

9 September 2025

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

Interim results for the six months ended 30 June 2025

Robust performance despite ongoing challenging market conditions; year-end outlook unchanged

Midwich Group (AIM: MIDW), a global specialist audio visual distributor to the trade market, today announces its Interim Results for the six months ended 30 June 2025 ("H1 2025").

Statutory financial highlights

	Six months ended	
	30 June 2025	30 June 2024
	£m	(Restated ²)
		£m
Revenue	620.3	648.5
Gross profit	109.6	116.7
<i>Gross profit %</i>	<i>17.7%</i>	<i>18.0%</i>
Operating profit	4.7	12.8
(Loss)/profit before tax	(3.0)	10.1
(Loss)/profit after tax	(2.5)	7.4
Basic EPS - pence	(2.42)	6.50
Interim dividend per share - pence	1.75	5.5

Adjusted financial highlights ¹

	Six months ended		Growth %	Growth at constant currency %
	30 June 2025	30 June 2024		
	£m	(Restated ²)		
		£m		
Revenue	620.3	648.5	(4.3%)	(2.7%)
Gross profit	109.6	116.7	(6.1%)	(4.4%)
<i>Gross profit %</i>	<i>17.7%</i>	<i>18.0%</i>		
Adjusted operating profit¹	16.6	22.0	(24.5%)	(23.4%)
<i>Adjusted operating profit %</i>	<i>2.7%</i>	<i>3.4%</i>		
Adjusted profit before tax¹	9.6	17.2	(44.1%)	(43.0%)
Adjusted profit after tax¹	7.1	12.6	(43.4%)	
Adjusted EPS - pence ¹	6.91	11.22	(38.4%)	

¹ Definitions of the alternative performance measures are set out in note 2

² Restated, see note 16 for further details.

Financial highlights

- Revenue declined by 4.3% (2.7% at constant currency) to £620.3m, largely due to softness in the German market. Group revenue in line with the prior year excluding Germany.
- The businesses acquired in 2024 contributed revenue of £5.3m (at constant currency) with organic revenues down 3.5%.

- Robust gross margin performance of 17.7% in the first half (H1 2024: 18.0%).
- Strong adjusted cash flow conversion ahead of the Board's expectations at 60%, despite seasonal investments in working capital (H1 2024: 13%). Full year expectations remain at 70-80%.
- Adjusted net debt of £148.2m at period end with leverage[^] at 2.5x, to reduce to approximately 2.2-2.3x by the year end.
- Interim dividend of 1.75p reflects a reduced expected payout ratio of around 25% of EPS, with retained cash being used for growth initiatives in the business (Interim 2024: 5.5p).

Operational highlights

- The Group's diverse product and geographic portfolio resulted in robust revenue and gross margin performances, and further market share gains with many key vendors.
- A return to growth in the UK & Ireland ("UK&I") due to market share gains and new vendors, despite challenging market conditions continuing.
- A robust performance in EMEA, with growth in the region (excluding Germany - which is expected to improve from 2026).
- Focus on overhead reduction during H1 is expected to result in operating profit margin improvements in H2.
- Good progress with digital investments, including AI automation and digital platforms which are expected to benefit productivity and growth from 2026.
- Sales of commercial drones, lighting and accessories grew strongly in the period.

Post period trading and outlook

- A positive start to the second half, and the Board continues to expect organic sales growth in H2 2025.
- Management continues to monitor prospective acquisition opportunities, but will seek to more actively resume acquisitions from 2026.
- The Board continues to assume general macroeconomic conditions will remain challenging for the remainder of 2025. Despite this, the Group has a strong pipeline of opportunities and productivity initiatives which, when combined with a continued focus on driving further overhead efficiencies and maintaining prudent cash management, means the Board's full year expectations remain unchanged.

[^] For these purposes Adjusted EBITDA includes proforma EBITDA for acquisitions acquired in the last 12 months.

Stephen Fenby, Managing Director of Midwich Group plc, commented:

"The first half of 2025 has been challenging for our industry, with education and corporate expenditure suppressed due to several factors such as high government debt, low or negative GDP growth and tariff uncertainty. As a result, we have seen reduced demand and price erosion of mainstream products which has contributed to compressed net margins. However, our higher margin technical product categories, which represent over two thirds of H1 sales, continue to be more resilient.

Despite the macro backdrop, the Group has been proactive with its initiatives to drive improved future performance by developing new vendor and customer relationships, building new revenue streams and pursuing operating and cost saving efficiencies. These include implementing AI solutions to improve the efficiency of the business.

Midwich remains a leading player in a large global industry, and we continue to maintain or grow market share in key profitable regions, with a focus on delivering the best service to our customers and vendors. There is no doubt that the first half of 2025 has been tough, and I recognise that the additional workload on my colleagues is significant. I, along with the Board, would like to thank them for their continued efforts.

The initiatives and actions taken to expand our reach and improve performance means we continue to look forward with confidence."

There will be a meeting and webinar for sell-side analysts and investors at 9.30am BST today, 9 September 2025, the details of which can be obtained from FTI Consulting: midwich@fticonsulting.com.

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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 around 1,800 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

Managing Director's Report

Overview

The Group has continued to navigate challenging trading conditions in H1 2025. Whilst we believe our addressable part of the \$300bn+ global AV market will return to growth in the near future, we continue to take actions to improve our business in both the short-term and for the future. Over the last twelve months we have increased our focus on both customer and vendor engagement, which has resulted in increased share of wallet with many of our customers, the successful launch of new vendors across the Group, and strengthened existing vendor relationships. In line with our long-term strategy, we continue to focus on higher margin technical products, which now represent over two thirds of Group revenue in the period compared to 21% at IPO in 2016.

The Board has also taken selected pro-active decisions with respect to our cost base, including further targeted headcount and overhead savings in the first half of the year to offset inflation and position the Group for profit growth when demand returns to normal levels. These savings resulted in a reduction in Group headcount of about 5%, despite continued investment in growth areas such as the Middle East.

The Board also approved a new digital strategy with a focus on agility, artificial intelligence ("AI") and digital solutions. This approach is expected to deliver new customer solutions, such as software distribution, a global ecommerce platform and AI driven process automation and productivity tools with benefits expected to be delivered from 2026. The Board also took the difficult decision to move away from deploying a single global ERP solution, reflecting our ability to deliver the benefits from emerging digital tools and AI, combined with re-evaluating the cost, pace and rollout risk from a single ERP deployment. A comprehensive review of the Group's approach to ERP deployment and future benefits is underway and is expected to be concluded in the coming months. Whilst this has yet to be finalised, the review may lead to an impairment of the ERP intangible asset, which is currently held at a carrying value of around £30m, in the second half of the year.

When market conditions are more challenging, maintaining a consistently high service level to our customers and vendors becomes an even greater priority to ensure we remain a long-term trusted partner. Due to our exceptional service, we have increased market share with many of the Group's key vendors in the period. Our focus on developing our offering in the AV market continues to be beneficial for our customers and vendors alike.

The impact of subdued demand in corporate and education markets, driven by wider macro-economic factors, has continued beyond our, and the wider AV industry's, expectations at the beginning of the year. The oversupply of products, highlighted previously, has continued into 2025, which has led to further price erosion in mainstream product categories. We have seen small margin erosion in some display and UC product categories. Demand in the live event and entertainment sectors has remained robust, and we have seen particular growth in areas such as commercial drones, lighting, rental and cables.

We believe that we have the best team in the industry and our long-term view (supported by independent market research) remains that the AV industry will continue to grow above GDP rates going forward. However, the ongoing delayed market recovery resulted in some short-term pressure on adjusted operating margins. We expect these to recover through operating leverage as the market returns to normal, but the Group has also acted to deliver targeted efficiencies to improve profitability in the second half of 2025.

The Group delivered a better than expected adjusted operating cash inflow in the period as a direct result from a tight focus on working capital. We expect adjusted cash flow conversion for the full year to be in line with our long-term trend of 70-80% of adjusted EBITDA.

Trading performance

Revenue in H1 2025 of £620.3m reduced 2.7% compared to H1 2024 (constant currency basis). Organic revenue declined by 3.5%. Compared with H1 2024, organic revenue returned to growth in UK&I and APAC, but declined in both EMEA and North America. Based on our customer and vendor data, combined with independent market data, we believe that the decline in these territories is significantly less than the overall market decline, with Midwich maintaining or expanding its market share in key markets.

The Group's gross margin percentage of 17.7%, was 0.3 percentage points below the recent record achieved in H1 2024. There were strong gross margin improvements in UK&I, whilst lower margins in both North America and EMEA reflect mix factors and, particularly the transition away from a higher margin technical vendor in Canada.

