



Interim Results – 31 August 2024

Driving the Customer Journey :

AI, digital transformation, data analytics and business intelligence for the Public and Private Sector.

November 2024



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ADVT has **created an International software** provider of mission critical business, and resource management applications

Operationally we have relisted, completed a carve out, implemented multiple new systems, improved operating metrics across the business, won multiple multi million-pound multi year contracts and completed our first bolt-on acquisition



ADVT – provider of mission critical business software and resource management applications to the Public and Private Sectors

£20m¹ 6month Group Revenue, **↑31%**,
£4m¹ 6month EBITDA **↑8%**. Plc costs run at c£2m pa

Proforma Revenue up **↑17%²**
Proforma EBITDA up **↑54%²**

80%¹ Recurring Revenue **↑4%**
117%¹ cash conversion

£83m¹ cash + £25m¹ of investments
supporting organic and acquisitive growth

Original asset was acquired for a net £27m delivering 5.2m EBITDA (5.5x EV/EBITDA) before plc costs

Strategic experienced operators

Executive team



Vin Murria OBE
Chair & CEO

- Hg
- ACS plc
- NED at Bunzl & Softcat



Gavin Hugill
CFO

- OneAdvanced
- ACS plc



Karen Chandler
COO

- KPMG
- JV of Centrica and EIG

Non-Executive team



Barbra Firth
Senior Independent Non-Executive Director

- FinnCap Group plc
- ACS plc



Paul Gibson
Non-Executive Director

- MXC Capital Ltd
- Castleon Technology plc
- ACS plc



Mark Brangstrup Watts
Non-Executive Director

- Marwyn Investment
- Zegona Communications Plc
- BCA Marketplace
- ACS plc

Advisory team



Dean Dickinson
Sales & Public Sector

- Castleon Technology plc
- OneAdvanced
- ACS plc



Jim Morley
Product & Development

- OneAdvanced
- ACS plc



Hugues Lecoeuche
Transformation & Integration

- OneAdvanced
- ACS plc

With a proven track record delivering significant value both publicly and privately



VM founded and led as CEO and significant shareholder between 2008-15

Multiple acquisitions

Accounting, ERP, Healthcare, Cloud

Taken private by Vista in 2015 for £763m (\$1.1bn) representing >10x return for initial investors

Vista subsequently sold a 50% stake in 2019 to BC Partners at a £2bn (\$2.8bn) valuation



Founded Computer Software Group (CSG) and CEO from 2002-2007

Accounting, ERP, LEGAL, and NFP

Taken private with Hg in May 2007, VM was CEO and significant shareholder. Merger with Iris Exit to Hellman and Friedman for £500m/\$800m in July 2007

Remained shareholder in Iris
Iris exit at £3.1Bn Dec 23



VM joined in 1986 and ended up as Group COO

13+ acquisitions

Accounting ERP, Log, e-commerce

Valuation of £1.3bn/\$1.8bn in March 2000 when VM exited

Now known as Bluejay, owned by Temasek and Francisco partners.
Exited to Strategic for 1.8Bn in 2021

AdvT Markets

Mission critical applications

Business Solutions

Back-office accounting and compliance solutions

- Public sector and healthcare organisations
- Office of the CFO
 - Financial management
 - Procurement
 - Document management
 - Budgeting and forecasting
- Compliance
 - Benchmarking
 - Accreditation
 - Clinical Analysis

Human Capital Management

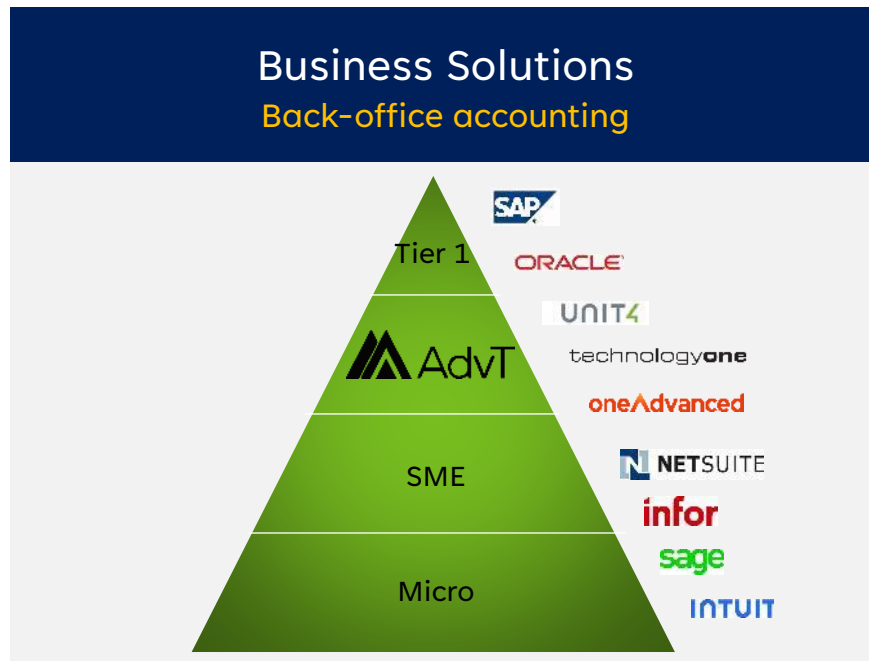
Resource and workforce management solutions

