Informa PLC

Full Year Results 2022

9 March 2023

Transcript

Stephen A. Carter:

Okay, well good morning everybody. And I know we've got a few hundred people, if not more, joining us on the webcast, so thank you very much for joining. We're here today to report our 2022 results, which, in a funny sort of way, shouldn't be new news to many people because we did a pre-close trading update earlier this year. But actually there's quite a bit of news today and so we're going to try and step you through it. And then in and amongst the news, one of the special things we're trying to do today is to give the market a better understanding of our Informa Tech business.

And so sort of halfway through the presentation, between Gareth and I, I'm going to hand over to Max and Gary, Max Gabriel and Gary Nugent, who respectively run the Informa Tech and the IIRIS franchise and business and operations, to try and bring to life what exactly it is we're trying to do with that business, what we've achieved to date, what we are undertaking to achieve in the next three to five years. And then we'll wrap up and get to questions. So a little bit of news, an update on 2022, some guidance on '23, and a sort of special guest appearance from Informa Tech. So that's what's on the menu for today. So for those of you who've come in person, I hope it makes it worth the trip. For those of you who are on the webcast, please feel free to file your questions and we'll pick them up when we get to Q&A.

Slide 2

So this is probably the only slide that hasn't changed in any presentation we've ever given, so I'll go past that.

Slide 3

And as I say, Gareth and I are going to do the traditional bit and Gary and Max are going to add the spice and the excitement.

Slide 4

I think, when Rich and I were rehearsing for this, we agreed, I think we've used this slide enough times for most people to be bored by it, but it is worth dwelling on. This is the market that we believe that we face. This is the addressable market that we see our company competing in, in all of its guises. And as you can see on the right-hand side, in those little Informa lozenges, we talk about some of the things that we do in order to be competitive and relevant for our customers and our markets, whether that is specialist market research or open research or a pay-to-read route to market, or whether it's specialist media or providing lead generation services or running live events or on-demand events. It's a range of services, all of which have in common one thing, which is the provision of specialist information.

I've just had the pleasure of doing a round of media interviews since the early hours this morning and inevitably a lot of the media questions are around, "But what about the macro? What about the macro?" And of course the macro is not irrelevant to us, and we see the macro in our labour costs, we see the macro in our customer demand in some areas, we certainly see the macro in some of the geopolitical changes. But the great strength of this business, or the two great strengths of the Informa Group, are firstly, what it says in our mission statement. We champion the specialists. We operate in niche markets. We have specialist market positions, brands, subject areas, subject matters, market positions. And whilst we would not wish to have a consistently challenging macro, if you operate in the micro, you can still have a high performing business with a backdrop of macro challenges.

The second great strength of the Informa business is we have very few single points of extreme weakness. That doesn't mean that we don't have challenges in lots of places, because believe you me, we do, but we don't have a $1 billion contract or a $500 million contract sitting somewhere that if it goes south, it floors the company. And that means that this business is very able to weather extreme challenges and we know that to be the case because we've just lived that movie. We saw 50% of our revenue disappear in front of our eyes and actually the company has come out of it stronger. And if there's one key message I want to leave with people today, when you're thinking about the Informa company, what you are looking at is a company that today is a better business than it was in 2019, not despite what happened, but because of what happened.

Because during the COVID crisis, we did four things that were counterintuitive. We didn't fire anyone, we didn't take any government money, we invested in technology, and we bought businesses. All of those things are rational to do, but not when you've just lost half your income. What's allowing us to come out of the COVID crisis in a stronger place is those decisions that we made. And that's what you see in our numbers, that's what you see in our forward guidance, that's what you see in our rationale for the acquisition of the Tarsus business, and that's what you see in the logic that has led us to try and build the Informa Tech franchise.

So the knowledge and information economy, that's where this business sits, it's where it competes, and it's where it's trying to be the best version of itself.

Slide 5

In operating terms, we run the business through this way, the Taylor & Francis business, which we'll come on and touch on, creating high quality, authenticated, original thought, peer reviewed, validated and accessible in any format that you want, in any way that you want, in any contractual structure that you want. That's been a flexibility change and an attitude change that's been led by Annie Callanan and the team over the last four or five years, and which we're leaning into more in product and service diversification.

In our live and on demand business, Informa Markets and Informa Connect. Informa Markets, predominantly a commercial trade show portfolio underpinned by digital services. Informa Connect, primarily high quality knowledge led conference product underpinned by digital services. The Informa Tech franchise, a business that, when we launched it to an unsuspecting market in 2019, we described as an experiment. What we were trying to do here was to build a fully integrated vertical business facing one market offering a multiset of B2B marketing services, and we've made good progress on that and Gary will bring that to life. And then often forgotten, over in the left-hand corner, a series of partnership investments in a whole range of businesses, some that we sold but retained a position because we could see the value, some that we own the majority of, but we've partnered because other people have brought either capital or talent or technology, and some because having a minority position suits us and improves our ability to learn and get better.

Slide 6

What does 2022 tell you? Well, our operating performance, I think, speaks for itself. Our revenue up by over 30%, our profits up by nearly 50%, our margin getting back up by 2%. We're offering further margin growth and then a path back to circa 30% margins at the end of GAP 2. Our earnings per share is up, a combination of revenue growth, profit growth, and also the share buyback program. Strong growth in every geography in 2022 with the exception of mainland China. And that speaks to where the opportunity is in 2023 and 2024 because we will see China return in '23 and '24. And importantly, after six, seven, eight years of hard work by Ben Wielgus and our sustainability team, the second year in a row, we come out number one in the Dow Jones Sustainability Index. We're ranking well in all the relevant indexes on our ESG performance. And in this world, that matters. Matters for shareholders, it matters for colleagues, and it matters, and therefore we've taken that seriously for a long time.

Our GAP 2 strategy, which we launched at the end of '21, really started to come to life last year. The first and headline move of that was the slightly counterintuitive decision to sell our intelligence businesses, our subscription revenue businesses that we announced at the end of 2021. We raised around two and a half billion of gross value from those businesses whilst retaining two stakes, 15% in the Pharma business and 20% in the Maritime business. So future value to come from those retained positions. That's effectively allowed us to cleanse our balance sheet, remove our debt. It's given us the wherewithal to be able to make acquisitions. Last year, Industry Dive; this year, Tarsus. We still have a very robust balance sheet and we have the ability to deploy further capital, which we'll talk about.

In open research, we are expanding at pace, both in 'volume in' and in 'volume out', but we're not changing the quality and that's the key proposition. It isn't a volume business, it's a value business, but it needs to be an agile business and a speed business and a more customer orientated business, and that's where we are deploying a lot of our investment. We've seen really strong growth in the performance of our live and on demand business. That's true, generally, I think, for most people who are in that business, but the strength of our portfolio is particularly distinctive both in Informa Markets and Informa Connect.

IIRIS, I'm not going to say much on this because people tell me off when I steal their slides, so I'll leave Max to do that. But suffice to say, we started with a blank sheet of paper. In fact, actually we didn't. We started with an outsourced contract with a third party provider and then decided that was a bad idea and we'd do it ourselves. So then we did a blank sheet of paper and then we built it from scratch, and Max will bring that to life, as will Gary in Informa Tech.

The balance sheet I've touched on. Dividends are back. The forward position on the dividend should be attractive for those of you who are yield investors, and we think the balance is about right between the dividend yield and the investment for growth, and we're conscious about that. I know there are some investors for whom they're uninterested in the dividend and some investors who would like the dividend to be higher. We're probably somewhere between those two and that probably means we're about right. But I'd like to put on record the Board's thanks to those dividend yield investors who, during the COVID crisis, were willing to accept a zero dividend for two or three years so that we could retain the value in the company to then bring it back.

And as I said in one of the interviews I gave this morning, the thing that worked really well during COVID, the unsung hero, was the capital markets. Our shareholders actually stood by us. We didn't go to the government for money, we went to the markets for money. And the market stood by us both by providing us with equity, providing us with debt, and accepting a dividend sacrifice.

We've upped the share buyback program. Those of you who were here in December 2021 may remember that we promised that if we raised two billion, we would offer one billion. I'm fond of saying that isn't actually what we said. I think what we said was, "If we raised two billion, we would return up to a billion," because we wanted to wait and see if our cash flows would return at pace. Our cash flows are now returning at pace and therefore we're, I think, confident to make that final step up to the billion return. And that probably, and depending upon the price of equity and the buy rate in the market, should see our buyback program run through to the end of 2023. And we're using some of those retained proceeds to invest organically in GAP 2, in IIRIS, and also in acquisitions. Last year, in Netline and in Industry Dive, which between them cost us around $500 million, a c. 11 times multiple.

And today I'm absolutely delighted to confirm the addition of the Tarsus group. I'm making this presentation looking directly at Doug Emslie, the founder and father and creator of Tarsus, so I'm going to be very careful about what I say. But I think I can say we've looked at trying to acquire Doug's business three times and as his co-partner in life, Neville, said to me by email this morning, "Patience and perseverance pays off." And so we're delighted to have that business joining the Informa Group, and you can see the maths and I'll touch on that a little later.

So that's the results from 2022 and where the company is.

Slide 7

Looking at 2023 to 2025, which is the way in which we would like people to look at the company, really what we're saying today is that our first fully normalised year is going to be 2024. We had a bit of a debate, if you recall, back in '21, '22. We had the existential debate, "Would anyone ever leave their bedroom ever again? Would anyone ever meet anyone in person ever again?" We moved past that. We then moved into, "When will this geography open, this geography open, this geography open?" Our view now is that depending on what happens, particularly in mainland China, and notwithstanding any existential macro threat, 2024 will be a fully normalized year for us and 2025 will be our first year out of GAP 2. The combination of those two things gives us a lot of forward confidence in the growth of the business.

