

AN INNOVATOR IN BILLING, CHARGING
& CUSTOMER MANAGEMENT SYSTEMS

cerillion

Cerillion plc

Final Results

for the year to 30 September 2024

18 November 2024

PRESENTATION TEAM



Louis Hall
Founder & CEO



- Led the MBO of the original business from Logica plc in 1999
- Over 30 years' experience in the software industry
- Previously held senior product, sales and management positions at Logica plc

Andrew Dickson
CFO



- Joined in 2022
- Over 20 years' experience; early career at Deloitte LLP.
- Previously Group Director of Finance at Vitec Group plc

KEY HIGHLIGHTS

Year to 30 September 2024

The Cerillion logo is displayed in white lowercase letters on a blue rectangular background.

- > New highs across key financial measures – including revenue, PBT, EPS
- > Adjusted pre-tax profit up 18% to a record £19.8m (2023: £16.8m)
- > Total new orders up 21% to a record £38.1m (2023: £31.6m)
- > New customer sales pipeline value up by 8% to a record £262m (2023: £243m)
- > Two major new customer wins:
 - > Virgin Media Ireland (€12.4m) in H1
 - > Leading provider of connectivity in Southern Africa (\$11.1m) in H2
- > Well-positioned for growth in 2025 supported by:
 - > strong back-order book
 - > a record new customer sales pipeline

Customer View



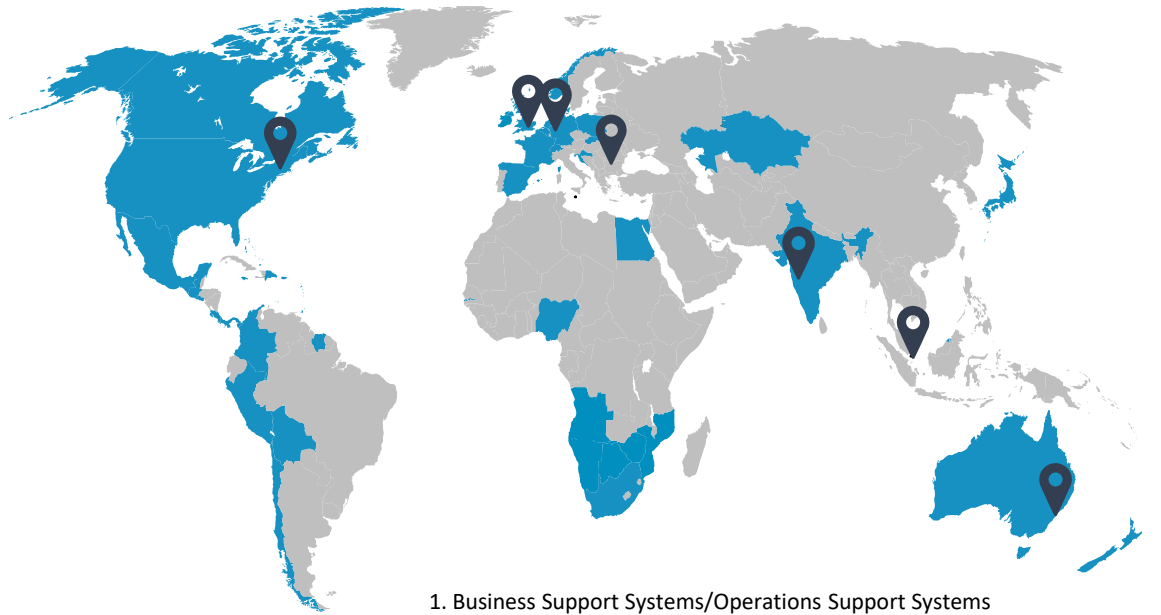
Virgin Media Ireland

Major transformation project

Faced with a complex ecosystem of legacy solutions, Virgin Media Ireland needed to find the right BSS/OSS partner to transform its business and provide a platform upon which to grow and monetise new services. Following an in-depth tender process, Cerillion was selected due to its functional breadth and out-of-the-box pre-integration of core BSS/OSS modules, as well as its track record of success and strong customer references with multi-service CSPs in Europe.



Mission critical BSS/OSS¹ software for the global telecoms market



1. Business Support Systems/Operations Support Systems

c. 80 customer installations across c. 45 countries

2024 REVENUE
£43.8m
(2023 £39.2m)

2024 ADJ PBT
£19.8m
(2023 £16.8m)

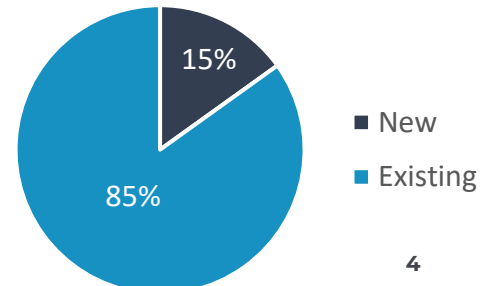
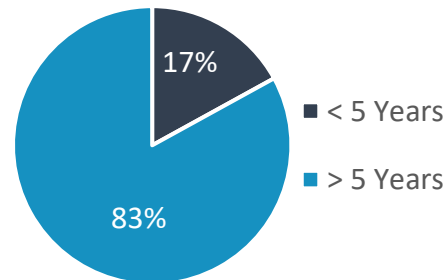
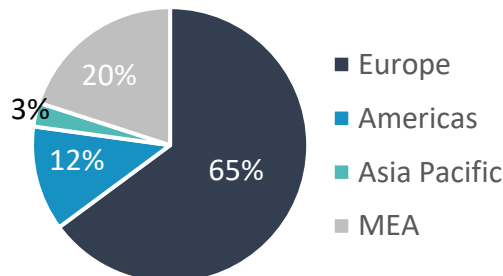
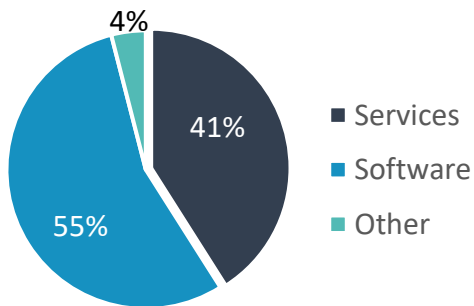
c. 360 staff
 📍 London, c. 120
 📍 India, c. 210
 📍 Sofia, c. 30

