

A NEW CENTAUR

A CLEAR STRATEGY

INTERIM RESULTS

SIX MONTHS ENDED 30th JUNE

25th September 2019



Agenda



A new, simpler Centaur



Financial and operating performance



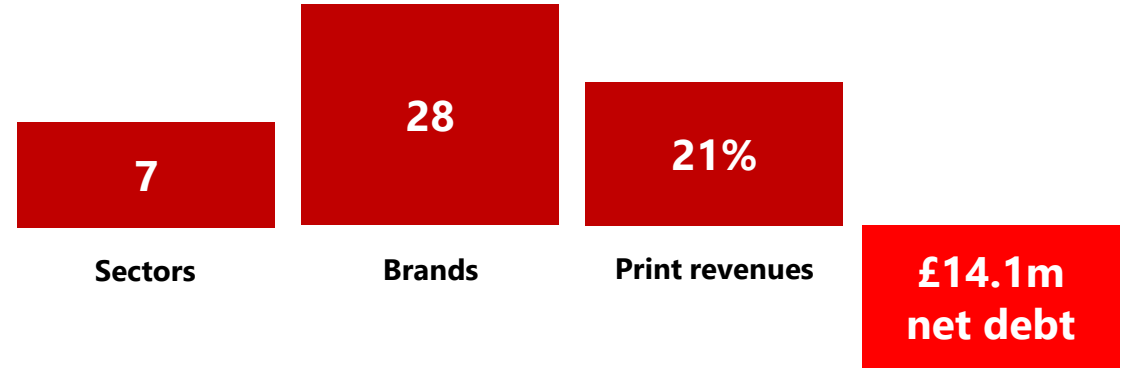
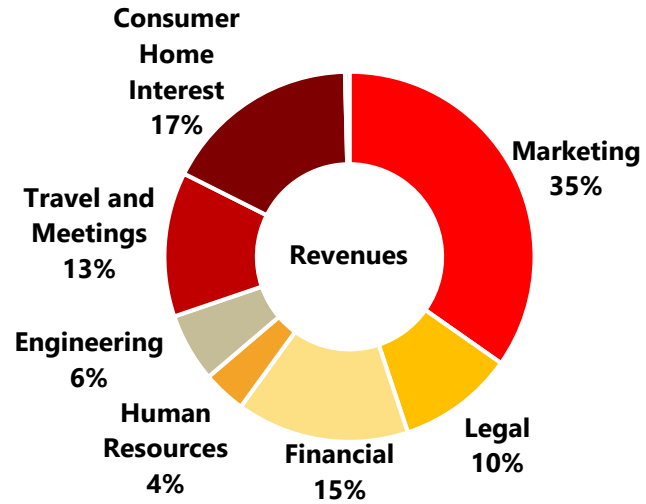
Strategy



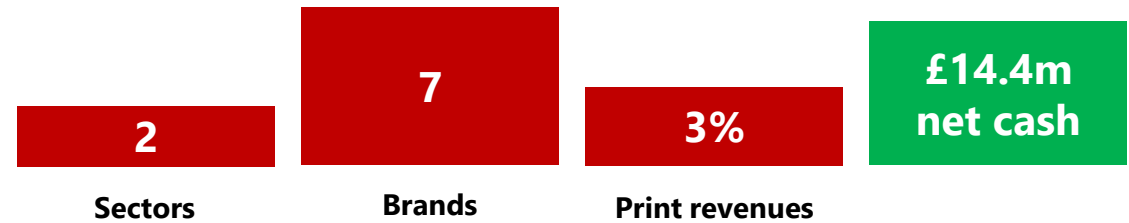
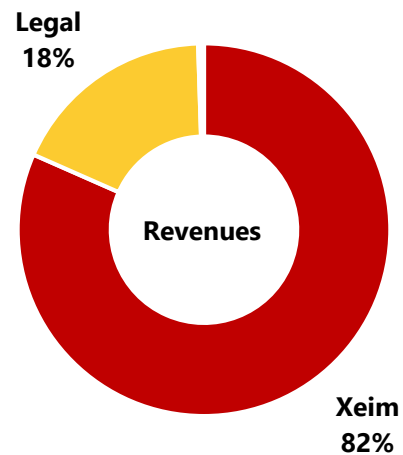
A new Centaur - a clear strategy

