

# Atlantic Global Plc - AGM Presentation

“Think  
Differently”

Presented by: Eugene Blaine - Managing Director, Rupert Hutton - Finance Director



## 2. Atlantic Global Plc

### Highlights Presented by Eugene Blaine - Managing Director

- Results in line with market expectations
- Cash generative business
- Strong balance sheet
- Increasing dividend
- Increased adjusted earnings per share
- Enterprise Module, **Corporate Vision**, significant customers, Norwich Union and LogicaCMG
- New Adeo software products, Risk, Contractor management, Business Information Tracking
- Customer wins, Telewest, MVM, Friends Provident, Microgen and new Norwich Union departments
- Stronger management team, David Cox (non-executive Chairman)
- Appointment of Paul Gleghorn to the board as Technical Director
- More focused approach to marketing, sales and branding

### 3. Financial Highlights, presented by Rupert Hutton - Finance Director

	Year ended 31 Dec 2003 £000	Year ended 31 Dec 2002 £000	% Growth
Turnover	1,956	1,551	26%
Gross profit	1,374	927	48%
Operating profit (before goodwill)	611	390	57%
Profit before tax	496	235	111%
Goodwill	181	181	
Earnings per share (adjusted)	2.35 pence	1.60 pence	47%
Net cash balance	2,296	1,897	21%
Free cash flow	513	124	314%
Free cash flow per share	2.25 pence	0.57 pence	295%
Proposed dividend per share	0.70 pence	0.50 pence	40%
Brokers forecasts for 2004 show a turnover of £2.6m with profits before tax & goodwill of £1.0m			
Brokers forecasts for 2005 show a turnover of £3.4m with profits before tax & goodwill of £1.4m			

## 4. Revenue Sources, Rupert Hutton

<b>• Revenue Sources</b>	<b>Year ended 31 Dec 2003</b>		<b>Year ended 31 Dec 2002</b>	
Revenue generated from three sources	%	£k	%	£k
➤ Licences and activation keys	48%	£941	37%	£576
➤ Maintenance and support	25%	£496	29%	£450
➤ Development and services	<u>27%</u>	<u>£519</u>	<u>34%</u>	<u>£525</u>
(Note changing mix in line with stated strategy and expectations)	<b><u>100%</u></b>	<b><u>£1,956</u></b>	<b><u>100%</u></b>	<b><u>£1,551</u></b>
<b>• Software module, licence and activation key information</b>	<b>2003</b>		<b>2002</b>	
➤ Number of modules	<b>6</b>		<b>3</b>	
➤ Adeo activation key cost	£1,000 - £7,500		£1,000 – £2,500	
➤ <b><u>Corporate Vision</u></b> activation key cost	<b>£75,000+</b>		<b>NA</b>	
➤ Adeo licence cost	£115		£105	
➤ <b><u>Corporate Vision</u></b> licence cost	<b>£175</b>		<b>NA</b>	
<b>• Maintenance contracts</b>				
➤ One, two and three year contracts				
➤ Over 62% of support customers (by value) are on 3 year contracts, securing <b><u>higher quality of earnings</u></b>				
➤ As at 31 December 2003, 24,500 supported Adeo seats				

## 5. Atlantic Global's Product Development Approach - Eugene Blaine

- **Solutions Developed in partnerships with large corporations**
  - Pfizer and Norwich Union
- **Fresh approach to software development**
  - Easy to Use – must require little or no training
  - High Capacity – scalable for potentially 300,000 staff
  - Highly Configurable – capable of mirroring any business model
  - Speed of Deployment – weeks or months / not years
  - Reasonable Cost – offering a rapid return on investment
- **Solution focussed to deliver what management need to run their businesses**
  - Resource
  - Expenditure
  - Delivery & Benefit Milestones
- **Fully integrated solution (modules) resulting in...**
  - Reduced duplication of effort (Technical & Administration)
  - Reduced duplication of data
  - Better decision making
  - Risk Reduction

