



Northcoders Group plc

2023 Full Year Results

30 April 2024

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 2023 Highlights

Financial

- Group revenue up to a record £7.1 million, increasing 27% from £5.6 million in FY22 driven by geographic expansion and entry into new disciplines
- Gross profit increasing 13% to £4.4 million (FY22: £3.9 million) with a gross profit margin of 63%
- Adjusted EBITDA of £0.1 million (FY22: £0.9 million), in line with market expectations, Loss after tax of £1.0 million (Profit after tax FY22: £0.4 million), following investment in infrastructure and nascent B2B training division
- Cash balance as at 31 December 2023 of £1.6 million (FY22: £2.8 million)
- Net assets increased to £4.8 million (FY22: £4.6 million)



FY 2023 Highlights

Operational

- Record growth in numbers of individuals trained, increasing to 2,852 (FY22: 1,685)
- Relationship with UK Government continues to strengthen, achieving a £4.5 million bid in H2-2023 with a further £10 million bid win in January 2024
- B2C bootcamps now taught across the UK, including new regions such as Scotland – and experiencing strong demand for new technology disciplines
- B2B Business Solutions began first central Government contract in Q4 2023 and continues to develop strong pipeline of corporate business opportunities
- Successful acquisition of Tech Returners in February 2023 to help further improve access to technology
- NCore learning platform ready for roll out in FY24 to enable companywide efficiencies and further margin growth



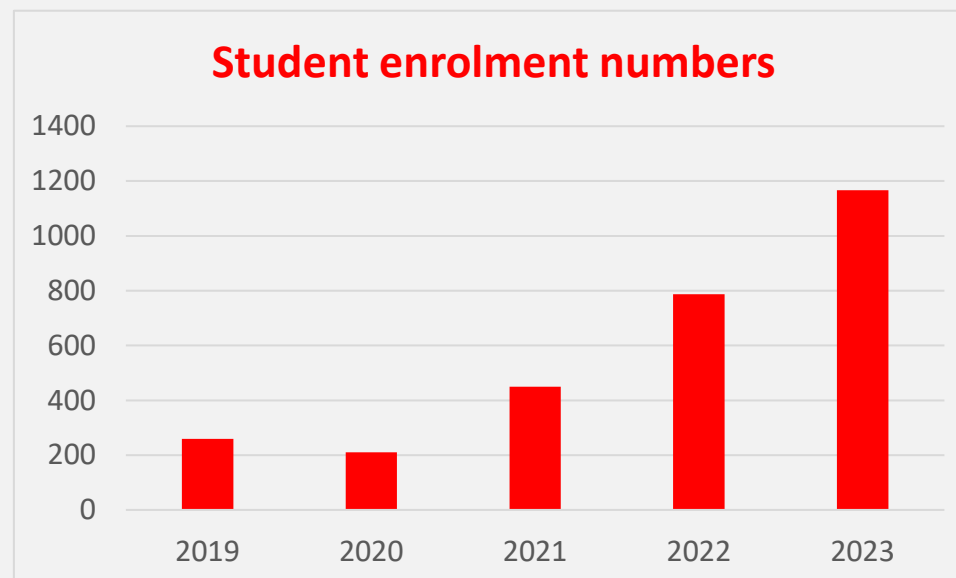


Business Overview



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 & a virtual platform.
Student enrolments 2023 = 1,167

We have built up a network of **450+** corporate hiring partners



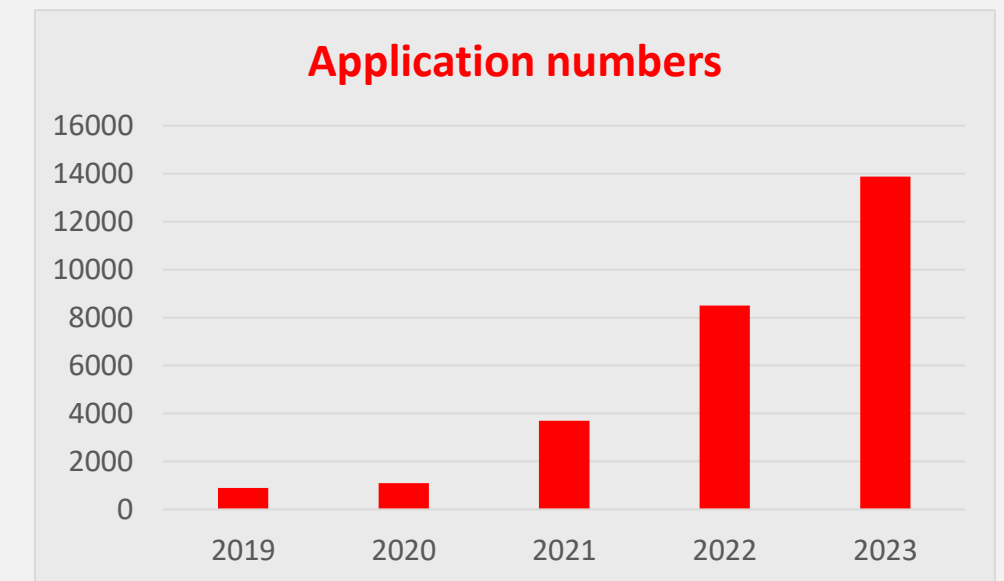
Have hubs in **Manchester, Leeds, Newcastle** and **Birmingham**
With students studying UK wide

