



Northcoders Group plc

2022 Full Year Results

25 April 2023

northcodersgroup.com



The Northcoders Team

Presentation Team



Chris Hill
Founder & Chief Executive Officer



Charlotte Prior Joined 2018
Chief Financial Officer

Other Board Members



Amul Batra Joined 2016
Chief Partnerships Officer



Nick Parker Joined 2021
Non-Executive Director



Angela Williams Joined 2022
Non-Executive Chair

FY 2022 Highlights

Financial

- Group revenue up 86% to £5.6 million in FY 2022 (FY21: £3.0 million)
- Gross profit increased 82% to £3.9 million (FY21: £2.2 million) with a gross margin of 70%
- Significant 152% increase adjusted EBITDA of £0.9 million (FY21: £0.4 million)
- Adjusted EPS of 8.05p (FY21: 3.04p)
- Net assets have increased to £4.6 million (FY21: £2.2 million)
- Cash balance of £2.8m as at 31 December 22

Operational

- Significant growth in demand with 8,470 applications in 2022 compared to 3,662 applications in FY21
- Further expansion of Business Solutions division with Developer Incubator product
- Major corporate partners such as Rolls Royce, Evri, Disney
- Capacity increased as employee headcount rose to 101 (FY21: 63)
- Further significant geographical presence



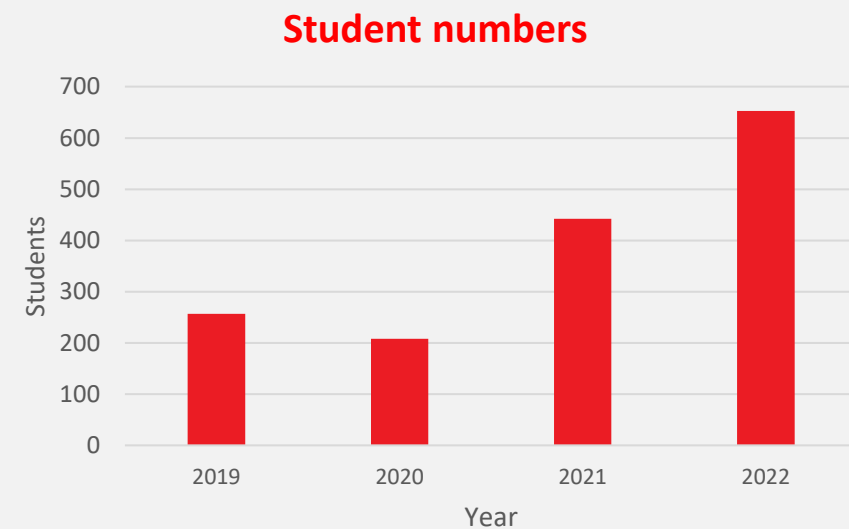


Business Overview & Growth Opportunities



Business Overview

Founded in December 2015, our mission is to close the digital skills gap whilst creating life changing opportunities for individuals.



Training is delivered through a combination of online and in-person tuition utilising regional support hubs & virtual platform