Overheads benefitted from Group-wide targeted savings over the last twelve months and were in line with H1 2024, despite the ongoing inflationary pressures and the impact of prior year acquisitions. The adjusted operating profit margin reduced to 2.7% in H1 2025 from 3.4% in H1 2024.

Products

Overall revenue from the two mainstream product areas (displays and projection) declined by around 7%, reflecting a combination of market softness and a targeted reduction in sales of products with excess market capacity in Germany. Excluding Germany, mainstream product sales across the Group were slightly ahead of the prior year. These mainstream categories accounted for less than a third of Group revenue in H1 2025 as we continue to diversify into specialist areas. The gross margin on mainstream categories was marginally below the same period last year due to the ongoing price pressure in the displays market.

Revenue in the technical product areas were slightly below H1 2024, with the decline attributable to the lower levels of demand in Germany and the planned transition to new technical vendors in Canada as previously disclosed. Excluding these, technical product revenue grew by over 4%. There were strong performances in the broadcast, lighting, security and rental categories driven by the impact of new vendors and increased market share.

The Board continues to believe that the complexity and breadth of the AV market highlights the need for manufacturers to use a high-quality specialist distributor, such as Midwich. We continue to have significant success with the roll out of brand relationships acquired over the last few years, together with the expansion of existing relationships into new territories and increasing our share of wallet with customers.

Customers

The Group's focus has always been on seeking to provide our customers with consistently high levels of service and support. Although our customer base tends to be adaptable and resilient, we are aware that softer demand in some areas, combined with higher interest rates, have caused some challenges. We continue to use our distribution expertise and value add advice to support our customers through these challenges and to accommodate the needs of the channel. This focus has allowed us to increase our share of wallet with many of our customers including our global accounts.

Strategy

The Group's strategy remains clearly focused on markets and product areas where it can leverage its value add services, technical expertise, and sales and marketing skills. Services, expertise and geographies are developed either in-house or through acquisitions.

Using its market knowledge and skills, the Group provides its vendors with support to build and execute plans to grow market share. The Group supports its customers to win and then deliver successful projects.

The Group has successfully used acquisitions to enter new geographical markets and to add both expertise and new product areas. Once acquired, and integrated, businesses are supported to grow organically and increase profitable market share.

The Group has continued to deliver on its strategy in 2025, with the successful integration of the businesses acquired in 2024, the strengthening of customer and vendor relationships, and new investments in digital tools to support profitable growth.

The Board continues to focus on strengthening the Group's product offering, technical expertise and geographical reach.

Acquisitions

Whilst the Group did not complete any acquisitions in the period, it continues to identify, prioritise and engage with targeted companies. Acquisitions remain a core part of the Group's medium-term strategy as they bring new technologies, customers and vendor relationships which grow earnings both organically and through adding strong complementary businesses.

The acquisition pipeline remains healthy, and the management team continues to review attractive opportunities in a number of markets and regions.

Dividend

The Board remains disciplined in its approach to capital allocation and has taken the decision to recalibrate the dividend policy reflecting a c.25% payout ratio of adjusted EPS to better direct capital towards growth opportunities, both organic and acquisition related, that can deliver superior long-term returns for Midwich shareholders.

Whilst the revised payout ratio provides a sustainable framework, the Board's focused approach to capital allocation will continue to prioritise growth & reinvestment opportunities to drive future returns for the business. In addition, Midwich will continue to allocate any excess capital to shareholder returns via dividends or share buybacks, as appropriate.

The Board is pleased to declare an interim dividend of 1.75 pence per share (H1 2024: 5.5p). This will be paid on 17 October 2025 to those shareholders on the Company's register as at 12 September 2025. The last day to elect for dividend reinvestment ("DRIP") is 26 September 2025.

Outlook

Whilst the Board believes it is prudent to assume macroeconomic conditions in certain markets, particularly Germany, France and the US, will likely remain challenging for the remainder of 2025, the Group has many opportunities to grow market share, expand into new product areas and achieve further operating efficiencies.

Despite some softness in the AV market so far in 2025, according to research published by industry trade body AVIXA in July 2025, the global AV market is expected to grow at an annualised rate of 3.9% in the five years to 2030.

The Board concurs that the wider AV industry is well positioned for long-term growth and believes that the Group is very well placed to take advantage of growth opportunities. In particular, the Group's ongoing focus on more specialist areas of the market should help to sustain higher gross margins and drive incremental profit opportunities. The Group has a strong pipeline of new vendor opportunities which, when combined with positive current trading and steady order books at the start of the second half, and a tight focus on overhead efficiencies, means that the Board's expectations of adjusted operating profit for the full year remain unchanged.

Regional highlights

	Six months ended				
	30 June 2025 £m	30 June 2024 (Restated ²) £m	Total growth %	Growth at constant currency %	Organic growth %
Revenue					
UK & Ireland	246.5	234.9	4.9%	5.0%	2.8%
EMEA	248.7	273.3	(9.0%)	(7.3%)	(7.3%)
Asia Pacific	22.3	23.5	(4.8%)	1.7%	1.7%
North America	102.8	116.8	(12.0%)	(8.5%)	(8.5%)
Total Global	620.3	648.5	(4.3%)	(2.7%)	(3.5%)
Gross profit margin					
UK & Ireland	18.4%	17.6%	0.8 ppts		
EMEA	16.8%	17.2%	(0.4) ppts		
Asia Pacific	15.4%	16.4%	(1.0) ppts		
North America	18.4%	20.8%	(2.4) ppts		

Total Global	17.7%	18.0%	(0.3) ppts	
Adjusted operating profit/(loss)¹				
UK & Ireland	11.4	8.5	34.8%	35.1%
EMEA	6.2	11.2	(44.5%)	(43.2%)
Asia Pacific	(0.4)	(0.5)	22.9%	18.6%
North America	2.2	5.3	(57.7%)	(56.3%)
Group costs	(2.9)	(2.5)		
Total Global	16.6	22.0	(24.5%)	(23.4%)
Adjusted net finance costs ¹	(7.0)	(4.8)		
Adjusted profit before tax¹	9.6	17.2	(44.1%)	(43.0%)

1 Definitions of the alternative performance measures are set out in note 2.

2 Restated, see note 16 for further details.

All percentages referenced in this section below are at constant currency unless otherwise stated.

The use of adjusted performance measures is per the definitions of set out in note 2.

UK & Ireland ("UK&I")

Revenue in the UK&I grew by 5.0% compared to H1 2024. Of this 2.8% was organic, with the balance attributable to the small acquisitions completed in 2024. Whilst the market backdrop in the UK continues to be challenging, the region has benefitted from increasing market share, the launch of commercial drone solutions in its broadcast division, and targeted overhead reductions. Continued strong demand in markets such as live events, entertainment and security supported further growth in technical product sales.

UK&I gross margins increased to 18.4% (H1 2024: 17.6%) reflecting a positive product mix impact. Operating profit increased by 35.1% as a result of both operating leverage and the impact of cost reduction activity completed over the last twelve months. The small acquisitions completed in 2024 have now been fully integrated and are contributing well.

Whilst industry data, and our own analysis of customer and vendor sentiment, both indicate that pro AV market will continue to grow faster than GDP in the medium term, we believe that the market headwinds will continue in the near-term. We remain confident that our focus on customer service and partnering with our vendors combined with investment in automation and technology will allow us to further build on our market leading position in the UK&I.

EMEA

Revenue in EMEA, which reduced by 7.3% vs H1 2024, was impacted by significant softness in the German corporate end user market alongside major delays to purchase decisions in education ahead of new federal funding being made available later in 2025. Outside of Germany (which represents around one third contribution for the EMEA region), the Group saw revenue growth of approximately 3% in the rest of EMEA, reflecting stronger demand for more technical, higher margin, product categories.

The higher margin, more technical solutions focused EMEA businesses in southern Europe and the Middle East have continued to perform well with the UAE business now back to full operating capacity following the warehouse fire in December 2024. Gross profit margins declined to 16.8% (H1 2024: 17.2%) reflecting the previously flagged disruption in our French business following the ERP go live last year. This is expected to return to normal by the end of 2025.

The reduction in adjusted operating profit in EMEA of £6.2m (H1 2024: £11.2m), was mainly attributable to the challenges in Germany and France. There continues to be a focus on productivity in the region through both overhead control and investment in automation and technology.

The recently approved economic stimulus programme in Germany, which includes significant education funding is now expected to have only a limited impact on 2025, but is projected to generate a material boost in demand from 2026. A seasonally stronger second half, combined with cost efficiencies, is expected to result in a material uplift in EMEA operating profit in H2 2025.

Asia Pacific

Revenue in Asia Pacific of £22.3m was 1.7% ahead of H1 2024 with new brands, added in the last two years, continuing to build momentum in the region. The Asia Pacific gross profit margin of 15.4% (H1 2024: 16.4%) reflected a higher mainstream product mix. The adjusted operating loss in Asia Pacific was £0.4m (H1 2024: -£0.5m).

