

# RAMSDENS

## RAMSDENS HOLDINGS PLC

Unaudited Interim Results for the six months ended 31 March 2022



# Disclaimer

---

This document, which comprises a presentation of the results for the six months ended 31 March 2022 (the "**Presentation**"), has been prepared by, and is the sole responsibility of, Ramsdens Holdings PLC (the "**Company**").

This Presentation has not been approved by an authorised person in accordance with Section 21 of the Financial Services and Markets Act 2000 and therefore it is being delivered for information purposes only to a limited number of persons and companies who are persons who have professional experience in matters relating to investments, that is investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "**Order**") or are high net worth companies within the meaning set out in Article 49 of the Order or persons who are otherwise permitted by law to receive it (all such persons being "**Approved Persons**"). Any other person who receives this Presentation should not rely or act upon it. By accepting this Presentation and not immediately returning it, the recipient represents and warrants that they are an Approved Person. This Presentation is not to be disclosed to any other person or used for any other purpose.

This Presentation should not be considered as the giving of investment advice by the Company or any of its directors, officers, agents, employees or advisers. In particular, this Presentation does not constitute or form part of any offer, or an invitation to sell or issue or subscribe for or purchase any securities in nor of the Company and neither this Presentation nor anything contained therein or any part thereof or the fact of its distribution form the basis of, or be relied upon in connection with, any contract or commitment whatsoever or act as an inducement to enter into any contract or commitment whatsoever in respect of the securities of the Company or otherwise, or constitute or evidence a representation that any such offer or invitation will be made.

No reliance may be placed for any purposes whatsoever on the information or opinions contained in this Presentation or given at any Presentation or on its/their completeness, accuracy or fairness.

While the information contained herein has been prepared in good faith, neither the Company nor any of its directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available in connection with it (all such information being referred to as "**Information**") and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or indirect, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation. This Presentation does not constitute a recommendation regarding any decision to sell, purchase or subscribe for securities in or of the Company.

In particular but without limitation no undertaking, representation, warranty or other assurance (express or implied) is given as to the prospects of the Company and nothing in this Presentation should be relied upon as a promise or representation as to the future. This Presentation may contain certain forward-looking statements that involve substantial risks and uncertainties, and actual results and developments may differ materially from those expressed or implied by these statements. These forward-looking statements are statements regarding the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results of operations, financial condition, prospects, growth, strategies and the industry in which the Company operates. By their very nature, such forward-looking statements require the Company to make assumptions which may or may not materialise and may be price sensitive and involve known and unknown risks, uncertainties and other important factors beyond the control of the Company that could cause the actual performance or achievements of the Company to be materially different from such forward-looking statements. Past performance cannot be relied upon as a guide to future performance. These forward looking statements speak only at the date of the Presentation and the Company does not undertake and accepts no obligation to update or revise such forward-looking statements nor to publicly release any revisions to these forward looking statements to reflect events or circumstances after the date of this Presentation. In furnishing this Presentation, the Company does not undertake or agree to any obligation to provide the recipient with access to any additional information or to update this Presentation or to correct any inaccuracies in, or omissions from, this Presentation which may become apparent. Nothing in this paragraph shall exclude any liability for any undertaking, representation, warranty or other assurance made fraudulently.

Neither this Presentation nor any copy of it may be (a) taken or transmitted into Australia, New Zealand, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States of America or any jurisdiction of the European Economic Area (other than the United Kingdom) (each a "**Restricted Territory**"), their territories or possessions, (b) distributed to any U.S. person (as defined in Regulation S under the United States Securities Act of 1933 (as amended) ) or (c) distributed to any individual outside a Restricted Territory who is a resident thereof in any such case for the purpose of offer for sale or solicitation or invitation to buy or subscribe any securities or in the context where its distribution may be construed as such offer, solicitation or invitation, in any such case except in compliance with any applicable exemption. The distribution of this document in or to persons subject to other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Any failure to comply with these restrictions may constitute a violation of the laws of the relevant jurisdiction.

Terms and conditions relating to this Presentation and any matter or dispute (whether contractual or non-contractual) arising out of them shall be governed by and construed in accordance with English law and the English courts shall have exclusive jurisdiction in relation to any such matter or dispute.

Note: The financial information contained in this document, including the financial information presented in a number of tables in this document, has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

# Ramsdens overview

The Group is a growing diversified financial services provider and retailer

## Business segments

-  Foreign Currency Exchange (FX)
-  Pawnbroking
-  Purchase of Precious Metals
-  Jewellery Retail
-  Other Services (including Western Union and cheque cashing)

NB. The Group does not offer unsecured personal loans often referred to as high cost short term credit



Eldon Square, Newcastle

# The Period in summary

---

## Continued resilience and strategic progress

- A strong performance as trading conditions started to normalise, with Profit Before Tax of £2.2m (HY21: £0.1m loss)
- Trading activity increased in line with the easing of Covid-19 restrictions
- Strengthened balance sheet with net assets of £37.6m, including net cash of £9.3m, at 31 March 2022
- Return to long term dividend strategy with interim dividend of 2.7p per share announced
- Well positioned for second half with positive momentum as we approach the key summer period