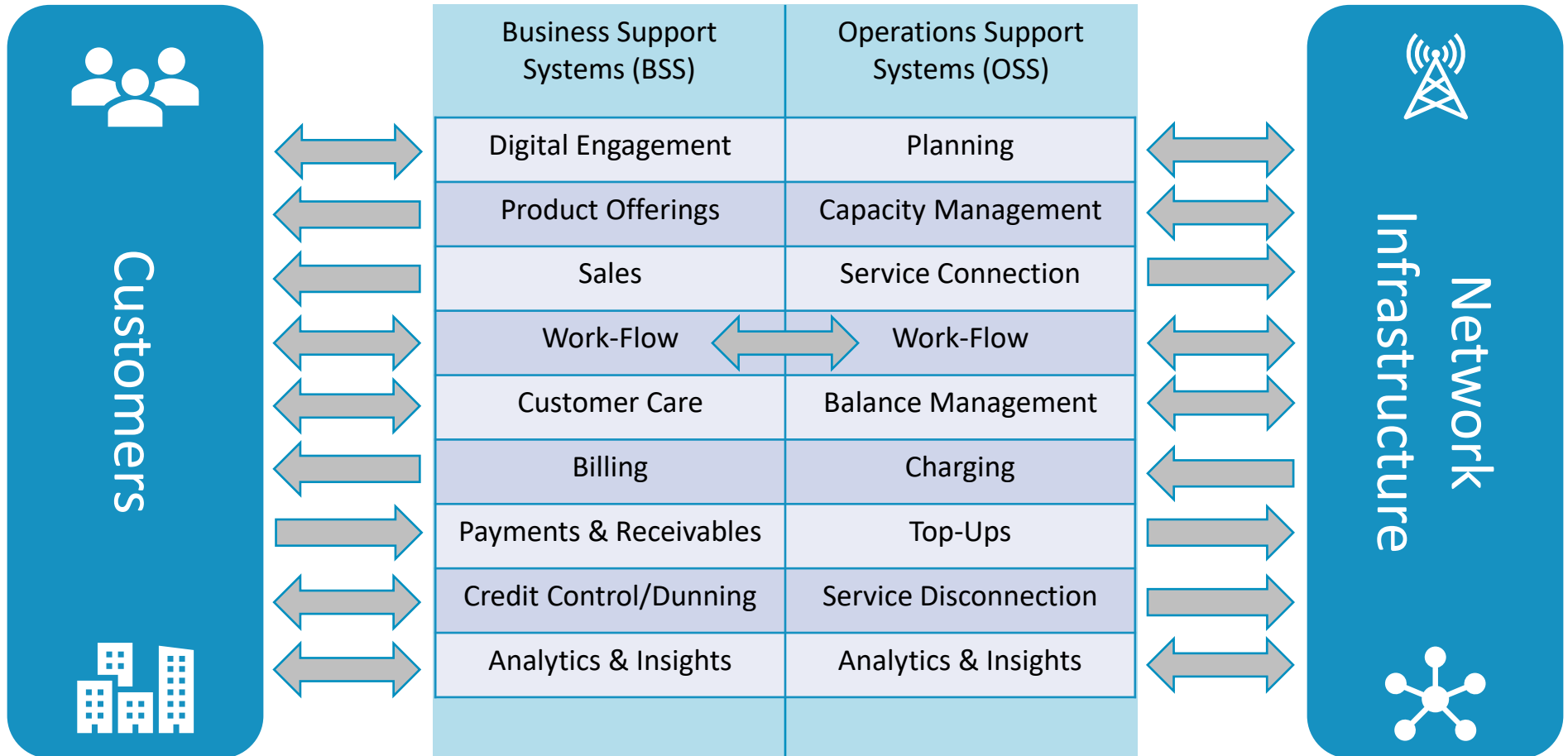
Revenue by Type

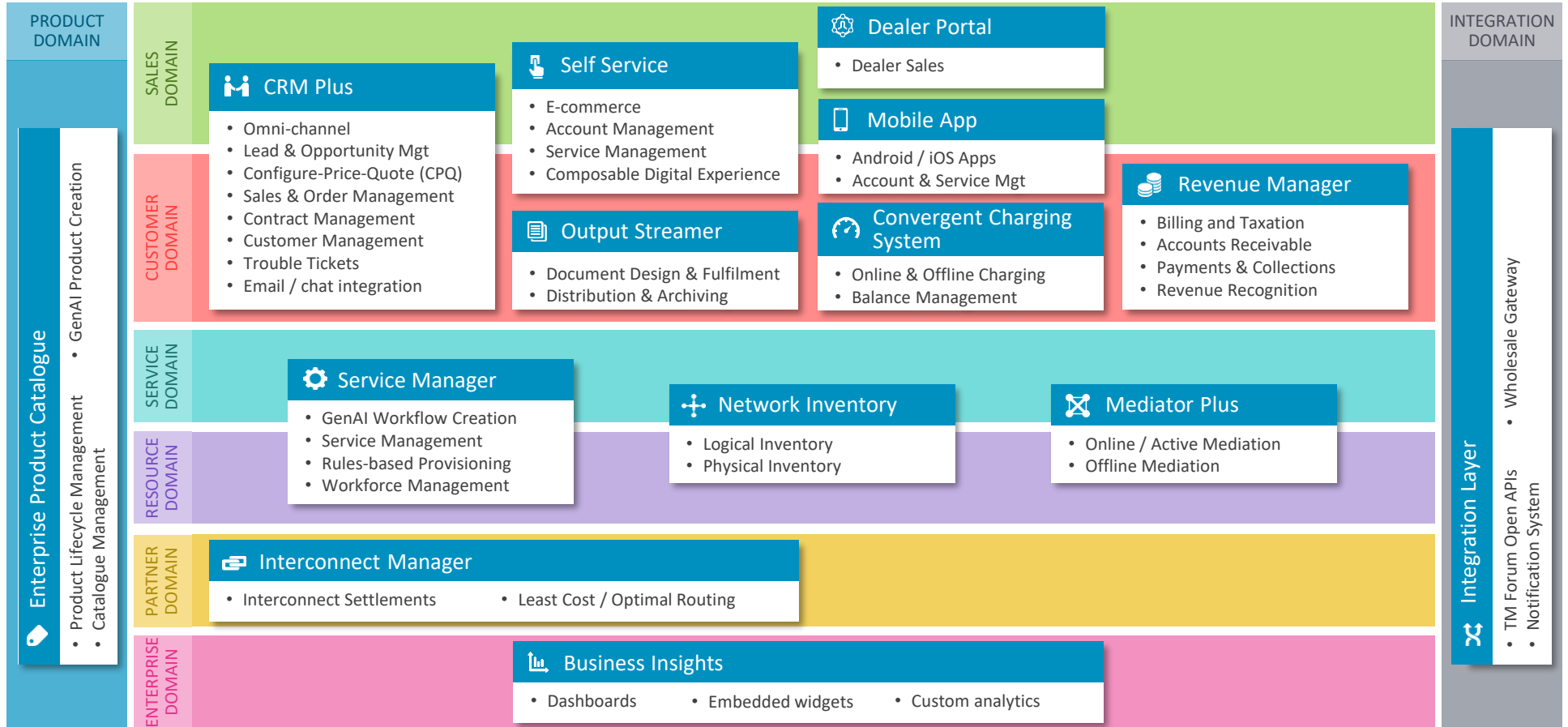
Revenue by Region

Customer Longevity

New vs Existing Customer Revs

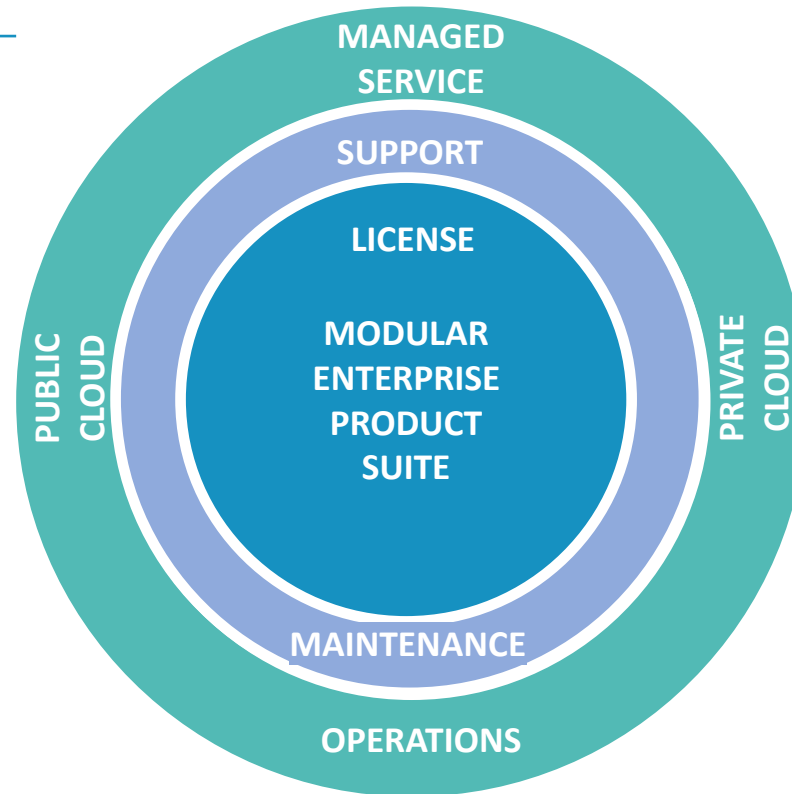






SOFTWARE-AS-A-SERVICE

- Cloud or on-premise deployment
- Term licensing
- 5+ year subscription agreements



- Pre-integrated BSS/OSS modules
- Common product for all customers
- End-to-end or modular delivery
- Large transformation projects



Market Segments

Channel Partners

Tier 1/2 Operator Groups

Tier 2/3 CSPs

Other Verticals



BSS
Standardising for multi-country operational models

Point solutions/
Best of breed sales to support specific brands or business functions

National Operators:
End-to-end transformation projects for multi-play service providers

Innovative Challengers:
End-to-end transformation projects and point solutions for complex or innovative business models

Subscription billing and usage-based charging for medium-sized and large enterprises



