

AdEPT is a UK business listed on the London Stock Exchange's Growth market, AIM. It provides managed services for cloud, digital platforms, unified communications and connectivity solutions to both public sector and corporate clients.



AdEPT Technology plc
Corporate profile and fact sheet

The demand for unified, secure cloud-based network and communication solutions has been accelerated by the changes to working lifestyles, driven by the pandemic, and this demand continues to grow in both the public and private sectors. AdEPT is currently well placed to take advantage of the accelerated growth.

AdEPT's mission

Uniting technology, inspiring people

What does AdEPT do? Our Portfolio...

Our world class partners

- Microsoft, Dell, 8x8, Google, AVAYA, Cogent, BT wholesale, Ericsson, LG, VMware, Virtual, Fortinet, Openreach, Cisco, Gamma, TalkTalk Business, Extreme networks, Cato Networks

Voice Services / Collaboration

- Voice Services
- Contact Centre
- Voice / Teams integration
- 8x8 / AVAYA / Ericsson LG
- CTI / UC&C
- SIP / VoIP

Managed IT

- Full service provider
- Network to Desktop
- Virtual IT Director
- 24x7 services
- Proactive maintenance
- Remote diagnostics

Data Networking

- MPLS / SD-WAN
- Cisco Specialist
- Wireless Solutions
- LAN/WAN Management
- Proactive Monitoring
- WiFi

AdEPT Consulting

- Cloud Readiness
- Cyber Security
- Implementation Skills
- Engineering
- Project Management

Business Continuity

- Backup
- Disaster Recovery
- Resilient networking
- High availability

Cloud Services

- Cloud migration
- Exchange and desktop
- Public / Private / Hybrid Cloud Hosting
- Microsoft 365 expertise
- Google Cloud capability

Cyber Security

- Managed Firewalls (Fortinet specialist)
- Web & Mail filtering
- Edge Security
- Antivirus, Threat Intelligence
- Endpoint protection
- Dual Factor authentication

AdEPT's Market

- **A large market:** The UK Core Addressable Market (CAM¹) for AdEPT services is £11bn.
- **With fast growth:** The high growth segment of this marketplace, namely cloud services (c. 15% CAGR), is being fueled by the growth in public cloud hosted Infrastructure as a Service (IaaS), Software as a Service (SaaS), and cyber security (CAGR of 9%).

Strategy

The Group's strategic focus is centered on delivering shareholder value through:

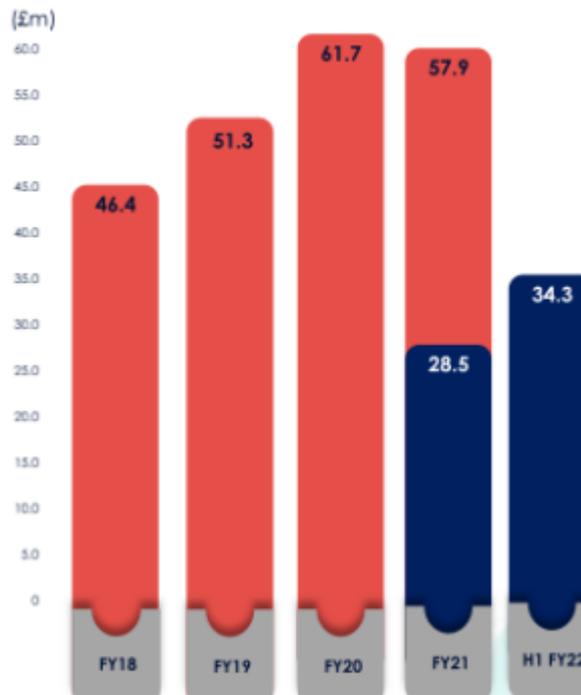
Pillar one – Focus on organic growth. The Group's strategy to consolidate a fragmented market through debt-funded acquisitions has enabled AdEPT to become a fully capable, cloud centric, managed services business; with a highly skilled workforce and the ability to wrap solutions with consulting expertise. Following the successful acquisition of Datrix, AdEPT now has full capability and is able to capture significant 'share of wallet' from its customers, through its comprehensive portfolio of products and services, which is supported by strategic partners and delivered by the wealth of talent within the business.

Pillar two – Structure for success. AdEPT has adopted a full-flex working model, powered by the One AdEPT platform - providing the foundation for greater operational efficiency, cross-selling and operational insight.

Pillar three – Reduce gearing. The Group has a historically low capital expenditure requirement and a proven ability to generate free cash flow. A focus on organic growth creates the opportunity to decrease debt.

