



2023 HALF YEAR RESULTS

September 2023

*Local
solutions*
**GLOBAL
IMPACTS**

DELIVERING EXPERIENCES
BEYOND EXPECTATIONS

Midwich
Group Plc

FINANCIAL HIGHLIGHTS

Revenue

£610m

2022: £569m

Growth

7.4%

CFX: 5.1%

Organic growth

2.3%

2022: 27.9%

Gross Margin

16.3%

2022: 14.9%

Adjusted operating profit¹

£26.4m

2022: £20.2m

Adjusted op. profit margin¹

4.3%

2022: 3.6%

Adjusted PBT²

£21.8m

2022: £19.2m

Interim Dividend

5.5p

2022: 4.5p

Adjusted EPS

16.9p

2022: 15.4p

Operating cash conversion³

27%

2022: (32%)

Adj net debt⁴

£102.1m

2022: £112.5m

Adj. leverage⁴

1.5x

2022: 2.1x

“Strong gross margin improvement resulting in operating profit growth of over 30%”

Notes

1 Adjustments are acquisition costs, share based payments, amortization

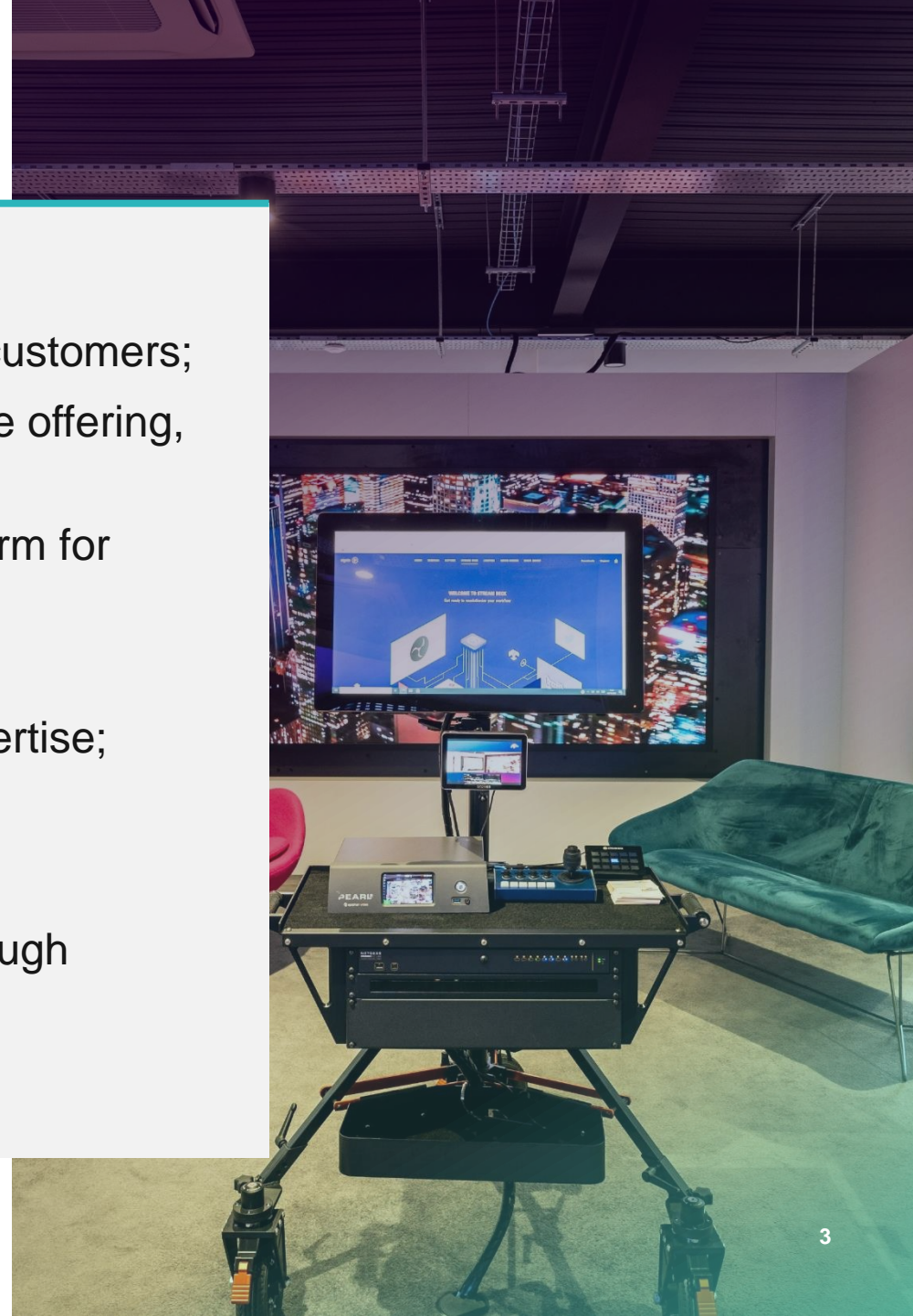
2 Adjustments are acquisition costs, share based payments, amortization, fx gains/losses on acquisition borrowings, put and call option finance costs

3 Adjusted operating cash/Adjusted EBITDA

4 Excludes lease liabilities. Adjusted leverage includes proforma earnings from acquisitions completed within the last 12 months

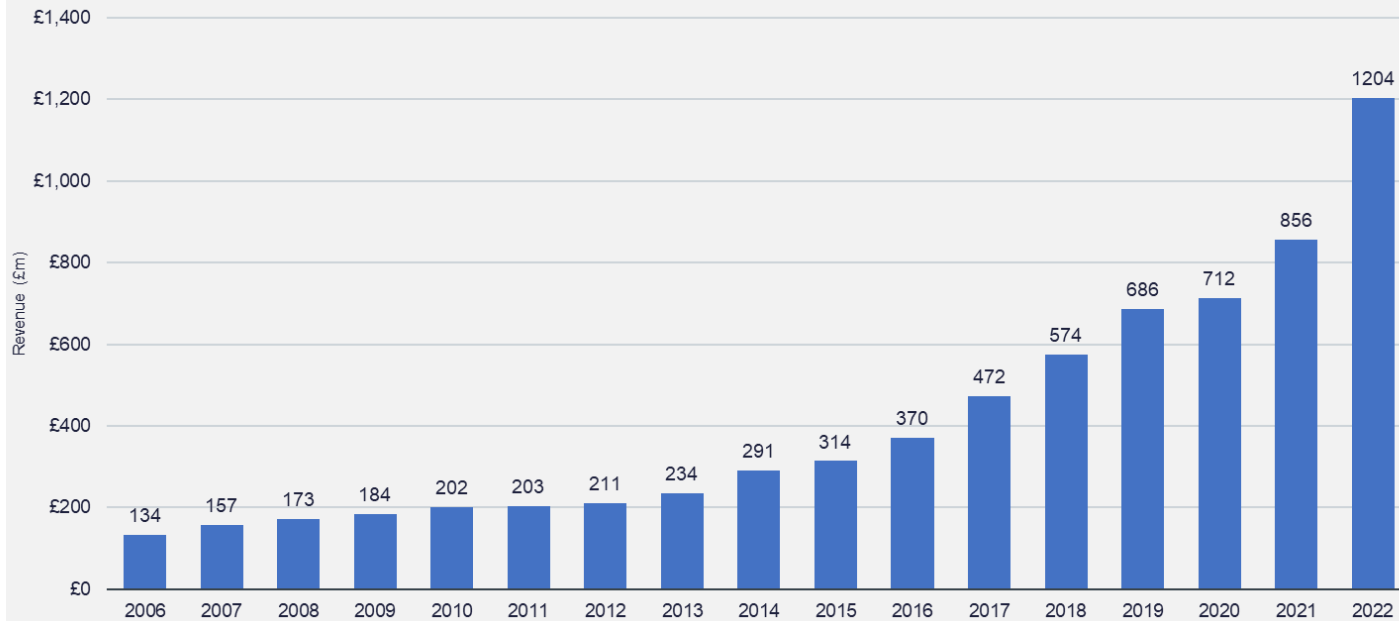
STRENGTHS AND DEFENSIBILITY

- ✓ Focus on the AV market;
- ✓ Key long-term, value-add relationships with major vendors and customers;
- ✓ High value-add distribution with specialisms and bespoke service offering, acting as a key differentiator;
- ✓ Leading competitive position and established international platform for future growth;
- ✓ Compelling drivers for a market with proven long-term growth;
- ✓ Experienced management team with long-standing industry expertise;
- ✓ Proven buy and build capabilities;
- ✓ Ability to drive strong organic growth;
- ✓ Strong financial track record and delivery of growth strategy through economic cycles;
- ✓ Proven ability to manage cash in a challenging market.



LONG TRACK RECORD OF GROWTH

Sixteen years of unbroken revenue growth



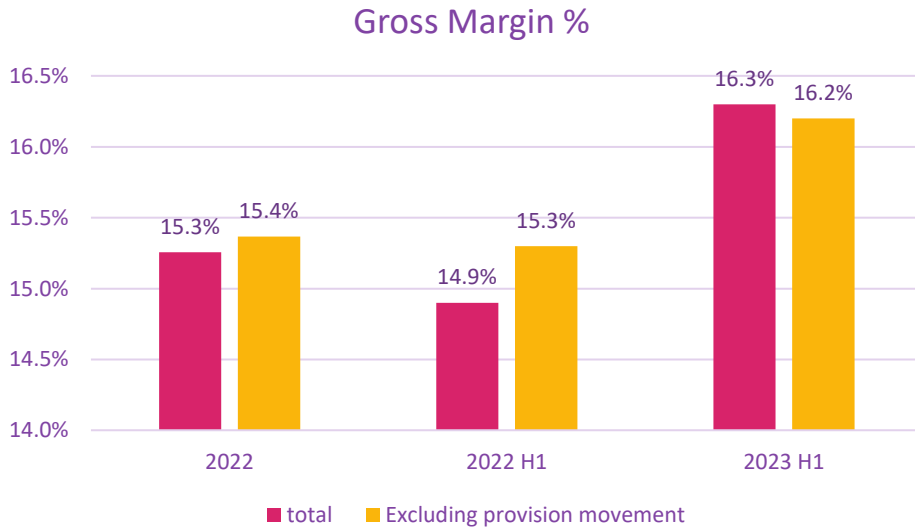
CAGR over 16 years of 15% (21% since 2019)

The Group has achieved compound annual growth in revenue and adjusted operating profit since IPO in 2016 of 22% and 19% respectively, testament to the strength of our long-term strategy and the quality of our teams.

