



Full Year Results

For year ended 31 March 2024

June 2024

iomart

Connect, Secure, Scale

Agenda



- 1. Overview & FY24 Highlights**
- 2. FY24 Financial Performance**
- 3. Strategic Update**
- 4. Q&A**

Lucy Dimes

CEO



- 1. Overview & FY24 Highlights**
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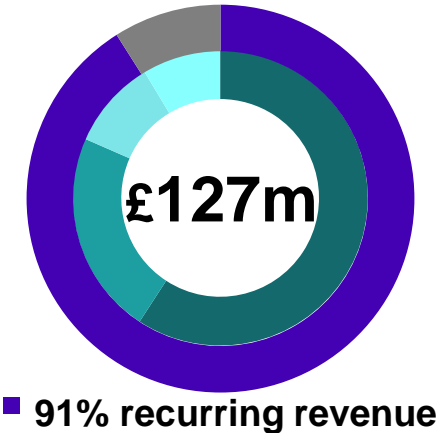
Who we are

What we do

- UK-based secure hybrid cloud service provider
- 500 employees with strong technical skills
- 12 UK data centres connected with 2500km private network infrastructure, and 25 global points of presence
- Providing 24/7 managed services to 9,000 mainly UK headquartered organisations

Our business mix

- Cloud managed services
- Self-managed infrastructure
- Mass hosting
- Reselling & Consultancy



Some of our customers



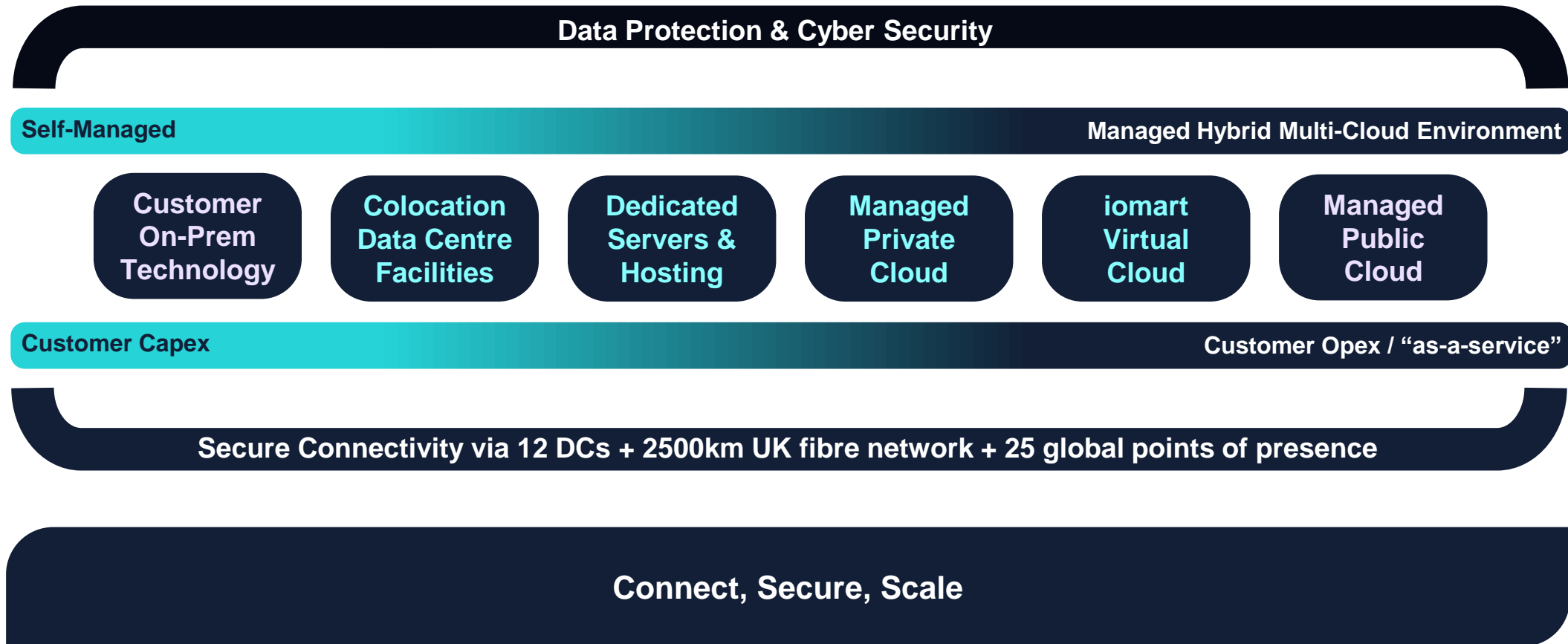
Our portfolio



Leading technology partners

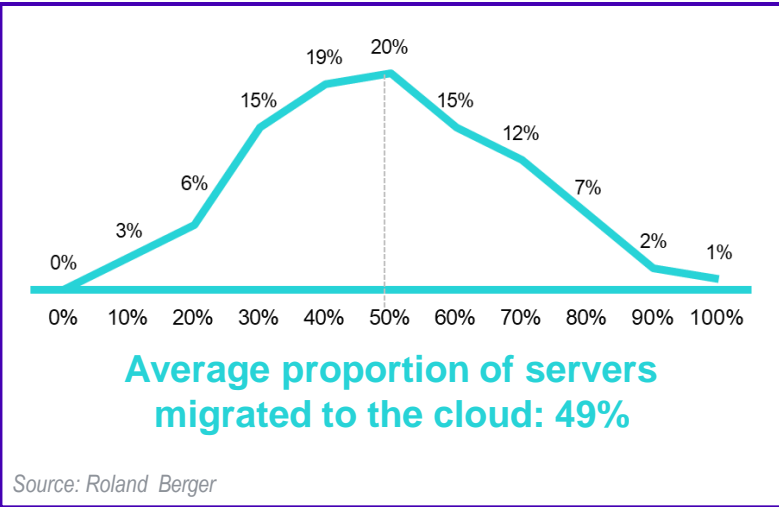


Our proposition today



Our opportunity

Cloud adoption is still not halfway through...



