

Welcome

Stephen Fenby

Managing Director

11TH & 12TH OCTOBER

**TECHNOLOGY
EXPOSED
2017**



Agenda

13.00

Lunch Served

13.15 – 14.45

Presentations

14.45 – 15.45

Tour of show

15.45

Depart for train station

Speakers

Tom Sumner (European Director)

Jenny Hicks (Group Head of Technology)

Sean Tobin (ANZ Business Manager)

Allan Leonhardsen (Managing Director, Holdan Limited)

Tom Sumner

European Director



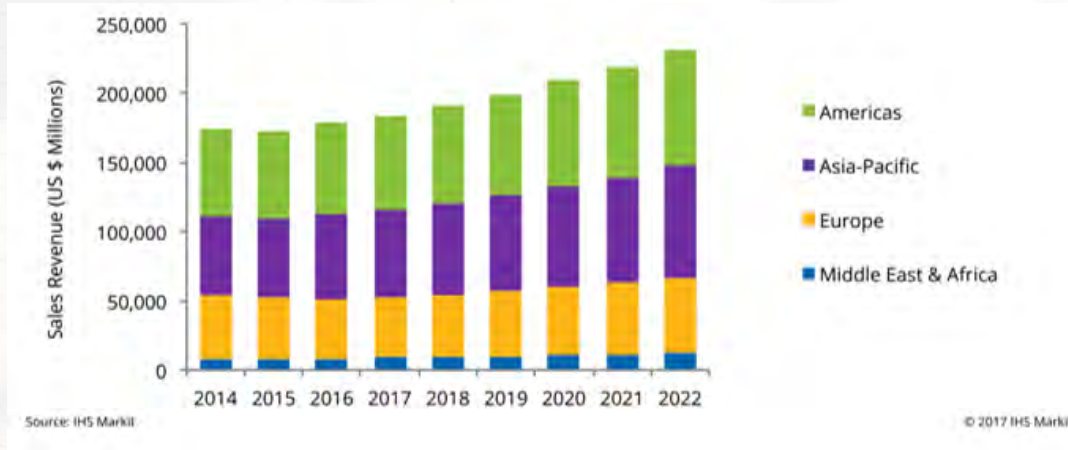
Agenda

- International AV Market Size and Growth Trend
- European operational review
- The European opportunity
 - Geographical
 - New technology market access from new acquisitions



International AV market overview

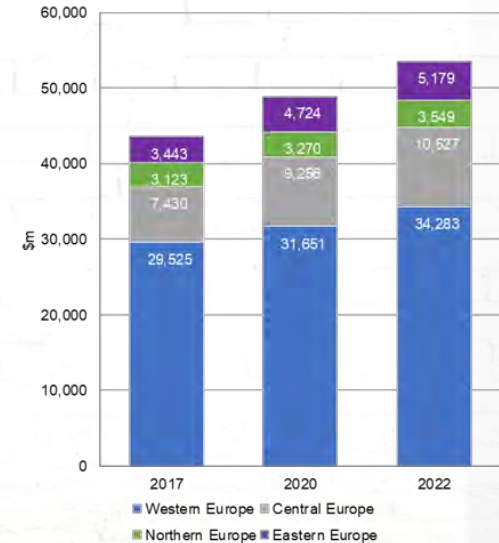
Global sales revenue forecast by region



The global AV market expected to grow from \$178bn to \$230bn over 2016 to 2022 (CAGR 5 %)

Source: InfoComm International (Avixa) 2017 AV Industry Outlook and Trends Analysis Global

European market growth trends



European AV market expected to grow from \$45.3bn to \$53.5bn over 2016 to 2022 (CAGR 4%)

Source: InfoComm International, 2017 AV Industry Outlook and Trends Analysis Europe

What is driving AV market growth?

Examples

1

Increased adoption

- Digital adopting the AV screen advertising boards over print posters
- Major rail stations adopting Large Format Displays for advertising and travel information
- Retail adoption of Large Displays to improve in-store experience to compete with online competition



2

Technology advances

- Touch screen displays and customer interaction in retail stores and shopping centres
- Interactive displays in schools replacing traditional boards and smart screens
- Connectivity and conferencing equipment in offices and workplaces
- The corporate market continues to replace projection systems with Large Format Displays



3

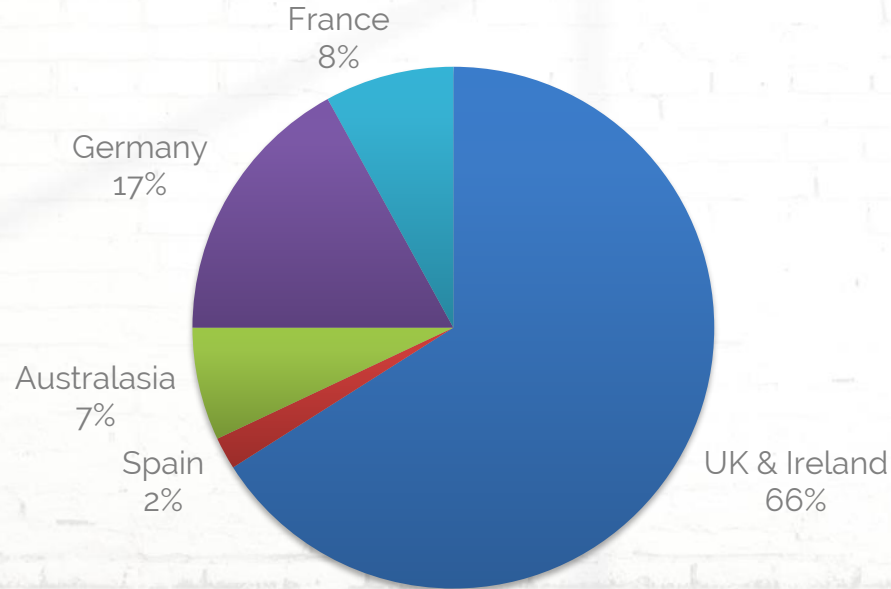
Continued renewal cycles

- Average life of installed equipment 3-5 years
- Improvement spend for new technology (e.g. replacing screens for 4K high definition)
- Through the economic downturn in 2008-2011, spend in the AV market continued to grow



