2018 Informa Group highlights

Revenue (£m) — £2,369.5m

2014	1,137.0
2015	1,212.2
2016	1,344.8
2017	*1,756.8
2018	2,369.5

Underlying revenue growth (%) — 3.7%

2014	0.7
2015	1.0
2016	1.6
2017	3.4
2018	3.7

Operating profit (£m) — £363.2m

2014	(2.8)
2015	236.5
2016	198.6
2017	*344.7
2018	363.2

Adjusted operating profit (£m) — £732.1m

2014	334.0
2015	365.6
2016	415.6
2017	*544.9
2018	732.1

Free cash flow (£m) — £503.2m

2014	237.2
2015	303.4
2016	305.7
2017	400.9
2018	503.2

Dividend per share (p) — 21.90p

2014	17.80
2015	18.50
2016	19.30
2017	20.45
2018	21.90

* Restated for the impact of IFRS 15. See Note 4 for more information.

2018 business highlights

Combination with UBM, June 2018

- £3.9bn addition of UBM brought 3,500 new colleagues, around 350 exhibitions and expanded the Group's footprint in Asia and the US.

Entry into the DJSI World Index, September 2018

- Informa ranked among the top 10% of listed companies according to performance on economic, social and environmental factors.

See the Financial Review on page 76 for full 2018 financials and definitions for adjusted results, and key performance indicators on page 60

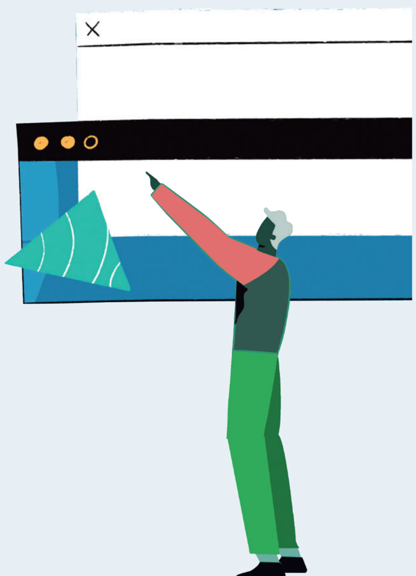
An international business-to-business events, academic publishing and information services Group

We work with customers in a range of specialist professional communities

Life Sciences, Aviation, Fashion & Jewellery, Technology, Medical Equipment, Pharmaceutical Ingredients, Health & Nutrition, Maritime, Humanities & Social Sciences, Finance, Advanced Manufacturing, Agriculture, Construction & Real Estate, Science, Technical & Medical, Pharma & Biotech, Waste Management, Telecoms, Beauty & Aesthetics, Infrastructure, Pop Culture, Transportation, Brand Licensing, Hospitality & Leisure, International Yachting

Providing high value business-to-business information services

- Critical data
- Peer reviewed research
- Face-to-face platforms for sales and product promotion
- Targeted lead generation
- Trusted market and competitor intelligence
- Data analytics
- Actionable industry insight
- Access to qualified buyers
- High quality content
- Expanded business and professional networks
- Specialist data and marketing solutions
- Accredited professional training
- Consultancy services
- Sales enablement tools



Creating and delivering intelligence, networks and connections

Through 11,000 colleagues working and engaging to a shared set of common values

4m
scholarly research articles available for download

4.2m sq. m
of exhibition space provided to businesses annually

27m
marketing/lead generation database of 27m business professionals

29
exhibitions ranked in top 250 US trade shows by size

26,000
partnering meetings held between investors and life sciences firms at BIO-Europe 2018

120,000
ebooks to search and download

5.5m+
people attend our events and exhibitions annually

700,000+
aviation professionals engage with our brands

R210m
value generated for attendees and exhibitors at AfricaCom 2017

Specialism and focus
Dedicated to and expert in our customers' specialist markets

Integrity and trust
Taking pride in our brands, with a focus on quality and credibility

Think big, act small
Forward looking and seeing the bigger picture while delivering on the detail

Freedom and authority
Distributed decision enables business teams to be responsive to customer needs

Agility and speed
A dynamic environment, with a flexible and commercial approach

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 ReInvent, 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.

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

Mary McDowell joined the expanded Informa Board during 2018

Understanding the enlarged Group

New brands and operating structure

19%
Taylor & Francis
Publishes high quality scholarly research and reference-led content

13%
Informa Intelligence
Provides specialist data-driven insight and intelligence in targeted customer markets

50%
Informa Markets
Connects buyers and sellers in specialist markets at major branded exhibitions and online

10%
Informa Connect
Creates content-driven events, training and digital platforms for learning and networking

8%
Informa Tech
Delivers research, insight, events and exhibitions to specialist international Technology communities

Group, operations and cross divisional operations teams provide an enlarged range of shared business services and Group leadership

Figures are based on 2018 pro-forma 12-month revenues

Informa Group in 2018

23%
Academic Publishing
Publishes high quality scholarly research and reference-led content

16%
Business Intelligence
Provides specialist data-driven insight and intelligence

24%
Global Exhibitions
Organises major branded transaction-oriented exhibitions

11%
Knowledge & Networking
Creates content-driven events, training and digital platforms

26%
UBM
Business-to-business event and exhibition organiser; joined the Informa Group in June 2018

Global Support teams providing shared business services and Group leadership

Figures are a proportion of 2018 Group revenue, including six and a half months' contribution from UBM

As part of the *Accelerated Integration Plan*, the shape of the Group is evolving as we continue to shift to a more customer and market-led model and integrate UBM brands and portfolios. This includes the creation of several new divisional brands that align more closely to Informa and a fifth Division, **Informa Tech**. The **Academic Publishing** Division, trading as **Taylor & Francis**, is also undergoing a brand review in 2019 designed to enhance its customer proposition.

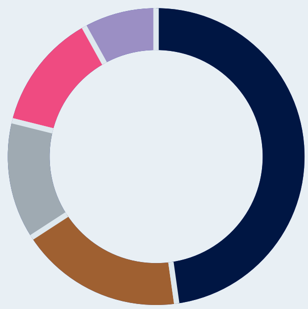
Why invest?

1. Predictable and recurring revenues
2. International scale
3. Breadth and balance of Group portfolio
4. Progressive dividend approach
5. Major specialist brands in attractive customer markets
6. Track record of consistent and improving performance
7. Depth of content, data and audiences
8. Strong cash conversion and free cash flow generation
9. Low capital requirements and Balance Sheet strength
10. Attractive margins

International reach and depth

Where we generate revenue (%)

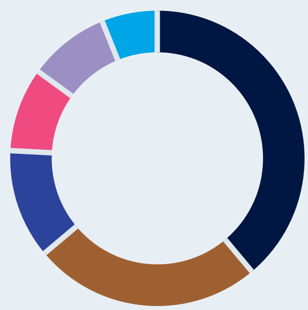
- North America – 48%
- Rest of World – 18%
- China (including Hong Kong) – 13%
- Continental Europe – 13%
- UK – 8%



High level of forward booked revenues providing visibility

Type of revenue (%)

- Exhibitor – 39%
- Subscriptions – 25%
- Unit sales – 12%
- Attendee – 9%
- Marketing and advertising services – 9%
- Sponsorship – 6%



Informa's growth strategy

The *Accelerated Integration Plan*

1 Adapt and strengthen the Group operating model

Adapt the Group operating model to best fit Informa's increased international reach and specialism and our increasing focus on customer end markets.

2 Strengthen leadership and talent

Strengthen expertise and talent in key functions and leadership teams, adding capabilities and experience and creating the new roles necessary to operate effectively at scale.

3 Rebalance and focus through Progressive Portfolio Management

Continue the focus under *GAP* to prioritise customer markets where the strength of our brands and positions creates the greatest potential for future growth. Assess alternative ownership models for markets and businesses where long-term returns are less attractive.

One-year phased programme of activity

Phase 1 Discovery & Validation

June – August 2018

- Teams connect; integration plans tested and confirmed

Phase 2 Combination

August – November 2018

- Combination activities start; plans for 2019 formed

Phase 3 Completion

November 2018 – March 2019

- Enter 2019 as a combined business commercially; further cultural integration

Phase 4 Creation & Ambition

March – June 2019

- New brands launch; realisation of synergies; identifying new customer opportunities

Informa's long-term focus is to build a business delivering broad-based, predictable growth and consistent performance, converting profits into cash to distribute to Shareholders and reinvest for continued growth and scale.

Between 2014 and 2017, this strategy was delivered through the *Growth Acceleration Plan*, a four-year programme of measured change and investment, under which all parts of the Group returned to growth.

As part of *GAP*, the Group built and bought a scale position in exhibitions, repaired and returned the **Business Intelligence** Division to growth, simplified and focused the **Knowledge & Networking** Division, and invested in Open Access and digital capabilities in **Academic Publishing**. We purposefully built reach and capabilities in the US and invested over £80m in products, people and platforms.

In 2018 Informa introduced an *Accelerated Integration Plan*, a phased one-year programme designed to integrate the UBM portfolio quickly, building on the disciplines and capabilities established through *GAP*.

The *AIP* is designed to minimise disruption, maintain operational focus and create an enlarged Group that can make full use of its increased international scale and depth in industry markets.

4 Deliver benefits of combination and scale through synergies

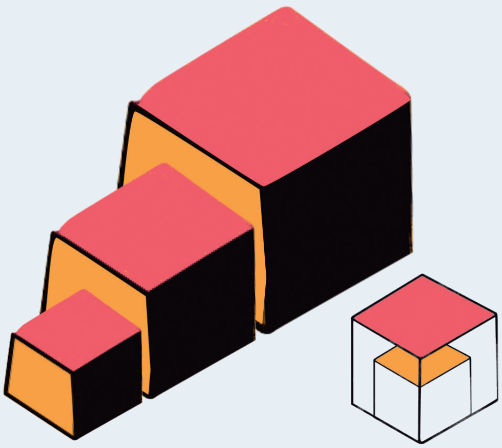
Deliver cost synergies from operating as a combined Group, and explore and capture additional revenue opportunities. Target to deliver £75m run rate in cost synergies by end of 2021, with £50m to be delivered in 2019.

5 Repair and return the Fashion business to growth, through the Fashion *GAP*

Address underperformance in the Fashion exhibitions business through a three-year programme of change and operational improvement, applying the methods and disciplines of Informa's *GAP* programme to return the portfolio to growth.

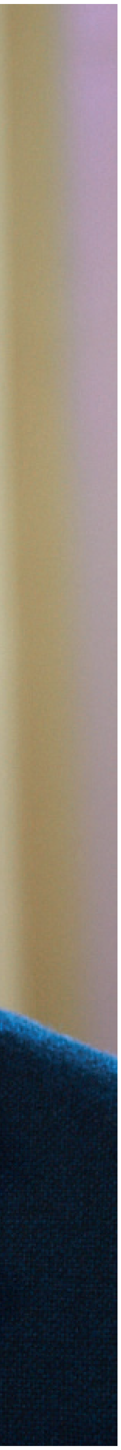
6 Review, simplify and strengthen brand value

Review Informa's Group and divisional brands to build further value in the business and simplify our positioning across markets. Assess brand architecture, corporate positioning, and the articulation of culture and common values across the Group.



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.

"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."

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.

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 provide 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

How Informa operates

1 Informa draws on…	2 We develop and support our assets and resources in various ways
Talent The expertise, engagement and contribution of 11,000 colleagues, who create and curate content, data and information services, deliver events, provide access to audiences and networks, and serve customers	Our culture encourages professional development, active participation and the exchange of ideas Authority is close to the business; colleagues are empowered to respond to customer needs and incentives are aligned to business objectives Colleagues are often experts in their markets, with a specialism that builds trust and value for customers
Brands and intellectual property Hundreds of unique product brands for specialist markets that customers engage with and buy, plus the content and data we create and source	Brands are protected and actively promoted within customer communities, building recognition, value and profile among customers We follow codes and standards around the quality, trustworthiness and independence of content and data
Technology Digital and data platforms and capabilities that serve customers online and at events, manage sales and operations and deliver content	Continuous investment in platforms and technology to improve how content is delivered, support new product development, enhance capabilities, safeguard the customer experience and maintain resilient business operations
Relationships and partnerships Relationships formed with customers in specialist communities plus critical business partnerships	We seek to form close relationships with customers by understanding their markets, working deeply in their communities and responding to their needs in an agile way We establish long-term, mutually beneficial partnerships with businesses that support the delivery of our products and services, such as event venues, trade associations and academic societies
Financing The strength of the Group's Balance Sheet and ability to access external sources of equity and debt capital	We cultivate relationships with Shareholders and debt partners to maintain access to flexible, competitive finance We apply a disciplined approach to capital allocation and investment decisions, including acquisition identification and funding
Access to dynamic and growing customer markets Our access to and position in a diverse range of dynamic, international and specialist customer markets from Life Sciences to Aviation, Technology to Yachting, Finance to Aesthetic Medicine	We focus resources and investment into building positions and relationships in growing, dynamic markets where information services are valued

What makes Informa different?

- A focus on specialist communities and markets in which we have brands and long-term positions to develop and grow
- International reach allows us to better serve customers wherever they do business and achieve benefits from scale
- A distributed business, with a common approach and values, where decision making and the ability to act and adapt are distributed amongst business teams
- The strength and specialism of our brands. Many are among the must-attend events for a particular market or must-have sources of insight
- Unique content, trusted insight and high quality data sets, delivered in ways that can be easily used and integrated
- Discipline in capital allocation and financial management

3 Our products and services are delivered internationally through a divisional operating structure and common frameworks

A market and product-focused operating structure, with four 2018 Operating Divisions, moving to a five Division structure in 2019

See page 8 for more

Operating Divisions are supported by shared business services teams and central leadership and governance functions

Common culture of participation, agility and freedom to act shared throughout the business

Defined authority frameworks give clarity to decision making and business activity

Overarching guiding principles of acting commercially, working responsibly, striving for excellence and having the freedom to succeed

Customers are located in 165+ countries, with Informa offices in 30+ countries

4 Creating benefits for Shareholders, colleagues, partners and our communities

- Long-term capital growth for **Shareholders**
  - Underlying revenue growth of 3.7% in 2018 from sales of subscriptions and access to data and content, exhibition space, delegate event attendance, sponsorship opportunities, consulting and marketing services
  - Total 2018 dividend of 21.90p
- Free cash flow funds dividends and reinvestment in platforms and capabilities for future growth
  - £503.2m free cash flow
- Delivery of intelligence and connections that allow **customers** to work smarter and benefit their businesses and markets
- Generate business activity that creates commercial opportunity for **suppliers** and **business partners**
- Create rewarding work and ongoing professional opportunities for **colleagues**
  - Salaries paid and other contributions to **colleagues**: £608.6m
- Economic contribution to the **communities** in which the Group works
  - Global total tax contribution of £316.9m
- Social contribution to our **communities** and **partners**
  - Charitable donations and **colleague** time and contribution to **community** activities

See page 30 for more

Working in specialist markets

Through the enlarged Group's five Operating Divisions, we work in a range of customer markets, delivering intelligence, research, content, connections and data through our specialist brands. Here are a few examples.

For more information on our brands visit: **informa.com**

CPhI

Natural Products EXPO

Health & Nutrition

From hubs in Boulder, Colorado; Phoenix, Arizona; Amsterdam; and London, we deliver large-scale exhibitions around the world, as well as insight and intelligence, to the growing international community for health and nutrition products and food and pharmaceutical ingredients.

New York

AVIATION WEEK NETWORK

Routes

Aviation

The aviation and aerospace community is a global one, and relies on the latest data, analytics and intelligence, as well as forums to source new services and network. Our brands support specialists working in air transport, defence and space, network planning, aerospace, and maintenance, repair and operations.

São Paulo

Dovepress

Arab Health
By Informa Markets

Pharma, Life Sciences and Medical

From sourcing medical equipment to analysing clinical trial data, finding Life Sciences investment opportunities and understanding the latest trends in neurology, Informa's brands help a range of specialist communities research, discover and do business in the Pharma, Life Sciences and Medical markets.

London

Tokyo

SuperReturn International

EPFR Global
Financial intelligence | informa

Finance

In Finance, we provide major branded events, opportunities to connect and network, and data and intelligence services to specialist professional communities from private equity to retail banks and financial technology providers.

Sydney

AfricaCom

GDC

Technology

The new **Informa Tech** Division brings together all our brands that serve areas of the technology community, from information security to artificial intelligence, 5G networks, the Internet of Things, cloud computing, smart cities and more.

Trends in our specialist markets

The customer markets Informa focuses on are typically highly specialist, international and dynamic, with long-term growth prospects. This section includes insight into five of the markets we work in from Informa sector experts:

- Artificial Intelligence
- Life Sciences
- Consumer Retail Banking
- Pharmaceutical Ingredients
- Asia

Artificial Intelligence

Endless opportunities

Artificial intelligence (AI) is entering a new growth phase, driven by the convergence of three trends: more data, faster hardware and better algorithms. Together, they are accelerating research, development and commercial investment in AI applications at lightning speeds. Many organisations are scaling from pilot deployments to full-scale, enterprise rollouts of AI technology within months, rather than years. Tractica forecasts that worldwide annual revenue generated from the direct and indirect application of AI software will increase from $5.4bn in 2017 to $105.8bn by 2025.

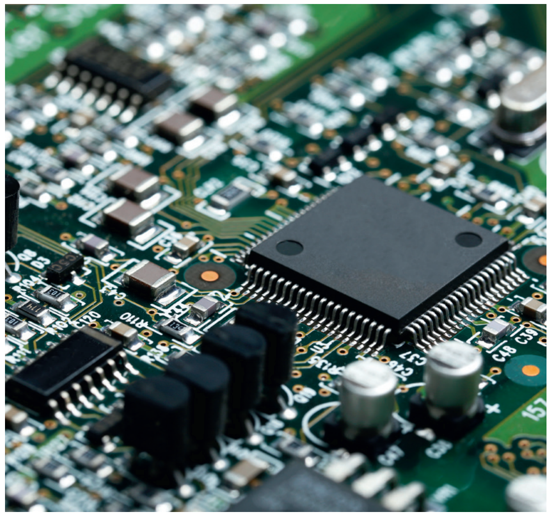
The breadth and velocity of the AI market have, however, led to increasing challenges for both technology adopters and suppliers, in maintaining the same pace of innovation with their products and integration plans. AI's manifestation will shift alongside other technology macro trends: it is not the only show in town. Numerous other technologies, including the Internet of Things, augmented reality, virtual reality, blockchain, renewable energy, genomics and 3D printing will influence AI's development, adoption and regulation.

Developing use cases

As the creation of data continues to increase exponentially and customers' expectations of AI technology shift, companies must navigate the hype, adopt new capabilities and adapt their strategies, all while demonstrating improved efficiencies and generating new revenue streams.

Broadly, all AI falls into three macro categories: big data, vision and language. Although most people think of it as being driven by big data analytics, the larger growth opportunity is related to vision and language perception capabilities.

For end-users, AI interactions like robotics or autonomously moving machines are obvious, even tangible. But looking at other use cases, profound opportunities lie in forecasting, empirical decision making, operations automation, product optimisation, new business models, greater access to services, targeted services, enhanced user experiences and even improved environmental and public health. Simultaneously, AI poses many urgent challenges, from data privacy and re-skilling workforces to uncharted legal and regulatory questions.



Human interactions

AI currently has a complex relationship with humans that will change over time. While certain jobs will become automated, AI is more often poised to augment human labour and decision making. Longer term, many applications will be designed to empower humans with non-human capabilities, memory, experiences and knowledge. Various ethical, philosophical, cultural, societal and business norms will be forced into reassessment.

The jury is still out regarding the ability of machines to seamlessly interact as a human would. While social media bots have effectively passed for Twitter and Facebook users, neither robots nor virtual digital assistants can disguise their code-based composition. Another area to consider is how companies are deploying AI to power virtual agents for consumer facing interactions. They must balance unprecedented opportunities for personalisation with significant risk of failure, faux pas or backlash.

Fragmented maturity

Maturity and the metrics for success in AI vary widely from application to application. Relatively low stakes applications, such as movie recommendations, are widely accepted and used, while others such as credit scoring or medical treatment recommendations remain regulatory grey areas and face significant barriers to widespread adoption.

But AI applications mark the next evolutionary step in digital transformation. Computing, sensing, networking and data generation were only the beginning. The ability to process data more quickly and intelligently across systems, leveraging hardware, sensors and cameras, and to digitise language itself, marks the next era of enterprise transformation.

