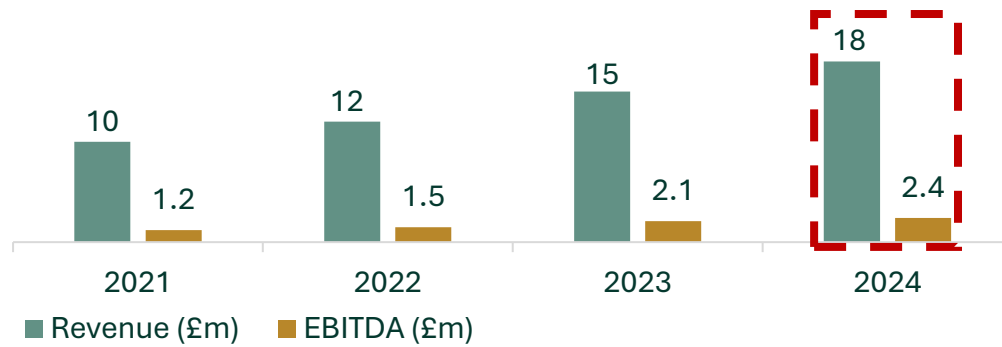


1 Financial Observations



- **Consistent YoY growth, with revenue CAGR of 21.6% / EBITDA CAGR 26.0% (2021-2024)**, indicating good operating leverage through FY23
- **Resulting in increasing margin from 12.0% in FY21 to 13.3% in FY24**, although lower than the peak achieved in FY23 at 14.0%
- **FY24 EBITDA conversion weakened**: +£3m revenue added only +£0.3m EBITDA (vs +£0.6m in FY23), suggesting higher acquisition costs or higher costs to serve

2 Why It Could Sell Well

Strong, consistent growth with operational leverage

Revenue grew at 21.6% CAGR, with EBITDA expanding even faster through FY23, a clear, profitable growth story that buyers can trust.

Focused Salesforce practice makes this an attractive acquisition

A specialist Salesforce implementation business is simpler to value and position than a generalist consultancy. The strategic benefits for a buyer are obvious.

Valuation is accessible to a broad buyer pool

With an initial EV range of £22m - £24m, the deal is within reach for both strategic buyers and smaller PE funds, giving room to run a competitive process.

3 Indicative Valuation

Initial EV Range
£22m - £24m (9.0x - 10x FY24 EBITDA)

LTM EBITDA £2.4m | Sector multiple: 8-12x EBITDA

Why 8x-10x is reasonable initially

- Strong growth and healthy margins support a valuation within the sector range
- However, FY24 margin softening and limited visibility on client concentration argue against the premium multiple

What do we need for 12x?

- Diversified, verifiable client base
- Contracted/repeat revenue streams
- Sustained EBITDA conversion
- Evidence growth can scale efficiently

4 Key Questions & Risks

Revenue Quality & Concentration

- Is revenue from enterprise clients diversified across multiple clients, or do a small number of larger wins drive them, and are they repeatable?

EBITDA Drop-Through Efficiency

- Why did FY24 deliver the same £3m revenue increase as FY23 but only half the EBITDA increase (+£0.3m vs +£0.6m)? Does this reflect short-term investment, or is growth becoming costly to deliver?

Service Mix & Scalability

- How concentrated is the business in Salesforce-only implementation, and is it expanding into adjacent services? Buyers will want comfort that growth can scale without relying only on more delivery headcount.

5 Recommendation

Maaz should explore this opportunity further.

- AlphaTech appears to be a credible sell-side opportunity with strong growth and an indicative EV range of £22m - £24m.
- However, premium pricing should only be pursued after confirming the revenue quality and if the growth is sustainable.