

TPXimpact



Year ended 31 March 2023

FULL YEAR RESULTS

July 2023



MEET THE TEAM



Björn Conway

CEO

- As a Partner at PA, Björn led business transformation programmes for large private and public sector clients.
- Björn was EY's UK Government and Public Sector leader, operating across central government, local government, health and infrastructure. The business doubled in size over five years.
- He specializes in building integrated, digital transformation businesses.



Steve Winters

CFO

- Steve joined TPXimpact in April 2022, leading finance transformation before becoming Group CFO in September 2022.
- Steve's experience includes over 20 years at WPP where he was most recently Deputy Group CFO and, prior to that, Group Chief Accountant

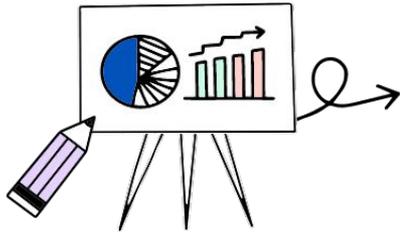
CONTENTS

FY23 summary	5
Market overview	6
Who we are	8
Our experience	12
Financial and ESG results	16
Vision for the future	24
Current trading and outlook	27

FY23 SUMMARY



SUMMARY



Revenue¹

£83.7m

Up 5% against last year; down 7.2% on a like-for-like basis

(FY2022: £79.7m)

Adjusted EBITDA¹

£2.5m

EBITDA Margin of 3%

(FY2022: £12.2m; Margin of 15%)

New Business

£115m

Over £90m in Q1 of FY24

Net debt at year-end²

£17.5m

(FY2022: £10.1m)



21.1% headcount growth (on a like-for-like basis)



84% staff retention rate (based on Q4, annualised)



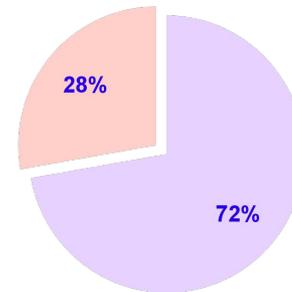
2,565 hours donated



£126k environmental investment

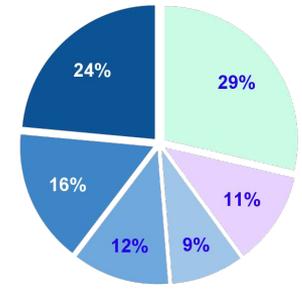


Sectors



● Public Services ● Commercial

Sub sectors

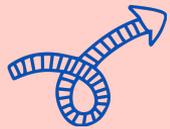


● Central Government ● Charities, Trusts & Foundations
● Financial Services ● Health ● Local Government ● Other

¹From continuing operations

²Excluding lease liabilities

DIGITAL TRANSFORMATION MARKET OVERVIEW

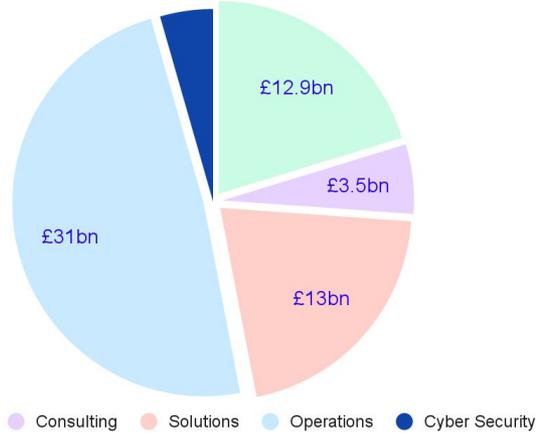


A rapidly growing market in which TPXimpact has significant growth opportunity

DIGITAL TRANSFORMATION

TPX**impact** operates across the UK Software and IT Services Sector, predicted to reach £77.9bn by 2025 with a CAGR of 6.6%*.