Clint Wheelock
Managing Director
Tractica, Informa Tech

The Welcome desk at BIO-Europe, our Life Sciences international partnering event

Life Sciences

Clinical thinking

The Life Sciences industry enters 2019 with cautious optimism amid a great deal of change. Biotech innovation is booming, exit markets are robust, and new drug classes are emerging and gaining regulatory approval. At the same time, Western companies face increasing competition, the political and regulatory climate is mixed and the economics of healthcare remains a challenge.

Investment and consolidation

Innovation is moving fast, particularly in the US, where venture capital continues to pour into biotech companies in areas such as oncology, genomics and chronic diseases. In 2018, US Life Sciences firms reached a decade high in venture capital raised, while their European counterparts saw a smaller-scale increase.

Mergers and acquisitions surged in the past year, with 150-plus transactions worth a total of $148bn in disclosed deal values among therapeutics, diagnostics and medical device companies. The consolidation trend is hitting major players in pharmaceuticals and biotech. Bristol-Myers Squibb's $74bn buy-out of Celgene, a merger of two oncology drug giants announced in early 2019, will impact research, development and drug pipelines worldwide.

Regulatory approvals

The drug industry continues to see an upswing in regulatory approvals, with the US Food and Drug Administration approving 59 new drugs in 2018, up from 46 the previous year. The European Medicines Agency approved 42 new active substances, up from 35 in 2017.

Meanwhile, regulatory changes in China have made it easier to develop drugs and get them approved for the fast-rising domestic market. China recently approved a drug developed by Western companies, an anaemia treatment from AstraZeneca and Fibrogen, before any other country.

Recent US drug approvals of note include the first-ever RNA interference drug; the first-ever cancer drug that targets a genetic fingerprint instead of a tumour's location; and a new class of migraine medication. Conversely, despite breaking new ground, CAR-T immunotherapies for blood cancers have had mixed results commercially.

Progress in approvals should continue in 2019, with key clinical results expected to impact public health for years to come. After much hype and discussion around safety and ethics, the first clinical trials of CRISPR gene-editing therapeutics are slated to begin in the US. New drugs for neural disorders, such as depression and schizophrenia, are poised to receive regulatory approval, while novel approaches to Alzheimer's and neurodegenerative diseases face crucial tests in patients.

Rising prices

Software and analytics are playing an increasing role in industry progress. Life Sciences companies continue to apply AI techniques, particularly in imaging, pathology and diagnostics.

Digital therapeutics have emerged, with regulatory approvals granted for new kinds of software to treat addiction and other disorders. Amazon, Microsoft and other tech giants are moving deeper into health, making advances in areas such as healthcare delivery and infrastructure.

The high cost of healthcare remains a difficult issue. Tension over rising drug prices is mounting, and biotech and pharma companies are preparing for new legislation. The US Government announced policy proposals to lower drug prices but the immediate future is unclear. Meanwhile, drug companies and insurers are signing more outcomes-based agreements, which tie the payment for a drug to its performance in patients. Drug makers have touted these approaches to control costs, but they might only be useful for a small group of drugs.

With some uncertainty in the regulatory environment, Life Sciences companies expect to save more of their cash in the short term, even as they navigate the substantial opportunities ahead.

Gregory Huang
Xconomy Editor in Chief
Informa Connect

Digital payoff

The global banking sector is in good health, with assets, profitability and capitalisation all having materially increased since the global financial crisis. Add the prospect of rising interest rates and relaxed regulatory pressures, and the retail banking industry appears in better shape than it has been for some time.

The landscape is changing, however. Technology, demographics, customer expectations and new competitors are forcing traditional retail banks, credit unions and mortgage lenders to change their business practices to avoid being left behind.

Forces of technology

Digital banking has transformed the way bank services are delivered and consumed. Bank of America announced in 2018 that, for the first time, deposits made through smartphones and tablets outpaced those made through branches.

And according to EY, 85% of banks say that implementing a digital transformation programme is a near-term business priority. The investment in technology to drive efficiency, manage evolving risks and capture growth opportunities will be critical for sustainable success.

The emergence of non-traditional disrupters means banks, credit unions, mortgage lenders and insurers have been forced to turn to big data, machine learning and advanced analytics to offer more directed product placement and capture new customers. Underpinning these goals and challenges is the need to make investment decisions based on real-time, granular data. The appetite for this type of intelligence varies depending on the size of the institution: larger institutions have developed sophisticated analytics while smaller ones require a synthesised view.

The traditional model of keeping all data in-house is being turned on its head. Peer contributed data exchanges are being formed across the financial services world and having access to this data will give retail banks important insights on price elasticity, market share, revenue enhancement, cost containment and more, helping them make better investment decisions faster. Open Banking in the EU, a regulation that allows the use of open application programming interfaces (APIs) to enable third party developers to build applications and services for banks, is a clear example of how this data and technology transformation is having a direct impact.

Demographics and customer expectations

Ensuring the best customer experience in the multi-channel world of brick and mortar branch, online and mobile banking is critical. The emergence of non-traditional banks is driving market opportunity as innovative, fast-moving lenders like Quicken, Freedom Mortgage, PennyMac and Nationstar have rapidly taken share from traditional mortgage banks. Quicken surpassed Wells Fargo as the single largest mortgage originator in the US, largely due to its customer experience.

Consumer loyalty to big bank brands has diminished and satisfaction with mobile and online functionality has decreased. Only 28% of US consumers say the experience they receive from their bank's branch, online and mobile channels is seamless, according to Accenture.

New competitors

Consumers are willing and desirous to transact digitally, and nimble non-banks like Quicken have used technology to enhance the customer experience and reduce costs. Innovative fintech companies like Blend promise to make transactions faster and more consumer friendly, especially in the face of new regulations. These technologies offer the potential to jump ahead of incumbents with lower costs and superior customer experience.

The net result is that traditional models face significant margin pressure and must adapt or risk being left behind. And this is happening across lending, with companies like SoFi using these technologies to disrupt student lending, personal loans and other markets as well.

As consumers are forever wedded to their smartphones, the banking sector has changed forever. Matching attractive rates with the speed and execution of world-class, multi-channel customer experience are table stakes for retail banks worldwide.

Craig Woodward
President, Financial Intelligence
Informa Intelligence

Pharma Ingredients

Recipe for growth

The global pharmaceutical ingredient, processing and manufacturing market continues to mature, with the start of 2019 heralding significant acquisitions and major product announcements. Businesses in emerging markets like China and India are shaking up supply chains and bringing scrutiny from regulators and customers.

Acquiring to stay ahead

Our CPhI Forecast predicts continued consolidation through mergers and acquisitions of startups. Larger companies will use their scale to bring these startups' new technologies, biologics and drug delivery methods to market; recent notable acquisitions have focused on the development of cancer fighting drugs and the continued growth of biopharma and biotech.

These trends suggest that if large pharma companies want to keep filling their drug development pipelines, they will need to innovate through acquisition and continue to bring new technologies under larger research and development (R&D) budgets.

A question of trust

In order to meet the growing demands of ageing populations, global R&D investment is forecast to reach over $183bn by 2020. While R&D continues to be focused in Europe and the US, China and India are making large investments, including in large molecule biologics, and increasingly not only to support the global market but the domestic market as well.

The fastest-growing pharma countries realise the importance of increasing their reputation as reliable, reputable and transparent markets. According to the latest CPhI Report, published in October 2018, a survey of more than 2,000 industry professionals found that India and China were the countries whose reputations had increased the most in the previous 12 months.

Flattening supply chain

While the Pharma industry is facing scrutiny from regulators and the media, the pharma ingredients market is facing pressure for transparency, traceability and efficiency in production, pricing and delivery. However, with markets including China and India gaining industry trust and scale, the supply chain for active pharmaceutical ingredients is flattening.

As companies from emerging markets mature in this flattened supply chain, there is a growing expectation for them not only to meet the needs of the clients they are supplying but also to adhere to strict US Food and Drug Administration and European Medicines Agency regulations, to ensure they can reach consumers across the globe. The result is a growing need for pharma ingredients, contract services and packaging providers to develop strategies that work not only regionally but globally.

With the supply chain becoming more closely controlled, integrated pharma supply companies have an opportunity to offer multiple services and solutions, from contract and lab services to sales. But everyone, from pharma companies to healthcare providers, needs to be able to trust the effectiveness of the process and of the end products.

Digital future

The drug delivery and packaging market is becoming highly competitive and is focusing on drug delivery innovations that meet efficiency standards and demand from digital healthcare systems.

The packaging community in particular has been investing in digital solutions, with innovations and research helping to bring new delivery methods to consumers, as well as new ways to track usage, dosage and efficiency. These digital offerings complement the overall trend of digitisation within healthcare, from patient records to drug usage, that will continue to offer opportunities for the pharma ingredients market.

Adam Andersen
Group Brand Director
Pharma, Informa Markets

Asia

Diversity and growth

While Asia is by no means a homogenous region, there are several business and economic trends common to a number of Asian markets, which make it an exciting place to do business and find commercial opportunities, particularly in exhibitions.

Countries such as China, India and Vietnam are growing at a much higher rate than the rest of the world as their economies develop and mature, with China's GDP growth hitting 6.9% and India's nearly 6.7% in 2017 according to the World Bank, compared with 3.1% globally.

Asia is also home to three of the five most populous countries in the world, creating large consumer markets for businesses to target. According to IATA's 2018 data, Asia-Pacific recorded the largest year-on-year increase in international aviation traffic of any region, and India's domestic market for air travel posted the highest annual growth rate of any country, with an 18.6% increase in demand.

When it comes to exhibitions, one of the great strengths of Asia is its appetite and level of national support for business, commerce and innovation.

In industries like Manufacturing, Automotive and Technology, Asia is increasingly taking a leading position in the global supply chain, and this creates huge

Informa's footprint in Asia
Presence in 10+ countries

demand from businesses to connect with national and international customers, something exhibition platforms provide at scale.

This alignment is reflected in the rapid expansion of the exhibitions industry in the region.

China became the world's second largest exhibitions market in 2015 and was valued at $2.7bn in 2017, growing at 11%. Part of this growth is thanks to the construction of new venues in tier two cities as well as expansion of existing venues in the country's largest hubs. In late 2019, the Shenzhen World Exhibition & Convention Center is slated to open, which will ultimately offer over 500,000 sq. m of exhibition space, the largest single exhibitions venue in the world.

This commitment to exhibitions as a source of international investment is a trend being mirrored in other countries across Asia.

For example, both Thailand and Indonesia have formed a national Convention and Exhibition Bureau, specifically to provide active support for the exhibitions market.

In a region as large and diverse as Asia, there is not a one-size-fits-all model for a successful exhibitions operating approach but there are common factors that are important. Local relationships are critical, as individual markets have their way of doing things, from dealing with local authorities and trade associations, to collaborating with partners and managing suppliers. Having a strong and recognised brand also helps, as trust and reputation are key.

Perhaps the most important factor is attracting talent. Exhibitions is by nature a people business, dependent on the commitment and focus of individuals to bring brands to life. With the growth and innovation happening around us in other industries, attracting high quality talent into the exhibitions industry is not easy. One of the ways we are addressing this is through local partnerships; for instance, we have collaborated with the South China University of Technology to create a training base for future event professionals. In addition, our Asia operation is known for its internal training programmes which have proved successful in retaining and developing talent.

Margaret Ma Connolly
Informa Markets Asia CEO

Engaging inside and outside Informa

To operate, grow and succeed, Informa relies on many different communities and partners inside and outside of the Company.

We actively manage our relationships and engage with the communities most important to the business: our **colleagues**, our **customers** and their communities, the **local communities** we work with, the many **business partners** that help deliver our products and services, and the **Shareholders** whose support provides funding for our operations. The Group also is mindful of its relationship with the **environment** and the use of natural resources.

At all times, Informa aims to participate in and contribute to our key communities in a way that creates a positive impact and supports the business's ongoing growth and success. This section provides examples of how we work with our communities, with Shareholder engagement detailed on page 126.

Inside Informa:
Growing with our colleagues

Informa is proudly a people business. Each of our 11,000 colleagues brings something different to work; a unique set of abilities, experience, ideas, energy and knowledge, the sum total of which drives Informa's success.

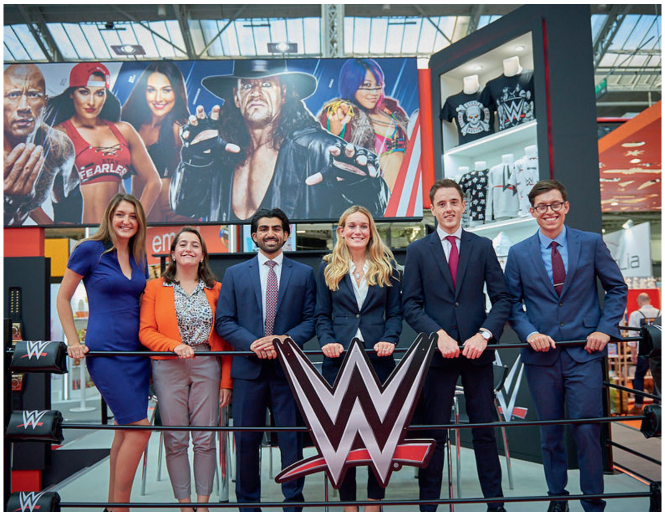
The Group takes a structured approach to fostering talent focused on three areas: **attracting** the right mix of talent, **supporting** colleagues to progress, develop and be the best they can be, and **engaging** colleagues to create a rich and dynamic culture based on participation and the exchange of views and ideas.

Progress is measured in various ways, including through views given in the regular Inside Informa engagement initiative (see Group KPIs on page 60), exit surveys and informal feedback. The Group's Code of Conduct and suite of 14 global policies continue to govern our ways of working, supported by the whistleblowing service Speak Up for reporting and resolving issues confidentially.

Attracting the right mix of talent

Attracting colleagues with a diverse range of skills and experience is fundamental to the Group's long-term success, and we aim to remove the potential for any bias at the point of recruitment and beyond. In 2018, unconscious bias training was extended from recruiters to managers in **Academic Publishing** and, following a successful pilot in the European Shared Service Centre, Informa's **UK-based Apprenticeship Scheme** was expanded. There are now approximately 50 apprentices across the Group, 30 of whom began a newly launched management training programme certified by the Chartered Management Institute.

Informa's Graduate Fellowship Scheme continues to attract hundreds of applicants from a broad range of UK universities, and a demanding selection process saw six new Fellows join the Group in 2018. Informa has deliberately made the scheme as flexible as possible so it can be tailored to each graduate's skills, experience and interests and since it launched in 2014, 12 Fellows have taken permanent roles across the Group.



Informa 2018 Graduate Fellows

Rewarding and sharing in success

Informa invests in colleagues through competitive salaries and flexible benefits, and we are accredited by the Living Wage Foundation for ensuring those based in the UK are paid at least the Living Wage, an independently calculated amount based on the cost of living.

As well as providing benefits packages tailored to each region, the Group now offers two equity/share plans that give colleagues an attractive opportunity to share more directly in Informa's performance. In 2018 and in recognition of our expanded base in the US, a new employee stock purchase plan (ESPP) launched for those based in the country that lets colleagues buy Informa stock at a 15% discount.

ShareMatch remains a popular way for colleagues in Australia, Germany, the Netherlands, Singapore, Sweden, the UAE and the UK to invest in the Group while receiving one free share for every share purchased, and colleagues from UBM will be able to participate in both the ESPP and ShareMatch on an equal basis in 2019.

Investing in workplaces

Informa's ongoing investment in work spaces is designed to create environments that make work personally enjoyable and professionally stimulating and productive.

In 2018 we opened a new hub office in New York, bringing together over 300 colleagues from **Business Intelligence**, **Global Exhibitions**, **Knowledge & Networking** and **Global Support** into an upgraded, modern and collaborative single base for the first time. New York-based colleagues from UBM will move into the building in 2019.

Developing our talent

Informa's learning and development programme is based on a mix of role-specific accreditation, internal management and leadership development programmes, and classroom-based and online training courses.

In **Global Exhibitions**, a global training framework was launched in 2018 to align personal development with business strategy in a standardised way. Learning Councils of subject matter experts met to approve learning needs and offerings for colleagues in sales, marketing and operations roles. This saw over 1,200 colleagues attending one of 200 classroom-based learning sessions. At a cross Group level, 2018 saw the completion of the first Informa Inspire programme, targeted at those reporting to Senior Management teams to support the development of future leaders.

In 2019, following a successful trial in **Global Exhibitions** and **Global Support**, LinkedIn Learning will be expanded to more areas of the business, offering on-demand online access to a wide range of development resources.

Participating and engaging in work life at Informa

Creating an environment of openness, exchange and dialogue, where all colleagues can equally contribute, be heard and inspired, is at the heart of Informa's culture.

A key area of engagement activity in 2018 was around the combination with UBM. Throughout the process, colleagues were kept informed and engaged via an integrated, visually exciting campaign that included branded newsletters, videos, emails, intranet stories and a dedicated microsite.

Midway through the year, 60% of colleagues gave feedback on the combination via **Inside Informa Pulse**. This is a regular platform for all colleagues to have their say on various aspects of work life as well as providing a measure of overall engagement levels that are used to drive change and action across the Group.

Separately, colleagues were also asked for views on workplace culture as part of a wider project to better understand the brand, culture and purpose of Informa following the combination with UBM. Over 1,800 colleagues gave feedback via an online survey and 250 took part in a series of discussion groups. Responses have helped to inform the Group's new brand rollout in 2019.

Informa uses various internal communication channels to keep colleagues informed on business updates, important news and key activities.

These include monthly CEO blogs, Group-wide town hall webcasts, divisional and local newsletters and regular campaign-based activity.

Informa's new New York office

Women in Publishing

Supporting and celebrating women

Within **Academic Publishing**, the Women in Publishing community is an internal forum, created voluntarily by and for colleagues, that aims to celebrate success and enhance women's professional development.

Women in Publishing ran events in the UK and US in 2018 with a global reach, including a Women in Technology panel, a session on imposter syndrome run by an external coach, a presentation from CEO Annie Callanan on leadership, and workshops on assertiveness. Debate is encouraged and the community has an online forum to share news and inspiration between events and connect colleagues worldwide.

"We set out to encourage dialogue about the challenges and opportunities for women in the workplace, but with a practical approach and focus on making a demonstrable difference to the working lives of our colleagues of all genders. We're proud that Women in Publishing activities grew in scope in 2018 and we have exciting plans for 2019", said Fiona Counsell, Head of Open Access Operations and Policy, and a Women in Publishing committee member.

Senior Managers and Board members also take part in office-based forums around the Group where colleagues can ask questions and provide opinions, and colleagues are also encouraged to organise local forums and groups on topics that interest them.

Informa's intranet and digital workplace **Portal** is an important channel for finding and sharing views and information. Upgrades in 2018 included the launch of a new social conversation tool which lets colleagues start and contribute to discussions on all aspects of work life.

The **Informa Awards** are another major engagement activity, and a popular way to reward and celebrate outstanding colleague achievements throughout the year. There were over 1,000 submissions for the 2018 awards, more than in any previous year.

Supporting inclusion

AllInforma is our approach to promoting a supportive and inclusive working environment and engaging all colleagues on diversity and inclusion, and is reinforced by the Group's Diversity and Inclusion Policy.

Building on 2017 activities, Informa launched **AllInforma Balance** on International Women's Day 2018, a platform for supporting colleagues on matters relating to gender and gender balance, which included new online access to personal development resources.

The **AllInforma Top Women** series of interviews with leading female colleagues are some of the most viewed features on Informa's intranet. Colleagues from the UK have also begun planning for the launch of **AllInforma Rainbow**, a programme that will support and engage colleagues on aspects of LGBTQI issues.

Supporting values and behaviour

Informa has a framework of policies that help guide and support colleagues to act respectfully, lawfully and with integrity. At its heart is the **Code of Conduct**. Translated into five languages, it offers clear guidance on areas including human rights, modern slavery, and dignity and respect in the workplace.

It is mandatory for colleagues joining the Group, including Board members, to complete Code of Conduct and Anti-Bribery and Corruption training, and non-compliance with the Code of Conduct can result in disciplinary action.

We continue to aim for a 100% completion rate while allowing new joiners 30 days to complete training. As an enlarged Group, our Code of Conduct and key policies are being reviewed and will be relaunched, along with an exercise to align recording and reporting practices.

Following the launch of the EU's General Data Protection Regulation, all colleagues were invited to take Privacy at Work and Data Protection training to ensure widespread awareness of the importance of proper data privacy practices, including how we collect, use, share and store information and data.

Specialist training, endorsed by the Group Finance Director, on how to spot and avoid facilitating tax evasion by third parties was also delivered to around 1,000 colleagues in 2018.

