

Informa PLC Press Release

16 June 2022

Robust Trading, Increased Portfolio Focus and Accelerating Shareholder Returns

Robust Trading: Strong performances in all businesses, on track for upper end of market guidance

Increased Portfolio Focus: £1.9bn value created through Pharma Intelligence agreement

Accelerating Shareholder Returns: Share buyback programme increased from £300m to £725m

Informa (LSE: INF.L), the international Academic Markets, B2B Markets and Digital Services Group is today reconfirming full year guidance on the back of robust year-on-year trading. The Group, which is issuing a trading update to coincide with its Annual General Meeting, also reported continued progress on the 2021-2024 Growth Acceleration Plan II ("GAP II").

Stephen A. Carter, Informa Group Chief Executive said:

"Our GAP II programme is delivering growth, portfolio focus and shareholder returns. Today we are reporting robust and consistent trading and are reconfirming guidance, which combined with strong divestment returns allows us to expand our share buyback programme to £725m, whilst significantly strengthening our balance sheet."

He added:

"We welcome the progressive reopening of Mainland China whilst continuing to monitor broader market fluctuations and macro volatility. Notwithstanding these external factors, we are confident in our ability to deliver on our forward growth ambitions, underpinned by the resilience of our subscription businesses, the continuing return of Live and On-Demand Events, and our growing range of Digital Services."

Trading Highlights

- **Robust trading:** Group underlying revenue growth of 40%+, with improving growth in **Academic Markets (3.5% to end May)**, a strong return in **Live and On-Demand Events (100%+)** and continued momentum in **B2B Digital Services (10%+)**. On track for upper-end of 2022 guidance, supported by continuing return in all geographies and progressive re-opening in Mainland China. Full year growth in revenue, adjusted operating profit and earnings per share expected to be above historical trends.
- **Increased portfolio focus:** Completion of £1.9bn **Pharma Intelligence** agreement, with additional future returns through 15% equity interest in the ongoing business. Next package of portfolio divestment, **Financial Intelligence**, progressing well with continued significant interest;
- **Strong cash generation:** The Company's deliberate shift to implement enhanced cash management processes and challenging cash metrics is continuing to deliver benefits, with further strong cash conversion and free cash flow generation over the first five months of the year;
- **Strengthened balance sheet:** Strong free cash flow and the divestment of **Pharma Intelligence** effectively reduces net debt to zero, significantly strengthening the balance sheet and providing additional funds for growth and reinvestment. Outlook upgraded to Stable by major credit ratings agencies (S&P Global, Moody's);
- **Accelerating shareholder returns:** Share buyback programme further expanded from £300m to £725m, representing c.50% of post-tax cash proceeds received to date from the delivery of **GAP II Portfolio Focus**. Expanded programme will take us through to year-end 2022, with 50.3m shares purchased so far this year, equating to c.£290m of capital returned to shareholders.
- **Value in verticalisation:** Informa's strategy of Market Specialisation is accelerating through continued expansion in **On-Demand** and **B2B Digital Services in key markets**. This is most evident in **Informa Tech**, where the **NetLine** addition has added content syndication and platform capabilities, helping to further expand the volume, quality and engagement of our Tech audiences and accelerating the development of targeted lead generation services.

Trading Update

Guidance re-confirmed at upper end of range

Trading through the first five months of 2022 has been robust across both our **Academic Markets** and **B2B Markets** businesses, with Group underlying revenue growth of more than 40%+.

Markets are open or opening in all our geographies around the world and with Mainland China restrictions now progressively being removed, our current assumption is we will resume Live B2B Events in that region from the third quarter.

On that basis, the Group's performance year to date, combined with strong forward visibility on subscriptions revenues in **Taylor & Francis** and exhibitor and delegate bookings in **Live and On-Demand Events**, and favourable currency trends, puts the Group **on track for the upper-end of the full year guidance range provided at our 2021 Full Year Results in March (Revenue of £2,150m-£2,250m and adjusted operating profit of £470m-£490m).**

Academic Markets & Knowledge Services

Taylor & Francis is continuing its track record of consistent growth, delivering underlying revenue growth of **3.5%** through the first five months of 2022 and on-target for **3%** across the full year. This reflects consistent performances in **Pay to Read Subscriptions** and **Advanced Learning**, and further strong growth in **Pay to Publish** services.

In **Pay to Read, Subscription** renewals remain high, underpinned by continued strong volumes of research submissions, which is translating into consistent levels of validated and trusted specialist subscription content. In **Advanced Learning**, increased discoverability of content and continued strength in eBooks is delivering solid growth, most notably in our Professional and Self-Learning categories.

In **Pay to Publish**, our *GAP II* investments to broaden our range of services, improve customer marketing and drive submission rates, continue to deliver benefits, with further strong revenue growth so far in 2022.

Continued expansion in this area, which widens our addressable market beyond University Libraries into deeper global research and development funding, underpins our underlying growth target of 4%+ across our Academic Markets business by the end of *GAP II*.

B2B Markets & Digital Services

The Group's three B2B businesses (**Informa Markets, Informa Connect, Informa Tech**) are all trading strongly year to date, in aggregate delivering **90%+ underlying revenue growth** across the first five months of the year.

