

Preliminary Results 2016

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

London, 14 September 2016

Wilmington plc

Overview

Pedro Ros

Financial highlights

Tony Foye

Operational review

Pedro Ros

Update on strategy

Pedro Ros

Q & A

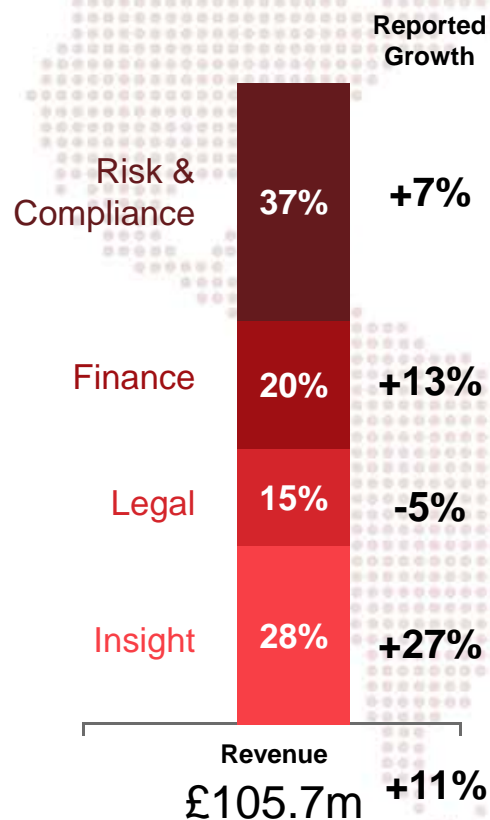
Pedro Ros/
Tony Foye



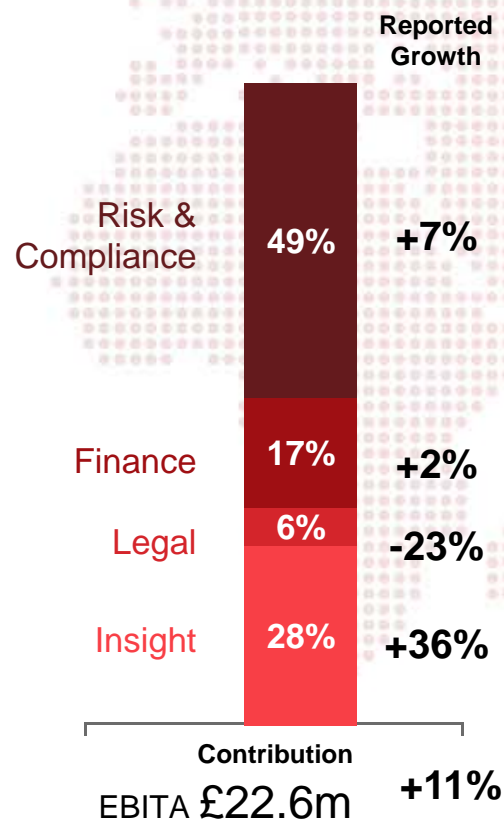
Overview

- 1 Revenue up +11% (organic +2%)**
Adj EBITA margin level at 21.4%, Adj PBT +13%, Dividends +5.2%
- 2 Continued organic growth in R&C (+7%), Finance (+2%) and Insight (+1%).** Healthcare drives growth by acquisition within Insight (+27%) with contribution up (+36%)
- 3 Growing international ambition**
Revenue outside UK now 42% (2015: 39%)
- 4 Consistent high levels of subscription and repeatable revenue 75% (2015: 76%)**
- 5 Acquisitions accelerating growth: performing strongly**

Revenue up
(% of Group Revenue)



Profits up
(% of Group Contribution)



Overall margins maintained

	Contribution Margin 2016	Contribution Margin 2015
Risk & Compliance	33%	33%
Finance	21%	23%
Legal	11%	14%
Insight	24%	23%
Wilmington plc (adjusted EBITA margin)	21.4%	21.5%

Financial highlights

Tony Foye

Adjusted EBITA
£22.6m

(2015:
£20.4m)

11%

Adjusted EBITA margin
21.4%

(2015:
21.5%)

