NEWS RELEASE

Interim Results

2025-11-18

RNS Number : 8894H

Gear4music (Holdings) PLC

18 November 2025

18 November 2025

Gear4music (Holdings) plc
Interim results for the six months ended 30 September 2025

"Strong momentum and progress in executing Growth Strategy leads to further upgrades"

Gear4music (Holdings) plc, ("Gear4music" or "the Group") (LSE: G4M), the largest UK based online retailer of musical instruments and music equipment, today announces its unaudited financial results for the six months ended 30 September 2025 ("the Period").

£m	**6-months ended 30 Sept 2025 ('FY26 H1')**	6-months ended 30 Sept 2024 ('FY25 H1')	**Change on FY25 H1**
UK revenue	**49.6**	38.7	**+28%**
European & Rest of World revenue	**31.1**	23.0	**+35%**
Total revenue	**80.7**	61.7	**+31%**
Gross profit	**22.7**	16.5	**+38%**
Gross margin	**28.2%**	26.7%	**+150bps**
EBITDA	**6.9**	2.9	**+4.0m**
Operating profit/(loss)	**3.4**	(0.5)	**+3.9m**
Profit/(loss) before tax	**2.7**	(1.2)	**+3.9m**

FY26 H1 Highlights:

- Results reflect progress in delivering our Growth Strategy in improved market conditions:

    - Very strong revenue growth across markets and brands: accelerated from 27% in FY26 Q1 to 34% in FY26 Q2
    - Gross margin of 28.2% (FY25 H1: 26.7%) reflects improving product margins
    - EBITDA improved by £4.0m to £6.9m equating to an EBITDA margin of 8.5% (FY25 H1: 4.7%)
    - Figures include £1.1m gross profit on previously reported stock acquired out of the insolvencies of two UK competitors

- Net bank debt of £16.0m was £1.6m higher than last year (30 September 2024: £14.4m) reflecting tactical intake of stock ahead of peak, and additional inventory to support sales growth.

Trading Outlook:

- Strong trading has continued in FY26 Q3 to date.
- UK warehouse expected to operate near maximum capacity during the upcoming peak seasonal trading period; plans in place to increase capacity during FY27 in line with our long-term strategy.
- Full-year outlook ahead of recently upgraded consensus market expectations, with EBITDA now expected to be not less than £15.0m.

Commenting on the results, Andrew Wass, Executive Chair said:

"We are delighted to report a strong operational and financial performance for FY26 H1, with revenues increasing by 31%, margins improving, and profit before tax up by £3.9m during what is typically our quieter half of the year.

I am extremely proud of the work our teams continue to undertake in implementing the revised Growth Strategy we announced in June 2024. Their efforts have enabled us to capitalise on the significant market opportunities that have arisen during 2025 as we enter an exciting new phase of our profitable growth journey.

As we approach the peak seasonal trading period, we are well prepared, although based on the current trajectory we expect our UK distribution centre in York will operate close to maximum capacity during December. To ensure we continue to deliver a market-leading customer proposition, we plan to open a new Yorkshire-based distribution centre within the next 12 months. Complementing our existing York facilities, the new site will increase our UK distribution capacity by approximately 2.5 times and provide the operational efficiency needed to support the next phase of our expansion and our long-term growth ambitions.

The strength of year-to-date trading gives the Board further confidence to again raise its expectations for the Group's financial performance for the year ending 31 March 2026, following the upgrades announced in June 2025, September 2025 and October 2025, and we now expect EBITDA to be not less than £15.0m.

We look forward to providing a further trading update after the Christmas period on 20 January 2026."

** Gear4music believes that current consensus market expectations prior to the release of this update for the year* *ending 31 March 2026 were revenues of £169.4 million, EBITDA of £13.7 million and profit before tax of £5.5 million.*

Enquiries:

Gear4music Andrew Wass, Executive Chair Gareth Bevan, Chief Executive Officer Chris Scott, Chief Financial Officer	+44 (0)20 3405 0205
Singer Capital Markets - Nominated Adviser and Broker Peter Steel/Sam Butcher, Corporate Finance Tom Salvesen, Corporate Broking	+44 (0)20 7496 3000
Alma Strategic Communications - Financial PR Rebecca Sanders-Hewett Joe Pederzolli Sarah Peters	+44 (0)20 3405 0205 **Gear4music@almastrategic.co.uk**

About Gear4music (Holdings) plc

Gear4music is the largest retailer of musical instruments and music equipment in the UK, delivering to 190 countries across Europe and the Rest of the World.

The Group sells own-brand musical instruments and music equipment alongside premium third-party brands including Fender, Yamaha and Roland, to customers ranging from beginners to musical enthusiasts and professionals.

Operating from a Head Office in York, the Group has Distribution Centres in York, Bacup, Sweden, Germany, Ireland & Spain, and showrooms in York, Bacup, Sweden & Germany.

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

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

Business Review

The Group reports its results for the six months to 30 September 2025, and updates on the Strategic, Commercial and Financial progress made in the Period.

Growth Strategy

Having laid the foundations for our revised Growth Strategy announced in June 2024 through strategic investments in people, processes, and structures during FY24, we refocused on driving profitable revenue growth in FY25. In FY26, we have made tangible progress across multiple Growth Strategy initiatives, resulting in a step-up in revenue growth to 31% in the Period in addition to a significant increase in margins and profitability:

- *Asset acquisitions*

During the Period, the insolvencies of Guitar, Amp & Keyboard ('GAK') in April 2025 and PMT Play Music Today ('PMT') in June 2025 created a UK market opportunity estimated at up to £63 million, based on their most recently filed accounts, and with our strength of brand and customer proposition we are well placed to take further market share. These developments also contributed to a more stable competitive environment, which had previously experienced periods of unusually aggressive pricing on certain branded products.

