



SysGroup Plc

FY 2025. Full Year Results

12 months to 31 March 2025

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SysGroup today

Operational Highlights

Trusted partner for cloud, cybersecurity, and AI enablement, delivering end to end solutions at the intersection of cybersecurity and digital transformation

95 employees today

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

AIM: SYS
Nomad & Broker: Zeus Capital

Financial Highlights

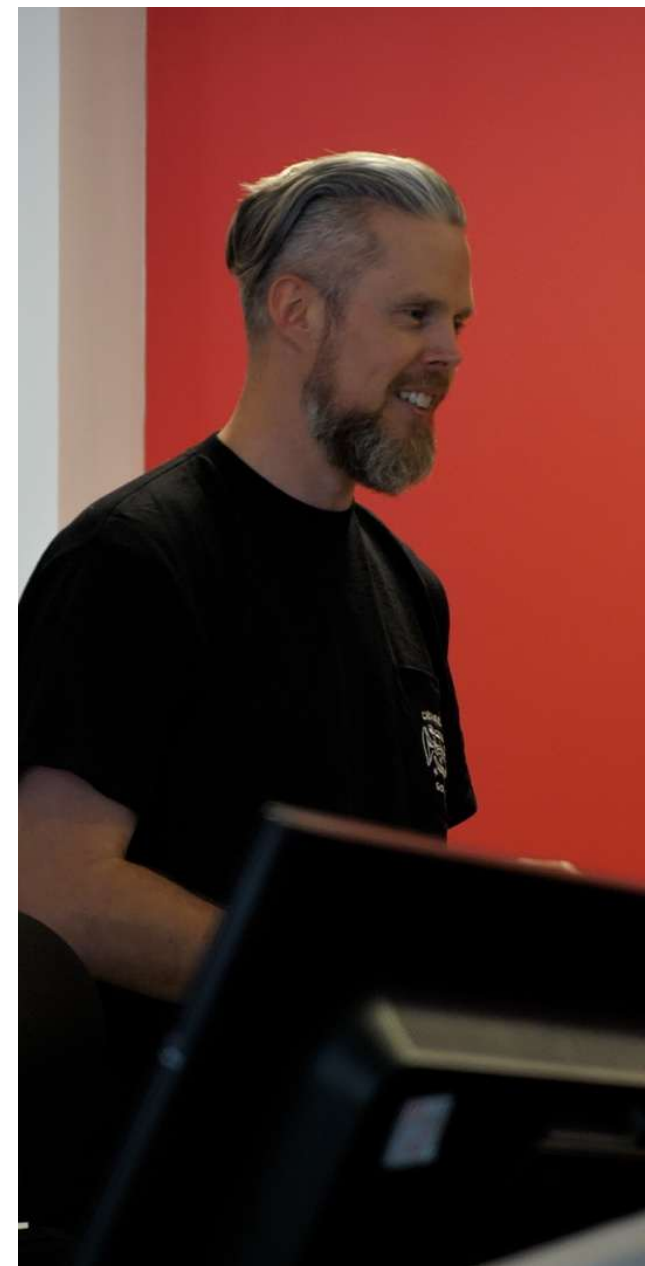
Revenue: £20.5m

Net cash²: £3.6m (cash less loans & lease obligations)

Adjusted EBITDA¹: £0.9m

Recurring managed service income: 79%

1. Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation and impairment of intangible assets, exceptional items, share based payments and share scheme set up costs
2. Net cash represents cash balances less bank loans and lease liabilities (excluding contingent consideration)



Transformational year



Strategic Transformation

- ✓ Repositioned away from structurally declining business into a solution provider at the intersection of two growth markets: cybersecurity and digital transformation (AI)
- ✓ Built five key technology pillars that form the foundation of our end-to-end solutions
- ✓ Shifted to consultative led approach that deliver wholistic interoperable and future-proof solutions
- ✓ Acquired trade and assets of Crossword Consulting adding cybersecurity consulting capabilities, C-suite access and FTSE client base
- ✓ Deepened our partnership with market leading technology providers to deliver best in class wholistic and interoperable solutions

