

2023 Interim Results Presentation



Swag Mukerji
Chief Executive Officer

Simon Longfield
Chief Financial Officer

20 July 2023

Agenda

01 Financial and operating performance

02 Business unit review

03 Delivering on MAP23

04 Q&A

We Advise, Inform and Connect the marketing and legal professions

Our Vision

To be an international provider of business intelligence, learning and special consultancy within the marketing and legal professions that inspires and enables people to excel at what they do, to raise their aspirations and to enable our clients to deliver better performance.

Xeim

The Lawyer

Flagship 4



influencer intelligence

THE LAWYER

Core Brands

MarketingWeek



•YSTERCATCHERS



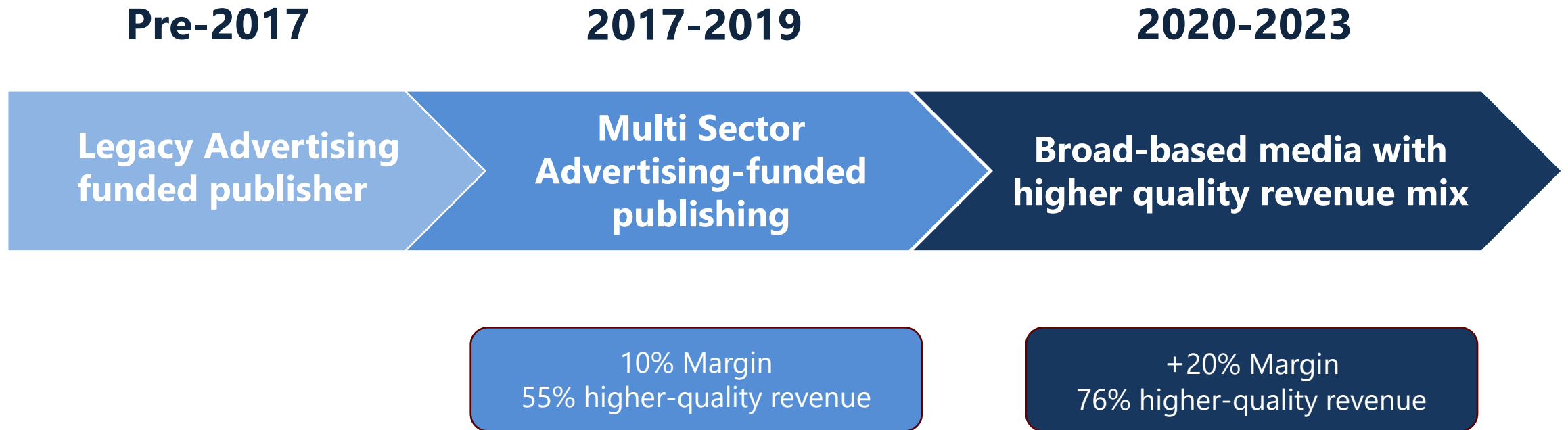
design

FASHION
BEAUTY
MONITOR

Really.

foresight
tomorrow's news today

Clear strategic evolution – what we have achieved so far



Business on track to achieve MAP23 EBITDA objectives

MAP23: Our 'Margin Acceleration Plan 2023'

EBITDA Objectives

>£10m EBITDA

Adj. EBITDA by 2023

>23%

Adj. EBITDA margin by 2023

- Continued growth in EBITDA and EBITDA margin; remain on track for MAP23 profitability targets
- Resilient Flagship 4 performance offset by sector-wide advertising slowdown
- 2022 revenue level maintained for 2023 as macroeconomic uncertainty expected to continue
- Strong cash generation leaves Group well-placed to invest in the future and manage uncertainty

H1 2023 vs H1 2022



Revenue
£19.3m
(£19.8m)



Adj. EBITDA
£3.5m at 18%
(£3.4m at 17%)

