

Stephen A. Carter
Group Chief Executive

Combination and Creation

“It has been another busy and significant period for Informa. I am pleased to report that 2018 marked the fifth consecutive year of positive performance.”

Measured change and improvement

This time 12 months ago, the Informa Group had just come to the end of the 2014-2017 *Growth Acceleration Plan*.

GAP was a four-year programme of measured change, improvement and investment in the business, designed to return all parts of the Group to growth, to focus and build positions in markets where we saw the greatest future potential, and to simultaneously build the platforms and capabilities for Informa's long-term growth and development.

It enabled us to make significant individual progress in each of our then Operating Divisions:

- In **Global Exhibitions**, we significantly expanded, both organically and through a series of targeted acquisitions, taking a small business concentrated in the Middle East to become the leading exhibitions operator globally, with significant international scale and reach in attractive business-to-business customer markets.
- In **Academic Publishing**, we progressively invested and refocused the business. This included consolidating our Books business into a single, global operation and building a digital platform that is delivering market and customer benefits. In Journals, we invested significantly in Open Access, organically and through the addition of Dove Medical Press, building capacity and capabilities in a fast-growing segment of the market.

- In **Business Intelligence**, we reorganised and restructured the business to be closer to its customer markets and focused on subscriptions, introducing fresh leadership and investing significantly in products and platforms. This delivered a turnaround from negative growth as low as -8.5% back to consistent positive underlying growth.
- In **Knowledge & Networking**, we progressively focused the business, moving it away from its roots as a volume conference producer to concentrate on building major events brands that repeat each year and are the convening place for an industry. We invested in new leadership and in strengthening our digital infrastructure, offering more services to more customers with particular focus on TMT, Life Sciences and Finance.

The success of *GAP* and Informa's transformation over this period gave us the confidence and capabilities to bring the UBM portfolio into the Group in 2018. Like Informa, this is a business that had been on a similar journey of focus and investment, with a highly complementary footprint and reach in Asia that we had not had previously. It is also a business based on the skills, energy and commitment of its people, operating in a range of attractive, specialist customer markets, where knowledge, information and the ability to connect and transact are valued.

Through combination, we are creating a Group with operating scale, international reach and deep industry specialisation within these markets, capable of delivering consistent growth and sustainable, long-term financial performance.

The offer for UBM was approved by Shareholders in April 2018 and completed on 18 June 2018, shortly followed by the detail of our implementation plan for the combination, the *Accelerated Integration Plan*.

I would like to thank Shareholders for their strong support for this development, the Informa Board for its ongoing guidance and stewardship, and all colleagues for the efforts and contributions made during this period.

Thanks also go to colleagues from the UBM leadership team, with whom we worked closely and collaboratively to plan and transition the business into the Group, and a warm welcome to the new Board Directors and colleagues who have joined Informa through this process.

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Group consistency and delivery

In 2018, the first year after the completion of *GAP*, we delivered further consistent and positive financial performance, underlining the capacity and capabilities now within the Group.

At a Group level, business growth and addition lifted revenues to just over £2.3bn, up nearly 35% on a reported basis. Underlying revenue growth, a key focus of improvement under *GAP*, continued to rise, from 3.4% in 2017 to 3.7% in 2018. Adjusted operating profit grew by nearly 35% to just over £730m on a reported basis and by 2.3% on an underlying basis.

Group adjusted operating margins remained steady and strong at 30.9%. Free cash flow, which continues to be an important metric for the Group, advanced to just over £500m from £400m in 2017, underlining the strength of cash flow generation and scale across the enlarged Group, which provides flexibility for future targeted expansion, reinvestment for growth and progressive Shareholder returns.

Positive growth in each Division

Following the investment in products, platforms and capabilities under *GAP*, each of Informa's Operating Divisions delivered further growth in 2018.

In our **Academic Publishing** Division **Taylor & Francis**, underlying growth improved to 2.2% from 2.0% the prior year, with revenues of over £530m and adjusted operating profit of nearly £200m.

This included robust renewal rates and a consistent performance from our subscription-based scholarly journals business, good growth in our expanding Open Access journals business, and a strong performance from our Books business following our *GAP* investments in production, marketing, and the digitisation and discoverability of our Books content.

Taylor & Francis remains focused on growing and maintaining the quality of its specialist content, launching new formats and developing new digital platforms and data products that provide its customers – scholarly researchers, universities and research institutions – with flexibility, value and benefits.

