

Wilmington plc

Interim Results 2024/25

17th February 2025



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Safe harbour statement.

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Agenda.

- 1 **Headlines**, Mark Milner
- 2 **Financials**, Guy Millward
- 3 **Operational Review & Outlook**, Mark Milner
- 4 **Q&A**

Headlines

Headlines.

- Ongoing¹ revenue growth of 16%
- Annual recurring revenue is up 6% to 38% (H1 FY24: 36%) and repeatable revenue is 72% (H1 FY24: 71%)
- Ongoing operating margin is up to 28%
- Ongoing adjusted profit before tax² growth of 39%
- Robust balance sheet - net cash³ of £31.3m at 31 December 2024
- Interim Dividend retained at 3.0p
- Portfolio strengthened with the acquisition of Phoenix Health & Safety
- Another strong period of delivery

1. Ongoing – eliminating the impact of disposals

2. Adjusted results exclude adjusting items, impairment, other income, amortisation of intangible assets (excluding computer software)

3. Excluding lease liabilities

Financials

Operating review.

	6 MONTHS TO 31 DECEMBER 2024 £M	6 MONTHS TO 31 DECEMBER 2023 £M	ABSOLUTE VARIANCE %	ORGANIC VARIANCE %
REVENUE				
HSE	6.1	0.6	1003%	
Legal	7.0	7.3	(5%)	(5%)
Financial Services - Insurance	10.7	11.4	(6%)	(3%)
Financial Services - Other	21.1	19.4	9%	9%
ONGOING REVENUE	44.9	38.7	16%	3%
Non-core	1.7	5.2		
STATUTORY CONTINUING REVENUE	46.6	43.9	6%	

- Growth in seven of the nine ongoing businesses
- HSE (Astutis and Phoenix acquisitions) is up double-digit ppts on a like-for-like basis
- Financial services growth led by double-digit growth in Mercia
- FRA (Insurance) and Bond Solon (Legal) see revenue declines due to market turbulence (FRA) and prior year exceptional contracts (Bond Solon)
- Recurring revenue up to 38% of organic revenue (HY24: 36%)
- Repeat revenues 72% of total organic revenue (HY24: 71%)

Group income statement.

	6 MONTHS TO 31 DECEMBER 2024 £M	6 MONTHS TO 31 DECEMBER 2023 £M	VARIANCE £M	ABSOLUTE VARIANCE %	ORGANIC VARIANCE %
ONGOING OPERATING PROFIT	12.4	10.5	1.9	18%	10%
Ongoing margin	28%	27%			
Organic margin	30%	28%			
Non-core (loss)/profit	(0.4)	0.3			
STATUTORY CONTINUING OPERATING PROFIT	12.0	10.8	1.2	11%	
Central overheads	(2.2)	(2.2)	—		
Share-based payments	(1.0)	(0.9)	(0.1)		
STATUTORY CONTINUING ADJUSTED EBITA	8.8	7.7	1.1	14%	16%
Net finance income	2.2	0.8	1.4		
ONGOING ADJUSTED PROFIT BEFORE TAX	11.4	8.2	3.2	39%	
STATUTORY CONTINUING ADJUSTED PBT	11.0	8.5	2.5	30%	
Adjusting items	(5.8)	(0.4)	(5.4)		
PROFIT BEFORE TAX	5.2	8.1	(2.9)		
Taxation	(2.6)	(2.2)	(0.4)		
PROFIT AFTER TAX	2.6	5.9	(3.3)		
PROFIT FROM IFRS 5 DISCONTINUED OPERATIONS	—	1.2	(1.2)		
TOTAL PROFIT AFTER TAX	2.6	7.1	(4.5)		
Underlying tax rate	25%	25%	—		
ONGOING ADJUSTED BASIC EPS	9.59p	6.83p	2.76p	40%	
DIVIDEND PER SHARE	3.00p	3.00p	-	-	

- Ongoing operating profit growth 18%. Organic operating profit growth 10% driven by revenue growth and cost control
- Ongoing adjusted PBT up 39% to £11.4m
- Profit margins improved with revenue growth and disposal of lower margin businesses.
- Ongoing operating margins increased to 28% and organic operating margins increased to 30%
- Ongoing adjusted basic EPS up 40% to 9.59p
- Adjusting items: amortisation of acquired intangibles £1.1m, M&A £3.3m (earn-out accruals plus Phoenix acquisition), office lease termination due to disposals £1.4m (offsets gain in FY24)
- Dividend held at 3.00p

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Group cash flow.