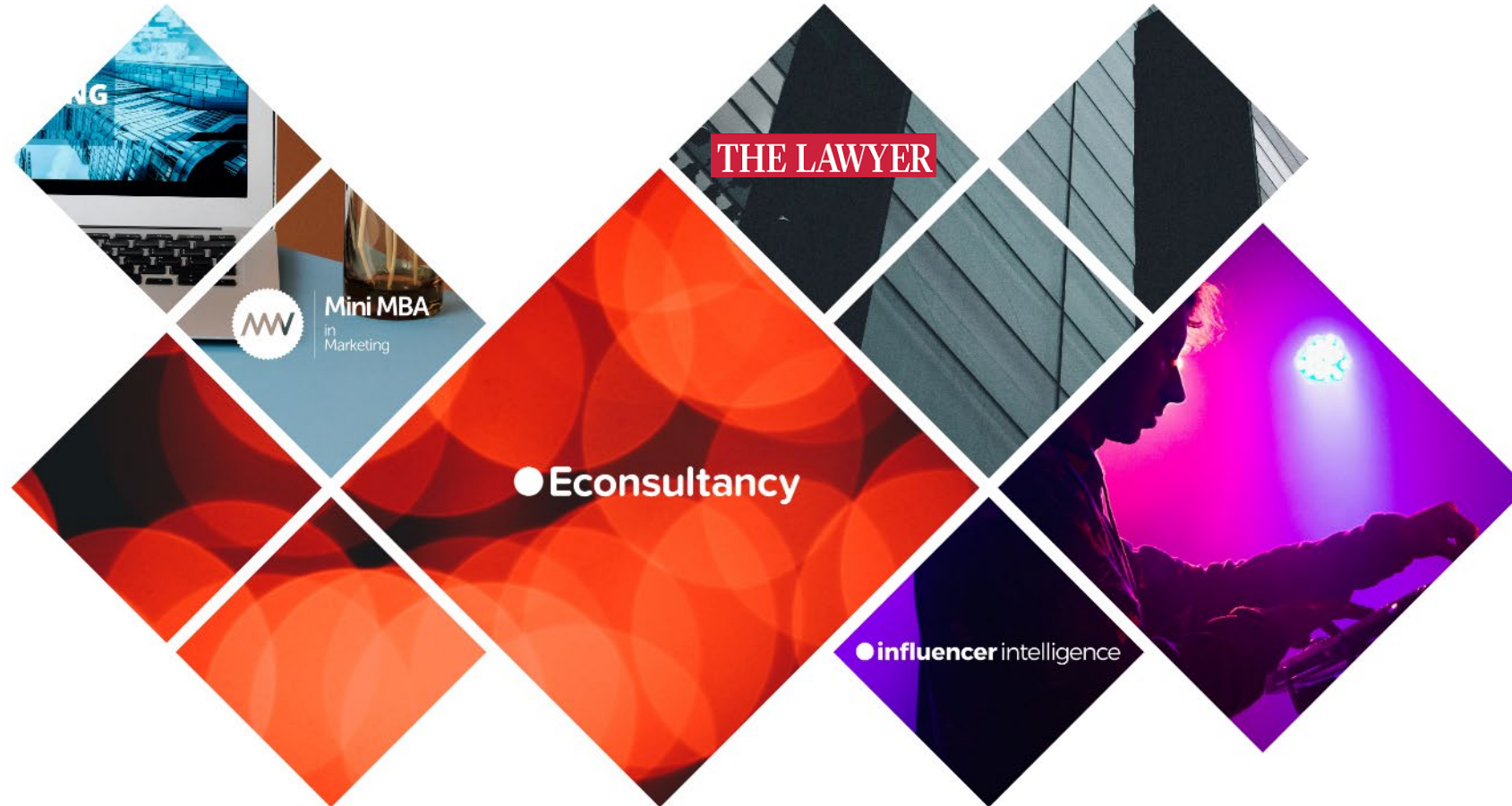


Net Cash
£8.8m
(£14.2m)



Ordinary Dividend
0.6p per share
(0.5p)

Financial and Operating Performance



Resilient H1 performance given market conditions

- Revenue decreased 3% year-on-year
- Adj. EBITDA increased 3% to £3.5m at an increased margin of 18%
- Focus on profitable revenue, structured price rises and careful cost management
- Margin acceleration and delivery of MAP23 strategy on track

