

megabyte



# THE WINNING COMPANIES 2023

The UK's best-performing  
SCALE-UP technology companies

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Our technology industry specialists are located across the UK and around the globe, which means we're everywhere you are, as well as where you want to be.



### GLOSSARY

#### Peer Group Acronyms

##### Software & Digital Platforms

BMS	Business Management Suites
BC	Business & Consumer
CRM	Customer Relationship Management
FM	Financial Management
FINS	Financial Services
GH	Government & Healthcare
HCM	Human Capital Management
IND	Industrials
IM	Information Management
SI	Security & Infrastructure
SCM	Supply Chain Management

##### ICT & Digital Services

BPO	Business Process Outsourcing
ITCON	IT Consulting
ITMS	IT Managed Services
TS	Telecoms Services
VARS	Value-Added Resellers

#### Report Acronyms

MBO	Management Buyout
SBO	Secondary Buyout
P2P	Public to Private
IPO	Initial Public Offering
FPO	Follow on Public Offering

#### Document Information

All share prices, valuations and Scorecard data are quoted as at the close of business on 21st January 2023.

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### CONTENTS

Executive Summary	4
The Megabyte Scorecard	6
The Top 25 Rankings	8
The Award Winners	10
Performance Overview	16
Corporate Activity	18
Prospects for Megabyte50 & Megabyte Quoted25	20

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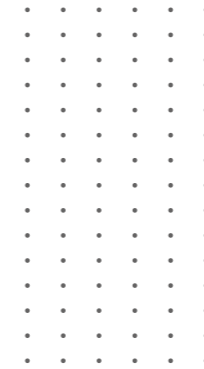
# The Industry Leaders of the Future

## Executive Summary

The Megabuyte Scorecard has developed into a key component of Megabuyte's day-to-day research, giving the research team and subscribers the ability to quickly understand the relative performance and health of businesses, and increasingly the consistency of a company's performance over time. Having tailored the methodology to businesses with revenues of between £3m and £10m, we have been able to identify and celebrate the latest batch of top performing scale-up companies. In this report, we expand on the Scorecard methodology, provide analysis on the 2023 Emerging Stars, review what previous winners have been up to, and look at which companies might break out into our two other flagship awards programmes: the Megabuyte50 and Megabuyte Quoted25.

“ We are delighted to feature in the Emerging Stars rankings for the first time in 2023. Person Centred Software is having great success supporting care homes with their digital journeys in the UK and increasingly internationally and our inclusion in this year's Emerging Stars is an important recognition of this. ”

Jonathan Papworth  
Co-founder & Director, Person Centred Software  
Emerging Stars 2023 – Top 5 Company



#megabuyte100

## MEGABUYTE'S COVERAGE OF SCALE-UP COMPANIES EXPANDS

Megabuyte now tracks over 7,600 Software & Digital Platforms and ICT & Digital Services companies, within which an estimated 1,000 companies are in the Emerging Stars revenue criteria range of £3-10m and a further 4,700 are below the £3m revenue mark.

Shining the Megabuyte Scorecard lens over these scale-up companies distils this list down to 25 Emerging Stars. As a group, these Emerging Stars averaged organic revenue growth of 47% in their latest financial year, far exceeding the average for this year's winners in the Megabuyte50 (34%) and Megabuyte Quoted25 (30%) awards, although they are also investing heavily to support this growth with average adjusted EBITDA margins of 5%.

Analysing the composition of the 25 Emerging Stars shows that there are 20 new entrants this year, with the high number reflecting the fact that companies in this size range tend to experience greater volatility in financial performances and due to many Emerging Stars either being acquired or outgrowing the revenue criteria. In terms of taxonomy, this year's Emerging Stars have even representation across the Software & Digital Platforms (13) and ICT & Digital Services (12) sectors, with the most populous peer groups being IT Managed Services (5) and Government & Healthcare Software (4). Also, for the second consecutive year, the majority of Emerging Stars were externally funded.

## 2023 AWARDS

This year's winners of our two outstanding achievement awards are: Volpi Capital-backed driver safety and vehicle emissions management solutions provider Lightfoot (Overall Best Performing Company); and VC-backed employee mental wellbeing software provider Unmind (Fastest Growing Company).

The Emerging Stars programme also recognises the very best companies in 7 of the 16 ICT & Digital Services and Software & Digital Platforms peer groups, with further details found on pages [10-15].

## FERTILE HUNTING GROUNDS FOR TRADE BUYERS

The Emerging Stars tend to find themselves as more of a target than an acquirer given their smaller size, with four of last year's cohort being acquired by trade buyers. This has lifted the total number of acquired Emerging Stars to 38 since we started the awards programme. The activity from last year's cohort also featured two companies completing acquisitions and one receiving investment.

