



# 2024 Half Year Results.

For the six months ended 30 June 2024

September 2024



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# Our Business.

Our Business

Overview	We <b>enable</b> our clients to operate at the <b>highest level</b> by designing, implementing, innovating and managing their <b>vital</b> digital communication solutions, alongside <b>world-leading</b> technology partners, our unrivalled and <b>independent</b> expertise, and our <b>heroic</b> commitment to deliver best-in-class service.		
UK market focus verticals	Financial Services	Retail	Public Healthcare
	Social Housing	Utilities	Local Government
Channels	Direct		Partnerships
	Managed Services & Technology		Network Services
Reporting Divisions*	Managed Services & Technology		Mobile
Strategic Technology Pillars	Unified Communications & Collaboration	Customer Experience	Security & Connectivity
	Maintel Infrastructure Platform	Maintel Orchestration Platform	Maintel Application Platform

\*See page 13 for breakdown

## 5-year strategy transformation.

- Quality/predictability of earnings
- Organically grow revenue streams in three strategic pillars
- Closing the gaps on product offer
- Recurring revenues driven by wider market penetration and cross selling
- Future proof product and service offering
- Increasing CAGR and Adj. EBITDA%



# H1 2024 Highlights.

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Dan Davies,  
Interim Chief Executive Officer

# H1 2024 Highlights.

H1 2024 Highlights



**Revenue £46.6m**

H1 2023: £47.5m

Underlying growth of 14.3%



**Adj. EBITDA £4.8m**

+28.2% on previous year

Adj. EBITDA margin +2.4pp



**>£33m TCV of new business contracts signed**

Including the biggest contract in the business' history



**Cloud & Data performance fuels the growth again**

Cloud up 14%,  
Data Connectivity/Security up 14.9%



**Strong Cash Performance**

Net Debt down to £15.6m  
(H1 2023: £21.4m)



**Solid Progress on Strategic Pivot**

Increased new business quality, concentrated in focus segments and verticals



**Security & Connectivity strategic pillar offering enhanced**

New services powered by Fortinet & Zscaler, and a new Cyber Incident Response service



**Maintel Application Platform launched**

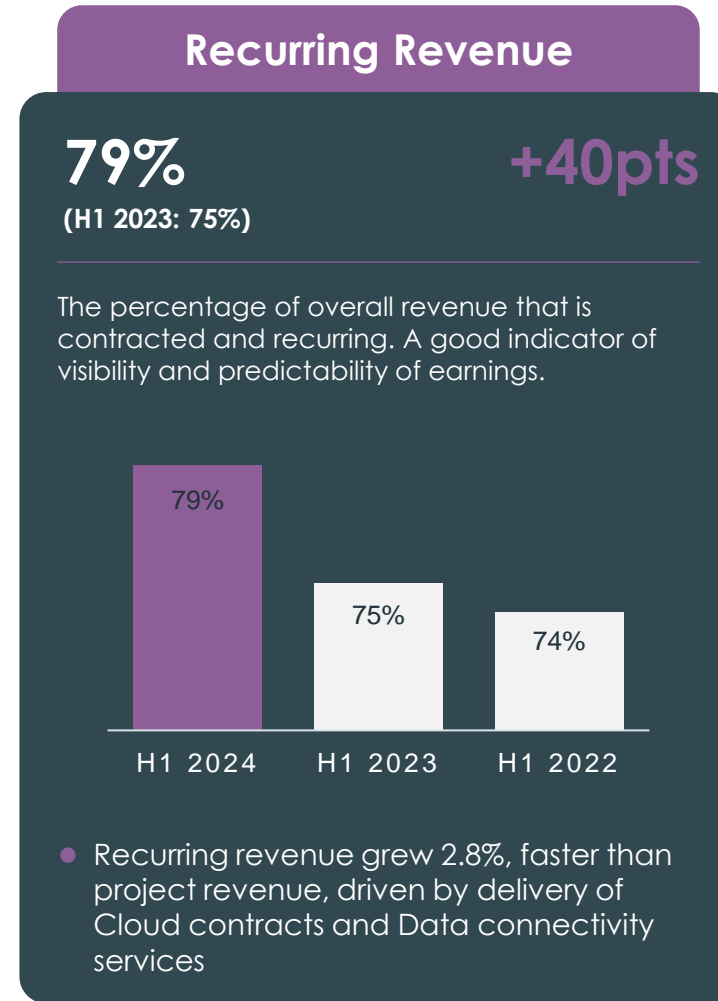
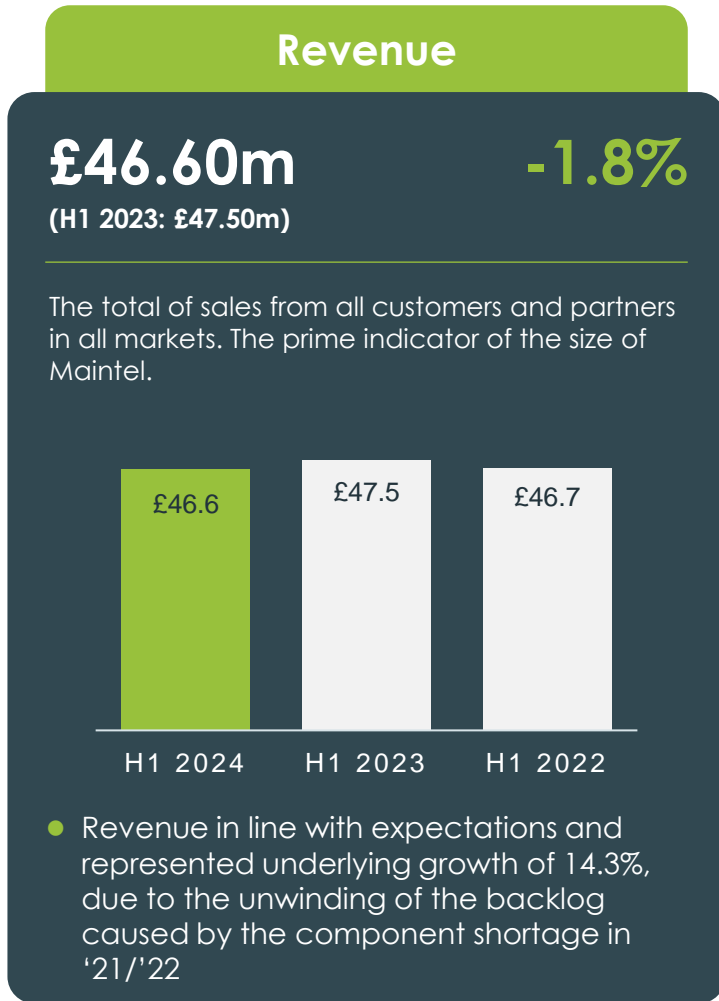
Providing a consistent, secure, and rapid way to develop, deploy & manage the Group's own IPR

