



# Preliminary Results 2013

Charles Brady, Chief Executive  
Tony Foye, CFO

September 2013





Pensions & Insurance



Banking & Compliance



Healthcare



Accountancy



Business Intelligence



Legal

# Overview

Charles Brady



- 1 Disposal of non-core assets**  
releases capital for reinvestment
- 2 Bolt-on acquisitions**  
in core market sectors
- 3 Further proactive cost reduction**  
in legal training courses and print publishing
- 4 Shared service structure**  
new centralised back-office processes and controls
- 5 Strong results**  
revenue stable, quality of earnings improved

# Positive momentum continued and financial position strengthened

Adjusted EBITA

£16.9m (2012: £15.7m)

8%

Adjusted EBITA margin

19.8% (2012: 18.4%)

8%

Adjusted PBT

£14.7m (2012: £13.2m)

11%

Deferred revenue

£18.6m (2012: £17.3m)

7%

Adjusted EPS

13.06p (2012: 11.71p)

12%

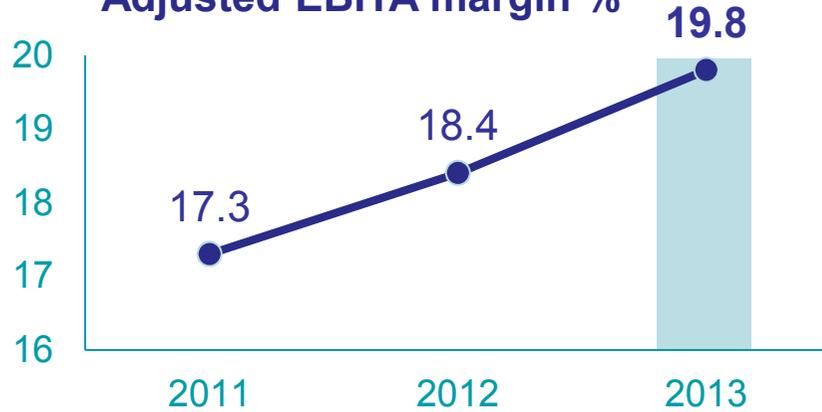
Net debt

£33.4m (2012: £36.2m)

£2.8m

# Good progress

Adjusted EBITA margin %



Adjusted PBT



Return on equity %



Year-end net debt / EBITDA (x)





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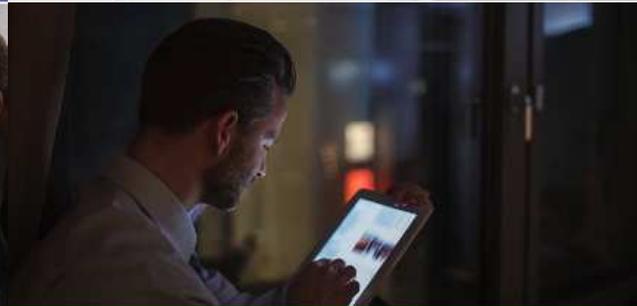
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# Financial Highlights

Tony Foye



# Income Statement

	2013	2012	
	£'m	£'m	%
<b>Revenue</b>	<b>85.0</b>	<b>85.3</b>	<b>-</b>
Adjusted EBITA	16.9	15.7	+8
<i>EBITA Margin %</i>	19.8	18.4	
Interest / Facility Fees	(2.2)	(2.5)	-12
<b>Adjusted Profit before Tax</b>	<b>14.7</b>	<b>13.2</b>	<b>+11</b>
Profit on disposal of freehold property	3.3	-	
Non-recurring Items	(1.3)	(0.9)	
Share Based Payments	(0.9)	(0.5)	
Put option liability	(0.1)	(0.2)	
Amortisation	(6.1)	(5.3)	
Impairment	(4.5)	-	
<b>Profit before Tax</b>	<b>5.1</b>	<b>6.3</b>	
Income Tax Expense	(1.5)	(1.2)	
<b>Net Profit</b>	<b>3.6</b>	<b>5.1</b>	
<b>Underlying Tax Rate</b>	<b>24%</b>	<b>24%</b>	
<b>Adjusted EPS</b>	<b>13.1p</b>	<b>11.7p</b>	<b>+12</b>
<b>Dividend per share</b>	<b>7.0p</b>	<b>7.0p</b>	
<b>Dividend cover</b>	<b>1.9</b>	<b>1.7</b>	

# Summary cash flow

	2013 £'m	2012 £'m	Change £'m
<b>Cash Conversion %</b>	<b>115%</b>	<b>111%</b>	
<b>Adjusted EBITDA</b>	<b>18.7</b>	<b>17.5</b>	<b>1.2</b>
Movement in working capital	0.6	(0.1)	0.7
<b>Cash inflow from operations</b>	<b>19.3</b>	<b>17.4</b>	<b>1.9</b>
Interest paid	(2.0)	(2.3)	0.3
Taxation	(2.9)	(3.1)	0.2
Net replacement Capex	(2.0)	(1.9)	(0.1)
<b>Free Cash Flow before dividends</b>	<b>12.4</b>	<b>10.1</b>	<b>2.3</b>
Equity dividends	(5.9)	(5.9)	-
Acquisition spend (net of disposal proceeds)	(6.3)	0.7	(7.0)
Disposal of fixed assets	4.4	-	4.4
Non-recurring items	(1.2)	(1.1)	(0.1)
Non controlling interests	(1.6)	-	(1.6)
Issue of shares	1.0	-	1.0
<b>Change in net debt during the year</b>	<b>2.8</b>	<b>3.8</b>	<b>(1.0)</b>
Brought forward net debt	(36.2)	(40.0)	
<b>Carried forward net debt</b>	<b>(33.4)</b>	<b>(36.2)</b>	

