



Northcoders

Northcoders Group plc

2021 Full year results

26 April 2022

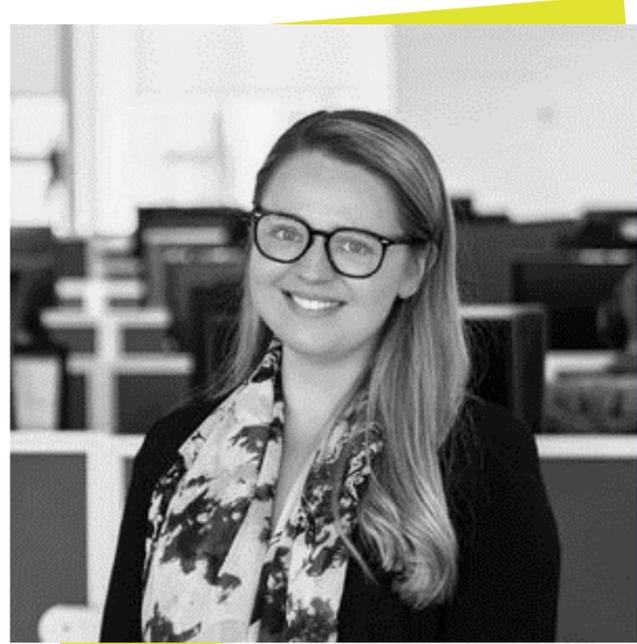


The Northcoders Team

Presentation Team



Chris Hill
Founder & Chief Executive
Officer



Charlotte Prior
Chief Financial Officer

Joined 2018

Other Board Members



Amul Batra
Chief Operating Officer

Joined 2016



Nick Parker
Non-Executive Director

Joined 2021



Angela Williams
Non-Executive Chair

Joined 2022

2021 Highlights

Financial

- Revenue increased 124% to £3.0m (FY20: £1.3m) driven by successful delivery of IPO growth strategy
- Gross margin growth to 72% (FY20: 67%), moving towards 79% target in 2019 driven by cost benefits of new hybrid model
- Gross profit increased significantly to £2.2m (FY20: £0.9m)
- Adjusted EBITDA increased to £0.4m from a loss in 2020 (FY20: loss of £0.3m)
- £3.5m raised at IPO (before expenses) to accelerate further growth
- Net assets as at 31 December 2021 were £2.2m (FY20: £0.5m) of which cash was £1.6m (FY20: £0.5m)

Operational

- Continued to expand geographic footprint with new lease signed for core hub in Leeds alongside existing Manchester campus
- Implemented new highly scalable hybrid course-delivery model blending online and in person teaching to extend reach of Northcoders' training
- Record number of 3,662 students applying with 424 enrolling and 213 graduating so far
- Demand at record levels
- Launched Apprenticeships course in January 2021 following government's Education Skills Funding Agency accreditation
- Corporate Solutions division signed multiple new agreements
- Grew staff count to 63 members (FY20: 37) to meet increased demand

H1 FY21 Financial Highlights

Revenue of £3.0m (2020: £1.3m)

Up 124%

Underlying EBITDA of £0.4m (2020: loss £0.3m)

Gross profit of £2.2m (2020: £0.9m)

Gross profit margin of 72% (2020: 67%)



Business Overview & Growth Opportunities



Overview

Founded in December 2015, Northcoders mission is to close the digital skills gap whilst creating life changing opportunities for individuals. We strive towards a world where everyone's second language is CODE.

To fulfil our mission we provide software coding training programmes through:

- 'bootcamp' training courses
- government-funded apprenticeships
- bespoke training courses
- talent pipeline solutions

Revenue is derived from:

- Individuals (consumer)
- Businesses (corporates)
- Government (Apprenticeships & Bootcamp scholarships)

Northcoders to date:

- 1,000+ graduates
- 314+ hiring partners
- 411 skills bootcamp scholarships
- Currently 80 full time employees

Training is delivered through a combination of online and in-person tuition. The combination of online training and regional support hubs provides a flexible learning experience.

