27th November 2017

Ramsdens Holdings PLC

("Ramsdens", the "Group", the "Company")

Interim Results for the 6 months ended 30 September 2017

Continued strong growth driven by Foreign Currency Exchange, Pawnbroking and Jewellery retail

Ramsdens, the diversified financial services provider and retailer, today announces its Interim Results for the six months ended 30 September 2017 (the "period" or "first half").

Financial highlights:

	6 months ended 30 September 2017	6 Months ended 30 September 2016	Increase
Group Revenue	£21.8m	£18.4	18%
EBITDA	£6.0m	£4.2m	43%
Profit Before Tax	£5.2m	£3.2m	63%
Basic EPS*	13.4p	10.1p	33%
Interim Dividend	2.2p	Nil	-

- Net assets up £8.3m to £27.2m (H1 FY17: £18.9m)
- Net cash up £3.7m to £13.4m (H1 FY17: £9.7m)

Operational highlights:

- Growth has continued in Foreign Currency Exchange,
    - Gross currency exchanged up 22% to £324m (H1 FY17: £265m)
    - Currency customers up 15% to 511k (H1 FY17: 445k)
- Pawnbroking loan book up 18% to £6.0m (H1 FY17: £5.1m)
- The weight of gold purchased was broadly in-line year on year with the higher than anticipated sterling gold price continuing to benefit the Group
- Investment in jewellery stock and improved window displays has resulted in retail revenue growth of 40% to £3.5m (H1 FY17: £2.5m)
- Investment in online retail is starting to produce results with online gross jewellery sales up 331%, albeit from a small base

*Basic EPS reflects the shareholding structure as at the time. Adjusting the EPS for the post IPO shareholding, the EPS for the FY17 half year was 8.1p.

Peter Kenyon, Chief Executive, commented:

"Ramsdens has had a strong first half of the financial year with foreign currency exchange, pawnbroking and retail jewellery all showing good growth. The sterling gold price has been ahead of expectations and continues to benefit the purchase of precious metals and pawnbroking scrap proceeds.

We have made a good start to the second half of the year and have good momentum as we head into the seasonally important Christmas period for jewellery retail.

Ramsdens has a clear growth strategy which is underpinned by our trusted brand, first-class team and well-invested core branch estate and the Board remains confident of delivering further progress."

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About Ramsdens

Ramsdens is a growing, diversified, financial services provider and retailer, operating in the four core business segments of foreign currency exchange, pawnbroking loans, precious metals buying and selling and retailing of second hand and new jewellery.

Headquartered in Middlesbrough, the Group operates from 127 stores within the UK (including 4 franchised stores) and has a small but growing online presence.

In the last financial year, the Group served over 730,000 customers across its different services. Ramsdens is fully FCA authorised for its pawnbroking and credit broking activities.

www.ramsdensplc.com
www.ramsdensforcash.co.uk

CHIEF EXECUTIVE'S REPORT

I am pleased to report a period of significant further progress for Ramsdens during the first half of the financial year resulting in an 18% increase in revenue to £21.8m (H1 FY17: £18.4m) and a 63% increase in profit before tax to £5.2m (H1 FY17: £3.2m).

Ongoing investment in the core branch estate as well as in the Ramsdens brand have driven strong growth across our foreign currency exchange, pawnbroking and jewellery retail business segments. This was supported by significant growth in active registered customers to 570k, up from 502k (up 13%) in the comparable prior year period.

The investment in our online offering has resulted in exceptional growth of 331% in online gross jewellery retail sales and growth of 134% in online foreign currency exchange, the latter of which was primarily driven by Click & Collect.

Underpinned by this strong momentum as well as the Group's strong, trusted brand and loyal and growing customer base, the Board remains confident about Ramsdens' prospects and future.

FINANCIAL REVIEW

Gross profit increased by 22% to £16.1m, up from £13.2m in the first half of the prior year. Administration expenses increased by 12% to £10.9m (H1 FY17: £9.7m) primarily as a result of increased staff costs to support the Group's ongoing growth as well as PLC costs which were not incurred in the comparable period in the prior year.

The balance sheet remains extremely strong with net assets of £27.2m, which is an £8.3m increase from 30 September 2016 and a £3.8m increase from the full year end on 31 March 2017. The main assets are cash including currency, pawnbroking loans secured on gold jewellery and watches, and retail jewellery stock.

Net cash was £13.4m at the period end, up £3.7m on the prior year (H1 FY17: £9.7m). The Group has the benefit of a revolving credit facility which is used in the summer to fund higher stocks of foreign currency.

