

Annual Results Presentation

12 months ended 31 December 2020



Swag Mukerji
Chief Executive Officer

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Chief Financial Officer

17 March 2021

Agenda

- 01** Vision and Strategy
- 02** Financial and Operating Performance
- 03** Business Unit Review
- 04** MAP23 – Strategy in Action
- 05** Questions

An introduction to Centaur

Our Vision

To be an international provider of business information, training and specialist consultancy which inspires and enables customers to excel at what they do, raise their aspirations and deliver better performance within the marketing and legal professions



An international provider of business information and specialist consultancy to the marketing industry



A trusted source of insight for the UK legal profession and a leading provider of intelligence to the global market

MAP23

> £45m

Revenues by 2023

23%

Adjusted EBITDA margin
by 2023

The Flagship 4

THE LAWYER



Mini MBA



influencer intelligence

MW Mini MBA, Influencer Intelligence & Econsultancy are part of Xeim

Resilient performance, strong recovery, well-positioned for growth

- Remained resilient in face of pandemic
- Good margin performance
- Net cash held strong at £8.3m
- Resumption of dividend policy recommended
- Continued increase in quality of revenues
- 31% international revenues



Revenue
£32.4m
 (£39.6m)



Adj. EBITDA
£3.8m at 12%
 (£4.0m at 10%)

