

Full Year Results

12 months ended 31st March 2022

/Presentation by



Neal Gandhi

CEO



Oliver Rigby

CFO

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FY22 Summary

Neal Gandhi

FY2022 Preliminary Results



Summary

One TPXimpact

Revenue

↑ **58%**
to **£79.7m**

(FY2021: £51.1m)

Adjusted EBITDA

↑ **72%**
to **£12.2m**

(FY2021: £7.1m).

Earnings per share*

↑ **52%**
to **9.4p**

(FY2020: 6.1p) *adjusted diluted earnings per share

Cash

110% cash conversion
£7.9m at bank

at 31 March 2022 (net debt: £10.1m)

↑ **22%**
workforce growth

Over **600**
employees

47% of our
workforce are
women

2,735 tCO2e
emissions offset

By investing over £17k in
renewable energy projects

34.11 tCO2e per
£1m revenue

down 8.6% YoY

1200+ careers
kickstarted

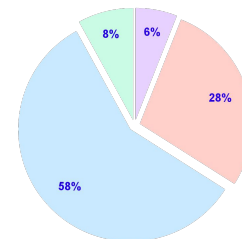
with future-proof skills
to date

1,970 hours
donated

to community action
this year

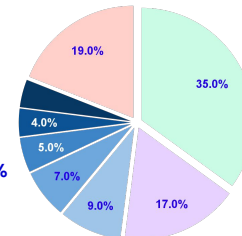
Sectors

Commercial **28%**
Government **58%**
NGO **8%**
Charities, Trusts &
Foundations **6%**



Sub sectors

Central Gov **35%**
Local Gov **17%**
Health **9%**
Tech **7%**
Media **5%**
Consulting **4%**
Education & Skills **4%**
Other **19%**



Digital Transformation

Market Landscape

The UK Software and IT Services (SITS) industry continued to be strongly influenced by the effects of Covid-19

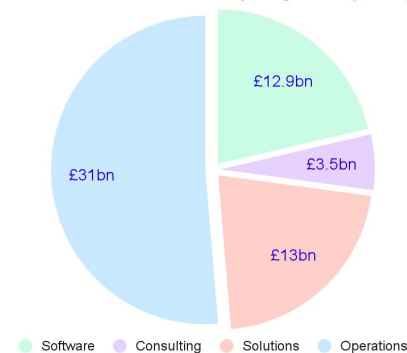
- Spending on digital services increasing — particularly in Health and Central Government
- Organisations are moving from tactical spending to strategic investment, as they embed digital approaches for the long term

Key Statistics*

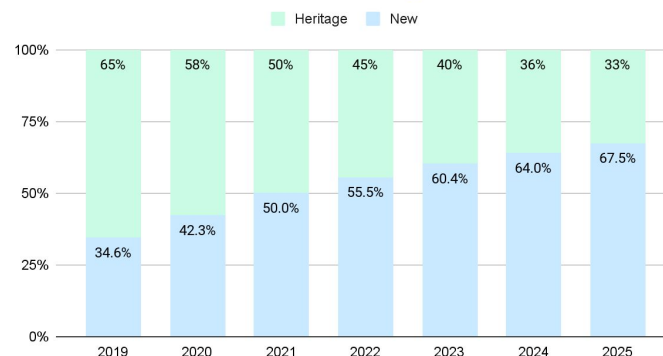
- Consulting market grew by some 13% last year to just shy of £3.5bn
- Solutions market grew by 10.1% to just over £13bn
- Operations market grew by 8.3% in 2021 to £31bn
- The UK Public Sector SITS market grew by 9.9% in 2021 to £14.1bn
- In 2021, spend on New (i.e., digital, platform, and cyber) represented 50% of SITS for the first time

*Source: TechMarketView, UK IT Services Market Trends & Forecasts 2022

The UK SITS market by segment (2021)



New Vs Heritage



Expertise across all areas

Working in partnership to deliver impactful work

Our vision is to deliver impactful, sustainable digital outcomes that make a positive difference to how individuals and society experience the world. Over the past 14+ years we've worked with hundreds of public, third sector and not for profit organisations to support and deliver complex products, projects and programmes.

