

18 March 2020

ANNUAL RESULTS PRESENTATION

Year ended 31 December 2019

Swag Mukerji

Chief Executive Officer

Simon Longfield

Chief Financial Officer

Agenda

01 Coronavirus

02 Highlights

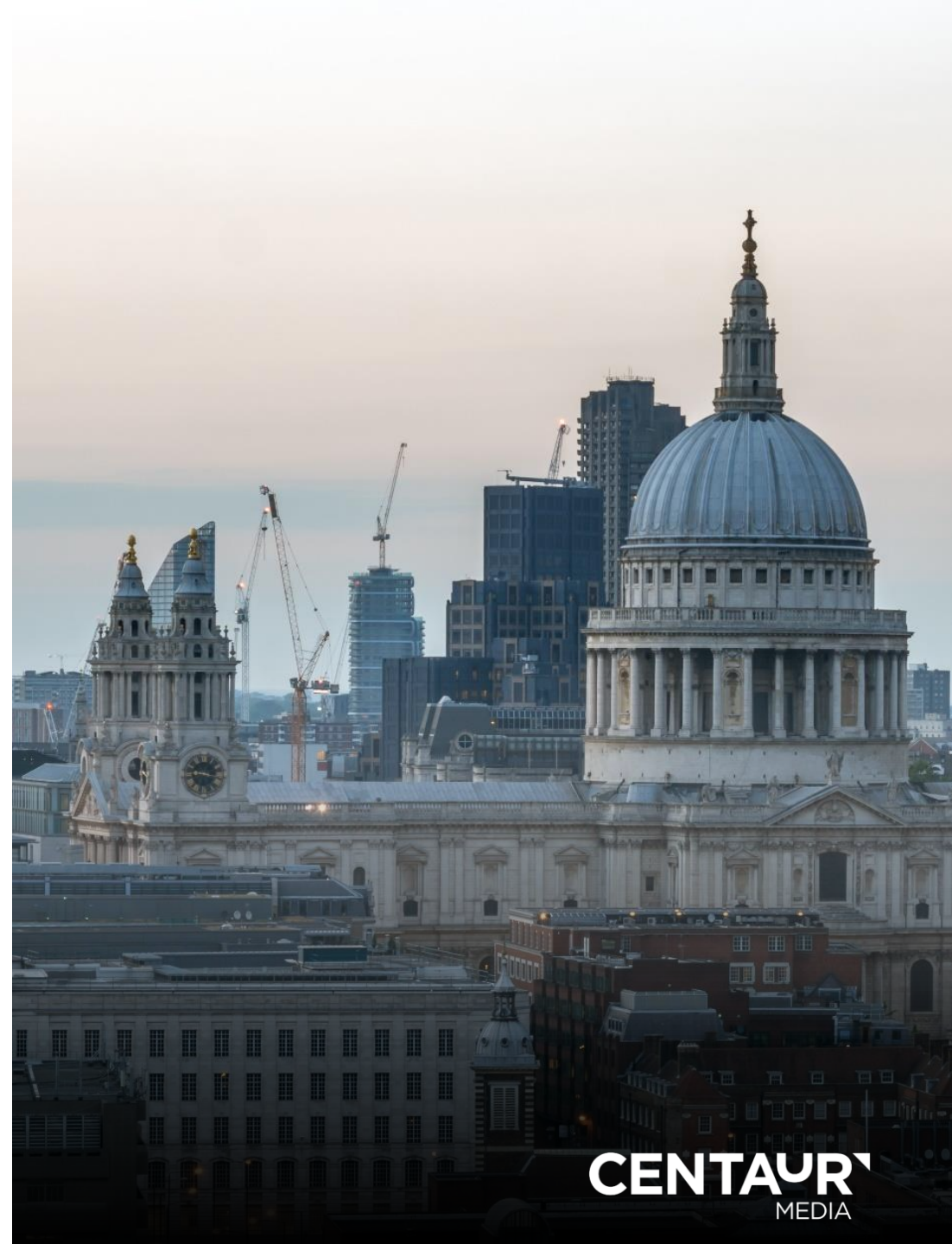
03 Financial and Operating Performance

04 Business Unit Review

05 Strategy

06 Questions

07 Appendix



Coronavirus – a source of uncertainty

Centaur has carried out a detailed risk analysis of likely impact

Training and events customers remain committed but some are delaying decisions

Events

Postponed two The Lawyer events from Q2 to Q4

Festival of Marketing will go ahead in October

Training

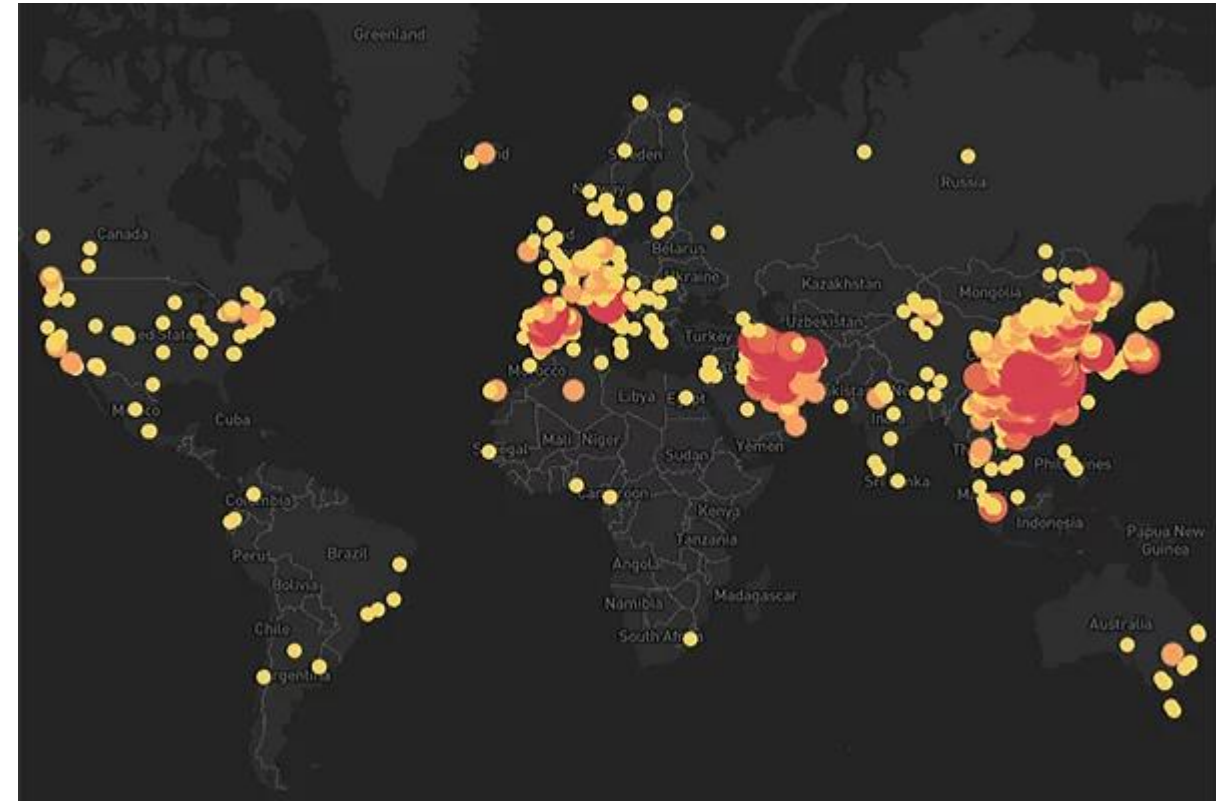
Digital and online training offer resilience

Some customer sectors exposed e.g. travel

Cash management is key

Strong balance sheet

Special dividend deferred



Advise, Inform, Connect

Our Vision

To be an international provider of market intelligence and specialist consultancy that inspires and enables people to excel at what they do within the marketing and legal professions

xeim
Excellence in marketing

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

THE LAWYER

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

CENTAUR
MEDIA

Our new board



Colin Jones
Became **Chair**
June 2019



Swag Mukerji
Promoted to **CEO**
September 2019



Simon Longfield
Appointed **CFO**
November 2019



Leslie-Ann Reed
Chair, Audit Committee
Joined the board
March 2020



Carol Hosey
Chair, Remuneration Committee
Joined the board
February 2020



William Eccleshare
Senior Non-Executive Director

Robert Boyle and Rebecca Miskin will retire from the Board on 31 March

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HIGHLIGHTS