PROFITABILITY TRENDS

Gross Margin

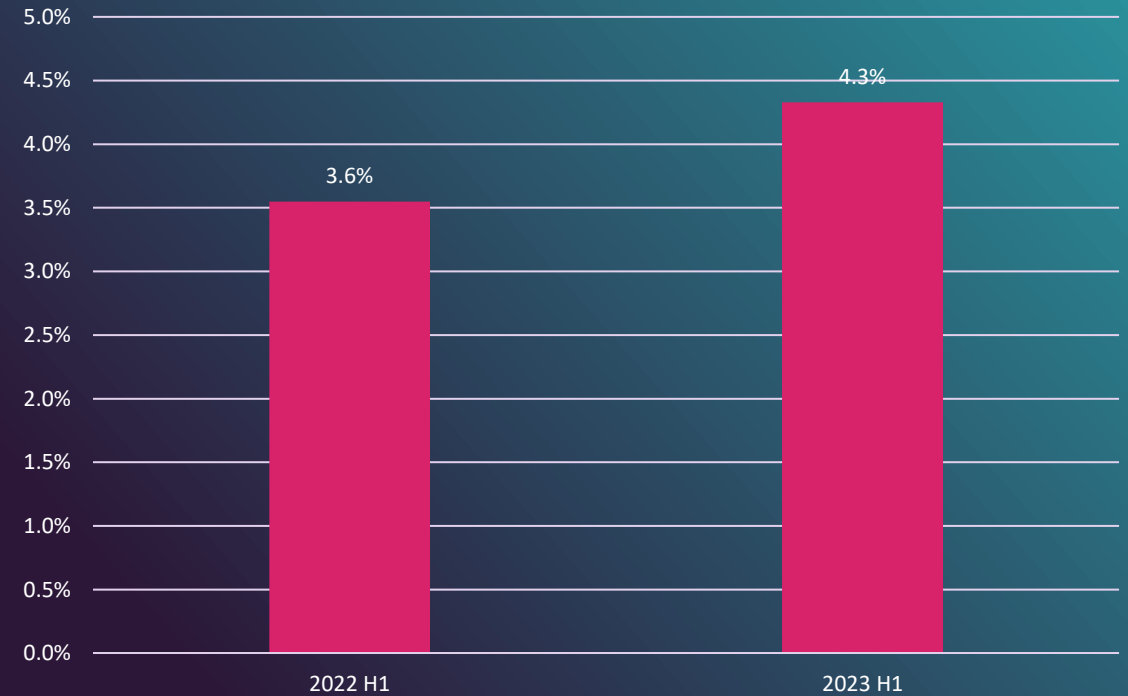
Favourable product mix has led to significant improvement in gross profit margin. Little impact from aged stock provision movements in H1 2023.



Full year gross margin likely to be particularly influenced by:

- Continued strength of higher margin product areas – often linked to “in-person” activities;
- Recovery rate of corporate and education business.

Adjusted EBIT Margin



Steady improvements in EBIT margins are an important focus for the business

CURRENT LANDSCAPE

General Market Conditions




- General economic weakness having an impact on our markets – to varying degrees;
- UK&I and Australian markets particularly impacted, with some impact in US and mainland Europe. Continued strength in Middle East;
- COVID-related factors now virtually eliminated, with just a few product shortages in some audio/ technical product categories remaining;
- Corporate market demonstrating weakness with impact on demand for UC solutions;
- Unusually, we have seen some softness in discretionary education spend, with some funding diverted to pay for higher salary and energy costs;
- Live events and entertainment continue to be strong.

Our Business

- Order books remain healthy;
- Mainstream product areas most affected by economic downturns, with our focus on higher margin product areas more than compensating;
- Market shares generally stable or increasing;
- Six deals completed year to date, integration underway;
- Strong future acquisition pipeline, with a number of transactions in due diligence.



LONG TERM GROWTH 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

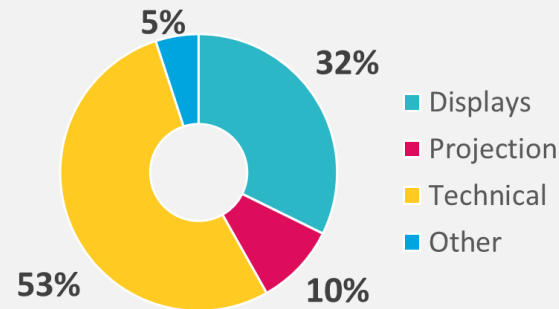
¹Technical products generally require specialist technical knowledge to sell and often form part of complex solutions

REVENUE DEVELOPMENT OF THE BUSINESS

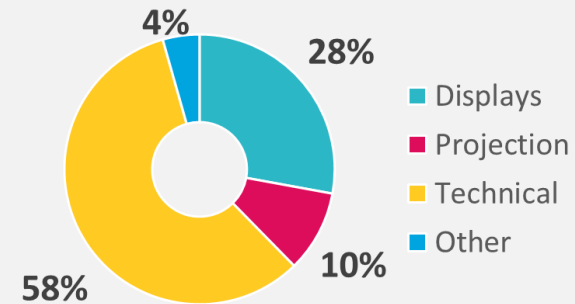
Specialisation



H1 2022



H1 2023

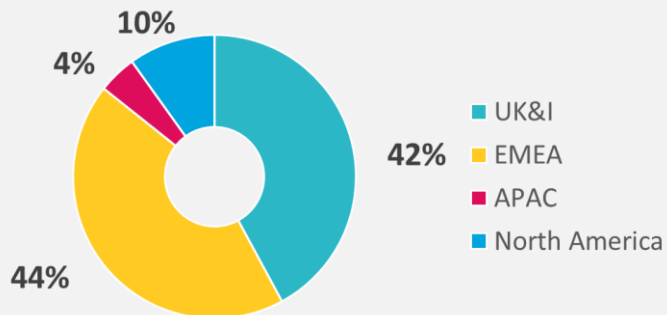


- Technical product categories continues to increase in importance (2019 36%);
- Displays and projection now 38% of sales (2019 57%);

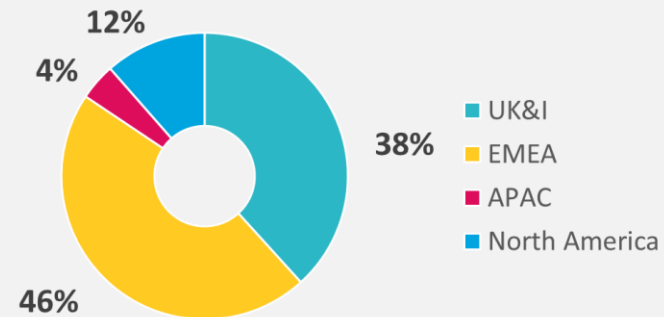
Geographical Coverage



H1 2022



H1 2023



- Increase in North America and EMEA mix in line with Group strategy and long-term trend;
- Proforma North America with SFM c.16%.

LOW CONCENTRATION OF CUSTOMERS AND VENDORS (2022 DATA)

Vendors



- Largest supplier accounts for 11% of sales;
- Top 10 vendors account for 45% sales;
- 12 of our top 20 vendors have started working with us in the last 5 years;
- Total vendors 860 – of which 113 had sales over £1 million;
- One third of our top 20 vendors are in Unified Communications & Collaboration (“UC&C”) – was zero 3 years ago.

- Reduced vendor concentration dilutes risk;
- Significant gains from winning and growing new vendors;
- Broad and deep portfolio difficult to replicate.

Customers



- Largest customer accounted for 1.7% of revenue over multiple territories;
- Top 10 customers accounted for 11% total revenue;
- Around 50% of top 20 customers have international operations;
- Top 261 customers accounted for 50% of group revenue;
- Over 20,000 customers spent under £100k with us;
- Total traded accounts over 22,000;
- YTD acquisitions add c.2000 customers.





- Low customer concentration mitigates risk;
- Our global network supports a significant number of major accounts;
- Long tail of accounts difficult to reach by vendors.

MARKET DATA

2023

- AVIXA has downgraded global ProAV growth in 2023 to 7.6%, but we believe this remains overoptimistic and that a further downward revision could be made later in the year;
- Significant reductions were seen in flat panel, interactive displays and projection markets in H1 2023 (Futuresource);
- Indications from manufacturers are that UC&C demand could be c.20% down in H1 2023 compared with H1 2022, although long-term growth expected to exceed GDP.

Longer term trends – AVIXA 2023 report:

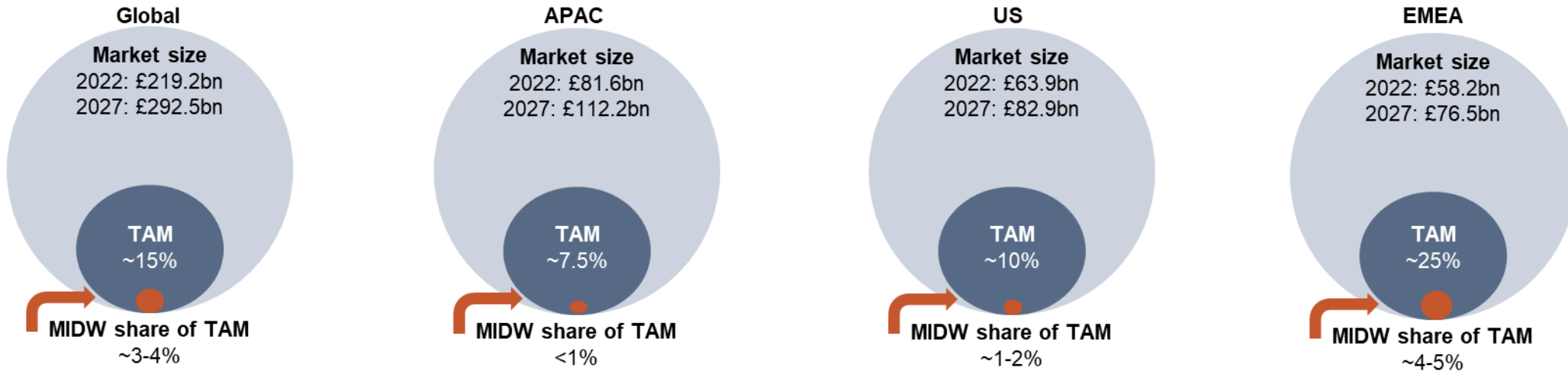
 <p>Steady State Ahead</p>	With recession risks ebbing and flowing, the general expectation is for a return to a steady state of modest growth. This brings average AV growth back to pre-pandemic levels.	 <p>Software and Control</p>	Though product growth is normalizing, control/collaboration and software show the strongest outlook. Both categories are placing increased roles across many solutions.
 <p>Supply Over and Under</p>	The supply chain for pro AV has been a mixed bag with some categories still experiencing shortage while others are in oversupply. Prices fluctuate accordingly, impacting growth.	 <p>Shift Toward Distributor</p>	Updated data on the tiers of distribution show a pronounced shift away from direct purchasing by end users and more involvement by distributors. Supply management is a driver.

Market expected to grow at CAGR 5.6% over 5 years to reach \$402bn by 2028.