This includes work across a diverse range of clients and causes, from start ups to global organisations, with a focus on the following sectors:

Local Government – Not for profit – Health and wellbeing – Technology – Central Government – Utilities – Commercial



/Holistic transformation offering

We support companies with organisation design and change, technology and data, and digital experience to improve outcomes for individuals, communities and society and make a positive difference to how people experience the world



Organisational design and change

A design-led approach to deliver sustainable and lasting transformation



Technology and engineering

Using strategy, design and technology to create ambitious technology roadmaps for operating at scale



Digital experience

We design and deliver meaningful customer centred digital experiences, from web platforms to native mobile apps



Enterprise applications

Combining knowledge, agile delivery and leading enterprise platforms to deliver true transformation



Data and artificial intelligence

Using data to discover new business opportunities and make smarter decisions



Managed services

Providing the skills and experience to manage the full service lifecycle, including cloud engineering and legacy transformation

/Our work

How we're delivering more for individuals, organisations, communities and society.

Welsh Ambulance Service



We helped WAST modernise their internal operations, with Office 365, data insights and flexible mobile solutions.

"TPXimpact has become an essential partner to WAST as we continue pushing digital boundaries that result in real improvements to patient outcomes. They provide experienced resource and reliable advice to us on our roadmap forward"

Jason Killens
Chief Executive, Welsh Ambulance Services NHS Trust

UNICEF



We helped UNICEF UK to work more effectively and achieve better outcomes for children.

"It was an absolute pleasure to work with TPXimpact, they really challenged and stretched our thinking. We wanted the team to be active participants in designing and developing this new way of working, rather than it being "done to them". Thanks to TPXimpact, I believe we nailed this. The final thing to say is that TPXimpact are a really nice bunch of people to work with"

Mike Flynn
Deputy Executive Director – Public Engagement, UNICEF UK

Rural Payments Agency



The new architecture we built reduced the IT system's annual running costs from £34m to £5.5 million, saving the RPA and tax payers £28.5 million per year

"Fantastic work. I'm very appreciative of the thorough approach TPXimpact has taken. This release was considerably more complicated than anything we have done and absolutely crucial to the business. I really feel that TPXimpact understands this link to our successful delivery for customers".

Emma Appleby
Chief Operating Officer, Rural Payments Agency

Financial & ESG Results

Oliver Rigby



Financial Results

Revenue

↑ 58%
to £79.7m

(2021: £50.3m)
Like for like organic
growth of 16%

Gross profit

↑ 52%
to £24.4m

(2021: £16.1m)

Adjusted EBITDA

↑ 72%
to £12.2m

(2021: £7.1m)

Adj EBITDA Margin

↑ 1%
to 15%

(2021: 14%)

Adj Profit After Tax

↑ 67%
to £8.7m

(2021: £5.2m)

Adj Diluted EPS

↑ 52%
to 9.4p

(2021: 6.2p)

Cash

↑ 39%
to £7.9m

(2021: £5.7m)
Net debt of £10.1m
(2021: £7.3.)

Cash conversion

↑ 1%
to 110%

(2021: 109%)

Sales Backlog

↑ 5.6%
to £41.2m

(2021: 39m)

