

Preliminary Results 2018

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WHITE CHAPEL

London, 12 September 2018

Wilmington plc

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Overview and review of operations

Pedro Ros

Financial highlights

Richard Amos

Current year focus & outlook

Pedro Ros

Q & A

**Pedro Ros/
Richard Amos**

Overview and review of operations

Significant period of operational change in year

Integration of UK Healthcare businesses
 Creation of Professional division
 Relocation of London HQ
 Progress on implementing digital platforms

Revenue up 1% to £122.1m (2017: £120.3m)

Organic** revenue decrease -3%
 Benefit from acquisitions

Adjusted* PBT up 6% to £22.6m (2017: £21.4m)

Organic EBITA decrease -2%
 EBITA margin 20% (2017: 19%)

Cash generation strong

105% conversion of EBITA
 Net debt at year end £39.6m (2017: £40.0m)
 Significant investment in year with £5.0m capex, £4.6m one-off costs and £2.2m acquisition spend

Progressive dividend policy maintained

Final dividend increased 4% to 4.8p (2017: 4.6p)
 Gives total dividend up 4% to 8.8p (2017: 8.5p)

Board changes:

Martin Morgan joined as Chairman on 1 May 2018
 Richard Amos joined as CFO on 1 March 2018

*Adjusted results exclude adjusting items, profit on disposal of property plant and equipment, impairment of goodwill and intangible assets and amortisation of intangible assets (excluding computer software).

** Organic = at constant currency and excluding impact of acquisitions

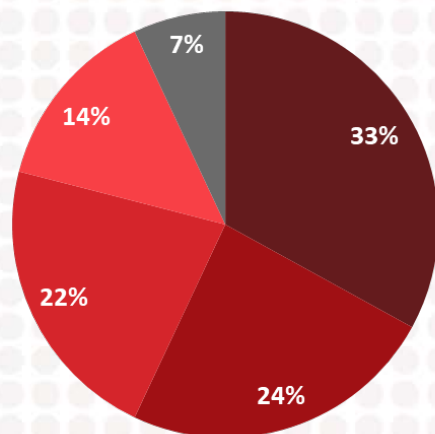
Operational review

12 mths to 30 June	2018 £m	2017 £m	Absolute Variance %	Organic Variance %
Revenue	42.9	42.3	+1%	+1%
Operating Profit	12.9	12.3	+5%	+1%
Margin %	30%	29%		

Good revenue growth in the main compliance business of 5%

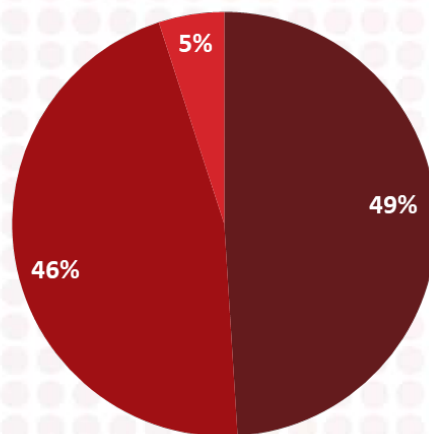
- ICA membership scheme gaining traction
 - Members >12,000. Up 50% from start of year
- Transition from large multi-attendee programmes to bespoke developments
- Good overseas training growth e.g. in Malaysia
- Now offer 43 accredited qualifications

Revenue by Region



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

Revenue by Type



- Information 49%
- Training 46%
- Networking 5%

Other Compliance businesses flat overall

Risk businesses declined 2% organically

- ICP credit referencing business sold post year end
- Axco Insurance Information business had challenging year
 - market consolidation
 - new management appointed to develop new products

12 mths to 30 June	2018 £m	2017 £m	Absolute Variance %	Organic Variance %
Revenue	44.6	42.5	+5%	-8%
Operating Profit	9.9	9.4	+5%	-7%
Margin %	22%	22%		

Absolute growth in revenue and operating profit benefited from HSJ and Interactive Medica ('IM') acquisitions

IM performing well since acquisition

UK Healthcare assets integrated in year

- Now operate as single business with one management team
- Integration activity impacted sales performance
- Market conditions challenging – GDPR

