

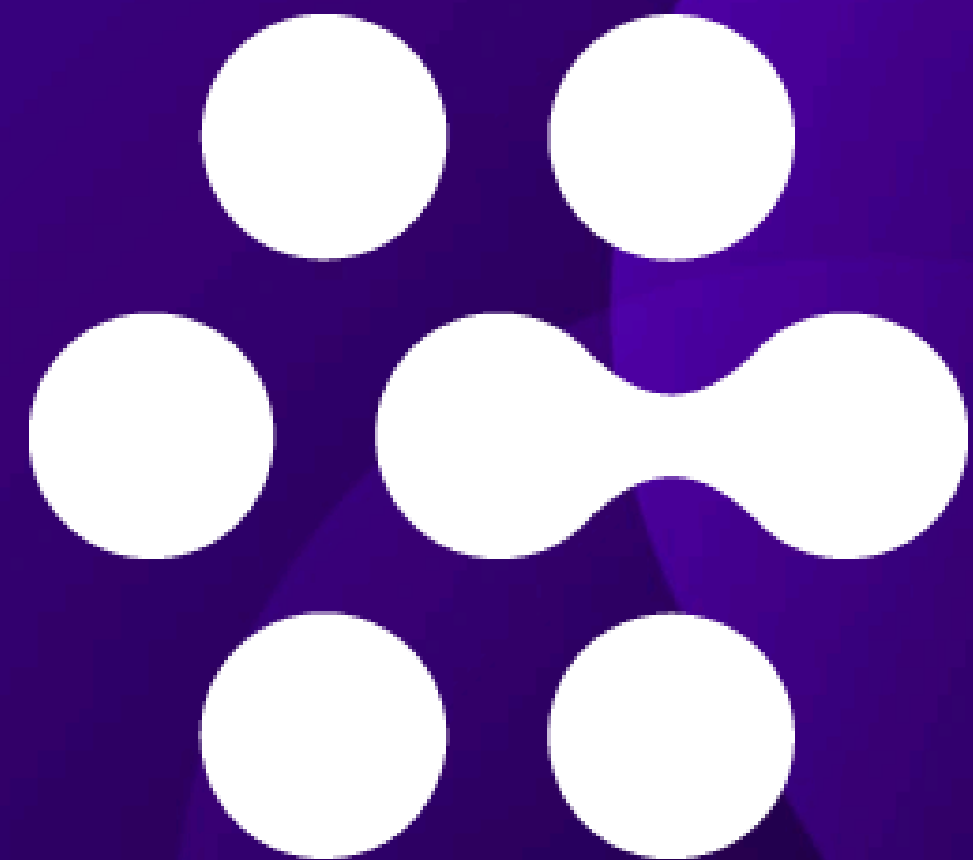
Gamma

Half Year 2025 Results

9 September 2025

Andrew Belshaw, CEO

Bill Castell, CFO





Half Year 2025 Results

Agenda

-
- 01. **Half Year 2025 Business Update**
Andrew Belshaw

 - 02. **How does Gamma add value to our customers?**
Andrew Belshaw

 - 03. **Update on Market Trends**
Andrew Belshaw

 - 04. **Half Year 2025 Financial Highlights**
Bill Castell

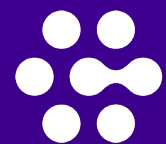
 - 05. **Business Outlook**
Andrew Belshaw

 - 06. **Q&A**
Andrew Belshaw and Bill Castell
-



Half Year 2025 Business Update

Andrew Belshaw, CEO



Half Year 2025 Financial Overview

Gamma Group	Business	Enterprise	Germany	Other Europe
£316.6m +12% growth	£186.0m +1% growth	£66.5m +9% growth	£49.1m +125% growth	£15.0m (4% decline)
Gamma Group revenue*	59% of Group revenue	21% of Group revenue	16% of Group revenue	4% of Group revenue

- **Full Year 2025 is on track to meet expectations**
- Strong growth supported by immediately accretive acquisitions
- Acquisitions “self-funded” and **share buyback of £45.1m** completed in the period

Half Year 2025 Business Update

Gamma Business – Growth in volume and solutions

- Substantial progress with new Portal architecture, allowing UK Channel Partners to order Horizon, PhoneLine+, Cisco Collaboration Suite and iPECS through a single portal
- Continued volume growth of 23k (up 2%) in Cloud Communication portfolio; Managed Platform deal with O2 Daisy
- Managed Services deal for Clear Business
- Launch of Fusion IoT and variants of PhoneLine+, both our own products, and enhanced CX, FTTP and mobile offerings through partnerships

Enterprise enhanced by acquisitions

- BrightCloud leading growth, with Cisco Collaboration Suite deals (both UCaaS and CX) won through acquired skills
- Deepening customer relationships leading to major cross-sell opportunities within our existing offerings and acquired solutions (e.g. managed cyber through Satisnet)

Strong growth in German business

- Impressive trading performance led by STARFACE and Placetel - c. 15% growth across both businesses*
- First pan-European offering “Operator Connect International”
- Integration proceeding as planned – teams working well together

Growing market niches in Netherlands and Spain

- Launch of Cisco Collaboration Suite in Spain leading to commitments from new partners including one for 40k seats (over five years)
- Continued leading position for Operator Connect in the Netherlands – volume growth of 2.8k (up 23%) since December 2024



How does Gamma add value to our customers?

Andrew Belshaw, CEO



Gamma is in a strong position



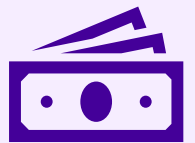
All businesses need a **communications provider**



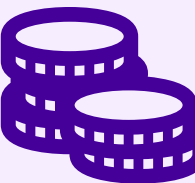
Market leading position in the UK and Germany



90% recurring revenue with a predictable outlook, and a consistent **50%+ gross profit margin** across the Group

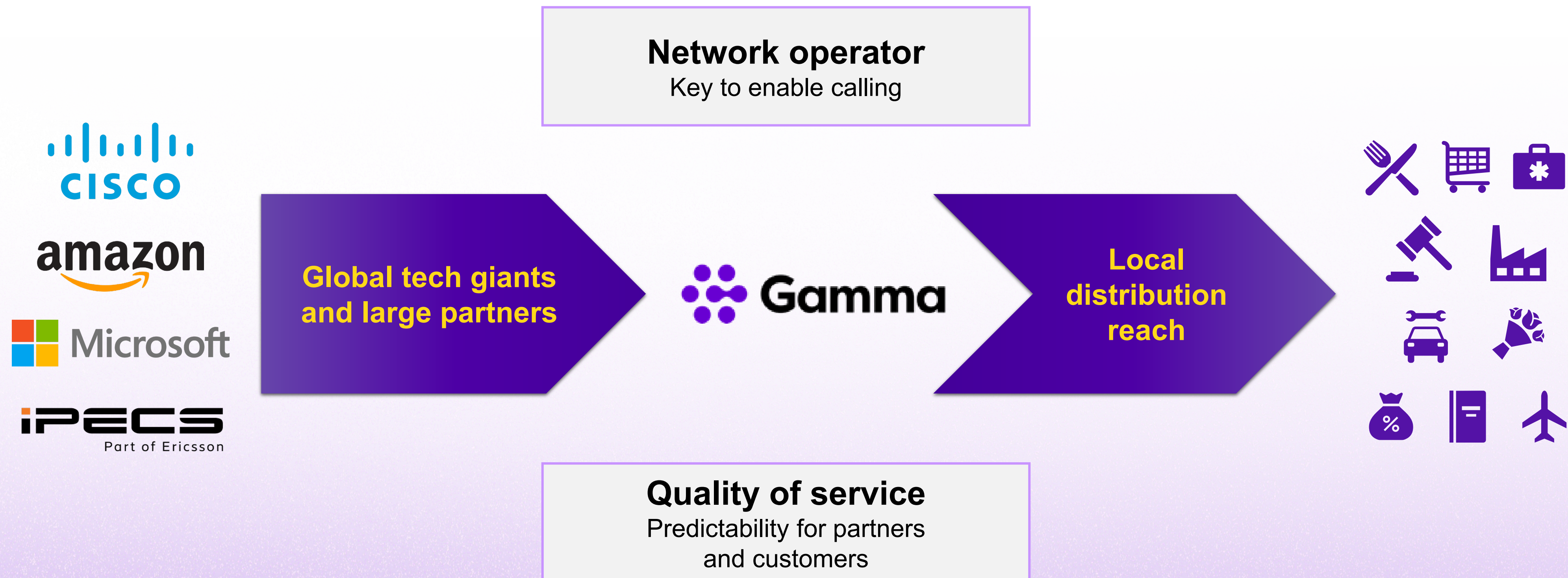


Highly cash generative, with **90% adjusted cash conversion** and strong Balance Sheet