As announced we acquired the inventory of these two businesses and report related revenue of £1.9m and gross profit of £1.1m in the Period. At 30 September 2025 we had inventory with a carrying value of £1.4m remaining.

- *Marketing*

In FY25 H1, as previously announced, we encountered challenges with the implementation of an outsourced AI-based marketing system, which resulted in inefficient marketing and over-spend, and adversely impacted own-brand and European sales. In FY25 H2 we resolved these issues and recruited a new experienced Marketing Director with a background in e-commerce to build and lead a new team. Marketing performance in FY26 H1 has been transformed with costs as a percentage of sales improving from 7.3% in FY25 H1 to 6.4% in FY26 H1.

We brought Pay-per-Click ('PPC') management back in house and have now integrated with three European marketplaces, further developed our affiliate programs, and leveraged influencers to expand our reach. We are in the process of moving to a new Customer Relationship Management ('CRM') platform that will provide a single customer view and higher quality, more reliable insights.

- *Product offer - improved breadth and Own-brand progress*

Through the Period we invested in inventory to add breadth to support sales growth, use our scale to access buying opportunities as and when they arise, and towards the end of the Period we pulled forward intake to reduce inbound warehouse pressures during peak and enable a focus on fulfilling orders. On-hand 'Stock-Keeping-Units' ('SKU's) increased from 24,700 last year to 29,200 this year.

We continue to invest in our Own-brand team with headcount increasing from 25 to 27 since the start of the financial year to support product development, efficient purchasing and inventory management across our distribution centres, to increase own-brand revenue into the medium term. In the Period we increased own-brand SKU count to 5,710 accounting for 22.2% of total product sales from 8.7% of total SKUs.

Product highlights include launches of several new ranges under our AVCOM, Studiospares, Gear4music Life, Premier, Hartwood, Eden and Vision brands.

- *New UK Distribution Centre*

The Group is close to agreeing a 15-year lease for a new, 132,000 square foot, distribution centre in Yorkshire, located close to its existing operations. The new distribution centre is scheduled to be operational in Autumn 2026 and will support the Group's strategic expansion and free up space in the current York site to enhance Showrooms, Second-hand sales, and Returns operations, and to consolidate operations from our Bacup site.

The Group will invest an estimated £13m-15m into automation and fitting out through FY27 with a 3-5 year payback period, increasing and enhancing the Group's operational capacity to support continued growth which once established, is expected to deliver increasing operational efficiencies as the business expands.

Current trading and outlook

Whilst macro-economic uncertainties continue to weigh on consumers in the UK and across Europe, we see a continuation of the trends that have supported this period of very strong revenue growth. We remain confident in the enduring consumer demand for Gear4music products, and we are well-placed to further benefit once the consumer discretionary spend environment improves.

We are well-prepared ahead of the seasonal peak trading period and are taking pro-active action to manage the capacity limitations we anticipate at our York distribution centre. As a result of these factors, we are again in a position to upgrade our expectations with current year EBITDA now expected to be not less than £15.0m.

The Group plans to issue a Christmas trading update on 20 January 2026.

Commercial Review

	FY26 H1	FY25 H1	**Change on FY25 H1**
Revenue	**£80.7m**	£61.7m	**+31%**
Total sessions	**34.8m**	28.4m	**+23%**
Mobile sessions	**16.6m**	14.4m	**+15%**
Conversion rate - Sessions	**1.12%**	1.05%	**+7bps**
Average order value	**£163**	£153	**+7%**
Active customers *	**928,000**	805,000	**+15%**
[illegible]	[illegible]	[illegible]	[illegible]

Proportion of repeat customers **	**25.5%**	26.6%	**-110bps**
Email subscriber database	**2.13m**	1.92m	**+11%**
Trustpilot rating	**4.6/5**	4.7/5	**-**

* Active customers are those that have purchased products within the last 12 months

** Repeat customers are those that have made a purchase in the Period and have historically made at least one purchase

UK revenue in the Period was 28% ahead of last year (FY25 H1: +6%), reflecting a more favourable competitive landscape following the insolvencies of GAK in April 2025 and PMT in June 2025, and the strength of our brand and proposition allowing us to take market share. We estimate our share of the UK market for new musical instruments and equipment to have increased to 11.4% from 9.7% in FY25 H1.

International revenues returned to very strong growth being 35% ahead of last year (FY24 H1: down 12%), reflecting improved market conditions and a normalised level of efficient marketing as we move on from the problems we had with an outsourced AI-based marketing system.

We have responded to Google Analytics reporting challenges (due to opt-out of cookie consent leading to a higher proportion of modelled data) by refocusing on trends in session rather than user data. We are in the process of moving to a new customer data platform that will provide a single customer view and higher quality, more reliable insights:

- Website sessions increased 23% from 28.4m to 34.8m, comprising a 21% increase in UK traffic and 25% in international traffic, reflecting heightened demand for our proposition in the current market. Mobile sessions increased by 15% to 16.6m, representing 48% of total sessions (FY25 H1: 51%).
- Conversion rates by session improved from 1.05% last year to 1.12% this year, with similar improvements in the UK from 1.05% to 1.13% and in Europe from 1.06% to 1.13%. Mobile conversion increased from 1.21% to 1.45%.

As artificial intelligence continues to reshape consumer behaviour and the search landscape, investing in brand visibility within search engine AI overviews and large language models ('LLM's) is increasingly important. Despite the industry-wide rise in 'zero-click' searches driven by AI-generated results, Gear4music's organic traffic share in the Period increased from 26% last year to 28% of total sessions. However, the growing influence of AI discovery, combined with reduced cookie consent rates, contributed to a decline in tracked direct sessions, which fell from 23% to 15% of overall traffic.