## Continuing our growth strategy

1. Drive growth from core estate
  - One store relocated in the Period with a further two relocated in May
  - Continued investment in jewellery retail offering - significant increase in stock and roll out of concept store design window display
  - Underpinned by continued focus on people development
2. Expand store estate
  - Strategic expansion into the South East
  - Three new stores opened during the Period
  - Further five new stores planned for the remainder of FY22 and a healthy pipeline for FY23
3. Grow online presence
  - Continued investment in e-commerce operations driving growth
4. Capitalise on consolidation opportunities
  - Single store acquired in Boscombe
  - Current market conditions and strategic geographic expansion will present opportunities



# FINANCIAL REVIEW

**RAMSDENS**

**PAWNBROKING LOANS**  
How does it work?

- 1 Take an item of value to one of our branches
- 2 We will value your item & agree a loan amount
- 3 Get the cash today & we keep your item safe until the loan is repaid

Ask staff for details

**RAMSDENS**

**WIN £1000**  
in our monthly competition

**NEW JEWELLERY**

£100	£150	£200
£250	£300	£350
£400	£450	£500
£550	£600	£650
£700	£750	£800
£850	£900	£950

**RAMSDENS**

**WIN £1000**  
in our monthly competition

**WIN £1000**  
in our monthly competition

# Summary profit & loss

## Background

- HY20 (six months ended 31 March 2020) – trading substantially took place prior to the onset of Covid-19
- HY21 (six months ended 31 March 2021) – featured trading with a retail lockdown environment
- HY22 (six months ended 31 March 2022) – consumer behaviours are transitioning back to those seen prior to Covid-19

## Key highlights

- Revenue increased by 51% to £29.3m (HY21: £19.3m) with trading activity increasing in line with the easing of Covid-19 restrictions
- Gross profit increased by 49% to £15.7m (HY21: £10.5m) primarily due to increases in foreign currency gross profit (£2.4m increase) and jewellery retail gross profit (£1.8m increase)
- Administration expenses increased by 27% to £13.3m (HY21: £10.4m) primarily due to a return to standard store opening hours (including a reduction in Government furlough support), and increased variable costs in line with trading
- Finance costs primarily relate to interest expenses in relation to property leases following the transition to IFRS16
- Profit before tax increased to £2.2m in the Period (HY21: £0.1m loss)
- Basic earnings per share of 5.6p in HY22 (HY21: (0.3p))

## Consolidated profit & loss

£000s	HY22 (6 months)	HY21* (6 months)	6m change % (6 months)	HY20* (12 months)	FY21 (12 months)
Revenue*	29,265	19,326	51%	25,339	40,677
Cost of sales*	(13,532)	(8,781)	54%	(8,664)	(18,415)
<b>Gross profit</b>	<b>15,733</b>	<b>10,545</b>	<b>49%</b>	<b>16,675</b>	<b>22,262</b>
Other income	-	-	-	-	284
Administrative expenses	(13,287)	(10,446)	27%	(14,151)	(21,510)
<b>Operating profit</b>	<b>2,446</b>	<b>99</b>	<b>2,371%</b>	<b>2,524</b>	<b>1,036</b>
Finance costs	(230)	(232)	(1%)	(240)	(472)
<b>Profit before tax</b>	<b>2,216</b>	<b>(133)</b>		<b>2,284</b>	<b>564</b>
Income tax expense	(465)	29		(592)	(198)
<b>Profit after tax for the period</b>	<b>1,751</b>	<b>(104)</b>		<b>1,692</b>	<b>366</b>
<i>Basic earnings per share</i>	<i>5.6p</i>	<i>(0.3p)</i>		<i>5.5p</i>	<i>1.2p</i>

\*During FY21 the Group changed an accounting policy in relation to pawnbroking loans in the course of realisation. This has resulted in the restatement of prior year comparatives with no change to gross profit or net assets. Full details can be found in the Annual Report for the year ended 30 September 2021.

# Business segments

£000s	Revenue				Gross profit				Key highlights
	HY22 (6 months)	HY21* (6 months)	HY20* (6 months)	FY21 (12 months)	HY22 (6 months)	HY21 (6 months)	HY20 (6 months)	FY21 (12 months)	
Foreign Currency (FX)	3,596	1,027	4,705	3,408	3,447	1,027	4,705	3,257	<ul style="list-style-type: none"> <li>Easing of travel restrictions resulted in increasing volumes</li> <li>Daily volumes in March 2022 approximately 60% of pre pandemic levels (approximately 85% post Period end)</li> <li>Strong margins achieved through the Period</li> </ul>
Pawnbroking	4,248	4,062	5,052	7,526	3,694	3,480	4,706	6,678	<ul style="list-style-type: none"> <li>In date loan book increased from £5.6m to £6.9m in the Period as customers return to normal spending habits</li> </ul>
Jewellery Retail	13,085	8,074	7,054	18,252	4,923	3,168	3,113	6,965	<ul style="list-style-type: none"> <li>Excellent performance continued in the Period and was supported by easing of Covid-19 restrictions</li> <li>Significant investment in stock levels supporting sales growth with margin maintained</li> <li>Strong online sales growth of 48% year on year</li> </ul>
Purchase of Precious Metals	7,779	5,623	7,499	10,369	3,112	2,330	3,214	4,240	<ul style="list-style-type: none"> <li>More customers have sold their unwanted jewellery as life has normalised and footfall has increased</li> <li>High Sterling gold price supporting purchase volumes</li> </ul>
Other Services	557	540	1,029	1,122	557	540	937	1,122	<ul style="list-style-type: none"> <li>Steady source of income</li> </ul>
<b>Total</b>	<b>29,265</b>	<b>19,326</b>	<b>25,339</b>	<b>40,677</b>	<b>15,733</b>	<b>10,545</b>	<b>16,675</b>	<b>22,262</b>	

