



TRIBAL

EMPOWERING THE WORLD OF EDUCATION

Tribal Group – Half Year Results 2023

Tribal – Empowering the World of Education



Who We Are

Provider of **software and services** to **education institutions, globally**



What We Do

Student Information Solutions to both Higher & Further Education institutes globally

Global provider of Quality Assurance and Benchmarking services for Education



Who We Help

Over 500 institutions empowered by Tribal's Student Information Solutions

Customers across the Globe (UK, Canada, Malaysia, New Zealand, Australia)



Our Goal

To be a **pure-play EdTech SaaS business**, with global reach

>25%

Market Share, Australia & NZ

>35%

Market Share, UK FE Colleges

£10m

Education Services 2023 H1 Revenue

£34m

SIS 2023 H1 Revenue

£52m

2023 H1 ARR

Good performance in underlying business

- Good SIS sales performance, expanding with existing customers and winning new ones
- Three Cloud migration contracts with existing SITS customers and one new SITS Vision customer
- Secured three multi-million, multi-year Educational Service renewals and additional new contracts

As a result:

- Significant growth in Education Services revenue (+37% to £9.7m); SIS revenues impacted by termination of NTU contract
- Core ARR increased by 6.3% in the half-year

NTU

- Contract terminated in March 2023, project wound down and Professional Services team redeployed to other projects
- Discussions for resolution with NTU underway
- Absent of a privately negotiated resolution, contract provides for mediation between the parties ahead of any litigation
- Timeline to resolution or final adjudication presently uncertain
- 2023 project costs fully covered by 2022 provision release; currently no provision regarding any future litigation or other related costs has been made

