

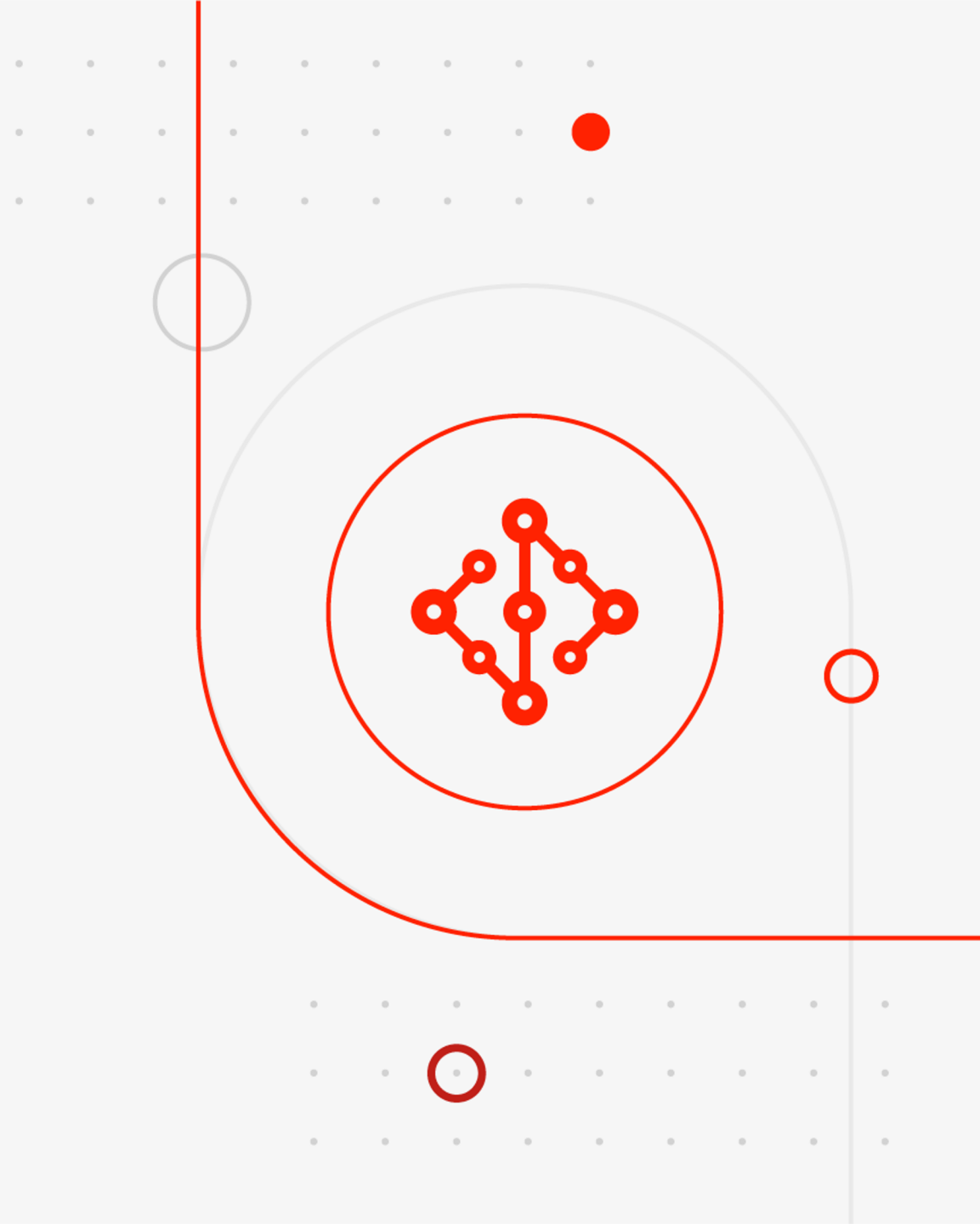


FY 2026

# Full Year Results

Year ended 31 March 2026

[sysgroup.com](https://sysgroup.com)



# FY26 Highlights

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- ⌚ Group revenue up 8% to £22.1m (FY25: £20.5m), driven by a strong second half — H2 revenue +17% (organic +7%)
- ⌚ Driving growth through gaining greater share of customer's wallet; ACV increased 77% over two years
- ⌚ Secured a three-year managed services contract with The Scout Association
- ⌚ Acquired Saxis, a specialist in enterprise storage and data protection, for a purchase price of £1.25m in cash plus up to £0.5m in earn out consideration
- ⌚ Significant revenue synergy with 30% of Saxis contract wins since acquisition from cross sell of Group's products
- ⌚ Strong growth in Cybersecurity; accounts for 45% of total revenue (FY25:40%)
- ⌚ AI is operationally embedded in every function of the business with measurable outcomes
- ⌚ Significantly improved customer experience through workflow redesign and AI-enabled operational tooling
- ⌚ Net Promoter Score increased 4x over two years from 8 to 32
- ⌚ Owen Phillips, CFO, notified the board of his intention to resign; Craig Ormesher to be appointed as Interim CFO



