

Chief Executive's review

Embedding strong digital capabilities

I am pleased to present my report on the year ended 30 June 2021, in which our diversified portfolio has continued to demonstrate agility and resilience in the face of ongoing disruption caused by the pandemic. The work done over the last twelve months, to refine our digital-first model and to focus the business on the GRC and Regulatory Compliance markets, allows us to look back on FY21 as a period of positive change.



Digitisation driving results

Following the rapid acceleration of our digitisation strategy in the year to June 2020, throughout FY21 we have concentrated on further refining and embedding our strong digital capabilities across the business. This work reflects our ambition to create a fully digital enterprise whilst retaining the flexibility to offer our customers face-to-face and hybrid solutions according to their needs.

Our financial performance demonstrates that demand for our products remains strong, and that our ability to respond to our customers' needs continues to cement our position as their trusted partner when navigating the complexity of the Regulatory Compliance landscape.

Reported Group revenue was flat, but up 3% on an organic basis. This result reflects solid uptake of our core information and data products, strong conversion of new sales opportunities in ICA Singapore, and high demand driving double-digit revenue growth in the legal sector businesses. Growth in these areas was partly offset by the anticipated reduction in face-to-face training and event revenues caused by Covid-19 related restrictions.

A continued focus on cost management and further efficiencies realised through the conversion to digital resulted in adjusted profit before tax (PBT) growth of 27% to £15.0m (2020: £11.9m) and a corresponding improvement in adjusted PBT margin to 13.3% (2020: 10.5%). This resulted in adjusted basic earnings per share being up 27%. We also are proposing a final dividend of 3.9p (total of 6.0p). The Group's net debt (excluding lease liabilities) was sharply down at £17.2m (2020: £27.7m).

Strategy

We announced in June 2021 that our strategic focus will be centred on building upon our already strong presence in the large, growing and rapidly evolving GRC and Regulatory Compliance markets. These markets are the intent of and actions undertaken by organisations, entities and individuals to both understand and align their activities and ethics with the relevant legal, policy and regulatory frameworks within which they operate.

These markets are underpinned by strong macro drivers, particularly the increasing volume and enforcement of regulation, complex geopolitical landscape, increased importance of ESG and widespread adoption of technological and data-driven compliance solutions, all of which align strongly to Wilmington's core offering.

At the heart of this focus on GRC and Regulatory Compliance markets is our ambition to help our customers to do the right business in the right way, by providing a complementary range of information & data and training & education solutions. We continue to develop new products, identify clear organic growth opportunities and consider acquisition targets which complement and/or extend our capabilities.

Current trading and outlook

We have strong foundations with our leading brands which have shown notable resilience during the pandemic whilst our large markets are seeing strong growth. We have made the switch to a digital first business with the capability to offer face-to-face and hybrid solutions and have invested in our data capabilities and new product development. We also have a simplified structure and an operational focus on execution excellence.

Trading in the first two months of the year has been encouraging, with both revenue and profits in line with expectation.

Operational excellence

In order to execute our strategy, we reorganised our portfolio into two divisions: Information & Data and Training & Education. This simplified structure clusters our businesses to drive synergies and provides a scalable platform for acquisitions and strong integration capabilities.

As previously announced, we are actively managing the portfolio by assessing the potential of each business to contribute to the delivery of our strategic objectives over the long term. Consequently, CLT England was closed down in August 2020 and the CLT Scotland business sold. Two product lines, one in the UK Healthcare business, and the other a pension fund product were withdrawn.

Our Information & Data division is addressing the \$1bn regulatory intelligence market. The key drivers are the increased importance of independent, authoritative and actionable intelligence; increased investment in technology to solve regulatory compliance challenges; and disruptive technologies that create opportunities and threats.

Our Training & Education division is addressing the \$4bn compliance training market. The key drivers are the shift from insourced to outsourced training; the shift from face-to-face to digital and blended training; increased demand for continuous learning and micro-learning; and increased focus on ROI through personalised learning experiences and outcomes-based programmes.

Chief Executive's review continued



Demand for our products remains strong, as we continue to cement our position as a trusted partner when navigating the complexity of the Regulatory Compliance landscape.

Operational excellence continued

Our strategy is executed via our clearly defined pillars of growth: our simplified structure and key drivers of operational excellence: Leadership and people, data and technology, product, and sales and marketing. We have made progress in all areas in the year.

Our work to embed a positive culture and high employee engagement reflected a focus on Learning and Development and Diversity and Inclusion, whilst we remained committed to enhancing employee experience by delivering a responsive portfolio of wellbeing resources and a broad range of personal development opportunities.

We delivered against our objective to roll out the first phase of the Wilmington Sales Academy and made significant progress enhancing the sales KPI analysis capabilities which are informing our future development in this area. We also started work to embed an improved approach to sales packaging and pricing, which is strongly aligned to our focus on developing consistent and sustainable revenue streams to support long term growth.

Our sales and marketing function has become de-centralised and so much closer to our end-user markets. We have instilled a KPI driven sales culture and as highlighted above have a focus on learning and development. We are also using technology more effectively and are optimising our product pricing and packaging.

The progress we made to drive excellence in product management reflects our commitment to embed a customer-led approach, and throughout the year we engaged closely with our customers as they adapted to changes brought about by the pandemic. This was complemented by our continued investment in strong digital and data capabilities to deliver a dynamic and innovative portfolio of solutions.

We launched the Wilmington Product Academy, specifically designed to build a strong and consistent skills base that will propel our success in this area. We retain a strong focus on development methodologies using minimum viable products (MVPs), iterative roll outs, and insights gained from data generated from our existing processes. The Product Academy also supports our plans to further leverage the success of recently launched products such as the digital learning hub, by informing the development of similar solutions in other parts of the businesses to generate synergistic value across the portfolio.

Responsible business

As we continue to help our customers to do the right business in the right way, we are also committed to holding ourselves accountable and demonstrating the highest standards of responsible business practice.

We have now implemented the actions outlined in the ESG roadmap set in February 2021, which included performing a materiality assessment and defining the agenda for the future. By assessing the key issues that impact our stakeholders, the materiality assessment process led to the refinement of our ESG strategy and concluded that four strategic pillars will drive our progress for the next phase of work. These four pillars, their core objectives and the way that they support our commitment to operational excellence, are outlined in the Sustainability report on page 21.

We have established a governance framework around our ESG initiatives, providing sponsorship for each pillar of the strategy from a member of the Executive Committee and oversight from the Board. The executive sponsors will support internal working groups as they implement improvement initiatives to ensure that continued and consistent progress is made to meet the core objectives. The work planned for FY22 includes a focus on refining our approach to data collection, to facilitate effective measurement of outputs and to ensure that we set sufficiently challenging targets to drive long term improvements.

In recognition of the rapidly evolving climate crisis, we have early adopted TCFD and have accelerated our own work to address climate change by committing to carbon neutrality in FY22, with a further commitment to establish a roadmap for action to subsequently become a net zero carbon business.

Mark Milner
Chief Executive Officer
 17 September 2021