130 full time employees at present



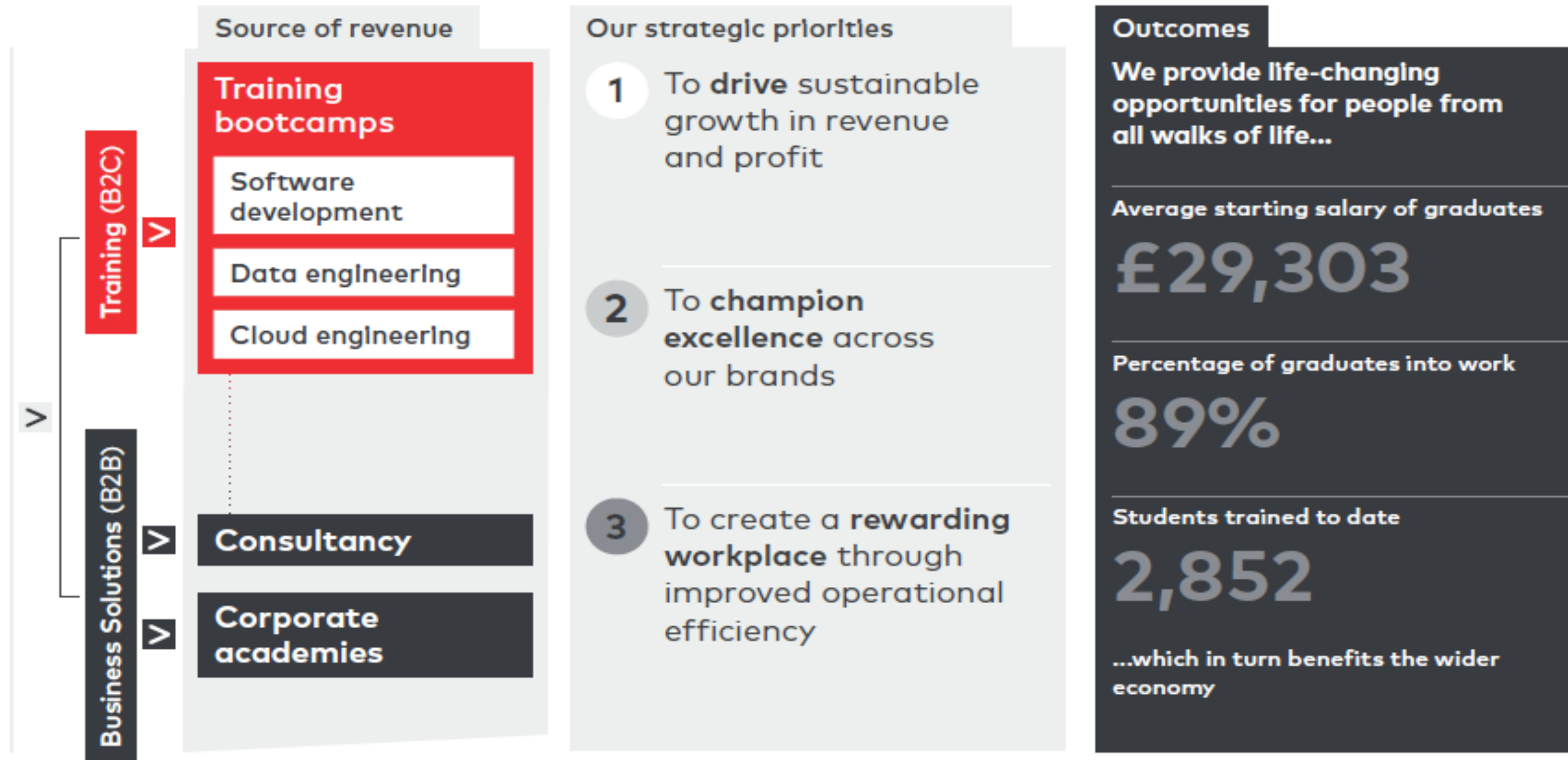
We now have 4 different full-time courses available for Students; Software, Data, Cloud, and Java.