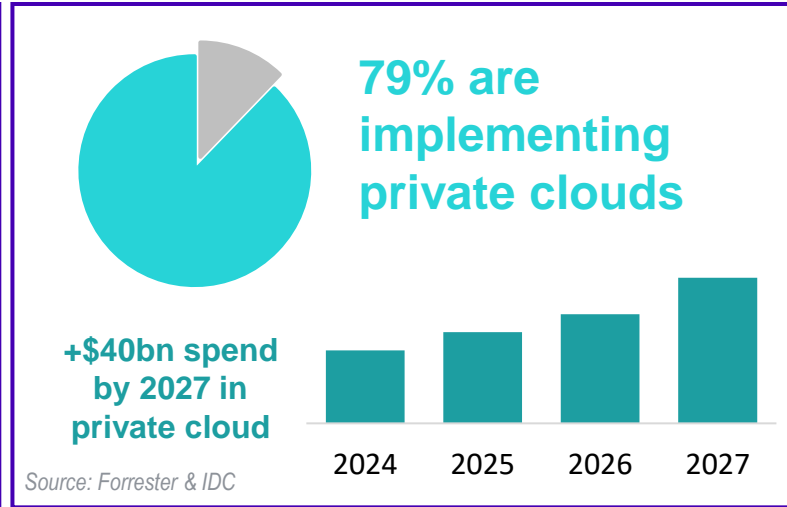
70% of businesses are about halfway through their migration to the Cloud. An estimated 98% of SMEs have at least some servers still on premise.

SpiceWorks

94% of organisations are using at least one cloud service and 88% expect their adoption of cloud to increase in the next 12 months.

UK Cloud Industry Forum

AI will create a new wave of growth...



79% of 1,300 enterprise cloud decision-makers said their organisations were implementing new private clouds.

Forrester

Global spending on private, dedicate cloud services, including a greater shift to hosted private cloud, will hit \$20.4bn this year and at least double by 2027.

IDC

Majority will adopt a hybrid cloud approach.



Private Cloud can come with too many fixed costs for small and simple workloads. But Public Cloud pricing can cause challenges with more network intensive workloads.

Roland Berger

A large majority – 76% – of companies are using multiple clouds, with the average having 2.3 clouds in use.

451 Research

iomart has the ingredients to capitalise on this opportunity

Our vision

The UK's leading Secure Cloud managed services provider

To enable SME customers to Connect, Secure and Scale... anytime, anywhere.