Tier 1 Systems Integrators

GLOBAL CUSTOMER BASE



c. 80 CUSTOMER INSTALLATIONS IN c. 45 COUNTRIES



Large ISVs¹

OUR DIFFERENTIATORS

- Lower TCO²
- Shorter time-to-market
- More flexible
- Market shift to SaaS

Equipment Vendors

OUR DIFFERENTIATORS

- Lower TCO²
- Shorter time to market
- More flexible
- Market shift to SaaS

Small ISVs¹

OUR DIFFERENTIATORS

- Greater breadth/depth
- Broader references

SaaS/Best-of-Breed

OUR DIFFERENTIATORS

- Lower TCO²
- Shorter time to market
- No integration
- Seamless upgrade path

Independent Analysis



WHY WE WIN

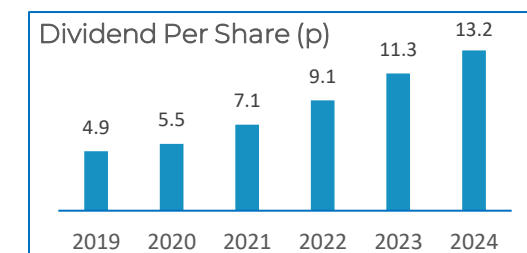
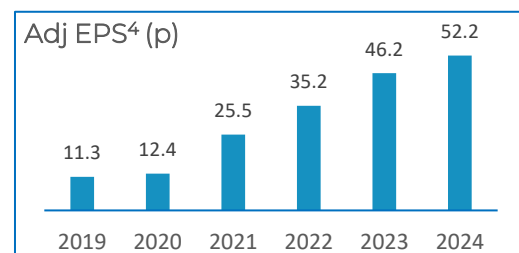
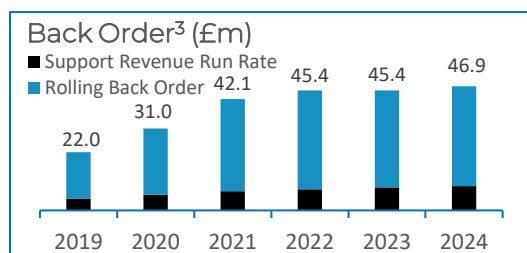
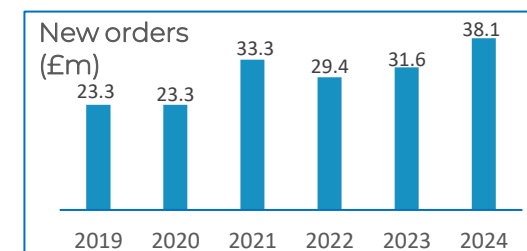
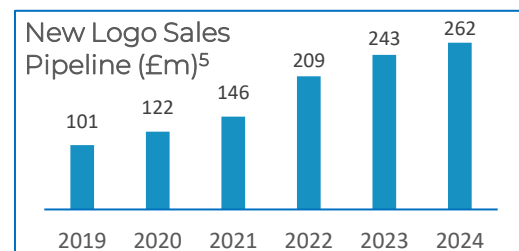
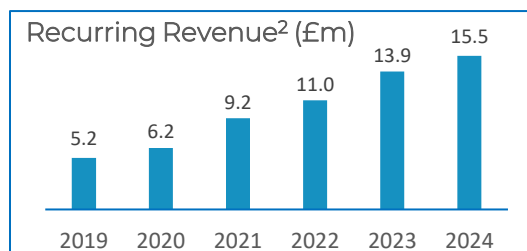
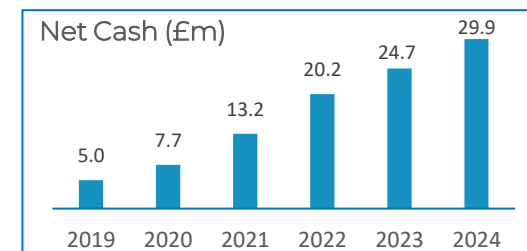
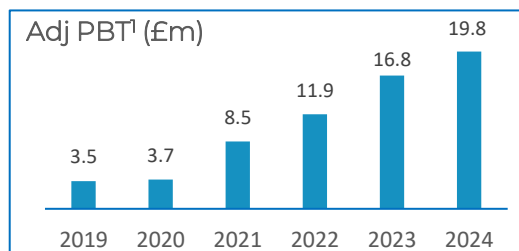
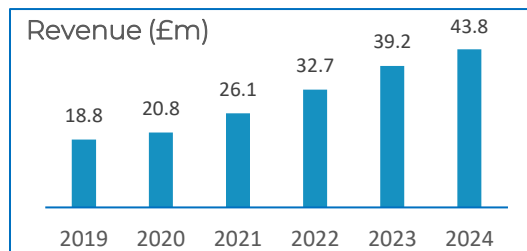
- True product model/SaaS delivery – lower TCO², faster time-to-market, seamless upgrades
- Functionally rich, end-to-end, convergent, carrier-grade CRM & billing product suite
- Unifies all service types, payment methods, customer segments and business models
- Customer focus: strong blue-chip references and track record of delivery
- Product recognised by leading independent global research consultancies
- Fully integrated product demos

1. Independent Software Vendor

2. Total Cost of Ownership

FY 2024 KPIs

Key KPIs at Record Levels



- Adjusted PBT is a non-GAAP, company-specific measure which is earnings excluding taxes, amortisation of acquired intangible assets and share-based payments charges.
- Recurring revenue includes support and maintenance, managed service, Skyline, and third-party hardware and hosting revenue reported in each year.
- Back-order book consists of £37.7m of sales contracted but not yet recognised at the end of the reporting period plus £9.2m of annualised support and maintenance revenue. It is anticipated that c. 45% of the £37.7m of sales contracted but not yet recognised as at the end of the reporting period will be recognised within 12 months.
- Adjusted EPS is a non-GAAP, company-specific measure which is earnings after taxes, excluding amortisation of acquired intangible assets and share-based payments charges.
- Estimated figures based upon management accounts and management estimates as at 30 September in each year.

