

EUROMONEY INSTITUTIONAL INVESTOR PLC
TRADING UPDATE
FOR THE PERIOD TO JULY 21, 2015

Euromoney Institutional Investor PLC (“Euromoney”), the international online information and events group, today issues a trading update for the period from April 1, 2015 to July 21, 2015.

Trading

Since reporting its interim results on May 14, 2015, trading conditions have continued broadly in line with the board’s expectations as set out in the interim results announcement. The challenging market conditions highlighted at the time of the interim results have shown no signs of improvement. The pressures on the investment banking sector, which account for roughly half the group’s revenues, and on fixed income, currency and commodities activities in particular, continue to offset the improving performance in the group’s businesses serving the asset management sector. Since June the impact of low energy prices has also started to have a negative effect on the group’s activities in this sector.

Headline revenues for the quarter to June 30, 2015 fell by 1% to £105.4 million. Underlying revenues, which exclude the impact of currency movements and acquisitions and disposals, fell by 5% largely due to recent weakness in the energy sector.

	Q3 2015 £m	Q3 2014 £m	Headline change	Change at constant currency	Underlying change at constant currency
Subscriptions	54.0	48.4	12%	4%	4%
Advertising	12.1	12.0	1%	(8%)	(8%)
Sponsorship	18.1	18.6	(3%)	(9%)	(9%)
Delegates	19.0	20.9	(9%)	(11%)	(11%)
Other	2.6	3.3	(21%)	(24%)	(24%)
Closed/sold businesses	0.1	2.4	-	-	-
FX gains/losses on forward currency contracts	(0.5)	1.0	-	-	-
Total revenue	105.4	106.6	(1%)	(7%)	(5%)
Less: revenue from acquisitions/disposals	-	(2.2)			
Underlying revenue	105.4	104.4			

As highlighted in previous trading updates, the third quarter is the most important of the year for the event businesses. Large events, particularly in the finance and telecoms sectors, performed well. However, weaker energy prices, particularly for coal and oil, have started to have a significant impact on revenues from smaller events and training in that sector. As a result, the group's underlying event sponsorship and delegate revenues fell by 10%, against a strong performance in the corresponding period last year.

Underlying subscription revenues increased by 4%, against a 2% increase achieved in the first half. This improvement largely reflects the earlier receipt of certain subscription accounts which are recognised on a cash basis. There is no change to the underlying subscription trend and these timing differences are expected to reverse in the final quarter. The 8% decline in underlying advertising revenues, which are especially bank dependent, is consistent with the long-term trend in print advertising.

Impact of Currency

The group generates approximately two thirds of its revenues (including approximately a third of its UK revenues) and profit before tax in US dollars. As highlighted with the interim results, the recent strength of the US dollar has had a favourable impact on headline revenues and the translation of overseas profits. The average sterling-US dollar rate for the quarter to June 30 was \$1.52 (2014: \$1.68) which significantly improved headline revenue growth rates for the quarter. The recent US dollar rate of \$1.56 also compares favourably with an average rate of \$1.66 for the final quarter of last financial year. Each one cent variation from last year's rate increases profits on translation by approximately £0.6m on an annualised basis.

Financial Position

Net cash at June 30 was £4.1 million against net debt of £10.6 million at March 31. The group's strong operating cash flows for the quarter were offset by an interim dividend of £8.9 million, tax payments of £3.0 million and other non-operating cash outflows of £2.9 million. Movements in the US dollar exchange rate had no significant effect on net cash levels.

Outlook

Second quarter reporting from the global investment banks so far suggests that the improvement in fixed income trading experienced in the first calendar quarter has not been sustained, and the negative trends in bank spending on information, marketing and events are expected to continue for the foreseeable future. The energy sector is also expected to remain weak as energy companies and banks in energy-dependent economies respond to weak commodity prices. In contrast, the group's businesses serving the asset management industry, predominantly with subscription services, continue to grow.

July and August are the quietest trading months of the year, while September is the most important month for advertising as well as being a period when a significant number of events are held, and traditionally accounts for at least 20% of the group's full year profit. The outlook for the current financial year continues to be broadly in line with the board's expectations with the exception of the events businesses. As usual, at this time of the year, revenue visibility for September is limited but the negative trends in advertising revenues and the recent negative trends for events revenues are expected to continue into the final quarter.

The group intends to maintain its strategy of investing in new products and digital publishing, particularly using the Delphi content platform, to accelerate organic growth, and of using its strong balance sheet and cash flows to fund further acquisitions.

Next Trading Update

Preliminary results for the year to September 30 will be announced on November 19, 2015. The company intends to issue a pre-close trading update on September 24, 2015.

Richard Ensor
Chairman
July 21, 2015

END

Further Information

Euromoney Institutional Investor PLC

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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 a leading international business-to-business media group focused primarily on the international finance, metals and commodities sectors. It owns more than 70 brands including *Euromoney*, *Institutional Investor* and *Metal Bulletin*, and 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. It also runs an extensive portfolio of conferences, seminars and training courses for the financial and commodities markets. The group's main offices are in London, New York, Montreal and Hong Kong and more than a third of its revenues are derived from emerging markets.