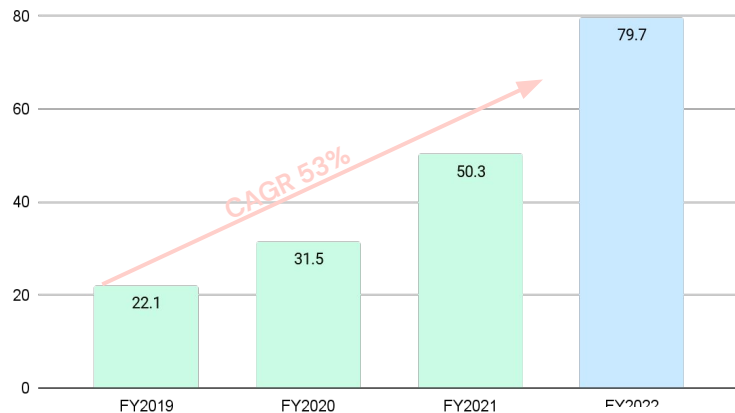
Dividend

↑ 50%
to £0.6p

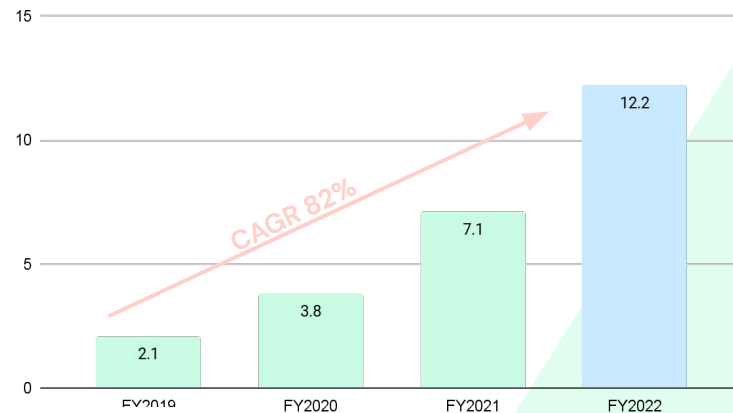
(2021: £0.4p)

Revenue & EBITDA Growth

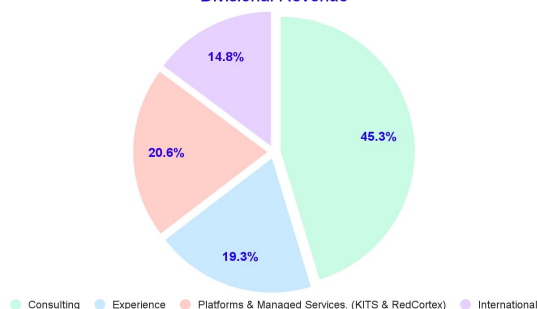
Revenue Growth GBP'000



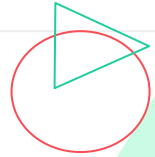
EBITDA Growth GBP'000



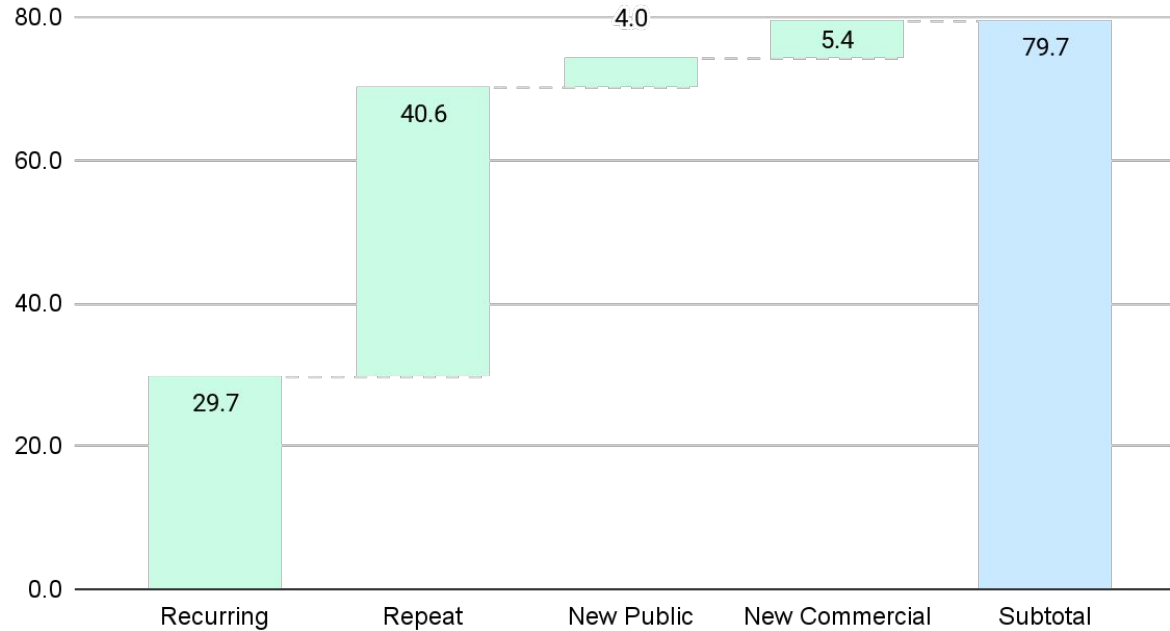
Divisional Revenue



- Revenue up 58% to £79.7m (FY 2021: £50.3m)
- Adjusted EBITDA³ up 72% to £12.2m (FY 2021: £7.1m)



