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Moderator: **Richard Menzies-Gow**

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Operator: Good day, and welcome to Informa's November 2023 Trading Update. Today's call is being recorded. At this time, I would like to turn the call over to Richard Menzies-Gow. Please go ahead.

Richard Menzies-Gow: Thanks, Elise, and good morning, everybody. Thanks for taking some time to dial in this morning. I know it's a busy day. Hopefully, you've had a chance to see the trading update we published this morning. My name is Richard Menzies-Gow, I'm the Investor Relations Director and I'm here with Gareth Wright, our Group Finance Director. Gareth can just give a couple of short comments on the statement and then we'll jump straight to Q&A straight after that. So over to you, Gareth.

Gareth Wright: Thanks, Richard, and good morning everyone. Thanks for taking the time to join our ten-month trading update call. And yes, I'm going to run through the highlights of the announcement that we've put out this morning and then we'll open it up to questions. The key dynamic behind today's market update is the strength of trading and the future bookings since our half-year results in July. And this strong trading across the portfolio drives a further increase in 2023 revenues, operating profit, and cash flow and gives us confidence regarding our momentum into 2024.

As you'll see in the release, our updated 2023 group guidance is for revenue of £3.15 billion plus, and operating profit of £840 million plus. That's an increase up from £3.05 billion and £790 million respectively. So a 3% increase in revenues and a 6% increase in OP now. And it's worth bearing in mind that the updated 2023 OP guidance is now around 20% higher than the OP guidance we gave at the start of the year reflecting strong trading right across the portfolio.

So what's behind that strong trading? Well, I think what we would say is that we operate in two markets. The B2B market for international B2B events, specialist data and digital services, and the Academic market for knowledge makers and research institutions worldwide. And both of those markets are in structural growth. In B2B events, we're benefiting from the world going more digital everywhere constantly and changing working practices that see people get together less frequently.

And the reality is your Teams calls or your Zoom calls have brought into a sharper focus the value of high-quality professional face-to-face interaction of the sort that you get at our B2B events particularly if you're launching new products, you're negotiating contracts or you're building relationships. That's a lot harder to do virtually than it is face-to-face. In our Academic markets, structural growth in original research and specialist knowledge combined with the power of our specialist brands and a growing range of open research services is accelerating revenue growth in that market.

And we're the market leader in many areas of our specialization. We're good at it, and we're getting better with technology and data through the IIRIS platform we've built meaning our products today are better than they were pre-COVID, and we think they'll be better again in three years' time. So in both markets this is driving more value to our customers and this speaks to our ability to drive further growth in the future. There are also other dynamics behind the trading. Our international breadth is key with today's guidance upgrade particularly benefiting from the performance in the US, the Middle East, China, and Hong Kong since the half year. We've got a great range of specialist products and services that are deeply embedded within our customer markets and are being improved by continual operational capital investment primarily through technology and data.

And finally, our focus on growing specialist B2B and Academic market products rather than B2C market products is providing resilience and strength and giving us confidence around our outlook into 2024. We're quietly confident about that outlook. Despite an uncertain economic and geopolitical background in certain areas of the globe, we are not seeing a particular impact on our business. We continue to take a disciplined approach to capital allocation, balancing strong returns to shareholders, organic investment, and targeted acquisitions.

And today we've announced a £150 million extension to our share buyback program enabled by the strength of our balance sheet and the strength of our cash flows. We've bought back around about £1 billion worth of shares since the divestment of Inform Intelligence. And as we think our shares are good value, our cashflows are strong and our balance sheet is strong, we're extending that program. This leaves us with the flexibility to use our cash flows and balance sheet to build and buy further scale going forward. This year we've redeployed over £1 billion worth of Informal Intelligence proceeds but with leverage expected to be 1.3x a year end, we still have plenty of capacity to deliver further growth.

So I think those are the key messages from the trading update that we've issued to the markets this morning. And I'm going to hand it back to Elise to take any questions that you may have on the call.

