

INSPECS
— GROUP PLC —

FY24 PRELIMINARY UNAUDITED RESULTS PRESENTATION



10 APRIL 2025



CONTENTS

SECTION 01	Overview	05
	Market overview	06
	Medium term targets	07
SECTION 02	Financial overview	09
	Group income statement	10
	Underlying EBITDA bridge	11
	Working capital and net debt	12
	Net debt bridge	13
	Group cash flow	14
SECTION 03	Operational highlights	16
	Segmental - Frames and optics	17
	Segmental - Manufacturing	18
	Segmental - Lenses	19
SECTION 04	Current trading and outlook	21
SECTION 05	Appendix	22 - 35

PRESENTER

RICHARD PECK

Group Chief Executive Officer



PRESENTER

CHRIS KAY

Group Chief Financial Officer



INSPECS
— GROUP PLC —

01

INTRODUCTION

Richard Peck
Group Chief Executive Officer



OVERVIEW

- Revenue on a constant currency basis £203.2m (FY23: £203.3m)
- Revenue for FY24 decreased by 2% to £198.3m
- Gross profit margin increased by 130 bps to 52.2%
- Distribution agreed for key new brands into leading retailers across the USA, Canada and Europe
- Operational efficiencies delivered, including the successful integration of subsidiaries within the USA with total operating expenses reduced by 0.3% despite inflationary pressures
- Underlying EBITDA reduced by 2.2% to £17.6m (in-line with January trading update)
- Continued reduction in net debt (excl. leases) by £1.3m after investment in Vietnam facility and deferred and contingent consideration on acquisitions a total of £2.6m
- The Group refinanced its facilities with HSBC, the new loan facilities mature in December 2027
- Trading to date in line with forecast
- Our initial assessment suggests tariffs won't significantly affect end-consumer pricing. Mitigation is to drive efficiency and focus on supply chain efficiencies to absorb costs
- The Group continues to reduce operational expenses to maintain competitiveness with selective price adjustments to balance cost pressures and preserve margins in key markets



MARKET OVERVIEW

EYEWEAR FRAMES - £33.1BN

Ageing population

Myopia epidemic due to screen use

Growing demand for eyewear frames from sustainable materials

Demand has increased for innovative designs

SUNGLASSES - £20.5BN

Now seen as an essential fashion accessory

The incorporation of sunglasses into high end designer collections has turned them into a style statement

UV protection has become increasingly important

SPECTACLE LENSES - £48.7BN

Ageing population with disposable income investing in premium lenses including varifocals & polarised lenses

Advancements in lens technology has also led to demand for thinner, lighter & more scratch-resistant lenses

REGIONAL OVERVIEW

The United States is the largest market globally at £23.4bn

Germany is the largest market in Europe at £6.1bn

Asia is a growing market of interest specifically with the ongoing myopia epidemic that is particularly prevalent in this region

THE GLOBAL EYEWEAR MARKET IS PROJECTED TO SEE A 3.0% CAGR OVER THE NEXT FIVE YEARS, DRIVEN BY EVOLVING CONSUMER TRENDS, CHANGING MARKET DYNAMICS, AND TECHNOLOGICAL ADVANCEMENTS

MEDIUM TERM TARGETS TO 2027

01

ACCELERATED
REVENUE
GROWTH

**CAGR ORGANIC
REVENUE GROWTH
40% ABOVE THE
MARKET RATE***

DRIVERS OF GROWTH

- Accelerated growth in our frame manufacturing business
- Expanding license portfolio
- Growth in Key Accounts

02

OPERATIONAL
STRENGTH

**ACHIEVE DOUBLE
DIGIT UNDERLYING
EBITDA %**

KEY CONTRIBUTORS

- Operational efficiencies and cost optimisation through Group simplification
- Expanding margins through premium pricing strategies and product mix improvements
- Group procurement efficiencies

03

SUSTAINABLE
LEVERAGE

**NET DEBT TO BE
40%-75% OF
UNDERLYING
EBITDA**

CAPITAL ALLOCATION

- Strategic investments in innovation and expansion
- Prudent leverage management to maintain a healthy debt profile
- Returning value to shareholders through dividends and share buybacks where feasible





INSPECS
— GROUP PLC —

02

2024 FINANCIAL REVIEW

Chris Kay

Group Chief Financial Officer

FINANCIAL OVERVIEW

Revenue

£198.3M **-2%**



Net Debt (Excluding lease liabilities)

£22.9M **-5%**



Operating Profit/(loss)

£3.4M **+17%**



Gross Profit Margin

52.2% **+130**
BASIS POINTS



Underlying EBITDA

£17.6M **-2%**



Underlying EBITDA Margin

8.9% **+0**
BASIS POINTS



Eyewear Units Sold

11.4M **+4%**



Diluted Underlying EPS

3.36P **-31%**



Cash Flows From Operating Activities

£14.2M **-16%**



GROUP INCOME STATEMENT

HEADLINE PERFORMANCE

- Revenue **£198.3m** (£203.3m FY23) a decrease of 2%
- Revenue on a constant currency basis **£203.2m** (£203.3 FY23)
- Underlying EBITDA **£17.6m** (£18.0m FY23) a decrease of 2%
- Gross profit margin of **52.2%** (50.9% FY23) an increase of +130 Bps
- Operating profit **£3.4m** (£2.9m FY23) an increase of 17%