# Summary Balance Sheet

	2013	2012
	£'m	£'m
Goodwill / Intangibles	104.8	106.1
Property, Plant & Equipment	5.9	6.8
Assets held for resale	0.7	0.9
Net Debt	(33.4)	(36.2)
Working Capital	(0.3)	1.5
Financial Instruments	(1.2)	(1.5)
Deferred Consideration	(1.1)	(0.9)
Provisions for future purchase of minority interests	(0.2)	(1.9)
Deferred Revenue	(18.6)	(17.3)
Deferred Tax	(4.9)	(5.9)
<b>Net Assets</b>	<b>51.7</b>	<b>51.6</b>





Pensions & Insurance



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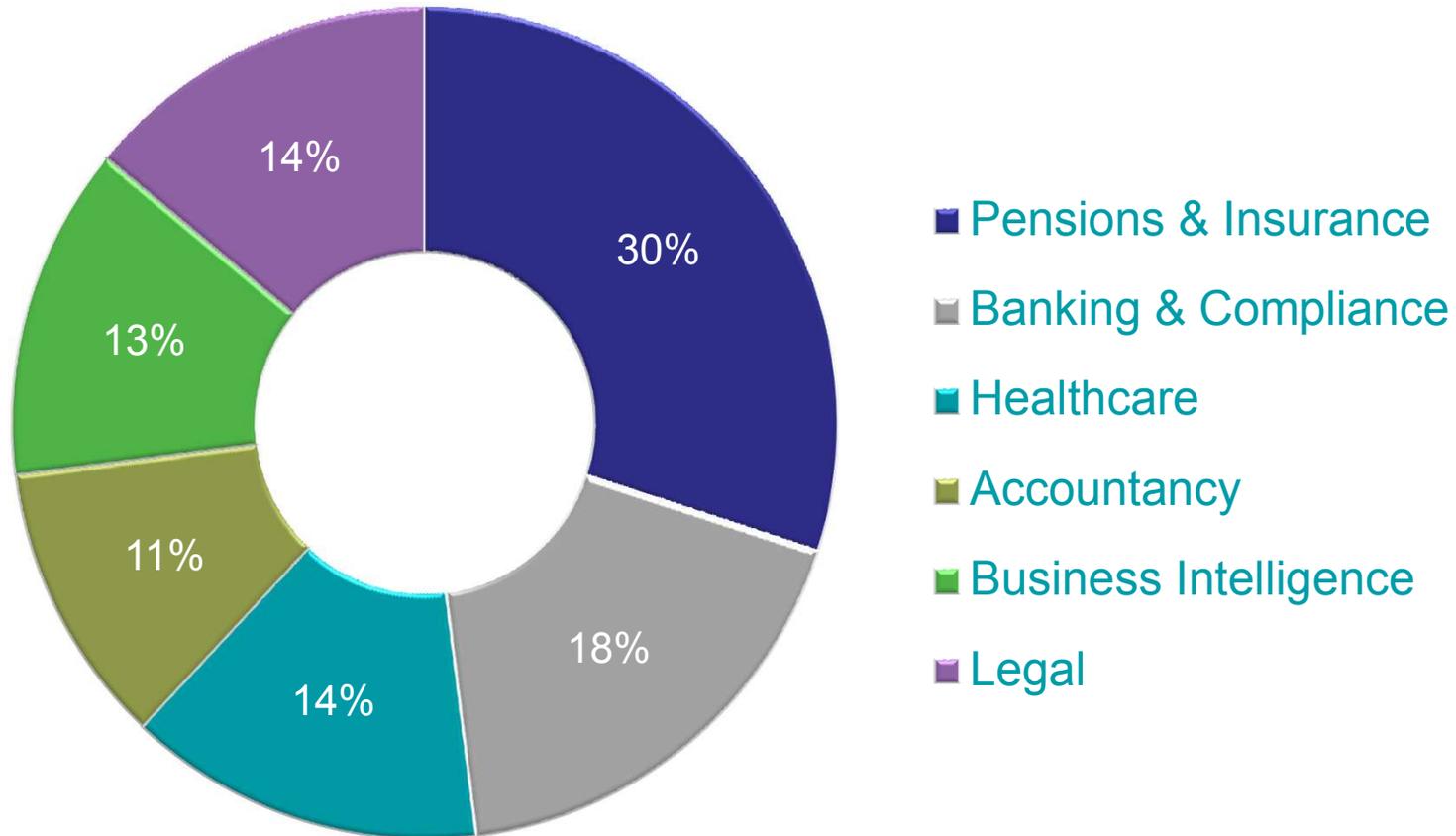
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# Operational Review