# Financial Review.

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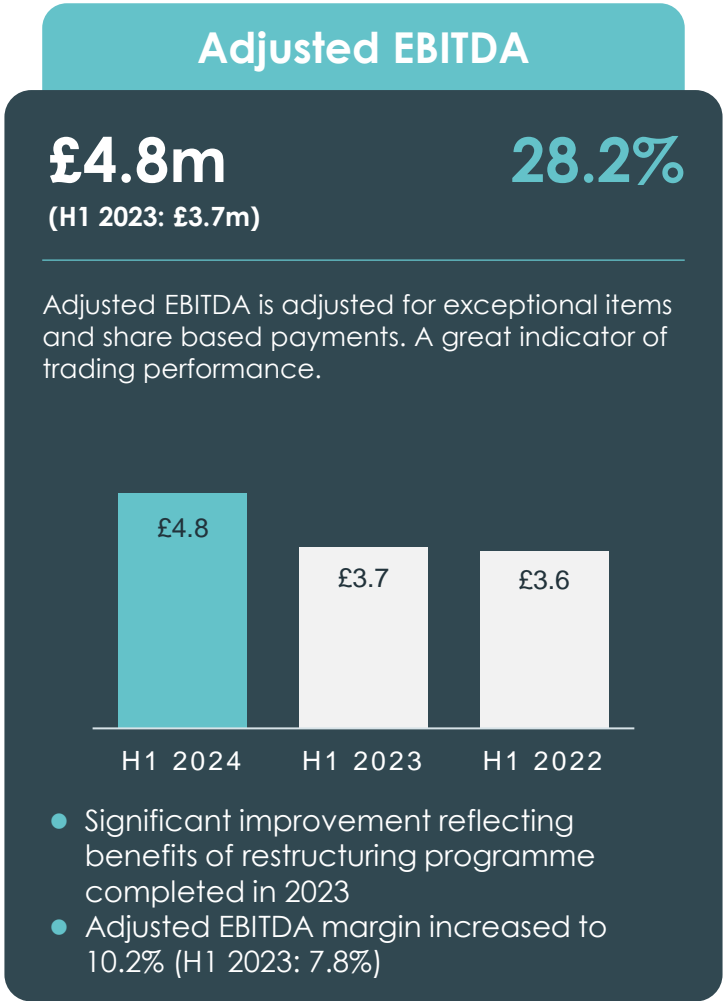
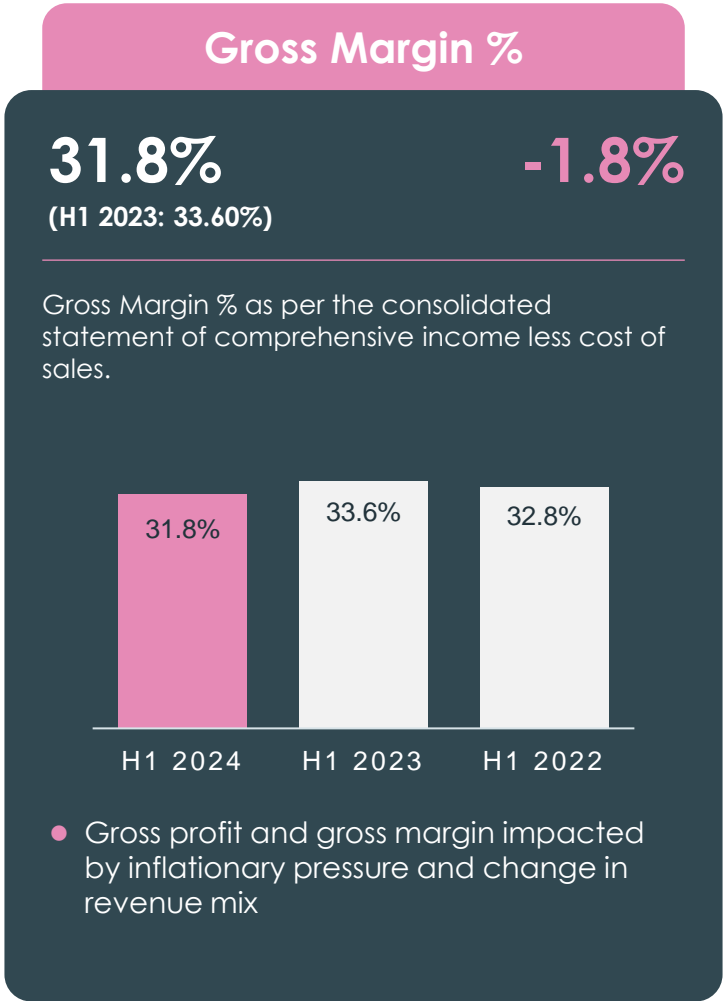
Gab Pirona,  
Chief Financial Officer

