

## Informa PLC Press Release

22 April 2021

# 2020 Full-Year Results

## Continuing Stability and Security

Informa (LSE: INF.L), the Information Services, Advanced Learning, B2B Exhibitions and Events Group today announced its financial results for the 12 months ended 31 December 2020 and provided an update on trading to date in 2021, in what will be The Transition Year for physical events.

### Key 2020 Highlights

- **Full Year 2020 Results:** Adjusted Operating Profit<sup>1</sup> of £267.8m (2019: £933.1m) on revenues of £1,660.8m (2019: £2,890.3m), in line with guidance and reflecting the significant pandemic-impact on physical Events business; One-off COVID-19 non-cash impairment of goodwill and other exceptional costs result in statutory operating loss of £880.4m (2019: £538.1m profit);
- **Continuing Stability & Security:** Strength in Subscriptions-led businesses in 2020, combined with our COVID-19 Action Plan, have delivered **Stability and Security**; costs matched to current activity levels through £600m+ cost savings, and balance sheet secured, with liquidity of more than £1bn, removal of all financial covenants and positive cash generation in the first quarter of 2021;
- **Subscriptions Strength & Performance:** Strong performances by our Subscriptions businesses have continued into Q1 2021, reflecting consistent investment in specialist content and digital platforms. Full year target is for positive underlying<sup>1</sup> growth at **Taylor & Francis** and 4%+ underlying<sup>1</sup> growth at **Informa Intelligence**. Growth underpinned by consistent performance in clinical trials intelligence, supported by addition of *TrialScope*, and strong growth in intelligence products for US retail banks, with further opportunities for product expansion through a potential combination with *Novantas*.
- **2021 – The Transition Year:** 2021 will be The Transition Year for B2B physical events, as permissions progressively return and B2B customer confidence rebuilds. This will vary by region and customer market, with **Mainland China**, **North America** and the **Middle East**, in that order, tracking ahead of **Europe**. The pace of return in B2B physical events will determine the extent of improvement beyond this year's baseline Group revenue commitment of £1.7bn.
- **2022-2024 – Revitalisation and Growth:** Demand for B2B Event platforms that connect buyers and sellers efficiently, at scale, remains strong, as evidenced through the return of our business in **Mainland China** (45+ events and 1.2m attendees since June). Confidence in a period of Revitalisation and Growth through 2022-2024 is underpinned by the strength of our portfolio, built around major B2B brands (75% of revenue) in major locations (65%+ **Mainland China** and **North America**).
- **Expanding Digital Services:** We continue to expand our range of adjacent B2B digital services. Across the portfolio, we delivered more than £100m of revenue in 2020 from virtual and hybrid events, with further growth targeted in 2021. In addition, our belief in the power and value of data is being accelerated through *Iris*, a centralised platform for collating, managing and curating all our customer data across B2B events and digital services;
- **Board update:** **John Rishton** confirmed as next Chair of Informa, effective from the AGM in June, bringing significant business and Board experience to the role. **Gill Whitehead** confirmed as Chair of Audit and Group Chief Operating Officer, **Patrick Martell**, appointed to the Board.

### Stephen A. Carter, Group Chief Executive, Informa PLC, said:

"The strength and performance of Informa's subscriptions businesses, combined with actions undertaken in 2020 to protect and preserve our brands and customer relationships in B2B Events, are delivering continuing Stability and Security in 2021, in what will be the year of transition."

**He added:** “This Transition Year will be defined by continued strength and improving growth in our subscriptions-led businesses, further growth in B2B digital services and a progressive reopening of physical events, led by Mainland China and North America, which will ensure we deliver our revenue commitments for 2021, and remain cashflow positive throughout.”

**He concluded:** “The experience of COVID-19 has underscored the value of market specialisation and the power of data and applied technologies for the benefit of our specialist market customers, all of which will underpin a period of Revitalisation and Growth through 2022-2024.”

## 2020 Key Financial Highlights

**Financial results reflect the strength and resilience of Informa’s subscription-led businesses and the significant impact of COVID-19 on the Group’s physical events portfolio:**

- **Statutory Group Revenue:** £1,660.8m (2019: £2,890.3m), reflecting strength in Subscriptions-led businesses and the reality of COVID-19 disruption to physical B2B events businesses, accompanied by an active and extended Postponement Programme;
- **Adjusted Operating Profit<sup>1</sup>:** £267.8m (2019: £933.1m), with more than £400m of direct savings to adjusted operating profit and £200m+ of annualised indirect savings delivered by the end of 2020;
- **Statutory Operating Loss:** Full-year accounting loss of £880.4m (2019 profit: £538.1m), including one-off COVID-19 non-cash impairment of goodwill (£592.9m) and one-off COVID-19 costs (£52.6m), as well as traditional non-cash intangible amortisation (£291.8m);
- **Cash Flow<sup>1</sup>:** Positive operating cash flow<sup>1</sup> of £230.8m (2019: £965.4m), with debt restructuring and rescheduling, and one-off COVID-19 costs resulting in free cash outflow of £153.9m;
- **Net Debt:<sup>1</sup>** Reduction to £1,756.7m before leases (2019: £2356.3m) and £2,029.6m including leases (2019: £2,657.6m), reflecting positive operating cash flow and addition of fresh capital; all financial covenants removed from capital structure.

## Faster Forward on ESG in 2020

**Despite the upheaval of the last year, Informa continued to develop and deliver FasterForward, our five-year programme to become a sustainable, positive impact business:**

- **Faster to Zero:** Certified as a **Carbon Neutral Company** for the first time and **Science-Based Targets** re-confirmed at more ambitious levels to limit global warming to less than 1.5° by 2030;
- **Sustainability Inside:** **Informa Sustainable Events Management** framework established; more than 100 brands assessed and advised on depth and quality of sustainability content;
- **Impact Multiplier:** New Open Research content programmes from **Taylor & Francis** and *Global Learning Scholarship* launched for scientists from low income backgrounds by **Informa Connect**;
- **Industry recognition:** Third consecutive year in the **Dow Jones Sustainability Index**, scoring in the 99th percentile, **A- score in the Carbon Disclosure Project** and **AA MSCI ESG rating**.

<sup>1</sup>In this report we refer to non-statutory measures including underlying results, as defined in the Financial Review on page 9 and Glossary on page 50.

## Enquiries

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## 2020 Financial Summary

|                                                      | 2020<br>£m | 2019<br>£m | Reported<br>% | Underlying <sup>1</sup><br>% |
|------------------------------------------------------|------------|------------|---------------|------------------------------|
| Revenue                                              | 1,660.8    | 2,890.3    | (42.5)        | (41.0)                       |
| Statutory operating (loss)/profit                    | (880.4)    | 538.1      | n/a           |                              |
| Adjusted operating profit <sup>2</sup>               | 267.8      | 933.1      | (71.3)        | (70.8)                       |
| Adjusted operating margin (%) <sup>2</sup>           | 16.1       | 32.3       |               |                              |
| Operating cash flow <sup>2</sup>                     | 230.8      | 965.4      | (76.1)        |                              |
| Statutory (loss)/profit before tax                   | (1,139.7)  | 318.7      | n/a           |                              |
| Adjusted profit before tax <sup>2</sup>              | 170.4      | 821.4      | (79.3)        |                              |
| Statutory diluted earnings per share (p)             | (73.4)     | 17.8       | n/a           |                              |
| Adjusted diluted earnings per share (p) <sup>2</sup> | 9.9        | 51.0       | (80.6)        |                              |
| Dividend per share (p)                               | n/a        | 7.5        | n/a           |                              |
| Free cash flow <sup>2</sup>                          | (153.9)    | 722.1      | n/a           |                              |
| Net debt (inc IFRS 16) <sup>2</sup>                  | 2,029.6    | 2,657.6    | (23.6)        |                              |

