

# Interim Results 2016/17

Pedro Ros, Chief Executive Officer  
Tony Foye, Chief Financial Officer

London, 23 February 2017

**Overview**

Pedro Ros

**Financial highlights**

Tony Foye

**Operational review**

Tony Foye

**Update on strategy**

Pedro Ros

**Q&A**

Pedro Ros

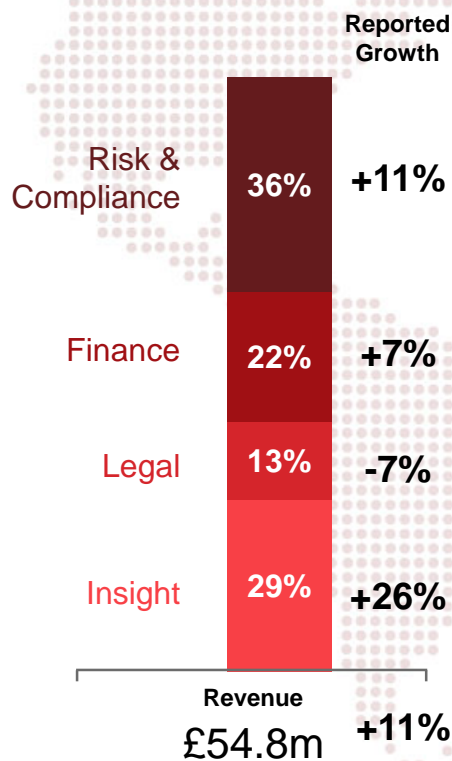
Tony Foye

# Overview

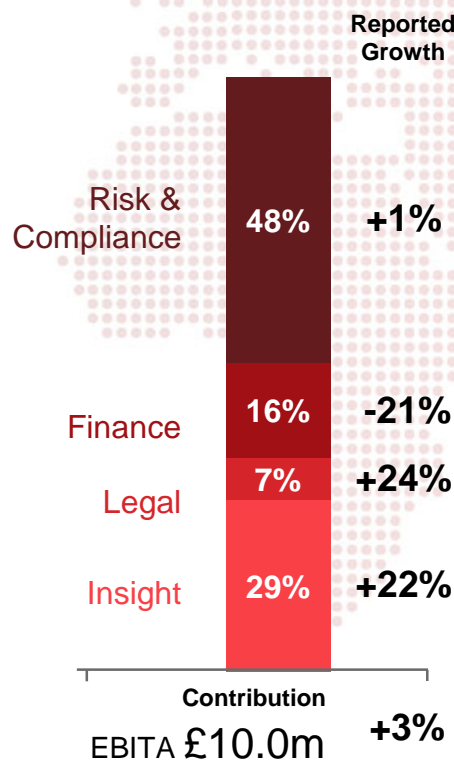
Pedro Ros

- 1 Revenue up +11%, +6% constant currency (-2% organic)**  
Adj EBITA margin down at 18.3%, Adj PBT +2%, Dividends +3%
- 2 Continued growth in R&C (+11%),** driven by Compliance (+13% organic),  
**Finance (+7%) and Insight (+26%).** UK Healthcare drives growth within  
Insight (+15% organic)
- 3 Growing international ambition**  
Revenue outside UK now 43% (2015: 42%)
- 4 Consistent high levels of subscription and repeatable  
revenue 78% (2015: 76%)**
- 5 Acquisitions accelerating growth: performing strongly**
- 6 Sixth Gear announced to accelerate integration and drive  
next stage of strategy**

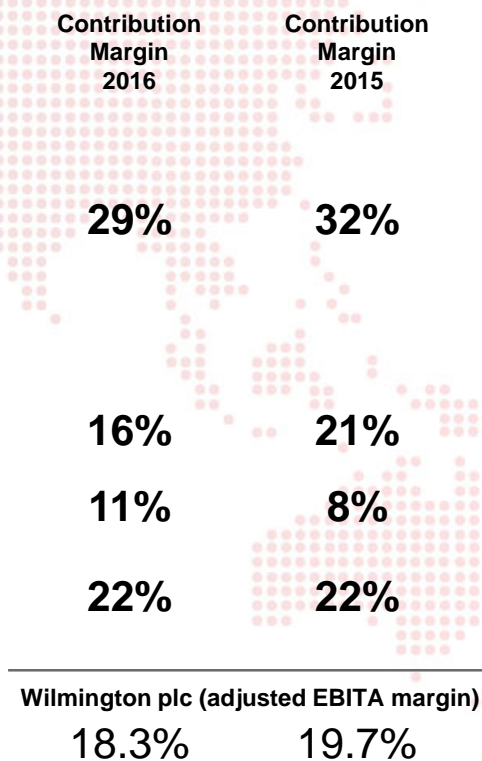
### Revenue up (% of Group Revenue)



