

8 October 2026

Kelso Group Holdings plc
("Kelso" or the "Company")

New investment in Likewise Group plc, the new UK market leader

Kelso, the main market listed investment vehicle, today announces a new investment in Likewise Group plc ("Likewise") following the recent purchase of 5,000,000 shares at an average price of 30p. Following the rise in Likewise's share price to c.40p, giving a market capitalisation of c.£144m, Kelso's holding is now valued at approximately £2m, approaching 10% of Kelso's gross investments.

Kelso sets out the rationale for its investment below.

Summary

Likewise is a fast-growing UK floorcoverings distributor, founded in 2018 by Tony Brewer, Adrian Laffey and Andrew Simpson, the executives who built Headlam Group plc ("Headlam") into the UK market leader. In under eight years it has grown revenue from zero to £163m in 2025, and expects it to exceed £200m this year.

On 8 September 2026, Headlam, which reported revenue of £499m in 2025, appointed administrators. In Kelso's view this was the result of its own strategic errors and a build-up of debt. Kelso believes this marks a once-in-a-generation shift in the structure of the UK market.

On 7 October 2026, Likewise announced that it had acquired selected Headlam assets from the administrators for £14.9m in cash.

Likewise's interim results on 28 September 2026 showed operational gearing coming through, with full-year underlying profit before tax now expected to be materially ahead of expectations. Kelso believes the market has yet to reflect the earnings potential of a business heading towards £300m of revenue.

Rationale for investment

Proven management: Tony Brewer joined Headlam in 1991, became Chief Executive in 2000 and led the company until 2016. Headlam spent much of its listed life in the FTSE 250 Index, with its market capitalisation peaking at £560m in May 2017 on 2017 revenue of £700m+ and pre-tax profit of £40m+. Andrew Simpson ran Headlam's UK operations from 1991 until 2010. Many of Likewise's senior managers and sales executives also previously worked at Headlam.

Structural market share opportunity: Headlam's administration followed several years of decline, an underlying loss before tax of £40m in 2025 and the exhaustion of its £85m asset-based lending facility. Likewise's strong growth in the same market over this period shows, in Kelso's view, that Headlam's problems were not indicative of the wider sector. UK independent retailers depend on reliable next-day supply and product samples for their showrooms. Kelso believes Likewise is the natural beneficiary as customers and experienced sales staff look for a stable alternative.

Headlam assets acquired: The £14.9m acquisition comprises the 90,000 sq. ft. freehold Thatcham distribution centre with its operating assets and inventory, the Crucial Trading and Concept Flooring businesses and Headlam's principal intellectual property, with around 110 employees expected to transfer. Likewise will also sell Headlam's remaining inventory on behalf of the administrators over nine months from Headlam's Coleshill site, with a £2.3m payment on account under that arrangement. The acquisition is funded from existing cash with no new debt or equity. Likewise expects no material profit contribution in 2026 and a positive contribution in 2027. Kelso believes this secures established Headlam brands, further freehold capacity and experienced staff at modest cost.

Accelerating growth: Likewise's revenue rose 8.9% to £163m in 2025 and 15.4% to £90m in the six months to 30 June 2026. Trading has since accelerated, with sales up 29.1% between 1 July and 25 September 2026 and up 20.7% year to date.

Capacity in place: Likewise employs 500+ people and serves the majority of the UK through 13 distribution centres, using automated cutting to supply large volumes to size on a next-day basis. In August 2026 it raised over £30m in an oversubscribed fundraise and completed the £9.6m freehold purchase of a 60,000 sq. ft. distribution hub in Corby, due to open in January 2027. Together with the Thatcham site acquired from Headlam, this underpins an enhanced revenue target of £300m.

Large addressable market: The UK floorcoverings market is estimated at £2.5bn a year at manufacturer prices, leaving Likewise significant headroom beyond its current targets.

Sector knowledge: John Goold, Kelso's Chief Executive Officer, began his City career as a corporate financier in 1987 with Headlam as his first corporate client and, in a former role, helped to float Likewise on AIM in 2021. Kelso has followed the sector closely for many years and intends to engage constructively with the Likewise board on strategy, capital allocation and investor relations.

Sir Nigel Knowles, Chairman, Kelso said:

'Tony Brewer and his team built Headlam into the UK's market leader and we believe they are doing it again with a more modern, efficient business. With Headlam in administration and Likewise's acquisition of its new distribution complete, Likewise has a unique opportunity to accelerate its market share gains and its latest results show growth now converting into profit. We are delighted to be shareholders in Likewise.'

Note to Editors

Kelso Group Holdings plc ("Kelso") is a UK-listed investment vehicle established in January 2023, backed by approximately 80 investors known to the Board and a small number of institutions. The Board owns approximately 16.2% of Kelso and has more than 150 years of combined experience across fund management, private equity, corporate finance, law and M&A. Kelso invests in a concentrated portfolio of fewer than ten established, profitable UK small and mid-cap companies and seeks to help its investee companies by offering constructive advice and ideas around strategy, capital allocation and investor relations in order to unlock trapped value. Kelso's current principal holdings are Saga plc, CVS Group plc, The Works.co.uk plc, NCC Group plc, Likewise Group plc, Angling Direct plc, Selkirk Group plc and THG plc.

Kelso's aim is to generate market leading compounded annual returns for shareholders. The Board is closely aligned with shareholders through its substantial equity ownership. Kelso was established in January 2023 and has raised equity at 2p, 2.5p, 3p on three occasions and most recently at 3.3p.

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