Why We Win

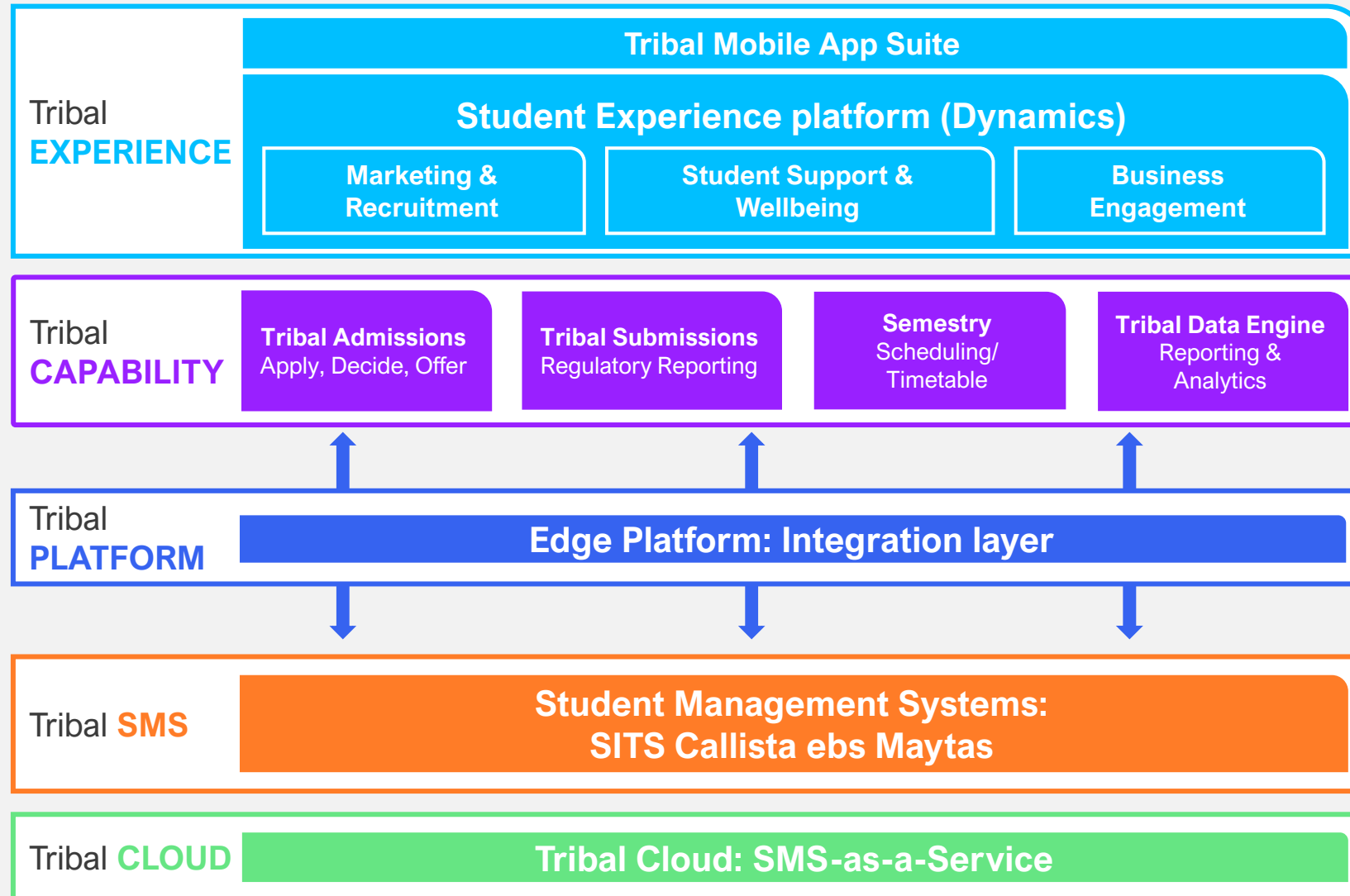
TRIBAL

- **Deep understanding** of our markets
- **>25 years in the UK** HE market
- **Deep customer and sector relationships**
 - Long-tenured staff
 - Employees include many former customers
 - Loyal customers (20+ years using SITS)
- **Trusted Partner:** Underpinned by Tribal Core Values, long-term relationships, passion for our customers' success

SITS

- **Leading solution in UK** on APUC HE Framework
- Leading position in the UK:
 - **100+** customers
 - Organisational **scale to support growth**
- Robust, resilient solution
 - **Refined for >25 years**
 - Supports the most complex solutions for the largest universities
- **Future-proofed** SaaS solution set, over 30 SITS customers contracted in the cloud

Tribal Student Information System Products



- Delivering products “as-a-Service” in the public cloud
- Market-leading **Student Management System products** are at the core, with the Edge platform allowing for interoperability with new **Capability** and **Experience** offerings
- Provides modern suite of SaaS products to expand existing share of customer wallet and addressable market
- All offerings now available to sell - past peak development spend

...With Significant New Customer Wins

Tribal: Cloud (Migrations)

Successfully growing ARR from existing customers



ual: university of the arts london



Student Management System SITS: Vision (incl Cloud)

Winning new customers in the cloud, potential for expansion



Student Management System Ebs / Maytas

Winning new customers



Tribal Capability & Experience

Winning new customers in the cloud, upsell to existing customers



Education Services

High profile renewals and new wins provide strong basis for 2023





FINANCIAL PERFORMANCE

DIANE MCINTYRE, CHIEF FINANCIAL OFFICER

TRIBAL

Financial Summary: Continued positive sales momentum

£43.4M

Revenue up 1.5%
from £42.7m



£51.9M

ARR up 2.8% in six months
From £50.4m



£163.7M

Committed income down
4.1% from £170.7m



£8.1M

Adjusted EBITDA up 21%
from £6.7m



£5.9M

Statutory profit before tax
up 194% from £3.1m



2.2p

Statutory basic earning
per share up from 0.7p



- ARR CAGR of 6%
- Committed Income decrease mainly due to delivery of large ES contract renewals won within 2022
- Adjusted EBITDA margin positively impacted by £1m due to the release of an onerous contract provision offset by associated costs within H1
- Full year Adjusted EBITDA trading in line with expectations

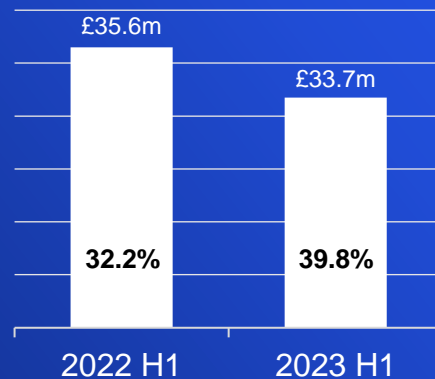
Segments: Education Services driving increase in revenue

SIS

Revenues and Operating Margin %

-5.5%

- Revenue impacted by £2.8m from NTU loss, mostly within professional services
- Underlying Margin of c36% given net impact from onerous contract provision release

