



Q2 2024 Results

30th July 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.

Financial Information: Certain of the financial information in this presentation has not been audited, reviewed or compiled, nor have any procedures been performed by our independent auditors with respect thereto. Accordingly, you should not place undue reliance on it, and no opinion or any other form of assurance is provided with respect thereto, and the inclusion of such financial information should not be regarded as a representation or warranty as to the accuracy or completeness of such information’s portrayal of our financial condition or results of operations and should not be relied upon when making an investment decision. This presentation also includes certain financial measures and key performance indicators that are not recognized by IFRS or any other generally accepted accounting principles and that may not be permitted to appear on the face of the financial statements or footnotes thereto (“Non-GAAP Measures”). Non-GAAP Measures should not be considered as alternatives to performance measures derived in accordance with IFRS or any other generally accepted accounting principles, may not be comparable to other similarly titled measures of other companies and have limitations as analytical tools. In addition, certain pro forma financial information presented in this presentation is based on available information and certain assumptions that we believe are reasonable, and such pro forma financial information is presented for information purposes only and is not indeed to represent or be indicative of actual financial condition or results of operations and does not propose to project our results of operations or financial condition as of any future date or for any future period.

Agenda

Overview |

Financials |

Q&A |

Presenters



Byron Nicolaides
Founder & CEO



George Giannetsos
CFO

Overview



Highlights

Revenue

- › Q2 24: £31mn (-3% vs Q2 23)
- › H1 24: £62mn (+1% vs H1 23)
- › LTM Jun24: £121mn (-1% vs LTM Mar24)

EBITDA

- › Q2 24: £18mn (-6% vs Q2 23)
- › H1 24: £37mn (+4% vs H1 23)
- › LTM Jun24: £68mn (-2% vs. LTM Mar24) | **Margin 56% vs 57% in LTM Mar24**

Net Debt

- › **30 June 2024: £164mn** (Cash position: £90mn vs £78mn as of 31 Mar 2024)
- › **Net Debt/EBITDA LTM Jun24 vs LTM Mar24 2.41x vs 2.59x** (LTM Mar21: 4.1x)

Other Highlights

- › **Signed a €60mn (€20+€40) revolving credit facility (RCF)**
- › **Launch of PeopleCert Plus | Subscription/membership: significantly up vs. Q1 24 (+100%)**
- › **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 Jun24 KPI's¹

Revenue: £121mn

EBITDA: £68mn

EBITDA Margin: 56%

Cash Flow Conversion⁽²⁾ : 84%

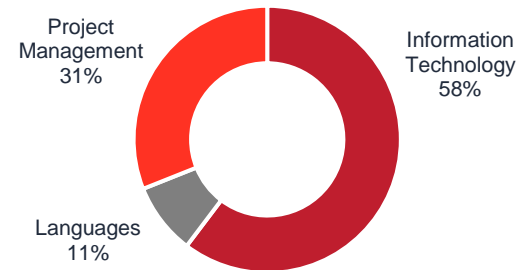
Net Debt / Adjusted EBITDA: 2.41x

Revenue Breakdown (LTM Jun24)