European operational review

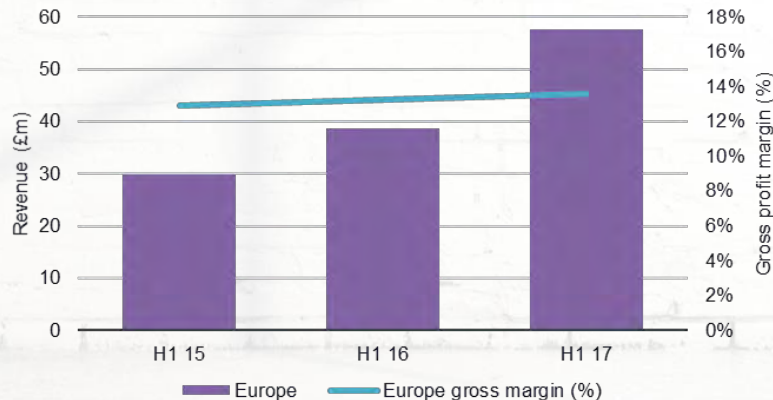
Geographic revenue split (H1 17)



European operational review

Revenue & GP Growth

- £18.9m (48.7%) revenue growth in H1 2017 versus H1 2016;
- Gradual gross margin improvement, led by continued focus on higher end technologies;



Key Growth Drivers

- Market share growth in core markets;
- Signing of new key vendors, including SMART in Germany.
- 3 months trading contribution from Earpro S.A.

2017 Strategic developments

- Entry into the Iberian Market via acquisition of Earpro S.A.
- Entry into the Benelux post period end through the acquisition of Gebroeders van Domburg.
- Expansion into the professional audio and lighting technology markets.

1. Geographical development

- Midwich Group businesses operate in territories accounting for around 70% of the total European market (in value terms);
- Continued organic growth in existing regions planned;
- Acquisitions – now targeting complementary infill businesses and Tier 2 territories;
 - Significant pipeline of targets building;

Rank	Country	2016	2020	2016 Group Cumulative
1	United Kingdom	21,11%	22,61%	21,11%
2	Germany	19,65%	21,36%	40,76%
3	France	11,81%	11,07%	52,57%
4	Netherlands	7,05%	7,22%	59,62%
5	Italy	6,69%	5,71%	
6	Spain	6,04%	5,21%	65,66%
7	Sweden	4,00%	3,66%	
8	Poland	3,37%	3,44%	
9	Denmark	2,88%	2,94%	
10	Switzerland	2,75%	2,78%	
11	Belgium	2,63%	2,67%	68,29%
12+	Rest of Europe *	12,02%	11,33%	69,29%

* Midwich presence consists of Ireland and Portugal

Source: Futuresource. Combined market values of the Projection, Large Format Displays, and Interactive Whiteboard markets used to present provide a directional analysis of relative European country market sizes.

2. New technology market access

- Target companies can provide us access to new technology opportunities;
- We have a successful track record of bringing in these sorts of businesses:
 - This helps us address technology segments in the 'AV' market which can provide us with growth opportunities and which are complementary to our core business.
- The lighting and professional audio markets are both areas we have identified of interest to us. The acquisitions of Earpro and van Domburg were part of this strategy;
- The professional audio market – why is it of interest to us?
- Earpro – an entry point into this sector.



Summary

- The global and European AV market is forecast to continue growing;
- Our European businesses have performed well. We anticipate further growth through increasing our market share in core technologies;
- We regard this region as a key pillar of future Group growth. We see opportunities:
 - Geographically;
 - With new technologies;



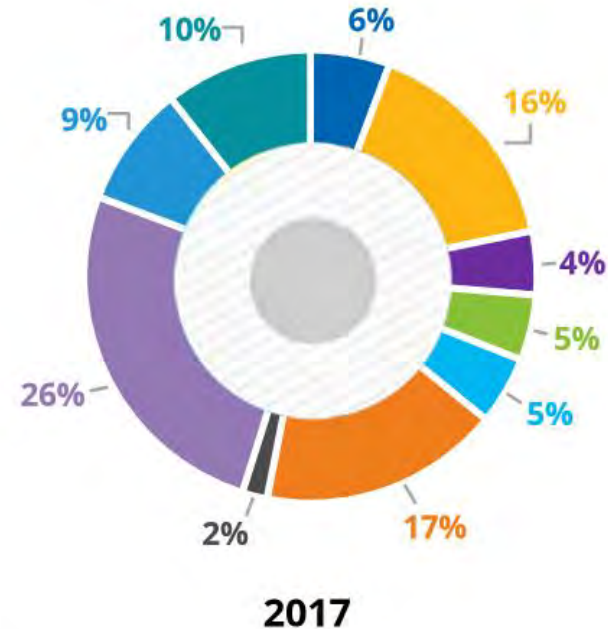
Jenny Hicks

Group Head of
Technology



AV market global share by product segment (revenue)

- Audio Equipment
- Capture & Production Equipment
- Control
- Environmental
- Infrastructure
- Services
- Software
- Streaming Media, Storage & Distribution
- Video Displays
- Video Projection