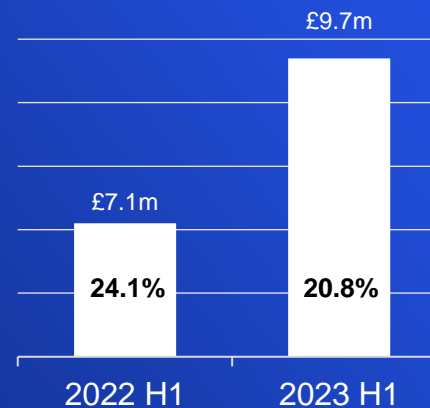


ES

Revenues and Operating Margin %

+36.7%

- School Inspections revenue continues to grow from UK and ME contracts
- Operating margin decrease to standard levels given contract mix and investment for future growth

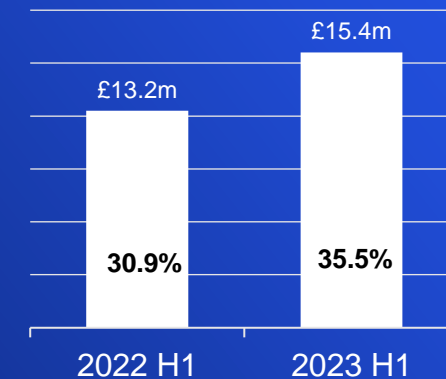


TOTAL SEGMENT

Operating Margin and Operating Margin %

+16.8%

- SIS operating margin increased 17% from £11.5m to £13.4m
- ES operating margin increased 18% from £1.7m to £2.0m



SIS : Transition to a high-quality revenue base

	2023 H1	2022 H1	CHANGE	GROWTH
Foundation Support and Maintenance	12.3	12.5	(0.3)	(2.0) %
Foundation Software	3.8	3.4	0.5	13.4 %
Cloud Services	5.0	4.1	0.9	21.2%
Edge	2.8	2.5	0.3	11.2 %
Professional Services	5.1	7.7	(2.6)	(34.3)%
Core Revenue	28.9	30.2	(1.3)	(4.3)%
Other Software and Services	4.8	5.4	(0.7)	(12.0)%
Total Revenue	33.7	35.6	(1.9)	(5.5)%
Adjusted Operating Profit	13.4	11.5	1.9	16.7%
Adjusted Operating Margin	39.8%	32.2%		7.5pp

GRR: 92%
From 95% H1 2022

NRR: 99%
from 100% H1 2022

GRR has a 4.9pp negative impact from NTU and DoE

CORE REVENUE DECREASING BY 4.3%

- Cloud – Five cloud migrations and two new sites won during 2022 and uplifts to the existing base
- Foundation Software - £0.8m added across SITS, ebs and Maytas offset by £0.3m reduction for NTU
- Professional Services reducing by £2.6m primarily due to the removal of NTU revenue

OTHER SOFTWARE AND SERVICES DECLINED 12.0%

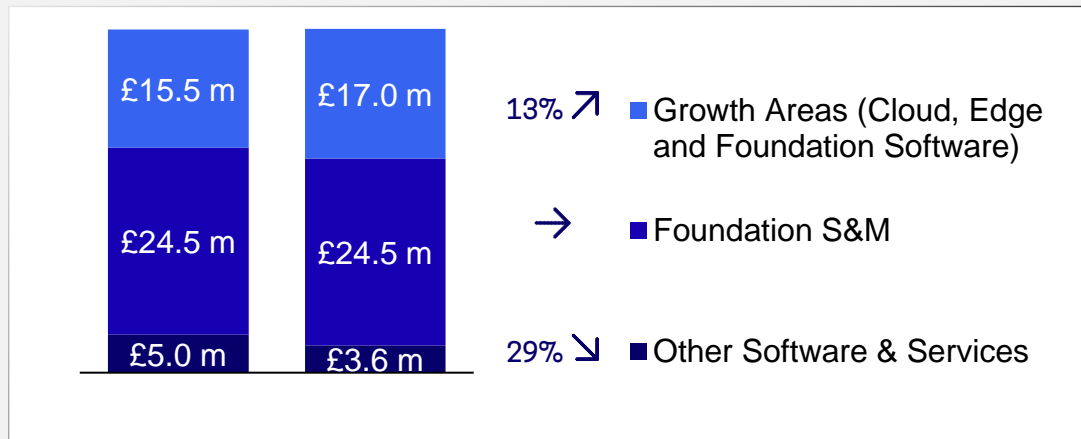
- Gradual reductions within the DoE contract and continued Schools Edge churn