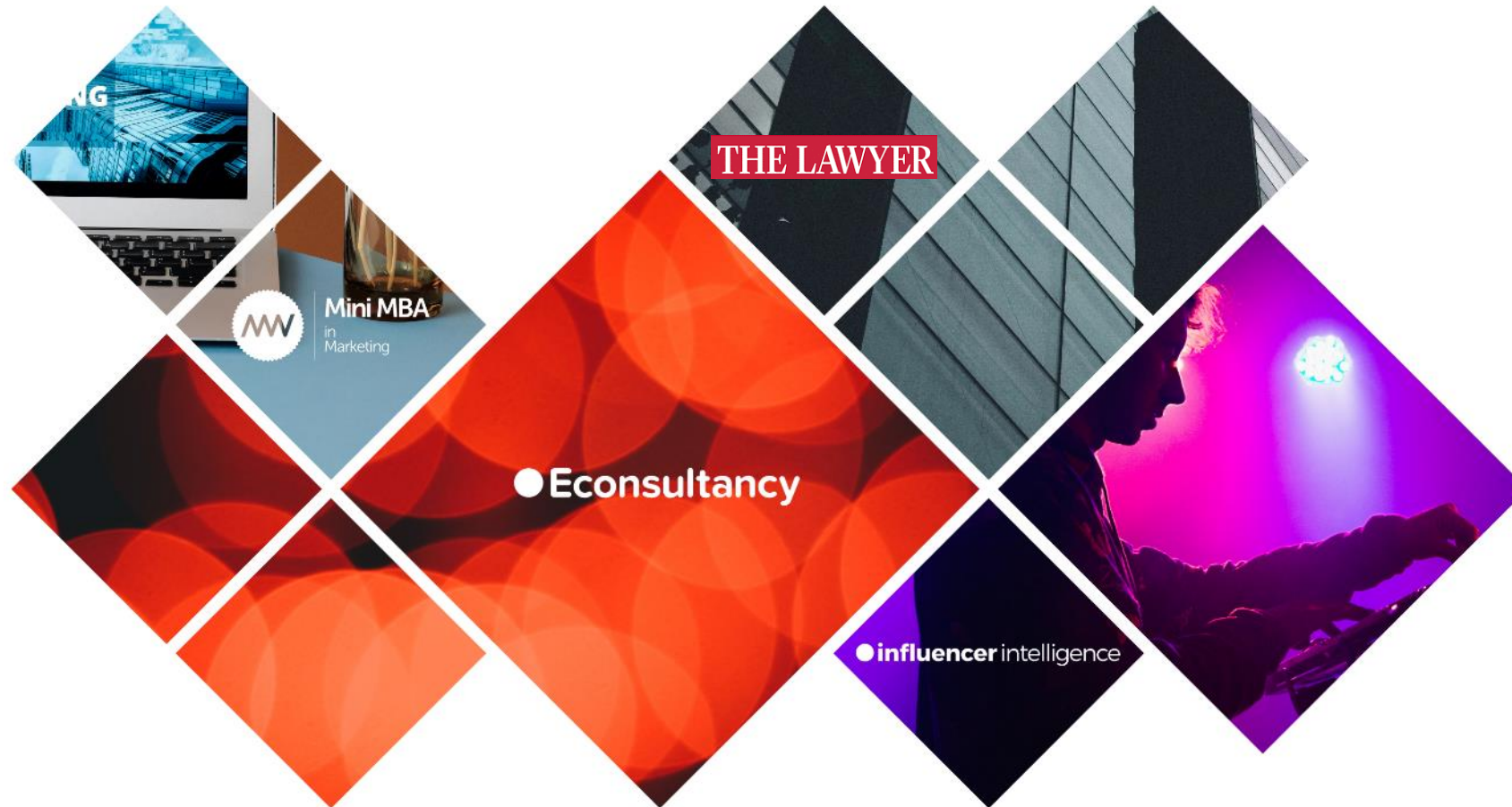


Net Cash
£8.3m
 (£9.3m)



Dividend
0.5p ord.
 (3.5p) ord.+special

Financial and Operating Performance



Financial results

| £m | 2020 | 2019* |
|---|---------------|--------------|
| Revenue | 32.4 | 39.6 |
| Other income | - | 1.6 |
| Operating expenses | (28.6) | (37.2) |
| Adjusted EBITDA | 3.8 | 4.0 |
| <i>EBITDA margin</i> | <i>12%</i> | <i>10%</i> |
| Depreciation, amortisation and impairment | 3.8 | 5.2 |
| Adjusted operating profit / (loss) | - | (1.2) |
| Group statutory (loss) / profit after taxation | (14.4) | 1.9 |

*Re-presented for the closure of MarketMakers which is now presented within discontinued operations.

- Revenues fell by 18% to £32.4m, reflecting impact of the pandemic on the business and its clients

- Revenue from outside UK increased to 31% of total, with lift of 4% to £10.0m as Centaur extends international reach

- Higher value revenue mix with premium content – reflecting transformation of Centaur over past five years

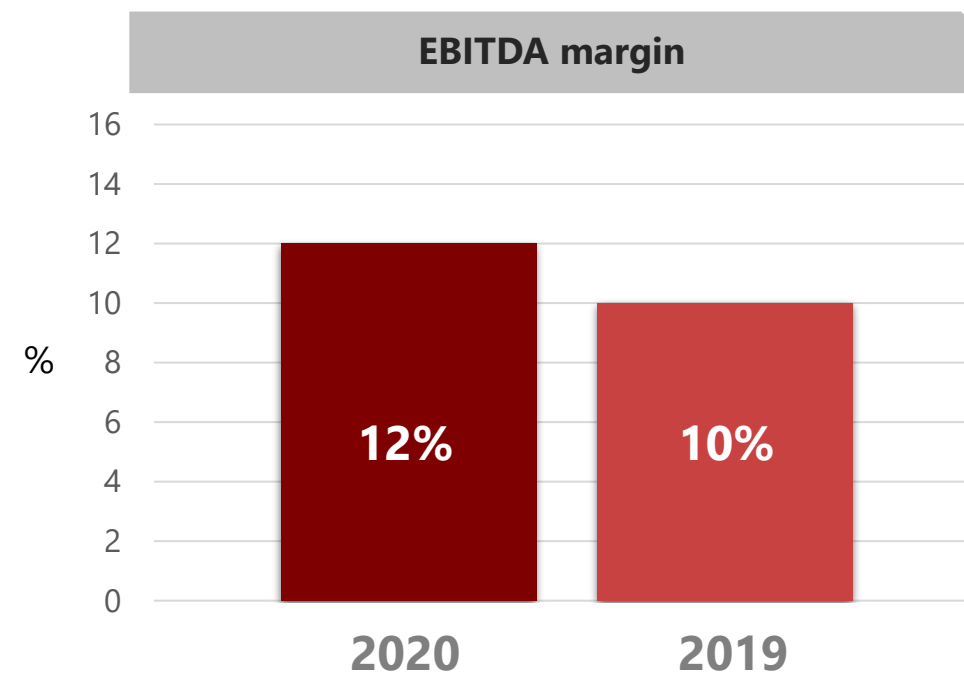
- Maintained strong Adj. EBITDA performance despite drop in revenue

