



Driving customer centricity

Results for the six months ended 31 August 2026

Tuesday, 13 October 2026



Agenda



Sam Mudd
Chief Executive Officer



Andrew Holden
Chief Financial Officer

01

Introduction and overview

Sam Mudd

02

Financial review

Andrew Holden

03

Strategic review and outlook

Sam Mudd

04

Q&A

Sam Mudd and Andrew Holden



A strong first half

Broad based growth across our sectors and vendor portfolio, with full year guidance upgraded

+19.6%

Gross invoiced income (GII)

+17.8%

Gross profit

+6.6%

Operating profit

+41.0%

Services GI

£41.3m

Returned to shareholders



GROWTH IN BOTH SECTORS

Double-digit growth in both sectors

- Public sector GP up 23.1% and private sector GP up 14.6%, with our segmented sales structure now embedded
- Our two businesses now each focus on a single sector, completed in July



BEYOND MICROSOFT

Broad growth across the portfolio

- Microsoft grew broadly in line with the Group, with security and hybrid platforms growing alongside it
- Software GI up 18.8%, and hardware GP more than doubled



CAPABILITY ADDED

Enhanced capability in Services

- Technical delivery headcount up 17.4% to support growing demand for managed services
- Acquired leading UK cyber security provider, CyberOne, adding our own accredited security operations centre



GUIDANCE UPGRADED

Upgraded at HY Trading Update

- Low to mid-teens GP growth and low to mid single-digit OP growth expected for FY27
- Microsoft's October changes planned for and included in guidance



01 INTRODUCTION AND OVERVIEW

Delivering on our strategy

Clear evidence of structural progress made in the half



WHAT WE COMMITTED TO AT FY26

The new sales structure would support growth

Services would grow as a share of the Group

Bytes and Phoenix would align to their sectors

c.£4.5m of cost normalisation, with operating profit broadly flat

High single-digit to low double-digit GP growth



WHAT WE DELIVERED IN H1

GP up 17.8%, with **double-digit growth in both sectors**

Services GII up 41.0%, acquisition of **CyberOne**

Sector alignment completed in July, no customer accounts changed hands

Around half absorbed in H1, with **operating profit up 6.6%**

Trading ahead of expectations through the half



WHAT IT MEANS GOING FORWARD

Structure fully embedded, expected to drive long-term benefit

CyberOne accelerates managed security

Common services: **build once, sell twice**

Costs now in the base, with **operating leverage building from FY28**

Guidance upgraded to low to mid-teens

02

Financial review

Andrew Holden, Chief Financial Officer





02 FINANCIAL REVIEW

Financial highlights

Gross invoiced income¹**£1.6bn**

↑ +19.6%

Gross profit

£97.1m

↑ +17.8%

Operating profit

£35.3m

↑ +6.6%

Earnings per share

12.76p

↑ +6.1%

Net cash

£68.4m

↓ HY26 £82.3m

Cash conversion²**45.7%**

↑ HY26 34.4%

Ordinary dividend³**3.3p**

↑ +3.1%

Renewal rate

115.7%

↑ HY26 98%

Existing customer GP

98.2%

↑ HY26 98.0%

¹ GII is a non-IFRS alternative performance measure that reflects gross income billed to customers adjusted for deferred and accrued revenue items.

² Cash conversion is a non-IFRS alternative performance measure that divides cash generated from operations less capital expenditure by operating profit.



02 FINANCIAL REVIEW

Income statement

Income Statement	H1 FY27 £m	H1 FY26 £m	Change %
Gross invoiced income (GII)	1,605.2	1,342.0	19.6
Netting adjustment	(1,476.9)	(1,234.0)	19.7
Revenue	128.3	108.1	18.7
Gross profit (GP)	97.1	82.4	17.8
<i>GP/GII %</i>	<i>6.0%</i>	<i>6.1%</i>	
Other Income	0.2	0.4	(50.0)
Administrative expenses	(62.0)	(49.7)	24.7
Salaries and pension costs	(26.7)	(22.8)	17.1
Commissions and bonuses	(15.5)	(10.2)	52.0
Social security costs	(6.1)	(4.7)	29.8
Share-based payments	0.1	(1.7)	(104.4)
Other administrative expenses	(13.8)	(10.3)	34.0
Operating Profit (OP)	35.3	33.1	6.6
<i>OP/GP%</i>	<i>36.4%</i>	<i>40.2%</i>	
Net interest	4.7	5.5	(14.5)
Profit before tax	40.0	38.6	3.6
Income tax expense	(10.1)	(9.6)	5.2
<i>Effective tax rate</i>	<i>25.3%</i>	<i>24.9%</i>	
Profit after tax	29.9	29.0	3.1

