

Tribal Group plc
("Tribal" or "the Group")

Interim Results for the six months ended 30 June 2024

Tribal (AIM: TRB), a leading provider of software and services to the international education market, is pleased to announce its interim results for the six months ended 30 June 2024.

Results 6 months to 30 June	2024 H1	2023 H1 Reported	2023 H1 Constant Currency ³	Change (Constant Currency)	Change % (Constant Currency)
Revenue	£44.9m	£43.4m	£42.7m	£2.2m ³	5.2% ³
Adjusted EBITDA ²	£7.4m	£8.1m	£7.9m	£(0.5)m ³	(6.8)% ³
Adjusted EBITDA Margin ²	16.4%	18.6%	18.5%	(2.1)pp ³	-
Annual Recurring Revenue (ARR) at period end ¹ (versus 31 Dec 2023)	£54.4m	£54.5m ¹	£54.2m ¹	£0.2m ³	0.4% ³
Net (Borrowing)/Cash	£(10.0)m	£(12.9)m	£(12.9)m	£2.9m	22.4%
Statutory Profit after Tax	£1.4m	£4.7m	£4.5m	£(3.1)m	(68.9)%
Statutory Earnings per Share (basic)	0.6p	2.2p	2.1p	(1.5)p	(71.4)%

Financial performance

- Steady overall financial performance, delivering revenue growth, stable adjusted EBITDA margins on an underlying basis (ex Nanyang Technology University (NTU) provision release), a return to positive operating cash inflow and reduction in net debt.
- ARR remained stable, with core product ARR increasing from £50.9m to £52.1m on a constant currency basis, offsetting the anticipated decline in non-core business.
- NRR increased to 107% (H1 2023: 101%) given lower churn, successful upsell to existing customers and growth in cloud recurring revenues as previously won ARR on cloud contracts flows through into the P&L.
- Revenue increased 5.2% to £44.9m on a constant currency basis:
 - Student Information Systems revenue grew 6.1% to £35.2m, driven by growth in Cloud revenues and new modules and inflationary increases to Tribal's Foundation products.
 - Etio (formerly Education Services) revenue grew 2.2% to £9.7m from increased UK revenues.
- Adjusted EBITDA grew 7.2% to £7.4m, a 16.4% margin, on a constant currency basis versus underlying adjusted EBITDA in H1 2023 of £6.9m, a 16.2% margin, reflecting growing Cloud revenues and Cloud cost efficiencies. The underlying H1 2023 comparator excludes the c£1m positive impact from the NTU onerous contract provision release in H1 2023.
- Statutory Profit after Tax for the year decreased to £1.4m driven by increased exceptional costs of £3.4m (H1 2023: £0.4m), of which £2.8m relates to the NTU settlement.
- Operating cash inflow increased to £2.0m (H1 2023: £(3.4)m), despite £1.7m cash outflow from exceptional costs, mainly due to restructuring charges recognised in 2023. Free cash outflow, reflecting traditional weighting of renewals to H2 improved to £(1.9)m (H1 2023: £(9.4)m).
- Net debt at 30 June 2024 reduced to £(10.0)m (H1 2023: £(12.9)m).
- As announced on 21 March 2024, the Board stated that it intended to pay an interim dividend but deferred its decision on quantum. Given the NTU settlement has now been finalised and there has been an improved cashflow performance in FY24, the Board intends to pay an interim dividend to shareholders of 0.65pps at the end of November 2024.

Operational highlights

- Sales performance impacted by pause in new sales conversations whilst the Group was in an offer period and universities' ongoing caution in the light of potential lower international student numbers, but sales pipeline improving in H2.
- Continued focus on operational efficiency and organisational restructuring to support the Group's SaaS ambitions, with a cost reduction programme implemented in 2024 to protect Group profit margins through the transition to SaaS.

- Continued innovation, with a focus on optimising two of Tribal's leading SIS solutions, Callista in Australia and SITS for cloud deployment, both of which focus on transforming the core Student Management System (SMS) products into enduring, future-proofed software.
- During H1 2024 the Board decided to transition to an industry standard SaaS pricing model to cover the comprehensive suite of cloud offerings and positive engagement with all customers remains ongoing to ensure this transition is successful.
- Education Services rebranded as "Etio" bringing the Group's Education Services businesses worldwide under a single unified brand that supports international collaboration and dialogue, and advocates the vision to elevate education, everywhere.

Outlook

- The Board is confident in achieving FY24 results in line with market expectations⁴, thanks to the Company's solid foundation of recurring revenue and ongoing emphasis on building operational efficiency and cost control.

Mark Pickett, Chief Executive, commented:

"We delivered a steady overall financial performance in the first half of the year, while achieving our principal aims of resolving the NTU contract and refocussing the business following the end of the Offer period. We have introduced initiatives to accelerate the transformation of Tribal into an EdTech SaaS business, with a view to growing ARR, safeguarding our operating profit margins, increasing cash flow generation and enabling the ongoing reduction in our debt. Our growing suite of sophisticated cloud-based solutions, market leading position in multiple geographies and foundation of recurring revenues provide us with a strong position as we seek to empower the world of education with products and services that underpin student success."

¹ Annual Recurring Revenue (ARR) at period end includes Support & Maintenance fees, Cloud Services and Subscription Licences and is assessed as contracted ARR at 30 June 2024 and 31 December 2023, of which some is still to be delivered. NRR is calculated as a 12 month rolling percentage of recurring revenue retained from existing customers at 1 July including upsells as well as contract expiry, cancellations or downgrades in the year.

² Adjusted EBITDA and Adjusted EBITDA Margin are in respect of continuing operations and are calculated by taking the Adjusted EBITDA after the allocation of Central Overheads and excludes Interest, Tax, Depreciation and Amortisation and exceptional items of £5.7m (2023: £2.1m).

³ 2023 H1 results restated to "constant currency" using 2024 rates to exclude foreign currency impact. All change movements are to prior year constant currency.⁴ In so far as the Board is aware, prior to this announcement, consensus market expectations for FY24 were for revenue of £85.75m, adjusted EBITDA of £14.35m and net debt of £9.35m.

Tribal Group plc

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About Tribal Group plc

Tribal Group plc is a pioneering world-leader of education software and services. Its portfolio includes Student Information Systems; a broad range of education services covering quality assurance, peer review, benchmarking and improvement; and student surveys that provide the leading global benchmarks for student experience. Working with Higher Education, Further and Tertiary Education, schools, Government and State bodies, training providers and employers, in over 55 countries; Tribal Group's mission is to empower the world of education with products and services that underpin student success.

Chief Executive's review

With the corporate developments of FY23 now behind us and an agreement reached with NTU in H1 FY24, our focus is on the reinvigoration of the business, supporting the continued transformation of Tribal into an EdTech SaaS business. Customer wins were lower than in prior periods, reflecting the pause in new business discussions whilst the Group was within an Offer period; however, our cloud customer base continued to expand their engagements with us, and we successfully completed several significant customer implementations and are pleased to report 26% growth in cloud revenues. We continue to modernise our operational structure and product offerings to align with our focused SaaS business model and completed the reorganisation into the Education Services division, now rebranded 'Etio' to better position it for sustained growth. Group ARR remained stable, and underlying core product ARR increased from £50.9m to £52.1m on a constant currency basis, offsetting the anticipated decline in our non-core business.

