# SysGroup

## Shares/AJ Bell Investor evening

17 September 2024

# SysGroup today

- IT MSP for Small Medium Businesses ("SMBs") providing full range of solutions across the entire data estate including AI/ML and Public Cloud

- 99 employees

- Four office locations across UK – Manchester, London, Edinburgh and Newport

- AIM: SYS
  Nomad & Broker: Zeus Capital

# Financial results for year ending March 24

- Financial results for year ending March 24
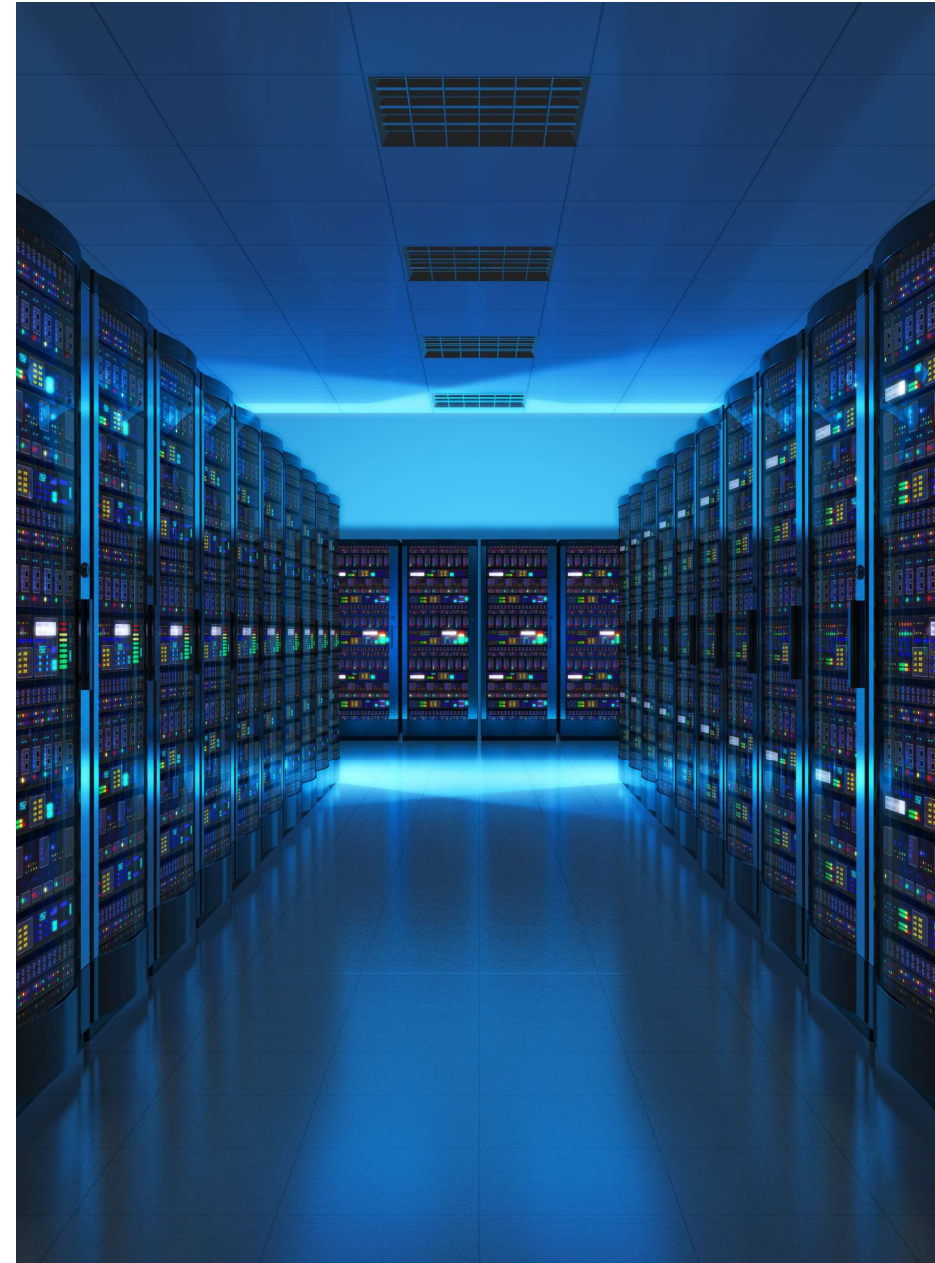
- Adjusted EBITDA[1]: £2.0m