Excellent progress on business unit profit and cost minimisation

Highlights

Centaur radically reshaped to form a simpler business focused on two sectors

Annualised reduction of £5m of central overheads achieved on schedule

Adjusted EBITDA grew by 24% at Xeim and 16% at The Lawyer

New progressive dividend strategy supported by cash generation

New margin acceleration plan targeting EBITDA margin of at least 20% by 2022 ('MAP22')

Strong balance sheet



EBITDA
£2.6m
(2018 £1.4m)



EBITDA
margin 5%



Revenue
£48.9m
(2018: £50.3m)



Net cash
£9m



Strong
recurring
revenues

STRICTLY CONFIDENTIAL



Tesco's Dave Lewis at The Festival of Marketing, October 2019

Operating highlights



Xeim now managing and cross-selling marketing brands with more effective customer focus

Influencer Intelligence developed offering to remain at forefront of sector

Marketing Week added a new brand course, enhanced e-commerce capability

The Festival of Marketing attracted 48% more visitors – a new record

Econsultancy continued to face challenges on renewals and new subscriptions before recent improvement

MarketMakers: increased customer churn and reduced spend from key accounts

THE LAWYER

The Lawyer continued its strong revenue and profit growth

Sustained performance on premium content revenues

Successful launch of Litigation Tracker

Encouraging debut for Marketing Leadership Summit

FINANCIAL AND OPERATING PERFORMANCE



Financial results – adjusted EBITDA improves

£m	2019	2018
Revenue	48.9	50.3
Other operating income	1.6	0.8
Operating expenses	(47.9)	(49.7)
Adjusted EBITDA*	2.6	1.4
Depreciation, amortisation and impairment	(3.7)	(3.6)
Adjusted operating loss	(1.1)	(2.2)

*Excluding impact of adoption of IFRS 16 (see Appendix)