### Profits up (% of Group Contribution)



### Overall margins



# Financial highlights

Tony Foye

Adjusted EBITA  
**£10.0m**

(2015:  
 £9.7m)

**3%**

Adjusted EBITA margin  
**18.3%**

(2015:  
 19.7%)

**140bps**

Adjusted PBT  
**£9.1m**

(2015:  
 £8.9m)

**2%**

Deferred revenue  
**£24.2m**

(2015:  
 £21.3m)

**13%**

Adjusted EPS  
**8.10p**

(2015:  
 7.93p)

**2%**

Dividend per share  
**3.9p**

(2015:  
 3.8p)

**3%**

Compared to interim results six months to 31 December 2015

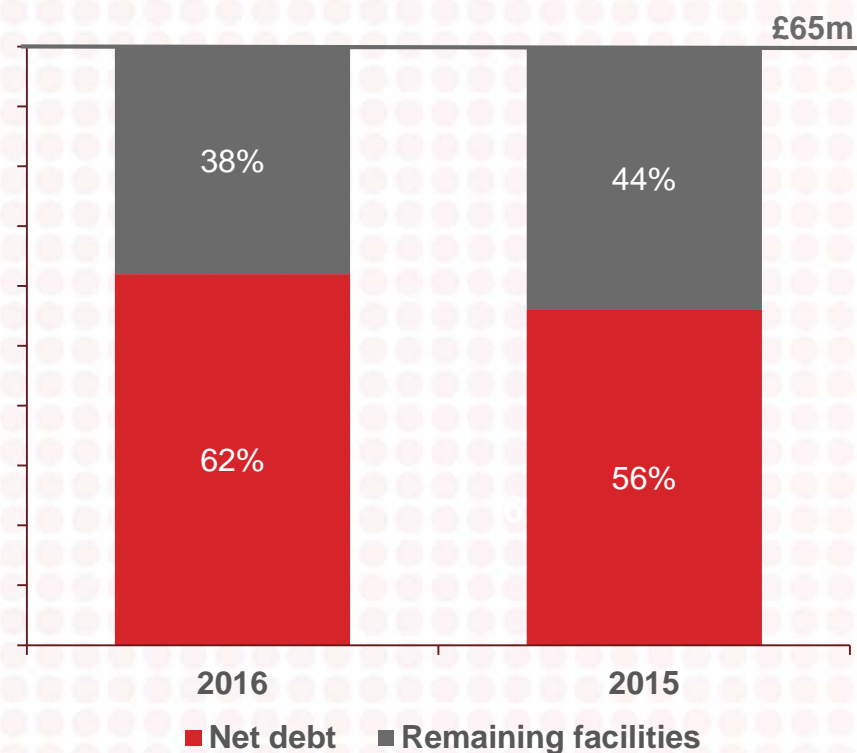
	6 months 2016	6 months 2015	Variance		12 months 2015/16
	£m	£m	£m	%	£m
<b>Revenue</b>	<b>54.8</b>	<b>49.4</b>	<b>5.4</b>	<b>+11</b>	<b>105.7</b>
Adjusted EBITA	10.0	9.7	0.3	+3	22.6
<i>EBITA Margin %</i>	<i>18.3</i>	<i>19.7</i>			<i>21.4</i>
Interest/facility fees	(0.9)	(0.8)	(0.1)	-	(1.7)
<b>Adjusted profit before tax</b>	<b>9.1</b>	<b>8.9</b>	<b>0.2</b>	<b>+2</b>	<b>20.9</b>
Adjusting items	(0.9)	(1.1)	0.2		(2.6)
Share based payments	(0.3)	(0.3)	-		(0.6)
Amortisation	(2.9)	(3.0)	0.1		(5.5)
<b>Profit before tax &amp; impairment</b>	<b>5.0</b>	<b>4.5</b>	<b>0.5</b>		<b>12.2</b>
Impairment	-	-	-		(15.7)
Taxation	(1.1)	(1.0)	(0.1)		(2.8)
<b>Profit/(loss) after tax</b>	<b>3.9</b>	<b>3.5</b>	<b>0.4</b>		<b>(6.3)</b>
<b>Underlying tax rate</b>	<b>22.6%</b>	<b>23.0%</b>			<b>22.4%</b>
<b>Adjusted basic EPS</b>	<b>8.10p</b>	<b>7.93p</b>		+2	<b>18.69p</b>
<b>Dividend per share</b>	<b>3.90p</b>	<b>3.80p</b>		+3	<b>8.10p</b>