A maiden final dividend of 1.3p per share (£401k) was paid during the period. The Directors are pleased to announce they have approved a maiden interim dividend of 2.2p per share which will be paid on 20 February 2018 to those shareholders on the register on 19 January 2018.

Segmental Review

Foreign Currency Exchange

The foreign currency exchange segment primarily comprises the sale and purchase of foreign currency notes to holiday makers. Ramsdens also offers prepaid travel cards and, as of September 2016, international bank to bank payments.

Ramsdens served more than 511,000 customers for foreign currency exchange during H1 FY18, up 15% year on year (H1 FY17: 445,000). This growth is very encouraging as our customer surveys continue to confirm that customer recommendation remains the biggest source of customer acquisition and growth.

Gross currency exchanged grew by 22% to £324m (H1 FY17: £265m) reflecting our growing customer base. This increase combined with the Group's focus on increasing the average transaction value and margin management initiatives have supported gross profit (commission net of delivery costs and exchange rate movements) increasing by 35% to £7.5m (H1 FY17: £5.5m).

Improvements to the currency website proposition (www.ramsdenscurrency.co.uk) has led to an increase in sales of 134% to £14.5m across Click & Collect and home delivery (H1 FY17: £6.2m).

Pawnbroking

Pawnbroking is a small subset of the consumer credit market in the UK and a simple form of asset backed lending where an item of value, known as a pledge, (in Ramsdens' case jewellery and watches), is given to the pawnbroker in exchange for a cash loan. Customers who repay the capital sum borrowed plus interest receive their pledged item back. If a customer fails to repay the loan, the pawnbroker sells the pledged item to repay the amount borrowed plus interest and fees. Pawnbroking is regulated by the FCA in the UK and Ramsdens is fully FCA authorised.

The volume of pawnbroking customers with a loan in H1 FY18 was in line with FY17. However, the investment in retail has enabled the Group to offer to customers higher loan amounts relative to the value of the pledged jewellery which has led to an increased loan book. Also of note is that the past due portion of the loan book remains well controlled at 10% of the total loan book.

£000s (6 months to 30 September)	**H1 FY18**	**H1 FY17**	**% change**	**FY 17**
Within contractual term	5,418	4,523	20%	5,402
Past due	625	612		572
Total	6,043	5,135	18%	5,974

Interest income, which includes the ultimate realisation of jewellery sold or scrapped from forfeited pledges, was 18% higher at £3.5m (H1 FY17: £2.9m) and represented a half year yield of 58% on the average pledge book during the period.

Interest income has increased as a result of a higher loan book, improved retail activity and a higher gold price for scrap proceeds on forfeited pledges.

Jewellery Retail

Ramsdens offers new and second-hand jewellery and the Board believes there is significant growth potential for Ramsdens in this segment by leveraging its retail store estate and e-commerce operations by cross-selling to customers of its other services.

During the period, revenue from this segment increased by 40% to £3.5m (H1 FY17: £2.5m) and contributed £1.9m to Group gross profit (H1 FY17: £1.5m). The jewellery gross profit margin decreased from 58% to 54%, primarily as a result of a concerted effort to increase sales volumes and improve customer awareness of the value for money proposition that Ramsdens offers.

E-commerce sales increased from a low base by 331% year on year, in line with our plans, and contributed approximately 3% of jewellery retail revenue during the period.

Purchases of precious metals

Through the precious metals buying and selling service, Ramsdens buys unwanted jewellery, gold and other precious metals from customers for cash. Typically, a customer brings unwanted jewellery into a Ramsdens store and a price is agreed with the customer depending upon the retail potential, weight or carat of the jewellery. Ramsdens has second-hand dealer licences and other permissions and adheres to the Police approved “gold standard” for buying precious metals.

Once jewellery has been bought from the customer, the Group’s dedicated jewellery department decides whether to scrap or to retail the item through the store network or online. Income derived from jewellery which is purchased and then retailed is reflected in jewellery retail income and profits. The residual items are sold to a bullion dealer for their intrinsic value and the proceeds are reflected in the accounts as precious metals buying income.

The sterling gold price remained ahead of expectations. The weight of gold purchased during the period was broadly in line with last year. The Group has continued its strategy to increase jewellery retail stock levels to assist jewellery retail sales. Group gross profit was broadly in line at £2.5m (H1 FY17: £2.5m).

Other Financial Services

In addition to the four core business segments, the Group also provides additional services in cheque cashing, Western Union money transfer, sale and buy back of electronics, franchise fees and credit broking.

