



Northcoders Group plc

2022 Half Year Results

September 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

H1 2022 Highlights

Financial

- Revenue more than doubled to £2.37 million in H1 2022 (H1 2021: £1.09 million), an increase of 117%
- Gross profit increased 110% to £1.66 million (H1 2021: £0.79 million) with a gross margin of 70%
- Significant 62% increase in underlying adjusted EBITDA of £0.42 million (H1 2021: £0.26 million)
- Adjusted EPS of 4.59p (H1 2021: 0.47p)
- Net assets have increased to £2.44 million (H1 2021: net liabilities of £0.52 million)

Operational

- Continued growth in demand with 3,494 applications in H1 2022 compared to 3,662 applications in FY 2021
- Further expansion of Corporate Solutions division supported by successful launch of new Developer Incubator
- Well-known corporates such as On the Beach, Evri, HESA and Sky Bet have also started their training programmes in H1 2022
- Capacity increased as employee headcount rose to 84 (H1 2021: 41)
- Data Engineering product trials progressed



Business Overview & Growth Opportunities



Business 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 technology training programmes through:

- Bootcamp training courses
- Bespoke business services

Northcoders to date:

- 1,200+ graduates
- 370+ hiring partners
- 546 skills bootcamp scholarships
- Currently 86 full time employees
- Four "Hubs" in Manchester, Leeds, Birmingham & Newcastle

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 Overview

Training Bootcamps

**Software
Development**

Data Engineering

Business Services

**Tech Talent
Pipelines**

**Corporate
Academies**

Business model - Revenue streams

Training Bootcamps

- 13-week intense bootcamp, online with in-person tutor support
- Entry exam and pre-course support
- Job ready on completion
- 94% placement rate
- Multiple funding streams
- Multiple Technical areas served
- **400+ hiring partner network**



Northcoders Training Bootcamps

Software Development

Data Engineering

Apply



Onboard



Train



Career

Business model - Revenue streams

Business Services

- 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
- Apprenticeships available
- Growing market due to demand for technically enabled staff
- Visible revenue and cash stream for 12+ months
- **50+ Corporate Clients**

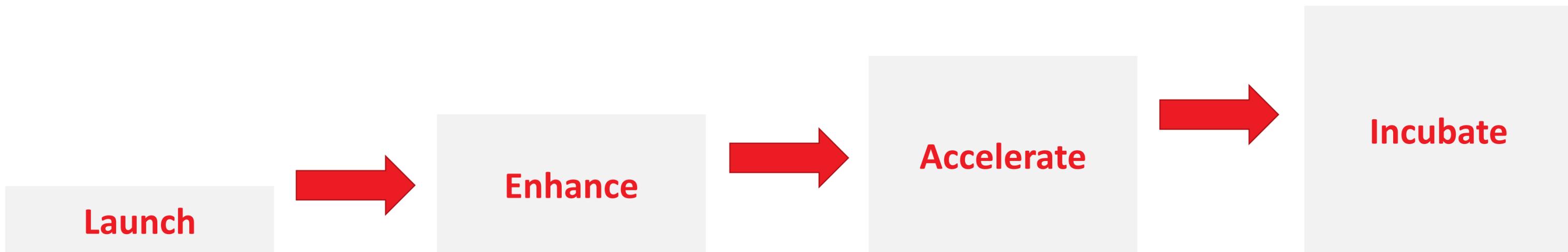


BAE SYSTEMS



Northcoders Business Services Talent Pipeline Products

400+ hiring partner network



Northcoders Business Services

Academy Products

Graduate Recruitment Programs



Bespoke Training Services



Northcoders Key Strengths



Balanced, flexible business model

Courses are delivered through a combination of classroom and online teaching

Multiple Funding Streams

Limited bad debt exposure

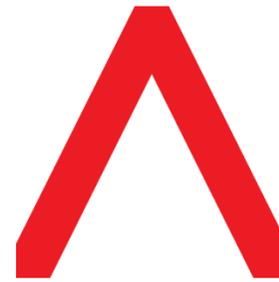


Strong market drivers

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

Digital transformation accelerated world wide

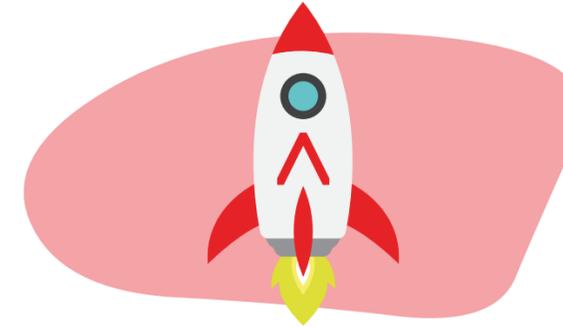
Government funding and initiatives to support market growth



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.