Source: AVIXA 2023

SIGNIFICANT MARKET OPPORTUNITY

Our TAM by Global Region



Substantial
addressable
Market

Opportunity
to grow
remains
Significant

Note: Assumes £1=\$1.22 in 2022 and 2027 and £1= \$1.37 in 2021

Addressable market is an estimate based on:

Total market size less estimates for:

- Integrator value add
- Manufacturer direct sales
- Low margin business not of interest
- Geographical markets not of interest currently (eg Russia, China, South America)

Possible additions not taken into account:

- Manufacturers switching direct business through the channel
- Expansion of our channel services offering

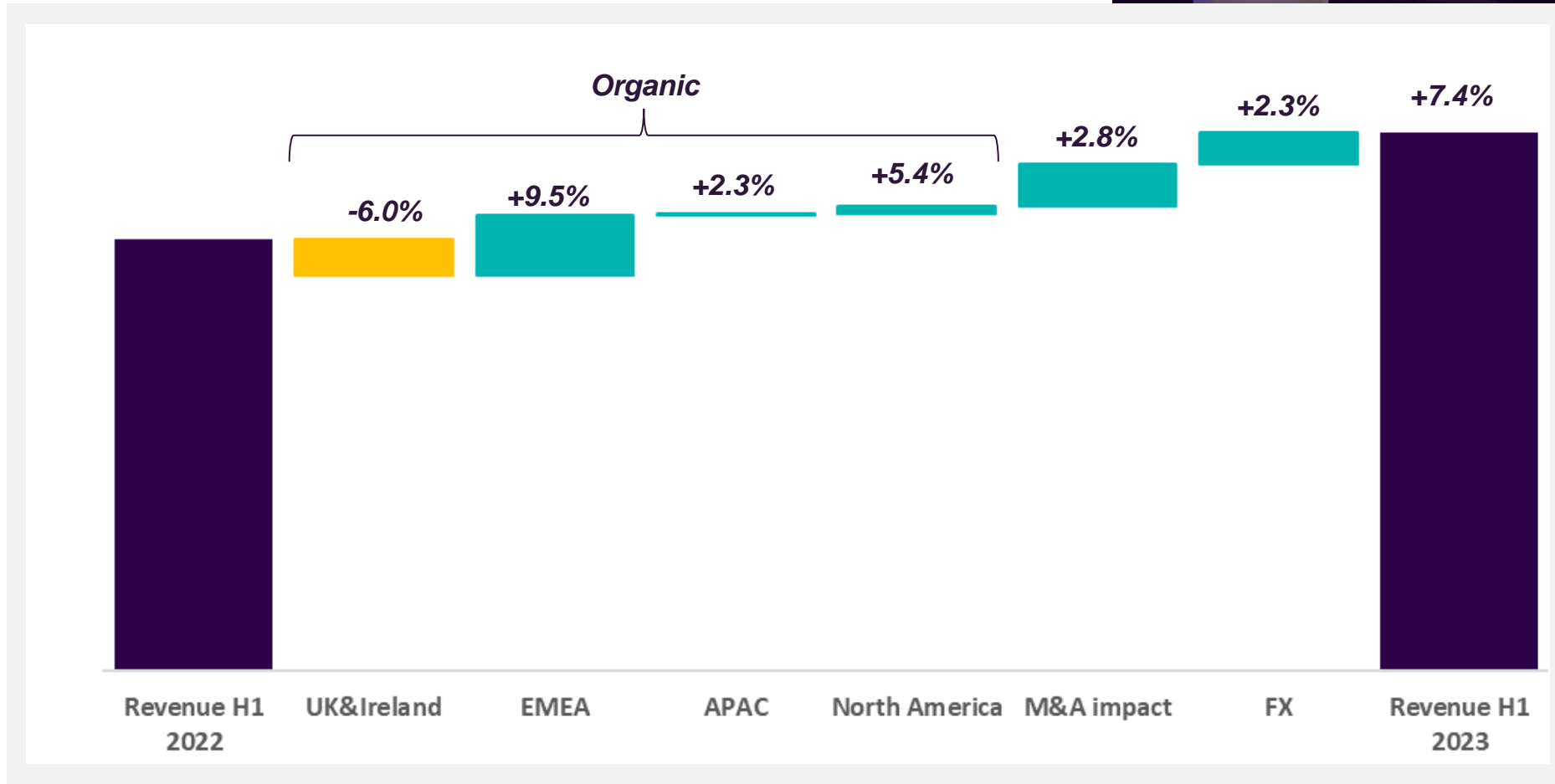
Targeting addressable market opportunity:

- Larger sales resource to penetrate deeper into customer base
- Expand range of brands within current segments
- Expand into new technologies in markets where we don't have an offering
- Expand into new countries

2027 global revenue scenarios: (£ million)

Impact of increasing share of TAM		
5%	7%	10%
2,194	3,071	4,388

REVENUE BRIDGE H1 2023



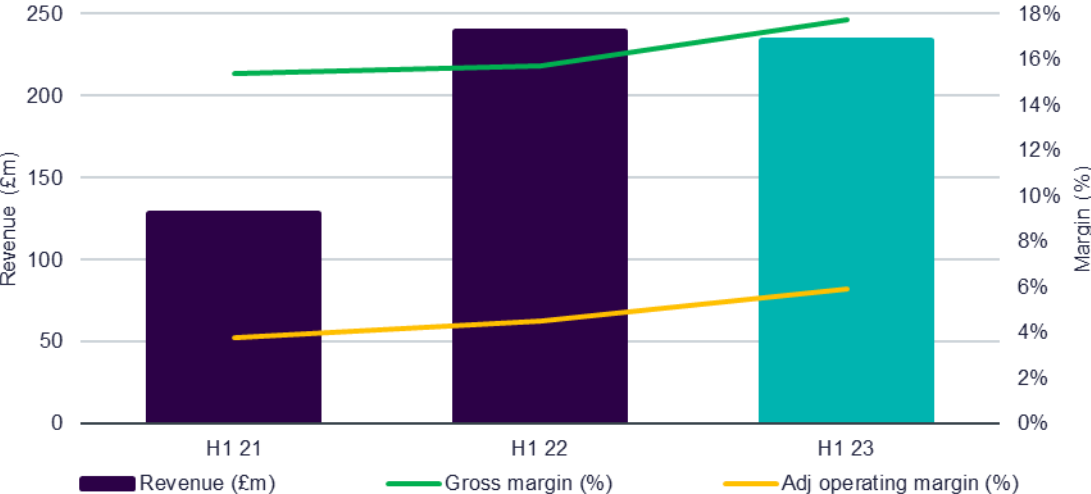
vs H1 2022

5.1%
Revenue increase (CFX)

2.3%
Organic revenue increase

UK & IRELAND (38% GROUP REVENUE)

- After an exceptionally strong H1 2022, which saw some post Covid-19 expenditure catch up and associated revenue growth of 86.3%, revenue in the UK & Ireland (UK&I) was marginally below the prior year. This reflected a slower market for mainstream products, which is attributed to delayed expenditure by corporate and education end users.
- Exceptional increase in gross margin percentage to 17.7% (H1 2022: 15.7%) reflecting positive product mix with further growth in technical products and the continued recovery in higher margin markets such as live events, entertainment and hospitality.
- Record UK&I H1 operating profit at £13.9m (+28.6% vs H1 2022 at CFX).



AV Hub
EXPERIENCE CENTRE,
EDINBURGH



Offices in UK & Ireland

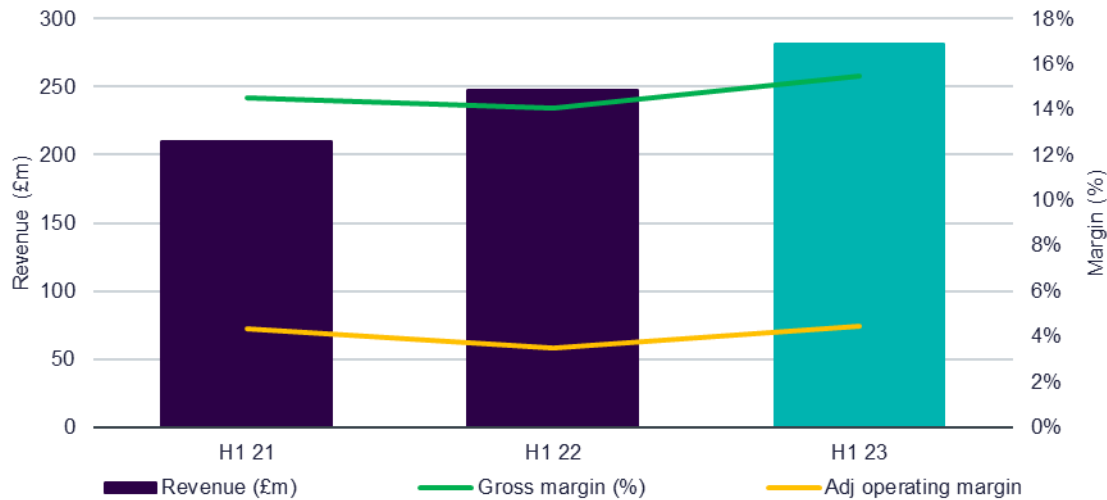


Innovation House

UK Experience Centre
INNOVATION HOUSE

EMEA (46% GROUP REVENUE)

- The EMEA region comprises our businesses in France, Germany, Switzerland, Benelux, Norway, Italy, Iberia, and the Middle East.
- Revenue, on a constant currency basis, increased by 9.5% to £281.3 million, with organic growth also being 9.5%.
- Whilst Germany, EMEA's largest market, experienced similar market softness to that seen in the UK, there was good growth in all other territories with very strong demand for technical solutions, including pro audio, resulting in exceptional growth in Southern Europe and the Middle East.
- Gross margins in EMEA increased by 1.4% to 15.5% due to favourable product mix.
- Adjusted operating profit in EMEA increased by 39% (on a constant currency basis).



Offices in EMEA

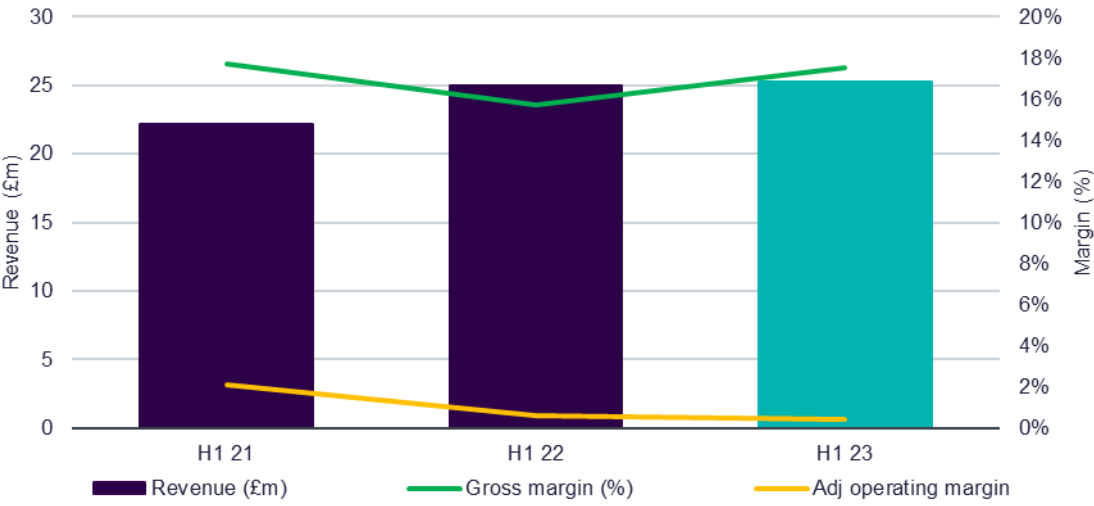


ASIA PACIFIC (4% GROUP REVENUE)

- Revenue in Asia Pacific was up 2.3% on the prior year.
- There was good growth in mainstream product demand, whilst broadcast sales returned to normal after a period of strong demand during the pandemic. Whilst we continue to see a higher level of enquiries for larger projects this part of the market has yet to return to pre-pandemic levels.
- The Asia Pacific gross profit margin of 17.5% was 1.8 percentage points above H1 2022, reflecting increased technical product mix.
- Adjusted operating profit in Asia Pacific was £0.1m (H1 2022: £0.2m).

