

# Centaur Media Plc

Preliminary Results  
Year ended 31 December 2015

Econsultancy  
Achieve  
Digital  
Excellence™



# Agenda

- Headline results
- Investing in the platform
  - IT systems
  - Building in-house capability
  - Becoming customer-centric
- Financial review
- Portfolio performance updates

# A year of steady progress

- Underlying growth:
  - Revenue ..... +4%
  - Adjusted operating profit ..... +14%
  - Adjusted operating margin ..... 14.9%
- Revenue mix continues to improve with live events and paid-for content 67% of total revenue
  - Paid-for content ..... +11%
  - Digital revenues ..... +20%
  - Advertising revenues ..... +0%
  - Live events ..... +1%
  - Deferred revenues ..... +11%

## Our ambition

**To use digital technology and events to transform the business into a multi-platform content and insight business**

- Targeting high value audiences
- Customer centric
- Good cash conversion
- Investing in product innovation
- Stronger operating margins

# Making our transformation a reality

**Year 1: 2014** Realigning the teams, identifying systems and infrastructure required

**Year 2: 2015** Beginning to improve platform foundations, and build in-house capability

**Year 3: 2016** Completing platform improvements and beginning to accelerate growth

# Investing in a platform for growth

- **IT systems**

- Common CRM sales platform – Salesforce
- Single finance platform – Agresso
- Single web publishing platform – WordPress

- **Building in house capabilities**

- Conference capability

## **Benefits**

- Up-selling and cross-selling £'s
- Visibility and efficiency
- Product improvement £'s
  
- Product innovation £'s

# Building Centaur IQ

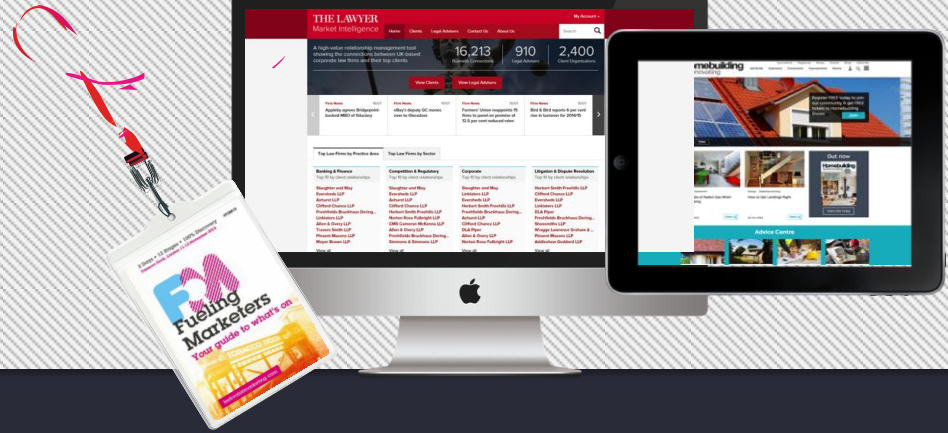
## A hub of information and analysis

- Deepens customer market insight
- Track loyalty and product satisfaction
- Measure engagement
- Bespoke qualitative research services
- Data analytics

# Customer-centric

1. Aligned market vertical teams improve our customer understanding and ability to solve customer challenges
  - Up-selling and cross-selling
  - Improved forward bookings
  - Growing partner clients
2. Monitoring, tracking and understanding our customers' product usage and satisfaction
  - Improve paid-for content products
  - Minimise risks of innovation
  - Drive corporate subscriptions





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# Financial Review

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# Financial highlights – year ended 31 December 2015

## REVENUE

£70.5m ▲4%\*

(2014: £72.8m)

## ADJUSTED OPERATING PROFIT

£10.5m ▲14%\*

(2014: £10.2m)