In **Business Intelligence**, following its restructuring and positioning through *GAP*, the priority has been to convert its investment in products and platforms into improved new business momentum.

Having returned to growth for the first time in six years in 2016 and made a further step forward in performance in 2017, the business improved again in 2018, posting underlying revenue growth of 2.6% and total revenues of £385m.



Colleagues on the combination

In June 2018, four colleagues from around the world were invited to London to interview Stephen Carter for a film that would be part of the internal launch of the enlarged Group. It was an opportunity to ask about the reasons for the combination, find out more about what to expect and get to know the Group's leadership a little better.

Looking back on the day, Eva van de Pol from the Amsterdam office recounted: "Meeting up with Stephen, Kathryn, Ryan and Woolly was a great experience. I loved meeting my colleagues from around the globe and getting a sense of the worldwide character of the business."

For Kathryn Frankson from Minneapolis, "my trip to London is still fresh in my mind! An unexpected takeaway but a benefit of working for a global company was realising just how similar our challenges and opportunities are, wherever in the world you work."

Woolly Ko, who travelled from Hong Kong for the interview, reflected that "it gave me a clear sense of what our shared values are and what it means to combine the two businesses".

Looking back at how the business has developed since the interview, Ryan Fell, who works on financial reporting in London, explained: "Working with the finance systems used by the business, we are seeing a lot of change related to the *Accelerated Integration Plan*, with various projects to streamline our finance systems. There is lots of extra work but some new and exciting challenges as well!"



Kathryn added: "I'm currently leading marketing efforts for the Catersource Conference & Tradeshow and I've been able to partner with several Informa teams to great success. We look to employ an engaging, human-centred brand approach and have plenty of opportunities to grow our audience through new and modern content, social and digital channels."



For Woolly, "working in the Asia marketing and communications team, we've seen changes in brand architecture, an expansion of roles and changes of operating structure in some businesses. Plus, some teams have started to move into the same office, such as in Singapore and Shanghai, giving us the chance to join each other face to face."

Looking at what lies ahead in 2019, Woolly shared: "Right now, I'm working towards enhancing the marketing capabilities and skills of our Asia marketers by delivering training programmes and coaching sessions, mainly in China and Hong Kong. I feel like the business is encouraging more of us to share knowledge and skills."

In terms of feeling part of a larger business, Ryan commented that "as I work with old and new colleagues on establishing universal process and routines, I'll identify more and more with Informa".

And for Kathryn, there are exciting times ahead. "I'm very much looking forward to more face time and deeper relationships with new colleagues in 2019. I genuinely feel like the year ahead brings more fresh energy, which in my mind equates to even more effective marketing activations!" she said.

Strategic Report

Group Chief Executive's Review continued

Now firmly back in growth, we are using the *AIP* to focus on the markets where our Intelligence businesses have the strongest positions and best opportunities for growth, in the same way *GAP* brought market focus to **Global Exhibitions** and **Knowledge & Networking**.

This is leading to some portfolio management as we look to divest businesses for which there may be a better owner and put greater focus on areas such as Pharma and Consumer Retail Banking.

The **Global Exhibitions** Division became the largest part of the Informa Group by revenue by the end of *GAP*, as a result of a deliberate and targeted programme to expand our position in the attractive and fast-growing exhibitions market.

This particularly focused on building scale in the US, the single largest market for exhibitions, and deepening our presence in specialist customer communities.

2018 was another strong year for the Division, which generated revenues of £575m and underlying growth of 6.7%, meeting our target for above-market growth while expanding as a business.

This Division has particularly developed and scaled from the addition of the UBM portfolio, which has brought 275 exhibitions, around 2,500 colleagues, new capabilities and positions in several new specialist markets to its existing portfolios.

Most specifically, it has given us a much greater exposure to the growing Asian region and a particularly strong presence in Greater China, adding an exciting new dimension and growth opportunity for the future.

For the leadership team and all colleagues within the Division, it has been a huge effort to remain focused on performance and customers while simultaneously combining with UBM teams.

As detailed elsewhere, our teams have also moved quickly to identify synergies and commercial opportunities that put us in a good position to grow and further develop in new areas and markets in 2019.

Following a programme of simplification and investment in technology and customer experience through *GAP*, **Knowledge & Networking** returned to full-year growth in 2017.