The UK SITS market by segment (2023)



Public

- ★ Central Government digital sector growth
- ★ Transition to Digital Marketplace frameworks
- ★ Demand for high-quality, intuitive services

Commercial

- ★ Hybrid cloud solutions reduce cost, mitigate risks
- ★ Cost of living, drives operational efficiencies
- ★ Generative AI gains interest, automating tasks

NFP

- ★ Cost of living affecting charity donations
- ★ Those who give, give more in times of need
- ★ Data-driven approach vital for success

WHO WE ARE

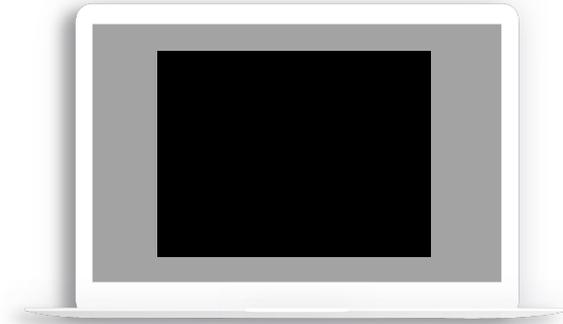
Björn Conway



People-powered **TRANSFORMATION**

We're building a future where people, places and the planet are supported to thrive. Motivated by a belief that the way people experience the world matters, we're on a mission to accelerate positive change.

Combining rich heritage and expertise in human-centred design, data, experience and technology, we're creating sustainable solutions ready for an ever-evolving world.



WHAT WE DO FOR OUR CLIENTS



Design

We'll help them apply design thinking to understand their problem and their users' needs so they can find the best way forward. Solve specific challenges and discover opportunities to transform their organisation across strategy, structure, services, and ways of working



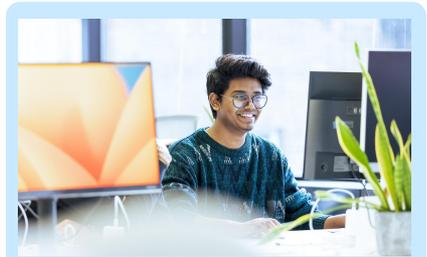
Data

We make data easy to find, access, and use, harnessing the power of AI, data modeling, and visualisation so they can make predictions and smarter business decisions. We'll help them build a data culture in their organisation that's sustainable, ethical, governed, and secure.



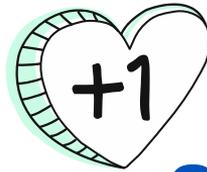
Experience

Experience is everything. We'll help them connect with their audiences across digital platforms so their brand gets the attention it deserves. Improve customer loyalty and conversion rates through engaging, personalised digital journeys with measurable results.



Technology

They rely on us to help them build the high-quality, scalable systems and services that underpin their organisation. We'll support them to transform their operations through the latest approaches in cloud, automation, and engineering standards so they're ready for the future.



OUR REACH IS GROWING

Our team is made up of 1,100 permanent staff and associates.

We work with a hybrid approach, using regional hubs and remote working between our teams and with our clients. This helps us ensure the continuity of our services and allows our people the flexibility to choose the right environment for them.

We have regional hubs across London*, Manchester*, Canterbury, Bristol, Cardiff, Leeds, Chesterfield*, Newcastle and Edinburgh, as well as additional operations in the Nordics and Bulgaria.

Hub location 

Local presence 

*New leases have been signed on Manchester, Chesterfield and London in Q124

OUR EXPERIENCE

Björn Conway

CO-DESIGNING TEACHER IDENTITY WITH THE DEPARTMENT FOR EDUCATION



Client: Department for Education

Challenge:

The Department for Education (DfE) lacked an accurate database of UK teachers, hindering their support and employers' access to employment histories. We partnered with DfE to create a reliable system to store and manage teacher data, improving services and user experience in education.

Solution:

We collaborated with DfE to explore the creation of Teacher Identity profiles, including unique identifiers like Teacher Reference Numbers (TRN), to address the lack of cohesive identity in education. We've built the services to link the existing database to new services and now we're transforming how DfE manages that data.

