

# Preliminary Results 2015

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

London, 15 September 2015

Wilmington plc

**Overview**

Pedro Ros

**Financial highlights**

Tony Foye

**Operational review**

Pedro Ros

**Q & A**

Pedro Ros/  
Tony Foye



# Overview

# 1 Organic revenue growth +6%

Adj PBT +11%, Adj EBITA margin +70bps, Dividends +5.5%

# 2 Strong growth for Risk & Compliance (+13%) and Finance (+10%)

# 3 Structural change in legal market

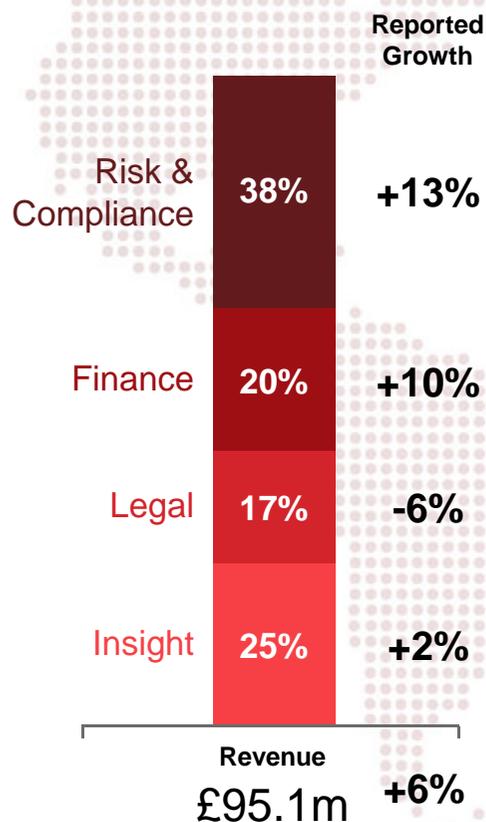
Focus on integration

# 4 Growing international ambition

Revenue outside UK now 39% (2014: 37%)

# 5 Delivering on the strategic objectives

**Revenue up**  
(% of Group Revenue)



**Profits up**  
(% of Group Contribution)



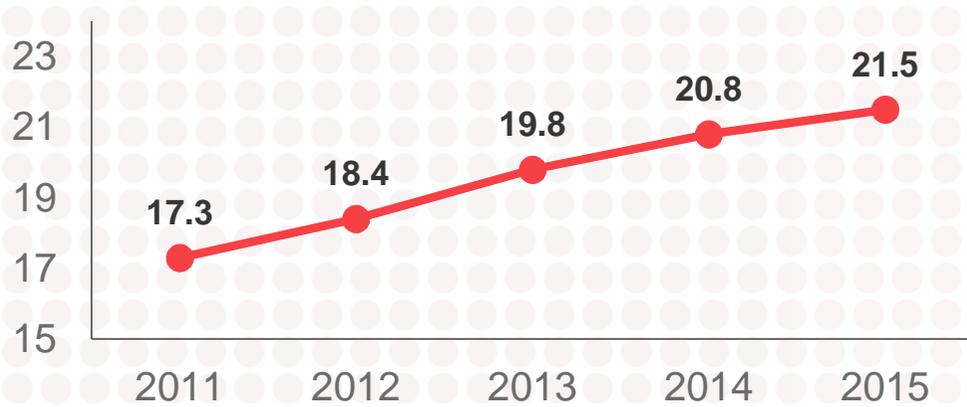
**Overall margins up**

	Contribution Margin 2015	Contribution Margin 2014
Risk & Compliance	33%	33%
Finance	23%	22%
Legal	14%	13%
Insight	23%	23%
<b>Wilmington plc (adjusted EBITA margin)</b>	<b>21.5%</b>	<b>20.8%</b>