North America

North American revenues declined by 8.5% compared to H1 2024, resulting from disruption associated with tariff uncertainty and the planned transition to new technical vendors in Canada. Gross margins in the region at 18.4% (H1 2024: 20.8%) remain above the Group average, with the reduction attributable to the vendor transition in Canada. This also impacted operating profit which reduced to £2.2m in the period (H1 2024: £5.3m).

As trade negotiations are finalised, and new vendors come on stream, we expect to see this region return to growth and deliver strong profitability over the medium term.

Group costs

Group costs for the half year were £2.9m (H1 2024: £2.5m) reflecting investment in digital solutions.

Operating profit

Adjusted operating profit for the period at £16.6m (H1 2024: £22.0m) is stated before the impact of acquisition related expenses of £0.2m (H1 2024: £0.3m), restructuring costs of £3.1m (H1 2024: £0.5m), share based payments and associated employer taxes of £1.6m (H1 2024: £2.6m) and amortisation of acquired intangibles of £7.1m (H1 2024: £5.8m). The reported operating profit for the period was £4.7m (H1 2024: £12.8m).

Exceptional costs

In response to the ongoing challenging mainstream product market conditions, the Group made further targeted cost reductions in both discretionary expenditure and headcount in the period as part of its productivity programme. This programme is expected to result in annualised savings of over £5.0m, following one-off costs of £3.1m in H1 2025 (H1 2024: £0.5m). These one-off costs are deemed to be exceptional and have been excluded from the Group's adjusted profit measures.

Movement in foreign exchange

Compared to the prior year, Sterling strengthened in the period. These movements reduced reported revenue and adjusted operating profit in H1 by 1.6% and 1.1% respectively. Based on current exchange rates this trend is expected to continue for the remainder of the year. Note, the Group makes most of its sales and purchases in local currency which provides a natural hedge for transactional activity.

Other gains and losses and net finance costs

Other gains and losses totalled £1.6m loss (H1 2024: £2.0m gain). These include the impact of gains and losses on derivatives related to foreign exchange and acquisition financing and changes in the valuation of deferred consideration related to past acquisitions. Reported finance costs, net of finance income, were £6.1m (H1 2024: £4.7m).

Adjusted net finance costs for the period were £7.0m (H1 2024: £4.8m). Of this, £6.1m related to net interest expenses, which mainly relate to the financing costs of the Group's revolving credit facility, which is used to fund its acquisition investments, with the balance related to derivative costs attributable to recent foreign exchange volatility. The increase in interest costs relate to higher group debt levels in the period.

Taxation

The reported tax credit for the period was £0.5m (H1 2024: £2.8m charge). The adjusted effective tax rate was 26.2%; (H1 2024: 27.1%) calculated based on the adjusted tax charge divided by adjusted profit before tax. The change in effective tax rate is mainly attributable to geographic mix.

Cash flows and net debt

The Group's adjusted cash flow conversion, calculated comparing adjusted cash flow from operations with adjusted EBITDA, was 60% (H1 2024: 13%). Whilst first half is traditionally more working capital intensive, when compared with the full year due to the seasonality of demand, especially in the education sector, a tight focus on working capital combined with the reduction in revenue supported strong cash generation in the period. The Board is comfortable that the Group's long-term average annual cash conversion rate (70-80%) remains sustainable.

Gross capital spend on tangible assets was £3.7m (H1 2024: £2.7m) and included investment in rental assets in UK&I. An investment of £3.3m in intangible fixed assets (H1 2024: £4.9m) was predominantly in relation to ERP and digital tools investments.

Adjusted net debt increased by £17.6m from the prior year end to £148.2m, as a result of deferred acquisition payments and working capital movements. Group leverage at 2.5x (adjusted net debt compared to adjusted EBITDA) at the period end, is expected to reduce to approximately 2.2x-2.3x by the year end and remains comfortably within the Group's covenants.

The adoption of IFRS 16 in 2019 resulted in an increase in recognised lease liabilities (predominantly for office, showroom and warehouse facilities). Lease liabilities excluded from adjusted net debt totalled £20.5m at 30 June 2025 (£21.8m at 30 June 2024). Total net debt was £168.7m at 30 June 2025 (£154.1m at 30 June 2024).

The Group has a revolving credit facility of £175m which is primarily used for acquisition investments. Approximately 85% of the facility was drawn at 30 June 2025 (81% at 31 December 2024). This facility is supported by six banks, runs to June 2028 and has an adjusted net debt to adjusted EBITDA covenant ratio of three times and an adjusted interest cover covenant of four times adjusted EBITDA. The EBITDA covenant is calculated on a historical twelve-month basis and includes the full benefit of the prior year's earnings of any businesses acquired. Other borrowing facilities are to provide working capital financing. The Group has access to total facilities of c.£300m.

The Group has various instruments to hedge certain exchange rate and interest rate exposures. These include borrowing in local currency to finance acquisitions and financial instruments to fix part of the Group's interest charges. These instruments are marked to market at the end of each reporting period, with the change in valuation recognised in the income statement. Given any amounts recognised generally arise from market movements, and accordingly bear no direct relation to the Group's underlying performance, any gains or losses have been excluded from adjusted profit measures.

Stephen Fenby
Managing Director

Unaudited consolidated income statement for the 6 months ended 30 June 2025

	Note	6 months to 30 June 2025 Unaudited £'000	6 months to 30 June 2024 Unaudited £'000 (Restated) ¹	Year to 31 December 2024 Audited £'000
Revenue	4	620,325	648,469	1,317,013
Cost of sales		(510,752)	(531,809)	(1,082,683)
Gross profit	4	109,573	116,660	234,330
Selling and distribution costs		(78,079)	(79,300)	(155,690)
Administrative expenses		(31,094)	(28,012)	(63,007)
Other operating income		4,312	3,479	8,500
Operating profit	4	4,712	12,827	24,133

Comprising

Adjusted operating profit	4	16,615	21,997	48,299
Acquisition costs		(174)	(302)	(1,124)
Exceptional items	5	(3,075)	(503)	(11,962)
Share based payments		(1,527)	(2,419)	888
Employer taxes on share based payments		(26)	(131)	419
Amortisation of brands, customer relationships, and supplier relationships		(7,101)	(5,815)	(12,387)
		4,712	12,827	24,133
Share of profit after tax from associate		-	30	84
Other gains and losses	6	(1,632)	1,992	8,621
Finance income		490	275	812
Finance costs	7	(6,607)	(4,976)	(11,339)
(Loss)/profit before taxation		(3,037)	10,148	22,311
Taxation		545	(2,758)	(5,349)
(Loss)/profit after taxation		(2,492)	7,390	16,962
(Loss)/profit for the financial period/year attributable to:				
The Company's equity shareholders		(2,492)	6,620	16,030
Non-controlling interests		-	770	932
		(2,492)	7,390	16,962
Basic (loss)/earnings per share	3	(2.42p)	6.50p	15.69p
Diluted (loss)/earnings per share	3	(2.42p)	6.33p	15.18p

¹ Comparative information has been restated as detailed in note 16.

Unaudited consolidated statement of comprehensive income for 6 months ended 30 June 2025

	6 months to 30 June 2025 Unaudited £'000	6 months to 30 June 2024 Unaudited £'000	Year to 31 December 2024 Audited £'000
(Loss)/profit for the period	(2,492)	7,390	16,962
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gains and (losses) on retirement benefit obligations	-	-	(286)

Items that may be reclassified subsequently to profit or loss:

Foreign exchange losses on consolidation	(3,604)	(2,481)	(5,483)
Other comprehensive income for the financial period, net of tax	(3,604)	(2,481)	(5,769)
Total comprehensive income for the period	(6,096)	4,909	11,193
Attributable to:			
Owners of the Parent Company	(6,096)	4,574	10,696
Non-controlling interests	-	335	497
	(6,096)	4,909	11,193

Unaudited consolidated statement of financial position as at 30 June 2025

	Note	30 June 2025 Unaudited £'000	30 June 2024 Unaudited £'000 (Restated) ¹	31 December 2024 Audited £'000
Assets				
Non-current assets				
Investments		720	329	393
Goodwill		59,845	54,285	60,418
Intangible assets		117,711	120,679	123,547
Right of use assets		16,646	19,032	19,038
Property, plant and equipment		19,594	16,537	19,709
Derivative financial instruments		1,053	2,406	1,608
Deferred tax assets		690	839	151
		216,259	214,107	224,864
Current assets				
Inventories		183,750	184,322	174,448
Derivative financial instruments		-	49	572
Current tax asset		5,937	-	4,057
Trade and other receivables		205,699	217,778	197,562
Cash and cash equivalents		39,312	31,229	49,160
		434,698	433,378	425,799
Current liabilities				
Trade and other payables		(230,060)	(220,425)	(213,567)
Derivative financial instruments		(331)	(9)	-
Put option liabilities over non-controlling interests		(4,564)	(16,295)	(11,682)
Deferred and contingent considerations		(3,132)	(875)	(3,835)
Borrowings and financial liabilities		(43,747)	(57,786)	(45,048)
Current tax liabilities		(354)	(372)	(1,339)
		(282,188)	(295,762)	(275,471)
Net current assets		152,510	137,616	150,328
Total assets less current liabilities		368,769	351,723	375,192
Non-current liabilities				
Trade and other payables		(2,551)	(3,654)	(2,645)
Put option liabilities over non-controlling interests		-	(786)	-
Deferred and contingent considerations		(1,553)	(5,882)	(1,758)
Borrowings and financial liabilities		(164,222)	(127,498)	(157,541)
Deferred tax liabilities		(20,445)	(18,458)	(20,574)
Retirement benefit obligations		(2,001)	(1,835)	(2,005)
Other provisions		(1,587)	(2,143)	(1,515)
		(192,359)	(160,256)	(186,038)
Net assets		176,410	191,467	189,154

¹ Comparative information has been restated as detailed in note 16.