And now 1 part-time course, Software Engineering.



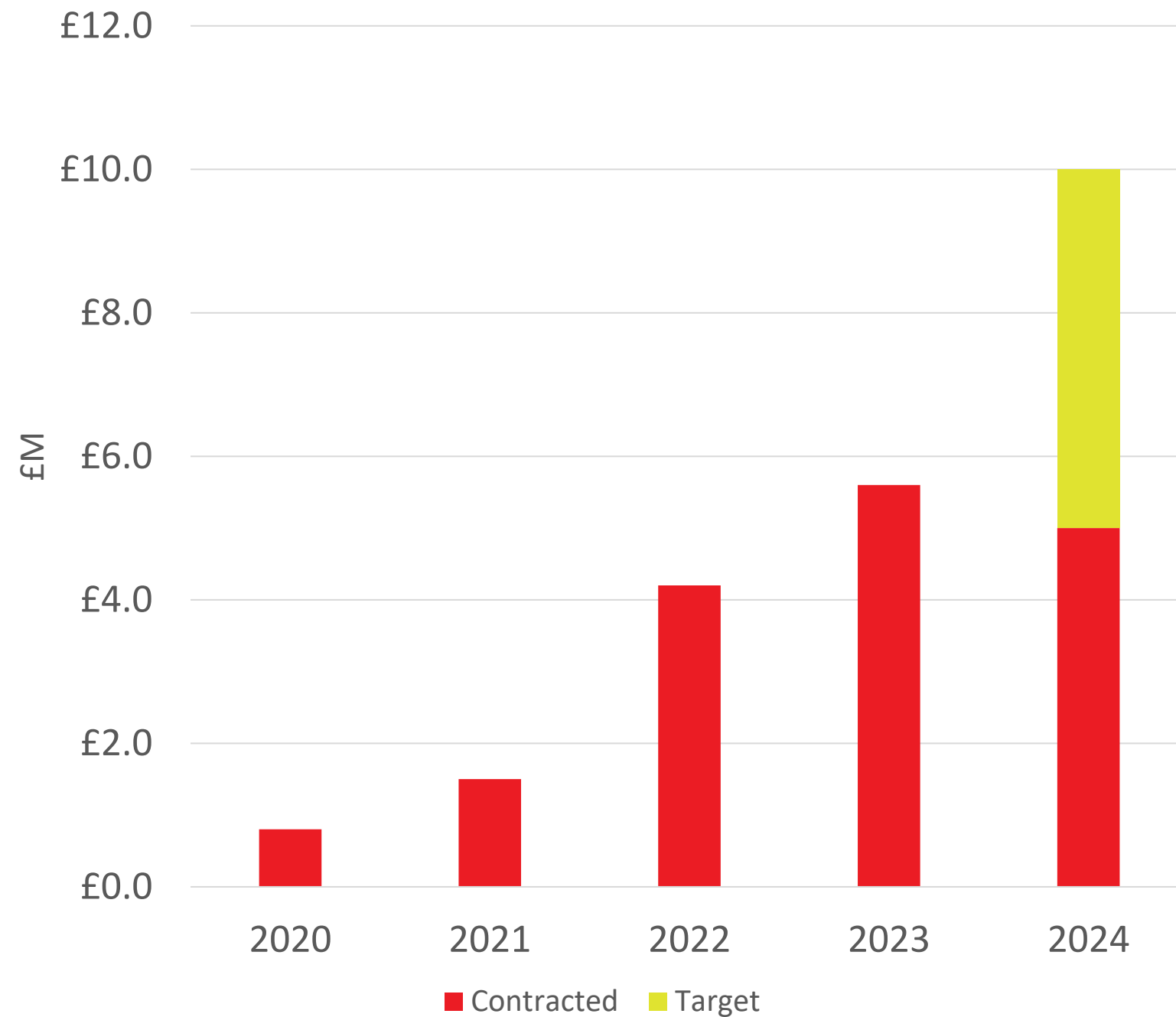
Demand is higher than ever and growing.
Application numbers 2023 = 13,878