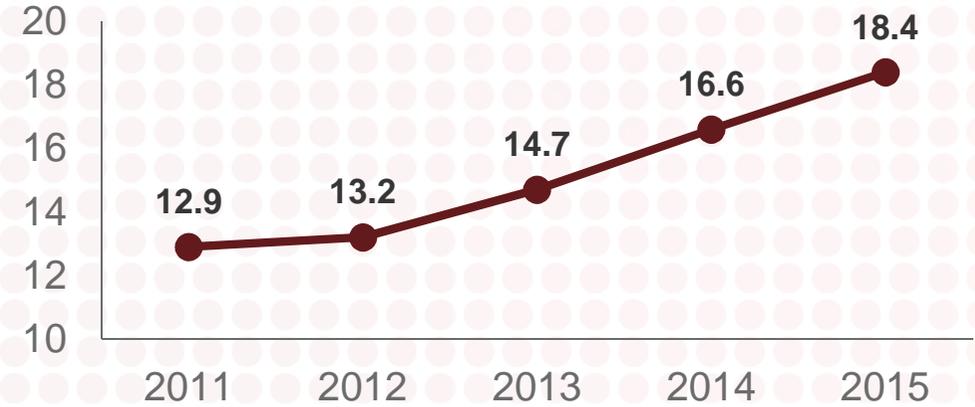
# Financial highlights

Tony Foye

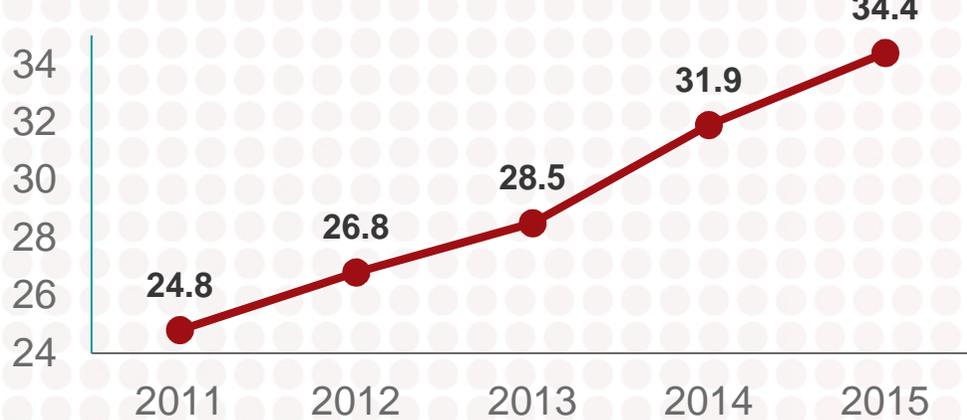
Adjusted EBITA margin (%)



Adjusted PBT (£'m)



Return on equity (%)



Net debt / EBITDA



Adjusted EBITA  
£20.4m

(2014:  
£18.7m)

9%

Adjusted EBITA margin  
21.5%

(2014:  
20.8%)

70bp

Adjusted PBT  
£18.4m

(2014:  
£16.6m)

11%

Deferred revenue  
£19.6m\*

(2014:  
£19.6m)

-

Adjusted EPS  
16.42p

(2014:  
14.79p)

11%

Dividend per share  
7.7p

(2014:  
7.3p)

