

# Wilmington plc

## Sustained double digit profits growth

Wilmington plc, (LSE: WIL, 'Wilmington' or 'the Group') the provider of data, information, education and training services in the global Governance, Risk and Compliance (GRC) markets, today announces its half year results for the six months ended 31 December 2023 (H1 FY24).

### Financial performance

	H1 FY24	H1 FY23	Change
<b>Continuing results<sup>1</sup></b>			
Revenue	£41.4m	£38.6m	7%
Adjusted PBT <sup>2</sup>	£8.1m	£6.6m	23%
Adjusted basic EPS <sup>3</sup>	6.86p	6.10p	12%
Interim dividend	3.00p	2.70p	11%

<b>Statutory results</b>		
Revenue (total)	£59.1m	£57.4m
PBT (total)	£10.1m	£10.0m
Basic EPS	8.00p	9.40p
Adjusted basic EPS	9.17p	8.11p

### Highlights

- Strong continuing and organic revenue growth, both up 7% - driven by strong demand in Training & Education and Financial Services in Intelligence division
  - Recurring revenue from continuing businesses up 11%, underpinned by strong retention rates
  - Repeat revenues, including recurring revenues of 36%, now 73% of continuing revenues (77% in FY23), due to billing timing
- Continuing adjusted profit before tax up 23% to £8.1m
- Dividend increased by 11% in line with profits
- Robust balance sheet - net cash<sup>4</sup> at 31 Dec 23 of £28.0m (31 Dec 22: £22.9m; 30 Jun 23: £42.2m)
- Continuing active portfolio management: acquisition of Astutis for £21.5m (Nov '23), disposal of MiExact for £9.6m (Jan '24) and initiated sale process of Healthcare business in Nov '23
- Significant progress made in establishing single Training and Education technology platform this financial year

### Mark Milner, Chief Executive Officer, commented:

***"H1 was another period of strong sustainable organic growth, both for revenue and profits as well as continued good cash generation, across all of our continuing businesses. We have a notably strong balance sheet which leaves us well placed to continue to invest across the business, in both organic and inorganic opportunities."***

***"We continue to actively manage our portfolio of businesses with one earnings enhancing acquisition and one disposal. We have also initiated a sale process for our Healthcare division, after a period of restructuring which put that business in a much stronger position."***

***"Our strategy is clear: to grow the business profitably across the rapidly expanding GRC landscape by a combination of acquisitions, which provide attractive returns on investment, and investing in our operations and infrastructure, as well as actively managing our portfolio in line with our required characteristics."***

***"Trading in the current financial year continues to be in line with expectations."***

*The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014. Upon the publication of this announcement this inside information is now considered to be in the public domain.*

<sup>1</sup> Continuing – eliminating the effects of the impact of disposals; Organic – Continuing, eliminating acquisitions and exchange rate fluctuations

<sup>2</sup> Adjusted profit before tax – see note 4

<sup>3</sup> Continuing adjusted basic earnings per share – see page 4; Adjusted basic earnings per share – see note 6

<sup>4</sup> Net cash includes cash and cash equivalents, bank loans (excluding capitalised loan arrangement fees) and bank overdrafts but excludes lease liabilities

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**Notes to Editors**

Wilmington plc is the recognised knowledge leader and partner of choice for data, information, education and training in the global Governance, Risk and Compliance (GRC) markets. Wilmington employs close to 1,000 people and sells to around 120 countries. Wilmington is listed on the main market of the London Stock Exchange.

**Overview**

We have continued to deliver solid and sustainable organic revenue growth and double-digit profit improvement whilst also investing in our portfolio of businesses and infrastructure. Demand has been particularly strong in our Training & Education division and in Financial Services within our Intelligence division.

Continuing revenue was up 7% at £41.4m with organic revenue growth of 7%, after removing the impact of currency movements. Reported total Group revenue, including business sold and discontinued, was £59.1m (H1 FY23: £57.4m).

Recurring revenues from continuing businesses grew 11% with strong retention rates continuing, highlighting the resilience of the Group's business model. Recurring revenues represent 36% of total ongoing revenues (34% in H1 FY23). Repeat continuing revenues, including the recurring revenues from existing customers, made up 73% of our revenues in H1 FY24 (77% in FY23). This small reduction reflects the timing of billings, not a decrease of repeat business.

With further margin improvements in the Intelligence division, continuing adjusted profit before tax was up 23% to £8.1m (H1 FY23: £6.6m) and continuing adjusted basic earnings per share by 12% to 6.86p (H1 FY23: 6.10p).

Operating cash conversion remained strong at 92%, with net cash excluding lease liabilities of £28.0m (30 June 2023: £42.2m). Usual first half outflows of working capital will be offset by increased revenue collections in H2, when most subscriptions are billed and collected.

The Group acquired Astutis in November 2023 to deliver on our strategy to consolidate and strengthen our presence in the GRC market.

The interim dividend is being increased by 11% to 3.00p (H1 FY23: 2.70p), in line with continuing profits.

**Strategic and operational progress**

Our strategy is to grow revenues and profits organically in the large, growing and rapidly evolving GRC and Regulatory Compliance markets by investing in our business and actively managing our portfolio of brands.