Charles Brady

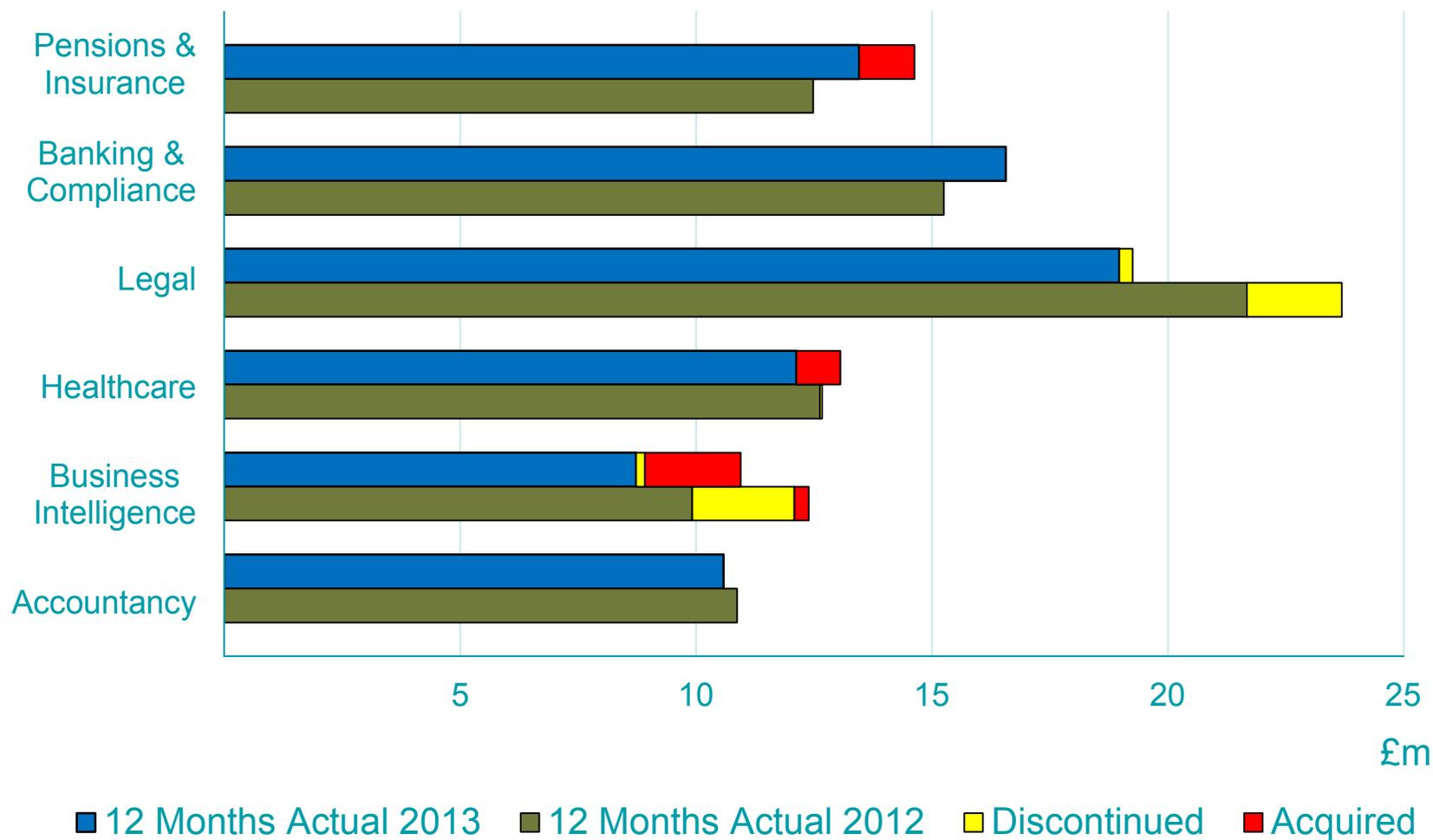


# A well-balanced business

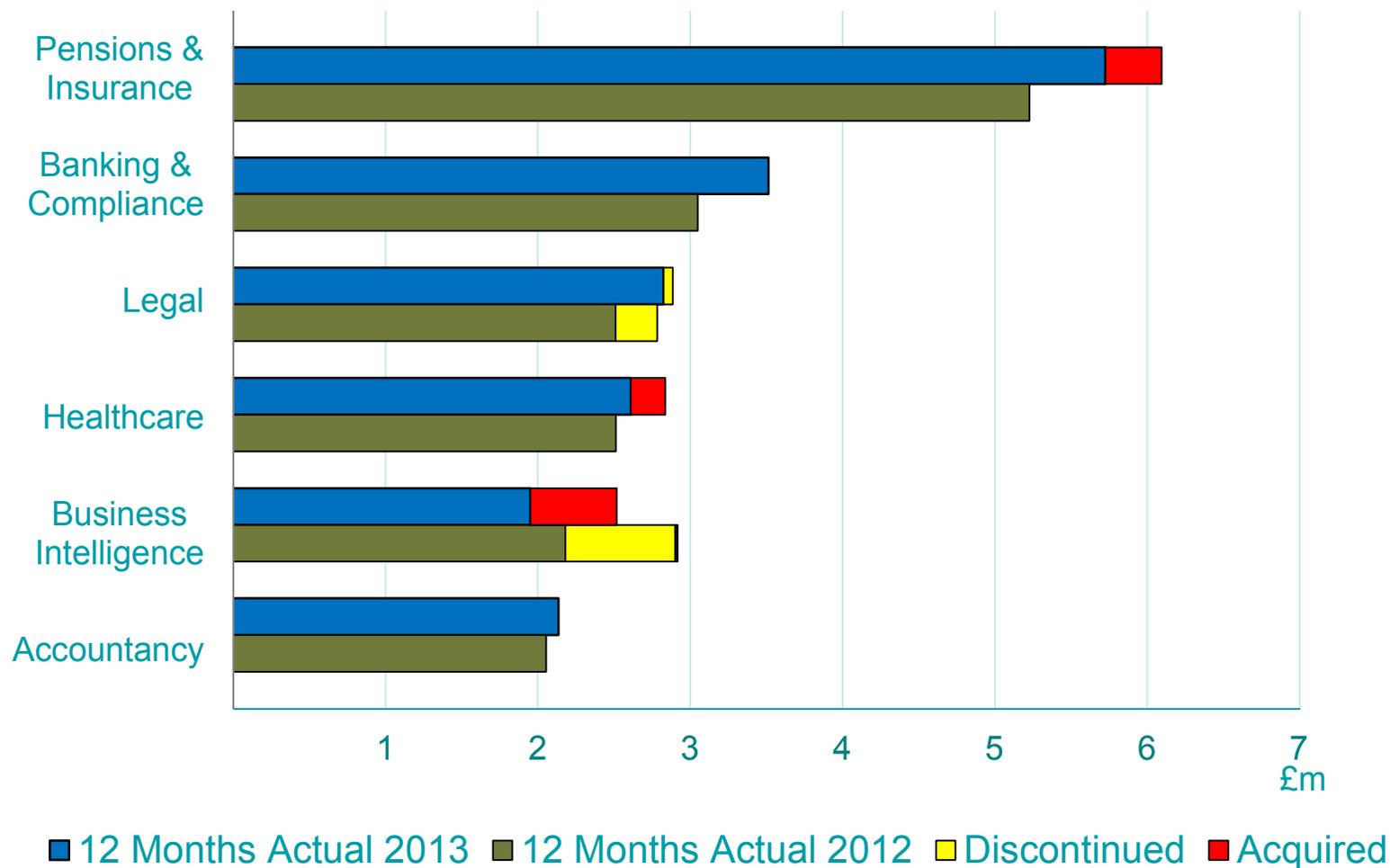


**Divisional contribution** (before central overhead costs)

# Divisional revenue

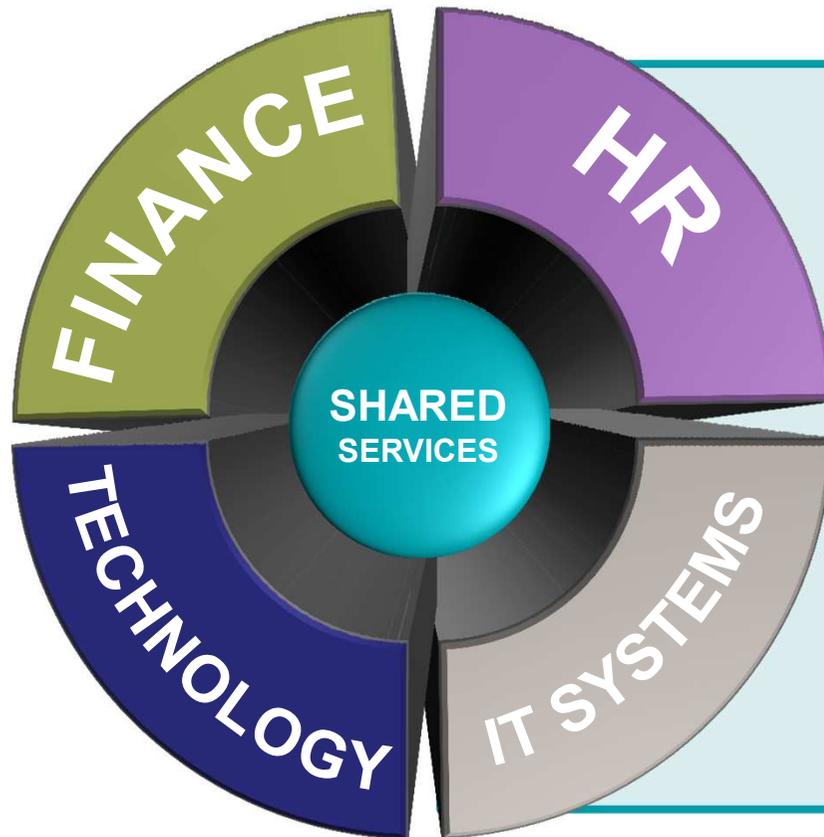


# Divisional contribution



# Platform for future growth

## New shared service structure

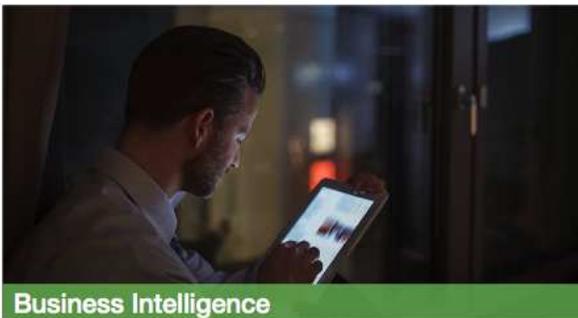


- Strategic finance system
- Group HR system
- Centralised payroll
- Shared IT platforms
- Harmonised technology development
- Common back-office processes and controls

# Our divisions

Wilmington is an ambitious Group with a professional culture and an entrepreneurial spirit.

Revenue	2013	2012
<b>UK</b>	<b>68%</b>	<b>72%</b>
<b>Europe</b>	<b>15%</b>	<b>13%</b>
<b>North America</b>	<b>9%</b>	<b>8%</b>
<b>Rest of world</b>	<b>8%</b>	<b>7%</b>