NTU

As announced on 25 May 2024, we were pleased to confirm that following a mediation with NTU, Tribal reached a settlement agreement resolving all outstanding issues in relation to the terminated contract between Tribal and NTU. Without admission of liability, the Company has agreed to pay to NTU the sum of £3.1m in full and final settlement, to be paid out of the Company's cash flow over the 18 months from May 2024. An exceptional charge of £0.6m was recognised in 2023 and a further exceptional charge of £2.5m has been recognised during the first half of 2024. The Company continues to explore the availability of insurance coverage in respect of the amount paid to NTU and its costs incurred in the dispute.

Whilst we have not taken the decision to settle with NTU lightly, we believe it is in the best interest of all stakeholders to have drawn a line under this issue. We are pleased this decision brings an end to the legal uncertainty created by the dispute and the incurrence of further legal costs in respect of it. Resolving the matter also relieves the associated demands on management time, allowing Tribal's management to focus that time on developing the business.

Strategy

Our strategic focus over the recent years has been the transition of the Group to a pureplay EdTech, SaaS business, making all of our SIS products available in the cloud, while developing our new Edge modules to meet the evolving needs of universities.

During the first half of 2024, the Board made the decision to transition to a new pricing model for what is now a comprehensive suite of cloud offerings, providing modules as a bundle at a single price. Through this, we aim to simplify access to our product suite for customers, while aligning with industry standard SaaS pricing and supporting a clear transition pathway to full cloud adoption. We are currently engaging with all customers on this transition, ensuring they have the support required to make this a success for all parties.

We believe our pricing strategy will enable customers to take advantage of modern technology to deliver the experience staff and students deserve, maximise revenue generation opportunities, ensure cyber resilience and ultimately provide cost savings to customer through a lower Total Cost of Ownership of their Student Management System, making it an attractive solution in a landscape where universities are under increasing financial pressure.

As we develop future modules, they will automatically become available through the product bundle to our customers, depending on their pricing tier and providing incentivisation to adopt more Tribal products and upgrade to subsequent tiers.

With a clear direction of travel, focused on the delivery of our market-leading products as a cloud-based solution, and educating our customers on the opportunity and need to transition to the cloud, we are confident in our ability to continue to deliver top line growth in FY24 and beyond.

Product development and innovation

Innovation continued at pace during H1 2024, with a focus on optimising two of our leading SIS solutions, Callista in Australia and SITS for cloud deployment. Both initiatives focus on transforming our core Student Management System (SMS) products into enduring, future-proofed software. This includes reimagining the user experience for web platforms, standardising processes and integrations, enhancing the underlying platform to match modern interoperability expectations, and delivering via a redesigned infrastructure that takes advantage of latest cloud technologies. We have commenced migrating our Callista customers to the Tribal cloud and SITS version 10.8 is now live.

Alongside this, H1 2024 saw the start of the transformation of the scheduling software we acquired through Semestry, TermTime v9.0 which will be released later this year.

In FY23, we successfully went live with our first Admissions product, a next generation, native SaaS solution, built using Edge technology, with Edith Cowan University. This was a key milestone for Tribal, successfully implementing a complex solution which is a critical system for a university. We are continuing to develop Admissions, working on more functional areas and are on track towards making Tribal Admissions generally available in 2025, compatible with both Callista, SITS and non-SITS customers.

In H2 2024, we will continue to focus on these projects and also explore new creative investment opportunities in our Further Education and Vocational Learning (VL) markets, through our ebs and Maytas products.

Student Information Systems (SIS)

Student Information Systems, our core segment which targets the further and higher education sectors through our range of software solutions, secured one new SITS Cloud customer in the half-year, the Institute of Tourism Studies Malta for a total contract value of £0.7m, adding £0.1m to ARR. In July 2024, post period end, another new SITS customer was secured with SOAS University signing a 5-year contract with a total contract value of £2.5m, including ARR of £0.4m. These contracts include implementation of SITS and hosting on the Tribal Cloud.

We successfully delivered 15 “go-lives” in the half, across our SITS, Cloud, Dynamics and Maytas solutions in our key geographies following contracts won in previous years. Highlights include British University Vietnam, The University of Waikato, and the University of Exeter, which was the most strategic implementation, delivering a complex SITS Cloud migration project for the 30,000 student Russell Group university in just eight months. Delivering this high level of implementation in a short period is a fantastic achievement for the Group, demonstrating the hard work of our colleagues and excellent collaboration with our customers globally.

Etio (formerly Education Services)

Last year, we implemented a strategy for the Education Services business, targeting sustainable growth. The aim of the new strategy was to create a clear identity for the Education Services business and better articulate the value it creates for our customers. As part of this aim, the Education Services business has now rebranded as “Etio”, bringing together all our Education Services' businesses worldwide under a single brand name, creating a unified brand that supports international collaboration and dialogue, and aid the business in the vision to elevate education, everywhere.

Etio will continue our work with education institutions, bodies and governments around the world to help them improve secure better futures for the populations they serve. We achieve this through four cornerstones of delivery:

- Education Review: Supporting system-wide knowledge, accountability, and quality improvement.
- Education Transformation: Accelerating impact through strategic planning, expanded leadership, and enhanced capability.
- Education Workforce Development: Preparing, equipping and empowering a high-performing workforce.
- Performance Benchmarking: Driving world-class financial performance and student experience through evidence and comparative insights.

A principal focus this half has been on developing Etio as a standalone entity to drive future growth. Etio's performance was slower than prior periods as the general election in the UK led to a pause in customer decision making. The business also saw slower activity in the Middle East. However, the investment in Etio's business development and marketing functions, and alignment of leadership expertise within key markets, mean Etio is now more efficiently structured and organised to drive growth once market activity picks up.

In H1 2024, Etio signed a new £2.1m contract with the Emirates Schools Establishment for QAS in the UAE, for teacher training online content and a £0.3m contract with the Massachusetts Department of Elementary and Secondary Education for QAS to support emergency licence holders.

Operations and people

We continue to remain focused on ensuring the right balance in our people resources, demonstrating a high degree of change agility in aligning to company strategy and objectives. This is creating an evolving organisation, designed to allow us to realise our Full-Service, SaaS strategy, whilst also shaping business operations which support scalable and profitable growth.

Our Full-Service strategy gives our people an exciting opportunity to drive impact and meaningful contribution to a sector they are passionate about. And as customers gain access to a broader set of solutions and services through our new license model, their expectations and demands on Tribal rightly increase. It is with this in mind that we continue to prioritise investment in Customer Success, for example, to ensure we are ready to rise to the challenge and deliver unparalleled expertise as the leaders in our sector.