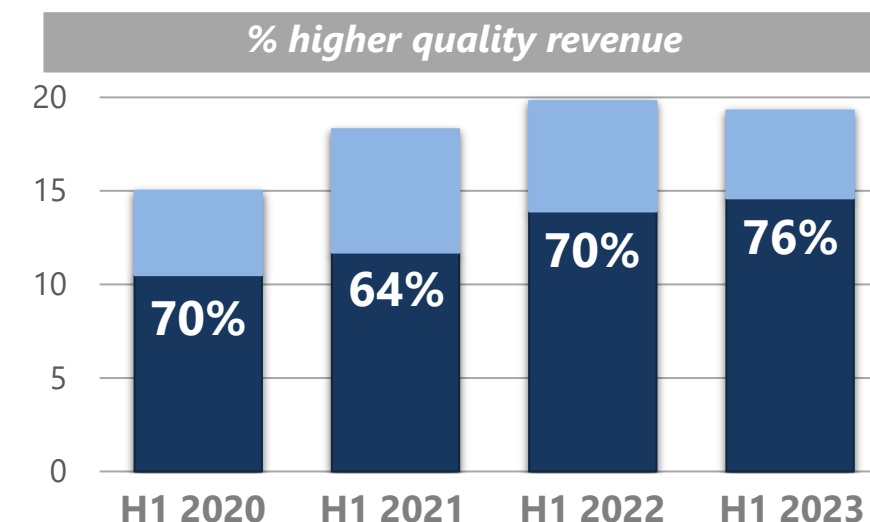
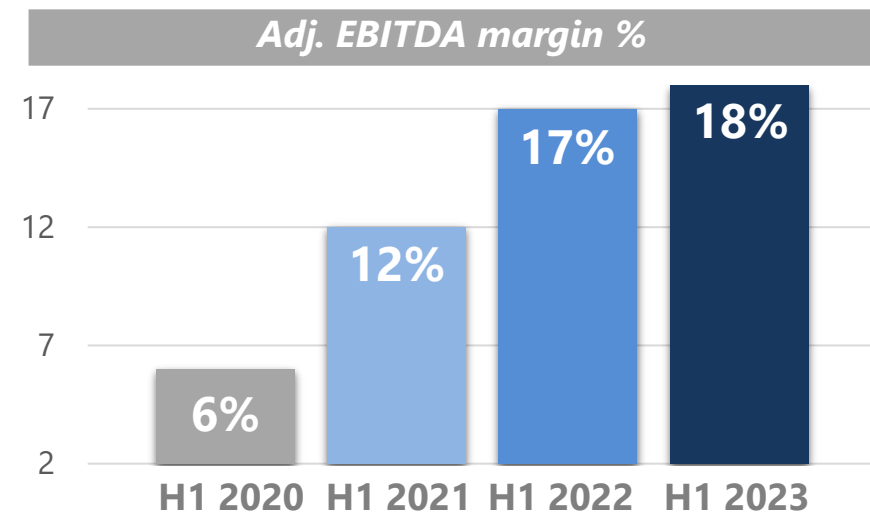
£m	H1 2023	H1 2022
Revenue	19.3	19.8
Adjusted operating expenses	(15.8)	(16.4)
Adjusted EBITDA	3.5	3.4
<i>Adjusted EBITDA margin</i>	<i>18%</i>	<i>17%</i>
Depreciation and amortisation	(1.1)	(1.5)
Adjusted operating profit	2.4	1.9
Group reported profit after tax	1.9	0.7

MAP23 has delivered three years of higher quality revenue and EBITDA margin growth

Adj. EBITDA £m	H1 2023	H1 2022
Xeim	3.4	3.9
The Lawyer	1.8	1.2
Central costs	(1.7)	(1.7)
Adjusted EBITDA	3.5	3.4

- EBITDA margin tripled over three years

- Increase in higher quality revenue gives predictability and resilience



Robust balance sheet supports further investment in our brands

Balance sheet £m	H1 2023	FY 2022
Goodwill and other intangible assets	44.3	43.8
Property, plant and equipment	2.8	0.4
Deferred taxation and other receivables	3.4	1.6
Deferred income	(10.6)	(8.9)
Other current assets and liabilities	(4.6)	(4.1)
Non-current liabilities	(1.5)	-
Net assets before cash and short-term deposits	33.8	32.8
Net cash and short-term deposits*	8.8	16.0
Net assets	42.6	48.8

- £0.8m invested in product innovation

- Cash balance of £8.8m after paying £8.0m of dividends

* Includes £6.0m of short-term deposits (H1 2022: £3.5m)

Cash flow £m	H1 2023	H1 2022
Adjusted operating profit	2.4	1.9
Depreciation and amortisation	1.1	1.5
Movement in working capital	0.5	0.8
Adjusted operating cash flow	4.0	4.2
Capital expenditure	(0.8)	(0.8)
Taxation	(1.6)	-
Finance leases, net interest and other	(0.5)	(1.0)
Free cash flow	1.1	2.4
Dividends	(8.0)	(0.7)
Purchase of own shares	(0.3)	(0.6)
(Decrease)/increase in net cash	(7.2)	1.1
Opening net cash	16.0	13.1
Closing net cash*	8.8	14.2