FY 2024 FINANCIAL HIGHLIGHTS (AUDITED)

> Record highs across key KPIs

£m	FY24	FY23
Orders	38.1	31.6
Back-order book¹	46.9	45.4
Total revenue	43.8	39.2
Software ²	24.3	22.0
Services	17.9	15.5
Other ²	1.6	1.6
<i>Recurring revenue in year³</i>	15.5	13.9
<i>Gross margin</i>	80.5%	78.6%
Adj. EBITDA	20.7	18.1
<i>Adjusted EBITDA margin</i>	47.4%	46.2%
Adjusted PBT⁴	19.8	16.8
Adjusted EPS⁵	52.2p	46.2p
DPS	13.2	11.3p
Net cash	29.9	24.7

¹ Back-order book consists of £37.7m of sales contracted but not yet recognised at the end of the reporting period plus £9.2m of annualised support and maintenance revenue. It is anticipated that c. 45% of the £37.7m of sales contracted but not yet recognised as at the end of the reporting period will be recognised within 12 months.

² Software revenue mainly includes revenue from licences, support and maintenance and managed service contracts. In the prior year, third-party licence revenue was disclosed within Other revenue but is now being reported within Software revenue to give a clearer view of the Group's performance. The prior year comparatives have been updated to reflect these changes.

³ Recurring revenue mainly includes support and maintenance, managed service and third-party hardware and hosting revenue reported in the year. In the prior year, this metric excluded third-party hardware and hosting revenue but since this is deemed to be recurring in nature, it has been amended to include this. The prior year comparative has been updated to reflect this change.

⁴ Adjusted PBT is a non-GAAP, company-specific measure which is earnings excluding taxes, amortisation of acquired intangible assets, and share-based payment charges.

⁵ Adjusted EPS is a non-GAAP, company-specific measure which is derived from earnings after taxes, excluding amortisation of acquired intangible assets, and share-based payment charges.



- Record sales pipeline and continuing strong back-order book¹ provide good visibility
- Reported revenue +12 % (+14% at const. FX)
- Higher gross margin reflects improved operational efficiency
- Very strong balance sheet; £29.9m net cash

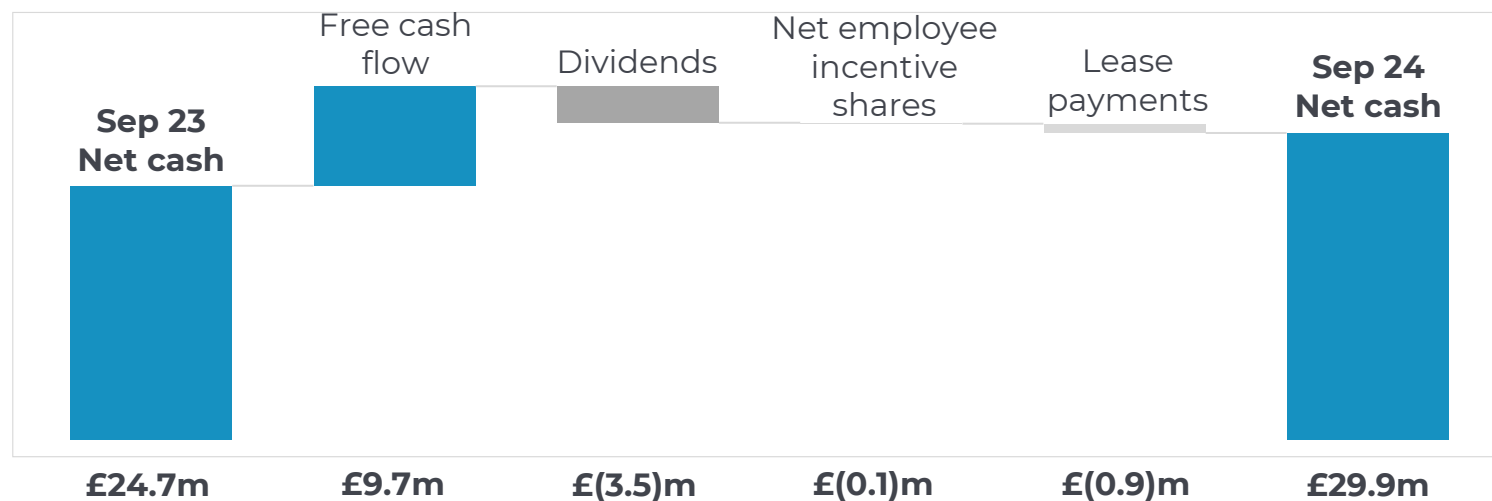
CASH GENERATION



> Strong cash generation

£m	FY24	FY23
Adj. EBITDA	20.7	18.1
Decrease/(increase) in working capital	(6.1)	(5.8)
Cash generated from operations	14.6	12.3
Capitalisation of development costs	(1.3)	(1.1)
Purchase of PPE	(0.2)	(0.3)
Net interest and tax paid	(3.4)	(2.6)
Free cash flow	9.7	8.3

- Free cash flow used to fund dividend and lease payments
- Closing net cash of £29.9m



AUDITED SUMMARY CONSOLIDATED INCOME STATEMENT ¹



£m	Year to 30 Sep 2024	Year to 30 Sep 2023
Total revenue	43.8	39.2
Cost of sales	(8.6)	(8.4)
Gross profit	35.2	30.8
<i>Gross profit margin</i>	80.5%	78.6%
Operating expenses	(16.5)	(15.3)
Impairment of financial assets	(0.3)	(0.2)
Adjusted EBITDA¹	20.7	18.1
Depreciation and amortisation	(2.1)	(2.6)
Share based payments charge	(0.2)	(0.2)
Operating profit	18.4	15.3
Finance costs	(0.1)	(0.1)
Finance income	1.4	0.9
Profit before tax	19.7	16.1
Tax	(4.4)	(3.2)
Profit after tax	15.3	12.9

- Adjusted EBITDA margin increase due to improved operational efficiency partly offset by unfavourable FX
- Higher tax charge due to increase in profit and increase in corporation tax rate

¹Adjusted EBITDA is a non-GAAP, company-specific measure which is earnings excluding finance income, finance costs, taxes, depreciation, amortisation, and share-based payments charge. Adjusted EBITDA refers to adjusted EBITDA from continuing operations.

