

PRELIMINARY RESULTS 2019/20

Mark Milner, Chief Executive Officer
Richard Amos, Chief Financial Officer

17 September 2020

Wilmington plc



SAFE HARBOUR STATEMENT.

This presentation and the subsequent question and answer session may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. There are risk factors that could cause results to differ materially from those expressed or implied by such statements.

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AGENDA.



1 INTRODUCTION AND HEADLINES

Mark Milner

2 OPERATIONAL REVIEW AND COVID-19 RESPONSE

Mark Milner

3 FINANCIAL HEADLINES

Richard Amos

4 STRATEGY UPDATE

Mark Milner

5 Q&A

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INTRODUCTION AND HEADLINES

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HEADLINES.

AGILE AND RESILIENT

- Entered Covid-19 crisis in a strong position
- Accelerated strategic progress to achieve at least 3 years of digital transformation in 3 months
- Innovation and commitment demonstrated by our people
- Achieved organic¹ revenue growth prior to Covid-19 impact

EFFECTIVE CASH MANAGEMENT

- Year end net debt £27.7m (June 2019: £33.9m)
- Strong cash conversion at 133%³ (2019: 123%)
- Significant headroom sustained against renegotiated banking facilities
- Dividend suspended but commitment to resume as soon as conditions allow

PROFITABLE IN ALL QUARTERS

- Results at upper end of range set at start of pandemic
- Revenue £113.1m down 8% (2019: £122.5m)
- Adjusted² EBITA reduced to £14.0m (2019: £21.5m)

CLEAR OPERATIONAL PLAN FOR 'NEW NORMAL'

- Agility to deliver products virtually or face-to-face, as demand dictates
- Assuming no face-to-face before January 2021
- Return to office roadmap clearly communicated

¹ Organic – eliminating the effects of exchange rate fluctuations and the impact of acquisitions and disposals

² Adjusted results exclude adjusting items, gain on sale of subsidiary, amortisation of intangible assets (excluding computer software), share of loss on equity accounted investment

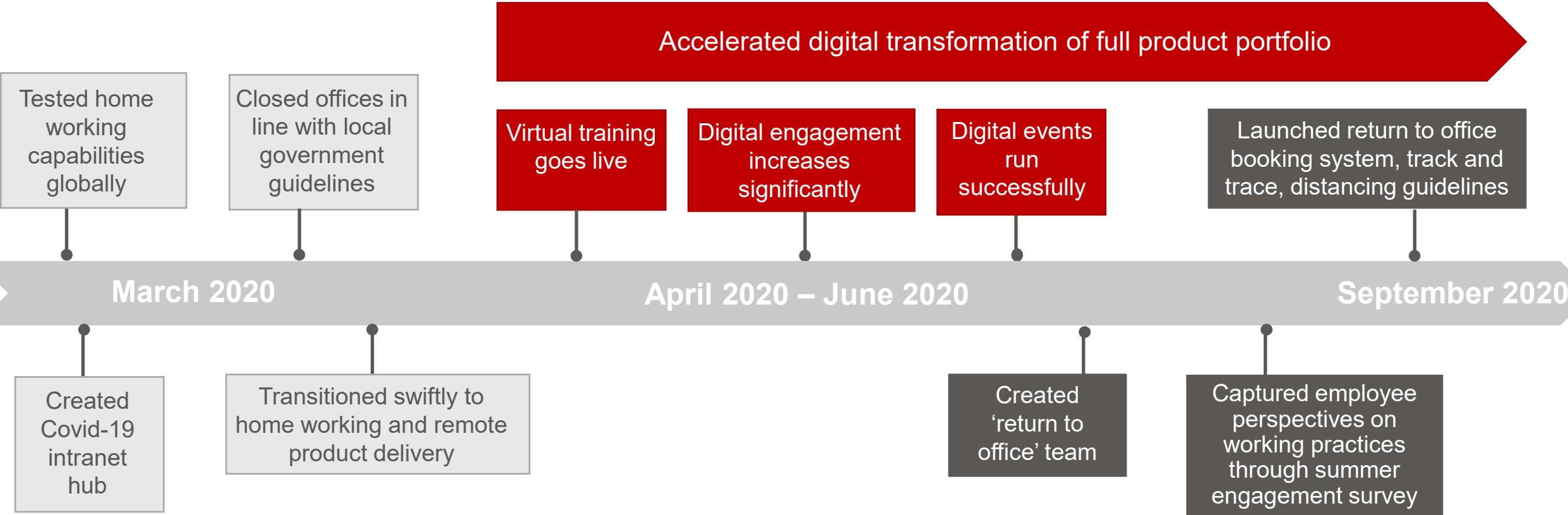
³ Actual cash conversion 189% before adjustments for IFRS 16 and one-off deferral of FY20 UK VAT and payroll tax payments to FY21



**OPERATIONAL
REVIEW AND
COVID-19
RESPONSE**

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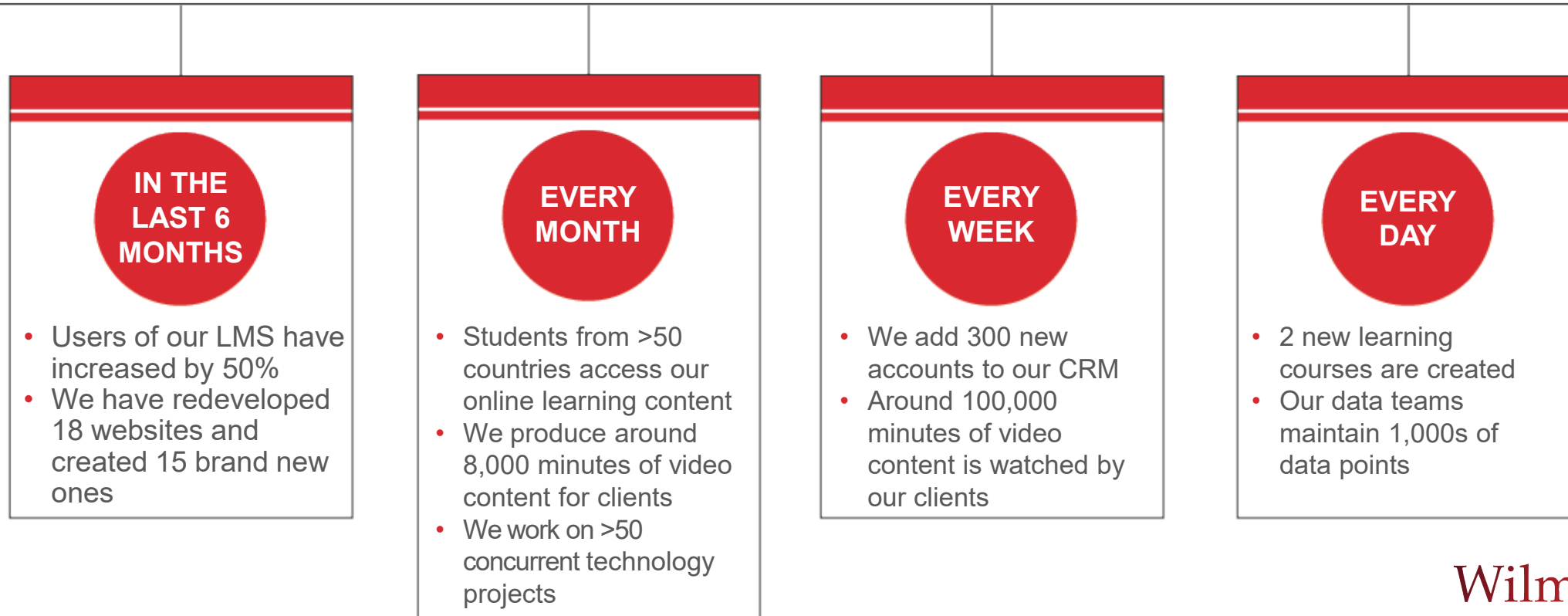
SWIFT COVID-19 RESPONSE.