# Key Financials.



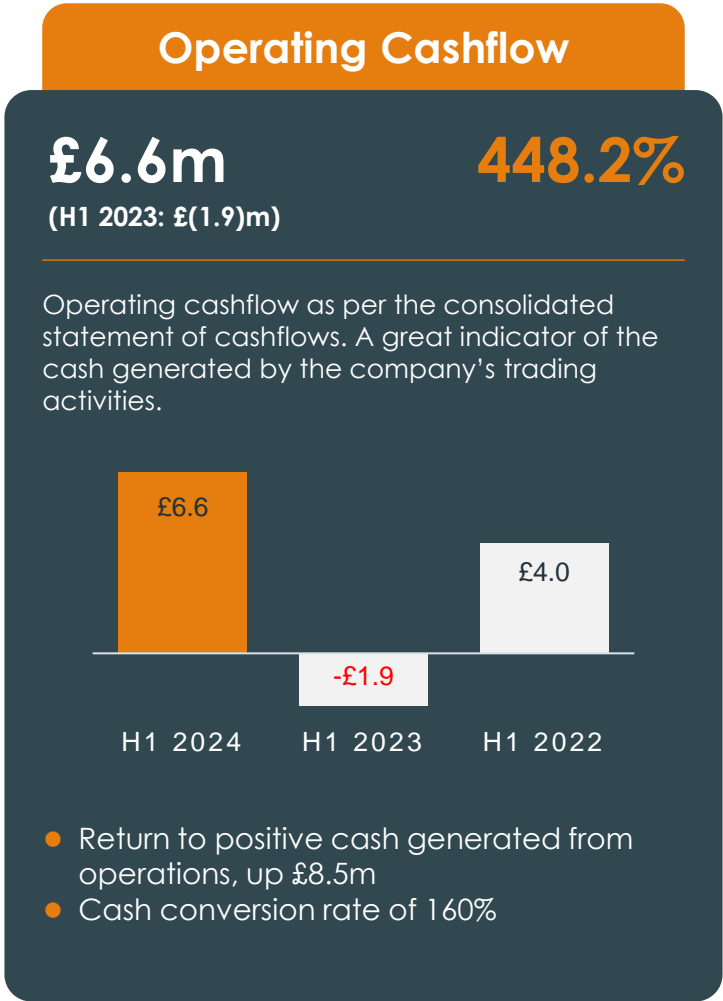
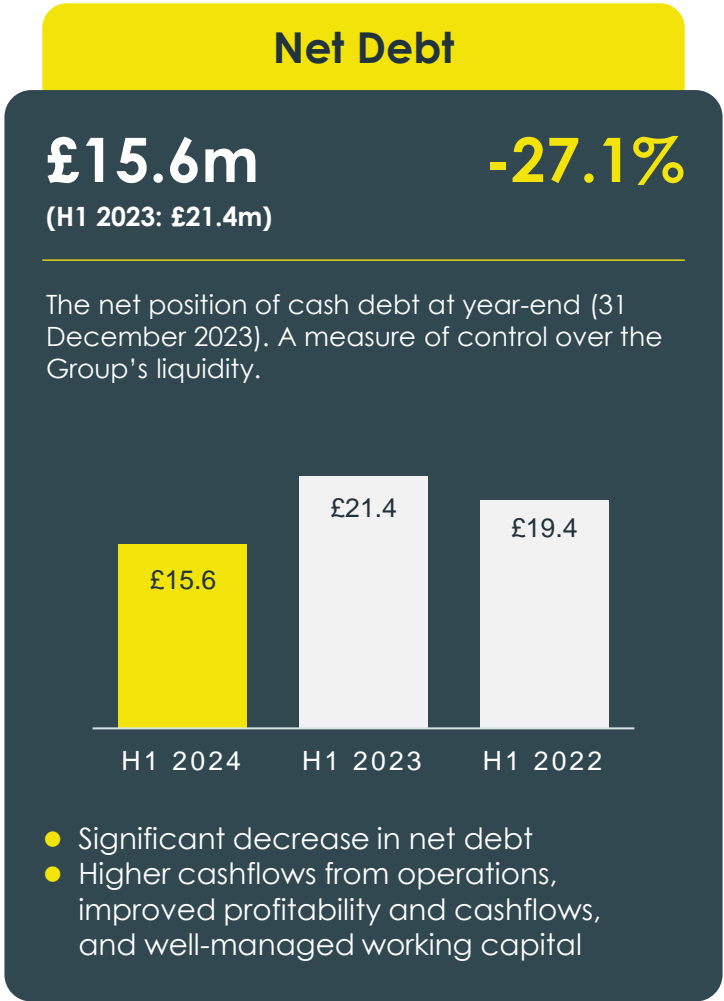
# Key Financials.

