Half Year Results

2025

Mark Cook, Chief Executive Officer
Simon Goodwin, Chief Financial Officer

Agenda

- Half year overview
- Financial review
- Strategy update

HY25 overview

Mark Cook CEO

HY25 overview

Progressing priorities - building for long-term growth

- Profitability improving, with earnings expected to be largely weighted to H2
- Revenue moderately down, with divisional variation
- £20m+ annualised cost savings delivered year to date
- RM Ava launch positions us to capture a significant global opportunity in digital assessment
- Debt remains elevated due to continued planned investment in RM Ava
- Banking facility extension to 2027 reflects lender confidence in our strategy and future plans
- On course to meet FY25 expectations

HY25 overview

Our divisions

RM Assessment

- Assessment platform revenue up 19% with contracted order book growing to £106.6m*
- Secured further contract renewals including SACE and ACCA – alongside new logo wins such as Trinity College London
- Strong customer interest in AI Proof of Concepts

RM Technology

- Revenue temporarily impacted by pressures on UK school budgets and delayed government funding for key initiatives
- Finished the period securing four contracts with Trusts
- Primed to deliver on the 'Connect the classroom' programme from H2

RM Resources (TTS)

- Revenue affected by the challenging UK schools' market and US tariffs
- Middle East business more than doubled, underpinned by our new Dubai office
- Developed and launched 104 products year to date, differentiating TTS from other learning resource providers

*Includes contracts awarded in H1 and signed in H2

Financial review

Simon Goodwin, CFO

HY25 trading update shows progress on priorities

	H1 2025	H1 2024[1]	% change
Revenue from continuing operations	£73.2m	£78.3m	(6.5)%
Assessment recurring revenue	£17.1m	£14.3M	+19.6%
Adjusted operating profit	£0.9m	(£0.3m)	+400.0%
Adjusted EBITDA	£3.5m	£2.4m	+45.8%
Net debt	£59.6m	£52.7m	+13.1%

- In March 2025, the triennial valuations for our closed defined benefit pension scheme were completed, showing a combined technical provisions surplus of £10.5m

1. Discontinued operations in HY24 restated include the closure of RM Consortium, which occurred during the year ended 30 November 2024.

