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10th ANNIVERSARY

Top VARs 2021

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Top VARs hits 10-year mark

A wave of nostalgia hit me recently when I unearthed a (very dog-eared) copy of the original *CRN Top VARs*, and twigged that the report's ten-year anniversary was looming.

Back in 2011, Misco, Kelway, 2e2 and Danwood were ranked among the top 10 largest resellers, Microsoft Azure and the Apple iPad had only just been launched, and edge computing just meant having your laptop too close to the side of your desk.

It's hard to not look back on those times with fondness: David Cameron and Nick Clegg were in their honeymoon faze, Rihanna's *We Found Love* ruled the airwaves, and planking – the act of lying face down in incongruous locations – was the latest viral craze.

Ten years, two governments, and one pandemic later, *Top VARs* continues to thrive just like the 100 protagonists profiled in its pages.

Covid cacophony

The industry landscape may have been redrawn in the intervening decade (as we explore on p10), but this report's mission remains the same as in 2011, namely to rank and profile the UK's top 100 B2B channel partners by revenue.

Compiling the rankings involved poring over more than 100 sets of annual accounts, most of which cover periods that coincided with at least the first national lockdown.

Covid has certainly left its mark on this year's data, as we explore both at the bottom of most profiles, and in an additional analysis section on p41.

Although market goliaths Softcat, Computacenter and Bytes all grew double digits in their latest annual periods, and etailers such as Box and eBuyer enjoyed bumper

> **"This year's Top VARs represent a powerful front line of trusted tech advisors, generating revenues of £17.9bn"**

years (see p44), growth evaded others. An unusually high 33 of the top 100 registered a revenue dip in their latest years, with the top 100's overall top-line growth slowing to seven per cent (compared with 8.5 per cent last year and 13 per cent in 2019). Use of the government's furlough scheme was widespread (see p47).

On the other hand, many posted record profits as lower travel and event costs fed into their bottom lines, with profit margins across the 100 marginally up (see p43). A fully rounded view of Covid's impact remains elusive, however, with as many as 27 of the 100 firms yet to file accounts covering year ends later than 31 March 2020.

The hot 100

This year's centurion of players are a motley crew of enterprise tech solution providers, software licensing giants, etailers, midmarket MSPs and boutique outfits specialising in cybersecurity, unified comms, business applications, networking, print or AV. In contrast to 2011, some 28 are internationally headquartered or owned (see p24), while 27 are now private equity backed.

Together, they represent a powerful front line of trusted tech advisors, generating revenues of £17.9bn in their latest financial years on record.

This year, *Top VARs* has a new number one in the shape of Softcat, which has seen its top line balloon from £220m to nearly £2bn in the last ten years. Going by its gross invoiced income (see p35), it is now the UK's largest reseller some 28 years after it was founded. Computacenter, which had headed up these rankings every year since 2011, remains the largest UK-headquartered reseller, with global sales of £5.4bn putting it seventh in the global pecking order (see p16).

Along with the likes of SCC and Insight, Computacenter and Softcat are among the surviving alumni of the first edition's top 10. But despite the change in personnel, the channel's defining trait over the last decade has been resilience, with several major challenges – not least the mass migration to remote and hybrid working – successfully negotiated.

With concerns over sustainability, components shortages, skills gaps, diversity, Brexit, economic uncertainty and, yes, a fourth wave only intensifying, the next ten years will pose even more challenges – as well as opportunities – for the 100 firms in this report.

■ *Doug Woodburn is head of channel research at Incisive Media*

What's in store for 2022?

Can you believe it's been 10 years since the first edition of *CRN*'s *Top VARs* report was first published? I actually recall reading the very first edition (hard copy) thinking what a great read and how can we leverage the data being a channel-only business!

I have since had the pleasure of writing my first *CRN* editorial this time last year when we were in the midst of our second Covid lockdown. A year on, the shadow of Covid in both our personal and professional lives is still upon us. That said, it was great to have a taste of normality with the return of the *CRN* Channel Awards last month in Battersea and to see so many channel peers face-to-face rather than at the end of a video call! To pick up the Technical Channel Services Provider of the Year award for the second year in a row is something I am immensely proud of and what this means to our business and our massively talented team that continue to contribute day in day out to our success.

Looking back at 2020, we saw the Top 100 VARs grow their revenues by 8.5%. This year, revenue growth has been more challenging to come by with many of the top 100 VARs seeing a slowing of 7.0% despite some VARs registering double digit growth. However, where revenues may have struggled, profitability appears to have remained fairly resilient with savings in travel, events and entertainment along with the way we now conduct our business in a hybrid model making up for some of the margins that any growth may have added to our respective bottom lines.

I felt that in 2021 that it was unlikely to see little change in the

> **Those channel partners that are more agile than their competitors whilst remaining relevant are likely to be those partners that figure highly in next year's Top VAR list**

Top 10 VARs, this has proved true and that a number of new entries would be seen. There have been nine new entrants in this year's Top 100; well done and a big welcome to the club!

Whilst we cannot be sure of the true economic impact of 2021 with ongoing concerns of the pandemic, component shortages, Brexit and sustainability, we can be certain the channel will remain essential to help customers continue to evolve as it has done since the start of the pandemic. Not only with transforming infrastructures and technology, but also how we better leverage innovation such as AI and RPA to make their businesses more agile through the use of better data insights and trends.

So, what's in store for 2022? The IT industry will see continued salary pressures and skills shortages in a number of technologies, especially around business transformation, software-defined capabilities and automation. Hardware supply shortages will remain challenging into CY Q2, especially with a number of European countries entering further Covid restrictions. Those channel partners offering maintenance services to allow their clients to sweat their existing assets are likely to benefit in the first half of 2022.

Organisations will continue to review if what they have adopted today around hybrid office working best serves their business and its clients. Cloud acceleration will continue to expedite as we move from Cloud First to Cloud Always. Security will continue to shift to an embedded part of any solution and open agile platforms will be key for an ever-changing enterprise.

Net zero will remain front and centre for organisations. Our role within the channel is to continue to listen, understand and build solutions that help our customers deliver against this imperative. Those channel partners that are more agile than their competitors whilst remaining relevant are likely to be those partners that figure highly in next year's Top VAR list.

Have a fabulous festive break and I wish you every success in 2022.

Stay safe, stay well.

■ *Simon Day is services director at Comms-care*

Profiles explained

Revenue: £43.9m
Year-on-year growth: (-3%)
Net profit expressed as a percentage of revenues: -18.9%
Average monthly staff numbers during the year: 245
Covid impact

100. Misco

£43.5m (+69%)
5.8% | 53

Having been resuscitated by UK Computer Group in 2019, this celebrated brand bounces back into *Top VARs* after a four-year hiatus thanks to a barnstorming calendar 2020. Misco Technologies Ltd (formerly UK Computer Group Ltd) saw revenues rocket 69 per cent to £43.5m last year, with net profits bulking up by almost £1m to hit £2.5m. In 2021, Misco has trebled the size of its Wellingborough HQ, launched a sustainable technology hub and hosted call-out days with the likes of Targus, Lenovo, Synology and Geo Computers.

99. Tangible Benefit

£43.6m (+4%)
6.4% | 57

Having grown 47 per cent the previous year, this London-based reseller posted a more muted four per cent revenue rise in the 12 months to 31 March 2021. Net profits widened from £2.5m to £2.8m. Claiming to achieve "unprecedented delivery times" from its co-located London warehouse, Tangible Benefit counts Microsoft, HPE, Intel, Google Workspace and Dell among its key allies, bagging Platinum status with the latter in April.

In an interview with *CRN* in March, Tangible Benefit operations director Stuart Wohlman said the provisioning and configuration work it carries out at its warehouse has struck a chord during the pandemic. In its strategic report, it said it expects revenues to rise again in 2022.

98. invenioLSI

£43.8m (+37%)
11% | 848

Two top SAP partners – UK-based Invenio Business Solutions and US rival LSI – merged in February 2021 to form this $100m-revenue giant. A new name ('invenioLSI') for the combined outfit – which styles itself as the "premier global SAP partner for public services" – was unveiled in October. The most recently filed accounts for Invenio – covering the year to 31 March 2020 – show revenue of £43.8m (with £10.4m of the total drawn from the UK). Invenio backer BGF coughed up £12m in follow-on funding to support the union.

97. Conn3ct

£43.9m (-3%)
-18.9% | 245

Built on the 2019 union of similar-sized Avaya partners G3 Comms and Connect Managed Services, Conn3ct breaks into our hot 100 thanks to accounts filed by its new holding company showing revenue of £43.9m in its year to 30 April 2021. That's down three per cent on the (not directly comparable) previous period. The Apiary Capital-backed unified comms and contact centre specialist has continued on the M&A trail in 2021, snapping up customer care solutions outfit Service CX in June.

Despite complaining that lockdown resulted in widespread project delays, Conn3ct claims its "ability to meet the changing demands of the market" enabled it to add a number of new customers during the year, and avoid furloughing staff.

96. Park Place Technologies

£45.1m (+61%)
-30.3% | 283

Having leapt into the UK in 2015 and acquired local peer MCSA in 2019, this global hardware maintenance outfit makes its debut *Top VARs* appearance. Dusty accounts for calendar 2019 show revenue booming 61 per cent to £45.1m as MCSA contributed to the top line for the first time, although net losses reached £13.7m. Specialising in providing extended warranty services for storage, servers and networking equipment, Park Place doubled its global revenues and headcount last year by merging with arch-rival Curvature.

The pandemic has had an "immaterial impact" on the health of Park Place's UK business, it maintained in its accounts.

95. Symetri

£46.5m (+25%)
-9.4% | 148

Headquartered in Sweden, this CAD software provider claims it became the UK's largest Autodesk partner last January when it acquired Excitech (it purchased Majenta's Autodesk business a year earlier). Due to a lack of fresh accounts, we've had to rank Symetri based on Excitech's 2019 numbers, which show revenue hitting £42.7m in the 11 months to 31 December 2019. Part of listed tech group Addnode, globally Symetri has 450 staff and revenues of SEK 1.5bn (£120m).

In its 2019 accounts (which were filed in December 2020), Excitech said the pandemic had delayed some professional services work where its staff were required onsite and confirmed that it had made use of the government's furlough scheme.

94. Elite Group

£46.7m (-7%)

-0.9% | 216

"If you're looking to sell your business, get in touch", urges a recent press release on the website of this Chorley-based unified comms provider, which has built a near £50m-revenue empire on the back of 17 acquisitions over the last decade. Founded in 2000 by Matt Newing, Elite saw revenues dip seven per cent to £46.7m in its year to 31 July 2020, which it chalked up to falling spend on traditional telecoms products. During the year it integrated 2019 acquisition MWL Systems.

"Softer trading" during the pandemic prompted Elite to furlough staff during its initial stages, with efforts to streamline the business also sparking redundancies. But an increased focus on the cost base enabled it to boost gross margin during the year.

93. Arrow Business Communications

£47.8m (+3%)

-43% | 238

This telecoms, cloud and energy provider is putting a £50m warchest from latest private equity backer MML to good use, making two acquisitions in 2020 and five in 2021. In a "robust" trading performance, the Godalming-based Vodafone, Mitel and Microsoft partner saw revenues inch up three per cent to £47.8m in calendar 2020. Most recent purchase Circle IT– a Cardiff-based Dell and Microsoft partner – "completes Arrow's solutions portfolio", CEO Richard Burke said in November (see interview, right, for more).

Arrow said it "acted swiftly to take appropriate corrective measures" following "adverse financial impact" from Covid (caused by lower variable usage and temporary project delays amid difficulties accessing client sites).

92. Getech

£48.2m (+36%)

1.9% | 74

This education specialist branded calendar 2020 a "very successful year" as revenues ticked up by over a third and net profits more than doubled to £926,000. Getech supplied 20,000 Chrome devices to local authorities and schools during the year, while its higher education arm was kept busy by surging demand for remote learning devices. The Ipswich-based outfit doubles up as a thin client and Chromebook distributor, although direct sales generated 53 per cent of its top line.

Getech was swamped by demand for remote learning technology last year. "Bold decisions" around sourcing stock enabled it to adapt quickly to the changing circumstances, it claimed.

91. K3 Business Technology

£48.8m (-3%)

-43.3% | 473

New CEO Marco Vergani is currently undergoing a "thorough evaluation" of K3's operations and strategy after net losses widened to £21.1m in its year to 30 November 2020. The AIM-listed software provider has ploughed on with a non-core disposal strategy in 2021, offloading its Sage business for £1.68m in February and 'Starcom' MSP arm for £14.7m in September. H2 2021 revenues were flat at £23.2m, with sales of its own IP – including K3|fashion ERP offering – generating £8.4m of the total.

K3 said sales of third-party products – including its Sage arm – have been more badly blown off course by the pandemic than its own, more strategically important, IP. Some distribution and retail customers retrenched during lockdown, it admitted.

90. Version 1

£49.1m (+7%)

9% | 382

Counting Oracle, Microsoft, Red Hat and AWS as its four key vendors, this Dublin-based ERP and digital services specialist claims it is now a €200m-revenue outfit following its acquisition of Belfast-based peer Nueda in June. Version 1's London-based UK arm saw revenues bounce seven per cent to £49.1m and net profits pogo from £3.9m to £4.4m in calendar 2020. It recently developed a chatbot solution for Ordnance Survey's website.

The pandemic has – if anything – played into Version 1's hands by "underpinning" some of the drivers that are fuelling demand for its public-cloud enabled digital and ERP transformation services, it claimed. The UK arm consequently enjoyed "resilient" trading last year.

89. Proact UK

£49.1m (+5%)

4.8% | 219

Bolstered by a mammoth NHS Blood and Transport product deal in Q3, the UK arm of this pan-European storage integrator grew revenues five per cent to £49.1m in calendar 2020. Product sales rose 20 per cent, while services fell four per cent. It logged a further 12 per cent growth in the first nine months of 2021, according to its Swedish parent, although this was entirely due to the addition of October 2020 acquisition Cetus (organic revenues fell five per cent). Globally, NASDAQ Stockholm-listed Proact has 1,062 staff.

While product sales propped up Proact UK's revenues last year (thanks to an increase in tactical spend on traditional systems to support remote working), 2021 has seen services take the strain. On an organic basis, services revenues were flat in the first nine months, while product revenues fell 10 per cent.

Q&A: Richard Burke, Arrow Business Communications

CEO of 93rd-ranked Top VAR says it will take a "small breather" from M&A following a frenetic 2021

You've made five acquisitions in 2021 and at the time you announced it in November, you said the Circle IT acquisition "completes Arrow's solution portfolio". Does that mean you may take a breather from M&A?
One of the key aims for this investment phase was to build out the solution portfolio and be as relevant as we can in the months and years to come. We have achieved our goal on this and we will take a small breather to maximise the opportunities we now have, but I still see a great deal of opportunities to partner with a number of organisations out there who see things as we do, so there may be more to come!

Your 2020 accounts show revenues of £47.8m. What kind of revenue runrate are you now on?
About £96m.

You had a new private equity backer – MML – come on board in 2020. What are the long-term ambitions?
To ensure we retain our focus on the engagement of our teams and our culture as we grow quickly, deliver a seamless experience for our customers across the solution portfolio whilst continuing the growth of the business in all areas.

88. Printerland

£49.2m (-4%)

9.2% | 38

Billing itself as the UK's largest printer reseller, Printerland claims it is on course to ship around 140,000 printers this year. According to accounts it shared with us, the Greater Manchester-based outfit managed to grow net profit from £3.9m to £4.5m in its year to 31 March 2021, despite a four per cent revenue dip. Vendor partners include Brother, Canon, Epson, HP, Kyocera, Lexmark, OKI, Ricoh and Xerox. It is betting on surging uptake for managed print among its SMB clients in 2022.

Skyrocketing demand for WFH devices in the wake of lockdown has seen Printerland sell more devices, but at lower ASPs, since Covid struck (see interview with Printerland MD James Kight, p8, for more).

Q&A: James Kight, Printerland

MD of 88th-ranked Top VAR claims print volumes are rebounding following a tough 2020

Your website describes Printerland as the UK's largest print reseller. How many printers will you ship in 2021?
We're tracking at 140,000 units for the year, and it's all business-to-business devices.

Your revenues dipped four per cent in your year to 31 March 2021. How would you assess that period?
Turnover was down, but unit sales were up. When the world went mad last March, and everybody was working from home, sales just went through the roof. In January the average box value was £300, but it nearly halved in March, April, May because people were working from home with a smaller device.

During lockdown we didn't shut once. At one point we were down to six people, and I think we did 2,700 orders that day. We turned off all the advertising, but the business just came flooding in.

You still posted higher profits though. How did you achieve this?
Covid enabled us to strip it all down to nothing. We questioned everything we were doing. We were spending half a million a quarter on advertising, and we were looking at it and going 'hang on a minute'.

How would you assess the demand landscape going into 2022?
It's huge. It feels as if everybody is back in. Our consumable business is coming back with a vengeance and that's the most important bit. We're having record weeks. The average sale prices have gone back to pre-pandemic levels, and are actually higher. The challenge is going to be stock, but we've got through the worst bit now. This financial year is looking really good.

What's your top priority for 2022?
Managed print. That's our main focus now. We're making managed print transactional. It's always been cumbersome, with all these big commitments for customers. We are working with the manufacturers to make it streamlined, easy and accessible, and getting them to do it with zero commitment. That will be our biggest growth area.

87. Probrand

£49.5m (+5%)

1.6% | 123

Filing not one but two sets of annual accounts since last year's *Top VARs*, this Birmingham-based tech solutions provider rises six spots in the rankings on the back of five per cent growth in both calendar 2019 and 2020. Net profits hit £787,000 last year. HPE's reigning UK SMB partner of the year, Probrand marks itself out from rivals with a "ground-breaking" marketplace it claims helps its 3,500 SME and public sector customers procure IT more efficiently (see interview with CEO Peter Robbins, p12, for more).

The Covid pandemic "has not been detrimental to the company", Probrand stressed in its annual accounts. Its marketplace enabled customers to "quickly and efficiently" source IT products that were in severe constraint throughout, it added.

86. Kerv

£50m (+150%)

NA | 400

Although accounts for its year to 31 March show revenues of £17.5m, we have opted to rank this recently formed, LDC-backed buy-and-build by the £50m runrate figure it cited in November 2021, when it acquired SD-WAN specialist Girocom. Forged through the three-way merger of DoubleEdge Professional Services, Foehn and Metaphor IT, Kerv is headed up by serial channel entrepreneur Alastair Mills and counts Microsoft, Genesys, Citrix and VMware among its key vendors. It also acquired Power Platform specialist CloudThing for £29.3m in May.

Kerv claims its product portfolio was "highly appropriate to help customers trade through the Covid lockdown periods", resulting in "excellent progress" for both its contact centre products and IT managed services.

* run rate

85. Solid Solutions

£50.2m (-7%)

16.4% | 214

This Leamington Spa-based CAD reseller saw its growth – and M&A drive – grind to a halt in calendar 2020 as it pooled efforts behind navigating its way through the pandemic. Revenues slid seven per cent, although net profits widened from £7.4m to £8.2m. Backed by LDC, Solid Solutions claims to account for 80 per cent of Solidworks' UK&I CAD software sales, with 16,000 customers on its books. This June it re-joined the M&A trail, gobbling up Northamptonshire-based Design Rule.

Solid Solutions admitted it leant on the government's furlough scheme last year as certain aspects of its business – including training and consultancy – were hampered by a lack of opportunity to meet physically with customers.

