

Informa PLC

Results for 12 Months to 31 December 2018

2018: Combination & Creation

2019: Performance & Growth

KEY FINANCIAL AND OPERATING HIGHLIGHTS¹

- **Strong Revenue Growth:** +3.7% underlying and +34.9% reported to £2,369.5m, including six months of UBM (2017: £1,756.8m)
- **Higher** Adjusted Operating Profit: +2.3% underlying and +34.4% reported to £732.1m (2017: £544.9m)
- **Improved** Statutory Operating Profit: £363.2m (2017: £344.7m)
- **Increased** Adjusted Diluted Earnings per Share: +7.0% to 49.2p (2017: 46.0p); Statutory EPS of 19.7p (2017: 37.6p), with prior year including non-cash credit from US tax reforms
- **Attractive** Free Cash Flow: £503.2m and £600m+ including a full year of UBM (2017: £400.9m)
- **Robust** Balance Sheet, in line with plan: Net debt/EBITDA¹ at 2.9x (2017: 2.5x)
- **Enhanced** Dividend: up 7.1% to 21.90p (2017: 20.45p)

London: Informa (LSE: INF.L), the International Exhibitions, Events, Information Services and Scholarly Research Group, today published its financial results for the 12 months to 31 December 2018, reporting a further period of operational progress and improving financial performance.

Stephen A. Carter, Group Chief Executive, said: "In 2018, the Informa Group delivered a fifth consecutive year of improving growth, increasing adjusted profits, adjusted earnings per share, cashflow and dividends."

He added: "In 2019, our focus is on continuing Performance and Growth as we consolidate our market positions and further reduce complexity. This will enable us to make the most of our increased operating scale and industry specialisation, creating attractive opportunities for incremental growth and returns."

- **Continued progress across all Operating Divisions in 2018:**
 - **Global Exhibitions:** International and regional scale, depth in attractive market verticals and leading B2B Brands deliver strong underlying revenue growth of +6.7%;
 - **Academic Publishing:** Consistent performance in Journal subscriptions, good growth in Open Access and improved growth in specialist Books following operational improvement programme deliver a +2.2% increase in underlying revenue;
 - **Business Intelligence:** Robust subscription renewals, improving new business momentum and consistent performance in consulting and specialist marketing solutions generates underlying revenue growth of +2.6%;
 - **Knowledge & Networking:** Enhanced digital offering and focus on major event brands in **Finance**, **TMT** and **Life Sciences** verticals delivers improved performance, with underlying revenue growth of +2.3%;
 - **UBM Portfolio:** Twelve months pro-forma performance of UBM as expected, with underlying revenue growth of +2.8% up from +1.4% in 2017, with Events growing by +4.1%, offsetting a -5.8% decline in Other Marketing Services (including Life Sciences);
 - **Consistent profit growth:** Underlying profit growth of +2.3%, reflecting growth mix and increased depreciation from completed *GAP* investment and major *GLOBE* enterprise technology upgrade;
 - **Flexible Funding:** Funding flexibility extended through new £900m revolving credit facility, following on from a successful refinancing via over-subscribed Euro/Sterling bond issue;
 - **Progressive Dividends:** Strong free cash flow underpins commitment to attractive and consistent dividends, growing in line with earnings, at +7.1% to 21.90p per share.

¹ See Financial Review for details on non-statutory measures

- **Accelerated Integration Plan (“AIP”) ahead of schedule:** Programme to create an effective and efficient operating model for the expanded Informa Group progressing well, with the focus on minimising disruption and maximising the opportunities for incremental growth and returns:

AIP 1. Operating Model: Integration of UBM businesses into Informa now complete, with brands combined through a new divisional operating structure, more focused around customer markets. From 2019, we are operating as **Informa Markets**, **Informa Connect** and **Informa Intelligence**, while our **Academic Publishing** Division continues trading as **Taylor & Francis**. In addition, we have created a fifth Division, **Informa Tech**, bringing together all our specialist data, research, media, events and training brands serving the **Technology** industry, moving us closer to customer markets and communities, and creating more opportunities to add value.

AIP 2. Leadership & Talent: Strengthened talent, combining the best of both from Informa and UBM; more than 100 Senior Leadership appointments made, with reporting lines and team structures finalised across the Combined Group. Following Patrick Martell’s appointment as **Group COO**, appointments of Lara Boro as CEO of **Informa Intelligence** and Gary Nugent as CEO of **Informa Tech**. Charlie McCurdy, Andrew Mullins and Annie Callanan continue in their successful leadership roles as the CEO of **Informa Markets**, **Informa Connect** and **Taylor & Francis** respectively;

AIP 3. Progressive Portfolio Management (“PPM”): Focus on building depth and breadth in key industry verticals and on high quality, predictable sources of revenue lead to successful disposal of the **Life Sciences Media Brands Portfolio** in January 2019 for over \$100m. Further targeted PPM disposals progressing, with 5%+ of Group revenue remaining potentially in scope overall;

AIP 4. Operating Synergies: Programme to reduce areas of duplication and simplify operations and systems on budget and on schedule. End of the **Completion** phase of the AIP gives us visibility and confidence that we will deliver at least £50m of annualised cost savings in 2019 and meet our run-rate targets of £60m by end 2020 and £75m by end 2021; Potential incremental opportunities in enterprise resource technology and shared services currently being assessed, with implementation from 2020. Revenue initiatives also well underway, with initial focus on cross-marketing and international sales, with early benefits expected from the second half of 2019. Longer term opportunities in geo-extensions, sponsorship and digital services.

AIP 5. Fashion GAP: Three-year operational fitness programme on track, led by new Managing Director, Mark Temple-Smith. Experienced team focused on revitalising brands and marketing, enhancing the customer database, strengthening industry relationships and improving the experience. Historical scheduling commitments and annual show cycles influence the pace of change but encouraging customer response to initial changes and future plans at recent *Magic* and *New York* shows.

AIP 6. Brands, Identity, Structure & Values: Increased verticalisation across the Group reflected in updated Brand architecture, simplifying our customer proposition and providing greater flexibility in specialist B2B markets. Divisional brands adapted to lean into the strength of the Informa brand (click [link](#) for more) and bringing the Group closer together. Supported by ongoing work on distinguishing our existing core purpose and values across the expanded Group;

ENQUIRIES

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ANALYSTS AND INVESTORS

There will be a presentation to analysts at 9.30am on 7 March 2019 at Bank of America Merrill Lynch, 2 King Edward Street, London, EC1A 1HQ. A simultaneous webcast of the analysts’ presentation will be available via the Company’s website (www.informa.com).

2018 Financial Highlights

	2018 £m	2017 £m	Reported %	Underlying ¹ %
Revenue	2,369.5	1,756.8	34.9	3.7
Statutory operating profit	363.2	344.7	5.4	
Adjusted operating profit ²	732.1	544.9	34.4	2.3
Adjusted operating margin (%) ²	30.9	31.0		
Operating cash flow ²	667.9	494.8	35.0	
Statutory profit before tax	282.1	268.2	5.2	
Adjusted profit before tax ²	649.7	485.8	33.7	
Statutory profit for the year	221.6	313.2	(29.2)	
Statutory diluted earnings per share (p)	19.7	37.6	(47.6)	
Adjusted diluted earnings per share (p) ²	49.2	46.0	7.0	
Dividend per share (p)	21.90	20.45	7.1	
Free cash flow ²	503.2	400.9	25.5	
Net debt ²	2,681.9	1,373.1	95.3	

2018 Divisional Highlights

	2018 £m	2017 £m	Reported %	Underlying ¹ %
GLOBAL EXHIBITIONS				
Revenue	575.8	560.4	2.7	6.7
Statutory Operating Profit	116.4	126.2		
Adjusted Operating Profit	200.1	201.4	(0.6)	6.0
Adjusted Operating Margin (%)	34.8	35.9		
ACADEMIC PUBLISHING				
Revenue	533.2	530.0	0.6	2.2
Statutory Operating Profit	138.3	154.1		
Adjusted Operating Profit	198.4	208.0	(4.6)	0.3
Adjusted Operating Margin (%)	37.2	39.2		
BUSINESS INTELLIGENCE				
Revenue	385.6	383.4	0.6	2.6
Statutory Operating Profit	69.3	47.2		
Adjusted Operating Profit	91.1	91.6	(0.5)	0.9
Adjusted Operating Margin (%)	23.6	23.9		
KNOWLEDGE & NETWORKING				
Revenue	261.4	283.0	(7.6)	2.3
Statutory Operating Profit	9.2	17.2		
Adjusted Operating Profit	39.9	43.9	(9.1)	(2.1)
Adjusted Operating Margin (%)	15.3	15.5		
UBM (STUB PERIOD)³				
Revenue	613.5			3.7
Statutory Operating Profit	30.0			
Adjusted Operating Profit	202.6			2.2
Adjusted Operating Margin (%)	33.0			

¹In this document we refer to Underlying and Reported figures. Underlying refers to results adjusted for acquisitions/disposals, the phasing of events and the effects of changes in foreign currency. Year-on-year growth from acquisitions/disposals is included on a pro-forma basis from the first day of ownership. Reported figures exclude all such adjustments.

²In this document we also refer to Statutory and Adjusted results, as well as other non-statutory financial measures. Adjusted results are prepared to provide an alternative measure to explain the Group's business performance. Adjusted results exclude adjusting items as set out in Note 6. Operating cash flow, free cash flow, net debt and other non-statutory measures are discussed in the Financial Review.

³UBM stub period reflects its period of ownership from 15 June 2018.

Trading Outlook

Over the last five years, we have progressively invested to build a business with international reach and depth in specialist B2B markets, with an increasing proportion of recurring revenues. Today, we operate in all major regions with more than 65% of our future revenue visible and predictable.

This puts us in a good position to manage macro-economic cycles and the current volatility stemming from uncertainties such as Brexit in the UK and Europe, trade tensions between the US and China, and wider global growth considerations. Whilst not immune to the impact of some of these wider factors, we have set out to build resilience into the business through the quality of our B2B brands, the reach and breadth of our portfolio in specialist markets and the depth of our customer relationships.

Performance & Growth

In 2019, our focus is on delivering continued performance and growth across the enlarged Group, whilst we consolidate our market positions, and further adapt our operations to reap the full revenue, profit and cashflow benefits of our increased international reach in attractive specialist markets.

The quality of our revenue mix means we have resilience and visibility across the enlarged Informa Group, with more than half of Exhibitor and around two-thirds of Subscription revenues for 2019 already booked. Combined with A/P benefits on both revenues and costs, this gives us confidence that we can deliver continuing underlying revenue growth, improving margins and strong cashflow in 2019.

INFORMA MARKETS

Informa Markets brings together the majority of Informa's **Global Exhibitions** Division with the majority of UBM's Events businesses, creating a portfolio of high quality B2B Brands with international reach and a platform for product innovation and extension.

In 2019, this enlarged business is performing well, including in **Real Estate & Construction** (*World of Concrete*) and **Health & Nutrition** (*Natural Products Expo West*), with encouraging rebooking trends for 2020 and no negative shift in patterns across major brands to date. Our depth in specialist markets across the enlarged portfolio creates attractive incremental opportunities for growth, and while historical challenges in **Fashion** will take time to resolve, we are confident we can continue to grow ahead of the wider Exhibitions market in 2019, with an underlying growth target for our enlarged business of 4.5%+.

INFORMA CONNECT

Informa Connect brings together the **Knowledge & Networking** Division, absent the TMT portfolio that is now part of **Informa Tech**, with a number of content-led brands from UBM, creating a business with content at its core and particular depth in **Life Sciences** and **Global Finance**.

Increased focus on major brands and development of a broader revenue mix over recent years has improved the quality and visibility of earnings, delivering a steady improvement in underlying growth. Current pacing patterns in 2019 remain encouraging, giving us confidence we can further improve performance this year, with a target of 2.5%+ underlying revenue growth and improved margins.

INFORMA TECH

Informa Tech was created by combining Informa's technology brands within **Business Intelligence** and **Knowledge & Networking** with those in UBM's portfolio. This creates a business with high quality specialist B2B brands (eg *Blackhat*, *AfricaCom*, *Light Reading*, *Ovum*, *GDC*, *AI Summit* and *Tractica*) and deep customer relationships across a range of Data, Research, Media, Events & Training products.

These market positions create attractive opportunities for product innovation and growth. In 2019, we are targeting 2%+ underlying revenue growth but as we leverage our full product capabilities and further strengthen customer relationships, our ambition is to double this growth rate over four years.

INFORMA INTELLIGENCE

Informa Intelligence brings together the majority of brands within **Business Intelligence**, other than the *Ovum* TMT business which is now part of Informa Tech, with information brands from the UBM portfolio such as *Barbour ABI*. This creates a specialist information and data business underpinned by subscription revenues with high renewal rates and strong forward visibility.

With good growth in annualised contract values through the key subscription period and continued momentum in transactional revenues, we are in a good position to deliver continued improvement in 2019. Supported by further portfolio focus, we are targeting around 3% underlying revenue growth.

TAYLOR & FRANCIS (ACADEMIC PUBLISHING)

Our investment in international sales, digital platforms and Open Access over recent years, combined with a constant focus on operational improvement, underpins consistent performances and we expect this to continue in 2019, with the target another year of 2%+ underlying growth and margin strength.

In Journals, core subscriptions remain robust, with consistent renewal rates, while Open Access continues to grow attractively, as we build on the platform and capabilities acquired with *Dove Medical Press*. In Books, we continue to see the benefits of our operational improvement programme through increased front list volumes, more efficient production, and improved discoverability of content.

Operational Review

FROM GAP TO AIP: SCALE, SPECIALISATION, COMBINATION & CREATION

In 2014, we launched the **2014-2017 Growth Acceleration Plan (“GAP”)**, a programme of measured change designed to repair and refocus our businesses, strengthen our core capabilities and build platforms for future growth and scale. This saw us invest around £100m of incremental capital in the business, adapt our operating model to be more aligned with our customers and bring fresh talent and experience into the Group.

Through the last five years, this commitment has delivered a steady improvement in underlying revenue growth, with all four Operating Divisions delivering over +2% underlying growth in 2018 and Group underlying growth reaching +3.7%. More specifically, each of the four historical Operating Divisions has made significant individual progress:

- **Global Exhibitions - Depth:** We expanded significantly, both organically and through a series of targeted acquisitions, taking a small business concentrated mainly in the Middle East to become the leading Exhibitions operator globally, with significant international depth and reach within a number of attractive B2B industry verticals;
- **Business Intelligence - Growth:** We reorganised and restructured the business to be closer to its customer markets and focused on subscriptions, injecting fresh leadership and investing significantly in its core products and platforms. This has delivered a progressive turnaround from negative growth of -8.5% back to positive underlying growth, with +2.6% reported in 2018.
- **Knowledge & Networking - Focus:** We focused the business, moving it away from its historical roots as a small, volume conference producer to concentrate on building major events brands that repeat each year and are the convening place for an industry. We invested in new leadership and in strengthening our digital infrastructure, offering more services to more customers, with particular focus on the **TMT**, **Life Science** and **Finance** verticals. This has delivered steady improvement in performance, with underlying growth of +2.3% in 2018.
- **Academic Publishing - Mix:** We progressively invested and refocused the business, both in Books and Journals. In the former, we consolidated into a single, global Books operation and built a digital platform, delivering substantial market and customer benefits. In Journals, we have invested significantly in Open Access, both organically and through the addition of *Dove Medical Press*, building capacity and capabilities in this fast-growing segment of the market.