Revenue Breakdown

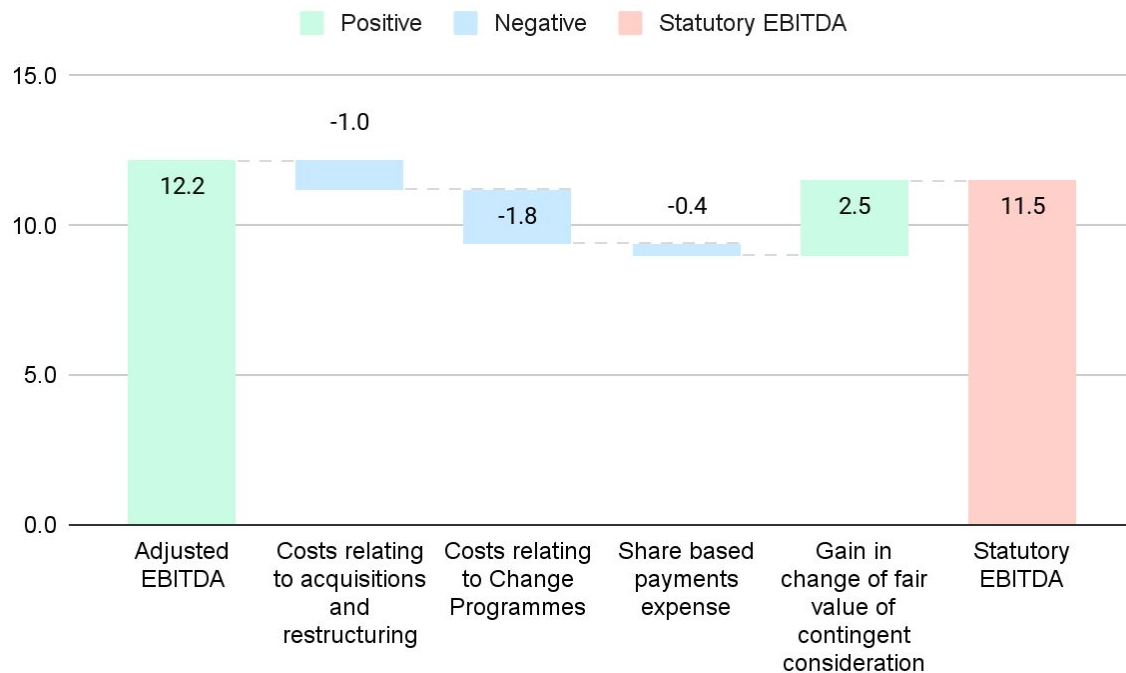


Revenue by type

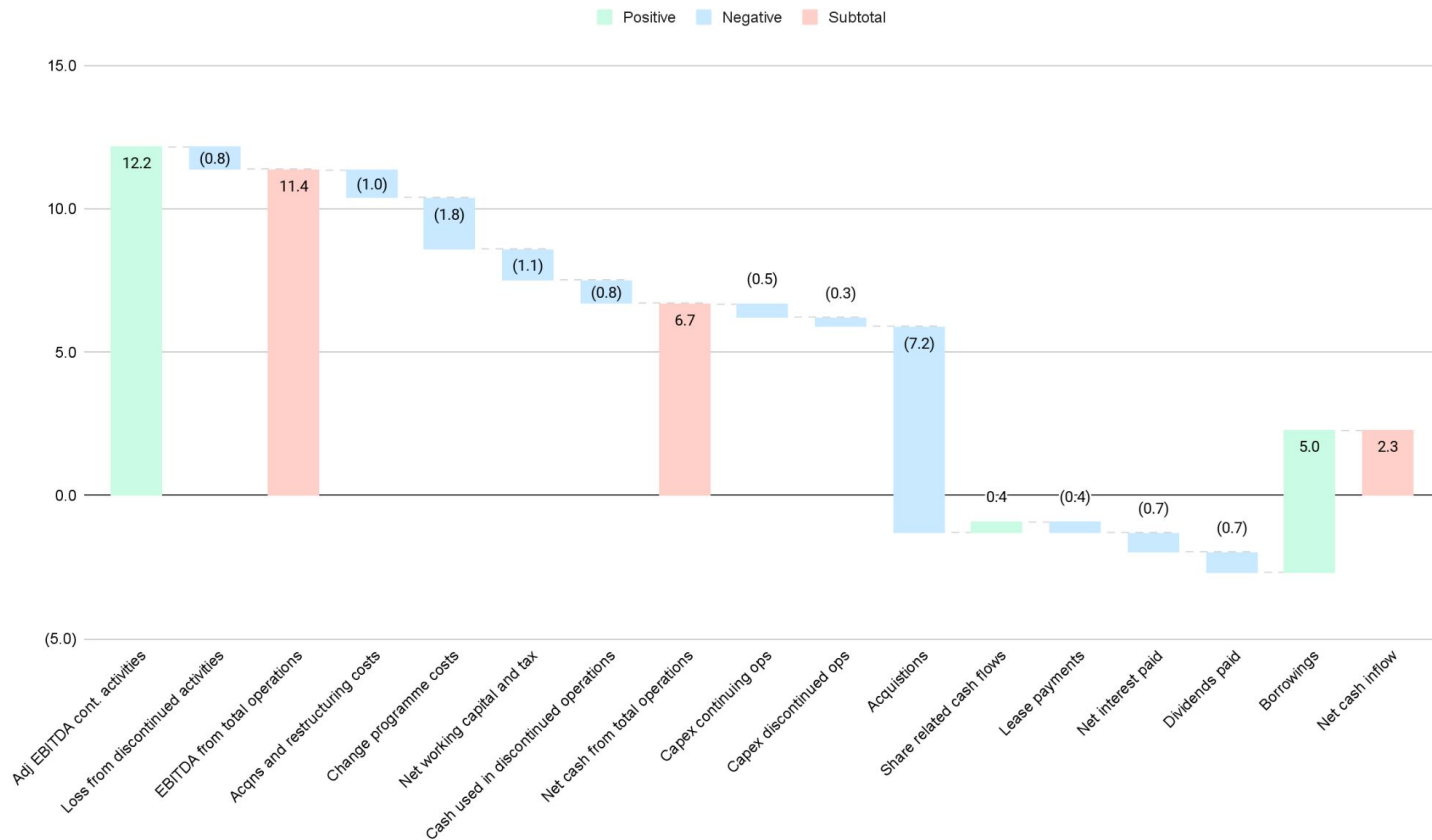
*Recurring: rolling contracts

*Repeat: clients billed in prior years

Adj EBITDA to statutory EBITDA



Cash Flow



/ Adj Profit before 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

Profit after tax £'000	FY2022	FY2021
Statutory profit /(loss) before tax	4,893	(1,845)
Amortisation of intangibles relating to acquisitions	5,330	2,458
Loss on fair value movement of contingent consideration	(2,517)	4,260
Share based payments	416	294
Costs relating to acquisitions and restructuring	1,033	746
Costs relating to the change programme	1,764	-
Adjusted profit before tax	10,919	5,913
Tax (including impact of above adjustments)	(2,200)	(898)
Adjusted Profit after tax	8,719	5,015

/Adj Earnings Per Share

Significant increase in EPS as a result of organic growth and earnings enhancing acquisitions.

Adjusted diluted share number is prudent and based on maximum shares to be issued in respect of contingent consideration..

Based on the share price as at 15 July 2022 of 147.5p, contingent shares to be issued would have been 2m (including share claw back of 408k) leading to adj diluted EPS of 9.7p

Adjusted diluted EPS '000	FY2022	FY2021
Weighted average basic shares	84,583	63,784
Max shares to be issued – share options	3,732	4,436
Max shares to be issued – contingent consideration	4,051	13,728
Diluted number	92,366	81,948
Adjusted diluted earnings per share	9.4p	6.1p

ESG Results

Employee
investment

↑ 25%
to £30m
(2021: £24m)

FTEs

↑ 22%
to 606
(2021: 498)

New jobs created*

63
(2021: 55)

Ethnic minority
representation

↑ 6%
to 19%
(2021: 13%)

Female
representation

↓ 1%
to 47%
(2021: 48%)

Charities supported

↑ 120%
to 110
(2021: 50)

Hours donated

↑ 17%
to 1,970
(2021: 1,654)

Entrepreneurs
supported

↑ 100%
to 10
(2021: 5)

tCO2e by £1m rev

↓ 9%
to 34.11
(2021: 37.32)

Revenue from public
services

↑ 1%
to 72%
(2021: 71%)

