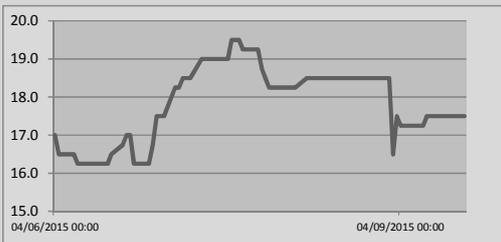


#### Key Statistics

Code	: FISH
Listing	: AIM
Sector	: Leisure Goods
Market Cap	: £4.16m
Share in issue	: 23.75m
Current Price	: 17.5p
12 month High/Low:	: 19.5p/16.25p

#### Stock Performance



Source: Fidessa

#### Financials – H1 to Jun 15

Revenue	£1.87m +2%
Gross Profit	£0.72m +30%
Operating Profit	£0.16m +34%

#### Company description

Fishing Republic is a retailer of fishing tackle and equipment with 61,500 sq ft of retail and warehousing space across seven stores of which six are large format, and the seventh is being relocated. The company is seeking to open its largest store in Birmingham. The online division (49% of sales) has a number of store fronts catering to various specialisms within angling. The market is a resilient one, and the nature of the sport encourages high levels of repeat usage of consumables. The sport is receiving significant governmental support in order to encourage further participation.

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## Reeling 'em in

Earlier this month the fishing tackle retailer predominantly made up of large format destination and online stores, reported its maiden results following its June IPO. The results to 30 June showed modest revenue growth and significant margin improvement. Looking ahead investors can look forward to further organic growth, prudent acquisitions and new store openings as Fishing Republic seeks to solidify its position as the 'go to' supplier for British anglers

- H1 sales up 2% to £1.87m. However gross profit up 20% to £0.72m. Margin up 599 basis points to 38.5%
- EPS of 0.79p from 0.57p - Cash of £0.68m vs £0.02m
- H2 weighted. Early H2 trading has been good

Angling is one of the UK's largest participation sports, attracting approximately four million participants over the two years to 2012 and generating approximately £3.5 billion per year. We understand that the community is predominantly served by some 2,500 specialist retailers, the majority of which are too small to keep up with anglers' growing wants and needs in terms of stock range and availability. Fishing Republic is one of the largest UK retailers in this market by floor space (61.5k sq ft), and has enjoyed success with its online model too.

However it still has only a fraction of the market which is ripe for consolidation. We believe FISH has the capacity to double in size in the medium term through new store openings, organic growth, new product ranges (including own brand) and acquisitions. With this in mind we believe that the discount to the General Retailers sector (21% on consensus 2016 earnings) is unwarranted. The recent float of Gear4Music now on 24x 2016 earnings, suggests that successful specialist retailers can attract solid ratings. Successful execution of the strategy should lead to capital appreciation through both the delivery of earnings growth and a closure of the rating gap. This is one not to let slip through the net.

**Underlying performance of trading subsidiary**

<b>Year Ending</b>	<b>Revenue (£m)</b>	<b>Pre-tax (£m)</b>	<b>EPS</b>	<b>P/E</b>
31/12/2014	3.37	0.36	NA	NA
31/12/2015	3.39	0.29	NA	NA

*Source: Admission document*

**Forecast**

<b>Year Ending</b>	<b>Revenue (£m)</b>	<b>Pre-tax (£m)</b>	<b>EPS</b>	<b>P/E</b>
31/12/2015	3.70	0.30	1.22p	14.3
31/12/2016	4.42	0.46	1.50p	11.7

*Source: DigitalLook*

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