



Lucy Dimes, CEO & Scott Cunningham, CFO

Interim Results

For 6 Months Ended 30th September 2024

27th November 2024



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Iomart Group results for six months ended 30th September 2024.

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Lucy Dimes
Iomart Group plc, CEO



Scott Cunningham
Iomart Group plc, CFO



Delivering Our Strategy

Delivering our strategy

Transformational acquisition provides confidence in growth ahead.

Bigger, Better, Bolder!

1 Streamlined & Integrated
Single operating model to drive best practise adoption and unified brand positioning.



All sales, product, marketing and customer management under single leaders.

2 Differentiation Enablers
Focused functional transformation programmes to drive high performance and greater impact.



30% growth in order bookings.

3 Bolder M&A Focus
Targeting larger acquisitions to drive growth in strategic areas and realise impact sooner.



Transformational acquisition of Atech – achieved our ‘plan A’.

While H1 trading was mixed, we have entered H2 a significantly stronger business.

Iomart New Logo Clients – H1 Highlights



Torbay and South Devon
NHS Foundation Trust

Back-Up as a Service
Commvault



Azure Consultancy & CSP
Microsoft



M365 & Azure CSP
Microsoft



Back-Up as a Service
Commvault



BaaS & M365 CSP & VCF
Microsoft & VMware

Iomart Existing Clients – H1 Highlights



Migration to Azure & SOC
Microsoft



Cloudsure to VCD migration
VMware



New Managed Back-Up service
Commvault

Rejuvenated Iomart

The acquisition marked a significant milestone in our strategy to be “Bigger, Better, Bolder”.

ATECH × IOMART

+650

deeply skilled and
accredited colleagues
across the globe

+6,000

customers supported in
delivering business critical
managed services

£161m

of combined revenue
delivered in the last 12
months

Our enlarged group and combined capabilities will allow us to compete more effectively in the market with enhanced services, top-tier vendor partnerships, greater scale and references across Cloud Managed Services, Modern Work, Data Protection and Cyber Security; cementing our position as the **UK's leading secure cloud provider**.

Combined, **Atech & Iomart** is now one of the UKs most accredited providers of hybrid cloud and security managed services.

Microsoft Partner | Azure Expert MSP
Microsoft

BROADCOM

PINNACLE PARTNER

VMware Cloud Service Provider (VCSP)

VMWARE



Atech Acquisition

Introducing Atech

Established in 2009, Atech has scaled to become one of the most accredited partners in the UK for Modern Work, Security and Azure.

Formally achieving Microsoft's coveted **Azure Expert MSP accreditation** in September 2024.

