



Acquisition of IDS Group

25th September 2019



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1 Data Networks Innovator

Core Business

For the network creators

3

Innovation
Engines

System Based Solutions including
Connectivity, Network Services and Software

4

Customer
Segments



Communication
service providers



Citizen
networks



Large
enterprises



Cloud & content
providers

273 Patents

3 Innovation Centers

3300+ Employees

Impact Data Solutions

*A Niche Data Centre
Design & Deployment Company*

STU

IDS

Headquarters:

Fleet, UK

Year Founded:

2009

Employees:

21

Key customers:

- Global Cloud Providers
- Colocation Providers
- Enterprises

Geographies served:

Europe and UK

Financial Profile:

- 2018 Revenue ~ £8Mn
- 2019E Revenue ~ £10-12Mn
- EBITDA Margin of ~ 20%
- Debt Free

Transaction Overview



Financing

- Mix of internal accruals and foreign currency debt instruments

Consideration

- All Cash deal at an Enterprise Value of ~ £12Mn (representing 100% of the share capital of the IDS Group); 80% stake acquired on closing of first tranche
- Balance 20% to be acquired on an earn out model in the next few years on a similar valuation methodology

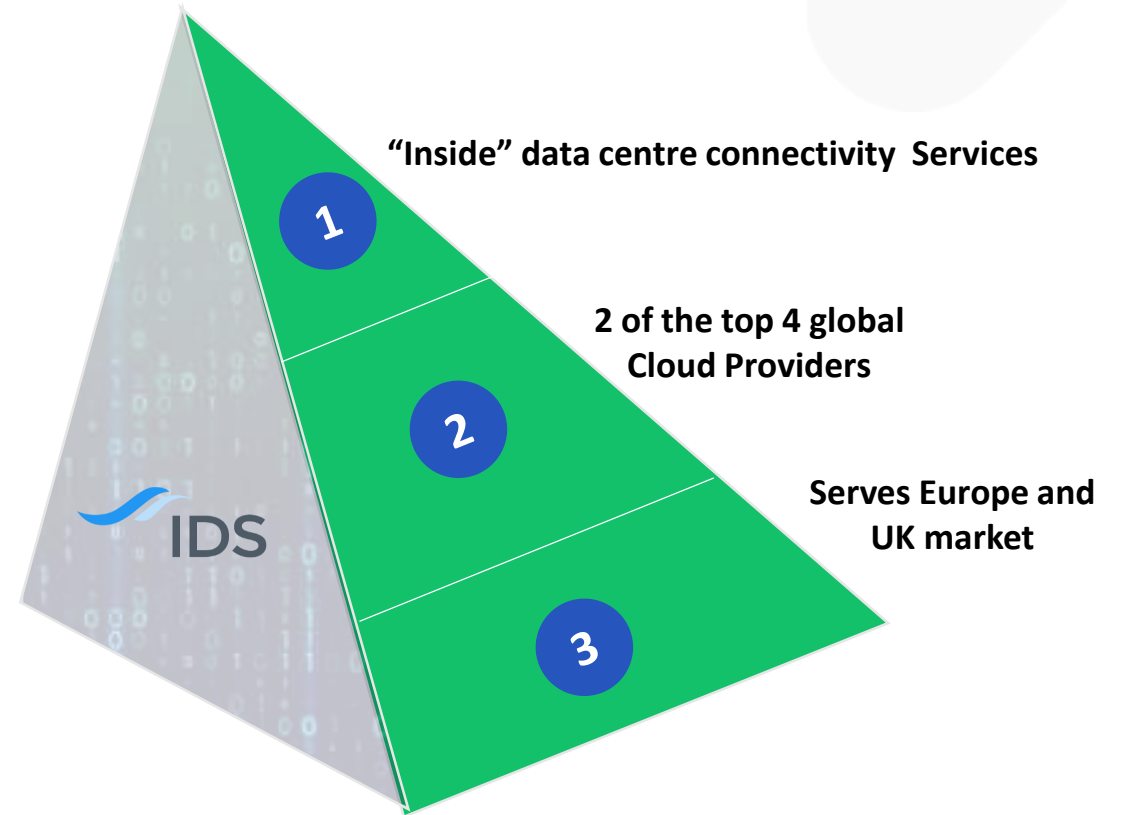
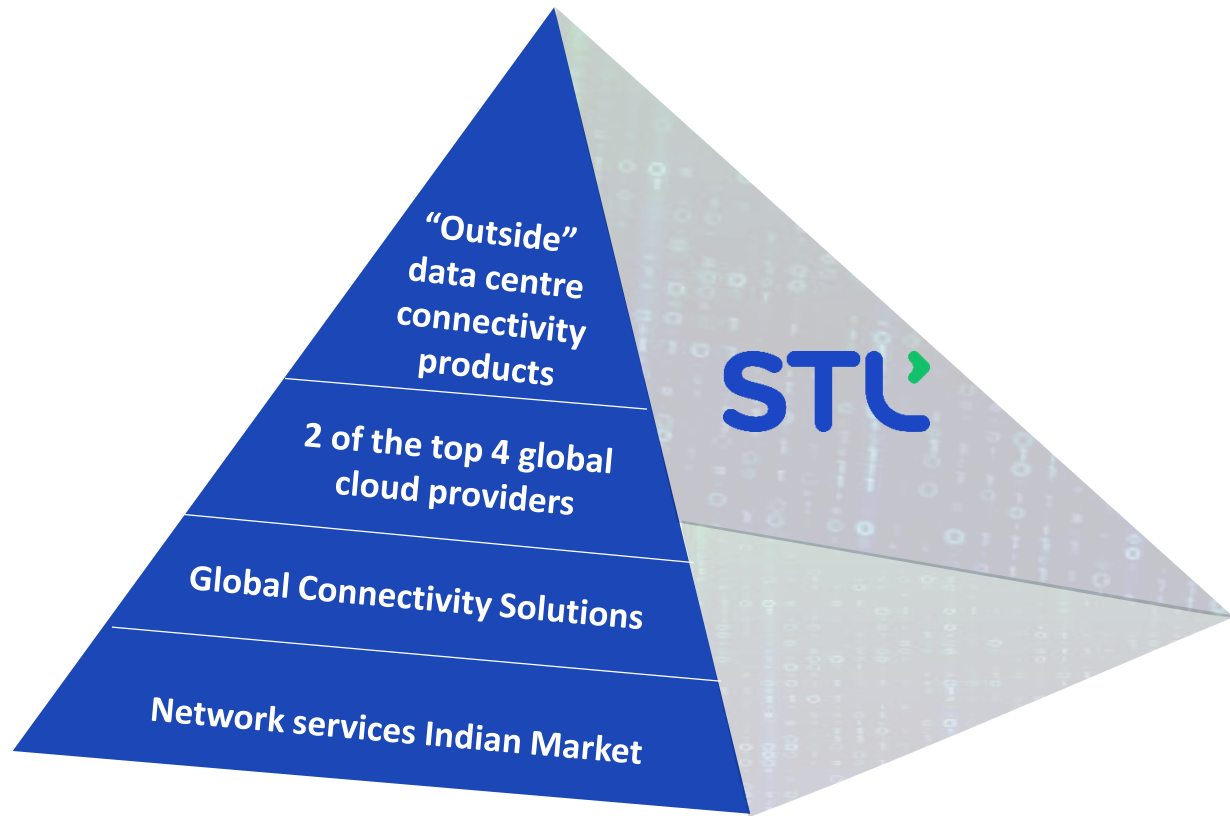
Potential synergy areas

