

2013 Interim Results

February 2013



2013 interim results highlights



- Revenues + 14% (underlying -3%)
- Margins + 4 points to 10%
- Revenue mix improved:
 - Digital 39% (32%)
 - Print 31% (45%)
- Interim dividend +10% to 0.825p
- Recent acquisitions performing well
- Group restructured and repositioned, focused on continued margin improvement
- Healthy new product pipeline

Reported revenues

↑ **14%**

Adjusted EBITDA margins

↑ **4 points**

Reported EBITDA

↑ **81%**

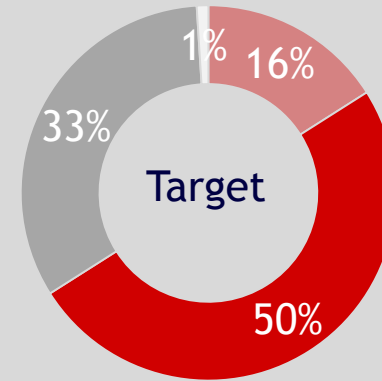
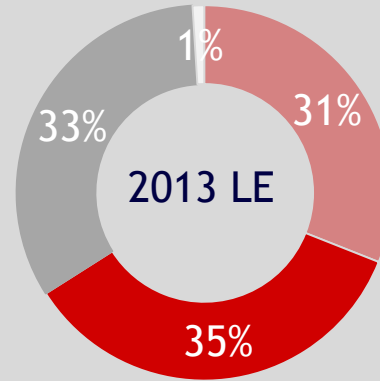
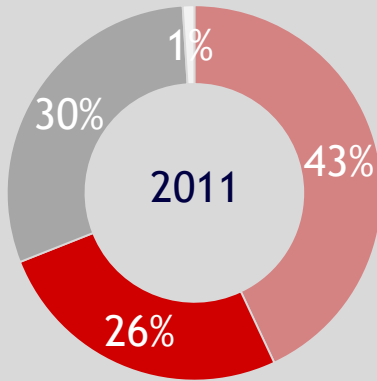
Digital revenue share

↑ **7 points**

Revenue mix improving

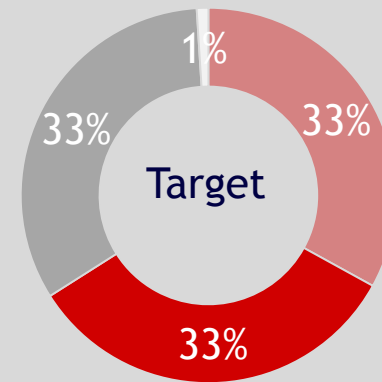
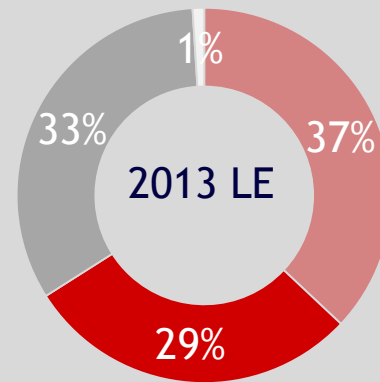
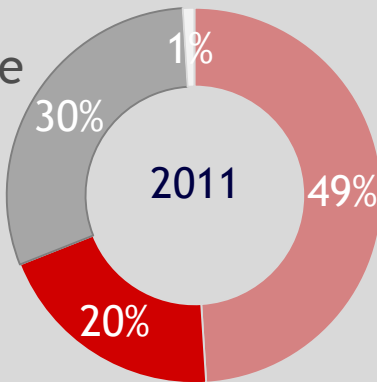


Revenue by type (full year)



- Print
- Digital
- Events
- Other

Revenue by source (full year)



- Advertising
- Paid for Content
- Events
- Other

Financial highlights



Adjusted EBITDA

£2.9m ↑81%

(2012: £1.6m)

Adjusted EBITDA margin

10% ↑4 points

(2012: 6%)

Adjusted PBTA

£0.7m

(2012: (£0.1)m)

Deferred revenues

£15.1m ↑30%

(2012: £11.6m)

