



# Q3 2024 Results

25<sup>th</sup> November 2024



# Disclaimer

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# Agenda

Overview |

Financials |

Q&A |

# Presenters



**Byron Nicolaides**  
Founder & CEO



**George Giannetsos**  
CFO

# Overview



# Highlights

## Revenue

- › **Q3 24: £24mn** (-5% vs Q3 23)
- › **9m 24: £86mn** (0% vs 9m 23)
- › **LTM Sep24: £120mn** (-1% vs LTM Jun24)
- › FX rate impact of **-£1.7mn Sept. YTD**
- › Adjustments related to membership, impact of **-£0.9mn Sept. YTD**

## EBITDA

- › **Q3 24: £11mn** (0% vs Q3 23)
- › **9m 24: £49mn** (0% vs 9m 23)
- › **LTM Sep24: £67mn** (-2% vs. LTM Jun24) | **Margin: 56% vs 56%** in LTM Jun24

## Net Debt

- › **30 September 2024: £161mn** (Cash position: £90mn vs £90mn as of 30 June 2024)
- › **Net Debt/EBITDA LTM Sep24 vs LTM Jun24 2.40x vs 2.41x** (LTM Mar21: 4.1x)

## Other Highlights

- › **Enhanced the LanguageCert portfolio through the acquisition of CATs**, an online multi-level English language learning and testing platform (created by Cambridge)
- › **Membership growing by 61% YoY in 2024, adding 2000+ net new users per month**
- › **Continuous Product Investment: new products, updates, translations**
- › **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 Sep24 KPI's<sup>1</sup>

Revenue: £120mn

EBITDA: £67mn

EBITDA Margin: 56%

Cash Flow Conversion<sup>(2)</sup> : 82%

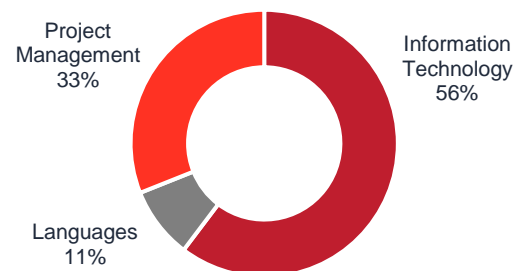
Net Debt / Adjusted EBITDA: 2.4x

## Revenue Breakdown (LTM Sep24)

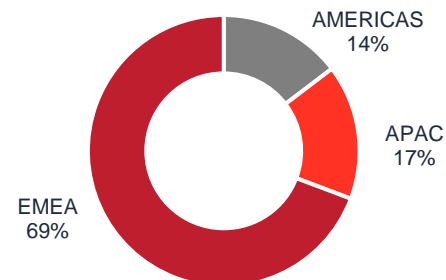
By Product <sup>(3)</sup>



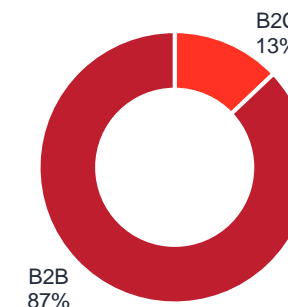
Exams Revenue by Business Line <sup>(3)</sup>