Live Events continue to return at pace across North America, the Middle East, Europe, ASEAN and Latin America, with customer demand stronger than anticipated and post-show feedback very positive, with record net promotor scores underpinning high levels of rebooking, back at pre-pandemic levels.

In total, we have run more than 200 Live Event brands across the world this year, attracting more than 1m participants, over 25k exhibitors and generating more than £400m of revenue.

In **Mainland China**, COVID restrictions have limited the ability to run Live Events through the first half and whilst this will inevitably lead to some revenue leakage, our teams adapted quickly to reschedule our major brands to the second half of the year. With restrictions now progressively being removed we are planning to run the first of these major brands in August and, on that basis, we currently expect to deliver 60%+ of the revenue we budgeted for the region this year.

As **Live Events** return, we are progressively embedding more digital and on-demand capability in and around the core product in areas such as registration, enhanced use of digital product discovery and downloads, lead identification and customer connectivity. This is increasing utility and value for customers, enhancing the overall volume and quality of data capture and underpinning pricing, yields and growth.

In addition, through *GAP II*, the Group continues to invest in broader product diversification through a range of **B2B Digital Services**. Underpinning all our digital developments is the continued roll out of **IIRIS**, our centralised B2B customer data and analytics platform. As we embed its registration, tracking and segmentation service offerings across core verticals, the increased volume and quality of data is enhancing our existing business through more effective sales and marketing, and building a consented first party data engine to fuel the development of lead generation, lead qualification and audience development products and services.

Informa Tech is at the forefront of these developments, reflecting its broad portfolio of specialist B2B Media, B2B Events, Data and Research brands and a more developed customer market for data-driven lead generation services. The addition of **NetLine** has accelerated our market knowledge and understanding of data discipline, content syndication and buyer intent, as well as underlining the critical importance of curated specialist content to maintain the quality and high level of engagement with our targeted audiences.

Accelerating Shareholder Returns

Completion of Pharma Intelligence agreement for £1.9bn

The £1.9bn **Pharma Intelligence** transaction completed on 1 June 2022, with the Group receiving c.£1.7bn in cash before tax deductions and retaining a c.15% shareholding in the ongoing business. It is expected that tax deductions will amount to a little over £200m, payable through the second half of 2022.

The follow-on process for our **Financial Intelligence** portfolio is now underway and is attracting strong interest. Our **Maritime Intelligence** business, the smallest and most blended portfolio, with a mix of B2B Media, B2B Events, Data and Intelligence products, will be the last portfolio to be reviewed in the second half of the year.

Following the completion and receipt of cash for **Pharma Intelligence**, Informa is expanding its *GAP II* **Shareholder Returns**. This began in February, when we commenced a share buyback programme, initially up to £100m, which was subsequently expanded to £300m.

After significant shareholder consultation, we can confirm our approach to shareholder returns will continue to focus on share buybacks, and so we are expanding our programme from £300m up to £725m, which represents c50% of the post-tax cash proceeds received to date from our approach to *GAP II* **Portfolio Focus**.¹

Around £290m of shares have been acquired in the market so far in 2022, at an average share price of 575.7p, leading to the cancellation of 50.3m shares. Today's expansion of the programme is expected to see the Group maintain the current level of buybacks through to year-end.

As previously announced, separate to the Share Buyback Programme, Informa PLC will be re-starting ordinary dividends at the time of our Interim Results in July 2022.

Board update

Informa will today host its 2022 Annual General Meeting at 11am at its offices at 240 Blackfriars, London, SE1 8NW. Over the last twelve months, the Board has undergone significant change and replenishment, adding three new Non-Executive Directors, the appointment of a new Chair, new Senior Independent Director, new Chair of Audit and new Chair of the Remuneration Committee. It has also consulted extensively with shareholders on a new, post-COVID Remuneration Policy, for which it is seeking approval at the AGM.

Stephen Davidson, who has been a Non-Executive Director on the Board for the past seven years and who was yesterday appointed as Chair of Calnex Solutions plc alongside his other responsibilities, will not seek re-election as an Informa Director at today's AGM.

Full details of all the other resolutions being presented to shareholders are included with the 2022 AGM Notice, which is available at www.informa.com/investors/shareholder-centre/general-meetings.

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Notes to Editors

¹At today's AGM, Informa will seek authorisation to continue to purchase its own ordinary shares. The maximum number of additional ordinary shares that may be repurchased under those authorities is 147,771,000, and the authority will apply until the earlier of the conclusion of the Company's next AGM or close of business on 15 September 2023.

As such, Informa has extended its irrevocable and non-discretionary arrangement with Merrill Lynch International, and entered into an irrevocable and non-discretionary arrangement with Morgan Stanley & Co. International Plc, to purchase, subject to authorisation being granted at the AGM, on its behalf and within certain pre-set parameters, ordinary shares of 0.1 pence each in the Company, with the intention to cancel those shares purchased.

The share buyback programme will take place in accordance with the Company's approved buyback authorities and be effected in accordance with Chapter 12 of the FCA's Listing Rules. The programme will recommence shortly and run through the Company's close period (30 days from 28 June 2022 to 27 July 2022).