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**Informa**

Investor Day  
10th May 2019

## **Informa**

**Stephen A. Carter, Group Chief Executive**

**Charlie McCurdy, Chief Executive, Informa Markets**

**Adam Andersen, Brand Director, Pharma, Informa Markets**

**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

**Colette Tebbutt, Fashion Industry Advisor, Informa Markets**

**Margaret Ma Connolly, CEO, Asia, Informa Markets**

**Patrick Martell, Group COO, and CEO, Informa Intelligence**

**Ian Branch, Global Business Services Director**

**Linda Blackerby, President, Pharma, Informa Intelligence**

**Ramsey Hashem, CCO, Pharma, Informa Intelligence**

**Eleanor Souster, Chief of Staff, Taylor & Francis**

**Andrew Mullins, CEO, Informa Connect**

**Alex Simm, CFO, Health and Nutrition, Informa Markets**

**Deborah Kahn, Publishing Director, Taylor & Francis**

**Annie Callanan, Chief Executive Officer, Taylor & Francis**

**Christoph Chesher, Group Sales Director, Taylor & Francis**

**Leon Heward-Mills, MD Researcher Services, Taylor & Francis**

**Max Gabriel, Chief Digital Officer, Taylor & Francis**

**Gary Nugent, Chief Executive Officer, Informa Tech**

**Carolyn Dawson, Managing Director, Informa Tech**

**Marco Pardi, Managing Director, Informa Tech**

**Richard Menzies-Gow, Director of IR, Brand and Communications**

## Questions From

**Will Packer, Exane BNP Paribas**

**Adrien de Saint Hiliare, Bank of America**

**Marcus Diebel, JP Morgan**

**Adam Berlin, UBS**

**Katherine Tait, Goldman Sachs**

**Ben Peters, Evenlode Investments**

**Iain Whittaker, Liberum**

**Simon Baker, Société Générale**

**Matthew Walker, Credit Suisse**

**Tom Singlehurst, Citigroup**

**Patrick Wellington, Morgan Stanley**

**Chris Collett, Deutsche Bank**

**Giasone Salati, Macquarie**

**Michael Foster, Ocean UK Equity**

## **Introduction**

### **Stephen A. Carter, Group Chief Executive**

Good morning everybody and thank you very much for coming. Just before I start this is Flight BA141 and the emergency exits are over here on the left. There is no fire alarm due today and so if the alarm goes off that means we need to leave and so if we could leave in an orderly fashion. Hopefully it won't happen and the stairs are just over here to the left and the fire marshals will take us out.

Let's hope that doesn't happen and that we have you locked in here and rapt from now till the end of the session.

I hope a reasonable number of you who have come today have a chance before we start the presentation section to get a little bit of a sense of some of the product demonstrations that we laid on. They're going to stay there through till the other side of lunchtime. So for those of you who didn't get a chance or want to go round again even or there were ones that you didn't see because you were focused on others, then feel free at the tea or coffee break or at lunchtime to have another wander around and the teams doing the demonstrations will be delighted to do that.

The timetable should see us try and finish sharp at 3.30pm, so for those of you who are tracking your own diaries we'll try and be disciplined on time.

So thank you very much for coming. This is the disclaimer, as you know we are issuing no new trading information today. Our guidance for the year which I'll touch on briefly in my introduction remains unchanged.

And so therefore the purpose of today sadly isn't to provide any of you with any new numbers, so I'll get that apology out clear and early and I look forward to the probing questions which seem to extract a number from some poor unsuspecting colleague. But the intention is to try and use today to give you a very open and transparent opportunity to see underneath the bonnet of the company.

For myself and for the colleagues who'll be presenting we live this every day, and actually thanks to you for giving us the opportunity to be able to talk about what we do for a living. There's much about the company that is sort of easy to understand, but actually having a chance to talk about it and explain it and bring it to life actually, all joking aside, is an enjoyable thing for us. So thank you for your time.

We're very conscious that you can spend your time elsewhere and you could certainly spend your capital elsewhere and so we're grateful for both your time and your capital.

This is the Group as we now know it. And as you will see for those of you who did come here previously, because this was the UBM office, this is a slightly higher quality of real estate than the traditional Informa norm, but nevertheless we're very glad to have inherited it and we're trying to put it to good use. And as you'll see we have not just restructured but also rebranded the Group

to try and as we go through this process of combination bring to life our different approaches in different markets.

And you'll hear today from the team at Informa Markets who are on the stage with me and I'll introduce them in a second, from Informa Tech who will wrap up the day and try and bring to life how we're approaching dedicated vertical markets from Informa Intelligence and from Taylor & Francis.

You won't hear today from the Informa Connect, not because we don't love all of our businesses, Andy, but because actually for those of you who came to the last Capital Markets Day we did a very deep dive on what was then K&N and we didn't think it was a sensible use of relatively limited time.

This is the agenda. I'm going to talk for a little bit and then I'm going to hand over to Charlie and the colleagues who have joined him, Adam, Mark, Colette and Margaret who will talk to you about Informa Markets and specifically about two or three particular areas of that business where we believe we have real depth and specialisation to market categories and then one geographical market.

Then we'll, if you like, shift out of the front end of the business into the back end of the business where Patrick and Ian Branch will give you a sense of how we're approaching how do you get some of the benefits out of scale and simplification. What does that mean in reality when you're trying to operationalise scale and simplification?

We'll then go back into the business and fortunately Patrick has brought two hats with him today. So, in his second hat he'll be back into his P&L role in our Information and Intelligence business. And some of you saw some of our fantastic product capability this morning Citeline. And we'll talk specifically, or Linda and Ramsey will, about our strength in the Pharma market where we have a really very strong market position.

We'll then come out of the business actually and do something quite different. We're going to have our very own question time. Now amongst the many goodies that were on your chair was a little card, which hopefully should be visible, where you're allowed to write a question. Preferably a polite one. And at the break when we break for tea and coffee we'll collect the questions.

And the purpose of the questions there isn't to ask you know, why the margin in Informa Intelligence isn't at a 100 basis points higher, although you're welcome to ask that of Patrick later. But rather it's to ask any question you might like to ask about the culture of the company, about how the company is coming together, what does it feel like to work inside the business, what's the strength of the company. As many of you have said to me in bilateral conversations we rightly talk a lot about return on capital and combination and cost synergies and revenue synergies and margin strength. But in truth in of the matter is this is a people business and ultimately the strength of people businesses is in how they combine what is the texture and the feel of the culture.

And the panel, all of whom have come to the company actually through different routes, they've come into Informa through different ways, will do a little question time to give you a sense of what it's like inside the business. And they will be hosted by our very own Fiona Bruce, Ellie Souster who will hopefully put them through their paces.

Then we'll come back into the business and Annie and her colleagues from Taylor & Francis, Annie's now been with us for nearly two years, will give you a chance to really underneath the skin of what is happening inside both the Research Publishing and Advanced Learning markets and specifically how we're approaching that at Taylor & Francis.

And then as I said we'll finish with if you like our newest business which is our stand up market in the technology market. Why have we done that? What is it that we're seeking to get out of facing an end market as a standalone business, where might that lead us in that business and what might it mean for the company more broadly? Then we'll have a wrap up and then, thank God, it'll be Friday evening. Okay? So that's the plan, that's the programme.

What we will do is stop at the end of each section to take questions so you don't have to kind of hold your questions to the end. If you've got a burning question of clarification during say for example, Charlie and colleague's section on Informa Markets, then by all means do throw your hands up and Charlie or whoever's at the podium will take it.

But my counsel would be maybe let each section run to the end and then we'll do a Q&A around that bit of the agenda and then we'll do a more general Q&A at the end if that makes sense. Yeah? So that's the flow of the day and I hope you enjoy it.

This slide you'll see and the only downside of putting the slides on the chair in front of you is I know you've now all read ahead. So you'll see that this slide is repeated on a number of occasions. We see ourselves as a knowledge and information business. We see the knowledge and information economy as a very attractive economy to be in.

We see the rise and rise of high value industries around the world as being where you would want to be. We see that in the west, we see it in the emerging markets, we see it in the learning markets, we see it in data markets, and we see it in the development or more advanced manufacturing and buying and selling businesses. And all of those trends, all of those macro trends we believe see us facing into end markets, which if you take a mid to long term view puts us in a very nice market position.

Our company, Informa has, like all companies, been going through some change. And for those of you, and I see a number of familiar faces in the audience who've been with the company for a time as an investor, as a holder or those of you who have come to the company more recently either at the time of the transaction or specifically around the UBM transaction, will have seen the company shapeshift both in current size in a particular market and also in overall size.

But the fundamental businesses we're in haven't changed. We face three markets, the Advanced Learning market, the Business Information market and the B2B Events market. And we see those as three very nice markets for us.

We are progressively moving more and more towards specialisation and trying to build strength in and around end markets where we see a long term market position. And you've seen a little bit of that in some of the decisions we're making in our portfolio management programme where we are disposing of some businesses, not bad businesses but ones in categories that we have made a very conscious decision are not going to be a long term hold for us, thereby allowing us to get a little bit deeper in markets where we do want to be a player for the longer term.

We've progressively been improving our performance on the top line. Ultimately you need to be a growth business and we remain committed to continuing to do that.

That specialism hopefully you'll see very clearly illustrated today. And we've deliberately chosen Depth & Specialisation as the theme of the Capital Markets Day because that's what we spend our lives talking about and doing, and our intention is to try and bring that to life for you, so you get a sense of it in different markets.

One of the questions of course is, where do you take your revenue? And this is true of lots of industries, particularly true of ours. And the truth of the matter is we might choose to take our revenue at a point of a media transaction or we might choose to take our revenue at the point of an information transaction, or we might choose to take our revenue at the point of an events transaction.

But the depth of your expertise and also how you drive your traffic and how you begin to understand the trends and what are going on in your own markets is what gives you the ability to stay ahead of change and innovate at an appropriate speed. This is just an example from the market where we have a very powerful position in Health and Nutrition, which Adam will touch on in a second.

And what we're trying to do across the business is build up this depth whether it be depth in talent, people who are market expert specialists in what they do. And for those of you who did go to some of the product demonstrations I think you'll have got a real sense of that from some of the colleagues who were presenting, brands, platform, traffic generators, technology capabilities, product innovation and increasingly a digital offering around those products.

We are in half of our business 100% committed to the power of face to face and I think, as today demonstrates, there is ultimately a truth in the fact that all of us are at our heart human beings first and there is a power in face to face. There is a power in getting a chance to eyeball a customer or a prospective buyer or seller.

But surrounding those face to face products with digital capabilities is no different than surrounding our information products or our learning products with digital capabilities, and that will be a continued trend for this business.

Informa Connect, we're not talking about. Andy is in fact on the panel later so if you have a burning question about his business feel free to throw it in then even though he's wearing his culture hat at that point. But nevertheless suffice to say part of the reason why we felt confident in not doing a particularly deep dive on Informa Connect is we feel good about where we've

taken that business to, where it is focusing, how it's tracking in terms of growth and brand position and its role within our portfolio.

For the three or four longer term Informa investors who I can see in the room, you will recognise that this is a considerably smaller or more perfectly formed business than it was. It's a considerably less dominant business with inside the Informa Group, which has advantages because inherent in this business is a lower margin. But its role and value to the Group and its ability to curate and create brands from which we can build relationships in markets remains integral to the future of the company.

We're not giving any numbers for 2019 but hopefully everyone here who's a shareholder or a commentator in our company knows what our agenda is for 2019. It's relatively simple. Our agenda is to deliver the year. And in our terms deliver the year means from a commercial point of view another year of steady growth in revenue, in earnings, in profit, in dividends and at the same time use the increasing cash flow in the Group to reduce our debt. Not because we're concerned about our debt levels but we want to get ourselves back into the range, partly because it means we go into 2020 with a bit more capability to be able to make some further choices depending upon where the market opportunities are.

We're also using it to do the hard work and the heavy lifting on combination, both systems combination, which Patrick and Ian will talk about and cultural combination so that we really do end up at the end of 2019 as a performing company on the numbers, but also a functioning company from a product development and people perspective.

So for us 2019 is about delivery, it's about deleveraging, it's about delving deep into our systems and our capabilities to make sure that they are fit for purpose and it's about getting to the starting line of 2020 in a very strong position to give us further opportunities for growth and development. And that's what our focus is for 2019.

This is the guidance that Richard has given you and I will leave him to explain what the subtle nuances of plus means, but in essence we're looking to deliver growth to varying degrees in different businesses. And we will do a revenue trading update at our May AGM on 24<sup>th</sup> May and obviously we have our half year results at the back end of July. But as I stand here today and my colleagues who are running the businesses stand here today there is nothing that would make us think that we will not be on our guidance.

The other thing is of course we're very focused on our much discussed Accelerated Integration Plan. And as I was saying when we were rehearsing for today, the only problem with inventing these plans eighteen months ago is that the time passes, and it will very soon be the end of the Accelerated Integration Plan and by and large it pretty much feels like that.

We set ourselves a pretty aggressive timetable that we wanted to get within a year of buying the UBM business to being one company in every sense of that word. We did not want to retain two tribes. We didn't want to retain two brands. We didn't want to retain two different management systems. We didn't want to retain two different overhead structures and we wanted to start doing the groundwork on unpicking and unpeeling the systems overlap in a way that was coherent. And I would say we are making really very good progress on this.

I've had the good fortune and at times the not such good fortune to experience mergers in a variety of different industries. And I would say on any objective measure the combination of these two business is going somewhere between well to really very well.

That does not mean we do not have operational challenges in some places. And it doesn't mean that we haven't had to make some tough people and product and systems decisions and are still doing that. But by and large this feels like a company that has an increasingly common sense of purpose and a clarity about what it is seeking to do and why it's seeking to do that. And within 12 months I think the teams should take some credit from that.

We have a culmination event coming in very short order pretty much around the anniversary of the completion where we're bringing 150 of the leaders of the company together for our Annual Leadership Summit. And for us that, amongst other things, will be a point where we kind of sign off not a complete rewrite but a very clarifying restatement of what is the fundamental purpose and value of the combined company and what we believe gives us the strength at an operating level and a strategic level to see a path to further growth for the next five to seven years.

So that's where we are on the AIP. On Capital it's relatively easy to answer the question of what's our capital allocation strategy for 2019 because it's to deleverage the company. We brought forward, as we said very publicly at the time of the UBM transaction it took our debt levels up, albeit in a very well managed way and we've done a bit of work under Richard and the Treasury Team's guidance to restructure our debt to give ourselves I think a very managed and secure financing position. But nevertheless we'd like to tick down a little in 2019. And then that begs some questions about capital allocation for 2020 and beyond.

We believe that this business will require a continued investment in capex. We believe this business will remain committed to a progressive dividend. We are comfortable at around the 2 to 2.5 times leverage given the margin structure and the cash features of all of our businesses. But that also gives us some very attractive continuous pipeline of opportunities in all three of our markets and we are excited about that.

And that's it from me. And it's now my great pleasure to introduce Charlie McCurdy, who is the Chief Executive of Informa Markets. Charlie and I have now been working together for a little while, quite some while and by and large it has proven to be certainly a very rewarding experience for me, I think for colleagues inside Informa Markets and I would say for shareholders.

When we first started talking the idea was, this looks like a market where there's an opportunity for someone to take size, take scale and take a global position and to build a business that's not only good at what it does but does it with a little élan and quite a bit of fun. And Charlie has been and remains an outstanding leader of that. So, it's my great pleasure to introduce Charlie McCurdy. Charlie.

*Applause*

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## ***Strength & Growth from Specialisation***

### **Charlie McCurdy, Chief Executive, Informa Markets**

Thanks. Good morning and thanks so much for attending today. So I am joined here on the stage, let me get everywhere here. I'll be giving you an overview of the entire exhibition business that we now call Informa Markets.

Adam Andersen will be leading you through the pharmaceutical industry presence that we have. Mark and Colette will be reviewing the US Fashion business. And finally, Margaret will be giving some insight into the China and Asia businesses. So let me get going.

Stephen did mention that we're in the knowledge and information economy and I think it'll be interesting to see how that does manifest itself in what's traditionally been an exhibition business.

So let's start with a look at the whole exhibition industry worldwide. There are a number of factors that are continuing to drive the performance of this industry, the value of face to faces. By all evidence our customers are showing through their behaviours that this is a strong and increasingly important part of their market access, despite some headlines that come out from time to time from Twitter accounts, the growth of international trade is very powerful and very important and we play a key role in that as an industry.

These are commercially driven events so that the companies rely on exhibitions to conduct business, to source product, to distribute product. Barriers to entry, the network effect of buyers wanting to be where the sellers are and vice versa is very strong and powerful in our business. And you're familiar with the financial model of very high levels of free cash flow coming out of our business.

The industry worldwide is running at around US\$28bn by markets reports and has seen a consistent 4% or so global growth as an industry. At the same time the market share that Informa Markets has, we are the largest organiser in the world. That's something under US \$2bn out of \$28bn. You can see that we're at 6.5/7% of the market as the largest player. So, all these elements come together to give us a sense of the wind at our back and being in what is by all measures a very attractive industry to be in.

So I am asked sometimes if maybe every year isn't so great and there are cycles in the economy, what's been your experience? There's a couple of ways I answer that, one is that ten years ago this time some of you may recall was quite a difficult time in the global economy in 2009. And the business I ran at that point was it was half exhibition and half media properties in B2B. And at that time believe me, I saw the exhibition business as a safe haven because the exhibition budgets were quite resilient relative to the advertising budgets.

The other way to look at this is on a global basis you can see, we play in the blue lines down here at the bottom where we're a pure play exhibition organiser and not a venue manager. You can see that the industry declined about 10% in the recession. And that's with the larger, stronger

shows declining generally. Less than that generally in the smaller or secondary, tertiary shows declining a little bit more than that.

So what does that mean as far as our ability to manage the business and the P&L and the performance of the business in a downturn? And you can see in the organiser block over here this is a broad breakdown of our cost base, it's about roughly  $\frac{1}{3}$  venue, and manifestation costs about  $\frac{1}{3}$  staff and about  $\frac{1}{3}$  other activities.

And in each of those there are ways that we've all in the industry used in the past to address the cost of venues, the cost of marketing, the cost of staff to compress costs as a revenue line may be challenged.

On the other hand a large majority of our revenue comes from exhibitors. And it's interesting to note that of every dollar or pound or euro that they spend at a show about 25% is coming, or pence, is coming out of the actual space that they buy from us as the exhibition organiser.

The biggest single piece is the cost of their travel and entertainment at the show so that our customers are able to bring down their costs without so much affecting their spend with us. That's the point of this.

So back to expansion. Those of you who've followed Informa over the last ten years have seen quite a dramatic growth in the exhibition business. Ten years ago it was a modest sized and highly successful exhibition company based in Dubai essentially.

Very visible in the growth programme has been a series of I think well selected and well-crafted acquisitions and mergers in the industry moving from, what was that, 2003 or 2004, up until last year with the UBM merger. What's less clear is that while that's all been going on the underlying growth of these businesses has been very healthy and at a consistent better than industry average of say 4% growth we've consistently been able to deliver healthy organic growth while also expanding the business through acquisition.

So today you can see the mix of the business geographically around the world where we're very substantial in the Americas and in the United States in particular, we're very substantial in Asia and both areas we're the largest organisers by a fair measure, with the more modest presence in Europe and the UK, with a leading presence in the Middle East as well.

So what's our composition today? We're up to this ten year growth expansion programme where the revenues, as you know, are in excess now of £1.4bn with a, again, a healthy growth, a great profit margin as you can see that half of the revenue of Informa Group. We're very important in these markets, so 5.5m to 10 these are shows that help these industries to find themselves and create commercial success.

So let's look at the breakdown of how the revenue is derived in our business. First of all you can see over here by vertical, these are the specialist commercial sectors that we're active in. It's quite interesting to note that about 80% of our revenue is driven out of ten very well defined vertical global markets that we address very effectively.

The type, and we'll get more into that in a minute. The revenue by type, over  $\frac{3}{4}$  of our revenue still comes from space sales or booth sales or stand sales with the rest coming out of sponsorship, out of marketing services, out of attendees and other components and that, as you'll see, is one of the areas where we see some opportunity to expand as well.

By region, this gives you more detail on the mix between North America on the one hand and Asia on the other hand where we have these large and market defining presences as well as the Middle East, continental Europe, and the UK is quite a small bit of it, but even though we're head quartered here it's a small part of our business mix.

So let's talk about the brands. We have over 500 events and exhibitions that are the core of our business, each of which is manifested by a brand. And you can see these are the ten vertical markets that define a large majority of our business. And these are the brands that describe the experience that exhibitors and attendees have when they attend our shows.

And getting into how does this turn into performance? Again, these are the global industry verticals that are on a scatter flag. And you can see on the bottom axis, the X axis profit margin with creative margin to the right. The Y axis is the growth rate. You can see that this is quite an attractive portfolio of shows that we have with global reach, high performance, good profit margins, I'm very happy when I look at this slide. I'll take all the credit for it.

So anyway, the last year has been certainly very busy and I think it's fair to say quite productive. What have we accomplished out of this? What do we have now having put these businesses together, because the UBM Events business and the Informa Exhibitions business were quite similar in size?

First of all the people element, who makes this business up, what motivates us? It was a very similar culture in that sense. I think it's fair to say that we were kind of moving this way toward a similar outcome and so the organisations have come together better than I had feared and as well as I had hoped, I must say.

And I think that the brand that we've adopted, Informa Markets, is a great expression of what UBM Events have become and what Informa Exhibitions has become as one company.

Both companies were very committed to operational excellence, to greater sales effectiveness, greater marketing effectiveness, a greater event experience. And a lot of the strategies were very, very similar, some of which were more advanced in some places than others and we were able to put that together quite smoothly as one effective enterprise.

Cost efficiency, we have talked about the cost synergies associated with this programme in the exhibition commercial side of those synergies they were quite substantial and well accomplished over the first several months of the combination.

Finally we're going to get into the revenue initiatives, this is a very exciting part. What are the benefits of having this scale and depth within these specialist markets? What more can we do to serve our industries in a profitable way?

So this adds up to the depth we have in these verticals, the global reach and the overlay of the data driven and digital capabilities that I think some of you saw demonstrations of here that lead to the evolution of our business from a really good exhibition organiser to a company that is a market maker within really attractive markets.

So on revenue initiatives, there are quite a few and I think that it's important to know that underlying this is not only the relationships that we have with the suppliers and buyers in these industries, but the data that we have, the insights we have into the behaviours of people on the buy side, people on the sell side where they want to access in those cases and our ability to have insights to support our effectiveness as a show organiser.

So we're going to focus this morning on internationalisation opportunities out of this, digitisation opportunities and also some interesting sponsorship elements.

So first of all, international. We've talked about these ten global vertical markets. This is actually a finer cut of the actual presence we have in a number of global industries with Pharma that Adam's going to talk you through in a few minutes. But also some other areas where you can see on this chart that we've stronger and less developed presences in many regions of the world and this is sort of a map that we have to where we can build up our presence, where can we expand to serve these global industries?

These are industries that are sourcing globally and distributing globally. And our role is to move from what was a traditional exhibition organiser presence of we have a show in a sector in a region in the world. Our approach now we have - shows in a sector on a global basis. It's quite a different value added we provide to the industry.

So within each of these verticals, these are actual marketing materials from the power sector. This is an example of all the shows that we have around the world in power generation, transmission and storage. And it's a very powerful network that is just starting to act as a network. It's quite exciting.

And this is healthcare. This is medical equipment, medical devices, these are shows that providers attend to buy this kind of gear. And you can see that we have a powerful presence based on a Middle East business throughout EMEA, throughout North and South America and Southeast Asia. And we have other similar marketing materials in other areas like the Health and Nutrition area which are a very compelling graphic to visualise the opportunity we have to support these industries.

So, the second one is digitisation. We do have some in pockets of our business a strong tradition of marketing services in digital media to complement and supplement the events. We're very actively now deliberately moving into that area through the creation last fall of Informa Advance, which is our digital media project to expand upon the reach we have among buyers and the relationship with suppliers to reach into their digital budgets essentially.

So, these are an array of types of digital and data activities we could do, but we're right now focused primary on targeted marketing services and the directories that are moving toward these buyer communities.

And some of you had a chance, and I hope we will have more demonstrations later for this proprietary resource product that we call MarkitMakr that is manifested in quite a few of our events, 31 of our events have adopted this programme with more planned. And the specific one that we're demonstrating here today is in our Natural Products category. These are healthy foods, finished goods sold to retail in the United States. It's a very deep data base of product, deep knowledge as to the buyers and the sellers and our ability to deliver a great experience but also to glean a lot of data about what's driving these industries and monetise that data down the road.

Finally, the third one is sponsorship. This is quite interesting that this, in the US in particular for the first time a trade exhibition company has enough scale that we can aggregate and segment the audiences that we reach through our events and through our communications outbound to create a non-endemic sponsorship programme with financial services firms, with transportation firms. And this is just getting started but it's a completely new dimension that we can on the margin add a little bit of revenue to our business.

So, all this comes down to we start with these really strong platforms that in many ways are to find the commercial activity within these industries the brands that manifest those shows and define the industry experience of commerce really. And the added dimension of B2B services through digital and data enhancement is all that's driving this evolution of our business from a strong effective exhibition company to a MarkitMakr and a company that within some global attractive vertical specialist markets we're able to in many ways define the terms of trade and profit from that.

So, I think that that gives you an overview. I think what would be maybe more kind of meaty for you is get a sense of what's going on in some specific market sectors in specific regions of the world and to get a real flavour for what drives the performance of our business.

So with that if I may invite Adam to the podium. Thank you.

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**Specialist Markets: Pharma Focus**

**Adam Andersen, Brand Director, Pharma, Informa Markets**

All right, thanks Charlie.

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**Charlie McCurdy, Chief Executive, Informa Markets**

And we'll take questions at the end of these three presentations if you will.

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**Adam Andersen, Brand Director, Pharma, Informa Markets**

All right, thank you Charlie. Good morning everyone, I'm Adam Andersen. I'm the Group Brand Director for the Pharma portfolio within Informa Markets and based in Amsterdam.

A little bit of background on myself. I came into the business part of the 2016 Penton acquisition and previously managed the US Health and Nutrition events including natural products expos and supply side events.

With the UBM acquisition I had an opportunity to relocate to Amsterdam with my family for a great experience, personally and professionally, managing the global Pharma portfolio.

Just a snapshot of that market, it continues to grow, growing to an estimated US\$1.3tn by 2022. What are the factors that are driving that? Aging global population, particularly baby boomers in the United States and Europe continue to drive pharma companies to invest in research and development, to create new innovative medicines and solutions that complement the digital age.

That drive has grown development costs for bringing a drug to market to double over the last ten years. And similar to the consumer packaged goods market that I came from, the big pharma companies continue to consolidate and make acquisitions to drive new innovations and new products. So that's really what fuels the market.

And look at our Informa Markets portfolio and our brands, and we have some great brands. They are well recognised, they are trusted resource to the market. Our portfolio is principally known for the CPhI brand, which is a global series of eight exhibitions that serve our entire pharmaceutical supply chain from active pharmaceutical ingredients to machinery, to packaging, to product development and contract services.

CPhI originally was created as Convention on Pharmaceutical Ingredients, which is not the most catchy name, but has grown to represent not just the ingredients but the entire supply chain and must attend opportunities to engage face to face and online.

And we believe really strongly, as Charlie mentioned, in the digital presence to complement that face to face opportunity and experiences. I think especially in a growing digital age people really appreciate an opportunity to connect face to face. And really we have an active digital marketplace called CPhI Online, and that has over 680,000 products in their range from raw ingredients to machinery, to capsules, to excipients. And we see a lot of these generated out to our customers.

Pharmapack as the name would indicate is a Pharma Packaging event. It's a 20 year old event, it's based in Paris because the French and German markets are really strong in packaging. That event is actually evolving. This year we really saw it evolve into being more about drug delivery as the biologics need to grow and those Pharma Packaging companies continue to evolve their business to serve that market.

And globally we have over 100 colleagues selling into the series of CPhI events. The revenue as the chart will indicate here, primarily driven from standard booth sales and this really highlights our great opportunity to diversify the revenue, growing digital on sponsorships as we grow our

portfolio with a great customer base, in which you can see some of them here are very well known companies around the world.

Here's a little spotlight on our spotlight event, on our flagship events, CPhI Worldwide. I met a few of you last year there with Richard. I think I was on Week 2 of the job there, so I've learned quite a bit since then. And in your snazzy new Informa backpacks you'll find an invitation to our event in Frankfurt this year, which I hope you'll join us there. So please do find that in there and contact us for details on that.

This year we are in Frankfurt. This event previously was in Madrid last year and in Milan in 2020. Worldwide is really just an incredible event and besides debuting our new Informa Markets branding will also celebrate its 30<sup>th</sup> anniversary this year, so quite a special event.

This event spans over 100,000 net square metres, tracks over 45,000 industry professionals and 2,500 exhibitors from all over the world. It's truly a global marketplace and the leading international event for ingredients, processing, manufacturing, contract services, packaging and finished products.

And here's a global view of our Pharma Events this year within the Informa Markets portfolio. As mentioned CPhI Worldwide is our flagship and largest event closely followed by CPhI China and our fast growing events, CPhI India which moved to Delhi this past year, and CPhI North America, which traded last week in its third edition.

And one of the opportunities that most excited me about this role in the combined Informa was being able to collaborate with Pharma portfolios across the Group including the EBD Group in the Informa Connect Group and the Pharma Intelligence Group, within Pharma Intelligence. And this year it's CPhI Worldwide, EDB Group will collocate their bio production event and Pharma Intelligence is collocating their awards at our show. This really highlights our ability as a larger Informa to really create the best opportunity and best experience to serve the market in the way they want to.

We continue to look at new opportunities to work together across the globe. And we're also continuing to look at new opportunities to geo adapt. We've done a really excellent job. CPhI is probably a fantastic example of that, how the brand has really been able to geo adapt. I think that's something we've really learned from our colleagues at UBM in terms of the combination.

We're looking at expanding to Dubai in 2020 and North Africa and Latin America in 2021. And we are really focused on a sustainable growth plan. This includes solidifying a CPhI Worldwide venue strategy through 2030, diversifying revenue as I mentioned through digital offerings and sponsorships with the right supporting teams to develop those.

And with those new offerings and platforms where we're working on a sales transformation to really embrace the consultative selling process and gain a deeper understanding of our clients so we can better serve them in the marketplace.

And we are continuing to focus on digital opportunities and moving CPhI Online into, Charlie mentioned the MarkitMakr platform next year, extending our digital content team and launching

vertical newsletters to drive the unique content for each of the subsets larger Pharma market that we serve.

And our aim is really to be a market facing, purpose driven in a customer focused portfolio with a content strategy to complement the larger digital strategy and really be aligned with different partners within that. And one of them is the International Medical Corps who delivers a non-profit, who delivers supplies and healthcare services to areas affected by conflict, disease and natural disasters. And it really helps us get an opportunity to align our brand and our team and our clients with a group that's bringing good to the world.

And really one of my favourite customer value initiatives which is the focus as we look at Informa Markets, we have a secret shopper initiative this year at CPhI Worldwide. So it's something that I'd previously done in my natural products history, outsource it to an agency to really act as a client of ours and act as an attendee of ours without full knowledge of the team that's serving them. And it really does help them give us an understanding of how we can improve that experience for them and better serve them. And it's I would say you're so close to it that you can't see through it, but it really helps us understand the full experience.

And as Charlie mentioned our prior Informa Advance Initiative, really improving upon matchmaking services. Currently we have a few different options we look at within the CPhI portfolio and this gives us a goal to capture those meetings taking place as well as create customer services and packages.

And so overall the Pharma market continues to have consistent high levels of growth and innovation. We aim to really deliver the products that can meet those needs. And Pharma's wider portfolio with resources including Pharma Groups within other parts of Informa gives up new geographies and new opportunities for growth, including our growing our digital offering, diversifying our revenue and expanding into new markets.

Our ambition is to have a consistent mid to high single digit growth and attractive margins going forward.

Thank you. I'm going to pass it onto my colleagues in the Fashion portfolio.

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**Specialist Markets: Fashion Focus**

**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

Adam, thank you very much. So now we're going to talk about something much more interesting than pharmaceuticals, which of course is fashion.

My name is Mark Temple-Smith and I run the US - well the North American Fashion business. Actually, and you'll be aware it's a big business and it also faces some headwinds right now.

Actually I'm not a fashion guy myself, I think Stephen points this out fairly regularly. But I came to the business, I joined Informa last May actually as a Commercial Director and so my initial

interaction with the fashion business was part of the integration that we were doing after the combination. And I found that as I was going through the business it was very interesting to me, every time I'd ask a question someone would tell me, it's different, it's fashion, we can't do it that way.

Well, I think my understanding after spending some weeks in the businesses, you know, fashion is very much the same as any other tradeshow business. It's maybe 5% different. And the 5% difference is really where I need some help to navigate that and so I was really delighted that Colette Tebbutt can join me and she's been on this journey with us for the past nine months.

Colette is somebody who really is fashion. So, between the two of us we've brought a wealth of tradeshow experience and a wealth of fashion experience.

I'm going to pass over to Colette now. Colette's going to talk to you about the business and where it sits within the fashion industry, but before I do that I really just want to draw your attention to the image in front of you. This was an image that was taken at the entrance of MAGIC, which opened in February this year.

MAGIC is our biggest trade event within the fashion business, and I think everybody in the room is probably familiar with, well I hope you're all familiar with tradeshows. And the way that we generally gauge the impact of a tradeshow and its effectiveness and how well it's going is by the number of bodies on the floor and whether those buyers are buying.

It really looks like a busy show, I picked that image out for that reason, and I think what we're about to tell you hopefully is that this is a business that isn't going away any time soon. Colette.

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**Colette Tebbutt, Fashion Industry Advisor, Informa Markets**

Thanks Mark. Good morning everybody. As Mark just said, I'm Collette and I've been working with Mark for the last nine months looking at the Informa Fashion business, but before that I've been running tradeshows and publishing within the business for the last 25 years.

So let me give you an idea of what the fashion industry's all about. It's big. At \$1.2tr it's almost as big as the pharmaceutical industry that Adam's just been talking about and it's an industry that brings new products to the market throughout the year. It used to be spring/summer collection, autumn/winter collection. It's now dropping four to eight times a year.

And it's a people business. It's full of creative, sometimes eccentric but often entrepreneurial people. For sure it's an industry that's been disrupted and it's going to continue to be, and it's increasingly global.

So where does the Informa Fashion business fit into this? Well, in simple terms we bring fashion wholesale brands together with multi-brand retailers. Anybody visiting a show in the US will probably be attending one of our shows.

We've got over 20 show brands but the two that most of you will know and anybody in the fashion industry would know, are COTERIE in New York and MAGIC in Vegas.

We're a traditional tradeshow operator and like Pharma with 95% of our revenue come in from booth sales. But again, it speaks to the opportunity that we do have in digital.

And of course we're not talking about fashion as a single industry. We cater to all sections of the fashion business and whilst 50% of our business is in women's wear, we have leading shows in menswear, children's wear, footwear and accessories.

We also have a significant sourcing business where we connect fashion brands with overseas factories. Currently our sales are around \$150m. That's the biggest tradeshow business in the fashion industry. And whilst it's an impressive number we all know that it's declined over the last 36 years, and that's what Mark and I here to talk to you about today. And I'm going to pass back to Mark, who's going to explain to you what we think is happening.

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**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

Thanks Colette. So, well the good news is that the fashion industry in the United States is growing, it's growing at about 4% a year. But it is disrupted and in simple terms that impacts us. It means there's a consolidation of the buyer numbers. When we see a consolidation of buyer numbers it impacts the attendance at our shows, which impacts the revenue of our shows.

There's no simple explanation as to why that's happening. It's a complicated scenario and if you go out to the fashion shows and you go and ask the fashion brands themselves no one really knows what's going on. Everybody's searching for answers and everybody is looking for leadership in the business.

There's no doubt been a shift to online and arguably in the United States there's an over capacity of retail space. That's resulted in something like a 5% reduction in retail over the last three to four years.

However, that's not the only reason. Our business has consistently underperformed the market for the last three years and so we have to look at the reason for that.

This is a business of businesses. Four acquisitions over the past six years and a lack of completed integration means that the business hasn't been able to operate effectively. All aspects of the business have been impacted whether it's management, structure, process, technology or data, this is a business that's been tied up in knots. Quite simply, if you've been a customer of ours then you really needed to want to be a customer because doing business with us has been really difficult.

So what's the plan? I think many of you are probably going to be more familiar than me with the Informa's GAP programme that was something that was instituted I think in 2014, Stephen, for the main company. Well what we're doing is we're just applying the same principles of GAP to the fashion business.

And we've identified six pillars of GAP. These are addressing leadership and talent, venues and scheduling, operational fitness, we're simplifying the proposition that we go to market with, we've got an awful lot of show brands, very confused messaging to buyers. We're looking at industry depth and we're looking to the future to set ourselves up for growth as we come out of this situation that we're in now.

But of course change requires investment and that's where Informa is perhaps a little bit different to the previous owners of the business. We've committed £10m over the next three years towards implementing that change and that improvement of process within the business.

So, let's take a look at these pillars of change.

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**Colette Tebbutt, Fashion Industry Advisor, Informa Markets**

Okay, when we took over the business in September it was immediately obvious to us that the management was siloed and actually it lacked accountability. In effect that meant that decisions made were often made for the benefit of the individual department but impacting negatively on the business as a whole.

For instance, our marketing automation technology was incompatible with the system holding the data. This meant our marketing teams and our show teams had lost a whole load of buyer details from the database, while if you did a search on our website for a footwear events you couldn't find anything that related to a footwear event. The departments had stopped talking to each other and basically the business wasn't functioning effectively.

Within our first month we redesigned the operating model and in doing so established best in class leadership team and management structure. 75% Of this management team are new to fashion, but they're not new to the tradeshow business and they bring with them great expertise.

We also introduced new roles, a Chief Commercial Officer responsible for all revenue generation, a Business Transformation Leader responsible for change management and a new Head of Operations, which has proved to be a really critical role for our business.

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**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

Yeah, that has been a critical role. The reason for that is the Operation's Director in our business holds the contracts and the relationships with the venues. And venues are really critical in our business. I think I mentioned at the start that maybe fashion is 95% the same as any other tradeshow business in the world.

Perhaps the 5% or a part of the 5% is really to do with dates. Dates really trump everything else in the fashion industry. And I realised this, I went over to Paris for Parish Fashion Week last year to look at a tradeshow over there and the interesting thing about that was that as I looked at the

tradeshow I realised that its value is to connect the international buyers that are all in Paris for Paris Fashion Week.

But when you looked at the value or the USP if you like of the organiser it was really the fact that they had two venue contracts on a long term basis in the centre of Paris during Fashion Week. If you move that event two or three days forward, you probably wouldn't have an event at all. So, really for us dates are absolutely critical.

Now returning from Paris back to the office I ordered a forward review of the dates for our events that we have in the United States and that was quite shocking because looking forward we had some significant misalignments of dates with other shows, with our own shows, with the buying market. If you're not on with the buying market in fashion you can be running your event two weeks too late and the whole market has finished.

So, as you can imagine, changing the dates on a full facility show in New York or Las Vegas 9,12, 18 months out from the event, it's really challenging, and it can be an expensive process.

But there's one event in particular where venues are really critical for us, and that's MAGIC in Las Vegas.

MAGIC is a huge event for us. It's twice a year. It takes place in February and it takes place again in August. It accounts for a large proportion of the decline in the business. Fix MAGIC and the decline reduces drastically.

I mentioned earlier that our biggest challenge is the buyer numbers. Well MAGIC has traditionally place in two venues. It takes place in the Mandalay Bay at one end of the Las Vegas strip and it takes place in the Las Vegas Convention Centre, which is the other end of the Las Vegas strip.

Now during the day with traffic it can take a buyer 45 minutes to travel between the two venues. So when we looked at the buyer data for the two venues what was really alarming was that 50% of the buyers only attended one venue even though they were in Las Vegas at the same time.

So this August we're going to be unifying MAGIC in one venue. And we've called this initiative, ONE MAGIC. The impact of the buyer experience will be to make that a much easier shopping experience. They can go to the Las Vegas Convention Centre, they can shop everything in one go. If they want to shop women's wear, they can find the suitable shoes, they can find the suitable apparel. Everything is all under one roof, it's a much simpler buying experience.

For exhibitors those fashion brands that are there, they can potentially double the number of buyers because 50% weren't coming the year before.

So that makes a huge impact to our business. With stabilisation of MAGIC comes stabilisation of a large part of our business.

So what about operational fitness? Well operational fitness really refers to the ability of the business to execute effectively. When we arrived in the business, we found that over 50% of the

buyer data was suppressed, Colette just referred to that. We couldn't use it to promote the show to buyers. We found that the sales teams were focused almost exclusively on retention business. That means they're booking the same exhibitors year after year, after year, which on a declining business clearly accelerates decline.

In our very best business we sold something like only 14% new business with something like 25 show brands, with 25 associated sets of pricing, with 250 types of sales contract, so you get an impression. Quite frankly if we'd doubled the headcount of the company we still wouldn't have been able to provide effective customer services. So these are all the issues that we're addressing with GAP.

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**Colette Tebbutt, Fashion Industry Advisor, Informa Markets**

So, what about the 25 show brands and associated pricing? We said earlier this is a business of businesses. I've described it as a spaghetti bowl of events, brands and pricing. Literally two exhibitors can stand either side of the same aisles, seeing the same buyers but both know they're paying significantly different prices. That's not great for satisfaction scores and it's not sustainable.

Last year we began to simplify the offering into a small number of hero show brands with a simplified pricing structure. Our 250 contracts, some of which we found still had fax numbers on, have been simplified and put into a new online exhibitor portal.

Marketing is now focused upon speaking to individual communities. It's no longer a backed and blast operation. Our websites are being built from the ground up and a new app introduced to make the buyer's journey more effective. In short this is GAP and it allows the business to be agile in a way that I just hasn't been before.

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**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

And Colette's not joking about fax numbers either. I'm not sure if anyone in the room still has a fax to fax the fax to reach the fax. But anyway I hope this has given you a sense of the business that we've taken over. It is big. It faces some headwinds. It is complicated, but I think the message today is we understand the problems and we've got a plan.

Many of these issues are self-inflicted and can be fixed. Our aim is to stabilise the business which then offers the opportunity to find growth potentially from revenue and geographic diversification. Thank you.

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**Colette Tebbutt, Fashion Industry Advisor, Informa Markets**

Thank you.

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**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

We'll hand over to Margaret, I think is going to take us to China.

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**Specialist Markets: China Focus**

**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Thank you. I think the podium mic works better, so I'll probably stay here. So the first thing you'll probably notice in the printout my legal name, Margaret Ma Connolly, and I don't look anything Irish. 100% Chinese, my heritage. So right now I'm based in Hong Kong overseeing the Asia business but for the past ten really I was based out of Shanghai looking after our business in mainland China.

So this topic about Greater China is very much close to my heart, not only because of my cultural upbringing, also because as you really dive into the China market it's fascinating. It's a market with many challenges but also presents us with many growth opportunities.

So, this map of China everybody knew about it already, so because China is in the news so much I wouldn't want to spend too much time on the general demographics and the micro stats.

But in the map you will notice there are some key cities highlighted with population numbers, and this is probably incomplete in your view because, you know, there are many other megacities in China with even larger population numbers. The reason we didn't highlight those because for B2B tradeshows these are really the main tradeshow hubs that give international buyers and domestic suppliers access to the key regions of B2B trade. Shanghai's leading the way. Of course there's a lot more development in South China.

And another important trend to highlight if you see the right-hand bottom the consumption gross rate you will notice is higher than overall GDP. That has been happening quite quickly in many parts of China. This really sets important context for our China business growth for Informa Markets.

A very similar slide, but you will notice we highlighted the venue capacity under each of the key cities. Again with Shanghai being the main economic hub leading in venue capacity but also we have more venue capacity coming online, which I will share a bit more later about the super venues.

And for the past 20 years actually the economic development in China has been primarily driven by export lead trade. But it has been changing from made in China and these days really becoming more sold in China because the domestic consumption has been growing very quickly, outgrowing middle class close to five million.

So you will see this chart on the left side the breakdown of global exhibition markets by country with the US being number one, but Greater China is the second largest market globally, ahead of Germany and the UK.

In terms of our China market space growth it's not easy to really accurately track all the private organisers, their activity. But based on the square metre we can see sold in the market from 2013 to 2017 China's growth has been very consistent, 7.5% ahead of GDP. But if we look at exhibition market spend as part of the GDP, China remained very low compared to other countries like the US. We believe that China has a lot more room to grow.

Also a lot has to do with the Chinese government, not only Central government but also local government's commitment to tradeshow development. They really understand the multiplier factor of a tradeshow bringing to the overall economy.

So, our overall business position in China, very strong. Informa Markets, we have 19 offices in this region and over 800 fulltime employees, very high calibre. We have strong brands in many of the verticals, over 100 of the B2B brands last year all together brought 2.5 million high quality trade buyers.

If you look at a tradeshow revenue mix it's actually a bit different from Charlie's presentation. China markets is a lot more space driven, it has to do with the stage of development in this market and also has to do with additional venue capacity coming online.

But it's changing. We're making a lot more investment in content, education and digital. In some of the larger events you will see the mix actually is quite different. We have a lot more incremental space revenue growing.

Customer mix in China, it's always interesting when you present it. If you look at it, actually we do have a lot of international brands in all our shows, but they are really considered to be a local customer because the contracts are signed locally, budgets will come from these multinational's China BU. Products are made in China and then they're specifically designed and sold to Chinese retailers.

And we have a lot of strong brands, not only are there geo adapts of our leading brands from Europe and the US. Some of them they actually are the largest event platform in this category globally. So a lot of the leading customers actually will do global product launches at these events.

For example our jewellery show, September in Hong Kong and also our baby product show in July in Shanghai. So these are the global platform but based in China.

We cover many verticals, quite diversified. In this slide you will see there are eight key verticals we focus on. The combination actually brought a lot of great assets together. For example in beauty, at which we will take a deeper, closer look later. And also Informa and UBM together we really strengthened the construction portfolio, as well as food and hotel.

Overall you will see probably Asia overall it's true we have a lot more strong brands in lifestyle in consumer finished products. But actually in manufacturing, in advanced manufacturing we have been developing quite quickly. You will see brands like ProPak in packaging up to electronics show and medical technology.

This is very much aligned with the Chinese Government focus on upgrading manufacturing to Industry 4.0. A lot more introduction of AI industry automation into the mix. Those sectors are continuing to grow.

And then this slide very much focuses on the breakdown on our verticals. About 12 of these are vertical in China. The top three are jewellery, beauty and food, very straightforward. These three really account for about 50% of our total revenue.

Our growth for the past five years if you see the revenue figures, the bar chart, actually are consistently ahead of GDP, also ahead of general market growth. We believe that trend will continue.

The reason we're so successful in China has to do with quite a few things. One is we were early in the market. Actually we were the very first company to establish forming a joint venture in the Shanghai Free-Trade Zone in the exhibition industry. At the time it was very unusual to even obtain MOFCOM approval. And through over two decades we have successfully nurtured 18 joint venture partnerships. And also beyond that we have a substantial wholly owned business in Hong Kong and Shanghai.

And then we look at why we can continue to differentiate from our peers. China is a market that's highly competitive. All the international players are there, even those late to the market are bringing a lot of investment and a lot of commitment to the market.

So how we differentiate, really three things. One is talent. Like Charlie said, events are all about people. Of course it's a face to face people business, but it's really down to our calibre of people on the ground.

We differentiate not only by we say the superficial localisation where everybody tends to refer to expatriating an expat manager back to a home country, replace with a Chinese national, maybe educate abroad. We actually go much further than that. If you visit our offices in these key cities you will notice the key management in these local regions that they actually are true locals who were brought up, educated locally, speak the local dialect, are in such a deep bonding relationship with the local business community and the government. That makes a big difference, allows us to be agile to move much faster than our peers.

The other thing is really community. Not just through our standard content and marketing offerings, if we have the opportunity to go on customer visits together sometimes you will notice our sales leaders not only will present an Informa Markets business card but also an Industry Association card because our relationships with some of the partners are so close the chapter of that association in that specialist area we collocate together, we collaborate not only for the live events, we actually run a lot of roadshow education programmes all year round to advocate for healthy industry development. That really makes a big difference.

We are also quite actively engage in some of these vertical industry standard developments to really have a seat at every table.

And the last but not the least, the most important, it's all about partnerships. In this region it is especially important. We brought a very unique set of global resources but we believe in depths. Our partners, whether it's equity JV or Industry Association brought us additional resources that really is the perfect marriage together.

Managing these partnerships is not easy. We have learnt it's more of an art than a science, but it really has come a long way. And I'm really happy to see our Informa colleagues coming together are so open minded. Also leverage the legacy UBM's internal partnership model allows further cross border collaboration via internal, we call it IJV Structure. So for the Greater China region there are a lot more geo adapts on our way because of that.

So, our growth strategy for China is fairly straightforward. Really there are two dimensions. In business development we look at existing markets, where in vertical we aim to go deeper. We developed a new collocate and one inch wide and one mile deep with a lot more robust content offerings. And we also actively seek out new development in new markets that is highly aligned with China's government's five year plan in the strategic focus like the Greater Bay area, you know, with Hong Kong is being the hub for financial services for investment for R&D could really link up very well across the border in Shenzhen where high-tech manufacturing is happening.

So there'll be a lot more development on the way aligning with these key strategies in new market development.

Then also in service expansion, space revenue continues to be key but we know our customer actually wants more than that. So in addition to additional investment equality of our value offering we also look at the needs of Chinese suppliers to internalise their business.

So we have established a very strong network of sales of international development in China bringing these Chinese companies abroad to find partners, to find investment. Also it helps us to bring more revenue synergy together with the Informa Markets.

And also digital. Charlie earlier touched on Informa Advance, in China actually we have quite a few initiatives. Furniture online marketplace upgrade is now online. That itself is a sizeable digital business and quite profitable. And then we have quite a few development initiatives in the pipeline mainly focused on consumer product categories like beauty, jewellery, baby, maternity, but we want to tackle it, you know, in a very smart way with differentiation. Some might focus on finished product. Some might actually go up and really focus on the supply chain.

So a deep dive into a couple of the sector that might be of interest to you. One is beauty. You know, for ladies this is one our favourite topics. On the left hand side you will our brands, Cosmoprof series in Hong Kong. This is a long term partnership with BolognaFiere One fair across two areas because of a limitation of downtown venue. So now we have Cosmopack, the packaging event happening in AWE near Hong Kong airport. And there the downtown venue really featuring the finished product.

This is getting close to a wall bound event, a very high quality product offering and really international if you see the exhibitor mix. Visitor mix is also international.

Then on the right-hand side we have two brands really focused on the China market. But they are also different from each other. On the top right-hand corner you will see China Beauty Expo, many of you are familiar with. This event is actually going to happen in about a week's time. It's a flagship event taking place in Shanghai. If you look at the size it's actually larger than a Hong Kong event in terms of number of exhibitors and also visitors, but the audience is primarily domestic, targeting domestic retailers, professional beauty salons.

This event, is already adding packaging, adding supply chain, it has a lot more future ahead. Then in the East, more in the South West region. The South West region we have Chengdu.

The Chengdu Beauty Show actually runs twice a year and is positioned very differently. It really looks after the South West's market. It's a gateway for suppliers to enter that region. It's also growing quite rapidly.

Together this portfolio brings, you know, our international resources, our marketing power. So if you look at last year, 2018, together we generated \$75m and there are a lot more initiatives on the way too.

There's always competition. In all these verticals I've presented there are tonnes of newcomers. Their existing competitors also learnt to up their game so we need to work even more diligently together.

Food vertical, this has been within the family for quite a long time. This is also vertical with the most number of geo adapts. It has to do with how, you know, food retail works in China. So right now the portfolio contains 20 events in five key cities. So as of this week we have HOFEX happening in Hong Kong which is an import flagship event, it brings a lot more international into the region.

We also have the Hotelex series in Mainland China, already in many different cities. It started from Shanghai, now we are also in Beijing. Also Chengdu and Guangzhou. We just announced a partnership in Qingdao. So more second tier city developments are on the way.

Food series are highly competitive in just Shanghai's SNIEC venue. I counted within the calendar in that venue we have about 15 sizeable food shows. But, you know, we're clearly different. We have a very strong international network and the quality is also quite different.

The rise of mega venue in this part of the world is exciting. Many of you are familiar with the legacy UBM story on the furniture site probably will recognise any time there's a mega venue coming online it presents opportunity as well as a period of chaos. I'm sure that will happen with the Shenzhen venue too.

So on the left you're probably familiar with the Clover venue in Shanghai, 4000 square metres. When it was built five years ago everybody was saying, we do we need a venue like this? It's too big, the shows get lost. Guess what happened? After four or five years the calendar's getting really full.

Not only now we have the baby show there, the licensing expo. This summer were also moving our ProPak show, HI, FI, so there'll be a lot more Informa Markets shows in this venue, taking advantage of the space growth.

The Import Fair is now also in this venue in November. You will also notice this venue now we have a plus sign of 53,000. This is a renovation project just announced two weeks ago. Halls 1, 2 and 3 will be renovated, become a two floor structure. A second level will add a lot more space for all the organisers next year.

But because of this sort of rapid government decision some of the shows including actually shows run by MOFCOM get impacted, had to lose some of the space. Our baby show in July, at the last minute we've decided to split the venue.

So this really comes with the China market, lots of changes. We always need to be ready to come with new creative solutions. But we're happy we think we can move and our calling power of the brand is very strong and we will be able to hit the target also.

Then in South China in this new mega venue construction was a bit delayed but the Phase 1 of 400,000 square metres will for sure open in Q3 this year. There'll be some trial runs of local events but really for our main event to move over will start from next year. So auto electronic show will be the first one moving next September.

So in summary Informa Markets in China is in a very strong position and it has a lot to do with our successful track record and our reputation. We continue to grow both vertically and horizontally via a business development active link to the local economy but also some expansion provide more value add.

If you asked me to describe China I would say China is a land or prosperity, also full of contradictions. So really having strong local talent deeply engaged in local communities with a great framework of partnerships is the way forward. And we're confident we'll continue to deliver ahead of our peers.

So more to come. Of course opportunity and challenges come hand in hand, so stay tuned. Thank you.

.....

**Stephen A. Carter, Group Chief Executive**

Thank you very much, Margaret. Okay, great. So if you can hear me that's a snapshot on Informa Markets. We've got a bit of time for questions so let's throw it open to the floor. Have we got revving mics? We have, just in the front here.

.....

**Questions and Answers**

**Will Packer, Exane BNP Paribas**

Hi, three questions please. Firstly thank you for the overview, very helpful. One particular topic which is very live at the moment is the potential for a Chinese/US trade war. Could you just help us understand the Informa portfolios exposure to that and how big an issue you see it as for the exhibitions industry assuming that it does become quite serious, which I know is a big assumption.

Secondly, could you talk a little bit more about the opportunity at the Shenzhen new venue? What's the timeframe? You hear mixed things from the coalface. Some people are more cautious about exploiting it too quickly because of some the teething issues that you often see with new venues. On the other hand you have the capacity to move some shows relatively soon, which could be quite helpful an update there.

And then the last one, perhaps for Charlie. You've talked about some interesting new growth opportunities. Could you help us understand what percentage of exhibition revenue come from those opportunities today and perhaps where it could be in five years? Could this be really quite meaningful or is it more sort of nice to have? Thank you.

.....

**Stephen A. Carter, Group Chief Executive**

Thanks Will. Okay, why don't I comment just on the first one and then maybe hand over to Margaret who might comment a little bit on the Chinese/US issues as well. And if you could take the question on Shenzhen phasing, timing opportunity. And then Charlie, could come in and put in an early bid for this year's budget round for what the non-space revenue target will be.

On the US/Chinese trade war, I mean as you know we're a business that operates in the micro rather than the macro. It's one of the great strengths of Informa in all of its businesses actually. We felt a little bit of a bump at the end of last year because of some of the noise at the back end of last year and the trade war negotiations had been following a kind of an up and down path with what feels like a trend line that's going to a solution and then of course we had, you know, today's announcement.

I think, you know, we will see how the year plays out. I mean Margaret talked a bit about the rise of consumption within the Chinese market. That candidly is providing us with some significant opportunities which we're seeking to take maximum advantage of. So we felt a bit of a ripple, but I wouldn't say it's on the top of our worry list. But anyway, over to Margaret, if you want to come in on that and then maybe come in on Shenzhen.

.....

**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Sure, yeah. A China trade war, of course this is on top of everybody's mind in the media. The impact to our business, there is some but limited for a couple of reasons. One is if you look at Informa Markets brands in China really they are largely shows positioned for domestic consumption.

These shows of course have international participation but if you look at historically how US come to exhibit. The US Government is not known for giving out a lot of subsidies so they're essentially on their own really making business decisions and also a lot of US companies have already set up manufacturing, R&D in China. Really they are considered local companies so less affected that way to our revenue.

You know, also actually in terms of economic development although maybe some imports into China, less from the US in terms of agriculture, but China are also buying actively from elsewhere. The domestic consumption is something you can't stop.

So for us the tradeshow team are actively really developing a new exhibitor base, developing new buyers elsewhere globally. So our show will continue to grow with some impact in some areas but not really significant enough to really have a big worry over it. So that's what, question one?

.....

**Stephen A. Carter, Group Chief Executive**  
Shenzhen.

.....

**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Question two is Shenzhen. Shenzhen of course, yeah, for venue teething problems internally we debate a lot. If you get a chance to visit the venue right now it's still a construction zone. And compared to the NECC in Shanghai, Shenzhen venue faced additional challenges because the transportation in terms of highway and Metro are not yet ready. Actually the Metro won't be ready for quite a few years after the venue opens.

Which show to move, for the organiser - this is a bit of a difficult decision but some of the shows because they're running out of space, because our need to really take the timeslot. Mark earlier talked about how dates are really important so some you have to take really certain risks but you can actually build a lot of contingencies in the service plan around it to mitigate but need to move first.

But this move will also open up a lot of timeslots in the downtown venue where we also have very strong positions and some of our events need to grow in the downtown venue. Now we have space because some other players like Furniture Show, Gift Show, they won't move over so we're actively also getting in in the downtown space. So overall it will be good for us either in near term. The long term I think with the Greater Bay area I think this is a great opportunity to have.

.....

**Stephen A. Carter, Group Chief Executive**  
Thanks Margaret. Charlie, do you want to come in on the -

.....  
**Charlie McCurdy, Chief Executive, Informa Markets**

Yeah, sure. If you look on Page 22 of your booklet there's the middle doughnut there has the other revenues, and the biggest single bit of which is marketing services and that's largely digital marketing services targeted outbound regenerations.

.....  
**Will Packer, Exane BNP Paribas**

Is that the legacy ... [inaudible - no microphone]

.....  
**Charlie McCurdy, Chief Executive, Informa Markets**

It's mostly legacy Informa Exhibition stuff.

.....  
**Will Packer, Exane BNP Paribas**

And just one final question. Could you give us a percentage of your exhibitors in China that are American?

.....  
**Stephen A. Carter, Group Chief Executive**

No, but it's a very good question. Next question, at the back.

*Laughter*

.....  
**Adrien de Saint Hilaire, Bank of America**

Hi, good morning. So my maiden set of questions on Informa. So first of all, MAGIC, I think the number of visitors was up in February for MAGIC in Las Vegas. Can you give us a sense whether we should expect a revenue decline in Fashion to moderate then in 2019 versus 2018?

.....  
**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

Yeah, we saw a reduction in the rate of decline of MAGIC visitors in February. So I think we finished around about 4% down versus the year before. However, we had a legacy clash with our footwear section, which is quite a sizeable chunk of the event. And so if you reversed our footwear, we'd have finished 2% down versus 9% the year before, and I think 14% the year before that.

So we're seeing a decline and that was after three months and largely that was I think because we were able to release these 50% of buyers that were on a suppression list, and more effectively execute the marketing.

So of course that has a big impact as we go forward to August and we combine everything into one venue then we're hopeful that the impact of the additional buyers there is a foreteller of better times to come in terms of revenue.

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**Stephen A. Carter, Group Chief Executive**

Thanks, Mark.

.....

**Adrien de Saint Hilaire, Bank of America**

I'm sorry, just a second question. Can you also discuss some of the opportunity outside of China in Southeast Asia? I mean, how do you frame the opportunity in terms of revenues for Informa Markets in the next five years? Thank you.

.....

**Stephen A. Carter, Group Chief Executive**

Margaret, do you want to speak to that?

.....

**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Sure. Actually ASEAN is a key development area for us. Since an earlier combination prior to this merger UBM has acquired, Allworld has acquired a substantial business footprint in ASEAN and the business had been growing quite a bit. There are a lot of geo adapt also new launches in the region, strong in many categories, in particular, food and hotel and advanced manufacturing.

We believe there's a lot more room for development. These markets are going through a different, you know, life cycle. And a lot more also customers like I mentioned in China want to move the factory to some of these countries and also they want to actively establish a business presence via local partnerships. So we can leverage really our network and resources and people on the ground.

We're already the leading players in a lot of the Asian countries. The biggest pure play organiser overall.

.....

**Stephen A. Carter, Group Chief Executive**

Thank you. Okay, I think you're walking past the, yeah, exactly.

.....  
**Marcus Diebel, JP Morgan**

One question for Adam on Pharma. Thank you very much for this detailed overview. You mentioned that clearly this is a very strong market growth. The market is expected to grow from, you said I think, 1.1tr to 1.3tr. What does this growth actually mean really for an events business? I mean, I understand it's good to have an events business in an industry that's growing nicely, but if we see so much growth does it actually mean more exhibitors? Does it just mean there's the chance from geo cloning? Does it mean that budgets are maybe a bit easier and there's more to be spent?

Because I think even if the industry's growing so much, we don't necessarily have more exhibitors. Is that the right way to think about it or not?

.....  
**Stephen A. Carter, Group Chief Executive**

Are you comfortable with that question?

.....  
**Adam Andersen, Brand Director, Pharma, Informa Markets**

Yes, I am, yes. Well I think with what we're seeing the overall market is growing and it's flattening out globally a bit while the, I think it's in one my slides, but while the majority of the research and development is still happening, and production happening in the United States, Europe and Japan it's the fastest growing in China and India.

So you are seeing more customers developing especially in those markets and that creates an opportunity to grow, whereas stand sales it's engaging them and as we increase our global network being able to engage them and go into different markets that are underserved.

.....  
**Stephen A. Carter, Group Chief Executive**

Okay, the next question. Shall we take two or three in that patch there.

.....  
**Adam Berlin, UBS**

Good morning. Just one question from me. If you can sustain the revenue growth in markets around 4% to 5%, you gave a very helpful breakdown of the costs of the business which all seem to be venues or staff, admin, should we expect margins to be able to grow over a three/four year period if you can deliver that level of organic growth consistently?

.....  
**Stephen A. Carter, Group Chief Executive**

Charlie, would you like to -

.....

**Charlie McCurdy, Chief Executive, Informa Markets**

I'll answer that by saying my boss would be very happy if we were able to do that.

.....

**Stephen A. Carter, Group Chief Executive**

And I'll answer that by saying that self-evidently we would be very happy to do but I think as we've said often, and you and I have talked about it, Adam, we don't run the company to drive up margins. And you'll see a recurring theme throughout the business presentations that we think there's always a balance to be struck between getting the investment level right in order to continue to grow.

Do we believe that over time if we can keep our growth rate ticking along, we can improve our operational leverage? Yes. Do we think we can see a better drop through? Yes. But it's not philosophically how we're driving the business.

Philosophically we're driving this business to grow the top line and to sustain long term attractive performance in cashflows. And that's a matter of balance.

And part of the reason why I say that all the time, and you've got some history with our company, is that wasn't where we were. And to go back to the point of culture, it takes a long time to shift a culture and we haven't fully shifted it but we're much nearer a business that's focused on growth and long term performance than we are on the in year profits. But anyway, a long answer to a very sharp question. There were some other questions in that area?

.....

**Katherine Tait, Goldman Sachs**

Morning. Just coming back on the trade tariffs. I think one of your peers talked about the impact that's it's having actually on their US business particularly within the sort of retail space and with respect to sourcing. I'm just wondering if you can talk about any potential impact that could have to your US business? You know, very helpful to hear about the impact to the China side but interested in more colour on your US business or elsewhere.

And then coming back on the question around alternative revenue sources for the exhibition side. Can you talk about sponsorship a little bit more? I think Charlie talked about it being an opportunity on the margin. Can you give us a little bit more colour about that? Maybe a sense of within the mix of your shows where is it the highest as a proportion of overall revenue versus the average today? Thank you.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, do you want to talk a little bit about sourcing specifically and if we felt it in Fashion? And maybe Charlie, you can pick up more generally and come back on the sponsorship part?

.....

**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

Yeah, I think for the sourcing area, particularly within MAGIC, I mean that's obviously places like China and India have been huge manufacturers of apparel for years and years. It impacts insomuch as those factories coming into the US where we're really seeing the growth in our business is in the branded business coming out of China. And it really speaks more to what Margaret was making the point about consumption, internal consumption in China.

We were just in Shanghai Fashion Week and the growth now in China amongst Chinese designers, Chinese brands is actually remarkable. So we're seeing I think opportunities in apparel, but in a different way.

The factories that we're coming across from China, that's largely and starting to be migrated across to Vietnam anyway just simply because labour rates in China were increasing. So we see a diversification in sourcing but we see an opportunity in the branded business in China for sure.

.....

**Stephen A. Carter, Group Chief Executive**

Thanks, Mark. Charlie, on the sponsorship point of what ...

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**Charlie McCurdy, Chief Executive, Informa Markets**

Yeah, generally sponsorship if you look at that same, doughnut chart. What is it, 4%'ish of revenue? That ranges quite a lot around the world in various sectors and shows that they're serving mature markets in mature regions, like there's some elements in the US that can be 10%. And they're in less mature marketing environments and regions, as you saw in China it was 3% or so.

So I think that the endemic sponsorship programme is generally a secondary sale after the stand sale and I think the overall mix can grow over time as practices mature in different parts of the world.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, I'm going to ask for just sort of two or three short, sharp questions as opposed to triple play questions. So wherever you want to take the microphone, because I'm going to irritate people if I direct you.

.....

**Ben Peters, Evenlode Investments**

I just wondered if I'm an exhibitor going to a show what's the benefit of going to a show that's part of a global network versus the sort of prior world of fragmented ownership of shows?

.....

**Stephen A. Carter, Group Chief Executive**

That's a great question actually. I don't think we've ever been asked that. Did you get the question Charlie? What's the benefit of, I'm an exhibitor?

.....

**Charlie McCurdy, Chief Executive, Informa Markets**

Yeah, I'll tell you the as an exhibitor at a show if I'm a beauty supplier in Shanghai next week, next week? Two weeks.

.....

**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Next, yeah, a week's time.

.....

**Charlie McCurdy, Chief Executive, Informa Markets**

There's no particular benefit at the show. We can on the balance bring more global attendees and buyers to the show than a pure play local could do. But it's more important that in other conversations across our portfolio we can bring your business into Bangkok or into Southeast Asia or into other parts of the world with an organisation that you have confidence in dealing with.

It's more the expansion element beyond that show that you're at.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, two more quick questions.

.....

**Iain Whittaker, Liberum**

Cheers. Two questions please. First of all just in terms of Fashion. I mean anecdotally so the one point that's been made about Fashion in terms of the impact on tradeshow is that for a lot of smaller brands now in particular they can go direct to the consumer versus online. So they've no need to go to a tradeshow, no need actually to go into a store to visit a retailer. That would seem to be more of a structural sort of issue for fashion shows, so how do you actually deal with that from a secular impact?

And then the second question just in terms of digital, I mean digital sort of gets bandied around a lot as a particular term. But in terms of what exactly do you mean in terms of digital opportunities moving forwards because we've heard it several times? I mean are you thinking more in terms of business intelligence that you think that's the greatest opportunity? Do you think it is in terms of even something like workflow solutions for some of your customers? Are there any other sort of particular areas in digital that you're talking about? Because digital can range to a whole gamut of products and revenue streams.

.....

**Stephen A. Carter, Group Chief Executive**

Mark, small players and e-tailers, why would they come to a tradeshow?

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**Mark Temple-Smith, Brand Director, Pharma, Informa Markets**

Yeah, I think this direct to consumer has been a fantastic way of small designers, designers coming to market in a way that they've never had an opportunity to do before. And in many ways if I was going to make a comparison, if you drew a triangle, you know, maybe going back five or six years at the bottom you would have all of your retailers. At the top you would have your fashion brand. The fashion brand had a huge number of retailers to choose from in terms of the way they got their collections to market.

Now I think that situation has probably reversed and at the top you've really got the retailer, at the bottom you've got the fashion brands.

But I think the trust of it is that direct to consumer ultimately is a really difficult and expensive model to scale and so what we see more and more is those brands that start out director consumer ultimately go to a bricks and mortar profile anyway. So, you know, you've got that element.

But also, I mean, we see e-tailers coming to the tradeshow. Around about 10% of our buyers that come to for instance any tradeshow that we're doing are coming from the online world. They're coming actually to source and buy at a physical show. So I don't think that that director consumer disrupts us too much, I think it's also an opportunity.

.....

**Stephen A. Carter, Group Chief Executive**

Okay. Charlie, digital.

.....

**Charlie McCurdy, Chief Executive, Informa Markets**

Digital, here's what it means in Informa Markets. The main service we provide is we provide qualified buyers to suppliers on the one hand, and qualified suppliers to buyers on the other hand.

And that's essentially what we're doing through our digital products. It's in that the flow of marketing spend in a marketplace we're able to provide qualified suppliers to B2B buyers who need to know who they're dealing with and they're qualified. And vice versa that the leads are coming in from highly qualified buyers rather than it can come out of a Google search for instance, which has massive, unactionable leads.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, one last shot. Killer question.

.....

**Charlie McCurdy, Chief Executive, Informa Markets**

No, no killing.

.....

**Stephen A. Carter, Group Chief Executive**

I'll leave you to choose. I'm worried already.

.....

**Simon Baker, Société Générale**

I'll try not to let you down. So on Slide 19 you've got an acceleration in the growth looking back from 2017 to 2022, 3.4% CAGR, up to 5.1%. I don't want to pick you on sort of the actual nuance of the number, but do you agree with the vague idea of an acceleration growth?

And if so, could you give us a bit of a sense as to how much is sort of revenue synergies coming through for the industry and how much is some of those structural benefits, so sort of Pharma and China and more venue capacity, etc? Thank you.

.....

**Charlie McCurdy, Chief Executive, Informa Markets**

All right. Yeah, the data there, that's the whole industry forecast for a somewhat higher growth rate over the coming years. I would be very happy to see that obviously and we continue to have a goal of if that comes to pass to exceed the industry growth over time. I'm not promising that the industry's going to grow at any particular percentage growth.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, I'm going to break it there for some tea and coffee. Tea and coffee will be served around the back. I think we want to back here, when Richard?

.....  
**Richard Menzies-Gow**

So probably 11:40am.  
.....

**Stephen A. Carter, Group Chief Executive**

Okay, so if we can be back at 11:40am. So that by my watch is about 20 minutes comfort break. For those of you who have burning questions for the Markets team feel free to grab them during the break. Thanks.  
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**Coffee Break**  
.....

**Session Introduction**

**Stephen A. Carter, Group Chief Executive**

I hope you enjoyed the session this morning from Charlie and colleagues on Informa Markets. Now all the Informa Markets team will be here, so feel free to continue the conversation over lunch.

Talking of lunch, before you get lunch I'm afraid you've got a little bit more work to do, so the next sessions are first of all Patrick and Ian Branch, who are going to give us a sense of - as I said at the beginning, how we're approaching operational combination, what does that mean practically and try and bring to life some of the real questions you have to ask and answer when you're putting businesses together.

And then Patrick will then take us straight into where are we in Informa Intelligence at lead a conversation led by Linda and Ramsey on our Pharma business. And I know quite a number of colleagues have already had a chance to sample Citeline.

But then we'll do a quick stage turn, but please don't disappear and go straight into the culture question time and that will lead us into lunch. We probably therefore won't break for lunch until 1.15, so if you want to set your own appetite suppressor, then at about 1.15 we'll all get a break. But without further ado I'll hand it over to Patrick, over to you Patrick.  
.....

**Scale and Simplification**

**Patrick Martell, Group COO & CEO, Informa Intelligence**

Thank you Stephen. Hello, good morning, and obviously thank you for your time. My name is Patrick Martell and I'm the Chief Operating Officer for the Informa Group and the Chief Executive of Informa Intelligence.

For this part of the presentation I'm wearing my COO hat and delighted to be joined by Ian Branch, our Global Business Services Director, who was a member of the UBM Senior Management team prior to the combination.

We will jointly present our plans to improve both the effectiveness and the efficiency of our Group operations. There will be an opportunity at the end for any questions.

Hopefully this looks familiar to everyone in the audience, it is the updated Informa divisional structure announced at the 2018 full year results in February.

As most of you know I've spent the last five years largely focused inside the business, now called Informa Intelligence, which we're going to talk about in more depth shortly. I continue to oversee that business and also have a role within Global Support, which provide a range of specialist services to the divisions, such as IT, property, procurement and shared services.

The current Informa footprint across the world has been created through a combination of consistent organic growth and through a number of successful acquisitions, in particular Penton and UBM.

As you know our size and scale has increased relatively quickly over the last few years and we now have an opportunity to leverage that scale and to start the process of unifying our back office systems and our processes.

In my role as COO and following on from the successful integration of Penton I'm also responsible for the delivery of the UBM combination, the Accelerated Integration Plan. We are fast approaching the first anniversary of the UBM acquisition and we are extremely pleased with the progress that we have made.

As I hope you will see and hear today from both legacy Informa and legacy UBM colleagues it really does feel like one business, even though there is still much to do behind the scenes to optimise what we might refer to as the plumbing and the wiring.

This chart on the screen will be also hopefully familiar to everyone, setting out the areas of focus. The Accelerated Integration Plan is being delivered to plan, to schedule and without disruption to trading. That last point is a very important one. To be in a position where we have - has really required super human effort from many individuals and teams across the Group to get to where we are.

The area I'm going to talk in more detail about now is our cost synergy programme.

When we announced the UBM combination you will recall that our initial target for cost synergies was a £60m run rate by the end of 2020, with £50m being delivered during the first full year 2019.

After a few months of ownership and understanding from the inside we increased that target to a £75m run rate by the end of 2021.

I am pleased to say that we remain firmly on track to meet those targets. In Phase 1 which really addressed duplicative cost in head office and some management overlap on the businesses we can see the £50m target, so are comfortable in delivering our plan this year.

Similarly, Phase II which addresses duplication in areas that take longer to extract savings, software licences, real estate, contracts, etc, also remains on track, with good visibility into reaching the £60m run rate by the end of next year, rising to £75m by 2021.

Critically we have been able to deliver immediate financial benefits without impacting trading. We deliberately didn't target savings from the back office for the first year of ownership to avoid the risk of disruption. And we also wanted to ensure that we fully understood the combined business before we sought to simplify and transform the back office to unlock those savings.

2019 is the planning year and we will start to look at implementing our plans from 2020. I'm very pleased to report that that preparation is proceeding well.

As I mentioned earlier the Informa Group has grown and expanded rapidly over the last five years, through organic growth and successful acquisition. We have also become a more international group during that period. We have built significant scale across our operations, but also understandably a lot more complexity.

Our opportunity is to reduce that complexity and as a consequence improve both operational effectiveness and operational efficiency. This is a key point to stress as Stephen has already made clear; our start point is to focus on how we improve our effectiveness.

If we can drive the operational effectiveness across the Group then we will also be able to find efficiencies as we reduce the many different ways of working and increase our consistency.

There is a significant cost pull to go for, the total cost of finance in the Group today, including all of our end to end processing is around £100m, all of which is potentially in scope for Phase III.

I will now hand over to Ian who will delve into a little bit more detail and then I'll come back to summarise and conclude this part of the presentation.

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**Ian Branch, Global Business Services Director**

Thank you Patrick and good morning everyone. So with the acquisition of Penton originally in 2016 and then the combination with UBM in 2018 today we manage a very mix set of global platforms, multiple organisational teams and more than one set of global processes.

On this slide you see that in terms of platforms we have a substantial amount of our business supported in SAP and then two different instances of Oracle. And then as you can also see, a

number of business, mostly the latter acquisitions, more recent acquisitions, some parts of the business that are not on either of those two main platforms.

And although our eventual goal might be to end up with a single ERP platform we took actually an early decision that we'd bring most benefit to the divisions and specifically to the way they interact with customers by aligning each division to one or other of the two platforms, i.e. either SAP or Oracle. Even this will be a large multi-year operation. And that's because they are not just accounting or transactional platforms, but they do fundamentally impact the way that we transact and interact with our customers.

Informa Markets inherited the majority of the UBM business and therefore it makes logical sense for them to look to migrate more onto the Oracle based environment. And the other divisions currently are predominantly on SAP and so they will work to have their businesses migrate fully onto the SAP platform over time.

So the Shared Services organisation in Informa covers many aspects of our business critical activity. It is where we interact with customers through invoicing, collecting and applying cash, managing subscriptions, providing customer support. It's where we manage purchasing transactions with our suppliers, we issue purchase orders, receive and match invoices, make payments; maintain relationships with banking partners, etc.

In the larger countries it's where we manage payroll operations and coordinate with employees and with HR. It's where we manage tax calculations and tax submissions and liaise with the tax authorities and it is where we manage all accounting operations, we close the books, we manage the integrity of the financial statements and ensure a good financial close.

As you might imagine the combination of the businesses and alignment into divisions has resulted in many different processes and services delivered in many different ways. And this has meant multiple types of interaction and multiple ways to engage with our customers and with our divisional teams.

And we also serve our customers in divisions from multiple locations. Again this global spread is largely the result of a combination of Penton and UBM with the rest of Informa.

And we have a mix of organisational models. Some operation centres cover all aspects of back office support, others acting more as centres of excellence with the more routine or non-business facing activities being carried out in offshore transactional centres and sometimes through partnerships.

So there is good opportunity here to make this operation more effective and more efficient by providing divisionally focused support that's consistent across the global. Providing knowledge based centres of excellence which are near the business operations and then developing global or regional back office operations for the more scalable or more routine activities.

So all this presents an opportunity for us to organise our shared services support organisation to deliver more consistently and effectively to our customers, to our divisional teams, our suppliers

and our employees with fewer manual interfaces, lower variation in processes and a more consistent and connected offering with fewer touch points.

And our approach to this needs to be a combination of organisation and systems design, process and platform simplification through things like lean reengineering and disciplined programme management.

Like many businesses we see the role of global process owners or a global process approach as a key enabler to driving this change. And these bring process expertise across the processes like order to cash, purchase to pay, record to report. And we need to invest more in those and also in the areas like master data management and in internal reporting, management reporting.

The global process owners typically identify and manage priorities across effectiveness, making sure we have a service that works for the business; efficiency, looking for scale, cost, and process simplicity; and compliance for assurance, financial or otherwise, particularly focusing on the impact of change when we make a change to a process the impact it may have on another area.

Primarily we will prioritise for effectiveness in these parts that touch our customers and that make our divisions distinctive. We do also see efficiency opportunity as we look deeper into the back office. That may be around location, it may be around automation and it may be around standardisation.

So we've developed so far a high level programme across four key areas, the first one being around platform stability and connectivity as you bring those platforms you bring the processes, the sub processes, the associated platforms and programmes together, we need to make sure they connect well for the divisions and the business as it's now structured, settle down the SAP implementation which is still relatively new, just over one year old and improving where we have kind of manual interactions, manual handoffs, manual interfaces.

Secondly, to optimise those platforms creating flexibility where needed at the top end where we touch the business and the customer, but resisting too much complexity being built in.

We're working on our target operating model for leadership and for organisation structure. And we'll work on our global footprint; we'll look for opportunities to serve customers and businesses more effectively and our approach to partnering and or scale and innovation. Patrick.

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**Patrick Martell, Group COO & CEO, Informa Intelligence**

Thank you Ian. So in summary and conclusion the AIP programme is running to schedule and to budget across the board. And more specifically we're on track to deliver the cost synergy programme we have announced, with £50m of savings delivered this year and the target run rate by the end of 2021 of £75m of annualised savings. Phase I and Phase II we're very confident about.

Planning for Phase III of the cost synergy programme is well underway, with a goal to start implementation going into 2020. This phase is targeted at our back office and the many end to end processes within the £100m of finance cost across the Group.

Our prime focus through Phase III is driving operational effectiveness through simplification and improved consistency. But we have set ourselves the ambition of improving both effectiveness and also efficiency, which we believe could lead to more cost savings over time.

Thank you for listening, that concludes this part of the presentation and I think we're taking questions at the end as a whole, or now?

.....

**Stephen A. Carter, Group Chief Executive**

We'll maybe take questions on this section now and then we can go back into the business. Over to you Patrick. If they're too tricky you could push them back.

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

I'll just start reading the next one.

.....

**Questions and Answers**

**Matthew Walker, Credit Suisse**

You mentioned the £100m, is that the cost saving opportunity, the £100m, is that the base for future cost saving opportunity, can you just give a big more clarification? Or is there more cost base which could potentially be removed as well, can you just clarify?

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

No that's the cost in scope for Phase III of what we call our end to end processes, shared service centres, IT costs, process costs.

.....

**Matthew Walker, Credit Suisse**

So the savings are going to be a portion of the £100m.

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

Yes.

.....  
**Matthew Walker, Credit Suisse**

Okay, right, thank you.

.....  
***The Power of Specialist Data & Information***

**Patrick Martell, Group COO & CEO, Informa Intelligence**

Okay, switching hats, we're now moving to present our plans for Informa Intelligence, our specialist data and information division.

In my operational role as CEO of Informa Intelligence I'm delighted to be joined by Linda and Ramsey who will introduce themselves in due course. I will give you a brief overview on the division and expand on our Financial Intelligence business before handing over to Linda and Ramsey to deep dive into the Pharma business.

Again, thank you for your time and we will have opportunities for questions at the end.

To come back to one of the core themes of the day, the knowledge and information economy everyone here experiences the effect of being surrounded by more and more data in both our private and professional lives. I'm sure everyone also feels that sense of being somewhat overwhelmed at times, too much information and making sense of it quickly and accurately is increasingly difficult. And as this slide illustrates that trend is only likely to accelerate in the years ahead.

In that context anything that helps cut through that noise to what matters, to convert data into actionable information is increasingly valuable.

Our Intelligence division does exactly this, providing insight and intelligence to specialist areas of large complex markets where making decisions faster drives competitive advantage and improved return on investment.

Given the background I've outlined it's no surprise that the B2B intelligence market we operate in is a large and growing one. And as the trends suggest demand for specialist intelligence will increase, as you can see on the outsell chart here. The outlook for growth is pretty healthy at around 5% CAGR.

The US remains that largest market for B2B information, but with higher growth rates now being seen in parts of Asia.

One of the great features of this market from a business point of view is that the business model tends to be largely subscription based, with the significant majority of our revenues coming from subscriptions it gives us visibility and predictability as well as very powerful financial characteristics.

We have particularly strong positions in two of the largest three markets for business information, Pharma and Finance, both of which are headquartered in the US.

I joined Informa in 2014 and the priority was to reverse several years of revenue decline. Our focus was initially on improving renewal rates, which yielded immediate benefit. This was followed by the GAP investment programme and our products and platforms to drive improved new business rates whilst maintaining those renewal disciplines.

We got the business back into growth in 2016 and have continued to see further progression since then.

We have throughout that period made some changes to the portfolio, initially to exit markets we did not want to be in and now to consider some areas where despite having strong businesses they are not in markets where we might want to make further investments.

The Informa Intelligence journey has been both exciting and successful and we now have a well-organised business in growth, providing specialist subscription services to global markets that are also growing.

As you can see revenues of around £350m, a healthy margin, steady growth and approximately 2,000 colleagues and as I have already mentioned we are predominantly a subscription business. The majority of our revenues are from the US, the largest global market for information, with particularly strong positions in our two largest verticals, as I said Pharma and Finance.

This slide illustrates one of the key assets of our business, the portfolio of specialist B2B brands that we own. Whilst many are not necessarily household names to most of us, through the professional communities that they serve they are highly regarded, reputable, and trusted sources of specialist information, data and opinion for decision making.

This has huge value in the knowledge and information economy, and is very difficult to build quickly. One of the key things we've done with these brands over recent years within each of the market verticals is to successfully transform them from offering point solutions to combinations that address specific customer needs.

Delivering our strategy initially saw us repair and stabilise the division to stop the rot as it were. Then we moved into a period of investment and growth acceleration, investing in the businesses, developing our platforms and launching new products. And with the business now firmly delivering consistent growth we have moved into the next chapter, making choices around where to focus and expand, building on where we have the strongest positions, and in markets with the greatest potential.

As part of this we have already made a number of targeted bolt-on acquisitions to infill capability in both Pharma and Financial verticals, to drive further depth and further specialisation, more of this in a minute.

Here is our scorecard of what has been delivered at an operating level in the business, improving renewal rates, more customers, better new business pipelines and better pipeline conversion

rates. And all this has translated into consistent growth in ACV, our annual contract values, which feeds then into improving organic revenue growth.

I'm delighted with the progress to date, but equally excited about the opportunity going forward.

With the business now in the focus and expand phase of its evolution, we're actively reviewing different parts of the business. The progressive portfolio management programme has seen us exit some markets where we did not want to play. Most recently the UBM Life Sciences Media portfolio which was not the type of information business that we're really in.

In addition we are reviewing some businesses, where despite having good positions in attractive markets we feel it would take too long, or too much capital to build a position of depth and scale. And so we are assessing whether there may be better partners to take those businesses forward, leaving us to focus on specialist markets where we have great starting positions and opportunities for further growth and scale.

In some of these markets where we want to focus and expand, notably Pharma and Financial we have already started to infill with some small assets that bring new capabilities and adjacencies.

So let's spend a bit of time delving a bit deeper into areas where we have already begun the next phase of our strategy before I hand over to Linda and Ramsey I will briefly comment on the Financial vertical.

To give you an overview of the whole Finance business it's obviously serving a huge global growing market, although it is focused on a number of specialist niches within it, such as retail banking, fund flow data and wealth management. Most of the organisations represented here today are customers of our Finance business across one or more products.

EPFR Global our fund flow data business is probably the one that the audience is most likely to recognise as it is used by banks and funds to predict future movements by analysing the flow of funds by sector, by region and on an increasingly frequent basis.

The Finance business is a high subscription business, with very robust renewal rates of around 90%.

Overall a very nice business and I hope you've had the opportunity to see the product demonstrations today.

I wanted to provide a little bit more depth on the Finance business in one particular area, that of retail banking, not necessarily the most obvious segment of the market you might immediately think of, but a big market nonetheless, with research in this space worth around half a billion pounds a year and growing.

It is a fragmented market which plays to the value of our products. It is being impacted by both technology and digital transformation. So there is a need for intelligence and insight on trends, developments, competitive positioning and investment.

Here we provide both quantitative and qualitative research, so we crunch numbers to provide data, but we also provide insight, opinion and intelligence to make decisions. And we have already made some small targeted bolt on acquisitions as I said, such as ICON and there is a demonstration of the ICON product here today, which enable us to better serve the challenging needs of our customers.

This chart provides a snapshot of the areas where we play in retail banking at the moment. At one end of the scale through eBenchmarkers, our IRS products in the US we provide benchmarking services, taking in data from a wide range of banks and anonymising it, categorising the data before selling back assessments and benchmark products to participant banks.

At ICON our granular rates data across the range of retail banking products uniquely positions us to move up the value chain, as we have already done so for mortgage products.

I'm very excited by this opportunity and believe this is a hugely attractive spot in this large market. Retail banking is the largest revenue contributor for our Financial Intelligence division.

I will now hand over to Linda who will take you through our Pharma business.

.....

### ***Specialist Markets: Pharma***

#### **Linda Blackerby, President, Pharma Informa Intelligence**

Good afternoon everyone, my notes say good morning, but I checked and we have actually moved over to afternoon and not too much longer before lunch. But I'm really excited to have the chance today to talk to you a little bit more about the Pharmaceutical market.

I'm Linda Blackerby and I'm the President of Pharma Intelligence. And if this slide looks familiar to you it is, Adam covered this slide, so I'm not going to repeat it for you, but I do want to use it as sort of a launch pad to explain our approach to the Pharma market and how might be a little bit different. Not only are we an intelligence market media if you want to call it that, instead of exhibitions, but rather than focus on manufacturing we are really focused on drug development, what it takes to discover drugs and get them through the clinical process and get them approved.

And it's just worth repeating that bringing new drugs to market is a highly costly and highly risky proposition and that's part of what makes our business that we're in so successful and fun and interesting.

A little bit of a snapshot about our business, a key to our success has been the fact that we do focus on specialised, deep niche data sets. So we are not trying to be everything to everyone. And that really is the theme of today and it fits well for our business.

We're a house of premium speciality brands such as Biomedtracker and Scrip, with particular strength in the clinical trial market space with brands like Trialtrove and Pharmaprojects and some of you might have been in our demo earlier today and gotten kind of a deep dive there.

Our solutions are used by over 3,000 companies, including the top 50 biotech and pharma companies and plus anyone else that's really seeking to understand and service the industry. So companies like yourselves.

With 86% of our revenues from subscription services we deliver a very steady and sustainable business. And very importantly I think for us, we grew the underlying annual contract value of those subscriptions by 5.5% last year and we are basically on that same trend this year.

I'd like to talk to you a little bit more about what we really do for our customers. So we provide daily updated, global, market insight, analytics, trends and analysis to our customers. And these are drawn from extensive, authoritative, data sets which are enriched by human validation. And we really feel like that's one of our differentiators, is that we're not just using technology to scrape data and then provide it to customers. It really is about that human validation.

So through our deep industry expertise and specialist content from 65 journalists and over 200 analysts we help our customers answer critical questions and solve problems to successfully bring novel drugs to market faster and also more efficiently. So we really are all about novel drug development, we're not really so much about bringing healthcare. For example in generics, there are companies that focus there and we do a little bit there, but we are really about novel drug development, which again is costly and risky.

So for example the market leading Citeline suite of products go to the very heart of assisting drug companies design the right trials, for the right patients, in the right countries at the right time. And in fact we enable them to make drug development go, no go decisions faster. And that really potentially saves millions in R&D cost. So in other words we help them fail faster.

Our products like Biomedtracker and Pharmaprojects help customers decide which drugs a company will co-license, or buy in, or sell and which biotech company has the right assets to acquire to fit into their portfolio strategy.

And I know we all read the headlines every day, we all hear it, right - healthcare is unsustainable, it just can't keep continuing in that way. And the explosion of digital data is fuelling growth in specialist pharma intelligence, and pharma spend over \$6bn on information annually. So this is a huge and growing market that we're in.

And pharma must harness that data to innovate, to lower its R&D cost, because the cost to develop a drug and get it to market have doubled in the last decade. The way we think of the pharma market is a collection of market segments aligned to the drug development and commercialisation cycle. So from the discovery, through pre-clinical, through the clinical trial stage when the compound starts to be used in humans through regulatory hurdles and then functions that are aimed at the commercialisation of drugs.

And currently the pharma intelligence business operations in the value chain from the time the compounds enters those clinical trials with humans, through regulatory and into commercialisation.

The Citeline suite of products is the gold standard in clinical trials intelligence today, so we have a very strong position in that market. The Pink Sheet for example is ubiquitous and a must have product for everyone working in policy and regulatory globally across the industry.

And our products like Biomedtracker, Datamonitor Healthcare and Pharmapremia have strong market positions in the commercial space. These markets are all very large and growing and I think that is really the major point here.

Another large and growing market segment is called Market Access and we intend to grow our position in this space. The reason why the Market Access space is growing is because commercial success for pharma is no longer guaranteed after approval by regulatory bodies like the FDA.

So pharma has to be paid for their drugs and proof of health economic benefits is increasingly required by both public payers like NICE and private payers like AETNA say in the US. And without that proof of health economic outcomes in the clinical trial phase of development pharma risk not being reimbursed for their new drug and so have no access to their market, thus market access segment.

Interestingly and appropriately our customers are no longer satisfied with data alone that's telling them what has happened in the past. They demand data driven insights embedded into workflows that help them to understand what is going to happen. At Pharma Intelligence we continue to drive added value with customer driven product development focused on new analytics and workflow tools.

Over the last couple of years we've launched a full suite of APIs and customer informatics dashboards so that our data and insights can be integrated into their workflows. Additionally we provide bespoke knowledge based services providing actionable insight. We feel Pharma Intelligence is well positioned to move into the market access segment of Business Intelligence which I'm going to speak about a little bit more on this next slide.

So I'll wrap it up here with our strategy for growth and expansion. We will continue to invest in our core competencies, for example leveraging our unique strength in the clinical market segment where the Citeline portfolio enjoys a market leading position. This will include more content, data connectivity, new analytics and workflow tools.

Additionally, we need to invest in real world patient evidence to add analysis and insights about what really happens - you know what really happens to patients outside that controlled clinical trial setting.

We will continue to invest in the growing Asia Pacific market, especially in China, that market is maturing and is now investing in novel drug development, so it now is a relevant market for us more than it was in the past.

We will enter into new adjacent markets like the market access segment which is becoming increasingly important to drive commercial success for new drugs. And without that evidence access to drugs by patients will be limited. Because it's not critical for pharma companies to build strategies, ensuring payments for their drugs, or market access, we will invest in products that serve that segment.

With these investments we'll increase our market share in clinical, commercial and market access segments through a unique ability we feel we hold to connect the dots if you will, between clinical data, real world patient data and market access intelligence across the drug development and commercial cycle.

So we've been focusing today on the specialisation as the key to success and the Citeline portfolio of products is really a perfect example of that. Citeline is deep data in niche segments, clinical trial data, clinical investigator and clinical sight data and drug pipelines. And we're really excited about a new launch where we're combining the offering between that Citeline data and Skipta which is our social network of US healthcare providers called - in our new launch it's called Citeline Engage, which helps our customers solve one of the very biggest pain points in the success of clinical trial development, or clinical drug development.

And that is getting patients recruited into your trial, on time and on budget, it is by far one of the most painful parts of the process and Ramsey is going to take us through a really great example of how this offering helps solve some - or take a lot of that pain I guess, if you want to call it that, out of that part of the cycle.

So I'd like to hand you over to Ramsey Hashem, who will introduce himself.

.....

**Ramsey Hashem, CCO, Pharma Informa Intelligence**

Thank you Linda, good morning everyone, I'm Ramsey Hashem I joined Informa in 2017, prior to that I spent four years leading the Life Sciences Group at Thomson Reuters, subsequently becoming Clarivale Analytics, and before that I was with Wolters Kluwer Health for several years. The majority of my career was with GE, I spent 16 years with GE Healthcare in a variety of roles and responsibilities and global assignments, including one here in your beautiful city. So I'm delighted to be with you.

Today I want to talk about the cost and complexity associated with bringing new drugs to market and what we are doing at Informa to help our customers in their journey to bring their drugs to market as quickly and as efficiently as possible.

Drug development is a very risky and expensive proposition. Just to give you an idea nine out of ten drugs that even make it into human clinical trials fail. And that is after a lengthy journey in the pre-clinical phase that every drug must take, 90% still fail due to safety, efficacy, and commercial reasons.

It takes between \$1bn and \$3bn to bring a drug to market depending on how you account for failures. And in addition to all this cost it takes between 9 and 12 years to bring a drug to market.

So a lengthy journey, an expensive journey and one with very low success rates. And with these numbers in mind it's critical for our customers to fail early if you will and focus their investments on the most promising opportunities. And our job at Informa is to make sure that our customers make informed decisions as early as possible in that cycle.

A large part of the cost associated with bringing new drugs to market is actually tied up in clinical trials, as you heard a little bit from Linda. Many challenges are available in clinical trials as you might imagine, but there are three key challenges that almost every clinical trial will have. One is to select the suitable hospital and physician to run the trial, sometimes that's referred to as a site and investigator, hospital physician, site or investigator they refer basically to the same thing.

But that's a very tough step considering that only 5% of physicians elect to run a clinical trial. Those that run a clinical trial rarely if ever do it again and only 6% of trials are ever completed on time. A pretty daunting journey.

So that's number one, number two is patient recruitment. Only 2% of eligible patients of a given indication sign up for a clinical trial. And that seems remarkably low when you look at it, but then when you add the human elements to that, like fear, awareness, misinformation, it starts to make sense - why patients really don't want to be part of a clinical trial.

And third is the complex trial protocol itself that can lead to further delays. Half of trials experience several amendments and changes along the way that require the trial to start from the beginning, adding to the cost and complexity of the whole process.

So now that you have an idea about the complexity and the challenging environment, let me bring this to life for you. So atopic dermatitis is a condition that makes the skin red and itchy, it's chronic, it's common in kids but it can happen at any age. There are treatments available for atopic dermatitis, but there no cure, no cure has been found.

Now this is a huge unmet medical need and as a result it has attracted a lot of attention from big pharmaceutical and biotech companies. And one of our key customers came to us recently with a major challenge on one of their key trials, related to atopic dermatitis.

They had a major risk in identifying enough sites and investigators, or hospitals and physicians to run the trial, not surprising given what I mentioned on the previous slide.

To make this particular trial even more complex, atopic dermatitis is in a very competitive space. There are currently 265 competing trials around the world, 80% of them being in the United States. And this customer was facing a three month delay in site activation as a result.

Now one might ask in a nine to twelve year cycle why does three months matter that much, that three months delay, why does it matter that much? It does because at this late in the process every day matters. Patents are expiring, competition can beat you to market and every day of

delay in sales could mean somewhere between \$1m and \$13m of lost sales. In the case of atopic dermatitis there's somewhere between \$3m and \$4m of potential sales lost every single day, so clearly every day matters.

And this customer came to us for help to widen their search pool and help them with their recruitment effort.

So what did we do? Like you heard from Linda, like the majority of top 50, maybe even 100 Pharmaceutical companies and other research organisations that run clinical trials, most of those companies are already customers of our Citeline product suite, they are already users of our Citeline product.

And Citeline really is the industry standard in clinical trial information, if you will. And almost everyone will describe their product as industry standard, but having been on both sides of the fence I can tell you with a high degree of confidence Citeline is really the industry standard for clinical trial information.

One of the things that we've been doing over the past few years through the GAP investment that you heard about a couple of times today is to actually build out our Citeline platform. And we recently added Skipta that you heard Linda talk about a little bit, and Skipta really is crudely described as like the LinkedIn for physicians.

But they really are the industry standard in terms of having almost one million physicians connected in the United States and healthcare professionals collaborating on a daily basis on a variety of unmet needs and healthcare topics, things like atopic dermatitis.

So let me reset the stage a little bit, we know clinical trials are a big part of bringing a new drug to market. We know every clinical trial has three risky areas that are associated with it, selecting the sites and investigators, patient recruitment and clinical trial protocol.

And now with the powerful combination of Skipta and Citeline we're able to solve all three of those aspects for our customers.

So what was the outcome of this particularly trial? This customer came to us, they had been recruiting for almost four months, and they were only about 60% of the way to the number of sites that they needed. They were facing a three month delay which we explained is a huge delay in this business. And with the help of Citeline Engage and in only two weeks we were able to identify 26 additional sites and get the trial back on track.

So given the number of trials, given the high failure rates, the enormous cost I talked about, the difficulty in reaching new patients, it's easy to see the enormous opportunities for Citeline Engage.

Linda, I'll turn it back to you.

.....

**Linda Blackerby, President, Pharma Informa Intelligence**

Thanks Ramsey, and pardon us we sometimes get a little bit overly excited about some of this stuff because it's just so easy to see how it has an impact on patients, you know how helping our customers means we're actually helping patients out there. And in this case I mean it was really easy to see how we were able to get a trial back on track for that company.

And so it is really a fascinating interesting space to be in, it's growing, it's innovating all the time, it's being disrupted by technology, they are going to be using technology more and more to try and bring down the cost of R&D.

And in Pharma Intelligence we have market leading brands which we keep harping about, particularly the Citeline suite of products and we believe we have a real opportunity now to even take some of our offerings to that next space, between Citeline Engage, also moving into Market Access where we can help connect the information that our clients need to design the right trial upfront that gives them the evidence and proof that they need that there is health economic benefit to patients to use their new drugs and get them to market.

So thanks again for your time to hear more about Pharma Intelligence and onto questions.

.....

**Stephen A. Carter, Group Chief Executive**

Thanks a lot Linda a fantastic exposition of who said data was dry. So question time here on either any of the issues raised by Patrick and Ian on operations or any of the questions colleagues may have on Informa Intelligence. So we'll throw it open to questions.

.....

**Questions and Answers**

**Question**

Thank you, just one question, a clarification perhaps on the review of the portfolio because on slide 95 you say there is annual revenue of up to £120m within scope, in IGM and Agri Business, but then if you flip to slide 92, that would suggest that basically the whole of the Finance portfolio is in scope. So can you just clarify this?

And perhaps can you tell us what is the organic sales growth of that part of the business which is currently under review and where do we stand on that?

.....

**Stephen A. Carter, Group Chief Executive**

I'm going to ask Richard to answer that.

.....

**Richard**

We've announced there £120m in scope. Specifically what's in scope, we've announced the Ag business and IGM, and there are other things that we haven't announced that are potentially in that as well.

.....

**Question**

And what's the growth - the organic growth of that part of the business and margin?

.....

**Richard**

Of the £120m. I mean the growth is lower than the division overall, the margin not necessarily is actually - the growth will be growing at a slightly lower rate than the overall ...

.....

**Stephen A. Carter, Group Chief Executive**

Is that helpful? Thanks. There's a question here and then a question over here.

.....

**Will Packer, Exane BNP Parabis**

A couple from me please. Firstly, in the three largest segments of the Intelligence division could you help us map your key competitors and how their growth rates compare to yours? We saw the Outsell numbers suggesting the industry is growing as a whole at 5%, are you underperforming your peers, what explains that gap?

And then secondly, the sort of B2B segment the future is arguably shifting from being and informational product to a productivity product and we've seen it through the example of your Citeline product here - could you just explain where you are versus your key peers in those segments? Thanks.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, thanks Will, two questions on absolute and comparative performance. My general guidance is I never comment on competitors, but I'm very happy for you to say what you like about our business.

.....

**Linda Blackerby, President, Pharma Informa Intelligence**

Yes, we definitely do have competitors in the Pharma space. Ramsey talked about where he'd worked before, those were some of them. And you know we feel really good about the Pharma Intelligence growth compared to our very like for like competitors. You know I've looked at the Outsell reports as well, they often - it's interesting some of my core competition that we go up

against every single day in big pharma offices they don't classify them with me, they call them market research or something, they'll call them something really different.

So sometimes they put - particularly the big CRO markets - the big contract research organisations, that's where they'll put myself and my business. And so then they'll be talked about double digit growth sometimes, and that's not the same business at all.

So I think comparatively to the people that we go up against every day, we are slightly ahead of their growth. Not by massive margins, but we're doing as well, or slightly better than they are when you come right down to those that are in the clinical trial space that are providing data and analytics and knowledge based services.

.....

**Ramsey Hashem, CCO, Pharma Informa Intelligence**

I mean I would just add depth and specialisation really applies to this question. I mean that's really the space that we are in. If you break the drug development pipeline into three or four or five major steps the steps that we're in, we focus on depth, we focus on specialisation, we focus on enhancing where we are. And as we compare to our competitors in that space we clearly are the market leader.

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

I think that equally applies in the Finance vertical when you look at EPFR is here today, ICON are here today, you know, they really are very, very niche products in very, very big markets. And that's where we see the better growth rates and the better opportunities in those particularly niches.

And sorry, just one other point, and to your other point about where do you from just providing data, I think also the opportunity as we see with Pharma and with Finance is to try to use - get that data into our customers' workflows for decision making.

.....

**Will Packer, Exane BNP Parabis**

So with the industry growth at 5% it sounds like that's where you guys are headed?

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**Patrick Martell, Group COO & CEO, Informa Intelligence**

We have an ambition for - I think we're at 3% and the market is growing faster than that. So I think a combination of investment and some portfolio management then yeah that's our ambition to grow at least at the market if not ahead.

.....

**Will Packer, Exane BNP Parabis**

Thanks.

.....

**Stephen A. Carter, Group Chief Executive**

There was a question just over here.

.....

**Tom Singlehurst, Citi**

This might count as a slightly silly question, but coming back to the case study with Citeline Engage and activating it and suddenly significantly enhancing the productivity of a particular sort of clinical trial process, I mean firstly is that just explaining to the customer who has already got the product how to use it, or is there a specific sort of additional revenue stream that's associated with doing that incremental work? That's the first question.

And then the second question, is there any scope across the broader portfolio to move to sort of value based pricing?

.....

**Stephen A. Carter, Group Chief Executive**

I think that's a question about what we do, but also how do we price what we do.

.....

**Linda Blackerby, President, Pharma Informa Intelligence**

In this particular instance it really wasn't about just helping the customer understand how better to use Citeline. It really was about an additional service and revenue stream that we are creating by first using the tool in Citeline and then actually having - essentially sort of a clinical manager role that's helping identify doctors that are in the Skipta network that were not identified before as previously being available to be investigators and actually reaching out and helping them recruit that investigator. So it is a whole different - it is a new revenue stream.

And then the question on pricing, yes value based pricing I think is very important to us. We try very hard to help our customers understand where we are actually saving them millions and so therefore we charge them. So when we feel like we're getting - when we have the ability to really make that kind of difference we don't really - we don't think about users we think about value when we're trying to price our products.

.....

**Tom Singlehurst, Citi**

When you have 82% subscription and 4% consulting that consulting figure could or should go up if you're doing more of this?

.....

**Linda Blackerby, President, Pharma Informa Intelligence**

Yes.

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

Yes, I'd also just make the point on consulting; it generally tends to be at much lower margins. We think it's a valuable revenue stream because it helps with relationships and to some extent you're helping your own product development because you are getting to know directly what the customers' real pain points are. But I wouldn't want to see that consulting revenue - you know it's healthy to grow it but we're sort of happy where the majority of our revenues are subscriptions and not elsewhere.

.....

**Linda Blackerby, President, Pharma Informa Intelligence**

If I could just add a little bit to that, to what we are seeing in Pharma are and again I specifically called them knowledge based services instead of consulting. Because there are some - some of these kinds of services have very high margin. But that doesn't - you know but if we're just talking about consulting per se you know there's a lot of people in that space for us and so we want to do something different if we're going - if we're going to grow anything there we want to do something different like this which would have a better margin.

.....

**Patrick Wellington, Morgan Stanley**

Hi, while we're busy aspiring to 5% organic revenue growth in Business Intelligence we're not actually at 3 are we, and the aim was to get to 3 in the last couple of years and you've stalled a bit at beneath that level. And you're largely a subscription based business and you don't want to grow into consultants too much because it's too low margin and yet you've been knocking out some of your slower growth businesses, so what's actually going to get us from that 3 to 5%?

And isn't the problem, as you say, that your margin is very high for the style of business that you are, a 30% plus margin business, so difficult to grow at 5% and maintain that sort of margin, difficult to get above 3%, so how are you going to do it?

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

Answering the first point first there, last year was 2.6% growth, which we were pleased about, we would have been even more pleased if it were 3%. There was a slightly different mix of business for 2018; there was some more marketing services revenue in that business.

One of the things that we were, I suppose disappointed by in 2018 was the rate of new business wins in the early part of that year, which made exiting 2018 above 3% more difficult.

We have seen this year a much better exit of 2018 and a much better start in 2019 in terms of new business, which Linda referenced earlier.

And going back to the point I made that the strategy really has to be to maintain the renewal discipline and to find ways around product innovation to drive our new business rates higher, both in terms of volume, but also in terms of price.

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**Stephen A. Carter, Group Chief Executive**

Do you want to speak to the margin point?

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

The margin is - I mean I think as Stephen said earlier it's of course always important, but we are very happy and confident to invest in the product to drive growth, even if that means lower margins.

.....

**Patrick Wellington, Morgan Stanley**

And just to go back to your other hat, you've got £100m opportunity in cost savings, or cost base, do you want to give us the percentage that you might make from that? I mean anybody can save 5% from a cost base, so £5m wouldn't be enough, so what is the scale of the opportunity, £10m, £15m, would seem a more appropriate number?

.....

**Stephen A. Carter, Group Chief Executive**

I'm very willing for you to follow your own lead on this, but my advice would be to be ...

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

I've had Stephen's advice many times and that means I'm telling you. I think I know what Stephen is going to tell me, which is look we really haven't sized that prize at the moment. And as we have said and as Stephen said very clearly our first focus is on effectiveness, not efficiency, I'm sure we could drive more cost out of many parts of our business and be a less good quality business, which would make it more difficult for us to grow.

.....

**Stephen A. Carter, Group Chief Executive**

Well dodged, a question here.

.....

**Chris Collett, Deutsche Bank**

I just has two questions, one was if you look at sort of the combination of communities and data and information it can become very, very powerful. You mentioned Skipta, it looks like a great sort of community product in Pharma, I'm just wondering are there other areas, other verticals where you think you can sort of add that community element?

And then the second question I suppose it was a little bit following on from your point Patrick about sort of efficiency. Do you think that there are areas where you can improve the efficiency of the content - sort of raw content gathering without damaging the quality of it?

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

Thank you. I think the first point, I mean an opinion on that - my opinion on that is that you sort of see it more broadly that people talk about private networks more than you know all of the issues that we see in the internet broadly. I think more companies are talking about private communities, private networks. And I think Skipta is a perfect example of that, a community of specialists where the specialists feel safer to share information with other specialists rather than more generally in other space.

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**Ramsey Hashem, CCO, Pharma Informa Intelligence**

And they are more qualified, in the case of Skipta for example it helps - Citeline alone we could do all of the things that I talk about, but with Skipta we could do two or three of those a lot better because now we're talking to experts about trial design, not just someone who may have done a trial in a different field. Now we're talking to a physician who knows a very specific topic, he or she has specific patients and have been treating this symptom for years. So they are going to know more about it than anybody else. That is what's helping us design - for example just a micro example. Or in reaching patients that we had no way of reaching in that past. And that's the power of these communities.

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

I think on the point about reducing the cost of collecting and analysing data there are for sure opportunities to do that, but once again I think we have to be very mindful of the fact that I think Pharma is a good example where you know our colleagues live in that market, they're not serving that market.

And by way of example, I went out with one of our teams - over a year ago now, but of the 17 people there 16 of them had PhDs, actually there were 18 people there, one of them was me, so I didn't have a PhD. But it's quite incredible just the depth of expertise you need to be part of that community. And I don't think it's something that you could down skill because I think that would show up very, very quickly in the market.

.....

**Chris Collett, Deutsche Bank**

Sorry, on your point about the communities, yes we talked about Skipta, but do you think that's something you can do in some of your other verticals or that's it?

.....

**Patrick Martell, Group COO & CEO, Informa Intelligence**

Absolutely, I think the Skipta model is repeatable in other verticals and in other parts of the Pharma business. What we're doing at the moment with Skipta is very much - you know we want to see how this goes and we'd very much like to extend it elsewhere.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, I'm going to wrap this section up here people, I know there are a couple of other questions, but maybe you can collar Ian, or Linda, or Ramsey at lunch.

The way I would characterise and I hope it came across pretty transparently is this is two areas of our business that I think are very sensibly in working transition. In the back office we've deliberately taken time to design and architect in a thoughtful way so as not to disturb that front end of the business, but that doesn't mean that we don't think there are opportunities to Patrick's searching question. Clearly what we want to do is we want to cost switch if we can. And if we can provide those services in a more efficient way and then allow us freedom to invest further in the front end of our products, whether it be new digital communities or other areas we would do that.

So two interesting other parts of the Group, as I say in different ways at points of transition, but with opportunities on both the cost side and on the portfolio and hopefully thereafter the revenue side.

We're now going to switch, so if I could say thank you very much to colleagues on the stage, we're going to switch and go to Culture Question Time. If I could ask the team to come up.

Applause

I think we're going to play a little video because that's how you start these question time things and then I'm going to hand it over to Ellie. So if we can play the video that would be great.

.....

***Video Played***

.....

***Culture Question Time***

**Eleanor Souster, Chief of Staff, Taylor & Francis**

I'm Eleanor Souster and I'm delighted to be your host for Culture Question Time today. We have a great line up of panellists from across the spectrum of the Group, how are all poised and ready to take your questions on what life is like here at Informa.

So a bit about me, I joined the Group in September 2016 on the Graduate Fellowship Scheme, after completing a history degree at the University of Manchester. The scheme is designed to give graduates a flavour of each of the divisions through rotational placements in the UK and six months abroad working for Informa Markets.

My placements including Ovum at Informa Tech and working in a sustainability team at Global Support. I returned fulltime to Taylor & Francis in August 2017 where I began my current role.

Now onto the main event, the panellists, Andy Mullins joined Informa in September 2014 as CEO of Knowledge & Networking and is now CEO of Informa Connect. He is also the longest serving divisional CEO at the Group. Prior to Informa Andy has worked at Diageo, News International and Associated Newspapers.

Margaret Ma Connelly joined Informa through the UBM acquisition; she joined UBM in 2008, bringing more than 20 years of leadership experience in trade exhibitions, B2B media and e-commerce development to her role. In the last ten years she has spearheaded development in key market sectors and successfully grown the business in China via organic development and partnerships. Margaret is now CEO of Informa Markets in Asia, covering businesses in Mainland China, Japan, India, Korea and Taiwan.

Alex Simm is CFO of Informa Markets Health and Nutrition portfolio, which includes the CPHI franchise Adam talked us through earlier, as well as natural products, supply side and food ingredients. He joined Informa last year through the combination with UBM. He had previously been at UBM for 11 years in a variety of roles including M&A, strategy, business development and most recently CFO of what was UBM's EMEA division.

Deborah Kahn Publishing Director at Taylor & Francis and Executive Director at Dove Medical Press joined the business in January 2016 having previously been Executive Vice President of BioMed Central at Springer Nature. She has worked in scientific and medical publishing for over 30 years, most recently specialising in medical publishing, Open Access and publishing ethics. Indeed, she was at one point described in the press as the queen of Open Access.

And Adam Andersen, a 12 year veteran of the Media and Exhibitions industry joined Informa through the Penton acquisition and is now the Group Director for the Informa Markets Pharma portfolio, which includes the CPHI global series of events and is based in Amsterdam. Previously he was based in North America and managed Informa's award winning natural products Expos and supply side trade shows.

So that's our panel for you and now onto the questions. We've gone for a slight change in tack and we are now going to throw open the floor to any questions, so even if you haven't handed in your card and you have a burning question related to culture and our values please put up your hand, but save any other types of questions for later in the day?

So to kick us off, I didn't bump into a certain Ed Peel in the break who has a burning question that he'd like to pose to the panel?

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**Ed Peel**

Thank you for set up, Andy I just heard that you're the most experience CEO on the Informa Group, so could you just tell kind of what the change has been like and what the journey has been like and how has the culture change from that perspective?

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**Andrew Mullins, CEO, Informa Connect**

Sure, good afternoon everyone. Yeah I've got a foot in many camps, I'm in the Executive Team, Stephen's Executive Team and of course I run a division. If you look at it from the Executive Team it feels like nothing has changed, which is a bizarre thing to say considering the business has gone through massive acquisitions.

The way we operate, the way we communicate, the way we support each other, the way we collaborate feels exactly the same, which is quite bizarre, because this must a Stephen Carter clone somewhere, or an Alex Roth clone around, because it feels like the workload should have doubled, trebled, but very little seems to have changed in the respect.

When you dip into the divisional side which of course I run a division, I'll talk only on behalf of mine the change has been massive. We had the challenge to become operationally fit and from creating proper strategies, to changing structures, to changing people, leadership, remuneration, it's been a massive, massive change. And you know that could have been really, really disruptive and you could think what's the point in that, unless you were part of a bigger team where it made sense.

And the thing that's been great is alongside of the divisional work the Group strategy has been incredibly clear. You know how you fit within the strategy, you know what success looks like and the way - I like using sporting analogies, playing left back in any team is a bit dull and boring, but if you're team is winning it's really exciting. No one would have argued about playing for Liverpool at left back this week, they would have thought it was the best thing in the world.

And the thing which has been exciting, which is the Informa journey, is that we've said we're going to do things and we've ended up doing them. And we have done them very fast, at rapid pace and the results are there to see. So I think everyone really feels part of this bigger and better company.

And the things that people like Richard have done to develop alongside, Walk the World, the Informa Awards, all the bits and pieces, the new wonderful buildings we're all operating in now makes us feel like a FTSE 100 company, whereas I don't think we did before.

And the final measure that I do, I used - I run this thing called Meet and Eat which now is every quarter, it used to be every month because the churn was so high, of staff, where I meet all new

people. And I grab them at lunchtime and we have sandwiches and we talk. And I ask them where they've come from, how they heard about Informa, why they've joined, etc, etc, and their ambitions and aspirations.

And at first it was pretty hard work really to get out why people were joining this company, they were probably joining a brand, they might have been joining an events company. Without - 100% now people are joining Informa and that is the biggest change I've noticed. You know they know about it - recruiters recruit to Informa, people come here because of the opportunity.

And they all say, FTSE 100, you know and that's a massive, massive change to this company and the way it affects the way people think because they think they're part of a really great winning team, as opposed to a lot of different divisions which might have been a bit self-interested and not very generous and collaborative. But I think that's changed massively now.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

And Deborah would you say the same kind of plays out within Taylor & Francis.

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**Deborah Kahn, Publishing Director, Taylor & Francis**

Absolutely. When I joined Taylor & Francis it was just at the beginning of a journey and now it's a completely different place. And I think some of the things that Andy talked about in terms of Walk the World, in terms of the Informa Awards, we feel very much a part of the bigger Informa family, but we're also going through our same journey and become much more of a single company rather than a lot of different fiefdoms maybe.

So it's a really exciting time to be a part of both Informa and Taylor & Francis.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

Have we got any other questions?

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**Question**

I've just gone one question and that is you made a lot of acquisitions and so if you - kind of in your heart of hearts when people get together perhaps after work, do they say I'm a Penton person, I'm a UBM person. I'm sure you know no one is going to say - you're all going to say, you know we're all Informa people, but you know really do people actually still think of themselves according to the companies that they came from?

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**Adam Andersen, Brand Director, Pharma, Informa Markets**

Well it's a great question, I think you always identify where you come from, whether it's a portfolio or an acquisition. But I think now with the new branding we're really trying to see that transformation.

I think being a legacy Penton person and now legacy Informa in a UBM office I feel that every day and we talk about it a lot about the identity and how the new branding is really that opportunity for all of us to unite together. And I think that will really start seeing itself as we start having these common messages and common platforms and being able to think together in the one way and really unite.

I mean of course you're always going to identify with your experience I think now we're on a new path forward we're feeling like we're part of one large organisation that as Andy referenced everyone is really excited to be part of.

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**Andrew Mullins, CEO, Informa Connect**

There was no doubt in the past people were part of brand groups that were mini companies and it was very, very tribal. So if we're not completely Informa we are massively away from where we were which is putting up moats and defences around and protecting it, protecting our own profit streams, not being generous and collaborating that has changed massively.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

And Margaret how would you say legacy UBM colleagues feel in this picture/

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**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Specifically Asia, actually Alex might share a bit more from our European colleague point of view. Asia for us actually this transition has been very smooth. Even within the legacy UBM family Asia always has a bit of its own culture, being always more pragmatic.

I remember years ago we had an internal management meeting where Asia CEO Jimé was on a stage with Simon Foster talking about how our internal cross border collaboration project where EMEA colleagues are very disciplined, professionally structured in writing business plans. Asia colleagues were always accused of not writing enough plans, attending conference calls. We like to just get on and do it.

So that culture, as I get to know our Informa colleagues really work, work with Charlie, I think we're a perfect fit, we're very similar. So Charlie and I we don't really have a lot of structured management meetings but we get on a catch up call regularly, we make very fast decisions, we prioritise, we come to agreement really quickly and that's why in Asia it's kind of seamless it worked really well.

There is something different also, I think within the legacy UBM network internal collaboration has been stronger. It is well recognised. That is why actually our colleagues now all together with Informa Markets are trying to combine the best of both worlds. So we have a lot more collaboration projects now underway, which is great, I'm very happy to see that.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

And Alex would you agree?

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**Alex Simm, CFO, Health and Nutrition, Informa Markets**

Yeah I would and to answer your question I think it depends where you look in the Group. So for example in our Amsterdam office which is a legacy UBM team of colleagues if you asked them does it feel like Informa now? I think the answer would definitely be yes and it's not my subjective view it's just that when I listen to how people speak they use Informa. I rarely hear the world UBM any more and the language of we and you has all but disappeared.

I think if you look in an office like this one where you have a mix of legacy UBM and legacy Informa people they may all feel like one team, but are they as close friends with each as they are in their own groups? Well not yet. And that is something that I think will come with time. Do I have any doubt as to whether we'll get there? I think the answer is no.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

Yes we've got a question just down here.

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**Question**

Ellie, arguably you're the only truly Informa person on the stage because you joined Informa. So tell us a bit about why joined Informa? How you were approached at the University of Manchester? Do you have other genuine Informa people moving up through the Group? How you relate across divisions? And do you think Informa is anything other than a name or it is something that you're going to be at for the next 10, 20 years?

.....

**Eleanor Souster, Chief of Staff, Taylor & Francis**

Yes, so thank you for the question. I joined Informa because of the breadth of the company and the opportunities that were there. Doing a history degree it didn't necessarily lead me down one specific path. And so the opportunities afforded to get a real flavour of the whole business and understand you know how all of the different divisions work separately but also have the interconnected nature really appealed to me.

There's a great graduate group of us now, I think we're into our fifth year of the graduate scheme and there are sort of 20, 25 graduate fellows all in different areas of the business. We've all kind of dispersed, we're not all in one particular area, so it's really great. So there's a great graduate network and yeah we're all really proud to work for Informa and also for the specific brands that we work for as well.

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**Giasone Salati, Macquarie**

Hi, who wants to tell me how innovation works at innovation?

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

Deborah?

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**Deborah Kahn, Publishing Director, Taylor & Francis**

I think it's very much encouraged, it's very much the culture, it's very much about moving towards a very clear future, but in a very managed way so that we can do the things we promised to do, I think that's the way I would describe it.

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**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Yeah I can add a bit more to it, with the Informa Markets you know a lot of innovation is around launching new shows, new geo adapts. You know we have a lot of traditional in Asia actually of going a lot of that and now being enhanced.

Actually we're going to launch a new incentive scheme for new launches, whether you basically conclude that it's a viable launch to go live by the end of this year or plan this year to go live next year. So there will an additional support programme for the youngsters to be able to bring up their idea, especially those closer to the frontline.

We go through a disciplined validation process, but also help the youngster to really, you know, not to be risk averse, being able to be supported by the colleagues, by the resources and go for it, get additional motivation at the end of the day. So I think there is a lot more going.

And in Asia I always encourage our team, although we have like over 2,000 colleagues within a FTSE company I always you know we are always these entrepreneur teams, start-ups, actually developing our new business in the back drop of a global company. If you think that way you always move faster being able to really seize the opportunity of the day.

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**Alex Simm, CFO, Health and Nutrition, Informa Markets**

One of the expressions that I heard at the outset of this combination was that Informa is a big company with a small company mindset. I have to say the finance person in me was a little bit sceptical about this, because it feels like those two approaches are often in conflict with each other.

But having seen many day to day examples over the last few months that small company mindset really exists and decisions are taken very quickly. And I think it's that openness of expression and the pace of decision making which facilitates and innovative culture.

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**Michael Foster, Ocean UK Equity**

Can we just have a bit of colour on equity ownership within the organisation, how far that goes down the organisation?

Secondly, you guys sitting up there are all very impressive speakers and today has been very impressive, but what are the frustrations you have with Informa?

Thirdly, has there - with all these acquisitions there comes more and more risk, who is bringing these acquisitions to the table, is it investment bankers or are these trade sales and what's your filter process on that?

And thirdly, when you've done these acquisitions how much foul play have you come across in terms of - and I hate to say it, the word fraud that might have happened in the organisation and how have you handled that?

.....

**Eleanor Souster, Chief of Staff, Taylor & Francis**

So equity ownership, Andy are you happy to take that one?

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**Andrew Mullins, CEO, Informa Connect**

Yeah, I mean the share match scheme that's rolled out across the business and it's available in different formats in different geographies for tax reasons I think is one of the most progressive and generous schemes I've ever come across. So I don't know the precise take up numbers, but we actively try and push it and encourage it throughout the whole of the business.

Lots of people do pick up on it and take it up, but some people are challenged, they've got very little cash availability, they're young, but they want to get on the scheme and the better they see the Informa results the more people are buying into the concept of wanting to own equity and whether it's a share match scheme or whatever. So I think it has enhanced massively over the last few years but we have got a long way to go to make it fully taken up throughout the whole business is believe, but I think there's plenty of opportunity. So it's good.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

And the second question on frustrations, Adam are you happy to take that one?

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**Adam Andersen, Brand Director, Pharma, Informa Markets**

Frustrations, I mean like any large company you're going to encourage frustrations, that's inevitable. I know there's many large organisations represented here, whether that's through integration of technology or certain things, that's going to take time. But I do think that there is a sense of accountability to each other within the culture of Informa.

I think that there really is - there is a management perspective, you're going to think about the people and how they're impacted on things. And I've worked for other companies that we would make acquisitions and turn an office or an organisation around really quickly, integrate it, without really considering the people and the impact to the current and the existing employees. I think that's a big difference on how Informa operations and how it - your workflow but also your day to day and how you're impacted.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

Thank you. And Deborah on the acquisition you were heavily involved the acquisition of Dove Medical Press, perhaps you could give a bit of flavour about that acquisition and what the secret was?

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**Deborah Kahn, Publishing Director, Taylor & Francis**

Absolutely, so we were very excited to get the opportunity to bid for Dove Medical Press and when we were successful in that I was put in charge of leading that integration. And the most important thing I think in terms of the success of that integration was that we were allowed to do that in the way that worked best for Dove Medical to allow them to grow within Informa. And for us as well to learn a lot from what Dove Medical Press could teach us. So it was very much a two way thing.

I had a very large sign on my board saying Be More Dove, which was about us learning to be fleet of foot and customer focused like they were. And it's been really successful as far as the whole acquisition is concerned in terms of the way that they have started to integrate, the way that the business has grown and the way that we have taken on a lot of what they have taught us. So it's been a great experience.

And what was really excellent about it was the freedom that we were giving by Informa to do that in the way that worked for both Informa and for Dove, rather than you know having to go through some sort of template which might not have worked in that way.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

We've got a couple of questions at the front here.

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**Question**

Thanks a lot, this is a question that came up at the full year results actually which was about the separate branding of Taylor & Francis and what that tells us about the destiny for this part of the Group. I mean there was a question earlier about the growth rate in Intelligence and trying to get up, obviously the Markets is a bigger business now with a higher growth rate.

Do the people in Taylor & Francis feel like they're actually part of the Group, because it kind of feels from the outside like you know it's going to be a struggle to get the growth rate beyond 2% if you look at a lot of the other science businesses the same thing. So what do the people at Taylor & Francis feel is their destiny? Is it with Informa or is it with someone else?

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**Deborah Kahn, Publishing Director, Taylor & Francis**

Well I'll leave the questions about the business to after lunch when the team is going to talk about Taylor & Francis in detail. But certainly we feel very, very much part of Informa and very much part of the destiny of Informa.

We are very integrated in many, many ways in the way that Informa works. I mentioned Walk the World earlier and you saw a picture of Annie in Delhi in video earlier. We are all over the world, we're doing those things as part of the Informa Groups and Informa Awards, we're a large part of that. We are very much integrated as a part of Informa and very much a part of the future of Informa.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

I think just next to you.

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**Tom Singlehurst, Citi**

I had one question which is I suppose serious, which was about learning and development. There is lots of survey work that shows that in order to attract and retain millennials you need to offer learning and development and I would imagine that that has to happen a Group level, so can you - can someone, I don't know who'd be most appropriate to talk about what initiatives there are on learning and development, at the Informa Group level?

And then I suppose linked, you know thinking about the Walk the World initiative, just a burning question, given the previous CEO, just whether Stephen dresses up as a banana and allows you to chase him as part of that initiative?

*Laughter*

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**Alex Simm, CFO, Health and Nutrition, Informa Markets**

I think one of the comments that I've heard a lot from my legacy UBM colleagues on joining Informa is that the L&D function is very impressive. It's really not an afterthought tucked away at the bottom of an HR department. It's a powerful function.

One of the things that I love about it from a finance background is that provided people can evidence that they're talking learning back to their businesses there is never a financial disincentive for somebody to either ask for or attend a training course, which I think is wonderful.

The other comment that I hear fairly regularly is that people admire that fact that not all of the training is role or activity specific. It's often general career progression. Now I guess at the end of the day what we're doing is making people more employable, and obviously some of those people will leave with our best wishes, but I hope that it's engendering the type of positive and nurturing environment in which people would choose to stay.

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**Andrew Mullins, CEO, Informa Connect**

I think it's worth saying it's patchy actually in fairness between the different divisions, depending on your history and where you've come from and the amount of profit you throw off and the amount of money you can invest in learning and development. But the one thing that is absolutely clear is that everyone who joins the company expects and demands training and learning development as they move forward. So it's something we've had to take onboard and fund as we go along and we're doing more and more of it.

I don't think it's good enough personally at the moment, we've got to do a lot more of it, it may be better in some divisions than the others, but it's something that's being demanded. And I think the Global HR team under Eleanor Phillips and the divisional HR teams are very focused on how we develop these schemes and onboard people and train them up. So I think we've got a way to go actually.

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**Margaret Ma Connolly, CEO, Asia, Informa Markets**

Yeah, actually learning and development has been a key differentiator for us to attract new partnerships, not just M&A, but also project collaboration. That is how create value add to our partners, that's how we can develop sustainable long term partnerships. So in Asia we have invested a lot, in the Marketing Academy, in our Sales Academy, we have built quite a reputation, we have published even books - more like an industry bible for certain disciplines. Yeah, that helps a lot.

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**Adam Andersen, Brand Director, Pharma, Informa Markets**

I would say that I think the learning and development planning, certainly within Informa Markets at least is really helping us to bring that culture together. Next week there is a consultants sales training in the Amsterdam office for two days which will really help unite different teams because people are coming in from different offices for that training. They are able to share experiences and talk about how they approach clients. And then also you start having - speaking the same language.

And we're also - you mentioned attracting younger applications we've now with LinkedIn learning tools, so people can take a ten minute course online to be use that knowledge in their everyday learning, their everyday job, which is really powerful and impactful if you talk about attracting - quick ways to learn and apply that to your job.

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**Deborah Kahn, Publishing Director, Taylor & Francis**

I think Taylor & Francis - our learning and development is really excellent, but the think I'd really highlight on top of all the courses and everything is we've got a really excellent mentoring scheme, which has very, very high take up both in terms of mentors and mentees. And it's brilliant for both sets of partners, for learning, developing and their career continuing. And I find that a really wonderful scheme for everybody within the organisation.

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**Eleanor Souster, Chief of Staff, Taylor & Francis**

Yes and I would say as a millennial having come from the Graduate Programme the opportunities here are really, really amazing and the Graduate scheme is growing year and year and yeah, we're all very proud to work for Informa and there are plenty of opportunities here for millennials, more than just learning and development.

Pause and Chat

Do you have any other questions? I have one final questions related to sustainability, so this is specifically to Adam, but anyone else - feel free to jump in. Adam I know it's a passion of yours so can you talk a bit about Informa's Sustainability strategy focused on the different relationships we have with customers, colleagues and communities?

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**Adam Andersen, Brand Director, Pharma, Informa Markets**

Sure. Yes I mean I've just been part of Informa where there is a centralised sustainability team and as Deborah mentioned you have the real freedom to succeed. And if you are really passionate about sustainability applying that to your products you can take that as far as you want to.

With our events in particular, I always like to say we don't just want to be in these communities for one week out of the year, we want to be in term 365 days of the year and be in our customers' lives in that way. And there is as way - whether it's working with partner groups or working in the communities, working on really creating those partners so you feel like you're not just putting on an event and walking away and there's no connection to the local community or the culture, or the market that you're in.

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**Stephen A. Carter, Group Chief Executive**

Okay, thanks very much Ellie.

Just to wrap up on that section, I mean culture is an intangible thing, but I know lots of you spend lots of time deciding how to invest your money, or other people's money, or how you judge a company and in our business culture is a big thing.

We have had a team of people, about 2,000 people actually if you can have a team of 2,000 people, working for the last eight or nine months, pretty much since the other side of the UBM acquisition on how would you take the values, the purpose, the sense of what it's like to work inside different parts of the company and express them in a common way. And we will be unveiling the culmination of that our Leadership Meeting in three or four weeks.

The mantra that Adam and others talked about and Alex referred to, which is think big and act small is core to what we do. We have ambition as a company and we have had for some time and we certainly have had for the last five or six years and hopefully we'll continue to have.

But our essence is to try and operate in the detail of what we do and in the teams and in the brands and in the markets and in specialist markets. I don't personally think that's a contradiction in terms. Every big company I've ever been in has wanted to act like a small company and every small company I've been in has wanted to have the benefits of being a bigger company.

If you can get the combination of the two that's stardust. And it's not always easy, it creates a lot of conflict, it requires a lot of open communication and fast decision making as people talk about. But if you get that right, ultimately that's what gives you a competitive advantage against your peers.

On the equity question - equity ownership in this company was sub 1% about six years ago, equity ownership in the company today stands at about 20%. We have a 20% annual churn, so if you strip that 20% out because you have to have been here for a period of time before you are eligible for any of the equity schemes that means that our equity ownership is about one in four. My own personal ambition has been to get it to about one in three and I think that would make us very market competitive.

Andy is right, we have a very attractive series of schemes, deliberately so to encourage depth of equity ownership.

If you're in the top 150 leaders of the company you're required to be an equity holder. And then we have equity holding obligations that extend across that entire group. So we are deliberately building a sense of equity ownership in the business in a measured way, but in a way that I think connects the interests of hopefully many colleagues in the company, but certainly the leaders of the company with the owners of the company.

And on the critical question of do I dress up in a banana suit, if I told you the serious answer to that question it would be unprintable. But we did, for those of you for whom this conversation sounds even more unusual than the rest of the morning, we did have a history in the company of trying to get everybody together. But actually we discovered, or I discovered when I took over as Chief Executive that it was a great idea but it wasn't very democratic, because actually unless you were a runner, even a runner in a banana suit, which I did do once, actually it wasn't embracing.

So the honest answer to the question is we killed the banana and we replaced it with an idea, which was a little idea, which is what is the one thing that everybody likes to do? And that is to walk.

So we launched an idea called Walk the World, now Walk the World basically said, let's get colleagues out of the office for a day and they can walk a distance, however they want. It started out I think as 5km, I think this year some people are doing 40 miles. And this year, how many people will we have participating in Walk the World, probably?

.....

**Richard Menzies-Gow**

7,000.

.....

**Stephen A. Carter, Group Chief Executive**

7,000 people, we allow people to do what they want in their own locality, to raise money for their own charities, their own communities. We match fund the proceeds that are raised and it's a classic example of how you can all do the same thing in your own way, in your own community and have a shared experience of which is entirely bespoke to the team you work in or the community you work in.

And if you want to dress up in a banana suit that's okay too, but just for the record that one I've retired.

Now we go to lunch and when we come back after lunch we'll go back into the business. But it is now 25 past one, when would you like folks back Richard?

.....

**Richard**

Some time just after two.

.....  
**Stephen A. Carter, Group Chief Executive**

If we could aim to be back here ten past two, ten past two that would be grand. But demonstrators are in their rooms, so if people are interested please do take a chance with that.

Thanks everybody that was great.

.....  
**Lunch Break**

.....  
**Stephen A. Carter, Group Chief Executive**

Thank you very much for coming back after lunch, that's always a good sign. Either the lunch was pretty average or there's an appetite for more information.

So we move into the second half of the day that comes in two parts. We're going to start with a presentation from the leadership team of Taylor and Francis. And I notice that the queen of open access is hiding in the audience, but don't think you can get away Deborah if there are tricky questions there they are coming your way, so forewarned is forearmed. Then we will move into a presentation from three of the leaders of our newly formed informa Tech business, and then we'll take some final wrap up questions, and then we are home free.

And so with no further ado, it is a great pleasure to introduce Annie. Annie has been with the business for some time now so she can't hide being the I'm new – she is no longer new – she has brought refresh, energy, a fresh perspective and a hell of a laugh to our AP business and I think you will have a very enjoyable session under her stewardship.

**Resilience & Strength through Specialist Knowledge**

**Annie Callanan, Chief Executive Officer, Taylor & Francis**

Thank you Stephen. Good afternoon everyone. I'm so delighted to be on the other side of the lunch break after a long morning but it is a real pleasure to be here.

As Stephen mentioned I think I am coming onto my two-year anniversary with the company in July so it feels to me like I've been waiting a very long time to greet you on this stage, and to have the opportunity to share my enthusiasm not just for this business, Taylor & Francis and not just for our people but for the incredibly important role that scholarly publishing communities play in the substantiation of experts and truths that really progress our world and humanity. And that's what we really represent here today.

As an American who's living in the UK I've been able to experience many new insights about myself, and one of the things I've realised is that being restrained and understated is apparently something that I am not very good at.

But with some helpful edits from Richard I believe we have successfully extracted over 82 adjectives, 41 modifiers and dozens of boastful and unsubstantiated proclamations from this prepared script so hopefully that will leave plenty of time for questions

I am so privileged to be joined on the stage today by my very esteemed colleagues who will introduce themselves –Christoph, Leon and Max – and over the next 30 minutes we will share our perspective on the broader knowledge economy and on T&F's key differentiators, specifically really the depth and specialisation of our portfolio – no surprise there – but really the resilience and strength that these attributes afford us in the global supply chain as it is today, in our approach to Open Access and really in the evolving footprint of the way in which we are deploying technology in new ways to bring new value to the business.

You are of course familiar with this slide, so great intimacy with this slide, but from a meta perspective in our market and the way we see this, the search for advanced knowledge, in our business, is undoubtedly the greatest unsatiated need of the 21 century. Today's expanding human corpus of knowledge is butting up against a 20<sup>th</sup> century supply chain and we feel the effect of this. It is a corpus that can no longer be contained on a single library shelf or for that matter on the cumulative shelves of all 45,000 academic libraries combined.

Since I was first introduced into this form almost 24 months ago, it is sobering to think about, but more new data has come in during those two years than in the entire previous history of the human race.

This dynamic is catalysing our business, and the need for advanced knowledge and specialist knowledge, so from our vantage point, the knowledge economy continues to be an enduring, positive growth market for Taylor & Francis.

This global demand for advanced knowledge is being sustained not just by our expenditures around the world but by the need for skills and capabilities – and Christoph will refer to this as we showcase specifically India and China - all of these growth markets are intent on skilling their citizens with 21<sup>st</sup> century knowledge and capabilities.

A recent analysis by UNESCO projects growth of nearly 200% in global enrolment, tertiary enrolments, higher education enrolments through 2040. Now tertiary education for us refers to any kind of advanced degree, graduate certificate, associates, masters, doctoral degrees, in essence anyone pursuing advanced learning.

In T&F we see evidence of this enrolment trend directly in the geographic diversity of our authors and our researchers, in our content downloads and in our article submissions.

In addition to these macro drivers, the proliferation of fake news and fake information in the world today means that T&F's trusted knowledge brands are a hallmark of quality, for anyone seeking real substantiated verified truths and proof of validated expertise.

Growth in our published papers is accelerating. Today we are curating not just advanced theories but emergent scholarship, meaning new truths which did not exist previously and

applied knowledge. The kind highly valued by those trying to formulate policy and to solve real world problems.

The need for lifelong learning is driving now continuous rather than episodic demand for our content. And the delivery methods are moving beyond the shelves, the books, the journals and the proprietary platforms.

Our content centric strategy around thematic specialist channels is driving new value to tertiary learners that are increasingly engaging beyond the traditional academic centres. And some of you who had the opportunity to see the demos saw an example of this in the SDGO channel, our Sustainable Development Goals channel.

Finally, it's ubiquitously obvious to everyone in this room that new business models are emerging around knowledge and how it's funded, and we are rapidly responding to that need. We view the Open Access movement as another important business model adaptation, and Leon will touch to you on this further in a few moments with additional context.

Now, as we drill down from the broader market and we start to look at T&F specifically, we can see some of the positive revenue trends. A healthy diversification of content formats, 70% of which today are fulfilled electronically, strong growth in the newer formats as you would expect, OA and in e-books and resiliency, more than we see in any other area resiliency in print in regions that are still demanding that format.

Despite the substantial book business that we have today almost half of our revenues are still secured from high quality subscriptions consistently manifested in multi-year deals.

Growth in journal article submissions over the past five years further showcases the draw of the T&F corpus and we are very proud of our longstanding track record as a publisher successfully delivering the unique and complex process of curating high quality specialist knowledge at scale.

Now ensuring high quality of course implies a high rejection rate. And in our case the rejection rate is approximately or close to 70% of all submissions. But this unique capability of substantiating and validating truths is the bedrock which sustains both the pay to read and the pay to publish models.

For T&F this core value is enhanced by an equally scalable process optimisation process and methodology, which ensures that we continue to rely on quality standards in what we publish while driving down unit costs to offset increased volumes. And we saw an example of that in 2018 when those unit costs came down by 13%.

So to do what do we owe this resiliency and strong operating performance in this company? Well, in a nutshell it is our unrivalled capacity to manage and extract specialist knowledge from a vast relationship network of tens of thousands of deep domain experts from over 3,000 researcher communities around the world.

We systematically draw on this network of thousands of touchpoints to assess commercial opportunities and gauge demand from the experts, originating knowledge in academia and increasingly beyond.

We manage the diversity of this demand efficiently and at scale and we adapt very flexible solutions rather than try to impose one homogeneous solution onto the market.

This is why T&F has been adept at embracing new business and pricing models and why we have been successful in making accretive investments and strategic acquisitions as well as tech enabled solutions to further differentiate our offering and our services to this market.

Now some funders are evolving to a preferred system of Open Science and Open Scholarship, and T&F's specialty curation process will be just as commercially viable as that model evolves as it is today.

Open Access will in fact make more article content accessible earlier, there's no doubt about that, and that is a very important development. But on its own if nothing changes it won't improve or speed up interpretation, synthesis, iteration, problem solving, policy formation or in fact the global impact of advanced knowledge, all critical value drivers.

So our strategy continues to be to place particular emphasis on the enablement of those core value drivers, specifically as you see here the areas in blue in addition to the purple bits in the middle that productionise and format the content. Driving that specialist content strategy with a bias and it is a bias that is platform, format and market agnostic means that our content can be directly discoverable in any environment by any advanced learner anywhere at any time.

Now to share some additional insights that are highlighted on this slide I'd like to now invite my colleagues up to the podium, starting with Christoph on our content sales and channel partner strategy.

.....

**Christoph Chesher, Group Sales Director, Taylor & Francis**

Thanks Annie. Okay, so let's look at our content corpus. The depth of our trusted relationships with experts in their advanced fields extends to over 50 high level subject domains. That's well beyond what's depicted in this chart in which we've grouped some subjects together such as business and economics in order to make the slide more manageable.

Our deliberate approach to micro specialisation is augmented by an equally purposeful strategy of increasing our capacity to collect and commission specialist knowledge globally, regardless of country or language of origin.

I point you to the bottom line on the slide illustrating the five top level domains. As you can see above each subject in greater depth is a range of advanced, emergent and applied sub-specialities.

Our specialisms in Social Science & Humanities include such strengths as Business, Economics, Education, Information Science and Political Science. And stressing the word, emergent, we were either early entrants or the first publisher to publish in what are now well recognised disciplines such as Women's Studies, Communication Studies, Gender Studies and Media Studies.

These dynamic networks of experts and scholarship represent not only specialist content from the most advanced theorists in each field but more frequently emergent knowledge which did not exist previously, and which is increasingly applied towards policy, problem solving and real world impact.

Let's just take one of these areas to study in greater depth. Education represents 7% of our corpus and depicted here you can see 21 subcategories in an even deeper range of advanced, emergent and applied sub-specialities with networks of expert and scholarship. These subjects themselves also expand into a range of further micro specialist areas with an even more specialist curation process.

So let's move back up a level to look at the impact that Taylor & Francis has in the education arena overall. Taylor & Francis is the market leader publishing 27% of all articles in the field. We hold a 32% share of citations demonstrating that the research we publish is referenced widely by those in this field.

Harnessing the expertise of advanced thinkers we amplify this to a wide audience through strategic partnerships with, amongst others, the Education Media Centre in the UK, Australia's Media Centre for Educational Research, the Society for Research into Higher Education and SHAPE America, which provides practical programmes, resources and advocacy with the goal of achieving a nation where all children are prepared so that they can lead healthy physically active lives.

One of the emergent fields that we champion is Visible Learning. This series looks at what works best in education to improve learning outcomes in schools. Based on 20+ years of ongoing research incorporating millions of students globally, Visible Learning represents the largest ever collection of evidence based research into what actually works in our schools to improve learning.

On first publication of the original research Visible Learning was described by the UK main teacher and newspaper, the Times Educational Supplement, as "revealing teaching's Holy Grail".

An ongoing programme of books in Visible Learning has built on and expanded that legacy to enable teachers in any classroom on any continent to connect the very best research with the very best practice.

This market lead doesn't happen by accident. It's a testament to decades of our time, effort and expertise to build close connections with the knowledge experts who matter to crystallise their ideas into publications and to ensure that they are disseminated to those going to shape how individuals are educated throughout a life-long learning journey.

Just for completeness, here's a similar depiction of the landscape for our Science, Medicine, Engineering and Tech specialities. The topic areas are depicted in proportion to the number of articles published by us in 2018.

So let's move out of content and into money. This slide illustrates where research output is growing. And in particular we're going to examine the opportunities that it affords us through the lens of both India and China as just two examples.

On the graph on the left the growth in China's output is the most evident from the slide. But it's worth noting that research output from India has also doubled during the same period, albeit from a smaller base.

On the right-hand side you can see our revenue by region, with China and India broken out representing 4.5% and 3% of our overall revenues respectively.

The growth and research output in these two countries is already reflected in some of our sales. Our print book sales to China have grown by 36% over the past two years and by 43% to India over the same period. Our e-book sales to China and India grew by over 12% and 33% respectively last year. In China, our rights income for those books that we licence for translation grew by 45% in 2018. With journal subscription sales we have mid-single digit growth in both countries reflecting national consortia deals.

Open Access growth has been four fold over the past two years in India. And in China, OA growth has been in excess 330% over the same period. Together from all of these product lines we expect our overall revenue of 8% to 10% per annum from these two countries for the foreseeable future.

Both countries also produce high quality publishable content and if anything the volume and quality of content continues to increase. The book publishing we originate from India has more than doubled in the last three years and there is the expectation that within five years more than 10% of global book publishing output will come from the country.

In China we expect more than double book signings this year and we're also in the process of adding further editorial resources this year to maximise the potential.

As a footnote on this slide some of you may have seen the article in the Economist in April referring to the significant growth and investment in private education in India and China doubling over the past decade to 4% and 5% of household income respectively compared to just 1% in Europe.

Ah, but that would be primarily investment in schools, surely? In Europe, yes, but not so in India where you find that 30% of universities are private and 65% or 25,000 of the 38,000 colleges of further education, many of them degree awarding, are private. The private sector is growing rapidly and increasingly these institutions are realising that they need the best materials and resources if they're to maintain their competitive edge.

So let's now look at sales trends more generally globally by category. In print books with regard to Taylor & Francis' market share of the print book market, Blackwell's in the UK whose academic book sales include a significant amount of textbook adoption business report our market share to be 14%. For the library supply market specifically Starkmann, a dedicated library supplier reports our market share as 19%.

We've all seen reports that the textbook market in the US remains under some pressure notably as a result from print rental schemes and also second-hand book sales. However, it is worth noting that Taylor & Francis is not significantly affected as we do not compete in the 101 First Year sector. Rather we publish the more specialist Second and Third Year modular courses.

On e-books, e-book revenues were up by 16% last year and e-books now account for just over 30% of overall books income. Over the past 12 months there has been a noticeable acceleration in conversion from print to e-book sales from 2% of overall book sales per annum to between 3% and 4%, which is continuing.

We're channel agnostic when we visit librarians. We see our rep's priority first and foremost as getting the librarian to purchase Taylor & Francis' content. And that means through whatever channel the librarian prefers, direct or indirect. The result is that generally our reps are always welcome on campus and in the library.

This approach also serves us well with our trade partners such as e-book aggregators and subscription agents who have a choice as to whose content they push the strongest.

Open Access for e-books is a small but growing opportunity. We've recently signed a contract with Knowledge Unlatched to publish two series, African Studies and Gender Studies as Open Access titles. There's also an important difference in the accepted OA model for books as opposed to journals. With books it is accepted that the publisher may continue to sell print copies even if the e-book version is available for free download.

And on journals, in journals we continue to achieve high single digit growth in access via income through our sales models. Our continued growth in big deal agreements may be due to Taylor & Francis' differentiated offer. We don't present customers with an all or nothing deal. Effectively libraries can choose a full access deal in 23 different subject areas or individually in the whole of HSS or Science and Technology or Medicine, or lastly the overall Taylor & Francis library. Simply the larger the deal the better the savings.

There is interest in Plan S and Read and Publish in the UK and Europe. However, and not to be conflated with Plan S, although there is growing enthusiasm for OA as an option in the other markets I've referred to, and yet in other markets in Asia, in Australia and in the USA there remains minimal interest and commercial uptake despite the recent publicity surrounding California Digital Libraries.

Our flexible offerings to consortia customers on OA include discounted APCs, APC prepayment discounts for committed spend, offset schemes and many others as well as Read and Publish deals.

So let's now look at the wider picture for sales and how we structure ourselves. Our office footprint covers 27 countries and 21 time zones, and we sell to more than 140 countries. We have major sales hubs as you would expect in the USA, UK, New Delhi, Singapore, Beijing, Tokyo and Melbourne. And in each region as appropriate we have further smaller satellite offices reporting into the major hubs. So for example, we have offices in KL, Hong Kong, Taipei and Seoul that report into Singapore.

Over to strategy. Behind all of our actions is the philosophy of think global and act local. In each market whilst it's readily apparent that we are an international global company we take a holistic approach and aim to embed ourselves and gain acceptance of part of the local community and establishment.

We always remember that many of our customers whether academics or librarians often spend their whole working life in the same career and that today's customers are often tomorrows leaders and policy influencers.

We always try to accommodate local needs where possible but regional deals are always done within the context and never at the expense of the global business. Deals are carefully assessed as to whether they are sustainable in the long term, as is the extent of risk to which a deal might set a precedent in other markets.

In summary, regional accountability is partnered with strong central direction and management. As an aside, in answer to the inevitable question about what extent do we use discounts to clinch deals, then yes, of course occasionally that's necessary. But it's used sparingly. And in my experience relationships, culture, consistency of service and quality of product, and we have a highly differentiated product, beats discounts every time, which is why of course both Annie and Stephen always tell me I've got the easiest job in the world.

Going onto the last heading, Ambition. In both India and China we continue to build the network of regional reps in major cities so that they continue to build the business and market share at institutions so that we become less reliant on trade intermediaries, notwithstanding how good those relationships are. We've chosen to speak about opportunities through the lens of India and China for we live in a world that is embracing education and there are many other opportunities I should mention as well.

We see opportunity for further growth in the Middle East where 65% of the population is under the age of 30, and investment in education is growing. We've expanded our Corporate Sales team by adding dedicated staff in India, China, Singapore and Australia for the first time and this is already bringing benefits.

And last the joint sales and marketing targeted approach to the hospitals market in the UK and EMEA last year saw a 47% improvement in sales, albeit from a small base. We believe there's continued room for growth in that market and we're rolling this targeted approach out much more widely to other markets. Thank you, I'll hand you over to Leon now.

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### **Leon Heward-Mills, MD Researcher Services, Taylor & Francis**

Thank you, Christoph. And good afternoon everyone. I'm Managing Director for Researcher Services at Taylor & Francis. I have responsibility for our Open Access and Journals programmes and I've been with T&F for four years working within this sector for over 25.

So let's take a deeper dive into Open Access within our Journals portfolio. We have been making significant strides in the development of Open Access in recent years and are a leader in many of the broader open scholarship or Open Research initiatives that are opening up elements of the research cycle beyond the journal article.

Now this is important because we believe that article publishing charged based Open Access may never be suitable for research communities. To my mind a key shortfall in Plan S as proposed. And therefore we provide other routes to help support these researchers to fulfil their Open Access goals or mandates.

We're investing to have a key role in driving this transition because we believe Open Access and Open Research, if managed well, is of benefit to everybody as well as being commercially successful.

So the map in this picture shows how we think the world will be approaching Open Access for the next few years. This is based on current data as well as the information that we have coming from research funders and policymakers in these geographies. You'll be familiar with the picture of course but I want to reinforce the point, we're working in a market in transition. The picture in Europe is very different to the picture in large parts of the world. There isn't a one size fits all, and there's not a one size fits all approach to how research publication is funded and therefore sold.

There's also a bias towards APC Open Access amongst the medical and science communities. The bar graph here shows the top ten US full Open Access output by subject for 2017. And you'll see that there's not a Social Science subject in sight. In fact the SSH entry, Education and Educational Research comes in at number 43.

And there are a few reasons for this. Science Research receives more funding for specific projects and that funding is more likely to include provision for publishing charges, there's an immediacy of the demand for this research and research in fast moving fields means that there's more of a demand for immediate Open Access.

So Social Science & Humanities by contrast receive less funding and green Open Access where a version of the paper is made available after an embargo period that's acceptable for researchers in these fields.

Since 2012 our approach to OA has been supportive and pragmatic. And we now offer a blend of solutions to OA including hybrid journals, full Open Access journals and green archiving. And this has been matched by a gradual shift in the proportion of APC Open Access that we publish.

The subject areas where we see the most OA align with the top ten and include Biological, Environmental and Earth Sciences as well as Medicine and Health at the top of the list, with

Social Sciences & Humanities coming in towards the bottom. We will continue to support authors with a range of models to fit their research communication needs.

And as Christoph mentioned earlier, we're also seeing more specific localised changes in Europe in the type of sales agreements requested by funders and by Library consortia. The last few years have seen the development of Read and Publish deals. And as in every other type of relationship that we've discussed so far our flexibility and our adaptability means that we're able to take a pragmatic and responsive approach to these requests with the goal of mutual benefit.

So we offer authors choice, we enable green Open Access. We have developed leading Open Access workflows and services to support authors and librarians. And we're progressing a broader Open Research agenda recovering research advocacy, data sharing policies and promoting open standards such as Open Science badges. We remain flexible and creative in our approach to negotiating Read and Publish or Publish and Read sales agreements with consortia.

So we have created, converted and strategically acquired Open Access journals and publishers, and I'll talk about this a little more in a minute.

So we have a range of carefully developed options that support author choice, cogent, broad spectrum Open Access titles concerned with publishing research that is methodologically sound. They also give a home to negative results which are often neglected by other cutting edge journals but are a really important facet of research. Dove Press, part of a targeted acquisition that we mentioned before and that strategy to bring in specialist skills, technology and process knowledge to our Open Access offering as well an excellent business in its right.

Taylor & Francis Open, a curative list of new starts, flipped titles and acquisitions in areas where the market is right for OA and Open Select, the option for authors to publish OA in our subscription journals. So content is provided in addition to subscription content giving authors the option to publish OA in the journal that is most appropriate for their community. So OA and subscription content is fully integrated. And you'll have seen this as part of the product demonstrations during the day from a user's perspective accessing both types of content is seamless.

So to take a closer look at our Dove List, we are really encouraged by our submission and acceptance numbers here, submissions rising from just under 12,500 in 2017 to 19,500 in 2018. Acceptances at 5,500 in 2017 up to nearly 7,000 in 2018. But critically publication times are improving too. With the time to first decision at the end of 2017 at 45 days, end of 2018 at 41 days. The time to publication at the end of 2017 at 49 days and increasing by the end of 2018 to 38 days. And most importantly as a born OA publisher Dove brings a level of expertise and capability to Taylor & Francis that is influencing development across the portfolio.

We have long term relationships with thousands of the world's leading knowledge creators including partnerships that we have with over 850 society partners, many that we've worked with over decades and these relationships endure in an Open Access environment.

So let's look briefly at one of these to illustrate the depth and the richness that comes from building these relationships as well as the impact that stems from combining talent and

expertise with Open Access. And we did have some fun thinking about a suitable topic for a case study for a room that included a high proportion of analysts, and we've come up with statistics.

So we have had a publishing partnership with the American Society of Statistics, the American Statistics Association I should say, for seven years. We are the leading journals publisher globally in statistics and probability. The journals we publish cover a broad range of both theoretical and applied stats. And we excel in areas of specific focus including theoretical and applied statistics, public policy, stochastics and biostatistics and biopharmaceuticals.

So over 100 journals across the Taylor & Francis portfolio publish stats research to some degree and the focus is weighted towards applied statistics with real world impact across many different subject areas.

We publish approximately double the number of articles that our nearest competitor does in this field.

So we publish on behalf of the American Statistical Association in a partnership that brings mutual benefit, the specialism and the depth of their content as well as its practical application has recently been covered in Widescreen Media, which is quite something for a stats journal in itself.

The ASA recently published a series of statements and special issues about p-values. So when researchers perform a hypothesis test, setting a p-value has always been seen as the essential part of the test to determine the statistical significance of their results.

In a paper that's been viewed over 300,000 times the ASA challenges common misuses and misinterpretations of how p-values should be used. And the impact? Well it sparked a debate within statistics but also it crossed many different scientific disciplines due to the importance of statistical significance within research across many fields.

They followed up their original paper with an Open Access special issue in the American Statistician, called Statistical Inference in the 21<sup>st</sup> Century, A World Beyond, P is less than 0.05, if you want to look it up. Papers cover the breadth of scientific research as well as business and policymaking and are intended to be of practical use to a broad range of scientists. So this issue has received 160,000 views so far and it's got an altmetric score of 874.

So in this context Open Access has been a propelling factor in ensuring that this important research reaches and wide and broad audience. The findings in these papers may help change how data is interpreted and from there decisions made on food standards, education, transport policy, medicine, the list goes on as does its significance.

And I think this also illustrates our approach to transition. Open Access is a business model. It's a business model adaptation that we're achieving by being flexible, by being balanced and by working collaboratively with our many stakeholders and customers. So I'm now going to hand over to Max to cover Digital Transformation Opportunities. Max.

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### **Max Gabriel, Chief Digital Officer, Taylor & Francis**

Thank you Leon. Hello everyone. My name is Max Gabriel, I'm the CDO for Taylor & Francis, which really translates to if the business is doing well, Christoph gets all the credit. If there's something wrong, I get the blame. That's usually what it means.

I joined Taylor & Francis a little over three years ago and I was really intrigued and really impressed with the depth and specialisation of the content. I'm not saying it because it's a theme for the day. When you come from outside the industry you see the publishing as Science and Art, Science & Humanities. As Christoph just illustrated the depth and the number of subject areas we publish in was incredibly impressive. And I was equally intrigued by the lack of depth in our technology capability when I started, which made an interesting personal opportunity for me to go along on this.

So I'm going to share, you know, what we've done over the past few years in Technology. It was actually interesting, I was talking to some people over lunch, the last time I was here at the end of 2015 I was fairly new into my job and I was standing here making some promises about what we were going to be doing. And here we are, you know, three years later we'll see where we are.

I just want to refer back to the slide Annie mentioned earlier in terms of where the strategic value of publishing actually stands, which actually highlights an area where, you know, discovery and dissemination is a critical area where there's a lot of value but it was also the biggest area of challenge for T&F a few years ago.

It also highlights leveraging GAP where we've actually created a structured investment programme to do a lot of work around discoverability and dissemination. I just want to talk you through in terms of what we've done.

Some of these platforms most of you would have had an opportunity to look at this morning. TFO, or T&F Online, is our journal subscription platform. It hosts over 4 million articles, about 4.1 million articles in total. It had huge usability and discoverability challenges about three, three and half years ago when we kicked off this programme. And, you know, we took on the challenge in terms of how are we going to improve the usability and the discoverability of our journal's content?

And among many metrics we set ourselves a target of two critical metrics. One is improvement of Alexa Ranking and the second one was a growth in our user sessions. And I'm sure most of you know what Alexa Ranking is, it measures the popularity of the website by looking at the site traffic volume, performance and all those things. The lower the rank the better. Google's Alexa Rank is one. And when we looked at our Alexa Ranking when we started the journey it was a lot higher. The number you see on the slide, 1,051 was the rank at the beginning of 2018. So through a number of micro optimisations on the platform we actually brought in under 800.

That may not seem like a big progress, but once you are on 1000 it's incredibly hard to move that number down. So we're quite pleased with the progress we've made in the past 12 to 15 months.

And we continue to work on the user sessions. We are a little shy of half a billion user sessions. This is the highest we've ever been, and all of this was contributed by a lot of automation in the back end in terms of good quality metadata reaching all our channel partners. Just to put it into perspective our user sessions grew 37% compared to last year, so it was 333 million last year and we had 450 million in 2018.

On the right-hand side is the Taylor & Francis e-books platform, which I'm sure you had a glance this morning. Now with e-books we had a two pronged problem. Not only there was a discoverability challenge for e-books content, the platform we had was not fit for purpose.

So at the end of 2016 there was a lot of debate internally in terms of evaluating other alternate solutions that were out there. End of the year we decided we're going to have to build and launch the platform ourselves. We'd never done that before, so it was definitely an ambitious goal but one of the critical things we agreed is if we're going to do this ourselves it has to have a commercial impact in 2018. Hopefully a positive commercial impact in 2018.

A huge credit to Christoph and his team and Jeremy North who's the Managing Director of Books to get behind this ambitious goal and really rally up the support, and we did. We built, migrated over 2000 customers and successfully launched the platform in about 11 months from start to finish. Not without teething issues, not without making mistakes, not without learning. But that was part of the collective organisation learning that we could actually do this ourselves.

Taking that opportunity we actually chapterised about 1.5 million chapters which I'm sure some of you saw in the demo, which was a huge contributor to improving our discoverability overall. We took about 140,000 e-books and chapterised them automatically. And we used that opportunity to automate the creation of our metadata, which were done manually in the past. And we automated keywords, abstracts and metadata. All those were automated.

Now, when we started at the beginning, you know, there was a lot of scepticism about machine generated keywords and abstracts and we've actually seen a remarkable improvement over the past 12 months. So that was a huge contributing factor.

And I do want to mention one of the huge unblocking factors in discoverability was our close collaboration with Google Scholar. For those of you who don't what Google Scholar is, that's the gateway for our Scholar Research traffic.

And now Google Scholar works really well for journals content but does not do a good job on e-books. So we worked directly with them for about 12 to 15 months. It was quite an involved effort. But at the end of that the results were very fruitful. We're pleased to say 50% of our traffic actually comes from Google Scholar, which is quite unusual for e-book traffic.

So all of these metrics are great, and we also put out Alexa Ranking, which when we launched the platform it was actually over 75,000. And we've brought it down, which is actually a huge improvement, to 13,000. Our user sessions are growing. This is all great but the big question about, did this have a commercial impact? As Christoph mentioned, you know, we had a record year in 2018, 16% e-book revenue growth, which was a great validation in terms of all the effort we put back in terms of discoverability on the platform.

So in summary I just want to call out not only this acted as a scalable foundation but our approach on how we bring platform features and new products to the market was a lot more iterative than what we've done in the past. And then our approach to automation wasn't fixing the print infrastructure, actually shifting it to completely digital first. And I do want to call out Annie's entry into the organisation along with that have created this huge digital momentum throughout the organisation.

So just to build on that momentum the SDGO product you looked at this morning is actually a great illustration of, you know, how we see the future moving forward. We took a mission driven goal such as United Nation Sustainability Development Goals, we assembled a cross functional team across editorial sales marketing technology and product, and we leveraged for the first time machine driven curation across all our corpus of 4 million articles and 1.5 million chapters.

All the work we did over the past three years actually paid back which enabled us to launch this product in less than 90 days, which would not have been possible if we didn't do the investment behind it. And it's actually changed the organisation in terms of how we create these new channels. It wasn't a linear, we do the commission, production, sales and marketing anymore. It was a cross functional effort on how the team came together.

And what made it all the more, you know, exciting and inspiring was it was building a commercial product with a mission driven agenda behind it. So it certainly sets up the template and a foundation on how we will continue to bring new value in an evolving market. Thank you very much. I'll hand it back to Annie.

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**Annie Callanan, Chief Executive Officer, Taylor & Francis**

I think we were supposed to be done ten minutes ago. Okay, thank you so much to my colleagues and everyone who has worked on the material we shared today.

I feel so privileged to be at the helm of this organisation. It's an organisation committed to steering wisdoms, higher purpose and not just its innovation. It's a purpose central to the Routledge heritage and our unique voice, this human centred curation bias that we have, which we internally refer to as Human Centred Science. It's an approach to knowledge that instils a human perspective into every facet of scientific discovery and application. And it is a vital approach we believe to creating sustainable progress in the world today.

I'm very fortunate to be working with an incredible team, a purpose driven team with best in class experts and people that I hold in the highest regard across T&F and Informa.

This is a business where the meta market dynamics are healthy and we are in a very strong position. We are poised to getting further advantage over time we believe as the next period evolves in the publishing landscape and dynamics continue to evolve as these metrics substantiate for us, we are growing in influence as a knowledge brand. And I believe we will continue to grow and influence.

T&F's demonstrated commitment to a highly diverse specialist corpus provides us with we believe a significant defensible commercial advantage and real risk mitigation from the inevitable periodic fluctuations in this market related to business models, formats, geographies, customers, learning modalities, you name it.

The global knowledge market is and will continue to be complex and very diverse, but we've become highly adept at the specialisation and complexity in delivering that at scale. And so you should look for us to remain very passionate, very resilient and very broadly reflective of that demand profile in the years to come. Thank you.

*Applause*

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**Questions and Answers**

**Stephen A. Carter, Group Chief Executive**

Thanks Annie. And we'll throw it open to questions. We've got a question in the front here and then a question on the other side.

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**Matthew Walker, Credit Suisse**

Thanks a lot. Thanks, I've got two questions please if that's okay. The first is if you talk to quite a lot of the society journal companies, etc, you know, they're a little bit worried about the Open Access trends in the sense of, you know, 95% of their revenue is coming from subscriptions, then they go to a place where they want to do these Read and Publish deals. And A, you're flipping your business model from a subscription model into a transactional model, which is its own problem. But the main thing is, you know, the high publishing universities don't want to spend more than what they're already spending on their subscription.

But then the low publishing universities ultimately won't have a subscription, but they'll end up paying less. And then your government institutions that don't publish anything ultimately won't have a subscription at all, so you lose revenue there. So how do you deal with that challenge? That's the first question.

The second question is on Sci-Hub and LibGen. What impact is Sci-Hub and LibGen having on your business? Because when you look at the logins to, or the people who are actually accessing those platforms a lot of the usage is actually coming from traditional western universities, etc. It's not all coming from Africa or whatever. And it's also allowing consortia to hold out in the negotiations a lot longer than they used to because they know that their researchers can always get the content from, or nearly always not always, but nearly always get the content from those platforms if need be? So those are the two questions.

.....

**Stephen A. Carter, Group Chief Executive**

Okay, thanks Matthew. Leon, do you want to come in on the Sci-Hub piracy, you know, commercial hold out approach? And maybe, Annie, if you want to come in on the question of the revenue mix and switch. Leon?

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**Leon Heward-Mills, MD Researcher Services, Taylor & Francis**

Sci-Hub yes is a big issue for the industry, for us and more broadly. I think that the reality is that it also provides us with an opportunity to think about the reasons. As you say the users that are coming into use Sci-Hub LibGen and the like are oftentimes users that have authenticated access but don't have an easy way in order to get through to the content that they're entitled to.

So I think the where - so the first part and the issue that is a real challenge to the industry and one that we are facing up to, is thinking about how we can fulfil the needs of those users that many of whom already have access, and actually close that gap.

So there are initiatives that we're working on across the industry, there are things that we're thinking about within the organisation to bridge that. But I agree with you, I think it is something that has become increasingly urgent as far as our industry is concerned but it's also - again there are things that I won't be able to disclose here sadly that we're working on but are going to help us to bridge that. And again I don't know if I want to say more than that at this stage about initiatives but I think it is recognised as a significant problem.

I think what makes it worse oftentimes is that it is somehow put forward as the answer to the wrong problem and what Sci-Hub will do is it will put forward articles and it will throw them up there but doesn't give any of the additional features and services that publishers bring. So if there's that transition to some of these pirate sites what you will lose and what we will lose as commercial publishers, what the societies will lose as well is the added value and the service that you get from the work that we and many within our industry do. So it is a critical problem and one that we are addressing - looking to address head on.

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**Annie Callanan, Chief Executive Officer, Taylor & Francis**

I would just add one note on that topic which is - and I think the entire ecosystem and everyone who wants to preserve the value of what we all provide collectively is that it is impossible to substantiate any truth at zero marginal cost and everyone understands this. And if we were to try and attempt to do that and provide all of these incredibly verified knowledge facts into the corpus of knowledge and to do so for free we would stop producing them.

And so I think everyone in the ecosystem wants to support a rational business model and Sci-Hub is not that. But we do have a responsibility I think collectively all of us in the publishing community to make this less - to create a frictionless environment where the people who are entitled to this content can get to it. And I think there are steps that we are taking to work on that solution and that will diminish from the short term impact. It's worth pointing out that we don't see any financial impact from that very dynamic.

On the revenue mix I think we have to again be very flexible and very adaptable to the fact that it is important as we transition out of a 20th century supply chain that has constraints and into a 21st century supply chain that can actually really originate and democratise this information in ways that get it to the people who really need it, who need to continue to work on progressing our societies. And we need to allow for that flexibility in those revenue models.

And the fact that there's a movement now towards more transaction oriented, producer oriented payment structures is not a bad thing and I don't think there's going to be one homogenous mix here. I think we have to be adaptable to the fact that the revenue mix will evolve over time and we have to continue to think through how to provide the value added services that Leon was talking about and I think that's the real opportunity. This isn't just about putting something on a server. We're not printers. We really bring a tremendous amount of value beyond just putting something out there.

It has never been harder to find critical information than it is today, both inside organisations and more broadly. And I think greater emphasis on synthesis and understanding and contextualising and also disseminating more rapidly critical knowledge in context at the right time, these are the value propositions that will allow us to continue to support a multitude of revenue models going forward.

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**Adrien de Saint Hilaire, Bank of America Merrill Lynch**

Three questions please. First of all Christoph you gave us a pretty precise outlook on China and India but can you give us an outlook for other parts of the world, maybe North America and Europe to begin with?

Second question is you talk a lot about Open Access as a revenue opportunity. Can you discuss the impact of Open Access on the overall profitability of Taylor & Francis? I know we've asked that question before but I'm keen to know where we stand now.

And thirdly there's been a lot of M&A consolidation in this industry in the last decade. It's paused a bit in recent years so do you think we're going to see another leg of consolidation among STM publishers? Thank you.

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**Stephen A. Carter, Group Chief Executive**

Why don't I take the last one and then Annie if you want to come in on the kind of - it's the reverse of the revenue question which is if there's going to be a revenue change, even if we can ride it does that mean that the profits go to hell in a hand basket, I think that was roughly your question. And if China and India are in growth what about the rest of the world.

On M&A, I mean the short answer is it's very difficult to tell I think. I mean we have done targeted M&A. Deborah talked about the Dove acquisition in the earlier session. But at a more structural level I think right now the industry is very focused on dealing with some of the

transition issues that the earlier question referred to and Annie talked to in her opening and closing remarks.

I'm not necessarily sure from a customer perspective there's a kind of driving desire for it. And whilst you might argue that some further consolidation might be economically efficient, I'm not sure it's the number one or two priority for the industry. I think the number one or two priority for the industry is really what Annie talks about which is ensuring that the quality of the original research and the quality of access and the accompanying services rose. This is the subtext of your question, people have often asked us do we feel we have sufficient scale in the business that we've currently got and I think our answer to that is unequivocally yes. So we don't feel that we need further scale in order to compete or to innovate which Max and Annie talked about. So we'll watch the market, see what happens, but I think I would be surprised myself to see any major structural change in the near term.

Do you want to deal with China and India - what about the rest of the world, particularly the US, and then Annie can take us home on the profitability issue.

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**Christoph Chesher, Group Sales Director, Taylor & Francis**

Yes certainly. Of course the growth in India and China is quite exciting but it's a small part of our revenue mix at the moment. The rest of the world really is single digit growth but quite stable. Journals is fairly stable. There seems to be more volatility in mix in the Books market because physical books get traded around the world. So for example when the Brexit vote happened and the sterling fell we saw a shift of our US print book business to the UK which had a great year. We sorted that out with our pricing, raising UK prices rather than lowering US prices. And last year the US rebounded with about a 7% increase in sales. So that all works itself out. There's some people that like to look at arbitrage and so on. Generally stable, steady and you know a couple of percent low single digit growth.

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**Annie Callanan, Chief Executive Officer, Taylor & Francis**

We have not seen any negative impact on profitability as a result of OA. We're obviously looking at it very carefully. What I think you can expect over time is the unbundling and rebundling of various services and more optionality in the way in which our customers engage in various value attributes of the service. And we feel very prepared to evolve into that area and I think that will satisfy also for our customers the desire to have a multitude of various models. But we've seen no negative impact at all to date and do not expect to on profitability.

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**Stephen A. Carter, Group Chief Executive**

Annie or Leon do you maybe want to give a view on where you think the market is on APC pricing, where the market has levelled out in aggregate price if there is a such a thing and a view

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**Annie Callanan, Chief Executive Officer, Taylor & Francis**

Are you asking a question Stephen?

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**Stephen A. Carter, Group Chief Executive**

I am yeah, I'm abusing my privilege.

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**Annie Callanan, Chief Executive Officer, Taylor & Francis**

Is that allowed?

*Laughter*

.....  
**Stephen A. Carter, Group Chief Executive**

Does anyone mind if I ask this question?

And where you think APC pricing might go because it's the yin to the yang of the revenue to profitability mix in this market. Leon?

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**Leon Heward-Mills, MD Researcher Services, Taylor & Francis**

Yeah it is and we've done a lot of work because obviously when you look at what is happening with APC price and stabilisation on pricing and Christoph will have a view on this as well, we've done a lot of work to ensure that we're establishing a price that is fair and reasonable. And if you look at what the reported price is and look at what the realised price is for us as well as for competitors, we have done a lot of work on that over the last year to ensure that we actually establish a price that is fair from a customer point of view, but is also reflecting the value of the services that we supply as well. So we've still got some work to do around that I think but I think that we're seeing a good move in our base APC price and it's going in the right direction.

.....  
**Question**

Leon I think it was in your part you said that the Plan S principles are apparently inconsistent, or I can't remember exactly what you said but it doesn't seem like it can go through. Could you expand on that, what you mean by that?

And secondly you've just said that you come to measure the current APC and you judge them fair for the customer and fair for the publisher. What is the mechanism because the same Plan S

is struggling to find a mechanism to set a ceiling so I'm curious to see what is your mechanism to say it is fair, it covers our cost. Clearly with 37% margin it's a tough call to make.

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**Leon Heward-Mills, MD Researcher Services, Taylor & Francis**

Yes I'm happy to take the one on the Plan S piece and then perhaps we'll just share that bit on the pricing mechanism as well. So what I was saying is just to be really clear not to equate Plan S with open Access. So Plan S is a series of principles and I think it's really important to understand what the motivation behind Plan S is and how we as an industry can move towards a broader open agenda. But I talked in my section about Open Access and open science, open research, and the importance of not conflating the two. When you look at what the customer need is I talked about within science, within medicine the ability to have the funds to support APC based Open Access. Within humanities and within social sciences the mix is different.

So what I think is really important to understand is that there's a spread by subject and there's a spread by geography. So what the map of the world was showing is that it is mixed and it's complex and what we need to do. It's not to say that there is not a movement and that we need to satisfy customer need and requirement but we need to do that in the right way and ensure that they have choice. And we have choice to ensure that they're able to publish in the way that they choose according to where the funding is coming from. And I think it's a critical part of this conversation to understand that there isn't a single solution to this and I think that's where some of the issues around the plan have been recognised, not just by us but very broadly within the industry.

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**Stephen A. Carter, Group Chief Executive**

Do you want to speak to the - realisation of the price point?

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**Christoph Chesher, Group Sales Director, Taylor & Francis**

In what sense sorry Stephen?

.....

**Question**

What's the mechanism you have chosen? How do you get to say this is the fair APC? You sit down with somebody on the other side you say we're going to charge you 5,000 because - ?

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**Christoph Chesher, Group Sales Director, Taylor & Francis**

How does the market find its price?

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**Question**

How you?

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**Stephen A. Carter, Group Chief Executive**

How do we, how does the market, who judges fair, why is it fair?

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**Christoph Chesher, Group Sales Director, Taylor & Francis**

Well we've judged our price on where we need it to be and also on the quality of the journals. And also then we have - sometimes we have discounts with various societies, with various consortia and people who are trying to experiment with Open Access. So it is complex, it is different deals in different countries. It often depends on how much their readership is compared to their Open Access element. There's not one simple formula.

But generally like any product you go through research about what price a product can bear and what maximises both the balance between your reach and your pricing. And that is a lot of careful work in terms of our base pricing and in terms of those journals that have high rejection factors for premium pricing.

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**Leon Heward-Mills, MD Researcher Services, Taylor & Francis**

So that's the point I was going to make because of course it's a market that we're talking about of course but what we're talking about is pricing according to the service that we're providing as well. And I think it's really important to recognise that when you're looking at the spread of pricing that we have across APCs, some of the higher price points come for journals where there is a very high level of rejection. So there's a lot of work and a lot of service that goes into fulfilling that. So it is something that the market will decide and work with but we have to be cognisant as to what is reasonable and what the spread is across other publishers as well.

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**Will Packer, Exane BNP Paribas**

Just one question from me. If we look at your peers in the space there's been some tough contract negotiations, high profile, especially in Europe. How should we think about that in the Taylor & Francis context? Is it that your price point is lower so it's less of an issue? Is it that your humanities footprint is different so it's less of an issue? Or in two years' time are we going to see the exact same headlines around Taylor & Francis and it's just because you're smaller you're not at lightning rod currently?

.....

**Annie Callanan, Chief Executive Officer, Taylor & Francis**

We're already living in that environment and we've already faced many of the same challenges. It's a fabulous question. So I think I would give a lot of credit to Christoph and his team because there is an approach that we've taken and we've had success in some cases where our competitors who have made headlines have not. That's in part the tactics and the approach that Christoph and his team have taken. It's in part the sheer breadth and diversity of what we have and in some cases having many, many, many more of these contracts but in smaller amounts have given us a different kind of a leverage. Probably five, six years ago we were late to the big deal so we negotiated differently, we approached these contracts differently and now it's playing out differently for us.

We also have great depth and specialisation in these market segments and so the contracts take on a different flavour. We're obviously trying to avoid walking away from any material deals. We're not going to negotiate negative economics into any of our deals and we've been - the team has been incredibly successful in meeting those objectives. I think you can assume that we've already engaged sufficiently to have a sense of how that's going and I think this is consistent with what you can expect to see going forward.

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**Will Packer, Exane BNP Paribas**

So we shouldn't expect a slowdown in the future based upon similar contract negotiations, you're king of living that as we speak?

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**Annie Callanan, Chief Executive Officer, Taylor & Francis**

We are living it. You're seeing a live representation of it. It's not like we're waiting in the wings to engage, we've been engaging for several years now and that will continue, it's certainly a dynamic that's continuing. There are real constraints in the part of that supply chain in terms of funding and in terms of the provost, trying to figure out how to fund this giant growing knowledge corpus. So these are some real friction points that are trying to be worked through. There's also a market well beyond that that is in need of this knowledge and we're reconciling the various ways in which we get at that to create a sustainable model. But yes you are already seeing a manifestation of how we're managing it and I expect us to maintain our track record in those negotiations going forward. Thank you for your question.

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**Stephen A. Carter, Group Chief Executive**

Fantastic. Annie, Leon, Max, Christoph thank you very much indeed. We're going to move on.

*Applause*

Okay we're not going to break for caffeine so we're going to go straight into the last session which is on Informa Tech so I'm going to invite Gary, Marco and Carolyn to the stage.

We unveiled Informa Tech to the market at the time of our annual results and it really was one of the outcomes of the combination of the two companies, of Informa and UBM. And when we were looking at portfolio allocation, how best did we manage the combined portfolios. And this seemed to us to be an opportunity to take one market where we had a series of interesting brands and products which Gary and Carolyn and Marco will showcase, to see how we could develop a market facing footprint, a market facing proposition and hopefully some market facing growth. So on that note I'll hand over to Gary. Gary, over to you.

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### ***Re-formatting the Programme Around Specialist Markets***

#### **Gary Nugent, Chief Executive Officer, Informa Tech**

Thank you Stephen. I am conscious that we are running a little bit over time and also I have actually committed to my colleagues that for every 30 seconds I overrun on my time I'm going to donate \$10 to their favourite charity. So I am going to move at a little bit of pace if I may.

My name is Gary Nugent and I head up the newly formed Informa Tech division within Informa. We are formed as a combination of what was a business called Ovum Research, Knect365 TMT and UBM Technology. And we are a market leading provider of B2B information services with depth and specialism serving the information and communications technology sector.

Through that combination at the heart of the strategy is an intent to align and integrate the capabilities of research, digital media, events and training to better serve the audiences and the clients within that technology community within that sector.

Like many of my colleagues within Informa Tech I have been in the information technology industry for over 20 years. I actually studied information engineering at university and my final year project in 1992 was an artificial intelligence robotic arm designed to read Braille using a neural network. So don't let anybody tell you that AI is something new, we were doing it back then.

Subsequent to that I started really my career at IBM. I then moved onto Sun Microsystems, worked at Oracle, and then more latterly Alcatel-Lucent, companies who have been and are still clients of Informa Tech. And indeed I have been a client of Informa Tech throughout my life. I was a subscriber to Ovum Research. I used to read Information Week every morning with a cup of coffee. And indeed I was an exhibitor at Broadband World Forum in part of my life. So it's a world that I know very, very well.

I would also say like many of my colleagues at Informa Tech we firmly believe that technology has been and will continue to be a huge force for good in the world in which we live in. It's through technology that we better educate our children, that we prevent and cure diseases, that we are better able to relax and entertain ourselves. And indeed it enables the free movement of capital around this world for the purposes of investment.

And it's for that reason that we have established our purpose as a business is to inspire the technology community to design, build and run a better digital world. And I know that you have -

my apologies, I should have introduced my colleagues, sorry guys. I am joined of course by Carolyn Dawson and Marco Pardi who are two members of the Informa Tech leadership team who later on are going to give you a little bit more insight, a little bit more depth into two of the specialist subject areas that we cover as a marketplace.

I was going to say but of course you've seen this slide many times today, the only thing I'm going to say about it is that it's without the technology that we are talking about this knowledge and information economy at the scale you see here today simply is not possible. It is effectively what enables it.

The technology market is hugely dynamic. It is a vast and fast paced and unpredictable market. To give you a sense of the scale it's estimated that approximately \$3.5tr is spent on information and communications technology each year and that that is growing at approximately 5% compound annual growth 2016 to 2019. To give you a sense of the addressable market for what we do serving that industry, we reckon that that industry is about an \$8.5bn market. It is growing at somewhere between 3% and 5% we estimate and is unlike the technology industry itself is truly global in its nature. About 41% of that market is in the North American space, approximately 35% in Europe and about 20% in the Asia Pacific region.

What else would I say? It is hugely dynamic as an industry. Obviously today's technology agenda is dominated by items such as cloud, it's edge, it's 5G, it's subjects like AI and Big Data, it's subjects like IoT. And my point today is not really to try and educate you about these subjects, my point is that last year they were something different and next year they will be something different again. And indeed it's our ability to anticipate the market; it's our ability to anticipate the trends within the market that is a critical success factor. And indeed it's what we believe is that one of our key differentiators in this business as we move forward is our research smarts, our research capability gives us an inherent advantage as we look to anticipate and get into and get out of markets as we move forward in time.

Our audience - we effectively divide our customers into two segments, we call them our audiences and our clients. Our audiences are typically the buy side of the industry. They are the decision makers and influencers of technology procurement. They are the ones who are asking themselves the questions in which technology should I invest and how do I secure value from that investment. They are the readers of our media publications, they are the subscribers of our research, they are the delegates to our conferences, they are the students of our training. And they are C-suite executives, architects, engineers, developers and strategists I would argue.

And the dynamism of our market effectively creates an insatiable appetite for information and knowledge to enable them to better make those decisions. And indeed if you look at many of the sort of corporate surveys about what is the biggest single inhibitor to you being able to execute your strategy, it is a lack of talent and a lack of information and knowledge to be able to actually make those decisions and then absorb those decisions and deliver a return on that investment.

Our clients are typically on the sell side of the industry. These are the technology innovators and the service providers who build services on top of that technology. They are usually asking themselves the questions which markets should I invest in, which products and services should I

offer and how do I effectively get those products and services to market. And there is no shortage of money in the technology sector invested in helping them answer those decisions. The technology sector is second only to the consumer packaged goods sector in terms of what percentage of revenue they spend in go to market. In the technology space it is 15%, and by way of comparison healthcare or financial services spend less than 10% of their total revenues in going to market effectively.

Today we are a £220m or so revenue business with an organic growth rate of 2%, and as such we represent about 8% of the Informa Group. We have about 600 colleagues across the world, approximately 360 of them we would regard as deep subject matter experts. They are data scientists, they are analysts, they are researchers, they are editors, they are journalists, they are producers, who live and breathe the markets in which they serve.

Our revenue sources are very diverse. Approximately 60% of our revenues are derived from our conferences and events of which about 60% of that revenue is from sponsors and exhibitors and about 40% of that revenue is from delegates, attendees to the event itself. About 15% of our revenue comes from our digital media properties and about 20% of our revenue from our research businesses as a combination of subscription based revenues and consulting based revenues.

And the last thing I'll say about this is we have a very strong presence in the North American market as you can see from here, 75% of our revenue is derived from North America today. And clearly as part of our strategy diversifying ourselves geographically and in particular into the Asian market is a key part of our business moving forward, our strategy moving forward.

So I mentioned that we were a market leading provider of B2B information services. I'd like to say that our ambition is to be the market leading provider of B2B information services to the technology community. I think we would all accept though that there is a long journey ahead of us before we could ever make that claim. But we do have our short term objectives and our short term objective is to accelerate the growth of the business from that 2% I mentioned earlier to over 4%, to double the organic growth of the business and to build and buy ourselves to a business which is in excess of £300m by the end of 2022.

For those of you who are quick on the calculators that will give you a sense, about half of that growth will come from that organic acceleration and then of course the rest of it we will look to be making strategic acquisitions.

And I in the interest of time will probably pace forward a little bit on that one. What's the strategy to achieve that growth? Really it boils down to what we have on the slide here. First and foremost it's to develop a market and customer centric go to market strategy, through what we call our market pillars. And I'll talk a little bit more about the market pillars in a few seconds but this is effectively us aligning ourselves around common audiences and common subject matter in the industries that we serve.

The second thing is to then leverage four key assets of this business. The first two assets go hand in hand. The first two assets are our subject matter expertise and the content that we produce, and a strategy to write once and run everywhere. How do we reuse and repurpose the

content that we create across our platforms of research, of digital media and agendas of conferences and events and across our training portfolio.

And then of course the second asset which is something that Annie touched on of course are the key brands that we have within each of the sectors. Each of these brands are trusted by the audiences that we serve and they give authority and they lend integrity to the information and the content that we produce.

The next asset are our audiences and I think this one of the most important assets that we have as a business and our strategy here is to cross pollinate those audiences, and I'm going to talk a little more about that in a second.

And fourth and finally are our clients on the sell side. Here we believe that through the alignment and integration of our business we can offer more compelling solutions to our clients which are more meaningful to them, to solve their problems in a deeper way and ultimately will be a source of growth for our business. In particular in the major accounts in the key brands in the industries that we serve today.

I mentioned our audiences being probably the most important asset that we have as a business. And I mentioned that really as part of the strategy is the desire for us to strategically develop the audience and to cross pollinate our audiences as a key source of growth. So what do I mean by strategically develop the audience? This is really as much about quality as it is about quantity. It's about our deep understanding of the audience. In technical terms it's about our demographic understanding, our technographic understanding, our psychographic understanding, our behavioural understanding of our audiences. In non-technical terms what that means is relevant stuff that helps us better design and build our products and services and helps us better market to those audiences effectively. And we do that by every time we connect with those audiences whether that be through our virtual connectivity or through our physical connectivity it's collecting information about them, relevant information about them that we can use for those two purposes.

By cross pollinate what we really mean is our ability to take our research subscribers and convert them into media readers. To take our media readers and convert them into event delegates. To take our event delegates and turn them into training students, effectively cross pollinating the audiences across the platforms that we serve.

These are the market pillars that we have identified, there are seven of them in total and you can see them running along the top. And of course you can see here the brands that sit within each of these market pillars today. And this is really the strategic lens through which we look at the business today and it's the strategic lens through which we will develop the business over time.

You can see moving from left to right the different market sub segments that we serve. So for example we have the service provider, telecommunications market, the market of individuals, decision makers and influencers who are designing and building and running the world's carrier grade networks. You can see here the enterprise technology space. Those individuals who are designing, building and running enterprise data centres and the applications that sit on top of

them. You can see here the security marketplace, those decision makers and influencers whose job it is to secure the data and the applications and our privacy today.

Each of these is a segment in and of its right, and the truth be told is that underneath each of these pillars is actually a double click of detail where there is a sub segmentation. So for example if I give you this example, I've picked one here, in that service provider communications technology segment, that is further segmented down into the end markets that are within that industry so there is the wholesale market, the enterprise market, the consumer market and the critical communications market. And actually there is also the technology layers that build up that market, the access layer, the transport layer, the core layer etc, etc.

We segment the market underneath each of these pillars and here for example you can see one of those segments, the 5G market is a hugely hot topic in the access space. But its implications extend far beyond the access space influencing the services of the future. And here you can see on the left hand side from our research through our training, through our events and our media the brands that if we align and integrate those we create a much more compelling proposition to the marketplace. Put simply if you are a product manager looking to take to market the research and development that your company has made in the 5G space and to deliver a return on that investment, it's through our data and our research that you will understand the size and the shape of the opportunity in the market that you're looking to serve.

It's through our content, our subject matter expertise and content capability that will allow you to better shape the messaging and test the messaging that you hope to take to market. And it's through our media publications and our events and conferences that you can then raise awareness and understanding of those messages and then actually take that audience through to action and convert them into customers. And it's through that - I would argue that it's that end to end proposition that is the real power of Informa Tech as move forward.

So having said that I'm now going to pass over to Carolyn who is going to give you a little bit more insight into the artificial intelligence market.

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**Carolyn Dawson, Managing Director, Informa Tech**

Thank you Gary. So the side bet was who would take double and I think we're close.

*Laughter*

So good afternoon. My journey in Informa started 19 years ago on the graduate scheme and over time I've worked across the research, events and media businesses as those have evolved all within the tech sector. And so for me personally today it's really exciting to be able to launch as Informa Tech and to show off to our customers and clients from today officially the totality and the scale that we now cover across the market.

Our forecasts tell us that the artificial intelligence market was worth \$61.4bn in 2018. But that ladies and gentlemen rises to \$809bn by 2025. The story I want to share with you today's is how

we as Informa Tech are uniquely positioned to build communities and world class brands in high growth tech markets and the example I'll use is artificial intelligence.

We spot technologies with high growth potential using our research expertise and the growth characteristics that we look for first and foremost and unsurprisingly the growth potential of the technology, and the right time to enter the market. Our relationship with Microsoft told us or revealed to us that the level of R&D spend going into the AI before any public announcements were made.

The next thing we look for is the richness and the volume of the end user markets and the sub communities that a technology may serve. And also whether that has application to other Informa verticals. We saw how the finance sector was adopting and looking at AI and that we would be able to leverage the strength of our assets and our finance teams to build a product portfolio in AI on our side.

The third thing we look for is the lifecycle of the technology and its potential for international scale. And finally we look at the competitive landscape and our ability as Informa to differentiate our product and our content.

In addition to our depth of research in a specific market we use our media platforms and capabilities to get to know the audience personas, to build the community and an engaged audience. We connect the tech ecosystems live through our events and training and we really bring the community to life. At Informa Tech our global presence and our ability to offer products across the four pillars of research, media and events and training really mean that we can build and scale a number one position in the new tech market. And we've done that in artificial intelligence in less than three years.

To give you a flavour of our product roadmap, we researched the AI market and we really focused on building the market data and stats. We looked and focused on content with high utility and future monetary value across multiple revenue streams. We even launched a book on artificial intelligence which we produced and monetised with key partnerships which gave us real credibility and thought leadership in the market.

We launched a community site. We focused on the news and the trends with a strategic plan to build the audience and the database. We paid particular attention to the tone of voice and our content positioning in that market to enhance the engagement and stickiness of the audience once we'd built it.

Through those community subscribers and the initial customer insight that we gathered, as well as building key industry partnerships, the first event was launched in London in 2016. That partnership between events and research, positioning our research analysts as thought leaders at our events and utilising research snapshots to be able to build audiences for our events is really just one example of how we can cross pollinate our audiences to build a business and a portfolio.

In subsequent years we developed the content and the research offering to develop and to deliver subscription services and bespoke consulting. Additional events were launched and built

to exhibition scale in San Francisco and New York as well as London which now forms part of our upcoming London Tech Week in June.

Smaller regional events were also launched in Cape Town, Singapore, Hong Kong, all which we'll scale with time. We launched the Alconics awards and gala dinners at our flagship events in San Francisco and London. And referring to what I said earlier about being able to leverage our assets in our other verticals we launched an AI in finance specific event.

Once our events portfolio was complete we also used our research team to develop training which we now deliver live onsite at events but also digitally online with accreditation. It's thanks to this breadth and coverage of the market that we can approach our sales with a global multi solution offering. We've now started to monetise the community platform through marketing services to customers, and we've created a series of custom bespoke leadership dinners in emerging markets, Bangalore, Xinzheng, Tokyo, Montreal, and we've built a global network of leaders in AI. We've even recently just started taking part in the UK government's AI council, enabling us to take part in advising enterprises in the UK about how to adopt the technology for further growth.

Well where has this got us to? We've built revenues across multiple global revenue streams in less than three years from £1m to £12m with an audience database of 2.2 million, a community of subscribers of 12,000. We've welcomed 28,000 attendees to our eight events across four continents with 450 exhibitors, and we're growing at a rate of 30%.

So to briefly recap we have seen how we've built the position as leaders within the AI community through the depth of knowledge and understanding of a market. We've illustrated how we serve that community with our specialised products and across a range of digital and face to face products. And I've shared how we've been able to monetise these products on a global scale and across various revenue streams.

At Informa Tech we're structured in a way and we're experienced in how to build our position in these high growth markets, and the beauty of it is there will be another one coming tomorrow just as Gary illustrated, so watch this space with us.

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**Marco Pardi, Managing Director, Informa Tech**

Thanks Carolyn. So you've nearly made it. It's Friday afternoon, I'm your last speaker of the day. And my name is Marco Pardi, the Managing Director for Informa Tech. I'm based in San Francisco and I've arrived here at Informa very happily from the UBM acquisition. I've been in media and events for the better part of 20 years now and in technology for most of it. And like my team here I couldn't be more passionate about this market for all the same reasons that both Carolyn and Gary mentioned, the innovation, the fast pace, the growth opportunity, the fact that you wake up every morning and something has changed. And the market that I want to talk to you about is a deep dive into one that's scary and scary good at the same time.

So cybersecurity is a market that is moving rapidly. I'm sure that everyone in this room can identify with the headlines that you see what we feel like is every week. Just this last week

another hack stole \$40m of crypto currency. And it's a market that's moving so rapidly that most analysts have no idea how to predict the growth or the scale or the scope. But one analyst, Gardiner, has said it's worth \$124bn this year alone. Some say that there will be \$1tr spent on cybersecurity alone over the next four years. And that sounds like a big number for a market like this but when you start to add up the spend by company and by government you get very quickly to a trillion dollars.

I don't know that Stephen is going to like this but I'm actually going to ask a question of the audience here. We have somebody from Bank of America, was here earlier? Maybe they've left. So Bank of America spends \$500m a year, and actually this year on cybersecurity. How about JP Morgan Chase, anybody here from JP Morgan? No. Well they've matched of course - \$500m. The federal government of the United States spends - this year will spend \$15bn on cybersecurity.

Now there's a reason why there's so much money being spent on this. It's very costly when your organisation is hit with a cyber-attack. The average cyber-attack will cost your organisation \$3.86m and large scale breaches will get up to \$350m or more. You've seen it in the headlines. This is a wild time to be in this market and it's created the natural rush that we've seen and many of these technology trends happen. So the tools vendors rush to the space to provide a solution. And today there are over 2,000 tools vendors in the market, that's 3x what it was in 2010. And as Gary was mentioning, when this happens you see this need for skills and knowledge and training as well as qualified cybersecurity professionals. And they're saying today alone across the world there are 3 million open positions. So it's big business, it's big opportunity and the key to this market for us has always been to focus on the community. To focus on the content, to try to listen attentively to what the community needs and deliver it in the best way possible in the way that they want it.

And we've done this very well with the portfolio of products that we have. So Black Hat USA is the sort of flagship of the portfolio. This is an event that began by the community 21 years ago. A gentleman by the name of Jeff Moss gathered seven of his buddies, all of these happened to be hackers. They went into the desert of Las Vegas in the middle of the summer because they were too cheap to meet anywhere else, to decide how we were going to try and stop these new forms of attacks that were happening day in and day out. Now this was way before it was the massive market it is today. And the next year there were about 120 people all with the same passion, all with the same need.

Seven years later we acquired that business and today it's a 20,000 person mega event. Every attendee there is paying to be there to get instruction, to learn how to best protect their organisation. And it's really transcended your classic trade show or event. It's really become this steward for the industry. It's where the flaws in systems are announced that day. And in fact in 2015 we had two researchers that showed up to the event, we had an NDA a few days before that that we signed off on, and they showed how they could hack into a jeep, a moving jeep, through its entertainment system, take control of the car, move the steering wheel and pump the brakes. Now this was covered of course globally and two weeks later Chrysler had to recall 1.4 million vehicles. So the impact that this kind of community event can have is massive and will continue to be relevant year after year.

Now we've built credibility with this audience, it's given us sort of the right with an audience that is naturally not going to trust you to expand this portfolio, to offer new products. We've expanded the event now; we do a Black Hat here in London many of you may be aware of. We are in Singapore, Washington DC, Chicago and we'll be in Tokyo by the end of the year. And we've also rolled out a new line of deep hands on trainings that are very technical. This is a product that we launched about seven or eight years ago. It's the fastest growing area of this business today because of the need to be on the latest threats and understand how to stop them.

We're also lucky enough to own DarkReading.com which is the industry's most important destination for cybersecurity professionals. And we've now formed a research business that the team has put together and launched into the market. And we're seeing some nice activity there.

And just to bring it to life, the strategy that Gary talked about earlier has really we've seen borne out in this group. Gary mentioned we want to write once, run everywhere, we want to leverage the brands that we have in the market, we want to cross pollinate our audiences and build a high quality solutions oriented sales organisation. Well bringing together Dark Reading and Black Hat has really allowed us to further build credibility and of course grow the business. And so we take our Dark Reading editors, they will work with us on industry research that we release at Black Hat that gets picked up internationally, increasing the thought leadership and of course the message of Black Hat.

The Dark Reading editors will actually come to Black Hat and they will teach sessions, they will give workshops; they will participate in our invite only CISO summit. They produce a new product that we launched three years ago called a live news desk where they're doing interviews from the show floor and broadcasting it through our network. We have a newsletter that we produce every day of Black Hat by the Dark Reading editors; it goes out to 60,000 cybersecurity professionals every day telling them what they're missing if they're not at Black Hat.

And this whole thing it's a demonstration of the virtuous cycle that Gary mentioned earlier where we're keeping our data fresh, we're bringing new users in through the media platform of Dark Reading. We're continuing to stay on top of the fast growth market and make sure that we're growing with the cybersecurity space. And it's been a good franchise for us. Together this business is now \$70m. We've grown 102% over the last five years. We reach 275,000 security professionals every day and 900 tools vendors who are utilising our platform to get to their customers as well.

With that I'm going to say thank you for your attention and I'll hand it over to Stephen.

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**Stephen A. Carter, Group Chief Executive**

Thank you very much Marco, thank you very much Gary, thank you very much Carolyn.

*Applause*

And if I learnt nothing else from that presentation I learnt that our brokers from Bank of America Merrill Lynch snuck off early.

*Laughter*

I'm pulling your leg. Specific questions to Gary or Carolyn or Marco?

.....

**Question**

Thanks a lot. I mean obviously the tech market sounds - the way you talk it sounds pretty awesome, to use a technical term. But the growth - I just would have thought the growth in the tech market would have been higher and therefore your growth would have been higher. So can you just explain why - I know you want to get to four, this may sound naive but why is it only two if there's all this growth in the industry and the AI bar was all the way up here and it was 800 billion or whatever. Can you just explain why is it two, why can it only go to four, why is there just not more growth in the information industry compared to the industry itself?

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**Stephen A. Carter, Group Chief Executive**

Do you want to take that Gary or shall I?

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**Gary Nugent, Chief Executive Officer, Informa Tech**

I'm happy to take the start of it. I mean it's in part back to that dynamism in the marketplace and the secret is your ability to anticipate, anticipate not only when to get in but also when to get out, when is a trend no longer the flavour of the day.

I think it's our ability as we move forward in time, our ability to anticipate will be a key success factor and that's where I believe the research capability that we have aligned with the rest of the business is a key part of the strategy because it's through that research capability that we'll be able to anticipate not only when to get in but also when to get out.

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**Stephen A. Carter, Group Chief Executive**

Gary puts it well I think. The portfolio that we have put together is in part the portfolio that we have inherited and acquired. And I think the question for us going forward is within that tech market where do we want to concentrate. If you take the examples that Carolyn and Marco picked on AI and cybersecurity those are both currently very high growth markets that are also markets which are very attractive and sell multiple different types of products and services to. That's not so true of the rest of our portfolio. So our kind of stated 2% growth is a kind of assembly of where we've been, it's not a statement of what our ambition is.

I think in three years' time and if we've got a tech business that's trundling along at 2% or 3% this will not have been a success. But year one what we want to do is build a business, build a footprint, work out where we need a bit more scale, work out where maybe we should exit and then think about how as Gary says we align around the different pillars. But give us time; give us 12 to 18 months to do that.

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**Question**

But isn't that the answer that you've ended up with the tech business having a couple of quite good sectors, I mean Black Hat's been a great business for years, and you've got effectively Ovum which hasn't grown for years and the other marketing services business of UBM which is a lot of jobbing, run of the mill, digital websites selling sort of low grade advertising. So is this a business where you've got to get smaller first to get rid of that stuff before you can get bigger?

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**Gary Nugent, Chief Executive Officer, Informa Tech**

I don't think that's the way I would look at it. I think every one of these platforms as I would describe them, research, digital media, events, training, they all have a significant role to play in this strategy within a sector. And I think the sectors are invariably - the sectors themselves invariably are fairly constant but the subjects that are hot and the subjects that are not within the sector are not constant, they are constantly evolving. So to give you a really good example it used to be 2G, then it was 3G, then it was 4G, now it's 5G, guess what it's going to be next year. But you have to have your finger on the pulse and you have to shape shift as the subject within the sector changes. And I think more than anything else that's the key for us moving forward.

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**Stephen A. Carter, Group Chief Executive**

I think there's also some sense in both the companies, I think I can say this with authority for Informa and I think objective observance of UBM, Marco can keep me honest, that it is not the case that either of the companies really took a serious view of how do you nurture a successful technology business. And one of the reasons why we selected technology as the starter for ten market facing business was I think it will benefit. So some of what you describe as either tired media brands or jobbing websites actually you could do a lot with those platforms, either because of the traffic that they generate or the promotion opportunity they give you if as Gary says you're on top of the trends in a more focused way. So that's really the opportunity at hand but also the task at hand.

Unless there's another burning question for Tech I'm just going to wrap up. I'm conscious that lots of people have done a really first class job today apart from me because I promised you'd be gone by 3.30 and I clearly misled you for which I apologise. But for those of you who are still here you get a lot of credit and I'm very grateful for that and I think my other Informa colleagues are as well.

We said a few years ago, in fact I think it was one of the first presentations that Gareth, Richard and I gave, we said - well someone asked us the question what is it you're trying to do, and we said in what I remember someone famously saying to me afterwards was a very dull description. We said we were trying to build a consistent, predictable performance business that was in growth, had ambition and had the capabilities for scale. And by and large that's what we're setting out to do, but we're trying to do it at the same time in a company which is a human place to live and work whether you're a colleague or a customer. And I hope you got a bit of a sense or some of a sense of all of that today. We put a lot of store behind our relationships with our shareholders and actually quite a lot of store behind our relationships with the analyst community so for us it's been a great opportunity to spend time with you and I hope you've found it useful. Thank you very much.

*Applause*

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