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20 January 2025

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

Year End Trading Update

Robust Performance in a Challenging Market

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

The Group's revenue finished slightly over £1.3 billion, which was marginally ahead of prior year, and in line with guidance provided in the Group's trading update in October 2024. Overall revenue growth was approximately 2% (3% at constant currency), with organic revenue approximately 1% below the prior year. Further positive product mix shift resulted in a gross margin of c.17.1%, which was an annual record, but slightly below H1 2024 and the Board's expectation for the full year. Overheads were in line with expectations, but the lower gross margin resulted in expected adjusted profit before tax being slightly below market consensus*.

The Group delivered strong cash generation in the year, of around 90% of adjusted EBITDA, ahead of our long-term expectations of 70-80%. Adjusted net debt** at 31 December 2024 was c.£130 million (representing approximately 2.1 times adjusted EBITDA***).

Stephen Fenby, Group Managing Director, commented:

"Challenging market conditions continued throughout the year, and the anticipated return to growth in mainstream products in the second half did not materialise. Excess product supply has continued to drive price erosion, particularly in display categories, and this, combined with some aggressive supplier activity, impacted gross margins in the second half.

The Group's long term focus on higher margin, more specialist product areas such as technical video, audio and lighting has helped to mitigate the impact of continued softness in more mainstream categories. I would like to thank all of my colleagues across the Group, together with our customers and vendor partners for their continued support.

Whilst the broader market backdrop remains challenging, the Group continues to look for and exploit new growth opportunities, as well as retaining a tight focus on overhead efficiencies. I believe the Group remains well positioned to continue to deliver both organic and inorganic growth in the longer term."

Midwich will announce its final results for the year ended 31 December 2024 on 18 March 2025.

*Market consensus based on an average of £40.2m and a range of £40.0m to £40.5m, as at 17 January 2025

** Adjusted net debt is borrowings less cash and cash equivalents and excludes IFRS 16 lease liabilities

*** Adjusted EBITDA represents operating profit before acquisition related expenses, share based payments and associated employer taxes, depreciation, amortisation and impairments and, for leverage purposes, includes a proforma twelve-month contribution from acquisitions

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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](#).

For further information, please visit www.midwichgroupplc.com

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