We have built up a network of **400+** corporate hiring partners

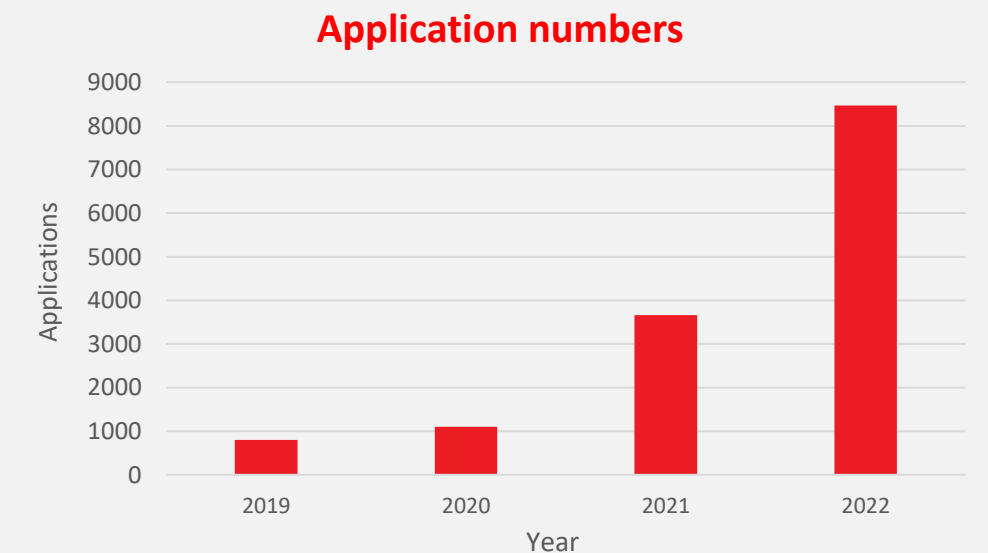


Have hubs in **Manchester, Leeds, Newcastle** and **Birmingham**

122 full time employees at present



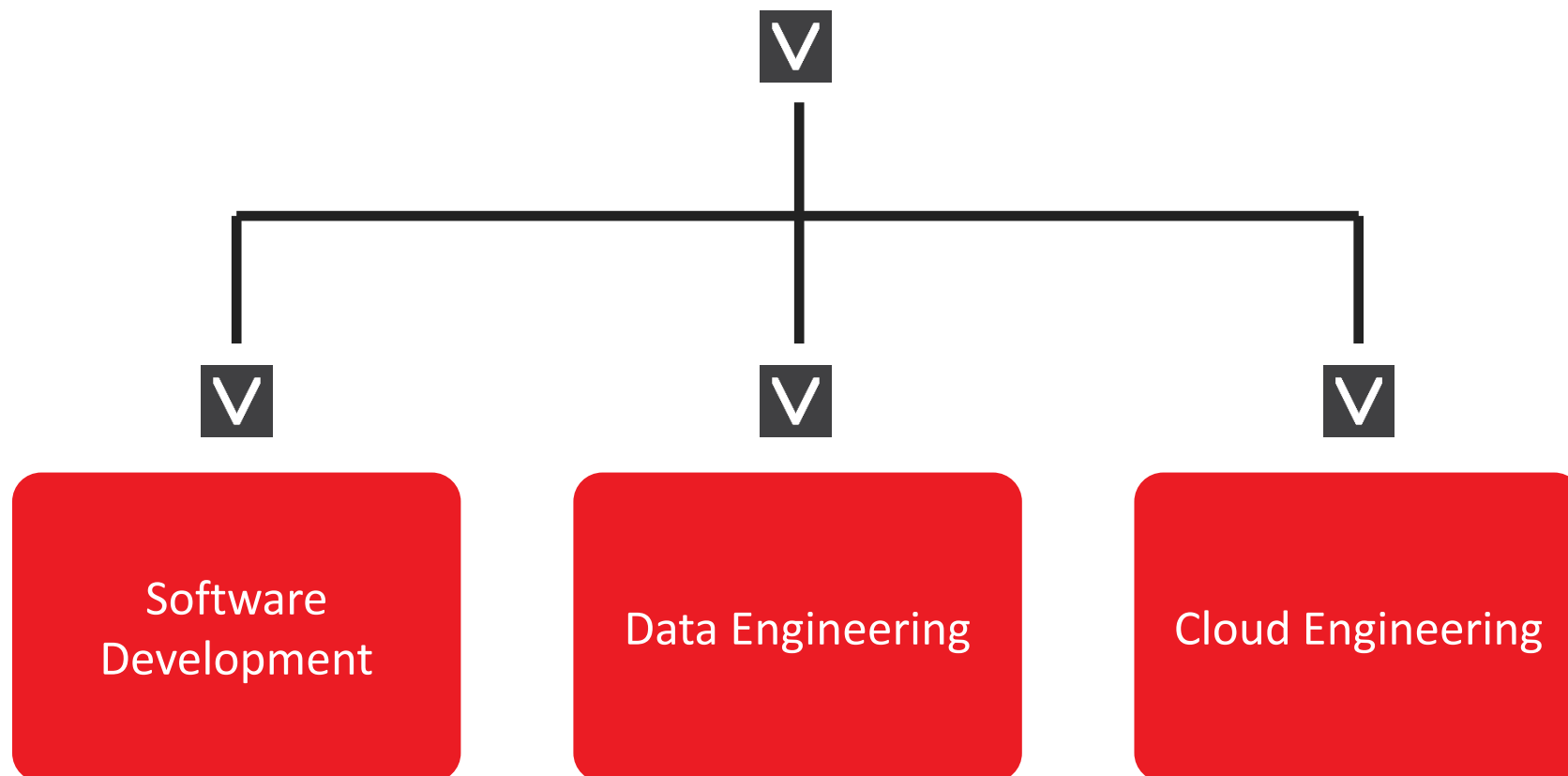
- Market responding well to our offering during the current economic climate.
- Need for technically enabled staff higher than ever
- Tech industry is therefore very attractive to career changers.