# Pensions & Insurance

**Axco, Pendragon, Inese and ICP** provide in-depth regulatory and compliance information and market intelligence, events, training, analysis and workflow tools for international insurance markets and the UK pensions industry.

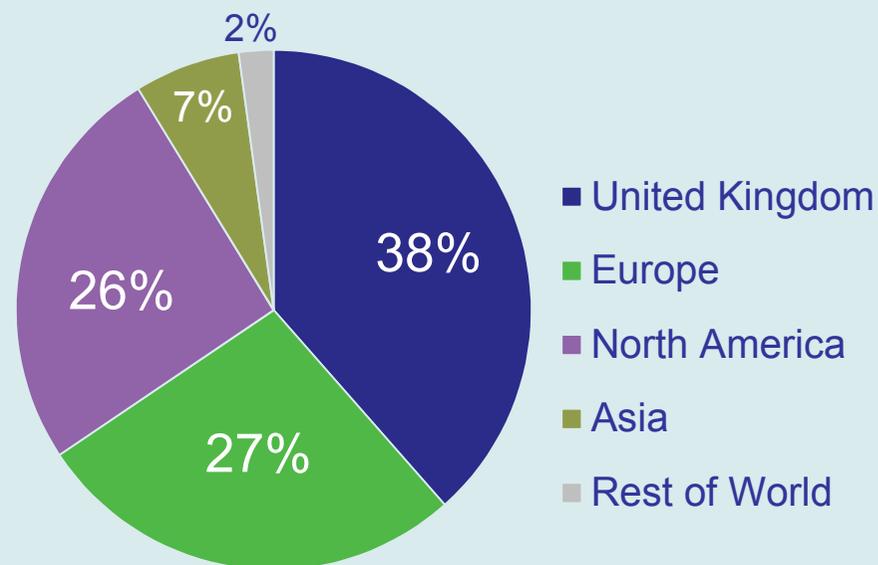


# Pensions & Insurance



	2013	2012	Change
Revenue	14.6	12.5	+17%
Contribution	6.1	5.2	+17%

## Revenue by Region 2013



- Acquired **Inese** in March 2013
- Underlying revenue up 8%, underlying contribution increased by 9%
- Good progress despite ongoing investment in new products and technology
- Strong margins maintained (40% +)

# inese

A Wilmington Company

- Acquired March 2013 for £1.2m
- **2012/13** contribution to results  
Revenue £1.1m  
Contribution £0.4m
- Integration completed
- Collaboration and projects with other group companies ongoing



Inese provides information, training and marketing solutions to insurance clients.

