REVB AIMX Revolution Beauty Group PLC

Half-year Financial Report · RNS 5148A · 27 October 2026

Revolution Beauty swings to £2.0m first-half EBITDA profit but keeps going-concern warning

Share price	4.58p
Market cap	£39.8m
52-week range	2.35p - 6.4p
Shares in issue	869.7m
12-month change	+59.0%

Ticker Data API, as at 26 Oct 2026, 16:26

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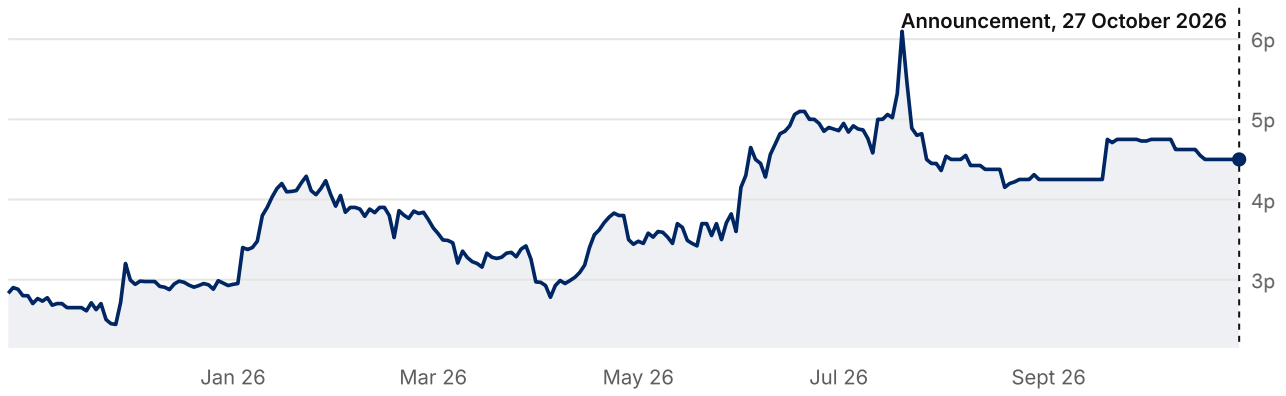

SUMMARY

Revolution Beauty's half-year results today showed adjusted EBITDA (earnings before interest, tax, depreciation and amortisation, after the company's adjustments) of £2.0m for the six months to 31 August 2026, against a £12.5m loss a year earlier. Revenue slipped 2.0% to £48.4m. Gross margin rose 11.4 points to 43.6%, and operating costs fell by almost a third to £19.1m. The board says it is trading at the top end of market expectations for the year to February 2027. Against that, the group still made a £1.9m pre-tax loss, cash fell £1.6m in the half to £4.3m, and the directors again flag a material uncertainty over going concern. The full-year case now rests on the seasonally larger second half turning sales into cash.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Revenue	£48.4m	H1 FY27 (six months to 31 Aug 2026)	-2.0% (H1 26: £49.4m)
Adjusted EBITDA	£2.0m	H1 FY27	+£14.5m (H1 26: loss of £12.5m)
Gross margin	43.6%	H1 FY27	+11.4ppts (H1 26: 32.2%)
Operating costs	£19.1m	H1 FY27	-32.7% (H1 26: £28.4m)
Loss before tax	£1.9m	H1 FY27	+£16.5m (H1 26: loss of £18.4m)
Online sales growth	22%	H1 FY27	
Cash and cash equivalents	£4.3m	31 Aug 2026	+£2.5m year on year; down £1.6m in the half before exchange effects
Net debt	£25.7m	31 Aug 2026	-£4.5m year on year (31 Aug 2025: £30.2m); year-end 28 Feb 2026: £24.7m
Net liabilities	£32,023k	31 Aug 2026	28 Feb 2026: £31,073k
H2 FY26 adjusted EBITDA	£4.3m	Second half of year to 28 Feb 2026	

Sources: Half-year Financial Report RNS, 27 Oct 2026; Consolidated condensed statement of financial position, Half-year Financial Report RNS, 27 Oct 2026; Final Results RNS, 21 Jul 2026

