

Softcat

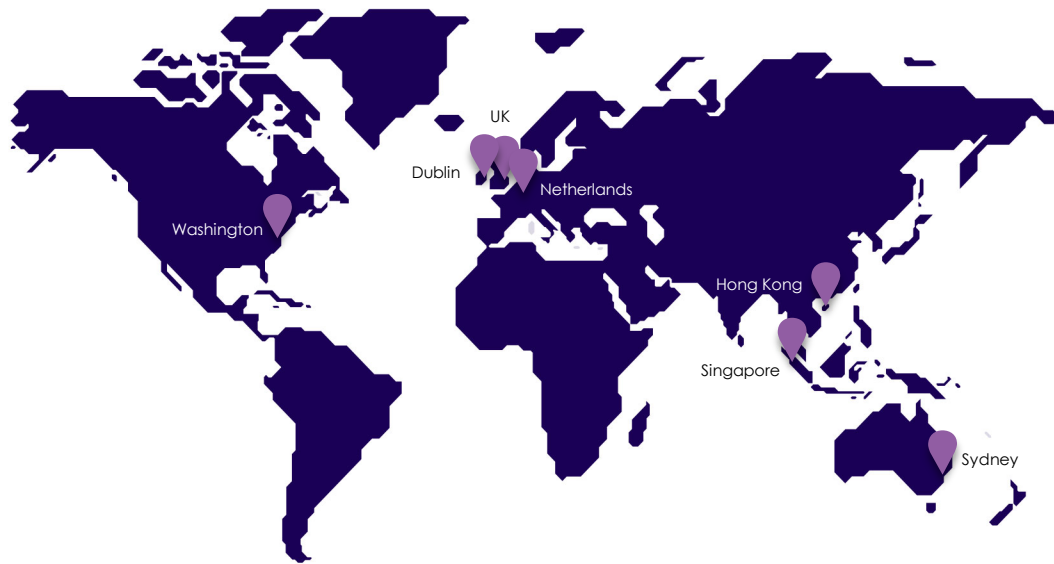
CONNECT

Results for the year ended
31 July 2023



We are the largest provider of cyber security, cloud and IT infrastructure solutions in the UK¹, supporting local customers with their global needs

Softcat



400+ vendors



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

2,315

Employees at 31 July 2023

£2.6bn

FY23 gross invoiced income

£141m

FY23 operating profit

10,100

Customer base at 31 July 2023

£374m

FY23 gross profit

£123m

Cash at 31 July 2023

Who we are

We are a leading reseller of IT infrastructure solutions, supporting UK and Irish customers with their global needs

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
- Ease of doing business
- Maintain relevance and expand our addressable market