	FY 2024 £M	FY 2023 £M
Operating profit	3.4	2.9
Depreciation and Amortisation	12.8	13.0
Earnout on acquisitions	1.0	1.1
Share based payments	0.4	1.0
Underlying EBITDA	17.6	18.0

GROUP REVENUE

£198.3M

2024

£203.3M

2023

GROSS PROFIT %

52.2%

2024

50.9%

2023

OPERATING EXPENSES

£100.0M

2024

£100.7M

2023

UNDERLYING EBITDA

£17.6M

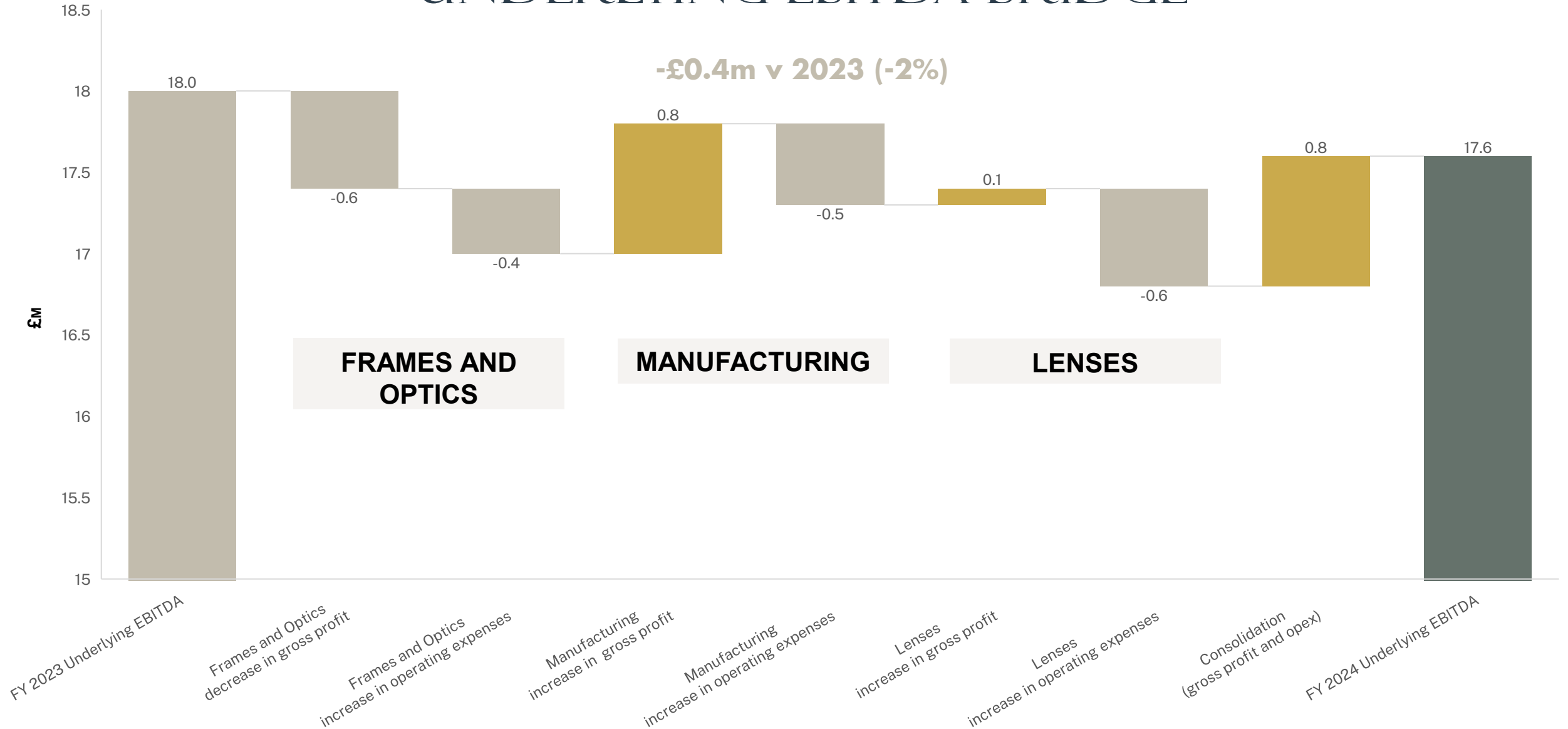
2024

£18.0M

2023

	12 MONTHS ENDED 31 DECEMBER 2024 £M	12 MONTHS ENDED 31 DECEMBER 2023 £M
Revenue	198.3	203.3
Gross profit	103.5	103.5
Operating expenses	(100.0)	(100.7)
Operating profit	3.4	2.9
EBITDA	16.2	15.9
Underlying EBITDA	17.6	18.0
(Loss)/Profit before tax	(1.0)	0.2