10bp

Adjusted PBT
£20.9m

(2015:
£18.4m)

13%

Deferred revenue
£22.3m

(2015:
£19.2m)

16%

Adjusted EPS
18.69p

(2015:
16.42p)

14%

Dividend per share
8.1p

(2015:
7.7p)

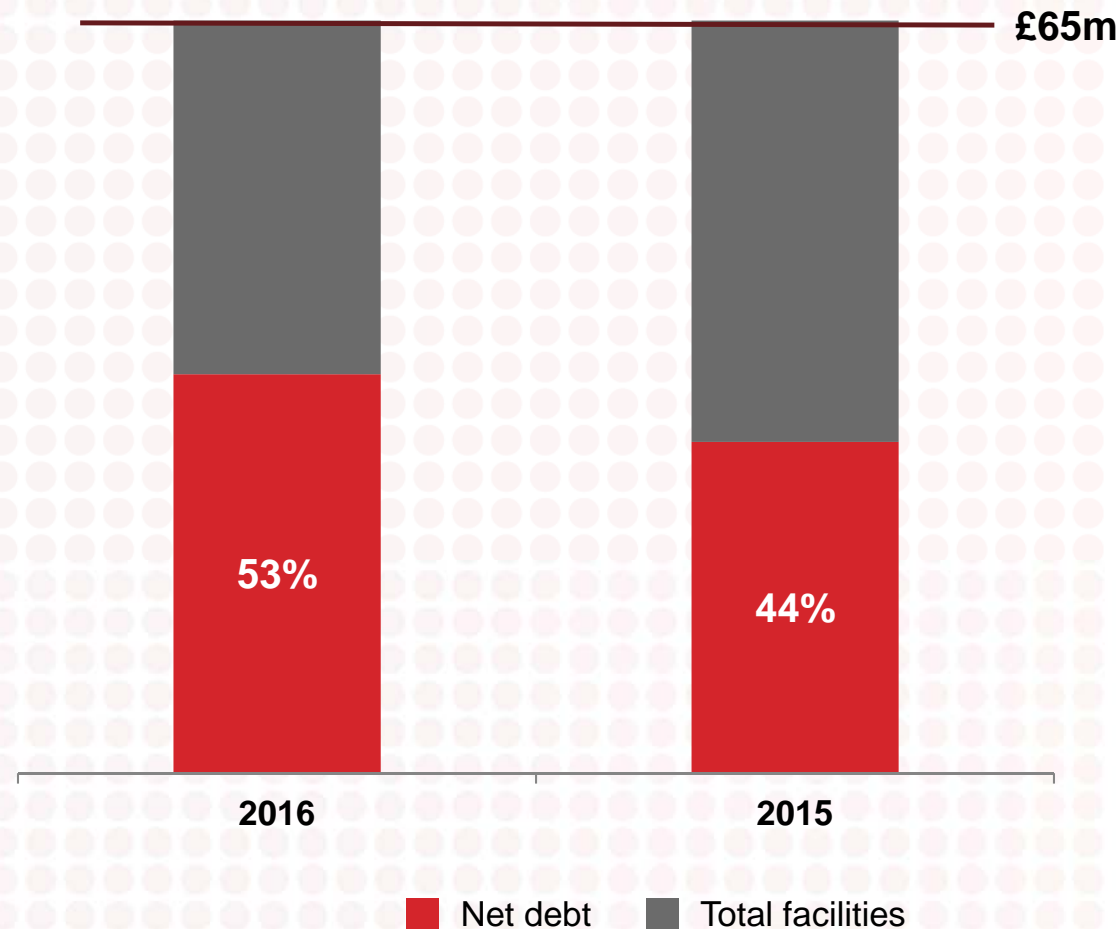
5.2%

	12 months 2015/16	12 months 2014/15	variance	
	£m	£m	£m	%
Revenue	105.7	95.1	10.6	+11
Adjusted EBITA	22.6	20.4	2.2	+11
<i>EBITA Margin %</i>	21.4	21.5		
Finance costs	(1.7)	(2.0)	0.3	-14
Adjusted profit before tax	20.9	18.4	2.5	+13
Adjusting items	(2.6)	(1.1)	(1.5)	
Share based payments	(0.6)	(0.9)	0.3	
Amortisation	(5.4)	(6.1)	0.7	
Profit before tax & impairment	12.3	10.3	2.0	+19
Impairment	(15.7)	-	(15.7)	
(Loss) / Profit before tax	(3.4)	10.3	(13.7)	
Taxation	(2.9)	(2.4)	(0.5)	+17
(Loss) / Profit after tax	(6.3)	7.9	(14.2)	
Underlying tax rate	22.4%	23.1%		
Adjusted basic EPS	18.69p	16.42p		+14
Dividend per share (total)	8.10p	7.70p		+5.2

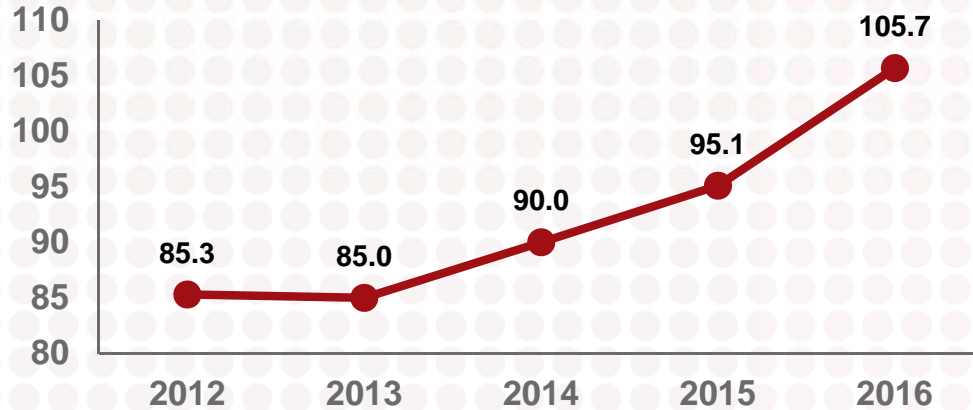
	12 months 2015/16	12 months 2014/15	Variance	
	£m	£m	£m	%
Cash conversion %	106%	107%		
Adjusted EBITDA	24.6	22.3	2.3	10