AUDITED SUMMARY CONSOLIDATED BALANCE SHEET



£m	Consolidated	30 Sep 2024	30 Sep 2023
Non-current assets	Goodwill	2.1	2.1
	Other intangible assets	2.6	2.3
	Property, plant and equipment	0.5	0.8
	Right of use asset	2.2	2.3
	Trade and other receivables	8.1	5.1
	Deferred tax	0.2	0.3
		15.7	12.9
Current assets	Trade and other receivables	17.5	15.2
	Cash and cash equivalents	29.9	24.7
		47.4	39.9
Total assets		63.1	52.8
Current liabilities	Trade and other payables	(10.6)	(10.9)
	Lease liabilities	(0.9)	(1.0)
	Borrowings - current	-	-
Non-current liabilities	Borrowings	-	-
	Lease liabilities	(1.9)	(2.2)
	Other payables	(1.2)	(1.8)
Net assets		48.5	36.9
	Called up share capital	0.1	0.1
	Share premium account	13.3	13.3
	Foreign exchange reserve	(0.3)	(0.2)
	Share option reserve	0.4	0.4
	Retained profit	35.0	23.3
	Treasury stock	-	-
Total equity		48.5	36.9

- Balance Sheet remains very strong with net cash of £29.9m

AUDITED SUMMARY CONSOLIDATED CASH FLOW STATEMENT



Consolidated £m	Year to 30 Sep 2024	Year to 30 Sep 2023
Operating cash flows before movements in working capital	20.7	18.1
(Increase) / decrease in trade and other receivables	(4.9)	(6.5)
Increase / (decrease) in trade and other payables	(1.2)	0.7
Cash from-operations	14.6	12.3
Finance costs	(0.1)	(0.1)
Finance income	0.9	0.6
Tax (paid) / received	(4.2)	(3.0)
Net cash from operating activities	11.2	9.8
Capitalisation of development costs	(1.3)	(1.1)
Purchase of property, plant and equipment	(0.2)	(0.3)
Net cash used in investing activities	(1.5)	(1.4)
Borrowings repaid	-	-
Dividends paid	(3.5)	(2.9)
Purchase of treasury stock/receipts from exercise of share options	(0.1)	-
Principal elements of finance leases	(0.9)	(0.9)
Net cash used in financing activities	(4.5)	(3.8)
Net increase in cash and cash equivalents	5.2	4.6
Translation differences	(0.0)	(0.1)
Cash and cash equivalent at beginning of period	24.7	20.2
Cash and cash equivalents at end of period	29.9	24.7

- > Two major implementations completed
 - > Telesur (Suriname)
 - > CWS (Seychelles)
- > Delivery for two FY24 new logo wins progressing well:
 - > Virgin Media Ireland
 - > Leading provider of connectivity in Southern Africa
 - > Scope to grow these relationships
- > Increased R&D investment, c. 13,000 man days (2023: c.11,000)
 - > Upgraded digital experience module launched in latest release (Cerillion 24.2)
 - > First AI features introduced in Cerillion 24.1



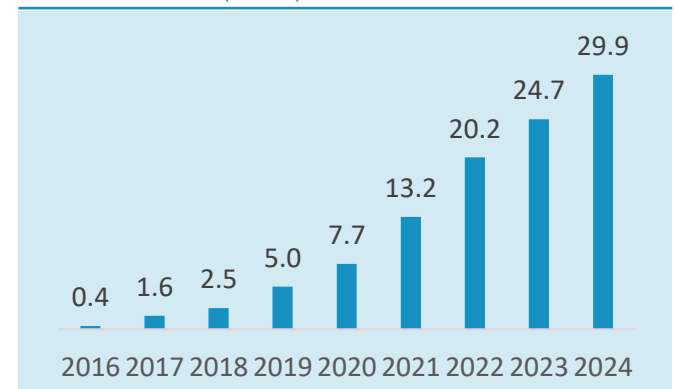


- > Total new orders up 21% to a record £38.1m
- > Back-order at £46.9m underpins revenue visibility
- > Very strong pipeline of new prospects, including further large contract opportunities
- > Trading environment remains favourable
 - telecoms businesses seeking to use enterprise software to drive greater value from existing infrastructure assets as well as investing in new assets
- > Strong balance sheet with net cash, good cash flows and higher recurring revenue
- > Cerillion is well-positioned for continued growth in FY25

Dividend Record (p)



Net Cash (£m)



AN INNOVATOR IN BILLING, CHARGING
& CUSTOMER MANAGEMENT SYSTEMS

cerillion

Supplementary Information

- Board of Directors
- Major Shareholders
- Capital Allocation Policy
- Sticky Customer Base
- Financial Summary

BOARD OF DIRECTORS



Alan Howarth Chairman

Alan Howarth has extensive senior executive experience in a range of national and international organisations in both the public and private sector. At Ernst & Young he was one of the founding partners of the UK Management Consulting practice. For the last 20 years he has managed a portfolio of non-executive appointments, as chairman of both public and private companies primarily in the UK and US Technology and Health sectors. He is a non-executive Director of Tern Plc and a Board member of Open Health Group and the Change Management Group.