## PAID-FOR CONTENT REVENUES

£19.9m (2014: £20.6m) ▲11%\*

## LIVE EVENTS REVENUES

£27.2m (2014: £28.9m) ▲1%\*

## ADJUSTED DILUTED EARNINGS PER SHARE

5.3 pence ▲6%

(2014: 5.0 pence)

## DIVIDEND PER SHARE

3.0 pence ▲0%

(2014: 3.0 pence)

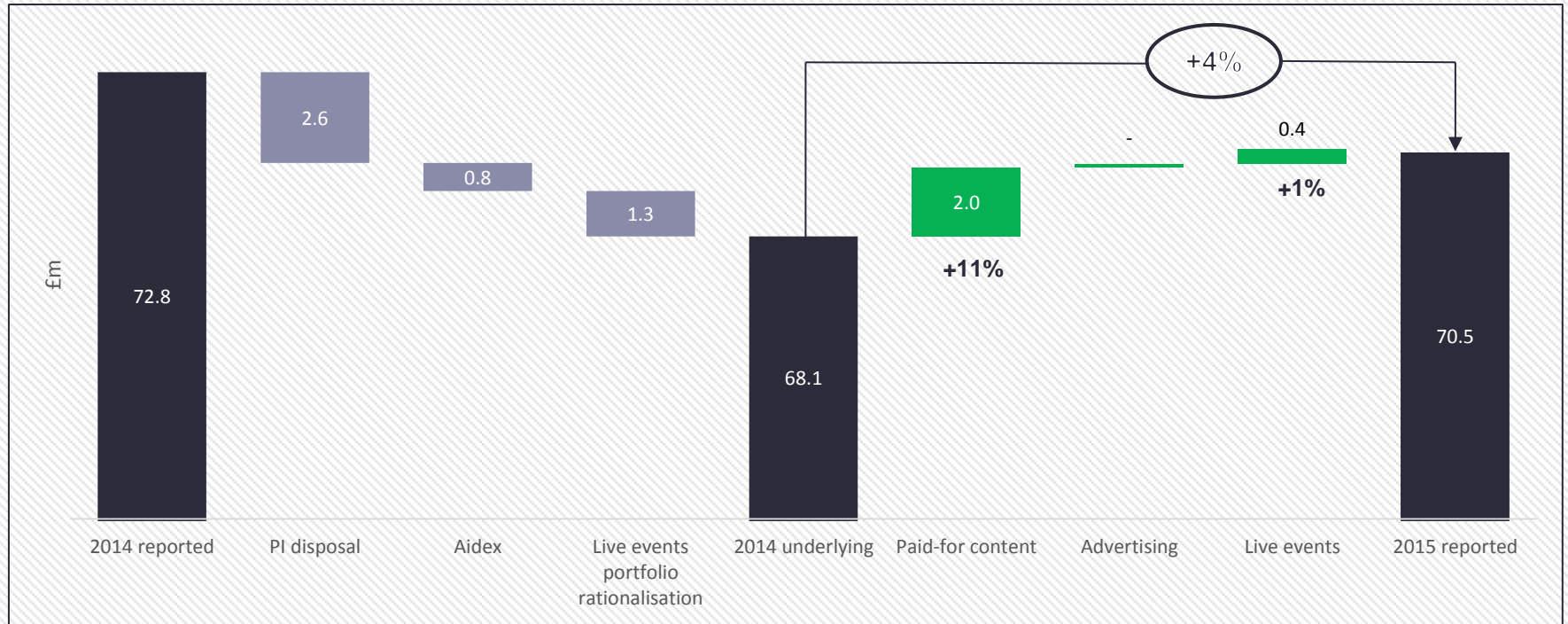
## DEFERRED REVENUES

£17.0m ▲11%

(2014: £15.3m)

\* Underlying growth, adjusted for the disposal of Perfect Information, Aidex and discontinued events