- Cross leveraging customers
- Expanding to STL's current geographies
- Offering end to end data centre infrastructure solutions

Timing

- Signing and closing (Tranche 1) on 24th September 2019

Strategic Rationale



With IDS, STL would have access to **3 of the top 4 global cloud providers**; offer **integrated data centre connectivity solutions** and **strengthen foothold in European markets**

1 Entry into “Inside” Data Centre Services



Niche Design and Deployment of Network Infrastructure



Electrical Design and Installation Services



Hot/Cold Aisle Containment Products

2 Marquee Customer Access: Top Global Cloud Providers



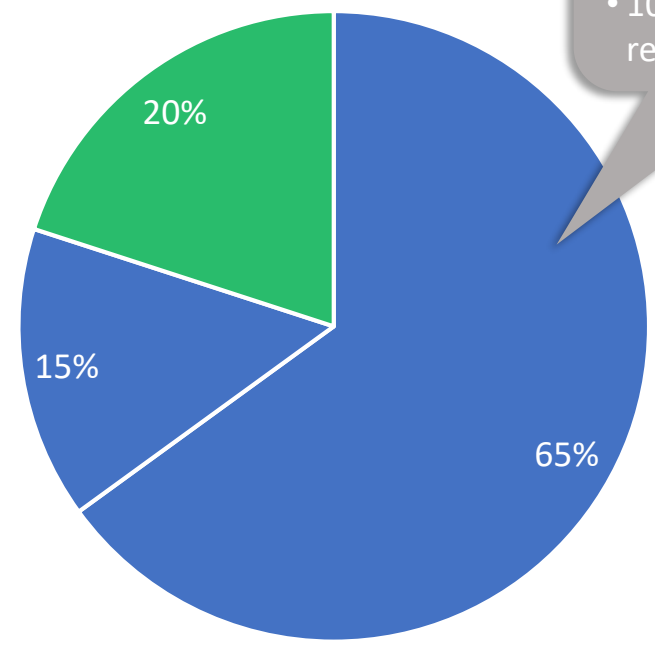
Key Customer Segments

Cloud Providers

Colocation Providers

Large Enterprises

Revenue (%) by customer

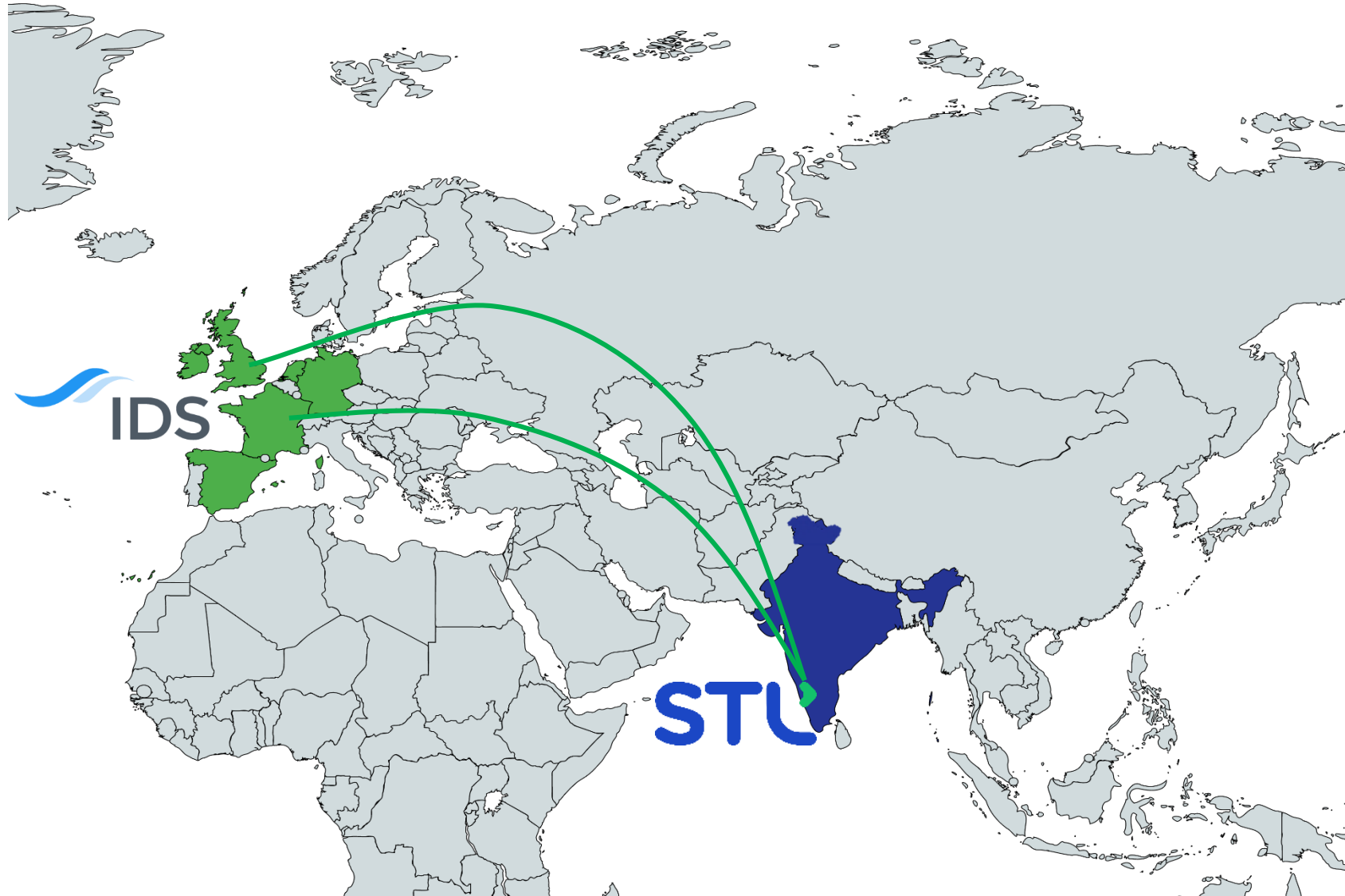


• Cloud Provider not served by STL prior to acquisition.
• 10 year long relationship with IDS

