

# CEO's review

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**Sam Mudd** CEO



**To succeed in changing markets, businesses need to constantly evolve. In 2025/26, I was proud of the way our teams supported our many loyal customers by delivering great service, while also adjusting to our ongoing internal evolution and external market changes.**

As we focused on evolving our business for continued growth, realigning our private sector sales team, we managed the impact of reduced enterprise incentives from our largest vendor partner, Microsoft. We also focused on growing our services portfolio and associated profits and maintaining measured investments, in line with our strategy. While this resulted in another year of double-digit gross invoiced income growth, we however saw modest gross profit growth and a decline in operating profit.

With organisations continuing to invest in IT solutions, we maintained our share of wallet among our existing customers and increased our customer base. As in prior years, customer retention remained very high at both Bytes and Phoenix, providing a good foundation for future growth. And we achieved numerous notable successes in the public and private sectors. You can read more about some of our success stories on pages 12 and 14.

### **Increasing our customer centricity**

Customers partner with us – and often stay with us for many years – because of the broad range of software solutions we provide, from multi-cloud adoption and migration to digital storage, cybersecurity and AI. This is underpinned by our software advisory expertise and knowledge of procurement routes, which enable us to help our customers obtain the best value. We continued to build on this strength this year by investing in pre-sales and technical skills that will allow us to serve a bigger market in future.

We also evolved our overall approach to meeting our clients' needs by expanding our range of in-house services. Our customers want to benefit from the latest transformational technology, as we've seen from the strong interest in AI products we provide, including Microsoft Copilot. We translate complex partner



**Watch Sam's recent conversation with Microsoft about AI**

technology into business outcomes by working upfront in the design and implementation and staying responsible beyond the 'go-live' through managed services. The skills to manage new technology are in short supply, so organisations are becoming ever-more reliant on their IT partners. As this service income stream grows, we will continue to develop and deliver additional services across our vendor offerings to support customer readiness and adoption.

In 2025/26 we improved our customer proposition by realigning our private sector sales team. One of our key differentiators as a value-added reseller has always been our customer-centricity: how we engage closely with our clients to be a trusted partner. Now we have gone a step further to better understand our private sector customers' businesses and provide them with the right solutions for their needs. At the start of the financial year, we moved from a generalist private sector sales structure to having three segment-focused teams, based on customer size. By ensuring we have the right people, in the right roles, managing the right accounts, we have deepened expertise within each segment.

This shift to sales specialisation is already enabling us to provide better insights and more relevant solutions to customers, and aligns us more closely with our vendor partners, whose own sales teams are often segmented by customer size. It also allows us to recruit and train our people in a more targeted way.

This realignment saw an adjustment period for two main reasons: very strong trading ahead of the change at the end of last year, and relationship changes. The private sector sales team had a very strong end to financial year 2024/25 as account managers worked hard to close the pipeline they had built in accounts they were handing over. This had a temporary adverse impact at the start of 2025/26, given account managers had to hand over some relationships and establish pipelines in their new accounts.

As the change has bedded in though, we have already seen tangible results. For example, in the enterprise sales segment – for customers with more than 10,000 employees – the average deal size increased threefold during the year, driven by a strong growth in services. Our public sector sales team structures, which are aligned by government sector, are unchanged.

## Our strategy

We aim to grow organically by **winning new customers and doing more for existing customers**. We complement this approach, as appropriate, with carefully selected acquisitions that increase our value.

Along with consistently **expanding our solutions and services capabilities and broadening our vendor partnerships**, we pursue our strategy by focusing on three key areas: **putting customers first, investing in our people and our business, and investing in innovation**.

### Putting customers first

We focus relentlessly on our customers, helping them find innovative ways to use technology to improve the way they work, to control costs and to deliver a better service to their own clients.

**Read more about how we help our customers on page 12.**

### Investing in our people and our business

Our people drive our success: to sell effectively and meet our growth ambitions we need to retain our exceptional employees and keep attracting new talented people.

**Read more about how we develop great people on page 13.**

### Investing in innovation

From cybersecurity to AI, technology is advancing rapidly. We invest in innovation to help our customers stay ahead of the pace of change, manage the risks and make the most of the benefits.