*excluding acquisitions



ESG Activity

Completed

In Progress



People

- New benefits launched
- 4 x ERGs launched
- Employee forum created
- Board mentoring programme launched

- Career progression framework
- Intensive Inclusive Leadership training for SLT
- Focus on diverse recruitment (project X)
- Launching TPX academy

Planet

- Created an internal carbon tracker
- 12 employees switched to electric cars through EV scheme
- Built up our planet related projects to 1% of revenue
- Launched TPXimpact Climate ERG
- Ran our first Climate Philanthropy Festival

- Continue to build up our planet client base
- Publish our SBTi aligned reduction targets
- Pay back all historic emissions

Community

- Implemented Alaya to find community opportunities
- New partnership with Apps4Good
- Two Future Leaders programme
- Biggest Christmas Give to date
- Over £59k donated through investment and giving programmes

- New extended Future Leaders programme
- Clean-up campaign in September
- In2Science summer work experience
- Launching Future Leaders alumni community

Our Vision

Neal Gandhi

FY2022 Preliminary Results



Our 2023 & 2025 Commercial vision

Ambitions		2023	2025	Progress
1	Organic revenue growth and to become a top 20 public sector supplier	Produce 10% to 15% organic revenue growth per annum	Top 20 public sector supplier by 2025	↑
2	Generate significant cash reserves	Ensure c.70% operating profit drops through into positive cash flow to generate significant cash reserves		↑
3	Deliver a progressive dividend policy	To deliver a dividend policy of 15% to 20% of net income		↑
4	Make further earnings enhancing acquisitions	To make £35m of acquisitions by 2023 & £100m by 2025		↑
5	Keep leverage low	Leverage below 1x Pro Forma* EBITDA		↑
6	Increase our revenue on a run rate basis	Achieve a run rate revenue of £100m by March 2023 and deliver £12 – £14m EBITDA	Achieve a run rate revenue of £200m (£150m public sector, £50m commercial) by March 2025	↑

Our 2023 & 2025 Impact vision

Ambitions	2023	2025	Progress
1 Close the gaps	Close the gaps that exist in our business and wider industry. Decreasing pay gaps, representation gaps and gaps in inclusivity	Work towards halving the 21 gaps identified across representation, pay and inclusion for employees from underrepresented backgrounds	↑
2 Leave no trace	Measuring and offsetting our historic footprint entirely and begin to implement science-based reduction targets	To embed science-based reduction targets	↑
3 Equip our communities with futureproof skills	Kick-starting 1,000 digital careers	Kick-start 5,000 digital careers, reaching 5,000 unique beneficiaries through our community action and community investment programmes	↑

Operational Highlights

Neal Gandhi



Why move to one brand?

Transformation of TPX

In July 2021 we took the decision to move from a family of brands to an integrated brand under a new name: TPXimpact.

Why:

- Our smaller companies had reached a limit on their ability to scale
 - Overly reliant on key individuals from an operational perspective
 - Underinvested in business enablement functions
 - Operational software that could not scale
 - Brands that typically had a reputation for a specific service and sector

Benefits








- A platform that scales as we grow to £200m+ revenue
- Professional organisation with best in class operating processes
- Brand that covers our combined capability
- Better employee value proposition
- Allows us to win bigger deals
- Ability to deliver societal level change

Growing Adjusted EBITDA Margin %



/Becoming TPXimpact



Consulting	Digital Experience	International	To Do
 ameo: FUTUREGOV human ⁺ foundry4/  difrent D/SRUPTION	<u>MANIFESTO</u> Deeson. 	Questers <i>Bene Agere</i>	keep IT simple/  PEAK INDICATORS 
	HR	bob	
HubSpot	Sales & Marketing	pipedrive	
	Finance		

/Operational Highlights

A year of transformation

Completed



- TPXimpact brand launched
- New HR, Finance, Payroll, Benefits systems
- Single integrated organisation structure
- 9 Hub locations across the UK
- New Growth, Bid, Marketing and Finance teams
- Launched accountability framework
- Awards Won: IR Society, Small Cap Awards

In progress



- Target of 157 hires this year, 41 achieved Q1 FY23
- Rationalisation of cost base
- Integration of recent acquisitions
- Proposition development
- Academy implementation
- Operational improvement
- Further brand investment
- Onboarding, retention & career progression frameworks
- Professional Services Automation software
- B Corp certification

Outlook

Neal Gandhi

FY2022 Preliminary Results



/Current Trading & Outlook

- Over **£20m** of business won in Q1 FY23
- At least three commercial clients expected to generate more than £3m revenue in the coming year
- Substantial opportunities in Microsoft and data-based projects unlocked by our latest acquisitions
- Overall, we observe healthy market conditions and a continued high demand for our digital transformation services.

