

Press release
9 November 2018

Informa PLC

Trading Update

*On Track for Full Year Expectations;
Growth Continuation Combined with Accelerated Integration*

London: Informa (LSE: INF.L), the international B2B Events, Information Services and Upper Level Academic Publishing Group, today released a trading update for the 10-months ending 31 October 2018

KEY HIGHLIGHTS

- Trading in line with expectations and on track for the full year
- Group underlying revenue growth of +3.9% for the ten months to 31 October 2018
- Combination phase of *Accelerated Integration Plan* for UBM completed on schedule
- 2019 Capital Markets Day confirmed for May 10th 2019 in London

Stephen A. Carter, Group Chief Executive, said: “At Informa, we remain focused on delivering improving growth and returns, whilst effectively combining UBM into the Informa Group to create brands and platforms for future growth and scale.”

He added: “With more than 60% of our revenue forward booked and recurring, we have good forward visibility. Similarly, our increased international breadth, in particular our strong positions in the US, Asia and the Middle East, leave us well placed to meet expectations.”

He concluded: “As ever, the last two months of the year are important, particularly in our more retail and transactional businesses but we remain confident of delivering a further year of growth in revenue, profit, earnings, dividends and cashflow.”

TEN-MONTH TRADING HIGHLIGHTS

We remain focused on delivery, reporting underlying revenue growth for the standalone Informa Group, pre-combination, of +4.1% in the ten-month period to the 31 October 2018. Over the same period, the new combined Informa Group delivered underlying revenue growth of +3.9%. Reported revenue growth for the 10-month period was +31.8%.

This performance is in line with expectations, leaving us on track to meet our ambition for underlying revenue growth of 3.5%+, even with the continued macro uncertainties from US/China trade relations, Middle East political tensions and Brexit negotiations, amongst others. On the latter, the Group's international breadth and relatively small revenue base in mainland Europe mean related risks are low but we are still taking necessary precautions and preparing for any potential knock-on impact in areas such as employment, treasury and inventory management.

Academic Publishing...scholarly research and specialist reference-led content

In a market seeing product and service changes, our Academic Publishing business remains resilient, underpinned by its strong brands and specialist content. On **Journals**, our investment in marketing and technology is delivering consistent subscription renewals, whilst our investment in Open Access, including last year's addition of Dove Medical Press, is driving attractive growth in this area. We are applying Dove's highly effective production processes across our full OA business, creating a lower cost, more efficient and scalable OA platform, which also offers a far better experience to authors.

We also continue to deliver improved performance in our **Books** business on the back of our operational effectiveness programme and against a more stable market backdrop. Our investment in digital capabilities and more flexible approach to digital product development is delivering a particularly good performance in eBooks, with strong growth year-to-date. This has helped us to maintain the strong overall divisional trading performance delivered in the first half, with underlying revenue growth in the 10-month period of +3.8%.

The last two months of the year are important, both for subscription renewals in Journals and for Books. We remain confident in the business and our brands, and although we face a tough comparable after a strong performance closing out the year in 2017, we are aiming to meet or exceed last year's underlying revenue growth for the year of 2%.

Global Exhibitions...international B2B platforms for trade and commerce

Despite the many activities associated with the combination, we remain equally focused on delivering our targets within the historical Informa Exhibitions business, where we continue to trade well.

Underlying growth in the 10-month period was +6.9%, slightly lower than the six-month run-rate of +7.3%, reflecting the usual seasonality of our business, with fewer fast-growing major brands in the second half of the year. Those major brands that have run have performed well, with notable recent highlights including in **Agriculture** (*Farm Progress*), **Health & Nutrition** (*SupplySide West*) and **International Yachting** (*Monaco Yacht Show*).

This puts us firmly on track to meet our target of between 6% and 6.5% growth for 2018, and continued strong advanced bookings into 2019 also give us confidence the existing Global Exhibitions business can maintain growth levels and margins ahead of the wider Exhibitions market.

