



Q1 2024 Results

29th May 2024



Disclaimer

IMPORTANT: You must read the following before continuing.

Forward looking statements. PeopleCert (“the Company”) does not in general publish forecasts regarding its future financial results. The financial forecasts contained in this document are based on a series of assumptions, which are subject to the occurrence of events that can neither be reasonably foreseen by the Company, nor are within the Company’s control. The said forecasts represent management's estimates and should be treated as mere estimates. There is no certainty that the actual financial results of the Company will be in line with the forecasted ones. In particular, the actual results may differ (even materially) from the forecasted ones due to, among other reasons, changes in the economic environment and fluctuations in foreign currencies rates. Consequently, it should be stressed that the Company does not and could not reasonably be expected to, provide any representation or guarantee, with respect to the creditworthiness of the forecasts.

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Agenda

Overview |

Financials |

Q&A |

Presenters



Byron Nicolaides
Founder & CEO



George Giannetsos
CFO

Overview



Highlights

Revenue

- › Q1 24: £30mn (+6% vs Q1 23)
- › LTM Mar24: £122mn (+1% vs LTM Dec23)

EBITDA

- › Q1 24: £19mn (+12% vs Q1 23)
- › LTM Mar24: £69mn (+3% vs. LTM Dec23) | **Margin 57% vs 56% in LTM Dec23**

Net Debt

- › **31 March 2024: £179mn** (Cash position: £77mn vs £78mn as of 31 Dec 2023)
- › **Net Debt/EBITDA LTM Mar24 vs LTM Dec23: 2.59x vs 2.72x** (LTM Mar21: 4.1x)

Other Highlights

- › **Strong Q1; EBITDA margin back to historical levels (60%+)**
- › **Enhanced LanguageCert's presence in Asia, through the acquisition of DP Cube**
- › **Secured a €60mn (€20+€40) revolving credit facility (RCF)**
- › **Launch of PeopleCert Plus | Subscription/membership: significantly up vs. Q1 23 (+207%)**
- › **Rebranding and new products taxonomy**
- › **Continuous Product Investment: new products, updates, translations**
- › **Improved business operations through AI solutions**
- › **Transformation continues across the organization**

Business Snapshot

Business Highlights

- › PeopleCert is a global leader in the **Learning and Technology** area
- › **IP Powerhouse: Owns and develops frameworks and certifications** that improve organizational efficiency and enhance peoples' skills
- › Operates in the **IT, Digital Transformation, Project, Programme & Portfolio Management** and **Language** areas
- › **Owns two of the most globally recognised and IP-protected frameworks, developed by the UK Government over a 30-year period: ITIL® in IT and Digital Transformation and PRINCE2® in Project, Programme & Portfolio Management**
- › Controlled by Founder and CEO Byron Nicolaides (c.80%), supported by FTV Capital as minority shareholder (c.20%)

LTM Mar24 KPI's¹

Revenue: £122mn

EBITDA: £69mn

EBITDA Margin: 57%

Cash Flow Conversion⁽²⁾: 86%

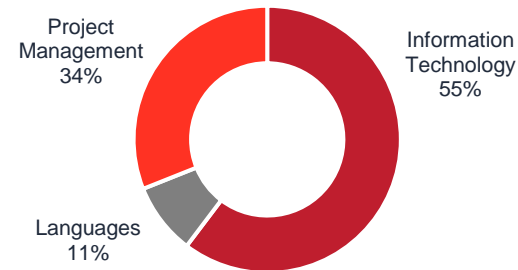
Net Debt / Adjusted EBITDA: 2.59x

Revenue Breakdown (LTM Mar24)