Balanced approach to **capital allocation**

Gamma's Unique Position

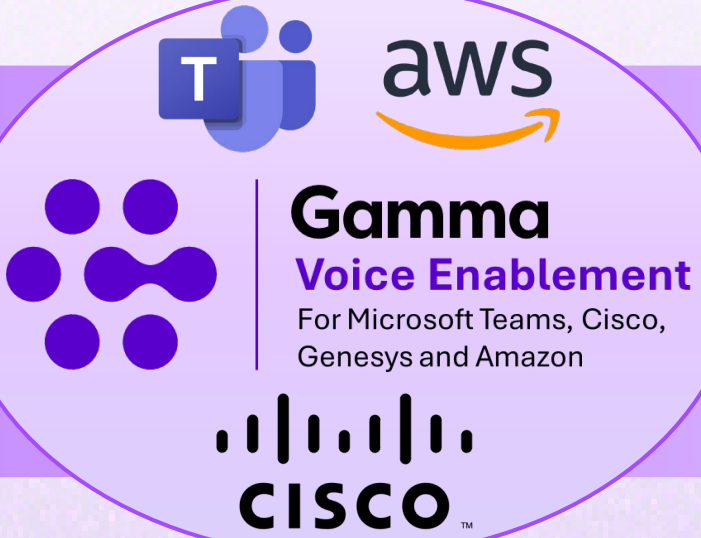


Gamma offers solutions which all businesses need to function

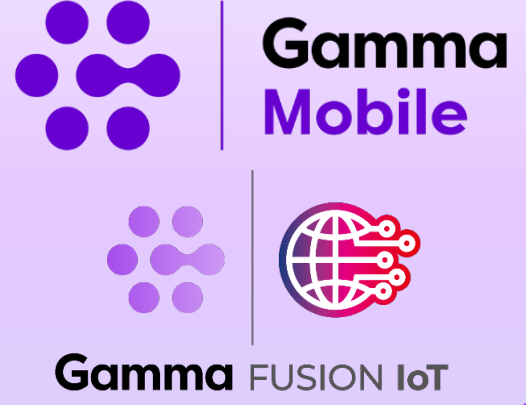
Cloud Communications



Calling



Connectivity



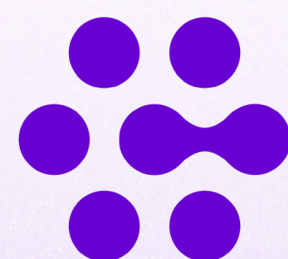


Company Name: Morrisons
Sector: Retail

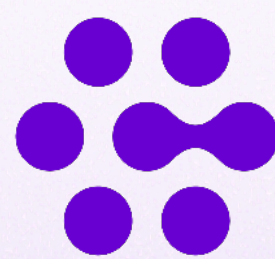
**March 2024:
Connectivity**

**December 2024:
Cloud Communications**

**April 2025:
Securing Connectivity**



**Gamma
Ethernet**



**Gamma
PhoneLine+**



**Gamma
Secure**

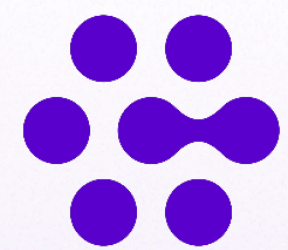


Company Name: Lexington & Co. Solicitors*

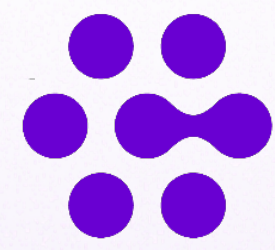
Sector: Legal Services

Starting point: a single office, basic ISDN lines, and siloed use of Microsoft Teams

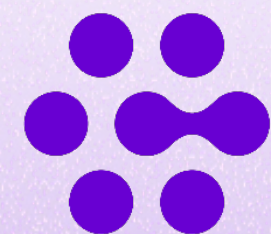
What we've done to date



Gamma
SIP Trunking



Gamma
Operator Connect
For Microsoft Teams

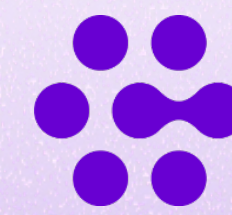


Gamma
Ethernet



New services:

- Make Lexington more secure
 - More efficient
- Increase Gamma profitability



Candio
A Gamma company

Update on Market Trends

Andrew Belshaw, CEO



Gamma's Growth Drivers

- 1

Customers are requiring more complex communications solutions which we are able to address due to our broad suite of solutions. New portal is making it easier for Gamma to add new solutions and easier for channel partners to consume them for end users.
- 2

PSTN Switch-off in the UK will drive millions of consumers and microbusinesses to seek other solutions such as our own PhoneLine+ capability. Increased situations where our IoT offering is a solution.
- 3

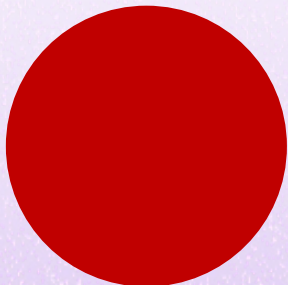
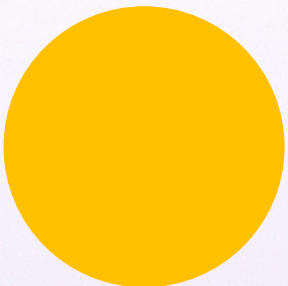
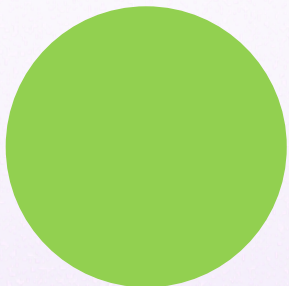
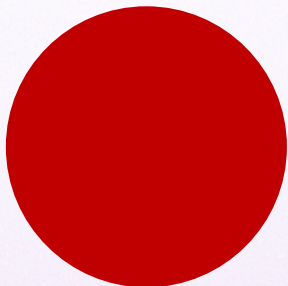
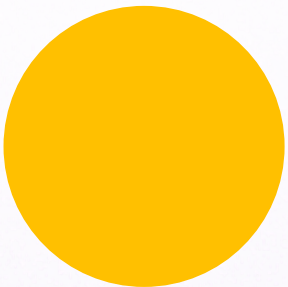
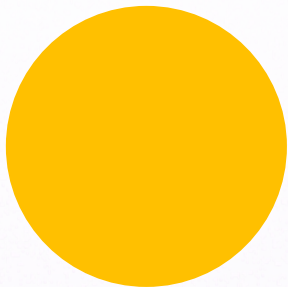
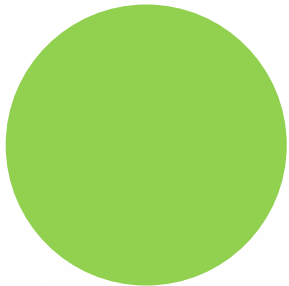
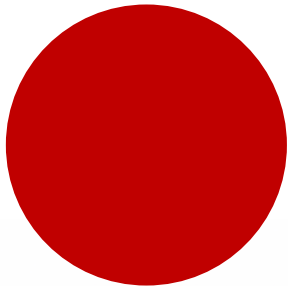
Evolution of our SIP base is an opportunity to increase ARPU as customers move to solutions which are higher value for Gamma. This trend was accelerating but has slowed again.
- 4

German cloud market is still underpenetrated and is the largest in Europe. Through acquisition of Placetel and STARFACE, we now have scale; we are the “leading challenger” in Germany; we are in a good position to exploit the market growth.