COMMENTARY

- GII up 19.6%, reflecting broad-based growth across each segment
- Gross profit grew by 17.8%, with strong growth in Software GP (+15.8%)
- Employee costs up 22.3%, reflecting the cost normalisation set out at FY26
- Commissions and bonuses move with gross profit
- Other administrative expenses include one-off expenses related to re-structure and executive changes
- Interest income down on lower rates and a lower average cash balance
- Effective tax rate of 25.3%, in line with the UK statutory rate



02 FINANCIAL REVIEW

Income analysis

GII and GP by product and sector	H1 FY27 £m	H1 FY26 £m	Change %	Share %
Gross invoiced income (GII)				
Software	1,535.3	1,292.4	18.8	95.6
Hardware	20.4	14.6	39.7	1.3
Services	49.5	35.1	41.0	3.1
Public	1,131.6	938.2	20.6	70.5
Private	473.6	403.9	17.3	29.5
Gross Profit (GP)				
Software	83.5	72.1	15.8	86.0
Hardware	4.3	2.0	115.0	4.4
Services	9.3	8.3	12.0	9.6
Public	39.3	32.0	23.1	40.5
Private	57.8	50.4	14.6	59.5
GP/GII %				
Software	5.4%	5.6%	(0.2)pp	-
Hardware	21.1%	13.7%	+7.4pp	-
Services	18.8%	23.6%	(4.8)pp	-
Public	3.5%	3.4%	0.1pp	-
Private	12.2%	12.5%	(0.3)pp	-

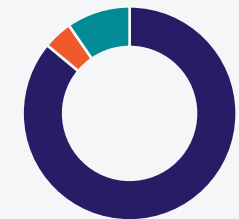
MIX IN H1 FY27 (SHARE %)

GII by sector



■ Public ■ Private

GP by product



■ Software ■ Hardware ■ Services

COMMENTARY

- Broad-based growth across public and private sectors
- GP growth led by software, up 15.8%, GP/GII held at 5.4%
- Services GII up 41.0%, GP up 12.0% to £9.3m, margin 19% (HY26: 24%)
- Private sector: 60% of GP from 30% of GII, at a 12.2% margin



02 FINANCIAL REVIEW

Cash flow

CASH FLOW (£'m)



OPERATING PROFIT (£'m) AND CASH CONVERSION (%)

**Asset light**

Bytes is an asset light, low capital intensity, and highly cash generative business

**£68.4m**

Cash balance remains healthy; £68.4m after dividend payment of £16.3m and share buyback of £25m

**45.7% | 108.8%**

Cash conversion for the half year of 45.7% and 108.8% on a rolling 12-month basis



02 FINANCIAL REVIEW

Balance sheet

Balance Sheet	31 August 2026 £m	31 August 2025 £m
Property, plant and equipment	14.1	13.9
Intangible assets	45.7	45.4
Investment in associate	3.0	3.2
Other non-current assets	3.1	3.1
Non-current assets	65.9	65.6
Trade and other receivables	330.3	259.0
Trade and other payables	(370.1)	(301.7)
Contract assets	13.2	12.6
Contract liabilities	(28.0)	(21.8)
Net working capital	(54.6)	(51.9)
Other current assets	0.5	0.4
Other non-current liabilities	(8.5)	(4.5)
Cash and cash equivalents	68.4	82.3
Lease liabilities	(2.1)	(2.0)
Net financial assets	58.3	76.2
Net Assets	69.6	77.4



Our strong balance sheet supports large gross receivables and payables balances inherent to our business model

£68.4m

cash

Our £68.4m cash position balances our £(54.6)m negative net working capital position

39

debtor days

51

creditor days

70.5%

public sector GII

We operate with shorter debtor days (39) than creditor days (51), helped by our GII skew to the public sector (70.5%), which is typically a faster payer



