

Investment Case

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Growth Opportunity

Bytes Technology Group UK

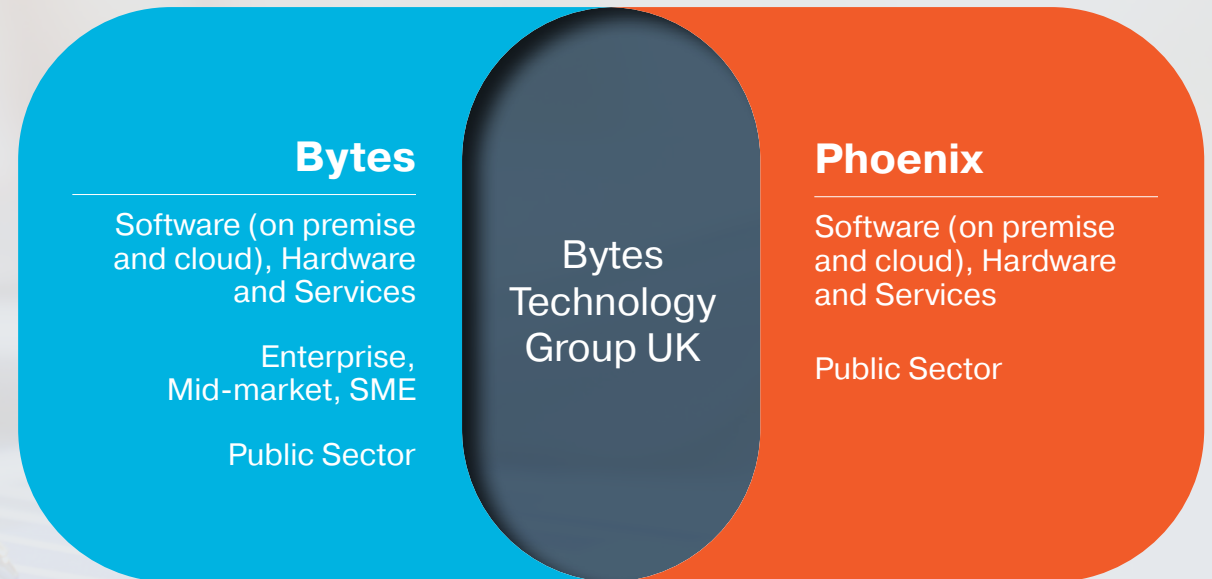
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With a 30-year track record, Bytes is one of the UK's leading providers of software, security and cloud services.

We enable effective and cost-efficient technology sourcing, adoption and management across software, security, hardware and cloud services.

Our strong relationships with many of the world's largest software companies enable our specialist staff to deliver the latest technology to a diverse and embedded customer base. This has resulted in our long track record of strong financial performance.



Team Culture

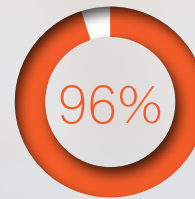
We have a dynamic culture which drives our operational excellence.



We are passionate about looking after our customers and suppliers.



Bytes Software Services were proud to be **listed 21st in the Best Mid Companies to work for** by the Sunday Times (2020).



96%¹ of Bytes Software Services customers **rate the service as 'Good' or 'Excellent'**.



Our customers have given Bytes Technology Group a **Net Promoter Score (NPS) of 61**², which is considered great.



Our CEO and CFO have nearly **half a century of experience** at Bytes. They are supported by an experienced board of directors, chaired by **Patrick De Smedt**.

1. Result of 209 responses from Bytes Software Services Customer Satisfaction Survey, September 2020.

2. Net Promoter Score calculated from 319 respondents across Bytes Technology Group in October 2020.

Track Record

We have established a long track record of delivering strong financial performance - our 10-year compound average growth rate for gross profit is 20%. This is enabled by our highly motivated employees, delivering the latest technology to a diverse and embedded customer base.



Resilient and defensive through economic cycles thanks to diversity of our customer base and structural requirement for the products we provide.



Organic growth driven through new customer wins and increasing share of wallet within existing customer base.

Customers grew from 4,330 in FY18 to 4,930 in FY20. Across both the public and private sectors.