Our Centre of Excellence (Global Business Services) strategy comes into its own as we scale, building a solid foundation of core business processes which have been further improved and extended throughout the first half of the year. We have diversified and extended the scope of business operations delivered through GBS and are poised to drive further change in the operating model to unlock more potential to simplify, standardise and optimise.

In June 2024, we celebrated the one-year anniversary since launching our Tribal Achievers recognition programme. We have been delighted to witness the impact it has had on building a culture of recognition into our every day, with all corners of the business regularly and actively engaging in the programme. Looking ahead, Achievers gives a powerful vehicle to begin to exemplify the behaviours and outcomes we plan to cultivate and reward, in order that our customers get to experience the best of Tribal. We believe we can use recognition as a powerful tool to reinforce meaningful examples of our new Full-Service model in action, connecting our people initiatives with business goals and objectives.

Focus for H2 2024 and Outlook

We achieved our principal aims in H1 2024 of resolving the NTU contract and refocussing the business following the end of the Offer period. Our principal focus during the second half of 2024 is on developing Tribal into a pureplay EdTech SaaS business. To achieve this, we are implementing our new pricing strategy, which will drive growth in high margin recurring SaaS revenue, safeguarding our operating profit margins, increasing cash flow generation and enabling the ongoing reduction in our debt. While universities remain cautious with regards to spending in the face of uncertainty over international student numbers, we are working hard to reinvigorate our sales pipeline, with the pipeline showing signs of improvement in H2.

The Company's strong foundation of recurring revenue and continued focus on cost control provide the Board with confidence in achieving FY24 results in line with market expectations.

Mark Pickett
Chief Executive Officer

Financial review

Results

£m	2024 H1	2023 H1 Reported	2023 H1 ² Constant currency	Change constant currency	Change constant currency %
Revenue	44.9	43.4	42.7	2.2	5.2%
Student Information Systems	35.2	33.7	33.2	2.0	6.1%
Etio (formerly Education Services)	9.7	9.7	9.5	0.2	2.2%
Gross Profit	21.8	22.7	22.4	(0.6)	(2.5)%
Gross Profit Margin	48.5%	52.4%	52.5%	(3.8)%	(3.8)pp
Adjusted Operating Margin (Before Central Overheads)	14.4	15.4	15.2	(0.8)	(5.3)%
Student Information Systems	13.5	13.4	13.2	0.3	1.9%
Etio (formerly Education Services)	0.9	2.0	1.9	(1.1)	(55.5)%
Central Overheads ³	(6.8)	(7.0)	(6.9)	0.2	(2.4)%
Net Foreign exchange (losses)/gain	(0.2)	(0.3)	(0.3)	0.1	(30.5)%
Adjusted EBITDA¹	7.4	8.1	7.9	(0.5)	(6.8)%
Adjusted EBITDA ¹ Margin	16.4%	18.6%	18.5%	(2.1)%	(2.1)pp
Statutory Profit Before Tax	1.0	5.9	5.7	(4.7)	(83.0)%
Statutory Profit After Tax	1.4	4.7	4.5	(3.1)	(68.9)%
Annual Recurring Revenue	54.4	54.5	54.2	0.2	0.4%

- Adjusted EBITDA and Adjusted EBITDA Margin are in respect of continuing operations and are calculated by taking the Adjusted EBITDA after the allocation of Central Overheads and excludes Interest, Tax, Depreciation and Amortisation and exceptional items of £5.7m (2023: £2.1m), refer to Note 5.
- 2023 results updated for constant currency – the Group has applied 2024 foreign exchange rates to 2023 results to present a constant currency basis. On a constant currency basis there is a decrease in Revenue of £0.7m and an decrease to Adjusted EBITDA of £0.2m.
- Central Overheads are made up of costs that are not directly attributable to either Student Information Systems or Education Services.

The Group has chosen to present its results on a constant currency basis to reflect the year-on-year performance and account for the impact of foreign exchange movements in the year, given 33.2% (H1 2023: 36.0%) of Tribal's revenue in the year was generated outside the UK.

The financial review presents the reported results for H1 2024 and H1 2023, and the H1 2023 results restated to 'constant currency' using 2024 rates to exclude foreign currency impact. The change percentages and comparatives are shown on the H1 2023 constant currency numbers. In addition to the metrics of EBITDA and Adjusted EBITDA, the "constant currency" presentation is an alternative performance measure and not a statutory reporting measure prepared in line with International Financial Reporting Standards (IFRS).

Revenue in the six months ended 30 June 2024 was up 5.2% to £44.9m (H1 2023: £42.7m) consisting of £2.0m growth in SIS and £0.2m growth in Etio.

Student Information Systems revenue increased by 6.1% to £35.2m (H1 2023: £33.2m).

Foundation revenues grew by 7% to £17.0m (H1 2023: £15.9m) with continued upsell to existing customers, despite no uplift for changes in Higher Education student numbers, as published data has been delayed into H2, this contributed £0.8m revenue in the prior period.

Cloud had significant growth of 26% to £6.2m (H1 2023: £4.9m) as revenue continued to increase with previously won cloud migration contracts together with two new cloud migrations won since H1 2023 at University of Exeter and Institute of Tourism Malta.

Edge revenues declined to £2.4m (H1 2023: £2.8m) due to delayed renewals on several customers which pushed revenues into H2, together with slower sales activity in H1 of the current year.

Professional Services revenues were stable at £4.9m (H1 2023: £5.0m).

Other Software and Services revenue saw a modest increase to £4.8m (H1 2023: £4.6m) as project work and inflationary increases offset continued and expected churn on School Edge. As at 30 June 2024 we anticipate our contract with the British Council to end within 12 months' time, and as a result £1.0m of ARR has been removed.

Etio revenue increased by 2.2% to £9.7m (H1 2023: £9.5m). School Inspections and Related Services increased to £8.4m (H1 2023: £8.0m) driven by the 'Multiply Random Controlled Trial' (Multiply) contract won in November 2023 and additional scope added into the 'National Centre for Excellence in Teaching Mathematics' (NCETM) contract, both being contracts with the Department for Education in the UK. Surveys and Data Analytics revenue decreased to £1.4m (H1 2023 H1: £1.5m) as expected, due to the seasonality of the Southern Hemisphere International Student Barometer with most institutions participating every other year.

Adjusted EBITDA decreased £0.5m to £7.4m (H1 2023: £7.9m) and adjusted EBITDA margin decreased to 16.4% (H1 2023: 18.5%). However, on an underlying basis operating margin has been steady, as the H1 2023 operating margin would have been 16.2% excluding a c£1.0m net positive impact of reversing an onerous contract provision. This is a strong performance with improvements in Cloud services margin offsetting the decline in high margin non-core software revenues, as anticipated.

Student Information Systems Adjusted Operating Margin increased to £13.5m (H1 2023: £13.2m) and margin decreased to 38.3% (H1 2023: 39.9%). The net benefit in H1 2023 for NTU was £1.3m, excluding this EBITDA improved by £1.6m driven by increasing cloud and foundation revenues.

