5 August 2025

XP Power Limited
2025 Interim Results

Signs of improvement after challenging first half market conditions
Remaining disciplined and vigilant while recovery is established

XP Power Limited ("XP Power" or "the Group"), one of the world's leading developers and manufacturers of critical power control solutions for the Semiconductor Manufacturing Equipment, Healthcare and Industrial Technology sectors, today announces its interim results for the six months ended 30 June 2025 ("H1 2025" or "the period").

Six months ended 30 June (£m unless otherwise stated)	**2025**	2024	Change: At actual exchange rate	Change: In constant currency
Order intake	**112.7**	87.9	28%	31%
Revenue	**110.9**	127.1	(13)%	(11)%
Book-to-bill	**1.02x**	0.69x	0.33x	
Order book	**121.8**	149.5		
Adjusted results[1]:				
Gross margin	**41.4%**	40.6%	80bps	
Operating profit	**4.8**	13.5	(64)%	(42)%
Profit before tax	**0.8**	7.6	(89)%	(51)%
Diluted earnings per share (pence)	**0.4p**	24.4p	(98)%	
Operating cash flow	**13.9**	34.9	(60)%	
Statutory results:				
Gross margin	**41.6%**	40.6%	100bps	
Operating profit	**2.6**	9.1	(71)%	
(Loss)/profit before tax	**(1.4)**	3.2	(144)%	
Diluted (loss)/earnings per share (pence)	**(7.2)p**	8.8p	(182)%	
Net Debt[1]	**57.9**	104.2	(44)%	
Net Debt : Adjusted LTM EBITDA[1]	**1.8x**	2.2x		

[1] *Details of the adjustments made and reconciliations to the reported results can be found in note 5 to the condensed consolidated financial statements*

Financial Highlights

- Order intake of £112.7m:
  - 28% higher than the prior period and 20% higher sequentially, with all sectors improving
  - Strongest growth came from the Industrial Technology sector, as destocking nears completion
  - Book to Bill above 1.0x for the first time since H2 2022

- Revenue of £110.9m:
  - 13% lower than the prior period reflecting residual channel destocking
  - Improving by 12% from Q1 to Q2 in constant currency

- Adjusted Gross Margin of 41.4%:
  - 80 bps higher than the prior period
  - Manufacturing efficiency gains more than offsetting headwind from lower factory utilisation
  - Tariff cost increases passed through
  - Confident of achieving mid-40s gross margin as end markets recover

- Adjusted Operating Profit of £4.8m:
  - Including £2.3m of one-off accounting charges from foreign exchange movements

- New efficiency improvement actions taken:
  - Annualised cost reduction of c.£5.5m, with incremental benefits in H2 2025
  - Supporting profitability while recovery is established

- Net Debt reduced to £57.9m:
    - Reduced by £35.6m in the period following successful share placing in March
    - Strong operating cash conversion
    - Net Debt : LTM Adjusted EBITDA of 1.8x, in line with expectations

Operational Highlights

- Proactively managing challenging market conditions:
    - Cost discipline maintained
    - New efficiency improvement actions taken with incremental benefits to be seen in H2
    - Long-term competitiveness enhanced
    - Global manufacturing increasingly optimised to lower cost
    - Customer service improved, achieving further reduction in delivery lead times
    - Inventory reduced by a further 16% to £59.5m

- Poised for the market recovery and resumption of long-term growth:
    - Confident that end markets will resume trajectory of GDP++ long-term growth
    - Healthy pipeline of new business wins and 16 new products launched in H1
    - Established customer relationships provide clear growth opportunities
    - Well-developed infrastructure with scalable capacity

Outlook

- Clear signs of improvement in market conditions, but we remain mindful of an evolving macro environment including global trade tariff rules
- The Group has taken additional efficiency actions in the first half that will benefit the second half and into 2026
- We will remain disciplined and vigilant while the recovery is established
- We expect to make healthy sequential progress in the second half, supported in part by efficiency actions already taken. Extent of the progress will depend on our Q4 order book, which will build over Q3 and this continues to lead to a range of outcomes for the full year

Gavin Griggs, Chief Executive Officer, commented:

"We have started to see the initial signs of improving market conditions supported by channel destocking nearing an end. That said, it is too early to understand the shape of the recovery to come. We are pleased with our product pipeline, business wins, operational execution and cash performance in the first half, which place us in a strong position as our end markets improve."

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CDR

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An analyst meeting will be held at 09:15 BST today, 5 August 2025 at the offices of CDR, 8th Floor, Holborn Gate, 26 Southampton Buildings, London WC2A 1AN. To register to attend please email jonah.boon@cdrconsultancy.com. A live audio stream of the meeting can be accessed via https://brrmedia.news/XPP_HY25.

XP Power designs and manufactures power controllers, the essential hardware component in every piece of electrical equipment that converts power from the electricity grid into the right form for equipment to function. Power controllers are critical for optimal delivery in challenging environments but are a small part of the overall customer product cost.

XP Power designs power control solutions into the end products of major blue-chip OEMs, with a focus on the Semiconductor Manufacturing Equipment (c.39% of sales in H1 2025), Industrial Technology (c.38% of sales in H1 2025) and Healthcare (c.22% sales in H1 2025) sectors. Once designed into a programme, XP Power has a revenue annuity over the life cycle of the customer's product which is typically five to seven years depending on the industry sector. XP Power has invested in research and development and its own manufacturing facilities in Vietnam, China, North America and Germany, to develop a range of tailored products based on its own intellectual property that provide its customers with significantly improved functionality and efficiency.

Headquartered in Singapore and listed on the Main Market of the London Stock Exchange since 2000, XP Power is a constituent of the FTSE SmallCap Index. XP Power serves a global blue-chip customer base from over 30 locations in Europe, North America, and Asia.

For further information, please visit www.xppowerplc.com

Forward-looking statements

This announcement contains forward-looking statements that are subject to risk factors associated with, among other things, the economic and business circumstances occurring from time to time in the countries, sectors and markets in which the Group operates. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a wide range of variables which could cause actual results to differ materially from those currently anticipated. No assurances can be given that the forward-looking statements in this announcement will be realised.

The forward-looking statements reflect the knowledge and information available to management at the date of preparation of this announcement. XP Power and its Directors accept no responsibility to third parties and undertake no obligation to update these forward-looking statements. Nothing in this announcement should be construed as a profit forecast.

Chief Executive Officer's Review

The Group is operating in market conditions that remain unusually challenging, but with growing signs of improvement.

As the recovery is established, our focus is unchanged: deliver excellent service to our customers, maintain cost and cash discipline and continue to implement our unchanged strategy to support long-term growth. I am confident that this approach will leave us well positioned to benefit as our industry emerges from this unprecedented period and we resume our historic track record of sustained, profitable growth. I am also confident that, by continuing to act swiftly and decisively, we will be able to adapt to an evolving economic and geo-political environment, as we have demonstrated in this period.

Review of H1

Order intake of £112.7m (H1 2024: £87.9m) was 28% higher than the prior period and 20% higher sequentially. We saw good growth in all three market sectors as the upcycle in the Semiconductor Manufacturing Equipment sector continued and as customers neared the end of their destocking activities. It was pleasing to see Book to Bill back above 1.0x for the first time since H2 2022.

Revenue of £110.9m (H1 2024: £127.1m) was 13% lower than the prior period and 8% lower sequentially as channel destocking reached a peak, as expected. Reported revenue was also reduced by currency translation as the US dollar weakened, and by our previously announced decision to exit China's Semiconductor Manufacturing Equipment sector. We were encouraged to see revenue grow by 12% from Q1 to Q2 2025 in constant currency.

Adjusted Gross Margin of 41.4% (H1 2024: 40.6%) continues to reflect our efforts to improve cost efficiency and was 80bps higher than the prior period. Adjusted Operating Expenses of £41.1m (H1 2024: £38.1m) increased due to one-off currency-related accounting charges but remained well controlled in constant currency terms. We remained disciplined on costs and seized additional opportunities for targeted efficiency improvements as explained in the Chief Financial Officer's Review.

Adjusted Operating Profit of £4.8m (H1 2024: £13.5m) was lower than the prior period, largely due to lower revenue as destocking continued, which we believe has passed its peak, and a significant currency headwind of £3.1m versus the prior period that was largely one-off in nature.