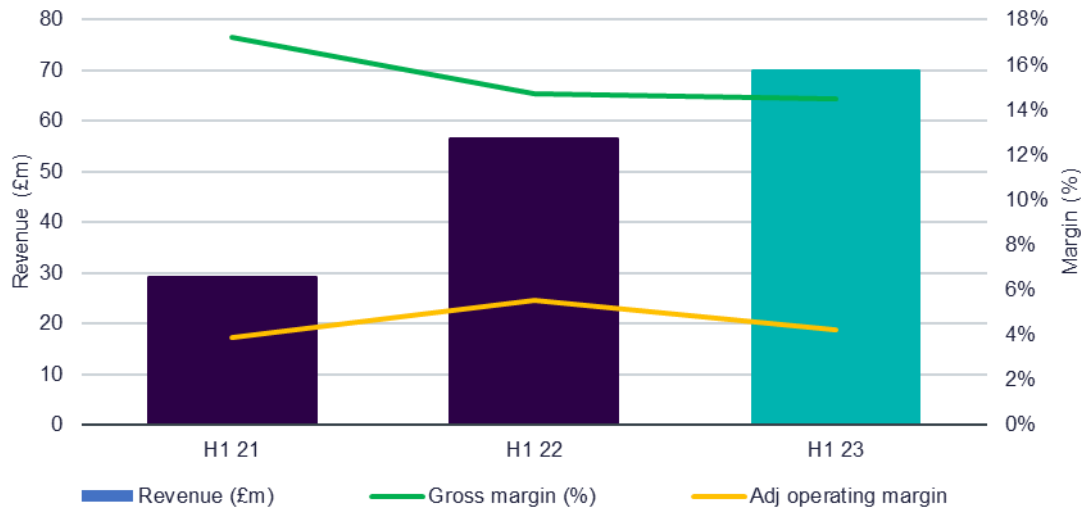


Offices in Asia Pacific



NORTH AMERICA (12% GROUP REVENUE)

- Organic revenue at Starin (our US business) increased by 5.4% reflecting continue demand for UC&C solutions. Starin continues to deliver gross margins which we understand are ahead of the wider North American market at 14.5%.
- First month's contribution following the acquisition of SFM (Canada) in June 2023 increases growth to 18.7% (in constant currency).
- Exchange rate benefits increased reported growth to 23.9%. This currency trend is expected to reverse in the second half of the year.
- Adjusted operating profit in North America was slightly below the prior year at £3.0m (H1 2022: £3.1m) reflecting further investment in sales and business management staff in order to support future growth.
- Two further acquisitions in July 2023.



TRADING RESULTS

Summary Income Statement

£m	H1 2023	H1 2022	Actual change	Constant currency change
Revenue	610.4	568.6	7.4%	5.1%
Gross profit <i>Margin</i>	99.6 16.3%	84.7 14.9%	17.6%	15.2%
EBITDA (Adj.)	30.5	23.8		
Adjusted operating profit <i>Margin</i>	26.4 4.3%	20.2 3.6%	30.9%	27.9%
Net finance expense	(4.6)	(1.0)		
Adjusted PBT	21.8	19.2	13.4%	10.5%
Taxation	(5.7)	(4.8)		
Adjusted PAT	16.1	14.4	11.6%	
Adjusted EPS (p)	16.93	15.42	9.8%	
DPS (p)	5.5	4.5	22.2%	

- Further revenue growth of 5.1% (CFX) to £610m;
- Organic revenue growth of 2.3% reflects strong performance in technical products with some headwinds with respect to mainstream product demand;
- Exceptional improvement in gross margin attributable to favourable product mix following the strong recovery in demand for live events and return to normal product availability;
- Record adjusted operating profit at £26.4m up 27.9% (CFX) on prior year;
- Interest rate increases impact adjusted PBT which was up 13.4% (CFX);
- Adjusted effective tax rate of 26.1% (2022: 24.9%) reflects increase in UK tax rates;
- Adjusted EPS growth of 10% to 16.93p per share;
- Interim dividend up by 22% to 5.5p per share.

STRONG BALANCE SHEET

Balance Sheet (30 June)		
£m	2023	2022
Non-current assets	164.5	151.5
Inventories	168.3	171.4
Trade and other receivables	237.0	216.8
Trade and other payables	(222.3)	(233.4)
Net working capital (ex cash)	182.9	154.8
Cash and cash equivalents	20.1	17.4
Borrowings (ex leases)	(122.2)	(129.9)
Leases	(22.8)	(23.0)
Other short term net liabilities	(17.8)	(4.3)
Other long term liabilities	(22.4)	(43.3)
Net assets	182.3	123.3
Net debt (reported)	124.9	135.5
Adj net debt (ex leases)	102.1	112.5
<i>Net working capital as % of revenue¹</i>	13.8%	13.6%

- **Non-current assets: Increase** relates to the acquisition of SFM in Canada in June 2023;
- **Increase in working capital** reflects the growth in revenue and the SFM acquisition;
- **Adjusted net debt of £102.1m** (£112.5m at June 2022);
- **Adjusted net debt equivalent to 1.5x Adj EBITDA²** (June 2022: 2.1x). Covenant 3.0x;
- **Multibank RCF facility of £175m: c.30% utilised at 30 June 2023;**
- **Over £100m of other facilities in place – mainly working capital;**
- **Other liabilities include estimated payments for put/call options and deferred consideration**
 - £18.9m due <12 months
 - £6.2m due >12 months.

¹ excluding the impact of SFM acquired in June 2023

² includes proforma EBITDA for acquisitions completed in the last 12 months





















INVESTING IN GROWTH

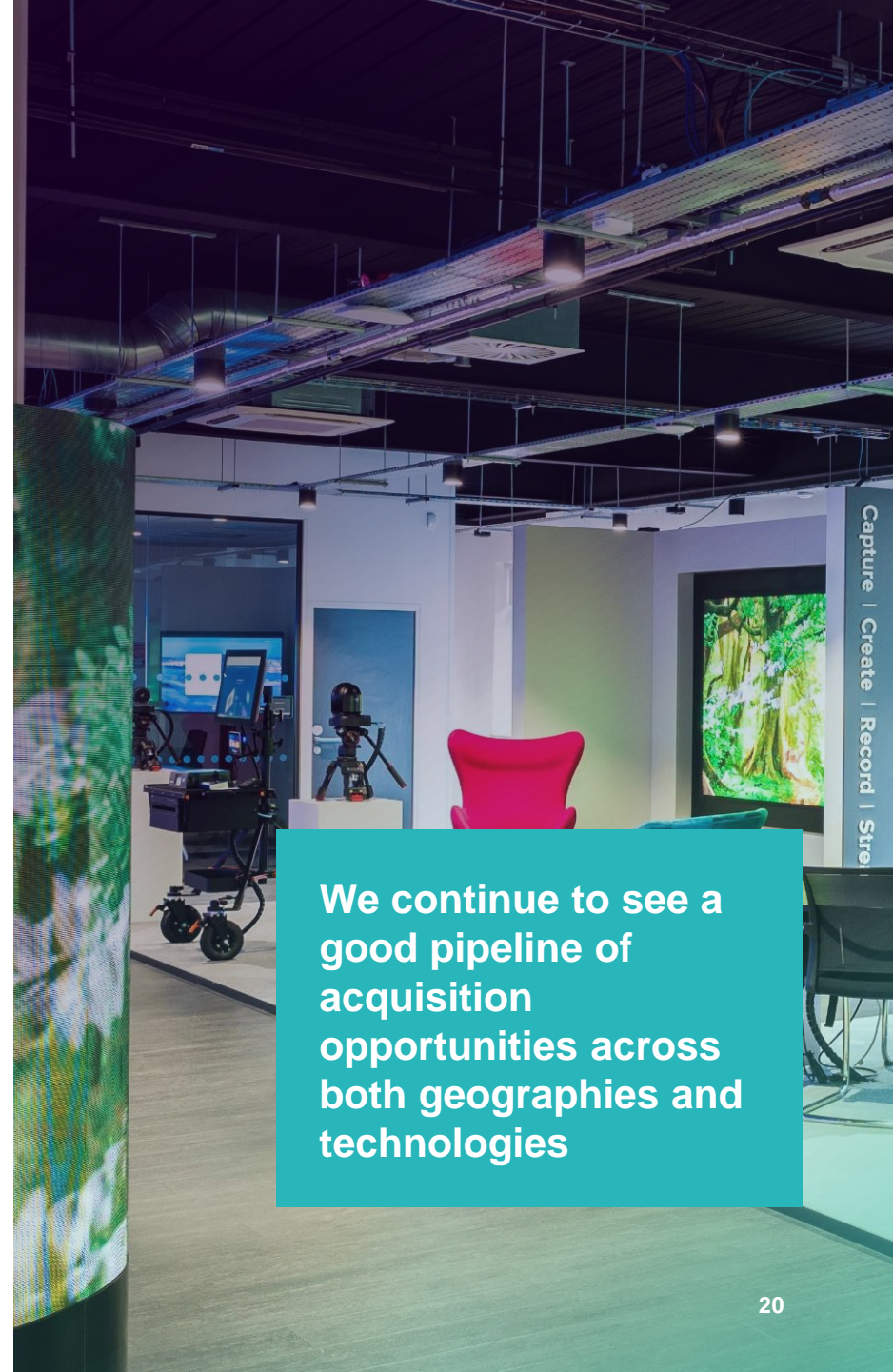
Cash Flow		
£m	H1 2023	H1 2022
Adjusted EBITDA	30.5	23.8
(Increase) in stock	2.3	(27.3)
(Increase) in receivables	(9.1)	(68.8)
Increase in adjusted payables	(15.5)	64.7
Adjusted cash flow from operations	8.2	(7.6)
Adjusted EBITDA cash conversion	27%	(32%)
Other cash items:		
Interest payments	(4.6)	(1.9)
Income tax	(6.1)	(3.7)
Acquisitions/deferred consideration	(29.5)	(23.4)
Debt acquired	(2.8)	(6.7)
Net share proceeds	50.0	-
Net capex	(8.2)	(5.4)
Right of use assets (mainly facility leases)	(1.2)	(0.4)
Dividends paid	(9.4)	(6.9)
Other (incl FX)	(1.9)	(0.5)
(Increase)/decrease in net debt	(5.5)	(56.5)

- Adjusted net cash inflow from operations before tax of £8.2m (H1 2022: (£7.6m));
- Good operating cash flow given H1 seasonal working capital patterns adjusted;
- Collections have held up well and trade credit insurance remains in place for most of the Group;
- Long term guidance (at more measured revenue growth) is 70 - 80% annual cash conversion;
- Acquisitions/deferred consideration/cash acquired includes the acquisition of SFM (Canada) together with deferred consideration for the prior year acquisitions of DVS and Nimans;
- Capex includes expenditure on the Group's new ERP solution and dry hire rental equipment.

ACQUISITIONS

A demonstrable track record of executing accretive deals

Company	Country	Annual Revenue (approx.)	Primary product set	Primary end user market	Key vendors
 sfm	Canada	\$100m+	Audio	Pro audio, live events, corporate	  
	UK	£25m	Audio	Media and entertainment	  
 PULSE CINEMAS	UK	£5m	Home cinema	Residential	   
 TOOLFARM	US	\$15m	Video editing software	Media and entertainment	 
 7C Media Systems	US	<\$5m	Video storage	Broadcast	
 videodigital	Iberia	€5m	Pro video	Broadcast	



We continue to see a good pipeline of acquisition opportunities across both geographies and technologies

SF Marketing: A leading Canadian value add AV distributor

Who they are

- Founded in 1978 and grown to become a leading player in the Canadian market
- HQ in Montreal, Quebec, with c.146 employees
- Represents over 50 audio, broadcast and video brands - strong international audio representation
- Selling to over 1,500 traded accounts in 2022
- Strong financial track record, +20% gross margins and +12% sales CAGR (FY20 to FY23)*
- Single office, showroom, warehouse and manufacturing facilities in central Montreal
- Founder owned (no longer active in the business)
- Strong, established management team

What they do

- Specialist, value-add AV distribution
- Strong capability in the pro audio market
- Reputation for technical services and pre and post-sales support
- Estimate c.20-25% share of the Canadian professional audio market