- Global private sector organisations
- Resource management
 - Resource allocation
 - Diary optimisation
 - Right person, right place, right time
- Workforce management
 - Time & Attendance
 - Access Control
 - Job Costing

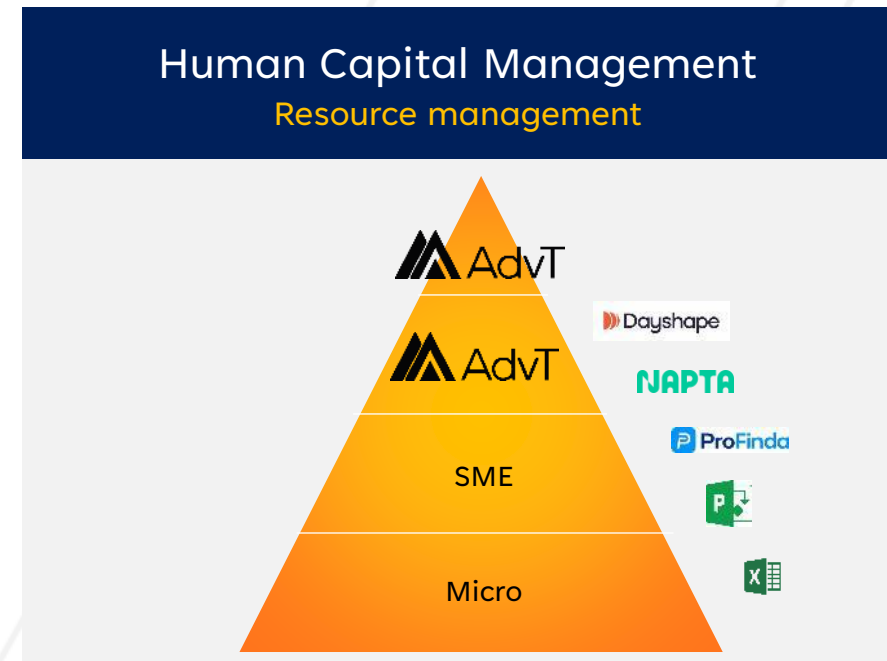
Driving the customer journey through Cloud, AI, digital transformation, data analytics and business intelligence

Market positions

Market leaders within our Specialisms

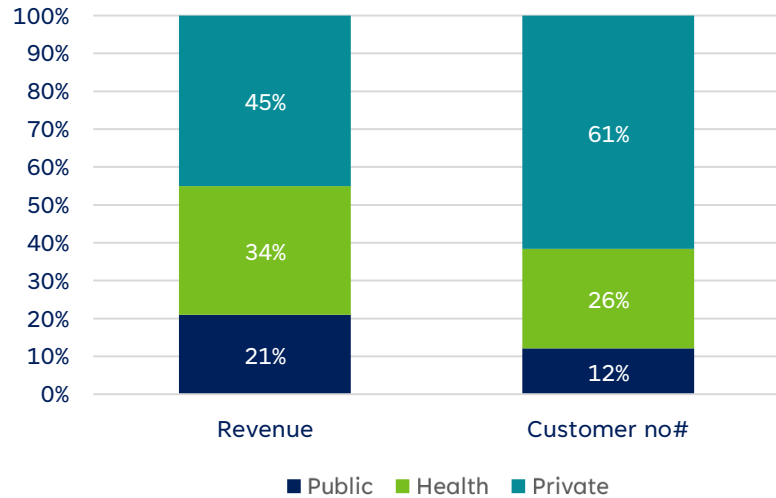


New cloud platform remains strong, with over 60 of the clients either live or in the process of migrating to it



92% increase in annual recurring revenue (“ARR”) on the SaaS solution over the 12 months ending 31 August 2024

