RNS Number : 7655Z
Inspecs Group PLC
18 September 2025

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INSPECS Group plc
("INSPECS", "the Company" or "the Group")

Interim Results

INSPECS Group plc, a leading designer, manufacturer, and distributor of eyewear (sunglasses, optical frames and low vision products) presents its unaudited interim results for the six months ended 30 June 2025.

The financial review results below are reported with Norville classified as a discontinued operation. For the six months to 30 June 2025, Norville generated revenue of £2.4m (H1 2024: £2.4m) and an Underlying EBITDA loss of £0.7m (H1 June 2024: £0.9m loss).

Financial review:

- Delivered revenue in the first half of £97.6m (H1 2024[1]: £100.6m)
- On a constant exchange rates basis[2], revenue was £99.3m (H1 2024[1]: £100.6m), a decrease of 1.3%
- Gross profit margin decreased 80 basis points to 51.8% (H1 2024[1]: 52.6%)
- Operating expenses of £47.8m down by 1.2% (H1 2024[1]: £48.4m)
- Underlying EBITDA[3] reduced to £9.0m (H1 2024[1]: £11.0m) following a decrease in revenue in the period
- Diluted Underlying EPS[4] of 2.08p (H1 2024[1]: 3.94p)
- Profit before tax of £2.4m (H1 2024[1]: £2.6m)
- Continued improvement in working capital, reduced by £3.3m (H1 2024: reduced by £2.4m)
- Cash generated from operations £11.2m (H1 2024[1]: £12.5m)
- Net debt excluding leases[5] increased by £0.7m in the six months to 30 June 2025 to £23.6m (31 December 2024: £22.9m) due to final payments on deferred consideration in relation to acquisitions and the funding of our discontinued operation
- Finance costs reduced by 21% in H1 2025 compared to H1 2024, aided by switching to Euribor based debt. This is protected by an interest rate swap on circa 50% of the Group's borrowings

Operational review:

- Successful launch of Tom Tailor eyewear brand on 1 July 2025 with initial sales ahead of target
- Operating efficiencies continue to be delivered, with a £1.1m reduction in operating expenses within the Frames and Optics division in H1 2025 compared to H1 2024
- Norville, our lens manufacturing site, discontinued as rationalisation across the Group continued
- Amalgamation of selected European sales businesses is on track to be completed by the end of 2025
- Ongoing tariff disruption continues to affect our manufacturing exports from China to the US
- Optics division in the USA affected by reduced government expenditure on low vision owing to the changing political landscape
- Successful implementation of new ERP systems completed in our US and UK businesses

Board update:

- Following a comprehensive recruitment process, Andrea Davis has been selected to be the Company's next Non-Executive Chair with effect from no later than 31 December 2025

Current trading and outlook:

- Current trading in the first two months of H2 is slightly behind plan, however, the growth in our order books and increased cost savings are expected to deliver a stronger performance in the remainder of the year. The Board, therefore, has a reasonable expectation that the Group will meet its guidance[6] for the full year
- We remain committed to delivering on our medium-term targets:
  - o CAGR organic revenue growth 40% above the market rate, which is currently forecast to grow at 3% CAGR
  - o Double digit underlying EBITDA %
  - o Net debt to be 40% - 75% of Underlying EBITDA.

1 The results for the period ended 30 June 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

2 Constant currency exchange rates: figures at constant currency exchange rates have been calculated using the average exchange rates in effect for the relevant comparative period (H1 2024).

3 Refer to table 'Underlying EBITDA and Underlying PAT'.

4 Refer to note 5.

5 Refer to note 9.

6 Guidance is for Underlying EBITDA of £18.7m, excluding Norville, for the year ending 31 December 2025.

Richard Peck, CEO of INSPECS, said: *"As a global eyewear business, we have experienced first-hand the widely reported macro-challenges, including ongoing tariff disruption and subdued consumer confidence. As a result, Group sales in the first half are slightly behind last year. Despite this, I am encouraged by the achievements that have been within our control including the successful amalgamation of our two US frame businesses, which has delivered increased sales demonstrating what can be achieved from operational efficiencies within the Group. We are undertaking further efficiency initiatives in the second half of the year and look forward to updating the market on that progress.*

"Based on the growth in our order books as at the end of August 2025 and planned increased cost savings the Board has a reasonable expectation of meeting full year guidance. We continue to believe in the fundamental strengths of the business and the management team remains focused on the delivery of our medium-term targets."

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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 and low vision aids, 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 increasing the penetration of its own-brand portfolio, worldwide distribution, growing retail presence, maximising group synergies and its global network, 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, Europe, 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

CHIEF EXECUTIVE REVIEW

As previously communicated, revenue and EBITDA in the first half of 2025 was lower than initially expected largely as a result of slower trading in Europe and the uncertainty stemming from US tariffs.

The Group delivered revenue of £97.6m (H1 2024: £100.6m) and Underlying EBITDA of £9.0m (H1 2024: £11.0m). With our continued focus on delivering operational efficiencies, we reduced operating expenses by £0.6m to £47.8m (H1 2024: £48.4m) despite inflationary pressures.

We continue to prioritise achieving our medium-term targets of accelerated revenue growth, operational strength and sustainable leverage through a number of key areas of focus.