The confidential whistleblowing service **Speak Up** lets anyone report concerns relating to the Group, with no tolerance for retaliation of any form for raising concerns. Investigation training was conducted with HR and Compliance teams in 2018 to further improve the consistency and professionalism of how any breach investigations are run.

Putting customers first

FAN EXPO

Year-round fan engagement

FAN EXPO Canada is one of the largest events in our pop culture portfolio; an exciting and vibrant event where comic, film and gaming fans meet actors and creators, come together as a community and find the latest products from our exhibitors.

Away from the show floor, in 2018 we ran a new market research project to understand how the event and brand could better serve fans and deliver an enhanced experience next year. This included several facilitated customer round tables in both the US and Canada, as well as extensive surveys for each show.

Senior Marketing Executive Rija Tariq reported: "The direct feedback from fans led to a number of quick wins, such as fan-led advice sections on social media, in-app shopping categories showcasing local artists and more designated community meetup spaces for cosplayers. Plus, lots of the ideas generated from our research have been fed into long-term plans around how to keep FAN EXPO a premier brand for comic fans in North America and a continued celebration of fandom."

Academic Publishing

Helping editors promote research excellence

Our **Academic Publishing** teams support many elements of the research publishing ecosystem, and one of their most recent investments has been in upgrading the resources available to journal editors.

A newly refreshed Editor Resources website launched in November, promoted through a range of vehicles including a new video, community events, social media and direct editor outreach by teams around the world.

The site was designed around editors and the key parts of their role to meet the needs of the community at every stage of their career, with curated information and policies from our teams, best practice guides, and blogs and case studies where editors can share stories with one another.

As Lan Murdock, Communications Manager for Societies and Editors, explained: "Our aim is to support our journal editors more effectively and highlight the important role they play in safeguarding the quality of journals and promoting responsible research. The site has been featured in the European Association of Science Editors blog and online toolkit for journal editors. We've had other good feedback on the content and how easy it is to use, and will keep building on it this year."

Outside Informa:
Putting customers at the heart of what we do

Informa operates in many different specialist markets, and a diverse range of customers draws on our data, intelligence and content and engages with our event, exhibition and lead generation services.

What is common throughout our business is that understanding and staying in step with customers' needs and market trends are critical to our business success.

Colleagues across the Group engage with customers to inform how we should develop our current products and strengthen our brands, to pinpoint which new services we should focus investment towards because they meet customer needs and provide new commercial opportunity, and to understand where we can deepen our relationships for mutual benefit.

Two examples of different customer communities we work with, and the outcome of our engagement activities, can be found in our pop culture events portfolio and in our global journals business in the panel on the previous page.

Outside Informa:
Partnering for success

The Group relies on a range of business partners to deliver our products and services, and through open and proactive engagement we aim to establish strong and mutually productive relationships that have a positive effect on the wider supply chain.

To ensure business partners are aware of the standards we work to and our expectations of them, engagement around Informa's Business Partner Code of Conduct continued to be a focus in 2018. This included a well-received training session for exhibition partners in Egypt.

Health, safety and security

Partnering for safe and effective events

From a venue and its operations staff to contractors, exhibitor teams and local authorities, it takes many parties to deliver a safe, effective and successful event.

To ensure awareness of Informa's standards, build on our Business Partner Code of Conduct and play our part in enhancing safety culture, the Group held a free-to-attend Safety Awareness Training Day in Cairo for local contractors and venues.

Informa's Health, Safety and Security team and experts from key suppliers spoke on topics from hazard awareness to safe working best practice and structural safety. The dual language training was recorded so it could be disseminated throughout the business partners' teams.

Health, Safety and Security Manager Gary Buckett said: "Sessions sparked healthy interaction amongst our business partners to raise the local industry's safety standards to international best practices. The safety initiative has been a real success and is a template we can introduce into other markets, to improve the local industry safety culture and help continually improve exhibition standards for everyone involved."

The Business Partner Code of Conduct includes our expectations around the handling of information data, zero tolerance of bribery and corruption, and standards in areas such as employment conditions, child labour and modern slavery. It is available on our website and delivered in five languages, and business partners also have access to the Speak Up whistleblowing line for reporting issues and concerns.

Our support for the principles laid out in the Universal Declaration of Human Rights continues. Within the Group, our major human rights-related risks are focused primarily on colleagues, contractors and our value chain.

A Group-level human rights risk assessment is being conducted to understand our potential human rights impact areas and identify the mitigating actions we take to manage this risk. The assessment, which has included the development of a due diligence process and a new Human Rights Policy, to be launched in 2019, has looked at the enlarged Group, including the new countries in which we now operate.

In the specific area of modern slavery, we extended the training developed in 2017 on how to spot and report issues to more colleagues last year. Our full approach can be found in the Modern Slavery Statement, approved by the Board, on the Informa website.

In 2018 the Group prepared its first report on supplier payment practices and performance for UK-related contracts under new UK regulation. As an enlarged Group, we are aligning systems and practices across the business with the aim of upholding consistent payment practices while providing an effective process for resolving any queries or complaints.

Outside Informa:
Contributing to our local communities

We are proud to be part of the communities in which we live and operate, including the local communities around our offices and those linked to our events.

The Group aims to comply with tax laws and regulations everywhere we operate. We believe that a fair and effective tax system benefits society and business, and our approach balances the interests of Shareholders, governments, colleagues and the communities in which we operate. In 2018, the Group's global total tax contribution was over £300m.

Through the hundreds of events Informa produces each year, we support local communities by providing jobs and supporting suppliers and local businesses.

In 2018 Informa piloted a measurement tool to more effectively gauge the positive economic impact our events have on local areas, which will be made available to more of our brands in 2019.

We also take our responsibilities for helping to improve overall event sustainability standards seriously. In 2018, we were part of a group of 20 sustainability leaders from the industry which convened to discuss the future of sustainable events and identify ways to work together on key challenges. The group identified over 25 shared sustainability issues and voted on four core areas to focus and collaborate on.

Many of Informa's events support community organisations that operate in the same market sectors. Support is offered both financially and by additional means such as promotional opportunities at shows and in marketing materials.

At a Group level, Informa's key annual fundraising initiative Walk the World raised £171,000 for local organisations in 2018, with a record 4,000+ colleagues from 85 offices taking part in more than 60 walks and collectively covering over 26,000 miles, further than the length of the Equator.

Some teams used **Walk the World** as an opportunity to form deeper connections with their chosen charity partners: for example, Informa's Paris-based Beauty & Aesthetics team developed a new partnership with Raconte-Moi Un Visage, an association that helps patients with facial disfigurements. The team promoted the partnership and collected donations at its FACE show in London.

The **Taylor & Francis** team in Cape Town partnered with Read to Rise, a non-governmental organisation committed to promoting youth literacy in South Africa's under-resourced communities. As well as raising funds during Walk the World, several colleagues volunteered at a local school along with members of the Read to Rise team.

Informa's volunteering programme encourages all colleagues globally to use their full allocation of volunteering days to spend time with a charitable organisation of their choice. Opportunities where professional skills can be used and developed are particularly encouraged. Following the combination with UBM, Informa is reviewing its volunteering and charitable donation policies to take the best aspects from both organisations and create consistency across the Group.

Outside Informa:
Working responsibly with natural resources

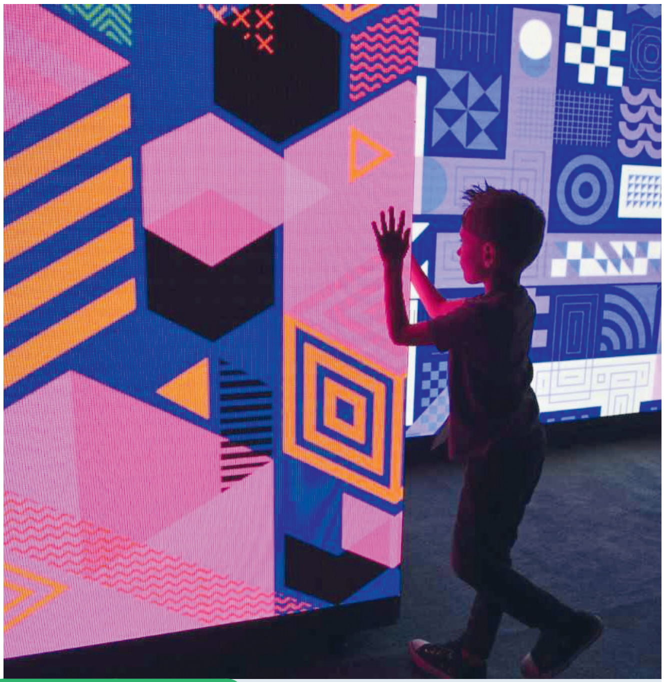
Informa takes its environmental responsibilities seriously and aims to reduce its environmental impact on natural resources wherever possible.

We take a considered approach to our consumption of natural resources, which mostly relates to sourcing paper and minimising energy and waste in our offices and at our events, and where possible we seek to raise awareness around sustainability issues with suppliers, customers and venue owners.

As an example, last year, a team from the Fashion business partnered with the Mandalay Bay Convention Center in Las Vegas to replace more than 1,000 light fittings with LED lighting, increasing the overall brightness of the interior hall while reducing energy use by 85%. The upgraded system was used for the first time during our MAGIC show.

In terms of paper sourcing, any organisations supplying timber and paper products to Informa are expected to source from FSC or PEFC accredited suppliers as far as possible.

This is set out in Informa's Paper and Timber Sourcing Policy, which aims to ensure that all paper and timber used in our products and services is responsibly sourced from legally harvested, well-managed sources that have due diligence in place to ensure there is no slavery in the supply chain, and we are sourcing more than 90% of our paper from responsible sources now. This policy will become part of an expanded Environmental Policy in 2019, being introduced to bring greater consistency to the range of practices and guidelines that exist across the enlarged Group.



Live Design International

Building community relationships

Many of Informa's events and brands develop long-lasting relationships with local community organisations, providing both financial and non-financial support.

In 2018, Live Design International (LDI), the event for live entertainment professionals, gave visitors the chance to donate money to six charities upon registration, matching contributions up to $10,000.

But its support for local communities went further: a partnership with Families for Effective Autism Treatment (FEAT) saw families affected by autism invited to walk the show floor and visit the Live Experience Lounge, an immersive, interactive sensory booth sponsored by exhibitors.

LDI show manager Jessi Cybulski explained: "Light can be used as a form of therapy for children with autism, which means many of the products we design, manufacture, and operate in this industry have a therapeutic effect for children. We hope working with the Nevada chapter of FEAT is just the beginning of what we as an industry can do."

Non-financial information statement

In various sections throughout this report, we describe the way Informa works with its most important partners and communities, the purpose of doing so and how these activities are managed. This table provides a quick guide to such non-financial activities and where to find more information on them. It also provides compliance with Non Financial Reporting Directive requirements. Some of our policies are internal ones; policies available on the Informa website are marked with an asterisk.

Key topic areas	Major supporting policies	Related risks and other information	Page
Colleagues and their contribution	• Code of Conduct* • Diversity and Inclusion Policy* • Board Diversity Policy • Health and Safety Policy	• Inside Informa: Growing with our colleagues • Risk: Inability to attract and retain key talent • Risk: Ineffective change management • Group KPIs: Colleague support and participation • Nomination Committee report	30 70 68 60 103
Respect for human rights	• Modern Slavery Statement* • Business Partner Code of Conduct* • Diversity and Inclusion Policy* • Editorial Code* • Health and Safety Policy • Data privacy	• Outside Informa: Partnering for success • Risk: Health and safety incident • Group KPIs: Business sustainability	34 71 60
Regard for social matters: our local and customer communities	• Business Partner Code of Conduct* • Responsible advertising* • Editorial Code* • Health and Safety Policy • International Trade Policy • Volunteering and donation guidelines	• Outside Informa: Partnering for success • Outside Informa: Contributing to our local communities • Risk: Privacy regulation risk • Group KPIs: Business sustainability and use of natural resources	34 35 72 60
Anti-bribery and corruption compliance	• Anti-Bribery and Corruption Policy • Gifts and Entertainment Policy	• Inside Informa: Growing with our colleagues • Risk: Inadequate regulatory compliance	30 72
Managing environmental impact	• Paper and timber sourcing*	• Group KPIs: Business sustainability and use of natural resources	60
Principal risks and impact on business activity		• Risk management and principal risks and uncertainties	62
Business model description		• How Informa operates • Understanding the enlarged Group	20 8
Non-financial key performance indicators		• Group KPIs	60

A snapshot of our Divisions

In 2018, Informa traded through four Operating Divisions. The UBM business reported separately for the six months it was part of the Group in 2018. Read more about each Division, its position and performance highlights on the following pages.

Academic Publishing: Taylor & Francis

2.2% underlying revenue growth

£533.2m 2018 revenue

23% of Group revenue

Serves scholarly researchers, universities and research institutions

Delivers high quality books and journals in print and digital formats

See pages 40 to 43 for more detail

Global Exhibitions

6.7% underlying revenue growth

£575.8m 2018 revenue

24% of Group revenue

Serves businesses in a number of specialist markets

Delivers large-scale branded exhibitions and lead generation platforms

See pages 48 to 51 for more detail

Underpinned by: Global Support

Serves Informa's commercial teams

Delivers shared business services and function-specific expertise

See pages 56 to 59 for more detail

Business Intelligence

2.6%
underlying revenue growth

£385.6m
2018 revenue

16%
of Group revenue

Serves businesses in specialist markets including Pharma, Finance and Maritime

Delivers digital insight, intelligence and data products, plus consulting and marketing services

See pages 44 to 47 for more detail

Knowledge & Networking

2.3%
underlying revenue growth

£261.4m
2018 revenue

11%
of Group revenue

Serves businesses in specialist markets including Finance, Life Sciences and Technology

Delivers content-driven events, training and digital platforms

See pages 52 to 55 for more detail

UBM
Joined the Group in mid June 2018

2.8%
pro-forma 12 month revenue growth

£613.5m
revenues

26%
of Group revenue

See Financial Review on pages 76 to 89 for more detail

Divisional Review
Academic Publishing

High quality scholarly research

How we serve customers

High quality, cutting edge and peer reviewed research is what scientific discoveries, commercial research and development and future scholarship are based on.

Our **Academic Publishing** Division **Taylor & Francis** commissions, curates, produces and publishes scholarly research and reference-led content in specialist subject areas that advances research and enables knowledge to be discovered and shared.

We invest in maintaining and enhancing the technology that makes current and historical content discoverable and usable today, oversee the submission, independent review and production process, maintain and promote research brands and work closely with authors, editors and researchers to support their work.

Our markets and brands

Taylor & Francis operates through highly regarded imprints including Routledge, CRC Press, **Taylor & Francis**, Cogent OA and Dove.

Our content spans a range of specialist subject categories with particular strengths in Humanities & Social Sciences including areas such as Archaeology, Psychology and Education, and in the Biomedical, Life Sciences, Physical Sciences and Engineering fields.

The Division publishes around 145,000 book titles in print and digital formats, including 7,100 new books in 2018. It publishes 2,700 journals from which 150m articles were downloaded in 2018.

Financial performance in 2018

- The Division delivered another year of consistent financial performance, with underlying growth of 2.2%.
- In Journals, our subscription business remained solid, maintaining high renewal levels alongside good growth in our expanding Open Access (OA) business.
- After a strong end to 2017, the Books business maintained good momentum into 2018, in part driven by our new ebooks platform launched in late 2017.
- We signed a number of new publishing partnerships with societies, including with the China Academy of Science and the China Academy of Social Sciences.
- Just over 50% of the Division's revenues are subscription-based, with high levels of visibility and predictability.
- In 2018, ebook sales accounted for around 30% of total book sales.

Opportunities for growth and development

A stable market for Academic Publishing: Some of the main purchasers of content are academic libraries. According to consultants Outsell, total library spend on content grew by 2% in 2018 and spend by academic libraries by 3.2%. In its latest study, Simba Information predicted industry growth of 1.5% in Humanities & Social Sciences books in 2018.

Choice and flexibility in publishing models: OA continues to be a feature of the academic publishing market, particularly in Europe, as an alternative publishing and payment model. Over recent years, we have been steadily building our OA content and capabilities, working with customers to tailor subscription packages, converting journals to OA and adding new journals and teams. In 2017 we acquired OA specialist Dove Medical Press, adding valuable OA capacity and capabilities that are being deployed across the business more broadly (see panel opposite). **Taylor & Francis** now publishes over 320 pure OA journals and offers hybrid OA options across the majority of its subscription journal portfolio.

Digitisation and discoverability: As the corpus of research grows, discoverability is paramount. When a keyword can return thousands of results, relevance, refinement and quality of search are crucial for a good reader experience and must be continuously revised.

Taylor & Francis continues to invest in digitisation and discoverability across Journals and Books. In 2018 we embarked on a project to upgrade descriptions, bibliographic data and chapter-level information, and brought our ebook delivery platform in-house, making it easier to develop the technology. Nearly 85% of the Division's Books backlist has now been digitised.

As authors and end-users look for ever more intuitive navigation, faster and better searches, and content to be delivered in a way that can be used and shared, we recently added Code Ocean to the tandfonline platform, which enables authors to include live code in their research and users to extrapolate and run executable code. Investments in digital discoverability and search engine optimisation mean that our Journals platform tandfonline.com is among the world's top 900 most visited websites.

Attracting high quality content from around the world: The market for academic research is a global one and dominated by English language content. After years of steady growth, a tipping point was reached in 2018 when China became the largest source of research in the world. **Taylor & Francis** has operated in China for a decade, and building strong relationships with Chinese authors and institutions has been a focus over the last three to five years.

"Taking the building blocks of deep, specialist and high quality content, we're creating a digital-first business that is dedicated to advancing research and knowledge in the academic community and beyond."

Annie Callanan
Taylor & Francis CEO

Taylor & Francis in 2019

Worldwide demand for robust, validated and authoritative content remains strong, and the Division is targeting another year of 2%+ growth by continuing to enhance its content and the experience of its digital platforms, and invest in new capabilities and growth opportunities like OA.

OA research continues to grow. In a market that is increasingly driven by choice, we aim to give researchers the publishing models and exposure, and the formats and price points, that deliver their work with maximum impact. This includes working flexibly with research funders, institutions and authors, providing tailored packages to suit markets that are gradually shifting towards OA.

Geographically, we continue to explore opportunities and expansion in markets such as China and India, where large populations and strong tertiary education sectors offer opportunities for both sourcing and providing scholarly knowledge.

We are also implementing a digital-first initiative to make each step in the value chain between customers, suppliers and ourselves an efficient, digital process.

While Informa's other Divisions are moving to new brand identities in 2019, **Taylor & Francis** is also undergoing a brand review to assess whether an updated approach, either aligned to the Informa brand or to another identity, would provide greater value to the business and to customers, and complement its existing strong and well-known individual imprints.

Spotlight

Taking Open Access to the next level

Taylor & Francis has long offered the choice to publish OA, where authors (or more typically, their funders) pay for the cost of publishing their research. The work is then offered free for anyone to read, enabling knowledge to be widely shared and accessed.

In 2017, our capabilities and reach in OA were extended with the acquisition of Dove Medical Press. Dove brought more than 90 high quality, fully OA journals into the Division and added to our portfolio in specialist subject areas such as diabetes, cancer, geriatrics, nanomedicine, neurology and and psychiatry. Almost all Dove journals have been indexed in the industry-recognised Web of Science and in PubMed, and 14 have gained Impact Factors, an industry-wide recognition of quality awarded by Clarivate Analytics.

Publishing Director Deborah Kahn said: "Dove has an unwavering focus on author service, as well as deep and productive relationships in China. In addition to their portfolio of journals, working with the team has been a rich source of learning for us."

Taylor & Francis has also brought its expertise and resources to streamline Dove's processes. In 2018 this enabled Dove to handle a 50%+ surge in submissions and a 25% increase in accepted papers while keeping peer review and production times stable. All the while, the two businesses worked to achieve a smooth integration, where key team members in Dove remained within the business.

This augurs well for 2019 and for expanding our OA offering further. We are building a peer reviewer development team in Beijing and a peer reviewer selection team in Delhi. As China and India increasingly become powerhouses of global research, the Division is well placed to serve authors, libraries and research institutions in vibrant new markets too.

Divisional Review

Business Intelligence

Specialist insight and intelligence

Lara Boro
Informa Intelligence CEO

How we serve customers

In every specialist sector, business and commercial decisions are founded on trusted data, expert intelligence, research and knowing the market deeply.

In the market for business intelligence, Informa provides digital information products as well as consultancy and marketing services that help companies make better informed decisions, gain competitive advantage and enhance the return on their investments, with an increasing focus on predictive and actionable intelligence.

