

30 May 2024

**TPXimpact Holdings PLC**

("TPX", or the "Group", or the "Company")

**Trading Update & Confirmation of guidance for FY25 & FY26**

TPXimpact Holdings PLC (AIM: TPX), the technology-enabled services company focused on people-powered digital transformation, is pleased to provide an update on its Q4 and full-year trading for the year ended 31 March 2024 (FY24) and to provide guidance for the full years ending 31 March 2025 and 2026 (FY25 and FY26 respectively).

**Q4 and Full Year Trading**

Trading in the fourth quarter of FY24 continued to be strong, with double-digit revenue growth, and the Board expects the full year results to be in line with previous guidance. Based on the Group's unaudited management accounts for the year, the Board expects to report revenue growth from continuing operations of over 20%, which would equate to revenue of c.£84 million (compared with a target of £80-85 million). Adjusted EBITDA margins are expected to be in the middle of the guidance range of 5-6%.

Net debt (excluding lease liabilities) reduced to just over £7 million at 31 March 2024, the lowest level in over three years and well ahead of our £11 million target, due to effective working capital management. The Group comfortably satisfied its debt covenants at year end and expects to report a net debt to Adjusted EBITDA ratio of less than 1.6x.

New business wins in the year totalled £139 million, providing a solid foundation for the new financial year and beyond.

The Board expects to release the Group's preliminary, unaudited results for the year ended 31 March 2024 in July 2024 and will provide more detail on the FY24 full year outturn at that time.

**Outlook**

The Board is pleased to reiterate its previously announced FY25 targets of like-for-like revenue growth of 10-15% and further margin improvement of 2-3% on top of that achieved in FY24, which we expect to be weighted to the second half of the year.

The new financial year has started well, with a strong pipeline of new opportunities and committed (or backlog) revenues in respect of FY25 amounting to £67 million, which equates to around 70% of target full-year revenues. Whilst our FY25 financial performance will be subject to a degree of disruption resulting from the General Election in July (a macro risk equally relevant to our competitors), we believe the Company is well-positioned for continued growth and increasing profitability.

With respect to FY26, management are targeting like-for-like revenue growth of 10-15% and an Adjusted EBITDA margin of 10-12%, in line with our previously announced, three-year strategic goals.

**Bjorn Conway, Chief Executive Officer, commented:**

"I am delighted by the strong finish to the financial year and the progress the Company has made over the last twelve months, which is entirely due to the tenacity, dedication and talent of our people. We have achieved or exceeded all our financial targets, and have successfully executed the first (and some aspects of the second) year of our three-year strategic plan.

"The business is now better structured, more efficient and robust than a year ago, and we are well-positioned for the opportunities the current year will bring. The announcement of a General Election in July is welcome as it removes the uncertainty around timing. As we said in our Interim Statement in December 2023, we are encouraged that the policy agendas of both main political parties place a renewed emphasis on the importance of digital transformation and citizen engagement, both of which represent core strengths in our business. We will work through the implications of the snap election announcement, but at the present time we see no reason to change our FY25 targets and believe the longer-term outlook remains encouraging.

"The revitalisation of the well-respected manifesto brand for our Digital Experience business, as well as the previously-announced simplification of our Digital Transformation offer, make us better-organised and more accessible for our clients who will benefit even more from the expertise, creativity and insights our talented people can provide.

"We also enter the new financial year as an established B-Corp, reinforcing our ESG credentials and balancing purpose with profit in an integrated, effective way that inspires and motivates our people and other stakeholders.

"I look forward to providing more detail on our FY24 outturn at our Preliminary Results presentation in July, and would like to extend our sincere thanks to everyone at TPXimpact for their contribution to the success of the last financial year and what promises to be an exciting year ahead."

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#### **About TPXimpact**

We believe in a world enriched by people-powered digital transformation. Working in collaboration with organisations, we're on a mission to accelerate positive change and build a future where people, places and the planet are supported to thrive.

Led by passionate people, TPXimpact works closely with its clients in agile, multidisciplinary teams; challenging assumptions, testing new approaches and building confidence and capabilities. Combining our rich heritage with expertise in human-centred design, data, experience and technology, we work to create sustainable solutions with the flexibility to learn, evolve and change.

The business is being increasingly recognised as a leading alternative digital transformation provider to the UK public services sector, with over 90% of its client base representing public services.

More information is available at [www.tpxicmpact.com](http://www.tpxicmpact.com).

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