



DWF

Capital Markets Day

Transforming legal services through our people
for our clients

Wednesday 29th January 2020

dwf



Introduction

Andrew Leatherland

Speakers



Andrew Leaiterland
Group CEO



Chris Stefani
CFO



Mark Qualter
CEO Managed Services



Chris Fowler
General Counsel, BT



Stefan Paciorek
CEO International



Ignasi Costas
Co-Managing Partner,
DWF-RCD



Daniel Berman
Chairman, Wood Smith
Henning & Berman

Agenda



1. 14.30 – 14.35 **Introduction**
Andrew Leatherland

2. 14.35 – 14.55 **Group Strategy Update**
Andrew Leatherland

3. 14.55 – 15.20 **Managed Services Strategy**
Mark St John Qualter

4. 15.20 – 15.40 **DWF & BT: a strategic legal partnership** Chris Fowler

5. 15.40 – 15.55 **Q&A**

6. 15.55 – 16.10 **Break**

7. 16.10 – 16.30 **International Strategy**
Stefan Paciorek

8. 16.30 – 16.50 **DWF-RCD**
Ignasi Costas

9. 16.50 – 17.10 **Our exclusive association with Wood Smith Henning & Berman**
Daniel Berman

10. 17.10 – 17.30 **Q&A**

11. 17.30 **Close**



Group Strategy

Andrew Leatherland

Our Purpose and Strategy



Transforming legal services through our people for our clients

Understanding Our Clients:

To provide the best possible service for our clients we need to understand their needs. Knowing our clients means we can support them in the right way, either through top quality legal and strategic advice via our Complex Legal Services, Managed Services or any of our Connected Services.

Engaging Our People:

Our people engagement is built around shared values, clear set goals, behaviours and incentive structures and we support our colleagues through a culture of innovation and inclusion. This enables us to recruit, retain and develop high performing and high quality talent which is vital in delivering excellent service, results and lasting value.

Doing Things Differently:

Innovation allows us to offer a differentiated and competitive offering, and our connected services are a key driver of this. Providing a greater service and product suite via internal research, development and through acquisition enables us to become our clients' go-to partner for outsourced legal and connected services.

Our delivery platforms...



Transforming legal services through our differentiated platform

Complex

- Premium legal advice, expertise and attention
- Partner intensive specialist work
- Outstanding sector specialists
- Higher levels of profitability
- Recruitment programme focused on further extending capability in our international business
- Technology enabled for efficiency

Managed

- Managing day-to-day law better through process mapping and technology platforms
- Advanced working practices assisted by technological innovation = high productivity
- Global delivery centres to provide 24/7 availability
- Work delivered at the right price point by people at the right career level

Connected

- Additional services connected to core legal
- Delivered through specialists, products and platforms
- Meets client need to consolidate supply chains and drive synergies
- Reciprocal model delivers two-way workflow
- Opportunity to 'disrupt ourselves' using Connected products and services to reduce cost

Delivered globally through eight sectors focusing on Insurance, Financial Services and Real Estate

...generating profitable growth



Realising the investment in organic capabilities, supplemented by M&A

- **Expanding our premium capability** – increasing our share of higher margin spend
- **Capitalising on latent capacity** - utilising our capacity at the right price
- **Right-levelling the work** – being delivered by the right person, at the right price, in the right location
- **Opportunity to disrupt** – using the next wave of technological advancement to increase efficiency
- **Investing in organic & inorganic** – strong lateral and M&A track record – and future pipeline
- **Increasing share of wallet** – through integrated end-to-end offering facilitating reduction in suppliers

Acquisition of Mindcrest



Strategic acquisition underpinning the global build of our Managed Services platform

Mindcrest – key details

- Leading legal and managed services business
- HQ in Chicago, with services delivered from Pune, India
- More than 360 people in total
- Successfully operated for more than 15 years and has established large corporate clients
- Mindcrest University supports focus on recruiting and retaining high quality people
- Will accelerate our ability to better support existing clients and to win new business

Mindcrest – substantial synergy potential

2019
Revenue
\$12.1m

2019
Normalised
EBITDA
\$1.2m

Cost
savings of
c.£2.9m pa
by 2022

Managed Services Strategy

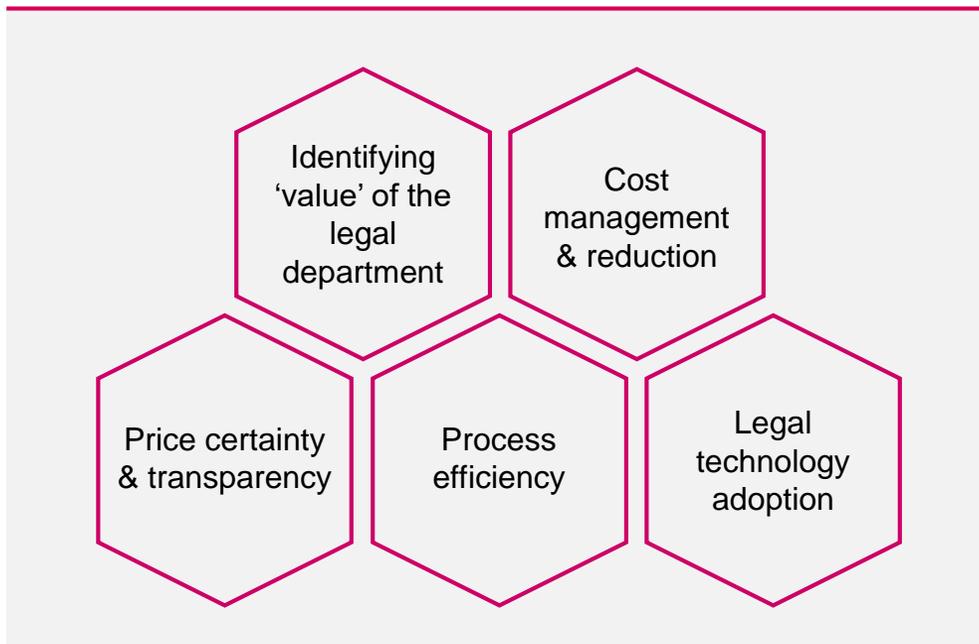
Mark St John Qualter

The global drivers for change



Legal profession heading for a long overdue period of disruption, alternative market worth \$12bn and fast growing (c.25-35% CAGR)

Almost all buyers have the same needs...