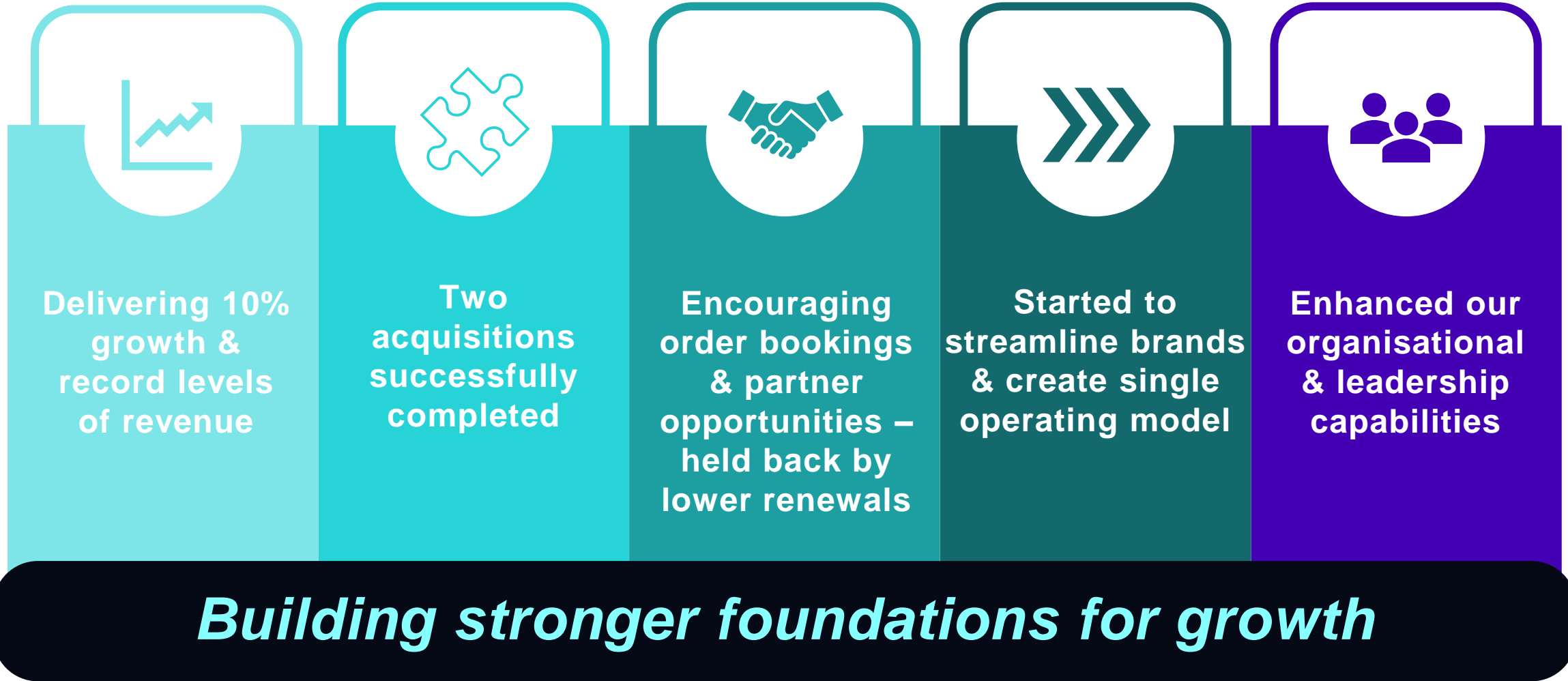


Working with iomart has significantly eased the burden on our internal team. The transition was smooth, and the new cloud-based system has provided us with the security and reliability we needed. It has allowed us to focus on our core business while knowing that our ERP system is in good hands. We have seen a marked improvement in efficiency and performance, and we are confident that this partnership will continue to support our growth and technological needs.

Radius Aerospace UK - Steve Rice, Head of IT



FY24 highlights



Scott Cunningham

CFO



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Solid financial performance

£127m

Revenue
10% Growth

91%

Recurring
Revenue

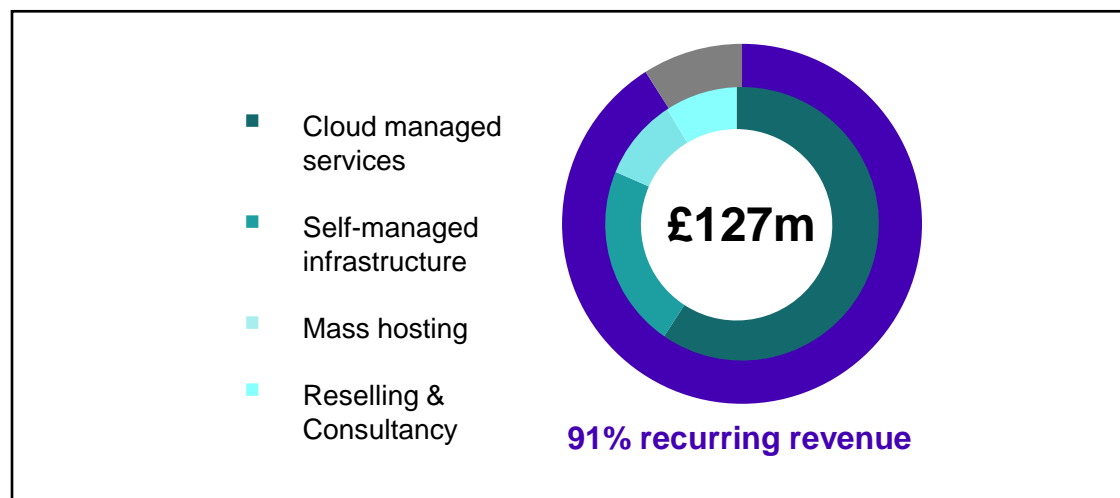
£19.2m

Adjusted EBIT
8% Increase

Delivered strong revenue growth of 10% and record revenue levels at £127.0m, supported by recent acquisitions and a further year of organic growth within cloud managed services.
Stable margin performance year on year

10% revenue growth

Disaggregated revenue	FY24 £'000	FY23 £'000	Change
Cloud Managed Services	75,212	64,115	+17%
Self-Managed Infrastructure	28,429	29,616	-4%
Non-Recurring Revenue	10,937	9,359	+17%
Total Cloud Services	114,578	103,090	+11%
Mass Hosting - Easyspace	12,471	12,548	-
Total Group	127,049	115,638	+10%



Cloud Managed Services

- **£11.1m increase** driven by £8.9m revenue from latest acquisitions, plus 3% organic growth
- Now c.60% of group revenue

Self-Managed Infrastructure

- **£1.2m decrease** due to lower growth area and sensitivity to energy prices
- Integrating all SMI brands and platforms for further economies of scale and GTM

Non-Recurring

- **£1.6m increase** driven by £2.6m revenue from latest acquisitions, more than offsetting £1.0m organic reduction
- Full integration of Cristie Data & Pavilion brands, so all resell activity under single iomart sales teams

Easyspace

- Revenue remains consistent with strong margins and high renewal level across c57,000 customers