Etio Adjusted Operating Margin decreased £1.0m to £0.9m (H1 2023: £1.9m) and Adjusted Margin decreased to 8.7% (H1 2023: 20.1%). We have seen slower decision making in the UK and Middle East, and the mix of contracts and investments made to the target operating model in preparation for future growth have impacted the margin.

Central Overheads, representing costs in HR, IT, Finance, Marketing, Management and Board that aren't directly attributable to lines of business decreased to £6.8m (H1 2023: £6.9m). Central overheads decreased by £0.3m due to NTU, as all costs were moved to exceptionals in 2024, following formal mediation. The remaining net increase of £0.1m is driven by increasing insurance, audit and software costs as expected. The Group continues to focus on standardisation of processes across the Group to drive efficiency.

Statutory Profit after Tax

The Statutory Profit after tax for the year decreased by £3.1m to £1.4m (H1 2023: £4.5m), due to £3.4m of exceptional costs. Exceptional costs include £2.8m for the NTU settlement agreement and associated legal fees, and £0.5m of restructuring costs.

Product Development Costs

The Group invested £5.3m (H1 2023 reported: £6.7m) in product development activity, of which £2.5m of Edge costs were capitalised (H1 2023: £4.6m). Edge investment to date, including Dynamics and Semestry, totals £49.6m. Annual development spend will continue to reduce from the peak in FY22 to match product development pace with customer needs. The net P&L charge after removing capitalised spend was £2.8m (H1 2023: £2.0m).

Key performance indicators (KPIs)

£m	H1 2024	H1 2023 Reported	H1 2023 Constant Currency	Change Constant Currency	Change Constant Currency %
Revenue	44.9	43.4	42.7	2.2	5.2%
- Student Information Systems	35.2	33.7	33.2	2.0	6.1%
- Etio	9.7	9.7	9.5	0.2	2.2%
Adjusted EBITDA ¹	7.4	8.1	7.9	(0.5)	(6.8%)
Adjusted EBITDA Margin ¹	16.4%	18.6%	18.5%	(2.1)pp	
Annual Recurring Revenue (ARR) vs Dec 2023 ²	54.4	54.5	54.2	0.2	0.4%
Gross Revenue Retention (GRR) ³	94%	90%		4pp	
Net Revenue Retention (NRR) ³	107%	101%		6pp	
Committed Income (Order Book) vs Dec 2023 ⁴	152.6	168.8	168.1	(15.5)	(9.2%)
Operating Cash Conversion ⁶	51.4%	12.1%	12.1%	39.3%	39.3pp

Free Cash (Out)/In Flow	(1.9)	(9.4)	(9.4)	7.5	79.6%
Staff Retention	94.2%	92.8%	92.8%	1.4%	1.4pp
Revenue per Operational FTE ⁵	£54.9k	£52.0k	£51.2k	£9.3k	18.1%

- Adjusted EBITDA and Adjusted EBITDA Margin are in respect of continuing operations and are calculated by taking the Adjusted EBITDA after the allocation of Central Overheads and excludes Interest, Tax, Depreciation and Amortisation and exceptional items of £5.7m (2023: £2.1m), refer to Note 5.
- Annual Recurring Revenue 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 given notice
- GRR is calculated as a 12 month rolling percentage of recurring revenue retained from existing customers at 1 July including contract expiry, cancellations or downgrades in the year. NRR is calculated as a 12 month rolling percentage of recurring revenue retained from existing customers at 1 July including upsells as well as contract expiry, cancellations or downgrades in the year.
- Committed Income (Order Book) refers to the Total Contract Value of booked sales orders which have not yet been delivered (including two years Support and Maintenance, where it is contracted on an annual recurring basis).
- Revenue per Operational FTE is the average FTE for the year excluding average FTE associated with capitalised Product Development. In H1 2024 72 FTE were capitalised (H1 2023: 116).
- Operating cash conversion is calculated as net cash from operating activities before tax, excluding cash outflow of £0.3m (H1 2023: £nil) from a lapsed offer, and £1.4m (H1 2023: £nil) of restructuring costs as a proportion of Adjusted EBITDA excluding the onerous contract provision of £nil (H1 2023: provision release £4.3m)

Annual Recurring Revenue

ARR is a key forward-looking financial metric of the Group and is an area of strategic focus. Our aim is to grow ARR in our core products through the delivery of Software-as-a-Service contracts, providing increased quality of earnings.

ARR relating to our core product offering increased by 2.4% to £52.1m (FY 2023: £50.9m constant currency, £51.1m reported) with module upsells and inflationary uplifts driving continued growth.

ARR relating to other software and services has decreased 30.4% to £2.3m (FY 2023: £3.3m constant currency, £3.4m reported), due to the expected completion of the British Council contract in June 2025.

GRR 94% (H1 2023: 90%) has increased 4pp. In the prior period the loss of NTU, loss of Victoria University and a material decline in DoE contract values resulted in 5.6pp churn. In the current period there have been no equivalent size customer churns, the largest of which was £0.3m for one of our larger School Edge customers, representing 0.6pp.

NRR 107% (H1 2023: 101%) has increased by 6pp given lower churn compared to the prior period. Upsell to existing customers has been largely consistent year on year, with slightly higher growth in cloud recurring revenues as previously won ARR on cloud contracts flows through into the P&L.

Committed Income (Order Book)

The Committed Income (Order Book) relates to the total value of orders across SIS and ES, which have been signed on or before, but not delivered by 30 June 2024. This represents the best estimate of business expected to be delivered and recognised in future periods and includes two years of Support & Maintenance revenue. At 30 June 2024 this decreased to £152.6m (2023: £168.1m) as long term contracts continue to unwind across both SIS and ES, including DoE, TAFE New South Wales, British Council, Callista and all ongoing ES contracts.

Operating cash conversion

Operating cash conversion has increased to 51% (H1 2023: 12%) due to an improved working capital position. It is calculated as net cash from operating activities before tax, excluding cash outflows from exceptionals, as a proportion of Adjusted EBITDA excluding significant one off items. Exceptional cash outflows include £1.4m (H1 2023: £nil) of restructuring costs and £0.3m (H1 2023: £nil) associated with the lapsed offer from Ellucian. In H1 2023 there was a significant one off onerous contract provision release of £4.3m.

Free cash flow

Free cash flow is included as a key indicator of the cash that is generated (or absorbed) by the Group and is available for acquisition-related investment, financing costs or distribution to shareholders. It is calculated as net cash generated, before dividends, interest and finance charges, deferred consideration, and investments in subsidiaries. Free cash flow in H1 2024 improved to an outflow of £(1.9)m (H1 2023 outflow of £(9.4)m reported) as net cash used in operating activities before tax increased to £2.0m (H1 2023: £(3.4)m) and investment in capitalised product development decreased to £2.5m (H1 2023: £4.6m).

Full time equivalent (FTE) and staff retention

Our overall workforce has decreased by 5.3% to a total FTE of 882 at 30 June 2024 from 931 at 30 June 2023.

On an operational FTE basis (excluding Capitalised Product Development), the revenue per average operational FTE increased to £54.9k (H1 2023: £52.0k).