Impact:

Our collaborative work with DfE revealed 12 areas where Teacher ID could streamline administrative processes and enhance DfE services. We tested scalability in Claim and Teaching Vacancies Service, proposing automation to expedite payments, simplify applications, and provide reliable data to schools.

Additionally, we developed "Find a lost TRN" to alleviate email requests and enhance administrative efficiency. Implementing Teacher ID will now reduce costs, improve user experience, and benefit both educators and employers.



Find out more

PROVIDING A BUSINESS CONTINUITY SOLUTION FOR 111 OUT OF HOURS



Client: Digital Health and Care Wales



Challenge:

The 111 Out of Hours (111 OOH) GP service in Wales faced a major challenge when a cyber attack shut down the Adastra system, impacting around 1,000 NHS staff and requiring manual business continuity procedures.

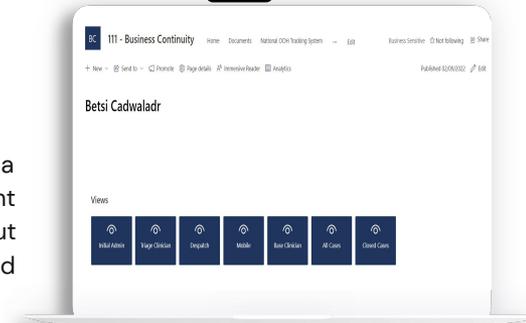
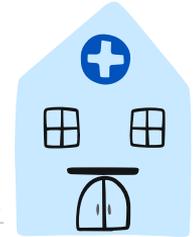
Solution:

Digital Health and Care Wales (DHCW) approached our M365 Centre of Excellence (CoE) to develop a temporary solution. We rapidly prototyped an intuitive user interface integrated with the M365 Power Platform, including PowerBI reporting, automation tools, and integration with the Welsh Demographic Service. The solution was expanded to all Health Boards, with a training programme and ongoing support.

Impact:

The all-Wales solution provided case visibility, reducing misassignment and lost cases. Integration with the Welsh Demographic Service improved data consistency, with over 90% of cases using NHS numbers.

The Power Platform ensured continuity of care with a single file record for each case. Despite the tight timeline, the solution was successfully rolled out nationwide within a week, ensuring uninterrupted service.



IMPROVING ACCESSIBILITY ACROSS HERITAGE COLLECTIONS



Client: Durham County Council

Challenge:

Durham County Council needed to organise unstructured historical collections lacking consistent metadata and make them accessible online.

Solution:

TPXimpact collaborated with the council, utilising cloud-based AI and Microsoft's technologies. NLP assigned tags and converted audio/video to text. Cognitive Search enabled robust querying, and Azure services managed data flow.

Impact:

The collaboration enhanced accessibility to the archives, democratising heritage and eliminating the need for expert guidance or multiple visits. Digitisation facilitated community engagement through crowdsourcing and online exhibitions.

The framework supports future development, including virtual reality exhibitions and cross-council collaboration. TPXimpact empowered Durham County Council to make their heritage accessible and interactive.



Find out more

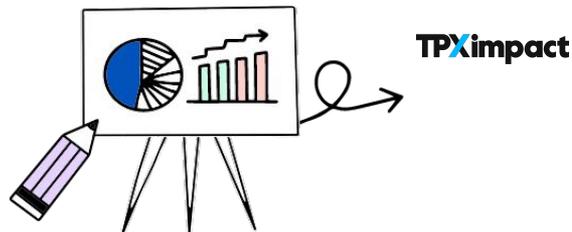


Steve Winters

FINANCIAL & ESG RESULTS



FINANCIAL RESULTS



Revenue³

£83.7m

(FY2022: £79.7m)

Adjusted EBITDA^{1,3}

£2.5m

(FY2022: £12.2m).