Frames and Optics

Revenue in our Frames and Optics distribution business fell by 3.0% to £91.4m (H1 2024: £94.2m). Operational efficiency initiatives led to a £1.1m reduction in operating expenses to £42.1m (H1 2024: £43.2m), which helped to mitigate the impact of the revenue decline. As a result, Underlying EBITDA decreased to £10.5m (H1 2024: £11.3m).

This period has been particularly challenging for our US low vision business. Tariffs have increased product costs, prompting some customers to delay purchasing decisions until there is greater certainty on tariff policy. At the same time, several key customers have faced delays or reductions in government funding due to the changing political landscape. These factors have collectively slowed demand and disrupted our sales pipeline.

On a positive note, the amalgamation of our two US frame businesses, completed in 2024, has been a notable success. The combined business has delivered increased sales with lower operating expenses. In addition, our group procurement activities have now covered 40%-50% of all new SKUs across some of our subsidiaries, with purchase price improvements expected to yield improved margins in 2026.

In Europe, frame and low vision optic sales continue to face headwinds, with trading being slower than anticipated. However, we are pleased to report the successful launch of our Tom Tailor eyewear collection. This collection was launched in July 2025 and has shown promising sales to date. Additional brand highlights include the launch of Gwen Stefani's L.A.M.B. brand via a Direct-to-Consumer website, and our proprietary brand Titanflex and licensed brand Marc O'Polo are continuing to perform well as a result of new technologies and evolving fashion trends.

Further work on the amalgamation of our European sales businesses is on track and expected to be completed by the end of 2025, with associated cost savings expected to be delivered from Q4 2025.

Manufacturing

Revenue from the manufacturing business for H1 2025 was £7.9m, compared to £9.0m in H1 2024. Gross profit margin decreased by 630 basis points to 39.9% due to reduced factory throughput leading to a £1.2m reduction in Underlying EBITDA to £0.4m (H1 2024: £1.6m).

Our Chinese factory has been heavily impacted by US tariffs, with a considerable number of customers delaying orders whilst they wait for more tariff certainty. We are pleased with the performance of our new Vietnam factory which is operating well and scaling up. Although current sales levels are not yet where we would like them to be, we are encouraged by the positive momentum in our order pipeline (up by 3.9% for the business segment 31 August 2025 versus 31 August 2024), which supports our expectation of stronger sales and margin performance in the second half of the year.

ESG

During the period, we made progress in electrifying our car fleet at Eschenbach, helping to reduce fuel costs and emissions while supporting our broader sustainability goals. At Neo, our Vietnam factory, we are installing solar panels, expected to lower energy costs and enhance energy resilience. We are pleased to report that our 2023 emissions data received external limited assurance, providing a strong foundation for future carbon reduction. We've also initiated packaging and Scope 3 projects to advance the use of sustainable materials and strengthen our carbon management across the Group. We remain committed to executing our ESG targets and driving measurable impact for our people, planet, and communities.

Board update

After an extensive recruitment process, the Company has selected Andrea Davis to be its next Non-Executive Chair. After a successful career as a Managing Director and CFO, Andrea became an Operating Partner at Investcorp and has acted as Director and Chair for many of its investee companies. She has been chosen for her extensive experience in a wide range of industries and geographies especially in consumer products across continental Europe, recruiting management teams, running and supervising investments. It is expected that Andrea will take up her new position by 31 December 2025.

Outlook

Despite ongoing macroeconomic headwinds, the optical market remains resilient. We have continued to deliver additional operational efficiencies, of which we will see further benefit in the second half of this year. Current trading in the first two months of H2 is slightly behind expectations, however the growth in our order books and manufacturing pipeline (up 3.3% 31 August 2025 versus 31 August 2024) is expected to result in stronger performance in the next four months. We therefore have a reasonable expectation of meeting full year guidance and reiterate our commitment to delivering on our medium-term ambitions.

I would like to take this opportunity to thank all of our teams worldwide for their continued efforts and commitment to growing INSPECS Group into a leading name in global eyewear.

Richard Peck

18 September 2025

FINANCIAL REVIEW

Revenue
Revenue was £97.6m in the half, down from £100.6m in H1 2024, a decrease of 3.0%. On a constant exchange rate basis revenues decreased 1.3% to £99.3m from £100.6m (H1 2024).

Gross Profit Margin
The Group's gross profit margin decreased to 51.8% in H1 2025 from 52.6% in H1 2024, driven by reduced sales from our Asian manufacturing businesses and reduced sales from our low vision optics business.

Operating Profit
The Group's operating profit decreased to £2.7m (H1 2024: £4.5m).

Administrative expenses
Administrative costs decreased by £0.5m to £45.2m in H1 2025 from £45.7m in H1 2024, a result of the Group's continuing focus on operational efficiency.

Underlying EBITDA
The Group's Underlying EBITDA decreased from £11.0m in H1 2024 to £9.0m in H1 2025. Underlying EBITDA margin decreased from 11.0% in H1 2024 to 9.3% in H1 2025.

Discontinued Operation
The Group's operating loss for the period from its discontinued operation was £0.9m (H1 2024: £1.2m). The total loss for the period from discontinued operations amounted to £4.9m (H1 2024: £1.3m) as a result of a £3.8m (H1 2024: £nil) remeasurement charge recognised on the valuation of the disposal group at fair value less costs to sell.