Macro

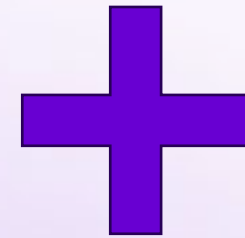
Market

Execution

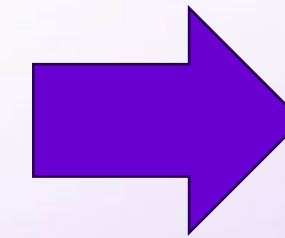


Exciting Growth in Germany

Gamma's
position today



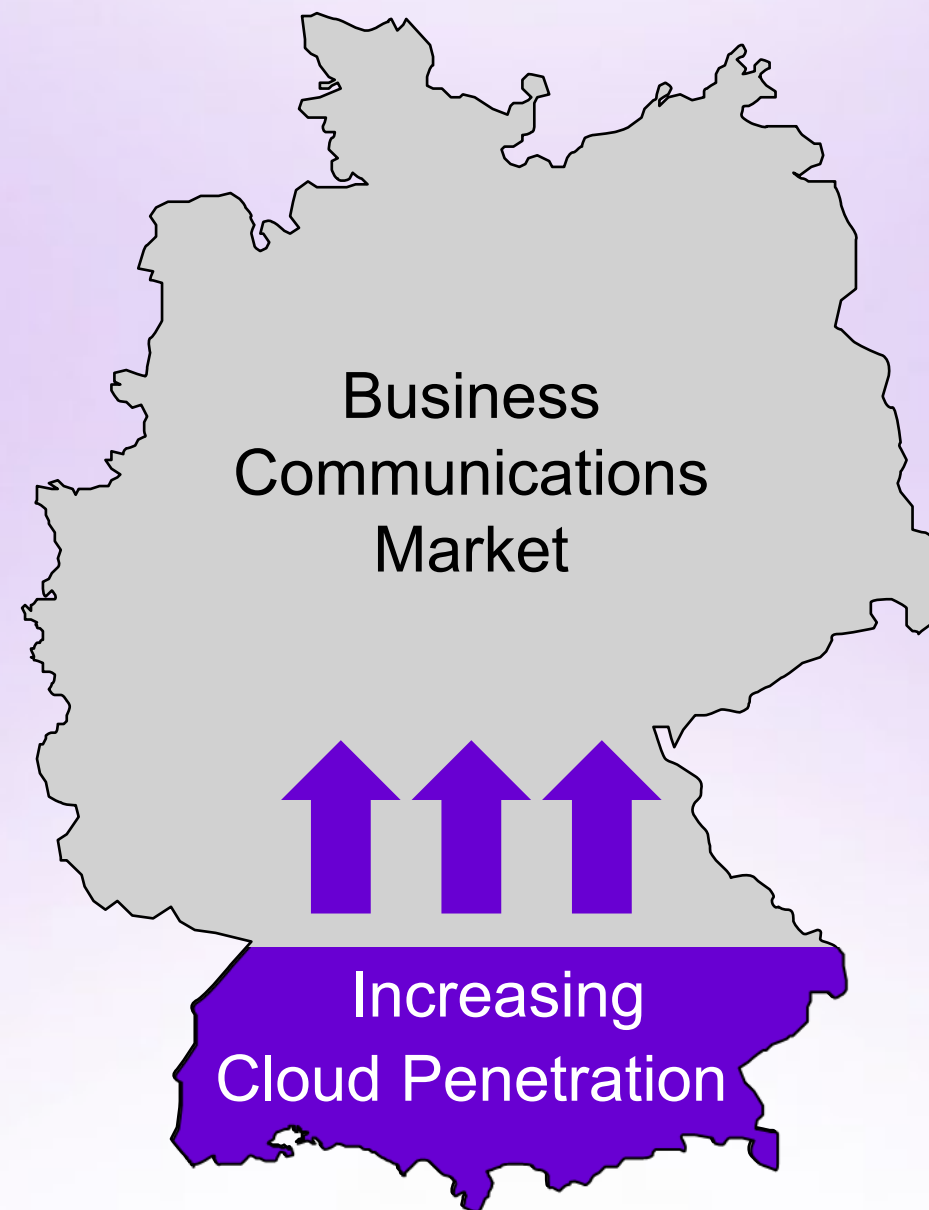
Market
potential



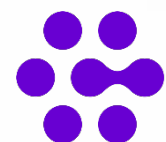
Future
possibilities

Proforma* revenue	Proforma* EBITDA
£53.7m	£10.9m
Half Year 2025	Half Year 2025
Cloud Seats	Cloud Seat Growth
565k	29k
Up 6% proforma	Half Year 2025

Strong capabilities in Cloud Communications,
Calling and Mobile



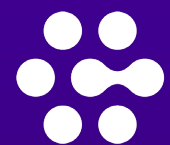
- Further consolidation through acquisition
- Launch Operator Connect to accelerate Microsoft Teams take-up
- Addition of a complete Connectivity offering
- Enterprise expansion
- Service Provider expansion



**if STARFACE had been acquired on 1 January 2025*

Half Year 2025 Financial Highlights

Bill Castell, CFO



Half Year 2025 Financial Highlights

<div>Revenue</div> <div>Up 12% to £316.6m</div>	<div>Adjusted EBITDA</div> <div>Up 14% to £70.9m</div>	<div>Adjusted EPS (FD)</div> <div>Up 13% to 47.9p</div>
<div>Adjusted cash generated by operations</div> <div>£63.7m 90% Adjusted cash conversion</div>	<div>Net debt</div> <div>£(21.6)m As of 31 Dec 2024 net cash of £153.7m</div>	<div>Shareholder returns</div> <div>Interim dividend up 14% to 7.4p and £45.1m share buyback</div>

Income Statement

- Recurring revenue grew to **£285.3m, 90%** of total revenue (2024: 89%)
- Gross margin increasing to **54%** (2024: 52%) due to high margin German acquisitions, with Adjusted EBITDA margin slightly increasing to **22.4%**
- Adjusted operating expenses are driven by M&A, with an organic reduction of **2%*** supported by lower R&D costs
- Double digit Adjusted EBITDA growth of **14%**, with organic growth of **3%***
- Adjusting / Exceptional items include **£(5.1)m** relating to the acquisition of STARFACE and **£(2.2)m** for the AIM to Main Market move
- Interest expense has increased following the drawdown of an RCF facility to part-fund the acquisition of STARFACE
- Adjusted PBT was **£61.0m** (2024: £56.0m) up **9%**