Our own-brand influencer marketing initiative has been significantly upscaled in FY26 and is delivering strong results. Our approach includes a focus on Europe, with the aim of producing more localised and engaging content for our European audience. Key performance highlights for FY26 H1 include:

-	Content Published:	710pcs	(+315% YoY)
-	Total Views:	24.6m	(+510% YoY)
-	Total Engagements:	1.68m	(+624% YoY)
-	Engagement %:	6.8%	(+110bps YoY)

'Average Order Value' ('AOV') increased 7% to £163 reversing a 5% decrease last year, and reflecting proportionally more high value branded sales and less pricing pressures on some SKUs in certain territories as compared to last year.

The Group served 433,000 customers in the Period (+24% on FY25 H1) and 'Active customers', being those that have purchased products within the last 12 months, increased by 15%.

The proportion of repeat customers fell slightly to 25.5% (FY25 H1: 26.6%) reflecting proportionally higher level of paid-for new customers following the insolvency of several competitors. Our level of repeat custom continues to be lower than in many other e-commerce sectors, reflecting the nature of the Group's product range and high average order value, and re-affirms the importance of the Group being profitable from the first customer transaction.

Our email subscriber base increased by 0.2 million to 2.1 million. We are in the process of migrating to a new Customer Engagement Platform, designed to enhance customer retention and lifetime value through data-driven personalisation and targeted communications.

We continue to invest in our customer proposition and service teams, resulting in an excellent overall customer experience, reflected in **Gear4music.com**'s Trustpilot score of 4.6/5 and 'Excellent' rating from over 138,000 reviews.

Product and Supply Chain

	FY26 H1	FY25 H1	**Change on FY25 H1**
Own-brand product sales	**£17.2m**	£13.8m	**+25%**
Other brand product sales	**£60.3m**	£45.3m	**+33%**
Product margin	**32.1%**	30.9%	**+120bps**
Products listed	**65,700**	63,300	**+4%**
Brands listed	**1,142**	1,111	**+3%**

Achieving strong gross margins is important to the profitability of the Group and a key business objective. FY26 H1 gross margin of 28.2% is a 150bps improvement on last year reflecting:

- A 120bps improvement in product margin comprising:

- a 170bps improvement in own-brand margin to 49.1% having improved by 320bps last year;
- a 140bps improvement in branded margins to 27.3% (FY25 H1: 25.9%);
- a sales mix effect with a higher weighting of branded sales (77.8% v FY25 H1: 76.7%) following the failure of two competitors that predominantly retailed branded product;
- £1.1m gross profit on £1.9m of sales of branded deal-stock bought out of the insolvencies of GAK and PMT; and

- A 30bps decrease in net shipping costs reflecting higher AOV and a number of improved carrier deals.

The number of SKUs we list was flat between 30 September 2024 and 31 March 2025 at 63,300 and has since increased 4% to 65,700 at 30 September 2025. We continue to de-list less profitable, slow-moving SKUs.

Own-brand

Building on last year's focus on brand and range development we have again increased our in-house team to enable us to create wider appeal and innovative product offering.

The number of own-brand SKUs increased from 5,510 at 30 September 2024 to 5,710 (+4%) at 30 September 2025, with own-brand revenue accounting for 22.2% of total product sales (FY24 H1: 23.3%) from 8.7% of total SKUs (FY25 H1: 8.7%), reflecting the significant on-going efforts of our in-house team in developing our range of high-quality instruments and equipment at affordable prices.

Product highlights include:
- Studiospares brands re-launched following complete range overhaul;
- Launched Gear4music Life - a range of instruments and accessories to support mindfulness, sound therapy and creative exploration;
- Expanded our Keynote pianos range to include new Keynote Junior models;
- Launched new Premier drum kits, snare drums, and accessories;
- Launched new Hartwood electric and acoustic Guitar ranges, as well as the brands first Bass Guitar ranges;
- Expanded the Eden offering, with new Accessories and the introduction of the NovaTone range of heads and cabinets;
- Continued expansion of the VISION range including additional VISIONAMP, VISIONPAD, and VISIONSTRING Mini; and
- In our **AV.com** business launched AVCOM 'centrepiece' products to complement the existing range of accessories and furniture.

Our outsourced consolidation infrastructure in China enables us to increase SKU coverage across our distribution centres whilst minimising the working capital investment. This also helped maintain strong product margins.

Software Development

We continue to leverage a combination of in-house capability with a team of 40 developers (30 September 2024: 32), and the outsourcing of one distinct project to external contractors.

The Group capitalised £1.7m (FY25 H1: £1.6m) in relation to its e-commerce platform in the Period including £0.4m (FY25 H1: £0.4m) of outsourced development that is now being wound-down as the new purchasing platform project approaches launch.

Recent deployments include:

- Integrated with marketplace aggregator to create a scalable marketplace operation (Phase 1 delivered August 2025 and on-going);
- Promo Centre creates the ability to create, manage and report on variety of promotions, including trade-ins (Phase 1 delivered October 2025 and on-going);
- Integrated with 3rd party to create a scalable Customer Engagement platform, allowing highly targeted marketing activities through a variety of channels. (Phase 1 delivered Oct 2025 and ongoing); &
- Various platform infrastructure upgrades - improved security, resilience and efficiency ahead of peak.

'AI-based Forecasting and Purchasing platform' expected to launch FY26 Q4.

Financial Review

	FY26 H1	FY25 H1	**Change on FY25 H1**
Revenue	**£80.7m**	£61.7m	**+31%**
Gross profit	**£22.7m**	£16.5m	**+38%**
Gross margin	**28.2%**	26.7%	**+150bps**
EBITDA	**£6.9m**	£2.9m	**+139%**
Operating profit/(loss)	**£3.4m**	(£0.5m)	**£3.9m**
Marketing costs	**£5.1m**	£4.5m	**+14%**
Marketing costs as % of revenue	**6.4%**	7.3%	**-90bps**
Total Labour costs	**£7.4m**	£6.4m	**+16%**
Total Labour costs as % of revenue	**9.2%**	10.3%	**-110bps**

Revenue

Revenue growth accelerated from 4% in FY25 H2 to 31% in FY26 H1 helped by the insolvencies of GAK and PMT in the UK, and BAX in Europe in FY26 Q1, and the opportunity that presented itself to increase our market share.