The reduction in headcount reflects our drive for operational efficiencies and reduction in Edge product development, whilst growing our Philippines global business centre. Staff retention has increased to 94.2% (H1 2023: 92.8%).

Exceptionals

The Group has adopted a policy of disclosing separately on the face of its Group income statement the effect of any components of financial performance considered by the Directors to be not directly related to the trading business or significant one-off events, for which separate disclosure would assist in a better understanding of the financial performance achieved.

A full explanation of 'Exceptional items' is included in Note 6, however the main items are as follows:

- NTU Settlement and associated costs: Costs of £2.8m relates to the settlement agreed in May 2024 and associated legal fees (H1 2023: nil).
- Etio restructuring costs: Board's strategic review of Etio and establishing Etio as a standalone entity, with costs of £0.3m in 2024 (H1 2023: nil).
- Group restructuring and associated costs: £0.2m relates to restructuring costs as the operating model transitions to an Edtech SaaS business (H1 2023: £0.3m).

Net (Borrowings) / Cash and Cash Flow

£m	H1 2024	H1 2023	Change
Net cash flow from operating activities before tax	2.0	(3.4)	5.4
Tax paid	(1.0)	(0.8)	(0.2)
Purchases of PPE	(0.1)	(0.2)	0.1
Net lease payments	(0.4)	(0.4)	(0.1)
Capitalised product development	(2.5)	(4.6)	2.1
Proceeds from shares	0.1	0.0	0.1
Free cash flow	(1.9)	(9.4)	7.5
Net cash inflow / (outflow) from other financing activities	(2.6)	7.7	(10.3)
Net decrease in cash & cash equivalents	(4.5)	(1.7)	(2.8)
Cash & cash equivalents at beginning of the year	6.8	2.9	3.9
Less: Effect of foreign exchange rate changes	(0.3)	(0.0)	(0.3)
Net cash & cash equivalents at end of period	2.0	1.1	0.8
Borrowings	(12.0)	(14.0)	2.0
Net (debt)/cash & cash equivalents end of period	(10.0)	(12.9)	2.8

Net debt and cash equivalents at 30 June 2024 were (£10.0)m (H1 2023: (£12.9)m).

Operating cash inflow before tax for the period was £2.0m (H1 2023: £(3.4)m), £5.4m higher than last year despite £1.7m (H1 2023: £0.4m) cash outflow from exceptional costs mainly from restructuring activities.

Spend on product development decreased to £2.5m (H1 2023: £4.6m) in line with the Group's product investment programme.

Cash inflow from other financing activities (per table above) decreased to £(2.6)m (2022: £7.7m), due to £2m repayment of the net loan facility and bank loan arrangement fees and interest £0.6m (H1 2023: £0.2m).

Funding arrangements

On 29 December 2023 the Group entered a three-year £20m multicurrency revolving facility with a further £5m accordion with HSBC, with the option to extend by a further two years. The facility was put in place to cover general corporate and working capital requirements of the Group and as at 30 June 2024 £12.0m (H1 2023: 14.0m) of the loan was utilised. The Group had a £5m committed overdraft facility in the UK until 31 July 2024, where this reduced to £2m and is due to end at the end of August 2025. It also has an AUD \$2m committed overdraft facility in Australia (until October 2024). As at 30 June 2024 £2.9m of the GBP facility was utilised.

Shareholders returns and dividends

In line with the 2023 year end announcements, given the finalisation of the NTU settlement and solid cashflow performance in FY24, the Board intends to pay an interim dividend to shareholders of 0.65p on 28 November 2024 to shareholders on the register at the close of business on 31 October 2024. The ex-dividend date will be 30 October 2024.

Share options and share capital

On 13 June 2024, 1,766,193 nil-cost share options were granted to Mark Pickett (1,109,005) and Diane McIntyre (657,188) as part of their ongoing remuneration.

On 5 June 2024, 552,291 nil-cost share options were granted to eligible employees under the terms of its 2018 Long-Term Incentive plan.

Diane McIntyre

Chief Financial Officer

Condensed consolidated income statement
For the six months to 30 June 2024

	Note	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Revenue	4	44,942	43,377	85,750
Cost of sales		(23,149)	(20,727)	(43,628)
Gross profit		21,793	22,650	42,122
Total administrative expenses		(20,143)	(16,704)	(34,861)
Operating profit	4	1,650	5,946	7,261
<i>Analysed as:</i>				
Operating profit (before exceptional items)		5,059	6,312	10,581
Exceptional items	6	(3,409)	(366)	(3,320)
<i>Operating profit (EBIT)</i>		1,650	5,946	7,261
Finance income		1	143	308
Finance costs	7	(628)	(204)	(939)
Profit before tax		1,023	5,885	6,630
Tax credit/(charge)	8	329	(1,164)	(1,336)
Profit attributable to the owners of the parent		1,352	4,721	5,294
Earnings per share				
Basic	9	0.6p	2.2p	2.5p
Diluted	9	0.6p	2.2p	2.4p

All activities are from continuing operations

Condensed consolidated statement of comprehensive income and expense
For the six months to 30 June 2024

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Profit for the period	1,352	4,721	5,294
Other comprehensive expense			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit pension schemes	-	-	(129)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	(61)	(168)	(458)
Other comprehensive expense for the period net of tax	(61)	(168)	(587)
Total comprehensive income for the period attributable to equity holders of the parent	1,291	4,553	4,707

Condensed consolidated balance sheet

As at 30 June 2024

	Note	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Non-current assets				
Goodwill	10	28,354	28,719	28,524
Other intangible assets	11	50,787	47,256	49,894
Property, plant and equipment		655	936	836
Right of use assets		1,998	1,033	2,117
Net investment in lease		-	46	21
Deferred tax assets		7,306	5,127	4,960
Retirement benefit scheme assets		81	72	81
		89,181	83,189	86,433
Current assets				
Trade and other receivables	12	13,369	16,271	13,690
Net investment in lease		-	47	49
Contract assets		4,408	6,423	5,918
Current tax assets		212	173	752
Cash and cash equivalents	17	4,853	1,639	6,797
		22,842	24,553	27,206
Total assets		112,023	107,742	113,639
Current liabilities				
Trade and other payables	13	(7,660)	(5,394)	(5,902)
Contract liabilities		(21,343)	(22,790)	(27,732)
Accruals		(9,524)	(9,051)	(9,194)
Current tax liabilities		(1,741)	(1,273)	(1,541)
Lease liabilities		(685)	(584)	(713)
Borrowings	17	(2,888)	(519)	-
Provisions	14	(475)	(875)	(1,205)
		(44,316)	(40,486)	(46,287)
Net current liabilities		(21,474)	(15,933)	(19,081)
Non-current liabilities				
Contract liabilities		(165)	(17)	-
Lease liabilities		(1,208)	(497)	(1,320)
Other payables	13	(975)	(168)	(212)
Deferred tax liabilities		(2,940)	(2,766)	(2,740)
Borrowings	17	(12,000)	(14,000)	(14,000)
Provisions	14	(431)	(249)	(605)
		(17,719)	(17,697)	(18,877)
Total liabilities		(62,035)	(58,183)	(65,164)
Net assets		49,988	49,559	48,475
Equity				
Share capital	15	10,679	10,611	10,611
Share premium		83	83	83
Other reserves		29,047	28,786	28,893
Accumulated profits		10,179	10,079	8,888
Total equity attributable to equity holders of the parent		49,988	49,559	48,475