Source: IHS Markit

Replacing projectors with displays

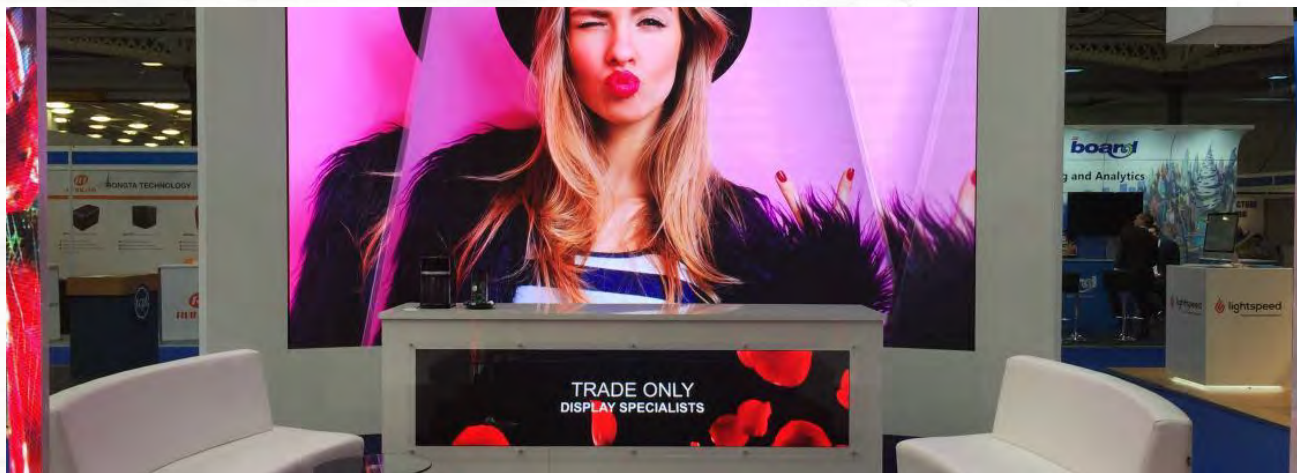
- The single largest technology evolution in our market is coming from the replacement of projectors with flat panel displays.
- The global flat panel displays market is expected to exhibit a CAGR of 15 percent over 2017-2022.
- The Presentation/Collaboration systems hardware market is expected to remain stable but high growth will come from the software market, because chip sets and mini PCs are being built into displays. This offers a further growth opportunity for refresh business and growth for our software vendors.

The huddle space



LED display into Retail

- Shipments of LED display modules grew over 50% year-on year and project continuous growth through 2022.



The lighting market

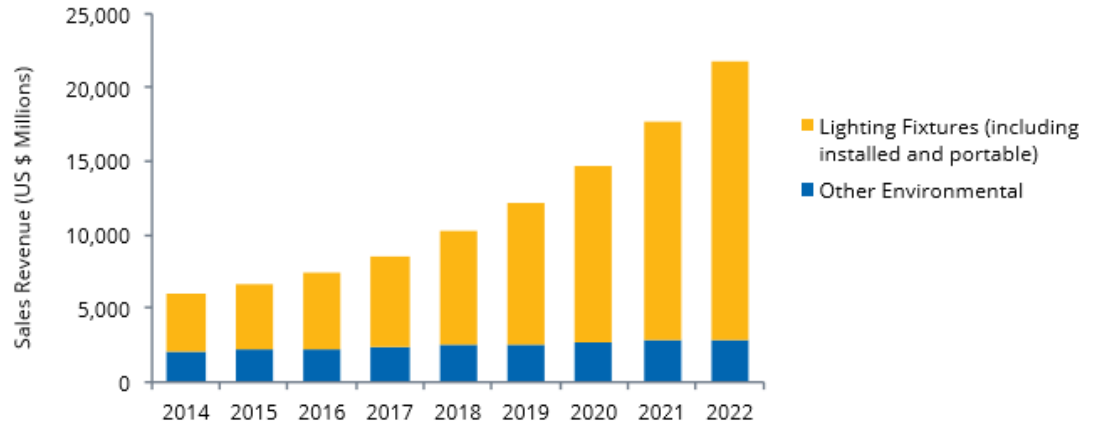
- The global lighting fixtures market was worth \$5.1 billion in 2016 and is projected to grow to around \$19 billion by 2022.
- Driven by the move to LED
 - 5 times more energy-efficient
 - More versatile
 - Lifespan of 15 years
- Two areas of interest to the group:
 - Entertainment Lighting
 - Architectural Lighting



Why lighting is a good fit for the Group

- Consultant and design led market – opportunity to add value as a distributor
- Margin rich
- Synergies with the Midwich Group customer base and end user verticals
- High growth expectations with the shift to LED
- We now have expertise in the Group

Global Sales Revenue Forecast by Product - Environmental



Source: IHS Markit

© 2017 IHS Markit

Dutch Light Pro case study



Summary

- Replacement of projectors with displays continues to accelerate
- Further growth for displays being driven by the 'huddle space'
- LED display set for high growth particularly in retail
- The lighting market presents a new opportunity
- Later presentation about future technology before we tour the show



Sean Tobin

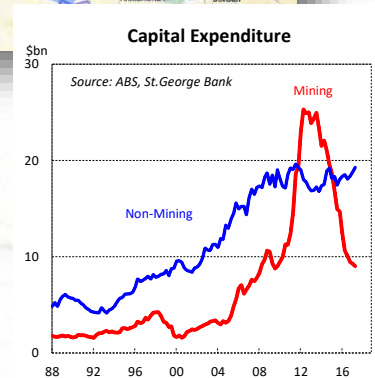
ANZ Business
Manager



Market overview

Geographical Overview

- Population 2017 estimates - Australia 24.7 million (51st) / New Zealand 4.9 million (120th)
- Australia is the world's twelfth largest economy and has the sixth highest per capita GDP (nominal) at US\$56,291. (1)
- Australia has achieved 25 years of economic expansion
- Australia is the planet's sixth largest country after Russia, Canada, China, the United States of America and Brazil.
- 80% of the population is within cities of Sydney / Melbourne / Brisbane.



AV market overview

APAC Growth Trends

The APAC AV market grew by 10% in 2016

Australia represents 6% of APAC market



Australia's next boom has barely started

Australia is on the cusp of the biggest wave of public infrastructure spending in at least three decades.