- 80%+ cash conversion

- Revenue: £22.7m

- Recurring managed service income: >70%

- Net debt :£3.4m (loans & lease obligations less cash)

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1. Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation of intangible assets, exceptional items, and share based payments.

# Total transformation of strategy, execution and leadership talent

Heejae Chae acquired 14% share interest in April 23 and was appointed Executive Chairman

Recruited an AI team of software engineers with extensive experience in ML and data architecture

Recruited team of cloud specialists in AWS and Azure. Achieved AWS Advance Tier Service Partner status (Level 3)
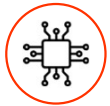
Repositioned as technology partner for SMBs' data platform including AI/ML

Rebuilt go-to-market organisation

Invested in additional R&D resources, including offshore capabilities in India and Eastern Europe

Replaced 12 senior leaders (including CEO and CFO) with 6 new talents

Refreshed the Board with seasoned professionals with extensive and relevant experience

£11.2 million fundraising, providing a strong balance sheet to accelerate growth and innovation

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# Our Customers

- Circa 500 customer base

- 90% of the customers SMB (<£1bn revenue)

- FY24: Recurring managed service revenue > 70%*

- Largest customer accounts for 6% of revenue*

- Long standing customer relationships

- Most buy only few of the offerings

- Significant opportunity to cross sell

**Our mission:**
To become partner of choice for Small Medium Businesses (SMBs) in their AI and digital transformation journey

**Our strategy:**
to support the entire data infrastructure to achieve AI/ML readiness through our portfolio of technical capabilities

## Our service definitions:

| Support & Monitoring | | | |
|---|---|---|---|
| Hosting | Protection | Connectivity | Analysis |
| On-Premise | Backup as a Service | Zero Trust | Data Management |
| Public Cloud | DR as a Service | Leased Lines | Data Strategy |
| MSP | Immutable Backups | End User | ML Model Implementation |
| Hybrid Cloud | Archiving | 5G | ML Model Support |

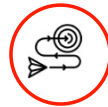| Security | | | | | |
|---|---|---|---|---|---|
| SOC | Endpoint Security | Email Security | Instance Response | Network Security | Risk Assessment |

AI & Cloud expertise

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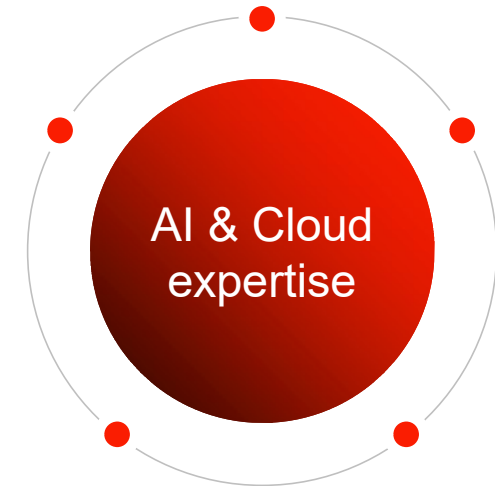
# Our AI & Cloud capabilities

## Assess

- Understand current state and challenges
- Analyse existing processes and business value

## Infrastructure

- Identify infrastructure requirements
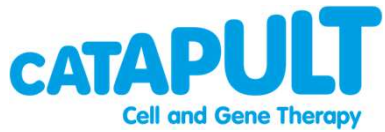- Manage implementation

## Migration

- Develop and lead on a tailored migration strategy
- Optimise architecture
- Enable teams with best practices