DIGITAL ACCELERATION.

At least 3 years of digitisation achieved in 3 months

Across March, April and May, Wilmington transitioned to become a 100% digital business:



DIGITISATION CASE STUDY: ICA.

Digital training revenue up 83% FY20 on FY19

Customer engagement via digital channels

H2 2020 VS H2 2019:

- Ecommerce revenue +134%
- Average order value +107%

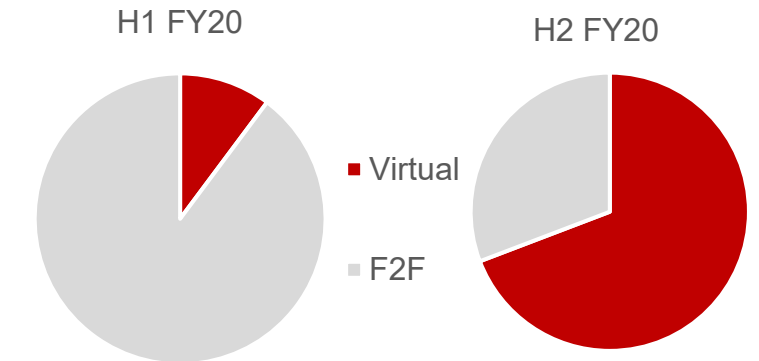
Annual conference: FY20 (virtual) vs FY19 (F2F):

	2020	2019
Delegates	875	238
Countries	97	31

Benefits of digitisation of ICA qualifications

- Increased capacity due to efficiencies of digital delivery
- Positive attitude shift amongst customers who were previously not engaged with online delivery
- Greater flexibility increases appeal to students
- Enhanced product range available digitally
- Elimination of boundaries caused by travel and creation of international sales opportunities

Delivery method of ICA UK faculty courses



New product offering

- New suite of short-form training courses available
 - Includes role specific practical training
- First self-learning courses launched: 5 live with more in the pipeline

DIGITISATION CASE STUDY: **HEALTHCARE.**

Key player

Keeping front line healthcare leaders and key workers up to date with:

- Breaking news and latest developments
- Dynamic insight and analysis
- Contributions to UK Government briefing Q&A

Increased demand

Increased demand for all subscription products from March 2020 to August 2020, including:

- Traffic to HSJ news increased 294%
- Free registered users increased 177%

Value of digital delivery

- Guarantees customers stay ahead
- Enables access 'on the go' 24/7
- Facilitates rapid adaptation to ever-evolving situation



Sustained product relevance

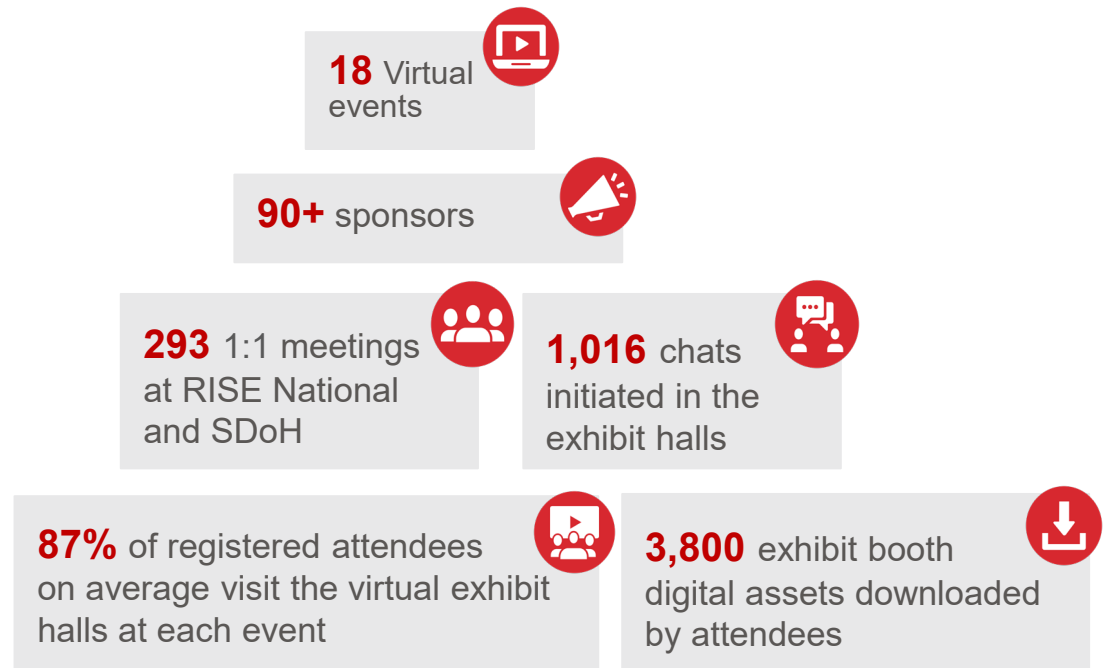
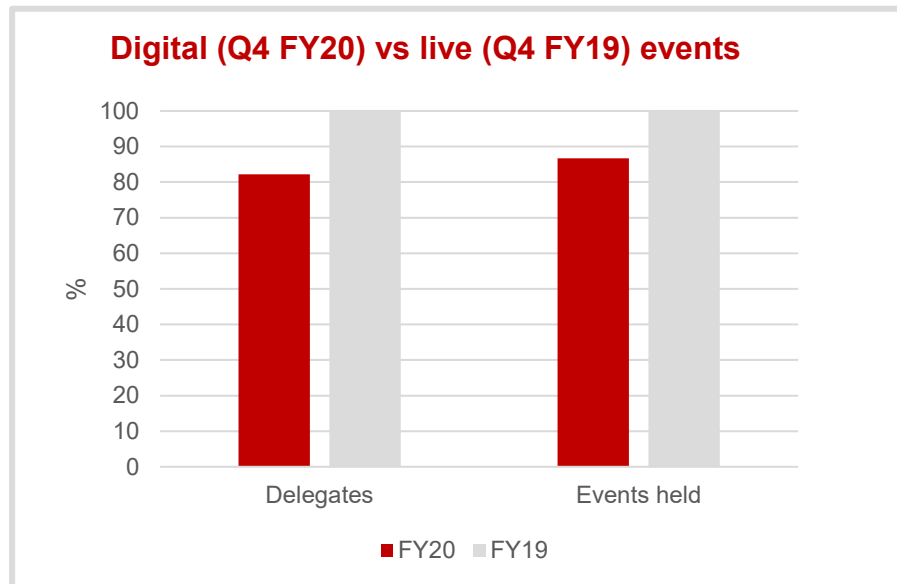
- July 2020 & August 2020: HSJ paid user activity increased 39%
- Throughout Q4 sales opportunities at 95% of prior year
- New growth opportunities in:
 - Marketing solutions
 - Specialist share data
 - Quantis
 - Digital communications