Operational transformation

- ✓ Legacy operational issues addressed and resolved
- ✓ Obsolete infrastructure replaced to meet compliance and security standard
- ✓ Integrated fragmented prior acquisitions; offices reduced and functions consolidated
- ✓ Data architecture overhauled to enable AI-first operations
- ✓ Driving efficiency and cultural shift leveraging AI tools; service desk delivering significant improvement
- ✓ Board expanded; strong cultural renewal with 44% new talent (<2 years' tenure)

Financial transformation

- ✓ Strengthened balance sheet – fund raising of £10.6m providing stable base with funds for investment and acquisitions
- ✓ Improved Gross Margin % by +3pp as revenue mix shifted towards Cybersecurity and decline in low margin value add resale
- ✓ Arrested decline in managed services – gross churn reduced and renewals increased
- ✓ Last two quarters show managed service revenue increase after two years of consistent decline
- ✓ Price increase implemented in March 25 with minimal customer pushback reflecting stronger customer relationships and improved service value

Strategy showing success

- **Revenue £20.5m (FY24: £22.7m).** Reflects our strategic shift:
 - towards higher propensity recurring customers via our cyber security and consultative led sales model
 - away from legacy hosting and simple low margin resale business
- **Gross margin 48.8% (FY24: 45.8%)** improvement demonstrates quality of revenue
- Managed IT Services¹ at 86% of total revenue (FY24: 82%) as we focus on recurring higher value add revenue
- Overheads £9.1m (FY24: £8.4m) reflects our continued investment in our people and processes, most notably our new cyber consulting expertise
- **Adjusted EBITDA² of £0.9m (FY24: £2.0m)** reflects this shift in strategy as we build for growth
- Impairment of intangibles in FY24 of £3.7m following review
- **Statutory loss after tax of £1.8m (FY24: loss after tax £5.9m)**

	Year to 31 Mar 25	Year to 31 Mar 24
	£'000	£'000
Revenue	20,501	22,714
Gross margin	10,010	10,396
<i>Gross margin %</i>	<i>48.8%</i>	<i>45.8%</i>
Overheads	(9,065)	(8,388)
Adjusted EBITDA²	945	2,008
<i>Adjusted EBITDA² %</i>	<i>4.6%</i>	<i>8.8%</i>
Depreciation and Amortisation	(2,097)	(2,266)
Impairment of Intangibles	-	(3,718)
Exceptional items	(826)	(1,826)
Share based payments and set up costs	(371)	(194)
Net Finance costs	(101)	(574)
Loss before taxation	(2,450)	(6,570)
Tax	616	670
Retained profit	(1,834)	(5,900)

1. Managed IT Services – all forms of managed services to customers and includes professional services.

2. Adjusted EBITDA is earnings before interest, taxation, depreciation, amortisation and impairment of intangible assets, exceptional items, share based payments and share scheme set up costs

Strengthened balance sheet

- Strong balance sheet with total net assets £23.7m (FY24: £14.8m)
- Increase in cash balances to £8.7m relates to the fund raising of net £10.6m
- Trade and other receivables of £5.4m (FY24: £4.0m) reflects timing on large contracts
- Current liabilities reduced with the payment of the final part of contingent consideration relating to the Truststream acquisition
- Movement in share capital and share premium reflects the recent fund raising
- Treasury reserve of £0.8m (H1 FY24: 1.0m). This relates to the purchase by the Company of shares sold by the former CEO in FY24, which are now held by the Company as Treasury shares and used as required to satisfy share options on exercise

