

Informa PLC **Press Release**

6 January 2021

2020 Year-End Update

Stability and Security

Informa (LSE: INF.L), the Information Services, Advanced Learning, B2B Exhibitions and Events Group today issued an update on trading ahead of its 2020 Full Year Results on 22 April 2021, confirming the Group's performance for 2020 will be in line with the revenue guidance provided at the Half-Year Results in September 2020.

Key Highlights

- **Stability and Security...** Delivery of Stability and Security in 2020, in the face of significant COVID-19 disruption to physical events, protecting and preserving long-term value of brands, talent and customer relationships;
- **Subscription strength...** Stability and Security underpinned by strong performances in our Subscription-led businesses, which delivered positive aggregate underlying growth across the year, demonstrating the strength of our specialist brands;
- **Physical Events...** Continued return and recovery of physical events in Mainland China and other parts of Asia, combined with pre-planned Postponement Programme (90% of physical events ex-China scheduled from June 2021) and rollout of COVID-19 vaccines, providing continued confidence in progressive return of physical events through 2021 in North America and EMEA;
- **Digital acceleration...** Digital services and virtual events grew at pace in 2020, accelerating the integration of data and digital technology into and around the physical event brands, deepening customer relationships through smarter events and intelligent B2B services;
- **COVID-19 Financing Action Plan...** Programme of activities to deliver Stability and Security in financing completed, with earliest debt maturities extended to 2023, financial covenants removed and £1bn+ of liquidity confirmed;
- **COVID-19 Cost Management Plan...** £600m+ cost savings delivered to plan by year-end, including £400m+ direct savings to adjusted operating profit and £200m+ annualised indirect savings. Combination of effective cost management, efficient financing and robust subscriptions to deliver positive cash flow from Q1 2021;
- **2020 outturn...** Full year 2020 revenue expected to be in line with guidance previously provided at the Half-Year Results in September, in a range of £1.65bn to £1.68bn, with adjusted operating profit expected to be in a range of £250m to £270m;
- **Chair succession...** John Rishton announced as Chair-Elect, with a managed handover from Derek Mapp, completing at the Annual General Meeting in June 2021.

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

"The Informa Group enters 2021 with an intention to use the progressive return from COVID-19 to deepen our use of digital and data services, thereby ensuring our products and brands remain relevant in a post pandemic world. The continued strength and growth of our subscription businesses and our prior decision to extend the physical Events Postponement Programme should serve us well as markets gradually open up and customer confidence recovers in the latter half of 2021. Equally important, will be our continued commitment to strengthening our digital and data capabilities."

He added:

“From the outset of the pandemic, we have been focused on protecting and preserving the long-term value of our Brands and Businesses, single-mindedly pursuing a strategy of Stability and Security through 2020. Our Subscription-led businesses have performed well throughout. In our Event-led businesses, in the absence of physical events in most regions, our brands and strong customer relationships enabled us to shift at speed to digital services and virtual events. At the same time, we have significantly reduced our operating costs, secured greater financial flexibility, deployed a major physical Event Postponement Programme and, critically, provided consistent support to Colleagues and Customers.”

2020 Trading Highlights

Demand for specialist data and knowledge remained strong throughout 2020, despite the widespread disruption and uncertainty created by the COVID-19 pandemic. This was evident in the consistent performance of our Subscription-led businesses, in aggregate contributing more than £300m of adjusted operating profit in the year and providing the Group with strength in the face of significant disruption to our physical events businesses.

The strength of our Subscription-led businesses, combined with the progressive return of physical events in Mainland China and valuable contributions from our specialist media, marketing services and virtual events activities, are expected to deliver 2020 Group revenues in line with the £1.7bn- guidance provided at our Half-Year Results in September, despite minimal physical events activity returning elsewhere, including within our largest market, North America.

The Group revenue outturn for 2020 is expected to be within the range of £1.65bn to £1.68bn and Group Adjusted Operating Profit within the range of £250m to £270m.

Subscription-led businesses

Our portfolio of subscription-led, specialist knowledge and information businesses continued to perform well through 2020, delivering aggregate positive underlying growth for the year, underpinned by our specialist brands and data, strong customer relationships and forward-booked subscriptions.

Taylor & Francis delivered a strong performance despite university campus lockdowns, with underlying revenue growth for 2020 expected to be broadly flat. This reflects continued strength in subscriptions and open access within **Research Publishing**, underpinned by consistent demand for our specialist content and growing range of open research services.