Capital allocation hierarchy

Maintaining a strong balance sheet through the cycle

PRIORITY

1



Organic growth

- **Continue** our proven strategy of growing our customer base and wallet share with our clients
- **Grow** sales capacity (new sales intakes and regional growth)
- **Expand** solutions capability (vertical expertise and knowledge)
- **Broaden** vendor partnerships (developing technical expertise)

2



Dividends

- **Dividend policy** is to distribute 40-50% of post-tax pre-exceptional earnings
- **Interim dividend of 3.3p per share**

3



M&A

- **Actively** monitoring acquisition opportunities to accelerate the implementation of our strategy
- **High-quality bar**, with cultural alignment key
- **Focus** on cross-sell potential, vendor specialism and solutions expertise
- **Attractive** financial profile

4



Return of excess cash

- **£25m share repurchase programme** completed in FY27
- We consider both special dividends and share buybacks as methods to return excess cash



02 FINANCIAL REVIEW

Outlook

Guidance upgraded in September, with the Microsoft changes and cost normalisation planned for

Low to mid-teens

FY27 gross profit growth

Low to mid single-digit

FY27 operating profit growth

c.£4.5m

Cost normalisation across FY27, around half absorbed in H1

H2 FY27

Measured against a stronger comparative, as our recovery began in H2 FY26

Costs weighted towards the second half, when commission accelerators apply

November sales intakes begin to build capacity for FY28

MICROSOFT FROM OCTOBER

Reduces rebates on certain legacy products, increases rewards on growth products, and enhances the incentives available on CSP

Separate from the January 2025 changes, which have now annualised

Planned for and included in our upgraded guidance

FROM FY28

Cost normalisation annualises and the capacity we have added becomes fully productive

Operating profit expected to grow broadly in line with gross profit, with operating leverage building thereafter



Guidance excludes any contribution from the acquisition of CyberOne, which is expected to complete by the end of October

03

Strategy & Business review

Sam Mudd, Chief Executive Officer

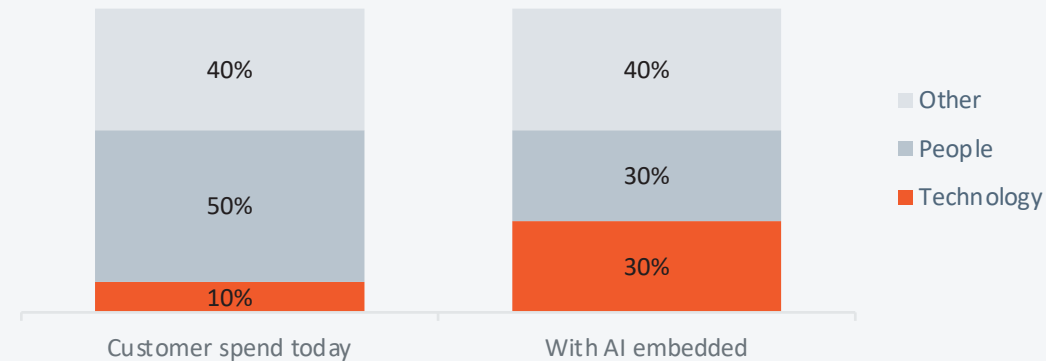




The value-added reseller opportunity

AI is increasing what customers spend on technology, and vendors are choosing to sell more of it through partners

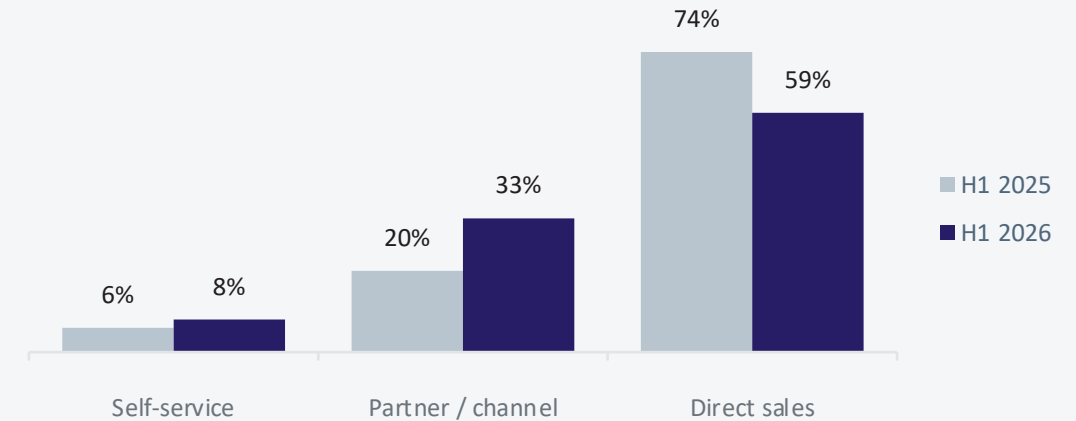
AI is growing technology's share of wallet...¹