UNDERLYING EBITDA BRIDGE



WORKING CAPITAL AND NET DEBT

OVERVIEW

- Strong cash generation in the period, with a continued reduction in net debt
- £1.3m (5%) reduction in net debt (excluding leases)

WORKING CAPITAL RATIOS

	31 DEC 2024		31 DEC 2023	
Quick ratio	0.8		0.9	
Current ratio	1.4		1.5	
Revenue to inventory ratio	4.6		5.0	

BANK COVENANTS

	31 DEC 2024		31 DEC 2023	
	Actual	Required	Actual	Required
Leverage ¹	1.64	BELOW 2.25	1.70	BELOW 2.25
Interest cover	4.14	ABOVE 3.00	4.21	ABOVE 3.00
Cash flow cover	1.17	ABOVE 1.05	1.54	ABOVE 1.05

1. Leverage is calculated on a rolling 12-month historical EBITDA against net debt

NET DEBT

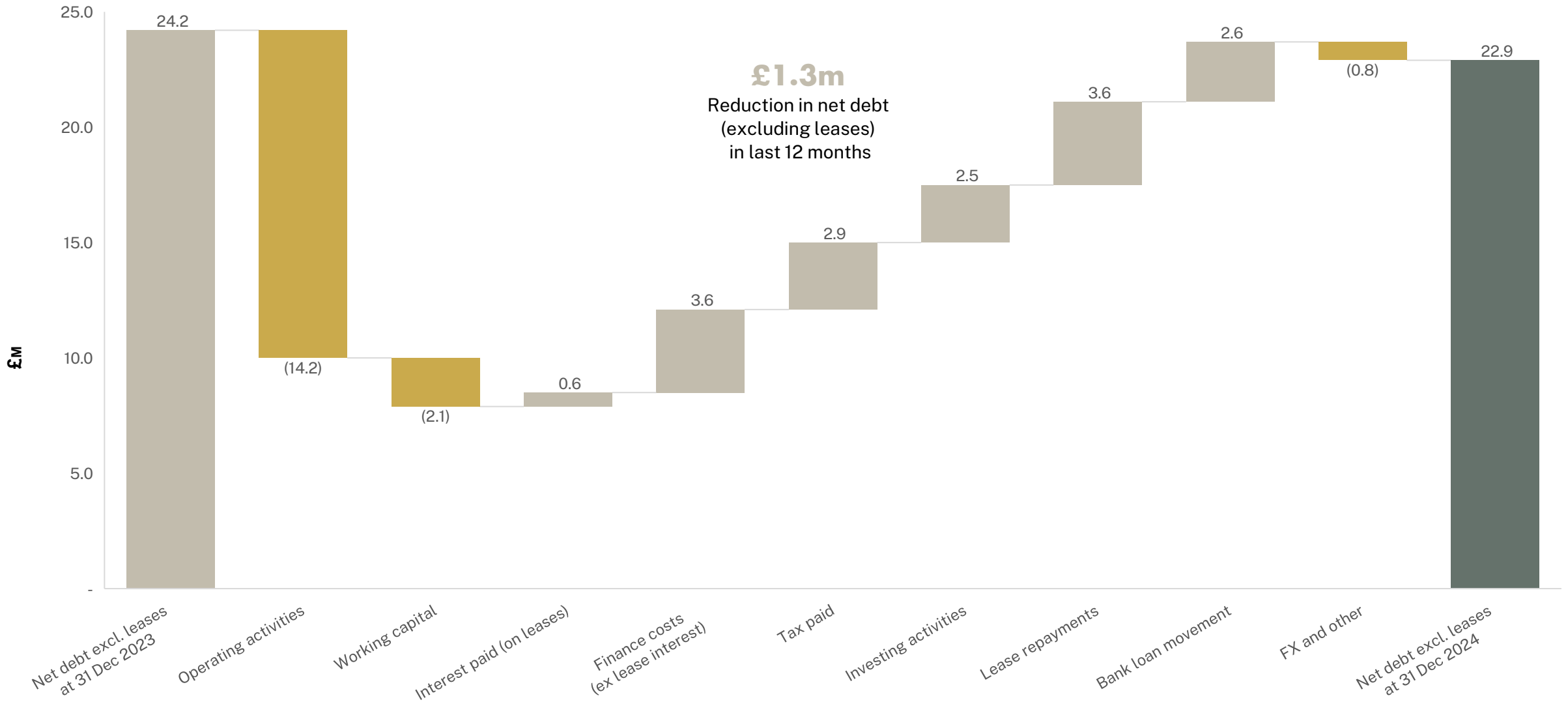
	31 DEC 2024 £M	31 DEC 2023 £M
Cash at bank	24.0	20.1
Borrowings	(46.9)	(44.3)
Lease liabilities	(15.6)	(17.9)
Net debt	(38.5)	(42.1)
Net debt (excluding leases)	(22.9)	(24.2)

FINANCING

	AVAILABLE AT 31 DEC 2024 £M	DRAWN AT 31 DEC 2024 £M	MATURITY
Group revolving credit facility ²	29.8	28.2	December 2027
Term loans	9.9	9.9	December 2027
Revolving credit USA	8.0	7.5	1 year rolling
Invoice discounting	1.7	1.7	1 year rolling
TOTAL	49.4	47.3	

2. During the year the Group has refinanced its facilities with HSBC to 13 December 2027. These facilities have a leverage ceiling of 2.25, cash flow cover of 1.05 (increasing to 1.1 in December 2025) and an interest cover of 3.0.