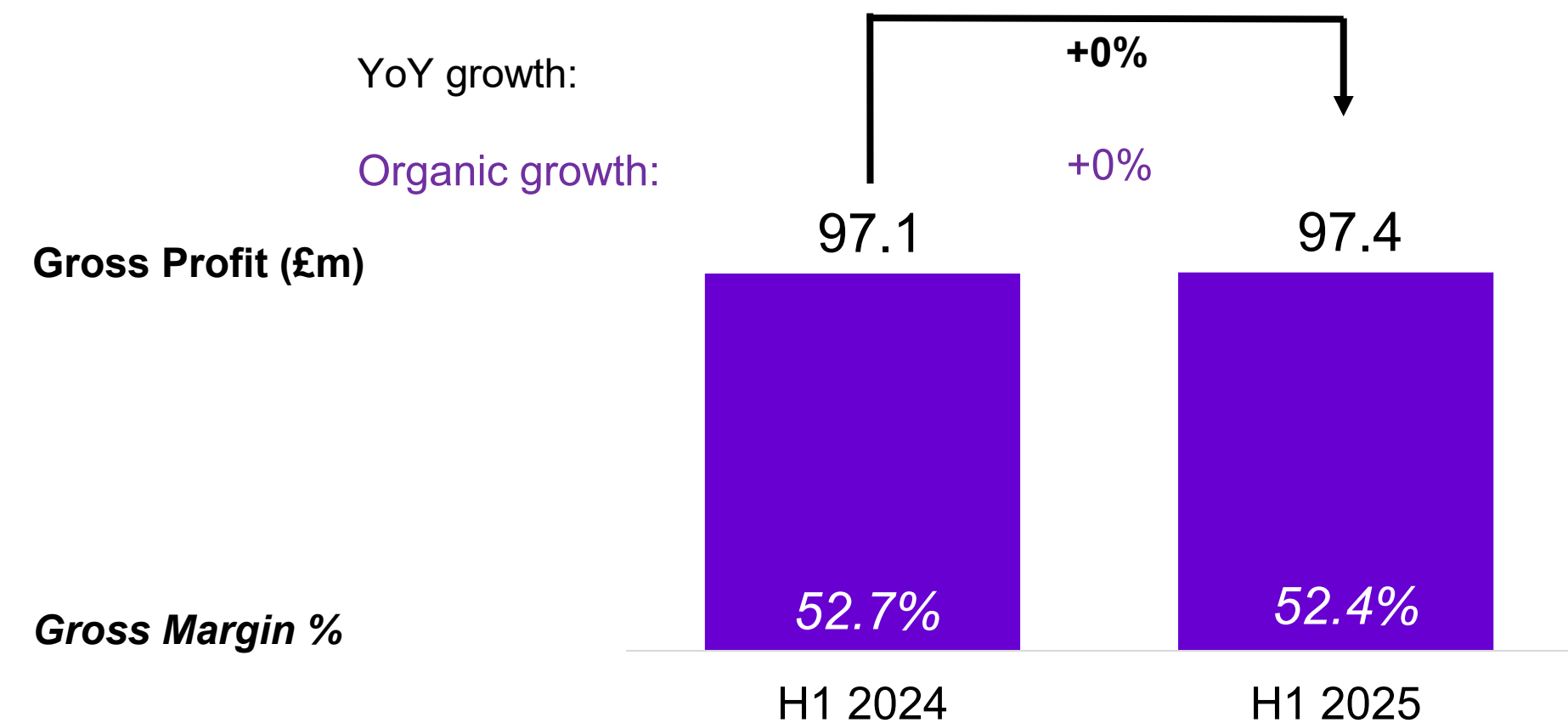
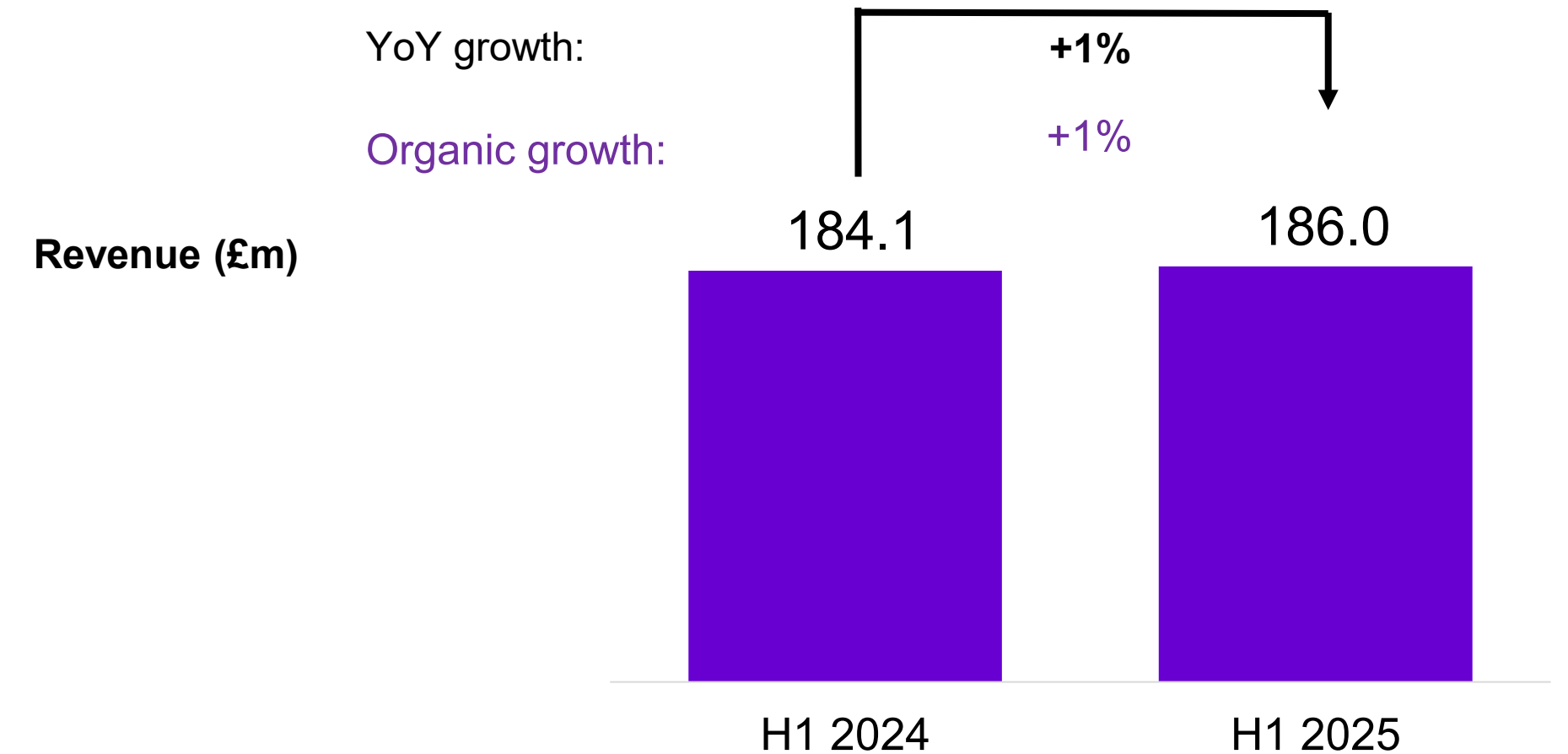
£m	Six months ended 30 June 2024	30 June 2025	Growth 25 vs 24
Revenue	282.5	316.6	12%
Cost of sales	(136.7)	(144.6)	
Gross profit	145.8	172.0	18%
<i>Gross profit margin</i>	<i>51.6%</i>	<i>54.3%</i>	
Adjusted operating expenses	(83.6)	(101.1)	21%
Adjusted EBITDA	62.2	70.9	14%
<i>Adjusted EBITDA margin</i>	<i>22.0%</i>	<i>22.4%</i>	
Adjusting/Exceptional items**	(0.6)	(6.7)	
Depreciation and amortisation	(9.6)	(10.2)	
Amortisation on business combinations**	(6.3)	(9.6)	
Operating profit	45.7	44.4	(3)%
Interest income	3.6	2.0	
Unwind of deferred consideration**	(0.6)	(1.2)	
Interest expense	(0.2)	(1.6)	
Profit before tax	48.5	43.5	(10)%
Tax expense	(12.7)	(11.1)	
Profit after tax	35.8	32.4	(9)%
Adjusted profit before tax	56.0	61.0	9%
Adjusted EPS (Pence, fully diluted)	42.5	47.9	13%

*Organic growth rates, as defined in the Alternative Performance Measures ("APMs") section of the RNS

