



FOR IMMEDIATE RELEASE

PeopleCert announces Consolidated Financial Results for the year ended June 30, 2024

London: United Kingdom:

PeopleCert, the market leading differentiator within the assessment and certification industry, presents PeopleCert Wisdom Limited (Parent Guarantor) unaudited Consolidated Financial Results for the period ended June 30, 2024.

All amounts are presented in GBP.

Consolidated highlights for the period ended June 30, 2024 (compared to the period ended June 30, 2023):

- Revenue: £61.6 million (+1.3%, compared to £60.8 million at June 30, 2023);
- EBITDA: £37.3 million (+4.1%, compared to £35.9 million at June 30, 2023);
- Adjusted EBITDA: £37.5 million (+4.6%, compared to £35.9 million at June 30, 2023);¹
- EBIT: £29.5 million (+2.5% compared to £28.8 million at June 30, 2023);
- Adjusted EBIT: £29.7 million (+3.2% compared to £28.8 million at June 30, 2023);¹
- PBT: profit of £33.7 million compared to £32.9 million at June 30, 2023;
- Net Financial Indebtedness: +£163.8 million (compared to £182.4 million at December 31, 2023)².

¹ Adjusted EBITDA & EBIT figures exclude one – off transaction related expenses for the period.

² Net Financial Indebtedness is defined as Current and Non-current Borrowings less Cash and Cash Equivalents excluding accrued interest.

Review of performance of the Group, current position, and future developments

The results reflect a strong performance across the Group as well as the efforts on cost containment and competitiveness. Potential risks to the industry are closely monitored resulting in satisfying development to date. The Group's financial results and position, as presented in the consolidated financial statements, is tracking positively, as supported by the key parameters shown below:



Financial Key Performance Indicators

<u>Ratio</u>	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2023</u>
<u>Gross margin</u> Gross profit to Revenue	80.8%	81.9%
<u>Pretax margin</u> Profit before tax to Revenue	54.8%	54.1%

Gross margin (Gross profit to Revenue) decreased by 1.1 pp to 80.8% due to increase in direct expenses.

The increase in **Pretax margin** by 0.7 pp to 54.8% is primarily driven by the decrease in operating expenditure.

PeopleCert Consolidated Results as of June 30, 2024

Total Revenue for the six-month period ended June 30, 2024 grew by 1.3% to £61.6 million compared to £60.8 million in the six-month period ended June 30, 2023.

The observed growth is attributed to the creation of an IP Powerhouse following the completed merger with Axelos and Devops Institute. Further to this, PeopleCert adapted rapidly to the changing circumstances of the global market towards more digital delivery models and managed to retain its leadership position worldwide by promoting the digital transformation of its services.

Cost of Sales increased by 7.7% to £11.8 million for the six-month period ended June 30, 2024 compared to £10.9 million for the six-month period ended June 30, 2023.

Operating expenditure decreased by 4.8% to £20.0 million compared to £21.0 million in the six-month period ended June 30, 2023 as a result of cost containment.

As a result of the above, there was a favourable impact on both **EBITDA** and **adjusted EBITDA** for the period ended June 30, 2024 - an alternative performance measure and key indicator capturing the underlying business margin by excluding material charges - showing an increase of 4.1% to £37.3 million (period ended June 30, 2023: £35.9 million) for EBITDA and an increase of 4.6% to £37.5 million (period ended June 30, 2023: £35.9 million) for adjusted EBITDA as well.



EBIT increased by 2.5% to £29.5 million compared to £28.8 million for the period ended June 30, 2023, mainly due to the decreased operating expenditure as explained above.

Net finance income was £4.2 million, compared to net finance income of £4.1 million for the period ended June 30, 2023. 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.

Net Financial Indebtedness as of June 30, 2024 was at £163.8 million (December 31, 2023: £182.4 million). This metric reflects the Eurobond that was issued in August 2021 in the context of Axelos acquisition. The Group's financial stability is also evidenced by other liquidity ratios analysed below.

Ratios on Financial Performance and Financial Position of the Group as of June 30, 2024

A. <u>Liquidity Ratios</u>	<u>June 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<u>Cash Ratio</u>		
Cash to Current Liabilities	4.31	3.74
 <u>Working Capital Ratio</u>		
Current Assets to Current Liabilities	5.37	4.45

The cash ratio of 4.31 highlights the Group's ability to maintain adequate cash balances to pay off all of the current debts as they come due, while the high working capital ratio shows a great efficiency in the way that the Group is operating.