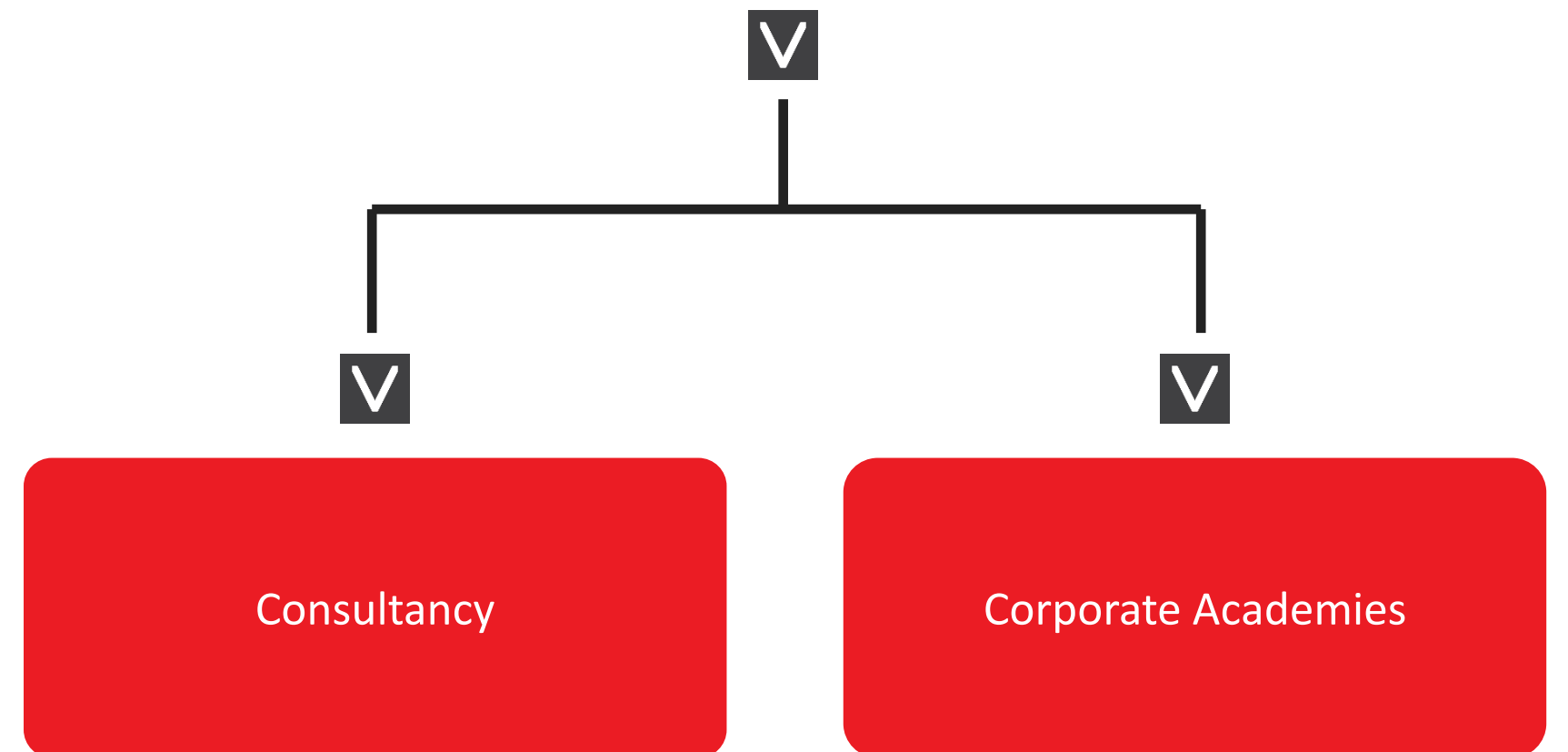
Demand is higher than ever and growing rapidly.

Business Overview

Training Bootcamps



Business Solutions



Business model - Revenue streams

Training Bootcamps

- 13-week intense bootcamp, online with in-person tutor support
- Entry exam and pre-course support
- Job ready on completion
- 93% placement rate
- Year on year starting salary increase
- Multiple funding streams
- Multiple Technical areas served



Northcoders Training Bootcamps

Software
Development

Data
Engineering

Cloud
Engineering

Apply

Onboard

Train

Career



Business model - Revenue streams

Business Solutions

- Provides corporates with bespoke, in house training programmes
- Off the shelf masterclass training programmes
- Innovative teams as a service model
- Hire to train talent pipelines
- Early careers consultancy services
- Apprenticeships available
- Growing market due to demand for technically enabled staff
- Visible revenue and cash stream for 12+ months



Northcoders Business Solutions

Technology Consultancy

400+ hiring partner network

INFINITYWORKS
Part of Accenture

moonpig

B B C

BARCLAYS

Hermes
the parcel people

ao

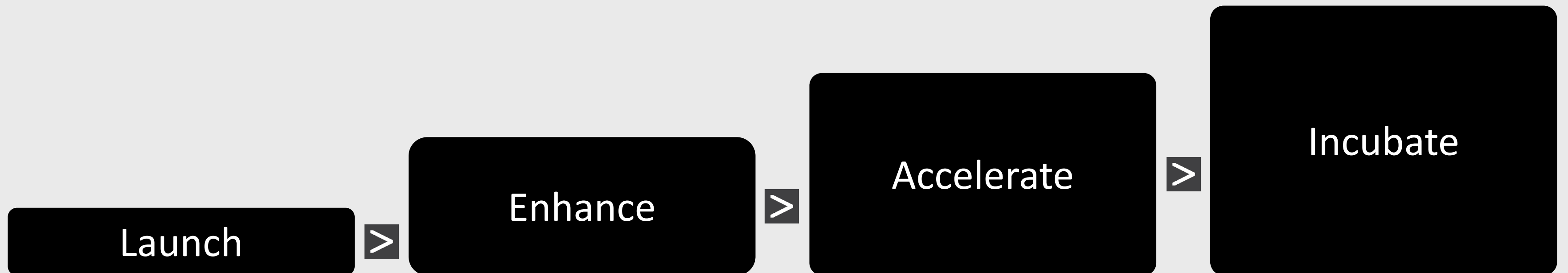
Disney

Sage

ROLLS
RR
ROYCE

EMaC.

Legal & General



Northcoders Business Solutions

Academy Products

Graduate
Recruitment
Programs



Bespoke
Training
Services



DEMATIC

Competitive Landscape

Training Bootcamps

Coding Bootcamps

Specialist Digital training providers

“Brick & Mortar” Universities



“The onboarding academy is a real knowledge springboard for our graduates and help sets them on their career path with NHS Digital”

Julie Pinder Chief People Officer, NHS Digital



Business Services

Specialist “Hire Train Deploy” Services

Large Technology Consultants

Recruitment Firms



“Northcoders help us with early career software and data engineers, and have a really well supported contract-to-perm model.”