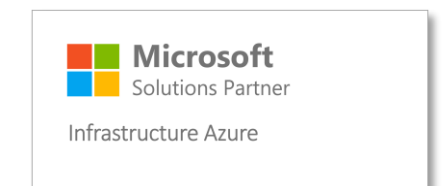
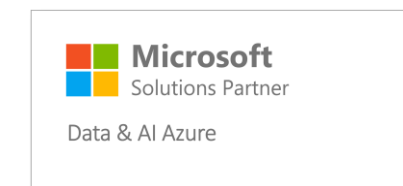
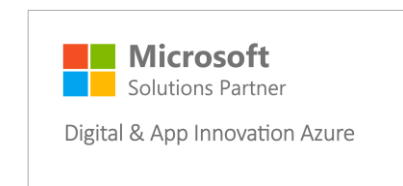
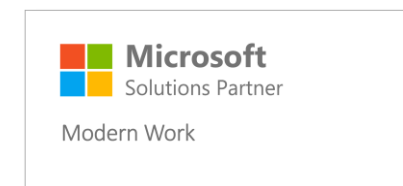
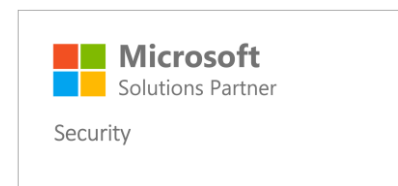
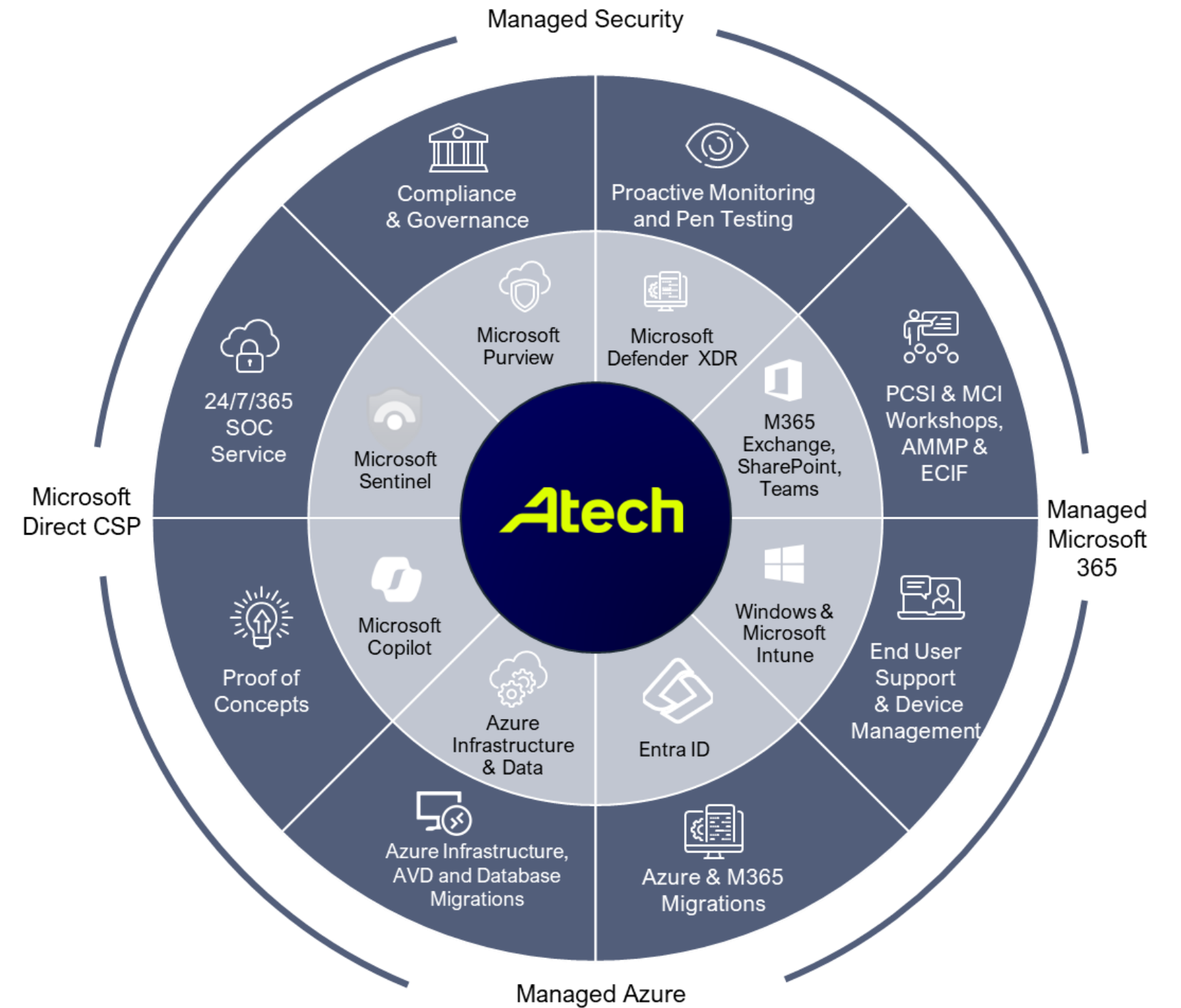


24 X 7 x 365 Managed Services & Security Ops Centre
Fully managed services and security for business and enterprise customers.

Professional Services
Digital transformation & security enablement projects
Assess > Design > Implement > Manage

Licensing Services
Direct CSP licensing for Microsoft 365 and Azure across all workloads.

People
Over 100 skilled colleagues headquartered in Marlow, UK, with a further 50 based in India.



Attractive Customer Base

Atech brings proven mid-market expansion potential.

Delivering a **3-year revenue CAGR of c.18%**, largely through expansion with existing customers.

Multi-year tenure customer base focused on mid-market and enterprise customers (200 to 2,500+ users) across multiple sectors including **Financial Services, Insurance and Energy**.

Focused on customers requiring a **full end-to-end offering** from strategic consultancy and transformation through to managed services.

Recurring product licensing, Azure consumption and hardware / software sales a by-product of the wider solution set.



Customer Case Study:

UK-based retail financial services client.

Delivered 3X revenue in FY23 compared to FY21.

Overview: Initial engagement for Active Directory remediation project, followed by Modern Identity programme. Now transitioned to full multi-year Cyber transformation programme.

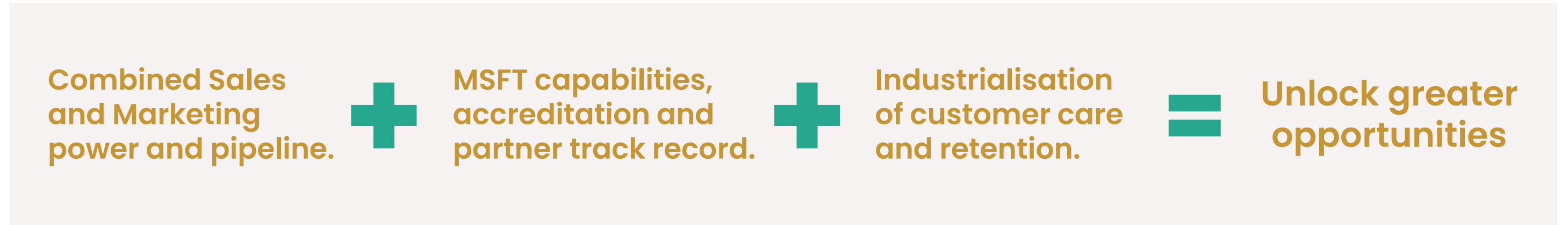
Solution: 3-year transformation and security architecture programme to roll out multiple security solutions including deploying Sentinel, Purview and CyberArk.

