

TRIBAL

**Empowering the
world of education**

2018 Half Year Results

16th August 2018



Presenting Today



Ian Bowles

CEO


-
- Joined in February 2016
 - Prior to Tribal, served as CEO of Allocate Software, COO of Clearswift, SVP International Operations of Chordiant and General Manager of Oracle UK



Mark Pickett

CFO

-
- Joined in June 2016
 - Prior to Tribal, served as UK CFO of Computer Sciences Corp, overseeing the finance function for \$1.9bn revenue operation in the UK, Ireland and the Netherlands and held senior financial roles at Oracle across geographies primarily in its software businesses



TRIBAL

2018 Half Year Update

Ian Bowles
CEO

Tribal's Vision and Mission

Vision

To empower the world of education

Mission

Provide the expertise, software and services required by education and business organisations worldwide to underpin student success

Our Portfolio

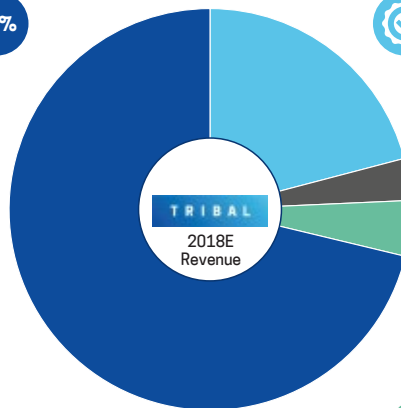
Multi-faceted, broad portfolio of software solutions complemented with best-in-class services to empower the world of education



Student Information Systems (SIS) 71%

Tribal's core software offering tailored to different education segments (HE, FE, schools)

- #1 SIS system in the UK, Australia and New Zealand
- Functionality-rich, cloud-based and on-premise Student Information Systems add value to education and business organisations throughout the student lifecycle
- Manages the complete student lifecycle from attracting talent, on-boarding new recruits, day-to-day support, exams and assessments to graduation and alumni communities
- Customers pay through a license, implementation and support maintenance model



Quality Assurance Solutions (QAS) 21%

- Complementary highly recognised service offering; review and evaluation services provide insight and practical solutions to help improve the quality of education
- Cover institutions from Early Years through to Higher and Further Education, all focused on improving learning and student outcomes



Analysis and Benchmarking (i-graduate) 3%

- Delivers comparative insight to the education sector worldwide, helping institutions deliver a world class student experience to enhance their competitive advantage
- Analysis and benchmarking tools help institutions identify and understand opportunities for delivering improvements



Other 5%

- Ad-hoc software solutions design and support and maintenance, including facilities management software for select customers

Core Software Offering: Student Information Systems

Trusted Student Information System software solutions with leading market position in UK, Australia and New Zealand



Student Information Systems

- #1 SIS system in the UK, Australia and New Zealand
- Functionality-rich, cloud-based and on-premise recurring revenue software model that manages the complete student lifecycle
- Enhancing the student experience throughout their learning journey by managing the complete student lifecycle from attracting talent, on-boarding new recruits, day-to-day support, exams and assessments to graduation and alumni communities
- SIS comprises of mostly software & related services and license & development fees including support & maintenance, implementation and cloud services fees

SIS Market Leadership



No. 1
provider of Student
Information Systems to
universities in the UK,
Australia and New Zealand

50% Russell
Group
universities

100% New Zealand
universities

90% Australian
universities



> 300
Further Education and
Skills providers work with
Tribal in the UK

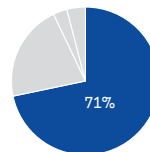


c. 4,000
schools in Australia use the
Tribal Student Information
and Administration
Management Systems

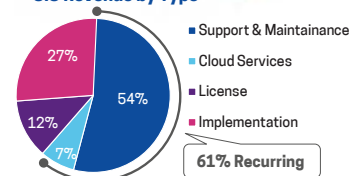
SIS Revenue Contribution & Split

(% of 2018E revenue)

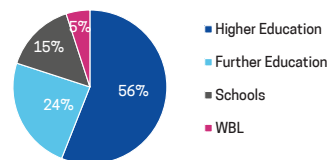
SIS Revenue Contribution



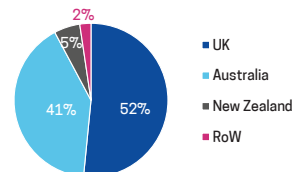
SIS Revenue by Type



SIS Revenue by Segment



SIS Revenue by Geography



Financial Key Points

Core revenue



Adjusted operating profit



Statutory profit



Annually recurring revenue



Adjusted operating margin



Statutory profit per share



Cash conversion



Net cash



Committed income



H1 2018 Financial Results

- Demonstrate
 - Strategy and Focus are Delivering Results as planned
 - Fifth Consecutive period of core Growth and positive financial results
 - We are gaining market share in our territories, since 2016
 - Higher Education
 - Five Competitive Displacements
 - Four Home Grown displacements
 - Further Education
 - Nineteen Competitive Displacements