Other European Healthcare businesses growing

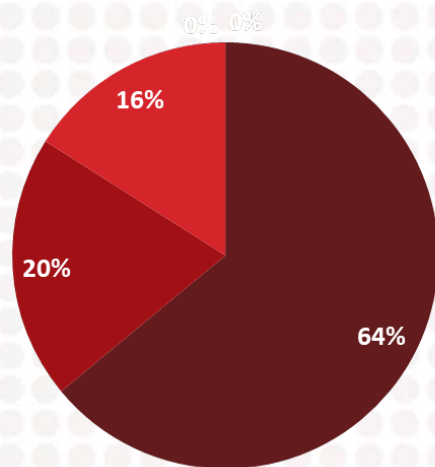
- Investment of £200k in APMi

Planned rationalisation of FRA events reduced revenue but increased margin

- RISE event achieved record attendance

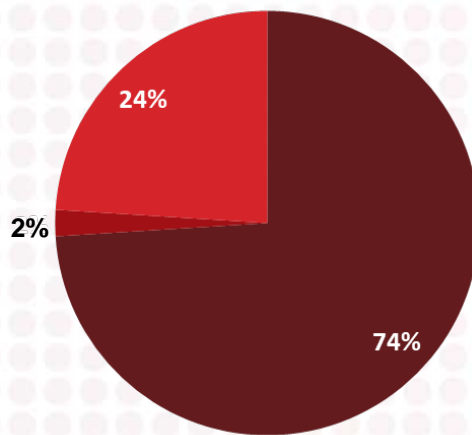
Healthcare businesses now restructured and organised to return to growth

Revenue by Region



- UK
- Europe (excl UK)
- North America

Revenue by Type



- Information 74%
- Training 2%
- Networking 24%

12 mths to 30 June	2018 £m	2017 £m	Absolute Variance %	Organic Variance %
Revenue	34.6	35.5	-3%	-2%
Operating Profit	6.2	6.1	+2%	+2%
Margin %	18%	17%		

Professional division created during year through integration of previous Legal and Finance divisions

Closure of Legal Services business (Ark) accounts for all revenue reduction

Accountancy delivered good growth

- SWAT business acquired in 2016 performed well

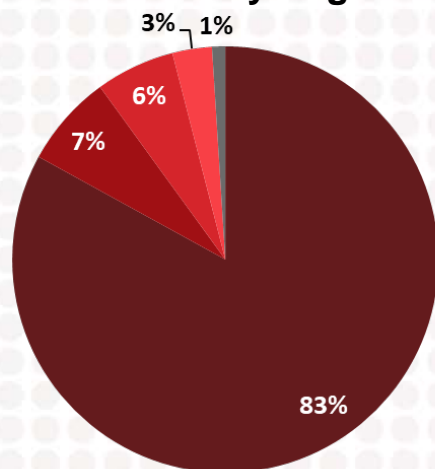
Legal business mixed year

- Bond Solon business expanded portfolio of courses
- CLT transitioning from CPD based to online learning. Part of digital platform implementation
- Good growth in Ireland

AMT stabilised after challenges of prior year

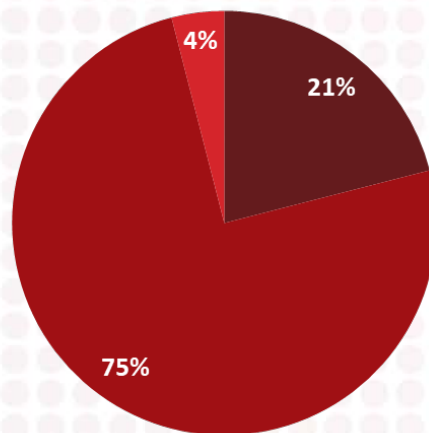
- Totara® platform launched. More courses will migrate during current year