Significant progress on our change programme to move from a collection of businesses to a single company.

Investments to continue in the current year being made into:

- marketing our new brand,
- bringing in a number of senior hires across the organisation,
- centralised HR and finance teams and,
- improving our operational software

We have every confidence in meeting FY23 market expectations of revenues of **£97.4m** and Adjusted EBITDA of **£13.7m**.

Q&A



Thank you

TPXimpact

follow us on



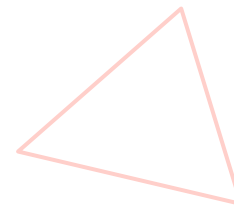
Want to know more...

hello@tpximpact.com

Appendix



/People



30

Increased holiday days to 30 days + bank holidays.

47%

Overall female representation

38

Trained mental health first aiders (1:10)

19%

Minority ethnic representation

Completed



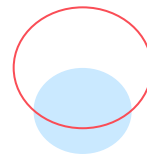
- New benefits launched
- 4 x ERGs launched
- Employee forum created
- Board mentoring programme launched
- Small Cap Award Winners for ESG and D&I 2022



In progress



- Intensive Inclusive Leadership training for SLT
- Focus on diverse recruitment (project X)
- Launching TPX academy
- Career progression framework



2,729

Total carbon
emissions

40%

Absolute reductions in
our Scope 1 emissions

82%

Of our UK electricity is
from renewable
suppliers

9%

Reductions in our tCO₂e
per £1m revenue



Completed

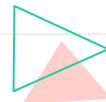
- Created an internal carbon tracker
- 12 employees switched to electric cars through EV scheme
- Built up our planet related projects to 1% of revenue
- Launched TPXimpact Climate ERG
- Ran our first Climate Philanthropy Festival



In progress

- Continue to build up our planet client base
- Publish our SBTi aligned reduction targets
- Pay back all historic emissions

/Community



110

Charities supported

737

Careers kickstarted with future proof skills

1,970

Hours donated to community action

10

Entrepreneurs supported through Future Leaders

£59k+

Donated to charitable causes



Completed

- Implemented Alaya to find community opportunities
- New partnership with Apps4Good
- Two Future Leaders programme
- Biggest Christmas Give to date
- £50k in community action grants through Neal's pledge



In progress

- New extended Future Leaders programme
- Clean-up campaign in September
- In2Science summer work experience
- Launching Future Leaders alumni community

Our top 10 clients by revenue

01 Building animal health, chemicals, pesticides and fish export replacement services for health, certification and **movement across UK borders**.

02 Designing, building and implementing a **householder appeals** service in partnership with a government department as well as releasing a beta applications service.

03 Setting up and co-managing a nearshore tech team to look after key parts of the **digital edition of a major British newspaper** and other media products .

04 Integrating, testing and delivering a **Sustainable Farming Incentive** public beta solution which passed GDS assessments. Performing a successful disaster/recovery test between data centres.

05 Prototyping, designing and implementing service delivery changes to a **benefits and housing needs** service for a local council, developing new modern tools to replace legacy systems.

06 Partnering with a central government department as their user-centred design & research capability partner. Working together to elevate the role of design and research across a range of internal and customer-facing **digital transformation projects**.

07 Supporting a local authority to enable the implementation of a **complex new ERP solution** (Unit4) as a shared deployment between two councils.

08 Building and co-managing a **technical capability team** for a major US client.

09 Working with a major gas network operator, delivering a transformation project which included an **IT operating model**, Azure cloud re-platforming, mobile field worker platform, and providing ongoing infrastructure and application support for critical services.

10 Partnering with multiple divisions within a world leading biotech business on **website builds, social media, campaign work, policy shaping exercises** and strategic insights.

/Income Statement (Statutory)

The year to 31 March 2022 saw significant further growth in the Group with statutory revenue up £28.6m or 58% to £79.7m (FY2021: £50.3m).