## THE NEXT MID-MARKET COHORT

The Emerging Stars programme acts as an early warning system for the Megabuyte50 and Megabuyte Quoted25 companies, as highlighted by three previous Emerging Stars achieving spots in this year's Megabuyte50 and Megabuyte Quoted25 awards. From the 2023 Emerging Stars, we have identified 13 privately-owned prospects that are strong candidates for the Megabuyte50 (or Megabuyte Quoted25 should they choose to IPO).

# Our Proprietary Benchmarking Methodology

## megabuyte scorecard

An expert tool for companies and the investor and advisory communities seeking to measure and understand companies' performance relative to peers.

### WHAT DOES A 'GOOD' TECH SCALE-UP COMPANY LOOK LIKE?

The Emerging Stars programme aims to talent spot future mid-market leaders from a cohort of smaller UK private and publicly-listed companies. While some of these companies are relatively young, many have been operating for several years but have recently found a rich growth seam. So, how does one go about assessing which companies are performing better than others? The Megabuyte Scorecard provides technology companies, their investors and advisers a standardised methodology to benchmark company performance.

### HOW DOES IT WORK?

The Megabuyte Scorecard is a proprietary benchmarking methodology developed by the research team at Megabuyte, pooling over 60 years of experience analysing ICT Services and Software companies. Compared with the seven key measures used for the Megabuyte50 and Megabuyte Quoted25 methodology, the Scorecard Lite system used for Emerging Stars assesses five key measures and is more focused around growth - two each for revenue growth and margins, and one for overall size. These are weighted to reflect what we believe is the optimum balance for scale-up companies.

### WHO QUALIFIES?

Companies eligible for the Emerging Stars programme are drawn from the peer groups covered in the Megabuyte universe. For a company to be considered, it must also be UK-headquartered and domiciled, have generated revenues of £3-10m in its latest financial year, and have up-to-date accounts for a three-year period. Companies that have undergone significant M&A or other such transformational events are excluded.

#### → Growth:

There is more weight on organic growth (measured for the most recent year), whilst also recognising the importance of M&A and longer-term growth through a four-year CAGR measure.

#### → Profitability:

Adjusted EBITDA margin less capitalised R&D is seen as the optimal measure of P&L profitability and value added, as well as the trend of the margin over a four-year period.

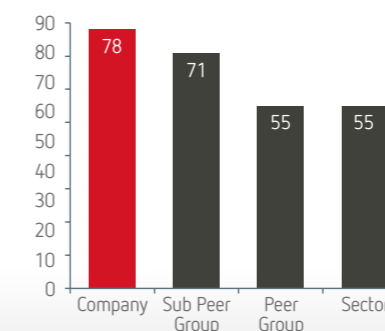
#### → Size:

This measure reflects the fact that, while size does not in itself mean that a company is good or bad, the law of large numbers means that it is harder to generate organic growth, in percentage terms, as a company gets larger.

### IT'S ALL ABOUT THE QUANTILES

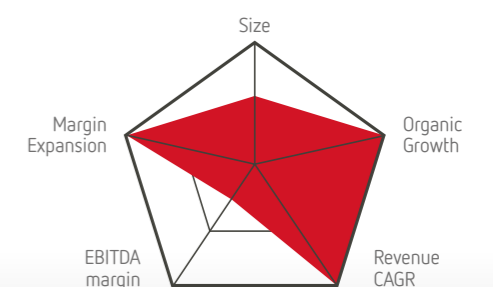
Companies are placed in quartiles for each of the five KPIs which, combined with the KPI weighting, produces an overall score out of 100. The quartile placings give a clear view of relatively strong and weak areas for each company, against its immediate peer groups, broader sectors, and the Megabuyte universe, and therefore highlight areas of potential improvement. Note that these quartiles are 'live', changing on the Megabuyte platform as and when companies are added to the Scorecard or the financials of existing companies are updated; it is a truly empirical measure of company performance. Throughout the report, readers will see a company's primary score represented in our Quartile Radar 'spider' charts, an example of which is shown in Figure [2].

Figure 1: Benchmarking Scorecard performance across sectors



Source:  
- Megabuyte

Figure 2: Diving deeper into Scorecard performance metrics



Find out more about our Scorecard methodology at [www.megabuyte.com](http://www.megabuyte.com)



# Emerging Stars 2023 Rankings

## Presenting the 2023 Emerging Stars

Here we present this year's 25 Emerging Stars, summarising who's new, who's returned and their key data. The winners of the Outstanding Performance awards (including Fastest Growing Company) and Peer Group awards can be found in the next section but, before that, let's look at some of the high-level dynamics of the group.