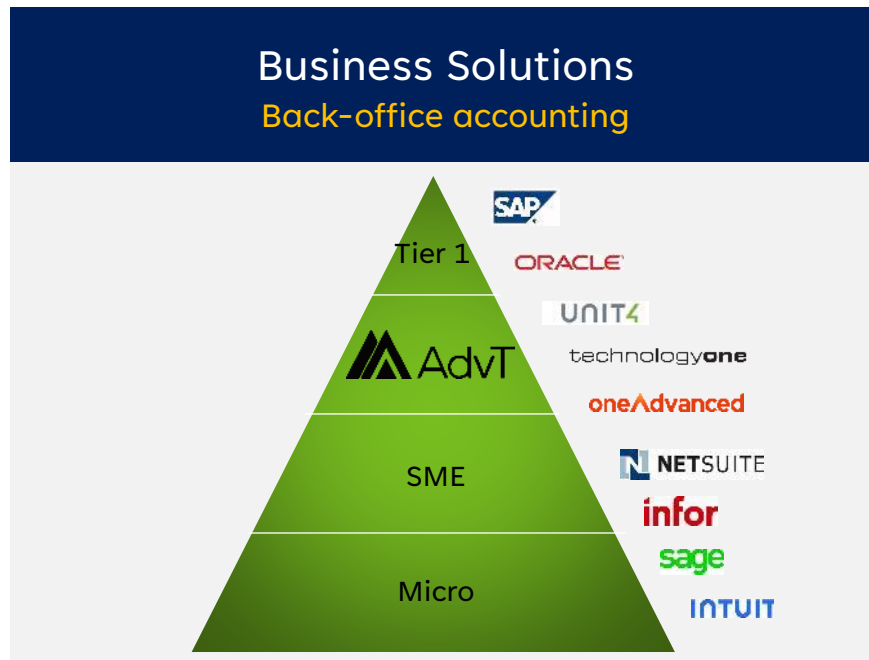
Stable, broad & diversified customer base



- Over 800 Clients with a Private/public sector ratio of revenue balanced at 45%:55%
- Key supplier to public sector:
 - 210 NHS Trusts/Private Healthcare providers
 - 100 Local government organisations
- Circa 500 Private customers
 - Top global consultancies/audit firms
 - Top global retail, facilities management & banking organisations



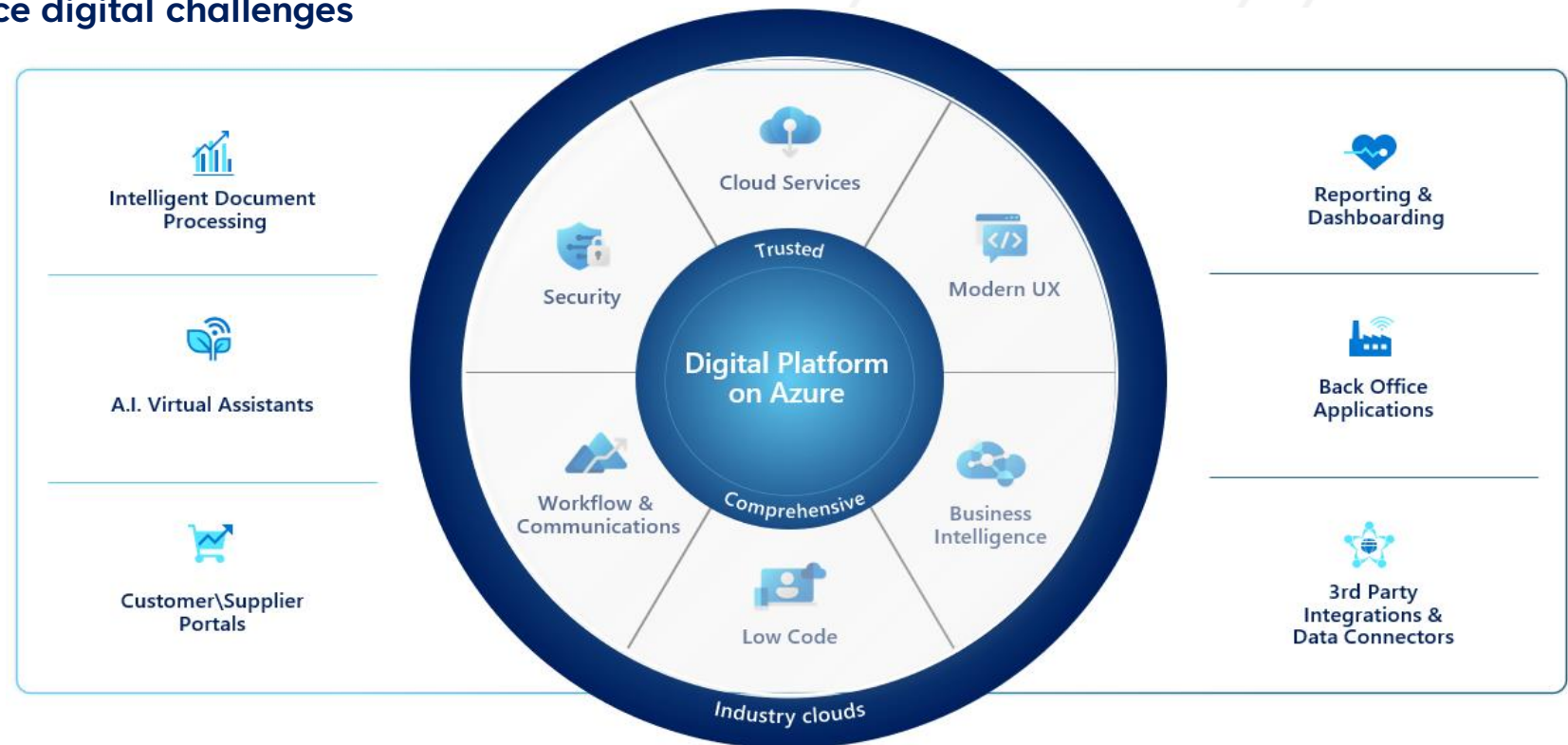
Driving Growth in Public Sector – cloud adoption