Cash generation remained strong, helped by a further improvement in stockholding efficiency. Net Debt ended the period at £57.9m, equal to 1.8x LTM Adjusted EBITDA, reflecting strong operating cash generation and the recent share placing to improve balance sheet resilience.

We were also pleased with the steps taken to deliver our strategy in the period. Exciting new product launches, key business wins, customer service improvements and supply chain efficiency gains were highlights of the period and are described in more detail below.

The breakdown of our revenue by sector was as follows:

Revenue Six months to 30 June	**2025** **£m**	2024 £m	% change in constant currency
Semiconductor Manufacturing Equipment	**43.8**	45.7	(2%)
Industrial Technology	**42.4**	50.9	(15%)
Healthcare	**24.7**	30.5	(17%)
Total	**110.9**	127.1	(11%)

Semiconductor Manufacturing Equipment

This sector provides an exciting long-term growth opportunity driven, amongst other things, by artificial intelligence and the increasingly connected and digitalized world, as well as future innovations as AI usage broadens, which will inevitably require new generations of semiconductor technology.

Revenue of £43.8m (H1 2024: £45.7m) was similar in constant currency to a prior period comparative that was unusually boosted by backlog clearance within our High Voltage High Power ('HVHP') business. The tough comparative for HVHP sales masked good growth elsewhere in the sector.

Order intake of £38.6m (H1 2024: £36.1m) was 10% higher than the prior period in constant currency despite our previously announced decision to exit the China Semi market in response to new regulatory constraints. Like for like growth excluding China was 12%. Order intake has been gradually recovering since H2 2023.

Book to Bill was 0.88x (H1 2024: 0.79x), with Asia notably below 1.0x due to the China Semiconductor market exit and some customer hesitation in the global semiconductor market created by evolving trade relations.

Demand for semiconductor devices grew strongly in 2024 and further double-digit growth is expected in 2025. This should support modest growth in wafer fab equipment spending in 2025, which drives demand for our products.

Industrial Technology

We participate in well-diversified markets within Industrial Technology from automation of industrial processes, robotics and advanced technology which are exhibiting strong structural growth trends.

Revenue of £42.4m (H1 2024: £50.9m) was 15% lower than the prior period in constant currency, but similar to that achieved in H2 2024 in constant currency, with customer destocking continuing at a steady pace.

However, order intake improved significantly, suggesting that destocking activities are nearing an end. Order intake totalled £51.0m (H1 2024: £34.7m), leaving Book to Bill at 1.20x (H1 2024: 0.68x). It was notable that order intake from distributors, who account for approximately one third of sector revenue and are typically more sensitive than OEM customers to changes in stocking levels, grew by 91% year-on-year in constant currency.

Healthcare

An ageing global population and advancements in healthcare technology will both drive future demand for products that need the power supplies that we can provide. Innovation in healthcare is rapidly evolving focused on areas such as advanced patient treatment, market leading surgical robotics and minimally invasive systems. With our breadth of products and deep experience in this market we are well positioned to be able to benefit from this growth.

Revenue of £24.7m (H1 2024: £30.5m) was 17% lower than the prior period in constant currency. This largely reflected channel destocking and some temporary delays to shipments in Q2 as US customers sought new delivery arrangements to minimise US import tariffs.

Order intake from this sector has been held back since late 2023 by elevated customer inventory. While revenue in the period reflected continued customer destocking, order intake improved. Order intake of £23.1m (H1 2024: £17.1m) was 33% higher than the prior period in constant currency, driven by a combination of market growth, channel stock normalisation and new business wins. We are also pleased with orders received for new customer programmes in the medical technology segment, particularly within the area of advanced patient treatment.

The global medical devices market has experienced healthy growth over recent years and this is expected to continue in 2025. Medical procedure volumes are also growing. Technology-enabled procedures which require unique power solutions, such as robotic surgery, are growing rapidly.

Revenue by region

Sales to North America totalled £68.3m (H1 2024: £69.7m) and were in line with the prior period in constant currency. Our HVHP business completed shipping its order backlog in late 2024, creating a revenue headwind in H1 2025 which was largely offset by improved demand from the Semiconductor Manufacturing Equipment sector, new business wins and more normalised demand from the distribution sales channel as customers reach targeted inventory positions. The imposition of new US import tariffs did not materially impact demand in the period.

Sales to Europe totalled £32.4m (H1 2024: £43.3m) and were 23% lower than the prior period in constant currency due to the residual impact of customer destocking activities and some signs of hesitation amongst European industrial customers in Q2 as they waited for stability in global tariff regimes.

Sales to Asia totalled £10.2m (H1 2024: £14.1m) were 26% lower than the prior period in constant currency, just under half of which was due to our exit from the China Semiconductor market. Sales elsewhere in the region were indirectly impacted by US/China trade relations, which have accelerated China's efforts to shift its supply chain to domestic manufacturers.

Delivery of our strategy

Our vision is to be the first-choice power solutions provider and deliver the ultimate experience for our customers and our people. We made good progress in the period in continuing to build the capabilities necessary to differentiate ourselves in the market, win new business and drive long-term growth, as summarised below.

Products

Product development activities are a key determinant of our success. They are undertaken in two distinct but complementary areas: the development of new base product families, and the customisation and/or integration of these base products into a system solution for a customer that is often unique. The customisations vary in complexity and generate an annuity revenue stream at attractive margins. We refer to this type of product development as Engineering Services. Approximately 35% of our revenue is derived from Engineering Services activities.

It is important that our portfolio of base products remains up-to-date and offers market leading performance. Whilst important in itself, it also makes it easier to win Engineering Services business. It is also important that we continue to invest in the resources necessary to design and build innovative, tailored power solutions that meet the needs of our customers quickly, shortening the development cycle of their own product.

We are investing to ensure our portfolio of base products remains at the cutting edge. At least 25 new base product families are scheduled for launch in 2025, the highest annual total since 2017, of which 16 have been launched to date. The increasing strength of our product pipeline and supporting marketing activities have been recognised in the industry.

Our approach is to focus our own internal engineering resources on the development of more technologically complex base products with significant long-term growth potential. This typically means high voltage and/or high power devices. We often use third party partners to design and build less technologically complex product families to our specifications.

Products launched in the first half included the new FLXPro range. This is a new generation of digital, configurable and modular high power devices with industry leading power density and intelligence. It has a broad application across all three market sectors.

A Next Generation Robotic Diagnostics application for cancer treatment was launched: an advanced digital platform that boosts real-time robotic navigation precision and accuracy. Built on a modified product, with integrated battery backup and field redundancy, it sets new standards in reliability for healthcare and robotic surgery diagnostics.

We also introduced a universal next-generation customer solution for low and high current deposition applications in semiconductor manufacturing. Featuring a digital, programmable 10-channel power supply with constant current and voltage control, and powered by multiple modified standard units, this system enables high wafer-scale precision.

Launches scheduled for H2 include next generation fully digital HVHP power supplies with exciting growth potential in the Semiconductor and Healthcare sectors.

Customers

We place customers at the centre of everything we do and aim to exceed their expectations from design through to delivery, product performance and aftercare.

We were pleased to deliver a further reduction in delivery lead time in the period, helping our customers to be more agile and optimise their own supply chain.

We fully commissioned our Customer Innovation Centre in the heart of Silicon Valley. Located close to many of our customers, this new 85,000 sq. ft facility is home to our US Engineering Services team and various design and test capabilities, enabling us to speed up their product development process. It includes a reliability laboratory, a wafer etch plasma chamber and a three metre EMC chamber. Our new facility has already been toured by many customers, eliciting very positive feedback.

A key indicator of our progress in this area is the rate at which we are winning new business. The annual value of new business wins remained close to record levels, which will benefit us in future years once our own customers' products including our power supply are launched.

Another key indicator of our performance is the annual customer satisfaction survey. The Net Promoter Score (NPS) in our most recent survey rose significantly to 25, up from 8 in the prior year. This improvement reflects stronger customer sentiment and engagement, with all three regions recording increases of at least 15 points year-on-year.

We are working with our customers to mitigate the imposition of new US tariffs by shifting production to lower tariff countries or by drop shipping product directly to their non-US manufacturing sites to avoid importing into the US. We have successfully negotiated the pass through of unavoidable incremental tariff costs incurred to date. Further details are set out in the Chief Financial Officer's Review.