“Atech has a breadth of knowledge that local providers can’t match. As we vary across our security capabilities, it can provide the right expertise to deliver the necessary solution.”

Significant Potential Together

We are combining our capabilities immediately to unlock revenue opportunities.

ATECH × IOMART



1. Accelerate new customer acquisition

Bring the force of our combined sales, marketing and product functions together to accelerate new customer acquisition. Building on Atech strength in customer expansion.

2. Increase customer retention

By significantly broadening our product portfolio and strengthening credibility in high-demand areas, we are increasingly more relevant to our customers growing needs.

3. Cross-sell security & Microsoft capabilities

Immediately promote new Atech capabilities to our Iomart customer base to capture new whitespace revenue from Microsoft Modern Work, Azure and Security services.

Mobilising a powerful combination

The Catalyst Programme will combine our businesses over three distinct phases.

Bigger, Better, Bolder

Phase One (Oct - Dec)

Mobilise combination plan and progress HR, Finance, Technical, Operations, Product, Marketing, Sales & Legal functions.

Brand proposition refresh with targeted cross-marketing communications to Iomart's top 200 customers on the 'power of our combination'.

Consolidate all Microsoft delivery under Atech centres of excellent and combine all Microsoft procurement to further leverage Atech's top-tier Microsoft partner status.

Phase Two (Jan - March)

Progress unified values, employee proposition and joint internal communications strategy.

Mobilise joint product, branding and marketing campaigns.

Launch re-aligned sales to service model.

Complete M365 IT systems integration.

Phase Three (April +)

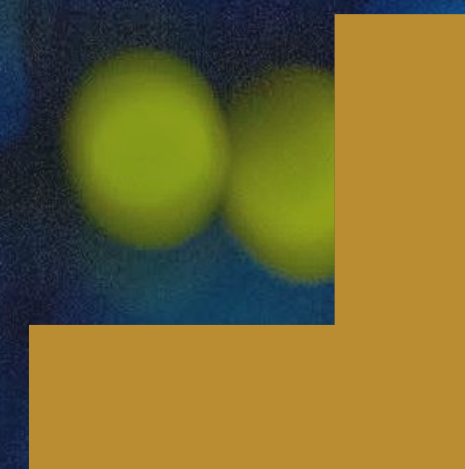
Combined Group and Sales Kick off sessions.

Launch unified training and accreditation programmes.

Implement targeted quarterly marketing campaigns to acquire new customers and upsell to existing customers.



H1 FY25 Performance



Mixed H1 Financial Performance

Increased proportion
of revenue portfolio in
growth segments.



Revenue flat, lower renewal levels and timing of order billings negating the stronger order bookings plus £3.7m revenue benefit from M&A activities.

Revenue mix impacts margins, £0.7m negative impact from Broadcom licence arrangement plus relatively fixed infrastructure costs affect profitability.

Cost optimisation programme, targeting over £1m of annualised gross cost benefits by end of FY25. Further synergies and efficiencies to be identified.

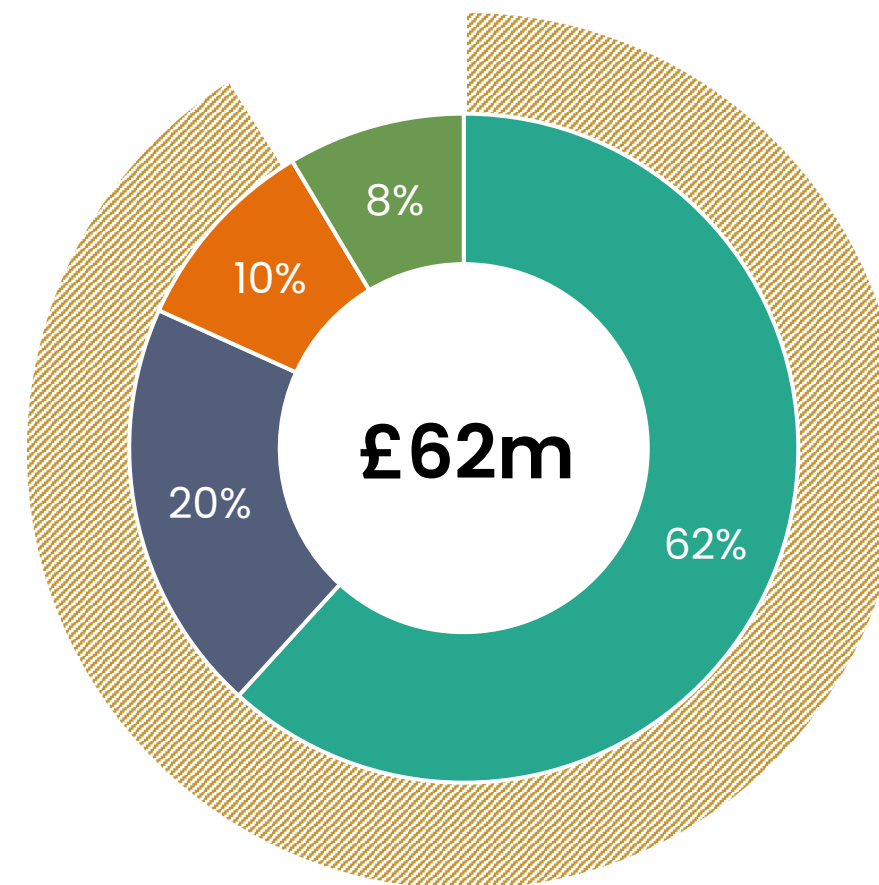
Transformational Atech acquisition – strengthened product portfolio enhancing customer acquisition and retention, economies of scale and access to a mature captive offshore operation in India.

