

07 May 2025

Kitwave Group plc

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

Trading Update

Kitwave Group plc (AIM: KITW), the delivered wholesale business, today announces a pre-close trading update for the six-month period ended 30 April 2025 (the "Period").

The Board is pleased to report that trading overall during the Period was in line with its expectations. This outcome has been achieved despite an environment where the Group experienced weaker demand in hospitality-related revenue, which impacted the Foodservice division's performance in the early months of the Period. Trading in the Foodservice division did improve towards the end of the Period as hospitality-related revenue recovered prior to Easter. The revenue performance of the Retail & Wholesale division was robust, with positive like-for-like trading over the Period.

The Period has also seen the opening of the new Foodservice distribution centre in the South West. The Group took the short-term decision to incur some additional costs as it invested above the level that it had initially planned in service delivery. This investment was made to protect customer service during the transition. Except for these costs, the Group's remaining cost base remained in line with expectations and includes the increased depreciation levels from fleet investment over recent periods. The Group continues to look to drive synergy and operational efficiency benefits to mitigate ongoing cost headwinds, such as national insurance increases, with good progress being made to date.

The Board is delighted with the quality and performance of Creed Foodservice ("Creed"), Kitwave's largest and most recent acquisition. The full benefits that are available from the completed integration of Creed have been identified and are scheduled to be achieved over the next two years. The Board expects that the initial synergy benefits will commence in H2 2025, but some longer-term benefits require IT system harmonisation that is planned to be completed in early 2026. In the meantime, the acquisition of Creed has provided the Group with a national foodservice network that offers both immediate customer opportunities and distribution efficiencies.

As in previous years, and due to the seasonality of the business, performance is weighted towards the second half of the year. The Board is confident that full-year results will be in line with market expectations.

Ben Maxted, Chief Executive Officer of Kitwave, commented:

"It has been a good first half in terms of trading and operational performance, with the Group on track to meet its full year expectations.

"The integration of Creed is progressing well, with the team working to maximise delivery efficiencies to be gained from our national network and, ultimately, using our expanded scale to benefit our independent customers.

"We remain focused on delivering value to our customers and shareholders, and we look forward to updating the market further when we release our half-year results."

- Ends -

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Company Overview

Founded in 1987, following the acquisition of a single-site confectionery wholesale business based in North Shields, United Kingdom, Kitwave is a delivered wholesale business, specialising in selling and delivering impulse products, frozen, chilled and fresh foods, alcohol, groceries and tobacco to approximately 46,000, mainly independent, customers.

With a network of 37 depots, Kitwave is able to support delivery throughout the UK to a diverse customer base, which includes independent convenience retailers, leisure outlets, vending machine operators, foodservice providers and other wholesalers, as well as leading national retailers.

The Group's growth to date has been achieved both organically and through a strategy of acquiring smaller, predominantly family-owned, complementary businesses in the fragmented UK grocery and foodservice wholesale market.

Kitwave Group plc (AIM: KITW) was admitted to trading on AIM of the London Stock Exchange on 24 May 2021.

For further information, please visit: www.kitwave.co.uk.

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