We focus on actively managing our portfolio by assessing the potential of each business to exhibit the six common Wilmington characteristics that we recognise as key drivers of organic revenue growth and profitability improvement: a GRC focus operating in regulated markets, a differentiated offering, attractive markets, strong leadership, digital and data capabilities and a strong financial model exhibiting growth and strong profitability.

The acquisition of Astutis in November 2023 meets all six of these characteristics and brings continuing revenue and profit growth to the Group. The business has demonstrated a strong track record of organic growth over a number of years and strengthens our portfolio of GRC training and education solutions by expanding our capabilities into the attractive Health, Safety and Environmental markets. The acquisition is expected to be earnings enhancing in the first full year of ownership.

In January 2024, we have sold MiExact from our Intelligence division for £9.6m in cash as the business had been identified as not meeting the six characteristics. We have also decided to sell our Healthcare businesses for the same reason. The process for that disposal is well underway.

We intend to use our capital to acquire suitable GRC businesses to enhance and widen the Group's capabilities and rate of profitable growth to improve shareholder returns, although will continue to remain disciplined as valuation expectations remain high. We will continue to apply high levels of scrutiny in respect of target suitability and multiples paid.

We continue to invest in our priority ESG initiatives, as our responsible business strategy underpins the delivery of our broader strategic objectives.

**Current trading and outlook**

Trading in the current financial year continues to be in line with expectations.

## Divisional review

### Training & Education

	H1 FY24 £'m	H1 FY23 £'m	Absolute Variance	Organic Variance
<b>Revenue</b>				
Global	13.1	11.8	11%	7%
UK & Ireland	12.7	11.9	8%	8%
North America	5.0	4.9	1%	8%
<b>Continuing revenue</b>	<b>30.8</b>	<b>28.6</b>	<b>8%</b>	<b>8%</b>
<b>Operating profit</b>	<b>6.5</b>	<b>6.2</b>	<b>5%</b>	<b>7%</b>
<b>Margin</b>	<b>22%</b>	<b>22%</b>		
<b>Total revenue including Astutis</b>	<b>30.8</b>	<b>28.6</b>	<b>8%</b>	
<b>Total operating profit</b>	<b>6.5</b>	<b>6.2</b>	<b>5%</b>	

Continuing revenues grew 8% organically. This was led by a strong performance in UK and Ireland where, in particular, Bond Solon in the Legal sector saw strong demand for its services. Repeat revenues increased to 72% (H1 FY23 – 71%) of the total.

North America grew at 8% when currency fluctuations are excluded, with growth in delegate attendance of events boosting revenues. In Global, growth was led by the European sales, which continued to see strong demand from the financial services market.

Organic operating profit increased by 7% as a result of organic revenue growth. Profit margins remain at 22% and are expected to increase in H2 when the majority of revenue in North America is delivered.

Statutory figures include a small contribution from Astutis for the first few weeks of ownership. In the 12-month period to 30 June 2023, Astutis reported unaudited revenues of £7.4m and profit before tax of £2.0m.

We have made significant progress in establishing a single Training and Education technology platform with the main project delivering this financial year.

### Intelligence

	H1 FY24 £'m	H1 FY23 £'m	Absolute Variance	Organic Variance
<b>Continuing businesses</b>				
<b>Revenue</b>				
Financial Services & Other	10.6	10.0	5%	4%
<b>Operating profit</b>	<b>3.9</b>	<b>3.3</b>	<b>18%</b>	<b>15%</b>
<b>Margin</b>	<b>37%</b>	<b>33%</b>		
<b>Discontinued/sold businesses</b>				
<b>Revenue</b>				
Healthcare	15.2	15.1	1%	
MiExact	2.5	2.3	7%	
Inese	—	1.4	—	
<b>Total revenue</b>	<b>28.3</b>	<b>28.8</b>	<b>(2%)</b>	
<b>Total operating profit</b>	<b>6.8</b>	<b>5.8</b>	<b>18%</b>	

Continuing revenues in the Intelligence division are now focussed on Financial Services, where growth has been maintained with continuing strong demand from customers, particularly in the Insurance sector.

Recurring revenues grew 11% and repeat revenues decreased to 73% of the total (H1 FY23 – 83%) due to billing timing (repeat revenues are measured on billing). Profit margins also improved as we continue to invest in automation.

Healthcare has been classified as a discontinued operation under IFRS 5 because it is in the process of being sold. MiExact has been sold but does not qualify as a discontinued operation under IFRS 5 because it does not meet the criteria of being a significant line of business.

The sale and identification for sale of lower margin businesses has resulted in a notable improvement in margins in the division.

## Financial review

### Other income and finance income

Other income represents a gain of £0.8m from the sale of a building (H1 FY23: £2.2m from the disposal of a subsidiary, Inese).

Net finance income of £0.8m (H1 FY23: £0.0m) was achieved due to having no debt and cash to deposit in interest-bearing accounts.

### Profit before taxation

Continuing adjusted profit before tax was up 23% to £8.1m (H1 FY23: £6.6m) with statutory continuing profit before tax of £8.1m (H1 FY23: £8.8m).

### Taxation

The underlying tax rate<sup>1</sup>, which ignores the tax effects of adjusting items, is 25% (H1 FY23: 19%). The increase reflects the UK corporation tax increase to 25%.

