

Euromoney Institutional Investor PLC

2017 Half-year results presentation

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18 May 2017

Context

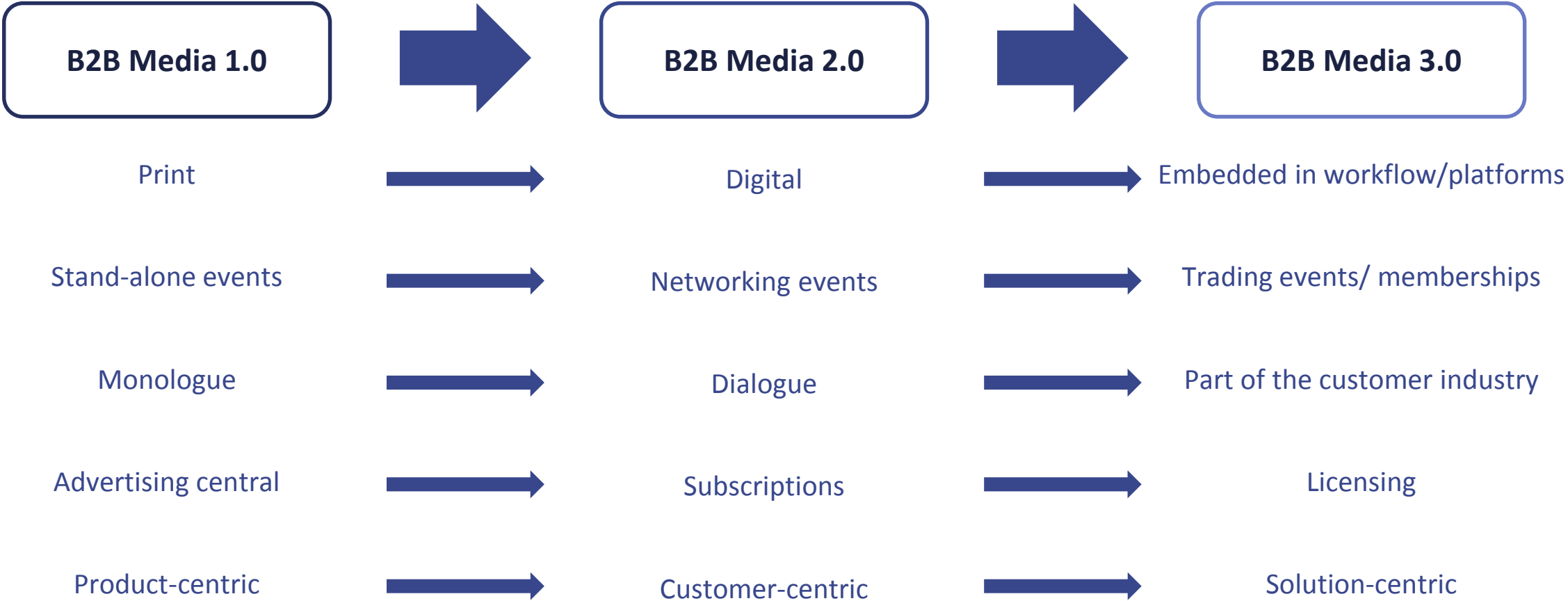
- Investor Day in March 2016
- Flagged 2017 as a year of transition
- DMGT sell-down an accelerator of the strategy

DMGT sell-down – January 2017

- Enabler of our strategy
- DMGT shareholding reduced from 68% to 49% through combination of 15% share buyback and 10% placement with institutional shareholders
- Net debt position from net cash. Balance sheet independence gained
- Standalone company project going well
- “Euromoney to review its dividend policy with a view to increasing the pay-out ratio.” Done.

Strategy

Our strategic view: the development of B2B information companies



Our strategy

Our strategy is to manage a portfolio of businesses in markets where information, data and convening market participants are valued. We deliver products and services that support our clients' critical activities.

Four quadrants



- Batten down the hatches
- Protect and enhance competitive position
- Careful, selective investment for when the cycle turns
- Opportunistic on revenue opportunities
- Tight cost control
- Fix any operational deficit

+

Cycle



- New product development
- Sales and marketing
- Acquisition
- Fix any operational deficit

+



- Maximise shorter-term profit and cash
- Divest
- Prevent future build-up

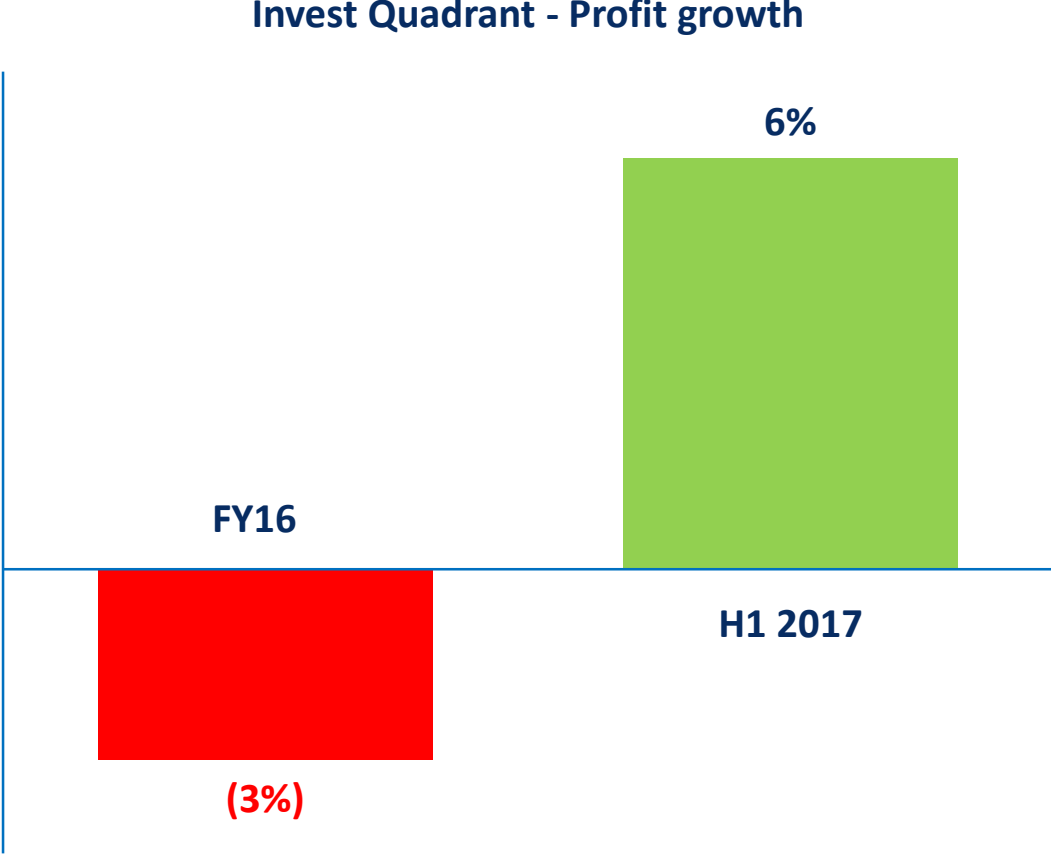
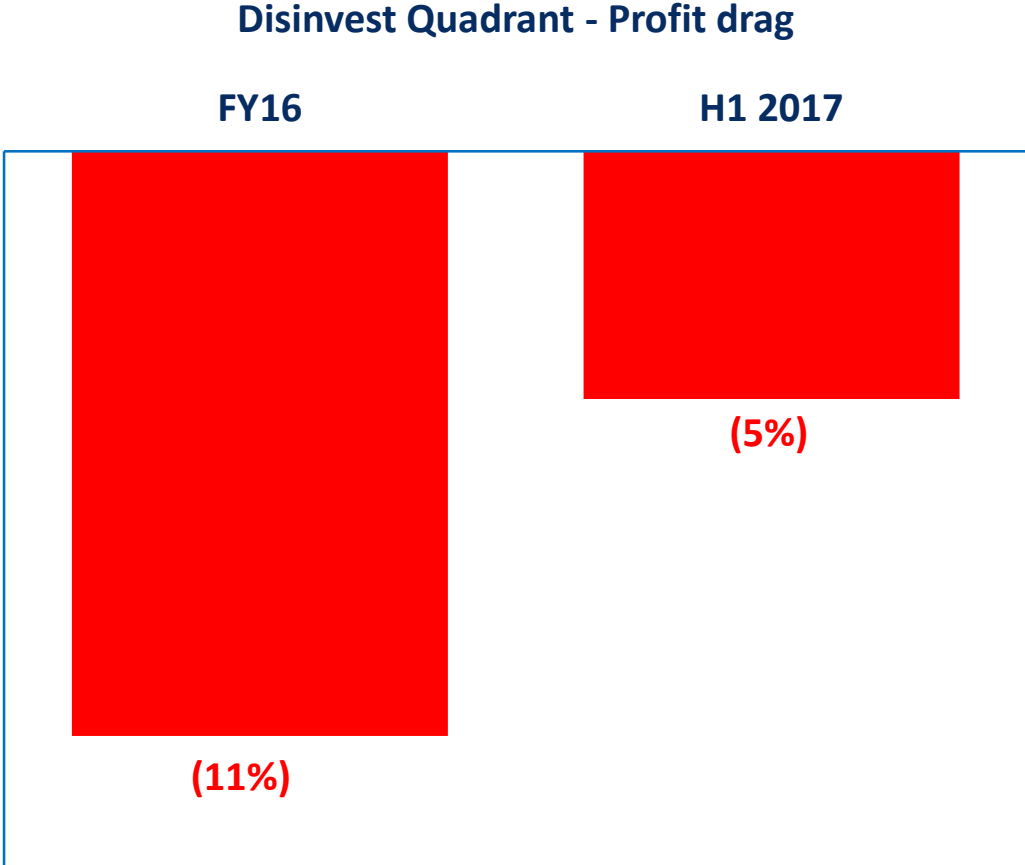
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Structure