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
- **Coding Careers** attractive due to high salaries for in demand jobs

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

City AM, Jan 2021

“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...”

“Starting salaries for workers in Britain’s technology sector are more than 60 per cent higher than the average pay in the UK because of high demand for software engineers

The Times, Sep 2022”

“ Every company is now a technology company, whether that’s a retailer looking to sharpen its online offering, a bank boosting security in its back office or a football team pursuing better performance data,” he said. “If the UK is going to compete, it needs to help people to get the training they need to join the continuing technology revolution.”

Mike Chaffney, The Times, Sep 2022

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 over 500 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 donate 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	6 months ended	6 months ended	Year ended
	30 June 2022	30 June 2021	31 December 2021
	£	£	£
Revenue	2,367,596	1,085,646	3,010,357
Gross profit	1,656,945	788,418	2,161,965
Gross margin	70%	73%	72%
Adjusted EBITDA*	417,550	257,880	359,475
Margin	18%	24%	12%
Operating (loss)/profit	165,169	78,250	(429,802)
Profit/(loss) before tax	118,176	18,639	(523,588)
Net profit/(loss) after tax	193,460	18,372	(358,124)
Basic earnings per share (pence)	2.79	0.37	(6.13)
Adjusted earnings per share (pence)	4.59	0.47	3.04

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

Statement of cash flows	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
	£	£	£
Cash flows from operating activities:	417,550	257,880	(29,456)
Changes in working capital:			
(Increase)/decrease in trade & other receivables	(496,001)	(792,216)	(1,117,345)
Increase/ (decrease) in trade & other payables	46,574	748,564	(152,739)
Cash (used in) / from operations	(31,877)	214,228	(1,299,541)
Tax refunded	-	57,068	211,701
Net cash inflow/(outflow) from operating activities	(31,877)	271,296	(1,087,840)
Net cash (used in) investing activities	(207,888)	(192,815)	(302,669)
Proceeds from issue of shares	-	-	2,910,758
Proceeds from new bank loans and borrowings	-	-	-
Repayments of bank loans and borrowings	(112,427)	(65,650)	(162,961)
Payment of lease obligations	(124,579)	(133,320)	(215,954)
Interest Paid	(48,992)	(198,970)	(102,361)
Net cash from financing activities	(285,998)	(169,852)	2,429,483
Net cash increase in cash	(525,763)	(169,584)	1,038,974
Cash and cash equivalents at beginning of the Period	1,564,645	525,671	525,671
Cash and cash equivalents at end of the Period	1,038,882	257,880	1,564,645

Statement of financial position	30 June 2022	30 June 2021	31 December 2021
	£	£	£
Non current assets	1,444,119	636,033	1,276,488
Current assets	3,095,070	1,714,016	3,123,832
Total assets	4,539,189	2,350,049	4,400,320
Current Liabilities	(937,067)	(1,699,701)	(889,524)
Net current assets/(liabilities)	2,158,003	14,315	2,234,308
Non current Liabilities	(1,159,564)	(1,195,564)	(1,358,600)
Total liabilities	(2,096,631)	(2,895,265)	(2,248,124)
Net assets/(liabilities)	2,442,558	(514,861)	2,152,196



Northcoders

Operational review



Northcoders Growth Plan

Platform to exploit increasing demand and achieve significant growth

Roll-out of further training courses supported by a scalable hybrid delivery model.



Expand business services offering through Hire Train Deploy Consultancy services & Developer Incubator



Exploring new Business Units including "Tech Adjacent" subjects.

