

TRIBAL

# Tribal Group

Capital Markets Day  
17 June 2021



# Introduction

Mark Pickett, CEO



# Tribal Leadership Team



Richard Last  
Chair



Mark Pickett  
Chief Executive Officer  
(CEO)



Mark Wilson  
Chief Operating Officer  
(COO)



Mike Cope  
Chief Technology  
Officer (CTO)



Chloe Payne  
HR Director



Roger McDowell,  
Senior Independent  
Director



Nigel Halkes,  
Non-Executive Director



Diane McIntyre  
Chief Financial Officer  
(CFO)



Mike Beech  
Marketing Director



Peter Croft  
Managing Director,  
APAC



Janet Tomlinson  
Managing Director,  
Education Services

Tribal Board

Tribal Executive Team

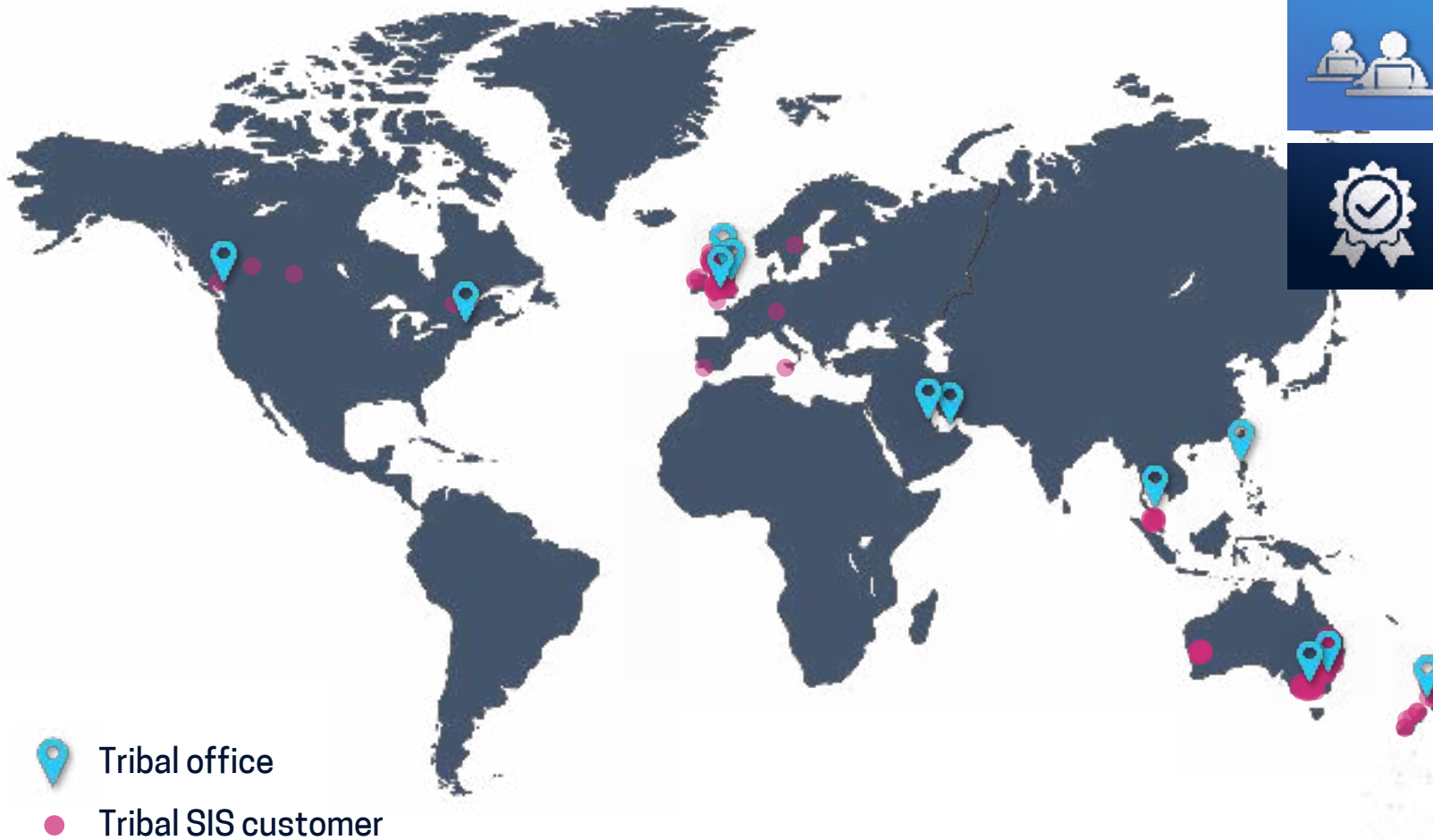
# Agenda



Topic	Speaker
Introduction to Tribal and our market	Mark Pickett, CEO
The Customer Perspective	Mark Wilson, COO
EdTech as-a-Service Showcase	Mike Beech, Marketing Director
Tribal Edge Investment Case	Mike Cope, CTO
Q&A	
Tribal's Five-year Objectives	Mark Pickett, CEO
Our Opportunity for Growth	Mark Wilson, COO
Delivering the strategy through our people and values	Chloe Payne, HR Director
Tribal's evolving business model	Diane McIntyre, CFO
Q&A	



# Tribal Overview



Market-leading provider of Student Information Solutions to both Higher & Further Education in UK, Australia, New Zealand, Singapore and Malaysia.



Over **500** institutions empowered by Tribal's Student Information Solutions

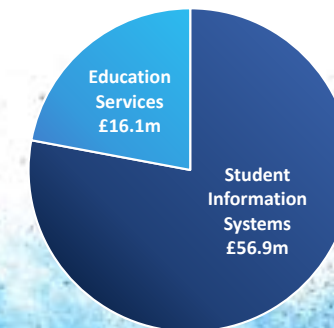


Global provider of Quality Assurance and Benchmarking services for Education

**>65%** market share  
UK Universities

**>30%** market share  
Australia & NZ HE

**>35%** market share UK  
Further Education



ARR £47.5m  
up 12%

## Our vision:

### **To empower the world of education.**

We strive to research, develop and deliver the products, services and cloud solutions needed by educational institutions across the world to support their primary goals of educating students, providing optimum learning experiences and ultimately delivering successful outcomes.

## Our goal:

### **To be a pure-play Education Technology (EdTech) SaaS business, expanding to a global reach**

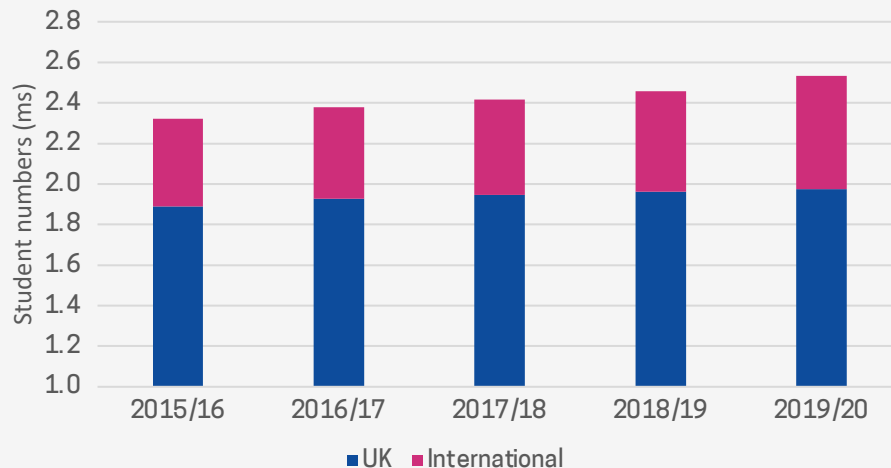
# What has driven our business to date



## UK Higher Education market (source: HESA)

- Total income for sector: £38.1bn
- 1.2% of UK GDP
- Supports 940,000 jobs
- Steady growth of students