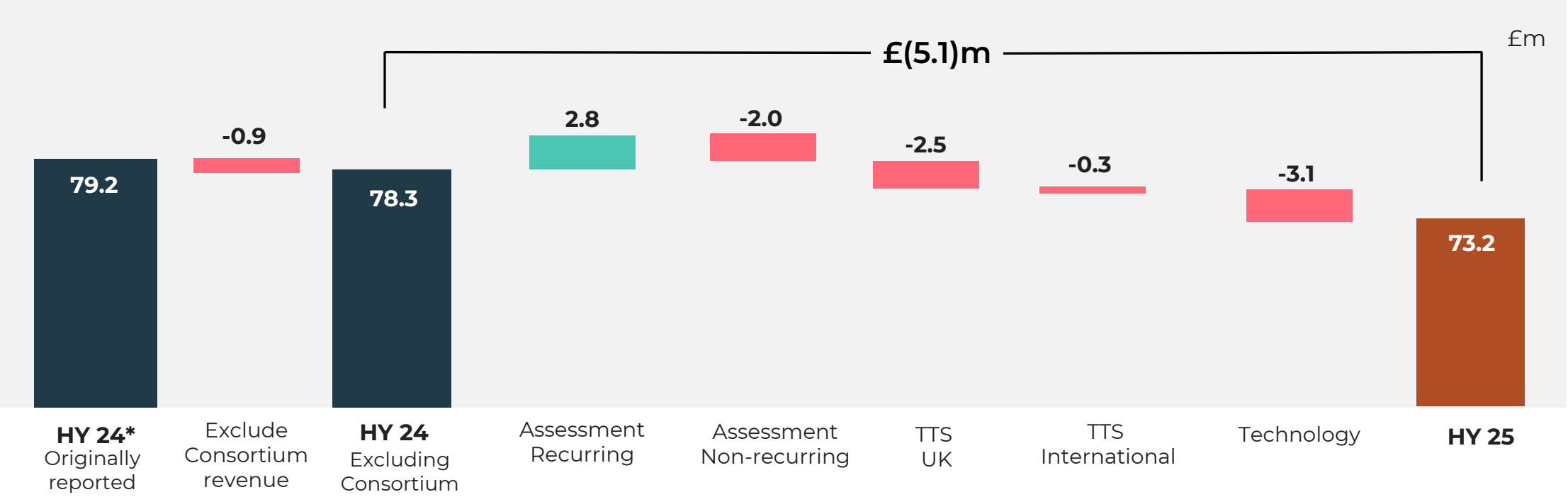
Summary income statement

£m	HY 2025 Continuing	HY 2025 Discontinued[1]	HY 2025 Total	HY 2024 Continuing	HY 2024 Discontinued[1]	HY 2024 Total	Variance Total
Revenue	73.2	-	73.2	78.3	0.9	79.2	(6.0)
Divisional contribution	12.1	-	12.1	12.0	(0.3)	11.7	0.4
Divisional contribution margin	16.5%	-	16.5%	15.3%	(33.3)%	14.8%	1.7%
Adjusted* operating profit/(loss)	0.9	-	0.9	(0.3)	(0.3)	(0.6)	1.5
Adjusted* operating margin	1.2%	-	1.2%	(0.4)%	(33.3)%	(0.8)%	2.0%
Net finance costs	(3.3)	-	(3.3)	(3.0)	-	(3.0)	(0.3)
Adjusted* loss before tax	(2.4)	-	(2.4)	(3.3)	(0.3)	(3.6)	1.2
Tax	0.7	-	0.7	0.3	-	0.3	0.4
Adjusted* loss after tax	(1.7)	-	(1.7)	(3.0)	(0.3)	(3.3)	1.6
Adjustments (after tax)	(1.6)	-	(1.6)	(3.5)	0.1	(3.4)	1.8
Loss after tax	(3.3)	-	(3.3)	(6.5)	(0.2)	(6.7)	3.4
Adjusted* diluted EPS	(2.0)p	-	(2.0)p	(3.7)p	(0.4)p	(4.1)p	2.1p

- Net finance costs reflect debt facility charges and net finance income from the defined benefit pension schemes
- Adjustments (after tax) primarily relate to restructuring costs linked to implementation of the Group's new Target Operating Model announced last year
- HY25 tax credit includes the impact of the recognition of deferred tax assets

1. Discontinued operations reflects the income statement for Consortium which ceased operations in FY24.
* Adjusted operating profit/(loss) and adjusted loss before and after tax are before discontinued operations, the amortisation and impairment of acquisition related intangible assets, and restructuring cost.