The success of *GAP* and transformation of the Informa Group over this period gave us the confidence and capabilities to pursue the addition of the UBM portfolio to the Informa Group, a business that had been on a similar journey of focus and investment, with a highly complementary footprint and a reach in Asia that we did not have.

As part of this Combination, in June we launched the **Accelerated Integration Plan (“AIP”)** which, like *GAP*, is a paced and deliberate programme of change and adaptation, designed to create a fully integrated and performing business that has the capabilities to pursue further growth.

2019: PERFORMANCE & GROWTH

This progressive improvement in operating focus and performance through the last five years has only been possible through the hard work and commitment by Informa colleagues around the world. In 2019, our ambition is to continue to perform financially and operationally, delivering continued growth and improving levels of profitability. But we will also invest and adapt our operations to enable us to make the most of our international reach and market depth.

Our businesses deliver connections, knowledge, insights and intelligence within these niche markets and specialist subjects. The closer we are to the fabric of these professional communities, the more we become part of the specialist markets we serve and the greater opportunity to add value and create opportunities for customers and ourselves.

This strategy to build depth within specialist markets and a deeper relationship with our customers will be a key focus of our **2019 Capital Markets Day**, which will take place in London on 10 May, with presentations from Group and Divisional management teams from across the enlarged Informa Group.

ACCELERATED INTEGRATION PLAN AHEAD OF SCHEDULE

We launched the *AIP* in June, a one-year, phased programme of activity focused on six core areas, designed to integrate the UBM portfolio into the Informa Group effectively, bringing the two Groups together swiftly, with minimal disruption. Since then, we have moved through the **Discovery & Validation** and **Combination** phases of the *AIP*, validating our approach to integration and finalising operating structures, confirming leadership positions and updating reporting lines.

Since November 2018, we have been in the **Completion** phase of the *AIP*, when we have started to operate as a single, integrated business. We moved quickly to establish combined teams and leaders to ensure ownership of 2019 budgets and these teams are now going to market and speaking to customers as one business, with the UBM brand being progressively retired through the year.

Looking forward, we will soon move into the **Ambition & Creation** phase of the *AIP*, taking us through to the one-year anniversary in mid-June. This will see us more closely align the Group around a shared purpose as we use our increased international reach to extend into adjacent products and specialist markets, supported by further integration of platforms and processes.

AIP 1. Operating Model: Increased focus and orientation around customer end-markets

Our starting point in making decisions on operating approach has been to prioritise customers and the markets in which they operate. In all our businesses we are generally organised around the industry verticals they serve. Even in regions like Asia or Brazil, beneath the regional management structure, the brands are organised and operate through industry clusters and verticals.

The increasing verticalisation of Informa within all our businesses is transforming our relationship with customers from single product provider to broader strategic solution partner, as we seek to support them with a variety of B2B products and services within their specialist markets.

As part of this shift, we have used the Combination to strengthen the brand identities and names of our Operating Divisions (click [link](#) for more), recognising that all our businesses are striving to do more for customers. Other than for specific reasons in our Academic Publishing business, this change sees us adopt simple descriptors for each of our businesses, all aligned behind the Informa master brand. This leans into the depth and reach of Informa and the full range of our B2B capabilities, bringing the Group closer together. It also sees us launch a new business, **Informa Tech**, one of five Operating Businesses going forward:

Informa Markets ...formerly Global Exhibitions

Our largest business brings together the majority of Informa's **Global Exhibitions** Division with the majority of UBM's **Events** businesses, creating a portfolio of 450+ major B2B brands across a wide range of attractive industry verticals:

Informa Markets Verticals and Brands	% Revenue
Healthcare & Pharma (<i>CPhI, Arab Health, Hospitalar</i>)	15%
Infrastructure, Construction & Real Estate (<i>World of Concrete, TISE West, Cityscape</i>)	10%
Fashion & Apparel (<i>WWD Magic, Coterie, FN Platform</i>)	10%
Health & Nutrition (<i>Natural Products Expo, SupplySide West, Food Ingredients</i>)	9%
Manufacturing, Machinery & Equipment (<i>MD&M, ProPak Asia, Sign China</i>)	7%
Hospitality, Food & Beverage (<i>Food & Hotel Asia, FIA Indonesia, Hotelex</i>)	7%
Maritime, Transportation & Logistics (<i>Monaco Yacht Show, Seatrade, Intermodal</i>)	6%
Beauty & Aesthetics (<i>China Beauty, Anti-Aging World Congress, Cosmoprof Asia</i>)	6%
Jewellery (<i>Hong Kong Jewellery Show, Jewellery Arabia, Istanbul Jewellery Show</i>)	6%
Media & Entertainment (<i>Licensing Expo, CommunicAsia, Lighting Show</i>)	5%
Aviation & Aerospace (<i>MRO Americas, Aviation Week, Routes, CAPA</i>)	5%
Energy, Utilities & Resources (<i>Middle East Electricity, Waste Expo, WWETT</i>)	4%
Agriculture (<i>Agrishow, Farm Progress, Growtech</i>)	4%
Other (<i>Furniture China, China Baby & Maternity Show, One of a Kind</i>)	6%

Across this portfolio of major brands, the vast majority of our income is generated through high quality, resilient and predictable Exhibitor revenue. However, in recent years, both Informa and UBM have been investing to develop other valuable products and services, strengthening the customer relationship and broadening the mix.

This includes data and digital services, including digital directories and more targeted lead generation tools, as well as sponsorship (endemic and non-endemic) and specialist content. As we build greater depth within a vertical, across different points in the supply chain and different international markets, we gain improved understanding and knowledge, more insightful data, increased connections and enhanced relationships. This will allow us to derive incremental revenue opportunities and help us to consistently grow ahead of the wider Exhibitions market.

In a number of our verticals, the enlarged Group creates a business with significant international reach and depth within the market it is serving, with an established range of B2B services, including in:

- **Health & Nutrition:** Our portfolio brings together major brands across the supply chain of the nutraceutical and health foods industry, from ingredients (*Supplieside West, Vitafoods, Food Ingredients*) through to packaged goods (*Natural Products Expo West, Expo East*). Supporting these brands are a suite of data, information and media brands including *Natural Products Insider, ingredientsnetwork.com, NFM, Nutrition Business Journal* and *NEXT*. The value of these adjacent revenue streams is evident in the consistent growth of the business and high level of rebooking at its shows, which is ahead of the **Informa Markets** average.
- **Aviation:** We have created a portfolio of strong B2B industry brands across different segments of the Aviation market, including Aerospace, Air Transport, Space, MRO and Business Aviation, providing data, intelligence, analysis, forecasts and events through brands such as *Inside MRO, Aviation Week, Air Transport World, ASM, AC-U-KWIK, Routes and CAPA*, the latter a recent information and data services addition to the portfolio.

Informa Connect...formerly Knowledge & Networking

Informa Connect is a business with content at its core and with particular depth in **Life Sciences, Global Finance** and several other specialist markets. It includes a portfolio of around 400 major content-led events brands, including around 35 individual events generating revenue over £1m.

The business brings together the **Knowledge & Networking** Division, absent the TMT portfolio that is now part of **Informa Tech**, with a number of content-led brands from UBM, including the *CBI Life Sciences* event brands and *BioProduction Congress*, amongst others. It also includes *Greenbuild*, our content-rich confex brand serving the **Sustainability & Green Building** vertical.

Over recent years we have been investing in our digital infrastructure and marketing capabilities within the business, helping us launch new specialist products and services that further deepen the connection and relationship with customers within verticals. This has broadened our revenue mix, with **Informa Connect** now generating around 40% of its income through high quality and predictable Exhibitor and Sponsorship revenue, a similar amount from Attendees, around 10% from Marketing Services and 10% from transactional services like Consulting and Copy Sales.

Informa Tech...a new, market-based business

Informa Tech is a market-based business providing a range of B2B services that inform, educate and connect specialist communities and audiences across the **Technology** industry.

The business was created by combining Informa's B2B technology brands within **Business Intelligence** and **Knowledge & Networking** with those in UBM's portfolio, creating scale within a vertical across Data, Research, Media, Training and Events.

The strategy to organise and operate around the customer end market rather than by product format is similar to what we are already doing inside **Informa Markets, Informa Connect** and **Informa Intelligence**. The sheer range of brands the Combination brings together across the **Technology** vertical provides the opportunity to adopt this approach at scale. We have a strong belief that by organising and operating around the **Technology** market, it will strengthen our relationship with customers and create incremental opportunities for growth.

Informa Tech has a portfolio of more than 100 brands generating income through more than 3,500 major exhibition/sponsorship clients and across audiences encompassing around 200,000 annual delegates, almost 3,000 research subscribers, and over 2 million monthly readers to our specialist content products. Our brands have strong positions within a number of core sub-sectors within the Technology market, including:

- **Security:** *Blackhat, Dark Reading, Security Now, Ovum*
- **Emerging Technologies:** *AI Summit, Internet of Things World, Wards Auto, Innovation academy, AI Business, Tractica, Wards Intelligence, Ovum*
- **Media & Entertainment:** *VRDC, Cable Congress, Game Developer's Congress, Gamasutra, Ovum, Heavy Reading*
- **Critical Comms:** *IWCE, Urgent Communications, Mission Critical Technologies*
- **Enterprise IT:** *Interop, ICMI, Cloud & DevOps World, Information Week, Ovum*
- **Service Providers:** *5G series, AfricaCom, TechXLR8 Light Reading, Ovum, Heavy Reading*

Informa Tech's revenue mix reflects the range of B2B services it provides, generating around 40% from predictable and resilient Exhibitor/Sponsorship revenue, circa 20% from Attendee revenue, 10% from Training, 10% from Subscriptions, 10% from Marketing Services and 10% from transactional services such as Consulting and Copy Sales.

Informa Intelligence...formerly Business Intelligence (subject to Portfolio Management)

Informa Intelligence is an information and data business delivering actionable insights and intelligence on specialist markets, helping customers make better decisions faster.

This business brings together the majority of brands within the **Business Intelligence** Division, other than the *Ovum TMT* business which is now part of **Informa Tech**, with information brands from the UBM portfolio such as *Barbour ABI*.

The focus for growth within **Informa Intelligence** is in attractive core verticals where we have particularly strong brands and market positions, such as in **Pharma, Retail Financial** and **Maritime**. Through **Progressive Portfolio Management**, in 2019 we will increase this focus further as we review options for some of our other businesses, putting greater emphasis on customers and end markets offering growth and expansion opportunities.

At its heart, **Informa Intelligence** is a resilient and predictable subscriptions business, generating around 70% of revenue through products with high renewal rates. The depth of our specialist knowledge also enables us to generate transactional income via contingent products such as Consulting, Data & Copy Sales and Marketing Services, feeding off the strength of our subscription relationships.

Taylor & Francis

Our **Academic Publishing** business helps academics and researchers around the world discover and learn through a portfolio of specialist knowledge and research brands. It goes to market as the Taylor & Francis Group and, more specifically, through our many reputable publishing Brands such as *Routledge, Psychology Press, CRC Press* and *Dove Medical Press*.

Pro-Forma Financials for the New Operating Structure

The table below illustrates the 12-month pro-forma financials for the new Informa divisional structure in 2018 and 2017, including UBM's businesses, providing a historical picture of the growth and margin profile. Note that these figures exclude the **Life Sciences Media Portfolio**, which was recently sold.

Pro-forma 12-month financials	2018	2017	Reported
	£m	£m	%
INFORMA MARKETS			
Revenue	1,356.4	1,349.9	0.5
Adjusted Operating Profit	426.9	443.0	(3.6)
Adjusted Operating Margin (%)	31.5	32.8	
INFORMA CONNECT			
Revenue	214.9	236.6	(9.2)
Adjusted Operating Profit	30.7	36.2	(15.2)
Adjusted Operating Margin (%)	14.3	15.3	
INFORMA TECH			
Revenue	225.8	224.8	0.4
Adjusted Operating Profit	56.9	53.9	5.6
Adjusted Operating Margin (%)	25.2	24.0	
INFORMA INTELLIGENCE			
Revenue	359.0	357.5	0.4
Adjusted Operating Profit	91.2	88.9	2.6
Adjusted Operating Margin (%)	25.4	24.9	
TAYLOR & FRANCIS			
Revenue	533.2	530.0	0.6
Adjusted Operating Profit	197.3	204.0	(3.3)
Adjusted Operating Margin (%)	37.0	38.5	
INFORMA GROUP			
Revenue	2,689.3	2,698.8	-0.4
Adjusted Operating Profit	803.0	826.0	-2.8
Adjusted Operating Margin (%)	29.9	30.6	

AIP 2. Leadership & Talent: Management strength and depth

One of the key objectives of the *AIP* was to move quickly on key leadership decisions, with a plan to combine teams and structures by the end of the Summer. This ensured clarity and stability as we went into the annual budgeting and planning period in November.

As detailed last July, this led to a series of management confirmations within Group functions in early Summer, followed by Divisional appointments later in the third quarter, finalising Senior Management positions and reporting lines within the individual businesses.

This included a structured, long-term succession plan for the business in Asia, with Margaret Ma Connolly becoming CEO of the enlarged UBM Asia business and the current CEO, Jime Essink, moving to President, retaining specific responsibility for the Sinoexpo joint venture and UBM ASEAN, including the Allworld businesses.

In total, more than 100 senior leadership roles have now been made across the Group. Following Patrick Martell's promotion to **Group COO** and the decision to break-out our Technology businesses into a separate, market-facing business, these appointments include two new Divisional CEO roles:

- **Lara Boro as CEO of Informa Intelligence:** Lara has been a Managing Director within the **Business Intelligence** Division through the last four years, working with Patrick Martell to restructure the business and return it to growth. This included taking direct management responsibility for three of the vertical businesses over the last two years.
- **Gary Nugent as CEO of Informa Tech:** Gary has been a Managing Director within the **Business Intelligence** Division through the last four years as well, working alongside Lara and Patrick. Initially, Gary's focus was on restructuring the sales operation but for the last two years he has had direct management responsibility for the other three vertical businesses.

The other three Divisional CEOs continue in their successful leadership roles, with **Charlie McCurdy** as **CEO of Informa Markets**, **Andrew Mullins** as **CEO of Informa Connect** and **Annie Callanan** as **CEO of Taylor & Francis**.

We have been operating through the new structure since late Summer, enabling us to enter 2019 as a single business, with budgets and business plans owned by each of the leaders and their respective teams.

AIP 3. Progressive Portfolio Management: Increased focus on core growth verticals

When we launched the *Growth Acceleration Plan* five years ago, with the objective of repairing and returning all our businesses to growth, our strategy was built around moving closer to customers by accelerating the verticalisation of our portfolio. Within our **Exhibitions** business, we combined underlying growth with targeted expansion in core vertical markets, whilst within **Knowledge & Networking** we proactively managed our portfolio to focus on the three core markets of **Life Sciences**, **Finance** and **TMT**.

Through further **Progressive Portfolio Management** ("PPM"), we are continuing the shift to greater verticalisation across the Group, including in our information businesses, where we are increasing our focus on verticals where we have particularly strong specialist brands and market positions, higher quality predictable revenue streams, and/or we see attractive opportunities for growth and expansion.