- Working capital improved £0.5m, leading to cash conversion of 115%

- Undrawn RCF with NatWest for up to £10m

Continued EPS improvement generates 20% interim ordinary dividend growth

- Ordinary dividend policy pays 40% of adjusted earnings (minimum 1p per share per year)
- H1 2023 earnings per share of 1.6p (H1 2022: 0.9p)
- Board approved H1 2023 interim ordinary dividend of 0.6p (H1 2022: 0.5p)

Strategic investment delivering quality and product innovation

Xeim

- New courses, language translation and functionality on Econsultancy's learning management system
- MW Mini MBA third course in Management launched - delivery in September
- Increased investment in sales resource and marketing



Mini MBA

 **influencer** intelligence

The Lawyer

- "Practice Analysis" launched combining proprietary data, commentary and sentiment analysis

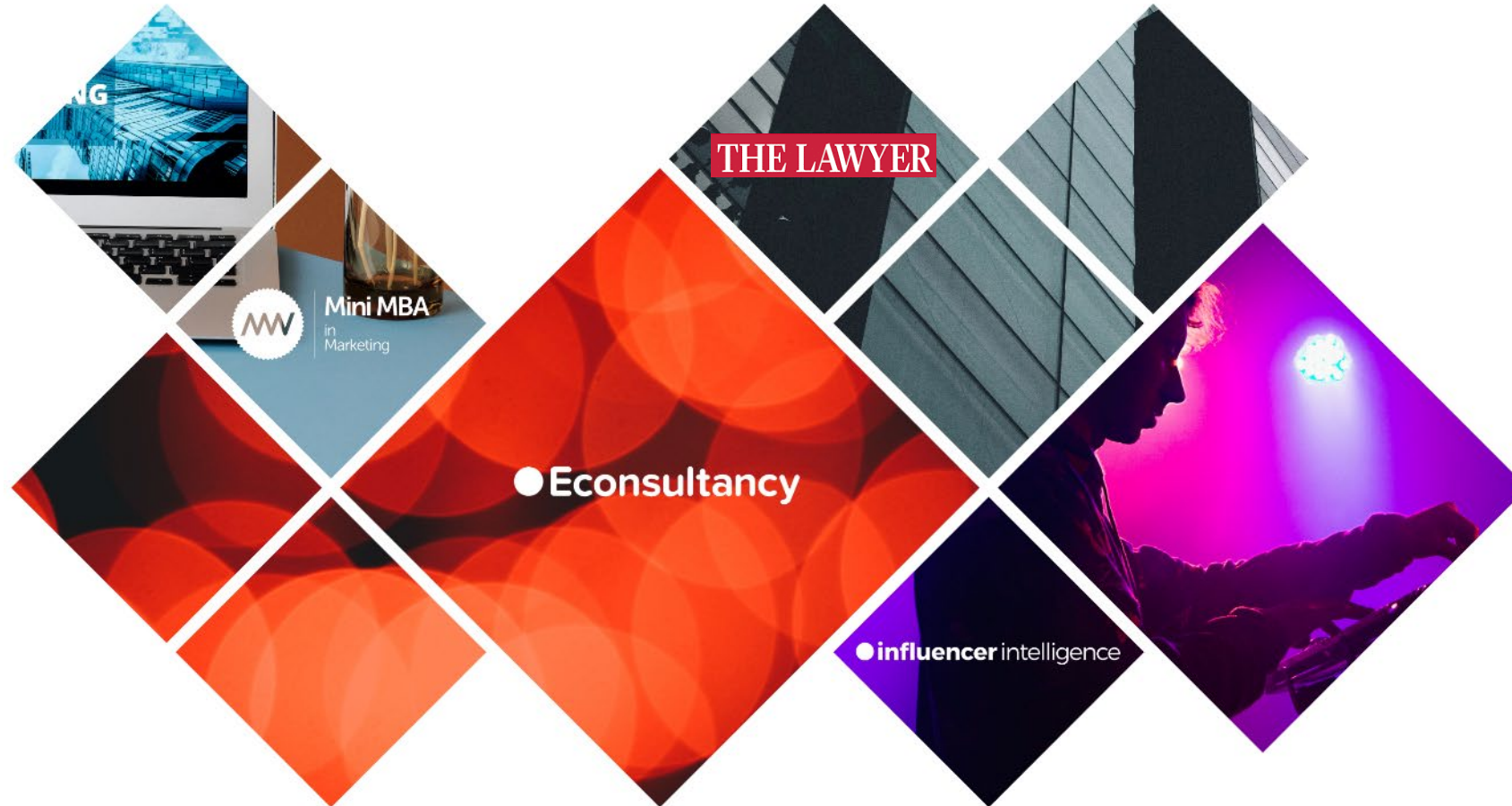
THE LAWYER

Technology

- Centralised data ecosystem and enhanced platform for sales lead generation
- Investment in cybersecurity systems and training across the Group