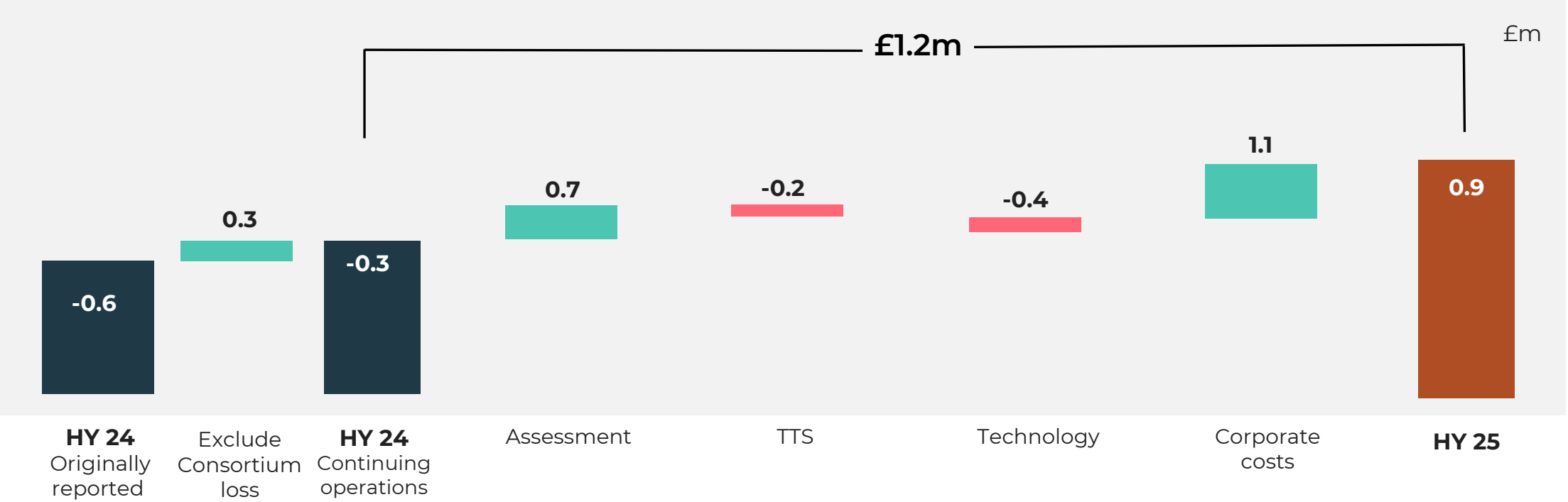
Revenue



- Assessment recurring revenue increased +20% including +19% in platform core revenues
- Assessment legacy and non-core contracts declined by £2.7m, partially offset by growth in digital project revenues
- TTS UK revenue declined, but market share maintained
- TTS international revenue impacted by US tariffs
- Technology revenue down due to school budgetary pressure and delays in government funded projects

* HY24 Originally reported including Consortium revenue.

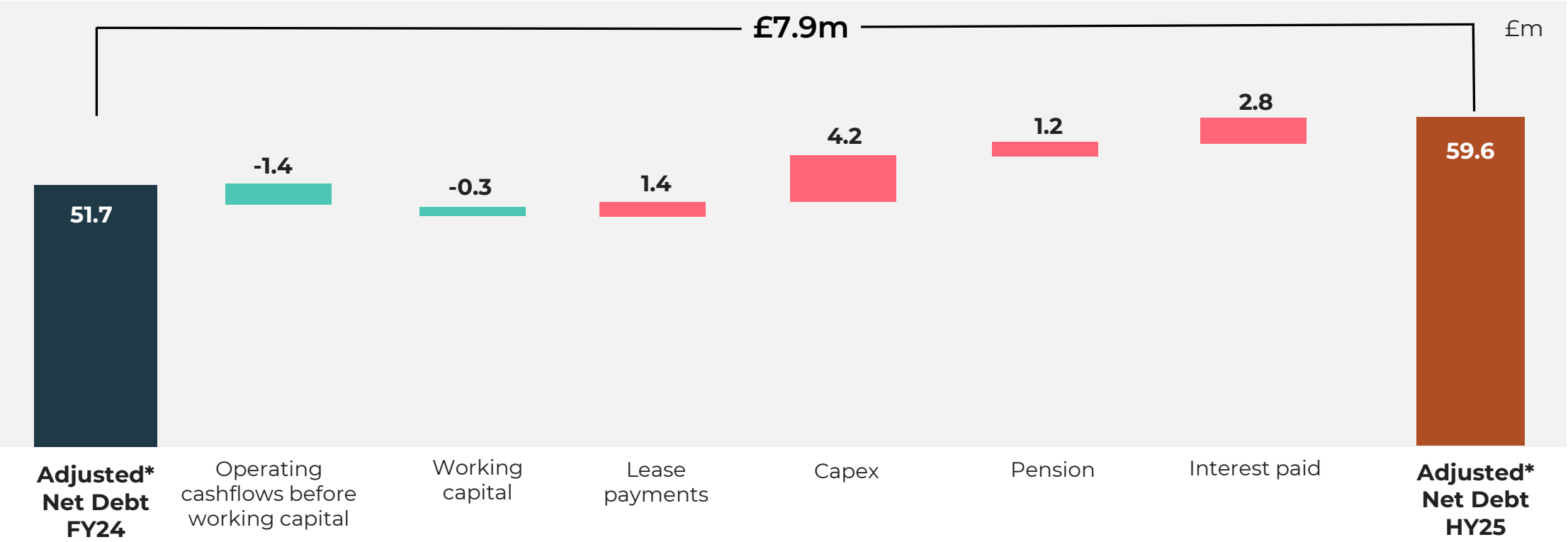
Adjusted operating profit



- TTS contribution decreased £0.2m to £1.8m. Impact of lower revenues almost completely offset by operational efficiencies and impact of cost savings
- Assessment contribution increased £0.7m to £6.7m due to higher recurring revenues and increased contribution percentages
- Technology contribution down £0.4m to £3.5m due to revenue impact largely offset by cost savings
- Decrease in corporate costs due to cost savings

*Divisional contribution is adjusted operating profit before the allocation of corporate overheads.

