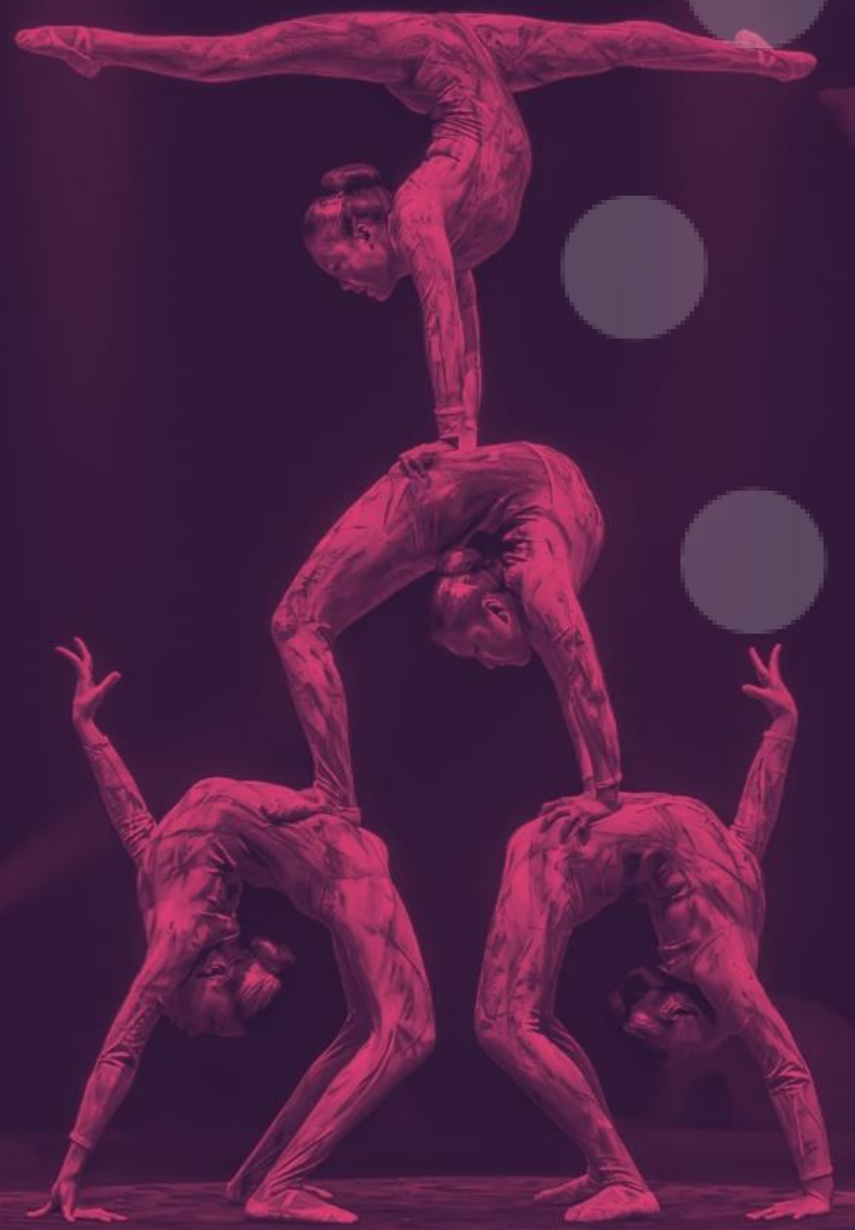
Midwich Group Plc

2020 Full Year Results

March 2021



DELIVERING EXPERIENCES BEYOND EXPECTATIONS

Financial Highlights

Revenue
£711.8m
2019: £686.2m

Growth
3.7%
CFX: 3.3%

Organic growth
(14.1)%

Gross Margin
14.3%
2019: 16.5%

Adjusted operating profit[1]
£16.5m
(50.6)%
CFX: (50.8)%

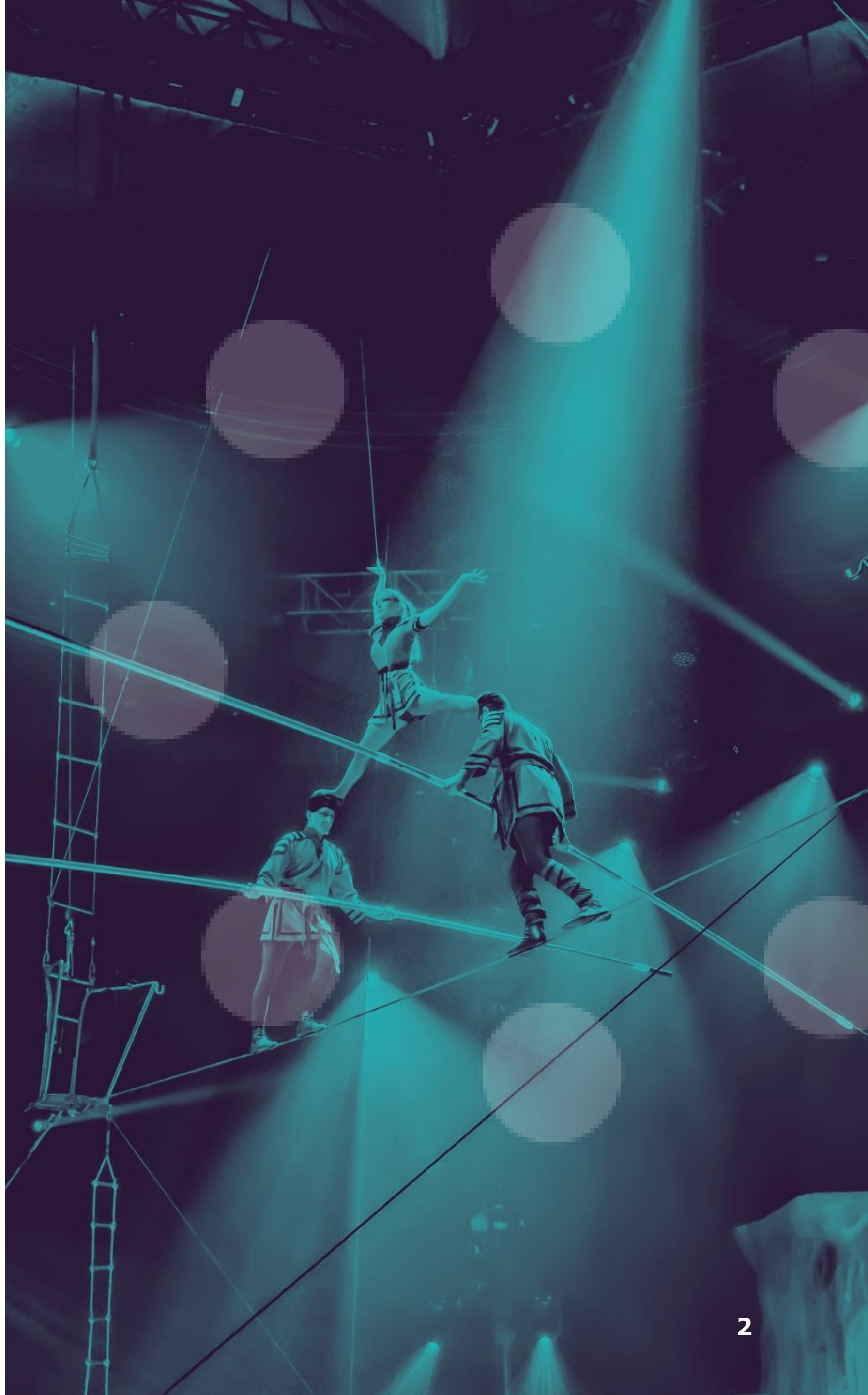
Adjusted PBT[2]
£14.2m
(54.6)%

Adjusted EPS
(60.7)%
to 11.20p

Adjusted net debt
£21.0m
2019: £53.3m

Notes
1 Adjustments are acquisition costs, share based payments, amortization
2 Adjustments are acquisition costs, share based payments, amortization, fx gains/losses on acquisition borrowings, put and call option finance costs