The tax charge excluding discontinued operations is £2.3m (H1 FY23: £1.2m) with an overall effective tax rate<sup>2</sup> of 28% (H1 FY23: 13%). The lower effective tax rate in the prior period was due to the lower UK corporation tax rate and other income (from the sale of a subsidiary) being non-taxable. The current year tax charge includes tax on the sale of a building.

### Earnings per share

Continuing adjusted basic earnings per share, excluding the results of sold and discontinued businesses, increased by 12% to 6.86p (H1 FY23: 6.10p), reconciliation below. Reported earnings per share 8.00p (H1 FY23: 9.40p).

	H1 FY24 £'m	H1 FY23 £'m	
Adjusted earnings (note 6)	6.4	5.9	
Remove profit after tax of sold and discontinued businesses	(0.3)	(0.5)	
<b>Continuing adjusted earnings</b>	<b>6.1</b>	<b>5.4</b>	
	Number	Number	Variance
Weighted average number of ordinary shares (note 6)	88,964,817	88,027,119	
<b>Continuing adjusted basic earnings per share</b>	<b>6.86p</b>	<b>6.10p</b>	<b>12%</b>

### Dividend

The Board has increased the interim dividend by 11% to 3.00p (H1 FY23: 2.70p), in line with profits. It will be paid on 10 April 2024 to shareholders on the share register as at 1 March 2024, with an associated ex-dividend date of 29 February 2024.

### Balance sheet and cashflow

Cash generation improved due to the strong trading performance with operating cash conversion remaining strong at 92%, with net cash excluding lease liabilities of £28.0m (30 June 2023: £42.2m).

### Responsibility statement of the Directors in respect of the half year results to 31 December 2023

We confirm that, to the best of our knowledge:

- The Condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting
- The interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

<sup>1</sup> The underlying tax rate is calculated as one minus the adjusted profit after tax divided by the adjusted profit before tax – the tax rate excluding the tax impact of adjusting items

<sup>2</sup> The effective tax rate is calculated as the total tax charge divided by profit before tax

## Consolidated Income Statement

	Notes	Six months ended 31 December 2023 (unaudited) £'000	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>Continuing operations</b>				
<b>Revenue</b>	5	<b>43,909</b>	42,418	93,065
Operating expenses before amortisation of intangibles excluding computer software, impairment and adjusting items		<b>(36,254)</b>	(35,192)	(73,792)
Amortisation of intangible assets excluding computer software	4	<b>(483)</b>	(556)	(1,078)
Adjusting items	4	<b>(674)</b>	(45)	(147)
<b>Operating expenses</b>		<b>(37,411)</b>	(35,793)	(75,017)
Other income – gain on disposal of property, plant and equipment		<b>820</b>	—	—
Other income – gain on disposal of subsidiaries		<b>—</b>	2,212	2,212
<b>Operating profit</b>		<b>7,318</b>	8,837	20,260
Finance income		<b>927</b>	297	478
Finance expense		<b>(96)</b>	(285)	(246)
<b>Profit before tax</b>	4	<b>8,149</b>	8,849	20,492
Taxation		<b>(2,297)</b>	(1,177)	(3,470)
<b>Profit for the period from continuing operations</b>		<b>5,852</b>	7,672	17,022
<b>Profit for the period from discontinued operations</b>		<b>1,266</b>	600	3,173
<b>Profit for the period attributable to owners of the parent</b>		<b>7,118</b>	8,272	20,195
<b>Earnings per share from continuing and discontinued operations:</b>				
Basic (p)	6	<b>8.00p</b>	9.40p	22.94p
Diluted (p)	6	<b>7.85p</b>	9.19p	22.38p
<b>Earnings per share from continuing operations:</b>				
Basic (p)	6	<b>6.58p</b>	8.72p	19.34p
Diluted (p)	6	<b>6.47p</b>	8.54p	18.89p

The notes on pages 10 to 16 are an integral part of these consolidated financial statements.

## Consolidated Statement of Comprehensive Income

	<b>Six months ended 31 December 2023 (unaudited) £'000</b>	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>Profit for the period</b>	<b>7,118</b>	8,272	20,195
Other comprehensive income/(expense): Items that may be reclassified subsequently to the Income Statement			
Currency translation differences	<b>253</b>	8	(991)
<b>Other comprehensive income/(expense) for the period, net of tax</b>	<b>253</b>	8	(991)
<b>Total comprehensive income for the period attributable to owners of the parent</b>	<b>7,371</b>	8,280	19,204

Items in the statement above are disclosed net of tax. The notes on pages 10 to 16 are an integral part of these financial statements.

