

Informa PLC

Informa acquires largest boat show operator in US¹

Informa to pay £106m for Yachting Promotions Inc., further strengthening Global Exhibitions Division and increasing US market presence

KEY HIGHLIGHTS

- **Targeted expansion**...Addition of five US exhibitions with strong portfolio fit including Fort Lauderdale, Miami and Palm Beach boat shows
- **Strengthened position**...Complements Informa's ownership of the *Monaco Yacht Show*, creating leading international position in attractive and growing vertical
- **Divisional scale**...**Global Exhibitions** to become Informa's largest division
- **US reach**...Combination further extends North American presence, accounting for more than 50% of Group revenue
- **Attractive structure**...Consideration of £106m represents a multiple of 11.5x EBITDA and sub-10x including tax assets of up to \$18m; acquisition expected to be immediately accretive to adjusted Earnings Per Share.

London: Informa (LSE: INF.L), the International Exhibitions, Events, Business Intelligence and Academic Publishing Group, today announced the agreed acquisition of *Yachting Promotions Inc.* ("YPI"), the operator of some of the largest yachting and boat shows in the US, for £106m.

The addition of YPI from *Active Interest Media* ("AIM"), the privately-owned specialist US media group, will combine several major US-based international yachting exhibitions with Informa's *Monaco Yacht Show*, the leading event of its kind in Europe. The YPI portfolio includes the *Fort Lauderdale International Boat Show*, the largest in the world.

Stephen A. Carter, Informa Group Chief Executive, said:

"Following three years of private discussions, we are delighted to bring YPI into the Group. It will deepen our leadership in the growing international yachting and boating sector, with its attractive exhibitions complementing our existing ownership of the *Monaco Yacht Show*.

"It follows the addition last year of *Penton Information Services* in the US, increasing our scale in the world's leading economy and making our **Global Exhibitions** Division the largest business by revenue and profit at Informa. This forms part of our *2014-17 Growth Acceleration Plan*, adding further Balance and Breadth across the Group portfolio."

Efrem 'Skip' Zimbalist III, Chairman of Active Interest Media, said:

"I am confident that Informa will be a great owner of these powerful US shows. We've long admired the *Monaco Yacht Show*, and through our discussions over the last three years, we can see that the combination represents a very attractive outcome for both sets of exhibition brands and the growing international yachting community."

FURTHER SCALE IN GLOBAL EXHIBITIONS AND THE US

On completion, the addition of YPI will make Informa's **Global Exhibitions** Division the largest contributor to Group revenues and profit, with annual sales of more than £500m. The Division operates a portfolio of about 200 major Exhibition Brands.

YPI is the leading US-based Exhibitions business in the growing International Yachting industry, with five major Exhibition Brands: *Fort Lauderdale International Boat Show*, *Yachts Miami Beach*, *Palm Beach International Boat Show*, *Suncoast Boat Show* and the *St Petersburg Power and Sailboat Show*.

¹ This is an updated press release to the one issued on 2 March 2016 – see Notes for more details

The *Fort Lauderdale International Boat Show* attracts 100,000 attendees, 820 exhibitors and more than 1,200 boats annually each November. Established in 1959, its successful track record over several decades underlines its enduring Brand strength and the high barriers to entry for in-water boat shows due to the significant logistics expertise and local permits required to run them effectively.

YPI's focus on International Yachting events in the US is highly complementary to Informa's leading position in Europe through *the Monaco Yacht Show*. The combination will create a scale player in this attractive and growing vertical, extending Informa's relationship with leading yacht brokers and builders, and providing good opportunities for cross-promotion and enhanced customer relationships across platforms and geographies.

The addition also further increases Informa's scale in the US, where the Group has been buying and building a position over recent years through a combination of organic investment and a series of targeted acquisitions in verticals including **Construction & Real Estate** (*Hanley Wood Exhibitions, WWETT*), **Natural Products** (*Virgo, Penton*), **Agriculture** (*Penton*), **Life Sciences** (*FIME*) and **Pop Culture** (*Orlando MegaCon, Dallas Comicon*).

The *YPI* combination forms part of the *2014-17 Growth Acceleration Plan*, in which Informa has focused on building scale in a number of attractive and growing and increasingly international industry verticals, which enhance customer relationships, revenue mix, growth potential and predictability of earnings.

Following the addition of *YPI*, on a pro-forma basis the US is expected to represent more than 50% of Group revenues and also over half of the **Global Exhibitions** Division.

FINANCIAL IMPACT OF THE ADDITION

YPI has a consistent track record of growth in revenue and adjusted operating profit over recent years, reflecting the strength of its Brands and attractive growth in the International Yachting industry.

The combination follows exclusive talks with *Wind Point Partners*, the private equity group behind *Active Interest Media (AIM)*, the parent company of *YPI*. *AIM* is a US based specialist/enthusiast diversified media Group.

Under the terms of the combination, Informa will acquire 100% control of *AIM's* Yacht Exhibitions business while retaining a long-term cross-marketing agreement with the parent company, replicating the structure adopted when Informa acquired *Hanley Wood Exhibitions* in 2014.

The cash consideration for 100% of the equity of *YPI* is \$133m (£106m), including \$5m which is subject to the business meeting performance and operating targets. Based on its results in the 12 months ended 31 December 2016, this represents a trailing acquisition multiple of 11.5 times EBITDA. The business also brings with it between \$40m and \$50m of net operating losses that are deductible for US tax purposes over a number of years, equating to a net present value of between \$15m and \$18m. The full inclusion of these tax assets implies a multiple of just under 10 times EBITDA.

Four of *YPI's* five major events are yet to run in 2017. While management has plans to invest in the business to reap the full benefits of scale and make the most of its strengthened position in the International Yachting vertical, the transaction is expected to be immediately enhancing to adjusted Earnings Per Share. It is also expected to generate a post-tax return on investment ahead of Informa's weighted average cost of capital within three years of ownership.

The consideration will be funded through existing debt facilities. It is anticipated that the Group's net debt to EBITDA ratio will be around 2.6 times immediately following completion, falling within the Group's target range of 2.0 times to 2.5 times by the end of 2017.

Completion is expected by early March.

On 6 March, Informa will announce full-year results for the 12-month period ending 31 December 2016.

ENQUIRIES

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NOTES TO EDITORS

This is an updated Press Release to the one issued on 2 March 2016 to reflect updated technical advice on the tax structure of the acquisition. As detailed in the release, YPI is now expected to bring higher net operating losses than originally stated at between \$40m and \$50m but these are available over a longer time period, hence the net present value of the tax assets is lower at between \$15m and \$18m.

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