Our values



Fun



Intelligence



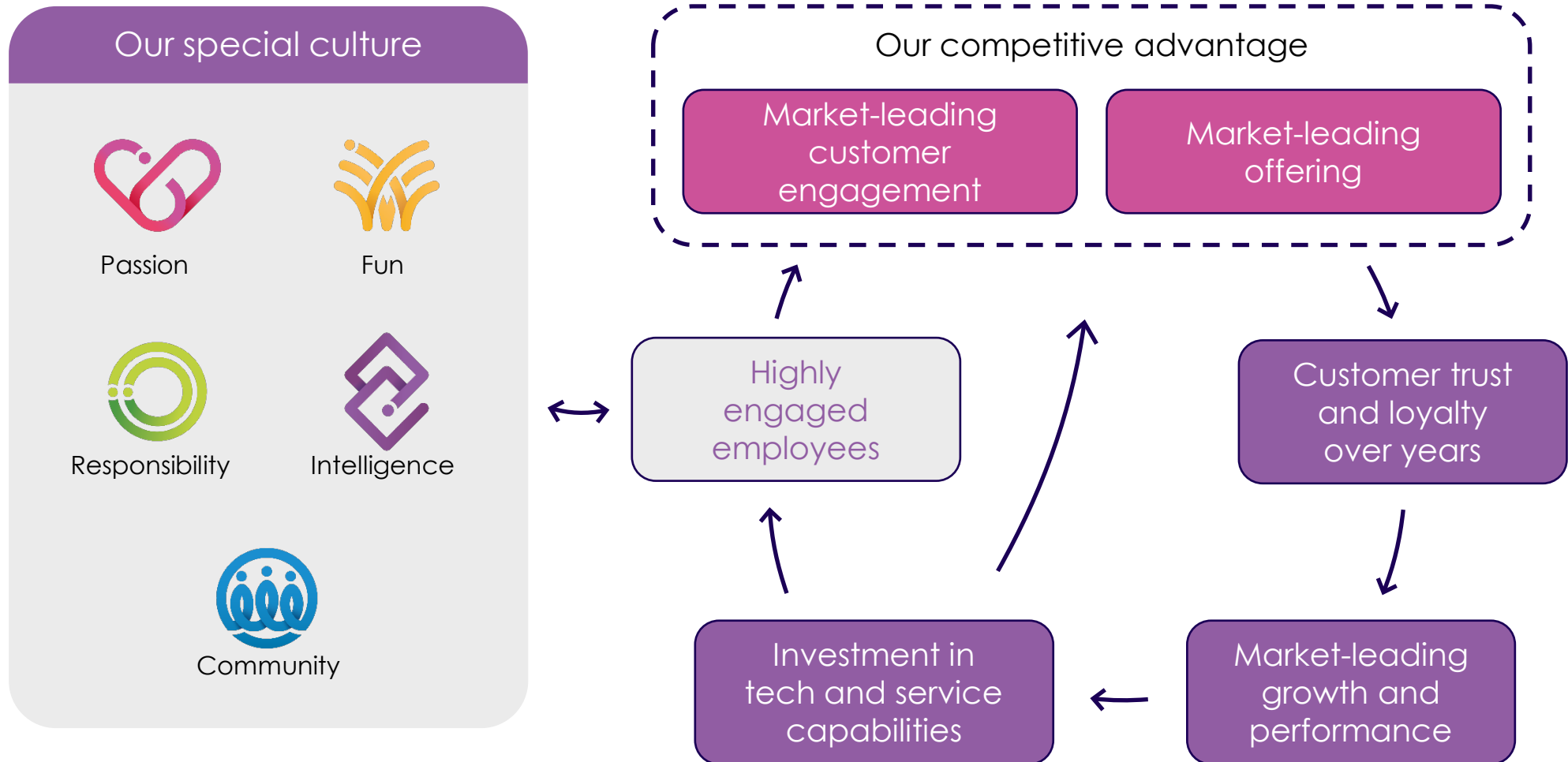
Responsibility



Passionate



Community





ACQUIRE MORE CUSTOMERS



SELL MORE TO
EXISTING CUSTOMERS



PEOPLE AND CULTURE



EASE OF DOING BUSINESS



MAINTAIN RELEVANCE AND
EXPAND OUR ADDRESSABLE
MARKET

Softcat UK market share:

<5%⁽¹⁾

~50k

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

10,100

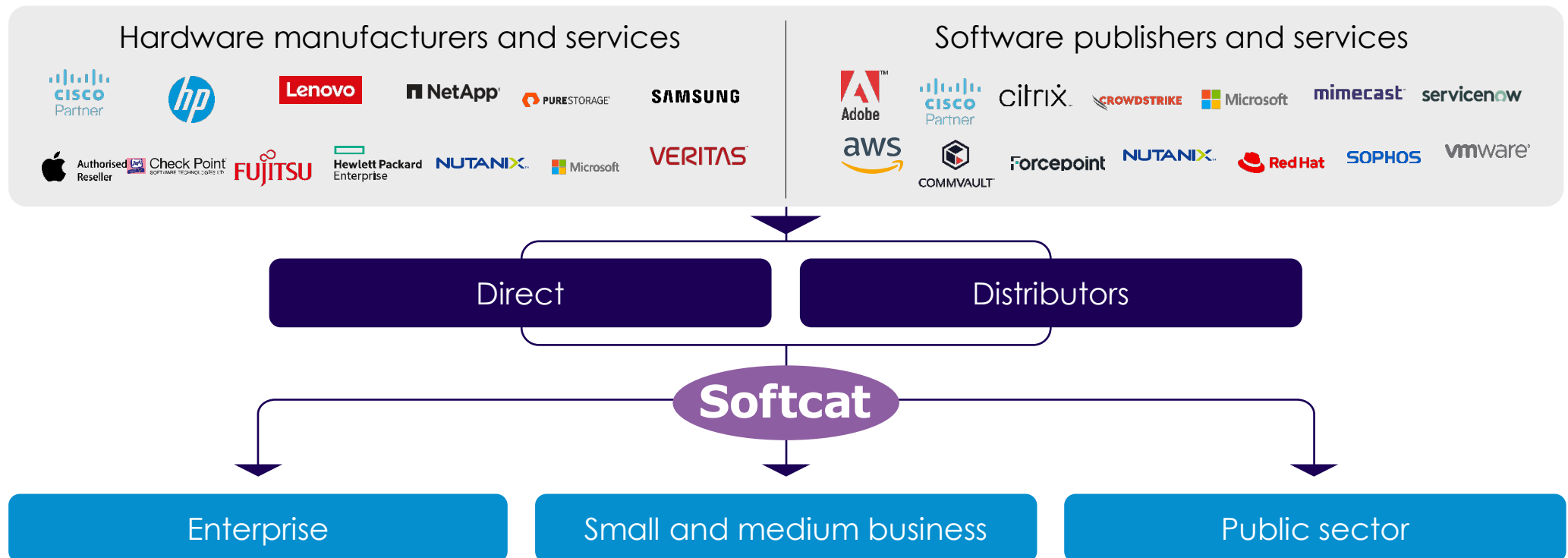
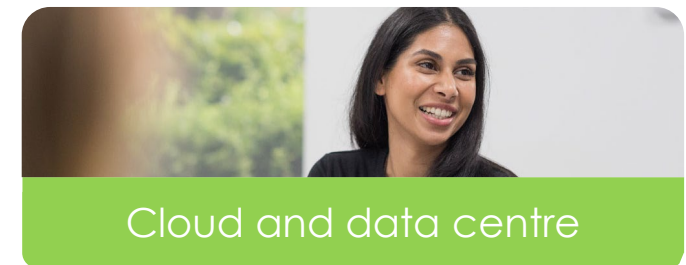
Softcat customers

Source: Company information, Gartner.