Finance Expenses
Net finance costs have reduced from £1.9m in H1 2024 to £1.5m in H1 2025, reflecting the lower Euribor interest rates charged on the Group's facilities entered into in December 2024. Net finance costs include £0.1m (H1 2024: £0.1m) relating to the amortisation of capitalised loan arrangement fees. In July 2025, the Group entered into an interest rate swap to hedge a portion of its loan balance, this mitigates the risk of interest rate rises over the loan term.

Depreciation and amortisation

	Period ended 30 June 2025 £m	Period ended 30 June 2024 £m
Depreciation	**2.8**	2.7
Amortisation	**3.3**	3.2
Total	**6.1**	5.9

Profit Before Tax
Profit before tax for the period was £2.4m (H1 2024: £2.6m), after a £1.4m gain on exchange relating to borrowings, compared to a gain of £0.1m in H1 2024.

Tax charge
The tax charge for the period of £2.1m (H1 2024: £2.4m) comprises a current tax charge of £2.6m (H1 2024: £2.3m) and a deferred tax credit of £0.5m (H1 2024: £0.1m charge). The credit in H1 2025 is a result of the unwinding of deferred tax balances arising on acquisitions.

Other comprehensive loss
The exchange adjustment loss on consolidation of £5.3m (H1 2024: £0.8m) reflects the loss arising from the translation of our foreign operations. During the period the loss in particular was driven by the strengthening of the Pound against the US Dollar since the previous year end.

Cash Generation
The Group continued to have strong cash generation from operations of £11.2m (H1 2024: £12.5m).

Net Debt
Net debt (excluding leases) increased by £0.7m to £23.6m as at 30 June 2025 (31 December 2024: £22.9m). During the period, the Group invested £1.1m on the purchase of tangible and intangible owned assets and paid a further £0.7m of deferred consideration relating to the EGO acquisition.

Financing
The Group finances its operation through the following borrowings and facilities.

	Expires	Balance at 30 June 2025 £m	Balance at 31 December 2024 £m
Group revolving credit facility	December 2027	**29.1**	28.2
Term loans	December 2027	**9.0**	9.9
Revolving credit facility USA	1-year rolling	**6.7**	7.5
Invoice discounting	1-year rolling	**2.0**	1.7
Total		**46.8**	47.3

Leverage (using debt to equity ratio)
The Group's leverage position is shown below:

	30 June 2025
Actual ratio	**1.63**
Covenant ratio	**2.25**

The Group remains within its banking covenants and forecasts that it will continue to remain within banking covenants for the length of the arrangement.

Inventory
Our revenue to inventory ratio has remained fairly consistent compared to 30 June 2024.

	Period ended 30 June 2025 £m	Period ended 30 June 2024 £m
Revenue	**97.6**	**100.6**
Inventory	**40.6**	**39.7**
Revenue to inventory ratio	**2.4**	**2.5**

Current asset ratio
The current ratio is a liquidity ratio that measures a company's ability to pay short-term obligations, or those due within one year. This has remained consistent on the comparative period.

	Period ended 30 June 2025 £m	Period ended 30 June 2024 £m
Current Assets	**97.8**	**97.3**
Current Liabilities	**67.4**	**67.3**
Ratio	**1.5**	**1.4**

Quick ratio
The quick ratio is an indicator of a company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its most liquid assets. This has remained consistent on the comparative period.

	Period ended 30 June 2025 £m	Period ended 30 June 2024 £m
Current Assets	**97.8**	**97.3**
Less Inventory	**(40.6)**	**(39.7)**
	57.2	**57.6**
Current Liabilities	**67.4**	**67.3**
Ratio	**0.8**	**0.9**

Net working capital

	Period ended 30 June 2025 £m	Period ended 30 June 2024 £m	Period ended 30 December 2024 £m
Trade and other receivables	**34.4**	**33.0**	**39.8**
Inventory	**40.6**	**39.7**	**42.8**
Trade and other payables	**(36.9)**	**(35.5)**	**(41.3)**
Net working capital	**38.1**	**37.2**	**41.3**
Working capital as a percentage of 12 month rolling revenue	**20.0%**	**19.5%**	**21.3%**

Earnings per Share
The Group's Diluted Underlying EPS for the 6 months to 30 June 2025 was 2.08p compared to 3.94p for the 6 months to 30 June 2024. The Group's Diluted EPS was a loss of 4.54p for the 6 months to 30 June 2025 (H1 2024: loss

1.01p)

Dividend
The Group does not currently intend to pay a dividend in relation to 2025. The Board continues to review its dividend policy on a regular basis.