## Foreign Currency Exchange (FX)

### Key financials

£ms	HY22 (6m)	HY21 (6m)	HY20 (6m)	FY21 (12m)
Currency exchanged	94m	20m	181m	77m
Online C&C orders	10.0m	1.6m	18.5m	6.9m
C&C % of total	11%	8%	10%	9%

## Pawnbroking

### Loan book

£000s	As at Mar-22	As at Mar-21	As at Mar-20	As at Sep-21
Within contractual term	6,939	4,856	6,632	5,601
Past due	567	893	1,115	536
<b>Total</b>	<b>7,506</b>	<b>5,749</b>	<b>7,747</b>	<b>6,137</b>
Past due %	8%	16%	14%	9%

## Jewellery Retail

### Key financials

£000s	HY22 (6m)	HY21 (6m)	HY20 (6m)	FY21 (12m)
Gross margin %	38%	39%	44%	38%
Jewellery stock	20,070	10,810	8,919	13,979
Online sales	1,963	1,323	654	2,833
% of sales online	15%	16%	9%	16%

# Cash flow statement

## Key highlights

- Net cash flows from operating activities in HY22 was an outflow of £0.6m compared to an inflow of £1.1m in HY21
- Working capital cash outflows in HY22 include growth in the loan book of £1.2m and significant investments in retail stock of £5.7m, partially offset by favourable credit terms with suppliers as trade creditors increased by £2.2m
- £0.8 million CAPEX in HY22 includes two new stores and one store relocation. In addition, the Group invested £0.9m acquiring a jewellery and pawnbroking business based in Boscombe
- The Group has the benefit of a £10.0m revolving credit facility which expires in March 2024, and has drawn £1.5m at the end of the Period to support currency stock increases

## Dividend strategy

- As a result of improving trading conditions, the Board has approved an interim dividend of 2.7 pence per share (HY21: nil pence per share).
- Moving forwards the long-term progressive dividend policy is to be recommenced, with the intention being to distribute approximately 50% of post tax profits to shareholders subject to the Group executing its growth opportunities

## Cash flow statement

£000s	HY22 (6 months)	HY21* (6 months)	HY20* (6 months)	FY21 (12 months)
<b>EBITDA</b>	<b>4,291</b>	<b>1,771</b>	<b>4,655</b>	<b>4,646</b>
Share based payments	155	103	164	254
Movement in trade and other receivables*	(1,249)	1,257	408	565
Movement in inventories*	(5,736)	(417)	(781)	(3,992)
Movement in trade and other payables	2,186	(273)	(1,904)	1,217
Interest paid	(230)	(232)	(240)	(472)
Income tax paid	(60)	(1,066)	(929)	(1,135)
<b>Net cash flows from operating activities</b>	<b>(643)</b>	<b>1,143</b>	<b>1,373</b>	<b>1,083</b>
<b>Investing activities</b>				
Proceeds from sale of property, plant and equipment	-	10	-	10
Purchase of property, plant and equipment	(798)	(888)	(527)	(1,574)
Purchase of intangible assets	-	(13)	(13)	(62)
Acquisitions	(909)	-	-	-
<b>Net cash flows used in investing activities</b>	<b>(1,707)</b>	<b>(891)</b>	<b>(540)</b>	<b>(1,626)</b>
<b>Financing Activities</b>				
Issue of share capital	2	6	-	6
Dividends paid	(377)	-	(832)	-
Payment of principal portion of lease liabilities	(1,089)	(1,135)	(1,268)	(2,304)
Bank loans drawn down	1,500	-	-	-
Repayment of bank borrowings	-	-	(3,884)	-
<b>Net cash flows from financing activities</b>	<b>36</b>	<b>(1,129)</b>	<b>(5,984)</b>	<b>(2,298)</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(2,314)</b>	<b>(877)</b>	<b>(5,151)</b>	<b>(2,841)</b>

\*During FY21 the Group changed an accounting policy in relation to pawnbroking loans in the course of realisation.

This has resulted in the restatement of prior year comparatives with no change to gross profit or net assets. Full details can be found in the Annual Report for the year ended 30 September 2021.