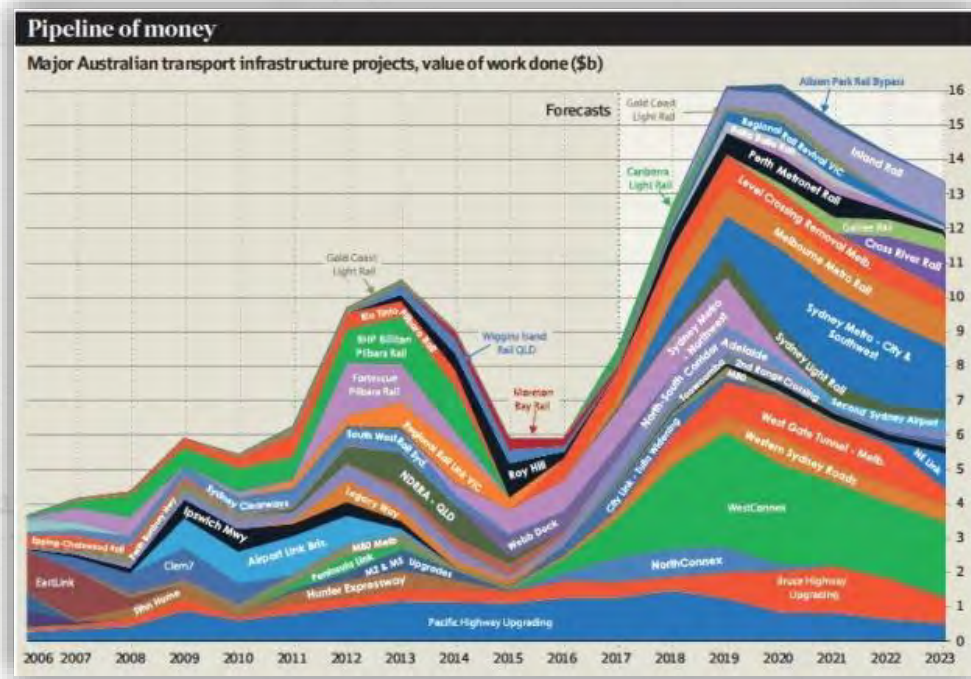
Research published in September 2017 shows almost \$100 billion in government spending will hit the economy this year financial alone.

According to a chart presented by Reserve Bank of Australia in September 2017, public infrastructure work "yet to be done" will be just under 6 per cent of nominal gross domestic product in 2017.

The labour market has just gone through its strongest six month stretch of job creation in records going back almost 33 years.

Construction jobs devoted to new roads, bridges, tunnels, hospitals and schools now accounts for a record share of workers, just shy of one-in-10.

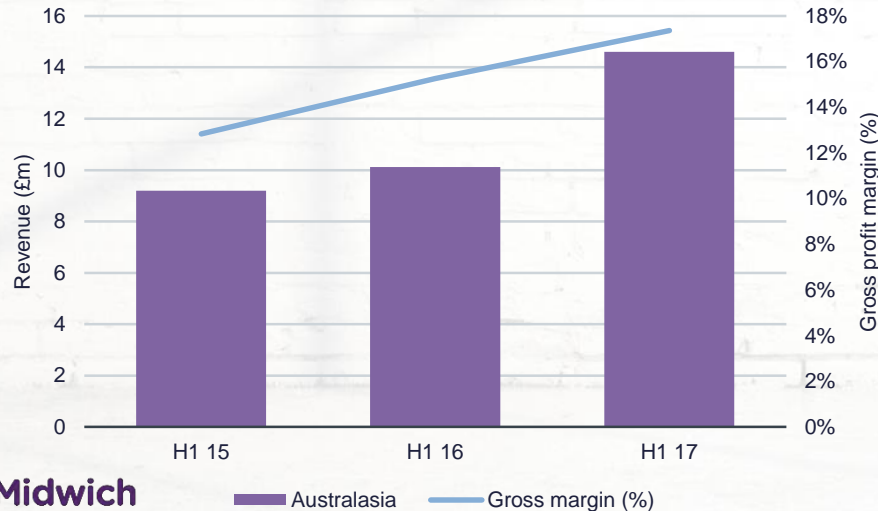
Healthcare is next, producing an extra 48,000 jobs last quarter



Midwich ANZ - Operational review

Revenue & GP Growth

- 44.2% revenue growth with impressive growth across all categories
- Gross margin % continues to be boosted by recent additions to audio and technical product ranges
- 14 staff, 2 Offices – 2012 / 41 staff, 5 Offices 2017



Midwich
Group Plc

— Australasia

— Gross margin (%)

Vendor Portfolio Growth

- Introduction of new vendor partners via organic growth and acquisition
- With growth in local market share, new vendors seeking partnerships.
- Lighting / Broadcast / IT Channel , 2018 – 2020 targets

Midwich Group Vendor Coverage

SAMSUNG



SMART
Technologies

NEC

Key factors in growth

Midwich Group Investment

Office & Showrooms

Warehousing

Vendor management

Recruitment & retention.50

Channel Value Add

In combination with showrooms, with accessibility to presales/ post sales support technicians.

Partner first, distributor second ideology

Consultant and end user engagement to match vendor brand with correct solution.