Slide 8

I'm really proud of this, so I wanted to put it on record partly to say thanks to the team, partly to draw attention to the fact that we've put real operational work into this. Energy supply, the removal of plastic, the way in which we do bundling and packaging and distribution, our use of print on demand, our approach to better stands, our approach to waste management, our approach to our contracts with our venues. This is an important area of our work. This is a weak link for any business. Your impact matters, and your ability to be able to stand behind your impact and look at your performance and not just parade your revenue growth and your profits, which we're proud of, but to be able to look yourself and your colleagues and your customers in the eye and feel confident about what your actual overall impact is in the world in which we live.

There's still work for us to do here. The fullest expression of our fundamentals program, as we call it, and our waste management program, won't come through until the end of GAP 2, but we're firmly on track to meet and beat our own targets, and our own targets are significantly more stretching than those that are being imposed externally, and that's the way it should be.

Slide 9

GAP 2, where we're investing our organic capital is in these areas. Our ability to handle submissions volume, particularly in Open. Our ability to develop our specialist media content, particularly in Informa Connect. The deployment of our partnering technology in our live events, our ability to make it easier for people to transact in multi-purchase payments. In IIRIS in the power of our underpinning data warehouse. In digital service quality in our academic business. In enhancing the live experience in smart events so it isn't just a rent-a-booth, turn up, and leave experience. In search engine optimization to enhance discovery and access in our research business. In the increasing use of video, Streamly, the platform we've built in our content business. And in lead generation, which is a market that we've stepped into and we see real growth. All of those are recipients of our organic funding.

Slide 10

A bit of depth on Tarsus, for those of you who haven't seen the statement. My opportunity to tell Doug what a great business he's built. This business is very complementary to our business geographically and by sector, but most importantly of all, I think it's complementary culturally. I think when you're doing these acquisitions, the first question you have to ask yourself once you've looked at the numbers and done the due diligence is, "When you put these two things together, is it going to be one-plus-one equals three, or is it going to be one-plus-one equals one and a half, if you're lucky?"

The culture inside Tarsus that Doug has built is very similar to our own. It's entrepreneurial, it's agile, it's very customer focused, it's very close to its markets. It does that thing that you have to do to run these businesses well, which it never gets on stage in front of its clients. It's there to service the industries that you have the privilege of servicing. If you get that right, there's an annuity business in there. If you get that wrong, it can be over in a heartbeat. And Tarsus, I think has understood that for many years and I think we've learned that.

The financials on the right-hand side, we see some synergies, but we're not buying this business for cost, but we see some synergies. The multiples are slightly a function of the unique peculiarity of the Tarsus portfolio, which is the high incidence of biennial product. So therefore, for those of you who were investors in it when it was a public company, you will know that there's a kind of blended year impact on their numbers, so you tend to look at it on a two-year batch. But straight off the bat, it'll be accretive on earnings and it will return its cost of capital and it'll be additive for revenue in this year.

We're buying the business through a mixture of cash and equity, and the equity has got a little kink in it, which is it assumes that, for some reason that people haven't worked out, that our share price should be above £8.50. But we're absolutely convinced that that truth will come to pass within the next two years. And so convinced are we that we were able to convince the owners of Tarsus. And therefore they're taking a portion of their proceeds in our equity.

And then, because Christmas comes twice a year if you do deals with Informa, there's a little equity earn up, which requires the share price to be above £8.50, on the grounds that, if we get there, there will be no doubt that the Tarsus portfolio will have contributed to that, so why shouldn't the owners of Tarsus share in that. It's a class 2 transaction in size, so we can crack on with it. There will be some legal administrative competition clearance, but we anticipate getting that done at a reasonable click.

Slide 12

Talking to those colleagues who are on the webcast, and I know there are quite a few from Tarsus and from Informa, the way in which we're going to manage this is through a combination program running through to the end of the year. Three very simple objectives to deliver 2023. We've done a lot of due diligence on this business, it's very backend weighted, we're very confident in the numbers, but we don't want to mess it up. Secondly, we want to discover. We believe what we've been told, we believe what we've seen, we've had a chance to meet some of the people and indeed some of the customers. But nevertheless, you never really know until you're inside the machine and we want to do that in an informed way. So we're going to use the next period to make smarter combination decisions about the brands, about the markets, and about the talent.

But we're going to combine these businesses. So from the 1st of January, we'll be one company. It'll be called Informa. We'll be one team, we'll be on one set of terms, and we'll go to market in '24 and '25 as one business, but we'll take time to get that right. To help us get that right, because we like to think ahead, many years ago, we managed to poach from Doug a valuable colleague, knowing that five years later we'd be able to return him with a new title as the Chairman, Executive Chairman, of Tarsus. So Mark, who I think is both liked and respected inside Tarsus and inside Informa, will become the Executive Chairman of Tarsus through to the end of the year, the kind of last governor of Tarsus, if you like, and he will work with his team and the Executive Team that Doug has built in order to ensure that we do that combination as effectively as possible. I think we've got a high confidence that we know how to do this, and I think we'll do it well.

With that note, I'll pass over to Gareth to take you through the numbers. Gareth.

Gareth Wright:

Slide 13

Thank you Stephen. Morning everyone. I'm going to talk you through a couple of slides on the 2022 results to pick out some of the highlights from that, but also really talking about how we're using the 2022 results as a foundation to drive growth in the Group, both through the balance sheet, in terms of the ability to grow organically and inorganically, and also the balance sheet as a fuel for momentum in terms of the GAP 2 program that we're currently running with. And all the time, how we're then using that as a way of accelerating shareholder returns, both in the buybacks and the ordinary dividends that Stephen's been outlining.

Slide 14

So to kick off, I'm going to pick out some of the headlines from the '22 full year results, which are on the screen here. Reported revenue increases by 33% year-on-year to just under £2.4 billion for the year, which represents group underlying growth of 30%. This is driven by a 45%-plus underlying revenue growth in the three B2B Markets businesses, and supported by a further acceleration of growth at Taylor & Francis.

The strong underlying revenue growth comes from three main dynamics, I would say. The robust return of live and on demand events in 2022 globally, excluding mainland China and Hong Kong; a solid performance in our digital services businesses in the B2B market space; and further strength and growth in our subscription led businesses, powered by strong forward booked visible subscriptions. Adjusted operating profit increased 38% year-on-year to about £535 million, and underlying OP growth was 47% running ahead of the reported growth. And these total group results deliver our revenue and OP guidance for 2022, for the full year, and increase the OP margin from the continuing businesses by about two percentage points to around 22% for the full year. The reported growth in the operating profit, together with a lower cost of financing, delivers the 58% increase in adjusted earnings for the year to 26.4 pence per share.

Our sustained focus on cash conversion and cash management continues to strengthen our balance sheet. Free cash flow increased to £466 million for the full year, which together with the disposal proceeds, largely eliminated our net debt by the end of the year. The reduction in net debt, together with an improvement in the EBITDA, lowered leverage from 2.8 times at the start of the year to negative 0.2 times by the end of the year. And I say negative because, absent IFRS16 lease liabilities, we were in a net cash position at the end of the year. And the strong cash generation for the business, together with the trading and our robust balance sheet, gave us the confidence to accelerate the shareholder returns that we announced at the Capital Markets Day last year as part of the GAP 2 program. And in 2022, those returns comprised over half a billion pounds worth of share buybacks, together with the restart of the ordinary dividends from the half year.

Slide 15

So now focusing on the income statement for 2022. Total group revenue was almost £2.4 billion and OP of £535 million produced a total group operating profit margin of 22.4%. That's a percentage point higher than we reported at the half year, driven by the increasing return of events in the second half of the year, and we see further increases in the margin going forward as the business continues to scale and grow. Tight cost management remains a real focus of the business, particularly in this higher inflation environment that we're currently operating in. However, we are also continuing with targeted appropriate investment in the business, both to drive the opportunities that we see through the GAP 2 program and to also consistently improve the experience of our customers at our live and on demand events, where we think there's more to be had and more to grow into in terms of that experience.

Net financing cost reduced year-on-year, delivered by the interest receivable earned on cash proceeds from the Informa intelligence divestments. And those divestments were also the main factor in the adjusting items where you saw the pre-tax profits of around about £1.7 billion coming through.

The effective tax rate for the year was 18.5%. This is a bit of an increase on the 17% we reported for 2021 because as the profitability of the group continues to return and recover, the fixed tax deductions we get from our goodwill amortization and our internal financing are a lower benefit in the overall mix of the business, leading to an increase in that tax rate. And we expect therefore the ETR to be around about 19% in 2023. In the medium term, we expect the ETR probably to tick up a little bit more to around 21% to 22%, which reflects several factors including the increase in the UK corporation tax rates that are coming into effect, and also the OECD minimum tax proposals, which are having an impact on a global basis.

And then finally, the non-con controlling interests in '22 entirely represent Curinos. In 2021, this was around about half Curinos and half our joint ventures and events, which are mainly in China, but as those didn't run in '22, that wasn't a factor in year. However, those will be a factor in 2023 as we expect those events to restart and activity in China to reopen.

Slide 16

Now I'm going to look at the results on a divisional basis, and unpack the revenue and the OP in a little bit more detail. In B2B Markets and Digital Services, which encompasses Informa Markets, Informa Connect, and Informa Tech, underlying revenue growth was 46% for the full year. And this is where we saw the strong return of live and on demand events throughout 2022, and we delivered around 87% of 2019 revenues on a like-for-like basis, with more to come in 2023.

