

Preliminary Results 2017

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Tony Foye, Chief Financial Officer

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Wilmington plc

Overview

Pedro Ros

Financial highlights

Tony Foye

Operational review

Pedro Ros

Update on strategy

Pedro Ros

Q & A

Pedro Ros/
Tony Foye



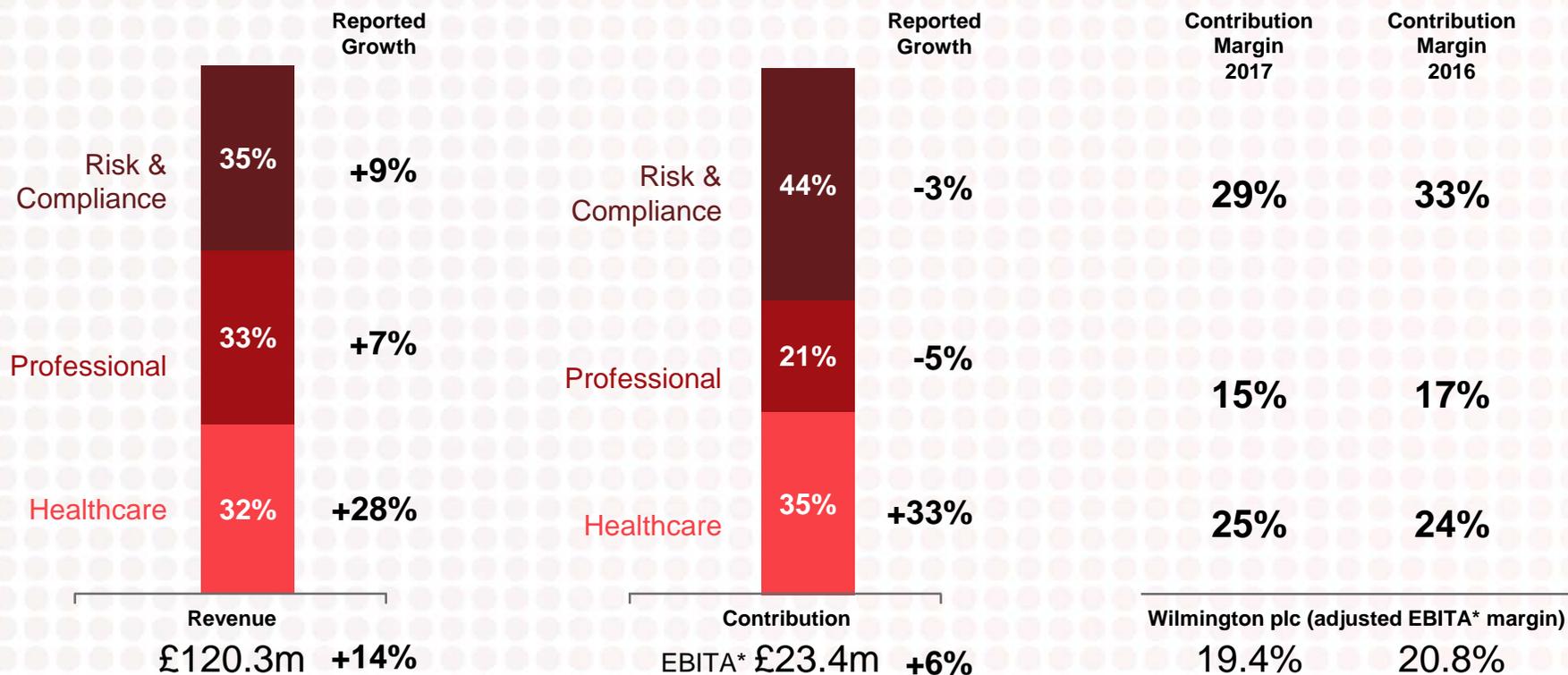
Overview

- 1 Revenue up +14% (+9% in cc / organic: -0.8%)**
Adj EBITA margin level at 19.4%, Adj PBT +5%, Dividends +5%
- 2 Continued organic cc growth in key areas**
Risk & Compliance (+4%) and Healthcare (+3%)
- 3 Growing international ambition**
Revenue outside UK now 43% (2016: 42%)
- 4 Consistent high levels of subscription and repeatable revenue 77% (2016: 75%)**
- 5 Acquisitions performing strongly**
Exiting legal practice support market

Revenue up
(% of Group Revenue)

Profits up
(% of Group Contribution)

Overall margins



* Adjusted for share-based payments £0.6m (2016: £0.6m)

