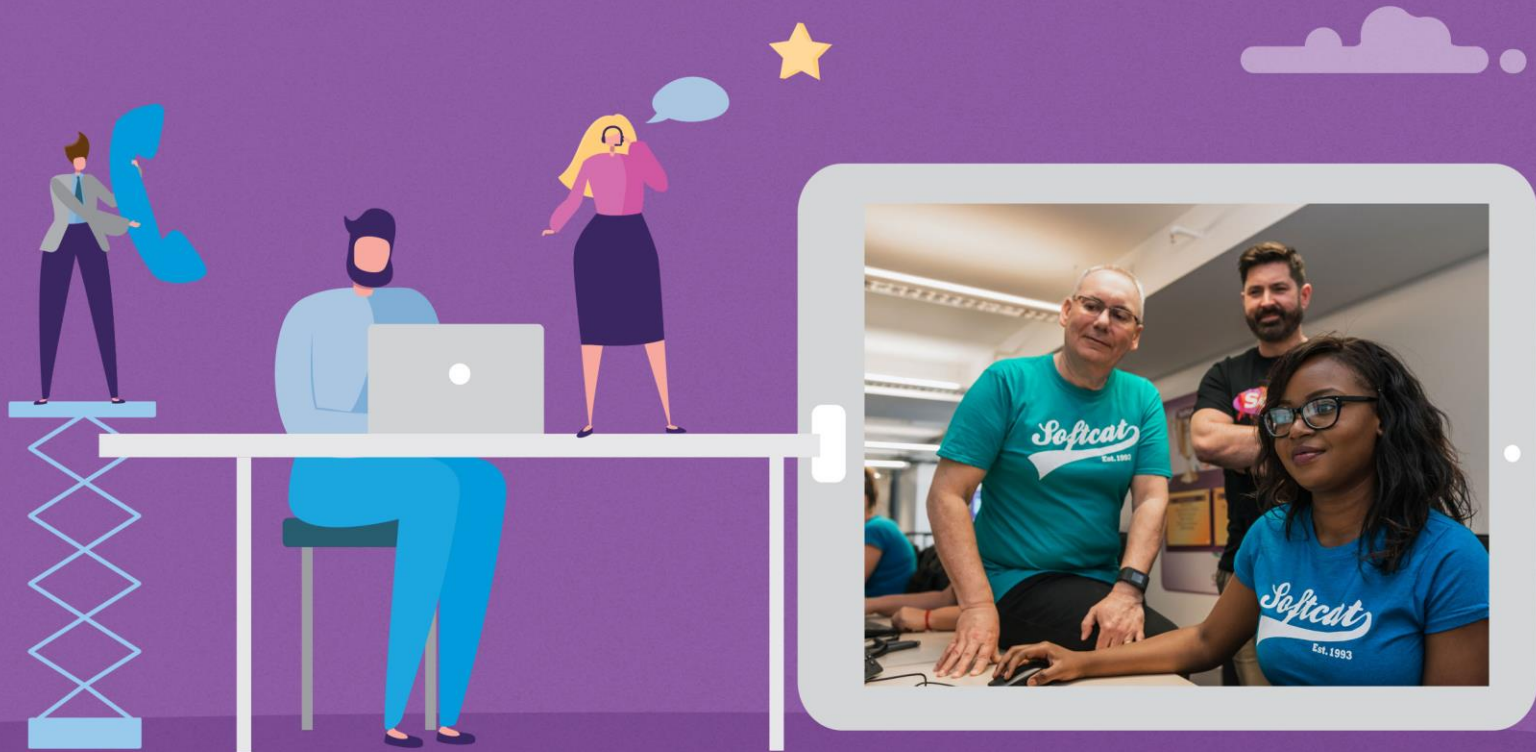


Softcat

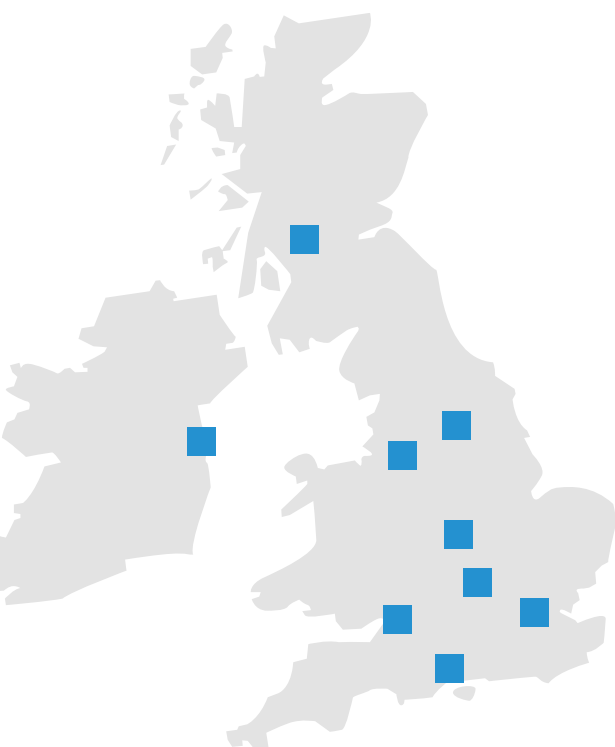
INVESTOR MATERIALS

October 2020



Who we are

We are a leading reseller of infrastructure technology solutions to customers in the UK and Ireland



1,534

Employees at 31 July 2020

£1.6bn

FY20 gross invoiced income

£93.7m

FY20 operating profit

9,500

Customer base at 31 July 2020

£236m

FY20 gross profit

88%

FY20 cash conversion

200+

Vendors



aws



DELL EMC

Hewlett Packard Enterprise



Lenovo

Microsoft

mimecast

NUTANIX



PURE STORAGE



SOPHOS

vmware

Our purpose is to help customers use technology to succeed, by putting our employees first

Who we are

Who we are

Softcat is a leading provider of infrastructure technology solutions in the UK&I to the business and public sector community

What we do

Softcat makes designing, sourcing, implementing and supporting organisations' IT infrastructure simpler and more effective

Our mission

To be the world's best performing company in our sector in employee engagement, customer satisfaction and financial returns

Our purpose

We help customers use technology to succeed, by putting our employees first

Our strategy and priorities



Acquire more customers



Sell more to existing customers

- People and culture
- Operational excellence
- Expanding our addressable market

Our values



Fun



Intelligent



Responsible



Passionate

What makes us different?