Operator: Thank you. If you would like to ask a question, please signal by pressing star one on your telephone keypad. If you're using a speakerphone, please make sure your mute function is turned off to allow your signal to reach our equipment. Again, press star one to ask a question. We will pause for just a moment to allow everyone an opportunity to signal for a question. We will take our first questions from Steve. Your line is open, please go ahead.

Steve Liechti, Numis: Morning. I think that's me, Steve Liechti from Numis. I've got three please.

Richard Menzies-Gow: Morning.

Steve Liechti: Morning. One is, you kind of mentioned it earlier on in terms of confidence in forward bookings, but can you give us any more detail in terms of forward booking trends for next year? Anything you can give us I guess there? So that's the first question. The second thing is, again, thinking about 2024, if your longer-term target is 5% organic growth, are you still thinking you're going to get above that in 2024 on a normalized basis as things get back to wherever they might get to, or is 5% probably more realistic? Second question. And then third question - is there actually any weakness in events anywhere that you can reference? I know you talk very positively across the board, but anywhere where cracks are beginning to appear for any reason would be helpful. Thank you.

Gareth Wright: Okay, well maybe taking those in reverse order. No, look, I think the trading performance across the year has been very strong. If you look at our major event brands, all the event brands are basically on, or above, the budget we set for them for the year which I think is indicative of a consistent performance across the brands. And then when you throw in areas of expansion like the Saudi business which is really an organic startup this year, that's grown very quickly.

I think it gives us real confidence in the structural growth in the products that I talked to in my opening speech. And there's no particular area I'd say where we're concerned about the performance in 2023 versus where we started the year. Really in overview, everything's proven to be very positive and very good in terms of its performance. In terms of 2024, I think we'd say we will be above 5% I think. That would be our view from where we stand at the moment, I think we're still enjoying good growth in the markets.

As we said in the release, really almost all the areas of the business are above 2019 levels of trading. The only one that would be close is probably Hong Kong, which might be around it. China as a whole is definitely well ahead. So it's not about recovery growth now,in it's strong structural growth in the products in the business overall but we would look to be above the 5% average in

2024. And that growth algorithm that we outlined at the half year is still how we're thinking about the business in the longer term.

And then forward bookings into 2024, I think we'd say we're pleased with the way it's looking. Different shows book in different ways on a forward cycle, but the shows where we'd expect to see bookings are booking up well and we'd say overall, if you look at our events businesses and our subscription business and our advanced paid for services, we'd say we can see around about £1 billion worth of 2024 revenue already from where we stand now.

Richard Menzies-Gow: Steve, just to add to Gareth, I mean on the 5% number, you're right. It was sort of our framework of long-term guide. I think there was a plus in there. And as you'll know, from covering us for a while, pluses are important in the way we guide. So I think we said the 5% plus as Gareth said. I think going into next year given what we can see and what's secured already, I think definitely will be in plus territory.

Steve Liechti: Perfect, thank you very much.

Richard Menzies-Gow: Thanks.

Operator: We'll take our next questions from James Tate, Goldman Sachs. Your line is open, please go ahead.

James Tate, Goldman Sachs: Thank you. It is James Tate from Goldman Sachs. I think two questions please. So firstly, and you just mentioned there, you've secured around £1 billion in revenue to date from advanced bookings. How does that compare versus last year if you sort of exclude the acquisitions you've done and just to understand what's the underlying growth you've seen there?

And then secondly, you've sort of upgraded margin guidance for the full year. Does that mean, does it make comps tougher for next year? Can you still grow margin and could you walk us, help us with some of the moving parts of the biennial events and Tarsus and investment in HIMSS and what this sort of underlying margin improvement could look like? I think consensus is around two percentage points for 2024. Do you think you can still achieve that? Thank you.

Gareth Wright: Thanks, James. Yeah, I mean look, in terms of the growth in forward bookings, I think we would say that it's consistent with the growth that we have, that we've got in consensus, I think it's consistent with the growth outlook for the business that we're talking about. I think what we're really trying to say there is that at this point the forward visibility of the business is good and we are getting lots of questions from fund managers, et cetera, around the forward outlook and people are concerned about recessions or they're concerned about geopolitical or macro risk in the global markets.

