Midwich Group Plc

DELIVERING EXPERIENCES BEYOND EXPECTATIONS

2021 Full Year Results

March 2022

Financial Highlights

Revenue
£856m
2020: £712m

Growth
20.3%
CFX: 22.9%

Organic growth
18.9%
2020: (14.1%)

Gross Margin
15.3%
2020: 14.3%

Adjusted operating profit[1]
£34.0m
2020: £16.5m

Adjusted PBT[2]
£31.9m
2020: £14.2m

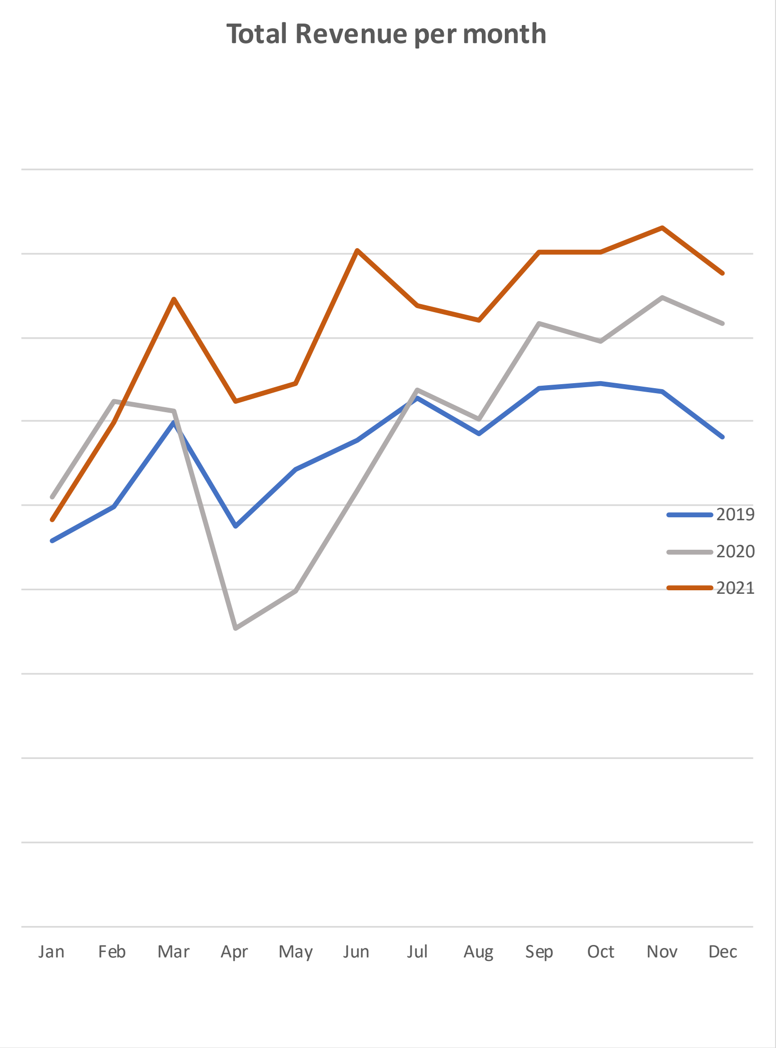
Total Dividend[3]
11.1p
2020: Nil

Adjusted EPS
25.6p
2020: 11.2p

Net debt
£58.0m
2020: £21.0m

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
3 Excludes special dividend of 3.0p paid in July 2021

Record Annual Revenue

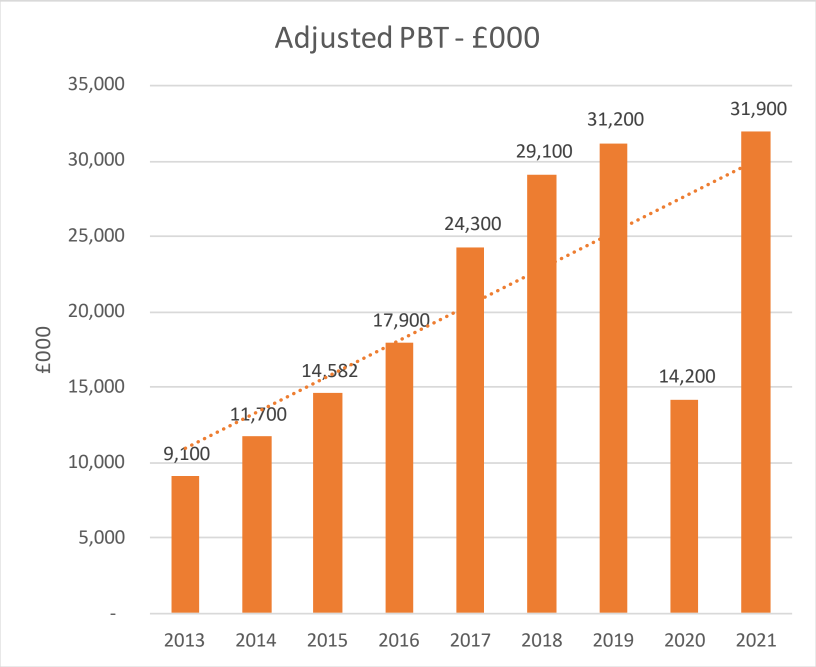


Monthly revenue consistently above pre-pandemic levels

- 15th consecutive year of revenue growth – CAGR of 13%;
- Organic revenue growth 18.9% in 2021. Overall revenue 20.3% up on 2020. CFX growth 22.9%;
- US fulfilment business ceased at end of 2020. Excluding this from comparative, overall growth over 30% in 2021;
- After a quiet first two months of 2021, revenues remained significantly ahead of both 2020 and 2019 each month;
- Product shortages still significant and unpredictable.
- Order books remain very high;
- Mainstream product growth 22% and technical product growth 50% (excluding 2020 fulfilment business). Strong growth in professional audio (organic and acquired);
- Strong education business has continued. Corporate market still fairly quiet but our business grown due to new product categories;
- UK&I recovery continues despite live events markets remaining quiet. Revenue up 27.5% in the year (Pro AV market growth 7%), H2 2021 nearly back to 2019 level and 29% up on H2 2020. New vendors account for around half of 2021 growth;
- EMEA growth of 37.5% (organic 34.5%). Strong growth in France and Germany – over 40% and 30% respectively;
- APAC revenues marginally higher due to continued tight restrictions in the region;
- US revenues down, but excluding discontinued vendor, growth of around 27%

Midwich Group Plc

Profitability improvement



CAGR of 17%

Gross margin

Gross margin improved from 14.3% to 15.3%.

Further improvement likely to be influenced by:

- Recovery in higher margin product areas;
- Retention rate of lower gross margin business which has grown in past two years;
- Margins achieved by acquired businesses;
- Product availability.

Net margin

Adjusted PBT exceeded 2019 level.

Net margin improved from 2.0% in 2020 to 3.7%

Operating leverage resulted in 1% gross margin improvement converting to 1.7% in net margin improvement.

Continued focus on gross margin and operating leverage should drive further net margin improvements.

