

## Informa PLC **Press Release**

11 November 2019

# Ten-Month Trading Update

## Resilient Performance & Continuing Growth

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**London:** Informa (LSE: INF.L), the International Exhibitions, Events, Information Services and Advanced Learning Group, today issued a trading update for the 10-month period ending 31 October 2019.

### Key Highlights

- **Performance...**Continued growth in revenue, adjusted profit, earnings and cashflow; full year performance on track;
- **Growth...**Group underlying revenue growth of 2.8% for the ten months to 31 October 2019, ahead of significant, seasonally stronger November/December trading period;
- **Focus...Progressive Portfolio Management** continues with divestiture of *Industry & Infrastructure Media Brands Portfolio*, following on from sale of *Life Sciences Media Brands Portfolio* and *Agribusiness Portfolio*, as well as portfolio changes in **Informa Connect**;
- **Expansion...**Minority investment in **Founders Forum** and launch of joint venture with **Informa Tech**, combining strengths to support next phase of growth in tech innovation and entrepreneurship;
- **Strength...**Issue of new €500m bond further strengthens balance sheet, lowering overall cost of debt and extending average maturity to 5.5 years.

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### **Stephen A. Carter, Group Chief Executive, Informa PLC, said:**

“After ten months trading in 2019, despite an unpredictable economic/geo-political backdrop, the enlarged Informa Group continues to demonstrate resilience and performance, remaining on track for a sixth consecutive year of growth in underlying revenue, profit, adjusted earnings and cashflow.”

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### 2019 Ten-Month Trading Highlights

Following the successful combination with UBM through the *Accelerated Integration Plan*, Informa has continued to perform well, with underlying revenue growth for the 10-month period to 31 October 2019 at 2.8%. This reflects a good underlying performance, balanced against strong comparable growth in the third quarter last year, fewer of our major brands operating in the period and two market-specific, in-year impacts within **Informa Markets** in Hong Kong and Dubai.

November and December are significant trading months for the enlarged Informa Group, representing around 20% of annual revenue, with November alone accounting for more than £350m. This includes a key period for subscription renewals and consulting business at **Informa Intelligence**, **Informa Tech** and **Taylor & Francis**, whilst we also run a number of major event Brands through the period, including in **Pharma & Healthcare** (*CPhI Worldwide*, *CPhI India*, *BioEurope*) and **Technology** (*AI Summit*, *AfricaCom*, *Blackhat Europe*).

Despite ongoing economic/geo-political uncertainty, our forward pacing for the remainder of 2019 provides reassurance on our Group revenue guidance of 3.5% for the year. Furthermore, the breadth and balance of the enlarged Group, the quality of our revenue growth and strong visibility of forward bookings and renewals into the first quarter of 2020 gives us confidence in the strength and resilience of future growth.

### **Informa Markets...specialist international B2B platforms for trade and commerce**

Our international scale and depth in a range of attractive and growing specialist B2B markets delivered strong performances through the third quarter in **Health & Nutrition** (*SupplySide West*), **Hospitality, Food & Beverage** (*Hotelex*) and **Design & Furniture** (*Furniture China*), amongst others.

We are also continuing to see good progress in the **Fashion** portfolio following the launch of the **Fashion GAP Plan**, stemming the historical decline in attendance over previous years, improving NPS scores and successfully launching *OneMagic*. This is laying the foundation for further improvement in 2020, supporting our target to return the **Fashion** portfolio to growth by 2021.

The Group had two market-specific, in-year impacts through the period: in Dubai, increasing commitment to *World Expo 2020*, combined with challenging market conditions, has had a significant effect on traditional exhibitions investment, particularly in **Real Estate & Construction**, impacting *Cityscape Global*, in September. In Hong Kong, where we generate around 4% of Group revenue, recent civil protests have had a small impact on revenue growth at some events. This affected our largest brand in the region during September, the *Hong Kong Jewellery & Gem Show*, although a strong programme of support, including investment in additional security and transport, ensured the show still ran effectively.

The underlying performance of **Informa Markets** was strong in the first 10-months of the year, despite these impacts in Dubai and Hong Kong, delivering 3.4% underlying revenue growth across the period.

A number of our largest and fastest growing Brands operate through the last two months of the year and forward bookings are on track, most notably in **Pharma** (*CPhI Worldwide, Food Ingredients Europe, CPhI India*), and **Maritime, Transportation & Logistics** (*Marintec, Fort Lauderdale International Boat Show*). This will lead to a re-acceleration in growth through to year-end, although given the two, in-year impacts, growth for the year is now expected to be 4.5%- rather than 4.5%+.

### **Informa Connect...international B2B communities for learning and engagement**

Our focus on high quality brands in attractive specialist markets continues to deliver improved growth in 2019, with underlying revenue growth increasing from 2.1% after six months to 2.8% after ten months, with strong recent performances in both **Global Finance** (*Finovate Fall, SuperReturn Asia*) and **Life Sciences** (*BioProcess International, BioPharm America*).

With forward pacing trends positive and confidence in our major brands, including in **Marketing** (*TMRE*) and **Life Sciences** (*BioEurope*), this leaves us well placed to meet or beat our 2.5% underlying revenue growth target for the year.

**Informa Connect** specialises in developing highly curated content and strong professional networks and communities. As a consequence, through the **Progressive Portfolio Management** ("PPM") programme, we have been realigning our events portfolios to take advantage of this skill set, combining our more content curated events such as our Canadian events portfolio into **Informa Connect**. This particular business has annual revenues of around £40m and operates content-rich Branded Conferences, Confexes and Consumer-led events in a range of specialist communities and sectors.

### **Informa Tech...specialist B2B services and solutions for the technology industry**

In 2019, the priority for **Informa Tech** is establishing itself as a market-focused business with B2B products and services in events, research, consulting, data and media, a strong position in a range of Technology sub-sectors and annual revenues of close to £300m.

Following the addition of IHS Markit's TMT Portfolio in August, today we have made a minority investment in and launched a joint venture with **Founders Forum**, the leading community for entrepreneurs, investors and leaders in the Digital, Media and Technology markets. It brings a unique brand and high-profile connections in attractive, fast growth segments and will support the next phase of growth in technology innovation and entrepreneurship, including the continued expansion of *London Tech Week*.

We are planning for growth in all key segments of the market, from **Enterprise IT** to **The Internet of Things**. This is reflected in our progress through 2019, with strong recent performances in **Security** (*Blackhat*) and **Artificial Intelligence** (*AI Summit*) delivering 10-month underlying revenue growth of 1.7%, against a full year target of 2%.

As well as a steady performance in 2019, we continue to build for the future, developing a compelling customer proposition as a combined business, for 2020 and beyond.

### **Informa Intelligence...specialist B2B insight and intelligence**

Following a period of major restructuring and reinvestment through the *Growth Acceleration Plan*, the business is now performing consistently, with improving levels of growth in its specialist markets of **Pharma**, **Retail Banking** and **Maritime**.

Strong renewal rates and robust new business performance through the primary subscriptions season laid a solid foundation for further growth, and we are seeing this continue in the second half of the year, with underlying revenue growth for the 10-month period of 3.1%.

Annualised contract values continue to grow steadily, providing forward visibility alongside a strong pipeline for project consulting and other contingent revenues. We remain on track to meet or beat our 3% underlying growth target for the year.

As part of the **PPM** programme, today we have announced the divestiture of our **Industry & Infrastructure Media Brands Portfolio** to Endeavor Business Media. This is a collection of largely advertising-funded information brands serving industrial markets, including *Industry Week*, *New Equipment Digest* and *Machine Design*. The sale brings total annualised revenues of businesses we have divested through **PPM** within the range of the targeted £150m.

### **Taylor & Francis...scholarly publishing and specialist reference-led content**

Against a backdrop of robust underlying demand for specialist knowledge and ongoing evolution in product formats and distribution models, **Taylor & Francis** continues to perform consistently.

Our approach is to remain flexible, balancing customer needs with maintaining the overall quality and integrity of our content. This strategy continues to deliver steady, modest growth, underpinned by robust and predictable subscription revenues and good growth in Open Access services. Books revenue continues to be more transactional in nature and, after delivering strong growth in 2018 on the back of our *Operational Improvement Programme*, 2019 has a particularly tough comparable.

In the ten-month period to 31 October, we delivered underlying revenue growth of 1.8%, consistent with the run-rate reported at the half-year stage. With a clear pipeline of activity in the last two months of the year, we remain confident in our annual target of 2% underlying growth.

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## **Enquiries**

### **Informa PLC**

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### **Teneo Strategy**

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## **Analyst and Investors**

Gareth Wright, Group Finance Director, and Richard Menzies-Gow, Director of Investor Relations, will be hosting a short conference call for analysts and investors today to discuss the Trading Update, commencing at 09:00 UK time. Dial-in details: +44 (0)330 336 9104 / Confirmation Code: 691843.

## Notes to Editors

### Informa PLC

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