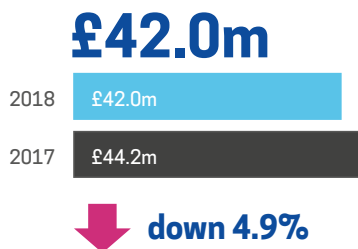
Financial Report

Mark Pickett
CFO

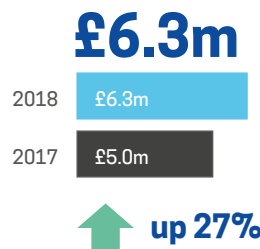
CFO Summary

6 months ended 30 June 2018

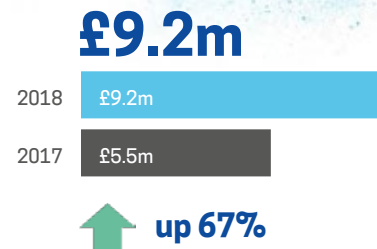
Revenue



Adjusted Operating Profit*



Net Cash



- Core revenue has grown 0.5%, excluding final Ofsted Early Years contract, concluded in March 2017
- FX movements adversely impacted H1 2018 by £1.1m revenue and £0.4m profit compared to H1 2017
- Strong Cash generation given the Group's seasonal, higher working capital requirements in H1 compared with H2

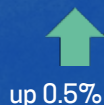
* Adjusted operating profit is in respect of continuing operations and is stated excluding "Other Items" charges of £1.7m (2017: £2.0m). Other Items include Share-based Payments, Amortisation of IFRS3 Intangibles, and Restructuring and associated costs

Financial Key Points (core business*)

Revenue

£42.0m

2017 £41.8m*



up 0.5%

Adjusted operating profit

£6.3m

2017 £4.0m*



up 55%

Statutory profit

£2.9m

2017 £1.6m



up 83%

Annually recurring revenue

£18.9m

2017 £19.0m



down 0.8%

Adjusted operating margin

15.0%

2017 9.7%*



up 5.3 pp

Statutory profit per share

1.4p

2017 0.8p

improved
0.6p

Cash Conversion

(11)%

2017 (41)%



up 30 pp

Net cash

£9.2m

2017 £5.5m



up 67%

Committed Income

£122.5m

2017 £122.1m



up 0.3%

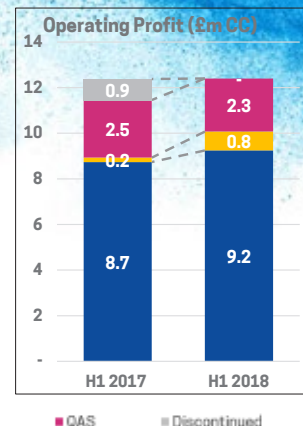
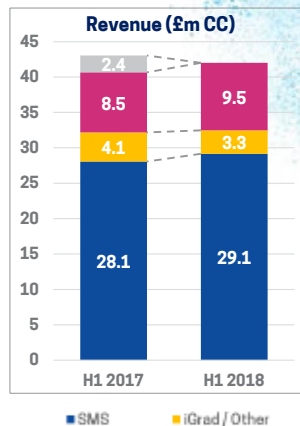
* Consistent with previous reporting, 2017 numbers exclude the Ofsted contract, which successfully concluded in March 2017

Segment Results*

Revenue (£m)	2018	2017	2017 (ConCurr)	Growth % (ConCurr)
Student Management Systems	29.1	28.9	28.1	4%
QAS (excl Ofsted)	9.6	8.7	8.5	12%
i-graduate (& Other)	3.3	4.2	4.1	(20)%
Total (excl Ofsted)	42.0	41.8	40.7	3%

Annually Recurring Revenue	18.9	19.0	18.4	3%
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Adjusted Operating Profit	2018	2017	2017 (ConCurr)	Growth % (ConCurr)
Student Management Systems	9.2	9.1	8.7	6%
QAS (excl Ofsted)	2.3	2.6	2.5	(8)%
i-graduate (& Other)	0.8	0.2	0.2	344%
Segment Profit	12.4	11.9	11.4	8%
Central Overheads	(6.1)	(7.9)	(7.8)	22%
Total (excl Ofsted)	6.3	4.0	3.6	72%



