

Investor Presentation 2021



Executive Management

A highly capable leadership team - a broad range of relevant experience



Scott Winner
CEO (2018-present)

Instigated and implemented company wide rationalisation with focus on profitability

Background includes roles in sales, pre-sales, professional services, and technical design.

20+ years experience in senior positions with technology and publishing companies; [McGraw-Hill](#), [Pearson](#), [Amplify](#)



Jon Sheffield
CFO (2017-present)

Previously Group Financial Controller (2010–2017)

ACA qualified with reporting and compliance experience at [PWC](#).

Senior commercial roles held in retail and software industries; [Torex plc](#) & [Aurora Fashions](#)

Investment Summary

Mission critical software provider to the publishing sector

14

Long duration
customer relationships
– top 15 customer
average duration of 14
years

85%

85% recurring revenues
and rising – focus on
recurring “as a service”
revenues

£3.1m

Strong balance sheet,
net cash of £3.1m

20%

EBITDA margin target

Pursuing opportunities in faster growth verticals –
fashion, music, gaming.

Who are ingenta?

ingenta provides mission critical solutions



ingenta enables publishers to run their business and manage all of their IP assets

Publishing Market

The publishing market is growing

Publishing growth ¹

1%
↑

eBooks growth ²

7%
↑

Newspaper decline ³

20%
↓

Podcasts ⁴

20%
↑



Focus

ingenta focused on growth sectors



Convergence

Between adjacent media types: audio books, digital books, animated books, associated music



Consolidation

Start-ups subsumed into sector behemoths



Growth

Covid stimulating renewed growth in books – long term effects positive

New target markets

ingenta IP rights management software – relevant to fast growth markets



Opportunities also prospected across financial services, pharma, manufacturing, fashion.

Currently often managed by spreadsheets or home grown solutions, creating risk - lack of flexibility