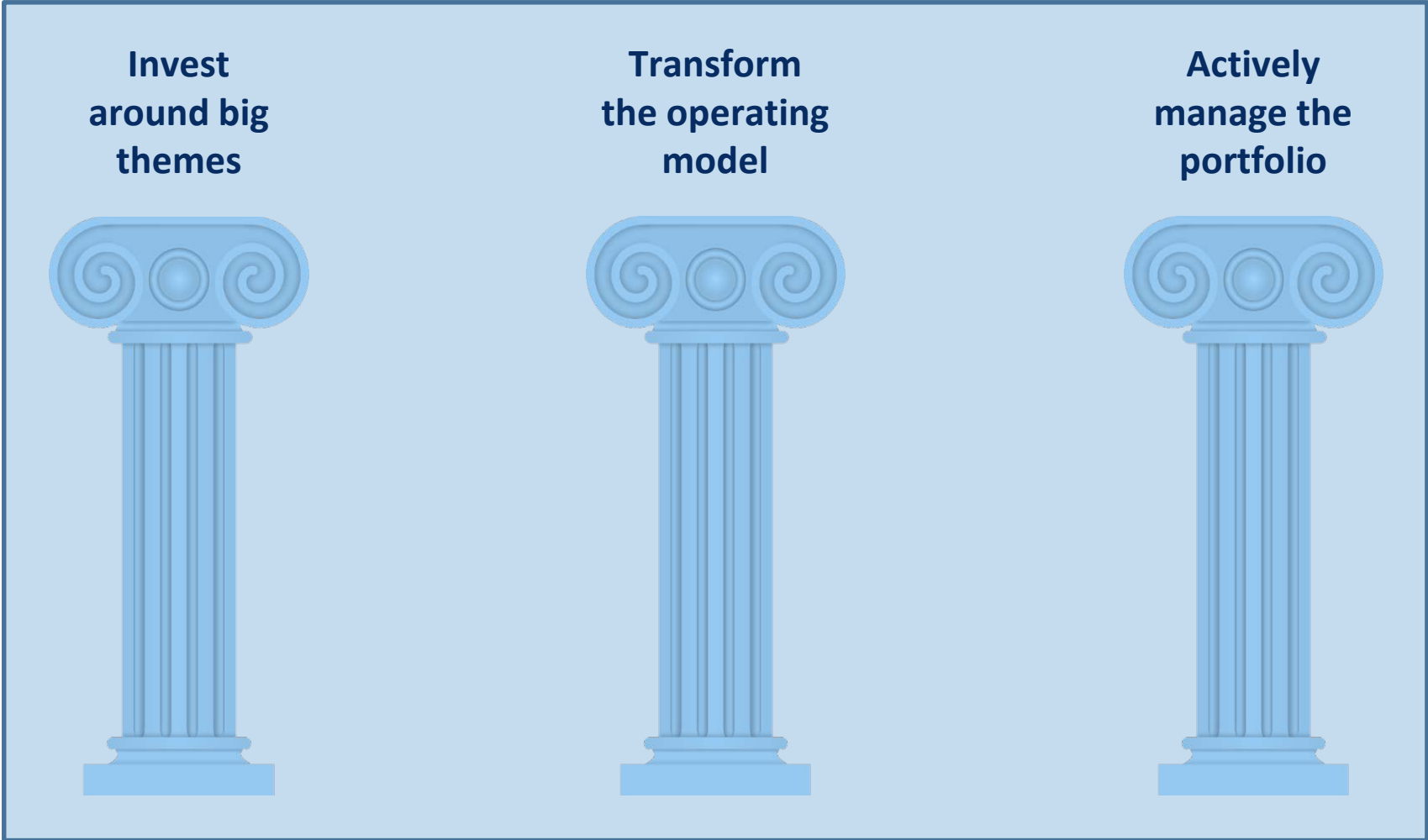
- Modest investment to move to top—right quadrant above
- Maximise shorter-term profit and cash
- Fix any operational deficit
- Consider divestment

Strategy in action....managing drag of Disinvest, returns from Invest



1) All percentages are in reference to the previous reporting period's total group operating profit before acquired intangible amortisation and exceptional items.

Three pillars of strategic activity



Themes: where we play

Market attributes

Semi-opacity

Inefficiency

Challenged business models

Disruption



Themes

1. • Price discovery (eg metals, air finance)

MetalBulletin

2. • Asset management


ManagerMatch

3. • Counter-party risk (eg in insurance)

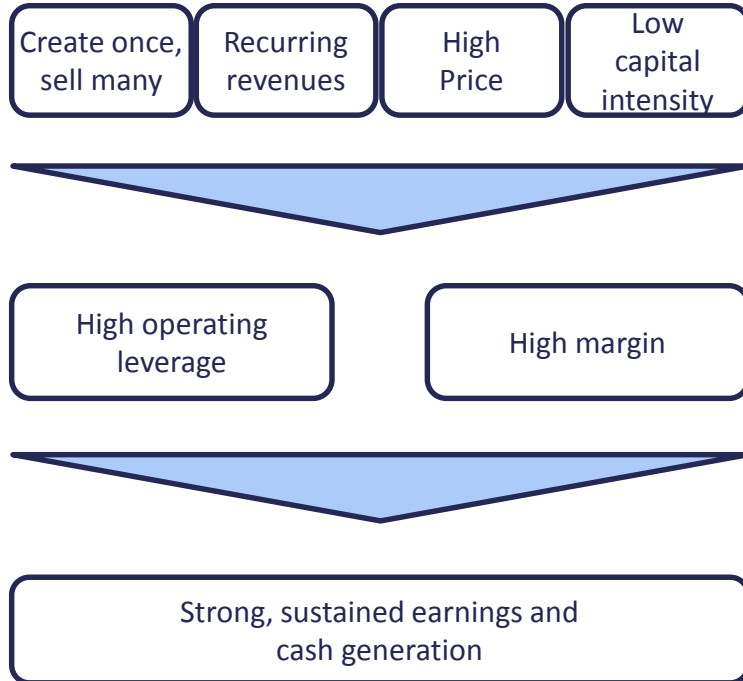

RS

4. • Telecoms

capacity

Operating model

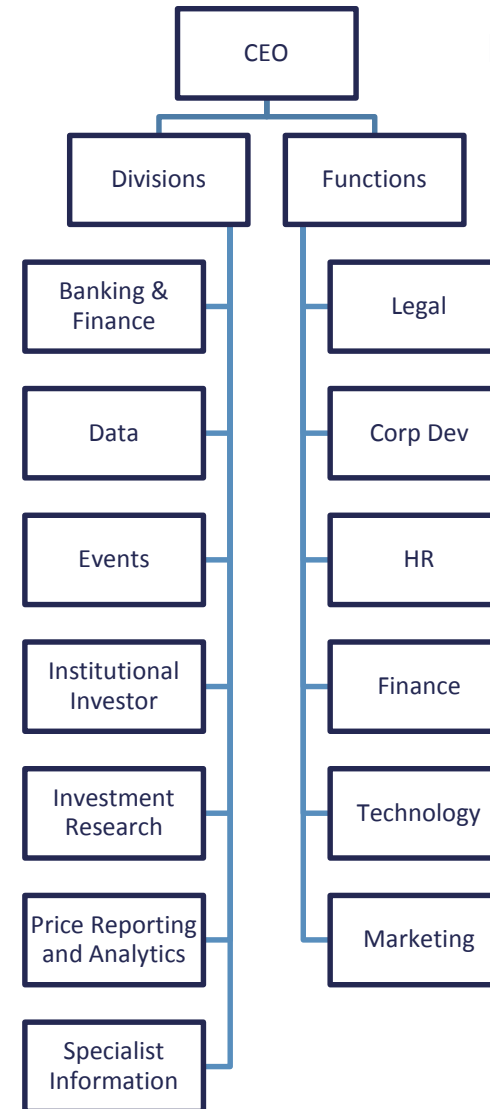
Business model



Entrepreneurial businesses

- Creative
- Action-oriented
- Close to customers
- Passionate about their brands
- Knowledgeable about their domain
- Accountable for their results

Best of both worlds approach



Strong centre

- Support the businesses
- Take advantage of Euromoney's scale
- Share best practice
- Operate strategically
- Manage talent across the whole company

Active portfolio management

Acquisitions

- Boeing Fleet Database (January 2016)
- ReSec (August 2016)
- FastMarkets (September 2016)
- Broadgroup (March 2017)
- RISI (April 2017)
- Layer123 (April 2017)

Disposals

- Gulf and PE (April 2016)
- HedgeFund Intelligence (December 2016)
- II Intelligence (December 2016)
- Euromoney Indices (March 2017)
- LatinFinance (March 2017)

RISI

- Leading price-reporting agency for the global forest-products market
- Strong strategic fit: price discovery a key investment theme; high-quality, largely subscription business
- Product consists of pricing data, mill intelligence, analytics, research and conferences
- Cost \$125m, 2016 pro forma revenues \$29.6m, EBITDA \$7.7m
- Being integrated into Price Reporting division alongside Metal Bulletin Group

The business turning?

Revenue change by quarter (underlying¹)

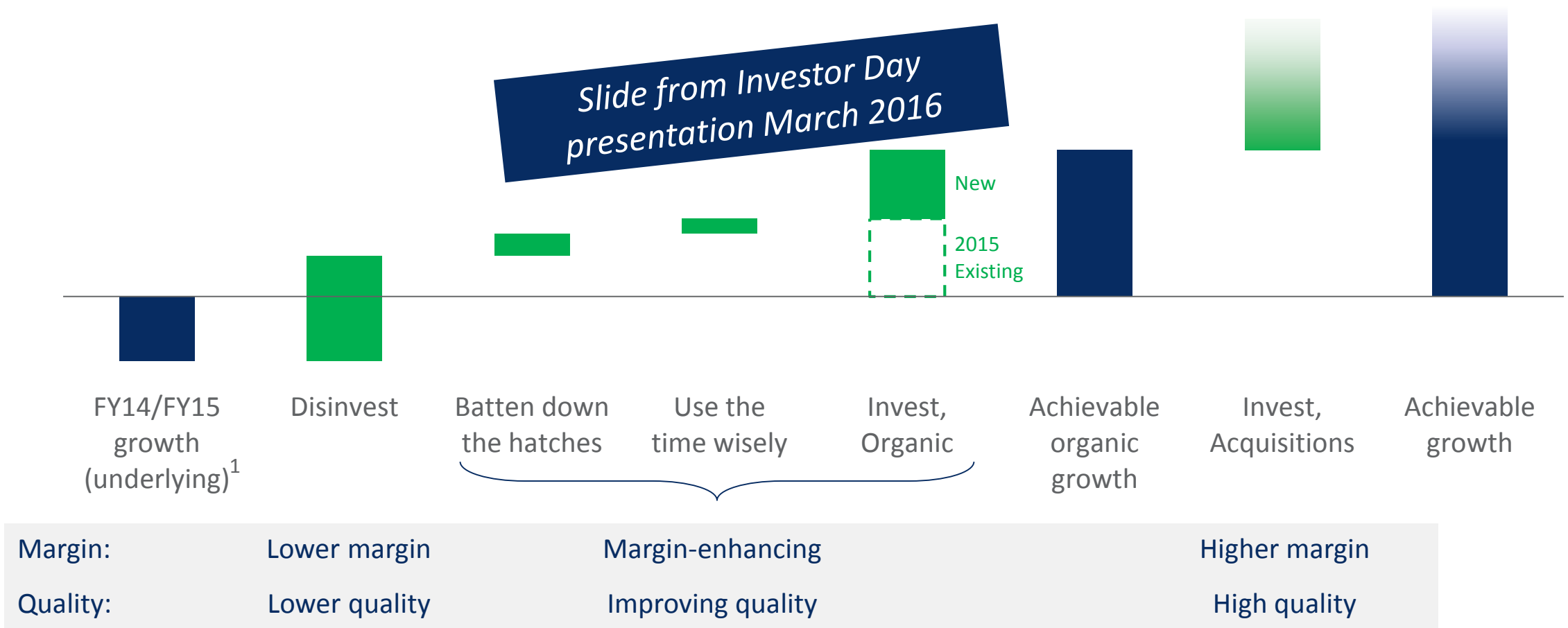
Y-o-Y % change	2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions and content	2%	0%	1%	2%	1%	2%
Advertising	(2%)	(16%)	(14%)	(12%)	(16%)	(10%)
Events	(14%)	(13%)	0%	(9%)	(14%)	2%
Total ²	(6%)	(6%)	(1%)	(4%)	(5%)	1%

1. At constant exchange rates, including pro forma prior year comparatives for acquisitions and excluding disposals and significant event timing differences.