Who they work with

SHURE®

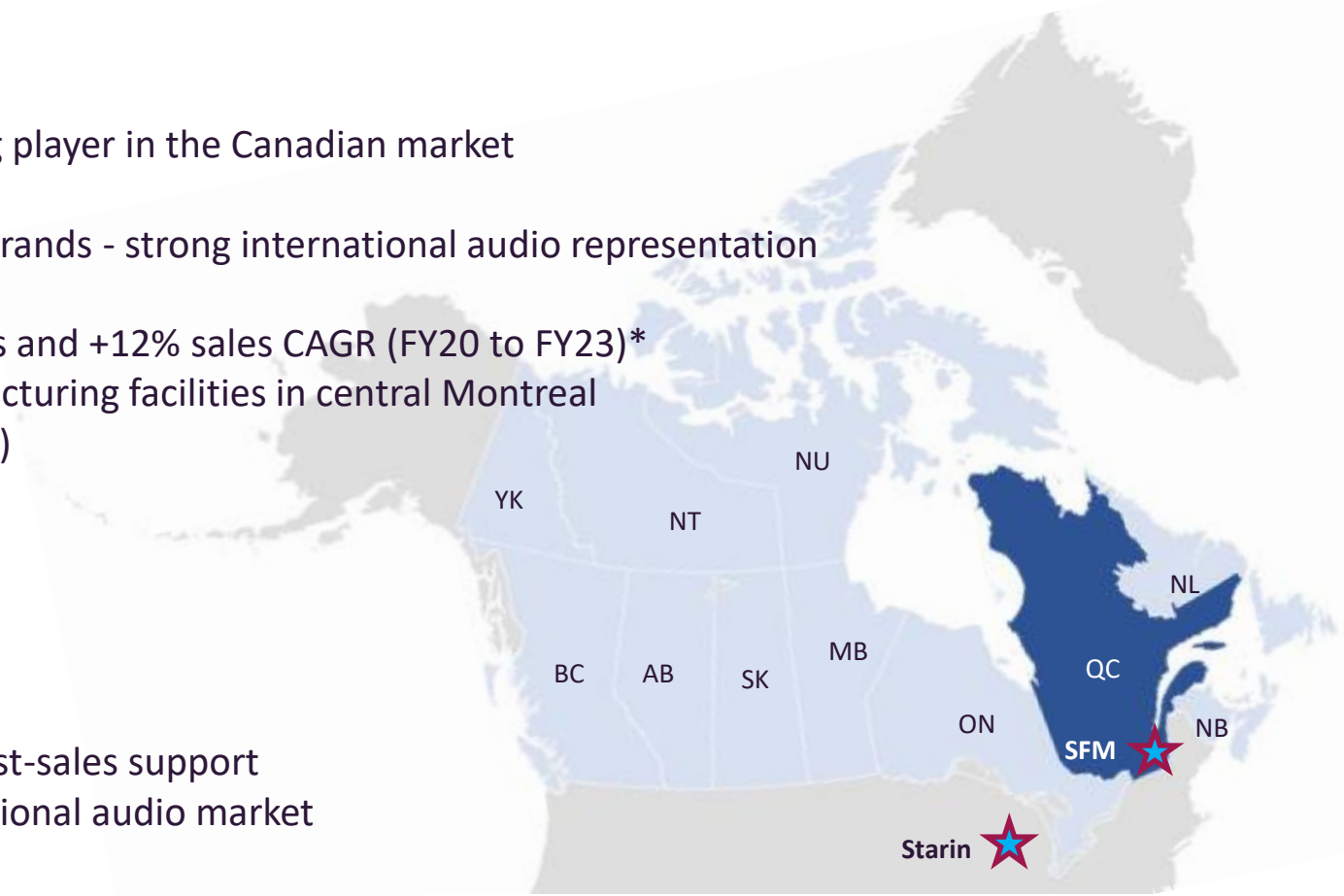
QSC

Blackmagicdesign



Pioneer Dj

NEUTRIK®



SUMMARY AND OUTLOOK

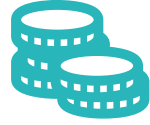
Proven long-term financial track record



Revenue growth every year since 2005



19.5% CAGR of adjusted PBT over 9 years



Good cash generation

Strong market position



Market leadership positions



Proven acquisition model



Strong organic growth

Positioned for growth



New vendors and technologies



Acquisitions meeting expectations



Further M&A in pipeline

Positive outlook



AV market growth expected over next five years



Broadening technology portfolio



2023 H1 adj. operating profit growth over 30%





APPENDICES

Midwich
Group Plc

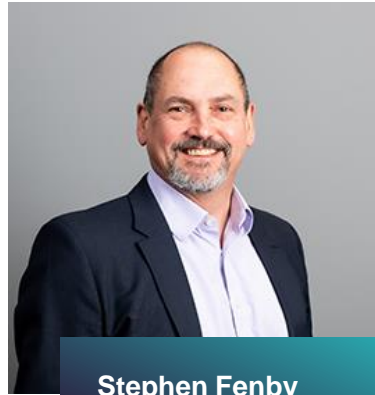
EXPERIENCED MANAGEMENT TEAM AND BOARD



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

GROUP MANAGEMENT TEAM



Stephen Fenby
Managing Director



Stephen Lamb
Finance Director



Tom Sumner
Chief Strategy Officer



Mark Lowe
Chief Commercial Officer



Mathieu Payet
Managing Director - EMEA



Stuart Mizon
Group Commercial Director



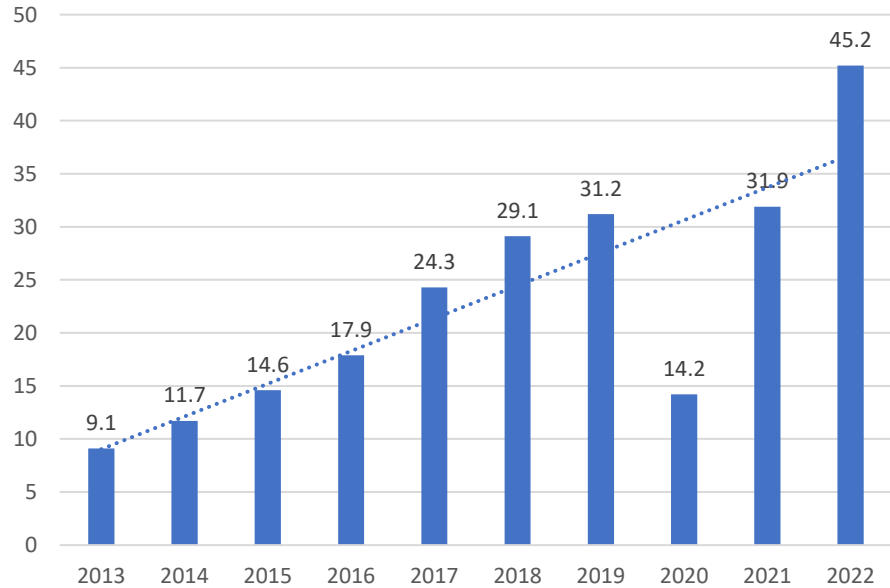
Joe Thompson
Corporate Strategy Director