By Geography <sup>(3)</sup>



By Channel <sup>(4)</sup>

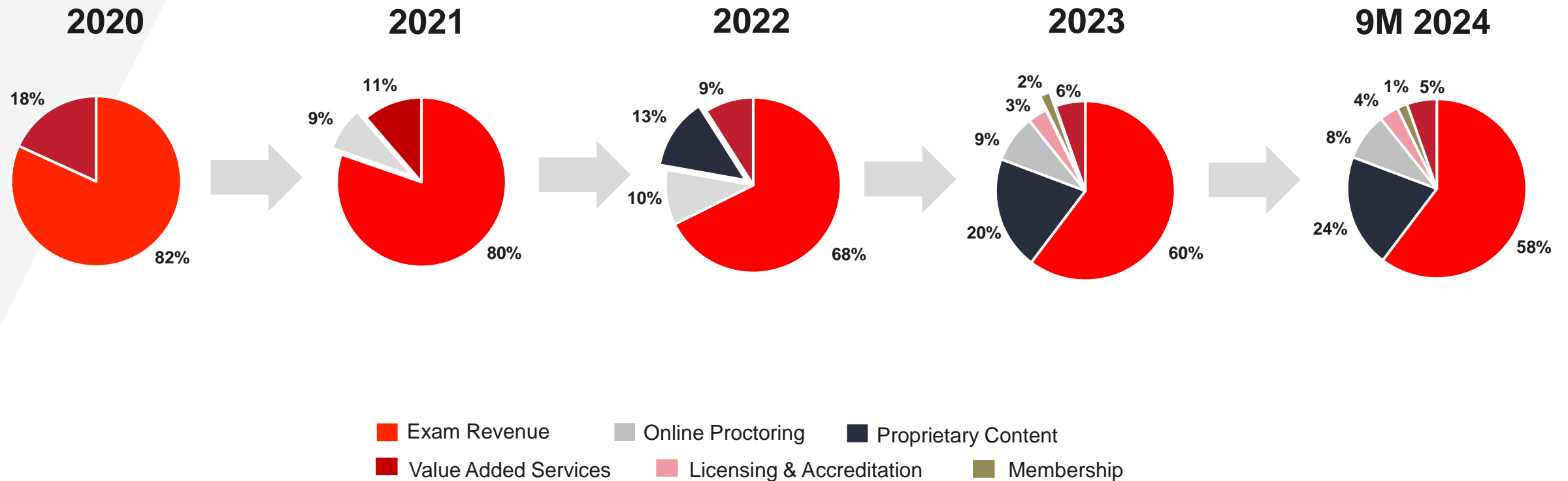


### Notes

1. Refers to LTM Sep24, Revenue, EBITDA, and EBITDA margin as of 30<sup>th</sup> September 2024.
2. Cash-flow conversion defined as Operating FCF as % of EBITDA
3. Refers to LTM Sep24.
4. Reported LTM Sep24 revenue B2C revenue includes B2C Exam Revenue, MyAXELOS (PeopleCert+) and Training Revenue
5. Other include: OLP, Books, Training Materials, Subscription and Other Revenue