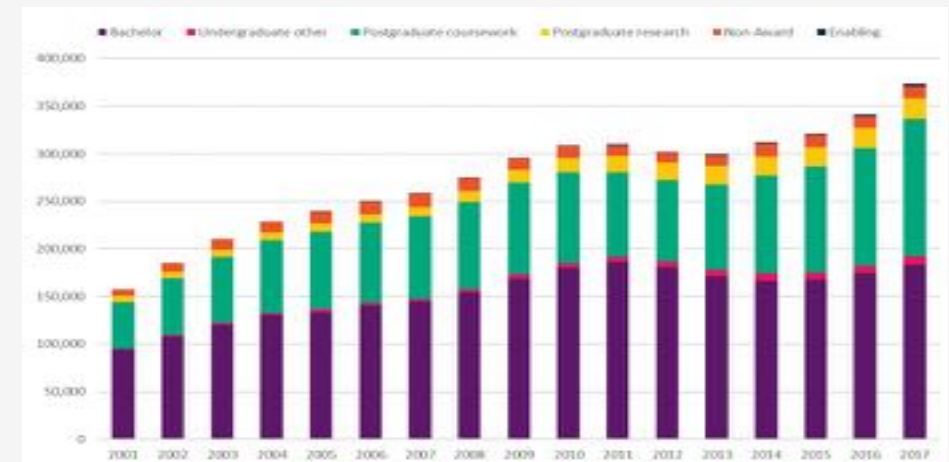
UK Student numbers



## Australian Higher Education (source: Universities Australia)

- 1.5m Higher Education university students
- International HE students doubled since 2001
- International Education is Australia's 3<sup>rd</sup> largest export, generating \$38.5bn

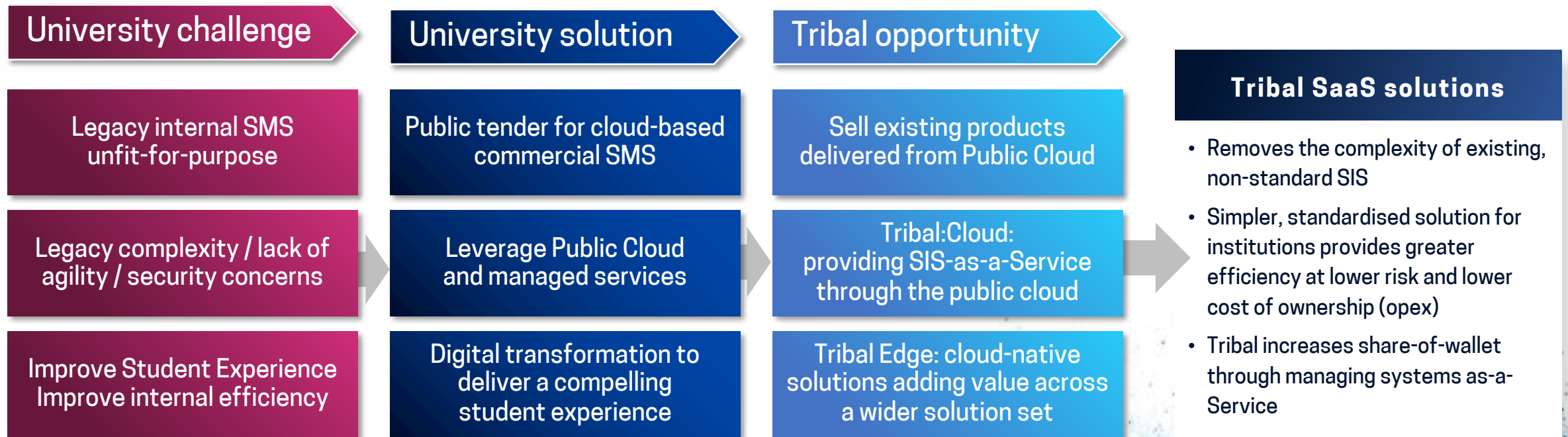
Australia International Student numbers



# What is driving our business now

“ Our new VC is like a CEO...focus on operational excellence...holding us to commercial standards. We have planned significant growth and it is strategically important to be seen as a progressive player, a pack leader. Our current system is inefficient and takes all our time to manage. We need to do things differently, to manage increased student expectations. We need someone else to manage our current systems so we can focus on digital innovation to improve user experience. ”

*CIO, Russell Group customer, 2021*





# Customer Perspective

Mark Wilson, COO



# What are the challenges facing the education sector?



Student recruitment and retention is a key driver of financial stability and the key enabler of growth



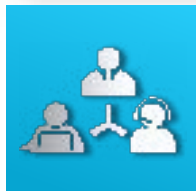
Delivering an excellent student experience has become a critical strategy for the sector



Student expectations have changed. Young people today grew up in a digitally enabled world and expect responsiveness and adaptability



Many institutions are saddled with complex digital ecosystems which are hard to change and require specialist skills to administer



Staff are constrained managing complex systems or working complex processes which restrict their ability to focus on value added activities



# Customer panel



University  
of Dundee

**Thomas Veit**

**Director of  
External Relations**

- UK top 30 University
- 13k Students
- Looking to grow research



THE UNIVERSITY OF  
SYDNEY

**Caroline Hungerford**

**IT Director,  
Digital Engagement**

- Top 25 World Ranking (QS)
- Prestigious Australian University
- 55k Students



University  
of Bolton



**Zubair Hanslot**

**Provost**

- 'Local' recruiter university
- 6k Students
- Looking to grow Post-Grad

# Customer video here



# Customer Challenges - Summary



## Attracting and recruiting the right students is vitally important

- It's a competitive market and recruitment is an expensive process
- Student fees are the key driver of financial stability and growth



## Delivering a great student experience is crucial

- Supporting Students have high expectations
- Technology is pervasive in our lives and underpins a great student experience



## There is real advantage to be had moving to managed services

- Running complex systems ties up staff on low value-add activities
- Tribal can deliver the services better than they can themselves



## The sector is primed for change and technology is a key enabler

- Move away from bespoke solutions and find partners who can deliver leading practice



University  
of Dundee



THE UNIVERSITY OF  
SYDNEY



# EdTech-as-a-Service Showcase

Mike Beech,  
Marketing Director



# Tribal Edge

A transformative Student Information Solution delivering staff and students the solutions and tools they need to succeed in the evolving world of education.



## Student Focused

- Supporting today's digital student
- Accessible and multi-channel



## Efficient

- Leading practice and optimised process
- Intuitive user interface
- Embedded intelligence (AI)