In January, this led to the disposal of UBM's **Life Sciences Media Brands Portfolio** for a consideration of over \$100m to MJH Associates, a leading US-based independent, full-service healthcare and medical communications company. This business represented just under half of the revenue previously reported by UBM as **Other Marketing Services**, with the majority being generated through a mix of advertising and sponsorship products across three core vertical markets: **Healthcare**, (including the brands *Medical Economics*, *Practical Cardiology*, *Dermatology Times*), **Pharma** (*LC/GC*, *Pharmaceutical Technology*, *BioPharm International*), and **Animal Health** (*DVM360*, *Vetted*, *Firstline*).

Elsewhere within our portfolio of information businesses, our focus is on growth verticals such as **Retail Financial**, **Pharma**, **Technology** and **Maritime**. As part of PPM, we are reviewing a number of businesses in other areas and expect to complete this by the end of 2019, with potentially up to £120m of annual revenue in scope, beyond the **Life Sciences Portfolio** already sold.

AIP 4. Operating Synergies: On track to deliver £50m cost savings in 2019

The Combination brings together teams and structures across multiple geographies and verticals, leading to significant opportunities for operating synergies by removing duplication, consolidating structures and systems and targeting operating efficiencies.

In 2018, we moved through the **Discovery & Validation** and **Combination** phases of the AIP at pace, making decisions on roles, reporting lines and team structures quickly to remove uncertainty for individuals, whilst also identifying any opportunities for quick wins with suppliers.

This enabled us to enter 2019 with much of the work having been done to deliver this year's cost savings target of at least £50m. Much of these savings will come from central group functions and **Informa Markets**, where there is the greatest level of duplication.

Similarly, we remain confident of delivering our future cost savings targets, with the goal to increase the run-rate of annualised cost savings to £60m by the end of 2020 and £75m by the end of 2021. These incremental increases will largely come through property, further simplification of IT systems and licences and other procurement benefits as existing contracts expire.

Many of these projects are being led by **Patrick Martell**, in his new role as Group COO. In addition, through 2019 Patrick is leading an in-depth assessment of structures and processes across the new Informa Group, from the architecture and approach to enterprise resource technology to the most effective way to run our shared service activities. These decisions will then be implemented from 2020, with the potential for incremental cost savings, although at this stage the quantum, timing and extent of reinvestment remains to be determined.

Revenue Opportunities

While cost synergies have been the primary near-term focus, we are now firmly focused on pursuing revenue opportunities created by the enlarged Group. Many of these flow from our strategy to build depth in industry verticals, which both secures revenue predictability and creates incremental growth.

We are approaching these opportunities using the same **6-Step Revenue Growth Plan** adopted for Penton and other portfolio additions:

1. **Cross-Marketing:** The most immediate opportunities lie in cross-marketing customer lists across exhibition brands serving similar end markets in different geographies or in a different part of the value chain. A number of these initiatives are already underway including in **Health & Nutrition, Real Estate & Construction, Healthcare** and **Beauty & Aesthetics**.
2. **Internationalisation:** Similarly, there are opportunities to drive international sales at existing events by leveraging the relationships and reach of UBM and Informa in different geographic regions. This also includes geo-extensions of events into new territories, as well as tactical new launches and co-location opportunities. Asia and the Middle East are a key focus for these initiatives.
3. **Data & Marketing Solutions:** As we build scale and depth in verticals, more opportunities arise to leverage our expertise, knowledge and connections with customers and audiences through content, data and marketing services. The Combination creates particular opportunities within verticals such as **Health & Nutrition, Pharma, Life Sciences, Beauty, Technology** and **Aviation**.
4. **Digitisation:** Another focus is on the digital opportunities created through our increased scale and depth in verticals. A dedicated Digital Services team has been established under the leadership of **John Van der Valk**, the previous Managing director of the *CPhI* portfolio, and we are aligning plans and models across **Informa Markets**. This includes the continued rollout of our *Markit Mkr* directory and lead generation platform.
5. **Sponsorship:** Our increased international reach also creates opportunities for **non-endemic sponsorship**, aimed at major advertisers looking for targeted reach within a particular audience demographic. Through a dedicated team, we are now packaging and productising for this purpose.
6. **Customer Value Initiatives:** We are also sharing best practise in the range of services we offer to exhibitors and attendees at our Exhibitions and Events, and the different ways we prioritise and productise them.

AIP 5. Fashion GAP: Plan on track, early feedback encouraging

Following completion in mid-June, we moved quickly to launch our **Fashion GAP**, a programme of change and investment to return the UBM Fashion business to growth after several years of revenue deterioration, including a double-digit decline in 2017 and 2018.

The challenges facing the business are a mix of market and business issues. The fast-moving nature of the Fashion industry and its rapid shift in emphasis from traditional retail to online has undoubtedly caused disruption and created uncertainty amongst the historical customer base. However, this has been compounded by operational issues and a short-term focus on cost management ahead of customer experience. Over recent years, this has led to a decline in attendance and exhibitors and a worsening overall experience at key shows.

The **Fashion GAP** incorporates a number of key initiatives to improve the operational performance and market positioning of the business:

- **Leadership:** Mark Temple-Smith was appointed Managing Director of the Fashion exhibitions business in September and he has quickly assembled an experienced team with a strong blend of Fashion industry experience and exhibitions management. This includes the appointment of a new Strategy Director and Marketing Director, as well as the creation of two new roles, a Chief Commercial Officer, focused on re-energising and re-focusing the sales team and a Transformation & Integration Officer, focused on resolving key operational and technology issues. Stability across this team will be vital to success, following a period of flux, with four different Managing Directors at the helm of the business since 2016.
- **Venues & Scheduling:** The team has inherited commitments to a series of sub-optimal future show dates, as well as the challenge of its major brand, *Magic*, being split across two Las Vegas venues some distance apart. This has had a detrimental impact on attendance and overall experience, and so we have negotiated a move back into a single venue from August, under the banner of *One-Magic* (www.one-magic.com). This should significantly improve perception of the show and early feedback has been encouraging.
- **Brand Simplification:** Having been assembled via several acquisitions over a number of years, none of which were fully integrated, the Fashion portfolio is comprised of a plethora of different brands across multiple segments and locations, all with different characteristics and value propositions. A review of brand architecture is underway to simplify the portfolio, improve segmentation and strengthen the overall customer proposition.
- **Operational Fitness:** The business has suffered from a lack of cohesion, with multiple systems and ways of working, a lack of investment in infrastructure and some historical centralisation of support activity that added further complexity. A major initiative is underway to improve data management and other business processes, whilst significantly strengthening its sales, marketing and customer service operations.
- **Industry Relations:** As the business has struggled, it has led to a growing disconnect with retailers, manufacturers and wholesalers across the wider fashion industry. This has been made worse by the challenging retail backdrop, and a multi-year lack of investment in the product. Much work is underway to repair this situation, including significant investment in the show experience, better account management and an improved overall market proposition. It will take time to rebuild trust but establishing ourselves as a partner and facilitator for the industry will be critical to improving performance.

Given the nature of the annual exhibition cycle, it will take time to implement these initiatives, with further complications from some of the historical commitments to venues and dates. However, we hope by the end of 2019, performance will start to reflect this in forward bookings for the 2020 shows.

Encouragingly, the business has traded broadly in line with budget year-to-date, with our Women's and Footwear brands slightly ahead of expectations and Sourcing a little behind. More importantly, after two years of double-digit declines, attendance was broadly flat at the recent February *Magic* show in Las Vegas. With the reaction to our future plans and *One-Magic* initiative also positive, this augurs well for the August *Magic* show, when we will bring it back under a single location for the first time.

AIP 6. Brands, Identity, Structure & Values: Purpose and Culture at Informa

The final element of the *AIP* relates to purpose and culture, and how we build and embed an identity and set of values within the enlarged Group to best serve Colleagues and Customers. Part of this work is focused on brand and the positioning of the Group to maximise the value of our many operating and product brands, whilst also building equity and value in the overarching Informa brand.

As detailed, we have now finalised our approach to the new Group structure, aligning all our businesses behind the Informa brand, with the exception of Taylor & Francis where heritage publishing brands garner particular value and importance. We also took the early decision to retire the UBM brand progressively through 2019, simplifying the focus around a refreshed Informa identity.

More broadly on purpose and values, a project is underway to better understand the unique characteristics of the Group and what it means to be a Colleague at Informa. This project has incorporated a range of inputs, including a group wide Brand Survey and a number of follow-on workshops and interviews with a variety of stakeholders.

The outputs are being articulated into a set of values and beliefs that capture the uniqueness of Informa, what makes us different, both in the way Colleagues interact with each other and in how we work with Customers. These outputs will be rolled out internally and externally later in 2019.

CONSISTENCY OF CASH FLOW FUNDS PROGRESSIVE DIVIDENDS

Another key focus of the *Growth Acceleration Plan* and a discipline that we have instilled within the business through the last five years, is cash conversion and cash generation. In 2014, we delivered around £230m of free cash flow, compared to over £500m in 2018 or over £600m on a pro-forma basis. This reflects a major focus within our businesses on cash collection and working capital management, as well as a lot of work centrally to improve our funding mix and reduce financing costs.

This ongoing discipline, combined with a mix of businesses that attract a high proportion of forward booked revenue and have manageable capital requirements, give us confidence we can continue converting high levels of profits into free cash flow across the enlarged Group.

The strength of our free cash flow enables us to balance progressive returns to shareholders through dividends with consistent reinvestment back in the business, and we expect annual capital expenditure across the enlarged group to be around 3% to 4% of revenue going forward.

This will still leave us with significant annual free cash flow post-dividends, providing flexibility for debt reduction, further targeted acquisitions and/or additional returns to shareholders.

Progressive Dividends to Shareholders

The scale and quality of our cashflows and overall forward visibility of the Group enables us to pay a consistent and growing dividend. Through the last five years, as our operating performance has steadily improved, we have progressively increased our dividend commitment to shareholders, increasing annual dividend growth from 2% to 4% and then 6% through the period of the *Growth Acceleration Plan*.

In 2018, the Board increased total Dividends Per Share by 7.1%, matching the growth in adjusted earnings per share. Going forward, we remain committed to paying attractive, progressive dividends, underpinned by the strength of our free cash flow.

ROBUST BALANCE SHEET UNDERPINS LONG-TERM SECURE AND FLEXIBLE FUNDING

Our strong cash flow generation enables us to effectively manage our balance sheet. We funded the UBM acquisition using a mixture of equity and debt, increasing leverage to a net debt to EBITDA ratio of 3.1 times on completion. This is a level we felt comfortable with in the short-term, given the visibility of cash flow going into 2019, which should bring us comfortably back within our target leverage range of between 2 times to 2.5 times by the end of this year.

Following completion in June, we refinanced the facility put in place to fund the acquisition, whilst also using the opportunity to renegotiate historical long-term financing, including US private placement notes and a US dollar bond that matures in 2020. In July this led to the launch of the first Informa public bond, an over-subscribed issue of €650m Euro notes and £300m Sterling notes.

More recently, we renegotiated the **Revolving Credit Facility** ("RCF"), securing visibility and flexibility for our short-term liquidity requirements. A syndicate of 11 banks provided total liquidity of £900m, with £300m until 2022 and £600m until 2024, at competitive rates.

The net impact of our refinancing activity through 2019 is that the average debt maturity is now at 5.2 years and our weighted average funding cost at around 3.7%, with the next refinancing due in the last quarter of 2020. This provides an attractive, long-term funding mix with both visibility and flexibility.

2018 Divisional Trading Review

In 2018, the Informa Group delivered another year of improved performance, recording underlying revenue growth of +3.7% compared to +3.4% in 2017. Reported revenue growth was +34.9% to £2,369.5m, with acquisitions and disposals contributing +35.4% growth, mainly reflecting UBM. The other major influence on reported growth was the weakness of the US dollar on our US revenue base, with currency movements impacting reported growth by -3.8%.

Adjusted operating profit was £732.1m, with underlying growth of +2.3% and reported growth at +34.4%.

The commentary below includes statutory and adjusted measures. We believe adjusted operating profit is also a useful additional measure in monitoring Divisional trading performance.

GLOBAL EXHIBITIONS

	2018 £m	2017 £m	Reported %	Underlying %
Revenue	575.8	560.4	2.7	6.7
Statutory Operating Profit	116.4	126.2		
Adjusted Operating Profit	200.1	201.4	(0.6)	6.0
Adjusted Operating Margin (%)	34.8	35.9		

The **Global Exhibitions** Division organises transaction-oriented Exhibitions and trade shows, providing buyers and sellers across different industries and communities with a powerful platform to meet face to face, build relationships and trade. Informa had over 200 Exhibitions brands in 2018, serving a number of core verticals, including **Health & Nutrition**, **Beauty**, **Construction** and **Life Sciences**.

In 2018, **Global Exhibitions** represented 24.3% of Revenues and 27.3% of Adjusted Operating Profit.

Our strategy to build international scale and depth in industry verticals continues to deliver, with underlying revenue growth of +6.7% in 2018, comfortably ahead of the wider Exhibitions market. This is underpinned by our major brands, which continued to perform strongly, including in **Health & Nutrition** (*Natural Products Expo*, *SupplySide West*), **Real Estate & Construction** (*World of Concrete*, *TISE West*) and **Beauty & Aesthetics** (*China Beauty Expo*, *Anti-Aging World Congress*).

By region, our expansion in North America continued to pay off, with further good performances here across the portfolio. Elsewhere, Middle East activity levels remained subdued, although the quality of our B2B brands in the region ensured we continued to deliver steady growth.

We continue to invest in our Market Maker strategy to build depth and breadth in verticals, improving our digital platforms and strengthening our capabilities in areas offering incremental growth, such as sponsorship, content and data. This included in **Aviation**, where the addition of CAPA, a specialist data and information business, complements and supports our events and media brands in this vertical.

ACADEMIC PUBLISHING

	2018 £m	2017 £m	Reported %	Underlying %
Revenue	533.2	530.0	0.6	2.2
Statutory Operating Profit	138.3	154.1		
Adjusted Operating Profit	198.4	208.0	(4.6)	0.3
Adjusted Operating Margin (%)	37.2	39.2		

The **Academic Publishing** Division publishes peer-reviewed scholarly research and specialist reference-led academic content. Operating as Taylor & Francis, it is recognised internationally through its major publishing brands such as *Taylor & Francis*, *Routledge*, *CRC Press* and *Dove Medical Press*. It has a portfolio of c.140,000 book titles and 2,700 journals in print and digital formats, across subject areas within **Humanities and Social Sciences**, and **Science, Technology and Medicine**.

In 2018, **Academic Publishing** represented 22.5% of Revenue and 27.1% of Adjusted Operating Profit.

We delivered another year of consistent growth, underpinned by solid journal renewals, good growth in Open Access and strong momentum in Books. Our investment in Open Access over recent years, most recently through *Dove Medical Press*, is now really reaping rewards as the market matures and we start to leverage *Dove's* brands and production capabilities across our full OA portfolio.

Similarly, our investment in improving digital production processes and digital marketing within our Books business, as well as the development of a single electronic books platform, has led to strong momentum on the back of increased front list output and better discoverability of our backlist content.