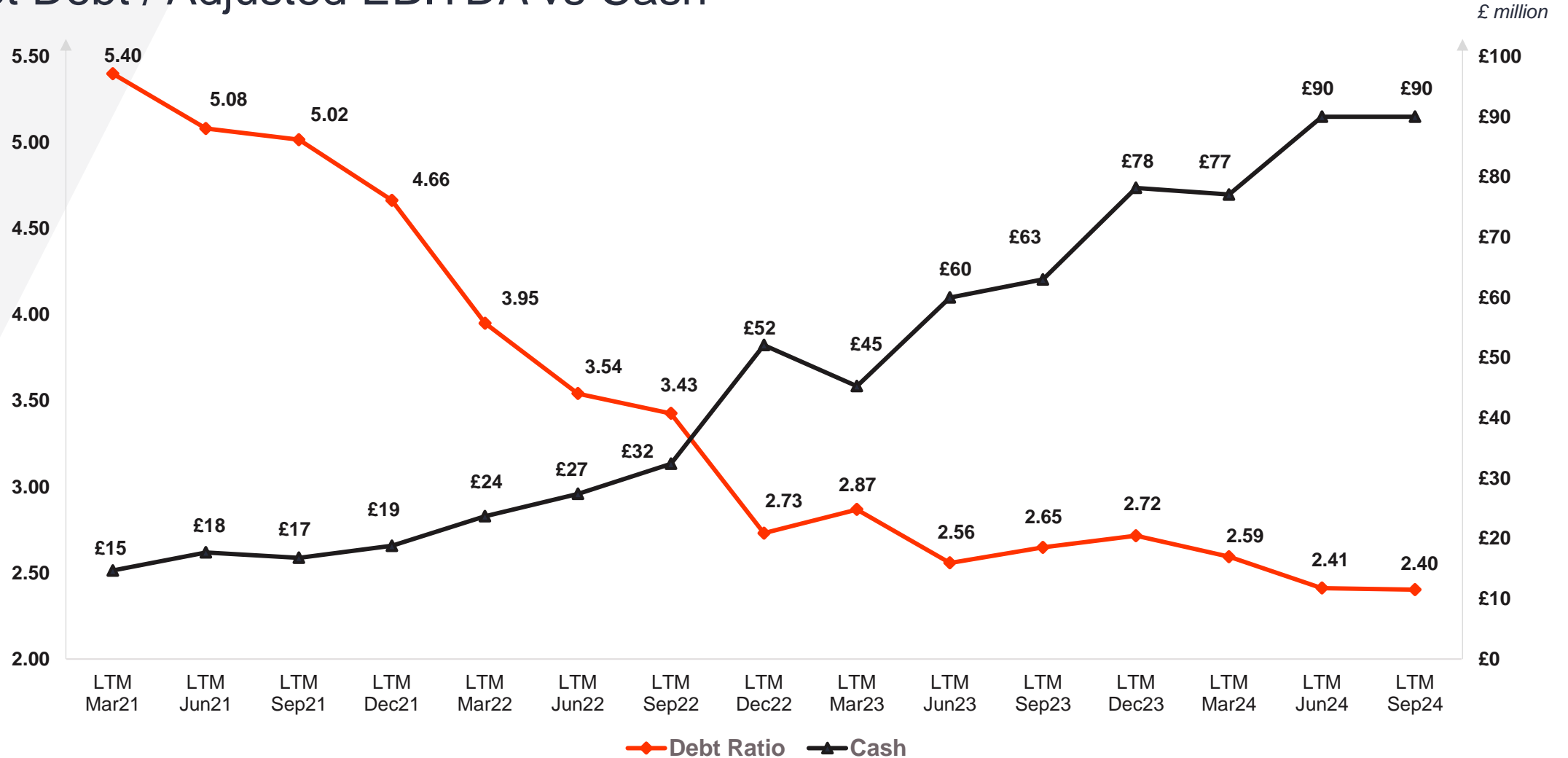
# Expansion in Product Footprint

and improvement in Revenue Diversification



# Rapid Deleveraging & Strong Cash Generation

## 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 Evolution<sup>1</sup>

£mn		2018	2019	2020	2021	LTM Mar21 (Pro-Forma Bond Issuance)	2022	2023	LTM Sep24
<b>Revenue</b>	1	70	72	68	81	72	118	120	120
<i>Growth (y.o.y.)</i>		-	4%	(6%)	19%	5%	46%	2%	0%
<b>EBITDA</b>	2	42	43	43	50	44	78	67	67
<i>% Revenue</i>		60%	59%	62%	62%	62%	66%	56%	56%
<b>Capex</b>	3	5	4	6	6	6	9	10	12
<i>% Revenue</i>		8%	6%	9%	7%	9%	8%	8%	10%
<b>FCF<sup>2</sup></b>		36	39	37	44	38	69	57	55
<i>% of EBITDA</i>		87%	88%	84%	88%	86%	88%	85%	82%
<b>Working Capital</b>		(5)	(6)	(4)	(2)	(4)	(1)	(1)	3
<i>% Revenue</i>		(8%)	(8%)	(6%)	(2%)	(5%)	(1%)	(1%)	3%

## Commentary

- 1
- **Revenue LTM Sep24:** £120mn (+66% vs. LTM Mar21)
  - Revenue growth (vs LTM Mar21) driven by +59% increase in B&IT, +157% increase in Languages and the positive impact of new revenue streams

- 2
- **EBITDA LTM Sep24:** £66mn (+50% vs. LTM Mar21)
  - EBITDA growth driven by Revenue Growth

- 3
- **CAPEX for LTM Sep24 up by 100%** at c. £12mn vs LTM Mar21.
  - **CAPEX Q3 24: £2.8mn;** Breakdown: **Tangibles:** £1.4mn (50%), **RoU Asset Acquisition:** £0.1mn (5%), **Intangibles:** £1.3mn (45%).

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 Jun24		LTM Sep24		
	£mn	Debt Ratio (Adjusted EBITDA)	Debt Ratio (Pro-Forma EBITDA)	£mn	Debt Ratio (Adjusted EBITDA)	£mn	Debt Ratio (Adjusted EBITDA)
Cash & Cash Equivalent	(17)			(90)			(90)
<b>Senior Secured Notes</b> ( <i>issued in Euro as €300mn</i> )	<b>255</b>			<b>253</b>			<b>250</b>
<b>Gross Debt</b>	<b>255</b>	<b>5.8x</b>	<b>4.4x</b>	<b>253</b>	<b>3.7x</b>	<b>250</b>	<b>3.7x</b>
<b>Net Debt</b>	<b>238</b>	<b>5.4x</b>	<b>4.1x</b>	<b>164</b>	<b>2.4x</b>	<b>161</b>	<b>2.4x</b>
Adjusted EBITDA		44			68		67
Pro-Forma Synergised Adjusted EBITDA <sup>1</sup>			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