Attention to working capital and cash flow management remains a key priority for the Group's management.

PeopleCert Consolidated Financial Position as of June 30, 2024

The Group presents a robust Balance Sheet with strong equity position and liquidity levels supporting PeopleCert's readiness for the future as the Group enters into a new phase of brand engagement and business growth following a balanced and consistent approach to risk.



Assets

As of June 30, 2024, **Total Assets** were £507.4 million (December 31, 2023: £492.9 million).

Non-current assets amounted to £395.2 million compared to £399.7 million at year-end 2023.

The majority of the balance concerns **Goodwill** of total amount £321.1 million (December 31, 2023: £320.9 million) and **Intangible Assets** of amount £63.6 million (December 31, 2023: £67.9 million). Goodwill as of June 30, 2024 includes the goodwill recognised in relation to DP Cube Learning acquired in March 2024.

Current assets increased to £112.2 million as of June 30, 2024 from £93.3 million as of December 31, 2023.

This variation is mainly attributed to the increase in **Trade and other receivables** by £4.1 million to £18.4 million as of June 30, 2024 and the increase in **Cash and cash equivalents** by £11.8 million.

Changes in cash and cash equivalents are analyzed in the accompanying consolidated statement of cash flow. At this point, it should be noted that protecting the Group's financial health continues to be primary objective.

As of June 30, 2024, the Group has positive net assets of £220.4 million (December 31, 2023: £197.5 million) remaining on track to building wealth.

Total liabilities decreased by £8.4 million (June 30, 2024: £287.0 million vs December 31, 2023: £295.4 million).

The aforementioned decrease is mainly driven by the decrease in **Borrowings** by £6.9 million (June 30, 2023: £258.2 million vs December 31, 2023: £265.1 million) due to the effect of the change in spot rates (June 30, 2024: 1.1815 vs December 31, 2023: 1.1507).

Trade & other payables increased at £12.3 million as of June 30, 2024 (December 31, 2023: £10.7 million).

Business highlights

Since its establishment, PeopleCert has always focused on developing and delivering globally, best-in-class Exam and Certification programs, that enhance the lives and careers of its candidates. Through the recent acquisitions, PeopleCert is even better positioned to do so, strengthening its capabilities while remaining committed to its Four (4) Core Values of Quality, Innovation, Passion, and Integrity. The acquisitions underline the Group's strategy to expand its



presence and broaden its global offerings, support the vertical integration strategy of the Group and entail significant operational improvements, allowing PeopleCert to reach international best performance standards.

At the same time the below opportunities will accelerate standalone strategies and innovation in the market, while adding value for all the Group's stakeholders:

- **Improved liquidity by signing a €60mn (€20+€40) revolving credit facility (RCF)**
- **Rebranding and new products taxonomy**
- **Continuous Product Investment: new products, updates, translations**
- **Improved business operations and support through new AI solutions**
- **Launch of PeopleCert Plus**

From the above, it is evident that during the Q2 2024 transformation initiatives are on track. The Group remains committed to its expansion strategy with a strong pipeline of potential acquisitions.

For full details on PeopleCert's reported results, see the financial tables accompanying this release.

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About PeopleCert

PeopleCert is the global leader in the certification industry, with a product portfolio of global best practice frameworks and certifications including ITIL® and DevOps Institute for IT & Digital Transformation, and PRINCE2® for Project, Programme & Portfolio Management, as well as language qualifications through LanguageCert. Our certifications are delivered across the globe, empowering people and organisations to achieve what they are capable of, improving organisational efficiency and realising their life ambitions through learning.



Consolidated statement of Financial Position of PeopleCert Wisdom Limited as of June 30, 2024

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
	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



Consolidated income statement of PeopleCert Wisdom Limited as of June 30, 2024

amounts in £	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



Consolidated statement of cash flows of PeopleCert Wisdom Limited as of June 30, 2024

<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)
Net cash from operating activities	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)
Net cash used in investing activities	(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)
Net cash used in financing activities	(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)
Cash and cash equivalents at the end of the period	90,049,680	60,234,613