Condensed consolidated cash flow statement

for the six months to 30 June 2024

		Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	Note	£'000	£'000	£'000
Net cash from/(used in) operations	16	1,025	(4,192)	8,308
Investing activities				
Purchases of property, plant and equipment		(87)	(191)	(390)
Expenditure on intangible assets	11	(2,517)	(4,635)	(8,479)
Payment of deferred contingent consideration for acquisitions		-	(46)	(71)
Proceeds from sub-leases		17	25	50
Net gain on forward contracts		-	142	175
Net cash outflow from investing activities		(2,587)	(4,705)	(8,715)
Financing activities				
Interest paid		(612)	(166)	(717)
Loan arrangement fees		34	(2)	(112)
Loan drawdown	17	5,000	7,750	8,750
Loan repayment	17	(7,000)	-	(1,000)
Gross proceeds on issue of shares	15	68	-	-
Equity dividend paid		-	-	(1,377)
Principal paid on lease liabilities		(420)	(377)	(911)
Interest paid on lease liabilities		(38)	(21)	(77)
Net cash (used in)/from financing activities		(2,968)	7,184	4,556
Net (decrease)/increase in cash and cash equivalents		(4,530)	(1,713)	4,149
Net cash and cash equivalents at beginning of period		6,797	2,856	2,856
Effect of foreign exchange rate changes		(302)	(23)	(208)
Net cash and cash equivalents at end of period	17	1,965	1,120	6,797

Condensed consolidated statement of changes in equity
For the six months to 30 June 2024

	Share Capital	Share Premium	Other reserves	Accumulated profits	Total Equity
	£'000	£'000	£'000	£'000	£'000
Balance at 31 December 2022	10,611	83	28,598	5,526	44,818
Profit for the period	-	-	-	4,721	4,721
Other comprehensive expense for the period	-	-	-	(168)	(168)
Total comprehensive income for the period	-	-	-	4,553	4,553
Credit to equity for share-based payments	-	-	188	-	188
Contributions by and distributions to owners	-	-	188	-	188
Balance at 30 June 2023	10,611	83	28,786	10,079	49,559
Profit for the period	-	-	-	573	573
Other comprehensive expense for the period	-	-	-	(419)	(419)
Total comprehensive income for the period	-	-	-	154	154
Equity dividend paid	-	-	-	(1,377)	(1,377)
Credit to equity for share-based payments	-	-	107	-	107
Tax credit on credit to equity for share-based payments	-	-	-	32	32
Contributions by and distributions to owners	-	-	107	(1,345)	(1,238)
Balance at 31 December 2023	10,611	83	28,893	8,888	48,475
Profit for the period	-	-	-	1,352	1,352
Other comprehensive expense for the period	-	-	-	(61)	(61)
Total comprehensive income for the period	-	-	-	1,291	1,291
Issue of equity share capital	68	-	-	-	68
Credit to equity for share-based payments	-	-	154	-	154
Contributions by and distributions to owners	68	-	154	-	222
Balance at 30 June 2024	10,679	83	29,047	10,179	49,988

Notes to the condensed consolidated financial information for the six months to 30 June 2024

1. General information

The condensed consolidated financial information for the six months ended 30 June 2024 was approved by the Board of Directors on 20 August 2024. This condensed consolidated interim financial information does not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2023 were approved by the Board of Directors on 20 March 2024. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditor reported on those accounts: its report was unqualified, and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

The condensed consolidated set of financial statements included in this half-yearly financial report has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Services Authority.

The condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023 which have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were as stated within the consolidated financial statements for the year ended 31 December 2023.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023.

3. Going concern

Tribal had net cash and cash equivalents of £2.0m at the end of H1 2024, and borrowings of £12.0m. The Group has access to a £5.0m committed overdraft facility in the UK and a \$AUD 2.0m committed overdraft facility in Australia. As at June 2024 there was \$2.0m available but undrawn in respect of the AUS overdraft facility and £2.1m available with £2.9m drawn down in respect of the UK overdraft facility. Tribal Group plc has undertaken to make adequate financial resources available to the Group to meet its current and future obligations as and when they fall due.

Tribal's main business is software related through the provision of Student Information Systems (SIS) to education institutions globally. Revenue is generated from the sale of software licenses and related implementation work, and the ongoing provision of support & maintenance and cloud/hosting services. The Group benefits from strong annual recurring revenues and cash generation, it also has a significant pipeline of committed income for the remainder of 2024 and into 2025 which provides a good level of protection and certainty to the business. The Group's net current liability position has decreased to £21.5m from £19.1m, this being driven by the NTU settlement creditor.

The Group had a positive start to the year, closing several significant sales to new and existing customers, and expanding its global footprint. The investments the Group continue to make position Tribal at the forefront of this evolution in the industry. The start of the year has been cash generative and although management anticipates an improved cash position by year end, a net debt position is still expected. Management is monitoring costs closely and would also introduce cost saving measures to mitigate the impact on profit and cash if necessary.

The Company has guaranteed the year-end liabilities of its subsidiaries.

In assessing the Group's going concern position the Directors have considered all relevant facts, latest forecasts, an assessment of the risks faced by the Group, and considered potential changes in trading performance. In addition, management have sufficiently stress tested the latest forecasts to the point where either the Group cannot meet its liabilities or is in breach of banking covenants and have concluded that this position is highly unlikely, and therefore does not have a significant impact on the Group's ability to continue as a going concern. Accordingly, the Directors have a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements and the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

4. Segmental analysis

Information reported to the Chief Executive Officer for the purposes of resource allocation and assessment of segment performance is focused on the nature of each type of activity. The Group's reportable segments and principal activities under IFRS 8 are detailed below:

- Student Information ("SIS") represents the delivery of software and subsequent maintenance and support services and the activities through which we deploy and configure our software for our customers, including software solutions, asset management and information managed services; and
- Etio (formerly Education Services) ("Etio") represents inspection and review services which support the assessment of educational delivery, and a portfolio of performance improvement tools and services, including analytics.

In accordance with IFRS 8 'Operating Segments' information on segment assets is not shown as this is not provided to the Chief Operating decision-maker. Inter-segment sales are charged at prevailing market prices.