	6 months 2016	6 months 2015	Variance	12 months 2015/16
	£m	£m	£m	£m
<b>Cash conversion %</b>	<b>79%</b>	<b>85%</b>		<b>106%</b>
Adjusted EBITDA	11.0	10.7	0.3	24.6
Movement in working capital	(3.0)	(2.5)	(0.5)	(0.7)
<b>Cash inflow from operations</b>	<b>8.0</b>	<b>8.2</b>	<b>(0.2)</b>	<b>23.9</b>
Interest paid	(0.9)	(0.7)	(0.2)	(1.5)
Tax paid	(2.0)	(1.4)	(0.6)	(3.2)
Net capital expenditure	(1.4)	(0.8)	(0.7)	(1.5)
<b>Free cash flow before dividends</b>	<b>3.7</b>	<b>5.3</b>	<b>(1.7)</b>	<b>17.7</b>
Equity dividends	(3.9)	(3.5)	(0.4)	(6.8)
Acquisition spend	(2.1)	(8.5)	6.4	(13.9)
Deferred consideration/non-controlling interests	(1.3)	(0.3)	(1.0)	(0.7)
Disposal of business/fixed assets	-	0.3	(0.3)	0.3
Adjusting items (including refinance fees)	(1.2)	(0.8)	(0.4)	(1.4)
Share based payments	(0.1)	(0.2)	0.1	(0.2)
<b>Change in net debt during the year</b>	<b>(4.9)</b>	<b>(7.7)</b>	<b>2.8</b>	<b>(5.0)</b>
Brought forward net debt	(34.7)	(28.6)	(6.1)	(28.6)
FX	(1.0)	(0.3)	(0.7)	(1.1)
Carried forward net debt	(40.6)	(36.6)	(4.0)	(34.7)

	2016 £m	2015 £m
Goodwill/Intangibles	103.6	108.1
Property, plant & equipment	4.9	4.7
Net debt	(40.6)	(36.6)
Working capital	9.1	5.1
Tax liabilities	(0.8)	(0.7)
Financial instruments	(2.2)	(0.7)
Deferred consideration	(2.4)	(0.8)
Provisions for future purchase of non-controlling interests	(0.1)	(0.1)
Capitalised bank fees	0.4	0.5
Deferred revenue	(24.2)	(21.3)
Deferred tax	(3.5)	(2.8)
<b>Net assets</b>	<b>44.2</b>	<b>55.4</b>

