

# CENTAUR MEDIA<sub>PLC</sub>



## 2013 RESULTS

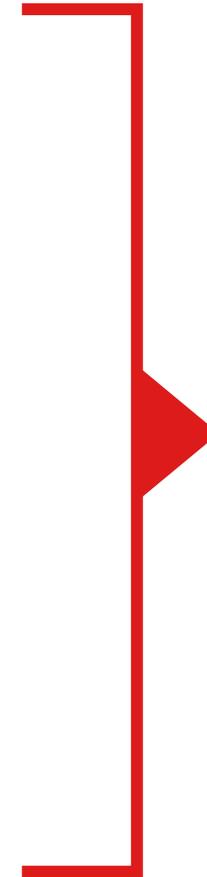
# EXISTING STRENGTHS



Strong Brands

Technical Expertise

Undeniable Energy, Talent & Spirit



**CENTAUR  
MEDIA**<sub>PLC</sub>

# THE OPPORTUNITY



To build a **successful dynamic media** business

To **revitalize** core brands by **accelerating digital functionality** & consumer engagement

To exploit the skills, assets & **full potential of the existing set of businesses**

To create a coherent **platform to drive growth**

Lessen the reliance on traditional advertising

Generate long-term sustainable profit growth

# TRANSITIONING THE BUSINESS



**Federation** of small businesses

A **unified single** organisation. Harnessing strengths of talent, content, information resources & technical functionality.

**Format** obsessed Product management

**Audience** focused **portfolio** management. Enabling excellence through information, insight & interaction.

**Siloed** experts

**Teams** of experts creating a range of products & services.

**Traditional** advertising & product sales

**In-depth audience** insight creating **targeted innovative** marketing solutions.

CENTAUR  
MEDIA<sub>PLC</sub>



# DECEMBER 2013 INTERIM RESULTS

# INTERIM FINANCIAL HIGHLIGHTS



REPORTED  
REVENUE

▲8%

£32.7m

(2012: £30.4m)

ADJUSTED  
EBITDA

▲7%

£3.1m

(2012: £2.9m)

ADJUSTED  
PBTA

▲29%

£0.9m

(2012: £0.7m)

DEFERRED  
REVENUES

▲16%

£17.5m

(2012: £15.1m)

DIVIDEND  
PER SHARE

▲3%

0.85p

(2012: 0.825p)

NET DEBT  
TO EBITDA

2.1times

# 12 MONTH FINANCIAL HIGHLIGHTS



REPORTED  
REVENUE

▲7%

£74.4m

(2012: £69.4m)

ADJUSTED  
EBITDA

▲2%

£13.1m

(2012: £12.9m)

PAID-FOR  
CONTENT  
REVENUES

▲11%

£21.2m

(2012: £19.1m)

EVENTS  
REVENUES

▲20%

£28.0m

(2012: £23.4m)

EARNINGS  
PER SHARE

▲4%

4.7p

(2012: £4.5p)

DIVIDEND  
PER SHARE

▲4%

2.425p

(2012: 2.325p)

# INCOME STATEMENT - ADJUSTED NUMBERS



	12m Dec 2013 £m	12m Dec 2012 £m	Growth %
Revenue	74.4	69.4	7%
Adjusted EBITDA	13.1	12.9	2%
EBITDA margin	18%	19%	
Depreciation and amortisation	(3.0)	(2.7)	
Shared based payments	(0.1)	(0.4)	
Finance costs	(1.2)	(1.0)	
Adjusted profit before taxation	8.8	8.8	
Adjusted tax charge	(2.1)	(2.6)	
Adjusted net profit	6.7	6.2	
Adjusted EPS (pence)	4.7	4.5	4%
Dividend per share (pence)	2.425	2.325	4%

# INCOME STATEMENT - REPORTED NUMBERS



	12m Dec 2013 £m	12m Dec 2012 £m
<b>Adjusted net profit</b>	<b>6.7</b>	<b>6.2</b>
Amortisation of acquired intangibles	(2.3)	(1.6)
Net exceptional operating expenses (before impairment)	(1.4)	(7.4)
Exceptional impairment charge	(39.2)	-
Exceptional finance costs	(1.2)	(0.6)
Tax effect of above adjustments	1.0	1.6
<b>Loss for the period</b>	<b>(36.4)</b>	<b>(1.8)</b>

# DIVISIONAL SUMMARY



Revenue	12m Dec 2013 £m	12m Dec 2012 £m	Growth %
Marketing	24.8	19.6	27%
Professional	25.1	24.6	2%
Financial	13.7	14.7	-7%
Home Interest	10.8	10.5	3%
<b>Total</b>	<b>74.4</b>	<b>69.4</b>	<b>7%</b>