Business Overview

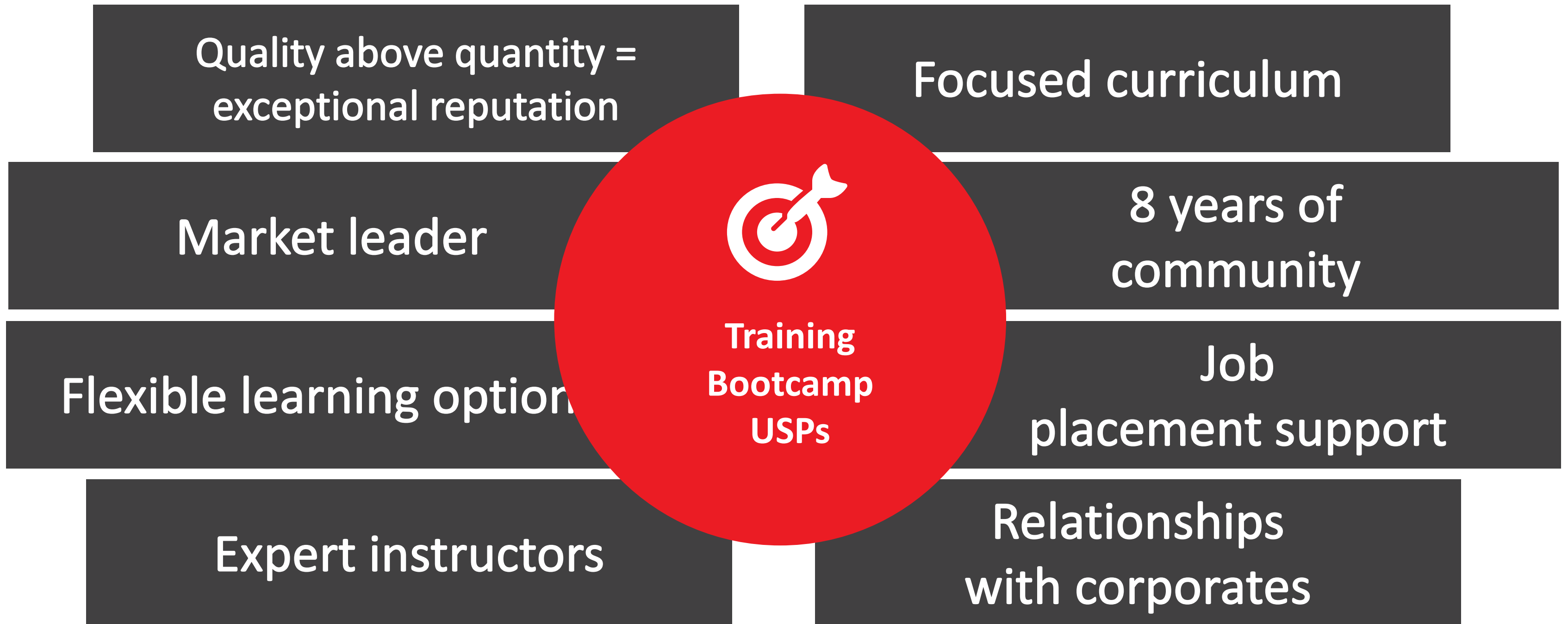


Our revenue is funded by, Consumers (upfront and via student loans), Corporates and the UK Government

B2C Training Bootcamp – Growth Opportunities & Drivers



- Diversification of technical disciplines
- Graduate CPD courses & frameworks
- Part-Time course offering to launch this summer
- Geographical expansion outside of England, (Ireland, Scotland, Wales, and further afield)



Business solutions

Incubate (New name and brand TBA)

Through Incubate, we support organisations with teams of diverse onshore technologists required to overcome their tech challenges.

The model provides high quality people, dedicated mentorship, as well as a long-term capability solution.