THE ANNOUNCEMENT

- Adjusted EBITDA was £2.0m in H1 FY27, a £14.5m improvement on the £12.5m loss in H1 FY26. The group has posted positive adjusted EBITDA in every month for thirteen consecutive months to 30 September 2026.
- Revenue fell 2.0% to £48.4m. The company puts underlying growth at 8.3% after excluding prior-year clearance sales, discontinued brands and non-recurring licence income, which take the H1 FY26 base down to £44.7m. Online sales on revolutionbeauty.com, TikTok Shop and Amazon rose 22%.
- Gross margin reached 43.6% from 32.2%, helped by the absence of last year's clearance activity and lower gross-to-net charges (retailer deductions and markdowns). Operating costs fell £9.3m to £19.1m, with cuts in distribution, marketing and administration.
- Statutory results remain loss-making: an operating loss of £0.9m and a loss before tax of £1.9m. Cash was £4.3m and net debt £25.7m, against £24.7m at the February year-end.
- Trading in September and October was in line with the board's expectations. The board says it is at the top end of market expectations of £92.0m to £95.0m revenue and £6.0m to £6.6m adjusted EBITDA for the year to 28 February 2027.
- The directors conclude that a material uncertainty exists over going concern. In a severe but plausible downside, the group would breach its financing covenants without further mitigating action.

AGAINST GUIDANCE

The headline numbers were largely trailed. On 17 September 2026 the company said it expected first-half adjusted EBITDA of not less than £2m, revenue broadly in line with last year, a gross margin more than 10 points higher and 22% online growth. It delivered £2.032m of EBITDA, a 43.6% margin and the same online growth. The new information is that September and October traded in line with the board's expectations. The board also says it is at the top end of market expectations from the two analysts who publish forecasts: £92.0m to £95.0m revenue and £6.0m to £6.6m adjusted EBITDA for FY27, ranges that were upgraded after the September update. Reaching the top of the EBITDA range needs about £4.6m in the second half, close to the £4.3m achieved in H2 FY26. Reaching the top of the revenue range needs £46.6m, below the £52.7m reported for that half.

BULL CASE

- The margin gain does not depend only on a weak comparison. Gross margin of 43.6% is above the 41.4% reached in H2 FY26, after the clearance-driven first half of that year had ended. Operating costs are also a third lower, so modest sales growth would now reach profit more quickly.
- Near-term guidance has proved reliable under the returning founders. H2 FY26 EBITDA of £4.3m came in ahead of guidance and Q1 FY27 was ahead of management expectations. September's H1 indication was then met, and the full-year top end needs only a second half close to last year's.
- Demand signals are improving. Online sales rose 22% on the back of TikTok Shop, and UK revenue returned to growth at £15.6m. The company also reports new customers in international direct and distributor channels, and the first Debenhams Group licence collections launch before Christmas.
- Legacy overhangs are fading. The FCA ended its investigation in June 2026 with no further action, cash adjusting items fell 85% to £0.3m, and the revolving credit facility runs to 31 July 2028.

BEAR CASE

- Adjusted profit has not yet become statutory profit or cash. The £2.0m of EBITDA becomes a £0.9m operating loss after depreciation, amortisation, share-based payments and adjusting items, and a £1.9m pre-tax loss after £1.1m of finance costs. Cash fell £1.6m in the half.
- The £1.0m operating cash inflow relied on a £6.3m rise in payables, while inventories and receivables absorbed £3.8m and £3.5m. Net debt of £25.7m is £1.0m above the February year-end, and net current liabilities stand at £5.3m.
- The going-concern warning is explicit, and no headroom figure is given. The directors say a severe but plausible downside would breach covenants without further mitigation. Their base case also depends on the outcome of ongoing commercial matters and claims, with £32.0m of net liabilities on the balance sheet.
- Reported sales are still shrinking. The 8.3% underlying growth excludes £4.7m of prior-year revenue, and the top of the revenue range implies a second half below H2 FY26. The consumer backdrop offers little help, with CPIH inflation at 3.60% in September and Brent at $110.02 a barrel on 26 October.

WHAT TO WATCH

- The Christmas and post-peak trading update. Look for whether autumn and Christmas order books, refreshed ranges and the first Debenhams Group collections bring FY27 to the top of the £6.0m to £6.6m EBITDA range.
- Net debt and cash at the 28 February 2027 year-end, compared with £24.7m and £5.9m a year earlier. A clear fall would show the second half releasing working capital, rather than funding it through payables.
- Whether the FY27 annual report removes the going-concern material uncertainty or quantifies covenant headroom. Any covenant waiver, facility amendment or new equity raise would point the other way.
- Gross margin holding above 40% in the second half, alongside inventory provisions and trade receivables (£28.7m at 31 August 2026). Any rise in markdowns or gross-to-net charges would show up here first.

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