



TRIBAL

Tribal Group Full Year Results 2023

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

>65%

Market Share, UK universities

>25%

Market Share, Australia & NZ

>35%

Market Share, UK FE Colleges

£17.2m

Education Services 2023 Revenue

£68.6m

SIS 2023 Revenue

£54.5m

2023 ARR

Solid Trading Performance

Executing on our growth strategy

- Winning new customers, transitioning existing customers to the Cloud, and successfully launching our newly developed native cloud product, Tribal Admissions and first pilot go live
- Solid sales performance despite impact of offer process by Ellucian
- Cost Reduction programme initiated as Tribal transitions to SaaS operations
- Education Services restructured as standalone business, with investment, to secure future growth
- NTU progressing - Mediation has now been invoked, by NTU; will take place in Singapore. Mediator agreed and expected to conclude by end June 2024
- NTU claim of approximately £9.5m, disputed by Tribal. £0.6m positive impact on 2023 accounts, as 2022 onerous provision was reversed

Results demonstrate strength of the business

- ARR increased 9% to £54.5m
- Revenue, Adj EBITDA, Net Debt ahead of prior market expectations

What is Driving our Business

Current Status: Many universities are concerned about growing funding crisis

- significant increase in cost base
- real terms reduction in revenue from domestic student, with fixed £9,250 fee
- reduction in international students applications due to UK Government policy on immigration

University Challenge

- Legacy internal SMS unfit for purpose
- Legacy complexity / lack of agility / security concerns
- Improve Student Experience Improve internal efficiency

University Solution

- Public tender for cloud-based commercial SMS
- Leverage Public Cloud and managed services
- Digital transformation to deliver a compelling student experience

Tribal Opportunity

- Sell existing products delivered from Public Cloud
- Tribal Cloud – providing SIS as-a-Service through the public cloud
- Cloud-native solutions adding value across a wider solution set.

Tribal's Growth Strategy

Expanded customer share of wallet

Organic Growth

- Strong sales performance across our offerings
- Continued high levels of customer retention
- Strong pipeline of Tribal Cloud Migrations

Expanded addressable market

New Product Sales

- Cross-sell of products into existing customers (eg Semestry / Eveoh)
- Successful launch of new products (eg Tribal Data Engine bringing analytics capabilities to existing customers)

Expanded geographical reach

New Geographies

- Semestry successfully sold across our global footprint
- Increasing confidence that Edge development will allow us to expand into new geographies

2024 strategy will be focussed on providing additional value to existing customers, particularly through transitions to the cloud, as the number of new Higher Education Student Management Opportunities is limited, and we have paused geographic expansion

Case Studies – New Products into Existing Markets

Customer Overview

SITS Cloud Migration

~£650k
ARR Increase

~4x
ARR Increase
(£0.21m to £0.87m)

~£0.9m
Services Revenue

8 mths
Sales Cycle

SITS Re-implementation

~£160k
ARR Increase

~110%
ARR Increase

~£1.4m
Services Revenue

10 mths
Sales Cycle

The addressable market for cloud is ~70 existing customers, ~£20m+ ARR

Key Highlights

- Existing SITS customer
- Complex implementation of SITS that was costly to maintain, optimised in cloud
- Includes upsell of Tribal Data Engine and Interfacing Management-as-a-Service

- Existing SITS customer
- Needed to drive technology strategy to enable future cloud readiness
- Existing 15+ years implementation of SITS
- 30+ satellite systems

Most customers looking at how they can optimise SITS, which can drive significant professional services revenue + ARR upsell

...With Significant New Customer Wins

Tribal: Cloud (Migrations)

Successfully growing ARR
from existing customers



University
of Exeter

ual: university
of the arts
london



Student Management System SITS: Vision (incl Cloud)