VIP partner summits, creating thought leadership to local industry

Vendor Portfolio attachment

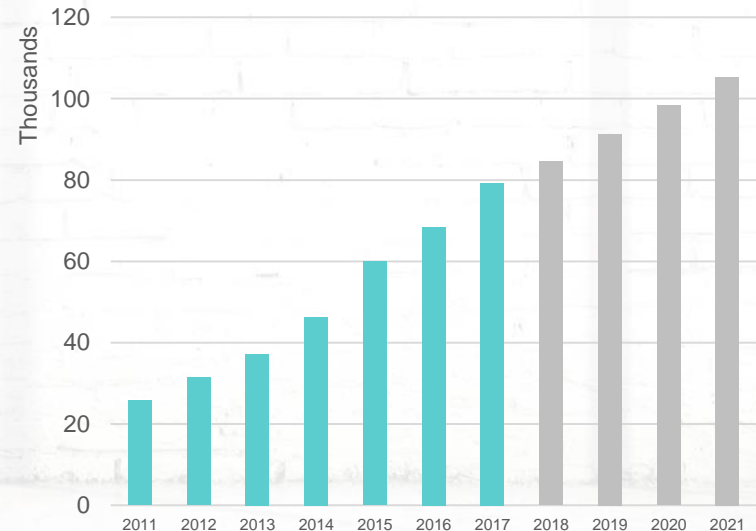
With 113% growth in large format panel displays from 2013 - 2017. (1)

Increases breadth and addressable market opportunities.

Midwich AV solutions technologies portfolio allowing mutual attachment opportunities to match the growth in LFD market.

Additional 33% growth forecasted in LFD market into 2021.

Australia / New Zealand
Large Format Display Panels
2011 - 2021



Global brand engagement

Australian market used as beta before global deployment.

Recent examples being;



1,400 units
65' Display Panels.
POS information.



3,900 Units
65' Display Panels.
Drive Through Menu
Boards



Key value add to market

Showroom & Training Facilities

Sydney & Melbourne integrated AV solution showrooms.

Provides reseller channel opportunity to demonstrate technology solutions to the end user customer.

Training room facilities for vendor lead certification programs.

Pre & Post Sale Technical Support

Established team of technical support to enable both pre & post sale support functions.

Globally recognised product experts in specific segments.

Onsite evaluation and commissioning in partnership with channel resellers

Customer Loyalty Program

Preferred partner sales incentive programs.

Market differentiator to competitors.

Reviewed bi-annual for selective inclusion.

80/20 rule of focus and return.





midwich

The image shows the word "midwich" in a lowercase, sans-serif font. The letters are filled with a vibrant rainbow gradient, transitioning from red on the left to purple on the right. A thick, metallic-looking arch is positioned above the letters, resembling a stylized rainbow or a protective shield. The entire logo is set against a light, neutral background. There are some soft, out-of-focus light spots in the lower-left area of the image.

Midwich Australia / New Zealand

Pipeline of Opportunities

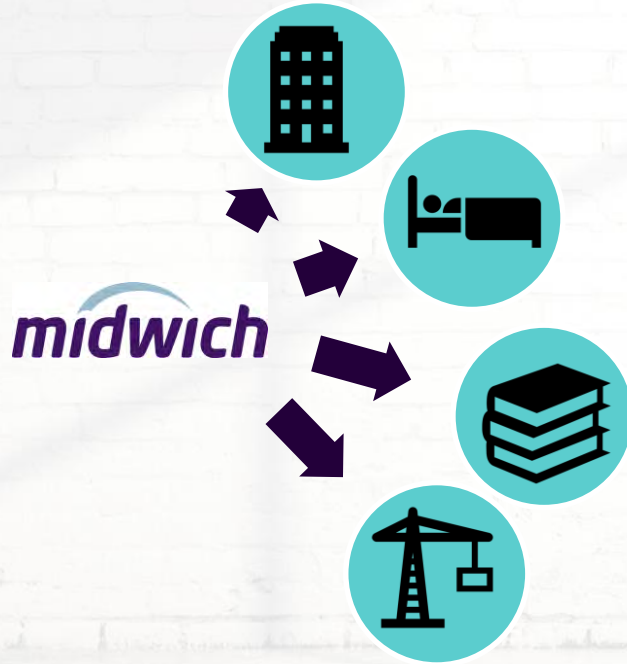
Substantial pipeline of opportunities

Providing mixed balance of verticals from

- Corporate offices
- Hospitality / Aged Care Facilities
- Education
- Infrastructure projects.

Examples:

Sydney Airport / Auckland Airport
Christchurch Convention Centre
Government mission critical & Emergency services
High Street Retailers



APAC expansion opportunity

- The Asian-Pacific professional AV industry generated \$62.9 billion in revenue in 2016.
- The market is currently fragmented but showing signs of maturing and strong growth - CAGR of 5 percent expected over the next 5 years
- Rising wealth and demographic trends will fuel demand for more spending on social infrastructure
- Capital will need to be allocated to education, healthcare to ensure populations are able to contribute to their growing economies on a sustainable basis.

Private sector capital spending in Asia Pacific in next 3-5 years



Industrial

Assembly, manufacturing, chemical & paper plants



Operations/ capacity

Air cargo, ports capacity, distribution centres, office space & service centres.



Consumer

Bank network, retail outlets, movie production, hotels, casinos, retirement villages



Digital economy

Data centres, communications infrastructure, automation technologies

- Flat-panel displays, conferencing/surveillance cameras expected to be drivers for growth.
- Both product sets will virtually double in value by 2022, and collectively will generate \$20.7 billion — or 26 percent of the market's value .
- Every Asian sub-region contributed to the market's growth and new value creation. Australasia, East Asia-Pacific, and the Indian Subcontinent grew by 9 percent, 7 percent, and 15 percent, respectively, from 2015 to 2016
- Midwich ANZ market share of around 10% in 2016

Outlook and Summary

Strong growth to date

ANZ business growth to date is from the Commercial AV System Integrator / reseller channel, partnered with a balanced vendor portfolio.

Share growth within Midwich Group, from 5% -2015 / 7% - 2016

Investment to continue

Customer retention & new prospecting, expansion with geographical office reach, staff recruitment & rendition planning, Midwich Group vendor synergies.

Continued growth organically
and via acquisition

Introduction of new vendor partners via organic growth and acquisitions.
Untapped development opportunities

- Residential
- Broadcast
- IT Channel growth from AVoIP adoption

Outlook

Continued strong growth, within a stable & strong economy.
Monitor and investigate additional opportunities within Asia Pacific and India regions.