# Income Statement

- Revenue up 8% to £22.1m, with managed IT services now 83% of Group revenue
- Gross margin of 47% (FY25: 49%) reflects strong cyber security growth, which carries a slightly lower margin
- The AI-enabled restructuring programme delivered £1.2m of run-rate savings; the full benefit lands in FY27
- Exceptional items include £0.6m of cost related to restructuring programme.
- Adjusted EBITDA up 26% to £1.2m (5.4% margin), driven by stronger trading and a more efficient base — H2 EBITDA £1.0m (8.1% margin)
- 33% increase in Adjusted Basic EPS<sup>3</sup> to 0.4p (2025: 0.3p). Basic EPS of (2.2)p (2025: (2.3)p)

	Year to 31 Mar 26	H2 to 31 Mar 26	H1 to 30 Sep 26	Year to 31 Mar 25
	£'000	£'000	£'000	£'000
<b>Revenue</b>	22,072	12,143	9,929	20,501
<b>Gross margin</b>	<b>10,273</b>	<b>5,456</b>	<b>4,817</b>	<b>10,010</b>
<i>Gross margin %</i>	46.5%	44.9%	48.5%	48.8%
Overheads	(9,081)	(4,478)	(4,603)	(9,065)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>1,192</b>	<b>978</b>	<b>214</b>	<b>945</b>
<i>Adjusted EBITDA<sup>1</sup> %</i>	5.4%	8.2%	2.2%	4.6%
Depreciation	(505)	(238)	(267)	(538)
Amortisation of Intangibles	(1,539)	(748)	(791)	(1,559)
Exceptional items	(644)	(351)	(293)	(826)
Share based payments & set up	(446)	(152)	(294)	(371)
Net finance costs	(301)	(142)	(159)	(101)
<b>Loss before taxation</b>	<b>(2,243)</b>	<b>(653)</b>	<b>(1,590)</b>	<b>(2,450)</b>
Tax	358	(69)	427	616
Retained profit	<b>(1,885)</b>	<b>(722)</b>	<b>(1,163)</b>	<b>(1,834)</b>
Basic EPS	(2.2)p			(2.3)p
Adjusted Basic EPS <sup>3</sup>	0.4p			0.3p

1. Adjusted EBITDA is profit before net finance costs, taxation, depreciation, amortisation, exceptional items, share-based payments and share scheme set-up costs.

2. H1 FY26 unaudited, as published in the interim results (December 2025)

3. Adjusted Basic EPS is profit after tax after adding back amortisation of intangible assets, exceptional items, share-based payments, share-set up costs and associated tax, divided by the weighted average number of shares in issue



# Statement of Financial Position

- Increase in intangibles driven by Saxis acquisition (£1.3m Customer Relationships, £0.2m Brand, £0.6m Goodwill – total £2.0m), net of amortisation of existing intangibles of £1.5m
- Reduction in PPE driven by £0.5m of depreciation, net of £0.1m of additions
- Strong cash position, with gross cash of £7.7m (FY25: £8.7m) after net payment of £0.8m for acquisition of Saxis
- Net trade debtors fell to £2.3m (FY25: £2.9m) on invoicing timing; prepayments (£2.7m; FY25: £2.4m) and contract liabilities (£3.6m; FY25: £3.7m) were broadly stable, reflecting billing annually in advance
- Net cash after bank loans and lease liabilities £2.7m (FY25: £3.6m)

	31 Mar 26	31 Mar 25
	£'000	£'000
Goodwill	18,898	18,342
Intangible assets	4,071	4,047
Plant, property and equipment	1,073	1,441
<b>Non-current assets</b>	<b>24,042</b>	<b>23,830</b>
Trade and other receivables	5,066	5,376
Cash	7,737	8,740
<b>Current assets</b>	<b>12,803</b>	<b>14,116</b>
Trade and other payables	(4,870)	(4,674)
Lease liabilities	(150)	(189)
Contract liabilities	(3,386)	(2,075)
Deferred consideration	(232)	(95)
Contingent consideration	(217)	-
<b>Current liabilities</b>	<b>(8,855)</b>	<b>(7,033)</b>
Lease liabilities	(30)	(180)
Contract liabilities	(166)	(1,649)
Provisions	(162)	(295)
Deferred tax	(286)	(288)
Contingent consideration	(204)	-
Bank loan	(4,858)	(4,770)
<b>Non-current liabilities</b>	<b>(5,706)</b>	<b>(7,182)</b>
<b>Net assets</b>	<b>22,284</b>	<b>23,731</b>
Called up share capital	855	855
Share premium	19,329	19,329
Treasury reserve	(652)	(842)
Other reserve	3,785	3,481
Retained earnings	(1,033)	908
<b>Equity</b>	<b>22,284</b>	<b>23,731</b>