People-centric culture delivering outstanding customer service



We RECRUIT and TRAIN great people with high potential

11,250

Applications and...

209

Sales hires in FY20



We INCENTIVISE and ENGAGE our people to perform

53

Employee NPS 2019

93%

Employee engagement



We deliver OUTSTANDING CUSTOMER SERVICE

66

Customer NPS 2020

97%

Customer satisfaction

Source: Company information.

Note: Customer (employee) satisfaction represents the percentage of customers (employees) that rated Softcat very positively or positively as a company to do business with (work for) in annual surveys conducted by Softcat. The employee survey was completed in October 2019. NPS- Net Promoter Score is a customer loyalty metric developed by (and a registered trademark of) Fred Reichheld, Bain & Company, and Satmetrix.

Our proven growth strategy



**ACQUIRE MORE
CUSTOMERS**



**SELL MORE TO
EXISTING CUSTOMERS**

PEOPLE AND CULTURE

OPERATIONAL EXCELLENCE

**EXPANDING OUR
ADDRESSABLE MARKET**

Softcat UK market share:

~3.5% ⁽¹⁾

~50k

Potential UK&I customers
(corporate and public sector)⁽²⁾

9,500

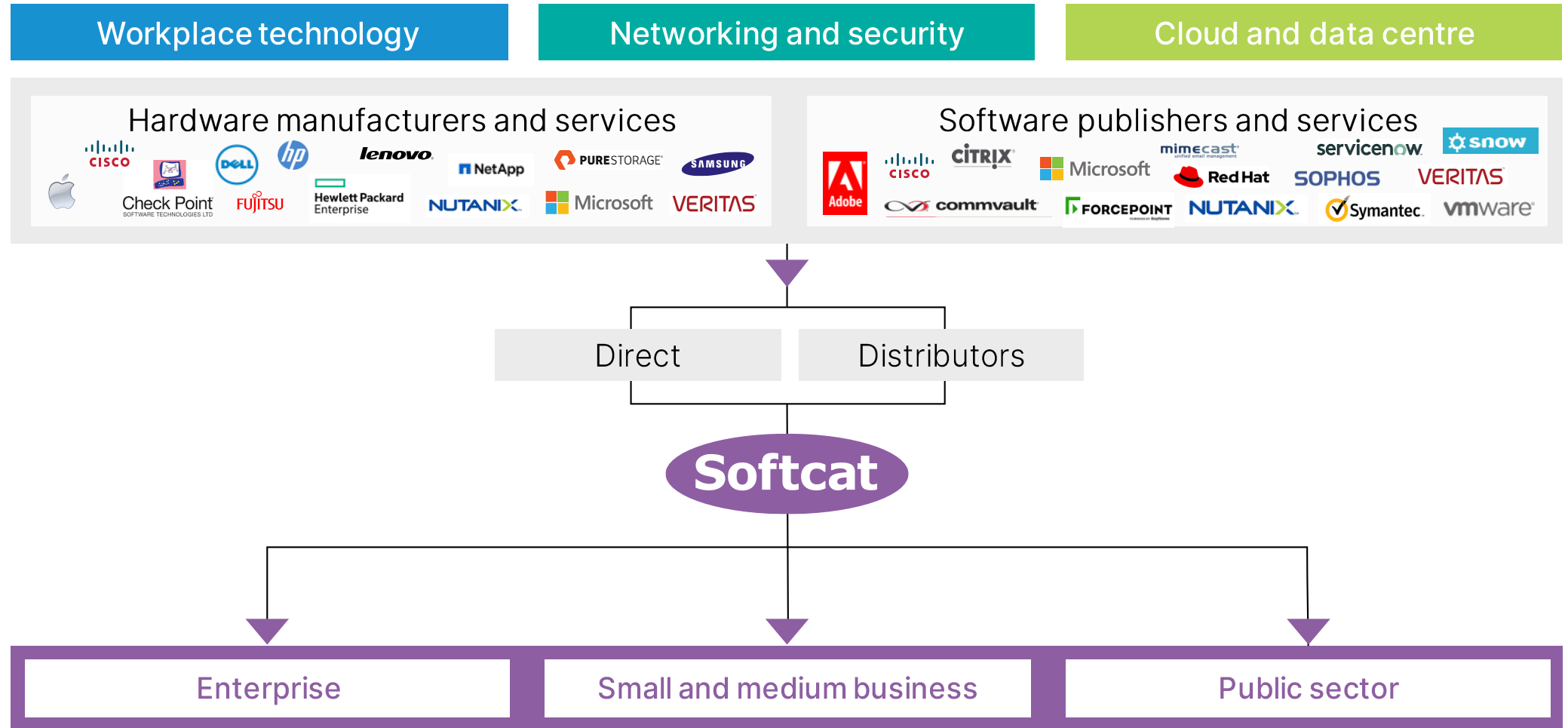
Softcat customers

Source: Company information, Gartner and DueDil.

(1) See page 9.

(2) Estimated 40k UK&I companies with 20+ employees and 10k public sector organisations in the UK worth targeting.

Softcat: at the core of the IT value chain

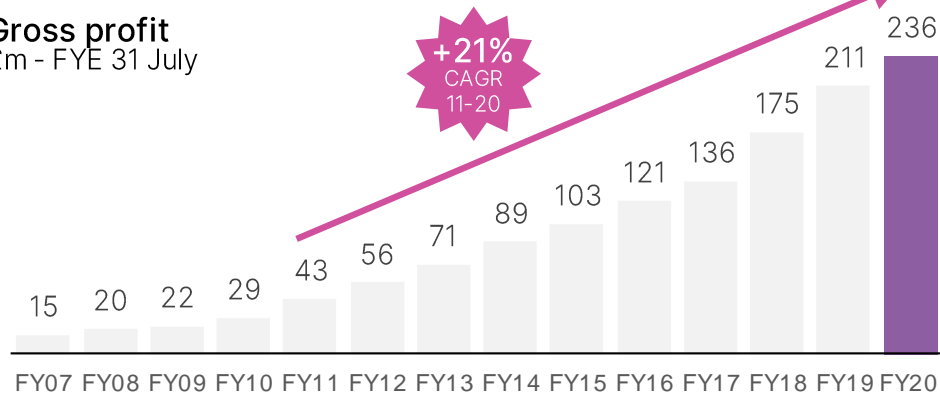


Note: Enterprise includes companies with over 2,000 employees. SMB includes companies with 0-1,999 employees. Public sector includes local government, education and healthcare.

