



Northcoders Group plc

2024 Interim Results

17 September 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

- Revenue grew to £4.4 million (H1 2023: £3.5 million), an increase of 26%, slightly ahead of management expectations
- Gross margin increased to 67% (H1 2023: 62%) following release of the NCore technology platform
- Tenfold increase in underlying adjusted EBITDA of £0.4 million (H1 2023: £0.04 million) as the Group leverages the efficiencies of investments made in FY 2023
- Return to profitability with adjusted EPS increasing to 2.58p (H1 2023: 2.07 loss)
- Strong balance sheet with cash of £1.3 million (H1 2023: £2.0 million) following technology platform investments, delivering enhanced margins



FY 2023 Highlights - Operational

- Growth in demand with record Training Bootcamp registrations, reaching 4,703 in the Period (H1 2023: 3,590)
- Q3 2024 has again seen record applications, with 3,313 registrations
- Record visibility and profit per seat following successful Department for Education Skills Bootcamps bid for £10 million covering 18-month period to June 2025
- Geographic expansion continues with over 62% of learners now based outside of Manchester and Leeds, and 34% based in London
- Corporate Solutions division rebranded as Counter™ in May 2024 appointing Tom Walton as strategic advisor and starting three pilot contracts in the Period
- Successfully selected a new Manchester office, negotiated at a significantly lower rent to the current premises, with a move in date during Q1 2025. Based in the centre of the city's business district it will provide access to multiple new potential customers and hiring partners
- New technology training courses continue to expand with Java and C# courses successfully added to learning suite



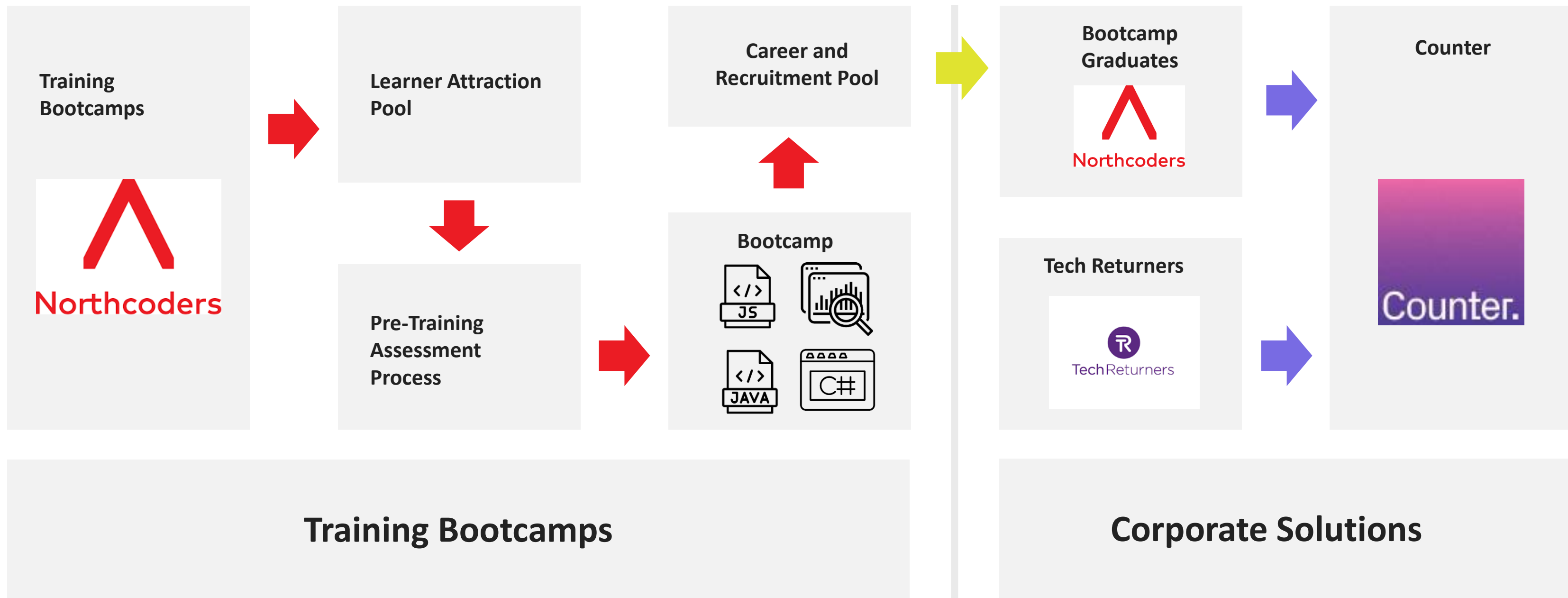


Business Overview



Northcoders Group Business Model

We operate two Business Divisions, Training Bootcamps and Corporate Solutions, creating life-changing opportunities for people from all walks of life whilst providing the tech industry with the skills it needs.



