

NovaTech Ltd. - Q1 2025 Financial Report

1. Executive Summary

NovaTech Ltd., a mid-sized technology solutions provider, reported solid performance in Q1 2025. Revenue increased by 12% year-over-year, driven by strong demand in cloud services and enterprise AI integration. Net profit rose modestly due to increased operating expenses and R&D investments.

2. Key Financial Highlights

Metric	Q1 2025	Q1 2024	Change (%)
Revenue	£42.3 million	£37.7 million	+12.2%
Gross Profit	£25.6 million	£22.8 million	+12.3%
Operating Expenses	£17.1 million	£14.9 million	+14.8%
Operating Income	£8.5 million	£7.9 million	+7.6%
Net Income	£6.1 million	£5.6 million	+8.9%
EPS (Basic)	£0.31	£0.28	+10.7%
Cash and Equivalents	£18.2 million	£14.6 million	+24.7%
R&D Investment	£4.2 million	£3.5 million	+20.0%

3. Business Segment Overview

Cloud & Infrastructure

Revenue: £19.3 million (+14.5% YoY)

Key growth from small-to-mid business clients migrating to NovaCloud 2.0

Gross margin: 61%

AI & Data Services

Revenue: £14.7 million (+10.1% YoY)

Strong traction in retail and healthcare sectors

Gross margin: 58%

Enterprise Software

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Revenue: £8.3 million (+9.8% YoY)

Demand increased for remote workforce management tools

Gross margin: 62%

4. Balance Sheet Snapshot (as of March 31, 2025)

Asset/Liability	Amount (£ millions)
Total Assets	112.4
Total Liabilities	48.7
Shareholder's Equity	63.7
Current Ratio	2.4
Debt-to-Equity Ratio	0.45

5. Strategic Developments

- Launched NovaCloud 2.0 with improved scalability and security features.
- Acquired a small AI startup in Cambridge for £2.3 million.
- Signed a strategic partnership with a German logistics company to develop predictive AI solutions.

6. Outlook for Q2 2025

- Projected revenue: £45-47 million
- Continued focus on AI integration and SME cloud adoption
- Expected increase in marketing spend by 8% to support European expansion