

ingenta

Investor Presentation 2022

September 2022



Executive Management

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



Scott Winner
CEO (2018-present)

Instigated and implemented companywide 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](#)

Ingenta

45 years providing technology solutions to information and content providers

Company

Provide mission critical software to solve industry specific problems

Born from the publishing industry, Ingenta provides solutions to the unique problems faced by information and content providers.

We tailor our suite of products and services to provide solutions that enable customers to leverage our knowledge across hundreds of customers.

Products

Mission critical software to solve industry specific problems

Our commercial management solutions allow customer to sell products in all channels from paper to digital.

Our web products allow customers to directly distribute while leveraging modern technologies and to a global community.

Our products are oriented and targeted at specific sized customers to provide solutions from the very small to the very large

Services

Allow customers to focus on core value propositions as we focus on ours

We recognise that our customers care most about managing and producing great content and distributing to the world and our role is to help them do that.

We provide services that allow customers to focus on what they do best because we handle their needs both specifically and operationally in a way to enable it.

Investment Summary

Mission critical software provider to the publishing sector

14

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

88%

88% recurring revenues
– focus on recurring “as a service” revenues

£4.4m

Strong balance sheet,
net cash of £4.4m

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 managing all of their IP assets

Publishing Market

The publishing market is growing

Book Publishing¹6%
↑Digital Publishing²12%
↑Gaming³12%
↑Music⁴19%
↑

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

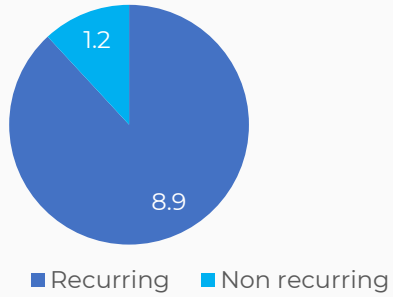
Detailed Financials



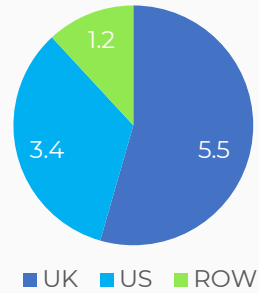
Revenue Analysis

2021

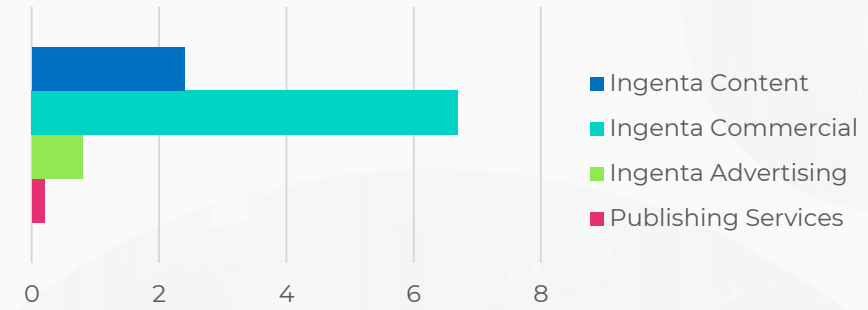
Revenue by type



Revenue by Region

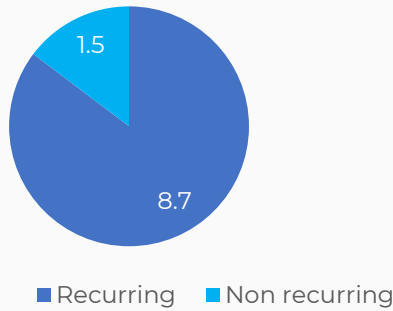


£10.1m revenue

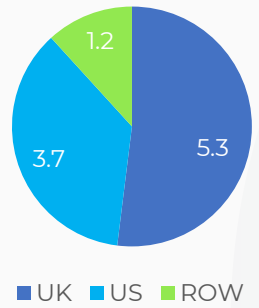


2020

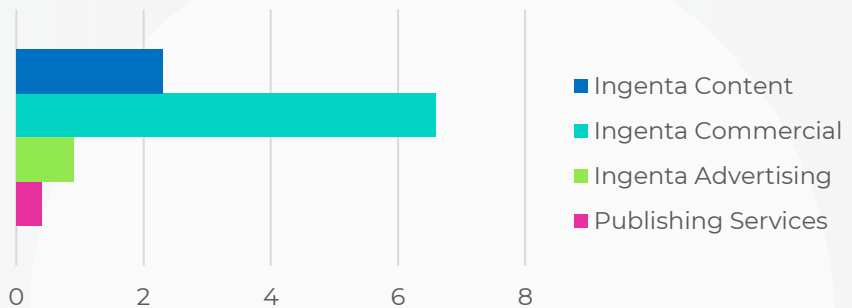
Revenue by type



Revenue by Region



£10.2m revenue



Income Statement