Adjusted profit
before tax^{1,3}

£0.7m

(FY2022: £10.9m)

Adj diluted EPS^{1,3}

0.7p

(FY2022: 11.3p)

Operating loss³

-£19.4m

(FY2022: Profit £3.2m)

Like-for-like Revenue
growth^{1,3}

-7.2%

(FY2022: +16%)

Adj EBITDA margin^{1,3}

3.0%

(FY2022: 15.3%)

Sales backlog

£80m+

Net debt at year-end²

£17.5m

(FY2022: £10.1m)

Cash at year-end

£6.8m

(FY2022: £7.9m)

New banking arrangements provide solid
foundation for FY24 and beyond

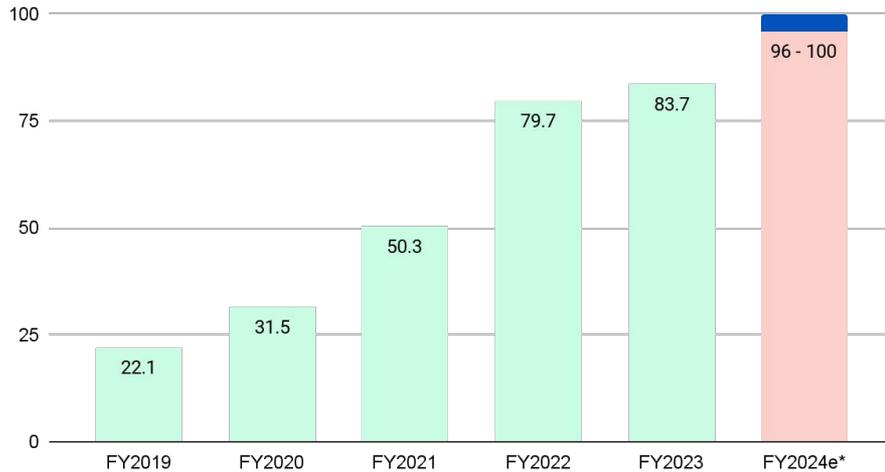
¹In measuring our performance, the financial measures that we use include those which have been derived from our reported results in order to eliminate factors which distort period-on-period comparisons. These are considered non-GAAP financial measures, and include measures such as like-for-like revenue, adjusted EBITDA and net debt.