Our track record: 100% organic

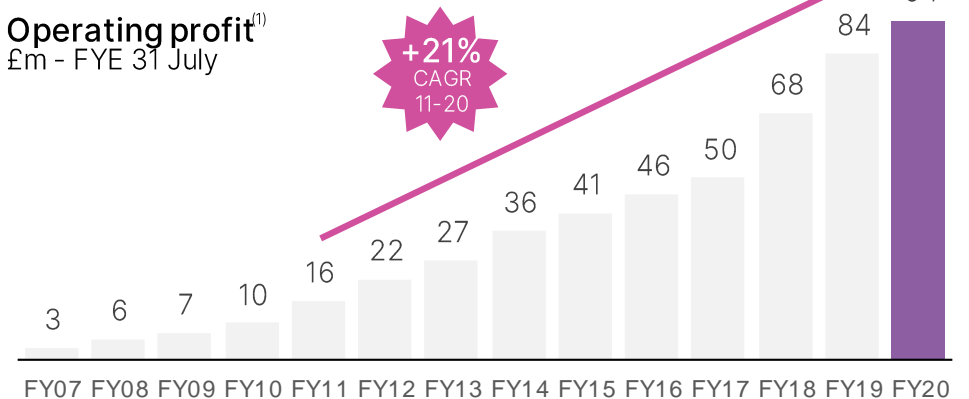
15 years of uninterrupted growth

Gross profit
£m - FYE 31 July



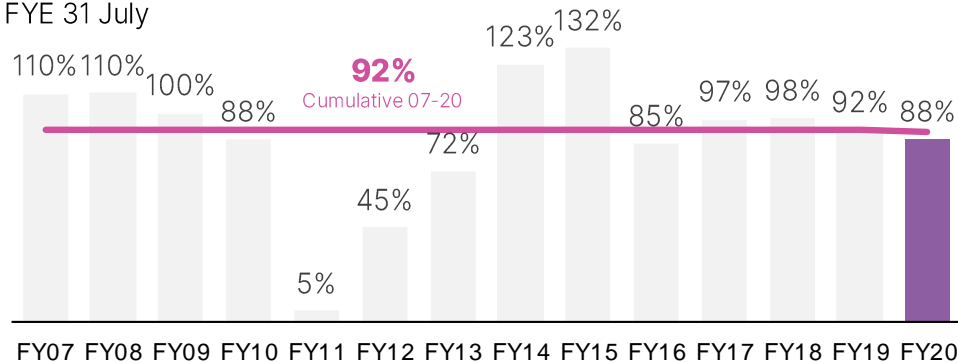
Scaled and stable platform

Operating profit⁽¹⁾
£m - FYE 31 July



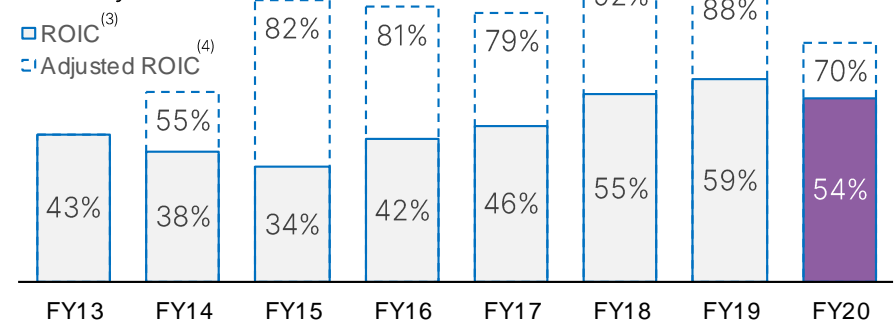
Strong cash conversion

Cash conversion⁽²⁾
FYE 31 July



Attractive returns on capital

Return on invested capital
FYE 31 July



Source: Company information.

Note: Financial data FY07-FY12 is stated under UK GAAP; financial data FY13-FY20 is stated under IFRS.

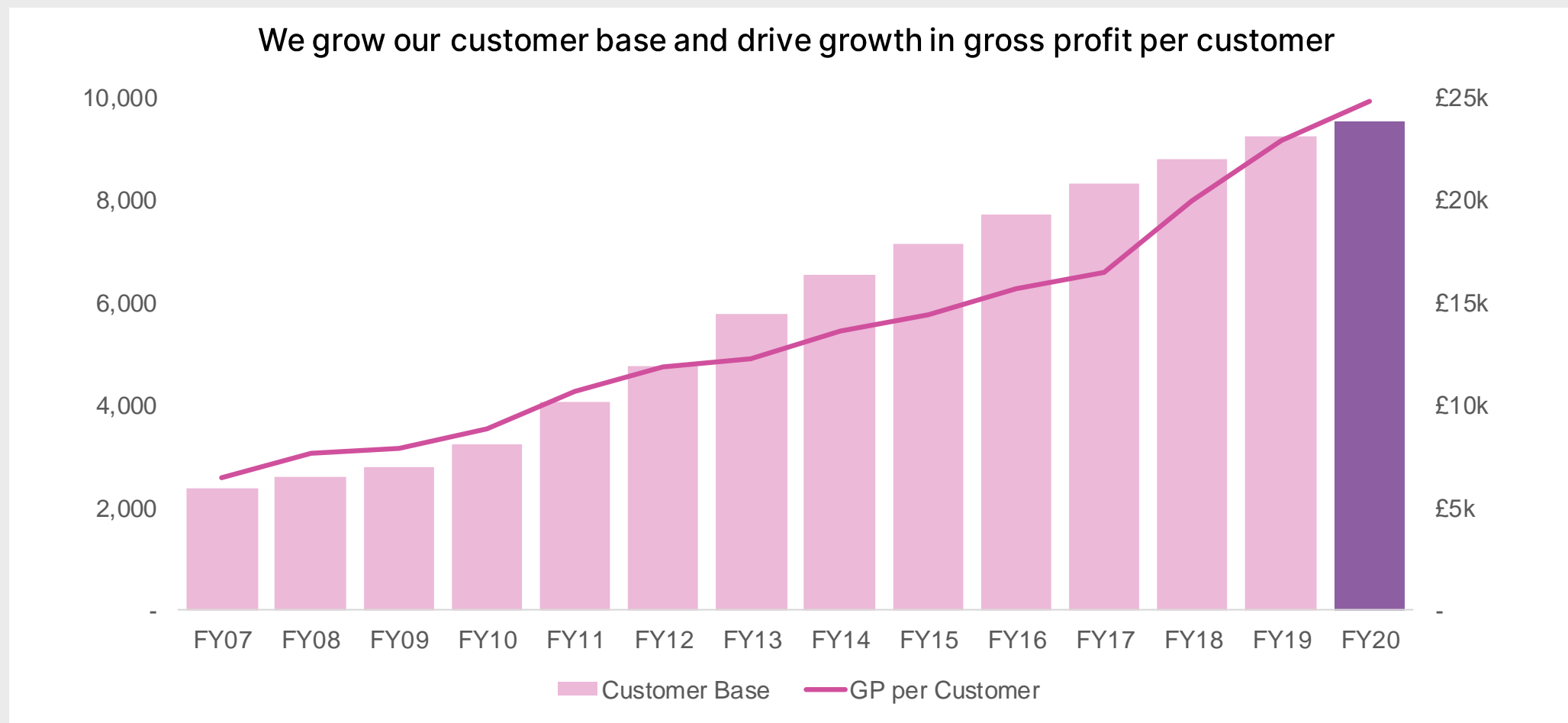
(1) FY15 profit figure is presented before £1.0m exceptional items related to the IPO process; FY16 profit figure is presented before £3.7m exceptional items related to the IPO process.