Underlying EBITDA and Underlying PAT

The below table shows how Underlying EBITDA and Underlying PAT are calculated:

	6 months ended 30 June 2025	**6 months ended 30 June 2024 (Re-presented[1])**	**12 months ended 31 December 2024 (Re-presented[1])**
	£'000	**£'000**	**£'000**
Revenue	97,623	100,606	193,345
Gross Profit	50,570	52,947	101,382
Operating expenses	(47,834)	(48,435)	(95,479)
Operating profit	**2,736**	**4,512**	**5,903**
Add back: Amortisation	3,270	3,212	6,785
Add back: Depreciation	2,758	2,707	5,465
EBITDA	**8,764**	**10,431**	**18,153**
Add back: Share based payment expense	277	206	371
Add back: Earn out on acquisition	-	380	981
Underlying EBITDA	**9,041**	**11,017**	**19,505**
Less: Depreciation	(2,758)	(2,707)	(5,465)
Less: Net interest (excluding amortisation of loan arrangement fees)	(1,433)	(1,868)	(3,562)
Underlying Profit Before Tax (PBT)	**4,850**	**6,442**	**10,478**
Current tax charge	(2,627)	(2,233)	(4,176)
Underlying Profit After Tax (PAT)	**2,223**	**4,209**	**6,302**
Underlying EPS	**Pence**	**Pence**	**Pence**
Basic Underlying EPS for the period attributable to the equity holders of the parent	2.19	4.14	6.20
Diluted Underlying EPS for the period attributable to the equity holders of the parent	2.08	3.94	5.90

(1) The results for the periods ending 30 June 2024 and 31 December 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

Underlying EBITDA segmental information

Underlying EBITDA by reportable segment for the six months ended 30 June 2025 is as follows:

	Frames & Optics	Manufacturing	Total before adjustments & eliminations	Adjustments & eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Revenue	91,398	7,869	99,267	(1,644)	97,623
Operating profit/(loss)	5,117	(410)	4,707	(1,971)	2,736
Add back:					
Amortisation	2,957	313	3,270	-	3,270
Depreciation	2,297	413	2,710	48	2,758
Share based payments	96	57	153	124	277
Underlying EBITDA	**10,467**	**373**	**10,840**	**(1,799)**	**9,041**

Underlying EBITDA by reportable segment for the six months ended 30 June 2024 is as follows:

	Frames & Optics	Manufacturing	Total before adjustments & eliminations (Re-presented[1])	Adjustments & eliminations (Re-presented[1])	Total (Re-presented[1])
	£'000	£'000	£'000	£'000	£'000
Revenue	94,169	9,028	103,197	(2,591)	100,606

Operating profit/(loss)	5,586	1,222	6,808	(2,296)	4,512
Add back:					
Amortisation	2,897	43	2,940	272	3,212
Depreciation	2,374	250	2,624	83	2,707
Share based payments	39	90	129	77	206
Earn out on acquisitions	380	-	380	-	380
Underlying EBITDA	**11,276**	**1,605**	**12,881**	**(1,864)**	**11,017**

(1) The results for the period ended 30 June 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2025

	Notes	*Unaudited* 6 months ended 30 June 2025	*Unaudited* 6 months ended 30 June 2024 (Re-presented[1])
		£'000	**£'000**
REVENUE	4	97,623	100,606
Cost of sales		(47,053)	(47,659)
GROSS PROFIT		50,570	52,947
Distribution costs		(2,656)	(2,777)
Administrative expenses		(45,178)	(45,658)
OPERATING PROFIT		2,736	4,512
Non-underlying costs		(247)	(94)
Exchange adjustments on borrowings		1,399	155
Share of profit/(loss) of associates		6	(2)
Finance costs		(1,612)	(2,027)
Finance income		72	94
PROFIT BEFORE INCOME TAX		2,354	2,638
Income tax		(2,087)	(2,350)
PROFIT FOR THE PERIOD - CONTINUING OPERATIONS		267	288
LOSS FOR THE PERIOD - DISCONTINUED OPERATION	12	(4,879)	(1,315)
LOSS FOR THE PERIOD		(4,612)	(1,027)
OTHER COMPREHENSIVE LOSS:			
Exchange adjustment on consolidation		(5,250)	(756)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(9,862)	(1,783)

(1) The results for the period ended 30 June 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

For the period ended 30 June 2025

	Unaudited	*Unaudited*

	Notes	6 months ended 30 June 2025	6 months ended 30 June 2024 (Re-presented[1])
Profit per share from continuing operations		**Pence**	**Pence**
Basic EPS for the period attributable to the equity holders of the parent	5	0.26	0.28
Diluted EPS for the period attributable to the equity holders of the parent	5	0.25	0.27
Loss per share			
Basic EPS for the period attributable to the equity holders of the parent	5	(4.54)	(1.01)
Diluted EPS for the period attributable to the equity holders of the parent	5	(4.54)	(1.01)

(1) The results for the period ended 30 June 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2025

	Note	***Unaudited*** ***As at*** **30 June 2025** **£'000**	***Unaudited*** ***As at*** **30 June 2024** **£'000**	***As at*** **31 December 2024** **£'000**
ASSETS				
NON-CURRENT ASSETS				
Goodwill		55,741	55,743	55,741
Intangible assets		20,504	26,930	23,406
Property, plant and equipment		25,310	34,718	32,648
Investment in associates		70	97	70
Deferred tax		1,993	2,576	1,738
		103,618	120,064	113,603
CURRENT ASSETS				
Inventories		40,576	39,679	42,753
Trade and other receivables	6	34,397	32,974	39,825
Tax receivable		184	74	107
Cash and cash equivalents	7	22,667	24,616	23,960
		97,824	97,343	106,645
Assets held for sale	12	2,392	832	-
TOTAL ASSETS		**203,834**	**218,239**	**220,248**
EQUITY				
SHAREHOLDERS' EQUITY				
Called up share capital		1,017	1,017	1,017
Share premium		89,508	89,508	89,508
Foreign currency translation reserve		(409)	4,679	4,841
Share option reserve		3,847	3,428	3,570
Merger reserve		5,340	5,340	5,340
Accumulated losses		(10,202)	(2,032)	(5,590)
TOTAL EQUITY		89,101	101,940	98,686
LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities - borrowings				
Interest bearing loans and borrowings		43,902	45,605	44,505
Deferred tax		1,673	3,427	1,968
		45,575	49,032	46,473