# Financial position

## Key highlights

- Strong balance sheet with net assets of £37.6m (£36.1m at September 2021), including cash of £10.7m (£13.0m at September 2021)
- Inventories of £21.3m, an increase of £6.1m from 30 September 2021, reflecting the Group's continued investment in retail stock
- Intrinsic value of metals underpinning the inventory value
- Trade and other receivables (primarily pawnbroking loans secured on jewellery and watches) increased to £11.9m from £10.4m at 30 September 2021
- £10.0m revolving credit facility provides working capital flexibility for the Group's continued growth and funding for summer currency requirements and was £1.5m drawn at the Period end

## Balance sheet

£000s	As at 31 March 2022	As at 31 March 2021*	As at 31 March 2020*	As at 30 September 2021
<b>Non-current assets</b>				
Property, plant and equipment	5,343	5,207	5,354	5,195
Intangible assets	850	807	1,089	714
Investments	-	-	-	-
Right-of-use assets	9,055	8,286	9,009	8,164
Deferred tax assets	-	76	273	80
	<b>15,248</b>	<b>14,376</b>	<b>15,725</b>	<b>14,153</b>
<b>Current Assets</b>				
Inventories*	21,279	11,576	10,604	15,151
Trade and other receivables*	11,853	9,797	12,598	10,379
Cash and short term deposits	10,718	14,996	11,051	13,032
	<b>43,850</b>	<b>36,369</b>	<b>34,253</b>	<b>38,562</b>
<b>Total assets</b>	<b>59,098</b>	<b>50,745</b>	<b>49,978</b>	<b>52,715</b>
<b>Current liabilities</b>				
Trade and other payables	9,885	6,169	4,551	7,673
Lease liabilities	2,206	1,745	1,818	2,159
Interest bearing loans and borrowings	1,423	-	-	-
Income tax payable	403	70	809	61
	<b>13,917</b>	<b>7,984</b>	<b>7,178</b>	<b>9,893</b>
<b>Net current assets</b>	<b>29,933</b>	<b>28,385</b>	<b>27,075</b>	<b>28,669</b>
<b>Non-current liabilities</b>				
Lease liabilities	7,313	7,049	7,647	6,442
Accruals and deferred income	93	133	-	119
Deferred tax liabilities	152	61	192	118
	<b>7,558</b>	<b>7,243</b>	<b>7,839</b>	<b>6,679</b>
<b>Total liabilities</b>	<b>21,475</b>	<b>15,227</b>	<b>15,017</b>	<b>16,572</b>
<b>Net assets</b>	<b>37,623</b>	<b>35,518</b>	<b>34,961</b>	<b>36,143</b>

\*During FY21 the Group changed an accounting policy in relation to pawnbroking loans in the course of realisation. This has resulted in the restatement of prior year comparatives with no change to gross profit or net assets. Full details can be found in the Annual Report for the year ended 30 September 2021.



# OPERATIONAL REVIEW AND OUTLOOK



# Clear growth strategy

**DRIVE GROWTH FROM  
CORE ESTATE**



**EXPAND STORE ESTATE**



**GROW ONLINE  
PRESENCE**



**CAPITALISE ON  
CONSOLIDATION  
OPPORTUNITIES**



**WELL INVESTED SYSTEMS**

**MARKETING AND BRAND**

**PEOPLE, CULTURE AND CUSTOMER SERVICE**

**ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG)**

# Strategy 1. Drive growth from core estate

## Foreign currency

- Maintain competitive exchange rates and manage margins closely
- Increase market share as volumes return
- Improve repeat customer rates
- Improve share of customer foreign currency spend by launching new multi-currency card

## Purchase of precious metals

- Grow awareness amongst our existing customer base

## Jewellery retail

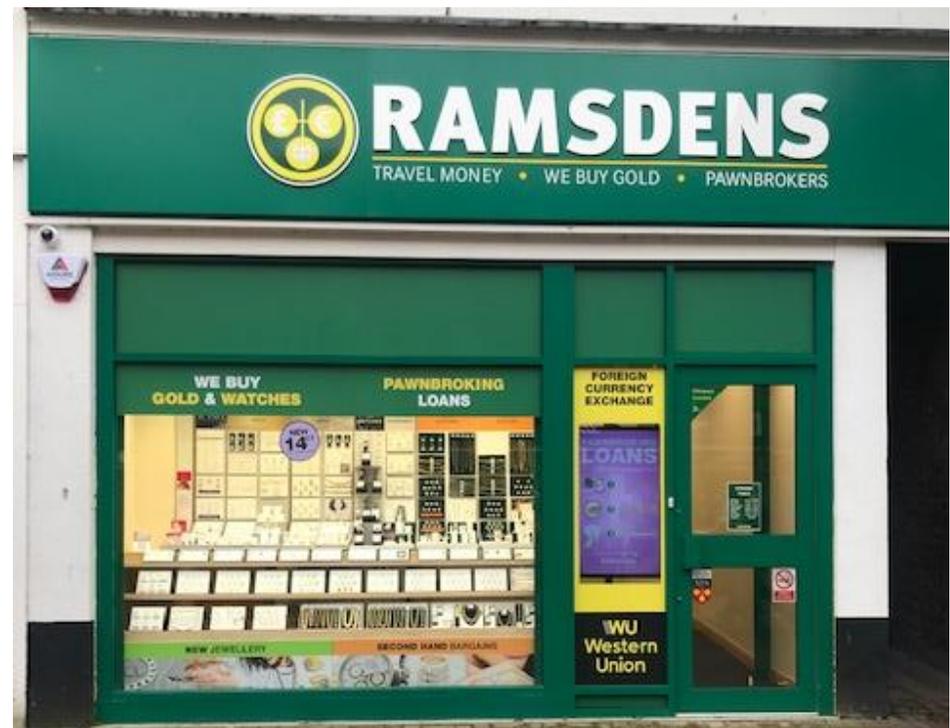
- Continue to invest in stock – quantity, quality and range
- Improve window displays to increase customer appeal using enhanced store concept design
- Utilise structured replenishment system
- Continue to invest in our retail website which acts as a catalogue for our branches to facilitate further in store sales