NET DEBT (EXCL. LEASES) BRIDGE



GROUP CASH FLOW

OVERVIEW

WORKING CAPITAL

Net movement in working capital:
increase of **£2.1m** (2023: decrease of £0.1m)

INVESTING ACTIVITIES **£2.5M** (2023: **£6.2M**)

Purchase of intangible fixed assets **-£1.0M** (FY23: -£1.2m)
Purchase of plant and equipment **-£2.0M** (FY23: -£4.5m)
Proceeds from disposals plant and equipment **+£1.0m** (FY23: £nil)
Cash paid in relation to deferred consideration **-£0.7m** (FY23: -£0.7m)
Interest received **+£0.2m** (FY23: +£0.2m)

FINANCING ACTIVITIES **£0.4M** (2023: **£8.8M**)

New bank loans in the year **+£39.5m** (FY23: £nil)
Bank loan principal repayments in year **-£36.9m** (FY23: -£4.0m)
Transaction costs on debt refinancing **-£0.3m** (FY23: -£0.1m)
Movement in invoice discounting facility **+£0.9m** (FY23: -£0.6m)
Principal payments on leases **-£3.6m** (FY23: -£4.1m)

Closing cash **£24.0m** (FY23: £20.1m)

	12 MONTHS ENDED 31 DEC 2024 £M	12 MONTHS ENDED 31 DEC 2023 £M
Operating cash flow	14.2	16.9
Interest paid	(4.1)	(3.6)
Tax paid	(2.9)	(0.6)
Net cash from operating activities	7.2	12.7
Net cash flow from investing activities	(2.5)	(6.2)
Net cash flows from financing activities	(0.4)	(8.8)
Net change in cash	4.3	(2.4)
Effect of FX rate changes	(0.4)	0.3
Cash & cash equivalents at start of the period	20.1	22.2
Cash & cash equivalents at end of the period	24.0	20.1

INSPECS
GROUP PLC

03

2024 OPERATIONAL REVIEW

Richard Peck
Group Chief Executive Officer



OPERATIONAL HIGHLIGHTS



GROUP INTEGRATION

The integration of our US businesses completed in the year

Streamlining our operations under a single team, which has already delivered efficiencies and enhanced performance



INNOVATION

Launch of a new optics product 'Optaro' this is a video magnifier specifically made for smartphones which can magnify text up to 15x

Collaboration with a prestigious research-led university, King's College London, on a UV protection headwear solution

Pioneering 3D titanium printing to create ultra-durable frames with reduced waste



VIETNAM - NEO

Completion of the Group's new state-of-the-art manufacturing facility in Vietnam

This expansion has significantly increased our capacity allowing the Group to be able to produce an additional 5m units per year



BRANDS

Our strategy to grow by introducing our brands into more markets

The launch of Barbour globally has been very well received in the market

Secured the license for Tom Tailor

We continue to focus on growing our branded Key Account business globally



SUPPLY CHAIN

Significant developments in centralising our procurement processes, with a dedicated global team delivering synergies

Increasing the proportion of our Group's procurement from in-house manufacturing rather than third-party suppliers



ESG

We have transitioned to a new 40% emissions reduction target by 2040

Goal that 100% of our packaging will be recyclable, reusable, or biodegradable by 2030

Launch of supply chain due diligence platform



SEGMENTAL ANALYSIS FRAMES & OPTICS

2024 SUMMARY

Our house brand Titanflex, has continued to deliver strong results this year with a record number of sales, partly driven by the patented hinge developed internally, it is now being utilised across other Group products

Our low vision business in Europe and America performed strongly in 2024 with solid growth

Collaborated and released a new specialist sunglass collection for the sports market in North America

2024 PERFORMANCE

REVENUE

£172.2M

£179.0M

2023

OPERATING PROFIT

£5.0M

£5.1M

2023

INSPECS
EYEWEAR

TURA

a·optikk^{AS} BO
DESIGN

UNDERLYING EBITDA

£16.6M

£17.6M

2023

ESCHENBACH

EGO EYEWEAR

ESCHENBACH
OPTIK



SEGMENTAL ANALYSIS MANUFACTURING

2024 SUMMARY

Continued growth, alongside work undertaken on the construction of the new manufacturing facility

The Group now has 18,000sqm of production space making it the largest eyewear manufacturing plant in Vietnam

Total capacity of around 12million frames per annum has enabled the Group to have increased flexibility of production and a significant offering to major customers around the world

2024 PERFORMANCE

REVENUE

£20.7M

£20.2M
2023

OPERATING PROFIT

£4.2M

£4.0M
2023

UNDERLYING EBITDA

£5.9M

£5.6M
2023



SEGMENTAL ANALYSIS LENSES

SUMMARY 2024

The Group is currently undertaking a strategic review of our Lenses segment

Designed and manufactured state of the art lenses to assist with color blindness

Relaunched Reactolite™, our photochromic lens brand which adapts to varying light conditions

Successfully introduced a new varifocal lens which provides smooth transition between multiple focal points

2024 PERFORMANCE

REVENUE

£4.9M

£4.2M
2023

OPERATING LOSS

£2.5M

£2.0M
2023

UNDERLYING EBITDA

£(1.9)M

£(1.4)M
2023

The logo for Norville, featuring a stylized 'N' above the word 'Norville' in a bold, sans-serif font.