A simplified portfolio of digital assets

2016



Today



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

Disposals have created a stronger platform for cost reduction and growth

2019 H1 Highlights

Strategic

- Creation of Xeim to manage our marketing brands more effectively, with increased focus on profitability
- Completion of divestment programme in July 2019
 - Successful disposal of four businesses – Engineering, Financial Services, Human Resources and Travel and Meetings – net cash proceeds of £16.0m (£21.75m before costs and working capital adjustments)
- Creation of a simpler, more focused group will enable significant annualised cost efficiencies of £5.0m

Financial

- Reported group revenues of £24.1m, down 4% (down 1% on an underlying¹ basis)
- Adjusted² operating loss of £1.3m, including costs incurred supporting disposed businesses
- In its debut half, Xeim achieved revenues of £19.7m (£18.7m on an underlying¹ basis, down 4%)
- The Lawyer increased revenues by 11% to £4.3m³
- Recurring revenues have grown to 46% of group total (2018 H1: 44%)
- Net cash of £14.4m
- Announcing today a new progressive dividend policy and return of cash to shareholders

¹ Underlying results adjust for both revenue and profit contribution of events and products that have been closed, such as Marketing Week Live.

² Adjusted results exclude adjusting items, including restructuring costs, amortisation of acquired intangibles and share-based payments.

³ In the interim results, we report Legal revenues of £4.4m which includes Venture Business Research, sold in May 2019.

Margin Acceleration Plan 2022

'MAP22'

Three-year plan to improve EBITDA margins, targeting 20% by 2022

An international provider of market intelligence and specialist consultancy

Revenue acceleration	Cost efficiency opportunities
<ul style="list-style-type: none">• Customer focus• Drive international revenues from Influencer Intelligence, e-learning courses (e.g. Mini MBA), Festival of Marketing, Econsultancy and The Lawyer• Cross-sell Xeim suite of products to enterprise clients• Leverage common tech stack to build new content product propositions (e.g. Econ and MW content partnership)• The Lawyer: new products to accelerate digital subscription growth• Operational improvement initiatives at Econsultancy and MarketMakers	<ul style="list-style-type: none">• Simpler business enables elimination of silos and associated costs• Managed withdrawal from low margin, low growth products• Renegotiate licences and contracts• Outsourcing



FINANCIAL AND OPERATING PERFORMANCE

Financial results – a transitional half

£m	2019	2018 ⁵
Revenue	24.1	25.0
Other operating income	1.0	0.4
Net operating expenses	(26.4)	(27.2)
Adjusted² operating loss	(1.3)	(1.8)
Finance costs	(0.1)	(0.1)
Loss before tax	(1.4)	(1.9)
Tax	0.2	0.4
Loss from continuing operations	(1.2)	(1.5)
Profit from discontinued operations	2.2	3.5
Profit attributable to owners of the parent after tax	1.0	2.0
Adjusted ² fully diluted EPS	0.6p	1.3p

- The Lawyer delivered good revenue growth which was offset by weak performances from Econsultancy US operations and MarketMakers
- Operating result reflects absence of profits from disposed businesses
- Adjusted² operating loss of £1.3m after overheads – including costs incurred supporting disposed businesses

² Adjusted results exclude adjusting items, including restructuring costs, amortisation of acquired intangibles and share-based payments.

⁵ 2018 results have been restated to reflect the disposals as if they had been sold in 2018

Improved contributions from Xeim and The Lawyer

£m	2019	2018
Xeim CAP	6.1	5.6
The Lawyer CAP	2.4	2.3
Central	(9.8)	(9.7)
Adjusted² operating loss	(1.3)	(1.8)

- Before central overheads, Xeim and The Lawyer both made increased contribution after portfolio costs (CAP⁴)
- Completion of divestment programme will enable Centaur to reduce central overheads by £5.0m on an annualised basis

² Adjusted results exclude adjusting items, including restructuring costs, amortisation of acquired intangibles and share-based payments.

⁴Contribution after portfolio costs (CAP) is calculated as all revenue generated by a portfolio less its costs of sales and all costs attributable to marketing, selling, content production and delivery of the revenue.