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

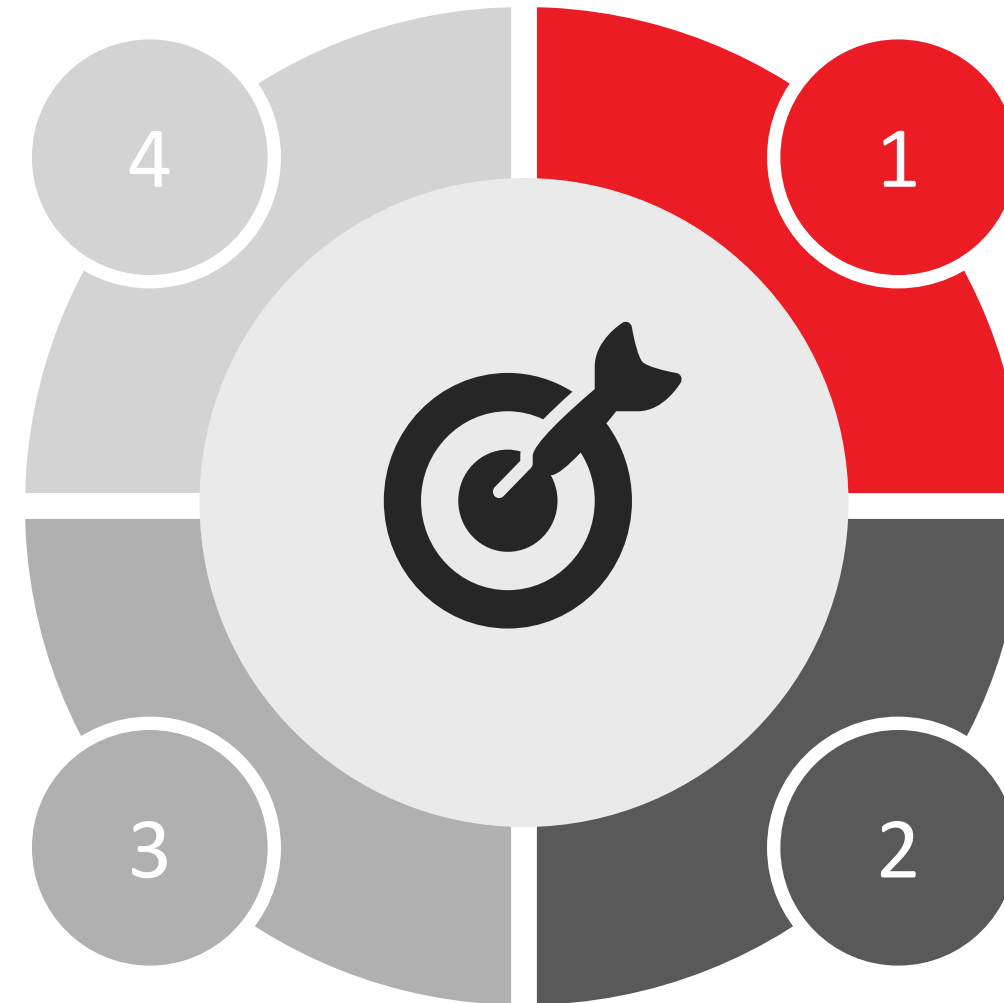
Our Core Drivers

Vast B2B Market Opportunity

The Consulting and Hire, Train & Deploy sector is vast. Northcoders are a credible challenger brand to disrupt a stale sector

B2C Training Bootcamp Excellence powers our B2B Brand

Training is our heritage, we have an Excellent Reputation and a trailblazing alumni of high achievers to showcase it