INSPECS
— GROUP PLC —

05

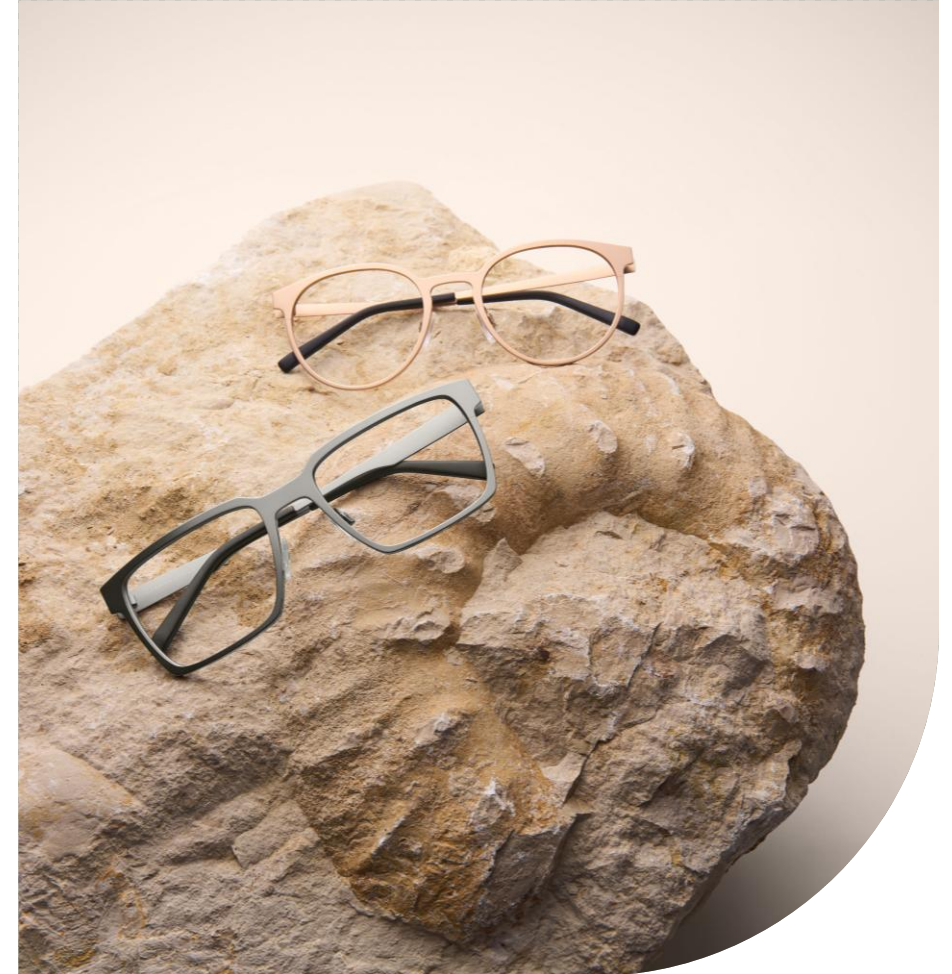
CURRENT TRADING AND OUTLOOK

Richard Peck

Group Chief Executive Officer

CURRENT TRADING AND OUTLOOK

- Added new distribution of key brands into major chains across the USA, Canada and Europe
- Successful launch of new low vision aids in Europe and USA
- New Vietnam facility in production with continuing global chain interest in utilising the production space
- Net debt reduction to continue in 2025
- Significant drop in net finance costs expected in 2025 amounting to approximately £700k
- Tom Tailor to launch H2 2025
- We continue with our integration opportunities within the Group
- Management teams focused on the delivery of medium-term targets
- Notwithstanding the recently announced tariffs and caution in relation to market conditions, current trading is in line with management's expectations and gives confidence in the delivery of market expectations for 2025



INSPECS
— GROUP PLC —

06

APPENDIX



VERTICALLY INTEGRATED BUSINESS MODEL

INSPECS GROUP PLC

Vertically integrated from frame and lens manufacturing to design, brands, sales, marketing and distribution


KILLINE
Eyewear
manufacturing

KUDOS
Eyewear
manufacturing


Norville
Lens
manufacturing

 **ESCHENBACH**
Manufacturing, design, sales
& distribution

INSPECS
EYEWEAR
Design, sales &
distribution

 **TURA**
Design, sales &
distribution

EGO EYEWEAR
Design, sales &
distribution

 **BO
DE
DESIGN** **a·optikk^{AS}**
Sales &
distribution

COMPETITIVE EDGE

MANUFACTURING CAPABILITY

Adds an additional layer of transparency and provides greater control over quality and production timelines as well as margin