- **New cloud platform- Centros on Azure**
- Demand and opportunity remains strong, with over 60 /150 of the clients either live or in the process of migrating. This is expected to continue to be a growth driver for many years supported by further product roadmap delivery and M&A

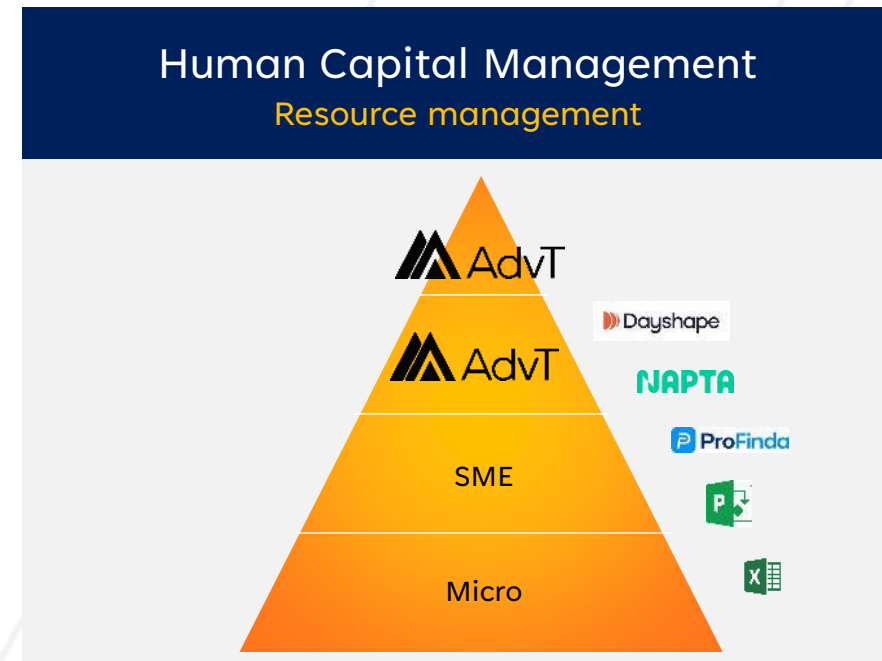
Driving Growth in Public Sector : AI, digital transformation, data analytics and business intelligence

- These same organisations also face digital challenges
- Failing legacy applications
- Isolated data silos
- Poorly integrated systems
- Multi vendor support dependency
- Inconsistent user experience
- Cyber Concerns growing



Driving Growth in Human Capital Management

- Retain International - well known product and brand in a growing market
- Strong customer demand characterized by volume of inbound opportunity, greenfield sites and new competitors
- £10m invested on SaaS product development
- SaaS Revenues on target to double in the year but from a smaller base
- Enterprise revenues and margins have benefited from strong growth – repricing.
- Global opportunity with growing competition, with the USA offering the biggest opportunity



92% increase in annual recurring revenue (“ARR”) on the SaaS solution over the 12 months ending 31 August 2024

Driving Growth through M&A

Criteria:

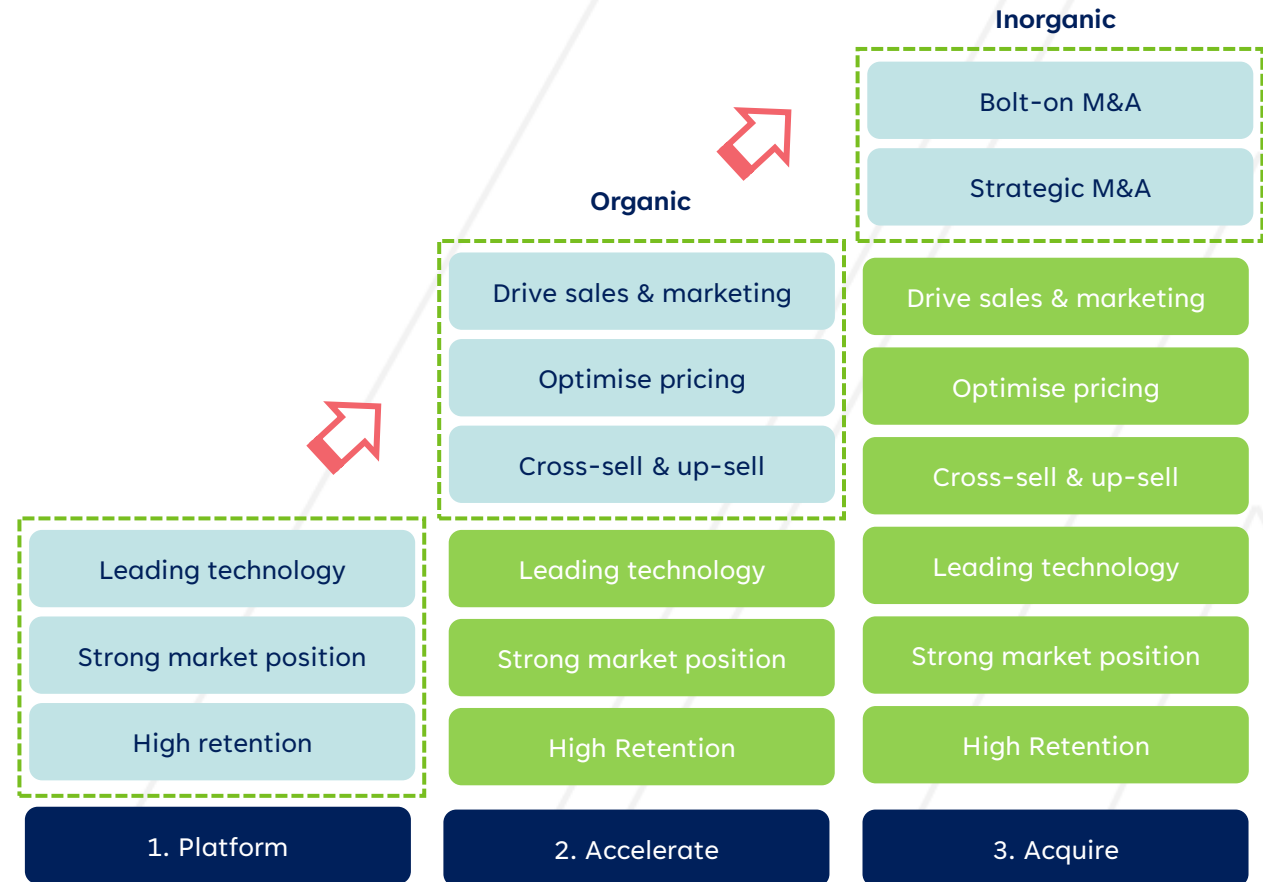
- High percentage of recurring revenue
- High barriers to entry
- Strong brand recognition and high customer retention
- Mission critical products and services
- Strong cash generation
- Opportunities for both organic and inorganic growth

Process:

- Integrate management immediately
- Integrate back-office into group shared service model
- Evaluate mutual cross-sell & up-sell opportunities
- Adopt best practice Go-To-Market strategies & pricing
- Adopt best practice operating disciplines and KPIs