2. Includes other revenues but excludes revenues from sold/closed businesses. FX hedging losses restated in prior year at current year level.

From March 2016 Investor Day

Strategy: achievable revenue growth (not guidance)



1. Underlying revenue growth from FY14 to FY15, excluding the impact of acquisitions, disposals, currency movements and significant event timing differences.
 Note: Chart for illustrative purposes only. Not drawn to scale

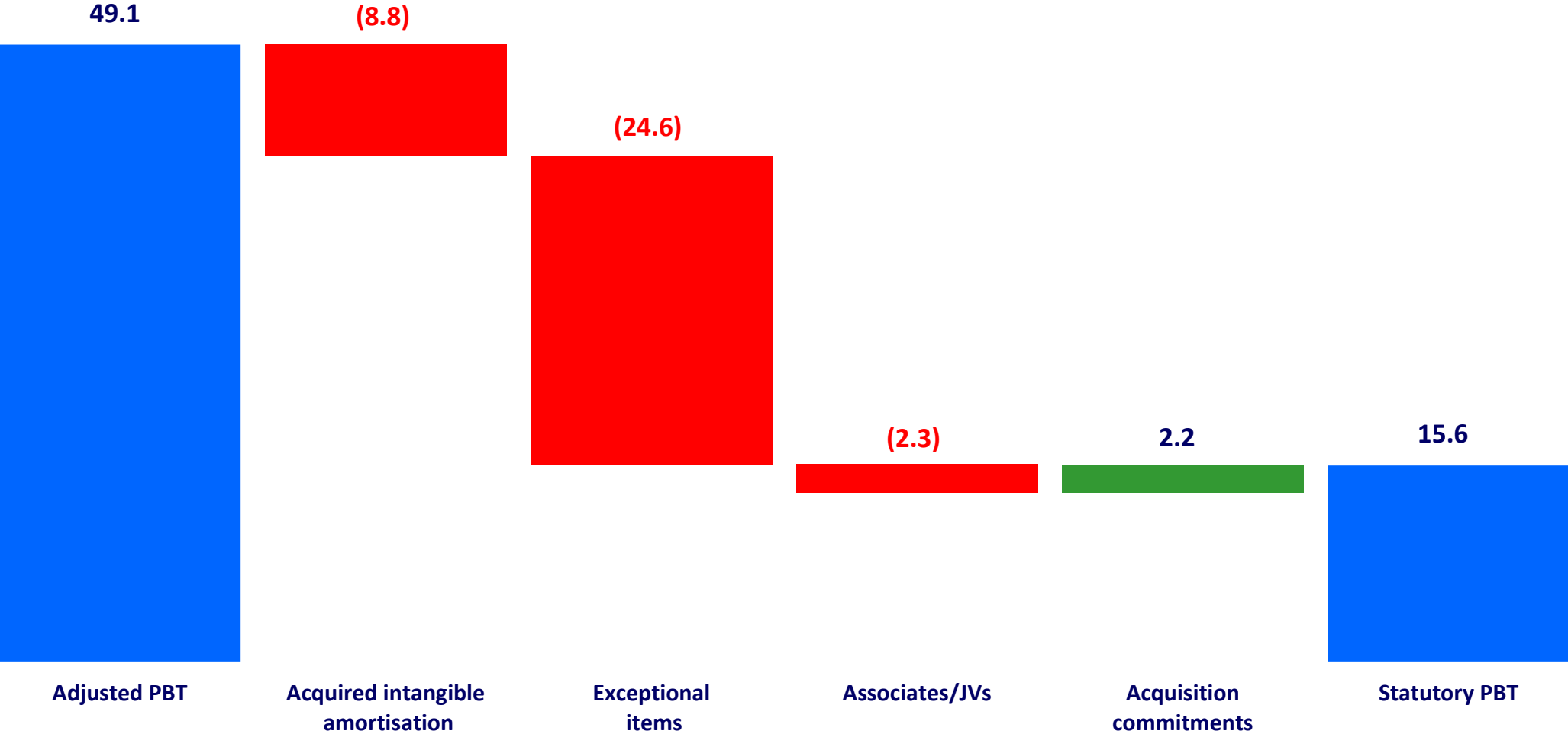
Half-year results

Half-year snapshot

	H1 2016	H1 2017	Change
Revenue (£m)	194.2	203.2	5%
Adjusted PBT ¹ (£m)	46.9	49.1	5%
<i>Statutory PBT¹ (£m)</i>	<i>23.4</i>	<i>15.6</i>	<i>(33%)</i>
Adjusted EPS ¹ (p)	29.9	32.7	9%
Dividend per share (p)	7.00	8.80	26%
Net cash/(debt) (£m)	55.9	(83.6)	

1. As reconciled in appendix to Interim Financial Report.

Statutory profit (£m)



DMGT sell-down – financial implications

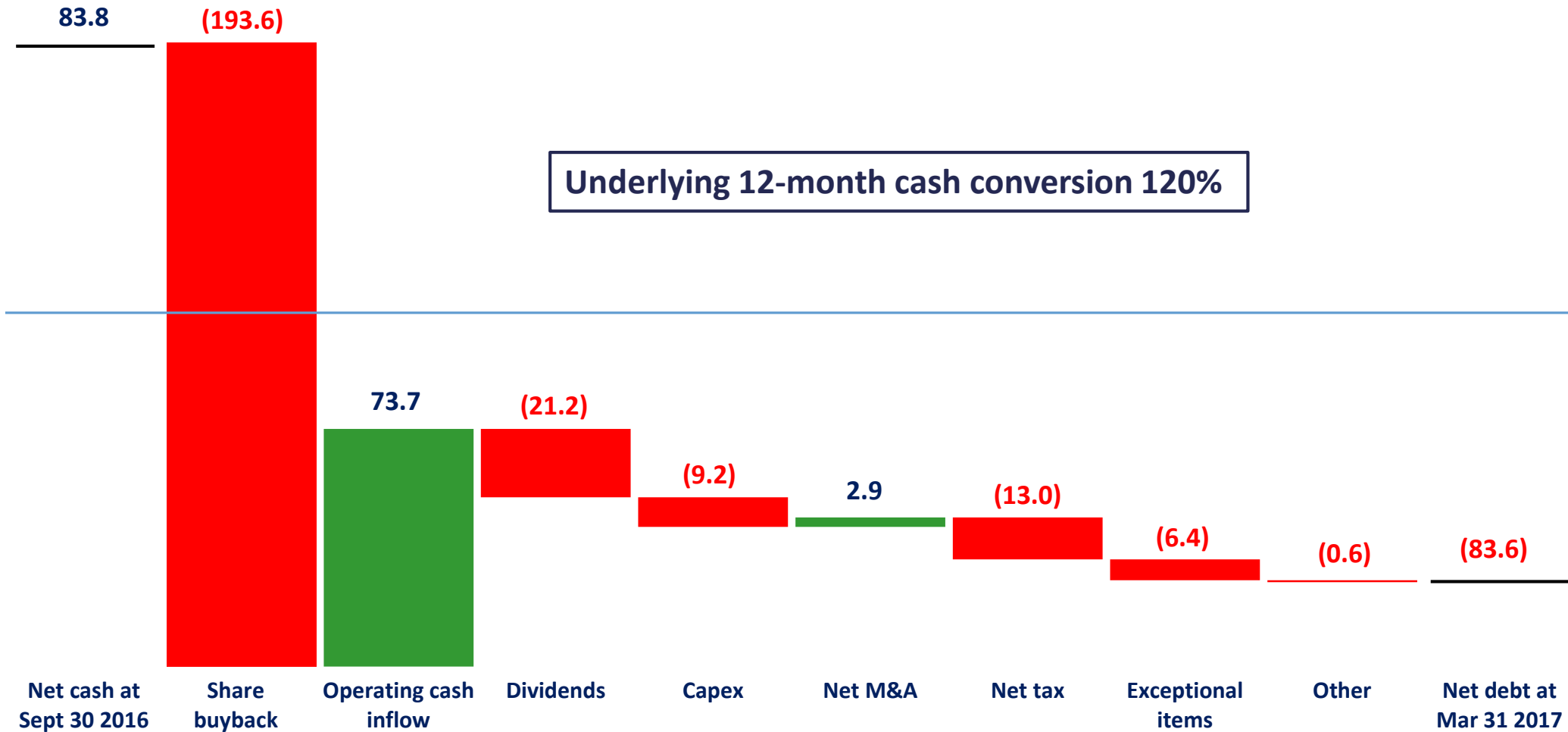
- DMGT shareholding reduced from 68% to 49% through combination of 15% share buyback and 10% placement with institutional shareholders
- Buyback cost £193.6m, funded by £75.4m of cash and £118.2m of new bank term-loans
- Financing costs (excl RISI) c.£1m per quarter from January 2017
- EPS accretion and new dividend policy
- Standalone company including managing own balance sheet and banking relationships

Standalone company costs (in addition to financing)

Investment in strong centre to support growth strategy:

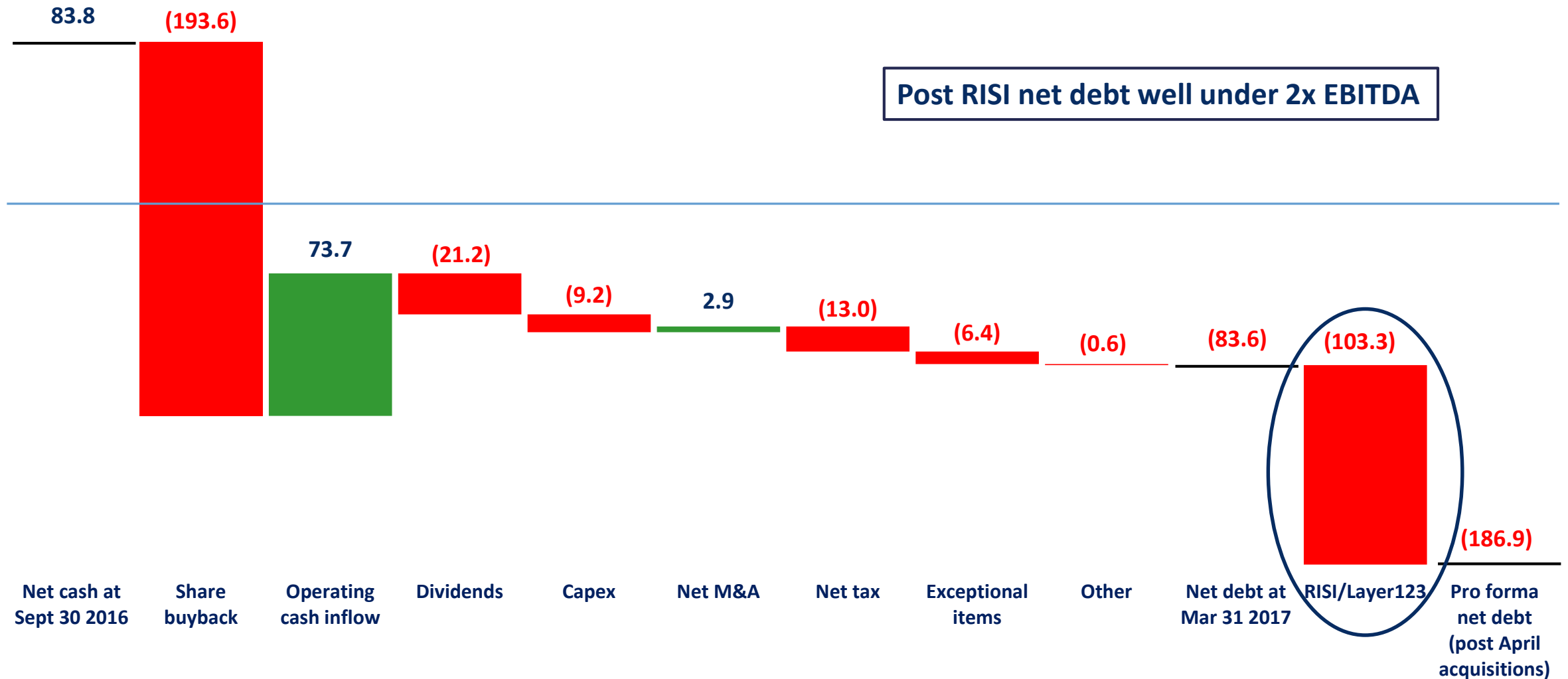
- Functions previously provided by DMGT
 - M&A resource
 - HR, Legal, IR
 - Stronger governance
-
- H1 cost £1m
 - FY17 expected cost £3m (annualised £4m)

H1 2017 net debt (£m)



1. As reconciled in appendix to Interim Financial Report.

Pro forma April 2017 net debt (post April acquisitions) (£m)



1. As reconciled in appendix to Interim Financial Report

Half-year operating results

Context

Positives

1. Improving cycle for commodities and banking markets
2. *Disinvest* quadrant being managed to reduce drag
3. FY16 investment paying off in FY17
4. Favourable US\$

Negatives

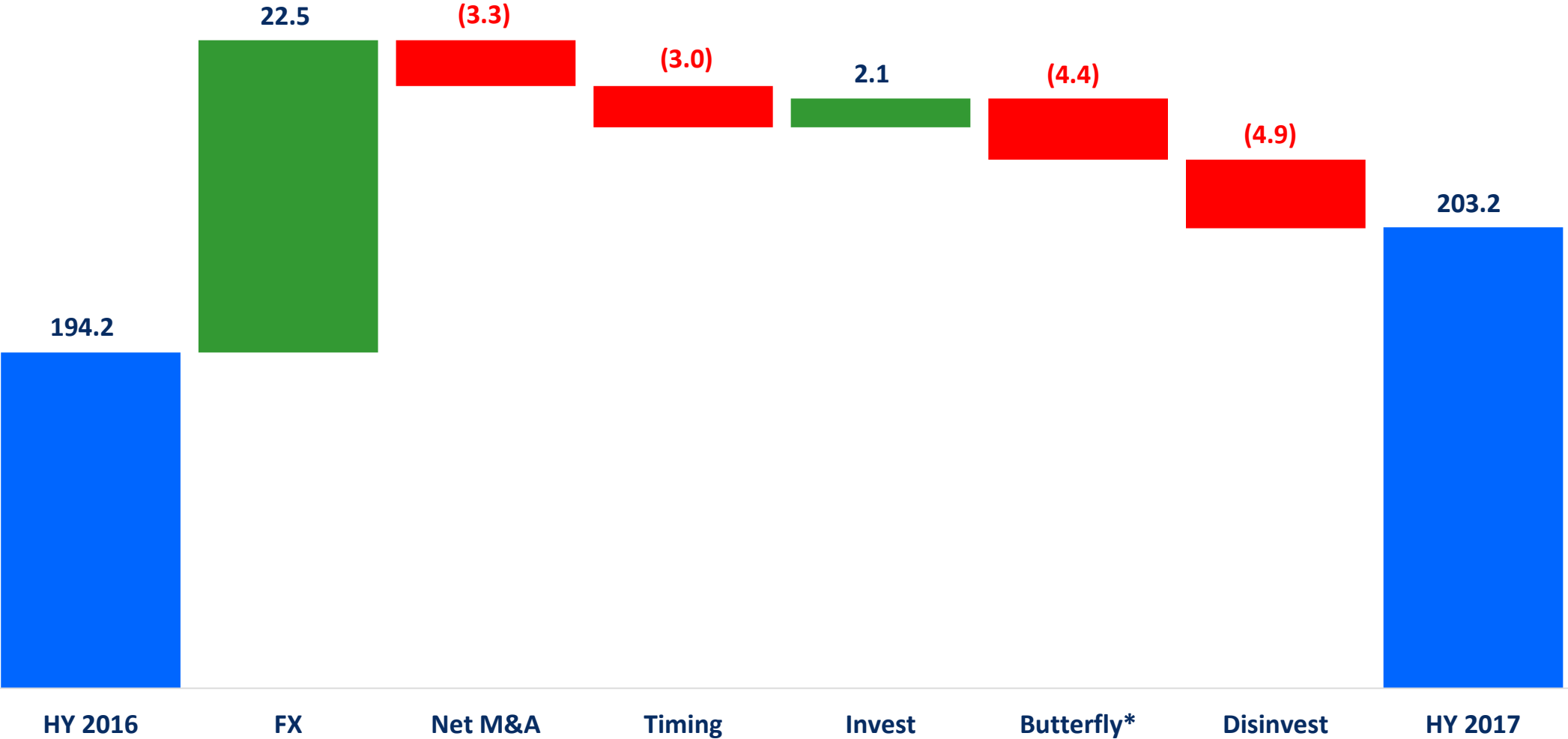
1. Asset management headwinds
 - MiFID
 - Shift from active to passive
2. Advertising continues to fall (but less than 10% of revenues)

Reported results

£m	H1 2016	H1 2017	Change
Revenue	194.2	203.2	5%
Adjusted operating profit ¹	46.8	49.0	5%
Adjusted operating margin	24.1%	24.1%	-
Adjusted PBT ¹	46.9	49.1	5%

1. As reconciled in appendix to Interim Financial Report.

H1 reported revenue: year-on-year movements (£m)



* Butterfly refers to the aggregate of top-left and bottom-right quadrants.

Reported revenue change

Y-o-Y % change	2016		2017	% revenue ²
	H1	H2	H1	
Subscriptions and content	5%	11%	19%	62%
Advertising	(3%)	(6%)	3%	8%
Sponsorship	(3%)	10%	13%	13%
Delegates	(5%)	(5%)	(2%)	17%
Total ¹	(2%)	2%	5%	

1. After sold/closed businesses, FX and other revenues.

2. Percentage of total H1 2017 revenue excluding closed businesses, FX and other revenues.

Revenue change by quarter (underlying¹)

Y-o-Y % change	2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions and content	2%	0%	1%	2%	1%	2%
Advertising	(2%)	(16%)	(14%)	(12%)	(16%)	(10%)
Sponsorship	(7%)	(8%)	9%	(7%)	(14%)	5%
Delegates	(18%)	(17%)	(9%)	(12%)	(14%)	1%
Total ²	(6%)	(6%)	(1%)	(4%)	(5%)	1%

1. At constant exchange rates, including pro forma prior year comparatives for acquisitions and excluding disposals and significant event timing differences.

2. Includes other revenues but excludes revenues from sold/closed businesses. FX hedging losses restated in prior year at current year level.

H1 2017 revenue matrix by segment/type¹ (£m)

	Subscriptions/ Content	Advertising	Sponsorship	Delegates	Other	Total
Asset management	69.1 1%	7.1 (8%)	6.1 4%	0.6 99%	0.0 62%	82.9 0%
Pricing, data and market intelligence	52.5 3%	5.0 (23%)	6.8 10%	8.9 0%	0.6 (23%)	73.9 1%
Banking and finance	4.2 (8%)	4.1 (1%)	10.0 (12%)	10.9 (13%)	0.6 (25%)	29.8 (11%)
Commodity events	N/A	N/A	4.0 (10%)	14.6 (7%)	0.4 1%	19.0 (10%)
Total segment revenue	125.8 1%	16.2 (14%)	26.9 (3%)	35.0 (6%)	1.6 (18%)	203.2 (2%)

- Subscriptions continue to grow - 62% of total revenue (H1 2016: 54%)
- Advertising still falling but only 8% of H1 revenue
- *Pricing, data & market intelligence* driving growth – strong performance from Metal Bulletin
- Events revenue decline mainly from elimination of low-margin events and training courses

1. See slide 44 for notes and colour key.

H1 operating margin: year-on-year movement

Adjusted operating margin H1 2016 **24.1%**

FX 0.2%

Net M&A 0.4%

Timing (0.6%)

Underlying business:

- Invest 1.1%

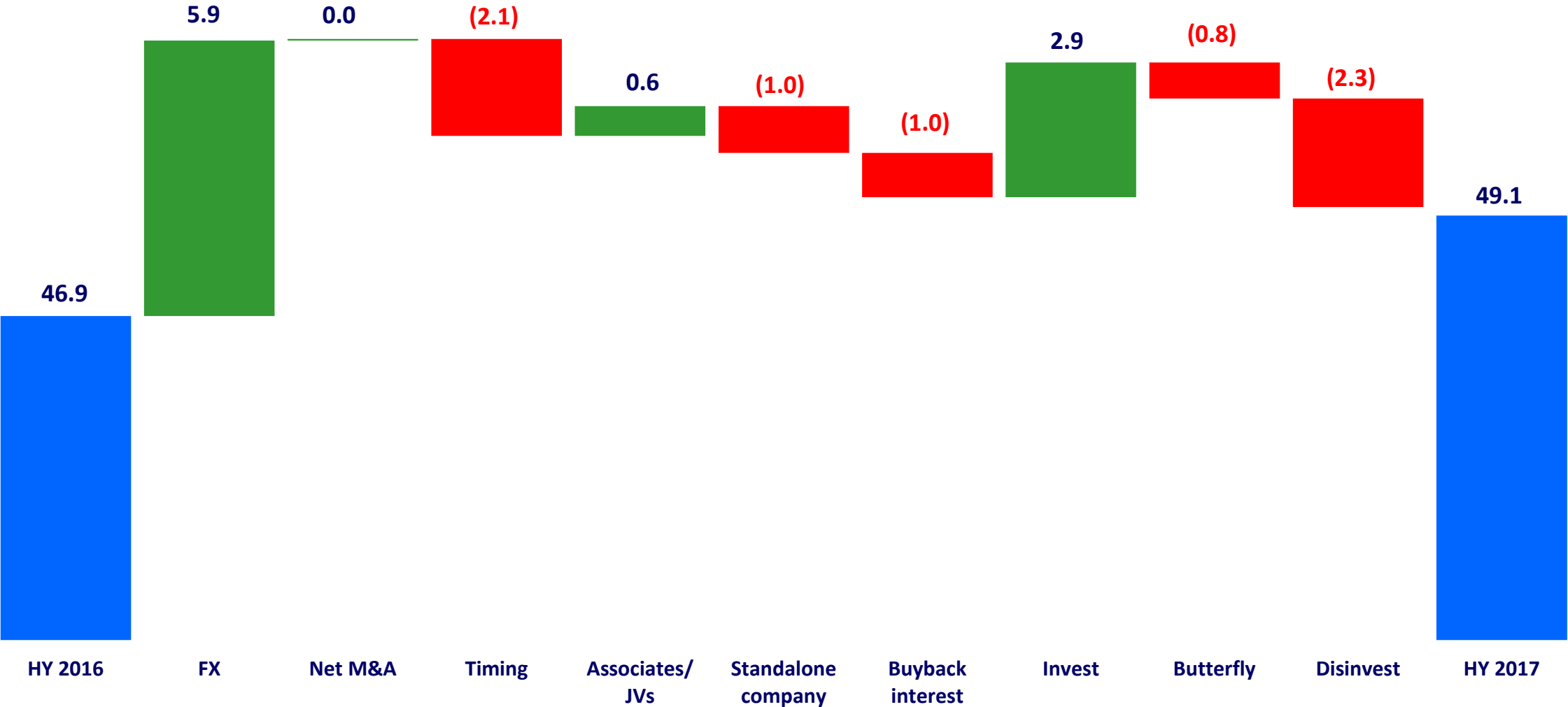
- Disinvest (0.6%)