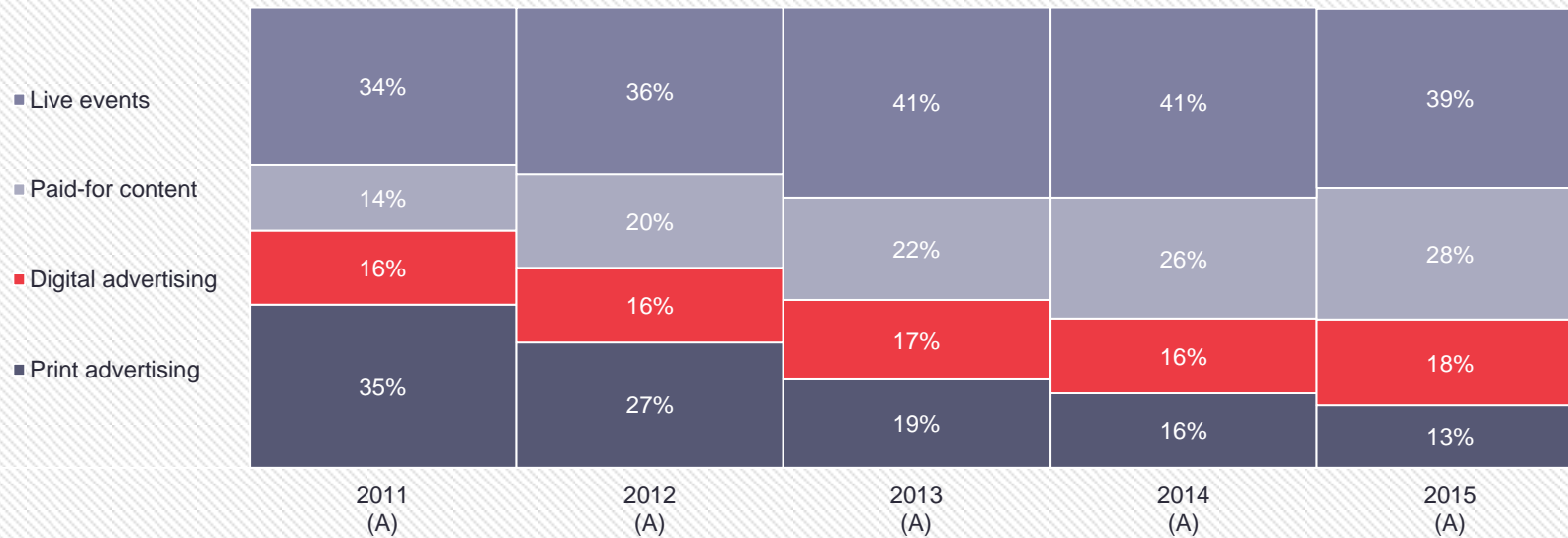
# Underlying revenue bridge



## Income statement – adjusted numbers

	2015 £m	2014 £m	Reported growth (%)	Underlying growth (%)
Revenue	70.5	72.8	-3%	+4%
<b>Adjusted operating profit</b>	<b>10.5</b>	<b>10.2</b>	<b>3%</b>	<b>+14%</b>
Adjusted operating profit margin	14.9%	14.0%		
Finance costs	(0.7)	(1.0)		
<b>Adjusted profit before taxation</b>	<b>9.8</b>	<b>9.2</b>	<b>7%</b>	
Adjusted tax charge	(1.9)	(1.9)		
<b>Adjusted net profit</b>	<b>7.9</b>	<b>7.3</b>		
Adjusted basic EPS (pence)	5.5	5.1		
Adjusted diluted EPS (pence)	5.3	5.0	6%	
Dividend per share (pence)	3.0	3.0		