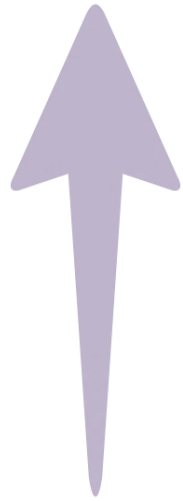
■ Top global cloud providers ■ Others

STL would now have access to 3 of the 4 Global Cloud Providers

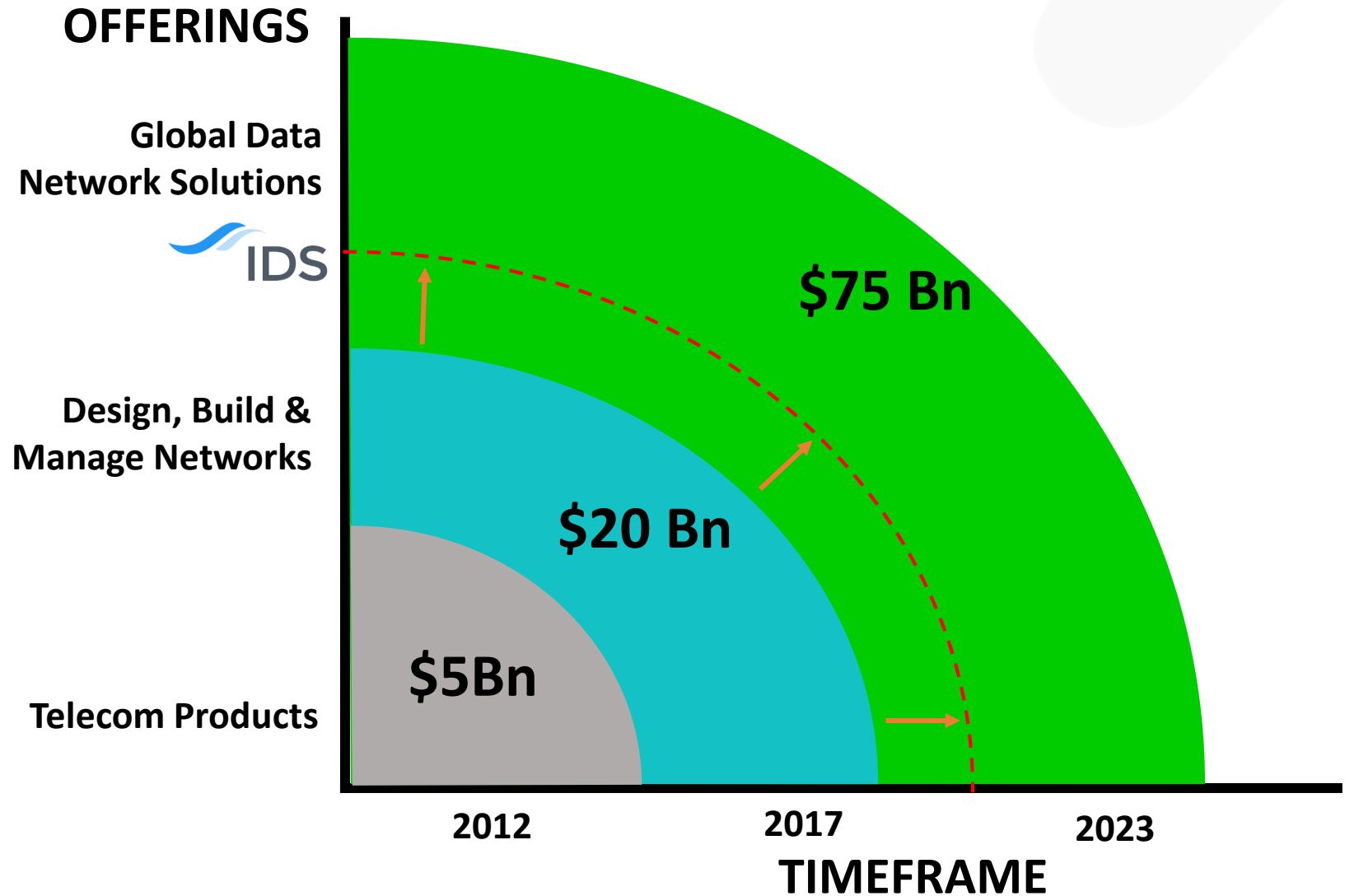
3 Taking STL's Network Services Global



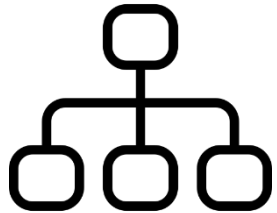
Advancing on our Journey to a \$75Bn Addressable Market