Continuing strong cash flows supported by disposal proceeds

£m	2019	2018
Adjusted ² operating profit ⁶	1.6	2.6
Depreciation and amortisation	2.8	1.8
Movement in working capital	(0.6)	(0.9)
Adjusted² operating cash flow	3.8	3.5
Operating cash conversion⁷	92%	80%

- Cash conversion remains strong
- Increase in depreciation and amortisation reflects the impact of IFRS16
- Centaur ended H1 with net cash of £14.4m after receiving £16.0m of net disposal proceeds after working capital adjustments and costs

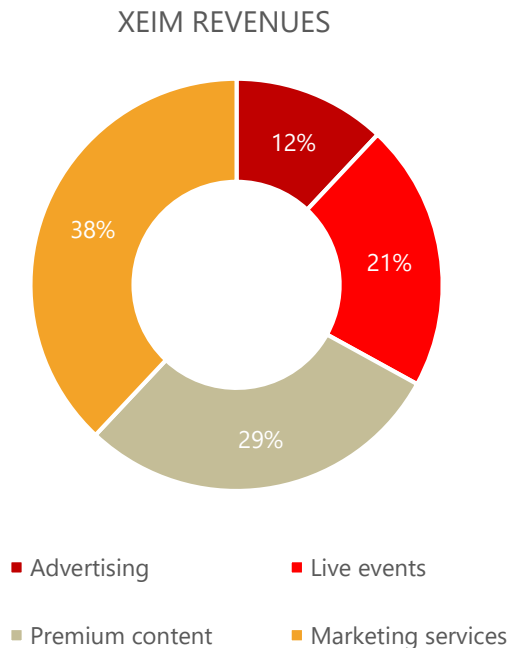
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⁶ Includes profit from discontinued operations.

⁷ Cash conversion is calculated as adjusted operating cashflow / adjusted operating profit excluding depreciation and amortisation charges.

Xeim – strong profit performance

- CAP⁴ increased to £6.1m driven by management action, strategic changes within Xeim and strong cost control
 - Underlying¹ CAP⁴ up 17%
- Underlying¹ revenues of £18.7m down 4%, primarily due to increased focus on most profitable brands
 - Consolidation of Econsultancy's US operations into UK
 - Weak H1 from Econsultancy and MarketMakers
- Marketing Week
 - E-learning revenues doubled year-on-year
 - Festival of Marketing – strong growth in 2019 forward bookings
 - Marketing Week Live closed after March 2019 show
- Influencer Intelligence
 - Strong revenue growth after April 2018 relaunch