**Adjusting item when calculating the alternate profit measures

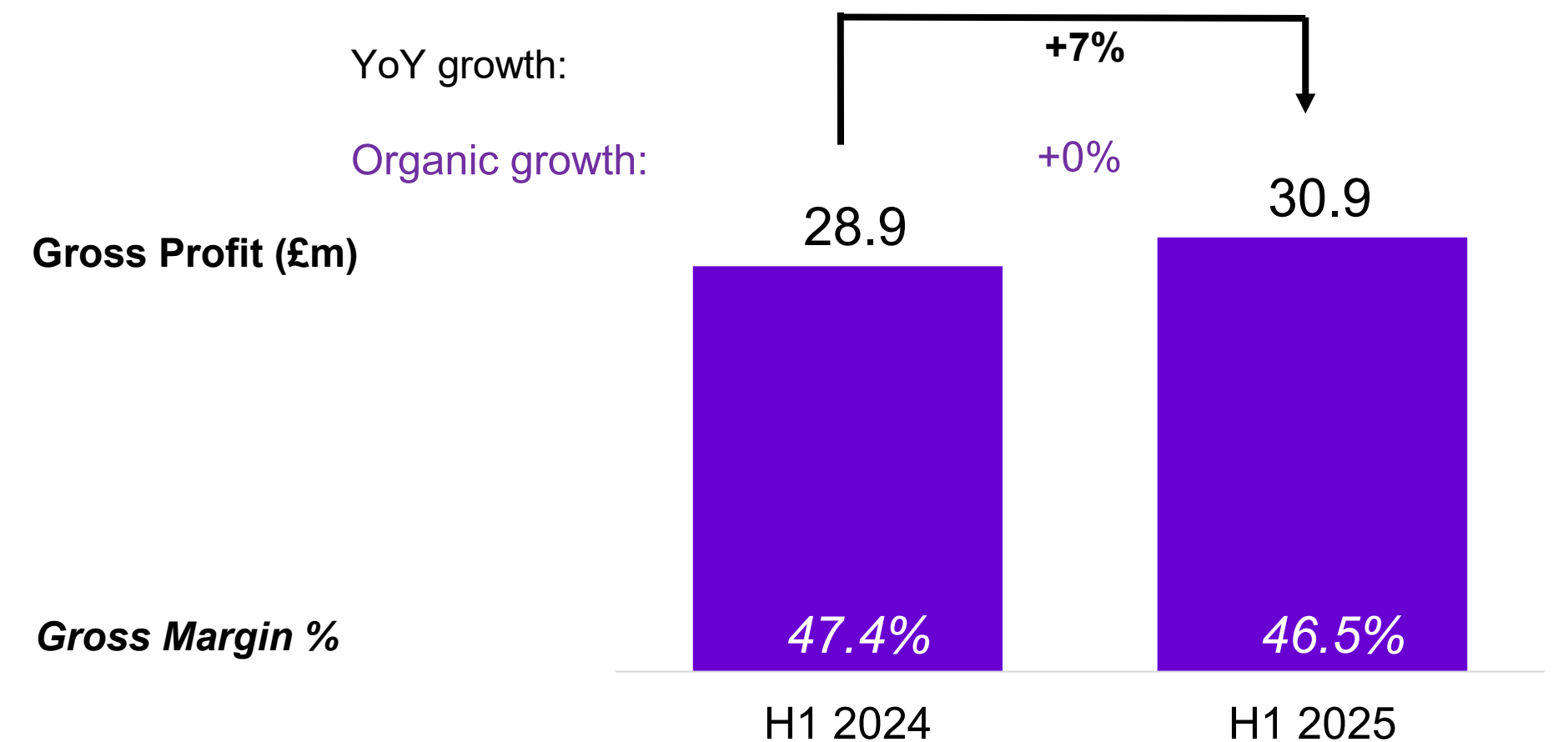
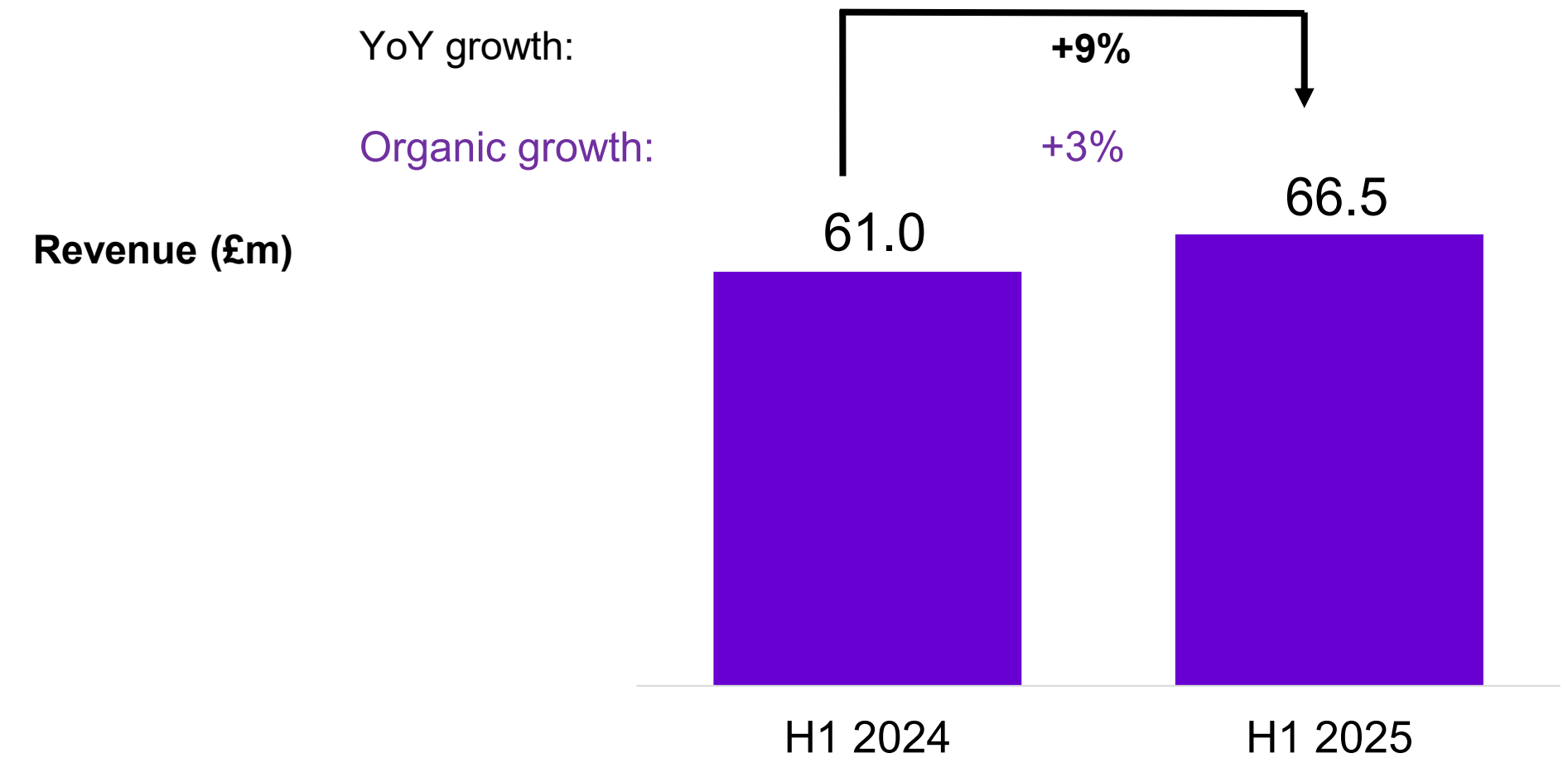
Gamma Business

- Delivered **1%** growth in revenue
 - Solid volume growth in Cloud Communication (+23k seats), with more customers opting for lower price solutions.
- Gross profit was flat
 - Migration of Connectivity products from higher-margin copper to lower-margin fibre reduced gross profit by **£1.5m** compared to H1 2024.
 - Service Provider saw strong growth in SIP trunks supporting non-Gamma Cloud PBX solutions, offset by a fall in voice traffic (e.g. **£0.5m** reduction in HMRC traffic).
 - SIP customers rationalising their service reduced gross profit by **c.£0.7m**
 - Gross profit growth would otherwise have been **c.3%**