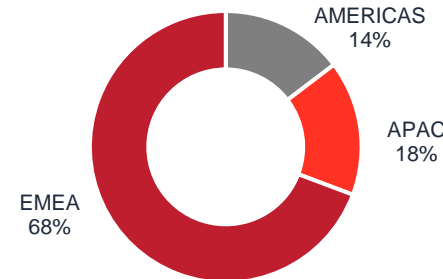
By Product ⁽³⁾



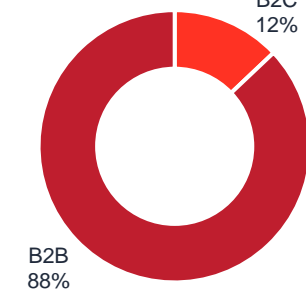
Exams Revenue by Business Line ⁽³⁾



By Geography ⁽³⁾



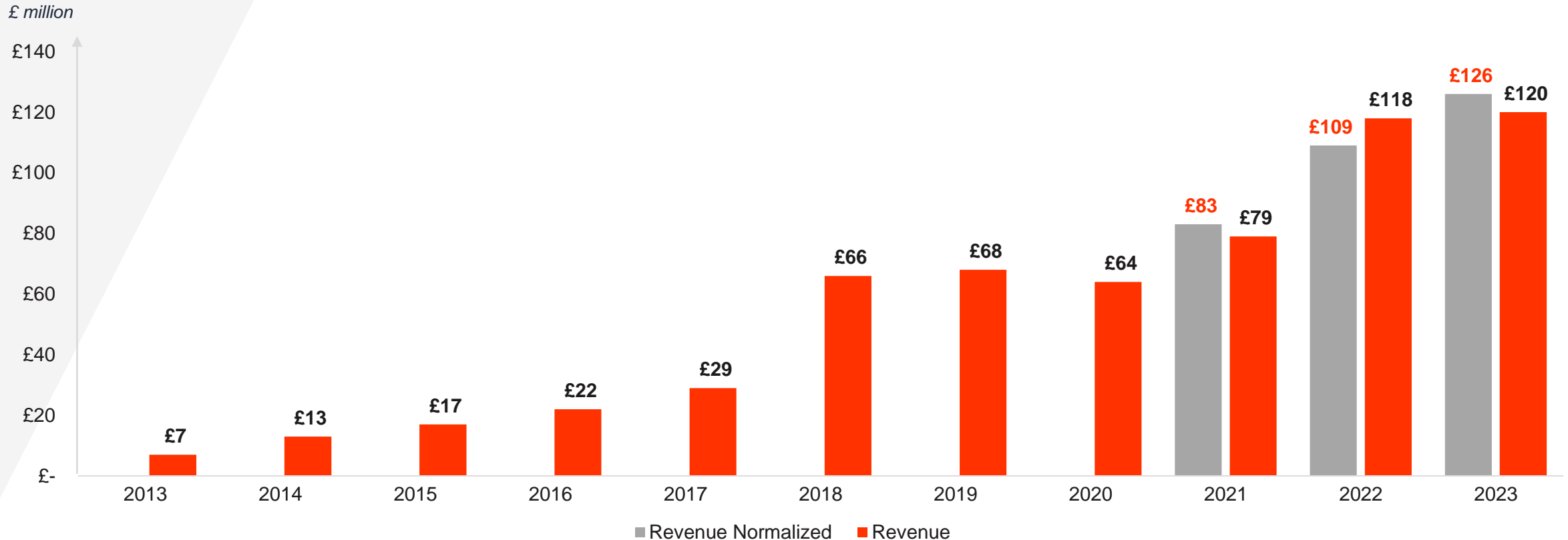
By Channel ⁽⁴⁾



Notes

1. Refers to LTM Mar24, Revenue, EBITDA, and EBITDA margin as of 31st March 2024.
2. Cash-flow conversion defined as Operating FCF as % of EBITDA
3. Refers to LTM Mar24.
4. Reported LTM Mar24 revenue B2C revenue includes B2C Exam Revenue, MyAXELOS (PeopleCert+) and Training Revenue
5. Other include: OLP, Books, Training Materials, Subscription and Other Revenue

