

Cerillion plc

Interim Results for the half-year to 31 March 2025

19 May 2025

cerillion



Louis Hall
Founder & CEO



- Led the MBO of the original business from Logica plc in 1999 and the IPO of Cerillion in 2016.
- 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 The Vitec Group plc (now renamed Videndum plc)

KEY HIGHLIGHTS

For the six months to 31 March 2025

cerillion

> Group continued to trade well

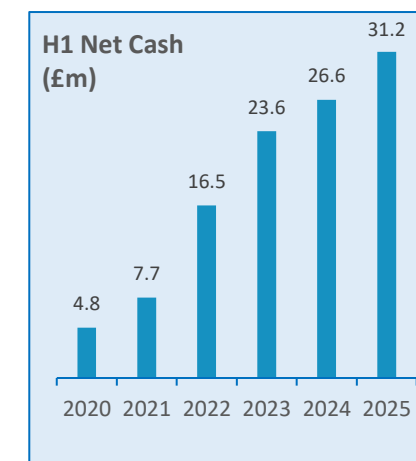
- Major new customer win; \$11.4m contract with a national telecoms provider in Armenia
- £5.4m term renewal agreed with a European customer
- Another European customer to use Cerillion to support migration of a newly acquired, tier-1 base c. £8m services agreement signed post year-end, with major licence extension expected to follow
- New customer pipeline up 3% to £261m (H1 2024: £254m)
- Back-order book up 23% as at 30 April to £56.5m (30 April 2024: £45.8m)

> H1 results reflect the higher weighting of licence renewals/extensions anticipated in H2

- Total revenue down 7% to £20.9m (H1 2024: £22.5m) | Adj PBT down 12% to £9.3m (H1 2024: £10.5m)
- Recurring revenue¹ in period up 8% to £8.2m (H1 2024: £7.6m)
- Net cash up 17% to £31.2m (H1 2024: £26.6m)

> Interim dividend up 20% to 4.8p (H1 2024: 4.0p)

> Business remains well-positioned to achieve full-year consensus market expectations



1. Recurring revenue includes support and maintenance, managed service, Skyline and third-party hardware and hosting revenue reported in the period.

> Major new implementations progressed with

- **Virgin Media Ireland**
initial delivery phases completed
customer migration commencing in July
- **Major provider of connectivity solutions in Southern Africa**
customer migration completing in July
- **Ucom (Armenia)**
analysis underway
- **Major European customer, migration of acquired tier-1 customer base**
analysis underway

> Launch of new features in Cerillion 25.1

- Promotions Engine
- Gen AI supported *Intelligent Assistants*



Major Transformation Project

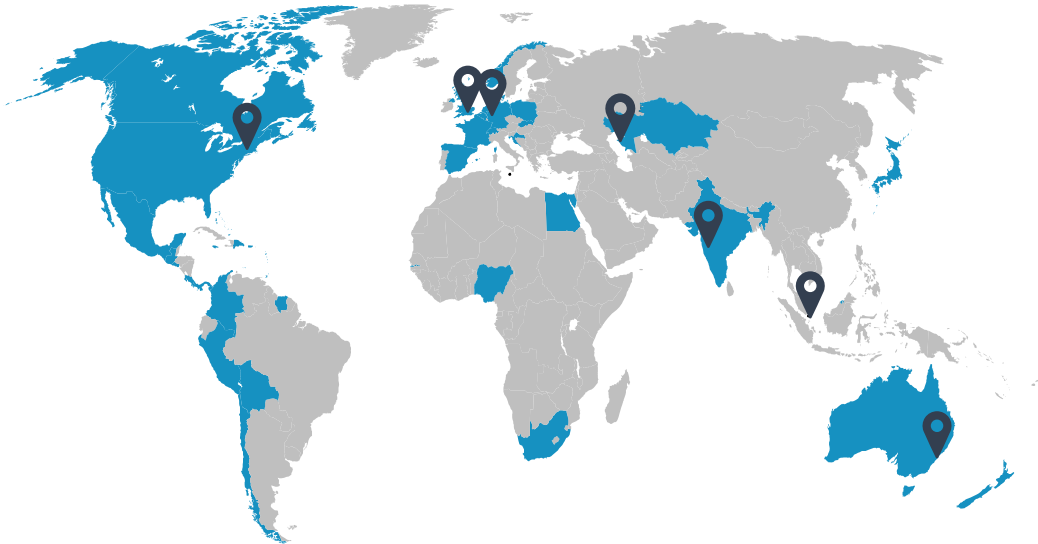
“After the extensive selection process our evaluation team visited three different Cerillion customers, to see their BSS/OSS Suite in action and to speak with real users. These reference visits proved to be invaluable, seeing the software used and talking with the teams validated our own technical assessment, and gave us absolute confidence in the certainty of outcome that Cerillion delivers. Robustness, flexibility and scalability, are all non-negotiable, and we’re confident this partnership with Cerillion will provide the digital foundation we need to support our ongoing growth.”