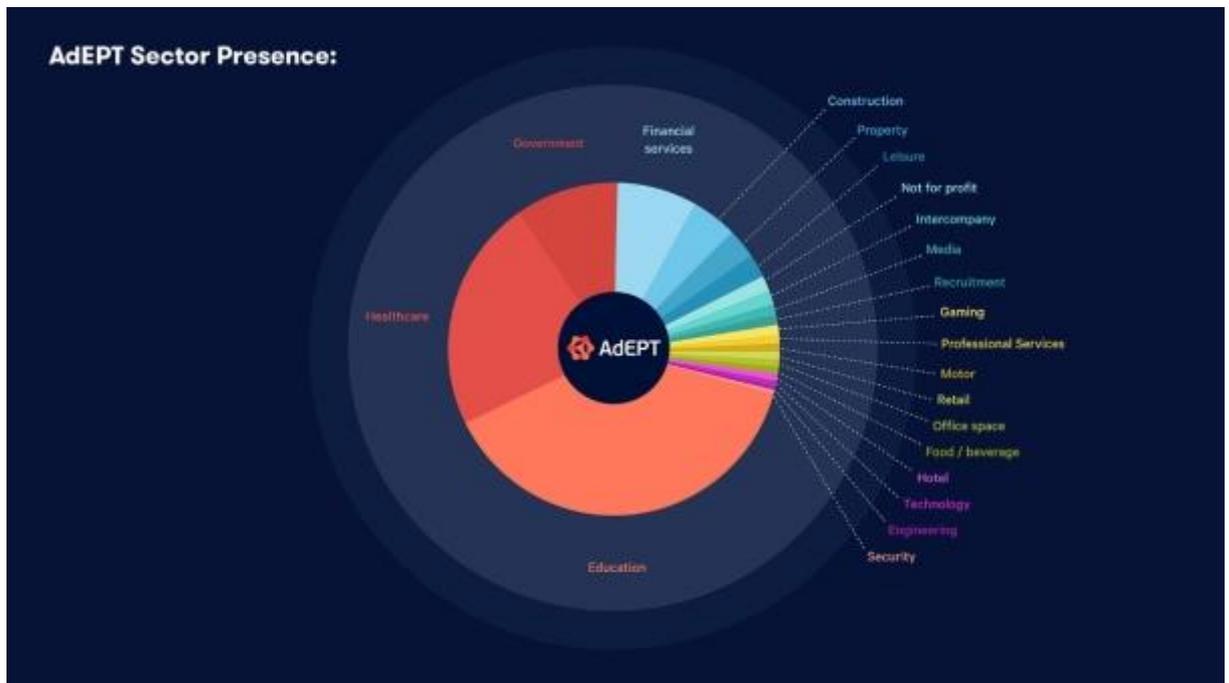
<p>Scalable platform</p>	<p>One AdEPT is a truly integrated operating system across the whole business. A full-flex working model, it enables excellent customer services and cross selling.</p>
<p>Successful acquisitions since 2014</p>	 <p>AdEPT acquisitions</p> <ul style="list-style-type: none"> Centrix <ul style="list-style-type: none"> • Health & Business Centre focus • Avaya expertise COMMSGROUP (Part of the AdEPT Group) our IT DEPARTMENT <ul style="list-style-type: none"> • Managed Services expertise • Legal, insurance focus shift DATRIX <ul style="list-style-type: none"> • Enterprise Networks & Security • NHS presence ATOMWIDE MANAGED SERVICES (Part of the AdEPT Group) <ul style="list-style-type: none"> • IT & Security expertise • Education focus ETS <ul style="list-style-type: none"> • Doncaster offices • Doctors surgeries, construction ACS
<p>Updated Operational structure</p>	<p>As part of its consolidation, AdEPT has recently moved from five divisions to two, which reflect its geographic and sector focus:</p> <ul style="list-style-type: none"> • AdEPT North & Education • AdEPT South & Healthcare
<p>Cash generative business model</p>	<p>AdEPT operates a highly efficient, cash generative business model, which will enable it to reduce Senior Net Debt ratio to a target below 2x. The model produces high levels of revenue visibility and is low capital-intensive.</p> <ul style="list-style-type: none"> • c75% of revenue is recurring • 48% of revenue is public sector and health care • EBITDA margin c17% • Cash conversion over 80%
<p>Investment is targeted at AdEPT Nebula</p>	<p>About AdEPT Nebula: There is an increasing demand for ‘hybrid cloud’ services, where customers purchase public cloud solutions alongside private cloud owned and hosted applications. AdEPT is meeting this demand through investment in its own IP, AdEPT Nebula.</p> <p>Through a single secure connection, a business can get access to services such as; hosted applications, cloud telephony, Microsoft solutions, public or private cloud services (or a mix called hybrid cloud), carrier class connectivity and much more, all within a secure and managed service.</p>
<p>Strong Track record</p>	<p>The company has a history of delivering consistent growth in a dynamic market through its agility. AdEPT has proved that it is capable of capitalising on new market developments, new products, and changing trends in a timely manner, adapting swiftly to fulfil its customers’ needs.</p> <p>AdEPT is currently well placed to take advantage of the acceleration of growth in advanced cloud-based solutions, which has been driven by the COVID-19 pandemic as businesses switch to more flexible, hybrid working patterns.</p> <p>Whilst the Group continues to generate revenues from helping customers move away from the BT copper technology infrastructure, this revenue stream is reducing as AdEPT focuses on the provision of new VoIP technologies.</p>

