

**Euromoney  
Institutional  
Investor PLC**

## **2015 RESULTS PRESENTATION**

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# HIGHLIGHTS<sup>1</sup>

| £m                               | 2013        | 2014         | 2015         | Change      |
|----------------------------------|-------------|--------------|--------------|-------------|
| Revenue                          | 404.7       | 406.6        | 403.4        | -1%         |
| Adjusted PBT <sup>1</sup>        | 116.5       | 116.2        | 107.8        | -7%         |
| <i>Statutory PBT<sup>1</sup></i> | <i>95.3</i> | <i>101.5</i> | <i>123.3</i> | <i>+21%</i> |
| Adjusted EPS <sup>1</sup>        | 71.0p       | 70.6p        | 70.1p        | -1%         |
| Dividend                         | 22.75p      | 23.00p       | 23.40p       | +2%         |
| Net (debt)/cash <sup>2</sup>     | (9.9)       | (37.6)       | 17.7         |             |

1. As reconciled in appendix to preliminary announcement

2. The comparative figure for net debt is at September 30

# KEY MESSAGES

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- Headline revenues down 1% to £403.4m
- H2 underlying<sup>1</sup> revenues down 5%, after 1% increase in H1
- Adjusted operating margin down to 26%, reflecting known costs and weak H2
- Adjusted PBT down 7% to £107.8m
- FX US\$ benefit £7m
- Strong operating cash conversion - net cash £17.7m by y/e
- Fintech investments: Dealogic, Estimote, Zanbato
- Continued progress rolling out Delphi content platform
- Good pipeline of new products
- Q1 trading in line with expectations and H2 FY15 trends

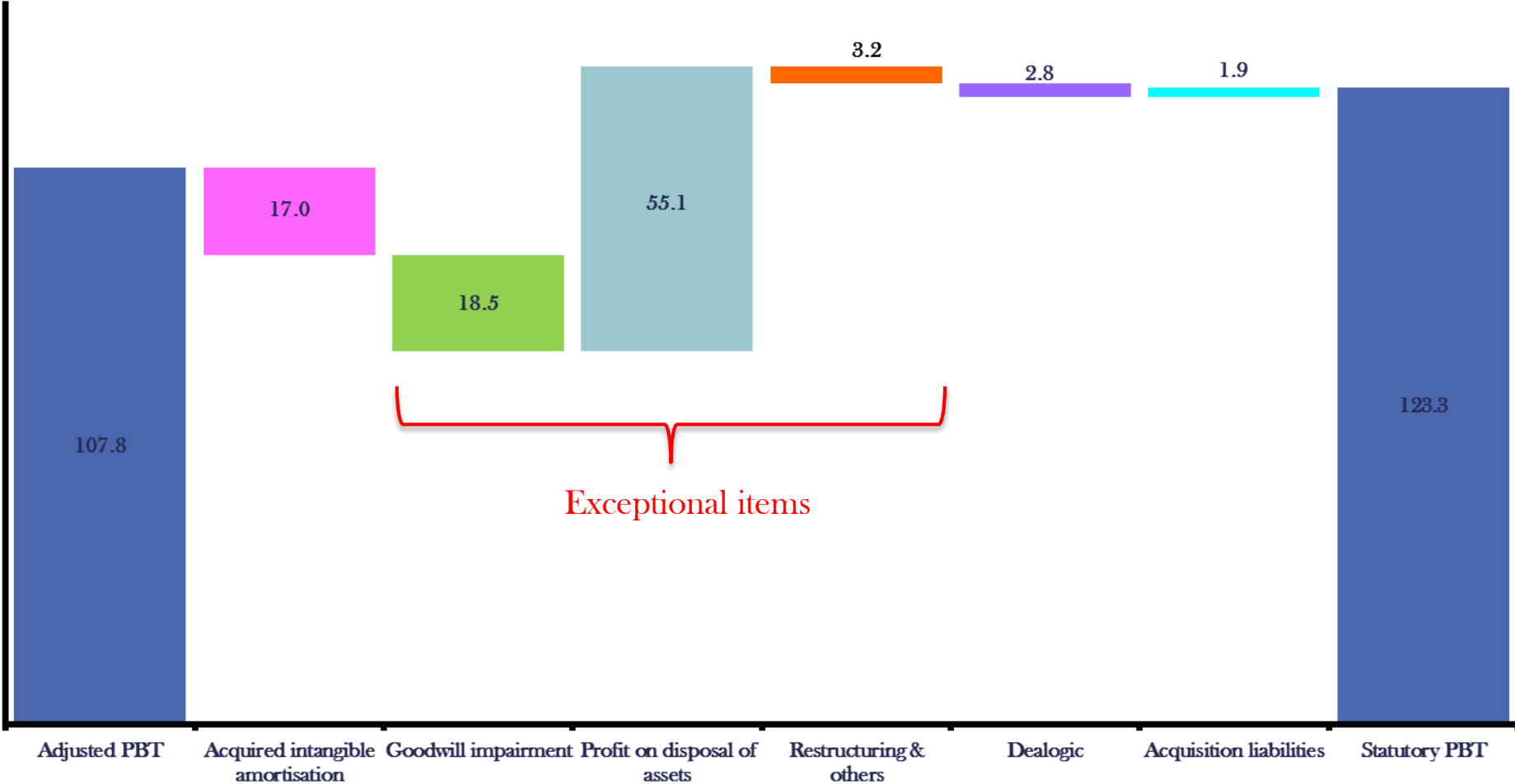
1. Excludes acquisitions/disposals, event timing and at constant exchange rates