²Excluding lease liabilities

³From continuing operations

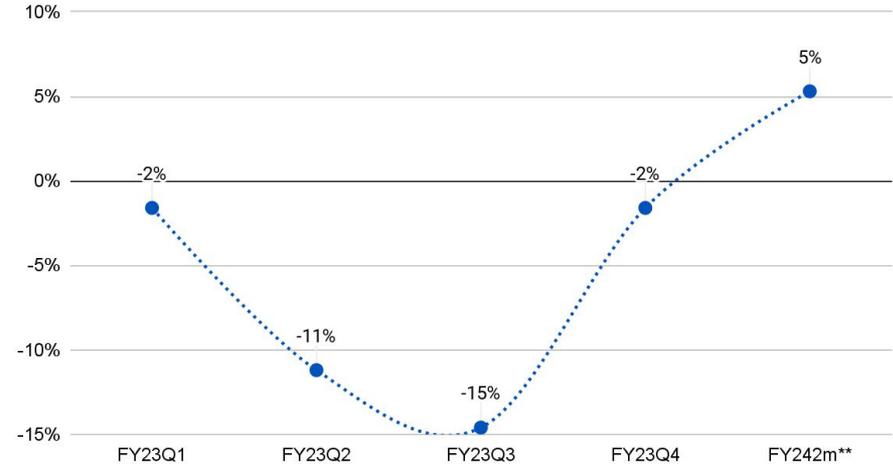
REVENUE BY YEAR AND QUARTER

Revenue Growth GBP'000



*FY2024 represents the revenue range based upon our 15-20% growth target

Like-for-like Revenue growth by quarter

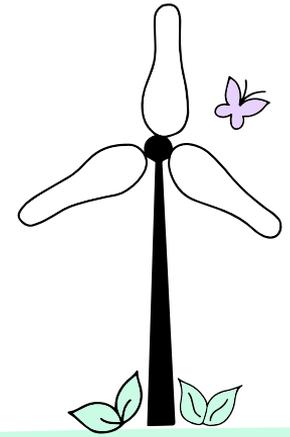
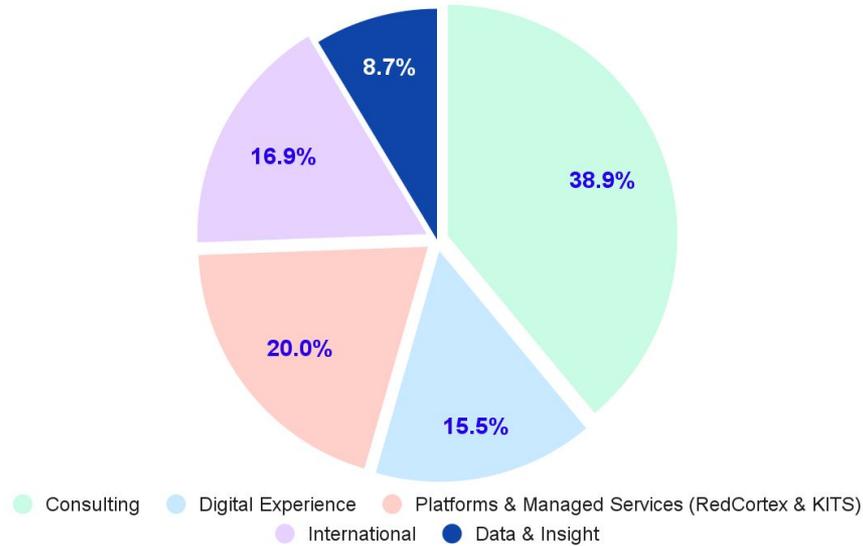