84. Crayon

£51m (+319%)

0.8% | 40

This Oslo-headquartered software licensing giant crowned Melissa Mulholland as its new CEO in August after crediting her with "helping to promote innovation, diversity and compassionate leadership" since joining a year earlier. Globally a £1.6bn-revenue business, Crayon's UK operation turned over £51m in calendar 2019 (2020 numbers were impending as *Top VARs* went to press). In September, Crayon acquired a minority stake in UK Microsoft Azure Expert MSP Cloud Direct for £3m.

The demand for software and cloud services has remained "strong" during the pandemic, Crayon said in its group-level annual report, adding that Covid-19 acted as a "catalyst to accelerate digitilisation".

83. Logicalis

£51.3m (-7%)

-8.4% | 156

Having turned over more than £200m as recently as 2014, the UK arm of this global Cisco and IBM partner saw its top line shrink by a further seven per cent to £51.3m in its year to 28 February 2021 as Covid pinched demand for its professional services.

It exited the year in a cheery mood, however, as recent restructuring efforts enabled it to slash net losses from £12.5m to £4.3m (see interview with UK MD Alex Louth, p14). Part of South Africa-based IT group Datatec – which also owns distributor Westcon – Logicalis turned over $1.45bn globally during the same period.

Lower customer demand in the wake of Covid prompted Logicalis UK to make some headcount reductions during its fiscal 2021. This contributed to a £500,000 restructuring bill for the year.

82. Wavenet

£52.4m (+26%)

4.9% | 191

This unified comms provider stepped up its M&A drive last month by acquiring Excell Group, its third and largest deal since taking on Macquarie Capital as its new private equity backer in May 2021. The acquisition hands Wavenet a "true London presence" and propels its revenue runrate beyond £100m. Counting Cisco, Mitel, Five9 and Silver Peak among its vendor pals, Wavenet saw revenue in its year to 30 April 2020 pogo by more than a quarter to £52.4m as it digested recent acquisition Solar. Organic growth hit 6.1 per cent and EBITDA £6.9m.

81. Blue Chip Customer Engineering

£53.5m (+17%)

13.8% | 229

Following the passing of its founder Brian Meredith the previous October, this Bedford-based IBM maintenance specialist sold up to US counterpart Service Express in February 2021. Claiming to manage 10 per cent of the UK's banking traffic, Blue Chip saw revenue tick up 17 per cent to £53.5m in its year to 30 September 2020. Net profits also doubled to £7.4m. Its takeover handed Harvest Partners-backed Service Express (which also went onto acquire Wetherby-based ICC Group in September) an "international beachhead" and expanded its business by 40 per cent.

The changing face of Top VARs

A quick glance at the original 2011 edition of *Top VARs* shows just how much the UK channel skyline has shifted in a decade.

A few big names – including 2e2 and Misco (although the latter bounced back into *Top VARs* this year following its reincarnation) – have gone bust, some have fallen outside the top 100 after seeing sales stagnate, and others have been gobbled up through consolidation.

The top 100's collective revenues have risen from £9.5bn in 2013 (no data is available before this) to £17.9bn in 2021, with growth rates peaking at 15 per cent in 2017 (see below). The revenue threshold for the top 100 has more than trebled from £12.4m to £44m between 2011 and 2021, with 40 Top VARs now turning over more than £100m, compared with just 20 a decade ago.

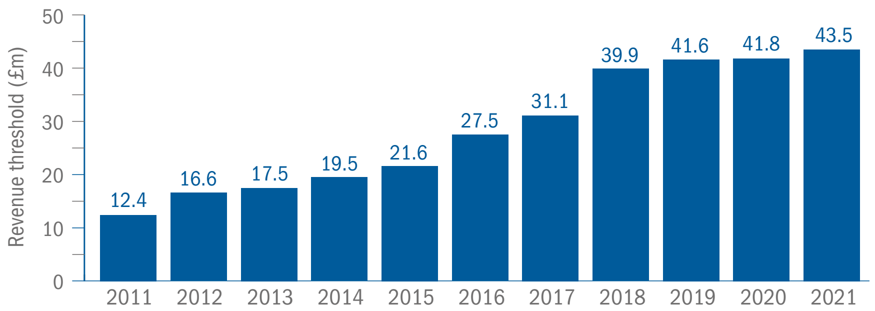
Top VARs digs into a prevailing theme each year. For the last two years, we've gone to town on the pandemic.

In 2019, we zoned in on the extent to which resellers were being disaggregated by cloud, and a year earlier we probed whether the introduction of the V.A.R. in top-flight football was causing a definitional crisis for the channel. GDPR was the topic de jour in 2017 and the death of cold calling the hot-button issue in 2016. Showing just how quickly trends come and go, netbooks and BYOD were among the talking points further back in the archives.

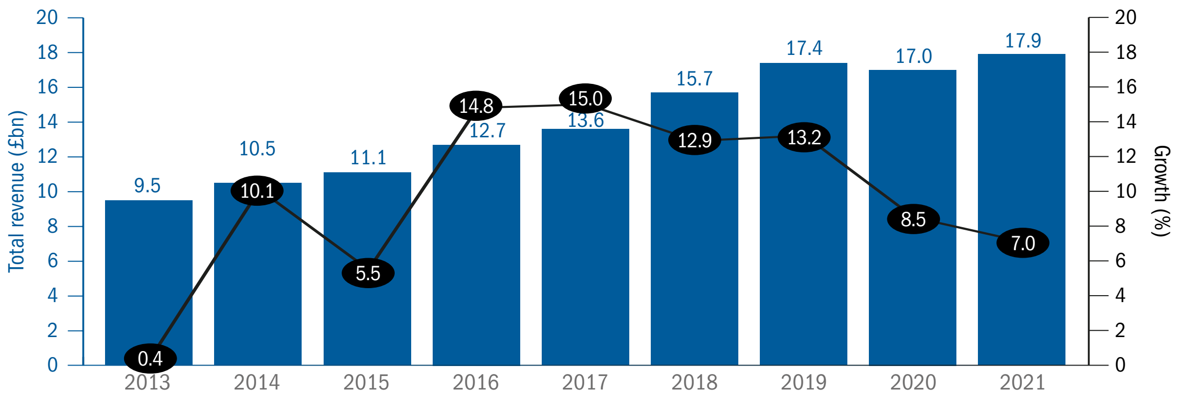
Top 20 VARs in 2011

1. **Computacenter** £1.23bn
2. **SCC** £580m
3. **Insight** £412.9m
4. **BT** £400m
5. **RM** £330m
6. **Kelway** £299m
7. **Misco** £272m
8. **2e2** £245.6m
9. **Softcat** £220m
10. **Danwood** £220m
11. **Dimension Data** £216.2m
12. **Logicalis** £206m
13. **DSGi Business** £200m
14. **Kcom** £184m
15. **Bytes** £158m
16. **Azzurri** £141.1m
17. **XMA** £140.5m
18. **Alternative Networks** £111m
19. **Trustmarque** £107.2m
20. **SHI** £100m

Revenue threshold for Top VARs



Growth in combined revenues of the top 100



*Growth rate for 2013-2016 compares the top 100's combined revenues with that of the previous year's top 100. Growth rate from 2017-21 is based on the top 100's revenue vs their previous year's revenue.

80. Corona Corporate Solutions

£53.5m (+64%)

-21% | **228**

This private equity-backed managed print specialist has had a busy 2021, appointing a new CEO and adding around 2,000 machines in field through its acquisition of Maintel's managed print arm for £4.5m. The London-based outfit – which now understandably styles itself as 'CCS' – had yet to file its 2021 numbers as *Top VARs* went to press, but accounts for its acquisition-packed year to 31 March 2020 show revenue rising 64 per cent to £53.4m. EBITDA before exceptional items hiked from £9m to £13.9m.

Trading during the pandemic has been "below normal levels" but "well ahead of the initial expectations at the start of the crisis", CCS said in its 2020 accounts.

79. ANS

£54.4m (+19%)

14.1% | **269**

This Azure and AWS partner has its sights set on becoming "Europe's number one digital transformation partner" as it prepares to join forces with UKFast following its acquisition by private equity house Inflexion in June (see interview with CEO Paul Shannon on p19). In its year to 31 March 2021, ANS saw revenues power up 19 per cent to £54.4m (with hardware sales falling from £7.8m to £3.9m of the total) and net profit widen from £5m to £7.7m. Deploying Covid Track & Trace Microsoft Dynamics 365 solutions for 13 local councils was among its annual highlights.

The pandemic was an "instrumental factor" in accelerating the kind of digital transformation projects ANS specialises in, it said in its strategic report, adding that it won 67 new customers during the year.

78. CCL Computers

£54.8m (+40%)

3.3% | **67**

Among a crop of big e-tailers whose tills rang in the wake of lockdown, Bradford-based CCL Computers makes its Top VARs debut on the back of a 40 per cent revenue spike in its year to 31 August 2020. Helped by higher ASPs due to a weak pound, net profits more than doubled to £1.8m.

A manufacturer of bespoke, own-brand PCs for gaming, education and professional users, CCL doubles up as a PC components and peripherals supplier. It is now part of Tactus Group, a consumer technology buy and build that acquired it in April for £11.25m. Tactus went on to bag a further £40m investment round in August and a month later purchased £20m-revenue Microsoft, Dell, HP, Lenovo and ESET partner BIST Group.

77. Digital Space

£55m (+25%)

-13.9% | **363**

SMB telco sales have plunged from 93 to seven per cent of this Nottinghamshire-based cloud provider's top line since Neil Muller joined as CEO in 2018, he told *CRN* as he talked through its decision to rebrand from Timico to Digital Space in June. The Horizon Capital-backed outfit's revenues now stand at around £63m (45 per cent of which stem from cloud/hosting 45 per cent from SD-WAN and 10 per cent from cybersecurity), Muller said, although a lack of fresh accounts means we have had to rank it by its £55m calendar 2019 revenues.

In its 2019 accounts, Digital Space said it had "re-budgeted" its 2020 due to Covid, but added that "current trading is slightly ahead" of its lowered targets.

76. Orange Cyberdefense UK

£55.1m (+33%)

-26.7% | **184**

This Check Point, Forcepoint and F5 Networks partner claims to be the UK's largest cybersecurity specialist following its purchase and integration of SecureData and SecureLink. Orange Cyberdefense UK clocked up revenues of £55.1m in calendar 2020 (compared with £14.1m for the previous five-month period). Part of French telco Orange, Orange Cyberdefense styles itself as Europe's largest MSSP, with 250 researchers and analysts, and 16 SOCs.

Although Orange Cyberdefense UK predicted that Covid would spark "slower growth" in early 2021, it also noted that the cybersecurity market is predicted to continue growing for the "foreseeable future".

75. NSC Global

£55.2m (-8%)

4.2% | **218**

Having supported the design and implementation of the biggest UK

Q&A: Peter Robbins, Probrand

The 87th-ranked Top VAR's CEO on its bumper year

Not everyone in Top VARs saw growth in their latest years. How did Probrand buck the trend in your fiscal 2020, and how is 2021 shaping up?
We moved quickly to position as a trusted advisor, appearing on BBC Newsnight and ITV News at 10 in March, commenting on supply chain issues, which stood us in good stead. Customers gravitated to our ability to show live price and channel stock availability on over 300,000 products. We customised self-serve catalogues for specific customers and enabled at home delivery.

Whilst we saw a Covid bubble take us ahead of 2020 forecasts, 2021 has settled to where we forecast this year would be prior to Covid.

You claim your marketplace differentiates you from your peers. How important is it now to Proband's overall business?
Since the beginning of H2 2021 all multi-channel product and service transactions have been processed via our platform – this makes it fundamental to our business. Over 65 services can now be configured and combined within our proprietary Solutions Builder tool, which sits on the platform.

A lot of the vendors expect the current chip shortage to last well into 2022. What's your view?
We forecast ongoing global supply chain disruption, which includes chip constraints, will continue throughout 2022 and on into 2023. A mainstay of this is driven by raw material shortages coupled with the significant growth of IoT, 5G and smart devices. With so many products now requiring a CPU, the demand is far outstripping supply and quite simply, production cannot keep up.

5G network in 2019, this London Bridge-based Cisco Gold partner's UK subsidiary saw revenues fall back eight per cent to £55.2m in its year to 31 October 2020 (with its parent showing revenues down 19 per cent to £174.2m). Developing comms infrastructure for a small set of global clients in the TMT sector, NSC said in its annual accounts that it is looking to reduce concentration risk with largest client Atos in the coming years.

NSC said its 2020 revenue slide is a "direct result" of the pandemic. New clients bagged since year end mean it is confident of improving both revenues and margins in the years ahead, however.

74. AVI-SPL

£55.3m (+41%)

0.6% | **216**

Kitting out a major UK bank's new Canary Wharf HQ with Cisco, Crestron, Christie and Sharp NEC Display Solutions collaboration gear is among the case studies adorning the homepage of this global audio-visual integrator. AVI-SPL's UK arm (which also serves mainland Europe) makes its *Top VARs* debut on the back of 41 per cent in calendar 2019 (its 2020 accounts were impending as we went to press). Globally, Florida-based outfit AVI-SPL boasts $1.3bn revenues and 3,400 staff.

At the time it filed its 2019 accounts (January 2021), AVI-SPL Ltd admitted the pandemic had "highlighted its over-reliance on meeting room technology, which has become largely redundant where clients' staff are working from home". In response, it has furloughed staff, made redundancies and "taken steps to fully align" as a UCC provider.

73. Xeretec

£55.7m (-30%)

2.8% | **241**

Although Covid blew a 30 per cent hole in its top line in its year to 31 August 2020, Xeretec claimed in its strategic report that recent consolidation among print vendors and resellers has left it as the UK and Ireland's largest independent managed print outfit. Net profit for the year halved to £1.5m. Founded in 1991, the London-based Xerox partner added HP to its repertoire in 2017 by acquiring Landscape Group. In April 2021, it expanded into North West Ireland via a €500,000 investment.

Managed print providers who base their business on installing and maintaining onsite machines have been hit harder than just about any other breed of company in this report (see p45). Covid had a "significant" impact on Xeretec's 2020 trading, and "remains a significant risk going forward", it conceded.

72. Node4

£56.1m (+8%)

16.1% | **282**

This Derby-based midmarket MSP claims the resilience of its business model – which saw revenues for its year to 31 March 2021 rise eight per cent to £56.1m – was handed a seal of approval in March when Providence Equity Partners came on board as its new PE backer. Node4's managed services are underpinned by its own datacentres in Derby, Leeds and Northampton, which boast a capacity of 1,500 racks. Having acquired Starcom Technologies from 91st-ranked K3 in February, Node4 bolstered its Microsoft offering in August by grabbing the NAV People.

Node4's high levels of recurring revenue enabled it to "weather the Covid-19 impact" in its fiscal 2021. Although it admitted new order intake slowed in H1, it racked up £9.2m of recurring revenue from new clients during the year.

71. IGX Global UK

£56.3m (-6%)

2.7% | **26**

This London-based subsidiary of global reseller ePlus reaffirmed its place at Cisco's top table in February by renewing Gold status with the networking giant. Although its revenues fell six per cent to £56.3m in its year to 31 March 2020, IGX's key measures of gross margin and pre-tax profits both rose handsomely (with the latter doubling to £1.5m). Based in Virginia, ePlus employs 1,500 staff across the US, Europe and AsiaPac, with fiscal 2021 revenues hitting $1.57bn.

NASDAQ-listed ePlus saw revenues rise six per cent to $458m in its fiscal second quarter to 30 September 2021, with CEO Mark Marron claiming its datacentre, security and cloud-focused solutions "remain especially timely and relevant as businesses further expand their remote and hybrid workforce capabilities".

70. Grey Matter

£57.8m (+11%)

2% | **123**

The CEO of Grey Matter's new US parent company, Wayside, travelled to its picturesque Devonshire hometown Ashburton in October to meet the team, some 11 months after the deal. The Microsoft licensing specialist hasn't filed any new numbers since the previous *Top VARs*, but posted a net profit of £1.1m on revenues that hiked 11 per cent to £57.8m in its year to 30 June 2020. Targeting developers and technology-led companies, Grey Matter claims to hold nine Microsoft accreditations.

Grey Matter did not furlough any staff in its fiscal 2020. It also opted to pay rather than defer all its VAT payments "in order to support the nation's finances", adding that it "operated as normal" during the lockdown period.

69. Adept Technology Group

£57.9m (-6%)

-0.6% | **316**

This AIM-listed unified comms provider saw revenues roll back six per cent to £57.9m in its year to 31 March 2021 as Covid dented demand for its products and services. The Microsoft and Avaya partner also fell to a £340,000 net loss, compared with a £985,000 profit a year earlier. Since year end, Adept has acquired SD-WAN, cloud and security provider Datrix in a deal worth up to £16m. The Extreme Networks, Cato and Palo Alto partner adds nearly £11m to Adept's top line.

Business closures during lockdown saw Adept's private sector clients swap big infrastructure projects for more tactical purchases. It consequently furloughed 70 staff (mainly school technicians unable to access site) in its H1. Fortunately, its focus on public sector (which generated 56 per cent of 2021 revenues) limited the damage.

68. Ampito Group

£58.1m (+4%)

7.2% | **51**

Perhaps best known for its Vanix network and security integrator arm, this Gatwick-based group defied the pandemic by posting a four per cent revenue rise in calendar 2020. Net profits also beefed up from £3.5m to £4.2m. Founded in 2006 and with offices in Paris, New York, Perth, Nairobi and Hong Kong, Ampito's 15

Q&A: Alex Louth, Logicalis

The 83rd-ranked Top VARs' UK MD shares his plans to return to growth

You announced a restructure in July that will unite the UK, Irish and Channel Islands businesses. Is that now complete?
It's all done now. This wasn't about streamlining operations. This was us saying 'how can we have a larger, wider pool of talent? How can we take some solutions and services off the Irish team into the UK? How can the UK and Ireland lean on some of the security solutions that we have in the Channel Islands?' It's made us more powerful.

Logicalis' UK business has racked up losses and seen revenues fall from £200m to £51m since the loss of a key Welsh contract back in 2015. How close are you now to returning to growth, and breaking even?
Growth is exactly the right word now. When I first joined, we had a couple of datacentres – which is not really part of what we're looking to do – and we were very product centric. We've done a huge amount of work to understand what we're good at and where we fit into the market. We're operating profitably now, which is brilliant. There are a few chip issues with Cisco and other vendors that are making my hair go pretty grey, but we don't have any more heavy rocks to move.

To what extent has Covid been a setback to your strategy?
It just slowed us down. When it comes to driving to profitability, you want to go as fast as you can. We had to put a lot more attention on the wellbeing of our teams. But if we look over the last nine months, we are back to normal, and beyond.

Logicalis has made acquisitions recently, but not in the UK. How likely is it that you will acquire in the UK in the next 12-24 months?
We've looked at a few targets already, and we'll continue looking. Now we know what we want to be famous for, suddenly that makes M&A a lot easier. I think there will be something in the next few months.

brands also include 24x7 helpdesk Matec Global, recruitment arm Element and unified IP connectivity outfit Mavoda. Its key vendors include Extreme Networks, Extrahop, Arista and Fortinet.

Despite utilising the government's furlough scheme last year, Ampito claimed its overall position remains "robust".

67. Kinly

£61.2m (-10%)

1.7% | 485

The UK operations of this global videoconferencing and AV integrator – which include 2020 acquisition AVMI – took a knock last year as lockdown compromised its ability to install on-premises kit. Its largest entity on Companies House – AVMI Kinly Ltd – saw revenues fall ten per cent pro-rata to £91.8m in the 18 months to 31 December 2020 (although we understand the overall UK business is somewhat larger than the annualised figure heading this profile, at roughly £85m for calendar 2020). Globally, Amsterdam-based Microsoft, Poly and Logitech partner Kinly turns over €260m.

