Informa PLC Capital Markets Day Transcript

7 December 2021

New Informa: Accelerated Growth & Portfolio Focus

Stephen A. Carter: Thank you very much for those of you who come here in person. I just got the latest head count, we've got about 225 people who are guests, externals who are on the webcast, and we've got a few hundred colleagues as well who are on the webcast. So certainly, speaking for myself, I'm not guiding my fellow presenters. I'm going to stay relatively locked to the lectern. Not because I'm nervous of you, but because it means that it broadcasts better for who are. Thank you very much for those who are on the webcast. So welcome to our capital markets day and I hope at least some of you have had a chance to read the press release that we released at midday today to get a sense of what we're going to be talking about today. You've got copies, I think of the presentations in front of you and certainly on the webcast. You can also see a copy and you can follow it live.

Stephen A. Carter: Before I get into what we're talking about, here is the appropriate disclaimer. We are, perhaps even more than we normally would be, making forward looking statements today. Very much so, we're going to be talking about how we see the world from here through to 2024. And so those statements come with the normal more disclaimers for you to make your own I'm sure appropriately skeptical judgements. Today, I'll be joined by colleagues. Gareth and I will do the opening session, which will probably take about 40 minutes and then we'll go into questions. Then we'll take a bit of a comfort break for those of us who are here in person, and indeed those who are on the webcast. And then we'll come back and Charlie McCurdy, Annie Callanan, and Max Gabriel will lead the second session. And then we'll have a Q&A at the end of that. And then it's a wrap.

Stephen A. Carter: So, that's the flow of the day. What are we here to talk about? Well, we're here to talk about the future of our company. We're here to talk the future of Informa. As you know, this company has been, like a number, affected by the real practical implications of the COVID pandemic. And I'll talk a bit about that, but I'll talk about it really very briefly. Because today in the main, what we're talking about, is where's the company going, not how is the company surviving or living through

COVID. We've called it our growth acceleration plan through to 2024. And the relevance of that will, I hope, become very clear to you as we unpack how we're thinking about the future of the company. But in essence, this is it in a nutshell. The decision we have made as a company is that in order for us to get back into growth and acceleration, we've made a decision to focus the company on the brands and the markets where we have a leadership position, we have scale, and we can see future market growth.

Stephen A. Carter: And for us, that's in our B2B markets and attendant digital services, we'll unpack that in some detail, and in our academic markets and in attendant knowledge services, and we'll unpack that in some detail as well. As a consequence, we've made the decision to divest our Informa Intelligence portfolio of brands and we'll give you a sense of the thinking behind that, where those businesses are, and why we think that's the right decision. We have a high degree of confidence in the value of those businesses for two reasons, or maybe three. The first, is we have been through a small scale disposal process through 2021 of some very, very niche businesses where we ended up trading those businesses out on an average 17 times earnings multiple. Second reason, the portfolio of businesses that we will be divesting, our vessel tracking business, our pharma intelligence business, and our fund flow and income businesses.

Stephen A. Carter: These businesses are all in upper quartile peer group growth rates with high subscription rates, high renewal rates, and a very powerful product position. And the third reason, is we've had quite significant inflow of interest. Specified interest in the brands and the assets. So, we're confident about the decision and we'll talk through what the consequences of that will be for proceeds and the allocation of those proceeds. To go back a bit before we go forward, what business are we in? What market are we in? We've said for many years, I think for coming on eight, that we trade in this market, the knowledge and information economy. I think when we first use a version of this slide, one of our shareholders said to me afterwards, "I'm not entirely sure that that is a market." We have been very clear for some time that this is a category of growth and opportunity in the way in which the global economy is developing. All of the metrics that we look at indicate that growth rates and the knowledge and information economy will exceed GDP growth rates over the following years.

Stephen A. Carter: And that our market position in both B2B markets and academic markets, places us in a very strong macro market. Where do we trade in that market? Our position in that market is specialism. Expertise in specified and categories, deep depth of expertise of customer relationship, of subject matter knowledge, and of data. And increasingly, of data analytics and deeper customer and buyer and user understanding. Championing the specialists, we've been using as our own internal and external mission statement for three or four years now. It binds the company in both approach and in values whilst allowing our brands and our businesses to trade with freedom and entrepreneurialism in the markets that they serve.

Stephen A. Carter: Where's the company been over the last few years? Well, if you go back to go forward... For those who've been shareholders or following the company for some time, back in 2013, 2014, it's certainly for us at least, worth reflecting on where the company has come from too. Because it's relevant, I think, to where we might go to. Back in 2013, the biggest business in the group was our academic business. The second biggest business in the group was our conference business, we were the largest producer of high volume unit delegate based conferences in the world. And then we had a series of really very fragmented underperforming, materially underinvested information services businesses. Which at the time, many people... not unreasonably, because this was a business that was declining at about 10% a year, were of the view that we should just exit that business and do what we're doing today, which is focus on the two markets where we could conceivably build to scale, our academic and markets businesses.

Stephen A. Carter: And at the time, what was deemed our conference business. That was the lingua franca of how people described it. The decision we made under GAP I was that that would be the wrong decision. Because in our events business, we knew we needed to switch out of conferences and into trade shows. We needed to get into the exhibition market, because our view was the exhibition market would give us long-term competitive advantage and a position from which we could scale. Secondly, our judgment was that our information services businesses were not fundamentally damaged brands or indeed lacking in proprietary data. Which are the two key pillars around which you need to build those businesses. They just had been woefully under invested in technology and appropriate skills to service their customers. And in our academic business, probably our single biggest miss, was that we had looked at the open access business with fear rather than with opportunity.

Stephen A. Carter: So, in all three of our markets, we decided we would invest for growth and acceleration. And that's what we did through GAP I. We then, of course, ran that programme for a period and by and large, it did pretty well. And over the period, you saw the group grow. Partly through acquisition, partly through performance, partly through skills, partly through deploy technology. And partly, in fact, if not largely through the hard work of thousands of colleagues around the company. And it got us to a place by 2019 where we were where we wanted to be. We had an open access business and an open research position to speak of in academic markets, and we had deployed some investment in technology and skills. We had switched our B2B business from conferences to trade shows, and we had rebuilt and repurposed our information services business. That produced a reasonably attractive, repetitive return rate for shareholders on pretty much any metric you would choose to measure.

Stephen A. Carter: But then of course COVID came along and COVID was an exogenous circumstance for us, because 50, 55% of our business, if not more, required some degree of physical gathering. And we now sit here in... Where are we? December 2021. And of course, this started in January 2020. You'll all have your own view as to when it started, when you thought it was going to come to an end. But I'll take a place bet with anyone that nobody was predicting it would last as long as it has or have the impact that it's had. Fortunately, in our position, the only advantage of being in our line of work was we saw it fast, we saw it early, and we concluded it would be very potentially damaging to the company. So we moved at some speed to postpone virtually the entirety of our global events programme on a rolling six-month base until we could see markets reopen. We restructured the balance sheet, we repatriated a load of debt, we turned to shareholders who supported us in inequity issues, and we radically trimmed our costs.

Stephen A. Carter: And at the same time, by then fortunately, both our academic business and our information services business, the latter in particular, had moved from under performance to high performance. And those two businesses have served the portfolio extremely well over the period. Has it been all bad? While I'm making no comment on personal circumstances, all of us I suspect will have experienced some sadness, illness, or God forbid tragedy through COVID. But from a business perspective, it has been extraordinarily challenging for a business like ours. But we've also learnt some things. And it's definitely the case that in many parts of our business, the future that we all knew was coming has arrived really, a lot earlier and with a lot more speed and impact as a result of COVID. We have tried over the last period to embrace some of those impacts whilst at the same time, working out, "How do we ensure they don't cause lasting damage to the company, its brands, its customer relationships or in the long term, its revenues?"

Stephen A. Carter: And it's those learnings, the accelerated impacts of change in working, increase in digitisation, the increasing importance of data, the value of brands, the power of specialism that will drive the plan that we're laying out for GAP II. What's our ambition? Our ambition is to consolidate our leadership position in the B2B markets and move with some purpose into what we will lay out very clearly as an expansion into smart events, hybrid, and high digitisation, and into B2B market access. And at the same time, further increase the growth rate in our academic markets business by both increasing investment in the core and increasing investment in at attendant knowledge services. We see that producing very attractive growth rates over the period of the plan. We think it has implications for skills. We think it has implications for talent. We think it has implications for technology, but we think it also has implications for us from a portfolio perspective. And that has led us to the conclusion that we've reached in relation to Informa Intelligence.

Stephen A. Carter: I want to talk briefly about sustainability before I then unpick and unpack the detail of the GAP programme on a per division basis. We started investing in leadership and sustainability under Ben, who's here with us today and now his team, back in 20... Help me, Ben. 20...

Ben: 16.

Stephen A. Carter: 2016. And slowly but surely, we have been operationalising an approach to creating a sustainable enterprise on pretty much any key dimension you can measure. Whether that's energy consumption, impact manufacturing where we're involved in it, supply chain. Or importantly for us, the multiplier effect and impact we can have through our content and our connections with customers. We are in a very robust position as a company on the ESG sustainability indexes, whether it be Dow Jones, where I was delighted to see the company after five years of participation get ranked as the number one globally in category. We just had I think, our new CDP ranking reissued today at an A-. Similarly, we fully signed up to the science-based targets and we underpin operationally what we're doing in both Charlie's business and Annie's business. Which they will bring to life in their own presentations.

Stephen A. Carter: So, we approach the growth acceleration period with a very strong confidence that on the increasingly important aspect of long-term operational sustainability, we sit in a very powerful position. Let's talk about the group as a whole under GAP. What's our ambition? This just shapes the group. 2019 reported... 2019 was the last year before COVID and then we've had this, what we're calling here, the transition period. We can debate what that is but for the sake of discussion, it's some blend of 2020 and 2021. And then where do we want the company to be by the time we get 2024? Well, the first thing to recognise, one of the things we've taken out of COVID. Whilst we had a small tale of third and fourth tier small B2B events, nevertheless, we had one. And so we've taken the decision through COVID essentially to shutter those products and services. The second thing is, fortunately, we did go into COVID in our B2B events business with a reasonably credible position in B2B digital services. Even in 2021, it'll be somewhere near £300 million worth of revenue. This is a non-trivial business in that market.

Stephen A. Carter: Our intention over the period, is to build that significantly through a combination of investment and acquisition. And so, we get to '24 with a mix of business, which has higher quality and higher growth rates. If you take that down into the markets portfolio, what that shows you is a business that ends up by 2024 with nearly 25% of the revenues in digital services and the overall performance exceeding where we were in 2019. Just want to talk a bit about B2B events. If I had a dollar, a pound, or a pound of revenue for every time I've been asked the question, "Do you think as a result of COVID, anyone will ever go to an event ever again?" In some version, our revenues will be marginally higher than there are today.

Stephen A. Carter: And Charlie will get into this in real detail. There is no doubt that COVID has had a practical impact. I don't know how many of you've tried to do transatlantic or even European let alone transcontinental airline travel. There's definitely more friction in that travel experience than there was pre-COVID. In many instances, international and transcontinental travel has effectively ground to zero. And so the business has found itself focusing more on regions and sub regions than was previously the case. But what has also been the case, is when markets have reopened the level of customer interest and participation is significant.

Stephen A. Carter: And we have traded in every market of scale that we have been in through 2021, mainland China, North America, and the rest of the world probably in that order, of participation rates and revenue and speed to reopening. Although, there have as many will be aware, been some local than subregional closure moments or lockdown moments in some regions and cities in mainland China. To put some numbers around it, in 2021, we will probably do about £600 million worth of face-to-face only revenues in all of our event-led businesses. Put that into context, there's probably about another two to £300 million of digital and media services that sits on top of that. An average delicate price for those high value brand and delegate businesses that we still run and trade is probably around $2,000 ahead. An average booth price might be around... Give me a price, Charlie. $20,000, $25,000 dollars.

Stephen A. Carter: So, we have got significant participation rates. The other thing to remember in 2021, is that we didn't reopen in North America until June. So actually, we haven't traded a full year. Because our postponement programme, because of the extended impact of COVID, ran on until June of 2021. So, when you look at 2021, you're not looking and anything that resembles a normalised year. Where could we take this business? Here I am going to move away from the lectern just to try and bring this to life if I stay on mic. If you look, this is just an attempt... And apologies to those of you who do this for a living, but this is an attempt to look at market categories. In essence, over on the left hand side is what you might broadly call the B2B market access business, connecting buyers and sellers. Because that's essentially the business that we are in, in all of those businesses.

Stephen A. Carter: And we are primarily in fact, largely, exclusively today in the B2B events section of it. It's roughly about a $40 billion market. If you look at the bottom end of it, the digital market access, so nonphysical, non face-to-face. So the provision of services, connecting buyers and sellers that in some way, shape, or form comes through some form of digital or data product or service. How does that break down? Well, that breaks down through a number of different products and services. But the one I'd concentrate on, is what we broadly call campaign services. Providing products and services that allow buyers to connect with buyers on an increasingly accurate and efficient basis. And then when you break that market up, the real sweet spot for us in what we call digital demand generation... And Max in particular, will really bring this to life, hopefully for everyone here.

Stephen A. Carter: Our judgment is that as a result of our first party data and indeed the second party data we can mix with that and the way in which we collect it, collate it, and then monetise it, there is a significant opportunity for us commercially to drive growth and increase the quality of our relationships with our customers. In Max's section, he will look underneath the bonnet of something I think we announced to the market some time ago, IIRIS. Our own internal first party data engine. What do we do with the tens of millions of data-based, behavioural-based, demographic-based interactions we have with our customers in every one of our events, in all of our markets, in all of our sectors around the world? What does that then mean in how we can develop products and services that can sit alongside the face-to-face event experience?

Stephen A. Carter: And then in addition to that, what more could we do with that proprietary data? What other services could we deliver? That's the way we are thinking about the return to growth in our B2B markets business. We have confidence in the physical product, we see markets returning, and we have significant confidence in our ability to expand that market into new areas. Whether it be the digitisation of the physical event so it can be like this event today, physical and hybrid. Or into digital demand generation predicated on the strength of our position in data and analytics. We have announced today a small acquisition, we've done NetLine, which is a proprietary intent scoring business. Which we are putting in our tech sector, which gives us a bit of additional capabilities specifically aimed at that market because we believe that the B2B tech market is probably the earliest adopter of many of these products and services. In academic markets...

Stephen A. Carter: Well, in academic, that has been less severely affected by COVID. Although, it wasn't not affected by COVID. Let's be clear about that. And there was definitely a period of about... I don't know, Annie and Christoph will keep me honest. Two to three months in 2020 when US campuses closed down and bookshops around the world closed, and no one quite knew what was going to happen. When there was an, "Aha." Moment and we weren't quite sure what was going to happen. But fundamentally, that business remained really very robust. And in many instances, it unleashed a volume of new knowledge and new knowledge participants. Which is, I think, very relevant to our forward story. The fundamentals of that business have therefore, remained very strong. The question is, how does that move from being a stead as she goes market to being a growth growth market? What underpins that?

Stephen A. Carter: And Annie will bring that to life really through a number of different lenses. The first one, is the increase in funding. Historically, we often had what you might call either focused or narrow conversations about the challenges facing library budgets and the demands being placed on people like us, who are pro providing services... Subscription services in the main to libraries who are facing budget challenges. Those are very real questions which we have approached I think, with quite a lot of commercial agility. There has been less focus, I think, placed on the increase in R&D funding around the world in scientific investment, in innovation and research. Both at the first level academic innovation, and then at the applied and emergent level. And we'll bring to life how those additional of funding are very relevant to the future of this business. On top of that but very directly related to that, is who then are the customers of this business?