Louis Hall CEO

Louis Hall is the CEO and founder of Cerillion, having led the management buy-out of the original business from Logica PLC in 1999. Louis has worked in the enterprise software industry for over 30 years and prior to forming Cerillion held a number of product, sales and management positions at Logica.

Andrew Dickson CFO

Andrew joined Cerillion as CFO in February 2022. Prior to this he spent seven years at The Vitec Group plc in a number of senior financial roles, including Group Director of Finance based in London and Finance Director of a subsidiary business based in the USA. In his earlier career, Andrew worked for Smiths Group plc, the FTSE 100 international engineering business, and qualified as a chartered accountant with Deloitte LLP.

Guy O'Connor Non-executive Director

Guy is a co-founder of Cerillion and formerly led business development. Prior to joining Cerillion, Guy was Group Director for Matheson Investment International, a subsidiary of Jardine Matheson Group.

Mike Dee Non-executive Director

Mike Dee served as CEO of Manx Telecom plc from April 2011 to July 2015, overseeing its successful AIM IPO in February 2014. In 1987, Mike was part of the BT team involved in setting up Manx Telecom plc and served as Director of Finance and Company Secretary before stepping up to CEO. Mike is a qualified accountant and holds a BA (Hons) degree in Business Studies and CIMA qualification.

MAJOR SHAREHOLDERS¹

As at 6 November 2024



MAJOR SHAREHOLDERS	%
Louis Hall	30.43
Gresham House Asset Management	8.72
Investec Wealth & Investment	6.07
Charles Stanley	4.75
JPMorgan Asset Management	3.57
Canaccord Genuity Wealth Management (Inst)	3.12
Rathbones	2.93
Hargreaves Lansdown, stockbrokers (EO)	2.69
BlackRock	2.44
Schroder Investment Management	2.16
Interactive Investor (EO)	1.80
Shore Capital, stockbrokers (ND)	1.78
Lazard Asset Management	1.35

MAJOR SHAREHOLDERS	%
Danske Bank Asset Management	1.33
WH Ireland, stockbrokers	1.13
Evelyn Partners (Retail)	1.10
Goldman Sachs collateral account	1.10
Herald Investment Management	1.03
AJ Bell, stockbrokers (EO)	0.95
Brooks Macdonald	0.88
NBCN, Montreal (PB)	0.86
Montanaro Asset Management	0.85
Lonvia Capital	0.84
Transact (EO)	0.81
Royal London Asset Management	0.81
Dowgate Capital	0.79

¹Source: Equiniti Limited

EO – Shareholdings where all investment decisions are made by the client without consultation with the stockbroker.

ND – Investment manager must discuss investment strategies or planned movements with the client before any investment decision is taken.

PB – Shares held by a bank on behalf of private investors.

Maximising shareholder returns

Organic growth

Continued investment to:

- enhance offering
- improve service levels and deliver operational efficiencies
- expand sales team and marketing spend

Investment man-days:

- FY24: 12,795 days
- FY23: 10,964 days

Dividend policy

Progressive dividend policy:

- pay out a third to a half of free cash flow each year
- dividend cover on adj. EPS of three-to-four times

Interim FY24: 4.0p
(FY23: 3.3p)

Final FY24: 9.2p
(FY23: 8.0p)

Strategic investments

Strategic investments to support longer term growth

- strategic acquisitions of operating businesses to improve and enhance scope and scale of earnings

Other considerations

Maintain strong balance sheet to support strategy to partner with larger customers