5.5%

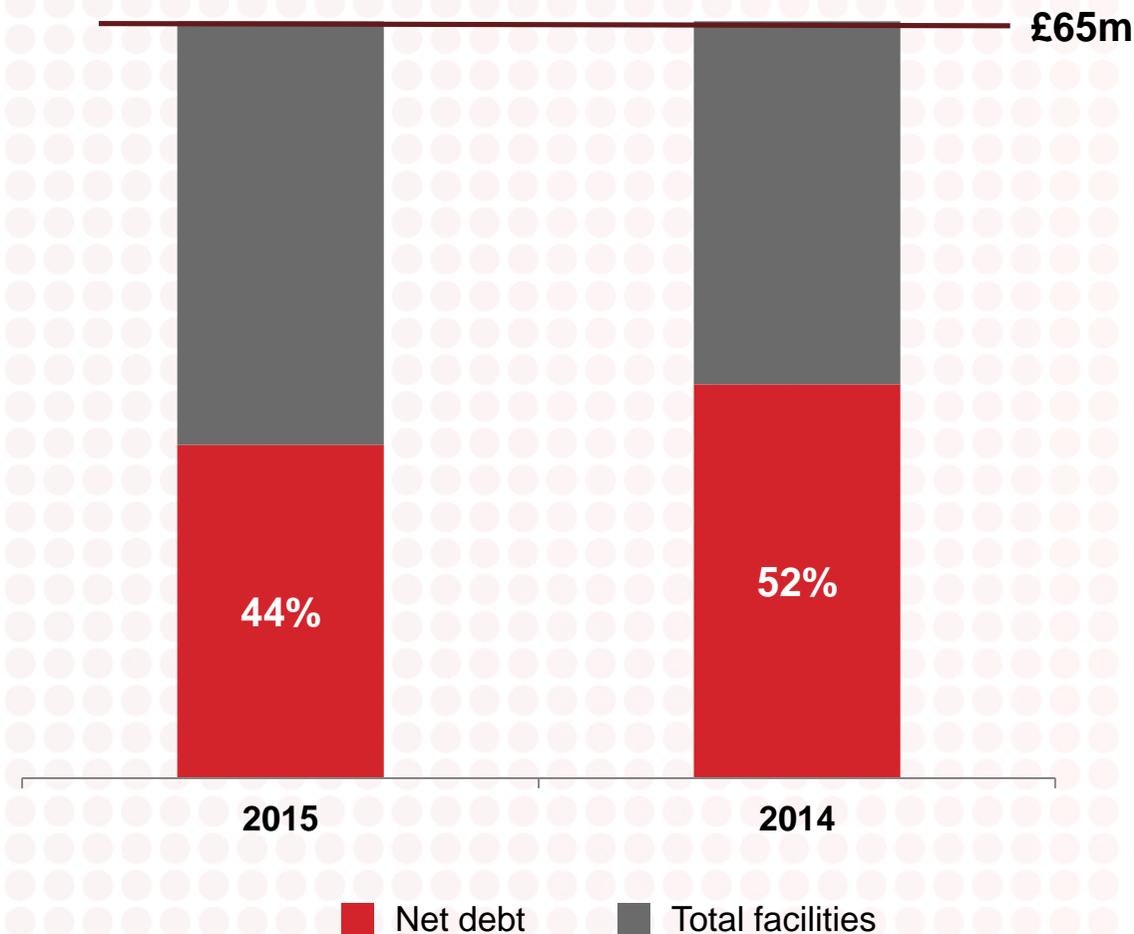
\* Includes £0.4m of deferred revenue from Media assets reclassified as disposal

	12 months 2015	12 months 2014	variance	
	£m	£m	£m	%
<b>Revenue</b>	<b>95.1</b>	<b>90.0</b>	<b>5.1</b>	<b>+6</b>
Adjusted EBITA	20.4	18.7	1.7	+9
<i>EBITA Margin %</i>	<i>21.5</i>	<i>20.8</i>		
Finance costs	(2.0)	(2.1)	0.1	-6
<b>Adjusted profit before tax</b>	<b>18.4</b>	<b>16.6</b>	<b>1.8</b>	<b>+11</b>
Adjusting items	(1.1)	(0.8)	(0.3)	
Share based payments	(0.9)	(0.9)	-	
Amortisation	(6.1)	(6.3)	0.2	
<b>Profit before tax</b>	<b>10.3</b>	<b>8.6</b>	<b>1.7</b>	<b>+20</b>
Taxation	(2.4)	(2.0)	(0.4)	
<b>Profit after tax</b>	<b>7.9</b>	<b>6.6</b>	<b>1.3</b>	<b>+20</b>
<b>Underlying tax rate</b>	<b>23.0%</b>	<b>24.0%</b>		
<b>Adjusted basic EPS</b>	<b>16.42p</b>	<b>14.79p</b>		<b>+11</b>
<b>Dividend per share (total)</b>	<b>7.70p</b>	<b>7.30p</b>		<b>+5</b>