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

Software Development

Data Engineering

DevOps & Cloud Services

Cyber Security

Project Support, Salesforce & Business Analysis, Design, UX & UI

Delivering results

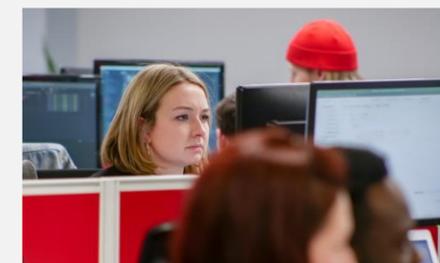
- Northcoders received 3,494 applications in H1 2022 (FY 2021: 3,662 applications)
- The teaching team grew by 47% in the period from 32 to 47
- 30% of students taught in the year were non-university educated
- The average starting salary that graduates went on to earn increased to £27,000
- Placement rates remain at 94%
- Funding options continue to expand

Summary & Outlook

- Application momentum continuing into H2 2022 with 1,798 applications received since July 2022
- Contracted bookings for FY 2022 as at 16 September 2022 stood at approximately £5.5m with £2.5m already contracted for FY 2023
- Business Service's new product off to a strong start with repeat business
- Further UK Government support with £4.0m new skills bootcamp contract
- Approved Government supplier for corporate services after being accepted onto 'Crown Commercial', the Government's procurement system
- Confident in organic growth but will continue to look at potential acquisitions



Thank You...
Any Questions?



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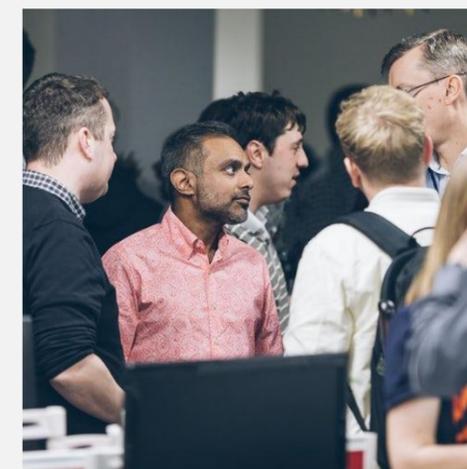
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Appendix: Team Biographies



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.



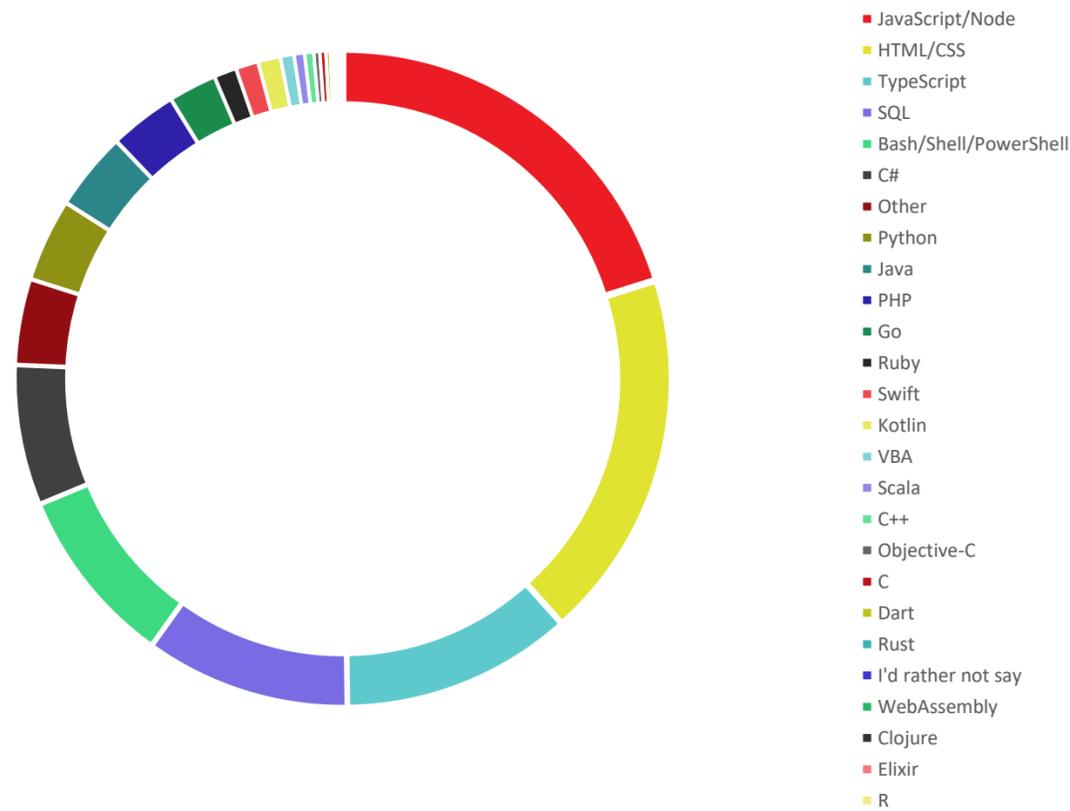
Meet the
whole team here.

