

# Informa PLC

## Nine Months Trading Update

*Growth Acceleration Plan* delivering consistent trading performance combined with increasing Balance and Breadth. On track for full year expectations

**London:** Informa (LSE: INF.L), the international Business Intelligence, Exhibitions, Events and Academic Publishing Group, has today issued a trading update on its performance for the nine-months ending 30 September 2016.

### GROUP PERFORMANCE

The Group continues to make both operational and financial progress and remains on track for full year expectations. The portfolio changes over the last few years, the increasing level of recurring revenue from subscriptions, our growing scale in B2B exhibitions and large-scale confexes and our international expansion strategy particularly in the US, provide the Group with increasing Balance and Breadth. As always, there are variances in trading across verticals and geographies, with continued strength in North America and Asia balanced by ongoing weakness in Brazil, and some signs in Europe of an impact from the uncertainty created by Brexit in our delegate-based businesses.

We remain focused on the Disciplined Delivery of the *2014-2017 Growth Acceleration Plan* (“GAP”), our strategy to improve levels of operational fitness across the Group and return all our businesses to growth. Investment remains on schedule and on budget, with around £50m being invested in more than 30 initiatives across the Group during 2016. Similarly, year-end performance remains on track on revenue, operating profit, earnings, cash flow and dividend growth.

The GAP acquisition strategy recently led to the addition of Penton Information Services (see below for more details). This adds further scale and US presence, significantly strengthening our **Global Exhibitions** and **Business Intelligence** Divisions. The integration programme begins this month, led by Patrick Martell, the Chief Executive of **Business Intelligence**, who has also assumed the role of Chief Executive and Integration Officer for Penton. The focus now is on ensuring Delivery of the 2016 financial targets of both companies and securing early 2017 trading, an intensive period for subscription renewals and a number of our major Exhibitions Brands.

**Stephen A. Carter, Group Chief Executive, said:** “Informa continues to make both operational and financial progress through 2016, and remains on track to deliver another year of growth in Revenue, Profits and Earnings.

**He added:** “The recent addition of Penton increases our US scale and reach, further strengthening our capabilities in Global Exhibitions and Business Intelligence in particular.

“Together with our Growth Acceleration Plan, it increases the Balance and Breadth across the portfolio, underpinning the potential for future growth.”

### DIVISIONAL HIGHLIGHTS

**Global Exhibitions:** The benefits of scale and international expansion continue to deliver a strong performance across our Exhibitions portfolio, with nine-month organic revenue growth of **10.6%**. While the fourth quarter is a relatively quiet period for major Exhibitions, advanced booking trends across the business for the first half of 2017 are predictable and consistent.

Investment in our Market Maker strategy also continues, with a focus on strengthening our digital and data capabilities in order to better understand our customers, improve levels of engagement and enable us to monetise these relationships in new ways, both within and outside of our Exhibitions.

**Business Intelligence:** The focus on subscriptions and customer management continues to build operational momentum, reflected in ongoing positive trends in Renewal Rates and Annualised Contract Values. This improvement, combined with its programme of operational fitness resulted in an end to the Division's long trend of revenue declines, with flat organic growth across the nine-month period. Looking forward, the business is on track for positive growth across the year with an upward trajectory into 2017.

Our *GAP* investment in new platforms and upgraded and enhanced product features is picking up pace, with over 35 individual product releases scheduled by the end of 2017. Many will deliver tangible workflow improvements to customers and give us confidence that the steady improvement in underlying growth rates will accelerate in 2017.

**Academic Publishing:** Our focus on the Upper Level Academic market and commitment to continual improvement in operating efficiency underpins another robust performance overall. Nine-month organic growth was **+0.7%**, reflecting consistent levels of growth in our strong Journals business offset by a small but anticipated decline in our Books business. This overall positive mix, the strength of our Academic Brands and the increasing weighting to year-end trading gives us confidence we will deliver another solid year, including strong reported revenue growth and further positive organic growth, albeit possibly a touch below 2015 levels.

The Group has today formally announced the planned retirement in 2017 of Roger Horton after over a decade as Divisional Chief Executive. The search for a successor is already underway with advice and support from recruitment firm Russell Reynolds. Roger will remain as Chief Executive through April 2017 and then provide support to his successor in a handover period through to the end of Q2 2017.

**Knowledge & Networking:** The restructuring of this Division continues, further reducing the long tail of small conferences to focus on large scale confexes and brands in the three core markets of Life Sciences, Finance and TMT, and adding data and specialist content to deepen the relationship with the communities we serve.

We are starting to see improving organic revenue trends, with a nine-month decline of **-2.2%**, more than halving the **-4.7%** run rate in the first half of the year. We continue to target flat organic growth across the year, with a number of our larger event Brands that run during this period tracking well, despite some volatility in delegate revenue in Europe.

#### **ADDITION OF PENTON INFORMATION SERVICES TO THE INFORMA GROUP**

The addition of Penton Information Services was approved by Informa Shareholders on 10 October 2016 and completed on 2 November 2016, bringing greater Balance, Breadth and US scale to the Informa Group.

As announced on 15 September 2016, the acquisition was funded through a combination of new debt and equity.

The equity component of the funding included a fully-underwritten £715m Rights Issue plus consideration of £76m to the sellers. The Rights Issue Shares and dealings in Nil Paid Rights were admitted to the London Stock Exchange on 11 October 2016, and the results of the Rights Issue announced on 26 October 2016, with nearly 160m Rights Issue Shares validly taken up by existing Shareholders.

The debt component of the funding included a \$675m acquisition facility. We are currently in the process of refinancing a significant portion of this facility in the US Private Placement market. Present indications are that subject to pricing and term maturities, we will be able to execute this refinancing with current and new Informa debt holders at market competitive prices.

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#### **ENQUIRIES**

##### **Informa PLC**

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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 Nine-Months Trading Update, commencing at 9.00am. Dial-in details: +44 20 3043 2002/ Confirmation Code: 6913750

**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 business intelligence, academic publishing, knowledge and events businesses.

With more than 7,500 colleagues globally, it has a presence in all major geographies, including North America, South America, Asia, Europe, the Middle East and Africa.

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