Adjusted EBITDA	12m Dec 2013 £m	12m Dec 2012 £m	Growth %
Marketing	3.8	3.3	15%
Professional	4.7	5.1	-8%
Financial	2.8	2.8	0%
Home Interest	1.8	1.7	6%
<b>Total</b>	<b>13.1</b>	<b>12.9</b>	<b>2%</b>
EBITDA margin	18%	19%	

# REVENUE MIX



	12m Dec 2013 £m	12m Dec 2012 £m	Growth %
Advertising	13.2	16.2	-19%
Paid-for content	6.7	6.6	2%
<b>Total print</b>	<b>19.9</b>	<b>22.8</b>	<b>-13%</b>
Advertising	11.4	10.2	12%
Paid-for content	14.5	12.5	16%
<b>Total digital</b>	<b>25.9</b>	<b>22.7</b>	<b>14%</b>
Events	28.0	23.4	20%
Other	0.6	0.5	20%
<b>Total</b>	<b>74.4</b>	<b>69.4</b>	<b>7%</b>

# SUMMARY CASH FLOW



	12m Dec 2013 £m	12m Dec 2012 £m
<b>Adjusted EBITDA</b>	<b>13.1</b>	<b>12.9</b>
Movement in working capital	1.6	(1.6)
Capital expenditure	(5.2)	(3.4)
<b>Operating cash flow</b>	<b>9.5</b>	<b>7.9</b>
Cash impact of exceptional costs	(2.6)	(2.8)
Taxation	(1.9)	(1.2)
Interest and finance leases	(1.2)	(1.7)
<b>Free cash flow</b>	<b>3.8</b>	<b>2.2</b>
Acquisitions (net of disposals)	(2.8)	(18.3)
Dividends	(3.4)	(3.1)
Share purchases	-	0.2
<b>Net cash flow</b>	<b>(2.4)</b>	<b>(19.0)</b>
Opening net debt	(24.5)	(5.5)
<b>Closing net debt</b>	<b>(27.0)</b>	<b>(24.5)</b>

# FINANCIAL SUMMARY



- ▶ Efficient and scalable cost base
- ▶ Cash flow focus
- ▶ Revenue mix
- ▶ Rebalancing of earnings
- ▶ Getting fit for growth

# DEVELOPING THE STRATEGY

- ▶ Review of brands and their markets - size and profitability
- ▶ Relationships with customers, clients and audiences
- ▶ ROI in NPD
- ▶ High level synergy advantages



# THE CENTAUR ESSENCE



Centaur's mission is to **help** its **customers** **achieve excellence** in their personal and business **performance**

**Information**

**Insight**

**Interaction**

**CENTAUR  
MEDIA<sub>PLC</sub>**

# UNITED STRATEGY AND STRENGTHS



To create a single **unified organisation** that puts **audience insight** at the heart of the business

Harnessing content, intelligence & talent synergies

Capability & agility to create valued products swiftly

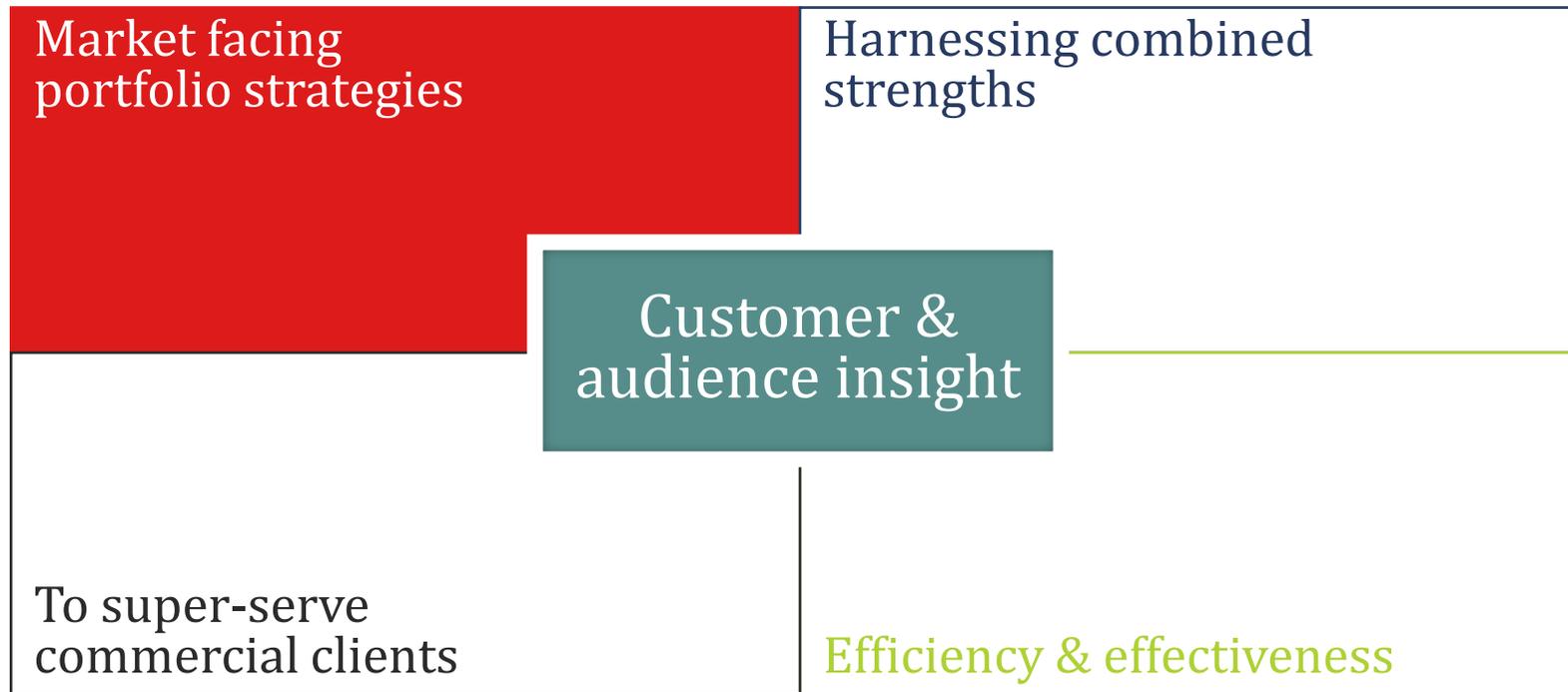
Delivering innovative highly targeted marketing solutions