Ralph Yirikian, General Director of Ucom



Mission critical BSS/OSS¹ software for the global telecoms market

1. Business Support Systems / Operations Support Systems



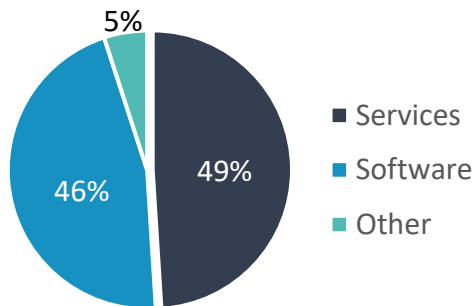
c.75 customer installations
across c.45 countries

H1 2025 REVENUE
£20.9m
(H1 2024: £22.5m)

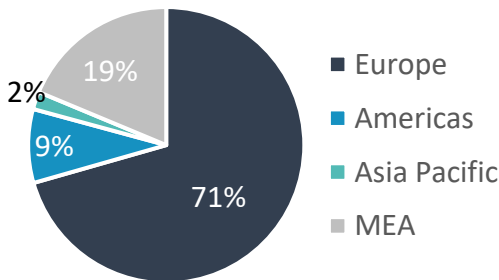
H1 2025 ADJ PBT
£9.3m
(H1 2024: £10.5m)

- c. 365 staff
- 📍 UK c. 120
- 📍 India c. 215
- 📍 Bulgaria c. 30

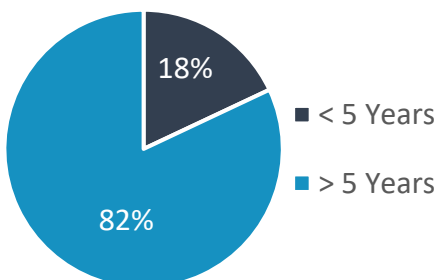
Revenue by Type



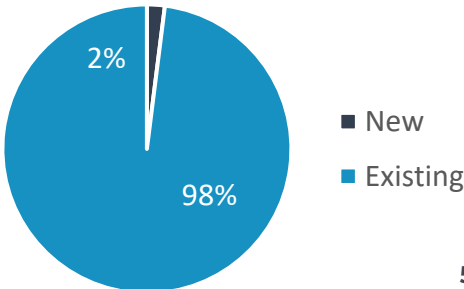
Revenue by Region



Customer Longevity



New v Existing Customer Revs




Software revenue is made up of licence, support and maintenance, managed service and Skyline revenue