Revenue decline of 3% reflects Xeim's withdrawal from less profitable activities and challenged performance on some brands

Strong performance from The Lawyer with a 9% increase in underlying revenues

Annualised reduction in overhead costs of £5m achieved following completion of divestment programme – full benefit in 2020

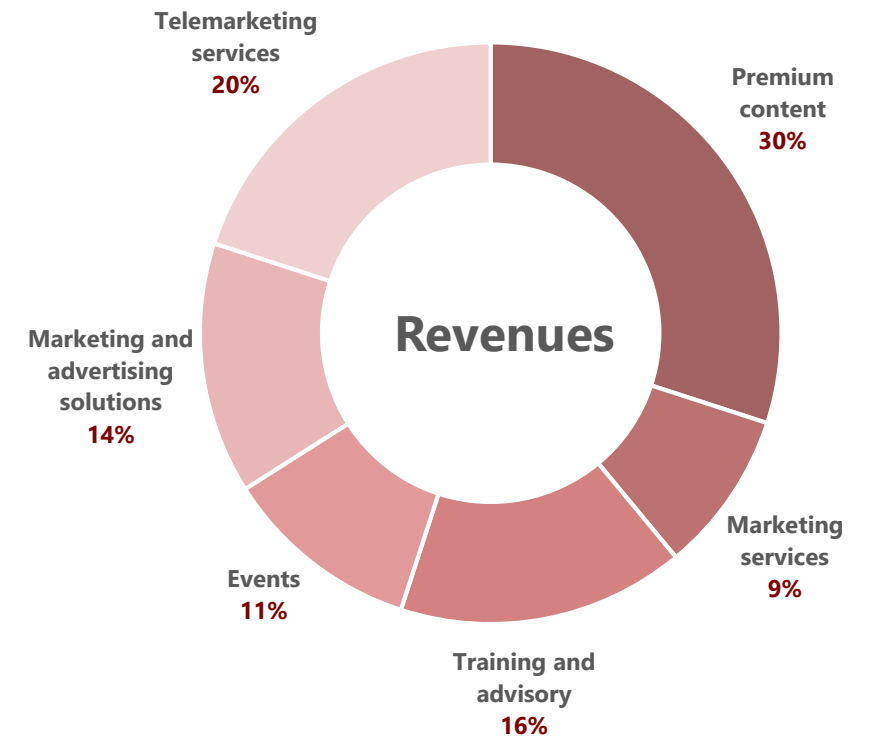
Group adjusted EBITDA (pre-IFRS16) increased to £2.6m

Business unit profitability is only comparable on a pre-IFRS 16 adjusted EBITDA level

Adjusted operating loss of £1.1m – year-on-year improvement reflects cost reductions made in 2019 H2

Centaur's diversified revenue streams

		Premium content	Marketing services	Training and advisory	Events	Marketing & advertising solutions	Telemarketing services
Xeim	Econsultancy (inc. Oystercatchers)	✓		✓	✓	✓	
	Influencer Intelligence and Fashion & Beauty Monitor	✓					
	Marketing Week (inc. mini-MBA)			✓		✓	
	Festival of Marketing				✓		
	Creative Review/ Design Week	✓			✓	✓	
	Really and MarketMakers		✓				✓
The Lawyer		✓			✓	✓	



Balance sheet

	2019 £m	Restated 2018 £m
Goodwill and other intangible assets	61.2	78.1
Property, plant and equipment	4.3	1.3
Deferred income	(8.7)	(15.0)
Deferred taxation	1.0	0.3
Other current assets and liabilities	(3.7)	2.0
Non-current liabilities	(2.3)	(0.1)
Net assets before cash	51.8	66.6
Net cash	9.3	0.1
Net assets	61.1	66.7

Net cash of £9.3m at year-end

Increase in fixed assets primarily due to IFRS16, offset by an increase in non-current liabilities

The 2018 balance sheet is not restated for the 2019 disposals and therefore assets and liabilities have generally decreased

Unutilised £25m borrowing facility

Cash flow statement

	2019 £m	Restated 2018 £m
Adjusted operating profit ¹	1.8	5.2
Depreciation, amortisation and impairments	5.5	3.7
Movement in working capital	0.0	(1.4)
Adjusted cash flow	7.3	7.5
Operating cash conversion	100%	85%

¹ includes discontinued operations

Cash collection remained strong ignoring the impact of IFRS16

Cash increased as a result of the disposal proceeds of £16.4m after paying £7.1m in dividends and exceptional costs of £2.7m

Dividend policy and returns of cash

New dividend policy announced at 2019 interims:

Targets pay-out ratio of 40% of adjusted earnings or 1.0p per share, whichever is higher

Effective from 1 January 2020

Final ordinary dividend of 0.5p per share will be paid in May 2020

Return of £5.0m (3.5p per share) was paid in October 2019 comprising:

£2.1m (1.5p per share) interim ordinary dividend, in line with historical practice

£2.9m (2.0p per share) special dividend

The Group ended the year with net cash of £9.3m after paying dividends of £7.1m in 2019

Board will consider further returns of cash once the impact of coronavirus becomes clearer

Guidance

In 2020, the focus is on operational execution and profitable organic revenue growth

