

Strictly embargoed for 07.00, 20 March 2025

Focusrite plc

("Focusrite" or "the Group")

Trading Update

Focusrite plc (AIM: TUNE), the global music and audio products group supplying hardware and software used by professional and amateur musicians and the entertainment industry, provides the following update on trading for the six months ended 28 February 2025 ("HY25").

The Group's performance for the period was in line with expectations¹. Revenue for the first half is expected to be not less than £80 million, compared with £76.9 million in the first six months of the prior year. On an underlying basis, eliminating the revenue benefit of the planned increase in stock in the US sales channel to mitigate potential tariffs, the Content Creation division grew c.5% in the first half. This growth was partially offset by a decrease of approximately 6% in Audio Reproduction, reflecting the previously highlighted ongoing market realignment following the one off post-COVID boost and a particularly strong comparator in H1 of FY24. The Audio Reproduction division continues to have a stable sales pipeline and, with a seasonal weighting to the second half, revenue is expected to improve in the second six months of this period across this division.

Whilst gross margins have compressed slightly in HY25 due to ongoing elevated freight costs and product mix, planned pricing adjustments and new product introductions are expected to deliver improvements in the remainder of the current period. Price increases relating to US tariffs have been communicated to our customers, effective from 1 May 2025. Overheads have increased in line with expectations, due largely to the resetting of variable remuneration levels as compared to the prior year.

Net debt stands at approximately £18 million as at 28 February 2025 (31 August 2024: net debt of £12.5 million), reflecting the payment of the final dividend and an increase in stock and working capital in anticipation of the expected US tariffs. Net debt levels are expected to improve in the second six months of the current period with an overall cash inflow for the 12 months as a whole. The Group continues to maintain a disciplined approach to capital allocation with £50 million of committed credit facilities ensuring flexibility to support strategic initiatives and future growth opportunities.

Against a background of a normalising market in Content Creation, after an extended period of volatility in the sales channel, Focusrite continues to maintain its leading market position, supported by continuing robust underlying end-user registrations. While broader economic conditions remain fluid, the Group has plans in place to navigate potential challenges and the Board's expectations¹ for the first twelve months of the current eighteen-month period remain unchanged. However, as previously highlighted, H1 EBITDA will be lower than the prior year, and more heavily weighted to the second six months of this period.

The Group looks forward to providing a more detailed trading review when it announces its half year results in late April 2024.

¹ Market expectations are understood to be a range for EBITDA for the 12 months to 31 August 2025 of between £24.5 million and £26.0 million.

- Ends -

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Notes to Editors

Focusrite plc is a global audio products group that develops and markets proprietary hardware and software products. Used by audio professionals and musicians, its solutions facilitate the high-quality production of recorded and live sound. The Focusrite Group trades under thirteen established brands: Focusrite, Focusrite Pro, Novation, Ampify, ADAM Audio, Martin Audio, Optimal Audio, Linea Research Sequential, Oberheim, Sonnox, OutBoard and TiMax.

With a high-quality reputation and a rich heritage spanning decades, its brands are category leaders in the music-making and audio recording industries. Focusrite and Focusrite Pro offer audio interfaces and other products for recording musicians, producers and professional audio facilities. Novation and Ampify products are used in the creation of electronic music, from synthesizers and grooveboxes to industry-shaping controllers and inspirational music-making apps. ADAM Audio studio monitors have earned a worldwide reputation based on technological innovation in the field of studio loudspeaker technology. Martin Audio designs and manufactures performance-ready systems across the spectrum of sound reinforcement applications. Linea designs, develops, manufactures and sells market innovative professional audio equipment globally. Sequential designs and manufactures high end analogue synthesizers under the Sequential and Oberheim brands. Sonnox is a leading designer of innovative, high-quality, award-winning audio processing software plug-ins for professional audio engineers. TiMax specialises in innovative immersive audio and show control technologies. OutBoard manufactures and sells industry standard rigging control products for live events, together with enterprise-level safety test, preparation and quality management for global rental companies and venues.

The Company has offices in four continents and a global customer base with a distribution network covering approximately 240 territories.

Focusrite plc is traded on the AIM market, London Stock Exchange.

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