Customers

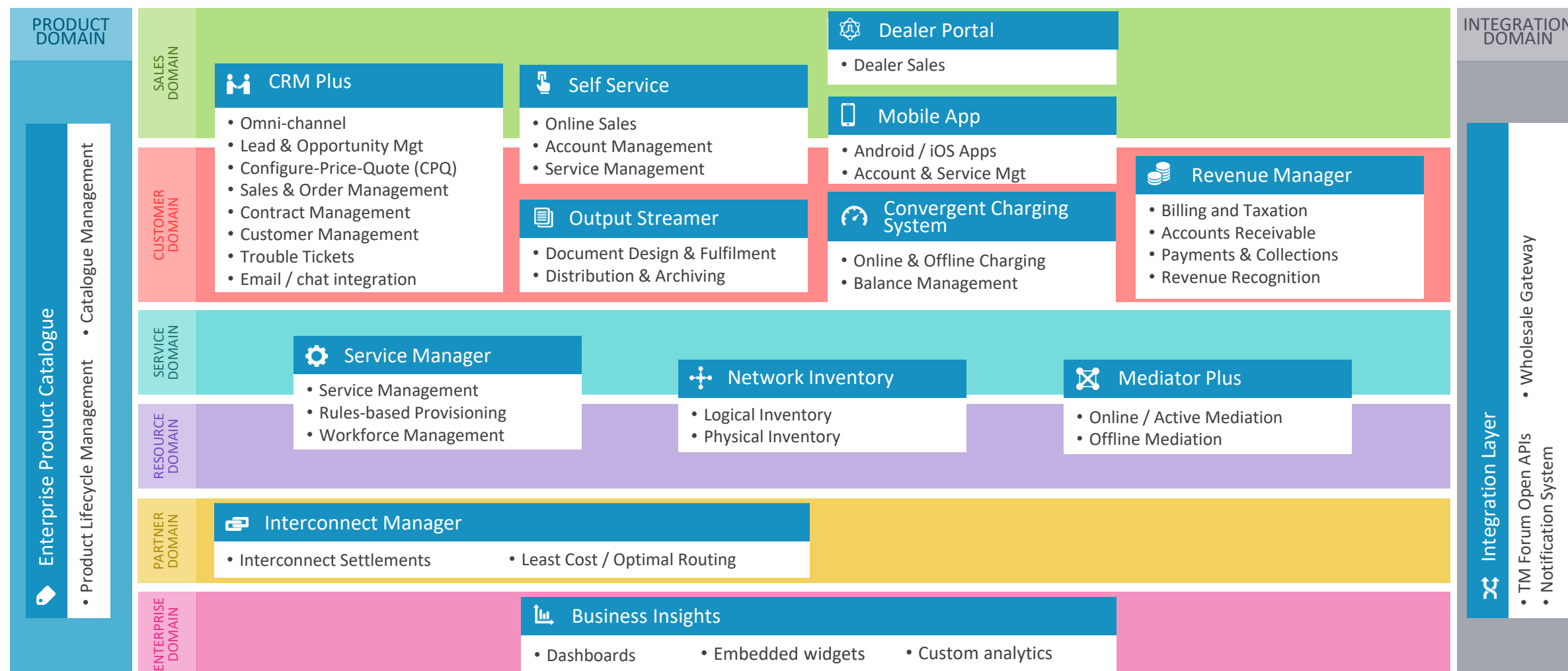


Business Support Systems (BSS)	Operations Support Systems (OSS)
Digital Engagement	Planning
Product Offerings	Capacity Management
Sales	Service Connection
Work-flow	Work-flow
Customer Care	Balance Management
Billing	Charging
Payments & Receivables	Top-Ups
Credit Control/Dunning	Service Disconnection
Analytics & Insights	Analytics & Insights

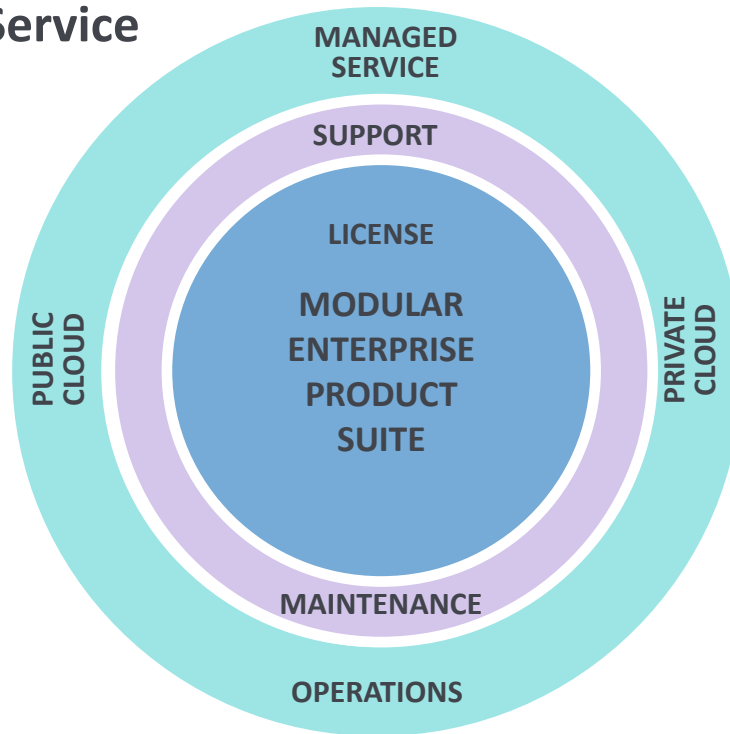


Network Infrastructure





Software-as-a-Service



Pre-integrated BSS/OSS modules

Common product for all customers

End-to-end or modular delivery

Large transformation projects

Cloud or on-premise deployment

Term licensing

5+ year subscription agreements



“Cerillion is our strategic BSS partner, and we are excited to reach this next stage in our relationship. The tight collaboration from start to finish has been instrumental for us to be able to upgrade. Now we are on the Evergreen programme and we are futureproofing our business by ensuring we always have access to the latest roadmap features and capabilities.”