# FINANCIAL HIGHLIGHTS

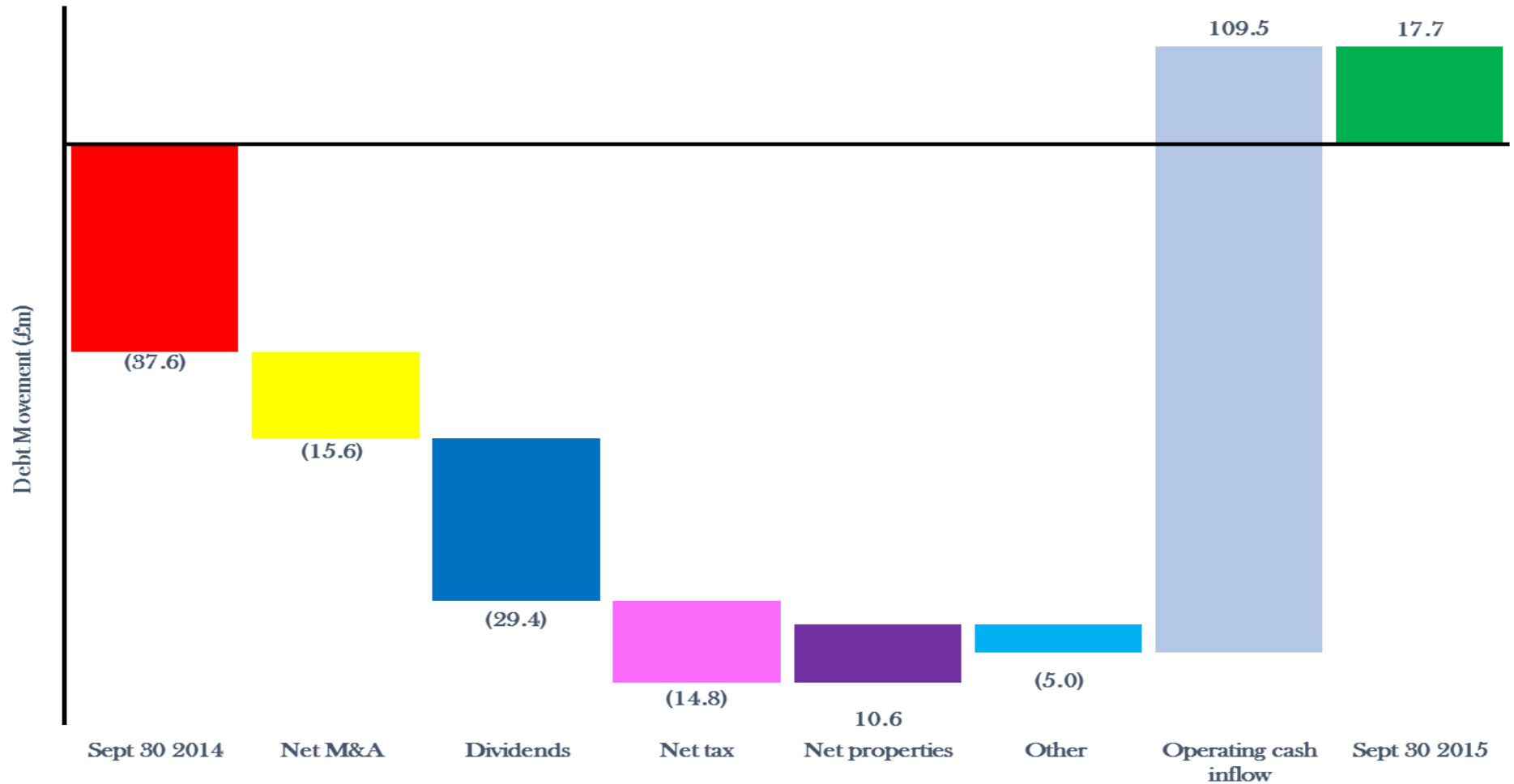
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- Statutory profit £123.3m vs Adjusted PBT £107.8m
- Underlying tax rate 18%
- Dealogic: swapped £5.6m of Adjusted PBT for an associate interest of c£3m (annualised) - 2% earnings dilution
- Final dividend of 16.4p consistent with 3x cover policy
- Net cash at y/e - facility renewal depends on acquisition pipeline
- Underlying cash conversion 101% (2014: 100%)