Dividend per share

0.825p ↑10%

(2012: 0.75p)

Net debt to EBITDA

1.9 times

Income statement - adjusted numbers



	2013 £m	2012 £m	Reported %	Underlying %
Revenue	30.4	26.6	14%	-3%
Adjusted EBITDA	2.9	1.6	81%	28%
EBITDA Margin	10%	6%		
Depreciation and amortisation	(1.4)	(1.4)		
Shared based payments	(0.2)	(0.2)		
Finance costs	(0.6)	(0.2)		
Adjusted profit before taxation	0.7	(0.1)		
Adjusted tax charge	(0.3)	0.1		
Adjusted net profit	0.4	-		
Adjusted EPS (pence)	0.3	-		
Dividend per share (pence)	0.825	0.75		

Income statement - reported numbers



	2013 £m	2012 £m
Adjusted net profit	0.4	-
Amortisation of acquired intangibles	(1.1)	(0.3)
Net exceptional operating expenses	(4.0)	(1.1)
Exceptional finance costs	(0.6)	-
Tax effect of above adjustments	0.9	0.1
Loss for the period	(4.4)	(1.3)

Divisional summary



Revenue	2013 £m	2012 £m	Reported %	Underlying %
Business publishing	14.2	16.8	-15%	-9%
Business information	9.7	3.8	155%	3%
Exhibitions	6.5	6.0	8%	11%
Total	30.4	26.6	14%	-3%

Adjusted EBITDA				
Business publishing	0.8	0.3	167%	96%
Business information	1.7	1.1	55%	-6%
Exhibitions	0.4	0.2	100%	53%
Total	2.9	1.6	81%	28%
EBITDA margin	10%	6%		

Revenue mix



	2013 £m	2012 £m	Reported %	Underlying %
Advertising	6.6	8.9	-26%	-17%
Paid for content	3.0	3.0	0%	-3%
Total print	9.6	11.9	-19%	-14%
Advertising	5.1	4.8	6%	-2%
Paid for content	6.7	3.8	76%	4%
Total digital	11.8	8.6	37%	1%
Events	8.7	5.8	50%	12%
Other	0.3	0.3	0%	17%
Total	30.4	26.6	14%	-3%

Operating cash flow



	2013 £m	2012 £m
Adjusted operating profit	1.3	-
Depreciation and software amortisation	1.4	1.4
Share based payments	0.2	0.2
Adjusted EBITDA	2.9	1.6
Movement in working capital	(0.8)	0.9
Capital expenditure	(2.0)	(0.8)
Operating cash flow	0.1	1.7

Net funds flow



	2013 £m	2012 £m
Operating cash flow	0.1	1.7
Cash impact of exceptional costs	(2.9)	(3.5)
Taxation	(0.6)	0.7
Interest and finance leases	(0.6)	(0.2)
Free cash flow	(4.0)	(1.3)
Acquisitions	(11.4)	(4.6)
Disposals	-	0.5
Dividends	(2.1)	(1.8)
Share purchases	0.2	(0.2)
Net cash flow	(17.3)	(7.4)
Opening cash	(7.2)	2.0
Closing net debt	(24.5)	(5.4)

Balance sheet - 31 December



	2013 £m	2012 £m
Goodwill and intangible assets	160.0	128.8
Other non current assets	2.2	2.4
Total non current assets	162.2	131.2
Inventories	2.4	2.1
Trade and other receivables	15.1	13.2
Trade and other payables	(8.0)	(7.3)
Deferred income	(15.1)	(11.6)
Provisions	(0.9)	(0.2)
Working capital	(6.5)	(3.8)
Provisions	(14.9)	(0.8)
Current and deferred taxation	0.2	0.2
Finance lease	(0.4)	(0.4)
Facility arrangement fee	0.4	-
Cash	(24.5)	(5.4)
Net assets	116.5	121.0

Progress against medium term targets



➤ Revenues +14%

➤ Digital share 39% (32%)

➤ Margins 10% (6%)

2013 Priorities:

- Continue effective integration of acquisitions
- Invest further in business systems and data to support growth
- Focus on new product-led growth

