
11 December 2024

RM plc
Full year trading update

FY24 adjusted operating profit anticipated to exceed expectations

RM plc (“RM”, the “Company”), a leading global educational technology (“EdTech”), digital learning and assessment solution provider, is pleased to provide an update on the Company’s anticipated results for the year ended 30 November 2024 (“FY24”).

Trading update

Subject to completion of the FY24 audit, the Company expects FY24 adjusted operating profit to be £8.4 to £8.8 million, 5% to 10% ahead of market expectations,^[1] with adjusted EBITDA of £13 to £14 million. Revenue from continuing operations, which now excludes the Consortium business, is expected to be 5 to 6% lower than in FY23.

In Assessment, approximately £100 million of contracts for RM’s global assessment platform have been won during FY24, the vast majority of which will be recognised as revenue from FY25 onwards. This has resulted in the contracted order book^[2] closing the year 2.25x higher than a year ago. FY24 revenue growth from these strategic wins has been offset by the expected declines in a small number of legacy projects coming to an end during the year.

Despite a challenging UK Schools market impacting TTS and Technology revenues, these divisions have also seen improved profitability in FY24, reflecting a realigned operating model delivering greater operational efficiencies with a lower cost base.

Net debt

Net debt has finished the year better than market expectations, having operated within the Company’s EBITDA & hard liquidity banking covenants during the period, while allowing for working capital and capex to fund future growth.

The Company will update future strategy and outlook when it announces its full year results in the new year.

Mark Cook, CEO of RM, commented:

“This has been a year of transformation for RM, and the success of our strategy is reflected in the progress we have made driving profitability and growing our contracted order book. Our focus on the significant opportunities for Assessment has delivered a number of major new digital contracts, alongside operational improvements throughout the business. We are pleased with the progress that has been made and remain focused on reducing our net debt.”

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Notes to Editors:

About RM

RM was founded in 1973, with a mission to improve the educational outcomes of learners worldwide. More than fifty years on, we are a trusted global EdTech, digital learning and assessment solution provider, transforming learners, educators, and accreditors to be more productive, resilient, and sustainable. Our simple approach enables us to deliver best in class solutions to optimise accreditation outcome.

RM is focused on delivering a consistently high-quality digital experience, acting as a trusted consultative partner to provide solutions that deliver real impact for learners worldwide. Our three businesses include:

- Assessment - a global provider of assessment software, supporting exam awarding bodies, universities, and governments worldwide to digitise their assessment delivery.
- TTS (Technical Teaching Solutions) – an established provider of education resources for early years, primary schools, and secondary schools across the UK and to ministries of education and independent institutions worldwide.
- Technology - a market-leading advisor and enabler of ICT software, technology and bespoke services to UK schools and colleges.

[1] Prior to this update, the Company believes that market expectations for FY24 adjusted operating profit from continuing operations was £8m and net debt of £53m.

[2] Contracted order book represents secured revenue, supported by a contract, that is yet to be recognised as revenue in the financial statements. We introduced this metric for our Assessment division to provide greater visibility of the increasing trend towards securing longer-term strategic contractual revenue.

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