Allan Leonhardsen

Managing Director
– Holdan Ltd



Midwich and Holdan synergy

Midwich sells equipment to display content...

...Holdan sells equipment to create content

Introduction and key facts

- Established in 1996 (trading for 21 years)
- Trade-only technical value-add distributor
- 41 staff
- £ 26 million revenue in 2016
- Head office in Glossop, UK
- Became part of the Midwich Group in September 2016
- 20 market leading brands



Introduction and key facts

- Vendor-focused strategy
- One-stop, go-to supplier in a very fragmented market
- Holdan has added significant value to market leading brands such as Panasonic Broadcast and others
- Biggest and leading distribution company in our market
- Successfully grown year on year
- Became entry point for Midwich to the professional video & broadcast markets, with instant market share & profit



Integration one year on

- Cultural & business synergy
- Maintain Holdan's ethos
- Saving in back office costs allow re-investment in frontline
- Accelerated Holdan's growth
- Increase margins and profitability
- Road ahead - UK and beyond with cross-selling opportunities

The perfect synergy

- Holdan's core market: Broadcast, Film, Production
- Growing new market: Enterprise Video
- Midwich as trusted supplier, is entry point to 10,000+ accounts
- Accelerated video into AV accounts with > 50+% YoY growth
- So far, UK only with new European opportunities in 2018



The enterprise video opportunity

- Broadcast becoming Enterprise Video, bringing many new opportunities for distribution
- Marketing is changing
- New broadcast platform is changing the landscape
- So, why is Enterprise Video so interesting an opportunity?



Key market trends and drivers

In 2017 video will account for 69% of all consumer internet traffic, according to Cisco



"Video-on-demand traffic alone will have almost trebled... I'm hard pressed to find any indicator that doesn't suggest rapid growth."

"The global Enterprise Video Market to grow from \$13.01 billion in 2014 to \$32.87 billion in 2019."



The global capture and production equipment market will grow from \$29.5 billion in 2017 to \$35.6 billion by the end of 2022.

The European market will increase by half a billion from 2017 to reach \$6 billion by the end of 2022. In APAC, the market is predicted to rise from \$13.3 billion to \$17.5 billion over the period. The value of the market in Americas overall is estimated to be \$9 billion in 2017 rising to nearly \$9.8 billion by the end of 2022. The MEA capture and production market will reach \$2.3 billion by the end of the forecast period.

Global Sales Revenue Forecast by Product - Capture and Production Equipment



Source: IHS Market

© 2017 IHS Market



Key enterprise video market trends and drivers

- 1.3 billion users of YouTube
- 300 hours of video are uploaded to YouTube every minute
- Almost 5 billion videos are watched on YouTube every single day
- In an average month, 8 out of 10 18-49 year-olds watch YouTube



Key enterprise video market trends and drivers

Use Twitter to Promote & Educate

"Sharing content other than your own is useful and fun for your audience. However, that doesn't mean you can't create promotional videos As long as they're done well."



Key enterprise video market trends & drivers

"McDonald's is a good example.

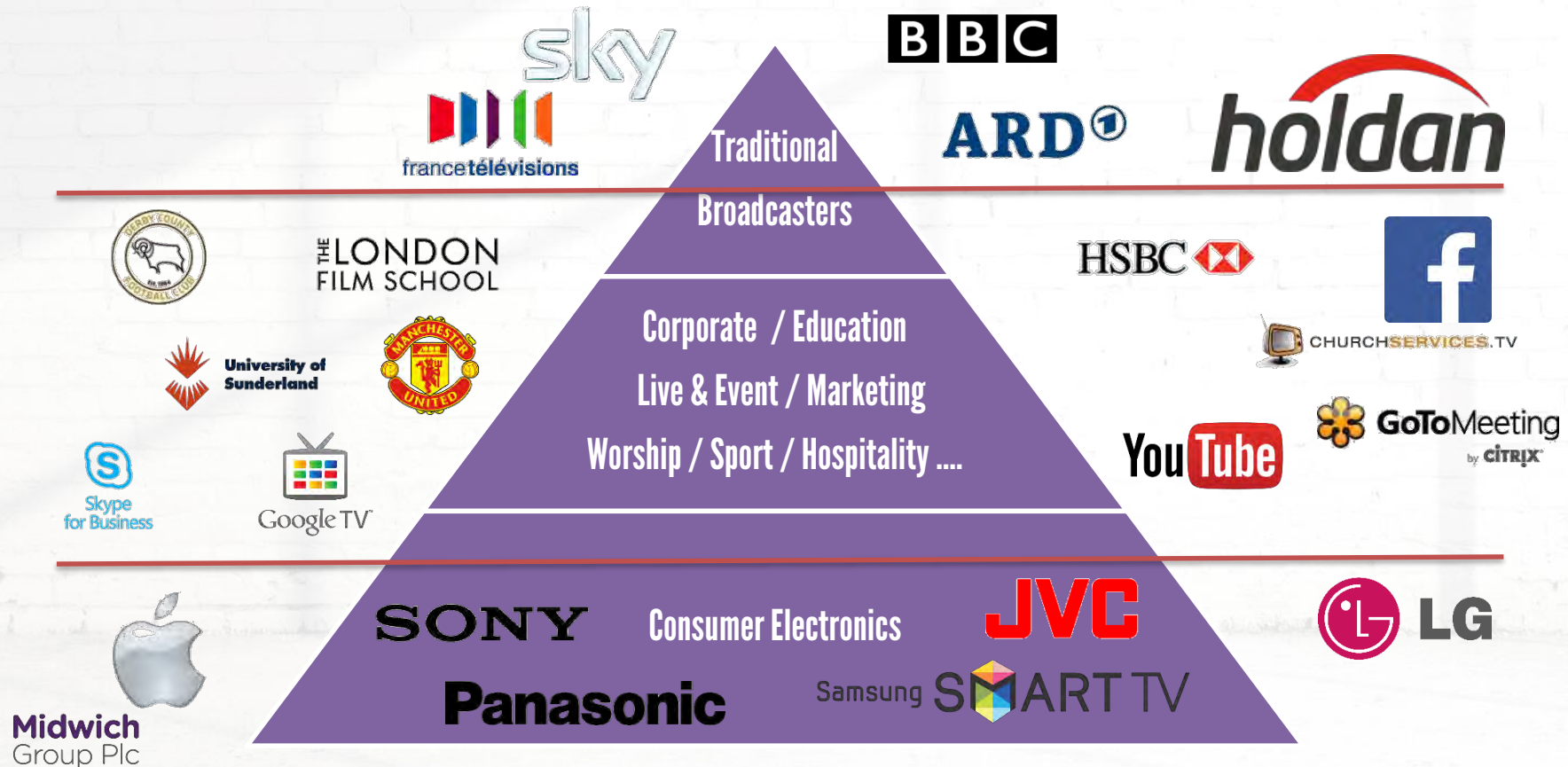
The content they create is fun and engaging and includes their products as the centre of every story they tell.