- Operating costs fell by 24% reflecting tighter cost management:
 - People costs reduced by £3.8m (19%)
 - Property costs reduced by £1.7m

- Group statutory loss includes £11.0m non-cash impairment of MarketMakers goodwill and £1.0m of staff restructuring costs

Group EBITDA

| Adjusted EBITDA £m | 2020 | 2019 |
|------------------------|------------|------------|
| Xeim | 4.3 | 7.2 |
| The Lawyer | 2.1 | 3.2 |
| Other income | - | 1.6 |
| Central costs | (2.6) | (8.0) |
| Adjusted EBITDA | 3.8 | 4.0 |



Strong Adjusted EBITDA performance, only falling 5% despite £7.2m drop in revenue and £1.6m loss of other income

Adjusted EBITDA margin continued to improve – from 10% to 12%

Balance sheet

| £m | 2020 | 2019 |
|--------------------------------------|-------------|-------------|
| Goodwill and other intangible assets | 46.1 | 61.2 |
| Property, plant and equipment | 3.3 | 4.3 |
| Deferred taxation | 2.2 | 1.0 |
| Deferred income | (7.0) | (8.7) |
| Other current assets and liabilities | (4.3) | (3.7) |
| Non-current liabilities | (1.4) | (2.3) |
| Net assets before cash | 38.9 | 51.8 |
| Net cash | 8.3 | 9.3 |
| Net assets | 47.2 | 61.1 |

- £11.0m non-cash goodwill impairment due to MarketMakers closure

- Strong closing net cash of £8.3m and £10m RCF

Cash flow

| £m | 2020 | 2019 |
|--|--------------|------------|
| Adjusted operating profit (inc. discontinued ops) | - | 1.8 |
| Depreciation, amortisation and impairments | 4.0 | 5.5 |
| Movement in working capital | 2.5 | - |
| Adjusted operating cash flow | 6.5 | 7.3 |
| Capital expenditure | (0.8) | (1.6) |
| Exceptional items | (4.6) | (2.7) |
| Disposals and acquisitions | (0.1) | 16.3 |
| Dividends | - | (7.1) |
| Other cashflows inc. payment of lease obligations | (2.0) | (3.0) |
| (Decrease) / increase in net cash | (1.0) | 9.2 |
| Opening net cash | 9.3 | 0.1 |
| Closing net cash | 8.3 | 9.3 |

- Working capital includes deferral of VAT £1.0m and receipt on vacating old office £1.5m

- Exceptionals include £1.2m mostly relating to closure of MM and £3.4m relating to 2019 divestment/restructuring

Dividend

- In May 2020 Board suspended dividend payments to preserve cash as the world entered the pandemic
- Resilient performance and improving trading gave Board confidence to reinstate dividend

Board recommends a 0.5p final dividend for FY2020

Centaur will resume dividend policy of 40% of adjusted earnings (minimum 1p per share)

- Centaur will consider further returns of capital once the longer-term impact of Covid-19 on cashflow is clear