## 2020 Divisional Highlights

|                                               | 2020<br>£m | 2019<br>£m | Reported<br>% | Underlying <sup>1</sup><br>% |
|-----------------------------------------------|------------|------------|---------------|------------------------------|
| <b>Informa Markets</b>                        |            |            |               |                              |
| Revenue                                       | 524.4      | 1437.7     | (63.5)        | (62.7)                       |
| Statutory operating (loss)/profit             | (597.4)    | 244.4      | n/a           |                              |
| Adjusted operating profit <sup>2</sup>        | (25.7)     | 490.6      | n/a           | n/a                          |
| Adjusted operating margin <sup>2</sup> (%)    | n/a        | 34.1       |               |                              |
| <b>Informa Connect</b>                        |            |            |               |                              |
| Revenue                                       | 124.2      | 286.1      | (56.6)        | (55.1)                       |
| Statutory operating (loss)/profit             | (175.8)    | 22.2       | n/a           |                              |
| Adjusted operating (loss)/profit <sup>2</sup> | (23.6)     | 46.6       | n/a           | n/a                          |
| Adjusted operating margin <sup>2</sup> (%)    | n/a        | 16.3       |               |                              |
| <b>Informa Tech</b>                           |            |            |               |                              |
| Revenue                                       | 150.9      | 256.2      | (41.1)        | (45.9)                       |
| Statutory operating (loss)/profit             | (316.7)    | 36.9       | n/a           |                              |
| Adjusted operating (loss)/profit <sup>2</sup> | (1.9)      | 71.4       | n/a           | n/a                          |
| Adjusted operating margin <sup>2</sup> (%)    | n/a        | 27.9       |               |                              |
| <b>Informa Intelligence</b>                   |            |            |               |                              |
| Revenue                                       | 305.3      | 350.7      | (12.9)        | 1.8                          |
| Statutory operating profit                    | 63.4       | 72.0       | (11.9)        |                              |
| Adjusted operating profit <sup>2</sup>        | 103.0      | 107.3      | (4.0)         | 4.7                          |
| Adjusted operating margin <sup>2</sup> (%)    | 33.7       | 30.6       |               |                              |
| <b>Taylor &amp; Francis</b>                   |            |            |               |                              |
| Revenue                                       | 556.0      | 559.6      | (0.6)         | (0.2)                        |
| Statutory operating profit                    | 146.1      | 162.6      | (10.1)        |                              |
| Adjusted operating profit <sup>2</sup>        | 216.0      | 217.2      | (0.6)         | 1.3                          |
| Adjusted operating margin <sup>2</sup> (%)    | 38.8       | 38.8       |               |                              |

<sup>1</sup>In this document we refer to Underlying and Reported results. Underlying figures are adjusted for acquisitions and disposals, the phasing of events, including biennials, the impact of changes from new accounting standards and accounting policy changes, and the effects of currency by adjusting the current year and prior year amounts to use consistent exchange rates. Phasing and biennial adjustments relate to the alignment of comparative period amounts to the timing of events in the current year. Where an event originally scheduled for 2020 was either cancelled or postponed there was an adverse impact on 2020 underlying growth as no adjustment was made for these in the calculation. The results from acquisitions are included on a pro-forma basis from the first day of ownership in the comparative period. Disposals are similarly adjusted on a pro-forma basis to exclude results in the comparative period from the date of disposal. Alternative performance measures are detailed in the Glossary.

<sup>2</sup>In 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 performance. Adjusted results exclude adjusting items as set out in Note 7 to the Financial Statements. Operating cash flow, free cash flow, net debt and other non-statutory measures are discussed in the Financial Review and the Glossary.

## Trading Outlook

### From Continuing Stability & Security in 2021 to Revitalisation & Growth in 2022-2024

Informa's commitment to long-term value and our focus on acting early and decisively from the start of the COVID-19 pandemic, has enabled the Group to enter 2021 with **Stability and Security** embedded in our costs and financing, in our customer relationships and, critically, across our Colleague communities.

We view 2021 as the transition year, with continued growth in both our Subscriptions-led businesses and further expansion in B2B digital services, supported by a progressive return in B2B physical events, as COVID-19 restrictions are steadily relaxed and customer confidence gradually rebuilds.

**Our minimum commitment through the 2021 transition year is to deliver baseline revenues of £1.7bn and remain cashflow positive throughout**, as we outlined at our half year results. This is a similar revenue outcome to 2020, albeit 2020 had the benefit of 2-3 months of full trading in our B2B Events businesses prior to COVID lockdown, contributing c.£275m of the 2020 revenue outcome.

The extent of any further revenue growth will be dependent on the pace and scale of return of physical events outside of **Mainland China**, which we will update on when we have a clearer view by the half-year.

Our priority remains managing our brands and businesses for the long-term, with a focus on ensuring the Group is well placed to make the most of a period of Revitalisation and Growth through 2022-2024.

### Continuing strength in Subscriptions-led businesses

Our subscriptions-led businesses continue to deliver strong performances, with improving levels of growth in the first quarter of 2021, in what is an important period for renewals.

In **Taylor & Francis**, the COVID-19 pandemic has underscored the importance of verified science and research, as well as the increasing value of speed-to-market for article submissions, the quality of independent peer review and discoverability of content. In recent years we have been modernising our business and shifting focus to meet these demands, investing in master data management and digital infrastructure, as well as improved customer workflows and accelerated new product development. This has included further expansion in **Open Research**, with more than 20,000 open access articles published in 2020, an increase of +100% over four years.

Our business continues to develop, both in products and services and, therefore, in the mix and quality of revenues. **We are committed to delivering positive underlying revenue growth in 2021, despite COVID-19 restrictions continuing to disrupt some university campuses.** This is underpinned by continued strong renewal rates for digital subscriptions, the successful completion of a range of read and publish agreements and a pipeline of new products across journals, open research, advanced learning and academic services.

In **Informa Intelligence**, over recent years, through a combination of operational fitness, consistent investment and portfolio focus, we have rebuilt this business from a disparate collection of assets into a product, data and technology-led business, focused on three core markets: **Pharma** (including clinical trials intelligence and Medtech market data), **Finance** (including mortgage pricing intelligence for US banks and international fund flow data) and **Maritime** (including real-time tracking of global shipping and cargo). This has included consistent investment in technology and product management, strengthening our product mix and improving customer value in the three specialist markets we serve.

This strategy has delivered for customers and thereafter in financial performance, progressing from four years of shrinking revenues to consistent underlying growth, robust margins and strong cash flows, as well as high levels of customer engagement, 90%+ renewal rates and positive annualised contract values.

Having established consistency in performance and forward visibility, we are now actively pursuing additional product and service development to unlock further growth. In **Pharma Intelligence**, over recent years we have developed real strength and depth in specialist data and intelligence for clinical trials through Citeline and its portfolio of specialist brands. This strong market position, when combined with last year's addition of *TrialScope*, which has particular strength in reporting compliance for clinical trials, has enabled us to further develop our offer in the adjacent and growing market for patient recruitment and retention.

Similarly, in **Financial Intelligence**, through **FBX** we have developed a strong position in competitive intelligence and data solutions for retail banks in mortgage products and digital banking. Our consistent performance has led us to pursue a value partnership with private equity group *Inflexion*, to potentially combine **FBX** with *Novantas* and further expand our customer proposition, including in consumer deposits.

**We are targeting a return to pre-COVID performance levels in Informa Intelligence this year, with underlying revenue growth of 4%+, whilst retaining our long-term commitment to 5%+ underlying growth per annum.**

### **Specialist B2B Events and Digital Services**

Across **Informa Markets**, **Informa Connect** and **Informa Tech**, our customer research confirms the long-term product and service value of our physical B2B brands for those customers seeking to launch products and meet their customers, suppliers and distributors, at scale, efficiently. This has been evidenced in **Mainland China**, and in both forward commitments and low levels of refund requests in other regions.

We are treating 2021 as The Transition Year, with activity levels dependent upon the pace and scale of re-opening of physical events, which understandably is varying by region and customer market. Our early decision last September to extend our **Events Postponement Programme** to late Spring/early Summer 2021, is providing us with greater flexibility to secure permissions for events.

Encouragingly, in the **US**, we have seen a progressive return of B2B physical events on a state-by-state basis. In February we ran two of our five US B2B mid-market and luxury super yachting brands (*Palm Beach International Boat Show*, *St Petersburg Power & Sailboat Show*). In Orlando, within our Fashion portfolio, we worked with industry partners to run a targeted event built around our Magic brand to gauge customer confidence and trial onsite rapid testing as part of our AllSecure safety standard. Application approvals have now been received for the return of three major B2B marketplace brands in Las Vegas from June within **Real Estate & Construction** (*World of Concrete*, *TISE*, *Waste Expo*). The state of California is now confirmed to reopen from mid-June and we are in discussions with a series of other state-based locations.

In our second largest market, **Mainland China**, we have now run 45 B2B events post-COVID, including 13 of this year's Top 30 international brands. Six of these events delivered revenues in line or ahead of 2019 levels, with significant domestic and regional participation.

Elsewhere, the return of physical B2B events is more phased. We have seen or have now confirmed a return to physical B2B events in Australia, Dubai, Egypt, Japan, Malaysia, Taiwan, Thailand and the UK, amongst others. There remains continued uncertainty over the pace and rate of return in **Continental Europe**, where we generated less than 15% of Events revenue in 2019.

