

12 MONTH RESULTS

UNAUDITED RESULTS TO 31 MAY 2024



OVERVIEW

Mike Maddison
Chief Executive Officer



STRATEGIC MOMENTUM DELIVERING RESULTS

- Created two distinct businesses – Escope and Cyber Security
- Notably, revenue growth in Cyber Security's Managed Services and Digital Forensics & Incident Response services
- Created a global operating model and in-year efficiency
- Non-core asset disposal to create a more focused Cyber Security business
- Overall good progress on our transformation journey, with improvement in profitability, however work continues

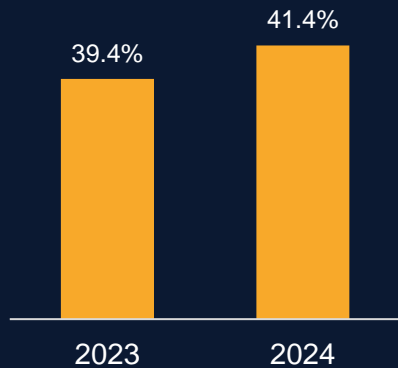


GROUP MARGIN JOURNEY

GROSS MARGIN

41.4%

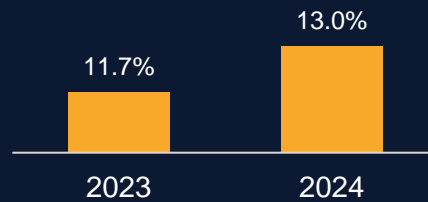
+2.0% pts YoY



ADJUSTED EBITDA

13.0%

+1.3% pts YoY



- Improvement in Gross Margin through cyber service mix, utilisation and cost efficiencies
- Profitability improvement as we continue our transformation journey

DELIVERED ON STRATEGY AND OPERATIONAL TARGETS

1. Our clients

- Launched market structure in North America cyber to enable sharper focus on key sectors
- Activated a price uplift on Escode contracts (new business and renewals) and verifications
- Began to scale Escode in North America and Australia

2. Our capabilities

- Grew global Managed Services and Digital Forensics & Incident Response services
- Established two new Consulting & Implementation practices in Digital Identity and Operational Technology
- Established a range of cyber partnerships and alliances with specific propositions

DELIVERED ON STRATEGY AND OPERATIONAL TARGETS

3. Global delivery

- Implemented and launched global scheduling tool - Kantata in the UK, North America, and the Philippines
- Our new Manila office continues to grow in line with expectations with colleagues operational in delivery and enabling functions

4. Differentiated brands

- Launched a distinct new brand for software escrow business – Escode
- Developed our industry analyst programme driving improvements in coverage for both Cyber Security and Escode businesses
- Focused and targeted activity at key industry events for both businesses

FINANCIAL REVIEW

Guy Ellis
Chief Financial Officer

DELIVERING AGAINST ALL OF OUR FY24 FINANCIAL FRAMEWORK

Sustainable revenue growth

Returning Cyber Security to growth in H2

Accelerating growth of recurring revenue in Managed Services

Maintaining momentum of quarterly growth in Escode

Improved Gross Margin

Improved utilisation %

Globalised technical resource footprint

Efficient cost base

Delivering c.£5m efficiencies in Cyber Security in FY24 (annualised c. £10m from FY25)

Annualising Escode efficiencies delivered in FY23

Balance sheet resilience

Strong cash conversion

Reducing debt

Maintaining dividend

GROUP INCOME STATEMENT

Actual rates	2023 £m	2024 £m	% change
Revenue	335.1	324.4	(3.2%)
Gross profit	132.0	134.3	1.7%
Gross margin %	39.4%	41.4%	2.0% pts
Overheads	(90.6)	(90.6)	-
Share based payments	(2.2)	(1.6)	(27.3%)
Adjusted EBITDA	39.2	42.1	7.4%
Adjusted EBITDA margin %	11.7%	13.0%	1.3% pts
Depreciation and amortisation	(22.6)	(22.1)	(2.2%)
Adjusted EBIT	16.6	20.0	20.5%
Adjusted EBIT margin %	5.0%	6.2%	1.2% pts
Finance costs (including leases)	(6.2)	(6.2)	-
Adjusted PBT	10.4	13.8	32.7%
Adjusted tax	(1.6)	(3.0)	(87.5%)
Adjusted tax %	15.4%	21.7%	6.3% pts
Adjusted PAT	8.8	10.8	22.7%
Adjusted basic EPS	2.8p	3.5p	25.0%