# STATUTORY PROFIT



# CASHFLOW/NET DEBT



# TRADING SUMMARY

| £m                                     | 2013  | 2014  | 2015  | Change |
|--|-------|-------|-------|--------|
| Revenue                                | 404.7 | 406.6 | 403.4 | -1%    |
| Adjusted operating profit <sup>1</sup> | 121.1 | 119.8 | 104.2 | -13%   |
| Adjusted PBT <sup>1</sup>              | 116.5 | 116.2 | 107.8 | -7%    |
| Operating margin                       | 29.9% | 29.5% | 25.8% | -3.7%  |

1. As reconciled in appendix to preliminary announcement

# MACRO HEADWINDS OUTWEIGH TAILWINDS

## HEADWINDS

- Deteriorating global GDP forecasts
- Debt capital markets – continued impact of increased compliance / regulation and structural, rather than cyclical, challenges
- Commodities - prices remain depressed across most assets
- Emerging markets - increased geopolitical risk
- Recent market news:
  - Q3 global IB results
  - HSBC/Barclays/Deutsche/Unicredit
  - Glencore

## TAILWINDS

- Asset management sector remains robust:
  - II Memberships new launches
  - IIN
  - BCA new products
- Telecoms
- Fintech
- Delphi



# REVENUE BY TYPE

| £m                      | 2014         | 2015         | Headline   | Underlying | Underlying<br>excl timing |
|-------------------------|--------------|--------------|------------|------------|---------------------------|
| Subscriptions           | 196.8        | 210.5        | +7%        | +2%        | +2%                       |
| Advertising             | 52.2         | 48.9         | -6%        | -11%       | -11%                      |
| Sponsorship             | 56.6         | 59.2         | +5%        | -4%        | -2%                       |
| Delegates               | 71.1         | 70.5         | -1%        | -12%       | -5%                       |
| Other                   | 13.3         | 12.1         | -9%        | -11%       | -11%                      |
| Sold/closed<br>business | 13.7         | 1.6          | -          | -          | -                         |
| FX                      | 2.9          | 0.6          | -          | -          | -                         |
| <b>Total</b>            | <b>406.6</b> | <b>403.4</b> | <b>-1%</b> | <b>-4%</b> | <b>-2%</b>                |