Midwich Group Plc

Current landscape

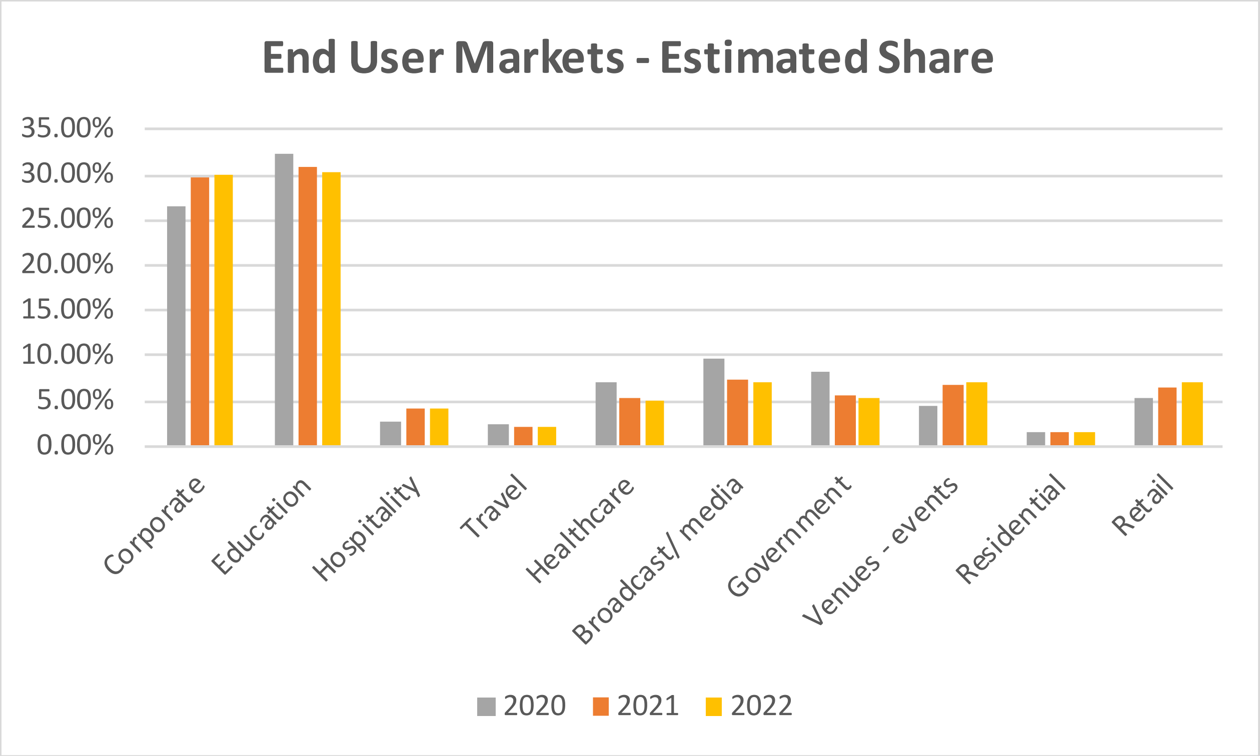
General Market Conditions

- Markets generally starting to unlock;
- Many product restrictions – but very early signs of easing;
- Global logistics costs still high, but appear stable and are expected to start falling by the end of this year;
- Corporate market recovery slower than expected due to ongoing lockdowns, but should accelerate once these ease;
- Education sector remains strong;
- Recovery in live events and entertainment sectors delayed. Retail investment looking stronger;
- Currently not seeing an impact from Ukraine conflict.

Our Business

- Order books at record highs in many territories – a mixture of product shortages and customers trying to reserve stock early;
- New project enquiries and orders, particularly in the areas of education, retail, corporate, entertainment;
- New vendor and technology development continues;
- Continued flow of potential bolt-on M&A deals. Significant number of potential sellers approaching us;
- Staff now starting to come back into offices, but hybrid working likely to continue. International travel resuming;
- Won two industry awards for Best Company to Work For.

End user markets



Source: Midwich estimates

- No significant change in mix of end user markets;
- Corporate market a little stronger for us in 2021 than originally expected due to our expanded UC offering;
- Education remained our largest end user segment;
- High street retail investment showing signs of growth;
- Venues and events expected to start improving later in 2022.

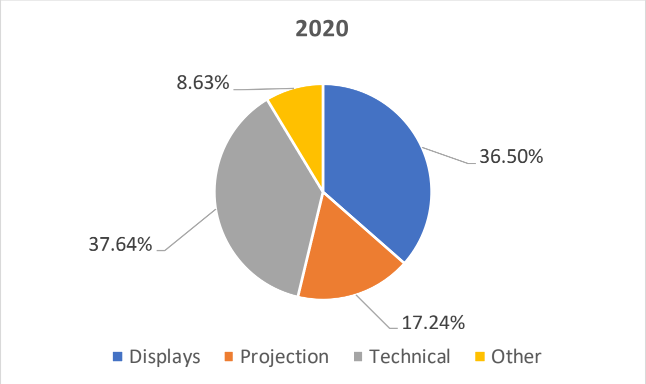
Long term strategy remains unchanged

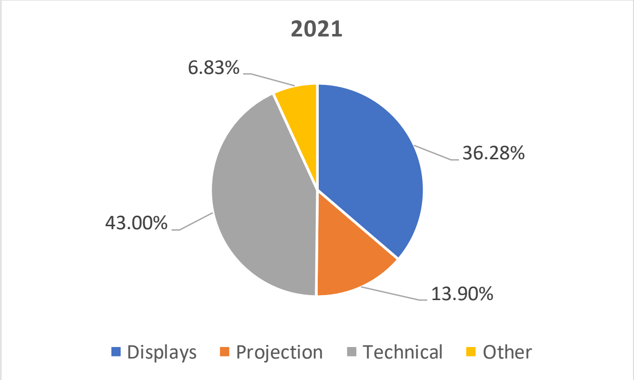
	Why?	How?	Success Measures
Specialisation	Relevance Profitability Defensibility	Portfolio management Acquisition Value add services	Growth in technical product sales[1] Long term growth in gross margin
Geographical Coverage	Support Projects Share of wallet	Acquisition Investment	Number of territories 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



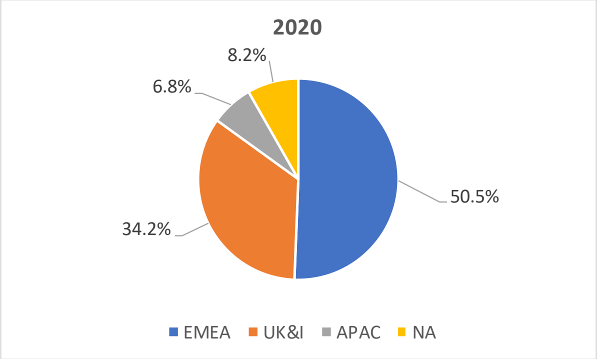


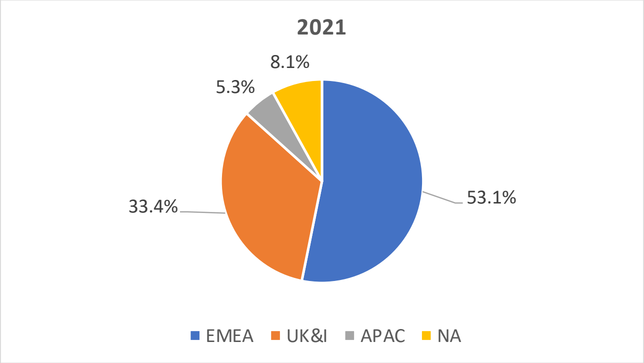
Planned growth in size of technical product category;

High growth in most technical categories, lower growth in broadcast;

Projector revenue increased, but by less than the overall business.