...Plus



[R]evolution of legal managed services



Next stage is to move from disaggregated alternative models to integrated outsourcing

1.0 Disaggregated but alternative

- Volume-based (non-legal) process work
- Technology, litigation support, document, data & staffing services
- No legal expertise required – work done by trained paralegals, project managers, technologists
- Offers process efficiency, scale, cost reduction

2.0 Integrated outsourcing for BAU

- Portfolio (and transformation) outsourcing
- Process & complex advisory
- Ability to integrate seamlessly with in-house legal department

Moving to “2.0” is our sweet spot due to our unique proposition

DWF Managed Services



A differentiated and scalable platform

We deliver

Process led transformation of legal portfolios

Strategic relationship

Typically 3 to 5 year strategic partnership with systems integration as a single supplier, we operate as an extension of the in house Legal team

Key differentiators

Managed delivery of fully integrated, end to end outsourced solution. Our unique approach enables us to standardise, systemise and scale legal workflows requiring expertise

Key client outcomes

Cost reduction; efficiency and scale; risk management and transfer, data driven insights and measurable value and benchmarking

Designed for

BAU legal portfolios (mixed complexity, volume process and advisory)

Why DWF?

DWF facilitates an 'ecosystem' that simplifies, streamlines and continuously improves. We take the pain away and make it easy for the client to do what they want to do

Specifically

Commercial contracting
Property
Employment tribunals
Financial documentation
Insurance claims & disputes
Regulatory & compliance

For DWF and its shareholders

Yields high quality, medium term annuity revenues from first class counterparties paid to pre-agreed commercially attractive schedules

Managed services as an internal platform



Ability to deliver economies of scale and allow lawyers to trade upmarket

Process mapping and performance management

- Services identified and optimised
- Deconstructed
- Process mapped
- Handoffs
- Performance managed to ensure process targets met

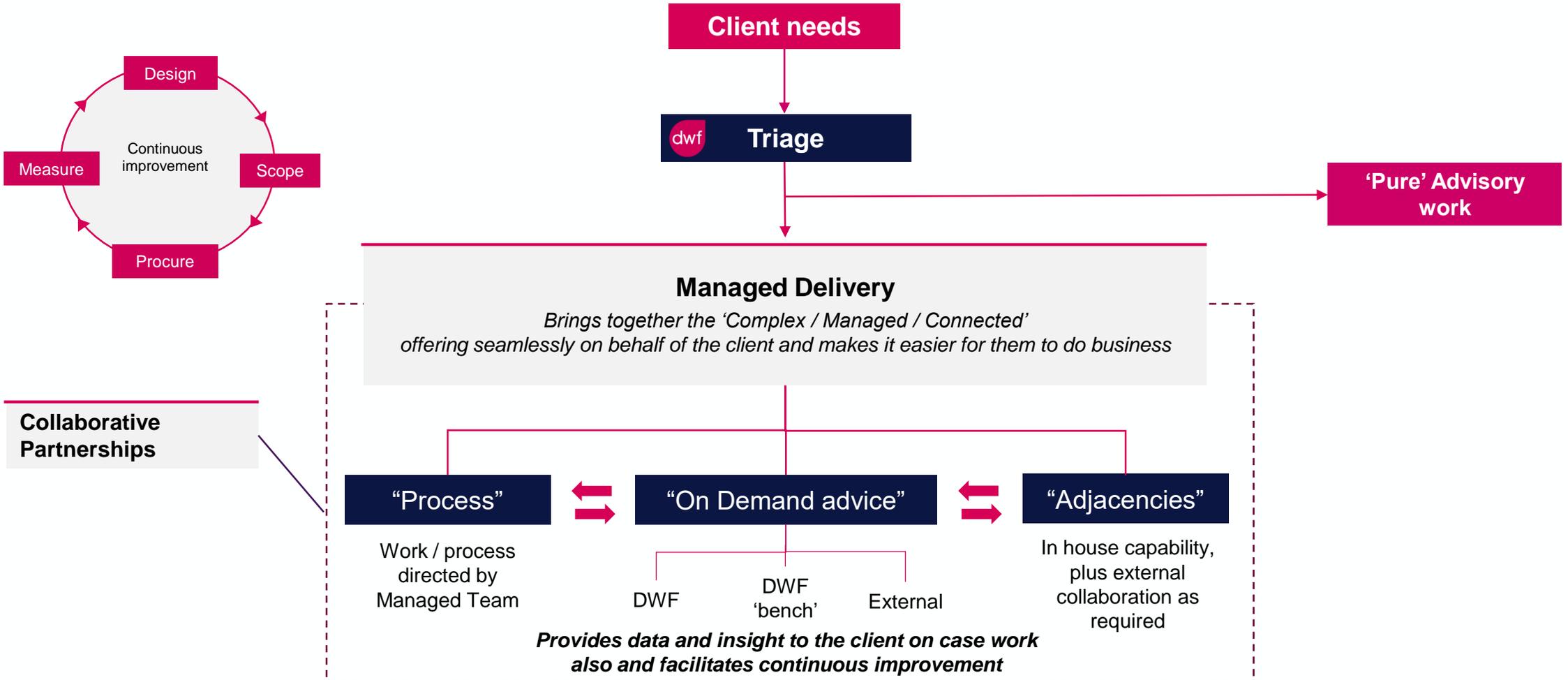
Risk based “right-levelling” the work

- Process mapping identifies resource requirements
- Right level capabilities baked into the process
- Resource levels managed and optimised accordingly

This is how we build products that we can scale

The Managed Services eco-system

Providing seamless access to our integrated offering



The portfolios we can transform



Providing a single source solution

Intake and triage



A new customer value proposition

- Single supplier for entire portfolio medium to high volume
- Process *and* advisory capabilities
- Mixed complexity (low, medium, high)
- Staff transfer / re-badging available
- Supplier procurement and management
- Transformation (made easy)
- Fixed fee pricing
- Multi-year supply

Acquisition of Mindcrest

A highly strategic acquisition which becomes a key part of our ecosystem



Our strategy

Geographical reach

Global footprint to support DWF clients and international strategy

Best in class operations

Operational excellence and unique delivery platform underpinned by technology to enhance client value

Drive revenue growth

Scale operations and leverage ecosystem to deliver high value and differentiated client proposition

Mindcrest

Presence in India and USA conducive to serving key time zones across the world and assists entry into new geographical markets

Proven operational rigour and significantly lower cost to serve, access to subcontinent tech innovation and capability

Enhanced and highly complementary combined go-to-market capability with the ability to rapidly flex and scale operations





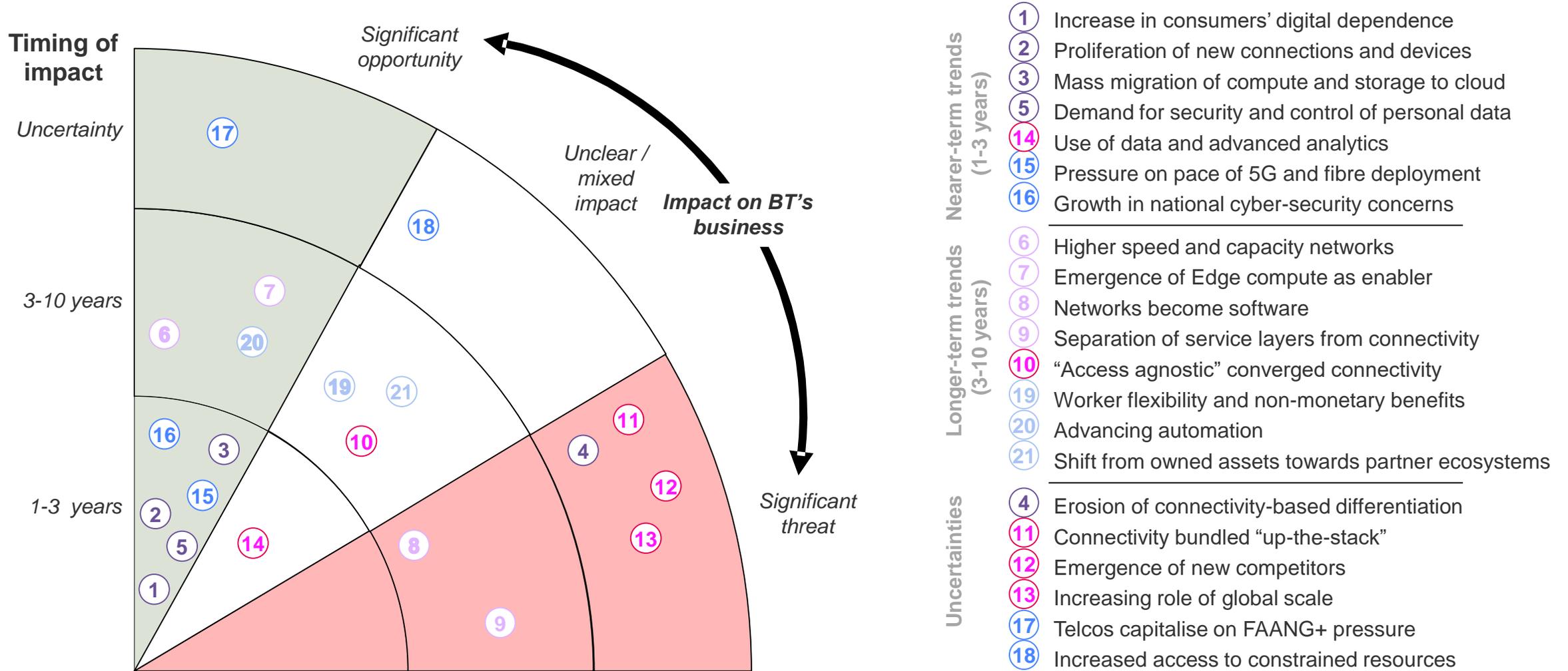
DWF & BT: a strategic legal partnership

Chris Fowler

Innovative leaders in legal & co sec: At a glance – total cost 18/19 - £70 million

DIVERSE TEAM	24 COUNTRIES  70 locations	300 LAWYERS; 100 NON LAWYERS	MEN/WOMEN 40:60	BAME 19%
DRIVING INNOVATION	RANKED #1 FT Innovative Lawyers team of the year 2015	External recognition by Harvard Law School in two studies	20000 Claims per annum supported by damage app	
UK ENTERPRISE TRANSACTIONAL VELOCITY	3000 TRANSACTIONS ANNUALLY	BEST IN CLASS TERMS TO REDUCE CONTRACT CYCLE TIMES 	84% of low value deals managed by LPO freeing up internal team for higher value add activities	
ENABLING STRATEGIC PRIORITIES	Six year deal with Sky for content after a decade of litigation and regulatory challenges 	First to 5G and proactively lobby DCMS to implement new property code facilitate roll out	Concluding £1.2bn pan-BT deals with device manufacturers including Google and Samsung 	
PROTECTING BT	Innovative litigation risk funding via captive insurer	Manage key reputational risk for BT 	Defending advertising "sweet spot" around best WIFI building platform around convergence & 5G	
CULTURE	MENTOR PROGRAM PARTICIPATION: 15%	6 ROTATION/HORIZONTAL ASSIGNMENTS	PRO BONO Service 62 HOURS in 2018	
OPERATIONAL EXCELLENCE	LEGALWEEK (1) COMMERCE AND INDUSTRY & (2) TMT TEAM OF THE YEAR 2019	LPO-EXTENSION OF TEAM (34 FTE) IN BELFAST & WROCLAW	10% REDUCTION IN TOTAL COST OF LEGAL FROM 18/19	

We continuously assess key industry trends that may impact BT



One Legal & Co Sec Team- our Vision

Our Purpose

To use the power of communications to make a better world

Our Goal

Best Connected Legal & Co Sec team in the world
We drive and protect sustainable value growth

How do we do it?

We have clear business aligned priorities

We are proactive and accountable business partners

We are simple and efficient to deal with

We are one brilliant team

Market leading capabilities

One Connected Team Culture

Our Values

Personal

Simple

Brilliant

What have we done?

- Outsourced non complex litigation & property law.
- Multi year managed services deal incorporating the transfer of FTE – 10,000 claims + £multi-million liability.
- Commitment to reduce our Total Cost of Ownership.
- Access to innovation / industry wide systems.
- Committed service levels, remedies & pre defined reporting.
- Obligation to provide value added services.
- Strategic engagement not tactical - we wanted a catalyst to change our operating model.

[IN-HOUSE](#) [LAW FIRMS](#) [UK NEWS](#) [DWF](#)

DWF beats 26 rival bidders to secure BT outsourcing deal

By Cristiano Dalla Bona | 23 July 2019

SHARE IT [Twitter](#) [Facebook](#) [LinkedIn](#)

'Doing Things Differently' Pays Off in Major Contract For DWF

July 30, 2019 by LawFuel Editors – [Leave a Comment](#)

BT's legal outsourcing to set a trend

By Monidipa Fouzder | 9 September 2019

[The Law Society Gazette](#)

Why have we done it?

- The BT strategy has changed – focus on doing fewer things / simply and quickly – we need to improve velocity
- We needed to reduce manual interventions / industrialise process / introduce self service & automate volume activities
- We are not simple enough – too many manual hand offs / clearer accountabilities / smaller management chains
- We need to proactively drive and support key strategic initiatives
- The BT Legal strategy needs to change – isolated areas of good practice but not consistent.
- Our starting position is 5% YOY reduction – delivering this since 2013 however YOY incremental savings are uninspiring!!!
- We need a consistent service model – in 2017 (6 budgets) - in 2019 (1 Budget) / 1 Outcome.
- We aspire to a smaller / higher performing fully engaged team.
- We want the retained team to be the best at supporting strategic priorities with aligned KPIs.



Why DWF?

- Understood we had a business problem – wanted to help us solve that.
- We reviewed 26 providers – its an immature market and they stood out in terms of existing capability and strategy articulation.
- They were the only down selected provider who bid in their own right.
- They clearly see and believe where the market is going.
- They brought the whole firm with them – CEO fully engaged as well as leadership team and non lawyers customer facing.
- They had a clearly differentiated culture – they spoke the same language.
- They were prepared to take a multi year view and consciously balanced risk and reward.
- The quality of the bid was outstanding – they easily beat the competition on the basis of our evaluation criteria.
- The brought real life examples of customer and people success stories.
- They offered an employee proposition for transferring staff which we couldn't match.



**Lessons
learnt**



Q&A

Presentation Panel



Break

International Strategy

Stefan Paciorek

Global Market for Legal Services



A large and growing demand



£650bn

The global legal services market is worth circa £650bn and is growing faster than GDP⁽¹⁾

(1) Source: BRC estimates 2013 to 2021; Statista. Note: US \$849bn converted assuming the FX rate is GBP:US 1.3. – See Appendix p118 for further details

Note:

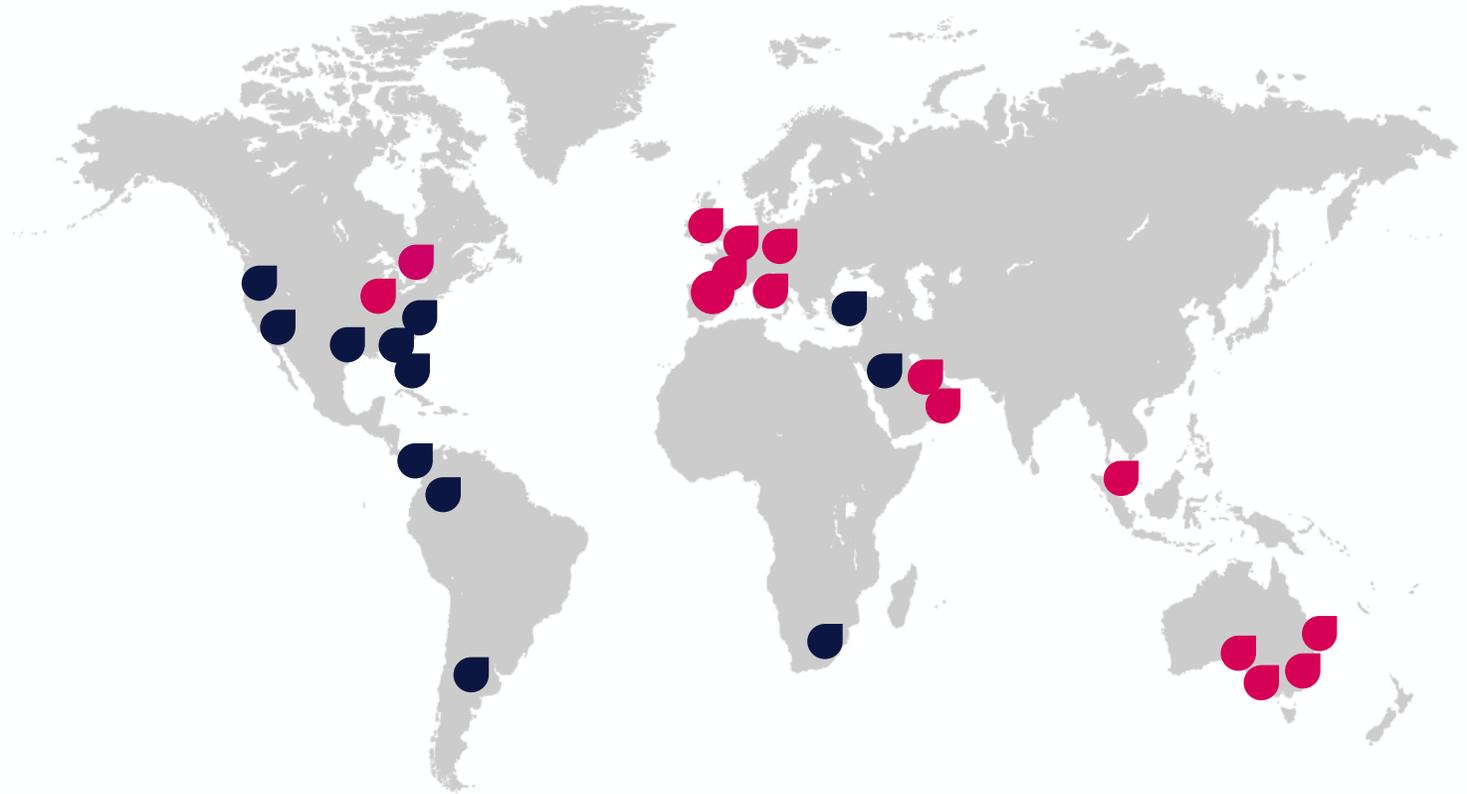
Our global presence today



Growing globally through acquisition and associations

We are proud to offer clients our direct support from:

- 31** Key locations
- 7** Associations
- 3,900+** People
- 4** Continents



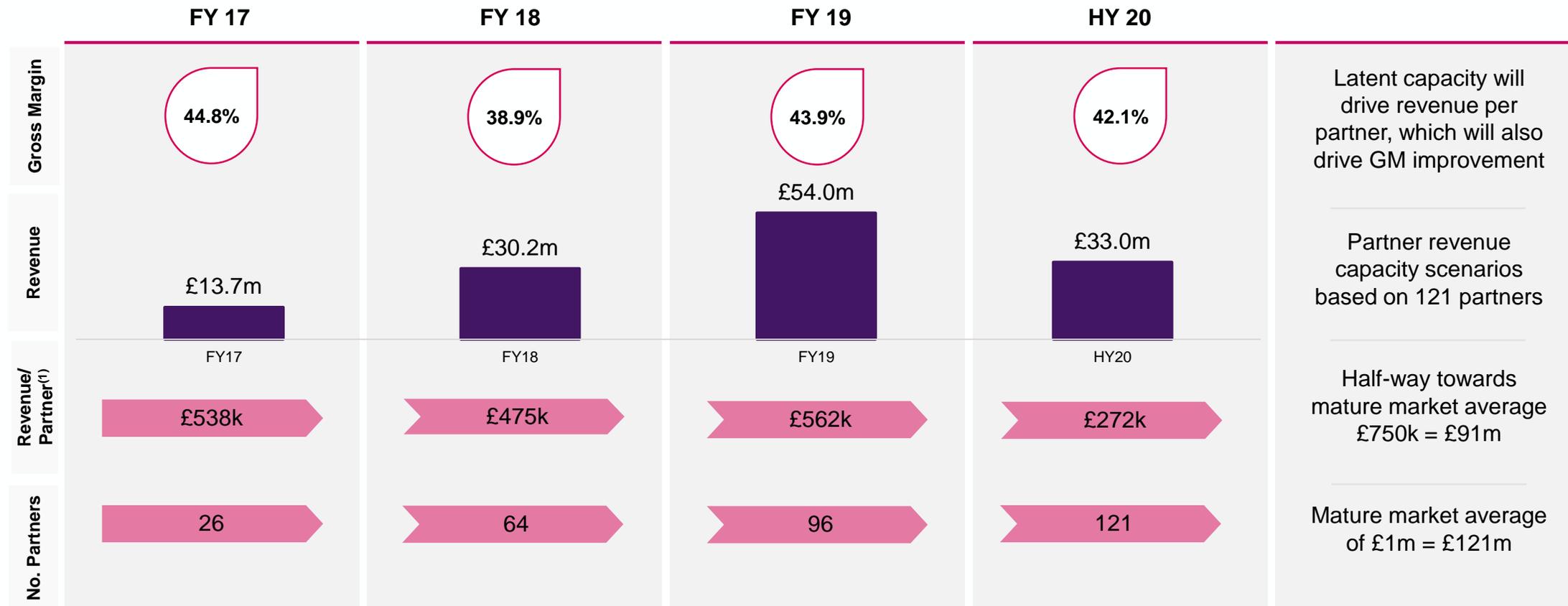
DWF Offices	France	Spain	Singapore	United Kingdom
Australia	Germany	Ireland	Qatar	USA
Canada	Poland	Italy	UAE	

DWF Associations:	Argentina	Republic of	Turkey
	Colombia	Panama	USA
	KSA	South Africa	

International division – driving growth



Investment in lateral hires and partners is driving revenue growth and margins



(1) Revenue per Partner is calculated as revenue divided by the average full time equivalent partners and partner equivalents in the financial period

Notes:

Our international growth model (1)



Growth through acquisition and integration - Australia

Enter the market

- Launch in 2017 through acquisition of global commercial claims business, Triton Global
- Kaden Boriss association / acquired
- Complementary legal offering across Insurance and Commercial, with specific focus on construction, hospitality and real estate

Senior recruitment in core sectors

- Recruitment and M&A programme focused on global sectors.
- Team of 23 including seven principal lawyers from WARD, with insurance and real estate expertise
- Team of 16 from Korisidis Lawyers, doubling banking & finance practice
- Team of 16 from McDonald Johnson further strengthening insurance and real estate

Wider build of capability

- Further principal lawyer appointments in past 12 months
- Overall Australia headcount reaches 180
- Strong pipeline of M&A opportunities particularly in Insurance

Client opportunity & global synergies

- Significant opportunity to cross-sell into other business areas
- Strong platform for both Managed and Connected Services which are less developed in Australia
- Opportunity to leverage global underwriters from UK to Australia using claims capability

Financials FY19

Total Revenue
£11.6m

Gross margin
45.7%

Partners
28

Our international growth model (2)



Growth through acquisition and integration - Poland

Enter the market

- Acquisition of the Polish office (former Warsaw office of K&L Gates)

Senior recruitment in core sectors

- We have recruited three partners in the strategic sectors of Insurance, Financial Services and Real Estate:
- Pawel Stykowski, head of insurance, Poland
- Tomasz Kaczmarek, banking and finance partner
- Katarzyna Debinska, real estate partner

Wider build of capability

- Five senior associates and 11 associates recruited across Intellectual Property, M&A, Environmental and Banking
- Number of partners in Warsaw up by six to 17, total number of people up from 85 to 100

Client opportunity & global synergies

- Strong referral of work between our Warsaw office and other locations; primarily German and UK offices
- Warsaw acting as a gateway to the CEE, CIS and Baltic regions; good pipeline of Baltic, Czech and Byelorussian opportunities.

Financials HY20

Revenue
£4.5m

Gross margin
47.9%

Partners
17

Horizon Watch – Key Areas Of Interest



Markets of interest for our next phase of global development

Portugal



- Spain's top trading partner
- Attracting global foreign investment – tax/residency incentives
- Fits into Latam and Africa strategies
- Sector-led entry point

Canada



- Insurance and Financial Services
- Revenue capture opportunity for legal services from existing DWF Claims Handling business based in Toronto
- Strong Financial Services sector

USA



- The US legal services market is the largest in the world
- Currently have presence via Chicago based Claims handling operation and WSHB association

Netherlands



- Strong financial services sector
- Attractive tax regime, logistics and infrastructure draws foreign investors
- Transactional activity routed through Netherlands
- Benelux strategy

Hong Kong



- Specific Asia Pacific wide Insurance led opportunity
- Location will support a Financial Services and Real Estate business along with corporate services in due course

Our approach to M&A integration

From identification of target to integration of the business



Phase 1

- Basic IT applications; risk and HR procedures; institute group policies; mandatory training
- Ways of working comms – underline values
- Growth plan agreed

Phase 2

- More detailed implementation plan focused on people, values, culture and resources; executing growth plan; follow-up on DD and risk issues
- Monthly tracking of financial performance
- Agree 3 month plan with acquired business, track progress weekly
- Assess progress at end of 3 months and either extend or hand-over to relevant Divisional management

Phase 3

- Focus is on “hard” integration of IT and Finance Systems
- To be planned and costed in parallel to Phase 2 with execution timetable agreed (ideally by end of Phase 2)
- Elements of phase 3 execution may run concurrent with phase 2

Successfully completed and integrated 16 acquisitions in the past 13 years



DWF-RCD

Ignasi Costas

DWF-RCD



Combination significantly expands DWF's international capabilities

RCD – who we are

- Leading independent Spanish law firm
- Offices in Madrid, Barcelona and Valencia
- 40 partners and c.400 people in total
- Strengths in Insurance, Real Estate & Financial Services, Corporate and Technology
- Network of connections in Portugal & Latin America
- Innovative culture

RCD – financial performance to year ended 31 December 2018

Revenue
€35.7m /
£31.6m

Rev/
partner
£790k

Pro forma
EBITDA
£6.2m

Our vision



RCD was established in 2003 with the aim of innovating the legal industry in Spain

Our approach is inclusive
and we are always open to the best ideas.

Entrepreneurial spirit is in our DNA
which is why we work to keep and attract this kind of talent. Our DNA makes our firm stronger.

We have strong leadership
which seeks to provide support to our lawyers, allowing them to focus on giving a better service to our clients

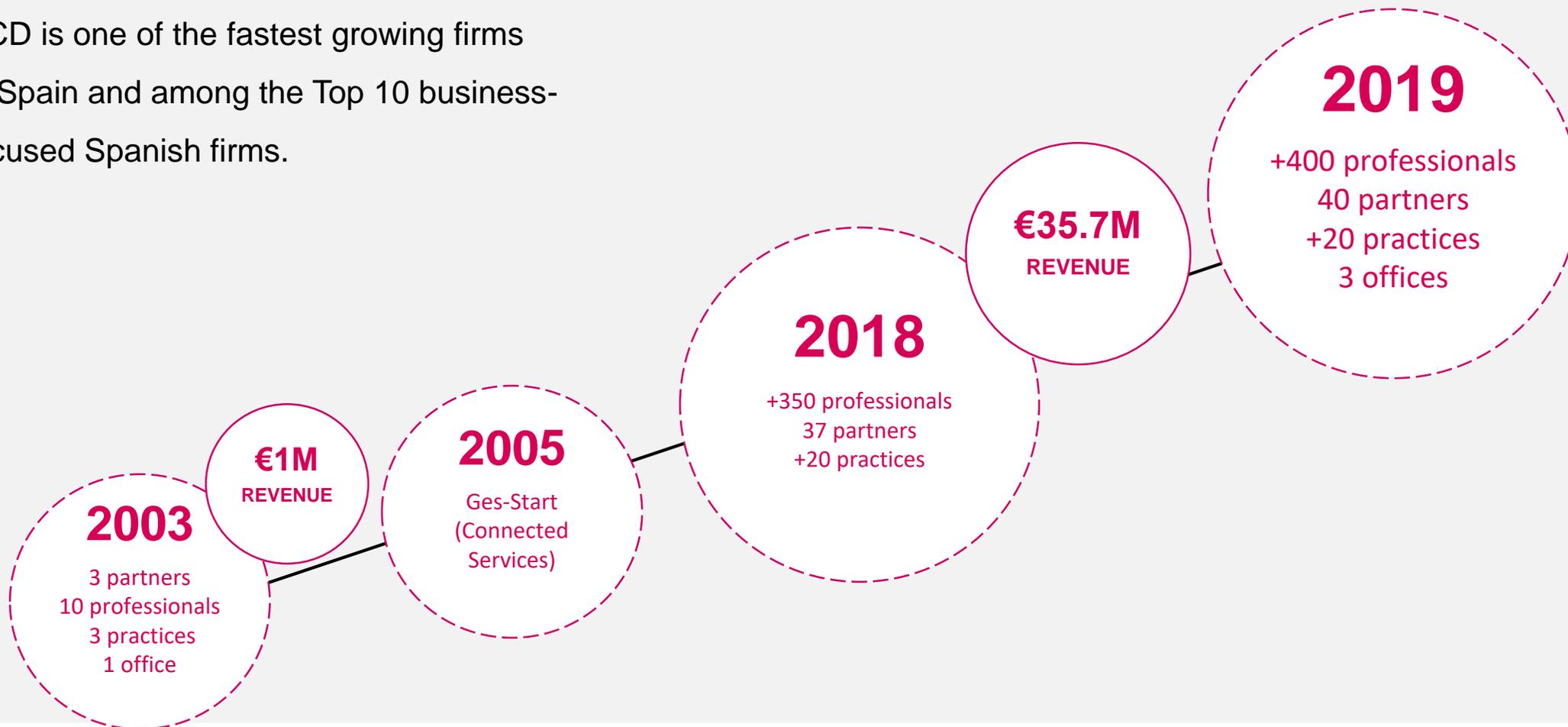
We are industry focused
and we speak the language of the client and understand the subtleties of the sector. This is combined with our ability to anticipate trends and provide innovative solutions, by proactively working alongside our clients.

RCD – our development

Rapid growth, significantly outperforming our market



RCD is one of the fastest growing firms in Spain and among the Top 10 business-focused Spanish firms.



Recognition of our expertise & innovation



We are one of the law firms with the highest levels of growth in the Spanish market.

19
practice areas recommended

BAND 1
Private Equity:
Venture Capital

BAND 2
Fintech

BAND 2
Private Wealth:
High Net Worth Guide

27
mentions in the 2019 guide

14
practice areas recommended

30
mentions in the 2019 guide

SHORTLISTED

2019 Most Innovative Law Firm in Europe (outside of the UK)
Creating a New Standard
Data, Knowledge and Intelligence

2018 Enabling business growth
Strategy & changing behaviours

2017 Technology

2016 Client collaboration

SHORTLISTED

2019 Best law firm - Digital Economy
Best law firm – Life Sciences
Most innovative project
Best Lawyer of the year

2018 Most innovative project

DWF-RCD – how and why we combined



Shared values, shared ambition to grow as a global legal business



RCD was created to innovate the legal services market.

In DWF, we found the perfect partner in terms of values, ambition and entrepreneurial vision.

Understanding clients
Engaging people
Doing things differently

DWF-RCD – how and why we combined



Shared values, shared ambition to grow as a global legal business

RCD

Better Together

DWF

- Leadership in key markets such as Portugal and Latam
- New practices where RCD is an industry leader
- Talented individuals in a meritocratic structure
- Reinforcement of DWF structures

- Internationalisation platform for clients and fee-earners
- New cross-border opportunities
- Reinforcement of several industry practices
- An ideal partner to grow with

Significant capability and sector overlap
Strong alignment of values
Strong cultural fit



WSHB – US Exclusive Association

Daniel Berman

To Know WSHB You Need to First Know Our Story

Founded in 1997
in Los Angeles

Grown
significantly
from team of
nine lawyers to
300 attorneys

Law Practice focused
on construction,
environmental and
transportation litigation
defending insurance
companies

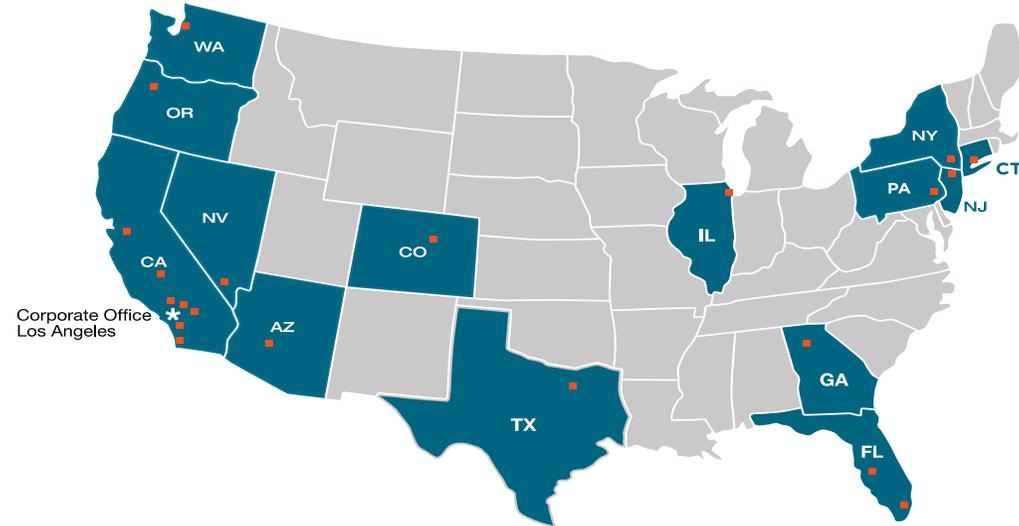
We wanted to
create a “better”
law firm

WSHB's Guiding Principles

- Client focused/Exceptional client service
- Hustle and drive
- Invest in technology
- Teamwork, collaboration and cross marketing
- Environment of mutual respect
- Embrace innovation
- Create a great work place environment

And The Recipe Worked





California

- 10960 Wilshire Blvd., 18th Floor, Los Angeles, CA 90024 (310) 481-7600
- 505 North Brand Blvd., Ste. 1100, Glendale, CA 91203 (818) 551-6000
- 21804 Cactus Ave., Ste. 200, Riverside, CA 92518 (951) 779-5000
- 6A Liberty St., Ste. 200, Aliso Viejo, CA 92656 (949) 757-4500
- 7112 North Fresno St., Ste. 160, Fresno, CA 93720 (559) 437-2860
- 1401 Willow Pass Rd., Ste. 700, Concord, CA 94520 (925) 222-3400
- 501 W. Broadway, Ste. 1200, San Diego, CA 92101 (619) 849-4900
- 9333 Fairway View Pl., Ste. 200, Rancho Cucamonga, CA 91730 (909) 987-5240

Nevada

- 7674 Lake Mead Blvd., Ste. 150, Las Vegas, NV 89128 (702) 251-4100

Arizona

- 2525 E. Camelback Rd., Ste. 450, Phoenix, AZ 85016 (602) 441-1300

Colorado

- 1805 Shea Center Dr., Ste. 200, Highlands Ranch, CO 80129 (720) 479-2500

Washington

- 520 Pike St., Ste. 1525, Seattle, WA 98101 (310) 481-7600

Oregon

- 12755 SW 69th Av., Ste. 100, Portland, OR 97223 (971) 256-4010

New Jersey

- 400 Connell Dr., Ste. 1300, Berkeley Heights, NJ 07922 (973) 265-9901

Connecticut

- 40 Richards Ave., 3rd Floor, Norwalk, CT 06854 (203) 604-6767

Pennsylvania

- 1650 Market St., 36th Floor, Philadelphia, PA 19103 (267) 207-2835

Georgia

- 1230 Peachtree St., Ste. 925, Atlanta, GA 30309 (470) 552-1150

Illinois

- 222 South Riverside Plaza, Ste. 640, Chicago, IL 60606 (312) 766-4450

New York

- 685 Third Ave., 18th Floor, New York, NY 10017 (212) 999-7100

Florida

- 101 East Kennedy Blvd., Ste. 1840, Tampa, FL 33602 (813) 422-6910
- 701 Brickell Ave., Ste. 1640, Miami, FL 33131 (786) 358-6420

Texas

- 901 Main St., Ste. 3670, Dallas, TX 75202 (469) 210-2050

WSHB TODAY: Diverse and Balanced Clientele

- Domestic Insurers
- Mid Size to Fortune 500 Companies
- National and International Construction and Real Estate Development Companies
- London Insurance Market



The DWF WSHB Relationship

Excellent "Fit"

- We both “get it” when it comes to innovation and change
- We share mutual clients and potential clients
- We share Practice Areas and core strengths
- We share similar cultures: We think alike
- Compelling stories as the “new breed” of law firms
- We can grow Legal Services and Connected Services
- We both benefit from global expansion—the time is right

The DWF WSHB Relationship

- How the relationship has evolved
- Assistance with Legal Matters
- Collaboration on Client Development and Marketing
- Support of DWF Claims
- One Stop Shop for US Legal Assistance
- Protect and expand global clients

The DWF WSHB Relationship

Examples of Assistance WSHB Has Provided:

- Dozens of legal matters across 35 states as well as on federal level
- Clients range from Fortune 100 to start ups in virtually all sectors
- Corporate, Real Estate, Litigation, Employment, Intellectual Property, Environmental, Cannabis and Cyber matters
- Participated in close to 20 joint RFP proposals
- Worked with DWF offices around the world

The DWF WSHB Relationship

Excellent opportunities for further collaboration and growth of the relationship

- Global client initiatives
- Global build out of sector capabilities
- North America support and growth of Managed and Connected Services
- Combined goal to seek new and innovative ways to deliver legal services to our clients

The DWF-WSHB Association Provides A Strong Platform to the North American Legal Markets

North America held almost 53 percent of the global legal market in the 2016. The global legal services market was valued at 584.4 billion U.S. dollars that year.



Q&A

Presentation Panel



Summary

Andrew Leatherland

Summary

- A broad based business with multiple delivery platforms
- Unique positioning maximises the opportunities in an evolving legal services market
- Delivered globally, meeting clients needs to drive growth in our business
- Selective acquisitions that provide a step-change in our offering with the potential for attractive returns
- Driving efficiencies to enhance profitability
- A unique, global, legal services platform, diversified across sectors, geographies and delivery platforms

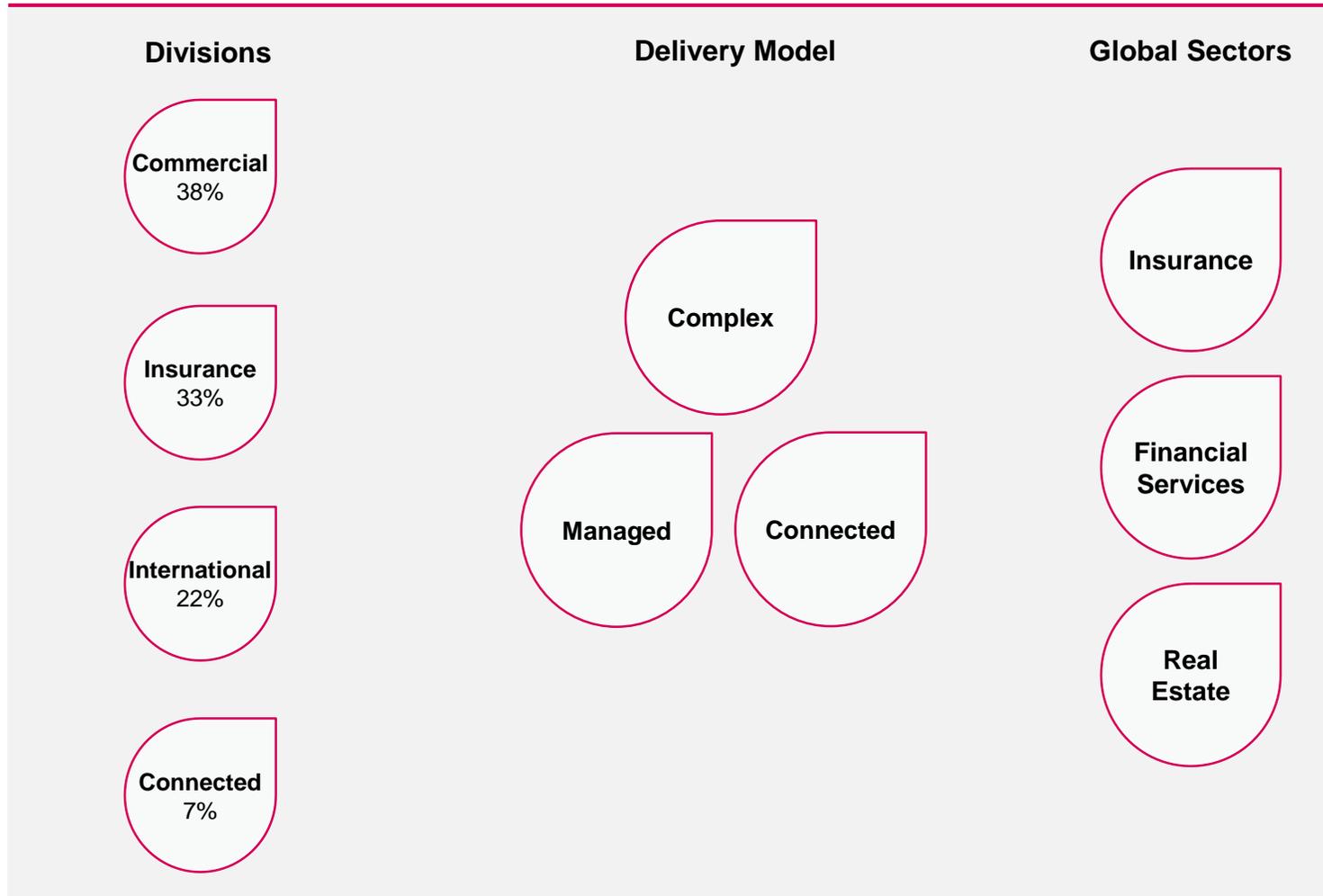




Appendix

Our divisions, delivery model and sectors

Transforming legal services through our differentiated platform



+15 years	+10 years
+5 years	Recent wins

66 NPS
High NPS score reflects our client loyalty

Our investment proposition

Transforming legal services through our differentiated platform



- **Global footprint** – 15 jurisdictions, 31 locations, 3,900+ people
- **Predictable, recurring and diverse revenue streams** – a significant proportion of revenues are recurring
- **Long standing and multi-national client base** – 10+ year relationships with 62% of clients
- **Defensive market positioning** – counter cyclical litigation offering in a globally growing market. Insurance being the largest sector
- **Differentiated and unique platform** – Complex, Managed and Connected Services
- **Track record for delivery** – successful M&A and integration
- **Innovative and attractive business model** – driving shareholder returns, investment in the business and incentivising our people

An attractive proposition with a model designed to perform through the cycle

Reiterating our objectives



Medium term financial targets unchanged

Revenue

- Commercial / Insurance – UK GDP + 4-5% CAGR
- International – continued growth 35-40% CAGR
- Connected Services – continued growth 20-30% CAGR

Gross margin

- Group gross margin uplift 5-6%
- International – strong uplift as matures toward blended Commercial and Insurance margin
- Connected Services – mature to group average margin

Cost income ratio

- 2-4% reduction vs FY18 of 42.7%
- Sector average c.37-40%

Interest charge

- Reduce over time as retained cash flows build

Effective tax rate

- c.2% above UK average

Net partner joiners (FTE)

- c.15-25 net joiners per annum

Group revenue per partner

- c.£0.95m-1.05m per partner

Lock-up days

- Reduction of 5-10 days

Guidance

- Capex: £7m
- Effective tax rate: 21%

Dividend

- First of two interim dividends paid on 20 Dec 2019
- Second of two interim dividends to be paid in Feb 2020
- Final dividend expected in Aug/Sep 2020

Acquisition of Mindcrest



PLC structure aiding the acceleration of a key pillar of our strategy

Ownership	Post completion, DWF will own 100% of Porter
Transaction value	<p>Total consideration of \$18.5m (£14.2m)</p> <ul style="list-style-type: none">▪ An initial consideration of \$10.9m (£8.3m) consisting of \$2.4m (£1.8m) in cash and \$8.5m (£6.5m) in shares▪ Additional cash consideration of \$7.6m (£5.9m) deferred and phased over a period of six months
Use of cash vs. shares	It is anticipated the transaction will be financed 54% with cash from the Group's existing debt facilities and 46% with newly issued share capital
Number of new shares issued / total issued share capital	The total number of new DWF Group plc shares to be issued to fund this transaction, based on market prices and FX rates, will be 5,028,738. The shares that will be issued will be approximately 1.5% of the total issued DWF Group plc share capital post transaction
Release of shares	<p>Release of shares from the lock-up would occur as follows:</p> <ul style="list-style-type: none">▪ 50% on announcement of financial results for the year ending 30 April 2021▪ 50% on announcement of financial results for the year ending 30 April 2022 <p>There are clawback provisions to protect against any material reduction in revenue in the two years post acquisition</p>