CURRENT LIABILITIES				
Trade and other payables	8	36,923	35,463	41,269
Right of return liability		10,527	11,222	10,608
Financial liabilities - borrowings				
Interest bearing loans and borrowings		12,725	14,276	16,185
Invoice discounting		2,012	1,804	1,777
Deferred and contingent consideration		991	1,231	1,873
Tax payable		4,237	3,271	3,377
		67,415	67,267	75,089
Liabilities held for sale	12	1,743	-	-
TOTAL LIABILITIES		114,733	116,299	121,562
TOTAL EQUITY AND LIABILITIES		**203,834**	**218,239**	**220,248**

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 30 June 2025

	Called up share capital	Share premium	Foreign currency translation reserve	Share option reserve	Accumulated losses	Merger reserve	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
SIX MONTHS ENDED 30 JUNE 2025							
Balance at 1 January 2025	**1,017**	**89,508**	**4,841**	**3,570**	**(5,590)**	**5,340**	**98,686**
Loss for the period	-	-	-	-	(4,612)	-	(4,612)
Other comprehensive loss	-	-	(5,250)	-	-	-	(5,250)
Total comprehensive loss	**-**	**-**	**(5,250)**	**-**	**(4,612)**	**-**	**(9,862)**
Share-based payment charge	-	-	-	277	-	-	277
Balance at 30 June 2025 (unaudited)	**1,017**	**89,508**	**(409)**	**3,847**	**(10,202)**	**5,340**	**89,101**
SIX MONTHS ENDED 30 JUNE 2024							
Balance at 1 January 2024	**1,017**	**89,508**	**5,435**	**3,222**	**(1,005)**	**5,340**	**103,517**
Loss for the period	-	-	-	-	(1,027)	-	(1,027)
Other comprehensive loss	-	-	(756)	-	-	-	(756)
Total comprehensive loss	**-**	**-**	**(756)**	**-**	**(1,027)**	**-**	**(1,783)**
Share-based payment charge	-	-	-	206	-	-	206
Balance at 30 June 2024 (unaudited)	**1,017**	**89,508**	**4,679**	**3,428**	**(2,032)**	**5,340**	**101,940**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW
For the period ended 30 June 2025

	Note	Unaudited 6 months ended 30 June 2025	Unaudite 6 months ende 30 June 202 (Re-presented
		£000	£00
Cash flows from operating activities			
Profit before income tax		2,354	2,63
Adjustments for:			
Depreciation charges		2,758	2,70
Amortisation charges		3,270	3,21
Share based payments		277	20
Exchange adjustments on borrowings		(1,399)	(15
Share of (profit)/loss from associate		(6)	
Finance costs		1,612	2,02
Finance income		(72)	(9
		8,794	**10,54**
Decrease in inventories[2]		529	1,23
Decrease in trade and other receivables[2]		4,332	3,22
Decrease in trade and other payables[2]		(2,424)	(2,46
Cash generated from operations		**11,231**	**12,53**
Interest paid		(1,576)	(1,96
Tax paid		(1,852)	(78
Cash outflows from discontinued operations		(1,586)	(62
Net cash flow from operating activities		**6,217**	**9,16**
Cash flows used in investing activities			
Purchase of intangible fixed assets		(504)	(63
Purchase of property plant and equipment		(563)	(86
Acquisition of subsidiary, net of cash acquired		-	(12
Cash paid in relation to deferred consideration		(700)	(70
Interest received		72	9
Cash inflows/(outflows) from discontinued operations		265	(33
Net cash flows used in investing activities		**(1,430)**	**(2,5**
Cash flow from financing activities			
Bank loan principal repayments in period		(1,474)	(1,71
Proceeds from borrowings		-	1,26
Movement in invoice discounting facility		235	91
Loan transaction costs		(568)	(22
Principal payments on leases		(1,755)	(1,84
Net cash flows used in financing activities		**(3,562)**	**(1,6**
Net increase in cash and cash equivalents		**1,225**	**4,9**
Cash and cash equivalents at beginning of the period		**23,960**	**20,07**
Net foreign currency movements		(2,361)	(44
Cash and cash equivalents at end of period	7	**22,824**	**24,61**

(1) The cashflows for the period ended 30 June 2024 have been re-presented to reflect the classification of Norville as a discontinued operation.
(2) The movement in working capital excludes the classification of the discontinued operations working capital as held for sale.

NOTES TO THE INTERIM CONSOLIDATED STATEMENTS
For the period ended 30 June 2025

1. GENERAL INFORMATION

INSPECS Group plc is a public company limited by shares and is incorporated in England and Wales. The address of the Company's principal place of business is Kelso Place, Upper Bristol Road, Bath BA1 3AU.

The principal activity of the Group in the period was that of design, production, sale, marketing and distribution of high fashion eyewear and OEM products worldwide.