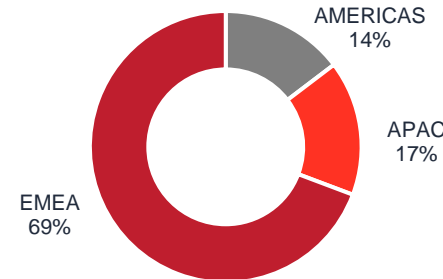
By Product ⁽³⁾



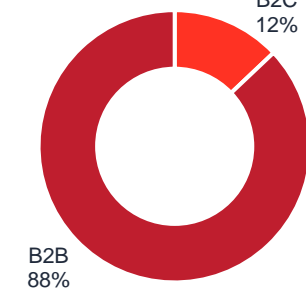
Exams Revenue by Business Line ⁽³⁾



By Geography ⁽³⁾



By Channel ⁽⁴⁾

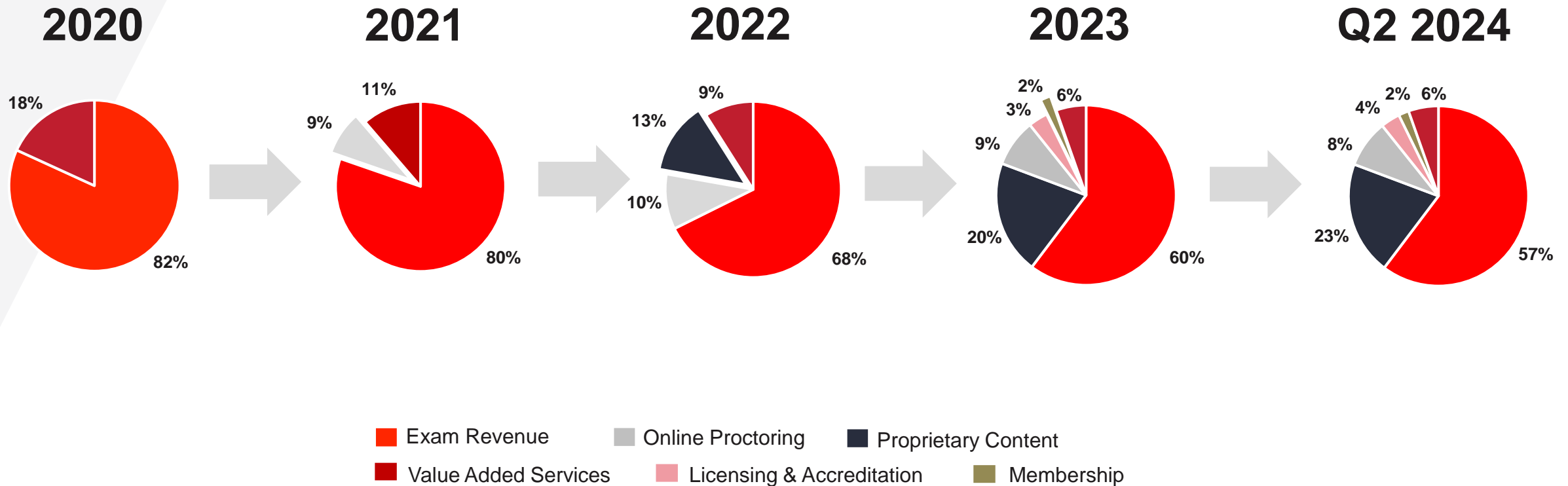


Notes

1. Refers to LTM Jun24, Revenue, EBITDA, and EBITDA margin as of 30th June 2024.
2. Cash-flow conversion defined as Operating FCF as % of EBITDA
3. Refers to LTM Jun24.
4. Reported LTM Jun24 revenue B2C revenue includes B2C Exam Revenue, MyAXELOS (PeopleCert+) and Training Revenue
5. Other include: OLP, Books, Training Materials, Subscription and Other Revenue