## Adaptable and Agile

- Open, functional APIs
- Data driven
- Supporting a partner eco-system

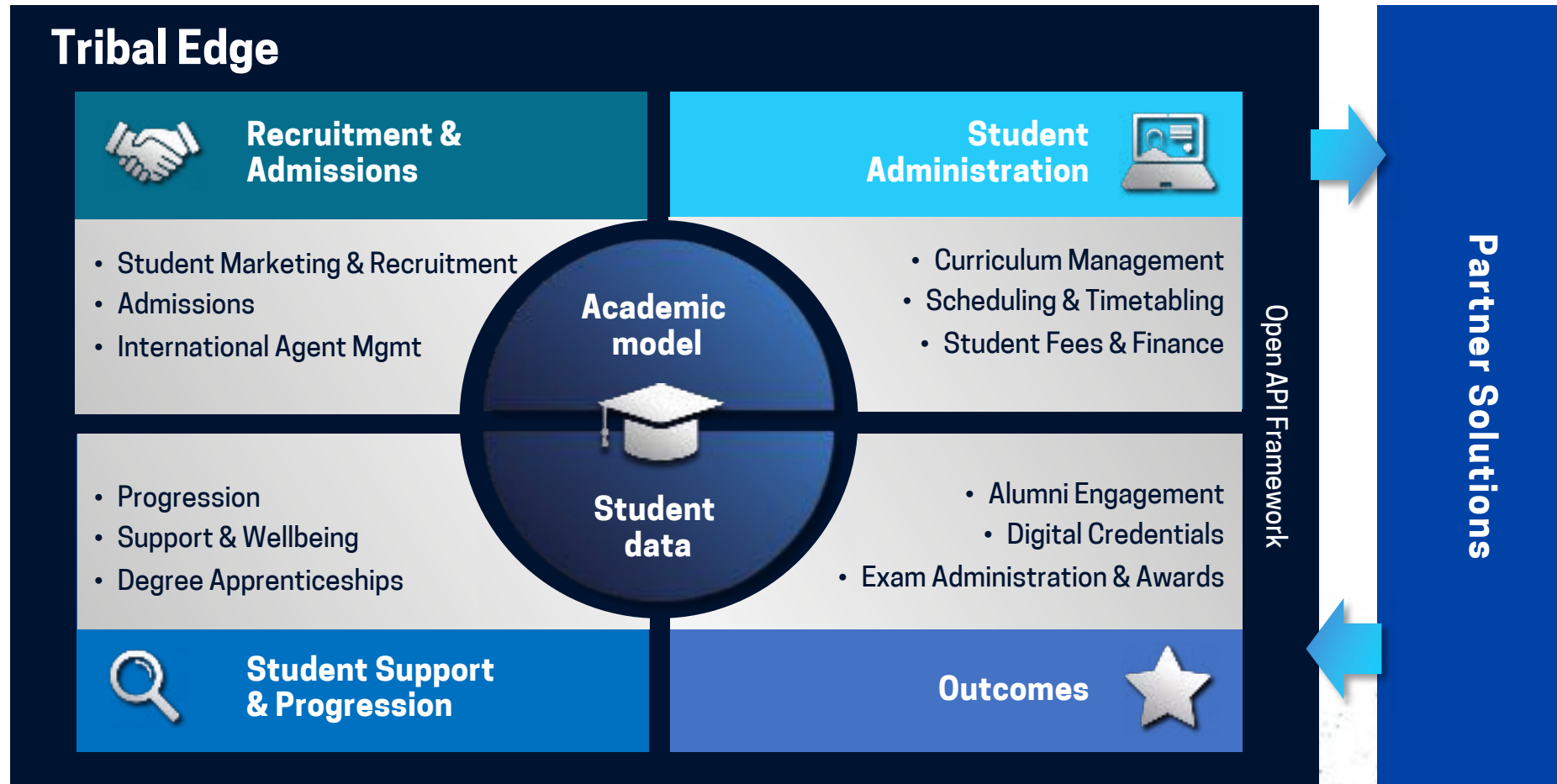


## Delivered in the cloud

- Scalable
- Secure
- Managed by the application experts



# The Tribal Edge Ecosystem

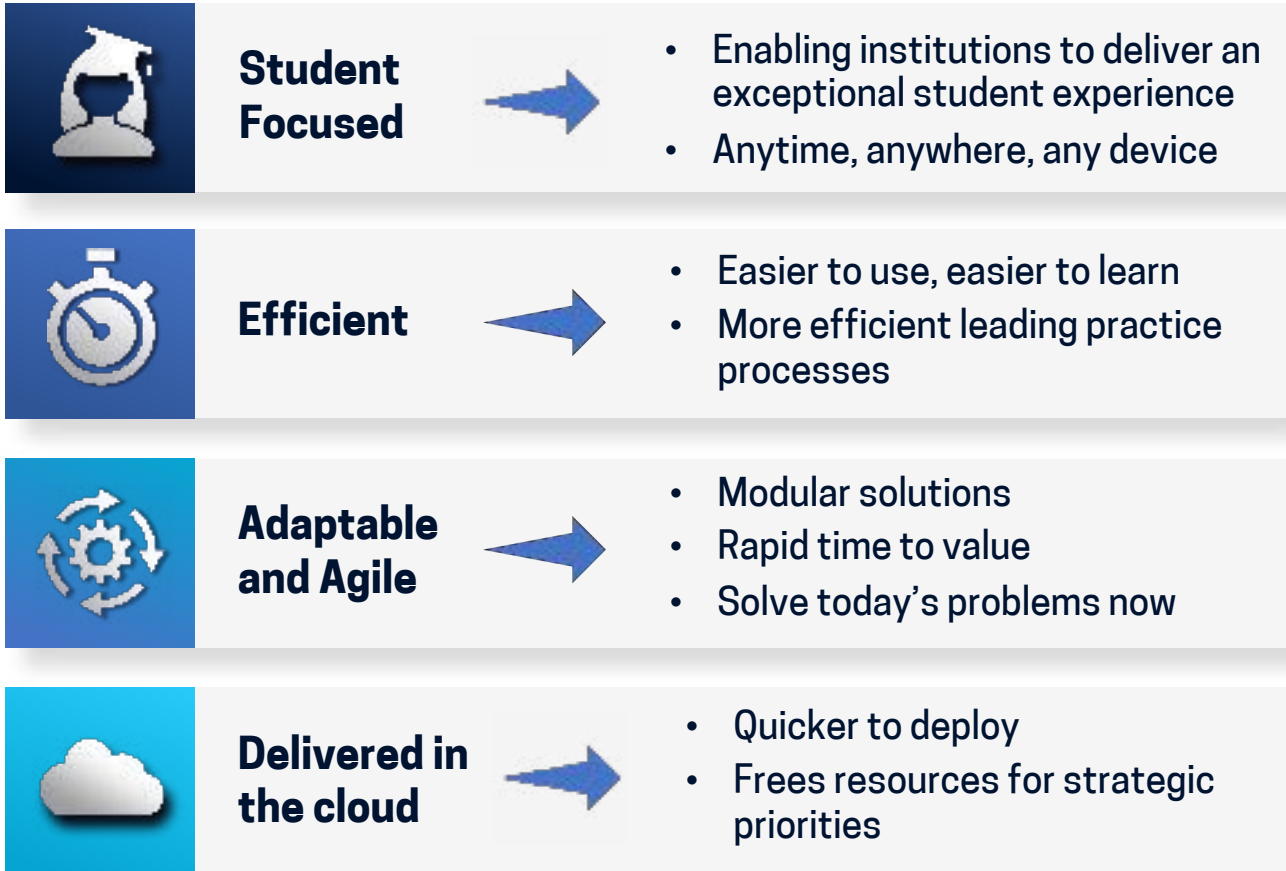




# Product demo video here

# Tribal Edge

A transformative Student Information Solution delivering staff and students the solutions and tools they need to succeed in the evolving world of education.



# Tribal Edge Technology and Investment Strategy

Mike Cope, CTO



# Edge Investment and Technology Strategy



Respond to market needs



Opportunity to create next gen products



A critical integration platform



Making it easy for customers to transform



Defendable competitive position



# Edge Investment and Technology Strategy



Respond to market needs



Opportunity to create next gen products



A critical integration platform



Making it easy for customers to transform



Defendable competitive position

- Successful but mature existing products need to change to meet evolving market expectations

# Edge Investment and Technology Strategy



Respond to market needs



Opportunity to create next gen products



A critical integration platform



Making it easy for customers to transform



Defendable competitive position

- Technology inflexion point opens up opportunity to create next gen products
- Meeting market cloud expectations and delivers richer functionality
- Unencumbered with the technical debt of the past
- Multi-tenant cloud enables competitive price point with strong margins
- Harmonise on one technology stack to increase efficiency and agility

# Edge Investment and Technology Strategy



Respond to market needs



Opportunity to create next gen products



**A critical integration platform**



Making it easy for customers to transform



Defendable competitive position

- An integration platform as well as a development platform
- Integrating partner products, such as Microsoft Dynamics
- Integrating acquisitions, such as Semestry

# Edge Investment and Technology Strategy



Respond to market needs



Opportunity to create next gen products



A critical integration platform



**Making it easy for customers to transform**



Defendable competitive position

- Align with the increasing expectation for fast, easy implementation and efficient use
- Designed to enable our customers to transform through evolution



# Edge Investment and Technology Strategy



Respond to market needs



Opportunity to create next gen products



A critical integration platform



Making it easy for customers to transform



Defendable competitive position

- Shape to successfully compete
- New entrants aiming to deliver best of breed products
- More traditional vendors

# Edge Technology Platform

Edge reflects leading  
practice

Reaping rewards from  
current investment in  
Tribal Edge

+ Strong technology  
+ Deep understanding  
+ Market insight  
= Powerful combination

# Edge Technology Platform

Edge reflects leading practice

Reaping rewards from current investment in Tribal Edge

+ Strong technology  
+ Deep understanding  
+ Market insight  
= Powerful combination

- Fully cloud native multi-tenanted development
- Full continuous integration/continuous deployment
- Micro-service based with feature toggles for customer choice
- Inverted testing with 25,000+ unit tests run automatically every night
- Very few bugs escape into the wild
- Cited as exemplar by Microsoft

# Edge Technology Platform

Edge reflects leading practice

Reaping rewards from current investment in Tribal Edge

+ Strong technology  
+ Deep understanding  
+ Market insight  
= Powerful combination



