

Damovo reports strong results for full year to 31st January, 2016

- *Revenue up 12% to €92m*
- *EBITDA up 24% to €7.1m*
- *Accelerated revenue and EBITDA growth forecast for year to 31st January, 2017*

London, 28th April, 2016 (8am GMT) – Damovo, a leading enterprise communications solutions and services provider, has today reported €92 million in revenue and underlying profitability growth of 24% in its first full-year results since it was acquired by Oakley Capital Private Equity II (“Oakley”) in January 2015. The company is on track with its ‘buy and build’ strategy to grow annual revenues to €200 million and become a leading unified communications (UC) provider in Europe within two to four years.

Preliminary unaudited results for the full year include:

- Revenue of €92m – up 12% year-on-year
- €103m in new business wins - best year in company’s history
- >10% organic growth contributed €8.5m to top line revenue
- Growth across all key categories, with UC, WiFi and global managed communications solutions performing most strongly
- Expansion in all markets, with Germany and Benelux delivering strongest revenue growth

“We finished our first year since the acquisition with very positive momentum,” says Glen Williams, chief executive officer of Damovo. “This is a strong group-wide performance with excellent results in every area of the business. The figures reflect our progress in turning around a business that previously suffered from under-investment. Our strategy of investing for growth to build a high-performance business development environment and an engaged employee culture, is bearing fruit.”

In August 2015, Damovo acquired the unified communications operations of Centre de Télécommunications et Téléinformatiques Luxembourgeois (“CTTL”), signalling its entry into the Luxembourg market. It also set up a trading entity in Austria. These new ventures add to Damovo’s existing operational presence in Germany, Switzerland, Belgium, Poland and Ireland, as well as its Global Services business, which has a worldwide presence.

Going for growth

With a focus on organic growth in key markets, Damovo’s new product introductions, cross-selling and top partner accreditations have allowed it to achieve major milestones in the past year. These include winning its largest managed services contract to date in Germany, and developing its strongest sales pipeline ever, worth in excess of €200 million.

Williams comments: “We invested heavily in our sales team to capitalise on a growing market and the requirements of our current and potential customers to invest in unified communications and WiFi technologies, as well as the growing need for integrated global communications solutions. We see tremendous opportunities to build on our leadership in these key growth areas, as businesses seek to increase collaboration and productivity, while reducing travel and other costs.

“Our Damovo Global Services business has also benefitted from its focus on system integration partners who need our unique ability to reduce and control the costs of managing voice and data systems across diverse international locations.

“Our growth is built on rock solid customer satisfaction, which resulted in an impressive 95% customer retention rate in the 12-month period.”

Business simplification

“We have been particularly pleased that we delivered double-digit revenue growth, with no overall increase in our operational costs, and this has resulted in underlying profitability growth of 24%,” continues Williams.

“We achieved this by prioritising business simplification; allowing us to streamline and align operations across our three core regions – Central Europe (DACH and Poland); Benelux; and Global and Ireland. We have invested in management and information technology to drive efficiencies and create a platform for sustainable growth: we appointed group operations and commercial directors; established efficient group-wide CRM and ERP systems; and developed very strong relationships with key technology partners including Cisco, Avaya and Mitel. This included being the first company in the world to be awarded the Mitel Platinum Integrator Partner status.”

Current year plan to accelerate growth to push revenue to well in excess of €100m

“These are exciting times in Damovo,” says Williams. “Three months into this financial year, we are on-track to achieve our ambitious current year revenue growth plan and our EBITDA growth target of more than 20%.

“We have built a dynamic and well trained team, created a high-performance environment and streamlined our business. And, while we operate in a highly competitive landscape, we believe that we have strong advantages in serving large enterprises in Europe and across the globe. We are well on-track for our plan of building one of Europe’s leading unified communications companies, both organically and through highly selective acquisitions.

“This year will see us concentrate on business transformation as we aim to capitalise on the systems investments we made last year. We will also prioritise customer satisfaction as we launch a major ‘Voice of the Customer’ programme, designed to develop service leadership by understanding customer needs and prioritising innovative service enhancements. We will also see the benefits of our new 24x7 multilingual network operations and support centre opened in Poland last month.”

Bright future

“The future looks very bright indeed,” concludes Williams. “Macro-economic conditions are relatively favourable, however our sector and competitive value proposition - rock solid technology, highest technical accreditation, on-time delivery and market leading managed services - position us to grow at rates well in excess of wider economic predictions.”

About Damovo

Damovo delivers technology-enabled business efficiencies to enterprises around the world. Our customers benefit from our 40 years of experience, expertise and ecosystem of industry partners. Through our consultative approach (understand, deliver and improve) we work with our customers to explore how technology can support their business objectives now and into the future.

Our solutions portfolio includes unified communications and collaboration, enterprise networks, contact centres and global IT managed services.

Damovo has regional offices across Europe and a global capability spanning over 100 countries. Whatever the sector and wherever the geography, we give our 2,000 customers the tools they need to accomplish continuous business improvement.

In January 2015, Damovo was acquired by Oakley Capital, along with Matthew Riley who is the Executive Chairman.

Explore more at www.damovo.com

About Oakley Capital Private Equity II

Oakley Capital Private Equity II is an unlisted mid-market private equity fund with the aim of providing investors with significant long term capital appreciation. The Fund's investment strategy is to focus on buy-out opportunities in industries with the potential for growth, consolidation and performance improvement. The Fund seeks to invest in companies with scale in their industry subsectors, thereby creating a sustainable earnings stream which should command a premium on exit.

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