3x

Technology triples as a share of customer spend as AI absorbs work that was previously manual or non-software

...and more of it is being sold through partners²



-15pp

Direct fell 15pp in a single year, with **partners benefitting the most from it**



Acceleration into VAR model fuelling growth, with additional margin coming from our deep expertise

1 – Peel Hunt internal estimates 2 – ICONIQ 2026 State of GTM report (<https://www.iconiq.com/growth/reports/state-of-go-to-market-2026>)

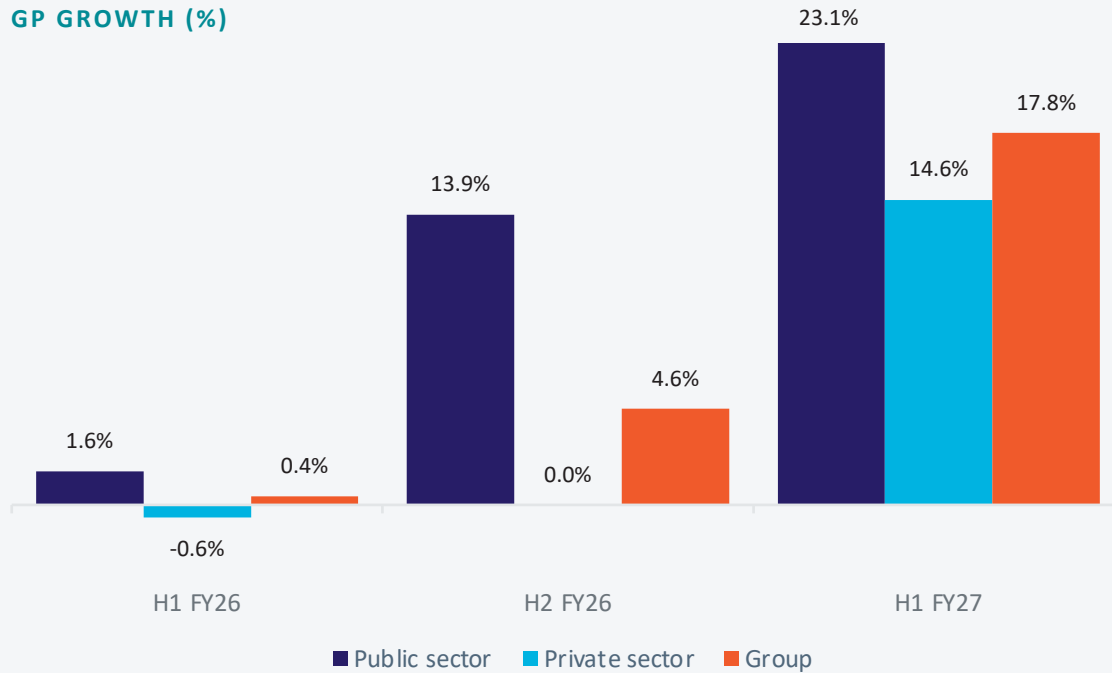


03 STRATEGIC REVIEW AND OUTLOOK

Broad-based growth across sectors and vendors

Both businesses growing double digits, with growth from Microsoft and other vendors

GP GROWTH (%)



GROWTH BY INCOME STREAM

Software	GII +18.8%	GP +15.8%
Hardware	GII +39.7%	GP more than doubled
Services	GII +41.0%	GP +12.0%
Microsoft	52% of GP	Growth broadly in line with the Group
Non-Microsoft	48% of GP	Security and hybrid platforms leading



Growth is broad based across sectors, income streams, and with Microsoft and the wider vendor portfolio



New customers and deeper relationships

Growth comes from winning new customers and growing share of wallet with those we already serve



Winning new logos, broadening what we do, and retaining the business we already have