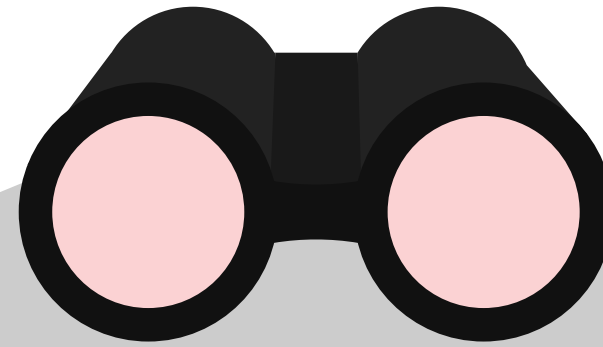
Trailing Bootcamp Growth

Maintaining an average growth of nearly 50% year-over-year for the past three years

Tech Infrastructure Investment

Ncore and other technology investments are creating efficiencies which leads to higher profitability

Our Vision



1 Year Plan

The world-leading Coding Bootcamp with an exciting and credible Hire-Train-Deploy challenger brand

3 Year Picture

The leading UK technology skills accelerator that's redefining success in the technology consultancy, training, and hire, train, deploy sector

10 Year Vision

A partnerships-driven global professional services provider focused on technology skills and capability

Quality above quantity = exceptional reputation

Focused curriculum



Training
Bootcamp
USPs

Market leader – starting salaries for students c. £30,000

8 years of community - over 3,000 students trained to date

Flexible learning options with full and part time courses available

Job placement support & 89% of grads into work

Expert instructors

450+ Hiring partners

Counter.



Partners
for progress

At Counter™, we embed highly engaged, tech problem solvers from diverse backgrounds into the very fabric of your business for the long term.

We are a challenger brand to the stagnant “Hire-Train-Deploy” sector which is ripe for disruption through partnerships & innovation

Counter Leadership Team

Counter™ is part of Northcoders Group PLC, which also includes the Northcoders and Tech Returners brands. The Group's mission is to deliver life-changing opportunities for people from all walks of life whilst providing the tech industry with the skills it needs.

Our Leadership Team is comprised of tech business leaders from across the North.

Amul Batra
Managing Director
Co-Founder Northcoders Group PLC



Tom Walton
Strategic Advisor
Co Founder of Infinity Works



James Heggs
Technical Director
Co Founder & CTO Tech Returners



What we do



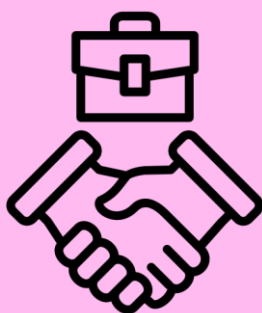
Consultants cherry-picked in collaboration with your business



Teams are assembled on a project basis meaning 100% utilisation rate



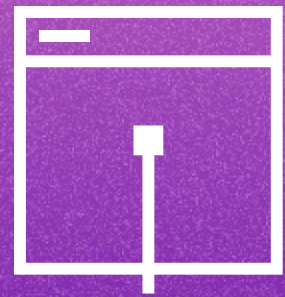
Other expertise and specialisms can be sourced through Tech Returners



Returners & Counter Consultants become FTEs post contract completion



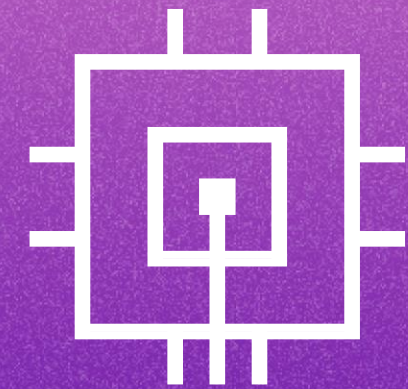
Our Counter team are specially trained in the key areas of technology, always ensuring you have the right team for your specific project and organisations' needs.