These investments, combined with the transaction impact of a weaker US dollar, impacted margins in 2018, reversing the positive currency effects we have seen on margins over recent years.

BUSINESS INTELLIGENCE

	2018 £m	2017 £m	Reported %	Underlying %
Revenue	385.6	383.4	0.6	2.6
Statutory Operating Profit / (loss)	69.3	47.2		
Adjusted Operating Profit	91.1	91.6	(0.5)	0.9
Adjusted Operating Margin (%)	23.6	23.9		

The **Business Intelligence** Division provides specialist data, intelligence and insight to businesses, helping them make better decisions, gain competitive advantage and enhance return on investment. Through a range of specialist digital subscription Brands, it provides critical intelligence to niche communities within six core industry verticals: **Pharma**, **Finance**, **Transportation**, **TMT**, **Agribusiness** and **Industry & Infrastructure**. This is supported by a portfolio of B2B media Brands and businesses targeting ancillary revenues in **Consulting** and specialist **Data & Marketing Solutions**.

In 2018, **Business Intelligence** represented 16.3% of Revenue and 12.4% of Adjusted Operating Profit.

Following significant GAP investment in core products and platforms, renewed focus on subscriptions and continuing work to strengthen our customer relationships, we delivered further improvement in underlying growth to +2.6%, with particularly strong performances within our two largest verticals, **Pharma** and **Finance**. This positive momentum continued through the key year-end renewal season, with good growth in annualised contract values boding well for further growth in 2019.

With the business now firmly back on track, through PPM we are actively making choices about where to focus, with the emphasis on growth verticals such as **Pharma**, **Retail Financial** and **Maritime**, where we have particularly strong brands and market positions.

KNOWLEDGE AND NETWORKING

	2018 £m	2017 £m	Reported %	Underlying %
Revenue	261.4	283.0	(7.6)	2.3
Statutory Operating Profit	9.2	17.2		
Adjusted Operating Profit	39.9	43.9	(9.1)	(2.1)
Adjusted Operating Margin (%)	15.3	15.5		

The **Knowledge & Networking** Division is the Group's Content, Connectivity and Data business, organising content-driven events, training and programmes that provide a platform for professional communities to meet, network and share knowledge. With over 500 major brands across the world, covering a range of subject areas, it has a particular focus on **Life Sciences**, **TMT** and **Finance**.

In 2018, **Knowledge & Networking** represented 11.0% of Revenue and 5.5% of Adjusted Operating Profit.

Our strategy to focus on major brands in our three core verticals of **Life Sciences** (*BioEurope*, *TIDES*), **Finance** (*SuperReturn International*, *Finovate Europe*) and **TMT** (*AI Summit*, *AfricaCom*) led to another year of improving performance. Underlying revenue growth of +2.3% improved from +0.1% in 2017, despite the non-renewal of a managed contract for a series of Critical Communications events. Reported growth was lower following the sale of our conference business in Germany and Switzerland in 2017.

Another key area of focus is our digital capabilities, which were significantly upgraded through GAP investment. This is driving greater customer engagement, more efficient marketing and better overall rates of retention, improving the underlying quality and diversity of our revenues.

UBM (PRO-FORMA 12-MONTH FIGURES)

	2018 £m	2017 £m	Reported %	Underlying %
Revenue	988.4	1,002.9	(1.4)	2.8
Adjusted Operating Profit	288.0	294.2	(2.1)	6.9
Adjusted Operating Margin (%)	29.1	29.3		

UBM performed as expected through 2018, delivering +2.8% underlying growth, up from +1.4% in 2017. **Events** grew +4.1% and **Other Marketing Services** declined -5.8%, reflecting weakness in its *Life Sciences Media Portfolio* ahead of divestiture. Excluding this business and the **Fashion** events portfolio, which recorded a double-digit decline, underlying revenue growth would have been circa +6%.

Vertical highlights included in **Pharma** (*CPhI Worldwide*, *CPhI China*), **Technology** (*Blackhat*, *Game Developers Conference*) and **Food & Hospitality** (*Hotelex*, *Food Ingredients Europe*). Revenue from biennial events was £71.0m, down from £85.8m in 2017.

In 2018, **UBM's** stub period accounted for 25.9% of Revenue and 27.7% of Adjusted Operating Profit.

Financial Review

INCOME STATEMENT

In 2018, the first year following the completion of the **2014-2017 Growth Acceleration Plan**, we delivered a fifth consecutive year of growth in revenue, adjusted profit, adjusted earnings and cash flow. Revenue increased by 34.9% to £2,369.5m and adjusted operating profit by 34.4% to £732.1m, with revenue growing by 3.7% on an underlying basis and adjusted operating profit by 2.3%. Statutory operating profit increased by 5.4% to £363.2m.

	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m	Adjusted results 2017¹ £m	Adjusting items 2017¹ £m	Statutory results 2017¹ £m
Revenue	2,369.5	-	2,369.5	1,756.8	-	1,756.8
Operating Profit/(loss)	732.1	(368.9)	363.2	544.9	(200.2)	344.7
Profit/(loss) on disposal	-	1.1	1.1	-	(17.4)	(17.4)
Net finance (costs)/income	(82.4)	0.2	(82.2)	(59.1)	-	(59.1)
Profit/(loss) before tax	649.7	(367.6)	282.1	485.8	(217.6)	268.2
Tax(charge)/credit	(116.2)	55.7	(60.5)	(103.0)	148.0	45.0
Profit/(loss) for the year	533.5	(311.9)	221.6	382.8	(69.6)	313.2
Adjusted operating margin	30.9%			31.0%		
Adjusted diluted EPS	49.2p		19.7p	46.0p		37.6p

¹2017 restated for the implementation of IFRS15

MEASUREMENT AND ADJUSTMENTS

In addition to the statutory results, adjusted results are prepared for the income statement, including adjusted operating profit and adjusted diluted earnings per share. The Board considers these non-GAAP measures as the most appropriate way to measure the Group's performance because it is comparable to the prior year. This is also in line with the similarly adjusted measures used by peers and therefore facilitates comparison. The adjusting items section provides a reconciliation between statutory operating profit and adjusted operating profit by division. Adjusted results are prepared to provide a useful alternative measure to explain the Group's business performance and include recurring and non-recurring items.

Underlying refers to results adjusted for acquisitions/disposals, the phasing of events, including biennials, and the effects of changes in foreign currency. Year-on-year growth from acquisitions/disposals is included on a pro forma basis from first day of ownership. Reported figures exclude all such adjustments. Underlying revenue and adjusted operating profit growth is reconciled to reported growth as follows:

	Underlying growth	Phasing and other items	Acquisitions and disposals	Currency change	Reported growth
2018					
Revenue	3.7%	(0.4%)	35.4%	(3.8%)	34.9%
Adjusted operating profit	2.3%	(0.1%)	37.6%	(5.4%)	34.4%
2017					
Revenue	3.4%	0.1%	21.4%	5.7%	30.6%
Adjusted operating profit	2.3%	(0.4%)	20.8%	8.4%	31.1%

ADJUSTING ITEMS

The adjusting items below have been excluded from adjusted results. The total charge against operating profit for adjusting items rose to £368.9m in 2018 (2017: £200.2m), mainly due to the combination with UBM, with the amortisation of acquired intangible assets comprising by far the largest item in both years.

	2018 £m	2017 ² £m
Intangible amortisation and impairment:		
Intangible asset amortisation ¹	243.6	157.8
Impairment of goodwill and acquisition intangibles	9.8	5.6
Acquisition costs	42.9	4.4
Integration costs	46.0	19.6
Restructuring and reorganisation costs:		
Redundancy and reorganisation costs	8.1	6.7
Vacant property costs	5.0	6.2
Re-measurement of contingent consideration	(0.1)	(0.1)
UAE VAT charge	9.1	-
GMP pension equalisation	4.5	-
Adjusting items in operating profit	368.9	200.2
(Profit)/loss on disposal of subsidiaries and operations	(1.1)	17.4
Investment income	(1.2)	-
Finance costs	1.0	-
Adjusting items in profit before tax	367.6	217.6
Tax related to adjusting items	(55.7)	(62.6)
Tax adjusting item for US federal tax reform	-	(85.4)
Adjusting items in profit for the year	311.9	69.6

¹ Intangible asset amortisation is in respect of acquired intangibles and excludes amortisation of software and product development

² 2017 restated for the implementation of IFRS15

The increase in intangible asset amortisation in 2018 primarily reflects the six and a half months of amortisation of acquired intangibles relating to the UBM acquisition. For the Group, other intangible amortisation relates to book lists and journal titles, acquired databases, customer and attendee relationships and brands related to exhibitions and conferences. Intangible asset amortisation arising from software assets and product development is not treated as an adjusting item and so not included in the table, as it is treated as an ordinary cost in the calculation of adjusted operating profit.

Acquisition costs of £42.9m included £41.1m of costs relating to the acquisition of UBM, with integration costs of £46.0m including £39.5m relating to the integration of UBM.

Following the introduction of Value Added Tax on 1 January 2018 in the UAE the Group identified and reported an underpayment during 2018 and made a correcting payment. In January 2019 the UAE tax authorities assessed a tax penalty of £9.1m in relation to the late payment. The Group is disputing this penalty assessment, however an amount of £9.1m has been provided for within adjusting items in the year.

Following the completion of the Growth Acceleration Plan at the end of 2017, all four operating divisions delivered positive underlying revenue growth in 2018. Combined with the stub period contribution from UBM, this produced Group underlying revenue growth of 3.7% and underlying profit growth of 2.3%, as illustrated in the following table:

	GE £m	AP £m	BI £m	K&N £m	UBM £m	Total £m
Revenue	575.8	533.2	385.6	261.4	613.5	2,369.5
Reported revenue growth	2.7%	0.6%	0.6%	(7.6%)	n/a	34.9%
Underlying revenue growth	6.7%	2.2%	2.6%	2.3%	3.7%	3.7%
Statutory operating profit	116.4	138.3	69.3	9.2	30.0	363.2
Add back:						
Intangible asset amortisation ¹	67.5	52.7	22.8	15.6	85.0	243.6
Impairment of intangibles	5.7	-	-	4.1	-	9.8
Acquisition costs	0.7	0.3	0.2	-	41.7	42.9
Integration costs	1.8	0.4	1.3	0.6	41.9	46.0
Restructuring and reorganisation costs	0.9	6.7	4.5	1.0	-	13.1
Re-measurement of contingent consideration	(2.0)	-	(7.3)	9.2	-	(0.1)
UAE VAT charge	9.1	-	-	-	-	9.1
GMP pension equalisation	-	-	0.3	0.2	4.0	4.5
Adjusted operating profit	200.1	198.4	91.1	39.9	202.6	732.1
Underlying adjusted operating profit growth	6.0%	0.3%	0.9%	(2.1%)	2.2%	2.3%

¹ Intangible asset amortisation is in respect of acquired intangibles, and excludes amortisation of software and product development

NET FINANCE COSTS

Adjusted net finance costs, consisting principally of interest costs on US private placement loan notes, bond and bank borrowings, increased by £23.3m to £82.4m. The increase mainly reflects the effect of higher average debt levels following the acquisition of UBM in June 2018. This increased net debt by £1,211.9m, taking into account a cash consideration of £643.5m and £568.4m of net debt acquired. Finance costs also increased due to higher US LIBOR rates in the year.

Net interest paid increased by £12.4m to £64.2m, primarily associated with the interest payment on the additional debt finance from the UBM acquisition.

TAXATION

Approach to tax

The Group continues to recognise that taxes paid are part of the economic benefit created for the societies in which we operate, and that a fair and effective tax system is in the interests of tax payers and society at large. We aim to comply with tax laws and regulations everywhere the Group does business. Informa has open and constructive working relationships with tax authorities worldwide and our approach balances the interests of stakeholders including shareholders, governments, colleagues and the communities in which we operate.

Tax expense

The Group's effective tax rate (ETR) reflects the blend of tax rates and profits in the jurisdictions in which we operate. In 2018, the adjusted effective tax rate was 17.9% (2017: 21.2%).

The decrease in the ETR principally relates to the impact of a lower tax rate in the US following recent US tax reform and the release of provisions for uncertain tax positions, primarily in relation to legacy-UBM matters.

Tax payments

During 2018, the Group paid £82.4m (2017: £45.3m) of corporation and similar taxes on profits. The increase relates to tax payments by UBM companies, the timing of which was weighted to the second half of the year.

A breakdown of the main geographies in which the Group paid tax is as follows:

	2018 £m	2017 £m
UK	39.9	39.0
Continental Europe	7.7	2.3
United States	1.7	(3.2)
China (Including Hong Kong)	25.2	3.3
Rest of world	7.9	3.9
Total	82.4	45.3

The reconciliation of the adjusted tax charge to cash taxes paid is as follows:

	2018 £m	2017 ¹ £m
Tax charge on adjusted PBT per Consolidated Income Statement	116.2	103.0
Movement in deferred tax including US tax losses	(5.3)	(22.0)
Current tax deductions in respect of adjusting items	(29.4)	(39.4)
Movement in provisions for uncertain tax positions	5.6	(0.7)
Taxes paid in different year to charged	(4.7)	4.4
Taxes paid per consolidated cash flow statement	82.4	45.3
Less: tax relating to Penton acquisition forward contract	-	(11.8)
Taxes paid per Free Cash Flow	82.4	33.5

¹ 2017 restated for the implementation of IFRS15

At the end of 2018, the deferred tax asset relating to US tax losses was £106.0m (2017: £45.6m), which is expected to be utilised against future US profits.

Goodwill is not amortised, and as a result, there is no charge to adjusting items for goodwill amortisation. However, there can be an allowable tax benefit for certain goodwill amortisation in the US and elsewhere, and so where this benefit arises, it reduces the tax charge on adjusted profits.

The amortisation of intangible assets is considered an adjusting item. Therefore, the £16.7m (2017: £27.3m) current tax deduction taken in respect of the amortisation of intangible assets is also treated as an adjusting item and is included in the current tax deductions in respect of adjusting items noted above.

Tax contribution

The Group's total tax contribution, which comprises all material taxes paid out of profits and other material taxes paid by our businesses, was £139.1m in 2018 (2017: £82.3m). The geographical split of our total tax contribution was as follows:

	UK £m	US £m	Other £m	Total £m
Profit taxes borne	39.9	1.7	40.8	82.4
Employment taxes borne	23.6	17.8	7.5	48.9
Other taxes (e.g. business rates)	4.6	1.7	1.5	7.8
Total	68.1	21.2	49.8	139.1

In addition to the above, in 2018 we collected taxes on behalf of governments (e.g. employee taxes and sales taxes) amounting to £177.8m (2017: £126.1m).

EARNINGS PER SHARE

Diluted adjusted earnings per share (EPS) increased 7.0% to 49.2p (2017: 46.0p), calculated on the adjusted earnings for the year of £519.8m (2017: £380.4m). The increase reflects a 36.6% increase in adjusted earnings together with a 28.0% increase in the average number of shares. Statutory diluted earnings per share decreased by 47.6% to 19.7p, principally reflecting the increased cost of adjusting items in the year. The share increase comes from the time-prorated effect of the equity issued as part of Informa's acquisition of UBM, with 427.5m shares issued to the shareholders of UBM on 18 June 2018.