Revenue by Region



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

Revenue by Type

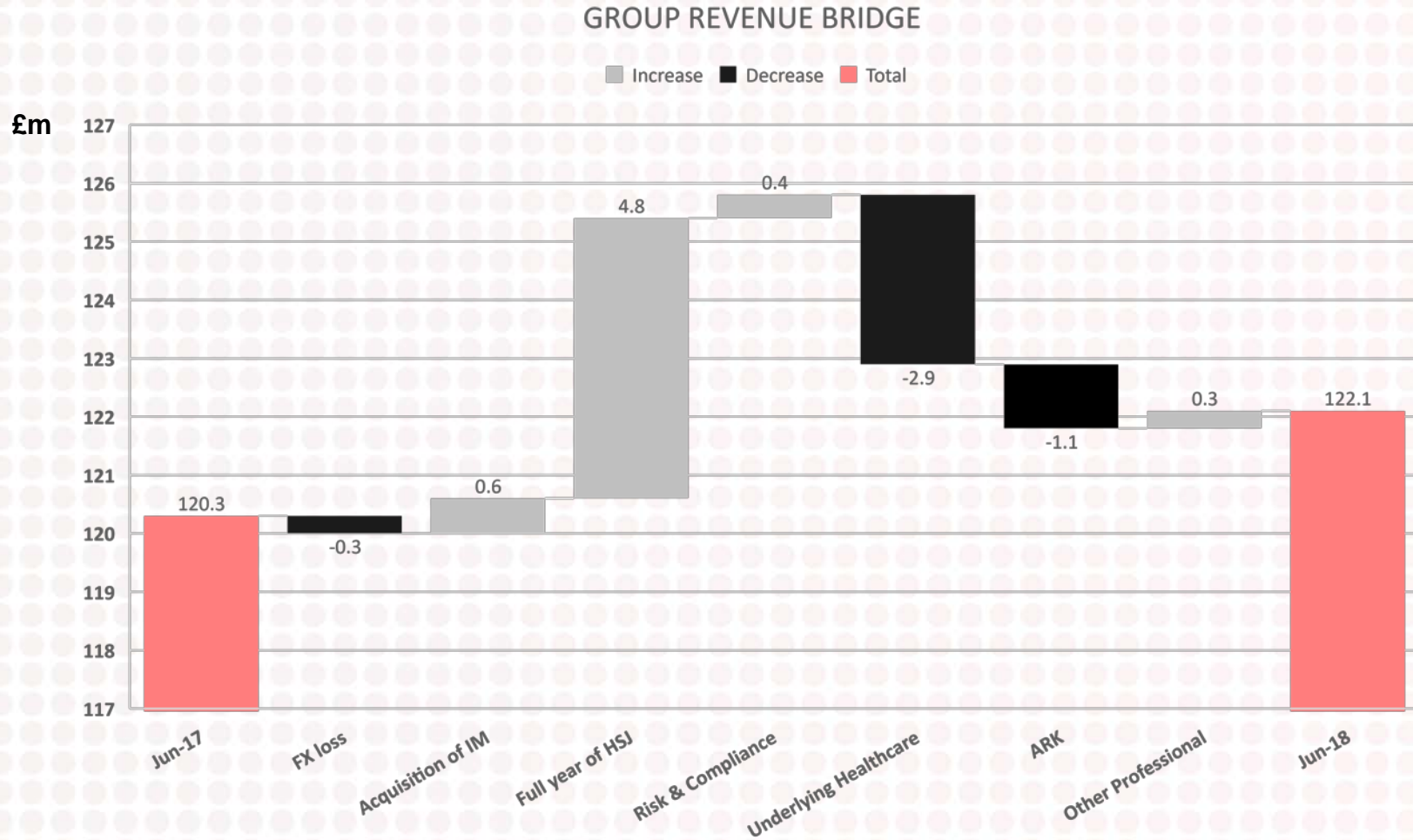


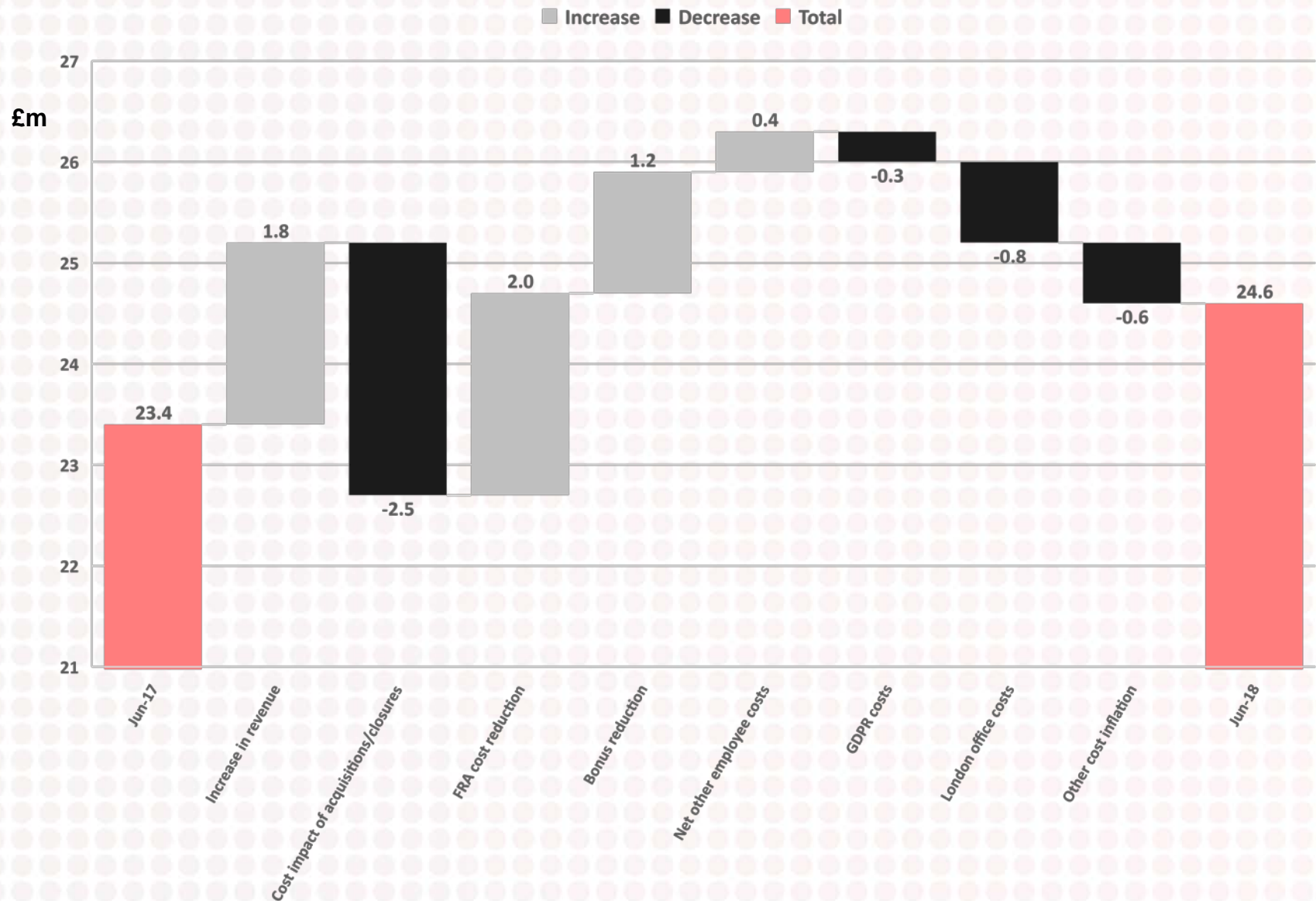
- Information 21%
- Training 75%
- Networking 4%