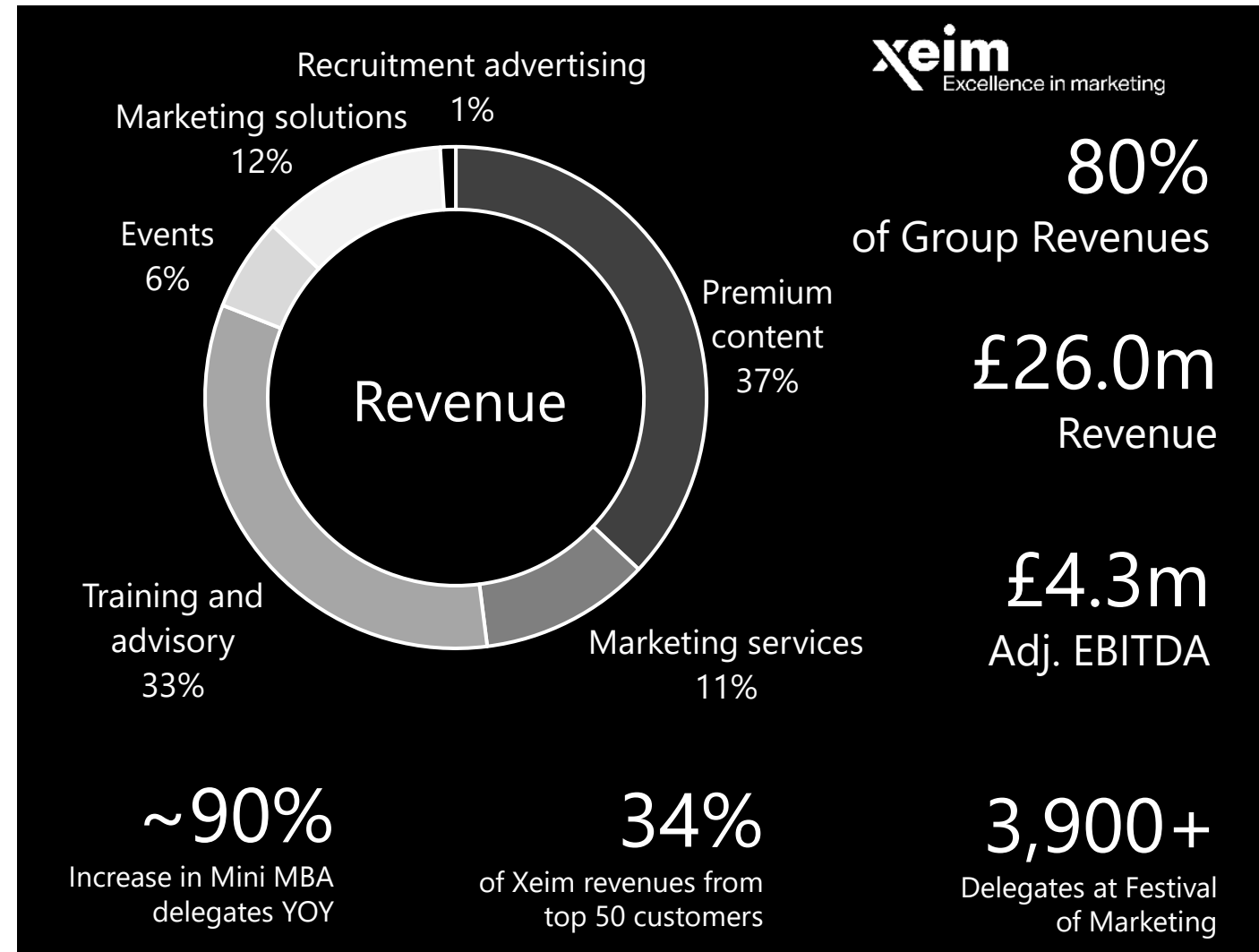


Business Unit Review



Xeim – Strong transition to digital and training

- Underlying revenues* fell to £26.0m (2019: £30.3m);
- Adjusted EBITDA* fell to £4.3m (2019: £7.2m)
- Xeim includes:
 - Econsultancy, Influencer Intelligence, Mini MBA from the Flagship 4
 - Festival of Marketing - Held virtually in 2020 with 80 sessions over 5 days
 - Really B2B - Received most category prizes at the 2020 B2B Marketing Awards
 - Oystercatchers - Financial Times named it one of the *most highly regarded management consultancies in the UK*
- Strong progress on developing cross-selling proposition:
 - Multiple brands sold into single enterprise customers
 - Xeim Labs as single access point to community of marketing professionals



*Revenue and EBITDA exclude MarketMakers

Econsultancy, Influencer Intelligence and Mini MBA



- Blended learning enabled implementation of digital marketing transformation for global clients
- Held virtual "Econsultancy Live" events & expanded digital subject matter
- Significant contract wins from international clients continue into 2021

>90% Average feedback scores very good or excellent

influencer intelligence

- Pandemic offset strong start to 2020; renewal rate improved in H2
- Continued platform development with addition of further data analytics functions
- Campaign measurement tool launched in Q1 2021 – key driver of future growth