	31 March 25 £'000	31 March 24 £'000
Goodwill	18,342	17,948
Intangible assets	4,047	4,708
Plant, property and equipment	1,441	1,846
Non-current assets	23,830	24,502
Trade and other receivables	5,376	4,003
Cash	8,740	1,943
Current assets	14,116	5,946
Trade and other payables	(4,674)	(4,813)
Lease liabilities	(189)	(204)
Contract liabilities	(2,075)	(2,635)
Deferred consideration	(95)	-
Contingent consideration	-	(1,751)
Current liabilities	(7,033)	(9,403)
Lease liabilities	(180)	(400)
Contract liabilities	(1,649)	(143)
Provisions	(295)	(148)
Deferred tax	(288)	(849)
Bank loan	(4,770)	(4,738)
Non-current liabilities	(7,182)	(6,278)
Net assets	23,731	14,767
Called up share capital	855	515
Share premium	19,329	9,080
Treasury reserve	(842)	(984)
Other reserve	3,481	3,300
Retained earnings	908	2,856
Equity	23,731	14,767

Healthy cash reserves

- Gross cash balances of £8.7m (FY23: £1.9m). A successful £10.6m fundraise in H1, empowering the Group to make a series of strategic investments to drive future growth. These included:
 - £(1.8)m for the final earnout payment relating to the Truststream Cyber Security acquisition in FY23
 - £(0.7)m in capital investment, including investment in our bespoke AI service desk platform
 - £(0.3)m for the acquisition of the trade and assets of Crossword Consulting Limited
- Net cash¹ of £3.6m from a net debt¹ position of £(3.4)m at FY24 due to movements above. Loan facility draw down unchanged

	Year to 31 Mar 25	Year to 31 Mar 24
	£'000	£'000
Cashflow from operations	(691)	1,104
Tax	40	(439)
Net cashflow from operating activities	(651)	665
Payments to acquire tangible & intangible assets	(749)	(559)
Acquisition of subsidiary net of cash acquired	(311)	-
Interest received on cash deposits	371	-
Cashflow before financing	(1,340)	106
Contingent consideration payment	(1,831)	(885)
Repurchase of shares into treasury	-	(762)
Net proceeds from issue of share capital	10,589	-
Other financing	(621)	(702)
Net cashflow	6,749	(2,243)
Opening cash balance	1,943	4,186
Closing cash balance	8,740	1,943

	£'000	£'000
Net Debt		
Cash balances	8,740	1,943
Bank loans	(4,770)	(4,705)
Lease liabilities	(369)	(604)
Net cash/(debt)¹	3,601	(3,366)
Contingent and deferred consideration	(95)	(1,751)
Net cash/(debt) including contingent consideration	3,506	(5,117)

1. Net cash/(debt) represents cash balances less bank loans and lease liabilities (excluding contingent consideration)

Crossword Consulting acquisition in November 2024



Consideration

Consulting division acquired for £438,000 comprising 10 staff and open recurring contracts



Key staff and customers all retained and migrated to SysGroup



Financials

For the 12 months ending 30 September 2024, generated unaudited revenues of circa £2.4m with more than 75% of revenues recurring



Significant opportunities for further growth including cross selling across wider group customer base



Services

We acquired a leader in cybersecurity services including vCISO and Pen Testing



Substantial enhancement in security capacities enabling broader go-to-market model



Customers

Acquisition adds impressive Enterprise client list (FTSE 100, FTSE 250, S&P listed)



Blue-chip customer base adds credibility and expertise, alongside deeper expansion opportunities



vCISO offering drives direct engagement at C-suite and board level



Enables acting as a strategic partner—shaping technology and risk agendas, not just delivering technical support

SysGroup Technology Strategy

Strategy : to become a trusted technology partner for UK SMEs delivering end to end solutions across their entire technology estate with focus on cybersecurity and digital transformation

- ✓ Technology is now a core driver of business strategy, accelerated by high profile cyber incidents and advent of AI technology
- ✓ UK SMEs face a fragmented MSP market offering narrow, transactional services
- ✓ Large consultancies are out of reach for SMEs due to pricing and engagement models.
- ✓ Defined five key technology pillars that form the foundation of our end to end solution
- ✓ Evolved our engagement model to a consultative value led approach
- ✓ Created strong partnership with world class technology providers to deliver integrated and complimentary solution
- ✓ SysGroup provides best in class solutions that are interoperable and complimentary

