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Trading Statement

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## TRADING UPDATE

[REACT GROUP PLC](#)

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16 November 2023

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### REACT Group plc

("REACT", the "Group" or the "Company")

#### Trading Update

REACT Group plc (AIM: REAT.L), the leading specialist cleaning, hygiene, and decontamination company, is pleased to announce a trading update for year ended 30 September 2023.

- Revenue of £19.6m (2022: £13.7m) - an increase of 43%
  - Organic like-for-like revenue growth of 21%
- Adjusted EBITDA in excess of £2.2m (2022: £953k) - an increase of more than 130%
- Net cash, less bank debt and finance leases of £0.7m (2022: -£0.1m)

Trading in the year has continued to be strong despite the economic headwinds facing our industry. Subject to audit, revenue for the year will be approximately £19.6m (2022: £13.7m), an increase of 43%. Organic like-for-like revenue growth increased 21% on last year. The Group will report an Adjusted EBITDA in excess of £2.2m (2022: £953k) an increase of more than 130%.

The award of new contracts has been consistently robust across the Group with all divisions contributing to the significant growth in revenues. Amongst many, these have included being awarded a £1.8m contract over three years with a new customer to provide cleaning services to five shopping centres in the West Midlands; a multi-year contract to perform deep cleaning, window and façade cleaning across c.350 mainland UK locations for a prestigious high-street fast-food chain worth £800k; and post period end a £3.8m contract extension to provide contracted maintenance, cleaning and hygiene services within the education sector for a major university.

Each division has performed well throughout the year which is testament to the Group's acquisition strategy. LaddersFree has added its first full year of trading to the Group and has made a considerable contribution to Group profitability. Fidelis has more than doubled its revenue since its acquisition two years ago whilst demand for REACT's dedicated services has returned and remains buoyant. Success cross-selling and upselling amongst the Group's customers continues to build momentum, increasing share of customer wallet and driving organic growth.

Key industry sectors driving growth include Facilities Management, where the Group provides a valuable role performing specialist work through an increasing number of FM providers; Retail, where the Group has seen growth in the number of customers, although some have reduced frequency of cleans in response to the current economic environment; Education, where the Group continues to be selective to ensure quality of service and margins; and Industrial, where the Group's contract and specialist cleaning capability is in high demand.

Shaun Doak, Chief Executive, commented: "We are delighted with the trading performance of the Group, achieving record revenue and profit growth in the year. The pipeline for the new year is healthy and we are seeing strong demand for all of our divisions. Our cross-selling ability throughout the business not only enhances our offering but also improves and increases our sales pipeline."

#### About Us:

REACT Group plc is the UK's leading specialist and contract cleaning business and operates with three divisions: LaddersFree, one of the largest commercial window cleaning businesses in the UK; Fidelis Contract Services ("Fidelis"), a contract cleaning and facilities maintenance business; and REACT business, which primarily provides a solution to emergency and specialist cleaning situations, both through long-term framework agreements and on an ad-hoc basis.

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