Our markets and brands

Over 25,000 businesses worldwide subscribe to our 100+ products, which range from insight-focused brands providing market and trend analysis to intelligence products that provide real-time data as well as bespoke solutions including consultancy and direct access to experts.

In 2018, the Division operated in six specialist customer markets: Agribusiness, Finance, Industry and Infrastructure, Pharma, Transportation, and Technology, Media and Telecoms (TMT).

Within these markets, our product brands target specific niches, from clinical trial data in Pharma to equity fund flows in Finance, global shipping data in Transportation and payment technology in TMT.

Financial performance in 2018

- 2018 was the Division's third consecutive year of growth. Underlying revenue growth reached 2.6% and the Division represented just over 16% of the Group's revenue.
- Our largest two markets, Pharma and Finance, performed well, with strong customer demand through the key subscription period supporting a growth in annualised contract values, and continued growth across contingent products and services such as Consulting and Marketing Services.
- After a major focus on customer management and sales development, the Division also saw improving momentum in new business.
- As part of our focus on growing, specialist markets, we added the ICON Advisory business to our Finance vertical in 2018, enhancing our position in the consumer finance intelligence market.

Opportunities for growth and development

Growing market for business-to-business information services: According to consultants Outsell, the global market for business-to-business media and business information now stands at $42bn and is growing at a rate of just under 5% a year. The US remains the single largest market, with a share of 43% of the global total.

“Our customers are looking for specialist, on-demand intelligence, data and analytics, which help them solve the evolving challenges in their own markets.”

Lara Boro
Informa Intelligence CEO

Demand for integrated data: Providers of intelligence are increasingly being challenged to supply live, high quality data in ways that customers can actively use, not just access. We are seeing growing demand for data that can pull through application programming interfaces (APIs) and integrate into workflows directly; for example, customers taking drug pipeline and clinical investigator information directly into their customer relationship management systems to minimise workflow.

Although driven by larger corporate customers with the technology to integrate data, we see this demand widening and growing as accessible technology drives down costs. The Division continues to invest in its API capability, with a target that all data products will be supported by APIs by the close of 2019. This trend is also influencing the skills the Division requires, and we are increasingly looking for talent in fields such as analytics, data science, data engineering and informatics.

Investments in product and capabilities: Under *GAP*, **Business Intelligence** saw a significant level of investment in products and platforms, from technologies and products to sales support and marketing automation, and the resulting benefits are flowing in the form of improved customer engagement. One example of continued investment is Citeline in the Pharma vertical (see panel opposite), which was relaunched early in the year to enable customers to access and process large amounts of data on clinical trials and diseases across over 160 countries.

Informa Intelligence in 2019

Informa Intelligence enters 2019 with a more focused portfolio, simplified brand identity, and under the new leadership of CEO Lara Boro.

Our TMT business Ovum has been realigned to the newly created **Informa Tech** Division. Further, as part of the *AIP*’s Progressive Portfolio Management programme, the Division has reviewed the markets in which it has the most opportunity for long-term growth, with a view to focusing on a more concentrated set of verticals and delivering an even deeper and richer offering to the specialist customer communities in those markets.

In turn, in late 2018, we began exploring alternative opportunities for the Agribusiness portfolio and IGM, our Credit and FX markets information business. Depending on the outcome of these discussions, the Division will, over the year, move to a greater focus on the Pharma market, on the Consumer Retail Banking sector within Finance, and on Maritime where we have strong brands and market positions.

A result of the combination with UBM, **Informa Intelligence** has added two specialist brands to its portfolio for 2019: Chemist+Druggist, which focuses on the specialist Pharmacy community, and Barbour ABI, which provides market intelligence and lead generation in the construction sector, and adds a new capability into our portfolio of asset and infrastructure brands.

Having performed consistently over the last three years and having closed 2018 with a strong run of new business, the goal is now to make the most of our investments in technology, product and customer engagement by maintaining the value and level of subscription renewals, enhancing the new business pipeline, and taking advantage of contingent revenue streams where they enhance the strength and depth of our relationship with customers.

Spotlight

Clinical trials with added intelligence

For a new drug in clinical trials, the road to regulatory approval is long and uncertain.

The full journey can take 12 to 15 years, but the failure rate along the way is exceptionally high. But what is certain is that a clinical trial can cost hundreds of thousands of dollars to run – every day.

With stakes this high, optimising decision making is not just desirable, but imperative. Citeline is an industry leader in clinical trials intelligence and informs the trial strategy of many top Pharma organisations.

Nicola Marlin, VP of Product Management and Innovation, said: “We have invested in and relaunched Citeline to take its quality and usefulness to an entirely new level, responding to how our customers plan and run clinical trials. It is now the product of more than 100 sources of monitored information, interpreted and curated by our own scientists and updated every day.”

This data feeds a suite of three Citeline tools. The first is Pharmaprojects, which helps biopharma companies monitor the competition and find new acquisition and partnering targets. It gives sharp visibility of the drugs pipeline: who is developing what new medicine; for which diseases; who is moving into the clinical phase, with which trials, and where.

The second tool, Trialtrove, helps companies understand where competitors are running trials and which types of trials they should run. It captures data on planned, ongoing and completed trials: which patients are eligible to take part; the current focus (such as early-stage toxicity studies, or later-stage efficacy testing); the overall trial design; and the trial results.

Thirdly, there is Sitetrove, which helps companies plan which hospitals and clinics to partner with to run trials, and which physicians to lead them. It shows which doctors have led which types of trial, in which locations, and with what levels of success. It updates them on competitor activity with rival products and their progress; other trial designs and valuable learning to be gained; and locations where the people, skills and resources needed – key doctors, eligible patients, hospitals, institutes, laboratories – might be available.

The new Citeline is the most comprehensive source of clinical trials, sites and investigator data on the globe. It is more flexible than ever before, and supports complex searches and analytics to keep customers abreast of ever more complex clinical trials. It is also delivering results with a new generation of functions and infographics.

“Critically, customers can drive how they receive and use that information. For example, new application programming interfaces allow them to build dashboards on top of Citeline’s data, interrogate our content and import it directly into their workflows.”

This inflow of high quality data is not only optimising the trial process but delivering a measurable return on investment. “Some customers report savings on their trial from more effective data, but it is the ability to get new drugs to market faster that is the real benefit” said Nicola Marlin.

Divisional Review

Global Exhibitions

Platforms for international trade and commerce

How we serve customers

Attracting new customers, meeting and selling to current partners, generating leads, showcasing products and discovering the latest solutions for business are common requirements for hundreds of industries worldwide.

We create large-scale exhibitions where buyers and sellers in a specialist market can meet face to face, see and show products, conduct business and build relationships that persist year-round. These are typically branded and annual events that over time become must-attend forums for their communities and provide a platform for trade and commerce in their market.

Exhibitors pay for stand space and other services, often well in advance of the event, while qualified attendees typically visit for free.

We work with a range of partners to deliver events, from trade associations to venue owners, suppliers of stand services and hotels.

Our markets and brands

Our exhibitions business operates in a number of specialist markets including Healthcare & Pharma, Health & Nutrition, Aviation, Beauty & Aesthetics and Agriculture. Some of our major brands include Arab Health, Natural Products Expo West, China Beauty Expo and World of Concrete.

Financial performance in 2018

- **Global Exhibitions** became Informa's largest Division by revenues in 2017, following the *GAP* programme to build and buy a scale position in the attractive exhibitions industry and invest in the capabilities for future growth.
- 2018 was a further year of strong performance and expansion for the Division, with growth remaining at our target of above-market average levels. Revenues were £575.8m with underlying revenue growth of 6.7% and adjusted operating profits of £200.1m.
- This performance was driven by an increase in space sold at some existing events, selective new launches and good trading at our largest 30 exhibitions. It was also assisted by the successful rollout of value-based pricing to more exhibitions.

Opportunities for growth and development

Strength of the global exhibitions market: According to consultants AMR International, the global exhibitions market grew by 3.5% in 2017 and is forecast to grow at an annualised rate of 5% between 2017 and 2022, with revenues from digital services estimated to grow at 11% over the period.

The US is the world's largest exhibitions market, accounting for over 50% of the markets AMR tracks, with China the second largest. The overall exhibitions market is fragmented, where the largest five organisers comprised under 20% of the global market in 2017. AMR estimates typical exhibitor renewal rates stand at 65% to 70%. At Informa, we steadily built our position in the US under *GAP* and now have a much larger footprint in China from the combination with UBM's Asia portfolio.

> **"Our ambition is to provide exceptional visitor and exhibitor experiences and opportunities, at our shows as well as beyond the show floor, and to help the specialist markets we operate in prosper."**
>
> Charlie McCurdy,
> Informa Markets CEO

Ongoing product enhancements: To provide customers with more choice and flexibility, we have been working to create better differentiated exhibitor packages, with greater options around stand location, size and access to other exhibition services. This has also had a positive impact on yield at several exhibitions. The Division's MarkitMakr tool, which provides exhibitors with a year-round online platform to showcase products and allows buyers to research the market, was implemented more widely in 2018; see the panel opposite for more data.

Building our capabilities: Under *GAP*, we invested in a range of digital and data initiatives, designed to improve the effectiveness of sales and marketing and to explore additional opportunities for revenue growth and engagement with customers. The Division also began the progressive rollout of a common CRM platform for its sales and operations teams, designed to improve how we capture and record sales data and ultimately provide better intelligence for improved customer engagement and sales visibility.

Talent development: The Division has invested in new learning and development opportunities for colleagues to ensure it has the skills and expertise needed for an ever more digital and technology-enabled business. During 2018, over 1,200 colleagues attended one of 200 classroom-based learning sessions and all colleagues were given access to on-demand digital learning.

Informa Markets in 2019

Informa Markets enters the year with significant new operating scale, expanded international reach, positions in a broader range of customer markets and the potential for additional revenue opportunities from the combination of Informa's and UBM's exhibitions portfolios. It is the largest organiser of exhibitions in the world by revenue, organising around 500 exhibitions in around 30 countries with a particular presence in the US and Asia.

The combination with UBM has increased the number of specialist markets the Division operates in, with new sectors such as Advanced Manufacturing, Licensing and Fashion, and added complementary brands to markets in which Informa already had a presence such as in Natural Products (addition of CPhI and Food Ingredients), Aviation (Routes) and Maritime (Seatrade Cruise Global).

After significant time planning and combining the businesses during the second half of 2018, the Division entered 2019 as one **Informa Markets** business with combined teams, single structures and common budgets. It is now structured into eight major portfolios, each run by a member of the now-expanded divisional Senior Management team.

Common platforms, technology and processes will continue to be rolled out in areas such as marketing to capture efficiencies of scale, create a single engine to support customer facing activities across the business and build on our *GAP* investments in tools and capabilities. Efforts around consolidating supplier relationships and co-ordinating elements of procurement will continue, to create stronger partner relationships and deliver greater efficiency.

Beyond these combination activities, bringing UBM together with Informa creates additional customer, revenue and effectiveness opportunities, which are a priority to explore and start to capture over 2019.

They include cross marketing events to a larger international customer base, leveraging new opportunities for sponsorship across the portfolio and utilising a larger and richer pool of data to develop new digital and marketing initiatives. In this area, a new leadership role has been created to focus on expanding digital services.

The aim for **Informa Markets** in 2019 continues to be to outperform the wider exhibitions market and create capabilities for our continued growth and innovation.

Spotlight

Making markets online

The continued growth of the exhibitions market shows the value of face-to-face forums where buyers and sellers meet and products are shown and selected. But what happens during the rest of the year?

Following *GAP* investment, in 2017 we introduced MarkitMakr, a web platform that showcases exhibitor products and company profiles, and allows buyers to conduct research and connect with a company before and after the event.

“MarkitMakr provides benefits for everyone involved in an exhibition,” explained Jason Brown, Chief Digital Officer. “For attendees going to a large-scale exhibition, knowing where to begin can be overwhelming. Using MarkitMakr means you can research exhibitors and products in detail in advance, indicate your interest, inform exhibitors about the products you’d like to discuss and view there, and create and download a walking list of your top products and suppliers to make navigating the venue easy.

“Exhibitors find out in advance what products people want to see and receive qualified leads to use year-round. It also provides our exhibition directors with useful information on what the hot products and categories are, so they can understand and adjust plans according to where foot traffic is likely to be highest.”

MarkitMakr was first deployed under the Omnia brand for our Dubai-based Life Sciences events and is now in place across 31 exhibitions. Around 80,000 products are listed across the platform, with nearly 40,000 product listings on Omnia. In the first eight weeks of 2019, Omnia generated over 10,000 leads for exhibitors, with buyers spending an average of eight minutes on the platform.

The platform continues to be developed by our in-house digital team, with enhancements including upgrading the directory’s search function to help customers find products faster, improving search engine optimisation, creating matchmaking functionality and meeting scheduling, and enabling integration with third party mobile apps.

Jason continued: “We’re really excited to be rolling out MarkitMakr to our Natural Products exhibitions in 2019. There’s nothing quite like it in this market, and it’s an industry where the fine detail of each product is critical: what ingredients a food product contains, where they were sourced from, and so on. MarkitMakr makes it easy to share and find that information, as well as enabling suppliers of all sizes to connect with major buyers before, during and after the show. It’s expanding the buyer–seller relationship to create a year-round market.”

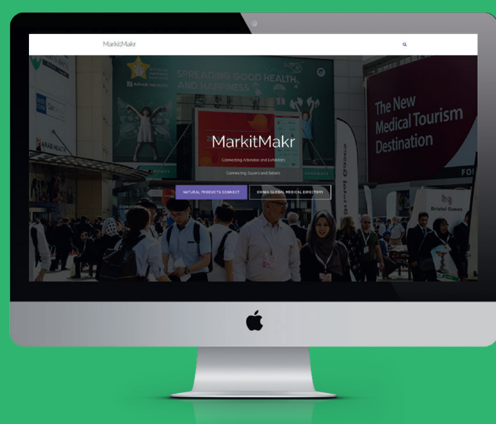
80,000

Products listed on MarkitMakr

8 minutes

Average time buyers spend on the site

A snapshot of the online MarkitMakr product



Divisional Review

Knowledge & Networking

Engaging communities, in person and online

Andrew Mullins

Informa Connect CEO

How we serve customers

Fear of missing out is not just a phenomenon driven by social media. Professionals in every specialist market have a need to meet, learn, network and be seen at their community's most important events.

The rise of online information and the opportunity to access and connect with experts digitally has affected parts of the events industry. There is, however, enduring demand for branded events that attract a sector's most senior and respected players and create imaginative environments in which to network with them.

Our **Knowledge & Networking** Division aims to provide content that you cannot Google; major annual events that are continually developed and become the must-attend functions for their markets. Delegates achieve a return on their investment in time and cost, and the experience is complemented by year-round branded digital engagement platforms.

Our markets and brands

In our connectivity and content Division, we operate more than 800 content-driven events for global communities in Life Sciences, Finance, TMT and a number of other specialist sectors.

In terms of scale, around 35 of our events generate over £1m in revenue. Our major brands include SuperReturn, FundForum and Inside ETFs in Finance; BIO-Europe, Biotech Showcase, Bio-Process and TIDES in Life Sciences; and AI Summit, Internet of Things US and 5G World in TMT.

Financial performance in 2018

- The Division exited 2017 with a modest 0.1% return to growth. In 2018, the continued benefits of its focus on major event brands and investment in digital infrastructure under *GAP* drove further improvements in performance.
- Underlying revenue growth reached 2.3% and the Division represented 11% of Group revenue for the year.
- Its portfolio of major events performed strongly, with particularly strong performances in Finance and Life Sciences.
- Just over 40% of the Division's revenue comes from attendees to events, with sponsorship revenues advancing to 28% in 2018.

Opportunities for growth and development

Enhancing the event experience: To maintain and deepen customer engagement, many events are treated as a relaunch in terms of applying fresh thinking, finding unique content, and developing new features and technologies to maintain and enhance the experience for customers.

"Delegates expect a quantifiable return on their investment in time and cost, and it's our role to deliver it. We apply fresh thinking and new technologies to enhance both our live event experiences and our specialist digital communities."

Andrew Mullins
Informa Connect CEO

One example is our AfricaCom event, which brings Africa's telecoms and technology community together to network and gain knowledge. At the 2018 event, we launched a 12-month innovation competition to identify an economic, social or environmental challenge that the event's community could harness telecoms and technology to solve, sustaining the event's momentum and creating a natural pathway towards next year's AfricaCom.

Another example is in our Life Sciences portfolio, where we have invested in a more responsive partnering platform that helps delegates and companies better target their time and meetings at our events, improving their experience and supporting strong return rates at our events.

Deepening digital engagement: The Division's digital content platforms and marketing services create year-round engagement with brands, where prequel and sequel activities based on news, opinion, research, customised video and webinars create digital communities that keep customers informed and create sales opportunities for sponsors.

One recent example is the relaunch of our Banking Technology content brand under a new name – FinTech Futures – on a new digital platform, with improved user experience especially when browsing on mobile and more focus on making content search engine optimised. Monthly page views have risen by 400% year-on-year, with the increased audience driving more opportunities for advertising and marketing services sales.

Informa Connect in 2019

Informa Connect's portfolio of brands and events is developing under the *AIP* and going into 2019.

As part of the combination with UBM, **Informa Connect** has added several of UBM's content-focused brands, including Catersource, which focuses on the specialist catering and event professional market, and the CBI Life Sciences business that complements our existing Life Sciences events.

One of our content-focused events that previously sat within the exhibitions business, the sustainable building event Greenbuild, is moving into this Division, to benefit from its focus on driving community engagement in live forums and online.

The Division's TMT portfolio has moved to become part of the Group's new **Informa Tech** Division.

Under *GAP*, the Division's portfolio was streamlined to focus on its major brands, with new investments in upgrading marketing technology, improving customer engagement and building out the Division's year-round digital capabilities. **Informa Connect**'s target for 2019 is to further improve underlying revenue growth by building on the customer benefits of this work and strength of its brands.

Spotlight

Where the world's investors invest their time

Every specialist professional community has one: an event in the year whose place in the diary is a given. If you're in private equity or venture capital, that event is SuperReturn.

Now over 20 years old, the flagship SuperReturn International is the product of a continuous programme of product development, and a case example of listening to, and understanding, your audience.

It has also grown into something of a world tour. SuperReturn is now 16 events, running throughout the year across the US, Germany, China, the UK, the Netherlands, Hong Kong, Dubai, South Africa and Japan.

Dorothy Kelso, Global Head of SuperReturn, commented: "Over 2,500 investment professionals converge on Berlin for SuperReturn International, with many travelling from all over the world to be part of it, in addition to the SuperReturn event in their own country.

"This is anything but a passive conference. As well as hearing world-class industry speakers, everything is designed around an audience-first approach. It's about a blended and bespoke networking opportunity, and we do everything we can to help everyone access the specific content and people they're looking for."

A dedicated event app shows who is there, facilitates approaches and schedules meetings. There are VIP breakfasts, and social drinks and dinners; pre-arranged one-to-one introductions; private meeting rooms for negotiation and deals; closed-door sessions for full and frank discourse under the Chatham House Rule; pre-conference summits on special areas of focus; sponsorship and branding opportunities; and "speed dating" investor pitches.

"The attendees can pick and choose from this menu of additional services, selecting what's most valuable to them and tailoring their spend accordingly," said Dorothy Kelso.

SuperReturn also goes on to deliver value throughout the year. The live events are supported by continuous digital engagement that keeps the conversation going, with a stream of high quality content, analysis, thought leadership, a quarterly emagazine, webinars and SuperReturn TV.

Julian Kirby, Managing Director for **Informa Connect**'s Global Finance business, said: "There are many growth opportunities in events if you deliver on the new demands of customers: a large audience of genuine industry rainmakers; original content you can't find online; and outcome-oriented curated networking between market buyers and sellers. Our SuperReturn range ticks all the boxes."

Super Return International

Divisional Review

Global Support

The team behind the teams

How we serve customers

Within each Informa Operating Division, our teams focus on responding to the needs of customers, developing our brands and products, looking for new opportunities in our markets and delivering consistent performance.

Global Support provides shared, efficient business services and function-specific expertise to each Informa Operating Division, enabling our commercial teams to keep their focus on customers, products, markets and performance. These include maintaining core technology infrastructure, consistent HR processes and policies and shared finance platforms, providing a centre of expertise in areas such as Legal and supporting Informa's corporate operations.

In 2018, this **Global Support** community comprised around 850 colleagues working from three regional hubs: London and Colchester in the UK, Sarasota in the US and Singapore.