This momentum continued in 2018, with a further improvement in underlying growth to 2.3% and revenues of £260m, thanks to strong performances from major brands in our three priority markets: Life Sciences, Finance and TMT.



The Division is now focused around branded, content-driven events in attractive and international markets that provide professional communities with opportunities to connect, network and learn.

These events are increasingly supported by digital content-based forums and marketing services, and there are many opportunities to expand what we offer to customers in these areas in 2019 and beyond.

The UBM business became part of Informa from 15 June 2018 and so Group financials reflect the business's contribution for just over six months, with revenues of £610m. Looking across the whole of the year, UBM performed as expected, delivering underlying revenue growth for 2018 of 2.8%, up from 1.4% in 2017.

Again, this performance is an encouraging one, indicating the continued focus of the management team and colleagues on business as usual during the combination period.

Combination and the *AIP*

One of the benefits of our expansion under *GAP* and the addition of businesses such as Penton Information Services is the experience and capabilities it has given us in integrating portfolios, brands and teams.

In June 2018, we introduced the *Accelerated Integration Plan* as the way in which our combination with UBM's portfolio and brands would be delivered.

As described on pages 10 and 11, the *AIP* is a one-year programme with six aspects designed to integrate UBM promptly and effectively, minimise disruption and maintain operational focus, while creating an enlarged Company that can make full use of its increased international reach and depth in industry markets.

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM

Informa enters DJSI World Index

Under *GAP*, one of the areas in which Informa sought to strengthen its capabilities was in sustainability. Having created the role of Head of Sustainability and appointed Ben Wielgus, the team's priority has been to understand how sustainability could be a competitive differentiator for Informa and to improve the impact we have on our key communities and partners.

To measure our progress, we set a Group KPI of continuing to participate in the Dow Jones Sustainability Index (DJSI) and to enhance our position and score. The DJSI is one of the broadest measures of a company's performance on social, governance and environmental factors and provides useful guidance on areas of future improvement.

In 2017, Informa was named an Industry Mover on account of strong improvement in our absolute score. In 2018, further improvements in areas including health and safety practices, information security, environmental management and the responsibility of our content led to Informa's inclusion in the headline DJSI World and European Indices for the first time, having scored in the top 10% of companies worldwide.

Chairman Derek Mapp commented: "Sustainability is about building a strong and responsible business for the long term, and I'm proud of the journey Informa has taken in this regard. Entering the DJSI is a great achievement and gives us plenty to build on in future years."



Customer-focused markets and brands

Encouragingly, the *AIP* is running ahead of schedule, which has allowed us to make a number of important changes to the way the Informa Group goes to market in 2019.

One of the shifts we made across our businesses through *GAP* was to focus increasingly around end customer markets. At this moment in the Group's evolution, we are seizing the opportunity to further adapt our Group operating model. In Technology, the breadth and scale of businesses we now have enable us to create a standalone, customer market-focused Division: **Informa Tech**.

This unites all our Tech product brands, whether focused on exhibitions, events, information, media or marketing services, allowing us to offer customers an array of business-to-business services through a single channel.

As shown on page 8, this means the Informa Group will be structured into five Operating Divisions for 2019. We have also taken this opportunity to refresh our divisional brands, aligning them more closely with the Informa brand with **Informa Markets** (formerly **Global Exhibitions**), **Informa Connect** (formerly **Knowledge & Networking**) and **Informa Intelligence** (formerly **Business Intelligence**) sitting alongside **Informa Tech**.

Our **Academic Publishing** Division currently goes to market as **Taylor & Francis**. This remains unchanged due to the value and importance its distinct customer base places on the history and reputation of individual publishing brands such as Routledge, CRC Press and Dove Medical Press. The Division has launched its own brand review to see how this brand architecture could evolve over time.

In the same way our exhibitions and events Divisions became more concentrated around priority markets through *GAP*, we are increasing the focus of our information and content businesses on markets where we have the strongest brands and best long-term growth prospects.

Our Progressive Portfolio Management programme led to the sale of the UBM Life Sciences media brands portfolio in January 2019, and we announced in November 2018 a review of IGM and the Agribusiness portfolio within **Business Intelligence**.

Another area of specific focus under the *AIP* is our Fashion *GAP*, a three-year plan to return the Fashion events portfolio within **Informa Markets** to growth.