Lockdown resulted in "many" project postponements for this AV player. On the other hand, Kinly claims it is "ideally positioned" to capitalise on demand for "high-availability, seamless AV collaboration solutions" stoked by the rise of the hybrid workplace.

66. Zones

£62.1m (-18%)

0.5% | 86

Following seven straight years of growth, the UK-based, EMEA arm of this global reseller saw both revenues and profits roll backwards in calendar 2020 as it admitted it "was not immune" to the fallout from Covid. UK sales dipped from £34.5m to £24.4m. During the year, Zones incorporated a separate business entity in Ireland. Globally, the US-based reseller employs 2,000 staff, serving 80 countries. It counts Adobe, Apple, Cisco, Dell, HPE, HP Inc, Intel, Lenovo, Microsoft and NetApp as its key vendors.

"Not as drastic as it could have been", in the words of Zone's strategic report. Some customers who embraced the changes in technology required to adapt to the pandemic increased spend, while others reduced or suspended budgets, it said.

65. Annodata

£62.8m (+2%)

-1.5% | 181

Owned by Kyocera since 2016, this Hertfordshire-based managed print outfit saw its average headcount drop by 89 in its fiscal year to 31 March 2020 as it transferred its services engineers to sister company Kyocera Document Solutions UK Ltd. Revenues rose two per cent on the back of "several high-profile client wins", although a "slight reduction in margins" saw net losses almost double to £961,000. Annodata claims to service over 50,000 devices at more than 3,000 clients.

64. Box

£65.3m (+53%)

3% | 94

The online sales shift sparked by the pandemic fuelled a 53 per cent annual revenue hike at this Sutton Coldfield-based e-tailer. Starting life in 1996 as Xenex Technology, Box trebled net profits to £2m on revenues of £65.3m in its year to 31 October 2020. The business section of Box's website currently pushes Acer laptops and SSD cards from Western Digital and Seagate. It also partners with the likes of HP, Dell, Lenovo and Epson.

Box found itself in the right place at the right time last March as lockdown turbo-charged sales of its WFH and gaming wares. But even after restrictions eased, demand for online products has remained at "unprecedented levels", Box claimed as it predicted continued growth for 2021.

63. TET

£65.7m (+9%)

2.4% | 49

This self-styled 'value added reseller' stressed it did not furlough any staff in a calendar 2020 period in which revenues rose nine per cent to £65.7m. Net profits also beefed up by nearly £200,000 to hit £1.6m. With offices in London, Woking and New York, TET covers the full gamut of enterprise tech, partnering with the likes of Cisco, Microsoft, Dell, HPE, NetApp, Mimecast, Veeam and Citrix. It is currently pushing an HP education trade-in promotion on its homepage.

TET says it "continued to operate effectively" through Covid. Its sales performance in H1 2021 was "steady", but the pandemic is having an impact on its overseas sales – particularly in the travel sector – it added.

62. Commercial

£66.6m (+2%)

0.6% | 343

This Cheltenham-based managed print, IT managed services and stationary supplier has pivoted during the pandemic, adding PPE to its portfolio and launching two new divisions focused on Workwear and Smart Technologies. Old accounts covering its year to 31 January 2020 show a top line of £66.6m (with managed print and IT infrastructure managed services contributing a respective £5.6m and £10.7m). Revenues in the first 11 months of its fiscal 2021 were 9.2 per cent ahead, it claimed, however.

Despite selling on-premises equipment, Commercial claimed in its accounts that 2020 was shaping up to be its "strongest year to date", adding that it had just snared £13.5m of funding. It harbours a long-term £100m revenue target.

61. Bechtle

£67.3m (-2%)

3.5% | 93

The directors of this pan-European IT reseller's UK arm declared themselves "pleased" with results for its calendar 2020 "in light of the current economic climate". Revenues dipped two per cent, with net profits slipping from £2.5m to £2.3m. Based in Chippenham, Bechtle Direct Ltd forms part of its German parent's ecommerce operations, which generated €1.96bn of its €5.8bn turnover in 2020. Cisco Meraki, Microsoft Surface and HP's Elite Slice G2 are among the recent topics of discussion on its UK blog.

The pandemic has been a double-edged sword for Bechtle UK, with heightened demand for remote working tech balancing its more pernicious effects. Despite lockdown, it commenced work on the refurbishment of new leasehold premises during the year.

Female future

Although male CEOs still predominate among top 100 firms, two of the world's largest tech solutions providers moved to appoint female leaders in 2021.

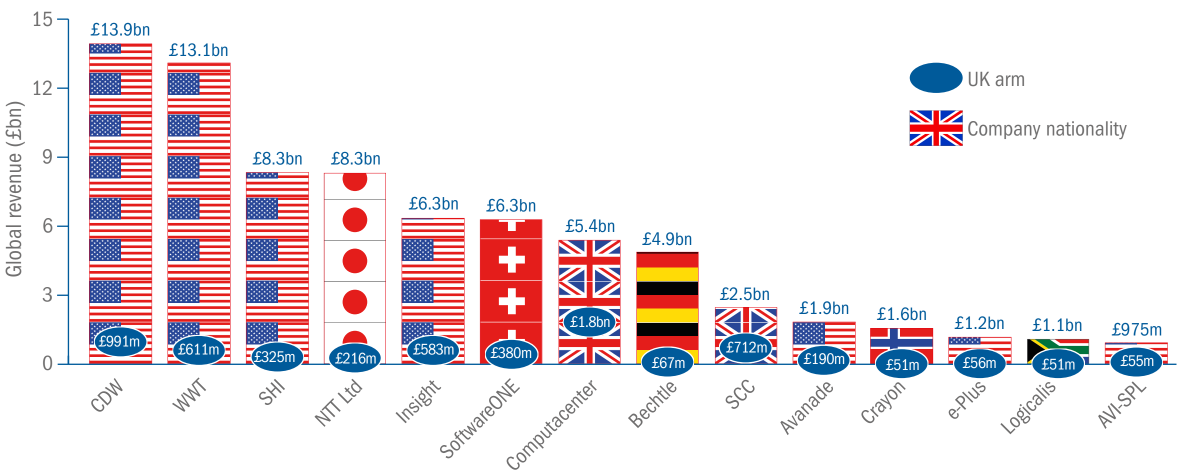
Norway-based software licensing giant Crayon – whose £50m UK arm ranks 84th in *Top VARs* – made Melissa Mullholland its permanent CEO in August following the departure of predecessor Torgrim Takle in March. Mullholland had made "a significant difference in helping to promote innovation, diversity and compassionate leadership" since joining the £1.6bn-revenue outfit in 2020, Crayon co-founder Rune Syversen said.

Two months later, global reseller goliath Insight named former Dell bigwig Joyce Mullen as its new CEO. She will replace the outgoing Ken Lamneck on 1 January 2022.

Factoring in CDW's Christine Leahy and SHI's Thai Lee, this means that three of the five largest global IT solutions providers are female-led. With Pam Maynard also in charge at $2bn-revenue global Microsoft partner Avanade, the question is whether smaller UK-headquartered outfits will follow this trend in the years to come.


Christine Leahy
Melissa Mullholland
Joyce Mullen
Thai Lee
Pam Maynard

Top global resellers (with UK operations)



60. Roc Technologies

£70.2m (+32%)

-11.9% **340**

This Newbury-based IT solutions and services provider saw revenues rise by nearly a third in its year to 31 March 2020 as 2018 blockbuster acquisition Esteem Systems made its first full-year contribution to the ledger. The integration of Wetherby-based Oracle and Citrix partner Esteem – including the rationalisation of the group's property portfolio – is now complete, chairman Simon Derry said in his annual report. Billing itself as a "transformation service provider", Roc boasts long-term contracts in the energy, defence, legal and life sciences sectors.

Derry said robust trading among customers in verticals such as nuclear, local and national government during the pandemic has been balanced by "serious challenges" in others, such as non-food retail, travel, leisure and airports.

59. Total Computers

£71m (-8%)

2.1% **139**

Despite registering its first ever annual revenue drop, this Kettering-based reseller saw net profits widen from £1.2m to £1.5m in calendar 2020 as it "performed well in a challenging year".

The HP, Lenovo, Microsoft and Cisco partner – which is now wholly owned by MD Aidan Groom following the exit of founder Paul Jones in December 2020 – secured a berth on the Technology Services 3 framework in July.

An HP desktop roll out for property consultancy Knight Frank is among the case studies trumpeted on its website.

Demand for hardware fell during lockdown following an initial spike in March, Total said. But trading has been above expectations in the early part of 2021, it added.

58. CSI

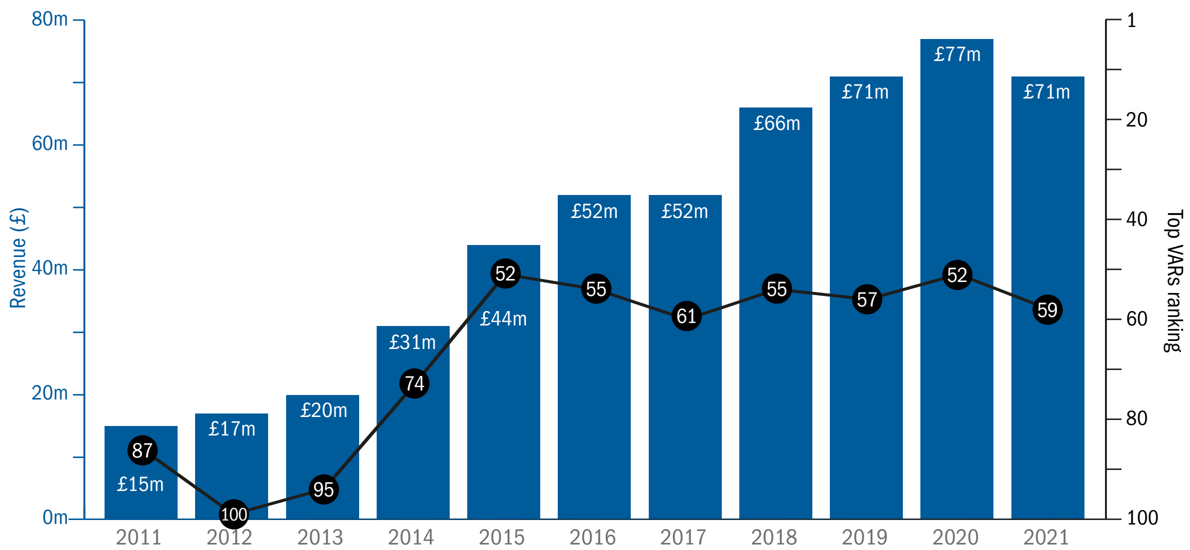
£73.3m (+24%)

-21.3% **248**

Bolstered by 2019 acquisition Tectrade, this IBM Power and Azure partner saw revenue rise by nearly a quarter to £73.3m in calendar 2020. Having enlisted former Veritas UK boss Simon Frisk as CEO in December 2020, MML Capital Partners-backed CSI appointed Daisy alumni Andy Dunne as chief revenue officer in May 2021. Tectrade – along with June 2020 acquisition APSU US – will hand CSI a "strong base" to expand in North America, it said, with overseas sales rising from £3.1m to £15m last year.

In its strategic report, CSI admitted it had been gearing up for "substantial growth" in 2020, but that Covid resulted in reduced income from the retail, hospitality and travel sectors. EBITDA of £10.7m and revenue growth was "in line with forecast", however.

Ten years of Top VARs: Total Computers



57. Natilik

£74.9m (+3%)

5.6% | 230

Bolstered by a 28 per cent leap in cloud and subscription sales, this London-based Cisco Gold partner saw revenues swell three per cent to £74.9m in its year to 31 March 2021, according to draft accounts it shared with us. Net profits also jumped from £2.6m to £4.2m, reflecting the more services-heavy revenue mix and a tighter focus on costs. Natilik continues to build out its own intellectual property, including its Natilik Platform and DevOps and automation offerings.

Natilik's CFO told us the firm has been "much more cautious" about the level of increase in overheads since the pandemic struck. This helped it push up net margins from 3.6 to 5.6 per cent year on year in fiscal 2021.

56. European Electronique

£75.3m (+18%)

1.2% | 132

This education and public sector framework specialist saw revenues leap by nearly a fifth to £75.3m in its year to 31 March 2021 as its clients spent big on setting up staff and students to work from home. Net profit widened from £601,000 to £937,000. Higher and further education proved a sweet spot as the Oxfordshire-based HPE Aruba and Fortinet partner toasted wins with Oxford Brookes University, Kingston University, Petroc College and College of West Anglia.

Despite profiting from the work/study from home boom, European Electronique saw a number of large higher-education infrastructure projects delayed due to site access issues. Covid gave it an opportunity to "streamline" the business (average monthly staff numbers fell by 17 year-on-year), and it also used the government furlough scheme.

55. Telefónica Tech UK&I

£77.9m (+23%)

2.1% | 600

This London-based HPE and Microsoft Azure partner switched from German to Spanish ownership in July when Telefónica acquired it from Cancom for €398m, promptly renaming it Telefónica Tech UK&I in October. "The ambition is to be the leader in cloud and cyber in the UK and Ireland, and I think [Telefónica] have the wherewithal to help us get there," CEO Martin Hess recently told *CRN* (see p20). A lack of new accounts means we have had to recycle numbers for its year to 31 December 2019, when its revenues hit £77.9m.

54. ProAV

£79m (+10%)

3.3% | 394

Counting London School of Economics and Burberry among its long-term clients, Egham-based ProAV bills itself as the UK's number-one audiovisual integrator. A lack of fresh accounts means we've had to recycle old numbers for its pre-Covid year to 31 March 2020, which show a £2.6m net profit on revenues that rose 10 per cent to £79m. Boasting satellite offices in Shanghai, Munich, Frankfurt, Dublin, Edinburgh and Birmingham, ProAV claims to have delivered over 700 projects outside the UK.

ProAV has tweaked its offering for the post-pandemic world, adding mobile Covid protection barriers and temperature-check tablets to its portfolio.

53. Focus Group

£79.4m (+14%)

NA | 402

Five acquisitions made during its fiscal year to 30 November 2020 helped this comms, IT and energy provider hoist revenues by 14 per cent to £79.4m. Rolling out a VoIP solution for former Apprentice winner Ricky Martin's recruitment firm is among the case studies on Focus' website. The West Sussex-based outfit – which is backed by Bowmark Capital – reignited its M&A engines this February by acquiring £22m-revenue, Exeter-based rival swcomm, and also gobbled Glasgow peer HighNet in April.

As a supplier of essential business services – most of which generate contracted revenue – Focus stressed that the impact of Covid has been limited to call and one-off project revenue. It did claim £584,421 through the furlough scheme last year, however.

52. Ensono

£80.3m (+5%)

-4.7% | 311

Having acquired London-based Google partner Amido for up to £28.5m in April, the UK arm of this global MSP now boasts public cloud skills spanning AWS, Azure and Google. Ensono Ltd's calendar 2020 revenues rose five per cent to £80.3m, as a respective 27 and 36 per cent hike in public cloud and mainframe sales was offset by lower consulting and infrastructure/private cloud revenues. Globally, Chicago-based Ensono has 2,600 staff and 220 customers. It changed private equity owners in March, with KKR its new backer.

Although Ensono Ltd has clients in the Covid-hit leisure and retail verticals, it stressed that demand for its cloud and cybersecurity offering has been turbo-charged by lockdown. It did, however, blame the pandemic for a £1.2m drop in consulting sales (with clients deferring non-urgent, one-off projects).

Q&A: Paul Shannon, ANS

The CEO runs us through his plans for the 79th-ranked Top VAR following its merger with Inflexion stablemate UKFast

You transformed ANS from a Flexpod reseller into a public cloud and digital transformation specialist. How does heading up a larger business constructed via a large, private equity-backed merger compare as a challenge?

It is up there with the biggest challenges I've ever been involved with, but genuinely the wider teams are what pushed us through the other major milestones, not one individual. Frankly, I love it. The bigger the challenge the more enjoyable life has the potential to be. Nothing good ever comes from operating within your comfort zone.

What is the scale of the enlarged company?

£125m revenue, £40m EBITDA and 600 amazing people. Its strengths are that it is a true independent scale player focused on digital transformation, with exceptional strength in private and public cloud as well as apps and data.

Can you say more about how the new group might be branded?

Branding is a work in progress and likely to be unveiled early next year. The joint company's focus will be on becoming Europe's number one digital transformation partner and we believe we are uniquely placed to deliver this together.

51. Technoworld

£84.4m (+65%)

8.7% | 24

A 65 per cent revenue uplift in its year to 30 September 2020 makes this e-tailer one of the fastest-growing companies in this report, while its net profits more than trebled to £7.3m. The Lenovo Platinum and HP Amplify Power partner – which specialises in cheap laptops, desktops and Chromebooks – rolled out a "vastly improved" website in early 2020 and stressed that it had sufficient stock levels on hand throughout the pandemic. Technoworld claims to have shipped 10 million products since it was founded in 1995.

Technoworld didn't say much about Covid in its business review, but will have benefitted like all e-tailers from last year's boom in demand for remote working kit (see p44).

50. Content+Cloud

£84.5m (+18%)

-21.2% | 718

Focused on Microsoft's 'three clouds', this London-based midmarket MSP saw revenues rise by close to a fifth to £84.5m in its year to 31 March 2021 thanks to "strong organic growth" and recent M&A (including Mirus and Sol-Tec). Content+Cloud ponied up £55.4m for its latest acquisition, Microsoft Teams specialist Sipcom, in February 2021 in a move that propelled its revenue runrate to £100m and handed it a US foothold. Although annual net losses reached £17.9m on the back of hefty interest charges, EBITDA hiked from £5.2m to £8.8m.

While the pandemic has "presented many challenges", it has also played into Content+Cloud's hands by "hastening" digital transformation among customers, the MSP said in its recently published accounts.

49. Vohkus

£85.1m (-12%)

0.9% | 126

Starting life in 2001 as an HP house, today this 'UK leader in IT procurement and business solutions' works with 14 strategic vendors including HP, HPE, NetApp, Lenovo, Vodafone, 8x8 and Cisco. A 12 per cent pro-rated revenue dip in its year to 30 June 2020 "originated from the pandemic", the Southampton-based outfit said, although lower overheads helped it boost net profits from £504,000 to £736,000. Recent acquisition E-Plenish contributed £2.6m over an 18-month period.

Although the pandemic hit Vohkus' revenues in the final quarter of its fiscal 2020 (and it claimed £177,000 through the furlough scheme), it said lockdown enabled it to "deploy new technology and services within its clients". Its homepage currently pushes remote/hybrid working solutions from Microsoft, Cisco and Poly.

48. Academia

£85.2m (+17%)

1.5% | **129**

Having acquired Academia in September 2020 through his Strive Capital vehicle, industry big hitter Andrew Harman is aiming to build a £300m-revenue channel powerhouse over the next four years via organic and acquisitive growth. Edtech specialist Academia doubled net profit to £1.3m on revenues that rose 17 per cent to £85.2m in its year to 31 May 2021, according to draft accounts it shared with us. It recently renewed its berth on the Apple HE framework.

Covid has had "no impact" on Strive Capital's expansion plans for Academia, Harman told *CRN* (see p22), with growth forecast to only accelerate in fiscal 2022 and 2023.

