

HALF YEAR REVIEW 2016



ABOUT US

Northgate Public Services (NPS) is a software and outsourcing company with extensive experience in the public sector. Its core markets are government, public safety, housing and health, where it offers software platforms and solutions, business processing services and a range of technology based outsourced services.

Northgate Public Services Ltd and its subsidiaries are wholly owned by leading International private equity company, Cinven*.

The company is headquartered in Hemel Hempstead in the UK and employs 2,330 people.

STRATEGY AND MARKETS

The core of the company's revenue continues to be derived from IP-led software and services and it continues to invest in product and service innovation to meet the future needs of clients whilst moving its solutions to a Software as a Service (SaaS) revenue model.

This is complemented by a series of successful bids to Central Government and by enhancing the Athena police collaboration program, supporting multi-agency working, and public engagement using the Connect platform.

As pressure on public spending continues, cost management and governance controls are increasingly important to us to ensure we deliver on a value-for-money basis. During the first half of the year we embarked on a process to bring cost reductions, further commercial rigor, and improved governance to program delivery. This included making changes to our leadership with the introduction in September 2016 of a new Chief Executive Officer in Stephen Callaghan with further C-level changes planned in the second half of the year.

The markets that NPS competes in, which are primarily in the UK, continue experiencing significant change in a post-Brexit world where uncertainty around policy and budgets continues.

** "Cinven" means, as the context requires, Cinven Group Limited, Cinven Partners LLP, Cinven (Luxco1) S.A., Cinven Limited, Cinven Capital Management (V) General Partner Limited and their respective Associates (as defined in the Companies Act 2006) and/or funds managed or advised by any of the foregoing.*

PERFORMANCE AND OUTLOOK

The deep experience NPS has in its core markets continues to facilitate major customer renewals and new customer wins in all sectors.

Our focus on cost reduction will continue and the Company is undertaking a review of customer and market activities to ensure that we focus our working capital on commercially productive initiatives.

The company continues to build on the success of its CONNECT platform in the police market and proposes to deploy significant resources to improving the Athena infrastructure, platform usability and mobile platform capability. This includes developing new functionality to meet growing demand for multi-agency working, to engage the public in different ways and to train system users in more efficient ways.

GOVERNANCE AND RISK

The company's Executive Committee, reporting into the Chief Executive, continues to play a central role in maintaining effective systems of governance. It meets by teleconference on a weekly basis and in person once a month and a new improved Governance Framework is in the process of being introduced under the executive sponsorship of the new Chief Operating Officer Greg Huntley.

The company's risk management policy ensures that key business risks are recorded, managed and resolved in partnership with clients and stakeholders.

NPS seeks to embed responsible practice throughout its activities and continues to evaluate its performance against the three pillars of its environmental, social and governance (ESG) framework: creating shared value; social responsibility; and environmental impact.

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