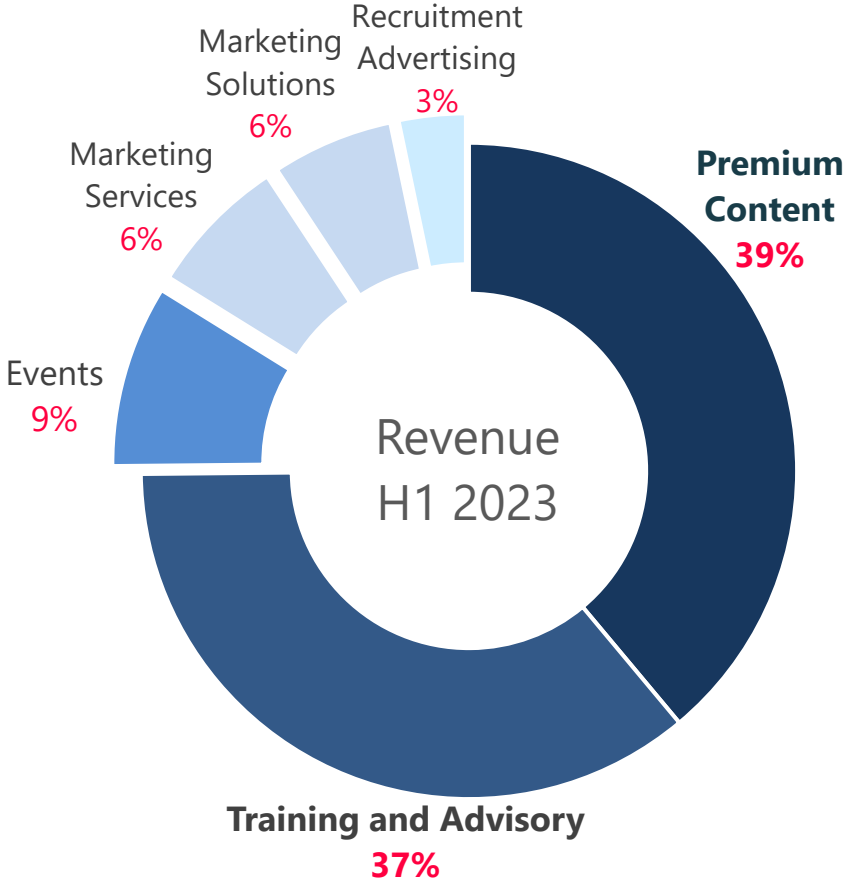
CENTAUR

Business Unit Review



76% of revenues derived from higher quality streams

		Premium Content	Training and Advisory	Events	Marketing Services	Marketing Solutions	Recruitment Advertising
Xeim	Econsultancy	✓	✓	✓		✓	
	MW Mini MBA		✓				
	Influencer Intelligence	✓					
	Festival of Marketing			✓			
	Creative Review / Design Week	✓		✓		✓	✓
	Marketing Week	✓				✓	✓
	Fashion & Beauty Monitor	✓					
	Oystercatchers		✓	✓			
	Foresight News	✓					
	Really B2B					✓	
The Lawyer	The Lawyer	✓		✓		✓	✓