There are 20 new entrants in this year's Emerging Stars that have revenues ranging between £3.3 - 9.2m, of which RTS Communications was the top performer. The high number of new entrants is a common attribute of the Emerging Stars as companies in this size range tend to experience greater volatility in financial performances, combined with many Emerging Stars either being acquired or outgrowing the revenue criteria. The latter is highlighted by four former Emerging Stars graduating into this year's Megabyte50 and Megabyte Quoted25 awards (see who on page 21).

The five companies that retained a spot in the Emerging Stars featured heavily in the top five and included the overall winner, Lightfoot. The only returning company to fall down the rankings was razorblue (to 22nd), although this was razorblue's third consecutive appearance in the Emerging Stars awards.

“ We're delighted to once again be included in the Megabyte Emerging Stars programme. Razorblue operates in a competitive market, but our focus on delivering excellent digital transformation outcomes and great customer service comes through in our financial performance. The Scorecard recognises this, as well as the value we bring to employees and other stakeholders. ”

Dan Kitchen CEO, Razorblue  
Emerging Stars Top 20 Company – 2020, 2022  
Emerging Stars Top 25 Company – 2023



## The Top 5 Performing Companies

- ↑ Higher
- ↓ Lower
- Unchanged
- NEW New entrant

Rank	Trend	Company	Peer Group	Ownership	Latest Investor(s)	Revenue (£m)	Score	Prev Rank
1	↑	Lightfoot <sup>25</sup> Overall Winner & Best Performing Company (SCM)	SCM	Externally Funded	Volpi Capital	9.5	88	7
2	New	RTS Communications	VAR	Owner Managed	-	5.7	86	-
3	↑	Bromcom Computers <sup>25</sup> Best Performing Company (GH)	GH	Owner Managed	-	9.8	85	6
4	↑	Datum Datacentres <sup>25</sup> Best Performing Company (ITMS)	ITMS	Externally Funded	UBS Asset Management	6.9	82	8
5	New	Person Centred Software	GH	Externally Funded	Cow Corner	8.8	82	-

## Emerging Stars Companies 6-25

Rank	Trend	Company	Peer Group	Ownership	Latest Investor(s)	Revenue (£m)	Score	Prev Rank
6	New	MNI <sup>25</sup> Best Performing Company (FINS)	FINS	Externally Funded	Tenzing Private Equity	8.8	82	-
7	New	Vizst Technology	ITMS	Externally Funded	TECHNEDs	7.5	82	-
8	New	Avensure <sup>25</sup> Best Performing Company (BPO)	BPO	Owner Managed	-	9.2	81	-
9	New	ASM	SCM	Owner Managed	-	3.3	81	-
10	New	NorthWest EHealth	GH	Externally Funded	Foresight Group	6.6	79	-
11	New	Acuutech	ITMS	Owner Managed	-	8.5	79	-
12	New	Third Financial	FINS	Externally Funded	Grafton Capital	8.3	78	-
13	↑	Granby	BPO	Externally Funded	Mercia Asset Management, Enterprise Ventures	9.0	78	22
14	New	BCS <sup>25</sup> Best Performing Company (ITC)	ITC	Externally Funded	RSBG SE	3.6	78	-
15	New	Elucidat <sup>25</sup> Best Performing Company (HCM)	HCM	Externally Funded	YFM Equity Partners	5.1	77	-
16	New	Volta Data Centres	ITMS	Owner Managed	-	6.9	76	-
17	New	Stellar Omada	ITC	Owner Managed	-	9.1	76	-
18	New	NovaFori (formerly known as Perfect Channel)	BC	Externally Funded	Beringea	8.6	76	-
19	New	Speechmatics	IM	Externally Funded	Susquehanna Growth Equity, AlbionVC, IQ Capital	9.5	75	-
20	New	SSG Insight	IND	Owner Managed	-	6.1	75	-
21	New	Unmind <sup>25</sup> Best Performing Company (SCM)	HCM	Externally Funded	EQT, Sapphire Ventures, Project A, Felix Capital, True Global	6.2	74	-
22	↓	razorblue	ITMS	Owner Managed	-	8.3	74	18
23	New	Mayden	GH	Owner Managed	-	8.4	74	-
24	New	Utelize	TS	Owner Managed	-	4.3	74	-
25	New	The Chemistry Group	BPO	Externally Funded	BGF	6.8	72	-

Find out more about our awards and view all Emerging Stars 2023 winners at [www.megabyte-awards.com](http://www.megabyte-awards.com)





# Emerging Stars Award Winners

Recognising the UK's best-performing future mid-market leaders among smaller, private and publicly-listed companies.

In addition to the accolade of being a Megabuyte Emerging Star, we also recognise the leading companies in 7 of Megabuyte's 16 peer groups, the Fastest Growing Company and the Best Performing Company overall. Here, we congratulate our 2023 award winners and provide our view on the business.