H1 YoY Revenue Flat

Increased proportion of revenue portfolio in growth segments.

Disaggregated revenue	H1 FY25 £'000	H1 FY24 £'000	Change
Cloud Managed Services	38,253	37,022	+3%
Self-Managed Infrastructure	12,394	14,730	-16%
Non-Recurring Revenue	5,312	4,026	+32%
Total Cloud Services	55,959	55,778	-
Mass Hosting	5,991	6,259	-
Total Group	61,950	62,037	-

- Cloud Managed Services
- Self-Managed Infrastructure
- Mass Hosting
- Non-Recurring Revenue



91% recurring revenue

Cloud Managed Services

£1.2m increase driven by £2.8m revenue from FY23 acquisitions, plus 4% organic revenue reduction.

Atech acquisition broadens product offering significantly—supporting retention & growth of existing large customer base.

Self-Managed Infrastructure

£2.3m decrease from lower growth area, transactional and most sensitivity to public cloud switch.

Smaller “legacy” brands and long tail largest challenge. Migrations on-going to core group platforms.

Non-Recurring

£1.3m increase supported by £0.9m from FY24 acquisitions, along with 10% organic growth.

All resell activity under single Iomart sales teams.

Mass Hosting

Revenue remains stable with strong margins and high renewal level across customer base.

Other Items Of Note

D&A, interest and cashflow more consistent in H1 FY25.

H1 operating cash flow impacted by timing aspects. LTM basis 87% cash conversion.

£10.4m D&A

16.8% of revenue
(H1 FY24: 14.5%)