	12 months 2014/15	12 months 2013/14	Variance
	£m	£m	£m
<b>Cash conversion %</b>	<b>107%</b>	<b>108%</b>	
Adjusted EBITDA	22.3	20.6	1.7
Movement in working capital	(0.4)	(0.4)	-
<b>Cash inflow from operations</b>	<b>21.9</b>	<b>20.2</b>	<b>1.7</b>
Interest paid	(1.9)	(1.9)	-
Tax paid	(3.7)	(3.3)	(0.4)
Net capital expenditure	(2.6)	(1.8)	(0.8)
<b>Free cash flow before dividends</b>	<b>13.7</b>	<b>13.2</b>	<b>0.5</b>
Equity dividends	(6.4)	(6.1)	(0.3)
Acquisition spend	(0.2)	(7.4)	(7.2)
Deferred consideration	(0.3)	(0.2)	(0.1)
Disposal of fixed assets	0.1	0.7	(0.6)
Adjusting items	(1.4)	(0.7)	(0.7)
Share-based payments	(0.2)	(0.4)	0.2
<b>Change in net debt during the year</b>	<b>5.3</b>	<b>(0.9)</b>	<b>(6.2)</b>
Brought forward net debt	(33.7)	(33.4)	(0.3)
FX	(0.2)	0.6	0.8
Carried forward net debt	(28.6)	(33.7)	(5.1)

	2015 £m	2014 £m
Goodwill/Intangibles	100.7	105.6
Property, plant & equipment	4.8	5.7
Net debt	(28.6)	(33.7)
Capitalised bank fees	0.1	0.4
Working capital	1.5	1.8
Tax liabilities	(0.8)	(1.3)
Financial instruments	(0.1)	(0.6)
Deferred consideration	(0.3)	(1.1)
Provisions for future purchase of minority interests	(0.1)	(0.1)
Assets for disposal	0.5	-
Deferred revenue	(19.2)	(19.6)
Deferred tax	(3.2)	(4.1)
<b>Net assets</b>	<b>55.2</b>	<b>52.6</b>

Debt profile



# Operational review

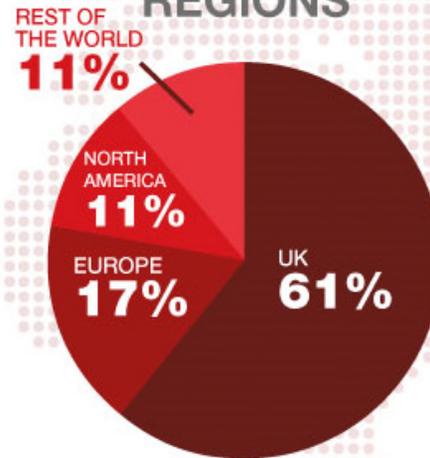


# Turning knowledge to advantage

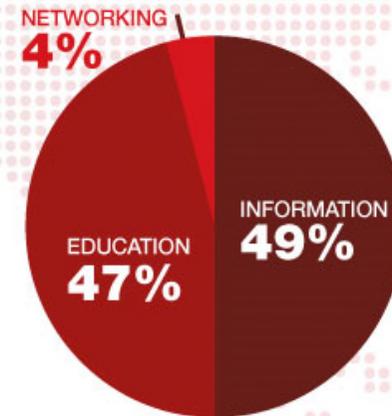
REVENUE BY AREAS OF KNOWLEDGE



REVENUE BY REGIONS



REVENUE\* BY TYPE

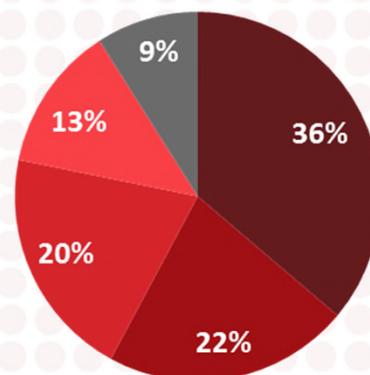


\*Estimated based on management information from the underlying accounting systems for the twelve months ended 30 June 2015