	Total Revenue			Adjusted segment operating profit		
	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
SIS	35,208	33,707	68,578	12,210	12,369	23,412
Etio	9,734	9,670	17,172	768	1,923	2,254
Total	44,942	43,377	85,750	12,978	14,292	25,666
Unallocated corporate expenses				(7,236)	(7,618)	(14,360)
Amortisation of acquired software and customer contracts & relationships				(683)	(362)	(725)
Adjusted operating profit				5,059	6,312	10,581
Exceptional items				(3,409)	(366)	(3,320)
Operating profit				1,650	5,946	7,261

Depreciation and amortisation is allocated to segment profits and is included in adjusted segment operating profit as above. The amount included in SIS is £1.3m (30 June 2023: £1.0m; 31 December 2023 £2.3m) and within Etio £0.1m (30 June 2023: £0.1m; 31 December 2023: £0.2m). The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit represents the profit earned by each segment, without the allocation of central administration costs, including Directors' salaries, finance costs and income tax expense. This is the measure reported to the Group's Chief Executive for the purpose of resource allocation and assessment of segment performance.

Within Etio revenues of approximately 9% (31 December 2023: 2%) have arisen from the Segment's largest customer: within SIS revenues of approximately 4% (31 December 2023: 4%) have arisen from the Segment's largest customer. These percentages are calculated against total revenue.

Geographical information:

Revenue from external customers, based on location of the customer, are shown below:

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
UK	30,040	27,762	57,685
Australia	7,650	7,762	15,592
Other Asia Pacific	2,479	2,509	4,901
North America	2,259	2,238	3,650
Rest of the world	2,514	3,106	3,922
	44,942	43,377	85,750

5. Alternative Performance Measures (APM)

A number of non-IFRS adjusted profit measures are used in this Annual Report and financial statements. Exceptional items are excluded from our headline performance measures by virtue of their size and nature, in order to reflect management's view of the underlying performance of the Group.

Summarised below is a reconciliation between statutory results to adjusted results. The Group believes that alternative performance measures such as adjusted EBITDA are commonly reported by companies in the markets in which it competes and are widely used by investors in comparing performance on a consistent basis without regard to factors such as depreciation and amortisation, which can vary significantly depending upon accounting methods (particularly when acquisitions have occurred), or based on factors which do not reflect the underlying performance of the business. The adjusted profit after tax earnings measure is also used for the purpose of calculating adjusted earnings per share.

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Statutory operating profit	1,650	5,946	7,261
Amortisation of Development cost and acquired Intellectual Property	927	656	1,485
Amortisation of other intangibles	4	3	7
Depreciation on Property, Plant & Equipment	233	283	566
Depreciation of right of use assets	445	460	1,004
Amortisation of software and customer contracts & relationships	683	362	725
Exceptional costs	3,409	366	3,320
Adjusted Operating Profit (EBITDA)	7,351	8,076	14,368

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Adjusted EBITDA	7,351	8,076	14,368

Exceptional items	(3,409)	(366)	(3,320)
EBITDA before exceptional items	3,942	7,710	11,048
Depreciation & amortisation	(2,292)	(1,764)	(3,787)
Operating profit (EBIT)	1,650	5,946	7,261
Net financing costs	(627)	(61)	(631)
Profit before tax	1,023	5,885	6,630

6. Exceptional items

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Acquisition related costs	-	(74)	103
Takeover costs	(88)	-	(1,420)
Education Services restructure	(274)	-	(1,003)
NTU Settlement and associated costs	(2,844)	-	-
Group restructuring and associated costs	(203)	(292)	(1,000)
Total exceptional items	(3,409)	(366)	(3,320)

Exceptional items are not part of the Group's underlying trading activities and include the following:

Acquisition related costs: Amounts relating to the consultancy and legal costs of potential acquisitions in the period total £nil. (30 June 2023: charge of £74,000; 31 December 2023: credit of £103,000). The credit in 2023 arose from the remeasurement of accounting for changes in the fair value of the contingent deferred consideration as part of the earn-out agreement with Eveoh BV, and the corresponding gain has been recognised in the income statement.

Restructuring and associated costs relate to the restructuring of the Group's operations, including properties and the Education Services Restructure £477,000. (30 June 2023: £292,000; 31 December 2023: £2,003,000). These costs relate to one-off initiatives that support the Group's transition to a Pureplay EdTech, SaaS business.

Takeover costs: Amounts relating to the lapsed offer for Tribal Group plc by Ellucian. Costs of £88,000 (31 December 2023: £1,420,000) were spent on due diligence and external advisors.

NTU Settlement and associated costs relates to the mediation costs with Nanyang Technological University ("NTU") and the settlement agreed which resolves all outstanding issues in relation to the contract between Tribal and NTU which was terminated on 17 March 2023.

7. Finance costs

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Interest on bank overdrafts and loans	613	165	717
Loan arrangement fees	(34)	2	112
Interest expense on lease liabilities and dilapidation provisions	49	36	78
Unwinding of discounts	-	1	32
Total finance costs	628	204	939

8. Tax

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Current tax			
UK Corporation tax	-	-	(117)
Overseas tax	1,828	1,382	1,999
Adjustments in respect of prior periods	-	-	(493)
	1,828	1,382	1,389
Deferred tax			
Current period	(1,370)	(226)	502
Adjustments in respect of prior periods	(787)	8	(555)
	(2,157)	(218)	(53)
Tax (credit)/charge	(329)	1,164	1,336

The Group continues to hold appropriate Group provisions.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

9. Earnings per share

Earnings per share and diluted earnings per share are calculated by reference to a weighted average of ordinary shares calculated as follows:

	Six months ended 30 June 2024 thousands	Six months ended 30 June 2023 thousands	Year ended 31 December 2023 thousands
Basic weighted average number of shares in issue	213,507	213,713	214,180
Dilutive weighted average number of employee share options	2,067	3,117	1,626
Total weighted average number of shares outstanding for dilution calculations	215,574	216,830	215,806

Diluted earnings per share only reflects the dilutive effect of share options for which performance criteria have been met.

The maximum number of potentially dilutive shares, based on options that have been granted but have not yet met vesting criteria, is 2,067,428 (31 December 2023: 3,300,128). This includes nil options in the 2019 SAYE Scheme (31 December 2023: 17,937).

The “adjusted” basic and diluted earnings per share figures are included as the directors believe that they provide a better understanding of the underlying trading performance of the Group.

A reconciliation of how these figures are calculated is set out below:

	Six months	Six months	Year
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	ended 30 June 2024 £'000	ended 30 June 2023 £'000	ended 31 December 2023 £'000
Net profit	1,352	4,721	5,294
Earnings per share			
Basic	0.6p	2.2p	2.5p
Diluted	0.6p	2.2p	2.4p
Net profit (before exceptional items)*	3,975	5,041	8,811
Adjusted earnings per share			
Basic	1.9p	2.3p	4.1p
Diluted	1.8p	2.3p	4.1p

*Net profit (before exceptional items) is calculated as below:

Operating profit (before exceptional items)	5,059	6,312	10,581
Finance income	1	143	308
Finance costs	(628)	(204)	(939)
Operating profit (before exceptional items) before tax	4,432	6,251	9,950
Tax charge (before exceptional items)	(457)	(1,210)	(1,139)
Net profit (before exceptional items)	3,975	5,041	8,811

10. Goodwill

	£'000
Cost	
At 1 January 2024	109,755
Exchange differences	(170)
At 30 June 2024	109,585
Accumulated impairment losses	
At 1 January 2024	81,231
At 30 June 2024	81,231
Net book value	
At 30 June 2024	28,354
At 31 December 2023	28,524

The Group tests annually for impairment, or more frequently if there are indicators that goodwill could be impaired. At the half year, a review has been undertaken to ascertain if any indicators have arisen of potential impairments. Based on the review performed, no impairment indicators that would require an impairment review have been noted.