(1) See page 9.

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

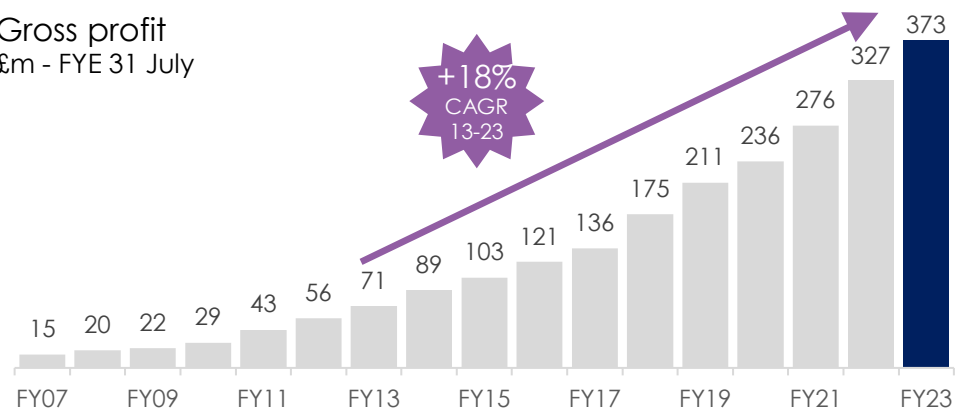
Softcat: at the core of the IT value chain