	2018 £m	2017 ¹ £m
Adjusted profit for the year	533.5	382.8
Non-controlling interests	(13.7)	(2.4)
Adjusted earnings	519.8	380.4
Weighted average number of shares used in diluted EPS (m)	1,057.2	826.1
Adjusted diluted EPS (p)	49.2p	46.0p

¹2017 restated for the implementation of IFRS15

DIVIDENDS

In 2018 £201.9m (2017: £162.0m) of dividends were paid to external shareholders and £8.6m (2017: £2.0m) dividends paid to non-controlling interests.

On 28 June 2018, in the post-acquisition ownership period of UBM, there was also a special dividend payment of £59.0m to the former shareholders of UBM. This settled a dividend liability whose payment had been agreed prior to the acquisition date.

The Group maintains a progressive dividend policy, with the aim to grow dividends broadly in line with earnings year-on-year. This approach aims to achieve a balance between sufficiently rewarding shareholders and retaining the financial strength and flexibility to reinvest in the business and pursue growth opportunities.

The Board has proposed a final dividend of 14.85p per share (2017: 13.80p per share). Subject to shareholder approval at the AGM, the final dividend will be paid on 31 May 2019 to ordinary shareholders registered as at the close of business on 26 April 2019. This will result in total dividends for the year of 21.90p per share (2017: 20.45p) representing a 7.1% year-on-year increase. The growth in earnings in 2018 means dividend cover against adjusted earnings was 2.2 times (2017: 2.2 times).

TRANSLATION IMPACT

As a result of the Group's strategic expansion in the US since 2014, the Group has a high exposure to US dollar revenues and costs. In 2018, the Group received in its revenue approximately 61% (2017: 65%) in USD or currencies pegged to USD, 6% (2017: 5%) in Euro and 7% (2017: 2%) in Chinese Renminbi and incurred in its costs approximately 53% (2017: 55%) in USD or currencies pegged to USD, 2% (2017: 4%) in Euro and 6% (2017: 2%) in Chinese Renminbi. Each one cent (\$0.01) movement in the USD to GBP exchange rate, has a circa £11.4m (2017: £8.5m) impact on annual revenue, a circa £4.5m (2017: £3.5m) impact on annual adjusted operating profit and a circa 0.4p (2017: 0.3p) impact on full year adjusted diluted EPS, based on the 31 December 2018 closing rate.

The following US dollar rates versus GBP were applied during the year:

	2018		2017	
	Closing rate	Average rate	Closing Rate	Average rate
USD	1.27	1.33	1.35	1.29

For the purposes of testing debt covenant levels and calculating Informa's leverage and net debt are translated using the average exchange rate during the relevant year.

FREE CASH FLOW

Cash flow generation remains one of the Group's priorities and strengths, providing the funds and flexibility for future investment. The following table shows the adjusted operating profit reconciled to free cash flow. Free cash flow is a key financial measure of cash generation and represents the cash flow generated by the business before cash flows relating to acquisitions and disposals and their related costs, dividends and any new equity issuance or purchases.

	2018 £m	2017 ³ £m
Adjusted operating profit	732.1	544.9
Depreciation of property and equipment	13.1	9.2
Software and product development amortisation and impairment	42.5	24.8
Share-based payments	8.1	5.4
Pension curtailment gain	(0.8)	-
Adjusted share of joint venture and associate results	(1.0)	-
Adjusted EBITDA⁴	794.0	584.3
Net capital expenditure	(59.4)	(79.0)
Working capital movement ¹	(62.3)	(10.5)
Pension deficit contributions	(4.4)	-
Operating cash flow	667.9	494.8
Restructuring and reorganisation	(18.1)	(8.6)
Net interest	(64.2)	(51.8)
Taxation ²	(82.4)	(33.5)
Free Cash Flow	503.2	400.9

¹ Working capital movement excludes movement on restructuring, reorganisation, acquisition and integration accruals

² Tax payment for 2017 excludes £11.8m of tax relating to adjusting item for Penton derivative forward contract gain of £58.9m

³ 2017 restated for the implementation of IFRS15

⁴ Adjusted EBITDA represents adjusted operating profit before interest, tax, and non-cash items including depreciation and amortisation

The Group's focus on cash generation led to another year of strong operating cash conversion at 91.2% (2017: 90.8%). The 91.2% result is calculated by dividing the operating cash flow (£667.9m) by the adjusted operating profit (£732.1m).

Net capital expenditure was £59.4m (2017: £79.0m), equivalent to 2.5% of 2018 revenue, and with the reduction year-on-year reflecting the end of the **Growth Acceleration Plan** investments. Going forward, net capital expenditure is expected to be in the range of 3% to 4% of revenue.

The working capital outflow of £62.3m was £51.8m higher than the outflow in 2017, largely due to the timing of the acquisition of UBM, with UBM working capital outflows of £84.5m in the post-acquisition period.

The following table reconciles net cash inflow from operating activities, as shown in the consolidated cash flow statement, to free cash flow:

	2018 £m	2017 £m
Net cash inflow from operating activities per statutory cash flow	486.3	433.9
Interest received	2.1	0.2
Purchase of property and equipment	(23.4)	(14.7)
Proceeds on disposal of property and equipment	0.4	1.0
Purchase of intangible software assets	(30.2)	(52.2)
Product development cost additions	(6.2)	(13.1)
Add back: acquisition and integration costs paid	74.2	34.0
Add back: tax paid on Penton related derivative forward contract	-	11.8
Free Cash Flow	503.2	400.9

The following table reconciles cash generated by operations, as shown in the consolidated cash flow statement, to operating cash flow shown in the free cash flow table above:

	2018 £m	2017 ¹ £m
Cash generated by operations per statutory cash flow	635.0	531.2
Net Capex paid	(59.4)	(79.0)
Add back:		
Acquisition & integration costs paid	74.2	34.0
Restructuring & reorganisation costs paid	18.1	8.6
Operating cash flow per Free Cash flow statement	667.9	494.8

¹2017 restated for the implementation of IFRS15

The following table reconciles Free Cash Flow to net debt, which increased by £1,308.8m to £2,681.9m during the year. This included £1,211.9m related to the UBM acquisition, and a £150.9m adverse foreign exchange impact primarily due to a strengthening in the US dollar.

	2018 £m	2017 £m
Free Cash Flow	503.2	400.9
Acquisitions and disposals	(690.4)	(250.6)
Dividends paid	(201.9)	(162.0)
Dividend paid to settle UBM acquisition liability	(59.0)	-
Dividends paid to non-controlling interests	(8.6)	(2.0)
Net share proceeds/(payments)	2.0	(0.9)
Net funds flow	(454.7)	(14.6)
Borrowings acquired with acquisition of UBM	(702.6)	-
Non-cash movements	(0.6)	(2.2)
Foreign exchange	(150.9)	129.1
Net debt at 1 January	(1,373.1)	(1,485.4)
Net debt at 31 December	(2,681.9)	(1,373.1)

FINANCING AND LEVERAGE

Our focus on maintaining a robust and flexible financing framework resulted in a number of developments in the Group's debt financing arrangements during the year, including the Group's inaugural public debt market issuance, to refinance the borrowings used for the acquisition of UBM.

Our leverage strategy is to target a ratio of net debt to EBITDA in the range of 2.0 to 2.5 times, with the potential to increase to around 3 times in the short-term for a large acquisition. We used the balance sheet efficiently in financing the UBM acquisition, increasing leverage to 3.1x at completion, before starting to manage leverage down to our target range, reaching 2.9x leverage by the end of 2018.

Before UBM, on 4 January 2018, the Group issued \$400m of private placement loan notes, with a maturity of 7 years (\$200m) and 10 years (\$200m), at an average interest rate of 4.03%. In March 2018 we extended a bank Term Loan Facility for \$200m, with a maturity of up to 12 months; this was subsequently repaid in February 2019.

Shortly after completing the acquisition of UBM, on 5 July 2018, we issued two Euro Medium Term Loan Notes, with an 8-year bond for £300m and a 5-year bond for €650m. These bonds were used to refinance acquisition debt facilities used to acquire UBM.

On 15 February 2019 the Revolving Credit Facility was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3 year term to February 2022.

The net impact of these actions is to increase the Group's overall debt capacity, whilst extending the average maturity to 5.2 years and reducing the weighted average cost of debt to 3.7%.

At 31 December 2018, the Group had £3.6bn of committed facilities (£2.0bn at 31 December 2017), of which £0.8bn was undrawn.

	31 December 2018 £m	31 December 2017 £m
Cash at bank and in hand	(168.8)	(54.9)
Bank overdraft	43.9	6.7
Private placement loan notes	1,396.4	841.0
Private placement fees	(3.4)	(1.6)
Bond borrowings	1,163.0	-
Bond borrowing fees	(7.4)	-
Bank borrowings – revolving credit facility (RCF)	78.5	287.6
Bank borrowings – term loan facility	156.9	296.3
Bank loan fees	(0.9)	(2.0)
Derivative assets associated with borrowings	(1.5)	-
Derivative liabilities associated with borrowings	25.2	-
Net debt	2,681.9	1,373.1
Borrowings (excluding derivatives, fees and overdrafts)	2,794.8	1,424.9
Unutilised committed facilities (undrawn portion of RCF)	776.5	567.4
Total committed facilities	3,571.3	1,992.3

Under the private placement loan notes and revolving credit facility in place at 31 December 2018, the principal financial covenant ratios are a maximum net debt to EBITDA of 3.5 times and a minimum EBITDA to interest cover of 4.0 times, tested semi-annually. The new RCF launched on 15 February 2019 has removed these covenants.

At 31 December 2018, the ratio of net debt to EBITDA was 2.9 times (31 December 2017: 2.5 times), calculated according to our facility agreements and using average exchange rates and including a full year's trading for acquisitions. The ratio of EBITDA to net interest payable was 9.5 times (at 31 December 2017: 9.8 times).

CORPORATE DEVELOPMENT

The Group's most significant acquisition in 2018 was UBM, with several other smaller additions to the portfolio. Total net expenditure on acquisitions and disposals was £690.4m (2017: £250.6m), with £616.2m relating to acquisition and disposal of businesses and £74.2m to integration and acquisition.

Acquisition expenditure in the period relating to UBM was £509.3m, with a cash payment to UBM shareholders of £643.5m, less cash acquired of £134.2m. Total consideration was £4,190.0m, with the remaining £3,545.1m being satisfied through the issue of 427,536,794 shares in Informa at a price of £8.29 per share, and with £1.4m of deferred consideration relating to the settlement of UBM share save scheme awards that exercised after the acquisition date.

The first disposal under the **Progressive Portfolio Management** programme was signed on 19 December 2018, with the agreement to sell the **Life Sciences Media Brands Portfolio** that was previously part of UBM to MJH Associates, for consideration of just over \$100m. The sale completed on 31 January 2019, and this business has been disclosed as held for sale in the Consolidated Balance Sheet at 31 December 2018.

PENSIONS

The Group continues to meet all commitments to its pension schemes, which consist of six defined benefit schemes that are closed to future accrual. The acquisition of UBM added two defined benefit schemes to the group, adding a net pension liability of £12.5m at 31 December 2018.

At 31 December 2018, the Group had a net pension liability of £33.0m (2017: £23.6m), represented by a pension deficit of £37.5m (2017: £23.6m) and a pension surplus of £4.5m (2017: £nil). Gross liabilities were £679.2m at 31 December 2018 (2017: £176.3m). Net pension liabilities increased by £4.5m in 2018 following the recognition of additional liabilities arising from the estimated financial impact of equalising Guaranteed Minimum Pensions (GMP) amongst members.

The net deficit remains manageable and relatively small compared to the size of the Group's balance sheet. All schemes are closed to future accrual and there were £4.4m of employer deficit payments during 2018, with £4.7m payments expected to be paid in 2019.

RESTATEMENT OF 2017 RESULTS

Results for the year ended 31 December 2017 have been restated following the adoption of IFRS 15 *Revenue from Contracts with Customers* in 2018.

There were also restatements to the 2017 income statement from amounts previously recognised on a percentage complete basis. This resulted in reductions of £0.8m to revenue, £0.6m to profit before tax and £0.5m to profit after tax. These adjustments only affected the Business Intelligence Division. This resulted in basic earnings per share being restated from 37.8p per share to 37.7p per share, diluted earnings per share being restated from 37.7p to 37.6p and adjusted diluted earnings per share being restated from 46.1p to 46.0p.

This also resulted in the Consolidated Balance Sheet at 31 December 2017 being adjusted for the reclassification of £72.1m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due.

The Group also adopted IFRS 9 Financial Instruments from 1 January 2018. There was no material impact from the adoption of this standard and therefore there is no restatement to previously reported results.

NEW ACCOUNTING STANDARDS

The only impact from new accounting standards in 2019 is from the adoption of IFRS 16 *Leases*.

IFRS 16 *Leases*, will replace the existing leasing standard, IAS 17 *Leases*. It will treat all leases in a consistent way, eliminating the distinction between operating and finance leases, and will require lessees to recognise all leases on the balance sheet, except for low value leases and those with a term of less than 12 months. The most significant effect of the new standard will be an increase in lease assets and lease liabilities for leases currently categorised as operating leases. The new standard also changes the nature of expenses related to those leases, replacing the straight-line operating lease expense with a depreciation charge for the right of use lease asset (included within operating costs) and an interest expense on the finance lease liability (included within finance costs).

Adoption of IFRS 16 is expected to result in an increase in assets of between £300m to £320m and a corresponding increase in liabilities of between £300m and £320m as at 1 January 2019. Operating profit for the year ended 31 December 2019 is estimated to increase by between £4m and £6m, being the difference between the lease expense and depreciation, and profit before tax will decrease by between £7m and £9m, reflecting a higher total lease interest expense in the initial years. Profit after tax is estimated to decrease by between £6m and £8m and adjusted diluted earnings per share and diluted earnings per share will decrease approximately by between 0.4p and 0.6p.

There are several practical expedients and exemptions available under IFRS 16. The Group has elected to apply use of the modified retrospective method of implementation where there is no restatement of the comparative period and using the practical expedient where, at the adoption date, right-of-use lease assets are set to equal the lease liabilities. The Group will exclude leases of low value assets and short-term leases, with a duration of less than 12 months from the application of IFRS 16, with payments for these leases continuing to be expensed directly to the Income Statement as operating leases. The major classes of leases impacted by the new standard are property and event space leases.

The half-year results for the six months ended 30 June 2019 will include an update on the actual impact of IFRS 16.