Caroline Gorski – CEO R2 Factory at Rolls Royce



Significant and growing market

Growing **shortage of coding skills** increasingly apparent

Government allocate **£1.5bn to skills bootcamps**

Need for coding skills permeating **many sectors** and not only the technology sector

“Two thirds of UK businesses plan to invest in tech training for employees.”

City AM, Jan 2021

The UK Commission for Employment and Skills estimates that 1.2 million new technically skilled people are needed by 2022 to satisfy future skills needs in the UK...”

“Starting salaries for workers in Britain’s technology sector are more than 60 per cent higher than the average pay in the UK because of high demand for software engineers.”

The Times, Sep 2022

“Every company is now a technology company, whether that’s a retailer looking to sharpen its online offering, a bank boosting security in its back office or a football team pursuing better performance data,” he said. “If the UK is going to compete, it needs to help people to get the training they need to join the continuing technology revolution.”

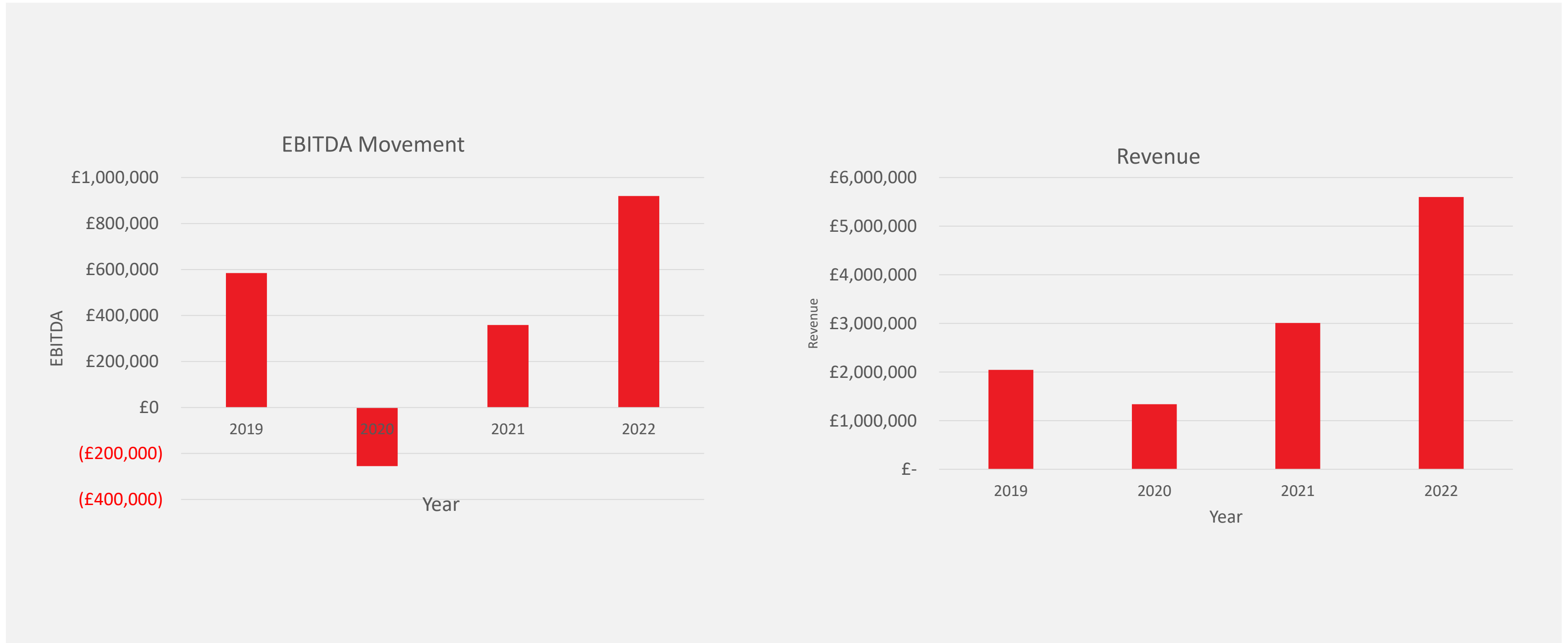
Mike Chaffney, The Times, Sep 2022

Financial Review

Financial Performance to Date

Cash balance at 31/12/2022

£2,777,273



Income statement

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Revenue	5,598,863	3,010,357
Gross profit	3,941,925	2,161,965
<i>Gross margin</i>	70%	67%
Adjusted EBITDA*	907,633	359,475
Operating (loss)/profit	447,338	(429,802)
Profit/(loss) before tax	346,429	(523,588)
<i>Margin</i>	6%	-17%
Net profit/(loss) after tax	359,538	(358,124)
	p	p
Basic earnings per share (pence)	5.12	(6.13)
Adjusted earnings per share (pence)	8.05	3.04

* Adjusted EBITDA refers to earnings before interest, foreign exchange gains, tax, depreciation and amortisation, impairment and share based payment expense