Our track record: strong and consistent organic growth

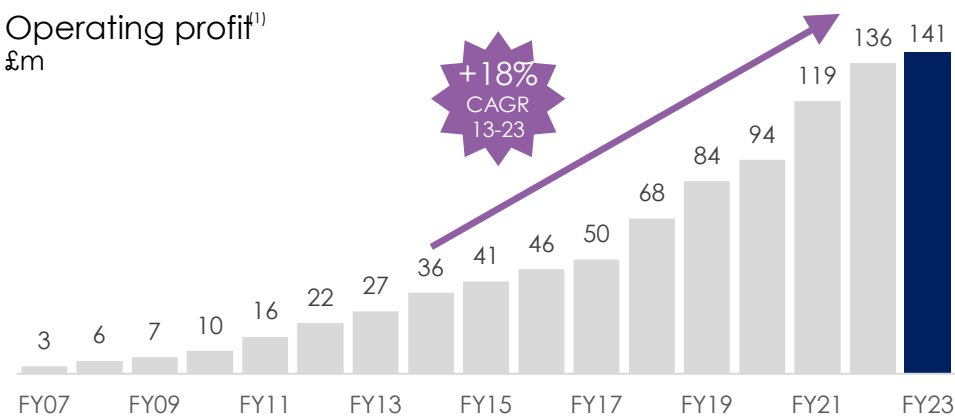
18 years of uninterrupted growth

Gross profit
£m - FYE 31 July



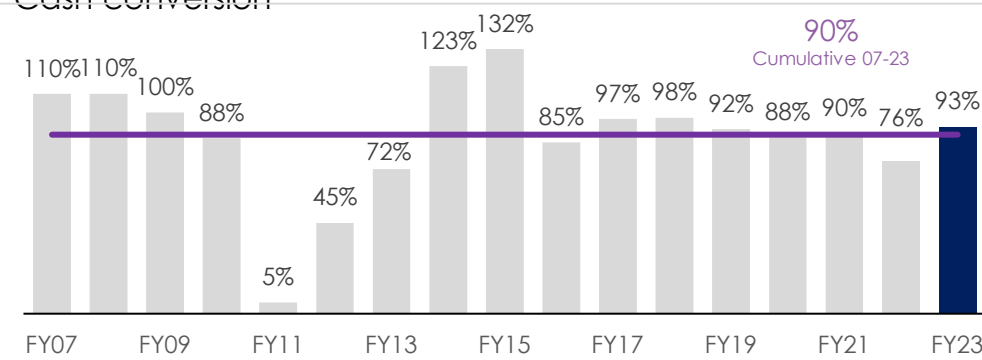
Scaled and stable platform

Operating profit⁽¹⁾
£m



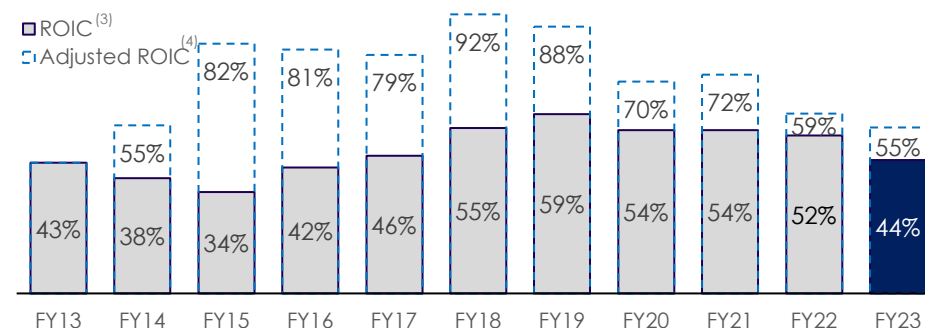
Strong cash conversion

Cash conversion⁽²⁾



Attractive returns on capital

Return on invested capital



Source: Company information.

Note: Financial data FY07-FY12 is stated under UK GAAP; financial data FY13-FY21 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.

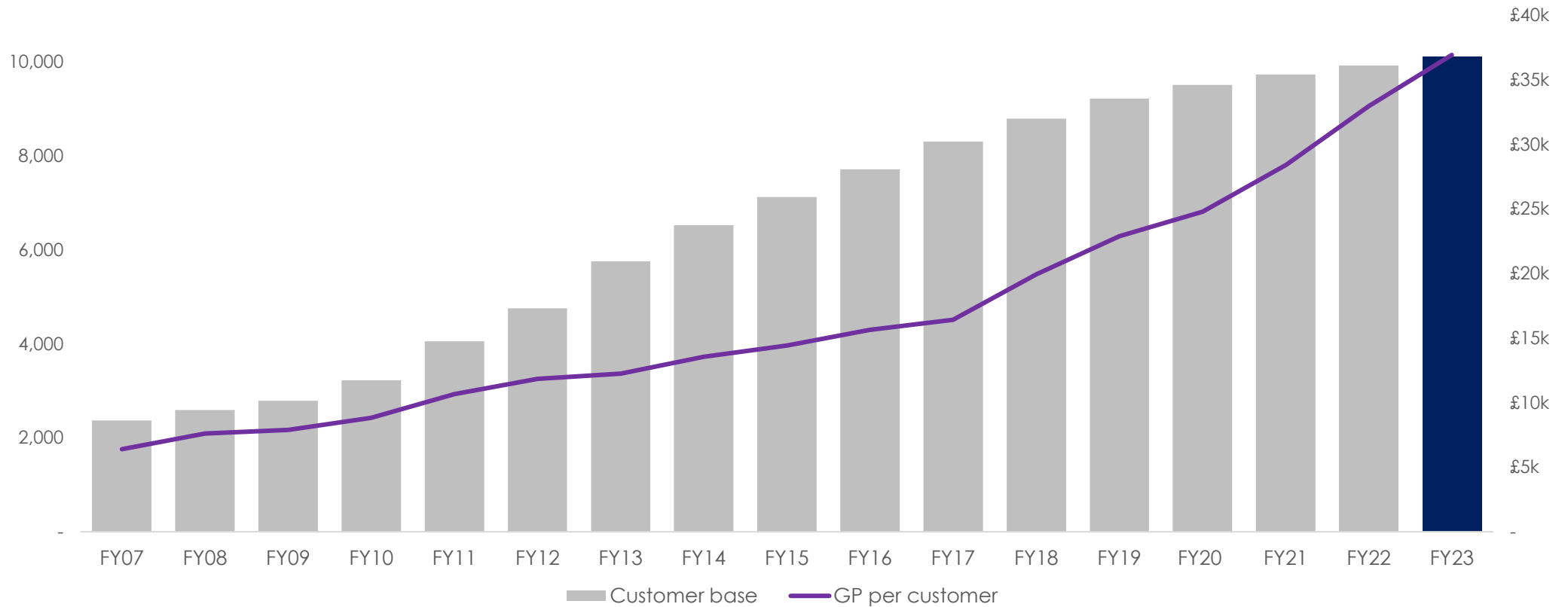
(2) Cash conversion is a non-IFRS financial measure defined as cash generated from operations after capex and as a percentage of non-adjusted operating profit. Cash generated from operations is pre-tax and interest expenses (or finance income).

(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...

We grow our customer base and drive growth in gross profit per customer



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 onwards is stated under IFRS.