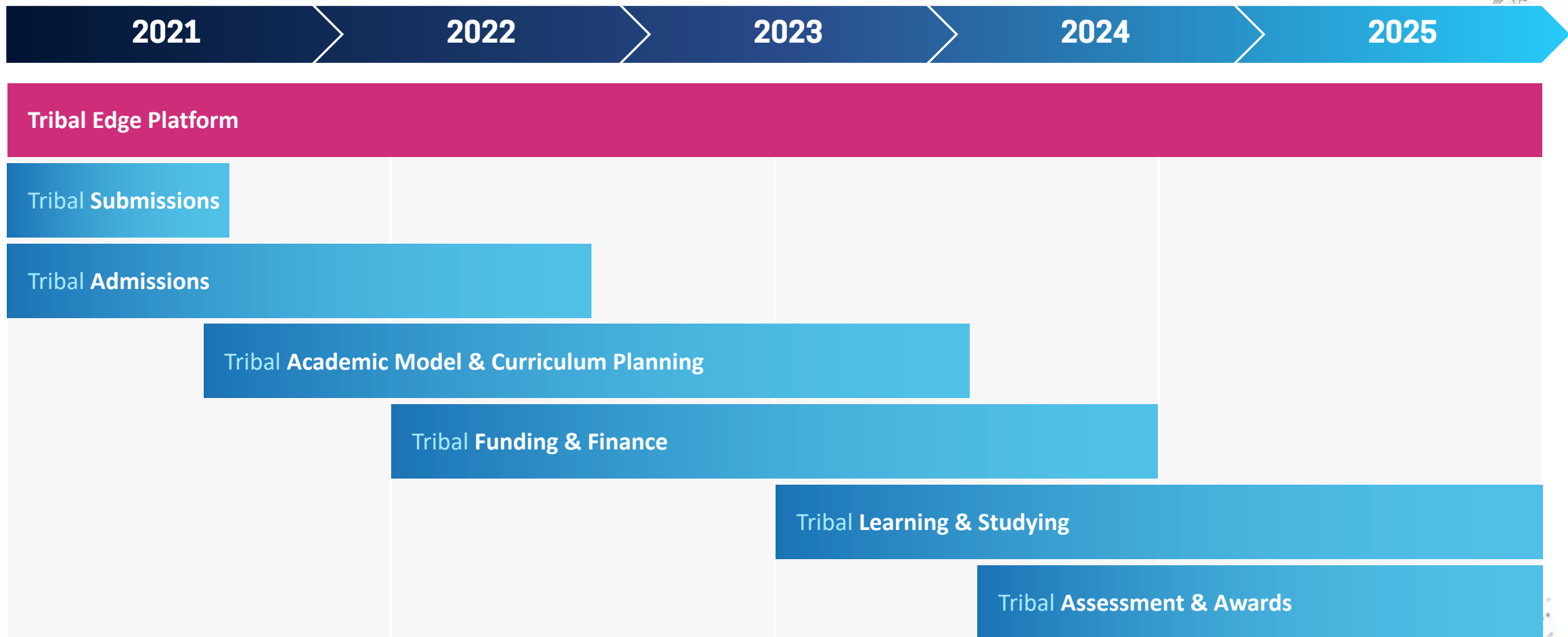
# Edge Technology Platform

Edge reflects leading practice

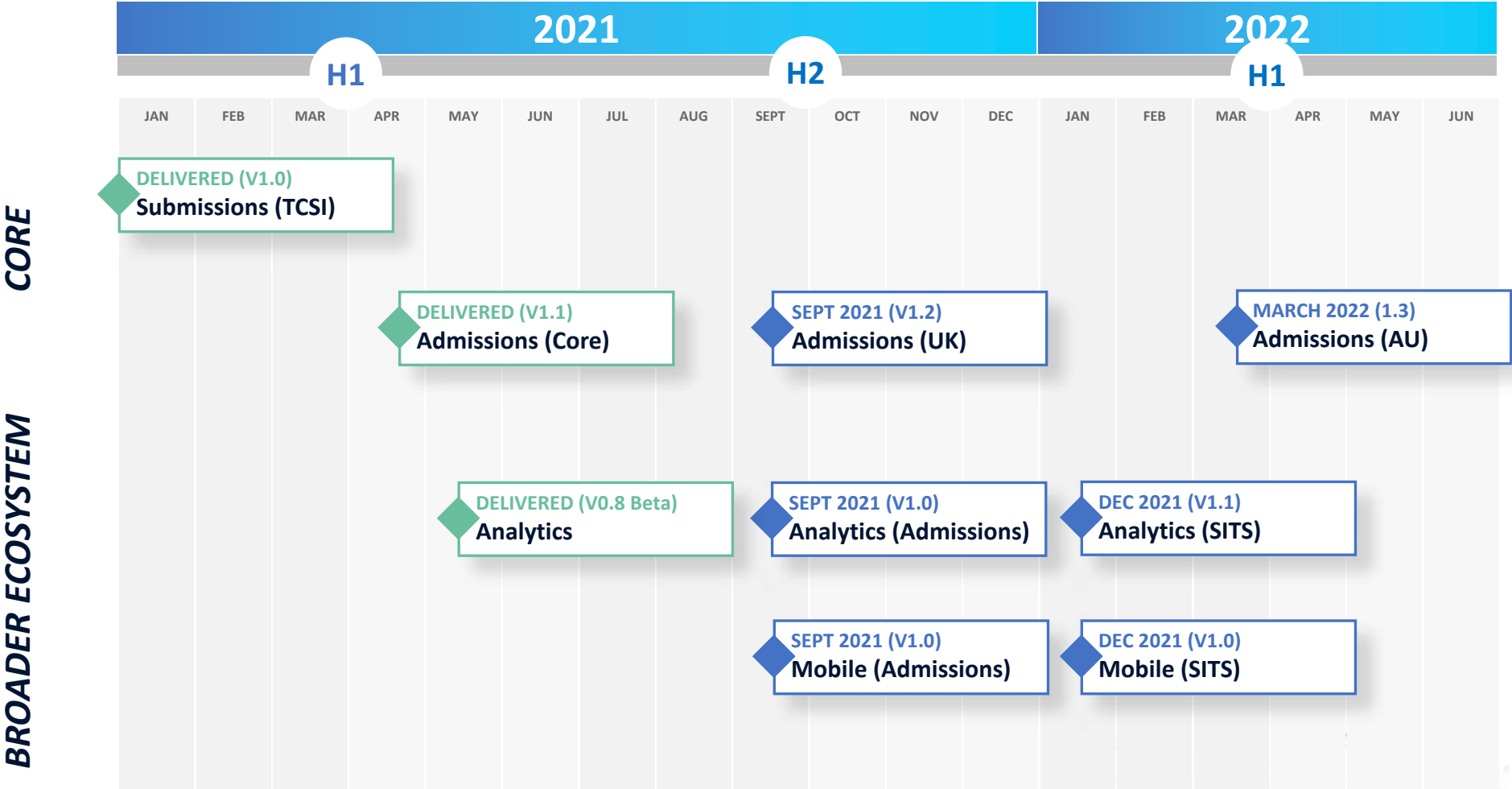
Reaping rewards from current investment in Tribal Edge

+ Strong technology  
+ Deep understanding  
+ Market insight  
= Powerful combination

# Delivering the core on Edge



# Delivery is underway





Q&A

Q&A

We are happy to take questions.



