

EUROMONEY INSTITUTIONAL INVESTOR PLC
TRADING UPDATE
FOR THE PERIOD TO JANUARY 25, 2017

Euromoney Institutional Investor PLC (“Euromoney”), the international business information and events group, today issues a trading update for the period from October 1, 2016 to January 25, 2017 in advance of its Annual General Meeting to be held at 9.30am on January 26.

Trading

Since reporting its FY16 results on November 24, 2016, trading has continued largely in line with the board’s expectations as set out in the preliminary results announcement, and the challenging market conditions and political uncertainty have continued into the first quarter of the new financial year. Reported revenues for the three months to December 31 increased by 6%, largely as a result of a favourable Sterling–US Dollar rate. Underlying revenues, which exclude the impact of currency movements and acquisitions and disposals, fell by 5%, mostly due to the impact of the group’s decision in the second half of last year to restructure some of its event and training activities.

The following table shows the year–on–year revenue growth rates for the first quarter on a reported and underlying basis.

	Q1 FY17 £m	Q1 FY16 £m	Q1 FY17 vs Q1 FY16	
			Reported change	Underlying change
Subscriptions/content	63.5	52.7	20%	1%
Advertising	8.9	8.7	2%	(16%)
Sponsorship	9.8	9.3	5%	(14%)
Delegates	15.1	14.4	5%	(14%)
Other	0.4	0.4	–	(7%)
Closed/sold businesses	1.3	4.4	–	–
FX losses on forward contracts	(3.8)	–	–	–
Total revenues	95.2	89.9	6%	(5%)

The group continues to invest in strategic initiatives, most notably in BCA Research and Metal Bulletin, to drive new product development in the asset management and pricing, data and market research segments. However, the underlying rate of growth in subscription and content revenues was restricted to 1% this quarter as some of the group’s asset management activities felt the impact of the cost and fee pressures facing the sector.

The 16% underlying decline in advertising revenues, which are especially bank dependent, is consistent with the long-term structural headwinds for print advertising, which now accounts for less than 10% of group revenues.

The first quarter is the one of least activity for the events businesses. Underlying sponsorship and delegate revenues both decreased by 14% which was largely as expected and reflects the strategic actions taken in FY16 to consolidate some of the group's event activities and cut out a number of low margin events and unprofitable training courses.

Impact of Currency

The group generates approximately two thirds of its revenues and profit before tax in US dollars. The average Sterling-US Dollar rate for the quarter to December 31 was \$1.26 (Q1 FY16: \$1.51) which had a significant favourable impact on the reported revenues for the quarter (see table above).

For FY16 the average Sterling-US Dollar rate was \$1.41 and each one cent movement in the rate would have a translation impact on FY17 profits of approximately £0.6m on an annualised basis.

Disposals

As part of its active portfolio management strategy the group disposed of two businesses during the first quarter: HedgeFund Intelligence, the hedge fund publishing business, and its remaining Institutional Investor print newsletters and their related data products.

Financial Position

Net cash at December 31, 2016 was £95.3m, an increase of £11.5m since the year-end. Cash generation remains strong, although the quarter to December is traditionally the one with the lowest operating cash flows because of the payment of annual incentives in the period.

Share Buyback

Following shareholder approval at the General Meeting held on December 29, 2016, on January 6, 2017 the Company completed the purchase for cancellation of 19,247,173 ordinary shares in the Company from its then majority shareholder, Daily Mail and General Trust group ("DMGT"), at a price of £9.75 per share. Following this transaction, Euromoney had 109,067,370 ordinary shares in issue and DMGT's interest in Euromoney was reduced to 49.1%.

The share buyback cost of £187.7m was funded using £70m of the group's net cash and new bank term loans of £117.7m. In addition to the term loans, the group has put in place an £80m five-year revolving credit facility to fund its acquisition strategy. The expected cost of these facilities for the rest of FY17 is approximately £3m.

Board

In a separate announcement, the board has confirmed the appointment of David Pritchard, a non-executive director, as the Company's Senior Independent Director.

AGM/ Next Update

The company is holding its AGM at 9:30am on January 26. No further comment on trading will be made at this meeting.

The results for the six months to March 31, 2017 will be announced on May 18.

January 25, 2017

END

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NOTE TO EDITORS

Euromoney Institutional Investor PLC (www.euromoneyplc.com) is listed on the London Stock Exchange and is a member of the FTSE 250 share index. It is an international business-to-business media group focused primarily on the asset management, banking and commodities sectors under brands including Euromoney, Institutional Investor and Metal Bulletin. It is a leading provider of economic and investment research and data under brands including BCA Research, Ned Davis Research, and the emerging market information providers, EMIS and CEIC. The group also runs an extensive portfolio of events for the financial and commodities markets. Its main offices are in London, New York, Montreal, Hong Kong and Sofia, and more than a third of its revenues are derived from emerging markets.