To become the **first place** customers turn for **information, insight & to interact** with their peers.

# STRATEGIC PRIORITIES



# MARKET FACING PORTFOLIO STRATEGIES



# CENTAUR MARKETING



Defining the marketing world to help marketers understand how they can achieve excellence; measure & benchmark their performance; share knowledge & celebrate success; & plan for future trends



**MWL '14**

Marketing Week Live  
25-26 June 2014 | Olympia Grand | London

**MarketingWeek.co.uk**

**FASHION BEAUTY MONITOR**  
CONTACTS, NEWS, EVENTS

**celebrity intelligence**  
The ultimate celebrity engagement tool

# CENTAUR HOME INTEREST



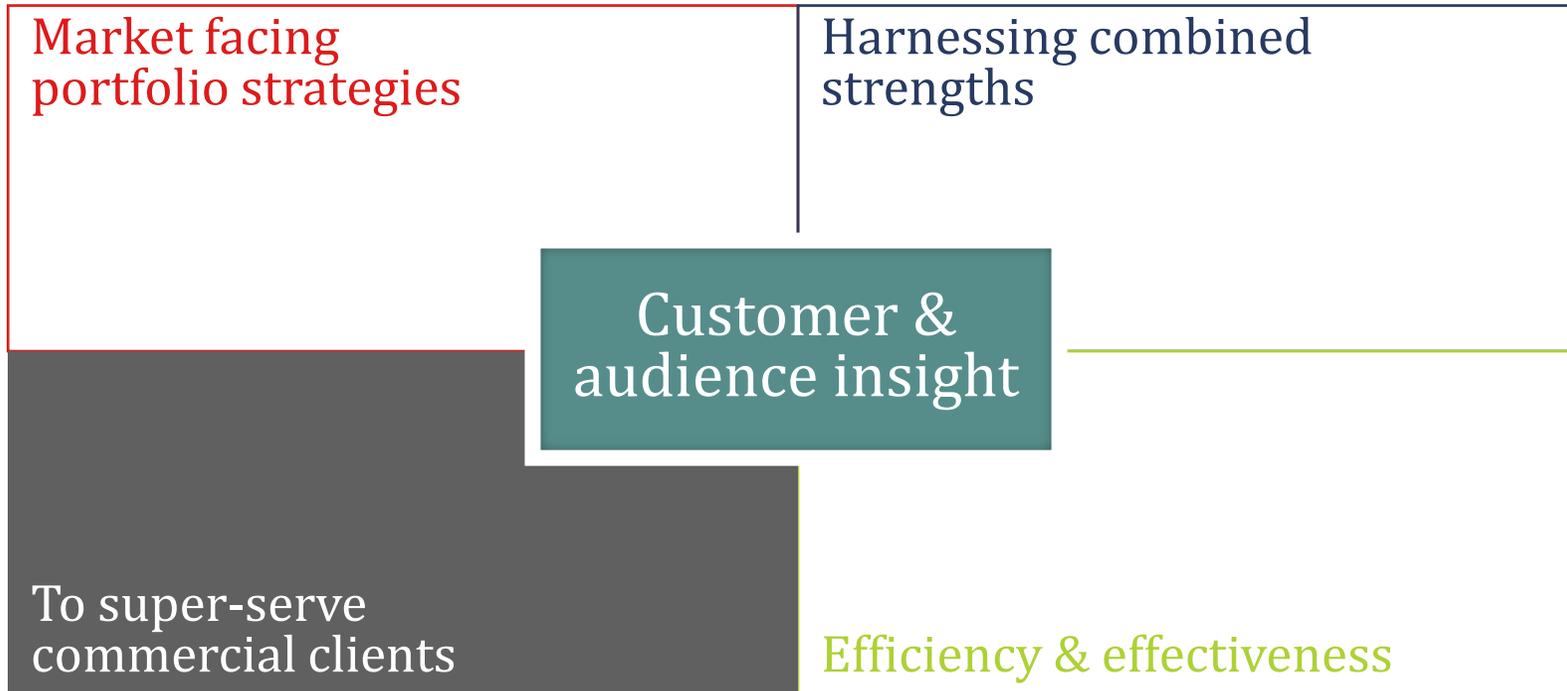
Helping homeowners with projects, large or small with inspiration, ideas and practical advice