Based in Madrid, Spain (14<sup>th</sup> largest insurance market in the world).

- Subscription-based publishing (print and online)
- Courses, conferences and congresses in Spain and Latin America
- Insurance Week Congress

# Banking & Compliance

**AMT** provides corporate finance and capital markets training. **ICT** provides accredited qualifications in compliance, anti-money laundering, financial crime. **CLTI** provides accredited qualification in trust management. The division serves major banks, international financial institutions and multinational companies.

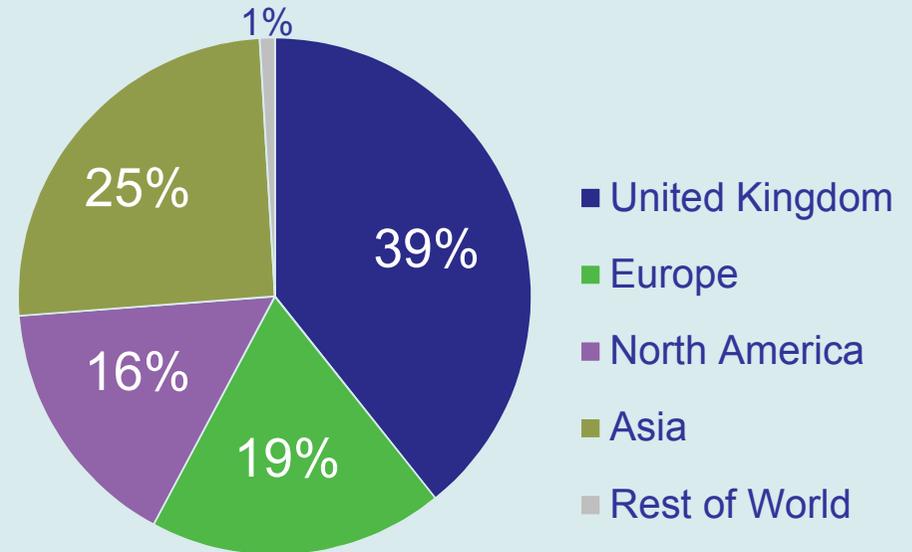


# Banking & Compliance



	2013	2012	Change
Revenue	16.6	15.3	+9%
Contribution	3.5	3.0	+15%

## Revenue by Region 2013



- Strong growth from compliance and AML training – Tier 1 banks
- Wealth and Trust management maintained strong prior year performance
- Investment Bank training delivered record revenue
  - summer 2013 programmes have delivered

# COMPLIANCE WEEK

THE LEADING INFORMATION SERVICE ON CORPORATE GOVERNANCE, RISK AND COMPLIANCE

- Acquired August 2013  
\$11.2m (£7.2m)
  - Integration commenced
  - Opportunities for collaboration with other group companies identified
- Governance, risk and compliance information and events (GRC)
  - 50% subscription revenue
  - 30% conferences and events
    - annual “Compliance Week Conference”
  - Provides North American Base

# Healthcare

This division includes **Agence de Presse Médicale (APM)**, our French language news agency; **Binley's**, our UK healthcare information business; and **NHiS**, a provider of business intelligence and data analysis to the pharmaceutical industry.

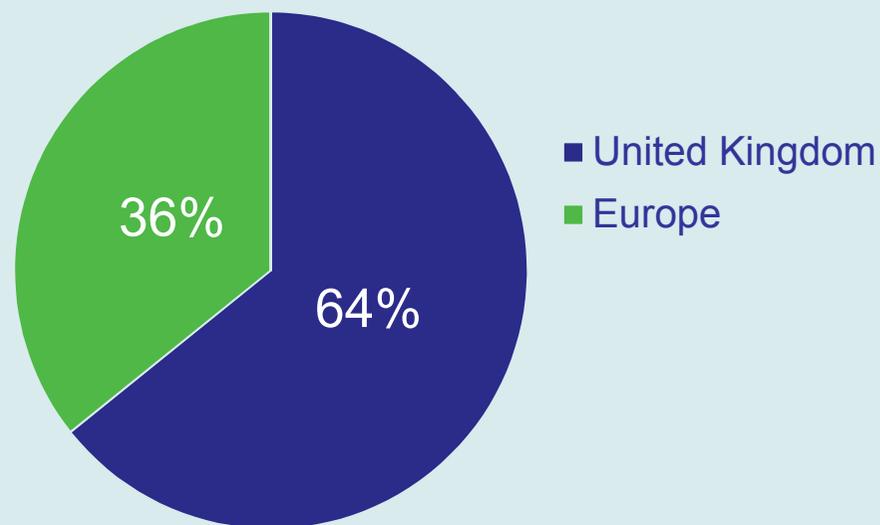


# Healthcare



	2013	2012	Change
Revenue	13.1	12.7	+3%
Contribution	2.8	2.5	+13%

## Revenue by Region 2013



- **APM's** cost base restructured - delivered margin and profit growth from H2.
- **Binley's** revenue reduced by scaling back low margin activities.
- **Binley's** BI combined with **NHiS** to create market leading pharma intelligence business



- Acquired Feb 2013 for £5.6m
- **2012/13** contribution to results  
Revenue £0.9m  
Contribution £0.3m
- Integration completed
- Enlarged business established

**NHIS** is a leading provider of market intelligence, data analysis and workflow tools to pharmaceutical companies in the UK.