Statement of cash flows

	Year ended 31 December 2022	Year ended 31 December 2021
	£	£
Cash flows from operating activities:	907,633	(29,456)
Changes in working capital:		
(Increase)/decrease in trade & other receivables	(1,435,445)	(1,117,345)
Increase/ (Decrease) in trade & other payables	178,377	(152,739)
Cash absorbed by operations	(349,435)	(1,299,541)
Tax refunded	104,408	211,701
Net cash inflow/(outflow) from operating activities	(245,027)	(1,087,840)
Net cash (used in) investing activities	(515,356)	(302,669)
Proceeds from issue of shares	1,917,575	2,910,758
Proceeds from new bank loans and borrowings	962,500	-
Repayments of bank loans and borrowings	(573,087)	(162,961)
Payment of lease obligations	(231,491)	(215,954)
Interest Paid	(102,486)	(102,360)
Net cash from financing activities	1,973,011	2,429,483
Net increase in cash	1,212,628	1,038,974
Cash and cash equivalents at beginning of the Period	1,564,645	525,671
Cash and cash equivalents at end of the Period	2,777,273	1,564,645

Statement of financial position

	31 December 2022	31 December 2021
	£	£
Non current assets	1,619,409	1,276,488
Current assets	5,716,514	3,123,832
Total assets	7,335,923	4,400,320
Current Liabilities	(1,258,424)	(889,524)
Net current assets/(liabilities)	4,458,090	2,234,308
Non current Liabilities	(1,435,769)	(1,358,600)
Total liabilities	(2,694,193)	(2,248,124)
Net assets/(liabilities)	4,641,730	2,152,196
Equity		
Called up share capital	76,889	69,444
Share premium account	4,801,444	2,891,314
Merger reserve	500	500
Share option reserve	228,480	134,715
Other reserve	(50,000)	(50,000)
Retained earnings	(415,583)	(893,777)
Total Equity	4,641,730	2,152,196

Delivering results

- Northcoders received 8,470 applications in 2022 (FY21: 3,662 applications)
- The teaching team grew by 28% in the period from 47 to 60
- 39% of students taught in the year were non-university educated
- The average starting salary that graduates went on to earn increased to £27,000
- Placement rates stay strong at 93%
- Funding options continue to be offered

Outlook

Northcoders Growth Plan

Platform to exploit increasing demand and achieve significant growth



Roll-out of further training courses supported by a scalable hybrid delivery model.

Expand business services offering through Hire Train Deploy Consultancy services & Developer Incubator



Be the corporate choice for graduate academies nationwide

Objective to be nationwide provider with 'go-to' reputation

Software Development

Data Engineering

Cloud Engineering

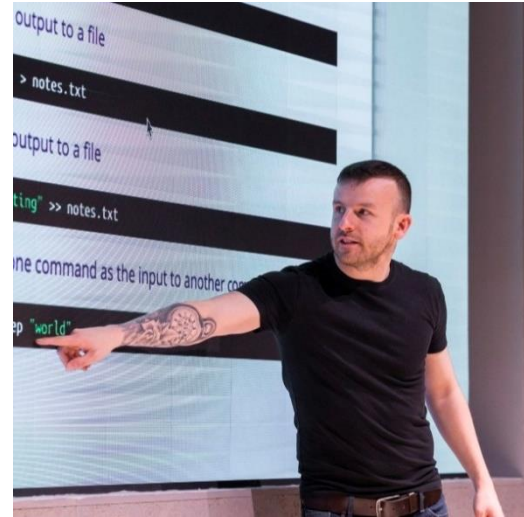
Cyber Security

Project Support, Salesforce & Business Analysis, Design, UX & UI

Summary & Outlook

- Trading to date in line with management expectations
- Application momentum continuing into 2023 with 3,714 applications received in Q1 2023, our highest quarter to date
- Well positioned with contracted bookings for FY23 of £6.1m at 31 March 23, approximately 64% of the FY23 target
- Business Solutions new product off to a strong start with repeat business
- Further UK Government support for skills bootcamps with £1.5bn allocated
- Acquisition of Tech Returners Limited completed in Feb 2023 creating significant opportunity for women in tech
- FY23 has started with serious momentum and has been aided by contractual revenue signed in FY22. The board has great confidence for the year ahead

Acquisition of Tech Returners Feb 2023



Tech Returners





Thank You...

Any Questions?



Disclaimer

Disclaimer

This content of information contained in these slides and the accompanying presentation comprises an institutional presentation (the Presentation) which has been prepared by and is the sole responsibility of Northcoders Group Plc (the Company). The content of this Presentation has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000 (FSMA). Reliance on this Presentation for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested. This Presentation does not constitute or form part of any offer for sale or solicitation of any offer to buy or subscribe for any securities nor shall it or any part of it form the basis of or be relied on in connection with, or act as any inducement to enter into, any contract or commitment whatsoever or constitute an invitation or inducement to engage in investment activity under section 21 of FSMA.