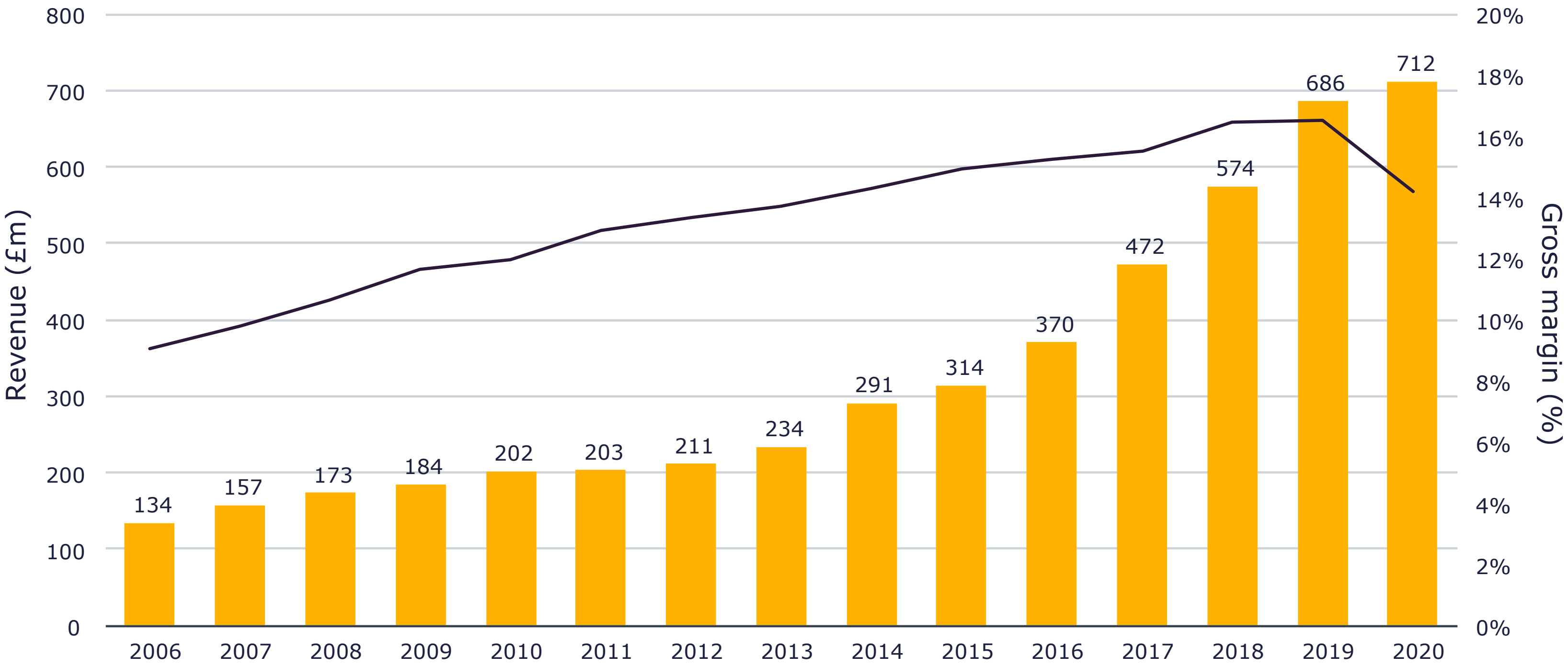
Midwich Group Plc



Midwich
Group Plc

Long track record of growth

Fourteen years of revenue growth. Thirteen years of GP% growth

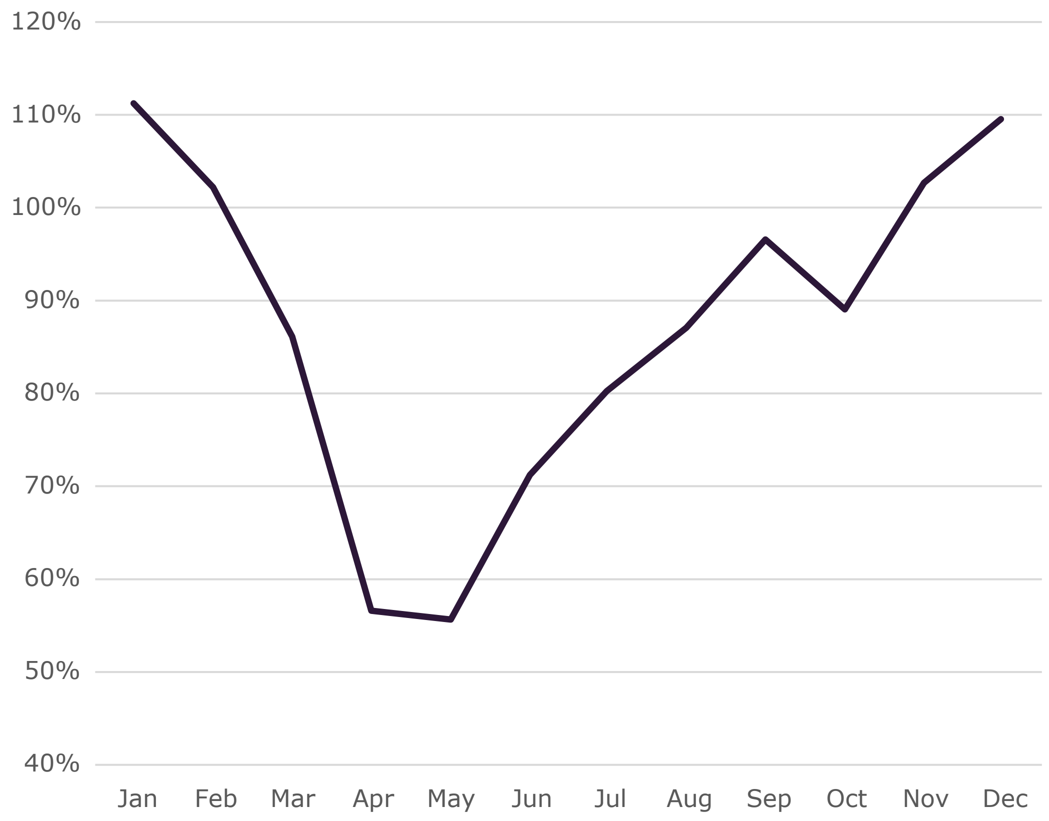


Approaching five years since IPO

	2015	2020
Countries of operation	5	19
Office/ showrooms	10	31
Traded accounts	10,000	20,000+
Vendor relationships	300+	500+
Acquisitions post IPO		**15**

Revenue progression

Underlying 2020 revenue as % 2019



- Underlying sales 7% down in H2 compared with 22% down in H1;
- Underlying revenue in November and December above 2019 levels;
- Including Starin, revenue since June 2020 >100% of 2019;
- Product mix continues to be biased towards lower margin products and territories;
- Strong education business has continued;
- Market shares have increased – vendors keener to talk to us;
- UK&I business improved throughout 2020, but recent severe lockdown held back improvement in January;
- EMEA revenues above 2019 levels since August 2020;
- APAC revenues relatively stable – local team now seeing more activity;
- Overall Group order books higher than at the same time last year - delivery dates often uncertain but now starting to firm up;
- There appears to be a strong correlation between the severity of lockdowns and our revenue;
- Our foundations for growth are stronger than they were a year ago (more companies, technologies and vendors).

Gross margin impact

Broadly, margin drop may be explained as follows:

- **Volume:**
  - Lower level of purchases in the year means less ability to gain volume purchasing discounts and rebate targets more difficult to achieve in the short term. Manufacturers also less able to provide price support;
  - More aggressive price competition in some of the volume product categories;

- **Mix:**
  - Stronger sales in some of the lower margin sub-categories (such as volume sales of audio sold through e-tail);
  - Weaker sales in higher margin sales of specialist products into the events sector;
  - High margin rental business significantly impacted by COVID-19 crisis

On the basis that we believe there will be little long-term impact to the structure of the AV industry, or our position within it, margins should return to normal in due course. However, sales into the venues/ events sector are likely to be impacted well into 2021 and will provide some headwind to overall Group margins in the current year.

2019	**16.5%**
Volume	(1.3%)
Mix	(0.9%)
2020	**14.3%**

Current position

General Market Conditions

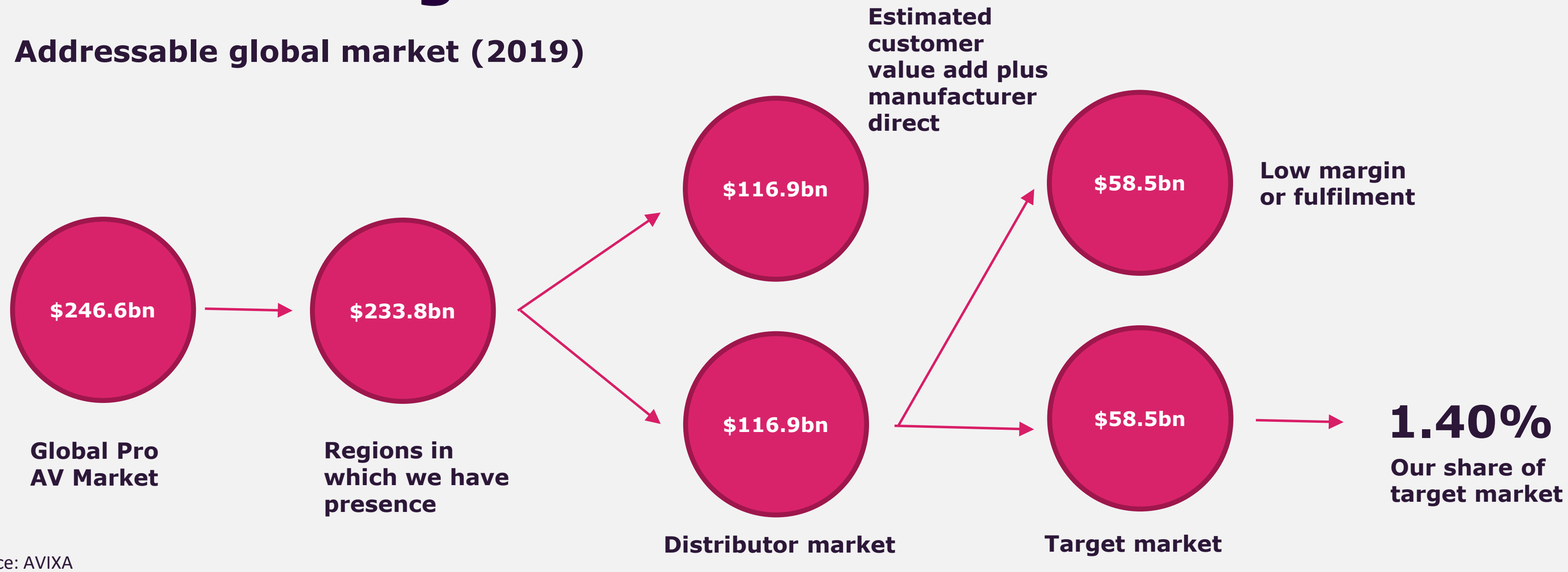
- Further lockdowns in late 2020/ early 2021 dented pace of recovery;
- Recent timeline for potential opening up of UK (backed by successful vaccine programme) encouraging;
- Threats of some potential product shortages caused by chip supply issues;
- Global logistics capabilities pushing up costs and slowing some vendor deliveries;
- Venues and events and hospitality markets still very subdued – but some early signs of activity;
- Suggestions some trade shows may go ahead later in the year (eg ISE and delayed Expo 2020);
- Education sector strong and some new government initiatives will involve technology spend.

Our Business

- Order books at record highs in many territories. Installation dates starting to be firmed up;
- Most staff still working from home despite challenges;
- Use of part time working arrangements helps our staff with home schooling;
- Significant progress with new vendors and technology development. More vendors wanting to roll out across our group;
- M&A pipeline building.

Market share guidance

Addressable global market (2019)



Source: AVIXA

Additional potential upsides from:
- **increase service revenue;**
- **take direct business through the channel;**
- **take some fulfilment business;**
- **move into Latin America;**
- **expand non pro AV business**

Group revenue excludes ceased fulfilment business, document solutions and consumer AV.