DIGITISATION CASE STUDY: **FRA.**

Events business hardest hit by restrictions to face-to-face delivery

Achieved rapid conversion of events to virtual product offerings resulting in c.30% planned revenue retained

Website traffic: Q4 FY19 vs Q4 FY20
224% Increase in direct search Risenational.com
51% Increase in direct search Risehealth.org



Transition to virtual events: March – August 2020



FINANCIAL HEADLINES

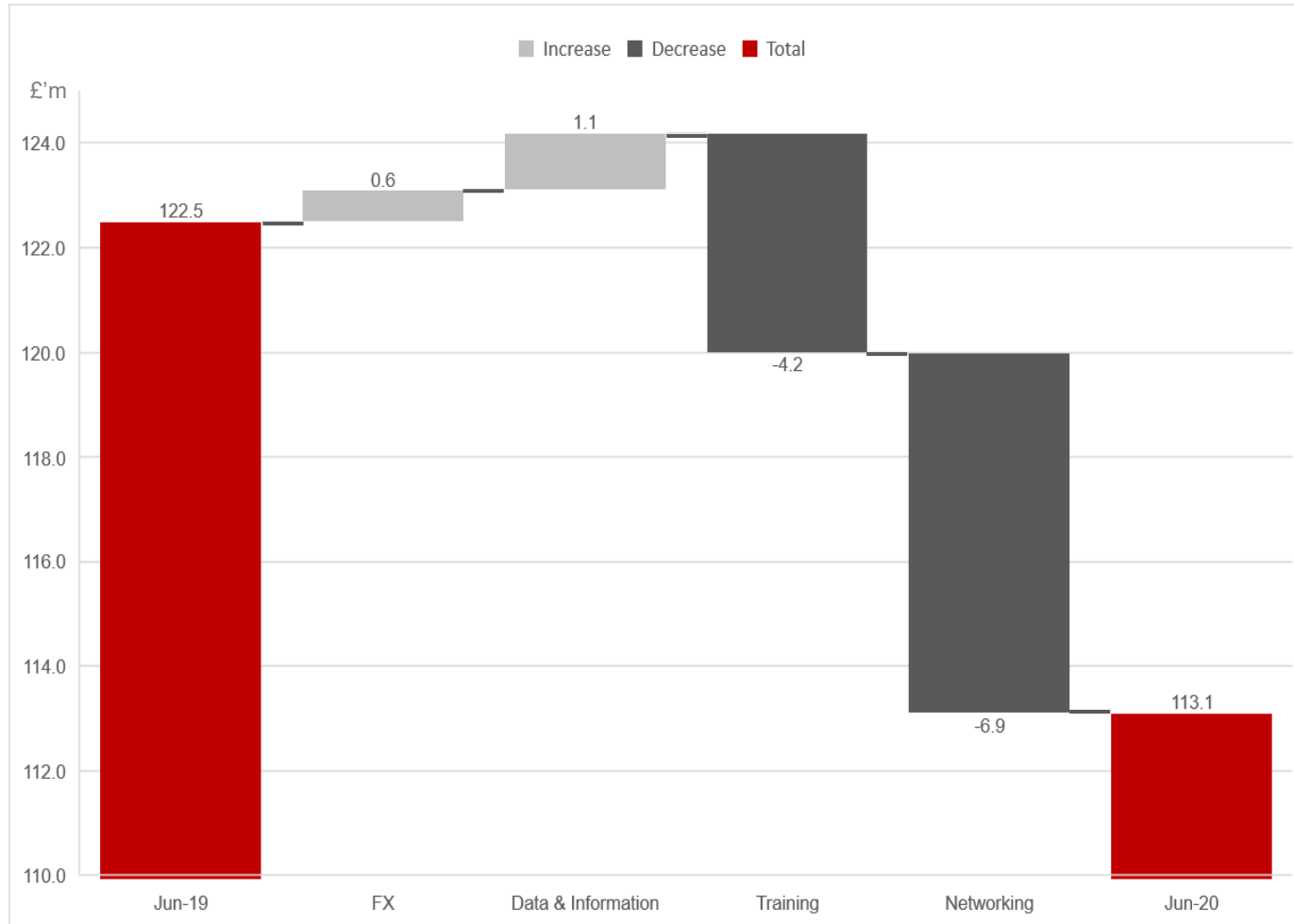
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REVENUE BY DIVISION.

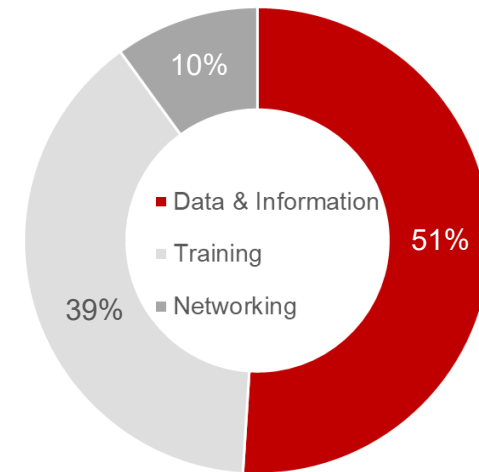
REVENUE	12 MONTHS TO 30 JUNE 2020 £M	12 MONTHS TO 30 JUNE 2019 £M	ABSOLUTE VARIANCE %	ORGANIC VARIANCE %
Compliance	28.2	29.0	(3%)	(3%)
Risk	13.5	13.4	1%	0%
RISK & COMPLIANCE	41.7	42.4	(2%)	(2%)
European Healthcare	27.9	29.0	(4%)	(4%)
US Healthcare	6.1	9.7	(38%)	(39%)
Other Information Businesses	7.0	7.6	(7%)	(7%)
HEALTHCARE	41.0	46.3	(11%)	(12%)
PROFESSIONAL	30.4	33.8	(10%)	(10%)
GROUP REVENUE	113.1	122.5	(8%)	(8%)