Notwithstanding the above, in the United Kingdom, this Presentation is only being given to persons reasonably believed by the Company to be (1) investment professionals within the meaning of article 19, certified high net worth individuals within the meaning of article 48, high net worth companies within the meaning of article 49, sophisticated investors within the meaning of article 50 and self-certified sophisticated investors within the meaning of article 50A of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 or (2) persons who are otherwise permitted by law to receive it, (all such persons together being referred to as relevant persons). This Presentation is only being sent to persons reasonably believed by the Company to be relevant persons. If you are not such a relevant person (i) you should not have received this Presentation and (ii) please return this Presentation to the Company's registered office as soon as possible and take no other action. By accepting this Presentation the recipient represents and warrants that they are a relevant person entitled to receive this Presentation.

This Presentation is not intended to be distributed, or passed on, directly or indirectly, to any other class of person and in any event under no circumstances should persons of any other description rely or act upon the contents of this Presentation. This Presentation and its contents are confidential and must not be distributed or passed on, directly or indirectly, to any other person. This presentation is being supplied to you solely for your information and may not be reproduced, further distributed or published in whole or in part by any other person.

No representation or warranty, expressed or implied, is made or given by or on behalf of the Company or any of their respective parent or subsidiary undertakings or the subsidiary undertakings of any such parent undertakings or any of the directors, officers or employees of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this Presentation and no responsibility or liability is accepted by any person for such information or opinions. No person has been authorised to give any information or make any representations other than those contained in this Presentation and, if given and/or made, such information or representations must not be relied upon as having been so authorised.

The contents of this Presentation are not to be construed as legal, financial or tax advice. The contents of the Presentation have not been independently verified by anyone other than the Company and are subject to material updating, revision and further amendment.

The Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of that Act. Neither this Presentation nor any copy of it may be taken or transmitted into the United States of America or its territories or possessions (the United States), or distributed, directly or indirectly, in the United States, or to any U.S Person as defined in Regulation S under the United States Of America Securities Act 1933 as amended, including U.S resident corporations or other entities organised under the laws of the United States or any state thereof or non-U.S branches or agencies of such corporations or entities or into Canada, Australia, Japan, South Africa or the Republic of Ireland. Neither this Presentation nor any copy of it may be taken or transmitted into or distributed in Canada, Australia, Japan, South Africa or the Republic of Ireland, or any other jurisdiction which prohibits the same except in compliance with applicable securities laws. Any failure to comply with this restriction may constitute a violation of United States or other national securities law.

Information contained in this Presentation may include 'forward-looking statements'. All statements other than statements of historical facts included herein, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company's business) are forward-looking statements. Such forward-looking statements are based on a number of assumptions regarding the Company's present and future business strategies and the environment in which the Company expects to operate in future. Actual results may vary materially from the results anticipated by these forward-looking statements as a result of a variety of factors. These forward-looking statements speak only as to the date of this Presentation and cannot be relied upon as a guide to future performance. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements contained in this Presentation to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.



Appendix: Team Biographies

Directors



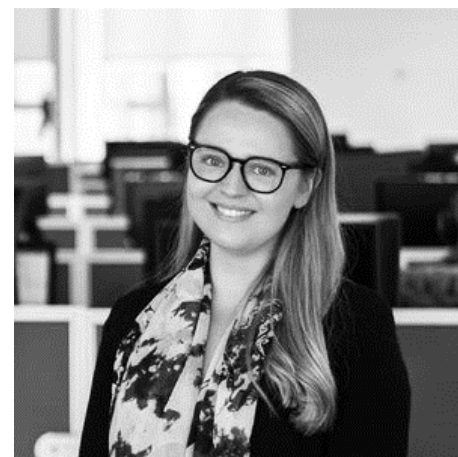
Chris Hill
– A Founder & Chief Executive Officer

Chris founded Northcoders in 2016 after experiencing first-hand the challenges businesses have in hiring competent, work-ready software engineers in his previous role at Sky. Prior to Northcoders, Chris was a software developer working for companies of various sizes and across various business sectors. Chris' commercial experience in software development helps to shape the Northcoders' curriculum and to understand the high level requirements of Northcoders' most innovative programmes.



Amul Batra
– Chief Partnerships Officer

Prior to joining Northcoders as Director in 2018, Amul spent 20 years in the music industry, latterly as managing director of Fwinki Music, a music management and consultancy company. He left music to set up a tech start-up and elected to sign up to Northcoders' first-ever cohort as part of that process. During his time as a student on Cohort One, Amul was attracted by the wider Northcoders business proposition and became an early investor in Northcoders. He is responsible for critical account business development and has played a vital role in securing many of Northcoders contracts with businesses.



Charlotte Prior
– Chief Financial Officer

Charlotte joined Northcoders in August 2018. She has over ten years' experience in finance roles ranging from the construction industry to a registered charity. Charlotte is a Fellow member of the Chartered Institute of Management Accountants (CIMA). She is responsible for managing the Finance and HR functions of the Group and ensures that management and the Board have all the information that they need to plan and make informed strategic decisions.



Angela Williams
– Non-Executive Chair

Angela is an experienced Non-Executive Director with UK and international plc experience, working with both business-to-business and business-to consumer companies across a range of sectors throughout her 30-year career. She has held senior executive roles for companies such as British Airways, Sodexo, Post Office, Centrica and Land Securities plc, and is the Chief People Officer for Corsearch Inc., offering her transformation, technology and people change expertise. Angela is also a Non-Executive Director with AND Digital.