## Analytics

- Obtain, scrub and validate data
- Train and deploy AI models
- Monitor and maintain

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# Case study: Catapult

**CATAPULT**
Cell and Gene Therapy

Cell and Gene Therapy Catapult is an organisation based in the United Kingdom. It's a non-profit centre of excellence in cell and gene therapy, aiming to advance the growth of the industry and accelerate the development of new treatments

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# Catapult: Solution

- FY23 spend  (Products & Prof. Services) -  £187,000
- 1st meeting 7th November – Pitched the data journey vision
- 1st AI meeting week after 9th November.
- 1st AI phase 1 order – 7th December
- Azure Health Check Phase 1
- Server Component Upgrade
- Device Patching
- Azure Health Check Phase 2
- Network LAN Refresh
- AI Phase 2 order – 26th February
- File Server Refresh
- **Total spend  (FY24) £585,000**



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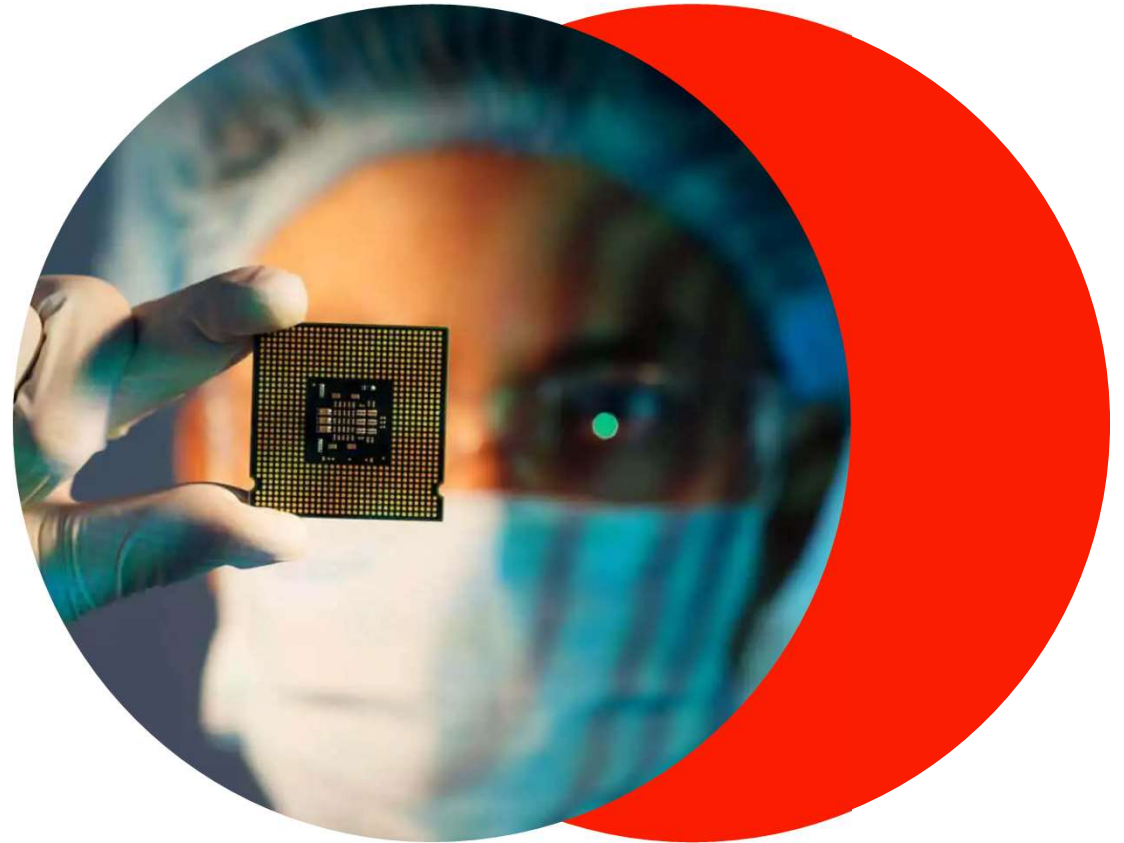
# Case study: CMO