Debt profile

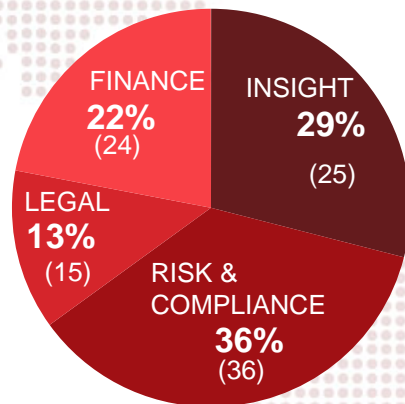


# Operational review

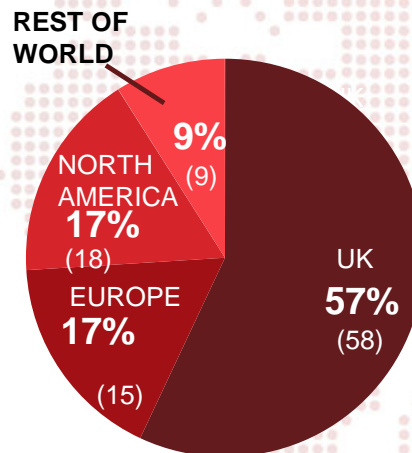
Tony Foye

# Turning knowledge to advantage

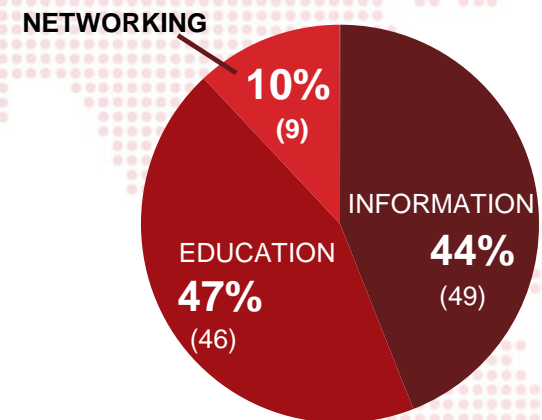
REVENUE BY AREAS OF KNOWLEDGE



REVENUE BY REGIONS



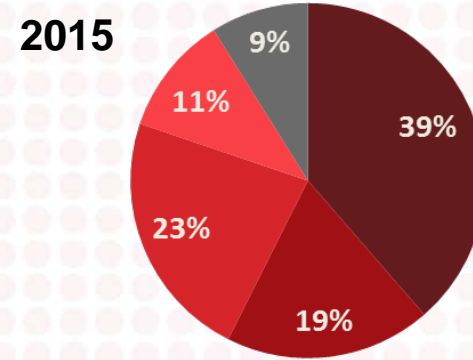
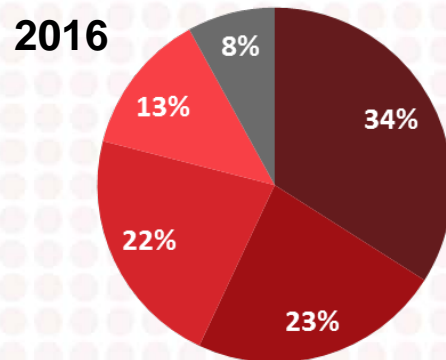
REVENUE BY TYPE



( ) 2015 figures



Revenue by region



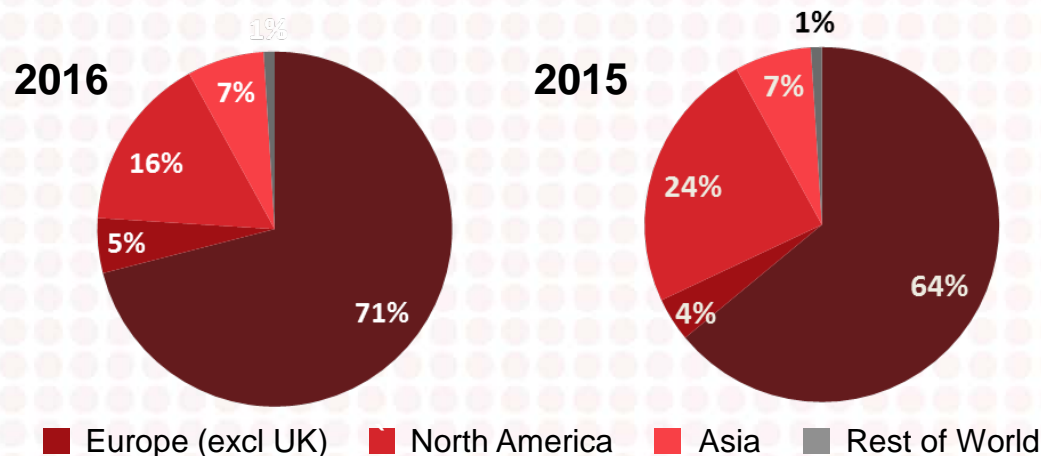
■ UK ■ Europe (excl UK) ■ North America ■ Asia ■ Rest of World

6 months to	2016 £m	2015 £m	Change £m	Change %	CC %
Revenue	19.5	17.6	1.9	+11%	+6%
Contribution	5.6	5.6	-	-	
Margin %	29%	32%			

- Revenue driven by demand from compliance training (+13% organic)
- Margin drop reflects planned US compliance investment
- Solid growth from Axco (+6%) (+4% organic)
- Weak performance from Compliance Week (flagship annual conference on plan)



Revenue by region

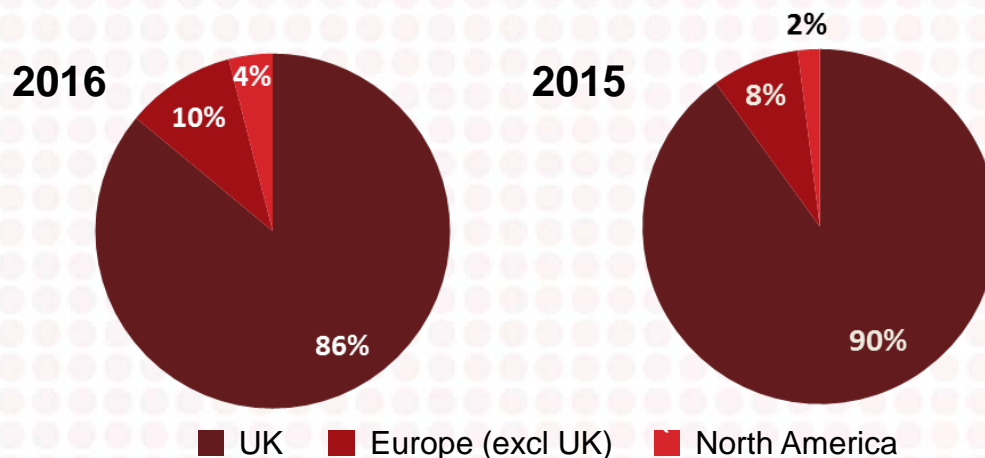


6 months to	2016 £m	2015 £m	Change £m	Change %	CC %
Revenue	12.4	11.6	0.8	+7%	+2%
Contribution	1.9	2.4	-0.5	-21%	
Margin %	16%	21%			