(2) Cash conversion is a non-IFRS financial measure defined as cash generated from operations after capex and as a percentage of non-adjusted operating profit. Cash generated from operations is pre-tax and interest expenses (or finance income).

(3) Return on invested capital (ROIC) is a non-IFRS financial measure defined as the ratio of operating profit after tax to invested capital. Invested capital is defined as bank loans and overdrafts plus total equity as at the end of the period.

(4) Adjusted ROIC is a non-IFRS financial measure defined as the ratio of operating profit after tax (as defined above) to adjusted invested capital. Adjusted invested capital is defined as the minimum of total equity and total equity less cash and cash equivalents as at period end plus 3% of revenue for the relevant period.

Outstanding sale track record...



Customer base: is defined as the number of entities which traded with Softcat in each of the two preceding twelve-month periods. This better reflects the number of substantive customer relationships maintained by the Company, excluding potentially transient interactions from which a fuller relationship may or may not develop.

Source: Company information.

Note: Financial data FY07-FY12 is stated under UK GAAP; financial data FY13-FY20 is stated under IFRS.

...with significant growth opportunity

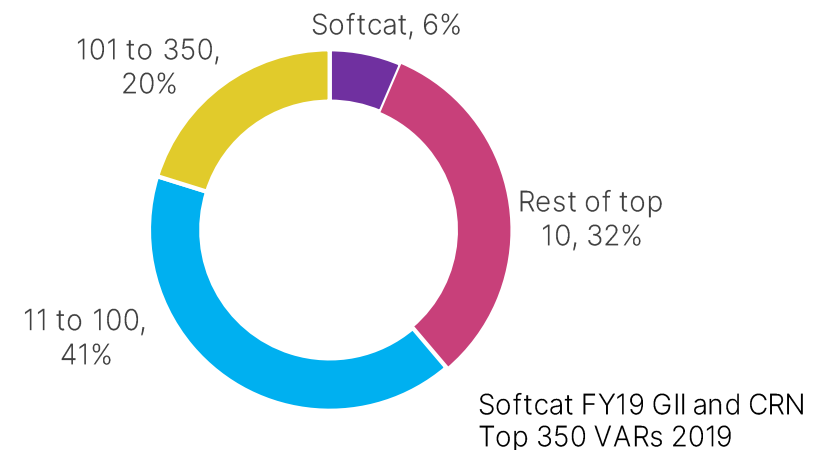
Large and growing market

- The most recent CRN Top 350 VARs report comprises businesses reporting a total of £22bn in income
- Gartner estimate that the UK (non-consumer) IT market was worth £100bn in 2019
- Company analysis of these and other sources suggests that our addressable market is worth around £46bn
- With gross invoiced income of £1.6bn in FY20 our market share was 3.5%
- Gartner estimates the IT market will grow at 4% CAGR 2019 to 2023 – our experience is that actual growth has outpaced forecast growth consistently in recent times

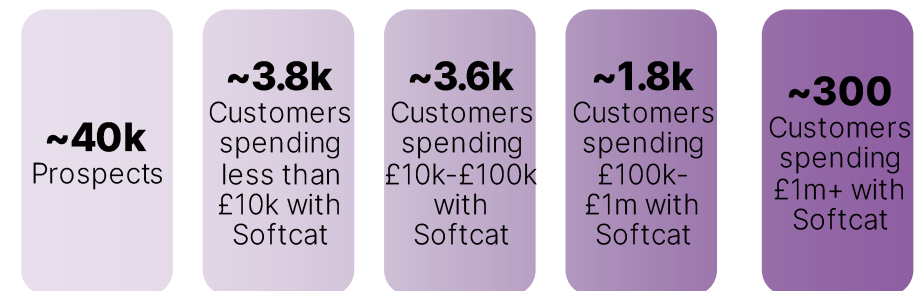
Lots of wallet share to go for

- The current customer base of 9,500 represents around 20% of the UK&I target universe, estimated to be 50k
- This analysis puts our average share of wallet across the existing customer base in the region of 15%
- Our experience with long-standing customers is that a wallet share of >60% is achievable