**Read more about how we invest in innovative services on page 14.**

## Investment case

### 01

#### Proven track record and growth strategy

We have a long track record of robust financial performance and long-term growth, driven by highly motivated employees delivering the latest technology solutions and services to a diverse and loyal customer base.

**Five-year GP CAGR 13.3%**

**Customers served in 2025/26 5,916**

### 02

#### High return on capital and cash-generative asset-light model

Our business model of selling software solutions is asset light and supports consistently high returns on capital and cash conversion.

**Five-year cash conversion 113%**

**£205 million returned to shareholders over the past five years**

### 03

#### Attractive market positioning

We have strategic partnerships with many of the world's leading software vendors and distribution channels, including our long and deeply embedded relationship with Microsoft.

**More than 1,000 vendors and distributors**

**One of the largest UK partners with Microsoft by revenue**

### 04

#### Compelling growth opportunity

We operate in a vast, growing market, boosted by technological tailwinds from digital transformation agendas, cloud products, cybersecurity and AI-enabled tools. Our share of our total addressable market is 3%, so we have plenty of room to grow.

**Strong GII growth 11.5%**

### 05

#### Strong team culture

Our dynamic culture drives our operational excellence and high employee retention rates, and increases sales productivity, customer satisfaction and repeat business.

**Employee net promoter score (eNPS) 62**

### Deepening our vendor relationships

Our credibility in the market comes in part from working closely with the world's leading software vendors. In addition to our strong partnership with Microsoft, we have deepened our relationships with other key vendors this year by boosting our technical capabilities, so that we can do more pre-sales, consultancy and services work based on their technology.

This investment is reflected in the many competitive awards we have won this year from vendors, including Axonius, Barracuda, Check Point, Sophos and Varonis. We also achieved the highest-tier Pinnacle Partner status from VMware by Broadcom, a significant achievement. As part of our growth strategy, we aim to broaden our share of non-Microsoft work. In 2025/26, we delivered important customer wins in the private and public sectors, based on solutions from vendors that we have been working more closely with in recent years, including Flexera, Druva, Varonis, Rapid7, Check Point, Cisco, VMware and Zscaler.

### Building an even greater place to work

These customer and vendor successes don't happen overnight; rather they reflect many months and even years of hard work by our teams. This year I have spent time engaging with colleagues across the business, and have been inspired by their passion and professionalism in serving our customers. I am proud of how our people have pulled together and demonstrated their own resilience at a time of significant economic uncertainty.

Our Great Place to Work survey results continue to be impressive and in the *Financial Times*' UK's Best Employers ranking we were placed the highest in our industry and 14th overall. We are not complacent though, and are determined to become an even greater place for talented people to build long and fulfilling careers.

To help make that happen, we hired a chief people officer this year. Kally Kang-Kersey has now met with hundreds of employees in several of our offices, gaining a good sense of what drives our culture, and how to make it even stronger. Kally is leading our people strategy, which focuses on attracting top talent, developing our leaders, evolving our culture, and modernising and aligning our policies consistently across our two operations, to make sure that everybody is treated fairly.

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The changes we made this year have set us up strongly for the future and I'm excited to continue working with my leadership team to evolve our business, bringing our people, customers and vendors along with us on that journey.

### Promoting digital inclusion in our communities

Along with serving our customers, our people also do great work in our communities through volunteering and charitable giving. This year I've asked our teams at both businesses to prioritise activities where we can make the most difference through our expertise. We will therefore focus more strongly on digital inclusion, including by delivering cyber awareness, digital skills and technology education to disadvantaged and underserved groups. The importance and potential impact of this approach was reinforced for me when I took part in a forum at the House of Lords in January 2026, where a group of senior business leaders came together to shape the direction and intent of the CEO Steering Council. The group was set up to support delivery of the government's 'opportunity mission', which aims to break the link between a child's background and their future success.

### The road ahead

Turning to the future: while I am mindful of the pressures created by the ongoing economic uncertainty, I know our customers will keep looking to transformative technology to boost their efficiency, safety and competitiveness. And, as has been the case for more than four decades, we will be there for them. The changes we made this year have set us up strongly for the future and I'm excited to continue working with my leadership team to evolve our business, bringing our people, customers and vendors along with us on that journey.



#### Sam Mudd

Chief Executive Officer  
11 May 2026