Equity				
Share capital	8	1,045	1,042	1,042
Share premium		116,959	116,959	116,959
Share based payment reserve		4,326	9,039	5,489
Investment in own shares		(614)	(618)	(616)
Retained earnings		62,754	65,630	69,739

Translation reserve	(8,260)	(1,654)	(4,656)
Put option reserve	-	(14,783)	(6,933)
Capital redemption reserve	50	50	50
Other reserve	150	150	150
Equity attributable to owners of Parent Company	176,410	175,815	181,224
Non-controlling interests	-	15,652	7,930
Total equity	176,410	191,467	189,154

Unaudited consolidated statement of changes in equity for 6 months ended 30 June 2025

For the period ended 30 June 2025

	Share capital £'000	Share premium £'000	Investment in own shares £'000	Retained earnings £'000	Other reserves £'000 (note 9)	Equity attributable to owners of the Parent £'000	Non-controlling interests £'000	Total £'000
Balance at 1 January 2025	1,042	116,959	(616)	69,739	(5,900)	181,224	7,930	189,154
Loss for the period	-	-	-	(2,492)	-	(2,492)	-	(2,492)
Other comprehensive income	-	-	-	-	(3,604)	(3,604)	-	(3,604)
Total comprehensive income for the period	-	-	-	(2,492)	(3,604)	(6,096)	-	(6,096)
Shares issued (note 8)	3	-	(3)	-	-	-	-	-
Share based payments	-	-	-	-	1,469	1,469	-	1,469
Deferred tax on share based payments	-	-	-	-	(365)	(365)	-	(365)
Share options exercised	-	-	5	2,266	(2,267)	4	-	4
Acquisition of non-controlling interest (note 11)	-	-	-	997	6,933	7,930	(7,930)	-
Dividend declared (note 15)	-	-	-	(7,756)	-	(7,756)	-	(7,756)
Transactions with owners	3	-	2	(4,493)	5,770	1,282	(7,930)	(6,648)
Balance at 30 June 2025 (unaudited)	1,045	116,959	(614)	62,754	(3,734)	176,410	-	176,410

For the period ended 30 June 2024

	Share capital £'000	Share premium £'000	Investment in own shares £'000	Retained earnings £'000	Other reserves £'000 (note 9)	Equity attributable to owners of the Parent £'000	Non-controlling interests £'000	Total £'000
Balance at 1 January 2024	1,033	116,959	(616)	63,093	(7,214)	173,255	22,889	196,144
Profit for the period	-	-	-	6,620	-	6,620	770	7,390
Other comprehensive income	-	-	-	-	(2,046)	(2,046)	(435)	(2,481)
Total comprehensive income for the period	-	-	-	6,620	(2,046)	4,574	335	4,909
Shares issued (note 8)	9	-	(9)	-	-	-	-	-

Share based payments	-	-	-	-	2,300	2,300	-	2,300
Deferred tax on share based payments	-	-	-	-	(425)	(425)	-	(425)
Share options exercised	-	-	7	3,678	(3,679)	6	-	6
Acquisition of non-controlling interest (note 11)	-	-	-	3,706	3,866	7,572	(7,572)	-
Dividends paid (note 15)	-	-	-	(11,467)	-	(11,467)	-	(11,467)
Transactions with owners	9	-	(2)	(4,083)	2,062	(2,014)	(7,572)	(9,586)
Balance at 30 June 2024 (unaudited)	1,042	116,959	(618)	65,630	(7,198)	175,815	15,652	191,467

For the year ended 31 December 2024 (audited)

	Share capital £'000 (note 8)	Share premium £'000	Investment in own shares £'000	Retained earnings £'000	Other reserves £'000 (note 9)	Equity attributable to owners of the Parent £'000	Non-controlling interests £'000	Total £'000
Balance at 1 January 2024	1,033	116,959	(616)	63,093	(7,214)	173,255	22,889	196,144
Profit for the year	-	-	-	16,030	-	16,030	932	16,962
Other comprehensive income	-	-	-	(286)	(5,048)	(5,334)	(435)	(5,769)
Total comprehensive income for the year	-	-	-	15,744	(5,048)	10,696	497	11,193
Shares issued (note 8)	9	-	(9)	-	-	-	-	-
Share based payments	-	-	-	-	(957)	(957)	-	(957)
Deferred tax on share based payments	-	-	-	-	(115)	(115)	-	(115)
Share options exercised	-	-	9	4,280	(4,282)	7	-	7
Acquisition of non-controlling interest (note 11)	-	-	-	3,740	11,716	15,456	(15,456)	-
Dividends paid (note 15)	-	-	-	(17,118)	-	(17,118)	-	(17,118)
Transactions with owners	9	-	-	(9,098)	6,362	(2,727)	(15,456)	(18,183)
Balance at 31 December 2024	1,042	116,959	(616)	69,739	(5,900)	181,224	7,930	189,154

Unaudited consolidated cashflow statement for 6 months ended 30 June 2025

	6 months to 30 June 2025	6 months to 30 June 2024	Year to 31 December 2024
	Unaudited £'000	Unaudited £'000	Audited £'000
Cash flows from operating activities			
(Loss)/profit before tax	(3,037)	10,148	22,311
Depreciation	5,281	4,956	10,568
Amortisation	7,301	5,938	12,675

Loss on disposal of assets	57	46	4,637
Share based payments	1,469	2,300	(957)
Foreign exchange gains	(560)	(1,513)	(3,108)
Gain on remeasurement of previously held equity interest	-	-	(1,205)
Share of profit after tax from associate	-	(30)	(84)
Finance income	(490)	(275)	(812)
Finance costs and other gains and losses	<u>8,239</u>	<u>2,984</u>	<u>3,923</u>
Profit from operations before changes in working capital	18,260	24,554	47,948
Increase in inventories	(9,302)	(18,734)	(8,112)
(Increase)/decrease in trade and other receivables	(8,137)	(15,213)	13,778
Increase/(decrease) in trade and other payables	<u>8,711</u>	<u>10,716</u>	<u>(7,566)</u>
Cash inflow from operations	9,532	1,323	46,048
Income tax paid	<u>(3,254)</u>	<u>(5,290)</u>	<u>(10,764)</u>
Net cash inflow/(outflow) from operating activities	6,278	(3,967)	35,284
Cash flows from investing activities			
Acquisition of businesses net of cash acquired	-	(2,803)	(12,937)
Deferred and contingent consideration paid	(981)	(12,325)	(12,993)
Investment in associate and other entities	(325)	-	(393)
Purchase of intangible assets	(3,335)	(4,929)	(9,487)
Purchase of plant and equipment	(3,700)	(2,680)	(5,414)
Proceeds on disposal of plant and equipment	787	189	401
Interest received	<u>490</u>	<u>276</u>	<u>812</u>
Net cash outflow from investing activities	(7,064)	(22,272)	(40,011)
Net cash flows from financing activities			
Proceeds on exercise of share options	4	6	7
Acquisition of non-controlling interest	(6,798)	(5,036)	(11,853)
Dividends paid	-	(11,467)	(17,118)
Invoice financing (outflows)/inflows	(4,689)	3,368	(4,671)
Proceeds from borrowings	8,808	17,328	49,333
Repayment of loans	(146)	(571)	(884)
Interest paid	(6,350)	(4,816)	(10,712)
Interest on leases	(499)	(443)	(779)
Capital element of lease payments	<u>(2,357)</u>	<u>(2,362)</u>	<u>(4,628)</u>
Net cash inflow from financing activities	(12,027)	(3,993)	(1,305)
Net decrease in cash and cash equivalents	<u>(12,813)</u>	<u>(30,232)</u>	<u>(6,032)</u>
Cash and cash equivalents at beginning of period/year	45,403	52,053	52,053
Effects of exchange rate changes	(761)	(36)	(618)
Cash and cash equivalents at end of period/year	<u>31,829</u>	<u>21,785</u>	<u>45,403</u>
Comprising:			
Cash at bank	39,312	31,229	49,160
Bank overdrafts	<u>(7,483)</u>	<u>(9,444)</u>	<u>(3,757)</u>
	<u>31,829</u>	<u>21,785</u>	<u>45,403</u>

Notes to the interim consolidated financial information

1. General information

The interim financial information for the period to 30 June 2025 is unaudited and does not constitute statutory financial statements within the meaning of Section 434 of the Companies Act 2006.