...with significant growth opportunity

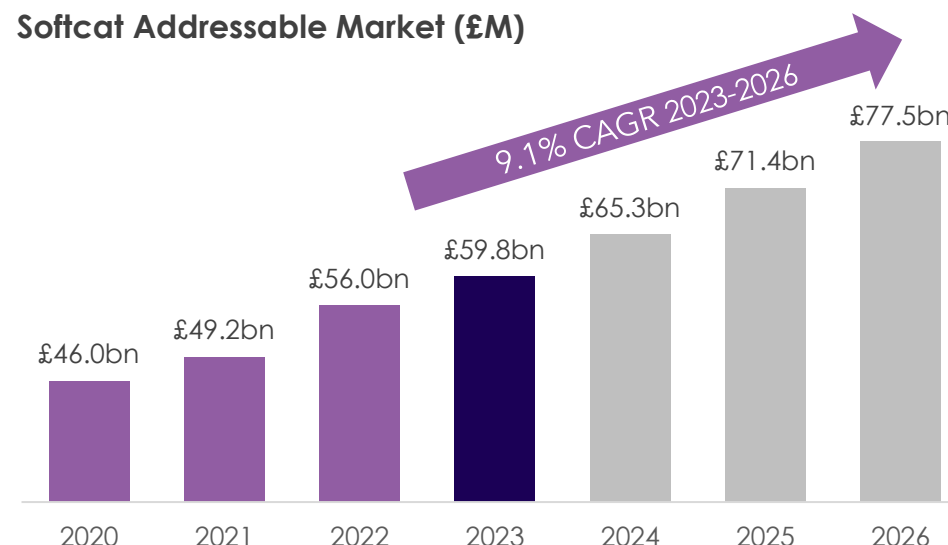
Large and growing market

- The most recent CRN Top 100 VARs report comprises businesses reporting a total of £19.3bn in income, with thousands of smaller resellers in the UK outside the top 100
- Gartner estimate that the UK (non-consumer) IT market was worth £149bn in 2023
- Company analysis of these and other sources suggests that our addressable market is worth around £60bn
- With gross invoiced income of £2.6bn in FY23 our market share was around 5% and grew during the year, excluding our largest customer
- Gartner estimates our addressable market will grow at 9.1% CAGR 2023 to 2026
- If we maintain mid double-digit GII growth for the next 10 years, while our addressable market grows at 5% after 2025, we would more than quadruple in size and have less than 10% market share

Lots of wallet share to go for

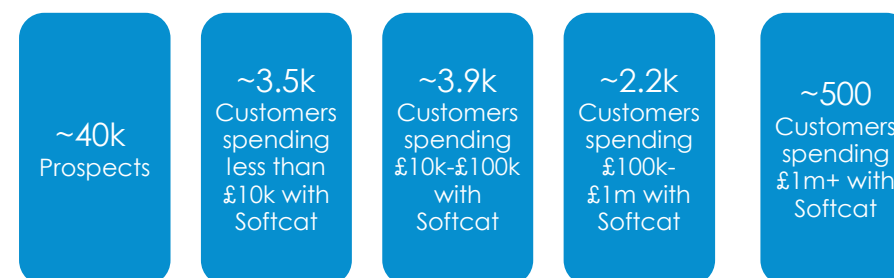
- The current customer base of 10,100 represents around 20% of the UK&I target universe, estimated to be 50k
- This analysis puts our average share of wallet across the existing customer base in the region of 25%
- Our experience with long-standing customers is that a wallet share of >60% is achievable

Softcat Addressable Market (£M)