Nick Parker
– Non-Executive Director

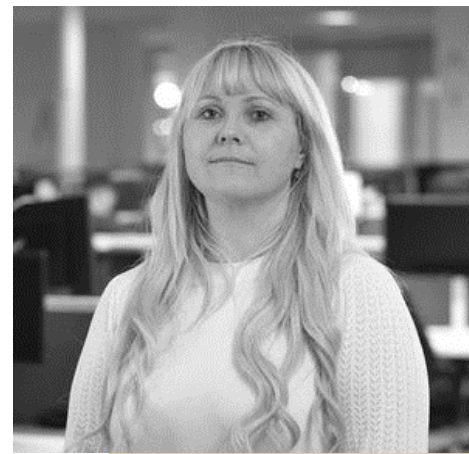
Nick, a qualified chartered accountant, is an experienced public company Director with strong financial acumen obtained over 30 years working with public and private companies. Previous roles have included being CEO of Sheffield Wednesday Football Club plc and Chief Financial Officer of Dyson Group plc and WANdisco plc, taking the latter to IPO in 2011. Nick has been working with Northcoders for the past three years and was appointed a Non-Executive Director on Admission.

Senior Management Team



Sam Caine
- Chief Operational Officer

Sam joined as a tutor/lecturer in May 2017. As Northcoders has grown, Sam has been responsible for the delivery team and has overseen all large projects to date, including the planning, inception and delivery of Northcoders' bespoke training mode and pathways, and the launch of the Leeds hub. He has also been responsible for designing and implementing many of Northcoders' internal software systems.



Lisa Claydon
- MD of Apprenticeships

Lisa is a target-oriented service industry Manager with over 14 years experience delivering welfare to work and skills contracts, including apprenticeships. Lisa is responsible for the delivery of all operational activities within the apprenticeships team including supplier and stakeholder management, query management and triage, and customer journey. She is responsible for leading a team whose core aim is to deliver exceptional customer service whilst remaining fully compliant to regulations and continuously looking for ways to improve service provisions.