Strong cash generation

£37.7m

Adjusted EBITDA
4% Increase

97%

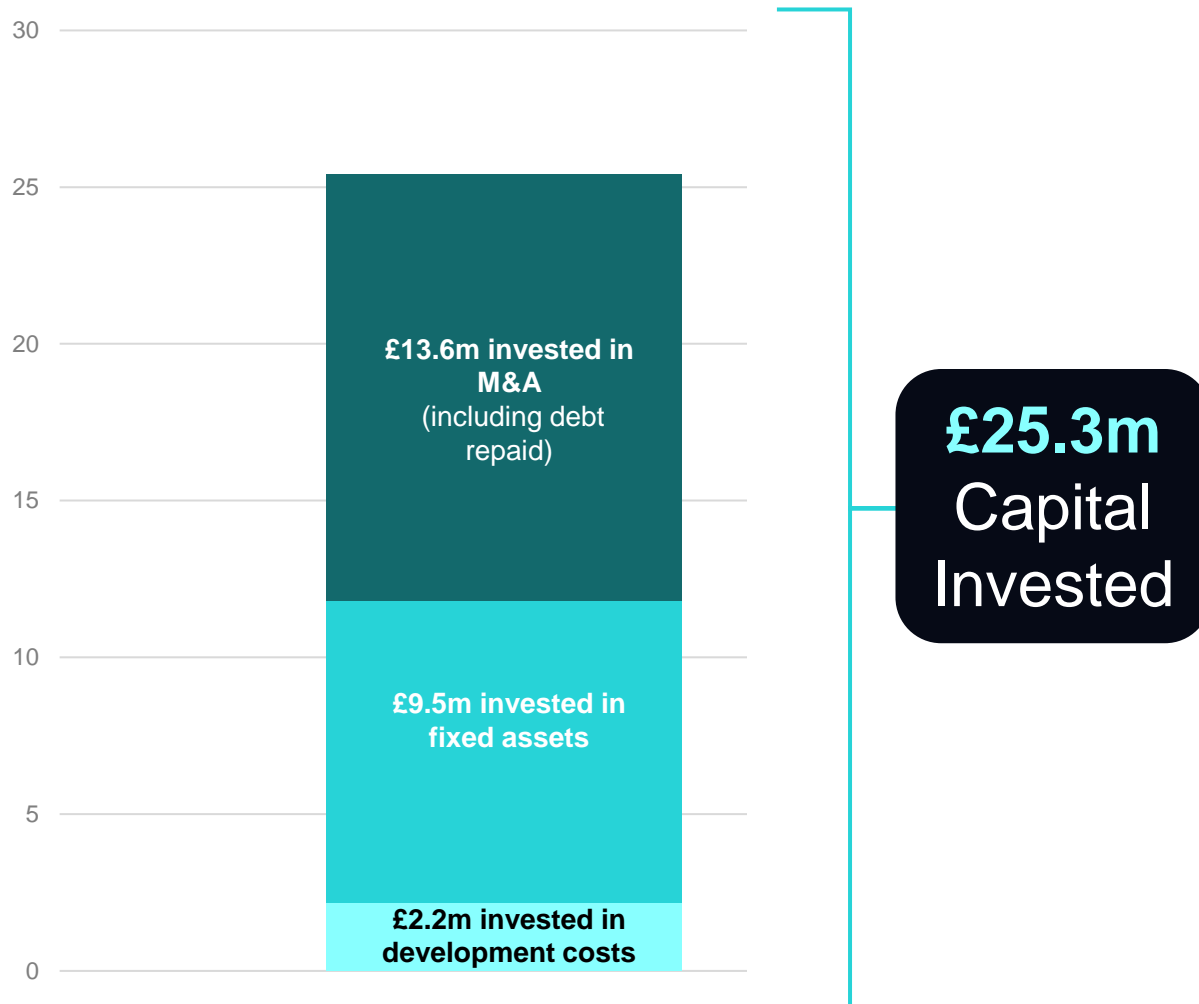
Cash
Conversion

1.1

Net Debt
Ratio

Cash generation continues to be strong with an adjusted EBITDA to operating cash conversion ratio of 97% (2023: 94%). Net debt only increased by 6% to £42.3m (2023: £39.8m)

Capital allocation



- **M&A:** £9.9m invested in cash considerations for recent acquisitions, plus £3.7m of acquired debt repaid
- **Own assets:** £9.5m invested in fixed assets, the largest part of this is hardware for customer facing deployments. The balance being £3.8m invested in our datacentres and network plus £0.9m on our new Glasgow HQ fit-out
 - Including £1.2m spend on cooling systems for Nottingham and Maidenhead DCs, plus £0.3m for Maidenhead new solar panels
 - Continued schedule of works. FY25 includes £1.5m cooling replacement at Gosport DC

Continued progress on M&A

■ **Extrinsicica Global - Azure Expertise**

Acquired in June 2023, providing a significant step change in iomart's Microsoft Azure and Hybrid Cloud offerings



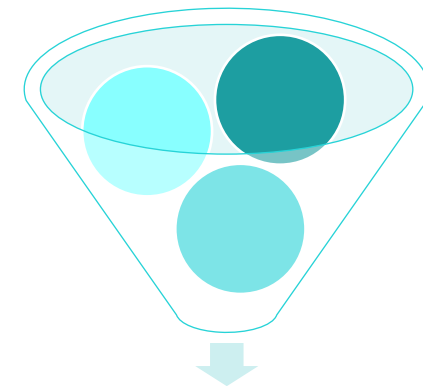
■ **Accesspoint - Industry Expertise**

Acquired in December 2023, with managed hosting, security and business continuity services to the legal sector