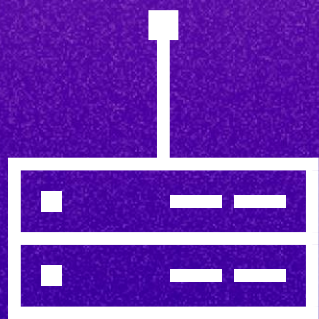
Software
Engineering



Mobile
Computing



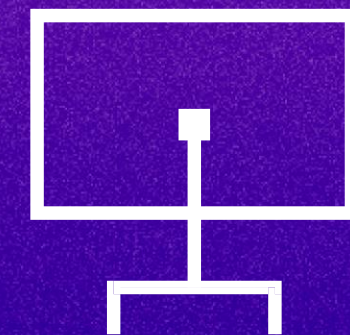
Artificial
Intelligence



Data
Engineering



Cloud
Computing



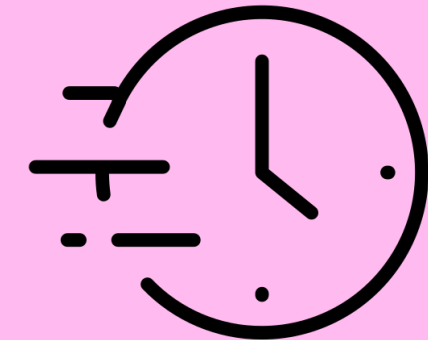
Low Code
Development

COUNTER's USPs



**Highest performing
Northcoders & Tech
Returners graduates**

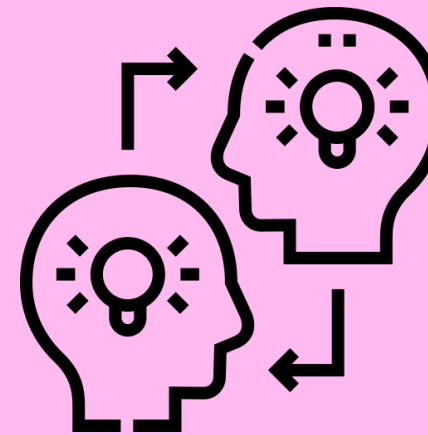
**Fast
implementation
(6-8 weeks)**



**On-Shore solution
Near-Shore pricing**

Subject Matter experts

*No "hand-holding"
required by client*



Competitive Landscape

Training Bootcamps

General Assembly
Flatiron School
Le Wagon

App Academy
Hack Reactor
Makers Academy



Corporate Solutions

FDM
QA
Sparta Global

Accenture
Kubrick
Ten10



Market Conditions

Prime Minister Keir Starmer said:

“Our skills system is in a mess, which is why we are transforming our approach to meet skills needs over the coming decades.”

“They will help to deliver our number one mission as a government, to kickstart economic growth, by opening up new opportunities for young people and enabling British businesses to recruit more home-grown talent.

From construction to IT, healthcare to engineering, our success as a country depends on delivering highly skilled workforces for the long-term. Skills England will put in place the framework needed to achieve that goal while reducing our reliance on workers from overseas.”