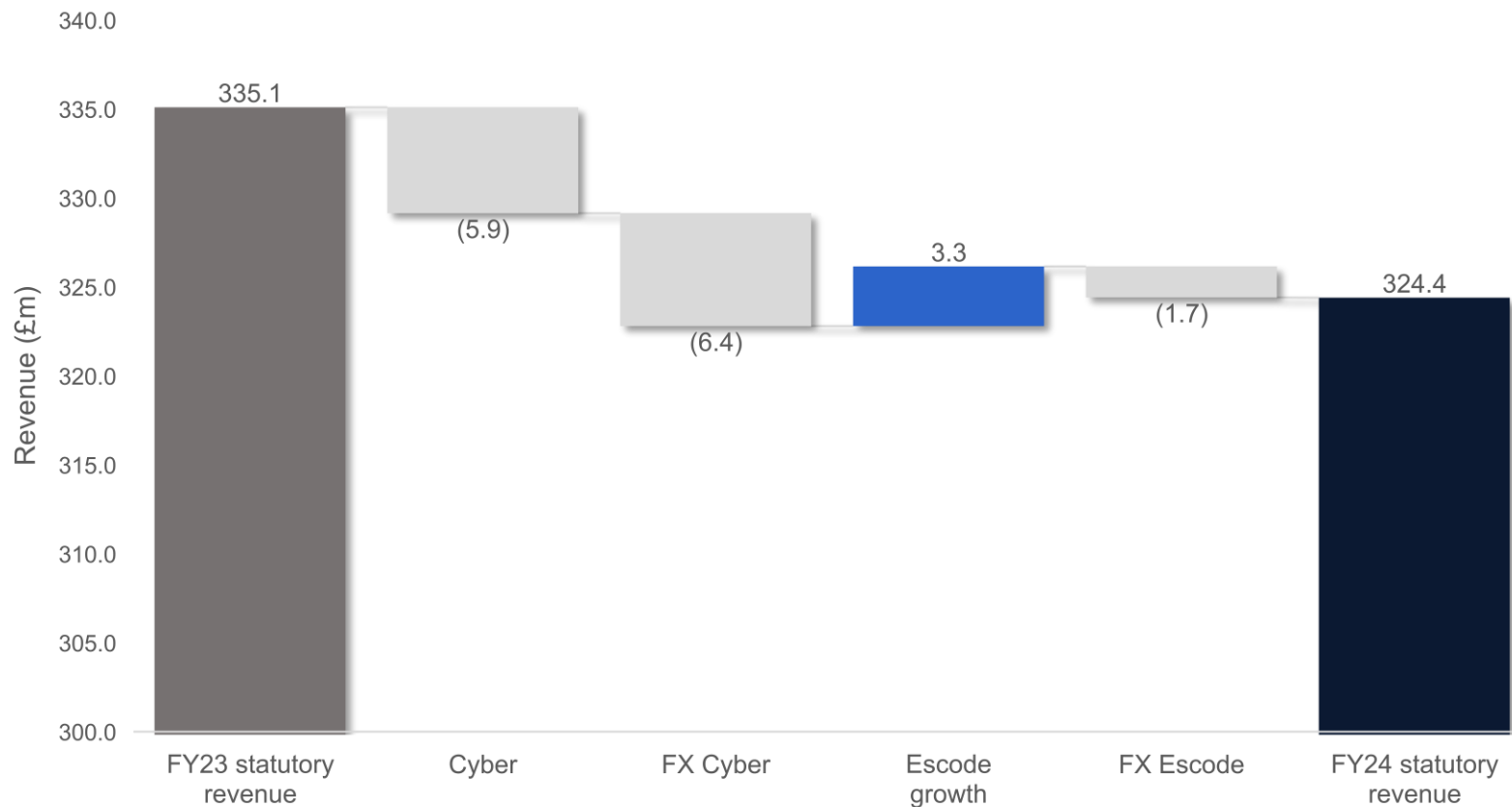
- Adjusted EBITDA performance ahead of expectations ² by c.5%, as we continue our transformation journey
- Revenue decreased, however delivered cost of sales efficiencies and overheads were managed appropriately
- Adjusted EBITDA on a constant currency basis increased by c.13% (2023 Adjusted EBITDA £37.2m - £2.0m impact)