\$15bn Expected industry worth by 2022*



Mini MBA

- Ecommerce strategy to attract MBA candidates – NPS scores +75
- Marketing campaign to target employees working from home – 4,800 delegates
- Bespoke courses - Google, FlightCentre, Coles, Marketing Academy, WestPac Bank

~90% YOY revenue increase

*Source: Mediakix

Current Xeim customers

- International blue-chip customers buy multiple products across Xeim's brand portfolio
- Global clientele spanning Europe, USA, Australasia and UK
- Xeim's centre of sales excellence provides single access point to cross-sell Xeim's brands
- Xeim Labs provides a single access point to Xeim's community of marketing professionals to access Xeim's audiences



M&S
CORPORATE GIFTS

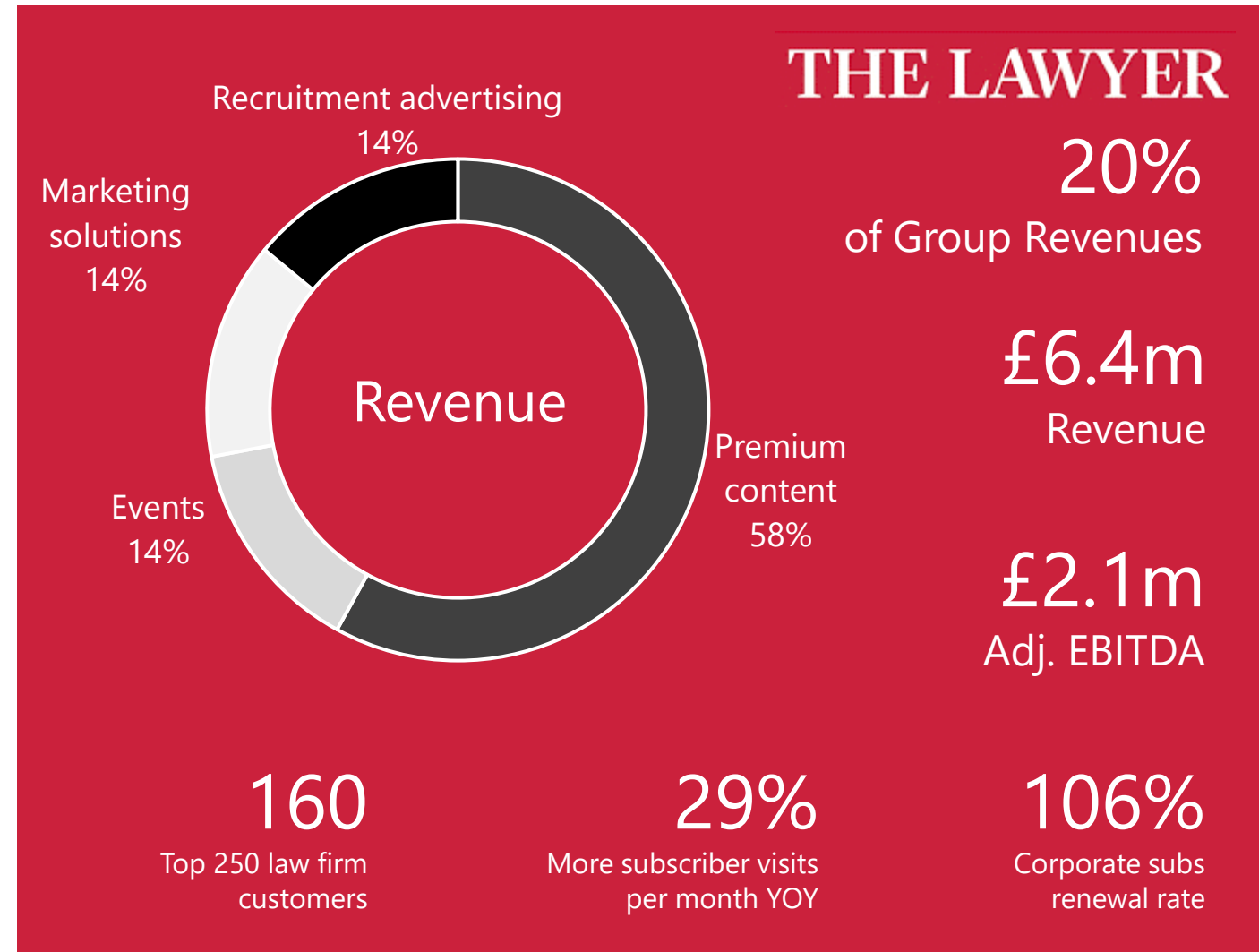


accenture



The Lawyer – Strong digital presence and virtual events

- Underlying revenues fell to £6.4m (2019: £8.1m)
- Adjusted EBITDA fell to £2.1m (2019: £3.2m)
- Strong digital presence allowed The Lawyer to maintain role as one of the most trusted brand for UK legal profession throughout Covid
- Physical events quickly transitioned online with positive customer response
- Named Business Information Product of the Year at PPA Awards and was described as *“an innovative and commercially successful product with a very smart, clear strategy”*



The best of The Lawyer in 2020

H O R I Z O N

BY THE LAWYER

- Daily morning email drawing on data and research capabilities to pinpoint emerging trends in business of law
- All content can be read in inbox rather than just on website – increasing subscriber digital engagement
- Played important role in supporting renewal rates of 106% for 2020

8,900 Average daily subscribers in 2020

>2m Openings of Horizon in year since launch

THE LAWYER

VIRTUAL EVENTS

Building and nurturing online communities to facilitate powerful conversations.



- IHFS 2020 the first major virtual event for The Lawyer – strong senior turnout from 220+ people over 3.5 days
- Maximised sponsor branding and thought leadership through video content
- 120 virtual events for The Lawyer in 2020

+45 Net Promoter Score for IHFS 2020

6,300 Total attendees to virtual events



Our new strategy – MAP23

MAP23: our strategy to deliver targets through profitable organic revenue growth and operational leverage

- Focus investment and resource on Flagship 4
- Drive opportunities through Xeim Core Brands
- Continue to develop Xeim cross-selling capabilities