The revenue mix continued to be focused on public services which accounted for 72% of revenue, slightly up year on year, from 71% in 2021. Healthcare remained at 9% of revenue, growing year on year from £4.6m in 2021 to £7.2m in 2022.

Adjusted EBITDA was £12.1m up from £7.1m in FY2021 representing an increase of 70%.

Adjusted EBITDA margin was 15% up from 14% in the prior year. Margin remained similar as a result of management costs not growing in line with revenue growth offset by an increase in post-Covid travel and entertaining related spend

¹ Prior year figures have been re-presented in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Income statement Continuing operations £'000	FY2022 Statutory	FY2021 ¹ Statutory
Revenue	79,709	50,315
Gross Profit	24,368	15,836
Adj EBITDA pre central costs	15,412	9,305
Central costs	(3,409)	(2,204)
Adj EBITDA post central costs	12,199	7,101
Depreciation and amortisation	(5,927)	(3,155)
Costs due to acqn and restructuring	(2,797)	(746)
Share based payments	(416)	(294)
Loss from movement in FV consideration	2,517	(4,260)
Net finance expense	(683)	(302)
Profit/(loss) before tax	4,893	(1,656)
Tax (charge) /credit	(2,396)	(384)
Profit/ (loss) after tax	2,497	(2,040)

/Statement of Financial Position

Goodwill and Intangible assets in aggregate have increased significantly in the year as a result of the acquisitions completed.

Total deferred consideration at 31 March 2022 was £2.6m payable in shares.

Extended the revolving credit facility with HSBC (maturing June 2025) from £20m to £30m post period end.

Current ratio of 1.6 (2021: 1.6) excluding non-cash items

Balance Sheet	FY2022	FY2021
£'000		
Goodwill	66,157	53,323
Intangible assets	28,493	29,370
Tangible assets	1,590	737
Cash	7,914	5,734
Receivables	21,519	15,310
Total assets	125,673	104,474
Borrowings	18,020	13,055
Contingent consideration	2,560	12,219
Lease liabilities	1,294	389
Deferred tax	6,696	5,133
Payables	18,421	13,024
Total liabilities	46,991	43,820
Shareholders funds	78,682	60,654

Cash flow

Cash increased in the year from £5.7m to £7.9m, however net debt increased from £7.3m to £10.1m as a result of payments made for acquisitions completed in the period.

The net debt position at the year end was significantly below 1x Pro Forma EBITDA.

Post period end HSBC have extended their revolving credit facility with the Group to £30m with a £15m accordion. The new facility is a sustainability-linked revolving credit facility that incorporates targets which align with our long-term ESG objectives.

This together with cash flow generated from operations provides a strong basis to continue our acquisitive growth into FY2023 although we remain committed to maintaining net debt to EBITDA below 1.5x.

Cash Flow

FY2022

FY2021

£'000

Cash from continuing operating activities	7,432	5,642
Cash from total discontinuing operating activities	(748)	-
Net cash from total operating activities	6,684	5,642
Cash relating to tangible and intangible assets	(700)	(458)
Cash relating to acquisitions	(7,307)	(11,072)
Net cash from investing activities	(8,007)	(11,530)
Cash from borrowings	5,000	8,000
Cash from share related activities and dividends	(242)	(138)
Other financing activities	(1,073)	(940)
Net cash from financing activities	3,685	6,922
Net increase in cash	2,362	1,034
Opening cash	5,734	4,614
Exchange rate fluctuations and discontinued ops	(182)	86
Closing cash	7,914	5,734
Debt	(18,000)	(13,000)
Adj net debt	10,086	7,266

/Cash conversion

Cash conversion remained very strong and well north of our minimum target.

Cash Conversion on continuing activities	FY2022	FY2021
£'000		
Adjusted profit before tax	8,719	5,204
Costs relating to acqns, restructuring and change programme	(2,797)	(746)
Tax on costs relating to acqns, restructuring and change programme	531	141
Adjusted profit before tax for cash conversion	6,453	4,599
Cash generated from operating activities	7,432	5,642
Payment of lease liabilities	(362)	(610)
Cash generated from operations for cash conversion	7,070	5,032
Cash conversion	110%	109%

/Change Programme

Costs related to the Change Programme, from The Panoply to TPXimpact

Change Programme
£'000

FY2022
Statutory

Rebranding	554
Change programme	621
Multiplied book	71
Change programme related bonus	518
Total Change Programme Costs	1,764