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m	Adjusted results 2017 (restated) £m	Adjusting items 2017 (restated) £m	Statutory results 2017 (restated) £m
Continuing operations						
Revenue	2,369.5	-	2,369.5	1,756.8	-	1,756.8
Net operating expenses	(1,638.4)	(368.9)	(2,007.3)	(1,211.9)	(200.2)	(1,412.1)
Operating profit/(loss) before joint ventures and associates	731.1	(368.9)	362.2	544.9	(200.2)	344.7
Share of results of joint ventures and associates	1.0	-	1.0	-	-	-
Operating profit/(loss)	732.1	(368.9)	363.2	544.9	(200.2)	344.7
Profit/(loss) on disposal of subsidiaries and operations	-	1.1	1.1	-	(17.4)	(17.4)
Investment income	7.0	1.2	8.2	0.2	-	0.2
Finance costs	(89.4)	(1.0)	(90.4)	(59.3)	-	(59.3)
Profit/(loss) before tax	649.7	(367.6)	282.1	485.8	(217.6)	268.2
Tax (charge)/credit	(116.2)	55.7	(60.5)	(103.0)	148.0	45.0
Profit/(loss) for the year	533.5	(311.9)	221.6	382.8	(69.6)	313.2
Attributable to:						
– Equity holders of the Company	519.8	(311.9)	207.9	380.4	(69.6)	310.8
– Non-controlling interests	13.7	-	13.7	2.4	-	2.4
Earnings per share						
– Basic (p)	49.4		19.7	46.2		37.7
– Diluted (p)	49.2		19.7	46.0		37.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £m	2017 (restated) £m
Profit for the year	221.6	313.2
Items that will not be reclassified subsequently to profit or loss:		
Actuarial (loss)/gain on defined benefit pension schemes	(14.3)	14.2
Tax credit/(charge) relating to items that will not be reclassified to profit or loss	1.3	(4.2)
Total items that will not be reclassified subsequently to profit or loss	(13.0)	10.0
Items that may be reclassified subsequently to profit or loss:		
Recycling of exchange gains arising on disposal of foreign operations	-	(3.7)
Exchange gain/(loss) on translation of foreign operations	224.6	(183.5)
Exchange (loss)/gain on net investment hedge debt	(91.3)	56.7
Loss on derivative hedges	(22.4)	-
Total items that may be reclassified subsequently to profit or loss	110.9	(130.5)
Other comprehensive income/(expense) for the year	97.9	(120.5)
Total comprehensive income for the year	319.5	192.7
Total comprehensive income attributable to:		
– Equity holders of the Company	303.3	190.3
– Non-controlling interests	16.2	2.4

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £m	Share premium account £m	Translation reserve £m	Other reserves £m	Retained earnings (restated) £m	Total (restated) £m	Non-controlling interests £m	Total equity (restated) £m
At 1 January 2017	0.8	905.3	74.0	(1,570.8)	2,777.3	2,186.6	1.2	2,187.8
IFRS 15 restatement	-	-	-	-	(1.2)	(1.2)	-	(1.2)
At 1 January 2017 – as restated	0.8	905.3	74.0	(1,570.8)	2,776.1	2,185.4	1.2	2,186.6
Profit for the year (restated)	-	-	-	-	310.8	310.8	2.4	313.2
Recycling of exchange gains arising on disposal of foreign operations	-	-	(3.7)	-	-	(3.7)	-	(3.7)
Exchange loss on translation of foreign operations	-	-	(183.5)	-	-	(183.5)	-	(183.5)
Exchange gain on net investment hedge debt	-	-	56.7	-	-	56.7	-	56.7
Actuarial gain on defined benefit pension schemes	-	-	-	-	14.2	14.2	-	14.2
Tax relating to components of other comprehensive income	-	-	-	-	(4.2)	(4.2)	-	(4.2)
Total comprehensive income for the year	-	-	(130.5)	-	320.8	190.3	2.4	192.7
Dividends to Shareholders	-	-	-	-	(162.2)	(162.2)	-	(162.2)
Dividends to non-controlling interests	-	-	-	-	-	-	(2.0)	(2.0)
Share award expense	-	-	-	5.4	-	5.4	-	5.4
Own shares purchased	-	-	-	(0.9)	-	(0.9)	-	(0.9)
Transfer of vested LTIPs	-	-	-	(2.1)	2.1	-	-	-
NCI arising from purchase of subsidiary	-	-	-	-	-	-	(1.1)	(1.1)
Acquisition of non-controlling interest (NCI)	-	-	-	0.1	-	0.1	-	0.1
NCI adjustment arising from disposal	-	-	-	(0.4)	-	(0.4)	10.8	10.4
At 31 December 2017 (restated)	0.8	905.3	(56.5)	(1,568.7)	2,936.8	2,217.7	11.3	2,229.0
Profit for the year	-	-	-	-	207.9	207.9	13.7	221.6
Exchange gain on translation of foreign operations	-	-	222.1	-	-	222.1	2.5	224.6
Exchange loss on net investment hedge debt	-	-	(91.3)	-	-	(91.3)	-	(91.3)
Loss arising on derivative hedges	-	-	(22.4)	-	-	(22.4)	-	(22.4)
Actuarial loss on defined benefit pension schemes	-	-	-	-	(14.3)	(14.3)	-	(14.3)
Tax relating to components of other comprehensive income	-	-	-	-	1.3	1.3	-	1.3
Total comprehensive income for the year	-	-	108.4	-	194.9	303.3	16.2	319.5
Dividends to Shareholders	-	-	-	-	(201.8)	(201.8)	-	(201.8)
Dividends to non-controlling interests	-	-	-	-	-	-	(8.6)	(8.6)
Share award expense	-	-	-	8.1	-	8.1	-	8.1
Issue of share capital	0.5	-	-	3,546.8	-	3,547.3	-	3,547.3
Own shares purchased	-	-	-	(3.5)	-	(3.5)	-	(3.5)
Transfer of vested LTIPs	-	-	-	(3.9)	3.9	-	-	-
NCI arising from purchase of subsidiary	-	-	-	-	-	-	176.8	176.8
Adjustment to NCI arising from exercise of put option	-	-	-	(4.3)	-	(4.3)	(2.3)	(6.6)
At 31 December 2018	1.3	905.3	51.9	1,974.5	2,933.8	5,866.8	193.4	6,060.2

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2018

	2018	2017 (restated) ¹
	£m	£m
Non-current assets		
Goodwill	6,237.3	2,608.2
Other intangible assets	3,882.0	1,701.4
Property and equipment	70.4	31.8
Investments in joint ventures and associate	19.1	1.5
Other investments	5.1	4.6
Deferred tax assets	22.0	9.0
Retirement benefit surplus	4.5	-
Other receivables	6.3	0.1
Derivative financial instruments	1.5	-
	10,248.2	4,356.6
Current assets		
Inventory	50.9	54.1
Trade and other receivables	402.7	326.1
Current tax asset	15.9	25.4
Cash and cash equivalents	168.8	54.9
Assets classified as held for sale	79.5	-
	717.8	460.5
Total assets	10,966.0	4,817.1
Current liabilities		
Borrowings	(200.8)	(303.0)
Current tax liabilities	(96.2)	(30.5)
Provisions	(63.4)	(25.1)
Trade and other payables	(443.0)	(296.6)
Deferred income	(701.2)	(462.5)
Derivative financial instruments	(10.1)	-
Liabilities directly associated with assets classified as held for sale	(16.1)	-
	(1,530.8)	(1,117.7)
Non-current liabilities		
Borrowings	(2,626.2)	(1,125.0)
Derivative financial instruments	(27.0)	-
Deferred tax liabilities	(620.3)	(251.0)
Retirement benefit obligation	(37.5)	(23.6)
Provisions	(30.1)	(33.0)
Non-current tax liabilities	-	(11.1)
Trade and other payables	(33.9)	(26.7)
	(3,375.0)	(1,470.4)
Total liabilities	(4,905.8)	(2,588.1)
Net assets	6,060.2	2,229.0
Equity		
Share capital	1.3	0.8
Share premium account	905.3	905.3
Translation reserve	51.9	(56.5)
Other reserves	1,974.5	(1,568.7)
Retained earnings	2,933.8	2,936.8
Equity attributable to equity holders of the parent	5,866.8	2,217.7
Non-controlling interest	193.4	11.3
Total equity	6,060.2	2,229.0

These financial statements were approved by the Board of Directors on 6 March 2019 and were signed on its behalf by

STEPHEN A. CARTER CBE
Group Chief Executive

GARETH WRIGHT
Group Finance Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £m	2017 £m
Operating activities		
Cash generated by operations	635.0	531.2
Income taxes paid	(82.4)	(45.3)
Interest paid	(66.3)	(52.0)
Net cash inflow from operating activities	486.3	433.9
Investing activities		
Interest received	2.1	0.2
Purchase of property and equipment	(23.4)	(14.7)
Proceeds on disposal of property and equipment	0.4	1.0
Purchase of intangible software assets	(30.2)	(52.2)
Product development costs additions	(6.2)	(13.1)
Purchase of intangibles related to titles, brands and customer relationships	(21.0)	(30.7)
(Costs)/proceeds on disposal of other intangible assets related to titles and brands	(3.2)	5.2
Acquisition of subsidiaries and operations, net of cash acquired	(593.6)	(193.2)
Acquisition of non-controlling interests	(5.3)	-
Acquisition of investment	(0.5)	(0.5)
Proceeds from disposal of subsidiaries and operations	7.4	14.4
Net cash outflow from investing activities	(673.5)	(283.6)
Financing activities		
Dividends paid to Shareholders	(201.9)	(162.0)
Dividends paid to non-controlling interests	(8.6)	(2.0)
Dividend paid in settlement of UBM acquisition liability	(59.0)	-
Proceeds from EMTN bond issuance	872.7	-
Repayment of loans	(1,179.4)	(1,292.1)
New loan advances	644.0	1,070.8
Repayment of private placement borrowings	(101.5)	(159.7)
New private placement borrowings	313.6	406.4
Borrowing fees paid	(10.0)	(0.7)
Cash inflow from other loan receivables	-	0.2
Cash inflow/(outflow) from the issue/purchase of shares	2.0	(0.9)
Net cash inflow/(outflow) from financing activities	271.9	(140.0)
Net increase in cash and cash equivalents	84.7	10.3
Effect of foreign exchange rate changes	(8.0)	(2.3)
Cash and cash equivalents at beginning of the year	48.2	40.2
Cash and cash equivalents at end of the year	124.9	48.2

RECONCILIATION OF MOVEMENT IN NET DEBT

FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 £m	2017 £m
Increase in cash and cash equivalents in the year (including cash acquired)	84.7	10.3
Cash flows from net drawdown of borrowings and derivatives associated with debt instruments	(539.4)	(24.9)
Increase in net debt resulting from cash flows	(454.7)	(14.6)
Borrowings acquired with UBM plc	(702.6)	-
Other non-cash movements including foreign exchange	(151.5)	126.9
(Increase)/decrease in net debt in the year	(1,308.8)	112.3
Net debt at beginning of the year	(1,373.1)	(1,485.4)
Net debt at end of the year	(2,681.9)	(1,373.1)

NOTES TO THE FULL YEAR RESULTS

For the year ended 31 December 2018

1 GENERAL INFORMATION

Informa PLC (the "Company") is a company incorporated in the United Kingdom under the Companies Act 2006 and is listed on the London Stock Exchange. The Company is a public company limited by shares and is registered in England and Wales with registration number 08860726. The address of the registered office is 5 Howick Place, London, SW1P 1WG.

The Consolidated Financial Statements as at 31 December 2018 and for the year then ended comprise those of the Company and its subsidiaries and its interests in joint ventures and associates (together referred to as "the Group").

These financial statements are presented in pounds sterling ("GBP"), the functional currency of the Parent Company, Informa PLC.

2 BASIS OF PREPARATION

The financial information for the year ended 31 December 2018 does not constitute the statutory financial statements for that year, but is derived from those audited financial statements for the year ended 31 December 2018 which will be published on www.informa.com. While the financial information in these Full Year Results has been prepared in accordance with International Financial Reporting Standards (IFRS), these results do not in isolation contain sufficient information to comply with IFRS. Those financial statements have not yet been delivered to the Registrar of Companies, but include the auditor's report which was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

The accounting policies, significant judgements and key sources of estimation adopted in the preparation of the financial information are consistent with those applied by the Group in its Consolidated Financial Statements for the year ended 31 December 2017 and are disclosed in full in the audited financial statements for the year ended 31 December 2018 which will be published on www.informa.com.

3 RESTATEMENT

The results for the year ended 31 December 2017 have been restated following the adoption in 2018 of IFRS 15 *Revenue from Contracts with Customers*.

This resulted in the Consolidated Balance Sheet at 31 December 2017 being adjusted for the reclassification of £72.1m of deferred income against trade receivables, for amounts that have been invoiced and where services have not yet been provided and amounts are not yet due, together with the adjustment for unbilled income described below.

There were also restatements to the 2017 income statement from amounts previously recognised on a percentage complete basis. This resulted in reductions of £0.8m to revenue, £0.6m to profit before tax and £0.5m to profit after tax. These adjustments only affected the Business Intelligence Division. This resulted in basic earnings per share being restated from 37.8p per share to 37.7p per share, diluted earnings per share being restated from 37.7p to 37.6p and Adjusted diluted earnings per share being restated from 46.1p to 46.0p.

4 BUSINESS SEGMENTS

BUSINESS SEGMENTS

The Group has identified reportable segments based on financial information used by the Executive Directors in allocating resources and making strategic decisions. We consider the chief operating decision maker to be the two Executive Directors.

The Group's five identified reportable segments under IFRS 8 *Operating Segments* are as described in the Strategic Report. UBM is a new reportable segment in 2018 following acquisition of the business on 15 June 2018.

SEGMENT REVENUE AND RESULTS

The Group's primary internal income statement performance measures for business segments are revenue and adjusted operating profit.