47. ExcelRedstone

£89.7m (-21%)

1% | **605**

This London-based IT infrastructure, datacentre, managed services and smart buildings powerhouse saw revenues drop by over a fifth pro-rata to £89.7m in its year to 31 December 2020 as project delays in the early stages of the pandemic dented its top line. Efforts to boost the efficiency of its projects business saw gross margins rise from 20.8 to 23.9 per cent, however. During the year, it divested "non-core" arm Commensus, which it inherited through its 2018 acquisition of Redstone Converged Services.

Although it claimed £764,000 through the government's furlough scheme last year, ExcelRedstone said many of its core hyperscaler and financial services clients have revisited their IT infrastructure requirements in response to increased appetite for their services during the pandemic. Demand consequently "remains strong" going forward.

Q&A: Martin Hess, Telefonica Tech UK&I

The CEO talks about Cancom's sale of its UK&I business

How will the future of the company change now it's part of Telefónica Tech?
The big difference between Telefonica Tech and Cancom is the level of investment they'll make to help us grow in the UK and Ireland. The ambition is to be the leader in cloud and cyber in the UK and Ireland. And I think they've got the wherewithal to help us get there.

Why is the UK such as an important market for Telefónica Tech?
Telefónica Tech are going to invest in four markets: Spain, Germany, Brazil, and UK. The UK has always been at the leading edge of tech adoption and so they realised that if they want to be leaders in cloud around the world, they have to be leaders in the UK.

You've made some strong statements about the need for staff to return to the office. How do you feel now?
I just think that working from home all the time, for most people, is a bad thing. I think it's bad for them and bad for the company. I was pretty much a lone voice during lockdown advocating that people come back into the office. I think it's important to have a sense of place for a business. I think that's where the ideas come from. I think that's where the energy comes from. I think that's where the spark comes from. And I think a company loses its soul over time if it is completely atomised and people work from home all the time.

M&A roars back in 2021

The top 100 generally put M&A on the back burner in their latest financial years as the pandemic forced them to look inwards (and made it trickier to carry out due diligence).

Perhaps a perfect example of this is **Chess**, which – having built a £100m-revenue business on the back of over 100 acquisitions – reduced its focus on M&A in its latest year as it put greater emphasis on "long-term growth" and "driving operational efficiency".

Another of this report's most acquisitive players, CAD software specialist **Solid Solutions**, also applied the brakes on M&A activity in its calendar 2020 as it pooled efforts behind navigating its way through the pandemic.

M&A has roared back in 2021, however, with four of the top 100 (**Cancom UK, Blue Chip Engineering Solutions, Kcom IT Services** and **PC Specialist**) involved in blockbuster trade sales this year and ANS being snapped up by private equity house Inflexion.

Private equity dosh has also fuelled a renewed wave of consolidation carried out by top 100 firms this year, led by a trio of unified comms players in the shape of LDC-backed **OneCom**, Bowmark Capital-backed **Focus** and MML-backed **Arrow Business Communications. Conn3ct, Ultima, Invenio** and **Corona Corporate Solutions** all also hit the M&A trail in 2021 with private equity backing, while LDC-backed **Kerv** makes its *Top VARs* debut on the back of its latest acquisition.

One fresh trend for 2021 is renewed acquisition activity in the Microsoft and software licensing space.

Microsoft's largest global partner **Avanade** moved to bolster its UK Dynamics skillset by snapping up £30m-revenue Quantiq and Nordic software licensing giant **Crayon** snaffled a minority stake in UK Microsoft Azure Expert MSP Cloud Direct. **SoftwareONE**, meanwhile, acquired UK SAP partner Centiq.

Alastair Mills, Kerv CEO

46. Redcentric

£91.4m (+4%)

10.1% | **420**

Having taken itself off the market in November 2020, this AIM-listed midmarket MSP has hit the acquisition trail itself in 2021 after returning to growth and profitability. Revenues in its year to 31 March 2021 rebounded four per cent to £91.4m, while net profits hit £9.2m (compared with a £10.6m loss a year earlier). The integration of Piksel IS is "progressing well", Redcentric said in an October trading update after acquiring the York-based AWS and Azure partner for £9.5m a month earlier.

Redcentric was quick to emphasise that its 2021 results were in line with pre-Covid expectations, and that neither did it furlough any staff. It did, however, grumble of a continued lack of large-scale IT projects in a recent trading update.

45. Onecom

£92m (+2%)

-15.1% | **479**

The headline number quoted at the top of this profile – covering calendar 2020 – does little justice to this comms provider's enlarged scale following its acquisitions of rivals Olive (£32m revenue) and 9 Group (£43m revenue) in February and March 2021, respectively. Vodafone's Strategic Partner of the Year, Hampshire-based OneCom also counts Samsung, Five9, Mitel, Gamma and Apple as strategic partners. In October it made its fifth acquisition under private equity backer LDC, grabbing Exeter-based IP Office.

As a telecoms provider, OneCom saw "strong demand" during the pandemic (with 2020 organic revenue "broadly stable"). It did admit, however, that global travel restrictions dented mobile roaming revenues by 90 per cent (or £1.4m). Hardware sales also fell £2m thanks to purchasing delays.

44. Nasstar

£93.3m (+53%)

-35.3% | **585**

This Mayfair Equity-backed Microsoft partner has had a frenetic 2021, rebranding from GCI in March before acquiring Kcom's national IT services business in June. The blockbuster deal propelled its headcount from 700 to 1,200 staff, making it "one of the largest independent providers of managed services in the UK". Although Nasstar quoted a £120m runrate revenue figure even before the Kcom deal, its most recently filed accounts – covering calendar 2019 – show revenues of £93.3m.

43. Six Degrees

£93.5m (-12%)

-55.9% | **449**

Six Degrees has the potential to be the "biggest name in the UK secure cloud services market", new CEO Simon Crawley-Trice proclaimed upon his appointment in May 2021. Built on a series of 17 quickfire acquisitions and counting NatWest and Barclays among its clients, the Charlesbank Capital-backed outfit saw revenues tumble 12 per cent to £93.5m in its year to 31 March 2021. Although security and early revenue from its new public cloud generated growth, this was more than offset by declines in unified comms and lower equipment resale.

Although Six Degrees' most recent annual accounts barely overlapped with the pandemic, it did concede that it has a "number of clients" operating in Covid-hit verticals.

42. NTT Data Business Solutions

£94.2m (+28%)

8% | **312**

Bolstered by its April 2019 acquisition of Bury-based Weavability, the UK arm of this global SAP partner – formerly known as Itelligence – saw revenues hike by over a quarter to £94.2m in calendar 2019 (its 2020 accounts were impending as *Top VARs* went to press). Net profits bulged from £6.3m to £7.5m. Globally, Germany-based NTT Data Business Solutions turned over €1.07bn in 2020. Boasting 10,350 staff, it claims to have delivered over 460 SAP S/4HANA projects.

NTT Data Business Solutions defied the pandemic – as well as unfavourable exchange rate effects – to record 3.2 per cent growth last year on a global basis. Revenues were "down significantly" in its Q3, however, due to slower spending among manufacturing customers.

41. Sabio

£99.8m (+12%)

0.6% | **611**

Having (virtually) hit the £100m revenue barrier in its year to 30 September 2020, this acquisitive contact centre and customer experience solutions provider made a pair of purchases in March 2021 in the shape of 180-employee Salesforce consultancy makepositive and Spanish voicebot specialist Fonetic. Sales of its own IP hiked from seven to 7.5 per cent of the 2020 total, with the UK contributing £47.7m of the top line and mainland Europe £46.8m. Backed by Horizon Capital since 2016, Sabio counts Avaya, Genesys, Google and Twilio among its vendors.

With over 90 per cent of tech it supplies being software or subscription, Sabio said it was able to continue delivering professional services remotely throughout the pandemic (even experiencing organic growth).

40. Chess

£101.7m (-7%)

0.2% | **493**

Having made over 100 acquisitions to date, this Alderley Edge-based telecoms provider put M&A on the back burner last year to focus on driving operational efficiency. Chess branded a seven per cent revenue slide in its year to 30 April 2020 a "short-term dip" as it transitions towards higher-margin modern workspace revenue streams. Thanks in part to improved cash collection, net debt was trimmed from £33.7m to £27m. It bolstered its £20m-revenue cybersecurity arm in August 2021 by acquiring Stevenage-based pen testing outfit Armadillo.

Chess has pulled in its horns in recent times, selling its Shaftesbury Systems unit to Daisy for £3.6m in September 2020 and its O2 distribution arm for £6m in April 2021 after conceding that it "continues to be impacted by the pandemic". It is, however, predicting EBITDA growth in its fiscal 2021.

39. PC Specialist

£102.6m (+55%)

1.8% | **158**

Targeting education and business customers as well as consumers, this Bradford-based system builder smashed the £100m revenue barrier in its year to 31 August 2020 on the back of 55 per cent growth. Net profits more than doubled to £1.9m, meanwhile. Founded in 2003, PC Specialist claims to ship a PC every 4.8 minutes. Boasting branches in France, Italy and Spain and a subsidiary in Germany, it claims to speak ten languages and supply computers to over 30 countries in Europe.

PC Specialist did not broach the pandemic in its annual accounts, but its barnstorming numbers suggest it benefited as much from the lockdown e-commerce boom as peers including CCL, Box, Scan, eBuyer and Technoworld.

38. Storm Technologies

£103.4m (-8%)

2.1% | **164**

"Strict" cost controls introduced by Storm in calendar 2020 helped the Watford-based VAR swell annual net profits from £1.6m to £2.1m, despite an eight per cent revenue dip. The HP, HPE, Dell, Cisco, Microsoft, VMware and Citrix partner completed a redevelopment of its office and warehouse capacity in early 2021. It has also expanded its graduate development programme this year, incorporating 12 new business development executives in September.

The "exceptional circumstances" sparked by Covid halted a seven-year growth run for Storm (its revenues more than doubled to £112.6m between 2012 and 2019). Higher device sales during the WFH boom did enable it to boost gross margins from 15.9 to 17 per cent last year, however.

Q&A: Andrew Harman, Academia and Strive Capital

The former Annodata boss runs us through his growth plans for Strive Capital, which acquired 48th-ranked Academia last September

How have your first 15 months in charge of Academia gone?
The first 12 months' results demonstrate that the business has expanded from a revenue point of view and become a lot more profitable. We've come in for the right reasons: we thought we could add a lot of value on top of what we knew was a good business – one that was very transactional and had some great clients in the education space.

You initially had a five-year plan to hit £250m to £300m revenue. Has Covid forced you to modify your ambitions in any way?
No, we will definitely hit that plan. We're close to making an acquisition in the next few weeks.

Strive is the business that myself and [former Annodata CFO] Joe Kelly have set up. We bought Academia, which is strong in the education and local authority space. That's going to expand – it did 20 per cent in the first year, and it will certainly do more than that in the second year. What we need to do is complement it with a managed service business, acquire a business with commercial SME clients, and add a couple of specific areas of expertise in terms of software – for instance Microsoft Azure.

What's been the most surprising aspect of running Academia?
The fact that the people accepted that they need our help to get from A to B. They're not familiar with big annuities and recurring revenues. The business is changing, and it's been a pleasant surprise that the people are all engaged with the plan.

Home is where the VAR is

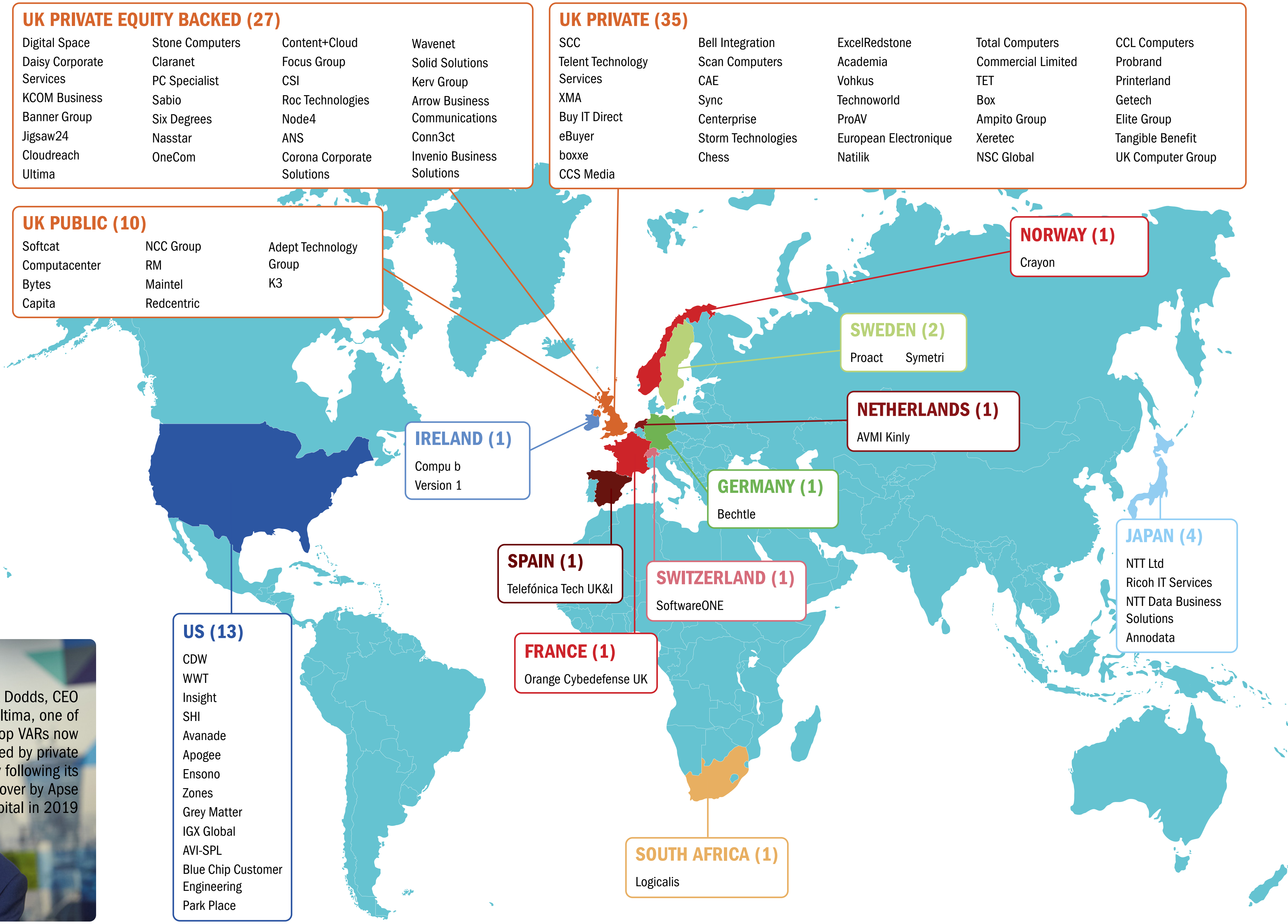
The ownership composition of *Top VARs* continues to shift as more (mainly US-headquartered) international players leap into the UK and private equity activity intensifies.

This year, 13 Top VARs are either US headquartered or owned. That's up from 12 in 2020, and just seven as recently as 2017, thanks to the *Top VARs* debut of AVI-SPL and Park Place and acquisition of Blue Chip by Service Express.

Spain also makes its *Top VARs* debut this year following the decision by German giant Cancom to sell its UK business (formerly OCSL) to Telefonica.

Of the 72 UK-owned firms, some 27 are now private equity-backed following an influx of PE money into the sector that has seen the likes of ANS, Kerv, Invenio, Conn3ct, Focus, OneCom, Ultima and Solid Solutions move from private to PE ownership. Ten are publicly listed, with the remaining 35 – including market giant SCC – privately owned.

Scott Dodds, CEO of Ultima, one of 27 Top VARs now backed by private equity following its takeover by Apse Capital in 2019



37. Maintel

£106.4m (-13%)

-1.6% | 560

This AIM-listed cloud and comms provider stumbled to a £1.7m net loss on revenues that fell 13 per cent to £106.4m in its year to 31 March 2021 as Covid-fuelled project delays "inevitably" pinched its top and bottom line. The Avaya, Mitel and Microsoft partner has returned to organic growth in 2021, however, with 30 per cent of its £53.5m H1 2020 revenues drawn from cloud and related software offerings (up from 25 per cent a year earlier). Maintel offloaded its managed print arm for £4.5m in April.

Site access issues meant the pandemic delayed some "major projects" for Maintel, which confirmed it furloughed a "small number" of employees during its fiscal 2021 (claiming £387,000 through the scheme). Its projects business "recovered" in its H1 2022, however.

36. Claranet UK

£115.5m (-1%)

4.8% | 506

Starting life in 1996 as an ISP, today this London-based, globe-trotting MSP turns over £440m and claims to be one of just five partners globally to hold MSP badges with AWS, Azure and Google Cloud. It also partners with VMware, Cisco and Nutanix. Claranet's UK arm saw revenues roll back one per cent to £115.5m in its year to 30 June 2020, "mainly due to the impact of Covid in the last quarter". The Tikehau Capital-backed firm, which has 2,500 staff and 10,000 customers, has acquired in Germany, Spain, Portugal and Brazil in 2021.

The pandemic has had a "minimal impact" on revenues overall, Claranet said. Although some customers put decisions on hold, others working in critical industries turned to the MSP to rapidly scale services, it explained.

35. Stone Group

£117.8m (+25%)

2.5% | 309

Despite Covid making for an "extremely challenging" second quarter, this Staffordshire-based public sector reseller and system builder grew by a quarter in calendar 2020. As well as selling its own-brand PCs and devices and solutions from the likes of Cisco Meraki, Acer, Lenovo and Microsoft, Souter Investments-backed Stone doubles up as an IT asset disposal firm, and in October 2020 launched a "game changing" app – Stone 360 – designed to help customers organise equipment takeback.

The first national lockdown prevented Stone's ITAD and engineering services from operating, leading it to lean on the government's furlough scheme to the tune of £772,000 during the year. But trading returned to "record levels" by Q4 "as the country came to terms with how to live with the virus", Stone said.

34. Ultima

£118.6m (-3%)

1.5% | 389

This Reading-based IT solutions provider recently made its first acquisition since taking on Apse Capital as its private equity backer in 2019, snapping up global cloud services provider Just After Midnight. Counting Check Point, Cisco, Citrix, Dell, HP, HPE, Microsoft, Nutanix and VMWare as its strategic vendors, Ultima is morphing into a vendor itself with its IA-Cloud and IA-Connect offerings. A lack of fresh accounts means we've recycled old numbers for its year to 31 March 2020, when its revenues hit £118.6m.

"There are signs that companies are now making that step to invest in the longer term," Ultima CEO Scott Dodds told *CRN* in September. "We're not out of Covid issues yet but generally speaking companies are starting to move in the right direction."

33. Cloudreach

£122.2m (-1%)

-46.6% | 722

This London-based cloud migration powerhouse is gearing up for a "new phase of growth" that will see it expand into Canada, Poland, Spain and the Nordics in partnership with key ally AWS, it announced in August. Following an international expansion blitz, the Blackstone-backed outfit already has offices in the US, Germany, France, Switzerland and the Netherlands. Accounts for 'Cloudreach Acquisitions Ltd' covering the year to 31 July 2020 show revenues falling one per cent to £122.2m. Net losses widened from £33.9m to £56.9m.

Despite posting flat revenues in its fiscal 2020, Cloudreach claimed that Covid has stoked higher demand for the cloud-based migration services in which it specialises.

Nobody mention the 'B' word

Brexit was overshadowed by Covid as the main talking point for our top 100 in their latest annual accounts.