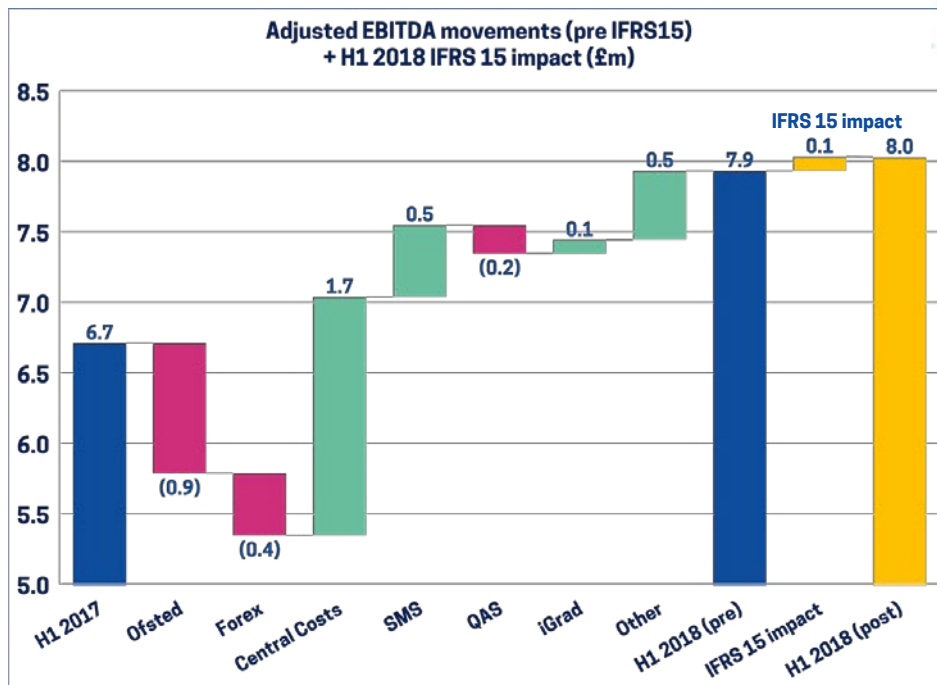
Sterling was, on average, around 6% stronger over the course of H1 2018 than H1 2017

Constant Currency calculation is based on 2018 exchange rates applied to 2017 results

Adverse impact of currency movement in relation to H1 2017 was £1.1m of revenue, and £0.4m of operating profit

* consistent with previous reporting, 2017 numbers exclude the Ofsted contract, which successfully concluded in March 2017

Adjusted EBITDA and IFRS 15



IFRS 15 was adopted from 1 January 2018

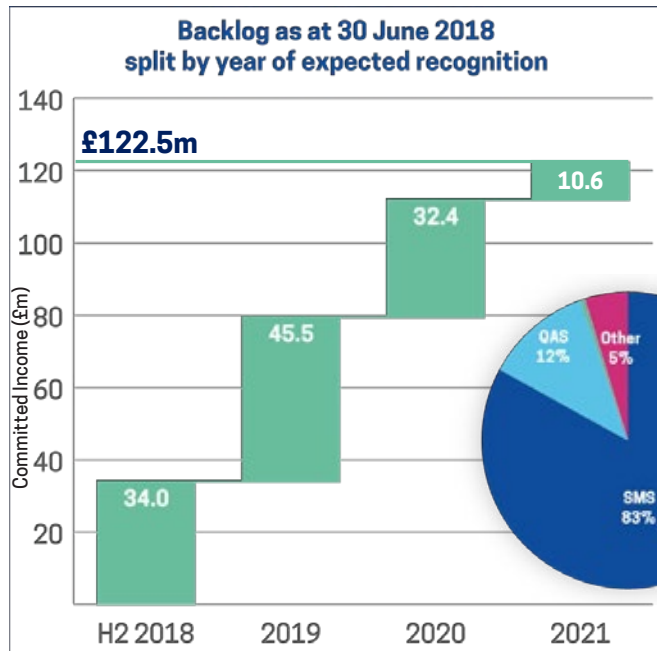
The effect of IFRS 15 is to spread the recognition of the License revenue on a percentage complete basis over the period of implementation, rather than it being recognised upfront

In H1 2018, there is £0.1m favourable impact, resulting in reported revenue and profit being slightly higher after the adoption of IFRS 15

The full year impact of IFRS 15 is expected to be adverse, as less revenue is recognised in year than would otherwise be, in relation to deals won in H1 2018, such as CCCU, University of Portsmouth and Colleges Northern Ireland

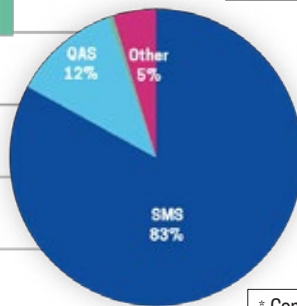
The impact of IFRS 15 will be absorbed within current guidance for the full year, which remains unchanged

Committed Revenue



Total Committed Revenue £122.5m (FY17: £121.1m)

- Increased of 0.3% on 2017
- ~ 70% of next 12 months' consensus revenue committed
- > 90% of 2018 full year revenue was recognised or committed by 30 June 2018



Key Student Management System contracts closed

- University of Portsmouth
- Canterbury Christ Church University
- Colleges Northern Ireland

* Committed Revenue (Backlog) refers to the Total Contract Value of booked sales orders which have not yet been delivered (including 2 years Support & Maintenance, where it is contracted on an annually recurring basis).