First, we'd like to commend the Outstanding Performance Awards Winners. The winner of the Best Performing Company overall is Volpi Capital-backed driver safety and vehicle emissions management solutions provider Lightfoot. Lightfoot grew adjusted EBITDA by 79% to £2.7m on revenues up an all-organic 32% to £9.5m, supported by new wins in its core market of light commercial vehicles.

Secondly, VC-backed employee mental wellbeing software provider Unmind has won the Fastest Growing Company overall with a medium-term revenue CAGR of 233%. This reflects Unmind's revenues jumping from £0.6m in 2019 to £3.0m in 2020 and £6.2m in 2021, albeit supported by adjusted EBITDA losses totalling £19.3m in this time (including £10.6m in 2021). Unmind's progress is also benefiting from the heightened focus on employee mental health as the shift to remote/virtual working environments has reduced the level of face-to-face staff interaction.

“Lightfoot is pleased to once again be included in the Megabuyte Emerging Stars Awards. The company's innovative approach to fleet management in delivering improved driver behaviour by focusing on and rewarding the driver continues to show through in financial performance and thus the Megabuyte Scorecard.”

Rupert Lyon Taylor CEO, Lightfoot

Overall Winner & Best Performing Company (SCM)  
Emerging Stars Top 10 Company – 2022

## Outstanding Performance AWARDS

Recognising outperformance across the Emerging Stars universe

Best Performing Company  
Overall

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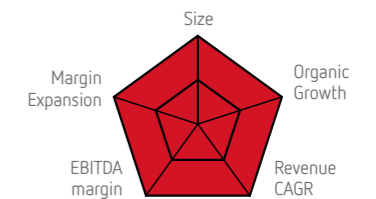
Lightfoot

OWNERSHIP: Externally Funded

Lightfoot provides fleet telematics hardware and software and solutions for live, in-cab coaching to help drivers improve their driving safety and vehicle efficiency.

**MEGABUYTE VIEW:** What makes Lightfoot relatively unique amongst telematics peers is that it puts driver safety and efficiency at the centre of the solution. This provides an important point of differentiation in what is a price sensitive vehicle telematics market, particularly for EVs which are typically more sensitive to driver behaviour/inefficiencies. The company's recent investment from Volpi should also help Lightfoot to consolidate its UK presence and expand within Europe (including Germany, France and Benelux).

COMPANY SCORE



Fastest Growing Company  
Overall

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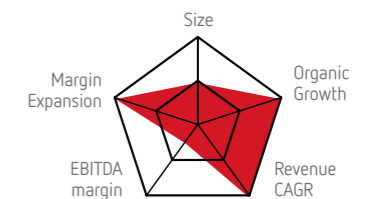
Unmind

OWNERSHIP: Externally Funded

Unmind provides a workplace mental health platform with self-guided educational courses, clinically backed mental health research and peer-to-peer recognition for an organisations' employees.

**MEGABUYTE VIEW:** The pandemic shone the spotlight on employee mental health for many organisations and Unmind has undoubtedly been a beneficiary from this, with its digital-first attitude towards employee stress, anxiety, burnout, and depression key to this. Meanwhile, its maiden acquisition of Frankie Health earlier this year further enhances Unmind's ability to provide a more preventative service for employees.

COMPANY SCORE



## Software & Digital Platforms PEER GROUP AWARDS

Recognising best-in-class performance within individual peer groups

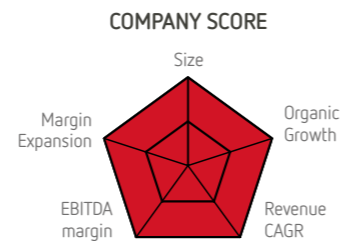
Best Performing Company  
Financial Services



**MNI**  
OWNERSHIP: Externally Funded

MNI provides a subscription-based platform with real-time economic, policy and trading data and insights for the global foreign exchange, fixed income and energy markets.

**MEGABUYTE VIEW:** MNI is a niche intelligence and data services player that has cut through the abundance of available trading-related news and data sources with its timely and actionable insights. The increase in MNI's coverage and insights underpins its growing base of investors and traders and its strong performance across all the Scorecard metrics. MNI's recent investment from Tenzing also provides additional firepower to help accelerate its organic and inorganic ambitions.



Best Performing Company  
Government & Healthcare

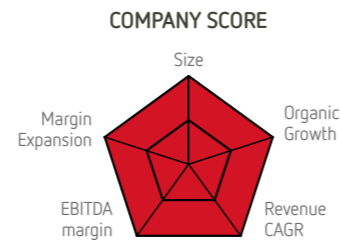
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**Bromcom Computers**  
OWNERSHIP: Owner Managed

Bromcom Computers provides Management Information Systems (MIS) to UK schools.