Phil Bligh
Chief Finance Officer – UK&I

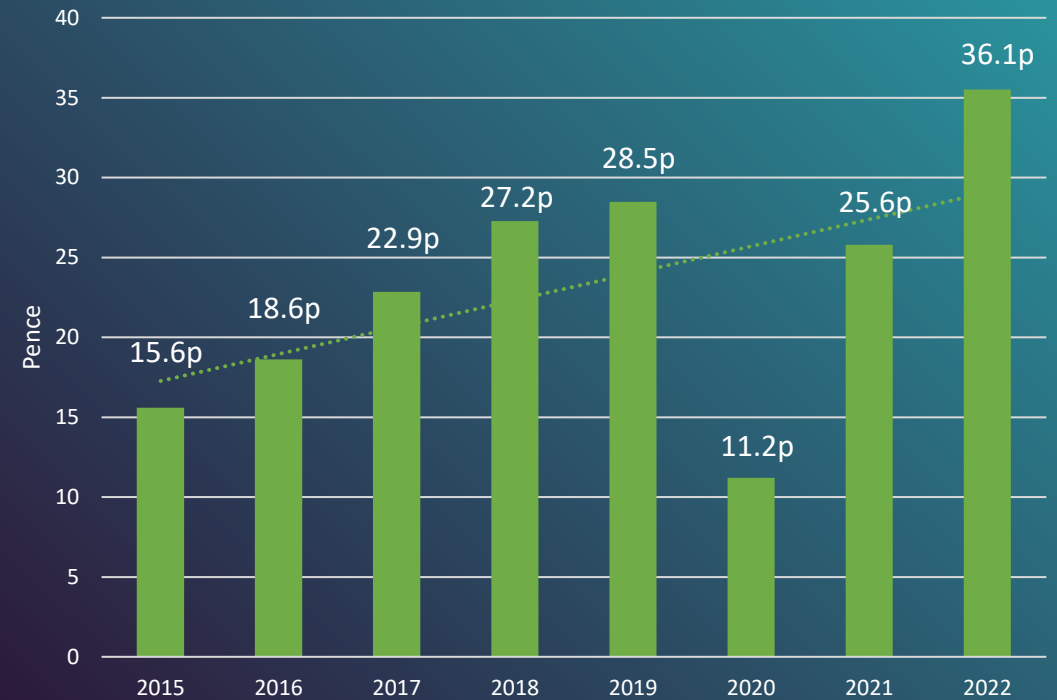
PROFITABILITY TRENDS

Adjusted PBT - £m



CAGR of 19.5%

Adjusted EPS

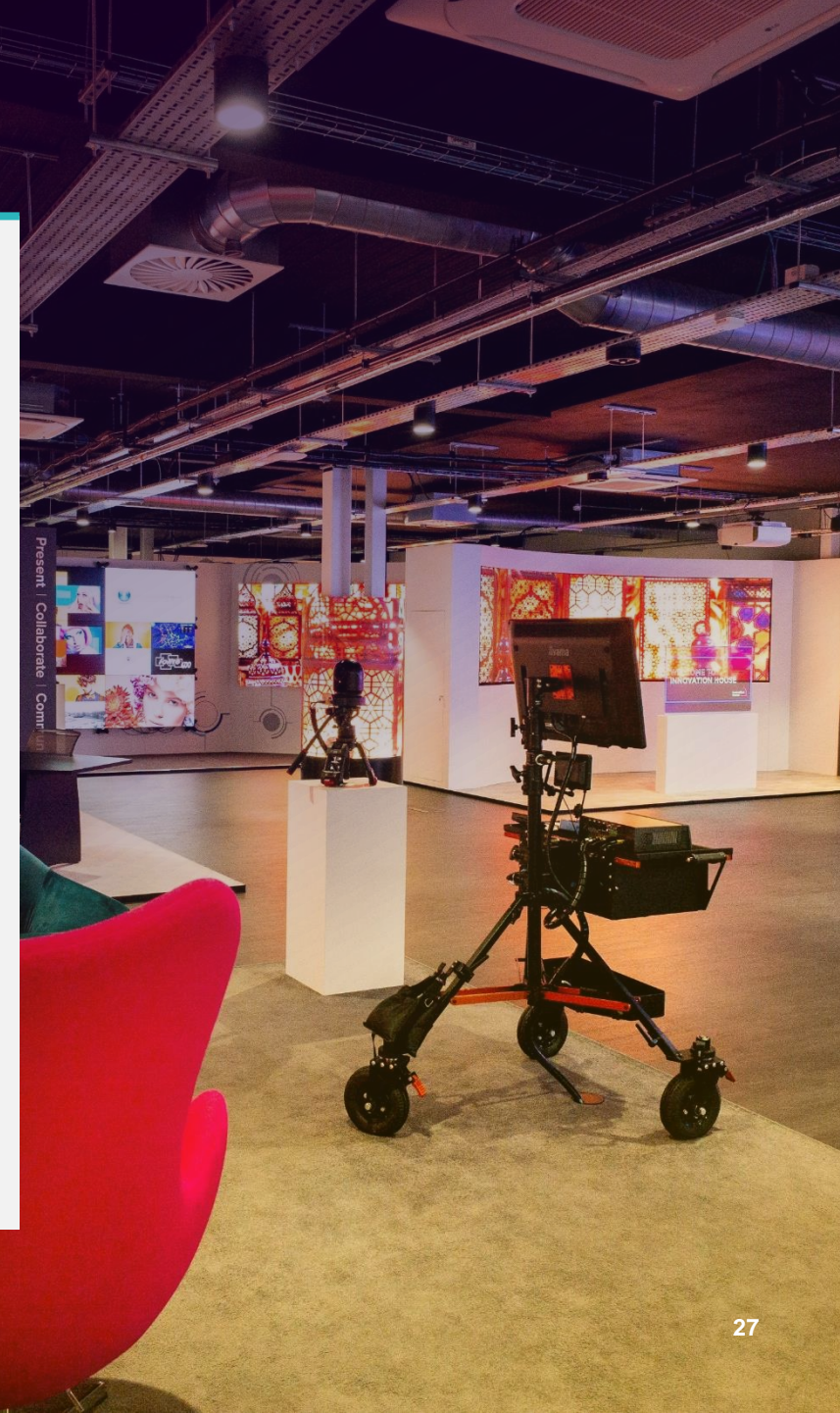
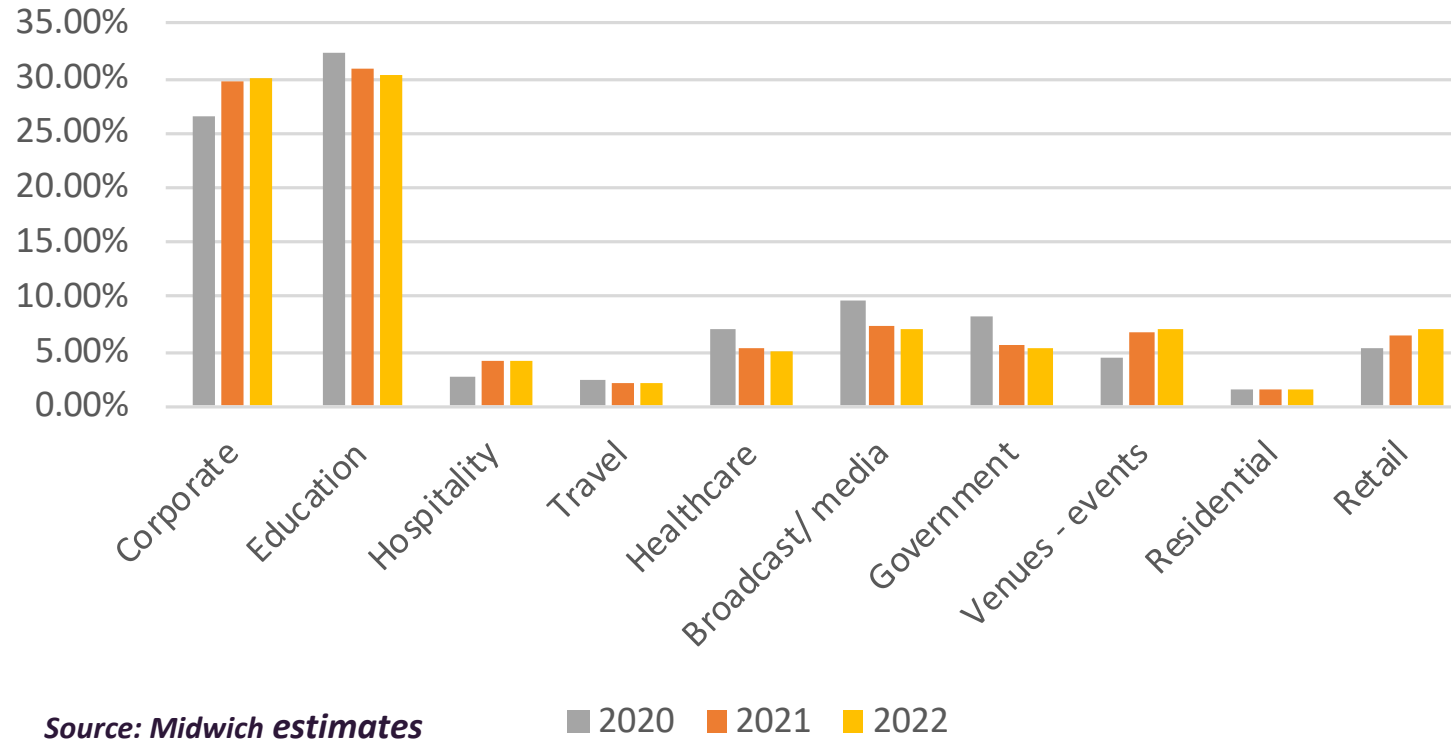


CAGR of 9.8%

EPS 26.6% higher than in 2019

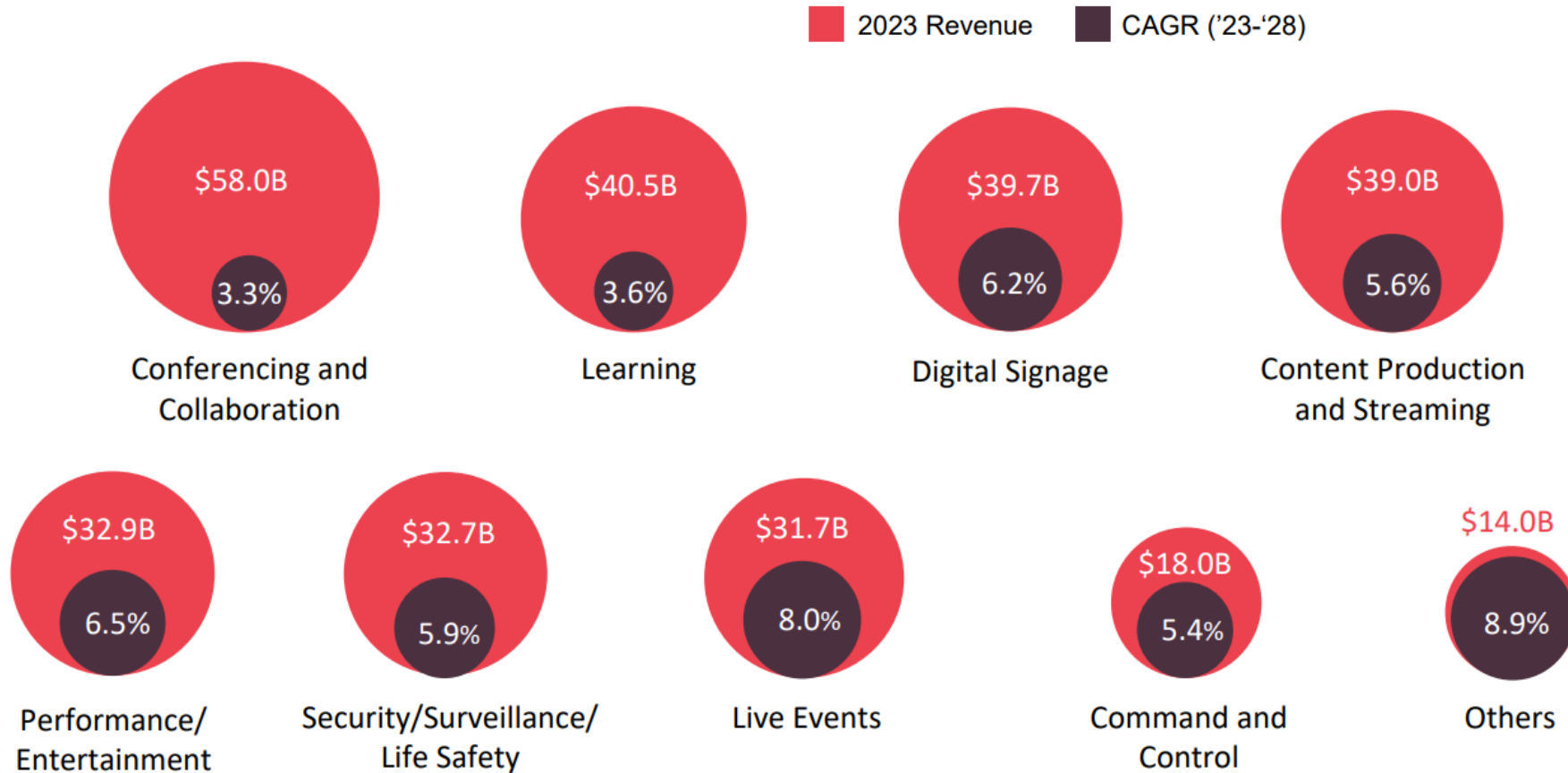
END USER MARKETS

End User Markets - Estimated Share



AVIXA MARKET REPORT 2023

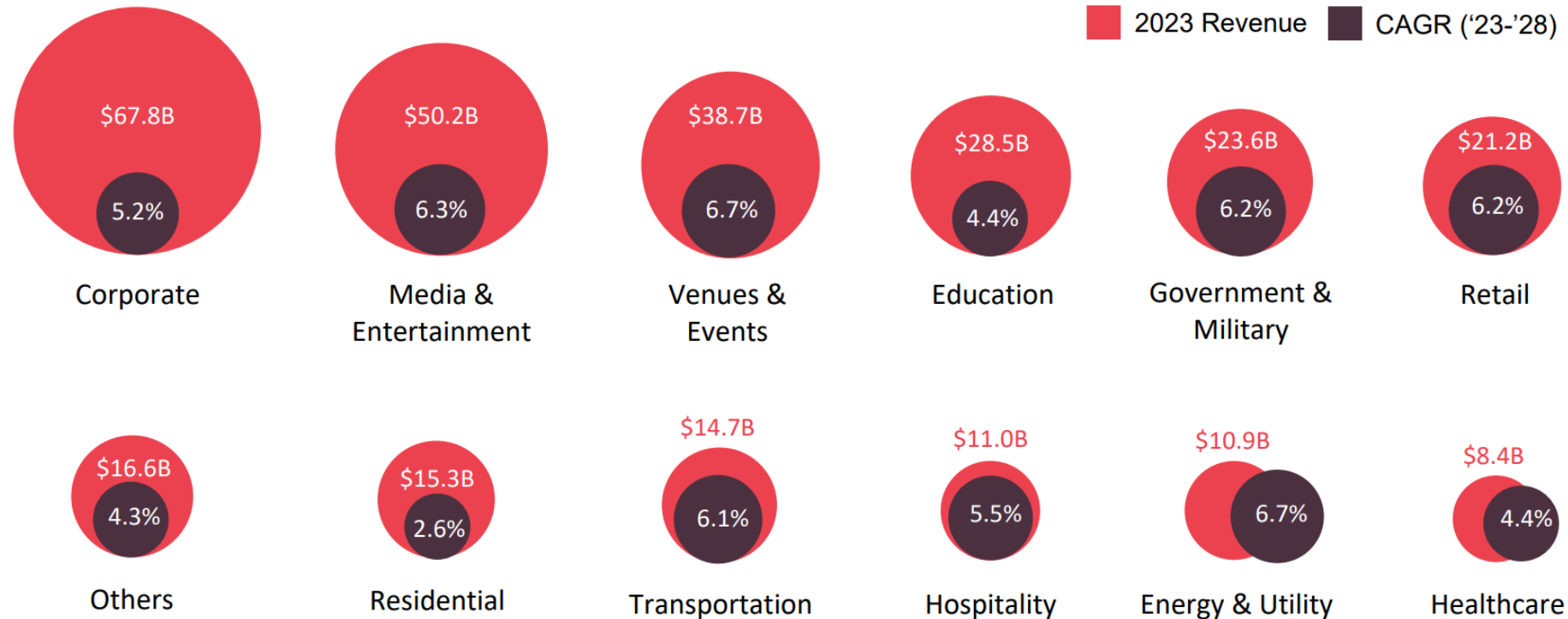
All segments expected to grow over the next 5 years, with the market confident that new as yet unknown opportunities will arise