## Pawnbroking

- Maintain prudent lending policies but look at developing opportunities to lend more where appropriate
- Attract new customers through recommendations and marketing activities

## Relocations and refurbishments

- Relocate 4 more stores in 2022 to higher footfall locations to improve convenience, attract new customers and enhance our jewellery offer with larger window displays
- Refurbish 3 stores to improve jewellery offering
- Flexible lease portfolio provides a defensive quality if stores become isolated and enables relocations on a timely basis



Carlisle

# Strategy 2. Expand store estate

## Retail store estate

### Key highlights

- The Group has a successful branch-based model and with diversified income streams, stores generate a good return on capital while leveraging off the head office cost base in smaller locations. There is therefore significant opportunity to grow the store estate in larger, and smaller, towns as well as cities, and expand into new regions
- Three new stores have opened in the Period: Chatham, Argyll Arcade (Glasgow) and Boscombe (acquisition of Geo. A. Payne & Son Ltd jewellers and pawnbrokers)
- We have opened three of the targeted eight new locations for FY22. New stores comprise a mix of locations and include expanding further into London and the South East
- We intend to re-commence our strategy of 8 to 12 new locations per year from FY23 and have a healthy pipeline of targeted new stores



\*At May 2022

153 managed stores



Argyll Arcade, Glasgow

# Strategy 3. Grow online presence

## Jewellery retail website ([www.ramsdensjewellery.co.uk](http://www.ramsdensjewellery.co.uk))

- Strong growth continued with the total jewellery sold through our ecommerce activities increasing 48% to £2.0m (HY21: £1.3m) in the Period. Online sales now account for 15% of all jewellery sales compared to 9% pre pandemic.
- Maintain momentum by:
  - refreshing the website to improve the customer journey and drive conversion
  - continuing to invest in search engine optimisation, pay per click advertising, introduction of additional payment options and the use of AI to recommend product options to customers,
  - increasing the quantity of stock online and investing in improvements to product merchandising and descriptions
- Expanding the store estate should assist online sales via improved brand recognition
- The ecommerce department is managed as a separate business unit and is profitable

## Foreign currency website ([www.ramsdensforcash.co.uk](http://www.ramsdensforcash.co.uk))

- In the next 12 months we plan to refresh the Group's currency website, separating it from the other financial services and launch a new multi-currency card, which will also be accessible via an app



# Strategy 4. Capitalise on consolidation opportunities

## Pawnbroking

- We estimate the number of pawnbroking outlets in the UK remains steady at approximately 870 outlets operated by circa 130 pawnbroking businesses
- The South East of England has the highest concentration of pawnbroking outlets in the UK
- The Group's expansion strategy into the South East is aimed at creating a nucleus of Ramsdens stores (building brand recognition) and, as opportunities arise, acquiring pawnbroking outlets
- During the Period the Group purchased a single store in Boscombe that was trading as a jewellers and pawnbrokers



*Geo A. Payne & Son Ltd, Boscombe*

## Retail jewellery and foreign currency

- Competition levels have fallen as a result of store closures of currency providers, travel agents and jewellers

**We continue to actively seek and appraise any acquisition opportunities in all key segments**

# Environmental, Social and Governance (ESG)

---

## Our people

- Enhanced focus on inclusion and diversity
- Reward great performance and long service
- Focus on ensuring Ramsdens is a great place to work
- Positive 2021 staff engagement survey
  - 90% of staff work in a happy working environment
  - 84% of staff say they look forward to coming to work and are enthusiastic about the job they do
- Support the wellbeing of staff by having first class engagement with clear communications and where required support with specialist employee assistance services

## Our community

- Support local communities through charitable endeavours
- “Think Green” initiative to reduce our environmental impact through lower energy use and increased use of recycled materials and waste recycling facilities

## Our customers

- High repeat customer rates, low numbers of complaints and excellent Trustpilot ratings (4.8 out of 5 with over 5000 reviews)
- Committed to improving customer experience and adapting to customer needs
- Value for money offering and accessible to all
- Identifying and supporting vulnerable customers with proactive forbearance programmes