- H1 organic growth in each division reversed by H2 lockdown
- Compliance training resilient to restrictions as longer-term courses converted more readily to virtual formats
- Lack of F2F events and training particularly impacted US Healthcare and Professional

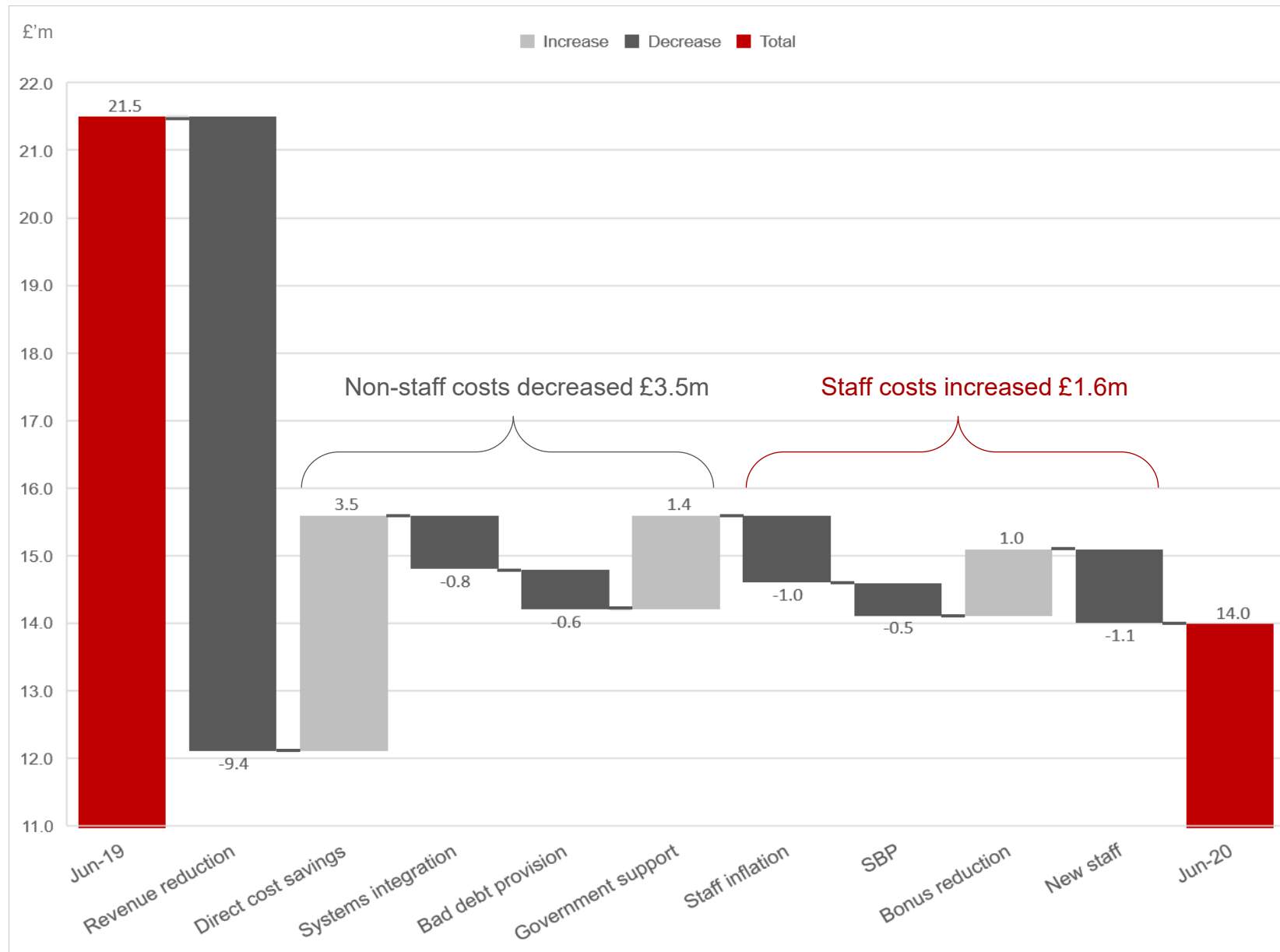
GROUP REVENUE BRIDGE.



- Subscriptions and membership revenue increased to 38% of total
- Digital training as a percentage of all training revenue increased to 43% (2019: 30%)



GROUP ADJUSTED EBITA BRIDGE.



REVENUE AND OPERATING PROFIT BY DIVISION.

	12 MONTHS TO 30 JUNE 2020			12 MONTHS TO 30 JUNE 2019		
	REVENUE £M	OPERATING PROFIT £M	MARGIN	REVENUE £M	OPERATING PROFIT £M	MARGIN
RISK & COMPLIANCE	41.7	12.8	31%	42.4	12.7	30%
HEALTHCARE	41.0	3.3	8%	46.3	7.3	16%
PROFESSIONAL	30.4	2.9	10%	33.8	5.8	17%
CENTRAL COSTS		(4.3)			(4.1)	
SHARE BASED PAYMENTS		(0.7)			(0.2)	
TOTAL	113.1	14.0	12%	122.5	21.5	18%

GROUP INCOME STATEMENT.

	12 MONTHS TO 30 JUNE 2020 £M	12 MONTHS TO 30 JUNE 2019 £M	VARIANCE £M	ABSOLUTE VARIANCE %	ORGANIC VARIANCE %
REVENUE	113.1	122.5	(9.4)	(8%)	(8%)
Adjusted EBITA	14.0	21.5	(7.5)	(35%)	(35%)
<i>EBITA margin</i>	<i>12.4%</i>	<i>17.6%</i>			
Finance costs/other	(2.1)	(2.2)			
ADJUSTED PROFIT BEFORE TAX	11.9	19.3	(7.4)	(39%)	
Adjusting items	(0.6)	(1.4)	0.8		
Gain on sale of ICP	-	1.9	(1.9)		
Amortisation of acquired intangible assets	(4.9)	(5.1)	0.2		
STATUTORY PROFIT BEFORE TAX	6.4	14.7	(8.3)		
Taxation	(1.8)	(3.5)	1.7		
STATUTORY PROFIT AFTER TAX	4.6	11.2	(6.6)	(59%)	
UNDERLYING TAX RATE	21%	21%			
ADJUSTED BASIC EPS	10.71p	17.44p	(39%)		
DIVIDEND PER SHARE	-	9.10p	(100%)		

GROUP CASH FLOW.