Developments in 2018

Supporting the offer for UBM: Teams including Corporate Development, Group Finance, HR, Investor Relations and Communications, Legal and Treasury were involved with supporting the UBM offer process and putting in place the plans and structures necessary for delivering the successful combination. Activity included ensuring Shareholders and colleagues were appropriately informed and engaged, regulatory requirements were followed and the financing structures necessary for completing the transaction were in place.

Combination governance: An Integration Management Office (IMO) was formed to oversee the *AIP*'s implementation, comprising members of the Corporate Development, Finance and Risk teams and senior representatives from several other **Global Support** functions, supported by external consultants. The IMO governed the process by which decisions were made, assessing integration plans and measuring progress, tracking integration expenditure and the delivery of cost synergies and providing regular reports to the Executive Management Team and the Board.

Service improvements: In January 2018, a single payroll system and a common approach to timekeeping and salary payments for all our businesses in the US were successfully introduced. This consolidated and simplified systems inherited from business additions, improving efficiency within HR service support.

Within Finance, 2018 saw the phased introduction of an upgraded Group-wide SAP enterprise resource platform to consolidate and standardise our financial operations globally and replace out-of-date systems. During the year, the focus shifted to improving the platform's stability, embedding new practices and ways of working and identifying areas of improvement.

Providing compliance leadership: With new requirements on handling personal data coming into effect under the General Data Protection Regulation, the **Global Support** team created online training to create widespread awareness of the importance of data privacy. This mandatory online training was tailored by job type to ensure those who might directly handle data received specific guidance, such as in HR and Marketing. Each Division's customer privacy policy was also reviewed ahead of May 2018, with a focus on providing a clear explanation of how we use data and how we manage any information requests.

Global Support in 2019

Global Support's structure is evolving in 2019 to ensure it continues to have the capabilities and capacity to support the enlarged Group, and so that Informa can pursue the benefits of scale in areas such as finance services.

It will now be organised into three areas: Group Functions, Group Operations and Cross Divisional Operations. Group Operations is being led by Patrick Martell in the newly created role of Group Chief Operating Officer. Patrick and the Group Operations leadership team have end-to-end responsibility for delivering common operational services effectively, including shared finance services, technology, procurement, property, travel and health, safety and security.

In Group Functions, UBM's in-house Internal Audit function has been brought into Informa and expanded to cover the combined Group. KPMG, which previously acted as Informa's outsourced Internal Audit provider, will supplement the in-house team in a co-source Internal Audit arrangement.

Group HR has been expanded to add expertise in areas such as rewards, benefits, and learning and development, and a new role of Group Director of HR created to provide Company-wide leadership on matters including the support and opportunities available to colleagues, and the quality and effectiveness of policies, practices and processes in place internationally.

Cross Divisional Operations represents a new operating approach for Informa and reflects the scale and efficiency benefits possible within a larger Group. This sees certain services that were previously managed within **Business Intelligence** and **Knowledge & Networking** separately, including central marketing, HR, divisional finance and communications, being delivered centrally and in a more common way across those Divisions and the **Informa Tech** Division.

A structured approach to sustainability

The Group Sustainability team provides leadership and subject matter expertise on sustainability and responsible business practice to all areas of Informa. It reports to the Director of Investor Relations to ensure business alignment and representation of sustainability at an Executive Management Team level.

The team takes a structured approach to sustainability, focusing its efforts on the five areas we believe are most relevant to the Group and where our impact is greatest: the responsibility and wider impact of the content we produce, our relationships with customer communities, how we work with local communities, the way colleagues are supported, and the business's use of natural resources and impact on the environment.

2019 will see the introduction of a new Informa Sustainable Event Management System, building on the Group's previous Sustainable Events Ladder and UBM's 10 Sustainability Principles, which will set out minimum sustainability standards for our events and include a self-assessment toolkit for show teams to deploy wherever they are.

We became part of the global Science Based Targets Initiative in 2018, and in 2019 will be setting Company-specific targets around reducing our emissions to help keep global temperature rises below 1.5C.

Spotlight

Meet the COO: Patrick Martell

How would you describe the new role of Group Chief Operating Officer?
Informa has changed significantly over the past five years. We are larger in exhibitions, more digital in our research and content product mix, working in more geographic markets and with more colleagues.

Under *GAP*, we added businesses in some areas and divested others. All of this has created an operational architecture that is quite complex in places. Looking through the lens of Informa's reach today, it is clear that by making considered decisions about the systems and processes we use, there is an opportunity to simplify the landscape and apply what is working well at a larger scale.

That is the reason the COO role has been created: it is the right time to start to optimise our common systems and architecture and create efficiencies from doing so.

What is the opportunity in Global Support?
What I know from my time in **Business Intelligence** is how dynamic Informa is. The business moves fast; we are agile and customer focused and like to get things done. I think that is true of each Operating Division even if the products and the customers are different.

Take our events. We operate hundreds of exhibitions every year, and for many of the largest ones, that means creating a mini city from scratch over a matter of days. Anyone visiting a site during its build stage could not fail to be struck by the scale of the task and the deadlines the business works to.

The opportunity is to enable our commercial businesses to do their work seamlessly and effectively, help them to meet their deadlines and their customers' needs, and not to get in the way.

What is your immediate focus?
Consistent, effective and high quality operations are where it all comes together. It is about continuing to serve our businesses while simplifying and improving our systems in flight, with our shared finance platforms an early area of focus. It is also about ways of working and the colleagues who deliver these support services, making sure **Global Support** is a supportive and enjoyable place to work while our approach to supporting the wider Group evolves.

Spotlight

Continuous improvement in health, safety and security

The Group Health, Safety and Security (HSS) team acts as a second line function, providing expert guidance, support and advice to the Operating Divisions, putting in place Company-wide systems and governance, and empowering colleagues to make risk-aware decisions. In 2018 the team focused on improving the processes and systems for managing HSS risk while assessing the most appropriate structures and approach for the enlarged Group.

During 2018, the Group HSS team continued to engage with operations teams throughout the business, providing recommendations and ensuring common minimum standards are adhered to. This included delivering well-received training to key event partners in Egypt (see page 34). In the second half of the year, the team visited UBM businesses across the world and attended team get-togethers in the US and several parts of Asia to understand current practice and start to build consistency and continuous improvement in Group reporting.

New HSS learning activities will be rolled out across Informa in 2019, including business travel. It is common for colleagues within the Group to travel for work, particularly in our events Divisions, and this is designed to provide more guidance on personal safety, appropriate behaviour and managing risk when working outside a normal place of work.

The depth and regularity of HSS reporting to the Executive Management Team and divisional management teams has been increased, and the Group HSS team continues to report to the Board through the Risk Committee.

Measuring performance and growth

Informa's Directors and management team use a number of financial and non-financial measures to track the Group's performance and the delivery of strategy. Some of these are alternative performance measures, chosen because we believe they are the most useful and appropriate explanations of the Group's business performance. Each Informa Division additionally tracks a range of other metrics that are relevant to its business model, such as subscription renewal rates, rebooking rates and customer satisfaction.

See more on Group strategy (page 10) and How Informa operates (page 20)

Group non-financial KPIs

Use of natural resources: Greenhouse gas emissions

	2018 tonnes CO_2e[2]	2017 tonnes CO_2e	2016 tonnes CO_2e	2015 tonnes CO_2e
Scope 1 (Gas and heating fuels)	1,630	1,333	1,136	1,287
Scope 1 (Refrigerant gases)	789	612	520	534
Scope 1 (Vehicle and generator fuels)	1,414	1,672	62	62
Scope 2 (Electricity and steam)	8,689	7,181	6,268	7,373
Total Scope 1 and 2	**12,522**	**10,798**	**7,986**	**9,256**
Scope 1 and 2 intensity	**1.28[1]**	**1.43**	**1.25**	**1.41**

1. Data for intensity for 2018 is based on carbon emissions for the full year, for both businesses, divided by the average headcount. This provides comparability in intensity.
2. Carbon emissions for 2018 show UBM data from date of acquisition with the exception of the intensity metric.

About: Greenhouse gas emission levels are one of several commonly accepted measures of a business's carbon footprint and the extent to which it relies on natural resources, and we recognise the importance of understanding and controlling our contribution to climate change. Our calculations follow GHG Protocol standards and Defra guidelines.

Performance: Absolute emissions have risen due to the expansion of the Group. One of our yachting exhibitions teams significantly reduced its use of generator fuel usage, which is a large component of the total.

Target: By 2020, we aim to cut our carbon footprint by 10% per colleague against our 2017 baseline by identifying new energy efficiency and renewable opportunities, and for at least five top 10 offices to have invested in energy efficiency.

Business sustainability: Dow Jones Sustainability Index

96th/68

2018 percentile/ absolute score

88th/61

2017 percentile/ absolute score

Definition: The DJSI ranks listed companies on their achievements in 22 economic, social and environmental areas relevant to long-term corporate performance. For Informa, it is one indicator of the business's operational performance and our capabilities to grow and succeed in the long term.

Performance: Informa ranked in the top 10% of participating companies in 2018 and in doing so joined the DJSI World Index two years ahead of target. The Group's absolute score improved by seven points. Due to a methodology change that affected all participating companies, our 2017 score was recalibrated to 61 from 67, with our percentile ranking remaining the same.

Target: To maintain and improve our absolute score, through progressively enhancing our practices and performance in areas such as health and safety, customer engagement and supply chain management.

Colleague support and participation: Engagement Index

80%

January 2019

78%

December 2017

Definition: Informa relies on the skills, contribution and motivation of colleagues for business performance, and engagement indices provide one measure of this. Colleagues are invited to participate in the confidential Inside Informa questionnaire. The index is calculated by averaging responses to five questions, including how strongly colleagues believe in the goals of the business and how far they recommend the business as a good place to work.

Performance: 67% of colleagues participated in the January 2019 Inside Informa Pulse, with engagement levels rising by 2% following a period of organisational change.

Target: To maintain Inside Informa participation rates at over 50% and maintain a strong overall score, through measures that ensure Informa remains a good place to work, and that all colleagues are able to perform at their best.

Group financial KPIs

Underlying revenue growth (%)

2014	0.7
2015	1.0
2016	1.6
2017	3.4
2018	3.7

Definition: Measures underlying financial performance and growth of the business. This measure includes year-on-year growth of acquisitions from the day of completion, as if they had been owned in that period the year before, and excludes the impact of event phasing, disposals and currency movements.

Performance: Fifth consecutive year of improvement in the Group's growth rate.

Target: Consistent business and revenue growth.

Adjusted diluted earnings per share (p)

2014	37.8
2015	39.5
2016	42.1
2017	46.0*
2018	49.2

* Restated for the impact of IFRS 15.

Definition: One measure of profitability and the value created for Shareholders, adjusted for equity issuance. It is one of the measures tracked within the Group's executive remuneration plans.

Performance: The 7.0% increase on 2017 reflects another year of improving performance, as well as the combination with UBM. This led to an increase in the Group's adjusted earnings and the number of shares in issue, following the issue of equity to UBM Shareholders at the time of the acquisition.

Target: Steady and consistent improvement in earnings per share.

Free cash flow (£m)

2014	237.2
2015	303.4
2016	305.7
2017	400.9
2018	503.2

Definition: An indicator of operational efficiency and financial discipline, illustrating the capacity to reinvest, fund future dividends and pay down debt. It is measured as cash flow generated by the business before cash flows relating to acquisitions, disposals and related costs, dividends and new equity issuance or share purchases.

Performance: 2018 was another year of strong cash generation, reflecting higher underlying profit, the contribution from UBM and strong conversion of profits into cash.

Target: Consistent growth in free cash flow.

Gearing ratio

2014	2.2
2015	2.2
2016	2.6
2017	2.5
2018	2.9

Definition: Indicates the Group's leverage level and is a measure of financial stability and discipline. It is a calculation of earnings before interest, tax, depreciation and amortisation compared with net debt.

Performance: Our long-term target leverage is 2.0–2.5 times, and the Directors are comfortable with an increase to 2.9 times in the short term to fund significant acquisitions. As a result of the combination with UBM, gearing is currently at the upper end of the range, with a target to return to within our target range through 2019.

Target: Return to target range of 2.0–2.5 times, to maintain financial stability and flexibility.

Adjusted operating profit (£m)

2014	334.0
2015	365.6
2016	415.6
2017	544.9*
2018	732.1

* Restated for the impact of IFRS 15.

Definition: An alternative measure of the Group's operating performance, representing profit before tax, interest and adjusting items in a way that is comparable to prior year and Informa's peers.

Performance: Strong growth in adjusted operating profit reflects improved underlying profits combined with the contribution from UBM.

Target: Consistent growth in underlying operating profits.

Dividend per share (p)

2014	17.80
2015	18.50
2016	19.30
2017	20.45
2018	21.90

Definition: A measure of the value created for Shareholders through business performance and growth.

Performance: Improving underlying growth, resilient margins and strong cash flow conversion led to strong free cash flow generation, enabling the Board to pay a progressive dividend in 2018 up 7.1% on 2017.

Target: Progressive dividend payments, growing broadly in line with free cash flow.

Responsible risk-taking for performance and growth

As a growth-focused business, Informa takes measured risks. These range from investing in new services and technologies to acquiring and integrating new businesses into the Group.

To enable the Group to pursue commercial opportunities, Informa's approach to risk management is to ensure that significant risks are identified and understood, managed appropriately, and monitored and reported to the Company's governance bodies.

Our risk management approach is guided by the Board's Risk Appetite and Tolerance Statement, which gives the direction that:

- we should only take risks that help us to achieve our objectives;
- the amount of risk we are prepared to take should be balanced with proportionate reward; and
- our guiding principles determine our approach to risk tolerance, for example in areas of ethics and compliance.

The Board encourages a culture of transparency and of acting with integrity.

Risk governance

Informa's risk framework is designed to provide the Board with oversight of the most significant risks faced by the Group. The Risk Committee and Audit Committee report independently to the Board, as do steering committees for major projects.

Risk management governance framework

Governance	Risk governance function	Outputs
Board oversight	• Sets tone from the top • Positions risk appetite and tolerance • Challenges lines of defence • Accounts to Shareholders	Guidance and direction
Audit Committee 3rd line of defence	• Independently checks and challenges 1st and 2nd lines of defence • Provides assurance to the Board	Audit and Board reports
Risk Committee 2nd line of defence	• Provides advice and guidance to the 1st and 2nd lines of defence • Advises the Divisions and Board • Accounts to Audit Committee	Group risk register Principal risks Audit and Board reports
Divisions 1st line of defence	• Identifies and manages risks • Receives guidance • Reports to Risk Committee	Divisional risk registers

Key 2018 activity

Market risk

- Global trading may affect attendance at our exhibitions in certain sectors. We continue to monitor developments, but currently see only minimal financial impacts.
- Through the combination with UBM, the Group organises exhibitions for the Fashion sector. This market is seeing considerable change which presents both challenges and opportunities and we are refreshing our offering, with greater focus on how best to serve customers.

Acquisition and integration risk

- Substantial due diligence and analysis on business additions including UBM, and rigorous management and control of integration risk throughout 2018.

Ineffective change management

- As per page 57, we focused on combining talent, services and products while delivering business as usual across both companies.

Technology failure, data loss and cyber breach

- Considerable focus on understanding the enlarged Group's technology architecture.
- A technology vulnerability assessment was developed, which supports risk-informed decision making for remediation of systems and platforms.
- Privacy at work training was delivered across the Group to inform colleagues on protection of systems and data.

Health and safety incident

- Significant discovery process to ensure that our health and safety management system encompasses all activities across the enlarged Group.
- Consistent reporting metrics embedded across all regions.
- New security risk assessments and management guidance was rolled out and new travel security training delivered to operations teams.
- In addition to internal training, the Health, Safety and Security team is exploring how we can work with other business partners to raise standards. Examples included providing training to our venue provider and contractors in Egypt. See page 59 for further information.

Major incident

- Impacts from severe weather events, including typhoons in Asia and hurricanes and wildfires in the US, were managed in line with regional authority advice and specialist advice from our Health, Safety and Security team. Customers, colleagues and business partners were kept safe and financial impacts were negligible.
- Emergency response training rolled out to events teams and at our premises.

Inadequate regulatory compliance

- New training on anti-bribery and corruption to new joiners.
- Training on new tax evasion law delivered to around 1,000 targeted colleagues.
- Management training given to colleagues who deal with regulatory breaches.

Privacy regulation risk

- New data protection policies and guidance rolled out across the Group.

Through the governance channels and reporting process illustrated opposite, the Board monitors and reviews the effectiveness of the Group's internal control systems and issues guidance for the management of risk.

During 2018, the Group continued to foster a culture and process for responsible risk-taking. We maintained continuous improvement in risk management rigour, including developing statements of risk appetite and tolerance for each principal risk and enhancing monitoring and reporting through key risk indicators. This work will continue in 2019 and it, along with the Group's risk framework, will be aligned to Informa's expanded operating model.

The methodology for rating the magnitude of the financial impacts of our risks was reviewed during the year and adjusted to reflect the increased financial scale of the enlarged Group.

Risk management and the combination

Ineffective change risk is a principal risk to the Group as we continue to expand, grow and change. In this reporting year, the most significant change was the combination with UBM plc. Risk management was applied throughout, and prior to recommending the acquisition to Shareholders, the due diligence process identified the potential risks of the deal. These were highlighted in the Shareholder prospectus and included:

- The management attention required to integrate the widened operations may detract from delivery of existing business objectives:
  - Delivery of commercial business as usual objectives was addressed by providing risk management training to the **Global Exhibitions** Senior Management team. The team learned and applied risk management practices to understand how the causes and impacts of risks to commercial objectives should be mitigated.

  - Additional resource was brought in for critical roles so that ongoing operations and the combination could be delivered simultaneously.
- Increased exposure to developing markets:
  - The expansion of the Informa Group brings greater breadth to the business, increasing our exposure to both developing and developed markets. Our increased scale in developing markets is within our risk appetite as there are growth and opportunity in these markets, which are balanced by our business in developed markets. Market risk is managed through our strategy, objectives and regular planning meetings between the Executive Management Team and the Divisions.
- Loss of Senior Management without adequate replacement:
  - Changes to the Group's organisational structure were subject to multiple levels of review, and senior appointments were approved by the combination steering committee. A formal selection process ensured that Senior Management roles and responsibilities were thoroughly planned for, and appropriate skills are present in the enlarged Company.

Throughout the combination, each significant area of change has had a designated lead responsible for change delivery. These leads report to the Integration Management Office (IMO), led by our Group COO and Director of Strategy and Business Planning. Critical issues, risks and dependencies are surfaced to the IMO and actions are owned and followed up until they are mitigated.

Further governance for the combination has been provided through a dedicated steering committee, chaired by the Group COO who reports directly to the Board. External consultants were engaged during the process to support due diligence, discovery and integration.

The discovery period was focused on building our understanding of the enlarged business. This included consideration of risks within the business itself and risks arising from the combination work.

Throughout the combination, colleague sentiment was also closely monitored. A Pulse survey in January 2019 gauged our colleagues' feelings about the enlarged Group, which showed that over 75% of colleagues would recommend Informa as a good place to work.

As part of the combination, UBM's risks were reviewed and discussed by Senior Management from both companies and the most significant risks were mapped and compared. The Risk Committee is satisfied that all principal risks relating to the combined Group are now captured through Informa's risk framework.

Principal risks and uncertainties

- Risks are identified and reported by the Divisions to the Risk Committee.
- We record the most important and frequent risks reported by the Divisions on the Group risk register.
- We also consider emerging risks at divisional and Group levels throughout the year.
- We additionally recognise risks that only apply at Group level.
- The most significant of the Group-wide risks form our principal risks.
- All principal risks are considered when we draw up severe but plausible scenarios that could impact the financial viability of the Company. The methods and results of our viability modelling are on page 75.

There is a formal quarterly process to support risk recognition throughout the Group. We have a consistent way of categorising our risks and a common approach to risk management Information on the causes, impacts and mitigation of risks is captured through our risk registers and risk management system. Actions are assigned and logged by the Divisions, and then monitored by the Risk Committee until closed out. This gives us confidence that we have sufficient knowledge of relevant risks and a robust assessment of our principal risks.

Risk ratings

When we rate our risks, we consider the potential financial and non-financial impacts they could have, and the likelihood of them happening. We use a consistent grid to help us compare and prioritise risks. We rate our risks twice:

- The first rating (gross risk rating) is based on the potential exposure if nothing is done to manage or mitigate the risk, to understand the importance of the risk and form a baseline.
- The second rating considers all the controls and mitigations currently in place to either reduce the likelihood of the risk occurring, or to address the impact, or both. This indicates the current status (net risk rating).