AVIXA MARKET REPORT 2023

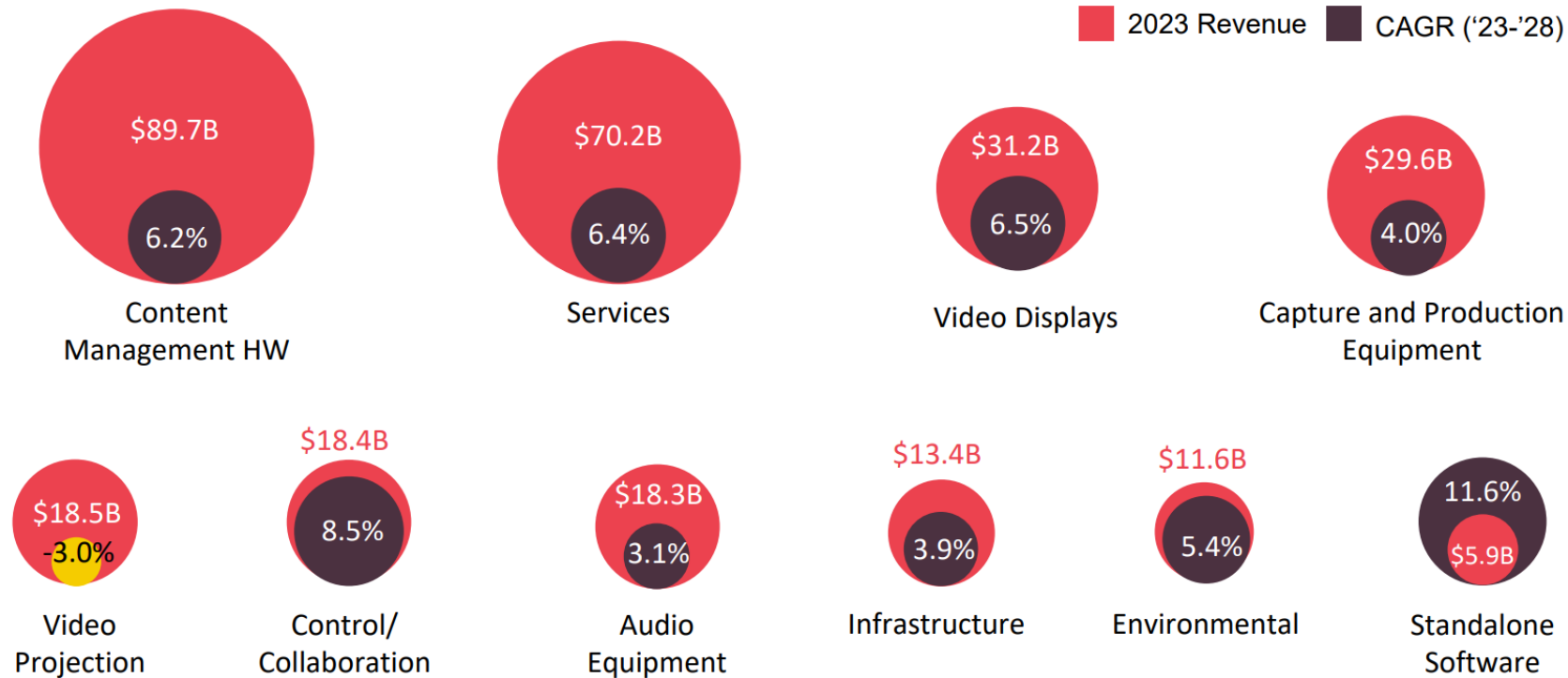
Market growth is levelling out across industries, post pandemic.

Now that the return to in-person has largely occurred, the various markets are returning to a more normal rate of growth, clustered around the average. Highlights include venues, energy, and media.



AVIXA MARKET REPORT 2023

Growth rates close to average of 5.6% across most categories. Exceptions are standalone software and control/collaboration due to growth in demand from enterprises. Drop in projection follows long term trend.



TARGET3D

VIRTUAL PRODUCTION STUDIO

- New virtual production and motion capture studio in central London.
- Designed for filmmakers, game developers, and other creatives to capture an actor's full range of skills and turn these into a digital character.
- Studio features a 10.5 x 3.5m LED wall and two additional movable walls that allow you to cast realistic reflections and lighting up objects.
- Technical support and installation services provided by PSCo.
- State-of-the-art environment equipped with top-of-the-line sound, camera, and post-production equipment to cater for a growing market.

Midwich
Group Plc

TOUR DE FRANCE 2023

- Official presentation to the participating teams in the grounds of the Museo Guggenheim, Bilbao.
- Sporting event broadcast by more than 200 television stations around the world.
- EARPRO&EES provided lighting and audio solutions with Robe and Shure.
- More than 70 Robe moving lights, including the innovative IP65-rated Robe iForte, and Shure Axient Digital systems.
- Equipment supplied by Audiomic Producciones rental company.

Midwich
Group Plc



UNIVERSITY OF HERTFORDSHIRE

EMBRACING LED IN HIGHER EDUCATION

- The University undertook a huge project to integrate LED displays into its long-term AV strategy to create state-of-the-art teaching facilities for students and teachers.
- The project covered multiple areas of the campus including a new lecture theatre, a multi-purpose learning space, and a boardroom.
- LED is becoming an increasingly attractive proposition in higher education due to the falling cost, longevity and superior visual performance versus traditional projection technology.
- Highly praised project which was shortlisted for Education Project of the Year at the AV Awards 2023



Midwich
Group Plc



WHY MIDWICH?

WHY OUR CUSTOMERS CHOOSE US



Nurturing long-term relationships



Training and events



Vertical market focus



Credit/business services



Working together



100% Trade only



Market and web services



Award-winning distribution



Personal approach

WHY OUR VENDORS CHOOSE US



Market focus



Efficient logistics



Scale and flexibility



Marketing and sales support



Events



Cross-border projects



Market intelligence and trends



Long-term relationships

DEMAND DRIVERS IN THE AV INDUSTRY

Driver	Reason	Examples
Cost Saving	Reduces people costs	<ul style="list-style-type: none"> • Touch screen in shopping centre reduces need for help desk staff • Touch screen ordering in fast food outlet reduces serving staff
	Reduces waste	<ul style="list-style-type: none"> • Elimination of posters reduces paper waste
Improve efficiency/ effectiveness	Saves time	<ul style="list-style-type: none"> • Video conferencing means less travelling time for executives
	Allows rapid changes to marketing proposition	<ul style="list-style-type: none"> • Digital signage allows pricing and promotions to be updated dynamically from central point
	Improves performance	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Use of AV in workplace fits with how people live their personal lives, giving sense of congruence
Safeguarding	Evidence to protect against litigation	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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



ENVIRONMENTAL, SOCIAL & GOVERNANCE



Our approach to sustainability has always been about doing the right thing for our business, our stakeholders and wider society.



MIDWICH GROUP

SUSTAINABILITY STRATEGY

We continue to take our commitment to Environmental and Social Responsibility seriously.



Our strategy harnesses the collective power of our culture and is underpinned by strong governance and responsible behaviors.

Hilary Wright
Non-executive Director

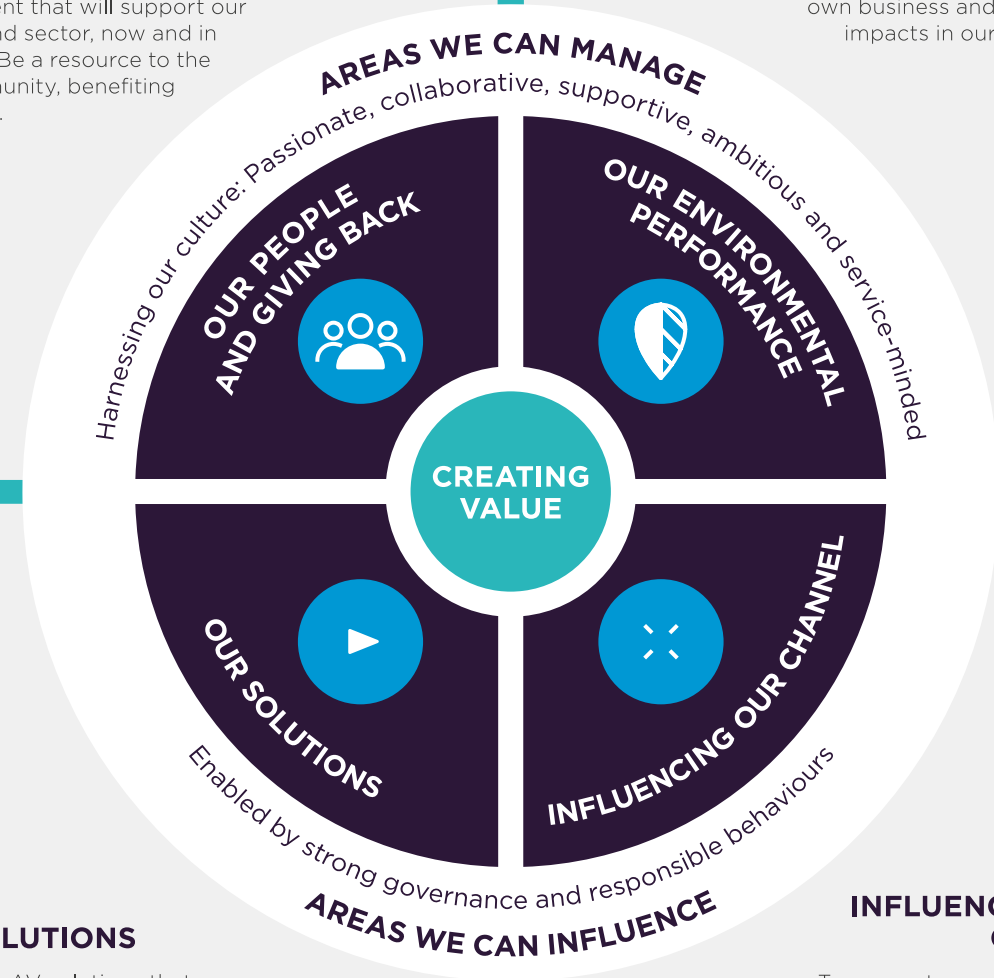


OUR PEOPLE AND GIVING BACK

To care about our team and local community. Developing skills and diverse talent that will support our business and sector, now and in the future. Be a resource to the local community, benefiting all involved.

OUR ENVIRONMENTAL PERFORMANCE

To manage and reduce emissions and energy consumption in our own business and influence key impacts in our supply chain.



OUR SOLUTIONS

To promote AV solutions that help people to communicate, collaborate and work more efficiently.

INFLUENCING OUR CHANNEL

To support a sustainable value chain to ensure its long-term success and maximise collective benefit.