Stephen A. Carter: Are the customers the librarians and the educational institutions? Yes, they are. And will they remain critical customers? Yes, they will. But what is the customer relationship with the user, the author, the researcher, the innovator? And what attendant services can you provide to those individuals as the business invests in technology and service capability? And that combination of balancing the service offering to the traditional customer and expanding the service offering to the individual customer gives us a high degree of confidence that this business can double its growth rate through the gap period to 2024. How do you measure that, apart from the obvious judgments around revenue and stable margins? You can measure it in a number of ways. What's the analog to digital mix? What's the institutional versus retail revenue mix? What's the direct sales to intermediate sales? What does it mean in product sales versus service sales?

Stephen A. Carter: What does it mean in the balance between pay to read and pay to publish? And all of those, I think will be relevant metrics for people to track and follow as this business develops over the gap period in the next three years. One of the things that's really transformed this business, and in truth has largely been a focus driven by Annie since you joined the company three or four years ago, is recognise that you want to do business where your customer is rather than where you might want to be yourself. And how do you track that? How do you engage with that customer in a way that allows you to drive connection, visibility, participation, repeat visitation, time engagement, and then from a long-term commercial point of view value? And Annie will bring to life very compellingly, the progress that we've already made as this chart demonstrates, but also where we think we can take this over the next three to four year period.

Stephen A. Carter: So, if that's our B2B markets business and our academic markets business, what about our Intelligence business? Well, as I said at the beginning, this is where we were back in 2014. We did actually sell one business back in 2014 for seven times earnings multiple. We sold our consumer research publishing business as some of you may remember. Since then, we have decided to focus in on three markets and we've invested largely organically. We made a couple of very small competency bolt on acquisitions. But largely, organically in the technology, in the product, in our knowledge centres, in the skills in the business, and importantly, in the way in which we manage our customers. This business is now tracking at a 6% plus annualised growth rate, 90% plus subscription rates, high levels of renewal, and a very, very attractive forward pipeline into 2022. In the three markets where we have strong brands and very proprietary data, we have very attractive businesses and brands.

Stephen A. Carter: And despite that, our view is that the best future for these businesses given our prioritisation of our two lead markets is probably with somebody else. And so, we are announcing today, that we're commencing a divestment process. It will probably, I suspect, end up being three individual divestments. It's conceivable that somebody might wish to acquire the entire portfolio, but the prior indications and approaches we've had tend to be on a by sub vertical and category basis. We suspect that this process will take some, if not all, of 2022. I heard Richard on the phone guiding somebody in their model earlier that the way to think about it is, probably half of the revenues and half of the profits will be with the company through 2022. For now, that's a reasonable assumption. I know that because Richard has told me. But we commence that process effective today.

Stephen A. Carter: And we think the consequence of that will be good for those brands, it'll be good for those colleagues, and it'll also be very good for the group. It will allow the group to focus on where we can see growth and acceleration where we have scale and leadership market positions. Our judgment is that the value of these businesses will exceed the average multiple value of the smaller businesses that we sold through 2021. And our intention therefore, subject to sale and completion, is that we would see around a billion pounds worth of returns flow back to shareholders through a mixture of buybacks and dividends. And we would seek to get that done through 2022. We believe that that will leave us with a reasonably strengthened balance sheet, we've actually done a very good job from the high point of our leverage as a result of the COVID impact, to getting what looks like our year end leverage to around three times.

Stephen A. Carter: But the net consequence of this will fundamentally strengthen our balance sheet and give us the firepower that we will want to be able to invest for consolidation, for innovation, for growth, and for expansion in B2B markets and in academic markets. And that in essence, is the nub of what we are saying today about the future of the company. That process around divestment returns, we will keep the market informed as it unfolds over the preceding weeks and months. The business at the moment, is tracking to guidance, which Gareth will take you through. Which we'll see as around 325 million free cash flow in 2021. Which is really an outstanding performance given, again, the impact that COVID had on our cash position in 2020. We're also announcing today that our confidence in the underlying business, notwithstanding the divestment of Informa Intelligence, is allowing us to signal the assumption of ordinary dividends in 2022. And we've guided on what the revenue expectations are based on what we see in forward bookings and forward participation in our events business and the lightly growth rate in Taylor & Francis. And at this point, I'd like to hand over to Gareth. Gareth.

New Informa: Accelerated Growth & Returns

Gareth Wright: Thank you, Stephen. Good afternoon, everyone. And thank you for taking the time to join us today, either here in the room or on the video feed. In terms of my presentation, the first slide kind of summarises the headlines I want to talk about, so I'm going to run through that to give you the big picture and the overall view. And then through the rest of the presentation, I'm going to under-pick some of the details behind it to give you some of the colour.

Gareth Wright: Today's news is fundamentally a growth story, setting out our ambition for the next three year period for how we want to build off our capabilities and experiences from the successful growth acceleration plan that we ran 2014 to 2017 and targeting a return above rebased levels of 2019 revenues by the time we get to 2024. In that, we'll deliver a higher quality mix of revenues, and we'll also exit the gap two period with a faster exit growth trajectory for new Informa.

Gareth Wright: We'll be focusing on the two markets where we have leadership positions of scale, and to focus on two markets, we've taken the decision to divest of Informa Intelligence. As Stephen said, in 2021, we've divested three smaller Informa Intelligence businesses for an average multiple of round about 16 to 17 times EBITDA. Now, those were good businesses, but they weren't as good and as strong as the remainder of the inform intelligence business that we currently hold. And therefore, we expect the investment of the division in 2022 to achieve a higher multiple. So, in other words, we're divesting at highly attractive multiples and reinvesting the proceeds into market leadership positions where we believe there's further growth for us to go for. These multiples will also result in a valuation ahead of the sum of the parts valuation that would've been attributed to Informa Intelligence before today's announcement.

Gareth Wright: The divestment crystallizes the substantial value creation delivered by Informa colleagues since 2014. And that value creation has been driven by higher levels of sustainable revenue growth in the business, driving a higher value multiple. And just to be clear, the underpinning foundation of that improved performance was the first growth acceleration plan programme we ran from 2014 to 2017, which we're now looking to repeat in the business.

Gareth Wright: The investment demonstrates discipline on our capital allocation processes. As we recycle those high evaluation multiples into growth opportunities in market leading positions. The divestment proceeds generated together with the inorganic and organic investment requirements from Informa Intelligence that we're now avoiding ensure that there's substantial capital available for pursue the growth opportunities in the market leading positions that we retain, both through inorganic and organic opportunities. A billion pound of the embedded value realised will be returned to shareholders through a combination of share buybacks and through special dividends. But at the same time, we'll be restarting our programme of ordinary dividends in 2022, declaring an ordinary dividend the half year results of 2022 and paying out cash in the second half of the year to shareholders.

Gareth Wright: Now, to be clear that ordinary dividend programme is funded out of trading operating cash flows. It's not related to the investment proceeds that we're raising. And we have confidence around our ability to deliver those cash flows based on the strong cashflow performance we've seen from the business in 2021. The remainder of the embedded value realised will be redeployed into organic and inorganic investment opportunities in our two leadership businesses. And we're confident in our ability to execute on those positions. And we're confident in the ability of those opportunities to deliver significant additional earnings across the period of gap two.

Gareth Wright: So, those are the headlines. I'm now going to unpick some of the details behind it to explain what our thinking is. So, as I said, we're targeting a return to rebased levels of 2019 revenues by 2024. And the next two slides are going to kind set out what I mean by that. So, the starting point, which I know you'll recognise on the left hand of the slide, are the reported results for 2019, 2.89 billion of revenue, 933 of OP and 51p of earnings. We then rebase those 2019 reported results for three mechanical adjustments that you'll already kind of be aware of and you'll recognise.

Gareth Wright: So, first of all, around 60% of our revenues and probably even more OP is generated from the US dollar, and the US dollar's weakened considerably since 2019 from a 1.28 reported rate to something more like 1.37, depending on what you're modelling for 2021. So, we've rebased for that. And we've also rebased the 2019 results for the net effect of additions and investments that we've made since then, which actually is a net positive. It increases the base for 2019. And finally, the 2019 earnings have been rebased for the equity issuance in the first half of 2020. And it's that rebasing of the group's results gives you a picture with revenue of 2.8 billion, OP of around 900 million, and earnings of circa 40p.

Gareth Wright: Then if we rebase for today's news around the divestment of informed intelligence by simply removing the 2019 reported results, you get a picture of about 2.45 billion of revenue, 800 million of OP and 35p of earnings. So, if I take that picture from the right hand slide of that slide and bring it across to the left hand side of this slide as the start for this model, we can then get a picture of how that compares to 2021. And as Stephen said, we're reconfirming 2021 guidance today. But if I take that guidance and remove the consensus for Informa Intelligence, to get it on a like for like rebase basis with the left hand side, you see a group with revenue of 1.48 billion, OP around 217 million and earnings of about 10p. So, in other words, you can see a position significantly behind the rebased 2019 financials.

Gareth Wright: Now, what we're outlining today is a strong ambition for revenues to be ahead of those rebased 2019 financials by the time we exit gap two in 2024. Driven by the returns from the GAP II programme, driven by high levels of revenue growth post gap two, and underpinned by a BAU level of bolt on activity. Now, in a kind of business returns, new normal scenario there, we can see revenues north of 2.6 billion in 2024. But if you then move to a scenario, once you're done modelling that first scenario, what you'll realise is we have significant upside capacity in terms of future inorganic growth, because actually, in that new normal scenario, our leverage is extremely low.

Gareth Wright: Now, depending on how you model that extra reinvestment into the business, for 2024, you can see a range of revenue outcomes up to for 3.3 billion of revenue for the business. And you can definitely see from that the potential for significant additional earnings to be generated across the gap two period above and beyond the business's usual scenario. Now, as you'll know, for regulatory reasons, we're about to do a class one circular in the coming months, so you get approval for the investment of Informa Intelligence and therefore, unfortunately, the lawyers heavily caveat what you can and can't say about future profitability. So, we can't really go into too many details on that, but a class one circular will follow in due course to approve the transaction.

Gareth Wright: I'm now going to focus on the change in the revenue mix that will be driven by GAP II. And you'll recognise the build of the columns here from what I've just been through, going from 19 into 24. And I've noted our ambition for the 2024 revenues to be ahead of the rebased 2019 reported revenues as outlined on that slide. But within the next important thing is that the proportion from digital revenues increases substantially over this period to north of 40% of group revenues in 2024. This is enabled by access to new markets in B2B market access, open researchers outlined by Stephen, but also these revenue streams are higher growth revenue streams, which will accelerate the overall group revenue growth by 2024 and will also result in these becoming increasingly larger part of the mix as they grow faster than other revenue streams. Also, they're higher quality revenue streams, and we believe those revenue streams therefore should command a higher multiple and a higher valuation than the revenue streams we currently operate.

Gareth Wright: The next two slides are going to dive into a bit of the detail behind the gap two programme to give you a feel for what we're investing in and to give you a feel for the sort of financial picture of the programme. GAP II will see us invest up to £150 million across the period 2022 to 2024 in our two market leadership businesses. For B2B markets and digital services, the investment will be in people, technology and platforms to build an enhanced data and analytics capability in the business, to monetise and maximise the opportunity from first party data and second party data that we collect from our customers through events. We'll also be delivering enhancements and further enhancements in our smart events products, both in terms of revenue growth opportunities, and also data collection potential in those businesses.

Gareth Wright: For academic markets and knowledge services, the investment will be in people, technology and platforms to drive a higher level of sustainable revenue growth from open research, but also to build a platform to enable us to process more efficiently and more quickly the larger volumes of content that we anticipate us processing in that business. But at the heart of the GAP investment focus, it's really on data management, product management expertise, digital product development, digital marketing enablement, digital content production and management. And that's across both of the two businesses that we're talking about.

Gareth Wright: Now, the investment will be deployed using our tried and tested processes from the GAP I programme. So, we'll have a growth acceleration plan investment council, which will sign off any and all projects before they start and before any funds are committed. And the sign off on the funding is not in full up front. The sign off happens on stage gate basis, as you go through the projects, as the projects hit milestones and KPIs that demonstrate the commercial viability of the project as a whole, so only is called down and made available as the projects prove their own potential.

Gareth Wright: To give you a picture of the financials from the GAP II programme, as I said, we'll see an investment of about 150 million across 22 to 24. We expect the investment to be round about 80% in CAPEX and a net 20% in OPEX. And we expect the investment to be front end loaded, so around 50%, 30%, 20% across the three years. Through the programme, we're targeting incremental revenues of around about 200 million by 2024, with a positive and growing OP contribution from 2024 onwards. So, gap two will deliver attractive ROI well ahead of the group cost of capital. And just to be clear, the returns from GAP II are totally independent for any investment proceeds and investment reinvestment that we've outlined in terms of Informa Intelligence.

Gareth Wright: So, talking about that investment process and returns, we expect the, as Stephen said, the investment process to run across the first half of 2022, but we're finishing in the summer. And to note the following analysis assumes the completion of that programme for all the businesses and full receipt of proceeds from those investments. Now, assuming that's what happens, about a billion pound of embedded realised value will be returned to shareholders, enabling shareholders to benefit from the value creation delivered by Informa colleagues over the last five, six years. We're modelling the split between the special dividend and the buyback is about 50/50 at this point, but that's, I think, TBC as we go through the process.

Gareth Wright: And it's also worth noting that with the daily trading volumes in our stock, if we start a share buyback programme around about £500 million, which that indicates in the summer of 2022, it's likely to be until half year 2023 before we'll complete the volume of transactions we need to buy back 500 million pounds worth of shares.

Gareth Wright: The retained proceeds will fund growth investment in the GAP II programme that I've outlined, but also in targeted acquisitions to further accelerate growth in our market leadership positions and also deliver significant additional earnings over the period of GAP II, targeting sort of four main area. B2B events, audience development, digital demand generation, and open research services. Those are the four areas where we'll be targeting our M&A. And we can see opportunities in all these markets. We see as a team we're experienced in delivering on inorganic growth opportunities. Without marking our own homework, we think we've been relatively successful at doing that. And we're also benefiting from the platforms that we've built in B2B events and Taylor & Francis over recent years, which give us the ability to acquire assets and to scale. And lastly, we use a portion of the proceeds to reduce our leverage paid and borrowings, and therefore maintain a strong and robust balance sheet.

Gareth Wright: The final slide I'm going to talk through talks a bit to financial guidance. For 2021, we were reconfirming the position we gave at the half year, which is revenue of 1.8 billion plus or minus, an OP of £375 million, plus or minus. Within the mix. We're continuing to see strong performance, strong revenue performance for our two subscription led businesses and strong year on year growth in our B2B markets businesses, albeit with some short term local COVID disruption. We continue to be free cash flow positive, and our free cash flow forecast for the full year is now trending above £325 million, which is a bit of an improvement over what I told you at the half year. And year end leverage will be around about three times, a substantial reduction on the 6.2 times leverage that we reported at the half year 2021.

Gareth Wright: For 2022. The first view is how you would've looked at it before today's news around the divestment of Informa Intelligence. So, revenue in the range of 2.2 to 2.4 billion, OP around about 520 to 540 million. To remind you, as I said earlier, 2022 is the peak year of GAP investment. And so, that has a bit of a drag effect in year for the OP. And also, we're taking a £15 million charge for the acceleration of software as a service costs, following a change in the accounting treatment that means you have to expense those costs incurred, and you're not allowed to capitalise them. And I think this is adjustment, an adjustment you'll have seen from other peer sectors, peer sector companies that you'll have talked to.

Gareth Wright: The alternative view of the 2022 guidance on the right hand side excludes Informa Intelligence, which we've done from the middle numbers by using the 2022 consensus results for that division. And this is how you're probably going to see it with a discontinued operating accounting treatment in 2022. So, revenue will be in the range just below 1.9 to just below 2.1 billion, OP of around 420 million to 440 million. And this year, we'll also see a return to ordinary dividends, as I've said, from the half year and the divestment of the majority of the one billion pounds worth of money that we're returning, with some of the share buybacks falling into the first half of 2023. The earnings generated by the group will be somewhere between those two scenarios, depending on the divestment date of the Informa Intelligence assets. So, I hope that's all clear, and I'm going to pass back to Stephen now to wrap up.