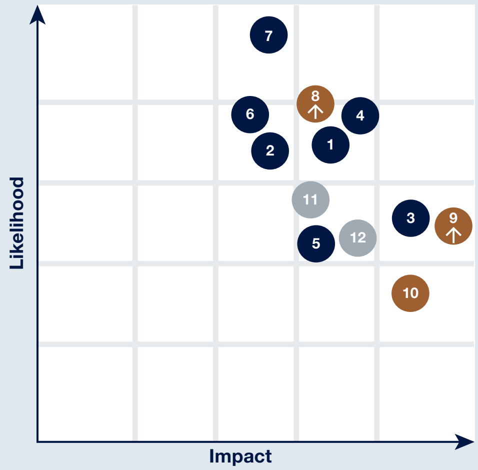
This approach allows us to consider whether risks are being managed appropriately or whether additional actions should be taken, according to our risk tolerance.

We review risk ratings regularly to consider whether the external or internal landscapes have changed, or whether the controls in place are managing the risks to the previously recorded status.

Relative net risk ratings of principal risks, and movement in risk ratings over 2018

Our principal risks relate directly to the delivery of our growth strategy, including the people, culture and operations that deliver it.

Relative risk ratings of principal risks and movement in net risk ratings over 2018



Key

- Risk related to growth
- Risk related to people
- Risk related to culture

Indicators of change in the year

↑ Increased during the year

Risks related to growth

1. Economic instability
2. Market risk
3. Acquisition and integration risk
4. Ineffective change management
5. Reliance on key counterparties
6. Technology failure
7. Data loss and cyber breach

Risks related to people

8. Inability to attract and retain key talent
9. Health and safety incident
10. Major incident

Risks related to culture

11. Inadequate regulatory compliance
12. Privacy regulation risk

Changes during the year

Where changes have occurred to the net mitigated risk ratings of principal risks, during 2018, these are explained on pages 66 to 72 under the relevant risk.

In 2018, we recognised that the threat of geopolitical risk raised the potential for increased economic instability. The net rating at the end of the year was unchanged, as no material impacts or any increased likelihood existed. This will remain under close monitoring.

We considered whether the net ratings for acquisition and integration risk and ineffective change management should be raised but believe that our management of these risks and continuous scrutiny have kept the net ratings stable.

The net risk of health and safety incidents has been raised to acknowledge that we are currently embedding a consistent process across the enlarged Group. See page 71 for further information.

We have also raised the rating of inability to attract and retain key talent, recognising that when two companies of scale combine, there is a heightened risk of voluntary departures.

An addition to the Group risk register was realisation of a pensions deficit position, relating to UBM's legacy defined benefit pension scheme. The current position is not significant to the combined Group and is therefore not reported as a principal risk.

The risk rating for Brexit was raised during the year as the deadline for the UK's departure approached without clarity of outcome. Based on a risk assessment of the most impactful, no deal scenario, Brexit is not a principal risk to the Group. The potential financial impacts are considered immaterial due to the diversified international nature of our business and a low reliance on cross EU/UK border goods movements to deliver our services and products.

Risk assessments have taken place across the Group at divisional and functional levels, informing more detailed contingency planning. Where Brexit risks exist, we have put actions in place to minimise interruptions to our business, including areas such as the physical supply of our books to customers in the EU, and planning for logistical and travel challenges for events close to the proposed exit day.

Consideration of other risks

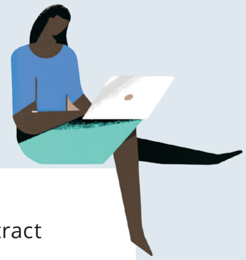
Informa keeps a range of risks under review. Amongst those not considered principal risks to the Group are tax compliance risk, climate change and currency fluctuation.

Informa is a responsible taxpayer. The Group takes a principled and low risk approach which limits the likelihood of disputes with tax authorities and makes unexpected material tax liabilities unlikely.

Climate change is not viewed as a principal risk for the Group, although severe weather events are recognised as one factor in the risk of major incident on page 71.

Informa's impact on the environment is relatively small and largely related to routine energy consumption at our premises, the use of paper in products in the supply chain, and business travel by colleagues and customers to Informa's exhibitions and events. Informa seeks to minimise impacts through initiatives detailed in the separate Sustainability Report.

The Group Treasury team continues to manage the risk of currency fluctuation, particularly in the relative value of sterling and the US dollar.



1. Economic instability

- 2018: no movement in net risk rating
- Has the potential to cause material financial impact
- Is modelled for the Viability Statement
- Oversight: Group Finance Director

Impact

A negative impact on the Group's ability to grow, whether in particular geographies, verticals or overall.

Potential to weaken brands and value over time, leading to reputational damage and impairing ability to raise funding.

Fluctuations in currency exchange rates can have both negative and positive effects.

Relevance to Informa

When economies decline, our customers may retract their budgets and choose not to exhibit or travel.

Changing patterns in global trading may impact specific sectors and affect demand for related industry exhibitions and conferences.

A global economic downturn could affect the Group's ability to deliver growth in the near term. However, it could also present an opportunity to acquire businesses at a lower cost and lay the foundation for long-term growth.

Mitigating activities

Informa has an international customer base, selling into around 170 countries, which dilutes the effect of downturns in specific geographies. We provide the world's leading exhibitions for certain industry sectors which drive our customers' order books, so even in economic downturns, attendance remains relatively stable. The breadth of the Group's portfolio by verticals, products and customer types also mitigates the impact of downturns in particular markets.

Many of our content and data products are subscription-based, making revenue more predictable. Exhibition revenue is often contracted well in advance of the event. Credit exposure is minimised through advance payments, particularly for exhibition stands, and through credit control activities.

Economic risk and opportunity are considered in the three-year planning process overseen by the Group Finance Director. The annual budgets that result from the planning process are a control, against which results are monitored through the monthly reporting process. This surfaces any effects of economic instability and informs commercial decision making.

Movements in currency can have positive and negative impacts on the Group's reported earnings. This is managed through hedging currency fluctuations so that our net debt profile is proportionate to our exposure to currency fluctuations in EBITDA.

Geopolitical volatility increases the likelihood of economic instability; however, our overall net rating remained stable at the end of 2018.

2. Market risk

- 2018: no movement in net risk rating
- Has the potential to cause material financial impact
- Is modelled for the Viability Statement
- Oversight: Executive Management Team

Impact

If market risk is not addressed through strategy, investment, development and innovation, products and services could be perceived as less valuable, with revenues and margins eroded and some products or services becoming obsolete.

Relevance to Informa

The markets which we serve experience growth and decline, and, in some sectors, disruption. We may not be able to innovate at a pace that ensures that our products, services and brands remain relevant or we may lose custom to our competitors.

Markets can be disrupted, for example fashion producers selling directly to purchasers online.

Group strategy is informed by customer demand and feedback. Wider market, strategic and investment decisions are made with due consideration of market risk.

Mitigating activities

Market developments are thoroughly considered in decision making. They are addressed at strategic levels and through market research into businesses and products operating in similar spaces. Acquisitions are considered for their portfolio fit for the markets we serve.

The enlarged Group now operates in the Fashion & Jewellery sector and has a larger exposure to emerging markets. Fashion is undergoing transformation as a sector, and we have launched the Fashion *GAP* programme to determine how we can enhance our products and customer experience, and drive the ongoing relevance of our portfolio. The Executive Management Team oversees market risk by conducting regular people, planning and product-focused meetings with each Division, typically on a quarterly basis.

Market risk is also regularly addressed by the Board and addressed as part of Informa's three-year planning cycle, with these plans formally presented to the Board.

3. Acquisition and integration risk

- 2018: no movement in net risk rating
- Has the potential to cause material financial impact
- Not modelled for the Viability Statement
- Oversight: Board

Impact

Acquisitions could deliver lower than expected return on investment, diminished growth, weaker acquired brand assets, increased risk and inconsistent corporate culture. Poor acquisitions may also lead to impairment charges and the inability to obtain future funding.

Relevance to Informa

Growth through targeted acquisition is one part of the Group's strategy and a way to seize opportunities that will create benefits for our stakeholders. The most recent scale addition was UBM in June 2018.

As well as organic growth, Informa's growth strategy includes the acquisition of businesses in target verticals and markets. The Group is prepared to take reasonable risks to acquire new assets, talent, capabilities, products, brands and innovations.

Mitigating activities

Informa actively monitors the market and engages with relevant parties to identify suitable acquisition targets. These are then assessed to see if they form an attractive strategic and cultural fit. Investment decisions are made according to set financial parameters and capital is allocated to the markets and Divisions in order to maximise long-term value creation. This process is led by the Director of Strategy and Business Planning.

Capital allocation for acquisitions is determined at Group level. Targets are analysed by the Corporate Development team, and a cross functional team of experts supports the commercial leads through due diligence prior to acquisition.

Integration plans are developed at Division level with support and oversight from the Group. All acquisitions have formal governance, leadership and project management to deliver integration, with significant acquisitions receiving greater Group-level governance. In the case of UBM, additional resources were brought in to support delivering business as usual while key colleagues focused on the integration.

An annual review is reported to the Board on post-acquisition performance, including an assessment of any variation to the expected return on investment. Progress on all acquisitions is also reported to the Board regularly throughout the year, with commensurately more detail for significant acquisitions.

See the section on risk management and the combination on page 63 for more information on Informa and UBM.

4. Ineffective change management

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Executive Management Team

Impact

Change, if not managed effectively, could result in unrealised opportunities, poor project delivery, colleague turnover, erosion of value and failure to deliver growth.

Relevance to Informa

Culturally, Informa adopts an agile business approach and pursues development and change in order to grow, innovate and respond to new challenges and opportunities.

The breadth and pace of change can present strategic and operational hurdles.

Bringing together new and different business cultures also presents risk.

Growth requires change, and ineffective change management may produce a lag on growth. Acquisitions may introduce cultures that are not aligned with Informa's culture of support and inclusion. This could result in behaviours that undermine and degrade performance and strategic direction.

Mitigating activities

Informa's large-scale investment programmes and acquisitions adopt common programme and change management disciplines, with defined governance and reporting structures in place.

The Executive Management Team oversees, and independently or collectively sponsors, key investment initiatives across Informa.

A team of programme directors and change delivery experts is deployed on core strategic projects. The stability in key leadership roles allows a culture of continuous learning and improvement.

Where appropriate, we adapt reward structures to incentivise successful delivery of in-year or multi-year strategic programmes.

The Risk Committee acts as the overseer of the risk landscape with the authority to map risk profiles of large change initiatives, and raise attention to areas of concern.

5. Reliance on key counterparties

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

If key counterparties fail, there could be serious disruption to certain business activities, resulting in lower levels of trading and revenues, and a decline in customer satisfaction.

Relevance to Informa

In certain conditions, markets and geographies, we rely on key strategic partners who enable the delivery of our business objectives.

Where we are dependent on key counterparties for critical business delivery, these relationships are identified and monitored.

Key relationships, services and venues could negatively affect the Group's ability to generate and deliver value, or impact our operations if they fail.

Mitigating activities

The Group diversifies its reliance on key counterparties wherever possible and has a Treasury Policy to ensure the Company is not over-reliant on a particular financing partner.

Each Division is required to identify key counterparties, explain the nature and extent of their exposure to them, and report on activities in place to mitigate specific exposures to the Risk Committee when requested.

Mitigations include requiring counterparties to have robust and tested business continuity plans in place; service level agreements; contracts; proactive relationship management; and ensuring suppliers are paid on time so that services are not suspended.

For Brexit planning, we are working with relevant business partners to ensure we can build resilience in areas where we may be impacted. For example, we have drawn up plans with the printers of our books to ensure continuity of supply.

6. Technology failure

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

A prolonged loss of critical systems networks or similar services could inhibit our ability to deliver events, products and services, increase costs, result in poor customer experience and negatively impact the Group's reputation.

Relevance to Informa

The Group relies on technology to make and deliver products and services, engage with customers and pay suppliers. This dependency is recognised in the risk of a major technology failure.

Technology underpins all the Group's business activity, and enables future scale and innovation.

Mitigating activities

Informa has a Group-wide strategy to deploy cloud computing, due to its benefits in building resilience into our products and services and in providing the foundations for scalable solutions.

To support this "Cloud First" strategy, technology service providers are assessed and selected on their capability to deliver the required service reducing the risk of downtime. Colleagues can utilise secure cloud desktop services, facilitating mobility and flexibility.

We continue to invest in backup and recovery technology and controls to mitigate the risk of data loss and extended unavailability of key systems.

The Group continues to reduce complexity and on-premise physical infrastructure. The combination of Informa's and UBM's systems and platforms is underway; a complex process that is prioritised and programmed through a defined roadmap, monitored by the Combination Integration Management Office and Executive Management Team.

7. Data loss and cyber breach

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

Loss of sensitive data through mismanagement, theft, cyber crime or security breaches could lead to losses for our stakeholders, and investigations, fines and business interruption. If handled poorly, reputational damage could also result.

Relevance to Informa

This risk encompasses major security breaches, and any resulting loss of sensitive or valuable data, content or intellectual property.

There could be significant reputational damage if this risk materialises and is not handled in line with stakeholders' expectations.

The business and delivery of strategic objectives relies on data. If a significant loss materialised, this would distract from our strategic goals through excessive demands on management time to respond to the loss.

Mitigating activities

The risk from criminal cyber activity continues to grow and attempts to attack and disrupt businesses are more common and widespread. To address the risk to key systems we continue to invest in information security countermeasures, controls and expertise.

A Group Chief Information Security Officer has been appointed to provide Group-wide leadership and governance, and drive information security strategy and tactical initiatives.

Informa takes the security and privacy of Company, colleague and customer data seriously and employs a defence-in-depth approach, comprising administrative, technical and physical controls aligned with industry good practice to protect the confidentiality, availability and integrity of key systems.

Our information security awareness programme supports an information security culture across the Group. Internal and external assurance programmes formally report the Group's compliance with Informa policies, standards and controls to the Audit Committee, Risk Committee and Executive Management Team.

8. Inability to attract and retain key talent

- 2018: net risk rating increased
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Executive Management Team

Impact
A talent shortage could lead to an increased turnover of colleagues with an associated rise in costs; loss of knowledge; decreased efficiency; and a demotivated workforce with the associated lag on productivity and erosion of corporate value.

Relevance to Informa
The Company is dependent on appropriately skilled talent to deliver its products and services. The inability to attract, recruit and retain colleagues, and inadequate succession planning at Senior Management levels, would erode the Company's performance.

Our colleagues create and deliver products and services to our customers, and the innovation and operational execution necessary for future growth.

Mitigating activities
During the year, the Company's depth of talent expanded with over 3,000 colleagues joining from UBM.

Colleague engagement is evaluated at least annually, attrition is tracked through the year and leavers are surveyed to understand root causes. These insights are drawn together to understand underlying themes and to inform corrective action where it is necessary.

The Executive Management Team and Board review the depth of talent across Informa and the short and longer-term succession plans for critical roles.

Informa redesigned and invested in the global HR function during 2018. Specialist roles were created with expertise in reward, learning and development, recruitment and business partnering. The model and resource allocation placed our HR specialists closest to our colleagues and communities. The newly created role of Group HR Director is part of the Executive Management Team and sits on the Risk Committee.

Although attrition is inevitable, the Company seeks to protect the business through appropriate post-termination restrictions for colleagues in business-critical roles.

9. Health and safety incident

- 2018: net risk rating increased
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

A major health and safety incident has the potential to cause life-changing injuries and, at worst, fatalities. Mismanagement of health and safety can also result in reputational damage, investigations, fines and multiple claims for damages.

Relevance to Informa

Good standards of health, safety and security are of primary importance.

Informa takes the welfare of its colleagues, customers and business partners seriously and expects to operate in safe and healthy conditions. This approach underpins how we deliver our events, engage with venues and manage our premises.

A serious failure in this area could undermine Informa's reputation as a leading and trusted business and organiser of events.

Mitigating activities

Informa's health and safety policies set out clear guidance on required standards across all areas of the Group.

To set the tone and direction, the Board has issued a Health and Safety Risk Appetite and Tolerance Statement, asserting that the welfare of colleagues, customers and business partners is of primary importance and that anyone may raise health and safety concerns without any fear of reprisal.

The Health and Safety function is focused on embedding consistent standards and approaches across the combined Group. Quarterly reports are made to the Risk Committee, and during the year we introduced a reporting dashboard which gives the Committee a good understanding of the status of health and safety developments and training.

Near-misses and incidents at our events and premises are reported to the Risk Committee. We audit events and premises, and monitor required actions until they are completed.

A Group-wide travel management system allows us to book accommodation and travel that meet acceptable safety standards, and to know where colleagues are in the event of an emergency.

We have established a skilled team of health and safety experts who are regionally based. They support our operations teams in embedding high, consistent standards. We have raised the net risk rating to reflect that we are in the process of embedding consistent standards across the enlarged Group.

10. Major incident

- 2018: no movement
- Has the potential to cause material financial impact
- Modelled for the Viability Statement
- Oversight: Risk Committee

Impact

Major incidents have the potential to cause harm and injury to people, venues and premises and severely interrupt business. If the Group's response to a major incident is inadequate, this could result in additional reputational damage.

Relevance to Informa

The nature of our global events businesses requires us to organise large volumes of people all over the world, so there is inherent potential to be impacted by major incidents.

We also operate in some countries where the infrastructure and ability to respond to major incidents can be limited.

Mitigating activities

We consider extreme weather events in the planning of event schedules. In 2018, some events and premises were disrupted by extreme weather. Our response is always to put the safety of people first, and this resulted in the evacuation of homes and offices in California and a one-day closure of an event.

The Group also considers terrorism threats, proximity to likely terrorist targets, and potential unrest or protests in event planning.

We apply defined security risk assessments for high risk operations so that appropriate additional security measures can be taken to protect customers, colleagues and business partners.

A key initiative of the Health, Safety and Security team in 2018 was to embed our emergency response planning, with training rolled out across our combined Group for events and premises teams.

The team provides support and advice in the event of an emergency and, in severe circumstances, a dedicated Crisis Council would convene to direct our response.

11. Inadequate regulatory compliance

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

Failure to comply with applicable regulations could lead to fines, imprisonment, reputational damage and the inability to trade in certain jurisdictions.

Relevance to Informa

We have a commitment to ethical and lawful behaviour. Where regulations are mandatory, we expect full compliance.

The Group's licence to operate and grow is in part determined by compliance with national and international regulation and the support of stakeholders. This includes customers, colleagues and Shareholders, who increasingly favour companies that work in an ethical way.

Mitigating activities

Through the Group's compliance programme, Informa aims to comply with all applicable regulations. The Group also supports a culture of transparency, integrity and respect, which ensures individual behaviours align with corporate policy.

A review of UBM's policies revealed a very similar approach, and during 2019 we will publish refreshed codes and policies across the enlarged Group.

During 2018, we continued to deliver compliance training to new joiners during the year, including Code of Conduct and Anti-Bribery and Corruption training. New starters receive these training modules promptly and are required to accept our core policies, including Acceptable Use of Technology and Information Security standards.

Our compliance programme is structured to meet our obligations under material legislation and we monitor our status to ensure continuous improvement.

Our Code of Conduct and Business Partner Code of Conduct together set out the behaviour we expect of all colleagues and business partners. We provide speak-up facilities, including a confidential hotline, to encourage both internal and external users to raise any concerns. Our policies make it clear that all issues reported are investigated promptly and that retaliation for raising genuine concerns is not tolerated.

12. Privacy regulation risk

- 2018: no movement in net risk rating
- The potential to cause material financial impact is considered low
- Not modelled for the Viability Statement
- Oversight: Risk Committee

Impact

The potential impacts include changes to operations to comply with regulations, and changes to the way the Company can market its products, services and events. Non-compliance can result in significant fines with associated customer dissatisfaction and reputational damage.

Relevance to Informa

We rely on data to produce and market our products and services. An inability to comply with the diverse tightening and growing global privacy legislation may limit our access to, and use of, data.

Compliance with privacy regulations will influence marketing strategies and, therefore, the acquisition of new customers. Over-compliance with privacy regulations, such as applying the strictest rules globally, could result in commercial disadvantage.

Mitigating activities

There is a global trend towards tightening privacy laws; the most significant to affect the Group was the introduction of the General Data Protection Regulation (GDPR), which came into force in May 2018. There were also changes to data compliance in Australia, Canada, Asia-Pacific and the US. This trend has a broad impact on the Group, from how we address privacy compliance to how we adapt marketing strategies to ensure successful business operations under tighter regulations.