Strong EBITDA growth in 2020

Event and product seasonality means bulk of profits will be made in H2

Full benefit of cost savings will flow through in 2020

Robust cash conversion expected to continue

Outlook

Targeting a double-digit EBITDA margin in 2020, rising to 20% by 2022

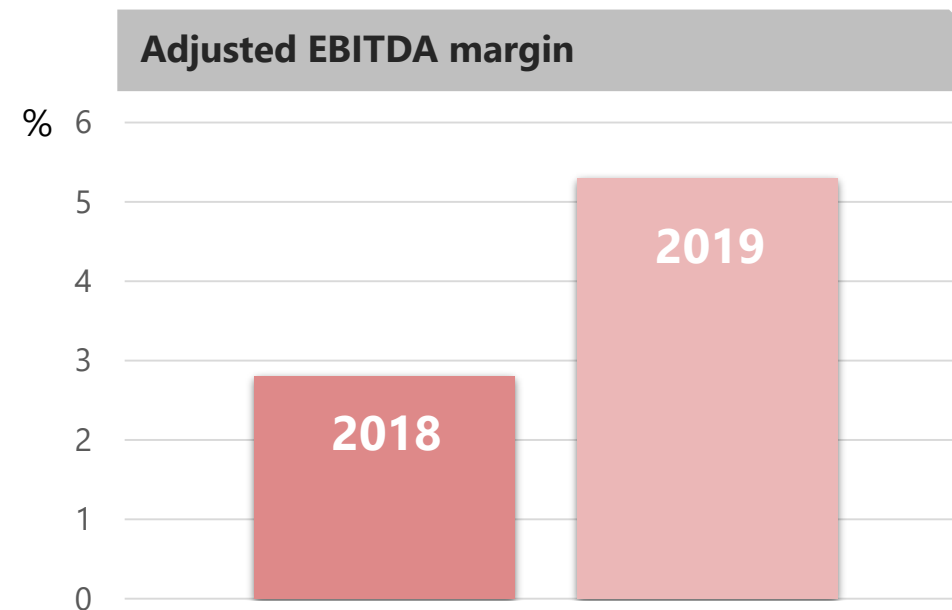
Coronavirus poses a macro risk to the global economy from reductions in consumer spending which could affect demand for Centaur's services and some of our events, at least in the short-term

BUSINESS UNIT REVIEW



Group Adjusted EBITDA

Adjusted EBITDA £m	2019	2018
Xeim	6.3	5.1
The Lawyer	2.9	2.5
Other income	1.6	0.8
Central costs	(8.2)	(7.0)
Group Adjusted EBITDA	2.6	1.4