	6 MONTHS TO 31 DECEMBER 2024 £M	6 MONTHS TO 31 DECEMBER 2023 £M	VARIANCE £M
ADJUSTED EBITDA (continuing & discontinued)	9.1	11.3	(2.2)
Share-based payments	1.0	0.9	0.1
Movement in working capital	(3.8)	(2.9)	(0.9)
CASH INFLOW FROM OPERATIONS	6.3	9.3	(3.0)
Interest received	1.3	0.9	0.4
Tax paid	(3.5)	(3.6)	0.1
Payment of lease liabilities	(1.0)	(0.4)	(0.6)
Net capital proceeds	—	0.3	(0.3)
FREE CASH FLOW BEFORE DIVIDENDS	3.1	6.5	(3.4)
Equity dividends	(7.5)	(6.5)	(1.0)
Issue of new shares	0.8	0.8	—
Acquisition outflow, net of cash received	(29.2)	(14.8)	(14.4)
Adjusting and other items	(4.1)	(0.2)	(3.9)
CHANGE IN NET CASH	(36.9)	(14.2)	(22.7)
Cash classified as held for sale	0.4	—	0.4
Brought forward net cash	67.8	42.2	25.6
CARRIED FORWARD NET CASH pre lease liabilities	31.3	28.0	3.3
Lease liabilities	(2.1)	(5.9)	3.8
CARRIED FORWARD NET CASH	29.2	22.1	7.1

- Cash conversion of profits at 72% (HY24: 92%) - down due to payment timing but will revert to 100% for full year given H2 subscription receipts
- Net cash increase of £7.1m despite significant outflow for acquisition of Phoenix Health & Safety
- Acquisition outflow relates to acquisition of Phoenix Health & Safety net of cash acquired
- Adjusting items relates largely to M&A activity with £1.1m relating to exit of Whitechapel office
- Lease liabilities significantly reduced due to exit of Whitechapel office following disposals

Operational Review and Outlook

Continued strategic progress in FY24.

- **Continued delivery of sustainable growth**
 - Our 5th consecutive period of reporting revenue and profit growth
 - In H1 FY25:
 - Seven out of nine continuing businesses grew year on year
 - FRA was impacted by US government and regulatory change, and now post election activity
 - Bond Solon, as expected, declined year on year
 - Underlying trends in both businesses remain positive
- **Portfolio strengthening**
 - One acquisition – Phoenix Health & Safety
 - No disposals. Compliance Week continues to be held for sale
- **Operational improvements**
 - Continued investment in product development and technology
 - Continued roll-out of RegTech platform
 - AI activities advancing and now focused on internal and external applications

Portfolio Management: Strengthened : Quality : GRC

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GRC portfolio growth.



Wilmington's current and future service provision.

Core activities ■

Emerging activities ■

Future focus ■

GOVERNANCE, RISK AND COMPLIANCE

Services	Verticals	Financial services				Legal	Health & Safety & ESG			
	Markets	Insurance	Banking & Lending	Accountancy	Other (e.g. Trusts, Consultancies)	Law Firms, Government, Pensions	Construction & Property	Energy & Utilities	Manufacturing, Industrials & Logistics	
Bespoke intelligence		■ AXCO	■	■ mercia	■ ICA CLTI	■ Pendragon	■	■	■	
Subscription data services		■ AXCO CW	■ CW	■ mercia	■ ICA CLTI	■ Pendragon	■	■	■	
Regulatory intelligence alerts		■ AXCO	■ ICA	■ mercia	■ ICA CLTI	■ Pendragon	■	■	■	
Events		■ AXCO ■ FRA	■ ICA CW ■ FRA	■ mercia	■ ICA ■ FRA	■ BOND SOLO	■	■	■	
Training - CPD		■ FRA	■ ICA	■ mercia	■ ICA CLTI	■ BOND SOLO CLTI	■ Astutis. Phoenix health & safety	■ Astutis. Phoenix health & safety	■ Astutis. Phoenix health & safety	
Training - Accreditation		■ FRA	■ ICA	■ mercia	■ ICA CLTI	■ BOND SOLO CLTI	■ Astutis. Phoenix health & safety	■ Astutis. Phoenix health & safety	■ Astutis. Phoenix health & safety	

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1 US Events' primary focus: Medicare Advantage.