Financial highlights

Tony Foye

Adjusted EBITA*

£23.4m

(2016:
£22.0m)

6%

Adjusted EBITA margin*

19.4%

(2016:
20.8%)

140bp

Adjusted PBT*

£21.4m

(2016:
£20.3m)

5%

Deferred revenue

£27.0m

(2016:
£22.3m)

21%

Adjusted EPS*

19.05p

(2016:
18.17p)

5%

Dividend per share

8.5p

(2016:
8.1p)

5%

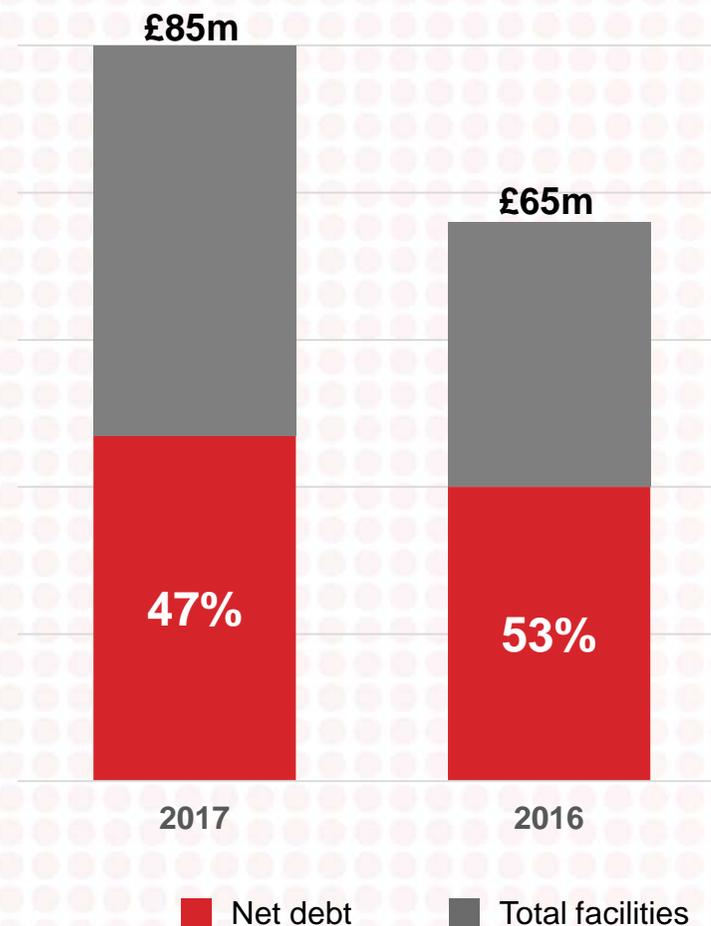
* Adjusted for share-based payments £0.6m (2016: £0.6m)

	12 months 2016/17	12 months 2015/16	Variance	
	£m	£m	£m	%
Revenue	120.3	105.7	14.6	+14
Adjusted EBITA	23.4	22.0	1.4	+6
<i>EBITA Margin %</i>	<i>19.4</i>	<i>20.8</i>		
Finance costs	(2.0)	(1.7)	(0.3)	+16
Adjusted profit before tax	21.4	20.3	1.1	+5
Adjusting items - Acquisitions	(1.6)	(1.7)	0.1	
- Property	(1.0)	-	(1.0)	
- Other	(0.8)	(0.9)	0.1	
Gains on disposal of leasehold	6.3	-	6.3	
Amortisation	(6.0)	(5.4)	(0.6)	
Profit before tax & impairment	18.3	12.3	6.0	+49
Impairment	(2.4)	(15.7)	13.3	
Profit / (Loss) before tax	15.9	(3.4)	19.3	
Taxation	(3.0)	(2.9)	(0.1)	+3
Profit / (Loss) after tax	12.9	(6.3)	19.2	
Underlying tax rate	22.4%	22.4%		
Adjusted basic EPS	19.05p	18.17p		+5
Dividend per share (total)	8.50p	8.10p		+5

