

AN INNOVATOR IN BILLING, CHARGING  
& CUSTOMER MANAGEMENT SYSTEMS

**cerillion**

# Full Year Results

for the year to 30 September 2022  
28 November 2022

Louis Hall  
Co-founder & CEO



- Led the MBO of the original business from Logica plc in 1999
- Over 30 years' experience in the software industry
- Previously held senior product, sales and management positions at Logica plc

Andrew Dickson  
CFO



- Joined in 2022
- Over 20 years' experience; early career at Deloitte LLP.
- Previously Group Director of Finance at Vitec Group plc

Cerillion develops, installs and supports enterprise CRM and billing software for the global telecoms market

- Well-established provider of mission-critical software to global telecoms market
  - core product IP is owned by Cerillion
- Long customer relationships - typically 10 years+
- Global customer base – c. 80 customers in c. 45 countries
- Existing customers typically generate over 80% of annual income

FY 2022 REVENUE

**£32.7m**

(2021: £26.1m)

FY 2022 ADJ PBT

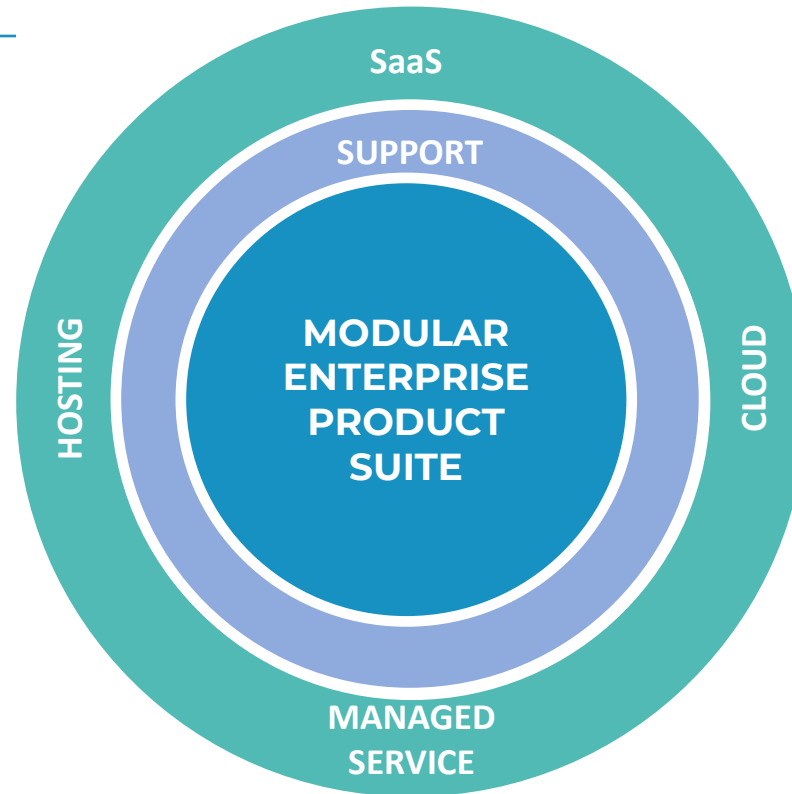
**£11.9m**

(2021: £8.5m)

Based in London, Sofia,  
Brussels, Pune,  
Singapore and Sydney

**c.310 staff**

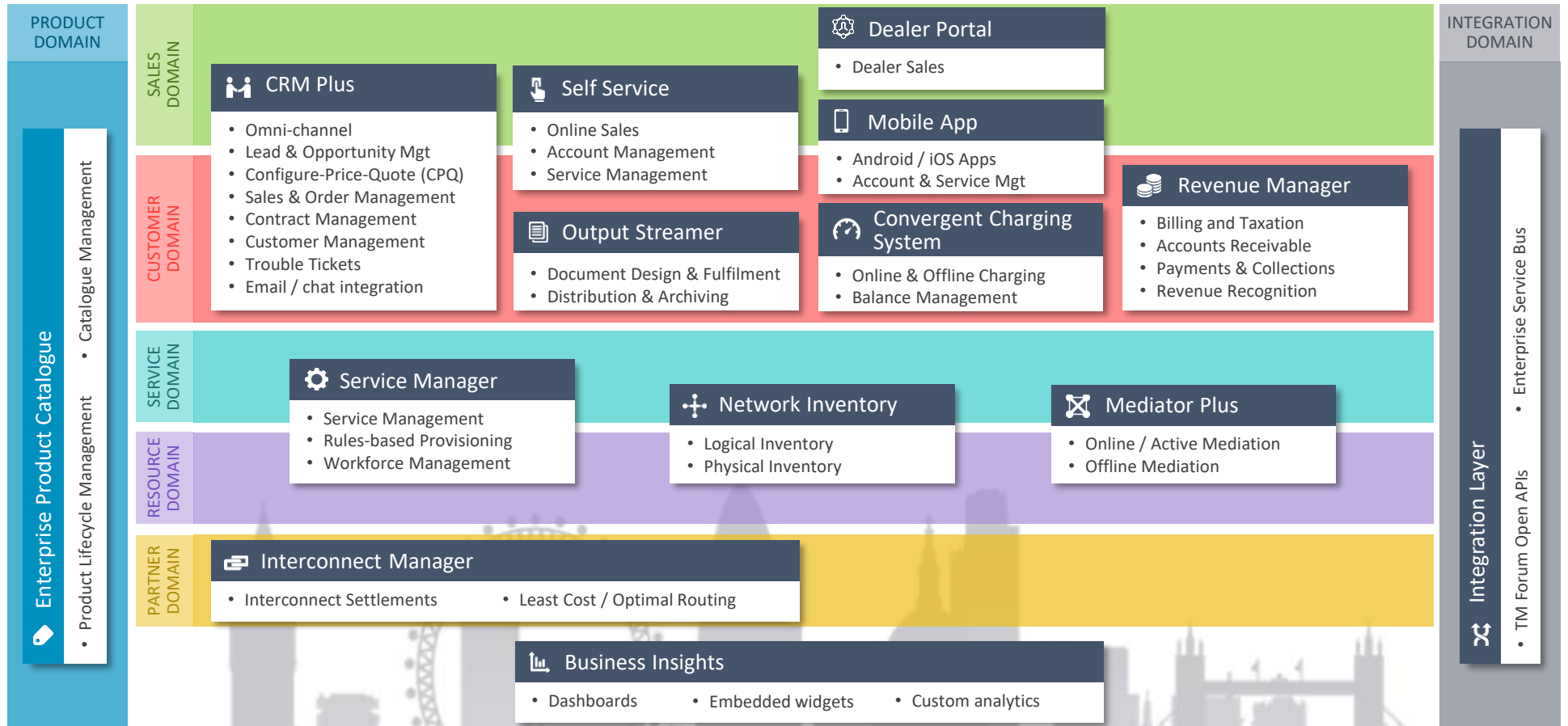
- Cloud or On-premise deployment
- SaaS or licence/support model
- Sticky customers/long relationships