Growth increased from 27% in FY26 Q1 to 34% in FY26 Q2. In FY25 we reported 58% of our full year revenue in H2, but that will be difficult to repeat in FY26 due to warehouse capacity constraints in the peak trading weeks.

UK revenue was 28% ahead of last year taking our estimated share of a flat UK market to 11.4% (FY25 H1: 9.7%). International revenues of £31.1m were 35% up on last year reversing a 12% decrease in FY25 H1, reflecting improving trading conditions and increased marketing investment in Europe. International revenue accounted for 39% of the Group total revenue compared to 37% in FY25 H1.

In the Period we acquired the residual stock of GAK and PMT out of Administration and report £1.9m revenue and £1.1m gross profit on this stock. At 30 September 2025 we had £1.4m related stock remaining.

Gross Margin and Gross Profit

As outlined in the 'Commercial Review' gross margin improved 150bps from 26.7% last year to 28.2%, reflecting a 120bps improvement in product margin, and a 30bps decrease in net delivery costs reflecting a higher AOV.

Own-brand product margin improved to 49.1% (FY25 H1: 47.4%) and branded-margin to 27.3% (FY25 H1: 25.9%). Own-brand revenue growth of 25% is very strong but lagged growth in branded-products which created an adverse mix effect.

As referenced above, we paid £2.2m for certain stock out of the Administrations of GAK and PMT in the Period and report a £1.1m gross profit on sale of £0.8m of this stock, at a 59% gross margin. Adjusting to remove the upside on sales of this stock in the Period results in adjusted revenue of £78.8m (+28% on FY25 H1), adjusted gross profit of £21.6m (+31% on FY25 H1), and adjusted gross margin of 27.4% (+70bps on FY25 H1).

Operating Profit and Administrative Expenses

Operating profit of £3.4m represents a £3.9m improvement on FY25 H1, being the net of a £6.2m increase in gross profit and a £2.5m increase in Admin expenses.

Admin expenses increased 14% relative to a 31% increase in revenue reflecting an improved Marketing setup and returns and retaining wider cost control discipline. Admin expenses decreased from 28.1% of revenue in FY25 H1 to 24.6% in FY26 H1.

Marketing and labour costs continue to be major components of our overhead base, accounting for a combined 63% of Admin expenses in the Period and in the prior year:

Marketing

Marketing costs of £5.1m (FY25 H1: £4.5m) equated to 6.4% of sales (FY25 H1: 7.3%) reflecting an improved team and set-up having resolved last year's issue with an outsourced marketing system, and improved market conditions.

Marketing spend continues to be heavily PPC-focused, accounting for 86% of total marketing spend (FY25 H1: 88%) targeting a pre-defined and measurable return on investment.

Labour costs

Total labour costs increased £1.0m (14%) on FY25 H1 to £7.4m reflecting:

- FY26 H1 average headcount of 436 being 22 (5%) higher than FY25 H1; and
- FY26 H1 average cost per head being 10% higher than FY25 H1.

Total headcount at 30 September 2025 of 470 is 36 (8%) higher than last year.

Other Administrative expenses

European distribution centre local expenses increased £0.1m (5%) on FY25 H1 to £2.5m reflecting a £0.1m increase in labour costs linked to increased activity.

Depreciation and amortisation in the Period totalled £3.5m (FY25 H1: £3.4m) including amortisation of £2.1m (FY25 H1: £2.0m) relating to our bespoke e-commerce platform, and £0.8m depreciation of 'Right of Use' assets (FY25 H1: £0.8m).

EBITDA

We report FY26 H1 EBITDA of £6.9m which is £4.0m (139%) higher than last year and equates to an EBITDA margin of 8.5% compared to 4.7% last year.

Adjusted EBITDA to remove the gross profit impact of the sale of GAK and PMT stock in full is £5.8m which is £2.9m (100%) higher than last year and equates to an EBITDA margin of 7.3%.

Financial Expenses and Net Profit

Net financial expenses of £0.7m include £0.5m net bank interest (FY25 H1: £0.5m), and £0.2m interest on lease liabilities (FY25 H1: £0.2m).

A tax charge of £0.7m reflects an increase in taxable Group profits and includes a £0.2m deferred tax expense.

We report a profit in the Period of £2.0m compared to a £1.2m loss in FY25 H1, equating to a basic profit per share of 9.6p (FY25 H1: 5.9p loss per share).

Cash Flow and Balance Sheet

Net bank debt at 30 September 2025 was £16.0m (FY25 H1: £14.4m) reflects an additional £10m investment in inventory to support sales growth, take advantage of opportunities, and bring stock in earlier to reduce pressure on our Distribution Centres during peak. In FY25 Q3 we dispatched stock with a cost value of £32.1m.

This is a low point in the annual cash cycle as we invest in inventory ahead of peak seasonal trading. Nevertheless, this equates to just 1.1 times 12-month rolling EBITDA at 30 September 2025 (£14.0m), and we continue to own our freehold head office with a net book value of £6.2m.

This represents significant headroom of £14.0m within the Group's £30m RCF, and a marked reduction is expected by 31 March 2026 as seasonal increases in stock unwind and convert into cash.

	FY26 H1 £m	FY25 H1 £m	**Change on FY25 H1 £m**
Opening cash	**5.6**	4.7	**0.9**
Net cash used in Operating Activities	**(6.3)**	(3.8)	**(2.5)**
Net cash used in Investing Activities	**(1.8)**	(1.7)	**(0.1)**
Net cash from Financing Activities	**6.6**	7.4	**(0.8)**
Closing cash	**4.0**	6.6	**(2.6)**
Net bank debt	**(16.0)**	(14.4)	**(1.6)**

Reported inventory of £50.0m (FY25 H1: £40.1m) includes £8.7m of inbound stock-in-transit (FY25 H1: £7.6m) as we pull-forward intake to provide certainty and reduce pressure during peak to focus on fulfilling orders. This is 25% higher than last year relative to a 31% increase in revenue.