- 90%+ renewals, 75%+ digital, 40%+ subscriptions
- Wilmington Healthcare building a market-leading position

# Accountancy

**Mercia, Practice Track** and **Quorum** and provide training, technical and marketing support for accountancy firms and accountants in commerce and industry.

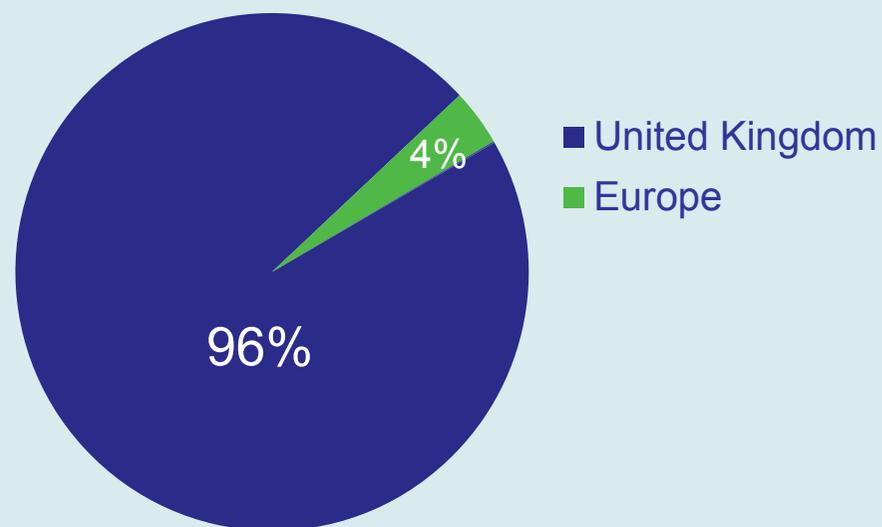


# Accountancy



	2013	2012	Change
Revenue	10.6	10.9	-3%
Contribution	2.1	2.0	+4%

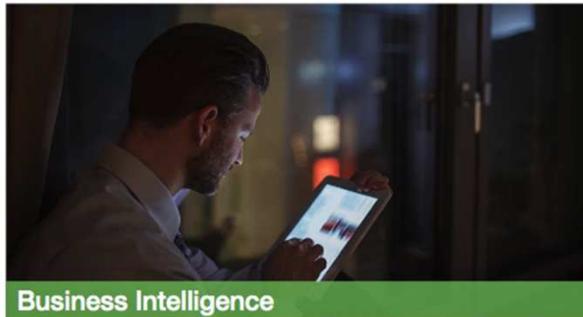
## Revenue by Region 2013



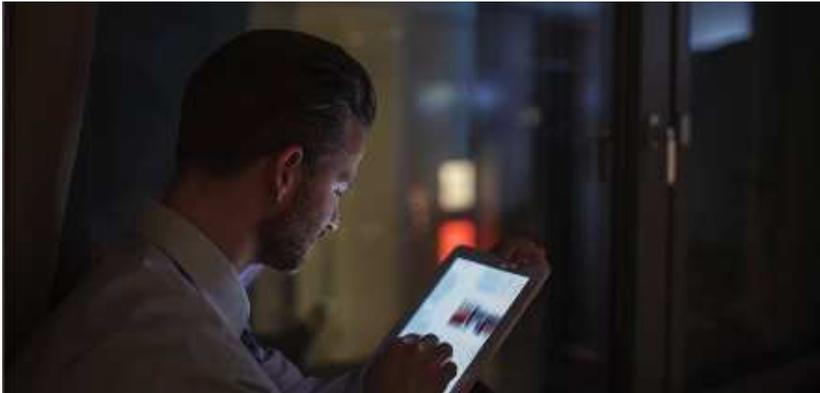
- Accountancy training market subdued
- Revenue declines mainly due to scaling back **Quorum's** programme of courses for accountants in commerce and industry
- Growing revenues from technical and marketing support to accountancy firms
- Launched cutting-edge mobile-friendly websites for accountants
- Preparing for IFRS convergence in 2015

# Business intelligence

This division provides market intelligence, CRM data and marketing support for charities, fund management and the film & TV industry. It includes **Smee & Ford** and **Mortascreen** which provide legacy reporting services, data suppression and fraud prevention.