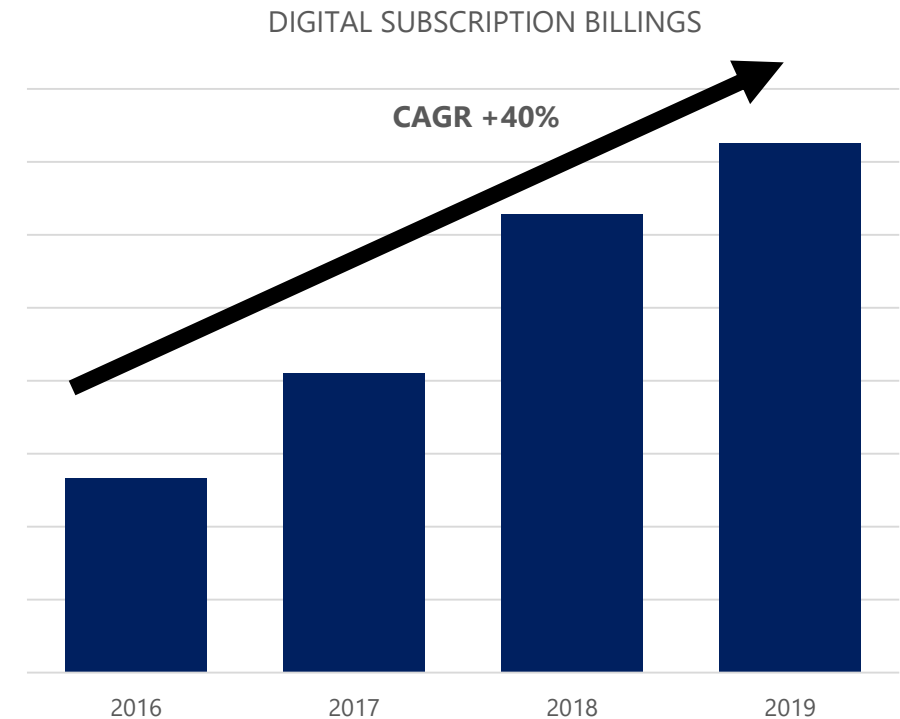


¹ Underlying results adjust both revenue and profit contribution for events and products that have now been closed, such as Marketing Week Live.

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The Lawyer – continued growth

- Revenues increased 11% to £4.3m driven by:
 - Digital information revenues – up 18% year-on-year to 36% of total revenues
 - Total digital revenue – now 60%
 - Digital subscription billings – up 16%
 - Event revenues – up 30% to 32% of revenue
- CAP⁴ up 9%
- New platform continues to support increased usage – up 10% year-on-year
- Successful launch of Litigation Tracker in January 2019 driving yield and usage from existing clients and attracting revenues from adjacent legal sectors



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Disposals achieved strategic benefits and attractive prices

£m	2019
Revenue	7.0
CAP ⁴	2.9
Tax	(0.7)
Adjusted ² Profit from discontinued operations	2.2
Gross proceeds from disposal programme	21.75

- The Group sold its legacy publishing and event assets in the Engineering, Financial Services, Human Resources and Travel and Meetings sectors
- Simpler business gives annualised cost savings of £5m → at current EV/EBITDA ratio, this generates c.£30m of shareholder value

² Adjusted results exclude adjusting items. These costs are staff restructuring, strategic corporate restructuring, those related to divestment, amortisation of acquired intangibles, share-based payments and loss on disposal of subsidiary.

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Dividend policy and returns of cash

New progressive dividend policy

- From 1st January 2020, Centaur will target a payout ratio of 40% of adjusted earnings, subject to minimum dividend of 1.0p per share

Return of cash

- Return of £5.0m (3.5pps) in October 2019 comprising:
 - £2.1m (1.5pps) normal interim dividend, in line with historic practice
 - £2.9m (2.0pps) special dividend
- Final 2019 dividend to be determined according to new dividend policy
- Proposed further returns* of cash in 2020

*Subject to satisfactory group performance without drawing on any borrowing facilities and ensuring the group has sufficient working capital to continue to invest in its strategy

Guidance

- The Group has three key components:
 - Xeim
 - The Lawyer
 - Central costs
- Margin enhancement will be driven by continued strong performance from The Lawyer and growth in digital services, e-learning and training in Xeim
- Targeted annualised cost efficiencies of £5m are fully identified and will lead to significant upside in EBITDA
- Strong cash conversion expected to continue
- Focus on organic growth

Outlook

- Small profit in H2 2019
- Targeting a double-digit EBITDA margin in 2020, rising to 20% by 2022