And the demand has continued into Q1 2023. The events we've operated so far in the year-to-date, mainly in Informa Markets and Informa Connect, have shown a strong performance year-on-year. And we expect this to continue also into Mainland China and into Hong Kong, where we anticipate a progressive reopening in 2023. All of which we think, across 2022 and 2023, demonstrates the value of the model to customers even in an increasingly digital world.

At the same time as the benefit in the events, we're seeing increasing demand for digital services underpinned by a deeper diversification of our services in this area. We saw a solid performance across a number of the non-event revenue streams, including strong ACV subscription growth in 2022 in Informa Tech's Omdia brand. And we've also used inorganic acquisitions to add to our capabilities in specialist content and audience development through the addition of Industry Dive and also in syndicated content and lead generation through the addition of NetLine.

In Academic Markets and Knowledge Services, Taylor & Francis is delivering consistent and improving growth. Full year underlying growth for 2022 improved to 3% for the full year delivering our upgraded guidance that we announced around about the half year, and tracking towards our 4% growth guidance that we envisage by the time we exit GAP 2. The drivers of that improved growth were a good performance, a robust performance in pay to read subscriptions, but together also with our important and widening expanded service offering across the business, all of which benefit from the GAP 2 investments through 2024 that we're making in Taylor & Francis. So for the group continuing businesses overall, this produces underlying revenue growth for the year of 31% and underlying OP growth for the full year of 47%.

Slide 17

The next slide is a bridge from our underlying growth numbers to our reported growth numbers to explain for both revenue and OP, how they bridge and how the reported growth for the full year is slightly higher than the underlying growth. And the key dynamic in that factor was currency, where the reported growth year-on-year benefits from a 14 cent strengthening in the average U.S. dollar rate in 2022 compared to 2021. And this has a greater impact on our profits than it does on our revenue because a higher proportion of our costs are in GBP which do not strengthen with the movement in the U.S. dollar in the year. The effect of acquisitions and disposals was broadly neutral in the year as the impact of divestments that we made in 2021 on the reported growth were offset by the benefit of additions that we made in 2022 in the reported growth. And the year-on-year effect of phasing is immaterial really because we're not yet at a stage where we're back to our normal cycle of up year, down year biennial event operations, principally in Informa Markets.

Slide 18

By the end of 2021, we delivered balance sheet strength and stability and flexibility, but we maintained our cash focus through 2022 to deliver this capacity for both accelerated shareholder returns and further growth and expansion through inorganic and organic means. This focus delivered free cash flow for the full year of £466 million, a year-on-year improvement both in total free cash flows and free cash flows from the continuing business which I think is worth highlighting because the 2021 result was very strong in this respect, so I think it's a great achievement from the Group and colleagues to deliver that year-on-year improvement. Our strong focus on cash management and cash conversion produced a working capital inflow in the year of around about £65 million albeit the slide here has a year-on-year decrease because 2021 had an even higher working capital inflow as we saw the reinflation of the events business following the restart from COVID.

We increased our capital expenditure in 2022 in line with the GAP 2 strategy and our organic investment in the business, and our tax payable increase in 2022 simply is a function of the higher profitability of the business in late '21 and earlier into early 2022. But overall, this focus on cash conversion produced 117% conversion of operating profit into operating cash flow and it's that acceleration that enabled us to report free cash flow for the full year of £466 million ahead of the guidance £440 million plus that we gave in January. And again, going back just to think about where we were at the start of the pandemic where we presented in this room back in March 2020, at that point we really pivoted the group to have a key focus on our balance sheet strength and stability. And that focus has really continued over the couple of years since. And through those active choices, we've delivered the position of balance sheet strength that we have at the year-end.

Slide 19

And that's really been choices around a relentless focus on cash conversion and cash generation, a real proactive management of our debt stack and our credit story and through really disciplined and strong capital allocation decisions made across the group. The active choices that we've made since then have really transformed our balance sheet. We've eliminated our net debt, it was almost £2.7 billion when we stood here at the start of 2020. It's now effectively zero, before lease liabilities, at the end of 2022. And the elimination of our net debt together with the improvement in EBITDA has reduced leverage from 2.8 times this time last year to the negative 0.2 times at this year-end. But the key message really isn't about what we've done with the balance sheet historically, it's about what we can do with the balance sheet going forward. I think that's where the real opportunity is for the group and that's what's really exciting, the ability to deliver targeted growth and expansion organically and inorganically for the group with the balance sheet.

And the ability to also at the same time accelerate shareholder returns through the increased share buybacks that we're announcing today and the restart of the ordinary dividends that we've confirmed during 2022. I'll come back to shareholder returns in a bit more detail on a later slide.

Slide 20

Our proactive debt strategy continues to deliver long-term financing flexibility in the balance sheet. This February, a couple of weeks ago, we have finalized an extension to our revolving credit facility which now expires in February 2026. The value of the RCF is unchanged at a billion and 50, all of which is currently undrawn. And the terms of the RCF are unchanged from those signed a couple of years ago, which I think in this current credit environment is a testament to the Group's balance sheet strength and credit story. If you stand back and look at the debt stack as a whole, there's a couple of things I would highlight. First of all, as we've said previously, now there are no financial covenants on this debt stack at a group level. Our EMTN borrowings are entirely fixed rate in nature.

So in the current higher interest rate environment, that's not an incremental cost to us because those borrowing costs are fixed. However, the cash balances that we're running at the moment following the divestment of Informa Intelligence do benefit from the higher interest rate environment and that therefore is giving us a benefit. And finally, our only short-term maturity is the £400 million there you can see, which in reality is €450 million of EMTN notes that mature in July 2023, and I think you'll agree that in the scale of our balance sheet, that sort of quantum of maturity is pretty immaterial overall.

Slide 21

Turning to GAP 2, a key element of the GAP 2 focus was the divestment of Informa Intelligence to focus on our two markets of growth and scale. And the divestment that we completed in the year is just worth reiterating some of the highlights out of that. Gross post-tax proceeds are £1.9 billion and average EBITDA multiple of 28 times. And then really demonstrating our capital allocation discipline as we recycle those high valuation multiple proceeds into growth opportunities in our other businesses.

And also that disposal crystallizing a huge amount of value that we felt was hidden in our equity story. Stephen touched on these retained investments in his piece and talked about some of the rationale behind retaining those, which I won't go through again, but just from a financial point of view, it's worth highlighting those retained investments are relatively immaterial to our current revenue and OP numbers, but actually give us a really good opportunity in terms of further valuation upside crystallization at a later date when we exit those and also give us another cash generation event which we can through our discipline capital allocation recycling to further growth opportunities elsewhere. So I think more to come from those stories but worth keeping them in mind.

Slide 22

In terms of shareholder returns, as I said we'd come back to this, and the balance sheet strength and flexibility has really enabled us to accelerate these returns. Starting with the share buyback program, we've deployed around about £590 million worth of capital to date since we started that and that's enabled us to repurchase and cancel around about a hundred million shares.

And today, we've announced the expansion of that buyback program from £725 million up to a billion pounds representing over half of the embedded value that we released through the Informa Intelligence divestment. And at current rate and pace, I think that will take us through to the end of 2023 to deliver. We also delivered on our GAP 2 commitment to restart ordinary dividends at the half year, we communicated a commitment to payout 40% of continuing adjusted earnings and that is delivered today with a 9.8 pence per share full year dividend for 2022. But that commitment to payout on continuing adjusted earnings is important because I think as the group continues to grow earnings both through our expansion program and also the recovery of events, that should enable shareholders to benefit from an increasing opportunity in terms of the dividend. That's everything I was going to pick out in terms of the financial results. I'm now going to pass you back to Stephen.

Stephen A. Carter:

Thanks, Gareth. Right, I'm going to go straight to this slide.

Slide 26

So take yourself back to 2019. We were in a similar position but a slightly different shape group. And one of the questions that we were debating internally was whether or not we had the license in our B2B business to extend our service offering to end market customers, B2B market customers, in sectors beyond simply the provision of B2B event or event related services. So did we have a license to operate? And if we did, where might we pursue that opportunity? And we decided then that, without being judgemental about any other end market, that the most sophisticated end market customer was in the Enterprise Technology end market, partly because it's the ultimate horizontal, partly because they are very demanding buyers of these services and partly because they have significant budgets and therefore they're frequent buyers of these services.

Also, through a combination of history and circumstance, we actually had a series of brands, products and services that operated in servicing that market. We had a research business, albeit a small one, we had some media properties, albeit slightly unloved. We had actually a good quite distinctive event portfolio. And so it seemed to us we had the essential ingredients that might allow us to create a standalone vertical. And that led to the creation that I think I described at the time as an experiment in Informa Tech. Could we validate that there was a market for us building verticals rather than just horizontal capability? So we launched that as a thought at the end of 2019. Everything in life is timing and I'll hand over to Gary in a second after Max to talk about what then happened. But what this slide seeks to highlight was what was it we were seeking to do?

In relatively short order, one of the first things we realised was that in order to be taken seriously outside of the event portfolio, you needed to have a data foundation. And whilst the events business is good at using data for sales and for customers and for forward booking and for space planning, actually it's relatively underdeveloped as an industry in using data analytics for profiling, for behaviour, for usage patterns and for other buying needs. And that led us to the view that actually we needed to create a first party data capability. And on that note, enter Max.