0.5%

DMGT separation/standalone company (0.5%)

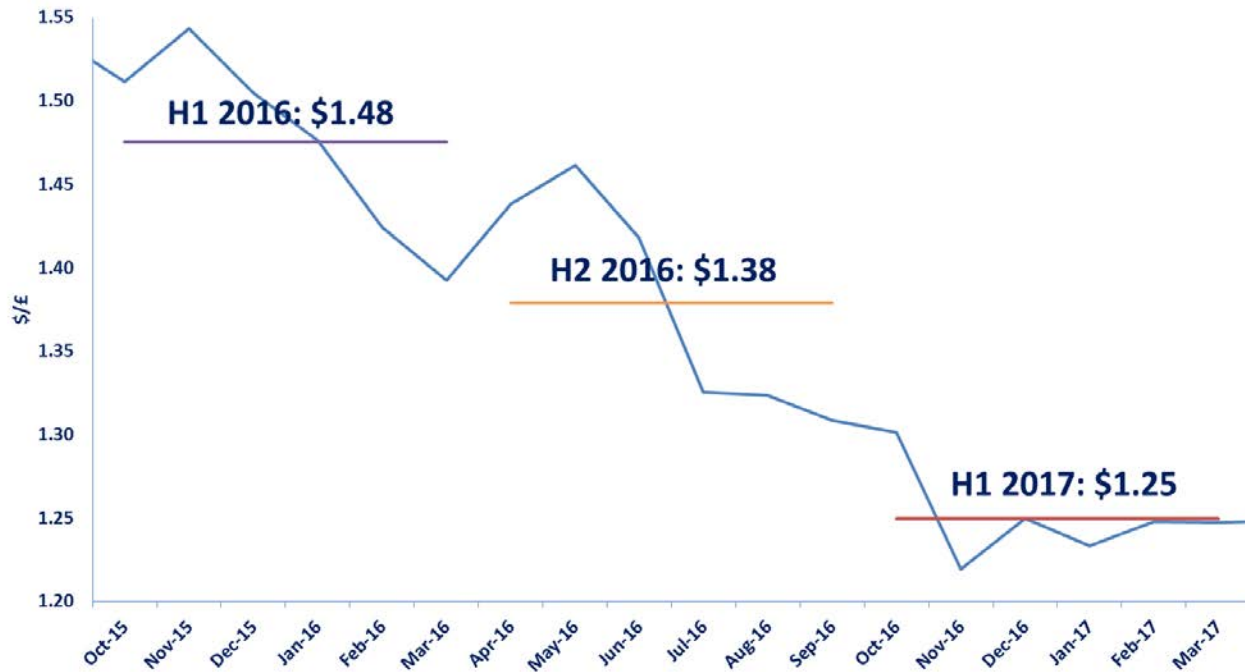
Adjusted operating margin H1 2017 **24.1%**

H1 adjusted PBT: year-on-year movement (£m)



Impact of favourable FX

GBP/USD rate



- £5.9m year-on-year FX benefit to adjusted PBT:
 - GBP/USD rate fell 23 cents
 - £7.4m FX benefit on translation of overseas profits
 - £0.2m FX gain on balance sheet revaluation (H1 2016: £1.7m gain)
- Current GBP/USD rate still provides H2 2017 upside

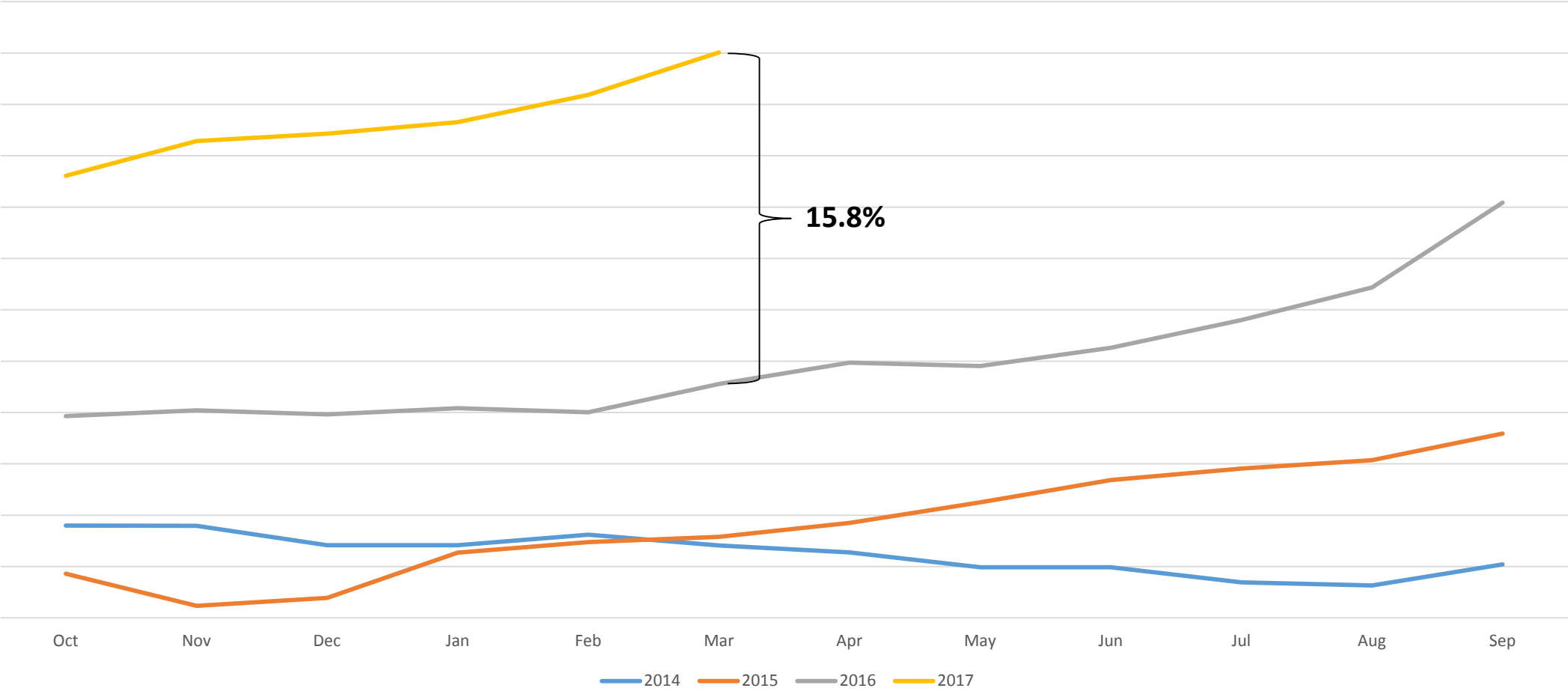
New dividend policy

- New progressive dividend policy
- Dividend pay-out ratio increased from 33% to 40% (cover reduced from 3x to 2.5x)
- EPS benefitted from 15% reduction in issued shares following share buyback
- Basis for interim dividend: 33% of prior full-year dividend
- Interim dividend increased from 7p to 8.8p (+26%)
- Further full-year EPS dividend benefit to come in FY18

Outlook & summary

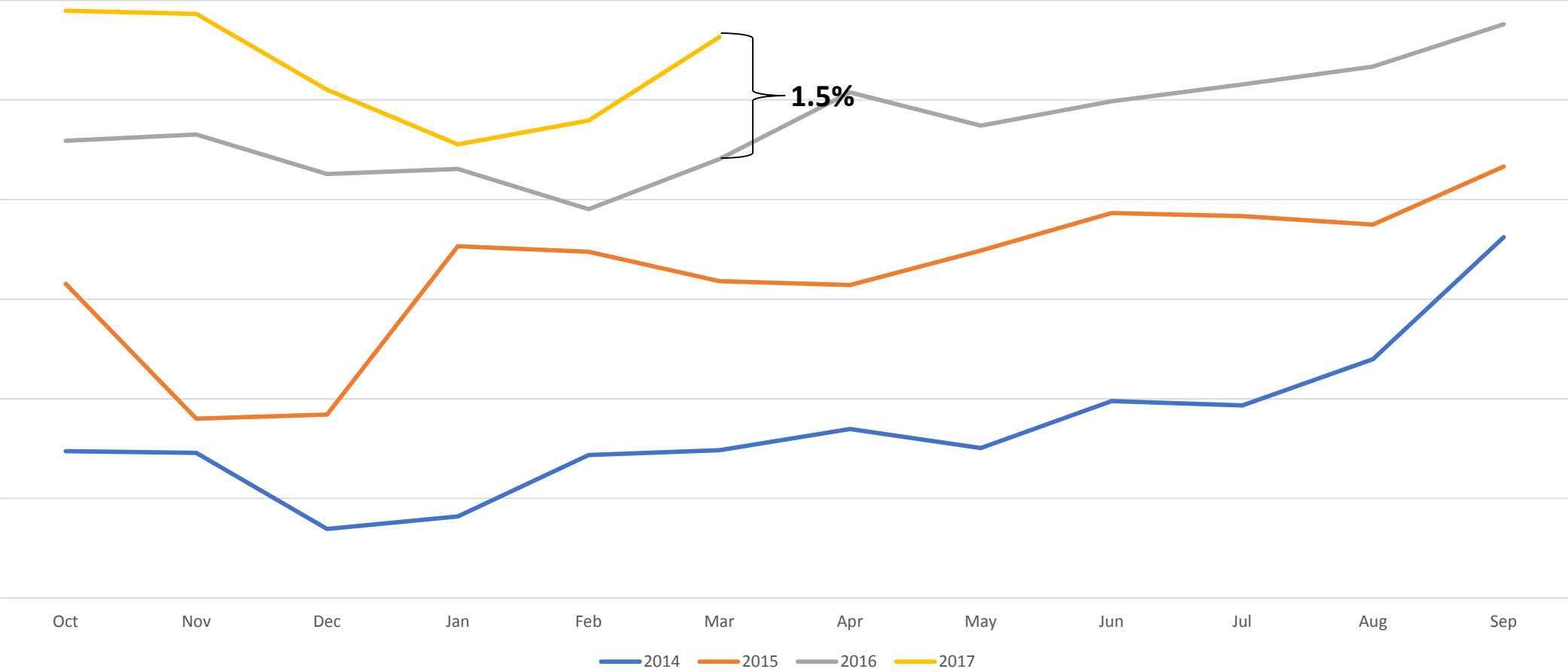
Book of business – reported (c60% of total revenue)