### **Building a virtual and hybrid platform**

Pre-COVID-19 we were investing in a range of digital services that complement our B2B Event brands, including specialist content and data, digital directories and marketing services. 2020 saw us expand significantly into virtual and hybrid events, delivering more than 500 products across 15+ customer markets, with attendees from around 120 countries. We are building on this experience and customer feedback in 2021, partnering with *Swapcard* and *Totem* to accelerate core platform development and working with a range of other key partners to enhance functionality and capabilities in video search, virtual matchmaking, online lead qualification, product specification and digital registrations, amongst others.

### **B2B customer insight, knowledge and service delivery**

The increasing use of technology in and around all our physical events, as well as to stage and deliver virtual events and other digital services, has further enhanced the quantity and quality of customer data we generate. Therefore, we are building a unified, centralised platform for collating, curating and managing all our B2B customer profile and behavioural data, with appropriate consents. The increasing importance and richness of this data engine has led us to establish a separate, non-trading operating unit within Informa called **Iris**. Greater rigour around the volume and accuracy of customer data we collect and the development of consistent taxonomies across our B2B Events and Digital Services portfolio will help us gain deeper customer insights and market knowledge, enabling us to deliver higher quality connections and improved customer value, as well as the potential, over time, to develop a further range of data solutions.

## Continuing Stability & Security

Informa's long stated strategy of **Market Specialisation**, with an ambition to build depth and international reach in a series of attractive specialist markets through our subscription businesses and portfolio of B2B brands, has served us well over the last year, keeping us close to our markets and customers, whilst enabling us to focus on building **Stability and Security** more broadly across the Group.

### Stability and Security

From the outset of the COVID-19 pandemic, we adopted an approach that prioritised our Colleagues and Customers, whilst focusing on preserving and protecting the long-term value of our Brands and Businesses.

**Stability and Security** has been delivered through our **COVID-19 Action Plan**, a flexible programme that enabled the Group to respond quickly to the fast-moving environment and, where possible, stay ahead of the effect of the pandemic for our Colleagues, businesses and markets.

Our **Action Plan** has been built on five key pillars, with the initial focus on securing and supporting our talent, without the need to access UK Government furlough, funding or other support schemes. This included a wide range of Colleague initiatives and programmes:

### Supporting Colleagues

- The **Informa Colleague Support Fund**, initially funded by Senior Management Salary Sacrifice, providing direct assistance to those Colleagues and their families facing financial hardship due to COVID-19;
- Introduction of **unlimited volunteering**, enabling Colleagues to support their local communities;
- Flexible working options, including a **sabbatical programme** and part-week **flexi-work** offer;
- An **additional week's vacation allowance in 2022** to support holidays and re-connecting with family;
- A rapid and **seamless shift to remote working**, with full tech and home office support and funding;
- **Bio-secure offices**, as soon as permitted, to support Colleagues unable to work at home;
- **Enhanced pastoral support**, **Colleague assistance** and healthcare funded **wellbeing** services;
- A **Balanced Working Programme**, providing greater working flexibility for Colleagues in the future;
- Multi-platform **communication and engagement**, with direct management access, regular Colleague surveys and detailed guidance on directives and safety measures in countries where we operate.

### Operating Flexibility

- An **extended Postponement Programme** through to late Spring/early Summer 2021, rescheduling more than £300m of events revenue to later in the year;
- Accelerated development of virtual events and connected digital services, with **more than 500 virtual events run effectively in 2020**;
- The **AllSecure** safety standard, providing a detailed set of measures and recommendations for ensuring the highest standards of safety and hygiene at events;
- **Localisation of selected Event brands** to increase customer participation and forward commitment.

### Effective Cost & Cash Management

- Effective **cost recovery at postponed/cancelled events**, including venues, general contractors and marketing, with more than **£400m of direct savings to adjusted operating profit** by the end of 2020;
- Annualised **net indirect cost savings of £200m+** by the end of 2020, including through:
  - **Removal of discretionary expenditure**, such as travel and professional fees;
  - **Postponement of recruitment and reward reviews** in affected businesses;
  - **Voluntary salary sacrifice by Senior Management** and the Board through first full lockdown period;
  - Launch of **sabbatical programmes, Flexi-work offers and voluntary severance packages**, alongside some targeted redundancies, largely in North America and EMEA;
  - **Postponement of all non-essential projects and capital expenditure**;
  - **Review and renegotiation of major supplier contracts** and review of all **contractors and consultants**;
  - Introduction of **Balanced Working Programme** to provide greater working flexibility for Colleagues; and improve the utilisation and efficiency of our real estate portfolio;

- **Enhanced controls** and cash management to secure liquidity and strengthen balance sheet.

### Championing Customers

- **Targeted funds and support lines for customers** affected by the pandemic, including major fund to support SMEs within the *Natural Products Expo* community;
- Accelerated publication of virus-related research by **Taylor & Francis** and **F1000** platform;
- Open Access publication of all critical COVID-19 related research by **Taylor & Francis**;
- An **open access portal for clinical trial data** and information resources by **Pharma Intelligence**;
- Full maintenance of service levels, product quality and **customer support** throughout the pandemic.

### Stable & Secure Financing

- Access secured to **short-term £750m Surplus Credit Facility** in March 2020;
- **Oversubscribed equity addition** to raise £1bn of fresh capital and strengthen financing flexibility;
- Issue of **£640m Euro Bonds** and **£150m follow-on Sterling Bonds** with five-year maturities;
- Cancellation of **£750m Surplus Credit Facility** and repayment of **£1.1bn US Private Placement loan notes**;
- **Removal of all financial covenants** from balance sheet and extension of debt maturities to 2023;
- Positive cash flow in Q1 2021 and beyond; **available liquidity of over £1bn**.

### Unlocking Further Growth in Specialist Data and Intelligence

One of the foundations of **Stability and Security** has been the strength and resilience of our Subscriptions-led businesses. In **Informa Intelligence**, this performance is the result of an extensive restructuring and organic investment programme that started with the *Growth Acceleration Plan* when the business was reoriented around its customers and markets. Since then, the business has been transformed from a disparate collection of independent brands into a coherent and consistently performing subscriptions-led business focused on three core markets: **Pharma**, **Finance** and **Maritime**.

This strategy has delivered consistent improvement in the level and quality of growth and, as we move to the other side of COVID-19, we see an opportunity to extend this further and move closer towards our long-term ambition of 5%+ annual underlying revenue growth.

One of the ways we are supporting this ambition is by identifying opportunities to unlock growth in market segments adjacent to where we already have strong brands and customer relationships. Some of these are accessible through organic investment and others through value partnerships or targeted addition.

### Unlocking growth in Patient Recruitment and Patient Retention

In **Pharma Intelligence**, over time we have built a strong position in the clinical trials intelligence market through Citeline and its suite of data and workflow brands such as *TrialTrove*, *Sitetrove* and *Skipta*. The addition of *TrialScope* to our portfolio last year reinforced our position in clinical trials by providing customers with workflow solutions that address their needs around data reporting compliance. This is a new product segment for our business that sits naturally alongside some of our other clinical trials products, deepening the connection with customers and underpinning retention rates. However, the combination of *TrialScope* with *Skipta*, our online platform for medical communities, has also enabled us to enter the adjacent market for patient recruitment and patient retention. This is a growing area, as pharma companies seek to minimise inefficiencies across the clinical trials process, where we have a long-standing market position.

### New Value Partnership to accelerate growth in information services within US Retail Banking

Similarly, within **Financial Intelligence**, where we have market positions in retail banking intelligence, fund flow data and specialist fixed income information, Informa is pursuing a **Value Partnership** with mid-market private equity firm, *Inflexion*. This would see us combine our existing US-based **Financial Intelligence** business, **FBX**, with US-based financial data services company, *Novantas*. The combination would extend our current product offering and unlock further growth opportunities in the provision of specialist information services to US retail banking customers. **FBX** has a leading position in competitive intelligence and benchmarking of real estate lending products and pricing. Our strategy has been to expand this range of services whilst building a position in the adjacent market for depository products.

Combining **FBX** and *Novantas* would accelerate this ambition, establishing a leading position in the provision of retail banking information services in the US, with strength across mortgages, consumer lending, consumer deposits and digital banking.

The value partnership structure would see a new business created that combines the brands and operations of **FBX** and *Novantas*. This combination would involve no cash contribution from Informa and, hence, it is expected it would be credit neutral from a Group perspective. Informa would retain a majority stake in the combined business, with *Inflexion* and the *Novantas* shareholders investing alongside **Informa** to retain significant minority stakes.

### Board Update

In January, we confirmed that **John Rishton** had been appointed as the next Chair of the Informa Board, taking over from **Derek Mapp** at the Annual General Meeting in June. John brings extensive business and board experience to the role, most recently as Chair of Audit at Unilever and Chair-Elect at Serco.

Having been a Non-Executive Director of Informa since 2016 and serving as Chair of the Audit Committee, John also has a good understanding of Informa's business model and culture, ensuring a smooth handover and strong continuity around the Board table.