■ **Pipeline of opportunities**

- UK market remains fragmented
- Evaluating >£10m revenue and growing businesses in carefully selected areas
- Clear target criteria matrix & integration blueprint for bolder but disciplined M&A



Other income statement items

£18.5m
D&A

14.5% of revenue
(2023: 15.9%)

£15.0m
Adj. PBT

1% increase
on FY23

Adjusted EPS
9.8p

10% lower (tax
rate driven)

+ £1.4m

Higher interest
expense

26%

Effective tax rate
vs. 2023 18%

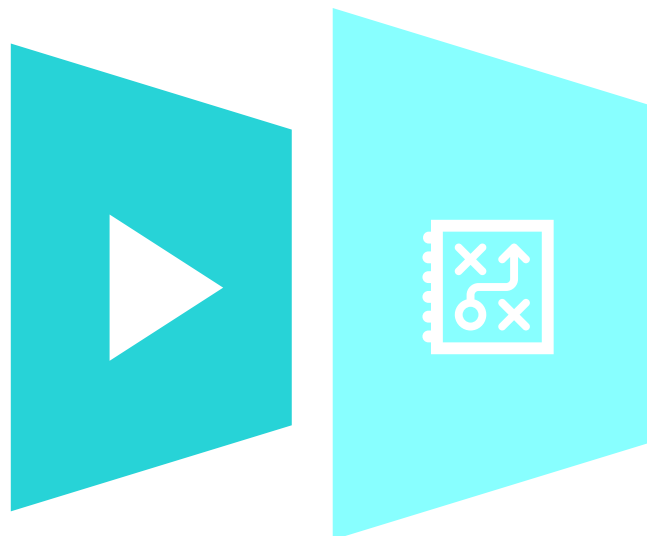
3.0p
Final Dividend

50% maximum
policy

Financial outlook

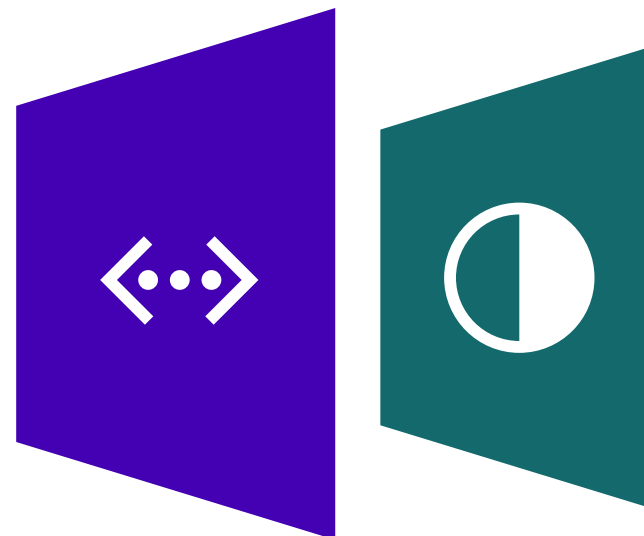
Reliable recurring revenues

First two months of the financial year in line with Board expectations



Broadcom Pinnacle partnership

Uptick in FY25 costs ahead of mitigation and new revenue streams from Broadcom opportunities



Increase in growth portfolio

Increasing customer portfolio in the higher growth areas of the expanding cloud market

Second half growth

Timing of revenue combined with uptick in costs means growth will be second half weighted

Key financial takeaways

Resilient financial performance, with good signs of order growth within our focus area of cloud managed services

Recurring revenues remain high with steady margins, and wide sector coverage across client base

Strong cash generation, a well-funded balance sheet and established bank facility provides the firepower to execute our growth strategy

Lucy Dimes

CEO



1. FY24 Highlights
2. FY24 Financial Performance
3. **Strategic Update**
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Strategic framework

Vision

The UK's leading Secure Cloud managed services provider

Mission

Enable SME customers to Connect, Secure and Scale...anytime, anywhere.