- Pre-integrated BSS/OSS modules
- End-to-end or modular delivery
- Large transformation projects

“We’re pleased to support the general availability of the Cerillion Enterprise BSS/OSS suite on Microsoft Azure. The combination of Cerillion’s modular and pre-integrated product set, adherence to industry standards like TM Forum’s Open Digital Architecture, and the cloud deployment flexibility of Azure, are a compelling proposition for communications service providers (CSPs) looking to accelerate time to market and increase operational agility.”

**Rick Lievano, Worldwide Director of Technology Strategy, Microsoft**



# KEY HIGHLIGHTS

Year to 30 September 2022



- > Key financial performance measures – including revenue, PBT, EPS - at record highs
- > Annualised recurring revenue at year end up 25% y/y to £12.4m
- > New customer sales pipeline value up by 43% to record £209m (2021: £146m)
- > Back-order book up to record £45.4m (2021: £42.1m)
- > Largest ever new customer contract (£15.0m) won in July 2022
  - > continued trend of larger contract wins/larger customers
- > Continued expansion of global resource
- > Well-placed to deliver another strong performance in the new financial year, supported by a record order book. The new customer sales pipeline is also at a record high and contains large deal opportunities

## New Customer

### Cable & Wireless Seychelles



**CABLE & WIRELES**

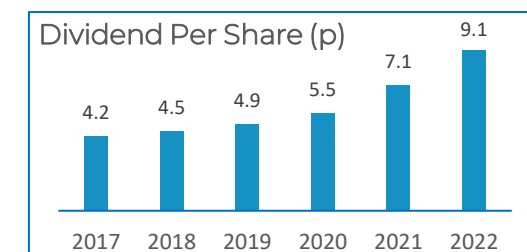
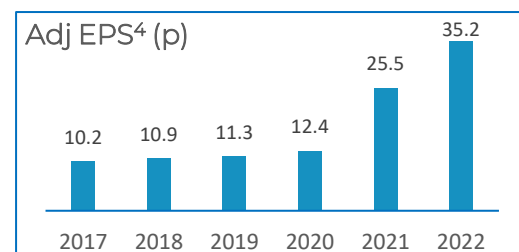
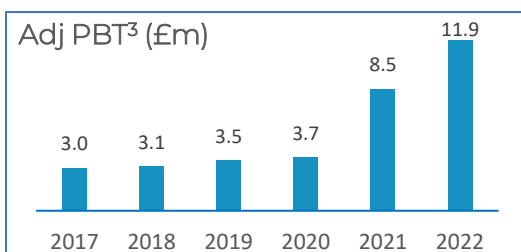
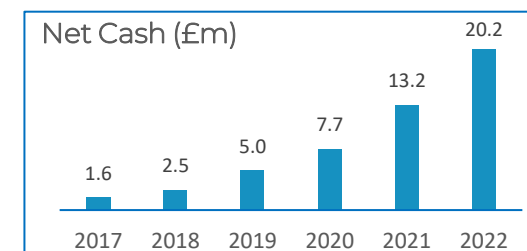
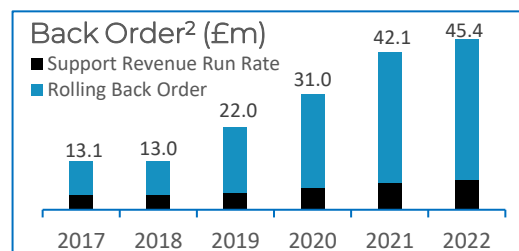
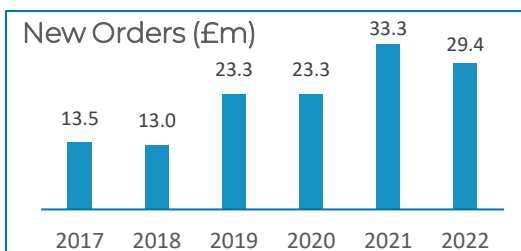
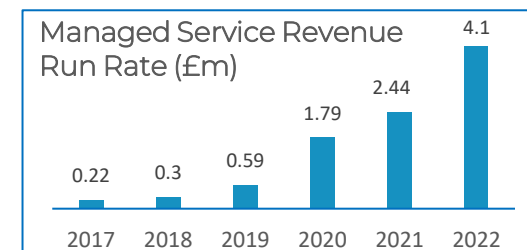
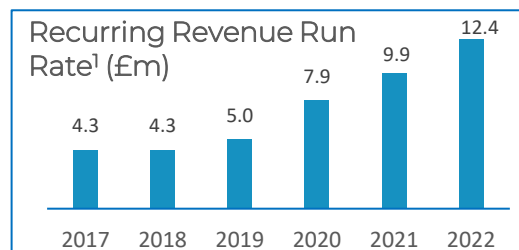
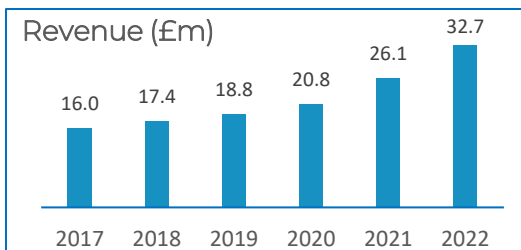
Major transformation project for the main telecoms services provider in the Seychelles

