



INSPECS
— GROUP PLC —

FY21 INTERIM RESULTS PRESENTATION
6 MONTHS ENDED 30 JUNE 2021

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TITANFLEX - Red Dot award winner

Agenda

INSPECS

Chief Executive Review

Financial Results

Group P&L

Group Balance Sheet

Current Trading and Outlook

Eschenbach Acquisition

B2B Digital Platform

TURA

Vietnam

Norville

Q&A



Chief Executive Review

INSPECS

KEY HIGHLIGHTS

OPERATIONAL PERFORMANCE

- Strong growth in sales and underlying EBITDA up to \$17.7m.



CASH FLOW

- Strong cash generation from operations of \$15.4m in 6 months.



VIETNAM FACILITY

- New factory completed and in production.



NORVILLE

- New construction of factory underway and LEICA lens distribution in place.



ESCHENBACH

- Good trading results for the 6 month and ongoing integration proving successful.



HOUSE BRANDS

- Acquisition of Eschenbach increased our owned house brands from 2 to 7.



CHINA

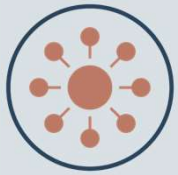
- Good production in China first 6 months. Technical teams in China embedded into innovation work across the Group



LICENCE BRANDS

- 9 new licence brands following acquisition of Eschenbach





COVID - 19

RESILIENT MARKET

- Strong operational results in all major markets despite Covid – 19 restriction.

FLEXIBLE RESPONSE

- Group has demonstrated ability to rapidly adapt working conditions and continue to operate with increased efficiencies.

ONLINE GROWTH

- Continuing growth in online markets and B2B site continues to grow.
- B2C platform under construction.

SUPPORTING [NHS](#)

- Continuing to support the [NHS](#) and develop new products including anti-bacterial and anti-viral materials for the healthcare market.

MANUFACTURING

- Successful vaccine rollout amongst staff in Vietnam and China.

DISTRIBUTION

- Flexible distribution pattern working well.

Group P&L

INSPECS

Headline performance

Substantial revenue increase

Substantial underlying EBITDA increase

Gross margin pre purchase price allocation adjustment
+5,500 BPS
49.8% (H1 2020: 44.3%)

Gross profit margin
+600 BPS
44.9% (H1 2020: 44.3%)

Cash generation from operations
+\$15.4m

GROUP REVENUE	UNDERLYING EBITDA	CASH	Basic EPS	Underlying EPS
\$mil	\$mil	\$mil		
2021 125.7	2021 17.7	2021 37.7	2021 \$(0.03)	2021 \$0.17
2020 16.7	2020 0.7	2020 28.6	2020 \$(0.12)	2020 \$0.01
2019 30.4	2019 6.6	2019 5.1		

	Unaudited 6 months ended 30 June 2021 \$mil	Unaudited 6 months ended 30 June 2020 \$mil	Unaudited 6 months ended 30 June 2019 \$mil
Revenue	125.7	16.7	30.4
Gross Profit	56.5	7.4	14.0
Underlying EBITDA	17.7	0.7	6.6
Operating Profit/(Loss)	3.3	(1.7)	5.1
(Loss)/Profit before income tax	(2.6)	(8.3)	5.1
(Loss)/Profit for the period	(3.2)	(7.5)	4.7

	Unaudited 6 months ended 30 June 2020 \$mil	Unaudited 6 months ended 30 June 2019 \$mil
Operating Profit/(Loss)	3.3	(1.7)
Depreciation and amortisation	7.6	1.6
Share based payments	0.7	0.8
Purchase price allocation adjustment on inventory	6.1	-
Underlying EBITDA	17.7	0.7

Group Balance Sheet

INSPECS

OVERVIEW

STRONG BALANCE SHEET

Cash – last 6 months	+\$5m
Net debt reduction (excl. leasing) – last 6 months	-\$10m

	30 June 2021	31 December 2020	30 June 2020
Quick ratio	1.1	1.0	4.5
Current ratio *	2.2	2.2	3.1
Debt to equity ratio	1.0	1.1	0.5
Sales to inventory ratio	2.5	n/a	2.0

* Current ratio is calculated as trade and other receivables, plus inventory, divided by trade and other payables.