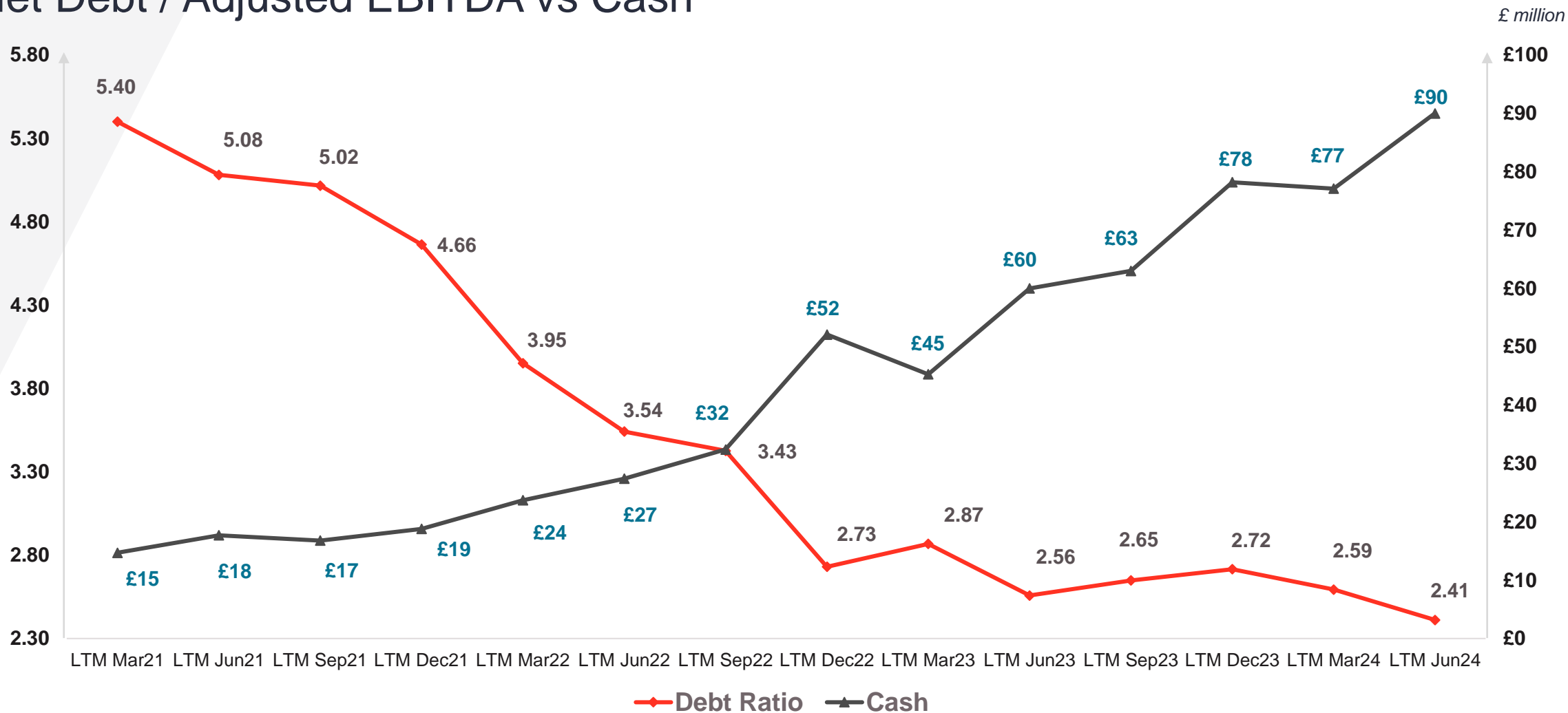
Expansion in Product Footprint

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 Jun24
Revenue	1	70	72	68	81	72	118	120	121
<i>Growth (y.o.y.)</i>		-	4%	(6%)	19%	5%	46%	2%	1%
EBITDA	2	42	43	43	50	44	78	67	68
<i>% Revenue</i>		60%	59%	62%	62%	62%	66%	56%	56%
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	57
<i>% of EBITDA</i>		87%	88%	84%	88%	86%	88%	85%	84%
Working Capital		(5)	(6)	(4)	(2)	(4)	(1)	(1)	3
<i>% Revenue</i>		(8%)	(8%)	(6%)	(2%)	(5%)	(1%)	(1%)	3%

Commentary

- 1
- **Revenue LTM Jun24:** £121mn (+68% vs. LTM Mar21)
 - Revenue growth (vs LTM Mar21) driven by +60% increase in B&IT, +168% increase in Languages and the positive impact of new revenue streams

- 2
- **EBITDA LTM Jun24:** £68mn (+54% vs. LTM Mar21)
 - EBITDA growth driven by Revenue Growth

- 3
- **CAPEX for LTM Jun24 up by 67%** at c. £10mn vs LTM Mar21.
 - **CAPEX Q2 24: £1.9mn;** Breakdown: **Tangibles** £0.5mn (24%), **RoU Asset Acquisition:** £0.1mn (6%), **Intangibles** £1.3mn (70%).