# Cashflow & Net Debt

## Cash conversion

- Adjusted EBITDA £1.2m and net cash from operations £1.3m drove cash conversion of 105% (FY25: 54%)

## Cashflow movements

- Working capital released £0.2m (FY25: absorbed £0.8m), intensity remains broadly stable
- Acquisition-related outflows of £0.8m: £1.25m cash consideration, £(0.4)m cash acquired
- Capex of £0.1m on PP&E (FY25: £0.2m) and £0.1m on intangibles (FY25: £0.6m)

## Net cash / (debt)

- Net cash after bank loans and lease liabilities £2.7m (FY25: £3.6m)
- Debt funding secured until April 27 (Debt = RCF, used for M&A only)

1. Net cash represents cash balances less bank loans and lease liabilities, excluding deferred and contingent consideration

2. Adjusted EBITDA is profit before net finance costs, taxation, depreciation, amortisation, exceptional items, share-based payments and share scheme set-up costs

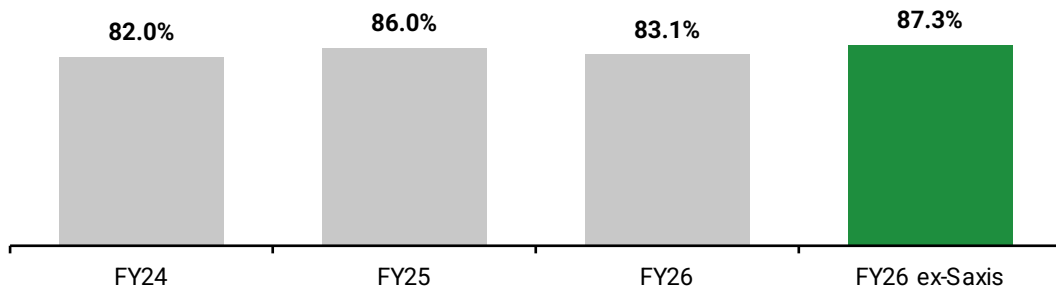
3. Cash conversion comprises cash from operations, after adding back exceptional cash flows, divided by Adjusted EBITDA

	Audited Year to 31 Mar 26 £'000	Audited Year to 31 Mar 25 £'000
<b>Net cashflow from operating activities</b>	<b>548</b>	<b>(620)</b>
Payments to acquire tangible & intangible assets	(217)	(749)
Acquisition of subsidiary net of cash acquired	(829)	(311)
Interest received on cash deposits	164	371
<b>Cashflow before financing</b>	<b>(334)</b>	<b>(1,309)</b>
Contingent consideration payment	(95)	(1,862)
<b>Proceeds from issue of share capital</b>	<b>-</b>	<b>10,589</b>
Other financing	(574)	(621)
<b>Net cashflow</b>	<b>(1,003)</b>	<b>6,797</b>
Opening cash balance	8,740	1,943
<b>Closing cash balance</b>	<b>7,737</b>	<b>8,740</b>
<b>Net cash</b>		
Cash balances	7,737	8,740
Bank loans	(4,858)	(4,770)
Lease liabilities	(180)	(369)
<b>Net cash<sup>1</sup></b>	<b>2,699</b>	<b>3,601</b>
Contingent consideration	(653)	(95)
<b>Net cash including contingent consideration</b>	<b>2,046</b>	<b>3,506</b>
<b>Cash conversion<sup>3</sup></b>		
Cash flow from operations	548	(660)
Integration, restructuring and exceptional cashflows	700	1,173
<b>Cash generated from operations</b>	<b>1,248</b>	<b>513</b>
Adjusted EBITDA <sup>2</sup>	1,193	945
<b>Cash Conversion</b>	<b>105%</b>	<b>54%</b>