Revenue Normalization

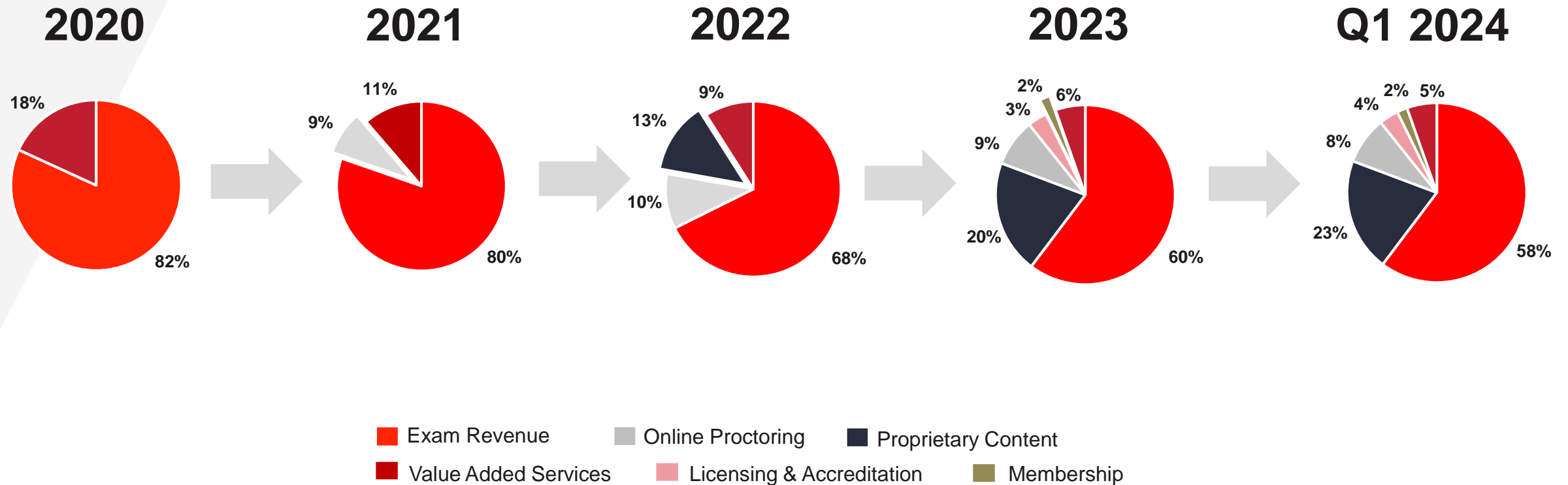


Notes

- 2022 Revenue, **following commercial policy adjustments after acquisition of Axelos in September 2021**, is inflated as a result of:
 - January 2022 Revenue up 101% above average reflecting the new commercial policy initiated as of February 2022
 - December 2022 Revenue up 52% above average reflecting significant price increases of January 2023 (pull-forward)
- As a result of the above, normalized YOY increases are as following:
 - 2022 vs 2021: **31%** instead of 48%
 - 2023 vs 2022: **16%** instead of 2%