Medicare overview

National health insurance programme in US run by Federal Govt, covering:

- people aged 65+ and over
- those under 65 with disability or with end-stage renal disease

Four different parts:



Part A – inpatient hospital care, skilled nursing, hospice care



Part B – outpatient care and doctor visits



Part D – prescription drug coverage



Part C – Part A & Part B in one plan that can also include Part D, provided by private insurance companies, and called Medicare Advantage

Medicare Advantage

Medicare Advantage (MA) seen as alternative to Original Medicare (Part A & B).

Private companies are approved by CMS¹ (the Federal Govt dept in charge of Medicare & Medicaid).

MA plans are customised to beneficiary depending upon health requirements and level of care choice.

MA is a main area of focus for FRA

FY24 Q4

Regulator (CMS) amended payment methodology inclusive of coding changes reducing some payments.

CMS and OIG² launched audits of historic payments; DOJ³ initiated legal activity.

Health Plans experienced reduced revenues and increased costs.

Impact on Wilmington was reduced delegate group attendance at Q4 events.

FY25

Govt administration is changing key personnel; **candidates historically supported MA; also referenced in Project 2025.**

Medicare Advantage is a key element to US healthcare.

The value of attending FRA events is positively referenced by customers.

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Source: Wilmington FRA & commissioned research

1. Centers for Medicare & Medicaid Services
2. Office of the Inspector General of the United States Department of Health & Human Services
3. US Department of Justice

2 Acquisition¹: Phoenix Health & Safety Training.

- A leading international provider of health and safety professional training qualifications, offering solutions for organisations of all sizes, with a mission to make health and safety training accessible, engaging, and effective for everyone.

• Company profile



Founded in 2005
Cannock, UK



56 staff



57 Training
Courses



Over 6,400
Clients p/annum



20,000+
Qualified
Learners
p/annum



Learners in over 67
Countries Across
the Globe

• Learner and client profile



400 New
Learners
Enrolled Each
Week



5-year average
length of
existing client
relationship



Above industry
average learner
pass rate



4.9 star
Trustpilot
rating, from
1,968 reviews



41% of training
is delivered
online, either
self learning or
tutor directed



35 centres for
in-person fully
tutor directed
training (37% of
training)

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2 Corporate clients.

- Client examples:



Phoenix - key characteristics.

- Meets all the Wilmington characteristics

GRC focussed 1	Attractive markets 2	Differentiated offering 3	Strong product and revenue models 4	Strong leadership 5	Digital & Data capabilities 6
<p>Targeted at business leaders, managers and supervisors with a responsibility for health and safety, and / or environment (HS&E) in the workplace</p> <p>Training courses are considered as required to demonstrate regulatory compliance</p> <p>Supports organisations in meeting their legal safety requirements and improving their Health and Safety Management Systems</p>	<p>Substantial global TAM (£1.4bn) and global SAM (£1bn) markets, with current core market expected to grow due to:</p> <ul style="list-style-type: none"> • >70% of employers offer HS&E training, 70% is outsourced • Workforce growth requires H&S training • H&S training is a non-discretionary element for employers - it supports their duties under the Health & Safety at Work Act, mitigating risk of not meeting legal requirements 	<p>Established in 2005, offers a range of HS&E training courses, split into:</p> <ul style="list-style-type: none"> • Professional qualifications (widely recognised accredited qualifications such as NEBOSH, IOSH, and IEMA) • Short courses (general training of staff without H&S responsibilities to improve awareness) <p>4.9/5 Trustpilot reviews from 1,968 participants. Verified and rated as “Excellent”</p>	<p>Consistently delivers high margin, double-digit revenue growth</p> <p>Large customer base, with over 6,000 customers, including blue-chip and enterprise clients</p> <p>Diversified client base: top 20 customers account for only c.15% of FY23 revenue</p> <p>Long client relationships: 12 of top 20 clients active for 10 years or more</p>	<p>Award-winning founder, with 20+ years experience in the sector, is continuing with the business, supported by an experienced and high performing management team</p>	<p>Offers a full suite of high-quality training solutions and is platform agnostic:</p> <ul style="list-style-type: none"> • 41% of training is delivered either through e-learning or virtual (instructor online) • 37% of training is delivered in classroom • 8% delivered in-house • 14% other