Supply chain and operations

We made good progress improving our operational capabilities in the period, with a focus on ensuring our underlying infrastructure is efficient, resilient and scalable.

This included completing the set-up for manufacture in Asia of some key US-made HVHP products with annual revenue of £6m. This improves our operational resilience and provides a pathway to lower product cost. New tariff rules do not materially change the economics or rationale for this work.

We opened our new Global Design & Services Centre in the Philippines. This is our first physical presence in the country and is a foundational step as we look to expand our headcount there over the coming years. The Philippines offers a deep and broadly skilled talent pool and is currently home to c.80 colleagues supporting multiple functions from R&D and Engineering to Finance and IT.

We continue to improve our sourcing capabilities in Asia, resulting in c.£1m of annualised component cost savings secured in the period. This was achieved through supplier negotiation, sourcing lower cost alternatives and greater use of preferred supplier options. We also made good progress in making our sourcing arrangements more flexible, agile and resilient to unexpected shortages of individual components.

We achieved a further improvement in underlying manufacturing efficiency. This was achieved by rationalising production overheads and adopting Lean techniques. The impact of these efforts on gross margin was somewhat masked by reduced utilisation of factory fixed costs as a consequence of revenue reduction, but we are confident that the steps we are taking now will support the Group's return to target margins in normal demand conditions.

Construction of our new 275,000 sq ft production facility in Malaysia recommenced at the start of the year and the building is due to be completed by the end of the year. Full commissioning will occur in 2026 at a pace determined by various factors including demand. We will continue to review and adjust as appropriate our global manufacturing footprint to reflect changes in demand, production utilisation, and manufacturing location preferences.

We successfully completed the transfer of our UK distribution activities to our existing German warehouse in the period, closing an under-utilised UK facility, saving £0.2m per annum.

Slower demand offered further opportunities to lower inventory levels without compromising service levels. Inventory reduced by a further £11.6m or 16% in the first half to £59.5m. With demand levels at a trough, the majority of our surplus inventory has now been removed. Our focus is now on improving the appropriateness of the inventory we have, rather than targeting further aggregate reductions, through the implementation of a new inventory holding strategy which we hope to share more details on later in the year.

We maintained tight cost discipline in the period, including developing and implementing new efficiency actions to underpin our performance while the market recovery gathers pace. These are set out in further detail in the Chief Financial Officer's Review.

People

At Board level, Audit Committee Chair responsibilities transitioned smoothly from Polly Williams to Daniel Shook in the period. I am delighted that Polly Williams, our longest-serving non-executive Board member, will remain in her role as Senior Independent Director, allowing the Board to continue to benefit from her extensive experience and insight.

Our annual global employee engagement survey was conducted in the first half of the year and we were pleased to see an improvement in reported levels of engagement following a concerted effort across the business to ensure we always meet the expectations of our team members and earn their continued loyalty to XP Power.

Many manufacturers in Asia experience levels of workforce turnover that are higher than Western equivalents. To address this common issue, we introduced new compensation arrangements in Asia in the period to reward employee retention and skills development within our production facilities.

In 2025, XP Power continues to build momentum around the *Safety Begins with Me* program, reinforcing our commitment to a proactive and consistent safety culture across all sites. This year, we've shifted from awareness to action—aligning teams, raising expectations, and ensuring that every employee returns home safely each day.

To support this transformation, we developed a global self-assessment tool to evaluate compliance and track progress in implementing the *Safety Begins with Me* program. Assessments were completed at every XP Power site, with no major issues identified. As teams work through identified opportunities, the tool now serves as a standard framework for aligning health and safety practices and measuring continuous improvement.

We also launched our first Global Safety Day Campaign, inviting sites to showcase their safety initiatives. The campaign elevated the visibility of local efforts, encouraged knowledge sharing, and fostered cross-regional collaboration.

This work is reflected in our improving safety performance, including a significant milestone: achieving a zero Lost Time Injury Rate (LTIR) globally on a 12-month rolling average.

Sustainability

XP have been at the forefront of our industry's adoption of sustainable business practices for many years. We see it as both a responsibility and an opportunity and have made good progress in executing our sustainability strategy in the period.

We ensure that sustainability requirements are fully considered in the design of our new products. For example, the new FLXPro range launched this year is more power efficient and uses more environmentally friendly packaging than previous generation models.

We are on track to deliver a reduction in greenhouse gas emissions in 2025 and we make steady progress toward our Science-Based Targets Initiative long term goals for 2040.

We received a B grading from the CDP for climate in the period, placing us above our peer group average.

We received an improved grading from Ecovadis, a rating body often used by both suppliers and customers to assess the ESG credentials of supply chain partners.

Outlook

We are seeing clear signs of improvement in conditions in our markets, which is encouraging.

However, we also recognise the scope for unexpected changes in the external environment, particularly global macroeconomic conditions and trade tariff arrangements. We will therefore remain disciplined and vigilant while the recovery is established. An illustration of this being the additional cost efficiency actions taken in the first half that will benefit the second half of 2025 and into 2026.

We expect to make healthy sequential progress in the second half, supported in part by efficiency actions already taken. The extent of the progress will depend on our Q4 order book, which will build over Q3 and this continues to lead to a range of outcomes for the full year.

Gavin Griggs
Chief Executive Officer

Chief Financial Officer's Review

Statutory Results

Revenue in the six-month period to 30 June 2025 fell 11% in constant currency to £110.9m, primarily due to customer destocking. Gross margin improved to 41.6% driven by improved efficiency. Operating expenses were higher than the prior period, primarily due to unfavourable foreign exchange movements. As a result, operating profit was £2.6m. Loss for the period was £1.8m, compared to profit of £2.2m in H1 2024.

Adjusted Results

As in prior years, Adjusted and other alternative performance measures are used in this announcement to describe the Group's results. These are not recognised under International Financial Reporting Standards (IFRS) or other generally accepted accounting principles (GAAP).

Adjustments are items included within our statutory results that are deemed by the Board to be unusual by virtue of their size or incidence. Our Adjusted measures are calculated by removing such Adjustments from our statutory results. The Board believes Adjusted measures help the reader to understand XP Power's underlying results and are used by the Board and management team to interpret Group performance. Note 5 to the condensed consolidated financial statements includes reconciliations of statutory metrics to their Adjusted equivalent and provides a breakdown of the Adjustments made.

On an Adjusted basis the Group delivered operating profits of £4.8m and a profit before tax of £0.8m, compared to a profit before tax of £7.6m in H1 2024.

The Chief Executive Officer's Review includes an explanation of revenue performance and an analysis of order trends during the year.

Gross Profit

The Group delivered a gross profit of £46.1m on revenue of £110.9m for the period. This represents a gross margin of 41.6%, 100bps higher than the prior period.

Excluding the one-off impact from an adjustment to the impairment of China Semiconductor market specific inventory, the Adjusted Gross Margin was 41.4% and improved by 80 bps from H1 2024.

We are particularly satisfied with the improvement in Adjusted Gross Margin given we saw a 150bp headwind from the impact of reduced utilisation of factory overheads due to the revenue reduction year on year. This headwind was more than offset by benefits from various initiatives including:

- Manufacturing overhead rationalisation, adding 80bps to margin
- Component sourcing savings and supply chain efficiency gains, adding 150bps to margin

The actions taken leave us in a good position to increase our gross margin to historic norms as manufacturing volumes recover.

Operating Profit

On a reported basis, operating profit was £2.6m compared to £9.1m for the prior period.

Adjusted Operating Profit for the first half of 2025 was £4.8m compared to £13.5m in the prior period. The reduction of £8.7m can be explained as follows:

- Lost gross profit on revenue volume reduction of £6.6m
- Improvement in gross margin % of £0.9m
- Increase in Adjusted Operating Expenses of £3.0m

£2.8m of the £3.0m increase in Adjusted Operating Expenses is attributable to foreign exchange movements. With the significant weakening of the US dollar, we experienced £2.3m of foreign exchange accounting charges in the period from balance sheet retranslation, compared to £0.5m of foreign exchange gains in the first half of 2024, creating a £2.8m period-on-period profit headwind. Most of the impact relates to the retranslation of inter-company balances that will be removed in Q3, minimising future profit volatility.

