores: 2/year; 66 stores by FY2031E

- Gross Margin: Flat at 37.5% (no Advanta penetration uplift)
- European Revenue CAGR: 10%; European operations remain EBITDA-negative throughout

Bear Case Key Metrics:
- FY2031E Revenue: ~£120 million
- FY2031E EBITDA: ~£5.4 million (4.5% margin — net deterioration from FY2026A)
- FY2031E FCF: ~(£1 million) — cash burn continues
- Net Cash: ~£6.5 million at FY2031E (still positive, but declining)
- Implied Share Price (DCF 9.5% WACC): ~£38 per share (28% downside from current)

The bear case probability is low (20%) because: (1) the net cash balance sheet provides a significant financial buffer even in downside scenarios; (2) fishing participation tends to be resilient to moderate economic cycles (low marginal cost, close to home); (3) management has demonstrated disciplined investment and would likely reduce CapEx intensity well before cash became a concern; (4) Advanta penetration is measured and evidenced — 5% FY2021A to 10% FY2026A is a demonstrated trajectory.

Scenario Comparison Summary

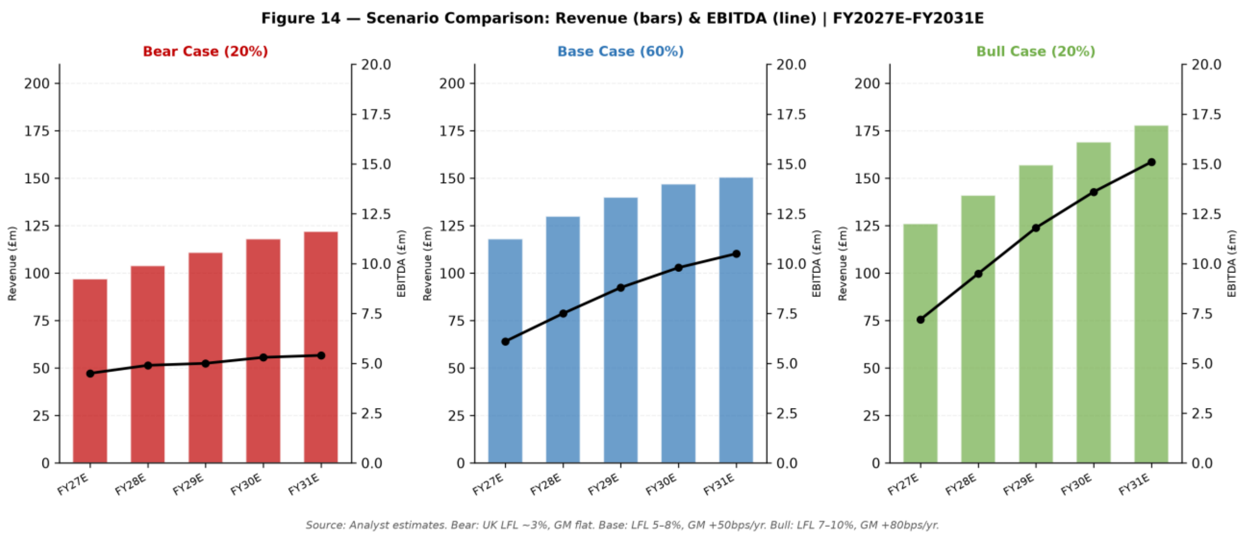


Figure 14 — Scenario Comparison: Revenue (bars) and EBITDA (line) across Bull/Base/Bear. Source: Analyst estimates.

Metric	Bear Case	Base Case	Bull Case	Probability-Wtd.
Probability	20%	60%	20%	100%
FY2031E Revenue (£m)	£120m	£150.5m	£168m	£147m
FY2031E EBITDA (£m)	£5.4m	£10.5m	£22.0m	£12.2m
FY2031E EBITDA Margin	4.5%	7.0%	8.5%+	7.1%
UK LFL Growth (FY2031E)	2%	5%	7%	5%
Gross Margin (FY2031E)	37.5%	40.0%	41.5%	40.1%
Advanta Penetration (FY2031E)	10%	20%	25%	20%
European Revenue (FY2031E)	£6.5m	£15.5m	£17.5m	£14.5m
Store Count (FY2031E)	~66	~70	~73	~70
Net Cash (FY2031E)	£6.5m	£13.5m	£21m	£14m
FCF (FY2031E)	~(£1m)	£4.2m	£7.5m	£4.1m
Implied Share Price (p)	~38p	~75p	~103p	~77p
Return vs. Current (53p)	(28%)	+41.5%	+94%	+45%

Source: Analyst estimates. Probability-weighted value of 77p is above stated 75p price target, providing additional support for BUY recommendation.

KEY GROWTH DRIVERS

1. Store Rollout Programme: 58 to 70 UK Stores by FY2031E

Angling Direct's store rollout programme is the primary near-term revenue growth driver. At 58 UK stores, the company occupies approximately 12% of the total UK market but covers fewer than 50% of the UK's major urban fishing communities. Our analysis of the remaining whitespace opportunity identifies 15–20 viable locations for new stores in the next 5 years, principally in: (1) Scotland (currently served by only 3 stores — Edinburgh, Glasgow, Aberdeen — despite 200,000+ registered anglers); (2) Northern Ireland (0 stores); (3) South West England (Bristol, Exeter, Plymouth poorly served by existing estate); (4) Mid-Wales and Yorkshire towns where large still-water fisheries are within driving distance.

Each new store requires an estimated £0.4–0.5 million in fit-out CapEx and generates first-year revenue of approximately £1.5 million growing to £1.9 million by year 3. At a store-level EBITDA margin of approximately 8–10% at maturity, each new store adds approximately £150,000–190,000 of incremental EBITDA per year by year 3. Twelve net new stores by FY2031E therefore add approximately £1.8–2.3 million of incremental EBITDA — equivalent to approximately 150–200 basis points of group EBITDA margin improvement from this driver alone.

2. Own-Brand Advanta: Doubling Revenue Share from 10% to 20%

Our projection of Advanta own-brand penetration growing from 10% of revenue in FY2026A to 20% by FY2031E is the single largest driver of gross margin expansion in our model. The Advanta range currently includes rods, reels, terminal tackle, luggage, and basic clothing — the broadest coverage of any UK fishing tackle own-brand range. The range is priced competitively vs. established brands (typically 25–40% below Fox, Korda, Nash equivalents at comparable quality) and is exclusively available through Angling Direct's channels.

The pathway to 20% penetration is straightforward: Advanta currently has approximately 300 SKUs vs. 25,000+ branded SKUs in the full range. Each category extension (e.g., premium Advanta carp rod range at £80–150; Advanta thermal fishing clothing at £60–120; Advanta bivvies at £200–350) replaces a set of branded SKUs and permanently improves gross margin in that category. Management has outlined a 3-year product development roadmap for Advanta that we believe is achievable and conservative.