Geographical Coverage



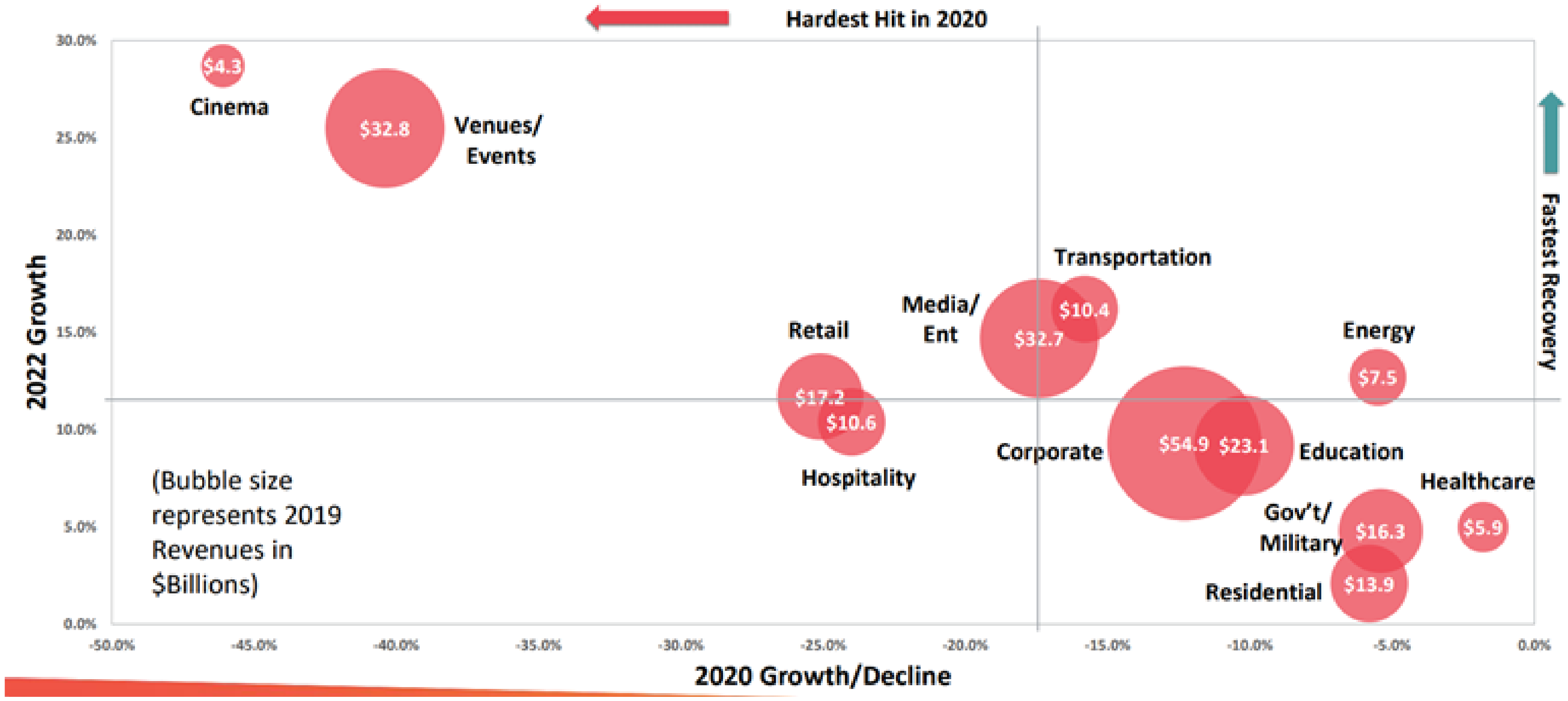


- Operations in 20 territories;
- UK&I growth significant but less than EMEA;
- Growth in EMEA driven out of Germany and France.

Note : the US audio fulfilment business undertaken in 2020 is excluded from the analyses above

AVIXA market report June 2021

- After 17% decline in 2020, market estimated to grow by 8.4% in 2021;
- Market expected to recover to previous trajectory;
- Retail, cinema, events and hospitality were hardest hit end user segments – and expected to recover quickly;
- Short term product shortages expected to lead to price increases – but these will settle down;
- EMEA slower growth in 2021, with acceleration thereafter;
- APAC region shows strongest growth.



Market expected to grow at CAGR 7.2% over 5 years to reach $329bn by 2026.

Source: AVIXA 2021

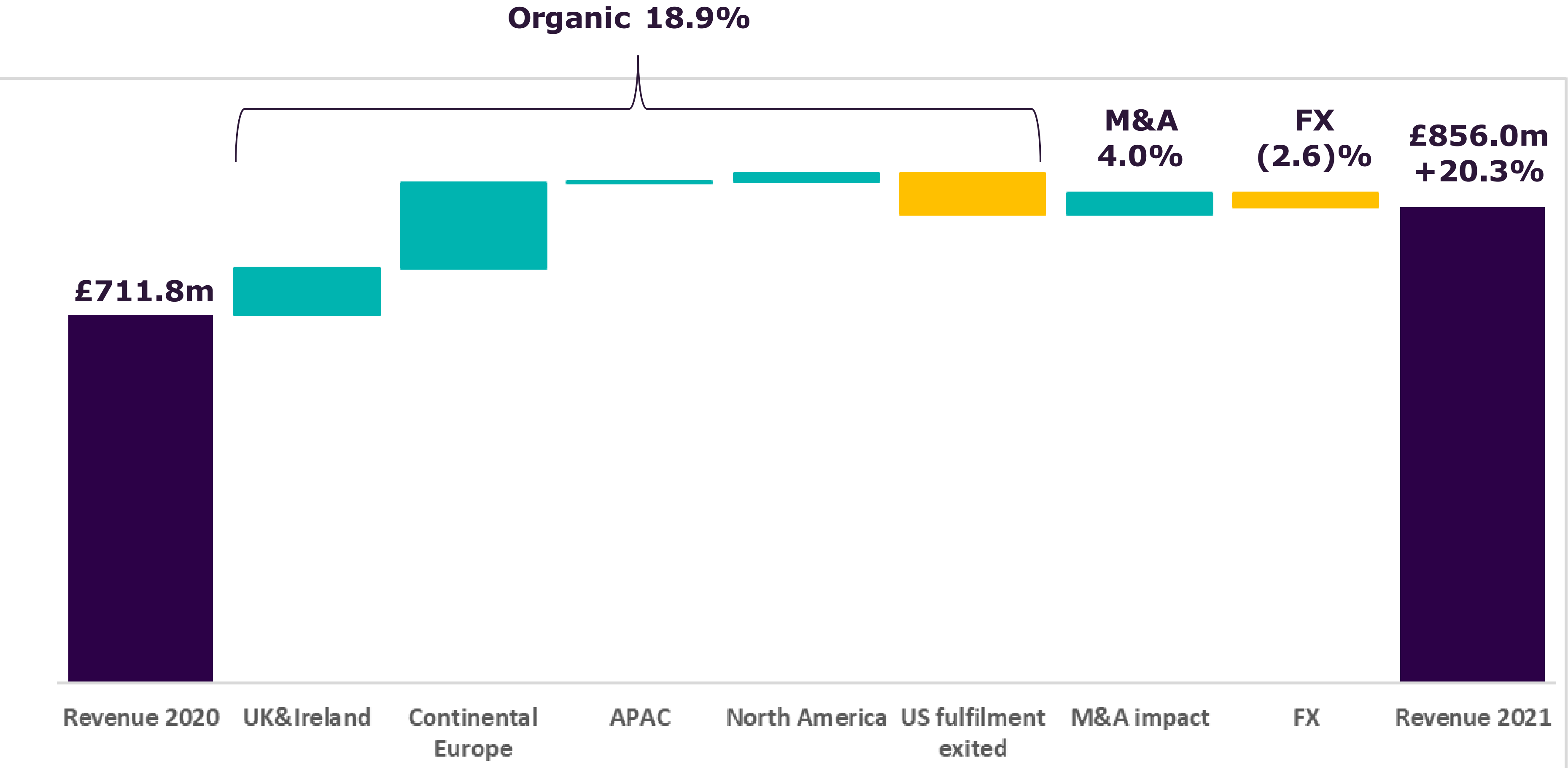
vs 2020

22.9%
Revenue increase (CFX)