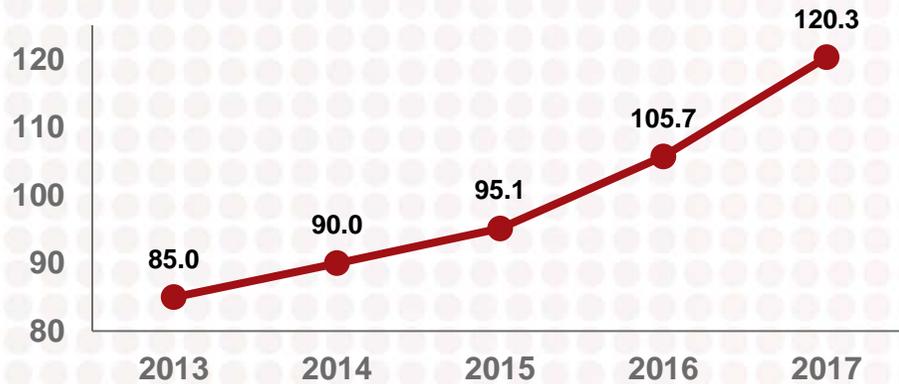
	12 months 2016/17	12 months 2015/16	Variance	
	£m	£m	£m	%
Cash conversion %	114%	108%		
Adjusted EBITDA	25.6	24.0	1.6	7
Share based payment expenses	0.6	0.6	-	
Movement in working capital	0.5	(0.7)	1.2	
Cash inflow from operations	26.6	23.9	2.8	12
Interest paid	(1.7)	(1.5)	(0.2)	
Tax paid	(3.9)	(3.2)	(0.7)	
Net capital expenditure	(2.9)	(1.5)	(1.4)	
Free cash flow before dividends	18.2	17.7	0.5	3
Equity dividends	(7.2)	(6.8)	(0.4)	
Cash on share based payments	(0.1)	(0.2)	0.1	
Acquisition spend	(19.0)	(13.9)	(5.0)	
Deferred consideration	(1.3)	(0.3)	(1.0)	
Disposal of leasehold property	7.3	-	7.3	
Adjusting and other items	(2.9)	(1.5)	(1.4)	
Change in net debt during the year	(5.0)	(5.0)	(0.1)	
Brought forward net debt	(34.7)	(28.6)	(6.1)	
FX	(0.3)	(1.1)	0.8	
Carried forward net debt	(40.0)	(34.7)	(5.3)	

	30 June	
	2017	2016
	£m	£m
Goodwill/Intangibles	117.9	99.8
Property, plant & equipment	4.4	4.6
Net debt	(40.0)	(34.7)
Capitalised bank fees	0.4	0.4
Working capital	3.3	4.5
Tax liabilities	(1.9)	(1.6)
Financial instruments	(0.7)	(2.0)
Deferred consideration	(2.5)	(2.6)
Provisions for future purchase of minority interests	(0.1)	(0.1)
Deferred revenue	(27.0)	(22.3)
Deferred tax	(3.8)	(3.0)
Net assets	50.0	43.0

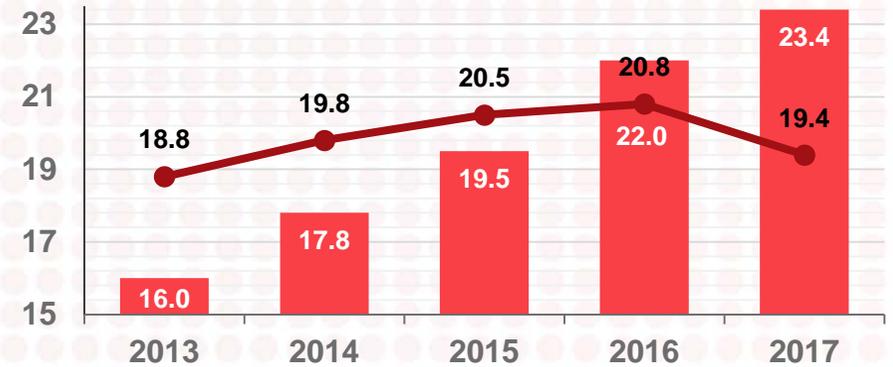
Debt profile



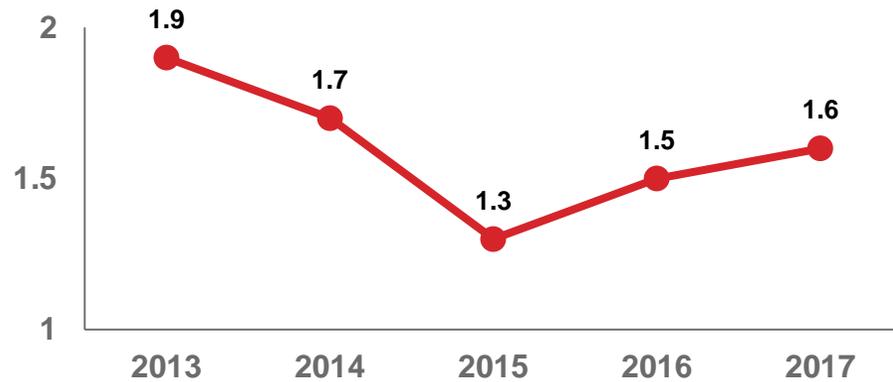
Revenue (£'m)