Aleksander Solheim, VP of BSS, LINK Mobility

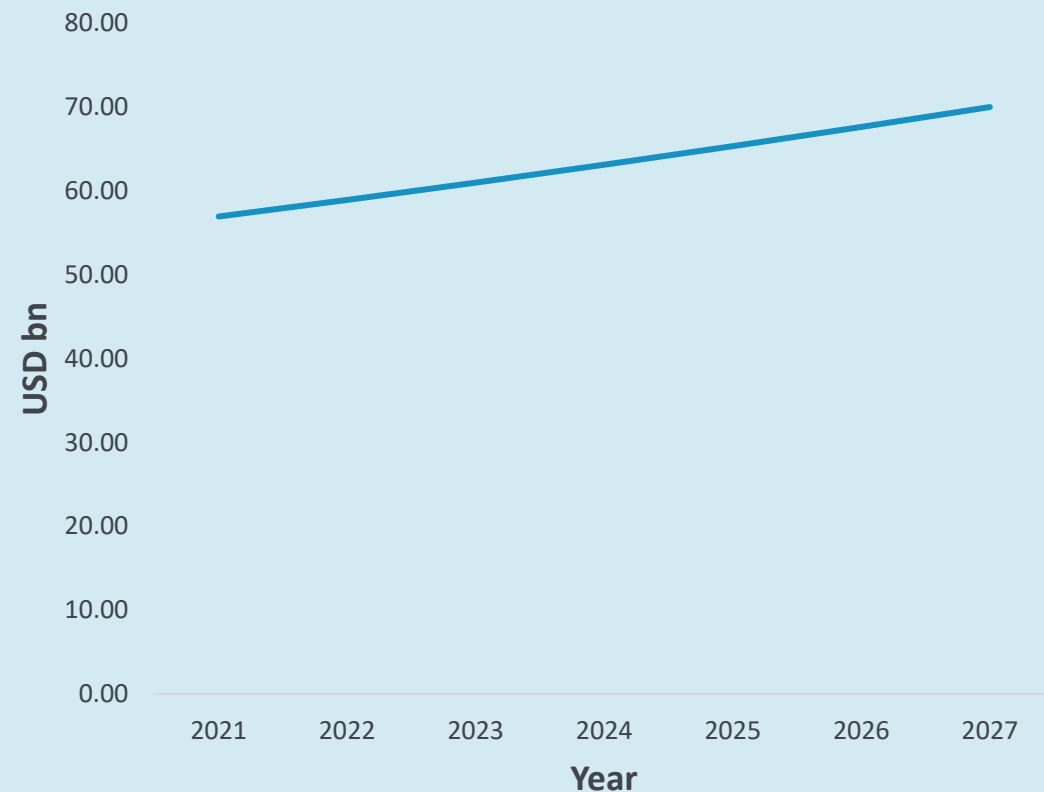
GLOBAL CUSTOMER BASE

cerillion



Diverse customer base across c.45 countries

BSS/OSS Market Size



**“CSPs’ spending on OSS/
BSS software and services
will grow at CAGR of 3.5%
between 2021 and 2027
to exceed **USD 70 billion**”**