Knowledge & Networking...international B2B communities for learning and engagement

Our strategy to focus the business around major brands in our three core end markets of **Global Finance**, **Life Sciences** and **TMT** continues to deliver a steady improvement in performance, with underlying revenue growth in the first 10 months of the year of +1.0%, up from the +0.5% reported in the first half.

Our investment in upgrading technology platforms and strengthening our digital capabilities is broadening our mix of revenue in the business and improving customer retention. This has helped to deliver some particularly strong recent performances in **Global Finance** (*SuperReturn International*, *Inside ETFs*) and **Life Sciences** (*Biotech Showcase*, *TIDES*).

The last two months of the year remain important and the transactional nature of the business means that even with improved mix and vertical focus, we trade all the way through to year-end. However, the strength of our brands and improved customer propositions are delivering strong pacing on delegate numbers and sponsorship, which gives us confidence we can maintain our current momentum and deliver underlying growth of 1-2% for the full year.

Business Intelligence...specialist B2B insight and intelligence

We continue to build on the foundations laid down by the *Growth Acceleration Plan*, which led to a wholesale restructuring of the business to refocus on customers and their end markets, a refresh of our talent and capabilities and major investment to strengthen our core products and platforms.

This has delivered steady improvement in performance, taking a business that was in consistent revenue decline to one with a portfolio of strong brands and businesses, all in growth to varying degrees. This is evident in the 10-month performance, with underlying revenue growth of +2.4% reflecting consistent subscription renewals and continued growth across contingent products and services such as Consulting and Marketing Services.

With the business performing consistently, it is a natural moment to start to put more focus on those areas where there is the greatest opportunity for long-term growth and scale. This is leading to more proactive portfolio management, and today we are announcing that exclusive discussions are underway regarding the sale of our **Agribusiness** portfolio and *IGM*, our Credit and FX markets information business. This will leave us more focused on attractive end markets such as Pharma, Retail Banking and Maritime where we have strong brands and market positions.

The existing portfolio of businesses is targeting underlying revenue growth of between 2.5% and 3.0% for the year, up from 2.2% in 2017.

UBM Brands and Businesses

Since the summer, we have moved quickly to implement the *AIP*, in order to reduce uncertainty and maintain operational momentum in UBM's brands and businesses. This has been achieved with minimal revenue leakage, reflected in robust trading, bar ongoing weakness in the **Fashion** business. The absence of any performance discount is testament to the positive and collaborative attitude of UBM colleagues, the spirit of combination and the exciting potential of the new emerging business.

In contrast to the old Informa portfolio, the second half of the year includes a greater proportion of UBM's major brands and so tends to be seasonally stronger. As we combine teams and finalise operating structures, we remain focused on the performance of these key brands and this is leading to a steadily improving growth trend as the year progresses.

The 10-month pro-forma underlying revenue growth of the UBM businesses was +2.3%, up from +1.1% reported for the first six months of the year. Within the Events, business, underlying revenue growth was +3.4%, reflecting strong performances in **Pharma** (*CPhI Worldwide*), **Technology** (*Black Hat*) and **Lifestyle & Brands** (*Furniture China*). Revenue in **Other Marketing Services** was -5.5% after 10-months.

We remain equally focused on delivery through the last two months of the year and with strong forward bookings in verticals such as **Beauty** (*Cosmoprof Asia*), **Pharma** (*CPhI India*) and **Advanced Manufacturing** (*Manufacturing Indonesia*), we are confident we can deliver on 2018 expectations for the UBM business of around 3% growth overall and c.4% growth in **Events**.

2018: COMBINATION & COMPLETION

The focus for the Informa Group in 2018 has been to maintain a positive trading performance and effectively combine UBM into the Informa Group, enabling us to enter 2019 as a single, scale international Group, positioned to reap the full benefits of strong market positions.

