

25 April 2024

**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 2024.

**Highlights**

- Revenues of £10.6m up 14% (2023: £9.3m)
- Gross Profit of £2.9m up 15% (2023: £2.5m)
- Adjusted EBITDA of £1.3m up 38% (2023: £0.9m)

**Background**

As announced in its full year results on 6 February 2024, momentum from FY23 had continued into the new financial year and that the first few months of FY24 had delivered a record trading performance for the Group. The Board is pleased to report that this trading pattern has continued with good sales growth across all three divisions of the business. As a result, revenues for the six-month period are expected to be approximately £10.6m (2023: £9.3m), achieving a gross profit of approximately £2.9m (2023: £2.5m) and an Adjusted EBITDA\* of approximately £1.3m (2023: £0.9m).

As at 31 March 2024, the Group had cash resources (including cash equivalents) of £1.5m. This was despite outflows during the period in respect of deferred consideration of just over £1.0m, in connection with the acquisitions of both Fidelis and LaddersFree.

The Group continues to deliver strong recurring revenues in excess of 85% and the associated margin improvement is reflected in an enhanced revenue mix with higher margin repeat business and operational synergies across the Group.

**Contract wins**

The Company has continued its drive on new business with three recently announced material contracts totalling over £1.3m annually. The contracts include a £0.8m three-year renewal and expansion of a Facilities Management ('FM') soft services agreement with an NHS trust in the Midlands, with an option to extend to five years. The Company has also extended for a further two years an established Core Vendor agreement with the UK operation of one of the world's largest FM companies. The Company was also awarded a new £0.5m agreement with a leading UK FM business to provide a single point of service delivery for emergency decontamination services to its customers, some of whom are well known, recognisable brands.

**Shaun Doak, Chief Executive Officer of REACT, commented:**"We are very pleased with the performance of the Group in a year of considerable investment and which sees continued sales momentum across a higher margin business. In addition to the material contracts, the Group continues to be awarded numerous small and medium sized wins which highlights its cross-selling capability. The pipeline for the remainder of the year remains robust which provides the Board with a high degree of confidence in achieving full year market expectations\*\*."

*\*Adjusted EBITDA represents earnings before separately disclosed acquisition and other restructuring costs (as well as before*

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**\*\*Current consensus FY24 Revenue & Adjusted EBITDA market expectations of £21.25m & £2.5m respectively**

**For more information:**

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**About Us:**

REACT Group plc is the UK's leading specialist and contract cleaning business and operates with three divisions: LaddersFree, one of the largest commercial window cleaning businesses in the UK; Fidelis Contract Services ("Fidelis"), a contract cleaning and facilities maintenance business; and REACT business, which primarily provides a solution to emergency and specialist cleaning situations, both through long-term framework agreements and on an ad-hoc basis.

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