Revenue from these services in the period was up 7% to £1.4m (H1 FY17: £1.3m) resulting in £0.8m (H1 FY17: £0.7m) of gross profit.

OPERATIONAL REVIEW

During the period, we continued to make excellent progress in improving the performance of our core estate and developing our online proposition.

The expansion of the estate has been slower than anticipated but the Group remains on track with its near and medium-term expansion strategy. During the period, two stores were relocated and the Group currently has signed leases on two new greenfield stores. In addition, heads of terms have been agreed on a further five stores (two new, three relocations) and an acquisition of a single store jewellers has been agreed for completion in January 2018.

We continue to actively manage our estate and, during the period, one store was closed and merged with a nearby store. As at the end of the period, we operated 123 stores (H1 FY17: 124 stores). There is a pipeline of new stores under consideration and the Group remains confident of growing its store estate.

During the period, we had an unauthorised access to our IT system which did not impact any day to day operations or result in any confirmed data loss. We reviewed our IT infrastructure and further invested in our IT hardware, software and team to improve security and support our long-term growth.

I would like to take this opportunity to thank all the Ramsdens staff for their outstanding efforts throughout the period.

OUTLOOK

The Group's strong growth rates in the first half of the year reflect the increasing awareness of Ramsdens as a highly competitive and a trusted provider of foreign currency exchange and jewellery retail.

Underpinned by the Group's strong and trusted brand, well-invested retail estate and growing customer base, the Board remains confident of Ramsdens' continued progress.

The Group has a pipeline of store opportunities and is committed to our stated growth strategy.

The Group has made a good start to the early part of the second half of the year and we have good momentum to take us into the seasonally important Christmas period for jewellery retail.

Peter Kenyon
Chief Executive Officer

Interim Condensed Financial Statements

Unaudited condensed consolidated statement of comprehensive income

For the six months ended 30 September 2017

	Note	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	12 months ended 31 March 2017 Audited £'000
Revenue	2	21,758	18,441	34,516
Cost of sales		(5,642)	(5,258)	(10,228)
Gross profit	2	16,116	13,183	24,288
Administrative expenses		(10,879)	(9,703)	(19,735)
Operating profit before exceptional expenses		5,237	3,480	4,553
Exceptional expenses		-	-	(1,110)
Operating profit		5,237	3,480	3,443
Finance Costs	4	(105)	(346)	(614)
Gain/(Loss) on fair value of derivative financial liability		43	40	107
Profit before tax		5,175	3,174	2,936
Income tax expense		(1,034)	(675)	(926)
Total comprehensive income for the period		4,141	2,499	2,010
Basic earnings per share in pence		13.4	10.1	7.8
Diluted earnings per share in pence		13.2	10.1	7.6

Unaudited condensed consolidated statement of changes in equity

For the six months ended 30 September 2017

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	12 months ended 31 March 2017 Audited £'000
Opening total equity	23,395	16,428	16,428
Total comprehensive income for the period	4,141	2,499	2,010
Issue of share capital	-	-	5,000
Costs associated with issue of share capital	-	-	(50)
Dividends paid	(401)	-	-
Share based payments	81	-	7
Deferred tax on share based payments	28	-	-
Closing total equity	27,244	18,927	23,395

Unaudited condensed consolidated statement of financial position

At 30 September 2017

	Note	As at 30 September 2017 Unaudited £'000	As at 30 September 2016 Unaudited £'000	As at 31 March 2017 Audited £'000
Assets				
Non-current assets				
Property, plant and equipment		3,935	4,650	4,210
Intangible assets		446	688	529
Investments		-	-	-
		4,381	5,338	4,739
Current Assets				
Inventories		6,390	4,068	5,338
Trade and other receivables		10,465	8,552	9,362
Cash and short term deposits		16,519	17,649	11,864
		33,374	30,269	26,564
Total assets		**37,755**	**35,607**	**31,303**
Current liabilities				
Trade and other payables		4,930	6,605	3,843
Interest bearing loans and borrowings	3	3,101	3,903	2,318
Accruals and deferred income		890	738	773
Income tax payable		1,124	538	305
		10,045	11,784	7,239
Net current assets		**23,329**	**18,485**	**19,325**
Non-current liabilities				
Interest bearing loans and borrowings	3	5	4,019	9
Accruals and deferred income		326	454	404
Derivative financial liabilities		76	186	119
Deferred tax liabilities		59	237	137
		466	4,896	669
Total liabilities		**10,511**	**16,680**	**7,908**
Net assets		**27,244**	**18,927**	**23,395**
Equity				
Issued capital	7	308	247	308
Share premium		4,892	-	4,892
Retained earnings		22,044	18,680	18,195
Total equity		**27,244**	**18,927**	**23,395**