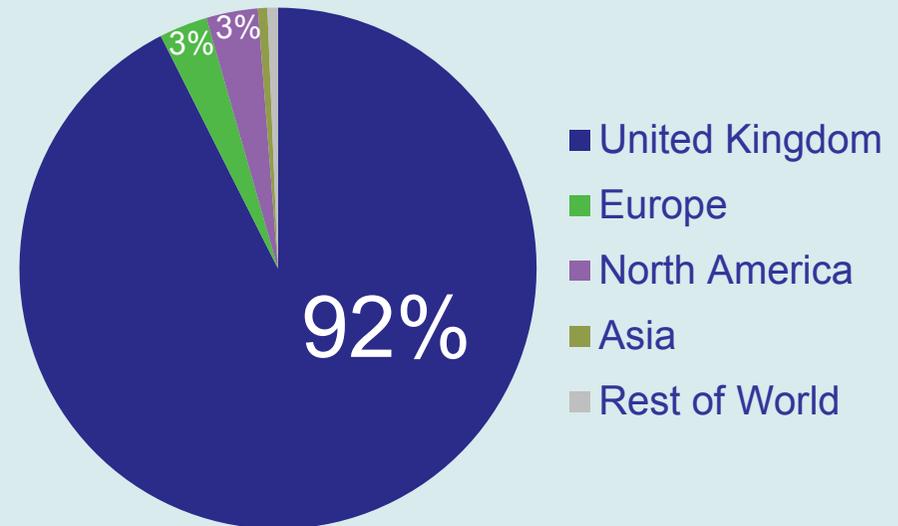


# Business Intelligence



	2013	2012	Change
Revenue	10.9	12.4	-12%
Contribution	2.5	2.9	-14%

## Revenue by Region 2013

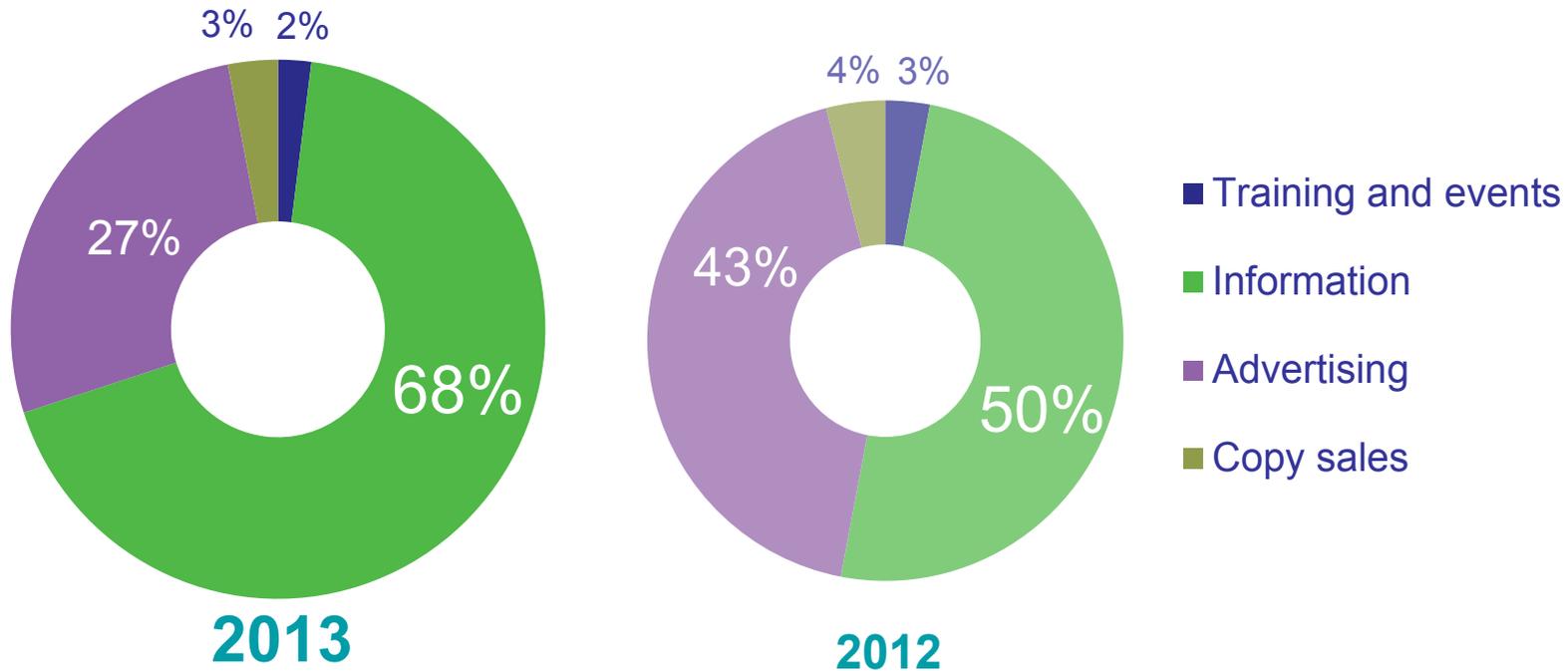


- Legacy print continues to decline
- Exit from contract directory publishing, reduced turnover by £2m year-on-year
- Acquisition of **Millennium** reinforces market-leading Mortascreen/Halo. Turnover in FY 2013 £2m
- Strong performance from our Data suppression and legacy reporting businesses.

# Business Intelligence

- In the final phase of our print-to-digital transition and from an ads based to an information led business.
- Further reduction in headcount and overheads in FY 2013
- Starting to see progress from digital investments

## Improving revenue mix



# Legal

This division provides training, conferences, professional support services and information, including continuing legal education (**CLT**), expert witness training (**Bond Solon**), magazines and databases (**Waterlow**) and specialist reports (**Ark**).

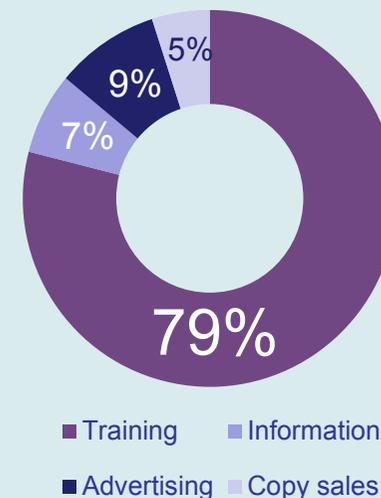
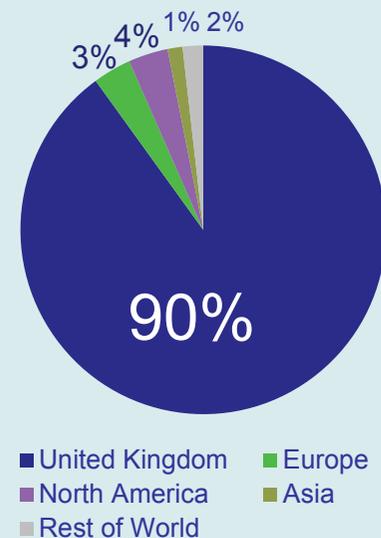