18.9%
Organic revenue increase

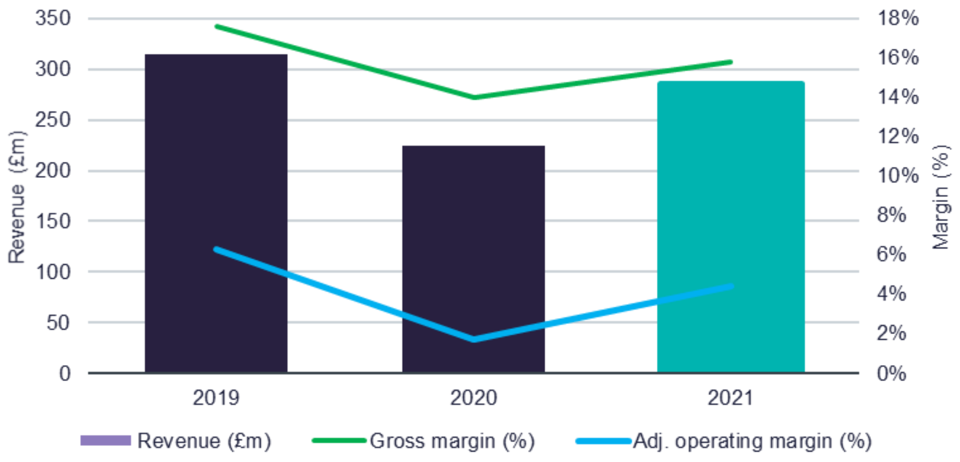
Midwich Group Plc

Revenue bridge 2021



UK & Ireland

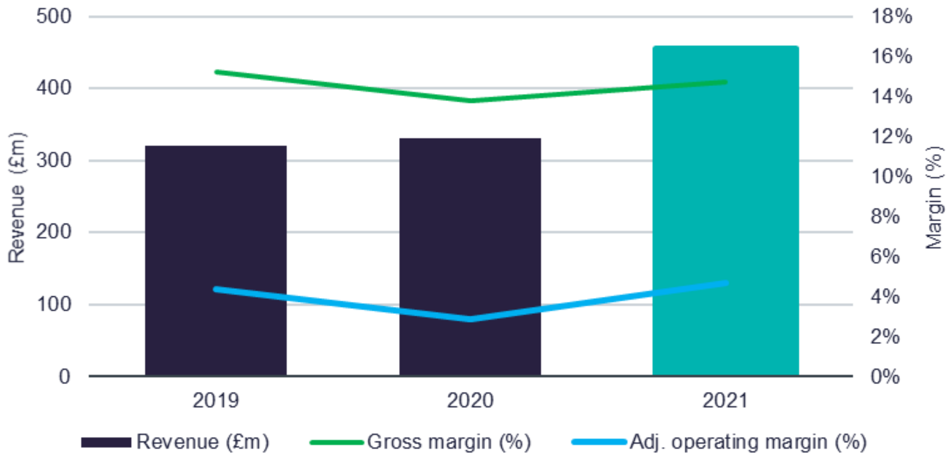
- Significant progress in recovering towards pre-pandemic levels due to the benefit of new vendors and market share gains. Revenue growth of 27.5% to £286.1m.
- Strong margin improvement across product categories with further upside potential when rental and live events return to normal.
- Strong recovery in adj. operating profit margin to 4.4% (2020: 1.7%) reflects both margin recovery and operating leverage.
- Post year end acquisitions of DVS and Nimans further enhance our offering.



Midwich
Group Plc

EMEA

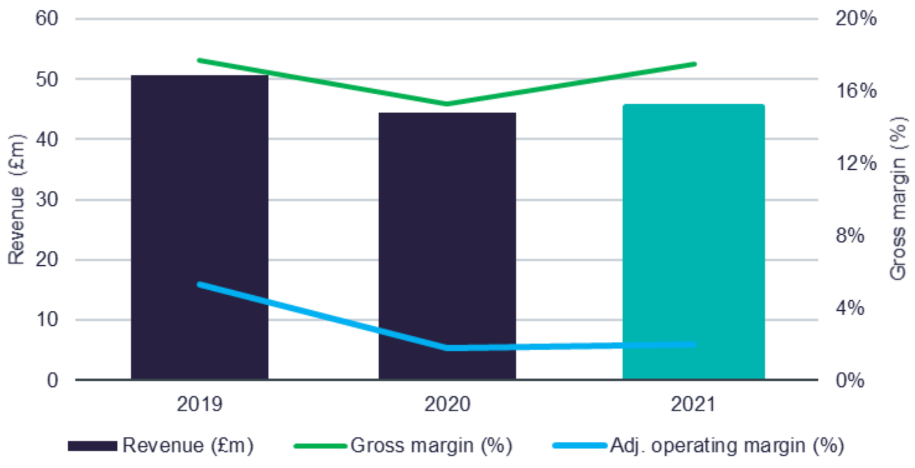
- EMEA includes France, Germany, Switzerland, Benelux, Norway, Italy, Iberia and the Middle East (from the start of 2021)
- Revenue growth of 41.8% (CFX) to £455.4m, with organic growth of 34.5%. France and Germany performed particularly well reflecting further market share gains.
- NMK has been integrated and is performing well and we are further investing in its future growth with a new experience centre opening in 2022.
- Gross margin improvement reflected both the post-pandemic recovery and a favourable mix shift towards technical products.
- Adj. operating profit more than doubled to £21.4m.



Midwich Group Plc

Asia Pacific

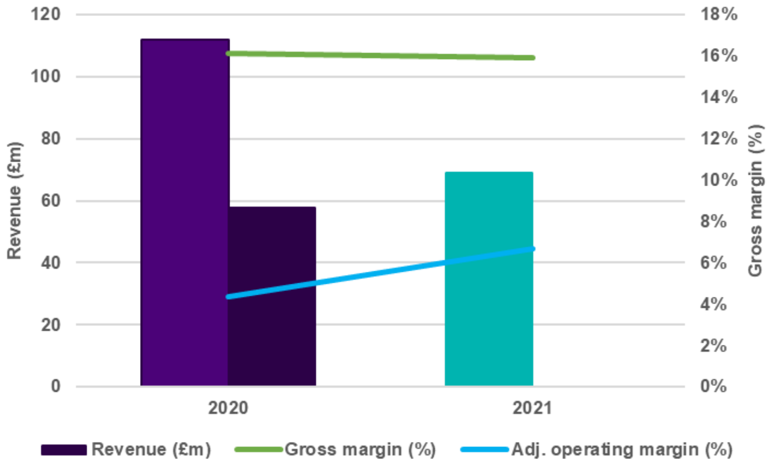
- Whilst APAC revenue was only up slightly on the prior year, reflecting the impact of extended lockdowns during the year, we believe the business made market share gains.
- Gross margins recovered due to both mix and an improvement in aged stock.
- The business is well positioned for the market recovery and there are early signs of increased project activity returning.
- Adj. operating profit increased marginally to £0.9m.