Strategic Priorities

BIGGER – BETTER – BOLDER

1. Streamlined & Integrated | 2. Differentiation Enablers | 3. Bolder M&A Focus

Compelling Single Brand

Customer Excellence

Strategic Portfolio & Partnerships

Leading Technology & Security

GTM & Sales Channels

Great Place to Work

Our Values

PURPOSE

The Value We Deliver

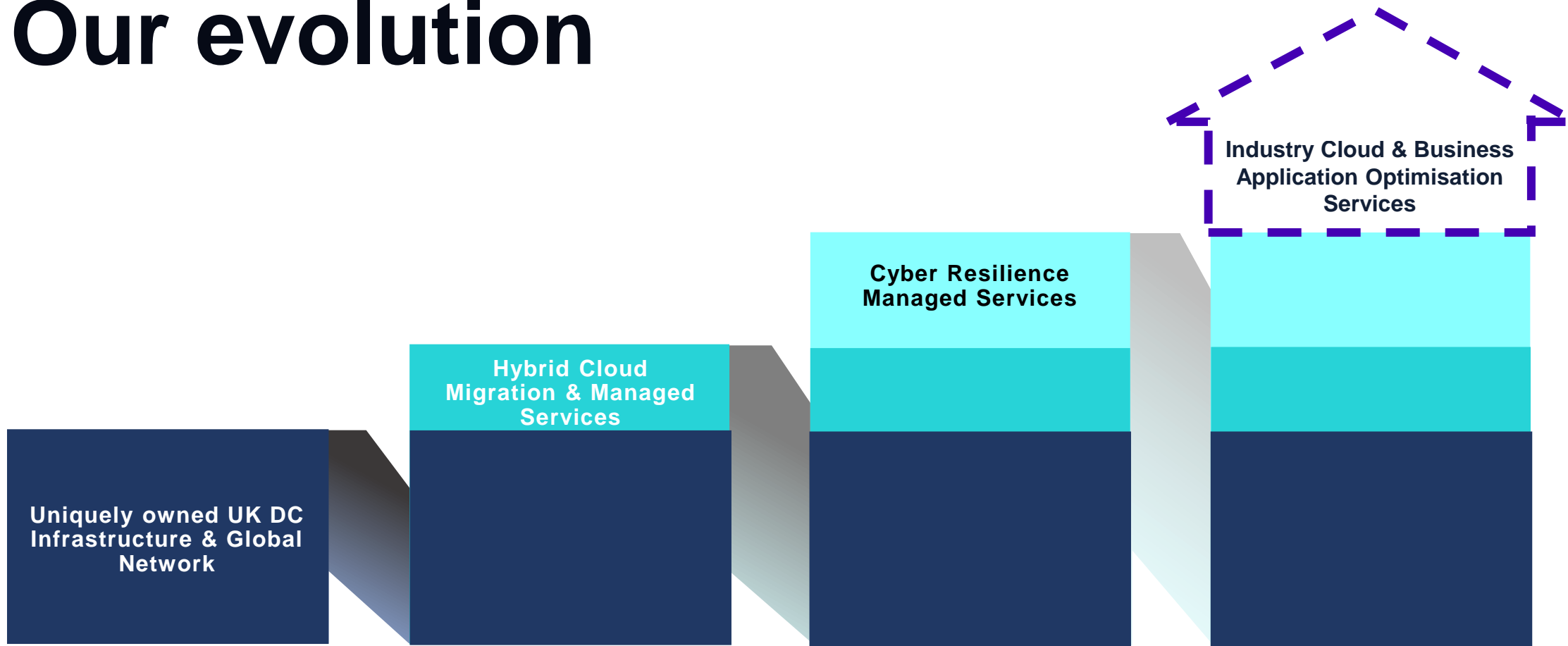
PASSION

Right First Time

PRIDE

What We Do matters

Our evolution



Our strategic priorities

1 Streamlined & integrated

Single operating model to drive best practise adoption and unified brand positioning.

2 Differentiation enablers

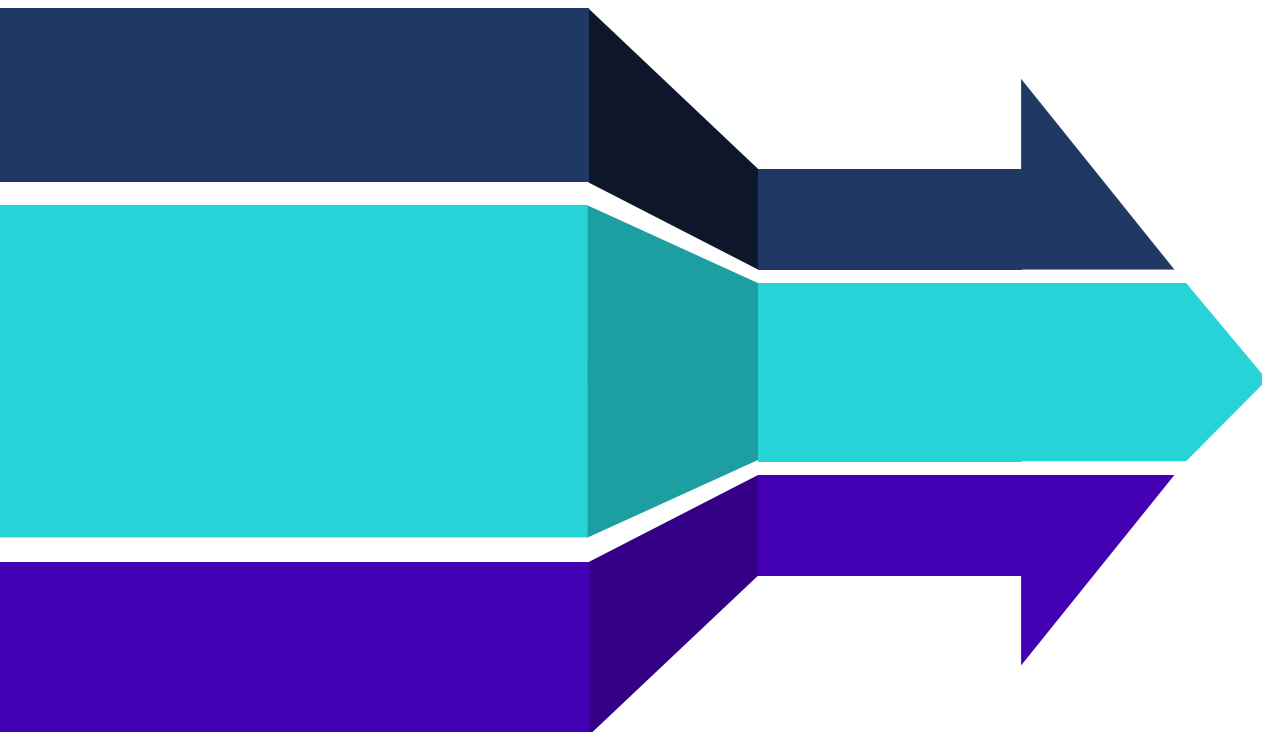
Focused functional transformation programmes to drive high performance and greater impact.