Max Gabriel:

Slide 27

Thank you, Stephen. Good morning, everybody. I'm considering there's a lot to cover in this session. I'm going to be brief, which means pay close attention. I'm going to answer basically three specific questions about iiris, how is iiris getting embedded into the business? Because I know a lot of you asked that question to me last time and it's a question we ask ourselves, how embedded are we into the businesses? The second one, how are we doing in terms of our first party audience data growth? Number two. Number three, how is iiris creating value into the business? And that's what I'm going to take you through in terms of the progress we've made with evidence. A bit of a context, Informa, as Stephen was alluding to, Informa the B2B businesses have always been a rich source of first party data, but we haven't been disciplined enough to collate them and curate them and actually analyze and translate them into products and services. So during COVID, Stephen and Gareth made a very deliberate choice, as he was explaining, to build a proprietary data platform internally for two reasons.

One, we collectively believed it's a strategic foundation for B2B services and we want to control our own destiny. And most importantly, we want to get there faster as usual. That's the reason why we decided to do it internally. So where are we in terms of our adoption and getting it embedded? As of right now, when you consider all the specialist brands we have across events and the specialist media brands, we have over 90%

of B2B brands contributing audience profile and behavior data into iiris. So incredible progress in the past 12 months.

Slide 28

So how are we doing in terms of audience data growth, the first party audience data growth? Many of you may recall that was a baseline on how we started January 2022. And we had pretty ambitious targets in terms of growing across audience interactions, which is really the behavior data, unknown audience, these are audience come into our websites periodically but we don't have enough information about them, but they're interested in our products. And then KEMA, which is known engaged marketable audience, which has become a singular metric which the whole organization has gotten behind.

I thought we had an ambitious target and huge credit to the team, the marketing team, commercial team, iiris team working together. We absolutely smashed our targets. We are at about 1.8 billion in terms of behaviour interactions and we'll see in a moment how we are putting that to use. We quadrupled the unknown audience, which I know Gary and team are quite interested in because that becomes the part where we can start to systematically convert into known audience. And we've exceeded target on our KEMA as well. An interesting point to note, when we added Industry Dive and NetLine, this was a hypothesis. As we bring in new businesses, when you plug into iiris, is it going to enhance the value? And that's exactly what we are seeing. It instantly started adding mutual benefit in terms of data quality and the cohesion, but more importantly it is starting to add value. So very pleased with the numbers. Before you note down what is the '23 target, we're very pleased with where we are because I think the growth rate is very good.

Slide 29

This is really about going deeper into driving more engagement rather than growing the volume at this stage. So how are we doing in terms of creating value for the business? When we started the business, when we started iiris, we had three specific goals. Well first, we'll make it work for our own products. We better do that otherwise all bets are off. We market our own products better. And then in parallel, market our clients' product better. And the third one was a slightly harder task, harness the power of all the data insights and analytics we have to launch new products and services. Sometimes it's actually either to upsell to our existing customers or inform a test case, actually open up new budgets to new customers and we are doing both. Let's look at what we are doing around our live and on demand portfolio. Well there are many examples. We chose, the best one, CPHI is the largest event in Informa Markets and credit to this team for taking a very data-driven insight-led approach.

They've been able to not only increase the attendance rate, but this time was the quality of the audience they got for the show, they were able to raise it significantly. This happened last quarter. And using the same analysis, they've been able to cross sell digital products as well. And on the other side, Informa Connect where Andy Mullins and his team pioneered in launching a lead insights product called Alchemy, which was launched in 2022. It's been delivered to thousands of conference sponsors with great customer feedback coming in. And we are doing more in 2023 to create more value as well as continue to enhance the product. And then moving on to B2B Services, which Gary will properly unveil, I'm just going to tease you on what we are doing, one of the shining examples on value amplification was Industry Dive. Just plugging them into iiris, which only happened over the past 90 days, Sean and his team have been able to add about half a million new subscribers in the past 60 to 90 days. The potential is pretty big here.

And let me touch on Informa Engage and have Gary expand on it. Informa Engage is our internal marketing agency who run all our client programs across media and marketing services. That brand is not on iiris yet and we're quite excited, we are going to do that in 2023. Then we'll be able to impact our client programs at scale by end of the year. And the last one we're very excited about is NetLine, which is another recent addition to Informa. They've been analyzing, looking at 1.8 billion interactions we've gathered to build a buyer intent product, which again, Gary will unpack. So to recap, iiris is getting rapidly embedded into the business. It's all about more rigour and discipline. We want the data to come in more real time than where we are. We are absolutely pleased with our audience data growth. It's more about completeness of the data and improving the engagement of the audience. A third one, we are seeing value enhancement as well as amplification, which gives us a boost of confidence to go after higher ambition in B2B Services. Speaking of higher ambition, I'll turn it over to Gary. Thank you.

Gary Nugent:

Yeah. Thank you very much, Max. Good morning, ladies and gentlemen in the room, and of course to all of our digital audiences out there. My name is Gary Nugent and I head up Informa Tech. And as Stephen reminded us, Informa Tech was established in 2019. And at that time, it was really a collection of brands and businesses that we had amassed from across the Informa empire. Collectively, it all added up to about $300 million of revenue with about 60% or plus of that physical in their nature, events in their nature and with relatively meager single digit growth rates at the time facing off into what is the $5 trillion Information Communication Technology end market, which in and of itself is growing at about 4-5% on a per annum basis. And it's generally regarded as one of the most invested and sophisticated industries in terms of its marketing and spending on average about 8-12% of their annual revenues in marketing.

Slide 30

Fast-forward to where we are today, Informa Tech in partnership with iiris, underpinned by Max and the iiris team, is a leading provider of specialist market insight and market access to the technology industry. Our run rate revenues are just over half a billion dollars as we run into 2023. And we are highly confident in our ability to generate double-digit growth rates over the next three-year period from this business with strong double-digit EBITDA margins and improving over that period. Across the business, we employ about 1,700 specialists in the market that we serve. They are truly global, over 20 countries all the way from Melbourne through to San Francisco. And they produce one specialist market research business called Omdia, over 40 B2B media brands that serve the industry and what we would describe as 15 event franchises that all cover the subject matter of business, technology and business and the business of technology. And collectively, we command a known engaged multiple audience of over 6 million decision-makers and influencers within the industry, within the buy side of the industry.

And it's through that audience that we fuel the products and services that we offer to the 3,000 plus clients that we have as a business today. So let me tell you a little bit about the market that we are leaning into and where we believe that double-digit growth is going to come from over the next three years or so. I mentioned earlier on that the tech industry typically spends about 8-12% of its revenue revenues on marketing and about 40% of that is external in its nature.

Slide 31

And you can see here, based upon surveys that we've done with our customers, how they roughly break down that expenditure. Within our industry, about 10% of that is actually spent on events, 14% of it in paid advertising, 16% of it in paid search, 60% of it, the lion share of that budget is spent in what we call audience development and digital demand generation. Audience development is the activity of attracting audiences into your world, raising awareness for your brand, establishing thought leadership, and in the main that's done through relevant and engaging content that they put out into the marketplace.

And demand generation, digital demand generation is all about feeding the sales team with leads. Now, we've sized this market and the U.S. will alone resize this market at about $11 billion in 2021. About 60% of the market is actually North America, but diversifying, 40% of the market is in tech, ICT, but again, diversifying and growing at a compound annual growth rate of about 10-15% per annum. So an attractive and growing market. What's driving that growth? Well there are many things, but let me try and distill it down into three. The first is the rise of B2B marketing in general. And you will not have gone unnoticed that slightly differently from when I was a lad, a young salesman, 80% of a customer's buying journey has already occurred before they pick up the phone to the sales rep.

Their ability to research their problem, research solutions to their problem, research the vendors that can offer solutions to their problem, their ability to actually connect with peers and understand what their opinions are of those vendors in those solutions online and digitally has only raised the importance of marketing in the mission and in the success of a business. And that means their budgets are going up.

The second thing is the digitization of B2B marketing. In a digital world where you can test, you can learn in real time, you can improve and you can readily report on performance and report on ROI, you can see more and more emphasis in that increasing B2B marketing well being placed into the digital version of it. And then finally, the other growth driver that we feel is the market is leaning into as in our strength is the era of privacy and consent. No longer are marketing solutions built upon cookies and anonymous third party data, it is now demanded they are built upon fully permissioned first party audience data.

And then the final reason why we think there's real growth to be had is this is still a fragmented landscape. And we have mapped over 55 players in this marketplace that only add up to about 70- 75% of that $11 billion I mentioned earlier. And we believe that we have the right to compete and win in this marketplace and take a leading position in it.

Slide 32

So let me tell you what we believe it takes to compete and win. We think there are five things that it will take to be successful in this marketplace. The first, which we've spoken about quite a lot is that rich and proprietary source of first party fully permissioned audience data. And I mean we call that Informa. All of Informa businesses gather audiences in their activities. And then the second thing we need, of course which Max has eloquently spoken about, is somewhere to put that data, to cleanse it, to enrich it and to make it ready for use. And that is what we call iiris.

The third thing that you then need is an engine that can analyze that audience data and through that analysis create what the industry calls intent. Intent is simply trying to identify who is in market for products and services so that you can precision target your marketing activity. And so no longer can the old marketing adage of 50% of my marketing spend is wasted, I just don't know what 50% it is. Then we need the marketing smarts, this fourth bucket, the marketing smarts that are the content marketing and the digital performance marketing capability that enables you to activate those audiences on behalf of clients. And then of course, finally what we need is the brand and the marketing and the sales that can take this proposition to market in a scalable way. You can see along the bottom here some of the kind of data points that we've been sort of carefully buying and building our way and building up these five capabilities over the past two years.