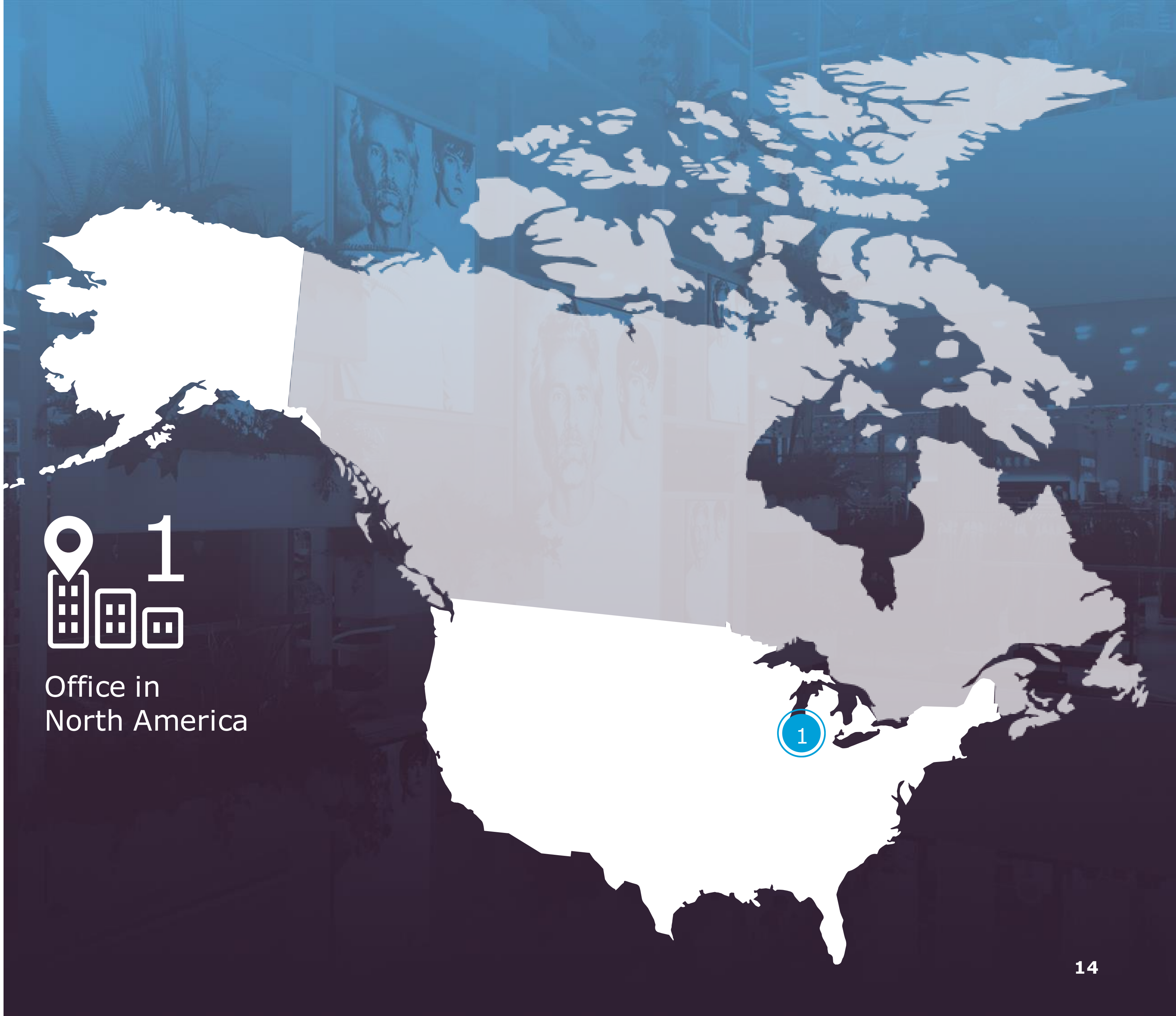


Midwich
Group Plc

North America

- Starin revenue of £69.1m was over 25% ahead of the prior year (excluding the fulfilment activity exited at the end of 2020).
- Gross margin of 15.9% reflects our specialist value added approach in a competitive market.
- The business is adding new brands and staff, and is well positioned for further growth.
- Adj. operating profit was £4.6m.





Trading results

Summary Income Statement				
£m	**2021**	**2020**	**Actual change**	**Constant currency change**
Revenue	**856.0**	**711.8**	20%	23%
Gross profit *Margin*	**131.3** *15.3%*	**101.8** *14.3%*	29%	32%
EBITDA (Adj.)	**40.1**	**22.7**		
Adjusted operating profit *Margin*	**34.0** *4.0%*	**16.5** *2.3%*	106%	110%
Net finance expense	(2.1)	(2.3)		
Adjusted PBT	**31.9**	**14.2**	125%	130%
Taxation	(7.8)	(3.9)		
Adjusted PAT	**23.9**	**10.3**	133%	139%
Adjusted EPS (p)	**25.63**	**11.20**	129%	
Special DPS (p)	**3.0**	**-**		
DPS (p)	**11.1**	**-**		

- Strong revenue recovery with growth of 20%.
- Organic growth of 18.9% despite impact of exiting Starin fulfilment activity in December 2020 (CFX growth of over 30% on a like for like basis).
- Partial recovery in gross margin as rebate targets reset, headwind on higher margin end users continues, but with signs of demand recovering.
- Good operating leverage with margin improving by 1.7% to 4.0%.
- Adjusted effective tax rate of 25.0% (2020: 27.8%) reflects favourable mix shift strong profit growth in UK&I and the addition of NMK (Dubai).
- Special dividend of 3p per share (paid July 2021).
- Final dividend of 7.8p per share proposed (payable June 2022) following an interim dividend of 3.3p per share.

Strong balance sheet

Balance Sheet (31 December)		
£m	**2021**	**2020**
Non-current assets	**107.5**	**89.7**
Inventories	125.8	84.0
Trade and other receivables	124.3	107.1
Trade and other payables	(143.9)	(111.8)
Net working capital (ex cash)	**106.2**	**79.3**
Cash and cash equivalents	15.5	25.5
Borrowings (ex leases)	(73.5)	(46.5)
Leases	(21.0)	(18.3)
Other short term liabilities	(6.8)	(10.1)
Other long term liabilities	(13.5)	(13.1)
Net assets	**114.4**	**106.5**
Net debt (reported)	**79.0**	**39.3**
Adj net debt (ex leases)	**58.0**	**21.0**
Net working capital as % of revenue	*12.4%*	*11.1%*

- Acquisitions of NMK, eLink and Intro2020 in the period.
- Increase in working capital reflects the recovery in activity during the year with some additional inventory to address supply chain challenges.
- Adjusted net debt of £58.0m (£21.0m at December 2020)
- Adjusted net debt equivalent to 1.4x Adj EBITDA (December 2020: 0.9x)
- Multibank RCF facility of £80m: c.50% utilised at 31 December 2021
- Approximately £100m of other facilities in place – mainly working capital
- Other liabilities include estimated payments for put/call options and deferred consideration
  - £4.4m due <12 months
  - £5.8m due >12 months

Midwich Group Plc

Investing in growth

Cash Flow		
£m	2021	2020
Adjusted EBITDA	**40.1**	**22.7**
Decrease/(Increase) in stock	(36.5)	34.9
Decrease/(Increase) in receivables	(12.5)	18.1
(Decrease)/Increase in adjusted payables	27.0	(31.6)
Cash flow from operations	**18.1**	**44.1**
Adjusted EBITDA cash conversion	***45%***	***194%***
Other cash items:		
Net interest payments	(2.4)	(2.6)
Income tax	(5.2)	(4.4)
Acquisitions/deferred consideration – net of cash acq'd	(30.1)	(26.5)
Debt acquired	-	(13.3)
Net share proceeds	-	38.9
Net capex	(5.5)	(3.3)
Right of use assets (mainly new facility leases)	(6.6)	(2.7)
Dividends paid	(5.6)	
Other (incl FX)	(2.4)	0.5
(Increase)/decrease in net debt	**(39.7)**	**30.7**

- Net cash flow from operations of £18.1m (2020: £44.1m) reflects investment in working capital to support business growth.
- Supply chain disruption makes working capital management more challenging and with some buffer stock investments to maintain supply.
- Over two years net cash conversion of 99% is ahead of our expectations of 70-80% per annum.
- Our collections teams continue to perform well and trade credit insurance remains in place for most of the Group
- Acquisitions payments in 2021 include NMK and eLInk plus the final payments for our broadcast businesses of New Media and Blonde Robot.
- Operation capex remains below historic levels due to subdued rental market, but we've invested in ERP (£1.6m).

