



Maintel Holdings plc
Trading update for the 12-month period ended 31 December 2021

Maintel back to organic growth, despite challenging market conditions.

Maintel Holdings plc (the “Company”, the “Group” or “Maintel”) is pleased to announce the following trading update for the financial year ending 31 December 2021.

Group revenue and adjusted* EBITDA for the year are expected to be in line with market expectation at approximately £104m and £9.6m respectively (calculated on a like for like organic basis **). The Group has grown annual revenue by 1% and adjusted EBITDA by 9%, despite the combined effects of the national lockdown in early 2021, the wave of Omicron in the latter part of the year, and supply chain issues surrounding semi-conductors which negatively impacted the timing of revenue recognition at the period end by over £2m.

Our cash generation in the period remained strong and resulted in period end net debt of £19.4m, outperforming market expectations, allowing the business to deliver a notable reduction from the closing net debt position of £22.3m as at 31 December 2020 and £25.7m at 31 December 2019, evidencing our strong cash and cost management practices.

Maintel’s transition to a cloud and managed services business continues, with the Group exceeding 130,000 contracted cloud seats at the period end, up 30% from 31 December 2020. Inevitable delays in Public Sector tenders and the continued Covid-19 pandemic impacted the Group’s ambition to finish moderately above this figure. The Group’s cloud portfolio continues to be enhanced with both Public and Private cloud solutions, which ensures the Group is well positioned to meet changing market requirements during 2022.

The Group’s search for a Chief Financial Officer has good momentum and we hope to announce an appointment in the near future.

Commenting on the Group’s performance, Chief Executive Officer, Ioan MacRae, said:

“I am pleased with the Group’s performance in 2021 despite the numerous external challenges we have faced through the period. To achieve, on a like for like basis, organic growth in both revenue and adjusted EBITDA, whilst managing macro difficulties as detailed above, is testament to the product offerings we now have and the admirable performance from the Maintel team.

Our business transformation continues with a 30% growth in cloud seats, significant SD-WAN wins and continued debt reduction by over £6m in the last 2 years.

The new portfolio and service offerings, which were introduced for the start of 2021 have proved very successful and contributed to the Group securing some major customer contracts, worth over £50m over multiple years.

The foundation of the business has now been set and I look forward to continued growth over the coming years as we introduce new capabilities around CPaaS, Cyber Security, Microsoft and IOT”.

* Adjusted EBITDA is earnings before interest, tax, depreciation and amortisation, adjusted for share-based payments and exceptional costs.

** Taking account of the sale of the Company’s document management business in April 2021 and the Agilitas stock sale in December 2020

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This announcement contains inside information.