## Our governance

- Highly regulated business with a strong track record of compliance
- Strong Board and clear growth strategy
- Experienced internal audit and compliance & risk teams
- Responsible and sustainable procurement
- Focus on shareholder engagement with clear and transparent reporting

**Trusted**



**Open**



**Passionate**



# SUMMARY AND OUTLOOK



- Strong performance in the Period as trading conditions started to normalise, generating profit before tax of £2.2m
- Proven and robust business model with diversified income streams
- Strengthened balance sheet with net assets of £37.6m at 31 March 2022, including cash of £10.7m
- Interim dividend of 2.7p per share
- Strong pipeline of further stores
- Investments in retail continuing to deliver results with further investment planned
- Strong momentum as we approach key summer season

The image shows the interior of a Ramsdens office. A large green wall features the company name 'RAMSDENS' in white, bold, sans-serif capital letters. In the foreground, there is a dark wood reception desk with a computer monitor and a microphone. To the left, a glass display case contains jewelry, including necklaces and earrings. In the background, a glass-walled office area is visible, with a person working at a desk. The ceiling has recessed lighting and a security camera.

# RAMSDENS

## APPENDICES

Key segment information

Branch estate lease portfolio

The Ramsdens Board

# Foreign Currency Exchange (FX)

## Segment overview

Ramsdens offers FX services through its branch network, as well as a growing online presence. The service is predominantly cash however the Group is refreshing its currency travel card proposition and continues to grow its international FX payments through a joint venture.



- The easing of travel restrictions in the UK and abroad has increased confidence and encouraged more people to travel and as a result the demand for foreign currency has increased despite the Omicron variant of Covid-19 impacting travel in Q1
- March 2022 foreign currency exchanged had increased to approximately 60% of pre covid levels, with margin being managed to minimise the impact to profitability of the lower volumes
- The average foreign currency sale transaction value (ATV) was £425 (HY21: £415). We continue to have confidence that UK travellers will take cash abroad for both convenience and to assist with budgeting whilst on holiday
- As we look forward, the income from this service is anticipated to grow in line with the ongoing return of international travel. We strongly believe that customers' desire to travel abroad remains high
- In line with our multi-channel strategy, the Group is refreshing its currency travel card proposition with a new multi-currency card due to be launched later in 2022

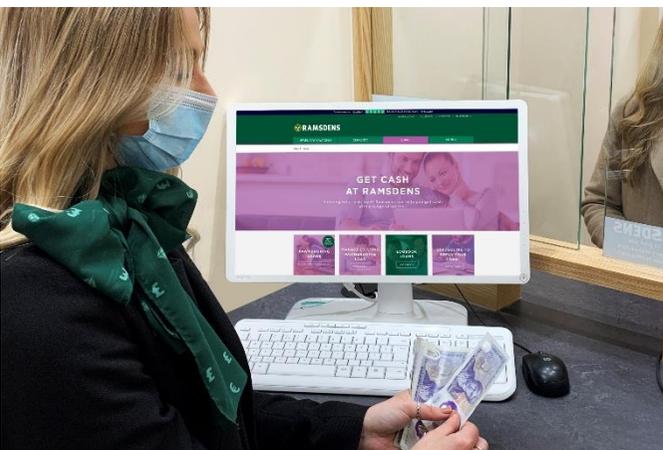
## Financial summary

£'m	HY22 (6 months)	HY21 (6 months)	HY20 (6 months)	FY21 (12 months)
Total currency exchanged	94m	20m	181m	77m
Gross profit	3.4m	1.0m	4.7m	3.3m
Online C&C orders	10.0m	1.6m	18.5m	6.9m
Online C&C % of total	11%	8%	10%	9%

# Pawnbroking

## Segment overview

Ramsdens offers loans secured against valuable jewellery items that the Group stores during the loan term. At maturity (6 months) the customer repays the capital & interest and the pledge is returned. Ramsdens retails or scraps the pledged items upon default to repay the loan, any surplus is returned to the customer.



- The pawnbroking loan book has increased from £6.1m at September 2021 to £7.5m at March 2022 in line with management expectations as customer's return to normal spending habits and have a need for short term cash flow assistance
- Pawnbroking gross profit totalled £3.7m in HY22, compared to £3.5m in HY21
- The online facility has remained in place for customers to both borrow and, more importantly, repay loans and save interest
- The average loan value as at 31 March 2022 was £286, up from £264 as at 30 September 2021. Our lending remains conservative in line with our long-term policy. Our lending on plain gold jewellery items is approximately two thirds of the gold value and approximately 40-50% of the item's second-hand retail value
- With restrictions in other forms of credit, and the squeeze on household incomes, we believe that the ease and simplicity of pawnbroking will lead to further loan book growth over the next year

## Loan book

£000s	As at Mar-22	As at Mar-21*	As at Mar-20*	As at Sep-21
Within contractual term	6,939	4,856	6,632	5,601
Past due	567	893	1,115	536
<b>Total</b>	<b>7,506</b>	<b>5,749</b>	<b>7,747</b>	<b>6,137</b>