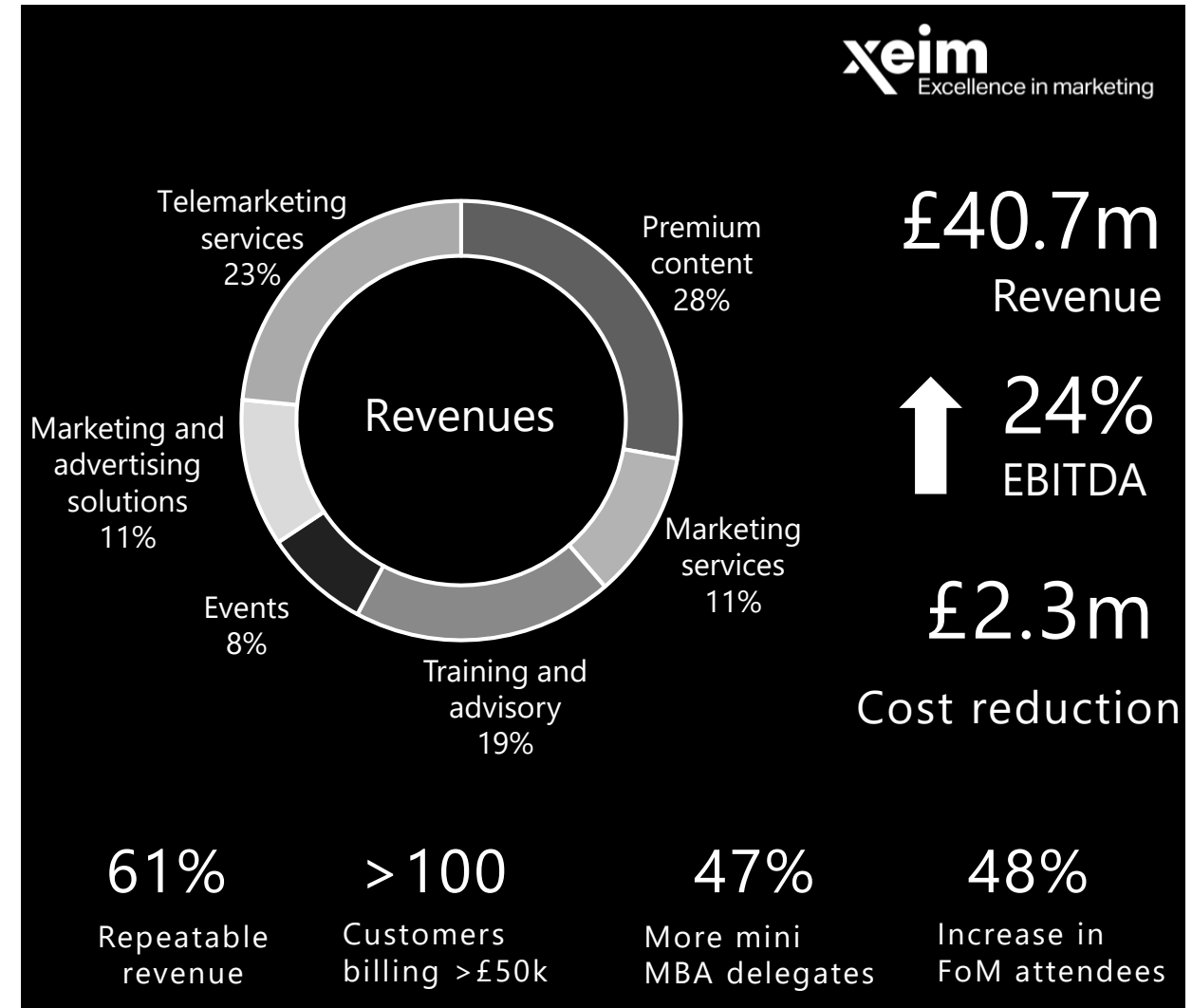


Resources previously within central overheads have been transferred to Xeim and The Lawyer

Bulk of £5m reduction in overhead costs will flow through in 2020

Xeim's profitability up strongly

- Adjusted EBITDA increased 24% to £6.3m reflecting:
 - 4% fall in reported revenue to £40.7m
 - Management action to exit low margin and loss-making revenue streams
 - Management streamlining and elimination of duplicated brand costs
- Strong performances from Influencer Intelligence and Marketing Week's mini-MBA programme
 - Influencer Intelligence saw revenue growth of 11%
 - e-learning continued to perform well and saw revenue grow 75% during the year
- Challenges from Econsultancy subscriptions and increased customer churn at MarketMakers



Recovery potential at Econsultancy and MarketMakers

Econsultancy

Blended learning platform launched January 2020

Sales team restructured to cross-sell training and subscriptions

Positive initial response with improvement in new business and renewals

MarketMakers

New management in place from 1 January 2020

Really and MarketMakers co-located on a single floor to improve cross-selling

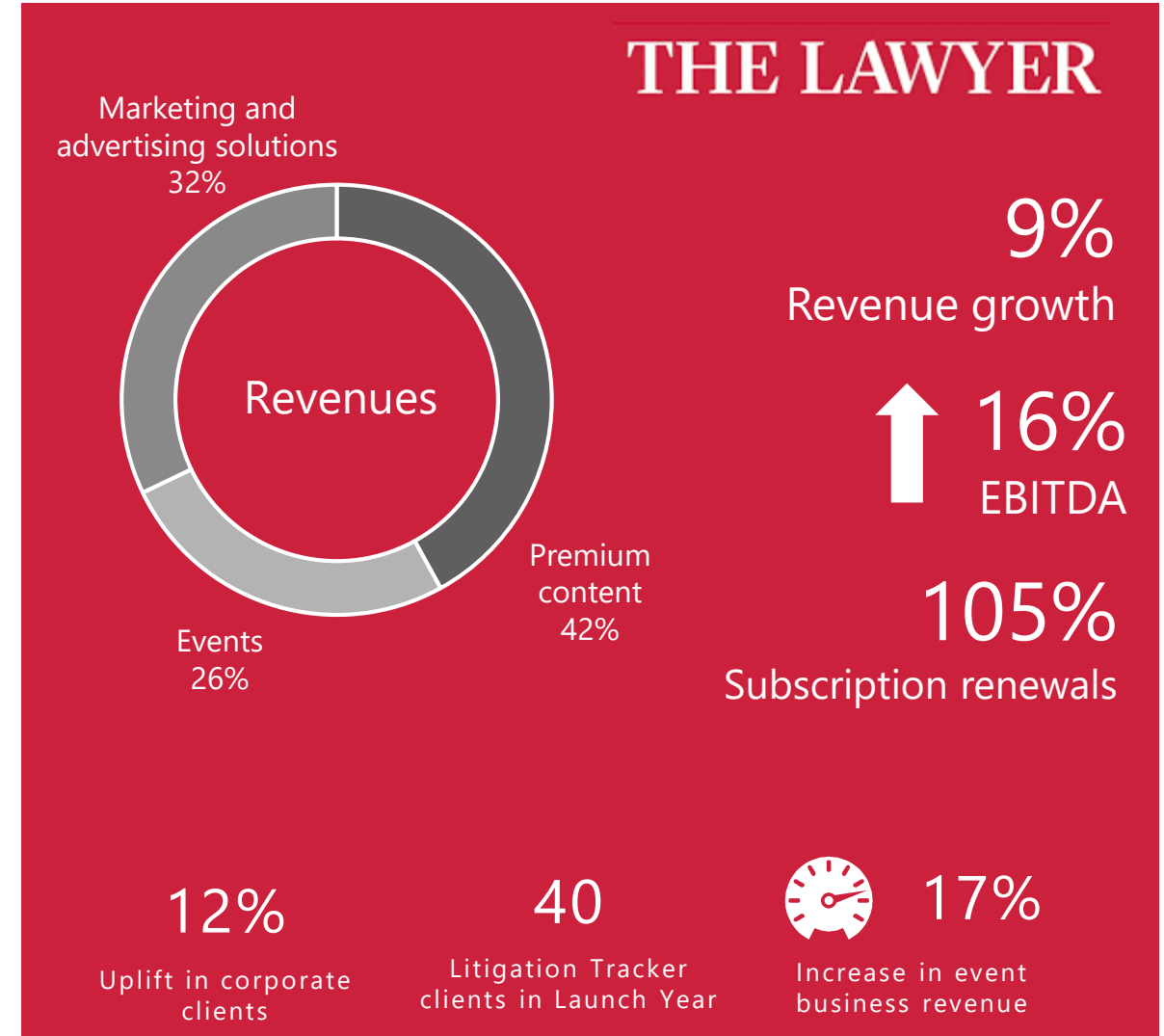
Minimum order volume increased from 100 hours to 150 hours

