

# Q3 FY2022 Trading update

**Sergey Chernovolenko, CEO**

**Burak Ozer, CFO**

**Steve Salter, VP Investor Relations**

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# Disclaimer

The financial results set out in this release are unaudited. The "constant currency" metric excludes the effect of foreign currency exchange rate fluctuations by translating the current period revenues into U.S. dollars at the weighted average exchange rates of the prior period of comparison. This document may constitute or include forward-looking statements. Forward looking statements are statements that are not historical facts and may be identified by words such as "plans", "targets", "aims", "believes", "expects", "anticipates", "intends", "estimates", "will", "may", "continues", "should" and similar expressions. These forward-looking statements reflect, at the time made, the Company's beliefs, intentions and current targets/aims concerning, among other things, the Company's or the Group's results of operations, financial condition, liquidity, prospects, growth and strategies. Forward-looking statements include statements regarding: objectives, goals, strategies, outlook and growth prospects; future plans, events or performance and potential for future growth; liquidity, capital resources and capital expenditures; economic outlook and industry trends; developments of the Company's or the Group's markets; the impact of regulatory initiatives; and the strength of the Company's or any other member of the Group's competitors. Forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The forward-looking statements in this document are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management's examination of historical operating trends, data contained in the Company's records (and those of other members of the Group) and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Forward-looking statements are not guarantees of future performance and such risks, uncertainties, contingencies and other important factors could cause the actual outcomes and the results of operations, financial condition and liquidity of the Company and other members of the Group or the industry to differ materially from those results expressed or implied in this document by such forward-looking statements. No representation or warranty is made that any of these forward-looking statements or forecasts will come to pass or that any forecast result will be achieved. Undue influence should not be given to, and no reliance should be placed on, any forward-looking statement. No statement in this document is intended to be nor may be construed as a profit forecast.

# Very strong growth while investing & transforming our business at unprecedented pace and scale

## Driving Profitable Growth



- Q3 constant currency **turnover growth of 57%**, with **gross profit growth of 82%**
- **\$1.1B turnover Q3** YTD FY2022, close to the level delivered for the whole of FY2021
- Services reported growth of **197%** in Q3, driving **54% share of gross profit** YTD
- **Recurring turnover now 69%** YTD, up from 57% year-over-year

## Transforming & Investing @ scale



- **Successful completion of demerger**, rebranded to **Noventiq**, intent to **re-domicile**
- Destination for talent, **5.9K** people, up **127%** YoY overall, and **177%** in Services
- Enhancing **Microsoft** capabilities and expanding in existing and new geographies
- Investing in growth with key vendors including **AWS, Apple, Google**

## Strategic growth & diversified business



- **M&A** – announced **7** transactions in FY22, enhancing our geographic footprint and our global capabilities
- Expanded geographic footprint entering **8 new countries** YTD Q3
- **Broad based growth** by geography, including **India**, with turnover growth YTD of **47%**
- Accelerating move to multi-cloud... to Services... to multi-vendor... cyber... DX...

# Delivering digital transformation, not just tech

'00s Vendor Partners connected by Noventiq's solutions & services with c.75,000 Customers



## Focused on technology & revenue



Top vendors - the majority of organizations' spend

Sales, Support, Implementation, Training, Marketing, Payments, Compliance, Technical & Business Expertise, Engineering & Talent, Own R&D, Systems Integration, Own Solutions, Platforms

## Focused on business outcomes



Most demanding organizations historically trust Noventiq

Global ~\$3.6tn\* market  
Global IT spend 8% Forecast CAGR 20-24

# NOVENTIQ: A leading global solutions & services provider in digital transformation and cybersecurity

Our key differentiator is a combination of scale, capabilities & offerings

**\$1.1b**

FY2022 turnover  
9Mths to 31 Dec 22  
vs \$1.1b for full FY21

**\$167m**

FY2022 Gross profit  
9Mths to 31 Dec 22  
Vs \$146m for full FY21

**5.9k**

Employees  
deliver value  
to customers

**14**

M&A transactions\* since  
2020 to expand capabilities  
and to be closer to customers

At the centre of Digital Transformation (DX)

**Microsoft**

Leading partner of  
Microsoft in the  
Emerging Markets

**c.75k**

B2B customers  
to draw DX  
experience from

**Full suite**

of DX solutions  
for any  
organisation

**Own R&D**

Producing  
complementary  
products

Global presence with a focus on emerging markets

**c.60**

countries  
of operation

**London**

headquarters of the global  
organisation, incorporated  
in Cyprus, listed at LSE