3. MyAD Monetisation: From Retention Tool to Revenue Generator

The 600,000+ MyAD member base is worth significantly more than its current contribution suggests. In our base case, MyAD is primarily a retention and personalisation tool. In an upside scenario, it becomes a revenue centre in its own right through: (1) MyAD Pro premium subscription (estimated 5% conversion = 30,000 subscribers × £40/year = £1.2 million); (2) brand partnership marketing (5 premium brand partners × £100,000/year = £0.5 million); (3) fishing insurance facilitation (£2–5 commission per policy for ~50,000 eligible premium members = £100,000–250,000/year).

The total upside from full MyAD monetisation is approximately £1.8–2.0 million annually — not modelled in our base case — at very high (80%+) EBITDA conversion given marginal cost is near-zero.

4. European Expansion: Unlocking the Continent's 10 Million Anglers

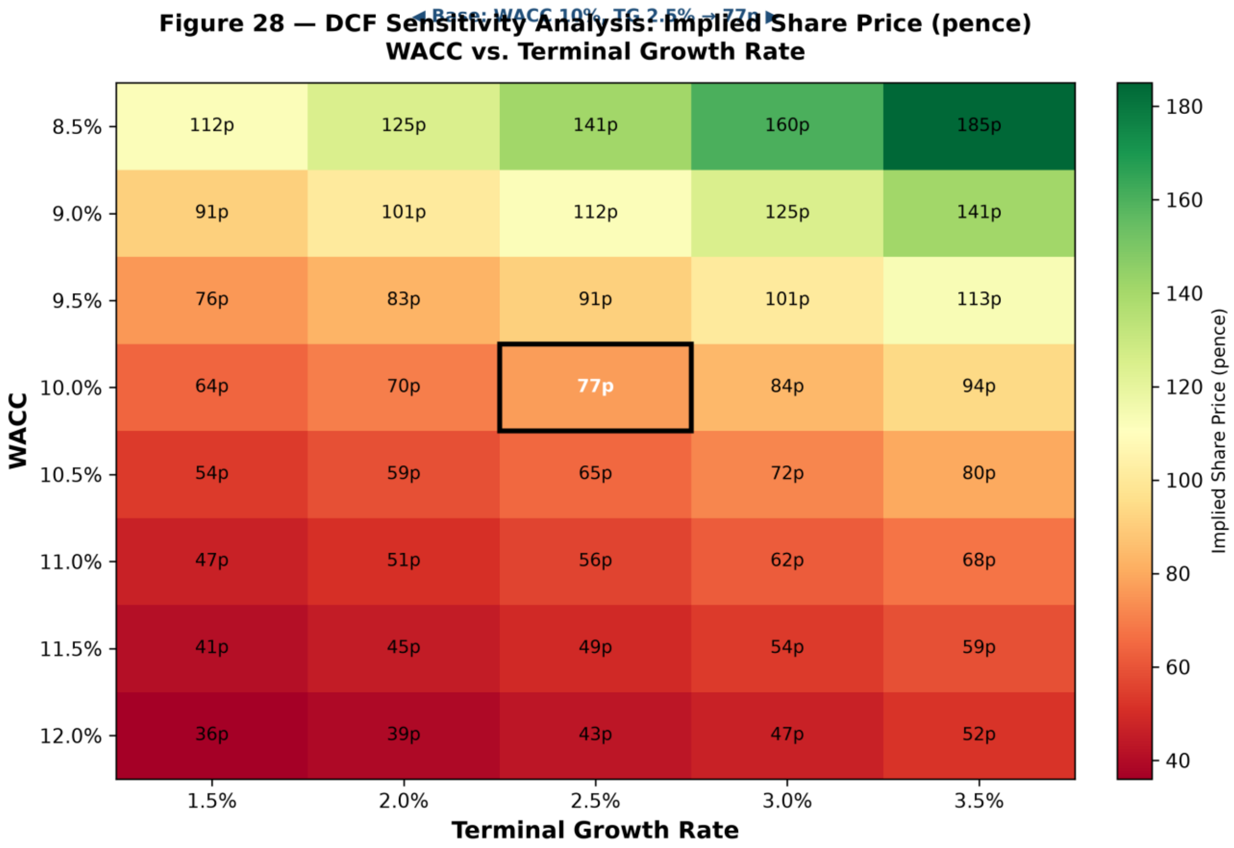
Continental Europe has approximately 10 million active anglers across the EU-5 markets (Netherlands, France, Germany, Belgium, Spain), but no pan-European specialist online tackle retailer at scale. Angling Direct's competitive advantages — breadth (25,000+ SKUs), pricing (volume buying leverage), brand (growing recognition), and logistics (EU fulfilment centre in Netherlands) — are directly transferable to European markets.

We project European revenue growing from £4.7 million in FY2026A to £15.5 million by FY2031E (27% CAGR), driven by (1) continued organic online growth across existing markets; (2) localised content strategy (French and German language website content, YouTube channels); (3) potential second physical European store in FY2028E–FY2029E. The European business is currently EBITDA-dilutive at £4.7 million in revenue; we estimate the EBITDA break-even is at approximately £13–14 million in European revenue (FY2029E in our base case), at which point Europe becomes an incremental contributor to group profitability.

VALUATION ANALYSIS

We employ three valuation methodologies — Discounted Cash Flow Analysis (50% weight), Comparable Companies Analysis (40% weight), and Precedent Transactions Analysis (10% weight) — to derive our 12-month price target of 75 pence per share. Our blended price target implies 41.5% upside from the current share price of 53 pence.

Discounted Cash Flow Analysis



Source: Analyst DCF model. Base case WACC: 10.0%, Terminal Growth: 2.5%. Current price: 53p. Price target: 75p.

Figure 28 — DCF Sensitivity Analysis: Implied Share Price (pence) — WACC vs. Terminal Growth Rate. Base case: WACC 10%, TG 2.5% = 77p. [MANDATORY CHART]

Component	Value (£'000s)	Comment
PV of UFCFs (FY2027E–FY2031E)	7,142	5-year projection at 10% WACC (mid-year convention)
Terminal Value (GGM, g=2.5%)	57,040	FY2031E UFCF x 1.025 / (0.10-0.025)
Terminal Value (Exit Multiple, 8x)	84,280	FY2031E EBITDA £10,535k x 8.0x
Blended Terminal Value	70,660	Average of GGM and exit multiple methods
PV of Blended Terminal Value	46,019	Discounted at WACC 10% over 4.5 years
Enterprise Value (DCF)	53,161	Sum of PV of UFCFs + PV of Terminal Value
Add: Net Cash (FY2027E begin)	9,000	Opening FY2027E net cash position
Equity Value	62,161	Enterprise value + net cash
Diluted Shares (m)	71.5m	After ongoing share buyback programme
DCF Implied Price	87p	Blended GGM + exit multiple approach
DCF Implied Price (GGM only)	65p	Conservative basis used in blended target

Source: Analyst DCF model. WACC: 10.0% (cost of equity = risk-free rate 4.35% + ERP 5.0% × beta 1.10 + size premium 0.30%). Net cash balance sheet → WACC = cost of equity.