But although the 'B' word was barely mentioned by most Top VARs, there were some exceptions, with 7th-ranked **Insight** fingering Brexit rather than Covid as the major obstacle to trading last year, and 9th-ranked **XMA** forecasting that "Brexit trading challenges" (alongside Covid) would fuel a five per cent sales drop in 2021.

Several resellers with substantial mainland European sales moved to open offices on the continent, meanwhile.

This includes 38th-ranked **Storm**, which set up a European branch in the Netherlands last year to facilitate post-Brexit trading. It drew £10.4m revenues from Europe in 2020, up from £9.9m a year earlier.

CCS Media – which generated nearly £4m of its £220m 2020 revenues from Europe – invested in offices in Ireland and the Netherlands last year for the same reason. The UK-based arm of global reseller **Zones** also incorporated a separate entity in Ireland on 1 October 2020, giving it shared use of an office, warehouse and configuration space. It said it would hire additional sales and engineers across Europe during 2021.

CCS Media MD, James Hardy

32. Centerprise International

£123.8m (+36%)

2.8% | 187

"Significant" wins with new and existing customers fuelled a 36 per cent revenue surge at this Basingstoke-based channel stalwart in its year to 31 August 2020. Net profits doubled to £3.5m as the top-line rise came despite any additional headcount investment. Founded in 1981 by chairman Rafi Razzak, Centerprise has fingers in numerous pies, including system building, reselling, distribution, IT recycling and IT asset management. In September 2021 it launched CiCloud, a cloud computing platform built on HPE GreenLake.

As a public sector and MoD specialist, Centerprise may have avoided the worst of the Covid carnage last year. The whole of its operation continued to function effectively through lockdown, it said.

31. Apogee

£127.7m (-28%)

-22.5% | 985

This HP-owned managed print giant saw revenues tank by over a quarter in its year to 31 October 2020 as lockdown saw clients "significantly reduce" print volumes and thwarted deliveries. Despite admitting that volumes have failed to fully recover, Apogee is aiming to "outpace competition during the post-Covid recovery" via a new three-pillar growth strategy. This includes investing in new segments including managed IT services. In March 2021, Apogee acquired fellow Kent-based MPS outfit Direct-Tec.

Although Apogee benefitted from having a large NHS and public sector install base, it was forced to take multiple measures to reduce costs last year. This included furloughing staff and mothballing a number of properties (leading to £3m in exceptional costs).

30. Sync

£130.1m (+21%)

1.3% | 64

This Manchester-based Apple partner recently delivered England's largest ever iPad deployment, providing 30,000 devices to UK schools in the 2020/21 academic year in partnership with Oasis Community Learning Trust. Sync's revenues rose by more than a fifth in calendar 2020, with net profits bulking up from £974,000 to £1.6bn. Rebranding from GBM in February, it was awarded a

Q&A: Roger Whittle, Jigsaw24

The 26th-ranked Apple partner's CEO reflects on his career journey and the future of the industry

How did you come to set up Jigsaw in 1992?
I worked for Apple for six months, and had previously – in my year out, which was in France – fallen in love with the Apple Mac. I decided that I really want to run my own dealership. I had to do my five years for the family business, but as soon as I could get away from that I set up on my own when I was 27.

Who was your biggest career mentor?
Steve Jobs was a big inspiration, not just what for he did with tech, but for some of his business principles. 'Less is more', 'be direct', 'think about the long term' and 'don't be afraid of counter cyclical investments'. 'Have the courage of our convictions'. There's that wonderful quote about how Jobs was comparing himself to Henry Ford where he said 'if I'd been Henry Ford, I'd have done a focus group and they'd have said "what we need is a really fast horse"'.

The pandemic has led to an unexpected spike in device sales. Are we nearing saturation point?
I see us upgrading our digital devices as new things come along like Bluetooth, Wi-Fi, and now AR and VR. How will a gantry worker building HS3 up a 600-foot gantry work in five years' time. They'll have air pods, and glasses. And the glasses will be telling them what to do that day or what their next movements are because of health and safety. That's just a silly example of what might happen to construction. So I think digital device penetration has just started.

place on the new iteration of the Apple HE framework on 1 November, and boasts a retail store in Manchester city centre.

The remote learning boom has certainly boosted Sync's coffers over the last 18 months. It recently invested £100,000 in three new online stores – Sync:Pro, Sync:Gov and Sync:Ed – to help UK organisations adjust to new flexible working/learning norms.

29. CAE

£134.8m (+1%)
1.7% | 294

This Cisco, Dell, Microsoft and Palo Alto Networks partner has just moved into a new 30,000 sq ft Hemel Hempstead HQ featuring a recording studio, prayer room, wellness space, games room and staircase-based amphitheatre. Revenues rose one per cent to £134.8m in its year to 30 June 2020, although higher staff and infrastructure costs saw net profits shrink from £3.1m to £2.3m. In February, CAE bagged a deal to upgrade Fulham Football club's Wi-Fi and IT for the next three seasons. It also acquired edtech reseller Novus Group last month.

Covid dented CAE's H2 2020 sales and "continues to inhibit a level of spend and restrict the ability to deliver a number of potential infrastructure engagements", it said in its annual accounts. It is seeking to mitigate risk by investing in managed services and other recurring revenue streams.

28. Compu b

£142.4m (+27%)
-1.6% | 465

Having acquired leading UK counterpart Stormfront in September 2019, this Irish Apple Premium Reseller (which already had a concession in Selfridges in London), generated revenues of £142.4m in its year to 31 March 2020 (compared with £139.7m in the previous 15-month period). Some £96.5m of the total was drawn from the UK. Its impending fiscal 2021 accounts are likely to tell a different story, however, after two national lockdowns forced it to repeatedly shutter its network of stores.

The pandemic hit Compu b harder than almost any other Top VAR last year, resulting in a stint under Irish 'examinership' from July to October 2020. It admitted in its annual accounts that it had been "particularly susceptible" to the government restrictions, but expressed hope that trading will improve in 2021.

27. Scan Computers

£150m (+15%)
2.2% | 283

"Strong demand" during the first national lockdown fuelled a 15 per cent revenue hike at this Bolton-based system builder, e-tailer and enterprise solutions provider in its year to 30 June 2020. Net profits followed suit, widening from £3.1m to £3.3m. The Nvidia, Intel, AMD and Microsoft ally's business arm houses four specialist brands focusing on IT infrastructure, AI, cloud and digital signage, respectively.

In line with fellow e-tailers including Technoworld, CCL and Box, Scan enjoyed an "exponential" increase in sales during the first lockdown between March and June 2020. The bullish company is forecasting 20 per cent growth for its fiscal 2021 and 2022.

26. Jigsaw24

£155.8m (+19%)
2.3% | 292

Founded in 1992 by current CEO Roger Whittle after he fell in love with the Apple Mac during his year out (see interview, left), this Nottingham-based Apple reseller saw revenues, profits and cash creation all rise in a "strong" fiscal year to 31 May 2021. Delivering a 1:1 iPad scheme for Red Kite Learning Trust's 13 schools is among the case studies trumpeted on Alcuin Capital Partners-backed Jigsaw's homepage. It also counts Adobe, Avid, Jamf, Microsoft, HP and Cisco among its vendor chums.

Despite suffering a "severe contraction in activity" during the pandemic in traditional stomping grounds such as media and entertainment, Jigsaw24 said it has benefited from "increased opportunities" in the public sector. It recently completed the roll out of 11,000 iPads to care homes with low digital maturity.

25. Ricoh IT Services

£160m (+10%)
NA | 640

Counting Microsoft, Cisco and Dell as its key vendors and employing 640 staff, the IT services arm of this print and copier giant is on course to turn over around £160m this year, according to numbers Ricoh shared with us. That's a 10 per cent annual uplift. This does not include the contribution of MTI, a Godalming-based storage integrator Ricoh acquired last year that still operates as a separate company. MTI's UK revenues hit £34.3m in its year to 31 March 2021.

Ricoh claimed that lockdown has fuelled demand for the digital transformation and hybrid cloud services in which it specialises, flagging cybersecurity and meeting room technology as two hotspots.

24. Banner

£161.5m (-12%)
0.5% | 529

Covid had a "material impact" on the top line of this Sheffield-based business supplies giant in calendar 2020, with revenues tumbling 12 per cent. As well as offering managed print and IT hardware solutions from the likes of HP, Brother, Microsoft, Apple and Samsung, Banner also punts furniture, office supplies and hygiene/cleaning products. In October 2020, Banner's parent EVO acquired the trade of fallen stationary giant Staples, which it has now integrated into Banner.

As a supplier of workplace products, Banner was always going to take a lockdown hit as offices up and down the country shut their doors. It was, however, able to increase net profits from £684,000 to £874,000 as it flexed costs via the government's furlough scheme (through which it claimed £735,000).

23. Kcom Business

£166m (-9%)
NA | 223

After buying Kcom in 2019, private equity house Macquarie moved to offload its national ICT business to rival 44th-ranked Nasstar in June 2021. That business (which includes Avaya and Cisco partner Kcom Enterprise) saw revenues fall nine per cent to £166m in the year to 31 March 2020, partly due to the end of a multi-year contract with its largest customer. It also posted an EBITDA loss of £3.4m. Nasstar said the acquisition will make it "one of the largest independent providers of transformative technologies in the UK", with over 1,200 employees.

22. Bell Integration

£175.2m (+17%)
-8.8% | 410

Founded in 1996 by Alastair Bell, this IBM and Oracle partner opened a new office in its native Portsmouth in 2021 to extend its managed services capability. It saw "strong organic revenue

Margin matters

As explored on p43, the majority of Top VARs (55 of those 91 eligible) recorded an improvement in their net profitability in their latest financial years, thanks partly to lower overheads.

The UK's largest reseller, Softcat, personified the trend as it grew net profits 27 per cent to £96.2m in its year to 31 July 2021, thanks in part to monthly savings of around £1m on travel and event costs.

Softcat generated more net profit than any other player, ahead of the UK arms of Computacenter (£55.7m) and CDW (£48.8m). Relatively speaking, net profit margins of five per cent put Softcat 16th in the pecking order, with only six firms (Solid Solutions, Node4, ANS, Blue Chip, InvenioISI and Redcentric) achieving a double-digit net profit margin.

A growing number of Top VARs, however, view EBITDA (rather than net or operating profit) as the Holy Grail of profitability. This includes most of the private equity-backed outfits, who often make large paper losses due to hefty interest and amortisation charges.

Of the 15 firms who reported an EBITDA number in their latest accounts, average (mean) EBITDA margins shrank slightly from 9.7 to 8.7 per cent, with eight seeing their EBITDA grow and seven seeing it shrink. A further 20 reported an 'underlying' or 'adjusted' EBITDA figure. Of these, the average margin was flat at 13.7 per cent, with 11 seeing their adjusted number rise and nine fall.

EBITDA margin

Node4* 29.7%
Redcentric* 26.9%
Corona Corporate Solutions* 26.0%
Six Degrees* 22.4%
Daisy Corporate Services* 21.0%
ANS* 19.9%
Claranet* 19.6%
Invenio Business Solutions* 18.0%
Focus Group 17.0%
Adept Technology Group* 17.0%
Sabio* 16.3%
CSI 14.5%
Digital Space* 13.8%
OneCom 13.5%
Wavenet 13.1%
Nasstar 12.9%
Elite Group 12.4%
Conn3ct* 12.3%
Chess* 12.1%
Content+Cloud 10.4%
ExcelRedstone 9.7%
Maintel* 8.9%
Natilik 8.6%
K3* 8.1%
Roc Technologies 7.9%
Ensono 7.4%
Proact* 6.5%
AVMI Kinly* 5.0%
ProAV* 4.8%
Jigsaw24 3.8%
Stone Computers 3.6%
Apogee* 2.6%
Bell Integration -2.0%
KCOM Business -2.0%
Cloudreach* -18.2%

**adjusted/underlying EBITDA*

growth" in its year to 31 March 2020 as international expansion and a "major" new procurement contract bolstered its top line. Net losses widened from £351,000 to £8.8m, due mainly to a foreign exchange impact. An IT equipment and services contract won with an unnamed international BPO firm since year end is expected to contribute "material additional revenue" in the future, it added.

The shift to remote working prompted Bell to move its London office to a new low-cost location in Waterloo.

21. RM

£189m (-16%)
4.5% **1,803**

This LSE-listed education supplier saw revenues roll back 16 per cent to £189m in its year to 30 November 2020 amid school closures and exam cancellations. Its 'RM Education' ICT arm – which supplies software, technology and IT services to 7,000 schools – proved more resilient than the wider business (it also makes educational resources and assessment software) as schools continued to require tech support and remote learning assistance through lockdown. It saw sales shrink nine per cent to £65m.

Although Covid had a "material impact" on RM's results, RM Education's 2020 revenue drop was due mainly to a £5m hole left by the conclusion of the Building Schools for the Future programme in 2019. RM Education saw revenues rebound 11 per cent YoY to £32.3m in its H1 to 31 May 2021, with the wider business also returning to growth.

20. Avanade

£190.4m (-11%)
9.5% **508**

Microsoft's most decorated partner globally – with 18 Gold competencies – Avanade moved to boost its UK Dynamics business in October 2021 by acquiring £31m-revenue, London-based consultancy QUANTIQ. Its UK arm saw revenues slide 11 per cent to £190.4m in its year to 31 August 2020, ending a run of four consecutive years of double-digit growth. Net profits contracted from £33.1m to £18.2m. Globally, the Accenture-owned giant boasts 5,000 employees and revenues of around $2bn.

Avanade's UK business grew every year between 2009 and 2019, including by double digits in the previous four years. Despite the reverse, it claimed it had "not seen any material adverse impact from Covid-19", either during the year, or post year end, however.

19. Daisy Corporate Services

£198.9m (-12%)
NA **1,100**

Built on a series of acquisitions including Phoenix IT Group and Alternative Networks, Daisy Corporate Services saw revenues fall by 12 per cent to £198.9m in its year to 31 March 2021. It is one of three remaining units of comms giant Daisy following its £1bn spin off of its Digital Wholesale Solutions arm in January 2021. Adding in the contribution of Allvotec and its SMB unit, Oakley Capital-backed Daisy generated total revenue from continuing operations of £417.1m, a nine per cent drop.

Even after receiving £5.9m in furlough support, Daisy saw adjusted EBITDA fall from £76.4m to £73m year on year as Allvotec – and to a lesser extent the Corporate arm – suffered from restrictions on their ability to carry out onsite installation work during lockdown. That said, Daisy claimed it "was largely protected from the more serious adverse consequences" of Covid, partly thanks to its high proportion of recurring revenue.

18. NTT Ltd

£216.3m (-4%)
-0.3% **493**

When Japanese telco NTT merged a raft of subsidiary companies (including NTT Communications and Dimension Data) to form an $11bn-revenue global ICT juggernaut in 2019, it named the new entity NTT Ltd and picked London for its headquarters. A lack of consolidated UK accounts means we have had to zone in on the former Dimension Data UK business in this profile. It saw revenues fall four per cent to £216.3m in its year to 31 March 2020. Globally, Cisco Gold partner NTT Ltd employs 40,000 staff in 57 countries.

The pandemic presents both "risks and opportunities" for the business, its UK accounts said, adding that the sales performance in its fiscal 2021 "remains consistent with prior years".

17. CCS Media

£223.7m (-8%)
2.2% **463**

Having seen a 17-year growth run come to an end last year, this Chesterfield-based reseller is confident of resuming top-line expansion in 2021 "and beyond". Revenues shrank eight per cent to £223.7m in calendar 2020, with net profits falling fractionally to £5m. During the year, the Cisco, Dell, HP, HPE, Microsoft and Lenovo partner invested in its as-a-service offering, a new public sector team and offices in Ireland and the Netherlands to facilitate post-Brexit trading. It has 14 offices in England, Wales and Scotland.

Despite the 2020 sales dip, CCS stressed that it has "very little exposure" to the sectors hammered hardest by Covid. It also claimed it is well positioned to benefit from the move to hybrid working.

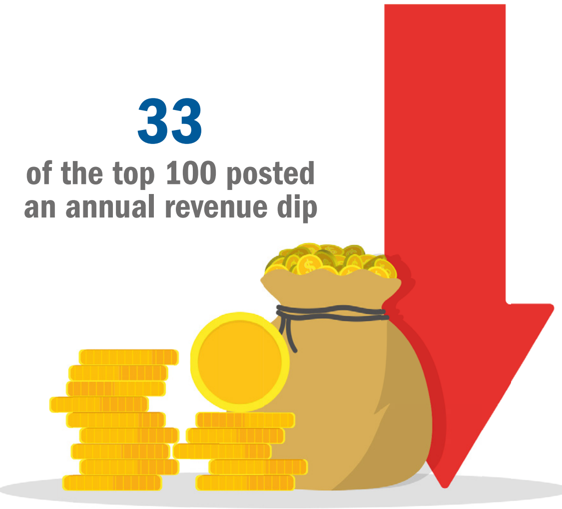
16. boxxe

£238.3m (+16%)
0.4% **160**

Having rebranded from Software Box in 2020, this York-based software licensing specialist now has its sights set on achieving B-Corporation status, which recognises firms for balancing profit with purpose. Headed up by industry stalwart Phil Doye, the MoD supplier clocked up revenues of £238.3m in calendar 2020 (a 16 per cent pro-rated rise on the previous 16-month period). A recruitment drive pinched its bottom line, however, as net profits fell to £1m (compared with £2.4m in the previous period).

boxxe expects its core public sector market to continue to be less sensitive to Covid than the private sector.

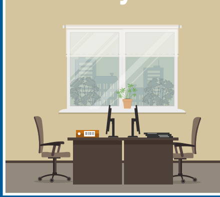
The year in numbers



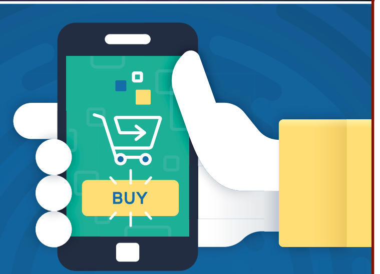
33
of the top 100 posted an annual revenue dip

£710m
collective top-line rise recorded by Softcat, Computacenter (UK) and Bytes, enough to buy nine Bugatti La Voiture Noire supercars

55
of the 91 eligible firms saw net profits rise



10
Top VARs who explicitly stated they did not claim a penny through the government's furlough scheme



35%
average annual growth of e-tailers in this report, with eBuyer, Scan, CCL, Buy IT, Box, PC Specialist and Technoworld adding £180m to their collective top lines

£17.9bn
collective revenues of top 100, a 7% hike, and roughly half the UK government's annual spend on public order and safety

£1m a month
The amount Softcat saved in travel costs in its fiscal 2021, enough to cover Manchester City defender John Stone's monthly wage

15. eBuyer

£243.5m (+28%)

3.1% | **250**

This East Yorkshire-based tech e-tailer's calendar 2020 results were lit up by lockdown, with revenues swelling by over a quarter to £243.5m and net profits skyrocketing from £531,000 to £7.5m. Part of £900m-revenue West Retail Group, eBuyer saw an "immediate and sustained increase in demand" from both businesses and consumers as home working and home schooling became the norm. It claims to ship 20,000 orders a week from its 280,000 sq ft warehouse.

Just like all the other e-tailers in this report, eBuyer saw sales mushroom during lockdown. Its profits boomed at an even faster rate as order volumes outgrew costs, prompting it to pay a £9.5m dividend during the year.