**MEGABUYTE VIEW:** The market incumbents slow move to Cloud technologies has paved the way for a significant period of migration within the core schools MIS market. Bromcom is one of the key beneficiaries of this having been an early mover to the Cloud and its investments over the years are now paying dividends. Bromcom also stands out against its peers for still being owner managed and self-funded with all other players of scale in this market now backed by private equity.



Best Performing Company  
Human Capital Management

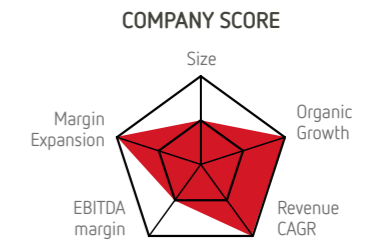
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**Elucidat**  
OWNERSHIP: Externally Funded

Elucidat provides a platform to create, manage and measure e-learning solutions.

**MEGABUYTE VIEW:** Elucidat has carved a niche in what is an established enterprise-focused content authoring market partly due to having deep, embedded reseller, integration and referral partnerships that continue to drive recurring revenue growth. We expect demand in this area of the market to remain robust despite greater macroeconomic uncertainty, largely because of post-pandemic skill gaps that still exist across workforces – Elucidat's technology helps address this.



Best Performing Company  
Supply Chain Management

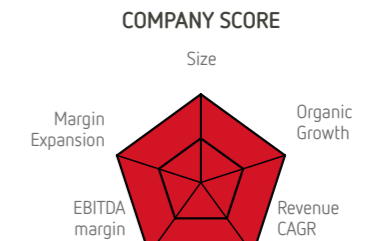
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CONSULTANTS



**Lightfoot**  
OWNERSHIP: Externally Funded

Lightfoot provides fleet telematics hardware and software and solutions for live, in-cab coaching to help drivers improve their driving safety and vehicle efficiency.

**MEGABUYTE VIEW:** What makes Lightfoot relatively unique amongst telematics peers is that it puts driver safety and efficiency at the centre of the solution. This provides an important point of differentiation in what is a price sensitive vehicle telematics market, particularly for EVs which are typically more sensitive to driver behaviour/inefficiencies. The company's recent investment from Volpi should also help Lightfoot to consolidate its UK presence and expand within Europe (including Germany, France and Benelux).



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## ICT & Digital Services PEER GROUP AWARDS

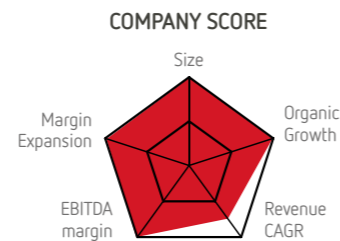
Recognising best-in-class performance within individual peer groups

Best Performing Company  
Business Process Outsourcing

**AVENSURE** Avensure  
OWNERSHIP: Owner Managed

Avensure provides HR outsourcing, health & safety consultancy, employment law and documentation services.

**MEGABUYTE VIEW:** Avensure's technology-led approach to services has clearly paid dividends, supporting steady growth through the pandemic and a significant expansion in margins- particularly in 2021. Alongside a raft of legislative changes to stay on top of, we expect to see growing demand for wholly-outsourced solutions offered by the likes of Avensure.

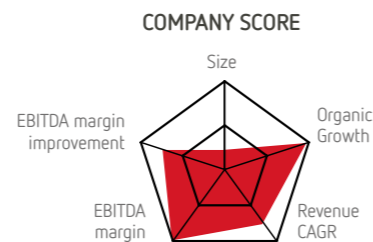


Best Performing Company  
IT Consulting

**BCS** BCS  
OWNERSHIP: Externally Funded

BCS provides digital asset consultancy, infrastructure strategy, project and cost management solutions.

**MEGABUYTE VIEW:** Digital transformation is often seen at the application layer, but the physical infrastructure that underpins it – from data centres through to eCommerce-related warehousing – is also undergoing structural change. BCS has made this its heartland, advising and supporting on the delivery of core infrastructure transformation plans to an array of infrastructure sectors. The financial fruits of this were evident in 2021, with strong organic growth and robust profitability metrics, culminating in investment from RSBG in 2022.



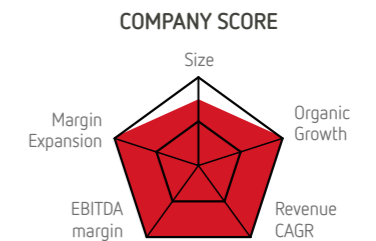
Best Performing Company  
IT Managed Services

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GROUP

**Datum** | BUSINESS CRITICAL DATA CENTRES Datum Datacentres  
OWNERSHIP: Externally Funded

Datum provides UK-based data centre colocation services for enterprises and service providers.

**MEGABUYTE VIEW:** Datum's strong Scorecard rating reflects steady revenue growth and operating leverage as the company filled out its Farnborough data centre. With the support of new investment from UBS in 2021, Datum is now pursuing an M&A strategy, with 2022's Teledata UK acquisition adding a second site, in Manchester, with room for expansion and representing a circa 50% uplift in revenues and profits.