Financial highlights

	2018 £m	2017* £m	Absolute variance %	Organic variance %
Revenue				
Compliance	27.4	27.2	1%	2%
Risk	15.5	15.1	3%	-2%
Total Risk & Compliance	42.9	42.3	1%	1%
European Healthcare	27.8	23.8	17%	-8%
US Healthcare	8.9	10.7	-17%	-12%
Other Information Businesses	7.9	8.0	-1%	-2%
Total Healthcare	44.6	42.5	5%	-8%
Continuing businesses	34.3	34.1	1%	1%
Ark business closed	0.3	1.4		
Total Professional	34.6	35.5	-3%	-2%
Total Group Revenue	122.1	120.3	+1%	-3%

* 2017 comparatives restated to reallocate US events revenue from Professional to Healthcare – see slide 29 for detail.





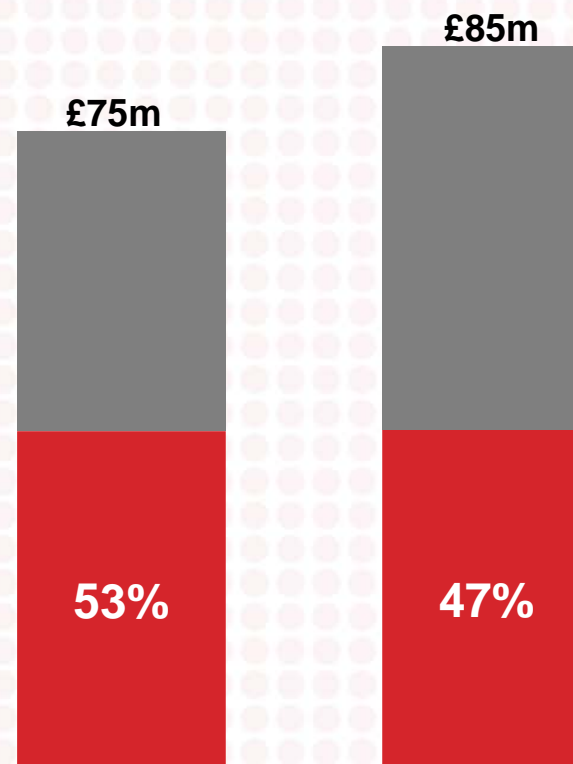
	12 months 2017/18	12 months 2016/17	Variance	Variance Absolute	Variance Organic
	£m	£m	£m	%	%
Revenue	122.1	120.3	1.8	1%	-3%
Adjusted EBITA	24.6	23.4	1.2	5%	-2%
<i>EBITA margin %</i>	20.1	19.4			
Finance costs	-2.0	-2.0			
Adjusted profit before tax	22.6	21.4	1.2	6%	
Adjusting items - Acquisitions	-0.7	-1.6	0.9		
- Property/IT	-3.1	-1.0	-2.1		
- Other	-0.8	-0.8	-		
Gains on disposal of leasehold	-	6.3	-6.3		
Amortisation	-6.4	-6.0	-0.4		
Impairment	-8.6	-2.4	-6.2		
Profit/(loss) before tax	3.0	15.9	-12.9		
Taxation	-2.7	-3.0	0.2		
Profit/(loss) after tax	0.3	12.9	-12.7		
Underlying tax rate	20.80%	22.40%			
Adjusted basic EPS	20.49p	19.05p		8%	
Dividend per share (total)	8.80p	8.50p		4%	