Expanding Addressable Market



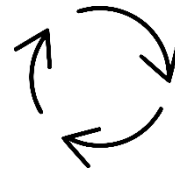
Structure



IDS to be completely integrated into network services BU

Ben Parker, IDS group CEO to continue leading IDS group with his management team

Realise Synergies



Expand services to new geographies like India, US

Cross leveraging customers

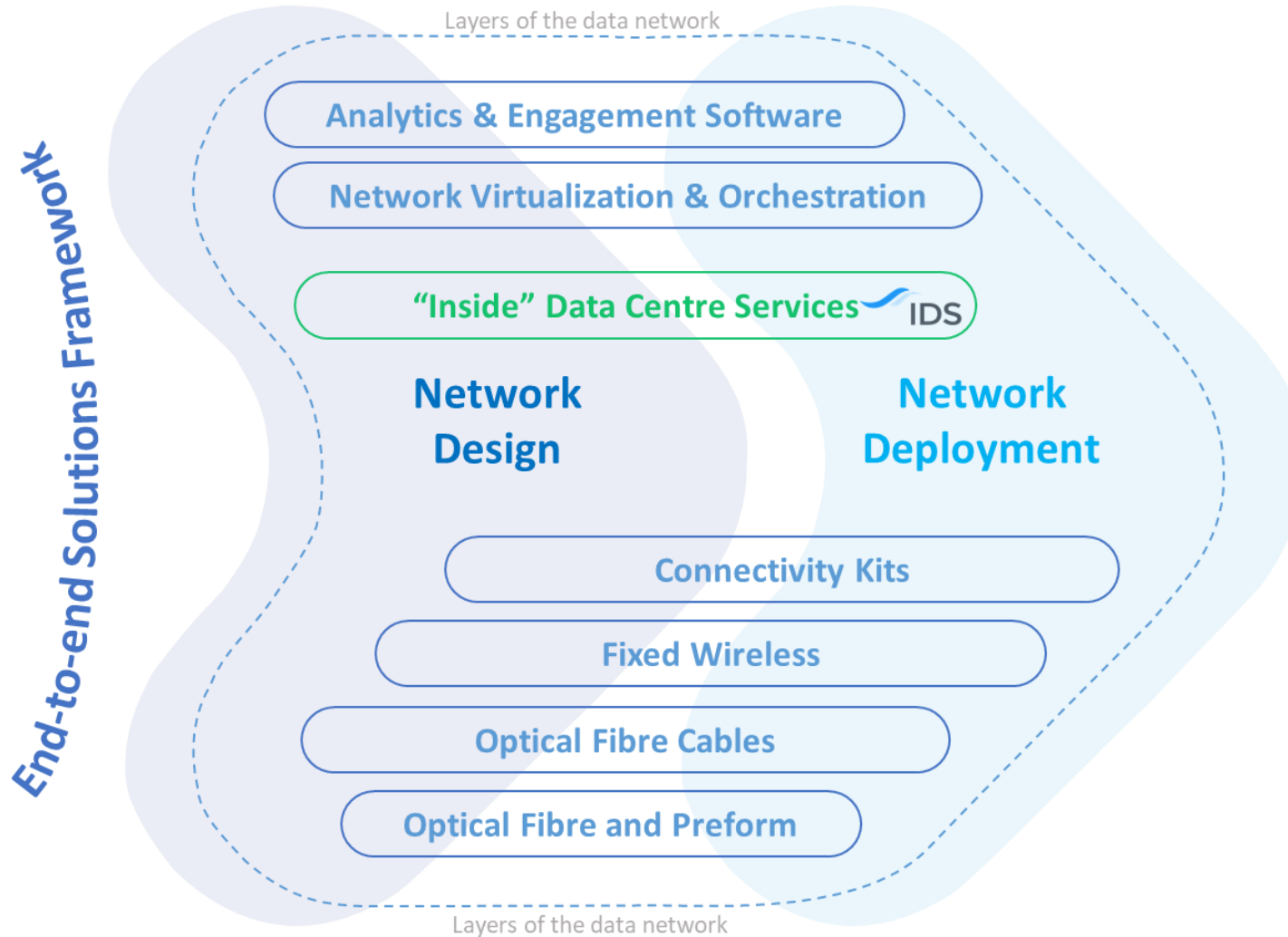
Offer end to end data network solutions

Further Growth



Add new offerings for inside Data centre solutions

Integrating our Unique Capabilities Across the Layers of Data Network



Bringing it all together as...



Strengthening our End to End data network offerings with IDS.



beyond tomorrow