Disclosure changes – summary reconciliation ¹:

	2023 £m	2024 £m	Change £m
Adjusted EBITDA - previously	41.4	43.7	2.3
Share based payments	(2.2)	(1.6)	0.6
Adjusted EBITDA - revised	39.2	42.1	2.9

	2023 £m	2024 £m	Change £m
Adjusted EBIT - previously	28.8	31.1	2.3
Share based payments	(2.2)	(1.6)	0.6
Amortisation of acquired intangibles	(10.0)	(9.5)	0.5
Adjusted EBIT - revised	16.6	20.0	3.4

GROUP REVENUE BRIDGE



- Revenue slightly declined year on year at 0.8% on a constant currency basis
- Cyber Security constant currency decline of 2.2%, driven by North America (26.8%)
- H2 2024 cyber revenue YoY increased overall by +6.0% compared to (9.6%) in H1 2024
- Escode delivered positive revenue growth in constant currency of 5.4%
- FX impacting revenue (£8.1m)

CYBER SECURITY REVENUE AND ADJUSTED EBITDA

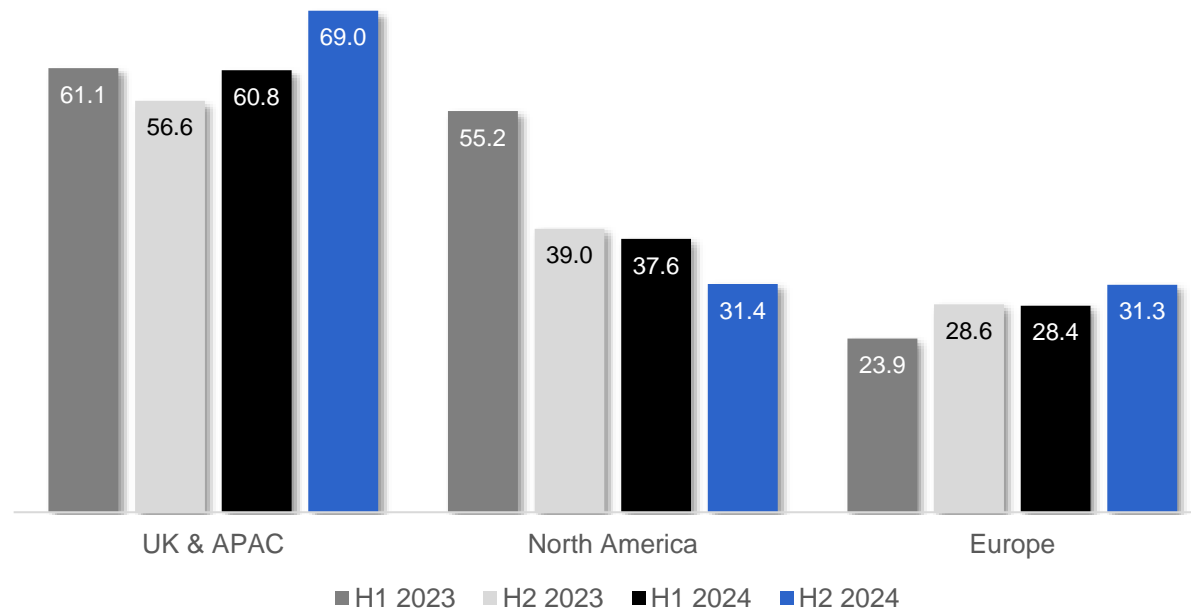
Revenue by region

Constant Currency

FY24 regional YoY CC growth:

- UK & APAC: +10.3%
- North America: (26.8%)
- Europe: +13.7%

Overall: (2.2%)



Trajectory:

- H2 2024 revenue YoY increased overall by +6.0%
- H2 2024 revenue ahead of H1 2024 by +3.9%
- TAS & C&I average utilisation for all locations improved to 68% contributing to improved gross margin following low performance in H2 2023
- Improved gross margin and Adjusted EBITDA performance