Xeim – Flagship 4 growth in Premium Content and Training and Advisory

Overview

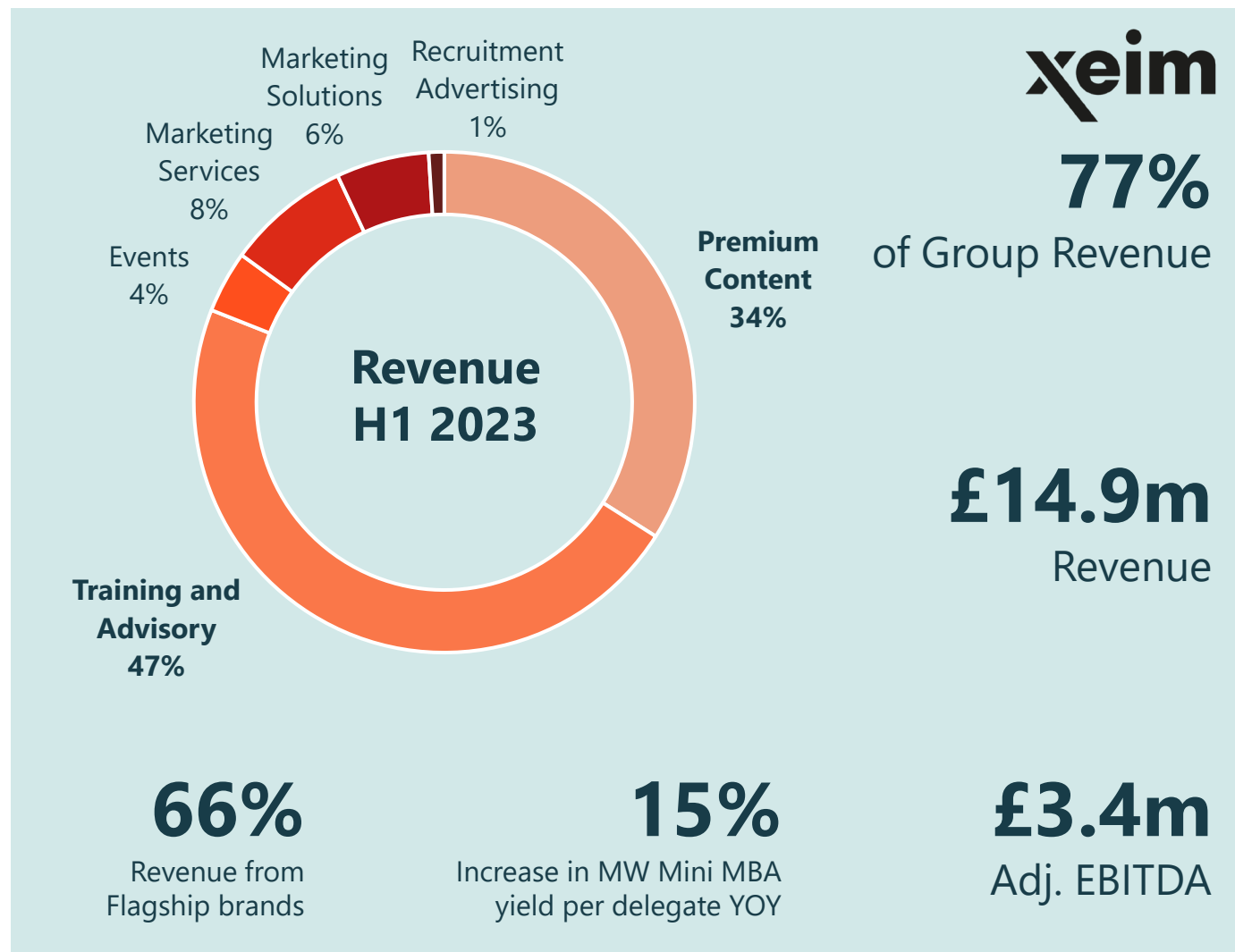
- 8% revenue decrease v H1 2022
- EBITDA down 13%
- EBITDA margin of 23%

Flagship 4: Drivers of growth

- Renewal rates – Econsultancy 86% and Influencer Intelligence 81%
- MW Mini MBA 7% revenue growth

Core Brands

- Revenue fall from Marketing Solutions and Marketing Services
- Shift to single FoM annual event in October
- 37% growth in Oystercatchers revenue