[tribalgroup.com](https://tribalgroup.com) | [@tribalgroup](https://twitter.com/tribalgroup)

# Tribal Five-year Objectives

Mark Pickett, CEO





# Tribal 2025: Five-year Objectives

## 1. Increase ARR

### **Double the Annual Recurring Revenue (being 15% CAGR)**

- ARR at end 2020: £47.5m
- Includes bolt-on acquisitions
- Ramps up over 5 years

## 2. Improve EBITDA

### **EBITDA margin at low-30s%**

- EBITDA at end 2020: 20%
- Multi-tenanted, SaaS solution
- Edge fully rolled out will drive margins in mid-30s

## 3. Complete Tribal Edge

### **Deliver all major modules of Tribal Edge**

- Broadly complete ecosystem, incl bolt-on acquisitions
- Conclude accelerated Product Development spend

## 4. Grow globally

### **Double # of Higher Education markets**

- 10% of revenue from new addressable global markets
- Markets (2020): UK, Aus, NZ, Canada, Malaysia, Singapore

## 5. Build customer position

### **Double # of Higher Education customers & share-of-wallet**

- All customers on Tribal:Cloud and/or adopting Tribal Edge
- Increase share-of-wallet: Double Rev / Customer

# Our Opportunity for Growth

Mark Wilson, COO



# Our Opportunity for Growth - context



## With our traditional SMS systems

- Market barriers are high - Localisation and compliance can be expensive
- Sales cycles can be protracted
- Implementations are protracted

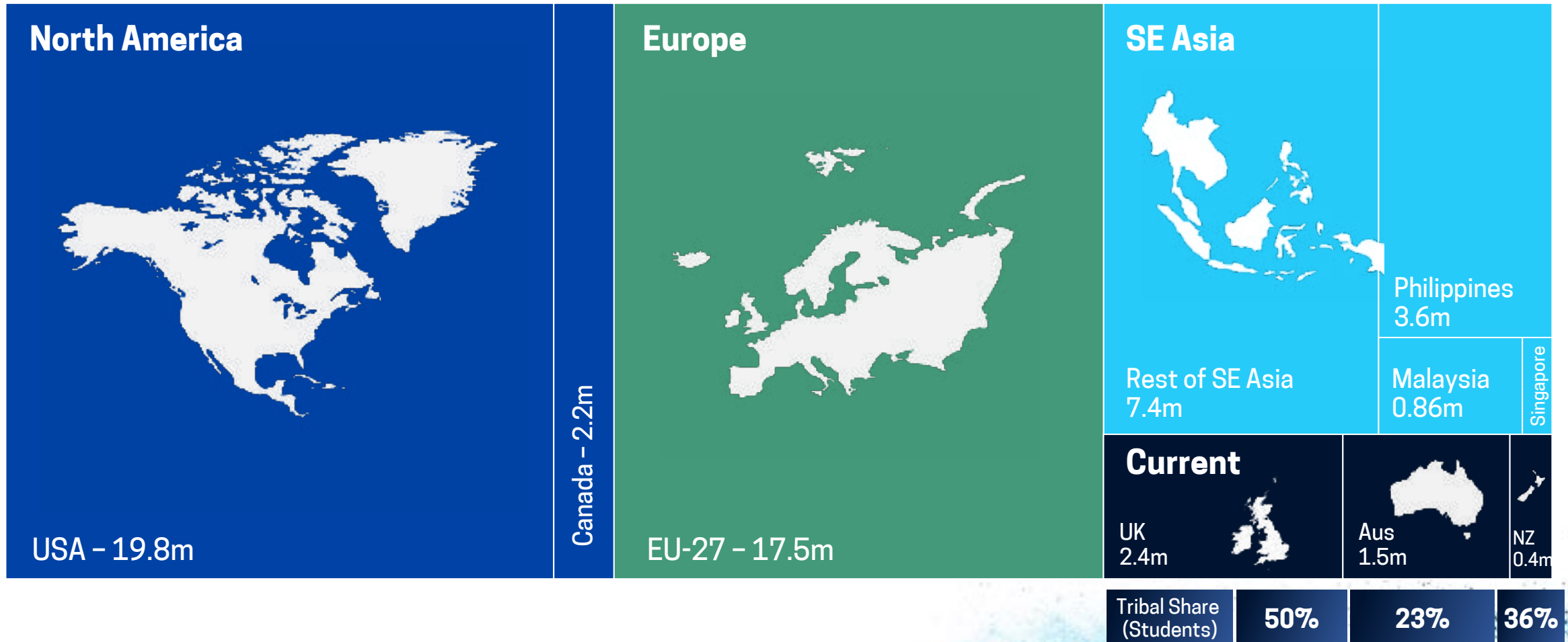


## With our productised solution sales

- Simplifies localisation and avoids the need for statutory compliance
- Sales & Implementation cycles are much shorter
- Cloud native solutions can be delivered remotely

# Geographic growth potential

(Higher Education student numbers)