It's smart, innovative and playful, and helps to significantly increase their shares and follows."

Social Media Marketing Industry Report 2016



Market landscape



Bring video in-house

With the introduction of affordable computers and colour printers in the late 80s, companies brought DTP & printing in house

In the late 90s it became obvious to most companies that a public web presence was no longer optional, and they brought web in house

With the popularity of Facebook, LinkedIn, Twitter and others, social media has become the norm for any growing company. Now social media has gone in house

Bring video in-house

- Many businesses now see video as a critical medium to communicate internally and to engage with customers. They are starting to bring video... in house
- If customers are creating video content regularly or want to ramp up video production, they will bring video in-house
- With the synergy between customer reach and specialist knowledge, Midwich & Holdan will win wider market share for in-house video production



“Today, successful business development is contingent upon building trusted relationships and leveraging those relationships to grow new businesses”

“We live in an age of start-ups taking the world by storm.

As a result, many focus on new customers & new businesses...

Even though it can cost 7x more than customer retention.”

The perfect synergy

- Midwich is trusted by key players in the market
- Jointly we will activate new business with existing customers
- Provide customers with a unique one-stop solution, which our competitors cannot offer
- Solve a problem for our customers and increase their business

Jenny Hicks

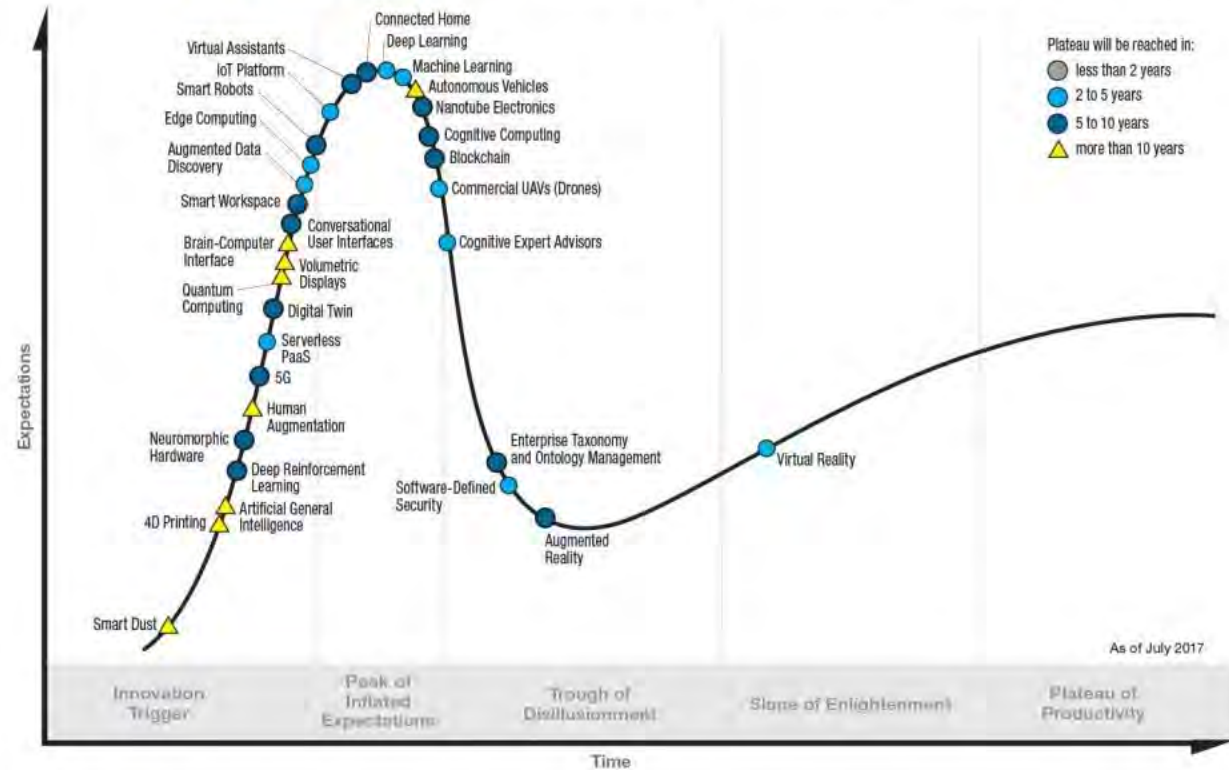
Future
Technologies



Future technology

- Track the hype cycle
- Attach to early projects
- Identify the first to market
- Anticipate the super brand