Five-year revenue performance



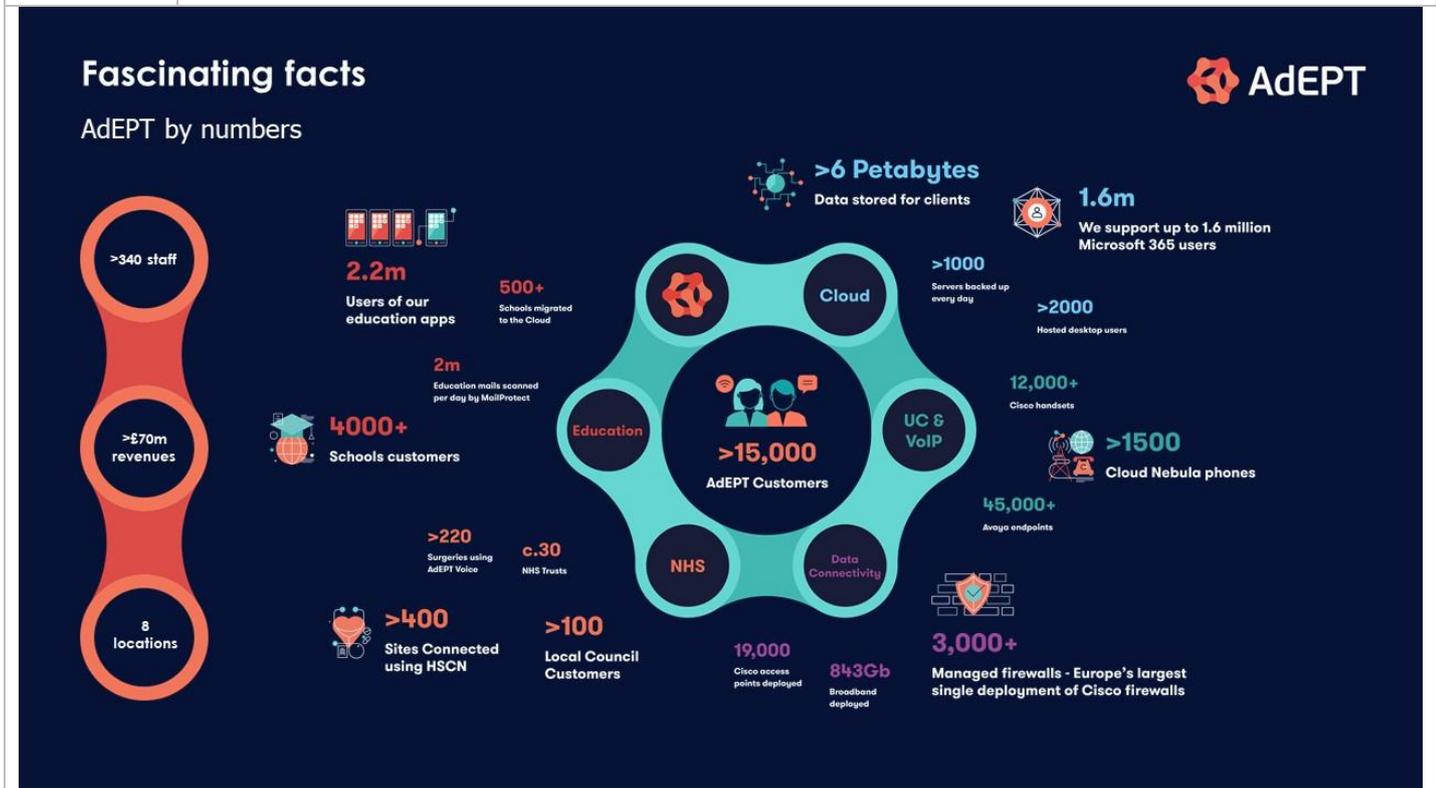
Revenue performance was lower in 2021 due to the short-term disruption from COVID-19 lockdowns, but the pandemic has increased the focus on IT and security and cloud services, which is likely to have a positive effect on the demand for AdEPT’s services in the medium term.

Vertical expansion



- Education – presence in c.4,000 schools out of 24,000 available
- Healthcare sector – multiple critical care NHS customers including over 30 NHS Trusts, over 600 Doctor’s surgeries, the entire Kent NHS network, 70% of private hospitals in London, and a number of care homes
- Construction – with a presence in commercial construction (Volker), domestic construction (Redrow) and the construction services market (Construction Testing) this is an area of increasing focus for AdEPT.
- Financial services
- Government
- Select commercial markets

Global blue-chip partners	AdEPT's top-level accreditations with key global blue-chip partners, give the Group competitive advantage and enable it to generate the best possible margins. Key partnerships include, amongst others:	
	<ul style="list-style-type: none"> • Microsoft • Gamma • Avaya • Dell • BT (Openreach & Wholesale) • Virtual 1 	<ul style="list-style-type: none"> • Virgin Media Business • Fortinet • Google • Extreme • Cato



¹ CAM is defined as total UK spend by SMBs in the corporate sector (<250 FTE) and all organisations in the public sector on AdEPT's core product offerings (e.g., hosted cloud, voice and connectivity but excludes non-core offerings like IaaS) in regions of the country in which AdEPT has a strong presence (so, excludes Scotland, North England and Northern Ireland)