Over 1 million interactions per month  
A highly attractive, multi channelled, focused audience for advertisers



# TO SUPER-SERVE COMMERCIAL CLIENTS



# EXTENDING COMMERCIAL BEST PRACTICE



	Advertising/ sponsorship	Subscriptions	Research	Learning & development	Awards	Meetings	Exhibitions
Marketing	●	●	●	●	●	●	
Home Interest	●	●					●
Legal	●	●	●		●	●	
Financial	●	●	●	●	●	●	
HR	●			●		●	●
Engineering	●						●

# HARNESSING THE COMBINED STRENGTHS



# CENTRES OF EXCELLENCE

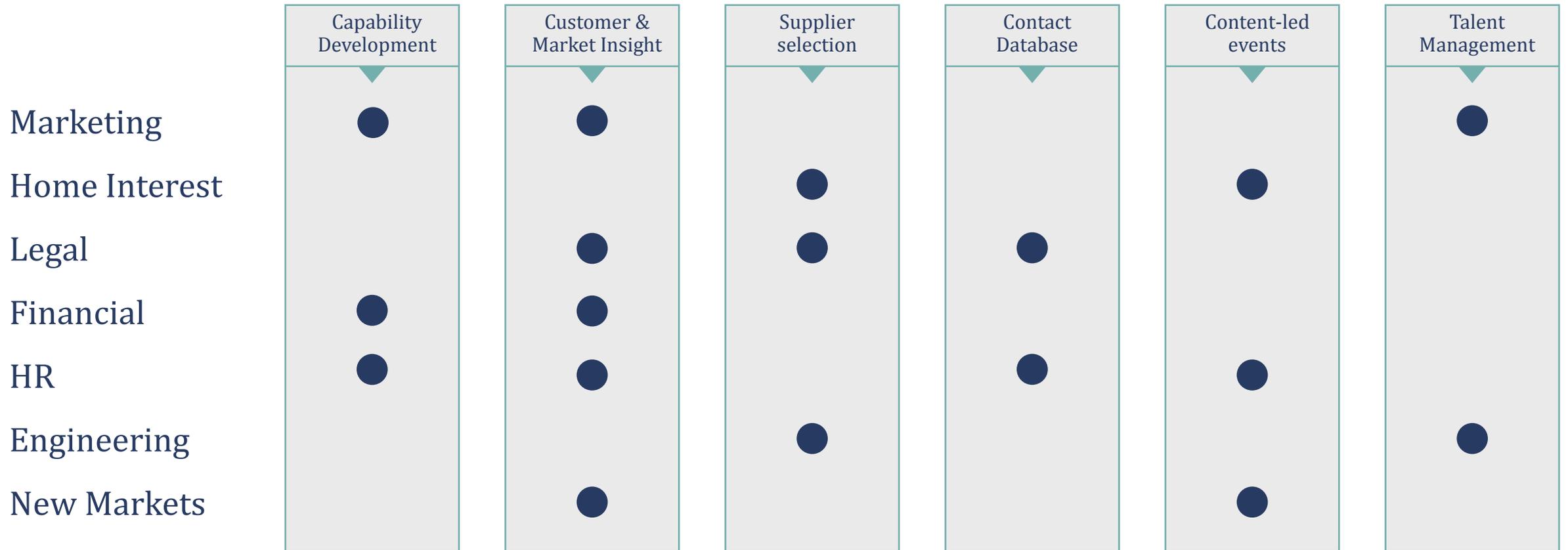


## OPERATING DIVISIONS

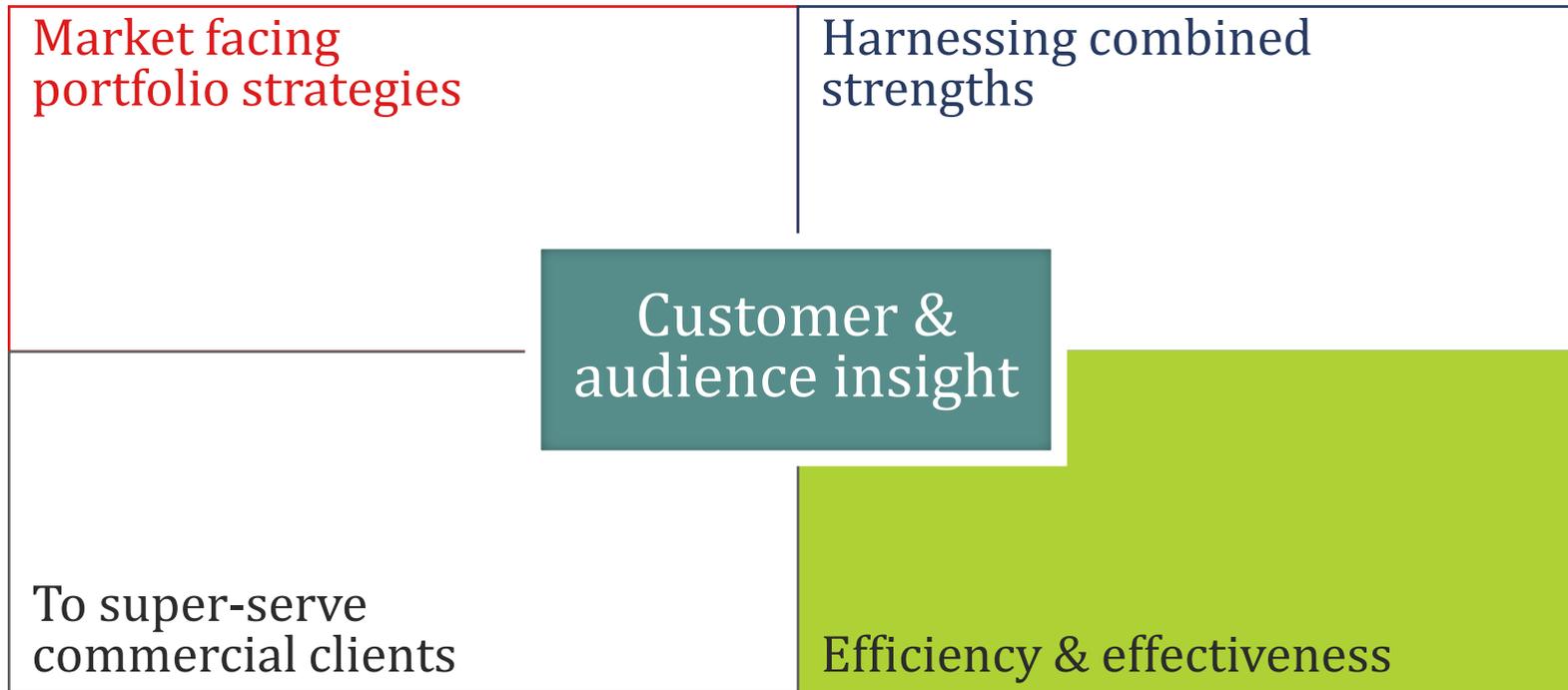


**DELIVERING PROFITABLE GROWTH**

# ACCELERATING PRODUCT DEVELOPMENT



# EFFICIENCY & EFFECTIVENESS



# ACTION SPEAKS LOUDER THAN WORDS



- ▶ Portfolio teams represent different parts of the business working to service chosen markets
- ▶ Audience focused portfolio strategies ready for each market
- ▶ Active teams with new objectives, new business development goals, new incentives schemes
- ▶ Areas for new revenue generation, commercial best practise & organic product development identified – but not yet quantified

**2014 -15**

**Developing opportunities to drive long term sustainable profit growth**



**CENTAUR  
MEDIA<sub>PLC</sub>**

**The first place customers  
turn for information,  
insight & to interact  
with their peers.**

# CENTAUR MEDIA<sub>PLC</sub>



# APPENDICES

# APPENDIX I - DEFERRED REVENUES



	Dec 2013 £m	Dec 2012 £m	Growth %
Print	1.5	1.2	25%
Digital	6.6	5.8	14%
Events	9.0	7.9	14%
Other	0.4	0.2	100%
<b>Total</b>	<b>17.5</b>	<b>15.1</b>	<b>16%</b>