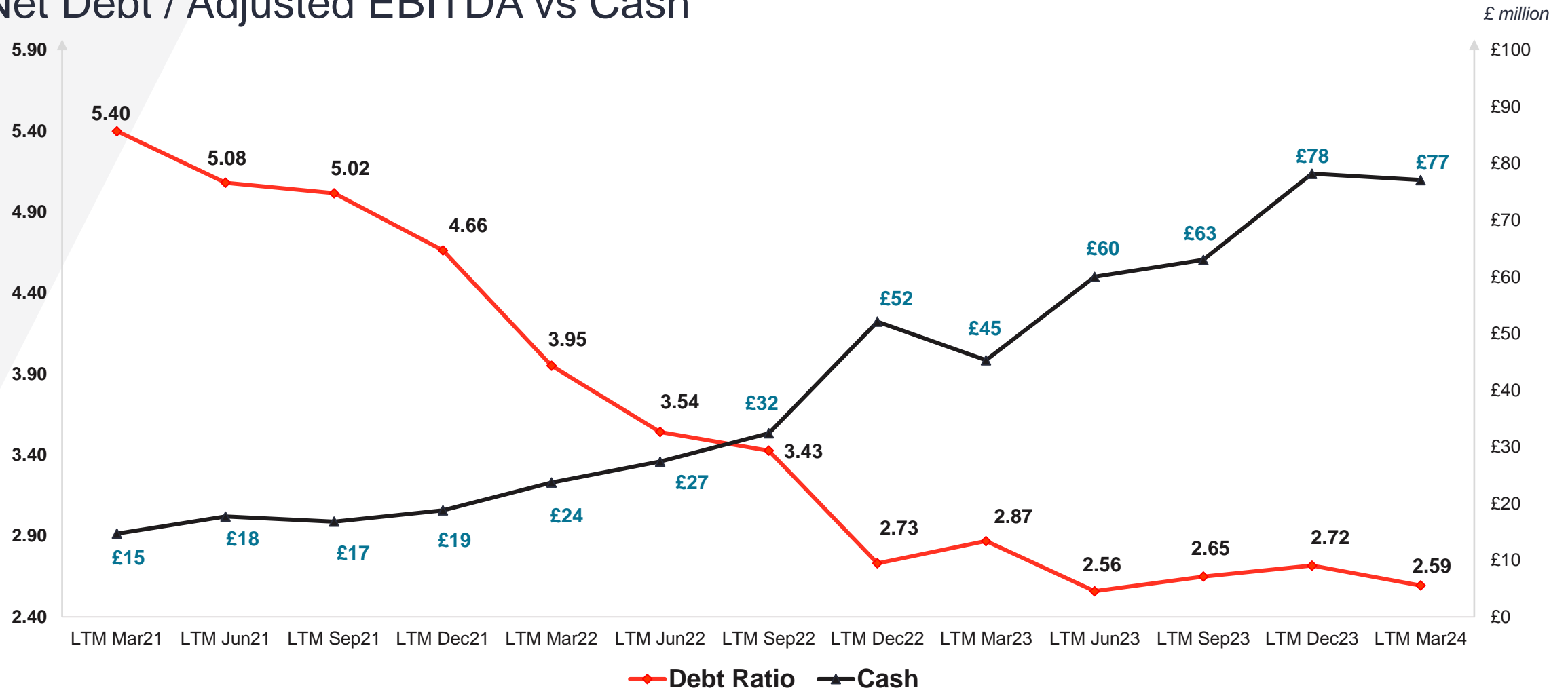
Expansion in Product Footprint

and improvement in Revenue Quality



Debt Ratio Evolution

Net Debt / Adjusted EBITDA vs Cash



Note: Debt Ratio is calculated as Net Debt / Adjusted EBITDA. Adjusted EBITDA for the periods LTM Mar21 to LTM Dec21 is non synergized. Adjusted EBITDA for 2022 includes FY22 actual synergies impact

Financials



Financial Evolution¹

£mn		2018	2019	2020	2021	LTM Mar21 (Pro-Forma Bond Issuance)	2022	2023	LTM Mar24
Revenue	1	70	72	68	81	72	118	120	122
<i>Growth (y.o.y.)</i>		-	4%	(6%)	19%	5%	46%	2%	2%
EBITDA	2	42	43	43	50	44	78	67	69
<i>% Revenue</i>		60%	59%	62%	62%	62%	66%	56%	57%
Capex	3	5	4	6	6	6	9	10	10
<i>% Revenue</i>		8%	6%	9%	7%	9%	8%	8%	8%
FCF²		36	39	37	44	38	69	57	59
<i>% of EBITDA</i>		87%	88%	84%	88%	86%	88%	85%	86%
Working Capital		(5)	(6)	(4)	(2)	(4)	(1)	(1)	2
<i>% Revenue</i>		(8%)	(8%)	(6%)	(2%)	(5%)	(1%)	(1%)	2%

Commentary

1

- Revenue LTM Mar24: £122mn (+69% vs. LTM Mar21)
- Revenue growth (vs LTM Mar21) driven by +62% increase in B&IT, +171% increase in Languages and the positive impact of new revenue streams

2

- EBITDA LTM Mar24: £69mn (+57% vs. LTM Mar21)
- EBITDA growth driven by Revenue Growth

3

- CAPEX for LTM Mar24 up by 66% at c. £10mn vs LTM Mar21.
- CAPEX Q1 24: £1.4mn; Breakdown: Tangibles £0.2mn (15%), Intangibles £1.2mn (85%).

1. Figures have been calculated as the sum of the two standalone companies' figures, excluding royalties paid from PeopleCert to AXELOS. Figures for the year ended December 31, 2020 and 2021, have been calculated in connection with the pro-forma adjustments for the Axelos acquisition and financing.

2. FCF= EBITDA minus CAPEX

Capital Structure

	LTM Mar21			LTM Dec23		LTM Mar24	
£mn	£mn	Debt Ratio (Adjusted EBITDA)	Debt Ratio (Pro-Forma EBITDA)	£mn	Debt Ratio (Adjusted EBITDA)	£mn	Debt Ratio (Adjusted EBITDA)
Cash & Cash Equivalent	(17)			(78)		(77)	
Senior Secured Notes (<i>issued in Euro as €300mn</i>)	255			260		256	
Gross Debt	255	5.8x	4.4x	260	3.9x	256	3.7x
Net Debt	238	5.4x	4.1x	182	2.7x	179	2.6x
Adjusted EBITDA		44			67		69
Pro-Forma Synergised Adjusted EBITDA ¹			58				

1. Pro-Forma Synergised Adjusted EBITDA is only applicable for LTM Mar21. By Dec22 all Axelos relates synergies were completed thus Adjusted EBITDA was equal to Pro-Forma Synergised Adjusted EBITDA