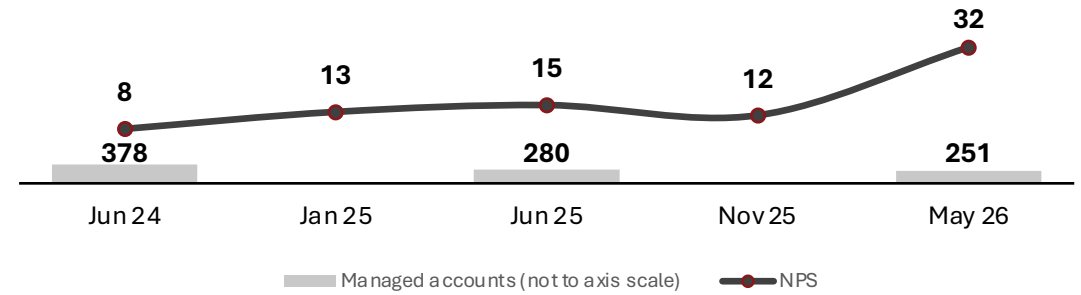


# Improved Quality of Revenue

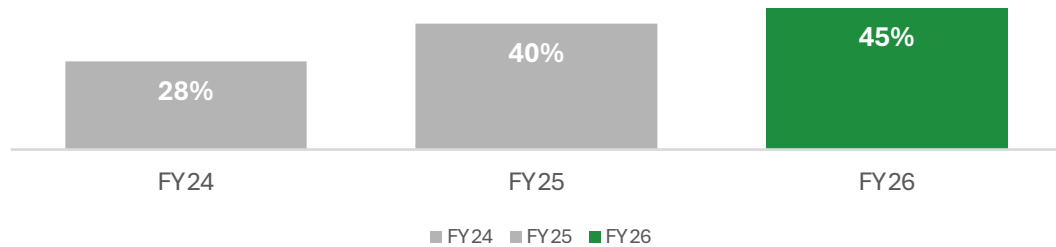
## Managed IT Services mix



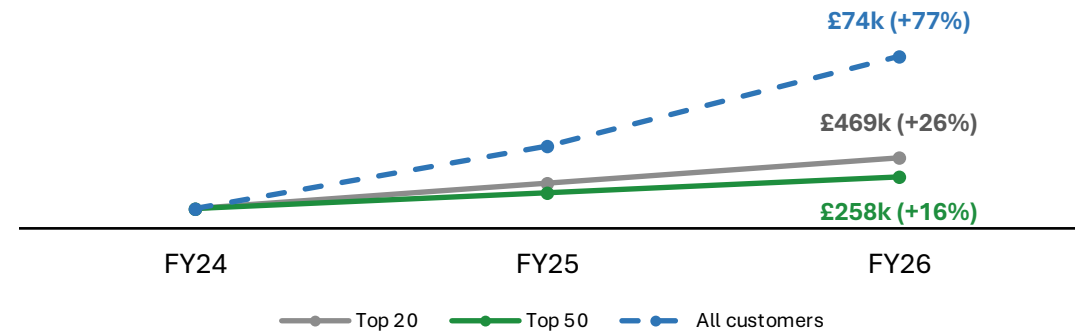
## Fewer accounts, rising NPS



## Cybersecurity growth



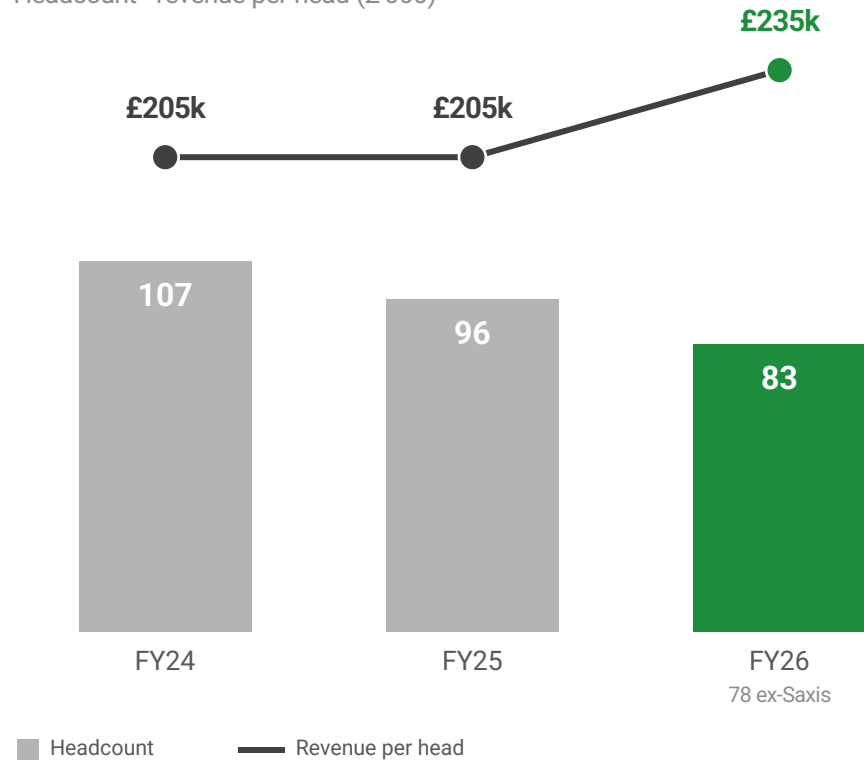
## Average contract value growth (FY24 = 100)