Winning new customers in the cloud,
potential for expansion



LONDON SCHOOL
OF SCIENCE
& TECHNOLOGY

Student Management System Ebs / Maytas

Winning new customers



Cambridgeshire
County Council

Tribal Capability & Experience

Winning new customers in the cloud,
upsell to existing customers



University
of Dundee



UNIVERSITY OF
WEST LONDON



Education Services

High profile renewals and new wins
provide strong basis for 2023



Department
for Education

GOVERNMENT OF SHARJAH
هيئة الشارقة للتعليم الخاص
SHARJAH PRIVATE EDUCATION AUTHORITY



مدارس ميسك
Misk Schools



The Cayman Islands
Government



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Financial Performance

Diane McIntyre, Chief Financial Officer

Financial Summary: Continued ARR growth

£85.7M

Revenue up 3.2%
from £83.1m



£54.5M

ARR up 8.7%
from £50.2m



£168.8M

Committed income down
0.9% from £170.4m



£14.4M

Adjusted EBITDA up 99%
from £7.2m



£6.6M

Statutory profit before tax
up 563% from £1.0m



2.5p

Statutory basic earning
per share up from (0.2p)



£7.2M

Net Debt increased £3.8m
from £3.4m



£8.5M

Capitalised Product
Development down 17%
from £10.3m



£5.9m

Cash Adj EBITDA up £9m
from £(3.1)m



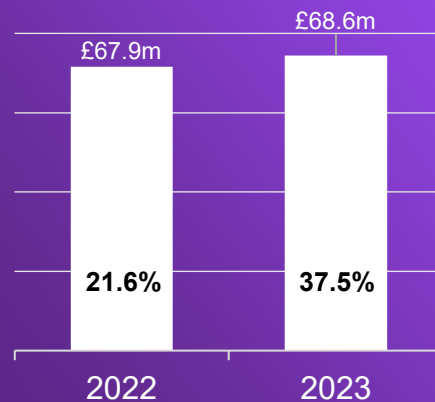
Segments: Education Services driving increase in revenue

SIS

Revenues and Operating Margin %

+1.1%

- Revenue impacted by £1.2m from NTU loss
- Operating Margin benefits from onerous contract provision reversal, underlying margin c.35%



ES

Revenues and Operating Margin %

+12.7%

- School Inspections revenue continues to grow from UK contracts
- Operating margin decline largely due to mix of contracts

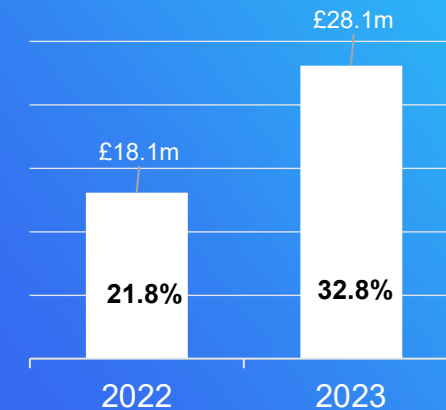


TOTAL

Operating Margin and Operating Margin %

+55.6%

- SIS operating margin increased 76% from £14.6m to £25.7m
- ES operating margin decreased 30% from £3.5m to £2.4m



SIS : Transition to a high-quality revenue base

	2023	2022	CHANGE	GROWTH
Foundation Support and Maintenance	24.9	25.1	(0.2)	(0.7) %
Foundation Software	8.5	7.3	1.3	17.5 %
Cloud Services	10.4	8.5	2.0	23.2%
Edge	5.2	4.8	0.4	9.0 %
Professional Services	9.8	11.7	(1.9)	(16.1)%
Core Revenue	58.8	57.2	1.6	2.8%
Other Software and Services	9.7	10.6	(0.9)	(8.4)%
Total Revenue	68.6	67.9	0.7	1.1%
Adjusted Operating Profit	25.7	14.6	11.1	75.9%
Adjusted Operating Margin	37.5%	21.6%		16pp

GRR: 91%
From 91% 2022

NRR: 102%
from 103% 2022

GRR has a 4.9pp negative impact from NTU and DoE

CORE REVENUE INCREASING BY 2.8%

- Cloud – Four cloud migrations and one new site won during 2023
- Foundation Software - £1.5m added across SITS, ebs and Maytas offset by £0.2m reduction for NTU
- Professional Services reduced by £1.9m of which £0.9m relates to NTU and the remainder due to lower sales