Sources: Gartner IT Spend forecasts Q2 2023 and Company analysis

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

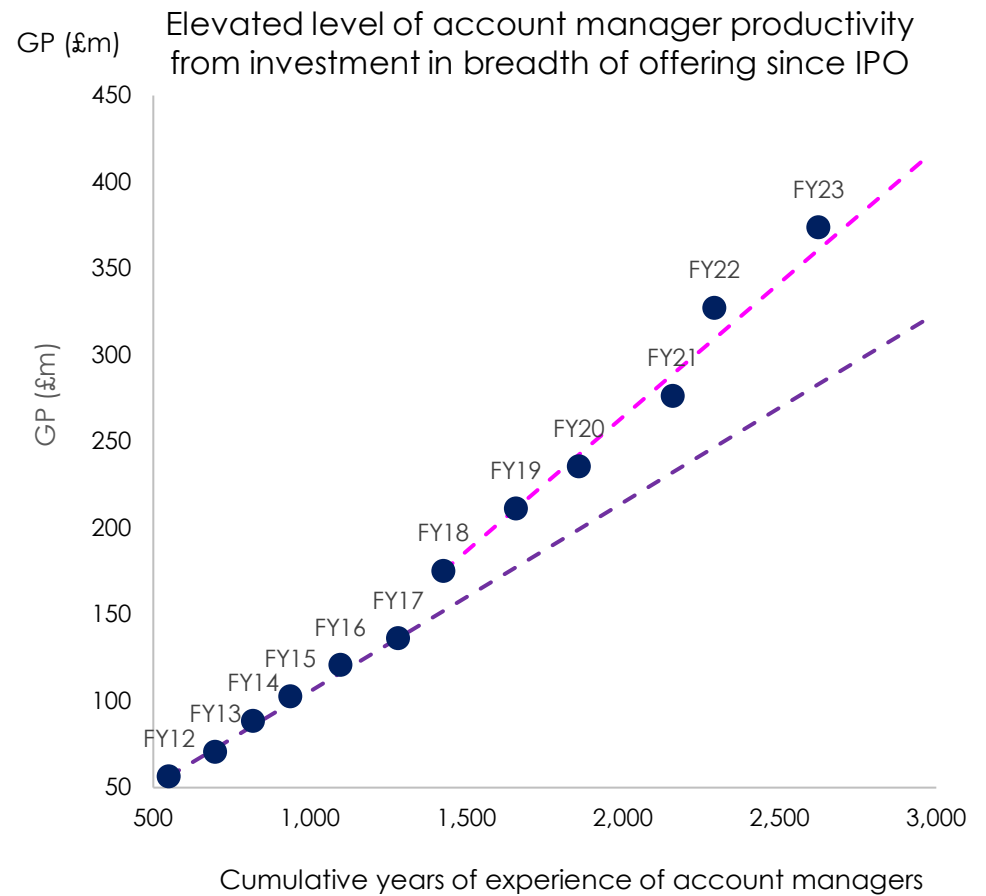


(1) Estimated 40k UK&ROI companies with 20+ employees and 10k public sector organisations in the UK worth targeting

Account manager progression...



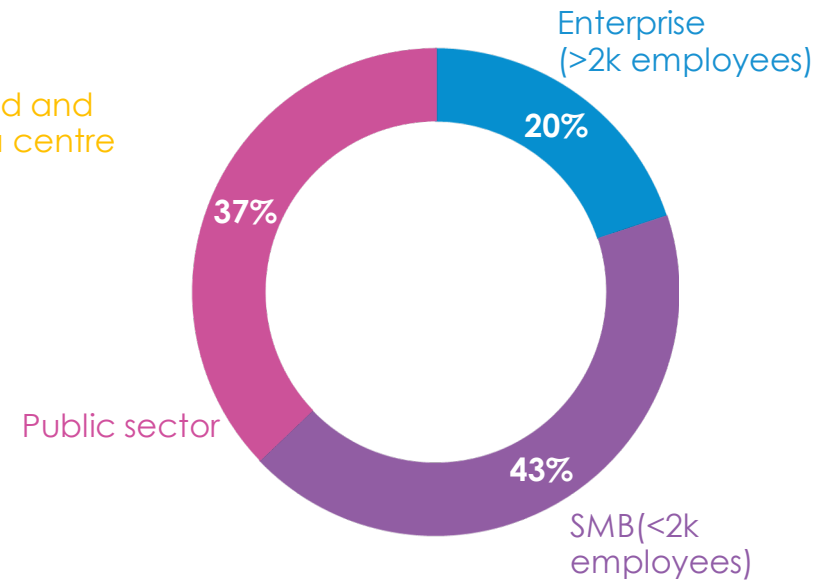
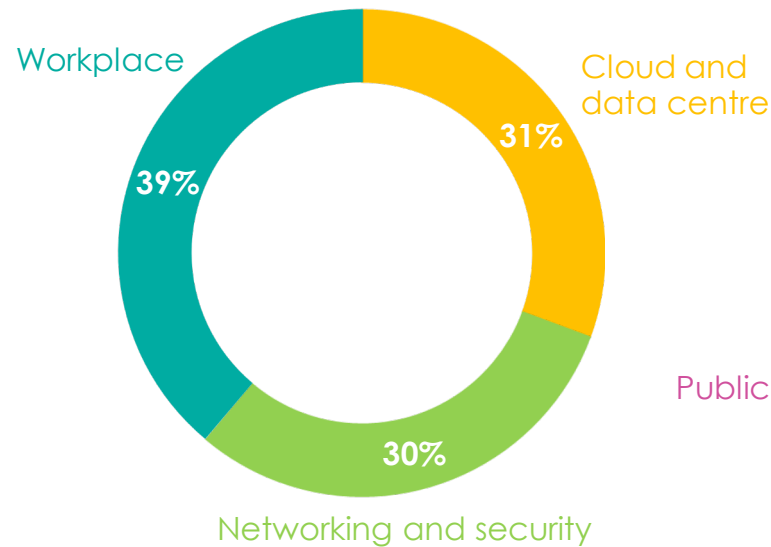
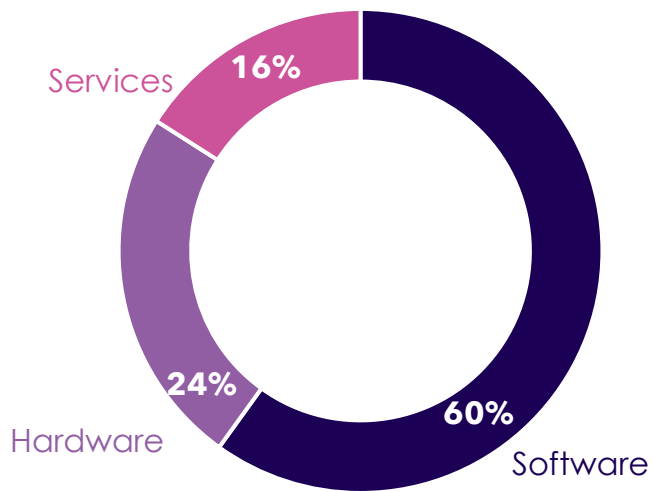
...delivers strong gross profit growth



Selling to a variety of customers...