	12 MONTHS TO 30 JUNE 2020 £M	12 MONTHS TO 30 JUNE 2019 £M	VARIANCE £M
Adjusted EBITDA	19.3	24.3	(5.0)
SBP	0.7	0.2	0.5
Movement in working capital	6.5	1.9	4.6
CASH INFLOW FROM OPERATIONS	26.5	26.4	0.1
Interest paid	(1.6)	(1.9)	0.3
Tax paid	(4.4)	(3.9)	(0.5)
Payment of lease liabilities	(2.4)	-	(2.4)
Net capital expenditure	(3.8)	(3.6)	(0.2)
FREE CASH FLOW BEFORE DIVIDENDS	14.3	17.0	(2.7)
Equity dividends	(4.4)	(7.8)	3.4
Purchase of shares by ESOT	(0.5)	-	(0.5)
Deferred consideration	(1.8)	(1.5)	(0.3)
Adjusting and other items	(1.1)	(1.5)	0.4
CHANGE IN NET DEBT DURING THE YEAR	6.5	6.2	0.3
Brought forward net debt	(33.9)	(39.6)	5.7
FX	(0.3)	(0.5)	0.2
CARRIED FORWARD NET DEBT	(27.7)	(33.9)	6.2

- Working capital inflow reflecting:
 - £5.7m UK VAT and payroll tax payments delayed until FY21 with agreement from HMRC
 - £2.5m of deposits for events deferred until FY21
- Cash conversion strong at 189% versus 123% last year
 - 133% when adjusted for changes in lease accounting and one-off deferral of UK VAT and payroll tax detailed above
- Tax paid includes one-off acceleration of £1.3m paid in line with new HMRC payment schedule
- Deferred consideration reflects final settlement of Evantage & Interactive Medica payments
- Net debt represents 1.4 times EBITDA (2019: 1.4 times)

CAPITAL RESOURCES UPDATE.

- **Facility arrangements revised due to Covid-19**
- **Maximum gearing¹ covenant eased to reflect worst-case scenario**
 - Current expectation is that gearing will remain below original covenant limit throughout period

	Original	Revised
Sep 20	3.0 times	5.0 times
Dec 20	3.0 times	6.5 times
Mar 21	3.0 times	5.5 times
Jun 21	3.0 times	4.5 times

- **Facility headroom extended for 12 months to reflect worst case liquidity scenario**
 - Extra £15m under CLBILS arrangements
 - Current expectation is that extra facility will not be needed throughout period
- **Position will be monitored to facilitate early resumption of dividend payments as soon as appropriate**

¹ Gearing is calculated as net debt divided by rolling twelve month EBITDA

STRATEGY UPDATE



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THE IMPACT OF COVID-19 ON OUR STRATEGY.

Recap from September 2019 & February 2020

We identified the key components of operational excellence and the focus for each in H2

Product



- Continue the digitisation program
 - Online learning solutions
 - Blended learning
 - Microlearning
 - Modular learning

Technology



- Engineering velocity
- Speed of change increases demand for technology driven innovation e.g. growth in online training
- Agile approach in place: 2-week Sprints, providing the ability for iterative product roll-out

Sales and Marketing



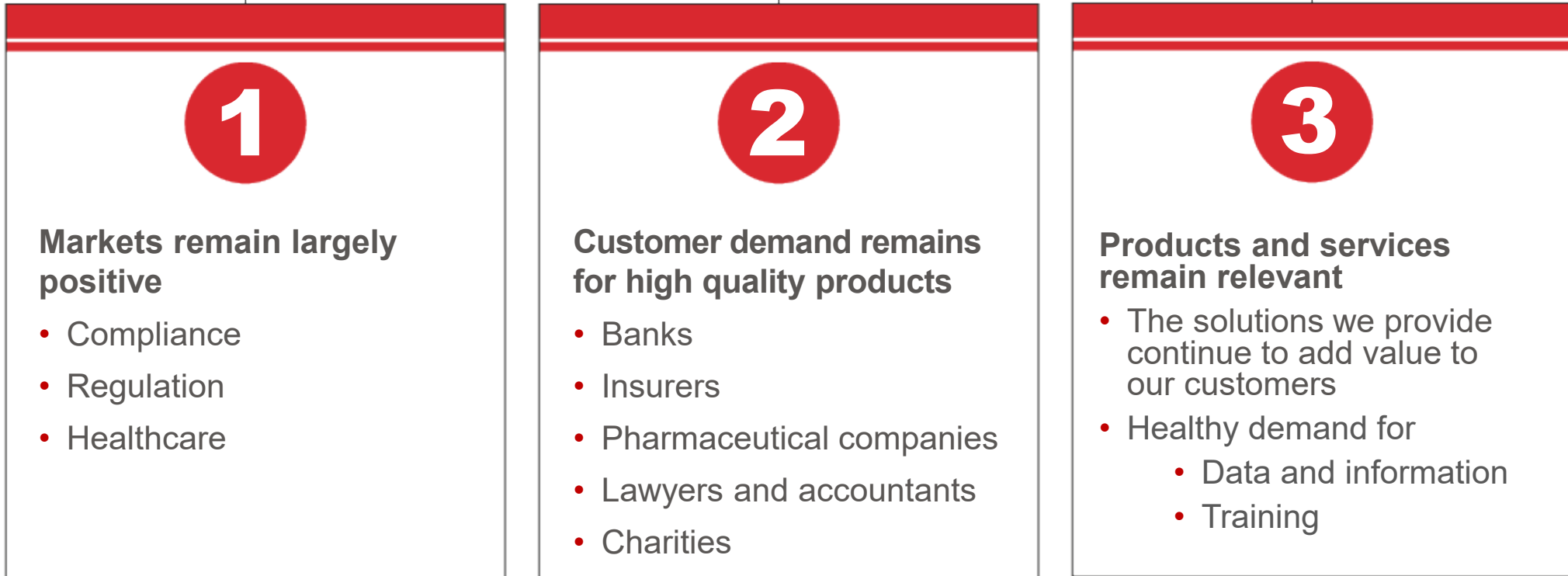
- Next stage development of sales capabilities e.g. launch of Wilmington Sales Academy
- Assessment of KPIs to drive individual and team sales performance
- A new approach to sales packages, pricing and 'quality revenues'

People



- Modernise working environments
- Focus on essential staff areas such as mental health at work
- Act on employee engagement

CUSTOMER PERSPECTIVE.



Demonstrating our resilient model and continued relevance

COVID-19 HAS ACCELERATED OUR STRATEGY.