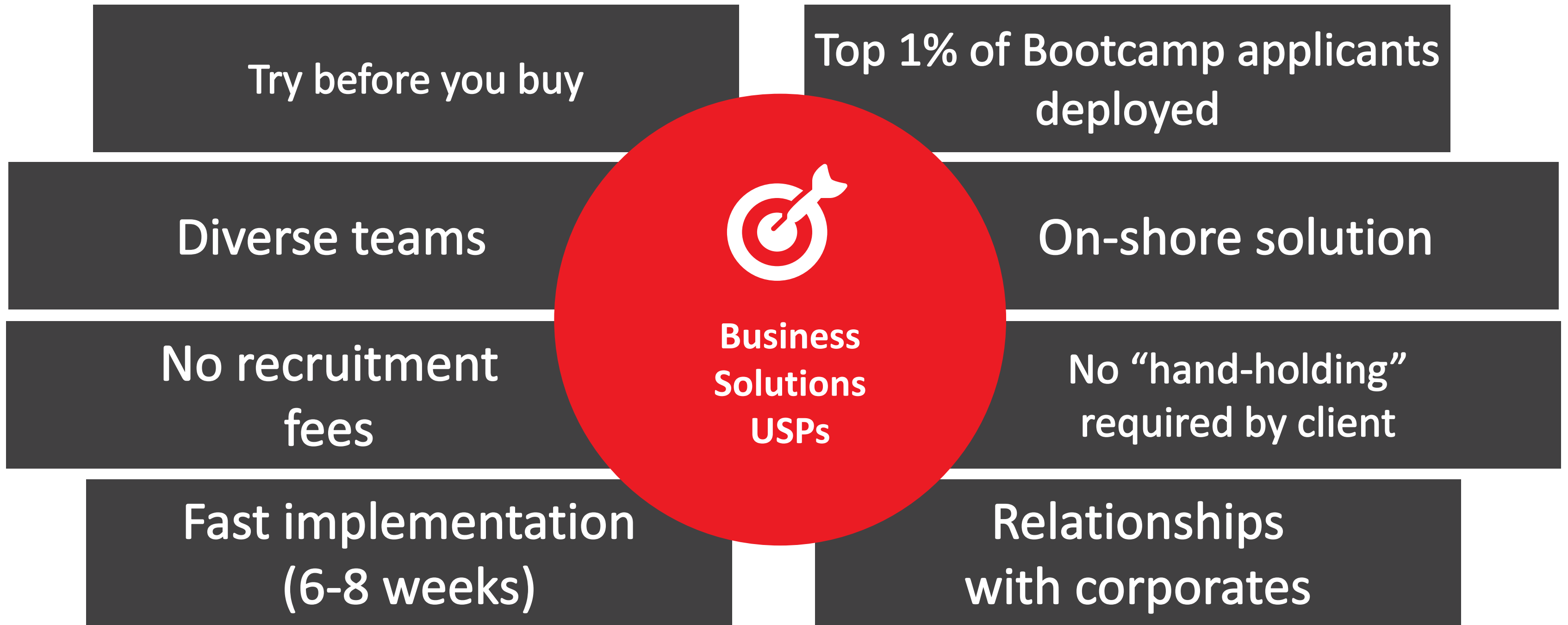
The candidates that we put forward are selected from the top 1% performers from the Northcoders applicants.

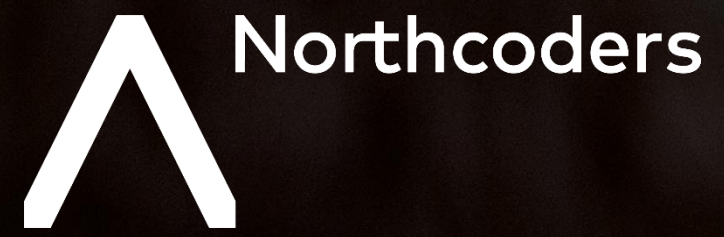
We can be competitive with pricing as,

- We have no 'bench'
- We do not have to pay to train consultants
- We don't have to spend money on recruitment

We seek to differentiate to competition by,

- Providing diverse teams
- Enabling our consultants to choose/ apply to work on the deployment
- Training our consultants in modern workplace practices





NCore & JS Basics

Our in-house Core Teaching
Platform and data-first
Learner management systems



Competitive Landscape

Training Bootcamps

General Assembly
Flatiron School
Le Wagon

App Academy
Hack Reactor
Makers Academy



Business Solutions

FDM
QA
Sparta Global

Accenture
Kubrick
Ten10



Market Conditions

‘After 23 consecutive months of contraction or no growth, IT employment ticked up modestly in February for the second consecutive month,’

Staffing Industry Analysis – March 2024

‘The demand for software engineers continues to surge with each new ground-breaking technological advancement..’