OTHER SOFTWARE AND SERVICES DECLINED 8.4%

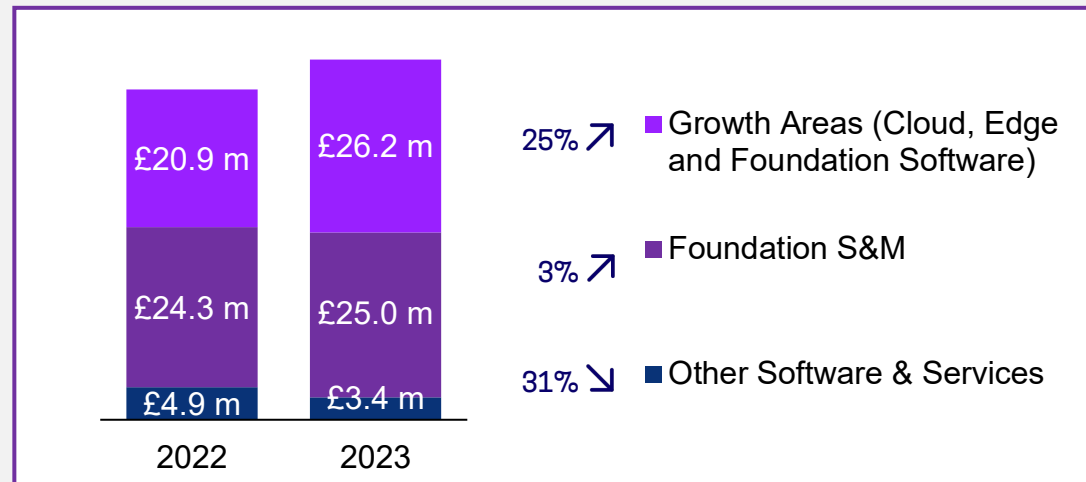
- Gradual reductions within the DoE contract and continued Schools Edge churn

OPERATING MARGIN PERCENTAGE 16pp HIGHER

- Operating margin positively impacted by £1.8m release of onerous contract provision offset by associated costs within H1
- Underlying margin at c.35% in 2023
- Provision has not been made for NTU litigation given uncertainty
- Continued focus on operational efficiency and organisational structure with a cost reduction programme implemented in 2024

ARR: High growth in Cloud and Foundation Software

	2023	2022	CHANGE	GROWTH
Foundation Support and Maintenance	25.0	24.3	0.6	2.6%
Foundation Software	7.7	5.4	2.3	42.3%
Cloud Services	12.6	10.1	2.5	24.5%
Edge	5.9	5.4	0.4	8.1%
Core products	51.1	45.3	5.8	12.9%
Other Software and Services	3.4	4.9	(1.5)	(30.6%)
TOTAL SIS	54.5	50.2	4.3	8.7%