# Broader Services, Leaner Cost Base

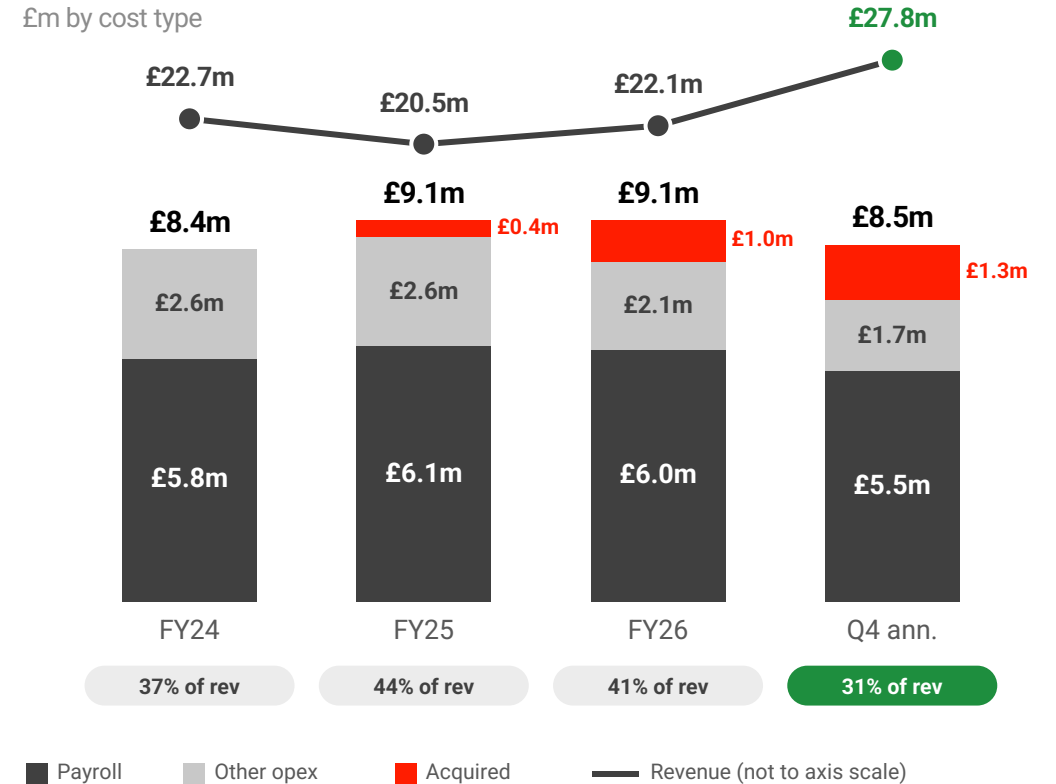
## People & Productivity

Headcount · revenue per head (£'000)



## Operating Costs

£m by cost type



# Delivering on What We Said

Focus area	What we said (FY25)	Delivered in FY26
<b>Managed services</b>	Flagged an inflection point — two consecutive quarters of managed services growth and reduced churn — and expected the trend to sustain.	Managed services increased £0.7m (FY25: £0.9m decline). Managed IT now 83.1% of the mix (87.3% ex-Saxis) — a higher-quality, more defensible base.
<b>AI</b>	Early service desk gains would become structural efficiency, with AI driving the operating model and a differentiated sales engine.	AI embedded across every function against measurable outcomes; integrated data, secure bridges and custom apps drove £1.2m of annualised cost savings. Next phase building client intelligence layer to drive MSP 3.0
<b>Cybersecurity</b>	Continue strengthening our position as regulation, threats and infrastructure complexity drive customer demand.	Cyber now 45% of total revenue; strengthened partnerships with Zscaler and Rubrik deepen capability and strategic relevance.
<b>M&amp;A</b>	Pursue selective, accretive MSP acquisitions, integrated efficiently through AI-enabled onboarding.	Acquired Saxis (Dec 2025, £1.25m + £0.5m earn-out) — our fastest integration yet, with ~30% of its wins from cross-sell.



# Mature Service Businesses Are Ideal Ground for AI

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A managed service provider concentrates the conditions under which AI compounds: repeatable work, rich operational data, a labour-led cost base and measurable outcomes.



## Repeatable by design

Service delivery runs on tickets, runbooks and SLAs – structured, high-volume workflows that AI automates and improves.