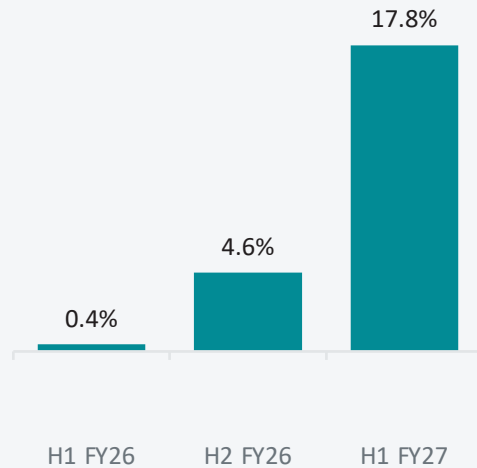
Microsoft: ready to benefit from the next changes

Established record of absorbing partner incentive changes and continuing to grow



What you already know: January 2025

Group GP % growth



- Incentives on enterprise agreements reduced from 1 January 2025, with a smaller reduction in the public sector
- Changes annualised, with **return to material GP growth**



New changes from October 2026

- Separate from the January 2025 changes, which are now behind us
- Enhances rewards on growth products and incentives available on CSP, while reducing commissions on certain legacy products

The CSP opportunity: enhanced incentives reward moving customers onto longer, multi-year commitments, which deepens the relationship and improves the visibility of the gross profit that comes with it.

How we're prepared:



Segmented sales structure



Seller Insights



Services capability



Upcoming changes from October already planned for and included in guidance



A simpler business, aligned to how customers buy

Sector alignment completed in July 2026, and no customer accounts changed hands



Build once, sell twice: we design a service once and sell it to private and public sector customers, increasing addressable market for each capability we invest in

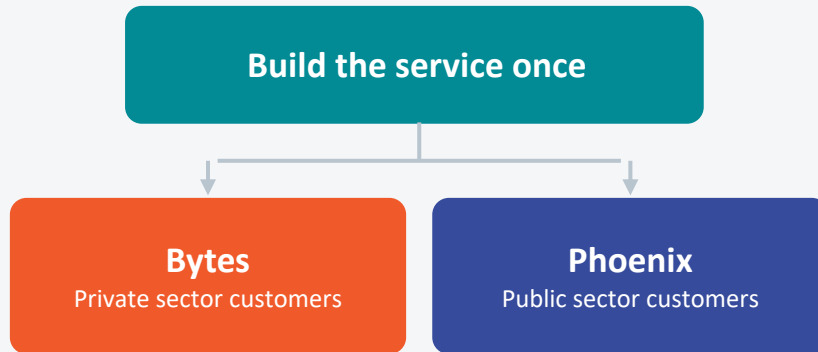


03 STRATEGIC REVIEW AND OUTLOOK

Services: the value we add around the technology

Services deepen our relationships, drive higher margins, and are where vendor funding is moving

ONE CAPABILITY, TWO ROUTES TO MARKET



Our ambition is to be the **single point of accountability** for the technology our customers run: the cloud platform, access, endpoints, and security

SERVICES IN THE FIRST HALF

+41.0%

Services GII growth

+17.4%

Technical delivery headcount

+12.0%

Services GP growth

- Services GII up 41.0% and services GP up 12.0% to £9.3m, across internally and externally delivered work
- Margin moved from 24% to 19% as we invested in delivery capacity ahead of the growth
- Technical delivery headcount up 17.4% year-on-year, with security a strong area of customer demand
- We expect that capacity to generate higher returns as utilisation builds



Vendor funding is moving towards partners who can deploy and support technologies, not only sell them



CyberOne: accelerating our services strategy CyberOne

Announced in October 2026, giving Bytes its own accredited security operations capability



WHAT WE ARE ACQUIRING

- A managed cyber security services provider built on Microsoft technology
- Managed detection and response delivered from its own accredited security operations centre
- A Microsoft Security Elite Partner and member of the Microsoft Intelligent Security Association



WHAT IT UNLOCKS

- Cross-sell into customers who already hold Microsoft security entitlements not deployed
- Higher margin on work we previously fulfilled through partners
- An AI-enabled managed security offer that can be extended across the Group over time

£19.4m

Initial consideration, funded from cash

c.90%

Income recurring under multi-year contracts

80+

Employees across the UK and the Philippines

c.£5.2bn

UK cyber security services market by 2029



“We are thrilled to see CyberOne join the Bytes Technology Group family. As AI reshapes every organisation, **customers increasingly rely on trusted partners to guide their transformation journeys**. Bytes has earned its reputation as one of Microsoft’s most trusted partners in the UK and Ireland, and we are excited about the **opportunities the acquisition of one of our most accredited Cyber Security partners will create for our shared customers**.”