# Revenue mix trends



Excluding Perfect Information and 'other' revenues

## Revenue mix

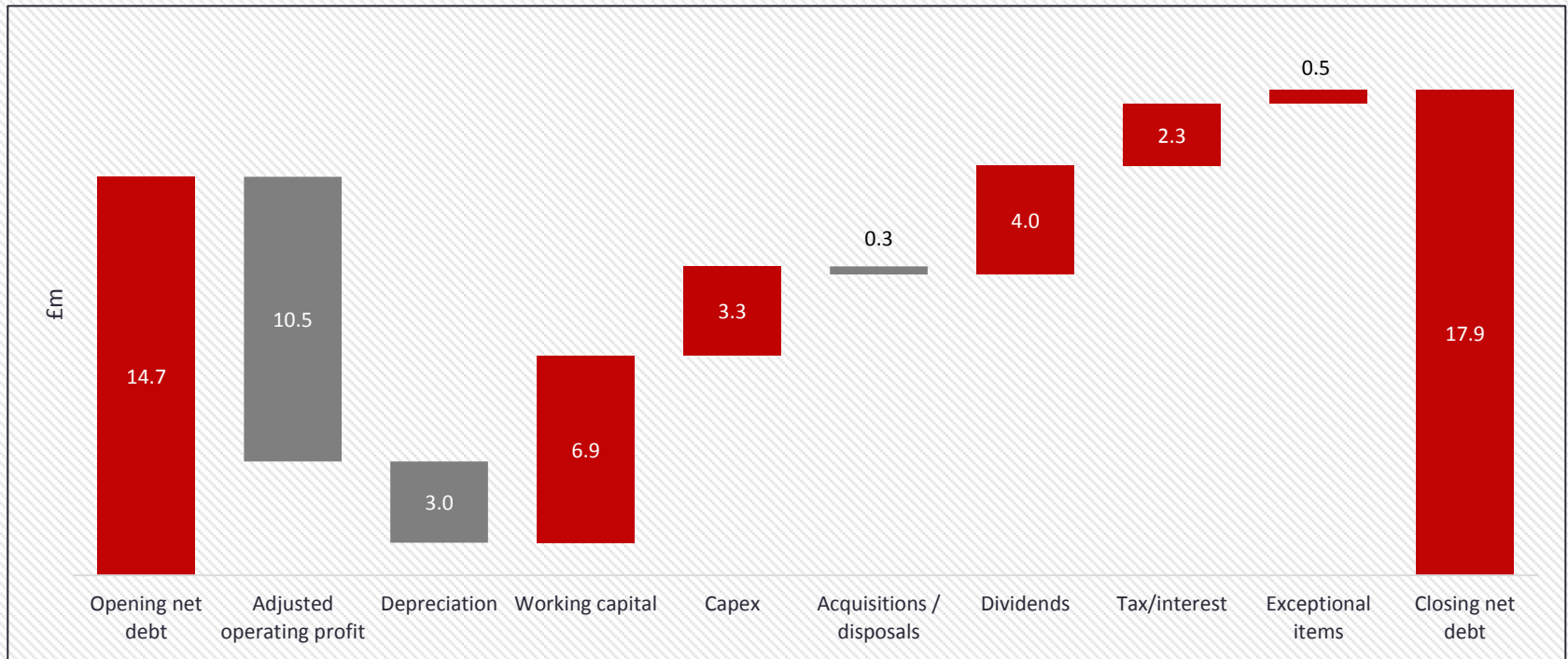
	2015 £m	2014 £m	Reported growth (%)	Underlying growth (%)	Digital
Paid-for content	19.9	20.6	-3%	11%	+24%
Live events	27.2	28.9	-6%	1%	
Advertising	22.5	22.4	0%	0%	+17%
Other	0.9	0.9	0%	0%	
<b>Total</b>	<b>70.5</b>	<b>72.8</b>	<b>-3%</b>	<b>4%</b>	

## Operating cash flow

	2015 £m	2014 £m
Adjusted operating profit	10.5	10.2
Depreciation and amortisation	3.0	3.2
Movement in working capital	(6.9)	2.6
Capital expenditure	(3.3)	(3.5)
<b>Adjusted operating cash flow</b>	<b>3.3</b>	<b>12.5</b>
<b>Operating cash conversion*</b>	<b>31%</b>	<b>123%</b>