Net cash

- maintain strong balance sheet

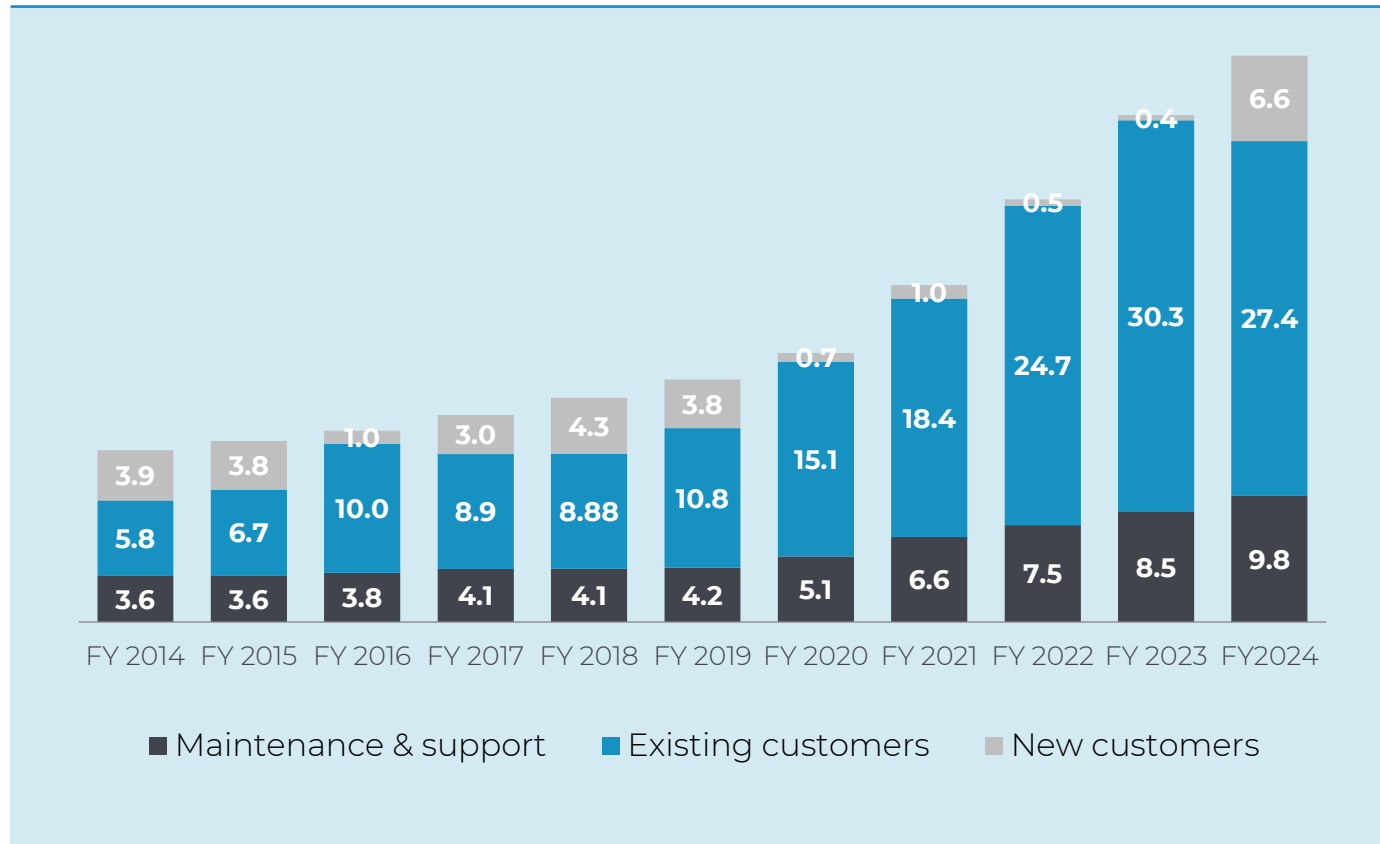
FY24: net cash £29.9m

FY23: net cash £24.7m

STICKY CUSTOMER BASE GENERATES HIGH LEVELS OF PREDICTABLE INCOME

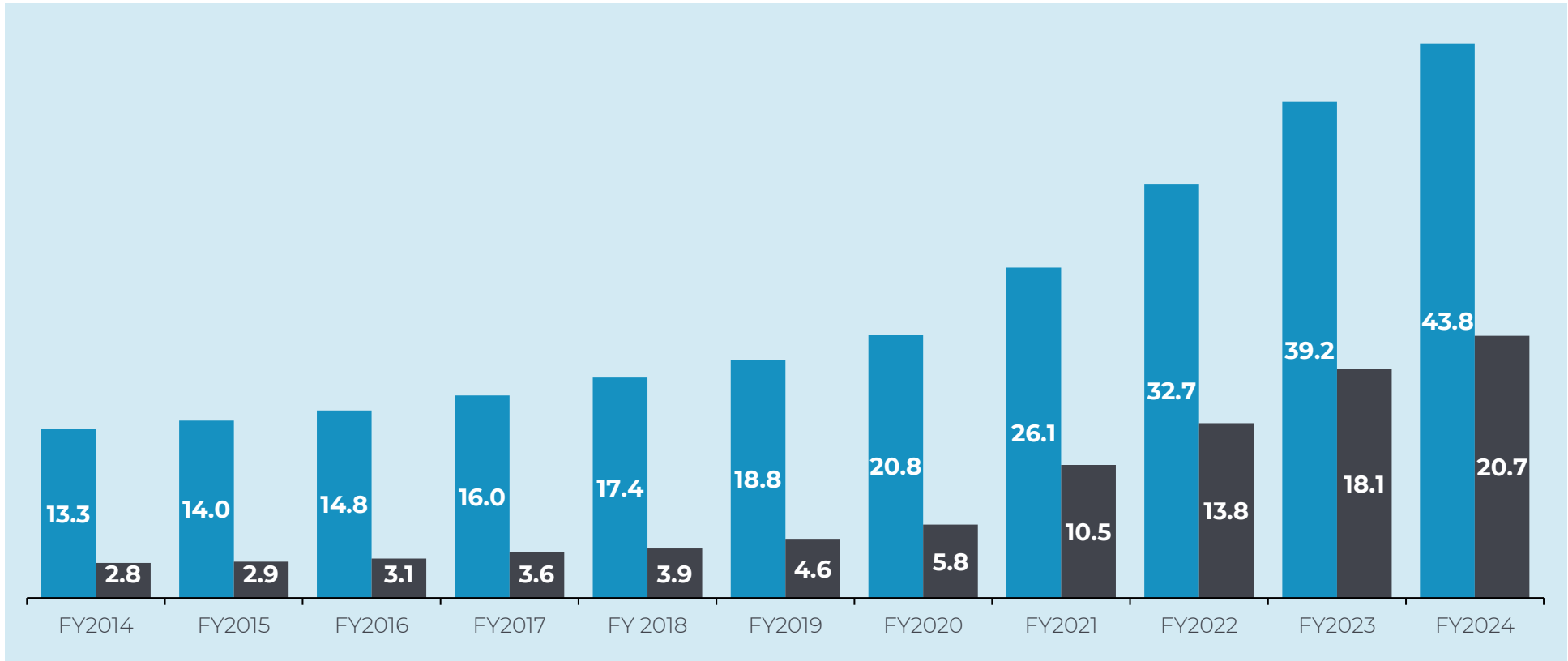


Revenue Sources (£m)



>80%
Annual income typically derived from existing customers

Long-Term Track Record (£m)



■ Revenue ■ Adjusted EBITDA

EBITDA and Adjusted EBITDA are non-GAAP measures. Adjusted EBITDA is a company specific measure which is calculated by taking operating profit and adding back depreciation and amortisation, share based payment charge and exceptional items.