Movement in working capital	(0.7)	(0.4)	(0.3)	
Cash inflow from operations	23.9	21.9	2.0	9
Interest paid	(1.5)	(1.9)	0.4	
Tax paid	(3.2)	(3.7)	0.5	
Net capital expenditure	(1.5)	(2.6)	1.1	
Free cash flow before dividends	17.7	13.7	4.0	29
Equity dividends	(6.8)	(6.4)	(0.4)	
Acquisition spend	(13.9)	(0.2)	(13.7)	
Deferred consideration	(0.3)	(0.3)	-	
Disposal of fixed assets	-	0.1	(0.1)	
Adjusting items	(1.5)	(1.4)	(0.1)	
Share-based payments	(0.2)	(0.2)	-	
Change in net debt during the year	(5.0)	5.3	(10.3)	
Brought forward net debt	(28.6)	(33.7)	5.1	
FX	(1.1)	(0.2)	(0.9)	
Carried forward net debt	(34.7)	(28.6)	(6.1)	

	30 June	
	2016	2015
	£m	£m
Goodwill/Intangibles	99.8	100.7
Property, plant & equipment	4.6	4.8
Net debt	(34.7)	(28.6)
Capitalised bank fees	0.4	0.1
Working capital	4.5	1.5
Tax liabilities	(1.6)	(0.8)
Financial instruments	(2.0)	(0.1)
Deferred consideration	(2.6)	(0.3)
Provisions for future purchase of minority interests	(0.1)	(0.1)
Assets for disposal	-	0.5
Deferred revenue	(22.3)	(19.2)
Deferred tax	(3.0)	(3.2)
Net assets	43.0	55.2