**Represents revenue growth for the first 2 months of FY24

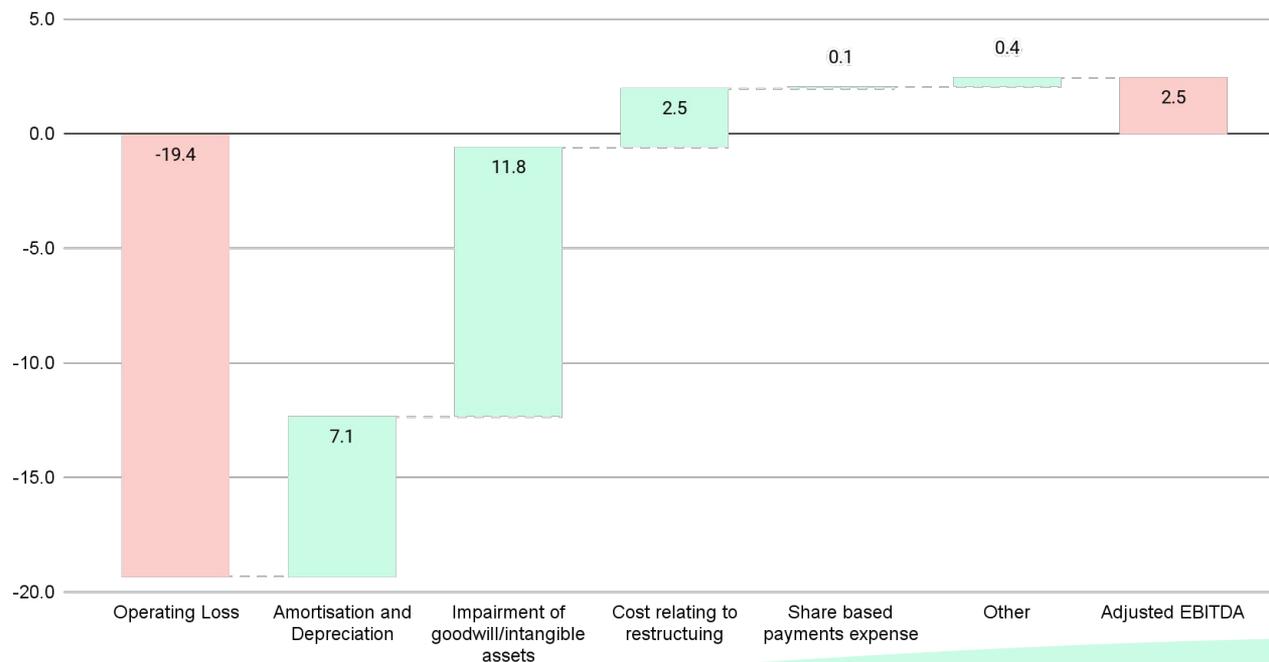


FY23 REVENUE SPLIT

By Business



RECONCILIATION OF FY23 OPERATING LOSS TO ADJ EBITDA



ESG VALUE CREATION

We're building a future where organisations improve lives in an equitable and responsible way. Our ESG focus supports a future-proof business and drives long-term value creation

PEOPLE

A diverse & engaged workforce

Creating decent, equal work opportunities for all by closing the gaps that exist in our business and wider industry.

PLACES

Thriving communities

Investing in sustainable communities by equipping them with future-proof skills.

PLANET

Sustainable business operations

Ensuring we don't harm the planet by measuring and reducing our environmental footprint and investing in carbon avoidance and removal.



A sustainable and trusted company attracting talent, clients and an investor base focused on the long term



ESG RESULTS



Permanent FTE

798

(FY2022: 607)

New jobs created (FTE)*

139

(FY2022: 63)*Excluding acquisitions

Ethnic minority representation

19%

(FY2022: 19%)

Female representation

50%

(FY2022: 47%)

tCO2e per FTE

2.03

(FY2022: 2.60)

tCO2e by£1m revenue

17.81

(FY2022: 17.79).

Hours donated

2,565

(FY2022: 1,970)

Social value weighting attributed to winning bids

£13m

In the 12 months to June 23
Typically 10%– 12% of contract value

Revenue from public services

72%

(FY2022: 72%)

ESG HIGHLIGHTS



Introduction of new company values

We've introduced our new company values: Purpose, Accountability, Craft and Togetherness. These values (PACT) were crafted after a round of employee consultation and represent our shared understanding of what it means to work at TPXimpact.

Paying back 100% of our historic carbon debt

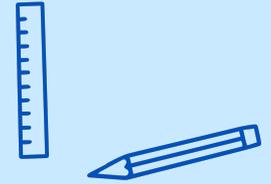
We fulfilled our commitment to pay back the entire historic carbon debt of all acquired businesses this year with a £100k donation to CO2.com's Planet Portfolio.

Launching our purpose platform

In order to streamline our purpose work we introduced Alaya, a platform for employee engagement and giving. As a result, employees donated over 2k hours and completed 80 challenges around wellbeing, inclusion and good citizenship.

Championing underrepresented entrepreneurs

We ran our fifth flagship community investment programme, Future Leaders, and doubled the length of the accelerator from 3 - 6 months, offering more continuous support to the entrepreneurs.



VISION FOR THE FUTURE

Björn Conway



VISION FOR THE FUTURE

People Powered Transformation

TPX**impact** will be an integrated, focused, and high performing purpose-driven digital transformation business.



Our clients will benefit from a coherent and differentiated end-to-end transformation offer, delivered through an efficient professional services operating model.

The business will become simpler, more coherent and operationally mature. This clarity will enable TPX**impact** to become a platform for future growth options, both organic and through acquisitions.