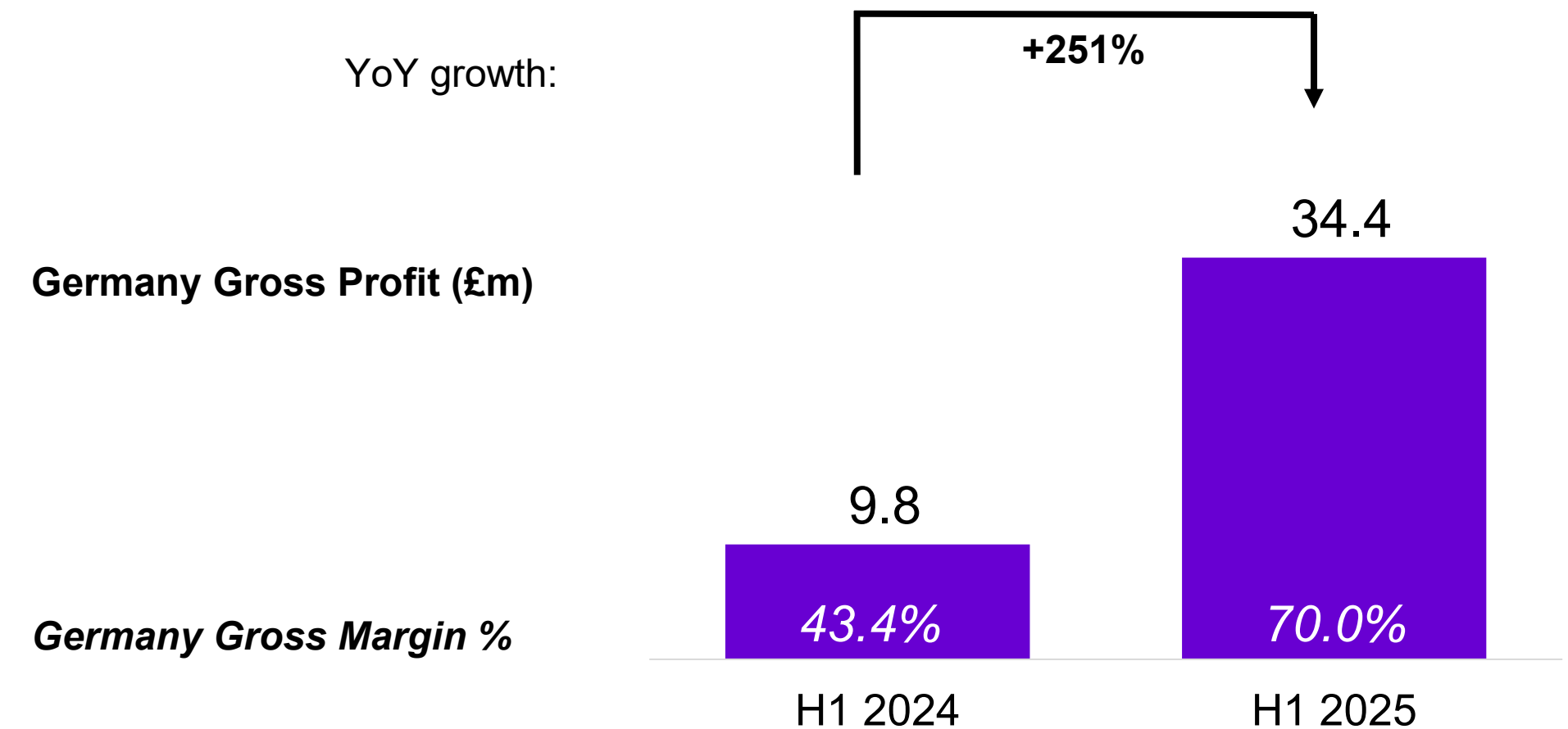
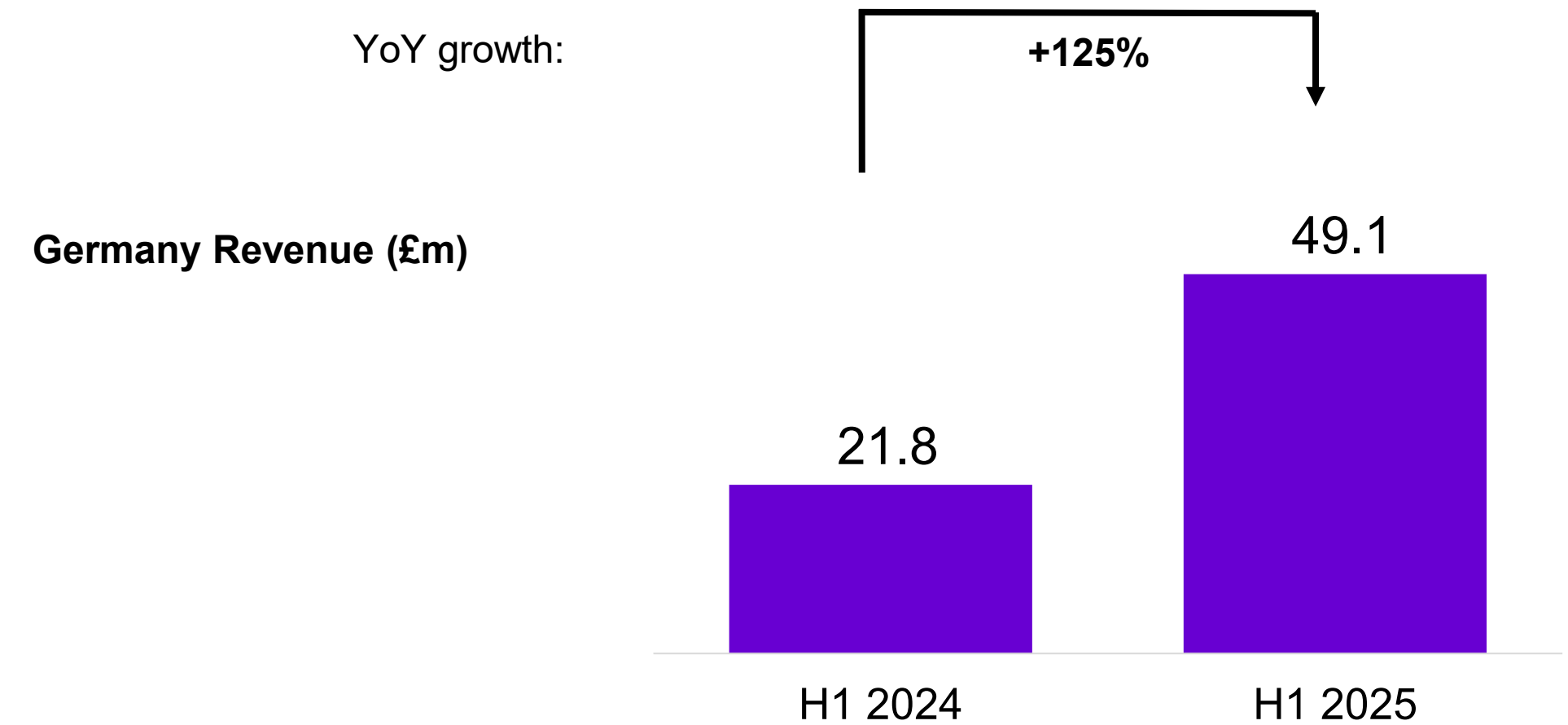
Gamma Enterprise

- Delivered **9%** revenue growth
 - BrightCloud, a Cisco CX provider acquired in July 2024, contributed £3.6m revenue and £2.0m gross profit on an inorganic basis
- Organic gross profit was flat
 - Lower margin ethernet renewals due to price competition reduced gross profit by **c.£1.0m** compared to H1 2024
 - Organic gross profit growth would otherwise have been **c.3%**
- Key wins include:
 - Utilita (SD-WAN)
 - Westminster City Council (Microsoft Teams)
 - Morrisons (Cyber services)



Germany & Other Europe

- Following the acquisitions of STARFACE and Placetel, Germany represents **79%** of Europe and **20%** of the Group, based on H1 2025 gross profit
- Gross profit of **£34.4m** includes £24.9m from Placetel and STARFACE
 - Both acquisitions generate meaningfully higher gross profit margins than our existing business
 - If STARFACE had been acquired on 1st January 2025, gross profit would have been **£38.6m** in the period
 - Supported by **6%** organic gross profit growth from the HFO Cloud and SIP business
- Other Europe accounts for **5%** of group gross profit and achieved EBITDA growth



Note: Movements in exchange rates compared to last year reduced gross profit by £0.7m in the period.

Strong Balance Sheet

- Net debt is low at **£21.6m** (H1 2024: net cash £142.9m) considering the STARFACE acquisition and recent share buyback
- The acquisition of STARFACE has been a large driver of balance sheet movements since 31 December 2024, including:
 - £204.4m increase in intangible assets (non-current assets)
 - £34.5m of deferred tax liability, linked to intangible assets
 - £46.8m borrowings to part-fund the acquisition
 - £6.2m increase in lease liabilities
- Retained earnings decreased due to the cancellation of shares bought back partially offset by profit after tax
- Deferred consideration relates to the Placetel acquisition and is being paid over a 5-year period from the acquisition date
- **£83.0m** of undrawn RCF (total £130m) available at 30 June 2025

*Discounted value. Contingent consideration includes put option liabilities

Balance Sheet as at (£m)	30 June 2024	30 June 2025	31 December 2024
Non-current assets (incl. PPE)	218.7	466.0	246.9
Receivables and inventories	134.9	137.0	127.4
Cash	142.9	25.2	153.7
Current assets	277.8	162.2	281.1
Total assets	496.5	628.2	528.0
Non-current liabilities	41.5	139.1	60.3
Current liabilities	100.1	133.3	95.0
Total liabilities	141.6	272.4	155.3
Share capital and share premium	23.5	23.5	23.5
Other reserves	(7.2)	(10.4)	(18.2)
Retained earnings	339.5	343.6	368.3
Non-controlling interest	0.2	0.2	0.2
Written put options over NCIs	(1.1)	(1.1)	(1.1)
Total Equity	354.9	355.8	372.7

Cash and Debt (£m)			
Cash	142.9	25.2	153.7
Borrowings	0.0	(46.8)	0.0
Net Cash	142.9	(21.6)	153.7
<i>Excludes:</i>			
<i>IFRS 16 lease liability</i>	<i>(7.4)</i>	<i>(16.5)</i>	<i>(7.9)</i>
<i>Contingent Consideration*</i>	<i>(9.4)</i>	<i>(8.8)</i>	<i>(9.1)</i>
<i>Deferred Consideration*</i>	<i>0.0</i>	<i>(14.5)</i>	<i>(17.4)</i>