3 Bolder M&A focus

Targeting larger acquisitions to drive growth in strategic areas and realise impact sooner.

Strategic Priority 1

Streamlined & integrated



Operating Model

A fully integrated business with functional centres of excellence for sales, product, service, technology and support services.

Single Brand

A single go-to-market iomart brand and proposition, with strong sub-brands repositioned as platform or channel brands.

Processes, Systems & Tools

Streamlined internal systems, processes, workflow and customer portals.

Strategic Priority 2

Differentiation enablers

- 1 Great Place to Work
- 2 Compelling Single Brand
- 3 Strategic Portfolio & Partnerships
- 4 Customer Service Excellence
- 5 Leading Technology & Security
- 6 Scaled GTM & Sales Channels



Strategic Priority 3

Bolder M&A focus

24 acquisitions over last 14 years

That had averaged revenue across these of c£4m, with Concepta being the largest at c£10m.

Targeting scale and impact sooner

Looking to be bolder with M&A and target growth businesses in selected areas above £10m revenue.

We've the strength and experience

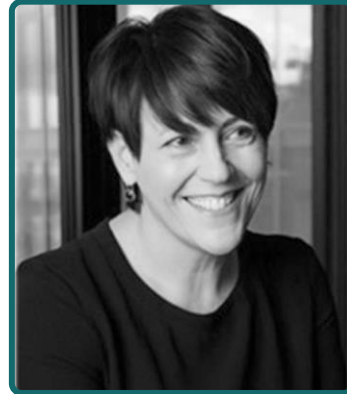
Our strong balance sheet, cash generation and proven acquisition experience allow us to be bolder.



Our refreshed board



Richard Last
Chair
Appointed June 2024



Lucy Dimes
Chief Executive Officer
Chair August 2022, CEO September 2023



Scott Cunningham
Chief Financial Officer



Annette Navabi
Non-Executive Director
Appointed May 2023



Angus MacSween
Non-Executive Director

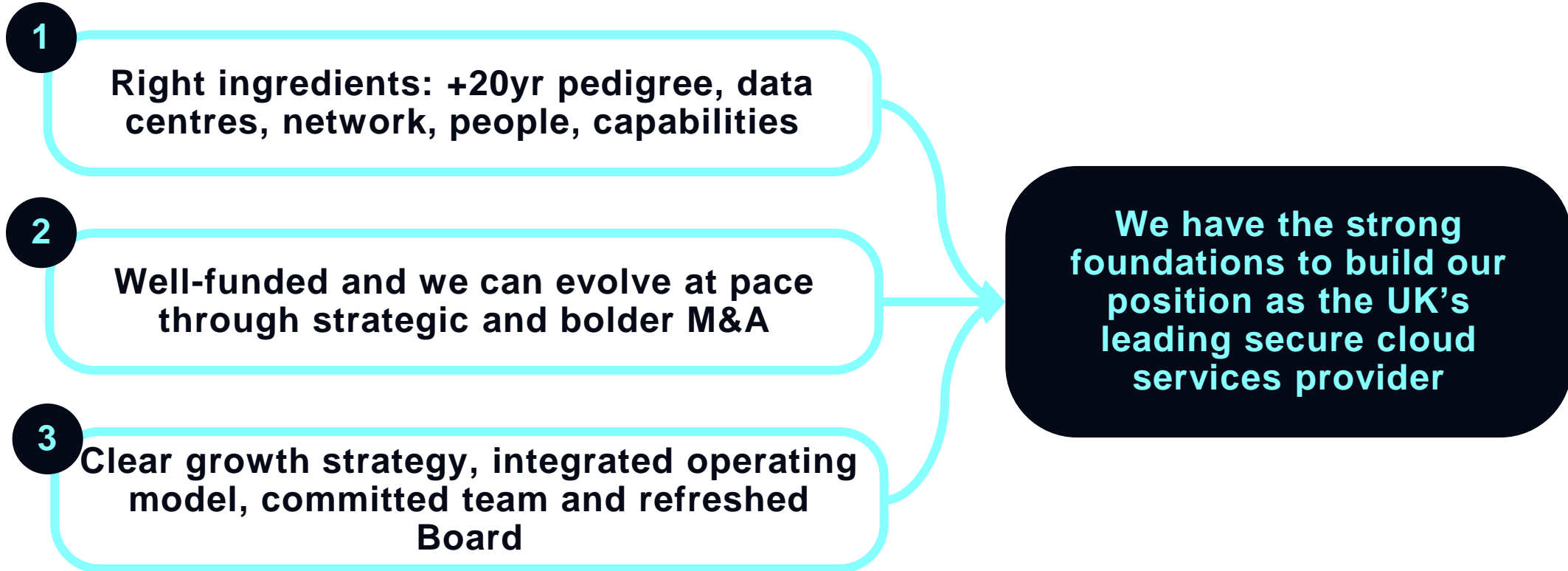


Adrian Chamberlain
Non-Executive Director
Appointed May 2023



Karyn Lamont
Non-Executive Director

In summary



Lucy Dimes

CEO



Scott Cunningham

CFO

Q&A



Appendix





The UK's leading Secure Cloud services provider

Cloud Services

Data Protection

Cyber Security

Connectivity

Value Added Resell

Managed Services

Professional Services

Private Cloud

Cyber Resilient Data Protection

Endpoint Protection & Response

Managed SD-WAN

IT Professional Services

iomart Cloud

Backup-as-a-Service

Network Detection & Response

Managed WAN

Cloud Optimisation Services

Public Cloud (Azure)

