



Derek Mapp

Chairman

A year of delivery, combination and creation

“GAP created a Group with greater balance and breadth and this positive momentum has given your management team and the Board the confidence to do more.”

I am delighted to have the opportunity to address Informa Shareholders and colleagues, and to express my thanks for their support, hard work and commitment through 2018.

It was another busy and productive period that saw the Group report a fifth consecutive year of growth in revenue, profits, cash flow and dividends. It was also a year when we took a considerable step forward in our future growth and ambition by adding UBM to the Informa portfolio.

From GAP to the AIP

The Informa Group has progressively and consistently evolved over the past five years. Through the 2014-2017 *Growth Acceleration Plan (GAP)*, the Group was reshaped, restructured, repaired and rebalanced.

GAP created a Group with greater balance and breadth and this positive momentum has given your management team and the Board the confidence to do more. It directly led us to push for further scale in 2018, when adding UBM provided a unique opportunity to build on the progress made through GAP and enhance the Group's international breadth and depth in specialist markets, particularly in exhibitions.

View from the Board: expansion and scale



What led the Board to endorse Informa's 2018 expansion plans?

The Board's view was that Informa had the potential to create significant value for Shareholders as well as opportunities for colleagues and other partners through adding the UBM business. We knew the business well and believed it was a good fit, with its complementary brands, similarities in culture and values, and a comparable recent history of change and growth. The progress made through GAP and the effective integration of Penton Information Services had also increased our confidence in Informa's capability to combine the businesses effectively.

What role has the Board played so far?

As ever, the Board represents the interests of Shareholders and other stakeholders by overseeing the Group's activities, guiding the management team and challenging plans where appropriate. The Directors provided support and input to the leadership team with its decision making during the offer process, assessed integration plans and received regular progress reports in Board meetings and through informal conversations in between. Board members also engaged with Shareholders and colleagues. I attended Relinvent, a gathering of around 100 leaders from across the enlarged Group, in July, answering questions and getting direct feedback on how the new Informa Group was coming together.

Did the Board have any concerns about the combination?

The impact on colleagues and our culture was foremost in our minds. Informa is a people business, and we knew an effective outcome would rely on the engagement, support and efforts of all those in each business. It was critical that combining the businesses would ultimately add to the experience and opportunities available to colleagues, rather than unduly disrupting or stretching teams. Diligence gave us comfort that the business cultures were aligned, and further work has been done to more fully understand what is important to colleagues and build a set of common principles and ways of working for everyone in the Group.

What is the Board's focus for 2019?

Aside from our ongoing wider responsibilities and maintaining the focus on colleagues and culture, it is to make sure we complete the AIP effectively and deliver on our Shareholder promises by meeting our synergy targets and pursuing revenue opportunities. At the same time, we will work to ensure the Group continues to deliver consistent underlying growth and performance in each of our businesses, capitalising on our strengths and the progress made through GAP.

Twelve months later and well into our *Accelerated Integration Plan (AIP)*, the Board remains confident that this step will deliver real long-term value and opportunity.

Following a period of intense activity, the *AIP* is ahead of schedule with key decisions on leadership and structure implemented. The Group is on track to deliver its cost synergy targets, and as it starts to operate as a single enlarged business, the benefits of increased scale and industry specialisation will also come through new revenue opportunities.

New brands and depth in customer markets

One of the early decisions made within the *AIP* was to reorganise and rename our Divisions as **Informa Markets**, **Informa Connect**, **Informa Intelligence**, **Informa Tech** and **Taylor & Francis**, as described on page 8.

“As Informa has expanded in 2018, so has the Board, welcoming two long-term appointments in David Wei and Mary McDowell who bring invaluable international experience in Asia and North America respectively.”

David Wei joined the expanded Informa Board during 2018



As we expand internationally, this approach aligns the enlarged business more closely behind the Informa brand, and these more descriptive divisional names provide our Divisions with greater commercial flexibility. Our **Academic Publishing** Division, which has long gone to market as **Taylor & Francis**, is conducting a separate brand review to understand how it might also adapt its approach in what is quite a distinct market.

The *AIP* has also enabled the Group to increase its focus on specialisation and serving individual industry communities. This approach has now been adopted at a divisional level through the launch of **Informa Tech**, a market facing business that brings together all our exhibitions, events, information, data, media and marketing services brands serving Technology, Media and Telecoms (TMT) under one structure and leadership.

In recent years, this increasingly vertical approach to customers and markets has delivered consistent improvement in growth and performance. In 2018, the Group reported underlying revenue growth of 3.7%, up from 3.4% in 2017 and 0.7% in 2014, the year *GAP* launched. Total revenues were £2.4bn and adjusted earnings per share grew 7% to 49.2p, with free cash flow reaching £503.2m, a figure that was £237.2m back in 2014.

Shareholder returns and governance

Over the last five years, as Informa has reaped the benefits of growth and more predictable performance, we have progressively increased our annual dividend growth from 2% to 4% and then to 6% in 2017.

Following the Group's continued progress in 2018, we have continued this commitment by proposing a final dividend for the year of 14.85p per share, bringing the total 2018 dividend to 21.90p, a year-on-year increase of just over 7%. It remains a priority to share the benefits of growth and our strong cash generation by taking a progressive approach to dividends, and

I am delighted Informa's continued performance in the past year has enabled us to do this.

As Informa has expanded in 2018, so has the Board, welcoming two long-term appointments in David Wei and Mary McDowell, who bring invaluable international experience in Asia and North America respectively.

Greg Lock also joined as Deputy Chairman for the period of the *AIP* to ensure a smooth transfer and transition for colleagues and businesses. Greg will step down at the Annual General Meeting in May and on behalf of the Board I thank him for his valuable contributions, both during the creation of the enlarged Informa Group and in his wise counsel since.

As 2018 testifies, we regularly review the shape, size and composition of the Board to ensure it has the skills and resources to govern effectively, and more information on the Board's developments during the year can be found on page 98.

Part of the Board's role is to stay abreast of wider economic and geopolitical trends that could impact the Group and so we have been closely monitoring the potential for disruption from the UK's exit from the European Union. While we remain vigilant, there is little direct exposure and we do not believe there are material risks for the Group. The Group's increased international scale and breadth means we are better placed than ever to manage individual market turbulence.

Mary McDowell joined the expanded Informa Board during 2018



Creating opportunities in 2019 and beyond

Over recent years members of the Board have spent a considerable amount of time with Shareholders, discussing Informa, its performance, leadership and expansion plans amongst many other topics, including on our recent Annual Engagement Roadshow, described on page 114.

The overriding impression we have been left with is excitement about the potential of the enlarged Informa Group, and belief and confidence in the management team. To deliver on this potential will require another year of hard work in 2019, maintaining focus and delivery across each Division, as we complete the *AIP*, deliver our synergy targets and further adapt to make the most of our increased reach and strengthened market positions. I know the team is fully committed to this.

The Board remains equally committed to meeting our prior obligations to deliver the first full year of the enlarged Group, and so while acknowledging the latest guidance within the UK Corporate Governance Code, we all remain focused on supporting the leadership team to make this a reality. It is a privilege to be part of this unique, dynamic and ambitious Company and I look forward to seeing it move from strength to strength in the year ahead.

Derek Mapp

Chairman

6 March 2019