Employernews.co.uk

‘Despite facing a challenging financial climate, Small and Medium Enterprises (SMEs) within the UK’s tech sector are demonstrating optimism and resilience, with 69% reported to be investing in young talent’

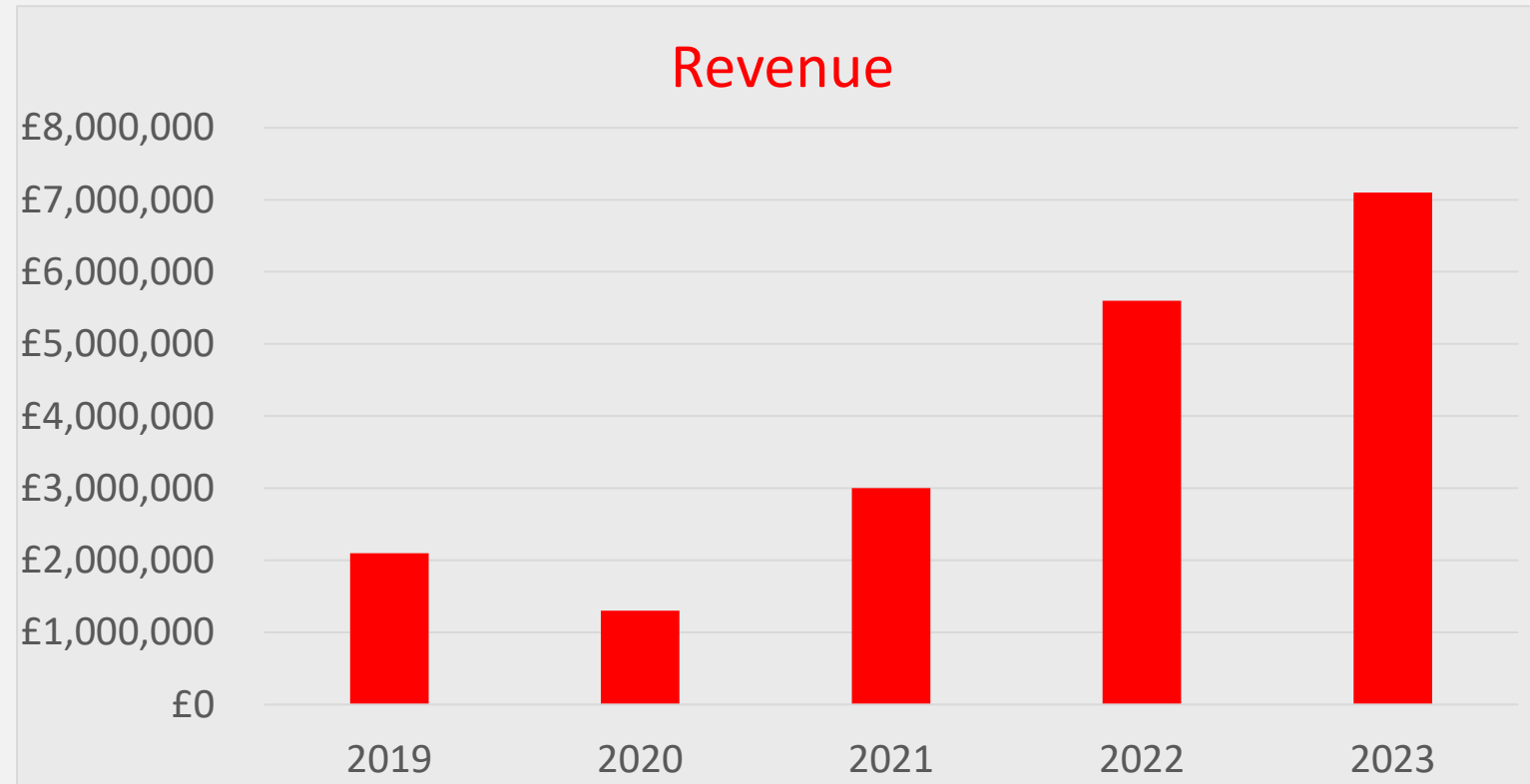
TechDay - The UK's, technology news network
February 2024

“Research by ManpowerGroup has found more than three quarters of employers are struggling to fill roles, particularly across IT and data, engineering, and sales and marketing. That’s a 17-year high and is only expected to rise as the pace of technology accelerates.”