FY23 gross invoiced income:

£2,563m















Using our diverse range of solutions...



Source: Company information

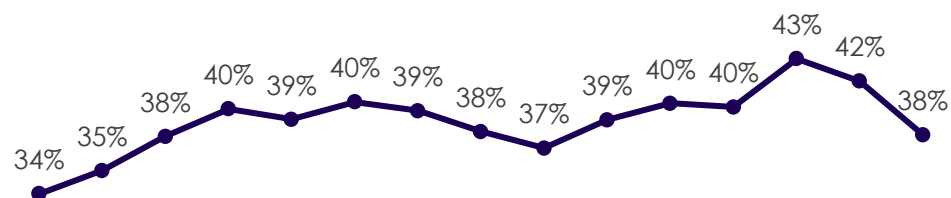
Softcat: the vendors' trusted partner

Vendor	% of FY23 gross invoiced income	Selected accreditations	FY20 to FY23 CAGR
 Microsoft	23%	Azure Expert MSP	14%
 Cisco Partner	7%	Gold Partner	17%
 Dell Technologies Titanium Partner	5%	Titanium Partner	7%
 Hewlett Packard Enterprise	3%	Platinum Partner	16%
 VMware	3%	Pinnacle Partner	3%
 HP	2%	Amplify Power Services Partner	2%
 Lenovo	2%	Platinum Partner	8%
 Mimecast	2%	Elite Partner	12%
 AWS	2%	Authorised Reseller	96%
 Apple Authorised Reseller	2%	Consulting Services Partner	94%
 CrowdStrike	1%	Elite Partner	91%
 Adobe	1%	Platinum Partner	85%
All other vendors	49%		18%

- Strong relationships with leading global vendors
- Scale and breath of vendor relationships ensures impartial bespoke solutions for customers
- Top-level accreditations with all major IT channel vendors
- Always ready to work with upcoming new vendors

Source: Company information.

Best-in-class operating efficiency...

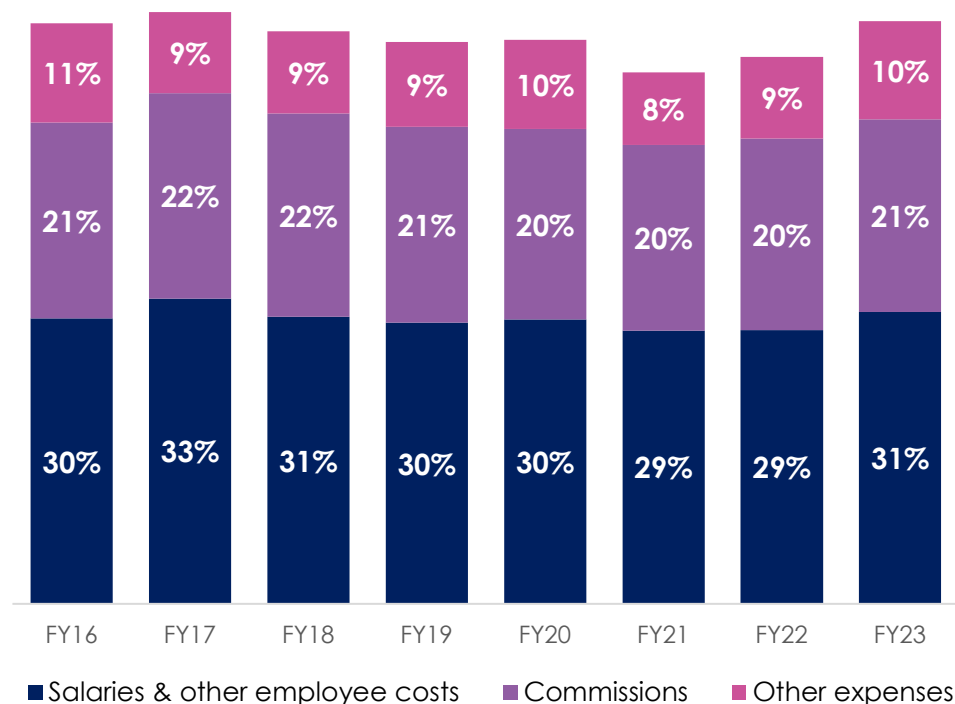


FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23

Operating profit as a % of gross profit⁽¹⁾

...and a lean cost base

Operating expenses evolution as % of gross profit



Source: Company information

Note: Financial data FY07-FY12 is stated under UK GAAP; financial data FY13-FY23 is stated under IFRS