- AMT down reflecting 2015/16 issues and Asia Pacific (£1.1m)
- Technical accountancy training in 2015 had extra UK fiscal budget
- Good maiden revenue contribution from SWAT (£2.2m) integration going well



Revenue by region

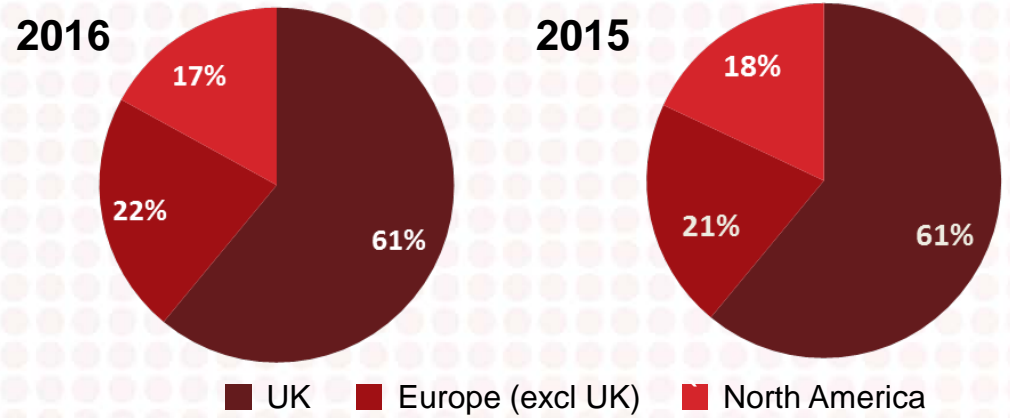


6 months to	2016 £m	2015 £m	Change £m	Change %	CC %
Revenue	7.1	7.6	-0.5	-7%	-9%
Contribution	0.8	0.6	0.2	+24%	
Margin %	11%	8%			

- Law for lawyers structural market challenges; contribution up after reorganisation
- Exit from legal practice support markets and repositioning CLT training model
- Law for non-lawyers: revenue down compared to strong 2015 comparator period



Revenue by region



6 months to	2016 £m	2015 £m	Change £m	Change %	CC %
Revenue	15.8	12.5	3.2	+26%	19%
Contribution	3.4	2.8	0.6	+22%	
Margin %	22%	22%			

- Healthcare now 73% of revenue; UK organic +15%
- Acquisitions contributed £1.7m, performing strongly
- FRA deferred income up 15%



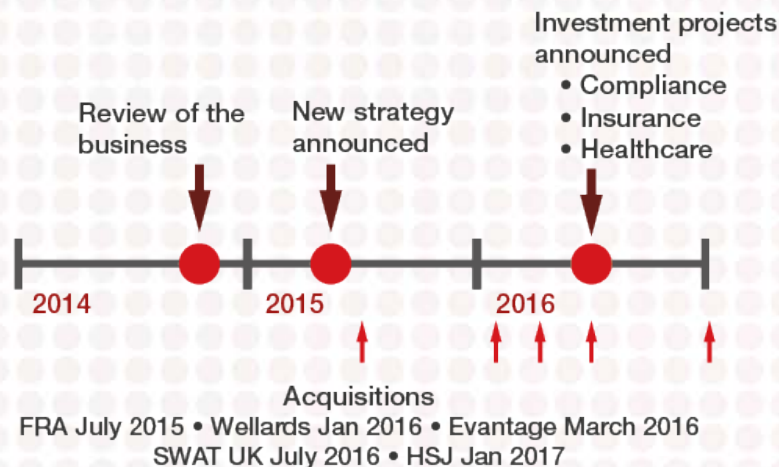
- Acquisition of Health Service Journal, the UK's leading Healthcare information and networking business
  - Highly complementary to Wilmington Healthcare business, significantly enhancing presence across the UK healthcare market
  - HSJ is a highly trusted brand, providing unparalleled penetration into NHS and healthcare industry customer segments
  - Growing digital subscription information products and networking events & awards (around 70%repeatable revenue)
- Cash consideration of £19m (gross)\*
  - Multiple of 6.8x 2016 EBITDA
  - EPS enhancing in first full financial year
  - Funded from extended bank facility (£85m)