*“Cable & Wireless plays a big part in the lives of the people of the Seychelles, and this digital transformation programme will deliver significant benefits throughout the communities we serve. We have chosen Cerillion because they provide a SaaS solution with the certainty of outcome we need for this mission-critical project, and we’re confident that this investment will provide the BSS/OSS platform for our on-going success.”*

**George Doffay, CEO**

# FY 2022 KPIs

## Key KPIs at Record Levels



1 Recurring revenue includes annualised support and maintenance, managed service and Skyline revenue.

2 Back-order book consists of £37.4m of sales contracted but not yet recognised at the end of the reporting period plus £8.0m of annualised support and maintenance revenue. It is anticipated that 75% of the £37.4m of sales contracted but not yet recognised as at the end of the reporting period will be recognised within the next 12-18 months.

3 Adjusted PBT is a non-GAAP, company-specific measure which is earnings excluding taxes, amortisation of acquired intangible assets, and share-based payments charges.

4 Adjusted EPS is a non-GAAP, company-specific measure which is earnings after taxes, excluding amortisation of acquired intangible assets, and share-based payments charges.



# FY 2022 FINANCIAL HIGHLIGHTS (AUDITED)



## > Record highs across key KPIs

£m	FY22	FY21
<b>New orders</b>	<b>29.4</b>	33.3
<b>Back-order book<sup>1</sup></b>	<b>45.4</b>	42.1
<b>Total revenue</b>	<b>32.7</b>	26.1
Software <sup>2</sup>	<b>12.9</b>	13.4
Services	<b>18.3</b>	11.9
Other	<b>1.6</b>	0.8
<i>Recurring revenues<sup>3</sup></i>	<b>10.5</b>	8.6
<b>Adj. EBITDA</b>	<b>13.8</b>	10.5
<i>Adjusted EBITDA margin</i>	<b>42.0%</b>	40.3%
<b>Adjusted PBT<sup>4</sup></b>	<b>11.9</b>	8.5
<b>Adjusted EPS<sup>5</sup></b>	<b>35.2p</b>	25.5p
<b>DPS</b>	<b>9.1p</b>	7.1p
<b>Net cash</b>	<b>20.2</b>	13.2

- Record back-order book provides strong visibility of revenues
- Increase in services revenue due to concurrent implementation work on new customer projects won in the prior year, as well as a strong flow of services work from live customers
- Very strong balance sheet; £20.2 net cash

<sup>1</sup> Back-order book consists of £37.4m of sales contracted but not yet recognised at the end of the reporting period plus £8.0m of annualised support and maintenance revenue. It is anticipated that 75% of the £37.4m of sales contracted but not yet recognised as at the end of the reporting period will be recognised within the next 12-18 months.

<sup>2</sup> Revenue derived from software licence, support and maintenance and managed services.

<sup>3</sup> Recurring revenue includes support and maintenance and managed services.

<sup>4</sup> Adjusted PBT is a non-GAAP, company-specific measure which is earnings excluding taxes, amortisation of acquired intangible assets, and share-based payments charges.

<sup>5</sup> Adjusted EPS is a non-GAAP, company-specific measure which is earnings after taxes, excluding amortisation of acquired intangible assets, and share-based payments charges.



# CASH GENERATION

## > Strong cash generation

£m	FY22	FY21
Adj. EBITDA	<b>13.8</b>	10.5
Decrease/(increase) in working capital	<b>0.1</b>	(0.3)
<b>Cash generated from operations</b>	<b>13.9</b>	10.2
Capitalisation of development costs	<b>(1.0)</b>	(1.0)
Purchase of PPE	<b>(0.6)</b>	(0.3)
Net interest and tax paid	<b>(1.6)</b>	(0.4)
<b>Free cash flow</b>	<b>10.7</b>	8.5

- Free cash flow used to fund dividend, employee share options and lease payments
- Closing net cash of £20.2m



# AUDITED SUMMARY CONSOLIDATED INCOME STATEMENT <sup>1</sup>



(£'000)	Year to 30 Sep 2022	Year to 30 Sep 2021
<b>Total revenue</b>	<b>32,726</b>	26,071
Cost of sales	<b>(7,221)</b>	(5,662)
<b>Gross profit</b>	<b>25,505</b>	20,409
<i>Gross profit margin</i>	<b>78%</b>	78%
Operating expenses	<b>(13,031)</b>	(12,658)
Impairment of financial assets	<b>(1,770)</b>	(227)
<b>Adjusted EBITDA<sup>1</sup></b>	<b>13,750</b>	10,515
Depreciation and amortisation	(2,986)	(2,881)
Share based payments charge	(60)	(110)
<b>Operating profit</b>	<b>10,704</b>	7,524
Finance costs	<b>(146)</b>	(164)
Finance income	<b>337</b>	67
<b>Profit before tax</b>	<b>10,895</b>	7,427
Tax	<b>(1,551)</b>	(1,000)
<b>Profit after tax</b>	<b>9,344</b>	6,427

- Gross margin maintained despite change in revenue mix
- Higher tax charge due to increase in profit and non-repeat of benefit from brought forward losses

<sup>1</sup> Adjusted EBITDA is a non-GAAP, company-specific measure which is earnings excluding finance income, finance costs, taxes, depreciation, amortisation, and share-based payments charge. Adjusted EBITDA refers to adjusted EBITDA from continuing operations.