CMO is the UK's largest online-only retailer of building materials offering market-leading ranges listing over 130,000 products through its portfolio of specialist SUPERSTORE websites

cmo group PLC® → BUILDING SUPERSTORE · clickbasin · DOOR SUPERSTORE · DRAINAGE SUPERSTORE · INSULATION SUPERSTORE · JTM Plumbing Merchant · PLUMBING SUPERSTORE · ROOFING SUPERSTORE · TILE SUPERSTORE · Total Tiles Boutique Tiles | Internet Prices

# CMO: Solution

- **Pre-existing Customer** on SysCloud

- Migrated to AWS, using external partner - failing to complete the project

- **CTO Engagement**

- **3 Weeks to resolve** issues and complete migration

- SysGroup now manages entire environment reducing resourcing costs for CMO

- CMO and SysGroup now engaged. **Rearchitecting AWS solution, migrating data** platform and providing C level of the organization with guidance on the future technology roadmap



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# Case study: Hatfields



Hatfields are the largest UK Range Rover / Land Rover dealership network in the UK.

They offer a wide range of new and used vehicles priding itself on its excellent customer service.

# Hatfields: Solution

- **AWS Greenfield customer**

- **CEO** Engagement

- **Ranking model** built to score customer propensity to Buy/Renew Vehicle

- **Data pipelines** built alongside proprietary CRM SaaS platform company

- Insights generated shown via **AWS Quicksight – using Amazon Q**

- All **secured** and **integrated** with the customers environment

# SysWorld – Internal Business Transformation

Internal AI & Automation Transformation

Professional Services Accelerator

MSP Acquisition Enablement Engine

# Internal AI & Automation Transformation

**Focus: Service Desk**

- Resource Intensive
- Complex Customer Onboarding
- High value (ROI) use cases identified

**Focus: CRM**

- Low quality data – not aligned to strategic objectives
- Service and contract renewal impacts
- Enforcing process will ensure ongoing quality