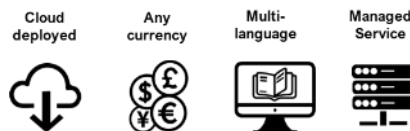
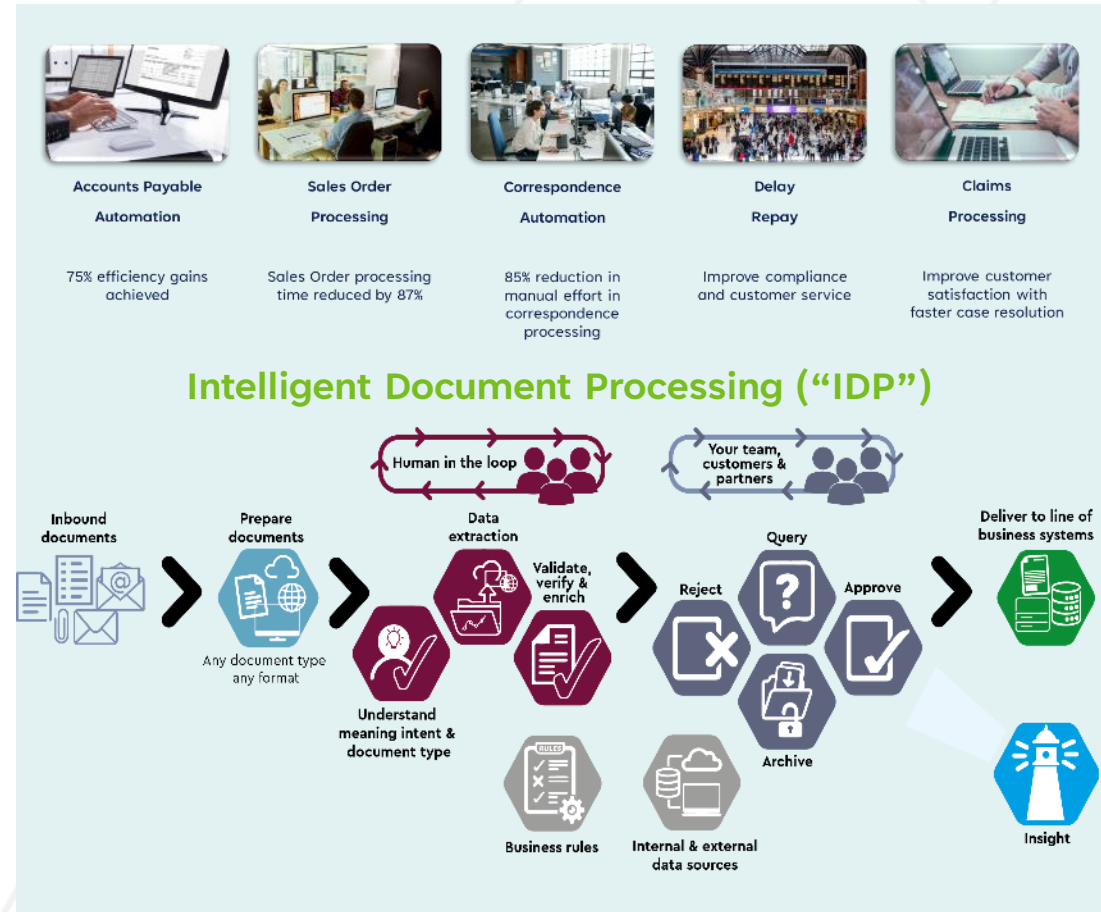
Target Areas:

- Digital and data Analytics tools
- Payroll / talent management
- RPA / automation
- Resource scheduling & adjacent functionality
- Work force enhancement tools
- New markets



Acquisition – E invoicing

- On 1 July 2024, the Group acquired its first bolt on for cash consideration of £4.8 million net of cash acquired of £1.7m
- Product provides an Intelligent Document Processing (“IDP”) platform named inSTREAM
- 3x sales into existing public sector customers of the group in the first few months ownership. Demonstrating functionality applicable to both public and private sector customers.
- Platform delivers seamless financial and operational benefits, driving cost savings and efficiency for public sector and healthcare organisations
- Existing customers include Cap gemini, ASOS and Currys with growing opportunity in the Public sector



Financials



Proforma performance

6month results	Proforma			12month Proforma results reported in Admission document Jan-24 ¹	
	£m	Aug-24	Aug-23	Growth	£m
Revenue	19.3	16.5	16.6%	Revenue	32.4
Adjusted EBITDA	4.9	3.2	53.7%	Adjusted EBITDA	5.2
Adjusted EBITDA margin (%)	25%	19%	+6%pts	Adjusted EBITDA margin (%)	16%

- Improvements driven by the **adoption of best practices** and securing **multi-year contract renewals** with significantly enhanced contract values
- Unaudited 6month proforma results
 - 6 months to 31 August 2024 and 6 months to 31 August 2023
 - Results for the 4 acquired businesses on 31 July 2023
 - Excluding Celaton that was recently acquired on 1 July 2024 and Plc costs

¹ 4 acquired businesses on 31 July 2023 unaudited proforma financial information for the 12months to December 2022 published in the admission document to AIM 8 January 2024

6-month Reported Results to 31 August 2024

- Revenue +31% to **£19.9m** (2023: £15.1m¹)
- Recurring revenue **80%** of total revenues (2023: 76%)
- Adjusted EBITDA +8% to **£4.0m** (2023: £3.7m¹)
- Net finance income **£1.9m** (2023: £1.8m)
- Pre-tax profit +147% to **£8.3m²** (2023: £3.4m)
- **Cash of £83.3m** at 31 August 2024 (Feb. 2024: £82.1m)
- **Investment⁴ valued at £25.1m** on 31 August 2024.