## Consolidated Balance Sheet

	31 December 2023 (unaudited) £'000	31 December 2022 (unaudited) £'000	30 June 2023 (audited) £'000
<b>Non-current assets</b>			
Goodwill	60,993	61,237	60,561
Intangible assets	9,763	8,300	5,734
Property, plant and equipment	5,075	8,192	7,015
Deferred consideration receivable	899	1,304	1,152
Deferred tax assets	148	1,648	925
	<b>76,878</b>	<b>80,681</b>	<b>75,387</b>
<b>Current assets</b>			
Trade and other receivables	20,790	29,771	27,391
Deferred consideration receivable	500	677	752
Current tax assets	—	1,100	—
Cash and cash equivalents	23,875	22,922	42,173
Assets of disposal groups held for sale	27,031	—	—
	<b>72,196</b>	<b>54,470</b>	<b>70,316</b>
<b>Total assets</b>	<b>149,074</b>	<b>135,151</b>	<b>145,703</b>
<b>Current liabilities</b>			
Trade and other payables	(45,385)	(51,252)	(55,966)
Lease liabilities	(1,413)	(1,478)	(975)
Current tax liabilities	(86)	—	(44)
Provisions	(307)	(307)	(307)
Liabilities of disposal groups held for sale	(11,797)	—	—
	<b>(58,988)</b>	<b>(53,037)</b>	<b>(57,292)</b>
<b>Non-current liabilities</b>			
Lease liabilities	(4,478)	(8,140)	(6,235)
Deferred tax liabilities	(1,525)	(1,469)	(607)
Provisions	(768)	(1,075)	(921)
	<b>(6,771)</b>	<b>(10,684)</b>	<b>(7,763)</b>
<b>Total liabilities</b>	<b>(65,759)</b>	<b>(63,721)</b>	<b>(65,055)</b>
<b>Net assets</b>	<b>83,315</b>	<b>71,430</b>	<b>80,648</b>
<b>Equity</b>			
Share capital	4,479	4,408	4,408
Share premium	47,463	45,553	45,553
Treasury and ESOT reserves	(703)	(880)	(786)
Share based payments reserve	2,058	2,131	2,635
Translation reserve	3,684	4,430	3,431
Retained earnings	26,334	15,788	25,407
<b>Total equity</b>	<b>83,315</b>	<b>71,430</b>	<b>80,648</b>

The notes on pages 10 to 16 are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

	Share capital, share premium, treasury shares and ESOT shares £'000	Share based payments reserve £'000	Translation reserve £'000	Retained earnings £'000	Total equity £'000
<b>At 30 June 2022 (audited)</b>	<b>48,851</b>	<b>2,141</b>	<b>4,422</b>	<b>11,675</b>	<b>67,089</b>
Profit for the period	—	—	—	8,272	8,272
Other comprehensive income for the period	—	—	8	—	8
	48,851	2,141	4,430	19,947	75,369
Dividends paid	—	—	—	(5,091)	(5,091)
Issue of share capital	17	—	—	—	17
Performance share plan awards vesting	—	(717)	—	875	158
Save As You Earn options settlement via ESOT	86	(11)	—	(16)	59
Save As You Earn options settlement via treasury shares	127	—	—	(64)	63
Share based payments	—	718	—	—	718
Tax on share based payments	—	—	—	137	137
<b>At 31 December 2022 (unaudited)</b>	<b>49,081</b>	<b>2,131</b>	<b>4,430</b>	<b>15,788</b>	<b>71,430</b>
Profit for the period	—	—	—	11,923	11,923
Other comprehensive expense for the period	—	—	(999)	—	(999)
	49,081	2,131	3,431	27,711	82,354
Dividends paid	—	—	—	(2,371)	(2,371)
Issue of share capital	—	—	—	—	—
Performance share plan awards vesting	—	—	—	(21)	(21)
Save As You Earn options settlement via ESOT	68	—	—	—	68
Save As You Earn options settlement via treasury shares	26	—	—	—	26
Share based payments	—	504	—	—	504
Tax on share based payments	—	—	—	88	88
<b>At 30 June 2023 (audited)</b>	<b>49,175</b>	<b>2,635</b>	<b>3,431</b>	<b>25,407</b>	<b>80,648</b>
Profit for the period	—	—	—	7,118	7,118
Other comprehensive income for the period	—	—	253	—	253
	49,175	2,635	3,684	32,525	88,019
Dividends paid	—	—	—	(6,473)	(6,473)
Issue of share capital	71	—	—	—	71
Issue of share premium	1,910	—	—	—	1,910
Performance share plan awards vesting settlement via share issue	—	(1,109)	—	(139)	(1,248)
Performance share plan options settlement via ESOT	67	(67)	—	—	—
Save As You Earn options vesting settlement via share issue	—	(174)	—	212	38
Save As You Earn options settlement via ESOT	16	(16)	—	—	—
Share based payments	—	789	—	—	789
Tax on share based payments	—	—	—	209	209
<b>At 31 December 2023 (unaudited)</b>	<b>51,239</b>	<b>2,058</b>	<b>3,684</b>	<b>26,334</b>	<b>83,315</b>

The notes on pages 10 to 16 are an integral part of these consolidated financial statements.