‘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

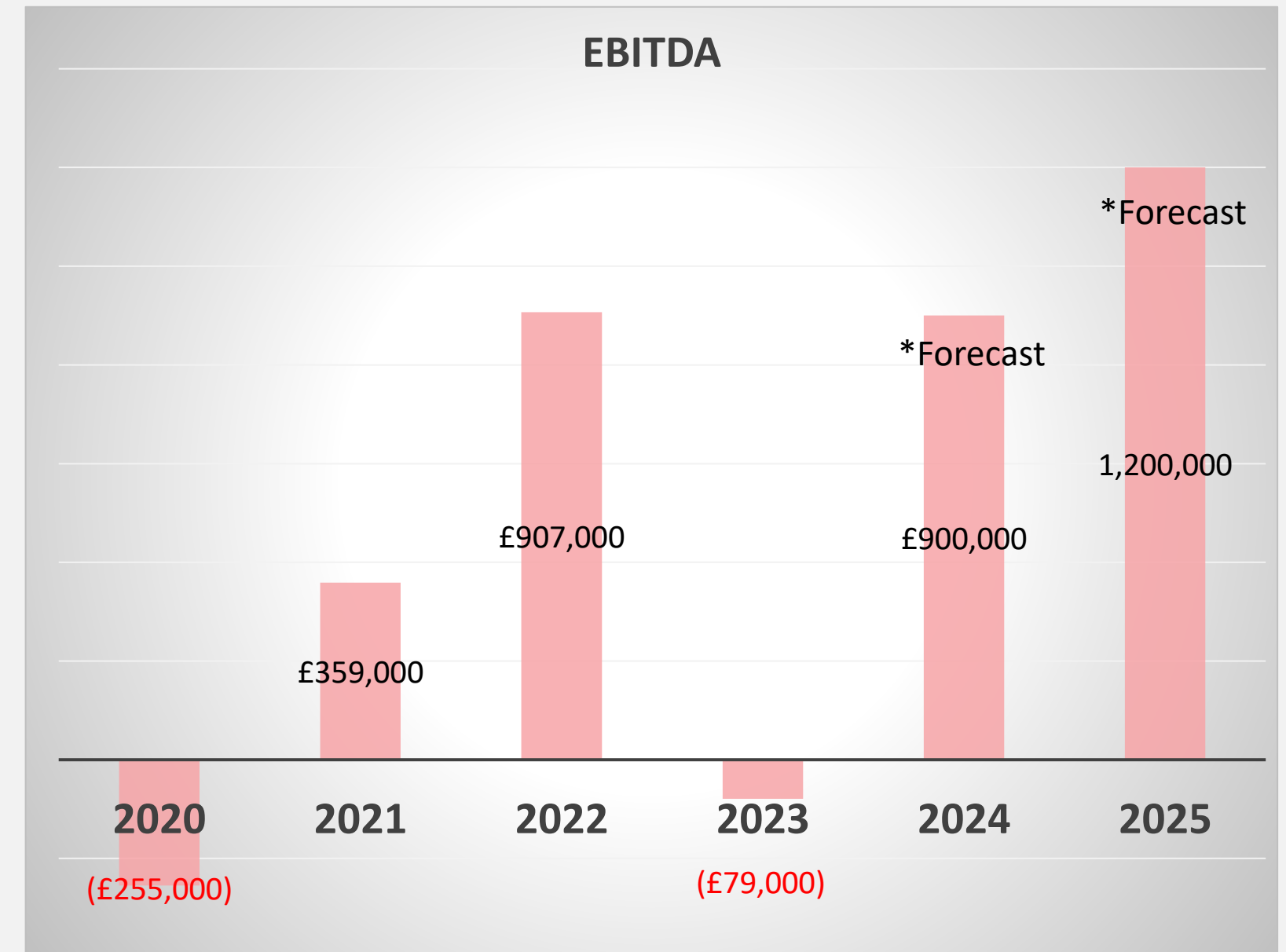
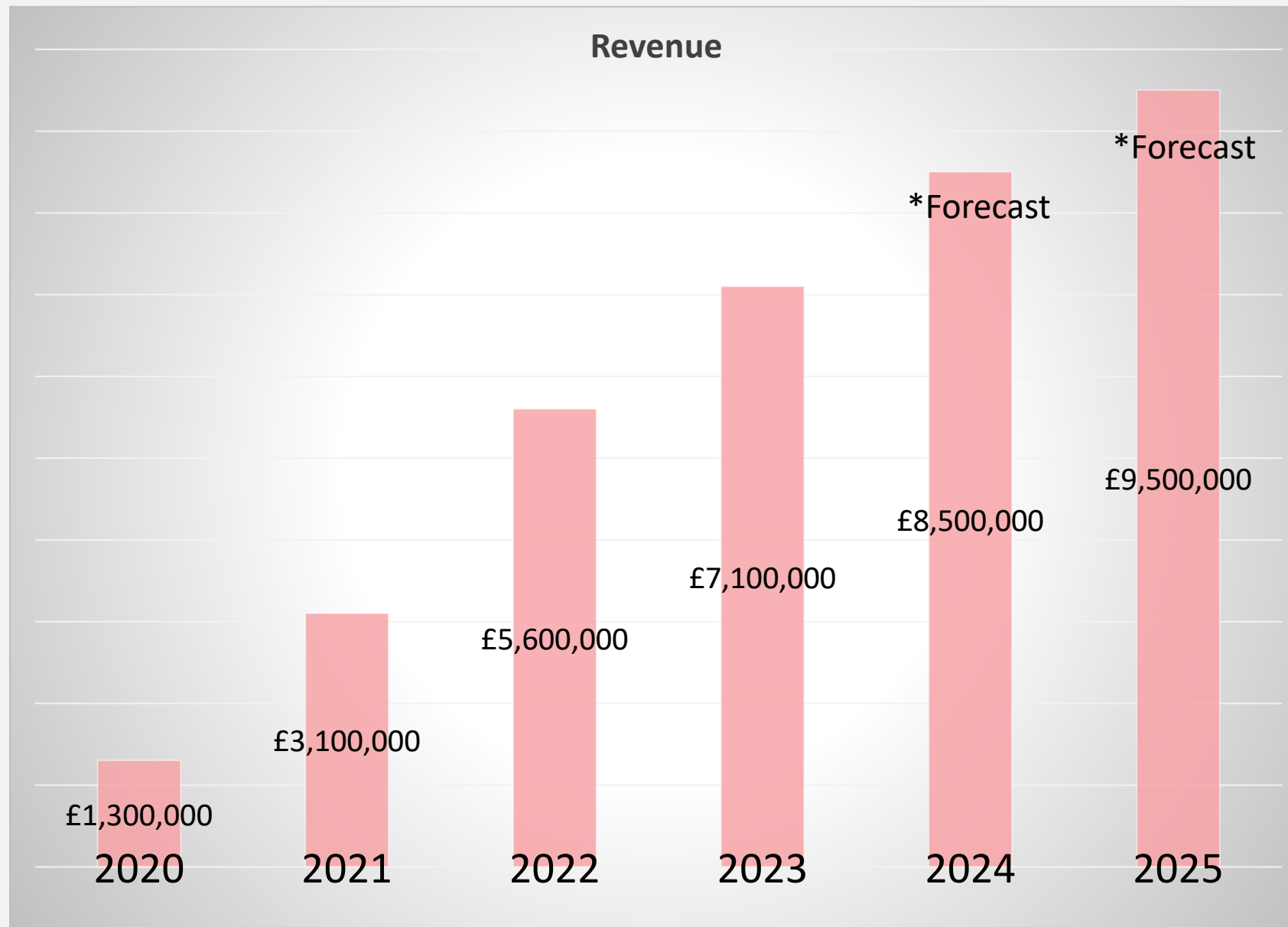
‘Despite facing a challenging financial climate, Small and Medium Enterprises (SMEs) within the UK’s tech sector are demonstrating optimism and resilience, with 69% reported to be investing in young talent’