## Consolidated

<i>amounts in £</i>	<b>9M 2024</b>	<b>9M 2023</b>
Revenue	85,990,023	86,465,429
Cost of sales	(17,560,894)	(16,356,219)
<b>Gross profit</b>	<b>68,429,129</b>	<b>70,109,210</b>
Other income	69,327	76,526
Administrative expenses	(20,698,247)	(21,214,568)
Selling and distribution expenses	(10,180,556)	(10,963,700)
Other expenses	(327,187)	(42,163)
<b>Operating profit</b>	<b>37,292,466</b>	<b>37,965,304</b>
Finance income	16,953,779	9,869,802
Finance expense	(12,118,763)	(12,320,802)
<b>Profit before tax</b>	<b>42,127,482</b>	<b>35,514,305</b>
Taxation	203,301	49,843
<b>Profit for the year</b>	<b>42,330,782</b>	<b>35,564,149</b>

\* The comparative figures presented for period ended Sep 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 £	30/09/2024	31/12/2023
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,742,534	5,623,042
Right-of-use assets	3,676,723	4,275,030
Intangible Assets	61,353,386	67,959,938
Goodwill	321,060,073	320,855,473
Financial assets at fair value through profit and loss	393,066	257,981
Other Assets	358,269	374,818
Deferred tax assets	245,084	337,962
	<b>393,829,135</b>	<b>399,684,244</b>
<b>Current assets</b>		
Trade and other receivables	15,286,131	14,497,631
Inventory	459,705	260,288
Financial assets at fair value through profit and loss	3,226,673	-
Current tax assets	116,627	221,126
Cash and cash equivalents	89,600,689	78,284,655
	<b>108,689,824</b>	<b>93,263,700</b>
<b>Total assets</b>	<b>502,518,959</b>	<b>492,947,945</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	4	4
Share premium	140,058,339	140,058,339
Other reserves	(1,008,873)	6,183,980
Retained earnings	86,924,837	51,294,055
<b>Total Equity</b>	<b>225,974,307</b>	<b>197,536,378</b>
<b>Non-current liabilities</b>		
Borrowings	250,626,566	260,710,872
Lease liabilities	3,044,721	3,476,008
Deferred tax liabilities	7,997,627	9,666,431
Other non-current Liabilities	375,739	505,894
Employee benefits	109,239	113,635
	<b>262,153,893</b>	<b>274,472,840</b>
<b>Current liabilities</b>		
Trade and other payables	10,062,868	10,715,217
Deferred income	1,455,451	2,970,367
Borrowings	627,107	4,423,880
Lease liabilities	876,614	1,000,788
Current tax liabilities	1,368,719	1,828,475
	<b>14,390,760</b>	<b>20,938,727</b>
<b>Total equity and liabilities</b>	<b>502,518,959</b>	<b>492,947,945</b>

# Cash Flow | PeopleCert Wisdom Limited

## Consolidated

<i>amounts in £</i>	<b>30/09/2024</b>	<b>30/09/2023</b>
<b>Cash flows from operating activities</b>		
Profit before tax	42,127,482	35,514,305
Adjustments:		
Depreciation, amortisation and impairment	11,773,472	10,705,861
Net foreign exchange (gains)/ losses	(14,954,007)	(11,447,398)
Change in fair value of financial assets at FVTPL	(326,743)	-
Net finance expense	10,118,991	11,254,040
	<b>48,739,195</b>	<b>46,026,808</b>
<b>Changes in:</b>		
Inventories	(209,483)	(295,039)
Trade and other receivables	(8,588,532)	(4,882,073)
Trade and other payables	4,617,676	9,301,417
Deferred income	(1,414,142)	(2,055,054)
Dividends received	29,478	-
Income taxes paid	(965,491)	(4,422,972)
<b>Net cash from operating activities</b>	<b>42,208,700</b>	<b>43,673,087</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(2,090,406)	(1,083,895)
Acquisition of intangible assets	(3,845,260)	(3,208,852)
Acquisition of other assets	(16,549)	(19,377)
Acquisition of subsidiary, net of cash acquired	(264,733)	(3,329,635)
Acquisition of financial assets at FVTPL	(145,064)	(216,151)
<b>Net cash used in investing activities</b>	<b>(6,362,013)</b>	<b>(7,857,910)</b>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(571,369)	(617,462)
Interest paid	(14,647,788)	(14,982,015)
Dividends paid	(6,700,000)	(7,350,000)
<b>Net cash used in financing activities</b>	<b>(21,919,156)</b>	<b>(22,949,477)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>13,927,531</b>	<b>12,865,700</b>
<b>Cash and cash equivalents:</b>		
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	(2,611,497)	(1,294,067)
<b>Cash and cash equivalents at the end of the period</b>	<b>89,600,689</b>	<b>63,005,292</b>

# 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.