Our one-year phased *Accelerated Integration Plan* ("AIP") is delivering this, with most parts of the programme due to be completed this year:

- **AIP Operating Model:** The allocation of UBM's businesses and teams into the Informa operating structure is largely complete. In Asia, Informa's business has been folded into the existing UBM operating structure. In EMEA and the Americas (North and South), UBM's businesses have been combined into Informa's existing vertical and regional structures.
- **AIP Leadership & Talent:** More than 100 Senior Management appointments have been confirmed for the combined group and wider team structures and reporting lines are also largely finalised. This ensures vertical/regional teams will have clear ownership of 2019 targets and objectives.
- **AIP Progressive Portfolio Management:** Our programme of activity to increase the focus on verticals and businesses where we have strong market positions and greater opportunities for growth and scale, is underway. We are engaged with prospective buyers for specific parts of our Information Services business, including our **Agribusiness** portfolio and **IGM**, part of our **Finance** information business. More details will be provided either before or within our full year results but we continue to see up to £150m of revenue (c5% of Group) potentially within scope.
- **AIP Synergies:** As team structures and reporting lines have been confirmed, we are addressing obvious areas of overlap and duplication, reducing run-rate costs. This puts us on track to meet our current cost synergy target of at least £50m in-year in 2019, rising to a £60m run rate by end 2020 and £75m by end 2021 (targets are pre-reinvestment into *Fashion Growth Acceleration Plan*).

After cost synergies, come revenue opportunities. Some are more immediate than others, with cross-marketing initiatives likely to have a positive impact from 2019. We also see attractive digital opportunities over time, as we start to use our international scale to greater effect. To this end, we have appointed and resourced a dedicated Senior Executive to pursue Digital Services revenue growth in the Global Exhibitions Division. John Van der Valk, who was previously Managing Director of the CPhI portfolio within UBM, will lead this programme globally.

- **AIP Fashion Growth Acceleration Plan:** Our restructuring programme in Fashion is well underway following the appointment of a new Managing Director of the Fashion Exhibitions business in September (Mark Temple-Smith, previously Commercial Director for Informa Exhibitions). He is leading an experienced team with strength-in-depth and together they have quickly set about improving key areas including customer relations, pricing, brand positioning, in-event experience and digital marketing.

2019: AMBITION & CREATION

Since 2013, the strategy of the Informa Group has been to focus and organise the business around our customers and end-markets, whilst investing to build the capabilities and platforms for long-term sustainable growth and scale.

As part of this, we have been focused on building a scale, international position in Exhibitions through both strong underlying growth and targeted expansion, latterly through the combination with UBM.

As we enter 2019, we will be operating as a single, combined Group and are targeting further profitable growth, as we start to reap the benefits of our increased scale and more focused portfolio.

The future strategy and wider medium-term ambition for the Combined Group will be the focus of **Informa's 2019 Capital Markets Day**, scheduled to take place in London on Friday May 10th 2019.

ENQUIRIES

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ANALYSTS AND INVESTORS

Gareth Wright, Group Finance Director, and Richard Menzies-Gow, Director of Investor Relations, will be hosting a conference call for analysts and investors today to discuss the Trading Update, commencing at 8.00am UK time. Dial-in details: +44 (0) 330 336 9105 / Confirmation Code: 7563220.

NOTES TO EDITORS

About Informa PLC

Informa operates at the heart of the Knowledge and Information Economy. It is one of the world's leading B2B Events, Information Services, and Upper Level Academic Publishing businesses.

With more than 11,000 colleagues globally, it has a presence in all major geographies, including North America, South America, Asia, Europe, the Middle East and Africa.

Dow Jones Sustainability Index

Informa is a member of the Dow Jones Sustainability Index, the leading international standard for Sustainability that measures listed companies against a range of economic, social and environmental factors. It entered the European and Global Indices for the first time in 2018, putting it amongst the top 300 most sustainable companies in the world.

To learn more, please visit www.informa.com

Cautionary Statements

This Trading Update contains forward-looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated as reflected in such forward-looking statements. The terms 'expect', 'should be', 'will be' and similar expressions identify forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to: general economic conditions and business conditions in Informa's markets; exchange rate fluctuations, customers' acceptance of its products and services; the actions of competitors; legislative, fiscal and regulatory developments; changes in law and legal interpretation affecting Informa's intellectual property rights and internet communications; and the impact of technological change. These forward-looking statements speak only as of the date of this Trading Update. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any statement is based.