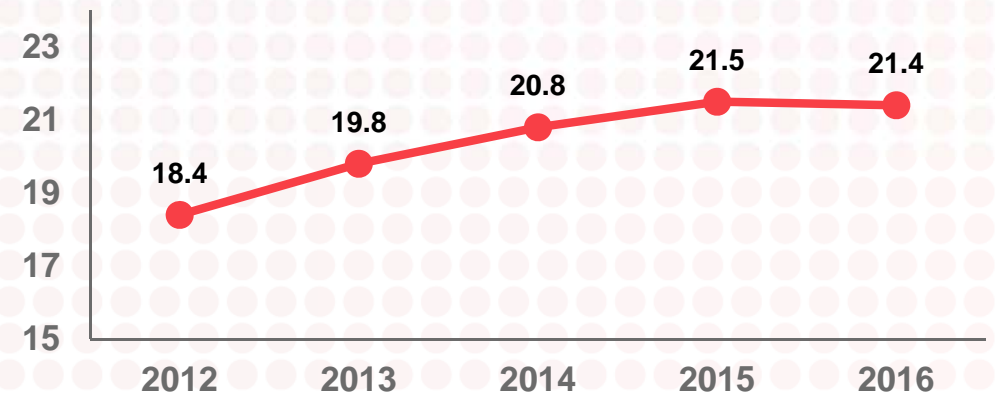
Debt profile



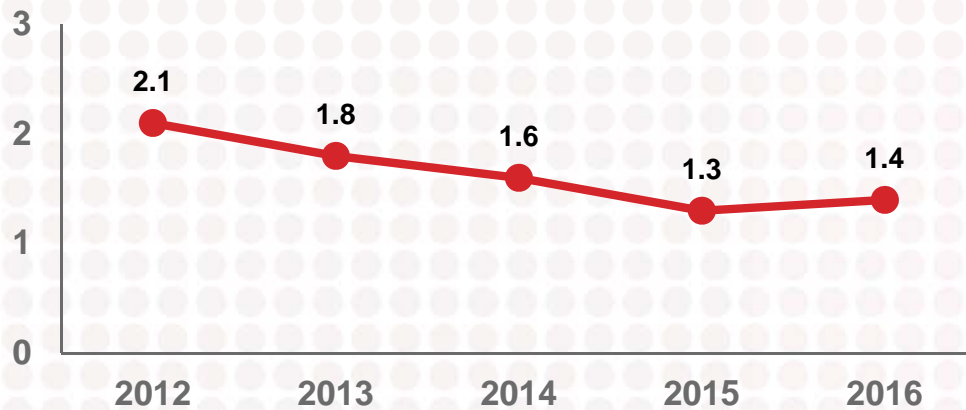
Revenue (£'m)



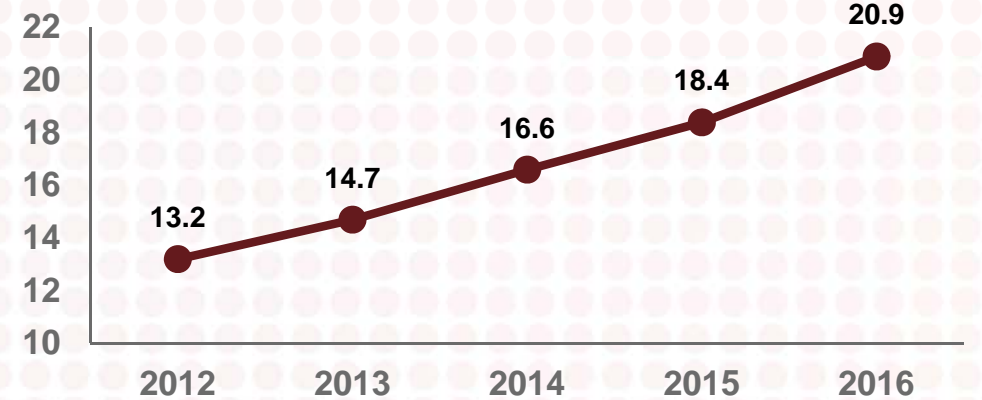
Adjusted EBITA margin (%)



Net debt / EBITDA



Adjusted PBT (£'m)



Deal Structure

- Initial consideration £2.4m (£0.4 cash acquired)
- Deferred consideration up to £3.0m September 2018
- 2015 results: Revenue – £4.7m/EBITA £0.6m
- 50% subscription income
- Debt financed, expected to be earnings enhancing in 2016/17
- Integration going well