Cashflow



- Adjusted net debt £59.6m - £7.9m increase in HY25 compared to £7.1m increase in HY24
- Positive operating cashflows including working capital and lease payments of £0.3m in line with HY24
- Capex increased by £2.1m compared to HY24 due to increased investment in RM Ava
- Pension deficit recovery payments of £1.2m reduced from £2.1m in HY24. £1.8m left to contribute to end of 2026
- Interest payments £0.4m lower than HY24 due to impact of interest rate reductions

* Adjusted net debt is defined as the total of borrowings less capitalised fees, cash and cash equivalents and overdrafts.

Financial outlook

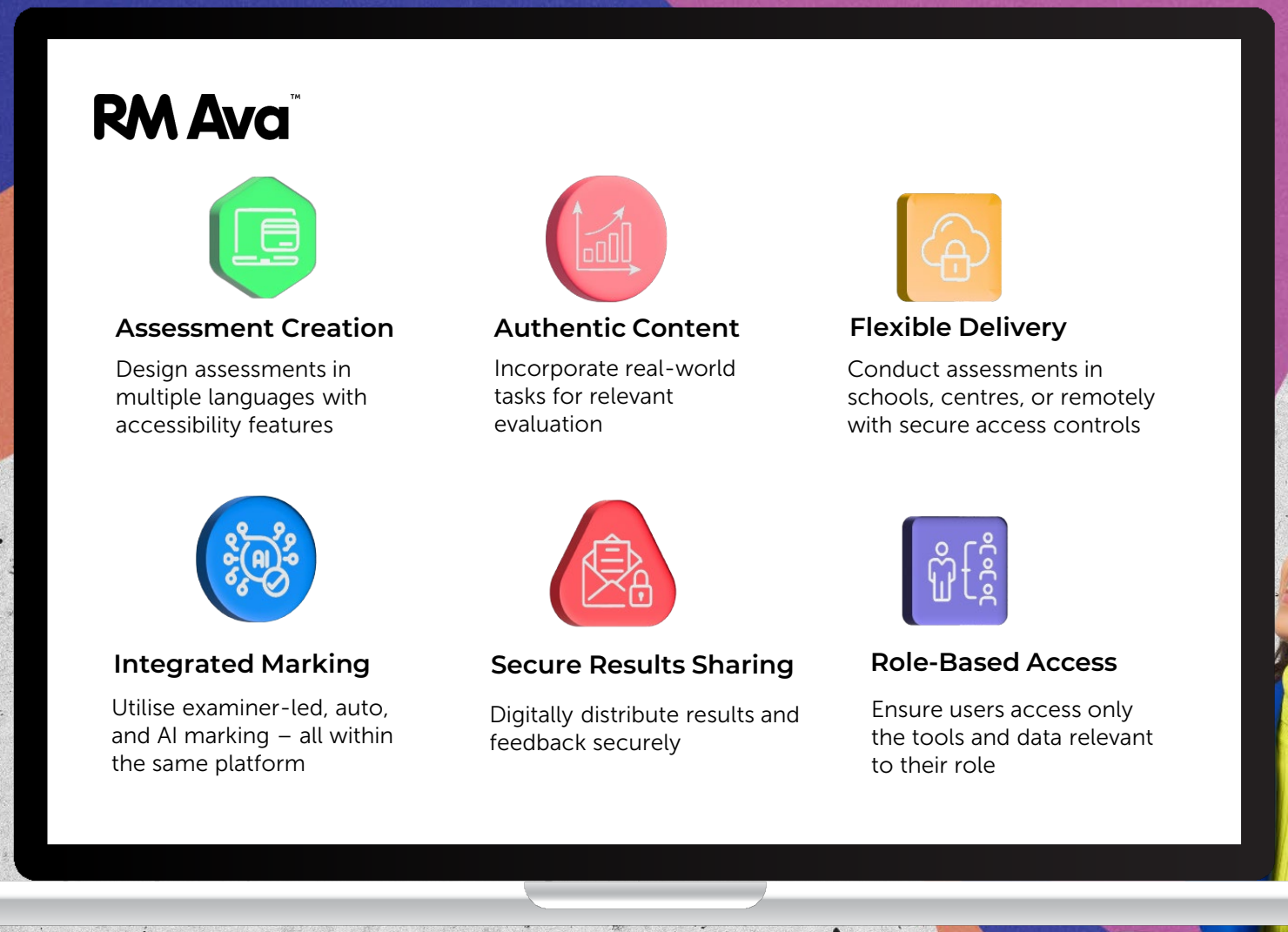
- H2 performance expected to be materially higher than H1 in revenue, profit and cash – in line with usual seasonality driven by global exam activity and UK back to school trading
- H2 trading has started positively including a strong performance in TTS UK, new customer wins in Assessment and the commencement of Connect the Classroom activity in Technology
- Investment in RM Ava will continue in H2, throughout FY26, and into FY27
- H2 will see the start of separation activities, which will result in further costs in adjusting items
- Full year outlook for revenue is expected to show growth driven by continued strength of the Assessment division
- Adjusted operating profit is expected to be in line with market expectations
- FY25 year-end adjusted net debt – fully expect to operate within banking covenants