In June, **Gill Whitehead**, who has served on Informa's Audit Committee over the last year, will take over from John Rishton as Chair of the Audit Committee.

Separately, in March, **Patrick Martell** was appointed to the Board as an Executive Director, having successfully led **Informa Intelligence** since 2014, helping to transform it from a disparate collection of brands with shrinking revenues into an international digital subscription business delivering consistent underlying growth. Patrick also led the integration of **Penton Information Services** in 2016/17 and, in his current role as **Chief Operating Officer**, is responsible for driving digital product and service acceleration more broadly.

## Financial Review

### Income Statement

The 2020 financial year was dominated by the impact of COVID-19, which led to enforced lockdown and major travel restrictions in most countries around the world for much of the year, severely disrupting many industries. At Informa, we demonstrated resilience and strength in our subscription-led businesses and the power of our data and relationships in our specialist B2B media, marketing services and virtual events activities. Our physical events portfolio started the year positively before being severely disrupted by COVID-19. Our response was to launch a major Cost Management Programme, a range of financing initiatives and an extended Postponement Programme, including the launch of more than 500 virtual events. Our COVID-19 Action Plan helped to limit the overall impact on the Group's financial performance but revenues and profits were significantly lower than 2019.

|                                     | Adjusted<br>results<br>2020<br>£m | Adjusting<br>items<br>2020<br>£m | Statutory<br>results<br>2020<br>£m | Adjusted<br>results<br>2019<br>£m | Adjusting<br>items<br>2019<br>£m | Statutory<br>results<br>2019<br>£m |
|-------------------------------------|-----------------------------------|----------------------------------|------------------------------------|-----------------------------------|----------------------------------|------------------------------------|
| <b>Revenue</b>                      | <b>1,660.8</b>                    | <b>–</b>                         | <b>1,660.8</b>                     | 2,890.3                           | –                                | 2,890.3                            |
| Operating profit/(loss)             | <b>267.8</b>                      | <b>(1,148.2)</b>                 | <b>(880.4)</b>                     | 933.1                             | (395.0)                          | 538.1                              |
| (Loss)/profit on disposal           | <b>–</b>                          | <b>(8.4)</b>                     | <b>(8.4)</b>                       | –                                 | (95.4)                           | (95.4)                             |
| Net finance costs                   | <b>(97.4)</b>                     | <b>(153.5)</b>                   | <b>(250.9)</b>                     | (111.7)                           | (12.3)                           | (124.0)                            |
| <b>Profit/(loss) before tax</b>     | <b>170.4</b>                      | <b>(1,310.1)</b>                 | <b>(1,139.7)</b>                   | 821.4                             | (502.7)                          | 318.7                              |
| Tax(charge)/credit                  | <b>(25.6)</b>                     | <b>127.7</b>                     | <b>102.1</b>                       | (156.1)                           | 83.5                             | (72.6)                             |
| <b>Profit/(loss) for the period</b> | <b>144.8</b>                      | <b>(1,182.4)</b>                 | <b>(1,037.6)</b>                   | 665.3                             | (419.2)                          | 246.1                              |
| Adjusted operating margin           | <b>16.1%</b>                      |                                  |                                    | 32.3%                             |                                  |                                    |
| Adjusted diluted EPS <sup>1</sup>   | <b>9.9p</b>                       |                                  | <b>(73.1)p</b>                     | 51.0p                             |                                  | 17.8p                              |

1. 2019 Restated for share placement

### Statutory income statement results

The disruption to our physical events portfolio led to a 42.5% decrease in reported revenue to £1,660.8m.

The Group reported a statutory operating loss of £880.4m compared to an operating profit of £538.1m for the year ended 31 December 2019. This reflects the reduction in revenue as well as an increase in adjusting items, with a significant proportion relating to a non-cash goodwill impairment of £592.9m.

This impairment reflected the impact of COVID-19 on the long-term trading outlook for our physical events portfolio within Informa Markets, Informa Connect and Informa Tech. The impairment review was based on forecasts as at 30 June, when the continued inability to run physical events in our largest market, North America, and most other locations, was expected to significantly impact the full-year outcome in 2020, before the assumption of a gradual recovery over the next few years.

For modelling purposes, it was assumed that the Group returns to 2019 levels of operating cash flow by 2025. This resulted in a non-cash impairment of £231.1m for Informa Markets, £105.9m for Informa Connect and £255.9m for Informa Tech.

Since 30 June, the expected outlook in Mainland China has improved with physical events operating throughout the second half of 2020 and in 2021. In addition, a number of other regions, including the US, are expected to gradually see physical events return in the second half of 2021, as the progressive rollout of COVID-19 vaccines leads to a relaxation in restrictions and permissions to hold face-to-face events return. The annual impairment review performed at 31 December 2020 showed no further impairment being required.

Statutory net finance costs increased by £126.9m to £250.9m, comprising £266.2m of finance costs and £15.3m of finance income. The main driver of the increase was one-off costs associated with the restructuring and rescheduling of debt.

The combination of all these factors led to a statutory loss before tax of £1,139.7m, compared with a profit before tax of £318.7m in the prior year. This statutory loss led to a tax credit for the year of £102.1m, compared with a tax charge of £72.6m in the prior year.

The statutory operating loss flowed through to a statutory diluted loss per share of 73.4p, compared to an earnings per share of 17.8p for the year ended 31 December 2019. The difference primarily reflected the impact of the COVID-19 pandemic on trading and the related non-cash impairment charge, partially offset by the favourable tax charge for the year. There was also a 155.5m increase in the weighted average number of shares used for calculating diluted earnings per share compared with 2019, reflecting the impact of the equity addition in April/May 2020, which saw 250.3m new shares being issued.

### Measurement and Adjustments

In addition to statutory results, adjusted results are prepared for the Income Statement. These include adjusted operating profit, adjusted diluted earnings per share and other underlying measures. A full definition of these metrics can be found in the glossary of terms on page 49. The Divisional table on page 12 provides a reconciliation between statutory operating profit and adjusted operating profit by Division.

Underlying revenue and adjusted operating profit growth on an underlying basis are reconciled to reported growth in the table below. For the calculation of underlying growth, where an event originally scheduled for 2020 was either cancelled or postponed to 2021, no adjustment to 2019 revenue was made.

|                           | Underlying<br>(decline)/<br>growth | Phasing and<br>other items | Acquisitions and<br>disposals | Currency<br>change | Reported<br>(decline)/<br>growth |
|---------------------------|------------------------------------|----------------------------|-------------------------------|--------------------|----------------------------------|
| <b>2020</b>               |                                    |                            |                               |                    |                                  |
| Revenue                   | (41.0%)                            | (0.6%)                     | (0.6%)                        | (0.3%)             | (42.5%)                          |
| Adjusted operating profit | (70.8%)                            | (0.8%)                     | (0.2%)                        | 0.5%               | (71.3%)                          |
| <b>2019</b>               |                                    |                            |                               |                    |                                  |
| Revenue                   | 3.5%                               | 0.2%                       | 15.3%                         | 3.0%               | 22.0%                            |
| Adjusted operating profit | 6.5%                               | 2.1%                       | 12.1%                         | 6.8%               | 27.5%                            |

## Adjusting Items

The items below have been excluded from adjusted results. The total adjusting items in the period increased to £1,148.2m (2019: £395.0m), largely due to the non-cash impairment of goodwill, one-off COVID-19-related onerous contract costs and one-off costs relating to the Group's voluntary severance programme and some targeted redundancies.

|                                                      | 2020<br>£m     | 2019<br>£m   |
|------------------------------------------------------|----------------|--------------|
| Intangible amortisation and impairment:              |                |              |
| Intangible asset amortisation <sup>1</sup>           | 291.8          | 312.4        |
| Impairment – goodwill                                | 592.9          | 0.9          |
| Impairment – acquisition-related intangible assets   | 38.5           | 3.8          |
| Impairment – right of use assets                     | 36.1           | 4.6          |
| Impairment – property and equipment                  | 8.8            | –            |
| Impairment – investments                             | 3.9            | –            |
| Acquisition costs                                    | 2.8            | 3.3          |
| Integration costs                                    | 46.3           | 56.4         |
| Redundancy and reorganisation costs                  | 47.6           | 6.4          |
| Vacant property and finance lease modification costs | 30.0           | 2.2          |
| Onerous contracts associated with COVID-19           | 47.3           | –            |
| Other items associated with COVID-19                 | 5.3            | –            |
| Subsequent remeasurement of contingent consideration | (3.1)          | 3.2          |
| VAT charges                                          | –              | 1.8          |
| <b>Adjusting items in operating profit</b>           | <b>1,148.2</b> | <b>395.0</b> |
| Loss on disposal businesses                          | 8.4            | 95.4         |
| Finance income                                       | (8.3)          | (1.2)        |
| Finance costs                                        | 161.8          | 13.5         |
| <b>Adjusting items in (loss)/profit before tax</b>   | <b>1,310.1</b> | <b>502.7</b> |
| Tax related to adjusting items                       | (127.7)        | (83.5)       |
| <b>Adjusting items in (loss)/profit for the year</b> | <b>1,182.4</b> | <b>419.2</b> |

1. Excludes acquired intangible product development and software amortisation

Intangible amortisation of £291.8m relates to the historical additions of book lists and journal titles, acquired databases, customer and attendee relationships and brands related to exhibitions, events and conferences. As it relates to acquisitions, it is not treated as an ordinary cost. By contrast, intangible asset amortisation arising from software assets and product development is treated as an ordinary cost in the calculation of operating profit, so is not treated as an adjusting item.