Business & Fit

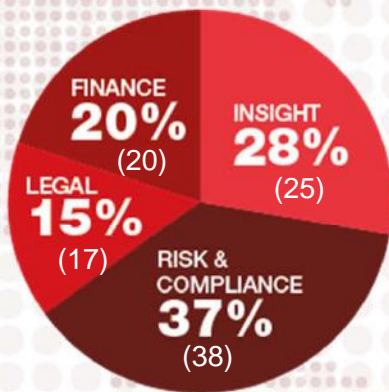
- Technical financial training and compliance support for qualified accountants and firms
- Shared resources – trainers, staff and facilities
- Cross selling opportunities
- Plymouth & London locations
- Southwest England and student training markets access

Operational review

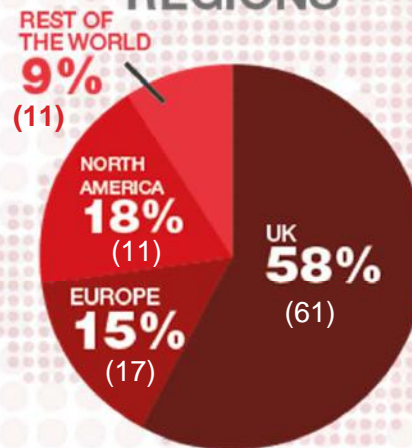


Turning knowledge to advantage

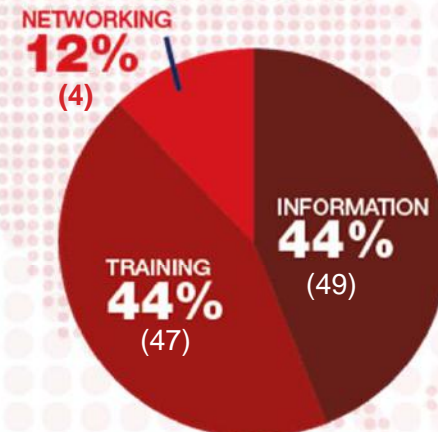
REVENUE BY AREAS OF KNOWLEDGE



REVENUE BY REGIONS



REVENUE BY TYPE

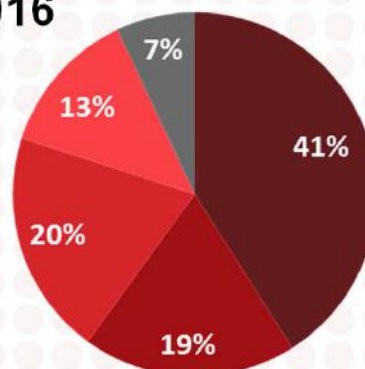


() 2015 figures

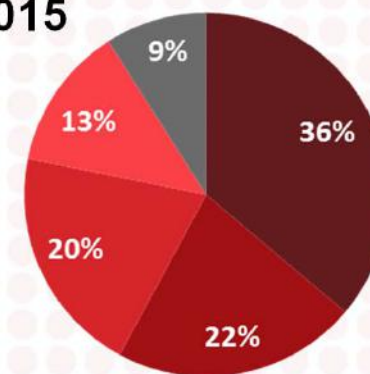
Revenue by region



2016



2015

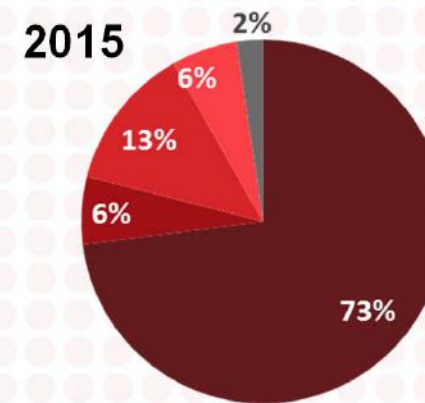