Highly fragmented UK market



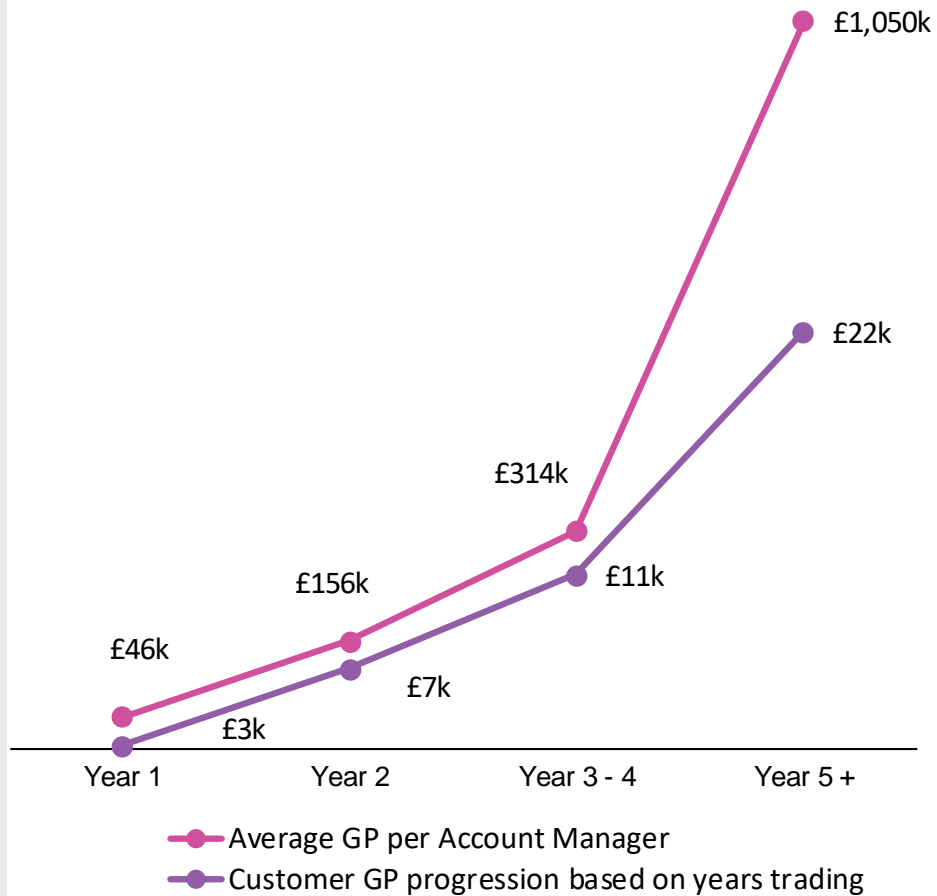
Significant growth opportunities in both existing customers and prospects⁽¹⁾



(1) Estimated 40k UK&ROI companies with 20+ employees and 10k public sector organisations in the UK worth targeting.

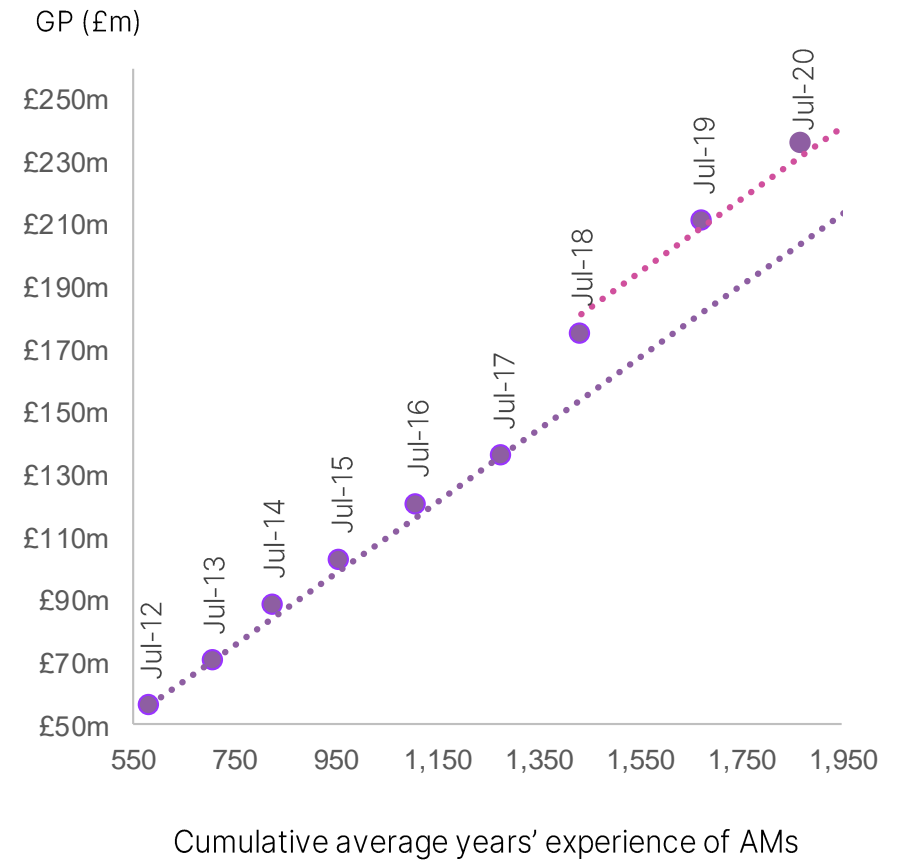
Sales experience drives successful productivity

Account manager and customer progression...















...delivers strong gross profit growth

Elevated level of productivity from investment in breadth of offering since IPO



Softcat: the vendors' trusted partner

Vendor	% of FY20 gross invoiced income	Selected accreditations	FY17 to FY20 CAGR
 Microsoft	25%	Gold Partner	29%
 Dell Technologies	7%	Titanium Partner	25%
 Cisco	7%	Gold Partner	26%
 VMware	4%	Premier Partner	17%
 hp	3%	Platinum Partner	13%
 Hewlett Packard Enterprise	3%	Platinum Partner	24%
 Lenovo	2%	Platinum Partner	23%
 mimecast®	2%	Premier Partner	23%
 Adobe	1%	Platinum Partner	(1%)*
 CITRIX®	1%	Platinum Partner	22%
	1%	Authorised Reseller	13%
 NUTANIX™	1%	Cloud Champions	63%
All other vendors	42%		28%

- Delivering revenue growth to our vendors well ahead of their global revenue growth
- Top-level accreditations with all major IT channel vendors
- Superior sales performance and technical capability creates strong relationships
- Always ready to work with upcoming new vendors