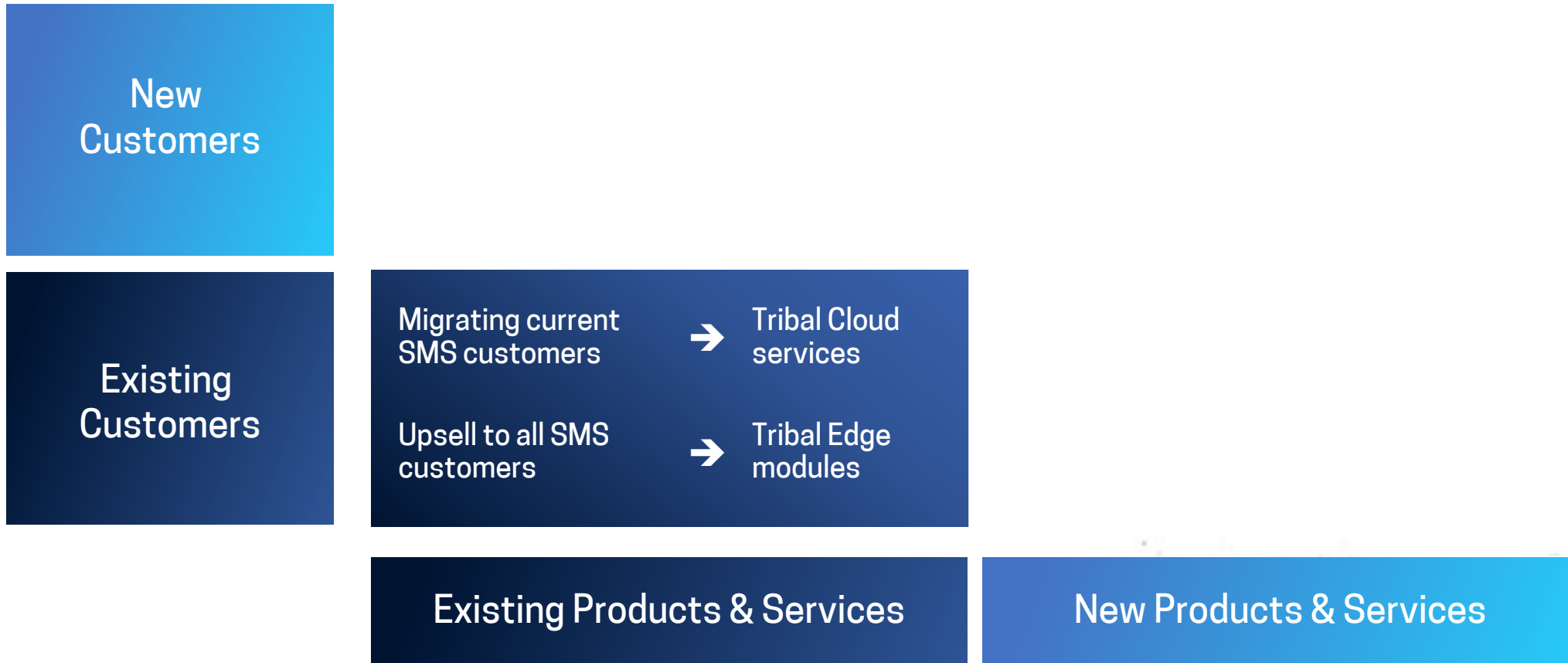


# ARR growth and addressable markets

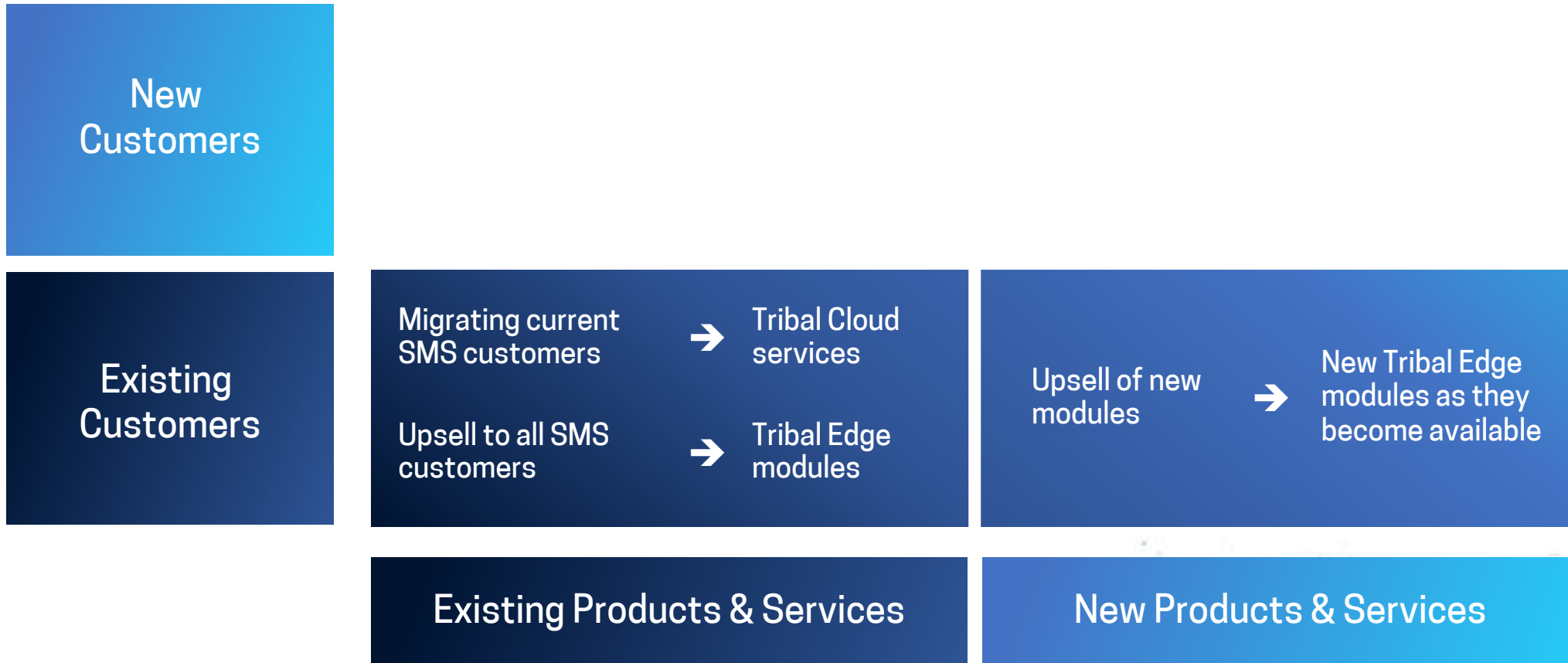




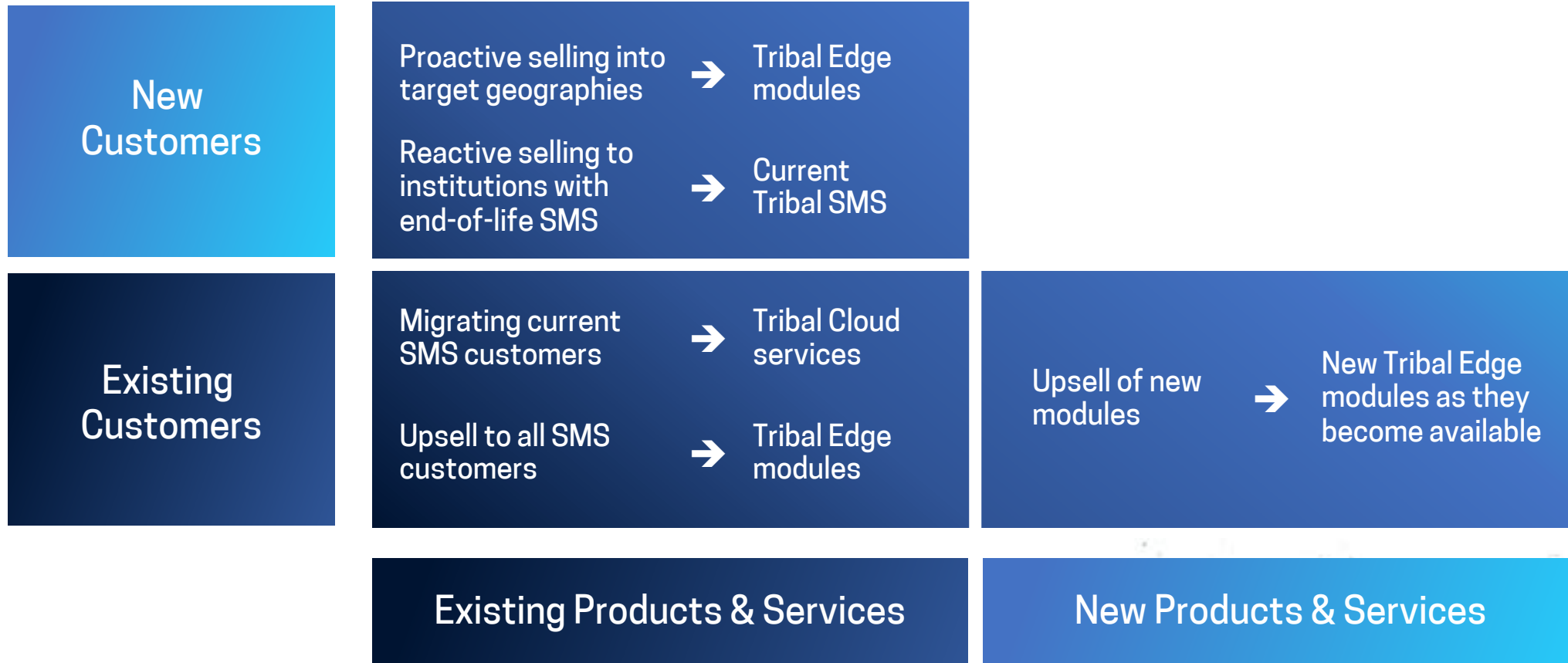
# ARR growth and addressable markets



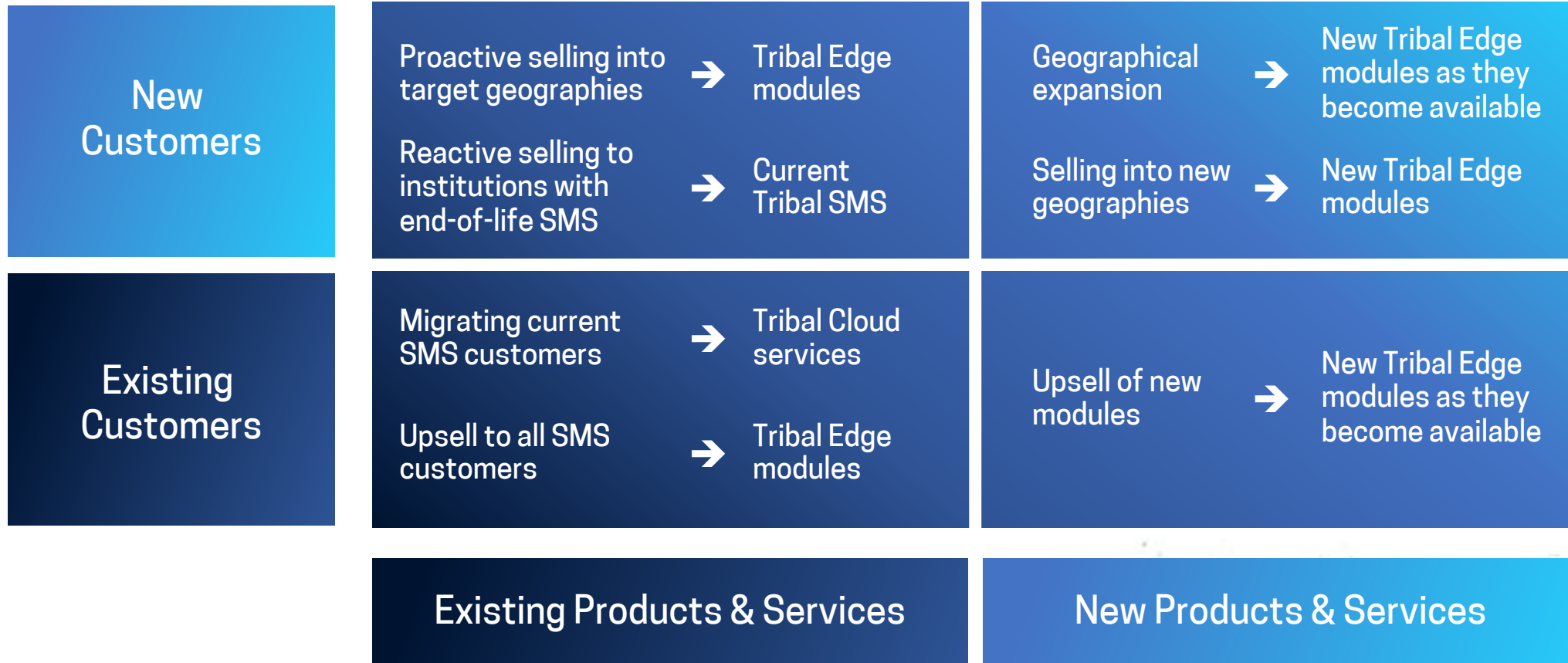
# ARR growth and addressable markets



# ARR growth and addressable markets



# ARR growth and addressable markets



# Our People

Chloe Payne, HR Director







# Together, we empower education

# People video here



**A fast paced, dynamic organisation  
focussed on the future**



**We have big ambitions, but our people are  
deeply committed with the drive to  
succeed**



**Our people make all the difference. We  
nurture and empower them to achieve  
great things.**





## Overall Engagement Capital

TRIBAL