Digital Hub, RegTech and Regulatory Alerts update.

Digital Hub

- Continued progress rolling out our platform
 - ICA now has over 30,000 learners signed up to the platform
 - This includes the International Retail Banking Customer A, who has adopted our Digital Hub as their centrally managed regulatory and financial crime compliance training platform
 - The above customer has now committed to a three-year contract
 - A number of other large customers are being onboarded (tranches of c.500-600 learners per customer)

New Reg Tech solution - in development

- The Management Information data hub is in development and will be in Beta deployment by the end of FY25

New AI Regulatory Alerts solution – in beta testing

- A new proprietary AI-powered Regulatory Alerts solution, developed by Wilmington with AI technology at its core, will be deployed through the platform in Q4 FY25, sold as a subscription.

Summary.

- 16% ongoing revenue growth
- Ongoing operating margin is up to 28%
- 39% growth in ongoing adjusted profit before tax
- Active and successful M&A strategy: Phoenix strengthens the portfolio, meeting all six of Wilmington's characteristics
- Digital Hub adoption continues, with new product development delivering Beta solutions in H2
- The strength of our portfolio is positioning us well
- Trading is in line with expectations

Q&A





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Thank you

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Appendix

Responsible Business.

	Cultural positivity 	Customer Empowerment 	Proactive assurance 	Environmental responsibility 
Ambition	Create an inclusive workplace that supports, empowers, develops, and fairly rewards all our people.	Deliver products that are accessible, high value, up to date and move with industry trends.	Uphold high standards related to digital protection, regulatory requirements, ethics, and production.	Reduce environmental impact by minimising carbon footprint and committing to responsible procurement.
FY24 Achievements	<p>Launched Wilmington Values.</p> <p>Engagement survey shows increases in: Engagement: 7.4 to 7.7 D&I: 7.8 to 8.2 Health & Wellbeing: 7.4 to 7.9</p> <p>Launched employee engagement “Commitments”.</p> <p>Disability Confident Employer status.</p> <p>53% increase (YTD) in employee volunteering.</p>	<p>Commenced digital accessibility scanning of websites, products, and associated collateral, targeting WCAG 2.1 AA standards.</p> <p>Increased WCAG 2.1 AA compliance through groupwide taskforce.</p> <p>Each business has a method of monitoring NPS</p>	<p>Testing on internal and external digital products has increased from annual to quarterly.</p> <p>Compliance Hub launched to maintain the highest internal compliance standards.</p> <p>Differentiated compliance approach for employees, contractors, and suppliers, focussing on a pragmatic approach.</p>	<p>Carbon offsetting put to employee vote, building internal engagement.</p> <p>Carbon neutrality confirmed through external assessment.</p> <p>Improving quality of carbon emission data in supply chain.</p> <p>ISO20121 Event Sustainability accreditation for FRA.</p> <p>Scoping ISO14001 Environmental Management</p>
FY25 Focus	<p>Alignment to external standards: Inclusive Employers Standard</p> <p>Investors in People</p> <p>Investors in Wellbeing</p>	<p>Quarterly audit on WCAG 2.1 AA to ensure compliance with Web Content Accessibility Guidelines</p> <p>Quarterly NPS reviews</p>	<p>ISO 9001:2015 Quality Management Systems currently in place for ICA - planned extension to CLTi</p> <p>ISO 27001:2022 Information Security Management</p>	<p>ISO 20121:2012 Event Sustainability– review opportunity to extend to Europe</p> <p>ISO 14001:2015 - Environmental Management Systems (H2 accreditation target)</p> <p>Carbon Footprint report recommendations road map</p>