Cashflow

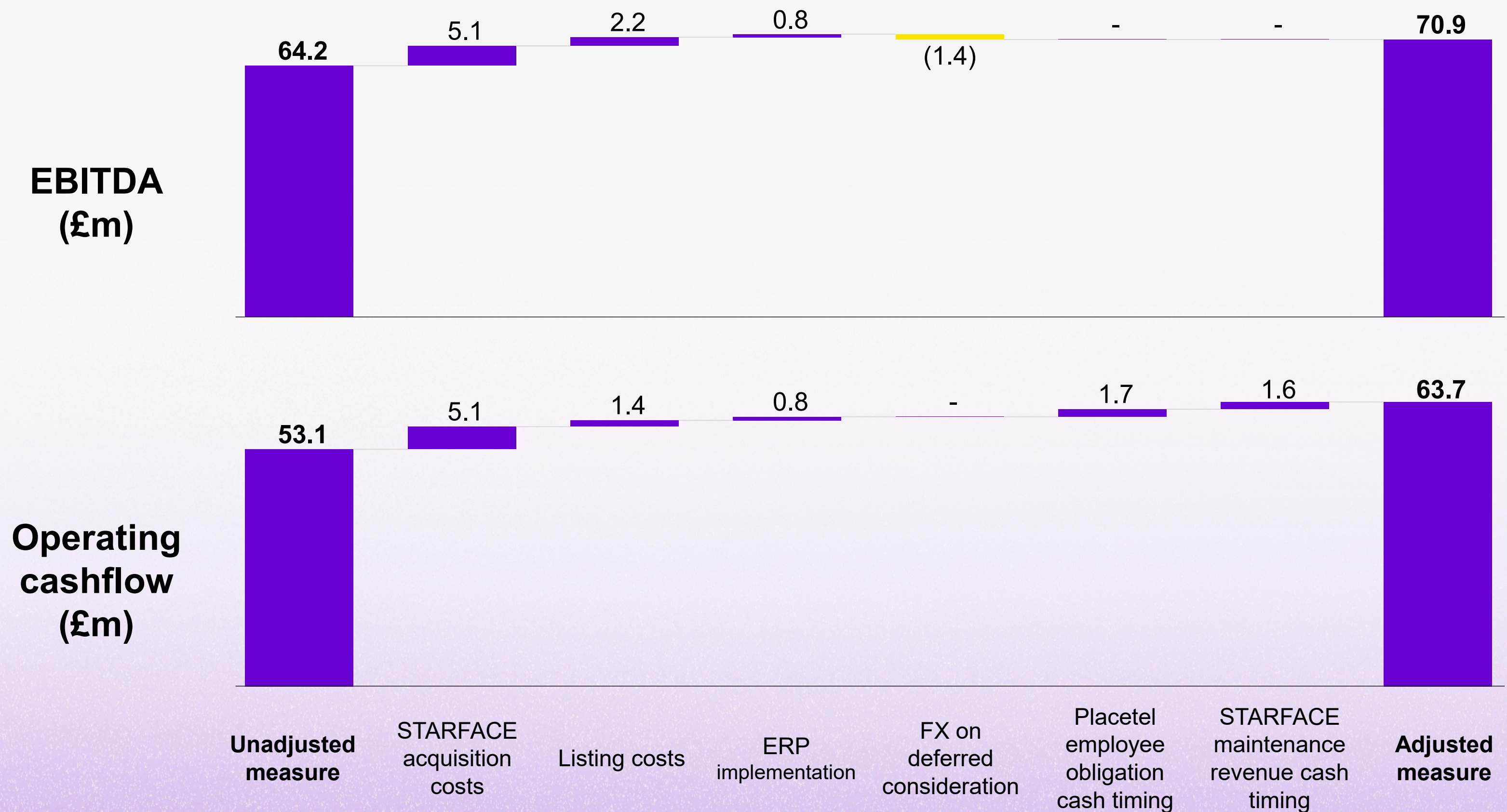
- Cash conversion remained healthy at **90%**, with higher working capital outflows in the period
 - Higher prepayments, customer incentives, and contract assets, partly from our cloud platform support agreement with O2 Daisy
- Capital expenditure increased by £1.8m, primarily due to continued development of our new Channel Partner Portal. Capitalisation rates remain similar to H2 2024
- Acquisition cashflows were largely driven by the **£152.2m** outflow for STARFACE
- **£57.2m** was returned to shareholders in the period through a combination of share repurchases (£45.1m*) and dividends (£12.1m)

*Includes £10.2m share repurchases that was cash settled by Gamma in July 2025. Cash payments of £34.9m were made in the period.

Cash Flow Statement (£m)	H1 2024	H1 2025	Growth
Adjusted EBITDA	62.2	70.9	14%
Cash generated by operations	59.6	53.1	-11%
Add back: Cash impact of exceptional items	2.2	6.5	
Add back: Cash impact of other adjusting items	0.4	4.1	
Adjusted cash generated by operations	62.2	63.7	2%
Adjusted cash conversion	100%	90%	
Taxes paid	(13.2)	(13.7)	
Capital expenditure	(7.8)	(9.6)	
Adjusted free cash flow (Adjusted FCF)	41.2	40.4	-2%
Exceptional and other adjusting items	(2.6)	(10.6)	
Acquisitions*	(9.0)	(157.4)	
Dividends	(11.1)	(12.1)	
Purchase of treasury shares	(12.6)	(34.9)	
Revolving credit facility	0.0	47.0	
Other investing & financing cash flows	0.7	(1.5)	
Net increase in cash and cash equivalents	6.6	(129.2)	
Effects of movements in exchange rates	(0.2)	0.7	
Cash and cash equivalents at the end of the period	142.9	25.2	

*Includes deferred consideration and put option liability payments

Walk through of Half Year 2025 adjusting items

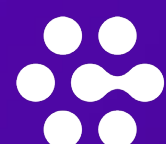


In addition to the above, we have also removed a £1.9m one-off tax benefit of an historic patent box claim when calculating adjusted EPS

Modelling considerations

- The Board expects Adjusted EBITDA to be in line with the range of current market expectations* and Adjusted EPS slightly ahead, for the year ending 31 December 2025.
- Adjusted operating cash conversion to remain at **~90%**
- Capex expected range of **£21m - £24m** for FY25
- One-off headwinds exist in the UK related to the PSTN switch off and Enterprise ethernet price competition. We estimate a resulting reduction in gross profit of approximately **£6m** in FY26 compared to FY25
- Due to the operational efficiencies achieved, we have commenced a UK restructuring programme, which is expected to deliver UK annual operating expense savings of **£6-8m** from FY26. Given the one-off nature of this activity, the associated restructuring cost of approximately **£3m** will be treated as an exceptional item.

**Company compiled range is based on known sell side analyst estimates. The current consensus range for full year 2025 Adjusted EBITDA £139.4m - £143.1m and Adjusted EPS (fully diluted) 89.9p – 93.9p, as at 8 September 2025.*



The opinions, forecasts, estimates, projections or predictions regarding the Gamma Group performance made by the coverage analysts are those of the analysts alone and do not represent the opinions, forecasts, estimates or predictions of the Gamma Group or its management and Gamma does not endorse or concur with any of such analysts' opinions, forecasts, estimates, projections or predictions. The consensus figures are being provided for information purposes only and are not intended to, nor do they, constitute investment advice or any solicitation to buy, hold or sell securities or other financial instruments of Gamma, its subsidiaries or affiliates. When making an investment decision you should seek advice from an independent financial adviser.

Business Outlook

Andrew Belshaw, CEO



Business Outlook

- **Confidence in outlook for FY25**
- **Good visibility and predictability in outlook for FY26**, despite short-term, one-off headwinds (PSTN switch-off and Ethernet competitiveness), which can be offset by:
 - Growth initiatives
 - Restructuring due to operational efficiencies



Medium-term Growth Drivers



Strong and growing solution set— new PhoneLine+ variants, Contact Centre offerings, wide choice of fibre providers; AI embedded



Ten years+ of growth forecast in **German market**



“Edge” proposition – combining AI tools with our large quantities of data to develop commercially innovative propositions to **enable our Partners to accelerate their growth**



Expansion of our European footprint with minimal investment due to our **strong digital credentials**



Potential to gain large blocks of seats from sub-scale providers who exit the market to avoid the cost of increasing regulation



Seeing **strong sales** of **Cisco** Collaboration Suite and **Microsoft** Operator Connect – discussions to work with more of the hyperscalers plugging best of breed solutions into our network in more countries



Providing **Managed Services** to Channel Partners to support their customers and increase our revenues



Our **Service Provider** proposition can grow globally

Gamma is in a strong position



All businesses need a **communications provider**



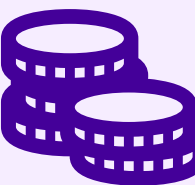
Market leading position in the UK and Germany



90% recurring revenue with a predictable outlook, and a consistent **50%+ gross profit margin** across the Group