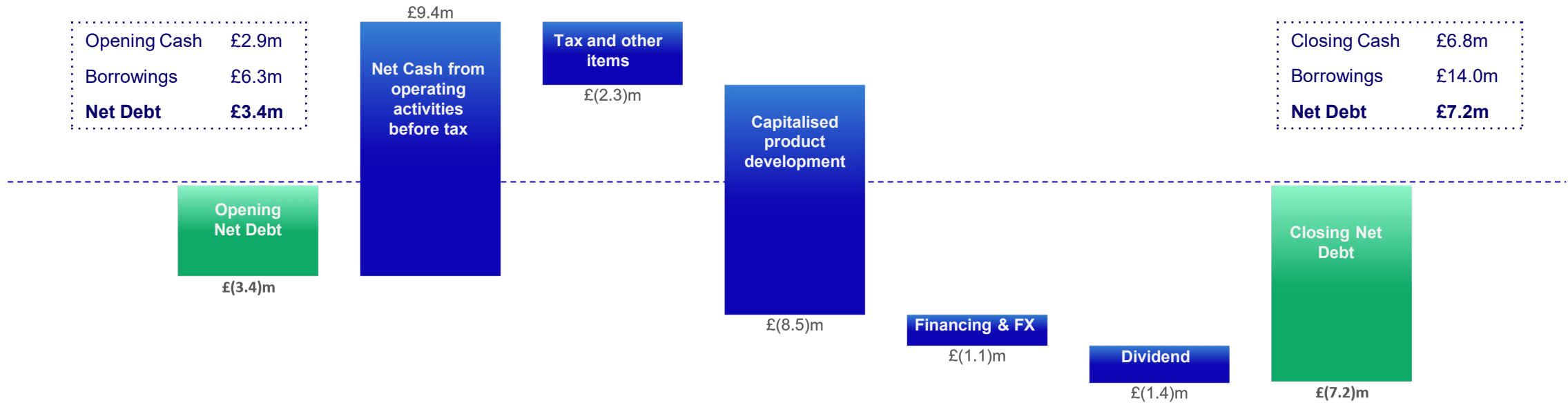
CORE PRODUCT ARR HAS INCREASED 12.9%

- Foundational support and maintenance modest increase with inflation
- Foundation software growth due to new wins and uplifts to the existing base
- Cloud growth mainly due to Cloud migration sales to four existing customers
- Edge growth across Dynamics and TDE

OTHER SOFTWARE AND SERVICES ARR DROPPED BY 30.6%

- 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

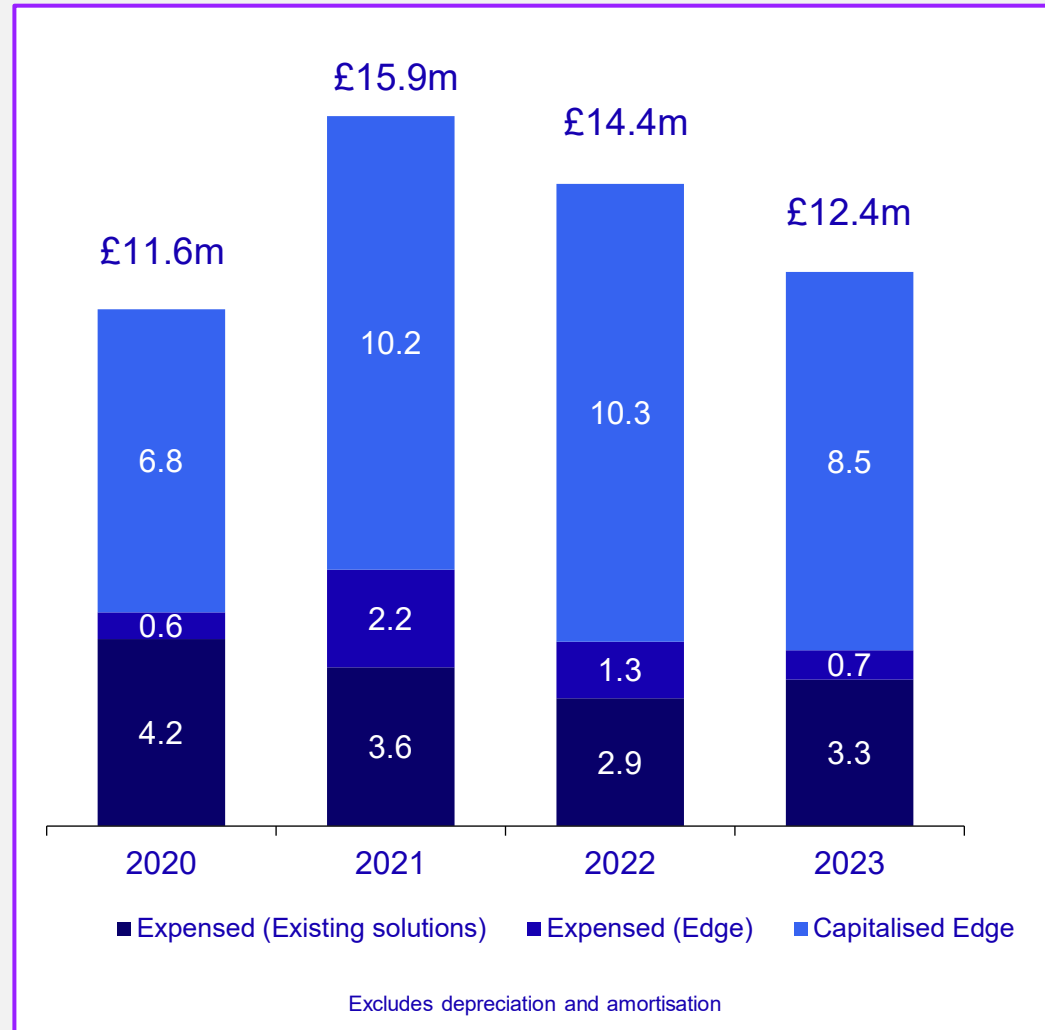
Cashflow: Impact of NTU and exceptional spend