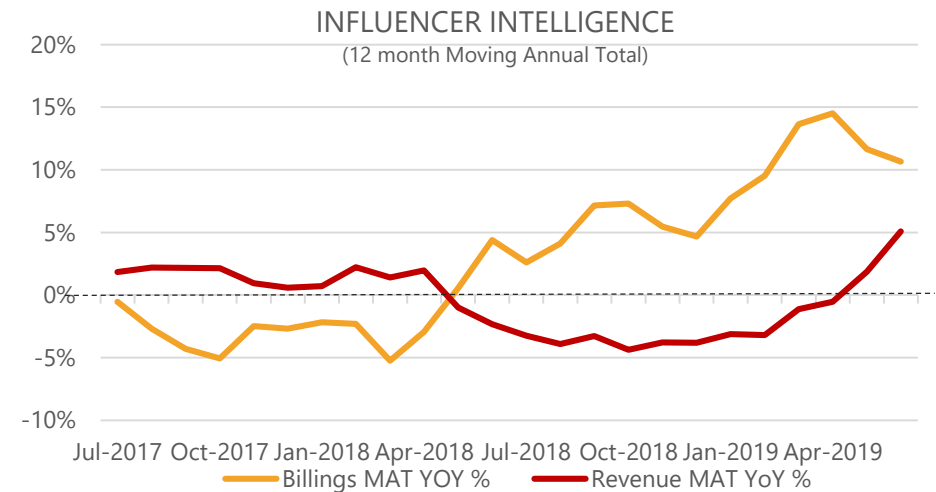


STRATEGY

Successful product development is now driving digital growth

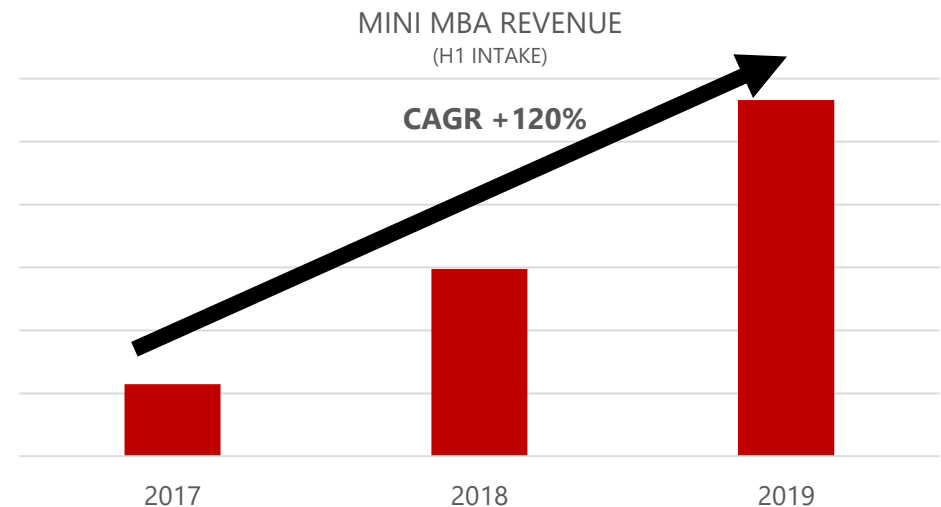
Influencer Intelligence

- New business continues to grow
- Revenue growth of 12%
- Traffic and usage remain strong
- Focus on internationalisation of offering
- Further development of the platform over next twelve months



Marketing Week

- Mini MBA – 51% volume increase and 90% revenue growth
- Marketing Week and Econsultancy's premium content partnership launched July 2019
- E-learning product extensions



Econsultancy – more to do

- Econsultancy has become a leader in blended online and offline learning, delivering training and consultancy to more than 600,000 marketing, digital and ecommerce business users.
- Centaur's £1m investment in the new platform has delivered
 - Improved flexibility to cross-sell with enhanced training content
 - Enterprise sales of new international blended learning contracts
 - Improved renewal rates for business information subs, but uptake of new business subscriptions has been very slow
- H1 client wins include the Football Association, Coty, SAP, Sky, Unilever and Dentsu Aegis
- Management focusing on new initiatives to reinvigorate commercial delivery