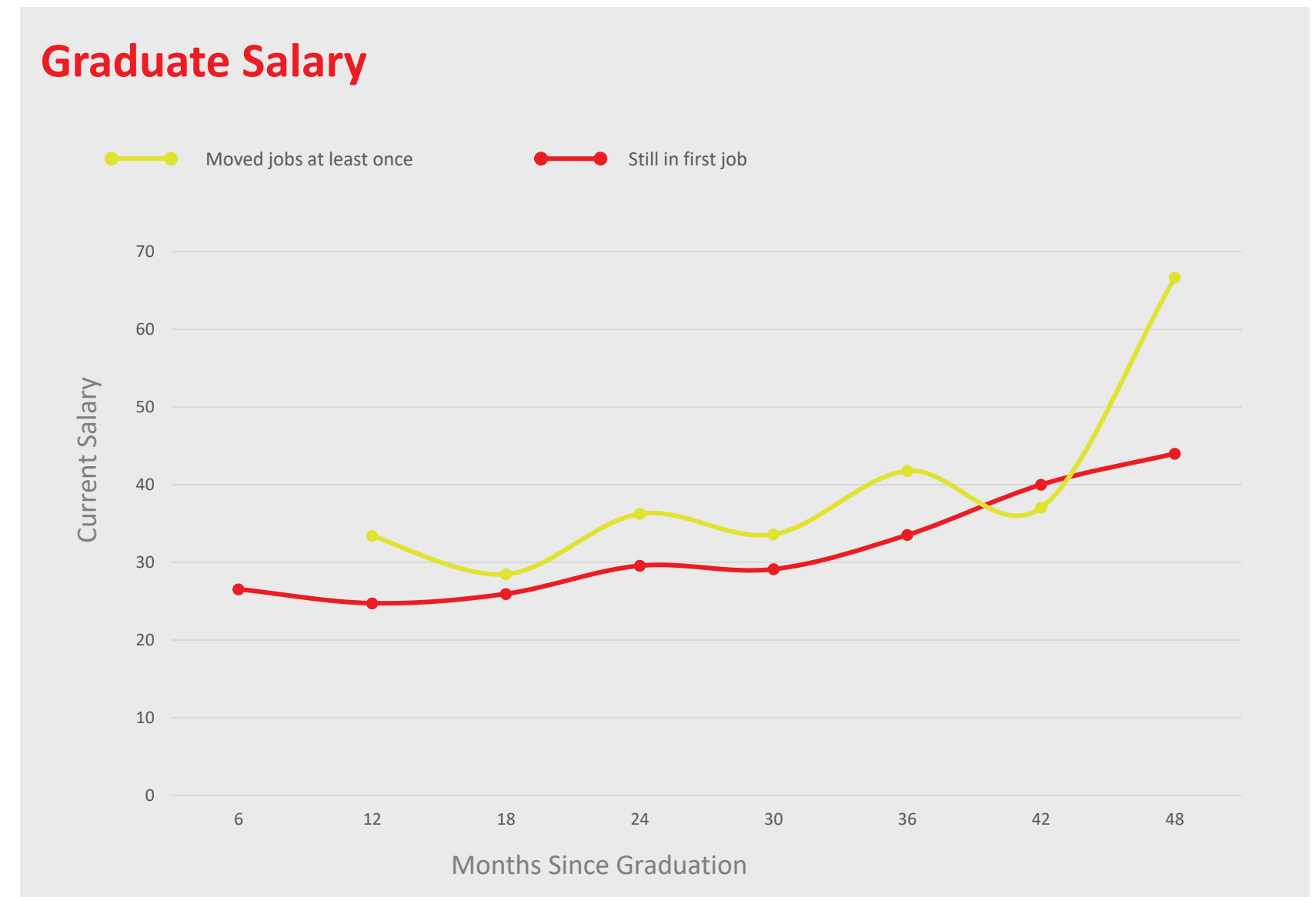
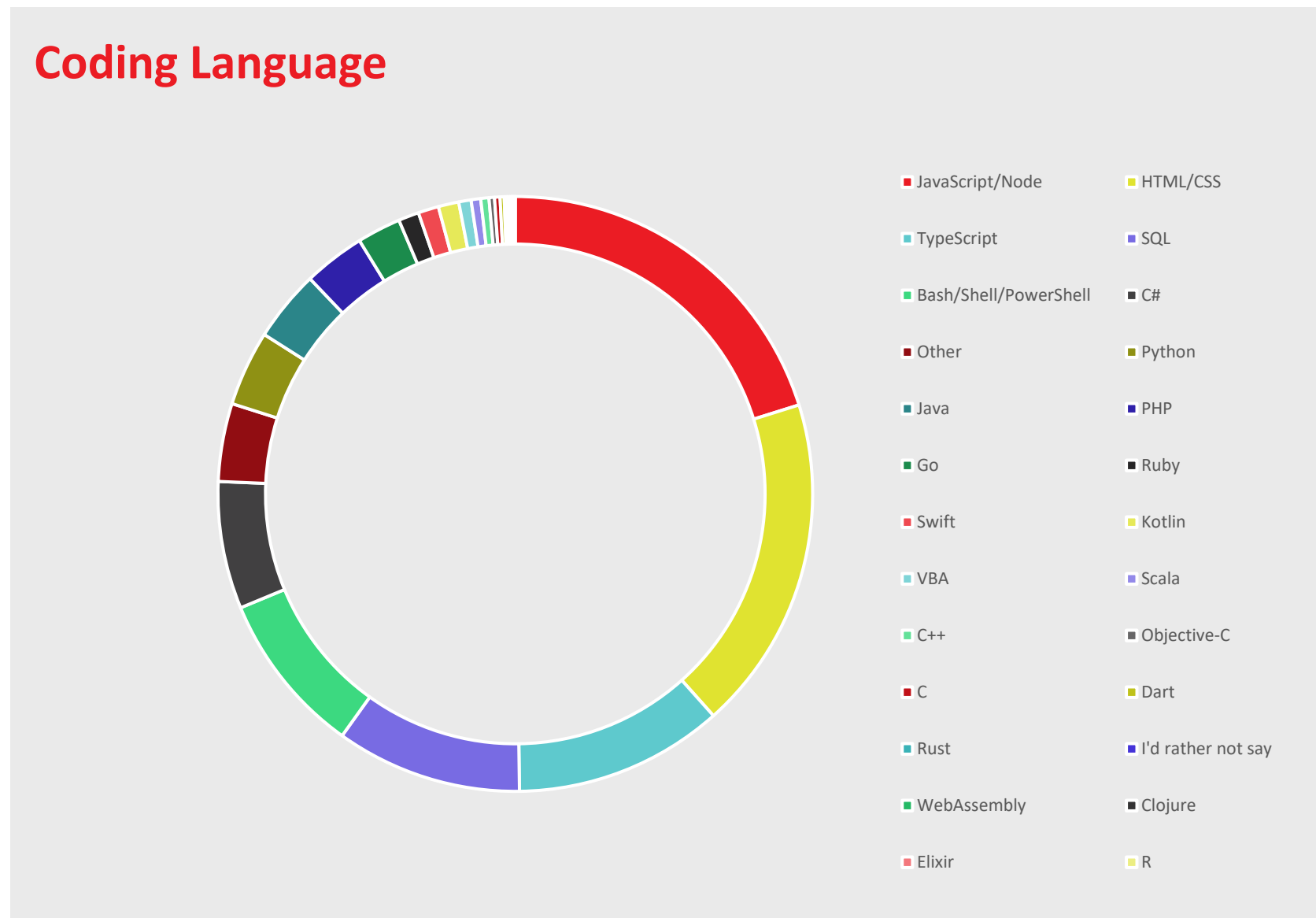


Meet the whole team here.

Graduate Data Analysis

A survey of Northcoders' graduates was conducted in September 2020.

Over 300 Northcoders responded providing feedback on their industry. This showed:



Testimonials



Abi Hart
Head of talent acquisition

“The quality of teaching, standards and the level of technical knowledge at Northcoders is fantastic.”



Krishan Tanna
Finance Executive to Software Engineer, BJSS

“Simply put - the best learning experience I have had”



Tia Eastwood
Call Centre Worker to Software Developer at Aire Logic

“it was reassuring to have the careers team there for support”



Jodi Dublon

Entrepreneur and Mobile App Developer

“The tuition and support was excellent despite my in-person course being remote during lockdown.”