RNS Number : 1114N
Midwich Group PLC
21 July 2026

21 July 2026

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

Pre-close Trading Statement

Organic revenue and profit growth

Midwich Group plc (AIM: MIDW), a global specialist audio visual distributor to the trade market, is today providing a trading update for the six months ended 30 June 2026 ("H1 2026"). The Group has delivered an encouraging performance, with H1 2026 adjusted profit expected to be around 10% higher than H1 2025, with growth in many markets helping offset the anticipated impact of the ongoing Middle East conflict.

Revenue for H1 2026 is expected to be approximately £640 million, an increase of around 3% on H1 2025. Revenue on a constant currency basis increased by approximately 2%. Underlying gross margins were slightly lower than H1 2025 due primarily to a reduction in revenue in the Middle East and a change in the mix of sales in the UK. Adjusted profit before tax* is expected to be around £10.6 million, an increase of approximately 10% on the H1 2025 figure of £9.6 million. Excluding the Middle East and exited businesses, adjusted profit before tax increased by 20% in the period.

As previously disclosed, our business in the Middle East was an important contributor to profit in 2025. The ongoing conflict in this region has had a significant impact on our business - particularly with customers engaged in the live events market. We have managed to compensate for part of this loss in business, and, although trading in this region is below last year, it has been a resilient performance under the circumstances.

UK & Ireland ("UK&I"), which now includes our Australian and New Zealand businesses, has continued to grow with revenue increasing by over 10% in the period as a result of new vendor launches and market share gains. In EMEA revenues declined by 5% in the period. In addition to the reported disruption in the Middle East business, the Group suffered from continued soft market conditions in Germany, but this was partly compensated for by growth in Iberia. Our North American business grew by 5% where revenue in the Canadian business was below H1 2025 as it continues to recover from the loss of a significant vendor in 2025, this was more than offset by the US business which showed strong revenue growth in the period.

Cash generation in H1 2026 was in line with the Board's expectations. Adjusted net debt** increased by approximately £12 million from the prior year end to £138 million (H1 2025 £148m), as a result of normal working capital seasonality. At 2.3x adjusted net debt compared to adjusted EBITDA** at the period end (H1 2025 2.5x), leverage is expected to reduce to approximately 2.0x by the year end and remains comfortably within the Group's covenants.

Outlook

The Board continues to assume general macroeconomic conditions will remain challenging for the remainder of 2026. The contribution from our Middle East business was more weighted to H2 in 2025 and so the duration of the ongoing conflict in this region continues to result in a range of scenarios for the year as a whole. However, if the positive momentum seen in the remainder of the business in H1 continues, the Board believes that the impact should be at least partially mitigated. As a result, the Board's expectation is that the full year results will be broadly in line with 2025.

Stephen Fenby, Group Chief Executive, commented:

"Although general market conditions remain challenging, we have been proactive in rolling out initiatives to drive improved future performance. These include developing new vendor and customer relationships, building new revenue streams and pursuing operating and cost saving efficiencies. These initiatives include exploring opportunities around implementing AI solutions designed to improve the productivity of the business and drive future growth.

Despite the challenges, I am pleased with the progress the Group has made in the first half of the year, and I look forward to building on this momentum. Midwich remains a leading player in a large 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.

The Group's long-term focus remains on higher margin, more specialist product areas and we continue to both target and exploit new growth opportunities, as well as retaining a tight focus on overhead efficiencies.

Midwich remains well positioned for the year ahead and the Group continues to deliver both organic and inorganic growth in the longer term. I would like to thank all of my colleagues across the Group, together with our customers and vendor partners for their continued support."

Midwich will announce its half year results for the six months ended 30 June 2026 on 22 September 2026.

* Adjusted PBT represents continuing business operating profit less adjusted finance costs. It is stated before acquisition related expenses, share based payments and associated employer taxes, exceptional items, amortisation of acquired intangibles and impairments. Adjusted EBITDA represents continuing business operating profit before acquisition related expenses, share based payments and associated employer taxes, exceptional items, depreciation, amortisation and impairments and, for leverage purposes, includes a proforma twelve-month contribution from acquisitions.
** Adjusted net debt is borrowings less cash and cash equivalents and excludes lease liabilities. Leverage is calculated using a consistent method with the bank covenants.

For further information:

Midwich Group plc Stephen Fenby, Group Chief Executive Adam Councell, Chief Finance Officer	**+44 (0) 1379 649200**
Investec Bank plc (NOMAD and Joint Broker to Midwich) Carlton Nelson / Ben Griffiths	**+44 (0) 20 7597 5970**
Berenberg (Joint Broker to Midwich) Ben Wright / Milo Bonser	**+44 (0) 20 3207 7800**
FTI Consulting Matthew Young / Harleena Chana	**+44 (0) 20 3727 1000**

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 24,000, including professional integrators, event production companies and IT resellers in sectors such as education, corporate, retail and live events.

Enabling tomorrow.

With about 1,700 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

END

TSTVBLFLQDLXBBL