A reconciliation of adjusted operating profit to statutory operating profit and profit before tax is provided below:

Year ended 31 December 2018

	Global Exhibitions £m	Academic Publishing £m	Business Intelligence £m	Knowledge & Networking £m	UBM ² £m	Total £m
Revenue	575.8	533.2	385.6	261.4	613.5	2,369.5
Adjusted operating profit before joint ventures and associates				39.8		
Share of adjusted results of joint ventures and associates	200.3	198.4	91.1	0.1	201.5	731.1
Adjusted operating profit	(0.2)	-	-		1.1	1.0
Intangible asset amortisation ¹	200.1	198.4	91.1	39.9	202.6	732.1
Impairment	(67.5)	(52.7)	(22.8)	(15.6)	(85.0)	(243.6)
Acquisition and integration costs	(5.7)	-	-	(4.1)	-	(9.8)
Restructuring and reorganisation costs	(2.5)	(0.7)	(1.5)	(0.6)	(83.6)	(88.9)
Subsequent re-measurement of contingent consideration	(0.9)	(6.7)	(4.5)	(1.0)	-	(13.1)
UAE VAT charge	2.0	-	7.3	(9.2)	-	0.1
GMP pension equalisation	(9.1)	-	-	-	-	(9.1)
Operating profit	-	-	(0.3)	(0.2)	(4.0)	(4.5)
Profit on disposal of businesses	116.4	138.3	69.3	9.2	30.0	363.2
Investment income						1.1
Finance costs						8.2
Profit before tax						(90.4)
						282.1

¹ Excludes acquired intangible product development and software amortisation

² UBM segment results are for the post-acquisition period to 31 December 2018

Year ended 31 December 2017 (restated)²

	Global Exhibitions	Academic Publishing	Business Intelligence²	Knowledge & Networking	Total
	£m	£m	£m	£m	£m
Revenue	560.4	530.0	383.4	283.0	1,756.8
Adjusted operating profit before joint ventures and associates	201.4	208.0	91.6	43.9	544.9
Share of adjusted results of joint ventures and associates	-	-	-	-	-
Adjusted operating profit	201.4	208.0	91.6	43.9	544.9
Intangible asset amortisation ¹	(66.7)	(50.1)	(24.0)	(17.0)	(157.8)
Impairment	(0.4)	(2.0)	(3.2)	-	(5.6)
Acquisition and integration costs	(6.7)	(1.5)	(10.2)	(5.6)	(24.0)
Restructuring and reorganisation costs	(1.2)	(0.3)	(7.0)	(4.4)	(12.9)
Subsequent re-measurement of contingent consideration	(0.2)	-	-	0.3	0.1
Operating profit	126.2	154.1	47.2	17.2	344.7
Loss on disposal of businesses					(17.4)
Investment income					0.2
Finance costs					(59.3)
Profit before tax					268.2

¹ Excludes acquired intangible product development and software amortisation

² 2017 restated for implementation of IFRS 15

SEGMENT REVENUE BY TYPE

The Group's revenues from its major products and services were as follows:

Year ended 31 December 2018

	Global Exhibitions	Academic Publishing	Business Intelligence	Knowledge & Networking	UBM²	Total
	£m	£m	£m	£m	£m	£m
Exhibitor	408.8	-	-	40.6	471.7	921.1
Subscriptions	-	282.3	286.1	-	14.7	583.1
Unit sales	-	250.9	29.0	-	-	279.9
Attendee	61.6	-	-	107.0	57.9	226.5
Marketing and advertising	63.7	-	70.5	39.4	45.6	219.2
Sponsorship	41.7	-	-	74.4	23.6	139.7
Total	575.8	533.2	385.6	261.4	613.5	2,369.5

Year ended 31 December 2017¹

	Global Exhibitions	Academic Publishing	Business Intelligence	Knowledge & Networking	Total
	£m	£m	£m	£m	£m
Exhibitor	385.9	-	-	47.3	433.2
Subscriptions	-	279.1	287.6	-	566.7
Unit sales	-	250.9	27.1	-	278.0
Attendee	57.5	-	-	119.7	177.2
Marketing and advertising	71.3	-	68.7	42.0	182.0
Sponsorship	45.7	-	-	74.0	119.7
Total	560.4	530.0	383.4	283.0	1,756.8

¹ 2017 restated for classification changes including the implementation of IFRS 15

² UBM segment results are for the post-acquisition period to 31 December 2018

5 OPERATING PROFIT

Operating profit has been arrived at after charging/(crediting):

	Adjusted results 2018 £m	Adjusting items 2018 £m	Statutory results 2018 £m	Adjusted results (restated) ¹ 2017 £m	Adjusting items (restated) ¹ 2017 £m	Statutory results (restated) ¹ 2017 £m
Cost of sales	780.8	-	780.8	537.2	-	537.2
Staff costs (excluding adjusting items)	596.8	-	596.8	467.8	-	467.8
Amortisation of other intangible assets	42.5	243.6	286.1	24.8	157.8	182.6
Impairment – goodwill	-	-	-	-	3.4	3.4
Impairment – intangibles	-	9.8	9.8	-	2.2	2.2
Depreciation	13.1	-	13.1	9.2	-	9.2
Acquisition-related costs	-	42.9	42.9	-	4.4	4.4
Integration-related costs ²	-	46.0	46.0	-	19.6	19.6
Restructuring and reorganisation costs	-	13.1	13.1	-	12.9	12.9
Subsequent re-measurement of contingent consideration	-	(0.1)	(0.1)	-	(0.1)	(0.1)
Operating lease expense						
– Land and buildings	35.0	-	35.0	26.7	-	26.7
– Other	1.0	-	1.0	1.1	-	1.1
UAE VAT charge	-	9.1	9.1	-	-	-
GMP equalisation	-	4.5	4.5	-	-	-
Net foreign exchange loss	7.6	-	7.6	4.9	-	4.9
Auditor's remuneration for audit services	3.2	-	3.2	2.1	-	2.1
Other operating expenses	158.4	-	158.4	138.1	-	138.1
Total net operating expenses before joint ventures and associates	1,638.4	368.9	2,007.3	1,211.9	200.2	1,412.1

¹ 2017 restated for implementation of IFRS 15

² Integration costs include £3.8m of impairment of other intangible assets

6 ADJUSTING ITEMS

The Board considers certain items should be recognised as adjusting items since, due to their nature or infrequency, such presentation is relevant to an understanding of the Group's performance. These items do not relate to the Group's underlying trading and are adjusted from the Group's adjusted operating profit measure. The following charges/(credits) are presented as adjusting items:

	2018 £m	2017 £m
Intangible amortisation and impairment		
Intangible asset amortisation	243.6	157.8
Impairment – goodwill	-	3.4
Impairment – acquisition related intangible assets	9.8	2.2
Acquisition costs	42.9	4.4
Integration costs	46.0	19.6
Restructuring and reorganisation costs		
Redundancy costs	7.3	5.7
Reorganisation costs	0.8	1.0
Vacant property costs	5.0	6.2
Subsequent re-measurement of contingent consideration	(0.1)	(0.1)
UAE VAT charge	9.1	-
GMP equalisation charge	4.5	-
Adjusting items in operating profit	368.9	200.2
(Profit)/loss on disposal of subsidiaries and operations	(1.1)	17.4
Investment income	(1.2)	-
Finance costs	1.0	-
Adjusting items in profit before tax	367.6	217.6
Tax related to adjusting items	(55.7)	(62.6)
Tax adjusting item for US federal tax reform	-	(85.4)
Adjusting items in profit for the year	311.9	69.6

The principal adjusting items are in respect of:

- Intangible asset amortisation – the amortisation charges in respect of intangible assets acquired through business combinations or the acquisition of trade and assets;
- Impairment – the Group tests for impairment on an annual basis or more frequently when an indicator exists. Impairment charges are individually disclosed and are excluded from adjusted results;
- Acquisition costs are the costs and fees incurred by the Group in acquiring businesses and totalled £42.9m, with £41.1m relating to the UBM plc acquisition and £1.8m for other acquisitions;
- Integration costs related to the costs incurred by the Group in integrating share and asset acquisitions. Integration costs totalled £46.0m, with £39.5m relating to the acquisition of UBM plc;
- Restructuring and reorganisation costs – these costs are incurred by the Group in business restructuring and operating model changes. These include vacant property costs arising from restructuring activities;
- Subsequent re-measurement of contingent consideration is recognised in the year as a charge or credit to the Consolidated Income Statement unless qualifying as a measurement period adjustment arising within one year from the acquisition date;
- Following the introduction of Value Added Tax on 1 January 2018 in the UAE the Group identified and reported an underpayment during 2018 and made a correcting payment. In January 2019 the UAE tax authorities assessed a tax penalty of £9.1m in relation to the late payment. The Group is disputing this penalty assessment, however an amount of £9.1m has been provided for within adjusting items in the year;
- GMP equalisation charge relates to the additional pension liability arising in the UK from the requirement to equalise the guaranteed element of pensions;
- Profit on disposal of subsidiaries and operations – the profit on disposal primarily relates to the £5.4m profit on disposal from the release of indemnity provisions associated with the disposal of PR Newswire that UBM plc completed in 2016, partly offset by the £3.3m loss on disposal of ehi Live;
- Investment income of £1.2m relates to the fair value gain on derivatives relating to the EMTN during the unhedged period;
- Finance costs of £1.0m relate to the one-off refinancing costs associated with the UBM plc acquisition; and
- The tax items relate to the tax effect on the items above and are analysed in the Taxation note.

7 INVESTMENT INCOME

	2018	2017
	£m	£m
Interest income on bank deposits	3.8	0.2
Fair value gain on financial instruments through the income statement	3.2	-
Investment income before adjusting items	7.0	0.2
Adjusting item: fair value gain on derivatives associated with EMTN borrowings	1.2	-
Total investment income	8.2	0.2

8 FINANCE COSTS

	2018	2017
	£m	£m
Interest expense on borrowings and loans ¹	87.6	58.1
Interest cost on pension scheme net liabilities	1.1	1.1
Total interest expense	88.7	59.2
Fair value loss on financial instruments through the income statement	0.7	0.1
Financing costs before adjusting items	89.4	59.3
Adjusting item: financing expense associated with UBM plc acquisition ²	1.0	-
Total financing expense	90.4	59.3

¹Included in interest expense above is the amortisation of debt issue costs of £2.5m (2017: £2.2m)

²The adjusting item for finance income relates to a £1.0m charge related to the amortisation of the fees associated with the UBM plc RCF facility that was repaid in June 2018

9 TAXATION

The tax charge/(credit) comprises:

	2018	2017 (restated) ¹
	£m	£m
Current tax:		
UK	40.5	30.7
Continental Europe	13.4	(0.6)
US – excluding US federal tax reform	(7.9)	3.4
US – charge arising from US federal tax reform	-	9.2
China (including Hong Kong)	26.2	3.9
Rest of World	9.3	4.3
Current year	81.5	50.9
Deferred tax:		
Current year	(21.0)	(0.9)
Credit arising from US federal tax reform	-	(94.6)
Credit arising from UK Corporation Tax rate change	-	(0.4)
Total deferred tax	(21.0)	(95.9)
Total tax charge/(credit) on profit on ordinary activities	60.5	(45.0)

¹2017 restated for implementation of IFRS 15

The tax adjusting items within the Consolidated Income Statement relates to the following:

	Gross 2018	Tax 2018	Gross 2017	Tax 2017
	£m	£m	£m	£m
Amortisation of other intangible assets	(243.6)	55.2	(157.8)	58.6
Deferred tax charge arising from revised treatment of certain non-UK intangible assets	-	-	-	(3.1)
Benefit of goodwill amortisation for tax purposes only	-	(15.1)	-	(12.7)
Impairment of goodwill and intangibles	(9.8)	2.1	(5.6)	-
Acquisition and integration related costs	(88.9)	9.6	(24.0)	9.3
Restructuring and reorganisation costs	(13.1)	2.9	(12.9)	3.8
Subsequent re-measurement of contingent consideration	0.1	-	0.1	-
UAE VAT charge	(9.1)	-	-	-
GMP equalisation charge	(4.5)	0.8	-	-
Profit/(loss) on disposal of subsidiaries and operations	1.1	-	(17.4)	6.3
Investment income	1.2	-	-	-
Finance costs	(1.0)	0.2	-	-
Deferred tax credit on intangible assets arising from UK Corporation Tax rate change	-	-	-	0.4
Tax on adjusting items	(367.6)	55.7	(217.6)	62.6
Tax adjusting item for US federal tax reform	-	-	-	85.4
Total tax adjusting items	(367.6)	55.7	(217.6)	148.0

The current and deferred tax are calculated on the estimated assessable profit for the year. Taxation is calculated in each jurisdiction based on the prevailing rates of that jurisdiction. US federal tax reform refers to the Tax Cuts and Jobs Act enacted in December 2017.

The total tax charge/(credit) for the year can be reconciled to the accounting profit as follows:

	2018		2017 (restated) ¹	
	£m	%	£m	%
Profit before tax	282.1		268.2	
Tax charge at effective UK statutory rate of 19.0% (2017: 19.25%)	53.6	19.0	51.6	19.3
Non-deductible impairments	-	-	1.1	0.4
Other non-deductible expenses and similar items	8.0	2.8	2.0	0.7
Different tax rates on overseas profits	10.1	3.6	(3.5)	(1.3)
Adjustments for prior years	(6.1)	(2.2)	(3.0)	(1.1)
Adjustments to deferred tax on intangible assets	-	-	(0.8)	(0.3)
Acquisitions and disposals related items	12.6	4.5	(0.7)	(0.3)
Benefits from financing structures	(4.7)	(1.7)	(1.4)	(0.5)
Tax incentives and foreign tax credits	(2.4)	(0.9)	(4.6)	(1.7)
Movements in deferred tax not recognised	1.8	0.6	0.1	-
Deferred tax credit arising from UK Corporation Tax rate change	-	-	(0.4)	(0.1)
Non-taxable income	(6.8)	(2.4)	-	-
Net movement in provisions for uncertain tax positions	(5.6)	(2.0)	-	-
Net tax credit arising from US federal tax reform	-	-	(85.4)	(31.9)
Tax charge/(credit) and effective rate for the year	60.5	21.3	(45.0)	(16.8)

¹2017 restated for implementation of IFRS 15

In addition to the income tax charge to the Consolidated Income Statement, a tax credit of £1.3m (2017: charge of £4.2m) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

Current tax liabilities include £57.4m (2017: £12.2m) in respect of provisions for uncertain tax positions. In 2017 the European Commission announced that it would be opening a State Aid investigation into the UK's Controlled Foreign Company regime and in particular the exemption for group finance companies. Like many UK based multinational companies, the Group has made claims in relation to this exemption and will potentially have an additional tax liability if a negative State Aid decision is upheld. The maximum amount that could become payable by the Group in relation to this matter is £37.2m. As part of the acquisition accounting relating to contingent liabilities, an amount of £8.0m has been provided in relation to UBM companies. We do not currently believe it is probable that we will ultimately have to make a payment in respect of this issue and therefore have not provided for any additional liabilities.

10 DIVIDENDS

	2018 Pence per share	2018 £m	2017 Pence per share	2017 £m
Amounts recognised as distributions to equity holders in the year:				
Final dividend for the year ended 31 December 2016	-	-	13.04p	107.4
Interim dividend for the year ended 31 December 2017	-	-	6.65p	54.8
Final dividend for the year ended 31 December 2017	13.80p	113.6	-	-
Interim dividend for the year ended 31 December 2018	7.05p	88.2	-	-
	20.85p	201.8	19.69p	162.2
Proposed final dividend for the year ended 31 December 2018 and actual dividend for the year ended 31 December 2017	14.85p	185.8	13.80p	113.7

On 28 June 2018 a Special Dividend payment of £59.0m was made to the former shareholders of UBM plc, settling a dividend liability agreed to be paid prior to the acquisition date.

As at 31 December 2018 £0.1m (2017: £0.2m) of dividends were still to be paid, and total dividend payments in the year were £201.9m (2017: £162.0m). The proposed final dividend for the year ended 31 December 2018 of 14.85p (2017: 13.80p) per share is subject to approval by Shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The payment of this dividend will not have any tax consequences for the Group.

In the year ended 31 December 2018 there were dividend payments of £8.6m (2017: £2.0m) to non-controlling interests.

11 EARNINGS PER SHARE

Basic

The basic earnings per share calculation is based on profit attributable to equity Shareholders of the parent of £207.9m (2017: £310.8m profit, restated). This profit on ordinary activities after taxation is divided by the weighted average number of shares in issue (less those shares held by the Employee Share Trust and ShareMatch), which is 1,052,752,894 (2017: 823,352,304).

Diluted

The diluted earnings per share calculation is based on the basic EPS calculation above except that the weighted average number of shares includes all potentially dilutive options granted by the reporting date as if those options had been exercised on the first day of the accounting period or the date of the grant, if later, giving a weighted average of 1,057,236,186 (2017: 826,146,627).

The table below sets out the adjustment in respect of dilutive potential Ordinary Shares:

	2018	2017
Weighted average number of shares used in basic earnings per share	1,052,752,894	823,352,304
Potentially dilutive Ordinary Shares	4,483,292	2,794,323
Weighted average number of shares used in diluted earnings per share	1,057,236,186	826,146,627

Earnings per share

In addition to basic EPS, adjusted diluted EPS calculations have been provided as this is useful additional information on underlying performance. Earnings are based on profits attributable to equity Shareholders and adjusted to exclude items that, in the opinion of the Directors, would distort underlying results.