	12 months	12 months		
	2017/18	2016/17		Variance
	£m	£m	£m	%
Cash Conversion %	105%	114%		
Adjusted EBITDA	26.8	25.6	1.2	5%
Share based payment expenses	0.6	0.6	-	
Movement in working capital	-1.7	0.5	-2.2	
Cash inflow from operations	25.7	26.7	-1.0	-4%
Interest paid	-2.0	-1.7	-0.3	
Tax paid	-4.7	-3.9	-0.8	
Net capital expenditure	-5.0	-2.9	-2.1	
Free cash flow before dividends	14.0	18.2	-4.2	-23%
Equity dividends	-7.6	-7.2	-0.4	
Cash on share based payments	-0.1	-0.1	-	
Acquisition spend	-1.9	-19.0	17.1	
Deferred consideration	-0.2	-1.3	1.1	
Disposal of leasehold property	-	7.3	-7.3	
Adjusting and other items	-4.0	-2.9	-1.1	
Change in net debt during the year	0.2	-5.0	5.2	
Brought forward net debt	-40.0	-34.7	-5.3	
FX	0.2	-0.3	0.5	
Carried forward net debt	-39.6	-40.0	0.4	

- Cash conversion rate >100%
- Working capital reduction in deferred revenue
- Tax payment includes elements for last year's lease sale
- Capex higher than normal
 - London move + IT upgrade
- Adjusting items
 - £0.5m to pay for in FY19
- Deferred consideration
 - anticipate £1.5m in FY19
- Around £8.5m in one off cash outflows in year

	2018 £m	2017 £m
Fixed assets		
Goodwill/intangibles	104.4	117.9
Property and P&E	6.4	4.4
Other fixed assets	0.6	0.8
Working capital		
Deferred revenue	-24.8	-27.0
Other working capital	1.9	3.2
Cash/Debt		
Net debt	-39.6	-40.0
Capitalised bank fees	0.3	0.4
Deferred consideration	-2.6	-2.5
Financial instruments	-0.3	-0.7
Other		
Tax liabilities	-0.7	-1.9
Deferred tax	-3.1	-4.6
Net Assets	42.5	50.0

Debt profile



2018

2017

Net debt

Total facilities

IFRS 9 – Financial Instruments

- Effective date 1 July 2018
- No major impact to Group
- No expected material impact on income statement or balance sheet

IFRS 15 – Revenue Recognition

- Effective 1 July 2018
- Has been well signposted – revenue recognition approach has migrated towards IFRS 15 principles over last few years
- No material impact expected on income statement
- Some netting off between trade debtors and deferred revenue

IFRS 16 – Leases

- Effective 1 July 2019
- Will bring lease commitments onto balance sheet
- Will result in former lease charge being reclassified between amortisation and finance charges
- Impact not yet quantified – see commitments note for guidance on potential impact



Current year focus and outlook

Wilmington plc

Customer Experience



By 2020, Wilmington communities benefit from personalised knowledge whenever and wherever they need it

Customer Engagement

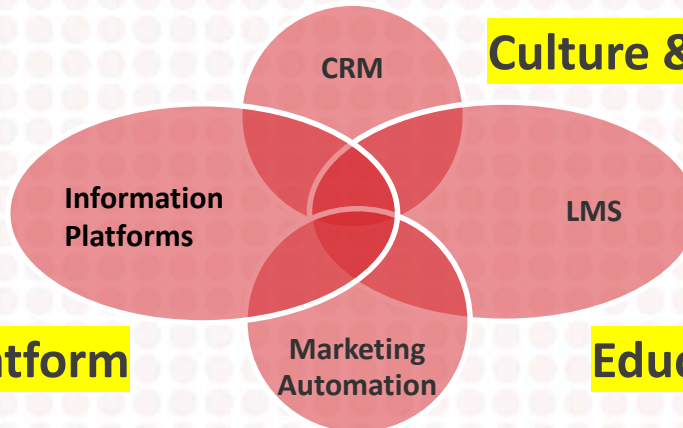
Go to Market



New Product Development

Communication

Digital Foundation



Culture & CSR

Information Platform

Education Platform

1. Return to organic growth

- Targeting opportunities in growth areas that match our core expertise
- Realising the full benefit of prior-year investments
- Focus on execution following a period of transformation