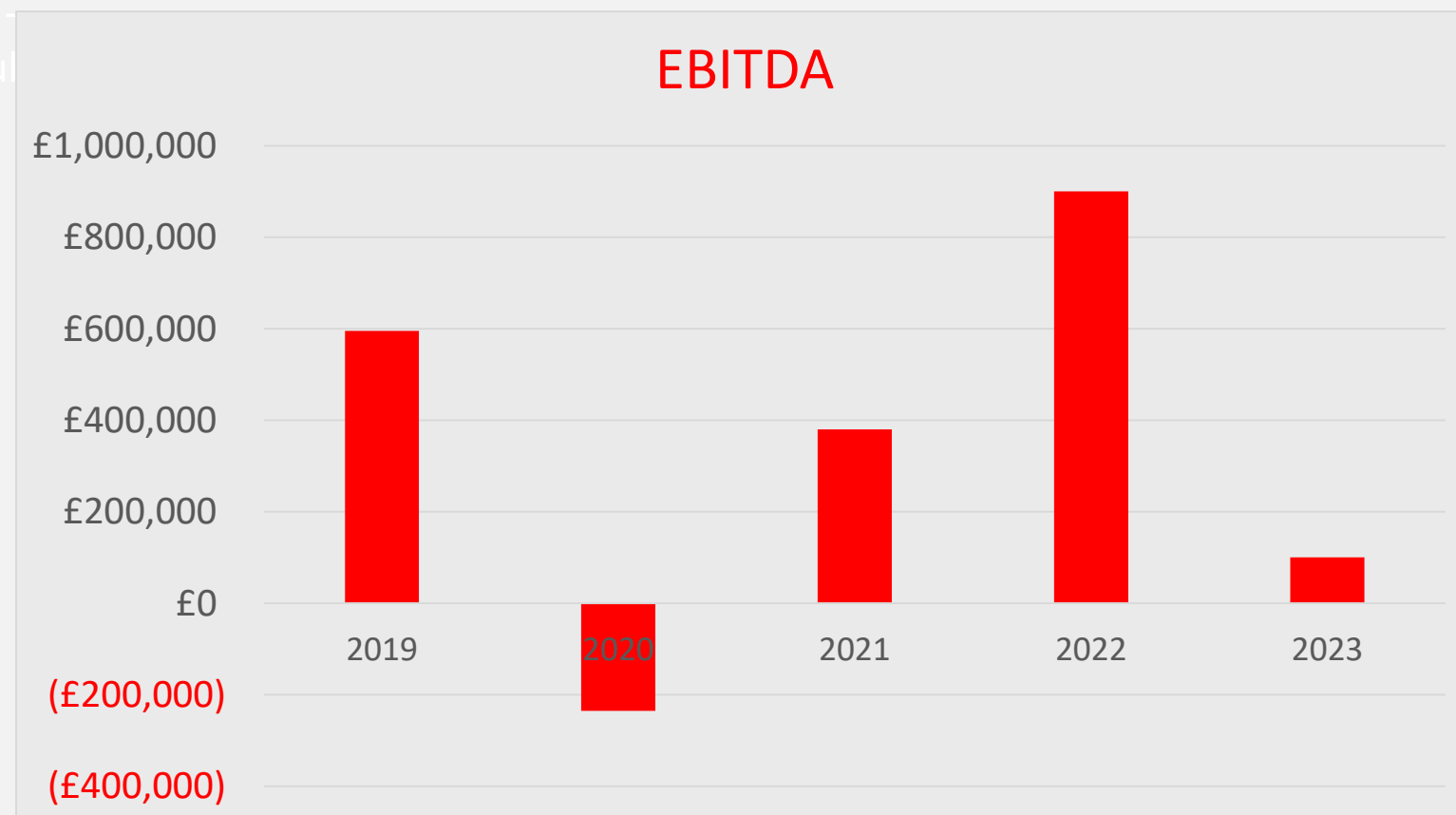
The Times.co.uk

Financial Review

Financial Performance to Date



Record revenues, increasing 238% in 4 years



EBITDA increased post COVID but dropped in 2023 due to uncertainty in tech hiring markets and investments made