We remain focussed on three integrated strategic objectives:

Generate organic growth

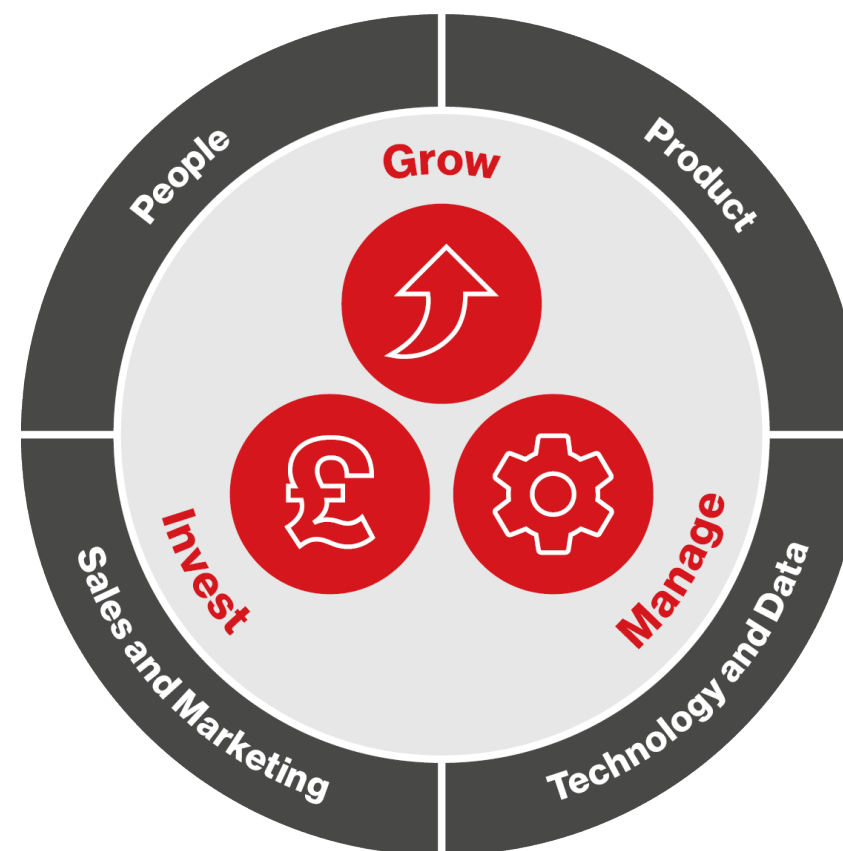
- Data and Information businesses have been largely resilient to the impact of Covid-19
- Other businesses have taken a significant step towards being more data-driven e.g. networking events
- February 2020 – all 3 divisions reported organic growth

Manage our portfolio

- Actively reviewed most businesses
- Decisive action taken on two

Invest in our business

- Continued investment in operational excellence
- Academies in Sales, Marketing and Product either launched or planned to go-live
- Creation of central Wilmington Data Team



All with the aim of unlocking and delivering enhanced shareholder value

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CHARACTERISTICS OF A WILMINGTON BUSINESS.

1. DIFFERENTIATED OFFERING



2. PRODUCT AND REVENUE MODEL



3. ATTRACTIVE MARKETS



4. STRONG LEADERSHIP



Two new introductions in FY21:

5. DIGITAL CAPABILITIES

- Delivery platform agnostic
- Multi-device, UX and UI excellence, scalable, digital back office and front office



6. DATA ENABLED

- Proprietary data ('IP')
- Focus on data collection, data measurement and data integration



Data will play an increasing role in the future of Wilmington

- Our internal capabilities are improving
- Our discussions with clients are becoming more data centric
- Data is driving product development
- Our revenue models and pricing are becoming more value based

INVESTMENT IN BUSINESS.

Driving operational excellence: Academies

Roll out programmes for

- Sales academy
- Marketing academy
- Product academy
- Leadership academy

Course delivery

- Bespoke content aligned to business needs
- Action taken to transition to virtual delivery or adapt original format

sales
academy
Wilmington plc

product
academy
Wilmington plc

accelerated
performance
Wilmington plc



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INVESTMENT IN BUSINESS.

Driving operational excellence: Innovative digital delivery



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FIRST HALF FOCUS.

People

- Act on engagement survey feedback
 - (Nov19 91% participation, 6.7 score; Sept20 89% participation, 7.1 score)
- Invest in D&I working group, developing global network & programmes
- Launch Leadership Academy
- Continue to prioritise staff wellbeing
 - Deliver inaugural Mental Health First Aider training



People

Technology & Data

- Digital Hub front end development for eLearning customers
- Implement analytics technology to measure eLearning effectiveness and event engagement
- Continue development of Central Data function
- Improve business processes with “off the shelf” technologies
- Continue to develop product management skills



Technology and Data

Sales & Marketing

- Deliver opportunities in AsiaPac & Middle East
- Roll-out of Sales Academy
- Launch Marketing Academy
- Continue development of sales KPIs
- Review of pricing and packaging embracing digital and data capabilities



Sales and Marketing

Product

- Continue NPD with MVP and CAG input at their core
- Develop further from successful AMT summer programmes
- Migrate customers to new Axco Front End development (back end delivered)
- Launch Product Academy



Product

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CURRENT TRADING AND OUTLOOK.

- Performance in Q4 demonstrated resilience of business and business models
- H1 results likely to be similar to H2 of last financial year
- H2 performance harder to predict as will be determined by extent face to face activities can resume

H2 Scenario 1:

- Resumption of face to face possible
- Expect H2 revenue to approach H2 FY19 giving low single digit growth over full year

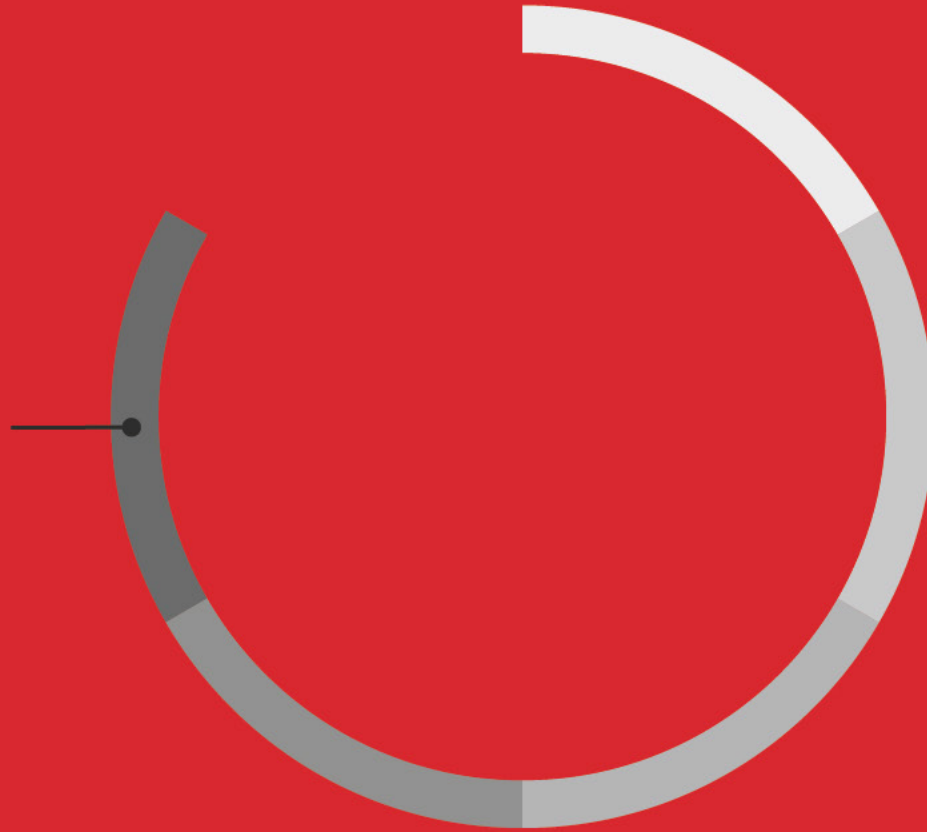
H2 Scenario 2:

- Resumption of face to face not possible
- H2 revenue will show low single digit growth on H2 FY20

In either scenario expect to be profitable throughout period

- Capital resources give us headroom to deal with uncertainties along the way
- Well placed to allow resumption of dividend payments as soon as the trading environment normalises
- Continuing to unlock value of diversified model and emerge from impact of Covid-19 in a stronger position

Q&A



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APPENDICES

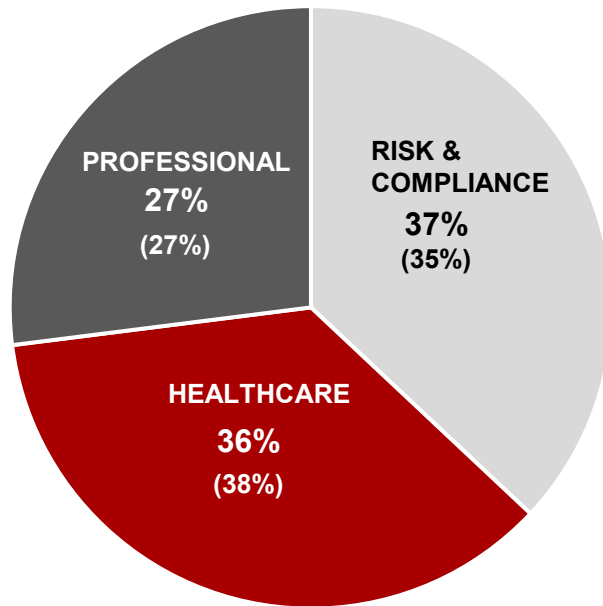


GLOSSARY.

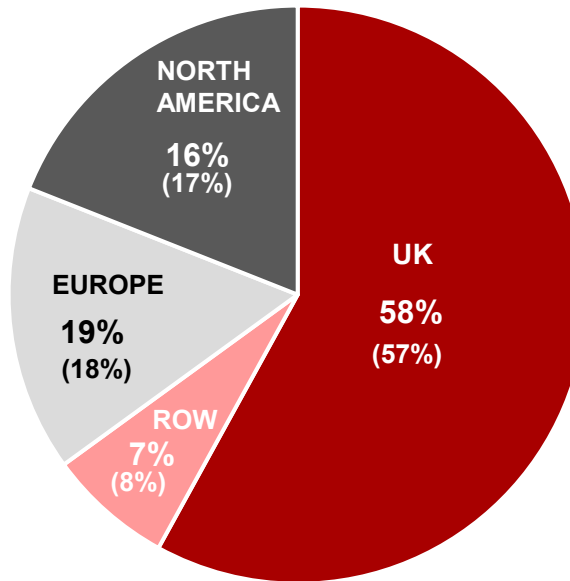
Abbreviation	Definition
CAG	Customer advisory group
CLBILS	Coronavirus Large Business Interruption Loan Scheme
CRM	Customer relationship management software
D&I	Diversity and inclusion
EBITA / EBITDA	Earnings before interest, taxes and amortisation / Earnings before interest, taxes, depreciation and amortisation
ESOT	Employee Share Ownership Trust
F2F	Face to face
ICA	International Compliance Association – Wilmington owned compliance industry body
ICP	International Company Profile – credit reporting business sold in July 2018
IP	Intellectual property
KPI	Key performance indicator
MVP	Minimum viable product
NPD	New product development
ROW	Rest of the world
SBP	Share based payments
SDoH	Social determinants of health
UI & UX	User interface & user experience

PROFILE OF THE BUSINESS.

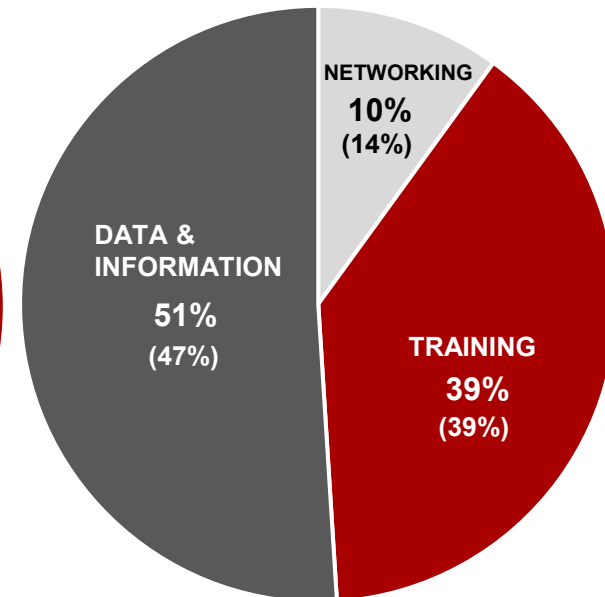
REVENUE BY AREAS OF KNOWLEDGE



REVENUE BY REGION



REVENUE BY TYPE

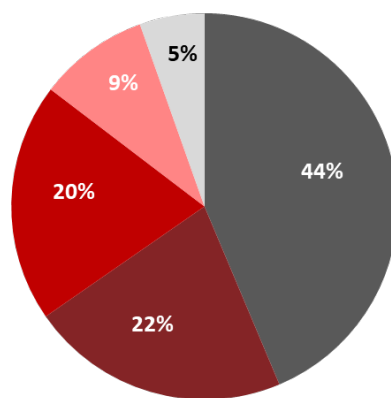


() June 2019 figures

RISK & COMPLIANCE.