Financial Review



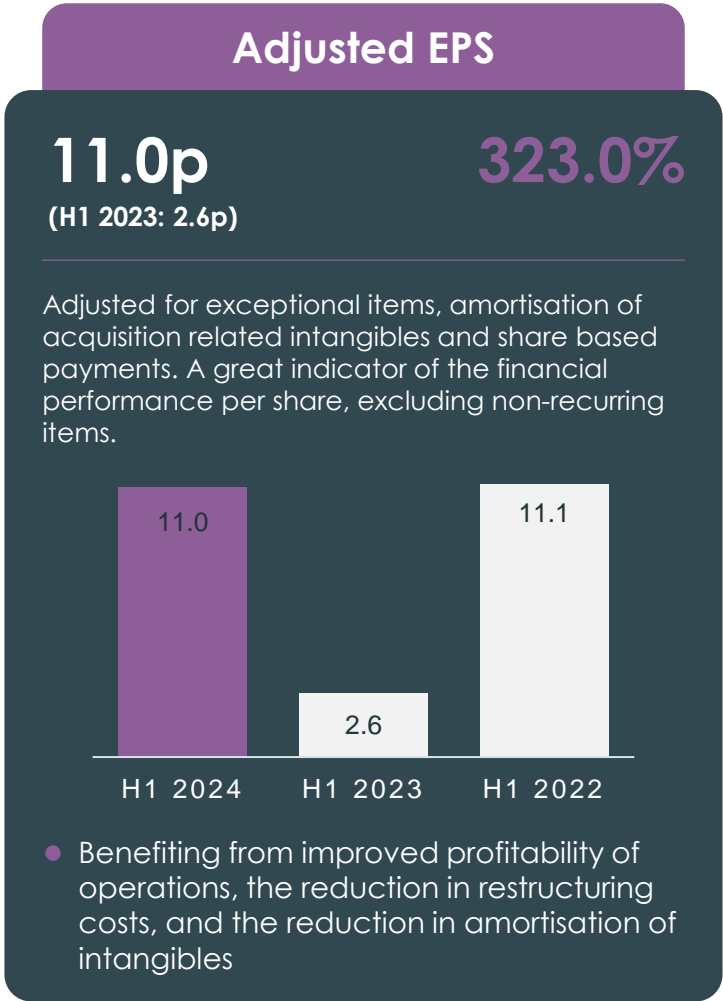
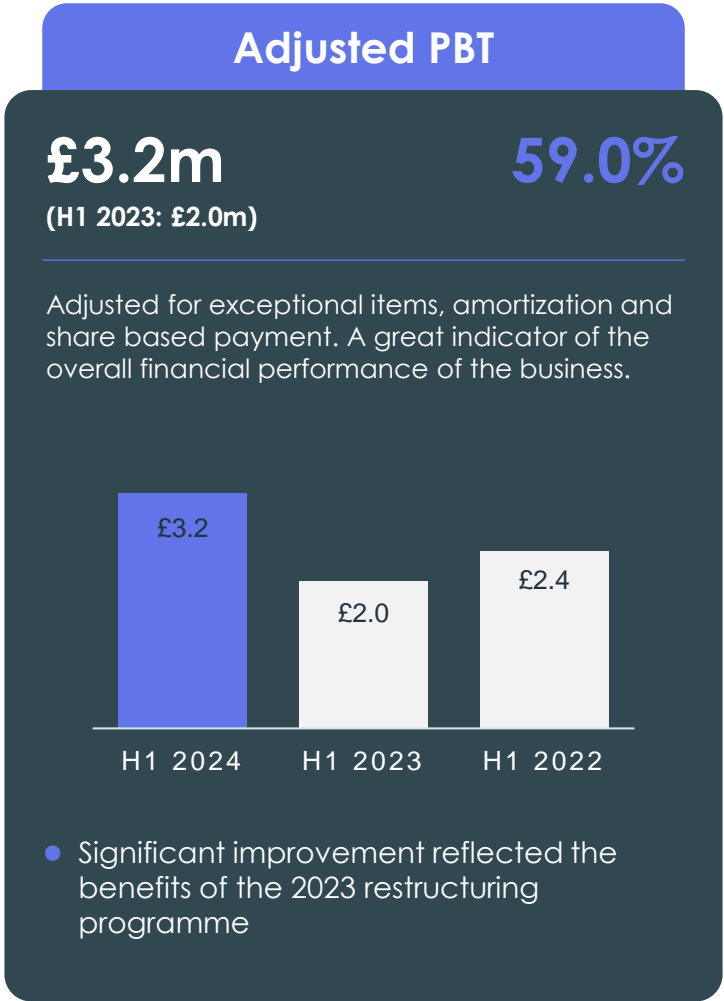