2. Rollout of digital platforms and infrastructure

- CRM and common LMS – full implementation by year-end
- Marketing automation – launch in additional three business units
- eCommerce – provides “click to credential” experience (fully implemented by June 2019)

3. Operate Healthcare and Professional as integrated divisions

- Healthcare: driven by a portfolio of products offered to the UK private and public markets
- Professional: driven by strong brands, content, client relationships and technology

Risk & Compliance

- Continue development of ICA membership scheme (individual and corporate)
- Expand qualification portfolio into new geographies and jurisdictions
- Focus on growth in demand for mid-size in-house programmes
- Continued digitisation of courses/programmes to extend reach and meet client demand
- New Compliance Week platform to boost personalisation

Healthcare

- Continue new-product development initiatives in France and UK
- Integrated WHC sales team fully equipped with shared CRM platform and technology
- Focus on developing existing and new events

Professional education

- Continue to develop online programs for all our client communities
- Improve user experience for better accessibility and personalisation
- Complete integration of our Accounting businesses

Outlook in line with July guidance

- Revenue growth in low single digits
 - Expect each division to contribute to growth
- Costs expected to rise as previously discussed
- Year started in line with expectations
 - Risk & Compliance / Professional revenue growth year on year
 - Healthcare – first 2 months' revenue down year on year as anticipated
 - new sales flat year on year