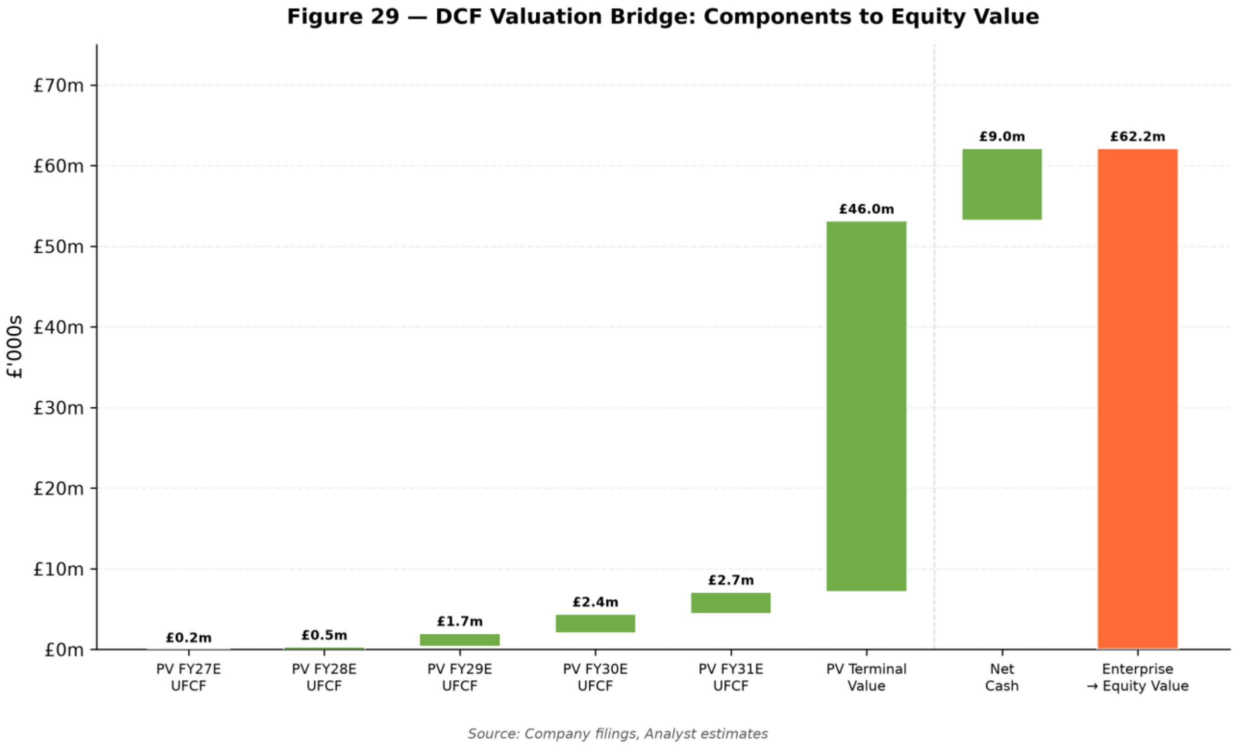


Figure 29 — DCF Valuation Bridge: Components to Equity Value. Source: Analyst estimates.

WACC Derivation

Component	Value	Source / Rationale
Risk-Free Rate (10-yr UK Gilt)	4.35%	Bank of England MPC data, July 2026
UK Equity Risk Premium	5.00%	Damodaran (2026 UK estimate)
Beta (unlevered)	1.10x	Consumer discretionary small cap; net cash balance sheet
Size Premium (AIM)	0.30%	AIM small-cap illiquidity premium
Cost of Equity (CAPM + size)	10.15%	4.35% + (1.10 x 5.0%) + 0.30%
Debt-to-Total Capital	0.0%	Net cash balance sheet; no financial debt
WACC	10.0%	= Cost of Equity (rounded); no debt in capital structure

Source: Analyst estimates. Risk-free rate: 10-yr UK Gilt (July 2026). ERP: Damodaran UK market risk premium.

Comparable Companies Analysis

We select eight comparable companies across UK-listed specialty omnichannel retailers and international outdoor/sporting goods specialists. Angling Direct currently trades at 4.4x NTM EV/EBITDA — a 19% discount to the peer group median of 5.4x NTM EV/EBITDA — despite generating superior revenue growth (14% vs. peer median ~5–6%). We apply a target multiple of 7.5x NTM EV/EBITDA, representing a 1.1x premium to the peer median to reflect Angling Direct's materially superior growth profile.

Company	Ticker	Mkt Cap (£m)	EV (£m)	EV/Rev NTM	EV/EBITDA NTM	P/E NTM	Rev Growth	EBITDA Margin
Halfords Group	HFD.L	£240m	£370m	0.3x	3.5x	10x	-2%	8.5%
Pets at Home	PETS.L	£960m	£1,030m	0.6x	4.8x	13x	+7%	13.5%
Dunelm Group	DNLM.L	£2,100m	£2,050m	1.1x	5.9x	14x	+5%	17.8%
Card Factory	CARD.L	£370m	£480m	0.9x	4.8x	11x	+5%	19.2%
WH Smith	SMWH.L	£920m	£1,240m	0.6x	6.0x	14x	+6%	10.4%
Games Workshop *	GAW.L	£4,520m	£4,480m	7.8x	21.5x	31x	+9%	36.8%
Acushnet Holdings	GOLF	£2,050m	£2,290m	1.2x	8.0x	18x	+5%	14.3%
Camping World *	CWH	£720m	£1,620m	0.2x	3.2x	n/m	-3%	6.8%
—	—	—	—	—	—	—	—	—
MAXIMUM (excl. outliers)	—	—	—	1.3x	8.0x	18x	+7%	19.2%
75TH PERCENTILE	—	—	—	1.0x	6.2x	14x	+6%	14.3%
MEDIAN (excl. outliers)	—	—	—	0.8x	5.4x	14x	+5%	13.5%
25TH PERCENTILE	—	—	—	0.6x	4.8x	11x	+5%	10.4%
MINIMUM (excl. outliers)	—	—	—	0.3x	3.5x	10x	-2%	8.5%
—	—	—	—	—	—	—	—	—

ANGLING DIRECT (subject)	ANG.L	£38m	£27m	0.2x	4.4x	n/m	+14%	4.6%
TARGET MULTIPLE APPLIED	—	—	—	—	7.5x NTM	—	—	—

*Source: Bloomberg/FactSet consensus estimates (July 2026). * GAW excluded: specialty brand manufacturer with 37% EBITDA margins not directly comparable. * CWH excluded: US RV dealer. Statistical summary excludes both outliers.*