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Financial Review



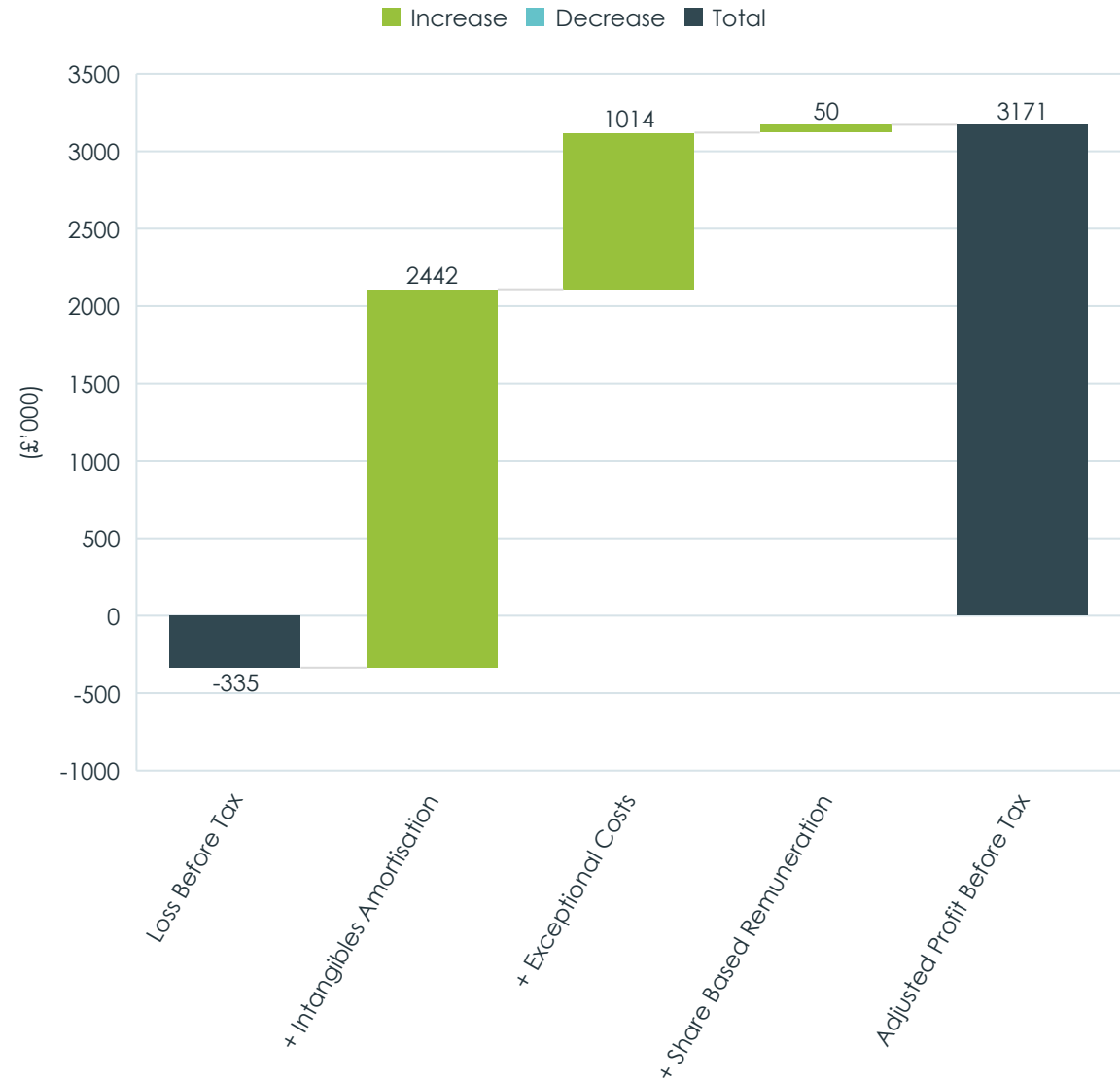
# Key Financials.