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

£mn	LTM Mar21		LTM Mar24		LTM Jun24		
	£mn	Debt Ratio (Adjusted EBITDA)	Debt Ratio (Pro-Forma EBITDA)	£mn	Debt Ratio (Adjusted EBITDA)	£mn	Debt Ratio (Adjusted EBITDA)
Cash & Cash Equivalent	(17)			(77)		(90)	
Senior Secured Notes (<i>issued in Euro as €300mn</i>)	255			256		253	
Gross Debt	255	5.8x	4.4x	256	3.7x	254	3.7x
Net Debt	238	5.4x	4.1x	179	2.6x	164	2.4x
Adjusted EBITDA		44			69		68
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>	6M 2024	6M 2023
Revenue	61,551,251	60,784,495
Cost of sales	(11,819,346)	(10,975,762)
Gross profit	49,731,905	49,808,733
Other income	9,290	35,535
Administrative expenses	(13,119,920)	(13,973,282)
Selling and distribution expenses	(6,913,733)	(7,074,275)
Other expenses	(183,563)	-
Operating profit	29,523,979	28,796,711
Finance income	12,395,812	12,495,257
Finance expense	(8,173,493)	(8,378,339)
Profit before tax	33,746,298	32,913,629
Taxation	1,075,343	1,066,192
Profit for the year	34,821,641	33,979,822

* The comparative figures presented for period ended June 30, 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 £	30/6/2024	31/12/2023
ASSETS		
Non-current assets		
Property, plant and equipment	5,751,880	5,623,042
Right-of-use assets	3,837,768	4,275,030
Intangible Assets	63,623,441	67,959,938
Goodwill	321,060,073	320,855,473
Financial assets at fair value through profit and loss	304,760	257,981
Other Assets	367,100	374,818
Deferred tax assets	250,287	337,962
	395,195,310	399,684,244
Current assets		
Trade and other receivables	18,482,407	14,497,631
Inventory	391,808	260,288
Financial assets at fair value through profit and loss	2,998,090	-
Current tax assets	123,870	221,126
Cash and cash equivalents	90,049,680	78,284,655
	112,045,854	93,263,700
Total assets	507,241,164	492,947,945
EQUITY AND LIABILITIES		
Equity		
Share capital	4	4
Share premium	140,058,339	140,058,339
Other reserves	995,626	6,183,980
Retained earnings	79,415,696	51,294,055
Total Equity	220,469,665	197,536,378
Non-current liabilities		
Borrowings	253,914,515	260,710,872
Lease liabilities	3,160,625	3,476,008
Deferred tax liabilities	8,533,559	9,666,431
Other non-current Liabilities	418,081	505,894
Employee benefits	110,671	113,635
	266,137,452	274,472,840
Current liabilities		
Trade and other payables	12,108,018	10,715,217
Deferred income	1,706,575	2,970,367
Borrowings	4,326,537	4,423,880
Lease liabilities	909,985	1,000,788
Current tax liabilities	1,582,931	1,828,475
	20,634,047	20,938,727
Total equity and liabilities	507,241,164	492,947,945

Cash Flow | PeopleCert Wisdom Limited

Consolidated

<i>amounts in £</i>	30/6/2024	30/6/2023
Cash flows from operating activities		
Profit before tax	33,746,298	32,913,629
Adjustments:		
Depreciation, amortisation and impairment	7,794,383	7,057,190
Net foreign exchange (gains)/ losses	(11,085,401)	(13,272,013)
Change in fair value of financial assets at FVTPL	(32,891)	-
Net interest expense	6,863,082	7,619,298
	37,285,472	34,318,105
Changes in:		
Inventories	(138,306)	(204,211)
Trade and other receivables	(9,242,752)	(78,400)
Trade and other payables	4,879,419	1,228,718
Deferred income	(1,195,853)	(1,273,139)
Income taxes paid	(106,313)	(2,079,536)
	31,481,667	31,911,537
Cash flows from investing activities		
Acquisition of property, plant and equipment	(672,434)	(988,465)
Acquisition of intangible assets	(2,539,620)	(1,800,957)
Acquisition of other assets	-	(8,293)
Acquisition of subsidiary, net of cash acquired	(264,733)	(3,302,037)
	(3,476,787)	(6,099,753)
Cash flows from financing activities		
Payment of lease liabilities	(408,733)	(406,533)
Interest paid	(7,370,535)	(7,594,435)
Dividends paid	(6,700,000)	(7,350,000)
	(14,479,268)	(15,350,969)
Net increase/(decrease) in cash and cash equivalents	13,525,612	10,460,815
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	(1,760,587)	(1,659,862)
	90,049,680	60,234,613

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 white 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 sans-serif font.