*\*£2m cash with business*

# Update on Strategy

Pedro Ros

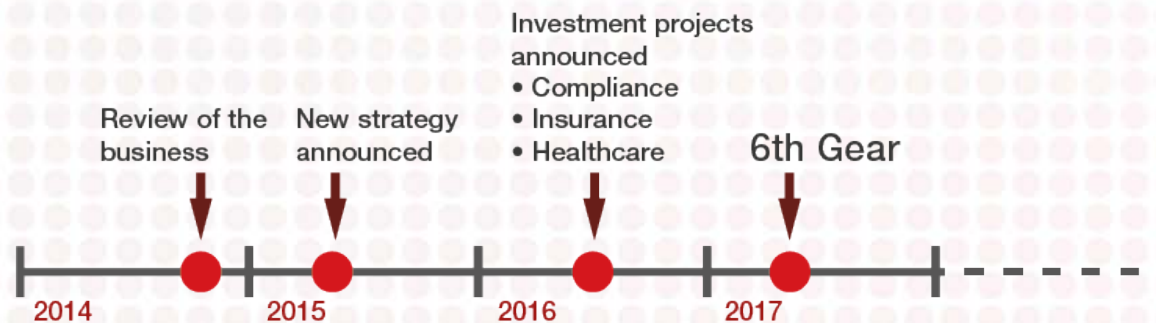
Since 2014 we have been focused on implementing our new strategy



	Information	Education	Networking
Risk & Compliance	✓	✓	✓
Finance	✓	✓	✓
Legal	✓	✓	✓
Insight	✓	✓	✓

- ✓ New model based on Information, Education and Networking
- ✓ New talent in key positions
- ✓ Five targeted acquisitions in key areas to maximise the model
- ✓ Strategic systems implementation (Salesforce and eLearning)
- ✓ Organic investment on strategic projects

Today, we announce **6th Gear**, an acceleration project and a key part of our vision for the next three years



**6th Gear** will drive Wilmington's transition to the next phase of strategy by:

**1) More focused structure**

**2) Maximising client relationships**

**3) Accelerating integration**

- Migration to a structure comprising three divisions:
  - **Risk & Compliance**
  - **Professional**
  - **Healthcare**
- Exit from legal practice support markets
- Rebrand Insight into Healthcare



Better balance business \*

\* Pro forma revenue split based on result to 30 June 2016 adjusted to include HSJ revenue

- Wilmington enjoys exceptional relationships with blue-chip clients across different parts of the company.

## Opportunity

- We recognise the strategic potential of cross-divisional collaboration; exploiting these opportunities requires exceptional client focus and a consistent approach from all our businesses

## Key account programme (KAP)

- All Wilmington companies are reinforcing account-management capabilities, prioritising the development of strategic corporate partnerships and implementing a common CRM to highlight cross-market potential
- A KAP has been launched across Wilmington involving our top 20 clients
- Initial successes in integrated Healthcare assignments



- Exploit opportunities arising from the new structure and the increased commonality in shared services

### **Identify projects delivering efficiency benefits**

- Improved workplace effectiveness by consolidating office space and introducing enterprise-wide It systems
- Establish joint procurement team
- Integrate central functions
- Expand best-practice marketing initiatives
- Continue Salesforce implementation
- Develop more outsource partnerships

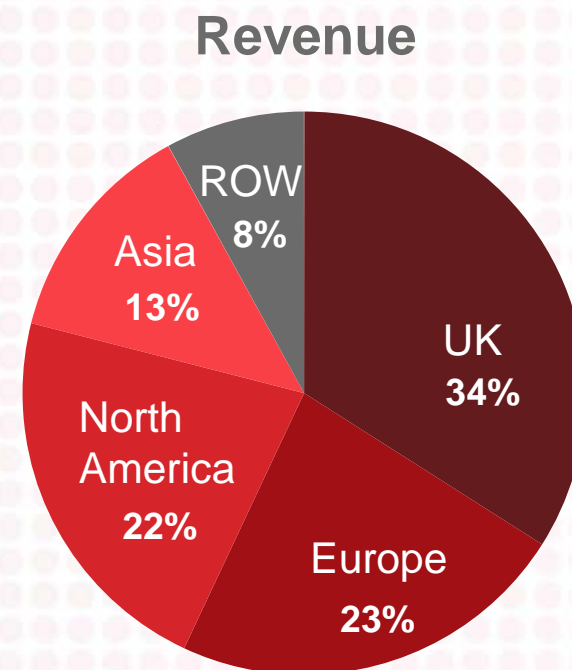
**Provider of accredited education, information and market intelligence on regulatory and compliance matters to compliance officers and risk managers globally**