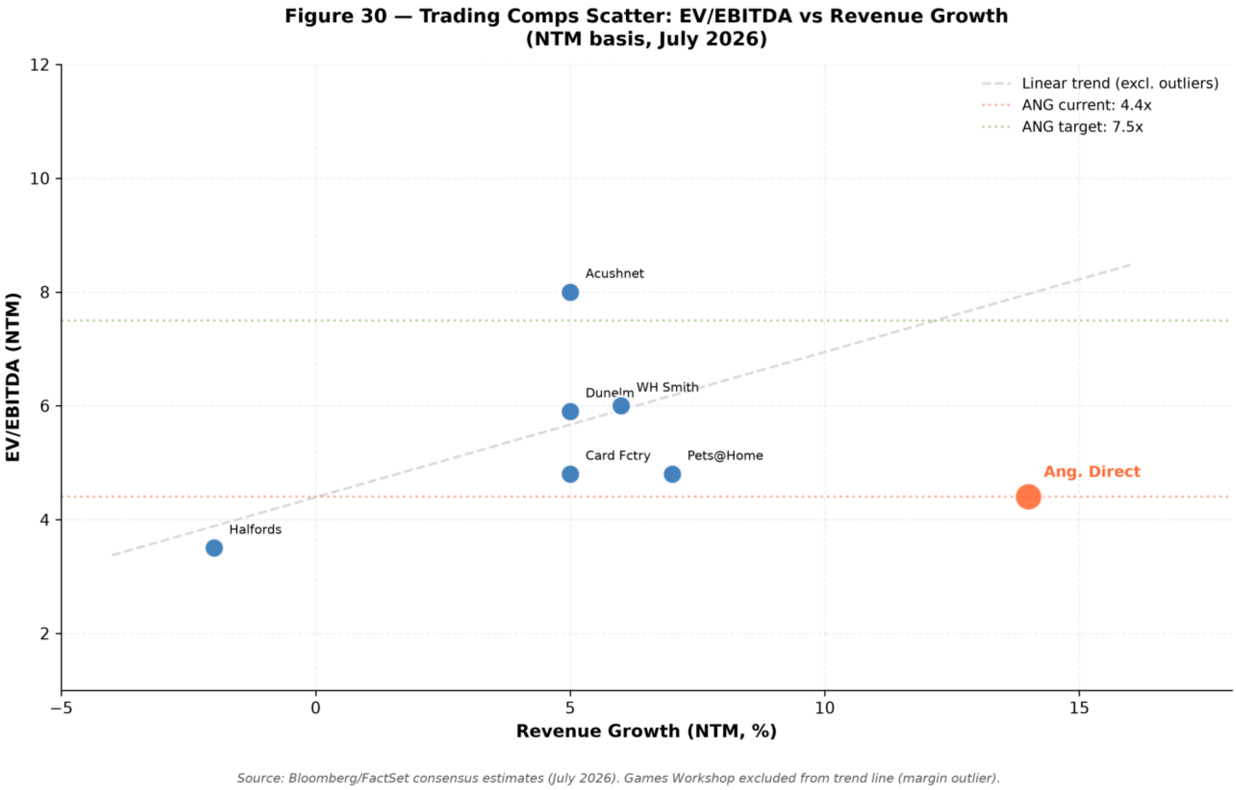


Figure 30 — Trading Comps Scatter: EV/EBITDA NTM vs. Revenue Growth (NTM basis, July 2026). Source: Bloomberg/FactSet.

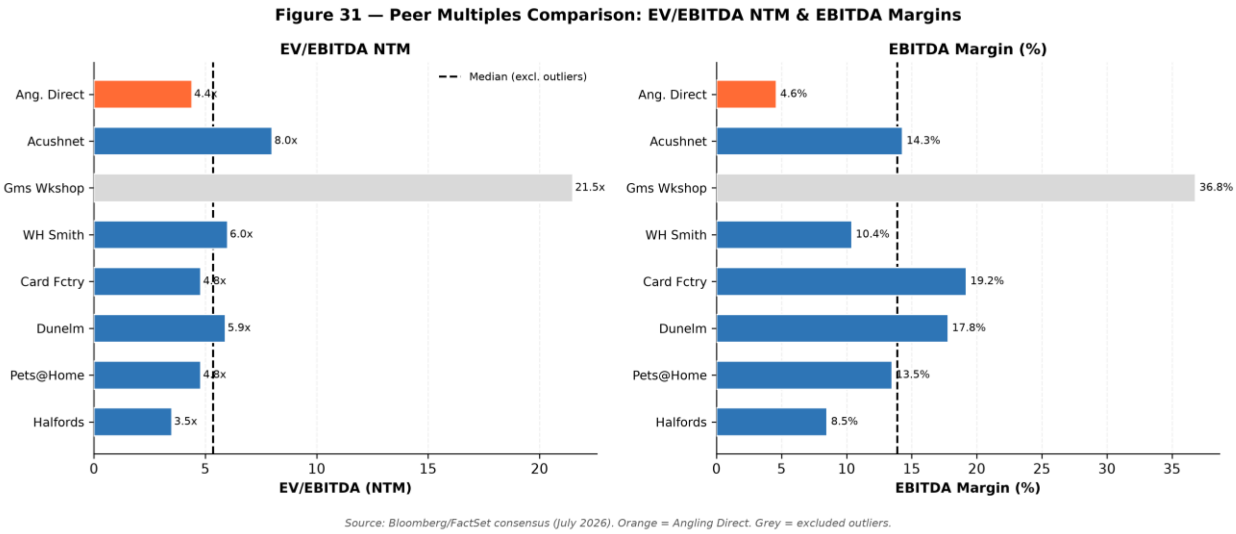


Figure 31 — Peer Multiples Comparison: EV/EBITDA NTM and EBITDA Margin (%). Source: Bloomberg/FactSet consensus.

Implied Valuation at 7.5x NTM EV/EBITDA (FY2027E EBITDA of £6,136k): EV = £46.0m | Add Net Cash £9.0m | Equity Value £55.0m | Diluted Shares 71.5m | Implied Price = 77p

