

Aston Midco Limited

Mid-Year report for the Six Months ending 31 August 2022

Overall financial performance

Aston Midco Limited (“Advanced”) financial results for the 6 months to 31 August 2022 show organic revenue momentum, which continues to reflect business transition from traditional license and maintenance to subscription. The reported growth was achieved through both organic business growth and inorganic growth by making a number of strategic acquisitions.

The financial performance in the first half of the year continues to illustrate strong demand for Advanced’s software and services with continued bookings growth achieved over the same period last year, which is testament to the resiliency of our business model with high recurring revenues – which continues to grow as a percentage total revenue – and strong customer retention.

Advanced continues to invest cost to accelerate the development of its products, the awareness of those products (e.g. in marketing spend) and in retaining its staff in a more competitive labour market. That investment has a short-term impact on profitability but is of medium-term benefit to overall momentum. Broader cost remains a key focus of the management as we continue to operate in an uncertain macro environment being impacted by inflationary trends.

M&A strategy update

Advanced continued to execute on its M&A strategy in the first half of the year:

- Since October 2019, Advanced has completed 12 acquisitions, of which 3 in H1-22: 1) Portt, an acquisition in Australia providing a suite of contract and spend management solutions, 2) Decision Time, a UK-based software offering risk management, compliance and project management functionalities mainly to Public customers, and 3) PellComp, a UK-based software complementing Advanced’s existing Further Education product suite with learner records modules.
- Integration of previous acquisitions is well-progressed, with significant synergies achieved and additional value created for the Group’s customers through the integration and provision of new products to the Group’s portfolio.

Product development

Advanced continued to increase its product development efforts as it further invests in cloud-based software to provide customers with market leading solutions.

Additional resources were aligned to strategic investments such as accelerating the delivery of its cloud ERP and Human Capital Management products, including its unified cloud platform MyWorkplace®.

In addition new products were developed to reinforce existing product suites and additional functionality provided within its current products.

Management update

No significant update in H1-22.

ESG update

Advanced published its first Environment, Social and Governance (ESG) report, memorialising its initiatives focused on Protecting our Planet, Diversity and Inclusion, Social and Community Empowerment as well as data security and privacy, risk and accountability. Achievements include:

- **Protecting our Planet:** Advanced reduced its carbon footprint by 45% between 2018 and 2020, with a 31% decline between 2019 and 2020, and reduced its paper usage by 80% between 2019 and 2020.
- **Inclusion and Diversity:** Advanced was announced one of the Top 100 Diversity Leaders of 2020 across UK businesses following an independent survey carried out on behalf of the Financial Times. Advanced now has six active diversity networks (Women, Black Lives Matter, LGBTQ+, Men's Health, Disability and Product Inclusion) and voluntarily published its first Diversity Pay Gap Report.
- **Social and Community Empowerment:** Advanced encourages employees to take one paid day of Volunteering Leave each year, with the goal is to achieve 1,000 hours by 2022. Advanced's MatchIT scheme matching employee fundraising saw many good causes supported in addition to its committed work with the Princes Trust.