Total subscriptions book of business at reported GBP/US\$ rate



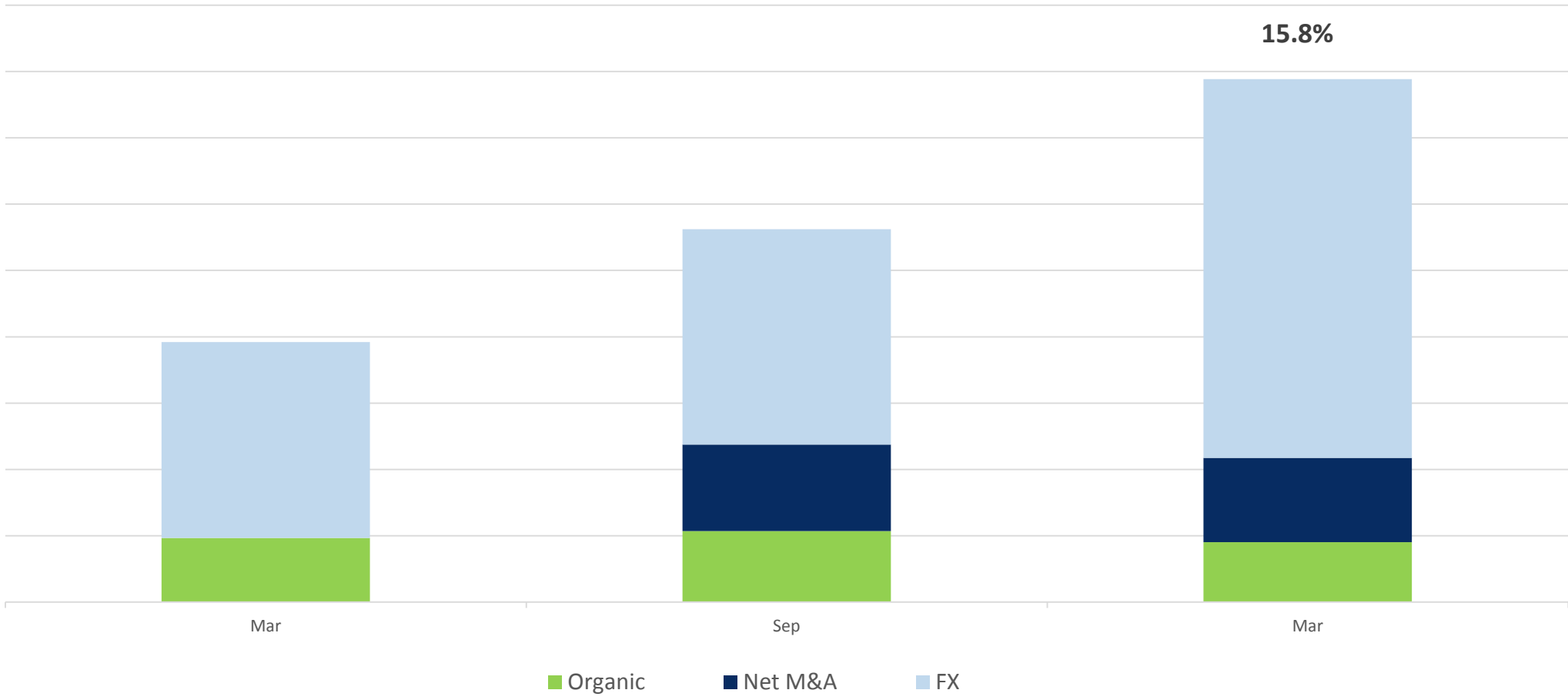
Book of business – underlying

Underlying subscriptions book of business at constant GBP/US\$ rate



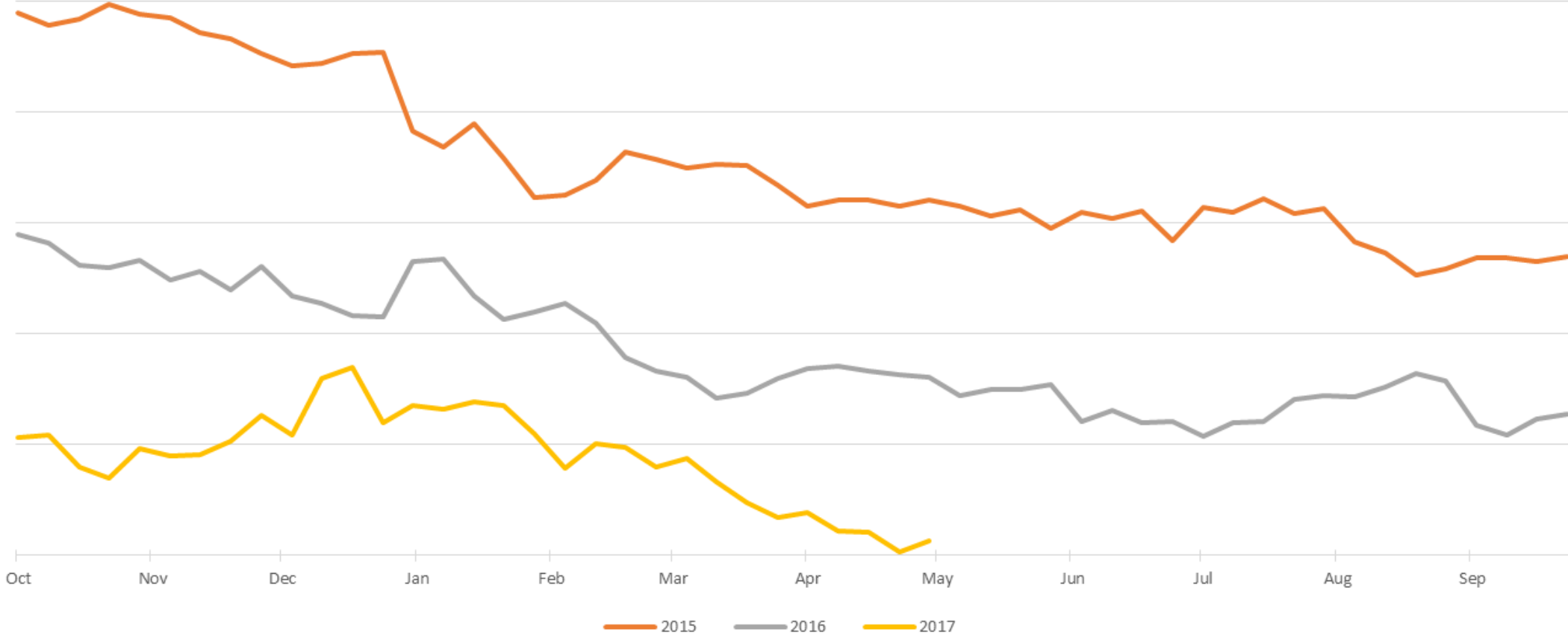
Book of business – reported growth split

Total book of business reported % growth



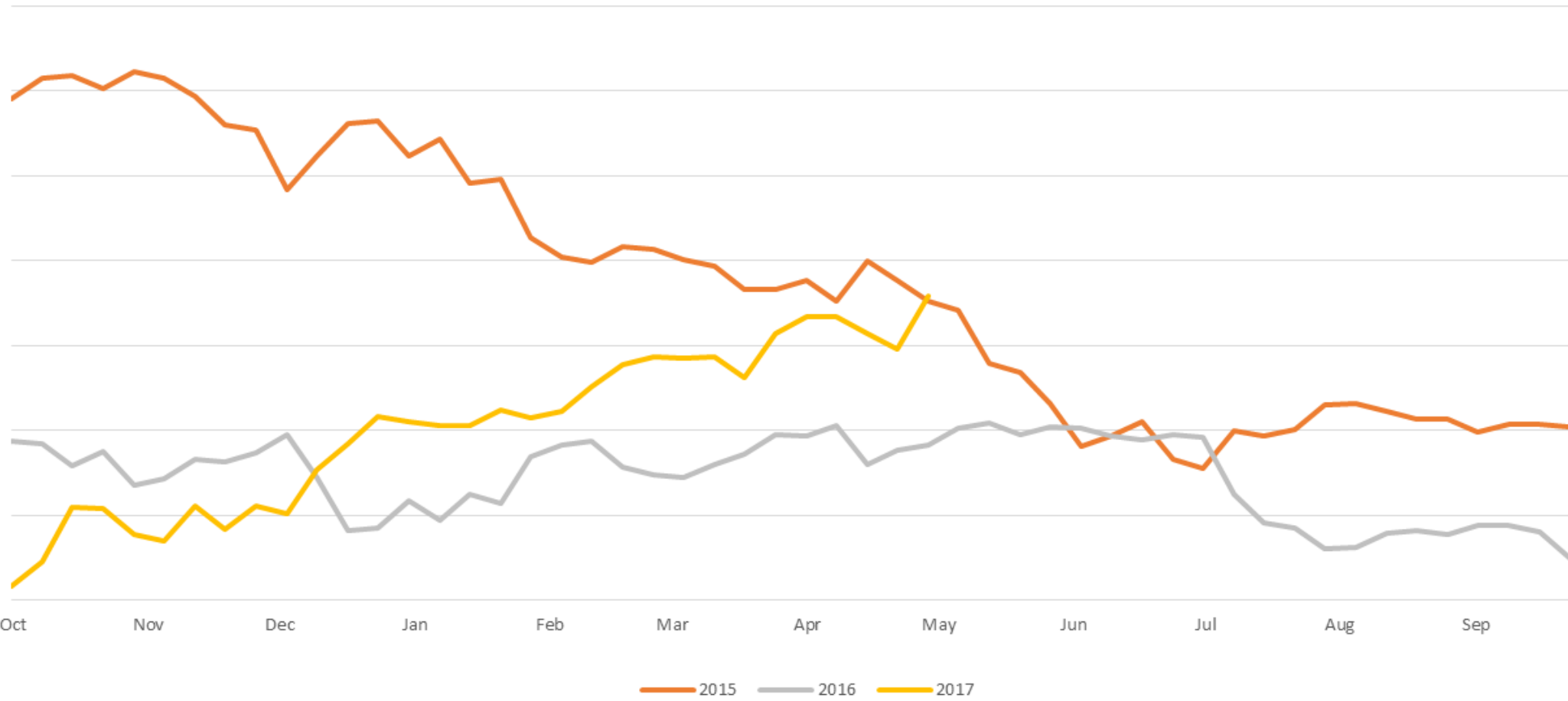
Advertising – underlying (c10% of total revenue)

