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## Informa PLC Press Release

16 April 2020

# Trading Update

## Stability & Strength

**London:** Informa Group PLC (“**Informa**” or the “**Company**” or the “**Group**”), the International Exhibitions, Events, Information Services and Advanced Learning Group, is today providing an update on trading and further details on its **COVID-19 Action Plan**.

The Action Plan forms part of Informa’s response to the significantly deeper, more volatile and wide-reaching impact of the COVID-19 pandemic around the world than was initially expected. To stay ahead of this, the Company is today announcing further **cost-reductions**, the **temporary suspension of dividends**, discussions on a **debt covenant waiver** and the issue of **additional new equity**. Supported by **resilient performances and cashflows** from its subscription businesses, this combined set of actions provide **Stability and Strength** to the other side of COVID-19, enabling Informa to manage its Brands and customers for **long-term growth and value**, and avoid short-term actions that damage the business.

## Key Highlights

- **Long-term Value...**Informa’s approach through the period of the COVID-19 pandemic is to focus on the **long-term strength and value** of the Group’s Brands and customer relationships;
- **Short-term Disruption...**Since the end of January in Mainland China, the scale, depth and reach of the COVID-19 pandemic has extended beyond initial predictions, significantly impacting the world, global commerce and business and, in particular, the Group’s **Events-related businesses**;
- **Resilient Performance...**The **Subscriptions-related businesses** (c35% of revenue) have remained resilient and continue to grow consistently, underpinning the Group and providing strength in the face of the negative impact of COVID-19 on the Events-related businesses.
- **Stability & Strength...**Whilst the power of Informa’s B2B events businesses continue to be evidenced by customer enquiries and re-bookings, it is now clear the path to the other side of COVID-19 will be more gradual and phased than initially anticipated. The Group is therefore extending its **COVID-19 Action Plan** through a series of enhanced measures to ensure **Stability and Strength** in this period:
  - **Preserving Strength...**A continuous programme of customer support, targeted rebate funds, digital/virtual platforms and a commitment to avoid redundancies and retrenchment, with the focus on preserving long term value and professional intellectual capability;
  - **Financing Control...**Complementary measures, including the **temporary suspension of dividends**, constructive discussions on a **covenant waiver** for the Group’s US PP debt, an application to the Bank of England’s **COVID Corporate Financing Facility** and the **proposed placing of further equity**;
  - **Cost & Cash Management...**Enhanced measures delivering **£130m+ direct/indirect savings** including the removal of all discretionary costs, a recruitment freeze and a Board/Leadership salary sacrifice;
  - **Operating Flexibility...**Extension of **The Postponement Programme**, with **£460m+ of revenue** rescheduled to Q3/Q4 2020 and less than 10% of Events revenue cancelled to date;
  - **Colleague Support...**Extended measures providing **flexibility, guidance and support**, including full remote working, a sabbatical programme and the launch of **The Informa Colleague Support Fund**

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

“Since the beginning of 2020, the impact of the COVID-19 pandemic has become progressively deeper and more far-reaching than initially predicted. We have continued to adapt and respond quickly, always prioritising the safety of Colleagues and Customers, making decisions for the long-term value of our brands and businesses and seeking to preserve jobs and invest in our intellectual property.”

**He added:**

“The strength of our specialist brands and customer relationships continues to provide confidence in our long-term value. However, in the near-term, we are facing material disruption in our Events-related businesses, with expectations for a gradual and phased recovery.

Today we are taking action to stay ahead of this by building further stability and strength across our business. Through a range of measures, further reducing direct and indirect costs, supporting Colleagues and fully securing our finances, we are ensuring we can continue to manage Informa in the best interests of its long-term stability and strength.”

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## First Quarter Trading Update

The scale and breadth of the COVID-19 pandemic has significantly exceeded initial predictions, with half the world’s population currently in lockdown, widespread international travel restrictions and many businesses and industries in temporary shutdown.

The impact on our **Events-related businesses** (c65% of revenue) has intensified significantly since the initial disruption early in the first quarter in Mainland China, with no events of any scale scheduled to take place in April. This reduced level of activity is now expected to stretch through the second quarter and much of the third quarter, with a gradual and phased recovery from Q3 into the final quarter of the year.