Financial Review



# Profit before tax bridge.

	£('000)
<b>Loss Before tax</b>	<b>-335</b>
+ Intangibles Amortisation	2,442
+ Exceptional Costs	1,014
+ Share Based Remuneration	50
<b>Adjusted Profit Before Tax</b>	<b>3,171</b>



# Financial performance - Group operations.

## Managed Services & Technology

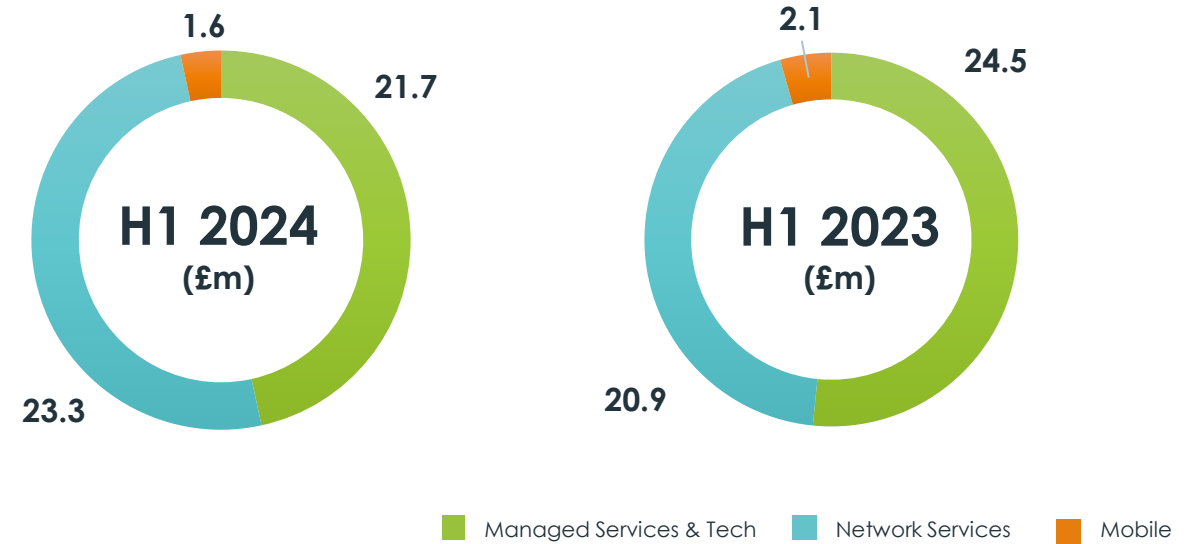
- **Managed services** - recurring support and managed service revenues for hardware and software located on customer premises
- **Technology** - non-recurring revenues from hardware, software, professional and consultancy services and other non-recurring sales

