

EUROMONEY INSTITUTIONAL INVESTOR PLC
TRADING UPDATE
FOR THE PERIOD TO JANUARY 27, 2016

Euromoney Institutional Investor PLC (“Euromoney”), the international online information and events group, today issues a trading update for the period from October 1, 2015 to January 27, 2016 in advance of its Annual General Meeting to be held at 9:30am on January 28.

Trading

Since reporting its FY15 results on November 19, 2015, trading has continued largely in line with the board’s expectations as set out in the preliminary results announcement. As anticipated in that announcement, the challenging market conditions and revenue trends experienced in the second half of FY15 have continued into the first quarter of FY16. As a result, headline revenues for the quarter to December 31, after adjusting for sold businesses, were down 4%, while underlying revenues, which also exclude the impact of currency movements, fell by 6%.

The following table shows the year-on-year revenue growth rates for the first quarter on a headline and constant currency basis, as well as a comparison with the underlying growth rates in the second half of last year.

	Q1 FY16 £m	Q1 FY15 £m	Headline change	Q1 FY16 vs FY15 Change at constant currency	H2 FY15 vs FY14 Change at constant currency
Subscriptions	53.1	50.5	5%	2%	3%
Advertising	10.2	10.4	(2%)	(6%)	(11%)
Sponsorship	9.7	10.2	(4%)	(7%)	(6%)
Delegates	14.6	17.8	(18%)	(19%)	(12%)
Other	2.3	3.5	(35%)	(36%)	(16%)
FX gains on forward contracts	–	0.8	–	–	–
Closed/sold businesses	–	1.5	–	–	–
Total revenues	89.9	94.7	(5%)	(7%)	(7%)
Less: revenue from sold businesses	–	(1.5)	–	–	–
Underlying revenues	89.9	93.2	(4%)	(6%)	(5%)

The 2% underlying increase in subscription revenues is consistent with the trend experienced throughout last year and continues to be driven by the group’s businesses serving the asset management sector, particularly Institutional Investor Memberships. The impact of weak energy prices, particularly oil, has continued to hurt delegate revenues, in particular those from our training business which rely heavily on banks and governments in energy-dependent economies, many of them in emerging markets. The

decline in advertising revenues, which are especially bank dependent, is consistent with the long-term structural decline being experienced in print advertising.

Impact of Currency

As highlighted above, currency movements improved the first quarter's revenues by approximately two percentage points, and the recent strength of the US dollar against sterling is expected to provide a further benefit to headline revenues in the second quarter. While the group hedges its exposure to the US dollar revenues in its UK businesses, it does not hedge the foreign exchange risk on the translation of overseas profits. The group generates more than half its operating profits in US dollars and the translation impact of a one cent movement in the average sterling-US dollar rate is approximately £0.6 million on an annualised basis. The recent sterling-US dollar rate of approximately \$1.42 therefore compares favourably with an average rate of \$1.54 for the last nine months of FY15.

Cash Flow, Balance Sheet and Dividend

Net cash at December 31, 2015 was £30.3 million, an increase of £12.6 million since the year-end. Cash generation remains strong, although the first quarter is traditionally the one with the lowest operating cash flows because of the payment of annual profit shares and other incentives in December.

The final dividend for FY15 of 16.4p a share (total cash outflow £20.7 million), if approved by shareholders at the AGM, will be paid on February 11, 2016.

Outlook

The challenging financial markets, and the weakness in the oil price and uncertainty over China in particular, are expected to continue to provide headwinds to the group's activities in the banking and commodities sectors, which account for approximately two thirds of the group's revenues. While the asset management sector is generally more robust, the recent weakness in equity markets has provided a tough start to the year for global asset management firms. However, on a more positive note, the weakness of sterling should provide some protection against this difficult market backdrop.

AGM/ Next Update

The company is holding its AGM at 9:30am on January 28. No further comment on trading will be made at this meeting.

A Capital Markets Day is being held on March 9 when the group's new Chief Executive, Andrew Rashbass, will provide a full strategy update to investors and analysts.

The results for the six months to March 31, 2016 will be announced on May 19.

January 27, 2016

END

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NOTE TO EDITORS

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