## Data-rich operations

Every ticket, alert and configuration is already captured in RMM, CRM and monitoring systems – the raw material AI needs.



## Labour-led economics

Cost is people, not plant. Every hour AI releases converts directly to margin or to higher-value work.



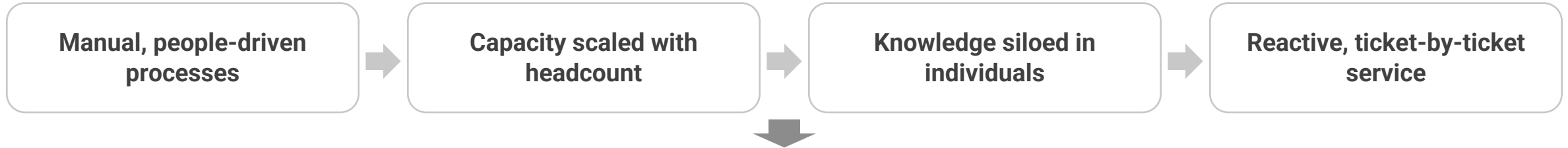
## Provable outcomes

SLAs, CSAT and cost-to-serve make impact measurable – gains show up in KPIs, not anecdotes.

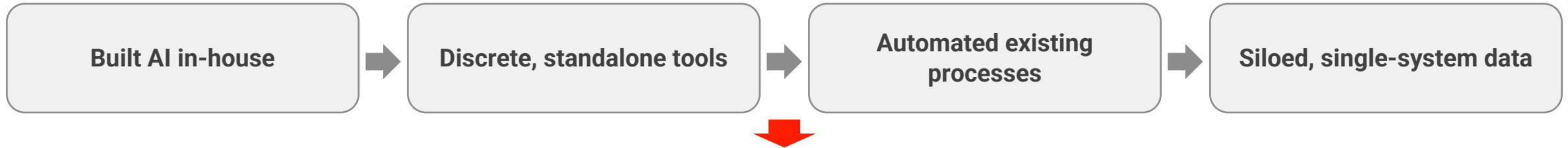


# AI-Led Operating Model

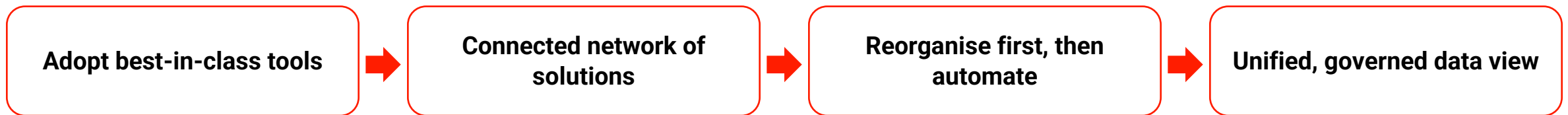
## PRE-AI · Manual & people-led



## BEFORE · Build-led & fragmented



## AFTER · AI-led & connected



**A connected, governed data foundation lets AI reason across the whole customer — turning isolated productivity gains into a genuine operating advantage.**



# AI Embedded in Every Functions – Beyond Copilot

Every functions run on AI every day – on integrated source data, in-house AI applications and Board-level governance. An operating engine, not a copilot experiment.



## Finance & FP&A

Most of FP&A – forecasts, board papers, real time analytics – is AI-produced, with SAP integrated via Datarails.



## Sales & Marketing

Meeting prep down from 30–45 to ~10 minutes; newsletter 100% AI-generated.



## Service & Customer Success

AI voice agent logs inbound tickets; monthly service reports take 10 minutes, down from 60. Eight AI-built tools live.



## Cyber Consulting

Pentest reports drafted 40% faster; consultants save 1–3 hours per deliverable across assessments and reporting.



## Hybrid Cloud & Engineering

12+ AI tools in daily use, from vulnerability triage to patching; top adopters report 5x development output.



## HR, Legal & Alliances

Self-serve HR assistant released ~30% of HR enquiries; AI contract review and alliance planning tools in use.



# Fewer Tickets, Faster Resolution, Lower-Cost Delivery

Over the 24 months to May 2026, routine demand has been engineered out before it reaches an engineer, and what remains is resolved faster by a leaner, lower-cost team.

## Tickets reduced 17%

Monthly ticket volume down 17% year on year, with routine low-touch tickets down 24% as automation and proactive monitoring remove work before it reaches an engineer.