Against this backdrop, Informa’s focus remains on prioritising the health and safety of Colleagues and Customers, whilst making decisions for the long-term strength and stability of our Brands and Businesses.

Informa is fortunate to have a highly dedicated and professional team of Colleagues across the world, who have risen to the personal and professional challenges presented by the COVID-19 pandemic, adapting seamlessly to continuous, remote working to continue to deliver for Customers, whilst fully supporting each other, through this extraordinary period.

The anchor of the Informa Group remains the resilient and predictable **Subscriptions-related businesses** (c35% of revenue). These businesses continue to grow well, with strong subscription renewals at **Taylor & Francis** and positive annualised contract values at **Informa Intelligence**.

Across these information businesses, the Group has moved quickly to make relevant information and data available to support the scientific and medical response to the COVID-19 pandemic. This includes the creation of open access microsites by both **Taylor & Francis** and **Pharma Intelligence**, including links and references to all relevant articles, books, data, analysis and information published by these businesses.

Following six years of strength and delivery, prior to the emergence of the COVID-19 pandemic the **Events-related businesses** continued to deliver strong performances amongst the Group’s major brands, with equally strong rebooking for 2021 in **Healthcare & Pharma** (*Arab Health* +20%) and **Construction & Real Estate** (*The Roofing Show* +11%).

As the scale and reach of the COVID-19 pandemic started to become clear, the Group moved quickly on the first stage of **The Postponement Programme**, using its strong relationships with customers and venues to secure commercially relevant dates later in the year. Over £460m of revenue has now been rescheduled, with a deliberately heavy weighting to the last four months of the year.

## Stability & Strength

Informa first launched the **COVID-19 Action Plan** in late January 2020, initially focused on Mainland China, to provide an internal framework for fast decision making and a set of targeted actions to support Colleagues and the long-term **Stability and Strength** of our Brands and Customer relationships.

### Gradual and Phased Return in China

Informa's decisions and responses to the COVID-19 pandemic are partly informed by the steady progress of the Group's businesses in China, which are now beginning to re-emerge, with offices re-opening and Colleagues returning to increasingly normal working patterns.

It remains clear that there is significant demand for major B2B Event Brands, with customer commitments and cash collections continuing. However, it is also now clear that the path to full recovery for our events businesses in China will be gradual. Working with local governments/authorities, venue owners and professional communities, the Group is identifying a number of steps along the way, trends that we expect to be mirrored in other geographies as they also emerge out of the other side of the COVID-19 pandemic:

- **Phased return:** Social distancing and other control measures are being relaxed gradually to avoid the risk of a resurgence in infections, suggesting a gradual and phased recovery for events;
- **Region by region:** The pace of exit from COVID-19 will also vary by region. Within China, a number of commercial centres have approved the issue of events licenses, but others have yet to and so the Group is planning on a phased return through the second half of 2020;
- **Domestic versus International:** As events return, Informa will be focusing initial participation around domestic audiences (c75% of exhibitors), and planning on a longer lead time before the full return of international hosted buyer communities;
- **Revenue attrition:** The Group is assuming an informed level of revenue attrition on our returning brands in light of the significant impact of the pandemic on macro-economic conditions and our customers' businesses;
- **Biosecurity:** Informa is working with local governments/authorities and venue owners to provide certified levels of biosecurity, enhanced hygiene, electronic registration, mobile data screening, density management and other relevant on-site checks and facility upgrades.

### Stability and Strength through a Gradual and Phased Return

As part of the **COVID-19 Action Plan**, the Group is planning and preparing for multiple different scenarios in terms of the timing and shape of the gradual recovery of its Events businesses. As outlined, the current **Operating Plan ("Base Case")** now assumes zero revenue from events in the second quarter and much of the third quarter, before a gradual and phased recovery through Q3 into the final quarter of the year.

The Group's **Vigilant Case ("Downside Case")** assumes an even more gradual return, with zero revenue from events until the fourth quarter, before a phased recovery through the final months of the year.