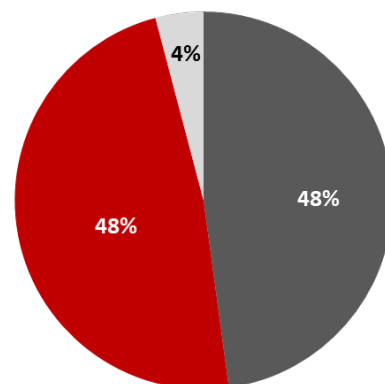
12 MONTHS TO 30 JUNE	2020 £M	2019 £M	ABSOLUTE VARIANCE %	ORGANIC VARIANCE %
Revenue	41.7	42.4	(2%)	(2%)
Operating profit	12.8	12.7	1%	0%
Margin %	31%	30%		

Revenue by region



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

Revenue by type



■ Data & Information 48%
 ■ Training 48%
 ■ Networking 4%

Organic revenue decline of 4% in main Compliance business ICA

- ICA was on track to deliver low single figure organic growth pre Covid-19 on a strong prior year performance
- Move to online training resulted in cost savings meaning there was no impact on profit
- Asia ICA business placed under new leadership in the year with the region expected to perform well in FY21
- First fully digital post graduate diploma launched in June 2020

Other Compliance businesses saw a slight revenue reduction of 1%

- Mainly due to the conversion to virtual of Compliance Week's flagship conference
- Good mid single digit organic revenue growth from the wealth management business
- Risk businesses' revenue remained flat on an organic basis
- Axco delivered low single digit growth, with new data platform launched in January 2020

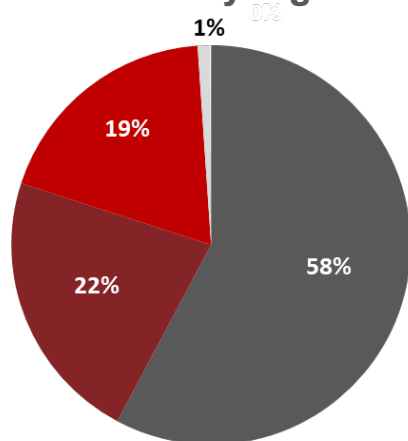
Operating margin increase to 31%

- Strongest margin division in Group
- Reflects cost savings driven by the conversion to virtual training and events

HEALTHCARE.

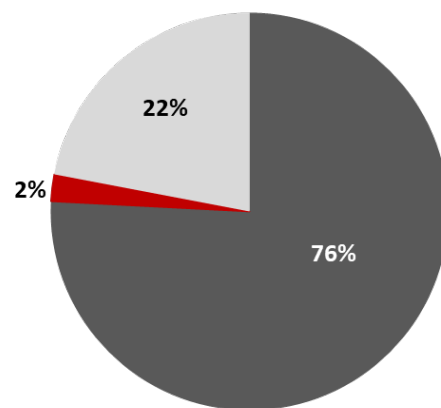
12 MONTHS TO 30 JUNE	2020 £M	2019 £M	ABSOLUTE VARIANCE %	ORGANIC VARIANCE %
Revenue	41.0	46.3	(11%)	(12%)
Operating profit	3.3	7.3	(56%)	(56%)
Margin %	8%	16%		

Revenue by region



■ UK
 ■ Europe (excl UK)
 ■ North America
 ■ Other

Revenue by type



■ Data & Information 76%
 ■ Training 2%
 ■ Networking 22%

Overall revenue decline of 11% largely due to the impact of Covid-19

- 50% of decline due to inability to hold the RISE National annual event in March 2020

European Healthcare revenue decline of 4%

- Fully attributable to a reduction in Events revenue caused by Covid-19
- French business achieved 6% organic revenue growth versus a strong prior year comparator
- Product innovation – Quantis Covid tracker product launched in May 2020

US Healthcare on track to deliver very strong performance pre Covid-19

- 20% organic growth in first half of the year
- Revenue decline in H2 wholly due to the inability to hold 18 planned face-to-face events
- Growth opportunities driven by changes in the Medicare industry

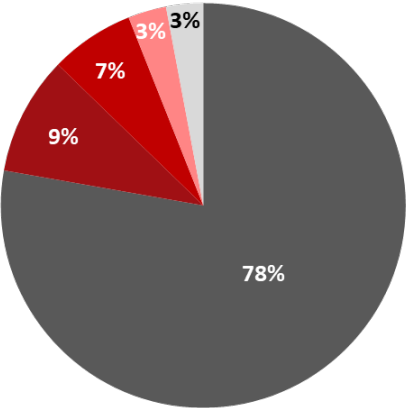
Divisional profit impacted by revenue reduction:

- Only minor venue related cost savings, with the majority of costs in this division being fixed

PROFESSIONAL.

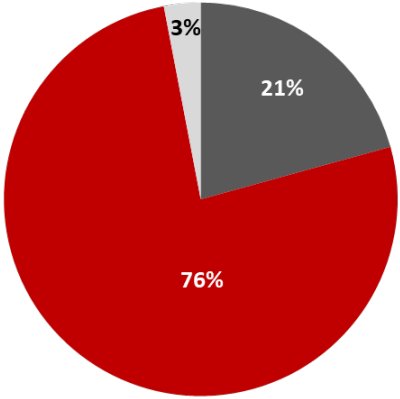
12 MONTHS TO 30 JUNE	2020 £M	2019 £M	ABSOLUTE VARIANCE %	ORGANIC VARIANCE%
Revenue	30.4	33.8	(10%)	(10%)
Operating profit	2.9	5.8	(50%)	(50%)
Margin %	10%	17%		

Revenue by region



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

Revenue by type



- Data & Information 21%
- Training 76%
- Networking 3%

Results impacted by inability to run face-to-face training in Q4

- Impressive efforts made to covert training to virtual where possible

Accountancy – adapting to client needs

- Pre Covid-19 trading showed positive signs following business integration in prior year
- Successful launch of Mercia Live, a virtual classroom offering
- £0.8m investment in business and CRM systems

Legal – converting to virtual

- Witness familiarisation training put on hold due to closure of courts
- Launch of 2 new Covid-19 related training courses in May 2020 which were both well received

Investment Banking – looking to the future

- Significant proportion of revenue derived from pre Covid-19 trading
- Working with customers to determine longer term virtual training offerings

Operating profit reduction reflected revenue performance

SUMMARY BALANCE SHEET.

	30 JUNE 2020 £M	30 JUNE 2019 £M
FIXED ASSETS		
Goodwill/intangibles	97.6	100.7
Property and P&E	5.1	6.0
Right of use assets	11.8	-
Other fixed assets	1.2	0.6
WORKING CAPITAL		
Deferred revenue	(31.5)	(30.8)
Other working capital	(1.5)	2.7
CASH/DEBT		
Net debt	(27.7)	(33.9)
Capitalised bank fees	0.6	-
Deferred consideration payable	-	(1.5)
Deferred consideration receivable	2.2	2.2
Financial instruments	(0.1)	(0.2)
OTHER		
Tax assets/(liabilities)	1.3	(0.3)
Lease liabilities	(13.1)	-
Deferred tax	(2.5)	(2.6)
Net assets	43.4	42.9

- Right of use assets and lease liabilities relate to the Group's property leases following the adoption of IFRS 16
- Working capital inflow reflects:
 - £5.7m UK VAT and payroll tax payments delayed until FY21 with agreement from HMRC
 - £2.5m of deposits for events deferred until FY21
- Deferred consideration payable settled in full – final payments in relation to Evantage and Interactive Medica made during the year

THANK YOU



Wilmington plc