Strategy update

Mark Cook, CEO

Our ambition is to become the world-class EdTech platform for learner assessment

Reimagining assessment for a digital world

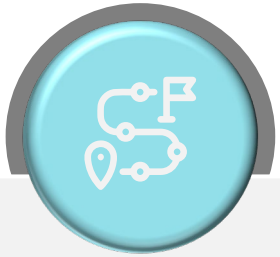


Drivers for our strategy

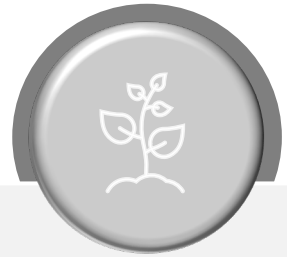
Global leader in EdTech since 1973, helping customers deliver improved educational outcomes.

Provider of **market-leading products and services** to the entire age range of learners.

Trusted partner known for reliability, deep educational insight and innovation.



Acting to capitalise on a **significant market opportunity**.



Focused on growth and reducing net debt.

Our strategy

- RM operates in the global EdTech market which is forecast to increase by $170.8 billion at a CAGR of 15.9% between 2024 and 2029.
- The market shift to digital assessments is driving the current growth phase.

Our strategy focuses on two pillars

RM Ava™

Continued development of our adaptive virtual accreditation platform

Legal and operational separation of our divisions

Continued development of RM Ava

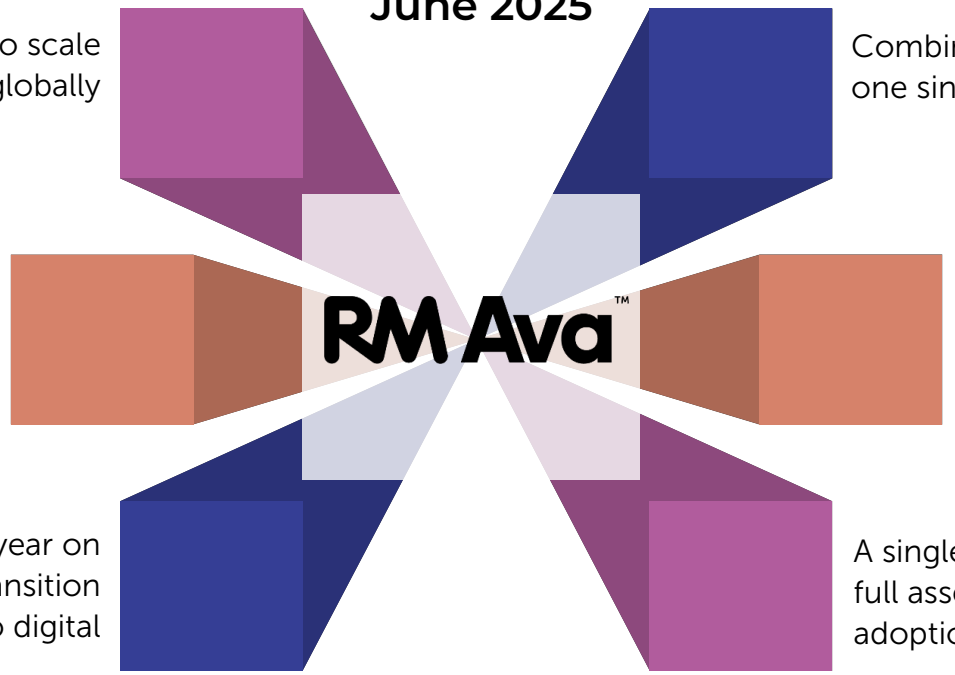
The only platform on the market that spans the full assessment lifecycle for small and enterprise customers