Trade and other payables of £25.4m were £4.3m (20%) higher than last year and includes £1.4m of customer prepayments (30 September 2024: £1.1m).

Capitalised software development costs totalled £1.7m in the Period (FY25 H1: £1.6m) compared to amortisation of £2.1m, resulting in a £0.4m decrease in net book value since the start of the financial year.

Property, plant and equipment capital expenditure was limited to £138,000 in the Period (FY25 H1: £123,000).

Dividend Policy

The Board does not recommend the payment of a dividend (FY25 H1: nil). Consistent with its previously stated approach, the Group will revisit its shareholder distribution policy at the appropriate time.

Unaudited consolidated interim statement of profit and loss and other comprehensive income

	Note	**6 months ended 30 September 2025 (unaudited) £000**	6 months ended 30 September 2024 (unaudited) £000	Year ended 31 March 2025 (audited) £000
Revenue	*3*	**80,747**	61,742	146,720
Cost of sales		**(58,005)**	(45,247)	(107,057)
Gross profit		**22,742**	16,495	39,663
Administrative expenses	*3,4*	**(19,869)**	(17,360)	(37,335)
Other income	*4*	**537**	374	910
Operating profit/(loss)		**3,410**	(491)	3,238
Financial expenses	*6*	**(729)**	(763)	(1,791)
Financial income	*6*	**40**	50	115
Profit/(loss) before tax		**2,721**	(1,204)	1,562
Taxation	*7*	**(709)**	(25)	(730)
Profit/(loss) for the Period		**2,012**	(1,229)	832
Other comprehensive income				
Items that will not be reclassified to profit or loss:				
Deferred tax movements		**3**	104	5
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences - foreign operations		**(35)**	44	36

Total comprehensive profit/(loss) for the Period		**1,980**	(1,081)	873
Profit/(loss) per share attributable to equity shareholders of the company				
Basic profit/(loss) per share	*5*	**9.6p**	(5.9p)	4.0p
Diluted profit/(loss) per share	*5*	**9.1p**	(5.9p)	3.8p

Unaudited consolidated interim statement of financial position

	Note	**30 September 2025 (unaudited)**	30 September 2024 (unaudited)	31 March 2025 (audited)
		£000	£000	£000
Non-current assets				
Property, plant and equipment	*8*	**9,778**	10,461	10,134
Right-of-use assets	*9*	**5,654**	7,283	6,479
Intangible assets	*10*	**21,158**	21,689	21,606
		36,590	39,433	38,219
Current assets				
Inventories	*11*	**50,044**	40,065	34,193
Trade and other receivables	*12*	**5,391**	3,049	3,147
Corporation tax receivable		-	505	239
Cash and cash equivalents		**4,045**	6,553	5,576
		59,480	50,172	43,155
Total assets		**96,070**	89,605	81,374
Current liabilities				
Trade and other payables	*14*	**(25,131)**	(21,086)	(19,921)
Lease liabilities	*15*	**(1,860)**	(1,790)	(1,869)
Corporation tax payable		**(134)**	-	-
		(27,125)	(22,876)	(21,790)
Non-current liabilities				
Interest bearing loans and borrowings	*13*	**(20,000)**	(21,000)	(12,000)
Other payables	*14*	**(253)**	(30)	(238)
Lease liabilities	*15*	**(5,095)**	(6,865)	(5,940)
Deferred tax liability		**(2,253)**	(1,546)	(2,103)
		(27,601)	(29,441)	(20,281)
Total liabilities		**(54,726)**	(52,317)	(42,071)
Net assets		**41,344**	37,288	39,303
Equity				
Share capital		**2,098**	2,098	2,098
Share premium		**13,286**	13,286	13,286
Foreign currency translation reserve		**105**	147	140
Revaluation reserve		**1,145**	1,171	1,145
Retained earnings		**24,710**	20,586	22,634
Total equity		**41,344**	37,288	39,303

	Note	**30 September 2025 (unaudited)**	30 September 2024 (unaudited)	31 March 2025 (audited)
	Note	**£000**	£000	£000

Unaudited consolidated interim statement of cash flows

	Note	**6 months ended 30 September 2025 (unaudited) £000**	6 months ended 30 September 2024 (unaudited) £000	Year ended 31 March 2025 (audited) £000
Cash flows from operating activities				
Profit/(loss) for the Period:		**2,012**	(1,229)	832
Adjustments for:				
Depreciation and amortisation	*8-10*	**3,460**	3,364	6,802
Financial expense	*6*	**688**	713	1,553
Loss/(profit) on sales of property, plant and equipment		**-**	1	(5)
Share-based payment charge/(credit)		**61**	(59)	63
Tax charge/(credit)	*7*	**527**	(131)	340
		6,748	2,659	9,585
(Increase)/decrease in trade and other receivables		**(2,244)**	31	(69)
(Increase) in inventories		**(15,851)**	(14,422)	(8,550)
Increase in trade and other payables		**5,034**	7,709	6,860
		(6,313)	(4,023)	7,826
Tax received		**9**	175	429
Net cash (used in)/generated from operating activities		**(6,304)**	(3,848)	8,255
Cash flows from investing activities				
Proceeds from sales of property, plant and equipment		**1**	6	16
Acquisition of property, plant and equipment	*8*	**(138)**	(144)	(349)
Capitalised development expenditure	*10*	**(1,693)**	(1,649)	(3,573)
Payment of deferred consideration		**-**	-	(25)
Purchase of other intangibles		**-**	-	(102)
Interest received		**40**	50	115
Net cash used in investing activities		**(1,790)**	(1,737)	(3,918)
Cash flows from financing activities				
Proceeds from new borrowings	*13*	**8,000**	9,000	-
Interest paid	*6*	**(402)**	(718)	(1,774)
Payment of lease liabilities		**(1,035)**	(840)	(1,692)
Net cash generated from/(used in) financing activities		**6,563**	7,442	(3,466)
Net (decrease)/increase in cash and cash equivalents		**(1,531)**	1,857	871