COTY



dentsu



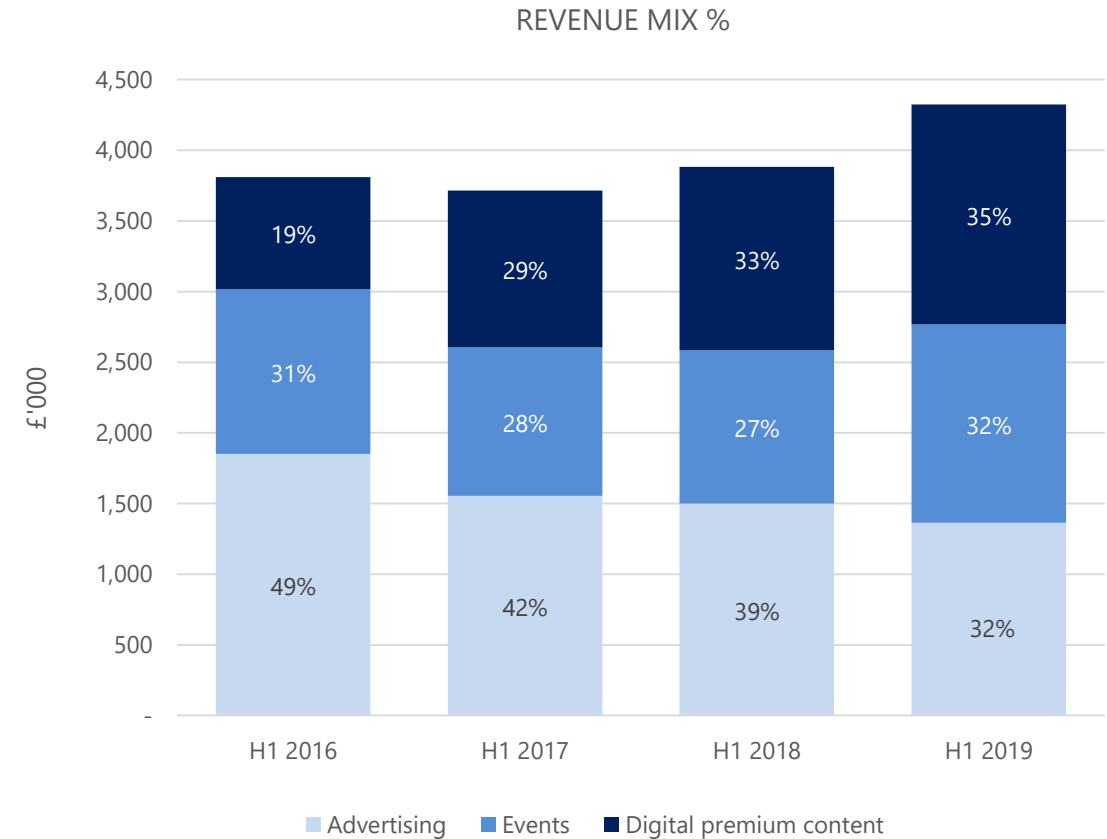
Improving the performance of MarketMakers

- Revenues down 1% year-on-year, primarily due to a weak new business performance at Really
 - Continued growth from MarketMakers' telesales operations in H1
 - Margins improved by 1 percentile point due to back office restructuring
 - Sharp improvement in new business at Really in July and August as management focused on longer-term contracts
- Priorities for H2 and 2020
 - Improve customer retention levels
 - New business focus on larger clients
 - Increase in average yield and profitability by customer



The Lawyer has momentum as a business information and media brand

- Continuing improvement in revenue mix
 - % of revenue from digital premium content has almost doubled since 2016, while advertising is now less than one-third of revenues
- Launch of Litigation Tracker provides access to more international clients and to new opportunities in the litigation market
- Ongoing transition of analogue market reports to a higher value digital proposition



Margin Acceleration Plan 2022

'MAP22'