OPERATING MARGIN PERCENTAGE 7.5pp HIGHER

- Operating margin positively impacted by £1m, release of onerous contract provision offset by associated costs within H1. Underlying margin at c36%
- Provision has not been made for NTU litigation costs, due to uncertainty
- Declining revenues in 'Other software and services' with higher margin products, and lower margins while we scale Cloud and Edge products

SIS ARR: High growth in Cloud and Foundation Software

	2023 H1	2022 FY	CHANGE	GROWTH
Foundation Support and Maintenance	24.5	24.5	-	0.2%
Foundation Software	6.8	5.4	1.4	25.0%
Cloud Services	11.6	10.1	1.5	14.5%
Edge	5.4	5.4	-	(0.6%)
Core products	48.3	45.4	2.9	6.3%
Other Software and Services	3.6	5.0	(1.4)	(28.6%)
TOTAL SIS	51.9	50.4	1.4	2.8%



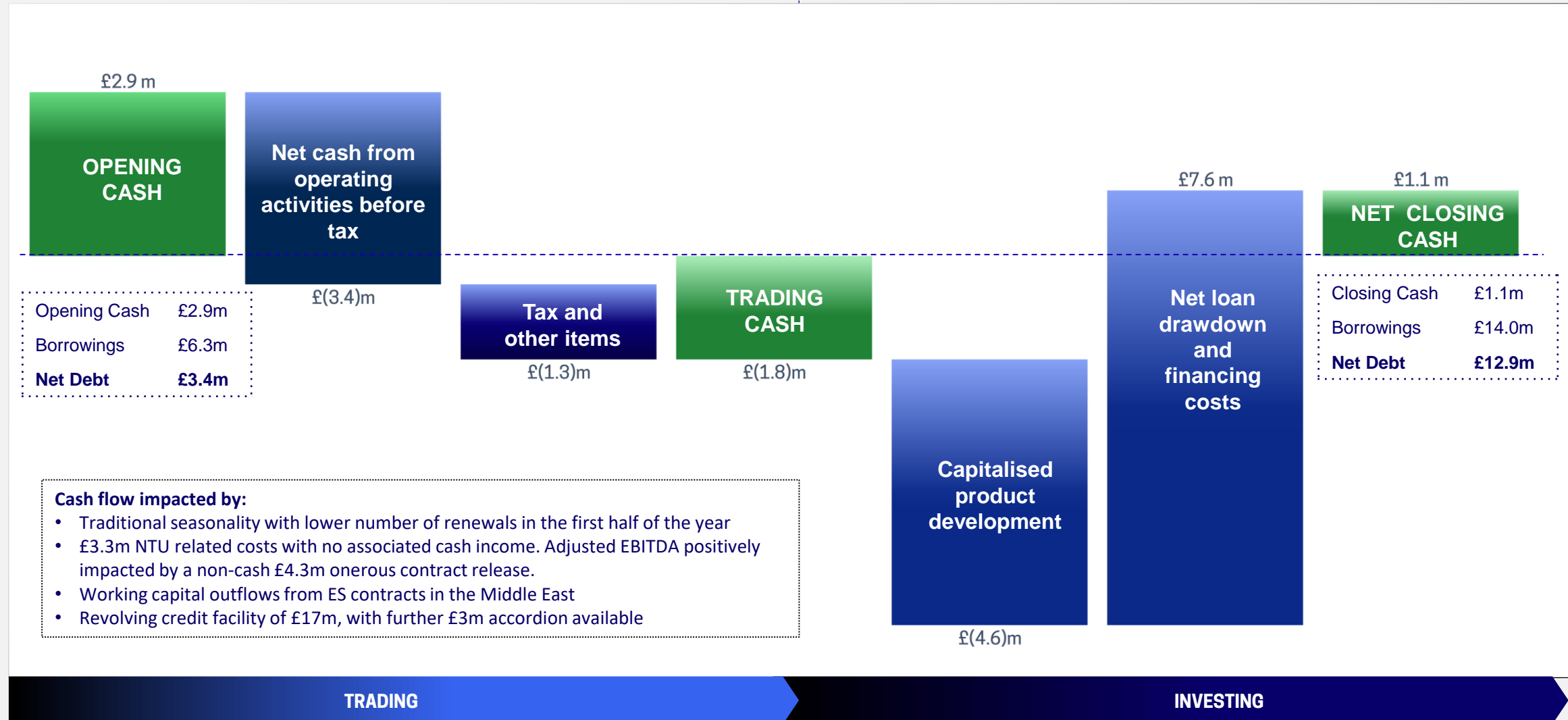
