

Informa PLC **Press Release**

12 June 2020

Trading Update

Continued Stability and Strength

London: Informa Group PLC (“**Informa**” or “the **Group**”), the International Exhibitions, Events, Information Services and Advanced Learning Group, is today providing an update on trading to coincide with its Annual General Meeting in London, outlining further progress with its COVID-19 Action Plan and a continuing focus on managing its Brands and customers for long-term growth and value creation.

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

“At Informa, our Subscriptions businesses continue to perform resiliently against a tough market backdrop, whilst our Events businesses - in the absence of physical exhibitions, events and conferences - are working closely with customers to provide alternative digital services, with a focus on long-term relationships ahead of short-term revenue.”

He added:

“The prospect of a return for some of our major Events brands in Mainland China from July is now real. Elsewhere, we are deploying *AllSecure* biosafety measures as permission emerges to operate events, although we expect the pace and shape of recovery to be gradual and phased by market. Despite continued near-term unpredictability, our strengthened balance sheet, continuing cost controls and strong liquidity is enabling us to focus on the other side of COVID-19. This includes how to get the most out of Return and Recovery in 2021, and identifying and evaluating future strategic opportunities.”

Current Trading: a mixed picture

As countries and locations around the world steadily relax pandemic control measures and exit lockdown, it is clear that the return to normal daily and business life will be phased, with enhanced hygiene and social distancing measures likely to remain a feature for some time. For Informa, and the Events-related businesses in particular, this suggests the pace and shape of recovery is also likely to be gradual, varying by region, by customer market and by event format.

Subscriptions-related businesses (c35% of Group revenue in 2019)

Our **Subscriptions-related businesses** provide an anchor for the Group and, in the main, continue to trade well. **Informa Intelligence** continues to deliver steady growth, supported by solid subscription renewals and positive annualised contract values. The business is seeing particular strength across its clinical trials and drug development brands in the **Pharma Intelligence** business.

Similarly, in **Taylor & Francis**, our journal subscriptions business remains robust, with consistent renewals and steady growth, supported by our expanding presence in open access and open research. Our books business is seeing some increased disruption to physical book sales from COVID-19 due to product availability and supply-chain issues, with most universities temporarily closed. This is being partially offset by stronger e-books revenue.

Events-related businesses (c65% of Group revenue in 2019)

As expected, in the two months since the First Quarter Trading Update, the **Events-related businesses** have not traded any physical product anywhere in the world due to COVID-19. The events teams have focused on further events rescheduling where possible and, where not, looked at other ways to engage and provide value to customers through digital or hybrid events, marketing services and targeted lead generation.

Looking forward, as expected, there is minimal physical product scheduled for June but we are now planning to run a number of major events in China from early July, with *China Beauty Expo* in Shanghai the first scheduled major Informa brand to be held on the other side of the COVID-19 pandemic.

Activity in China has picked up pace through the past month, with authorities recognising the controlled nature of trade shows and with exhibitors confident and keen to participate to help rekindle trading activity. Absent any resurgence of the virus and reimposition of more restrictive control measures, the outlook for those brands due to run in the region through the second half looks encouraging.

Elsewhere, it remains a mixed picture and it is clear that some locations will take a lot longer to come out of the other side of COVID-19, both in terms of the permissions and practicalities of running an event and the confidence of participants to return. For similar reasons, international travel looks set for a gradual recovery, which will impact those events more reliant on international, rather than solely domestic participation.

In Informa's largest market, the United States, the Group is now assuming a low probability that any physical events will run before September, with most brands due to run in July/August either rescheduled, cancelled or switched to a fully digital event, including *Black Hat*, our major **Cyber Security** brand. Even within the United States, it is clear that the pace of return and recovery will vary state-to-state, with different local guidelines and restrictions in place and varying attitudes amongst local communities.

Informa...All Secure Standard for Events

One of the ways the Group is building permission with authorities to run events and confidence with Colleagues and Customers to participate, is by introducing enhanced measures that raise the level of hygiene and bio-safety at events.

Following collaboration amongst leading organisers, association partners and a range of suppliers, we have helped to establish the **All Secure** standard for the events industry, a best-practice playbook of processes and guidelines that can be incorporated to ensure the highest standards of hygiene, safety and cleanliness.

Informa AllSecure is the adoption of this industry standard for our business and includes 10 key commitments that all Informa events will meet in future, ranging from enhanced cleaning processes, to non-contact registration, the potential use of face masks and physical distancing measures.

Update on COVID-19 Action Plan

Informa's COVID-19 Action Plan continues to shape the Group's response to the pandemic, ensuring the company reacts quickly to the evolving situation, prioritising the safety and wellbeing of Colleagues and Customers whilst managing the business for long-term growth and value creation.

This includes continued support for Colleagues, both personally and professionally, providing flexibility, guidance and support wherever possible and ensuring everyone has the tools necessary for effective remote working. In addition, targeted financial assistance continues to be made available to any Colleagues in particular hardship due to COVID-19 through the **Informa Colleague Support Fund**.

From an operating standpoint, **The Postponement Programme** is now largely complete. As part of this, 160+ brands have now been cancelled or rephased from 2020 to 2021, representing ±£300m revenue, and a further 300+ brands have committed to a digital rather than a physical event in 2020. Encouragingly, where events have been cancelled and the focus shifted to 2021, customer demand for rebates has been relatively low, underlining the quality of our brands and pent-up demand for product.

Further rescheduling of events within 2020 is unlikely given the volume of brands now scheduled in the final four months of the year, with limited remaining venue capacity available. The brand schedule is constantly reviewed to assess the likelihood that each of the Informa events planned will be able to run and the expected level of exhibitor and attendee participation. This will enable the Group to make individual brand and event decisions on whether to continue as planned or shift the focus to 2021.

This review is ongoing, but the early indications suggest that, at the current pace and rate of recovery outside of China, the outcome for 2020 is likely to be somewhere between the **Vigilant** and **Operating Case** scenarios that were outlined earlier in the year. This outlook remains unpredictable, something reflected in the current range of market forecasts, but based on what we can see today it implies Group revenue for the year is likely to be $\pm$ £2bn.

In this context, **Cost Management** remains a key focus across the Group, albeit there is a balance between managing costs appropriately in 2020 and managing for capability in 2021. We continue to recover direct costs where events have been cancelled, whilst controlling indirect costs sensibly through initiatives such as an ongoing recruitment freeze, the further deferral of salary reviews and merit rises, the removal of all discretionary costs and the extension of voluntary sabbaticals.

In total, £400m+ of cost savings have been identified within adjusted operating profit, including direct savings on events already cancelled and those that have switched from physical to digital. The Group continues to review other areas of potential cost savings, particularly in the context of the continuous reassessment of our events schedule for the remainder of 2020.

In addition, **Financing Control** measures continue to be strengthened to ensure Informa has Stability and Strength to the other side of the COVID-19 pandemic, whatever the pace and shape of recovery. In April, we successfully raised £1 billion of equity, significantly strengthening the balance sheet and providing the flexibility to focus on the long-term strength and value of our brands and customer relationships.

Constructive discussions with our US private placement debt holders are ongoing and a decision on when or whether to change these discussions to a formal request for a covenant waiver will be made once there is greater visibility on the performance of the Events businesses in the second half of the year.

2020 Half-Year Results

Given all of the above, it is our intention to publish the 2020 Half-Year Results after the Summer in September (date to be confirmed), when we anticipate greater clarity on the pace and shape of recovery of Informa's Events-related businesses through to the year-end.

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

Tim Burt	+44 (0) 7583 413254
Zoe Watt	+44 (0) 7713 157561

Notes to Editors

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