LONG-STANDING RELATIONSHIPS

Relationships spanning over three decades with major eyewear retailers

DIVERSE EYEWEAR PORTFOLIO

Offering a mix of proprietary and licensed brands demonstrates a strategic approach to our diversified product offering

INTERNATIONAL DESIGN PRESENCE

Key design studios in the UK, Germany, USA, Scandinavia, China and Vietnam enables us to offer a diverse range of designs tailored to different market preferences

ACQUISITIONS FOR GROWTH AND SYNERGIES

Growth through acquisitions and synergies reflects a forward-looking approach to expanding market presence and enhancing competitive advantages

GLOBAL SALES PRESENCE

Large global sales force comprising over 250 representatives worldwide

GROUP BALANCE SHEET

	AS AT 31 DECEMBER 2024 £M	AS AT 31 DECEMBER 2023 £M
Assets		
Non-current assets	113.6	123.9
Current assets (excluding assets held for sale)	106.6	97.2
<i>(Cash and cash equivalents)</i>	<i>24.0</i>	<i>20.1</i>
Total assets	220.2	221.9
Net current assets/(current liabilities)	31.5	31.3
Equity		
Total equity	98.7	103.5
Liabilities		
Non-current liabilities	46.5	52.5
<i>(Current and non-current Interest-bearing loans and borrowings)</i>	<i>62.5</i>	<i>62.1</i>
Current liabilities	75.0	65.9
Total liabilities	121.5	118.4
Total equity and liabilities	220.2	221.9

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Our Commitment

PLANET

- We will collaborate closely with both internal teams and external partners to ensure the accuracy and transparency of our emissions data. This collaboration is essential for driving meaningful initiatives that effectively reduce our carbon footprint.

PRODUCT

- We will develop clear material design principles and foster innovation to expand our range of more sustainable materials and products.
- We will continually review our product offerings to ensure alignment with both our sustainability vision and our customers' evolving expectations.

PACKAGING

- We will develop packaging principles that prioritise the use of recyclable, reusable, or biodegradable materials. By improving our packaging designs, we aim to reduce waste and streamline our processes, creating a more responsible and sustainable packaging approach.

PROCUREMENT

- We are dedicated to working exclusively with suppliers who adhere to rigorous social and environmental standards. We will engage our suppliers on key ESG issues, encouraging our first-tier suppliers to cascade responsible business practices throughout their own supply chains. We will maintain participation of our Tier 1 suppliers in sharing their environmental and social impacts with us via collaborative platforms such as SEDEX and Amfori BSCI.

Our Target

- We are committed to achieving a 40% (relative) reduction in emissions across our global operations by 2040 in Scope 1 and Scope 2 against our 2023 base year*, reinforcing our pledge to minimise our environmental impact and contribute to global sustainability goals.

- By 2030, we will establish and distribute a materials and product hierarchy to guide our teams in designing and selecting more sustainable materials and products.
- 50% of our eyewear frames will be made from bio-based or recycled materials by 2030. This includes materials such as bio-acetate, recycled acetate, Acetate Renew, and recycled metals.

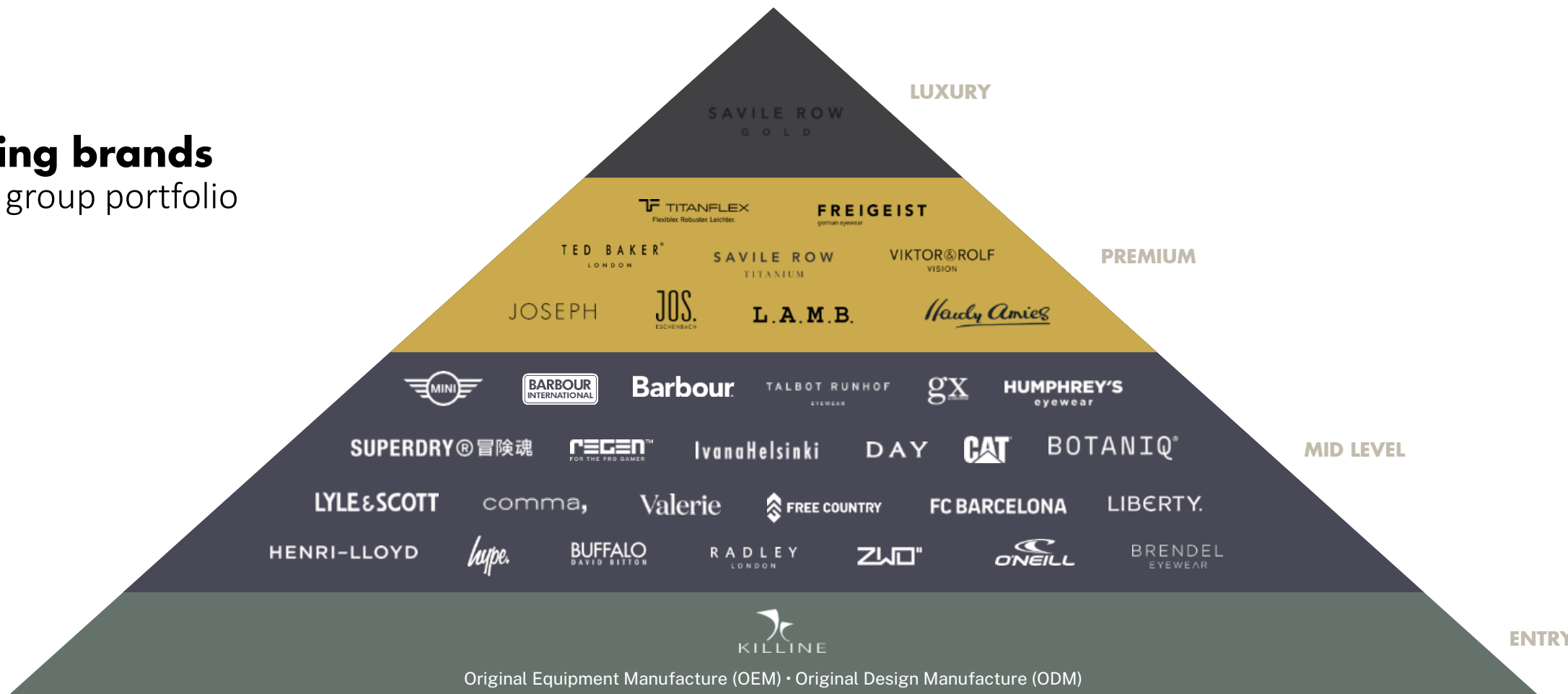
- By 2030, 100% of our packaging will be recyclable, reusable, biodegradable or from bio-based sources, reflecting our dedication to reducing packaging waste and environmental impact.