CORE PRODUCT ARR HAS INCREASED 6.3%

- Foundational support and maintenance flat due to inflationary increases being offset by movements to subscription-based software and customer churn
- Foundation software growth due to new wins and uplifts to the existing base
- Cloud growth mainly due to Cloud migration sales to three existing customers
- Edge growth pipeline expected to improve over H2

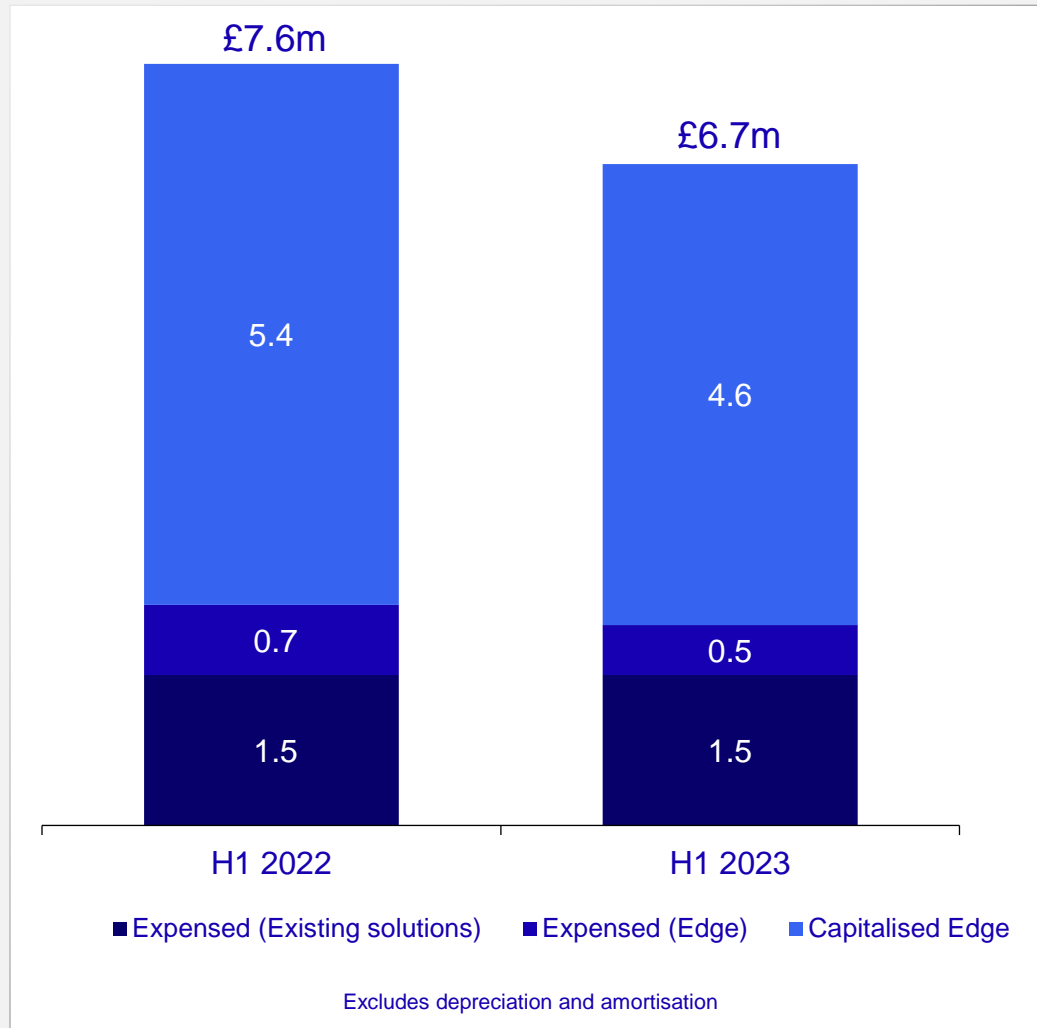
OTHER SOFTWARE AND SERVICES ARR DROPPED BY 29%

- Reduction of £1.5m from Australian Department of Education (DoE) contract, as previously announced. Expected to be fully delivered by end June 2024
- One remaining government contract is expected to end June 2025, and therefore £1m of ARR will be removed in June 2024
- SchoolEdge customer churn