Non-cash impairment of goodwill of £592.9m arises from the impact of the COVID-19 pandemic on the carrying value of our physical events portfolio as noted in the Statutory income statement results section. See Note 13 to the Consolidated Financial Statements for further details.

Impairment of acquisition-related intangibles of £38.5m reflects impairment for assets where businesses are no longer expected to trade or where the impairment review has shown the carrying value was not supportable.

Impairment of right of use assets of £36.1m, together with the vacant property and finance lease modification costs of £30.8m arose from our Balanced Working Programme and the decision to permanently vacate a number of office properties from June 2020.

Integration costs of £46.3m include £27.5m relating to the acquisition of UBM, consisting mainly of process, property and colleague-related reorganisation costs. The remaining £18.8m of integration costs includes one-off costs relating to the addition of IHS Markit's TMT research and intelligence portfolio.

Redundancy and reorganisation costs of £47.6m include the one-off costs relating to our voluntary and targeted severance programmes that were undertaken in the second half of 2020.

Onerous contracts associated with the pandemic were £47.3m through the period, arising from costs for events which were cancelled or postponed due to COVID-19, where the costs could not be recovered, typically related to venues and event set-up. The other items associated with COVID-19 of £5.3m are one-off indirect costs largely relating to contractual commitments to the owner of an event that was cancelled.

The table below shows the results and adjusting items by Division, highlighting a robust performance by our subscription-led businesses, Informa Intelligence and Taylor & Francis, offset by the impact of COVID-19 on physical events at Informa Markets, Informa Connect and Informa Tech.

|                                                       | Informa<br>Markets<br>£m | Informa<br>Connect<br>£m | Informa<br>Tech<br>£m | Informa<br>Intelligence<br>£m | Taylor &<br>Francis<br>£m | Group<br>£m    |
|-------------------------------------------------------|--------------------------|--------------------------|-----------------------|-------------------------------|---------------------------|----------------|
| <b>Revenue</b>                                        | <b>524.4</b>             | <b>124.2</b>             | <b>150.9</b>          | <b>305.3</b>                  | <b>556.0</b>              | <b>1,660.8</b> |
| Underlying revenue (decline)/growth                   | (62.7%)                  | (55.1%)                  | (45.9%)               | 1.8%                          | (0.2%)                    | (41.0%)        |
| <b>Statutory operating (loss)/profit</b>              | <b>(597.4)</b>           | <b>(175.8)</b>           | <b>(316.7)</b>        | <b>63.4</b>                   | <b>146.1</b>              | <b>(880.4)</b> |
| Add back:                                             |                          |                          |                       |                               |                           |                |
| Intangible asset amortisation <sup>1</sup>            | 185.7                    | 16.8                     | 20.7                  | 16.6                          | 52.0                      | 291.8          |
| Impairment of goodwill                                | 231.1                    | 105.9                    | 255.9                 | –                             | –                         | 592.9          |
| Impairment – acquisition-related intangible assets    | 24.1                     | 4.5                      | 6.2                   | 2.7                           | 1.0                       | 38.5           |
| Impairment – right of use assets                      | 15.0                     | 5.3                      | 2.5                   | 7.0                           | 6.3                       | 36.1           |
| Impairment – property and equipment                   | 4.2                      | 1.3                      | 0.8                   | 1.0                           | 1.5                       | 8.8            |
| Impairment – investments                              | –                        | 2.5                      | –                     | 1.4                           | –                         | 3.9            |
| Acquisition costs                                     | 0.9                      | –                        | 0.4                   | 1.3                           | 0.2                       | 2.8            |
| Integration costs                                     | 24.0                     | 1.6                      | 16.9                  | 3.0                           | 0.8                       | 46.3           |
| Redundancy and reorganisation                         | 26.9                     | 6.4                      | 9.6                   | 2.9                           | 1.8                       | 47.6           |
| Vacant property & finance lease modification costs    | 12.6                     | 5.3                      | 2.2                   | 3.6                           | 6.3                       | 30.0           |
| Onerous contracts associated with COVID-19            | 41.0                     | 3.3                      | 2.9                   | 0.1                           | –                         | 47.3           |
| One-off costs associated with COVID-19                | 5.3                      | –                        | –                     | –                             | –                         | 5.3            |
| Remeasurement of contingent consideration             | 0.9                      | (0.7)                    | (3.3)                 | –                             | –                         | (3.1)          |
| <b>Adjusted operating (loss)/profit</b>               | <b>(25.7)</b>            | <b>(23.6)</b>            | <b>(1.9)</b>          | <b>103.0</b>                  | <b>216.0</b>              | <b>267.8</b>   |
| Underlying adjusted operating profit (decline)/growth | (70.8%)                  | (106.7%)                 | (153.4%)              | (103.3%)                      | 4.7%                      | 1.3%           |

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

### Adjusted Net Finance Costs

Adjusted net finance costs, consisting of the interest costs on our US private placement loan notes and our corporate bonds and bank borrowings, decreased by £14.3m in the year to £97.4m. The decrease primarily relates to lower interest rates following the refinancing of a US dollar bond and certain private placement notes in October 2019 and February 2020.

Adjusting items for finance costs of £161.8m and finance income of £8.3m primarily relate to our COVID-19 Financing Action Plan, which removed financial covenants from our balance sheet, pushed our earliest debt maturity out to 2023 and improved available liquidity to north of £1bn. The costs and income associated with this restructuring and rescheduling of debt, which included make-whole interest payments to debt holders, was £161.7m.

The reconciliation of adjusted net finance costs to the statutory finance costs and investment income is as follows:

|                                                      | 2020<br>£m  | 2019<br>£m   |
|------------------------------------------------------|-------------|--------------|
| Finance income                                       | (15.3)      | (10.1)       |
| Finance costs                                        | 266.2       | 134.1        |
| Add back: Adjusting items relating to finance income | 8.3         | 1.2          |
| Add back: Adjusting items relating to finance costs  | (161.8)     | (13.5)       |
| <b>Adjusted net finance costs</b>                    | <b>97.4</b> | <b>111.7</b> |

## 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 taxpayers 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.

The Group's effective tax rate reflects the blend of tax rates and profits in the jurisdictions in which we operate. In 2020, the adjusted effective tax rate was 15.0% (2019: 19%).

The calculation of the adjusted effective tax rate is as follows:

|                            | 2020<br>£m   | 2019<br>£m   |
|----------------------------|--------------|--------------|
| Adjusted tax charge        | 25.6         | 156.1        |
| Adjusted profit before tax | 170.4        | 821.4        |
| <b>Adjusted tax rate %</b> | <b>15.0%</b> | <b>19.0%</b> |

### Tax payments

During 2020, the Group paid £32.9m (2019: £100.6m) of corporation and similar taxes on profits, with the year-on-year reduction reflecting the lower profit before tax reported in the year.

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

|                    | 2020<br>£m  | 2019<br>£m   |
|--------------------|-------------|--------------|
| UK                 | 4.5         | 25.8         |
| Continental Europe | 2.7         | 10.7         |
| US                 | 1.6         | 19.9         |
| China              | 14.1        | 21.8         |
| Rest of world      | 10.0        | 22.4         |
| <b>Total</b>       | <b>32.9</b> | <b>100.6</b> |

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

|                                                                            | 2020<br>£m  | 2019<br>£m   |
|----------------------------------------------------------------------------|-------------|--------------|
| Tax charge on adjusted profit before tax per Consolidated Income Statement | 25.6        | 156.1        |
| Movement in deferred tax including tax losses                              | 2.8         | (27.1)       |
| Net current tax credits in respect of adjusting items                      | (3.0)       | (20.1)       |
| Movement in provisions for uncertain tax positions                         | (1.1)       | 4.3          |
| Taxes paid in different year to charged                                    | 8.6         | (12.6)       |
| <b>Taxes paid per statutory cash flow</b>                                  | <b>32.9</b> | <b>100.6</b> |

At the end of 2020, the deferred tax assets relating to US and UK tax losses were £124.9m (2019: £69.2m) and £42.3m (2019: £9.5m) respectively. These are expected to be utilised against future taxable profits.