Adjusted Operating Expenses excluding foreign exchange charges were therefore only slightly higher than the second half of 2024, primarily due to annual inflationary pay rises for staff, largely offset by headcount attrition.

Overall headcount in overhead roles reduced from 726 at 30 June 2024 to 678 at the end of 30 June 2025. The remaining increase in operating expenses arose from adverse foreign exchange movements.

Cost efficiency actions

We have maintained focus on cost discipline and seized additional opportunities for targeted efficiency improvements in the period.

Overhead reduction actions taken in the year to date were as follows:

Overhead reduction benefit By Income Statement line £m	H1 2025	FY 2025	Annualised
Cost of sales	0.7	2.4	3.4
Adjusted Operating Expenses	-	0.6	2.1
Adjusted Operating Profit	0.7	3.0	5.5

The one-off restructuring costs associated with actions total £1.1m, of which £0.6m was recorded as an Adjustment in the period and the remainder will be recorded in the second half of the year.

Including the latest initiatives above, annualised savings from cost efficiency actions taken since the launch of our Funding Plan in Q4 2023 total c.£26m.

Adjustments

Items which have been treated as Adjusting and are therefore excluded from Adjusted Operating Profit and Adjusted Profit Before Tax are shown below.

Income / (cost) impact by Income Statement line		**2025**		2024
Six months ended 30 June £m	**Operating profit**	**Profit before tax**	Operating profit	Profit before tax
Restructuring costs	**(0.6)**	**(0.6)**	(1.1)	(1.1)
Exit from China Semi market	**0.2**	**0.2**	-	-
Global Supply chain transformation	**-**	**-**	(0.9)	(0.9)
Comet legal case	**(0.5)**	**(0.5)**	(0.6)	(0.6)
Amortisation of acquired intangibles	**(1.3)**	**(1.3)**	(1.6)	(1.6)
Bid defence costs	**-**	**-**	(0.2)	(0.2)
Total	**(2.2)**	**(2.2)**	(4.4)	(4.4)

Restructuring costs in both periods are primarily comprised of severance payments in respect of headcount reductions. In the first half of 2025 these costs arose in our manufacturing sites, reflecting the lower levels of production output during this period, whereas the reductions in the prior period were part of the more comprehensive programme of headcount reductions that commenced in late 2023.

In the full-year results for the year ended 31 December 2024 we recorded a provision in respect of all inventory which was solely for use in the China semiconductor market, following our decision to exit the sector in this region. During the first half of 2025 we have fulfilled a small number of open orders and have therefore reversed the provision in respect of the related inventory.

During the period we also incurred a total £0.5m (H1 2024: £0.6m) of legal fees related to the preparation of our appeal in the Comet legal case.

Tariffs

US sales of imported products account for c.30% of Group revenue, of which c.20% is imported from Vietnam, c.3% from China and the balance from other Asian countries. Tariffs are calculated with reference to product cost.

We have proactively engaged with our customers to manage the impact of recently announced US tariffs. This has included shifting delivery to customer manufacturing sites outside of the US, thereby avoiding the need for importation into the US market.

The incremental cost to the first half of tariff changes introduced by the US government from 2 April 2025 onwards was £1.0m. This was fully recovered within selling prices.

To date, we have passed through tariffs incurred on imports into the US to our end-customers and we are confident that we will be able to continue to pass these tariffs on. However, considering the cost of tariffs will be passed through and not marked up, we would expect a slight reduction to overall gross margin percentage.

Currency

We report our results in sterling; however, most of our revenues and costs arise in other currencies. A large proportion of our revenue and costs are denominated in US dollars, so our results are impacted by relative movements in the currencies that the underlying transactions arise in compared to pounds sterling. The weakening of the US dollar during the six months ended 30 June 2025 had a significant impact on our reported results, as illustrated in the table below.

Adjusted £m	Six months ended 30 June 2024	Currency impact	Constant Currency[1]	**Six months ended 30 June 2025**
Revenue	127.1	(2.1)	(14.1)	**110.9**
Revenue change %		(2)%	(11)%	**(13)%**
Cost of sales	(75.5)	1.3	9.2	**(65.0)**
Gross margin	51.6	(0.8)	(4.9)	**45.9**
Gross margin %	40.6%	-	0.8%	**41.4%**
Operating expenses	(38.1)	(2.3)	(0.7)	**(41.1)**
Operating profit	13.5	(3.1)	(5.6)	**4.8**
Operating margin %	10.6%	(2.3)%	(4.0)%	**4.3%**

[1] The constant currency change is calculated with reference to the prior period amount at current year exchange rates and excludes any impact from the retranslation of foreign currency balance sheet amounts

The Adjusted Operating Profit decrease at constant currency was 42%, with a 23% impact from currency movements. As stated above, the currency impact largely relates to losses from retranslating certain inter-company balances held in US dollar to a weaker period-end exchange rate. The losses are unrealised and non-cash in nature and the associated balances will be removed in Q3 to reduce our exposure to future currency movements.

Net finance expense

Adjusted Net Finance Expense of £4.0m was 32% lower than the prior period (H1 2024: £5.9m). The reduction reflects lower SOFR rates in the period and lower average borrowing levels as we substantially reduced our Net Debt from £104.2m at 30 June 2024 to £57.9m at 30 June 2025.

Taxation

Adjusted Tax Expense for the period was £0.6m (H1 2024: £1.7m) which represents an average rate applicable to Adjusted Profit Before Tax of 75%, higher than expected due to relatively low first half profitability causing unrelieved tax losses in some countries. Nevertheless, we expect an effective tax rate of c.30% for the full year as the mix of profits by location evolves and as planned tax structuring actions deliver improvements.

Loss after tax

The Group reported a loss after tax of £1.8m compared to a profit of £2.2m in H1 2024. Adjusted profit for the period was £0.2m (H1 2024: £5.9m). The basic loss per share was 7.2 pence compared with basic earnings per share of 8.9 pence in H1 2024. Adjusted Diluted Earnings Per Share was 0.4 pence compared with Diluted Earnings Per Share of 24.4 pence in 2024. The decrease in Adjusted Diluted Earnings Per Share is primarily due to the reduction in revenues due to an extended period of destocking, partially offset by the robust cost-saving actions taken by the Group.

Cash flows

Six months ended 30 June Adjusted £m	**2025**	2024
Operating profit	**4.8**	13.5
Depreciation, amortisation & impairment	**8.1**	7.8
EBITDA	**12.9**	21.3
Change in working capital	**(0.7)**	14.1
Other items	**1.7**	(0.5)
Operating cash flow	**13.9**	34.9
Net capital expenditure – Product development costs	**(4.8)**	(5.5)
Net capital expenditure – Other assets	**(1.4)**	(7.8)
Net capital expenditure – Government grant	**1.5**	-
Net interest paid	**(4.5)**	(6.0)
Tax paid	**(1.5)**	(3.1)
Other items	**(1.0)**	(0.7)
Free cash flow	**2.2**	11.8

Adjusted Free Cash Flow for the period was £2.2m, £9.6m lower than H1 2024, in line with the reduction in Adjusted Operating profit.

The Group delivered another period of strong operating cash generation with cash conversion once again exceeding 100% at 290%. This performance was supported by a further 16% reduction in inventory levels, achieved without compromising service quality or delivery lead times. Inventory is now £44m lower than the position at the commencement of our Funding Plan in Q4 2023.

Robust cash flow helped fund total net capital expenditure of £4.7m during the period, including £4.8m spent on capitalised product development costs, £1.5m invested in our Malaysia facility, a £0.9m landlord contribution toward leasehold improvements in the US and a grant of £1.5m from the US government toward the construction cost of our new Silicon Valley Customer Innovation Centre.

In addition, the Group strengthened its balance sheet through the placing of approximately 18% of its issued share capital in new shares in March 2025, raising net proceeds of £39.6m. These proceeds enabled a significant reduction in external debt, enhancing financial resilience going forward.

Funding position and capital structure

Our Net Debt reduced from £93.5m at 31 December 2024 to £57.9m at 30 June 2025. Our gross cash balance was £18.9m (31 December 2024: £15.4m).