Already seen improvements in revenue per head, including from key accounts



The Lawyer continues to grow


- Adjusted EBITDA increased 16% to £2.9m
- Underlying revenue growth of 9% to £8.1m
- Premium content revenues continue to develop and generated 42% of The Lawyer's underlying revenue – 40% CAGR since 2016
- Events business increased revenues by 17% including the addition of the Marketing Leadership Summit
- New digital platform supporting increased usage – digital subscription billings up 16% year-on-year
- Recruitment advertising continued to decline but performed slightly ahead of expectations



STRATEGY



MAP22 on track

Revenue opportunities	Key deliverables
Drive international revenues from Influencer Intelligence	<ul style="list-style-type: none">Product enhancements include addition of campaign management tracking, more influencers, improved analytics
Develop e-learning business	<ul style="list-style-type: none">Continued acceleration of MW mini-MBA business
Festival of Marketing	<ul style="list-style-type: none">Record 2019 attendance provides strong platform to increase revenue from sponsorship and delegates in 2020
Econsultancy	<ul style="list-style-type: none">Blended learning strategy includes a tailored subscriptions platform and live training programme for higher value customersEnterprise sales of Econsultancy subscriptions and initiative to improve renewal rates
Advertising	<ul style="list-style-type: none">Creation of Xeim Labs to sell marketing solutions focused on longer-term, cross-media deals with key accounts
MarketMakers	<ul style="list-style-type: none">Really B2B to focus on longer-term contracts and improved renewals
The Lawyer	<ul style="list-style-type: none">Further new product launches to increase sales of data-based subscription products
Cost efficiency opportunities	Key deliverables
£5m annualised cost saving achieved by end 2019	
Renegotiate licences and contracts	<ul style="list-style-type: none">Ongoing
Process simplification	<ul style="list-style-type: none">Ongoing

MAP22 case study – cross-selling at Xeim

The challenge

- Salesforce were targeting high-quality engagement with senior marketing leads in the UK

The execution

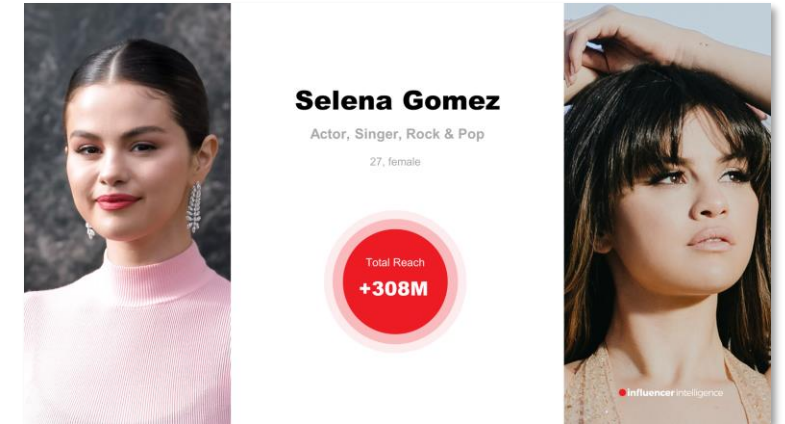
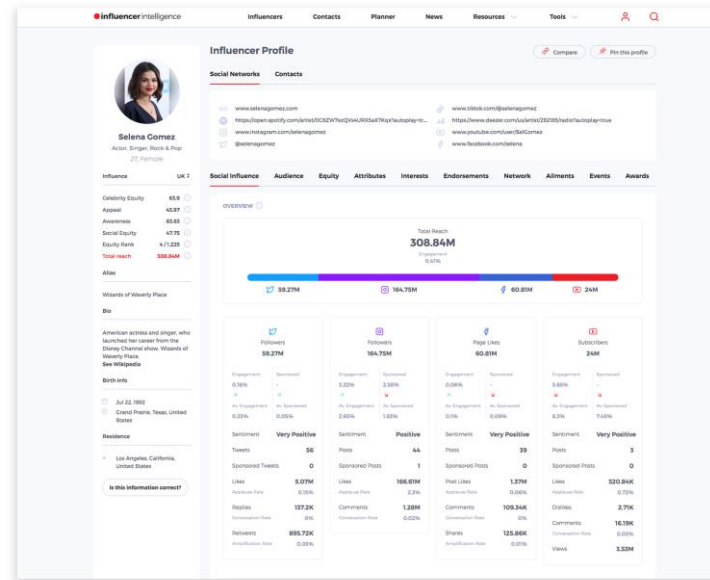
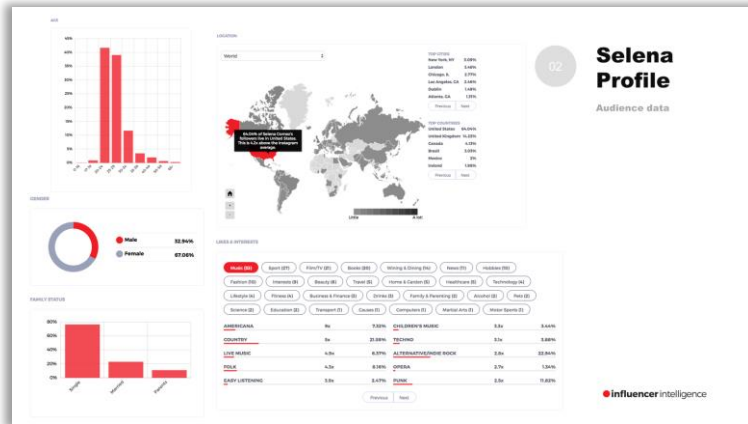
- The *Marketing Week Top 100* published - sponsored by Salesforce.
- Econsultancy research provided a platform for CMO engagement
- Salesforce sponsored *Marketing Week's Marketer of the Year* award
- At the Festival of Marketing in October
 - Salesforce UK CMO took part in a main stage session with Marketing Week editor
 - Had a branded VIP lounge for sales networking