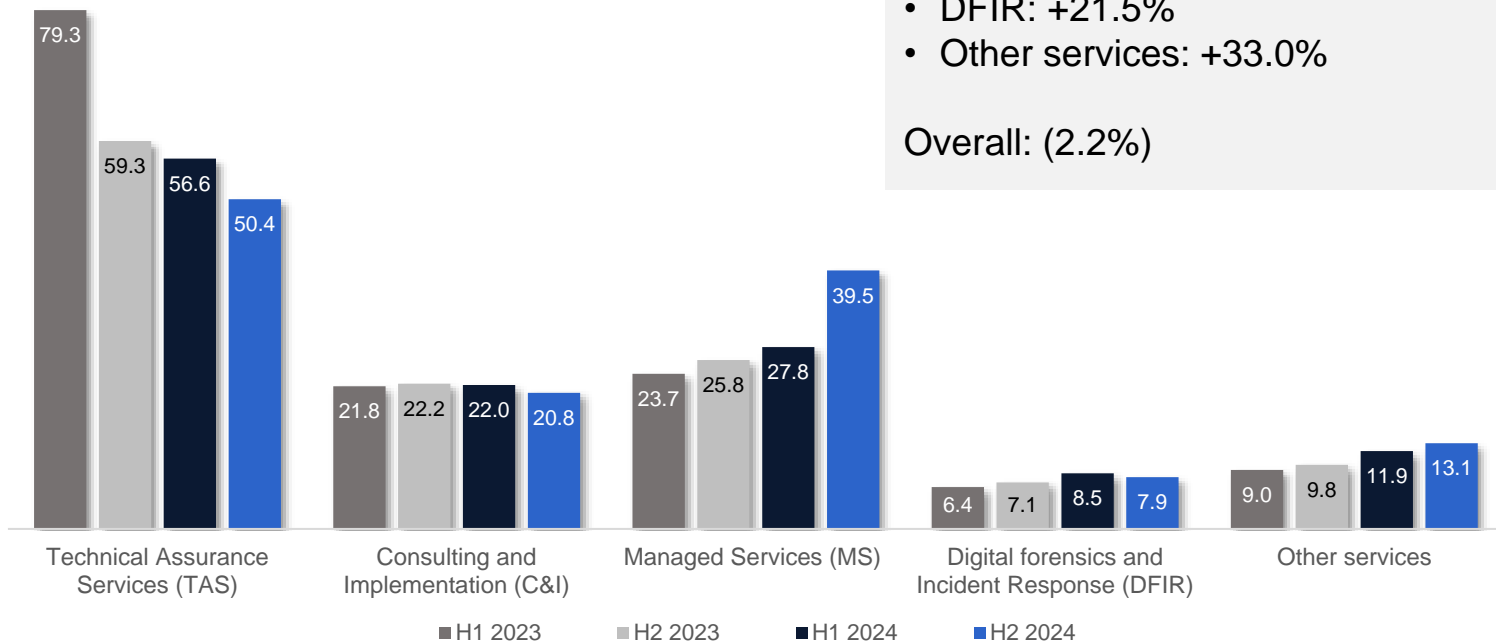
Actual rates	2023 £m	2024 £m	% change
Revenue	270.8	258.5	(4.5%)
Gross profit	86.1	88.3	2.6%
Gross margin %	31.8%	34.2%	2.4% pts
Overheads (inc. SBP)	(72.3)	(70.7)	(2.2%)
Adjusted EBITDA ¹	13.8	17.6	27.5%
Adjusted EBITDA margin %	5.1%	6.8%	1.7% pts

1: Now includes previously adjusted item of Share based payments (SBP) of £0.3m (2023: £1.6m) to align to FRC best practice guidance.

CYBER SECURITY REVENUE – CAPABILITIES

Revenue by capability

Constant Currency



FY24 capability YoY CC growth:

- TAS: (22.8%)
- C&I: (2.7%)
- MS: +36.0%
- DFIR: +21.5%
- Other services: +33.0%

Overall: (2.2%)

Trajectory:

- TAS declined by (15.0%) at CC in H2 2024 YoY and by (11.0%) from H1 2024 to H2 2024
- C&I slightly decreased YoY by (2.7%) with the new leadership now secured as we enhance the proposition
- MS increased by +36.0% YoY. MS as proportion of total Cyber Security revenue increased 7.5% pts to 26.0%
- DFIR increased by +21.5% YoY reflecting the number of incident responses of Ransomware

Capabilities:

- *Technical Assurance Services (TAS): all types of penetration testing*
- *Consulting and Implementation (C&I): consultancy services across all industrial verticals*
- *Managed Services (MS): includes XDR*
- *Digital Forensics and Incident Response (DFIR): includes incident responses to Ransomware*
- *Other services: include our Fox Crypto business, DetACT and Global Cyber Security Research*

ESCODE REVENUE AND ADJUSTED EBITDA

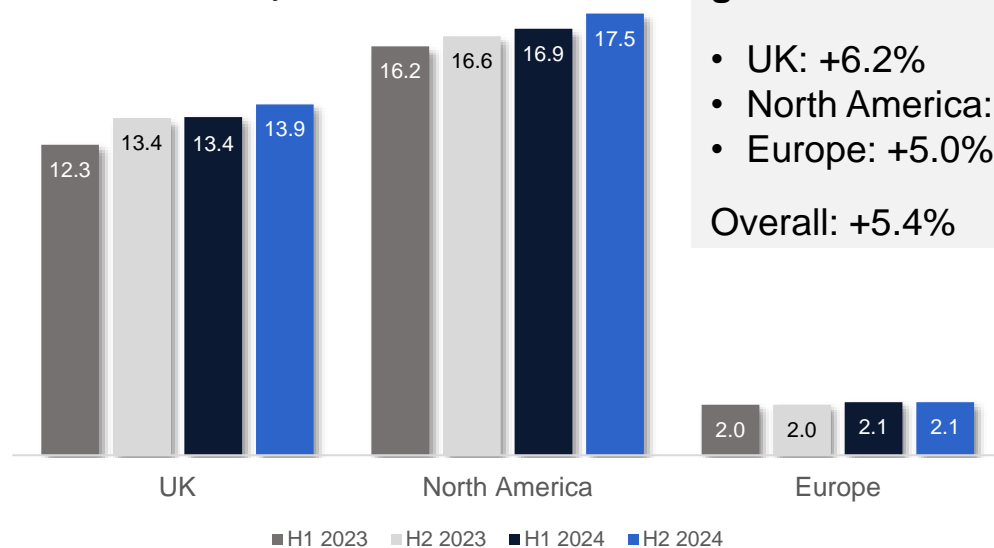
Revenue by region

Constant currency

2024 regional YoY CC growth:

- UK: +6.2%
- North America: +4.9%
- Europe: +5.0%

Overall: +5.4%

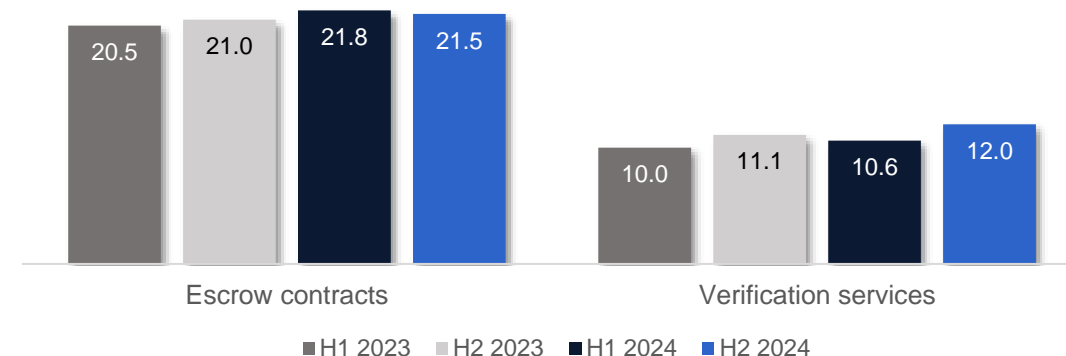


Actual rates	FY 2023 £m	FY 2024 £m	% change
Revenue	64.3	65.9	2.5%
Gross profit	45.9	46.0	0.2%
Gross margin %	71.4%	69.8%	(1.6)% pts
Overheads (incl. SBP)	(14.8)	(17.7)	19.6%
Adjusted EBITDA ¹	31.1	28.3	(9.0%)
Adjusted EBITDA margin %	48.4%	42.9%	(5.4)% pts

1: Now includes previously adjusted item of Share based payments (SBP) of £0.2m (2023: £0.1m) to align to FRC best practice guidance.