The interim consolidated financial information does not include all the information required for statutory financial statements in accordance with UK adopted International Accounting Standards ("IAS") and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024.

2. Accounting policies

Basis of preparation

The interim financial information in this report has been prepared on the basis of the accounting policies set out in the audited financial statements for the year ended 31 December 2024. The audited financial statements for the year ended 31 December 2024 were prepared in accordance with UK adopted International Accounting Standards ("IAS") in conformity with the requirements of the Companies Act 2006.

The directors have adopted the going concern basis in preparing the financial information. In assessing whether the going concern assumption is appropriate, the directors have taken into account all relevant available information about the foreseeable future. The directors have adopted the going concern basis despite current losses as they have included in their assessment expectations of actions to bring the Group back to profitability.

The statutory accounts for the year ended 31 December 2024, have been delivered to the Registrar of Companies. The auditors reported on these accounts; their report was unqualified; did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006, and did not include reference to any matters to which the auditor drew attention by way of emphasis.

Use of alternative performance measures

The Group has defined certain measures used within the business for assessing and managing performance. These measures are not defined under IAS and they may not be directly comparable with other companies' adjusted measures. The Group discloses the adjustments to IAS measures to provide transparency over the costs that are excluded from the alternative performance measures. The alternative performance measures provide a materially different presentation of the Group's performance compared to IAS measures. The alternative performance measures are not a substitute for IAS measures and are presented with the adjustments to IAS measures to provide supplementary information for assessing performance in accordance with IAS measures.

- Constant currency: This adjusted measure applies the current year's exchange rates to the prior year's results to eliminate the impact of foreign exchange movements, which are outside of management's control.
- Growth at constant currency: This measure shows the year on year change in performance at constant currency.
- Organic growth: This is defined as growth at constant currency excluding acquisitions until the first anniversary of their consolidation.
- Adjusted operating profit: Adjusted operating profit is disclosed to indicate the Group's underlying profitability. It is defined as operating profit before acquisition costs, exceptional items, share based payments and associated employer taxes, and amortisation of brand, customer and supplier relationship intangible assets and impairments.
- Adjusted EBITDA: This represents operating profit before acquisition costs, exceptional items, share based payments and associated employer taxes, depreciation, amortisation, and impairments.
- Adjusted net finance costs: This represents finance income, finance costs, gains and losses on foreign exchange derivatives, and gains and losses on investment derivatives.
- Adjusted profit before tax: This is adjusted operating profit plus share of profit after tax from associate less adjusted net finance costs.

- Adjusted taxation: This represents taxation less the tax impact of the adjusting items included within adjusted profit before tax.
- Adjusted profit after tax: This is adjusted profit before tax less adjusted taxation.
- Adjusted non-controlling interest share of profit after tax: This represents non-controlling interest less the impact of adjusting items included within adjusted profit after tax.
- Adjusted EPS: This is EPS calculated based on adjusted profit after tax minus adjusted non-controlling interest share of profit after tax instead of profit after tax minus non-controlling interest share of profit after tax.
- Adjusted net debt: This is net debt excluding lease liabilities. Net debt is borrowings less cash and cash equivalents.
- Adjusted return on capital employed: Adjusted operating profit divided by adjusted capital employed.
- Adjusted capital employed: Total equity, plus net debt, plus accumulated amortisation on intangible assets measured at fair value in business combinations, minus right of use assets, and minus acquisition liabilities. Acquisition liabilities comprise deferred and contingent considerations, and put option liabilities over non-controlling interests.
- Adjusted increase/(decrease) in trade and other payables: This is the increase/(decrease) in trade and other payables adjusted to exclude the movement on trade and other payables for cash settled share based payments and employer taxes on share based payments.
- Adjusted cash flow from operations: This is adjusted EBITDA plus movements in inventories, trade and other receivables and the adjusted increase/(decrease) in trade and other payables.
- Adjusted cash flow conversion: This is the percentage of adjusted cash flow from operations to adjusted EBITDA.
- Adjusted net debt to adjusted EBITDA ratio: This is calculated as per the Group's RCF debt facility covenant and is described as the Group Leverage covenant. The calculation of Adjusted EBITDA for the covenant differs from the calculation of the Group's Adjusted EBITDA alternative performance measure as it includes the benefit of proforma annualised earnings for acquisitions completed in the last 12 months.
- Adjusted EBITDA to adjusted net finance costs ratio: This is calculated as per the Group's RCF agreement and is described as the Interest Cover covenant. The calculation of Adjusted EBITDA for the covenant differs from the calculation of the Group's Adjusted EBITDA

alternative performance measure as it includes the benefit of proforma annualised earnings for acquisitions completed in the last 12 months.

A reconciliation of statutory measures to adjusted performance measures is provided in note 14.

3. (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the (loss)/profit after tax attributable to equity shareholders of the Company by the weighted average number of shares outstanding during the year. Shares outstanding is the total shares issued less the own shares held in employee benefit trusts. Diluted (loss)/earnings per share is calculated by dividing the (loss)/profit after tax attributable to equity shareholders of the Company by the weighted average number of shares in issue during the year adjusted for the effects of all dilutive potential ordinary shares.

The Group's (loss)/earnings per share and diluted (loss)/earnings per share, are as follows:

	6 months to June 2025	6 months to June 2024	Year to December 2024
(Loss)/profit attributable to equity holders of the Parent Company (£'000)	(2,492)	6,620	16,030
Weighted average number of shares outstanding	102,912,365	101,918,847	102,164,466
Dilutive (potential dilutive) effect of share options	-	2,688,918	3,436,080
Weighted average number of ordinary shares for the purposes of diluted (loss)/earnings per share	<u>102,912,365</u>	<u>104,607,765</u>	<u>105,600,546</u>
Basic (loss)/earnings per share	(2.42p)	6.50p	15.69p
Diluted (loss)/earnings per share	<u>(2.42p)</u>	<u>6.33p</u>	<u>15.18p</u>

Basic and diluted loss per share are equal for the period to 30 June 2025, since where a loss is incurred the effect of outstanding share options is considered anti-dilutive and is excluded for the purpose of the diluted loss per share calculation.

4. Segmental reporting

6 months to 30 June 2025	UK & Ireland £'000	EMEA £'000	Asia Pacific £'000	North America £'000	Other £'000	Total £'000
Revenue	246,510	248,691	22,348	102,776	-	620,325
Gross profit	45,337	41,846	3,432	18,958	-	109,573
Gross profit %	18.4%	16.8%	15.4%	18.4%	-	17.7%
Adjusted operating profit/(loss)	11,438	6,232	(361)	2,240	(2,934)	16,615
Acquisition costs	-	-	-	-	(174)	(174)
Restructuring costs	(814)	(1,322)	(27)	(683)	(229)	(3,075)
Share based payments	(480)	(512)	(33)	(141)	(361)	(1,527)
Employer taxes on share based payments	(2)	10	2	(7)	(29)	(26)
Amortisation of brands, customer relationships, and supplier relationships	(2,709)	(2,308)	(118)	(1,966)	-	(7,101)
Operating profit/(loss)	7,433	2,100	(537)	(557)	(3,727)	4,712
Other gains and losses and interest						(7,749)
Loss before tax						(3,037)
6 months to June 2025	UK & Ireland	EMEA	Asia Pacific	North America	Other	Total

	£'000	£'000	£'000	£'000	£'000	£'000
Segment assets	291,479	237,275	22,283	99,849	71	650,957
Segment liabilities	(231,774)	(149,379)	(21,628)	(63,549)	(8,217)	(474,547)
Segment net assets	59,705	87,896	655	36,300	(8,146)	176,410
Depreciation	2,671	1,816	288	506	-	5,281
Amortisation	2,808	2,324	127	2,042	-	7,301
Segment country information	UK £'000	Germany £'000	USA £'000	Other £'000	Total £'000	
Non-current assets	99,720	25,263	23,730	67,546	216,259	
Deferred tax assets	-	-	650	40	690	
Non-current assets excluding deferred tax	99,720	25,263	23,080	67,506	215,569	

6 months to 30 June 2024 (Restated)¹	UK & Ireland £'000	EMEA £'000	Asia Pacific £'000	North America £'000	Other £'000	Total £'000
Revenue	234,918	273,298	23,476	116,777	-	648,469
Gross profit	41,428	47,056	3,847	24,329	-	116,660
Gross profit %	17.6%	17.2%	16.4%	20.8%	-	18.0%
Adjusted operating profit/(loss)	8,484	11,228	(468)	5,301	(2,548)	21,997
Acquisition costs	-	-	-	-	(302)	(302)
Restructuring costs	(94)	(323)	(54)	(13)	(19)	(503)
Share based payments	(910)	(750)	(117)	(69)	(573)	(2,419)
Employer taxes on share based payments	(35)	(54)	2	(3)	(41)	(131)
Amortisation of brand, customer relationships, and supplier relationships	(2,191)	(2,026)	(126)	(1,472)	-	(5,815)
Operating profit/(loss)	5,254	8,075	(763)	3,744	(3,483)	12,827
Share of profit after tax from associate						30
Other gains and losses and interest						(2,709)
Profit before tax						10,148

¹ Comparative information has been restated as detailed in note 16.