# REVENUE CHANGE BY QTR (underlying)<sup>1</sup>

| Y-o-Y %<br>change | FY2014 |      |      |      | FY2015 |      |      |      |
|-------------------|--------|------|------|------|--------|------|------|------|
|                   | Q1     | Q2   | Q3   | Q4   | Q1     | Q2   | Q3   | Q4   |
| Subscriptions     | +2%    | +3%  | +2%  | +2%  | +2%    | +2%  | +4%  | +2%  |
| Advertising       | -3%    | -1%  | -8%  | -2%  | -6%    | -16% | -8%  | -13% |
| Sponsorship       | -2%    | +22% | -    | +23% | +1%    | +11% | -9%  | -2%  |
| Delegates         | -      | -11% | -1%  | -    | +3%    | +5%  | -11% | -14% |
| Other             | +5%    | +15% | +24% | +14% | -4%    | -10% | -24% | -9%  |
| Total             | +1%    | +2%  | -    | +4%  | +2%    | +1%  | -5%  | -6%  |

1. Excludes acquisitions/disposals, event timing and at constant exchange rates

# REVENUE CHANGE BY QTR (underlying)<sup>1</sup>

| Y-o-Y % change | FY2014 |      | FY2015 |      |
|----------------|--------|------|--------|------|
|                | H1     | H2   | H1     | H2   |
| Subscriptions  | +2%    | +2%  | +2%    | +3%  |
| Advertising    | -2%    | -5%  | -11%   | -11% |
| Sponsorship    | +9%    | +8%  | +7%    | -6%  |
| Delegates      | -5%    | -1%  | +3%    | -12% |
| Other          | +9%    | +19% | -6%    | -16% |
| Total          | +1%    | +2%  | +1%    | -5%  |

1. Excludes acquisitions/disposals, event timing and at constant exchange rates

# REVENUE BY DIVISION

| £m                                  | 2014  | 2015  | Headline | Underlying | Underlying<br>excl timing |
|-------------------------------------|-------|-------|----------|------------|---------------------------|
| Research & Data                     | 120.8 | 125.8 | +4%      | 0%         | 0%                        |
| Financial Publishing                | 75.8  | 74.3  | -2%      | -6%        | -6%                       |
| Business Publishing                 | 67.8  | 70.0  | +3%      | 0%         | 0%                        |
| Conferences,<br>Seminars & Training | 125.6 | 131.1 | +4%      | -7%        | -2%                       |
| Other/closed                        | 13.7  | 1.6   | -        | -          | -                         |
| FX                                  | 2.9   | 0.6   | -        | -          | -                         |
|                                     | 406.6 | 403.4 | -1%      | -4%        | -2%                       |

# OPERATING PROFIT BY DIVISION<sup>1</sup>

| £m                               | 2014         | 2015         | Change      |
|----------------------------------|--------------|--------------|-------------|
| Research & Data                  | 45.1         | 43.6         | -3%         |
| Financial Publishing             | 21.6         | 18.5         | -14%        |
| Business Publishing              | 22.8         | 24.2         | +6%         |
| Conferences, Seminars & Training | 34.5         | 33.3         | -3%         |
| Sold/closed businesses           | 6.7          | 1.3          | -81%        |
| Corporate costs                  | (10.9)       | (16.7)       | +53%        |
| <b>Total</b>                     | <b>119.8</b> | <b>104.2</b> | <b>-13%</b> |