14. NCC Group

£270.5m (+3%)

3.7% | **1,897**

The cybersecurity market is "a very exciting one" in the wake of the pandemic, with NCC "well positioned to capture the accelerated market growth", its CEO Adam Palser proclaimed following its "strong" trading performance in its year to 31 May 2021. Its revenues rose three per cent to £270.5m (with the UK and APAC generating £127m of the total), while net profits hit £10m. NCC's Assurance arm generated £172.2m, £56.2m and £5.5m of revenues from professional services, managed services and product sales, respectively.

Rapid adoption of cloud in the wake of the pandemic has left more organisations vulnerable to disruption, fines and failure, meaning NCC and firms like it will be in hot demand, Palser claimed. It hired 200 front-line technical specialists during the year.

13. Buy IT Direct

£295.5m (+19%)

2.2% | **693**

This Huddersfield-based e-tailer saw "ballistic growth" last year, its CEO Nick Glynne told *CRN* this June as he reaffirmed plans to hit £500m revenue by 2022-23. Buy IT competes with the likes of eBuyer through its Laptops Direct and Servers Direct brands, but also punts bathrooms and furniture. A lack of new accounts mean we've had to recycle numbers for its year to 31 March 2020 for the purposes of this profile. They showed a net profit of £6.5m on revenues that rose 19 per cent to £295.5m.

Buy IT is betting on big growth, with Glynne characterising the Covid-fuelled online sales boom as "structural". This summer, it invested £6.5m in fitting out a half-a-million square foot warehouse in Castle Donington, which will provide roughly 80,000 extra pallet spaces as the company looks to scale up its operations.

12. SHI

£325m (0%)

NA | **278**

You don't need a three-initialled name to become a successful global reseller behemoth, but judging from the success of CDW, WWT and this New Jersey-based powerhouse, it helps. The US' largest Minority and Women-Owned company saw global revenues rise four per cent to $11bn in 2020, with AWS (+30 per cent) and Dell (+13%) its top-performing major vendors.

Although SHI doesn't break out UK numbers on Companies House, we understand from market sources that its Milton Keynes-based UK/EMEA arm turned over around £325m in 2020 (flat year on year). SHI has added an Irish office and Dutch warehouse to support its international customers in 2021, hiring over 80 staff in the UK and Europe. Its UK business bagged Cisco Gold status in September.

SHI's revenue growth has slowed during the pandemic (falling from 18 per cent in 2018 to seven per cent in 2019 and four per cent last year). But its H1 2021 numbers – which show a five per cent revenue uplift (including a 15 per cent rise in June) – indicate that midmarket customers who held back on investments last year are starting to loosen the purse strings.

11. SoftwareONE

£380m (+27%)

NA | **200**

Although SoftwareONE's most recently filed UK accounts (covering calendar 2019) show revenue of £169m, we understand the software giant's local turnover now stands at around £380m following its acquisition and integration of arch-rival Comparex. The Switzerland-based firm acquired Nottingham SAP HANA consultancy Centiq in October as part of a global push to add SAP cloud skills. Globally, SIX Swiss Exchange-listed

SoftwareONE turned over CHF 7.9bn (£6.3bn) in 2020 (flat, when adjusted for local currencies).

SoftwareONE returned to "strong levels of growth" in its H1 2021, which CEO Dieter Schlosser chalked up to Covid "spurring" cloud-first, digital transformation spending.

10. Capita Technology Solutions

£385m (-14%)*

NA | **3,500**

Encompassing Trustmarque and three other business units and citing Computacenter, Atos and Softcat among its competitors, Capita's 'Technology Solutions' arm saw adjusted revenues fall 14 per cent to £385m in calendar 2020 as contract losses – including with BAE Systems – dented its top line. Adjusted operating profit fell 40 per cent to £34.9m.

Having seen total revenues fall 10 per cent to £3.3bn last year, the wider Capita business returned to growth in its H1 2021, with Technology Solutions logging an 11 per cent top-line rebound to £211.6m. The LSE-listed giant has offloaded seven non-core businesses in the last 12 months as it creates two new divisions focused on the needs of government and blue-chip customer experience clients, "where" – in the words of CEO Jon Lewis – "we know we can win".

Capita stressed that its Technology Solutions arm was instrumental in getting 85 per cent of colleagues up and running for remote working last year. Lower volume-based sales during Covid were offset by pandemic-related wins across IT services and intelligent communications, it added.

9. XMA

£399.2m (-3%)

2.3% | **435**

Known for its public sector pedigree, this Nottingham-based reseller enjoyed "strong" underlying growth in calendar 2020 as its customers spent big on remote working technology. Revenues fell by three per cent to £399.2m, however, due to the recent transfer of its third-party fulfilment business to distribution parent Westcoast.

Shorn of this low-margin business, XMA saw gross profits rise from 9.6 to 11 per cent. This, combined with tight cost control during the pandemic – helped it record its highest ever operating profit last year – namely £11.3m.

Claiming to ship 650,000 orders annually, XMA bills itself as both Google and Apple's top education reseller and the only UK partner to achieve triple-Platinum status with HP. In July 2020, XMA ceased its Viglen assembly business.

Spooked by uncertainty caused by Covid and trading challenges relating to Brexit, XMA said in its strategic report that it "remains cautious" for 2021. It expects revenues to be five per cent down, but gross profit and operating profit to remain flat.

8. Telent Technology Services

£472m (-17%)

1.2% | **2,359**

Though not an archetypal VAR, this Warwick-based operator of critical national infrastructure rubs shoulders with many of the top 100 in its capacity as an HPE Platinum partner and provider of cloud, security, networks and managed services.

Telent's revenues plunged by the best part of £100m in its year to 31 March 2021 as its largest customer – BT Openreach – moved to diversify its supply chain. Net profits slid from £19.1m to £5.6m as this – along with cost over-runs on two transport projects – dented the bottom line.

An £11m IT and telecom infrastructure build for a "major Russell Group University" is among the case studies trumpeted on its website.

Despite Covid initially causing delays to "a limited number" of projects, Telent said its status as a critical national infrastructure specialist enabled it to continue delivering services through even the worst of the pandemic. It did not take a single penny from the furlough scheme. It did, however, absorb £2.2m of "Covid-19 costs" relating to PPE procurement, shielding staff and an internally funded furlough scheme.

7. Insight

£583.3m (+7%)

1.1% | **988**

With Thai Lee and Christine Leahy currently heading up SHI and CDW respectively, three of the world's four largest IT resellers will have female CEOs as of 1 January 2022 as Joyce Mullen takes the reins of this $8bn-revenue giant.

In the UK – where it has offices in Sheffield, Manchester and Uxbridge – Insight's main trading arm (Insight Direct (UK)) notched up revenues £583.3m in calendar 2019, up seven per cent annually. That was despite "Brexit driving uncertainty across a number of sectors". Net profits fell from £8.1m to £6.5m, however, as higher administrative expenses dragged on the bottom line.

* adjusted

Insight's global revenues boomed by over a quarter YoY to $2.45bn in Q3 2021, although that was mainly thanks to a 30 per cent hike in North American sales (with EMEA rising a more modest seven per cent in local currencies). Former Dell channel boss Mullen takes over from outgoing CEO Ken Lamneck next month.

Insight's UK accounts fingered Brexit rather than Covid as the major obstacle to trading last year. At a global level, Insight admitted the revenue bump it enjoyed from recent acquisition PCM in 2020 (when revenues rose eight per cent to $8.3bn) was "partially offset" by Covid-related challenges.

6. World Wide Technology

£611m (0%)

NA | **160**

This 7,000-strong global IT solutions provider employs around 160 staff at its London base near Moorgate and claims to be a "go-to technology integrator for large institutions in the region".

A $13.4bn-revenue powerhouse globally, WWT does not file any UK accounts, making the headline number in this profile pure guesswork (although in the dim and distant past insiders assured us UK/EMEA revenues top £500m).

In a recent interview with *CRN* US, CEO Jim Kavanaugh revealed that the St Louis-based outfit has onboarded 1,000 net new staff in 2021, and plans to repeat the feat in 2022. In a break from tradition, it may also consider acquiring some "boutique" companies next year, he added. WWT was last month named Americas Partner of the Year at the Cisco Partner Summit Global awards.

Gross injustice

In a bid to compare apples with apples, we have ranked two of this year's top four on their 'gross invoiced income' (GII), rather than revenue.

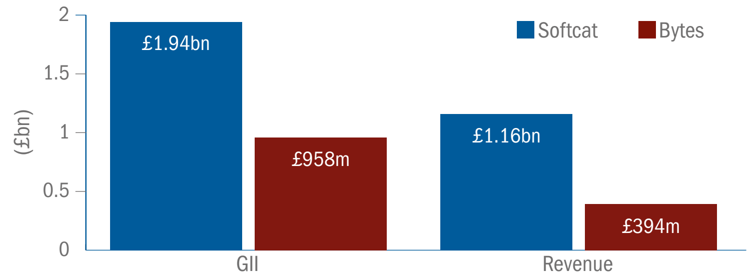
The new IFRS 15 accounting standard robbed LSE-listed Softcat and Bytes of a respective £782m and £565m of business in their fiscal 2021 that they would previously (pre 2020 for Softcat and pre-2021 for Bytes) have recognised as revenue.

Softcat 'netted down' £600m of software deals where it deemed itself to have acted as an 'agent' rather than 'principle', as well as £10m of hardware deals and £163m of services deals. This meant its revenue technically grew by just 7.4 per cent to £1.16bn. The shift to cloud solutions will mean Softcat's GII – which reflects the amount it actually invoices customers – will continue to expand at a faster rate than its revenues, it noted.

Similarly, Bytes netted down £556m of software and £8m of services deals.

Had we ranked Softcat and Bytes solely on revenue, they would have come second and ninth in the pecking order, respectively.

As a listed company that sells its fair share of software (although not in the same volumes as Softcat or Bytes), Computacenter is in a similar boat. Unlike Softcat and Bytes, however, it does not, publicly disclose GII. Last year, Computacenter told us its UK GII was £130m higher than its UK revenue, but this year it was not in a position to break it out, making a true like-for-like comparison impossible.



5. SCC

£712.4m (+1%)

1.9% | **1,750**

Boasting interests in sectors including aviation, airports and hotels, Sir Peter Rigby's £3bn-revenue Rigby Group empire has not been immune to the pandemic.

Fortunately, the SCC technology business on which he built his name delivered robust growth during the year to 31 March 2021, with EMEA-wide revenues of £2.5bn representing an eight per cent annual hike.

That uplift was largely driven by SCC's €1.9bn-revenue French business, however, with its smaller UK arm defying a "dramatic decrease" in professional services projects in the first half of the period to record a more muted one per cent revenue rise. Although UK product sales jumped five per cent to £512m (with public sector up 12 per cent), services revenues rolled back 10 per cent to £200m as clients froze investments in the wake of the pandemic.

UK net profits were roughly flat at £13.4m, with SCC claiming £5.9m through the UK government's furlough scheme during the year.

Covid had a contrasting impact on SCC's product and services businesses last year, with the latter hit hard by project postponements.

SCC said the support it received through the furlough scheme "undoubtedly saved a number of jobs" but admitted that it was forced to make some cutbacks in roles where customer demand showed no imminent signs of rebounding. It exited the period in an upbeat mood, however, noting a trend of projects "being brought back to life" in a "strong" final quarter.

4. Bytes Technology Group

£958m (+33%)*

2.1% | 647

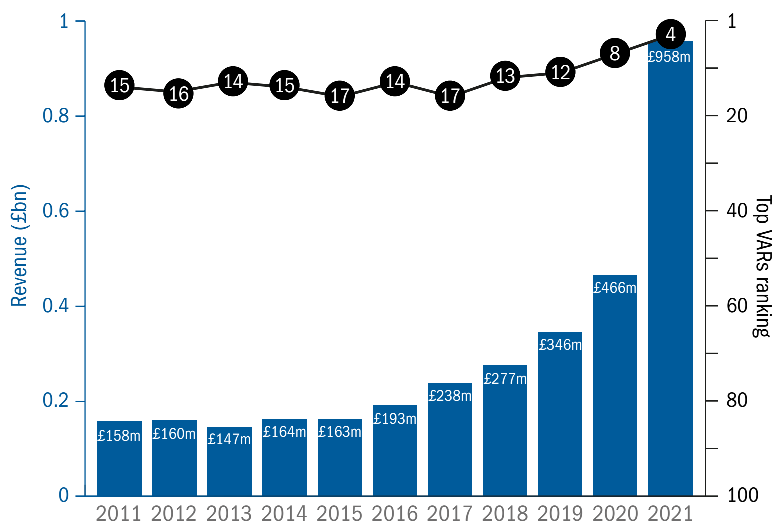
This software licensing giant leaps four places in the *Top VARs* rankings following its first annual results as a public company (which – for the first time – reflect its enlarged scale following its 2017 acquisition of Phoenix Software).

Having floated on the LSE in December 2020, Bytes Technology Group saw gross invoiced income (GII) power up by a third to £958m in its year to 28 February 2021 (with Phoenix generating £326m of the total). Net profits dropped from £24.1m to £19.9m as IPO costs of £8.1m sapped the bottom line. In an interview at the time with *CRN*, Neil Murphy highlighted Azure migration and demand for Mimecast, Crowdstrike, Sophos and other security technologies as two growth hotspots.

The Surrey-based outfit's growth spurt shows no signs of abating, with GII in its fiscal H1 2022 hiking 26 per cent to £638.2m. Bytes was admitted to the FTSE 250 in March, with a market cap topping £1.3bn as *Top VARs* went to press.

Adoption of cloud-based licensing has "accelerated" thanks to the pandemic, Bytes claimed, adding that its Phoenix brand posted "particularly strong results" after helping "many" public sector organisations move to the cloud during lockdown. It also saved over £1m in travel costs last year.

Ten years of Top VARs: Bytes Technology Group



3. CDW

£990.6m (+2%)

4.9% | 439

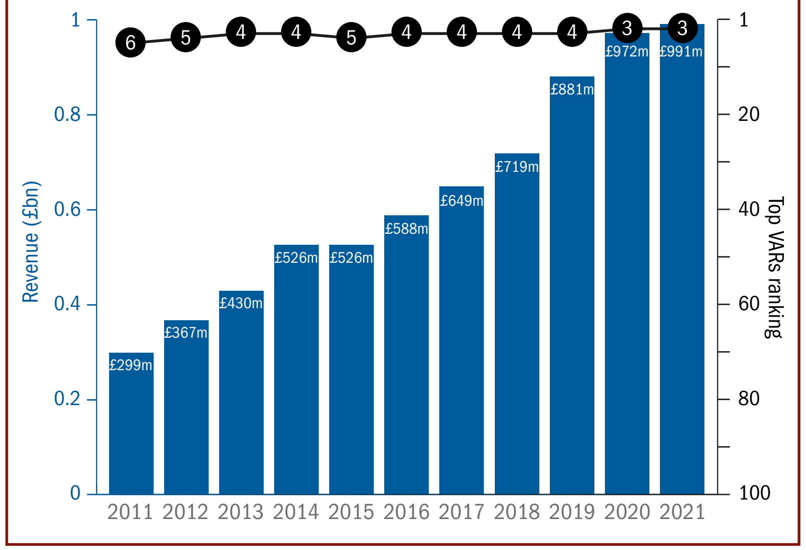
This NASDAQ-listed giant cemented its status as the world's largest IT reseller in October 2021 by acquiring rival Sirius Computer Solutions for $2.5bn.

CDW counts the US, Canada and the UK as its three territories, with its business on this side of the pond (which is based on its 2015 acquisition of Kelway) growing revenues two per cent to £990.6m in calendar 2020. Net profits rose marginally to £48.8m as a shift in customer spending towards services – which jumped 17 per cent to £141.6m – enriched its bottom line. Product sales fell by £2m to £849m.

The UK arm delivered "mid 20 per cent growth" in local currencies in the three months to 30 September 2021, CDW CEO Christine Leahy revealed on a recent earnings call, with digital transformation, security and hybrid cloud all driving demand.

* Gross invoiced income

Ten years of Top VARs: CDW/Kelway



Boasting 2,600 staff and 3,900 mid to large customers, IT solutions integrator Sirius adds $2.04bn to CDW's top line.

CDW UK said lower costs on travel and entertainment helped it boost margins last year. This was at least partly offset by higher spending on PPE, remote work enablement and facility cleaning, it noted, however.

2. Computacenter

£1.76bn (+12%)

3.7% | 3,922

Computacenter may have lost its *Top VARs* crown, but it remains by far the largest UK-headquartered VAR/IT services outfit (see p24), with global revenues rising eight per cent to £5.44bn in calendar 2020.

For all Computacenter's globe-trotting antics, it was its 4,000-employee UK operation that brought home the bacon for the Hatfield-based giant last year. It generated a £65.7m net profit on revenues that jumped 12 per cent to £1.76bn on the back of surging demand for remote working solutions (in contrast, Computacenter's larger German operation shrank 2.5 per cent).

Globally, only CDW ($18bn), WWT ($13bn), SHI ($11bn), NTT Ltd ($11bn), Insight ($8bn) and SoftwareONE (CHF 7.9bn) turn over more than this LSE-listed powerhouse, which celebrated 40 years in business in October.

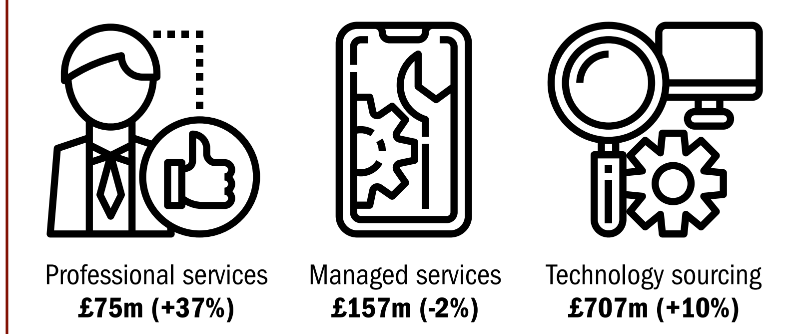
Computacenter continues to expand in its US-based rivals' backyard, with North American sales vaulting 165 per cent to $1.26bn in its H1 2021 on the back of its acquisitions of FusionStorm and Pivot. This propelled Computacenter's total H1 revenues to a record £3.18bn.

Covid-related cost reductions – including lower travel expenses – are helping Computacenter deliver record levels of profits. It saw group pre-tax profits rocket 59 per cent to £115.2m in H1 2021.

The pandemic had a dual impact on its UK top line last year, with booming product sales giving with one hand what lower professional services activity took away with the other. Thankfully, the latter has rebounded in 2021, growing 37 per cent to £75m in H1 as previously delayed projects recommenced. Its technology sourcing business, meanwhile, continues to enjoy some residual demand from Covid (with H1 revenues up 10 per cent to £707m).

"The vast majority of our customers have returned to business as normal and, other than the reduction to our cost base due to the inability to travel and a continued improvement in the utilisation of our technical resources, COVID-19 is now having very little impact on our business," CEO Mike Norris said back in September.

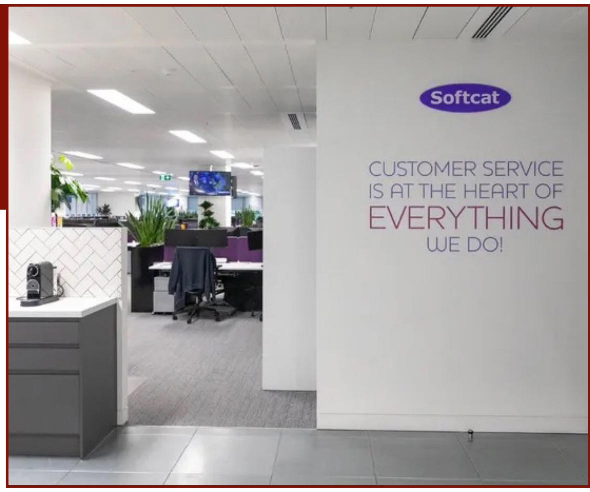
Computacenter UK H1 2021 revenue breakdown



1. Softcat

Gross invoiced income: £1.94bn (+18%)

Net profit: 5%   Staff: 1,636



Following an organic growth run that has seen its top line swell from £220m to virtually £2bn in the space of a decade, Softcat finally gets the cream in this year's *Top VARs*.