Profit & Loss | PeopleCert Wisdom Limited

<i>amounts in £</i>	3M 2024	3M 2023*
Revenue	30,028,891	28,231,699
Cost of sales	(5,171,712)	(4,076,290)
Gross profit	24,857,178	24,155,409
Other income	2,018	9,914
Administrative expenses	(6,227,363)	(7,880,913)
Selling and distribution expenses	(3,267,098)	(3,441,275)
Other expenses	(113,600)	-
Operating profit	15,251,135	12,843,135
Finance income	7,389,678	2,970,354
Finance expense	(3,924,654)	(4,220,685)
Profit before tax	18,716,159	11,592,804
Taxation	537,651	441,815
Profit for the year	19,253,810	12,034,619

* The comparative figures presented for period ended March 31, 2023, include a reclassification of FX differences between Finance income and Finance expense, compared to the published figures, for comparability purposes.

Balance Sheet | PeopleCert Wisdom Limited

Consolidated

amounts in £	31/3/2024	31/12/2023
ASSETS		
Non-current assets		
Property, plant and equipment	6,097,824	5,623,042
Right-of-use assets	3,448,358	4,275,030
Intangible Assets	65,727,081	67,959,938
Goodwill	321,060,073	320,855,473
Financial assets at fair value through profit and loss	1,510,162	257,981
Other Assets	371,266	374,818
Deferred tax assets	303,865	337,962
	398,518,630	399,684,244
Current assets		
Trade and other receivables	16,499,642	14,497,631
Inventory	316,412	260,288
Current tax assets	180,344	221,126
Cash and cash equivalents	77,199,694	78,284,655
	94,196,091	93,263,700
Total Assets	492,714,721	492,947,945
EQUITY AND LIABILITIES		
Equity		
Share capital	4	4
Share premium	140,058,339	140,058,339
Other reserves	3,051,730	6,183,980
Retained earnings	63,847,865	51,294,055
	206,957,938	197,536,378
Non-current liabilities		
Borrowings	256,519,880	260,710,872
Lease liabilities	3,309,338	3,476,008
Deferred tax liabilities	9,125,365	9,666,431
Other non-current Liabilities	422,389	505,894
Employee benefits	111,811	113,635
	269,488,783	274,472,840
Current liabilities		
Trade and other payables	10,688,824	10,715,217
Deferred income	2,318,498	2,970,367
Borrowings	662,984	4,423,880
Lease liabilities	952,801	1,000,788
Current tax liabilities	1,644,892	1,828,475
	16,268,000	20,938,727
Total Equity and Liabilities	492,714,721	492,947,945

Cash Flow | PeopleCert Wisdom Limited

Consolidated

<i>amounts in £</i>	31/3/2024	31/3/2023
Cash flows from operating activities		
Profit before tax	18,716,159	11,592,803
Adjustments:		
Depreciation, amortisation and impairment	3,792,201	3,302,626
Exchange Rate differences	(6,859,644)	(3,128,914)
Interest expense	3,659,458	3,877,644
	19,308,174	15,644,159
Changes in:		
Inventories	(60,298)	(85,612)
Trade and other receivables	(5,236,282)	741,153
Trade and other payables	2,674,184	1,176,245
Deferred income	(610,079)	(701,924)
Income taxes paid	(106,313)	(2,130,181)
	15,969,386	14,643,841
Cash flows from investing activities		
Acquisition of property, plant and equipment	(205,647)	(797,836)
Acquisition of intangible assets	(1,241,714)	(922,237)
Acquisition of other assets	-	537
Acquisition of subsidiary, net of cash acquired	(264,733)	(3,393,492)
	(1,712,095)	(5,113,029)
Cash flows from financing activities		
Payment of lease liabilities	(188,751)	(204,124)
Interest paid	(7,370,535)	(7,594,435)
Dividends paid	(6,700,000)	(7,350,000)
	(14,259,286)	(15,148,560)
Net increase/(decrease) in cash and cash equivalents	(1,994)	(5,617,746)
Cash and cash equivalents:		
Cash and cash equivalents at the beginning of the period	78,284,655	51,433,660
Effect of movements in exchange rates on cash held	(1,082,967)	(447,682)
	77,199,694	45,368,232

Q&A





 **PeopleCert**
Dream it, do it.

The logo features a stylized orange '@' symbol icon to the left of the text. The text 'PeopleCert' is in a sans-serif font, with 'People' in white and 'Cert' in orange. Below it, the tagline 'Dream it, do it.' is written in a smaller white font.