Local market performance and potential

	UK&I		Germany		France		Australia	
Number of brands carried	232		101		92		69	
	2019	2020	2019	2020	2019	2020	2019	2020
Displays market:								
Market growth		(28%)		(9%)		(38%)		(30%)
Our share of target market	73%	72%	11%	13%	20%	27%	33%	45%

Source : Midwich data and Futuresource

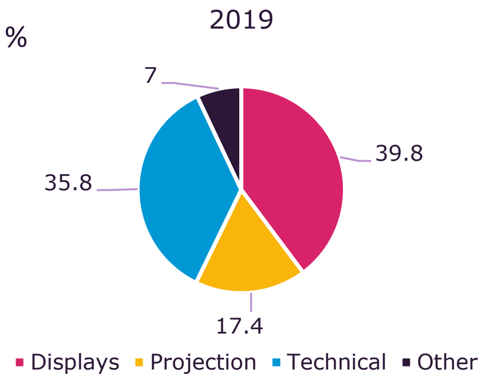
Long term strategy remains unchanged

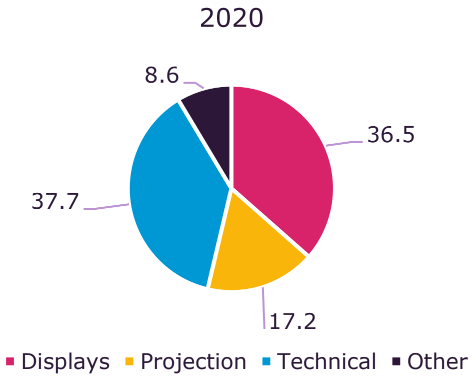
	Why?	How?	Success Measures
Specialisation	Relevance Profitability Defensibility	Portfolio management Acquisition Value add services	Growth in technical product sales[1] Long term growth in gross margin
Geographical Coverage	Support Projects Share of wallet	Acquisition Investment	Number of territories Market presence Number of customers
Scale	Efficiency Profitability Cross selling	Focus Sharing Expertise Referral Acquisition	EBIT % Growth Growth in acquired companies Product offering

[1]Technical products generally require specialist technical knowledge to sell and often form part of complex solutions

Progress

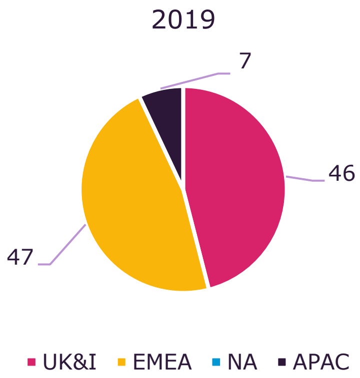
Specialisation

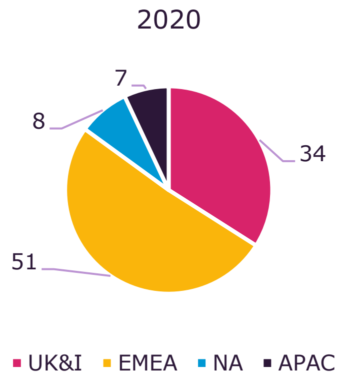




- Continued growth in technical product category and relative decline in displays;
- Decline in displays importance partly due to weakness in UK market and also small US display business;
- Other includes volume consumer audio product sold through e-tail.

Geographical Coverage





- Operations in 19 territories;
- NMK acquisition gives presence in all key world markets;
- UK&I sees greater pandemic impact;
- Growth in EMEA driven out of Germany and France;
- Starin contribution significant and with potential for significant growth.

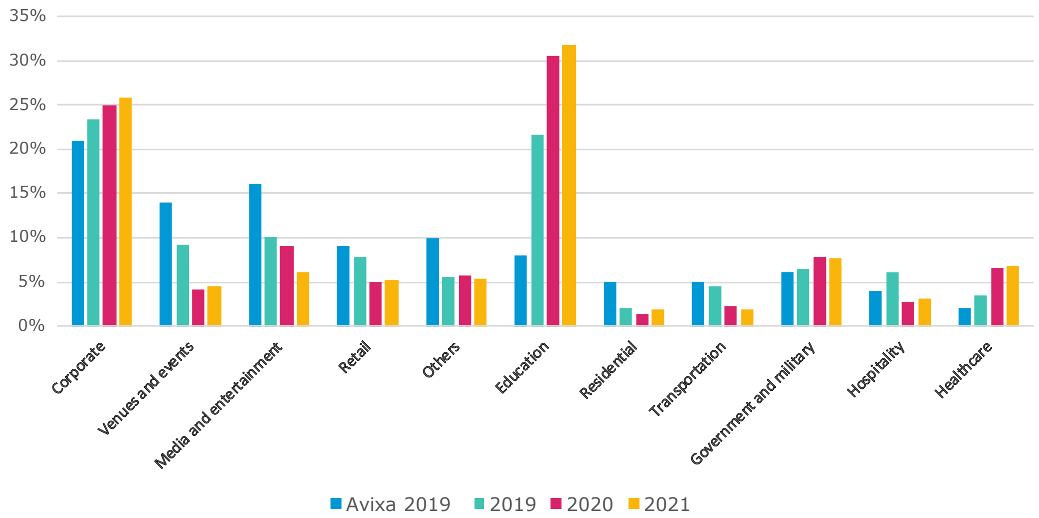
Note : the US audio fulfilment business is excluded from the analyses above

Market overview

Demand Drivers

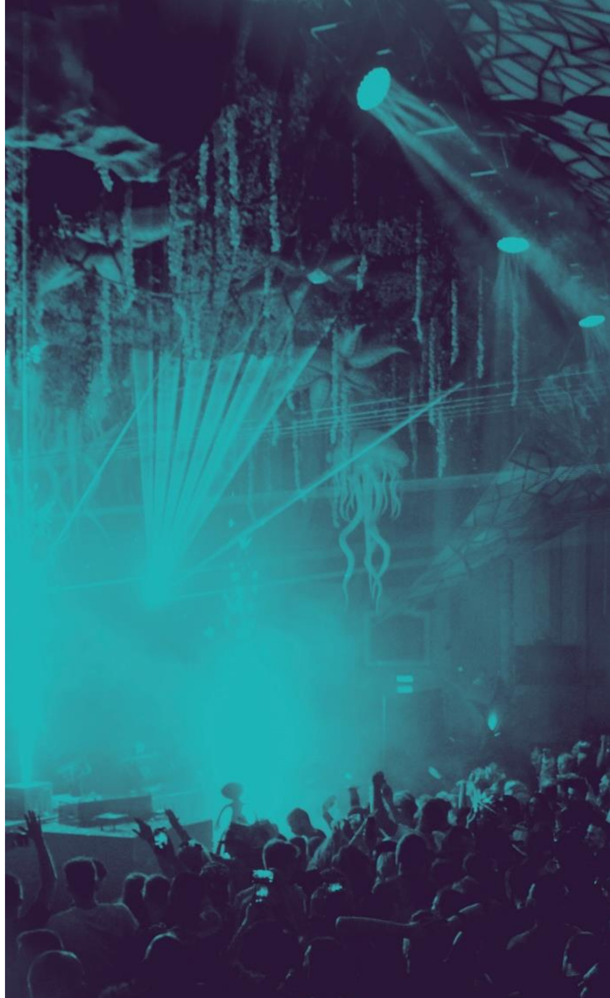
- Saving cost
- Improving efficiency/effectiveness
- Gaining competitive advantage
- Environmental considerations
- Matches user/employee expectations

Updated Estimated Split of Pro AV Revenue by End User Market



Source: AVIXA and Midwich internal survey estimates.
Notes: Pro AV represented over 90% of the Group's business in 2020, with consumer and document solutions the balance

- No significant change to assessments made in Interim report;
- Highest growth in value of education and healthcare, declines in hospitality, travel, venues and events
- Corporate and education represented around 60% of our business;
- Corporate covers a wide variety of industries and is expected to remain a significant part of the business;
- Education was strong in 2020 and is expected to continue – in part down to a number of government initiatives;
- Following latest lockdowns, recovery of venues and events expected to be pushed back a little further. Other sectors relatively stable;
- UC technologies cut across most end user market segments, including corporate and education. UC product and service sales doubled in 2020 and should more than double again in 2021. Significant other brand launches in interactive and collaboration technologies.



Global AV market expected to decline by 8% in 2020, return to 2019 levels by 2022 and then grow to $315bn by 2025 (five year CAGR 5.8%)

Source: AVIXA 2020

Midwich
Group Plc

Expected market trends

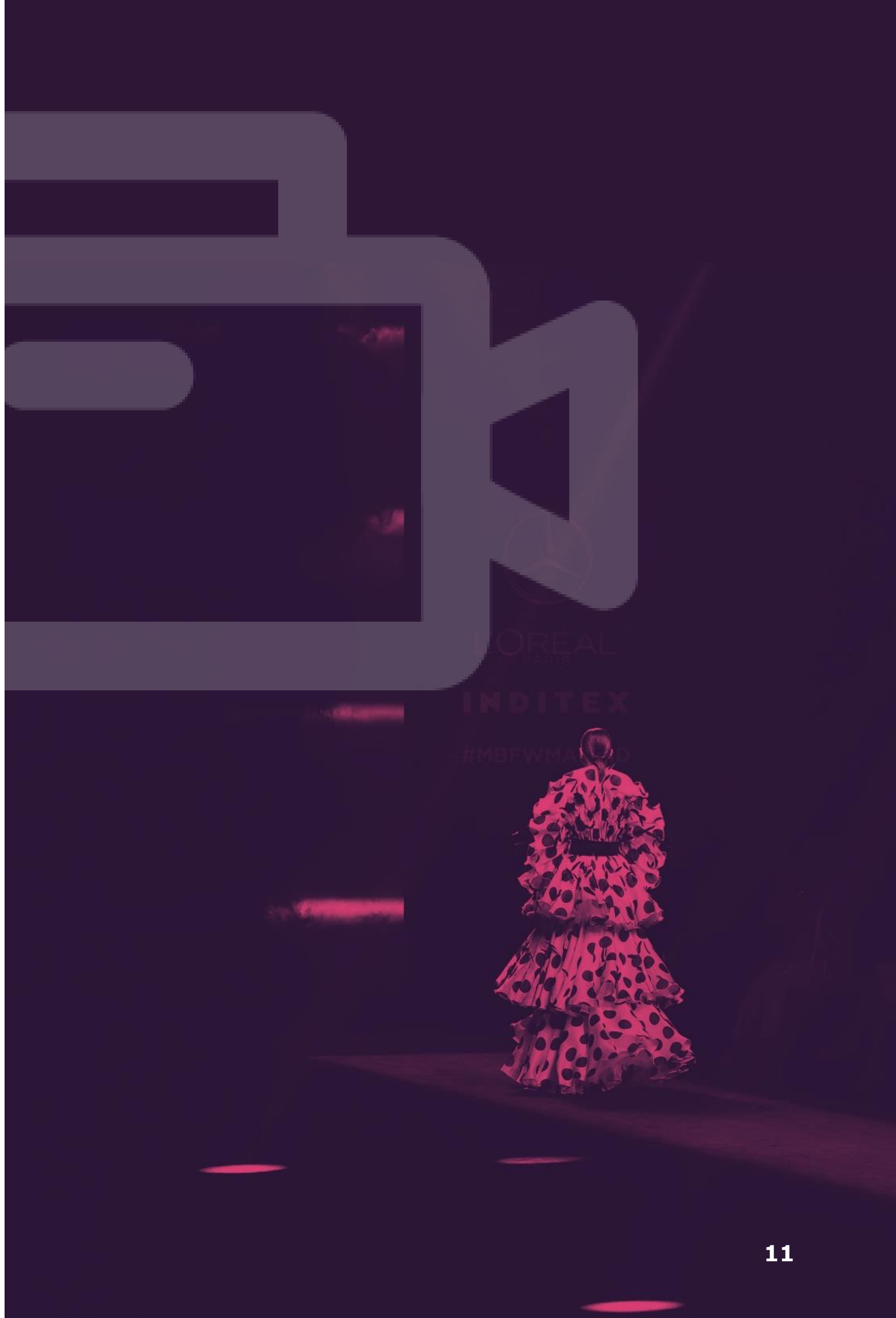
Corporate
- COVID-19 has accelerated trends we were seeing already – eg remote working, collaboration technology;
- People becoming increasingly keen to get back to offices – but how they use offices may change;
- Technology likely to be a major part of these changes – eg communications, collaboration, broadcast;
- This is likely to represent an opportunity for us - we have a great offering.