The Marlow-based reseller recorded gross invoiced income (GII) of £1.94bn in its year to 31 July 2021, an 18 per cent annual hike that puts it nearly £200m clear of Computacenter's UK revenue tally (Computacenter's UK GII figure may be close to Softcat's, but it doesn't publicly disclose it and was not in a position to break it out for us this year).

Founded in 1993 by Peter Kelly and listed on the LSE since 2015, Softcat has scaled rapidly through a growth formula predicated on selling more to existing customers and winning new ones.

Its fiscal 2021 was more about the former than the latter as the pandemic made it harder to engage with new prospects. While Softcat's customer base rose 2.3 per cent to 9,700, gross profit per customer zoomed up 14.6 per cent.

The FTSE 250 outfit said its 2021 performance benefited from a "small number of very large one-time deals" in its H1, as well as Covid-related savings on travel, events and other costs. CEO Graeme Watt admitted this will create some "headwinds" in 2022, but predicted operating profits next year will be in line with the £119.4m record notched up in 2021.

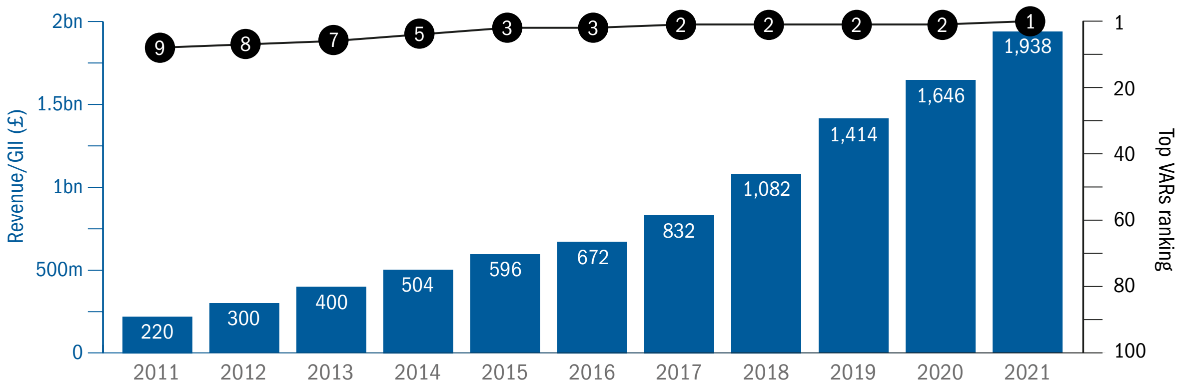
At a "relatively low" four per cent, Softcat's estimated share of a total addressable UK&I market it pegs at £45bn means "we are not limited by opportunity", Watt claimed in its annual accounts.

"Reassuringly, our strategic direction remains unchanged – perhaps not surprising given our track record. We will focus on growing faster than the market and taking share through generating more business with existing customers and at the same time adding new customers," he said.

Softcat fiscal 2021 GII breakdown

Software	Hardware	Services
£1.11bn (+15%)	£566.3m (+24%)	£262.9m (+18%)

Ten years of Top VARs: Softcat



Navigating through change

CRN sat down with Softcat CEO Graeme Watt to discuss the company's journey to the top, how it saved money during the pandemic and what the future holds

Softcat is now the largest company of your kind in the UK. What significance does this hold for you and your team?

It has been 28 years in the making. It's a really important milestone in the company's history. Internally we talk a lot about gross profit as a primary measure of success. But revenue, or gross invoiced income, is what we invoice to the customers and is a lot of people's primary measure of how relevant you are to the industry.

In your annual report, you pegged your total addressable market at £45bn, meaning you have four per cent marketshare. Is there a ceiling to how much share you can take?

We think there are about 50,000 businesses and public sector entities in our addressable market, and we deal with around 10,000 of them. There's got to be a point at which it's a lot more difficult to grow share. But we're a million miles away from that. Our focus continues to be on deepening our relationships with existing customers and pulling in new customers. We think we've got loads of runway to keep doing that for many years to come.

You saved £1m a month on travel and event costs in your fiscal 2021. How much of that will come back in 2022, and do you want it to come back?

Yes, we think they're good costs. Our kick-off event, our partner event, and our big charity ball would be three that stand out. We're a sales and services company and people are very excited and motivated by some of the trips we put on. The only bit that might take longer to build back is some of that travel and entertainment stuff, as not all customers are fully back up to speed and not all vendors are having conferences in the same way they did before.

It's the ten-year anniversary of Top VARs. Four of the top ten players from 2011 (Kelway, Danwood, 2e2, Misco) no longer exist, at least in their previous guise. What will define success or failure for the next decade for today's top 100?

We see our role in the channel is to help customers navigate through complexity, choice and the speed of change in IT infrastructure. And I think success for us will be determined by continuing to be relevant to our customers and being customer led. If you take our last two years, which were dominated by the pandemic, we've grown headcount by 26 per cent. I think our appetite to invest today – and most of our investment goes into people for tomorrow's growth – is unparalleled, and that's another critical factor that will mean we continue to succeed in the coming ten years.

"Our focus continues to be on deepening our relationships with existing customers and pulling in new customers. We think we've got loads of runway to keep doing that for many years to come"

Covid's channel impact: Seven key takeaways

With the numbers now in, Doug Woodburn analyses how the pandemic has impacted the top 100's revenues and profits

Uncertainty over the new Omicron variant aside, Mike Norris probably spoke for a large cross-section of the industry in Computacenter's recent interim results statement when he testified that Covid "is now having very little impact on our business".

But the pandemic played havoc with the financial performance of many of the 100 players in this report – Computacenter included – in their last full financial years on record (many of which coincided with at least the first national lockdown).

Anyone selling devices, networking and collaboration kit – or specialising in digital transformation and hybrid cloud – saw a spike in business last year amid the mass shift to remote working. Project spend, however, slowed, as did business in general for anyone specialising in installing and servicing on-site equipment, such as printers or AV, or selling into verticals such as non-food retail, travel and hospitality.

For most tech providers, it had contradictory effects, taking with one hand while giving with the other.

The net result, however, was that more of our hot 100 recorded a sales drop than previous years, with reliable high-growth resellers including CCS Media, Avanade, Zones, Total Computers, Bechtle and Storm Technologies all registering their first revenue dips in up to a decade.

Profitability was a different matter, with plenty of Top VARs (including Softcat and Computacenter) banking record profits in their last financial years as lower travel and event costs acted as a tonic on their bottom lines.

Top VARs always looks back, drawing on numbers for annual periods that often lag nine months, a year or even 18 months behind the present. Despite it being published in December 2020 – nine months after the pandemic began – *Top VARs 2020* could, therefore, offer little insight into how Covid had impacted its 100 protagonists.

But examining the latest annual accounts of the top 100 a year on, solid conclusions can now finally be drawn.

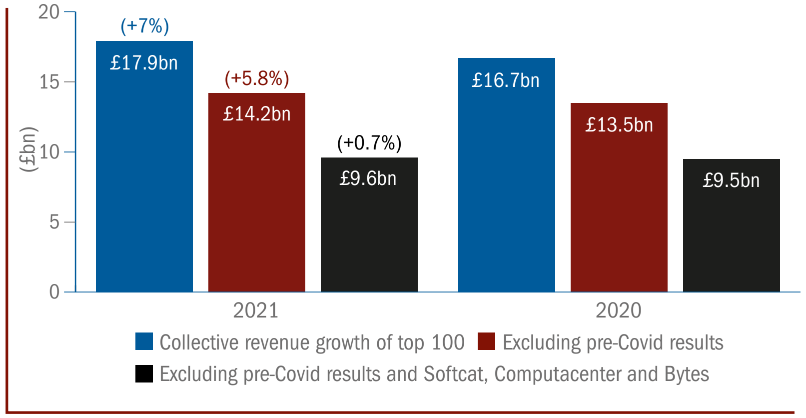
1 Low-growth/no growth the norm

The IT channel has proved remarkably resilient through the pandemic. Even so, growth for the top 100 in their latest full financial years was slightly down on previous years.

This year's top 100 grew collective revenues 7.04 per cent to £17.91bn, down on the respective 8.5, 13.2, 12.9, and 15.0 per cent growth recorded by their top 100 counterparts in the previous four Top VARs.

Stripping out the 27 Top VARs whose last annual accounts covered periods that were entirely, or almost entirely, pre-Covid (ie year ends of 31 March 2020 or before), their collective growth falls to 5.8 per cent. And without the contribution of Softcat, Computacenter and Bytes – who all grew double-digits in their latest years – year on year revenues were almost flat (up just 0.7 per cent). And that's despite M&A artificially inflating many of the top 100's top lines.

A record number (33, versus 24 in *Top VARs 2020* and 20 in *Top VARs 2019*) saw revenues roll back on the previous year as customers closed offices and put IT projects on hold.

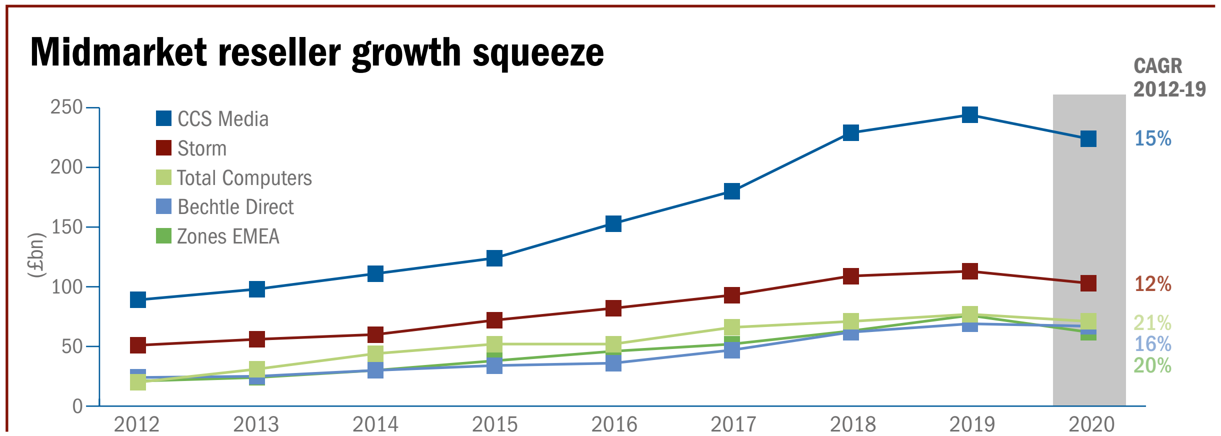


The pandemic dented the bull runs of several high-growth resellers, including 17th-ranked CCS Media, 38th-ranked Storm Technologies, 59th-ranked Total Computers, 61st-ranked Bechtle and 66th-ranked Zones (see figure below). Having delivered a compound annual growth rate of 16, 12, 21, 16 and 20 per cent over the previous seven years, respectively, this quintet all saw revenues shrink in calendar 2020 (by eight, eight, eight, two and 18 per cent, respectively).

It was a similar story for the UK arm of global Microsoft consultancy Avanade. Its run of ten straight years of growth (including double-digit growth in each of its last four) came crashing to a halt in its fiscal 2020.

The pandemic often gave with one hand and took with the other, with skyrocketing demand for remote working kit during lockdown often cancelled out by lower professional services sales.

SCC's £700m-revenue UK business was a prime example of this phenomenon as a five per cent jump in product sales in its year to 31 March 2021 was offset by a 10 per cent services decline amid a "dramatic decrease" in professional services projects in its H1. It still came out of the period one per cent up overall.



2 Cost savings are fuelling record profits

On the other hand, the reduced scope for travel, events and corporate hospitality allowed our top 100 to shave millions from their cost base, resulting in record profits for many.

Taking the 91 Top VARs for which we could obtain a net profit figure, 55 grew their bottom lines in their latest year, and only 36 saw it shrink. Their median net profit margin also grew from 1.4 to 1.9 per cent year on year. Of the firms whose preferred measure of profit is EBITDA, margins were roughly steady (see p30).

Softcat shaved around £1m a month from its travel and internal events bill during its fiscal year to 31 July 2021, CEO Graeme Watt revealed after the number-one ranked VAR raked in record operating profits of £119m (a 27 per cent annual rise).

The anticipated resumption of business travel and events "will create a significant headwind during 2022", he added.

Computacenter also saw its UK adjusted operating profit balloon 40 per cent to £90.4m in calendar 2020 thanks partly to reduced travel expenses (it estimates it saved £45m on travel and using fewer contractors last year). At a group level, the Hatfield-based giant achieved its fastest profit growth in its 22 years as a public company, and expects to post record profits again in 2021.

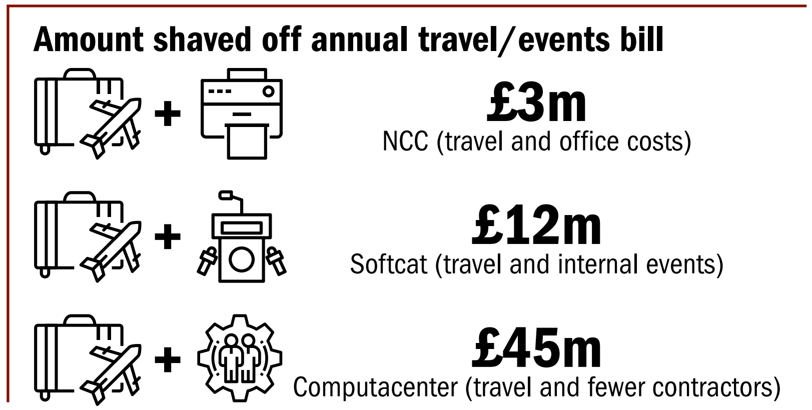
In its interim 2021 report, Computacenter UK managing director Neil Hall said the goal now is to ensure that at least some of the Covid-era cost saving stick.

"We have maintained many of the COVID-19 related cost savings that arose last year, through continued reduction in travel and other costs. We remain focused on ensuring that these costs do not return to pre-pandemic levels," he explained.

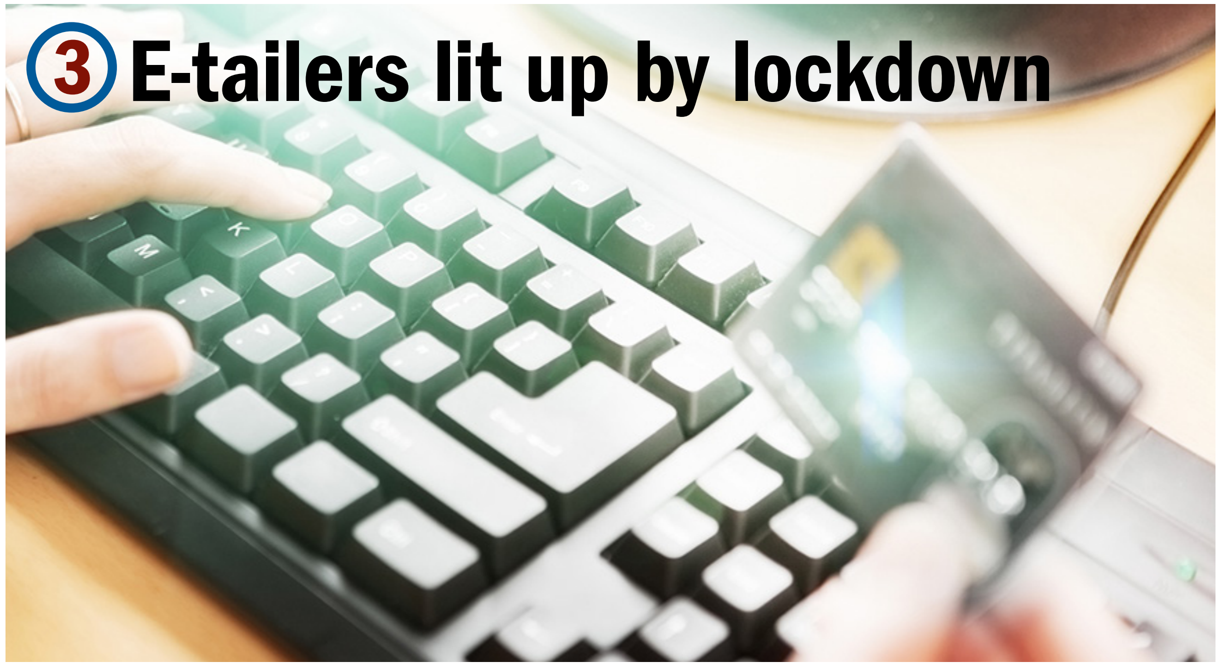
Despite seeing revenues drop eight per cent to £103.4m in calendar 2020, Watford-based reseller Storm grew net profits from £1.6m to £2.1m as higher device sales boosted gross profit percentages. XMA was another to post record profits on lower sales, with 49th-ranked Vohkus also growing its bottom line despite a contraction in revenues.

22nd-ranked Top VAR, Bell Integration, meanwhile, took advantage of the shift to remote working by moving its London office to a new low-cost location in Waterloo.

Some, however, saw savings on travel, entertainment and rent at least partly offset by higher Covid-related costs, with 8th-ranked Telent absorbing £2.2m costs relating to PPE procurement, shielding staff and an internally funded furlough scheme. Third-ranked CDW UK said higher spending on PPE, remote work enablement and facility cleaning counteracted costs savings fuelled by lockdown, meanwhile.



3 E-tailers lit up by lockdown



Our numbers confirm that tech e-tailers were the major lockdown winners, with eBuyer, Scan, CCL, Buy IT, Box, PC Specialist and Technoworld all seeing revenues and profits surge in their latest financial years on record.

This sextet grew their collective top line by £180m – or 35 per cent – year on year to hit £700m.

The biggest of the lot – eBuyer – saw an "immediate and sustained increase in demand" from both businesses and consumers as home working and schooling became the norm. Its net profits rocketed from £531,000 to £7.3m on revenues that pogoed by over a quarter in calendar 2020. London-based e-tailer Technoworld grew revenues 65 per cent and trebled net profits, meanwhile.

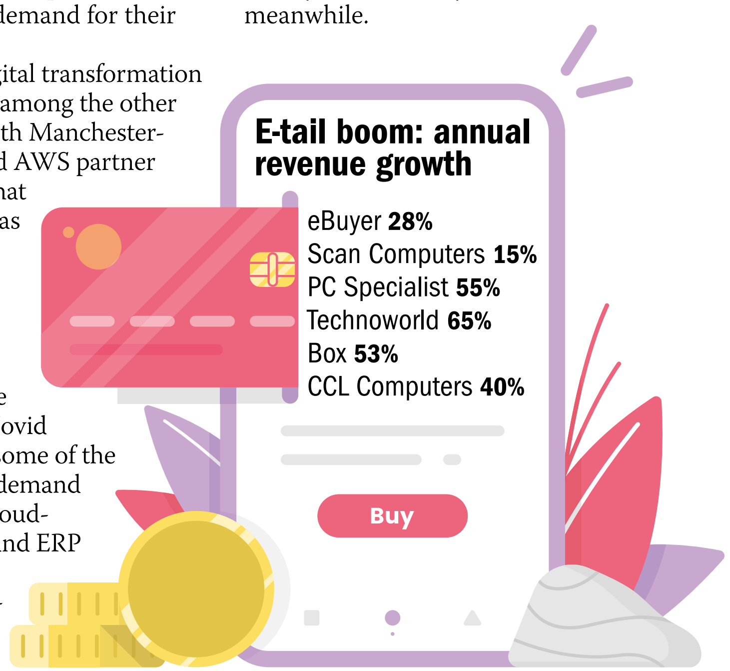
Talking to *CRN* in June, Nick Glynne, the CEO of Buy IT Direct (who we have not featured in the graphic opposite due to a lack of fresh accounts), said he is betting on the shift to online become permanent.

