

Informa PLC Press Release

14 November 2022

Underlying revenue growth +41% January to October 2022 Full year revenue and profit targets increased

Accelerating international B2B Markets growth, improving performance in Academic Markets, and continuing US operating expansion

Informa (LSE: INF.L), the international Academic Markets, B2B Markets and Digital Services Group today issued its November Trading Statement.

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

"B2B market demand is growing across many industries and most geographies, with the current exception of China, which will provide incremental growth as it reopens. Informa and its Brands are at the heart of this B2B market strength."

He added: "Our 4-year GAP 2 programme continues to deliver growth and acceleration within both Academic Markets and B2B Markets. In addition, our divestment programme has completed ahead of schedule and with returns ahead of target, significantly strengthening our balance sheet and putting Informa in a strong position for further growth and investment in 2023."

Key Highlights

- **Continuing Growth Acceleration...** Group 10-month underlying revenue growth for continuing businesses of 41% (excluding currency benefits and compared to 10m 2021 growth of c3%), underlining the critical nature of our specialist products for customer growth and innovation;
- **Meeting and exceeding 2022 revenue and profit targets...** Strong outperformance in Live and On-Demand Events in North America, EMEA and ASEAN, combined with continuing growth in Academic Markets, drives increase to full year guidance range (+£100m to £2,300m-£2,350m on revenue and +£15m to £490m-£505m on adjusted operating profit), with all divestments and additions now incorporated and with any further Live and On-Demand Events revenue in China before year-end providing incremental growth;
- **US strength and depth in specialist B2B markets...** The Company has built leading positions in the US and other key regions, a portfolio of high-quality brands with depth in attractive specialist B2B markets (Pharma, CyberSecurity, Private Capital, Healthcare etc), and a growing range of high-value digital services, maintaining investment in product and service delivery through COVID to deliver accelerated growth and performance through 2022;
- **Continuing momentum into 2023...** Improving growth in Open Research, further return of Live & On Demand Events and growing monetisation of First Party Specialist Data - underpinned by 65%± US Dollar based revenue, and 60%± revenue with strong forward visibility - delivering strong operating momentum, with incremental growth in China as the market reopens;
- **GAP 2 Portfolio Focus...** c.\$3bn in value generated through divestment programme, with expected post-tax cash proceeds of c.\$2.5bn, at an average EV/EBITDA multiple of 28x. Final sale due to complete on 1 December (Maritime Intelligence);
- **Targeted Expansion...** Earnings enhancing acquisition of US data business Industry Dive completed, enhancing capabilities in Audience Development and Lead Generation via specialist digital content;
- **Balance Sheet Strength...** Double digit revenue and profit growth, combined with disciplined high cash conversion, delivering £400m+ free cash flow in 2022; Combined with strong divestment returns, year-end net debt (ex-leases) expected to be close to zero;
- **Accelerating Shareholder Returns...** Over £450m of £725m share buyback programme completed to date, in addition to the resumption of ordinary dividends.

Trading Update

Group trading has remained strong through the second half of 2022, with 10-month underlying revenue growth of 41% in our continuing businesses, reflecting further growth in **Academic Markets** and all three **B2B Markets** businesses (**Informa Markets**, **Informa Tech**, **Informa Connect**).

Today we are increasing our guidance range to Revenue of £2,300m-£2,350m and adjusted Operating Profit of £490m-£505m*, reflecting further outperformance of Live and On-Demand Events in North America, EMEA and ASEAN and continuing growth in Academic Markets.

This guidance range incorporates the previously announced divestments of EPFR and Maritime Intelligence, as well as the addition of Industry Dive, and assumes no further Live and On-Demand Events revenue in Mainland China through November and December, which will be incremental growth.

We are not immune to macro-economic trends and continually monitor the potential impact of inflation, interest rate rises, energy costs and other factors that may influence operating costs and overall market activity. The operating momentum across both our businesses, combined with the strength of our positions in North America, put us in a strong position for continued growth and acceleration in 2023, with incremental growth in China as the market reopens.

Academic Markets...Open Research and Specialist Knowledge Services

Investment in research, development and innovation continues to grow around the world, fuelling strong demand for specialist knowledge services, including research verification, editorial, publication, indexation, distribution and discoverability.

Over the last eight years, we have been investing in **Taylor & Francis'** range of academic and knowledge services to meet this demand, initially through Informa's first **Growth Acceleration Plan** and now through **GAP 2**.

This is delivering improving growth and performance across a broader portfolio of Pay to Read and Pay to Publish services and a wider and more varied customer base.

In 2022, the combination of strong Subscription renewals, continued growth in Advanced Learning and further expansion in Open Research, has delivered underlying revenue growth of 3.0% through the first 10-months of the year, up from 2.5% over the same period last year.

By the end of GAP 2, supported by our strong position in Pay to Read and further acceleration in Pay to Publish, we are targeting underlying revenue growth of 4%. This requires further investment in our technology and digital service capabilities but will, we believe, create a much higher growth, higher quality and higher value business over time.

B2B Markets...Live & On-Demand Events and Specialist Digital Services

As digital communications, digital commerce and digital delivery become more ubiquitous, high quality, highly efficient **Live & On-Demand B2B Events** that provide industry access, curated connections and specialist content, are becoming more valuable.

This is evident across all three **B2B Markets** businesses in 2022 (**Informa Markets**, **Informa Connect**, **Informa Tech**), with strong demand for our Live Event brands in all major markets and geographies as they have opened up post COVID-19.

Over the first 10-months of the year, underlying revenue growth in our **B2B Markets** division was 65%±, reflecting 400+ Live B2B Events, which attracted c.60k Exhibitors, 2.5m+ Attendees and generated more than £1.1bn of revenue.