Education
- Continued investment in education expected – with growing number of special investment projects (eg Digital Pakt);
- This has always been a strong market for us – and our portfolio has improved even further;
- Investment in hybrid in-class and remote teaching underway.

Broadcast/ media
- Significant backlog of investment in new content due to social distancing and inability to travel.

Venues/ events
- Has been particularly badly affected. Recovery not expected for some months.

"Corporate" is a broad category including offices, reception, meeting rooms, huddle spaces, boardrooms for a wide variety of sectors, including finance, services, technology, government.

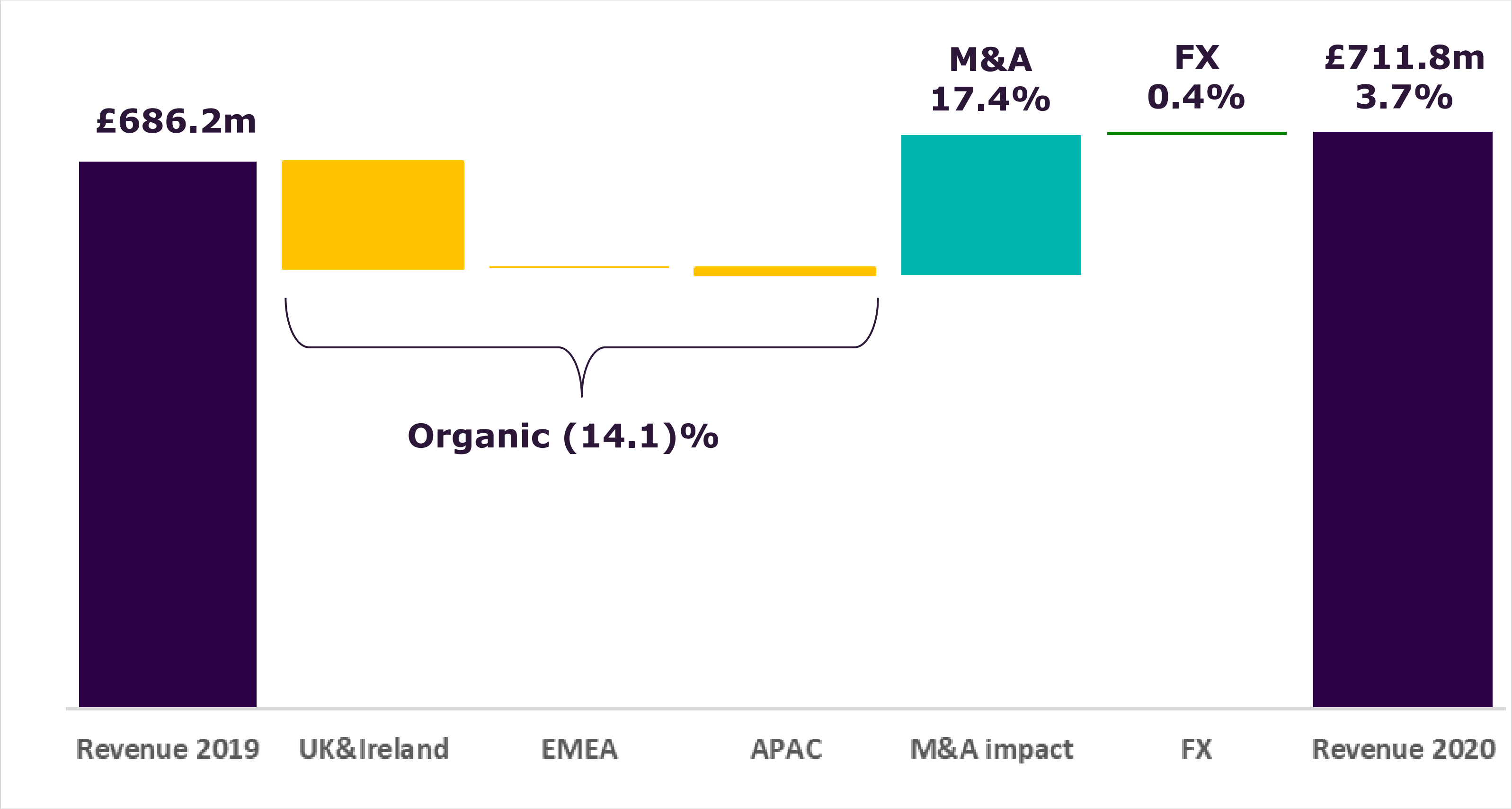


Expected revenue trends by end user market

	View at Interims		Current view v 2019
	2020	Full recovery by	
Corporate	(15%)	2021	As expected – maybe a little growth in 2021
Education	Double digit growth	Growth accelerates in 2021	Significant double digit growth 2020, with further growth in 2021
Hospitality	(60%)	End 2021	As expected - full recovery pushed back to 2022
Broadcast/ media	(30%)	2021	Decline in 2020 around 15% but recovery not until 2022
Government	Growth in 2020	N/a	As expected - further growth in 2021
Venues/ events	(60%)	2022 – or later	As expected
Residential	(40%)	2021	2020 a little better than expected
Retail	(40%)	2022	2020 a little better than expected

Note : Assumes slow, steady improvement in market conditions. Numbers include Starin and exclude NMK

Revenue bridge 2020



vs 2019

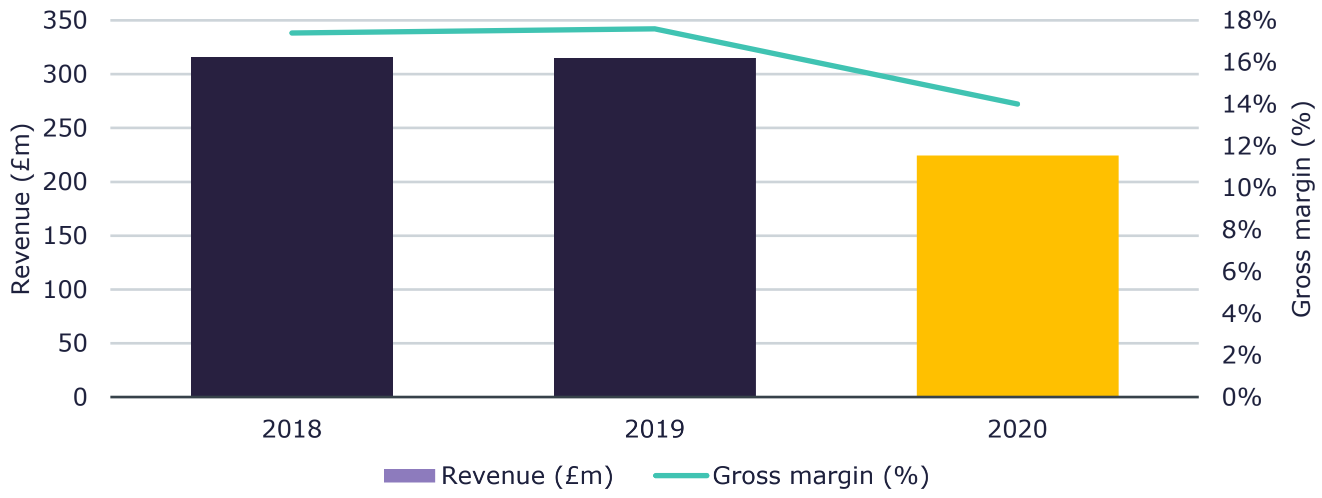
3.7%
Revenue growth

14.1%
Organic revenue reduction
H1: (22%);H2 (7%)

Midwich
Group Plc

UK & Ireland

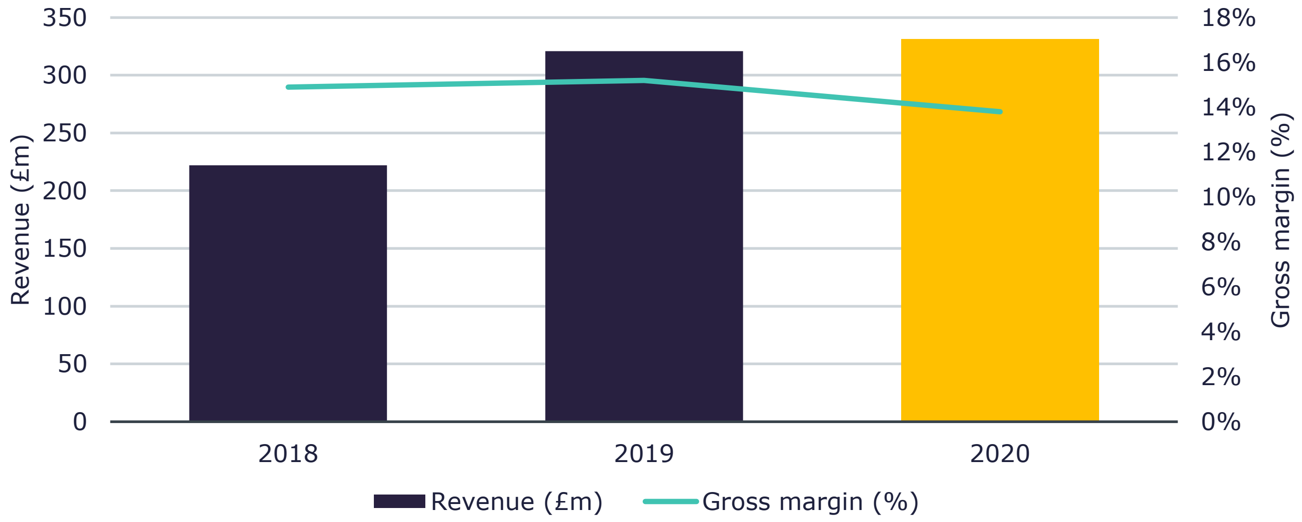
- UK&I is our largest single territory. Despite no loss in market share the region felt the most significant impact from COVID-19, but is well positioned for recovery;
- Margin reduction due to both change in mix, such as the cancellation of live events, and lower vendor rebates;
- Cost control and furlough helped to preserve jobs;
- New brands added in 2020 position UK&I for recovery.