£4.3m Adj. PBT

£3.3m reduction
on H1 FY24

**Adj. diluted
EPS 2.6p**

50% Lower

+£0.3m

More stable interest
expense

29%

Adj. Effective tax rate
vs. H1 FY24 23%

**1.3p Interim
Dividend**

Consistent policy

£17.0m

Adjusted EBITDA
-9% reduction

68%

Cash Conversion
87% on LTM basis

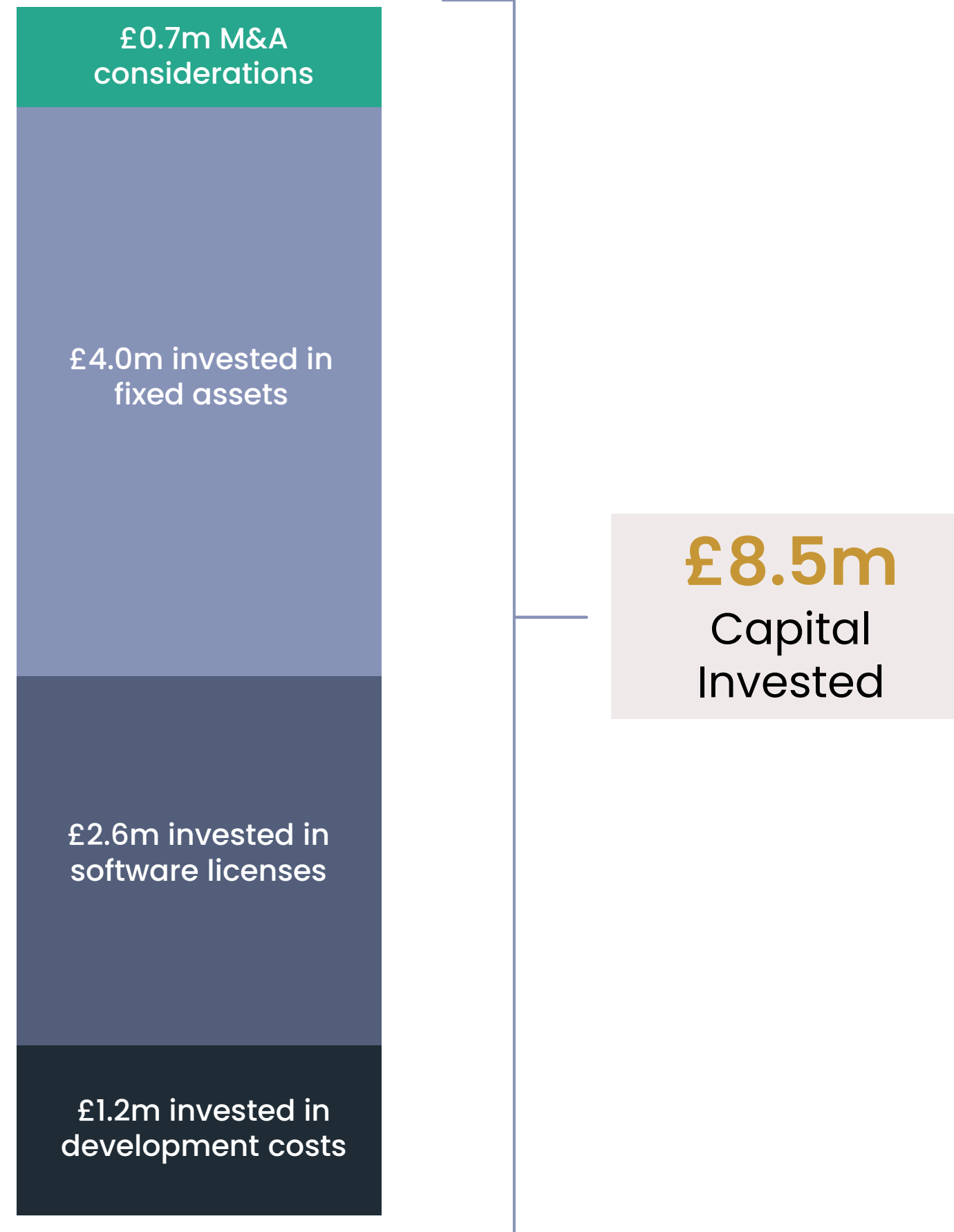
1.3

Net Debt
Ratio/EBITDA

Capital Allocation

Lower level of capital investing activities in H1.

Atech acquisition on 1st October 2024, a subsequent event.



- **M&A:** Limited to £0.7m of contingent consideration payments. Final £1.4m of earn-out consideration paid in October (Accesspoint).
- **Own assets:** £4.0m invested in fixed assets, the largest part of this is hardware for customer facing deployments. Limited data centre spend but commitments made for H2 (includes £1.5m cooling replacement at Gosport DC).
- **Software licenses:** £2.6m is higher value, includes 1st annual payment under Broadcom 5-year partnership commitment.

Post Balance Sheet Event

Extension of revolving credit facility shows banks supportive of transformational acquisition.

Atech Acquisition

Competitive process concluding in a £57m purchase price on debt and cash free basis.

Atech historic trading to 30th September 2024:

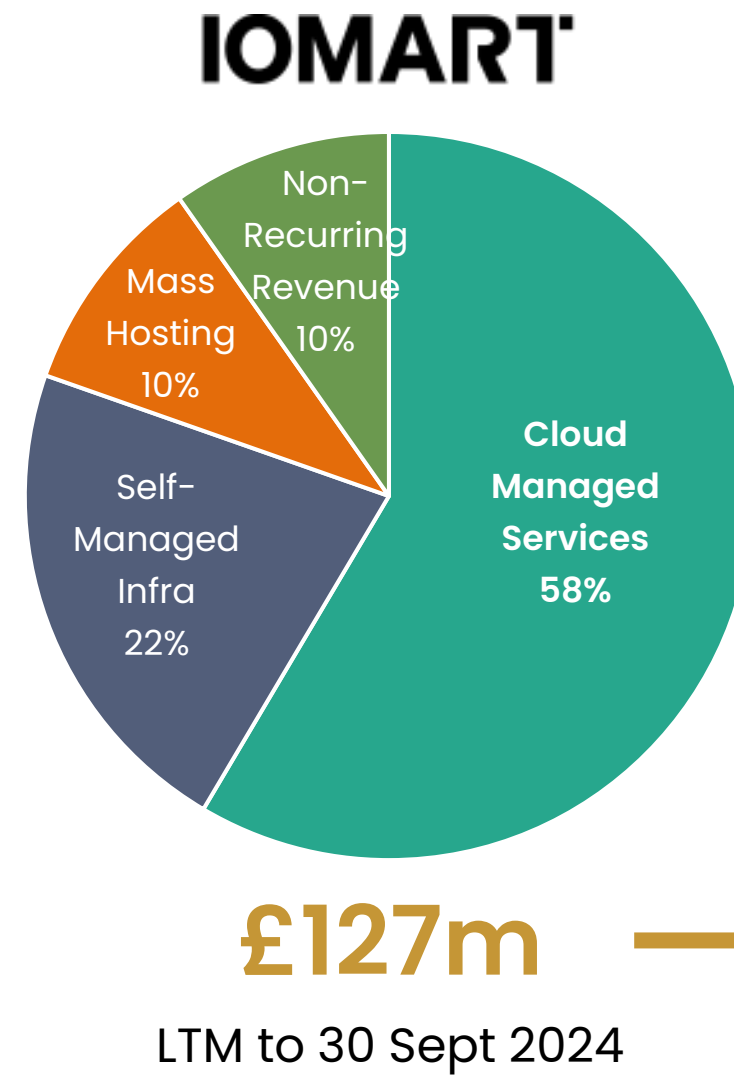
- LTM £34.4m revenue
- £4.1m Adjusted EBITDA
- 73% recurring revenue
- Delivering 3-year revenue CAGR of c.18%