6 months to June 2024 (Restated)¹	UK & Ireland £'000	EMEA £'000	Asia Pacific £'000	North America £'000	Other £'000	Total £'000
Segment assets	262,658	252,485	24,679	107,585	78	647,485
Segment liabilities	(201,593)	(156,189)	(21,536)	(76,082)	(618)	(456,018)
Segment net assets	61,065	96,296	3,143	31,503	(540)	191,467
Depreciation	2,181	1,622	334	819	-	4,956
Amortisation	2,214	2,050	132	1,542	-	5,938
Segment country information	UK £'000	Germany £'000	USA £'000	Other £'000	Total £'000	
Non-current assets	96,632	27,554	28,751	61,170	214,107	
Deferred tax assets	-	-	-	839	839	
Non-current assets excluding deferred tax	96,632	27,554	28,751	60,331	213,268	

¹ Comparative information has been restated as detailed in note 16.

Year to 31 December 2024	UK & Ireland £'000	EMEA £'000	Asia Pacific £'000	North America £'000	Other £'000	Total £'000
Revenue	476,370	569,912	45,925	224,806	-	1,317,013
Gross profit	85,775	95,860	7,511	45,184	-	234,330
Gross profit %	18.0%	16.8%	16.4%	20.1%	-	17.8%
Adjusted operating profit/(loss)	19,728	24,792	(826)	9,332	(4,727)	48,299
Acquisition costs	-	-	-	-	(1,124)	(1,124)
Restructuring costs	(874)	(1,500)	(92)	(498)	(56)	(3,020)
Disposal of development costs	(4,651)	-	-	-	-	(4,651)
Loss of inventory due to fire	-	(4,291)	-	-	-	(4,291)
Share based payments	140	364	(7)	9	382	888
Employer taxes on share based payments	129	180	12	2	96	419
Amortisation of brands, customer relationships, and supplier relationships	(4,552)	(4,121)	(249)	(3,465)	-	(12,387)
Operating profit/(loss)	9,920	15,424	(1,162)	5,380	(5,429)	24,133
Share of profit after tax from associate						84
Other gains and losses and interest						(1,906)
Profit before tax						22,311
Year to December 2024	UK & Ireland £'000	EMEA £'000	Asia Pacific £'000	North America £'000	Other £'000	Total £'000
Segment assets	272,925	255,350	21,839	100,487	62	650,663
Segment liabilities	(216,188)	(166,086)	(20,621)	(58,461)	(153)	(461,509)
Segment net assets	56,737	89,264	1,218	42,026	(91)	189,154
Depreciation	4,544	3,683	870	1,471	-	10,568
Amortisation	4,640	4,161	258	3,616	-	12,675
Segment country information		UK £'000	Germany £'000	USA £'000	Other £'000	Total £'000
Non-current assets		96,381	25,685	27,127	75,671	224,864
Deferred tax assets		-	-	-	151	151
Non-current assets excluding deferred tax		96,381	25,685	27,127	75,520	224,713

5. Exceptional items

	6 months to June 2025 £'000	6 months to June 2024 £'000	Year to December 2024 £'000
Operating profit is stated after charging:			
Restructuring costs	3,075	503	3,020

Loss on disposal of development costs	-	-	4,651
Loss of inventory due to fire	-	-	4,291
	<u>3,075</u>	<u>503</u>	<u>11,962</u>

During the period the Group incurred restructuring costs that have been reported as an exceptional item. In the prior year the Group's exceptional items also included the loss on disposal of development costs and loss of inventory due to a fire. All exceptional items have all been recognised in administrative expenses.

The Group's restructuring costs were incurred for reorganising its operations in all geographies. Further analysis of the costs is available in note 4.

The loss on disposal of development costs occurred on the successful launch of the Group's ERP system. The costs represent the pilot prototype of the ERP system that was developed and deployed as part of the development of the main ERP platform. The Group did not depreciate these costs in prior years as the asset was not available for use as management intended. The costs were disposed when the main platform became available for use because of a reassessment of the technology that determined that the pilot prototype was obsolete as it was no longer compatible with the main platform as originally intended.

The loss of inventory due to fire occurred due to a warehouse fire in the UAE. There was no loss of life due to the fire and the Group has adequate insurance to recover the loss of inventory and any resulting disruption to trade.

6. Other gains and losses

	6 months to June 2025 £'000	6 months to June 2024 £'000 (Restated) ¹	Year to December 2024 £'000
Foreign exchange derivative (losses)/gains	(847)	(87)	396
Investment derivative (losses)/gains	(22)	-	1
Borrowings derivative (losses)/gains	(832)	192	(423)
Foreign exchange (losses)/gains on borrowings for acquisitions	(145)	430	1,631
Gains on deferred and contingent considerations	123	1,991	7,499
Losses on deferred and contingent considerations	(229)	(1,118)	(854)
Gains on put option liabilities	320	631	865
Losses on put option liabilities	-	(47)	(1,699)
Gain on remeasurement of previously held equity interest	-	-	1,205
	<u>(1,632)</u>	<u>1,992</u>	<u>8,621</u>

¹ Comparative information has been restated as detailed in note 16.

7. Finance costs

	6 months to June 2025 £'000	6 months to June 2024 £'000 (Restated) ¹	Year to December 2024 £'000
Interest on overdraft and invoice discounting	1,481	1,061	2,780
Interest on leases	499	451	779
Interest on loans	4,625	3,460	7,698
Other interest costs	2	4	82
	<u>6,607</u>	<u>4,976</u>	<u>11,339</u>

¹ Comparative information has been restated as detailed in note 16.

8. Share capital

The total allotted share capital of the Parent Company is:

Allotted, issued and fully paid

	6 months to June 2025		6 months to June 2024		Year to December 2024	
Classed as equity:	Number	£'000	Number	£'000	Number	£'000
Issued and fully paid ordinary shares of £0.01 each						

Opening balance	104,245,126	1,042	103,251,326	1,033	103,251,326	1,033
Shares issued	300,000	3	993,800	9	993,800	9
Closing balance	104,545,126	1,045	104,245,126	1,042	104,245,126	1,042

During the period Midwich Group plc issued 300,000 shares (2024: 993,800) into an employee benefit trust.

9. Other reserves

Movement in other reserves for the period ended 30 June 2025 (Unaudited)

	Share based payment reserve £'000	Translation reserve £'000	Put option reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Total £'000
Balance at 1 January 2025	5,489	(4,656)	(6,933)	50	150	(5,900)
Other comprehensive income	-	(3,604)	-	-	-	(3,604)
Total comprehensive income for the period	-	(3,604)	-	-	-	(3,604)
Share based payments	1,469	-	-	-	-	1,469
Deferred tax on share based payments	(365)	-	-	-	-	(365)
Share options exercised	(2,267)	-	-	-	-	(2,267)
Acquisition of non-controlling interest (note 11)	-	-	6,933	-	-	6,933
Transactions with owners	(1,163)	-	6,933	-	-	5,770
Balance at 30 June 2025	4,326	(8,260)	-	50	150	(3,734)

Movement in other reserves for the period ended 30 June 2024 (Unaudited)

	Share based payment reserve £'000	Translation reserve £'000	Put option reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Total £'000
Balance at 1 January 2024	10,843	392	(18,649)	50	150	(7,214)
Other comprehensive income	-	(2,046)	-	-	-	(2,046)
Total comprehensive income for the period	-	(2,046)	-	-	-	(2,046)
Share based payments	2,300	-	-	-	-	2,300
Deferred tax on share based payments	(425)	-	-	-	-	(425)
Share options exercised	(3,679)	-	-	-	-	(3,679)
Acquisition of non-controlling interest (note 11)	-	-	3,866	-	-	3,866
Transactions with owners	(1,804)	-	3,866	-	-	2,062
Balance at 30 June 2024	9,039	(1,654)	(14,783)	50	150	(7,198)