Revenue by service line

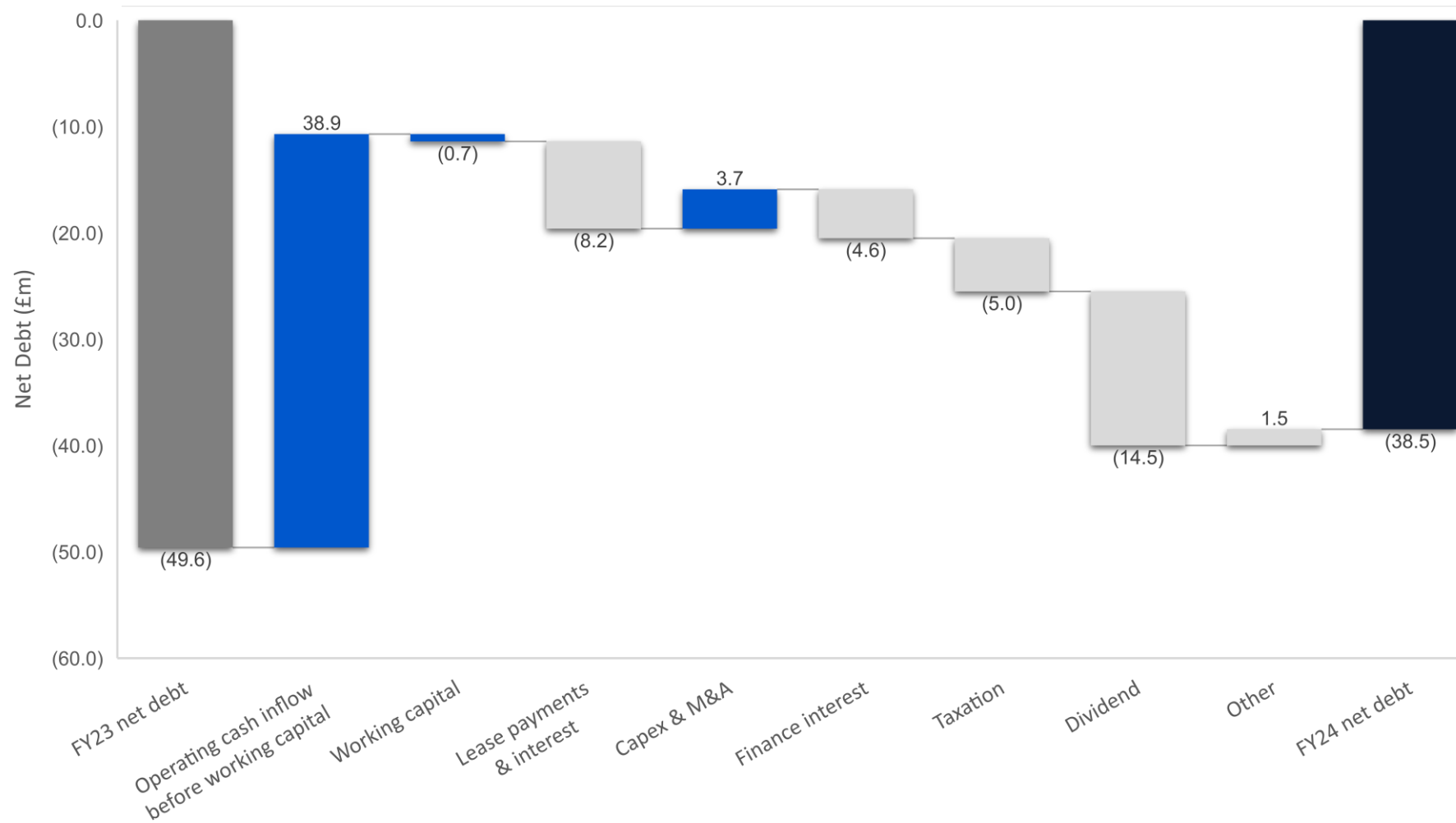
Constant currency



Trajectory:

- Sustained growth through last seven quarters
- 2024 growth driven by contracted price increases and increased verification revenues
- Client retention rate remains strong YoY at c.95%
- Gross margin % decline due to investment for future growth
- Adjusted EBITDA decline due to gross margin decline, prior year one offs and impact of FX (mainly USD)