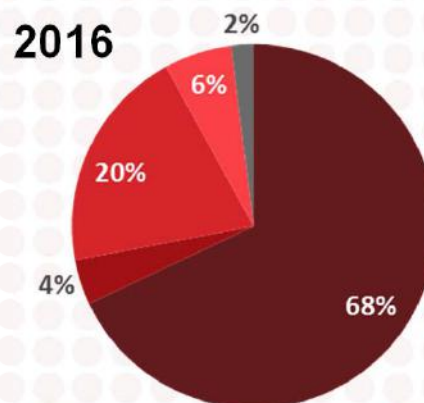
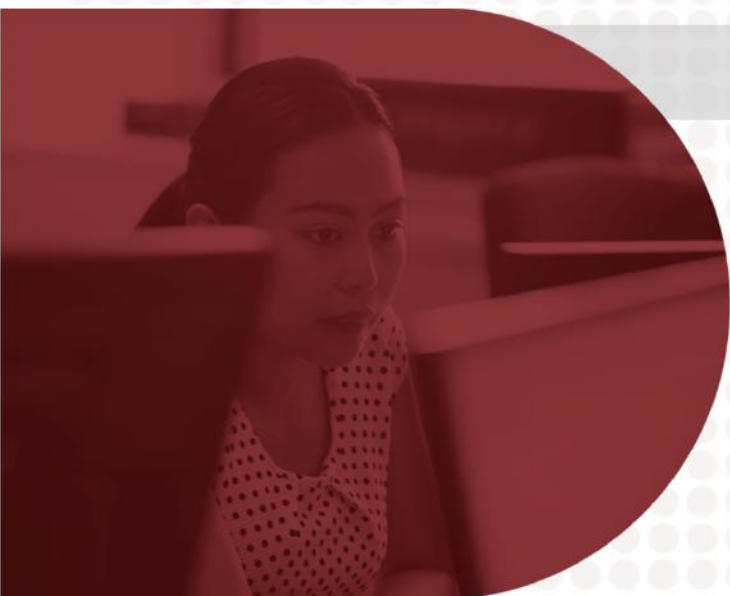


■ UK ■ Europe (excl UK) ■ North America ■ Asia ■ Rest of World

12 months to	2016	2015	Change	Change
	£m	£m	£m	%
Revenue	38.8	36.4	2.4	+7%
Contribution	12.7	11.9	0.8	+7%
Margin %	33%	33%		

- Quality of revenue improved by very strong growth from public (+30%) and online (+40%) compliance training
- Margin maintained despite significant investment in compliance
- Solid growth from Axco (+5%)

Revenue by region



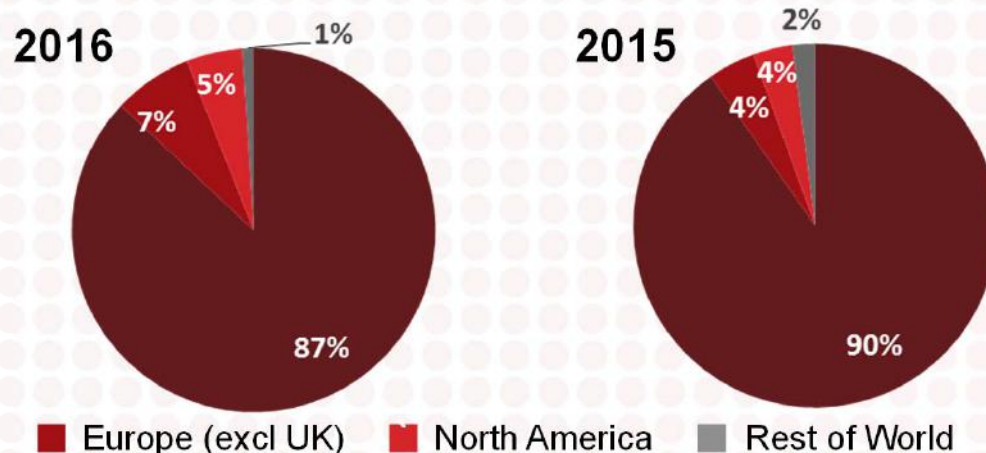
■ UK ■ Europe (excl UK) ■ North America ■ Asia ■ Rest of World

12 months to	2016	2015	Change	Change
	£m	£m	£m	%
Revenue	21.2	18.7	2.5	+13%
Contribution	4.5	4.4	0.1	+2%
Margin %	21%	23%		