Officially launched June 2025

RM Ava is ready to scale fast and wide - globally

Combines existing tools and platforms onto one single-sign-on modular platform

RM won two of the largest contracts in its history with International Baccalaureate and Cambridge University Press & Assessment using RM Ava to transition to fully digital



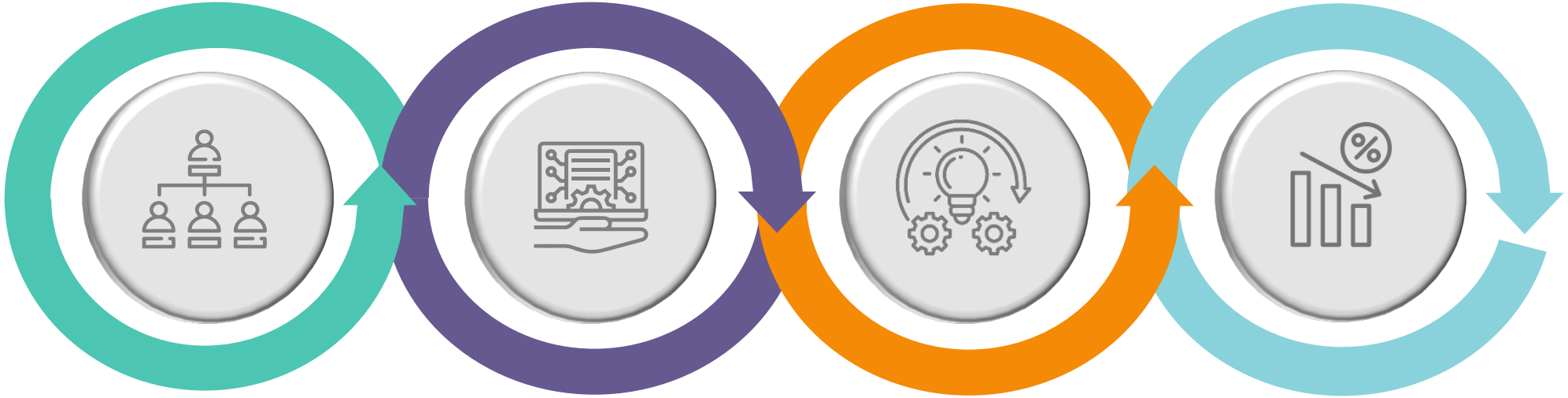
Enables end-to-end virtual assessment - from content creation and online learner testing, to AI-driven marking and feedback

RM's margins improve year on year as customers transition from paper to digital

A single platform that supports the full assessment lifecycle is key to adoption for many customers

Positions RM to expand into further markets

Legal and operational separation of our three divisions



Simplifying structures

Untangling legacy IT complexity

Enabling faster decision making and execution

Supporting net debt reduction

Future outlook

- Full year outlook in line with expectation

Priorities for remainder of FY25

- Continued development of RM Ava to strengthen competitive position
- Simplify the business to unlock cost savings and support growth

Thank you

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