Revolving Credit Facility & Net Debt

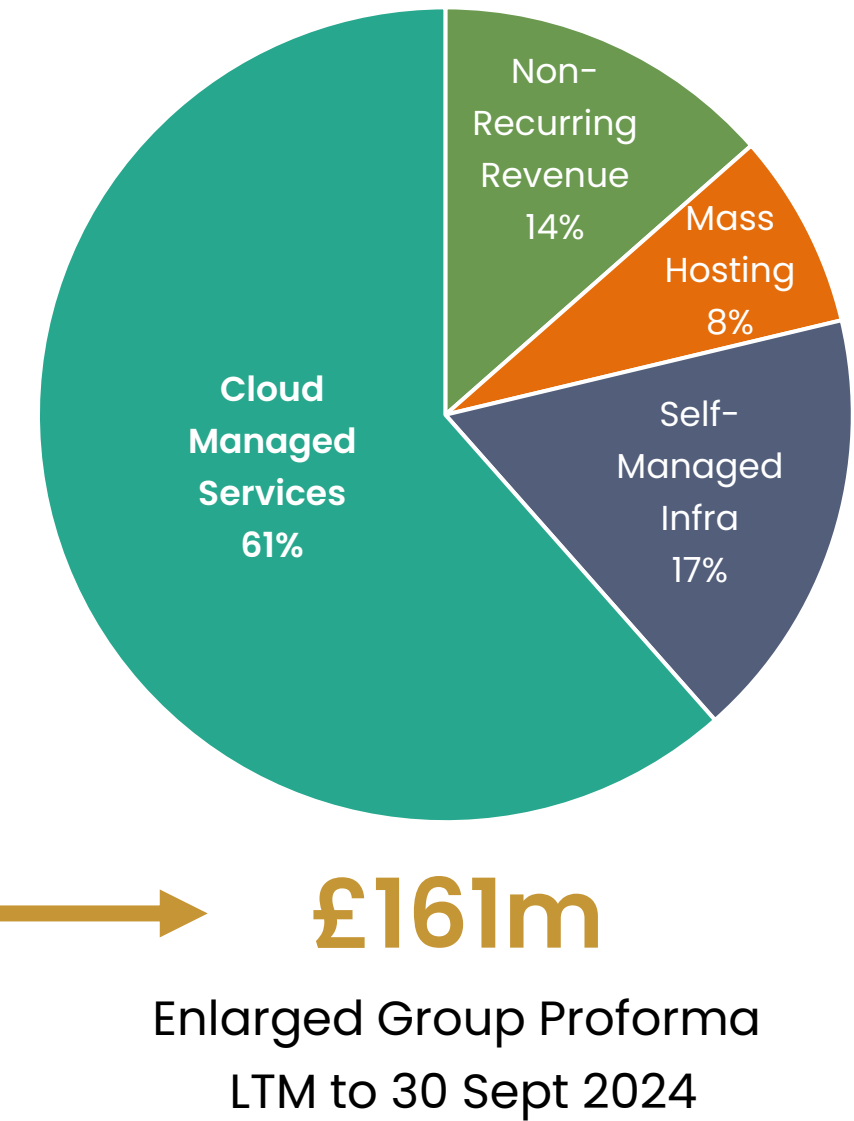
- RCF increased to £125m (expires June 2026).
- £57m drawn on 30th September in advance of 1st October completion.
- Proforma net debt on 1 Oct 24 of £105m.
- Being x2.6 times historic proforma LTM EBITDA.
- Excluding IFRS 16 lease liabilities, proforma net debt £86.8m.

Strong Financial Platform

Atech adds significantly to further strengthen our existing strong financial business model.



Atech x IOMART



Renewal level stabilisation

Anticipate renewal levels will stabilise, as now a clear pathway to remain with Iomart, while adopting public cloud.

Reduced capex

Capex requirements in proportion to revenue has decreased, providing greater scalability.

Increased cost efficiencies

Access to high quality offshore operation in India, increasing 24/7 coverage. Synergies of scale from integration.



Strategic Outlook

Bolder, Leading Proposition

Our combined skills, accreditations and alliance partnerships, cement our position as the UK's leading Secure Cloud services provider.

