

Informa PLC Press Release

15 June 2023

Accelerating Growth in Revenues, Profits and Cashflows

Full-year guidance increased on the back of strong performances in all businesses and capital allocation discipline, with revenue now expected to exceed 2019 pre-COVID levels

Informa (LSE: INF.L), the international Academic Markets, B2B Markets and Digital Services Group published a trading update ahead of today's Annual General Meeting, confirming strong year-on-year growth and further progress on its Growth Acceleration Plan 2 ("GAP 2").

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

"The Informa Group is delivering accelerating growth in revenues, profits, earnings and cashflows, with a strong balance sheet and increasing shareholder returns. This enables us to increase our guidance for 2023 and create further opportunities for growth and acceleration in 2024 and beyond."

Trading Highlights

- **Strong trading...** Group underlying revenue growth of 24.5% in the first five months of the year, reflecting consistent growth in **Academic Markets** (3.0%) and further strong growth in **B2B Markets** (31.2%), including strong performances from all three B2B businesses: **Informa Markets** (+43.5%), **Informa Connect** (+19.2%) and **Informa Tech** (+8.3%);
- **Increased market guidance...** Strong underlying performances combined with portfolio additions delivers 7% increase in revenue guidance (+£200m to between £2.95bn and £3.05bn) and a 10% increase in adjusted operating profit guidance (+£70m to between £750m and £790m); Revenues from streamlined portfolio above 2019 pre-COVID levels, a year in which the since-divested Informa Intelligence business accounted for c.12% of revenues;
- **B2B strength and value...** Following a decade of investment, expansion and growth acceleration, we have built a powerful portfolio of major B2B brands in 20+ growth verticals and 10+ major geographic regions. Having maintained investment in our brands, our data, product and customer relationships during COVID, we are now seeing strong demand for our B2B services around the world. This includes in Mainland China, where we recently ran two of our major brands in **Beauty** (*China Beauty*) and **Hospitality** (*Hotelex*) attracting c.5,000 exhibitors and 250,000+ attendees;
- **Capital allocation discipline...** Following the divestment of Informa Intelligence for c.£2.5bn in 2022 (sold for average multiple 28x EV/EBITDA), we are returning £1bn to shareholders, resuming ordinary dividends and redeploying capital into targeted acquisitions. This includes Tarsus and Winsight (acquired for average post-synergy multiple of c.9x EV/EBITDA), which have expanded our presence in key regions such as the US, the Middle East and Asia, and strengthened our position in attractive B2B market categories including **Healthcare, Packaging, Aviation and Foodservice**;
- **Accelerating shareholder returns...** Strong earnings growth and high levels of cash conversion are delivering accelerating returns for shareholders, with £650m+ total cash returns expected in 2023, including strong double-digit growth in ordinary dividends (minimum payout ratio of 40% of adjusted EPS) and further share buybacks (c.£785m of £1bn programme completed to date);
- **Future growth and acceleration...** Our GAP 2 programme, which is beginning to deliver, will continue through 2024, when we anticipate further volume and value growth and increasing cash flow strength, supporting shareholder returns and further targeted acquisitions, whilst retaining a strong underlying balance sheet.

Trading Update: Growth Accelerating

Informa is delivering accelerating growth in both **Academic Markets** and **B2B Markets**, with Group underlying revenue growth over the first five months of the year of 24.5%. This includes good performances in all major regions, including continuing strong growth in North America, the Middle East, Latin America, ASEAN and Europe, and accelerating growth in Greater China.

Increased Market Guidance...Full Year Revenue above pre-COVID 2019 levels

Our strong underlying performance and good forward visibility on both volumes and value gives us confidence in a strong outcome in 2023 and continuing momentum into 2024.

Combined with the addition of B2B businesses, Tarsus and Winsight, both of which have traded strongly since being acquired, we expect to deliver 2023 results significantly ahead of the guidance we set in March, with adjusted operating profits expected to be c.10% higher.

As a result, we are increasing 2023 Reported Group Revenue guidance to a range of £2.95bn to £3.05bn and Group Adjusted Operating Profit to between £750m and £790m (GBP/USD exchange rate of 1.25).

This puts revenues above the level we reported in 2019, pre-COVID, a year in which we continued to own and operate the now-divested Informa Intelligence business.

Academic Markets & Knowledge Services...Consistent and improving growth

Taylor & Francis continues to perform well, with underlying growth in the first five months of 3.0%, keeping us on track with our Growth Acceleration Plan, which in 2023 is targeting 3%+ growth for the full year.

This performance is built on the robust foundation of our traditional Pay-to-Read business, where demand for specialist research remains strong, attracting high subscription renewals and steady new business, supported by recent investment in additional sales capacity.

Our specialist reference business in Advanced Learning also continues to deliver to plan, benefiting from the continuing expansion of our front list and ongoing investment in improving the quality and depth of digital access.

In the growing area of Pay-to-Publish, we continue to make good progress. This includes recent new Read and Publish deals with *Illinois State University* and *Portland State University*, as well as the renewal of our three-year agreement with *Ohio State University*. Our ongoing investment in Open Research is expanding the quality and range of Open Access (OA) services we provide, which impacts short-term margins but increases our exposure to strong growth in research volumes and funding.

B2B Markets & Digital Services...Continuing growth acceleration

Over the last decade we have progressively built a portfolio of 600+ major B2B brands serving 20+ attractive and growing market categories in all major regions of the world. Through COVID we took a long-term view, protecting and preserving these brands, supporting Colleagues, investing in digital and data, and maintaining the strength of our relationships with customers.