# APPENDIX II - DIVISIONAL REVENUE ANALYSIS



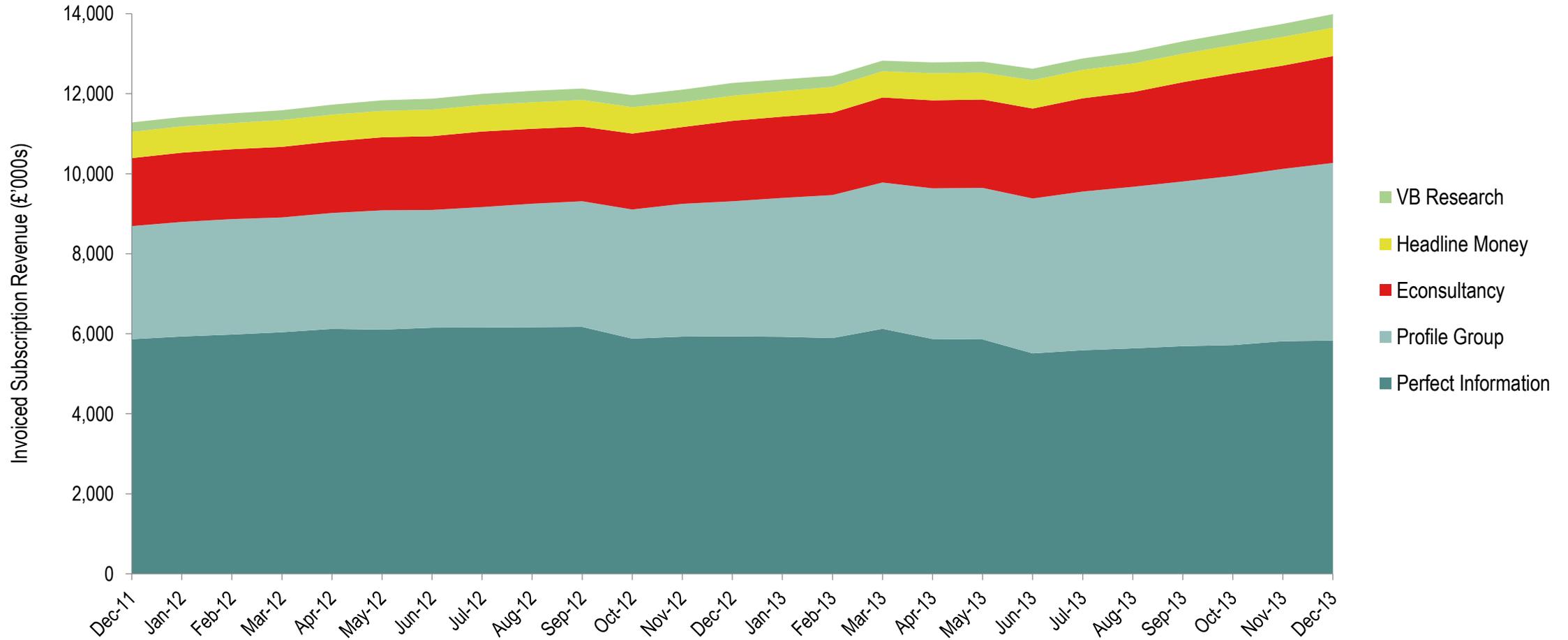
	Marketing		Professional		Financial		Home Interest		Total	
	2013 £m	2012 £m	2013 £m	2012 £m	2013 £m	2012 £m	2013 £m	2012 £m	2013 £m	2012 £m
Advertising	2.8	3.5	4.0	5.4	4.2	5.2	2.2	2.1	13.2	16.2
Paid-for content	0.7	1.0	0.3	0.3	3.1	2.8	2.6	2.5	6.7	6.6
<b>Total print</b>	<b>3.5</b>	<b>4.5</b>	<b>4.3</b>	<b>5.7</b>	<b>7.3</b>	<b>8.0</b>	<b>4.8</b>	<b>4.6</b>	<b>19.9</b>	<b>22.8</b>
Advertising	4.5	4.0	3.7	3.4	2.3	2.0	0.9	0.8	11.4	10.2
Paid-for content	6.6	4.3	6.9	7.2	0.9	1.0	0.1	0.0	14.5	12.5
<b>Total digital</b>	<b>11.1</b>	<b>8.3</b>	<b>10.6</b>	<b>10.6</b>	<b>3.2</b>	<b>3.0</b>	<b>1.0</b>	<b>0.8</b>	<b>25.9</b>	<b>22.7</b>
Events	10.2	6.8	9.6	7.8	3.2	3.7	5.0	5.1	28.0	23.4
Other	0.0	0.0	0.6	0.5	0.0	0.0	0.0	0.0	0.6	0.5
<b>Total</b>	<b>24.8</b>	<b>19.6</b>	<b>25.1</b>	<b>24.6</b>	<b>13.7</b>	<b>14.7</b>	<b>10.8</b>	<b>10.5</b>	<b>74.4</b>	<b>69.4</b>