Cashflow

	H1 2018	FY 2017	H1 2017
Operating Cashflows	8.0	10.9	6.7
Working Capital movements	(6.3)	0.1	(5.9)
Tax paid	(1.2)	0.1	(0.1)
Net Operating Cash	0.5	11.1	0.7
Capital expenditure	(2.4)	(4.3)	(2.9)
Deferred consideration	(0.8)	(1.2)	(1.2)
Financing (incl dividend)	(2.0)	(0.1)	
Foreign exchange impact	(0.2)	(0.2)	
Cash increase / (decrease)	(4.9)	5.3	(3.4)

Net Cash	9.2	14.1	5.5
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Net cash

£9.2m

2017 £5.5m



up 67%

Operating cashflow (before tax)

£1.7m

2017 £0.8m



up £0.9m

Cash conversion ¹**(11)%**

2017 (41)%



up 30pp

Free cash flow ²**£1.1m**


2017 £0.2m



up £0.9m

¹ Cash Conversion is calculated as net cash from operating activities before tax from continuing operations, less expenditure on intangible assets (including Product Development) and property, plant and equipment, as a proportion of adjusted operating profit

² Free cash flow calculated as net cash from operating activities less maintenance capital expenditure and less capitalised development costs (excludes Wambiz)



TRIBAL

CEO Summary

Ian Bowles
CEO

Seasoned and Committed Management Team

Comprehensive and highly talented management team with significant experience and achievements to date



Ian Bowles
CEO

- Joined in February 2016
- Prior to Tribal, served as CEO at Allocate Software, COO at Clearswift, as SVP, International Operations at Chordiant and as General Manager at Oracle UK



Mark Pickett
CFO

- Joined in June 2016
- Prior to Tribal, served as CFO at Computer Sciences Corp and held senior financial roles at Oracle



Jon Baldwin
Managing Director
Higher Education

- Joined in May 2014
- Prior to Tribal, held managerial and teaching roles at the Murdoch University and at the University of Warwick



Mark Wilson
Managing Director
EMEA Further Education

- Joined in December 2016
- Prior to Tribal, served as Professional Services director at Unit4 and Head of Professional services at Lumesse



Peter Croft
Managing Director
APAC Further Education

- Joined in September 2017
- Prior to Tribal, served as Regional Director at Allocate Software and as Managing Director at Clearswift



Janet Tomlinson
Managing Director
Quality Assurance Solutions

- Joined in 2009
- Prior to Tribal, served as Director of Education and Children's Services at Oxfordshire County Council



Phil Sanders
Managing Director
i-graduate

- Joined in 2004
- Prior to Tribal, served as European Sales and Marketing Manager at Novara plc



Barbara Staruk
Managing Director
Product & Development

- Joined in February 2015
- Prior to Tribal, served as Product Director at Optum and as Director of Product Management at Picas



Chris Farnath
Managing Director
Cloud & Support Services

- Joined in August 2016
- Prior to Tribal, served as Customer Service Director at Allocate Software and as Managing Director at Service Instinct



Mike Beech
Marketing Director

- Joined in March 2016
- Prior to Tribal, served as Marketing Director at Kerridge and as Head of Product Marketing at RM Education



Chloe Payne
HR Director

- Joined in March 2007
- Prior to Tribal, worked in the Health sector and at Cambridge Assessment

Highly Actionable Organic Growth Strategy

Clear organic growth opportunities across geographies and business units

Expertise in Products & Services



- Significant growth opportunities across SIS, i-graduate and QAS
- Continued development of new software and service offerings including cloud services and mobile apps
- Prudent and strategic execution of bolt-on acquisitions with robust target pipeline in both SIS and QAS

Cross- / Up-Selling



- Gain additional share of wallet from existing customer base by up-selling incremental software and services
- Potentially cross-sell value-added QAS services to existing software customers

Customer Base Expansion



- Aggressively bid on new customers coming onto market across geographies
- Continue to grow Higher Ed and Further Ed customer base

Geographic Footprint



- Established footprint in EMEA and Oceania and balanced customer portfolio with ample room for further growth
- Nascent potential in North America, Middle East and Asian markets with significant upside, especially in target geographies including Canada, Singapore and Malaysia

Integration & Rollout of Edge



- Accelerated rollout and migration of Edge on modular basis will further unify Tribal's software offerings and improve operational efficiency