**>25**

years of experience  
in the IT market

**11**
















delivery centres,  
serving customers  
24x7 in 13 languages

# Consistent three-dimensional strategy



# M&A strategy and execution

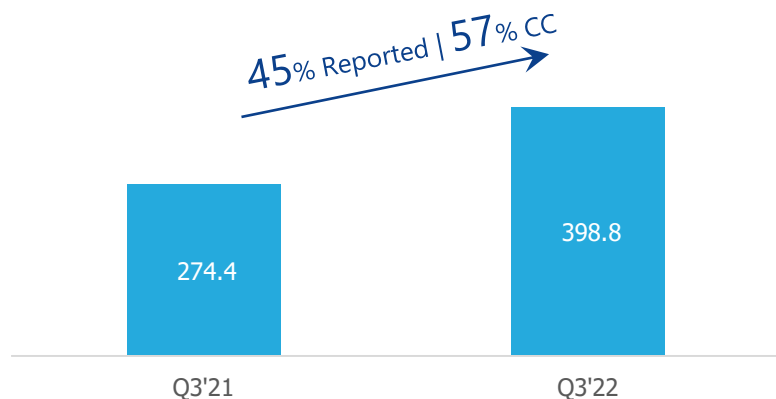
Following through on M&A strategy as planned – multiple new acquisitions announced in FY22

	FY20	FY21	FY22YTD
 Geographic Expansion	<b>Scale in priority markets</b>  Scale and services diversification in India	 JV with a leading MSFT partner in Egypt	 Rounded-off SMB play in Turkey – MSFT CSP
 Portfolio Expansion	<b>New geographies</b>  SAM capability and strategic foothold in Europe	 Baltics route to wider Europe	 UAE as a cornerstone of MEA operations
 Sales Channel Expansion	<b>Vendor and service portfolio expansion</b>  Advanced AWS and Citrix capabilities	 FinTech COE	 Balkans expansion Rich vendor scope and new capabilities
	<b>Own IT solutions</b>  Custom software development business build-up	 Cybersecurity build-up and infra diversification	 Own digital products for FinTech sector with deep AI and platform expertise
	<b>Custom software development</b>		

# Q3 strong growth

Very Strong growth of the business...

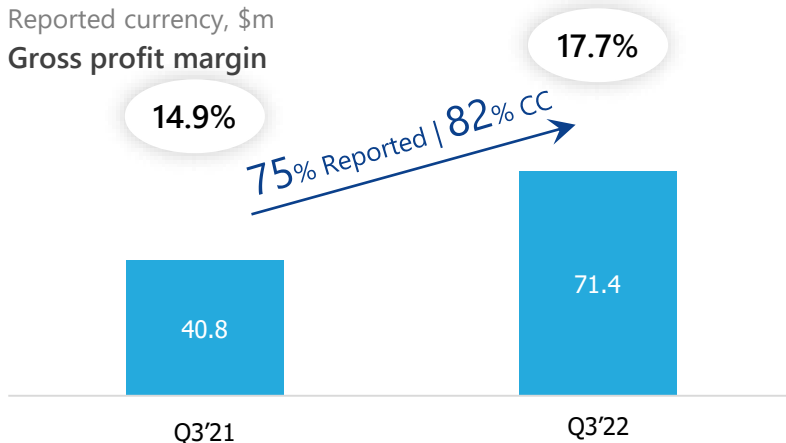
Reported currency, \$m



...with even stronger Gross profit dynamics...

Reported currency, \$m

Gross profit margin



## Q3 FY22 Highlights

**57% YoY** turnover growth rate in constant currency

Broad based growth including **double digits in all 4 regions**

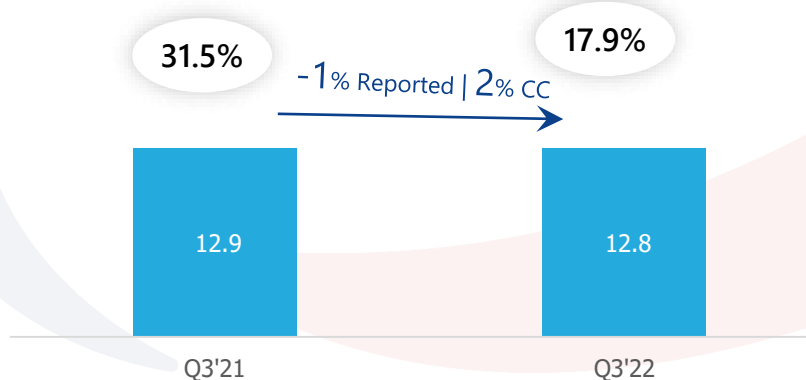
Gross profit **growth significantly above turnover growth**

Significant **investments** in the business

...resulting in Adj. EBITDA in Q3'22...

Reported currency, \$m

Adj. EBITDA\* and Adj. EBITDA Margin (from GP)

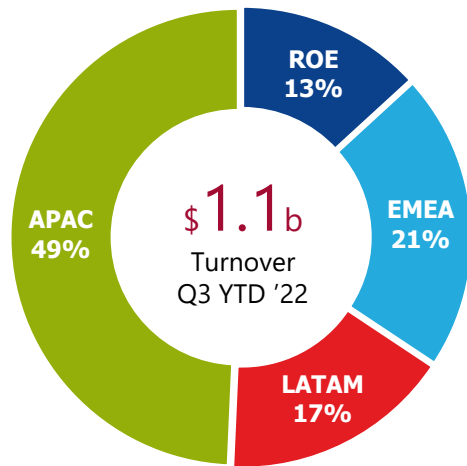




# Q3 YTD turnover and gross profit highlights

Diversified Turnover & Gross Profit split (Reported)