Key financing ratios at 30 June 2025 were as follows:

• Leverage ratio: Net Debt : Adjusted EBITDA of 1.8x (H1 2024: 2.2x)
• Interest cover: Adjusted EBITDA : Adjusted Net Finance Expense of 3.7x (H1 2024: 4.2x)

The net debt and key financing ratios as at 30 June 2025 are in line with our expectations at the time of the recent share placing. The share placing reduced our leverage ratio by 1.2x.

Our syndicate of banks recently supported an amendment to our revolving credit facility to extend its expiration date to 31 March 2027 which gives sufficient maturity for going concern assessment purposes when signing our 31 December 2025 accounts.

Following the extension, covenants appliable to our borrowing facilities are tested at each calendar quarter end and are now set as follows until maturity of the facility:

- Leverage ratio: Not more than 3.0x
- Interest cover: Not less than 3.0x

The Group's committed borrowing facilities were also reduced by $50m to $140m to reflect the reduction in borrowing achieved. At 30 June 2025, there was headroom of £24m against the new borrowing limit, plus cash on deposit as shown above.

The Board is confident that the Group will continue to de-lever, as market conditions recover, until it enters its target leverage range of 0-1x Adjusted EBITDA.

The Director's assessment of going concern has involved consideration of the Group's forecast covenant position in various scenarios, including a severe but plausible downside case. The Group is forecast to remain compliant with its covenants and have adequate borrowing liquidity in all scenarios. Further details can be found in Note 2 of the condensed consolidated financial statements.

At the end of the first half of 2025, net current assets stood at £72.8m compared to £62.8m at the end of 2024. There was limited change in our working capital with the exception of inventory, which reduced by £11.6m due to further efforts taken to lower on hand inventory levels.

Dividends

Dividend payments were suspended in late 2023. Dividends remain an important part of the Group's long-term capital allocation strategy. However, the Board believes it is in Shareholders' long-term interests for debt reduction to be prioritised over Shareholder distributions until net debt moves closer to our long-term leverage target of 0-1x Adjusted EBITDA. As a result, no dividends have been declared during or are expected to be declared in the financial year ended 31 December 2025.

Matt Webb
Chief Financial Officer
5 August 2025

XP Power Limited
Condensed Consolidated Income Statement
For the six months ended 30 June 2025

£m	Note	Adjusted	Adjustments (see Note 5)	Six months ended 30 June 2025	Adjusted	Adjustments (see Note 5)	Six months ended 30 June 2024
Revenue	4	110.9	-	110.9	127.1	-	127.1
Cost of sales		(65.0)	0.2	(64.8)	(75.5)	-	(75.5)
Gross profit		**45.9**	**0.2**	**46.1**	**51.6**	**-**	**51.6**
Operating Expenses:							
Distribution and marketing		(28.6)	(1.7)	(30.3)	(26.4)	(2.9)	(29.3)
Administrative		(2.1)	(0.7)	(2.8)	(2.1)	(1.5)	(3.6)
Research and development		(10.4)	-	(10.4)	(9.6)	-	(9.6)
Operating profit		**4.8**	**(2.2)**	**2.6**	**13.5**	**(4.4)**	**9.1**
Net finance expense		(4.0)	-	(4.0)	(5.9)	-	(5.9)
(Loss)/profit before tax		**0.8**	**(2.2)**	**(1.4)**	**7.6**	**(4.4)**	**3.2**
Tax expense	6	(0.6)	0.2	(0.4)	(1.7)	0.7	(1.0)
(Loss)/profit for the period		**0.2**	**(2.0)**	**(1.8)**	**5.9**	**(3.7)**	**2.2**
Attributable to:							
Equity shareholders				(1.9)			2.1
Non-controlling interests				0.1			0.1
(Loss)/profit for the period				**(1.8)**			**2.2**
Earnings per share (pence)							
Basic (loss)/earnings per share	7	0.4	(7.6)	(7.2)	24.5	(15.6)	8.9
Diluted (loss)/earnings per share	7	0.4	(7.6)	(7.2)	24.4	(15.6)	8.8

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 30 June 2025

£m	Six months ended 30 June 2025	Six months ended 30 June 2024
(Loss)/profit for the period	**(1.8)**	**2.2**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(4.9)	(1.0)
Other comprehensive loss, net of tax	(4.9)	(1.0)
Total comprehensive (loss)/income for the period	**(6.7)**	**1.2**
Attributable to:		
Equity shareholders	(6.8)	1.1
Non-controlling interests	0.1	0.1
Total comprehensive (loss)/income for the period	**(6.7)**	**1.2**

The above condensed consolidated income statement and statement of comprehensive income should be read in conjunction with the accompanying notes

XP Power Limited
Condensed Consolidated Balance Sheet
As at 30 June 2025

£m	Note	30 June 2025	31 December 2024
ASSETS			
Current assets			
Cash and bank balances		**17.6**	13.9
Inventories		**59.5**	71.1
Trade receivables		**32.7**	30.2
Bond receivables		**46.9**	39.2
Other current assets		**6.3**	5.6
Current income tax receivables		**1.0**	0.7
Total current assets		**164.0**	160.7
Non-current assets			
Cash and bank balances		**1.3**	1.5
Goodwill		**71.9**	73.2
Intangible assets	8	**59.1**	63.5
Property, plant and equipment	9	**61.7**	64.4
Right-of-use assets		**47.9**	51.8
Deferred income tax assets		**0.9**	1.0
ESOP loans to employees		**0.1**	0.1
Total non-current assets		**242.9**	255.5
Total assets		**406.9**	416.2
LIABILITIES			
Current liabilities			
Accrued consideration		**-**	0.8
Current income tax liabilities		**0.7**	0.4
Trade and other payables		**40.4**	40.8
Lease liabilities		**1.7**	1.6
Provisions		**48.2**	54.0
Borrowings	10	**0.2**	0.3
Total current liabilities		**91.2**	97.9
Non-current liabilities			
Accrued consideration		**1.7**	0.7
Borrowings	10	**76.6**	108.6
Deferred income tax liabilities		**7.7**	9.1
Provisions		**1.2**	1.3
Lease liabilities		**49.3**	52.7
Total non-current liabilities		**136.5**	172.4
Total liabilities		**227.7**	270.3
NET ASSETS		**179.2**	145.9
EQUITY			
Equity attributable to equity holders of the Company			
Share capital		**110.8**	71.2
Merger reserve		**0.2**	0.2
Share-based payments reserve		**3.0**	3.1
Translation reserve		**(7.5)**	(2.6)
Other reserve		**9.2**	8.6
Retained earnings		**62.9**	64.8
		178.6	145.3
Non-controlling interests		**0.6**	0.6
TOTAL EQUITY		**179.2**	145.9

The above condensed consolidated balance sheet should be read in conjunction with the accompanying notes.

XP Power Limited
Condensed Consolidated Statement of Changes in Equity
For the six months ended 30 June 2025

£m	Share capital	Merger reserve	Share-based payment reserve	Translation reserve	Other reserve	Retained earnings	Total	Non-controlling interests	Total Equity
	Attributable to equity holders of the Company								
Balance at 1 January 2024	71.2	0.2	2.1	(0.9)	7.6	74.4	154.6	0.7	**155.3**
Exercise of share-based payment awards	-	-	(0.7)	-	0.7	-	-	-	**-**
Share-based payment expenses, net of tax	-	-	0.8	-	-	-	0.8	-	**0.8**
Future acquisitions of non-controlling interests	-	-	-	-	(0.1)	-	(0.1)	-	**(0.1)**
Exchange difference on translation of financial statements of foreign operations	-	-	-	(1.0)	-	-	(1.0)	-	**(1.0)**
Profit for the period	-	-	-	-	-	2.1	2.1	0.1	**2.2**
Total comprehensive income for the period	-	-	-	(1.0)	-	2.1	1.1	0.1	**1.2**
Balance at 30 June 2024	**71.2**	**0.2**	**2.2**	**(1.9)**	**8.2**	**76.5**	**156.4**	**0.8**	**157.2**
Balance at 1 January 2025	71.2	0.2	3.1	(2.6)	8.6	64.8	145.3	0.6	**145.9**
Exercise of share-based payment awards	-	-	(0.8)	-	0.8	-	-	-	**-**
Share-based payment expenses, net of tax	-	-	0.7	-	-	-	0.7	-	**0.7**
Issuance of shares	39.6	-	-	-	-	-	39.6	-	**39.6**
Dividend paid	-	-	-	-	-	-	-	(0.1)	**(0.1)**
Future acquisitions of non-controlling interests	-	-	-	-	(0.2)	-	(0.2)	-	**(0.2)**
Exchange difference on translation of financial statements of foreign operations	-	-	-	(4.9)	-	-	(4.9)	-	**(4.9)**
(Loss)/profit for the period	-	-	-	-	-	(1.9)	(1.9)	0.1	**(1.8)**
Total comprehensive (loss)/profit for the period	-	-	-	(4.9)	-	(1.9)	(6.8)	0.1	**(6.7)**
Balance at 30 June 2025	**110.8**	**0.2**	**3.0**	**(7.5)**	**9.2**	**62.9**	**178.6**	**0.6**	**179.2**