**Targeted outcomes:**

**Improve Customer Service**

- Reduced incident management times
- Higher NPS scores

**Reduce headcount**

- Target 25% support by end of 2025
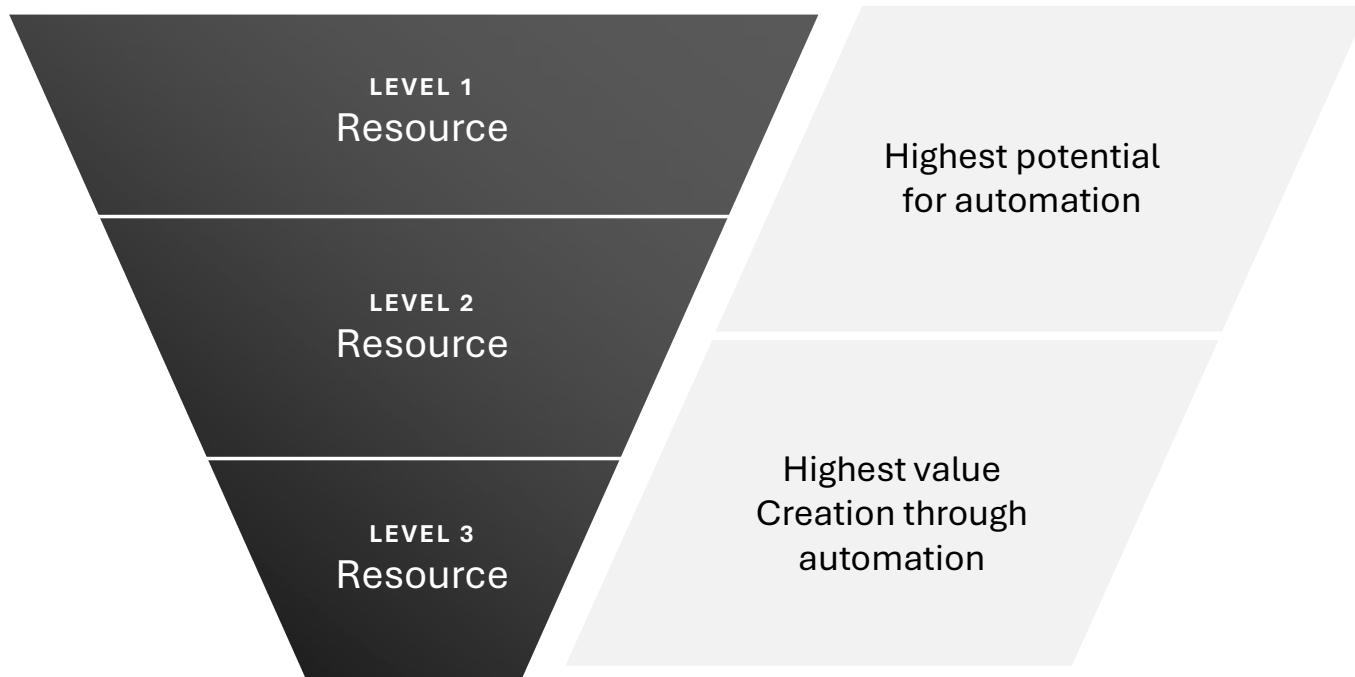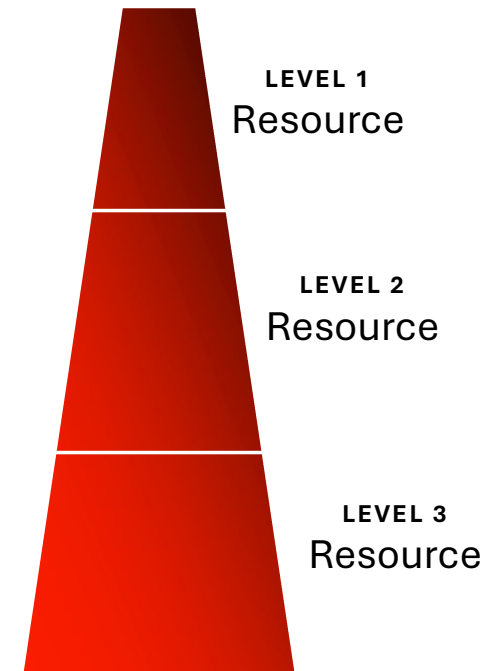- Onboard new customers, without increasing headcount

**Reduce menial tasks**

- 20% automated service requests

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# Service Desk Focus

**Resource Profile Now**

**LEVEL 1**
Resource

**LEVEL 2**
Resource

**LEVEL 3**
Resource

Highest potential for automation

Highest value Creation through automation

**Resource Profile Future**

**LEVEL 1**
Resource

**LEVEL 2**
Resource

**LEVEL 3**
Resource

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15

# MSP Acquisitions Enablement Engine

Strategy to increase value through acquisition

SysWorld has to support these ambitions

Build a base platform to acquire and integrate quickly without the integration headache.

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# Summary

**SysGroup - to become partner of choice for Small Medium Businesses (SMBs) in their AI and digital transformation**

- Our goal is to guide SMBs through the complex AI value chain and support their transformation journey from start to finish

- New management and board appointments driving the business forward

- Delivery re-organised under pillars of technical capability, with supporting senior hires now in place

- Recruited an AI team with extensive experience in ML and data architecture. Recruited Cloud specialists in AWS and Azure.

- Invested in additional R&D resources, including offshore capabilities in India and Eastern Europe

- Implementing transformation of SysGroup to demonstrate the benefits of AI, serving as a live case study of best practices for our customers

- M&A strategy to further bolster technical capability and enhance customer base

- £11.2 million fundraising provides a strong balance sheet to accelerate growth and innovation

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