1. Headline profit before effect of FX hedging

# OPERATING MARGIN BY DIVISION

|                                     | FY 2014 | H1 2015 | H2 2015 | FY 2015 |
|-------------------------------------|---------|---------|---------|---------|
| Research & Data                     | 37%     | 33%     | 37%     | 35%     |
| Financial Publishing                | 28%     | 23%     | 26%     | 25%     |
| Business Publishing                 | 34%     | 30%     | 38%     | 35%     |
| Conferences, Seminars & Training    | 28%     | 29%     | 22%     | 25%     |
| Group operating margin <sup>1</sup> | 30%     | 26%     | 26%     | 26%     |

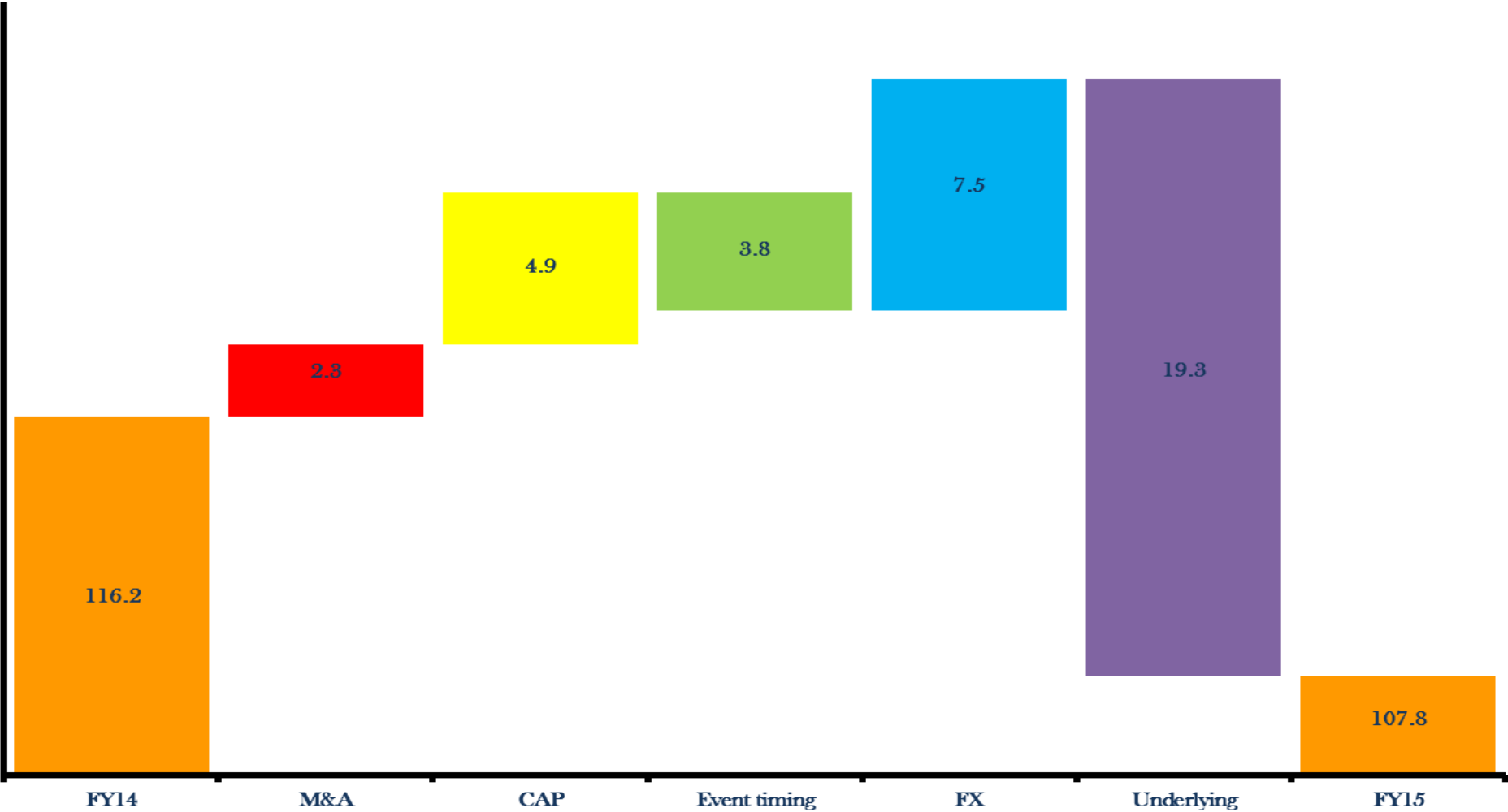
1. After corporate costs

# OPERATING MARGIN

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|                                       | %           |
|---------------------------------------|-------------|
| <b>Adjusted operating margin 2014</b> | <b>29.5</b> |
| Event timing differences              | (0.5)       |
| Acquisitions / disposals              | (0.1)       |
| Property costs                        | (0.5)       |
| Delphi costs                          | (0.5)       |
|                                       | 27.9        |
| Underlying operating profits          | (2.1)       |
| <b>Adjusted operating margin 2015</b> | <b>25.8</b> |

# ADJUSTED PBT





# STRATEGY

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Investor day strategy update early in 2016

# OUTLOOK

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- Macro headwinds continue to outweigh tailwinds
- Headwinds are both structural and cyclical, especially in banking
- H2 revenue trends expected to continue into FY16 H1