Midwich Group Plc

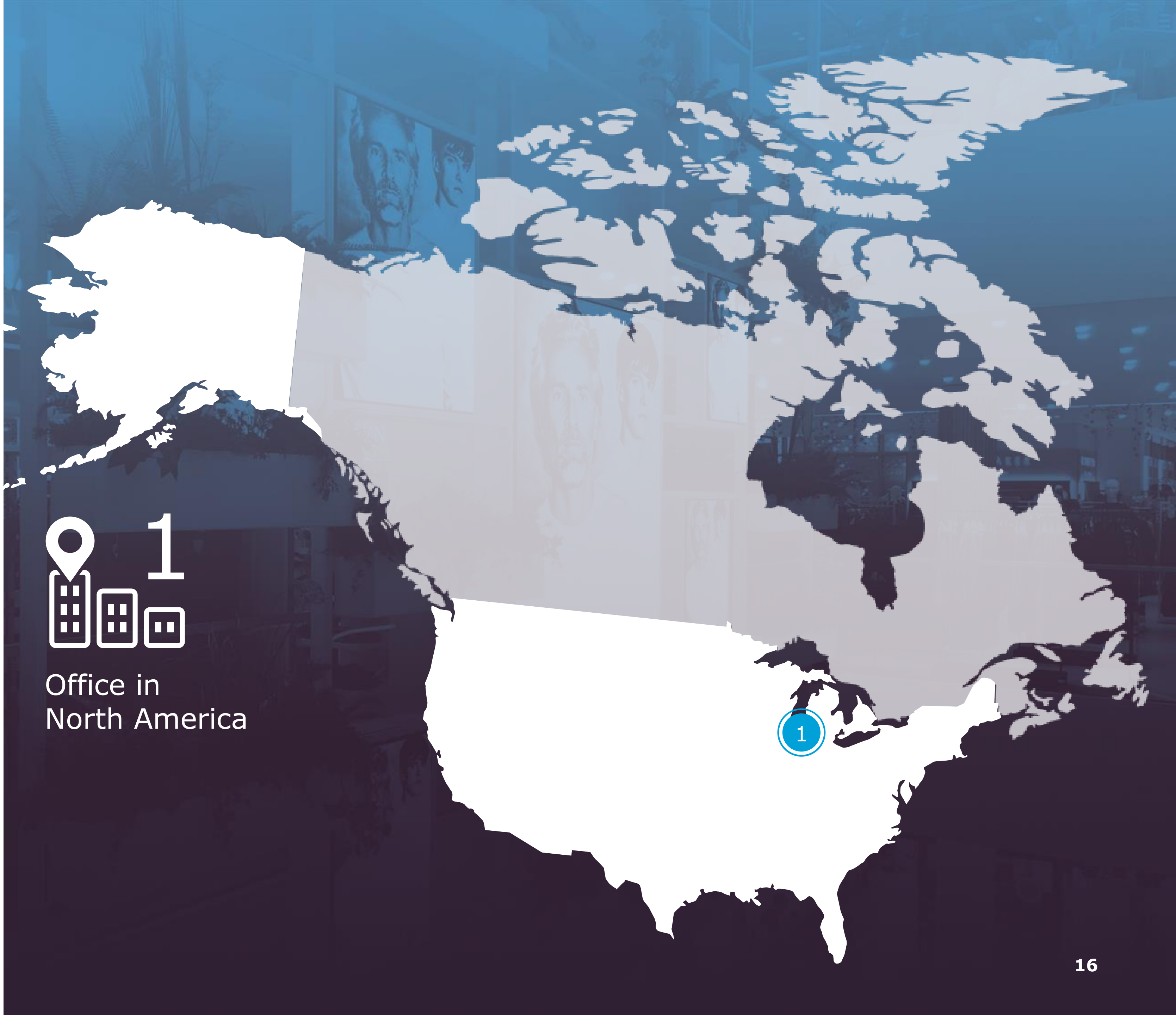
EMEA

- Despite the initial disruption from the pandemic EMEA recovered strongly during the second half of the year, although the pace of recovery varied by country;
- Germany and France saw strong demand for education, remote working and broadcast solutions;
- More specialist businesses maintain/increased market share and are well positioned for the recovery;
- Margins impacted by product mix.



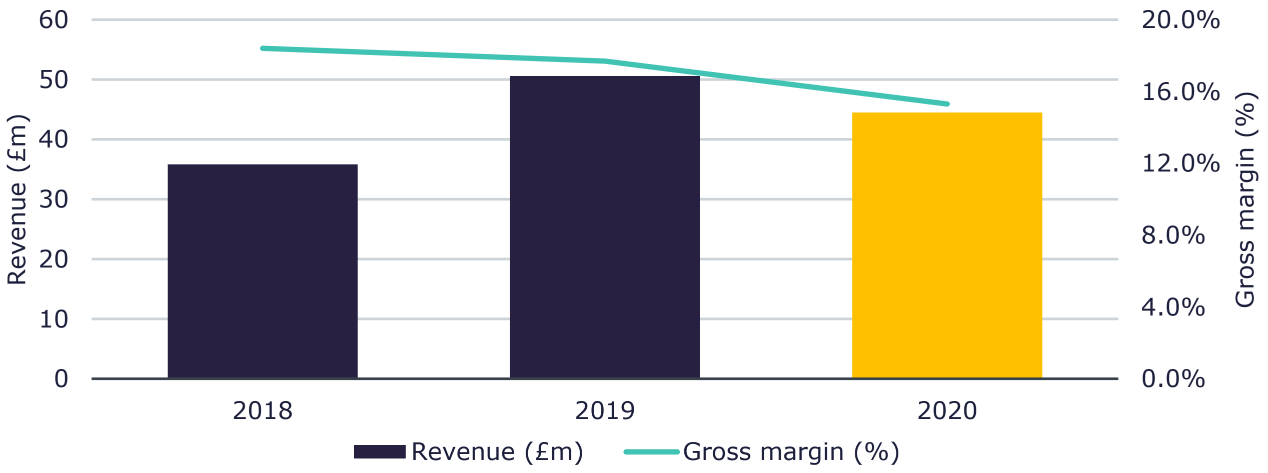
North America

- Starin Marketing Inc acquired in February 2020;
- Revenue of £111.8m with a gross margin of 16.1%;
- Integration has progressed ahead of plan;
- Low margin fulfilment business (c50% of revenue) exited at the end of the year;
- Working capital management has significantly reduced debt;
- Group has been able to leverage Starin's UC relationships to extend capabilities and our UC portfolio.



Asia Pacific

- Against a backdrop of strict lockdowns APAC performed strongly, especially in broadcast and streaming solutions;
- Lower demand for high value add complex projects impacted margins;
- Vantage acquisition integrated and supporting expansion of UC solutions.



Midwich
Group Plc

Trading results

Summary Income Statement				
£m	**2020**	**2019**	**Actual change**	**Constant currency change**
Revenue	**711.8**	**686.2**	3.7%	3.3%
Gross profit *Margin*	**101.8** *14.3%*	**113.1** *16.5%*	(10.0)%	(10.2)%
EBITDA (Adj.)	**22.7**	**39.0**		
Adjusted operating profit *Margin*	**16.5** *2.3%*	**33.5** *4.9%*	(50.6)%	(50.8)%
Net finance expense	(2.3)	(2.3)		
Adjusted PBT	**14.2**	**31.2**	(54.6)%	(54.7)%
Taxation	(3.9)	(7.4)		
Adjusted PAT	**10.3**	**23.8**	(56.7)%	(56.8)%
Adjusted EPS (p)	**11.20**	**28.49**	(60.7)%	

- Revenue growth of 3.7% (Organic reduction of 14.1%);
- Gross margin adversely impacted by product and project mix;
- Overhead flexibility through government support, part time working, salary reductions and expenditure control has helped preserve cash;
- Effective tax rate of 27% (2019: 24%) reflects shift in mix towards higher tax jurisdictions .