- Achieve Group-wide alignment of supplier agreements and contractual clauses related to ESG by 2030.
- Develop and implement a comprehensive Group Responsible Sourcing Code by 2030, ensuring our procurement processes align with our ESG values and commitments.

* We have set a relative emissions reduction target to reduce our Scope 1 and Scope 2 emissions intensity – measured as emissions per unit of revenue by 40% compared to our 2023 base year. The reductions will be assessed relative to revenue generated. Unlike absolute emissions reduction targets, which focus solely on reducing total emissions regardless of business growth, this target adjusts for changes in business activity. It ensures that our emissions are reduced in proportion to our growth.

BRAND MAP

Leading brands
within group portfolio



DESIGN, BRANDS, MARKETING,
DISTRIBUTION (UK)

INSPECS LIMITED

Founded in 1988

Winner of two **Queen's awards** for International trade

Head office, design studio and showroom in **Bath, UK**

In-house Licensed Brand Management working
with the UK's leading brands

Trend forecasting team travelling globally

International design team experienced
delivering fashion forward designs from the
high street to the catwalk



MANUFACTURING

KILLINE

JOINED GROUP IN 2017

40 years experience in OEM, design and technological products.

Killine's team of **50+ technicians** and engineers from multi-national backgrounds are dedicated to being first to market with new innovations.

State-of-the-art factories in **China and Vietnam** produce high-end frames using premium materials and innovative patented techniques.

International team of designers are based in Portugal and China.



TORKAI Factory

New Vietnam Factory



Killine Lisbon office

DISTRIBUTION

ESCHENBACH

JOINED GROUP IN 2020

No.1 in Germany for prescription frames

Engineering DNA and Expertise in design

Strong consumer recognition– ‘Made in Germany’
Premium quality and optical engineering

Award Winning designs

Red Dot Award Winner 2022, 2023 and 2024
Silmo d’Or 2021



DISTRIBUTION

ESCHENBACH OPTIK

JOINED GROUP IN 2020

Optical precision for **more than 100 years**
with discerning design & technical know-how

Vision Technology

Readers & filters, magnifiers, easy and low vision aids – building on expertise in product specification and lens design (e.g. diffractive optics)

Consumer Optics

Binoculars with outstanding optics, high level of functionality and exceptional design

Magnifiers and low vision products are a **growing sector** across the United Kingdom