- Still some pressure on margins from revenue declines
- FX remains favourable
- Good pipeline of new products in asset management
- Balance sheet and cash flow stronger than ever

# Appendix

# REVENUE CHANGE BY QTR (headline)

| Y-o-Y %<br>change | FY2014 |      |      |      | FY2015 |      |      |      |
|-------------------|--------|------|------|------|--------|------|------|------|
|                   | Q1     | Q2   | Q3   | Q4   | Q1     | Q2   | Q3   | Q4   |
| Subscriptions     | +5%    | +1%  | -4%  | -3%  | +3%    | +7%  | +12% | +6%  |
| Advertising       | -      | -4%  | -15% | -7%  | -4%    | -10% | +1%  | -9%  |
| Sponsorship       | +8%    | +23% | -2%  | +29% | -12%   | +33% | -3%  | +3%  |
| Delegates         | +2%    | +14% | -3%  | -2%  | -1%    | +17% | -9%  | -11% |
| Other             | +4%    | +17% | +21% | +11% | -3%    | -4%  | -21% | -7%  |
| Total             | +3%    | +5%  | -6%  | -    | -5%    | +6%  | -1%  | -4%  |

# REVENUE CHANGE BY QTR<sup>1</sup> (constant FX)

| Y-o-Y %<br>change | FY2014 |      |      |      | FY2015 |      |      |      |
|-------------------|--------|------|------|------|--------|------|------|------|
|                   | Q1     | Q2   | Q3   | Q4   | Q1     | Q2   | Q3   | Q4   |
| Subscriptions     | +6%    | +6%  | +3%  | +4%  | +2%    | +2%  | +4%  | +2%  |
| Advertising       | +1%    | -    | -8%  | -2%  | -6%    | -16% | -8%  | -13% |
| Sponsorship       | +9%    | +29% | +6%  | +37% | -12%   | +26% | -9%  | -2%  |
| Delegates         | +1%    | +17% | -    | +2%  | -1%    | +15% | -11% | -14% |
| Other             | +5%    | +19% | +27% | +16% | -4%    | -6%  | -24% | -9%  |
| Total             | +5%    | +10% | -1%  | +5%  | -5%    | +1%  | -7%  | -7%  |