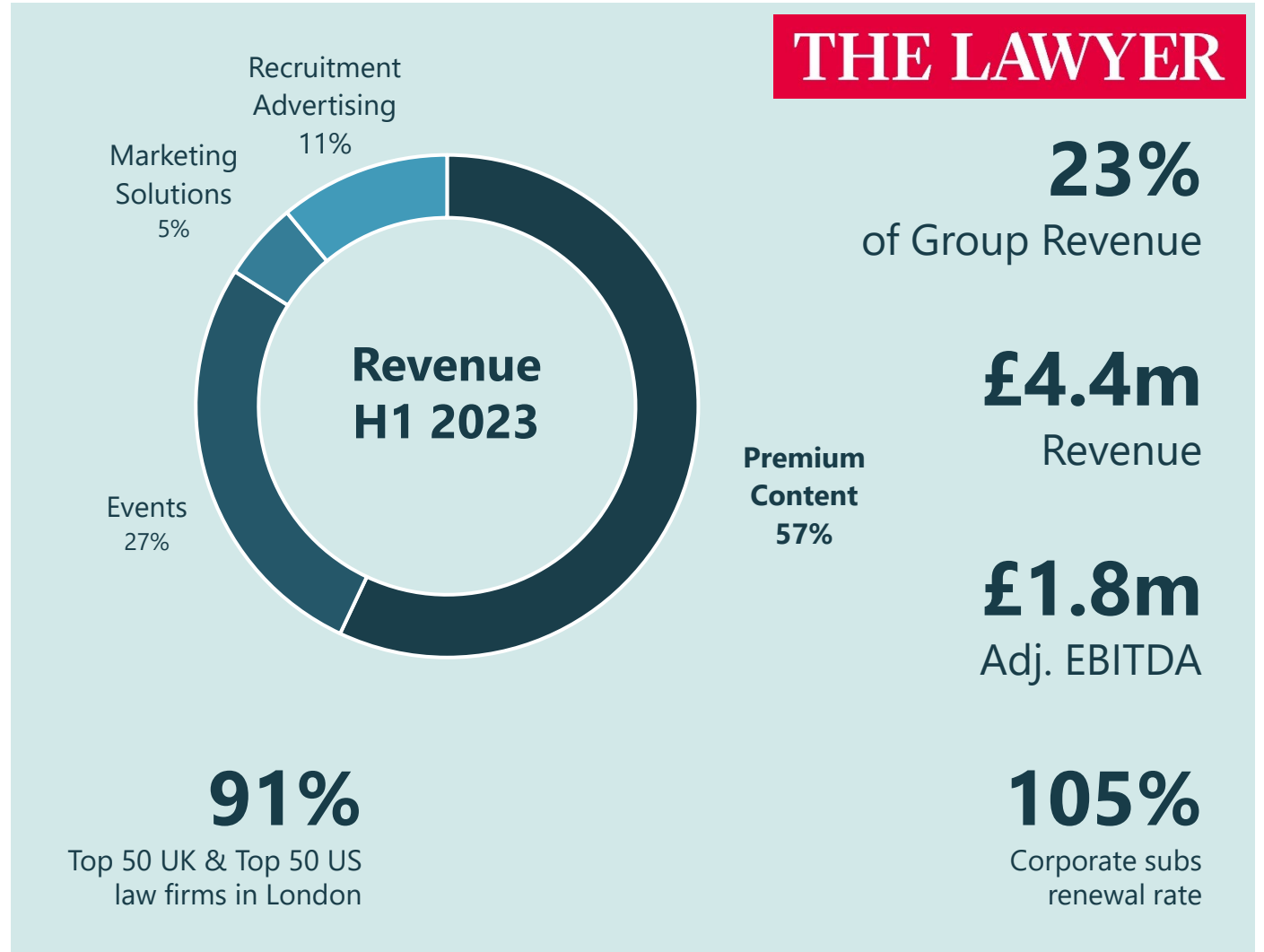
The Lawyer – strong renewal rates continue

Overview

- 21% increase in revenue
- Increase in Premium Content offset by a decrease in Marketing Solutions
- Underlying revenue growth 1%, due to timing of The Lawyer Awards
- EBITDA up 50% with increase in EBITDA margin to 41%

Premium Content

- 11% Premium Content revenue growth:
 - Corporate subs renewal rate 105%
 - Signal renewal rate 100%
 - Litigation Tracker renewal rate 93%



Centaur's performance continues to be heavily weighted to second half

Revenue	H1 2023 £m	2023 H2 weighting factors
Premium Content	7.6	<ul style="list-style-type: none"> • Three-quarters of H2 revenue booked in deferred revenue • Remainder from H2 renewals and new business
Training and Advisory	7.0	<ul style="list-style-type: none"> • Econsultancy C&C H1 wins in contracting process • MW Mini MBA: July revenue from spring Marketing/Brand courses; autumn cohort of Marketing/Brand courses; and 3rd Course • Oystercatchers continued growth
Events	1.7	<ul style="list-style-type: none"> • MW Festival of Marketing and MW Awards • Full H2 events programme for The Lawyer
Other	3.0	<ul style="list-style-type: none"> • Marketing Solutions reconfiguration • Recruitment and Marketing Services on track
Total	19.3	<ul style="list-style-type: none"> • Margin from H2 additional revenue drops through to EBITDA • Continued cost management