Stephen A. Carter: Thanks, Gareth. You've successfully gerrymandered me out of time. I can see on the clock. So, let's finish and take questions. So, in essence, this is the nub of where we get to. Title on the previous slide is designed to say it all. How do we accelerate growth and do that by focusing our portfolio where we can see that growth? And our conclusion is we can see that growth in these two markets. And the question is, how do we grab an unfair share of revenues? How do we grab an unfair share of revenues from the return from physical? How do we grab an unfair share of revenues from the expansion of smart events, digital events, hybrid events, virtual events, and how do we grab a share of revenues from the budgets that already exists in providing digital market access services to B2B customers, where currently we do play, but we don't play at scale. And we need to build some technology capability, which we've started. We need to bring in some skills which we've started, and we probably need to add some other skills and competencies over the period.

Stephen A. Carter: On the right hand side of the chart, how do we maintain an unfair share or a growing share of the traditional library budget, notwithstanding the pressures that that's under? How do we lean into the expanding source of funding in global R& D, and how do we embrace all of the customers in that market, not just the institutional library customers, and how do we build a machine that can service a range of academic services, alongside the traditional books and journal formats that allows us to add further revenue to that business model? Revenue, growth, revenue, growth, revenue, growth.

Stephen A. Carter: That's our plan for 21 to 2024. I would like to, given the number of colleagues who I can see on the clock who are on the webcast, and I suspect a large number of those are Informa Intelligence colleagues, is to put on the record our respect and admiration for what that team have done over the last five to six years. It is a transformed portfolio of businesses, and it is for that reason that we have made the judgment that now is the time to strike. We will be very particular about ensuring we maximise returns for shareholders and for our forward investment and we maximise good ownership of those businesses for our colleagues, for our customers and for our brands. I'd now like to take some questions. Okay.

Nick Dempsey: Yeah. It's Nick Dempsey from Barclays. I've got three, please. So, first of all, you're flagging 150 million of GAP II investment. Then you're saying that the cash that you receive above the billion of cash returns from the disposals will be used for organic and inorganic investment. Can we assume that the organic part of that is included in the 150 million, or could that turn into an extra amount of investment on top of the 150 million? Second question, post recovery in 2024, and I know you've been kind enough to give us some guidance out to 2024, but I'm going to go a little bit beyond that. What kind of business growth do you think you'll have, particularly in the B2B markets, with the combination of digital and events? And then you mentioned, Gareth, that you expect to sell Intelligence above the multiples that are in some of the parts models. So, can you tell me what those are on a EBIT or EBITDA basis, whatever you have in your head.

Stephen A. Carter: I'm so glad you made it, Nick. Those are exactly the questions we wanted to start with. Something tells me that those questions have got your name all over them, Gareth, but can I just have a go a couple of them? And then whilst you're thinking. On the B2B markets, your second question, Nick, which I think is actually a very interesting question, because in truth, in 2021 to 22, 22 to 23, maybe 23 to 24, we could debate, you are going to see a natural level of double digit growth as a function of physical return. And obviously, what we want to do is we want to take an unfair share of that. That was my point at the end, plus, begin to layer on growth in other services. So, what would we expect to see if that plays out by the time we get to 24 into 25 and beyond, you would expect, if you like, the normalised rate of growth to be 5% plus, and then what can we take in digital services? And then you get to a view as to what your compound revenue growth rate could be. So, we think there's a real opportunity in the B2B markets, because in one of those areas, we are taking some share of budget, but I think Charlie, Gary and Andy would agree with me, it's nominal by comparison to the size of that addressable market.

Stephen A. Carter: Do you want to comment on the gap budget versus organic?

Gareth Wright: Yeah, I mean, I think with £150 million of net investment over three years, I think if you do the modelling, you can clearly see we can afford that and fund that out of free cashflow. And so, to the point of your question, we would see the two things as being separate. So, the divestment and redeployment of capital would be separate and above and incremental to the gap two programme and the returns we think we can generate from that. In terms of the valuation multiple point on the sum of the parts, I mean, there's a wide range of outcomes, there's a wide range of numbers in people's models and the people assume, but if you look at the average overall and the general range, based on the 16, 17 times we've achieved and what we look at in terms of the business and the prospects of the businesses, we're confident that we can beat those numbers. Clearly, we're not going to sort of prejudice our commercial negotiations or declare our hand on what we think they're worth. But as I say, we're pretty confident we can exceed those numbers.

Stephen A. Carter: Question here.

Speaker 1: Can you just on the digital demand generation, so the kind of new initiative, can you just talk me through who you view as the sort of key competitors in the space? It seems like that's quite a broad market. I mean, that would include Salesforce in there as potential, given their role in CRM. Am I thinking about that the right way? Who would you view as the key competitors you're looking to take business from?

Stephen A. Carter: Well, Max will get into this when he talks about what we are building alongside IIIRIS data engine, but you are correct. The challenge with defining that market, if you're looking at it for the first time, is the range of players in that market providing services are many and various, so it's very distributed. The place where you probably see the cleanest competitors is in the tech market, because the technology market, the enterprise community in that market, the vendors, the buyers, the platforms, the providers, even the service providers, are very developed buyers of digital demand and buyer profiling services. So, therefore, probably the lead competitor to Informa Tech in that would be Tech Target. Thank you. Having a mental blank, would be Tech Target, and there are probably two or three other players in who specialise in that end sector.

Stephen A. Carter: Beyond that, you've got a whole range of some of the software service providers. You've mentioned one, there are others. And then there are a series of specialists who are small scale, and then two or three larger players who have built platform capability, particularly around intent and lead scoring. That's probably, I don't want to get into naming company names because that then leads to the obvious next question. If you'll forgive me. Next question. gentleman at the back, two up on the mezzanine.

Speaker 2: Hi. So, I just had a question. Why exactly is there a plan to buy back the shares? So, obviously, there's a short term positive effect in terms of consolidation and increasing the equity value, but how do you think it's going to play in terms of long-term growth for the company, just buying back the shares?

Stephen A. Carter: Well, I mean our judgment at the moment, and obviously, all of this is subject to us completing the process, is that, your question is slightly connected to Nick's third question, which is what will be the achieved multiple or ultimately value of these businesses? But our judgment is that we're sufficiently confident that the likely inflow of proceeds will provide us with enough firepower to strengthen our balance sheet, make the investments in the sort of businesses and other businesses that we've just been talking about. And it makes sense, and indeed it seems fair, to return to shareholders a proportion of those proceeds. So, we will have enough engine for growth. And then you get into a question about how do you return those proceeds, and what we're signalling today is that our judgment, is that a way to think about that is a mixture of buying back some shares because we are reducing the available profit in the business, so there's a little bit of softening of that EPS bridge, and some form of special dividend, probably also with a consolidation on existing share count.

Stephen A. Carter: And if we get the timing of all that right, if you're looking at the business through into 2022, then hopefully, the earnings and the revenue, the earnings return from the return of physical, combined with the timing of that, will soften that earnings dilution effect that there might be. And we're just doing some calculus about what does that mean, therefore, in terms of how large a buyback we would one do. So, that's the thinking. Now, obviously, all of that comes with one, well, two, I suppose health warnings. The first is we've got to complete the process, and the second is you'll always have an eye on the share price. There was another question or two other questions.

Speaker 3: Thank you. Two questions on my side. One is on M&A. To plan to redeploy the capital, probably you will do M&A. Could you tell us a little bit about how the market is looking like for, first of all, traditional events, business, and secondly, for more digital place? And the second one is obviously, Informa will different two, three years from now. How do you think about the right amount of leverage to put on the company, given maybe a more volatile cash profile?

Stephen A. Carter: Great questions. On your first question, we're just beginning to see a bit of inbound on what you might call, what was the phrase you used, traditional event sort of consolidation, if you like, or acquisition. We have, in fact, just completed one in the beauty portfolios in our announcement today, which you'll have seen. Premiere, which is a very nice brand, which sits very comfortably with the rest of our beauty portfolio, servicing the professional salon and professional salon care sub-sector in the US, which was a market we wanted to get into. We've got a nice position in Asia. We really wanted to break into the US market.

Stephen A. Carter: And I think that's a reasonable proxy for the way we will think about it going forward, which is how do we add brands to sectors where we've already got a market position, so building our specialist strength. And we're reasonably confident that those opportunities will continue. And as Gareth said, part of our thinking is it allows us to recycle higher value returns from the divestment of intelligence into lower multiple acquisitions in that market. Alongside that, in digital demand or B2B market services and in academic market services, actually, the market has stayed relatively constant, I would say, through COVID, both in terms of volume of inbound and valuations. Don't think there's been a material change in that we've seen.

Stephen A. Carter: I'm not sure I would agree with your word volatile. I mean, you might say, hang on a minute, where have you been for the last two years? So, I take that point, but not withstanding a once in 500 year event like COVID. I'm not sure that the business is volatile, but I take the point that it is less subscription-based in B2B markets, although part of our thinking around diversifying the revenue mix into digital services, alongside physical services, is it softens some of what you describe as volatility.

Stephen A. Carter: On the leverage question, we haven't, and the chairman is sitting just along from you, so I'm going to choose my words very carefully. We haven't had a board discussion about in new Informa, what does an appropriate leverage level look like? What I can tell you is as a result of what we're announcing today, it'll be a lot lower than it currently is. What do we believe? Historically, we used to say that our resting level was two to two and a half times earnings. We would peak it to three and a bit, as long as we could see it de-levering. I think in my conversations with shareholders, that tolerance has come off a notch, but I caveat that with the fact that, if our leverage had been a half a turn or even a turn lower going into COVID, it would've made precisely zero difference.

Stephen A. Carter: So, we haven't had the conversation. We haven't come out with a leverage policy, but I think we're alive to the fact that we will feel more comfortable with a stronger balance sheet with firepower. And I don't think we'll be stretching the outer edges of it in our M&A programme.

Matthew Walker: Thanks. It's Matthew Walker from Credit Suisse. I guess a few questions. So, the first one is, can you just confirm, on Omicron and new variants, I mean, it looks like you basically have assumed that those are not really a big issue, so the planning for today hasn't really changed since the new variant came out, and in the plan, you're obviously not assuming any damage from new variants, if you can just confirm that. And then if you are looking at the sort of business in the future from a sort of high level, you'd be thinking STM, B2B events, and a bit of sort of digital marketing. Why do those kind of fit together? So, can you give us your thoughts around why they do or they don't really fit together? Because it seems like they kind of don't really.

Matthew Walker: And then on the final thing, you mentioned in the new normal section for 2024, there's a bit of a bolt on M&A coming in there. So, I think it says a hundred million year. In your assumption for that, when does the hundred million per year M&A start? Does it start in '22, or does it start in '23?

Stephen A. Carter: Anymore, Matthew?

Matthew Walker: That's fine. Thanks.

Stephen A. Carter: I'm glad you asked that first question. Charlie, would you mind if I stole one of your charts? Could we possibly have Charlie's presentation, please?

Stephen A. Carter: I'm feeling a bit on your first question, but... I mean, of course it's a big issue. In the sense that it's a significant development in the mutation or development of the virus. And it's not our place, I think, to comment on that, thank you, on the science or on the public policy; and our position on COVID throughout has been, we'll follow the guidance from governments.

Stephen A. Carter: The point I was trying to communicate in this chart, which I'm shamelessly stealing from Charlie because I promised that I would, is whilst that's been going on, this is what the last three weeks has been for us and Informa Markets, in B2B markets. We've run about 60 million pounds worth of revenue from… I can't even do the maths there. 1, 2, 3, 4, 5. How many?

Richard Menzies-Gow: 21.

Stephen A. Carter: 21 brands, in probably 18, 19 locations; in 21 different sub sectors with 200,000 people participating physically, 5,000 exhibitors.

Stephen A. Carter: The point we're trying to make is, the B2B world that we are working with has got business to do, and the product services those customers. Does the impact of a new variant, we're currently all living with Omicron, have an impact? Of course, it has an impact. And in some places, that has resulted in things that we would've run not happening. But in the main, around the globe, the world has found different ways of continuing to trade and continuing to have commercial activity.

Stephen A. Carter: So, you're correct, Matthew, our planning assumption has not been altered by it, other than to recognise that it will be a sensible planning assumption to assume that there might be another interruption moment. But the trend line and the underlying structural value of the product, we feel very confident about.

Stephen A. Carter: I don't really know how to answer your question, because I don't agree with it, your second question. I think it doesn't recognise… because it's no different from the question that we used to get asked at these events about, why does academic markets, business intelligence and B2B events fit together. And I've always said the same thing, and you've heard me say it before. There are three reasons. The first is, they're all businesses providing specialist knowledge and information to end markets, different end markets, but specialist knowledge and information to end markets; they all require expertise and knowledge and skills, which are very relevant to that; and you have to be able to create a culture, and both commercially and environmentally, where the people who in those businesses want to work in them, and work in them and do well.

Stephen A. Carter: And if you get that right, it makes a lot of sense to have those businesses in the same company, in the same culture, with the same commercial entrepreneurial attitude to how do you create an environment where people with that level of specialist smarts want to go about their daily life.

Stephen A. Carter: And I think the question is, it's only when you can't do that well that you ask yourself the question, why do they hang out together? And that's, I think, been our consistent approach.

Stephen A. Carter: On your bolt-on question, I'm assuming the answer is yes.

Richard Menzies-Gow: 2022.

Stephen A. Carter: 2022.

Richard Menzies-Gow: Yeah.

Stephen A. Carter: Yeah. I think it's yes.

Richard Menzies-Gow: Yeah. In a hundred million a year, we can fund that to start without a free cashflow.

Matthew Walker: Yeah.

Stephen A. Carter: Next question? Yes? Sorry. Was there somebody else up on the mezzanine who had a question? No? Yes, there's a question here in the middle.

Fiona: Thanks. It's Fiona. Just a couple. IIIRIS, is that actually now operational, and what benefits are you already seeing from it, if it is? And the second question is about your sustainability commitment. Could you explain how that interacts with your M&A strategy. Do you look for people who are already applying, or people who've been on the journey?

Stephen A. Carter: Great question. Let me take your second question first, then Max, do you want give a teaser on the first?

Max Gabriel: That's the whole presentation.

Stephen A. Carter: I think the definition of a teaser is, could you answer Fiona's question in short and compelling form, as opposed to just saying, if you just hang around, he'll give you all the answers.

Max Gabriel: I could.

Stephen A. Carter: Are you ready? Or do you want me to...

Max Gabriel: No, take the second one.

Stephen A. Carter: I'll take the second one. He's going to warm himself up, Fiona. Yes. 100%, it is. Sparing Ben's blushes, who's been leading the charge, we now have, I think, a very professional and in-depth team in our sustainability area; which has, I think, got enormous respect around the business. I think my colleagues would say that; and therefore, it has become an integrated part in the way in which we do business, including M&A.

Stephen A. Carter: And so, as you would expect, we've got a whole raft of criteria that we use to judge M&A; one of them slightly goes back to Matthew's question, which is one of our criteria is, people. Will it fit? Even if the business looks like it fits with your sector or your end market, is this a culture that you can see thriving inside Informa, or is there going to be some organ rejection? That's a big and important criteria for us on M&A. We've said no to many businesses, not because they're not good businesses, but we don't think they would fit, and absolutely the same would be true. And it's in formed sectors that we won't go into; it's in formed businesses that we will not do business with; it's in formed sectors that we've exited; so, it's a very integrated part of our business. So, I think we feel very clear about that. Max, in 20 seconds, give us a taster.

Max Gabriel: It is operational. We are delivering value to the existing business, and we are also delivering value in audience development and digital demand generation. I'll take you through the detail. Stay tuned.

Stephen A. Carter: I'm glad he said that, because we spent a lot of money on Max's business. I'd be really disappointed if his answer to you was actually, we haven't really started yet. Next question. Richard, do you want me to take any questions online?

Richard Menzies-Gow: Yeah. I mean, there's a few come in. I'll just read out maybe a couple; because a lot of them, I think, will benefit from the second half and just more detail on the thing. But it's quite a lot of questions on process around divestment. Are we already speaking to people? Where are we in the process? Timelines. But also, are there any dis-synergies from the divestment, in terms of things like tax and costs, and so on and so forth? I might want to talk about.