Adjusted EBITA (£'m) / Margin (%)



Net debt / EBITDA



Adjusted PBT (£'m)



Operational review

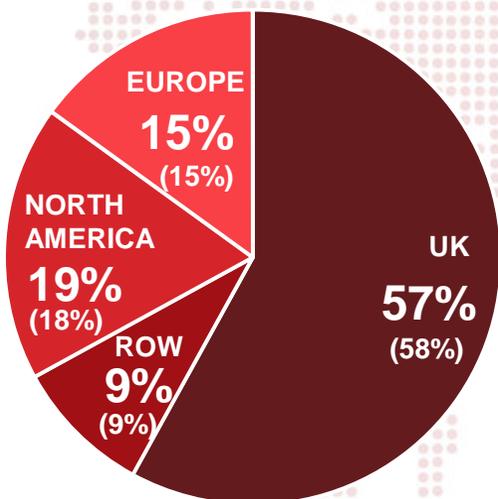


Turning knowledge to advantage

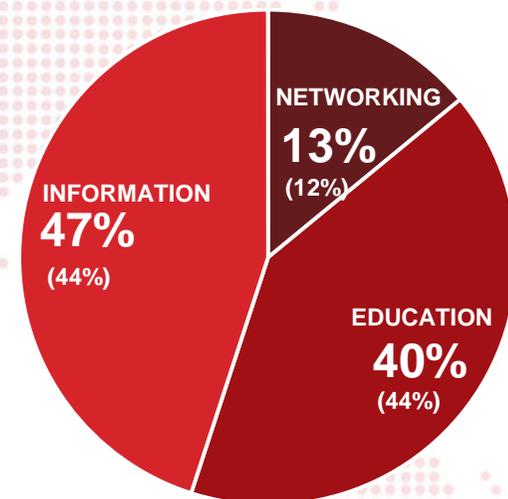
REVENUE BY AREAS OF KNOWLEDGE



REVENUE BY REGIONS



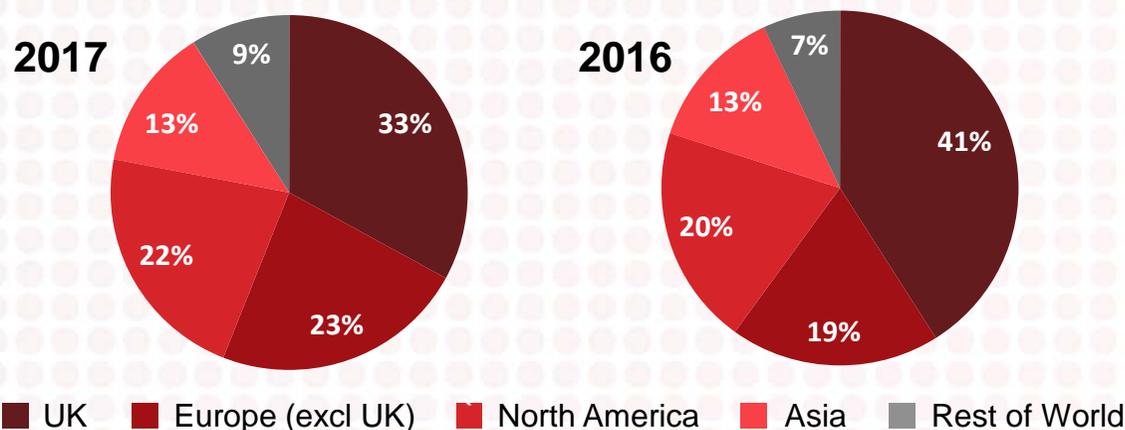
REVENUE BY TYPE



() 2016 figures



Revenue by region

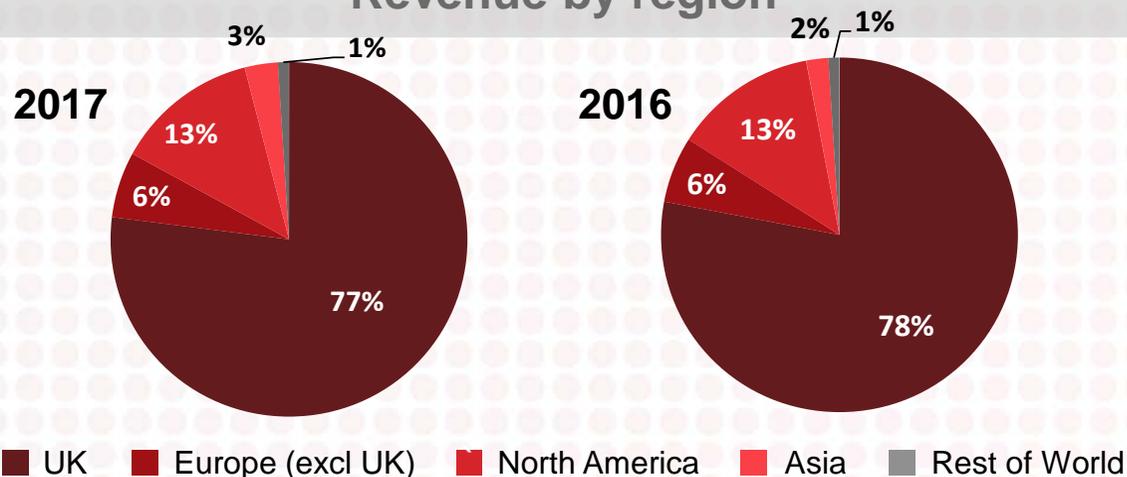


12 months to	2017	2016	Change	Change
	£m	£m	£m	%
Revenue	42.3	38.8	3.5	+9%
Contribution	12.3	12.7	(0.4)	-3%
Margin %	29%	33%		

- Revenue driven by demand for compliance training (+12%, 7% CC)
- Margin down reflects circ. £1m investment in Compliance
- Solid growth for Axco (+8%), 3% constant currency



Revenue by region



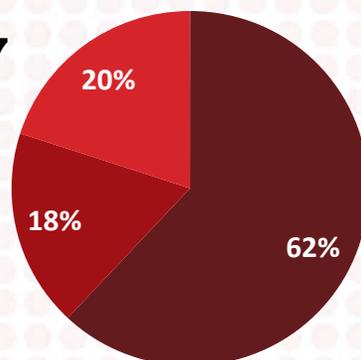
12 months to	2017	2016	Change	Change
	£m	£m	£m	%
Revenue	39.5	36.7	2.8	+7%
Contribution	5.9	6.2	(0.3)	-5%
Margin %	15%	17%		

- SWAT excellent maiden contribution (£4.7m to revenue)
- AMT impact of £1.2m off revenue – now stabilised
- Exiting Legal practice support market

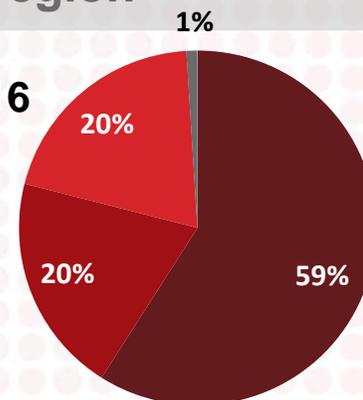


Revenue by region

2017



2016



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

12 months to	2017	2016	Change	Change
	£m	£m	£m	%
Revenue	38.6	30.2	8.4	+28%
Contribution	9.7	7.3	2.4	+33%
Margin %	25%	24%		

- UK Healthcare up 9% organic
- 2016 Acquisitions contributed £2.1m additional revenue, performing strongly
- HSJ excellent maiden contribution of £3.7m integration completed

Update on strategy

As our current three-year summary closes:

- Encouraging growth in both revenue and profits
- Diverse portfolio focused into three scalable divisions
- Strategic alignment and acquisitions under strong leadership
- Continuous investment in digital infrastructure and systems

Sixth Gear – an Acceleration Project

- Sixth Gear is the next stage in our strategic development and is accelerating the move to a single “One Wilmington”
- Three significant projects will execute in the next six months:
 - Wilmington Professional
 - New Head Office
 - Digital Journey

- Terry Sweeney joined Wilmington in July as Divisional Director
- **Wilmington Professional brings together some of our strongest brands, serving the accountancy, finance and legal professions**