“ Being recognised again in this year’s Emerging Stars awards provides an important independent validation of Bromcom’s ongoing success and growing market share in what is an increasingly competitive education MIS market which has received huge interest from the investment community. ”

Ali Guryel CEO, Bromcom Computers

Best Performing Peer Group Company 2023 (GH)  
Best Performing Peer Group Company – 2022

Find out more about our awards and view all Emerging Stars 2022 winners at [www.megabuyte-awards.com](http://www.megabuyte-awards.com)



# Analysing the Emerging Stars of 2023



## Megabuyte's coverage of scale-up companies expands

Megabuyte is tracking over 7,600 companies across the Software & Digital Platforms and ICT & Digital Services sectors. This is up more than 50% on the total from the last Emerging Stars awards one year ago, driven by Megabuyte's ongoing origination efforts to map out the whole UK technology market.

Within this, Megabuyte covers an estimated 1,000 companies with revenues in the Emerging Stars revenue size criteria of £3-10m, as well as a further 4,700 below the £3m revenue mark. However, the total number of companies eligible for the Emerging Stars drops to 205 as we require at least three years of audited financials, of which 98 are owner managed, 89 have received external private funding and 18 are publicly listed.

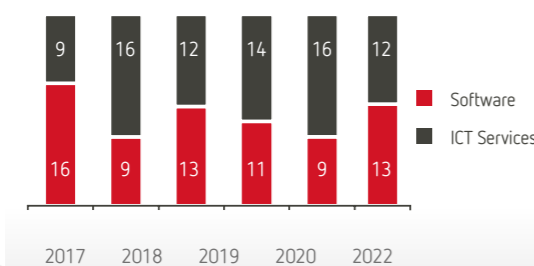
## INVESTORS PILE INTO EMERGING FIRMS

Turning our attention to this year's 25 Emerging Stars shows that the representation from the Software & Digital Platforms (13) and ICT & Digital Services (12) sectors is balanced this year. The most populous peer group is IT Managed Services (5), where buoyant demand is being driven by constant flow of new IT transformation programmes and the increased outsourcing of IT services to specialist providers across a wide range of verticals. The second most populous peer group is Government & Healthcare (4), which included this year's Fastest Growing Company (Unmind) and where companies are benefiting from more health, care and school organisations turning to digital solutions to help alleviate cost pressures and the broader drive to join up data and services with technology.

Other Software peer groups with multiple Emerging Stars includes Financial Services (2), Human Capital Management (2) and Supply Chain Management (2) and, in ICT Services, the same goes for Business Process Outsourcing (3) and IT Consulting (2).

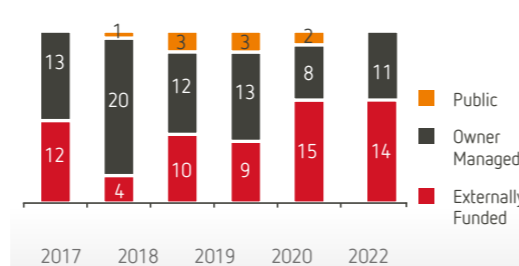
Segmenting the Emerging Stars by ownership shows that most companies have received external investment (14) for a second consecutive year, including the overall winner Lightfoot. Despite this, owner managed businesses (11) ranked second (RTS Communications) and third (Bromcom Computers) overall. There were no public companies in the Emerging Stars for only the second time in the six years since launching the awards, which could be partly driven by the lack of tech IPOs in the UK over the past year due to tough market conditions.

Figure 3: Composition by Sector



Source: - Megabuyte

Figure 4: Composition by Ownership



## INVESTING IN GROWTH

This year's 25 Emerging Stars recorded average organic revenue growth of 47% in their latest year and a medium-term revenue CAGR of 43%, with both more than two times higher than the top/fourth quartile boundary for the entire 205 dataset. Lower medians for both growth metrics at 33% and 23% respectively highlight there are a few very high growth performers skewing the averages.

The greater focus on investing for growth over profitability is also evident in the average adjusted EBITDA margins of 4.7% (third quartile), albeit improving at a rapid rate (+17.7). Meanwhile, a higher median EBITDA margin of 11.1% highlights there are a few highly loss-making firms that skew the group average.