## Resolution time -50%

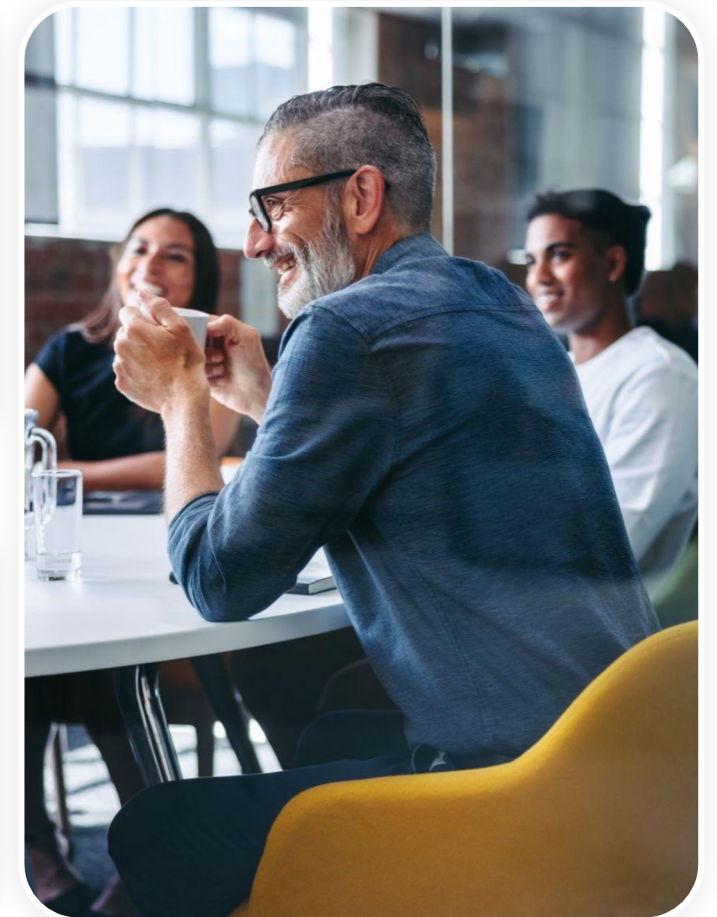
Median P3/P4 resolution time halved over 24 months; backlog down 34% to a two-year low, with the oldest aged tickets more than halved from peak.

## Routine work automated

New-starter and leaver requests auto-resolved end to end with no engineer involvement; first-line monitoring triage now runs from a lower-cost team in India, taking up to a third of monitoring volume.

## Front-line payroll -39%

Front-line establishment down 39%, with graduate apprentices resolving at ~30% lower cost per ticket – while specialist third-line capacity was held flat, retaining complexity in-house.



Comparisons are Year 1 (Jun 24–May 25) vs Year 2 (Jun 25–May 26) unless stated; point-to-point figures compare May 2024 with May 2026.

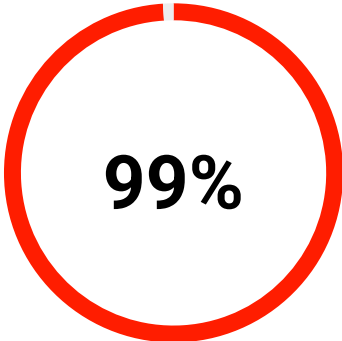


# AI Service Excellence: Customer Outcomes



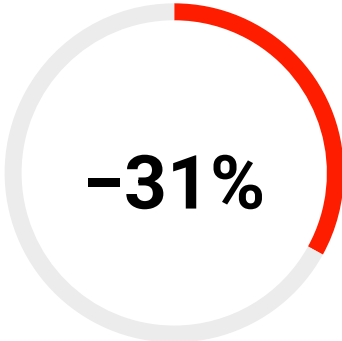
## Net Promoter Score

Up from 8 (Jun 2024) to 32 (May 2026)— a 4x improvement.



## Customer Satisfaction

98% average over 12 months vs a 95% target — above target every month; 99% in May 2026.



## P1 Critical Incidents

Down a third, as proactive monitoring intercepts issues before they become critical.



## Resolution Time

Median P3/P4 resolution halved, May 2024 to May 2026; average down 35% year on year.

Comparisons are Year 1 (Jun 24–May 25) vs Year 2 (Jun 25–May 26) unless stated; point-to-point figures compare May 2024 with May 2026.



# Our AI Strategy: A Compounding Data Advantage

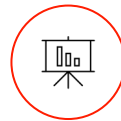
We are rebuilding SysGroup as an AI-native platform. Every ticket, alert and conversation becomes data we own, and that data compounds with every client we serve and every business we buy. It is what a competitor starting today cannot replicate. Three programmes build it.