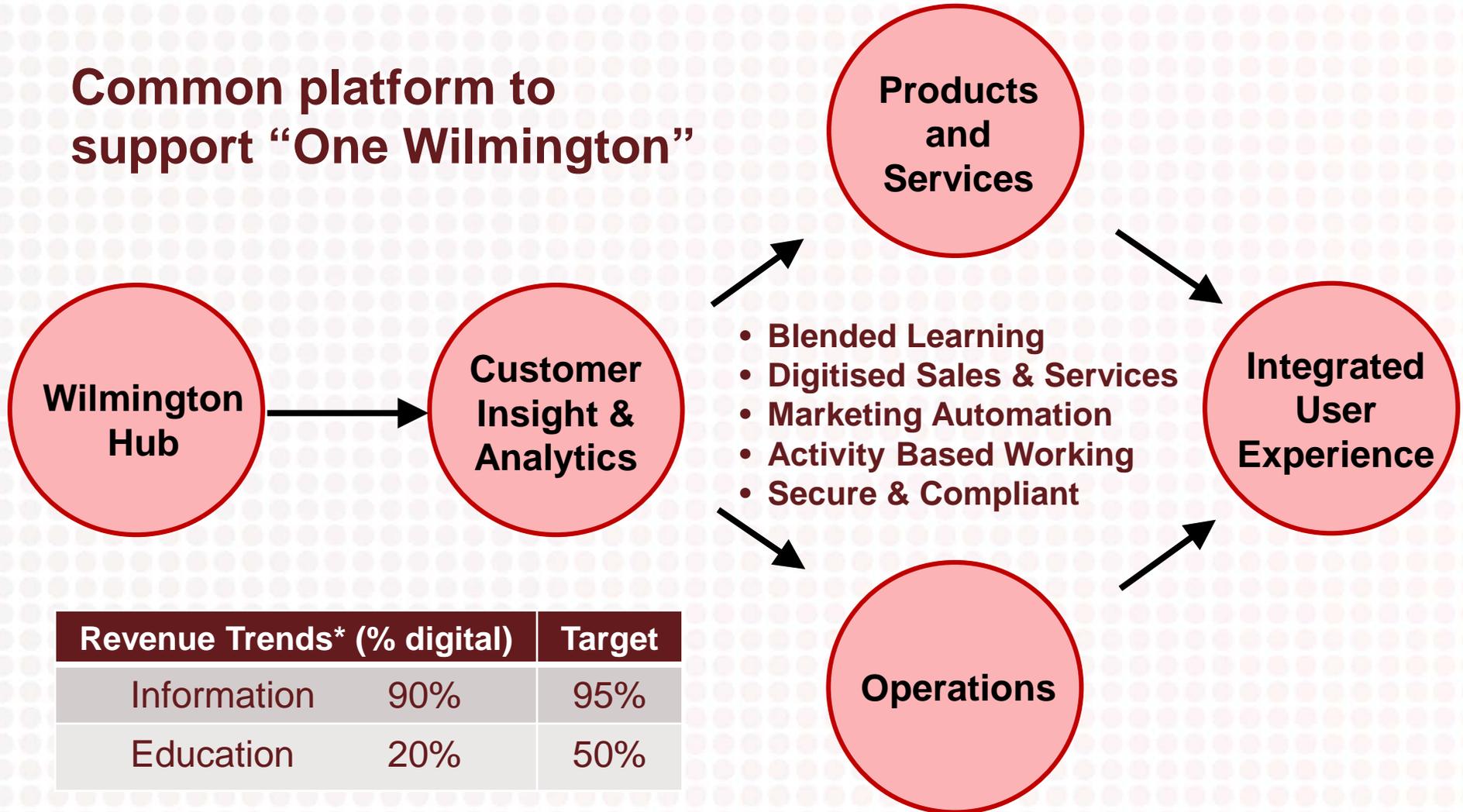
- **Committed to transforming customer experience by satisfying the accelerating demand for digital education solutions.**
- Exploiting synergies across the division by adopting common platforms, processes and shared services

- **New modern premises**
- **Technology that enables collaboration and flexibility**
- **Opportunity to unify people by adopting a single culture**
- **Enhanced client experience in professional surroundings**
- **Exceptional working environment that attracts top talent**
- **Cash neutral over five years**





Common platform to support “One Wilmington”



Revenue Trends* (% digital)		Target
Information	90%	95%
Education	20%	50%

* Based on management information

- **Satisfactory albeit slow start with continuing momentum in Risk & Compliance and Healthcare supported by HSJ**
- **Increased investment to capitalise on exciting opportunities from changing customer demands**
- **Strong pipeline of acquisition opportunities**
- **Dividend increase reflecting confidence in the future**



Q&A

Thank you.

Wilmington plc