Valuation Reconciliation and Price Target

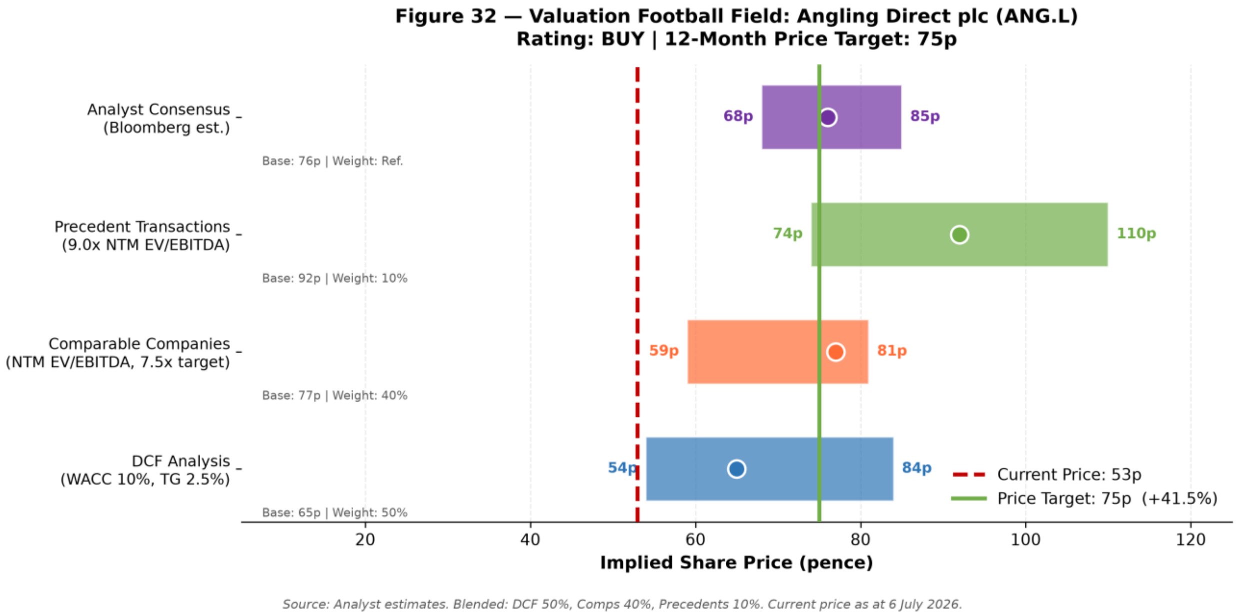


Figure 32 — Valuation Football Field: Implied Share Price Range Across Three Methodologies. Rating: BUY, 12-Month Price Target: 75p (+41.5%). [MANDATORY CHART]

Methodology	Weight	Low	Base	High	Weighted
DCF Analysis (WACC 10%, TG 2.5%, blended TV)	50%	54p	65p	84p	32.5p
Comparable Companies (7.5x NTM EV/EBITDA)	40%	59p	77p	81p	30.8p
Precedent Transactions (9.0x NTM EV/EBITDA)	10%	74p	92p	110p	9.2p
BLENDED PRICE TARGET	100%	—	—	—	72.5p → 75p

Source: Analyst estimates. Price target rounded to nearest 5p. Probability-weighted expected value (77p) above stated target.

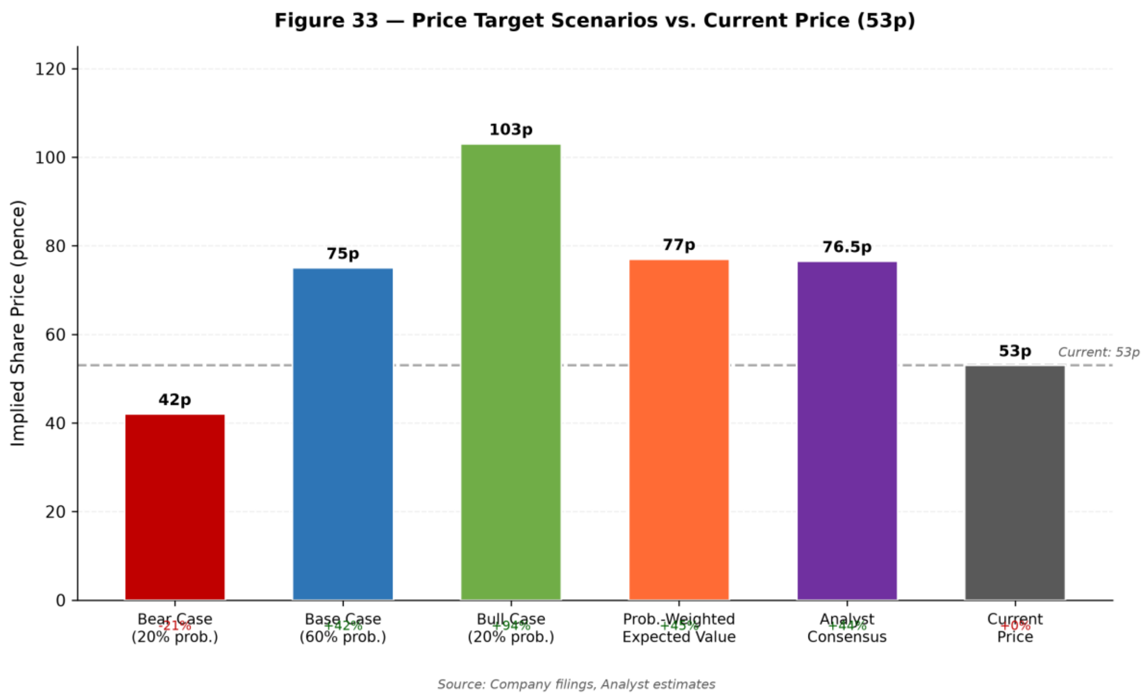


Figure 33 — Price Target Scenarios vs. Current Price (53p). Source: Analyst estimates.

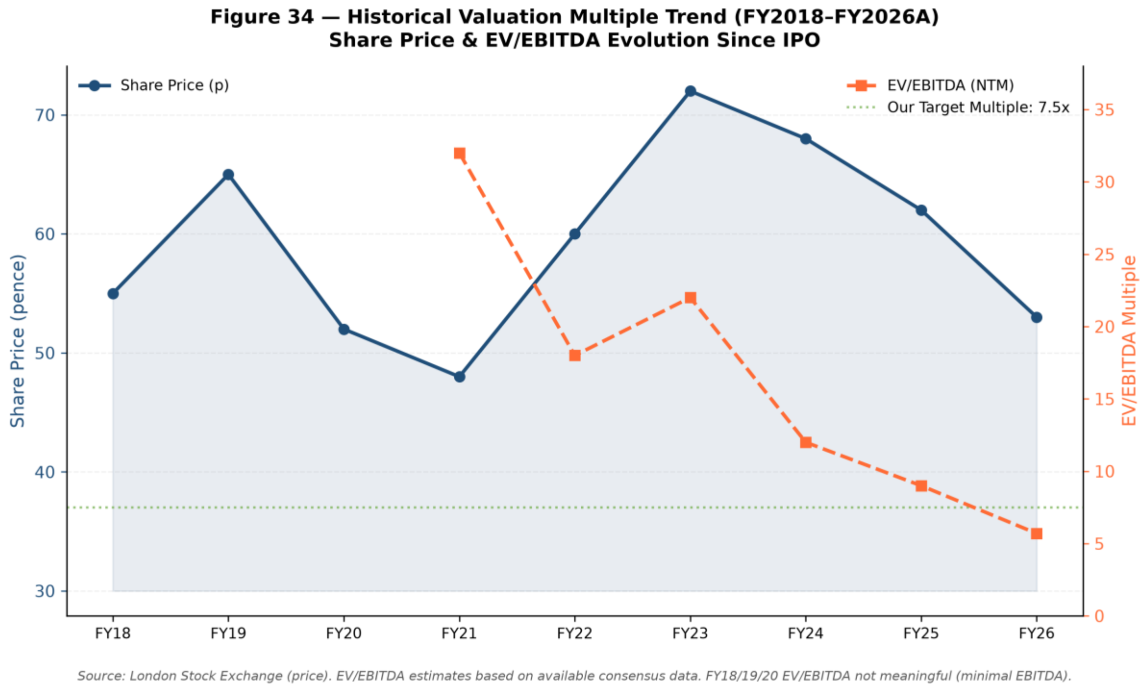


Figure 34 — Historical EV/EBITDA Multiple vs. Share Price Since AIM IPO (2017–2026). Source: LSE; analyst estimates.

