



FOR IMMEDIATE RELEASE

**PeopleCert announces Consolidated Financial Results for the period ended September 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 September 30, 2024.

All amounts are presented in GBP.

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

- Revenue: £86.0 million (-0.5%, compared to £86.5 million at September 30, 2023);
- EBITDA: £49.1 million (+0.8%, compared to £48.7 million at September 30, 2023);
- Adjusted EBITDA: £49.7 million (+2.1%, compared to £48.7 million at September 30, 2023);<sup>1</sup>
- EBIT: £37.3 million (-1.8% compared to £38.0 million at September 30, 2023);
- Adjusted EBIT: £37.9 million (-0.2% compared to £38.0 million at September 30, 2023);<sup>1</sup>
- PBT: profit of £42.1 million compared to £35.5 million at September 30, 2023;
- Net Financial Indebtedness: +£161.0 million (compared to £182.4 million at December 31, 2023)<sup>2</sup>.

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

<sup>2</sup> 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 profitability 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, are tracking positively, as supported by the key parameters shown below:



Financial Key Performance Indicators

<u>Ratio</u>	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>
<u>Gross margin</u> Gross profit to Revenue	79.6%	81.1%
<u>Pretax margin</u> Profit before tax to Revenue	49.0%	41.1%

**Gross margin** (Gross profit to Revenue) decreased by 1.5 pp to 79.6% mainly due to increase in direct expenses.

The increase in **Pretax margin** by 7.9 pp to 49.0% is primarily driven by the decrease in operating expenditure.

**PeopleCert Consolidated Results as of September 30, 2024**

**Total Revenue** for the nine-month period ended September 30, 2024 decreased by 0.5% to £86.0 million compared to £86.5 million in the nine-month period ended September 30, 2023, also negatively impacted by the unfavorable impact from FX rates (approx. £1.7 million) and adjustments related to membership revenue (approx. £1 million).

**Cost of Sales** increased by 7.4% to £17.6 million for the nine-month period ended September 30, 2024 compared to £16.4 million for the nine-month period ended September 30, 2023.

**Operating expenditure** decreased by 4.0% to £30.9 million compared to £32.2 million in the nine-month period ended September 30, 2023, as a result of cost containment.

Overall, there has been a favourable impact on both **EBITDA** and **adjusted EBITDA** for the period ended September 30, 2024 - an alternative performance measure and key indicator capturing the underlying business margin by excluding non-operating charges - showing an increase of 0.8% to £49.1 million (period ended September 30, 2023: £48.7 million) for EBITDA and an increase of 2.1% to £49.7 million (period ended September 30, 2023: £48.7 million) for adjusted EBITDA as well.

**EBIT** decreased by 1.8% to £37.3 million compared to £38.0 million for the period ended September 30, 2023.



**Net finance income** was £4.8 million, compared to net finance expense of £2.5 million for the period ended September 30, 2023. The comparative figures presented for period ended September 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 September 30, 2024 was at £161.0 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.

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

<b>A. <u>Liquidity Ratios</u></b>	<u>September 30,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
<u>Cash Ratio</u>		
Cash to Current Liabilities	6.23	3.74
 <u>Working Capital Ratio</u>		
Current Assets to Current Liabilities	7.55	4.45

The cash ratio of 6.23 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.

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#### PeopleCert Consolidated Financial Position as of September 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 September 30, 2024, **Total Assets** were £502.5 million (December 31, 2023: £492.9 million).

**Non-current assets** amounted to £393.8 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 £61.4 million (December 31, 2023: £67.9 million). Goodwill as of September 30, 2024 includes the goodwill recognised in relation to DP Cube Learning acquired in March 2024.

**Current assets** increased to £108.7 million as of September 30, 2024 from £93.3 million as of December 31, 2023.

This variation is mainly attributed to the increase in **Cash and cash equivalents** by £11.3 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 September 30, 2024, the Group has positive net assets of £225.9 million (December 31, 2023: £197.5 million) remaining on track to building wealth.

**Total liabilities** decreased by £18.9 million (September 30, 2024: £276.5 million vs December 31, 2023: £295.4 million).

The aforementioned decrease is mainly driven by the decrease in **Borrowings** by £13.9 million (September 30, 2024: £251.3 million vs December 31, 2023: £265.1 million) mainly due to the effect of the change in spot rates (September 30, 2024: 1.1970 vs December 31, 2023: 1.1507).

**Trade & other payables** decreased at £10.1 million as of September 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 Q3 2024 developments are expected to add value for all the Group's stakeholders:

- **Enhancement of the LanguageCert portfolio through the acquisition of CATs**, an online multi-level English language learning and testing platform (created by Cambridge)
- **Membership growth by 61% YoY in 2024**, adding 2000+ net new users per month
- **Continuous Product Investment**: new products, updates, translations

From the above, it is evident that the transformation continues across the organization. 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 September 30, 2024

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>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>



**Consolidated income statement of PeopleCert Wisdom Limited as of September 30, 2024**

<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>



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

amounts in £	30/09/2024	30/09/2023
<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>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>(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>(21,919,156)</b>	<b>(22,949,477)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	13,927,531	12,865,700
<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>89,600,689</b>	<b>63,005,292</b>