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Income statement

	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Revenue	7,102,319	5,598,863
Gross profit	4,443,669	3,941,925
<i>Gross margin</i>	<i>63%</i>	<i>70%</i>
Adjusted EBITDA*	79,369	907,633
Operating (loss)/profit	(1,076,583)	447,338
Profit/(loss) before tax	(1,225,673)	346,429
<i>Margin</i>		<i>6%</i>
Net profit/(loss) after tax	(1,006,928)	359,538
	p	p
Basic earnings per share (pence)	(12.62)	5.12
Adjusted earnings per share (pence)	(4.81)	8.02

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

Statement of cash flows

	Year ended 31 December 2023	Year ended 31 December 2022
	£	£
Cash flows from operating activities:	(483,317)	907,633
Changes in working capital:		
(Increase)/decrease in trade & other receivables	891,421	(1,435,445)
Increase/ (Decrease) in trade & other payables	(71,390)	178,377
Cash absorbed by operations	537,975	(349,435)
Tax refunded	113,461	104,408
Net cash inflow/(outflow) from operating activities	651,436	(245,027)
Net cash (used in) investing activities	(996,759)	(515,356)
Proceeds from issue of shares	-	1,917,575
Proceeds from new bank loans and borrowings	-	962,500
Repayments of bank loans and borrowings	(418,177)	(573,087)
Payment of lease obligations	(279,826)	(231,491)
Interest Paid	(116,775)	(102,486)
Net cash from financing activities	(814,778)	1,973,011
Net increase in cash	(1,160,101)	1,212,628
Cash and cash equivalents at beginning of the Period	2,777,273	1,564,645
Cash and cash equivalents at end of the Period	1,617,172	2,777,273

Statement of financial position

	31 December 2023	31 December 2022
	£	£
Non current assets	3,533,309	1,619,409
Current assets	3,730,859	5,716,514
Total assets	7,264,168	7,335,923
Current Liabilities	(1,818,179)	(1,258,424)
Net current assets/(liabilities)	1,912,680	4,458,090
Non current Liabilities	(628,370)	(1,435,769)
Total liabilities	(2,446,549)	(2,694,193)
Net assets/(liabilities)	4,817,619	4,641,730
Equity		
Called up share capital	80,115	76,889
Share premium account	4,801,444	4,801,444
Merger reserve	500	500
Share option reserve	401,714	228,480
Other reserve	946,774	(50,000)
Retained earnings	(1,412,928)	(415,583)
Total Equity	4,817,619	4,641,730

Non-financial results

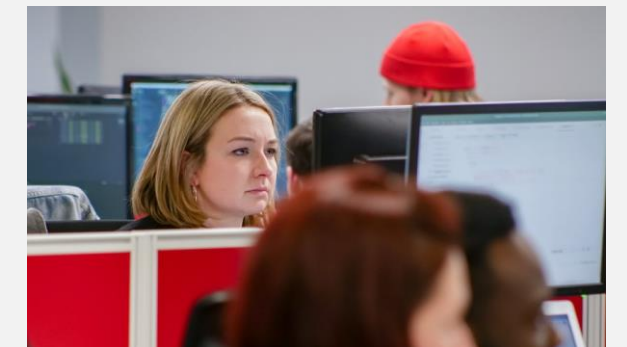
- Northcoders received 13,878 applications in 2023 (FY22: 8,470 applications)
- 38% of students taught in the year were non-university educated
- The average starting salary that graduates went on to earn increased to £29,303
- Placement rates stay strong at 89%
- Funding options continue to be offered

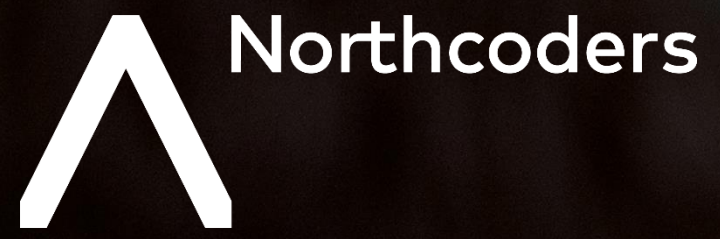


Outlook

Summary & Outlook

- Trading in line with market expectations
- Application momentum continuing into 2024 with 2,986 applications received in Q1 2023
- Well positioned with contracted bookings for FY24 of £8.9m at 31 March 23, approximately 97% of the FY24 target
- Progressive Business Solutions pipeline
- Further UK Government support for skills bootcamps with £10m contract win and OFSTED GOOD in all areas
- Highly requested Part Time course launched





Thank You...

Any Questions?



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Disclaimer

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