Unaudited condensed consolidated statement of cash flows
For the six months ended 30 September 2017

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	12 months ended 31 March 2017 Audited £'000
Operating activities			
Profit before tax	5,175	3,174	2,936
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of property, plant & equipment	525	513	1,047
Amortisation and impairment of intangible assets	103	157	320
Change in derivative financial instruments	(43)	(40)	(107)
Loss on disposal of property, plant and equipment	19	63	83
Exceptional expenses	-	-	1,110
Share based payments	81	-	7
Finance costs	105	346	614
Exceptional expenses - bonus	-	-	(172)
Working capital adjustments:			
Movement in trade and other receivables and prepayments	(1,103)	117	(693)
Movement in inventories	(1,052)	(737)	(2,002)
Movement in trade and other payables	1,119	2,947	170
	4,929	6,540	3,313
Interest paid	(98)	(341)	(614)
Income tax paid	(265)	(120)	(704)
Net cash flows from operating activities	4,566	6,079	1,995
Investing activities			
Purchase of property, plant and equipment	(269)	(337)	(451)
Purchase of intangible assets	(20)	(37)	(41)
Net cash flows from investing activities	(289)	(374)	(492)
Financing Activities			
Dividends paid	(401)	-	-
Payment of finance lease liabilities	(4)	(3)	(8)
Bank loans drawn down	783	1,000	2,310
Repayment of bank borrowings	-	-	(2,900)
Repayment of Loan Notes	-	-	(4,000)
Exceptional expenses - IPO	-	-	(938)
Proceeds of issue of ordinary shares	-	-	4,950
Net cash flows from/(used in) financing activities	378	997	(586)
Net increase in cash and cash equivalents	4,655	6,702	917
Cash and cash equivalents at start of period	11,864	10,947	10,947
Cash and cash equivalents at end of period	16,519	17,649	11,864

Unaudited notes to the interim condensed financial statements

For the six months ended 30 September 2017

1. Basis of preparation

The interim condensed financial statements of the group for the six months ended 30 September 2017, which are unaudited, have been prepared in accordance with the International Financial Reporting Standards ('IFRS') accounting policies adopted by the group and set out in the annual report and accounts for the year ended 31 March 2017. The Group does not anticipate any change in these accounting policies for the year ended 31 March 2018. As permitted, this interim report has been prepared in accordance with the AIM rules and not in accordance with IAS 34 "Interim financial reporting". While the financial figures included in this preliminary interim earnings announcement have been computed in accordance with IFRS's applicable to interim periods, this announcement does not contain sufficient information to constitute an interim financial report as that term is defined in IFRS's.

The financial information contained in the interim report also does not constitute statutory accounts for the purpose of section 434 of the Companies Act 2006. The financial information for the year ended 31 March 2017 is based on the statutory accounts for the year ended 31 March 2017 which have been filed with the Registrar of Companies and are available on the group's website www.ramsdensplc.com. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

After conducting a further review of the group's forecasts and cash over the next twelve months and after making appropriate enquiries as considered necessary, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the half yearly condensed financial statements.

Unaudited notes to the interim condensed financial statements (continued)

For the six months ended 30 September 2017

2. Segmental Reporting

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	12 months ended 31 March 2017 Audited £'000
Revenue			
Pawnbroking	3,474	2,944	6,128
Purchases of precious metals	5,890	6,142	10,839
Retail Jewellery sales	3,547	2,539	5,909
Foreign currency margin	7,461	5,520	8,971
Income from other financial services	1,386	1,296	2,669
Total Revenue	21,758	18,441	34,516
Gross profit			
Pawnbroking	3,474	2,944	6,128
Purchases of precious metals	2,478	2,534	4,336
Retail Jewellery sales	1,907	1,470	3,321
Foreign currency margin	7,461	5,520	8,971
Income from other financial services	796	715	1,532
Total Gross profit	16,116	13,183	24,288
Administrative expenses	(10,879)	(9,703)	(19,735)
Exceptional expenses	-	-	(1,110)
Finance costs	(105)	(346)	(614)
Gain on fair value of derivative financial liability	43	40	107
Profit before tax	5,175	3,174	2,936

Income from other financial services comprises of cheque cashing fees, Electronics & buybacks, agency commissions on miscellaneous financial products.