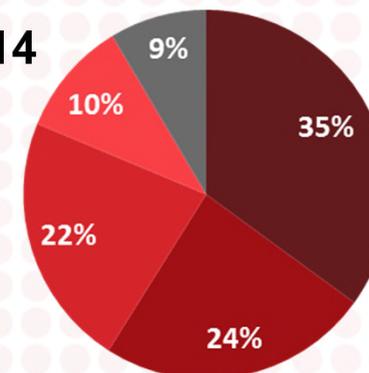
Revenue by region



2015



2014



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

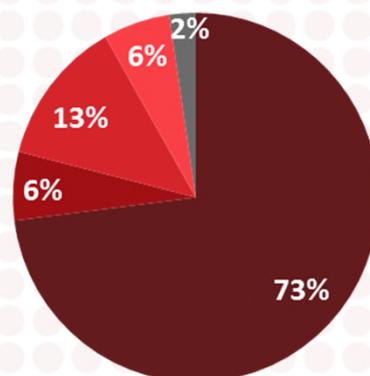
12 months to	2015 £m	2014 £m	Change £m	Change %
Revenue	36.4	32.4	4.1	13%
Contribution	11.9	10.7	1.2	11%
Margin %	33%	33%		

- High growth maintaining margins
- Compliance training demand drove top line
- Solid growth from Axco (+3% CC)

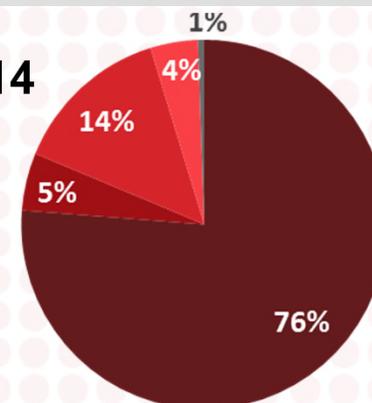
Revenue by region



2015



2014



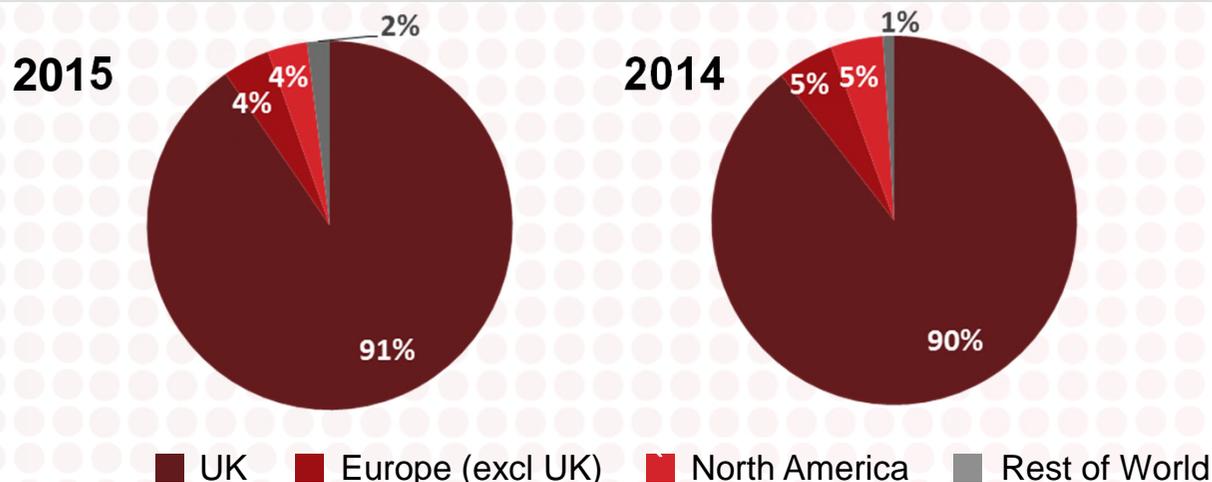
■ UK ■ Europe (excl UK) ■ North America ■ Asia ■ Rest of World