Confident in prospects for Group going forward

- Focus on organic growth
- Dividend progression reflects confidence



Q&A

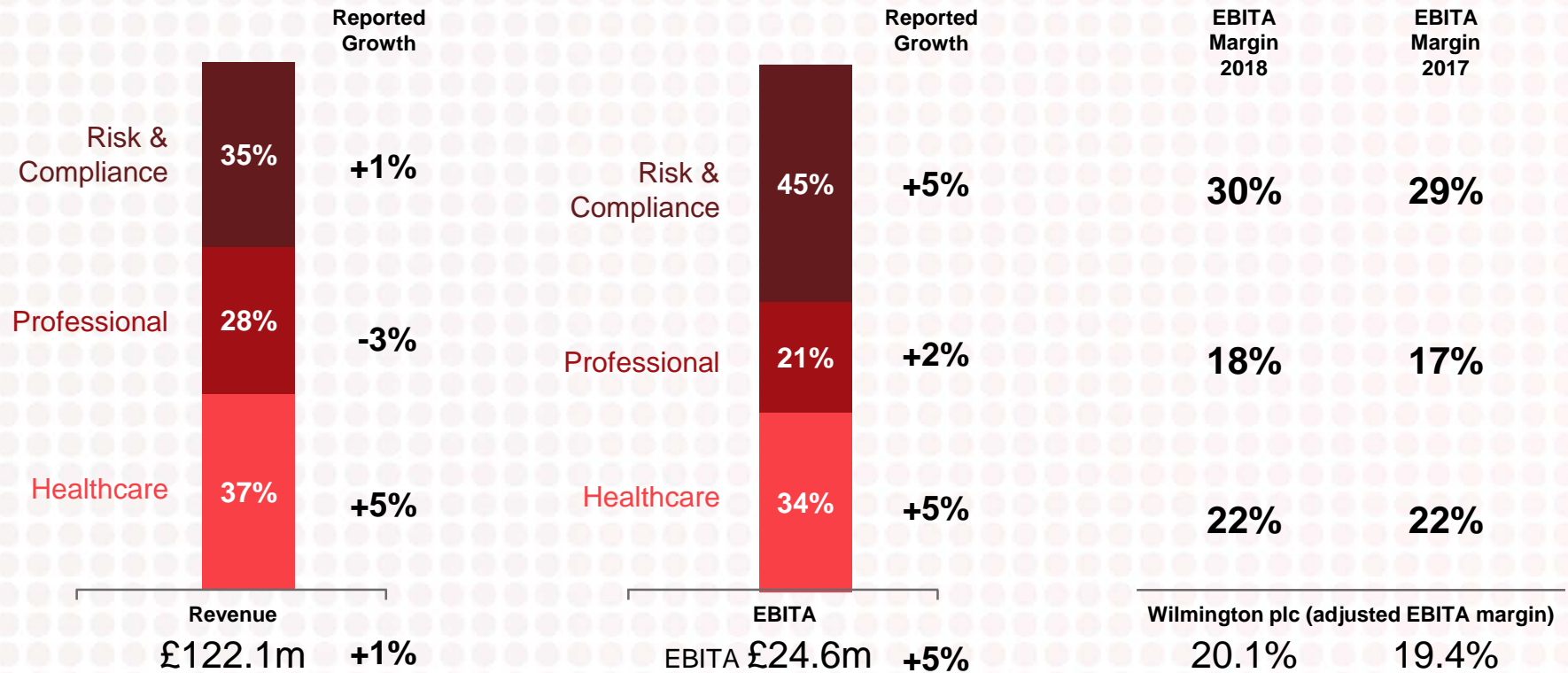
Appendices

AMT	AMT Training – provides training to the international banking sector
APMi	New product being developed by APM International, French based healthcare company
FRA	Wilmington FRA – US-based finance conference company
ICA	International Compliance Association – Wilmington owned compliance industry body
ICP	International Company Profile – credit referencing business sold in July 2018
IM	Interactive Medica – Acquired Feb 2018
Marketo [®]	Marketing automation software system being deployed in key businesses
Totara [®]	Learning Management System (LMS) being deployed group-wide

Revenue up
(% of Group Revenue)

Profits up
(% of Group EBITA)