The Group is unable to meaningfully allocate administrative expenses, or financing costs between the segments due to the fact that these include staff costs who undertake all services in branches. Accordingly, the Group is unable to disclose an allocation of items included in the Consolidated Statement of Comprehensive Income below Gross profit, which represents the reported segmental results.

Unaudited notes to the interim condensed financial statements (continued)

For the six months ended 30 September 2017

2. Segmental Reporting

	6 months ended 30 September 2017 Unaudited	6 months ended 30 September 2016 Unaudited	12 months ended 31 March 2017 Audited
Other information	**£'000**	**£'000**	**£'000**
Capital additions (*)	289	374	492
Depreciation and amortisation (*)	628	670	1,367
Assets			
Pawnbroking	8,793	7,386	8,242
Purchases of precious metals	1,160	480	773
Retail Jewellery sales	5,067	3,464	4,354
Foreign currency margin	7,303	7,142	6,096
Income from other financial services	533	350	480
Unallocated (*)	14,899	16,785	11,358
	37,755	35,607	31,303
Liabilities			
Pawnbroking	208	133	167
Purchases of precious metals			
Retail Jewellery sales	759	768	657
Foreign currency margin	2,478	4,571	1,771
Income from other financial services	324	162	190
Unallocated (*)	6,742	11,046	5,123
	10,511	16,680	7,908

(*) The Group is unable to meaningfully allocate this information by segment due to the fact that all segments operate from the same stores and the assets and liabilities are common to all segments.

Unaudited notes to the interim condensed financial statements (continued)

For the six months ended 30 September 2017

3. Borrowing

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	12 months ended 31 March 2017 Audited £'000
Short term bank loans	3,093	3,900	2,310
Hire purchase agreements	8	3	8
Amount due for settlement within one year	3,101	3,903	2,318
Loan notes	-	4,000	-
Hire purchase agreements	5	19	9
Amount due for settlement after more than one year	5	4,019	9

4. Finance costs

	6 months ended 30 September 2017 Unaudited £'000	6 months ended 30 September 2016 Unaudited £'000	12 months ended 31 March 2017 Audited £'000
Interest on debts and borrowings	105	346	613
Finance charges payable under hire purchase contracts	-	-	1
Total finance costs	105	346	614

5. Tax on profit

The taxation charge for the six months ended 30 September 2017 has been calculated by reference to the expected effective corporation tax and deferred tax rates for the full financial year to end on 31 March 2018. The underlying effective full year tax charge is estimated to be 20%.

6. Earnings per share

	6 months ended 30 September 2017 Unaudited	6 months ended 30 September 2016 Unaudited	12 months ended 31 March 2017 Audited
Profit for the period (£'000)	4,141	2,499	2,010
Weighted average number of shares in issue	30,837,653	24,723,300	25,750,444
Earnings per share (pence)	13.4	10.1	7.8
Fully diluted earnings per share (pence)	13.2	10.1	7.6

Unaudited notes to the interim condensed financial statements (continued)

For the six months ended 30 September 2017

7. Issued capital and reserves

Ordinary shares issued and fully paid	**No.**	**£'000**
Ordinary A shares of £1 each	186,250	186
Ordinary B shares of £1 each	60,983	61
At 30 September 2016	247,233	247
Reorganisation of share capital and reclassification to ordinary 1p shares	24,723,300	247
Bonus issue of ordinary 1p shares	300,400	3
Issue of new ordinary 1p shares	5,813,953	58
At 31 March 2017	30,837,653	308
At 30 September 2017	30,837,653	308

The Company reorganised the issued ordinary share capital during the year ended 31 March 2017 to unify the 'A' shares & 'B' shares into one class of 1p ordinary shares. As part of this re-organisation a bonus issue of 300,400 ordinary shares was issued capitalising £3,000 of reserves.

The Company issued 5,813,953 ordinary 1p shares during the same year at 86p per share. Associated fees of £50,000 were charged to share premium account

8. Dividends

The directors approved a 2.2 pence interim dividend (30 September 2016: nil) which equates to a dividend payment of £678,000 (30 September 2016: £nil). The dividend will be paid on 20 February 2018 to shareholders on the share register at the close of business on 19 January 2018 and has not been provided for in the September 2017 interim results. The shares will be marked ex-dividend on 18 January 2018.

On 19 July 2017, the shareholders approved the payment of a 1.3 pence final dividend for the year ended 31 March 2017 which equates to a dividend payment of £401,000 (31 March 2016: £nil). The dividend was paid on 20 September 2017.