Business Publishing - Digital and data focus



- Strong margin uplift (+4 pps) amid tough trading in key markets (underlying revenues -9%)
 - Retail investment and recruitment advertising softness
 - Specialist HR market buoyant
- Priority focus on digital and data
 - New audience database and PwC audit
 - New investment in audience research
- Renewed focus on new products

Business Information - Building momentum



- Robust underlying performance (revenues +3%)
 - Perfect Information investing in international growth
 - Headline Money investing in workflow
- Acquisitions performing well
 - Econsultancy integration on track
 - Investment in high value content
- Focus on innovation across the division

Exhibitions - Strong underlying growth



- Revenues +8% (event revenues +15%)
- Events revenues 2nd half weighted
- Contribution from two recent launches in first half: NHIS and Aidex
- Employee Benefits Live boosted by move to Olympia
- Forward bookings +10%
- Continued progress on innovation:
 - Hospitality Technology Expo
 - Advanced Manufacturing Show
 - Meetings Show

M&A progress report - delivering growth



Acquisitions	REVENUES		
	12 months to Dec 12 (£m)	Last 12 months pre-acquisition (£m)	
FEM (April 2011)	2.0	1.0	
IPL (August 2011)	1.0	0.6	
VBR (December 2011)	0.6	0.4	
Profile (February 2012)	3.4	3.0	
Econsultancy (July 2012)	7.8	6.6	
	14.8	11.6	+28%

- FEM first to complete earn out in September 2013 - ahead of plan
- Other acquisitions proceeding on track
- New M&A pipeline building

Focus on new product development



- Renewed focus on innovation across the group
- Current pipeline has aggregate three to four year revenue potential of +£12m
- Some leading examples:
 - Business Publishing: The Lawyer Acumen
 - Business Information: Celebrity Intelligence
 - Exhibitions: Meetings Show

Conclusion - Maintaining momentum



- Good progress towards three year goals
- Strategic focus unchanged; to build a high growth, high value, high margin business
- Strong new product pipeline building
- Seeking further acquisition opportunities
- Investment focus to enhance revenue quality
- Continued focus on margins



APPENDICES

Appendix I - Divisional revenue analysis



	BUSINESS PUBLISHING		BUSINESS INFORMATION		EXHIBITIONS		TOTAL	
	2013 £m	2012 £m	2013 £m	2012 £m	2013 £m	2012 £m	2013 £m	2012 £m
Print: Advertising	5.6	8.0	-	-	1.0	0.9	6.6	8.9
Print: Paid for content	1.7	1.5	-	-	1.3	1.5	3.0	3.0
Total print	7.3	9.5	-	-	2.3	2.4	9.6	11.9
Digital: Advertising	3.8	4.1	0.9	0.4	0.4	0.3	5.1	4.8
Digital: Paid for content	0.5	0.5	6.2	3.3	-	-	6.7	3.8
Total digital	4.3	4.6	7.1	3.7	0.4	0.3	11.8	8.6
Events	2.3	2.4	2.6	0.1	3.8	3.3	8.7	5.8
Other	0.3	0.3	-	-	-	-	0.3	0.3
Total	14.2	16.8	9.7	3.8	6.5	6.0	30.4	26.6

Appendix II - Deferred revenues at 31 December



	2013 £m	2012 £m	Reported %	Underlying %
Print	1.2	1.6	-25%	-24%
Digital	6.1	3.0	103%	-8%
Events	7.4	7.0	6%	8%
Other	0.4	-	N/A	N/A
Total	15.1	11.6	30%	5%

Appendix III - Taxation



	Profit before tax £m	Current Tax (credit)/expense £m	Deferred Tax (credit)/expense £m	Total Tax (credit)/expense £m
Statutory results	(5.0)	(0.7)	0.1	(0.6)
Effective tax rate		15.1%		
<u>Adjusted for:</u>				
Exceptional operating costs	4.0	0.6		
Exceptional finance costs	0.6	-		
Amortisation of acquired intangibles	1.1	0.3		
Adjusted results	0.7	0.2	0.1	0.3
Adjusted effective tax rate		26.1%		