Disaster Recovery-as-a-Service

Cloud Threat Protection

WAN Services

Migration Services

Microsoft & Azure CSP

Microsoft 365 Backup

Modern Workplace Protection

Cloud Connect

Software Resell

VMware Licensing-as-a-Service

iomart Object Storage

Security Health & Pen Testing

Data Centre Connectivity

Hardware Resell

Colocation Data Centre Services

Zero Trust Access & MFA

Bare Metal Dedicated Servers

Cloud & Infrastructure Security

Self-Service Virtual Machines

Network Security

Web Hosting & Domains

Application Security



ESG commitments

Investing in People

- Continued sponsorship of the “**Empowering Women in Leadership**” programme which addresses the lack of gender diversity in tech leadership roles.
- Ongoing volunteering support and event hosting for the **SmartSTEMs** charity who work to inspire young people from underprivileged backgrounds into STEM careers.
- Working in partnership with **Generation**, that transforms education to employment placement to support people from disadvantaged backgrounds.
- Established a new **Executive ESG Steering Group** and appointed Sharon Mars Leach (Chief Customer Officer) as Equality, Diversity & Inclusivity Champion.
- Improving our working environments, with our **new Glasgow HQ** opened in the autumn and ongoing refurbishments across key datacentres and offices.

Sustaining the Planet

- Aligned with UK Government targets we are committed to achieving Net Zero by 2050, or earlier, if possible.
- Purchasing of REGO certified renewable electricity across our UK data centre estate since 2021.
- £2.7m invested in replacing cool systems in 3 major datacentres, improving overall energy efficiency.
- Large investment in solar panels on roof of largest datacentre in Maidenhead. These were commissioned fully in May 2024.
- Initially providing c.300kw peak power yield, resulting in 96,061kg reduction of CO2 emissions annually.



Group income statement

	Mar-24	Mar-23
	£'000	£'000
Revenue	127,049	115,638
Adjusted EBITDA	37,728	36,161
<i>Adjusted EBITDA margin %</i>	29.7%	31.3%
Depreciation	(15,715)	(15,861)
Amortisation – other intangibles	(2,770)	(2,565)
Adjusted EBIT	19,243	17,735
<i>Adjusted EBIT margin %</i>	15.1%	15.3%
Finance costs (net)	(4,287)	(2,915)
Adjusted pre-tax profit	14,956	14,820
<i>Adjusted pre-tax profit margin %</i>	11.8%	12.8%
Adjusted items		
- Amortisation of acquired intangible assets	(4,226)	(3,880)
- Share based payments	(517)	(696)
- Acquisition costs	(1,010)	(922)
- Admin expenses- exceptional non-recurring costs	(462)	-
- Cost of sales- exceptional non-recurring costs	-	(820)
Pre-tax profit	8,741	8,502
Taxation charge	(2,300)	(1,507)
<i>Effective tax rate %</i>	26.3%	17.7%
Profit after tax	6,441	6,995

Cash flow and net debt

	Mar-24	Mar-23
	£'000	£'000
Adjusted EBITDA	37,728	36,161
Operating cash flow	36,647	33,839
Taxation	(710)	48
Cash paid on tangible & intangible assets	(11,805)	(10,849)
Payment for acquisition of subsidiary net of cash	(9,890)	(10,307)
Repayment of debt acquired on acquisition	(3,728)	(1,508)
Payments under lease liabilities	(5,017)	(4,902)
Net drawdown of RCF bank loans	5,600	400
Finance costs	(3,069)	(2,149)
Issue of shares	7	5
Dividends paid	(6,099)	(6,091)
Net cash inflow / (outflow)	1,937	(1,514)
Funding	Mar-24	Mar-23
Bank revolver loan	(40,000)	(34,400)
Lease liabilities	(18,091)	(19,180)
Add: cash	15,755	13,818
Net Debt	(42,336)	(39,762)

For further information:

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Lucy Dimes, Chief Executive Officer & Chair
Scott Cunningham, Chief Financial Officer

Investec Bank PLC (Nominated Adviser and Broker) Tel: 020 7597 4000
Patrick Robb & Virginia Bull

Alma Strategic Communications Tel: 020 3405 0205
Caroline Forde, Hilary Buchanan & Kinvara Verdon

About iomart Group plc

iomart Group plc (AIM: IOM) is a leading secure cloud provider offering hybrid cloud, data protection and cyber security managed services, underpinned by our extensive data centre and network infrastructure. Our mission is simple: to support our customers by enabling them to connect, secure and scale anywhere, anytime. From our portfolio of data centres we own and operate across the UK to connected sites around the world plus global technology vendor relationships, our 500-strong team can design, deploy, secure and manage the right cloud solution for our customers.

To find out more about the Group, please visit www.iomart.com

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