1. At constant exchange rates before FX hedging

# REVENUE CHANGE BY QTR (underlying)<sup>1</sup>

| Y-o-Y % change | FY2014 |      |      |      | FY2015 |      |      |      |
|----------------|--------|------|------|------|--------|------|------|------|
|                | Q1     | Q2   | Q3   | Q4   | Q1     | Q2   | Q3   | Q4   |
| Subscriptions  | +2%    | +3%  | +2%  | +2%  | +2%    | +2%  | +4%  | +2%  |
| Advertising    | -3%    | -1%  | -8%  | -2%  | -6%    | -16% | -8%  | -13% |
| Sponsorship    | -2%    | +22% | -    | +37% | -12%   | +8%  | -9%  | -2%  |
| Delegates      | -      | +19% | -1%  | +2%  | -1%    | -24% | -11% | -14% |
| Other          | +5%    | +15% | +24% | +15% | -4%    | -10% | -24% | -9%  |
| Total          | +1%    | +7%  | -    | +6%  | -1%    | -5%  | -5%  | -6%  |

1. At constant exchange rates and excluding acquisitions/disposals

# CASH CONVERSION

|                                       | Cash<br>generated<br>from<br>operations | Adjusted<br>operating<br>profit | Cash con-<br>version<br>FY2015 | Cash con-<br>version<br>FY2014 |
|---------------------------------------|---|---------------------------------|--------------------------------|--------------------------------|
| <b>Headline cash conversion</b>       | <b>109.5</b>                            | <b>104.2</b>                    | <b>105%</b>                    | <b>92%</b>                     |
| <i>Add back:</i>                      |   |                                 |                                |                                |
| CAP cash (incl tax)                   | -                                       | -                               | -                              | 8%                             |
| Other                                 | -                                       | 4.3                             | (4%)                           | -                              |
| <b>Underlying cash<br/>conversion</b> | <b>109.5</b>                            | <b>108.5</b>                    | <b>101%</b>                    | <b>100%</b>                    |

# TAX<sup>1</sup>

| £m                         | FY<br>2014 | FY<br>2015 |
|----------------------------|------------|------------|
| Adjusted PBT               | 116.2      | 107.8      |
| Statutory tax charge       | (25.6)     | (17.6)     |
| Add: other tax adjustments | (0.1)      | 1.3        |
| Underlying tax charge      | (25.7)     | (18.9)     |
| <b>Underlying tax rate</b> | <b>22%</b> | <b>18%</b> |

1. See note 5 of preliminary statement



# NET FINANCE COSTS<sup>1</sup>

| £m                                  | FY<br>2014   | FY<br>2015   |
|-------------------------------------|--------------|--------------|
| Interest on debt facility           | (1.3)        | (1.1)        |
| Interest on tax                     | (0.3)        | (0.4)        |
| Other                               | 0.1          | 0.2          |
| <b>Underlying net finance costs</b> | <b>(1.5)</b> | <b>(1.3)</b> |
| Acquisition deferred consideration  | (1.9)        | (2.9)        |
| Acquisition commitments             | 1.3          | 4.7          |
| <b>Statutory net finance costs</b>  | <b>(2.1)</b> | <b>0.5</b>   |

1. See note 4 of preliminary statement

# EXCEPTIONAL ITEMS

| £m  | 2014  | 2015   |
|---|-------|--------|
| Profit on disposal of Cap DATA & Cap NET  | -     | 48.4   |
| Profit on disposal of business            | 6.8   | 2.4    |
| Profit on disposal of properties          | -     | 4.3    |
|   | 6.8   | 55.1   |
| Goodwill impairment (HFI/CIE/Indaba)      | -     | (18.5) |
| Associate impairment (Global Grain)       | (0.4) | -      |
| Restructuring and other exceptional costs | (3.8) | (3.2)  |
|   | 2.6   | 33.4   |

# DEALOGIC

| £m                            | 2014 | 2015 |       |
|-------------------------------|------|------|-------|
|                               |      | Q1   | Q2-Q4 |
| Revenue                       | 5.7  | 1.2  | -     |
| Operating profit              | 5.4  | 1.0  | -     |
| Share of profits in associate | 0.2  | -    | 2.4   |