Nick Hedderman, Microsoft UK & Ireland Channel Lead



Disciplined, services-led M&A: strategically aligned, culturally compatible, fully funded by cash



03 STRATEGIC REVIEW AND OUTLOOK

AI: a growth driver across our core business

Strongly positioned to capitalise on growing adoption trends with technical experience and understanding



FOR OUR CUSTOMERS

- Customers need access controls, data governance, security testing and employee training
- Governance framework already sits under their existing M365 licensing
- Ongoing support for the NHS to deploy and adopt Copilot for c.0.5m employees
- Microsoft Frontier Partner



WITHIN BYTES

- In-house agents support our consultants in scoping customer work
- Time released for customer delivery without adding headcount
- Seller Insights brings Microsoft funding, usage evidence and account context onto one page



THE NEXT OPPORTUNITY

- Managing software spend focused on countable and predictable management of licences
- AI consumption models far harder to forecast and control
- Our licensing and software asset management tools and experience enable us to manage this



Deep rooted vendor and customer relationships allow us to capitalise on significant growth opportunity



People and Investments: targeted approach

Measured hiring in the first half, with productivity rising, and further sales capacity joining in November

1,353

Total headcount, up **1.7% in HY27**

+4.4%

Front-line sales headcount,
in HY27

+17.4%

Technical delivery headcount,
year on year

+13%

Gross profit per employee growth,
year-on-year ¹



DRIVING EFFICIENCY

- Utilising the sales and technical capacity added in previous years rather than adding cost
- Sales support headcount reduced as we completed the re-organisation of private and public teams
- Quote Comparison Agent: reduced quote-review time from 30 minutes to seven minutes—a 77% reduction

-77%

minutes per quote review



INVESTING FOR THE FUTURE

- New sales intakes join both businesses in November, carrying quota by the year end
- Board and leadership strengthened: new Chair, new NED, CFO search progressing and a CIO joining in the new year
- New London office doubles our staff capacity
- Phoenix ranked 51st in the Best Small to Medium Workplaces in Europe



Best utilising existing capacity and targeted investing to drive further growth in short and medium terms

¹ – Excludes Services employees



03 STRATEGIC REVIEW AND OUTLOOK

Summary

Executing a clear strategy: win more customers, grow share of wallet, and build higher-value recurring services



Broad-based growth

Double-digit GP growth in both sectors, with Microsoft and beyond



Simpler business

Sector alignment complete, with a common services capability being built



Services accelerating

Delivery capacity up 17.4% year-on-year, and CyberOne adding our own security operations



Demand strengthening

Software spend growing ahead of IT budgets, with AI, cyber and infrastructure attracting most investment



Financial strength

Cash generative, no debt, £41.3m returned in the half



FY27 outlook

Low to mid-teens GP growth, low to mid single-digit OP growth, with OP growing in line with GP from FY28



FY27



Well positioned to benefit from demand drivers strengthening and deliver sustainable growth



Q&A

bytesplc.com



Appendix

bytesplc.com



Technical guidance



Income statement

Share based payments	c.£1m
Amortisation	c.£2m
Net interest	c.£6m
Effective tax rate	c.25.4%
Average basic / diluted shares	c.233m / c.241m



Cash flow

Intangible capex	£nil
Tangible capex	c.£2m



How we grow

Our growth enablers



People

We grow great people to deliver amazing things

Engaged

Incentivised

Collaborative

Accountable



Vendors

We turn leading vendor technologies into solutions and services

Services

Partnership

Outcomes

Consumption



Customers

We are a trusted advisor providing expertise, value, choice and dedicated service

Customer-centricity

Depth and breadth

Commercial acumen

Sector-specific



Our market continues to develop

Customer buying is changing. Vendor partner models are changing.