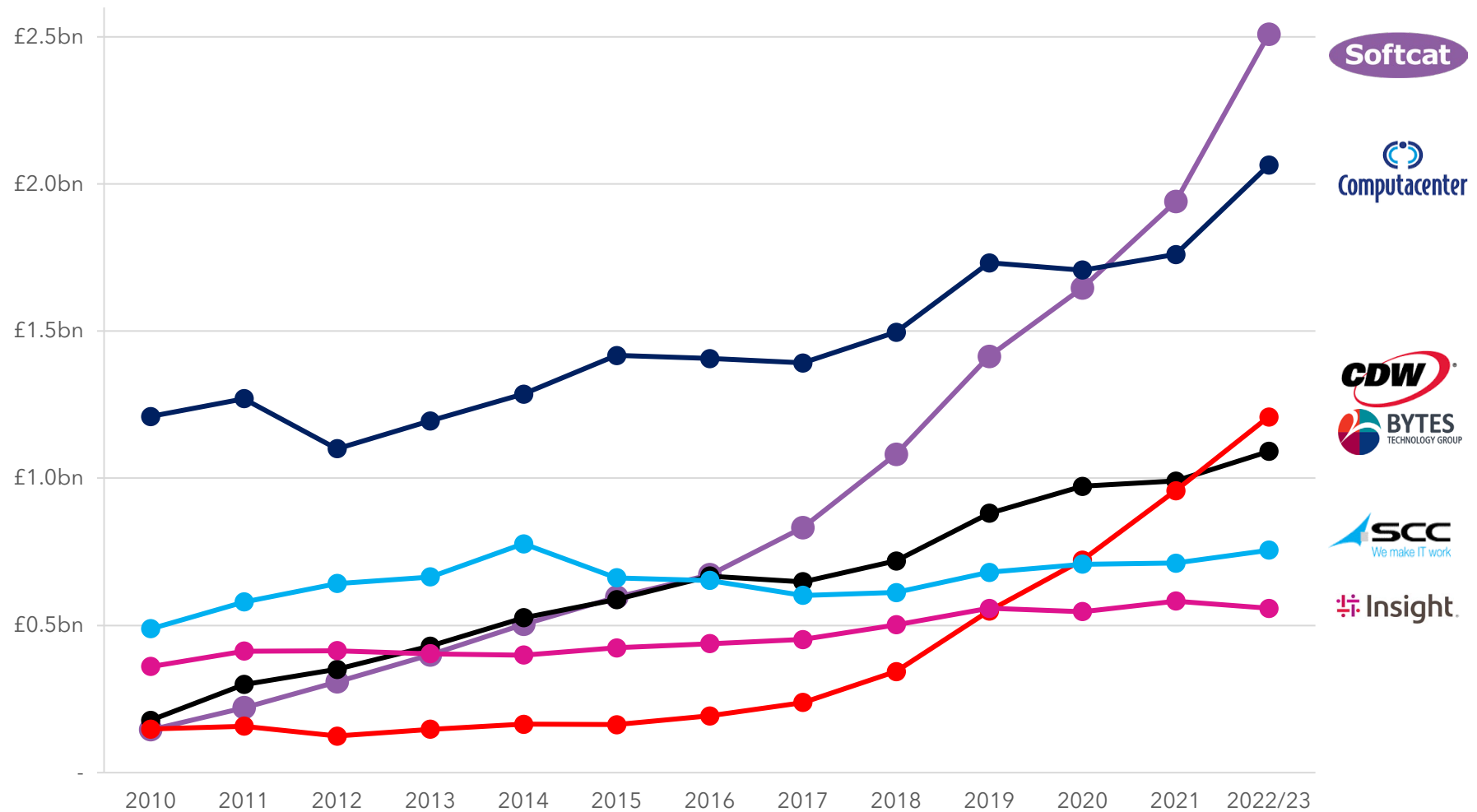
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APPENDIX



Result

UK Gross Invoiced Income per CRN Top 100 VARs for selected peers



Source: ChannelWeb CRN Top VARs 2011 to 2023 and selected company published financial statements.

Summary income statement

£m	FY23	FY22	Change
Revenue	985.3	1,077.9	(8.6%)
<i>Gross invoiced income</i>	2,563.3	2,507.5	2.2%
Gross profit	373.8	327.2	14.2%
GP/GII %	14.6%	13.1%	154bps
Admin. expenses	(232.9)	(191.1)	21.9%
Operating profit	140.9	136.1	3.5%
OP/GP %	37.7%	41.6%	(392bps)
Interest	1.0	(0.0)	
Tax	(29.8)	(25.7)	
Profit after tax	112.0	110.4	1.5%