Graduate Data Analysis

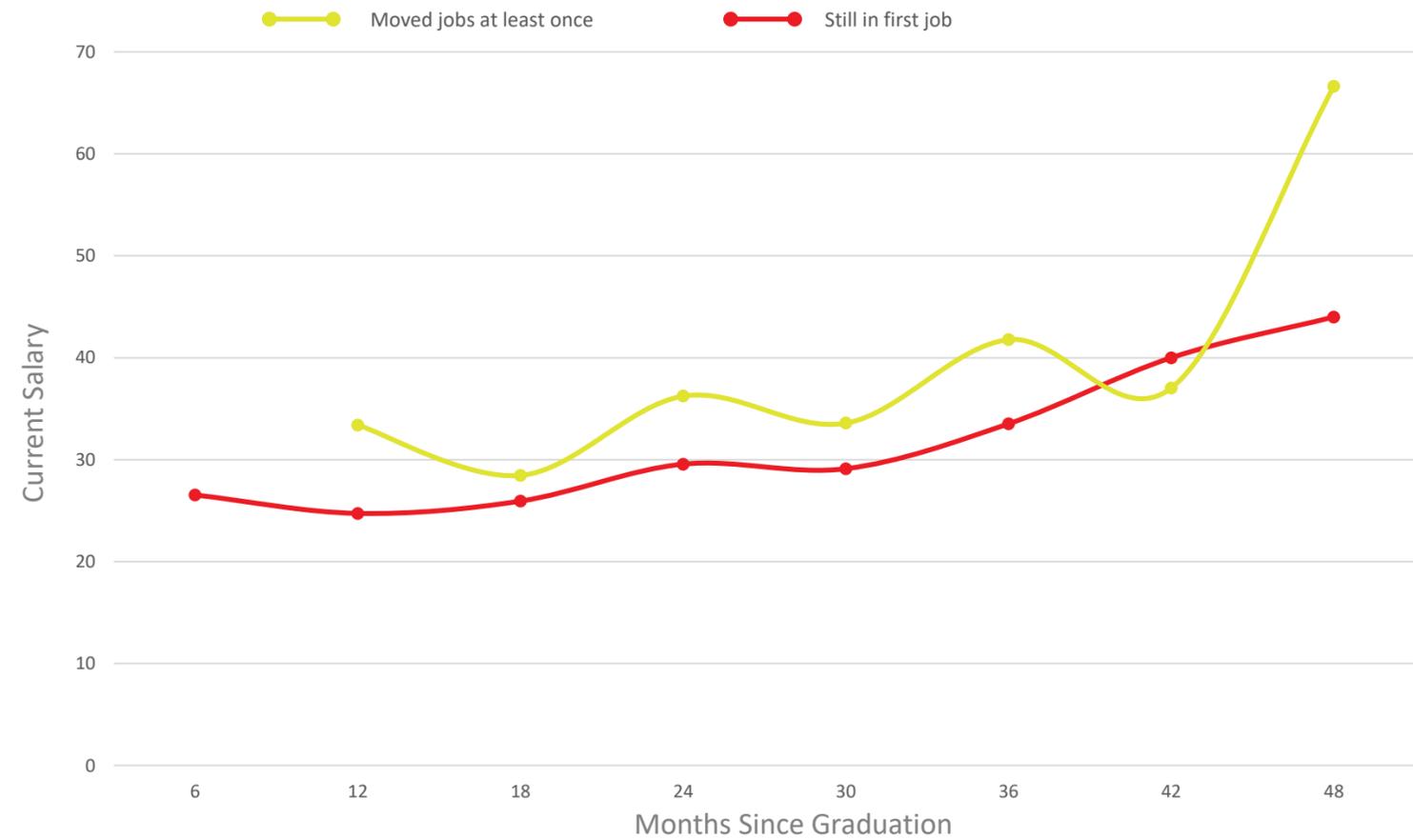
A survey of Northcoders' graduates was conducted in September 2020.

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.”