## Network Services Division

- **Cloud** – subscription and managed service revenues from cloud-based UC and CX contracts
- **Data** – subscription, circuit, co-location and managed service revenues from WAN, SD-WAN, Internet access and managed security service contracts
- **Call traffic and line rental** – recurring revenues from legacy voice, modern SIP trunking & inbound calling contracts

## Mobile Services

- Dealer agreements with MNO partners such as O2 and mobile managed services
- Non-core division



Revenue	Managed Services & Tech	Network Services	Mobile
<b>H1 2024</b>	£21.7 m	£23.3 m	£1.6m
<b>H1 2023</b>	£24.5 m	£20.9 m	£2.1 m
	-11.5%	+11.5%	-21.5%
<b>Gross Margin - H1 2024</b>	26.0%	36.5%	37.7%
<b>Gross Margin - vs H1 2023</b>	-0.6pp	-3.9pp	-10.2pp

# Managed Services and Technology.

£'000	H1 2024	H1 2023	Change
Revenue	<b>£21,671</b>	£24,475	(11.5) %
Gross Profit	<b>£5,638</b>	£6,525	(13.6) %
Gross Margin (%)	<b>26.0 %</b>	26.6 %	(6) pts

- Expected decline in revenue from legacy on-premise managed service of £4.4m, partially offset by new contracts in higher growth strategic pillars
- Technology revenue declined by 15.8%, compared with a £5.7m benefit in H1 2023 from the unwinding of orders delayed in 2021/2022

# Network Services Division.

£'000	H1 2024	H1 2023	Change
Call traffic	<b>£1,524</b>	£1,498	1.7%
Line rental	<b>£3,553</b>	£3,481	2.1 %
Data connectivity services	<b>£10,044</b>	£8,742	14.9%
Cloud	<b>£7,930</b>	£6,959	14.0%
Other	<b>£245</b>	£212	15.6 %
<b>Total</b>	<b>23,296</b>	20,892	11.5%
Gross Profit	<b>£8,492</b>	£8,437	0.7%
Gross Margin (%)	<b>36.5 %</b>	40.4 %	(39) pts

- Revenue grew by 11.5%
- Significant growth in Cloud and Data connectivity services, driven by new contract wins and rolling out SD-WAN and security managed contracts
- Slight increase in line rental revenue, albeit the deadline for migration away from legacy PSTN services has been extended
- Higher call traffic driven by an increase in inbound contact centre calling traffic and outbound SIP call traffic, mainly in the Financial Services customer base.
- Gross margin slightly down due to fewer rebates received.

# Mobile Division.

£'000	H1 2024	H1 2023	Change
Revenue	<b>£1,643</b>	£2,094	(21.5)%
Gross Profit	<b>£619</b>	£1,002	(38.2)%
Gross Margin (%)	<b>37.7%</b>	47.8%	(101) pts
Number of customers	<b>471</b>	536	(12.1)%
Number of connections	<b>28,070</b>	29,890	(6.1)%

- Non-core division for the Group
- Performance reflected refocus on core revenue streams and timing of contract renewals resulting in lower bonuses earned
- O2 remains a core partner, alongside continued focus on building relationships with Vodafone and Three
- Focus on mid-market, low-end enterprise segments, whilst product remains an adjacent offering to core strategic pillars

# Business Update.

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Dan Davies

# New Platform and Managed Service Products



## Maintel Application Platform & Audiosafe App

New Maintel Application Platform provides a consistent, resilient, scalable and secure way to rapidly develop integrations and apps for customers

Audiosafe, the first app delivered, provides call recording migration and long-term retention



## New Security & Connectivity Services

New Fortinet variant of Maintel's SD-WAN Managed Service

New Zscaler variant of our Security Service Edge Managed Service



## New Cyber Incident Response Service

Adding both retainer based and on-demand Cyber Incident Response services

Delivered in partnership with our Cyber Security partner Reliance Cyber

# H1 2024 Deals

>£33m of new total contract value closed

Deals Highlights		Strategic Technology Pillars				
		TCV	Contract Term (Months)	Unified Comms & Collab	Customer Experience	Secure Connectivity
FIN SERV	Leading European credit management company	£3.2 m	36		●	
	One of the UK's largest insurance companies	£1.7m	36		●	
RETAIL	Global electronics retailer	£0.5 m	28			●
	International home improvement company	£0.4 m	36	●		
HEALTHCARE	Leeds Teaching Hospital NHS Trust	£1.1 m	60	●		
	One of Europe's largest dental care providers	£0.4 m	36			●
Social H'sing	Leading housing and care provider	£13.5 m	36			●
LOC. GOV	Liverpool City Council	£0.5 m	60			●
Other	Global IT and business consulting services company	£1.3m	24		●	