And what we're saying there really is, look, we are not seeing any of those particular headwinds as we stand at the moment. So that's really what we're trying to give assurance of around that number. In terms of the margin, you're right that the margin has ticked up a bit in 2023 and we still expect it to tick up again in 2024. We talked at the start of the year or middle of the year around evolution over time of being around about a 26% margin in 2023, then 28% in 2024 and looking to get to circa 30% in the medium term.

And that's what we would still broadly commit to as a shape. You're right that we're slightly ahead of where we thought we would be in 2023 and therefore still commit to the circa 28% for 2024 rather than a two percentage point increase, because some of that benefit in 2023 is areas like China and Hong Kong have just traded better in the year than we thought they would.

So there's plenty of other moving parts in the margin that we can dig into. But overall, I think the key message we want to give is that we do see another acceleration in 2024 and we're still focusing on the longer-term target of circa 30% in the medium term and that's 30% alongside the 5% plus revenue growth that we talked to in the answer to Steve's questions.

James Tate: Thank you.

Richard Menzies-Gow: Thanks, James.

Operator: We'll take our next questions from Carl Murdock-Smith. Your line is open, please go ahead.

Carl Murdock-Smith, Berenberg: Hi, thank you very much. It's Carl from Berenberg. Two from me. First, can we have an update on the difficulties you talked about at H1 in the tech industry? So you talked about digital media marketing services and lead generation revenues being in decline at H1. Can you provide an update on that?

And then secondly, just in terms of the pedant question around the financials. So at H1 you talked about interest costs of around £30 million for the full year. You talked about an effective tax rate of 19% and minority interest costs of between £45 million and £50 million. Are you still comfortable with those comments at H1 or any evolution to those? Thank you.

Gareth Wright: Okay. Well in terms of the technology market, what we'd say there is you're right, that has been one of the tougher end markets that we've traded into this year. But I think our performance of the bits of our business has been pretty good actually when you look at some of the comps out there in the market. The events business has traded well in that space and I've seen good recovery in particular areas like Black Hat in the US and Game Developer Conference earlier in the year, and the events have come back well both in terms of delegates and specs, which again, I think speaks to the structural growth of the events products that we spoke about in the opening introduction.

The research products in that area have been solid mid-single-digit growth and good retention rates in terms of subscriptions and continue to grow well and I think there is more opportunity for that part of the business to grow going forward. And then in terms of the audience development, digital demand generation area which is the bit of our business that's been more challenged by the slowing of the technology and market that has seen a small decline year-on-year. But as I say, better than most of the peers that we can see in that market, if not better than all of them actually in terms of the performance.

So that gives us confidence around the fact that the product is good and that there is a good opportunity to grow that going forward. And I would expect the technology market to be back in structural growth in short to medium term going forward. And therefore our place in that industry, our positioning in that industry, I think will serve us well going forward. I think it's a good market and I say we have no particular concerns about our products, and indeed we've continued to develop them during 2023.

So if you look at something like Industry Dive before we acquired it, that would normally do about four dives a year as new launches. This year, it's going to do double that. And again, that speaks to the fact that we're getting more product out into the market and I think we're well positioned for recovery there which I think really will come. I don't think it's a kind of if, I think it's a when, and therefore I think we're pleased about our position in that business. On what you described as pedant financial questions, I'd never describe them as pedant questions.

Richard Menzies-Gow: I might.

Gareth Wright: Yeah, exactly. Yeah, I'm not sure which ones particularly we want to highlight. I know there's normal ones like tax you mentioned. Yeah, that's still 19%. One thing I would mention is non-controlling interests. I know in some of the analyst numbers, that looks a little bit light because our NCI numbers in places like Curinos, in China as it performs better and in Saudi as well, those are a bit stronger. And I think again in 2024 they'll be stronger again. So I think that's an area probably to look at in terms of modeling to make sure you've got that in the right place for both 2023 and 2024.