11. Other intangible assets

	Acquired Software £'000	Acquired Customer contracts and relationships £'000	Acquired intellectual property £'000	Development costs £'000	Business systems £'000	Software licences £'000	Total £'000
Cost							
At 1 January 2024	12,199	9,739	1,873	63,623	75	44	87,553
Additions	-	-	-	2,517	-	-	2,517
Exchange differences	(98)	(42)	-	(44)	-	-	(184)

At 30 June 2024	12,101	9,697	1,873	66,096	75	44	89,886
Amortisation							
At 1 January 2024	9,167	7,518	1,047	19,876	7	44	37,659
Charge for the period	133	550	49	878	4	-	1,614
Exchange differences	(98)	(32)	-	(44)	-	-	(174)
At 30 June 2024	9,202	8,036	1,096	20,710	11	44	39,099
Carrying amount							
At 30 June 2024	2,899	1,661	777	45,386	64	-	50,787
At 31 December 2023	3,032	2,221	826	43,747	68	-	49,894

Software and customer contract and relationships have arisen from acquisitions, and are amortised over their estimated useful lives, which are 3 to 8 years and 3 to 15 years respectively. The amortisation period for development costs incurred on the Group's product development is 3 to 15 years, based on the expected life-cycle of the product. Amortisation and impairment of development costs, amortisation for software, customer contracts and relationships, intellectual property, business systems and software licences are all included within administrative expenses.

12. Trade and other receivables

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Amounts receivable for the sale of services	8,490	10,467	8,834
Less: loss allowance	(493)	(203)	(665)
	7,997	10,264	8,169
Other receivables	976	1,165	689
Prepayments	4,396	4,842	4,832
	13,369	16,271	13,690

13. Trade and other payables

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Current			
Trade payables	1,662	2,003	1,283
Other taxation and social security	3,848	2,646	3,664
Other payables	2,150	745	955
	7,660	5,394	5,902
Non-current			
Other payables	975	168	212
Total	8,635	5,562	6,115

14. Provisions

	Property related £'000	Restructuring £'000	Other £'000	Total £'000
At 1 January 2024	850	779	181	1,810
Net movement in provision	12	-	23	35
Utilisation of provision	(153)	(773)	-	(926)
Exchange rate movement	(3)	-	(10)	(13)
At 30 June 2024	706	6	194	906

The provisions are split as follows:

Within one year	275	6	194	475
More than one year	431	-	-	431
Total	706	6	194	906

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle the obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

Property related provision relates to the estimated future dilapidation costs arising from exiting leasehold properties, under IAS 37. This provision is discounted by property and is between 2.65% and 6.25%.

Other provision relates to the recoverability of input VAT in the Philippines. This provision is not discounted.

Restructuring provision represents amounts provided in respect of the Group's restructuring and reorganisation and principally reflects redundancy costs.

15. Share capital

	Six months ended 30 June 2024 number	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 number	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 number	Year ended 31 December 2023 £'000
Allotted, called up and fully paid						
At beginning of the period	212,221,746	10,611	212,221,746	212,221,746	212,221,746	212,221,746
Issued during the period	1,357,429	68	-	-	-	-
At end of the period	213,579,175	10,679	212,221,746	212,221,746	212,221,746	212,221,746

The Company has one class of ordinary shares of 5p which carry no right to fixed income. 1,357,429 shares were issued during the period in order to satisfy exercises of share-based payment schemes. The exercise costs of 53p and 57p per share for the LTIPs resulted in cash receipts of £nil.

16. Notes to the cash flow statement

	Six months ended 30 June 2024 £'000	Six months ended 30 June 2023 £'000	Year ended 31 December 2023 £'000
Operating profit from continuing operations	1,650	5,946	7,261
Depreciation of property, plant and equipment	233	283	566
Depreciation of right of use assets	445	460	1,004
Amortisation and impairment of other intangible assets	1,614	1,021	2,217
Share-based payments	163	213	331
Research and development tax credit	(50)	(97)	(141)
Movement in contingent deferred consideration	-	-	(115)
Net pension credit	-	-	(9)
Other non-cash items	(63)	(44)	(470)
Operating cash flows before movements in working capital	3,992	7,782	10,644
Decrease/(increase) in receivables	1,787	(3,436)	(423)
(Decrease) in payables	(3,736)	(7,698)	(853)
Net cash from/(used in) operating activities before tax	2,043	(3,352)	9,368
Net tax paid	(1,018)	(840)	(1,060)
Net cash from/(used in) operating activities	1,025	(4,192)	8,308
Net cash from/(used in) operating activities before tax can be analysed as follows:			
Continuing operations	2,043	(3,352)	9,368

17. Analysis of net debt

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Cash	4,853	1,639	6,797
Overdrafts	(2,888)	(519)	-
Borrowings	(12,000)	(14,000)	(14,000)
Net debt	(10,035)	(12,880)	(7,203)

Reconciliation of changes in net debt

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Opening net debt	(7,203)	(3,394)	(3,394)
Movement in borrowings	2,000	(7,750)	(7,750)
Net (decrease)/increase in cash and cash equivalents	(4,530)	(1,713)	4,149
Non-cash effect of foreign exchange rate changes	(302)	(23)	(208)

Closing net debt	(10,035)	(12,880)	(7,203)
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18. Contingent liabilities

The Company and its subsidiaries have provided performance guarantees issued by their banks on their behalf, in the ordinary course of business totalling £0.1m (30 June 2023: £1.3m, 31 December 2023: £0.1m). These are not expected to result in any material financial loss and the likelihood of using these guarantees is assessed as remote.

19. Related party disclosures

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 'Related Party Disclosures'. The members of the Group Board and the Group's Executive Board are considered to be the key management personnel of the Group.

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Salaries and short-term employee benefits	1,413	1,327	2,765
Share-based payments	121	186	327
	1,534	1,513	3,092

20. Seasonality

There is limited annual seasonality within the Group. Our SIS customers are on an annual billing cycle with implementation projects being invoiced based on milestones being met. There is some seasonality within the ES business as Surveys revenue is reduced as institutions only participate in the Southern Hemisphere International Student Barometer every other year.

Responsibility statement

The Directors confirm that these condensed interim financial statements have been prepared in accordance with the Disclosure and Transparency Rules (DTR) of the Financial Services Authority and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related-party transactions in the first six months and any material changes in the related-party transactions described in the last annual report

The Directors of Tribal Group plc are listed in the Tribal Group plc Report and accounts for the 12 month period ended 31 December 2023. A list of current Directors is maintained on the Tribal Group plc website: www.tribalgrouplc.com.

The Directors are responsible for the maintenance and the integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board

Mark Pickett
Chief Executive

20 August 2024