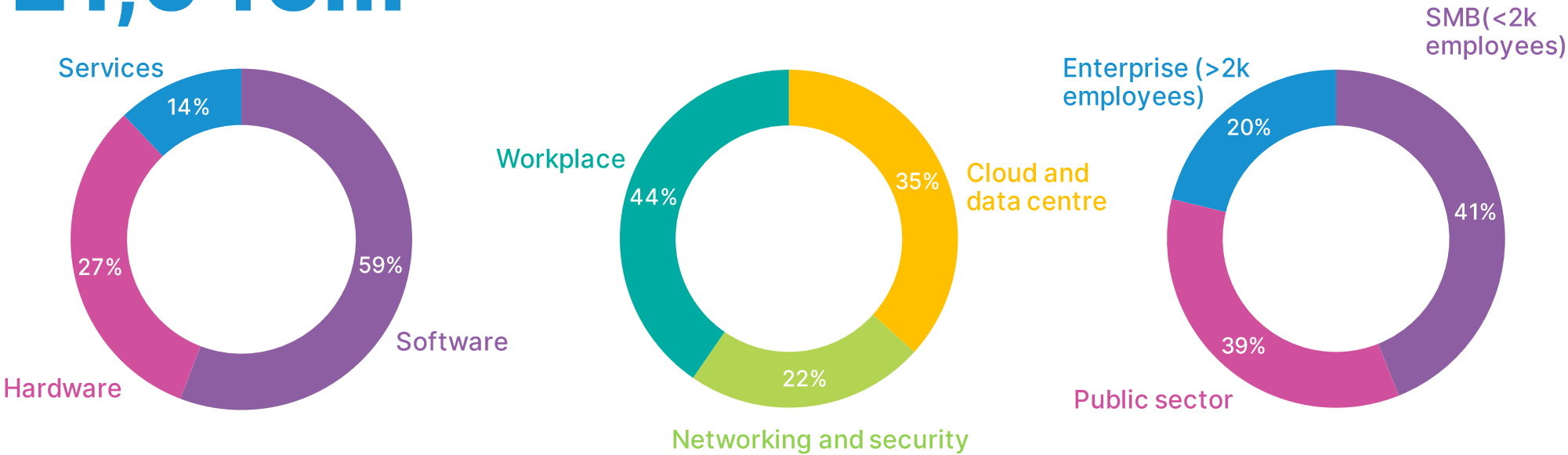
Source: Company information.

* FY17 included a significant large central government deal that is impacting the three-year CAGR. Exclude this one customer and the three-year CAGR would be +13%.

Diverse offering with broad and deep capability

FY20 gross invoiced income:
£1,646m

Selling to a variety of customers...



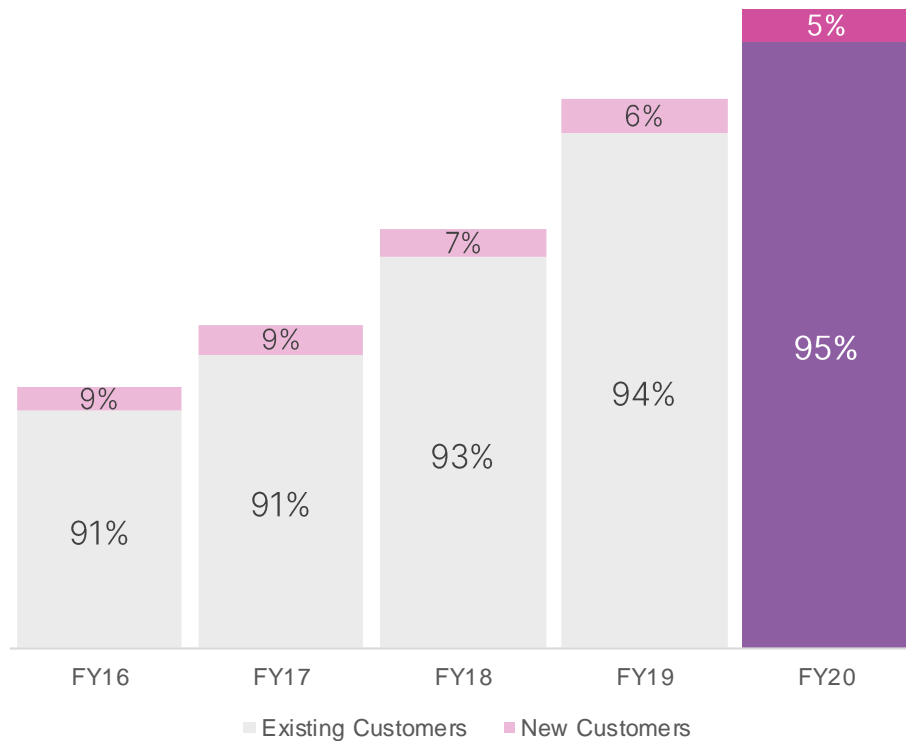
Using our diverse range of solutions...



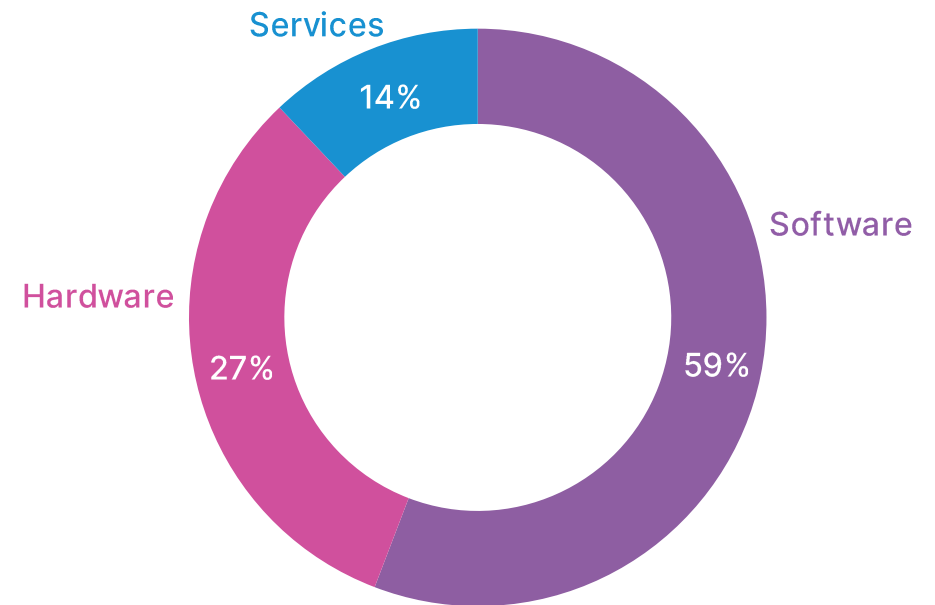
Source: Company information.