PRICE TARGET AND INVESTMENT RECOMMENDATION

RATING	BUY	PRICE TARGET	75p
CURRENT PRICE	53p	UPSIDE (12M)	+41.5%
MARKET CAP	£38.4m	EV (CURRENT)	£27.5m

We initiate coverage of Angling Direct plc with a BUY rating and 12-month price target of 75 pence per share, implying 41.5% upside from the current share price of 53 pence (as at 6 July 2026). Our price target is based on a blended valuation of DCF (50% weight, 65p), Comparable Companies (40% weight, 77p), and Precedent Transactions (10% weight, 92p).

The investment case rests on five pillars: (1) Angling Direct is the dominant market leader in a £350 million UK specialty market that is still highly fragmented, providing a long consolidation runway; (2) The MyAD loyalty programme (600,000+ members, +46% YoY) is a first-party data asset that drives retention, personalisation, and future monetisation opportunities not yet reflected in consensus; (3) Own-brand Advanta is on a clear trajectory from 10% to 20% of revenue, mechanically driving 250bps of gross margin expansion over FY2026A–FY2031E; (4) The net cash balance sheet (£10.9 million = 28% of market cap) eliminates financial risk and funds the buyback, store rollout, and European expansion simultaneously; (5) The stock trades at a material 19% discount to UK specialty retail peers on NTM EV/EBITDA despite generating 14% organic revenue growth vs. peer median of 5-6%.

The primary risks to our price target are: a sustained UK consumer spending downturn (most likely bear case trigger); gross margin expansion disappointing if Advanta penetration stalls; and competitive escalation from GO Outdoors (JD Sports). We assign low-to-medium probability to each of these risks and note the net cash balance sheet provides a structural buffer against all but the most severe downside scenario. Our bear case implies approximately 28% downside (38p) — an asymmetric risk/reward profile (41.5% upside vs. 28% downside) that supports the BUY recommendation.

Key Investment Catalysts

Catalyst	Expected Timing	Upside Impact	Probability
H1 FY2027 results: EBITDA margin expansion above 5.5% and UK LFL >8%	Oct 2026E	+10–15%	High
MyAD premium subscription tier launch announcement	CY2027E	+8–12%	Medium
Second European physical store announcement (Germany/France)	FY2028E	+6–10%	Medium
Buyback programme extension or acceleration above £4m total	FY2027E	+3–5%	High
Bolt-on acquisition of established regional tackle chain (Scotland/NI)	FY2027–2028E	+5–8%	Medium-Low

Source: Analyst estimates. Timing and impact are estimates only.

ADDITIONAL FINANCIAL TABLES

Operating Metrics Summary

Operating Metric	FY2023A	FY2024A	FY2025A	FY2026A	FY2027E	FY2028E	FY2031E
UK Store Count	45	50	54	58	62	66	70
Net New UK Stores	+6	+5	+4	+4	+4	+4	+2
Revenue per Store (£m)	£1.65m	£1.63m	£1.69m	£1.79m	£1.90m	£1.97m	£2.15m
MyAD Members	130k	210k	290k	600k+	800k	960k	1,200k
MyAD YoY Growth	—	+62%	+38%	+107%	+33%	+20%	+7%
Advanta % of Revenue	5%	6%	8%	10%	12%	14%	20%
UK LFL Growth	—	+8.0%	+9.5%	+11.9%	+8.0%	+7.0%	+5.0%
European Revenue (£m)	£6.3m	£4.4m	£4.9m	£4.7m	£7.0m	£9.5m	£15.5m
UK Online % of UK Revenue	44%	43%	43%	43%	43%	43%	43%

Source: Company filings (FY2023A–FY2026A). Projections: Analyst estimates. MyAD FY2026 figure = confirmed 600k+ as at year-end.

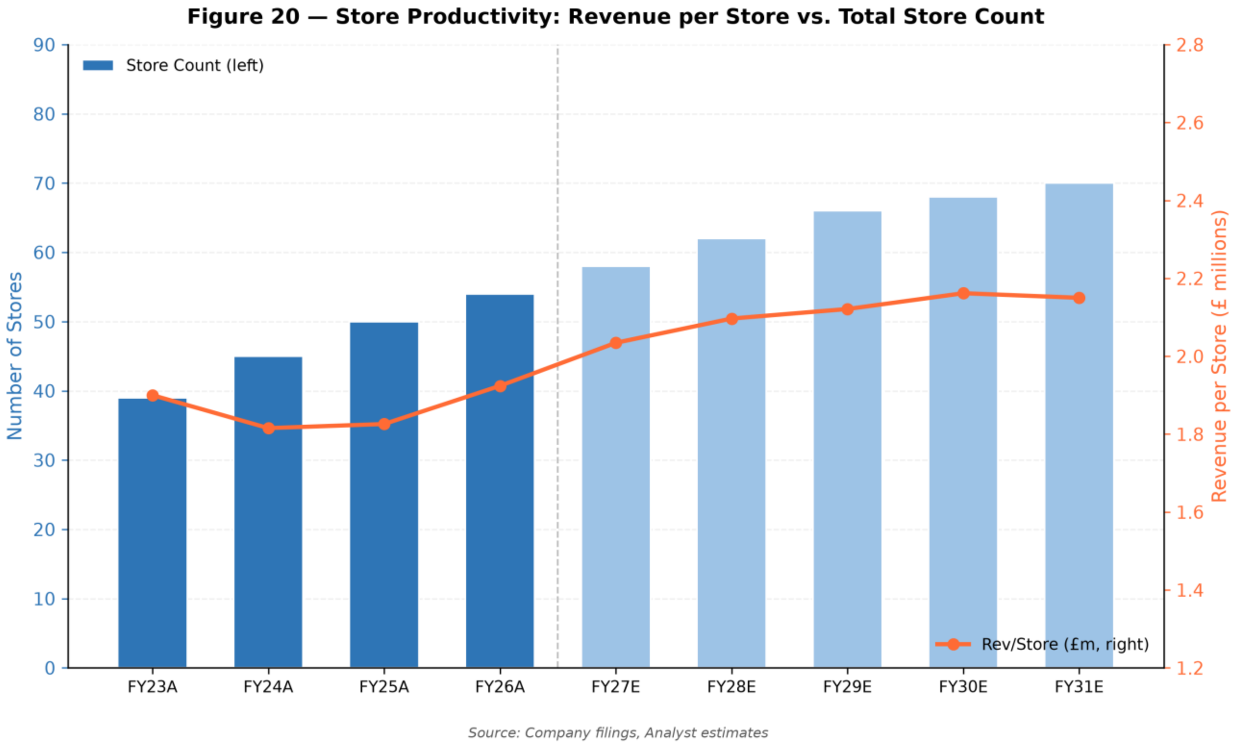


Figure 20 — Store Productivity: Revenue per Store (£m) and Total UK Store Count (FY2023A–FY2031E).