**Driven by:**

- Growing regulatory and compliance needs
- New topics, new territories and new industries
- Fragmented market

**Our Focus:**

- Proprietary knowledge in compliance and insurance
- ICA (International Compliance Association)
- Launch compliance services in the US market and global insurance data services



6 months ended 31 Dec 2016



### Leading learning services for the growing compliance sector



**103,000**  
ACCREDITED AWARDS  
SINCE 2003



Accredited awards  
IN ASSOCIATION WITH  
University of Manchester

Students in  
**150+**  
COUNTRIES



New compliance  
certifications for firms  
(ICA COMPASS)



**MANCHESTER**  
1824

The University of Manchester  
Alliance Manchester Business School



Join us at our New York Open Day  
The best way to find out more about ICA certifications  
and how they can benefit your career  
March 9th, New York City

### Global insights for the international insurance industry



Market  
knowledge  
& regulatory  
information



Clients in  
**170**  
COUNTRIES



PROVISION OF  
INSURANCE,  
INFORMATION  
& INTELLIGENCE  
RELATING TO

**190+**  
COUNTRIES

In-depth research data  
provided to key markets



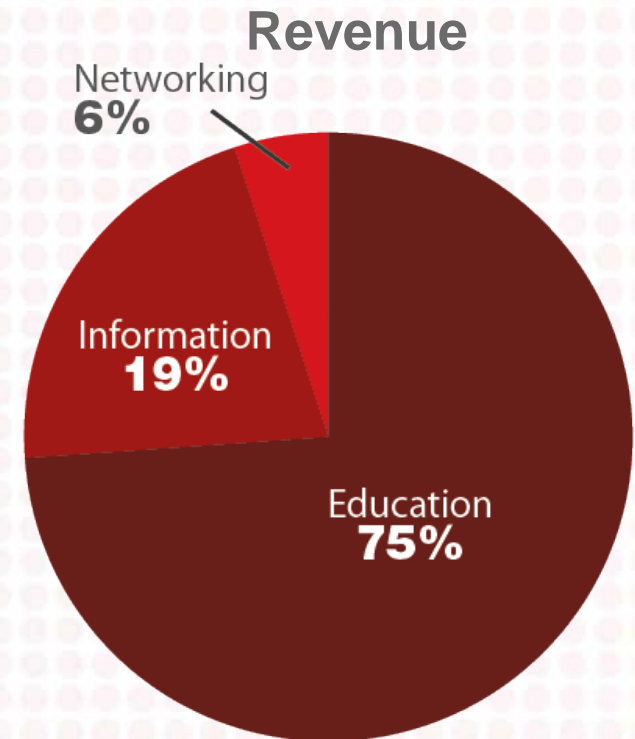
## Provider of in-depth education, information and networking in financial and related professional services

### Driven by:

- Changing financial standards and regulation
- Increasing demand for digital education solutions

### Our Focus:

- Strong brands, leading content, exceptional delivery and long term client relationships
- Common technology and platform
- Transforming customer experience
- Expanding access to international markets



6 months ended 31 Dec 2016

Established brands launching new digital learning channels



**50,000**  
PEOPLE  
trained in 2016



BUDGET REPORTS  
& TAX CARDS  
**DELIVERED**  
**680,000**



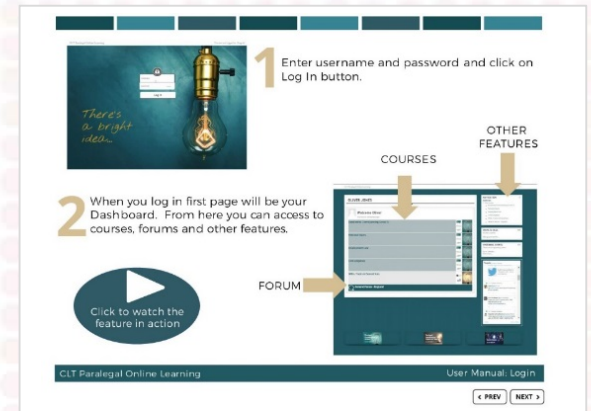
**20,000** business professionals  
and professional  
organisations as clients