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

XP Power Limited
Condensed Consolidated Statement of Cash Flows
For the six months ended 30 June 2025

£m	**Six months ended 30 June 2025**	Six months ended 30 June 2024
Cash flows from operating activities		
(Loss)/profit after income tax	**(1.8)**	2.2
Adjustments for:		
- Income tax expense	**0.4**	1.0
- Amortisation and depreciation	**9.4**	9.3
- Net finance expense	**4.0**	5.9
- Share-based payment expenses	**0.8**	0.6
- Loss on disposal of property, plant and equipment	**0.1**	-
- Unrealised currency translation loss/(gain)	**2.3**	(0.4)
- Provision for doubtful debts	**0.1**	0.1
Change in working capital:		
- Inventories	**6.5**	10.3
- Trade and other receivables and other current assets	**(4.8)**	11.1
- Trade and other payables	**(2.4)**	(7.1)
- Provision for liabilities and other charges	**(1.3)**	(0.2)
Cash generated from operations	**13.3**	32.8
Income tax paid, net of refund	**(1.5)**	(3.1)
Net cash provided by operating activities	**11.8**	29.7
Cash flows from investing activities		
Government grant relating to the purchase of property, plant and equipment	**1.5**	-
Purchases and construction of property, plant and equipment	**(1.3)**	(7.7)
Additions of product development costs	**(4.8)**	(5.5)
Additions of software and software under development	**(0.1)**	(0.1)
Proceeds from disposal of property, plant and equipment	**-**	0.2
Purchase of bond receivables	**(11.6)**	-
Net cash used in investing activities	**(16.3)**	(13.1)
Cash flows from financing activities		
Proceeds from issuance of new ordinary shares	**39.6**	-
Proceeds from borrowings	**19.6**	-
Repayment of borrowings	**(44.4)**	(8.9)
Principal payment of lease liabilities	**(0.9)**	(0.8)
Interest paid	**(4.6)**	(6.0)
Dividends paid to non-controlling interests	**(0.1)**	-
Net cash provided by/(used in) financing activities	**9.2**	(15.7)
Net increase in cash and cash equivalents	**4.7**	0.9
Cash and cash equivalents at beginning of financial period	**13.9**	12.0
Effects of currency translation on cash and cash equivalents	**(1.0)**	0.1
Cash and cash equivalents at end of financial period	**17.6**	13.0

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. Basis of preparation

The condensed consolidated financial statements for the period ended 30 June 2025 have been prepared in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority and with International Accounting Standards ('IAS') 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board.

The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024 which have been prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board (IFRS as issued by the IASB) and Singapore Financial Reporting Standards (International) (SFRS(I)s').

The condensed consolidated interim financial statements have not been audited.

2. Going concern

Overview of liquidity

The Group has available to it a US $ denominated Revolving Credit Facility (RCF) of $140 million (£102 million). The facility matures in March 2027 and therefore is committed throughout the minimum period for which going concern is assessed, which is 12 months from the date of signing these condensed consolidated financial statements.

At 30 June 2025, the Group had drawn down $107 million (£78.0 million) against this, leaving undrawn facility headroom of £24 million.

In May 2025, the financial covenants within the RCF agreement were amended to include only a leverage ratio (Net Debt to Adjusted EBITDA) of not more than 3:00 and interest cover (Adjusted EBITDA to Adjusted Net Finance Expense) of not less than 3.00. Each covenant is tested quarterly.

Approach to going concern review

As part of its going concern review, the Group has developed both Base Case and Downside Case financial scenarios, with the latter representing a severe but plausible downside scenario, assessing forecast liquidity and covenant compliance in each case.

The key assumption in these scenarios was revenue, particularly revenue beyond the initial circa six-month period for which the business already has visibility via existing sales orders. Revenue in this period, the first half of 2026 in this case, will be determined by, amongst other things, the timing of the semiconductor upcycle and general global macroeconomic conditions.

Given that the Group's borrowings are US $ denominated, net debt and therefore the leverage ratio can be impacted by future movements in the US $ exchange rate. We have sensitised the exchange rate used in these scenarios to reflect significant but plausible foreign exchange movements. The Group remains fully compliant with its financial covenants and maintains adequate liquidity in both Base and Downside Case under those scenarios.

Summary of forecast scenarios

The Base Case scenario is that destocking in the sales channel concludes by the end of the first half of 2025. Overall, this leads to a 5% decrease in revenue between 2024 and 2025 followed by growth in the first half of 2026.

The lowest point of headroom in the Leverage Ratio covenant is at 30 September 2025. EBITDA would need to fall c.45% short of expectations in the period 1 January to 30 September 2025 for a breach to occur. c.90% of 2025 Base Case revenue is now covered by YTD revenue and firm orders in hand.

The lowest point of headroom in the Interest Cover covenant is at 30 September 2025. EBITDA would need to fall c.31% short of expectations in the period 1 January to 31 December 2025 for a breach to occur.

The Downside Case envisages a shortfall in revenue in the second half of 2025 due to unexpected continued destocking in the sales channel or other sales related headwind. This results in a 8% decline in revenue between 2024 and 2025 in total and only a modest improvement in the first half of 2026 compared to the second half of 2025.

The lowest point of headroom in the Leverage Ratio covenant is at 31 December 2025. EBITDA would need to fall c.31% short of expectations in the period 1 January to 31 December for a breach to occur.

The lowest point of headroom in the Interest Cover covenant is at 31 December 2025. EBITDA would need to fall c.15% short of expectations in the period 1 January to 31 December 2025 for a breach to occur.

Both scenarios assume that our interest costs are lower as a result of a decreased SOFR rate (compared to average in 2024) and reduced debt, although we retain SOFR at the current level of 4.3% for 2025 as a prudent approach.

In both scenarios, the Group remains in full compliance with its financial covenants and with ample liquidity throughout the going concern assessment period.

Conclusions

The Directors are confident that the Base Case and Downside Cases provide an appropriate basis for the going concern assumption to be applied in preparing the financial statements, while recognising modest headroom in the severe but plausible case.

Therefore, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group, therefore, continues to adopt the going concern basis in preparing its condensed consolidated financial statements.

3. Accounting policies

The condensed consolidated interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies within the Group financial statements for the year ended 31 December 2024.
The same accounting policies, presentation and methods of computation are followed in these condensed consolidated interim financial statements as were applied in the presentation of the Group's financial statements for the year ended 31 December 2024.

Amendments to IFRSs became applicable for the current reporting period. The adoption of the amended standards did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

4. Segmented and revenue information

The Board of Directors monitors the business based on the three primary geographical areas: North America, Europe and Asia. All geographic locations market the same classes of products to their respective customer base.