Goodwill is not amortised as it is subject to impairment review, 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. Where this benefit arises, it reduces the tax charge on adjusted profits.

The amortisation of intangible assets is considered an adjusting item. Therefore, the £13.4m (2019: £14.4m) of current tax credits taken in respect of the amortisation of intangible assets is also treated as an adjusting item, and is therefore included in the tax credits in respect of adjusting items.

### Tax contribution

The Group's total tax contribution, which comprises all material taxes paid to, and collected on behalf of, governments globally was £257.2m in 2020 (2019: £375.2m). The geographic split of taxes paid by our businesses was as follows:

|                               | UK<br>£m    | US<br>£m    | Other<br>£m | Total<br>£m |
|-------------------------------|-------------|-------------|-------------|-------------|
| Profit taxes borne            | 4.5         | 1.6         | 26.8        | 32.9        |
| Employment taxes borne        | 20.1        | 18.9        | 8.1         | 47.1        |
| Other taxes                   | 6.1         | 0.9         | 0.8         | 7.8         |
| <b>Total tax contribution</b> | <b>30.7</b> | <b>21.4</b> | <b>35.7</b> | <b>87.8</b> |

In addition to the above, in 2020 we collected taxes on behalf of governments (e.g. employee taxes and sales taxes) amounting to £169.4m (2019: £209.9m).

### Earnings Per Share

Adjusted diluted earnings per share (EPS) decreased to 9.9p (2019: 51.0p). This reflects the decrease in adjusted earnings to £140.9m (2019: £644.7m), combined with a 12.8% increase in the weighted average number of shares. In April, as part of our COVID-19 Financing Action Plan, an equity addition led to the issue of 250.3m new shares, priced at 400p per a share, a 4% discount to the previous closing share price of 416.8p on 15 April 2020. The weighted average number of shares for the prior year has been restated to reflect the new shares issued, leading to a restatement of EPS and dividends per share as well. The restated EPS figures are detailed below.

An analysis of adjusted diluted EPS and statutory diluted EPS is as follows:

|                                                                    | 2020<br>£m       | 2019<br>£m   |
|--------------------------------------------------------------------|------------------|--------------|
| <b>Statutory (loss)/profit for the year</b>                        | <b>(1,037.6)</b> | <b>246.1</b> |
| Add back: Adjusting items in (loss)/profit for the year            | 1,182.4          | 419.2        |
| Adjusted profit for the year                                       | 144.8            | 665.3        |
| Non-controlling interests                                          | (3.9)            | (20.6)       |
| <b>Adjusted earnings</b>                                           | <b>140.9</b>     | <b>644.7</b> |
| Weighted average number of shares used in adjusted diluted EPS (m) | 1,426.5          | 1,264.2      |
| <b>Adjusted diluted EPS (p)</b>                                    | <b>9.9p</b>      | <b>51.0p</b> |
|                                                                    | 2020<br>£m       | 2019<br>£m   |
| <b>Statutory (loss)/profit for the year</b>                        | <b>(1,037.6)</b> | <b>246.1</b> |
| Non-controlling interests                                          | (3.9)            | (20.6)       |
| <b>Statutory Earnings</b>                                          | <b>(1,041.5)</b> | <b>225.5</b> |
| Weighted average number of shares used in diluted EPS (m)          | 1,419.7          | 1,264.2      |
| <b>Statutory diluted EPS (p)</b>                                   | <b>(73.4p)</b>   | <b>17.8p</b> |

## Dividends

In April 2020, as part of the Group's response to the COVID-19 pandemic through our COVID-19 Action Plan, and following consultation with shareholders, the Board announced the temporary suspension of dividends, including the withdrawal of the 2019 final dividend.

## Currency Impact

One of the Group's strengths is its international reach and balance, with colleagues and businesses located in most major regions of the world. This means the Group generates revenues and costs in a mixture of currencies, with particular exposure to the US dollar, as well as some exposure to the Euro and the Chinese Renminbi.

In 2020, approximately 63% (2019: 59%) of Group revenue was received in USD or currencies pegged to USD, with 5% (2019: 7%) received in Euro and around 9% (H1 2019: 8%) in Chinese Renminbi.

Similarly, we incurred approximately 48% (2019: 53%) of our costs in USD or currencies pegged to USD, with 2% (2019: 3%) in Euro and around 7% (2019: 7%) in Chinese Renminbi.

Each one cent (\$0.01) movement in the USD to GBP exchange rate has a circa £8m (2019: circa £13m) impact on annual revenue, and a circa £3m (2019: circa £5m) impact on annual adjusted operating profit.

The following rates versus GBP were applied during the year:

|                  | 2020         |              | 2019         |              |
|------------------|--------------|--------------|--------------|--------------|
|                  | Closing rate | Average rate | Closing rate | Average rate |
| US dollar        | 1.37         | 1.29         | 1.32         | 1.28         |
| Euro             | 1.11         | 1.13         | 1.17         | 1.14         |
| Chinese Renminbi | 8.94         | 8.88         | 9.17         | 8.80         |

## Free Cash Flow

Cash generation remains a key priority and focus for the Group, providing the funds and flexibility for paying down debt, future organic and inorganic investment, and consistent shareholder returns. Our businesses typically convert adjusted operating profit into cash at an attractive rate, reflecting the relatively low capital intensity of the Group. In 2020, absolute levels of cashflow were significantly lower and conversion rates reflected the impact of COVID-19 on our events-led businesses.

The following table reconciles statutory operating (loss)/profit to operating cash flow and free cash flow. See the glossary of terms for the definition of free cash flow and operating cash flow.

|                                                              | 2020<br>£m     | 2019<br>£m     |
|--------------------------------------------------------------|----------------|----------------|
| Statutory operating (loss)/profit                            | (880.4)        | 538.1          |
| Add back: Adjusting items                                    | 1,148.2        | 395.0          |
| <b>Adjusted operating profit</b>                             | <b>267.8</b>   | <b>933.1</b>   |
| Depreciation of property and equipment                       | 16.8           | 17.2           |
| Depreciation of right of use assets                          | 30.3           | 33.1           |
| Software and product development amortisation                | 41.1           | 41.9           |
| Share-based payments                                         | 11.2           | 10.4           |
| Loss on disposal of other assets                             | 0.9            | –              |
| Adjusted share of joint venture and associate results        | (0.8)          | (1.5)          |
| <b>Adjusted EBITDA<sup>1</sup></b>                           | <b>367.3</b>   | <b>1,034.2</b> |
| Net capital expenditure                                      | (48.4)         | (49.8)         |
| Working capital movement <sup>2</sup>                        | (81.9)         | (13.6)         |
| Pension deficit contributions                                | (6.2)          | (5.4)          |
| <b>Operating cash flow</b>                                   | <b>230.8</b>   | <b>965.4</b>   |
| Restructuring and reorganisation                             | (35.6)         | (9.9)          |
| Onerous contracts and one-off costs associated with COVID-19 | (44.6)         | –              |
| Net interest <sup>3</sup>                                    | (271.6)        | (132.8)        |
| Taxation                                                     | (32.9)         | (100.6)        |
| <b>Free cash flow</b>                                        | <b>(153.9)</b> | <b>722.1</b>   |

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

2. Working capital movement excludes movements on restructuring, reorganisation, COVID-19 costs and acquisition and integration accruals as the cash flow relating to these amounts is included other lines in the free cash flow and reconciliation from free cash flow to net funds flow. The variance between the working capital in the Free Cash Flow and the Consolidated Cash Flow Statement is driven by the non-cash movement on these items.

3. Amount includes £161.7m (2019: £13.5m) of make-whole interest paid in respect of the early repayment of private placement and bond debt

The decrease in cash generated compared with 2019 is largely driven by the impact of COVID-19 on operating profit, together with the one-off costs associated with COVID-19 and its adverse impact on working capital movement. The calculation of operating and free cash flow conversion is as follows:

|                                                                     | Operating cash flow<br>conversion |               | Free cash flow<br>conversion |              |
|---------------------------------------------------------------------|-----------------------------------|---------------|------------------------------|--------------|
|                                                                     | 2020<br>£m                        | 2019<br>£m    | 2020<br>£m                   | 2019<br>£m   |
| Operating cash flow/free cash flow                                  | 230.8                             | 965.4         | (153.9)                      | 722.1        |
| Adjusted operating profit                                           | 267.8                             | 933.1         | 267.8                        | 933.1        |
| <b>Operating cash flow conversion/Free cash flow<br/>conversion</b> | <b>86.2%</b>                      | <b>103.5%</b> | <b>(57.5%)</b>               | <b>77.4%</b> |

Net capital expenditure was £48.4m (2019: £49.8m), equivalent to 2.9% of 2020 revenue (2019: 1.7%).