Cashflow: Impact of NTU and ES working capital drag



SIS: Decreasing Edge investment from peak in 2022



Edge sales

- Edge ARR £5.4m with growing pipeline of future opportunities

Edge investment

- £41.9m capitalised to date
- 17% decrease in Edge investment from the prior year
- Focus on maximising return from existing product development
- Continue to develop Edge Admissions product, focussing on first customer going live

Expensed Product Development

- Stable levels of expensed product development

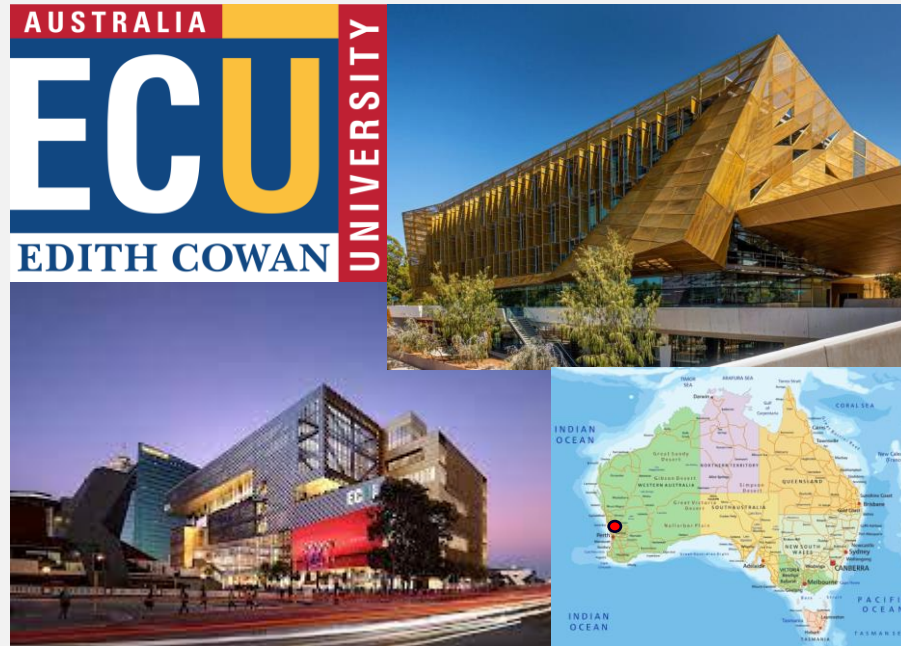


BUSINESS UPDATE

MARK PICKETT, CHIEF EXECUTIVE OFFICER

T R I B A L

Edith Cowan University live with Admissions



- Students: 31,000, incl 6,000 international, undergraduate and postgraduate
- 3 campuses around Perth in Western Australia
- Teaching & Research universities, with wide range of faculties, including Humanities, Science, Medical, Engineering, Business & Law
- Tribal Callista SMS customer

- Provides modern Admissions product
- Delivered as-a-Service natively from the cloud – secure, scalable, multitenant, true SaaS product
- Improved Student & Staff Experience
- Agility: drives standardisation, configurable by the business user, supports extensibility
- Provides lower Total Cost of Ownership
- Initial pilot rollout to Postgraduate students, extending to all students into 2024

Peter Corbett, Director of Student Administration at ECU, remarked,

"Having partnered with Tribal for many years, we had confidence in our ability to succeed. I've always had trust in Tribal's delivery and their commitment to making this project a success."