20+ years R&D
for a full suite
solution

Access to the
right resources



BSS/OSS is
mission-critical
software

A continually
moving target

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



FORRESTER®

OMDIA



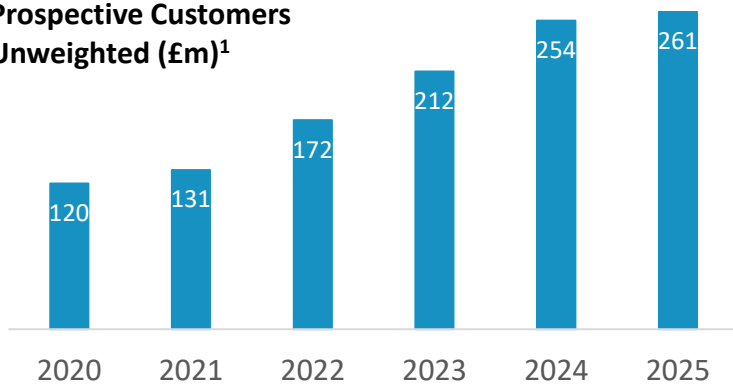
WHY WE WIN

- 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

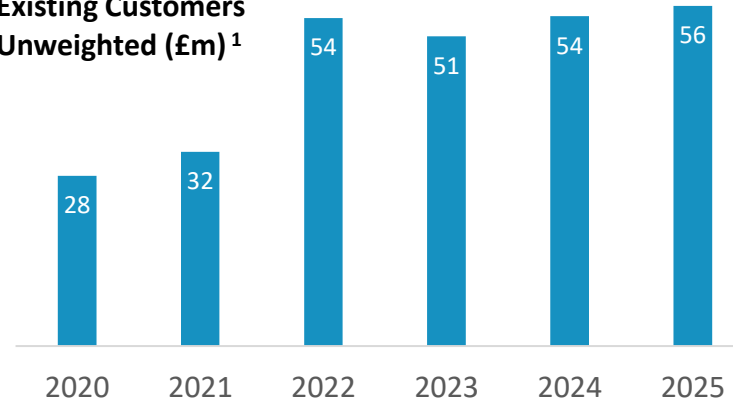
1. Independent Software Vendor

2. Total Cost of Ownership

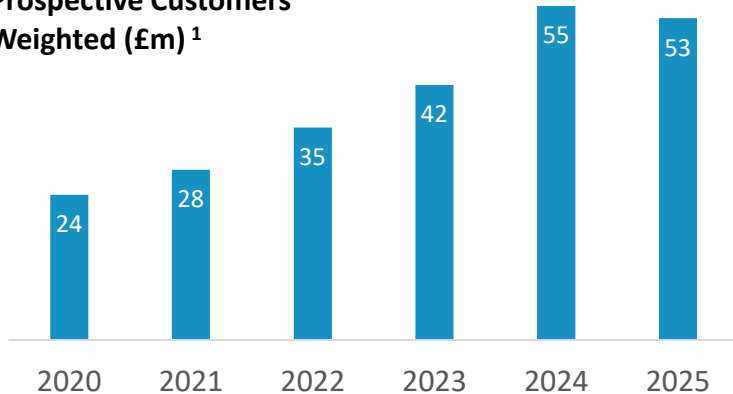
**Prospective Customers
Unweighted (£m)¹**



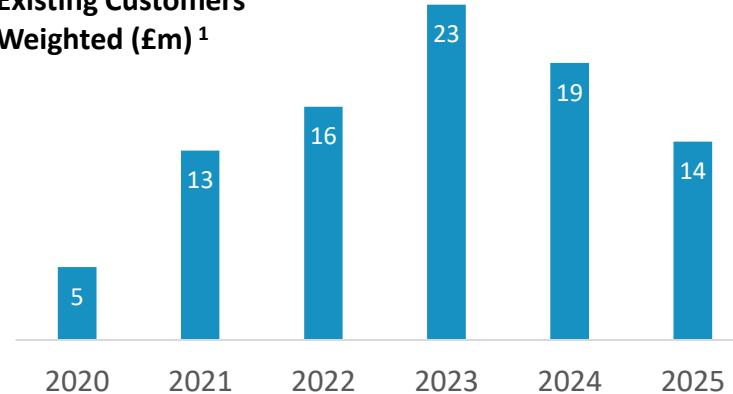
**Existing Customers
Unweighted (£m)¹**



**Prospective Customers
Weighted (£m)¹**

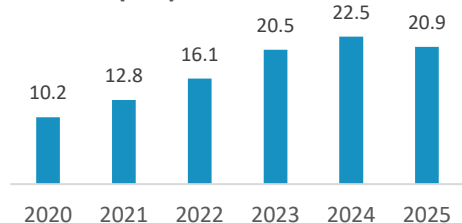


**Existing Customers
Weighted (£m)¹**

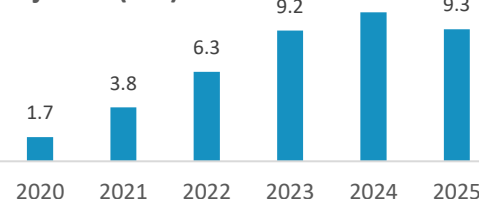


¹ As at 31 March 2025. Estimated figures, based upon management accounts and management estimates.

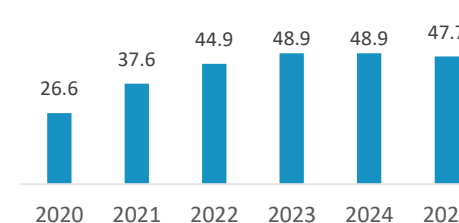
Revenue (£m)



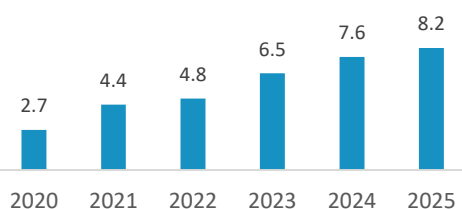
Adj PBT¹ (£m)



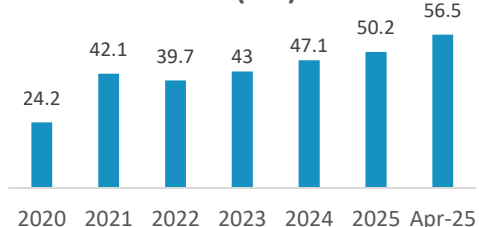
Adj EBITDA margin⁴ (%)



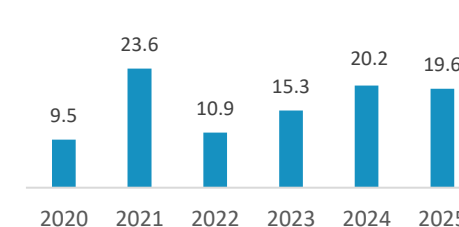
Recurring revenue² (£m)



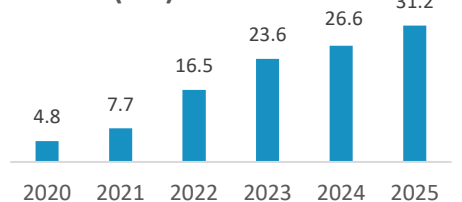
Back-order Book³ (£m)