Movement in other reserves for the year ended 31 December 2024 (Audited)

	Share based payment reserve £'000	Translation reserve £'000	Put option reserve £'000	Capital redemption reserve £'000	Other reserve £'000	Total £'000
Balance at 1 January 2024	10,843	392	(18,649)	50	150	(7,214)
Other comprehensive income	-	(5,048)	-	-	-	(5,048)
Total comprehensive income for the year	-	(5,048)	-	-	-	(5,048)
Share based payments	(957)	-	-	-	-	(957)
Deferred tax on share based payments	(115)	-	-	-	-	(115)
Share options exercised	(4,282)	-	-	-	-	(4,282)
Acquisition of non-controlling interest (note 11)	-	-	11,716	-	-	11,716

Transactions with owners	(5,354)	-	11,716	-	-	6,362
Balance at 31 December 2024	5,489	(4,656)	(6,933)	50	150	(5,900)

10. Business combinations

Acquisitions were completed by the Group during the comparative periods to increase scale, broaden its addressable market and widen the product offering.

Subsidiaries acquired	Principal activity	Date of acquisition	Proportion acquired (%)	Fair value of consideration £'000
DCS	Distribution of cable products to trade customers	2 October 2024	100%	12,295
UK Fire	Distribution of fire safety products to trade customers	1 October 2024	100%	1,501
Dry Hire Lighting	Distribution of lighting products to trade customers	31 July 2024	70%	3,705
The Farm	Distribution of audio visual products to trade customers	19 January 2024	100%	7,613

2024 acquisitions

Fair value of considerations 2024	The Farm	Dry Hire Lighting	UK Fire	DCS
	£'000	£'000	£'000	£'000
Cash	2,948	3,210	1,146	7,819
Deferred consideration	292	495	-	3,495
Contingent consideration	4,374	-	355	981
Total	7,614	3,705	1,501	12,295

Costs of £302k were expensed to the income statement during the period ended 30 June 2024 in relation to acquisitions. Total costs of £1,124k were expensed to the income statement during the year ended 31 December 2024 in relation to acquisitions.

Fair value of acquisitions 2024	The Farm	Dry Hire Lighting	UK Fire	DCS
	£'000	£'000	£'000	£'000
Non-current assets				
Goodwill	3,512	1,745	272	4,691
Intangible assets - brands	1,135	60	108	197
Intangible assets - customer relationships	352	417	505	3,145
Intangible assets - supplier relationships	3,895	1,181	880	4,067
Right of use assets	232	173	-	945
Property, plant and equipment	8	3,864	-	54
	9,134	7,440	1,765	13,099
Current assets				
Inventories	-	-	51	697
Gross contractual trade and other receivables	403	754	303	783
Contractual cash flows not expected to be collected	-	(29)	(10)	(4)
Cash and cash equivalents	145	229	205	1,607
	548	954	549	3,083
Current liabilities				
Trade and other payables	(215)	(1,431)	(376)	(886)
Borrowings and financial liabilities	-	-	-	(4)
Current tax	(3)	-	(53)	(169)
	(218)	(1,431)	(429)	(1,059)
Non-current liabilities				
Borrowings and financial liabilities	(237)	(972)	-	(975)
Deferred tax	(1,613)	(699)	(384)	(1,853)
	(1,850)	(1,671)	(384)	(2,828)
Equity interest held prior to acquisition	-	(1,587)	-	-
Fair value of net assets acquired attributable to equity shareholders of the Parent Company	7,614	3,705	1,501	12,295

Goodwill acquired in 2024 relates to the workforce, synergies, sales and purchasing knowledge and experience. Goodwill arising on the acquisition of The Farm has been allocated to the North America segment. Goodwill arising on the Dry Hire Lighting, UK Fire, and DCS acquisitions has been allocated to the United Kingdom and Republic of Ireland segment. No goodwill acquired is deductible for tax purposes.

Net cash outflow on acquisition of subsidiaries 2024

	The Farm £'000	Dry Hire Lighting £'000	UK Fire £'000	DCS £'000
Consideration paid in cash	2,948	3,210	1,146	7,819
Less: cash and cash equivalent balances acquired	(145)	(229)	(205)	(1,607)
Net cash outflow	2,803	2,981	941	6,212
Plus: borrowings acquired	237	972	-	979
Net debt outflow	3,040	3,953	941	7,191

11. Acquisition of non-controlling interest

During the period to 30 June 2025 the Group exercised a call option to acquire the remaining 35% non-controlling interest in Cooper Projects Limited, which had a value of £7,930k. The present value of the option exercised of £6,798k was paid during the period. £6,933k of the put option reserve was transferred to retained earnings when this call option was exercised and the put option was extinguished.

During the year ended 31 December 2024 the Group acquired the remaining 20% non-controlling interest in Midwich International Limited and the remaining 49% non-controlling interest in ProdyTel Distribution GmbH.

The non-controlling interest in Midwich International Limited had a value of £7,572k and was acquired for a consideration of £5,036k paid during the year with a further consideration with a value of £4,591k that was retained and is due to be settled in 2025. The non-controlling interest in ProdyTel Distribution GmbH had a value of £7,884k and was acquired for a consideration of £6,817k.

£3,866k of the put option reserve was transferred to retained earnings when the Midwich International Limited element of the put option was extinguished and £7,850k of the put option reserve was transferred to retained earnings when the ProdyTel Distribution GmbH element of the put option was extinguished.

12. Currency impact

The Group reports in Pounds Sterling (GBP) but has significant revenues and costs as well as assets and liabilities that are denominated in other currencies. The table below sets out the exchange rates used in the periods reported.

	6 months to 30 June 2025	6 months to 30 June 2024	At 30 June 2025	At 30 June 2024	At 31 December 2024
	Average	Average			
EUR/GBP	1.192	1.170	1.167	1.180	1.210
AUD/GBP	2.055	1.915	2.091	1.893	2.023
NZD/GBP	2.247	2.076	2.257	2.074	2.236
USD/GBP	1.300	1.267	1.370	1.264	1.253
CHF/GBP	1.120	1.121	1.091	1.136	1.136
NOK/GBP	13.932	13.437	13.867	13.461	14.230
AED/GBP	4.772	4.650	5.039	4.641	4.598
QAR/GBP	4.730	4.608	4.995	4.600	4.558
SAR/GBP	4.877	4.750	5.139	4.743	4.708
CAD/GBP	1.835	1.713	1.870	1.730	1.802

The following tables illustrate the effect of changes in foreign exchange rates relative to GBP on the profit before tax and net assets. The amounts are calculated retrospectively by applying the current period's exchange rates to the prior period's results so that the current period's exchange rates are applied consistently across both periods. Changing the comparative result illustrates the effect of changes in foreign exchange rates relative to the current period's result.

Applying the current period exchange rates to the results of the prior period has the following effect on the translation of profit before tax and net assets of foreign entities:

Profit before tax

	Revised 2024 £'000	2024 £'000	Impact £'000	Impact %
EUR	10,102	10,148	(46)	(0.5%)
AUD	10,203	10,148	55	0.5%
NZD	10,150	10,148	2	-%
USD	10,248	10,148	100	1.0%
CHF	10,146	10,148	(2)	-%
NOK	10,145	10,148	(3)	-%
AED	10,102	10,148	(46)	(0.5%)
QAR	10,137	10,148	(11)	(0.1%)
SAR	10,115	10,148	(33)	(0.3%)
CAD	10,013	10,148	(135)	(1.3%)
All currencies	10,029	10,148	(119)	(1.2%)

Net assets

	Revised 2024 £'000	2024 £'000	Impact £'000	Impact %
EUR	192,176	191,467	709	0.4%
AUD	191,143	191,467	(324)	(0.2%)
NZD	191,451	191,467	(16)	-%
USD	190,762	191,467	(705)	(0.4%)
CHF	191,409	191,467	(58)	-%
NOK	191,401	191,467	(66)	-%
AED	190,063	191,467	(1,404)	(0.7%)
QAR	191,164	191,467	(303)	(0.2%)
SAR	190,948	191,467	(519)	(0.3%)
CAD	189,746	191,467	(1,721)	(0.9%)
All currencies	187,060	191,467	(4,407)	(2.3%)

13. Copies of interim report

Copies of the interim report are available to the public free of charge from the Company at Vines Road, Diss, IP22 4YT.