During 2018, we continued to focus on GDPR compliance, implementing a privacy framework along with policies and guidance in key areas. This included updating terms and conditions with suppliers, web-based training to all colleagues, updated Customer Privacy Policies on our websites and new rights management processes.

We have a Group Data Protection Officer to lead data privacy compliance, along with divisional Privacy Managers who work with the Divisions to embed the standards into the business operations. A Data Protection Management Forum was established to support and oversee privacy compliance initiatives. We continue to monitor external factors to provide guidance and support to the Group and consider operational impacts.

Informa's prospects and viability

As part of the Group's strategy of continued and consistent growth and performance, Informa's Directors, at all times, maintain a sharp focus on assessing the Group's long-term prospects and the Company's viability as a business on a three-year basis.

The Directors have specifically assessed Informa's viability over the next three years, which they believe is an appropriate time frame, since it is consistent with our three-year business planning horizon and its associated three-year financial forecast, the nature of Informa's business and the previous time horizons we have reported on.

Assessing Informa's prospects

Informa operates in the market for knowledge and information and has developed strong positions in many customer end markets that offer the potential for long-term growth. It has many of the elements necessary for greater future business success – valuable brands, strong customer relationships and market knowledge, talent and a culture of ideas with commercial focus.

The Group seeks to build on these strong foundations with continued investment in its products and customer platforms, alongside further expansion.

After *GAP* and through the combination with UBM, Informa is seeking to benefit from having increased reach and the specialist capabilities to capture the long-term growth potential of the expanding market for business-to-business information services.

Informa runs a rigorous annual business planning and strategy process, involving divisional and Group management with Board input and oversight. This produces Group and divisional strategic plans, which in turn generate three-year financial plans that drive the setting of in-year budgets.

This process, and the plans that result from it are a significant contributor to the assessment of the Group's prospects. Informa's current position, Group-level strategy, business model and the risks related to the business model are also used in the assessment, as shown in the table on page 74.

Structured strategic and financial planning process

The Group's prospects are assessed primarily through the annual strategic planning process, which involves the creation of business plans by divisional management that are then reviewed in detail by the Group Chief Executive, Group Finance Director and the Director of Strategy and Business Planning.

To create these plans, each Division assesses external factors, such as peers and their activity, broad and specific risks and market trends, and internal factors, including people, planning and product-focused matters – that influence the business's approach today.

Objectives are set with consideration for what is known about customer trends and demands, and emerging risks and opportunities over that period, plus an analysis of what each Division needs to do to achieve those objectives, whether that is launching new activities, securing additional capabilities or continuing existing programmes.

What results is a set of objectives and initiatives from which each Division will derive a three-year financial plan including detailed financial forecasts and a clear explanation of key assumptions and risks. Plans are updated at key dates and for significant events.

At its annual Board Strategy meeting, the Board reviews and challenges these strategic and financial plans.

The latest set of three-year business plans was reviewed and agreed by the Board in September 2018. The first year of these plans is used to inform the 2019 budget, itself approved by the Board in December 2018.

These detailed financial forecasts are also used as a basis for the annual impairment review, to inform treasury funding requirements and as an assessment of the liquidity available for reinvestment and to return to Shareholders through dividends. Divisional financial plans combine to produce the Group's overall financial forecast, where it is assumed that dividends grow by at least 6% in line with Informa's most recently stated commitment.

Factors in assessing long-term prospects

Group's current position	Strategy and business model	Principal risks
• Recurring revenue streams with strong cash dynamics, including positive working capital driving high cash conversion • Diversified business model by geography of operations and customers • Diversified business model by products and by the markets in which Informa operates • Strong market positions, brands that customers value, and a focus on long-term customer relationships • Flexible cost structure, enabling the business to respond effectively to changes in demand or in markets See the Finance Review on page 76 for more detail	• Clear growth strategy • Under the *AIP*, focus on maintaining performance and integrating the UBM business at pace while creating an enlarged Informa Group with the positions and opportunities for continued growth and scale. • Support the *AIP* through a six part programme which includes: 1. Development of the Group operating model 2. Strengthening talent and leadership 3. Rebalance and focus through Progressive Portfolio Management 4. Delivering synergy benefits 5. Return Fashion business to growth 6. Simplify and strengthen brand value • Business model that draws on talent, brands and intellectual capital, technology, relationships and partnerships, financing and access to dynamic and growing customer markets See business model on page 20 and Group strategy on page 10 for more detail	• Consideration of the principal risks directly related to the Group's business model • Colleague and talent-focused risks around retention and change management • Market risk related to brand promotion and protection and economic instability • The risk of technology failure, data loss and cyber breach • Customers and relationships impacted by privacy regulation risk and reliance on key counterparties • Acquisition and integration-related risk See pages 66 to 72 for a description of each principal risk

Assessing the Group's viability

For each principal risk, a severe but plausible scenario is considered.

Scenarios include a considerably worse performance than anticipated from certain key markets, the impact of a general economic downturn and a significant external event impacting our most profitable events. In assessing the impact of a general economic downturn we have specifically considered the impact of Brexit and the sensitivity across our business.

Where a severe but plausible scenario creates a financial impact of over 5% of EBITDA, the principal risk is modelled against the three-year financial plan to test whether it would adversely impact the Group's viability. Additionally, the three largest risks in terms of their potential financial impact are modelled together as a single scenario, to understand their combined financial impact.

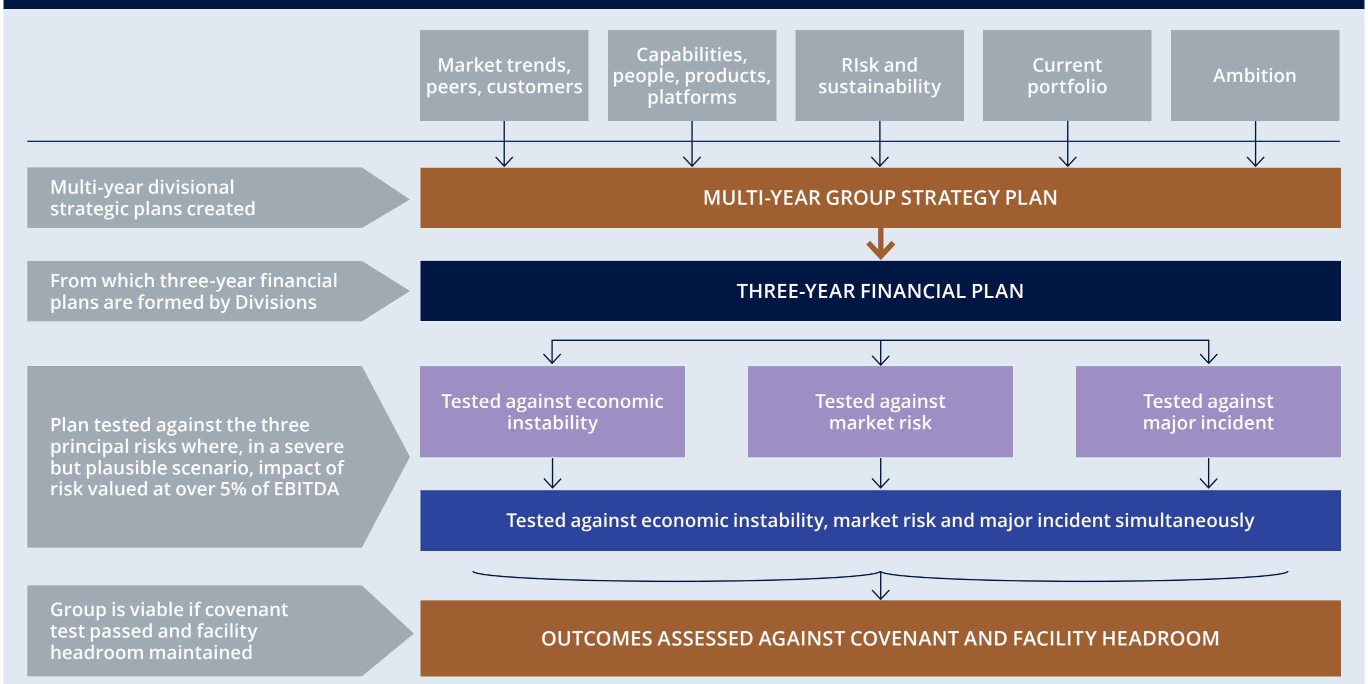
The Group is viable if gearing and interest cover ratios within its financial covenants are maintained within prescribed limits, and if there is available debt headroom and cash to fund operations.

Viability testing is carried out against Informa's existing debt facilities, assuming the renewal of the Group's Revolving Credit Facility, which was subsequently renewed on 15 February 2019.

In all cases, including after modelling the largest three scenarios together, no mitigating actions are necessary in order for Informa to remain viable.

Principal risk	Risk assessed	Risk above 5% EBITDA	Impact on viability modelled	Multi-scenario test
Economic instability	✓	✓	✓	✓
Market risk	✓	✓	✓	✓
Acquisition and integration risk	✓	×	×	×
Ineffective change management	✓	×	×	×
Reliance on key counterparties	✓	×	×	×
Technology failure	✓	×	×	×
Data loss and cyber breach	✓	×	×	×
Inability to attract and retain talent	✓	×	×	×
Health and safety incident	✓	×	×	×
Major incident	✓	✓	✓	✓
Inadequate regulatory compliance	✓	×	×	×
Privacy regulation risk	✓	×	×	×

Viability modelling



Viability Statement

Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue to operate and meet its liabilities as they fall due over the three-year period to December 2021.

Gareth Wright
Group Finance Director

A further year of growth and financial performance

“Free cash flow generation and the conversion of profits into cash continues to be a priority and one of the Group’s key performance indicators.”

Informa had another busy and productive year in 2018, delivering further improvement in our financial performance while expanding through combination with UBM, and reporting a fifth consecutive year of growth in revenue, adjusted operating profit, adjusted earnings, cash flow and dividends.

Group financial highlights

Group revenue increased by 3.7% on an underlying basis (2017: 3.4%) adjusting for the effect of currency movements, acquisitions, disposals and phasing. This met our stated target of more than 3.5% and brought total revenues to £2,369.5m (2017: £1,756.8m).

Adjusted operating profit reached £732.1m, reflecting a reported growth rate of 34.4% and an underlying growth rate of 2.3%. Statutory operating profit increased by 5.4% to £363.2m.

The Group’s adjusted operating margin remained stable at 30.9% (2017: 31.0%). When excluding the contribution from UBM, margins were slightly lower due to the effect of faster growth from some lower margin products such as Academic Books, the currency impact of a weaker US dollar, and higher depreciation from divisional *GAP* investments and from completing an enterprise resource technology upgrade. Overall, margins remain attractive and robust and reflect the quality of our business-to-business information services portfolio.

Adjusted earnings for 2018 rose to £519.8m (2017: £380.4m), increasing the Group’s diluted adjusted earnings per share by 7.0% to 49.2p (2017: 46.0p), reflecting a 36.6% increase in adjusted earnings and a 28.0% increase in the average number of shares after issuing equity to help fund the offer for UBM. Statutory diluted earnings per share decreased by 47.6% to 19.7p, principally reflecting the increase in adjusting costs in the year.

Free cash flow generation and the conversion of profits into cash continue to be a priority and are one of the Group’s key performance indicators, providing flexibility for paying down debt, future investment and consistent Shareholder returns. Free cash flow advanced to £503.2m in 2018.

The Group’s stated target range for leverage is between 2.0 and 2.5 times, with the potential to reach around 3.0 times for acquisitions. Given the strength of our cash flow generation, we are targeting to reduce leverage from 2.9 times at year end to within range by the end of 2019.

2018 divisional performance

An overview of the performance of Informa’s four Operating Divisions throughout 2018 can be found in the divisional review section starting on page 40 and a detailed summary follows in this section.

£503.2m
2018 free cash flow

30.9%
Adjusted operating margin

In 2018, the UBM portfolio contributed £613.5m to Group revenues for the six months and 15 days it was part of Informa. It traded in line with expectations, recording 2.8% underlying revenue growth across the full year, up from 1.4% in 2017. Its events area grew by +4.2%, offsetting a -5.8% decline in Other Marketing Services prior to the disposal described later in this section.

Financing the combination

A considerable amount of work was undertaken to secure an attractive funding package for the UBM offer. This was financed through a combination of debt and equity, with around 428m new shares issued to Shareholders and valued at £3,545.1m and a short-term acquisition facility financing the cash consideration of £643.5m.

The short-term facility was quickly refinanced while markets were favourable, leading to our first public bond, through oversubscribed issues for a €650m five-year Euro bond and a £300m eight-year sterling bond.

In early 2019, we also refinanced the Group's £855m Revolving Credit Facility, with a syndicate of 11 banks funding a five-year agreement for £600m and £300m for a three-year term, at lower rates than previous arrangements. This pushes average debt maturity to 5.2 years and our weighted average cost of funding to 3.7%, providing flexibility at an attractive rate of funding.

Enlarged Group's financial characteristics

A high proportion of the enlarged Group's revenues continue to be predictable and recurring in nature, giving us strong forward visibility. This includes revenues from the sale of annual or multi-year subscriptions to data and intelligence products and scholarly journals, from selling stand space at events and from multi-year sponsorship of events and exhibitions.

The Group's international operations mean that currency movements impact reported revenues and profits. The majority of revenues continue to be generated in US dollars and in currencies linked to the US dollar.

Our financial results are therefore particularly sensitive to the movements in the USD/GBP exchange rate, which was a headwind during 2018. Where there is a cash exposure, we continue to hedge currency exposure using interest rate swaps and other financial instruments.

Informa continues to take a low risk approach to tax planning, recognising the importance of tax contributions to the economies and communities in which we work. The Group's effective tax rate decreased to 17.9% in 2018 (2017: 21.2%) mainly due to the impact of a lower tax rate in the US following the recent US tax reform and the release of provisions for uncertain tax positions, primarily in relation to legacy UBM matters.

Through the combination, the Group has inherited two defined benefit pension schemes which, like Informa's existing defined benefit schemes, are closed to future accrual. The Group's net pension liability at the end of 2018 was a modest £33.0m.

"Informa continues to take a low risk approach to tax planning, recognising the importance of tax contributions to the economies and communities in which we work."

Combination and consolidation in 2019

Informa's consistent financial performance and accelerated integration during 2018 set the Group up well for delivering further growth as a combined Group in 2019.

Through our new divisional structure, we are targeting continuing growth across all five Operating Divisions, as well as improving margins and strong cash flow.

As part of this, we remain focused on delivering on the promises made to Shareholders, including generating at least £50m in gross cost synergies in year during 2019, rising to a £60m run rate by the end of 2020 and a £75m run rate by the end of 2021.

We continue to focus our businesses around key customer markets that offer the greatest opportunity for growth and attractive returns. Through the *AIP*, we are making further choices about where to focus efforts and investment.

In January 2019, as part of the Progressive Portfolio Management programme we completed the sale of UBM's Life Sciences media brands portfolio to MJH Associates for just over $100m and continue to explore options for other businesses, including the IGM financial information business and the Agribusiness Intelligence portfolio within **Business Intelligence**.

The proceeds of any disposals will be used to reinvest in the core business, fund future returns to Shareholders and maintain Balance Sheet flexibility.

Gareth Wright

Group Finance Director

6 March 2019

"Through our new divisional structure, we are targeting continuing growth across all five Operating Divisions as well as improving margins and strong cash flow."

Income statement

In 2018, the first year following the completion of the 2014-2017 *Growth Acceleration Plan*, we delivered a fifth consecutive year of growth in revenue, adjusted profit, adjusted earnings and cash flow. Revenue increased by 34.9% to £2,369.5m and adjusted operating profit by 34.4% to £732.1m, with revenue growing by 3.7% on an underlying basis and adjusted operating profit by 2.3%. Statutory operating profit increased by 5.4% to £363.2m.

	Adjusted results 2018 £m	**Adjusting items 2018 £m**	**Statutory results 2018 £m**	Adjusted results 2017[1] £m	Adjusting items 2017[1] £m	Statutory results 2017[1] £m
Revenue	**2,369.5**	**–**	**2,369.5**	1,756.8	–	1,756.8
Operating profit/(loss)	**732.1**	**(368.9)**	**363.2**	544.9	(200.2)	344.7
Profit/(loss) on disposal	**–**	**1.1**	**1.1**	–	(17.4)	(17.4)
Net finance (costs)/income	**(82.4)**	**0.2**	**(82.2)**	(59.1)	–	(59.1)
Profit/(loss) before tax	**649.7**	**(367.6)**	**282.1**	485.8	(217.6)	268.2
Tax(charge)/credit	**(116.2)**	**55.7**	**(60.5)**	(103.0)	148.0	45.0
Profit/(loss) for the year	**533.5**	**(311.9)**	**221.6**	382.8	(69.6)	313.2
Adjusted operating margin	**30.9%**			31.0%		
Adjusted diluted EPS	**49.2p**		**19.7p**	46.0p		37.6p

1. 2017 restated for the implementation of IFRS 15.

Measurement and adjustments

In addition to the statutory results, adjusted results are prepared for the income statement, including adjusted operating profit and adjusted diluted earnings per share. The Board considers these non-Generally Accepted Accounting Principles (GAAP) measures as the most appropriate way to measure the Group's performance because it is comparable to the prior year. This is also in line with the similarly adjusted measures used by peers and therefore facilitates comparison. The adjusting items section provides a reconciliation between statutory operating profit and adjusted operating profit by Division. Adjusted results are prepared to provide a useful alternative measure to explain the Group's business performance and include recurring and non-recurring items.

Underlying refers to results adjusted for acquisitions/disposals, the phasing of events, including biennials, and the effects of changes in foreign currency. Year-on-year growth from acquisitions/disposals is included on a pro-forma basis from first day of ownership. Reported figures exclude all such adjustments. Underlying revenue and adjusted operating profit growth are reconciled to reported growth as follows:

	Underlying growth	Phasing and other items	Acquisitions and disposals	Currency change	Reported growth
2018					
Revenue	**3.7%**	**(0.4%)**	**35.4%**	**(3.8%)**	**34.9%**
Adjusted operating profit	**2.3%**	**(0.1%)**	**37.6%**	**(5.4%)**	**34.4%**
2017					
Revenue	3.4%	0.1%	21.4%	5.7%	30.6%
Adjusted operating profit	2.3%	(0.4%)	20.8%	8.4%	31.1%

Adjusting items

The adjusting items below have been excluded from adjusted results. The total charge against operating profit for adjusting items rose to £368.9m in 2018 (2017: £200.2m), mainly due to the combination with UBM, with the amortisation of acquired intangible assets comprising by far the largest item in both years.

	2018 £m	2017[2] £m
Intangible amortisation and impairment:		
Intangible asset amortisation[1]	243.6	157.8
Impairment of goodwill and acquisition intangibles	9.8	5.6
Acquisition costs	42.9	4.4
Integration costs	46.0	19.6
Restructuring and reorganisation costs:		
Redundancy and reorganisation costs	8.1	6.7
Vacant property costs	5.0	6.2
Remeasurement of contingent consideration	(0.1)	(0.1)
UAE VAT charge	9.1	–
Guaranteed Minimum Pension (GMP) equalisation	4.5	–
Adjusting items in operating profit	368.9	200.2
(Profit)/loss on disposal of subsidiaries and operations	(1.1)	17.4
Investment income	(1.2)	–
Finance costs	1.0	–
Adjusting items in profit before tax	367.6	217.6
Tax related to adjusting items	(55.7)	(62.6)
Tax adjusting item for US federal tax reform	–	(85.4)
Adjusting items in profit for the year	311.9	69.6

1. Intangible asset amortisation is in respect of acquired intangibles and excludes amortisation of software and product development.
2. 2017 restated for the implementation of IFRS 15.

The increase in intangible asset amortisation in 2018 primarily reflects the six and a half months of amortisation of acquired intangibles relating to the UBM acquisition. For the Group, other intangible amortisation relates to book lists and journal titles, acquired databases, customer and attendee relationships, and brands related to exhibitions and conferences. Intangible asset amortisation arising from software assets and product development is not treated as an adjusting item and so not included in the table, as it is treated as an ordinary cost in the calculation of adjusted operating profit.

Acquisition costs of £42.9m included £41.1m of costs relating to the acquisition of UBM, with integration costs of £46.0m including £39.5m relating to the integration of UBM.

Following the introduction of Value Added Tax on 1 January 2018 in the UAE the Group identified and reported an underpayment during 2018 and made a correcting payment. In January 2019 the UAE tax authorities assessed a tax penalty of £9.1m in relation to the late payment. The Group is disputing this penalty assessment; however, an amount of £9.1m has been provided for within adjusting items in the year.