Slide 33

I'm going to talk just about two of them in a little bit more detail. The first one is that first box, that fully permissioned first party audience data. Of course, I mentioned that Informa has a wealth of this, but it is an asset that needs to be constantly developed. Industry Dive is a perfect example of our investment in our audience development capabilities. Industry Dive is a B2B media publisher that focuses in over 27 specialist industry markets and it brings to the table an audience of business people, chief executives, chief finance officers, HR directors, heads of manufacturing, heads of marketing, heads of sales that complement the technology audiences that Informa Tech has traditionally brought to the table, chief information officer, chief technology officer, data scientists, et cetera.

The reason why that is so important is we know that the decision making and the influence is shifting to the business increasingly with the advent of cloud and the advent of software as a service. Not only is this a rich, known and marketable audience, crucially, it's highly engaged. 24% of this audience engage on a daily basis, 45% on a weekly basis. That is crucial as we look to compliment what we would call profile data, demographics and firmographics of the audience with actual behavior of their content consumption and their needs and their wants and their desires. That's what gives you that key to precision targeting. As Max has alluded to, we always knew when we looked at Industry Dive, that this was a great business in and of itself. The question of course was are we going to be good owners of it. As Max has highlighted through Sean and the Industry Dive team leveraging their access to iiris and the broader Informa audience data, we have managed to raise the subscriber base of that business by 15% in just a matter of 90 days.

Slide 34

The second thing I wanted to focus a little bit in on was that third dimension of what it takes to compete and win. An engine that can derive intent from all of that audience data. Again, intent is simply the industry's word for figuring out who's in market and ready to buy now. Project ABD is a product innovation from NetLine. NetLine is the company we acquired in December of 2021. It draws upon that 1.8 billion transactions that Max mentioned that iiris is capturing on behalf of the business. Uniquely, it will synthesize both offline data, ie physical data of audiences engaging at our events, with our online data and integrate audiences from the NetLine open publisher network to give us the ability to offer intent to customers in a self-service, self-provisioning and fully integrated way into their marketing workflows and into their sales workflows.

We will launch this product in the spring of this year. As you can tell, we are very excited by being able to put this stone, if you like, into the foundations of our B2B Services business because we deliver to the marketplace that thing they really need, the ability to target the right prospect with the right message, crucially, at the right time when they're ready to buy.

Slide 35

As Max introduced me, we have great ambition here. My ambition is that we take this business to be not just a leading provider, but the leading provider, the number one position. That we believe that we have the ability to do so by leveraging the assets that I mentioned and building up those five core capabilities. I believe that you'll see us consistently invest in this business and increasingly invest in that fourth dimension and the fifth dimension that I haven't actually spoken to. The dimension of our ability to build those marketing smarts, those content and digital performance marketing smarts that activate audiences on behalf of clients and that brand and the marketing and the sales capability to take this proposition to market. We believe that over the next few years, we can take this business to being a billion dollar plus business, three to five years, a billion dollar plus business.

We'll do that through strong double-digit organic growth in the business, in and of itself, targeted acquisition and consolidation of this marketplace. Then, crucially, I mentioned that the market is diversifying and it's diversifying to where Informa is strong. Expanding these offers into those industries where Informa has a strong presence and where marketing is becoming increasingly data driven and digitally enabled. Thank you.

Stephen A. Carter:

Slide 36

Thanks, Gary. Okay. A couple of final things from me and then we'll throw it open to questions. Looking forward to '23 to '25, this is really the shape of the group. For those of you who are used to our historical reporting or used to talk about our Intelligence business, our Academic business and our Events business, really what we're trying to give people a sense of is the way in which you should think about us is our Academic business, a Live and On Demand business and our Technology franchise.

Interestingly, our Technology business is now bigger than our Intelligence business. Our Intelligence business was about £360 million in revenue. In real terms as we sold about £80 million in profit. If you are looking at the anatomy of the group, what we've essentially done is remove one efficiently in terms of capital realisation and then replicated at a lower cost, but with a higher growth rate, with improving margins and a better end market. And, where we could actually be, if not the number one player, certainly one of the most significant players. Whereas, in the specific information services markets we were in, that was not an option for us. That's the way you should think about the Group. There's more data in the pack, which I'll leave you with that.

Slide 40

I just want to dwell on this slide here very ... Touch on this slide, sorry, not dwell. Touch on this slide very quickly, which is in the Live and On Demand business, I mean we're delighted with the addition of the Tarsus Group to the company today, but we believe there's significant growth for us in geographic expansion and sectoral expansion. We've just taken these two, Tahaluf, which is our joint venture in Saudi Arabia. Saudi Arabia is a very dynamic market, fast expanding economy, pace of liberalization, demographic of 80% of the populations under the age of 35. They're industrialising that economy at pace. We have a very significant partnership there, which is allowing us to really bring a very diverse portfolio of brands and services to the B2B markets in that geography. That's a big economy. Equally, in sectors, there are sectors where we can build portfolio positions.

Here, I've highlighted one which my colleague, Alex Roth, who's sitting somewhere in the room, has been really the thought architect behind this in the Beauty sector. We've done this in partnership, as is often the case in our business model here, with BolognaFiere who owned the Cosmoprof brand. We're now working with BolognaFiere in Asia, in Europe, in America. We're a partner in their business. We now have a shareholding in their business. Actually, I sit on the Board of their holding company. It's allowed us really to take a leadership position in one of the most dynamic end markets and expanding end markets, high margins, international very fragmented supply chain. I'm just using those two examples to say it's great to do it by acquisition, but we can do it organically, we can do it by geography, we can do it by sector as well as doing it by vertical expansion through multiple services.

Slide 41

We couldn't talk today without talking about China, because I'm sure it'll come up in questions. Here's the way we think about China. Everyone will have their own data points. Everyone will have their own contact points. Here's the way in which we think about it. In simple terms, what do we know speaking to you here today? We know there will be a progressive reopening in greater China. We did not know that in November. We didn't know that in January, actually. We know there's going to be a progressive reopening in greater China. We now know that all cities have removed restrictions and domestic travel capacity is returning at pace. We know that the Hong Kong mainland border is now open. We know that we didn't shrink our business, we maintained our business in mainland China and in Hong Kong in order that we'd be ready for that return. We know that our customers have not disintermediated or been disintermediated from the product because actually the level of refund demands from our deferred income in mainland China was next to nothing. We're carrying a significantly pre-committed customer base. We know all of that.

We also know in our business we have a back-end weighted portfolio. I think broadly that's the same in Doug's portfolio, in the Tarsus portfolio. Where would I encourage people to be cautious? The bulls who want China to come back like this in the next month? Well, I'd be cautious that actually if any of you have tried to go to China, it's not as straightforward as it was pre-COVID. There are still some significant issues on traffic, on aviation capacity, on route capacity, on fleet capacity. The obtaining of a visa, which was never the work of a moment, is not straightforward. We are by definition operating in a shortened selling cycle, because we didn't know until a month ago that it was going to be open. By definition, we haven't got a 12-18 month sales cycle.

Our event schedule has been disrupted, so it's bunched. The good news is we've used our scale to secure venue capacity and locations, but nevertheless, it's been bunched. If you tried to travel anywhere, air travel is expensive. There are some cautions, but there are some positives. We have absolutely no doubt, based on what we know today, that 2024 is going to be a very good year for our business in China. The question really is how much of that will return in 2023? Based on what we know today, we've made some assumptions. I suspect in the Q&A someone's going to ask us, what is the number you've plugged into your model for China? To which the answer is we are not telling you, because we don't know. The judgment that we've made is that as we've looked at our overall business, the combination of the growth in Academic, the growth in Tech, the growth everywhere else in the world, the diversification in digital and the return of China, we're comfortable with where I'm going next.

Here's a thought to leave you with, in the trade show business. The trade show is a beautiful thing, particularly for the manufacturing industry. In South China, which is the hub of the manufacturing industry in China or in the world. Someone told me once when I was in China, 30% of the global manufacturing supply chain comes out of China. Anything you've got in your hand, the chances are that at least a the third of the component parts came from China. Now, the world is changing, geopolitics, China and America are not as friendly as they used to be, but that isn't changing fast anytime soon. When the manufacturing economy reopens in China, the trade show, which is a fabulous efficient, highly impactful way of bringing buyers, sellers, distributors, wholesalers, retailers together, we are very confident in our portfolio. Because the country knows it, in South China, there's 4 million square meters of trade show capacity space that you can buy, rent, package, and sell. It's a very attractive market. We just have to be patient to see its return. That's the thought I would leave you with.

Slide 42

On guidance, this is what we're guiding for 2023. We're taking our revenue, assuming six months of the Tarsus business. We're assuming completion, worst case will be July, it might be earlier, but for the purposes of our modeling, we've assumed July. We've assumed within that, that means there's about £100 million of revenue and about £35 million of profit in our numbers from Tarsus in 2023. That gives us a revenue target of £2,750m to £2,850m.

Nobody would be happier than me if we beat these numbers. The one number I'd really like us to beat is the £2.9 billion revenue number because that was our revenue in 2019. That means we can get back, in 2023, to being a bigger company than we were in 2019 having taken the Intelligence portfolio out, returned a billion pounds to shareholders and be sitting with sub one times leverage which will be a very, very good position for 2024.

Our profits are slightly lower on a percentage basis because we're investing. We're investing in Academic, we're investing in iiris, we're investing in products, we're investing in talent, we're investing in people. We've done that through COVID, it will serve us well. It will serve our shareholders well. You'll see our margins return in '24 and '25. Notwithstanding that, we're targeting to take our margins up by 250 basis points this year, knocking on the door of 25% and then we've got a route map to take that margin back up over the following two years to circa 30%.