SysGroup Digital House



AI Strategy

Evolving with the Landscape – From Use-Case Models to Outcome-Driven Impact



Trusted Advisor for AI Adoption

- Guiding SMEs from confusion to clarity through a structured, consultative approach
- Translating AI potential into business impact, not hype



Use-Case Led, Outcome Driven

- Discovery framework identifies high-impact, near-term opportunities
- Focused on solving real problems, not running pilots



Infrastructure and Data Ready

- Upgrading clients' environments to deploy AI today—not just prepare for it
- Enabling seamless integration into live operations



Integrated, Not Piecemeal

- AI solutions tailored to fit existing tech stacks
- Blending embedded features, off-the-shelf tools, and bespoke development



Scalable by Design

- Single-pane interface to manage multiple use cases
- Built for control, confidence, and scale



Culture Before Code

- Raising “AIQ” across client teams to drive adoption
- Embedding AI-first thinking into leadership and workflows



Walking the Talk

- Internal AI deployment already delivering service and integration gains
- Using AI to power our own transformation and post-M&A efficiency

Investment to build data and AI led company yielding dividend

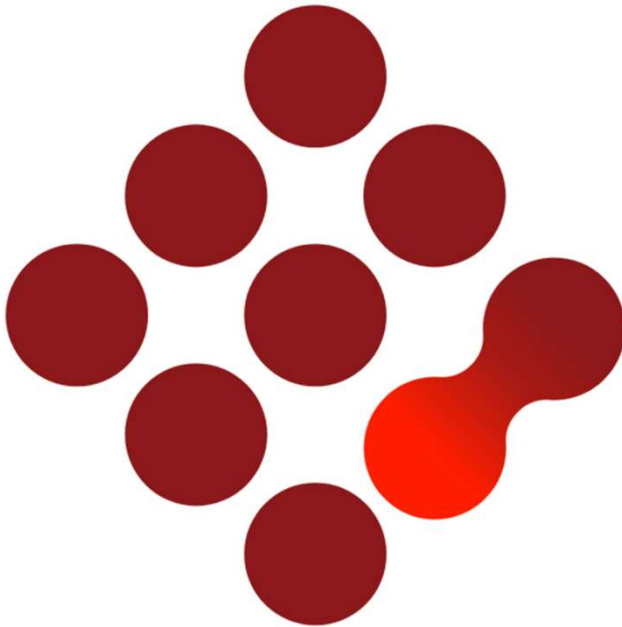
- ✓ Investment in infrastructure and systems to support data-first initiatives
- ✓ Data overhaul to make us a data-first organisation
- ✓ Leveraged capabilities using proprietary and off the shelf AI tools
- ✓ Significant structure changes to address legacy challenges
- ✓ Significantly improved service desk efficiencies and customer engagement
- ✓ Churn and downsell reduced significantly

	Jun 25	Jun 24	Δ
Resolved Tickets/ Engineers	65.7	50.4	30.4%
SLA	96%	91%	+5pp
NPS ¹	15	8	+7
SD Headcount	24	36	(33)%

1

Relational NPS. FY24 measured in August 24

Summary and Outlook



Strengthened foundation —elevating service quality and shifting to a consultative, value-led model



Focus areas—cybersecurity and AI—are both fast-growing markets. High-profile cyber incidents as well as wider AI momentum driving direct engagement at C-suite and board level



Solid financial base - equity raise provides stable platform to drive through a blend of organic growth and targeted acquisitions



M&A focus - acquisition of Cyber Consulting already adding tangible value - increasing security capacities as well as blue chip customer base



Slow down in IT spend suggesting caution in the near term but longer terms prospects remain strong

With a solid financial base and broader capabilities, SysGroup is now repositioned for profitable growth and further accreditive acquisitions