Overall margins

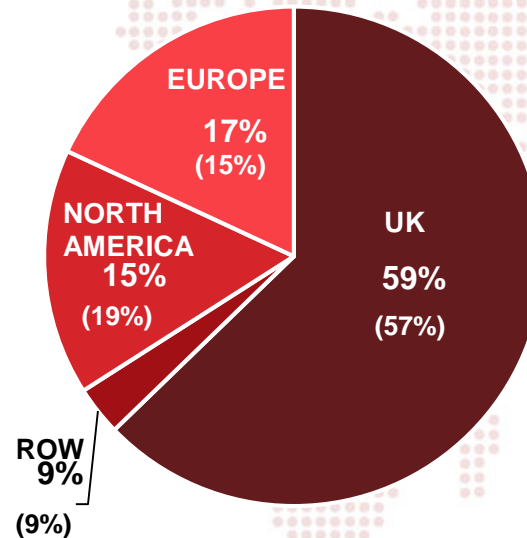


Turning knowledge to advantage

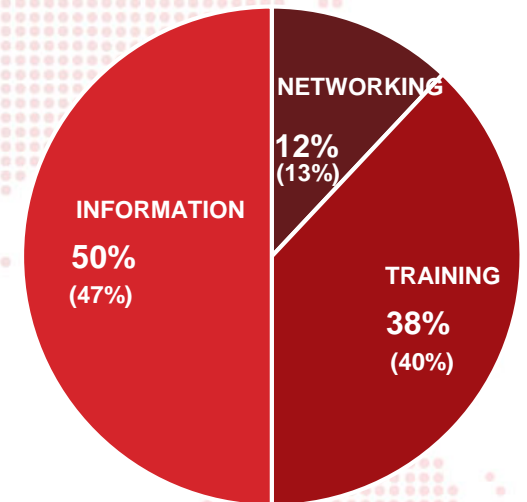
REVENUE BY AREAS OF KNOWLEDGE



REVENUE BY REGIONS

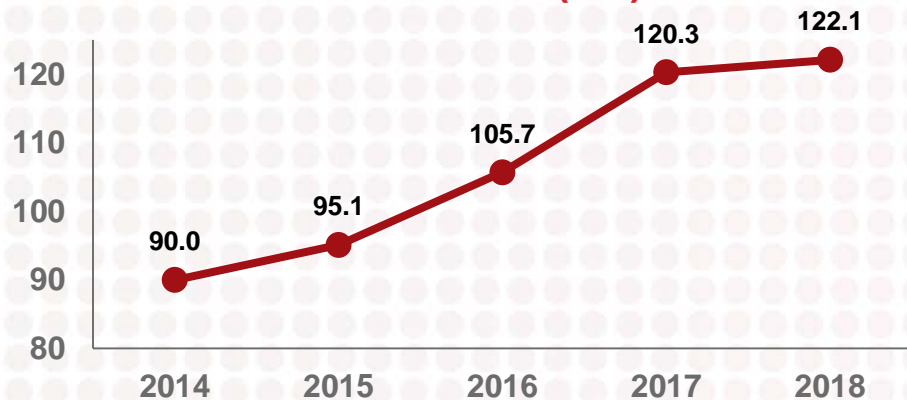


REVENUE BY TYPE

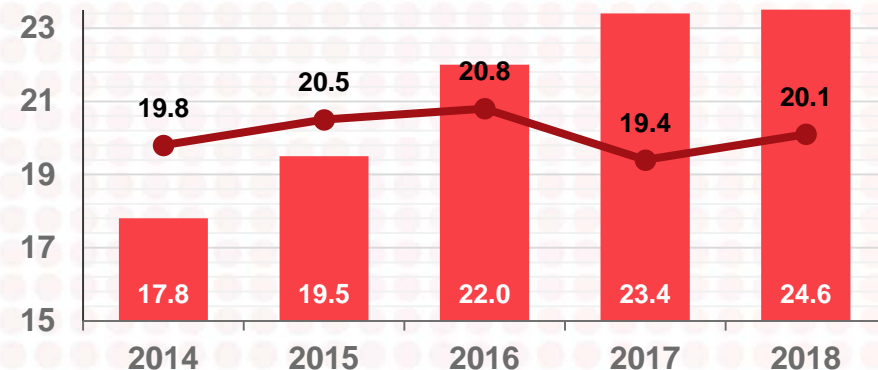


() 2017 figures

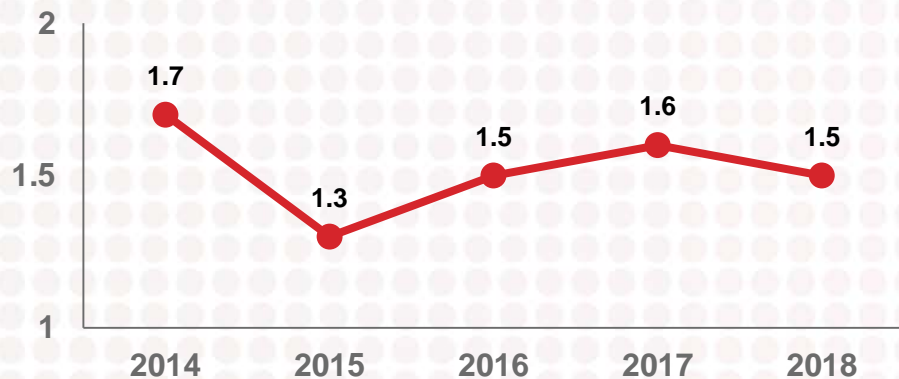
Revenue (£m)



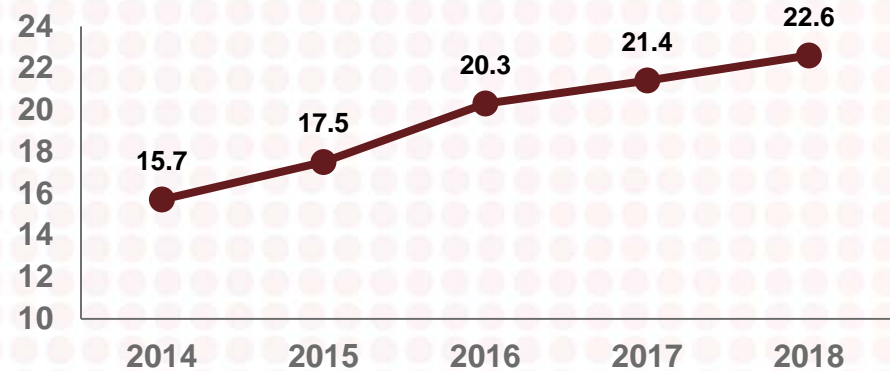
Adjusted EBITA (£m) / Margin (%)



Net debt / EBITDA



Adjusted PBT (£m)



	2018 £m	2017* £m	Absolute variance %	Organic variance %
Adjusted operating profit				
Risk & Compliance	12.9	12.3	5%	1%
Healthcare	9.9	9.4	5%	-7%
Professional	6.2	6.1	2%	2%
Group overheads	-3.8	-3.9	0%	0%
SBP	-0.6	-0.5		
Total	24.6	23.4	5%	-2%

* Restated – see slide 29

	As reported in the prior year £'000	Restatement £'000	Restated total per FY18 accounts £'000
Revenue			
Risk & Compliance	42,272	-	42,272
Healthcare	38,585	3,938	42,523
Professional	39,472	-3,938	35,534
Revenue	120,329	-	120,329
Adjusted EBITA			
Risk & Compliance	12,265	-	12,265
Healthcare	9,705	-280	9,425
Professional	5,864	280	6,144
	27,834	-	27,834
Unallocated central overheads	-3,930	-	-3,930
Share based payments	-552	-	-552
Adjusted EBITA	23,352	-	23,352

	As reported in the prior year £'000	Restatement £'000	Restated total per FY18 H1 accounts £'000
Revenue			
Risk & Compliance	19,449	147	19,596
Healthcare	20,832	-749	20,083
Professional	17,878	602	18,480
Revenue	58,159	-	58,159
Adjusted EBITA			
Risk & Compliance	5,258	-9	5,249
Healthcare	3,718	203	3,921
Professional	3,180	-194	2,986
	12,156	-	12,156
Unallocated central overheads	-1,860	-	-1,860
Share based payments	-338	-	-338
Adjusted EBITA	9,958	-	9,958

Thank you.

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