The architecture of the business is the engine of Informa has been and remains our Academic business now firmly, a growth business becoming a more diversified business, becoming an intensely digital business and becoming a much more agile business. Our B2B Markets position gets stronger by the day. We get better at that by the day, but there's work for us to do to improve the customer experience. We're further expanding our footprint by the partnership with Tarsus, which I think will serve as very well in the geographies and the sectors where we will combine. We're building a world-leading franchise servicing the Tech markets, where if you take Gary's numbers and you believe them, which of course I do, that business will be a fully integrated multi-service business where the Events element of that will probably in that billion number be sub about 20% by the end of that growth period. That's what we're trying to build here. It gives us real confidence in where the company is.

It's been a very tough and demanding three years for many people inside the company. For the many people who are watching it, I'd just like to say an enormous thank you for sticking with it. It's very good to see us coming back and coming back with strength.

That's where we are. Let's throw it open to questions.

Do we have microphones? Thanks, Cameron.

Nick Dempsey, Barclays:

Yeah. Morning, it's Nick Dempsey from Barclays. First question, I think Charterhouse paid $850 million for the EV of Tarsus back in 2019. You are now paying $940. Obviously, we've had a pandemic in between, but Charterhouse have also done some things to improve that business. Can you give us an idea of what revenue they've added from acquisitions over that time and whether they've improved margins a lot over that time?

Going to try and ask the question about China that you predicted Stephen. Can we understand how to think about the £150 million deferred revenue in China, in a normal year would that £150 million of deferred at this point mean that you'd expect revenue much higher than £150m or £250m, £300m? Or what kind of range would that normally point to? Then, the third question, just looking at the Tech slides that you talked about, if you listen to Tech Target, Spiceworks, Ziff Davis, et cetera, they think some of their growth will come from eating events in the Tech area. Is there a chance that some of this good growth that you are chasing here will come at the expense of growth in your own Tech exhibitions? Because if you can buy a thousand leads with a high intent score, then why bother going to an exhibition?

Stephen A. Carter:

Okay. Well, look, thanks Nick. Let's try and take those questions. I'll touch on your last question in reverse order, but leave Gary to think about how you might want to answer it. My only comment would be, well they would say that wouldn't they?

On China, we're not going to give you a number, but you are correct to say that a large proportion of that deferred revenue will likely flow through, sorry, deferred income will flow through as revenue in 2023. The kind of question is what will the top-up be beyond that? All we're really saying today is we just don't know. We just don't know. Do we have a high confidence that it'll be there? Yes, we do. The portfolio we have in that market is not particularly dependent on international. Pick a number. Five, 10% of the revenue historically was international. Actually the lack of international capacity short term in 2023 probably won't damage us in 2023. Even though it's a small percentage number of participation, actually the presence of international buyers is actually very relevant to your forward pricing. Actually, the return of international participation is relevant to the value of our franchises.

I think, look, we will have a next market outing at our AGM in June, which is in June 15th.

I think we'll have a good read by then of how it's returning. I had call with the China team this morning. There's a phrase doing the rounds in China called Fast China. There'll be plenty of people who are more expert than me, I've been going to and from China doing business since 2000, so 23 years. I'm not an expert, but I'm not as young as I was in the year 2000, for sure. Do I believe that when the Chinese set their mind to something, this will be fast, compelling, commercial and agile? Yeah, probably will be.

On Tarsus, I think since Doug sold the business to Charterhouse in 2019, there's been 11 acquisitions, double-digit, new product launches and quite a lot of organic investment in certainly the main tier one brands and beyond. It's really quite a different business from the business that was sold and then bought. You would've expected us to have done due diligence on that compare and contrast. I think we've got a high confidence that the business that we've bought, which isn't to say that it wasn't a great business back then ... I think we can say this now, we looked at it, but Charterhouse outbid us at that point. On a pound for pound, pound paid for revenue that we've got confidence in, pound paid for EBITDA that we've got confidence in, I think we're very comfortable in the decisions we've made to add it to the group.

Gary, do you want to add to the question around substitution or complementarity in product mix?

Gary Nugent:

Yeah. Happy to, Stephen. What I have to say is that I just don't agree with that hypothesis. It's really all about the marketing funnel and the marketing mix. If you're a marketer, your strategy is all about above the funnel, top of funnel, middle of funnel and bottom of funnel. In actual fact, you have to maintain momentum through your funnel at all times. Of course, whilst events do have an element of sponsorship, which is about brand awareness and thought leadership, really that's all about bottom of funnel, middle to bottom of funnel pushing sales prospects down there. Whereas, the market we are talking about is above the funnel on top of the funnel and pushing the audiences and pushing the markets down into there. I think that sounds a little bit like a refrain, if all you've got is a seven iron and everything looks like 150 yards.

Stephen A. Carter:

That's golf, for those of you who don't play golf, if you've been on a golf course with me, I don't play golf either, but Gary does. Next question. Gentlemen here. Then I see whether there are any questions on the webcast.

Matthew Walker, Credit Suisse:

Thanks. Good morning. It's Matt Walker from Credit Suisse. The first question is on US Europe. I think you showed some of the early events are getting to 95% of 2019 revenues. Is that a good sort of place you think the whole year will be for US and Europe, roughly 95% of 2019? Then the question is with margins in Academic it's gone down to about 35%. Do you anticipate it getting back up to the normal level of around 38%? When can we expect that to happen? Maybe some reflections on does it really fit with the rest of the portfolio? I know multiples for academic businesses are not very high. Is that one of the reasons why you are sort of sticking with it? Then maybe on Tarsus, you've given a revenue number for '23, but can you say what's the biennial in Tarsus and does the revenue drop in '24? What happens to margins in '24 for Tarsus?

Stephen A. Carter:

I think we budgeted 90%. I think that was our budget assumption for Europe and the US on average. I'm looking at Gareth.

Gareth Wright:

It's a range. I mean 95%, as you say, is what it's done so far. Some of the events here we think can get back to a hundred. Yeah. Probably ranged 95 to a hundred for 2023 versus 2019.

Stephen A. Carter:

Yeah. I mean increasingly 2019 isn't becoming the benchmark that it was, as time passes, for obvious reasons. It's a fair question to ask. I would be being disingenuous if I didn't say we don't look at it. We do. Our average was approaching 90. What have we seen in trading so far this year? We're beyond that. I think you would be reasonably safe in assuming that 95 is a sensible number if current course of speed continues.

I mean, I don't know how many times I can answer the Academic question. I think I've been asked it about 5,000. I mean, yes is the answer. Of course it fits. It's a different business. For sure it's a different business. I mean the best answer I can give you is that it's now twice the size of what it was 10 years ago. It's a better business, not just a bigger business. Part of that is because I think we've invested tactically and wisely in how to develop it and scale it. We have sacrificed some margin for some growth and we do see the margins coming back. We haven't pegged to a number, but you can't get growth without some margin sacrifice, and I think we laid that out reasonably clearly back in 2021.

On Tarsus, it's a biennial year. I'm going to look to Richard to guide me on this and Doug can keep me honest in. I think the revenue in '24 will be less than the revenue in '23, but slightly connecting your question to Nick's question, it'll be less than you might think if you were looking back historically because most of the acquisitions are not biennial. Does that make sense? Does that make sense, Doug?

Doug Emslie:

Growth in the business as well.

Stephen A. Carter:

There's been growth in the business as well. Everything in life is timing. I think from our point of view, I mean, A, when Tarsus was a standalone company, if Doug will forgive me talking about it, the biennial change was quite dramatic, because it was a significant portion of that revenue. For our overall portfolio it will be a much smaller percentage, so therefore the smoothing effect is not so negative. If you're just looking at the Tarsus portfolio and the way in which they've developed it in the last three or four years, they've added both new product launch, organic growth and acquired businesses, which actually takes out some of that biennial swing. There'll be some of it, but not as much as you might think if that answers your question. Anything you want to add, Doug?

Doug Emslie:

Nope, that's right.

Stephen A. Carter:

You don't have to say that. That's what I meant. Next question. Two questions again. Why don't we take the lady in the back of the room, because you're standing next to her, Cameron, and then we've got two questions up here.

Yulia Kazakovtseva, UBS:

Yes. Hello. Yulia Kazakovtseva, UBS. Thanks for the presentation. I have, I think, three questions. The first question is on the guidance for 2023. At the midpoint, we should expect about £165 million increase in EBIT this year. The question is how much of this expansion will be driven by organic growth, excluding China? The next question is on finance cost. Can you provide us the guidance for 2023? How should we think about this?

Is it just the gross debt multiplied by 3% interest rate. The last question is on events in Shanghai. Can you confirm whether you know of any trade shows that have actually run in Shanghai in the beginning of this year? Do you expect that the shows now scheduled for April will operate or will have to be postponed? Thank you very much.

Stephen A. Carter:

Okay. Why don't I try the last one and then Gareth, you want to come in on finance costs and then the split in the EBITDA growth between organic, inorganic. On Shanghai, I don't know. I should know, but I don't, whether or not there has actually been any event of scale run in Shanghai. I know there have been in Shenzhen, for example, but I don't know whether they have in either of the two venues in Shanghai. That's just a simple, I don't know. Are we confident that both venues in Shanghai will open and will trade for our event calender? Yes, we are. They're both significant venues and indeed they're adding capacity in Shanghai. I think we feel pretty confident that that will return to being a major venue.

That whole kind of arc Shanghai all the way around to Guangzhou and Shenzhen and Chengdu and then Hong Kong. Hong Kong's obviously different, because it's an international market. The licensing regime that they put in place during COVID has effectively been unwound. Now, it's a much more straightforward application and venue slot by location. There's no sort of central overlay. It's becoming more agile. I just don't know the specific answer to the Shanghai question. We can find out pretty quickly for you. On finance costs, Gareth.