Deep customer relationships and broad offering

Majority of gross invoiced income comes from existing customers

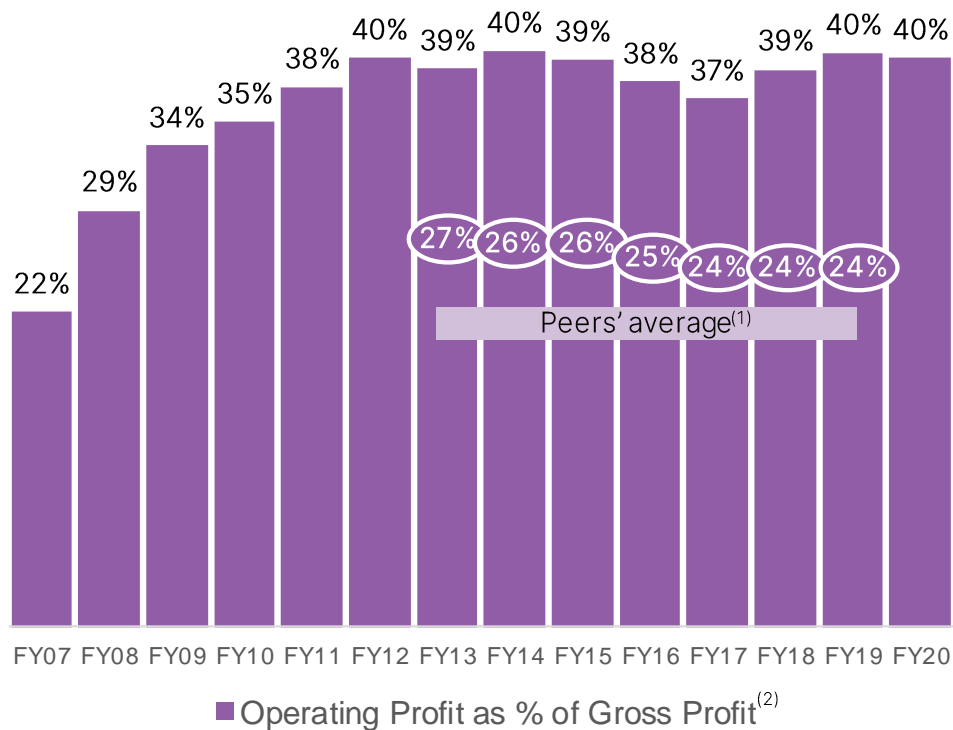


Investing in high growth software, cloud and cyber



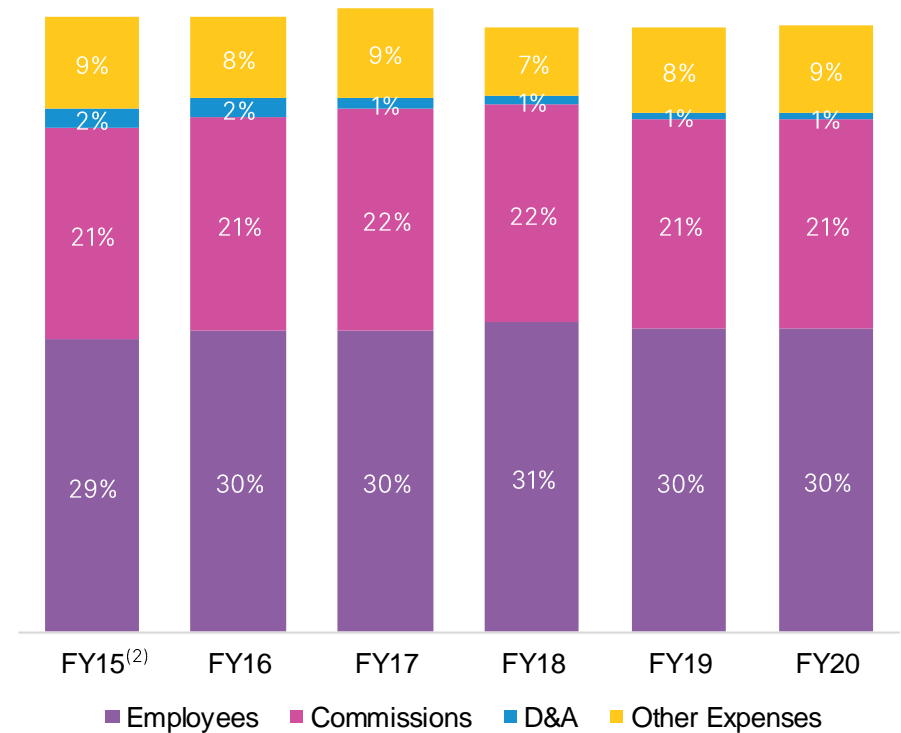
Robust margins and strong operating efficiency

Best-in-class operating efficiency...



...and lean cost base

Administrative expenses evolution as % of Gross profit FYE 31 July



Source: Company information.

Note: Financial data FY07-FY12 is stated under UK GAAP; financial data FY13-FY20 is stated under IFRS.

(1) Average of Computacenter, Atea, Bechtel, Dustin, CDW and Insight.

(2) FY15 profit figure is presented before £1.0m exceptional items related to the IPO process; FY16 profit figure is presented before £3.7m exceptional items related to the IPO process.