Outlook

- On track for MAP23 EBITDA objectives
- Focus on profitable revenue, structured price rises and careful cost management
- Balance sheet strength provides stability and enables investment in growth opportunities



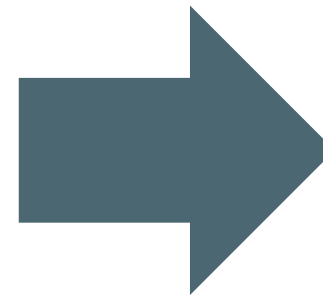
The Lawyer Awards 2023

Delivering on MAP23



Strategy is delivering margin acceleration

- Focusing investment and resource on Flagship 4
- Driving opportunities through Xeim cross-selling capabilities
- Retaining emphasis on blue-chip customers, building recurring revenues and strengthening renewal rates
- Ongoing marketing investment to develop brand profiles, international footprint and ecommerce sales
- Continuing to invest in data and technology to develop digital offering
- Capitalising on inherent synergies



23%
Adj. EBITDA margin
by 2023

Keeping customers at the core of our offering



"Xeim Econsultancy have been brilliant partners in the development and delivery of the 3-day training event that over 300 Sky and NOW colleagues have completed so far."

**Head of Marketing Capability,
Sky**



"Econsultancy's mix of learning formats and in-depth ecommerce content has really helped to raise our game."

**Chief Customer and Digital
Commerce Officer, Beauty &
Wellbeing, Unilever**

"If you want to know digital marketing and ecommerce, then you need to know Econsultancy."

**Global Chief Marketing Officer,
Financial Times**

"The Mini MBA is an inspiring class that all marketers should take - whether still learning the basics of marketing or whether a refresh is needed when you're further along in your career, this class is for everyone."

**Global Brand Manager,
Suntory**

Client Case Study:

- Mix of learning modalities; Econsultancy and Marketing Week Mini MBA delivery partners
- High impact learning delivered to 450 Sky Marketers focused on nine competency areas
- Won the prestigious **"Best employee engagement and experience"** at 2023 Marketing Society Awards
- Programme to be augmented and repeated in 2023 and 2024



Continued progress towards our 2023 strategic deliverables

Areas of focus for 2023



Key 2023 Deliverables

- Develop learning platform, increase learning content and atomisation of reports
- Implement price increases and upgrades in the context of inflationary opportunities
- Develop new business - multi-touch learning sales from single team
- Grow renewals through improved renewals process and account plans
- Grow Alumni network and launch App
- Commercial - increase pricing and manage discount on corporate sales
- Improve online marketing and create brand marketing (long and short)
- Launch new course – Q3 2023
- Position as influencer expert - 'influencers that matter'
- Commercial & Marketing - retain renewal value, grow lead generation, increase new business
- Machine learning to support content
- Establish clear long-term product strategy and positioning
- Festival of Marketing - grow October event (delegates and sponsorship)
- Xeim Labs - improve product inventory across marketing solutions
- Really B2B - align team and resources with drive for new business
- Marketing Week - evaluate corporate subscription strategy to grow recurring revenues
- Launch new law firm practice area Signal channel (Practice Analysis)
- Implement customised website user experience
- Accelerate penetration into UK and European law firms with new content
- Launch advisory service for top UK law firms
- Implement data transformation programme
- Rationalise and inter-connect systems to automate key processes
- Implement Kaizen recommendations - people and ways of working
- ESG - embed climate-related considerations into strategic decision making

● Complete ● On track ● Minor issues ● Major issues

ESG progress

E

- Committed to keeping a low carbon footprint

S

- Executing on our **People** priorities:
 - Financial and practical support to colleagues during the cost-of-living crisis
 - New one-stop training platform
 - Kaizen working groups focused on improving six key areas
 - Education of colleagues on neurodiversity
 - Fundraising and employee engagement with nominated charities – Crisis, Shooting Stars, Turkish Earthquake

G

- Board committed to the highest standards of corporate governance



<https://justgiving.com/page/teamsuki>

Delivering resilient profitable growth

- Margin expansion on track
- Maintaining focus on higher quality profitable revenues
- Keeping customers at the core of our offering
- Planning for life beyond MAP23 well underway



Mini MBA

THE LAWYER

2023 Interim Results Presentation

Q&A