**500**  
TRAINERS  
(FACULTY)



**76**  
conferences  
PER YEAR

OVER **2,000**  
online classrooms


**6,000** MEMBERSHIP SCHEME  
PARTICIPANTS &  
CORPORATES



## Provider of information, insight, education and networking for pharmaceutical and wider healthcare sectors

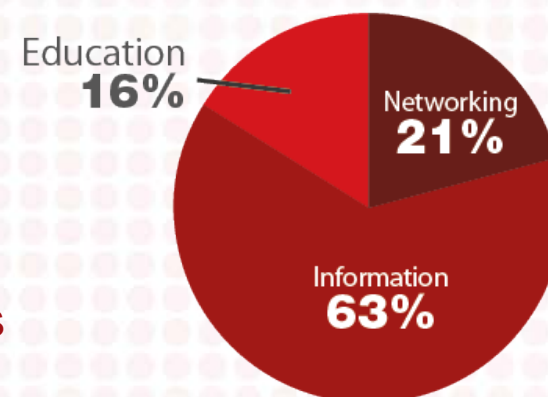
### Driven by:

- The rising cost of healthcare, driven by changes in demographics, lifestyle and increased regulation
- Demand for analytics to plan and deliver smarter, more cost-effective care and better patient outcomes
- Expanding global healthcare market

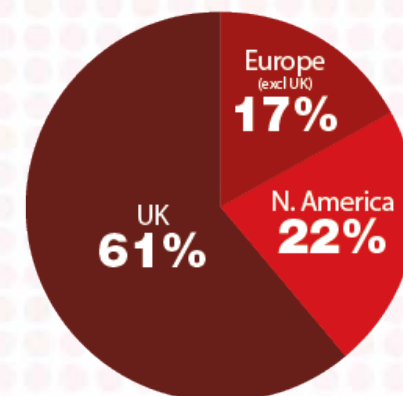
### Our Focus:

- Applying superior insight for clients business intelligence needs
- Access to bigger, global budgets
- Strategic acquisitions - HSJ

### 2016 Revenue by type













### Revenue by Geography



6 months ended 31 Dec 2016

UK is a model for our international expansion

Wilmington Healthcare's Unique Value Proposition		UK	European expansion (France)	US
Information	Insight, comment & analysis			
	Data & Analytics	  		
Education				
Networking		 		

WHC delivers superior Insight, Education and Networking solutions to Healthcare industry professionals

Superior local intelligence model is replicable in different markets and drives strategic development activities

Connecting healthcare and pharma industries through insight, networking and digital learning

Manage & analyse **1.6bn** rows of healthcare data & **470,000** customer records serving UK pharma



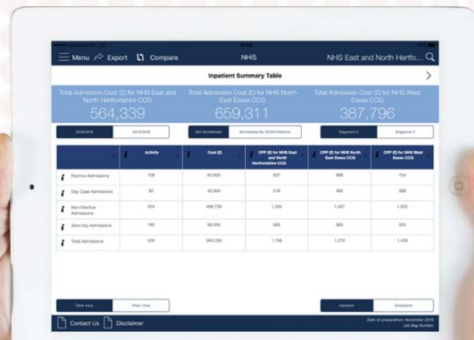
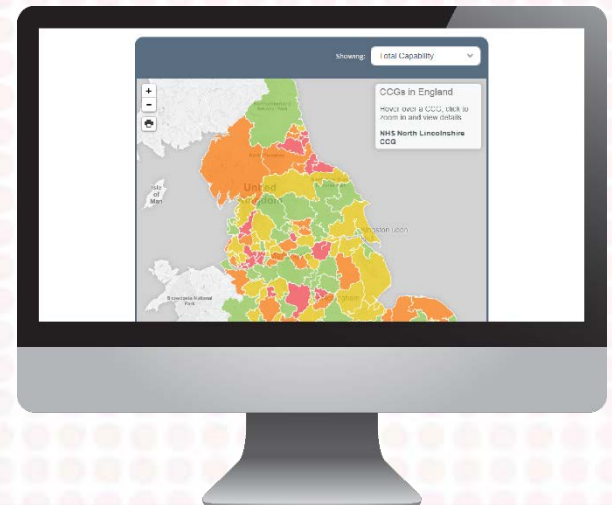
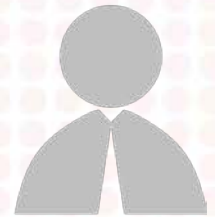
**48,000** online exams in the last year

**60** NETWORKING EVENTS PER ANNUM

serving United States healthcare community



Highly knowledgeable & authoritative voice in NHS and Healthcare related issues



Unparalleled information from



OVER **500** NHS organisations

improves customer engagement for over **700** clients



- 1) Strong organic performance from key growth areas (Compliance/Insurance/HC)
- 2) Mixed start although second half expected to be more profitable
- 3) Positive performance from recent acquisitions
- 4) Focus on project 6<sup>th</sup> Gear to drive long term growth and scale
- 5) Dividend increase reflecting confidence in the future



# Q&A

Pedro Ros and Tony Foye

Wilmington plc



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**Thank you.**

Wilmington plc