# AUDITED SUMMARY CONSOLIDATED BALANCE SHEET



(£'000)	Consolidated	30 Sep 2022	30 Sep 2021
<b>Non-current assets</b>	Goodwill	<b>2,053</b>	2,053
	Other intangible assets	<b>2,653</b>	3,572
	Property, plant and equipment	<b>980</b>	759
	Right of use asset	<b>3,057</b>	3,706
	Trade and other receivables	<b>2,171</b>	2,015
	Deferred tax	<b>260</b>	209
		<b>11,174</b>	12,314
<b>Current assets</b>	Trade and other receivables	<b>11,204</b>	10,179
	Cash and cash equivalents	<b>20,249</b>	13,174
		<b>31,453</b>	23,353
<b>Total assets</b>		<b>42,628</b>	35,667
<b>Current liabilities</b>	Trade and other payables	<b>(10,216)</b>	(9,391)
	Lease liabilities	<b>(976)</b>	(948)
	Borrowings - current	-	-
<b>Non-current liabilities</b>	Borrowings	-	-
	Lease liabilities	<b>(3,050)</b>	(3,866)
	Other payables	<b>(1,653)</b>	(1,257)
<b>Net assets</b>		<b>26,732</b>	20,205
	Called up share capital	<b>148</b>	148
	Share premium account	<b>13,319</b>	13,319
	Foreign exchange reserve	<b>(97)</b>	(167)
	Share option reserve	<b>137</b>	128
	Retained profit	<b>13,226</b>	6,778
	Treasury stock	-	-
<b>Total equity</b>		<b>26,732</b>	20,205

# AUDITED SUMMARY CONSOLIDATED CASH FLOW STATEMENT

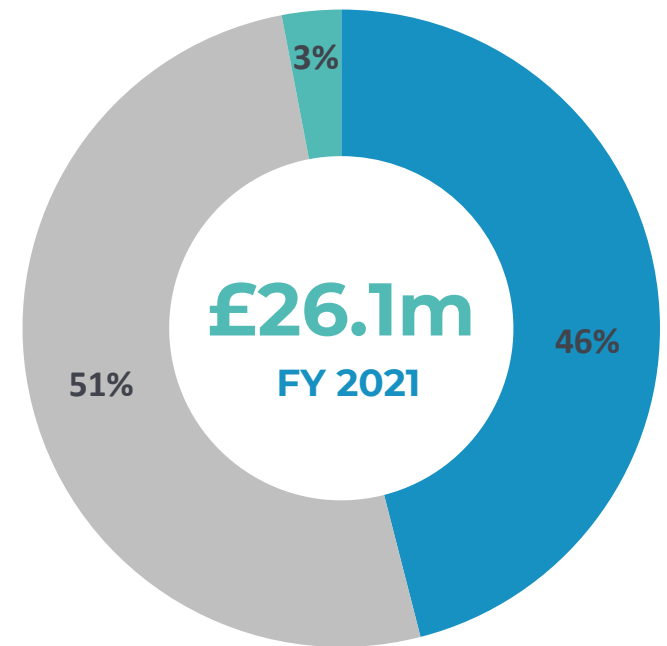
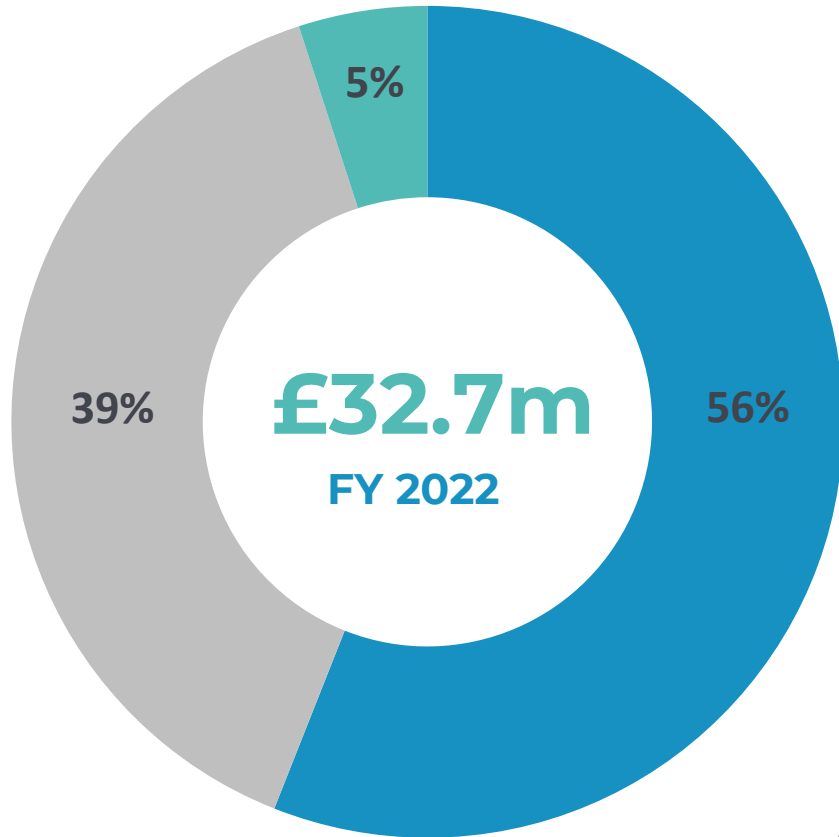