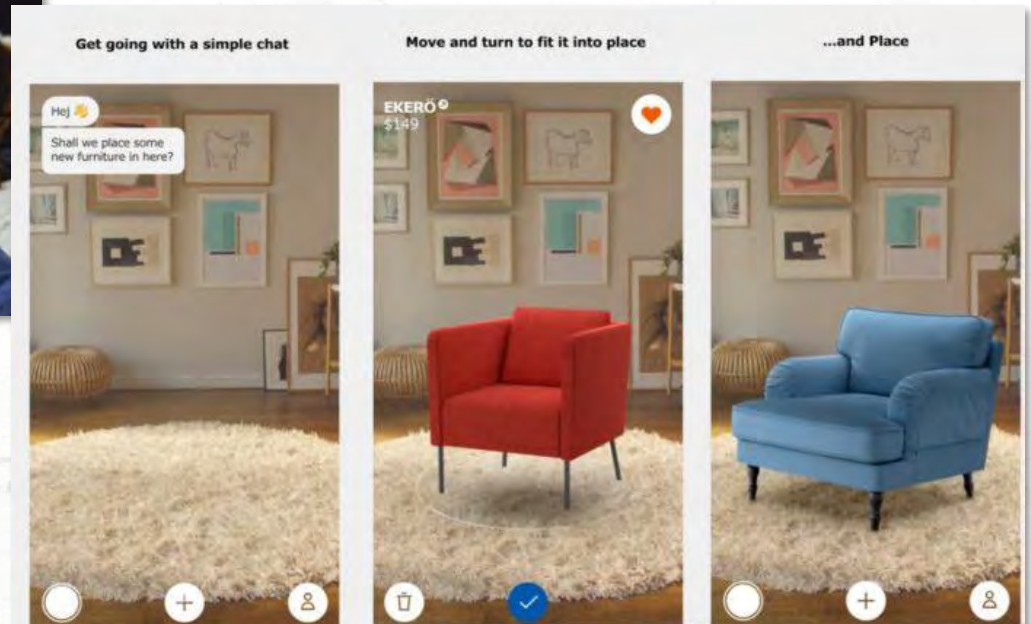
Gartner **Hype Cycle** for Emerging Technologies, 2017



Augmented reality: DOOH & Retail



- Ikea Place App for IOS 11





Augmented reality in broadcast studios



- Leyard 0.9mm pixel pitch LED
- High Contrast
- 6m wide 8k resolution



PARIS SG
CAVANI 62'

BARCELONA

- 90' ROBERTO
- 90' NEYMAR
- 88' NEYMAR
- 80' MESSI
- 40' KURZAWA
- 3' SUÁREZ

6-1

16	FOULS	25
6	CORNERS	4
25	THROW IN	13
4	SHOTS BLOCKED	1



POSITION
HEIGHT
WEIGHT

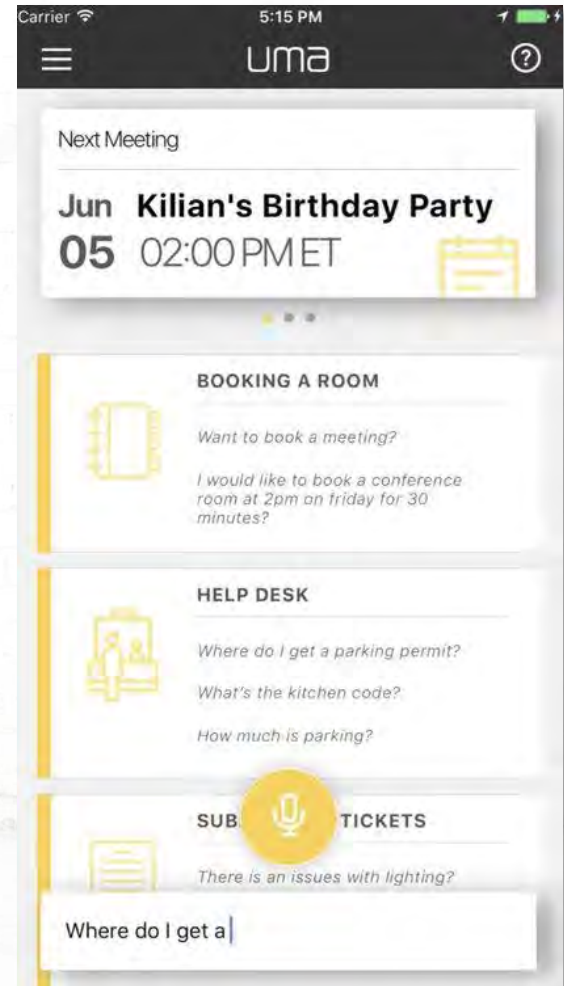


UNIFY



AI: How can we benefit?

- UMA find me a meeting room for a 10 o'clock VC call?
- UMA where does Tom Sumner sit and is he currently available?
- UMA what is the dress code at the Southern Office and can you give me directions?
- UMA alert: Welcome to meeting room 2, would you like to present or make a videocall?



VR: Is it relevant?



Yes, but not just yet

Could this be the future of video conferencing?

- 6 degrees of freedom
- 8k x 8k resolution per eye
- Motion sickness

Right now we are a 5110

PITCH
(Nodding yes)

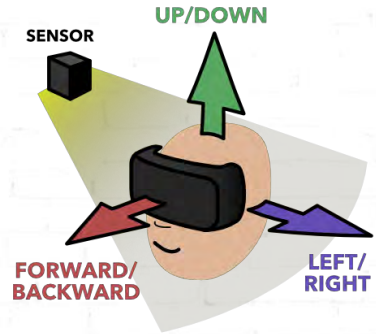


YAW
(Nodding no)



ROLL
(Tilting side to side)

3 degrees of freedom can be tracked by the goggles.



Movement in 3D space requires an external sensor or camera.



Today at the show

- Chroma Key studio
- Seamless LED touch wall
- Curved LED Retail display
- Heat mapping cameras for retail analysis
- Bookable huddle spaces
- Room to Room collaboration from Mersive
- GDPR zone
- Quant – collaborative software for network operation centres
- OLED wall paper videowalls and double-sided displays
- Have a drum lesson in the audio arena

Questions?



Iain Campbell



Jenny Hicks



Scott Pollard



Steve Fay