Richard Menzies-Gow: And then second question, maybe, just to feed off an earlier question. Are we still committed to investment grade ratings from one of our credit observers, and given the divestment, how might that impact it?

Stephen A. Carter: Okay, great questions. Why don't we take those two. Should I speak to processing, you speak to dis-synergies and credit rating agencies?

Stephen A. Carter: I mean, no, we are not engaged directly in any conversation with any party prior to today's announcement. We have, as I indicated in my presentation and Gareth's underscored, we have had some significant inbound interest for brands in the portfolio. We will lay out the approach to that process. We are working with advisors on that, and we would expect that process to kick off in earnest in the new year.

Stephen A. Carter: We have had the advantage of thinking about this. And again, partly to answer Matthew's question. We have gone round the, does the latest variant change our view? It doesn't change our view. We see this as a strategy for growth for the next three to four years. And that means that we are quite prepared in how to take these businesses to market, and that's slightly informing our thinking, that we would like to crack on with it through 2022. And the summer seems like a sensible checkpoint, potentially for completion.

Stephen A. Carter: Gareth, do you want to take the dis-synergies and investment grade point?

Gareth Wright: Yeah. On the dis-synergies point, I think where I'd start that in terms of the answer is that, as I said in my speech, this is fundamentally a growth story. This isn't about the group becoming a smaller group. We're looking to transition out of the divested assets, but we won't complete those sales until the summer of '22 at the earliest; then we'll probably be on some sort of transition services agreement for, I don't know, could be up to a year.

Gareth Wright: And if you look at how we're going to start to redeploy the capital, I think that as the businesses begin to leave the group, you'll start to see new businesses coming into the group. And fundamentally, this is not about the group getting smaller, this is about a change in our approach and focusing on our market leadership positions in the businesses, in B2B events, and in Taylor & Francis.

Gareth Wright: So, I think in terms of dis-synergies, we'll be very focused on that and making sure they don't occur; but in the first instance, that's not how we're thinking about it from a group point of view. On investment grade, I do understand there's some questions there, because obviously we're coming out of some markets, we're coming out of some subscription products; but obviously we'll be going to new markets, into new products. And therefore, I think, there is definitely a conversation to be had with the rating agencies as this picture begins to evolve, to see how they view that trade off and how they see that working. Because they certainly value diversity and geographies and diversity in products, et cetera, and that's going to change a bit in the mix, but I don't think it's going to really restrict or contract as we go through the growth acceleration plan, so it's something to feel our way into.

Gareth Wright: Allied to that is the point earlier around leverage. Stephen said we're not looking to increase leverage materially in the business going forward. And certainly in those numbers, I've put up just joining the dots, those numbers I've put up around 3.3 billion of revenue, that does not have the leverage above two times. So, the leverage is staying below two times in the mix.

Gareth Wright: That's kind of how we're thinking about it. But as Stephen also said, it's definitely an emerging view that we haven't finalised our position on with the board yet.

Stephen A. Carter: Okay. I'm going to call it a wrap. Oh, sorry. A burning question in the last room. Last question. Just put the pressure on.

Rajesh Kumar: Just reflecting on the timeline of the disposal on business intelligence, the multiples you get in that space are quite sensitive to the level of organic growth you're generating, the customer churn. How do you think today's announcement affects customer retention, organic growth and organic investments within that business?

Stephen A. Carter: Patrick?

Patrick: I mean, as Stephen said earlier, we've got a very good view of going forward 2022, the ACV in that business. The average contract value is continuing to accelerate. Our renewal rates are over 90%. Our new business rates are as high as they've ever been. So I don't see this announcement impacting that. Our products are world leading products, unique data sets. I don't see it, really.

Stephen A. Carter: The results are some logic in the timing of the announcement. It's very relevant. We have a very high degree of confidence in where the renewal cycle is.

Rajesh Kumar: Thank you.

Stephen A. Carter: Okay. Thank you very much, for those of you who've attended in person. For those of you who've attended on the webcast, I hope the production quality was good.

I'm getting a thumbs up from the production team, but they would do that, wouldn't they?

Stephen A. Carter: We're going to take a break for 15 minutes, which on my inefficient watch says that we'll be back here at half past the hour, and we'll be restarting on the webcast at half past the hour. Thank you very much.

2021-2024 GAP II: B2B2 Markets & Digital Services

Stephen A. Carter: And welcome back to colleagues and guests on the webcast. We now come to the second half of Informa's Capital Markets Day, where we want to really, in this session, try and bring to life our growth and acceleration ambitions in what will be the two growth engines of new Informa. Our B2B markets businesses and our academic markets business.

Stephen A. Carter: I'm joined on the stage and as presenters by three colleagues, who'll be representing many thousands of other colleagues, but three colleagues. Charlie McCurdy, who is familiar to many of you, who I think it's fair to say is a legend in his own industry; has been with our company for over six years now. He has led the creation of Informa Markets from, really, an idea to being the leading player in its industry. And Charlie is going to bring to life, not just what we're doing in Informa Markets, but what we're doing more broadly in B2B markets and why we're so excited about those growth opportunities.

Stephen A. Carter: He'll be joined by Max Gabriel, who joined our company a few years ago. In fact, Max has worked in, I think, three different roles in the time he's been in the company. He keeps being poached. It's like an internal transfer market in Max Gabriel. He joined initially to help me in group think about what we were in all things technology. He then went to work with Annie and colleagues in Taylor & Francis, and he now is part of the B2B markets team; and has just recently become the president of IIRIS, where reassuringly we discovered in the last session, they are actually doing something. And Max will bring to life what's happening with IIIRIS, our new data engine.

Stephen A. Carter: And then last, and certainly not least, and for those of you, you've not seen Annie present, I promise you this will be the highlight of the day. Annie joined our company four years ago with a very clear brief, which is, we've got a great brand, we've got a great business, we've got a fabulous culture and we've got a marvellous reputation and an enormously rich content, history and backstory. I'm not allowed to say the word archive. But this business needs bringing into the

21st century. And will you help us do that? And she has been a force of energy, excitement, and progress; and you'll see that, I think, in her session. So I hope you enjoy the session and then we'll have a Q&A at the end. Charlie, floor's yours.

Charlie McCurdy: Thanks very much, Stephen. Good afternoon, everyone. Thank you for joining us, both here in the room and online remotely. I'm going to do my best to show you where we are right today and in our business and where we're going to be taking the business.

Charlie McCurdy: I will be joining, Stephen, said by Max Gabriel who will go into the IIRIS data management and data engine activity that is so closely linked to what we're doing across our B2B businesses. And in that regard, what I will be talking about is Informa's overall B2B markets and digital services business. They're currently performed through three distinct divisions of Informa. There's Informa Markets, which I'm running, and which is mostly known for its large exhibition business, and digital services capacities and capabilities. Informa Connect is run by Andy Mullins, who's with us today here, which is known for its content-led events, both face-to-face, hybrid and virtual. And the third area is Informa Tech, and Informa Tech is run by Gary Nugent, also with us today. And this is a freestanding unit that's exclusively focused on the IT sector, which is very advanced in its practices. And Gary and his team present quite a broad array of services, in support of various IT markets that we'll get into in a little bit more.

Charlie McCurdy: Now, while these are quite distinct businesses, the way they run, they do enjoy a lot of commonality as to the themes and the platforms and the data management, sustainability practices that we're leveraging across the enterprise.

Charlie McCurdy: So where are we in the live events business, starting out with this. This is a slide you saw previously from Stephen. So, what we have in the live event business is, this year, we've been really quite active, quite busy, and all in all quite successful for the face-to-face event business. We've conducted over 300 events around the world in 30 countries. Attendance has been very healthy in volume and also in very much in quality, very motivated buyers coming to our events and presenting very effective business to the exhibitors and sponsors at our shows. And as a result of all that, our exhibitors are very encouraged by this, throughout their experience this year. And you can see that coming back in the form of the kind of re-brook and contracts coming, in advance of just looking at the next quarter, the first quarter of next year; it gives us a high level of confidence that we can get to a kind of 70% relative performance to 2019 revenue levels. And over on the right, the 75% they're backing this up, their contracts, with very healthy cash advances in keeping with past patterns. So the strong indications of intent from our exhibitors as well, and we'll get into that.

Charlie McCurdy: Focusing now on what we call our power brands, these are our largest events across these three divisions. It's interesting to see the pattern around the world, and I'd like to just focus on that for a minute. You can see on the left, in mainland China... Mainland China, we actually started trading with live events in June of 2020, a year and a half ago. And as a result this year, we've had a full cycle of events. They've all been on cycle and they're usually date patterns. And even without international participation because of the border restrictions there, we're trading at over 90% revenue levels relative to the 2019 levels.

Charlie McCurdy: It's quite a different story in North America and in the Middle East where we just came back to live events in volume in June of this year, and many of those summer shows this year are normally winter shows. So we are off-cycle, we thought it was important to come back to market in any case. And overall, as a result, we're seeing year over year, full year comparisons of same events around 45, 50%. I will say, though, that the trend that I see from June through the end of the year is toward an improving performance relative to 2019.

Charlie McCurdy: In Europe, it's actually a different story. In Europe, we were pretty dark until September, where we came back in earnest. We're very happy with the performance across our European based shows. What we have seen is that some shows that are really highly dependent on out-of-region exhibitors, in particular, China and India, has reduced volume there this year. So we're trading around 55%

of previous levels. And lagging the other regions is the Asian and Hong Kong territories, which are quite affected by border controls and transit restrictions and quarantine requirements, which is resulting in a sub 15% kind of performance this year compared to next year. Overall, this adds up to, on a lot of different stories, adds up to something over 50% performance of these powered brands this year, compared to 2019.

Charlie McCurdy: So what are, what are customers saying? This is mostly talking to exhibitors, and they're basically saying what they have said in the past about participating in live events and exhibitions. They're finding access to in strengthening bonds with existing customers, they're out face-to-face, grooming new customer relationships on the one hand, on the exhibitor or sponsor side; and on the attendee or buyer side, they're saying, once again, we can get back to finding fresh suppliers, new suppliers to address new urgent needs in our business to stay growing and stay competitive. These are all the things that people say about exhibitions all along and exactly the same experience now, it's just much more intensely concentrated given the urgency of post COVID comeback to markets for our customers. So we are also experimenting, which I'll get into, with some smart technology to deepen and broaden the impact of these events.

Charlie McCurdy: Now, I'm going to reappropriate this slide, because it is very pertinent as a lot of uncertainty as a reason in the last few weeks, owing to the progression of COVID and its variants. I think while that's all been happening, in fact, this week and looking back three weeks around the world, our colleagues have been extremely busy, our customers have been extremely active in what is it? It's 21 events in 16 cities, in eight countries, all the way from San Jose to Shenzhen. Businesses going on and face-to-face events. It's sort of like in the lockdown here, we had a concept of essential worker. These events are essential events in these businesses, and people need to be attending them. This has added up to about 60 million pounds of revenue, and a revenue performance relative to 19, which is the most valid reference point of over 70%. So this is a healthy indicator of the need for live events and through this year going into next year.

Charlie McCurdy: So, let's start, let's look for a minute. Now, this slide, I think, encapsulates pretty well, our strategy and the way we go about executing across our B2B markets and digital services businesses. First of all, we have an intense focus on these eight core primary specialist vertical markets, all the way from life sciences to construction and manufacturing, to tech and finance. And each of those has its own sub sectors where we focus our efforts, and many of those sub sectors have their own sub communities. And that's the level at which we really engage and bring benefits of content flow and commercial flow in these markets. And across all of these, as I mentioned earlier, we we're finding increasingly the ability to deliver common and scalable platforms, common and scalable data management and common and scalable sustainability practices that we're quite quite advanced on.

Charlie McCurdy: So what's an example of this? This is the same eight primary verticals that the space is relative to their revenue in 2019. And I'd like to focus for now on the tech market. As I mentioned, the tech market that Gary runs, Informa Tech, is just focused on IT, and goes deep into IT in this way, so that the tech market itself is divided into a variety of very attractive sub sectors, such as cyber security, such as entertainment and such as enterprise IT.

Charlie McCurdy: And if we look deeper into enterprise IT, these are the sub communities just within enterprise IT that they're quite distinct the way they define themselves and in the way we deliver the kind of services to them to support commercial activity in those markets. And across these, we're delivering services that are digitally driven, that are events driven that are research driven; and this is the way in which we kind of surround these markets with services, and have a clearer view of the activity in these markets than any one player in those markets.

Charlie McCurdy: So, that's the way in which we conduct our business at the specialist level, deep, deep down into communities. As Stephen did, I'd like to just step back and look at the first GAP period, the five years from 2014 through 2019.

Charlie McCurdy: As you can see, starting out back in 2014, the B2B markets activities were really between Informa Connect and what we call Global Exhibitions. And we actually, a majority were conferences back then. Through a process of very select and strategic acquisitions that many of you followed over the years, we've been able to expand to become the world's largest exhibition company. Back when I joined Informa just over six years ago, I met with a board and I said, "What I want to do is develop the world's most valuable exhibition company." And with their support, I think we were able to do that, and just in terms of scale. I also say, in my opinion, we're also the most effective exhibition live event organiser at scale out there.

Charlie McCurdy: At the same time in the background, we've been developing this whole vertical market focus, we've been fostering our digital and data capabilities, we've had an underlying growth rate that has consistently and overall, beat the overall events industry. And we've developed, as Ben mentioned earlier, the seeds of our sustainability programme that is bearing a lot of fruit for us right now.

Charlie McCurdy: So, that was first gap. On GAP II, we have a new ambition now. I think that that ambition is not only first of all, to manage the scale restoration of the live event business, but to develop alongside that and closely align to that our digital services that together add up to this very powerful market access business, where we're finding many ways to find suppliers, access to buyers and find buyers access to just the right kind of suppliers.

Charlie McCurdy: With the talent and resources, we will be investing in technology through the gap two programme. We have a strong core of digital and data talent, not only in the IIRIS group, but in commercially over 40% of our colleagues in the United States, in fact, their full-time job is data. It is digital services where we have a strong base. All that leads to a growth programme that we expect fully expected by 2024, to have a substantially, meaningfully higher revenue profile than in 2019, but also importantly, the mix of that revenue is it's more resilient, it's more powerful, it has a greater span, and it has greater underlying growth characteristics.

Charlie McCurdy: So, that's the growth element. And on the returns specifically, the gap two investment that Gareth introduced, is largely focused on driving that 25% of total revenue in 2024, coming from digital services. That's a substantially higher percentage than it is now.

Charlie McCurdy: So, let's look at that in terms of the financial profile. This is just the B2B markets element of the company. I think, Gareth, you walked us through a group-wide one. We have had a small programme on the upper left there of exiting some low opportunity, low margin events last year. In the dark blue, we're seeing by '24, a substantial return overall of face-to-face events to their level in 2019. And the green bed, which is our digital business, it was meaningful in 2019 overall. You can see actually in this transition period, it's actually grown. And from that base, we see an opportunity to expand up to in '24, in that range of 25% of total revenue coming from digital services that will get into more detail in a moment. And that overall is driving the scale of the business, is driving the quality and resilience of the earnings and revenue, and it provides us with greater underlying growth.

Charlie McCurdy: So how do we go about this ambition of becoming a world leader, not only in events, but in market access services? Well, this is it. I breaks down into these three parts, and deceptively simple, I would say. The first element is the face-to-face event business, which was severely impacted for all of the obvious reasons, and is at a point where we're seeing the demand in the marketplace is giving us a very high level of confidence for the kind of return that we discussed.

Charlie McCurdy: The second point is what we're calling smart events, and this is two very related elements. One is by using the kind of digital capabilities that in part we learned during the course of the shutdown, we're able, first of all, to make the live event experience much more powerful for participants, for pre-show services, for at show in-app services, for post-show analytics and this kind of thing, building up a much richer experience around face-to-face events.