Consolidated (£'000)	Year to 30 Sep 2022	Year to 30 Sep 2021
Operating cash flows before movements in working capital	<b>13,750</b>	10,515
(Increase) / decrease in trade and other receivables	<b>(1,182)</b>	(238)
Increase / (decrease) in trade and other payables	<b>1,324</b>	(84)
Cash from-operations	<b>13,892</b>	10,192
Finance costs	<b>(146)</b>	(164)
Finance income	<b>337</b>	67
Tax (paid) / received	<b>(1,746)</b>	(293)
<b>Net cash from operating activities</b>	<b>12,338</b>	9,802
Capitalisation of development costs	<b>(983)</b>	(970)
Purchase of property, plant and equipment	<b>(626)</b>	(302)
<b>Net cash used in investing activities</b>	<b>(1,609)</b>	(1,272)
Borrowings repaid	-	(609)
Dividends paid	<b>(2,243)</b>	(1,727)
Purchase of treasury stock/receipts from exercise of share options	<b>(705)</b>	(511)
Principal elements of finance leases	<b>(807)</b>	(764)
<b>Net cash used in financing activities</b>	<b>(3,755)</b>	(3,612)
Net increase in cash and cash equivalents	<b>6,974</b>	4,919
Translation differences	<b>101</b>	(56)
Cash and cash equivalent at beginning of period	<b>13,174</b>	8,312
<b>Cash and cash equivalents at end of period</b>	<b>20,249</b>	13,174

# ANALYSIS OF FY 2022 REVENUE



## Revenue by Software / Services / Third-party



- Services
- Software & Support
- Third-party pass through



## Market Segments

## Channel Partners

Tier 1/2 Operator Groups

Tier 2/3 CSPs

Other Verticals



BSS Standardising for multi-country operational models

Point solutions / Best of breed sales to support specific brands or business functions

National Operators: End-to-end transformation projects for multi-play service providers

Innovative Challengers: End-to-end transformation projects and point solutions for complex or innovative business models

Subscription billing and usage-based charging for medium-sized and large enterprises



Tier 1 Systems Integrators



## Large ISVs\*

### OUR DIFFERENTIATORS

- Shorter time to market
- More flexible
- Scaling to tier-2/3

## Equipment Vendors

### OUR DIFFERENTIATORS

- Shorter time to market
- More flexible
- Market bias towards software-based solutions

## Small ISVs\*

### OUR DIFFERENTIATORS

- Greater breadth and depth
- Broader references

## Independent Analysis



FORRESTER®

OMDIA



## WHY WE WIN

- True product model – lower TCO, faster time to market, seamless upgrades
- Functionally rich, end-to-end, convergent CRM & billing product suite
- Service agnostic – support for complex business models
- Customer focus: strong blue-chip references and track record of delivery
- Recognised in independent analysis
- Fully integrated product demos

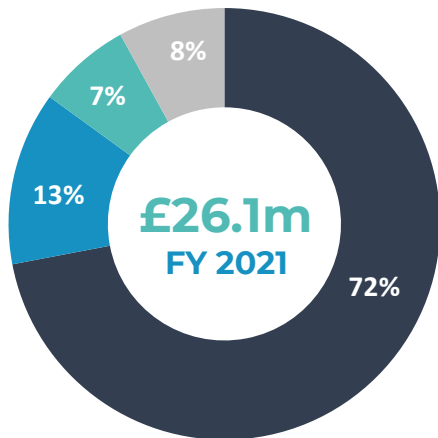
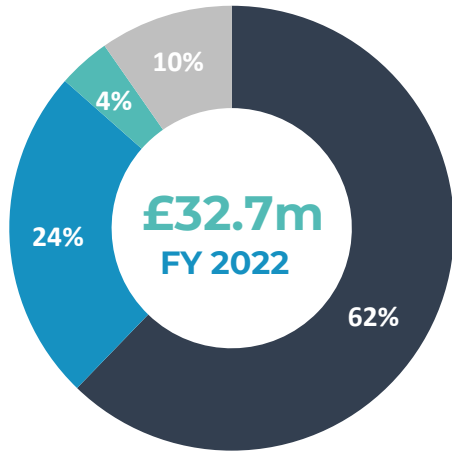
\*ISV- Independent Software Vendor



# GLOBAL & DIVERSIFIED CUSTOMER BASE



## REVENUE BY GEOGRAPHY



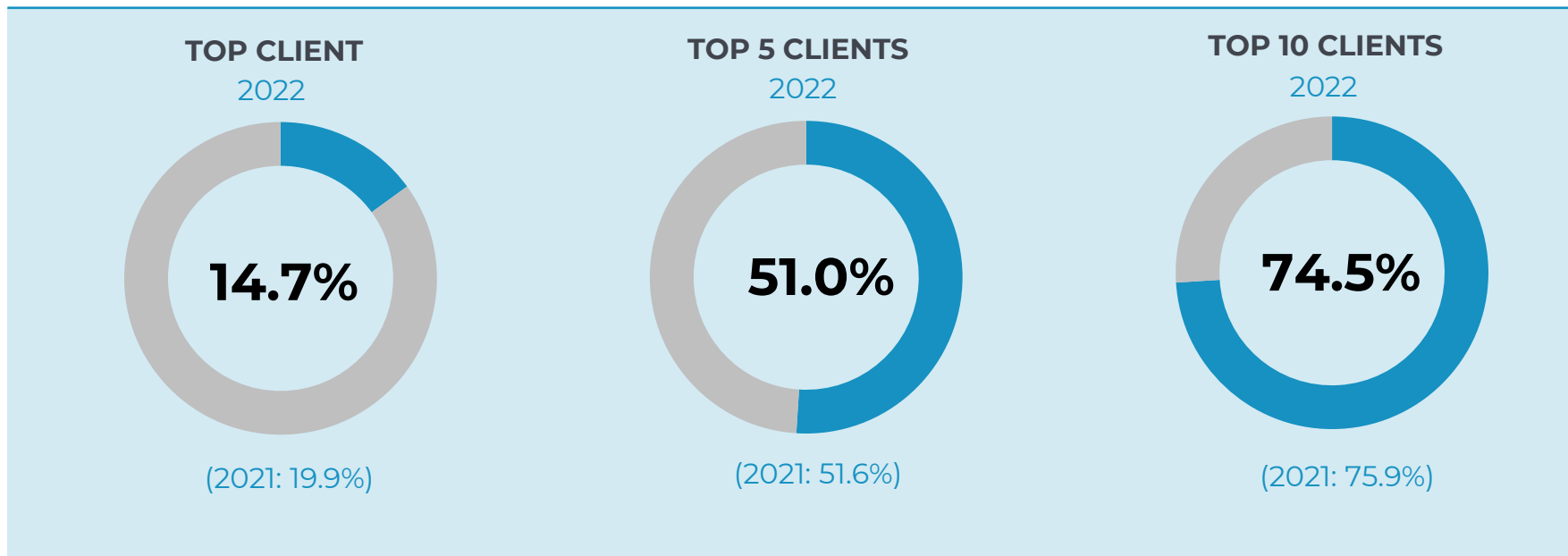
- Europe
- Americas
- Asia-Pacific
- MEA