Softcat

APPENDIX



Summary income statement

£m	FY20	FY19	Growth
Revenue	1,077.1	991.8	8.6%
<i>Gross invoiced income</i>	1,646.2	1,414.1	16.4%
Gross profit	235.7	211.1	11.6%
GP/GII %	14.3%	14.9%	
Admin. expenses	(142.0)	(126.7)	(12.1%)
Operating profit	93.7	84.5	10.9%
OP/GP %	39.8%	40.0%	
Interest	(0.1)	0.3	
Tax	(18.0)	(16.4)	
Profit after tax	75.7	68.5	10.5%

- Shift in mix towards public sector drives particularly strong GII growth
- Revenue growth slower than GII growth reflects shift towards cloud software, strong growth in some third party service lines, as well as the CV-19 impact on hardware in Q4
- GP growth once again driven by both increased income per customer as well as growth in the customer base

- People costs, including commissions, continued to represent c.85% of administrative expenses
- Average headcount was up 13% and was the key driver of cost growth, with investment once again across all departments but focussed on building sales capacity backed by increased levels of technical and service capability
- CV-19 restrictions delivered cost savings from travel, expenses and establishment costs which partially offset reduced spending from some corporate customers in April and Q4
- Gross profit and administrative expenses growth were closely aligned, keeping our core profitability metric of OP as a % GP relatively stable

- Net interest expense reflects the adoption of IFRS16 and the associated interest expense on lease liabilities
- The effective tax rate is 19.2% (FY19: 19.3%), reflecting a stable statutory rate of 19.0% and the relatively marginal impact of non-deductible expenses

Executive Director LTIP

LTIP Participant	No. nil-cost options subject to LTIP award – vesting Dec-19	No. nil cost options subject to LTIP award – vesting Apr-21 (GW) and Nov-20 (GC)	No. nil-cost options subject to LTIP award – vesting Nov-21
Graeme Watt	–	66,864	75,000
Graham Charlton	119,767	74,074	50,000

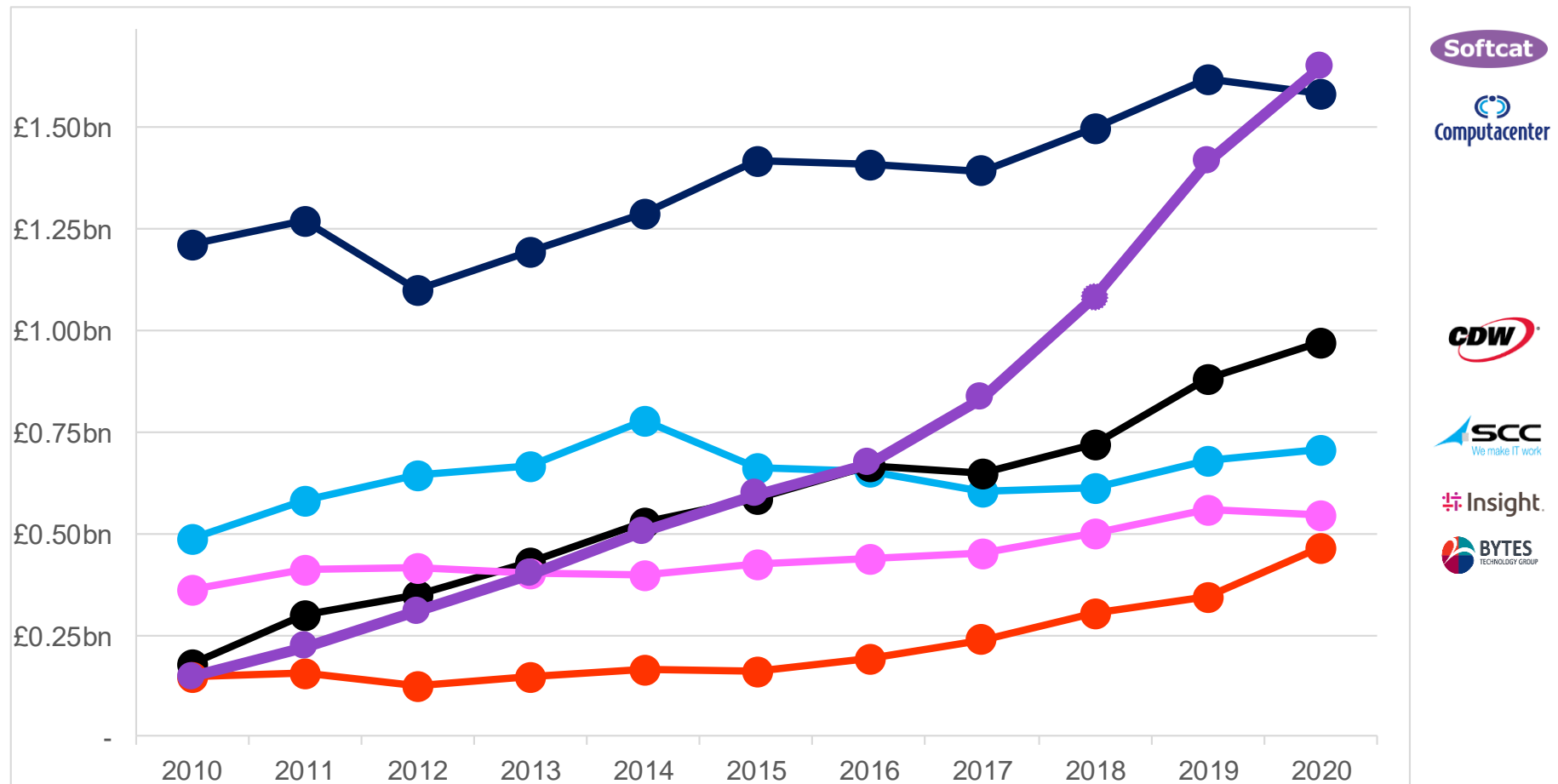
- LTIP awards will vest over 3 years – vesting as shown above
- The awards will vest depending on performance against Total Shareholder Return (TSR) and Earnings per Share (EPS) targets measured over a 3 year performance period
- The comparator group for TSR is the FTSE 250 excluding real estate and investment trusts

Measure	Weighting	Threshold	Maximum
TSR	50%	Median	Upper quartile
% of award vesting under each performance measure		30%	100%
EPS (FY19)	50%	20.6 pence	23.7 pence
EPS (FY20)	50%	23.7 pence	26.9 pence
EPS (FY21)	50%	29.3 pence	35.7 pence
% of award vesting under each performance measure		20%	100%

- On-going annual awards under the LTIP will be limited to 200% of salary
- In addition, 33% of annual bonus for the CEO and CFO will be paid in shares which will vest 3 years after the payment of the cash bonus

Softcat: the UK champion

UK revenue per CRN Top 100 VARs for selected competitors



Source: ChannelWeb CRN Top VARs 2011 to 2019 and selected company published financial statements.