	2021 (£m)	H1 2021 (£m)	H1 2022 (£m)
Revenue	10.1	5.1	5.3
Cost of sales	(5.5)	(2.7)	(2.5)
Sales & Marketing	(0.7)	(0.4)	(0.4)
Administration	(2.5)	(1.3)	(1.2)
Adjusted EBITDA	1.5	0.7	1.3
Restructuring	-	-	-
Foreign Exchange	(0.1)	-	(0.5)
Revaluation	-	-	-
Underlying EBITDA	1.4	0.7	0.8
Depreciation	(0.6)	(0.3)	(0.2)
Finance Costs	-	-	-
Profit / (loss) before tax	0.7	0.4	0.5
Taxation	1.1	-	-
Profit / (loss) after tax	1.8	0.4	0.5
Profit / (loss) per share	10.93p	2.25p	3.23p
R&D costs	0.7	0.4	0.2

Revenue stabilised and starting to grow in 2022

88% (2020: 86%) of revenues are recurring in nature

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

2022 is first year that all efficiency savings take effect

H1 2022 Admin expenses include £0.5m of unrealised FX adjustments

Cost run rate currently at £9.5m

2021 tax includes £1.2m deferred tax credit

Research and development costs charged to income statement

Balance Sheet

	2021 (£m)	H1 2021 (£m)	H1 2022 (£m)
Intangible Assets	2.7	2.7	2.7
Fixed Assets	0.7	0.9	0.5
Deferred Tax	1.2	-	1.2
Non-Current Assets	4.5	3.6	4.3
Trade Debtors	1.4	1.0	0.7
Accrued Income	-	-	0.1
Other Debtors	0.3	0.4	0.3
Cash	3.0	3.1	4.4
Current Assets	4.8	4.5	5.6
Share Capital	1.7	1.7	1.7
Reserves	3.0	2.1	4.1
Equity	4.7	3.8	5.7
Trade Creditors	0.3	0.2	0.3
Deferred Income	2.3	2.2	2.1
Accruals	0.9	0.6	0.7
Other Creditors	1.1	1.4	1.0
Liabilities	4.6	4.3	4.1
Total Equity and Liabilities	9.3	8.1	9.9

Net cash of **£4.4m**

Intangible assets include 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 **£6.5m**

£20m of tax losses carried forward

Cash Flow Statement

	2021 (£m)	H1 2021 (£m)	H1 2022 (£m)
Operating cashflow	1.4	0.7	0.8
Working Capital movements	0.5	0.5	0.4
Capital Expenditure	(0.1)	(0.1)	-
IFRS16 Lease payments	(0.5)	(0.2)	(0.1)
Interest Paid	-	-	-
R&D tax credit received	-	-	-
Dividend paid	(0.4)	-	-
Share Buyback	(0.3)	(0.2)	-
Cash movement in the period	0.7	0.8	1.4
Cash at beginning of period	2.3	2.3	3.0
Cash at end of period	3.0	3.1	4.4
Adj Free Cash Flow	1.4	1.0	1.4

Reduced seasonality of renewal cashflow

Infrastructure optimisation has reduced leasing costs

Committed to [growing dividends](#)

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Thank you



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Appendix Slides



Executive Management

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Martyn Rose
Chairman



Mark Rowse,
Non-exec Director



Neil Kirton
Non-exec Director



Sebastian White
Non-exec Director