¹ 6 months to December 2023 included the first 5 months of continuing operations from the original 4 acquisitions and excluded AIM plc running costs which commenced in January 2024

² Pre-tax profit includes £4.26m increase in the fair value of the investment in M&C Saatchi plc

³ 6 months to 31 August 2023 was the last published 6month period and agreed with broker and AIM team as the most relevant period to use as a comparative

⁴ Investment of 9.8% stake held in M&C Saatchi plc

Summary results from continuing operations;	6 months to 31 August 2024 £000s	6 months to 31 December 2023 £000s
Revenue	19,868	15,147
Recurring Revenue	15,976	11,575
Transactional Revenue	3,892	3,572
EBITDA	3,508	1,851
Acquisition expenses, stamp duties and relisting expenses	504	1,848
Adjusted EBITDA	4,012	3,699
Depreciation	(38)	(57)
Adjusted operating profit	3,974	3,642
Amortisation of acquired intangible assets	(1,471)	(1,134)
Acquisition expenses, stamp duties and relisting expenses	(504)	(1,848)
Fair value gain on Financial Assets	4,260	960
Operating profit	6,259	1,620

Outlook



Enlarged Group – positioned for Growth

- £20m¹ 6month Group Revenue, 80%² Recurring
- Public and private sector customer diversification
- £4m¹ 6month EBITDA
- >100% conversion to cash
- Circa 240² Employees across UK & Ireland
- £108m³ of funding to support organic and acquisitive growth
- Significant cloud and digital opportunity within market and existing customer base

¹ Interim results to 31 August 2024

² 238 average reported in the Interim results to 31 August 2024

³ Reported cash and investment reported in the Interim results as at 31 August 2024



Outlook

-  Good progress anticipated from all divisions in current year
-  Significant growth opportunities for cloud products and services
-  Growing pipeline of both public and private sector contracts
-  Strong balance sheet supporting future acquisition opportunities
-  Positioned for further organic and acquisitive growth

Appendix

Financials

Summary results from continuing operations for the six months to: (£000s)	31-Aug-24	31-Dec-23
Revenue	19,868	15,147
Cost of sales	(6,967)	(6,065)
Gross Profit	12,901	9,082
Administrative expenses	(9,393)	(7,231)
Depreciation	(38)	(57)
Amortisation	(1,471)	(1,134)
Fair Value on Financial Assets	4,260	960
Operating profit/(loss)	6,259	1,620
Dividend Received	192	-
Net Finance Income	1,875	1,754
Profit before tax for continuing operations	8,326	3,374
Taxation	(475)	(284)
Profit for the period from continuing operations	7,851	3,090
Discontinued Operations		
Profit for period from discontinued operations	-	48
Total comprehensive profit for the period attributable to owners of the parent	7,851	3,138
Other comprehensive income		
Items that cannot subsequently be reclassified to profit and loss		
Share-based payment expense	(55)	(54)
Translation	-	-
Total comprehensive income for the period attributable to owners of the parent	7,796	3,084