The working capital outflow of £81.9m was £68.3m higher than the £13.6m outflow in 2019, reflecting the impact of COVID-19 on working capital phasing within the event-led businesses. This was primarily driven

by lower cash collections in the year due to the cancellation of events in 2020 and, hence, lower levels of rebooking. It also reflects a small amount of refunds paid to customers in the year, where events were cancelled and lower forward commitments to events scheduled for H1 2021, due to ongoing COVID-19 uncertainty.

The Group continues to hold cash in advance of events, with £466m of cash relating to future events and services held as at 31 December 2020. The strength of our brands and demand for our products led to relatively few customers asking for refunds of cash committed to events that were postponed or cancelled, with only £102m requested during the year.

Net cash interest payments of £271.6m were £138.8m higher than the prior year, largely reflecting the payments made to US private placement note holders in November 2020, as part of the restructuring and rescheduling of our debt. In 2020 borrowing fees of £17.6m were paid relating to new financing facilities, following the successful issuances in the Euro bond market for a combined £790m and the increase in our revolving credit facility (RCF) of £150m to total £1,050m.

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

|                                                                                    | 2020<br>£m     | 2019<br>£m   |
|------------------------------------------------------------------------------------|----------------|--------------|
| <b>Net cash (outflow)/inflow from operating activities per statutory cash flow</b> | <b>(139.5)</b> | <b>719.6</b> |
| Interest received                                                                  | 5.7            | 5.5          |
| Borrowing fees paid                                                                | (17.6)         | –            |
| Purchase of property and equipment                                                 | (10.7)         | (17.5)       |
| Purchase of intangible software assets                                             | (23.8)         | (25.3)       |
| Product development cost additions                                                 | (13.9)         | (7.0)        |
| Add back: Acquisition and integration costs paid                                   | 45.9           | 46.8         |
| <b>Free cash flow</b>                                                              | <b>(153.9)</b> | <b>722.1</b> |

Net cash from operating activities decreased by £859.1m to record an outflow of £139.5m, principally driven by the reduction in adjusted operating profit and the increased interest payments associated with the restructuring and rescheduling of our debt.

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:

|                                                                | 2020<br>£m   | 2019<br>£m   |
|----------------------------------------------------------------|--------------|--------------|
| <b>Cash generated by operations per statutory cash flow</b>    | <b>153.1</b> | <b>958.5</b> |
| Capex paid                                                     | (48.4)       | (49.8)       |
| Add back: Acquisition and integration costs paid               | 45.9         | 46.8         |
| Add back: Restructuring and reorganisation costs paid          | 35.6         | 9.9          |
| Onerous contracts and one-off costs paid associated with COVID | 44.6         | –            |
| <b>Operating cash flow per free cash flow statement</b>        | <b>230.8</b> | <b>965.4</b> |

The following table reconciles free cash flow to net funds flow and net debt, with net debt reducing by £628.0m to £2,029.6m during the year ended 31 December 2020, primarily due to the net receipt of £973.7m from the proceeds of the equity addition, partly offset by the free cash outflow of £153.9m, acquisitions investment of £176.3m and £59.9m unfavourable movement in exchange rates, mainly driven by the movement in the USD to GBP exchange rates.

|                                                      | 2020<br>£m       | 2019<br>£m |
|------------------------------------------------------|------------------|------------|
| <b>Free cash flow</b>                                | <b>(153.9)</b>   | 722.1      |
| Acquisitions                                         | (176.3)          | (311.1)    |
| Disposals                                            | 10.4             | 179.3      |
| Dividends paid to shareholders                       | (0.2)            | (280.0)    |
| Dividends paid to non-controlling interests          | (13.6)           | (17.5)     |
| Issuance of shares                                   | 973.7            | –          |
| Purchase of shares                                   | (1.3)            | (15.9)     |
| <b>Net funds flow</b>                                | <b>638.8</b>     | 276.9      |
| Non-cash movements                                   | 61.3             | 5.7        |
| Foreign exchange                                     | (59.9)           | 87.4       |
| Net finance lease additions in the year <sup>1</sup> | (12.2)           | (16.5)     |
| IFRS 16 leases at 1 January 2019                     | –                | (343.6)    |
| IFRS 16 finance lease receivable at 1 January 2019   | –                | 14.4       |
| Net debt b/f                                         | (2,657.6)        | (2,681.9)  |
| <b>Net debt</b>                                      | <b>(2,029.6)</b> | (2,657.6)  |

1. Amount excludes finance lease cash repayments or receipts

## Financing and Leverage

Net debt was £2.0bn at 31 December 2020 (2019: £2.7bn), with the year-on-year improvement reflecting positive funds flow, supported by the equity addition in April/May. Unutilised committed financing facilities relating to the Group's RCF were £1,050.0m (2019: £843.1m). Combined with £299.4 of cash, this resulted in available liquidity at 31 December 2020 of £1,349.4m.

On 24 February 2020, we made an early repayment to US private placement holders of the \$200.5m debt maturing in December 2020.

On 6 October 2020, we issued a Euro Medium Term Note (EMTN) of €700m with a maturity of October 2025. Additionally, on 3 November 2020 we issued an EMTN of £150m with a maturity of July 2026.

On 6 November 2020, as part of the Group's COVID-19 Financing Action Plan, we made an early repayment to the US private placement holders of \$1,387.1m, with the associated fees being recognised in the Income Statement.

On 26 November 2020, the Group's RCF was increased by £150m to £1,050m. On 14 December 2020, there were extensions to the RCF resulting in facilities of £30m (2019: £30m) maturing in February 2023, £420m (2019: £270m) maturing in February 2024, £60m (2019: £60m) maturing in February 2025 and £540m (2019: £540m) maturing in February 2026.

Following the proactive management of our financing structure, the average debt maturity on our drawn borrowings is currently 4.8 years (5.5 years as at 31 December 2019), with no significant maturities until July 2023.

| Net debt and committed facilities                        | 2020<br>£m     | 2019<br>£m     |
|----------------------------------------------------------|----------------|----------------|
| Cash and cash equivalents                                | (299.4)        | (195.1)        |
| Private placement loan notes                             | –              | 1,212.8        |
| Private placement fees                                   | –              | (2.7)          |
| Bond borrowings                                          | 2,111.1        | 1,279.1        |
| Bond borrowing fees                                      | (15.3)         | (11.0)         |
| Bank borrowings – revolving credit facility (RCF)        | –              | 56.9           |
| Bank borrowing fees                                      | (2.6)          | (2.2)          |
| Derivative assets associated with borrowings             | (44.6)         | (3.9)          |
| Derivative liabilities associated with borrowings        | 7.5            | 22.4           |
| <b>Net debt before leases</b>                            | <b>1,756.7</b> | <b>2,356.3</b> |
| Finance lease liabilities                                | 280.8          | 316.6          |
| Finance lease receivables                                | (7.9)          | (15.3)         |
| <b>Net debt</b>                                          | <b>2,029.6</b> | <b>2,657.6</b> |
| <br>Borrowings (excluding derivatives, leases and fees)  | <br>2,111.1    | <br>2,548.8    |
| Unutilised committed facilities (undrawn portion of RCF) | 1,050.0        | 843.1          |
| <b>Total committed facilities</b>                        | <b>3,161.1</b> | <b>3,391.9</b> |

Following the repayment of the US private placement loan notes in November 2020, there are no financial covenants on our debt facilities in issue at 31 December 2020. Based on previous calculations, our covenant leverage ratio at 31 December 2020 was 5.6 times (31 December 2019: 2.5 times), and the interest cover ratio was 3.6 times (31 December 2019: 9.4 times). Both are calculated in accordance with our historical note purchase agreements which no longer applied at 31 December 2020.

See the glossary of terms on page 50 for the definition of leverage ratio and interest cover.