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

June 2024 study by the [British Chambers of Commerce](#) found that engineers, including software engineers, was the most frequently cited role type where skills shortages exist. IT developers also appeared in the top 10.

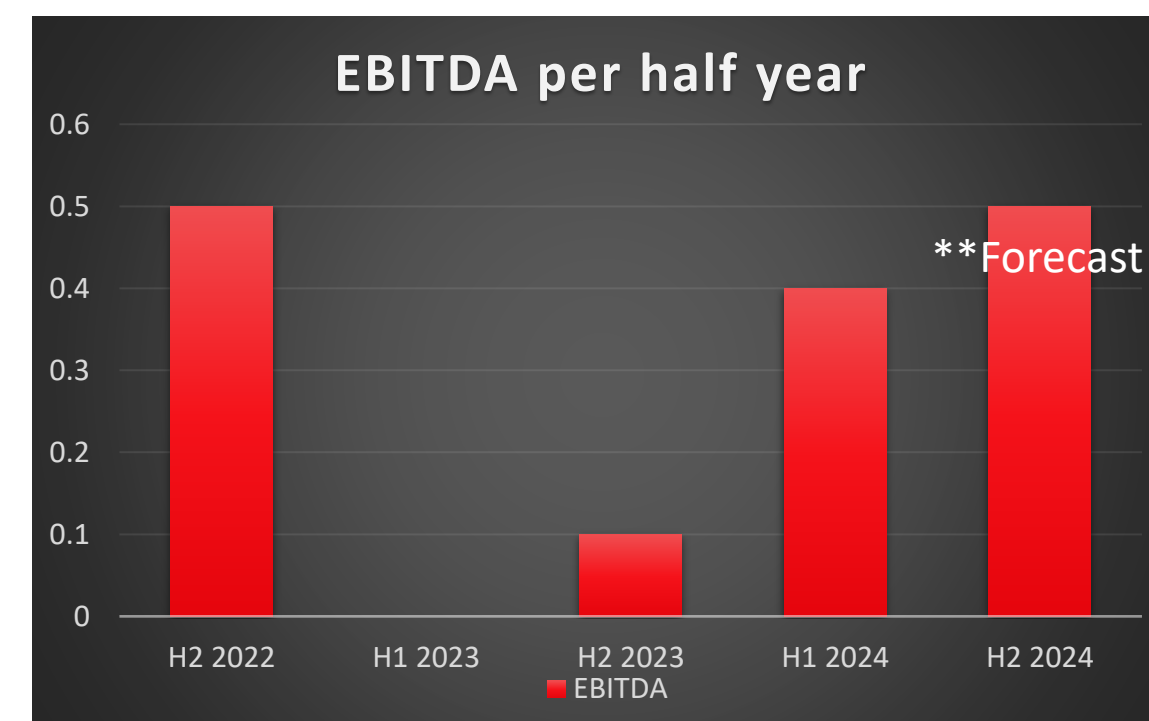
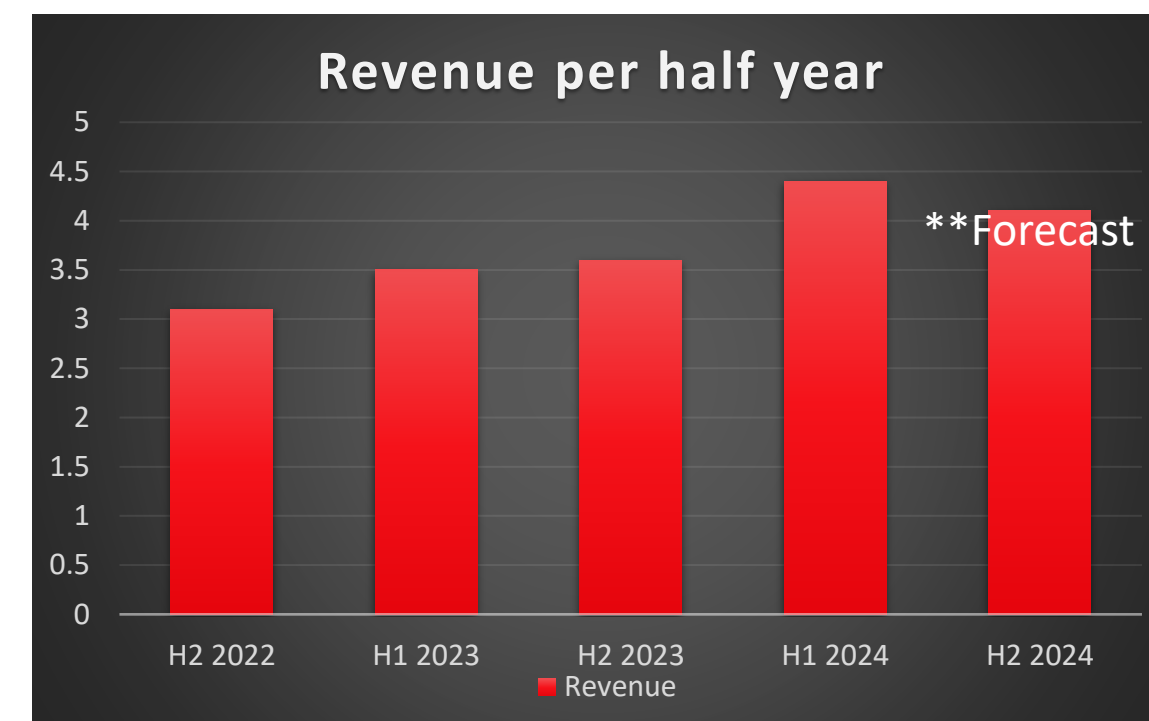
Financial Review

Financial performance



*Broker forecasts not actuals

Income statement	6 months ended 30 June 2024	6 months ended 30 June 2023	Year ended 31 December 2023
	£	£	£
Revenue	4,353,628	3,450,579	7,102,319
Gross profit	2,910,877	2,180,934	4,443,669
Gross margin	67%	63%	63%
Adjusted EBITDA*	447,876	39,373	79,369
Margin	10%	1%	1%
Operating profit/(loss)	154,716	(222,268)	(1,076,583)
Profit/(loss) before tax	118,137	(306,908)	(1,225,673)
Net profit/(loss) after tax	108,407	(250,933)	(1,010,653)
Basic earnings per share (pence)	1.35	(3.16)	(12.62)
Adjusted earnings per share (pence)	2.58	(2.07)	(3.23)