	Note	6 months ended 30 September 2025 (unaudited)	6 months ended 30 September 2024 (unaudited)	Year ended 31 March 2025 (audited)
		£000	£000	£000
Cash at beginning of Period		**5,576**	4,696	4,696
Foreign exchange movement		-	-	9
Cash at end of Period		**4,045**	6,553	5,576

Unaudited consolidated interim statement of changes in equity

	Share capital	Share premium	Foreign currency translation reserve	Revaluation reserve	Retained earnings	Total equity
	£000	£000	£000	£000	£000	£000
Balance at 1 April 2025	**2,098**	**13,286**	**140**	**1,145**	**22,634**	**39,303**
Comprehensive income for the period						
Profit for the period	-	-	-	-	2,012	**2,012**
Other Comprehensive income:						
Foreign currency translation difference	-	-	(35)	-	-	**(35)**
Deferred tax adjustment	-	-	-	-	3	**3**
Total comprehensive income for the period	**-**	**-**	**(35)**	**-**	**2,015**	**1,980**
Transactions with owners						
Share based payments charge	-	-	-	-	61	**61**
Total transactions with owners	**-**	**-**	**-**	**-**	**61**	**61**
Balance at 30 September 2025	**2,098**	**13,286**	**105**	**1,145**	**24,710**	**41,344**
Balance at 1 April 2024	2,098	13,286	103	1,171	21,708	38,366
Comprehensive income for the period						
Loss for the period	-	-	-	-	(1,229)	(1,229)
Other Comprehensive income:						
Foreign currency translation difference	-	-	44	-	-	44
Deferred tax adjustment	-	-	-	-	104	104
Total comprehensive income for the period	-	-	44	-	(1,125)	(1,081)
Transactions with owners						
Share based payments charge	-	-	-	-	3	3

					3	3
Balance at 30 September 2024	2,098	13,286	147	1,171	20,586	37,288

Balance at 1 April 2024	2,098	13,286	103	1,171	21,708	38,366
Comprehensive income for the period						
Profit for the period	-	-	-	-	832	832
Other Comprehensive income:						
Foreign currency translation difference	-	-	37	-	-	37
Deferred tax adjustment	-	-	-	-	5	5
Depreciation transfer	-	-	-	(26)	26	-
Total comprehensive income for the period	-	-	37	(26)	863	874
Transactions with owners						
Share based payments charge	-	-	-	-	63	63
Total transactions with owners	-	-	-	-	63	63
Balance at 31 March 2025	2,098	13,286	140	1,145	22,634	39,303

Notes to the Interim Financial Information

General Information

Gear4music (Holdings) plc is a public limited company incorporated and domiciled in the United Kingdom and is listed on the Alternative Investment Market ('AIM') of the London Stock Exchange.

The Group financial information consolidates the financial information of the Company and its subsidiaries (collectively referred to as the "Group"). The Group has 100% owned trading subsidiaries in the UK ('Gear4music

Limited'), Sweden ('Gear4music Sweden AB'), Germany ('Gear4music GmbH'), Ireland ('Gear4music Ireland Limited') and Spain ('Gear4music Spain S.L.'). The Group also has one 100% owned dormant subsidiary in the UK ('Cagney Limited').

The principal activity of the Group is the retail of musical instruments and equipment.

The registered office of Gear4music (Holdings) plc (company number: 07786708) and Gear4music Limited (company number: 03113256) is Holgate Park Drive, York, YO26 4GN.

1 Accounting policies

Basis of preparation

The consolidated interim financial information, which has been neither audited nor reviewed by the auditor, has been prepared under the historical cost convention, except for land and buildings that are stated at their fair value, and in accordance with the recognition and measurement requirements of UK-adopted International Accounting Standards. The condensed consolidated interim financial information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006 and does not include all the information and disclosures required for full annual financial statements and is thus not in full compliance with UK-adopted international accounting standards. It should therefore be read in conjunction with the Group's Annual Report for the year ended 31 March 2025, which has been prepared in accordance with UK-adopted International Financial Reporting Standards and is available on the Group's investor website.

The accounting policies used in the financial information are consistent with those used in the Group's consolidated financial statements as at and for the year ended 31 March 2025, as detailed on pages 75 to 80 of the Group's Annual Report and Financial Statements for the year ended 31 March 2025, a copy of which is available on the Group's website, www.gear4musicplc.com.

As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "Interim financial reporting".

The comparative financial information contained in the condensed consolidated financial information in respect of the year ended 31 March 2025 has been extracted from the 2025 Financial Statements. Those financial statements have been reported on by Grant Thornton UK LLP and delivered to the Registrar of Companies. The report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report, and did not contain a statement under Section 498(2) or 498(3) of the Companies Act 2006.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at the year ended 31 March 2025.

Notes to the Interim Financial Information (continued)

Going concern

The Group's business activities and position in the market, and principal risks, uncertainties and mitigations are described in detail in the Strategic Report included on pages 1 to 51 of the Group's 2025 Annual Report and

Financial Statements.

In June 2025 the Group extended its RCF with HSBC at £30m for a further one-year period to 15 June 2027. This facility provides a good and appropriate level of headroom that has been factored into the Directors going concern assessment.

The Group's policy is to ensure that it has sufficient facilities to cover its future funding requirements.

At 30 September 2025 the Group had net debt of £16.0m (30 September 2024: £14.4m) including £4.0m cash (30 September 2024: £6.6m), with a good and appropriate level of headroom that has also been factored into the Directors' going concern assessment.