Continued Cost Rationalisation

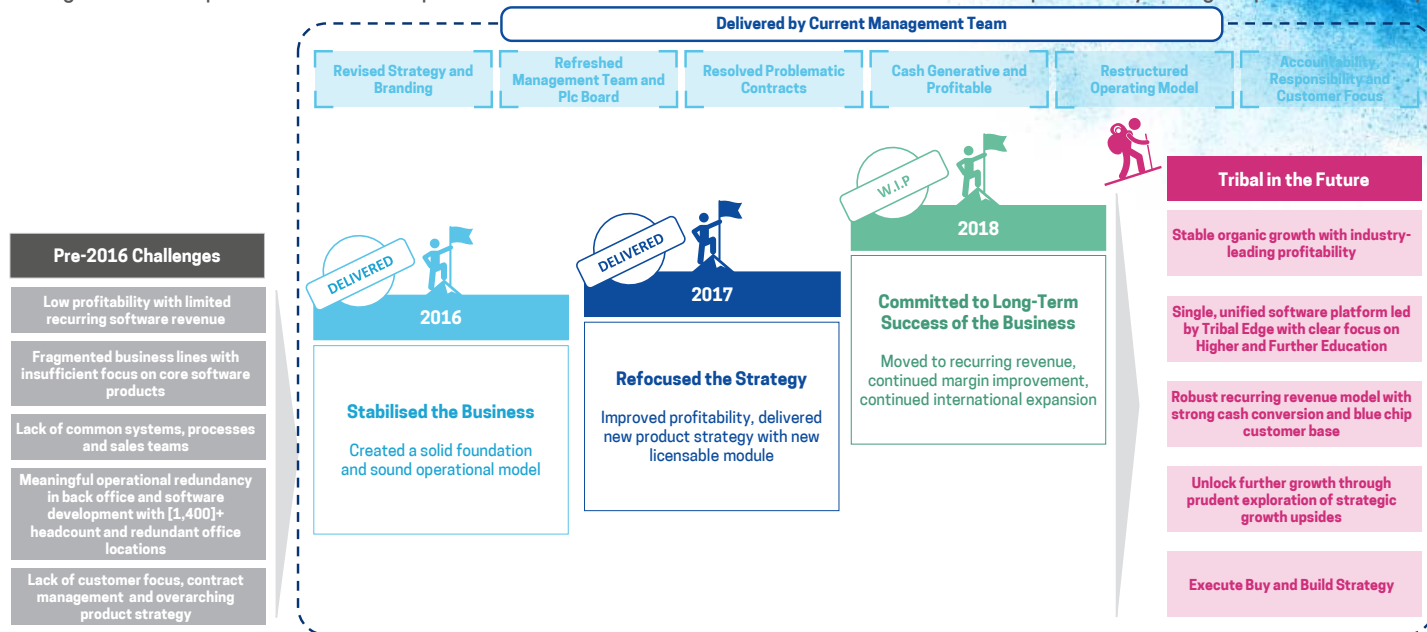


- Ongoing cost saving initiatives enable centralisation of business operations and drive improved efficiency
- Prudent reduction of headcount from continued Edge rollout and customer migration

Leading Worldwide Educational Management Solutions Provider

Track Record of Executing a Plan to Refocus the Business

Management has implemented effective operational initiatives to refocus on the core business and drive profitability through improved efficiency



Conclusion

The market leading platform for Higher Education, Further Education and schools across multiple geographies

Unique value proposition with a broad and complementary portfolio of software and education services

Cutting edge, modular, cloud-based SMS solution which is highly scalable

Extensive, sticky and long-standing customer relationships with significant barriers to entry

Strong worldwide presence serving customers across multiple different locations

Seasoned and committed management team with a track record of executing a plan to refocus the business

Supported by an employee base of highly skilled individuals with deep domain expertise

Positive financial performance with 940bps margin expansion over the last 2 years

Highly visible, recurring revenue model providing comfort on forward business performance

Actionable organic growth strategy progressing existing initiatives complemented by tangible opportunities to explore upsides

TRIBAL



Appendix

Our Goal remains unchanged



World-class software & services company



International market leading educational management solutions provider



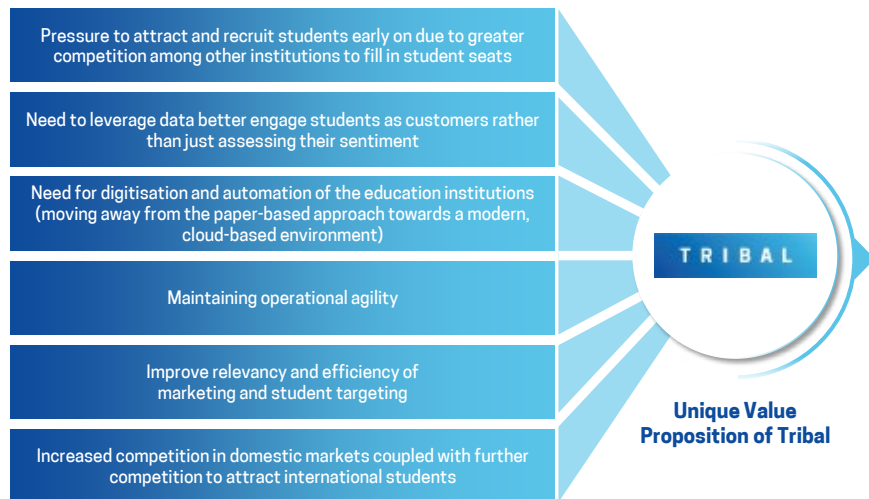
Valued by

- Customers
- Staff
- Shareholders

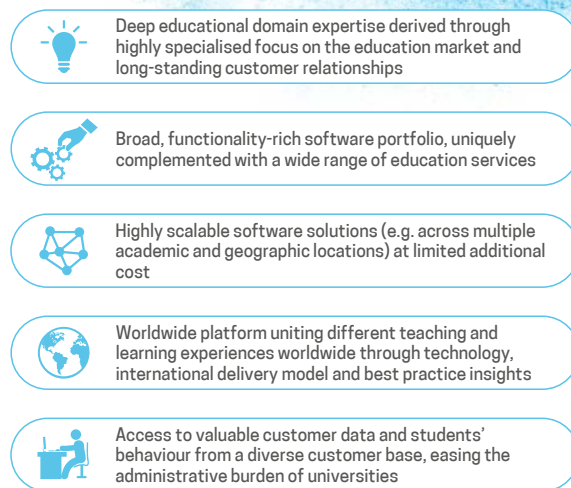
Heightened Demand and Evolving Customer Needs in Education Technology Creates a Distinct Demand for Solutions