- ✓ 1 of c.60 Microsoft Azure Expert MSPs globally.
- ✓ 1 of 15 UK Security & Modern Work managed partners
- ✓ 1 of 6 Broadcom VCSP Pinnacle Partners in UK.
- ✓ 1 of 100 of VCSPs globally, with US partner status.



Microsoft Partner | Azure Expert MSP

Member of Microsoft Intelligent Security Association

Microsoft Verified Managed XDR Solution

Microsoft FastTrack Partner

Copilot for M365 Jumpstart Program

Microsoft Solutions Partner Security

Microsoft Solutions Partner Modern Work

Microsoft Solutions Partner Digital & App Innovation Azure

Microsoft Solutions Partner Data & AI Azure

Microsoft Solutions Partner Infrastructure Azure

HM Government G-Cloud Supplier

BROADCOM
PINNACLE PARTNER
VMware Cloud Service Provider (VCSP)

COMMVAULT
AUTHORIZED SOLUTION PROVIDER

ISO 27001 REGISTERED
ISOQAR

ISO 22301 REGISTERED
ISOQAR

ISO 9001 REGISTERED
ISOQAR

PCI DSS Certified

CYBER ESSENTIALS PLUS

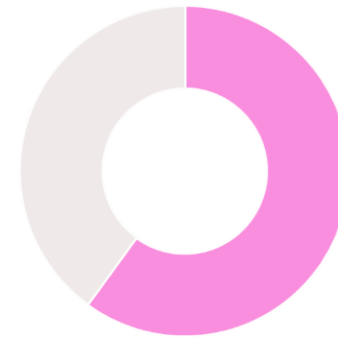
CREST

Better, Positioned To Compete

In an attractive market, we are in all the biggest growth areas.

Cloud transformation and public cloud acceleration.

It is estimated that **60% of business data is kept in the cloud.**¹



89% of organisations have a multi-cloud strategy, with **58% wanting more workloads in the cloud** but face migration challenges.²

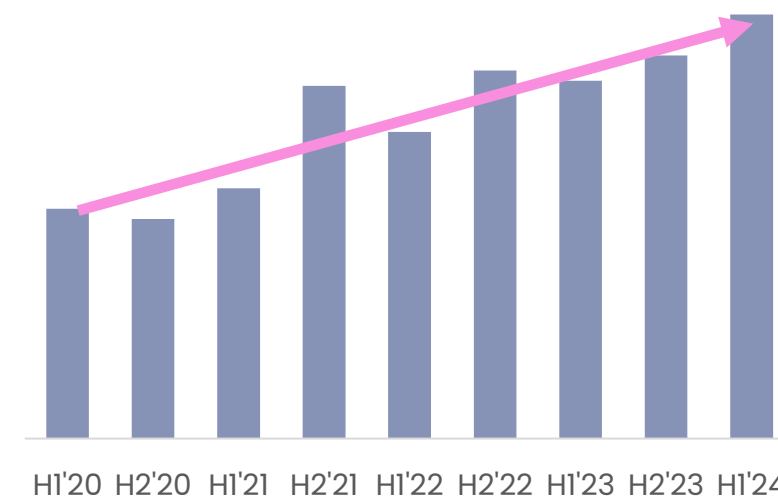
Global spending on public cloud services is forecast to reach \$805 billion in 2024 and **double in size by 2028.**³

2014-2018 CAGR of 19.4%

Private Cloud is here to stay, with growing hybrid need.

79% of enterprise technology decision-makers stated they are implementing new private clouds.⁴

With **83% of enterprise CIOs planning to repatriate at least some workloads in 2024**, up from 45% in H1 2020.⁵



Demand for data protection and cyber security growing.

A staggering **83% of organisations have had some form of security breach**, with over half occurring in the last year.⁶

66% had a **cyberattack** in past year

78% report lack of **security expertise**

54% struggle with **regulatory compliance**

10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

Over the last year, the UK's cyber security sector has shown significant resilience and growth, with **13% increase in revenue**, creating 2,700 new jobs.⁷

1. Future Markets, Cloud Encryption Market 2023
2. Flexera State of the Cloud 2024
3. IDC Public Cloud Spend Guide July 2024

4. Forrester Infrastructure Cloud 2023
5. Barclay CIO Survey 2024

6. Gigaom Cyber Readiness 2024
7. UK Gov Cyber Security Sector Analysis 2024

H2 Focus Areas

Confident outlook and well positioned for stronger second half of the year.

1

Bigger

Brand, market positioning and sales enablement to capitalise on revenue growth opportunities, including cross-selling.

2

Better

Continue streamlining operating model to drive efficiencies, best practise and cost synergies to build most competitive cost base for the business.

3

Bolder

Establish compelling customer propositions into high growth market segments such as cyber security and enhanced Microsoft services.