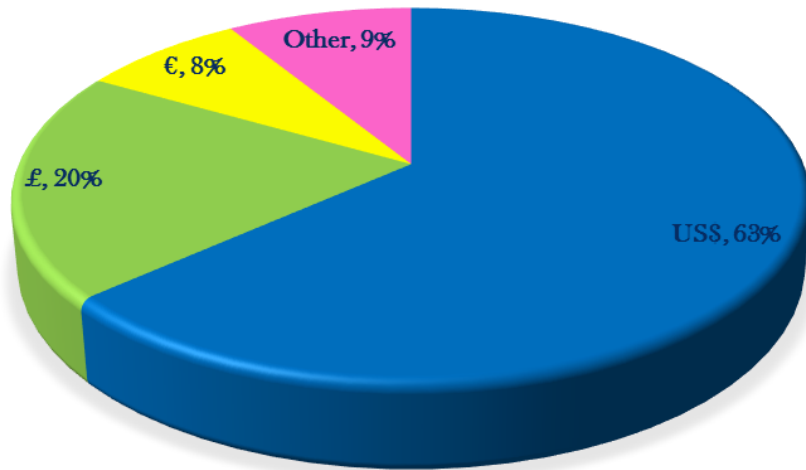
# CIE

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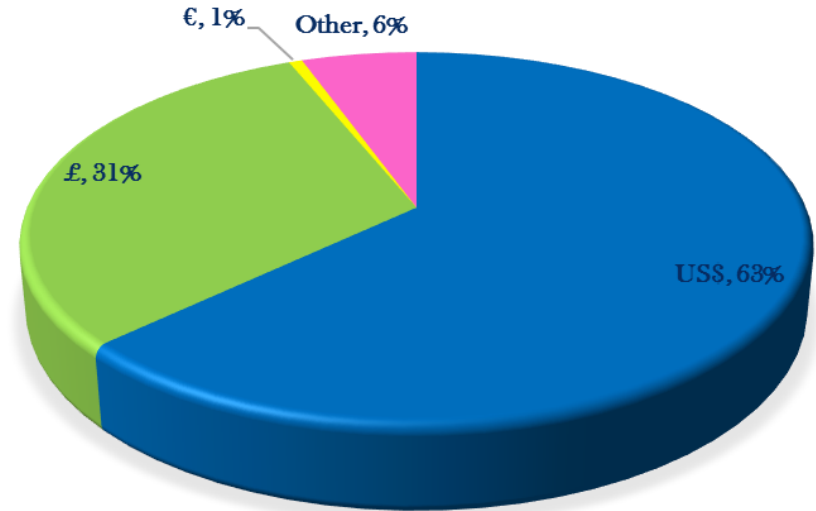
- Group acquired 75% interest in CIE in 2013 for £10.2m initial consideration
- Good strategic fit with II and filled gap in Australian asset management sector
- Commitment to acquire remaining 25% by early 2016
- At Sept 2014 £5.2m in acquisition commitments
- Governance and financial irregularities identified during audit
- Former owner-managers replaced and Euromoney management accelerated
- Adjustments made to group's investment in CIE:
  - Goodwill impairment £3.0m
  - Preparation of balance sheet as if owned 100%
  - Net finance income credit £5.2m - reversal of 25% acquisition commitment

# IMPACT OF FX

## REVENUE



## PROFIT BEFORE TAX



| USD           | 2015 | 2014 |
|---------------|------|------|
| Average rates | 1.55 | 1.66 |
| Closing rates | 1.51 | 1.62 |

| USD               | 1¢ movement |
|-------------------|-------------|
| Revenue           | +/- £1.4m   |
| Profit before tax | +/- £0.6m   |

# DEFERRED REVENUE

| £m                           | Subs        | Other       |
|------------------------------|-------------|-------------|
| Opening balance <sup>1</sup> | 82.0        | 27.8        |
| FX                           | 4.2         | 0.7         |
| Adjusted opening balance     | 86.2        | 28.5        |
| Underlying movement          | -           | (2.6)       |
| <b>Closing balance</b>       | <b>86.2</b> | <b>25.9</b> |
| Underlying growth %          | -           | -9%         |

1) Opening balance restated