14. Adjustments to reported results

	6 months to 30 June 2025 £000	6 months to 30 June 2024 £000
Operating profit	4,712	12,827
Acquisition costs	174	302
Exceptional items	3,075	503
Share based payments	1,527	2,419
Employer taxes on share based payments	26	131
Amortisation of brands, customer relationships, and supplier relationships	7,101	5,815
Adjusted operating profit	16,615	21,997
Depreciation	5,281	4,956
Amortisation of patents and software	200	123
Adjusted EBITDA	22,096	27,076
Increase in inventories	(9,302)	(18,734)
Increase in trade and other receivables	(8,137)	(15,213)
Adjusted increase in trade and other payables ¹	8,627	10,466
Adjusted cash flow from operations	13,284	3,595
Adjusted cash flow conversion	60.1%	13.3%
(Loss)/profit before tax	(3,037)	10,148
Acquisition costs	174	302
Exceptional items	3,075	503
Share based payments	1,527	2,419
Employer taxes on share based payments	26	131
Amortisation of brands, customer relationships, and supplier relationships	7,101	5,815
Borrowings derivative losses/(gains)	832	(192)
Foreign exchange losses/(gains) on acquisition borrowings	145	(430)
Other gains and losses on deferred and contingent considerations	106	(873)

Other gains and losses on put option liabilities over non-controlling interests	(320)	(584)
Adjusted profit before tax	9,629	17,239
Finance costs	(6,607)	(4,976)
Finance income	490	275
Foreign exchange derivative losses	(847)	(87)
Investment derivative gains	(22)	-
Adjusted net finance cost	(6,986)	(4,788)
Adjusted operating profit	16,615	21,997
Share of profit after tax from associate	-	30
Adjusted net finance cost	(6,986)	(4,788)
Adjusted profit before tax	9,629	17,239
(Loss)/profit after tax	(2,492)	7,390
Acquisition costs	174	302
Exceptional items	3,075	503
Share based payments	1,527	2,419
Employer taxes on share based payments	26	131
Amortisation of brands, customer relationships, and supplier relationships	7,101	5,815
Borrowings derivative losses/(gains)	832	(192)
Foreign exchange losses/(gains) on acquisition borrowings	145	(430)
Other gains and losses on deferred and contingent considerations	106	(873)
Other gains and losses on put option liabilities over non-controlling interests	(320)	(584)
Tax impact of exceptional costs	(798)	-
Tax impact of share based payments	(393)	(429)
Tax impact of employer taxes on share based payments	(6)	(24)
Tax impact of amortisation of brands, customer and supplier relationships	(1,831)	(1,662)
Tax impact of foreign exchange losses/(gains) on acquisition borrowings	(38)	198
Adjusted profit after tax	7,108	12,564
(Loss)/profit after tax	(2,492)	7,390
Non-controlling interest (NCI)	-	(770)
Profit after tax attributable to equity holders of the Parent Company	(2,492)	6,620
Adjusted profit after tax	7,108	12,564
Non-controlling interest	-	(770)
Share based payments attributable to NCI	-	(9)
Amortisation of brands, customer and supplier relationships attributable to NCI	-	(472)
Tax impact attributable to NCI	-	119
Adjusted non-controlling interest profit after tax	-	(1,132)
Adjusted profit after tax attributable to equity holders of the Parent Company	7,108	11,432
Weighted average number of ordinary shares	102,912,365	101,918,847
Diluted weighted average number of ordinary shares	105,505,934	104,607,765
Adjusted basic (loss)/earnings per share	6.91p	11.22p
Adjusted diluted (loss)/earnings per share	6.74p	10.93p

¹ Excludes the movement in cash settled share based payments

15. Dividends

During the period the Group declared a final dividend of 7.50 pence per share, which was paid on 7 July 2025. (30 June 2024: 11.00 pence per share).

After the period end the Group declared an interim dividend for the six months to 30 June 2025 of 1.75 pence (30 June 2024: 5.50 pence per share) that relates to profits earned over the period.

16. Restatements to prior period results

The restatements are consistent with those reported in the full year accounts to 31 December 2024 and have been made to ensure comparability of the financial information for all periods presented.

Comparative financial results have been restated as if changes in had always been adopted. The changes are reclassifications that do not alter the net financial performance or position previously reported.

The changes in presentation include reclassifying a derivative financial instrument from a current asset to a non-current asset, presenting other gains and losses separately from finance costs, presenting the retirement benefit obligations separately in the statement of financial position, and the restatement of trade receivables and trade payables.

The restatement of the derivative financial instrument is because the maturity of the derivative is greater than 12 months.

The restatement of other gains and losses is to present separately the gains and losses on the Group's derivative financial instruments, borrowings for acquisitions, deferred and contingent considerations, and put option liabilities that were previously reported in finance costs.

The restatement of trade receivables and trade payables relates to purchase invoices dated before the reporting date for goods that had not been received and for which the Group does not have the risks and rewards of control as at the reporting date. Previously the purchase invoices were recognised as trade payables with a separate trade receivable recognised representing a right to a refund as the goods had not been delivered as at the reporting date. The amounts payable for the purchase invoices have been derecognised on the basis that the Group did not have a liability until the related inventory comes under the control of the Group.

The changes in presentation for revenue recognition relate to management's reassessments over principal vs agent. As a result of a detailed reassessment of the Group's principal vs agent revenue recognition the Group reassessed the presentation for carriage and software revenue. Carriage revenue had previously been recognised on a net agent basis and has been changed to a gross principal basis. The change resulted in an increase in revenue and distribution costs of £4,895k. The Group recognises software revenue on both a net agent and gross principal basis depending on the circumstances of the sales. The Group has extended the amount of software sales that have been recognised on a net agent basis with a corresponding decrease in the revenue recognised on a gross principal basis. The change resulted in a decrease in revenue and cost of sales of £2,560k. There was no impact on the reported profit after tax or earnings per share reported for the six month period to 30 June 2024.

The impact of adopting these changes on the financial performance and position of the Group for the comparative period is as follows:

	6 months to 30 June 2024	6 months to 30 June 2024	6 months to 30 June 2024
	Previously presented	Impact of changes	Restated
	£'000	£'000	£'000
Revenue	646,134	2,335	648,469
Cost of sales	(534,369)	2,560	(531,809)
Gross profit	111,765	4,895	116,660
Selling and distribution costs	(74,405)	(4,895)	(79,300)
Administrative expenses	(28,012)	-	(28,012)
Other operating income	3,479	-	3,479
Operating profit	12,827	-	12,827
Share of profit after tax from associate	30	-	30
Other gains and losses	-	1,992	1,992
Finance income	275	-	275
Finance costs	(2,984)	(1,992)	(4,976)
Profit before taxation	10,148	-	10,148
Taxation	(2,758)	-	(2,758)
Profit after taxation	7,390	-	7,390

	30 June 2024 Previously presented £'000	30 June 2024 Impact of changes £'000	30 June 2024 Restated £'000
Assets			
Non-current assets			
Investments	329	-	329
Goodwill	54,285	-	54,285
Intangible assets	120,679	-	120,679
Right of use assets	19,032	-	19,032
Property, plant and equipment	16,537	-	16,537
Derivative financial instruments	-	2,406	2,406
Deferred tax assets	839	-	839
	<u>211,701</u>	<u>2,406</u>	<u>214,107</u>
Current assets			
Inventories	184,322	-	184,322
Derivative financial instruments	2,455	(2,406)	49
Trade and other receivables	239,442	(21,664)	217,778
Cash and cash equivalents	31,229	-	31,229
	<u>457,448</u>	<u>(24,070)</u>	<u>433,378</u>
Current liabilities			
Trade and other payables	(242,089)	21,664	(220,425)
Derivative financial instruments	(9)	-	(9)
Put option liabilities over non-controlling interests	(16,295)	-	(16,295)
Deferred and contingent considerations	(875)	-	(875)
Borrowings and financial liabilities	(57,786)	-	(57,786)
Current tax	(372)	-	(372)
	<u>(317,426)</u>	<u>21,664</u>	<u>(295,762)</u>
Net current assets	<u>140,022</u>	<u>(2,046)</u>	<u>137,616</u>
Total assets less current liabilities	<u>351,723</u>	<u>-</u>	<u>351,723</u>
Non-current liabilities			
Trade and other payables	(3,654)	-	(3,654)
Put option liabilities over non-controlling interests	(786)	-	(786)
Deferred and contingent considerations	(5,882)	-	(5,882)
Borrowings and financial liabilities	(127,498)	-	(127,498)
Deferred tax liabilities	(18,458)	-	(18,458)
Retirement benefit obligation	-	(1,835)	(1,835)
Other provisions	(3,978)	1,835	(2,143)
	<u>(160,256)</u>	<u>-</u>	<u>(160,256)</u>
Net assets	<u>191,467</u>	<u>-</u>	<u>191,467</u>

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