In addition, within our **Advanced Learning** business, COVID-19-related disruption to the physical books supply chain and certain sales channels that had a marked impact on the first half of 2020, steadily improved through the back-end of the year, with stock availability and customer ordering patterns returning to more normal trends.

Informa Intelligence performed consistently well through 2020, delivering good growth and strong profitability across its portfolio of specialist intelligence brands, data products and targeted customer solutions.

Across the different businesses, renewal rates remained consistently over 90%, Annualised Contract Values positive and forward sales pipelines strong. This is expected to deliver underlying revenue growth for the year of just under 2%, in line with the first-half run-rate. This would have been higher but for the small portion of revenue generated through physical Awards events and related activities, which were inevitably impacted by COVID-19.

Informa Intelligence is now clearly focused on four main markets: **Pharma Intelligence**, **Retail Financial Intelligence**, **Maritime Intelligence** and **Asset Intelligence**. All performed well in 2020, with **Pharma Intelligence** particularly strong, reflecting the strength of specialist brands and proprietary content, combined with the benefits of investment made over recent years to enhance data sets and strengthen platform capabilities.

Event-led businesses

Our three Event-led businesses, **Informa Markets**, **Informa Connect** and **Informa Tech**, all faced significant disruption to physical events activities in 2020 across most regions of the world, from key territories like the United States (c40% of 2019 Events revenue) to smaller markets for our businesses, like the UK (c5%).

Physical events did resume in another of our major markets, Mainland China (c12% of 2019 Events revenue), from late June, progressively building momentum through the second half of the year, albeit with limited international participation. Rebooking for 2021 events in the region has been encouraging, underlining the pent-up demand for physical trade shows as markets re-open post COVID-19.

In the last few months of 2020, we also ran our first physical events in Thailand, Hong Kong, Taiwan, Egypt and Japan, as well as our first outdoor event in North America, *The Fort Lauderdale International Boat Show*. Whilst the latter was smaller in scale than the 2019 edition, the quality of exhibitors and attendees was strong, highlighting the ability to run secure outdoor events within the boundaries of COVID-19 restrictions.

The pace and rate of the COVID-19 impact on physical events through 2020 created a demand to shift to virtual events at volume. This saw more than 500 virtual events of different shapes and sizes run through the year. This real-time digital experience has significantly accelerated our digital product development and we will further develop and enhance this capability in 2021.

2021 Approach & Outlook

Our **Subscription-led businesses**, many of which are currently in mid-renewal season, approach 2021 with strength in both renewal rates and annualised contract values.

Within **Taylor & Francis**, the strength of our brands and depth of specialist content put us in a good position, despite ongoing disruption to University schedules and related budget pressures. This is reflected in robust annual subscription renewals through the backend of 2020 and continued strong demand for our open access products.

Informa Intelligence is entering 2021 with a focused portfolio of high quality subscription brands, attracting high renewal rates, positive annualised contract values and robust new business pipelines, which together are expected to deliver improving levels of underlying revenue growth.

Across our **Event-led businesses**, we are using the learning, investment and digital product development of 2020 to further strengthen and enhance our digital and data capabilities in 2021. Over the medium-term, we see an opportunity to build a stronger business by integrating data and digital technology more deeply into these businesses, strengthening the quality of revenue and deepening customer relationships. This will also help to offset some of the revenue from peripheral physical events and tertiary activities that may not return post-COVID-19, as customers focus investment on attending major brands, smarter events and integrated and intelligent B2B services.

As the vaccine and testing programmes progress, markets gradually open up and customer confidence starts to recover in 2021, we are focused on making the most of physical event opportunities as they arise. It is likely to be a year of return for physical events, rather than full rebound and recovery but the shape and mix of our portfolio, focused on major brands in major markets on major trade routes, puts us in a good position. This is further supported by our decision to extend our Postponement Programme for physical events, pushing the launch of the 2021 calendar to late Spring but with 90% of the physical events outside of Mainland China that are planned in the year now scheduled to run from June onwards.

Enquiries

Informa PLC

Stephen A. Carter, Group Chief Executive

+44 (0)20 7017 5771

Gareth Wright, Group Finance Director

+44 (0)20 7017 7096

Richard Menzies-Gow, Director of IR & Comms

+44 (0)20 3377 3445

Teneo Strategy

Tim Burt / Zoë Watt

+44 (0)20 7240 2486

Notes to Editors

Informa PLC

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