## Consolidated Cash Flow Statement

	Notes	Six months ended 31 December 2023 (unaudited) £'000	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>Cash flows from operating activities</b>				
Cash generated from operations before adjusting items	11	9,299	10,925	33,205
Cash flows for adjusting items – operating activities		(535)	(4)	(375)
Cash flows from tax on share based payments		(222)	(3)	(2)
<b>Cash generated from operations</b>		<b>8,542</b>	<b>10,918</b>	<b>32,828</b>
Interest received		858	40	344
Tax paid		(3,557)	(2,468)	(3,268)
<b>Net cash generated from operating activities</b>		<b>5,843</b>	<b>8,490</b>	<b>29,904</b>
<b>Cash flows from investing activities</b>				
Disposal of subsidiaries net of cash		—	—	1,549
Purchase of businesses net of cash acquired		(14,749)	—	—
Disposal of cash held in subsidiary		—	(737)	—
Deferred consideration received		552	125	250
Cash flows for adjusting items – investing activities		(124)	(6)	(6)
Purchase of property, plant and equipment		(77)	(131)	(461)
Proceeds from disposal of property, plant and equipment		884	10	13
Purchase of intangible assets		(471)	(436)	(595)
<b>Net cash (used in)/generated from investing activities</b>		<b>(13,985)</b>	<b>(1,175)</b>	<b>750</b>
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the parent		(6,473)	(5,091)	(7,462)
Cash received from sale of shares for share vesting		927	587	573
Share issuance costs		(70)	(14)	(14)
Payment of lease liabilities		(399)	(347)	(2,109)
<b>Net cash used in financing activities</b>		<b>(6,015)</b>	<b>(4,865)</b>	<b>(9,012)</b>
<b>Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts</b>				
Cash and cash equivalents, net of bank overdrafts, at beginning of the period		42,173	20,543	20,543
Exchange gain/(loss) on cash and cash equivalents		5	(71)	(12)
<b>Cash and cash equivalents, net of bank overdrafts at end of the period from continuing and discontinued operations</b>		<b>28,021</b>	<b>22,992</b>	<b>42,173</b>
<b>Reconciliation of net cash</b>				
Cash and cash equivalents at beginning of the period		42,173	19,785	19,785
Cash classified as held for sale at beginning of the period		—	758	758
Lease liabilities at beginning of the period		(7,210)	(7,510)	(7,510)
<b>Net cash at beginning of the period</b>		<b>34,963</b>	<b>13,033</b>	<b>13,033</b>
Net (decrease)/increase in cash and cash equivalents, net of bank overdrafts		(14,152)	2,379	21,630
Movement in lease liabilities		1,319	(2,108)	300
Cash and cash equivalents at end of the period		23,875	22,922	42,173
Cash classified as held for sale at end of the period		4,146	—	—
Lease liabilities at end of the period		(5,891)	(9,618)	(7,210)
<b>Net cash at end of the period</b>		<b>22,130</b>	<b>13,304</b>	<b>34,963</b>

The notes on pages 10 to 16 are an integral part of these consolidated financial statements.

# Notes to the Financial Results

## General information

The Company is a public limited company incorporated and domiciled in the UK. The address of the Company's registered office is 10 Whitechapel High Street, London, E1 8QS.

The Company is listed on the Main Market on the London Stock Exchange. The Company is a provider of data, information, education and training in the global Governance, Risk and Compliance ('GRC') markets.

This condensed consolidated interim financial information ('Interim Information') was approved for issue by the Board of Directors on 16 February 2024.

The Interim Information is neither reviewed nor audited and does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 30 June 2023 were approved by the Board of Directors on 22 September 2023 and subsequently filed with the Registrar. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 of the Companies Act 2006.

## 1. Basis of preparation

This Interim Information for the six months ended 31 December 2023 has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and in accordance with IAS 34 'Interim Financial Reporting'. The Interim Information should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2023 which have been prepared in accordance with UK adopted international accounting standards ('UK adopted IAS') and are available on the Group's website: [wilmingtonplc.com](http://wilmingtonplc.com).

The Group's forecast and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate well within its net cash position. The Directors have therefore adopted a going concern basis in preparing the Interim Information.

## 2. Accounting policies

The accounting policies, significant judgements and key sources of estimation adopted in the preparation of this Interim Report are consistent with those applied by the Group in its consolidated financial statements for the year ended 30 June 2023.

There has been no material impact on the financial statements of adopting new standards or amendments.

Amended standards and interpretations not yet effective are not expected to have a significant impact on the Group's consolidated financial statements.

## 3. Principal risks and uncertainties

The principal risks and uncertainties that affect the Group remain unchanged from those stated on pages 41 to 49 of the strategic report in the Annual Report and Financial Statements for the year ended 30 June 2023.

## 4. Measures of profit

Reconciliation to profit on continuing activities before tax.

To provide shareholders with additional understanding of the trading performance of the Group, adjusted EBITA has been calculated as profit before tax after adding back:

- amortisation of intangible assets excluding computer software;
- adjusting items (included in operating expenses);
- other income – gain on disposal of subsidiaries;
- other income – gain on disposal of property, plant and equipment; and
- net finance income.