\* Adjusted operating cash flow / adjusted operating profit

# Net debt bridge





## Divisional summary

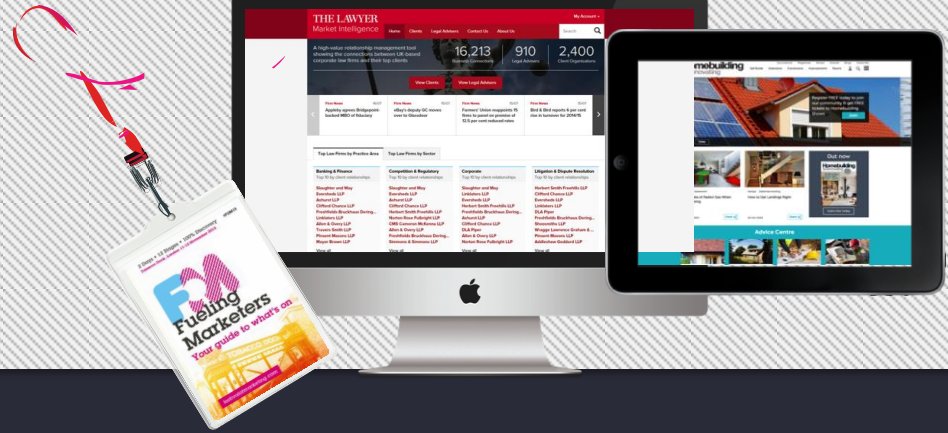
Revenue	2015 £m	2014 £m	Reported growth (%)	Underlying growth (%)
Marketing	27.0	26.8	1%	4%
Financial Services	12.0	12.0	0%	3%
Professional	19.7	22.9	-14%	1%
Home Interest	11.8	11.1	6%	9%
<b>Total</b>	<b>70.5</b>	<b>72.8</b>	<b>-3%</b>	<b>4%</b>
Adjusted operating profit	2015 £m	2014 £m	Margin	
Marketing	4.1	3.9	15%	
Financial Services	2.1	2.0	18%	
Professional	2.2	2.6	11%	
Home Interest	2.1	1.7	18%	
<b>Total</b>	<b>10.5</b>	<b>10.2</b>	<b>15%</b>	

# Guidance

	2015	2016	Medium term
Revenue growth	4%	5%	6% - 8%
Adjusted operating margin	14.9%	>15%	20%
Cash conversion*	31%	>100%	90% - 110%
Gearing**	1.3x	<1.0x	<1.5x
Revenue mix			
• Digital paid-for content	21%	23%	30%
• Live events	39%	39%	40%
Dividend	Progressive policy with target dividend cover of 2x		

\*Adjusted operating cash flow / adjusted operating profit

\*\* Net debt / adjusted EBITDA



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# Portfolio Performance

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# Portfolio performance overview

Our customer-centric approach has led to each portfolio leveraging its insight and focusing on product performance and innovation

- Re-launched 9 magazines
- Created 3 new subscription products
- Re-launched 12 publishing websites
- Launched 6 new annual events
- Re-invented 2 annual shows

# Marketing

- Bespoke events for Partner Clients

**30% - Events**

- FoM good growth



**27% - Ads**

- MW print re-launch
- Good up-selling and forward bookings
- Growth of Partner Clients

**43% - P4C**

- Strong growth TPG and Econ Subs

- MW.com strengthening

# Financial Services

**20% - Events**

- Launch of Platform D2C Conference



**49% - Ads**

- 4 x print products re-launched
- Growth of Partner Clients
- Digital 60%

**31% - P4C**

- New tech platform for Platform subs

- 4 x responsive publishing sites launched

# Professional

**56% - Events**

- The Lawyer events strengthening
  - BT strong
- *Explore BT conference /summit*



