

24 April 2023

REACT Group plc

("REACT", the "Group" or the "Company")

Trading Update

REACT Group plc (AIM: REAT.L), the leading specialist cleaning, hygiene, and decontamination company, is pleased to announce a trading update for the six months ended 31 March 2023.

Trading in the six months period has been strong and the positive contract win momentum has continued with good sales growth in all three divisions of the business. As a result, revenues for the period are expected to be approximately £9.3m (2022: £5.1m) achieving a gross profit of approximately £2.5m (2022: £1.2m) and an Adjusted* EBITDA of approximately £925k (2022: £133k). The improved margins reflect a continuing improvement in mix of business, to higher margin repeat business, and operational improvements made within the Group.

LaddersFree, one of the largest commercial window cleaning businesses in the UK, continues to strengthen its pipeline of repeat business with well-known brands. In addition to the previously announced notable contract wins, LaddersFree has been awarded contracts to provide services for retailers, restaurants, hotels and car dealerships amongst others. The division continues to attract higher margin contracts helping to deliver a considerable contribution to Group profits.

As reported in the AGM statement, Fidelis experienced a slightly slower start to the period however it has recovered significantly, achieving record revenues in recent months. The division has been awarded both sizeable new contracts and renewals including two material projects with schools, numerous NHS Trusts and a specialist property services business that will generate approximately £500k of revenue per year.

The REACT business, which primarily provides a solution to emergency and specialist cleaning situations, both through long-term framework agreements and on a one-off basis, has continued its steady progress and its bespoke services remain in demand.

Commenting on the trading update Shaun Doak, Chief Executive Officer of REACT, said:"We are delighted by the performance in the period with the Group achieving record revenue and profit growth. The improved mix of recurring revenue as well as higher margins provides the business with greater visibility and a more dependable revenue stream. The pipeline for the remainder of the year is strong, which provides cautious optimism and underpins the Board's confidence in full year results being in line with market expectations."

** Adjusted EBITDA represents earnings before separately disclosed acquisition and other restructuring costs (as well as before interest, tax, depreciation and amortisation). This is a non-IFRS measure.*

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