- Invest in technology and develop digital offering
- Raise marketing investment to develop brand profile, international footprint, ecommerce revenues
- Continue to capitalise on inherent synergies in portfolio

MAP23



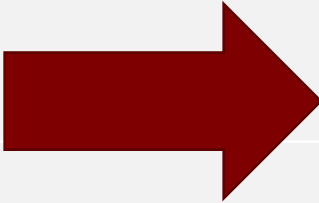


> £45m

Revenues by 2023







23%




Adjusted EBITDA margin
by 2023

The Flagship 4 – Innovation drives transformation

| | 2015 | | 2020 |
|---|--|--|---|
|  Mini MBA | Did not exist | | <ul style="list-style-type: none"> • 4,800 delegates • Online • Two courses |
|  | Celebrity Intelligence | Innovation  | <ul style="list-style-type: none"> • 150,000 influencers • Online / Subscriptions • Analytics platform |
|  | Printed thought leadership & physical events | | Transformation |
|  | Print, advertising & conferences | | <ul style="list-style-type: none"> • 4.3m subscriber page views • Online / Subscriptions • 120+ events |

The road to MAP23

| Areas of focus | Key deliverables |
|--|---|
| Influencer Intelligence  | <ul style="list-style-type: none"> • Launch campaign management tool • New ecommerce "Influencer Light" offering for SME businesses • Increased marketing and PR in UK and US for international reach • Expand sector focus (e.g. health & wellness, technology) to increase new business |
| Mini MBA  | <ul style="list-style-type: none"> • New edition of marketing course • Development of brand profile through targeted marketing and new website • Create new partnerships and affiliations to drive international sales • Re-develop learning platform |
| Econsultancy  | <ul style="list-style-type: none"> • Continue to improve blended learning offering to drive new enterprise sales • Focus marketing and sales on digital excellence and transformation • Virtual Econsultancy Live events • Expanded "digital subject matter" content on website |
| The Lawyer  | <ul style="list-style-type: none"> • Evolve corporate subscriptions with introduction of new paid content to drive yield • Transform Market Reports into new subscription product • Introduce new and improved hybrid events • Extend international relevance and reach |
| Core Brands  | <ul style="list-style-type: none"> • Launch of two new events in March and June to complement main FoM event • Leverage sales across the Xeim customer base • Increase customer awareness of Xeim group proposition |
| Leverage cost base  | <ul style="list-style-type: none"> • Cost management following £6m annualised cost saving in 2019 • Continuous process improvement |