Financials

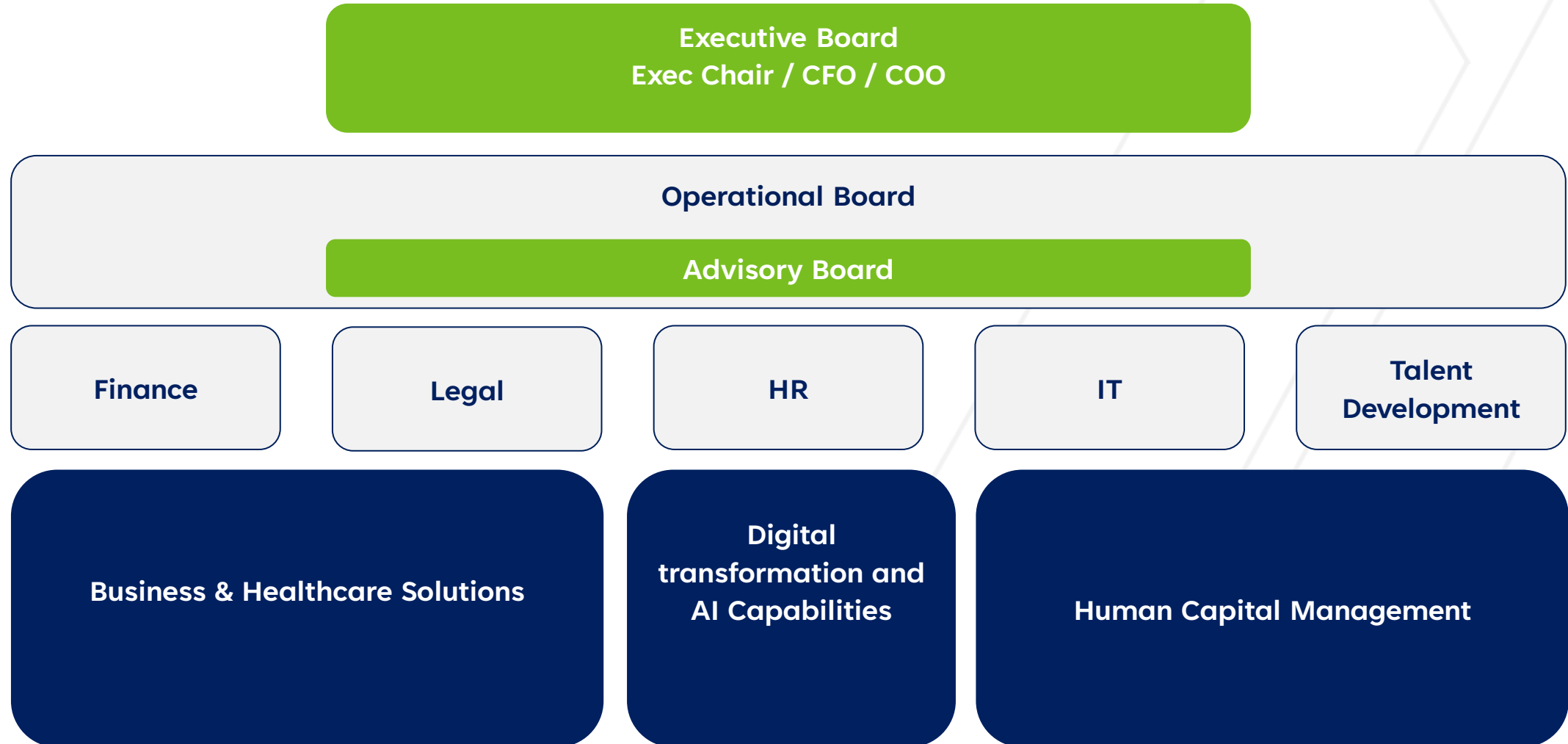
Free cashflow from continuing activities for 6 months ending: (£000's)	31-Aug-24	31-Dec-23
Operating profit from continuing activities	6,259	1,620
Fair Value on Financial Assets	(4,260)	(960)
Depreciation	38	57
Acquisition expenses, stamp duties and relisting expenses	504	1,848
Amortisation and impairment of intangible assets	1,471	1,134
Adjusted EBITDA	4,012	3,699
Unrealised Exchange (losses)	(77)	(1)
Decrease in working capital	744	1,357
Capex	-	(775)
Adj. Operating cashflow	4,679	4,280
Cash Conversion	117%	116%
Acquisition expenses, stamp duties and relisting expenses	(504)	(1,848)
Interest and dividend income	1,857	1,992
Free Cashflow	6,032	4,424

Financials

Balance Sheet	31-Aug-24	29-Feb-2024
Non-current assets	£000s	£000s
Intangible assets	19,803	18,987
Goodwill	24,715	22,145
Property, plant and equipment	39	70
Contract fulfilment assets	484	775
Deferred tax	712	1,170
Financial asset at fair value through profit or loss	25,080	20,820
Total Non-current assets	70,833	63,967
Current assets		
Inventories	68	81
Trade and other receivables	11,349	7,067
Cash and cash equivalents	83,350	82,111
Total current assets	94,767	89,259
Total assets	165,600	153,226

Balance Sheet	31-Aug-24	29-Feb-24
Equity and liabilities	£000s	£000s
Sponsor shares	-	-
Ordinary shares	131,166	131,166
Warrant reserve	98	98
Warrant cancellation reserve	350	350
Share-based payment reserve	528	473
Translation reserve	(72)	5
Retained Earnings	5,970	(1,826)
Total equity	138,040	130,266
Liabilities		
Current liabilities		
Trade and other payables	5,390	5,036
Corporation taxation	535	248
Contract liabilities	15,407	11,051
Total current liabilities	21,332	16,335
Non-current Liabilities		
Deferred tax liability	4,060	3,769
Contract liabilities	490	814
Provisions	1,678	2,042
Total non-current liabilities	6,228	6,625
Total equity and liabilities	165,600	153,226

Group Structure



Glossary

Term	Detail
Adj. EBITDA	Adjusted EBITDA as defined in the financial statements, excluding non-trading costs such as Acquisition and AIM admission costs.
AI	Artificial Intelligence
API	Application programming interface
ARR	Annual Recurring Revenue
EBITDA	Earnings Before Interest Tax and Amortisation
GenAI	Generative Artificial Intelligence
GTM	Go-To-Market
HCM	Human Capital Management

Term	Detail
IDP	Intelligent Document Processing
IPA	Intelligent Process Automation
KPI	Key Performance Indicators
M&A	Mergers & Acquisitions
NHS	National Health Services
NPS	Net Promoter Score
PSA	Professional Services Automation
RPA	Robotic Process Automation
SaaS	Software as a service
WFM	Workforce Management