The education industry is in search of superior software to improve recruiting and operational efficiencies

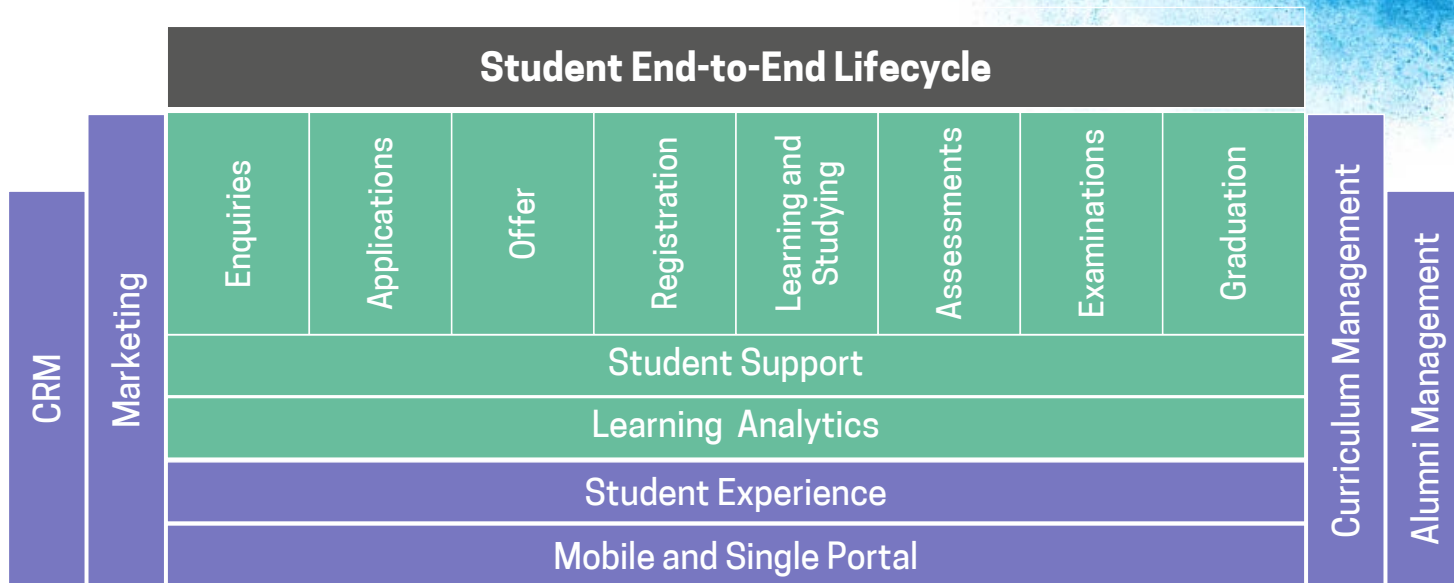
The Needs of the Education Industry are Rapidly Evolving...



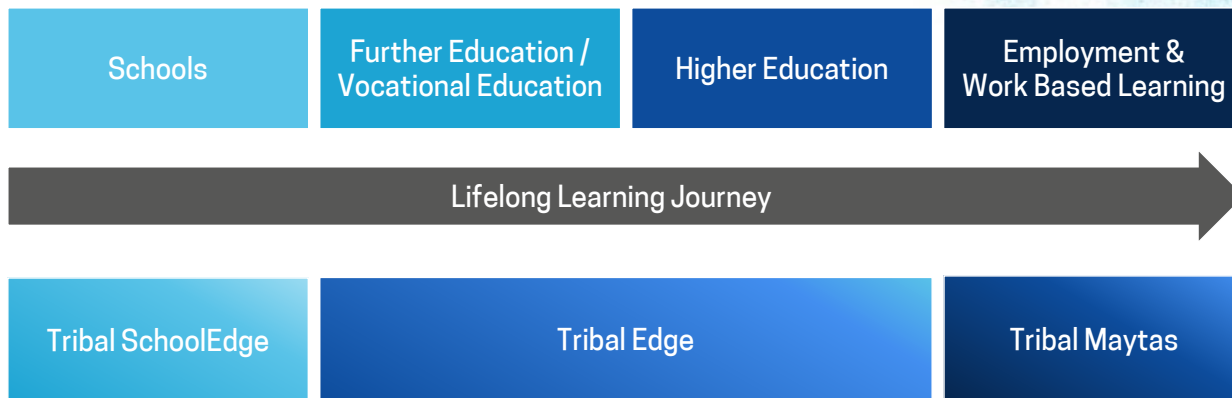
...Creating Additional Demand for Educational Software Solutions



Student Information Systems



Student Information Systems Strategy



A student's lifelong learning journey underpinned by Tribal Student Information Systems

Tribal Edge: Cutting Edge, Modular, Cloud-based SIS Platform

Next generation Student Information Platform to support and manage students throughout their journey from recruitment to employment