This began with the appointment of Mark Temple-Smith to lead the turnaround, and the business has been quickly refocused on customers, rebuilding and strengthening industry relationships, revitalising brands and marketing, and improving the show experience. The Group has committed to invest around £10m



Talent and opportunities

As businesses combine and the structure of the Group evolves, this has led to a series of leadership appointments including the creation of a new Group Chief Operating Officer (COO) position.

Patrick Martell, previously **Business Intelligence** CEO, has taken on this role to examine ways Group operations can be simplified to make the most of our increased scale, whether through platforms and systems, procurement or shared service operations.

Increased scale has also led to the creation of the dedicated roles of Director of Group HR and Chief Information Officer, and the appointments of Eleanor Phillips and Simon Hollins respectively.

“The great strength of the Informa detail and the specialism across

under this programme, and while it will take time to reap the full benefits, we are encouraged by the early response internally and from customers.

This investment is self-funded through the AIP's Operating Synergies programme and the cost savings we are creating by removing duplication and leveraging scale. Our initial target was £60m and this has since been increased to £75m of annualised savings by the end of 2021, with £50m being delivered in 2019.

The pursuit of revenue opportunities created through our increased depth in customer markets is underway. This includes cross marketing customer lists and cross promoting brands to longer-term projects around geo-cloning events, sponsorship, data and digital services. In the latter area, we have created a dedicated team to focus on developing initiatives and aligning plans across **Informa Markets**.

I am also delighted that Lara Boro has been appointed as CEO for the new **Informa Intelligence** Division and Gary Nugent as CEO for the new **Informa Tech** Division. Both come from within the Group, having worked closely with Patrick on the GAP programme within the then larger **Business Intelligence** Division.

Combination, colleagues and culture

At a commercial level, the Informa Group enters 2019 as a single business with teams operating to single budgets and starting to go to market in a unified way.

Much of the practical and infrastructure-related work necessary to combine UBM's portfolios into Informa is also advanced. Beyond this, and equally important to the success of the combination, is the way in which each of us working within the Group feels part of one Company.

Informa is a people business, and the business's success is in large part driven by the expertise of teams and individuals, partnering with customers and participating in the life of the Company.

Nearly 2,000 colleagues also contributed to an assessment of business culture and values during the second half of 2018, providing rich insight into what each of us believes matters in the workplace and what engages and motivates in each area.

This work is informing a brand and Values project to establish a set of shared values and principles we can take forward as a combined Group on completing the *AIP* in mid 2019.

The immediate focus in 2019 is to complete the *AIP*, consolidate our positions and maintain progressive improvements in our operating performance. This will create the foundations for Informa's future performance, growth and scale.

The Group remains alive to geopolitical and economic trends in the markets around us. At a macro level, we continue to track discussions around the UK's exit from the EU and, while not complacent, we feel comfortable there are no material risks for the Group from this.

Group is that we all work in the multiple customer markets."

Consolidation, performance and growth

Informa is a distinctly different business today, compared with when *GAP* launched in 2014.

The Group has a new scale in terms of the reach of our international footprint, the breadth of specialist markets and customer communities we serve, the number and strength of our brands and the range of our business-to-business information services.

The benefits and capabilities provided by *GAP*, the consistent and improving performance of our businesses and the addition of the UBM portfolio in 2018 have enabled us to evolve and adapt, moving closer to our customers and creating new growth opportunities. This gives us confidence that in 2019 and the coming years, we can continue to deliver consistent, sustainable growth, creating attractive returns for Shareholders, and the ability to invest and provide further opportunities and benefits for colleagues and customers.

The great strength of the Informa Group is that we all work in the detail and the specialism across multiple customer markets, with a focus on subject areas that are international, growing, and where knowledge, information, data, connections, the ability to transact, trade and network are prized. Some examples of these can be found on page 22 and 23. This breadth and specialism provide balance to the Group portfolio and build a level of resilience into our performance.

It is this specialist focus, combined with the passion and energy of colleagues around the world, that makes me as excited about the potential and future of Informa today as I was when I became Chief Executive in 2013. There is much work to be done to capture the opportunities available to all of us, and I firmly believe Informa's best days lie ahead.

Thanks again to Shareholders for their support in 2018, and to each of the 11,000 colleagues within the Group who care and contribute to this business every day.

Stephen A. Carter

Group Chief Executive