A healthy balance sheet

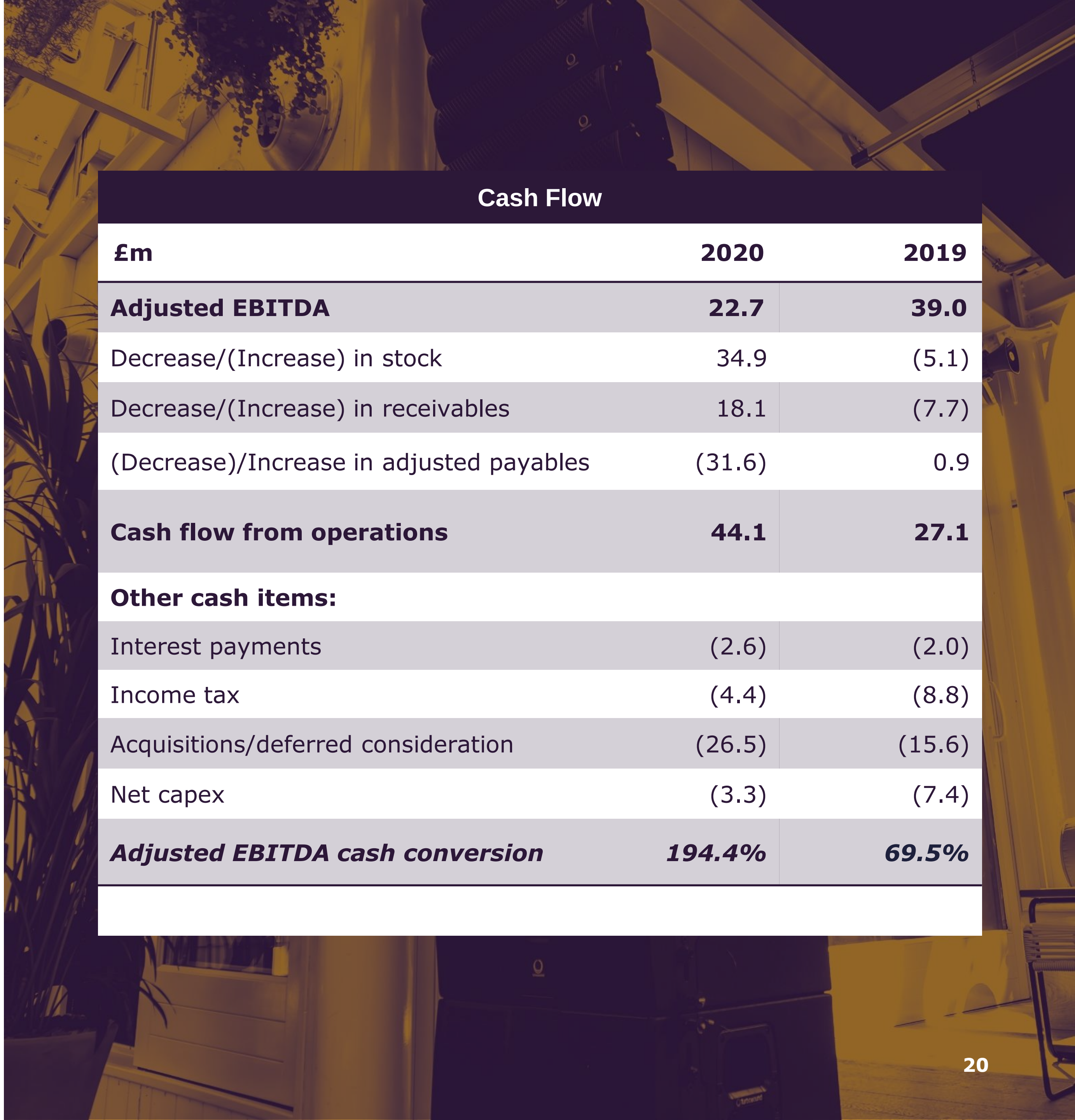
- Strong focus on cash management and working capital in 2020;
- Working capital 11.1% of revenue (2019: 12.5%);
- Adjusted net debt down to £21.0m;
- Adjusted net debt equivalent to 0.9x EBITDA (2019: 1.4x);
- HSBC RCF facility of £50m: <£20m utilised;
- c£120m of other facilities in place – mainly working capital;
- Other liabilities include estimated payments for put/call options and deferred consideration
  - £8.3m due <12 months
  - £3.8m due >12 months

Balance Sheet

£m	2020	2019
Non-current assets	**89.7**	**75.5**
Inventories	84.0	88.7
Trade and other receivables	107.1	104.1
Trade and other payables	(111.8)	(107.0)
Net working capital (ex cash)	**79.3**	**85.8**
Cash and cash equivalents	25.5	13.0
Borrowings (ex leases)	(46.5)	(66.3)
Leases	(18.3)	(16.7)
Other short term liabilities	(10.1)	(10.1)
Other long term liabilities	(13.1)	(15.9)
Net assets	**106.5**	**65.3**
Net debt (reported)	**39.3**	**70.0**
Adj net debt (non-IFRS 16)	**21.0**	**53.3**
Net working capital as % of revenue	*11.1%*	*12.5%*

Robust cash flow

- Net cash inflow from operations before tax of £44.1m (2019: £27.1m);
- Adjusted EBITDA cash conversion of 194%, significantly ahead of long term trend, reflects focus on working capital;
- Collections have held up well and trade credit insurance is in place for much of the Group;
- Acquisitions/deferred consideration includes the acquisition of Starin together with deferred consideration for Prase, van Domburg and AV Partners;
- Non-essential capex stopped as a result of the COVID-19 crisis, although some spend resumed in H2.



Cash Flow

£m	2020	2019
Adjusted EBITDA	**22.7**	**39.0**
Decrease/(Increase) in stock	34.9	(5.1)
Decrease/(Increase) in receivables	18.1	(7.7)
(Decrease)/Increase in adjusted payables	(31.6)	0.9
Cash flow from operations	**44.1**	**27.1**
Other cash items:		
Interest payments	(2.6)	(2.0)
Income tax	(4.4)	(8.8)
Acquisitions/deferred consideration	(26.5)	(15.6)
Net capex	(3.3)	(7.4)
Adjusted EBITDA cash conversion	***194.4%***	***69.5%***

Acquisitions

STARIN

- Revenue in 2020 £111.8 million, approximately half from a low margin fulfilment business exited in December;
- Business performed to expectations in the difficult market;
- Three senior key new roles filled by internal or external candidates (CFO, business management, sales);
- Previous CEO retired, internal candidate promoted as planned;
- Improvement in working capital processes resulted in debt of $16m on acquisition being cleared by year end;
- Further review of customer base reaffirms a substantial opportunity to gain market share with the existing product portfolio. Benefits identified through strengthening and refocusing sales function, and some IT improvements;
- New vendor opportunities identified.

NMK
NICOLAS M. KYVERNITIS ELECTRONICS ENT.

- Deal signed in December. Legal paperwork expected to be completed shortly. Business already under effective control;
- Revenue in 2019 £21.6m;
- Based in UAE, with separate company in Qatar. Operating across Middle East;
- Strong heritage in professional audio, carrying premium brands such as Shure and Bose. Recent success moving into professional video;
- Expected by AVIXA to be fastest growing global market;
- Significant addition to our ability to support global integrators.

Acquisitions

	Product Portfolio	Technical Support	Market share growth	Geographic expansion
Strategic fit	*Development of portfolio and product mix*	*Focus on high-end specialist products & solutions*	*Widen product portfolio in current overseas divisions*	*Entering new jurisdictions through acquisition*
STARIN	✓ (Unified Comms)	✓ (Unified Comms)	✓ (Unified Comms)	✓ (North America)
NMK NICOLAS M. KYVERNITIS ELECTRONICS ENT.	✓ (Lighting)	✓ (Audio)	✓ (Audio)	✓ (Middle East)

ESG – our four pillars

midwich loves ...giving back

We continue to take our commitment to Environmental and Social Responsibility seriously.
ESG is aligned to four key pillars: our local communities; supporting charities close to our hearts; reducing our environmental impact and supporting our people

Our People
We are committed to programmes and initiatives that support our people, balancing the delivery of success with the whole person approach.

The Environment
We are committed to reducing negative environmental impact directly and indirectly across our supply chain.

Our Charity Support
We will use our platform and resources to bring benefits to society through the support of charities chosen by our peoples.

The Community
During 2020 our 'generosity amplified' approach continued.

2020 progress summary

- COVID-19 did not stop our teams' desires to continue to do good. Staff pledged to walk, run or jog one million steps for mental health charity;
- Won 'Outstanding Achievement' award from the local UK business community;
- Increased communication tools to support employee engagement;
- Improved accessibility of online personal development through digital portal.
- Provision of additional, professional support and wellbeing assistance programmes;
- First year of including Streamlined Energy and Carbon Reporting for Midwich Ltd;
- Continued to move to electric vehicles, reduce waste, use recyclable materials, being energy efficient with LED lighting and moving to green energy suppliers;
- Carried out the first of our environmental surveys.

Our 2021 ESG goals

Our People

- Safely welcome our teams back to our offices
- Welcome NMK Group to the Midwich family
- Resume face to face social activities

The Environment

- Create internal environment teams to champion being greener
- Reduce our intensity ratio vs 2019
- Increase our percentage of low emission vehicles in the fleet

Charity support

- Every Group company to have a nominated local charity
- To contribute over £20,000 to our chosen charities
- To contribute over 100 hours to support charities

The Community

- Every office to have a community programme
- To donate AV equipment to local schools

Summary and outlook

COVID-19 impacted financial performance

Revenue growth	Gross Margin	Adj. Op. Profit[1]	Adj. Net Debt[2]
3.7%	**14.3%**	**(50.6)%**	**£21.0m**
CFX: 3.3%	2019: 16.5%	CFX: (50.8)%	0.9x EBITDA

Strong market position

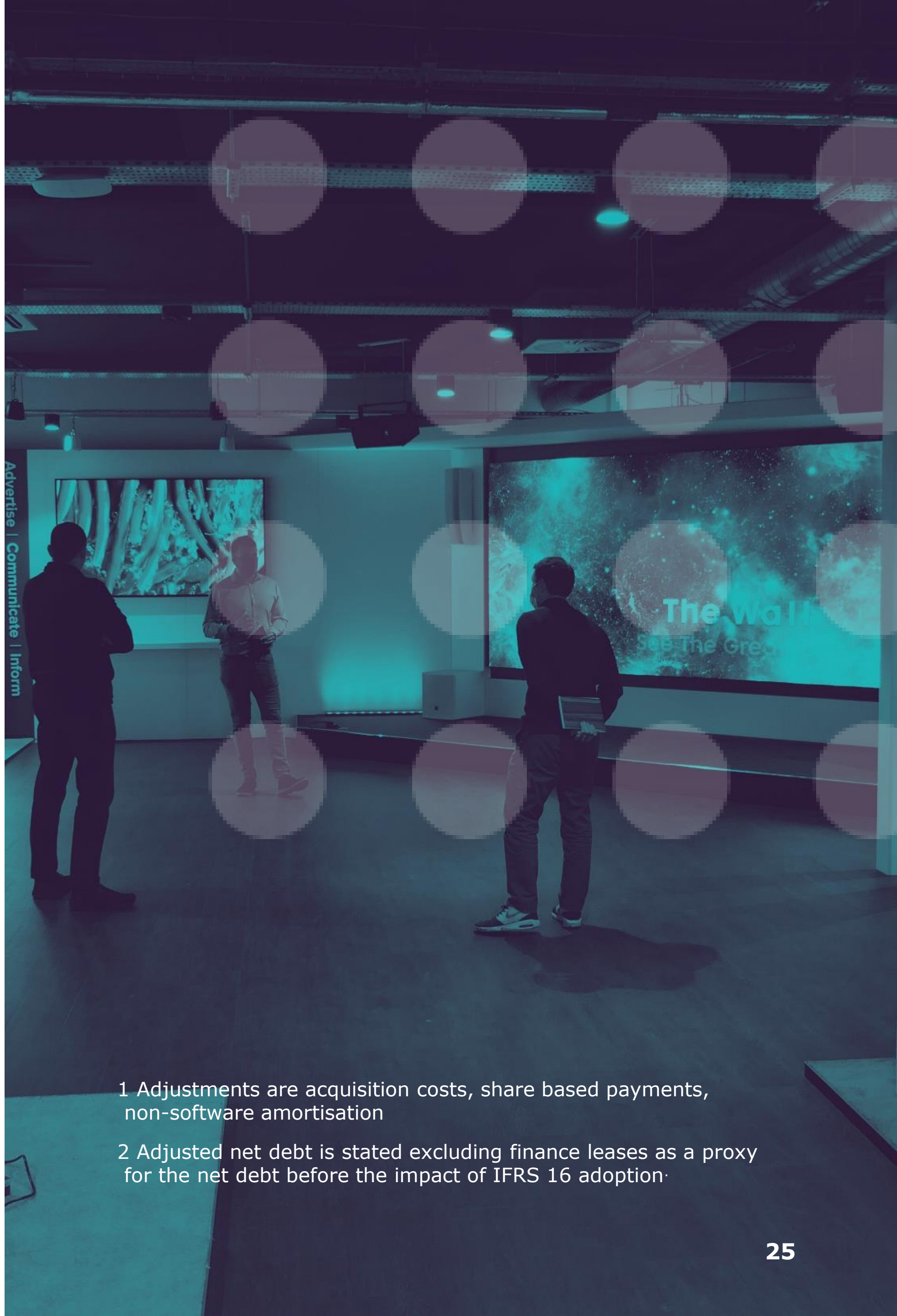
- Market leadership positions
- Acquisitions well integrated
- Good cash generation

Positioned for growth

- New vendors and technologies
- Acquisitions meeting expectations
- Further M&A in pipeline

Positive outlook

- AV market growth expected from 2021
- Broadening technology portfolio
- 2021 expectations unchanged



1 Adjustments are acquisition costs, share based payments, non-software amortisation

2 Adjusted net debt is stated excluding finance leases as a proxy for the net debt before the impact of IFRS 16 adoption.