The **co-operative**
bank

moonpig

NHS
Digital

ao.com

wren
KITCHENS


BARCLAYS


Legal &
General


JAGUAR


LAND
-ROVER

Deloitte.

INFINITYWORKS
Part of Accenture

On the
Beach

BAE SYSTEMS

Business model - Revenue streams

B2C



Consumer Services / Bootcamps

- 13 week intense coding bootcamp, online with in person tutor support
- Entry exam and pre-course support
- Course cost: £8,500 inc VAT
- Job ready on completion
- 94% placement rate
- Cash up front or finance options available
- Department for Education scholarships available

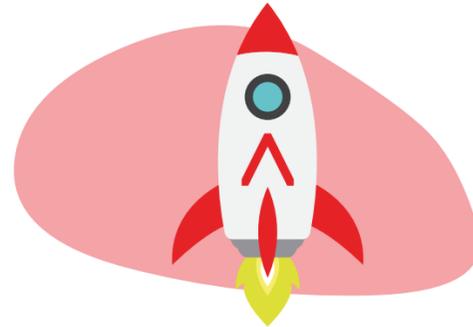
314+ hiring partners



BAE SYSTEMS



B2B



Apprenticeships

- 13 month, on the job training
- Online with in person tutor support
- Beginner and advanced apprenticeships available
- Course cost: £18,000, Government funded
- Growing market due to demand for technically enabled staff and government focus on tech
- Visible revenue and cash stream for 13 months

Apprenticeship license forms barrier to entry



Corporate 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

Wide range of industries served



ARUP

Northcoders Key Strengths



Balanced, flexible business model

Courses are delivered through a combination of classroom and online teaching

Diverse revenue streams

Limited bad debt exposure

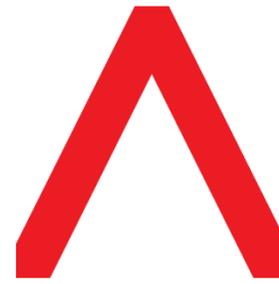


Strong market drivers

1.2 million new technically skilled people are needed by 2022 to satisfy future skills needs in the UK*

Digital transformation accelerated world wide

Government funding and initiatives to support market growth



Strong brand

Reputation for excellence has resulted in over 314 corporate hiring partners, many of which repeatedly hire a Northcoders graduate

High customer satisfaction levels with excellent reviews and referrals



Market leading services

Real world coding education - over 94% graduate employment

Flexible and extensive service offering - increased accessibility through scholarships, EdAid, Step Ex and Apprenticeships

Students 'job-ready' in 13 weeks

Established reputation and hubs in Manchester, Leeds and Newcastle supported by proven online offering



Champion diversity & inclusion

Inclusivity is at our heart. Our business is set up to improve access to higher education and key employment sectors of the UK economy.

We are changing the demographic of software engineers - growing the percentage of women and people from diverse backgrounds.

Business Credentials

A leading coding school for graduate outcomes

Quality applicants

Challenging entry test and pre course support

Tried. Tested. Proven.

Having trained **1,000+** students, we know our craft!

Inclusivity

Growing percentage of women and people from diverse backgrounds

Consumer feedback

High consumer feedback ratings

Employability

94% of graduates find employment within 54 days of completing a Northcoders' training course

Renowned

Quality of graduates leads to repeat business from hiring partners



Digital & Tech Company of the Year 2019
Northcoders



Competitive Landscape

**Fragmented
market**

**Opportunity for
selective acquisitions**

**Coding
Bootcamps**

**“Brick & Mortar”
Universities**

**Large
Apprenticeship
Providers & Colleges**

**Small Specialist
Digital Apprenticeship
providers**

Significant and growing market

- Growing **shortage of coding skills** increasingly apparent
- Need for coding skills permeating **many sectors** and not only the technology sector
- **Digital transformation** a high priority

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

City AM, Jan 2021

“22% growth rate in job roles for developers between 2019 and 2029, compared with 4% for other occupations”

BBC News, Mar 2021

“Half of all UK bosses plan to hire new tech staff this year”

City AM, Jan 2022

“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, therefore the government is promoting apprenticeships and retraining”

Environmental, Social and Governance

Making tech accessible. For everyone.