NET DEBT (EXC. LEASES) REDUCED BY £11.1m



- Cash conversion remains strong at 90.7%
- Multi-currency RCF of £162.5m with additional £75m uncommitted accordion option
- Dividend paid £14.5m and will have an unchanged 12-month dividend of 3.15p



STRATEGY UPDATE

Mike Maddison
Chief Executive Officer



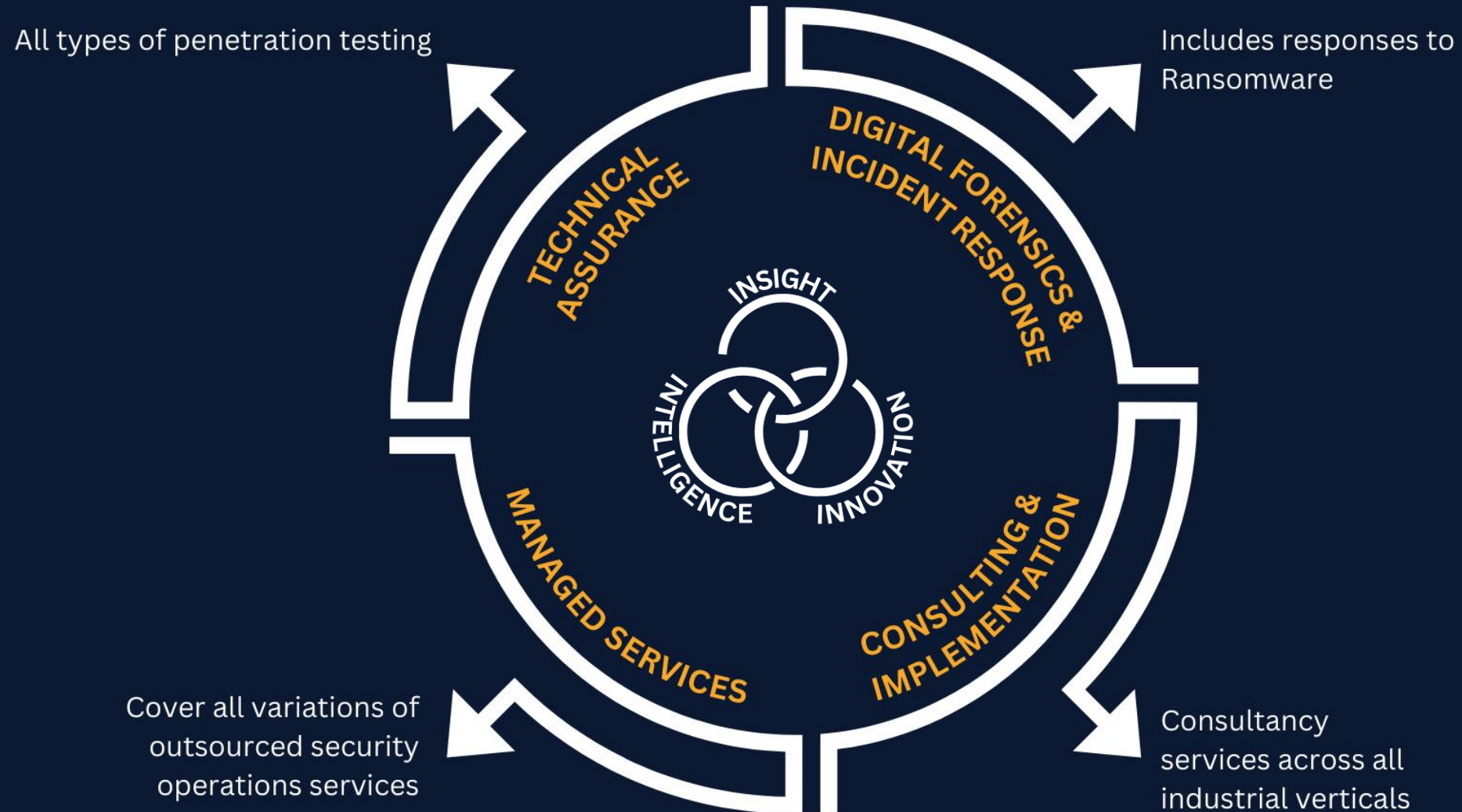
GLOBAL, AGILE AND CLIENT-FOCUSED



1: Now includes previously adjusted item of Share based payments (SBP) to align to FRC best practice guidance.