2. ACCOUNTING POLICIES

Going concern

Based on the Group's forecasts, the interim financial statements have been prepared on the going concern basis as the Directors have assessed that there is a reasonable expectation that the Group will be able to continue in operation and meet its commitments as they fall due over the going concern period to 30 September 2026.

The assessment has considered the Group's current financial position as follows:

- The Group further improved its cash position during the period with net debt including leases decreasing to £36.0m from £38.5m at 31 December 2024.
- Cash generated from operations in the period amounted to £11.2m (2024 H1: £12.5m).
- The Group balance sheet has net assets of £89.1m and net current assets of £30.4m.

The assessment has considered the current measures being put in place by the Group to preserve cash and ensure continuity of operations through:

and ensure continuity of operations through:

- Ensuring continuation of its supply chain, building on the benefit of having its own manufacturing sites and by securing alternative third-party supply lines.
- Maintaining geographical sales diversification, focusing sales to online customers and seeking new revenue streams around the globe.
- Ability to service both the major global retail chains and significant distribution to the independent eyewear market.
- Following the announcement of the intended sale of Norville, we have strengthened our forward-looking position, reinforcing confidence in the Group's ability to continue as a going concern.

Basis of preparation

The interim consolidated financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 Interim Financial Reporting and with accounting policies that are consistent with the Group's Annual Report and Financial Statements for the period ended 31 December 2024. Accounting policies are included in detail within the latest Annual Report.

The financial information for the period ended 30 June 2025 and the comparative financial information for the period ended 30 June 2024 in this interim report does not constitute statutory accounts for either period under section 434 of the Companies Act 2006 and are unaudited.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's historical information requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities in the future.

Estimation uncertainty

In addition to the going concern section of note 2, the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are described below.

<u>Right of return liability</u>

Management applies assumptions in determining the right of return liability and the associated right of return asset. These assumptions are based on analysis of historical data trends but require estimation of appropriate time periods and expected return rates. The right of return liability at the period end is £10,527,000 (31 December 2024: £10,608,000) in line with the calculation methodology used as at 31 December 2024.

<u>Discontinued Operations</u>

Management applies judgement in the classification of the Norville (20/20) Limited business as a disposal group held for sale and as a discontinued operation. This judgement is based on management's assessment that it is highly probable that a sale of the disposal group is expected to occur, with active marketing of the business ongoing. Management is also required to estimate the fair value less costs to sell of the disposal group which as at period end was £423,000 and resulted in a remeasurement charge of £3,765,000. This estimate involves inherent uncertainty, and management has relied on preliminary discussions held with third parties in making its estimate.

4. SEGMENT INFORMATION

During the current period, the previously reported Lenses segment, which consisted entirely of Norville (20/20) Limited, has been classified as a discontinued operation and is therefore excluded from the segmental analysis presented below.

The Group now operates in seven operating segments, which upon application of the aggregation criteria set out in IFRS 8 Operating Segments results in two reporting segments:

• Frames and Optics product distribution.

• Manufacturing - being OEM and manufacturing distribution.

The criteria applied to identify the operating segments are consistent with the way the Group is managed. In particular, the disclosures are consistent with the information regularly reviewed by the CEO and the CFO in their role as Chief Operating Decision Makers, to make decisions about resources to be allocated to the segments and to assess their performance. Segment asset and liability information is not provided to the Chief Operating Decision Makers.

4. SEGMENT INFORMATION (CONTINUED)

The reportable segments subject to disclosure are consistent with the organisation model adopted by the Group during the six months ended 30 June 2025 are as below:

	Frames and Optics	Manufacturing	Total before adjustments & eliminations	Adjustments & eliminations	Total
	£'000	£'000	£'000	£'000	£'000
Revenue					
External	90,404	7,177	97,581	42	97,623

External	90,404	7,177	97,581	42	97,623
Internal	994	692	1,686	(1,686)	-
	91,398	7,869	99,267	(1,644)	97,623
Cost of sales	(44,145)	(4,727)	(48,872)	1,819	(47,053)
Gross profit	47,253	3,142	50,395	175	50,570
Expenses	(42,136)	(3,552)	(45,688)	(2,146)	(47,834)
Operating profit/(loss)	5,117	(410)	4,707	(1,971)	2,736
Non-underlying costs					(247)
Exchange adjustment on borrowings					1,399
Share of profit of associates					6
Finance costs					(1,612)
Finance income					72
Taxation					(2,087)
Profit for the period - continuing operations					267

4. **SEGMENT INFORMATION (CONTINUED)**

The reportable segments subject to disclosure are consistent with the organisation model adopted by the Group during the six months ended 30 June 2024 are as below:

	Frames and Optics	Manufacturing	Total before adjustments & eliminations	Adjustments & eliminations	Total
	£'000	£'000	£'000 (Re-presented)	£'000 (Re-presented)	£'000 (Re-presented)
Revenue					
External	92,009	8,453	100,462	144	100,606
Internal	2,160	575	2,735	(2,735)	-
	94,169	9,028	103,197	(2,591)	100,606
Cost of sales	(45,379)	(4,859)	(50,238)	2,579	(47,659)
Gross profit/(loss)	48,790	4,169	52,959	(12)	52,947
Expenses	(43,204)	(2,947)	(46,151)	(2,284)	(48,435)
Operating profit/(loss)	5,586	1,222	6,808	(2,296)	4,512
Non-underlying costs					(94)
Exchange adjustment on borrowings					155
Share of loss of associates					(2)
Finance costs					(2,027)
Finance income					94
Taxation					(2,350)
Profit for the period - continuing operations					288

Non-underlying costs, finance costs and income, and taxation are not allocated to individual segments as the underlying instruments are managed on a Group basis.