63%

BENCHMARK

60%



## Past Events

TRIBAL

73%

BENCHMARK

69%



## Future Expectations

TRIBAL

64%

BENCHMARK

57%

\* Benchmarked against Gartner Technology Survey



# Our evolving operating model





# Our Evolving Business Model

Diane McIntyre, CFO

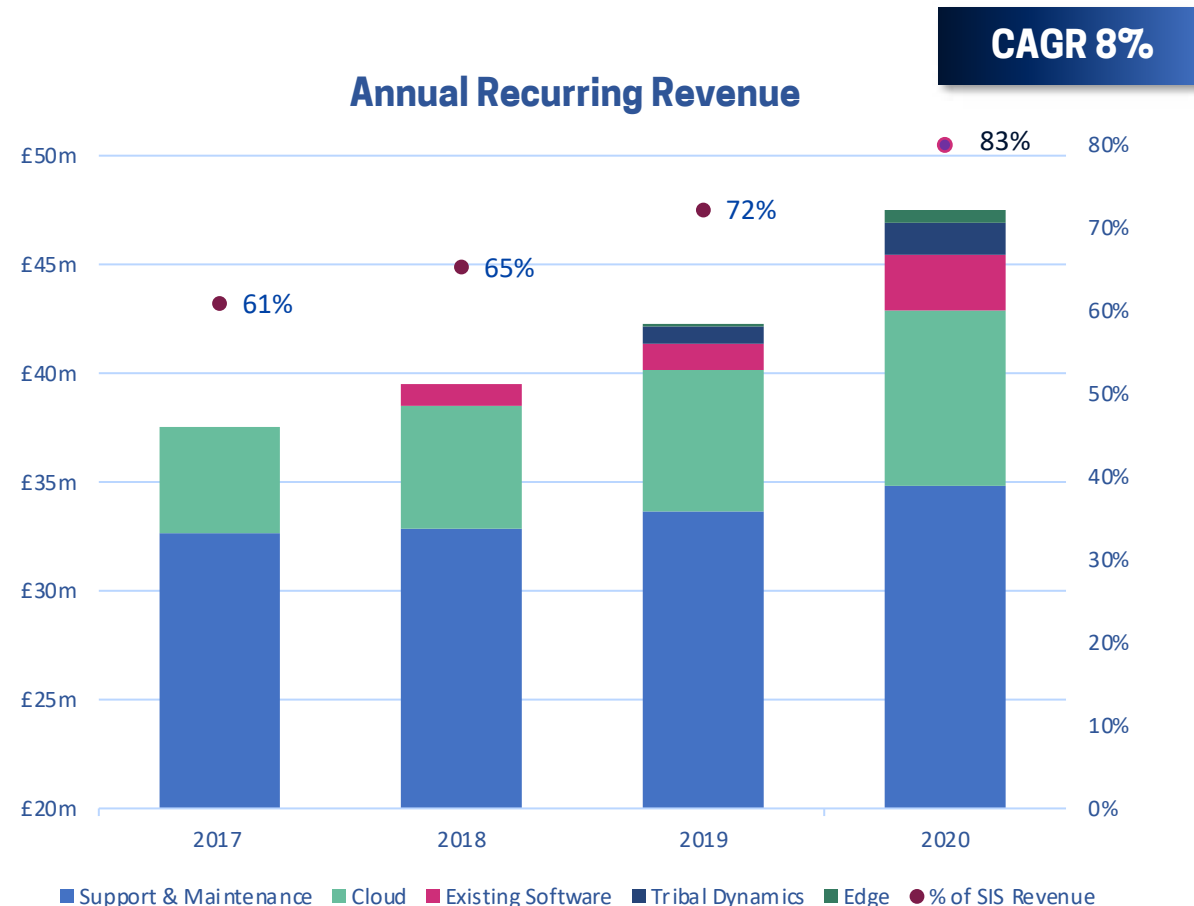


# Evolving business model



- Divested non-core business areas
- Targeted M&A investment to enhance SAAS product range
- Tribal Edge investment leading to staggered release of Edge Modules

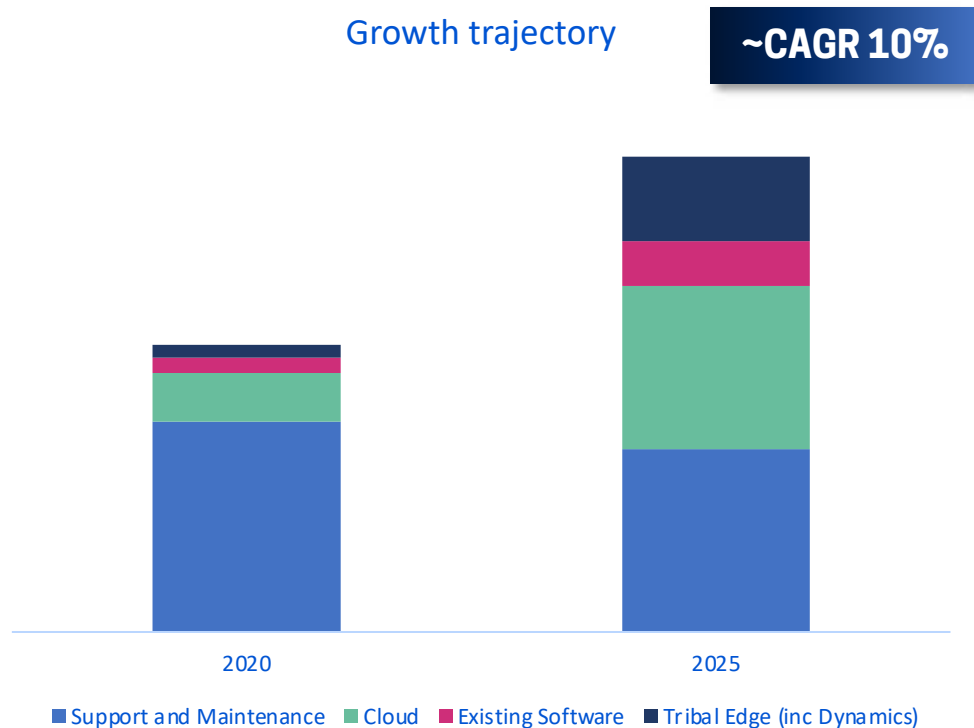
# Growing Annual Recurring Revenues



Note: 2020 ARR is the updated definition of committed annual recurring revenue as at year end, for previous years ARR is the amount of reported revenue sold on a subscription basis.