The results

- Partnership gave Salesforce exposure to a large number of senior marketing professionals in the UK
- Salesforce has renewed its participation with the programme in 2020



MAP22 case study – building Influencer Intelligence



Influencer Intelligence unveiled its new and improved platform in February 2020

Consolidates Influencer Intelligence and Fashion Monitor content in a single view

Enhances user experience

Improves customer journey

The new platform enables

New business billings, renewal yields and cross-selling opportunities

Delivery of scale efficiencies and geographical expansion through a modular platform

Summary – strong momentum behind margin recovery

Cross-selling, technology platform enhancement and employee expertise will improve product offering and quality of revenue

Premium content, eLearning and events will be key drivers of revenue growth during MAP22

Cost elimination & focus on profitability delivering higher EBITDA margins

Achieved annualised reduction in overheads of £5m as we entered 2020

Recovery potential at Econsultancy and MarketMakers

New dividend policy – will consider further returns of cash

Coronavirus impact under review with mitigating action plans being developed

QUESTIONS?



APPENDIX



Adoption of IFRS16

Centaur has adopted IFRS 16 – the new accounting standard for leases:

- Expenses now classified as depreciation on the right of use asset and interest expense on the finance liability

The overall impact on the income statement was an additional expense of £0.1m, but an increase in EBITDA of £1.8m

At year-end:

- The right of use assets have been included in property, plant and equipment at a value of £3.7m
- Lease liabilities of £4.3m have been presented on the consolidated statement of financial position
- This is after £1.6m of depreciation expense and a £0.2m impairment

Centaur has taken advantage of the permitted exemption not to restate comparatives for the 2018 reporting period

- As a result, business unit profitability is only comparable on a pre-IFRS 16 adjusted EBITDA level which includes property rent charges for both 2018 and 2019

MAP22 case study – eliminating costs at Xeim

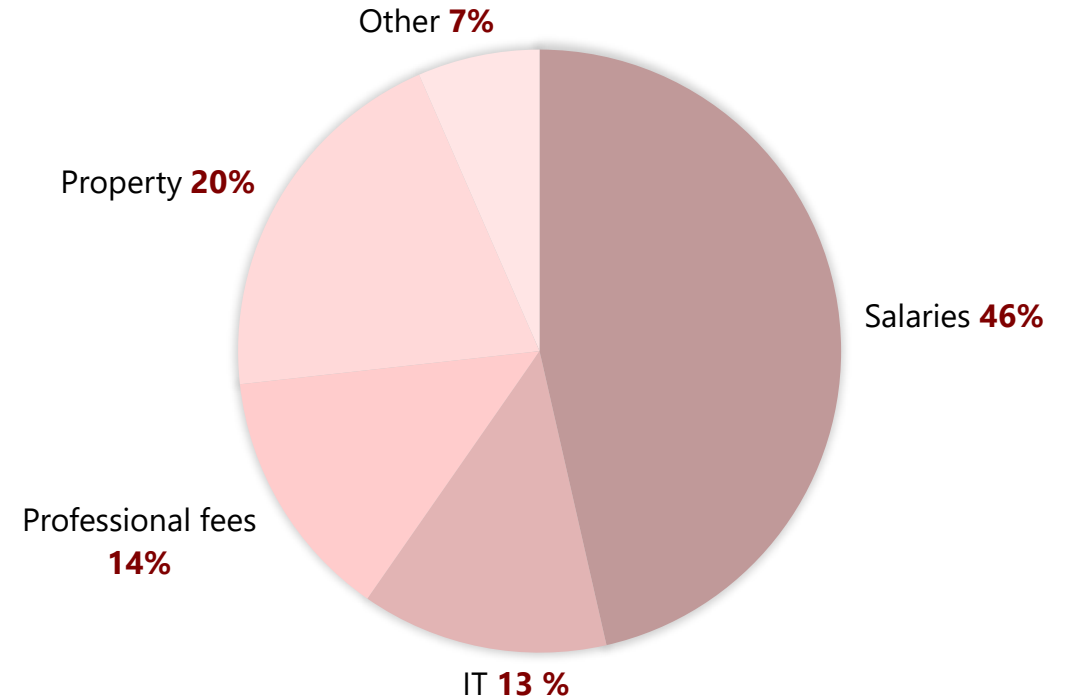
Reduction in central headcount by c 50 FTE
– redundancy costs £2.5m