Key:  Complete  On track  Facing issues  Paused

Summary

Centaur remains financially strong with cash of £8.3m (Dec 20)

Return to dividend policy - final dividend of 0.5p for FY2020 recommended

MAP23 - raise Adjusted EBITDA margins to 23% and revenue to >£45m by 2023

Good start to 2021 with trading in line with expectations; Feb cash £8.2m

We are delivering against MAP23



Mini MBA

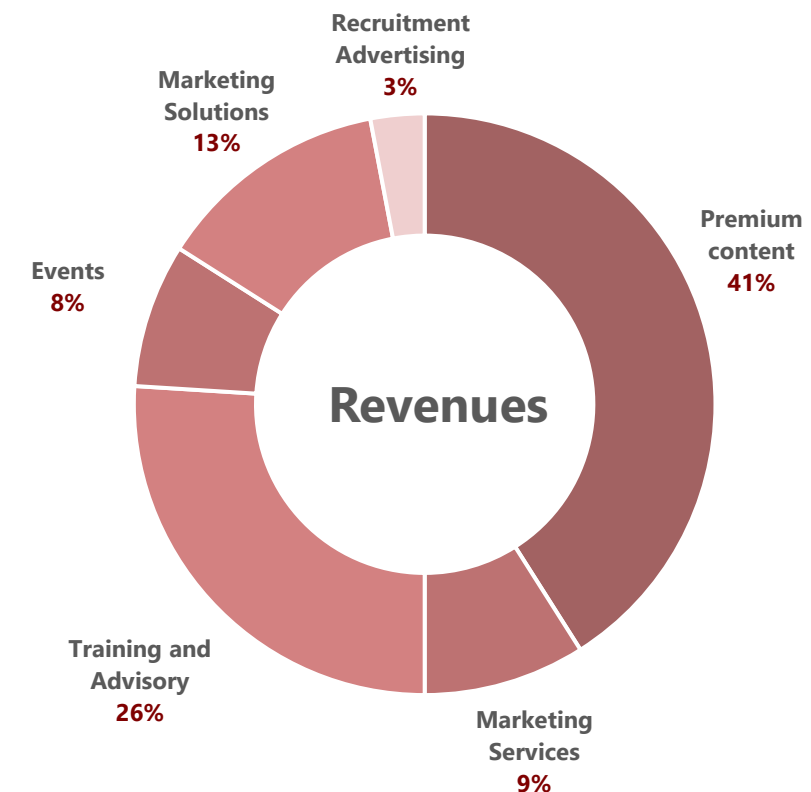
THE LAWYER

Questions?

Appendices

Centaur's diversified revenue streams

| | | Premium content | Marketing services | Training and advisory | Events | Marketing Solutions | Recruitment Advertising |
|------------|-------------------------------|-----------------|--------------------|-----------------------|--------|---------------------|-------------------------|
| Xeim | Econsultancy | ✓ | | ✓ | ✓ | ✓ | |
| | Influencer Intelligence | ✓ | | | | | |
| | Mini MBA | | | ✓ | | | |
| | Festival of Marketing | | | | ✓ | | |
| | Creative Review / Design Week | ✓ | | | ✓ | ✓ | ✓ |
| | Marketing Week | ✓ | | | | ✓ | ✓ |
| | Fashion & Beauty Monitor | ✓ | | | | | |
| | Oystercatchers | | | ✓ | ✓ | | |
| | Really | | ✓ | | | | |
| The Lawyer | ✓ | | | ✓ | ✓ | ✓ | |



Closure of MarketMakers

- MarketMakers telemarketing revenues of £9.3m in 2019

- Customers directly and immediately hit by pandemic

- Furlough enabled to keep roles open – but business no longer viable in the long-term

- After all options explored, difficult & sensitive decision to close MarketMakers in Summer 2020 with loss of 180 roles

- Telemarketing business closed and forms part of discontinued operations

- Really B2B fully merged into Xeim and targeted to grow revenue in 2021 (2020: £2.9m)

- Reduction in annualised overheads of £1.2m

- Supports MAP23 margin objective