Multiple Drivers of High-Quality Organic Growth

Continued Core ARR Expansion With Significant Runway For Growth

Expand Existing Customer Share of Wallet

- Cross-sell of products into existing customers (e.g. Semestry / Eveoh)
- Strong sales performance across offerings
- Continued high levels of customer retention
- Continued Tribal Cloud migrations in 2023

Expand Addressable Markets

- New product sales into existing markets
- Successful launch of new products, e.g. Tribal Data Engine, bringing analytics capabilities to existing customers, Admissions

Expand Geographic Reach

- Confident that Edge development will allow us to expand into new geographies

Expand Existing Customer Share of Wallet

Tribal Cloud Proposition

- Existing on-prem customers pay on S&M
- 2x-3x increase in ARR driven by SMS-as-a-Service increase: e.g. £150K S&M ARR can become £450K+ ARR with Tribal Cloud
- Since 2017, all new customers have been on Tribal Cloud (except one)
- 30+ SITS customers on Tribal Cloud; all of Maytas on cloud
- Current cloud revenue: £10M
- **TAM: £25M incremental ARR**

Upsells

- Moving customers from perpetual licenses to subscription;
- Release of new SITS chargeable functionality
- Upsells from Callista base as product is modernised
- Upsell from new functionality in ebs (most recently, Individual Learner Plans and Safeguarding)

Tribal Premium Support

- Customer Success team transition from cost centre to growth driver; 10% FE customer base uptake in the first six months

Admissions

- Significant interest generated in customer base
- Expected realisable price point £10 per student per annum
- Current customer base = approx. 1.5M UK students
- Around 1M UK students not on SITS – also an opportunity

Summary & Outlook

Summary & Outlook for 2023

Growing ARR

- Continued progress in growing ARR, particularly in migration of existing customer to the cloud
- ARR growth impacted by expected headwinds relating decline in non core areas

Edge Development

- Continue to see strong customer demand for cloud-based solutions
- Focussing Edge development on existing products to reduce overall spend and drive adoption

Strong Business Model

- Rebalancing of revenue towards high-quality standardised SaaS business
- New target operating model will underpin the structures and capabilities required of a SaaS business

Outlook

- Focus on NTU resolution but timing uncertain
- Progress continues to be made in the core business, and overall trading outlook remains positive, and in line with Board expectations

Q&A

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The background is a grayscale photograph of a server rack. It shows rows of network ports with labels like 056, 057, 058, 059, 072, 073, 088, and 089. A teal-colored horizontal band is overlaid across the middle of the image.

APPENDIX

T R I B A L

Tribal Leadership Team

TRIBAL BOARD



RICHARD LAST
CHAIR



MARK PICKETT
CHIEF EXECUTIVE OFFICER



PAUL DAVIES
GLOBAL PROFESSIONAL SERVICES
DIRECTOR



MIKE COPE
CHIEF TECHNOLOGY OFFICER



CHLOE PAYNE
HR DIRECTOR



ROGER MCDOWELL
SENIOR INDEPENDENT DIRECTOR



NIGEL HALKES
NON-EXECUTIVE DIRECTOR



DIANE MCINTYRE
CHIEF FINANCIAL OFFICER



MATT DAVIS
MD EDUCATION SERVICES



TAWFIQ SLEETT
CUSTOMER SERVICES DIRECTOR



CHERYL WATSON
SALES DIRECTOR

TRIBAL EXECUTIVE TEAM

Financial Definitions

TERM	DEFINITION
Constant Currency	Prior year reported results restated to “constant currency” using current year rates to exclude foreign currency impact.
Adjusted Operating Profit (EBITDA)	Operating profit of continuing operations which excludes “Exceptional” charges (refer to note in the press release) and before Interest, Tax, Depreciation and Amortisation.
Free Cash Flow	Net cash generated, before dividends, interest and finance charges, deferred consideration, and investments in subsidiaries.
Annual Recurring Revenue (ARR)	ARR at period end is a forward looking metric. Includes exit rate annualised recurring revenue, plus future contracted recurring revenue yet to be delivered, and known losses within the next 12 months where customers have a high probability of ending or have given notice.
Committed Income (Order Book)	Total value of orders (SIS and ES) which have been signed on or before, but not delivered as at the period end date. Representing the best estimate of business expected to be delivered and recognised in future periods and includes 2 years of Support & Maintenance revenue.
Gross Revenue Retention (GRR)	Percentage of recurring revenue retained from existing customers at 1 January including contract expiry, cancellations or downgrades in the year
Net Revenue Retention (NRR)	Percentage of recurring revenue retained from existing customers at 1 January including upsells as well as contract expiry, cancellations or downgrades in the year

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