Overview and Key Benefits

Tribal's new, SaaS-based Student Information Platform

- ✓ Cloud-based, next-gen platform with the flexibility to work with any current SIS system
- ✓ Simple to deploy, manage and pay for
- ✓ Highly scalable, modular platform; each module can be used standalone or combined to provide a truly mobile, engaging, and supportive experience for students and staff
- ✓ Focusing much more on the student experience and looking to bring student management, including self-service, into the hands of the students themselves
- ✓ Allows continuous insight so institutions can make timely interventions that improve retention and outcomes



Student View

- A personalised, tailored experience in students' palms to keep them engaged throughout the education lifecycle
- Mobile app – available anytime, anywhere via a mobile – so students can see their day at a glance and can quickly and easily communicate with other students and staff



Student Support

- A fully web-based application delivering personalised support wherever it's needed
- Achieve a single view of all student performance issues and identifies opportunities to deliver critical support to reduce drop-outs and maximise student successes. Students can raise support issues instantly, whilst staff can access critical insights into performance trends



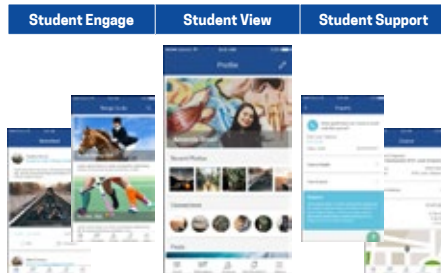
Student Engage

- Communication and collaboration in the hands of your students
- Private social network designed to operate just like other social networks but with added safeguarding features enabling staff and students to connect, communicate and collaborate with each other safely and securely



Student Insight

- Allows institutions to understand the person behind the student information data to make a positive difference and ensure success



Tribal's Complementary Solutions

Provide unique insights and unparalleled support for education institutions to identify strengths and opportunities for improvement

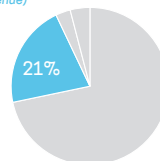


QAS (Quality Assurance Solutions)

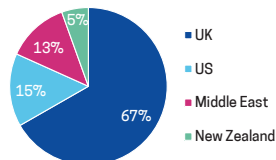
- Partnering with national and state government departments to improve quality of teaching and enhance institutions' performance
- Cover institutions from Early Years through to Higher and Further Education, all focused on improving learning and student outcomes
- Review and evaluation services provide insight and practical solutions to help improve the quality of education
- QAS revenue consists of mainly school inspection and related services fees

QAS Revenue Contribution and Geographic Split

(% of 2018E revenue)



44 active customers with 1,160 schools in Quality Mark programme



Self-assessment & Review

School Inspection & Improvement

Quality Mark

Professional Learning

QAS Major Customers



National Centre
for Excellence in the
Teaching of Mathematics



New York State
EDUCATION DEPARTMENT
Knowledge • Skill • Opportunity

Department
for Education



QAS Market Leadership



2,200+
schools bear the
Tribal Quality Mark



>15,000
inspections delivered per
year worldwide



>1,000
people serving 50 countries
across the globe

Tribal's Complementary Solutions

Strong portfolio of service offerings built upon unique market insights from long standing customer relationships



i-graduate (Analysis & Benchmarking)

- Analysis and benchmarking tools help institutions identify and understand opportunities for delivering improvements
- Delivers comparative insight to the education sector worldwide, helping institutions deliver a world class student experience to enhance their competitive advantage
- Enables institutions to deliver a world class student experience to enhance their competitive advantage



Market Leadership



1,400
universities and colleges
worldwide use the Tribal
student barometer



75%
of UK colleges have
saved money using
Tribal financial
benchmark

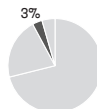
>150
higher education and
VET providers in
Australia use Tribal
student experience
surveys

Major Customers



Revenue Contribution

(% of 2018E revenue)



Feedback gathered from
over 3 million students in
over 1,400 institutions
across 33 countries



Other Historic Lines of Business

- Non-core business lines which management does not actively focus on but are still revenue-generative and profitable
- Lean operational teams continue to support and maintain existing products as businesses are transitioned to a maintenance mode
- Gradual ramp-down in coming years as Tribal continues to focus on the core SIS, QAS and i-graduate products
- Represents 5% of 2018E revenue

Facilities Management

- Asset management business enabling educational institutions to manage portable assets within their real estate holdings

Software Solutions

- Bespoke software solutions catering to specific customer needs
- Project-based assignments

Information Matters

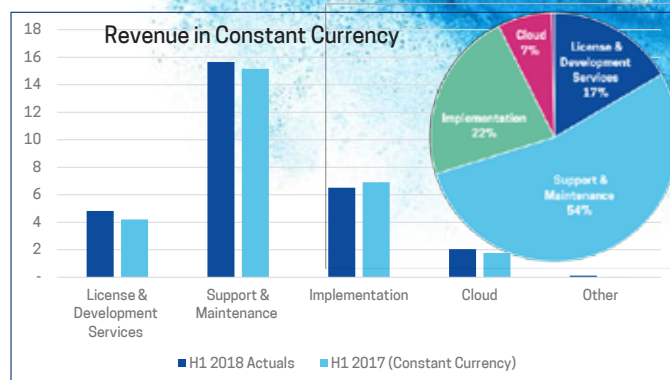
- Virtual information library managing documents for large corporates
- In the process of full wind-down