Adjusted items relate to elimination of all intra-Group items including any profit adjustments on intra-Group revenues that are eliminated on consolidation, along with the profit and loss items of the parent company.

The revenue of the Group is attributable to the one principal activity of the Group.

4. **SEGMENT INFORMATION (continued)**

Geographical analysis
The Group's revenue by destination is split in the following geographic areas:

	Unaudited 6 months ended	Unaudited 6 months ended

	30 June 2025	30 June 2024 (Re-presented)
	£'000	£'000
United Kingdom	10,001	10,673
Europe (excluding UK)	46,120	48,424
North America	35,780	35,358
South America	1,113	822
Asia	2,045	1,830
Australia	2,403	3,342
Other	161	157
	97,623	**100,606**

5. EARNINGS PER SHARE

Basic Earnings per Share ("EPS") is calculated by dividing the profit or loss for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit or loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares, to the extent that the inclusion of such shares is not anti-dilutive. During the period to 30 June 2025 the Group made a reported loss for the period; therefore, diluted EPS is not applicable as the impact of potential ordinary shares is anti-dilutive.

Reported Basic earnings per share is (4.54)p (30 June 2024: (1.01)p), with reporting diluted earnings per share of (4.54)p (30 June 2024: (1.01p). The below table reflects the income and share data used in the basic and diluted EPS calculations. Earnings for the Underlying EPS are the 'Underlying Profit After Tax' as shown in the table 'Underlying EBITDA and Underlying PAT'.

5. EARNINGS PER SHARE (continued)

6 months ended 30 June 2025	Basic weighted average number of Ordinary Shares ('000)	Total Earnings (Re-presented) (£'000)	Earnings per share (pence)
Basic EPS	101,672	(4,612)	(4.54)
Diluted EPS	101,672	(4,612)	(4.54)
Basic EPS from continuing operations	101,672	267	0.26
Diluted EPS from continuing operations	107,058	267	0.25
Basic Underlying EPS	101,672	2,223	2.19
Diluted Underlying EPS	107,058	2,223	2.08

6 months ended 30 June 2024	Basic weighted average number of Ordinary Shares ('000)	Total earnings (Re-presented) (£'000)	Earnings per share (pence)
Basic EPS	101,672	(1,027)	(1.01)
Diluted EPS	101,672	(1,027)	(1.01)
Basic EPS from continuing operations	101,672	288	0.28
Diluted EPS from continuing operations	106,824	288	0.27
Basic Underlying EPS	101,672	4,209	4.14

Diluted Underlying EPS	106,824	4,209	3.94

NOTES TO THE INTERIM CONSOLIDATED STATEMENTS (continued)
For the period ended 30 June 2025

5. **EARNINGS PER SHARE (continued)**

12 months ended 31 December 2024	Basic weighted average number of Ordinary Shares ('000)	Total earnings (Re-presented) (£'000)	Earnings per share (pence)
Basic EPS	101,672	(4,608)	(4.53)
Diluted EPS	101,672	(4,608)	(4.53)
Basic EPS from continuing operations	101,672	(2,018)	(1.98)
Diluted EPS from continuing operations	101,672	(2,018)	(1.98)
Basic Underlying EPS	101,672	6,302	6.20
Diluted Underlying EPS	106,824	6,302	5.90

Within INSPECS Group plc, each Ordinary share carries the right to participate in distributions, as respects dividends and as respects capital on winding up.

6. **TRADE AND OTHER RECEIVABLES**

	Unaudited As at 30 June 2025 £'000	Unaudited As at 30 June 2024 £'000	As at 31 December 2024 £'000
Trade receivables	25,286	24,717	28,297
Prepayments	3,347	1,984	3,154
Other receivables	5,764	6,273	8,374
	34,397	**32,974**	**39,825**

NOTES TO THE INTERIM CONSOLIDATED STATEMENTS (continued)
For the period ended 30 June 2025

7. **Cash and cash equivalents**

	Unaudited As at 30 June 2025 £'000	Unaudited As at 30 June 2024 £'000	As at 31 December 2024 £'000
As presented in the consolidated statement of financial position	22,667	24,616	23,960
Cash and cash equivalents of discontinued operation	157	-	-
As presented in the consolidated statement of cash flows	**22,824**	**24,616**	**23,960**

8. **TRADE AND OTHER PAYABLES**

	Unaudited As at 30 June 2025	Unaudited As at 30 June 2024	As at 31 December 2024

	£'000	£'000	£'000
Trade payables	21,087	22,901	25,994
Social security and other taxes	3,092	3,143	2,862
Royalties	2,127	2,669	2,974
Accruals	10,617	6,750	9,439
	36,923	**35,463**	**41,269**

9. **NET DEBT**

	Unaudited As at 30 June 2025 £'000	Unaudited As at 30 June 2024 £'000	As at 31 December 2024 £'000
Cash and cash equivalents	22,667	24,616	23,960
Interest bearing borrowings excl. leases	(44,213)	(42,628)	(45,059)
Invoice discounting	(2,012)	(1,804)	(1,777)
Net debt excluding leases	**(23,558)**	**(19,816)**	**(22,876)**
Lease liability	(12,414)	(17,253)	(15,631)
Net debt including leases	**(35,972)**	**(37,069)**	**(38,507)**

10. **NON-UNDERLYING COSTS**

Non-underlying costs during the six months to 30 June 2025 relate to legal costs incurred in relation to the defence of a requisition for a general meeting (£137,000) and the amalgamation of European subsidiaries (£110,000).