## Notes to the Financial Results

### 4. Measures of profit (continued)

Adjusted profit before tax, adjusted EBITA, adjusted EBITDA and continuing adjusted profit before tax reconcile to statutory profit before tax as follows:

	<b>Six months ended 31 December 2023 (unaudited) £'000</b>	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>From continuing operations:</b>			
<b>Profit before tax</b>	<b>8,149</b>	8,849	20,492
Amortisation of intangible assets excluding computer software	<b>483</b>	556	1,078
Adjusting items (included in operating expenses)	<b>674</b>	45	147
Other income – gain on disposal of property, plant and equipment	<b>(820)</b>	—	—
Other income – gain on disposal of subsidiaries	<b>—</b>	(2,212)	(2,212)
<b>Adjusted profit before tax</b>	<b>8,486</b>	7,238	19,505
Net finance income	<b>(831)</b>	(12)	(232)
<b>Adjusted operating profit ('adjusted EBITA')</b>	<b>7,655</b>	7,226	19,273
Depreciation of property, plant and equipment included in operating expenses	<b>820</b>	1,063	2,121
Amortisation of intangible assets - computer software	<b>179</b>	328	1,525
<b>Adjusted EBITA before depreciation ('adjusted EBITDA')</b>	<b>8,654</b>	8,617	22,919
Adjusted profit before tax	<b>8,486</b>	7,238	19,505
Remove operating profit from sold, closed & discontinued businesses	<b>(379)</b>	(620)	(1,371)
<b>Continuing adjusted profit before tax</b>	<b>8,107</b>	6,618	18,134

The following adjusting items have been charged to the Income Statement during the period but are considered to be adjusting so are shown separately:

	<b>Six months ended 31 December 2023 (unaudited) £'000</b>	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
Expense relating to strategic activities	<b>674</b>	45	147
<b>Adjusting items (included in operating expenses)</b>	<b>674</b>	45	147
Amortisation of intangible assets excluding computer software	<b>483</b>	556	1,078
<b>Total adjusting items (classified in profit before tax)</b>	<b>1,157</b>	601	1,225

## Notes to the Financial Results

### 5. Segmental information

In accordance with IFRS 8 the Group's operating segments are based on the operating results reviewed by the Executive Board, which represents the chief operating decision maker.

The Group's dynamic portfolio provides customers with a range of information, data, training and education solutions. The two divisions (Training & Education and Intelligence) are the Group's segments and generate all of the Group's revenue. The Executive Board considers the business from both a geographic and product perspective. Geographically, management considers the performance of the Group between the UK, Europe (excluding the UK), USA and the Rest of the World.

#### (a) Business segments

	Six months ended 31 December 2023 (unaudited)		Six months ended 31 December 2022 (unaudited)		Year ended 30 June 2023 (audited)	
	Revenue	Contribution	Revenue	Contribution	Revenue	Contribution
	£'000	£'000	£'000	£'000	£'000	£'000
<b>From continuing operations:</b>						
Training & Education	30,838	6,510	28,581	6,221	64,872	16,066
Intelligence	13,071	4,282	13,837	3,936	28,193	8,425
Total continuing	43,909	10,792	42,418	10,157	93,065	24,491
Unallocated central overheads	—	(2,188)	—	(2,155)	—	(3,703)
Share based payments	—	(949)	—	(776)	—	(1,515)
	43,909	7,655	42,418	7,226	93,065	19,273
Amortisation of intangible assets excluding computer software		(483)		(556)		(1,078)
Adjusting items (included in operating expenses)		(674)		(45)		(147)
Other income – gain on disposal of property, plant and equipment		820		—		—
Other income – gain on disposal of subsidiaries		—		2,212		2,212
Net finance income		831		12		232
<b>Profit before tax from continuing operations</b>		<b>8,149</b>		<b>8,849</b>		<b>20,492</b>
Taxation		(2,297)		(1,177)		(3,470)
<b>Profit for the financial period from continuing operations</b>		<b>5,852</b>		<b>7,672</b>		<b>17,022</b>

There are no intra-segmental revenues which are material for disclosure. Unallocated central overheads represent head office costs that are not specifically allocated to segments. Total assets and liabilities for each reportable segment are not presented, as such, this information is not provided to the Board.

#### (b) Segmental information by geography

The UK is the Group's country of domicile and the Group generates the majority of its revenue from external customers in the UK. The geographical analysis of revenue is on the basis of the country of origin in which the customer is invoiced:

	Six months ended 31 December 2023 (unaudited) £'000	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>From continuing operations:</b>			
UK	25,284	21,432	49,441
Europe (excluding the UK)	5,295	5,700	10,481
USA	8,686	10,901	24,050
Rest of the World	4,644	4,385	9,093
<b>Continuing revenue</b>	<b>43,909</b>	<b>42,418</b>	<b>93,065</b>

Sterling makes up the largest portion of our ongoing revenue. In the current period 16% of revenue was derived in US dollars, no other currency was material.

## Notes to the Financial Results

### 6. Earnings per share

Adjusted earnings per share has been calculated using adjusted earnings calculated as profit after taxation but before:

- amortisation of intangible assets excluding computer software;
- adjusting items (included in operating expenses);
- other income – gain on disposal of subsidiaries;
- other income – gain on disposal of property, plant and equipment; and
- net finance income.