Ingenta IP/Royalty engine is industry agnostic and highly configurable

Can be readily integrated into a customer's existing ecosystem

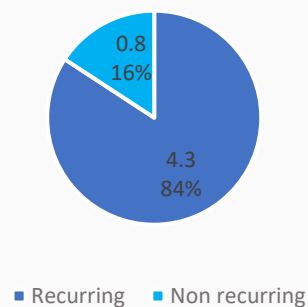
Detailed Financials



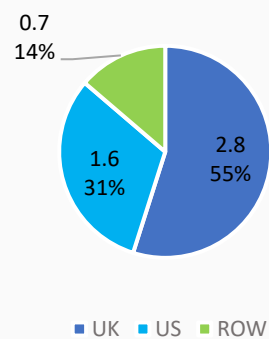
Revenue Analysis

2021 H1

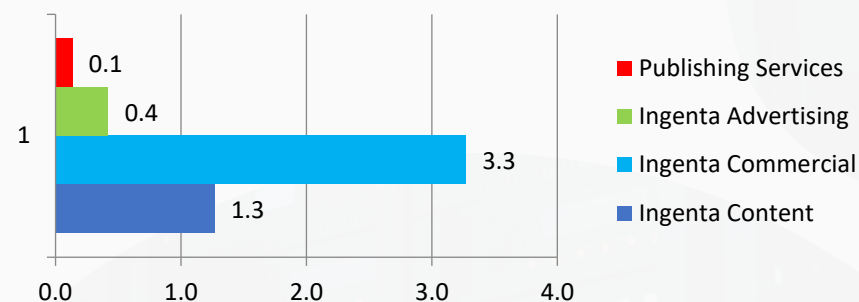
Revenue by type



Revenue by Region

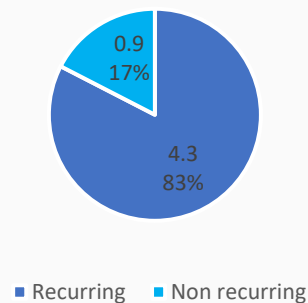


£5.1m revenue

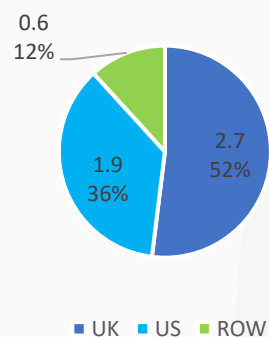


2020 H1

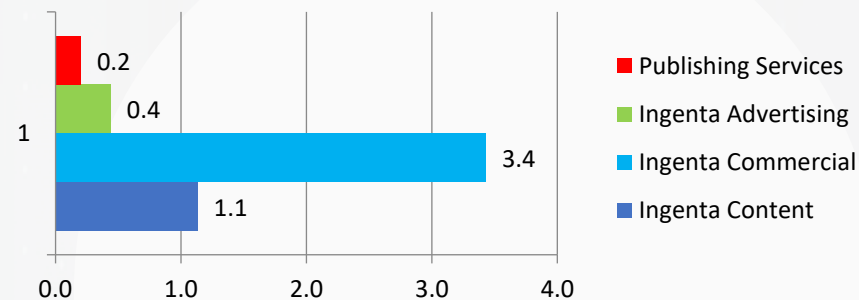
Revenue by type



Revenue by Region



£5.2m revenue



Income Statement

	2020 (£m)	2020 H1 (£m)	2021 H1 (£m)
Revenue	10.2	5.2	5.1
Cost of sales	(5.7)	(2.9)	(2.7)
Sales & Marketing	(0.7)	(0.3)	(0.4)
Administration	(2.5)	(1.3)	(1.3)
Adjusted EBITDA	1.2	0.6	0.7
Restructuring	(0.4)	(0.0)	(0.0)
Foreign Exchange	(0.0)	(0.0)	(0.0)
Revaluation	0.0	0.0	0.0
Underlying EBITDA	0.7	0.6	0.7
Depreciation	(0.4)	(0.2)	(0.3)
Finance Costs	(0.0)	(0.0)	(0.0)
Profit / (loss) before tax	0.3	0.4	0.4
Taxation	0.0	0.0	0.0
Profit / (loss) after tax	0.3	0.4	0.4
Profit / (loss) per share	2.09p	2.10p	2.26p
R&D costs	1.4	0.7	0.7

Revenue stabilised in 2021

85% (2020: 83%) of revenues are recurring in nature

Business rationalisation has reduced annualised costs by £4m from 2017 levels

Cost run rate (excl. depreciation) £8.6m (2020: £9.0m)

Research and development costs charged to income statement

Balance Sheet

	2020 (£m)	2020 H1 (£m)	2021 H1 (£m)
Intangible Assets	2.7	2.8	2.7
Fixed Assets	1.1	0.5	0.9
Non Current Assets	3.8	3.2	3.6
Trade Debtors	1.7	1.2	1.0
Accrued Income	0.3	0.1	0.0
Other Debtors	0.3	0.4	0.4
Cash	2.3	3.5	3.1
Current Assets	4.5	5.2	4.5
Share Capital	1.7	1.7	1.7
Reserves	1.9	2.2	2.1
Equity	3.6	3.9	3.8
Trade Creditors	0.5	0.5	0.2
Deferred Income	2.3	2.4	2.2
Accruals	0.6	0.5	0.6
Other Creditors	1.5	1.1	1.4
Liabilities	4.8	4.5	4.3
Total Equity and Liabilities	8.4	8.4	8.1

Net cash of **£3.1m**

Intangible assets include content division goodwill related to acquisitions

No capitalised research and development costs

Annual renewals follow calendar year (deferred income)