Charlie McCurdy: It happens that a lot of those capabilities also enable us to address not only the people who are in the venue during these shows, but the entire universe of participants in each of these sub communities and market activities, that if they can't get to the event, they can't exhibit, or they can't attend as a buyer, they can still participate in that marketplace so that it creates a whole expanded new market for us to play as a conference and content event organiser, as well as a face-to-face event organiser.

Charlie McCurdy: And the third area of digital services... This is expanding on capabilities we have now in a much more robust way, given the kind of data overlay that we can provide and the insight and analytics, as well as finding new ways in which to address customer needs, which amounts to, interestingly, a way to address whole new budgets of our customers with competitive and valuable services.

Charlie McCurdy: So, going back to that first point, the rebuilding, the restoration of the live events, I think we went through this with what's going on right now with the year results, with the power brands, with feedback from the marketplace. I think we're feeling very good about where face-to-face events are trending and heading back.

Charlie McCurdy: So, again, let's get into the digital services part. I'd like to pause for a moment and just let's look at what do we mean exactly when we talk about these three elements. First of all, the smart events, the smart events are, these are the smart part of events. This is, we're adding productivity and power to the experience of events, both for the people on site and for all the much broader area of suppliers who are not exhibitors and buyers who are not attendees.

Charlie McCurdy: Audience development. Audience development, very simply, these are content-led lead generation programmes, and they're increasingly differentiated and enhanced by data segmentation and targeting.

Charlie McCurdy: Digital demand generation. The third element here, these really boiled to data analytics that provide intent-based qualified B2B buyers and sales prospects to suppliers into markets. So, let's go into these.

Charlie McCurdy: Getting into the specific last two bits of digital services, audience development, and digital demand generation, about a year ago, we were thinking, "This is a big opportunity. We have some knowhow in this. We have some presence, especially in some sectors in the US." But we went out to our customers and asked them, "Where are you spending your money overall? And what needs do you have that are not being met right now?"

Charlie McCurdy: And this is what came back from hundreds of customers across United States and Europe. It's interesting to note that this is sort an average CMO's view of how they're capturing interest in the marketplace. The bottom wedge there, the 5%, that's their share of their budgets that goes to event organisers. That's where our core business has been. It's a great business, it's irreplaceable, and that's where we've been.

Charlie McCurdy: Six times that, 29% on average of B2B marker's budgets for what they spend to go to market is actually in these digital services, audience development, and digital demand generation.

Charlie McCurdy: So we have a very, very small slice of that. And I think what we're seeing is, with our trusted brands, with our customer relationships, with the unique data that we have and insights we can provide, we have a very strong, competitive edge in expanding in that bigger slice of the pie over there, on the left.

Charlie McCurdy: So smart events. I think I've covered this pretty well. It essentially boils down to starting with a great face-to-face experience, adding to that these kind of digital touch points that not only enhance the experience of a buyer preparing for a show, experiencing a show, and the supplier, the exhibitor, getting great analytics going after the show.

Charlie McCurdy: But at each of these touch points, we're capturing data. We're capturing sense of who's interested in what kind of products, what kind of activities, what kind of services; that all feeds into IIRIS and gives us more and more insight into the dynamics of marketplaces.

Charlie McCurdy: We've piloted these programmes in Europe, in the US. Just tomorrow we have our first fully integrated smart event programme going on in San Jose, California at BIOMEDevice, Silicon Valley, so that we're enhancing the live events experience, which also translates into our ability to open the aperture to a much broader audience in these markets.

Charlie McCurdy: So that's what smart events amount to, and it represents an exciting dimension of our growth going forward beyond the restoration of face-to-face events.

Charlie McCurdy: On audience development, again, these are the content-led lead generation programmes enhanced by data. We're active in all these product areas at present, whether it's product discovery services, content marketing, content and websites, or e-newsletters, marketplaces, we're active in all these areas at present. We do this quite well, mostly in a select group of sectors in the United States.

Charlie McCurdy: And, as you'll see, we have the opportunity not only to raise the capability within these current areas, but also to proliferate these activities across many vertical sectors, where we don't have much of a presence right now.

Charlie McCurdy: So, as you look at a case study or an example of what we can do as an audience development provider that coordinates with face-to-face events.

Charlie McCurdy: So, we have a, there's a... I'm not supposed to say the name of the company, but this is a very large household name, multinational manufacturer and service provider that has a subsidiary that focuses not just on the aviation industry, but in the maintenance repair element of the aviation industry.

Charlie McCurdy: They came to us and said, "We want to grow our share in this market. We're having a hard time finding the programme managers that we pitch our services to; help us out."

Charlie McCurdy: And our aviation team was able to come back to them and say, "We have a database of the 40,000 people in the world who are programme managers active in this space. We have a set of face-to-face events that they go to. We have content marketing and other audience development programmes that we can deliver to them. And we will put that to work for you."

Charlie McCurdy: We did that on a pilot basis, it came back very successful, which led to a multichannel multiyear commitment on the part of this large German company for $800,000. And so, what we're seeing is satisfied customers coming back and building up their portfolio with us, even as we're, as Max will get into, we get into greater data management.

Charlie McCurdy: On the digital demand generation side, these are data analytics that provide intent-based and qualified, and even scored, sales prospects for suppliers. This is really getting into core data activities. And we have these face-to-face events that are becoming smart events. We have, and that drives data into the IIRIS database, as to market participant behaviours and intent and objectives. Audience development, millions, and millions of touch points that are always feeding into the database.

Charlie McCurdy: And all of that comes out to our ability to create these demand generation programmes. And right now we have it in two areas. One is in what we are calling Qualifi. This is our business that's mostly focused on B2B verticals for the informal markets space. And these are proprietary intent-scoring businesses using proprietary first party data, with some second party data overlay to drive uniquely powerful scoring of leads in those markets.

Charlie McCurdy: We have a good start there. We're seeing a very healthy renewal rate there, which gives us confidence in growth there.

Charlie McCurdy: Today we also announced, down at the bottom, NetLine, which has now become a member of our Informa Tech business. The IT market is by far the most advanced in these kind of DDG services. And NetLine is accelerating our capacity to grow in that capacity, in the tech space.

Charlie McCurdy: So, with that I'd like to, if I may, hand it over to you Max, to get deeper into this whole IIRIS element, which is so central to the strategy, thanks.

Max Gabriel: Thank you, Charlie. Good afternoon, everybody. I'm pleased to be able to unpack this a little bit.

Max Gabriel: Before that, let me add a footnote to what Charlie was saying. We brought in a lot of product management talent over the past two years in the B2B businesses. That's allowing us to really reimagine the smart events experience as a product.

Max Gabriel: As Charlie was saying, we are building on very strong foundation of audience development. We're stepping the game up, and then we are propelling our digital demand generation business.

Max Gabriel: In the middle of it is IIRIS. What you've been hearing is, "Data engine," I like to call it as a growth engine, that sits at the heart of our growth ambition.

Max Gabriel: I'll take you through a bit of a backstory behind this in terms of where did we start? What have we done? And where are we going?

Max Gabriel: Before I go there, as I was coming out to work today, my 17-year-old said, "How are you going to open today?"

Max Gabriel: And I said, I'm going to say, "Data is the new oil," is going to be my starting statement.

Max Gabriel: She said, "Don't do that."

Max Gabriel: So why?

Max Gabriel: She said, "It's first, it's unoriginal. Second, it's not an environmentally-friendly statement."

Max Gabriel: So, I'm going to step away from it. I'm going to borrow Gary's statement. The whole thing is built on, as Gary would say, we're sitting on a gold mine of first party data, and that's the whole premise. I'll take you through where we are. And I hope my team will forgive me for this dramatic simplification of our landscape. The reality is a lot more complicated than that.

Max Gabriel: We've always taken great pride in our first party data. We had the volume, but we couldn't assess the value of it. We had the breadth, but not enough depth. We captured it very well, but we haven't nurtured it very well. So, 2020 among many things, what COVID crisis revealed, was these insights in our existing data sets.

Max Gabriel: The good news was there were multiple programme within the three divisions that were onsite to clean this up and, and set this out. And as we were running mass experimentation of virtual events, as you know, in 2020, that gave us incredible opportunity to pick up very granular behavioural signals for the first time.

Max Gabriel: So that opened up, where Stephen, Gareth and the executive team said, "Look, we need to bring this together. We need to bring the capabilities from the three divisions into a single group and form this up, not to go back and streamline it, but really build a foundation for the future."

Max Gabriel: And that's what we did. And the timing of it is quite interesting because it was a courageous move in the middle of postponement programme, a cost containment programme, and mass experimentation of virtual events. From day one, the clock started Fiona, we've been on it in terms of every pound that's been invested, how do we turn this into value?

Max Gabriel: So past 12 months we've been quite busy. And the end outcome of that is we have about 1 billion audience interaction, which is a common definition within the organisation. Whether it's a sign up, a download, or a meeting connection, they're all audience interaction. So, we managed to capture about 1 billion deep behavioural signals.

Max Gabriel: We've gathered about 100 million unknown audience. So, these have been scattered across hundreds and hundreds of websites. We've been able to capture them. And this is actually a point of excitement for a marketing group, because now they have one place to work on in a tactical way to start to convert them. And the ultimate output from this was 10 million, what we are calling it as, "Known," we know who they are, "Engaged," they are actively engaged in our products and services and marketable, which means we have clear permission to market to them.

Max Gabriel: And we call it KEMA internally. Look, I mean, there were multiple variances is of this that existed in the business. And the advantage of specialist business is everybody want to be slightly different, but we took this opportunity for the first time, we have a single definition of what do we mean by an audience.

Max Gabriel: And we brought in quite a bit of discipline in terms of how we capture data, how we collect the consent, so that it's privacy-compliant, it's transparent to our audience on how we collect it. And one thing we learned is if you don't continuously enrich it, the data is not going to be of very good use.

Max Gabriel: I'm sure you've seen many versions of this, but let me bring it to life what have you mean by KEMA? We've always been very good at collecting the demographics and firmographics information. You know, who they are and where they work, we've been very good at it. We've done it, but inconsistently.

Max Gabriel: We launched a service called IIRIS Passport, which all of you had used it when you registered for Capital Markets Day. It does three things, it simplifies registration, clarifies our consent process, and embeds tracking so we can get into behavioural tracking. That's what's been different this time. We're starting to capture very granular behavioural data, and that makes the profile more valuable.

Max Gabriel: And along with that, we launched another service called IIRIS Recommend. And the purpose and objective behind that is as you collect more behavioural data, start to offer recommendations based on the behavioural data, which creates more behavioural data, thus increasing the value of the audience profile.

Max Gabriel: On top of it, this is the part we are quite excited about, which is IIRIS Insights. This is what Charlie was talking about, using machine learning and analytics now we start to compute value of intent, inferred interest, their goals and priorities. So, which allows us to measure the true value of the audience, which to my point earlier, while we had the volume, we didn't have the value, and we want both. And that's what we managed to do here.

Max Gabriel: There's a fourth service we launched, which is called Segment. And the purpose behind IIRIS Segment is our ability to drill down from that 10 million known audience, all the way to an individual. That's a very powerful tool that our marketing team has for the first time. And we're going to be enabling our customers to be able to do the same thing.

Max Gabriel: So, what have we done? We standardised KEMA. So, there's a common definition. There's a single dashboard in the company. Any brand, any sub sector can go see what is their KEMA number?

Max Gabriel: And many of the proactive ones in tech and other businesses, they've actually set themselves a very ambitious target on building that and growing that. We launched these four services; this was not done in vacuum. Each one of those services were built in coordination collaboration with a commercial team, put them all together, you got a powerful, proprietary growth engine, a data and analytics platform.

Max Gabriel: And what I'm really passionate about is it's powered by some of the most committed, passionate colleagues that are trying to work together to make it better every day.

Max Gabriel: And we've been very focused on, not because Gareth wants us to, we've been very focused on, "How do we turn this investment into commercial value?" And let me take you through two examples of what we've done.

Max Gabriel: CPhI Online is our online product discovery, which is what our B2B buyers use, look up for supplies of active pharma ingredients, supplies of products.

Max Gabriel: And when we rolled out IIRIS Recommend about four months ago, and what we realised was buyers were discovering twice as many products as before. We would've been grateful and satisfied with that, but it actually led to 30% more RFIs being submitted, this is request for information.

Max Gabriel: The reason I want to call that out is that's a clear signal of intent. And I know intent is quite fashionable these days, every week there's a new player coming in claiming they can do intent.

Max Gabriel: The only comment I would make on this is there are many players that are several degrees removed from the audience. In this case, unsolicited, unmarketed, a buyer is actually signalling they're interested in a product; that's really valuable, and we're quite excited about it. And that's why we're bullish on how we can build our digital demand generation business.

Max Gabriel: The second example I want to talk you through is very foundational. It's got applicability across our business. We chose aviation because of the leadership, excellent brands, good quality content. And our hypothesis was we are capturing all these behaviour signals, if we use that to segment and run a campaign, is it going to have a better campaign performance? Is it going to have better click through rate?

Max Gabriel: And the end result was, as you see, very promising. The click through rate doubled up. More importantly, our content subscription, this was freemium subscribers converted to premium subscribers, so it was four times the result. Before you punch it into any model, these are targeted experiments that we are doing, and we will be scaling this out in 2022.

Max Gabriel: So we're quite pleased about the commercial value. It's actually starting to add. In '21, while we are building the foundation, we've been very targeted where we actually execute this so that we can get the proof points before we can start scaling it.

Max Gabriel: Key takeaway, good quality content generates better engagement, sounds obvious, but now we have evidence to prove that, which generates more behavioural data, increasing the value per audience, which is one of our key metric.

Max Gabriel: I'll take you through what Charlie alluded to in terms of audience development and digital demand generation. Here's a real example, identity altered for obvious reasons. Silicon Valley startup, let's call her Elsa. She is looking to create brand awareness, offer antivirus software product, that's the goal. And create awareness for people who don't know about it. And actually, people who are aware of it, let's start to nurture the lead. That's the goal.

Max Gabriel: And a lot of these sophisticated customers, particularly in tech sector, they want a lot more data-driven approach than what we've done before. And that's what IIRIS is powering it.

Max Gabriel: Alongside, she's also interested in finding out who is in market now to buy the product. And that's a very important rich signal in terms of who's out there to buy, what is their buying cycle, who are the decision makers? And we could get to this information in the past, now through IIRIS, we are able to pull it all together in one place through IIRIS Segment and Insights.

Max Gabriel: And one of the additional commercial use case we did in '21 is the qualified business that Charlie was talking about. The qualified business was built on the premise of IIRIS supplying the data and analytics that was required for them.

Max Gabriel: So, let me bring it to life in terms of how would we help Elsa who's in Silicon Valley, here's Fiona, identity altered obviously, CIO in Financial Services. This here are all the information we know about her. She is an Omdia Research paid subscriber, she attended a Black Hat event. She read articles on technical implementation of single sign on. Interestingly enough, she downloaded a couple of white papers on competitive analysis on anti-virus software.

Max Gabriel: That allows us to build some interesting insight about the audience, as a primary objective, to help serve the audience better, as a secondary objective, we can actually help serve Elsa on the other side, right? And that's what we did.

Max Gabriel: We can create targeted actions in terms of sponsorship, webinar, and generating qualified leads for the supplier, which now we'll be able to do that scale because data has come together.

Max Gabriel: And with the addition of NetLine, with their background and their rich expertise, that's going to speed things up and put it in high gear.

Max Gabriel: Let me give you a different dimension of it. This is... we're quite excited about it, and you can see how I'm excited about a lot of things here. This particular one is we are taking a different dimension of looking at a company.

Max Gabriel: And the reason it's important is we've had, it's not critical point, we had a narrow view of exhibitor, sponsors, delegates. Now we are looking at as an individual and a company. That opens up different possibilities.

Max Gabriel: Here's an example of a global media company whose colleagues around the world are downloading a report on market research from Informa Connect, reading about a sustainability article on Natural Products Insider, reading a cybersecurity article on Dark Reading, attending our Brand Licensing show where they're actually sponsoring an event.

