

Chair's statement

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Patrick De Smedt Chair



The IT market is changing fast, energised by new software companies, innovative products and disruptive technologies, including AI. Our responsibility at BTG is to stay ahead of these changes, and organise our business in a way that best serves the needs of our loyal customers and delivers sustainable growth over the long term.

Investing for sustainable growth

Despite a challenging market environment during the year, BTG delivered growth in gross invoiced income of 11.5% to £2.3 billion. While this growth did not fully convert to profit expansion at the levels seen in previous years, gross profit increased modestly, reflecting two key factors. First, changes to Microsoft enterprise incentive structures, particularly evident in the first half of the year, coincided with elevated renewal activity around the public sector financial year end in March and April and Microsoft's own year end in June. Second, the Group continued to evolve its private sector sales division from a generalist model to specialist, customer-segment-focused teams, as described on page 7. Although this transition took longer than initially anticipated, it represents an important step in strengthening BTG's long-term capability to support our customers. Operating profit was therefore lower than in previous years, as the Group continued to make disciplined investments to support future growth.

The business has now adapted to these changes. Indeed, adaptation was a key theme for BTG in 2025/26, as we focused on proactively evolving our business approach and investing for the future. For most of our history, we have been known for reselling software licences and providing software asset management. Under the leadership of Sam Mudd, and with the Board's support, BTG this year accelerated the transition to becoming a partner that takes a broader role in helping customers use technology to drive business outcomes, such as identifying use cases for AI adoption, deploying new workloads into the cloud and managing our customers' cybersecurity environments.

Investing in technical capabilities and providing more managed services will enable us to better respond to what our customers are asking for, as they look to further transition their data to the cloud, protect themselves against security breaches and make their businesses more efficient. Working with our vendor partners to deliver more services will also help us sell more software, so we can further invest in our business and reward our shareholders.

Strong leadership in a year of transformation

As our business continues to adjust to our ever-changing sector, Sam has led from the front, including explaining how and why we are evolving, to our people, to our customer and vendor partners, and to investors and analysts. Our operational leaders have also guided their businesses in a year in which both Bytes and Phoenix adapted to the most recent changes in Microsoft's incentive programmes.

As announced, following an assessment of the roles required to support the Company's next phase of growth, it has been decided to split the currently combined roles of Chief Financial Officer and Chief Operating Officer, held by Andrew Holden. As part of this change, Andrew will be standing down as Chief Financial Officer when a suitable replacement has been appointed, at which date he will step down from the Board. Thereafter, he will remain with the Company and will transition into the role of Chief Operating Officer.

Turning to the Board more widely, following the positive changes in 2024/25, I believe that we currently have the right mix of knowledge, skills and experience. Our recent board effectiveness review, conducted externally by Lintstock, also concluded that the Board continues to be strong and cohesive. I am grateful for all the support that the directors have given the business this year.

Maintaining our high-performance culture

On behalf of the Board, I also want to thank all our people across the business for their hard work. Without their dedication and commitment we would not be able to provide the great service that keeps our customers coming back to us, year after year.

Making sure we maintain our customer-centric and innovation-focused culture is always a strong priority for the Board, which is why listening to employees is so important to us. This year, we again held town hall meetings at both businesses' head offices, in Leatherhead and York, where we talked about the company's strategic priorities, and then took questions.

Shareholder dividend

BTG's dividend policy is to distribute 40–50% of post-tax pre-exceptional earnings to shareholders. The Board is pleased to propose a gross final dividend of 7.0 pence per share equating to £16.5 million. If approved by shareholders, the final dividend will be paid towards the end of July 2026.

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I also want to thank everyone across the business for their hard work, dedication and commitment.

Several directors, including Anna Vikström Persson, Dr Erika Schraner and Ross Paterson, also made additional office visits, while Shruthi Chindalur, our designated non-executive director for employee engagement, spent time engaging with people at both businesses.

Among the feedback we got was that staff would like more leadership training, especially for people newly promoted to management. Sam is addressing this, with the help of Kally Kang-Kersey, our Chief People Officer, who is leading the development of BTG's long-term people strategy.

Continued focus on sustainability

As the business keeps growing, the Board remains conscious of the company's sustainability responsibilities. This was the first full year of our ESG (Environmental, Social and Governance) Committee, which is chaired by Anna, whose role is to oversee the delivery of the overall sustainability strategy, including the transition to net zero. Along with continued efforts to reduce our emissions, our sustainability progress this year included expanding our carbon literacy awareness programme and becoming a constituent of the FTSE4Good Index Series.

Looking ahead with confidence

The spirit of agility and adaptability that BTG has shown this year positions us well to continue to benefit from the structural demand drivers in the market, from cloud migration to security and AI. The Board looks forward to supporting our executive team through another year of progress.



Patrick De Smedt

Chair
11 May 2026