12 months to	2015	2014	Change	Change
	£m	£m	£m	%
Revenue	18.7	17.0	1.7	10%
Contribution	4.4	3.7	0.7	18%
Margin %	23%	22%		

- Strong revenue growth and margin improvement
- Graduate induction training model driving growth and customer engagement
- Accountancy training benefits from regulation changes



### Revenue by region

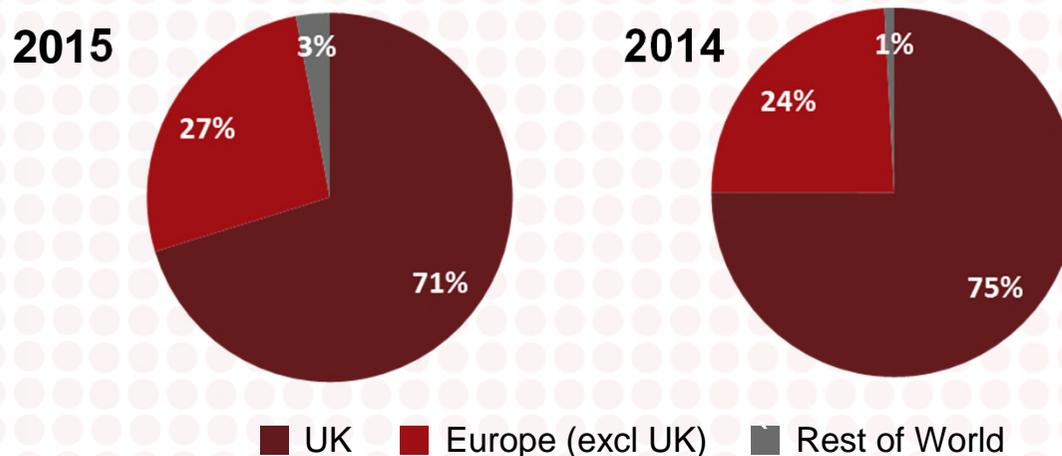


12 months to	2015 £m	2014 £m	Change £m	Change %
Revenue	16.3	17.4	(1.1)	(6%)
Contribution	2.2	2.3	(0.1)	(3%)
Margin %	14%	13%		

- Challenging conditions remain in the legal market
- Rationalisation and integration driving margin improvement
- Bond Solon showing continued growth (law for non-lawyers)



Revenue by region



12 months to	2015 £m	2014 £m	Change £m	Change %
Revenue	23.7	23.3	0.4	2%
Contribution	5.4	5.3	0.1	1%
Margin %	23%	23%		

- Solid organic growth (+4% CC)
- Focus on Healthcare area (good growth from NHIS)
- Stable performance in data suppression and charities

- 1 To accelerate growth through our knowledge-based model**
- 2 To build a truly international business**
- 3 To create a fully digital enterprise**