Significant leverage headroom

	30 June 2021		31 December 2020	
	Actual	Required	Actual	Required
Leverage **	0.6	Below 2.5	1.6	Below 2.5
Interest cover	21.0	Above 4.0	17.1	Above 4.0

** Leverage is calculated on a rolling 12 month historical EBITDA against current net debt excluding leasing.

	Unaudited as at 30 June 2021 \$'000	Audited as at 31 December 2020 \$'000	Unaudited as at 30 June 2020 \$'000
ASSETS			
NON-CURRENT ASSETS	175,945	181,283	41,112
CURRENT ASSETS	123,101	129,170	45,770
(incl. Cash and cash equivalents)	37,718	32,672	28,589
TOTAL ASSETS	299,046	310,453	86,882
Net current assets	55,797	59,619	37,485
EQUITY			
TOTAL EQUITY	147,130	145,817	58,434
LIABILITIES			
NON-CURRENT LIABILITIES	84,612	95,085	20,163
(incl. interest bearing loans and borrowings)	63,191	70,391	17,401
CURRENT LIABILITIES	67,304	69,551	8,285
TOTAL LIABILITIES	151,916	164,636	28,448
TOTAL EQUITY AND LIABILITIES	299,046	310,453	86,882

BRANDS

SUPERDRY® 冒險魂

L.A.M.B.

lupe.

O'NEILL

CAT®

///NASCAR

ROALD DAHL

Marc O'Polo

MINI EYEWEAR. 

gx
by GIVENCHY

TALBOT RUNHOF
EYEWEAR

 **FREE COUNTRY**

BUFFALO
DAVID BITTON

LULU GUINNESS
LONDON

RADLEY
LONDON

SAVILE ROW®
GOLD

SAVILE ROW®
TITANIUM

FREIGEIST
german eyewear

JOS.
ESCHENBACH

BRENDEL
EYEWEAR

BOTANIQ®

HUMPHREY'S
eyewear

TF TITANFLEX
Flexibler. Robuster. Leichter.

LICENSED BRANDS

HOUSE BRANDS

POSITIONING



Further developments

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B2B digital platform

OVERVIEW

- In operation
- Continual growth
- Customer relationships enhanced
- Positive feedback



B2C digital platform

OVERVIEW

- Construction nears completion
- Acquisition of Eschenbach gives more house brands for distribution
- Norville acquisition allows frame and lens packages direct to consumer



Skunk works

OVERVIEW

- Continual innovation and drive to bring new products to market
- Revenue generation opportunity progressing
- Similar teams to be set up in USA and Germany



Current Trading and Outlook

INSPECS



Market proving resilient and continuing improvement in trading conditions subject to COVID – 19 uncertainties.



Good order books at the end of August 2021.



Strong growth in B2B platforms.



Integration of Eschenbach proving successful.

Strong management teams around the globe in place

Strong order books

Outlook remains unchanged

Steady and continual building

Q3 sales update in October



THE STORY SO FAR

DISTRIBUTION



1988 Founded
1st brand - Jean Paul Gautier

BUILT GLOBAL PRESENCE (OFFICE OPENINGS)



2000 HK **2009 USA** **2014 Scandi-**
navia **2017 Portugal** **2019 Italy**

LICENSED BRAND & 3RD PARTY MANUFACTURER



2002 First eyewear brand
supplied to a multiple retailer

AWARDS



2007 QUEEN'S AWARD for
Enterprise International Trade

UK MANUFACTURE - LUXURY



2011 Acquired 1st proprietary
brand - Savile Row

INTERNATIONAL OWNED MANUFACTURING



2017 Killiney Group acquired
(Private label)

BUSINESS EXPANSION



2020 (Feb) Became PLC
London Stock Exchange

AWARDS



2020 (Apr) QUEEN'S AWARD for
Enterprise - International Trade

INTERNATIONAL OWNED MANUFACTURING



2020 (Jul) Norville Group Ltd
acquired (Lens manufacturer)

INTERNATIONAL OWNED EYEWEAR COMPANIES



2020 (Nov) Eschenbach & Tura
acquired (Manufacturer & distributor)

Acquisition of The Eschenbach Group

INSPECS



INSPECS completed the acquisition of Eschenbach on 16 December 2020.
Integration of supply chain and sales distribution underway.
Global teams working well on innovation and growth opportunities in markets.