Breakdown by geography



Growth Q3 YTD'22 Y-o-Y

	Reported
APAC	36%
LATAM	21%
RoE*	25%
EMEA	66%

## Q3 YTD FY22 Highlights

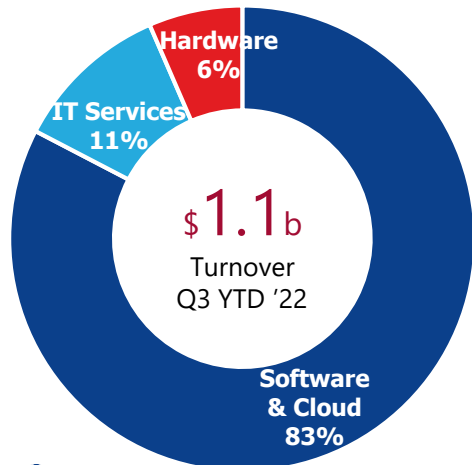
**49% YoY** turnover growth rate in constant currency

**\$1.1B turnover Q3 YTD FY2022**, close to the level delivered for the whole of FY2021

**Triple-digit** turnover growth in services and hardware

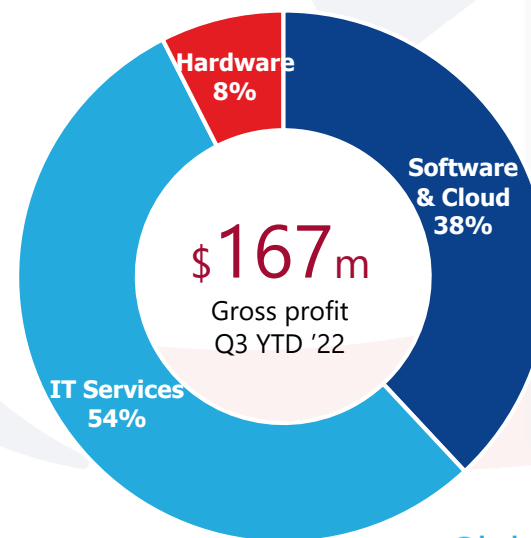
Services represents **11%** of Turnover, and accounts for a **growing proportion of Gross profit. Q3 YTD '22 at 54%** of total Gross Profit, up from 40% Q3 YTD '21

Breakdown by product



Growth Q3 YTD'22 Y-o-Y

	Reported
Software & Cloud	24%
Hardware	231%
Services	138%



Growth Q3 YTD'22 Y-o-Y

	Reported
Software & Cloud	11%
Hardware	268%
Services	122%

# FY2022 Business outlook

Turnover growth

**at least 34%**

YoY growth in FY2022 (ending 31.3.2023)

*Up from prior outlook provided on 29 Nov 2022  
of "at least 28%"*

Gross profit margin

FY22 above the range of

**13% to 14%**

FY2022 (ending 31.3.2023)

*Above the upper end of the range*

*Up from prior outlook provided on 29 Nov 2022  
of "targeting the upper end of the range of 13% to 14%"*

Adj. EBITDA margin  
Gross profit based

**Low double-digits**

FY2022 (ending 31.3.2023)

*Up from prior outlook provided on 29 Nov 2022  
of "close to double digit"*

# Noventiq is well positioned for growth, with a proven strategy & ability to execute at scale and at pace

## Right People & leadership



- Industry leading **Long-term employee partnership programme**
- Access to **strong talent globally at lower cost** with **5.9k team members** currently & growing
- **Visionary leadership** complemented by **international management with global mindset**

## Right Markets & timing



- Software, SaaS, Cloud, Cyber and Digital Transformation **megatrends**
- Need for **rapid digital transformation in Emerging Markets**
- Targeting a growing **>\$350bn** underlying **addressable market**

## Right Platform & value add



- **Preferred partner** to vendors and **one-stop Digital Transformation platform** for customers
- **Comprehensive value**-added services built around vendors' stacks & selected own modern IP
- **Simplifies complexity** for both vendors and customers

## Right Experience & track record



- **25+ years in the IT industry with Emerging Markets experience**
- Globally-managed Microsoft partner, **25+ years** of experience with Microsoft
- **Consistent and efficient growth** by realising opportunities in the changing IT industry



# Key Investment Highlights



1

At the **heart of the Digital Transformation \$3.6T ecosystem** with advanced cloud capabilities

2

**Addressing a large \$360B underlying market** with focus on most attractive segments globally with the focus on lower-penetrated emerging regions

3

**Accelerated growth of multi-cloud segment** driven by our strategic relationship with Microsoft and others

4

**Multiple additional levers for increasing growth rate**, complementing multi-cloud

5

**Major opportunity from the industry consolidation.** Strong M&A track record (14 companies acquired since 2016) and balance sheet

6

**People-first customer-centric 5.9k-strong organisation with sales & services DNA** with top-notch experienced & motivated international management team

7

**Rapidly growing business underpinned by expanding recurring** revenue base with consistently growing margins



Novelty, innovation

Entrepreneurial, Enterprise

Intelligence

**NOVENTIQ**

Energy

Technology  
Transformation  
Team  
Tomorrow

Information,  
Quality