Inclusivity is at our heart. Our business is set up to improve access to higher education and key employment sectors of the UK economy.

We are changing the demographic of software engineers - growing the percentage of women and people from diverse backgrounds.

We have a dedicated group of employees that run a committee named 'We Code'. This group meets monthly to ensure that we are prioritising and dedicating resource to the goal of inclusion at Northcoders.

Key social and environmental achievements

- We have awarded 294 fully funded DfE scholarships. These provide training for people who couldn't otherwise afford the course
- We partnered with Fruition IT to provide bursaries to help with students' living costs while studying with us
- We have a £500 discount for women and gender minorities
- We have donated Women in Tech scholarships
- Northcoders committed to achieving net zero emissions by 2030
- We plant a tree for every new staff member and graduate and are developing a carbon offset policy
- We train all staff in mental-health understanding and approach



Northcoders

Financial Review



Income statement	Year ended	Year ended	% Increase
	31 December 2021	31 December 2020	
	£	£	%
Revenue	3,010,357	1,341,493	124
Gross profit	2,161,965	892,174	142
Gross margin	72%	67%	
Adjusted EBITDA*	359,475	(255,056)	241
Margin	12%	-19%	
Operating (loss)/profit	(429,802)	(1,135,045)	62
Profit/(loss) before tax	(523,588)	(1,245,550)	58
Net profit/(loss) after tax	(358,124)	(942,107)	62
Basic earnings per share (pence)	(6.13)	(18.84)	67
Adjusted earnings per share (pence)	3.04	(7.03)	143

* Adjusted EBITDA refers to earnings before interest, foreign exchange gains, tax, depreciation and amortisation, impairment and exceptional IPO costs.

Statement of cash flows	Year ended 31 December 2021	Year ended 31 December 2020	% Increase
	£	£	
Cash flows from operating activities:	(29,456)	(282,392)	90
Changes in working capital:			
(Increase)/decrease in trade & other receivables	(1,117,345)	39,678	
Decrease in trade & other payables	(152,739)	(157,310)	
Cash absorbed by operations	(1,299,541)	(400,022)	
Tax refunded	211,701	24,443	
Net cash inflow/(outflow) from operating activities	(1,087,840)	(375,579)	
Net cash (used in) investing activities	(302,669)	(196,508)	
Proceeds from issue of shares	2,910,758	-	
Proceeds from new bank loans and borrowings	-	925,000	
Repayments of bank loans and borrowings	(162,961)	(105,296)	
Payment of lease obligations	(215,954)	(54,424)	
Interest Paid	(102,361)	(88,723)	
Net cash from financing activities	2,429,483	676,557	
Net cash increase in cash	1,038,974	104,470	
Cash and cash equivalents at beginning of the Period	525,671	421,201	
Cash and cash equivalents at end of the Period	1,564,645	525,671	198

Statement of financial position	31 December 2021	31 December 2020	% Increase
	£	£	%
Non current assets	1,276,488	732,376	
Current assets	3,123,832	1,066,270	
Total assets	4,400,320	1,798,646	145
Current Liabilities	(889,524)	(998,677)	
Net current assets/(liabilities)	2,234,308	67,593	3206
Non current Liabilities	(1,358,600)	(1,342,017)	
Total liabilities	(2,248,124)	(2,340,694)	
Net assets/(liabilities)	2,152,196	(542,048)	497



Northcoders

Operational review



Northcoders Growth Plan

Platform to exploit increasing demand and achieve significant growth

Roll-out of further regional hubs supported by a scalable hybrid delivery model.