Net Debt increased £3.8m:

- Improved underlying working capital increased Operating Cash Conversion from 89% to 111%
- £3.7m cash outflows in association with NTU contract
- £1.7m of cash exceptional costs (£0.9m from restructuring activities and £0.8m costs associated with lapsed offer from Ellucian)
- Revolving credit facility of £20m available and a £5m accordion

Decreasing Edge investment from peak in 2022



EDGE SALES

- Edge ARR £5.9m with solid pipeline of future opportunities

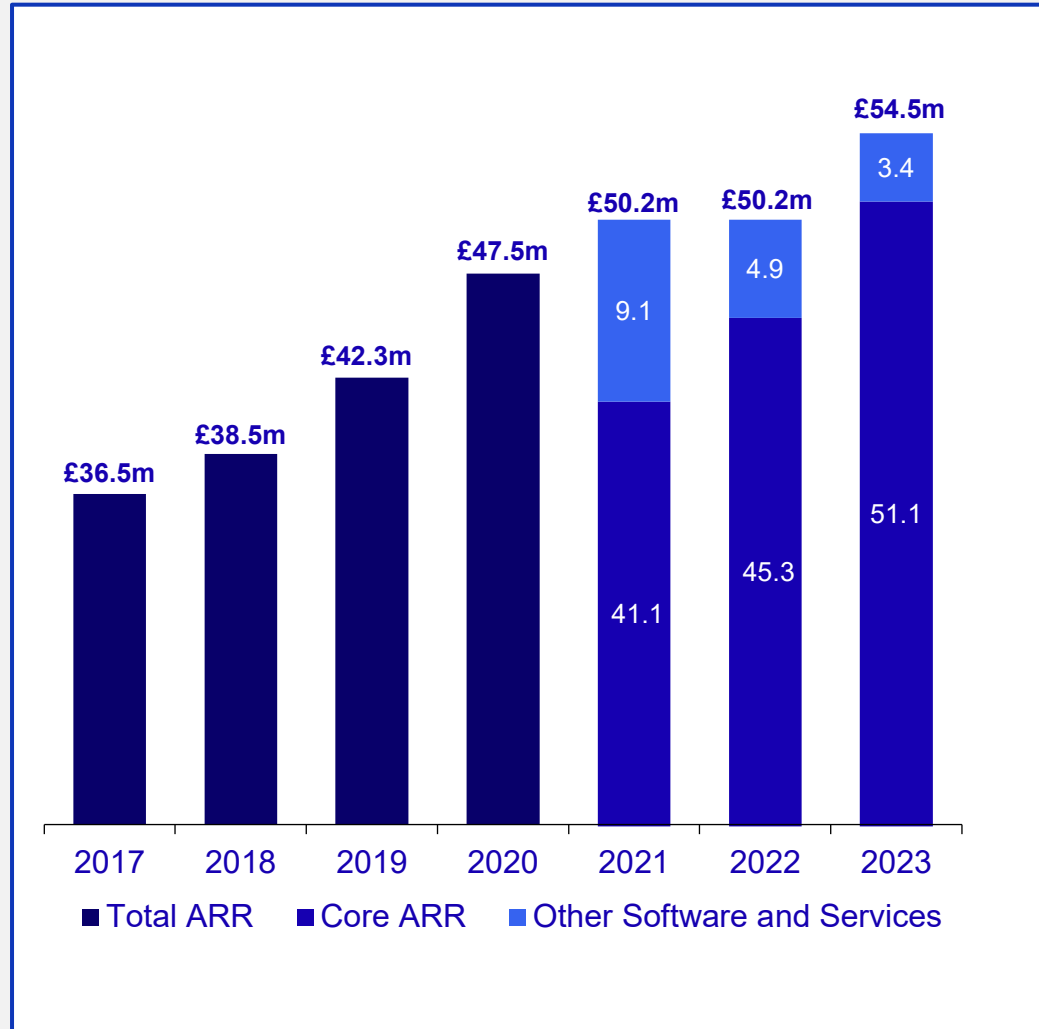
EDGE INVESTMENT

- £47.1m capitalised to date
- 17% decrease in Edge investment from the prior year with further reductions expected in 2024
- Successful go live for our first pilot customer in Australia

EXPENSED PRODUCT DEVELOPMENT

- Stable levels of expensed product development

Executing on our growth strategy



Successful SaaS transformation

- Proportion of ARR represented by Core offerings is growing
- Core ARR 13% growth in 2023
- Stable Operating Margin c35%
- Capex investment reducing since 2022
- 32 of 127 SITS customers have migrated to the Cloud – provides considerable expansion opportunity



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Summary & Outlook

Mark Pickett, Chief Executive Officer

Key Initiatives

Transition to SaaS Full Service Partnership Model

- Building integrated solutions for Education customers
- Driving adoption of Tribal Cloud and related cloud technologies
- Providing a proactive, partnership support model to customers to help them maximise value
- Building a Customer Success team to successfully manage operational relationships

Building Operational Efficiency

- Simplify & standardise internal processes through transition to Global Business Services team
- Fusion of Edge and SMS (SITS / ebs) into single investment, to drive full end-to-end product solutions, while maintaining investment in key Edge products (e.g. Tribal Admissions)
- Cost Reduction program to maintain margins through transition

Education Services standalone

- Restructure of Education Services as a standalone business
- New legal entity structure set up, and supporting services carved out to Education Services (with some limited exceptions, e.g. Legal)
- Position the business to take advantage of significant opportunities for future growth and for PLC Board to consider options

Summary & Outlook for 2024

Growing ARR

- Continued progress in growing ARR, particularly in migration of existing customers to the cloud
- Work to rebuild opportunities following the conclusion of the Ellucian offer process

NTU resolution

- Focus on resolving NTU dispute
- Mediation process initiated, and expected to conclude by end of June

Strong Business Model

- Rebalancing of revenue towards high-quality SaaS business
- Focus on driving efficiencies and cost reduction through business transformation will improve margins

Outlook

- Trading in H1 2024 has begun in line with Board expectations
- Overall trading outlook remains positive
- Intent of universities to adopt cloud technologies remains, but concerns about growing funding crisis