Founded in 1913



Strong European and USA independent option distribution



6 new in house brands
9 new licensed brands contained in
Eschenbach

Opportunity
for INSPECS

1

Continual leverage of
vertical integration
model

2

Growth of B2B and
house brands direct
to consumer

3

Fully glazed lens and
frame package direct
to consumer

4

Further acquisition
opportunity under
review

DISTRIBUTION

ESCHENBACH

Genuine Expertise

70+ highly qualified in-house opticians

No.1 in Germany for prescription frames

Engineering DNA and Expertise in design
Strong consumer recognition– 'Made in Germany' Premium
quality and optical engineering

Vision Technology

Readers & filters, 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

Award Winning designs

Red Dot Award Winner



MANUFACTURING

KILLINE

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, working in tandem with the INSPECS British design team and now the Eschenbach design team based in Germany.



↑ TORKAI Factory

↓ Killine Lisbon office



ESCHENBACH - USA

TURA

Founded in 1938

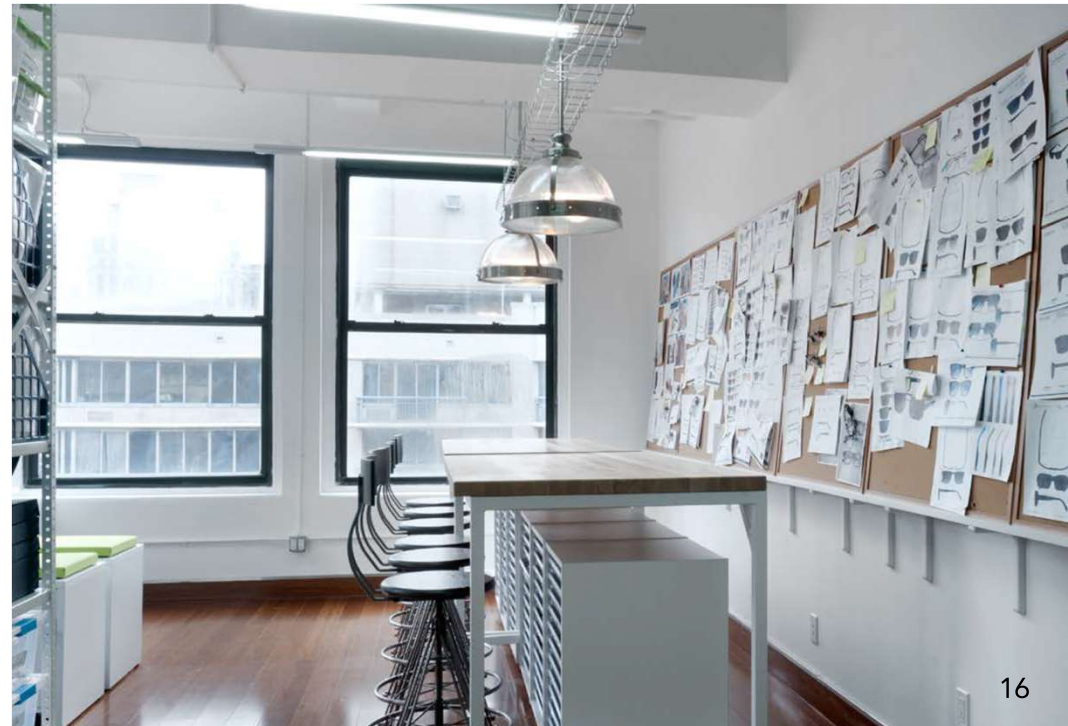
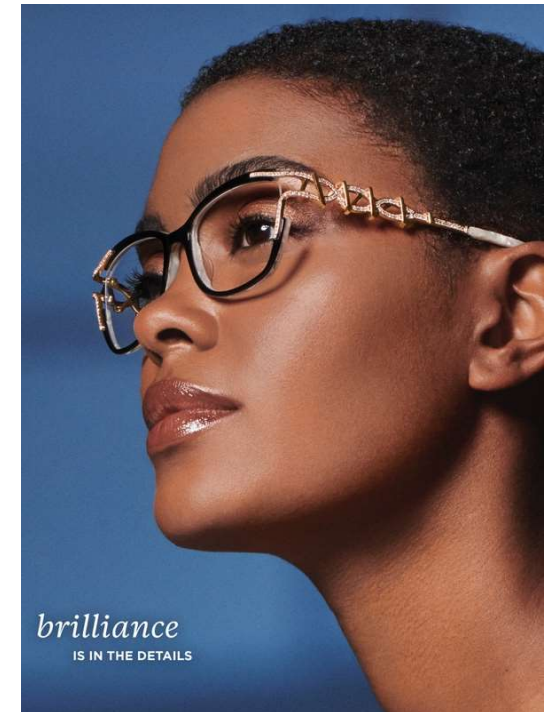
Employees 85 + 110 sales representatives

