

18 December 2019

**Midwich Group Plc
("Midwich" or "the Group")**

Year End Trading Update

Midwich, a specialist audio visual distributor to the trade market, is today providing a trading update for the year ending 31 December 2019.

In our interim trading update, issued on 10 September 2019, we highlighted negative sentiment in the global economy, impacted by matters such as the US/ China tariff dispute, Brexit and political change in certain territories.

Market conditions have been challenging throughout the year, with many AV manufacturers reporting overall volumes down. Despite these challenges, the Group has made good progress and expects to report mid single digit full year organic revenue growth (before the effect of acquisitions) and significant market share gains.

The Group has made four acquisitions during the year, enhancing the product portfolio and expanding geographic coverage. We have also invested in key areas, strengthening the core business and enhancing our capability to acquire and integrate new businesses.

Following strong trading through the first three quarters of the year, the Group has seen a slowdown in demand in recent weeks in both the UK and across key territories in Continental Europe. In particular, we have seen fewer larger projects, which in turn has held back progress in gross margins. Hence, while we anticipate delivering total revenues for the year in line with expectations, the product mix effect on gross margins means adjusted profit before tax in 2019 is now expected to be in the range of £30 million to £31 million.

Despite current challenging market conditions, the Group is well positioned and the Board remains confident in its future prospects.

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Note to editors

Midwich is a specialist AV distributor to the trade market, with operations in the UK and Ireland, Continental Europe and Asia-Pacific. The Group's long-standing relationships with over 400 vendors, including blue-chip organisations, support a comprehensive product portfolio across major audio visual categories such as large format displays, projectors, digital signage and professional audio. The Group operates as the sole or largest in-country distributor for a number of its vendors in their respective product sets.

The Directors attribute this position to the Group's technical expertise, extensive product knowledge and strong customer service offering built up over a number of years. The Group has a large and diverse base of approximately 14,000 customers, most of which are professional AV integrators and IT resellers serving sectors such as corporate, education, retail, residential and hospitality. Although the Group does not sell directly to end users, it believes that the majority of its products are used by commercial and educational establishments rather than consumers.

Initially a UK only distributor, the Group now has over 800 employees across the UK and Ireland, Continental Europe and Asia-Pacific. A core component of the Group's growth strategy is further expansion of its international operations and footprint into strategically targeted jurisdictions.

For further information, please visit www.midwichgroupplc.com