1

Per-seat licensing



Consumption

Cloud and AI models suit consumption where value tracks usage not licence counts

2

Point products



Solutions

Rising complexity means integrated, secured & cost-optimised solutions are preferred to isolated SKUs

3

Reseller



Partner

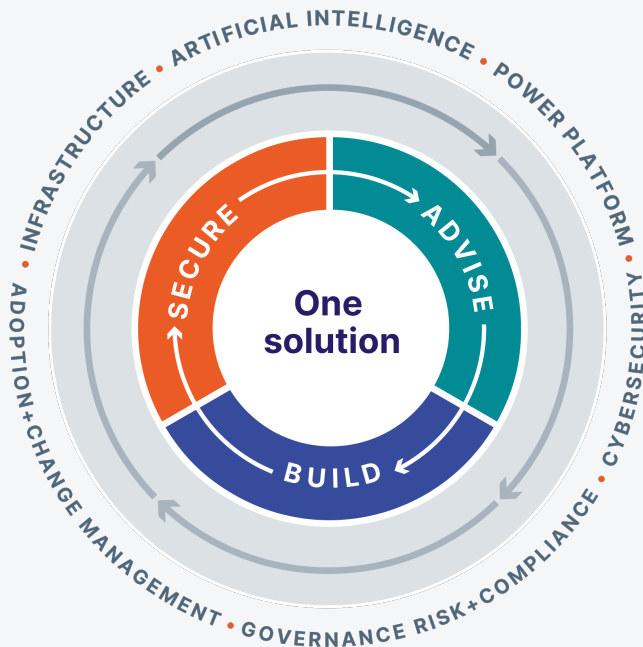
Customers want advisors and implementors who shape decisions, not just fulfilment



AI: The power of an integrated team

Aligned with customers as the market accelerates

We offer a collaborative, cross-practice approach



A challenge such as deploying a secure AI agentic solution is not just an AI task

We combine several practices



AI

To design the models, agents and workflows



Infrastructure

To build the foundational infrastructure and landing zone



Cloud security

To implement the necessary safeguards



GRC

To establish the governance policy and controls



ACM

To empower and educate users to drive adoption



We break down internal silos to provide customers with a single, cohesive team that delivers holistic solutions



Sustainability integral to our mission

Progress across our environmental, social and governance priorities



ENVIRONMENTAL

- 2025/26 Scope 1 and Scope 2 GHG reduction targets exceeded, through 100% renewable energy tariffs for our offices
- 10% reduction from prior year in greenhouse gas emissions intensity across Scope 3
- First year working with a third party on reasonable assurance against ISO 14064 for each scope
- Introduction of a waste and water policy, with targets to reduce and improve our resource use
- CDP score B-, ISS ESG B- and top decile scoring with ISS for governance and environment



SOCIAL

- Chief People Officer held further discussions with employees to gain valuable feedback
- Expanded social value educational and work-readiness activities alongside partners across the UK
- Strengthened our leadership coaching programme and Women in Tech initiative
- EcoVadis silver medals (top 15%) across both operating companies



GOVERNANCE

- Creation of the culture and innovation forum
- Progressed our Net Zero Transition Plan



FRAMEWORKS AND RATINGS





APPENDIX

Vendor awards



Microsoft Azure Expert MSP
Microsoft Frontier Partner
Microsoft Copilot Specialisation
Microsoft verified Managed Extended Detection and Response (MXDR) solution



Check Point Elite Partner
Exposure Management Partner of the Year UK – March 2026
Infinity Partner of the Year UK – March 2026
Partner of the Year



Rising Star Consulting Partner of the Year 2025



Rubrik Transform Elite+ Partner
Rubrik Black Belt - Consultant- 1 of only 85 globally to achieve
Rubrik 2026 EMEA Partner Awards: Pipeline Contributor



Adobe Platinum Partner
Adobe Education Elite Partner



ServiceNow Specialist Reseller Partner



VMware Pinnacle Partner
VMware by Broadcom Expert Advantage Partner (EAP)
Broadcom Expert Advantage Partner (EAP) for Consulting Services
Broadcom VCF Knights – 2 consultants



Nutanix Rising Star 2026



Dell Technologies Titanium Partner
Accredited for Dell Professional Services Delivery



Barracuda's UK Partner of the Year 2025



EMEA Partner of the Year 2026



Enterprise Partner of the Year 2025