This has enabled us to return to Live Events post-COVID with a better-quality product and a broader B2B service offering, resulting in a very strong rebound in revenues and overall activity. In 2023, we have run more than 60 major Live Events to date, attracting c.40,000 exhibitors, 1.5m+ attendees, covering more than 12m square feet of floor space.

A key regional focus for Informa pre-COVID was Asia and Greater China in particular, where through a combination of organic investment and targeted additions, we significantly expanded our presence and deepened our brand portfolio. We are reaping the benefits of this as the market has reopened, with very strong demand for our leading brands, which provide powerful market access and buyer/seller engagement. We recently ran our first two major events in China in **Hospitality** (*Hotelex*) and **Beauty** (*China Beauty Expo*), the latter attracting a record 120,000+ visitors on its opening day.

Within **Informa Markets**, strong performances across all regions and market categories delivered 43.5% underlying growth in the first five months of the year. The reach and value our brands provide to customers has ensured strong rebooking and forward commitments for 2024. We are using this forward visibility to further invest in the quality of our product, using technology to enhance utility and value for customers and driving additional growth in volumes and value.

Our content rich division, **Informa Connect**, has seen strong performances in its core verticals of **Life Sciences** (*BioEurope*) and **Finance** (*SuperReturn*), as well as in its portfolio of fan-oriented **Pop Culture** events (*MegaCon Orlando*), delivering divisional underlying revenue growth of +19.2% to the end of May.

The recent addition of Winsight, creates another content rich vertical of scale, delivering a range of category-leading B2B brands and services to the **Foodservice** market, including in **Live & On-Demand Events** (*National Restaurant Association Show, Catersource*), **Specialist Data & Research** (*Technomic*) and **Specialist Media** (*Nations Restaurant News, Restaurant Business*).

Additionally, we are now combining our specialist data and content businesses, *IGM* (Fixed Income/FX Data & Information) and *Zephyr* (Wealth Management Data & Reporting) to give us further strength in the Finance vertical. Both are trading steadily year-to-date as we invest in their core technology and product set, with a view to accelerating growth and making the most of cross-market opportunities with other **Connect** brands.

The combination of strong underlying growth and strengthened verticals sees Informa Connect move well beyond the \$500m revenue mark this year, with a strong growth outlook and improving margins.

Tarsus: Performance and Combination

In March we announced the acquisition of leading B2B Events group, **Tarsus** for \$940m (post-synergy EV/EBITDA of sub-9x). This transaction completed in the second quarter, ahead of schedule, and trading across its portfolio is strong, reflecting the quality of its brands and customer relationships.

The Tarsus Combination Programme is now well underway, with a focus on minimising disruption and maximising delivery in 2023 and entering 2024 as one business. Whilst still early in the combination process, the cultural alignment is strong and teams are already identifying opportunities to work closely together and benefit from each other's market depth and customer relationships.

As Tarsus remains an operating entity inside Informa during the first few months of ownership, for our Half Year Results it will be reported as a separate operating division. As its brands are aligned into relevant Informa divisions through the second half of the year, it will then be reported within our existing divisional structure at the 2023 Full Year Results.

B2B Digital Services...Growth and new products

Our investment in first party data and adjacent B2B markets for audience-led services continues to progress well. **Informa Tech** is at the heart of this expansion and its diversified B2B service offering, incorporating **Live & On-Demand Events, Specialist Market Research, Specialist Media** and **Lead Generation** is delivering good growth in what remains a volatile end market, including underlying growth of 8.3% to the end of May.

Our focus remains on building long-term strength and depth across a range of B2B services for the Tech community and current market uncertainty is creating attractive opportunities to build scale and further expand our product set, both through organic launches and targeted acquisitions.

To this end, NetLine has just launched a new intent-based lead generation platform, *Intentive*, which provides real time B2B insights to marketers at both a company and individual buyer-level. It draws heavily on the reach and quality of the first party data housed within our customer data engine, IIRIS, underlining the importance and value of the audiences we nurture across our wider portfolio of B2B brands.

Accelerating Shareholder Returns

The operating momentum across the Group, continuing strong cash flow generation and confidence in the outlook, underpins our commitment to accelerating shareholder returns.

Having recommenced ordinary dividends at last year's interim results, we paid a 9.8p full year dividend for 2022. With a commitment to pay out a minimum of 40% of adjusted earnings from continuing businesses, based on our guidance this will deliver strong double-digit growth in ordinary dividends for 2023.

Additionally, we further increased our Share Buyback Programme in March to £1bn. To date, we have completed c.£785m, at an average share price of 607p, leading to the cancellation of 128m shares, c.8.5% of our share capital at the outset. On current course and speed, we expect the programme to be completed by Q4 this year.

Following the increase in full year guidance, total cash returns to shareholders in 2023 are expected to be £650m+, up from £550m+ in 2022.

Board Update

Informa will today host its 2023 Annual General Meeting at 11am at 240 Blackfriars, London, SE1 8BG.

At the meeting, Helen Owers will step down from the Board as a Non-Executive Director, having completed a full nine-year term. As previously announced, Andy Ransom, the Chief Executive of Rentokil Initial, will join the Board as a Non-Executive Director, subject to shareholder approval. On appointment, Andy will join the Remuneration Committee and the Nominations Committee.

Additionally, it is today confirmed that Informa's Senior Independent Director, Mary McDowell, will take over from Helen Owers as the Board's Director responsible for Colleague engagement.

Full details of all the resolutions being presented to shareholders are included with the 2023 AGM Notice, which is available at www.informa.com/investors/shareholder-centre/general-meetings.

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