The Directors have considered the Group's prospects based on its current proposition and online offering in the UK and Europe, strategic developments delivered and in progress and concluded that there are significant opportunities for profitable growth as channel shift continues and customers move online.

There is a diverse supply chain with no key dependencies.

Having duly considered all these factors and having reviewed the forecasts for the period to 31 December 2026, the Directors have a reasonable expectation that the Group has adequate resources to continue trading for the foreseeable future, and as such continue to adopt the going concern basis of accounting in preparing the financial statements.

2 Principal risks and uncertainties

The Board considers the principal risks and uncertainties which could impact the Group over the remaining six months of the financial year to 31 March 2026 to be unchanged from those set out in the group's Annual Report and Financial Statements for the year ended 31 March 2025, and can be summarised as:

- IT and Cyber Security
- Warehousing and Distribution
- Supply chain
- Macroeconomic and geopolitical factors
- Climate risk and sustainability
- UK outside the EU
- Change management - Operational, Regulatory and Technological
- Brand and proposition
- Competition
- Financial risk
- ESG

These are set out in detail on pages 44 to 49 of the Group's Annual Report and Financial Statements for the year ended 31 March 2025, a copy of which is available on the Group's Plc website, www.gear4musicplc.com.

Notes to the Interim Financial Information (continued)

3 Segmental analysis

Revenue by Geography:

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
UK	**49,642**	38,711	90,230
Europe and Rest of the World	**31,105**	23,031	56,490
	80,747	61,742	146,720

Administrative expenses by Geography:

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
UK	**17,367**	14,976	32,605
Europe and Rest of the World	**2,502**	2,384	4,730
	19,869	17,360	37,335

Revenue by Category:

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
Other-brand products	**60,347**	45,334	104,677
Own-brand products	**17,182**	13,787	35,665
[illegible]	[illegible]	[illegible]	[illegible]

Carriage income	**2,840**	2,382	5,763
Warranty income	**229**	172	412
Other	**149**	67	203
	80,747	61,742	146,720

Notes to the Interim Financial Information (continued)

4 Expenses and other income

Included in profit/loss are the following:

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
Depreciation of property, plant and equipment	**493**	539	1,065
Depreciation of right-of-use assets	**825**	817	1,620
Amortisation of intangible assets	**2,141**	2,008	4,118
Loss/(profit) on disposal of property, plant and equipment	-	1	(5)
R&D expenditure recognised as an expense	**65**	105	126

Other income

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
RDEC tax credits	**182**	156	390
Rental income	**201**	115	289
Other	**154**	103	231
Total other income	**537**	374	910

Rental income relates to our freehold Head Office in York and sublet of part of our Spanish distribution centre. 'Other' includes income from on-site café at our Head Office in York, grants and marketing support.

5 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

Dilutive shares are not included as where their effect is anti-dilutive.

	6 months ended 30 September 2025	6 months ended 30 September 2024	Year ended 31 March 2025
Profit/(loss) attributable to equity shareholders of the parent (£'000)	**2,012**	(1,229)	832
Basic weighted average number of shares	**20,976,938**	20,976,938	20,976,938
Dilutive potential Ordinary shares	**1,178,166**	1,119,604	969,604
Dilutive weighted average number of shares	**22,155,104**	22,096,542	21,946,542
Basic profit/(loss) per share	**9.6p**	(5.9p)	4.0p
Diluted profit/(loss) per share	**9.1p**	(5.9p)	3.8p

6 Financial expenses & Financial Income

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
Bank interest	**584**	559	1,192
IFRS16 lease interest	**181**	220	418
Net foreign exchange (gain)/loss	**(36)**	(16)	179
Net fair value movements	**-**	-	2
Total financial expenses	**729**	763	1,791

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
Interest Received	**40**	50	115
Total financial income	**40**	50	115

Notes to the Interim Financial Information (continued)

7 Taxation

	6 months ended 30 September 2025 £000	6 months ended 30 September 2024 £000	Year ended 31 March 2025 £000
Current tax expense	**556**	243	490
Deferred tax expense/(credit)	**153**	(218)	240
Total tax expense	**709**	25	730

Deferred tax balances have been provided at 25% which was the tax rate which was substantively enacted at 30 September 2023.

Notes to the Interim Financial Information (continued)

8 Property, plant and equipment

	Freehold property £000	Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Cost						
Balance at 1 October 2024	**8,201**	**2,438**	**7,678**	**30**	**1,390**	**19,737**
Additions	-	78	93	-	33	204
Disposals	-	(49)	-	-	(17)	(66)
Balance at 31 March 2025	8,201	2,467	7,771	30	1,406	19,875
Additions	-	11	88	-	38	138
Disposals	-	-	(2)	-	(2)	(3)
Balance at 30 September 2025	**8,201**	**2,478**	**7,858**	**30**	**1,443**	**20,010**
Depreciation						
Balance at 1 October 2024	727	2,199	5,057	26	1,268	9,277
Charge for the Period	82	88	311	-	45	526
Disposals	-	(50)	-	-	(12)	(62)

	Freehold property £000	Plant and equipment £000	Fixtures and fittings £000	Motor vehicles £000	Computer equipment £000	Total £000
Balance at 31 March 2025	809	2,237	5,368	26	1,301	9,741
Charge for the Period	82	85	285	-	41	493
Disposals	-	-	(1)	-	(2)	(3)
Balance at 30 September 2025	**891**	**2,322**	**5,652**	**26**	**1,340**	**10,231**
Net book value as at 30 September 2025	**7,310**	**156**	**2,206**	**4**	**103**	**9,779**
Net book value as at 31 March 2025	7,392	230	2,403	4	105	10,134
Net book value as at 30 September 2024	7,474	239	2,621	4	122	10,461

Notes to the Interim Financial Information (continued)

9 Right-of-use Assets

Leasehold properties

At 30 September 2025 the Group had five leased properties: Distribution centres and showrooms in York, Sweden and Germany, and Distribution centres in Ireland and Spain.