The revenue by class of customer and location of the design win is as follows:

	Six months ended 30 June 2025				Six months ended 30 June 2024			
£m	**Europe**	**North America**	**Asia**	**Total**	Europe	North America	Asia	Total
Semiconductor Manufacturing Equipment	**2.6**	**36.7**	**4.5**	**43.8**	1.9	37.4	6.4	45.7
Industrial Technology	**21.8**	**16.9**	**3.7**	**42.4**	29.6	16.1	5.2	50.9
Healthcare	**8.0**	**14.7**	**2.0**	**24.7**	11.8	16.2	2.5	30.5
Total	**32.4**	**68.3**	**10.2**	**110.9**	43.3	69.7	14.1	127.1

Reconciliation of segment results to profit for the period:

£m	**Six months ended 30 June 2025**	Six months ended 30 June 2024
Europe	**7.3**	11.6
North America	**18.1**	19.1
Asia	**3.8**	5.5
Segment results	**29.2**	36.2
Research and development	**(8.6)**	(7.9)
Manufacturing	**(7.4)**	(5.1)
Corporate costs	**(8.4)**	(9.7)
Adjusted operating profit	**4.8**	13.5
Net finance expenses	**(4.0)**	(5.9)
Adjusting items (Note 5)	**(2.2)**	(4.4)
(Loss)/Profit before tax	**(1.4)**	3.2
Income tax expense	**(0.4)**	(1.0)
(Loss)/Profit after tax for the period	**(1.8)**	2.2

5. Reconciliation of non-statutory measures

The Group presents Adjusted Gross Profit, Adjusted Operating Expenses and Adjusted Operating Profit by adjusting for costs and profits which management believes to be significant by virtue of their size, nature or incidence or which have a distortive effect on current year earnings. Such items may include, but are not limited to, costs associated with business combinations, gains and losses on disposal of businesses, fair value movements, restructuring charges, acquisition related costs and amortisation of intangible assets arising from business combinations.

In addition, the Group presents Adjusted Profit measures for the period by adjusting for certain tax charges and credits which represent the tax effect of Adjusting items or which management believe to be significant by virtue of their size, nature, or incidence or which have a distortive effect (shown as Tax effects of Adjusting items below).

As a result, the Group also presents certain Adjusted measures which include the consequential impact of the adjustments made in Adjusted Gross Profit and Adjusted Operating Profit. This includes Adjusted Gross Margin %, Adjusted Profit Before Tax, Adjusted Profit For The Year, Adjusted Diluted Earnings Per Share, Adjusted Operating Cashflow and Cash Conversion %.

The Group uses these Adjusted measures to evaluate performance and as a method to provide shareholders with clear and consistent reporting.

The Group also reports key financing measures which are relevant to shareholders as they are used in determining covenant compliance. These include Leverage, Interest Cover, Net Debt, Adjusted Net Finance Expense and Adjusted EBITDA.

See below for a reconciliation of all non-statutory measures to the closest statutory measure included in these financial statements.

i. Adjusted Gross Profit, Operating Expenses, Operating Profit, Net Finance Expense, Profit Before Tax, Tax Expenses and Loss for the Period

				Six months ended 30 June 2025			
£m	**Gross profit**	**Operating expenses**	**Operating Profit**	**Net finance expense**	**Profit before tax**	**Tax expense**	**Profit for the period**
Statutory result	**46.1**	**(43.5)**	**2.6**	**(4.0)**	**(1.4)**	**(0.4)**	**(1.8)**
Adjusted for:							
Restructuring costs	**-**	**0.6**	**0.6**	**-**	**0.6**	**-**	**0.6**
Exit from China Semiconductor market	**(0.2)**	**-**	**(0.2)**	**-**	**(0.2)**	**-**	**(0.2)**
Costs relating to legal dispute	**-**	**0.5**	**0.5**	**-**	**0.5**	**-**	**0.5**
Amortisation of intangible assets acquired from business combinations	**-**	**1.3**	**1.3**	**-**	**1.3**	**-**	**1.3**
Tax effects of Adjusting items	**-**	**-**	**-**	**-**	**-**	**(0.2)**	**(0.2)**
Adjusted result	**45.9**	**(41.1)**	**4.8**	**(4.0)**	**0.8**	**(0.6)**	**0.2**

5. Reconciliation of non-statutory measures (continued)

£m	Six months ended 30 June 2024						
	Gross profit	**Operating expenses**	**Operating Profit**	**Net finance expense**	**Profit before tax**	**Tax expense**	**Profit for the period**
Statutory result	51.6	(42.5)	9.1	(5.9)	3.2	(1.0)	2.2
Adjusted for:							
Restructuring costs	-	1.1	1.1	-	1.1	-	1.1
Costs relating to legal dispute	-	0.6	0.6	-	0.6	-	0.6
Amortisation of intangible assets acquired from business combinations	-	1.6	1.6	-	1.6	-	1.6
Global supply chain transformation	-	0.9	0.9	-	0.9	-	0.9
Bid defence costs	-	0.2	0.2	-	0.2	-	0.2
Tax effects of adjusting items	-	-	-	-	-	(0.7)	(0.7)
Adjusted result	**51.6**	**(38.1)**	**13.5**	**(5.9)**	**7.6**	**(1.7)**	**5.9**

ii. Adjusted Operating Cash Flow and Conversion %

£m	**Six months ended 30 June 2025**	Six months ended 30 June 2024
Cash generated from operations	**13.3**	32.8
Adjusted for cash flows in respect of:		
Restructuring costs	**0.5**	0.7
Costs relating to legal dispute	**0.1**	1.0
Global supply chain transformation	**-**	0.4
Adjusted Operating Cash Flow	**13.9**	34.9
Adjusted Operating Profit	**4.8**	13.5
Adjusted Operating Cash Conversion	**290%**	259%

iii. Adjusted LTM EBITDA

£m	**Twelve months ended 30 June 2025**	Twelve months ended 30 June 2024
(Loss)/Profit before tax	**(12.3)**	3.5
Adjusted for:		
Net finance expense	**9.3**	12.8
Depreciation	**8.8**	9.0
Amortisation	**10.0**	11.2
LTM EBITDA	**15.8**	36.5
Adjusted for:		
Restructuring costs	**1.7**	4.0
Exit from China Semiconductor market	**6.5**	-
Costs relating to legal dispute	**7.5**	1.3
Global supply chain transformation	**0.7**	3.6
Impairment loss on intangible assets	**0.2**	2.0
Costs related to Enterprise Resource Planning system implementation	**-**	0.1
Acquisition costs	**-**	0.1
Fair value loss on derivative financial instrument	**-**	0.1
Bid defence costs	**-**	0.2
Adjusted LTM EBITDA	**32.4**	47.9

5. Reconciliation of non-statutory measures (continued)

iv. Net Debt

£m	At 30 June 2025	At 30 June 2024
Borrowings		
Current	**0.2**	0.5
Non-current	**76.6**	118.1
Total borrowings	**76.8**	118.6
Cash and bank balances		
Cash at bank and on hand	**18.8**	14.3
Short-term bank deposits	**0.1**	0.1
Total cash and bank balances	**18.9**	14.4
Net Debt	**57.9**	104.2

v. Leverage ratio (Net Debt : Adjusted LTM EBITDA)

£m	At 30 June 2025	At 30 June 2024
Net Debt (Note 5(iv))	**57.9**	104.2
Adjusted LTM EBITDA (Note 5(iii))	**32.4**	47.9
Leverage Ratio (Net Debt : Adjusted LTM EBITDA)	**1.8x**	2.2x

vi. Interest Cover (Adjusted LTM EBITDA : Adjusted LTM Net Finance Expense)

£m	Twelve months ended 30 June 2025	Twelve months ended 30 June 2024
Adjusted LTM EBITDA (Note 5(iii))	**32.4**	47.9
Net finance expense	**9.3**	12.8
Adjusted for:		
Amortisation of financing costs	**(0.6)**	-
Restructuring costs1	**-**	(1.4)
Adjusted LTM Net Finance Expense	**8.7**	11.4
Interest Cover (Adjusted LTM EBITDA : Adjusted LTM Net Finance Expense)	**3.7x**	4.2x

[1] Restructuring cost consist only of interest on lease liabilities related to lease for office spaces in the United States of America.

6. Taxation

The average effective tax rate applied to Adjusted Profit Before Tax for the period is 75% (H1 2024: 22%). This is based on an estimate of the full year effective tax rate by tax jurisdiction.