£1.1m reduction in rent cost after moving to a smaller London office
and reducing our footprint in New York

Professional fees and IT costs reduced by £1.4m after review of
significant contracts

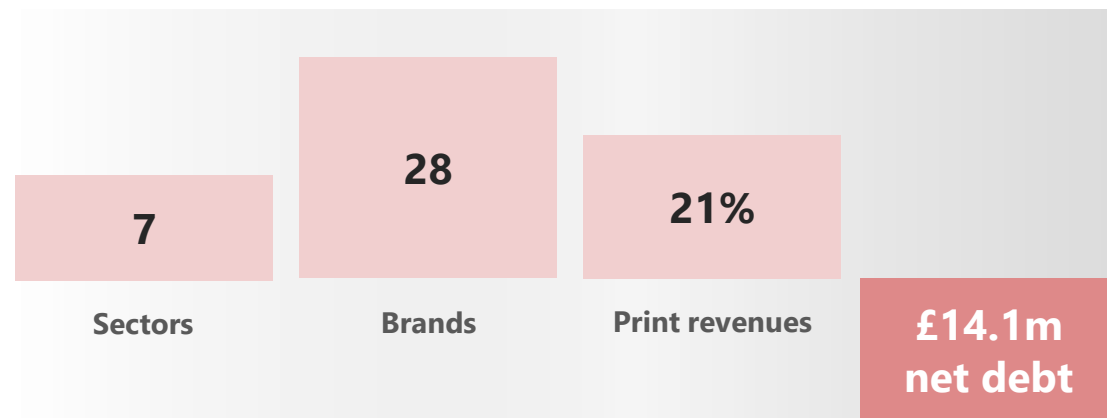
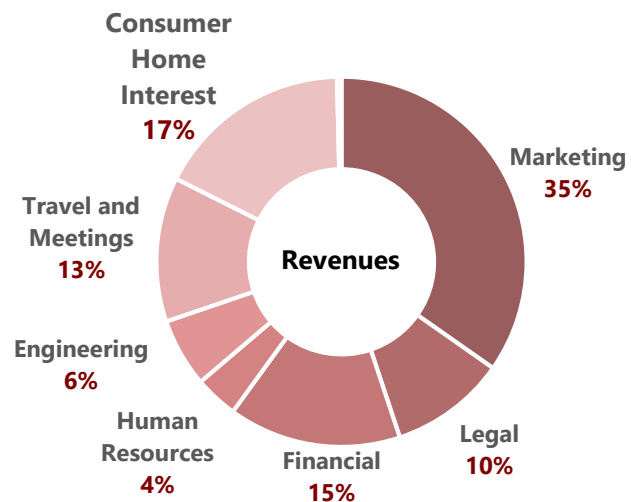
Other savings largely headcount-related

Central cost savings by type

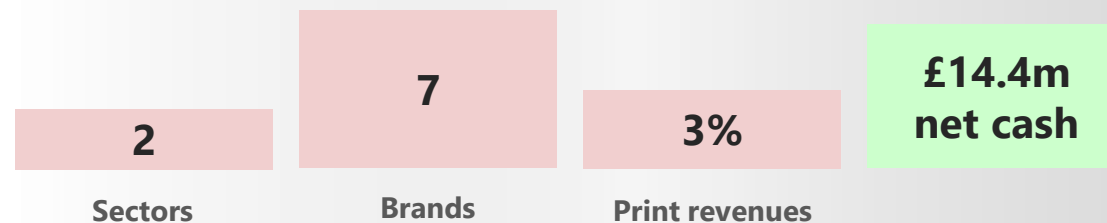
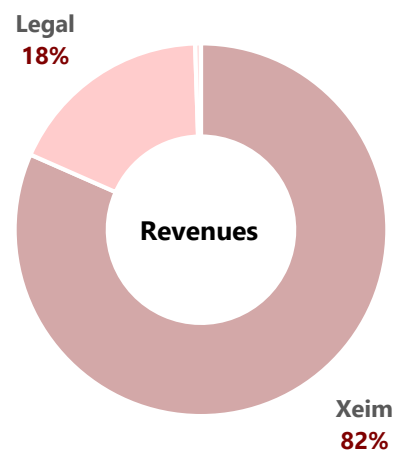


FROM INTERIMS: A simplified portfolio of digital assets

2016



2019 HY



... while paying £12.9m in dividends to shareholders over past 3 years