This vision represents the practical fulfilment of the original founding mission of The Panoply from 2018: *to become the purpose driven alternative to the 20th century monolithic providers in digital transformation.*

DIRECTION OF TRAVEL

Building a platform for an integrated transformation business

FOCUS & BALANCE

- More commercially balanced decision making
- Improve margin & commercial performance
- Implement new systems to improve performance management
- Balance purpose and commercial focus better
- Grow strategic accounts and cross-sales
- Further integration when stability allows

FY24

FORM & INTEGRATE

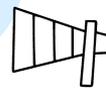
- Integrate complementary businesses into the digital transformation platform
- Organic growth in Digital Experience
- Drive our people strategy to embed performance, commercial focus, and purpose
- Purpose as the heart of our business not an ESG add-on
- Improved management performance information

FY25

GROW & DIFFERENTIATE

- Accelerate growth primarily through digital transformation business, but also in digital experience agency
- Complementary in-fill acquisitions
- Winning and delivering larger/more impactful programmes of work
- Broaden footprint to “end-to-end” engagements
- Purpose as our differentiator because it’s who we are
- 10-15% CAGR FY23 – FY26 and Adj EBITDA margin target of 10-12% in FY26.

FY26



CURRENT TRADING AND OUTLOOK

LOOKING FORWARDS... Q&A

Current trading

- Strong start to FY24 with over £90m of new business won, including record wins with DfE and HMLR in April 2023.
- Trading for the first two months of FY24 in line with management expectations, with like-for-like revenue growth of over 5%.
- Net debt (excluding lease liabilities) decreased to £16.8m at 31 May 2023, primarily due to effective working capital management.
- Settlement of the last remaining earnout liability was in shares on 6 June 2023.
- New banking arrangements agreed (post period end), providing a solid foundation for future goals.
- 84% staff retention rate (based on Q4, annualised).

Outlook

- After a challenging year, the Group now has a clear strategy and 3-year plan to build on the already strong foundations of successful client delivery and new business wins.
- Profit growth driven by increasing demand and operational improvements.
- Growing investment in digital transformation, a necessity for modern businesses.
- FY24 targets unchanged: 15–20% like-for-like revenue growth, 5–6% Adjusted EBITDA margin, with margin improvement weighted to the second half.
- Committed revenues for the current year over £80 million, significantly higher than a year ago.





THANK YOU

TPX**impact**



Appendix

INCOME STATEMENT

STATUTORY

Reported figures include the impact of acquisitions completed in the last twelve months including Peak Indicators Limited and Swirrl IT Limited both of which completed in April 2022, and RedCortex Limited which completed in December 2021.

Revenue was up 5% on this basis, while gross profit was down 14%, reflecting client delays on implementing new projects and challenges on staff utilisation.

An enhanced staff benefits package was also introduced in April 2022, which together with a 21% increase in LFL headcount,, has impacted gross margins and staff costs.

A non-cash impairment charge of £11.8m has been taken on goodwill/intangible assets.

Other admin costs include our increasing investment in new MIS and IT, as well as property, marketing and other non-staff costs.

The result from discontinued operations includes a gain of £1.6m on the disposal of Greenshoot Labs in May 2022.

Income statement Continuing operations £'000	TPXimpact	
	FY2023 Statutory	FY2022 Statutory
Revenue	83,680	79,709
Gross profit	20,905	24,368
GM %	25.0%	30.6%
Administrative costs:		
Staff costs	(12,643)	(9,006)
Goodwill/intangibles Impairment	(11,765)	-
Depreciation and amortisation	(7,053)	(5,931)
Restructuring & acq costs	(2,770)	(2,782)
Other admin costs/other income	(6,039)	(3,440)
Operating (loss)/profit	(19,365)	3,209
Finance costs	(1,105)	(683)
(Loss)/profit before tax	(20,470)	2,526
Tax credit/(charge)	1,467	(1,706)
(Loss)/profit after tax	(19,003)	820

STATEMENT OF FINANCIAL POSITION

Net assets decreased in the year by £11.9m largely due to the £11.8m impairments of goodwill and intangible assets recognised on past acquisitions. These impairments are a result of management’s reassessment of the likely future performance of certain businesses in the Group.