## 6. Atlantic Global's Customer Base, Eugene Blaine

### Financial & Professional Services



### Pharmaceuticals



### Telecommunications



### IT Services



### Other



## 7. Corporate Vision - Commercial Impact, Eugene Blaine

### Historical Sales

Customer requires a timesheet application

### Typical Characteristics

Single Department Orientated Sale

Approximately 300 staff

### Commercial Value

Module Activation Key = £1,000

300 Licences @ £100 each = £30,000

10 Days Installation Consultancy @ £995 per Day = £9,950

**Total Sale = £40,950**

### Forecast Sale of Corporate Vision

Customer requires a system to increase the utilisation and effectiveness of its resources

### Typical Characteristics

Company or Division Orientated Sale

Minimum 500 staff

### Commercial Value

Module Activation Key = £75,000

500 Resource Licences @ £175 each = £87,500

20 Days Installation Consultancy @ £995 per Day = £19,900

**Total Sale = £182,400**

### Additional Revenue

500 User Licence of Timesheet Module (Piggy back sale)

Business Change Consultancy (£100K Revenue)

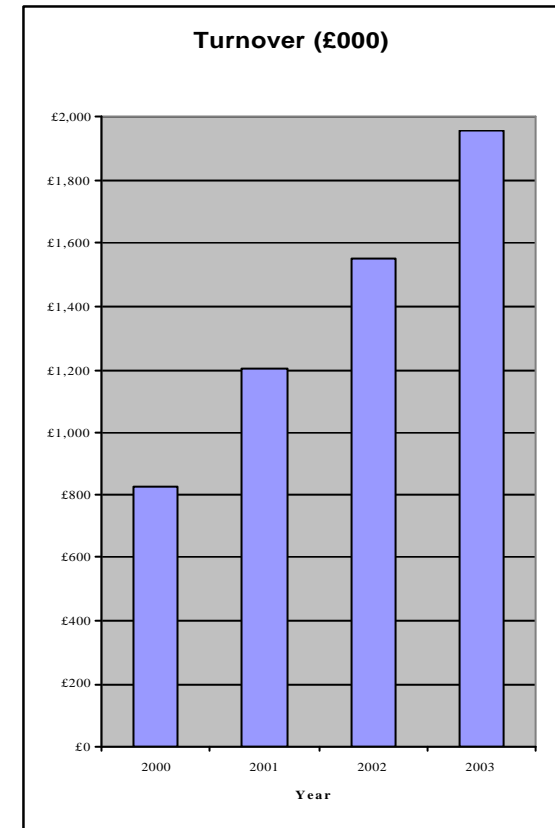
Annual Maintenance (Calculated at 20% of Cost of Activation Key and Licence Total)

Note:

Adeo Corporate Vision went live in Norwich Union Business Services in December 2003 and was released to a wider customer base on the 1<sup>st</sup> February 2004

## 8. Current Trading and Prospects, Eugene Blaine

- **Current trading in line with budget**
- **New products**
- **Repeat business strong across all areas**
- **Growing sales pipeline**
- **More focused approach to marketing, sales and branding**
- **Senior sales appointments**
  - Appointed senior sales resource March 2004
  - Appointed a second senior sales resource April 2004
- **Marketing highlights 2004**
  - Launch of new web site (coincided with launch of Corporate Vision)
  - Introduction of Annual User Group
- **Consultancy appointments**
  - Recruitment of 3 new consultants
- **Partnerships**
  - Exploring several business opportunities in North America
  - Working with clients to generate “cross sector appeal”



## 9. Future Strategy and Summary, Eugene Blaine

- **Investment attractions...**

- Strong balance sheet and cash flow
- Experienced management team
- Expanding blue-chip client base
- Broad range of sectors
- Strong product range with the addition of Corporate Vision adding new scale and impetus

- **Future strategy...**

- Strengthening the sales, marketing and branding functions
- Product development to be at the forefront of best technical and business practice
- Strategic alliances
- Well positioned for growth

**David Cox quotation from the 2003 Chairman's statement:**

**"I am therefore very confident that 2004 will be another successful year and we can continue to maximise shareholder returns"**



## 10. Company Contact Information

- **Director Details**

- David Cox - Chairman (Non-Executive)
- Eugene Blaine - Managing Director
- Rupert Hutton - Finance Director and Company Secretary
- Paul Gleghorn - Technical Director
- Lewis Howcroft - Commercial Director
- Adrian Bradshaw - Director (Non Executive)

- **Company Contact Details**

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