**34% - Ads**

- The Lawyer re-launch
- Shortlisted PPA Media Brand of the Year

**10% - P4C**

- Ongoing leverage of The Lawyer content

- Lawyer.com stronger

# Home Interest

**48% - Events**

- HB&R @Excel
- PPA Event of the Year

- *Explore new B2B summit*

- *Explore video content*



**31% - Ads**

- Real Homes and HB&R redesign
- HB&R revenue growth
- All 3 mags gained market share

**21% - P4C**

- Growing subs

- Launched 3 responsive websites
- Growing Digital Ads



# Looking ahead

- A simpler, more focused business
- An improved platform for growth
- Stronger revenue growth
- Attractive margins in the medium term

## Appendix I - Income statement – reported numbers

	2015 £m	2014 £m
Adjusted net profit	7.9	7.3
Impairment of goodwill	(11.9)	-
Amortisation of acquired intangibles	(2.2)	(2.2)
Share-based payments	(0.7)	(0.4)
Net exceptional operating expenses	(0.8)	(4.6)
Profit on sale of subsidiary	-	14.7
Profit on sale of trade and assets	0.4	-
Exceptional finance costs	(0.2)	(2.5)
Tax effect of above adjustments	0.6	0.9
<b>(Loss) / profit for the year</b>	<b>(6.9)</b>	<b>13.2</b>

## Appendix II – Balance sheet

	2015 £m	2014 £m
Goodwill and intangible assets	96.4	109.9
Other non-current assets	2.9	3.3
<b>Total non-current assets</b>	<b>99.3</b>	<b>113.2</b>
Inventories	2.0	1.8
Trade and other receivables	25.0	15.7
Trade and other payables	(12.4)	(11.0)
Deferred income	(17.0)	(15.3)
<b>Working capital</b>	<b>(2.4)</b>	<b>(8.8)</b>
Provisions	-	(1.1)
Current and deferred taxation	(1.6)	(1.9)
Other borrowings	(1.0)	0.1
Net debt	(17.9)	(14.7)
<b>Net assets</b>	<b>76.4</b>	<b>86.8</b>

## Appendix III – Taxation

Year ended 31 December 2015	(Loss) / profit before tax £m	Current tax expense £m	Deferred tax expense £m	Total tax expense £m
Statutory results	(5.6)	2.1	(0.8)	1.3
Adjusted for:				
Impairment of goodwill	11.9	-	-	-
Exceptional operating cost	0.8	0.2	-	0.2
Profit on disposal of trade and assets	(0.4)	-	-	-
Exceptional finance costs	0.2	-	-	-
Share-based payments	0.7	-	0.1	0.1
Amortisation of acquired intangibles	2.2	0.1	0.2	0.3
<b>Adjusted results</b>	<b>9.8</b>	<b>2.4</b>	<b>(0.5)</b>	<b>1.9</b>
Adjusted effective tax rate				19%

## Appendix IV – Dividend re-balancing

Dividend per share	2013 pence	2014 pence	2015 pence	Growth (%)	
				2014	2015
H1	1.575	1.70	1.50	8%	-12%
H2	0.850	1.30	1.50	53%	15%
<b>Full year</b>	<b>2.425</b>	<b>3.00</b>	<b>3.00</b>	<b>24%</b>	<b>0%</b>

Dividend payments	2013 £m	2014 £m	2015 £m	Growth (%)	
				2014	2015
H1	1.20	1.20	1.90	0%	58%
H2	2.20	2.40	2.10	9%	-13%
<b>Full year</b>	<b>3.40</b>	<b>3.60</b>	<b>4.00</b>	<b>6%</b>	<b>11%</b>

## Appendix V – Dividend per share and EPS trends

	2010	2011	2012	2013	2014	2015	6 year CAGR
Adjusted diluted EPS (pence)	2.6	3.6	4.4	4.7	5.0	5.3	13%
Dividend per share (pence)	1.8	1.3	1.5	2.425	3.0	3.0	9%
Adjusted dividend cover	1.4x	2.8x	2.9x	1.9x	1.7x	1.8x	4%