## Financial summary

£000s	HY22 (6m)	HY21* (6m)	HY20* (6m)	FY21 (12m)
Revenue	4,248	4,062	5,052	7,526
Gross profit	3,695	3,480	4,706	6,678
Yield on average loan book	54%	57%	61%	105%

# Jewellery Retail

## Segment overview

*Ramsdens offers new and second-hand jewellery, including premium watches, for sale*



- Jewellery Retail revenue in HY22 was £13.1m, up 62% from HY21 (£8.1m) and represents a strong performance even factoring in the retail lockdown restrictions during HY21
- Growth has been achieved as a result of continued investment during the Period
  - The Group invested in the presentation of our jewellery with improved instore concept design window displays. These displays have resulted in a wider, clearer choice for our customers and greater stock levels supported by improvements in our stock replenishment systems
  - Our watch product offering has had significant investment in stock, presentation and staffing levels. These strategic investments have resulted in watch sales growth of 176% year on year. Watch sales now represent approximately one third of all sales and attract new customers to Ramsdens
  - The investment in our e-commerce activities continued to deliver improved results during the Period, increasing retail revenue by 48% to £2.0m (HY21: £1.3m). Online jewellery sales now account for 15% (HY20: 9%) of the Group's total retail sales. Further improvements to the customer journey and how we promote and market the website are in the planning and early implementation stages. The e-commerce department is managed as a separate business unit and is profitable.
- The jewellery gross profit margin remained relatively stable at 38% in HY22 compared to 39% in HY21 and 38% for FY21
- As we look forward, despite the anticipated macro challenges that higher inflation will bring, we believe there is an ongoing opportunity for improving and growing our jewellery retail business

## Financial summary

£000s	HY22 (6 months)	HY21 (6 months)	HY20 (6 months)	FY21 (12 months)
Revenue	13,085	8,074	7,054	18,252
Gross profit	4,923	3,168	3,113	6,965
Gross margin %	38%	39%	44%	38%
Jewellery retail stock	20,070	10,810	8,919	13,979
Online sales	1,963	1,323	654	2,833
% of sales online	15%	16%	9%	16%

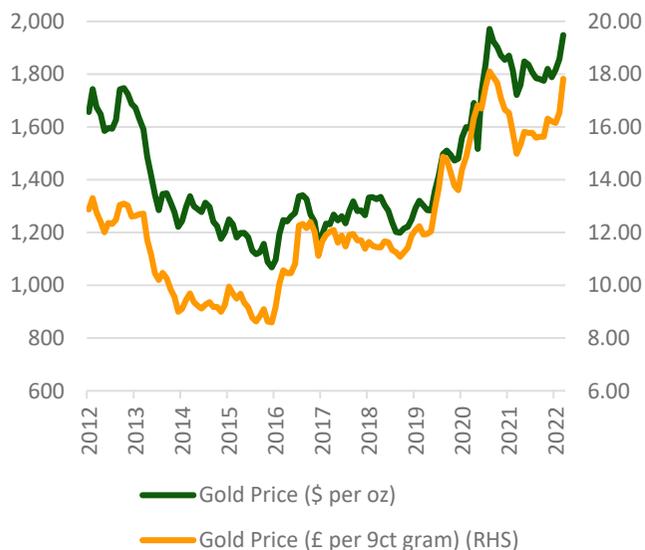
# Purchase of Precious Metals

## Segment overview

*Ramsdens purchases unwanted jewellery items and scrap precious metal from customers.*

*Purchased items are retailed through the branch network or smelted in-house for sale in wholesale markets.*

*This segment recognises the revenue and gross profit when the sales route for purchased items is via a bullion dealer*



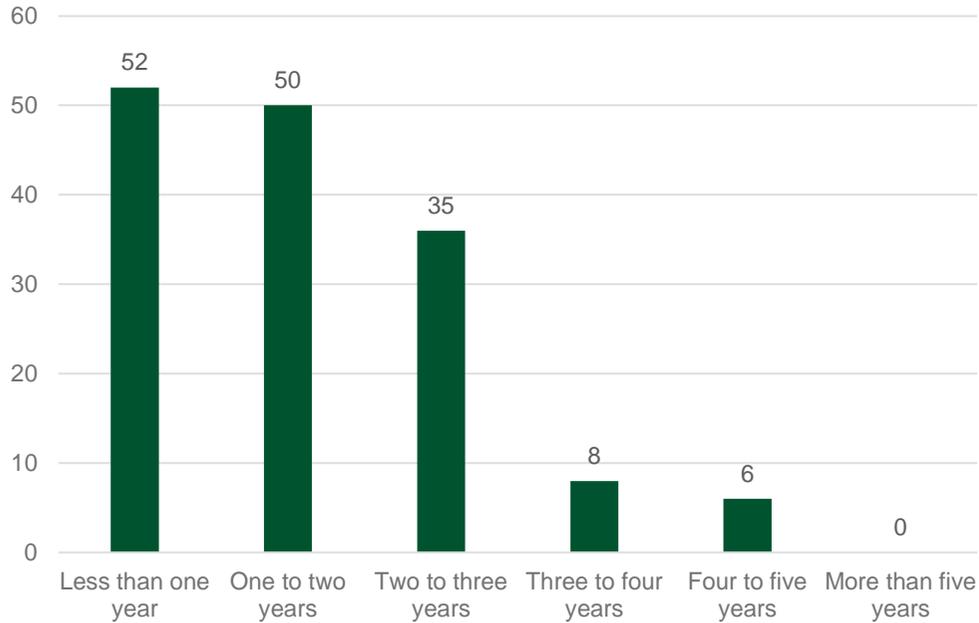
- Total gross profit in HY22 from purchase of precious metals was £3.1m, compared to £2.3m in HY21 and £3.2m in HY20
- As life has normalised, more people have sold their unwanted jewellery and as our foreign currency volumes have improved our opportunity to cross sell this service has increased leading to improved gold buying volumes during the Period.
- The Sterling gold price for 9ct gold has remained high in comparison to long run averages, with an average of £16.44 per gram during the Period, as a result of the Ukraine/Russia war and the strength of the US\$. This is also encouraging more customers to sell their unwanted jewellery as the monies they receive is greater
- As a result of these factors precious metal buying volumes have returned to pre-pandemic levels by the end of the Period
- In the short to medium term we expect the gold price to remain high and be a benefit to the business