- Strong revenue contribution from FRA £2.1m
- AMT revenue maintained despite difficult last quarter trading
- Technical financial training +5%



Revenue by region

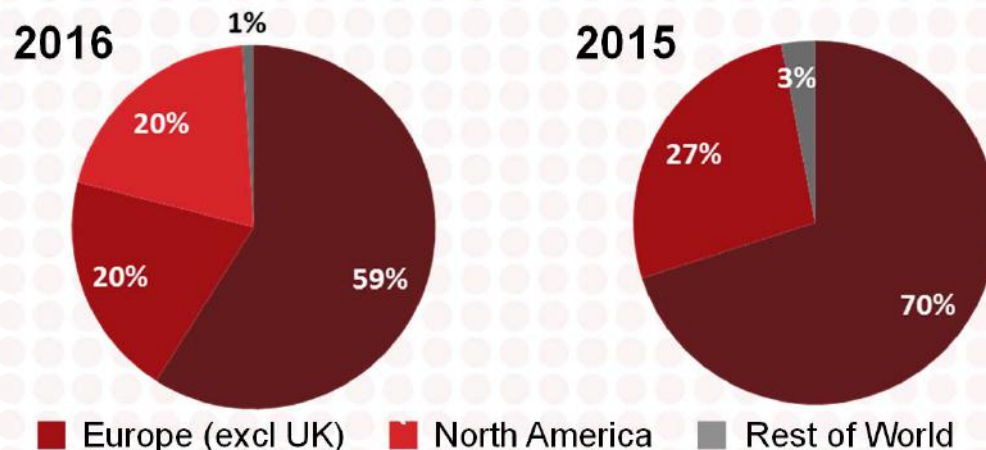


12 months to	2016 £m	2015 £m	Change £m	Change %
Revenue	15.5	16.3	(0.8)	-5%
Contribution	1.7	2.2	(0.5)	-23%
Margin %	11%	14%		

- Law for lawyers structural market challenges
- Non cash impairment of 1999 and 2005 investments £15.7m
- Law for non-lawyers: Bond Solon up 10%, capitalising on strong momentum



Revenue by region



12 months to	2016 £m	2015 £m	Change £m	Change %
Revenue	30.2	23.7	6.5	+27%
Contribution	7.3	5.4	1.9	+36%
Margin %	24%	23%		

- Organic growth of 1% (recovery from mixed start)
- Healthcare now 73% of revenue; organic +3%
- Acquisitions contributed £6.3m (net disposals), performing strongly
- Record performance from RISE

Update on strategy

- 1 Focus on areas with maximum growth potential**
- 2 Accelerate growth via organic investment and targeted acquisitions**
- 3 Strengthen our organisation by investing in talent, technology and resources**

1 Focus on areas with maximum growth potential

Compliance

New ICA membership scheme

Significant step change in the US market

New compliance audit business

Risk & Insurance (Axco)

Launch of data services

New client service teams in growing territories

Healthcare

Consolidation of HC offerings

New organisation structure to support the business

2 Accelerate growth via organic investment and targeted acquisitions

Organic investment in Risk & Compliance and Healthcare

Targeted acquisitions

- **FRA (Finance/Healthcare)**
- **Wellards (Healthcare)**
- **Evantage (Healthcare)**
- **SWAT (Finance)**

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

Solid platform for future growth

3 Strengthen our organisation by investing in talent, technology and resources

- **New CTO, Group HR Director, and e-learning Director**
- **Salesforce implementation continues**
- **New hub in Asia to support our businesses mirroring the successful model in the US**

- 1 Focus on execution and delivery**
- 2 Good performance by acquisitions, including SWAT which is expected to be earnings enhancing in this year**
- 3 Brexit: Opportunities due to further changes in legislation & regulation**
- 4 Outlook remains on target**

A smiling woman with long dark hair, wearing a light-colored button-down shirt, is shown from the chest up. Her hands are clasped in front of her, holding a pair of glasses. The entire image is overlaid with a semi-transparent red filter. The text 'Q&A' is written in a large, white, sans-serif font across the center of the image, with a thin white vertical line extending downwards from the end of the text.

Q&A

Thank you.

Wilmington plc