Expand corporate solutions offering

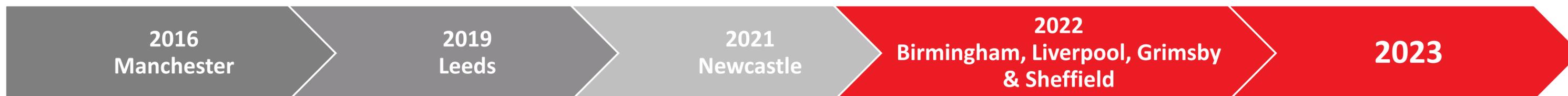


Objective to be nationwide provider with 'go-to' reputation

Ability to deliver a variety of opportunities increased through investment (not included in model)

Delivering our strategy

Expanding our hub network



During the year Northcoders taught students from,

- Manchester
- Liverpool
- Leeds
- Newcastle
- Birmingham
- Sheffield
- London
- Nottingham
- Derby
- Plymouth
- Bristol
- France
- Iceland
- Hong Kong and more!

Northcoders successfully launched apprenticeship programmes in the year after becoming an apprenticeship provider in December 2020. This revenue stream continues to grow as new learners from across the UK are enrolled each month.

In 2021 Northcoders developed a new corporate solutions product – Developer Incubator. Corporates can choose a team of junior developers for Northcoders to incubate and upskill over a 6-9 month period. When the team is skilled and experienced in the company’s technologies they will be handed back to the company to start their employment.

Delivering our training

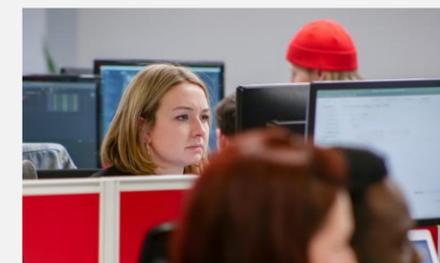
- Northcoders received 3662 applications in 2021 and enrolled 424 students
- Northcoders Teched enrolled 99 apprentices
- The teaching team grew by 113% in the period from 15 to 32
- 30% of students taught in the year were non- university educated
- The average starting salary that graduates went on to earn increased to £26,488
- The Group is currently exploring further financing mechanisms to increase accessibility after the successful implementation of Step Ex

Summary & Outlook

- The Group continues to progress IPO strategy of expanding geographic reach and increasing product range
- Application momentum continuing into the new year with very strong pipeline for 2022
 - 240 students have started the course so far in 2022 with 104 already graduated
- Contracted bookings for 2022 at 31 March 2022 stood at approximately £3.6m (c.55% of target revenue for the year)
- The teaching team has grown by a further 31% in 2022 to 42
- Corporate solutions new Developer Incubator product is off the ground with first major client and has a strong sales pipeline
- Birmingham hub announced to be open 3rd of May with plans in place for Liverpool, Grimsby & Sheffield hubs in 2022



Thank You...
Any Questions?



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Appendix I: Team Biographies



Directors & Advisers



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 Operating 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 9 years' experience in finance roles ranging from the construction industry to a registered charity. Charlotte is responsible for managing the financial affairs of the Group. She also ensures that management and the board have all of the information that they need to plan and make informed, managerial, decisions along with deciding on strategic director as part of the board.



Angela Williams – Non-Executive Chair

Angela joined Northcoders as Non Executive Chair in January 2022. and has extensive experience as an Executive and Non-Executive Director across a range of sectors globally and in the UK both in publically listed, private and not for profit organisations.

With over 30 years experience Angela has been in Executive People and, Operational roles for companies including Land Securities PLC, British Airways, Centrica PLC, Sodexo, Which? Crossrail and most recently the Post Office. .

Angela is also a Non Executive Director with AND.digital, DE&S and Sovereign Housing and was Chair and Non Executive Director of Curo Compensation prior to its sale in 2021.