*Previous guidance was for Revenue of £2,150m-£2,250m and Adjusted Operating Profit of £470m-£490m



This performance, excluding China, is tracking to c.85%± of equivalent full-year revenue in 2019, outpacing our own expectations at the start of the year. Growth has been consistent across all specialist markets and all geographic regions where COVID restrictions have been removed and are fully open. In the US, customer demand has been particularly strong as B2B activity has returned at pace, playing to the strength of our brands, leadership positions within key specialist markets and the scale of our overall business in the region.

Combined with further growth in **B2B Digital Services**, this outperformance has provided a strong counter-balance to the continuing COVID restrictions in Mainland China. Here, we have remained flexible through the year, adapting plans and rescheduling brands where sensible, whilst continuing to serve customers through international B2B Events and Digital Services. Our Live Events activity in the region has been limited to a number of smaller, regional brands and we are now focusing our major brands on delivering for customers in 2023.

Continued double-digit growth in B2B Digital Services

Across our portfolio of B2B Digital Services, we continue to deliver strong revenue growth, reflecting good performances in specialist **Content Marketing**, **Lead Generation** and **Research Subscriptions**, including the highest level of annualised contract values at Omdia on record.

Our customer data engine, **IIRIS (First Party Specialist Data)**, continues to embed its capabilities for collecting, managing and segmenting customer data across our portfolio of brands. The depth and range of our Live and On-Demand Events and specialist content products generate billions of audience interactions each year, enabling IIRIS (First Party Specialist Data) to build a database of millions of segmented, fully permissioned First Party Specialist Data records.

The acquisition of **Industry Dive (Specialist Content / Audience Development)** has now completed and it is being operated within **Informa Tech**, alongside **NetLine (Content Syndication / Lead Generation)** and **IIRIS (First Party Specialist Data)**, whilst sharing its knowledge and capabilities more broadly across all three B2B businesses.

Industry Dive produces specialist high quality digital publications, known as Dives, covering 24 specialist B2B markets including *BioPharma Dive*, *Construction Dive*, *Cybersecurity Dive*, *Food Dive*, *Healthcare Dive*, *MedTech Dive*, *Waste Dive*.

Alongside continued growth in its current business, Informa's established presence and engaged audiences in other specialist markets is allowing Industry Dive to accelerate expansion of new Dives into markets including Manufacturing, Convenience Stores, Fashion, Hotels and Packaging.

Conference Call

A conference call to discuss the Trading Update will be held at 9.00am UK time, hosted by Group Finance Director, Gareth Wright, and Director of Investor Relations, Richard Menzies-Gow.

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The New Informa Group

Following the successful completion of the *GAP II Portfolio Focus Programme*, Informa is focused on its two leadership businesses in Academic Markets and B2B Markets, providing specialist products and services into specialist end markets and geographies.

Academic Markets & Knowledge Services

Taylor & Francis Group: Specialist Knowledge and Open Research Services

Brands/Imprints: *Taylor & Francis, Routledge, CRC Press, F1000, Dove Press*

Subject Categories: Physical Sciences, Bioscience, Chemistry, Environment & Sustainability, Food Science & Technology, Information Science, Haematology, Neurology, Oncology, Psychology, Engineering, Education, Behavioural Science, Business & Management, Philosophy, Economics, Sociology

Geographies: US, UK, China, Germany, Japan, Australia, India, New Zealand, South Africa, Singapore

B2B Markets & Digital Services

Informa Markets: International Live & On-Demand B2B Events and B2B Market Access

Brands: *CPhI Worldwide, Natural Products Expo West, World of Concrete, China Beauty, Magic, Marintec, Seatrade, Hotelex, MRO Americas,*

Specialist Markets: Healthcare & Pharma, Health & Nutrition, Infrastructure & Construction, Beauty & Aesthetics, Fashion & Apparel, Maritime, Transport & Logistics, Manufacturing Machinery & Equipment, Hospitality Food & Beverage, Aviation

Geographies: US, Mainland China, UAE, ASEAN, Monaco, Brazil, Germany

Informa Connect: Live & On-Demand B2B Experiences

Brands: *SuperReturn, IM Power, Finovate, Inside ETFs, Bio-Europe, BioPharm America, BioProcess International, TIDES, TMRE, FanExpo, Greenbuild, Zephyr, IGM*

Specialist Markets: BioTech & Pharma, Fintech, Private Equity, Fund Management, Wealth Management, Sustainability, Maritime, Market Research & Marketing, Food Service & Hospitality

Geographies: US, Canada, Australia, UAE, Switzerland, UK, Singapore

Informa Tech: Market Insights and Market Access for International Tech Communities

Brands: *NetLine, Industry Dive, Omdia, Black Hat, GDC, London Tech Week, AI Summit, Internet of Things World, Enterprise Connect, Light Reading, Heavy Reading*

Specialist Markets: Artificial Intelligence, Cybersecurity, Enterprise IT, Gaming, Internet of Things, Media & Entertainment, Service Providers, Components & Devices

Geographies: US, Singapore, Japan, South Korea, Mainland China, UK, Germany

IIRIS: First Party Specialist Data

Data Services: IIRIS Tracker, IIRIS Passport, IIRIS Recommend, IIRIS Segment, IIRIS Insights

Informa Partnerships/Investments

Brand	Category	Equity Interest
Norstella	Pharma intelligence	7.6%
Lloyd's List Maritime	Maritime intelligence	20.0%
Curinos	Retail Banking intelligence	56.2%
Founder's Forum	Live & On-Demand B2B Events and B2B Communities	22.3%
Independent Television News	Creative Content Production	20.0%
PA Media Group	Specialist Media and News Services	18.2%
Bridge Events Technologies	On-Demand Event Technology	14.9%