## Financial summary

£000's	HY22 (6 months)	HY21 (6 months)	HY20 (6 months)	FY21 (12 months)
Revenue	7,779	5,623	7,499	10,369
Gross profit	3,112	2,330	3,214	4,240
Avg. gold price (9ct/g)	£16.44	£16.45	£14.41	£16.05

# Branch estate lease portfolio

Lease expiry/break position at May 2022



- 151 leased stores as at May 2022 (nb three franchisees and two owned freehold stores)
- Average lease term remaining (to end of lease or break if earlier) is 20 months (as at September 2021 – 20 months) with no trading stores currently having more than five years until either a lease break opportunity or lease expiry
- 52 stores (34% of store estate) have either a break or expiry date within the next 12 months and a number of these have rolling break options to maximise flexibility
- Note IFRS16 liability ignores lease break clauses unless a decision has been made to exercise said break

# The Ramsdens Board

---



## **Peter Edward Kenyon, Chief Executive Officer**

Peter joined Ramsdens in November 2001 as Operations Director and was appointed Chief Executive Officer in January 2008. Peter led the MBO in 2014 and has been responsible for over 30 acquisitions for the Group. He is responsible for overseeing all operations of the business and for deciding the Group's strategy. Prior to joining Ramsdens, Peter's early career was with Yorkshire Bank for 17 years. He is the current President of the National Pawnbrokers Association and became a director of the Company at the time of the MBO in September 2014.

External appointments – Peter is a director of The National Pawnbrokers Association.



## **Martin Anthony Clyburn, Chief Finance Officer**

Martin joined Ramsdens in 2009 and is a Chartered Accountant having previously qualified with respected North East firm, Keith Robinson & Co. Martin joined the board of the Company as Chief Financial Officer in August 2016. Martin is responsible for the Finance, IT and Compliance & Risk functions within the Group. Martin lectured part time at the University of Teesside from 2006 – 2012. Martin holds a degree in MORSE from Warwick University.

External appointments – None

# The Ramsdens Board

---



## **Andrew David Meehan, Non-Executive Chairman**

Andy is a highly experienced retail executive with over 30 years' experience including CEO and CFO in roles at the Co-Operative Retail Services, Storehouse plc and Sears plc. Since 2006, he has held a number of chairmanships and Non-Executive positions in several retail and consumer product businesses including Fortnum and Mason, GHD Group and American Golf. Andy is a Chartered Accountant and holds a degree in Politics and Economics from Oxford University and has been Chairman of the Company since September 2014.

External appointments – Andy is chairman of NEF Holdings Ltd, Polyco Healthline Group Ltd and Shaw Education Trust, He is a director of Lanthorne Ltd, and Cheviot Court (Luxborough Street) Ltd.



## **Simon Edward Herrick, Non-Executive Director**

Simon joined the board on 1 January 2017. Simon has significant experience in senior executive roles including positions as CFO of Debenhams plc, Northern Foods plc, Kesa Electricals plc and PA Consulting Limited and CEO of Northern Foods plc. Since leaving Debenhams, Simon has undertaken consultancy work in a number of sectors, most recently as Interim CEO of Blancco Technology Group plc. Simon is a Fellow of the Institute of Chartered Accountant in England and Wales and holds an MBA from Durham University.

External appointments – Simon is a director of FireAngel Safety Technology Group plc, Biome Technology plc, Christie Group plc, Herrick Inc Ltd and Sports Punk Ltd.



## **Stephen John Smith, Non-Executive Director**

Steve joined the board on 1 January 2017. Steve retired as CEO of Northgate plc in 2010 after a career with Northgate spanning over 20 years. Since leaving Northgate, Steve has served as a Non-Executive director on the boards of various family, private equity backed and AIM listed businesses, including four positions as Chairman. Steve is a Chartered Accountant and holds a degree in Economics from the London School of Economics.

External appointments – Steve is a Director and Chairman of Kitwave Group plc.