Advertising 52 week rolling sales at constant GBP/US\$ rate



Events – underlying (c30% of total revenue)

Events 52 week rolling sales at constant GBP/US\$ rate



Outlook & summary

- Evidence that the business may be turning
 - Book of business
 - Events bookings
 - Q2 performance
 - Cash conversion
- Banking & finance and commodities markets improving
- Asset management markets more challenged
- Investing FX benefit to accelerate strategy. FX remains favourable
- Capital being rigorously allocated and quadrants managed
- DMGT sell-down accelerates strategy. But there are standalone company costs
- Continuing strong balance sheet and cash flow

In summary, on track with strategy

Q&A

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Appendix:
Supplementary information

H1 2017 revenue matrix by segment/type (£m)

	Subscriptions/ Content	Advertising	Sponsorship	Delegates	Other	Total
Asset management	69.1 1%	7.1 (8%)	6.1 4%	0.6 99%	0.0 62%	82.9 0%
Pricing, data and market intelligence	52.5 3%	5.0 (23%)	6.8 10%	8.9 0%	0.6 (23%)	73.9 1%
Banking and finance	4.2 (8%)	4.1 (1%)	10.0 (12%)	10.9 (13%)	0.6 (25%)	29.8 (11%)
Commodity events	N/A	N/A	4.0 (10%)	14.6 (7%)	0.4 1%	19.0 (10%)
Total segment revenue	125.8 1%	16.2 (14%)	26.9 (3%)	35.0 (6%)	1.6 (18%)	203.2 (2%)

Notes

- The absolute £ totals represent reported figures.
- The percentages represent underlying growth rates, including pro forma prior year comparatives for acquisitions and excluding disposals and significant event timing differences at constant exchange rates.
- Total segment revenue of £203.2m includes FX on forward contracts (-£7.0m) and sold/closed businesses (+£4.7m).

Key

- Dark green – growth more than 2%
- Light green – growth of 0% to 2%
- Amber – decline of 0% to -1%
- Pink – decline of -1% to -5%
- Dark red – decline more than -5%
- The white cells have not been colour-coded due to their size

H1 2016 revenue and profit matrix

£m	Subscriptions/ Content	Advertising	Sponsorship	Delegates	Other	Total revenue	Adjusted operating profit
Asset management	58.4	6.6	5.0	0.3	-	70.3	22.0
Pricing, data & market intelligence	43.4	5.4	5.2	7.8	0.7	62.5	19.1
Banking & finance	3.9	3.7	9.8	11.3	0.8	29.5	2.6
Commodity events	-	-	3.8	16.3	0.4	20.5	8.5
Total segment revenue	105.7	15.7	23.8	35.7	1.9	182.8	52.2
Sold/closed businesses						12.8	0.8
FX hedges/balance sheet						(1.4)	0.3
Corporate costs						-	(6.5)
Total revenue/adjusted operating profit						194.2	46.8

H1 2015 revenue and profit matrix

£m	Subscriptions/ Content	Advertising	Sponsorship	Delegates	Other	Total revenue	Adjusted operating profit
Asset management	54.5	6.1	5.3	0.3	0.1	66.3	23.3
Pricing, data & market intelligence	41.8	5.7	5.4	7.3	0.7	60.9	17.3
Banking & finance	3.8	3.8	10.0	14.9	0.8	33.3	6.0
Commodity events	-	-	4.2	15.1	0.4	19.7	8.6
Total segment revenue	100.1	15.6	24.9	37.6	2.0	180.2	55.2
Sold/closed businesses						16.5	4.4
FX hedges/balance sheet						1.0	0.2
Corporate costs						-	(9.3)
Total revenue/adjusted operating profit						197.7	50.5

Revenue by segment

£m	H1 2016	H1 2017	Reported	Underlying ¹
Asset management	70.3	82.9	18%	0%
Pricing, data & market intelligence	62.4	73.8	18%	1%
Banking & finance	29.5	29.8	1%	(11%)
Commodity events	20.5	19.0	(7%)	(10%)
Sold/closed businesses	12.8	4.7	-	-
FX hedges	(1.3)	(7.0)	-	-
	194.2	203.2	5%	(2%)

1. At constant exchange rates, including pro forma prior year comparatives for acquisitions and excluding disposals and significant event timing differences.

Revenue by type

£m	H1 2016	H1 2017	Reported	Underlying ¹
Subscriptions and content	105.8	125.8	19%	1%
Advertising	15.7	16.2	3%	(14%)
Sponsorship	23.8	26.9	13%	(3%)
Delegates	35.6	35.0	(2%)	(6%)
Other	1.8	1.6	(13%)	(18%)
Sold/closed businesses	12.8	4.7	-	-
FX hedges	(1.3)	(7.0)	-	-
Total	194.2	203.2	5%	(2%)

1. At constant exchange rates, including pro forma prior year comparatives for acquisitions and excluding disposals and significant event timing differences.

Underlying¹ revenue change

Y-o-Y % change	2016		2017
	H1	H2	H1
Subscriptions and content	1%	2%	1%
Advertising	(9%)	(13%)	(14%)
Sponsorship	(8%)	1%	(3%)
Delegates	(18%)	(10%)	(6%)
Total ²	(6%)	(2%)	(2%)

1. At constant exchange rates, including pro forma prior year comparatives for acquisitions and excluding disposals and significant event timing differences.

2. Includes other revenues but excludes revenues from sold/closed businesses. FX hedging losses restated in prior year at current year level.

Revenue change by quarter (reported)

Y-o-Y % change	2016				2017	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions and content	5%	6%	5%	17%	20%	17%
Advertising	3%	(9%)	(10%)	(3%)	2%	4%
Sponsorship	(5%)	(2%)	13%	7%	5%	20%
Delegates	(18%)	6%	(6%)	(3%)	5%	(7%)
Total ¹	(5%)	1%	(1%)	4%	6%	4%

1. After sold/closed businesses, FX and other revenues.

Operating profit by segment

£m	H1 2016	H1 2017	Reported	Underlying ¹
Asset management	22.0	29.2	33%	9%
Pricing, data & market Intelligence	19.1	23.2	22%	(3%)
Banking & finance	2.6	4.1	59%	(5%)
Commodity events	8.5	7.0	(17%)	(15%)
Sold/closed businesses	0.8	-	-	-
Corporate costs	(6.5)	(7.8)	-	-
FX hedges/balance sheet	0.3	(6.7)	-	-
Total	46.8	49.0	5%	(2%)

1. At constant exchange rates, including pro forma prior year comparatives for acquisitions and excluding disposals and significant event timing differences.

Exceptional items¹

£m	H1 2017
NDR goodwill impairment	(27.4)
Profit on disposal of businesses	4.8
Tax settlement	3.9
Other	(5.9)
	(24.6)

1. See note 4 of the Interim Financial Report for fuller description.

Net finance costs¹

£m	H1 2016	H1 2017
Interest on DMGT debt facility	(0.4)	(0.2)
Interest on cash deposit with DMGT	0.1	0.1
Interest on external borrowings	-	(0.9)
Interest on tax	(0.3)	(0.1)
Underlying net finance costs	(0.6)	(1.1)
Acquisition deferred consideration	-	0.1
Acquisition commitments	(0.8)	2.1
Statutory net finance costs	(1.4)	1.1

1. See note 5 of the Interim Financial Report.

Tax¹

£m	H1 2016	H1 2017
Adjusted PBT	46.9	49.1
Statutory tax charge	(6.2)	(1.9)
Other tax adjustments	(2.7)	(8.3)
Underlying tax charge	(8.9)	(10.2)
Underlying tax rate	19%	21%

1. See note 6 of the Interim Financial Report.

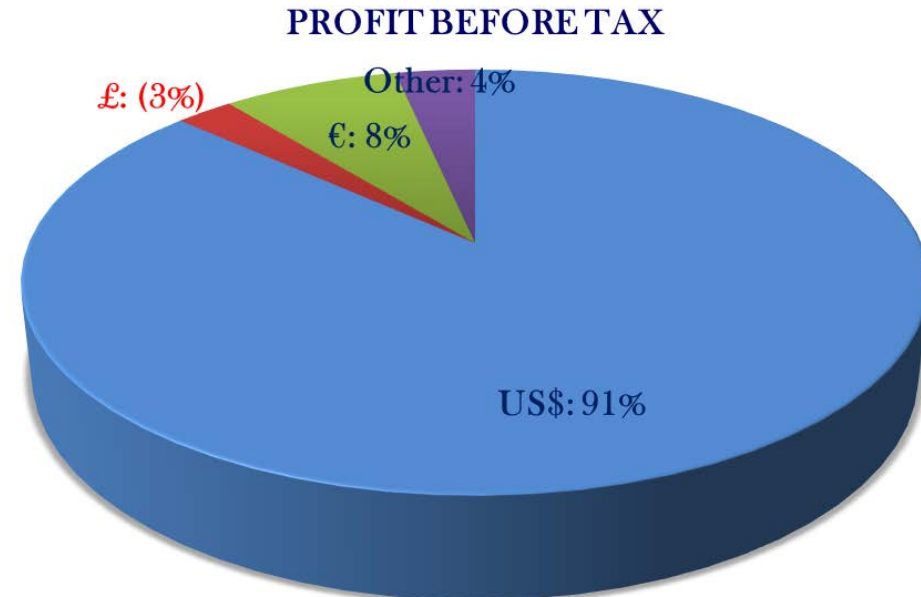
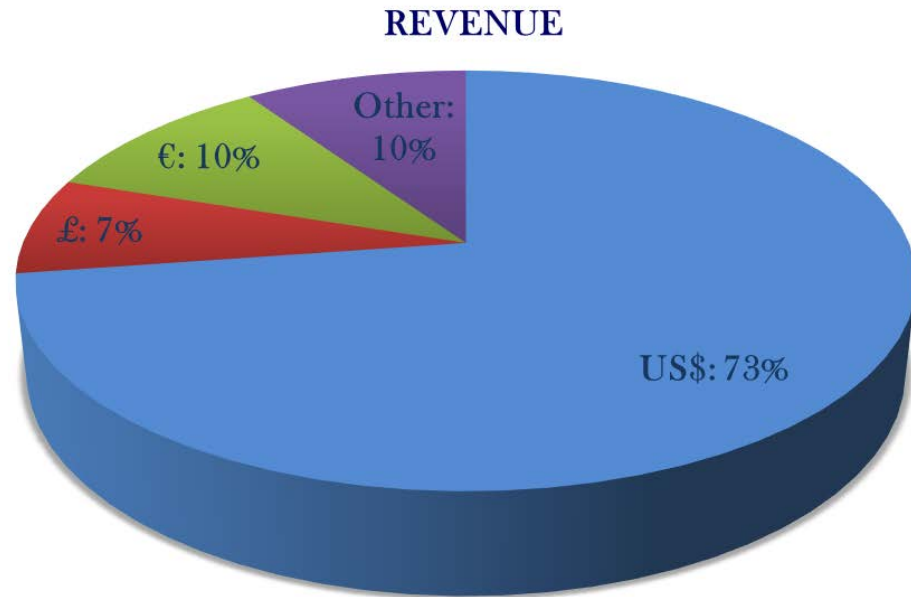
Cash conversion