Acquisitions

Post Year End

December 2020	April 2021	July 2021	January 2022	February 2022
nmk (a Midwich Group company)	KERN & STELLY / UC-Kompetenz von eLink	INTRO 2020	dvs DELIVERING VISION	nimans
UAE and Qatar	**Hamburg, Germany**	**Bracknell, UK**	**Cardiff, UK**	**Manchester, UK**
• 2019 revenue AED104m	• 2020 revenue €24m	• 2020 revenue £4m	• 2019/20 revenue £37.4m	• 2020 revenue £114m
• Operating across Middle East; • Heritage in professional audio, with brands such as Shure and Bose. Recently also moved into professional video; • New brands added already (eg Barco Clickshare) • Significant addition to our ability to support global integrators; • Move to new office/ experience centre in progress.	• Unified communications division of eLink; • Operating throughout the DACH region; • Has become the UC division of K&S; • Established value add distributor for UC brands Poly, Lifesize, DTEN and Yealink; • Master distributor for Zoom licences in DACH region.	• Acquisition of small UK photography distributor out of administration; • Becomes division of Holdan, providing new growth opportunity for us; • Gives expanded product range for broadcast business, and access to new customers and vendors.	• Specialist security products distributor • Strength in CCTV, intercom and access control • Strong technical support, including project design • Large customer base with little overlap • New product segment	• Long established and highly regarded distributor of UC, telecoms, networking and AV technologies • Brings new skills and vendors to our UC offering • Large customer base with little overlap

Summary and outlook

Continued recovery, with more to come

Revenue growth	Gross Margin	Adj. Op. Profit[1]	Adj. Net Debt[2]
20.3%	**15.3%**	**+105.7%**	**£58.0m**
CFX: 22.9%	2020: 14.3%	CFX: +110.4%	1.4x Adj. EBITDA

Strong market position

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

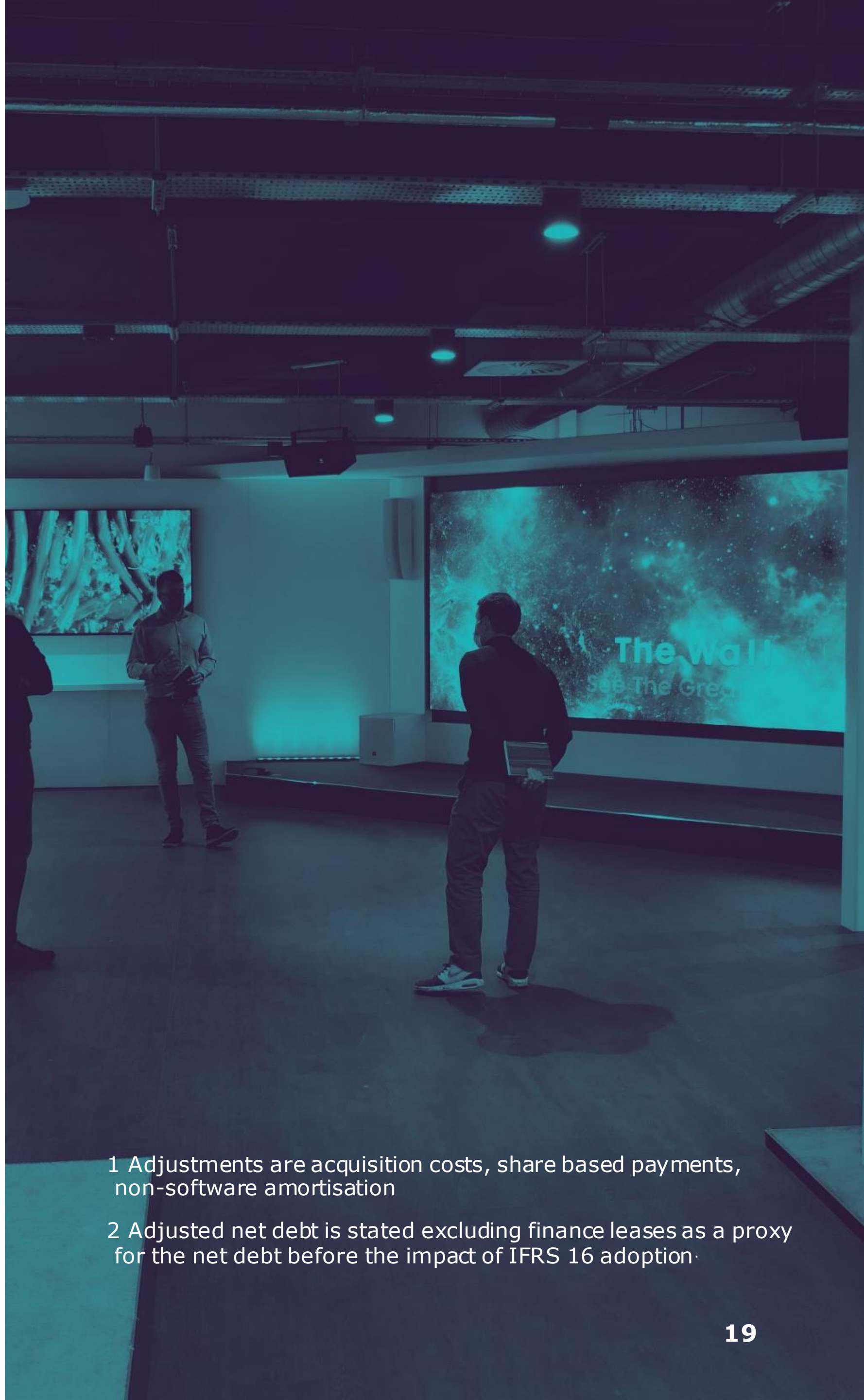
Positioned for growth

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

Positive outlook

- Long term AV market growth expected
- Broadening technology portfolio
- 2022 trading in line with Board expectations

Midwich Group Plc



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.

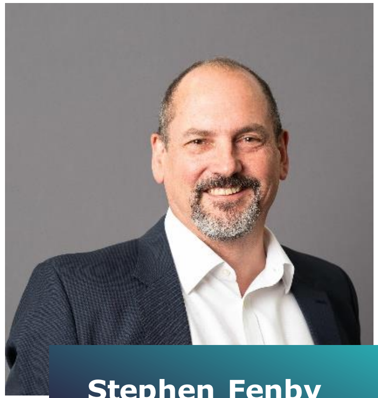
Appendices

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

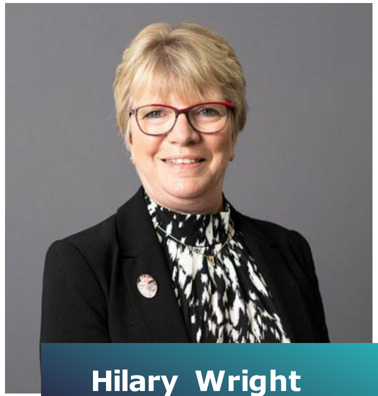
ACA qualified

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

Tom Sumner
Managing Director - EMEA

Mark Lowe
Managing Director – UK and Ireland

Lutz Kern
Regional Director - DACH

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.

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.

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.