The calculation of the basic and diluted earnings per share is based on the following data:

	<b>Six months ended 31 December 2023 (unaudited) £'000</b>	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>Continuing operations:</b>			
Earnings from continuing operations for the purpose of basic earnings per share	5,852	7,672	17,022
Add/(remove):			
Amortisation of intangible assets excluding computer software	483	556	1,078
Adjusting items (included in operating expenses)	674	45	147
Other income – gain on disposal of property, plant and equipment	(820)	—	—
Other income – gain on disposal of subsidiaries	—	(2,212)	(2,212)
Tax effect of adjustments above	194	(176)	(1,598)
Adjusted earnings for the purposes of adjusted earnings per share	<b>6,383</b>	5,885	14,437

	<b>£'000</b>	£'000	£'000
<b>Continuing and discontinued operations:</b>			
Earnings from total operations for the purpose of basic earnings per share	7,118	8,272	20,195
Add/(remove):			
Amortisation of intangible assets excluding computer software	996	1,208	2,381
Adjusting items (included in operating expenses)	674	45	147
Other income – gain on disposal of property, plant and equipment	(820)	—	—
Other income – gain on disposal of subsidiaries	—	(2,212)	(2,212)
Tax effect of adjustments above	194	(176)	(1,598)
Adjusted earnings for the purposes of adjusted earnings per share	<b>8,162</b>	7,137	18,913

	<b>Number</b>	Number	Number
<b>Continuing operations:</b>			
Weighted average number of ordinary shares for the purpose of basic and adjusted earnings per share	88,964,817	88,027,119	88,027,119
Effect of dilutive potential ordinary shares:			
Future exercise of share awards and options	1,530,678	1,845,782	2,096,729
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>90,495,495</b>	89,872,901	90,123,848

	<b>Number</b>	Number	Number
<b>Continuing and discontinued operations:</b>			
Weighted average number of ordinary shares for the purpose of basic and adjusted earnings per share	88,964,817	88,027,119	88,027,119
Effect of dilutive potential ordinary shares:			
Future exercise of share awards and options	1,704,638	1,966,227	2,217,174
Weighted average number of ordinary shares for the purposes of diluted earnings per share	<b>90,669,455</b>	89,993,346	90,244,293

<b>Continuing operations:</b>			
Basic earnings per share	<b>6.58p</b>	8.72p	19.34p
Diluted earnings per share	<b>6.47p</b>	8.54p	18.89p
Adjusted basic earnings per share ('adjusted earnings per share')	<b>7.17p</b>	6.69p	16.40p
Adjusted diluted earnings per share	<b>7.05p</b>	6.55p	16.02p

## Notes to the Financial Results

### 6. Earnings per share (continued)

#### Continuing and discontinued operations:

Basic earnings per share	<b>8.00p</b>	9.40p	22.94p
Diluted earnings per share	<b>7.85p</b>	9.19p	22.38p
Adjusted basic earnings per share ('adjusted earnings per share')	<b>9.17p</b>	8.11p	21.49p
Adjusted diluted earnings per share	<b>9.00p</b>	7.93p	20.96p

### 7. Acquisition of Astutis

On 23 November 2023, the Group acquired 100% of the issued share capital of Astutis Limited ("Astutis"), a Company based in the United Kingdom, for an initial consideration of £16.8m. In addition, under the terms of the acquisition, there are two potential deferred payments of up to £4.7m based on Astutis' performance in each of the two years ending 30 June 2025 and 30 June 2026.

Astutis, which offers training for a range of globally recognised and regulated health, safety and environmental qualifications, strengthens Wilmington's portfolio of GRC training and education solutions by expanding its capabilities into the health, safety and environmental markets. The acquisition is part of Wilmington's strategy to focus on consolidating its already strong presence in the large, growing and rapidly evolving GRC markets. 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.

The process to measure the fair values of the assets acquired and liabilities assumed is not yet finalised in respect of the acquisition and accordingly the fair values measured at the acquisition date are provisional amounts. In accordance with IFRS 3 until the assessment is complete the measurement period will remain open up to a maximum of 12 months from the acquisition date so long as information remains outstanding.

Based on the provisional view, the fair value of the net assets acquired in the business at acquisition date was £7.8m, resulting in goodwill on acquisition of £12.4m. Acquisition related charges include transaction costs of £0.6m relating to the acquisition of Astutis. The results of the acquisition included in the Group's consolidated results are revenue of £0.6m and an operating result of £0.0m.

### 8. Discontinued operations and disposal groups held for sale

During the period, the Healthcare and MiExact businesses, which are part of the Intelligence Division, have been classified as disposal groups held for sale under IFRS 5.

The Group is focussed on actively managing our portfolio by assessing the potential of each business to exhibit the six common Wilmington characteristics that we recognise as key drivers of organic revenue growth and profitability improvement. Consequently, as a result of this assessment, the Board decided to exit the Healthcare and MiExact businesses.

Furthermore, the Healthcare business has been classified as a discontinued operation in the period with the financial results, including the comparatives, presented separately. The operation meets the IFRS 5 definition as a discontinued operation due to it being a separate major line of business and part of single coordinated disposal plan.

The major classes of assets and liabilities comprising the disposal groups held for sale are as follows:

	<b>31 December 2023 (unaudited) £'000</b>
Goodwill	11,897
Intangible assets	1,834
Property, plant and equipment	1,512
Trade and other receivables	7,246
Deferred tax asset	234
Current tax asset	162
Cash and cash equivalents	4,146
<b>Assets of disposal groups held for sale</b>	<b>27,031</b>
Trade and other payables	(10,440)
Lease liabilities	(1,357)
<b>Liabilities of disposal groups held for sale</b>	<b>(11,797)</b>

## Notes to the Financial Results

### 8. Discontinued operations and disposal groups held for sale (continued)

The table below shows the results of the discontinued operation, which is included separately in the Consolidated Income Statement.