Following the completion of the *Growth Acceleration Plan* at the end of 2017, all four Operating Divisions delivered positive underlying revenue growth in 2018. Combined with the stub period contribution from UBM, this produced Group underlying revenue growth of 3.7% and underlying profit growth of 2.3%, as illustrated in the following table:

	GE £m	AP £m	BI £m	K&N £m	UBM £m	Total £m
Revenue	**575.8**	**533.2**	**385.6**	**261.4**	**613.5**	**2,369.5**
Reported revenue growth	2.7%	0.6%	0.6%	(7.6%)	n/a	34.9%
Underlying revenue growth	6.7%	2.2%	2.6%	2.3%	3.7%	3.7%
Statutory operating profit	**116.4**	**138.3**	**69.3**	**9.2**	**30.0**	**363.2**
Add back:						
Intangible asset amortisation[1]	67.5	52.7	22.8	15.6	85.0	243.6
Impairment of intangibles	5.7	–	–	4.1	–	9.8
Acquisition costs	0.7	0.3	0.2	–	41.7	42.9
Integration costs	1.8	0.4	1.3	0.6	41.9	46.0
Restructuring and reorganisation costs	0.9	6.7	4.5	1.0	–	13.1
Remeasurement of contingent consideration	(2.0)	–	(7.3)	9.2	–	(0.1)
UAE VAT charge	9.1	–	–	–	–	9.1
GMP equalisation	–	–	0.3	0.2	4.0	4.5
Adjusted operating profit	**200.1**	**198.4**	**91.1**	**39.9**	**202.6**	**732.1**
Underlying adjusted operating profit growth	6.0%	0.3%	0.9%	(2.1%)	2.2%	2.3%

1. Intangible asset amortisation is in respect of acquired intangibles, and excludes amortisation of software and product development.

Net finance costs

Adjusted net finance costs, consisting principally of interest costs on US private placement loan notes, bond and bank borrowings, increased by £23.3m to £82.4m. The increase mainly reflects the effect of higher average debt levels following the acquisition of UBM in June 2018. This increased net debt by £1,211.9m, taking into account a cash consideration of £643.5m and £568.4m of net debt acquired. Finance costs also increased due to higher US LIBOR rates in the year.

Net interest paid increased by £12.4m to £64.2m, primarily associated with the interest payment on the additional debt finance from the UBM acquisition.

Taxation

Approach to tax

The Group continues to recognise that taxes paid are part of the economic benefit created for the societies in which we operate, and that a fair and effective tax system is in the interests of taxpayers and society at large. We aim to comply with tax laws and regulations everywhere the Group does business. Informa has open and constructive working relationships with tax authorities worldwide and our approach balances the interests of stakeholders including Shareholders, governments, colleagues and the communities in which we operate.

Tax expense

The Group's effective tax rate (ETR) reflects the blend of tax rates and profits in the jurisdictions in which we operate. In 2018, the adjusted effective tax rate was 17.9% (2017: 21.2%).

The decrease in the ETR principally relates to the impact of a lower tax rate in the US following recent US tax reform and the release of provisions for uncertain tax positions, primarily in relation to legacy UBM matters.

Tax payments

During 2018, the Group paid £82.4m (2017: £45.3m) of corporation and similar taxes on profits. The increase relates to tax payments by UBM companies, the timing of which was weighted to the second half of the year.

A breakdown of the main geographies in which the Group paid tax is as follows:

	2018 £m	2017 £m
UK	39.9	39.0
Continental Europe	7.7	2.3
United States	1.7	(3.2)
China (including Hong Kong)	25.2	3.3
Rest of World	7.9	3.9
Total	82.4	45.3

The reconciliation of the adjusted tax charge to cash taxes paid is as follows:

	2018 £m	2017[1] £m
Tax charge on adjusted profit before tax (PBT) per Consolidated Income Statement	116.2	103.0
Movement in deferred tax including US tax losses	(5.3)	(22.0)
Current tax deductions in respect of adjusting items	(29.4)	(39.4)
Movement in provisions for uncertain tax positions	5.6	(0.7)
Taxes paid in different year to charged	(4.7)	4.4
Taxes paid per Consolidated Cash Flow Statement	82.4	45.3
Less: tax relating to Penton acquisition forward contract	–	(11.8)
Taxes paid per free cash flow	82.4	33.5

1. 2017 restated for the implementation of IFRS 15.

At the end of 2018, the deferred tax asset relating to US tax losses was £106.0m (2017: £45.6m), which is expected to be utilised against future US profits.

Goodwill is not amortised, and as a result, there is no charge to adjusting items for goodwill amortisation. However, there can be an allowable tax benefit for certain goodwill amortisation in the US and elsewhere, and so where this benefit arises, it reduces the tax charge on adjusted profits.

The amortisation of intangible assets is considered an adjusting item. Therefore, the £16.7m (2017: £27.3m) current tax deduction taken in respect of the amortisation of intangible assets is also treated as an adjusting item and is included in the current tax deductions in respect of adjusting items noted above.

Tax contribution

The Group's total tax contribution, which comprises all material taxes paid out of profits and other material taxes paid by our businesses, was £139.1m in 2018 (2017: £82.3m). The geographic split of our total tax contribution was as follows:

	UK £m	US £m	Other £m	Total £m
Profit taxes borne	39.9	1.7	40.8	82.4
Employment taxes borne	23.6	17.8	7.5	48.9
Other taxes (e.g. business rates)	4.6	1.7	1.5	7.8
Total	68.1	21.2	49.8	139.1

In addition to the above, in 2018 we collected taxes on behalf of governments (e.g. employee taxes and sales taxes) amounting to £177.8m (2017: £126.1m).

Earnings per share

Diluted adjusted earnings per share (EPS) increased 7.0% to 49.2p (2017: 46.0p), calculated on the adjusted earnings for the year of £519.8m (2017: £380.4m). The increase reflects a 36.6% increase in adjusted earnings together with a 28.0% increase in the average number of shares. Statutory diluted earnings per share decreased by 47.6% to 19.7p, principally reflecting the increased cost of adjusting items in the year. The share increase comes from the time-pro-rated effect of the equity issued as part of Informa's acquisition of UBM, with 427.5m shares issued to the Shareholders of UBM on 18 June 2018.

	2018 £m	2017[1] £m
Adjusted profit for the year	533.5	382.8
Non-controlling interests	(13.7)	(2.4)
Adjusted earnings	519.8	380.4
Weighted average number of shares used in diluted EPS (m)	1,057.2	826.1
Adjusted diluted EPS (p)	49.2p	46.0p

1. 2017 restated for the implementation of IFRS 15.

Dividends

In 2018, £201.9m (2017: £162.0m) of dividends were paid to external Shareholders and £8.6m (2017: £2.0m) of dividends were paid to non-controlling interests.

On 28 June 2018, in the post-acquisition ownership period of UBM, there was also a special dividend payment of £59.0m to the former Shareholders of UBM. This settled a dividend liability whose payment had been agreed prior to the acquisition date.

The Group maintains a progressive dividend policy, with the aim to grow dividends broadly in line with earnings year-on-year. This approach aims to achieve a balance between sufficiently rewarding Shareholders, and retaining the financial strength and flexibility to reinvest in the business and pursue growth opportunities.

The Board has proposed a final dividend of 14.85p per share (2017: 13.80p per share). Subject to Shareholder approval at the AGM, the final dividend will be paid on 31 May 2019 to Ordinary Shareholders registered as at the close of business on 26 April 2019. This will result in total dividends for the year of 21.90p per share (2017: 20.45p) representing a 7.1% year-on-year increase. The growth in earnings in 2018 means dividend cover against adjusted earnings was 2.2 times (2017: 2.2 times).

Translation impact

As a result of the Group's strategic expansion in the US since 2014, the Group has a high exposure to US dollar revenues and costs. In 2018, the Group received in its revenue approximately 61% (2017: 65%) in USD or currencies pegged to USD, 6% (2017: 5%) in Euro and 7% (2017: 2%) in Chinese renminbi and incurred in its costs approximately 53% (2017: 55%) in USD or currencies pegged to USD, 2% (2017: 4%) in Euro and 6% (2017: 2%) in Chinese renminbi. Each one cent ($0.01) movement in the USD to GBP exchange rate has a circa £11.4m (2017: £8.5m) impact on annual revenue, a circa £4.5m (2017: £3.5m) impact on annual adjusted operating profit and a circa 0.4p (2017: 0.3p) impact on full-year adjusted diluted EPS, based on the 31 December 2018 closing rate.

The following USD rates versus GBP were applied during the year:

	2018		2017	
	Closing rate	Average rate	Closing rate	Average rate
USD	1.27	1.33	1.35	1.29

For the purposes of testing debt covenant levels and calculating Informa's leverage, both profit and net debt are translated using the average exchange rate during the relevant year.

Free cash flow

Cash flow generation remains one of the Group's priorities and strengths, providing the funds and flexibility for future investment. The following table shows the adjusted operating profit reconciled to free cash flow. Free cash flow is a key financial measure of cash generation and represents the cash flow generated by the business before cash flows relating to acquisitions and disposals and their related costs, dividends, and any new equity issuance or purchases.

	2018 £m	2017[4] £m
Adjusted operating profit	**732.1**	544.9
Depreciation of property and equipment	**13.1**	9.2
Software and product development amortisation and impairment	**42.5**	24.8
Share-based payments	**8.1**	5.4
Pension curtailment gain	**(0.8)**	–
Adjusted share of joint venture and associate results	**(1.0)**	–
Adjusted EBITDA[1]	**794.0**	584.3
Net capital expenditure	**(59.4)**	(79.0)
Working capital movement[2]	**(62.3)**	(10.5)
Pension deficit contributions	**(4.4)**	–
Operating cash flow	**667.9**	494.8
Restructuring and reorganisation	**(18.1)**	(8.6)
Net interest	**(64.2)**	(51.8)
Taxation[3]	**(82.4)**	(33.5)
Free cash flow	**503.2**	400.9

1. Adjusted EBITDA represents adjusted operating profit before interest, tax, and non-cash items including depreciation and amortisation.
2. Working capital movement excludes movement on restructuring, reorganisation, acquisition and integration accruals.
3. Tax payment for 2017 excludes £11.8m of tax relating to adjusting item for Penton derivative forward contract gain of £58.9m.
4. 2017 restated for the implementation of IFRS 15.

The Group's focus on cash generation led to another year of strong operating cash conversion at 91.2% (2017: 90.8%). The 91.2% result is calculated by dividing the operating cash flow (£667.9m) by the adjusted operating profit (£732.1m).

Net capital expenditure was £59.4m (2017: £79.0m), equivalent to 2.5% of 2018 revenue, and with the reduction year-on-year reflecting the end of the *Growth Acceleration Plan* investments. Going forward, net capital expenditure is expected to be in the range of 3% to 4% of revenue.

The working capital outflow of £62.3m was £51.8m higher than the outflow in 2017, largely due to the timing of the acquisition of UBM, with UBM working capital outflows of £84.5m in the post-acquisition period.

The following table reconciles net cash inflow from operating activities, as shown in the Consolidated Cash Flow Statement, to free cash flow:

	2018 £m	2017 £m
Net cash inflow from operating activities per statutory cash flow	**486.3**	433.9
Interest received	**2.1**	0.2
Purchase of property and equipment	**(23.4)**	(14.7)
Proceeds on disposal of property and equipment	**0.4**	1.0
Purchase of intangible software assets	**(30.2)**	(52.2)
Product development cost additions	**(6.2)**	(13.1)
Add back: acquisition and integration costs paid	**74.2**	34.0
Add back: tax paid on Penton-related derivative forward contract	**–**	11.8
Free cash flow	**503.2**	400.9

The following table reconciles cash generated by operations, as shown in the Consolidated Cash Flow Statement, to operating cash flow shown in the free cash flow table above:

	2018 £m	2017[1] £m
Cash generated by operations per statutory cash flow	**635.0**	531.2
Net Capex paid	**(59.4)**	(79.0)
Add back:		
Acquisition and integration costs paid	**74.2**	34.0
Restructuring and reorganisation costs paid	**18.1**	8.6
Operating cash flow per free cash flow statement	**667.9**	494.8

1. 2017 restated for the implementation of IFRS 15.

The following table reconciles free cash flow to net debt, which increased by £1,308.8m to £2,681.9m during the year. This included £1,211.9m related to the UBM acquisition, and a £150.9m adverse foreign exchange impact primarily due to a strengthening in the US dollar.

	2018 £m	2017 £m
Free cash flow	**503.2**	400.9
Acquisitions and disposals	**(690.4)**	(250.6)
Dividends paid	**(201.9)**	(162.0)
Dividend paid to settle UBM acquisition liability	**(59.0)**	–
Dividends paid to non-controlling interests	**(8.6)**	(2.0)
Net share proceeds/(payments)	**2.0**	(0.9)
Net funds flow	**(454.7)**	(14.6)
Borrowings acquired with acquisition of UBM	**(702.6)**	–
Non-cash movements	**(0.6)**	(2.2)
Foreign exchange	**(150.9)**	129.1
Net debt at 1 January	**(1,373.1)**	(1,485.4)
Net debt at 31 December	**(2,681.9)**	(1,373.1)

Financing and leverage

Our focus on maintaining a robust and flexible financing framework resulted in a number of developments in the Group's debt financing arrangements during the year, including the Group's inaugural public debt market issuance, to refinance the borrowings used for the acquisition of UBM.

Our leverage strategy is to target a ratio of net debt to EBITDA in the range of 2.0 to 2.5 times, with the potential to increase to around 3.0 times in the short term for a large acquisition. We used the Balance Sheet efficiently in financing the UBM acquisition, increasing leverage to 3.1 times at completion, before starting to manage leverage down to our target range, reaching 2.9 times leverage by the end of 2018.

Before UBM, on 4 January 2018, the Group issued $400m of private placement loan notes, with a maturity of 7 years ($200m) and 10 years ($200m), at an average interest rate of 4.03%. In March 2018 we extended a bank term loan facility for $200m, with a maturity of up to 12 months; this was subsequently repaid in February 2019.

Shortly after completing the acquisition of UBM, on 5 July 2018, we issued two Euro Medium Term Loan Notes, with an 8-year bond for £300m and a 5-year bond for €650m. These bonds were used to refinance acquisition debt facilities used to acquire UBM.

On 15 February 2019 the Revolving Credit Facility (RCF) was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022.

The net impact of these actions is to increase the Group's overall debt capacity, whilst extending the average maturity to 5.2 years and reducing the weighted average cost of debt to 3.7%.

At 31 December 2018, the Group had £3.6bn of committed facilities (£2.0bn at 31 December 2017), of which £0.8bn was undrawn.

	31 December 2018 £m	31 December 2017 £m
Cash at bank and in hand	**(168.8)**	(54.9)
Bank overdraft	**43.9**	6.7
Private placement loan notes	**1,396.4**	841.0
Private placement fees	**(3.4)**	(1.6)
Bond borrowings	**1,163.0**	–
Bond borrowing fees	**(7.4)**	–
Bank borrowings – Revolving Credit Facility (RCF)	**78.5**	287.6
Bank borrowings – term loan facility	**156.9**	296.3
Bank loan fees	**(0.9)**	(2.0)
Derivative assets associated with borrowings	**(1.5)**	–
Derivative liabilities associated with borrowings	**25.2**	–
Net debt	**2,681.9**	1,373.1
Borrowings (excluding derivatives, fees and overdrafts)	**2,794.8**	1,424.9
Unutilised committed facilities (undrawn portion of RCF)	**776.5**	567.4
Total committed facilities	**3,571.3**	1,992.3

Under the private placement loan notes and RCF in place at 31 December 2018, the principal financial covenant ratios are a maximum net debt to EBITDA of 3.5 times and a minimum EBITDA to interest cover of 4.0 times, tested semi-annually. The new RCF launched on 15 February 2019 has removed these covenants.

At 31 December 2018, the ratio of net debt to EBITDA was 2.9 times (31 December 2017: 2.5 times), calculated according to our facility agreements and using average exchange rates and including a full year's trading for acquisitions. The ratio of EBITDA to net interest payable was 9.5 times (at 31 December 2017: 9.8 times).

Corporate development

The Group's most significant acquisition in 2018 was UBM, with several other smaller additions to the portfolio. Total net expenditure on acquisitions and disposals was £690.4m (2017: £250.6m), with £616.2m relating to acquisition and disposal of businesses and £74.2m to integration and acquisition costs.

Acquisition expenditure in the period relating to UBM was £509.3m, with a cash payment to UBM Shareholders of £643.5m, less cash acquired of £134.2m. Total consideration was £4,190.0m, with the remaining £3,545.1m being satisfied through the issue of 427,536,794 shares in Informa at a price of £8.29 per share, and with £1.4m of deferred consideration relating to the settlement of UBM share save scheme awards that exercised after the acquisition date.

The first disposal under the Progressive Portfolio Management programme was signed on 19 December 2018, with the agreement to sell the Life Sciences media brands portfolio that was previously part of UBM to MJH Associates, for consideration of just over $100m. The sale completed on 31 January 2019, and this business has been disclosed as held for sale in the Consolidated Balance Sheet at 31 December 2018.

Pensions

The Group continues to meet all commitments to its pension schemes, which consist of six defined benefit schemes that are closed to future accrual. The acquisition of UBM added two defined benefit schemes to the Group, adding a net pension liability of £12.5m at 31 December 2018.

At 31 December 2018, the Group had a net pension liability of £33.0m (2017: £23.6m), represented by a pension deficit of £37.5m (2017: £23.6m) and a pension surplus of £4.5m (2017: £nil). Gross liabilities were £679.2m at 31 December 2018 (2017: £176.3m). Net pension liabilities increased by £4.5m in 2018 following the recognition of additional liabilities arising from the estimated financial impact of equalising Guaranteed Minimum Pensions (GMP) amongst members.

The net deficit remains manageable and relatively small compared with the size of the Group's Balance Sheet. All schemes are closed to future accrual and there were £4.4m of employer deficit payments during 2018, with £4.7m payments expected to be paid in 2019.

Restatement of 2017 results

Results for the year ended 31 December 2017 have been restated following the adoption of IFRS 15 *Revenue from Contracts with Customers* in 2018.

There were also restatements to the 2017 income statement from amounts previously recognised on a percentage complete basis. This resulted in reductions of £0.8m to revenue, £0.6m to profit before tax and £0.5m to profit after tax. These adjustments only affected the **Business Intelligence** Division. This resulted in basic EPS being restated from 37.8p per share to 37.7p per share, diluted EPS being restated from 37.7p to 37.6p and adjusted diluted EPS being restated from 46.1p to 46.0p.

This also resulted in the Consolidated Balance Sheet at 31 December 2017 being adjusted for the reclassification of £72.1m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due.

The Group also adopted IFRS 9 *Financial Instruments* from 1 January 2018. There was no material impact from the adoption of this standard and therefore there is no restatement to previously reported results.

New accounting standards

The only impact from new accounting standards in 2019 is from the adoption of IFRS 16 *Leases*.

IFRS 16 *Leases* will replace the existing leasing standard, IAS 17 *Leases*. It will treat all leases in a consistent way, eliminating the distinction between operating and finance leases, and will require lessees to recognise all leases on the Balance Sheet, except for low value leases and those with a term of less than 12 months. The most significant effect of the new standard will be an increase in lease assets and lease liabilities for leases currently categorised as operating leases. The new standard also changes the nature of expenses related to those leases, replacing the straight line operating lease expense with a depreciation charge for the right-of-use lease asset (included within operating costs) and an interest expense on the finance lease liability (included within finance costs).

Adoption of IFRS 16 is expected to result in an increase in assets of between £300m and £320m and a corresponding increase in liabilities of between £300m and £320m as at 1 January 2019. Operating profit for the year ending 31 December 2019 is estimated to increase by between £4m and £6m, being the difference between the lease expense and depreciation, and profit before tax will decrease by between £7m and £9m, reflecting a higher total lease interest expense in the initial years. Profit after tax is estimated to decrease by between £6m and £8m and adjusted diluted EPS and diluted EPS will decrease approximately between 0.4p and 0.6p.

There are several practical expedients and exemptions available under IFRS 16. The Group has elected to apply use of the modified retrospective method of implementation where there is no restatement of the comparative period and using the practical expedient where, at the adoption date, right-of-use lease assets are set to equal the lease liabilities. The Group will exclude leases of low value assets and short-term leases, with a duration of less than 12 months, from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the income statement as operating leases. The major classes of leases impacted by the new standard are property and event space leases. The half-year results for the six months ending 30 June 2019 will include an update on the actual impact of IFRS 16.

Gareth Wright

Group Finance Director

6 March 2019