# Legal

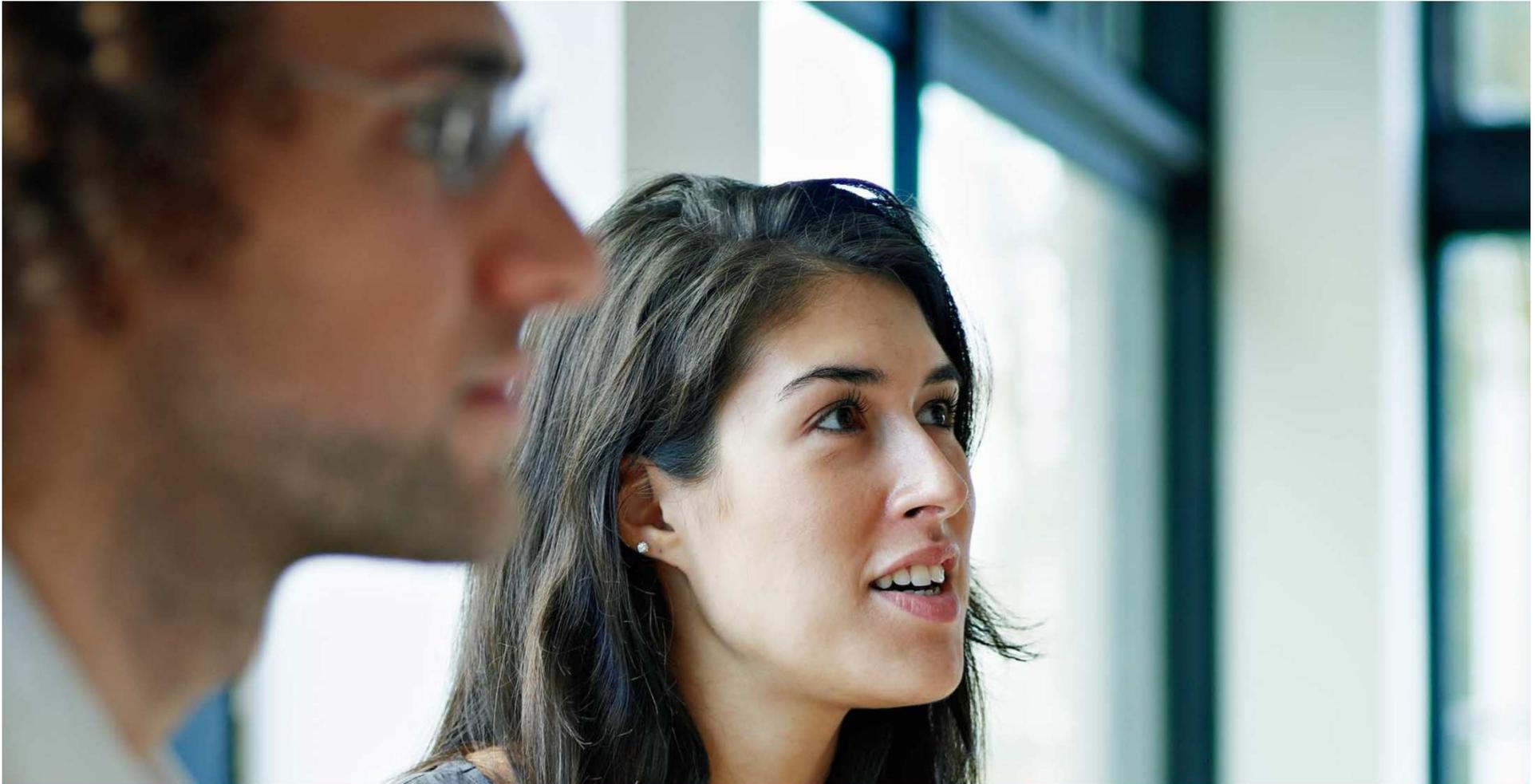


	2013	2012	Change
Revenue	19.3	21.7	-11%
Contribution	2.9	2.8	+4%

## Revenue 2013 by region and service



- PY disposal of Company Formations and disposal of Ark Australia in Jan 2013
- Underlying revenue down 3%, underlying contribution up 17%
- Improved underlying margins and profitability by reducing the number of courses and conferences to reflect market conditions
- Reduced overheads and more flexible cost base
- Strong ongoing demand for witness familiarisation programmes



# Outlook

Charles Brady



# 1 Platform in place to support future growth

## 2 Continued focus on a high quality, high margin business

- strengthened recurring revenues
- greater geographic reach

## 3 Robust financial position

- strong cash generation supports dividend and investment
- strengthened balance sheet and unutilised bank facilities

## 4 Outlook for 2013/14 remains on target

## 5 Confident of achieving medium-term objectives



Pensions & Insurance



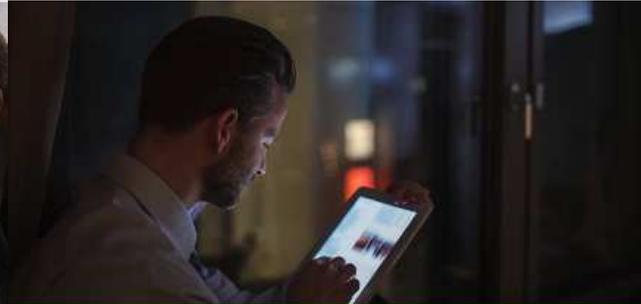
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# Appendices

# Adjusted Profit

	Year Ended 30 June 2013 (£m)	Year Ended 30 June 2012 (£m)
Profit from continuing activities before income tax ("Profit before Tax")	5.1	6.3
Amortisation and impairment of intangible assets and good will	10.6	5.3
Unwinding of the discount on the provisions for the future purchase of non-controlling interests	0.0	0.1
Unwinding of the discount on deferred consideration	0.1	0.1
Share based payments	0.9	0.5
Non-recurring items	(2.0)	0.9
Adjusted profit before income tax ("Adjusted Profit before Tax")	14.7	13.2
Net finance costs (excluding the unwinding of the discounts above)	2.2	2.5
Adjusted Profit before Tax and net finance costs ("Adjusted EBITA")	16.9	15.7
Depreciation	1.8	1.8
Adjusted EBITA before depreciation ("Adjusted EBITDA")	18.7	17.5



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