In excess of **£20m spent on research and development** since 2010

No borrowings other than leases

Positive distributable reserves in the parent company of **£6.6m**

£20m of tax losses carried forward

Cash Flow Statement

	2020 (£m)	2020 H1 (£m)	2021 H1 (£m)
Operating cashflow	0.7	0.6	0.7
Working Capital movements	0.0	0.6	0.5
Capital Expenditure	(0.2)	(0.1)	(0.1)
IFRS16 Lease payments	(0.6)	(0.2)	(0.2)
Interest Paid	(0.0)	(0.0)	(0.0)
R&D tax credit received	0.0	0.0	0.0
Subsidiary acquisition	0.0	0.0	0.0
Dividend paid	(0.3)	(0.0)	(0.0)
Share Buyback	(0.1)	(0.0)	(0.2)
Cash movement in the period	(0.3)	0.9	0.8
Cash at beginning of period	2.6	2.6	2.3
Cash at end of period	2.3	3.5	3.1
Free Cash Flow	0.1	0.9	1.0

Calendar year renewal cycle

Renewals boosted

Exceptional non-recurring Capex and lease payments in 2020

Committed to growing dividends

Permission to buy back 500,000 shares

2020 full year FCF impacted by planned capex spend (£0.6m), prior year accelerated renewals (£0.5m) and non-recurring contract payments (£0.5m)

Case studies



Case Study



SAGE publishes over 1,000 journals and 900 new books each year spanning a wide range of subject areas.

The Challenge Better Manage IP portfolio

Enable Sage to fully manage and centralize their contracts, rights management and royalties payments to validate correct payments and management

Our Solution Implement Ingenta Folio solution into their eco-system

Ingenta assisted SAGE in determining the full breadth of their needs and focusing on

- advantages of a solution operating simultaneously on Ingenta Folio and VISTA platforms
- positioning SAGE and aligning its contracts rights and royalties with its full ERP system that tracked directly through to the general ledger
- Implementing a system that could fully validate all royalty payments and permissions globally.

The Results Fully managed and verifiable IP portfolio

SAGE has:-

- Fully managed and verifiable IP management and royalty processing
- Rules driven contracts and royalties processing
- Decreased confusion and risk around processing through elimination of manual approaches
- Made processing consistent across divisions
- Fully managed the IP payments and reporting associated utilising system features rather than human based error prone approaches.

Case Study



Europe's largest
learned
microbiological
society publishes
key academic
journals to a
worldwide
audience

The Challenge To become a 'digital first' publisher

Enabling Microbiology Society to becoming a 'digital first' publisher and a leading technology provider that could:-

- provide greater control & management of content and assets
- empower Microbiology society to customise and implement new web tools
- provide a consistent design for the website across multiple types of content

Our Solution Use Ingenta's Edify for digital distribution

Ingenta Edify is a custom hosting solution using a combination of industry standard architecture and semantic web tech helping companies showcase and connect all of their content, regardless of format or type that:-

- offers responsive web design as standard across any device
- provides the ability to repackage content and create collections around specific topics
- Enables grouping content from different journals

The Results global digital distribution

The society needed a means to distribute content to the globe and to help the world advance their medical knowledge by granting controlled and appropriate access.

Quickly implemented solution with full scholarly tracking and management

Appropriately controlled access to quality content.

Case Study



Rosen serves high interest, curriculum-correlated materials by publishing over 700 new books each year (with a backlist of 7,000+)

The Challenge Managing the operational needs of growing business and retire legacy system for increased flexibility

Rosen Publishing's well established business needed both an effective means of managing the current operational aspects but managing a high growth opportunity through M&A and incorporation of new entities into the overall portfolio while eliminating a legacy system with both limitations and inflexibility.

Our Solution Ingenta Commercial

The added complexity around future acquisitions meant that Rosen was aligned with the componentized and future growth strategy of the Commerical solution.

This solution is highly adaptable in terms of both company complexity and structure and in terms of business models through a controlled and configurable approach.

Replace legacy system with

The Results Full business solution that is easily rolled out to all units.

- Implement global controls while allowing appropriate flexibility to divisions
- Configure necessary rules that exist at each level to appropriately control and manage the operations and workflow
- Streamline processing from beginning to end in a full system
- Configure new units to use the full solution with minimal cost.
- Effectively expand business

Thank you