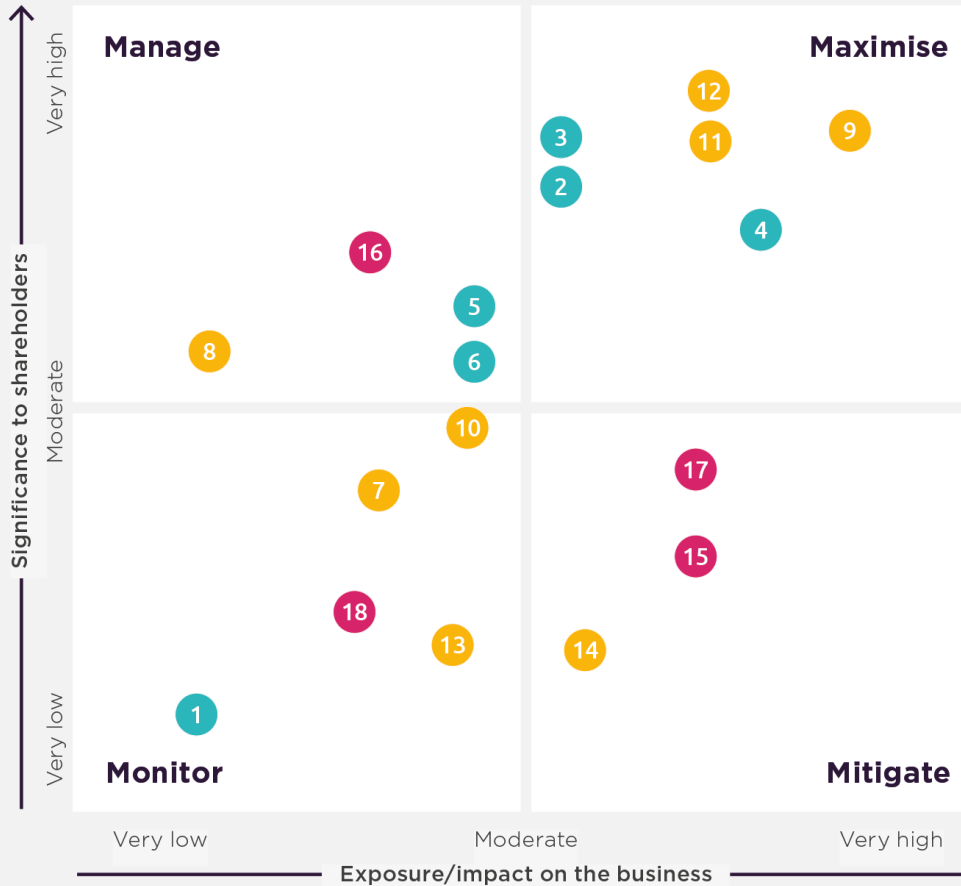
MATERIALITY ASSESSMENT

Working with an external consultant we conducted a detailed materiality assessment to prioritise our focus and inform our strategy decisions.

RISK HEATMAP

Current risk assessments taking account of current mitigations

■ Environmental ■ Social ■ Governance



Maximise

- 2 Energy management
- 3 Greenhouse gas emissions
- 4 Logistics and transport
- 9 Employee inclusivity
- 11 Employee training and development
- 12 Employee wellbeing

Manage

- 5 Packaging
- 6 Product lifecycle management
- 8 Community involvement
- 16 Fair operating practices

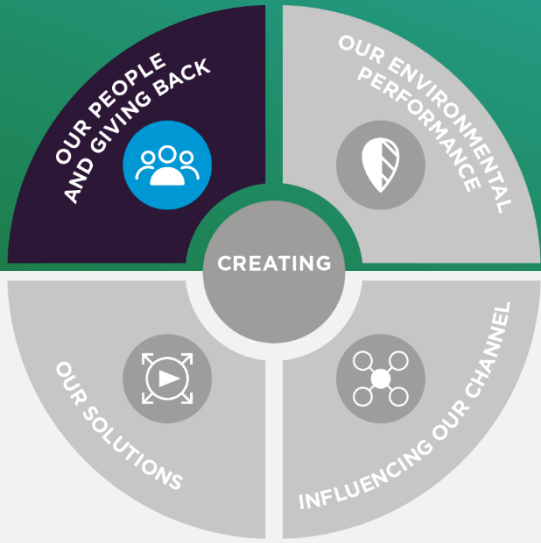
Mitigate

- 14 Product security
- 15 Executive remuneration
- 17 Responsible procurement

Monitor

- 1 Biodiversity loss
- 7 Child labour and human trafficking
- 10 Employee health and safety
- 13 Product accessibility
- 18 Responsible tax

MIDWICH SUSTAINABILITY: FOCUS FOR 2023

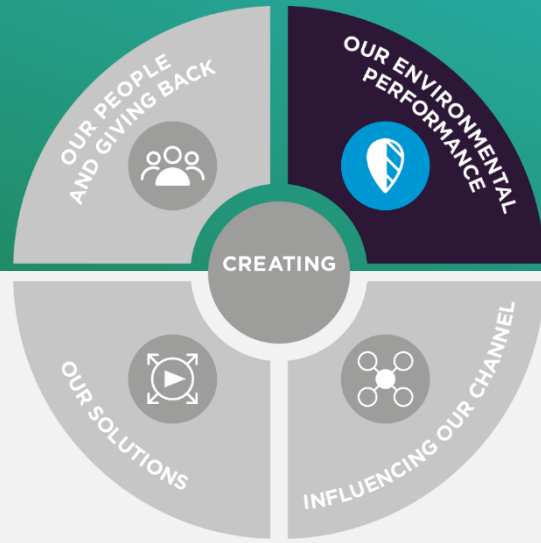


Our people and giving back

To care about our team and local community. Developing skills and talent that will support our business and sector, now and in the future. Be a resource to the local community, benefiting all involved.

Measures of success

- Engagement survey results
- Employee share ownership
- Average length of service
- Charitable contributions
- Community volunteering

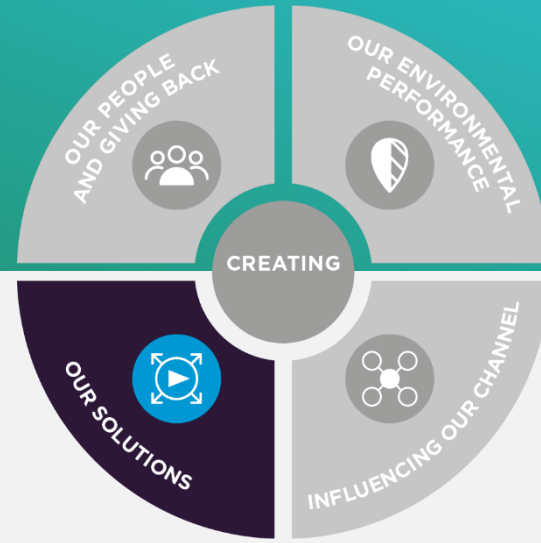


Our environmental performance

To manage and reduce emissions and energy consumption in our own business and influence key impacts in our supply chain.

Measures of success

- Inclusion of TCFD aligned reporting (2023 annual report)
- Establishment of carbon reduction targets
- Further progress to reduce intensity ratios
- A greater proportion of energy from renewables
- Committed time to local conservation projects

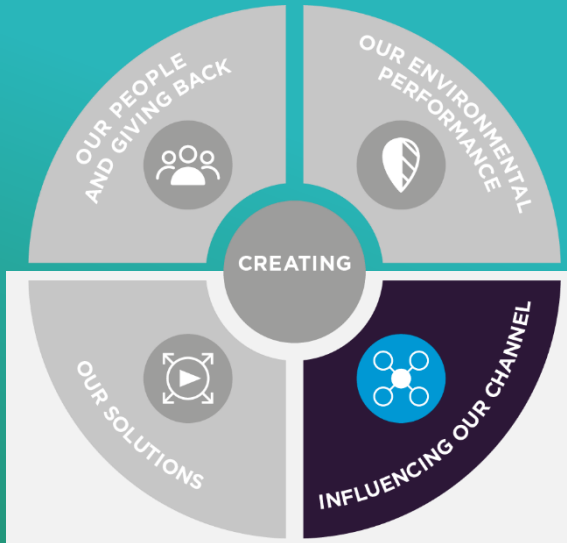


Our solutions

To promote AV solutions that help people to communicate, collaborate and work more efficiently.

Measures of success

- Macroeconomic statistics for commuting time/mileage
- Customer/end user feedback



Our channel

To support a sustainable value chain to ensure its long-term success and maximise collective benefit.

Measures of success

- Number of key vendors with a net zero commitment
- Customer/end user feedback

GROUP RESULTS HIGHLIGHTS

6 MONTHS ENDED 30 JUNE 2023

	6 months to 30 June 2023 £m	6 months to 30 June 2022 £m	Growth %	Constant currency growth %
Revenue	610.4	568.6	7.4%	5.1%
Gross Profit	99.6	84.7	17.5%	15.2%
Gross profit margin	16.3%	14.9%		
Adjusted operating profit ¹	26.4 4.3%	20.2 3.6%	30.9%	27.9%
Adjusted profit before tax ²	21.8	19.2	13.4%	10.5%
Adjusted profit after tax ²	16.1	14.4	11.6%	
Adjusted EPS ²	16.93	15.42	9.8%	

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 – H1 2023

Region	Revenue H1 2023 £m	Revenue H1 2022 £m	CFX %	Org %	GP % 2022	GP % 2021	GP % Change
UK&I	234.0	239.3	(2.3%)	(6.0%)	17.7%	15.7%	+2.0%
EMEA	281.3	247.9	9.5%	9.5%	15.5%	14.1%	+1.4%
APAC	25.2	25.0	2.3%	2.3%	17.5%	15.7%	+1.8%
North America	69.9	56.4	18.7%	5.4%	14.5%	14.7%	-0.2%
Total	610.4	568.6	5.1%	5.1%	16.3%	14.9%	+1.4%

Adjusted operating profit ¹	H1 2023 £m	H1 2022 £m	CFX %
UK&I	13.9	10.8	28.6%
EMEA	12.5	8.7	39.0%
APAC	0.1	0.2	(21.9%)
North America	3.0	3.1	(8.7%)
Group	(3.1)	(2.6)	
Total	26.4	20.2	27.9%

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

ADJUSTMENTS TO STATUTORY RESULTS – H1 2023

£m	H1 2023	H1 2022
Statutory operating profit/(loss)	18.6	12.7
Acquisition related expenses	0.3	0.4
Share based payments and employer taxes	2.7	2.7
Amortisation of acquired intangibles	4.8	4.4
Adjusted operating profit	26.4	20.2
Statutory profit after tax	11.6	7.6
Operating profit adjustments (above)	7.8	7.5
Derivative movements and FX gains/losses on borrowing for acquisitions	(1.5)	(0.2)
Finance costs – change in carrying value of deferred consideration/Put & call options	(0.2)	1.5
Tax impact of adjustments	(1.6)	(2.0)
Adjusted profit after tax	16.1	14.4

Note, adjusted profit after tax after non-controlling interests is £15.3m for H1 2023 (£13.6m for H1 2022)

MODELLING CONSIDERATIONS

Acquisitions	<p>Deals pre June 2023: £18.9m deferred payments estimated for 2024 with £6.2m estimated for 2025.</p> <p>Deals done H2 to date: Approx £18m of payments in H2 2023 for acquisitions post period end with c£10m of deferred considerations due over the next 3 years.</p>
ERP amortisation	<p>ERP programme resumed with initial "go live" expected late 2023.</p> <p>Amortisation of core platform will be c£2.5m per annum.</p>
Interest (adjusted)	<p>Expected to be c.£9.5m in 2023 before any further M&A or rate rises.</p>
Tax	<p>Effective rate in 2023 at 26-27% of adjusted profit (UK tax increases). Increasing to 27-28% for 2024 (UAE implements corporation tax).</p>
FX	<p>Negative headwind expected in H2 – Using forecast rates this could be c£15m impact on revenue and £0.8m on profit.</p>
Capex	<p>Full year to be c£12m including ERP and rental assets</p>
Dividend policy	<p>Progressive dividend policy with marginal increase in coverage over time.</p>





Midwich Group Plc