Student Management Systems

Student Management Systems (£m)

	H1 2018 Actuals	H1 2017 Actuals	H1 2017 (Constant Currency)	Growth % (Constant Currency)
License & Development fees	4.8	4.3	4.2	15%
Support & Maintenance fees	15.6	15.8	15.2	3%
Implementation services	6.5	7.0	6.9	(6)%
Cloud services	2.1	1.8	1.8	16%
Other	0.1	0.0	0.0	
Student Management Systems	29.1	28.9	28.1	4%

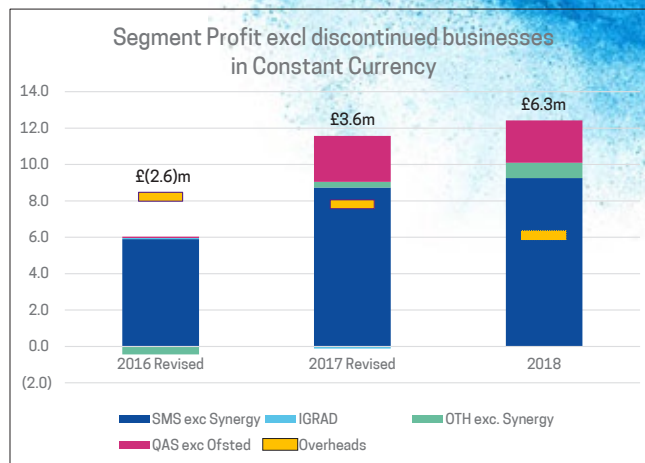
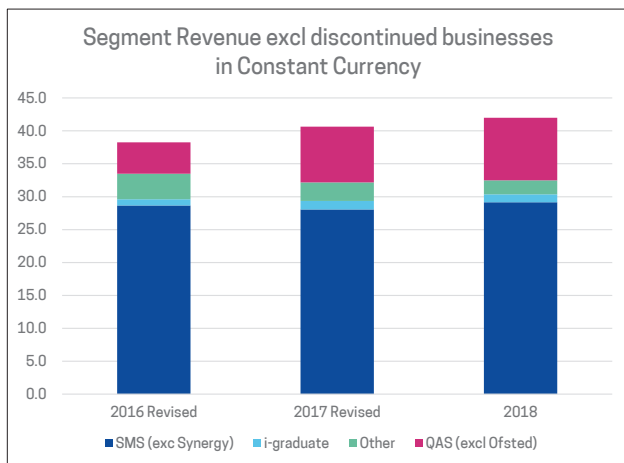
Segment Profit	9.3	9.1	8.7	6%
SMS segment Margin %	32%	32%	31%	
Capitalised Product Development	1.8	1.0		
Amortised Product Development	(0.7)	(0.8)		



Higher License and development fees due to IFRS 15 impact of license recognition from prior years. S&M increase in constant currency mostly due to contracted annual uplift. Increase in Cloud revenue as more contract wins include Cloud solutions, offsetting some of the softness in Implementation work

H1 2018 investment in Product Development relates to increased investment in Edge products

3 Year Core Segment Results in constant currency



The GBP£ was, on average, around 6% stronger over the course of H1 2018 than through H1 2017. The revenue and operating profit of each segment for 2016 and 2017 have been translated at 2018 rates to provide a constant currency comparison to 2018. The revenue relates to core numbers (ie, excluding discontinued businesses). Segment profits for each half-year are shown in the bars, with the Central Overhead cost shown in orange. In 2016, there was a half-year loss of £(2.6)m, excluding the contribution from Ofsted and Synergy. In 2017, there was a profit of £3.6m, growing to £6.3m in 2018.

Consolidated Income Statement

	H1 2018 £m	H1 2017 £m	FY 2017 £m
Revenue	42.0	44.2	84.9
Gross profit margin	50%	42%	50%
Adjusted operating profit	6.3	5.0	8.5
Adjusted operating profit margin	15.0%	11.2%	10.1%
Other Items	(2.1)	(2.5)	(4.8)
Statutory operating profit/(loss)	4.2	2.5	3.7
Finance costs	(0.1)	(0.1)	(0.3)
Statutory profit/(loss) before tax	4.2	2.3	3.4
Income tax (charge)/credit	(1.3)	(0.7)	(0.8)
Statutory profit/(loss) after tax	2.9	1.6	2.6

Other Items

	H1 2018 £m	H1 2017 £m	FY 2017 £m
Share based payment charges	1.1	0.7	1.7
Restructuring	0.1	0.7	1.0
IFRS3 amortisation	0.9	1.0	2.0
Other	-	0.1	0.1
Other Items excluded from Adjusted Operating Profit	2.1	2.5	4.8
Finance costs	0.1	0.1	0.1
Tax credit on other items	(0.5)	(0.6)	(0.9)
Total Other Items excluded from Statutory Profit/(Loss)	1.7	2.0	4.0

To assist understanding of the underlying performance of the business, certain items are excluded from the Adjusted Operating Profit, and included in Other Items.

The main items are Share-based Payments, Deferred Contingent Consideration, Amortisation of IFRS3 Intangibles, and Restructuring and associated costs.

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