7. Earnings per share

Earnings per share attributable to equity holders of the company arise from continuing operations as follows:

£m	**Six months ended 30 June 2025**	Six months ended 30 June 2024
(Loss)/profit after tax attributable to equity holders of the Company	**(1.9)**	2.1
Restructuring costs	**0.6**	1.1
Exit from China Semiconductor market	**(0.2)**	-
Costs relating to legal dispute	**0.5**	0.6
Amortisation of intangibles assets acquired from business combinations	**1.3**	1.6
Global supply chain transformation	**-**	0.9
Bid defence costs	**-**	0.2
Tax effect of Adjusting items	**(0.2)**	(0.7)
Adjusted Earnings	**0.1**	5.8
Number of shares		
Weighted average number of shares for basic earnings per share (Thousands)	**26,398**	23,700
Effect of potentially dilutive share awards (thousands)	**4**	39
Weighted average number of shares for the diluted earnings per share (thousands)	**26,402**	23,739
(Loss)/earnings per share		
Basic	**(7.2)p**	8.9p
Basic Adjusted	**0.4p**	24.5p
Diluted	**(7.2)p**	8.8p
Diluted Adjusted	**0.4p**	24.4p

8. Intangible assets

£ Millions	Product Development costs	Brand	Trademarks	Technology	Customer relationships	Customer contracts	Software	Assets under development	Total
Cost									
At 31 December 2024	60.2	1.7	1.1	7.9	24.8	2.6	24.5	26.7	149.5
Additions	0.3	-	-	-	-	-	-	4.6	4.9
Disposals	-	-	-	-	-	-	(0.2)	-	(0.2)
Transfers	0.9	-	-	-	-	-	0.1	(1.0)	-
Currency translation differences	(4.0)	(0.1)	-	(0.4)	(1.4)	-	(2.0)	(2.5)	(10.4)
At 30 June 2025	57.4	1.6	1.1	7.5	23.4	2.6	22.4	27.8	143.8
Accumulated amortisation									
At 31 December 2024	40.0	0.9	1.0	5.2	15.4	2.6	10.5	10.4	86.0
Amortisation charge	2.5	0.1	-	0.2	0.9	0.1	1.1	-	4.9
Disposals	-	-	-	-	-	-	(0.2)	-	(0.2)
Currency translation differences	(2.3)	(0.1)	-	(0.4)	(1.3)	(0.1)	(0.9)	(0.9)	(6.0)
At 30 June 2025	40.2	0.9	1.0	5.0	15.0	2.6	10.5	9.5	84.7
Net book value									
At 30 June 2025	**17.2**	**0.7**	**0.1**	**2.5**	**8.4**	**-**	**11.9**	**18.3**	**59.1**
At 31 December 2024	20.2	0.8	0.1	2.7	9.4	-	14.0	16.3	63.5

The amortisation period for development costs incurred on the Group's products varies between five and seven years according to the expected useful life of the products being developed.

Amortisation commences when the product is ready and available for use.

The remaining amortisation period for customer relationships ranges from two to seven years.

9. Property, plant and equipment

£ Millions	Freehold land	Buildings	Plant and equipment	Motor vehicles	Building improvements	Assets under construction [1]	Total
Cost							
At 31 December 2024	1.5	18.7	42.3	0.1	28.8	9.7	101.1
Additions	-	0.4	0.6	-	0.2	5.8	7.0
Cost adjustments [2]	-	-	-	-	(2.4)	-	(2.4)
Disposals	-	-	(0.9)	-	(0.1)	-	(1.0)
Transfers	-	-	0.6	-	0.1	(0.7)	-
Currency translation differences	(0.1)	(1.5)	(3.2)	-	(2.2)	(0.3)	(7.3)
At 30 June 2025	**1.4**	**17.6**	**39.4**	**0.1**	**24.4**	**14.5**	**97.4**
Accumulated depreciation							
At 31 December 2024	-	5.9	26.8	0.1	3.9	-	36.7
Depreciation charge	-	0.3	2.0	-	0.6	-	2.9
Disposals	-	-	(0.8)	-	(0.1)	-	(0.9)
Currency translation differences	-	(0.5)	(2.2)	-	(0.3)	-	(3.0)
At 30 June 2025	-	5.7	25.8	0.1	4.1	-	35.7
Net book value							
At 30 June 2025	**1.4**	**11.9**	**13.6**	**-**	**20.3**	**14.5**	**61.7**
At 31 December 2024	**1.5**	**12.8**	**15.5**	**-**	**24.9**	**9.7**	**64.4**

[1] Assets under construction pertains to cost incurred for the building of Malaysia factory of £14.3 million and testing equipment of £0.2 million in North America;

[2] £0.9 million was received as reimbursement from the landlord in respect of building improvement works, while £1.5 million was received from the government under Section 48D of the Advanced Manufacturing Investment Tax Credit. Both amounts relate to facilities located in North America.

10. Borrowings

The Group's debt is sourced from a US $140m Revolving Credit Facility ("RCF"). The committed facility has reduced to US $140m from US $190m as part of the amendment signed in May 2025. The RCF facility is committed until March 2027. The facility has no fixed repayments until maturity. The revolving loan is priced based on the Secured Overnight Financing Rate (SOFR) administered by the Federal Reserve Bank of New York plus a margin. The margin applicable to drawn amounts range from 1.5-3.25% until 29 September 2025 and 1.7-2.95% from 30 September 2025 onwards, depending on the Net Debt : Adjusted LTM EBITDA ratio for the previous quarter. The non-utilisation fee payable for the undrawn element of the facility is priced at 40% of the margin applicable to drawn amounts.

The covenants attaching to the RCF are set out in Note 2.

The maturity date of the RCF has been extended to March 2027 and therefore repayment will be due in the second year after the date of these accounts.

The borrowings are repayable as follows:

£m	**At 30 June 2025**	At 31 December 2024
On demand or within one year	**0.2**	0.3
In the second year	**76.6**	108.6
Total	**76.8**	108.9

All loan covenants have been complied with as at 30 June 2025.

11. Foreign exchange rates

Exchange rates applied in these condensed consolidated financial statements are the average for the six month period for Income Statement items (including £1/USD1.29, £1/€1.19, £1/SGD1.7) and are the closing rate for Balance Sheet items (including £1/USD1.37, £1/€1.17, £1/SGD1.75 at 30 June 2025).

12. Principal risks

The Group has well-established risk management processes to identify and assess risks. The Group's principal risks are regularly reviewed by the Board and mapped onto a risk universe, where risk mitigation or reduction can be tracked and managed. This facilitates further discussion regarding risk appetite and identifies the risks that require greater attention. Details of our risk management framework are set out in the Group's Annual Report & Accounts for the year ended 31 December 2024 on pages 38 to 51.

The Board has reviewed the principal risks as of 30 June 2025 against the context of the environment in which the Group operates and the operational developments during the first six months of the financial year and the outlook for the remainder of the financial year. There is no change in principal risks as disclosed in the Group's Annual Report & Accounts:

1. Disruption to manufacturing
2. Supply chain risks
3. Market/customer related risks
4. Product-related risks
5. IT/data
6. Funding/treasury
7. Legal & regulatory
8. Business Transformation
9. People-related risks
10. Climate-related risks

Directors' responsibility statement

The Directors confirm to the best of their knowledge that:

- the unaudited interim results have been prepared in accordance with IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board; and
- the interim results include a fair view of the information required by DTR 4.2.7 (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year) and DTR 4.2.8 (disclosure of related party transactions and changes therein).

The Directors of XP Power Limited are as follows:

Jamie Pike	Non-Executive Chair
Gavin Griggs	Chief Executive Officer
Matt Webb	Chief Financial Officer
Andy Sng	Executive Vice President, Asia
Polly Williams	Senior Independent Director
Pauline Lafferty	Non-Executive Director
Sandra Breene	Non-Executive Director
Amina Hamidi	Non-Executive Director
Daniel Shook	Non-Executive Director

By order of the Board:

Gavin Griggs	**Matt Webb**
Chief Executive Officer	Chief Financial Officer

5 August 2025

Report on review of interim financial information

We have reviewed the accompanying condensed consolidated interim financial information of XP Power Limited ("the Company") and its subsidiaries ("the Group") set out on pages 14 to 25, which comprise the condensed consolidated balance sheet of the Group as at 30 June 2025, the condensed consolidated income statement, statement of comprehensive income, changes in equity and cash flows for the 6-month period then ended and the other explanatory notes. Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the interim report for the 6-month period ended 30 June 2025, which comprise the "Interim Results" set out on pages 1 to 3, "Chief Executive Officer's Review" set out on pages 4 to 8 and "Chief Financial Officer's Review" set out on pages 9 to 13 and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed consolidated interim financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting as issued by the International Accounting Standards Board.

Restriction on Distribution and Use

This report has been prepared solely for the Company in accordance with the letter of engagement between us and the Company. We do not accept or assume liability or responsibility to anyone other than the Company for our work or this report.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 5 August 2025