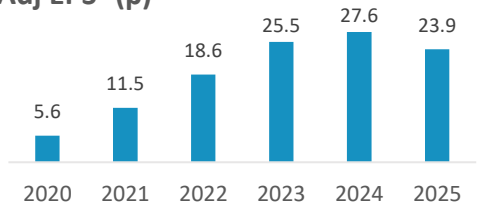
New orders £m



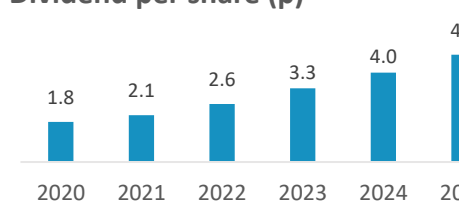
Net cash (£m)



Adj EPS⁵ (p)



Dividend per share (p)



1. Adjusted PBT is a non-GAAP, Company-specific measure which is earnings excluding taxes, amortisation of acquired intangible assets and share-based payment charges.
2. Recurring revenue includes support and maintenance, managed service, Skyline, and third-party hardware and hosting revenue reported in the period.
3. March 2025 back-order book consists of £40.6m of orders contracted but not yet recognised at the end of the reporting period plus £9.6m of annualised support and maintenance revenue. It is anticipated that c. 45% of the £40.6m of sales contracted but not yet recognised as at the end of the reporting period will be recognised within 12 months from 31 March 2025. April 2025 back-order book consists of £46.9m orders contracted but not yet recognised at 30 April 2025 plus £9.6m of annualised support and maintenance revenue. It is anticipated that c. 45% of the £46.9m of sales contracted but not yet recognised will be recognised within 12 months from 30 April 2025.
4. Adjusted EBITDA margin is a non-GAAP, Company-specific measure which is earnings excluding finance income, finance costs, taxes, depreciation, amortisation and share-based payment charges divided by revenue.
5. Adjusted EPS is a non-GAAP, Company-specific measure which is earnings after taxes, excluding amortisation of acquired intangible assets and share-based payment charges divided by the average weighted number of shares in the period.

H1 2025 FINANCIAL HIGHLIGHTS (UNAUDITED)



£m	H1 2025	H1 2024
Orders	19.6	20.2
Back-order book¹	50.2	47.1
Total revenue	20.9	22.5
Software ²	9.6	13.2
Services	10.3	8.3
Other ²	1.0	1.0
<i>Recurring revenue in year³</i>	8.2	7.6
<i>Gross margin</i>	80.6%	80.4%
Adj. EBITDA⁴	10.0	11.0
<i>Adjusted EBITDA margin</i>	47.7%	48.9%
Adjusted PBT⁵	9.3	10.5
Adjusted EPS⁶	23.9p	27.6p
DPS	4.8p	4.0p
Net cash	31.2	26.6

- Back-order book up 7% and up 23% as at 30 April 2025 to £56.5m
- High margins achieved despite lower Software revenue, reflecting improved operational efficiencies and higher capitalisation of development costs
- Very strong balance sheet: £31.2m net cash and interim dividend up 20%

¹ Back-order book consists of £40.6m of orders contracted but not yet recognised at the end of the reporting period plus £9.6m of annualised support and maintenance revenue. It is anticipated that c. 45% of the £40.6m of sales contracted but not yet recognised as at the end of the reporting period will be recognised within 12 months.

² Software revenue is made up of licence, support and maintenance, managed service and Skyline revenue. In the prior period, third-party licence revenue was reported within Other revenue. In order to give a clearer view on the Group's performance, and to be consistent with the definition used for FY24 reporting, third-party licence is now reported within Software revenue. The prior year comparatives have been updated to reflect this change.

³ Recurring revenue includes support and maintenance, managed service, Skyline and third-party hardware and hosting revenue reported in the period.

⁴ Adjusted EBITDA is a non-GAAP, Company-specific measure which is earnings excluding finance income, finance costs, taxes, depreciation, amortisation and share-based payment charges.