As a result of the disposal of the Group’s subsidiary Greenshoot Labs Limited to OpenDialog AI Limited (ODAL) in May 2022, consideration of £2.2m received in shares of ODAL is presented as an “Other investment”, representing 17% ownership.

The last remaining earnout liability in respect of past acquisitions was settled in shares in June 2023.

Balance Sheet	TPXimpact	
	FY2023	FY2022
£'000		
Goodwill	59,486	66,157
Intangible assets	23,458	28,493
Tangible assets	1,911	1,590
Cash	6,772	7,914
Other investments	2,188	-
Receivables	21,305	21,519
Total assets	115,120	125,673
Borrowings	24,317	18,020
Contingent consideration	225	3,371
Lease liabilities	1,473	1,294
Deferred tax	5,796	6,696
Payables	16,624	17,731
Total liabilities	48,435	47,112
Net assets	66,685	78,561

CASH FLOW/NET DEBT

Net debt (excluding lease liabilities) at 31 March 2023 was £17.5m compared with £10.1m at 31 March 2022.

The increase in net debt in the year of £7.4m includes £2.0m cash paid for acquisitions (net of cash acquired), £1.5m of corporate taxes paid, £1.1m of interest costs paid, £0.8m of dividends paid, £0.6m of capital expenditure (including intangible assets) and £0.5m of share repurchases into the Group's EBT.

Working capital improved slightly year on year.

New banking covenants now apply based on minimum cash liquidity levels on a monthly basis and minimum Adjusted EBITDA performance levels on a quarterly basis.

Covenants will return to existing measures for the quarter ending 30 Sept 2024, based on Net debt/Adj EBITDA < 2.5x & Adj EBITDA/interest cover > 4x

Cash Flow	FY2023	FY2022
£'000		
Cash from operations activities before NWC	(1,918)	7,444
Net Working Capital	130	(266)
Cash from continuing operating activities	(1,788)	7,178
Cash from total discontinuing operating activities	-	(563)
Net cash from total operating activities	(1,788)	6,615
Cash relating to tangible and intangible assets	(584)	(700)
Cash relating to acquisitions/disposals	(2,096)	(7,307)
Net cash from investing activities	(2,680)	(8,007)
Cash from borrowings	6,300	5,000
Cash from share related activities and dividends	(1,363)	(201)
Other financing activities	(1,591)	(1,045)
Net cash from financing activities	3,346	3,754
Net (decrease)/increase in cash	(1,122)	2,362
Opening cash (inc discontinued operations)	7,948	5,734
Exchange rate fluctuations and discontinued ops	(54)	(182)
Closing cash (exc discontinued operations)	6,772	7,914
Debt	(24,317)	(18,000)
Adj net debt	(17,545)	(10,086)

ADJ PROFIT AFTER TAX RECONCILIATION

Directors believe that an 'adjusted profit before tax' measure is more representative of the underlying performance of the Group for the calculation of adjusted diluted earnings per share

	TPXimpact	
Profit after tax Continuing operations £'000	FY2023	FY2022
Statutory profit /(loss) before tax	(20,470)	2,526
Amortisation of intangible assets	6,347	5,347
Loss on fair value movement of contingent consideration	188	(152)
Goodwill/intangibles impairment	11,765	-
Share based payments	65	427
Restructuring & acq costs	2,770	2,782
Adjusted profit before tax	665	10,930
Tax (excluding impact of above adjustments)	(21)	(979)
Adjusted profit after tax	644	9,951

SHARE COUNT

Ordinary shares Number of shares '000	FY2023	FY2022
Year-end	91,876	87,387
Weighted average	90,613	84,583
Contingent consideration	284	1,698
Own shares - SIP/EBT	(712)	(70)
Average basic	90,185	86,211
Dilutive share options outstanding	3,839	1,768
Average diluted	94,024	87,979