Midwich Group Plc

Appendices

Experienced management team and Board

Andrew Herbert

Non-Executive Chairman

Group Finance Director of Domino Printing Sciences plc from 1998 until the sale of the company to Brother Industries in 2015

Fellow of the Chartered Institute of Management Accountants

Stephen Fenby

Managing Director

Joined Midwich as Finance Director in 2004 before becoming Managing Director in 2010

Has led Group's acquisition and development programmes

Chartered accountant

Stephen Lamb

Finance Director

Joined end July 2018

Previously senior finance roles at Iron Mountain, Regus and Experian

Strong international and M&A experience

ACA qualified

Mike Ashley

Non-Executive Director

Extensive retail and consumer experience through senior roles at Boots, Argos and Dixons.

Previous roles have included CCO at Holland & Barrett and Travis Perkins P&H Division

As CEO, led the turnaround and sale of Harvard International PLC

Hilary Wright

Non-Executive Director

Was Group HR Director of Domino Printing Sciences plc from 2016 until her retirement in 2019.

Extensive experience of international and M&A related HR strategy and operations

Fellow of Chartered Institute of Personnel and Development

Executive Leadership Team

Michael Broadbent

Managing Director – Asia Pacific

Joined as Managing Director in June 2014

30 years' experience within the Australian and New Zealand commercial audio visual market.

10 of these as owner of a leading Australian integrator

Senior roles in companies such as Rexel, Panasonic distributor.

Tom Sumner

Managing Director - EMEA

Joined Midwich in 2007

Integration of Sidev business into the Group from 2010.

Development of the Group's expansion into Europe.

Tom has a BSc in Business Management.

Mark Lowe

Managing Director – UK and Ireland

Joined Midwich Business Management team in 2004

Relocated to Midwich ANZ with his family to develop the business.

Managed major projects including pre and post acquisition strategies

In 2017 became COO and in 2018 became Managing Director of Midwich.

Lutz Kern

Regional Director - DACH

After working in the AV industry for many years, established Kern & Stelly in 2004 with colleague Andreas Stelly

K&S became part of the Midwich Group in 2013 and has grown to become the largest specialist AV distributor in Germany

Lutz now oversees all our businesses in the DACH region

Case Studies - Using AV Technology in a COVID-19 World

Room occupancy monitoring

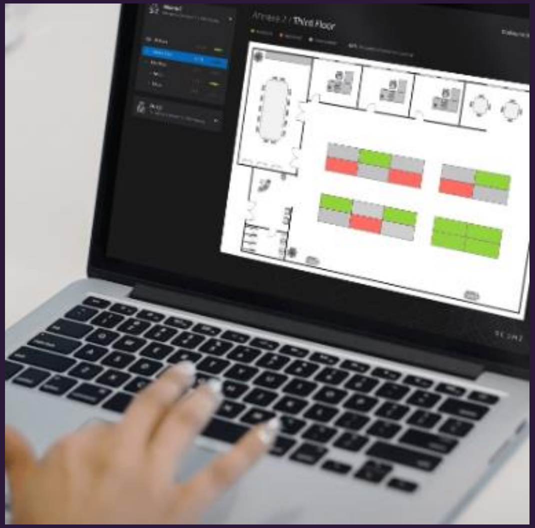
Sidev has an order to supply a large number of signage players enabled with sense technology. These will collect a live number of detected mobile devices in a set area (up to 80sqm) every 30 seconds to give a real time guide as to the number of people in a space.

The end customer is a large restaurant group and this solution will provide them with a live dashboard showing the occupancy of all restaurants - both for safety but also to monitor and react to the sector's recovery rate in different locations.

Office occupancy

Midwich won a desk booking project with RoomZ sensors which show live occupancy of desks in use and allow booking of desks as if they were meeting rooms. The customer a major chemicals group which wishes to ensure their premises were open but safe.

Each desk has a sensor under the desktop/above the legs of the occupant and screens can be positioned around the building or floorplans viewed online showing which are available.



Midwich Group Plc

Case study – How technological innovation has forced transformation in education.

H-Farm Campus digital transformation by Prase

- H-FARM Campus is an innovation centre where entrepreneurs, professionals and students collaborate together – covers over 51 hectares, not far from Venice.
- **Prase was integral to helping create the technological partnerships** to future-proof the buildings covering 30,000 square meters.
- The Prase team of AV specialists interpreted the needs and objectives and proposed suitable audio visual technology solutions
- Supported the customer by allowing them to test all the proposed solutions out in the demonstration space
- When approved to then test and review the AV solutions in the live environment too and make any further adjustments due to human interaction to meet the goals

Home office of the future | One size won't fit all

Internal comms roles

This worker typically communicates with colleagues and rarely externally, they should feel **comfortable and confident** using video comms to stay in touch with their teams to ensure team culture is unaffected by home workers.

This solution should be all about the user, **ease of use and reliability**.

C-Suite

This is a solution aimed at workers who typically occupy their own office in the workplace but will now work increasingly from home reducing business travel

This solution should be replicated in every workspace (home office and business premises) the **user experience should be identical** so only the laptop & user should move between locations

Customer facing

Customer facing roles encounter a sales opportunity with every video call they join. All thought here should be about the other end experience.

This worker needs highest quality solutions, interactive presentation tools and should take advantage of **product placement**. For example a Midwich salesperson could use a branded shot gun mic or headset instead of a table or wall mounted option. Branding should be visible to customers on the call and all enhanced features of a camera such as improved lighting and smoothing effects enabled and in use to **promote the products used**.

Why Midwich?

WHY OUR CUSTOMERS CHOOSE US

- Credit/business services
- Working together
- 100% trade only
- Nurturing long-term relationships
- Training and events
- Vertical market focus
- Market and web services
- Award-winning distribution
- Personal approach

"We help our customers to win and deliver successful projects"

WHY OUR VENDORS CHOOSE US

- Market focus
- Efficient logistics
- Scale and flexibility
- Marketing and sales support
- Events
- Long-term relationships
- Cross-border projects
- Market intelligence and trends

"We help our vendors build and deliver successful market development strategies"

Demand drivers in the AV Industry

Driver	Reason	Examples
Cost Saving	Reduces people costs	• Touch screen in shopping centre reduces need for help desk staff • Touch screen ordering in fast food outlet reduces serving staff
	Reduces waste	• Elimination of posters reduces paper waste
Improve efficiency/ effectiveness	Saves time	• Video conferencing means less travelling time for executives
	Allows rapid changes to marketing proposition	• Digital signage allows pricing and promotions to be updated dynamically from central point
	Improves performance	• Collaboration solutions make business meetings more effective through easy sharing and development of ideas across wide geographies • Video walls in security/ military centres enable rapid assessment of situations and improved decision making
	Improves Learning	• Collaborative learning solutions in classrooms give teachers real time analysis of students' understanding of lessons • Interactive displays facilitate improved learning in the classroom
Give competitive advantage	New revenue sources	• Digital signage enables petrol forecourts to sell advertising • Commercial Grade AV required to host global Esports tournaments. "Sports of the future will be played on AV not a grass pitch"
	Improve customer proposition	• Displays, audio and lighting improve ambiance in high street retail - giving a competitive advantage over on-line • Video walls in gyms show inspiring content to users • Extensive use of innovative AV in concerts improves audience experience • AV in museums improves visitor engagement and learning enjoyment
	Data analytics helps focus business strategy	• Use of facial recognition and ANR enables collection of customer data and focused promotional activity
Matches user/ employee expectations	Extensive use of mobile devices gives expectation	• Use of AV in workplace fits with how people live their personal lives, giving sense of congruence
Safeguarding	Evidence to protect against litigation	• Multi angle and camera view high definition recording of operating theatres to protect patients and surgeons in the event of alleged medical negligence
	Real time monitoring and surveillance	• Large videowall canvases displaying high numbers of CCTV streams with operator ability to enlarge one or more streams and track persons of interest live with facial and gait recognition as they move within camera zones • Audio and PAVA equipment for the hearing impaired and to voice evacuation regulations to ensure equal opportunities

Market Data – AVIXA 2019

Global Pro AV Market Size by Region - 2019

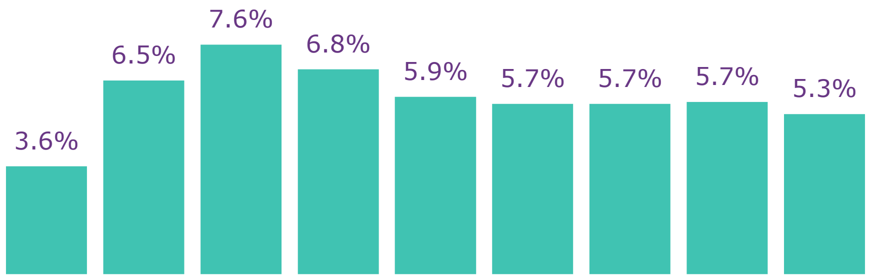
Geographic Area	Share of Global	Total Revenue ($bn)
Europe	23%	55.9
Middle East & Africa	4%	11.0
North America	31%	76.3
Latin America	5%	12.8
Asia Pacific	37%	90.6
Total	**100%**	**246.6**

