

30 January 2025

Inspecs Group plc
("INSPECS" or "the Group")

Full Year Trading Update

Inspecs Group plc, a leading designer, manufacturer and distributor of eyewear (sunglasses, optical frames, lenses and low vision products), today announces a trading update for the year ended 31 December 2024 ahead of reporting its final results on 10 April 2025.

Summary

- Group revenue of £200.5m (2023: £203.3m) and Underlying EBITDA of £17.5m (2023: £18.0m)
- H2 2024 revenue increase of 5.9% to £97.5m (H2 2023: £92.1m)
- Gross profit margin increased from 50.9% to 51.4%
- Reduced net debt (excluding leases) by £1.3m to £22.9m (2023: £24.2m)
- Integration of US businesses completed in 2024 and now fully amalgamated
- The new facility in Vietnam is now fully operational, with promising enquiries to utilise the enlarged manufacturing capacity
- Eschenbach Optics division has performed strongly, particularly in the US and Europe, with our new digital low vision aids well received by the market
- European business continues to take market share despite an overall soft market
- Renewed and extended Group banking facilities to 2027 with HSBC

Revenue and Underlying EBITDA

Group revenue for the year was £200.5m (2023: £203.3m) and on a constant currency basis¹, revenue increased £2.3m to £205.6m. The Group expects to deliver an Underlying EBITDA of £17.5m (2023: £18.0m) in line with recently updated market expectations². The Group is targeting revenue growth in 2025 together with improving EBITDA margin as key priorities.

Financial position

The Group's net debt (excluding leases) decreased by £1.3m during the year to £22.9m (31 December 2023: £24.2m). The Group invested a further £0.7m in the new Vietnam factory as planned to provide additional capacity with improved sustainable efficiency, and a further £1.9m on deferred and contingent acquisition consideration.

Financial funding and liquidity

The Group successfully refinanced its existing banking arrangements with HSBC UK Bank plc in December, extending their maturity to 2027.

The debt facilities consist of a three-year Multicurrency Revolving Credit Facility and a Term Loan predominantly drawn in Euros and, as a result, the Group expects to reduce its interest costs in 2025 by circa £0.6m compared to 2024.

Outlook

The Group will continue to focus on delivering further operational efficiencies and reducing costs, while also reducing net debt and leverage. Whilst 2024 did not meet the full expectations of the Board, our US business delivered good growth during the year. The Group has made a solid start to 2025 and is confident of its ability to continue to reduce debt and increase margins and Underlying EBITDA.

Richard Peck, Chief Executive Officer commented:

"Whilst total revenue and Underlying EBITDA for the Group in 2024 was behind our original expectations, revenue growth was achieved in the second half of the year. I am also pleased that the Group increased its gross profit margin for the full year. During the period, we continued to focus on our operational efficiencies and, despite the inflationary pressures experienced in 2024, our operational costs have remained flat. The Group has also reduced net debt while investing in significant additional manufacturing capacity which is now operational, following the successful completion of construction in Vietnam."

"2025 has started well and our key objectives for the year are to raise the Group's revenue and increase our Underlying EBITDA margins across the Group while continuing to reduce our net debt."

1. Constant exchange rates: figures at constant exchange rates have been calculated using the average exchange rates in effect for the corresponding period in the relevant comparative year.
2. Company compiled market expectation - Revenue c.£197m and Underlying EBITDA £17.4m to £17.9m.

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About INSPECS Group plc

INSPECS is a leading provider of eyewear solutions to the global eyewear market. The Group produces a broad range of eyewear frames, low vision aids and lenses, covering optical, sunglasses and safety, which are either "Branded" (under licence or under the Group's own proprietary brands), or "OEM" (unbranded or private label on behalf of retail customers).

INSPECS is building a global eyewear business through its vertically integrated business model. Its continued growth is underpinned by six core pillars: increasing the penetration of its own-brand portfolio, increasing distribution, growing its travel retail markets, maximising group synergies, expanding its manufacturing capacity and scaling the research and development department as it develops new and innovative eyewear products. The Group has operations across the globe: with offices and subsidiaries in the UK, Germany, Portugal, Scandinavia, the US and China (including Hong Kong, Macau and Shenzhen), and manufacturing facilities in Vietnam, China, the UK and Italy.

INSPECS customers are global optical and non-optical retailers, global distributors and independent opticians. Its distribution network covers over 80 countries and reaches approximately 75,000 points of sale.

More information is available at: www.INSPECS.com

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