## Service Desk: proving the model

- We rebuilt the desk around AI before we automated it.
- Tickets resolved around twice as fast.
- Customer satisfaction above 98%. Net Promoter Score up from 8 to 32.
- Headcount down from 36 to 25, with service quality up.
- AI-first culture as standard

**Live demo: AI ticket triage and auto-resolution.**



## Client Intelligence Layer: scaling organically

- One view of every client: CRM, the service desk and monitoring tools, translated into commercial language and guiding cross/up-selling.
- A new account manager is productive on day one, not in three months.
- Proactive changes rather than break-fix improve satisfaction and reduces tickets

**Live demo: Client Intelligence dashboard**



## AI Conductor: scaling by acquisition

- A self-compounding knowledge graph of how SysGroup works.
- We can deploy it on any business we buy to learn how they operate and integrate them faster.
- Allowing us to integrate acquisitions faster to better realise synergies.

**Working now: institutional knowledge graph which automatically captures key ontological data**

The service desk proved the model. The Client Intelligence Layer drives organic growth. The AI Conductor drives growth by acquisition.



# The Digital Fingerprint: From Signal to Outcome

## SIGNAL TO INTELLIGENCE

*We correlate signals across every tool and across time into one model of how a client operates, and how our own people work and decide.*

*This allows us to: automate, have more valuable conversations with our clients, and to cross-sell our services even better.*

*This knowledge-graph compounds over time, meaning we have a stickier service with our customers.*

**LAYER 01**    Digital Fingerprint

**LAYER 02**    Intelligence

**LAYER 03**    MSP 3.0

## OUR SENSOR NETWORK

*Six specialist tools watch a client's full technology stack. Correlated together, they build a live digital fingerprint of the client. The client gets stronger protection, and we can provide a better more proactive service. The more we know, the more we can protect*

## BECOMING AI NATIVE

*AI-first, proactive, and selling outcomes rather than services. We see risk building before a client does, and act first. As the model matures, we will build automations straight from it, so how we work becomes software that does the work.*

*We are early, and deliberately so. We are proving the pattern at low cost before we invest at scale. The destination is a business that knows its clients better than they know themselves and increasingly runs itself.*



# Redefining the MSP Market

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## MSP 1.0: Hardware-centric

Fragmented and hardware-centric: break/fix support delivered in silos across network, storage, hosting and security. Transactional 'call us when it breaks', low-margin and reactive.



## MSP 2.0: Solution-led

Integrated and solution-led: unified offerings across cloud, connectivity and cybersecurity. Vendor-agnostic and recurring 'we manage it for you', scalable and resilient.



## MSP 3.0: AI-driven

AI-driven and insight-led: predictive, proactive support selling guaranteed outcomes. A leverageable platform with OPEX decoupled from revenue, high-margin and consolidation-ready.



# Summary and Outlook

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- **Return to profitable growth** – revenue up 8% to £22.1m with H2 up 17% year on year (7% organic); adjusted EBITDA up 26% to £1.2m, ahead of market expectations
- **Higher-quality, more defensible revenue base** – managed services revenue stabilised after two years of decline; Managed IT Services at 87.3% of revenue (excluding Saxis) with churn materially reduced
- **AI-led operating model delivering** – £1.2m of annualised cost reduction without compromising service capability; AI embedded across every function of the Group – re-engineering how the company operates, not bolting technology onto old processes
- **Strong growth in Cybersecurity** – regulatory pressure and an expanding threat landscape are driving engagement at C-suite and board level; partnerships deepened with Zscaler and Rubrik
- **Accretive M&A in a fragmented MSP market** – Saxis acquired December 2025, adding a high-quality public sector client base; integration materially faster than prior acquisitions - 30% of Saxis contracts won since acquisition from cross sell of Group's products
- **Well capitalised entering FY27** – £7.7m gross cash; Q1 trading encouraging and pipeline building; the Board is confident in sustainable, profitable growth and further selective acquisitions



# Why SysGroup? Five Reasons to Own the Stock

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## 1 A proven turnaround

Revenue +8%, Adjusted EBITDA +26% and 105% cash conversion in FY26 – with H2 revenue up 17% and momentum carried into FY27

## 2 An AI-native operating model that decouples growth from headcount

£1.2m of annualised savings delivered; EBITDA margin near-doubled in H2 to 8.2% – while NPS rose 4x and customer satisfaction averaged 98%

## 3 A cybersecurity engine in a structural growth market

Cybersecurity is 45% of Group revenue (FY25: 40%) in a UK cyber market growing 11% a year, with deepening Zscaler and Rubrik partnerships

## 4 A consolidation platform in a deeply fragmented market

Nearly 13,000 UK MSPs and a proven, AI-enabled acquisition playbook – Saxis integrated in record time with 30% of its wins from cross-sell

## 5 A strong balance sheet funding the strategy

£7.7m gross cash and £2.7m net cash after funding Saxis entirely from existing resources – capacity for further selective, accretive M&A





Thank you!

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