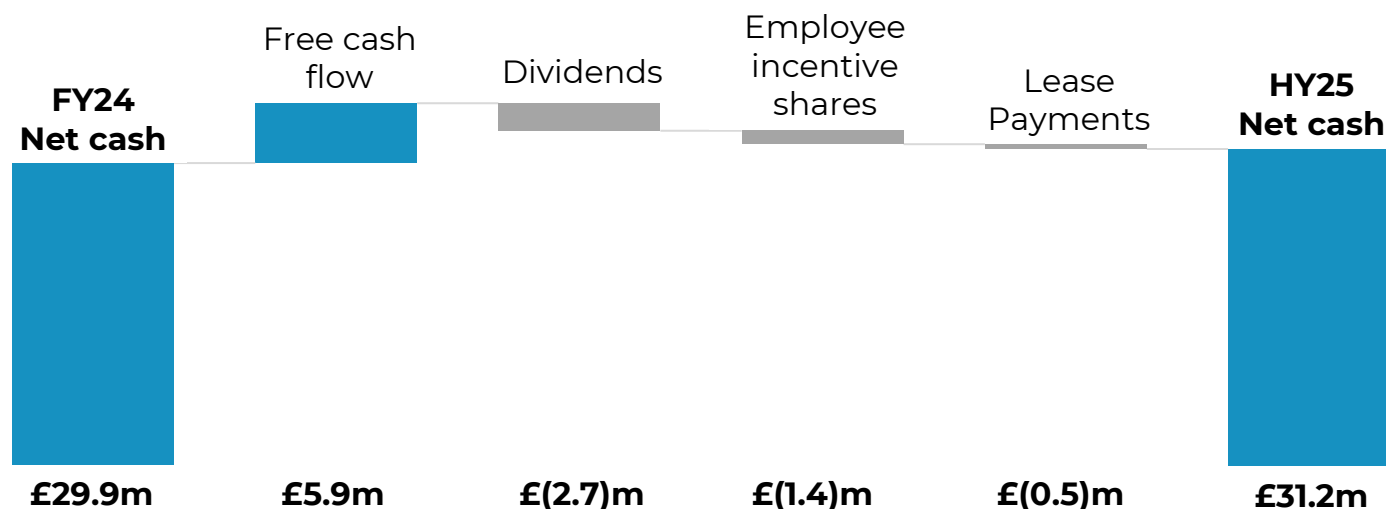
⁵ Adjusted PBT is a non-GAAP, Company-specific measure which is earnings excluding taxes and share-based payment charges.

⁶ Adjusted EPS is a non-GAAP, Company-specific measure which is earnings after taxes, excluding share-based payment charges divided by the average weighted number of shares in the period.

CASH GENERATION

£m	H1 2025	H1 2024
Adj. EBITDA	10.0	11.0
Decrease/(increase) in working capital	(0.9)	(3.9)
Cash generated from operations	9.1	7.1
Capitalisation of development costs	(0.9)	(0.6)
Purchase of PPE	(0.2)	(0.0)
Net interest and tax paid	(2.1)	(1.8)
Free cash flow	5.9	4.7

- Free cash flow used to fund payment of dividends, leases and employee incentive shares
- Company continued to generate strong cash flows, with improved cash conversion



SUMMARY CONSOLIDATED INCOME STATEMENT

£'000	Unaudited H1 2025	Unaudited H1 2024
Total revenue	20,915	22,516
Cost of sales	(4,060)	(4,421)
Gross profit	16,855	18,095
<i>Gross profit margin</i>	<i>80.6%</i>	<i>80.4%</i>
Operating expenses	(8,139)	(8,063)
Impairment of financial assets	-	(177)
Adjusted EBITDA¹	9,975	11,020
Depreciation and amortisation	(1,232)	(1,085)
Share based payments charge	(27)	(80)
Operating profit	8,716	9,855
Finance costs	(84)	(45)
Finance income	642	626
Profit before tax	9,274	10,436
Tax	(2,235)	(2,379)
Profit after tax	7,039	8,057

- Continued investment in R&D with c. 8,000 days worked in H1 25, an increase of over 30%
- Opex broadly flat despite higher headcount mainly due to favourable FX and higher capitalisation of development costs

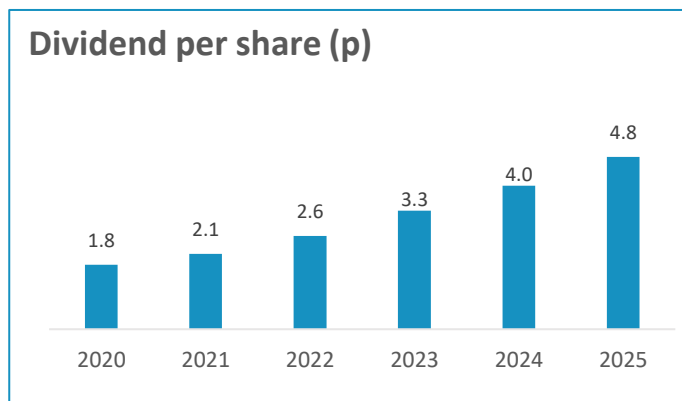
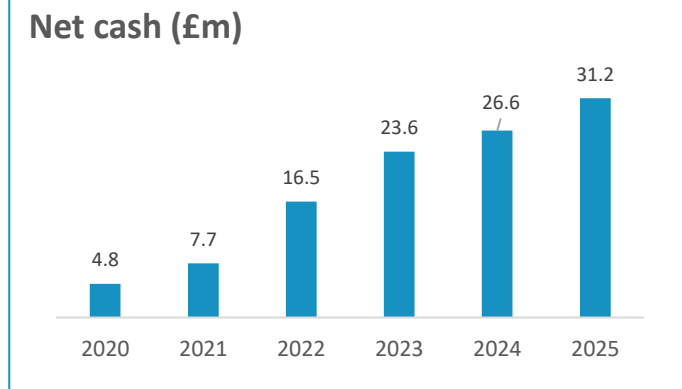
¹ Adjusted EBITDA is a non-GAAP, Company-specific measure, which is earnings excluding finance income, finance costs, taxes, depreciation, amortisation and share-based payment charges.