Angela is a Fellow of the CIPD, IOD and ILM and has won awards for her work on diversity and inclusion, change and transformation and brand impact



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 chief executive officer of Sheffield Wednesday Football Club plc and Chief Financial Officer of Dyson Group plc and Wandisco plc, the latter of which he took to IPO in 2011. Nick has been working with Northcoders for the last year and will be appointed a Non-Executive Director of the Company on Admission.

Senior Management Team



Amy Wild
– Chief Commercial Officer

Amy has over 17 years of leadership experience in the corporate teams of both SMEs and large corporates. Amy completed an academic year delivering the sales and marketing module on the chartered management degree course at Manchester Metropolitan University. Her commercial experience at director level combined with her educational background fits Northcoders proposition. Amy leads the development and execution of all commercial strategies and manages the sales, partnerships and marketing teams.



Sam Caine
- Director of Technology

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.



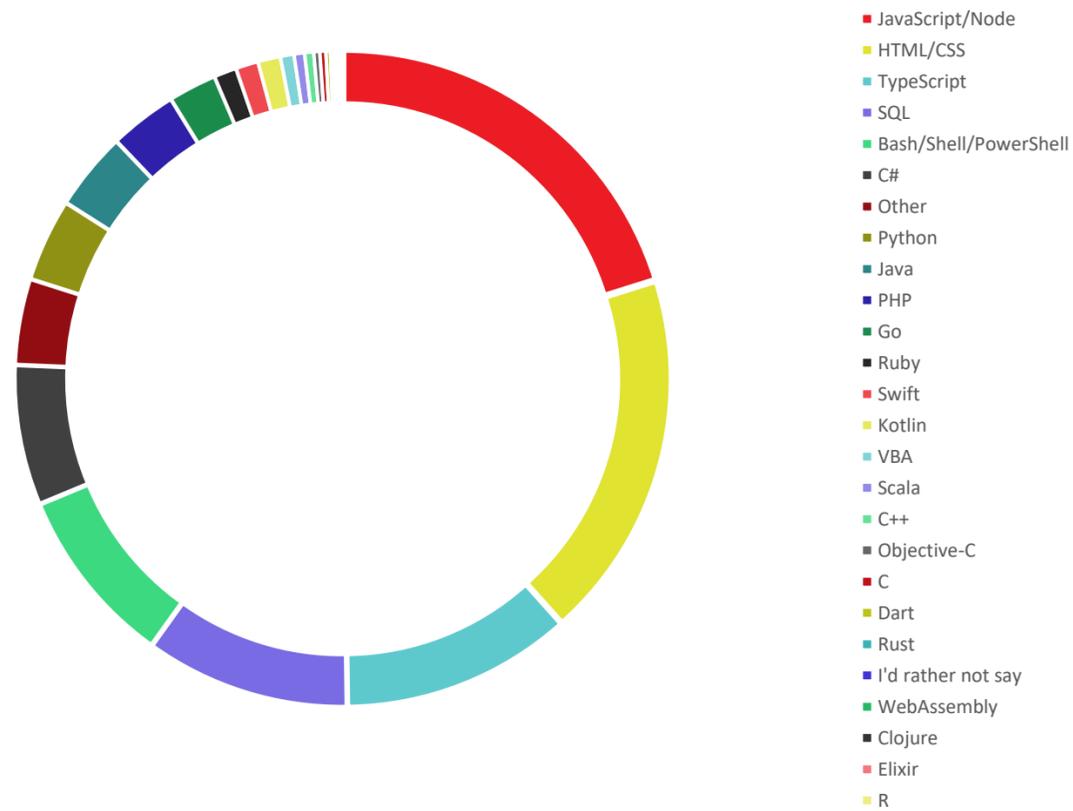
Meet the
whole team here.