Max Gabriel: We've had this information, but they were scattered. Now we have them in one place. This allows us to take a deeper view and build greater insight on the company, both on the buy side and the sell side. Because don't forget, everybody's buying and selling at the same time. So, they are wanting something. So that allows us to build very targeted, unique, account-based marketing opportunities.

Max Gabriel: There are a lot of players in this market, there was a question around this in the past, earlier. And there are a lot of people that play in tech sector, clearly there's a lot of depth in that area. Other sectors are growing at the moment, but what's unique that Informa has is the cross sector advantage because of the number of specialist brands where we operate in.

Max Gabriel: That's a quick express tour on what we have done; it's been a busy 12 months. Moving into next year, '22, our plan is to double down on intern scoring, as Charlie was saying, we believe there's a competitive edge in terms of building a proprietary intern scoring, and then with a combination of Qualifi and NetLine coming together, that will give us a bigger boost in terms of building and scaling our digital demand generation business in '23.

Max Gabriel: Alongside we've been running some targeted experimentation on analytics-based products, and we have hope to launch some of those in '24.

Max Gabriel: So, in summary, here's where we are '21, one billion audience interaction, 10 million KEMA. We are using our existing value as a baseline. We hope to, by '24, triple that audience interaction, double the KEMA, and then double to triple the value. That's why I do believe IIRIS sits at the heart of our growth ambition. Thank you. I'll pass over to Charlie.

Charlie McCurdy: Sure, thanks. Let me see if I can just pull this all together for you, what we've been talking about this afternoon.

Charlie McCurdy: First, this is the passage from being the world's largest events company, to becoming a world leader in market access across these channels, starting with the recovery and restoration of our live event business, we went through that, through creating smart events that enhance the onsite experience and move us well beyond onsite experiences, and third, building upon our core capabilities in audience development and digital demand generation, all using the fundamental data-driven insights that we can provide uniquely to the marketplace, because we are seeing what's going on in the marketplace.

Charlie McCurdy: And I've done this in previous companies where it's exciting to see how the events and the digital feeds each other in the audience database and reinforces each other's growth rates.

Charlie McCurdy: So this slide kind of brings it all together. We talked at the outset about how we deep into primary vertical commercial areas and sub sectors. There's a stack of our priority markets there for digital development. In each of those, we have very powerful and growing trade shows. You can see the audience development activity is robust at the level it is across those top four sectors in the US.

Charlie McCurdy: And smart events we've piloted in medical tech, and IT, and pharma. And digital demand generation, we're just getting started. We have the NetLine business in tech and the Qualifii business in medical technology.

Charlie McCurdy: This is the way in which everything comes together to drive the business. And you can see all those purple boxes, this is where we see our ability to proliferate these activities across the portfolio.

Charlie McCurdy: On sustainability, I was asked to address the COP-26 conference in Glasgow on behalf of the events industry, and I had four very basic points. I think in Informa is a leader in the industry, perhaps the leader in sustainability practices.

Charlie McCurdy: It boils down to four things. One is less waste, with reusable and non-disposable stands. It's energy consumption, renewable energy onsite in venue. It's carbon reduction through taking advantage of the fact that attending our events reduces the number of flights people need to take to get their work done. And finally, in terms of content and resource, by virtue of the fact that we do hundreds of events around the world in many places, we can bring information and solutions to many industries and many places in solving their own sustainability needs.

Charlie McCurdy: So summarising all of this, I think we have all these different ways, a great opportunity to create value for this company. There's a return of face-to-face, with organic and inner organic expansion, as Gareth mentioned. The smart event onsite and beyond-the-venue opportunity, and the growth and proliferation of digital services and audience development and digital demand generation through the kind of customer relationships we have in the unique data capabilities we're developing to get into whole new areas of budgets that we're not really addressing in a material way now.

Charlie McCurdy: And out all that comes Informa B2B markets businesses that are emerging over this period of time as a leader in B2B market access, where we bring these markets together. Thank you very much.

Stephen A. Carter: Thanks Charlie, thanks Max. I've always wanted Max to have a child called, Angel, so I could ask him how the Angel Gabriel was today. But was it Matt or was it Emma?

Max Gabriel: Emma.

Stephen A. Carter: It was Emma. Okay. So, note to self, higher the younger Gabriel. So look, I hope that brought it to life. What we're trying to do in that side of the business, in all three of those buckets, the return of physical, how do we move into smart events, digital hybrid, immersive, and where can we find a legitimate place to play? And what do we need to build in order to be credible in digital demand generation?

Stephen A. Carter: I know you've all got questions. You can craft those questions, same to guests on the webcast, because now we're going to change gear. We're moving to the other side of new Informa, to academic markets. And here Annie Callanan is deliberately going to take us all broader, to give a sense of what this broader market is and why it is, as well as what our ambition is over the next three to four years in academic markets. Annie, over to you.

2021-2024 GAP II: Academic Markets & Knowledge Services

Annie Callanan: Okay, good afternoon. Feel free to stretch. I'm delighted to have the occasion to share once again with every everyone, my confidence in Taylor & Francis as a preeminent and highly sustainable growth business, but also to underscore the vital role that scholarly publishing is playing in the very best of what humanity has to bring, the brightest wisdom and the most collective progress.

Annie Callanan: Here's what I'm hoping to try and do today, as Stephen just referenced, I'm going to start with our ambition and how the acceleration of our growth rate is underpinned by everything we're doing in the knowledge services business, alongside our traditional outputs of books and journals.

Annie Callanan: Then with your indulgence, I am going to take a little bit of time to add what I think is some important context by bringing to life some of the macro environments and why the role we play in validating scientific data is more essential than ever, something I know that many who are listening will understand intuitively, but truly to anchor our view that academic publishing is a highly sustainable business.

Annie Callanan: And finally, I will bring it back full circle to the performance metrics we're tracking to demonstrate the success and confidence we have in the growth that's largely already being realised.

Annie Callanan: Now T&F's stated ambition, to sustain our world-leading status is one of only a handful, a very small handful of publishers serving the world's most forward-thinking specialists. These are the experts who possess the curiosity, the tenacity, and the funding to drive this century's greatest innovations.

Annie Callanan: Now since 2014, catalysed by early funding from Informa's GAP I programme, T&F has been advancing on a 10 year modernisation programme. The objective to lay down modern technological and data-centric foundations, and to realise scale around a broadening set of academic knowledge services.

Annie Callanan: With digital foundations now largely in place, and an early track record of success in achieving growth, we are now in a position to take a second tranche of GAP II funding, to accelerate the growth rate further.

Annie Callanan: Now this investment in the range of 30 million or so over the next three years, and our accompanying operating plan, will in fact, advance on four priorities around generating customer value: data, automation, researcher services, and personalisation.

Annie Callanan: Now, as you can see, the next phase in our programme will double T&F's growth rate while successfully managing margins. We've been a predominantly digital business for the better part of a decade, more so in recent years, so digital today is 83% of total revenue. But GAP II does enable us to build capacity in researcher services, which has a higher growth profile than the traditional librarian services. This changing mix in revenues will help T&F double the current 2% growth rate to 4%, while a modern digital architecture will continue to yield an efficiency dividend to help us maintain our OP performance.

Annie Callanan: Now, the T&F business model today provides fee-based services to consumers produce and consumers who consume new, advanced knowledge. I'm going to reference these as the pay-to-publish and pay-to-read models, respectively. Our pay-to-publish services earn fees upfront, in exchange for publishing content, open for all to access freely. The pay-to-model, T&F underwrites the publishing cost of new or curated content, and then we're reimbursed through a subscription fee.

Annie Callanan: Now a very small cohort of customers representing both the producers and the consumers, have hybrid service contracts. Many of you are familiar with these. And that's because they represent both the read and the publish customers. But predominantly, these two models serve very different customers and are procured from very different funding sources.

Annie Callanan: Viability in the pay-to-read model stems from the fact that knowledge is obsolescing today very rapidly, while new knowledge is becoming more complex. As a result, it needs to be updated more frequently and with greater speed and synthesis. So, the pursuit of practical learning and application of knowledge is actually really vital for human progress. And therefore, T&F's pay-to-read model will well in supporting the world's advanced learning programmes. Our terms offer a multitude of flexible constructs around funding, bundling, sampling, and permissions.

Annie Callanan: Now, accelerating growth in the pay-to-publish model stems from the fact that human knowledge is now estimated to be doubling every 13 months. As knowledge advances, it is being discovered with greater frequency, by a larger number of researchers, through increased funding from a more diverse cohort of funding sources, with more outputs from both academic and nonacademic R&D centres, and from a broader range of the world's geographies than ever before. So, TNF is already delivering services around both of these business models, but the Gap Two programme will add scale in supporting growth that we are already realising from the pay-to-publish model.

Annie Callanan: Now as this chart depicts, the double digit revenue growth that is accelerating in pay-to-publish services is happening through our open research programmes. How are we achieving this? Certainly, I don't think anyone in academic publishing has put up numbers like this lately. Well, we're doing this by supporting the world's largest and most diverse composite of knowledge makers and their peer networks, the communities that generate the knowledge, both inside academia and beyond. And by rapidly adapting to their service preferences.

Annie Callanan: Building scale in our open research programme represents a de-risked implementation, because these are outcomes we are already measuring and realising. Our growth plan is predicated on maintaining the existing growth rates from both the pay-to-publish and the pay-to-read services. And we believe we will achieve this performance by serving a broader range of services to a growing and more diverse range of specialist communities, each showcasing their unique contributions to the enterprise of knowledge creation.

Annie Callanan: Now as many listening know and understand well, to truly assess our performance capacity over the next three years, it's actually, I think, important to fully appreciate why this business exists, how we deliver sustainable value, and how our higher sector continues to authenticate the innovations that drive economic growth.

Annie Callanan: So, forgive me and allow me to add a little context, by stating the obvious. Knowledge is power. We've seen its trend transformative effects most recently in breakthrough medical treatments for debilitating diseases like COVID, and in the technologies urban planners use to revitalise distressed neighbourhoods. But left uncurated and unsubstantiated, this same power is lost and threatened by the ambiguity of a digital age, where facts are obscured by fallacies and where credibility is often uploaded rather than earned.

Annie Callanan: Among the many endowments of the 21st century, we all now have our own personalised printing presses. Some of you probably use it already today, to instantaneously mass disseminate your opinions, outrage, even in an occasional truth. And in many instances, outrage and opinions disguised as truth. This growing threat to the discernment of truth requires a higher standard, a fact-based evidence protection, the kind that T&F and our publishing peers have been providing nearly three centuries.

Annie Callanan: As one of the world's most preeminent publishers, T&F is proud to reaffirm that as we continue to modernise, we remain steadfast and united behind our common purpose, to foster human progress by impartially validating and preserving the meaningful portion of the world's cannon of evidence-based knowledge.

Annie Callanan: From a meta perspective, the search for advanced knowledge persists, as the greatest unsatiated need of the 21st century. The fuel global R&D funding, which according to OECD in 2019, was 1.6 trillion sterling and growing at 5% per annum. And just as Stephen said earlier, we expect the global knowledge economy to continue to outperform GDP in the digital age. And that is because today, over 1.1 trillion megabytes of random data emanate from machine all over the planet. A handful of leading researchers are processing the most promising bits, making it easier to analyse. Specialists are then applying modern technologies and methods as well as human judgment, to composite and curate the best of this information and to convert it into new advanced knowledge.

Annie Callanan: In this expanding landscape, a publisher's role as curator and authenticator, is becoming more vital than ever. Publishing scale and importance in impacting societal progress continues to grow, as subjectivity bias and fake information proliferates. The specialised expertise extracted from human intelligence will become ever more prized as these trends persist.

Annie Callanan: So, from our vantage point, championing the specialist inside the sweet spot of the knowledge economy continues to represent an enduring, positive growth environment for T&F. As this slide depicts, pay-to-read taps, the global library market of 40,000 academic institutions, managing 13 billion in annual spend on academic books and journals. At the same time, pay-to-publish taps 425 billion in academic R&D budgets, growing at 8% per annum, with over 60 billion in new funding being allocated each year. And that's probably an underestimate, based on the fact that the NIH alone in the United States, the National Institutes of Health has a 42 billion annual budget. But let me be clear, we will never move away from our important partnerships with academic libraries. We're simply adding services in an expanding market, not replacing one addressable market with the other.

Annie Callanan: Now some of you may have described this business, in fact, as one of books and journals. And clearly, these two distribution formats are still very popular among customers. But they are just that, formats, packaging which does not convey the value embedded inside or the services rendered in support of its impact. So, as you see here, many new services have emerged around knowledge production and consumption, well beyond products destined for shelves. And in the coming years, the list of pay-to-publish and pay-to-read services will continue to grow.

Annie Callanan: One very important fact to keep in mind, is that knowledge creation is delivered by communities, not algorithms. Our unique validation process has persisted over centuries, because it yields the greatest precision in the dimension and synthesis of facts. From the long tail and you may not realise this, but from the long tail of over 5,000 credible academic publishers and another 5,000 or so that are not credible, but are still trying to serve the market with fake science, T&F is consistently positioned in the top five, not in percentage terms, but in the top five of evidence based publishers operating at a global scale.

Annie Callanan: Our knowledge services model spans the full lifespan of careers dedicated to knowledge, and this is who we focus on. This is our customer. And let me share a real customer example. This is Rushi. Our relationship with her started when she first purchased our texts as an advanced learner in a leading academic institution, and evolved with services that supported her ongoing research. In later stages as, her expertise progressed, we've added further support around book authorship, teaching and learning materials, peer review, and further advanced research.

Annie Callanan: Her published outputs, as you see on the slide, comprise journal articles, data sets, data notes, monographs, books, contributions to themed, digital collections, translated monographs, et cetera. Every single service node in her professional journey has been a value driver for both Rushi and for T&F.

Annie Callanan: Giving students in the global workforce, critical learnings is just essential to our mission as leadership in advancing scholarship from emergent areas, such as women's studies or nanotechnology. It's why our people are working nonstop to stop the proliferation of fake science that keeps the provosts and the deans and the politicians up at night. And why we're fighting to uphold the tenants of objectivity and rigour, so that the professors and the principal investigators who rely on access to a cannon of authenticated, evidence-based content, they can trust that content to progress science and knowledge further.

Annie Callanan: We are unapologetic advocates and champions for this cohort, 9 million global academic knowledge producers. And we, in our business model, are placing not the content, but these knowledge producers, these experts like Rushi at the epicentre of our knowledge services model, so that the value of human judgment is never undermined or marginalised.

Annie Callanan: Now, through these trusted partnerships that often span decades, TNF has amassed an unparalleled corpus of knowledge, which extends to dozens of high level subject domains, well beyond what's depicted here. But the methodical approach to knowledge diversity is augmented by an equally purpose us full strategy of increasing our capacity to curate on a global scale, irrespective of country of origin.

Annie Callanan: Now below this surface of top level domains, is a much deeper range of subspecialties. The depth in social sciences and humanities, you can see here with strengths in business, economics, education, communication studies, information science, and political science. And just in our education domain alone, we've got another 21 subcategories below that, and sub-specialties below each of those.

Annie Callanan: But if I zoom in a little bit more on the science, medicine, engineering, and tech, you see topical areas depicted in proportion to articles published in 2020. And the specialty strengths include medicine, health, biological, and physical sciences, engineering, technology, and earth sciences, to name a few. At layers below, are even deeper ranges of sub specialties, authenticated by thousands of communities of experts, and even more refined curation. The research has evolved to become feature-rich channels, not just an article, but data methods, metadata, supplementary materials, videos, 3D, and even code. As a core set of outputs, that modern research article continues to represent a vital proxy for impactful research, which successfully advances its field.