As at 30 September 2025 the associated right of use assets are as follows:

	Land and Buildings £000
Cost	
Balance at 1 October 2024 and 31 March 2025	15,253

	Land and Buildings £000
Balance at 30 September 2025	**15,253**
Depreciation	
Balance at 1 October 2024	7,971
Charge for the Period	803
Balance at 31 March 2025	8,774
Charge for the Period	825
Balance at 30 September 2025	**9,599**
Net book value as at 30 September 2025	**5,654**
Net book value as at 31 March 2025	6,479
Net book value as at 30 September 2024	7,283

Notes to the Interim Financial Information (continued)

10 Intangible assets

	Goodwill £000	Software platform £000	Brand £000	Domain names £000	Other Intangibles £000	Total £000
Cost						
Balance at 1 October 2024	5,324	30,380	1,372	3,043	149	40,268
Additions	-	1,924	98	4	-	2,026
Balance at 31 March 2025	5,324	32,304	1,470	3,047	149	42,294
Additions	-	1,693	-	-	-	1,693

	Goodwill £000	Software platform £000	Brand £000	Domain names £000	Other Intangibles £000	Total £000
Balance at 30 September 2025	**5,324**	**33,997**	**1,470**	**3,047**	**149**	**43,987**
Amortisation						
Balance at 1 October 2024	-	17,904	563	8	103	18,578
Amortisation for the Period	-	2,088	-	2	20	2,110
Balance at 31 March 2025	-	19,992	563	10	123	20,688
Amortisation for the Period	-	2,119	-	4	18	2,141
Balance at 30 September 2025	**-**	**22,111**	**563**	**14**	**141**	**22,829**
Net book value at 30 September 2025	**5,324**	**11,886**	**907**	**3,033**	**8**	**21,158**
Net book value at 31 March 2025	5,324	12,312	907	3,037	26	21,606
Net book value at 30 September 2024	5,324	12,476	809	3,035	46	21,689

11 Inventories

	30 September 2025 £000	30 September 2024 £000	31 March 2025 £000
Finished goods	**50,044**	40,065	34,193

The cost of inventories recognised as an expense and included in cost of sales in the period ended 30 September

2025 amounted to £53.1m (FY25 H1: £41.5m).

Inventories include £8.7m of predominantly Own-brand stock-in-transit (30 September 2024: £7.6m) from Far East manufacturers.

Notes to the Interim Financial Information (continued)

12 Trade and other receivables

	30 September 2025 £000	30 September 2024 £000	31 March 2025 £000
Trade receivables	**1,650**	1,377	1,100
Prepayments	**3,741**	1,672	2,047
	5,391	3,049	3,147

Trade receivables include cash lodged with payment providers, Amazon and the Group's consumer finance partners, and UK and International education and trade accounts where standard credit terms are 30-days.

13 Interest bearing loans and borrowings

	30 September 2025 £000	30 September 2024 £000	31 March 2025 £000
Non-current liabilities			
Bank loans	**20,000**	21,000	12,000
	20,000	21,000	12,000
Current liabilities			
Bank loans	-	-	-
	-	-	-
Total liabilities			
Bank loans	**20,000**	21,000	12,000
	20,000	21,000	12,000

Revolving Credit Facility

In June 2025 the Group extended its £30m RCF with HSBC for a further one-year period, to June 2027. This is secured by a debenture over the Group's assets.

Loans incur interest at variables rates linked to SONIA, with a margin non-utilisation fee.

14 Trade and other payables

	30 September 2025 £000	30 September 2024 £000	31 March 2025 £000
Current			
Trade payables	**16,336**	14,803	12,112
Accruals and deferred income	**6,057**	4,059	4,802
Deferred consideration	-	23	-
Other creditors including tax and social security	**2,738**	2,201	3,007
	25,131	21,086	19,921
Non-current			
Accruals and deferred income	**253**	30	238

Accruals at 30 September 2025 include:

- £1,363,000 (30 September 2024: £1,136,000) relating to customer prepayments; and
- £64,000 (30 September 2024: £30,000) relating to the estimated cash bonuses accrued relating to the CSOP schemes.

The Directors consider the carrying amount of other 'trade and other payables' to approximate their fair value.

15 Lease liabilities

The Group has five property leases. Each lease is reflected on the statement of financial position as a right-of-use asset and a lease liability. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment.

Lease liabilities are presented in the statement of financial position as follows:

	30 September 2025 £000	30 September 2024 £000	31 March 2025 £000
Current	**1,860**	1,790	1,869
Non-current	**5,095**	6,865	5,940
	6,955	8,655	7,809

16 Share based payments

The Group operates share option plans for qualifying employees of the Group. Options in the plans are settled in equity in the Company and are subject to vesting conditions. Relevant events in the Period include:

Options granted - LTIP (2025)

On 3 July 2025 the Group adopted a new long term incentive plan ('LTIP') with share awards made to the three executive directors of Gear4music (Holdings) plc.

Under the LTIP, Gear4music Limited, a wholly owned subsidiary of the Gear4music (Holdings) plc issued 200,000 'F' ordinary shares of one pence each, which are non-voting, non-dividend, restricted shares to the relevant individuals. The initial subscription cost was paid by way of a cash bonus.

These F Shares vest subject to achieving a £5 share price target in July 2028, at which point they can be exchanged on a one-for-one basis for new ordinary shares in Gear4music (Holdings) plc.

Options granted - CSOP (2025)

On 1 August 2025 options over a total of 11,340 Ordinary shares were granted to four non-Director employees under the Company's CSOP scheme.

17 Related party transactions

There were no significant related party transactions during the six months to 30 September 2025 (30 September 2024: none).

the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our **Privacy Policy**.

END

IR LDLLFEFLFFBK