Richard Menzies-Gow: I think you mentioned £45 million to £50 million Carl on minorities, I mean I think for this year that's right but as Gareth says, you'd expect that to step up again because those three areas are growing pretty strongly so you'd expect to see that step up again next year. I think the other one was just the interest you mentioned, I think you said around £30 million for this year. It may be a bit better than that I think because we've outperformed a bit and cash flow has been strong. So that probably is an area where we'd expect a bit of a better outcome or a lower number in 2023.

Carl Murdock-Smith: That's fantastic. Thanks very much. And just to be clear, when I say pedant, I mean it definitely as a compliment in my vernacular. Thank you.

Richard Menzies-Gow: Cheers, Carl.

Operator: Thank you. We will take the next questions from Nick Dempsey. Your line is open, please go ahead.

Nick Dempsey, Barclays: Yeah, good morning guys. I've got three questions. So first of all, just on your free cash flow guidance of £575 million plus, I think consensus is some way over £600 million. Can you maybe talk about the difference here? Were we all too optimistic on the change in working capital? And if so, what's driving that and is cash tax perhaps higher than the other area that I think might possibly be the difference?

Second question, pricing in events into 2024, I guess RELX talked about 5% at one point as kind of industry feeling as some sort of mid-single digit number. So are you seeing that as well for the mid-single-digit across the board on average of price increases for events into 2024? And the third question, I've been getting a number of questions on the Middle East, as I'm sure you have. Can you just give us some indications of how Dubai and Saudi shows have been resilient in the past to conflicts in the wider region?

Gareth Wright: Okay, well a few different themes in there. I'll kick off and I'm sure Richard will come in. Yeah, on free cash flow as you say, we've upgraded the number to £575 million plus in terms of our update going out today, an increase over where we were at the half year but definitely you're seeing in the working capital line, particularly in China and a bit in Hong Kong. As those events recover, we're using rolled-forward deposits, particularly in China because we thought that market was going to trade in 2022, particularly the second half of the year. Then at the last minute it didn't. And we had quite a lot of receipts in the balance sheet at the end of that year which we've rolled forward to this year's show. So that's coming through in the OP and the revenues were trading, but a bit less in the cash flow because the receipts were already in the balance sheet.

In terms of some of the other numbers, I think tax is a bit - will be going up bit year-on-year. I'm not sure what numbers are out there but somewhere around £130 million pounds, £140 million or something for tax is definitely a higher number than in 2022 because the profitability of the business has gone up as it has recovered from COVID. So that would be a number to look at. Interest, as we touched on, is a lower number in 2023 because of the lower levels of debt that we're carrying. But overall, that gives us a number of around 575 million. But as Richard touched on earlier, you've always got to watch the pluses in our announcement, so that's definitely a £575 million plus.

Richard Menzies-Gow: Shall I talk on pricing?

Gareth Wright: Yeah, you can take pricing.

Richard Menzies-Gow: I mean look, Nick, we always talk about price-to-value and I think the thing that we are excited about in our business is that our product today is better than it was in 2019. Technology and data are allowing us to get a better product that gives more value to exhibitors, more value to attendees, and in three years, it'll be better again because we can see that roadmap that allows you to price the value.

And so for a customer you feel like you're getting more out of the product and you can price to that. And so I think that gives us confidence over the next few years of how that value can materialize. Specifically on numbers we tend not to allude to, but I think where you talked about, I think we feel confident of it at least being around those sort of levels.

So I think other commentary in the market would be consistent but I think for us the focus is on how do we drive a better experience for attendees, more value for exhibitors, use our data to really help them spend the right time with the right people, match buyers and sellers better, allow them to access contact point of sale to really drive more value for them from the time they spend with us. And that I think we're pretty excited about, not just next year but over the next three to five years.