The extension of the Group's **COVID-19 Action Plan**, including the combined effect of all the enhanced measures detailed below, is designed to provide **Stability and Strength**. It will enable Informa to preserve and protect the intellectual capital within the Group and manage the business for **long-term strength and value**, whilst also managing its balance sheet sensibly, even if the shape of recovery turns out to be more gradual and phased than the Group's current Operating Plan.

### Financing Control Measures

A range of complementary financing measures to ensure the Stability and Strength of the Group, including:

- **Dividend Suspension:** The **temporary suspension of dividend payments**, including the withdrawal of the 2019 Final Dividend. The Board intends to review dividend policy later in 2020;
- **Covenant Waiver:** **Constructive discussions underway with US private placement debt holders**, a process aligned with and enhanced by today's other measures;

- **Liquidity Backstop:** Alongside the Group's existing Revolving Credit Facility (£900m) and Surplus Credit (£750m) Facility, as a major UK information services employer, Informa has completed its application for eligibility to issue commercial paper under the **Bank of England's COVID Corporate Finance Facility**;
- **Proposed Equity Addition:** Noting recent statements by the Financial Conduct Authority and the Pre-Emption Group in relation to targeted equity issuances, Informa is immediately launching the **proposed placing of up to 19.9% of new equity**, with full details set out in today's simultaneous **Placing Announcement**. The net proceeds of the placing, which includes **full participation from the Informa PLC Board and the Group's entire international Executive Management Team**, will be used to strengthen the Group's balance sheet, reduce overall net debt and lower leverage.

### Cost & Cash Management Measures

Informa has already implemented a range of direct and indirect cost controls, securing £130m+ of annualised savings to date, whilst protecting and preserving the intellectual property and core talent within the Group:

- **Recruitment Pause:** The postponement of all recruitment and review of all contractors/consultants;
- **Rewards Phasing:** The postponement of salary reviews and merit rises, and the introduction of voluntary salary sacrifices by the Group CEO/CFO (33% of salary), the PLC Board (25%) and the entire international Executive Management Team (25%);
- **Project Review:** The postponement of all non-essential projects and capital expenditure;
- **Discretionary Costs:** The removal of all non-essential spend, including travel, professional fees etc
- **Employment Flexibility:** The 2020 Informa Sabbatical, under which Colleagues can take voluntary unpaid leave over a six-month period.

### Operating Flexibility Measures

The Group has extended **The Postponement Programme**, working with customers and venues and securing commercially attractive dates focused around the last four months of 2020:

- **The Postponement Programme:** Informa has rescheduled 60+ large Brands and c.350 small Brands, representing £460m+ of revenue. Additionally, the Group has rephased (biennials)/cancelled 60+ brands, with revenue of £150m+;
- **Biosecurity:** Informa is investing in industry leading biosecurity protocols standards and control, working with governments, venue operators and professional communities.

### Colleague Support Measures

Informa has always prioritised the safety and wellbeing of Colleagues and Customers, introducing a range of measure to provide flexibility, guidance and support:

- **Digital and Virtualisation:** Effective platforms for maintaining close customer engagement through virtual events and digital *Stay Connected* content programmes;
- **Remote Working Capability:** Seamless move to effective remote working across the Group;
- **In-Market Support:** Strict adherence to local government and health authority advice;
- **Consistent Communications:** Weekly CEO and Divisional Management Townhalls and video updates;
- **Volunteering Flex:** Relaxed volunteering policy to facilitate in-community and family support;
- **The Informa Colleague Support Fund:** A discrete, funded programme for Informa Colleagues in particular hardship due to COVID-19.

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### Stephen A. Carter, Group Chief Executive, Informa PLC, concluded:

"Informa's portfolio of resilient subscriptions businesses and leading B2B brands remain well positioned for future growth on the other side of the COVID-19 pandemic."

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Today's actions, including an equity placing with full participation from the Group's PLC Board and Executive Management Team, provide stability and strength, ensuring the focus remains on our customers and building further long-term value for shareholders."

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**This Announcement should be read in its entirety. In particular, the information provided in the "Important Notices" section of this Announcement should be read and understood.**

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