	<b>Six months ended 31 December 2023 (unaudited) £'000</b>	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (unaudited) £'000
<b>Healthcare</b>			
Revenue	15,172	15,007	30,432
Operating expenses before amortisation of intangibles excluding computer software	(12,665)	(13,175)	(25,599)
Amortisation of intangible assets excluding computer software	(513)	(652)	(1,303)
Operating expenses	(13,178)	(13,827)	(26,902)
Operating profit	1,994	1,180	3,530
Profit before tax	1,994	1,180	3,530
Taxation	(728)	(580)	(357)
<b>Profit after tax</b>	<b>1,266</b>	<b>600</b>	<b>3,173</b>

	<b>Six months ended 31 December 2023 (unaudited) £'000</b>	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (unaudited) £'000
<b>Healthcare</b>			
Net cash (used in)/generated from operating activities	(2,825)	76	4,070
Net cash used in investing activities	(8)	(16)	(164)
Net cash used in financing activities	(93)	(88)	(176)
<b>Net (decrease)/increase in cash &amp; cash equivalents</b>	<b>(2,926)</b>	<b>(28)</b>	<b>3,730</b>

### 9. Events after the reporting period

On 31 January 2024, the MiExact business was sold for consideration of £9.6m in cash, subject to working capital adjustments. The consideration consists of £6.6m of cash on completion and £3.0m of loan notes with a 7% coupon, deferred for up to three years. At the date of this announcement, the initial accounting for the business disposal is incomplete and accordingly, the Group has not finalised the gain on disposal.

### 10. Related party transactions

The Company and its wholly owned subsidiary undertakings offer certain group-wide purchasing facilities to the Company's other subsidiary undertakings whereby the actual costs are recharged.

There were no (H1 FY23: £nil) transactions with related parties of key management personnel in the period.

## Notes to the Financial Results

### 11. Cash generated from operations

	Six months ended 31 December 2023 (unaudited) £'000	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>From continuing and discontinued operations:</b>			
Profit before tax from continuing operations	8,149	8,849	20,492
Profit before tax from discontinued operations	1,994	1,180	3,530
Adjusting item – gain on disposal of subsidiaries	—	(2,212)	(2,212)
Adjusting item – gain on disposal of property, plant and equipment	(820)	—	—
Adjusting items (included in operating expenses)	674	45	147
Depreciation of property, plant and equipment	925	1,163	2,321
Amortisation of intangible assets	1,186	1,619	4,071
Non-adjusting profit on disposal of property, plant and equipment	—	(11)	(36)
Share based payments (including social security costs)	949	776	1,515
Net finance income	(831)	(12)	(232)
<b>Operating cash flows before movements in working capital</b>	<b>12,226</b>	<b>11,397</b>	<b>29,596</b>
Decrease/(increase) in trade and other receivables	1,172	(807)	(107)
(Decrease)/increase in trade and other payables	(3,946)	488	4,023
Decrease in provisions	(153)	(153)	(307)
<b>Cash generated from operations before adjusting items</b>	<b>9,299</b>	<b>10,925</b>	<b>33,205</b>

Cash conversion is calculated as a percentage of cash generated by operations to adjusted EBITA as follows:

	Six months ended 31 December 2023 (unaudited) £'000	Six months ended 31 December 2022 (unaudited) £'000	Year ended 30 June 2023 (audited) £'000
<b>From continuing and discontinued operations:</b>			
<b>Funds from operations before adjusting items:</b>			
Adjusted EBITA from continuing operations (note 4)	7,655	7,240	19,273
Adjusted EBITA from discontinued operations	2,507	1,818	4,833
Share based payments (including social security costs)	949	776	1,515
Amortisation of intangible assets – computer software	190	411	1,690
Depreciation of property, plant and equipment included in operating expenses	925	1,163	2,321
Non-adjusting profit on disposal of property, plant and equipment	—	(11)	(36)
<b>Operating cash flows before movements in working capital</b>	<b>12,226</b>	<b>11,397</b>	<b>29,596</b>
Net working capital movement	(2,927)	(472)	3,609
<b>Funds from operations before adjusting items</b>	<b>9,299</b>	<b>10,925</b>	<b>33,205</b>
<b>Cash conversion</b>	<b>92%</b>	<b>121%</b>	<b>138%</b>
<b>Free cash flow:</b>			
Operating cash flows before movement in working capital	12,226	11,397	29,596
Proceeds on disposal of property, plant and equipment	884	10	13
Net working capital movement	(2,927)	(472)	3,609
Interest received	858	40	344
Payment of lease liabilities	(399)	(347)	(2,109)
Tax paid	(3,557)	(2,468)	(3,268)
Purchase of property, plant and equipment	(77)	(131)	(461)
Purchase of intangible assets	(471)	(436)	(595)
<b>Free cash flow</b>	<b>6,537</b>	<b>7,593</b>	<b>27,129</b>