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

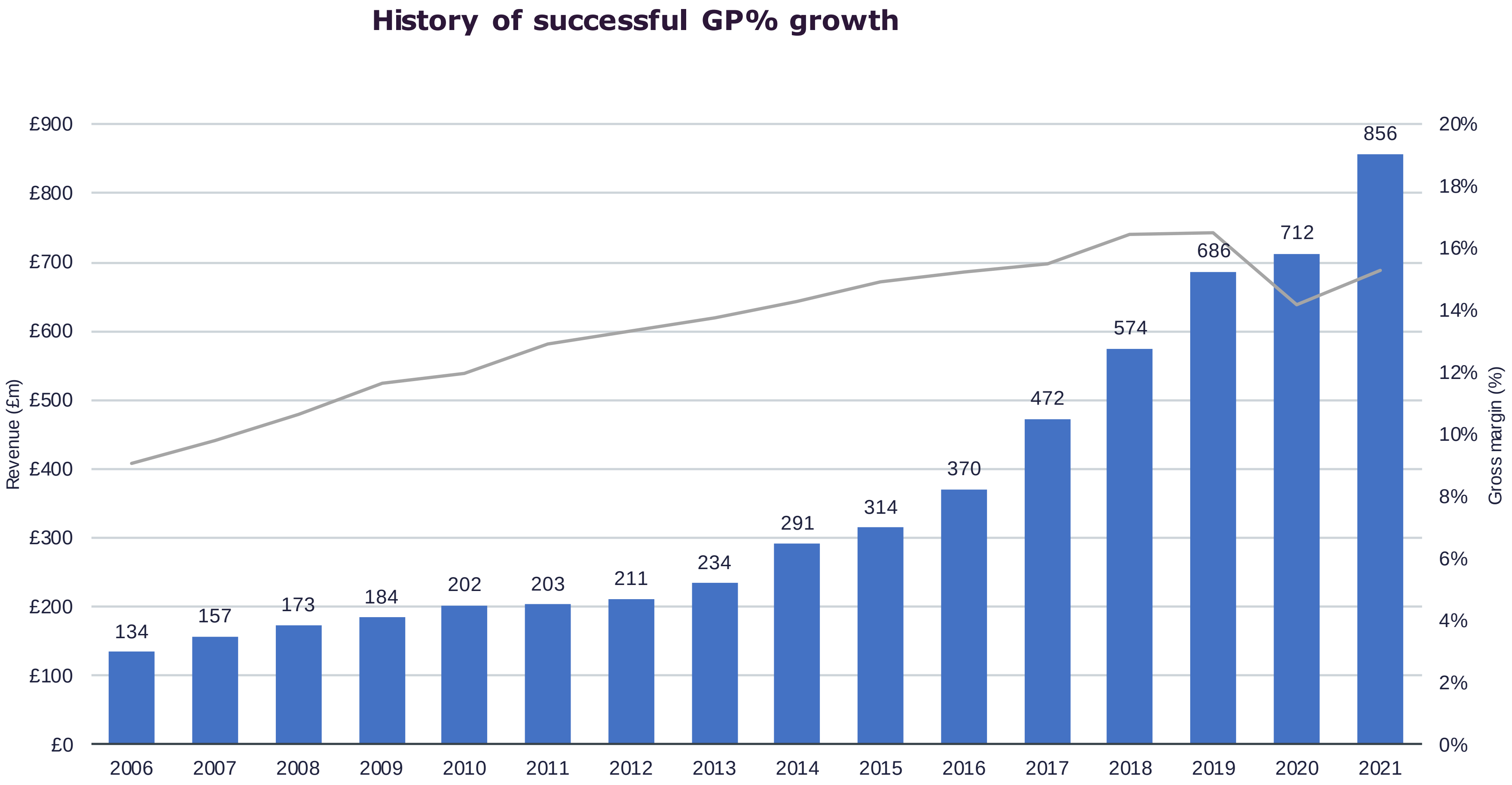
K&S became part of the Midwich Group in 2013 and has grown to become the largest specialist AV distributor in Germany

Lutz now oversees all our businesses in the DACH region

Midwich Group Plc

Long track record of growth

Fifteen years of unbroken revenue growth.



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"

Venice FC Arena
Venice

System Integrator:
AdueEmme sas

Project:
As the Venetian football club has been promoted in A Series, its Arena was asking for a structural upgrade to host the key matches. Prase has supported the system integrator and the project manager in choosing and testing the right PA, sound system and LEDwall resistant to the unique lagoon environment and capable to engage the fans.

Cattolica University
Milan

System Integrator:

Mezzi Comunicazione Audiovisiva Srl

Project:

Due to the new era of hybrid education, one of the main effects of the pandemic, the University has invested in a structural audio upgrade. Now the courses may be run on-site, remote or both at the same time. Prase has supported the Tech team in choosing the right technology with onsite demos and tests.

Traffic Control Centre
Dublin

System Integrator:

DigiCom

Project:

Operational 24/7, the Motorway Traffic Control Centre receives multiple live data feeds from Dublin's road and tunnel network. A vast 15 metre long NEC video wall provides operators with instant access to information as they maintain safe and efficient traffic management.

Information is received from incident detectors in the road, automatic number-plate recognition systems, emergency response telephones, CCTVs and weather stations among others.

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 2021

Global Pro AV Market Size by Region - 2021

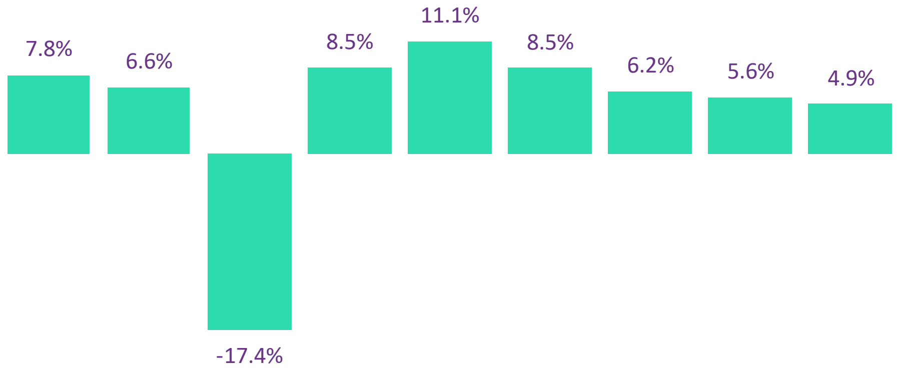
Geographic Area	Share of Global	Total Revenue ($bn)
Europe	22%	51.0
Middle East & Africa	4%	10.4
North America	32%	73.1
Latin America	5%	10.5
Asia Pacific	37%	86.8
Total	**100%**	**231.9**

Global Pro AV Market – Key Geographical Areas- 2021

Geographic Area	Share of Global	Total Revenue ($bn)
USA	22%	67.2
China (Mainland)	16%	52.5
Middle-East & North Africa	3%	8.8
Rest of South America	1%	3.5
Germany	3%	9.0
Rest of Western Europe	2%	5.1
Central Europe	3%	8.7
Brazil	1%	4.2
UK	2%	6.0
Canada	2%	5.9
South East Asia	2%	6.1
Japan	3%	8.8
France	2%	5.8

Global Pro AV Market Revenues ($m)

2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	CAGR (20121-2026)
225.0	242.6	258.6	213.7	231.9	257.7	279.6	296.9	313.6	329.0	7.24%



Geographic Area	2021	2026	CAGR
Europe	51	70.4	6.64%
Middle East & Africa	10.4	14.6	6.96%
North America	73.1	101.7	6.83%
Latin America	10.5	15.1	7.48%
Asia Pacific	86.8	127.2	7.94%
Total	**231.9**	**329.0**	**7.24%**