SUMMARY CONSOLIDATED BALANCE SHEET

£'000	Consolidated	Unaudited H1 2025	Unaudited H1 2024
Non-current assets	Goodwill	2,053	2,053
	Other intangible assets	2,969	2,428
	Property, plant and equipment	552	578
	Right of use assets	3,192	1,999
	Other receivables	9,019	9,414
	Deferred tax	247	235
		18,032	16,707
Current assets	Trade and other receivables	18,246	16,262
	Cash and cash equivalents	31,213	26,610
		49,459	42,872
Total assets		67,491	59,579
Current liabilities	Trade and other payables	(10,930)	(12,996)
	Lease liabilities	(977)	(793)
Non-current liabilities	Other payables	(661)	(718)
	Deferred tax liabilities	(604)	(671)
	Lease liabilities	(2,767)	(1,920)
Net assets		51,552	42,481
	Called up share capital	148	147
	Share premium account	13,319	13,319
	Treasury stock	(764)	-
	Foreign exchange reserve	(331)	(358)
	Share option reserve	266	423
	Retained earnings	38,914	28,950
Total equity		51,552	42,481

- Balance sheet remains very strong with net cash of £31.2m

- > H1 results reflect the weighting of expected licence extensions/renewals shifting to H2
- > Post-period end new orders have increased back-order to £56.5m as at 30 April
- > New customer pipeline is strong and includes large contract opportunities
- > Strong financials
 - good cash generation
 - robust balance sheet with net cash of £31.2m
- > Group is well-positioned to achieve market expectations for FY2025 and beyond



Supplementary Information

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 Non-Executive Director of Tern Plc and 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. He later went on to lead the IPO of Cerillion in 2016. 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 17 April 2025

MAJOR SHAREHOLDERS	%
Louis Hall	30.47
Gresham House Asset Management	8.72
Rathbone Investment Management	7.80
Canaccord Genuity Wealth Management (EO)	4.96
JPMorgan Asset Management	3.92
Charles Stanley (EO)	3.29
Hargreaves Lansdown Asset Management (EO)	2.56
Schroder Investment Management	2.33
Puma Investments	1.81
Interactive Investor (EO)	1.67
Danske Capital Management	1.43
UBS Securities	1.41
BlackRock Investment Management	1.31

MAJOR SHAREHOLDERS	%
Evelyn Partners (Retail)	1.23
Herald Investment Management	1.03
Zeus Capital	1.00
Goldman Sachs International	0.96
A J Bell Securities (EO)	0.95
Dowgate Capital (EO)	0.89
Montanaro Asset Management	0.87
NBCN Clearing (PB)	0.86
Integrated Financial Arrangements (EO)	0.81
Brooks Macdonald Asset Management (EO)	0.80
Winterflood Securities	0.76
Investec Wealth & Investment (EO)	0.75
Cazenove Capital Management	0.75

¹ Source: 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 flows each year
- dividend cover on adj. EPS of three-to-four times

Interim FY25: 4.8p
(Interim FY24: 4.0p)

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

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

Consolidated (£'000)	Unaudited H1 2025	Unaudited H1 2024
Operating cash flows before movements in working capital	9,975	11,020
(Increase) / decrease in trade and other receivables	(1,508)	(5,258)
Increase / (decrease) in trade and other payables	676	1,318
Cash from-operations	9,143	7,080
Finance costs	(84)	(45)
Finance income	490	428
Tax (paid) / received	(2,509)	(2,160)
Net cash from operating activities	7,040	5,303
Capitalisation of development costs	(921)	(560)
Purchase of property, plant and equipment	(239)	(27)
Net cash used in investing activities	(1,160)	(587)
Dividends paid	(2,715)	(2,361)
Purchase of treasury stock/receipts from exercise of share options	(1,319)	(14)
Principal elements of finance leases	(486)	(444)
Net cash used in financing activities	(4,520)	(2,819)
Net increase/(decrease) in cash and cash equivalents	1,360	1,897
Translation differences	3	(25)
Cash and cash equivalent at beginning of period	29,850	24,738
Cash and cash equivalents at end of period	31,213	26,610

Long-Term Track Record (£m)