Annie Callanan: Now to successful at this level of specialisation, we deploy data-driven models to identify priority topics and researchers that funders are targeting, to ensure these fee-based programmes are adequately funded. As this slide depicts, aligned with each specialty, we track the value of all academic R&D in funds and article volumes across hundreds of categories. This one in particular, is around chemical engineering. You can see that 4.8 billion of active grant funding. And the chart on the right shows you the article volumes, which are growing at about 8%. And by looking at these data points and combination, we're able to prioritise customer research in areas where funds are driving article volumes.

Annie Callanan: Mapping funds in this way is additive for disciplines, but it's also quite effective in emergent areas where speed is an imperative. And here, this example shows smart cities, which is an emergent concept. You don't go to university to study cities. However, more and more higher ed institutions are now focused on it. And the grant values have been growing at 27%, since 2017.

Annie Callanan: We have over 180,000 smart city references in our corpus. And with a rapid build capability on our platform, we can offer a third party pay-to-read collection of all of this content and deliver it dynamically. The Sustainable Development Goals Online was a recent example. We just launched a collection of curated content developed in partnership with the United Nations. So, this is the kind of pay-to-read service that we're evolving into.

Annie Callanan: Gosh, I could easily fill up the remaining time talking about our modern digital architecture. But let me just use this slide to try and frame up maybe five or six of the highest level priorities around our entire infrastructure. In pay-to-publish, the priority here is, I think Stephen has alluded to, is to enable the customers to expand with us around researcher services, and in particular, to track their flow of funds. The biggest problem in this business right now, is the flow of funds and how they get to their destination.

Annie Callanan: We have personalised dashboards to ensure customers can map their funds to the business models that they prefer, with the service levels and the customisation that they prefer. We're scaling for speed and quality around the validation process to ensure authentication of evidence-based knowledge and through the strategic use of artificial intelligence. We're scaling for speed and efficiency and an optimised experience for these digitally native researchers who are looking for speed and a frictionless experience to further their submission process, and to do it effectively and with greater speed. And we're look looking for data-driven analytics to optimise that customer experience, and to really capitalise on the lifetime value of customers like Rushi.

Annie Callanan: In the pay-to-read area, our priorities have been the enablement of rapid product builds, as I just mentioned, in these emergent disciplines. The enablement of multi learning format types, because formats are obviously evolving beyond text in areas such as audio, video, data, code, et cetera. And the feature rich optionality and self-service and zero touch that we've all grown accustomed to in our consumer experiences, particularly for the librarian services.

Annie Callanan: Now leveraging all of these kinds of foundations, GAP II funding will further increase our scale, as I said, in open research programmes. T&F is a very strong advocate for open scholarship and we will continue to be. But open research is not a single monolithic service. Instead, it's a range, a growing range, which includes open options in our subscription journals, publication in one of our 300 plus open access journals, pre-print publishing, publishing with an open data policy or open peer review model, all of which are available on the F1000 platform. An optionality for specialists to make their books, data notes, research methods, and other data openly available on our research platforms.

Annie Callanan: Now in the upper right, you can see that F1000, the progressive, open brand that we acquired nearly two years ago, is absolutely a core growth contributor to our open research programmes. And certainly our inspiration as well. And I say that, because I can see Rebecca here in the audience. Providing greater speed, transparency, reproducibility in the publication of pre-prints, research, data notes. They've broken ground in every category here, with transparent peer review and fully open data. Not everyone is ready for all of these new service options. But for those who are the early adopters, we're there and we have these services. F1000 is also distinguished by a growing range of services funders who prefer to publish open under their own brand, which, again, is a more recent development.

Annie Callanan: Now the snapshot showcasing our hybrid read and publish contracts on the bottom left, demonstrates that while the pay-to-publish model has altered the revenue mix among this cohort of 30 or so customers who have requested these contracts, overall revenue from this cohort, the growth and revenue, has been sustained. And in fact, as you can see, is accelerating, as we find the flexible service models to adapt to their preferences. And that's the key to that cohort.

Annie Callanan: So, what does that mean? Irrespective of the regulatory environment, because I know we'll get this question, as the graph on the bottom right illustrates, open research, as Stephen mentioned, is an opportunity for T&F, not a threat. Roughly 80% of the revenue growth in research outputs is underpinned by article volumes. And we expect that trend to continue over the period.

Annie Callanan: While we never disclose the growth rates, the margins, the volumes, or the contractual terms around individual services or customers, this slide, as Stephen showed earlier, should offer, I think, some considerable assurance for those in possession of a healthy skepticism bias, which I would assume, excludes no one on this call. The core philosophy, which governs our interactions with customers, is to accommodate their preferences rather than dictate our own. The truth is, as a service provider, we remain neutral on the mix of most of these attributes. Our success in retaining customers against the macro trends and the broader economy, are evident, I think, in the mix on the left. If you look at the digitisation and the service trends, these are things we're seeing in the broader economy.

Annie Callanan: But we also draw confidence from our ability to add customers through new channels, geographies, business models, formats. And we've accomplished this growth by continuing to strengthen our gains, as you see in the upper centre, from institutional funding sources. And delivering this entire set of evolving preferences, while successfully managing operating margins.

Annie Callanan: In terms of our contribution to inform a sustainability programme, T&F remains committed to supporting customer choice, as I just indicated. Which means, an ongoing commitment to print books in the many geographies where spatial learning is still preferred. So, we are staying committed to that format. But we're driving environmentally sustainable and operationally efficient practices, reducing the need for excess print printing and warehousing, and moving on demand printing closer to the point of delivery.

Annie Callanan: On our journey towards zero waste net zero carbon by 2030, we've successfully certified T&Fs print books and journals, carbon neutral, following years of progress in reducing carbon emissions from our supply chain. We've also made remarkable progress in removing plastics from our print journals for the few customers who still request that format. 73% of the titles now mailing to our customers without plastic or lamination. And we're working with our suppliers to close the remaining gap by 22. We will also pursue carbon neutral product certification for all platforms in 22 and all the remaining digital products by 24.

Annie Callanan: Finally, ensuring we aid in the democratisation of knowledge by helping remove barriers and connecting the disconnected, efforts of focused on enabling access to content and authorship for financially disconnected stakeholders. And for those with accessibility needs. In fact, the results at T&F were recently ranked number one in accessibility. And we achieved a gold ranking for our corporate accessibility statement in 21. And we have many, many, colleagues who are very passionate and doing incredible work in this area.

Annie Callanan: Stephen touched on this chart, so I won't dwell here. But I think you might appreciate if I give it a little bit of colour around these metrics, and what it will look like by 2024 in terms of driving our growth rate. So, I'm just going to redraw it a bit. So you can hopefully see that from search engine optimisation to research impact, each improvement in this chain represents progress towards our revenue goal. We do have further to scale, but each improvement in one benchmark enhances all subsequent benchmarks and the revenue growth, which follows. Now, all metrics have materially progressed since Gap One.

Annie Callanan: Our performance starts with our Alexa rank, as hundreds of billions of knowledge searches initiate and are started there every day. While our ranking will fluctuate, out of the 30 billion... Sorry. Out of the 30 trillion or so web page and out of the 2 billion subset of websites that Google indexes, we occupy a preeminent rank in the top 1,000. And we're number third overall out of the top 50 global publishers. Our aim, by 2024, to occupy the number two spot. Our ranking has improved over 700%, since COVID began. And today, we're seeing over 60 million referrals a month, from over 194 countries. And I think the UN only recognises 193. I still haven't reconciled how we have 194. Strong referral traffic drives platform user sessions. And we expect a 71 per percent increased by 2024, as more knowledge producers select T&F as their service provider of choice.

Annie Callanan: Improved platform engagement scores will convert into a doubling of unique platform users by 2024. And in turn, to growth in article submissions for our pay-to-publish articles. We need 37% increase in submissions by 2024, and that will more than adequately convert into the article volumes needed to meet our growth target. And as I said, we're very much on target for that now.

Annie Callanan: Now, submissions drive growth in new content, new customers, and greater impact through media and policy mentions from research. And these metrics in turn, drive further submissions. Submissions also positively correlate to content downloads. And we will see those downloads triple by 2024. Growth and content views also translate into higher usage metrics for the institutional pay-to-read deals, which is why we're seeing incredible renewal rates in subscription revenues already secured for 2022.

Annie Callanan: Well, I hope I've been able to bring to life today, dimensions of this business. But on behalf of all of our colleagues at T&F, we are all working against an unprecedented societal backdrop of algorithms that are disseminating fake science and fallacies on a scale unprecedented in human history. This threat from undermining our collective ability to distinguish between truth and fiction, I don't think is lost on anyone in this room. And this harmful lack of factual governance reinforces the need for human judgment and continued mediation of scientific validity, particularly around the facts that underpin the bedrock of human knowledge.

Annie Callanan: These dynamics make T&F more valuable as a company. They make our sector more valuable and sustainable. And these trends will also serve as tailwinds for our growth acceleration plan.

Annie Callanan: So, in summary, T&F is a business where the market dynamics are healthy, where we are in a strong position to gain further advantage during this next period, as publishing will continue to evolve as it always has, through centuries. As our metrics demonstrate, T&F is growing an influence as a global knowledge brand. Curating a highly diverse specialist corpus provide us with, I think, the legacy of a significantly defensive, commercial advantage, some risk mitigation. But also now hopefully, you can all see, growth from expansions and research funding, from expansions in formats, from business models expanding, learning modalities expanding, geographies expanding, and participating.

Annie Callanan: And the business is already in growth mode, as our services continue to address the core needs and we continue to adapt to the preferences of customers. We're already achieving the growth rate required to realise our stated ambition. So, look for T&F to remain very purpose driven, very vital, and certainly in growth mode, in the years to come.

Annie Callanan: Thank you.

Stephen A. Carter: Thanks, Annie. Right. Questions?

Stephen A. Carter: Yes. Gentleman in the back.

Rajesh Kumar: Hi, good afternoon. Thank you. It's Rajesh Kumar from HSBC. The first one is on T&F. A lot of things you said, I'm sure resonate very well with sustainability, ESG. It's definitely one of the high quality publishers we know about. So, a lot of things you said could have been said, say two or three or four years back as well. Right? This is one of the highest quality publisher out there. The business model adds value to the society.

Rajesh Kumar: What has changed that has given you the confidence that, by 2024, you would be punching 4% plus growth? If I look at the metrics, your fastest growth, open access, would be growing slower on your own predictions. And then in terms of percent growth rates, yes, it'll be a bigger portion of the pie, but the contribution growth from that, possibly lower. What are the headwinds which you currently have, which would go away, that could potentially lead to that growth? And I'm just trying to unpack slide 99. And by the looks of it, librarian versus non librarian split the way you're predicting that suggests that quite a lot of that acceleration comes from open access and data services. So maybe it's been a difficult afternoon without enough coffee. I didn't get all the points through. And then I have another question on the previous presentation, but let's start with that one.

Stephen A. Carter: No, let's take your other question first.

Rajesh Kumar: Yeah. Just on the IIRIS dataset, which you've generated, it's absolutely amazing. It's one of the probably best quality data sets that would be there for lead gen in the market, but it's reasonably untested. So, you showed us quite an interesting data point that your customers are spending six times the money on digital channels compared to what they spend on events. So, who are they spending that money with and whose breakfast are you planning to eat?

Stephen A. Carter: Okay. Two great questions. Annie, do you want to take the first one first?

Annie Callanan: Sure. Great question. Thank you. There's an expanding market here. Okay. So, let's start there. We have to look at the nature of knowledge. Knowledge is speeding up. We have more data inputs coming in, so we're creating more knowledge as a civilisation and we're creating it faster and faster. And we are an engine that's actually authenticating, validating, substantiating that knowledge, so there's more demand for those services. If you think back a century to the 20th century, you could essentially write the book on a particular topic, bind it up. It would take you several months, several years potentially to write it and it could sit and stay highly relevant on someone's shelf for 50 years. And there wouldn't be much to update. Nowadays, there's a continuous cycle of iteration and updating and obsolescence, and it's all happening a lot faster.

Annie Callanan: And so that demand to substantiate a larger pool of knowledge faster is what's really the tailwind driving the service model of pay to publish, which is an additional service and an expanded market segment that we are now addressing. And it's fuelled by global spending on R&D. There isn't a country in the world now that isn't participating in that. If you go back to 1960, 75% of all global R and D was spent in the United States. Now 75% of all global R&D is spent outside of the United States and every country, it's a driver of potential economic growth. So there's just expanding demand for the specialist knowledge that validates, authenticates, synthesises a larger corpus of knowledge. And that's the tailwind that's funding the expansion of our growth. Does that get to your...

Rajesh Kumar: It does, but it's a very top down, macro, I can see that that's true for Elsevier or any its...

Annie Callanan: It's true for Elsevier.

Rajesh Kumar: What is specific to Taylor & Francis that you're doing that brings that out?

Annie Callanan: Well, it doesn't have to be unique to us. It's also unique to Elsevier. It's unique to that top tier that sit there, and we're all benefiting, I think, from that macro trend. What's unique to Taylor & Francis is that we have the world's most diverse corpus, so we're doing it with more communities than anyone else. We have thousands of communities. They're not as deep as the Elsevier communities, but they're broader. And so, we all get at the top tier of that knowledge from different angles. We're the world's most diverse in terms of geography, in terms of disciplines and sub-disciplines, micro specialties, communities. And the complexity, delivering that kind of complexity at scale, where the micro markets are smaller, but you have far greater number of them and you have to adapt preferences, we don't say no to anyone. We don't dictate terms. We really can deliver that complexity at a very high degree of scale. And that's really the specialty at Taylor & Francis. We're operating in that top tier, but we're really the deepest and broadest corpus of all of them. Hope that helps.

Stephen A. Carter: Thank, Annie.

Rajesh Kumar: Okay.

Stephen A. Carter: I'm going to come to your second question just because we've only got another 20 minutes. Max, Charlie, on the IRS question.

Charlie McCurdy: Yeah.

Stephen A. Carter: Who's budgets are we going after? Let's not name companies, let's name...

Charlie McCurdy: I'll name one company, Google. You've heard of Google. Google by far is the largest place for B2B suppliers are spending money in sponsored links and that kind of thing, by far. And otherwise it's mostly legacy B2B media companies. And then third party aggregators who gather data from around various sources and come up with lead generation programmes. I think what our advantage is, is first party data and all the touch points we have to be able to characterise who's inquiring, where are they in the decision cycle, what's their budget, what's their spend likelihood. And I think that's what gives us a unique ability to expand our share of that market.

Rajesh Kumar: Thank you.

Stephen A. Carter: Next question. Question over here.

Nick Dempsey: Yeah, it's Nick from Barclays. I've got three questions on events. So in your presentation, Charlie, you gave the example of aviation week being able to achieve higher subscription numbers from the data driven work that you've done around your events. You're planning to sell all of your subscription businesses. Well, wasn't there a linkage there that could have been made between the data of your events and driving subscriptions to Informa Intelligence?

Nick Dempsey: Second question, what can you say about your competitors and what they're doing in data offerings around events? If you look at events over quite a long period of time, people have been talking about doing digital things around them, quite a lot. It's kind of turned out to be a hygiene factor that you just kind of have to do it and you don't really charge any more for it. So, if RELX exhibitions, they do all this stuff and they don't charge any more for their stands, do you just have to do all of this and don't get paid any extra for it? Is there a risk that it doesn't generate that extra revenue?

Nick Dempsey: And third question just on smart events, can you give a kind of broad example of where someone is paying for a stand without any kind of pre-show discovery or post-show analytics, but then if they do pay for those things, they pay more for a stand, like you said 20,000 before, is it 22,000 if you pay for the smart stuff?

Stephen A. Carter: Charlie, why don't we tic tac talk on this? I'll come in first question and half of the second, and then you can take half of the second and all of the third.

Charlie McCurdy: All right.