# APPENDIX III - ADVERTISING TRENDS



	Q1			Q2			Q3			Q4			Total		
	2013 £m	2012 £m	Growth %	2013 £m	2012 £m	Growth %									
Display	2.8	3.6	-22%	3.3	4.3	-23%	2.4	2.5	-4%	2.6	3.0	-13%	11.1	13.4	-17%
Recruitment	0.6	0.9	-33%	0.5	0.8	-38%	0.5	0.6	-17%	0.5	0.5	-	2.1	2.8	-25%
<b>Print</b>	<b>3.4</b>	<b>4.5</b>	<b>-24%</b>	<b>3.8</b>	<b>5.1</b>	<b>-25%</b>	<b>2.9</b>	<b>3.1</b>	<b>-6%</b>	<b>3.1</b>	<b>3.5</b>	<b>-11%</b>	<b>13.2</b>	<b>16.2</b>	<b>-19%</b>
Display	2.0	1.5	33%	2.2	1.8	22%	1.6	1.4	14%	2.0	1.8	11%	7.8	6.5	20%
Recruitment	0.9	1.1	-18%	0.9	0.8	13%	0.9	1.0	-10%	0.9	0.8	13%	3.6	3.7	-3%
<b>Digital</b>	<b>2.9</b>	<b>2.6</b>	<b>12%</b>	<b>3.1</b>	<b>2.6</b>	<b>19%</b>	<b>2.5</b>	<b>2.4</b>	<b>4%</b>	<b>2.9</b>	<b>2.6</b>	<b>12%</b>	<b>11.4</b>	<b>10.2</b>	<b>12%</b>
Total Display	4.8	5.1	-6%	5.5	6.1	-10%	4.0	3.9	3%	4.6	4.8	-4%	18.9	19.9	-5%
Total Recruitment	1.5	2.0	-25%	1.4	1.6	-13%	1.4	1.6	-13%	1.4	1.3	8%	5.7	6.5	-12%
<b>Total</b>	<b>6.3</b>	<b>7.1</b>	<b>-11%</b>	<b>6.9</b>	<b>7.7</b>	<b>-10%</b>	<b>5.4</b>	<b>5.5</b>	<b>-2%</b>	<b>6.0</b>	<b>6.1</b>	<b>-2%</b>	<b>24.6</b>	<b>26.4</b>	<b>-7%</b>