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

Distribution: USA, Canada & Mexico

Distribution centre in Muncy, PA. Customer service, accounting, credit and collections, IT, warehouse and distribution facility.

40,000 square feet, with 25,000 sq ft for warehouse and 15,000 sq ft of office space.



NORVILLE

120 years experience of making exceptional lenses and spectacles.

3 UK manufacturing sites, Gloucester facility has 4,200m² production area

90+ team that are passionate on delivering exceptional customer experience

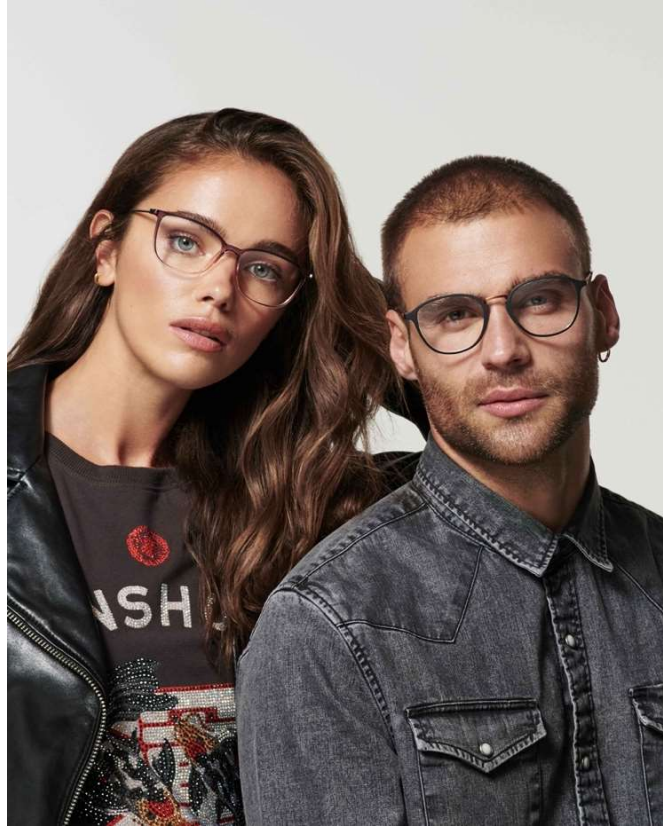
High quality through training, development, investment and focus.

Innovative approach to explore new possibilities in product, production, and performance.

Agile team that is looking for new ways to solve problems and drive resolutions.

New factory located and state-of-the-art production facility under construction for completion for Q4 2021.





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