## INDUSTRY VERTICALS

Mobile/LTE	Multi-Play Operators	Fixed, VoIP, Broadband	TV Services	Other Verticals

c. 80 CUSTOMERS IN c. 45 COUNTRIES

## Reducing Revenue Concentration

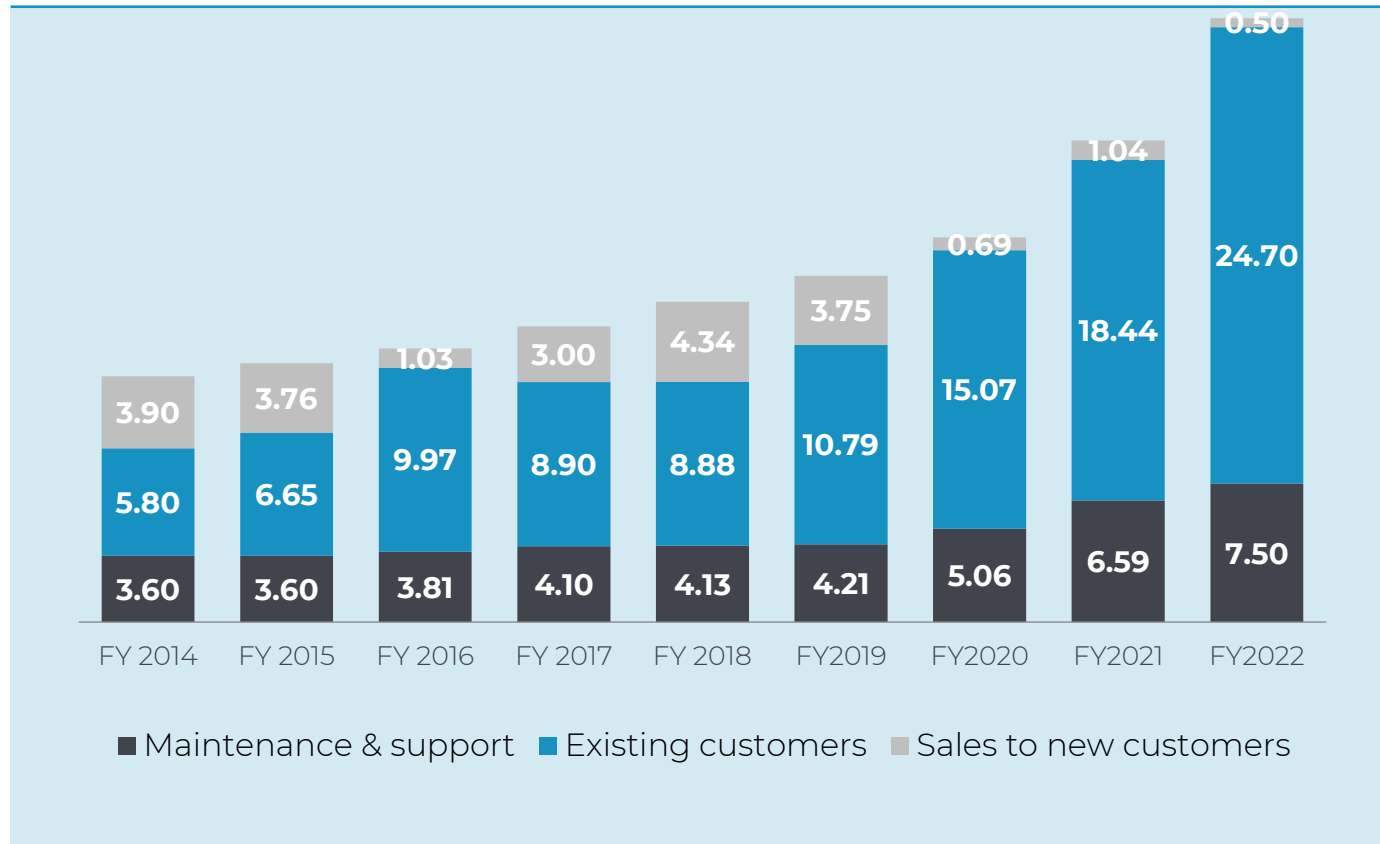


- Top five customers are typically major new customers undergoing implementation and generally change each year
- Established customer base with high retention rate