Table 1: How the Megabuyte Emerging Stars universe performs

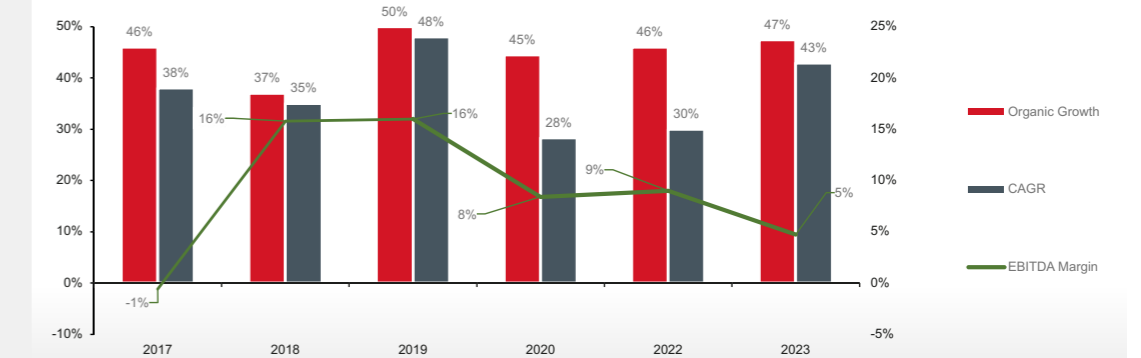
	Size Revenues (£m)	Organic Revenue Growth	Revenue CAGR	EBITDA Margin	EBITDA Margin Expansion (pp)
1st Quartile					
Boundary	4.6	-4.3%	-4.0%	-23.9%	-3.4
2nd Quartile					
Boundary	6.3	6.0%	4.8%	1.7%	0.0
3rd Quartile					
Boundary	8.1	23.0%	21.4%	10.5%	5.2
4th Quartile					
Emerging Stars avg.	7.4	47.4%	42.9%	4.7%	17.7
Emerging Stars median	8.3	33.0%	23.4%	11.1%	7.7

Source: - Megabuyte

## HOW DOES THE CLASS OF 2023 STACK UP TO PRIOR YEARS?

When you compare the financial metrics to previous Emerging Stars classes, the 2023 average organic growth was in-line historical trends, keeping to the usual 45-50% range (excluding the 2018 outlier). However, the 2023 cohort favours growth over profitability as their average revenue CAGR and EBITDA margins are above and below historical averages respectively.

Figure 5: Average Emerging Stars metrics through the years



Source: - Megabuyte

# Corporate Activity

## Where are they now?

### A look back at the Emerging Stars class of 2022

In this section, we look back at the corporate activity of the 2022 Emerging Stars. The limited deal volume since the last awards reflects Emerging Stars being more of a target than an acquirer, with four being bought by trade buyers over the last year. However, two Emerging Stars have completed acquisitions. Surprisingly, only one of last year's Emerging Stars received investment over the last year, which could partly reflect the pullback in the venture capital fundraising since last summer – the Megabuyte deals database shows that total venture and growth capital fundraising since the start of July 2022 was just £3.4bn, versus £13.0bn in the first six months of 2022.

View all previous years' Emerging Stars winning companies at [www.megabuyte-awards.com](http://www.megabuyte-awards.com)

### FERTILE HUNTING GROUNDS FOR TRADE BUYERS

The M&A highlights were led by Megabuyte50 company and m2m/IoT platform provider Wireless Logic acquiring two Emerging Stars in the past year, in m2m connectivity peers Jola and Mobius Networks. The other Emerging Stars subject to a takeover was Cardinality (telecoms analytics) and bChannels (data-led marketing products) both by overseas trade buyers. This means that the total number of Emerging Stars that have been acquired by trade is now 38. In the opposite direction, data centre operator

Datum Datacentres completed a transformational UK acquisition (of Teledata UK) and secure remote connectivity provider RealVNC bolted on a small German peer.

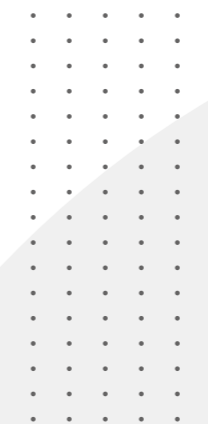
Investment activity was limited to a strategic investment in financial crime solutions provider Ripjar by existing partner and US financial markets firm Dow Jones.

Table 2: Emerging Stars 2022 Corporate Activity

Company	Peer Group	2022 Ranking	Transaction Type	Role	Target/Acquirer/Investor	Deal EV
Jola	TS	4	M&A	Seller	Wireless Logic Group	£100m*
Cardinality	BC	5	M&A	Seller	Elisa Polystar	-
Datum Datacentres	ITMS	8	M&A	Buyer	Teledata UK	£10m*
RealVNC	SI	9	M&A	Buyer	Rport	-
Ripjar	IM	12	VC & GC	Seller	Dow Jones	-
bChannels	BPO	19	M&A	Seller	The Channel Company	£14m*
Mobius Networks	TS	20	M&A	Seller	Wireless Logic Group	£45m*

**Source:**  
– Megabuyte  
– Company Accounts

**NB:**  
– All deal values with an \* are Megabuyte estimates



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“ We’re delighted to be included in the Emerging Stars awards. Our strong Megabuyte Scorecard rating is testament to the strength of our team and the continued progress we are making, delivering networking and security strategies and technologies to our growing customer base in an ever-competitive market. ”

Richard Betts CEO, Vizst Technology  
Emerging Stars 2023 – Top 10 Company

# Prospects for Megabyte50 & Megabyte Quoted25

## What now for the class of 2023?

We expect that most of this year's winners will not feature again in the Emerging Stars awards as most of this year's cohort are on course to outgrow the Emerging Stars revenue criteria, some are likely to be subject to M&A, and because more companies in this size range tend to experience greater volatility in financial performances.