Gareth Wright:

Sorry. Let me just go back to the first one, which is on the guidance. I think what we're saying there is if you look at the deal we've announced today, the 2023 benefit or impact of that should be around about £100 million worth of revenue and about £35 million worth of OP in year. Slightly depends on the completion date, but we're envisaging around about 1st July in terms of getting through the competition clearance processes that we'll need to run in that business. That gives you some idea of the amount of inorganic growth from Tarsus that we're thinking about in the numbers. You'll have a full year of Industry Dive but for the underlying growth, we're looking at strong double-digit growth across the B2B markets businesses, and that's how we're thinking about the guidance because the rest of it is all organic to the nub of your question outside of those two factors there.

On the financing cost, it's a bit complicated because you've got the borrowings, which are fully fixed at around 3% in terms of what goes through the P&L, a bit lower in terms of what we pay out in terms of the cash. And then you've got the cash balances that, at the moment, net off against the borrowings to take the net debt down to close to zero, as I said in my piece earlier. And at the moment, you're earning a couple of percentage points of interest. So depending on how we deploy those cash balances, you can see that if you look at the growth of the two is what you need to do to do the math, you can see probably the effective debt is 1- 2% probably in terms of the cost of carry on it overall. But obviously it depends how we use the balance sheet in 2023.

Stephen A. Carter:

Happy? Great. I saw some other hands up here all along here. Cameron, and there's one other one here if you want to hover close.

James Tate, Goldman Sachs:

Thank you. It's James Tate from Goldman Sachs. Thank you all for the presentation. I thought it's super informative and provides us some good insight into the business. I've got two questions please. First on the more traditional exhibitior fees you charge for your events, how should we think about the impact of price increases that you're putting across for 2023 and '24, and how are you currently looking to price the events you're doing this year? And secondly, could you provide some colour on how the sort of more traditional high margin ancillary revenue has been tracking in the first couple months of 2023? Have you seen an improvement versus last year or are you seeing an impact from the macro? Thank you.

Stephen A. Carter:

Well, thanks for saying thanks, particularly for the team who helped prepare it because, as you all know, there's a lot of work that goes into these events. On exhibitor fees, the way to think about pricing is we, going back to what decisions did we make during Covid, we made a decision during the Covid sort of return, well, that it probably didn't make sense for us to increase our prices on the grounds that if you haven't had a chance to sell anything to a customer for a year or two years, probably the first conversation you don't want to have is it's great to welcome you back, and by the way, your price has gone up. And by and large I think that's served as well, but there's absolutely no doubt that it's put a little bit of suppression on our revenue, and our input costs have gone up and you see that a bit in our margin.

So we need to return to pricing. And so you will see us in '23, going into '24, you'll see us return to pricing. At the same time, we've been investing organically in the business to improve the product experience so that when we return to pricing, it isn't just as simple the price has gone up, it's that the product's better and there's more value, and therefore what you're buying is not the same, and therefore that should make that conversation easier. That's easy for me to say in a presentation like that, but thousands of people in the company have to sell that story in a way that customers find compelling. But that's the logic ,and I think the logic will stand.

I also think, in truth, the value equation for participants in an exhibition remains very compelling, and the economic return on investment is extremely high. If by ancillary revenue, you mean digital services, other services, yes, they are in growth. We are seeing growth in that and we are adding new and other services around certainly our bigger event franchises, and we do see that as another source of revenue growth. So when Gareth talks about the double-digit revenue growth '23 on '22 and '24 on '23, some of that's pricing, some of that's returning volume, some of that is other services.

Steve Liechti, Numis:

Morning, Steve Liechti from Numis. Just to follow up on the pricing point, can you give us, at this point, a sort of ballpark figure to work off on pricing for '23, and maybe into '24 if you want to be brave? Just a rough number. That's the first question. Second question is if you look at the Tech business,, you've got lead generation, you've got content marketing, are there any other obvious sort of digital services that are missing within that sort of from an M&A perspective? And then the last question is the multiple that you've paid for Tarsus, albeit on an average basis because of the biennuals, is about 10 times. From your perspective, is that the sort of new norm in terms of the industry multiples given historically it would probably be let's say 12 to 15 times pre-Covid?

Stephen A. Carter:

What number have you given for pricing for next year?

Richard Menzies-Gow:

I haven't.

Stephen A. Carter:

Right. Well, that means I'm in the unique position of being able to answer a question without being guided by Richard. For guided, read controlled.

Richard Menzies-Gow:

If only that were the case.

Stephen A. Carter:

Look, our view on kind of generic cost of living is somewhere between 4- 6%. You see that in the way in which we have tried to keep our colleague community whole year-on-year. For anyone earning under 150,000, our cost of living rises 6%. So how do we think about price and value? We think about 6%, 4- 6% is a standstill number, but to get beyond that, you've got to be offering more value. Which slightly goes back to James's question about how do you do that? But that's kind of how we think about it.

On Tech, Gary can talk to that. He's got a long shopping list of things that he would like to add to the franchise. I think at the top of that list we would probably put activation services certainly in the top three. But Gary, do you want to add?

Gary Nugent:

Yeah, I would certainly, if you think about the marketing funnel in the middle, and certainly there's the opportunity for us to build out the services in the top of the funnel, the middle of the funnel, the bottom of the funnel, as we described and we call that activation services, and we'll certainly look to build that out. I would also say in there, in that there's this notion of account-based marketing where you're actually bringing to market the ability to reach the consortia that is making the decision not individuals by joining up all those dots. That's an important trend in the market.

And then actually I would see what's above and what's below. We talked about our specialist market research business, which is actually really all about helping customers understand the market they're in, understand their competitive position of the market that they're in. How fast is it growing, how big is it? Who are my competition, how do I get there? So I think we'll build that out there. And then the very bottom of that funnel is what I think the industry's calling sales enablement, actually moving into services for the sales people in as much as the who then pick up the ball from the marketers effectively. And that's really where you'll see us build out. Hopefully that's clear.

Stephen A. Carter:

I told you, you've got a long shopping list. But I think the premise of what we're trying to build, you see it more clearly in B2C marketing services. And I think one of the key things that, Gary said it, I'm not saying he glossed past it, but because it's quite a specialist subject, B2B marketing services is becoming a much more sophisticated and much more competitive area, and there is an opportunity to differentiate yourself there. Whether we go into ABM, whether we go into the full depth of sales activation, whether we go into every aspect of sales enablement. But there are buyers there looking for services, looking for products. And if you can be a provider and you've got the data to enable that, there's a market to chase, and that's why we're going after it. That's the way we think about it.

On multiples, who knows? I think it depends whether you're buying a portfolio or whether you're buying a spot business. I think it depends on what the business is. I think it depends on which stage of the cycle it's at. I think it almost always depends upon what the owners are looking for, what motivates them. But there's definitely been a sort of slight reset. In the nature of these things, you know this business as well as I do, it's seen as a late cycle business. Where are we sitting? We're sitting here talking about where are we versus 2019? Are we 90% or 95%? How fast will China return?

What we're trying to do today is to get people to look forward to '24, '25. We'll be 105%, 110% of 2019 once you put pricing in and other services. That's our bet. And I understand what's behind Nick's question and why people would say it, but there's zero market evidence. There's zero market evidence. We operate in 27 verticals at scale. There's zero market evidence of disintermediation or lack of booking desire, participation rates are returning, pricing is returning. There's new capacity coming onto the market. And what tends to happen isn't the multiple lags. So will that return back to previous levels? Who knows?

But what I can say is we feel we've paid a fair price for a great business and we think that business will be a bigger and better business in another two or three years. Nick?

Nick Shenton, Artemis:

Thanks, Stephen. This is Nick from Artemis. As a shareholder owner, partner with Informa, we asked you to prove your resilience and emerge from the pandemic stronger, more on the front foot with momentum in the business. And you're clearly doing that, so thank you on behalf of our investors. And well done. Keep it up. No pressure. I've got a specific question for Gary, and thank you very much for the additional detail this morning. And the specific question is about user interface and how you are reaching into companies and working with them and what the prize is potentially of becoming embedded in the workflows that creates different dynamic and characteristic is a launchpad and the opportunity to create more value over time with more visibility on both sides. So could you maybe elaborate a bit more on your reach into partner companies please?

Gary Nugent:

Well, me, I think there's three dimensions to that. I sort of alluded to it, self-service, self-provisioning, and then integrating into the workflow. And obviously if-service and self-provisioning is about enabling the marketer to actually buy and schedule their marketing activities by themselves with little or no involvement of ourselves. And so that's very much part of the kind of product roadmap.

And then the last part I think is what you're alluding to is that how do we integrate into the customer's workflow? And of course, that's about our ability to kind of integrate directly into whether it's their marketing automation or it's their sales enablement platforms. And you'll see when we launch, for example, I talked about project ABD in that Spring launch, we already have integration into some of those downstream platforms and may have a roadmap map through the rest of this year that we'll see us continue to integrate into those downstream platforms. And you know what they are. They're the Salesforces, the Marketos, Eloqua, the HubSpots of this world. These are all the kind of standard platforms into which we know that we have to build relationships with and integrate into.

Stephen A. Carter:

Thanks, Gary. Any questions on the webcast, Rich, you want to take?

Richard Menzies-Gow:

I think maybe on the call.

Stephen A. Carter:

Anyone on the open call who'd like to ask a question?

Yes.

Operator:

Thank you. So as a reminder, if you would like to ask a question, please press star one on your telephone keypad. And the first question comes from the line is Sami Kassab from BNP Paribas. Please go ahead.