- Stable support and maintenance revenues
- Cloud revenues increasing as existing customers move to public Cloud
- Accelerating growth from existing software, ebs and Maytas, with the majority now sold on a subscription basis
- Tribal Dynamics and Tribal Edge revenues have started well and will continue to add ARR over time
  - Edge Submission sold to all 12 Australian Universities and TAFE New South Wales

# Organic ARR growth drivers



## S&M

- As customers move to Edge, and TAFE contract finishes, revenue slowly declines

## Existing solutions

- ebs and Maytas continue steady trajectory

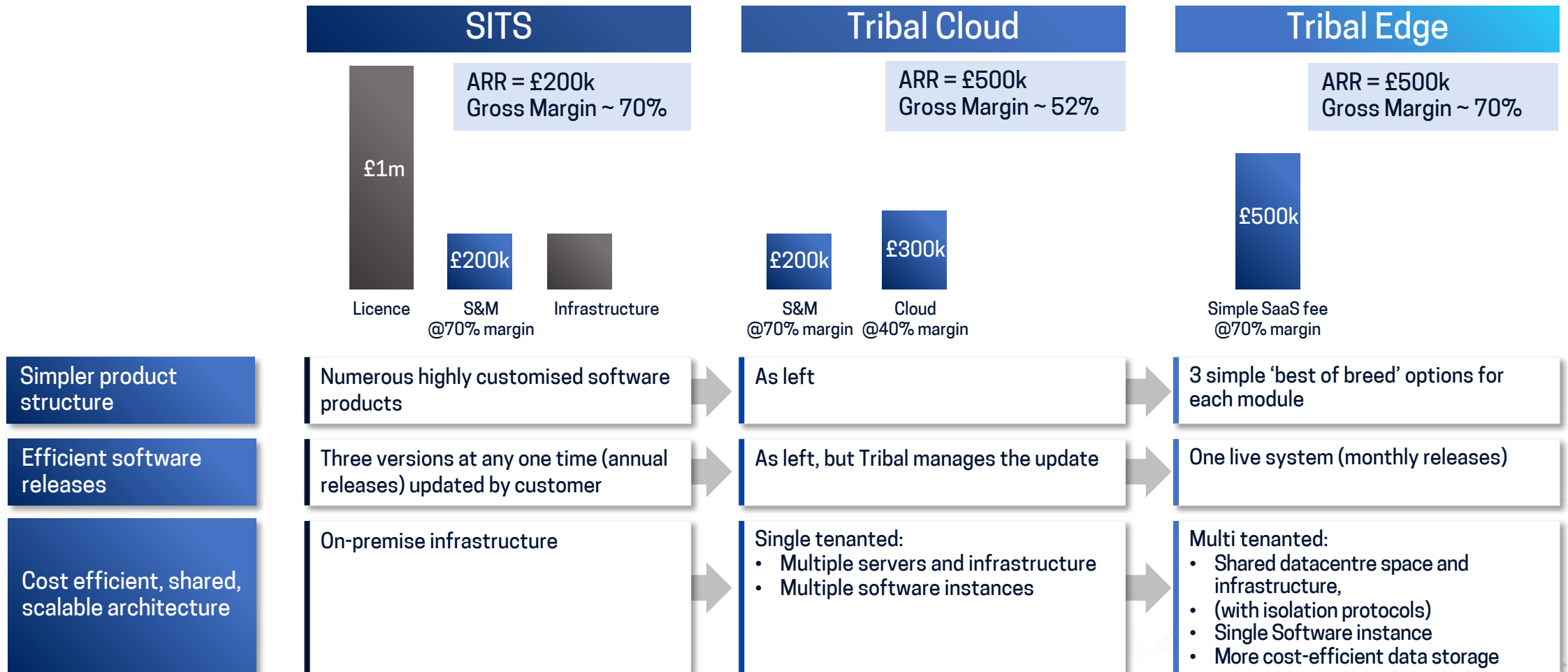
## Tribal Cloud services growth

- Significant growth driven through existing SITS customers moving to cloud, and growth in sales with existing solutions
- By 2025 anticipate ~50% of SITS customers to have moved to Tribal Cloud

## Tribal Edge growth

- Driven through existing SITS customers moving to Edge, and development of new Edge modules
- By end of 2024 Tribal Edge modules have been completed
- By 2025 anticipate ~40% of SITS customers to have added Edge modules

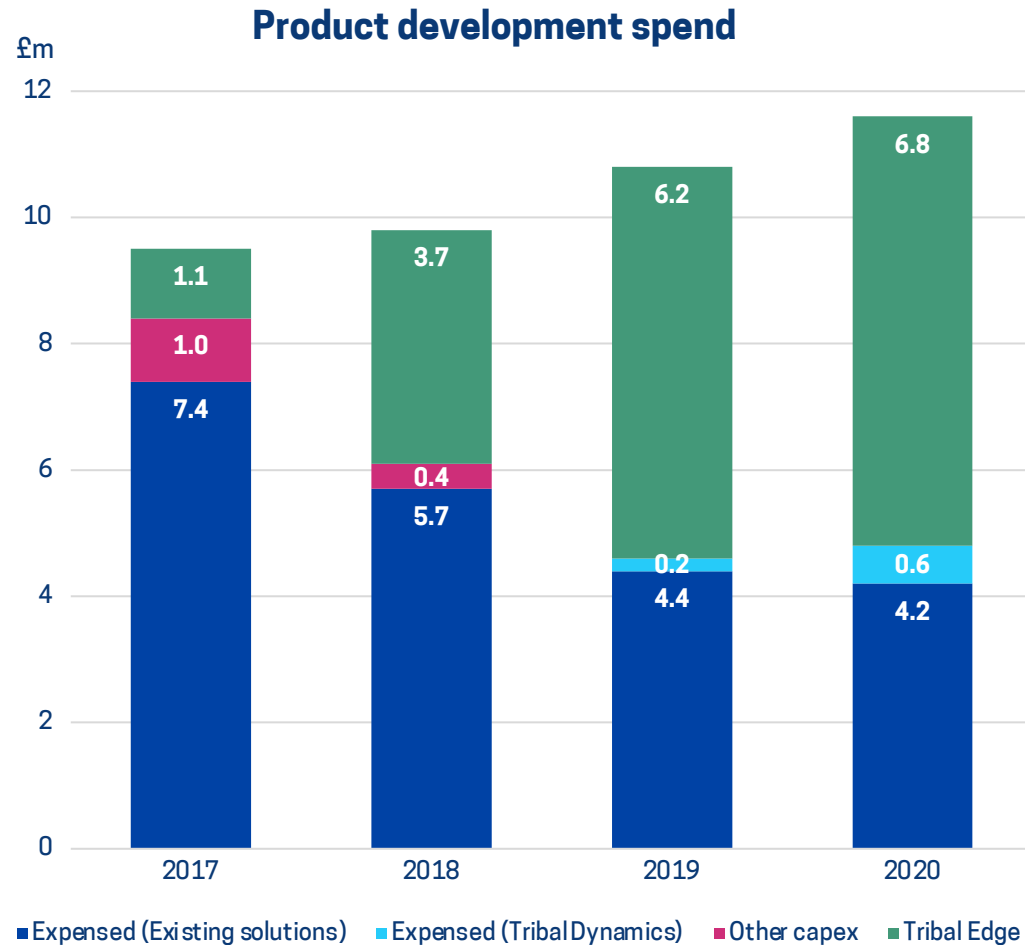
# Transition to Edge for existing customers (Indicative)



➔ **Leads to lower support and maintenance costs, faster more focused development, using one platform and one team**



# Focused Investments



Excludes depreciation and amortisation

## Tribal Edge investment

- £17.8m invested to date
- Investment increase to £10m in 2021 & continue at similar levels to 2024

## Existing solutions

- Continue to support existing solutions efficiently
- £2.6m reduction in spend since 2017, will reduce further as Edge modules adopted

# Financial Ambition



	2020	2025
ARR	£47.5m	Doubling ARR (including M&A activity)
% EBITDA Margin	20.4%	Low 30's

- ARR improvement as SAAS strategy takes shape, with an improved SAAS product set, geographic expansion and M&A activity
- EBITDA margins improve with increased scale efficiencies and SAAS margins in line with general industry

# Summary & Conclusion

Mark Pickett, CEO



# Exciting future



## Clear strategy

- Transform the company and its products through Tribal Edge, an eco-system of student-centric best-of-breed, SaaS products



## Expanding addressable market

- Significant opportunity to expand our Addressable Markets globally in a way not previously available to us



## Achievable objectives

- Upside possible
- ARR growth set to continue beyond the 5 year objectives
- Product momentum takes time to grow
- Universities are slow-moving



## 3 year plan

- Sell Tribal:Cloud, existing products, Early Edge Adopters
- Build partner network / acquire to open new markets
- Grow Edge product portfolio – buy & build





Q&A

Q&A

We are happy to take questions.



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