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Q&A

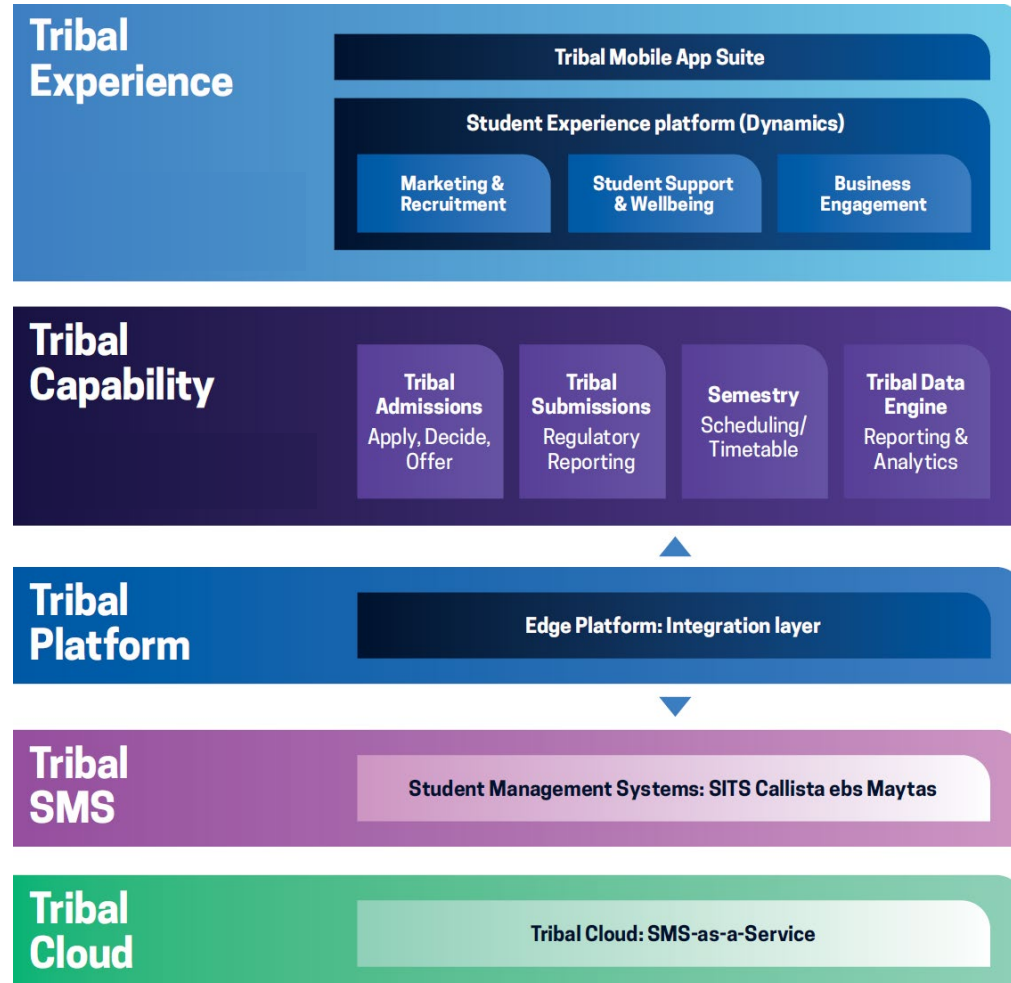
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Appendix



Our Student Information System Products



- Bringing market-leading Student Management System products at the core, together 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
- Delivering solutions “as-a-Service” in the public cloud as Tribal moves to a Full Service Model
- Pilot implementation of Admissions continuing successfully at Edith Cowen University.

Our Leadership Team

TRIBAL BOARD



RICHARD LAST
CHAIR



MARK PICKETT
CHIEF EXECUTIVE OFFICER



PAUL DAVIES
GLOBAL PROFESSIONAL SERVICES
DIRECTOR



ADAM FOX
CHIEF TECHNOLOGY OFFICER



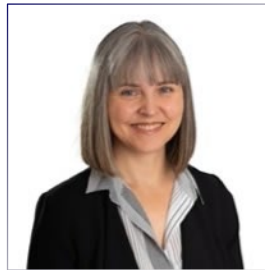
CHLOE PAYNE
HR DIRECTOR



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

Financial Definitions

TERM	DEFINITION
Constant Currency	Prior year reported results restated to “constant currency” using current year rates to exclude foreign currency impact.
Adjusted EBITDA	Operating profit of continuing operations which excludes “Exceptional” charges and before Interest, Tax, Depreciation and Amortisation.
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
Operating Cash Conversion	Operating cash conversion is calculated as net cash from operating activities before tax (excluding cash outflow from exceptionals) as a proportion of Adjusted EBITDA excluding onerous contract provision of £4.5m in 2022 and its subsequent release in 2023.
Net Debt	Net debt is calculated as cash and cash equivalents less bank financing (revolving credit facility and overdrafts), excluding IFRS 16 leases

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Thank you