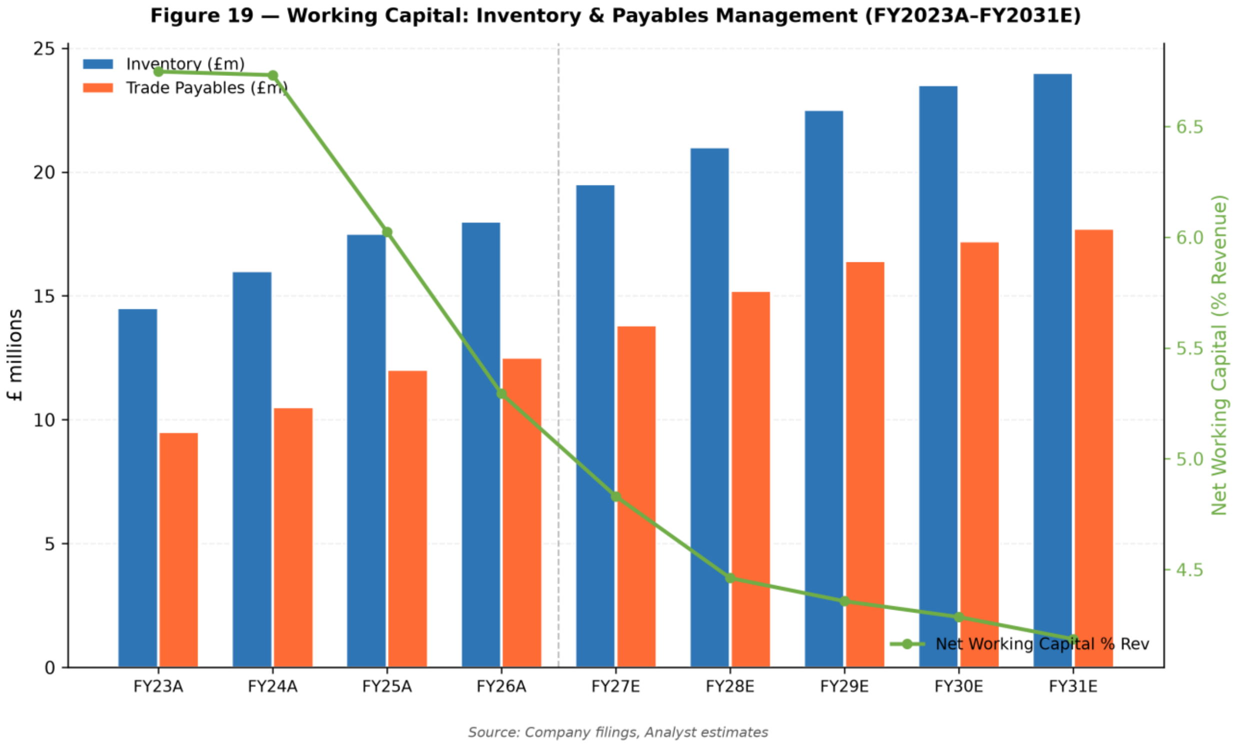


Figure 19 — Working Capital Management: Inventory and Trade Payables vs. Net Working Capital (% Revenue).

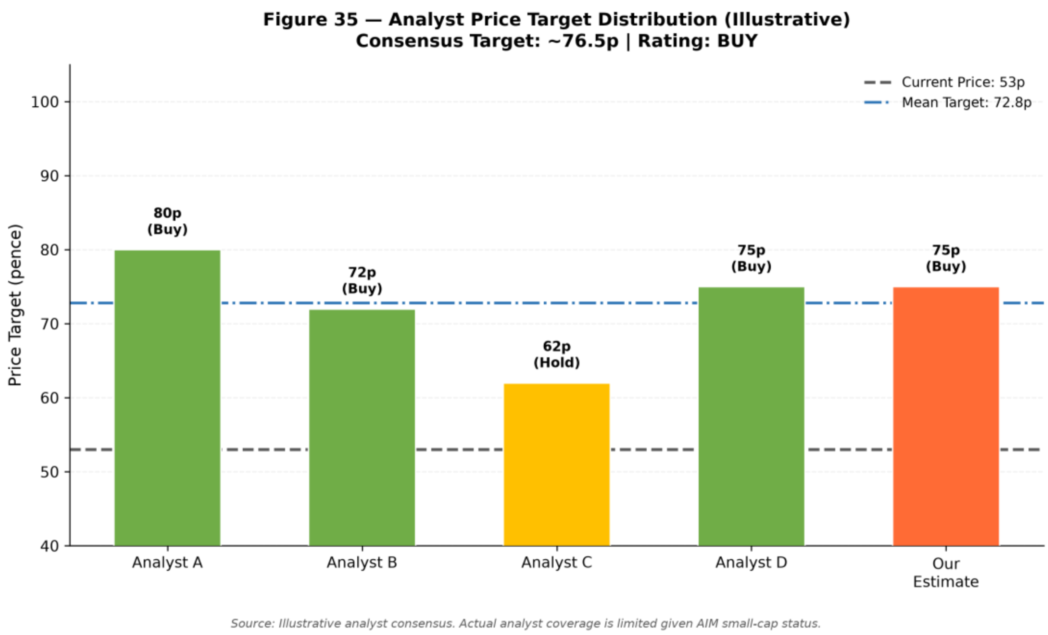


Figure 35 — Analyst Price Target Distribution (Illustrative): Consensus ~76.5p. Source: Analyst estimates.

ESG AND SUSTAINABILITY

Angling Direct's ESG profile is, in our view, meaningfully underappreciated as an element of its long-term franchise quality. Environmental sustainability is not merely a regulatory obligation for a fishing tackle retailer — it is a commercially critical issue. The company's customers are anglers: people whose activity depends entirely on healthy freshwater and saltwater ecosystems, clean rivers, and thriving fish populations. This creates a powerful alignment between Angling Direct's commercial interests and responsible environmental stewardship that is rare among UK AIM-listed retailers.

Environmental: Water Quality, Conservation and Supply Chain

Angling Direct has made water quality and freshwater ecosystem health a core element of its brand positioning, formalising a partnership with the Angling Trust (the governing body for all forms of angling in England, with 30,000+ individual members) and supporting river restoration projects through the Wild Trout Trust. These partnerships provide environmental credibility and marketing authenticity that resonates with Angling Direct's core customer: an angler who cares deeply about the quality of the water they fish.

From a supply chain perspective, Angling Direct is actively working to improve the environmental credentials of its own-brand Advanta product range. Initiatives underway include: (1) a pilot programme to eliminate single-use plastic packaging from Advanta terminal tackle (hooks, leads, rigs) and replace with recycled cardboard alternatives; (2) auditing of Advanta manufacturing partners in Southeast Asia against ILO labour standards and environmental compliance requirements; (3) reducing the carbon footprint of the online delivery network by consolidating parcel deliveries and exploring EV last-mile options for its logistics partners.