Midwich Group revenue accounted for

0.3%

of the total global market in 2021

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

The Community & 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

Every office to have a community programme

To donate AV equipment to local schools

Group results highlights
12 months ended 31 December 2021

	12 months to 31 December 2021 £m	12 months to 31 December 2020 £m	Growth %	Constant currency growth %
Revenue	856.0	711.8	20%	23%
Gross Profit	131.3	101.8	29%	32%
Gross profit margin	15.3%	14.3%		
Adjusted operating profit[1]	34.0	16.5	106%	110%
Adjusted profit before tax[2]	31.9	14.2	125%	130%
Adjusted profit after tax[2]	23.9	10.3	133%	139%
Adjusted EPS[2]	25.63	11.20	129%	

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 – 2021

Region	Revenue 2021 £m	Revenue 2020 £m	CFX %	Org %	GP % 2021	GP % 2020	GP % Change
UK&I	286.1	224.4	27.7%	27.7%	15.8%	14.0%	+1.8%
EMEA	455.4	331.1	41.8%	34.5%	14.7%	13.8%	+0.9%
APAC	45.4	44.5	1.4%	1.3%	17.5%	15.3%	+2.2%
North America	69.1	111.8	(34.3)%	(37.8)%	15.9%	16.1%	-0.2%
Total	**856.0**	**711.8**	**22.9%**	**18.9%**	**15.3%**	**14.3%**	**+1.0%**

Adjusted operating profit[1]	£m	£m	CFX %
UK&I	12.7	3.9	226%
EMEA	21.4	9.4	133%
APAC	0.9	0.8	9%
North America	4.6	4.9	(2)%
Group	(5.5)	(2.5)	
Total	**34.0**	**16.5**	**110%**

Note, North America growth is impacted by the exit of low margin fulfilment activity in 2020. Excluding this impact North America organic growth was over 25% in the period and Group growth at CFX over 30%.

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

1 Adjustments are costs relating to the initial public offering, acquisition costs, share based payments, amortization of acquired intangibles
2 2018 restated to reflect the adoption of IFRS 16 and to include amortisation of patents and software

Adjustments to statutory results – 2021

£m	2021	2020
Statutory operating profit/(loss)	**21.0**	**7.1**
Acquisition related expenses	0.5	0.5
Share based payments and employer taxes	5.3	2.7
Amortisation of acquired intangibles	7.2	6.2
Adjusted operating profit	**34.0**	**16.5**

Statutory profit after tax	**13.5**	**(3.4)**
Operating profit adjustments (above)	13.0	9.5
Derivative movements and FX gains/losses on borrowing for acquisitions	(2.1)	2.3
Finance costs – change in carrying value of deferred consideration/Put & call options	2.0	3.4
Tax impact of adjustments	(2.5)	(1.5)
Adjusted profit after tax	**23.9**	**10.3**

Note, adjusted profit after tax after non-controlling interests is £22.9m for 2021 (£9.9m for 2020)

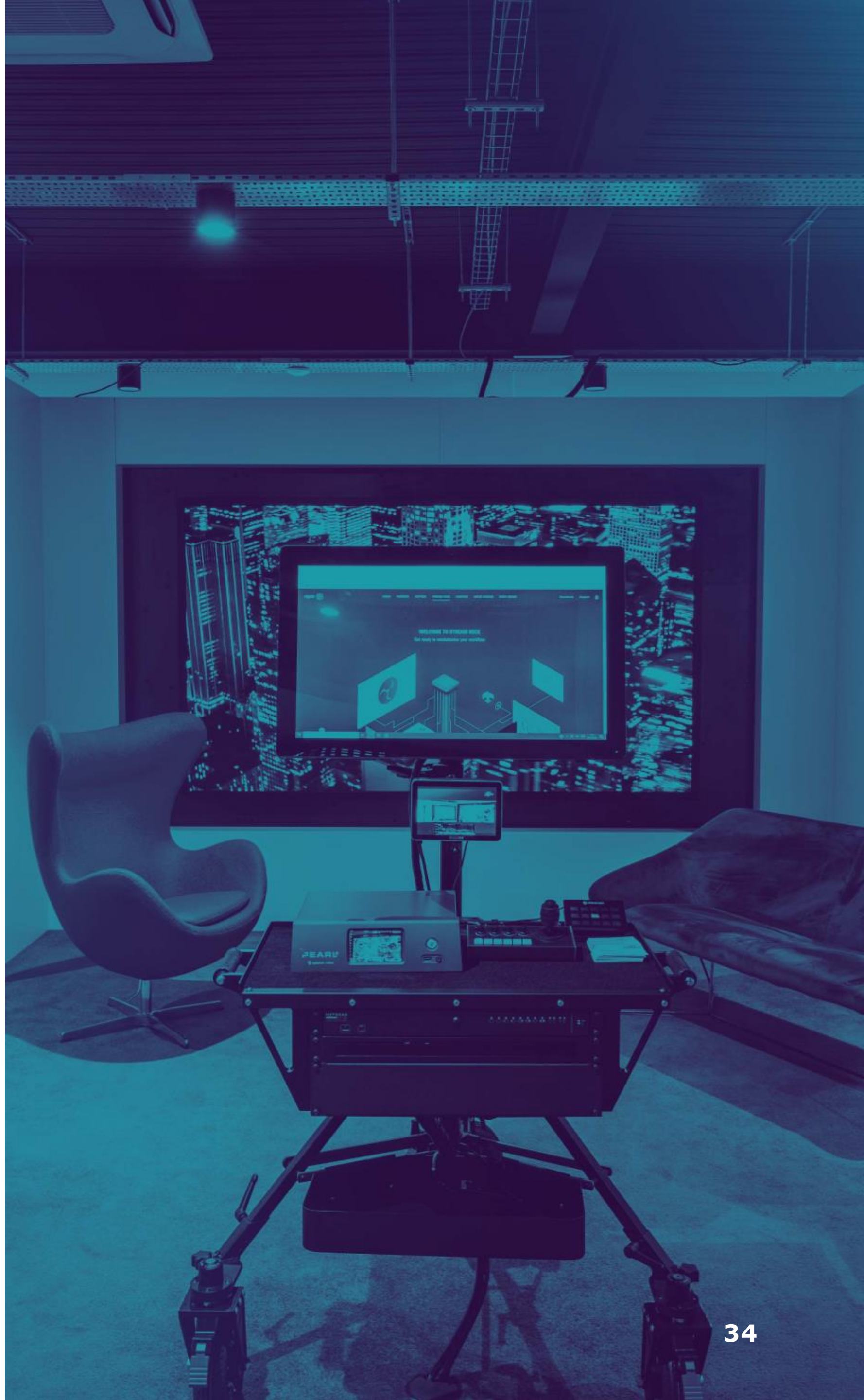
Midwich Group Plc

1 Adjustments are costs relating to the initial public offering, acquisition costs, share based payments, amortization of acquired intangibles
2 2018 restated to reflect the adoption of IFRS 16 and to include amortisation of patents and software

Modelling considerations

Acquisitions	Acquisition of DVS and Nimans result in c£25m of M&A payments in Q1 2022 M&A/deferred consideration payments c.£4m in 2022
ERP amortisation	ERP programme resumed in late 2020 with initial "go live" expected in H1 2023 Amortisation of core platform will be c£1.5m per annum
Interest (adjusted)	Expected to be £3.5m in 2022 after Q1 M&A
Tax	Effective rate in 2022 at c26% of adjusted profit
FX	No significant impact from FX vs 2021 at current rates
Capex	Full year to be c£10m including ERP and experience centres/office investments (Dubai/Germany) and before leases
Dividend policy	Dividends at 2-2.5 times cover

Midwich
Group Plc




Midwich
Group Plc
Present