11. **SHARE-BASED PAYMENTS**

Certain employees of the Group are granted options over the shares in INSPECS Group. The options are granted with a fixed exercise price. Options granted on 4 June 2025 are also subject to a performance condition in relation to the growth of Underlying EPS during the vesting period.

The Group recognises a share-based payment expense based on the fair value of the awards granted, and an equivalent credit directly in equity to share option reserve. On exercise of the shares by the employees, the Group is charged the intrinsic value of the shares by INSPECS Group plc and this amount is treated as a reduction of the capital contribution, and it is recognised directly in equity.

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Grant date	**Vesting date**	**Expiry date**	**Exercise price per option (£)**	**Number of share options**
10 December 2019	1 July 2022	10 December 2026	1.01	412,102
27 February 2020	27 February 2023	27 February 2030	1.95	1,923,110
22 December 2020	22 December 2023	22 December 2030	2.10	890,000
26 February 2021	26 February 2024	26 February 2031	3.25	641,036
21 June 2021	21 June 2024	21 June 2031	3.51	60,000
31 August 2021	31 August 2024	31 August 2031	3.70	275,000
23 December 2021	23 December 2024	23 December 2031	3.70	279,999
28 February 2022	26 February 2025	28 February 2032	3.75	641,036
4 June 2025	1 May 2026	1 May 2031	0.01	250,000
4 June 2025	1 May 2027	1 May 2032	0.01	1,410,000

12. **DISCONTINUED OPERATIONS**

As at 30 June 2025, Norville (20/20) Limited was classified as a disposal group held for sale and a discontinued operation. The Group has engaged Deloitte to support efforts to sell the business or assist with implementing alternative outcomes should a sale not be possible. The business is the sole entity within the lenses reporting segment.

The assets and liabilities of the disposal group have been classified as held for sale at fair value less costs to sell with a value of £423,000. The fair value of the disposal group represents the Group's best estimate based on information held to date. This resulted in a remeasurement charge of £3,765,000. This remeasurement charge has been allocated to property, plant and equipment (£2,652,000), intangible assets (£40,000), trade and other receivables (£583,000) and inventories (£490,000).

One property, which is not part of the disposal group but is still being actively marketed, has been separately classified as an asset held for sale at a value of £226,000. It has been measured at the lower of its carrying amount and fair value less costs to sell.

The operating profit of the discontinued operation, along with the profit or loss arising from remeasurement of assets and liabilities classified as held for sale, is shown below:

	Unaudited **6 months ended 30 June 2025**	***Unaudited*** **6 months ended 30 June 2024**
	£'000	**£'000**
REVENUE	2,405	2,441
Cost of sales	(1,622)	(1,376)
GROSS PROFIT	783	1,065
Distribution costs	(159)	(167)
Administrative expenses	(1,563)	(2,094)
OPERATING LOSS	(939)	(1,196)
Non-underlying costs	(56)	-
Finance Costs	(119)	(119)
LOSS FOR THE PERIOD	(1,114)	(1,315)
Loss on the remeasurement of disposal group	(3,765)	-
LOSS FOR THE PERIOD - DISCONTINUED OPERATION	(4,879)	(1,315)
Loss per share for discontinued operations	**Pence**	**Pence**
Basic EPS for the period attributable to the equity holders of the parent	(4.80)	(1.29)
Diluted EPS for the period attributable to the equity holders of the parent	(4.80)	(1.29)

NOTES TO THE INTERIM CONSOLIDATED STATEMENTS (continued)
For the period ended 30 June 2025

12. **DISCONTINUED OPERATIONS (continued)**

The carrying amounts of assets and liabilities held for sale are summarised as follows:

	Unaudited ***As at*** **30 June 2025** **£'000**	***Unaudited*** ***As at*** **30 June 2024** **£'000**
Property, plant and equipment	226	832
Inventories	918	-
Trade and other receivables	1,091	-
Cash and cash equivalents	157	-
Assets held for sale	2,392	832
Financial liabilities - borrowings	246	-
Trade and other payables	1,478	-
Right of return liability	19	-
Liabilities held for sale	1,743	-

A reconciliation between the Group's continuing results and it's like-for-like results (i.e. including Norville) for the 6 months ending 30 June 2025 is show below.

	Total (Continuing)	**Discontinued Operation**	**Total (Like for like)**
	£'000	**£'000**	**£'000**
Revenue	97,623	2,405	100,028
Operating profit/(loss)	2,736	(939)	1,797
Add back:			

Amortisation	3,270	11	3,281
Depreciation	2,758	278	3,036
Share based payments	277	-	277
Underlying EBITDA	**9,041**	**(650)**	**8,391**

13. **POST BALANCE SHEET EVENTS**

Since the end of the interim period on 30 June 2025 there were no material events that the directors consider material to the users of these interim statements.

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