"We're still showing growth, obviously not the same growth as last year which was ballistic. And for me, that indicates that the shift online is a structural change. It's not a one-off that happened with Covid, it's a significant structural change in the market," he said.

But the e-tailers weren't alone in claiming that the pandemic has turbo-charged demand for their services.

Cloud and digital transformation specialists were among the other beneficiaries, with Manchester-based Azure and AWS partner ANS claiming that the pandemic was "instrumental" in accelerating demand for its services as it logged a 19 per cent revenue rise. Similarly, Covid "underpinned" some of the drivers fuelling demand for the public-cloud-enabled digital and ERP transformation services of 90th-ranked Version 1, which saw UK revenues swell seven per cent in calendar 2020.

The cybersecurity market is "a very exciting one" in the wake of the pandemic, NCC's CEO Adam Palser added following NCC's "strong" trading performance in its year to 31 May 2021, meanwhile.



4 Managed print pile-up not as bad as feared

Those installing and servicing on-site tech were less fortunate, with managed print outfits hammered in their latest years.

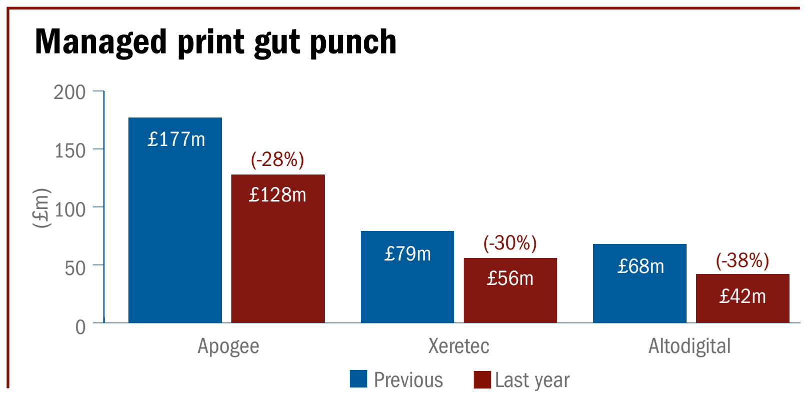
31st-ranked Apogee's revenues tanked 28 per cent in its year to 31 October 2020 as lockdown saw clients "significantly reduce" print volumes and thwarted deliveries. It was forced to take multiple measures to reduce costs last year, including furloughing staff and mothballing a number of properties.

Covid also blew a 30 per cent hole in the top-line of Xerox and HP partner Xeretec in its year to 31 August 2020.

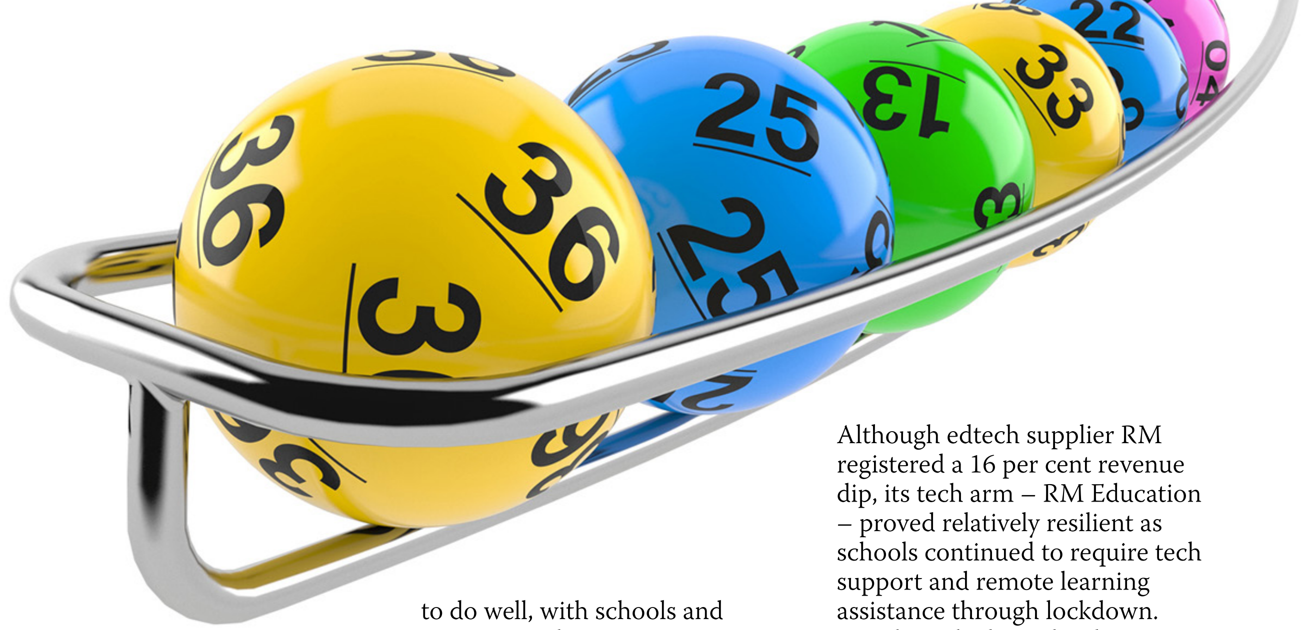
Despite a 38 per cent pro-rated revenue drop in calendar 2020 shunting it out of the top 100, we've opted to include Altodigital in the table opposite. It admitted that the last ten months of the year were "an extremely challenging time" for the Xerox-owned firm, as shuttered client offices decimated copy volumes.

But could it be that the managed print carnage was not as bad as originally feared? Although managed print buy-and-build Corona Corporate Solutions had yet to file its fiscal 2021 results as *Top VARs* went to press, it did say in its 2020 commentary that its revenues since year end – while "below normal levels" – have been "well ahead of initial expectations at the start of the pandemic".

Several other Top VARs likely to have suffered Covid-induced revenue roll backs had yet to file post-Covid accounts as the report went to press. This includes the UK arm of audiovisual integrator AVI-SPL Ltd, which admitted that the meeting room technology it sells had "become largely redundant" during lockdown.



5 Vertical market lottery produced winners and losers



Vertical market specialism also went a long way in determining the fortunes of our hot 100 in their latest financial years.

Anyone heavily reliant on verticals such as hospitality, travel and non-food retail took a knock, including retail-focused ERP software provider K3, which sank to a £21.1m net loss in its year to 30 November 2020. New business opportunities among retail and distribution customers for its Sage arm – which it went on to sell offload this year – were scarce last year, it admitted, while sales of its own K3|fashion product fell from £2.4m to £1.4m as its retail customers battled lockdown.

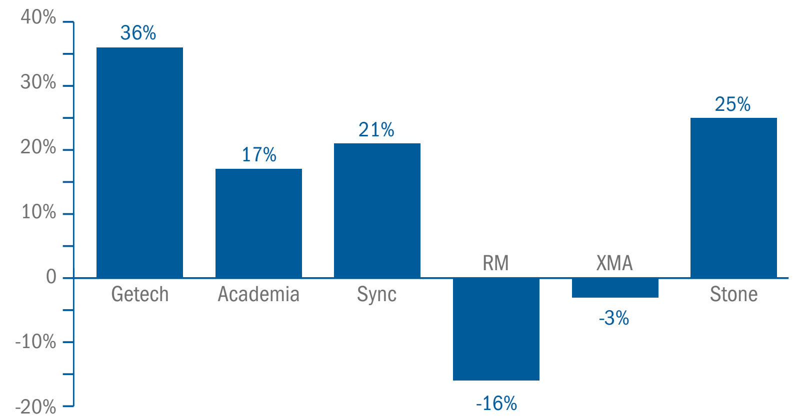
The reality for most suppliers was that losses in some verticals were cancelled out by gains in others involved in the pandemic response.

Those focused on education and the wider public sector tended to do well, with schools and universities-leaning European Electronique recording an 18 per cent revenue hike as it clients spent big on equipping staff and students to teach/study from home. Education-focused Getech also enjoyed a "very successful" calendar 2020 as revenues rose by over a third and net profits more than doubled to nearly £1m.

Although edtech supplier RM registered a 16 per cent revenue dip, its tech arm – RM Education – proved relatively resilient as schools continued to require tech support and remote learning assistance through lockdown.

47th-ranked ExcelRedstone, meanwhile, said its client base of hyperscalers and multi-national financial organisations have experienced increased demand for their services during the pandemic. "This has resulted in many of our customers revisiting their IT infrastructure requirements," it said.

Annual growth of education/public sector VARs



6 Furlough a firm favourite

Neither of this report's top two – Softcat and Computacenter – ultimately gained a penny through the government's Coronavirus Job Retention Scheme in their latest years.

But they were among the exceptions to the rule, with liberal use of furlough the order of the day for many of the top 100 last year.

SCC gave a frank assessment of the vital role the scheme played in its year to 31 March 2021, confessing in its annual report that it "undoubtedly saved a number of jobs in its organisation". It claimed £5.9m through the CJRS in response to "reduced activity in many areas".

Daisy also made use of the CJRS to the tune of £5.9m as its Allvotec channel services brand – and to a lesser extent Daisy Corporate Services – struggled to carry out installation work during lockdown. And as a group, Capita claimed £21.3m through the scheme, while the UK's largest managed print reseller, HP-owned Apogee, claimed £4.158m in 'government grants' in its year to 31 October 2020.

Besides the market giants, a raft of mid-sized VARs claimed between £100,000 and £750,000 through the CJRS (often marking it up as 'government grants'), among them Stone Group, European Electronique, Adept, Solid Solutions, Arrow Business Communications, K3, Maintel, Probrand, CSI, Vohkus and Elite Group (see right). Managed print outfit Xeretec, meanwhile, claimed £1.47m in government grants.

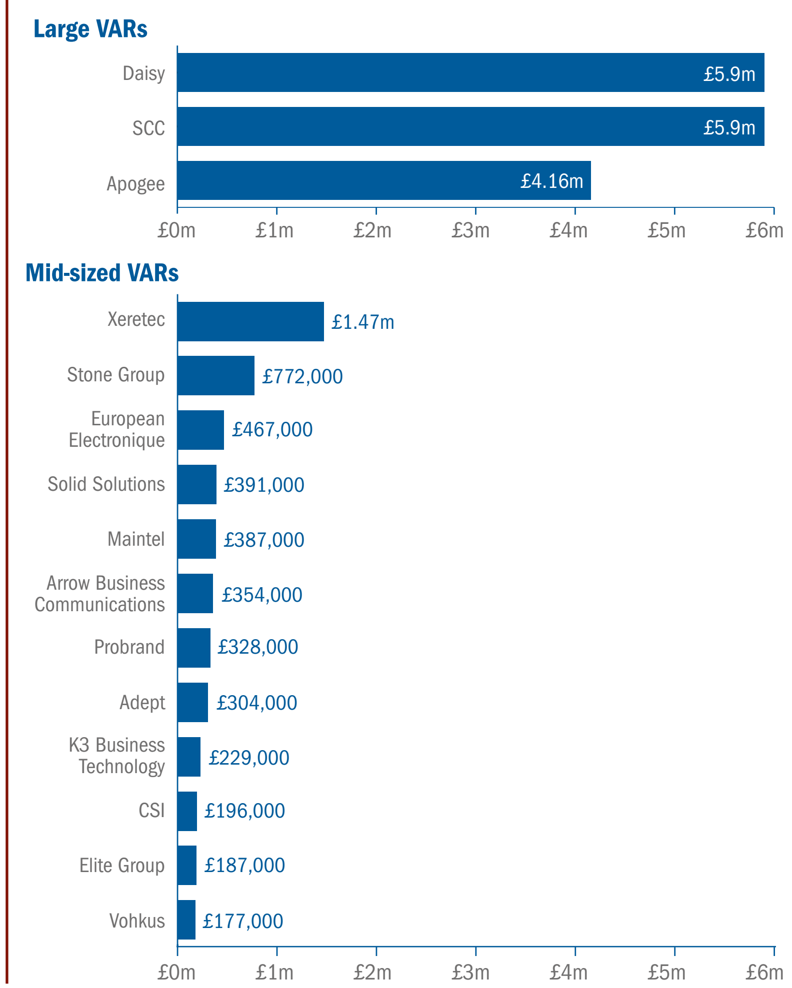
Several others stressed that they'd made no use of the scheme, however, among them Bytes, NCC Group, Grey Matter, Redcentric, TET and Conn3ct.

Having originally received £1.1m from the UK government's furlough scheme for April 2020, Computacenter opted to repay it after its board concluded it would make it through the pandemic in sound shape, with 21st-ranked RM doing the same.

At a group level, Computacenter paid out £19.5m to furloughed employees during 2020, but received just £6.4m back in direct grants from various European governments (although, as stated above, nothing from the UK).

8th-ranked Telent was another not to claim a penny in government support, although it absorbed £2.2m in Covid-19 costs that included its own internally funded furlough scheme.

Amount claimed via the CJRS/government grants in latest years (selected companies)



7 Covid already in the rear-view

There's no denying that Covid has been the biggest external shock for the channel in living memory.

But despite fears over Omnicron souring the mood in recent weeks, recent results and trading updates from listed resellers have generally characterised the pandemic as an increasingly marginal issue.

Activity "continued to normalise" in the fiscal H1 2022 of AIM-listed comms provider Adept, its chairman Ian Fishwick said, with results only "somewhat tempered by the aftershocks of Covid-19". Having seen 2021 revenues fall six per cent, Adept's top line rebounded 20 per cent to £34.4m in the six months to 30 September 2021. Although this was partly thanks to a big acquisition, organic cloud and managed services growth stood at six and four per cent in the period, respectively.

A number of privately held players, including Stone Group, indicated that business levels returned to record levels in the final quarter of their financial years. SCC had a "strong final quarter" of its year to 31 March 2021, with previously postponed projects "being brought back to life" and print-related activities "beginning to increase".

CDW CEO Christine Leahy revealed on a recent earnings call that its UK arm delivered "mid 20 per cent growth" in local currencies in the three months to 30 September 2021 (having grown just two per cent in 2020), meanwhile.

Indeed, for Computacenter CEO Mike Norris, the components crisis has supplanted Covid as the industry's biggest challenge.

In Computacenter's interim results in September, he offered an upbeat assessment of Covid's waning impact on the sector.

"The vast majority of our customers have returned to business as normal and, other than the reduction to our cost base due to the inability to travel and a continued improvement in the utilisation of our technical resources, COVID-19 is now having very little impact on our business. However, the ongoing supply shortages in the industry has risen to the top of our challenges," he said.

However, speaking to *CRN* at the end of November (just before the Omicron variant reared its head), Softcat CEO Graeme Watt pinpointed the pandemic's long tail and the shape of the economy as one of his company's biggest potential 2022 challenges.

"How some of the economics will pan out, and how the pandemic will pan out, is slightly on my mind. We're not of this thing yet. So that's a mild concern," he concluded.

> **"The vast majority of our customers have returned to business as normal"**

Mike Norris, CEO, Computacenter

1-100 Index

1	**Softcat**	£1.94bn
2	**Computacenter**	£1.76bn
3	**CDW**	£991m
4	**Bytes Software Services**	£958m
5	**SCC**	£712m
6	**WWT**	£611m
7	**Insight**	£583m
8	**Telent Technology Services**	£472m
9	**XMA**	£399m
10	**Capita Technology Solutions**	£385m
11	**SoftwareONE**	£380m
12	**SHI**	£326m
13	**Buy IT Direct**	£296m
14	**NCC Group**	£271m
15	**eBuyer**	£244m
16	**boxxe**	£238m
17	**CCS Media**	£224m
18	**NTT Ltd**	£216m
19	**Daisy Corporate Services**	£199m
20	**Avanade**	£190m
21	**RM**	£189m
22	**Bell Integration**	£175m
23	**KCOM Business**	£167m
24	**Banner Group**	£162m
25	**Scan Computers**	£150m
26	**Ricoh IT Services**	£160m
27	**Jigsaw24**	£156m
28	**Compu b**	£142m
29	**CAE**	£135m
30	**Sync**	£130m
31	**Apogee**	£128m
32	**Centerprise**	£124m
33	**Cloudreach**	£122m
34	**Ultima**	£119m
35	**Stone Computers**	£118m
36	**Claranet**	£116m
37	**Maintel**	£106m
38	**Storm Technologies**	£103m
39	**PC Specialist**	£103m
40	**Chess**	£102m
41	**Sabio**	£100m
42	**Itelligence**	£94m
43	**Six Degrees**	£94m
44	**Nasstar**	£93m
45	**OneCom**	£92m
46	**Redcentric**	£91m
47	**ExcelRedstone**	£90m
48	**Academia**	£85m
49	**Vohkus**	£85m
50	**Content+Cloud**	£85m
51	**Technoworld**	£84m
52	**Ensono**	£80m
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54	**ProAV**	£79m
55	**Telefónica Tech UK&I**	£78m
56	**European Electronique**	£75m
57	**Natilik**	£75m
58	**CSI**	£73m
59	**Total Computers**	£71m
60	**Roc Technologies**	£70m
61	**Bechtle**	£67m
62	**Commercial Limited**	£67m
63	**TET**	£66m
64	**Box**	£65m
65	**Annodata**	£63m
66	**Zones**	£62m
67	**AVMI Kinly**	£61m
68	**Ampito Group**	£58m
69	**Adept Technology Group**	£58m
70	**Grey Matter**	£58m
71	**IGX Global**	£56m
72	**Node4**	£56m
73	**Xeretec**	£56m
74	**AVI-SPL**	£55m
75	**NSC Global**	£55m
76	**Orange Cybedefense UK**	£55m
77	**Digital Space**	£55m
78	**CCL Computers**	£55m
79	**ANS**	£54m
80	**Corona Corporate Solutions**	£54m
81	**Blue Chip Customer Engineering**	£54m
82	**Wavenet**	£52m
83	**Logicalis**	£51m
84	**Crayon**	£51m
85	**Solid Solutions**	£50m
86	**Kerv Group**	£50m
87	**Probrand**	£50m
88	**Printerland**	£49m
89	**Proact**	£49m
90	**Version 1**	£49m
91	**K3**	£49m
92	**Getech**	£48m
93	**Arrow Business Communications**	£48m
94	**Elite Group**	£47m
95	**Symetri**	£47m
96	**Park Place**	£45m
97	**Conn3ct**	£44m
98	**Invenio Business Solutions**	£44m
99	**Tangible Benefit**	£44m
100	**UK Computer Group**	£44m

The figures on this list are intended to be a fair and reasonable reflection of the annual sales of each company that are generated by a UK-registered trading entity. They are based on annual accounts filed publicly or at Companies House or, in select cases, reliable first-hand testimony or informed market research. Figures may have been recalculated to account for sales or acquisitions; extended or truncated reporting periods; the identification of a UK sales figure from a larger total; or a currency conversion at a historically appropriate exchange rate. If you have any questions, comments or complaints, please email doug.woodburn@incisivemedia.com

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