We supplement our organic gross profit growth with selective M&A, including Phoenix in 2017, which significantly strengthened our position in the UK public sector market.

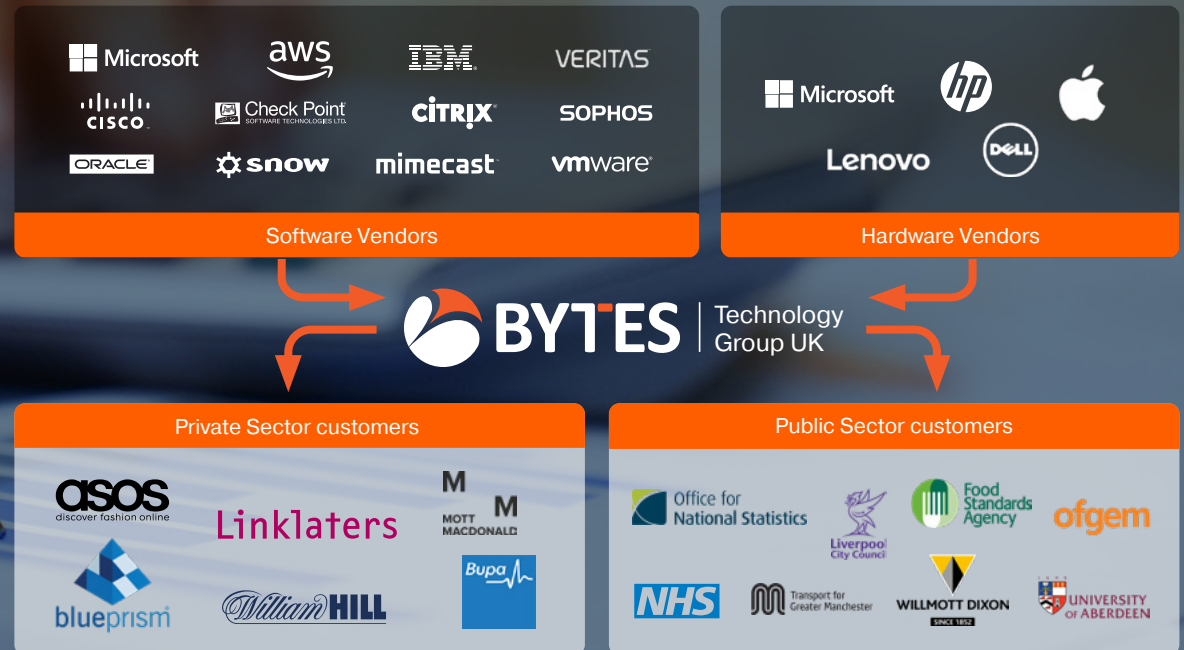


Our margins are supported by efficiency gains through automation and the annuity nature of cloud products.

Market Positioning

Bytes is a trusted partner to a broad range of vendors and customers

- We have trusted partnerships with over 100 vendors/distributors.
 - Bytes' leading vendor accreditations ensure great discounts which are passed on to customers, ensuring they get the best price. These accreditations also present a barrier to entry for potential competitors.
 - In addition, Bytes is exposed to a number of high-growth vendors, which over time are expected to further diversify Bytes' vendor base.
- A deep and embedded relationship with Microsoft, making Bytes one of the largest UK Microsoft partners by revenue. A dedicated Microsoft Services team employing 140 Microsoft Certified Professionals.



Growth Opportunity

We operate in a large and growing total market

- Bytes Technology Group has less than 3% market share of its £23.4bn core software total addressable market (TAM). IDC forecast the UK software market to grow at a 5.2% CAGR 2019-2024.
- Expansion of services and hardware products will enable Bytes to address the £55.8bn UK TAM for IT services and hardware.
- Over 42,000 companies with more than 100 employees (threshold target size for Bytes) alongside significant number of public sector organisations in the UK.
- Shift to “cloud first” strategies driving growth. Bytes is well positioned to capitalise on this growth due to its experience in the sector and leading vendor accreditations. IDC forecast the cloud software market to double in size by 2024.

Customer service is at the core of Bytes culture