# STICKY CUSTOMER BASE GENERATES HIGH LEVELS OF PREDICTABLE INCOME

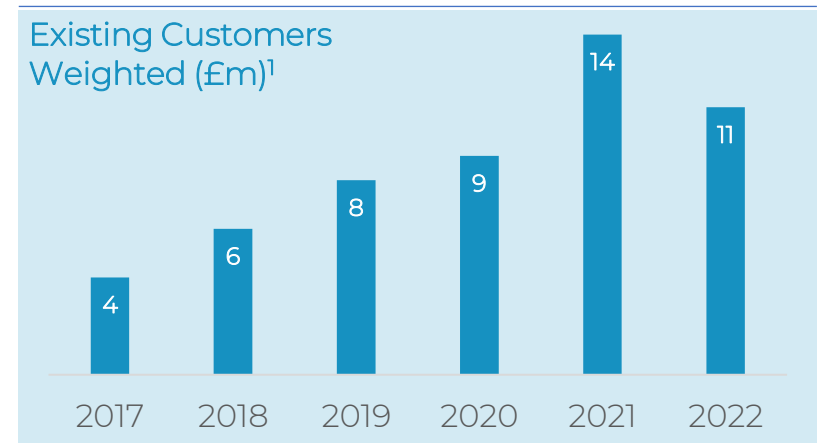
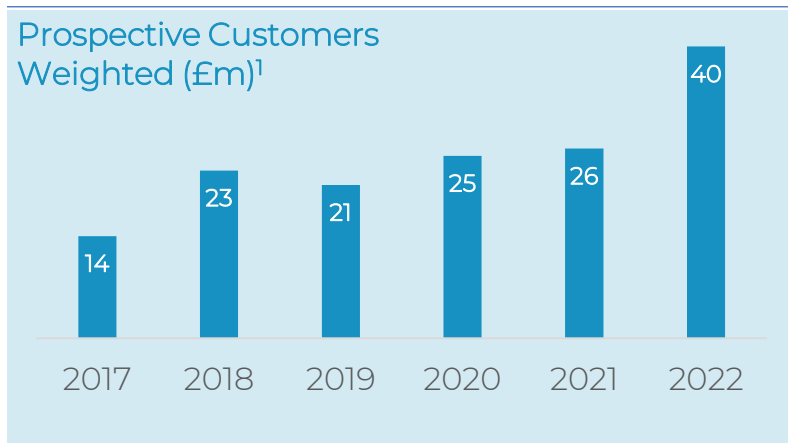
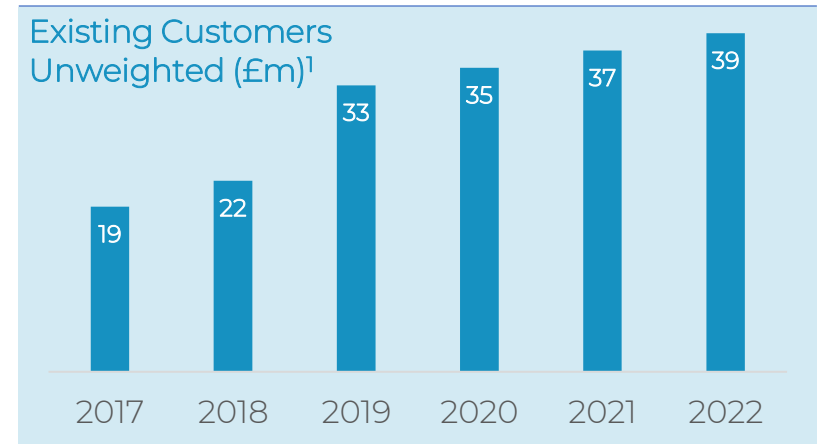
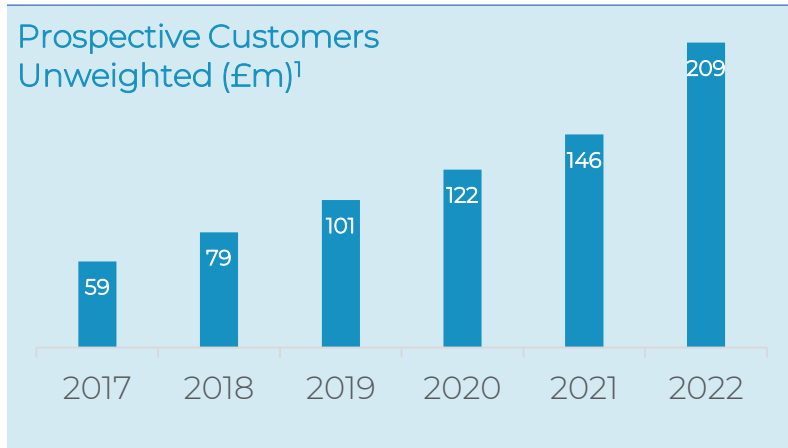


Revenue Sources (£m)



**>80%**  
Annual income typically derived from existing customers

# SALES PIPELINE OVERVIEW



1. As at 30 September 2022. Estimated figures, based upon management accounts and management estimates

- > Cerillion has greater revenue visibility than at the start of any other financial year, supported by record back-order book
- > Rising level of recurring revenue
- > Strong pipeline of new prospects
- > Favourable market backdrop as telecoms businesses continue to invest in their infrastructure and in digital transformation
- > Strong balance sheet with net cash, good cash flows and higher recurring revenue
- > Cerillion is well-positioned for growth in FY2023

Dividend Record (p)



Net Cash (£m)



AN INNOVATOR IN BILLING, CHARGING  
& CUSTOMER MANAGEMENT SYSTEMS

**cerillion**

# Supplementary Information

- Board of Directors
- Major Shareholders
- Financial Summary

# BOARD OF DIRECTORS

The Cerillion logo is displayed in white lowercase letters on a blue rectangular background.

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## Alan Howarth Chairman

Alan Howarth has extensive senior executive experience in a range of national and international organisations in both the public and private sector. At Ernst & Young he was one of the founding partners of the UK Management Consulting practice. For the last 20 years he has managed a portfolio of nonexecutive appointments, as chairman of both public and private companies primarily in the UK and US Technology and Health sectors. He is a non-executive Director of Tern Plc and a Board member of Open Health Group and the Change Management Group.

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## Louis Hall CEO

Louis Hall is the CEO and founder of Cerillion, having led the management buy-out of the original business from Logica PLC in 1999. Louis has worked in the enterprise software industry for over 30 years and prior to forming Cerillion held a number of product, sales and management positions at Logica.