£m	12 months to H1 2016	12 months to H1 2017
Adjusted operating profit	100.6	103.6
Cash generated from operations	108.2	117.8
Exceptional items	1.6	10.1
Timing differences	(1.9)	(3.8)
Underlying cash generated from operations	107.9	124.1
Cash conversion %	108%	114%
Underlying 12-month cash conversion %	107%	120%

Deferred revenue

£m	Mar-16 to Mar-17		
	Subscriptions	Events	Advertising
Opening balance	95.3	29.6	4.0
Net M&A	(1.1)	(0.2)	(0.5)
FX	9.4	1.7	0.2
Adjusted opening balance	103.6	31.1	3.7
Underlying movement	3.1	3.6	(0.6)
Closing balance	106.7	34.7	3.1
Underlying growth %	3%	12%	(16%)

Impact of FX



GBP/USD	H1 2017	H1 2016
Average rate	1.25	1.48
Closing rate	1.25	1.44

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

New banking facilities

	£m	Purpose
Term-loan	120	Share buyback
Revolving credit facility	130	Acquisitions & working capital
	<hr/>	
	250	
Accordion	130	Additional acquisitions
	<hr/>	
	380	

Funding costs

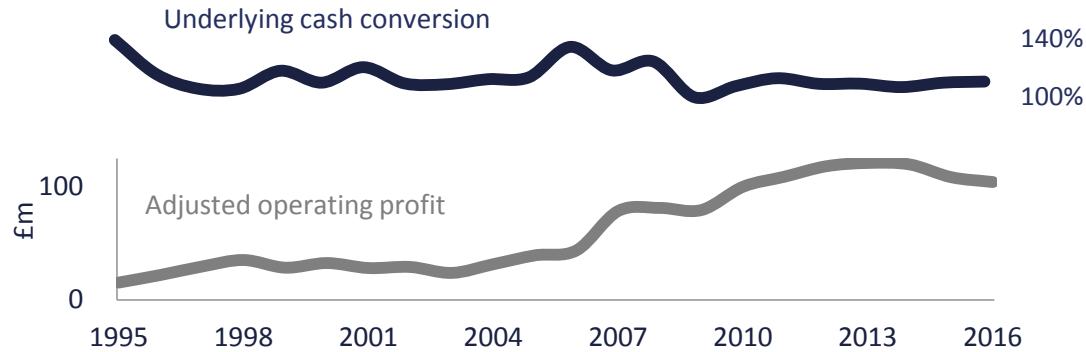
Net Debt: EBITDA	Margin above LIBOR
< 1.0	1.25%
<1.5	1.50%
<2.0	1.75%
<2.5	2.00%
>2.5	2.50%

Rate hedging

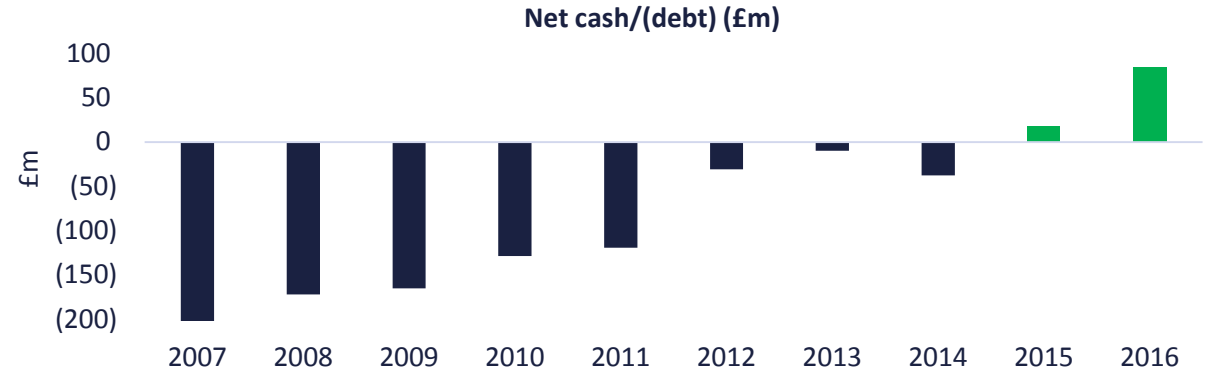
£32m of term-loan swapped to fixed rate of 0.76% p.a
\$80m of term-loan swapped to fixed rate of 1.97% p.a

A strong hand (1 of 2)

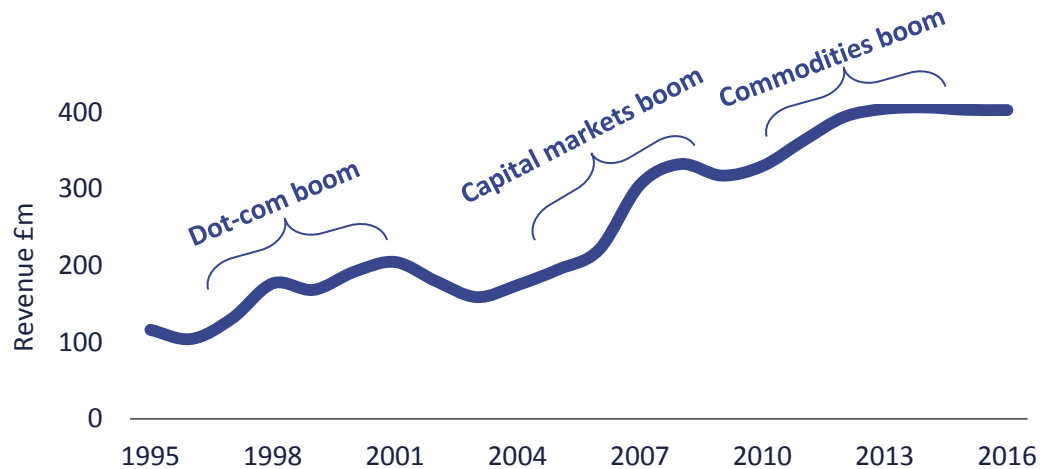
Cash machine



Firepower from strong balance sheet



Experienced at spotting and monetising trends



Strong brands (examples)

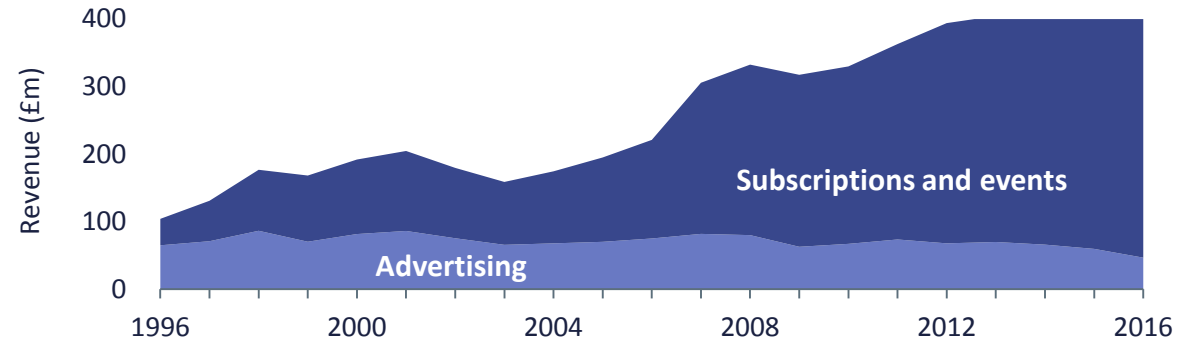


A strong hand (2 of 2)

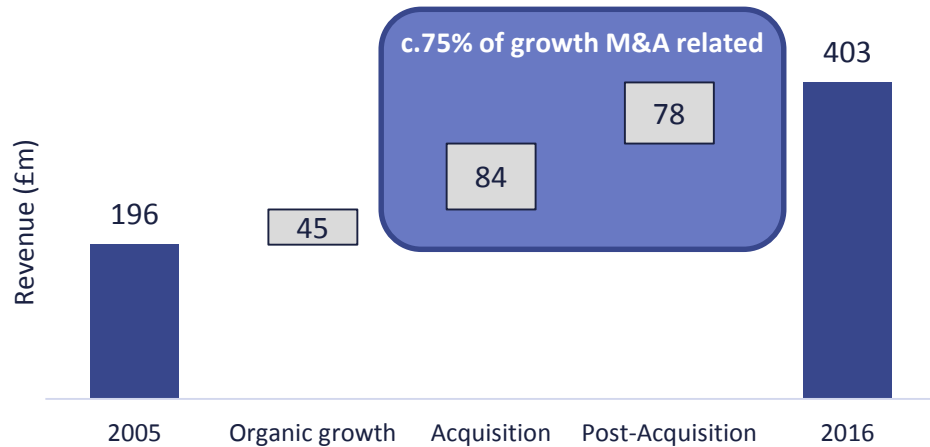
Good people



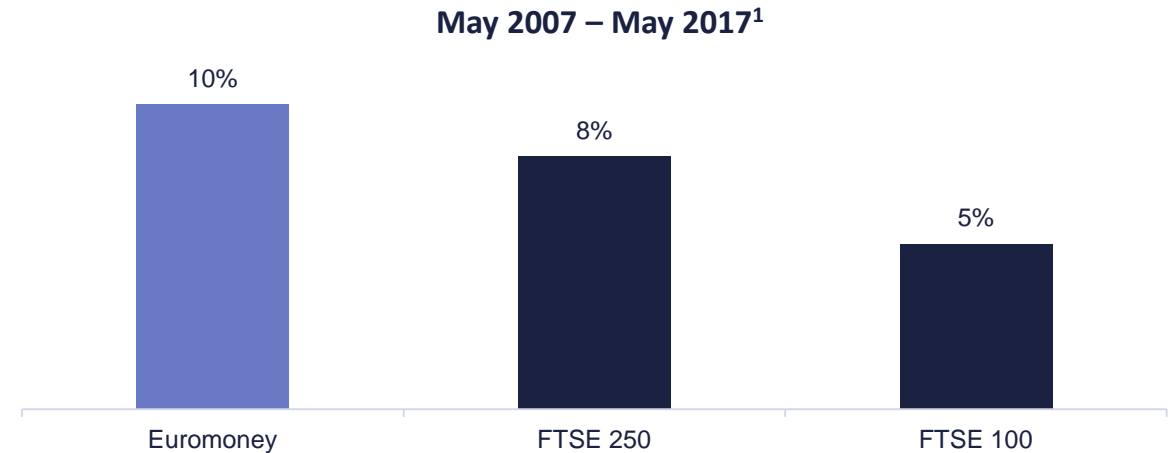
Transitioned from being a traditional media company



Established acquisition record



Outperforming TSR



1. CAGR TSR from 01 May 2007 to 01 May 2017
Source: Company data, Bloomberg (TSR)