Sami Kassab, BNP Paribas:

Thank you and good morning everyone. I have two questions please. The first one, RELX recently guided for its exhibitions margins to revert close to pre-pandemic levels this year. Your guidance suggests that you're still a long way off the 34% Informa Market had back in '19. So can you elaborate a little bit on the relative margin trajectory of Informa Markets? Does it mean that you're investing much more than your main competitors? Does it mean you have taken less cost out than they have or does it just mean you have a lot of upside on your margin guidance?

And the second question is on Informa Tech. We had quite some depressing headlines from big tech in terms of layoffs. We had the TechTarget warning in terms of marketing spending from big tech, and yet today we had a very bullish narrative from your side. So can you help me reconcile your view with perhaps pressure on big tech marketing spending? Thank you, Stephen.

Stephen A. Carter:

Thanks, Sami. I'll talk a little bit on the second and then let Gary come in on the first. I don't think it's ever really our place to comment on other people's businesses other than to say, and I hope colleagues at RELX will forgive me, it may say Reed Exhibitions and Informa Exhibitions, but they're totally different businesses so it's really very hard to make a comparison. I understand, in the world of comps, it's an easy thing to do and there is some relevance, but the pre-Covid margins were not the same by some margin. The business mix is not the same by some margin.

Our future ambition in that business is quite distinct and we're building a business to do a multiplicity of different things. And we're also being measured.

We have a much, much bigger business in China than RELX do. China is a big market for us. It's fullest expression, if you put the Hercules... Sorry, Hercules was the code name. Bang, I knew that was going to happen once. It's a good job it was only Hercules. Imagine it would've been something more embarrassing. If you put the Tarsus portfolio together with our portfolio, in its fullest expression, that was probably a £400 million business. And so there are quite a lot of deltas that would make it different.

The question I would ask you to think about, Sami, in relation to that isn't what is it today, what's the snapshot today, but where's it going to go to, and do we think our business can get back to being a circa 30% margin business overall? Yes we do. It's really just a question of timing and making sure that when we get there, it's sustainable rather than it's a moment in time.

I would say on Gary's presentation, I hope it wasn't just a bullish narrative, it was a bullish set of numbers. That business did double-digit growth this year and we are proposing to do double-digit growth this year in

2023 with margin growth. So it wasn't just a narrative. But Gary, do you want to, without being comparative to other companies, give your view of why we have confidence in our growth track?

Gary Nugent:

Yeah, certainly. Well, at first, I didn't mention at the beginning, I've actually been in the Tech industry for over 30 years, and for most of my career I was actually a customer of the sorts of things that we do. So I've been through many cycles within it. My observation, yes, there is a bit of chop in the marketplace at the moment. I think most of that is about, I would describe it as a correction as the Tech industry got a little bit over its skis through Covid, but I don't see anything that is getting in the way of what you might describe as that inexorable growth and rise in the industry. There are far too many demand drivers there to think that.

And most of it, our observation is that most of it is about laying off human capital as they got a little bit over their skis that's creating a little bit of chop in the decision making and the influence process as that settles down. But budgets are pretty much intact, and in particular budgets for middle to the bottom of the funnel because you always have to feed the sales organization, and the strong companies view times like this as an opportunity to take market share, and those with confidence are doing so. So as Stephen says, we have looked at this extensively and I'm still confident in our ability to deliver that double-digit growth that we are committing.

Stephen A. Carter:

Any other following question on the call?

Operator:

Next question comes from the line of Omar Sheikh from Morgan Stanley. Please go ahead.

Omar Sheikh, Morgan Stanley:

Yeah, morning everyone. Just a couple for me please. Firstly on Tarsus, in your synergy target, I think it looks like most of the synergies are cost-related. Are there any revenue synergies that you'd highlight as well? I'm just thinking about perhaps leveraging the investments you've made in iiris and NetLine into the assets that you're buying with Tarsus. That's the first question.

And then, secondly, on leverage, you're going to, I think proforma for Tarsus and the buyback, you're going to be around one times levered. What's the long-term plan here? Are you still targeting, as you were pre-Covid, 2.0-2.5 times? Is it less than that or is it in line? Thanks a lot.

Stephen A. Carter:

Thanks, Omar. I'll take those. Yes, you're right. As I said, I think we didn't acquire the Tarsus business, or we're not seeking to acquire the Tarsus business for the synergies, but there are synergies there in technology and venues, in property and real estate, in I think some other services, general contracting, and we've put a number around that. Do we think there are revenue synergies? Yes, I think in some sectors we would probably point to aviation and health and industrials. I think those would be the three where we think there are revenue synergies. The Tarsus business has got a really powerful Labels portfolio that will sit very, very well alongside our Industrials portfolio, particularly actually in Asia and China, to go back to China. So I think there are some revenue synergies there.

I think there are data synergies. I hope Doug will forgive me saying this. I think we can gather the data from the Tarsus business, harvest it and capture it, recycle it, and repurpose it, and we certainly intend to do that, and I think that does lead us some opportunities in our other markets, and Gary was sort of alluding to that in his presentation. So I think so, we just haven't put a number on that. So we would hope in the full years that are '24 and '25, there would be some revenue synergies there that we could capture, as well as some data synergies.

I think our maths and yours are the same. If the numbers end up where we're guiding, and hopefully a bit better, we'll be at sub one times levered. That gives us a balance sheet that's both robust, which is not a bad place to be given that we're living in a slightly unpredictable world right now. And I don't think there's any harm in just being in that position for a while just to see what happens during 2023.

But on a going forward basis, we would use our balance sheet and I think our historical approach to leveraging up and then deleveraging fast if you've got good cash management discipline, and that was part of the reason why Gareth showcased what we've operationalized. Again, a bit of a Covid beneficiary, if you can call it that, is we've become really very tight on cash management, and I think you have to look at those two things side by side. How do you use your balance sheet efficiently and how confident are you in your ability to use your cash flows to get that balance sheet back to where you want it to be? So I think that's the way we would think about it.

We haven't actually put a hard number out, I don't think. Omar. Again, I'm looking at Richard, that will it be two, will it be two and a quarter, two and a half, or up to three? I think when we get to that point, that'll be a Board discussion. But you're in the zone. You're in the zone.

Next question on the call, if there is one.

Operator:

The next question comes from the line of Sylvia Cuneo from Deutsche Bank. Please go ahead.

Sylvia Cuneo, Deutsche Bank:

Thank you. Good morning everyone, and congratulations on the acquisition. My first question is on Tarsus and the portfolio. So when the group was public, we remember them doing 150 events with an exposure, more weight to emerging markets and a strategy focused on replicating successful formats. Can you please talk a bit more about how these have evolved in the past few years and whether the group can still grow faster than the average for the industry in the medium term?

And then, just secondly, regarding your plan to integrate the business within this year, given you expect completion at some point in July. That sounds like a period of time. So would be helpful if you could remember us how long it took to integrate UBM, obviously with a different scale, but just for reference, what is that you need to integrate and that would be helpful. Thank you.

Stephen A. Carter:

Thanks very much. Good questions. You're correct. I think our historically pre-Covid, our view was that we would try and grow faster than the market average, 5% plus, and we see no reason to change that. I think the good news, if you're an investor in our company, is that you are going to see growth in '23, growth in '24 and hopefully accelerated growth in '25. And I think it'll be interesting to see where the new market settles, but I see no reason why we could not meet or beat that ambition because by then, A, we'll have a bigger portfolio, it'll be more distributed.

Generally, and this isn't by accident, we're facing out against the economies that are in growth, the Middle East, Africa, China, Southeast Asia, America, North America, South America, and to a degree Europe, and to an even lesser degree, the United Kingdom. And so we've made very conscious choices about where is GDP growth, and therefore you want to grow at GDP plus, it's probably better to be in markets where GDP rates aren't 1% because then that delivers you the growth you want. So I think we feel we're pretty level set for that.

On combination, you never quite know. These are talent businesses, as well as brands and data and contracts and marketing skill is talent, and part of what you're acquiring is talent. As a factual matter, I think the UBM combination program took a year from beginning to end, and then 18 months to two years to fully realize the synergies. But we were really looking for significant cost synergies out of that. We took I think nearly a hundred million out of that combination in cost synergies, so you're right to say it was a bigger scale.

But I think we've got it right. I'm not going to say I think we've got it wrong, am I? But I think we've got it right in that we're being measured about this combination. We're not rushing to get it done fast just so that we can tick some Gantt chart that says, "Here's how you should do it." If we get to completion by July, and we're actually slightly hopeful it might be a bit earlier if the competition process is smooth, which we hope it will be, and I think it's a very collaborative discussion between us and the owners and the management of Tarsus. And we would hope we would be able to enter 2024 as one company in every sense of that. And if we could do that, it'll have taken us six months and I think that will be good. It'll be good.

No more questions on the line. Anyone got a final question in the room? I'm leading the audience there. So well, listen, I hope you found it useful. I hope you've learned something about the company and our ambitions. Nick's very kind comment, Nick from Artemis's very kind comment, not that the other Nick didn't have kind comments too, or indeed anyone called Nick, but I remember when Richard and I, Richard Menzies-Gow, first did a meet the shareholder tour together, which is when? Nearly a decade ago. In fact, more than a decade ago now. We wandered around to see all of our then shareholders, and I remember going back to the Board with the report back, so what have the shareholders told me?

And I said, "Well, essentially there were three findings. The first finding was we've never made any money out of your stock. What are you going to do about it?" That was finding number one. "Finding number two was we don't really understand why in Informa exists. Can you explain what the strategy is? And finding number three was, and by the way, who the hell are you?" I hope in 10 years we've made some progress. Thanks very much, everyone.