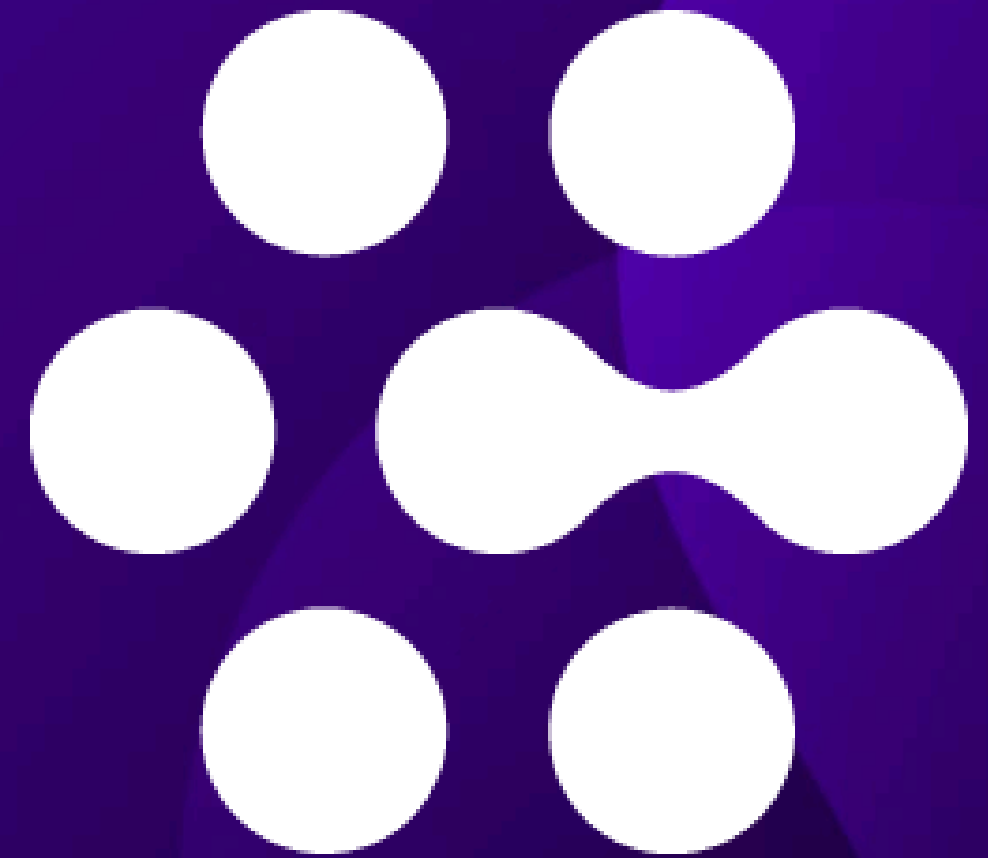


Highly cash generative, with **90% adjusted cash conversion** and strong Balance Sheet



Balanced approach to **capital allocation**

Thank you.



Calling – Performance (Growth vs Dec 2024)

UK

SIP Trunks Enabling
Traditional Hardware PBX

Down

3%

to 902k SIP Trunks

SIP Trunks Enabling
non-Gamma Cloud PBX

Up

4%

to 498k SIP Trunks

MS Teams Enablement

Up

12%

to 523k users

Europe

SIP Trunks Enabling
Traditional Hardware PBX

Down

2%

to 201k SIP Trunks

SIP Trunks Enabling
non-Gamma Cloud PBX

*Growth
Opportunity*

MS Teams Enablement

Up

21%

to 17k users

• Market continues to perform as expected – growth is now from enablement of Cloud services not traditional “SIP + Hardware”

Cloud Communications – Performance (Growth vs Dec 24)

UK

Cloud PBX seats

Up
2%
to 1,063k cloud seats

CCaaS seats

Up
7%
to 48k CCaaS seats

Europe

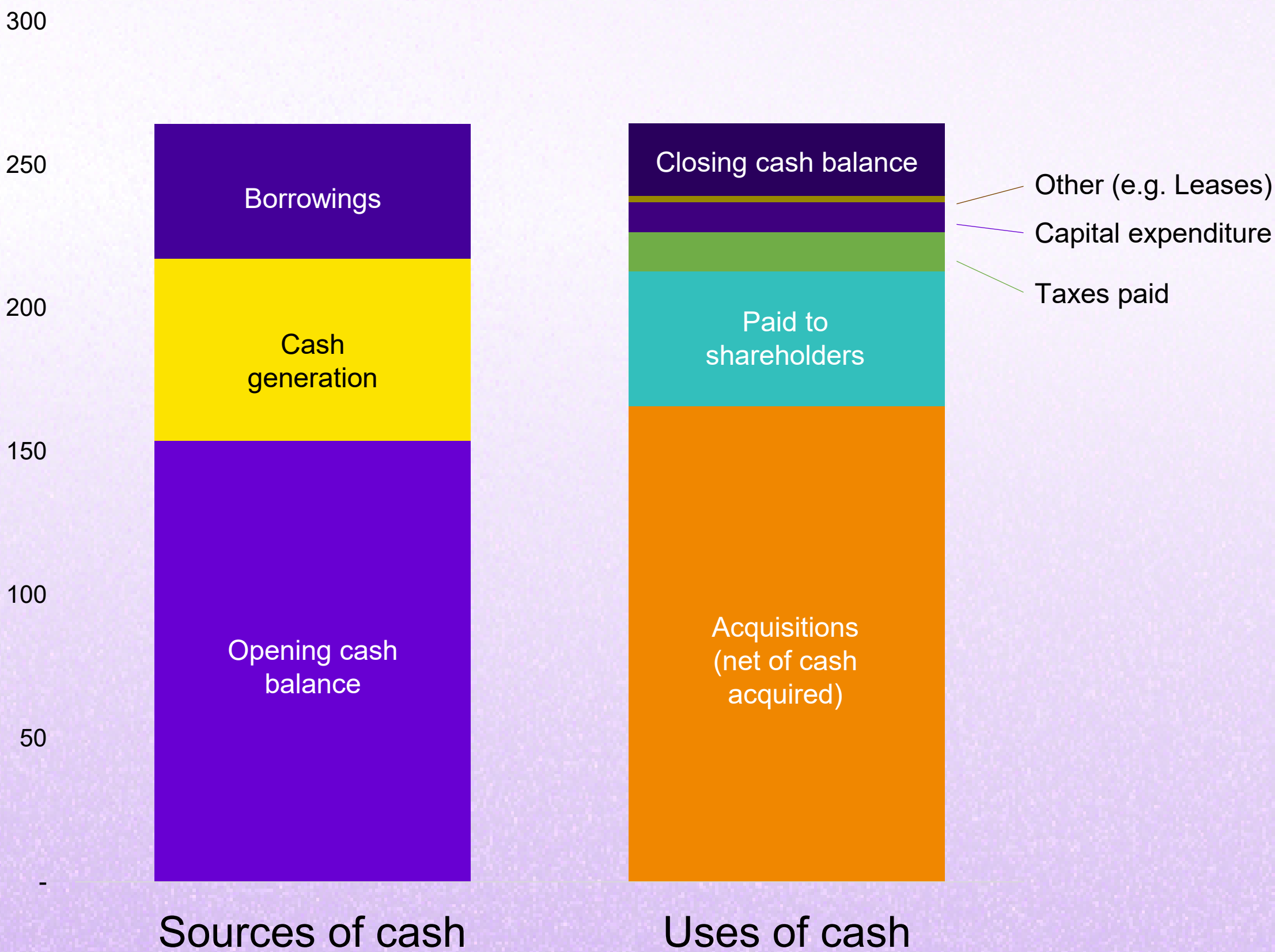
Cloud PBX seats

Up
58%
to 687k cloud seats

CCaaS seats

Up
0%
to 5k CCaaS seats

Half Year 2025 sources and uses of cash



- Acquisition cashflows were largely driven by the £152.2m outflow for STARFACE
- £57.2m was returned to shareholders in the period through a combination of share repurchases (£45.1m*) and dividends (£12.1m)
- Capital expenditure increased by £1.8m on the prior year, primarily due to continued development of our new Channel Partner Portal. Capitalisation rates remain similar to H2 2024
- Continued healthy cash generation has helped fund these outflows
- Net debt of £(21.6)m, with £83.0m of undrawn RCF available at the end of the period

*Includes £10.2m share repurchases that was cash settled by Gamma in July 2025. Cash payments of £34.9m were made in the period.