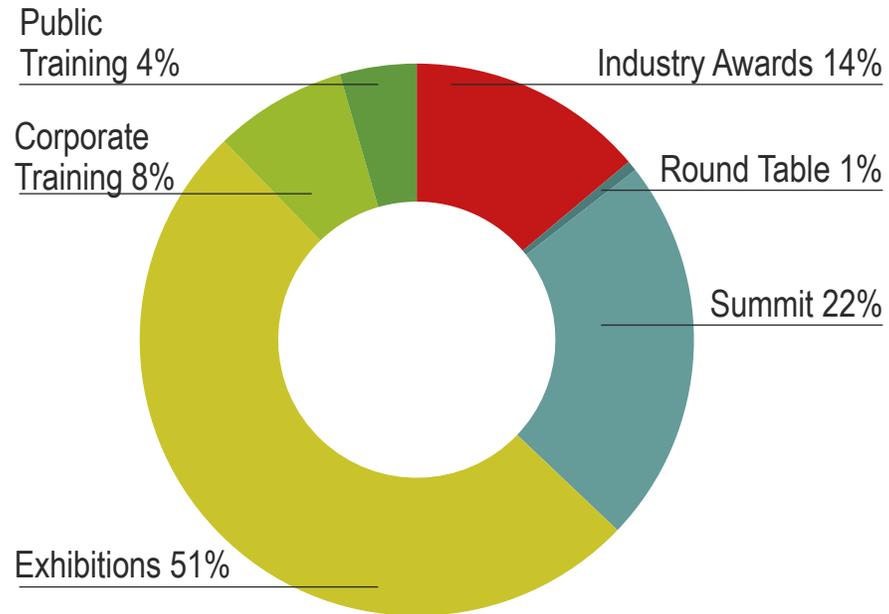
# ANNUAL CONTRACT VALUE GROWTH



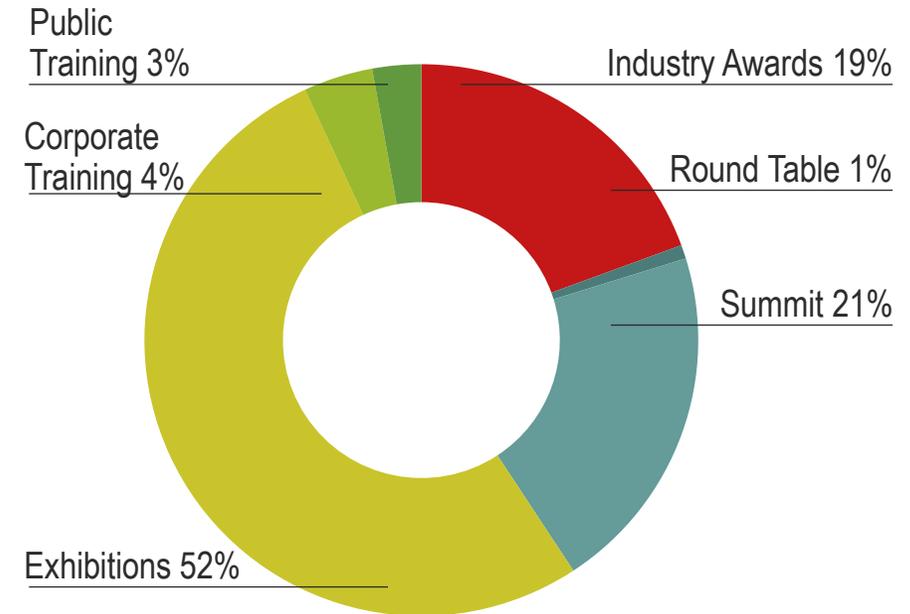
# APPENDIX V - EVENTS MIX



2013



2012



# APPENDIX VI – ACQUISITION REVIEW



	Acquired	Initial consideration £m	Earn out period – LTM to	Payable	Earn-out multiple	Implied deferred £m	Implied total consideration £m	Implied EBITDA multiple	LTM revenue trends	
									Pre acquisition £m	2013 £m
FEM*	Apr-11	2.5	Jun 2013	2013	3.5x EBIT	3.1*	5.6*	4.3x*	1.0	2.2
IPL	Aug-11	1.8	Jun 2014	2014	5.0x PBT	4.2	6.0	6.3x	0.6	1.9
VBR	Dec-11	2.5	Jun 2015	2015	2.5x EBIT	0.5	3.0	7.5x	0.4	0.7
The Profile Group**	Feb-12	8.0	N/A	N/A	N/A	N/A	8.0**	8.0x**	3.0	4.2
Econsultancy	Jul-12	12.0	Dec 2015	2016	7.5x EBITDA	10.5	22.5	7.5x	7.0	10.3

\* FEM has been settled in 2013 and therefore results are actuals.

\*\* The Profile Group data is based on the twelve months pre acquisition. The implied EBITDA multiple based on 2013 results is approximately 4.0x.

# APPENDIX VII - TAXATION



12 months ending Dec 13	Profit before tax £m	Current Tax (credit)/expense £m	Deferred Tax (credit)/expense £m	Total Tax (credit)/expense £m
Statutory results	(35.3)	1.8	(0.7)	(1.1)
<b>Effective tax rate</b>				<b>3.1%</b>
Adjusted for:				
Exceptional operating costs	40.6	0.7		
Exceptional finance costs	1.2	-		
Amortisation of acquired intangibles	2.3	0.3		
<b>Adjusted results</b>	<b>8.8</b>	<b>2.8</b>	<b>(0.7)</b>	<b>2.1</b>
<b>Adjusted effective tax rate</b>				<b>23.9%</b>

# APPENDIX VIII - BALANCE SHEET



	Dec 2013 £m	Dec 2012 £m	Jun 2013 £m
Goodwill and intangible assets	122.7	160.0	122.7
Other non-current assets	2.3	2.2	2.0
<b>Total non-current assets</b>	<b>125.0</b>	<b>162.2</b>	<b>124.7</b>
Inventories	2.2	2.4	2.0
Trade and other receivables	17.2	15.1	16.1
Trade and other payables	(9.9)	(8.0)	(11.6)
Deferred income	(17.5)	(15.1)	(14.3)
<b>Working capital</b>	<b>(8.0)</b>	<b>(5.6)</b>	<b>(7.8)</b>
Provisions	(11.9)	(15.8)	(13.0)
Current and deferred taxation	(1.1)	0.2	(2.9)
Finance lease	(0.2)	(0.4)	(0.3)
Facility arrangement fee	0.3	0.4	0.4
Cash	(27.0)	(24.5)	(19.5)
<b>Net assets</b>	<b>77.1</b>	<b>116.5</b>	<b>81.6</b>

# APPENDIX IX – 3 YEAR TRENDS



	12m Dec 2011 £m	12m Dec 2012 £m	12m Dec 2013 £m
Reported revenue	67.4	69.4	74.4
Adjusted EBITDA	10.3	12.9	13.1
Adjusted EBITDA margin	15%	19%	18%
Adjusted EPS (pence)	3.6	4.5	4.7
Dividend per share (pence)	2.05	2.325	2.425
<b>Revenue mix by type</b>			
Events	31%	34%	38%
Digital	27%	33%	35%
Print	42%	33%	27%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Revenue mix by source</b>			
Advertising	47%	38%	33%
Paid-for content	21%	28%	28%
Events	31%	34%	38%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

# APPENDIX X – REPORTING CALENDAR



Reporting period	Interim Management Statement	Announcement date	Dividend date
6 months to 31 December 2013		20 February 2014	11 April 2014
6 months to 30 June 2014	14 May 2014	31 July 2014	10 October 2014
18 months to 31 December 2014	13 November 2014	End February 2015	Early June 2015