

# Investor Presentation 2022

....

....

۰

immunuumuu

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 he 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 seel 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



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



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.

Private & Confidential. Do not distribute or share. ©2021 Ingento

Financial Highlights

## Strong recent progress

	2021 (£m)	H1 2021 (£m)	H1 2022 (£m)	
Revenue	10.1	5.1	5.3	Revenue stabilisation with fundamentals in place for growth
Recurring revenue	8.9	4.3	4.7	
Adj EBITDA*	1.5	0.7	1.3	Recurring Strongly Fortress
Adj Free cashflow	1.4	1.0	1.4	revenue cash balance rising generative sheet
Cash balance	3.0	3.1	4.4	
				Liss desurt vertuetien to increase
Headcount	80	84	78	Headcount reduction to improve efficiency

\* Adjusted for restructuring costs and unrealized foreign exchange gains/losses See appendix for details

ingenta

Who are ingenta?

## ingenta provides mission critical solutions



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

#### Why do customers use ingenta?

## Decades of making the complex simple

#### Experience

# We're experts within the industry

Over 45 years experience successfully servicing the publishing industry - we understand it!

We understand publishers and their needs, unique order processing requirements and business models.

#### Simplicity

# Anything but a generic solution

Our enterprise-wide solution for publishers meets their unique distribution needs.

Our software helps publishers manage intricate subscription models, processes, supplier relationships & IP rights.

We have managed multiple cycles of innovation including the migration to digital, growth in audio books and the convergence of media types.

#### Future proofed

#### Addresses unique business models

Our highly configurable software addresses a multitude of unique business models

Consultation partner on industry best practice

IP rights management software applicable for multiple verticals

Publishing Market

## The publishing market is growing

Book Publishing 1



## Digital Publishing<sup>2</sup>



Gaming <sup>3</sup>

 $12^{\circ}$ 

Music 4



## 🧿 Focu

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

- 1. Business Research Company
- PR News Wire
- 3. PR News Wire
- 4. Mucially.com

## Development targets for 2022 and beyond

# 20% margins

Targeting improved medium term EBITDA margins of 20%

## 

Increase operational efficiency Integrated offshore support function

## 2

#### Expanding Commercial

into wider IP and rights management verticals, targeting fashion, music, gaming

## Revenue Growth Focused and on target for 2022

### 

infrastructure savings From streamlined physical presence

**°** 

#### Build on Content

success in NGO and trade association markets

#### () Key Development

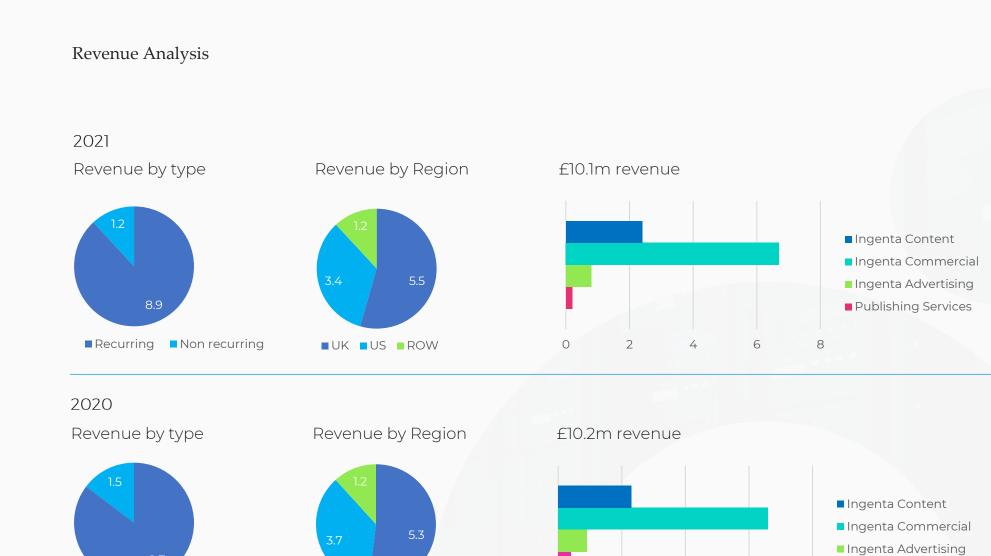
Develop full spectrum of service offerings across all product lines

## Expand recurring revenue model

into Commercial products

## **Detailed Financials**





0

2

4

6

8

Publishing Services

■UK ■US ■ROW

8.7

■ Recurring ■ Non recurring

#### Income Statement

	2021	H1 2021	H1 2022
	(£m)	(£m)	(£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	<b>3.23</b> p
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  $\pm 4m$  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

12

ingenta

#### Balance Sheet

	2021	H1 2021	H1 2022
	(£m)	(£m)	(£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  $\pm 6.5$ m

£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 Capital Expenditure IFRS16 Lease payments Interest Paid R&D tax credit received Dividend paid Share Buyback	0.5 (0.1) (0.5) - (0.4) (0.3)	0.5 (0.1) (0.2) - - (0.2)	0.4 - (0.1) - - - -
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

## Thank you



manimummum TIT 111 .... .... . ٠ . •

## Appendix Slides



Private & Confidential. Do not distribute or share. ©2021 Ingenta

#### **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

Martyn Ros Chairman



Mark Rowse, Non-exec Director



Neil Kirton Non-exec Director



Sebastian White Non-exec Director