Stephen A. Carter: On the first question, there is no operational connection. There never has been between the brands, the markets, and the categories that we serve in Informa Intelligence and the brands, the markets, and the categories we serve in Informa markets or in Informa tech or in Informa connect. Secondly, they're not the same buyer by category. So even if we were in the same markets, we're not dealing with the same buyer. And thirdly, they're not buying the same services. So there is no linkage and we've never run them to have any linkage. So there is no risk, and therefore there is no loss. Our operating model as a company has always been certainly in my time running the company, to maximise the operational performance of our brands and our businesses in the markets that they serve, and then to extract shared value on shared services, not to run a complicated matrix model, whereby we try to create false connections between buyers who are buying different products or services that are not relevant to a category. So there is really no connective tissue. So therefore, there is no risk.

Stephen A. Carter: On your point on data and digital, I think you make a very valid point with that question. There is no doubt. And that was part of what I was referring to in my slide, Charlie, I think will pick it up, on the future's arrived early, is that what COVID has done is it has made essential what you rightly point to Nick, that many people have talked about for years, which is an embedded range of digital services. Like in many areas, there is just going to be no going back. Customers are just not going to live without certain embedded digital services in their event product. That on a going forward basis is a cost of doing business.

Stephen A. Carter: I actually think that benefits the larger scale event organiser, because you need to have a certain critical mass to be able to fund it, scale it, deliver it, and keep it current. And that absolutely will become a standard cost of doing business. And that will require a level of operating efficiency that we've got confidence that we can reach over the period of this plan. The question is, can you put other services around that, which you can make incremental revenue on? And I'll hand over Charlie to pick up from there

Charlie McCurdy: Yeah, sure. First of all, the face to face events business is a great business and irreplaceable. I think these smart elements are... We have to provide value, and the simplest example of this would be in the proverbial fishbowl, an exhibitor would have a hundred business cards. By the virtue of the data that we have as to who those inquiring people are, we can tell that exhibitor for a fee, where they should get to right away and call right away and who they shouldn't bother talking to at all. They don't have that insights now. That's extremely valuable to an exhibitor to convert the experience to have at an event, to their sales organisation and converting to sales. It's all about delivering actual value, not saying we're doing something digitally and charging for it.

Stephen A. Carter: And do you want to address, sorry, Max, do you want to go?

Max Gabriel: Just to add to that, I think one other thing we found out is our job used to be done at the events and the customer's job starts. And I think that's what the audience development part of it would actually take those leads and start to build marketing programmes, which actually creates more value.

Stephen A. Carter: And either Charlie or Andy, do you want to come in on the question around pricing around smart events? So, in other words, how do you either reprice the booth sale to put it simply, or how do you end up with a rate card for additional services, which are smart event services rather than standard present services?

Andy: When we converted over to virtual events, a lot of the sponsors had all the skepticism around the efficacy of any of the booth or sponsorship activity they did. And we certainly provided them with these incredible reports of all the people interacting with them, interacting with their competitors, and managed to provide them with a whole bunch of data they'd never had before. Now, in the short term, we use that to secure the virtual event money, so the highest sponsorship money that we would've delivered for face to face events. Moving out of it, we will be charging for all of those reports now. People, they're on the drug now. They now know that anyone who turns up to the event, we can give them soup to nuts information about everyone who's been there, who they've talked to, what they've done, what their interests are in, and there's a very, very high premium we can charge for those reports. Those reports are now being developed by Max, and they're going to be available across the whole of the events business.

Stephen A. Carter: Okay. Charlie, anything to add?

Charlie McCurdy: Yeah, just a quick as to pricing, the answer is we're still developing our pricing methodologies and an advantage we have by having such a broad portfolio is that we can test a la carte pricing over here. We can test bundling pricing over there and get a lot of quick feedback as to what works for customers. So we're right in the middle of that.

Stephen A. Carter: Okay. Nick, you happy? Next questions. There's one here. And there's one up on the... It's not my place to judge priorities on questioners. That's a very dangerous thing to do in this audience.

Speaker 2: You spoke about gaining unfair market share sort of thing. There are two questions around it. First, is there a focus industry sector, the eight sectors that were mentioned and geography around that, it terms of scaling up because you might not be as big in some of these sectors or geographies? And secondly, on the back of the earlier question, do you see an evolution of the industry where someone like an Informa can offer an outsource service for a go-to market? Because I was looking at the pie chart, you're already serving a lot of portions of the go-to market sort of exercise. And with IIRIS, do you see that evolution of you being able to offer a completely, as you said, bundled now sourced service to maybe smaller players or sellers who are looking for this sort of service?

Stephen A. Carter: Interesting question. I think on your first question, I would say again, Charlie, express your own view, that I think we would see geographically at a macro level, if you overlay geography on that subject sector specialisation slide of Charlie's, we would see North America and EMEA being our lead markets on multi-service deployment, which is not to say that we will not do it in China or in ASEAN, but in chronology, I think it will be North American and EMEA. Would you agree with that, Charlie?

Charlie McCurdy: Yeah, definitely with the US number one where we're most mature. EMEA more in developing and Asia has just very different agendas going on.

Stephen A. Carter: Yeah. And slightly to connect to that question, and one of Nick's earlier questions, it's definitely the case that in the US market, the US B2B buyer, the US exhibitor is very used to buying and indeed paying for albeit often from different people, multiple services.

Charlie McCurdy: Right.

Stephen A. Carter: That's not an unusual sale process in the US market or in parts of Europe. It's less usual in China or in parts of Asia. On your second question, I'm not sure slightly again, building on Charlie's point about we're building our pricing methodology as we're evolving these products, I think what we would say is it will make us, I think, more confident about the incremental revenues that we can drive out of acquired businesses that are not adding those services, which is I think a slightly different take on your outsource point. Same principle, but I think we would apply it differently.

Stephen A. Carter: We have always as a company and this may be wrong, I don't know, but it's where we are, and I'm not sure we're going to change it any time soon, we've tended to stay away from the managed service model. It's thinner margin. It's more complicated to operate, and it doesn't really play to what both Annie and Charlie have talked about, which is deep subject matter specialism. It just puts another distance between you and the market. Even where we have joint ventures and we do have some, we tend to always prefer to be in the driving seat. I don't know, Charlie, if you want to add anything on that.

Charlie McCurdy: Oh yeah, just quickly, if you look at the, I think it's the third to last slide with all those vertical market sectors, that those are the priority markets. There's some that show much more promise than others and we've identified them and are addressing them.

Max Gabriel: Just a quick foot note. If I understood your question correctly, during our Qualifi market research, as well as customer conversation, they have the same problem. They want to sort out their customer data. They want better segmentation. So it is, the demand is absolutely there and Stephen's right, we wouldn't do it as a managed service, but actually that's a great opportunity for audience development and digital demand generation.

Stephen A. Carter: Okay. Next question. Can we just have a touch more volume in just because of the wind? There's a question up on the stage.

Matthew Walker: Thanks a lot. It's Matthew again from Credit Suisse. So I've got two questions on T&F. The first one is going back to the earlier question about the 4%. Maybe I got it wrong, but is it basically that moving from two to now to four, is that basically getting more revenue from open access publishing? I couldn't see an awful lot, I could have missed it, around data services. So if you look at Clarivate or Elsevier's databases and tools business, databases, et cetera, I can't see much of that in T&F. So is it correct that the movement from two to four is coming mainly from open access? That's the first question. The second question is how much of the 150 investment is going into T&F and what's the depreciation schedule? How many years is the CapEx in T&F going to be depreciated over?

Stephen A. Carter: No third?

Matthew Walker: No, that's it.

Stephen A. Carter: Okay. Gareth, do you want to take the second question? Annie, you take the first.

Gareth Wright: Depreciation, sorry. Depreciation assumption across the projects is five years that we're assuming. It'll be a bit of a mix depending on what we're doing, but generally that's how we're modelling it out in terms of our figures. And in terms of the split of the investment, I'd probably say about a quarter of it is going into T&F on the whole, but again, a bit of its TBC, depending on what the investment council, et cetera, approves and runs with over time. But that's kind of a starting picture that we paint for it.

Stephen A. Carter: Annie, on the first question, sources of growth.

Annie Callanan: Yeah. Sources of growth are from the pay to publish model, which would include open research of which open access is a component. We think of open access as really the librarian's view of sort of opening up the access. Open research, as you would see from some of these service tiers on F1000 and across the broader portfolio, are really extending out the service level beyond just whether the content is published open access. There's a range of article types, broadening of types of data that we're taking in and publishing and the expansion around an open research model that has services associated with it. So yes, that is the core thrust of the growth from two to four, is maintaining our strong position in library services and expanding out to the pay to publish services.

Annie Callanan: I'm not even going to attempt to compare what we do to another publisher, but I know that I can say that we will really stay away from general reference content of which I think a lot of... The 20th century model was to put a lot of reference content in the database. The presumption was that if you put it in the database, it would have a long shelf life, and you could just charge subscriptions and we're dealing with primary research, we're dealing with a fast and even evolving, the most advanced, the most emergent knowledge, and not the reference knowledge that kind of sits out on the internet now and is publicly available.

Annie Callanan: I'm also not a big fan of the model of connecting the reference data to professional services, which I think Stephen alluded to earlier, is not sort of the ideal business model for us. But if you were buying those kinds of businesses, 10, 20 years ago, you want to maximise the output from them. And I'm not saying that they aren't good businesses. They're just not, I think they don't map to our expert centric model that we're focused on. We're focused on the individuals producing the knowledge, not on the knowledge itself, if that makes any sense. So I don't think they're comparable exactly, but it's really the model stemming from the continuation of primary research.

Stephen A. Carter: Thanks, Annie. Matthew, happy? Next question. Richard, oh, yeah. Fiona, question in the middle.

Fiona: It's just on Taylor & Francis. Given the proliferation of the knowledge that you are dealing with, how do you scale the validation and the authentication that you've got to do?

Annie Callanan: Yeah, yeah. It's such a great question. And that is what the gap two, in part, will help us continue to do. There is a human element that we will never be able to move beyond. And there is a finite number of specialists in every one of these thousands of communities. So it's A, managing the communities and their peer groups very, very well and very systematically, and using modern technologies include artificial intelligence, including automation. It's the combination of those things, but it's not exclusively a tech play. So it's really the interplay between both of those things. There are many processes that we can improve, synthesis that we can improve, validation of elements around who the authors are, who their networks are, authenticating elements of the contributors and some of the data itself that we can use modern technologies.

Annie Callanan: But we also still will continue to rely on human judgment, but it's sort of parsing that out, so that where you really need the human judgment, you have the capacity and the scale to do it. And you also have the deepest networks so that you can find them. And I think the other element that we're really excited about progressing on which the industry historically hasn't done, is to be more thoughtful about how we continue to reward the loyalty of the engagement and the way in which impact in a modern context can be measured, because historically, or in the 20th century, it was very limited. It was really exclusively by output. So, we think that there are enhancements to every facet of this model. The core elements are still firm, are still sustainable, but there are enhancements that we can bring to this that will buy us more scale. And I would hate to go beyond that at this point, but hopefully that gives you a bit of a flavour.

Fiona: And given that there are so many variables that you are putting into the process, how does that reflect in the charging structure?

Annie Callanan: Well, actually we're buying tremendous efficiency, so it balances out. There are areas where we are investing, but then there are areas where we are taking low value activities that were being done by people and we're automating them. So it's really the combination. There is a dividend, as I sort of indicated earlier, an efficiency dividend that offsets the increased investment. And I think for world class publishers, the responsibility is to get that balance right. And that's what we're really successfully doing right now. Thank you.

Stephen A. Carter: Final question. In the room, Richard. That doesn't mean you're allowed to ask a question.

Richard Menzies-Gow: Forgot what I wanted to ask you. There's quite a few questions, lots have been answered, but two, maybe two to follow on. One was around locations in relation to the B2B markets businesses, just around in the past, we've talked about certain municipalities, locations like Hong Kong giving incentives to get events back going. Is that still happening? Do you expect more of that?

Richard Menzies-Gow: And connected to that, the experience of COVID and the actions taken in some locations, things like border controls, does that change the way you think about some of those locations going forward? So that's one question and then it wouldn't be capital markets day without a margin question, Stephen, because I know you're waiting for it. There's quite a few different variables.

Stephen A. Carter: Thank you.

Richard Menzies-Gow: But question's really just around pay to read versus pay publish. Is there much difference in thinking about it? And then digital services versus traditional B2B events, maybe just a bit of colour around how people should think about.

Stephen A. Carter: Okay, Charlie, do you want to go first and then Annie might come in on the pay to read versus pay to publish and then I will try and avoid the question on margins. Charlie.

Charlie McCurdy: Yeah, the restrictions on crossing borders has been a lot less impactful in the United States and mainland China, because they're such big domestic markets that they can support very scalable shows. As I mentioned, the European shows have had a little bit more impact because of the border controls and a city like Hong Kong, which is par excellence, an international trade show destination, has had a very difficult year this year and they have offered incentives. The challenge is using them, because we haven't been able to host shows of scale this year. Quickly on the margin, I think we do have some advantage on the digital services in that we already have databases. We already have some content creation capabilities. So, the contribution margin we're able to develop off of those tend to be a little higher than freestanding companies.

Stephen A. Carter: Thanks, Charlie. Annie, on margin or growth profile of pay to read versus pay to publish.

Annie Callanan: We don't have a monolithic service anywhere in the company on pay to read or pay to publish. We have tens of thousands of contracts and every contract is unique to the service preferences, the service levels, and the tiering of what each customer favours and finds value in. And so, we have models that really approach each contract individually, but we have a very well developed sense of what our cost structures are. I think we've been very transparent with our customers based on the preferences that they indicate to us, what's important and what the range of costs are for us in those models. And therefore, what the pricing structures are going to be. These are very, very transparent conversations, not in the aggregate, but each customer with T&F. And that's important to us because we want to build trust with those customers.

Annie Callanan: So that is the reason why the margin is continually being successfully managed in the aggregate when you look at all of these preferences and all these changes. And it's true across the spectrum of pay to read and pay to publish. The only thing I would nuance here is that in the pay to publish, there is a slight uptick from volume. So there is a very low single digit drop in margin that's made up by the volume and therefore we still maintain in the aggregate if we were to sort of roll up all those individual contracts. But the bottom line is, is that every single customer has the right and opportunity to negotiate the preferences that they prefer and therefore for the rate to be dependent on those preferences.

Stephen A. Carter: Thanks Annie. The only thing I'd add overall on... We've taken the view, certainly pre COVID and I see no reason to change of post COVID, that value in the company is directly correlated to revenue. And revenue in both of our businesses, as we seek to diversify, is directly correlated to relevance. And we have no doubt about our relevance in the core products and services that we provide in both of our businesses, but we're seeking to expand our relevance and therefore our revenues in new products and new services. We remain very confident that we will have highly competitive margins, but our focus is on building revenues and relevance and then the margins will flow, but it'll be in that order. And I think that's the right thing to do.

Stephen A. Carter: Okay. I'm conscious we're three minutes over time for which I apologise. Talking of time, I'm always struck by somebody famously once said, that time is one of the few free goods universally available to us all. The only question is how do you choose to spend it? And for some reason, all of you in the room have chosen to it with us. And a few hundred people on the webcast have chosen to spend it with us. And I'm amazed at how many have stayed all the way to the end. So I'm always appreciative when people are willing to give their time to understand our company better.

Stephen A. Carter: We've certainly tried, and I hope we've been successful in laying out what we're trying to do with the future of Informa. We've got a very clear view about where growth should come from, how we accelerate that growth and the markets in which we've chosen to do that in. As I was saying in the break with someone should remain nameless, we are, and there is no new news here, we are a public company and therefore we are doing this in plain sight and transforming and diversifying your revenues and your products and services as a public company is a different challenge from trying to do it as a private company.

Stephen A. Carter: But we are very, very clear that the path of future value, if you're a shareholder in Informa, is for us to see our core revenues return and to diversify our products and service mix in both those markets to drive incremental revenue growth. And that will be where the value lies. We did that in gap one. We'll do it again in GAP II. We see ourselves as a growth company. I hope you understand that. I hope we've made it clear. I hope you've got some sense of our excitement about that. And most of all, I hope you're willing to stay the course. But thank you very much for coming today. Thanks for being on the webcast. And I look forward to continued engagement. Thank you.

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