“The growing demand for cloud computing and cyber security solutions, increasing complexity of the technical landscape, and need for a trusted and highly accredited partner with a strong delivery track record, give the Board confidence in the outlook for the medium-term prospects for the Group.”

Bigger, Opportunity Ahead

Our combined strengths, depth of portfolio and integrated approach will enable us to better compete in the market.

Our enhanced proposition is well positioned to capitalise on the underlying drivers for cloud computing, including the increasingly complex technological landscape which drives customer needs for a trusted managed services.

1. Attractive Growing Markets

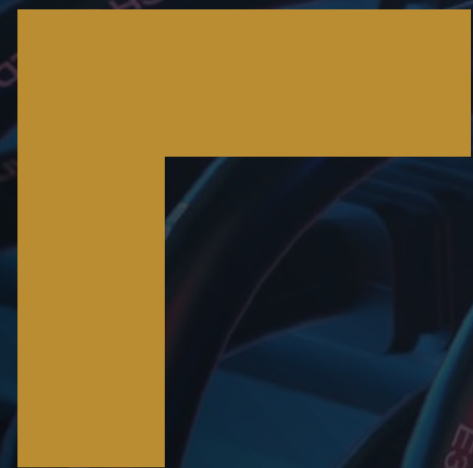
2. Increased Revenue Opportunity

3. Strong Competitive Positioning

4. Robust Business Model

ATECH × IOMART

Improved Execution Ability
Bigger, Better, Bolder



Questions & Answers



Iomart Group plc Board



Richard Last
Chair
Appointed June 2024



Lucy Dimes
Chief Executive Officer



Scott Cunningham
Chief Financial Officer



Annette Navabi
Non-Executive Director



Angus MacSween
Non-Executive Director



Karyn Lamont
Non-Executive Director



Adrian Chamberlain
Non-Executive Director

Group Income Statement

	£'000	£'000
	Sept-24	Sept-23
Income Statement		
Revenue	61,950	62,037
Adjusted EBITDA	16,952	18,598
<i>Adjusted EBITDA margin %</i>	<i>27.4%</i>	<i>30.0%</i>
Depreciation	(7,432)	(7,713)
Amortisation – other intangibles	(2,968)	(1,278)
Finance costs (net)	(2,287)	(2,026)
Adjusted pre-tax profit	4,265	7,581
<i>Adjusted pre-tax profit margin %</i>	<i>6.9%</i>	<i>12.2%</i>
Adjusted items		
- Amortisation of acquired intangible assets	(1,613)	(1,982)
- Share based payments	(514)	(206)
- Acquisition costs	(1,151)	(538)
- Exceptional non-recurring costs	-	(462)
Pre-tax profit	987	4,393
Taxation charge	(603)	(968)
Profit after tax	384	3,425

Cash Flow and Net Debt

	£'000	£'000
Cash Flow	Sept-24	Sept-23
Adjusted EBITDA	16,952	18,598
Operating cash flow	11,050	16,824
Taxation	(1,036)	(813)
Cash paid on tangible & intangible assets	(7,825)	(7,564)
Payment of contingent consideration	(680)	(4,000)
Payment for acquisition of subsidiary net of cash	-	(1,225)
Repayment of debt acquired on acquisition	-	(3,728)
Payments under lease liabilities	(2,189)	(2,792)
Net drawdown/(repayment) of RCF bank loans	57,000*	5,500
Finance costs	(1,493)	(1,425)
Dividends paid	(3,372)	(3,922)
Net cash (outflow)/inflow	49,948	(3,145)
<i>Net cash (outflow)/inflow (excluding \$57m Atech*)</i>	<i>(7,052)</i>	<i>n/a</i>

Funding	Sept-23	Sept-23
Bank revolver loan*	(97,000)	(39,900)
Lease liabilities	(18,282)	(18,756)
Add: cash*	67,212	10,673
Net Debt	(48,070)	(47,983)

* On 30 Sept 24 £57m drawn to fund the Atech acquisition on the following day. Gross amount in RCF loan and cash balance at period end.

A modern office interior featuring a multi-level staircase with black railings and wooden steps. The ground floor has several round tables with teal chairs. The ceiling is industrial with exposed pipes and ductwork. A large yellow L-shaped graphic is positioned in the top-left corner.

THANK YOU.

Leading the way in **Secure Cloud** Managed Services

Iomart is the UK's Leading provider of secure cloud managed services, simplifying the complexities of modern technology for businesses worldwide. Our team of 650+ experts deliver cutting-edge solutions in cloud infrastructure, modern workplace management, and managed security services that enable our customers to innovate, protect, and scale their businesses.

We proudly hold one of the UK's most extensive sets of Microsoft credentials, including Azure Expert MSP, five Solution Partner Designations, and membership in Microsoft's Intelligent Security Association (MISA). As well as being a top-tier Broadcom Pinnacle Partner for VMware Cloud. Which means we can bring the latest technologies in hybrid cloud, data protection, and cyber resiliency to meet the evolving needs of our customers.

Learn more at www.iomart.com