Earnings per share	Earnings 2018 £m	Per share amount 2018 Pence	Earnings 2017 (restated)¹ £m	Per share amount 2017 (restated)¹ Pence
Profit for the year	221.6		313.2	
Non-controlling interests	(13.7)		(2.4)	
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	207.9	19.7	310.8	37.7
Effect of dilutive potential Ordinary Shares	-	-	-	(0.1)
Earnings for the purpose of statutory diluted EPS/statutory diluted EPS (p)	207.9	19.7	310.8	37.6

¹2017 restated for implementation of IFRS 15

Adjusted earnings per share	Earnings 2018 £m	Per share amount 2018 Pence	Earnings 2017 (restated)¹ £m	Per share amount 2017 (restated)¹ Pence
Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)	207.9	19.7	310.8	37.7
Adjusting items:				
Intangible amortisation and impairment	253.4	24.1	163.4	19.8
Acquisition and integration costs	88.9	8.4	24.0	2.9
Redundancy and restructuring costs	13.1	1.3	12.9	1.6
Subsequent re-measurement of contingent consideration	(0.1)	-	(0.1)	-
UAE VAT charge	9.1	0.9	-	-
GMP pension equalisation	4.5	0.4	-	-
(Profit)/loss on disposal of subsidiaries and operations	(1.1)	(0.1)	17.4	2.2
Investment income	(1.2)	(0.1)	-	-
Finance costs	1.0	0.1	-	-
Tax related to adjusting items	(55.7)	(5.3)	(62.6)	(7.6)
Tax adjusting items for US federal tax reform	-	-	(85.4)	(10.4)
Earnings for the purpose of adjusted basic EPS/adjusted basic EPS (p)	519.8	49.4	380.4	46.2
Effect of dilutive potential Ordinary Shares	-	(0.2)	-	(0.2)
Earnings for the purpose of adjusted diluted EPS/adjusted diluted EPS (p)	519.8	49.2	380.4	46.0

¹2017 restated for implementation of IFRS 15

12 SHARE CAPITAL

Share capital

Share capital as at 31 December 2018 amounted to £1.3m (2017: £0.8m).

	2018 £m	2017 £m
Issued and fully paid		
1,251,798,534 (2017: 824,005,051) Ordinary Shares of 0.1p each	1.3	0.8

	2018 Number of shares	2017 Number of shares
At 1 January	824,005,051	824,005,051
Issue of new shares in relation to consideration for the acquisition of UBM plc	427,536,794	-
Other issue of shares	256,689	-
At 31 December	1,251,798,534	824,005,051

13 NOTES TO THE CASH FLOW STATEMENT

	2018 £m	2017 (restated) ¹ £m
Profit before tax	282.1	268.2
Adjustments for:		
Depreciation of property and equipment	13.1	9.2
Amortisation of other intangible assets	286.1	182.6
Impairment – goodwill	-	3.4
Impairment – acquisition intangible assets	9.8	2.2
Impairment – other intangible assets	3.8	-
Impairment – property and equipment	2.7	-
Share-based payments	8.1	5.4
Subsequent re-measurement of contingent consideration	(0.1)	(0.1)
(Profit)/loss on disposal of businesses	(1.1)	17.4
Pension curtailment gain	(0.8)	-
GMP Pension equalisation charge	4.5	-
Investment income	(8.2)	(0.2)
Finance costs	90.4	59.3
Share of adjusted results of joint ventures and associates	(1.0)	-
Operating cash inflow before movements in working capital	689.4	547.4
Decrease/(increase) in inventories	3.2	(2.2)
Decrease/(increase) in receivables	89.7	(40.5)
(Decrease)/increase in payables	(142.9)	26.5
Movements in working capital	(50.0)	(16.2)
Pension deficit contributions	(4.4)	-
Cash generated by operations	635.0	531.2

¹2017 restated for implementation of IFRS 15

14 MOVEMENTS IN NET DEBT

Net debt consists of cash and cash equivalents and includes bank overdrafts, borrowings, derivatives associated with debt instruments, and other loan note receivables where these are interest bearing and do not relate to deferred contingent arrangements.

	At 1 January 2018 £m	Non-cash movements £m	UBM net debt acquired £m	Cash flow £m	Exchange movements £m	At 31 December 2018 £m
Cash at bank and in hand	54.9	-	134.2	(12.4)	(7.9)	168.8
Overdrafts	(6.7)	-	-	(37.1)	(0.1)	(43.9)
Cash and cash equivalents	48.2	-	134.2	(49.5)	(8.0)	124.9
Bank loans due in less than one year	(296.3)	-	(151.0)	307.9	(17.5)	(156.9)
Bank loans due in more than one year	(287.6)	-	-	227.5	(18.4)	(78.5)
Bank loan fees due in less than one year	-	(2.5)	-	2.5	-	-
Bank loan fees due in more than one year	2.0	(1.1)	-	-	-	0.9
Private placement loan notes due in less than one year	-	183.1	(284.6)	101.5	-	-
Private placement loan notes due in more than one year	(841.0)	(182.4)	-	(313.6)	(59.4)	(1,396.4)
Private placement loan note fees	1.6	(0.6)	1.3	0.9	0.2	3.4
Bond borrowings due in more than one year	-	1.1	(269.1)	(872.7)	(22.3)	(1,163.0)
Bond borrowing fees	-	(0.9)	1.7	6.6	-	7.4
Derivative assets associated with borrowings	-	-	1.5	-	-	1.5
Derivative liabilities associated with borrowings	-	2.7	(2.4)	-	(25.5)	(25.2)
Net debt	(1,373.1)	(0.6)	(568.4)	(588.9)	(150.9)	(2,681.9)

Included within the net cash outflow of £588.9m (2017: outflow of £14.6m) is £1,179.4m (2017: £1,292.1m) of loan repayments, £644.0m (2017: £1,070.8m) of facility loan drawdowns, £872.7m of proceeds from the EMTN bond issuance, £101.5m of private placement repayments (2017: £159.7m) and £313.6m of private placement drawdowns (2017: £406.4m).

15 BORROWINGS

Total borrowings, excluding derivative assets and liabilities associated with borrowings, are as follows:

		2018	2017
		£m	£m
Current			
Bank overdraft		43.9	6.7
Bank borrowings (\$400.0m)	– due March 2018	-	296.3
Bank borrowings (\$200.0m)	– due March 2019	156.9	-
Total current borrowings		200.8	303.0
Non-current			
Bank borrowings – revolving credit facility – due October 2020		78.5	287.6
Bank debt issue costs		(0.9)	(2.0)
Bank borrowings – non-current		77.6	285.6
Private placement loan note (\$385.5m)	– due December 2020	302.5	285.5
Private placement loan note (\$45.0m)	– due June 2022	36.5	-
Private placement loan note (\$120.0m)	– due October 2022	94.2	88.9
Private placement loan note (\$55.0m)	– due January 2023	43.1	40.7
Private placement loan note (\$76.1m)	– due June 2024	60.9	-
Private placement loan note (\$80.0m)	– due January 2025	62.8	59.2
Private placement loan note (\$200.0m)	– due January 2025	156.9	-
Private placement loan note (\$130.0m)	– due October 2025	102.0	96.3
Private placement loan note (\$365.0m)	– due January 2027	286.4	270.4
Private placement loan note (\$116.0m)	– due June 2027	94.2	-
Private placement loan note (\$200.0m)	– due January 2028	156.9	-
Private debt issue costs		(3.4)	(1.6)
Private placement – non-current	27	1,393.0	839.4
Bond borrowings (\$350.0m)	– due November 2020	279.1	-
Euro Medium Term Note (€650.0m)	– due July 2023	583.9	-
Euro Medium Term Note (£300.0m)	– due July 2026	300.0	-
Bond borrowings issue costs		(7.4)	-
Bond borrowings – non-current	27	1,155.6	-
Total non-current borrowings		2,626.2	1,125.0
		2,827.0	1,428.0

There have been no breaches of covenants under the Group's bank facilities and private placement loan notes during the year. The Group does not have any of its property and equipment and other intangible assets pledged as security over loans.

At 31 December 2018, the Group had private placement loan notes amounting to \$1,772.6m (2017: \$1,135.5m). As at 31 December 2018, the note maturities ranged between two and nine years (2017: three and ten years), with an average duration of 5.8 years (2017: 6.1 years), at a weighted average interest rate of 4.1% (2017: 4.1%).

For the purpose of refinancing the UBM plc acquisition borrowings the Group issued the following Euro Medium Term Notes (EMTNs), which are debt instruments traded outside of the USA and Canada. On 2 July 2018, the bonds were priced with an issue date of 5 July 2018:

- A 5-year fixed term note, until July 2023, of value €650m;
- A 8-year fixed term note, until July 2026, of value £300m.

The Group maintains the following lines of credit:

- £855.0m (2017: £855.0m) revolving credit facility, of which £78.5m (2017: £287.6m) was drawn down at 31 December 2018. Interest is payable at the rate of LIBOR plus a margin based on the ratio of net debt to EBITDA;
- £156.9m (USD 200.0m) bank term loan facility with a maturity of up to March 2019 and issued by Bank of America Merrill Lynch. This was repaid in February 2019;
- £167.1m (2017: £134.0m) comprising a number of bilateral bank uncommitted facilities that can be drawn down to meet short-term financing needs, of which £43.9m (2017: £6.7m) was drawn at 31 December 2018. These facilities consist of £101.0m (2017: £81.0m), USD 25.0m (2017: USD 15.0m), €42.0m (2017: €43.0m), AUD 1.0m (2017: AUD 1.0m), and CAD 2.0m (2017: CAD 2.0m), SGD 2.3m (2017: SGD 2.3m) and CNY 50.0m (2017: CNY 50.0m). Interest is payable at the local base rate plus a margin; and
- Four bank guarantee facilities comprising in aggregate up to USD 10.0m (2017: USD 10.0m), €7.0m (2017: €7.0m), £2.0m (2017: £nil) and AUD 1.5m (2017: AUD 1.5m).

The effective interest rate for the year ended 31 December 2018 was 3.8% (2017: 3.8%).

16 BUSINESS COMBINATIONS

Acquisitions

The provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities for the acquisitions made in 2018 and payments made in 2018 relating to prior year acquisitions was:

	UBM plc £m	ICON Advisory Group, Ltd £m	Other acquisitions £m	Prior year acquisitions & deferred consideration £m	Total £m
Intangibles	2,315.7	22.0	15.5	-	2,353.2
Property and equipment	30.1	0.1	-	-	30.2
Investments in joint ventures and associates	16.5	-	-	-	16.5
Deferred tax assets	2.6	-	-	-	2.6
Retirement benefit surplus	6.0	-	-	-	6.0
Trade and other receivables	225.6	0.6	1.1	-	227.3
Cash and cash equivalents	134.2	1.6	6.7	-	142.5
Current tax liabilities	(66.0)	-	(0.3)	-	(66.3)
Trade and other payables	(213.8)	(0.7)	(4.2)	-	(218.7)
Deferred income	(426.9)	(0.2)	-	-	(427.1)
Provisions	(44.8)	-	-	31.3	(13.5)
Retirement benefit obligation	(0.9)	-	-	-	(0.9)
Derivative liabilities	(17.1)	-	-	-	(17.1)
Borrowings including derivatives associated with borrowings	(702.6)	-	-	-	(702.6)
Deferred tax liabilities	(370.2)	-	(6.8)	-	(377.0)
Identifiable net assets acquired	888.4	23.4	12.0	31.3	955.1
Put options over non-controlling interests	6.6	-	-	-	6.6
Non-controlling interest	(175.8)	-	(1.0)	-	(176.8)
Goodwill	3,470.8	20.9	7.5	-	3,499.2
Total consideration	4,190.0	44.3	18.5	31.3	4,284.1
¹ Included within Trade and other payables was £59.0m paid to former UBM Shareholders on 28 June 2018					
Satisfied by:					
Cash consideration	643.5	44.3	17.0	-	704.8
Deferred and contingent cash consideration	-	-	1.5	31.3	32.8
Deferred consideration	1.4	-	-	-	1.4
Initial share consideration	3,545.1	-	-	-	3,545.1
Total consideration	4,190.0	44.3	18.5	31.3	4,284.1
Net cash outflow arising on acquisitions:					
Initial cash consideration	643.5	44.3	17.0	-	704.8
Deferred and contingent consideration paid	-	-	-	31.3	31.3
Less: net cash acquired	(134.2)	(1.6)	(6.7)	-	(142.5)
Net cash outflow arising on acquisitions	509.3	42.7	10.3	31.3	593.6

17 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The transactions between the Group and its joint ventures and

associates are disclosed below. The following transactions and arrangements are those which are considered to have had a material effect on the financial performance and position of the Group for the year.

Transactions with Directors

There were no material transactions with Directors of the Company during the year, except for those relating to remuneration and shareholdings. For the purposes of IAS 24 *Related Party Disclosures*, Executives below the level of the Company's Board are not regarded as related parties.

During the period, the Group incurred expenses of £2.7m (2017: £2.2m) and generated revenue of £3.2m relating to Microsoft UK. One of the Group's Non-Executive Directors is the Chief Executive Officer of this organisation.

Other related party disclosures

At 31 December 2018, Informa Group companies have guaranteed the pension scheme liabilities of the Taylor & Francis Group Pension and Life Assurance Scheme, the Informa Final Salary Scheme and the UBM Pension Scheme.

18 POST BALANCE SHEET EVENTS

On 19 December 2018 the Group agreed the disposal of the **Life Sciences Media Brands Portfolio** which was previously part of UBM plc for consideration of just over \$100m, with the sale completing on 31 January 2019. As a result, the balance sheet of the Life Sciences business was shown as held for sale in the Consolidated Balance Sheet as at 31 December 2018.

On 15 February 2019 the Revolving Credit Facility was replaced with a new facility with two tranches: £600m for a 5-year term to February 2024 and £300m for a 3-year term to February 2022.

Annual Report and Financial Statements 2018

The Annual Report and Financial Statements for the financial year ended 31 December 2018 will be published on www.informa.com in April 2019. The audited Financial Statements for the year ended 31 December 2018 together with the report of the independent auditors are published on www.informa.com.

Copies of this announcement may be obtained during normal business hours from the Company Secretary at the Company's office at 5 Howick Place, London, SW1P 1WG.

Cautionary Statements

This results release contains certain forward-looking statements. These statements are subject to a number of risks and uncertainties and actual results and events could differ materially from those currently being anticipated. The terms 'expect', 'should be', 'will be' and similar expressions (or their negative) identify forward looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to: general economic conditions and business conditions in Informa's markets; exchange rate fluctuations, customers' acceptance of its products and services; the actions of competitors; legislative, fiscal and regulatory developments; changes in law and legal interpretation affecting Informa's intellectual property rights and internet communications; and the impact of technological change. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. These forward-looking statements speak only as of the date of this results release and are based on numerous assumptions regarding Informa's present and future business strategies and the environment in which Informa will operate in the future. Except as required by any applicable law or regulation, the Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Group's expectations or any change in events, conditions or circumstances on which any such statement is based after the date of this announcement or to update or keep current any other information contained in this results release.