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27 October 2022

**CloudCoCo Group plc**  
("CloudCoCo" or the "Group")

### **Year End Trading Update**

*Strong strategic and commercial progress and positive outlook*

CloudCoCo (AIM: CLCO), a leading UK provider of Managed IT services and communications solutions to private and public sector organisations, is pleased to provide an update on its progress for the year ended 30 September 2022 ("FY22").

#### **Highlights:**

- Step change in sales, with revenue expected to be no less than £24.0m (FY21: £8.0m) as a result of the previously announced acquisitions, now successfully integrated
- Trading EBITDA<sup>1</sup> expected to be in the region of £1.0m (FY21: £745k)
- Launch of 'Project IGNITE' investment programme to enhance sales capabilities
- Opening of new, more modern headquarters in Leeds and office locations in Warrington and Bournemouth
- Confident of continued strong sales growth and improved profitability in FY23

The Group delivered a strong revenue performance in the period, with positive trading momentum from the first half continuing through to the second. We continued to make good progress in signing new business on multi-year terms, hardware sales were ahead of expectations, and there were encouraging early signs of cross-selling success between the acquired companies with our first managed services customers taking data centre solutions and vice versa. This performance, alongside the action taken to put the Group on a sound footing in the first half, led to trading EBITDA being up significantly on the prior year.

Operationally, we made excellent progress, successfully completing the integration of the four acquired businesses. Pleasingly, we continued to see further improvements in the performance of the loss-making Connect business acquired in October 2021, as the year progressed further to it reaching monthly breakeven in March 2022 as announced in the Group's interim results.

To support the next phase of the Group's growth, we launched a new programme of investment in the second half which has continued into the new financial year. Known internally as 'Project IGNITE', the programme comprises the implementation of additional sales systems and the introduction of new talent in our new business, mobile, alliances, sales academy, retention, and ecommerce teams.

In line with this initiative, CloudCoCo's primary focus in the new financial year will be on driving organic growth. At the same time, the Board will continue to actively seek opportunities to enhance capabilities and accelerate growth through selective acquisitions.

While remaining cognisant of the inflationary environment in the near term, we continue to work with our customers to help them navigate rising third-party vendor costs and new business pipelines across the Group are growing at a healthy rate. We are confident of delivering continued strong sales growth and improved profitability in FY23, weighted towards the second half in view of the investments we are making in the first.

**Mark Halpin, CEO of CloudCoCo, commented:**

*“The period under review has been another successful one, characterised by a focus on integrating and optimising the four acquisitions made in late 2021, while taking steps to ensure the Group moves forward as a single, cohesive unit. To have delivered such a positive financial performance in such a short space of time while making such major leaps forward operationally is testament to the quality of our expanded proposition and the hard work of everyone at the business.*”

*“Looking ahead, we are confident FY23 will be another year of material strategic and commercial progress. Our organic growth prospects are strong, with growing demand, all parts of the business now fully embedded and operating profitably, and a programme of investment underway to further bolster our sales efforts. Alongside this, in pursuit of the next stage in our ‘Get Bigger’ strategy, we are actively exploring complementary acquisitions with the potential to enhance our one stop shop capabilities and accelerate value creation for shareholders.”*

<sup>1</sup> earnings before net finance costs, tax, depreciation, amortisation, plc costs, exceptional costs and share-based payments.

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**About CloudCoCo**

Supported by a team of industry experts and harnessing a diverse ecosystem of partnerships with blue-chip technology vendors, CloudCoCo makes it easy for private and public sector organisations to work smarter, faster and more securely by providing a single point of purchase for their connectivity, telephony, cyber security, cloud, IT hardware and support needs.

CloudCoCo has headquarters in Leeds and regional offices in Warrington, Sheffield and Bournemouth  
[www.cloudcoco.co.uk](http://www.cloudcoco.co.uk)