Gareth Wright: And then on the Middle East question, I think you're right in that Saudi Arabia and Dubai or the United Arab Emirates are the two key areas to talk about there. And we operate events across the region in places like Bahrain, Egypt, Qatar, Turkey, but really Saudi and the UAE are the two material areas which between them probably generate about 75% of our revenue from that region. And as you kind of alluded to in your question, I mean they have traded robustly through periods of crisis in the past.

They're not sort of casual about it. They watch the happenings in the region with appropriate sensitivity and concern, but their view is that business is business and we'll keep trading through the period or through the concerns, and that's certainly what we're seeing at the moment. We're operating a number of shows in Dubai, in Turkey, and Saudi this week actually. And they're all going ahead with appropriate security arrangements and appropriate management of the situation.

But they're all proceeding in say, across Dubai, Bahrain, Saudi, Turkey, Abu Dhabi, they're all happening this week. So I think that shows that the region is still trading and gives us confidence about the ability to trade through the next couple of months.

Nick Dempsey: Sorry, just a quick follow-up. The Dubai Air Show, I think it's now, is it? Or is it the first day today? No issue at all with that one? I know it's a big one.

Gareth Wright: Yeah, that's a big one. You're right. That was one of the ones we acquired with Tarsus. No, it looks like it's running for a good edition. I think it actually opened yesterday technically so it is actually it's up and running and yeah, we made the appropriate security measures, et cetera around it but nothing particularly in terms of the trading on that. I think it'll be a good edition of the show and good to get that one operated under our belt in our first year of ownership. As you say, it's a big show and a key one in the ex-Tarsus portfolio.

Richard Menzies-Gow: As an aside, the headlines coming out of it, I mean record commercial airline orders. I mean the industry itself, I think interestingly is just bouncing back very strongly post-COVID, you can see that in the level of orders that seem to be coming out of it. And as Gareth said, it's super busy there.

Nick Dempsey: Brilliant. Thanks guys.

Richard Menzies-Gow: Thanks a lot.

Gareth Wright: Cheers, Nick.

Operator: We'll take our next questions from Sammy Kassab. Your line is open, please go ahead.

Sami Kassab, BNP Paribas: Thank you, and good morning everyone. Two questions if I may please. Within the 5% plus growth algorithm, could you outline how much you would expect from the launches of new shows versus pricing versus volumes, please? And secondly, will you continue to benefit from the Hong Kong government subsidies for venue costs in 2024? Thank you.

Gareth Wright: Yeah, Sami. I'd say materially in the 5% plus growth, really that's about volume. It's about growth in the markets we serve and it's about pricing and how the increasing value of our products translates into pricing conversations with our customers. I mean, we do launches but the Saudi Arabia launches are, I'd say a bit more of an anomaly rather than the norm. I mean, just the scale of those launches and how quickly they've got to scale has been unusual.

So there'll be a bit of Saudi Arabian growth in the numbers but generally launches are a much smaller scale. And certainly in the materiality of our numbers, it's materially going to be about volumes, pricing new products and services, and structural growth rather than about launches in specific markets.

Richard Menzies-Gow: And on the subsidies, Sami, I mean, you're right, we definitely benefited from that this year. I think I'm right in saying there will be some benefit flowing into next year, maybe not quite the same level. I think our view has been you want to lean into that and reinvest some of that to really maximize the experience for your attendees and drive better retention, better volumes in terms of numbers. So I mean, you're right in that there will still be I think some benefit through to next year, although not the same amount but we'll look to use that I think and just to invest behind the product.

Sami Kassab: Thank you.

Richard Menzies-Gow: Thanks a lot. Cheers.

Operator: Once again, if you would like to ask a question please press star one. It appears there are no further questions at this time.

Richard Menzies-Gow: Great. Well thanks very much, Elise, and thanks to everyone listening. I'm sure there'll be lots of other questions in follow-up so don't hesitate to get in touch. Either myself or Gareth are around all day if you want to have a conversation. But thanks for dialing in and speak to everyone soon.

Gareth Wright: Thanks everyone.

Operator: This concludes today's call. Thank you for your participation. You may now disconnect.