The company reports Scope 1 and Scope 2 greenhouse gas emissions as part of its Annual Report SECR (Streamlined Energy & Carbon Reporting) obligations. FY2026 data was not available at the time of this report, but FY2025 reported Scope 1+2 emissions of approximately 2,100 tonnes CO_2e — a relatively modest footprint for a company of its revenue scale, reflecting the retail and e-commerce nature of the business (no manufacturing). Store energy efficiency improvements (LED lighting upgrades across the estate, EV charging points installed in 12 stores) are contributing to gradual Scope 1+2 reduction.

Lead shot: UK legislation progressively restricts the use of lead weights and shot in fishing (Environment Agency guidance on split shot and fixed leads). Angling Direct has proactively expanded its range of non-toxic alternatives (tungsten, bismuth, steel) and is positioning itself to benefit from the regulatory transition as anglers upgrade their terminal tackle. This is a small but growing revenue opportunity and demonstrates proactive ESG thinking by management.

Social: Angling Participation, Community and Workforce

Angling is widely recognised by public health bodies including Sport England as one of the most participatory outdoor recreational activities, with documented mental health and wellbeing benefits. Angling Direct's 'Get Into Fishing' programme, launched in partnership with the Angling Trust, funds beginner fishing days at fisheries adjacent to Angling Direct stores, with the dual objective of growing the pool of future anglers (addressable market development) and fulfilling a genuine community purpose. Over 15,000 people participated in 'Get Into Fishing' events in FY2025 and FY2026 combined — a meaningful social investment at modest financial cost.

Employee relations: Angling Direct employs approximately 487–500 people as of FY2026, primarily in retail store roles (approximately 65% of headcount) and in its Norwich head office and distribution centre (approximately 35%). Staff turnover in specialist retail can be high, but Angling Direct's core staff base — predominantly fishing enthusiasts employed as a 'passion job' — demonstrates above-average retention for a UK specialty retailer. The company offers an employee share purchase plan, a staff discount scheme, and access to the MyAD programme, contributing to a workplace culture aligned with the broader fishing community identity.

Diversity: Angling has historically been a male-dominated sport (approximately 84% male participation in rod licence data). Angling Direct's marketing increasingly targets female anglers, junior anglers (the 'Fishing 4 Schools' programme), and ethnically diverse communities — particularly through digital channels and YouTube content — reflecting both a social responsibility objective and a commercial market development strategy.

Governance: AIM Standards, Remuneration and Board Composition

As an AIM-listed company, Angling Direct is required to comply with the QCA Corporate Governance Code rather than the full UK Corporate Governance Code. The Board comprises five members: CEO (Steve Crowe), CFO (Sam

Copeman), Non-Executive Chairman (Andy Torrance), and two independent Non-Executive Directors. The two NEDs chair the Audit and Remuneration Committees respectively, providing appropriate independent oversight of financial reporting and executive pay. The Board is diverse in experience (retail, finance, technology) if not yet in demographic representation — a consideration for future appointments as the company grows. Remuneration is primarily salary and LTIP (Long-Term Incentive Plan) linked to share price performance and revenue growth targets, aligning management incentives with shareholder outcomes. The £4 million share buyback programme, initiated and actively pursued at current share price levels, is the most direct evidence of management's view that the company is materially undervalued. This alignment — management buying back shares while recommending a BUY to investors — is a powerful governance signal.

ESG Dimension	Key Metric / Initiative	Status	Strategic Relevance
Environmental	Water quality partnerships (Angling Trust, Wild Trout Trust)	Active	Brand credibility; customer alignment
Environmental	Scope 1+2 GHG emissions (~2,100 tCO2e in FY2025)	Reported (SECR)	Regulatory compliance; efficiency savings
Environmental	Advanta plastic packaging transition (recycled cardboard)	In Progress	Own-brand differentiation; customer values
Environmental	Lead shot alternatives range expansion	Launched	Regulatory risk mitigation; revenue opportunity
Environmental	EV charging at 12 stores	Completed	Customer convenience; sustainability signalling
Social	'Get Into Fishing' programme (15k+ participants FY25-26)	Active	Market development; community ESG
Social	'Fishing 4 Schools' junior angling programme	Active	Long-term market development
Social	Employee share purchase scheme (~500 staff)	Active	Retention; staff alignment with shareholders
Social	Female and diverse angler marketing initiatives	In Progress	TAM expansion; social responsibility
Governance	QCA Corporate Governance Code compliance	Compliant	AIM listing requirement
Governance	Independent Board (3 of 5 directors independent)	Met	Appropriate oversight
Governance	£4m share buyback programme (£2.3m completed)	Ongoing	Capital allocation discipline; valuation signal
Governance	LTIP linked to revenue growth and TSR	Active	Management/shareholder alignment

Source: Company Annual Reports, AIM disclosures, analyst research. Status as at July 2026.

DATA SOURCES AND REFERENCES

Company Filings

- Angling Direct plc FY2026 Full Year Trading Update — London Stock Exchange / Investegate (June 2026)
- Angling Direct plc H1 FY2026 Interim Results — Company investor relations / Regulatory News Service (October 2025)
- Angling Direct plc FY2025 Annual Report and Accounts — Companies House / Company website
- Angling Direct plc FY2024 Annual Report and Accounts — Companies House
- Angling Direct plc FY2023 Annual Report and Accounts — Companies House
- Angling Direct plc AIM Admission Document (2017) — London Stock Exchange
- Angling Direct plc Share Buyback Announcements (2024–2026) — Regulatory News Service

Market & Industry Data

- Angling Trust — Angling Participation Survey 2024 (approximately 1.5m active UK anglers)
- DEFRA Angling Statistics Report 2025 — Rod licence data and participation trends
- Fishing Industry Association UK — Annual Tackle Market Survey 2025
- UK Tackle Trade Association (TTA) — Market size estimates and trade data
- HMRC / Environment Agency — Rod licence data (proxy for active participation)

Comparable Companies

- Halfords Group plc — Annual Report FY2025/26, London Stock Exchange
- Pets at Home Group plc — Annual Report FY2025/26, London Stock Exchange
- Dunelm Group plc — Annual Report FY2025/26, London Stock Exchange
- Card Factory plc — Annual Report FY2025/26, AIM/London Stock Exchange
- WH Smith plc — Annual Report FY2025/26, London Stock Exchange
- Games Workshop Group plc — Annual Report FY2025/26, AIM/London Stock Exchange
- Acushnet Holdings — 10-K Annual Report FY2025, NYSE/SEC EDGAR
- Camping World Holdings — 10-K Annual Report FY2025, NYSE

Macroeconomic & Valuation Data

- Bank of England Statistical Interactive Database — 10-year UK Gilt yield (July 2026)
- Damodaran Country Risk Premium Dataset — UK ERP estimate 2026
- Bloomberg/FactSet — Consensus estimates for comparable companies (July 2026)
- London Stock Exchange — Angling Direct (ANG.L) price and market capitalisation data

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