We also expect the composition of the Emerging Stars to continue to lean towards firms that have received external investment despite the slowdown in fundraising detailed in the prior section due to the sheer amount of dry powder still available to deploy and the attractiveness of the technology sector.

Find out more about our awards and  
view all Emerging Stars 2023 winners at  
[www.megabyte-awards.com](http://www.megabyte-awards.com)

## TOP PROSPECTS FOR MEGABUYTE50 & QUOTED25

We have identified 13 privately-owned prospects from this year's Emerging Stars that, on their current revenue growth trajectories, look likely to exceed the Emerging Stars upper revenue limit of £10m in their next set of results, and, assuming continued/improved profitability, are strong candidates for our privately-focused Megabyte50 awards. This is assuming they don't undertake an IPO over the next year, which would instead put them in the running for the Megabyte Quoted25 awards.

We'd also like to commend several previous Emerging Stars for graduating to Megabyte's mid-market awards series this year. This includes three-time Emerging Star Answer Digital (2019, 2020 & 2022)

and last year's overall winner FSP for achieving a spot in the 2023 Megabyte50 awards, and for the 2020 Emerging Star Fastest Growing Company Aquis Exchange achieving a spot in the 2023 Megabyte Quoted25 awards. This underlines the potential for Emerging Stars businesses to maintain their high growth trajectories and establish themselves in the UK mid-market tech industry.

Table 3: Top prospects for Megabyte50 & Megabyte Quoted25

Company	Peer Group	Ownership	Revenue £m	Revenue CAGR	EBITDA Margin
Lightfoot	SCM	Externally Funded	9.5	43%	20%
Bromcom Computers	GH	Owner Managed	9.8	23%	25%
Datum Datacentres*	ITMS	Externally Funded	6.9	22%	32%
Person Centred Software	GH	Externally Funded	8.8	59%	11%
MNI	FINS	Externally Funded	8.8	23%	12%
Vizst Technology	ITMS	Externally Funded	7.5	142%	1%
Avensure	BPO	Owner Managed	9.2	16%	23%
Acuutech	ITMS	Owner Managed	8.5	31%	4%
Third Financial	FINS	Externally Funded	8.3	22%	6%
Granby	BPO	Externally Funded	9.0	19%	20%
Stellar Omada	ITC	Owner Managed	9.1	94%	10%
razorblue	ITMS	Owner Managed	8.3	29%	10%
Mayden	GH	Owner Managed	8.4	20%	24%

Source:  
– Megabyte

“ I'm delighted that Datum has been shortlisted again for a Megabyte Emerging Stars award, which vindicates our strategy of steady data centre revenue growth and operating leverage. I'm equally delighted that following our acquisition of Teledata UK, which takes us above £10m revenues, we'll be competing for a place in the Megabyte50 next year. ”

Dominic Phillips CEO, Datum Datacentre

Best Performing Peer Group Company 2023 (ITMS)

Emerging Stars Top 10 Company – 2022

Emerging Stars Top 20 Company – 2020



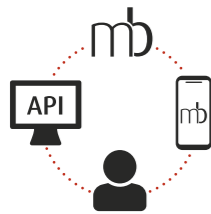
## About the Megabyte Award Series

Held annually, the Megabyte100 awards identify the UK's 100 best performing technology companies, as defined by our proprietary Megabyte Scorecard methodology.

There are three award series within the Megabyte100 awards. The Megabyte50 awards (privately-owned, mid-market technology companies); the Megabyte Quoted25 awards (quoted technology companies); and the Megabyte Emerging Stars awards (scale-up technology companies).

For further information about our awards visit [www.megabyte-awards.com](http://www.megabyte-awards.com)

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## About Megabyte

We are a company intelligence service.

Megabyte analyses the financial and corporate strategy of early stage, scale-up and mid-market companies in the UK tech and digital sectors, providing data, insights and expert analyst opinion on individual companies, their peer groups and broader sector trends. The proprietary nature of our content, unavailable through other data or information providers, our independence, and our focus on actionable insights have made us an indispensable resource for over 3,000 of the sector's leading CxOs, investors and advisers.

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