Global Pro AV Market – Key Geographical Areas- 2019

Geographic Area	Share of Global	Total Revenue ($bn)
USA	22%	69.9
China (Mainland)	16%	53.3
Middle-East & North Africa	3%	9.3
Rest of South America	1%	4.7
Germany	3%	10.0
Rest of Western Europe	2%	5.7
Central Europe	3%	9.1
Brazil	1%	4.5
UK	2%	6.8
Canada	2%	6.4
South East Asia	2%	6.9
Japan	3%	9.7
France	2%	6.4

Global Pro AV Market Revenues ($m)

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	CAGR (2019 -2024)
194.4	201.4	214.4	230.8	246.6	261.1	276.0	291.6	308.3	324.8	5.67%



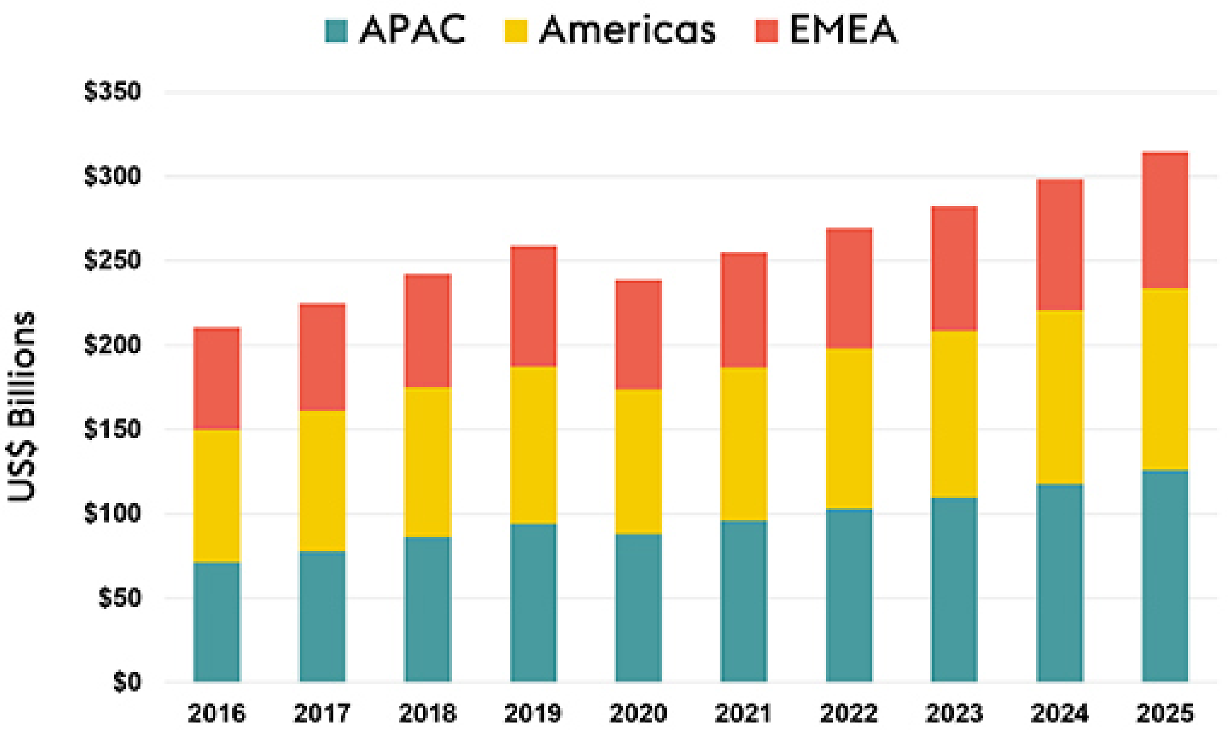
Geographic Area	2019	2024	CAGR
Europe	55.9	69.7	4.51%
Middle East & Africa	11.0	15.4	6.96%
North America	76.3	94.9	4.46%
Latin America	12.8	17.1	5.96%
Asia Pacific	90.6	127.7	7.11%
Total	**246.6**	**324.8**	**5.67%**

Midwich Group revenue accounted for

0.3%

of the total global market in 2019

Market Forecasts – AVIXA July 2020



Key highlights:

- Global revenues expected to fall 8% in 2020 before hitting pre-COVID 2019 levels in 2022;
- CAGR of 5.8% expected between 2020 and 2025;
- APAC expected to grow at 7.4%, compared with 4.7% for Americas and 4.5% for EMEA;
- Corporate spend expected to remain s the largest segment, at 22% of ProAV revenue. Energy and utilities expected to show greatest growth;
- Conferencing and collaboration remains largest solution area at $38bn (16% of market) in 2020;
- Security/surveillance/life safety expected to grow quickly, with an 11.4% CAGR. Government and military, education, and corporate are three verticals that will generate the most demand for this solution area, due in part to the pandemic.

Group results highlights
Year to 31 December 2020

	Year to 31 December 2020 £m	Year to 31 December 2019 £m	Growth %	Constant currency growth %
Revenue	711.8	686.2	3.7%	3.3%
Gross Profit	101.8	113.1	(10.0)%	(10.2)%
Gross profit margin	14.3%	16.5%		
Adjusted operating profit[1]	16.5	33.5	(50.6)%	(50.8)%
Adjusted profit before tax[2]	14.2	31.2	(54.6)%	(54.7)%
Adjusted profit after tax[2]	10.3	23.8	(56.7)%	(56.8)%
Adjusted EPS[2]	11.20p	28.49p	(60.7)%	

1 Adjustments are costs relating to the initial public offering, acquisition costs, share based payments, amortization of acquired intangibles
2 Adjustments are costs relating to the initial public offering, acquisition costs, share based payments, amortization of acquired intangibles and put and call option finance costs

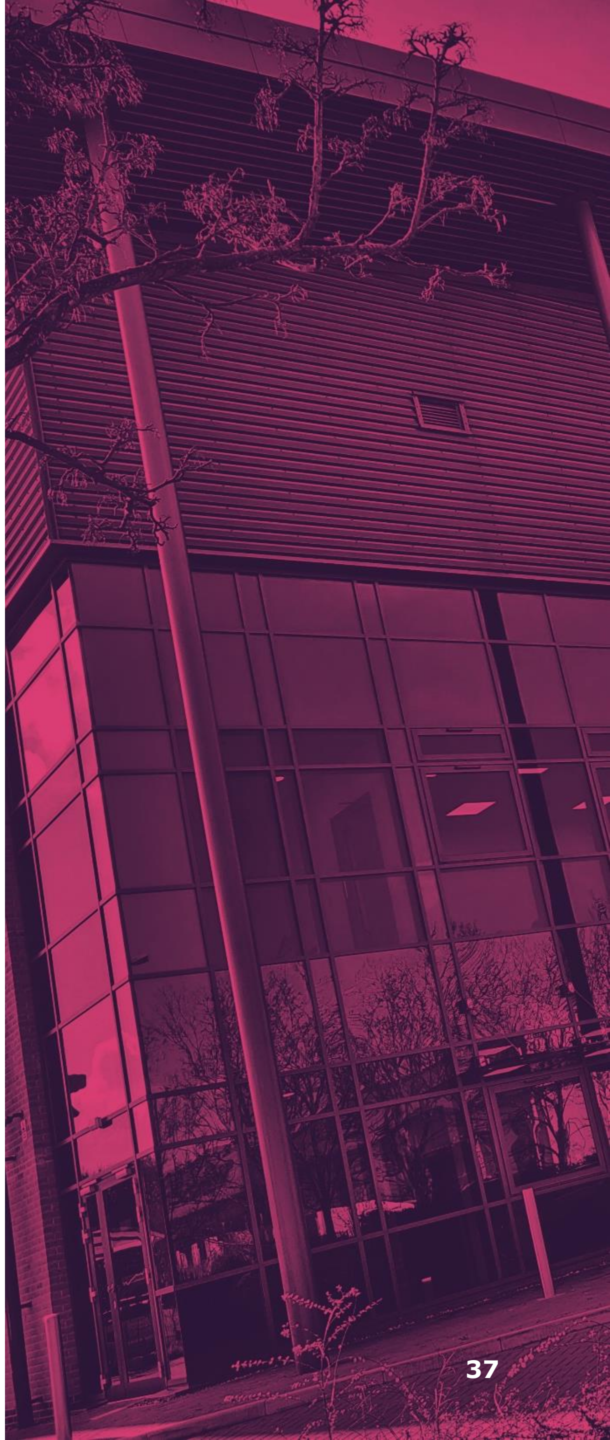
Regional results highlights

Year to 31 December 2020

Region	Revenue FY 2020 £m	Revenue FY 2019 £m	CFX %	Org %	GP % 2020	GP % 2019	GP % Change
UK&I	224.4	314.6	(28.7%)	(28.7%)	14.0%	17.6%	-3.6%
EMEA	331.1	321.0	2.2%	(0.1%)	13.8%	15.2%	-1.4%
APAC	44.5	50.6	(10.7%)	(11.8%)	15.3%	17.7%	-2.4%
North America	111.8	-					
Total	711.8	686.2	3.3%	(14.1%)	14.3%	16.5%	-2.2%

Adjusted operating profit[1]	£m	£m	CFX %
UK&I	3.9	19.9	(80.3%)
EMEA	9.4	14.1	(33.9%)
APAC	0.8	2.7	(69.6%)
North America	4.9		
Group	(2.5)	(3.2)	
Total	16.5	33.5	(50.8%)

1 Adjustments are costs relating to the initial public offering, acquisition costs, share based payments, amortization of acquired intangibles



Reconciliation of statutory to adjusted PBT
Year to 31 December 2020

	Year to 31 December 2020 £m
Adjusted PBT	**14.2**
M&A costs	(0.5)
Share based payments	(2.7)
Amortisation of acquired intangibles	(6.3)
Derivative valuation changes	(2.3)
Deferred consideration / Put&Call valuation changes	(3.4)
Statutory PBT	**(1.0)**

Modelling considerations for 2020

Acquisitions	M&A payments c.£11m in H1 2021 (NMK) Deferred consideration/put&call options £4.9m
ERP amortisation	New ERP amortisation now expected to commence in 2022 Annual charge c.£0.5m
Interest (adjusted)	Expected to be £2.5m-£3m before further M&A
Tax	Effective rate 25% of adjusted profit
FX	c.3% headwind at current FX rates
Shares	c.150k further shares to be issued for free share awards
Capex	Full year to be £6-7m including ERP
Dividend policy	Resume dividends when appropriate


Midwich
Group Plc