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## Andrew Dickson CFO

Andrew joined Cerillion as CFO in February 2022. Prior to this he spent seven years at The Vitec Group plc in a number of senior financial roles, including Group Director of Finance based in London and Finance Director of a subsidiary business based in the USA. In his earlier career, Andrew worked for Smiths Group plc, the FTSE 100 international engineering business, and qualified as a chartered accountant with Deloitte LLP.

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## Guy O'Connor Non-executive Director

Guy is a co-founder of Cerillion and has led business development at Cerillion since the MBO. Prior to joining Cerillion, Guy was Group Director for Matheson Investment International, a subsidiary of Jardine Matheson Group.

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## Mike Dee Non-executive Director

Mike Dee served as CEO of Manx Telecom plc from April 2011 to July 2015, overseeing its successful AIM IPO in February 2014. In 1987, Mike was part of the BT team involved in setting up Manx Telecom plc and served as Director of Finance and Company Secretary before stepping up to CEO. Mike is a qualified accountant and holds a BA (Hons) degree in Business Studies and CIMA qualification.



# MAJOR SHAREHOLDERS<sup>1</sup>

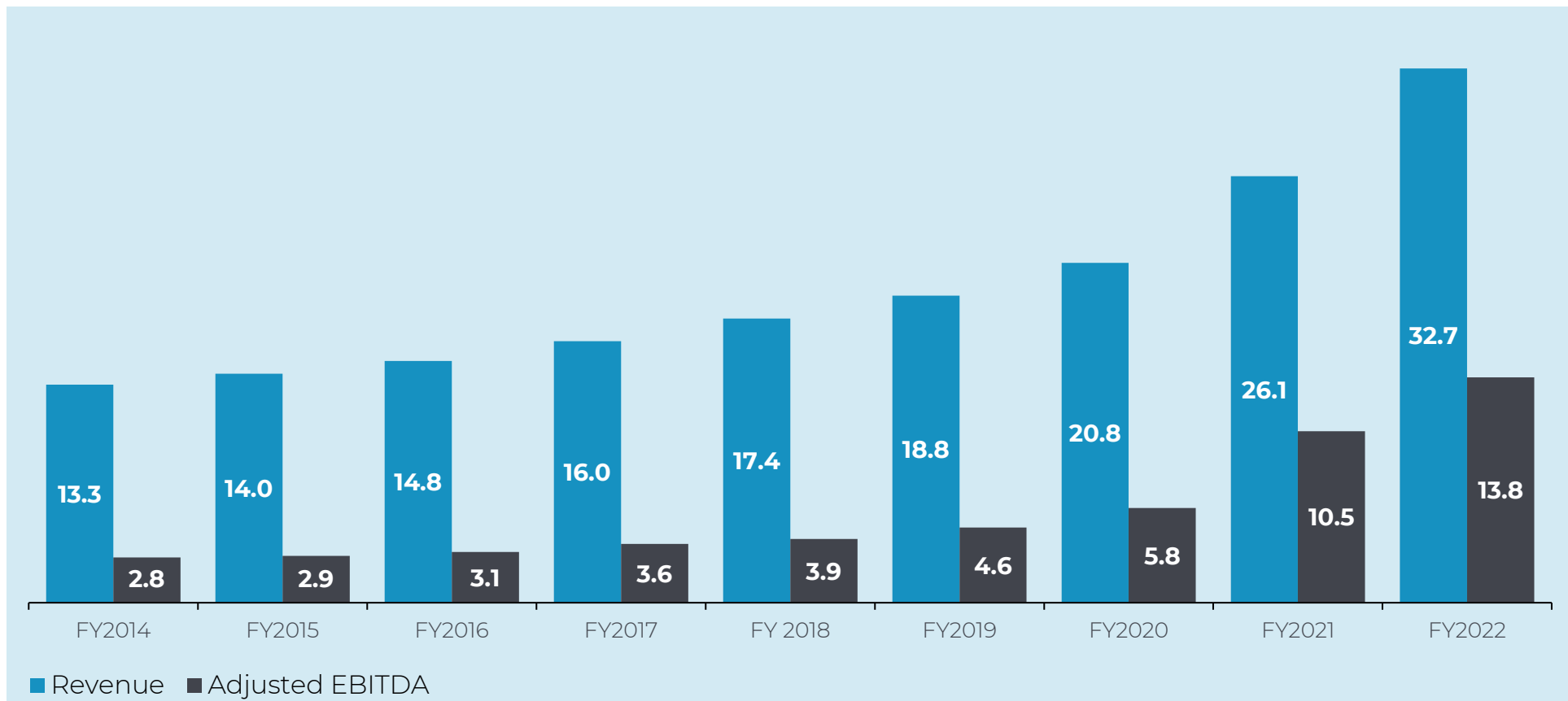
As at 4 November 2022



MAJOR SHAREHOLDER	% SHAREHOLDING
Louis Hall	<b>30.45</b>
Canaccord Genuity Wealth Management	<b>12.48</b>
Gresham House Asset Management	<b>12.21</b>
Investec Wealth & Investment	<b>5.91</b>
Charles Stanley	<b>5.60</b>
JP Morgan Asset Management	<b>4.05</b>
Hargreaves Lansdown, stockbrokers (EO)	<b>2.58</b>
Interactive Investor (EO)	<b>2.01</b>
BlackRock	<b>1.85</b>
Royal London Asset Management	<b>1.74</b>
Montanaro Asset Management	<b>1.69</b>
AXA Framlington Investment Managers	<b>1.51</b>
Shore Capital, stockbrokers (ND)	<b>1.18</b>
Rowan Darlington, stockbrokers	<b>1.14</b>
Goldman Sachs collateral account	<b>1.04</b>
Herald Investment Management	<b>1.03</b>

<sup>1</sup> Source: Equiniti Limited

Long-Term Track Record (£m)



EBITDA and Adjusted EBITDA are non GAAP measures. Adjusted EBITDA is a company specific measure which is calculated by taking operating profit and adding back depreciation and amortisation, share based payment charge and exceptional items.