

This announcement contains inside information for the purposes of the market abuse regulation (EU No. 596/2014) as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

**21 October 2024**

**Midwich Group plc**  
("Midwich" or the "Group")

**Trading Update**

Midwich Group (AIM: MIDW), a global specialist audio visual distributor to the trade market, is today providing a trading update and revised guidance for the year ending 31 December 2024.

At our Interim Results, issued on 3 September 2024, we highlighted the challenging market conditions experienced in the first half of the year, with market survey data indicating a return to growth in mainstream products during the second half.

In recent weeks, whilst the UK market has stabilised, and performance in the North American region, as well as demand in the live events and entertainment sectors remains strong, broader market conditions have not improved as anticipated. In particular, Germany has seen a further deterioration and there remains subdued demand for mainstream products, primarily in the education and corporate markets.

We now expect current market conditions to persist for at least the rest of the year. Given the challenging AV market backdrop, the Board now expects full year Group revenue to be marginally ahead of the prior year.

In line with the Group's stated strategy, the continued progress in product mix in favour of technical video, audio and lighting products, is expected to result in full year Group gross margins in line with the record levels achieved in the first half.

The previously announced overhead reduction programme is also well progressed. However, whilst these overhead reductions will support increased operating profit margins in the second half of the year onwards, the Board expects adjusted operating profit for 2024 to be significantly below the prior year, reflecting the operational gearing of the business.

In recent weeks, the Group has completed three small specialist acquisitions in the UK for a total combined cash consideration of £12m. These higher margin technical businesses operate primarily in the live events and fire security markets. The total consideration paid, when combined with the usual second half operating cash inflow, is expected to result in year-end leverage of around 2.2 times adjusted EBITDA. The Group remains well within its debt covenant levels.

Despite the continuing challenging market conditions, the Group remains well positioned, has continued to grow market share in its key markets since the half year and will seek to drive further revenue mix towards technical product sales. The Board remains confident in the future prospects of the Group.

Midwich expects to release a scheduled year-end trading update on 20 January 2025.

**For further information:**

<b>Midwich Group plc</b> Stephen Fenby, Managing Director Stephen Lamb, Finance Director	<b>+44 (0) 1379 649200</b>
<b>Investec Bank plc</b> (NOMAD and Joint Broker to Midwich) Carlton Nelson / Ben Griffiths	<b>+44 (0) 20 7597 5970</b>
<b>Berenberg</b> (Joint Broker to Midwich) Ben Wright / Richard Andrews	<b>+44 (0) 20 3207 7800</b>
<b>FTI Consulting</b> Alex Beagley / Tom Hufton / Matthew Young	<b>+44 (0) 20 3727 1000</b>

**About Midwich Group**

**Specialisation at scale.**

Midwich Group is a network of businesses which partner with the world's leading technology companies to accelerate their growth. Selling into over 50 countries from 23 global locations, the Group specialises in audiovisual technology - whether in state-of-the-art meeting rooms or on a festival main stage, our solutions help the world connect, communicate, or experience wow moments.

**Taking technology further.**

With services ranging from product distribution to complex system design, focused marketing campaigns to flexible financing solutions, and showcase events to seed funding for startups, the Group's ever-expanding offering is designed to add value and solve its partners' biggest challenges.

This has enabled the Group to maintain strong relationships with global manufacturers and a diverse customer base of over 21,000, including professional integrators, event production companies and IT resellers in sectors such as education, corporate, retail and live events.

**Enabling tomorrow.**

With over 1,900 employees across the UK and Ireland, EMEA, Asia Pacific and North America, the company is committed to being a responsible employer.

The Group wants to do the right thing and actively works to limit its impact on the environment and communities, and recognises the importance of giving back - find out more about our sustainability activities [here](#).

**Help us go further, together.**

Visit <https://midwichgroupplc.com>

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [ms@seg.com](mailto:ms@seg.com) or visit [www.ms.com](http://www.ms.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTURARRSWURUUA