

Informa PLC Press Release

17 November 2021

Trading Statement & Board Update

2021-2022: Improving Revenues, Profits and Cashflow

2021-2024: Growth Acceleration Plan II (GAP II)

Informa (LSE: INF.L), the B2B Markets, Knowledge Services and Business Information Group today issued its November Trading Statement and a Board Update.

Key Highlights

- **2021 Guidance re-confirmed...**Group trading continues to improve year-on-year, with 2021 Group guidance re-confirmed at Group Revenue of £1,800m± and adjusted Operating Profit of £375m±;
- **Growth Acceleration...**Investment and focus delivered by the *2014-2017 Growth Acceleration Plan ("GAP I")* continues to underpin improving performances by both Subscriptions-led businesses, with 10-month underlying revenue growth of c.6% at **Informa Intelligence** and 2.5% at **Taylor & Francis**; Full year growth expectations raised to c.6% for **Informa Intelligence**, with the expectation this will rise to 6%+ in 2022;
- **Unlocking value...**Divestment of *Barbour ABI* and *Asset Intelligence* confirmed today, following on from the divestment of *Barbour EHS* earlier this year; Average EV/EBITDA multiple of 16x and total divestment cash proceeds of c.£275m;
- **Growing Confidence...**More than 250 face-to-face/smart events held so far, with trends in participation, performance and re-bookings steadily improving as the year progresses; **Informa Markets, Informa Connect** and **Informa Tech** combined are tracking to over 20% underlying revenue growth from April to year-end (Q1 2020 traded normally pre-COVID) and 7%± across the full year;
- **Data & Digital...**Continuing growth in B2B digital, underpinned by investment in IIRIS, the Informa B2B customer data engine. *GAP II* will deepen our capabilities in data management, expanding our position in **Smart Events** and **Audience Development**, and further enhancing our capabilities in **Digital Demand Generation**;
- **Cash flow strength...**Since the onset of the pandemic, Informa has prioritised operating cash flow, cash conversion and cash conservation as key operating measures for each business. In 2020, the worst year of COVID, we set an ambitious target to be cash flow positive on a monthly basis from January 2021. We achieved this and are tracking well ahead, with £325m+ Free Cash Flow now expected in 2021 (excluding divestment proceeds);
- **Board Appointment and Confirmation of Senior Independent Director...****Zheng Yin** (Executive Vice-President China, Schneider Electric) appointed Non-Executive Director and **Mary McDowell** becomes Senior Independent Director.
- **Capital Markets Day...**Informa's **Capital Markets Day** will take place at 1pm GMT / 8am EST on 7 December, focusing on the *2021-2024 GAP II* programme.

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

"We will complete the 2021 Transition Year in a stronger place than we anticipated at the start of the year and are now single-mindedly focused on growth and acceleration through to 2024."

He added: "The commitment of our Colleagues, the consistent engagement with customers, constructive support of Shareholders, tight cash management and the underlying quality of our portfolio have served us extremely well over the past 22 challenging months, enabling us to embark on our *2021-2024 GAP II* programme from a position of strength."

Trading Statement

Group trading has continued to improve year-on-year across all businesses, with strong growth in our Subscriptions-led businesses and improving momentum across our three **B2B Markets** businesses (**Informa Markets, Informa Tech, Informa Connect**).

Group guidance for the full year remains unchanged at **Group Revenue of £1,800m± and adjusted Operating Profit of £375m±**.

Taylor & Francis...open research and specialist knowledge services

Our **Knowledge Services** business continues to benefit from the foundations laid down by the *2014-2017 Growth Acceleration Plan ("GAP I")*, which saw us invest in technology infrastructure, data management and building a broader presence in Open Research and specialist knowledge services.

Through further investment and targeted addition, we now have an Open Research business of scale and quality, with a growing range of value-added services for authors, funders and institutions, such as our Open Research platform for rapid publication, *F1000*.

The market for Open Research services is growing strongly, underpinned by continued growth in overall volumes of research and a steady shift towards Open Research platforms offering greater flexibility, speed to market and additional value-added services. Over the next few years, we are well placed to seize these growth opportunities alongside our more traditional subscriptions and royalty-based revenues, a move that will further broaden our revenue base and customer mix, and improve the overall quality of our earnings.

These trends are underpinning a consistent level of performance at Taylor & Francis, including underlying revenue growth of 2.5% through the first ten months of 2021.

Underlying revenue growth guidance for 2021 re-confirmed at 2%+.

Informa Intelligence...specialist data and information

Since *GAP I*, at **Informa Intelligence** we have been rebuilding a business focused on specialist markets where we have established brands, high quality data and specialist expertise. We have invested to build depth and capability in product management and expanded our customer service offering, leading to a consistent year-on-year improvement in performance.

Post *GAP I*, **Informa Intelligence** now consists of three high performance, category-specific businesses in **Clinical Trials** (including the *Citeline* suite of products), **Vessel Tracking** (including the *Lloyd's List* portfolio of services) and **International Fund & Income Flows** (including *EPFR/IGM*).

Separately, we have a majority interest in the retail banking information services business, *Curinos*.

Our *2014-2017 GAP I* strategy has secured our ambition to create a business delivering 5%+ consistent underlying revenue growth rates, 90%+ subscription renewals and consistently improving annualised contract values, with a strong focus on customer value and product development.

This is reflected in the performance over the first 10 months of this year, with underlying revenue growth of 6%, with an expectation this will be maintained through the last two months of 2021 and accelerate further in 2022.

Underlying revenue growth guidance for 2021 further increased from 4.5%+ to c.6%, with underlying growth in 2022 expected to be 6%+.

B2B Markets (Informa Markets, Informa Connect, Informa Tech)

Our three **B2B Markets** businesses were built through a *GAP I* strategy focused on major B2B brands within attractive specialist markets. As countries and locations progressively relax COVID restrictions and permissions to run physical events return, this is serving us well, with customers gravitating towards the major brands in their industry to reconnect with peers and rebuild sales pipelines and their supply chains.

This is reflected in improving trends across our portfolio. We have operated more than 250 face-to-face/smart events in the **2021 Transition Year**, including in all three major regions of **North America**, **Mainland China** and the **Middle East**. We have also restarted events in **Europe**, with momentum building well over recent months ahead of some of our larger shows in the region.

In **North America** and **EMEA**, as the year has progressed, travel friction eased and confidence amongst participants improved, we have seen a steady increase in participation and performance levels across the portfolio. We have already seen some events match or exceed 2019 levels and the average is north of 50%, with individual brand performance dependent on geographic location, end market sensitivities, on-cycle/off-cycle scheduling, shortened sales cycles and the level of customer bookings carried over from previous years.

However, the trend is clear and consistent, with demand for the product strong, customer feedback positive and improving rebooking momentum into 2022.

Digital Services are a growing part of the product mix for all three of our **B2B Markets** businesses, providing the opportunity to expand our addressable audiences, move closer to our customers and markets, and open up new opportunities for growth.

The ongoing investment in our proprietary customer data engine, **IIRIS**, provides the foundation for further expansion in **Digital Services**, providing the capabilities to capture, manage and curate consented customer data efficiently and effectively.

This is supporting further development of our range of **Smart Events** products and services, as well as continued expansion in **Audience Development** (including Specialist Content, Buyer Services and Specialist Content Marketing), where we have growing expertise and revenues in certain end markets, mainly in North America.

IIRIS is also fuelling further product development in **Digital Demand Generation**, which uses our consented first party customer data to deliver higher value, data-driven buyer discovery and buyer purchasing intent services.

Through our *GAP II* programme, we will invest to further strengthen and expand this range of **Digital Services**, where we see incremental revenue opportunities over the *GAP II* period.

2021 Capital Markets Day: GAP II – Digital & Data Acceleration

We will host our 2021 **Capital Markets Day** at 1pm GMT / 8am EST on 7 December at 240 Blackfriars, London, with registration now open at www.informa.com.

The event will focus on the *2021-2024 Growth Acceleration Plan II* and provide the opportunity to meet with a wide range of Senior Management, a number of whom will be presenting alongside the Group Chief Executive.

Board Update

We previously announced the appointment of **Joanne Wilson** and **Louise Smalley** as Non-Executive Directors. Today we are announcing the next steps.

Firstly, **Zheng Yin** is being appointed to the Informa Board as a Non-Executive Director, bringing significant Senior Executive experience in Asia through his current role as Executive Vice President, China at Schneider Electric and previous senior roles in the region at Philips Electronics, Dow Jones and Reuters Group Plc.

A Chinese national, Zheng will provide valuable on-the-ground insights on the latest macro-economic and commercial trends in China and Asia, a significant and growing trading region for Informa.

On appointment on 20 December, Zheng will join the Nomination and Remuneration Committees.

Board Committees and Responsibilities

Secondly, it has been confirmed that **Mary McDowell** will become **Senior Independent Director**. In order to focus on this additional responsibility, Mary will step down from the Remuneration Committee.

As previously confirmed, **Louise Smalley** has been appointed Chair-Elect of Informa's Remuneration Committee, with responsibility for leading the consultation on Informa's forward new remuneration policy. This will commence in early 2022 to fit with the 2022 AGM resolution process and, subject to approval, the new policy will take effect from January 2024.

Furthermore, **Gill Whitehead** was appointed Chair of Audit earlier this year, taking over from **John Rishton** following his appointment as the Informa Chair.

John Rishton, Chair, Informa PLC, said:

"Following the retirement of the previous Chair and Senior Independent Director, I am delighted we have been able to replenish the Board with such relevant experience and expertise.

"I am pleased to welcome Zheng Yin to Informa, whose deep experience and knowledge of operating in China and Asia will be invaluable to Informa. I am also delighted that Mary McDowell has agreed to take on the additional responsibility of Senior Independent Director."

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Notes to Editors

Listing Rules

In relation to the appointment of Zheng Yin as Non-Executive Director, the Company confirms there is no further information required to be disclosed pursuant to paragraph 9.6.13 of the UK Listing Rules.

Informa PLC

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