## To accelerate growth through our knowledge-based model

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

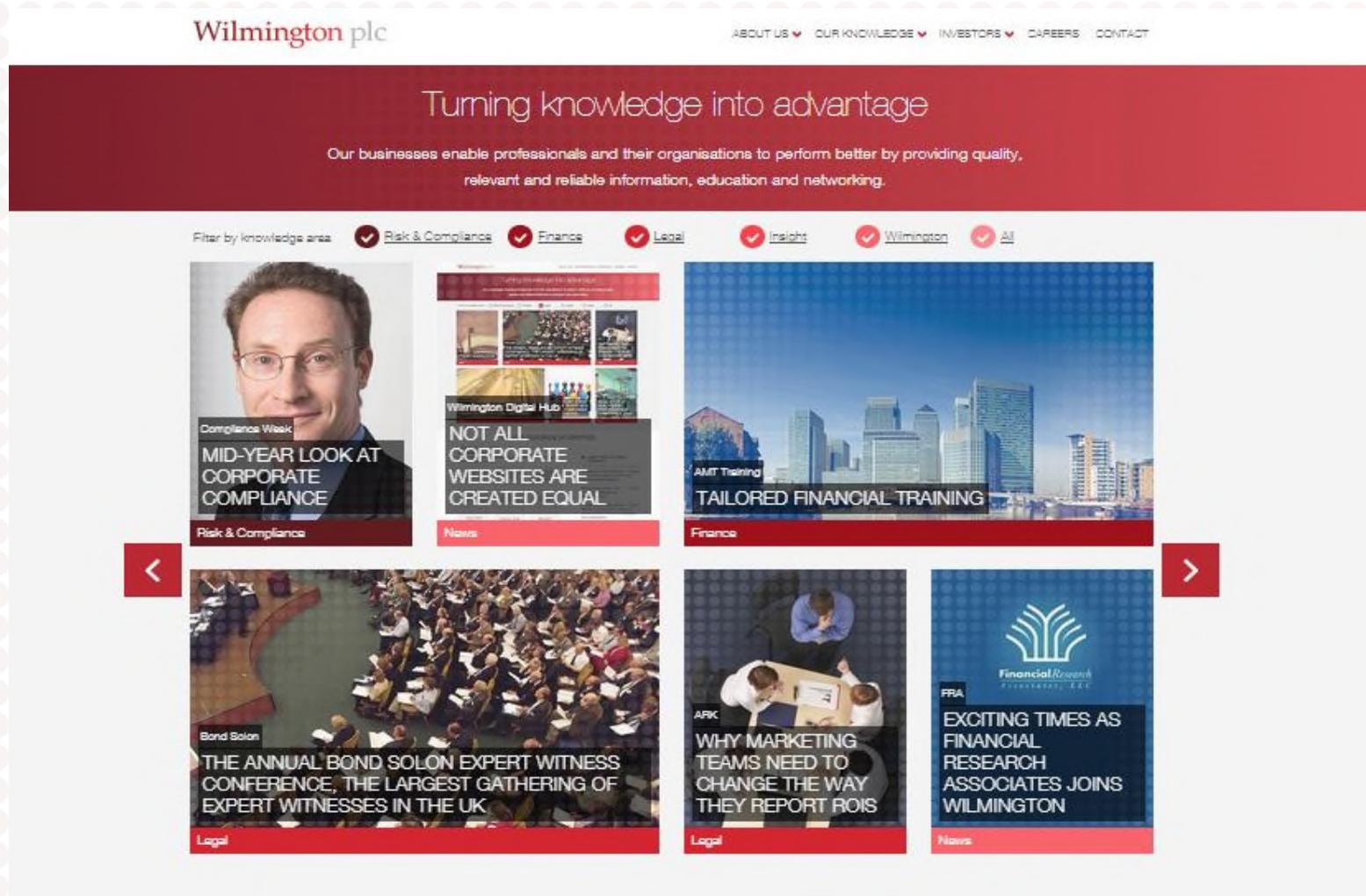
- Unlock the potential across our knowledge areas
- Create centres of excellence for Information, education and networking
- Focused acquisitions meeting our strategic criteria

# To build a truly international business



**Promote our culture and attract talent  
to support our international ambition**

# To create a fully digital enterprise



- 1 Trading in line with expectations, outlook remains on target**
- 2 Good start for FRA, expected to be earnings enhancing in the year**
- 3 Focus on exploiting Wilmington's full potential**

Q&A

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**Thank you.**

Wilmington plc