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

** Broker Forecast

Statement of cash flows	6 months ended 30 June 2024	6 months ended 30 June 2023	Year ended 31 December 2023
	£	£	£
Cash flows from operating activities:	447,876	39,373	(483,317)
Changes in working capital:			
(Increase)/decrease in trade & other receivables	(93,185)	244,532	891,421
Increase/ (decrease) in trade & other payables	59,508	(183,937)	129,871
Cash (used in) / from operations	414,199	99,968	537,975
Tax refunded	-	82,483	113,461
Net cash inflow/(outflow) from operating activities	414,199	182,451	651,436
Net cash (used in) investing activities	(375,026)	(538,828)	(996,759)
Proceeds from issue of shares	-	-	-
Proceeds from new bank loans and borrowings	-	-	-
Repayments of bank loans and borrowings	(171,985)	(166,665)	(418,177)
Payment of lease obligations	(137,714)	(141,363)	(279,826)
Interest paid	(38,267)	(68,019)	(116,775)
Net cash from financing activities	(347,966)	(376,047)	(814,778)
Net cash increase in cash	(308,793)	(732,424)	(1,160,101)
Cash and cash equivalents at beginning of the Period	1,617,172	2,777,273	2,777,273
Cash and cash equivalents at end of the Period	1,308,379	2,044,849	1,617,172

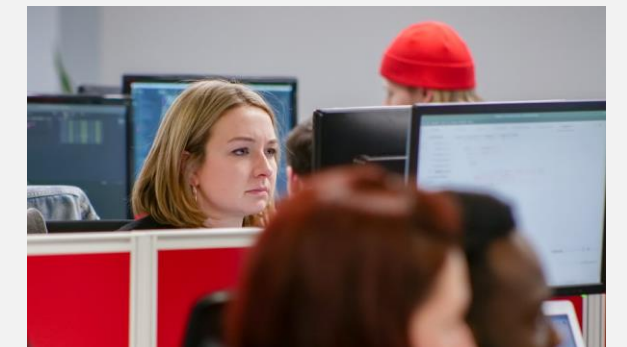
Statement of financial position

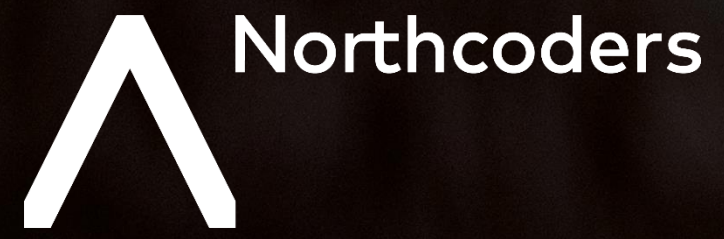
	30 June 2024	30 June 2023	31 December 2023
	£	£	£
Non current assets	3,608,158	3,542,301	3,533,309
Current assets	3,535,923	4,885,858	3,730,859
Total assets	7,144,081	8,428,159	7,264,168
Current liabilities	(1,661,670)	(1,636,433)	(1,818,179)
Net current assets/(liabilities)	1,874,253	3,249,425	1,912,680
Non current liabilities	(463,349)	(1,292,366)	(628,370)
Total liabilities	(2,125,019)	(2,928,799)	(2,446,549)
Net assets/(liabilities)	5,019,062	5,499,360	4,817,619

Outlook

Summary & Outlook

- The second half of FY 2024 started well and the Group is pleased to report trading has been slightly ahead of management expectations. As brand awareness and national expansion increases, Northcoders will look to provide remote learners outside of Manchester with more in-person networking opportunities and strengthening the Group's regional hiring partner base
- Focus remains upon investing into new technology disciplines, expanding our Corporate Solutions division, Counter™, increasing brand awareness and leveraging the efficiencies of NCore, whilst delivering increased profitability
- Looking ahead, the Board is confident in Northcoders' ability to deliver FY 2024 revenue and profits in line with market expectations





Thank You...

Any Questions?



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