# Strategy Evolution – 2023 2024 Timeline.

Business Review

## Phase I

### IDENTIFY & PREPARE

- Target verticals
- TOM aligned to narrower market focus
- Pivot the culture from combative to cooperative
- Identify governance weaknesses
- Right size cost base



## Phase II.a

### GROW

- Customers
- Partnerships
- Products
- Skills
- Pipeline
- Accreditations/awards
- Brand reach

## Roadmap

- New internal comms strategy ✓
- Develop consultancy model ✓
- Mid-Market sales team created ✓
- New logo sales team created ✓
- New customer collateral suite ✓
- Brand refresh/relaunch ✓
- Sales enablement plan execution – Progressing well
- Pipeline buildout - progressing
- Award submission – 2 x short listings

## Phase II.b

### INVEST

- Build out new products and services
- Develop more Intellectual Property
- Complete and optimise DX program benefits
- Build a highly skilled and future focused team
- Align with vendors/partners on jointly effective go to market strategies

## Roadmap

- Establish cyber partnership ✓
- Develop & launch App Platform ✓
- Develop & launch Audiosafe ✓
- Add Fortinet & Zscaler offering ✓
- Project TITAN – Operational Modernisation – Progressing well
- Digital Transformation – FY24 projects nearing completion
- Develop new MAP Apps/Features - Progressing

# Vanquis Bank

## The Customer

**Vanquis Banking Group** is a FTSE All Share company and a leading specialist bank. Established in 1880, Vanquis lends responsibly, helping to aid financial inclusion and social mobility for their customers and the communities they live in. They offer credit cards and loans as Vanquis, Vehicle Finance as Moneybarn, and through the award-winning fintech brand Snoop, the group provides people with a free credit score and personalised insights, to help them better manage and understand their finances. Overall, they provide tailored products and services to 1.75 million UK customers.

## The Issue

As the business grew and evolved, legacy infrastructure was increasingly making it difficult to meet customer needs and becoming more challenging and costly to manage.

## The Project

Vanquis is transforming its business and technology to provide differentiated solutions that meet customer needs, increase flexibility and agility, and minimise risk. A key part of this transformation is implementing a modern Genesys Contact Centre platform to better engage and support their customers.

## The Outcome

Along with improved customer service and commercial sustainability, anticipated cost savings from 2026 are expected to be between £23 and £26 million as a result of the overall transformation.



# JD Sports

## The Customer

**JD Sports** is a sports-fashion retail company headquartered in Bury, Lancashire, England with shops throughout the United Kingdom, Europe, the United States, Asia, and Australia. It has over 50 high street brands under its umbrella including sports brands such as JD Sports, Footpatrol, Sprinter, and Sport Zone, premium fashion brands such as Scotts and Tessuti, along with outdoor retailers Blacks, Millets, Go Outdoors and Ultimate.

## The Issue

JD needed to improve its network, telephony and mobile provisioning across its European store estate with a modern cloud-based unified communications infrastructure.

## The Project

Deployment of an SD-WAN enabled future-proofed network and upgrade to the latest telephony connectivity, with Maintel delivering and hosting the ICON Communicate platform, using Mitel equipment across its European store network. In addition, Maintel have provided an enhanced mobile service delivering 1,200 connections with improved tariffs and billing.

## The Outcome

An integrated 'future proof' SD-WAN network, telephony and mobile solution, providing for a modernised unified communications infrastructure – better enabling video, audio, and web conferencing facilities to their stores.



# Angus Council

## The Customer

**Angus Council** delivers a broad range of services to its population of just under 120,000. Covering 842 square miles of the east coast of Scotland, the region includes 53,000 households across 7 historic towns and rural villages.

## The Issue

End-of-life telephony and contact centre systems were limiting customer access to council services, with planned deactivation taking place within 3 months.

## The Project

Maintel's RingCentral solution enabled large-scale transition to softphones, supporting flexible and agile working. Streamlined call handling and routing would enhance the customer journey.

## The Outcome

The council saved £100,000 per year moving to a fully cloud-hosted solution. Improved data and analytics enable data-driven decision making to further influence the council's communications strategy.



# Outlook.

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# Current Trading & Outlook.



Continued to successfully execute the strategic pivot, focusing on brand, growth, specialisation, property, and operational scalability



Improved cash conversion, driven by higher cash inflows from operating activities



Closed several high-value new contracts wins in the public and private sectors, with benefits of these multi-year contracts expected to be realised from H2 2024



Appointed two new Non-Executive Directors, with recruitment of an Independent Chair and a permanent CEO ongoing



Focused on higher-margin new business opportunities in target high-growth segments moving forward and looking forward to the remainder of the financial year with cautious optimism