Eschenbach Optik are the **market leaders in Europe**



ESCHENBACH - USA

TURA

JOINED GROUP IN 2020

Founded in 1938

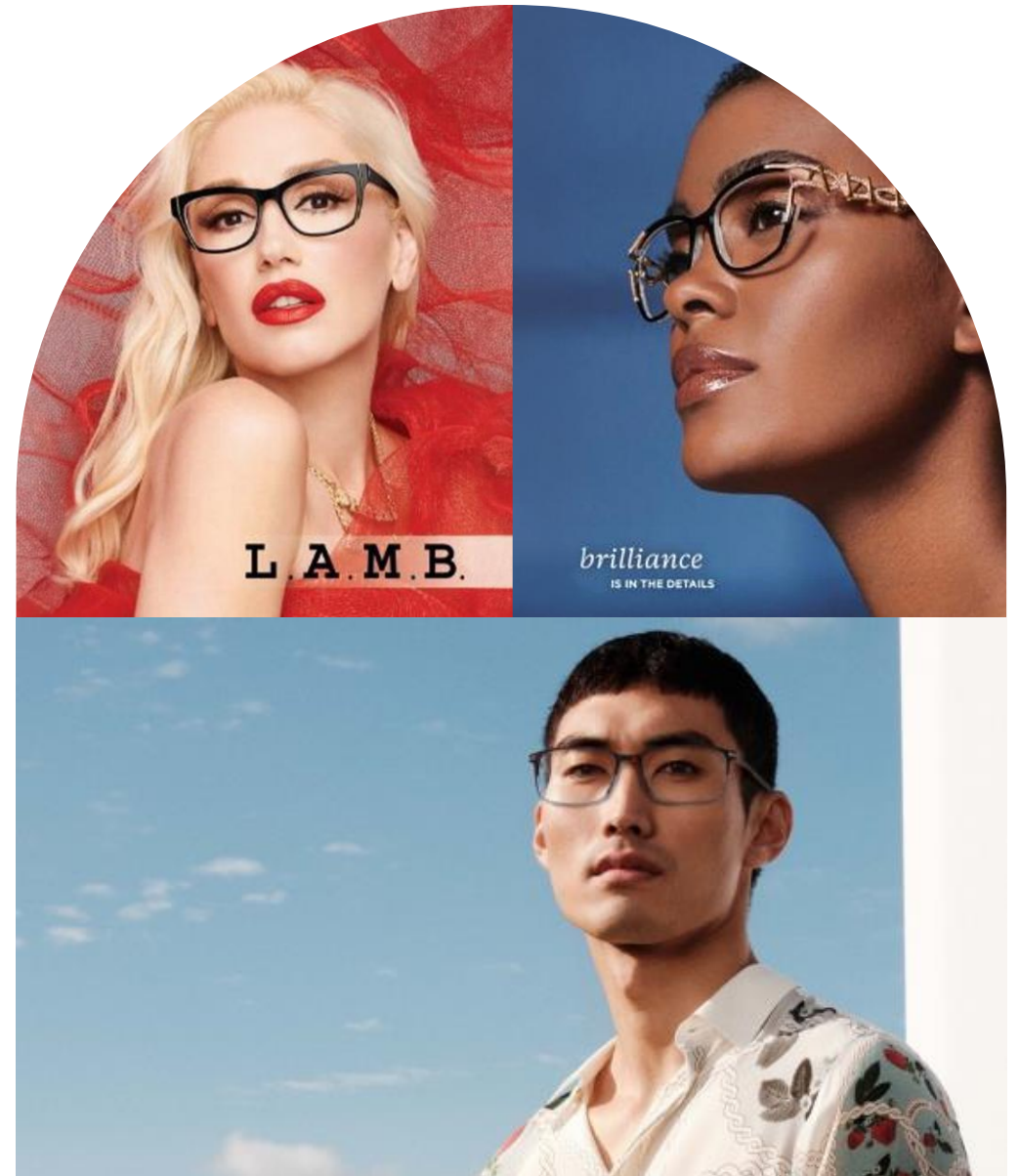
85 employees + 110 sales representatives

Head office, design studio and
showroom in **New York**

Distribution:

USA, Canada & Mexico

40,000 sq ft distribution centre in Muncy,
Showroom and design space in New York.



LENSES

NORVILLE

JOINED GROUP IN 2020

Founded in **1898** specialist lens supplier

UK manufacturing, Gloucester
facility has **5,000m²** production area

60+ team that are passionate on delivering
exceptional customer experience



NORDIC DISTRIBUTION + BRANDS

EGO EYEWEAR

JOINED GROUP IN 2021

EGO EYEWEAR design and distribute beautiful Eyewear around the world under license agreement for some of the world's most famous and prestigious Fashion brands including Barbour, Barbour International, Joseph, Viktor & Rolf, Lyle & Scott And Liberty London

EGO EYEWEAR is based in Stockholm where their design studio is located, they also have a quality control team based in Hong Kong



GERMAN REGIONALS

BODE DESIGN

JOINED GROUP IN 2021

BoDe have been our **long-term partner** in Germany, distributing to chains and online retailers

This energetic team's focus compliments the Eschenbach business, which primarily sells to independent opticians



DISCLAIMER

This presentation and information communicated verbally to you, may contain certain projections and other forward-looking statements, with respect to the financial condition, results of operations, businesses and prospects of INSPECS Group plc.

These statements are based on current expectations and involve risk and uncertainty as they relate to events and depend upon circumstances that may, or may not, occur in the future. There are a number of factors which could cause actual results or developments to differ materially from those expressed, or implied, by these forward-looking statements. Any of the assumptions underlying these forward-looking statements could prove inaccurate, or incorrect, and therefore any results contemplated in the forward-looking statements may not actually be achieved.

Nothing contained in this presentation, or communicated verbally, should be construed as a profit forecast or profit estimate. Investors, or other recipients, are cautioned not to place undue reliance on any forward-looking statements contained herein. INSPECS Group plc undertakes no obligation to update or revise (publicly or otherwise) any forward-looking statement, whether as a result of new information, future events, or other circumstances. Neither this presentation, nor any verbal communication, shall constitute an invitation or inducement to any person to subscribe for, or otherwise acquire, securities in INSPECS Group plc.