Graduate Data Analysis

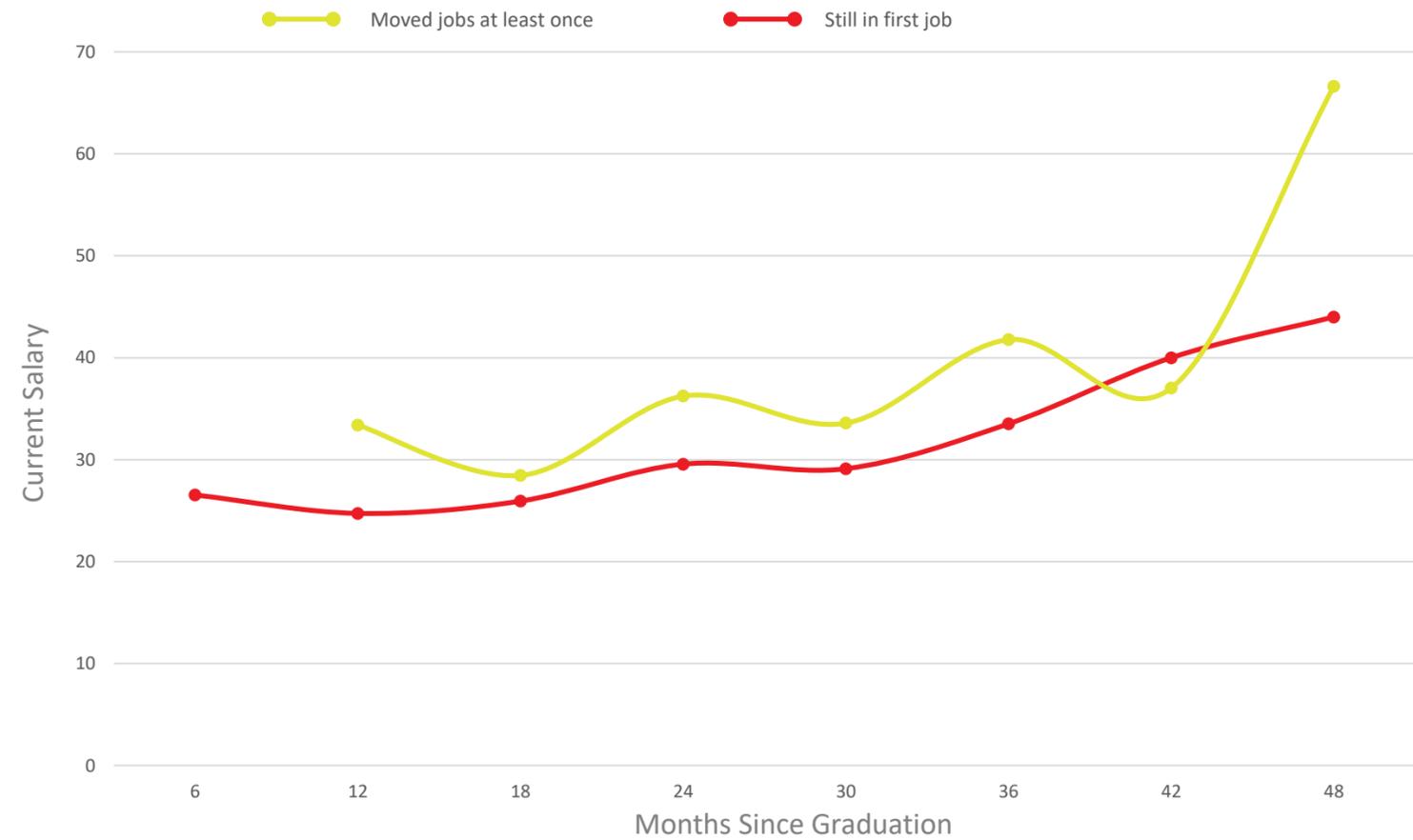
A survey of Northcoders' graduates was conducted in September 2020.

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

Coding Language



Graduate Salary



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.”



Appendix III: Northcoders History



Northcoders' History

Founded in December 2015, the Company has developed an excellent reputation in the market, both with employers and students. Additional funding at this time will enable Northcoders to accelerate its growth and strengthen its market position. Key events in the Company's corporate development are plotted on the timeline below.