2: Now includes previously adjusted items of Share based payments (SBP) and Amortisation of acquired Intangibles to align to FRC best practice guidance.

DEVELOPING OUR END-TO-END CYBER BUSINESS



CYBER SECURITY STRATEGIC FOCUS FOR FY25



- Growth of key practices: Digital Identity and Operational Technology
- Focus on improving profitability in our Technical Assurance Services business (notably North America)
- Leverage the global model (inc. Manila) and complete the global rollout of Kantata scheduling tool
- Enhance and expand our cyber propositions that combine AI, data and automation (especially in Managed Services)

ESCODE STRATEGIC FOCUS FOR FY25



- Continue growth plans in North America and Australia
- Develop expansion plans into Critical Infrastructure
 - Building on success with Doha Metro project and recent acquisition of EU-related contracts
- Implement new sales approach enabling greater alignment in sales and operations

SUMMARY AND OUTLOOK

Mike Maddison
Chief Executive Officer



MOVING INTO THE NEXT PHASE OF OUR TRANSFORMATION

Moving into the next phase with confidence, delivering on our strategy, clear on what we need to do:

- Continue to simplify our business with profitable growth and sustainable gross margins
- Align to client needs

The Group remains confident on medium-term financial goals.



QUESTIONS

Appendix – reconciliation of adjusted measures

Adjusted measure	2024	2023 (restated) ²	Change
Adjusted EBITDA – previously (£m)	43.7	41.4	5.6%
Share based payments (£m)	(1.6)	(2.2)	(27.3%)
Adjusted EBITDA – revised (£m)	42.1	39.2	7.4%
Adjusted Operating profit – previously (£m)	31.1	28.8	8.0%
Share based payments (£m)	(1.6)	(2.2)	(27.3%)
Amortisation of acquired intangibles (£m)	(9.5)	(10.0)	(5.0%)
Adjusted Operating profit – revised (£m)	20.0	16.6	20.5%
Adjusted profit for the period – previously (£m)	19.0	18.9	0.5%
Share based payments (£m)	(1.6)	(2.2)	(27.3%)
Amortisation of acquired intangibles (£m)	(9.5)	(10.0)	(5.0%)
Tax effect of above items (£m)	2.9	2.1	38.1%
Adjusted profit for the period – revised (£m)	10.8	8.8	22.7%
Adjusted basic EPS - previously (pence)	6.1	6.1	-
Effect of share-based payments (pence)	(0.5)	(0.7)	(28.6%)
Effect amortisation of acquired intangibles (pence)	(3.0)	(3.3)	(9.1%)
Tax effect of above items (pence)	0.9	0.7	28.6%
Adjusted basic EPS – revised (pence)	3.5	2.8	25.0%
Cash conversion – previously (%)	87.4%	102.9%	(15.5% pts)
Effect of share-based payments (%)	3.3%	5.8%	(2.5% pts)
Cash conversion – revised (%)	90.7%	108.7%	(18.0% pts)

KPI's

Cyber Security	H1 2023	H2 2023	H1 2024	H2 2024	H1 to H2 2024 % change/ % pts	Definition
Delivery FTE	1,244	1,090	1,027	1,041	+1.4%	Number of Delivery colleagues (FTE) as at the end of the period
Number of clients >£0.25m (Parent account)	191	203	199	197	(1.0%)	Number of clients with spend (revenue or orders) over £250k in last 12 months
Number of long-term (>3 years) clients over £250k	140	149	136	132	(2.9%)	Minimum 1 order or revenue per year in prior 3 years, plus £250k+ net spend in prior 12 months
% of £250k clients using multiple capabilities	78%	82%	73%	73%	-	% of £250k+ clients who purchased multiple capabilities
TAS and C&I Utilisation (all locations)*	64%	58%	64%	68%	4% pts	Utilisation (For TAS & C&I only)
Escode						
FTE	257	262	296	292	(1.4%)	Number of all colleagues (FTE) as at the end of the period
Client retention rate	96%	91%	94%	95%	+1% pts	Retention rate of all clients
Number of clients (beneficiaries)	52,565	49,608	47,297	45,599	(3.6%)	Active Beneficiary Count

*Updated utilisation metric includes all markets of Technical Assurance Services (TAS) and Consulting & Implementation (C&I)

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