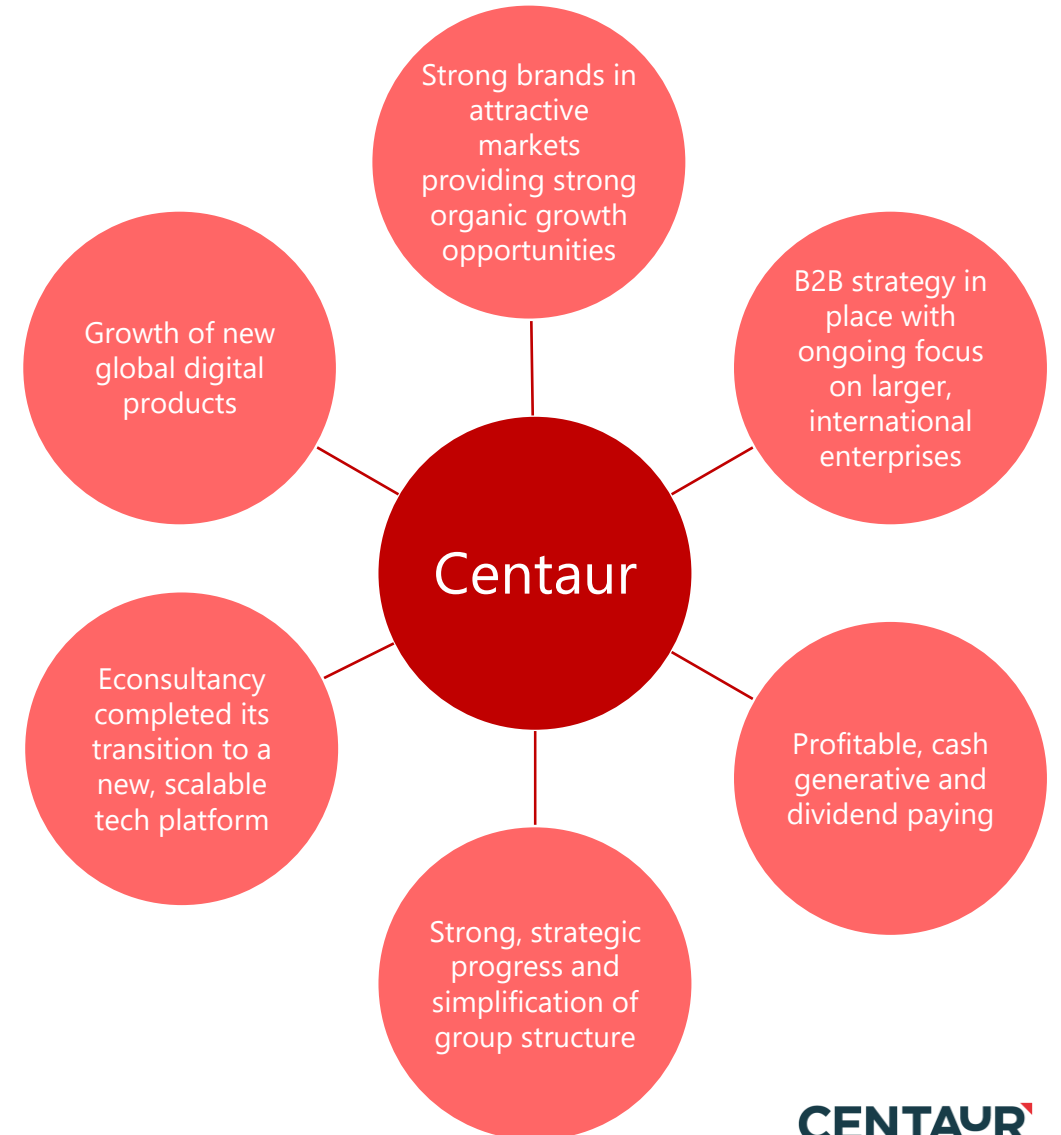
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A new Centaur – a clear strategy

- Following a year of transition, Centaur is now a more resilient and focused business
 - Trusted and innovative brands firmly established in digital formats
 - Digital product development is driving growth
- New, progressive dividend policy and returns of cash
- Revenue growth and reduction of central overheads of £5m annualised will drive higher margins
- MAP22 strategy will focus investment on fast growth, high margin products and realise benefits of our current cost reduction programme to deliver 20% margin by 2022





APPENDIX

Additional detail on central

Central		
£m	2019	2018
Central income	1.0	0.5
Central overheads	(8.0)	(8.4)
Depreciation and amortisation	(2.8)	(1.8)
Total central	(9.8)	(9.7)

Footnotes

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¹ Underlying results adjust for both revenue and profit contribution of events and products that have been closed. For Xeim, the revenue and contribution after portfolio costs (CAP) of Marketing Week Live in both 2018 and 2019 are excluded from underlying.

² Adjusted results exclude adjusting items. These costs are staff restructuring, strategic corporate restructuring, those related to divestment, amortisation of acquired intangibles, share-based payments and loss on disposal of subsidiary.

³ In the interim results, we report Legal revenues of £4.4m, of which £4.3m was generated by The Lawyer. The difference is due to Venture Business Research (VBR) which was sold in May 2019. The results for VBR are included in the Legal results presented in the interim results.

⁴ Contribution after portfolio costs (CAP) is calculated as all revenue generated by a portfolio less its costs of sales and all costs attributable to marketing, selling, content production and delivery of the revenue.

⁵ 2018 results have been restated to reflect the disposals as if they had been sold in 2018.

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