The calculation of the leverage ratio is as follows:

|                                                              | 2020<br>£m  | 2019<br>£m  |
|--------------------------------------------------------------|-------------|-------------|
| Net debt as reported                                         | 2,029.6     | 2,657.6     |
| Adjusted EBITDA                                              | 367.3       | 1,034.2     |
| <b>Leverage</b>                                              | <b>5.5x</b> | <b>2.6x</b> |
| Adjustment to EBITDA for covenant calculation <sup>1</sup>   | 0.8x        | 0.2x        |
| Adjustment to net debt for covenant calculation <sup>1</sup> | (0.7x)      | (0.3x)      |
| <b>Leverage ratio per previous debt covenants</b>            | <b>5.6x</b> | <b>2.5x</b> |

1. Refer to Glossary for details of the nature of debt covenant adjustments to EBITDA and Net Debt for leverage ratio

The calculation of interest cover is as follows:

|                                                                 | 2020<br>£m  | 2019<br>£m  |
|-----------------------------------------------------------------|-------------|-------------|
| Adjusted EBITDA                                                 | 367.3       | 1,034.2     |
| Adjusted net finance costs                                      | 97.4        | 111.7       |
| <b>Interest cover</b>                                           | <b>3.8x</b> | <b>9.3x</b> |
| Interest cover covenant EBITDA adjustment to ratio <sup>1</sup> | (0.2x)      | 0.1x        |
| <b>Interest cover per previous debt covenant</b>                | <b>3.6x</b> | <b>9.4x</b> |

1. Refer to Glossary for details of the nature of debt covenant adjustments to EBITDA for interest cover

### Equity Addition

As part of our COVID-19 Action Plan, on 15 April 2020 the Company announced a share issue of 250,318,000 new ordinary shares, representing approximately 19.99% of the Company's existing issued share capital. 125,159,000 new ordinary shares were issued on 20 April 2020 and, as part of the same process, a further 125,159,000 on 5 May 2020. The share issue Placing Price was 400p per share, representing a discount of 4% to the closing share price of 416.8p on 15 April 2020. The gross proceeds raised through the placement were £1,001.3m, with net proceeds of £973.7m.

### Corporate development

Informa has a proven track record in creating value through identifying, executing and integrating complementary businesses effectively into the Group. In 2020, cash invested in acquisitions was £176.3m (2019: £311.1m), with £84.6m relating to acquisitions including £7.3m of cash paid for business assets (2019: £227.1m), £45.9m (2019: £46.8m) relating to acquisition and integration costs, £28.1m (2019: £32.2m) relating to the cash settlement on the exercise of an option relating to minority interests in certain Fashion shows in the US, £16.8m (2019: £nil) relating to the settlement of options relating to a 4.1% minority holder of certain parts of our ASEAN businesses and £0.9m (2019: £5.0) relating to other investments. Net proceeds from disposals amounted to £10.4m (2019: £179.3m).

### Acquisitions

On 9 January 2020, the Group acquired F1000 Research Limited for cash consideration of £14.9m. The business is an open research publishing company and forms part of the Taylor & Francis business.

On 2 October 2020, the Group acquired the business of TrialScope Inc. for cash consideration, net of cash acquired, of £54.1m. TrialScope is a pharmaceutical subscription software business and forms part of the Informa Intelligence Division.

### Pensions

The Group continues to meet all commitments to its pension schemes, which include six defined benefit schemes. At 31 December 2020, the Group had a net pension liability of £71.4m (31 December 2019: £30.1m). Gross liabilities were £786.8m at 31 December 2020 (31 December 2019: £730.8m). The increase in liabilities is predominantly driven by the decrease to the discount rates used for calculating the present value of the pension liability.

The net deficit remains relatively small compared with the size of the Group's balance sheet. All schemes are closed to future accrual.

## Condensed Consolidated Income Statement

For the Year Ended 31 December 2020

|                                                                     | Adjusted<br>results<br>2020<br>£m | Adjusting<br>Items<br>2020<br>£m | Statutory<br>results<br>2020<br>£m | Adjusted<br>results<br>2019<br>£m | Adjusting<br>Items<br>2019<br>£m | Statutory<br>results<br>2019<br>£m |
|---------------------------------------------------------------------|-----------------------------------|----------------------------------|------------------------------------|-----------------------------------|----------------------------------|------------------------------------|
| Revenue                                                             | 1,660.8                           | –                                | 1,660.8                            | 2,890.3                           | –                                | 2,890.3                            |
| Net operating expenses                                              | (1,393.8)                         | (1,148.2)                        | (2,542.0)                          | (1,958.7)                         | (395.0)                          | (2,353.7)                          |
| <b>Operating profit/(loss) before joint ventures and associates</b> | <b>267.0</b>                      | <b>(1,148.2)</b>                 | <b>(881.2)</b>                     | <b>931.6</b>                      | <b>(395.0)</b>                   | <b>536.6</b>                       |
| Share of results of joint ventures and associates                   | 0.8                               | –                                | 0.8                                | 1.5                               | –                                | 1.5                                |
| <b>Operating profit/(loss)</b>                                      | <b>267.8</b>                      | <b>(1,148.2)</b>                 | <b>(880.4)</b>                     | <b>933.1</b>                      | <b>(395.0)</b>                   | <b>538.1</b>                       |
| Loss on disposal of subsidiaries and operations                     | –                                 | (8.4)                            | (8.4)                              | –                                 | (95.4)                           | (95.4)                             |
| Finance income                                                      | 7.0                               | 8.3                              | 15.3                               | 8.9                               | 1.2                              | 10.1                               |
| Finance costs                                                       | (104.4)                           | (161.8)                          | (266.2)                            | (120.6)                           | (13.5)                           | (134.1)                            |
| <b>(Loss)/profit before tax</b>                                     | <b>170.4</b>                      | <b>(1,310.1)</b>                 | <b>(1,139.7)</b>                   | <b>821.4</b>                      | <b>(502.7)</b>                   | <b>318.7</b>                       |
| Tax (charge)/credit                                                 | (25.6)                            | 127.7                            | 102.1                              | (156.1)                           | 83.5                             | (72.6)                             |
| <b>(Loss)/profit for the year</b>                                   | <b>144.8</b>                      | <b>(1,182.4)</b>                 | <b>(1,037.6)</b>                   | <b>665.3</b>                      | <b>(419.2)</b>                   | <b>246.1</b>                       |
| <b>Attributable to:</b>                                             |                                   |                                  |                                    |                                   |                                  |                                    |
| – Equity holders of the Company                                     | 140.9                             | (1,182.4)                        | (1,041.5)                          | 644.7                             | (419.2)                          | 225.5                              |
| – Non-controlling interests                                         | 3.9                               | –                                | 3.9                                | 20.6                              | –                                | 20.6                               |
| <b>Earnings per share</b>                                           |                                   |                                  |                                    |                                   |                                  |                                    |
| – Basic (p) <sup>1</sup>                                            | 9.9                               |                                  | (73.4)                             | 51.2                              |                                  | 17.9                               |
| – Diluted (p) <sup>1</sup>                                          | 9.9                               |                                  | (73.4)                             | 51.0                              |                                  | 17.8                               |

1. 2019 restated for share placement (see Note 3).

All amounts in 2020 and 2019 relate to continuing operations.

## Condensed Consolidated Statement of Comprehensive Income

For the Year Ended 31 December 2020

|                                                                                                       | 2020<br>£m       | 2019<br>£m     |
|-------------------------------------------------------------------------------------------------------|------------------|----------------|
| (Loss)/profit for the year                                                                            | (1,037.6)        | 246.1          |
| <b>Items that will not be reclassified subsequently to profit or loss:</b>                            |                  |                |
| Remeasurement of the net retirement benefit pension obligation                                        | (47.6)           | (1.6)          |
| Tax credit relating to items that will not be reclassified to profit or loss                          | 8.3              | 0.7            |
| <b>Total items that will not be reclassified subsequently to profit or loss</b>                       | <b>(39.3)</b>    | <b>(0.9)</b>   |
| <b>Items that have been reclassified subsequently to profit or loss:</b>                              |                  |                |
| Recycling of exchange gain arising on disposal of foreign operation                                   | –                | 1.2            |
| <b>Items that may be reclassified subsequently to profit or loss:</b>                                 |                  |                |
| Exchange loss on translation of foreign operations                                                    | (46.2)           | (233.5)        |
| Exchange (loss)/gain on net investment hedge debt                                                     | (13.0)           | 73.1           |
| Loss on derivatives in net investment hedging relationships                                           | (42.0)           | (28.2)         |
| (Loss)/gain on derivatives in cash flow hedging relationships                                         | (1.1)            | 3.8            |
| Movement in cost of hedging reserve                                                                   | 1.3              | 3.2            |
| Tax credit relating to items that may be reclassified subsequently to profit or loss                  | 11.9             | –              |
| <b>Total items that may be reclassified subsequently to profit or loss</b>                            | <b>(89.1)</b>    | <b>(180.4)</b> |
| <b>Other comprehensive expense for the year</b>                                                       | <b>(128.4)</b>   | <b>(181.3)</b> |
| <b>Total comprehensive (expense)/income for the year before initial application of IFRS 16</b>        | <b>(1,166.0)</b> | <b>64.8</b>    |
| Effect of initial application of IFRS 16 that will not be reclassified subsequently to profit or loss | –                | 4.1            |
| <b>Total comprehensive (expense)/income for the year</b>                                              | <b>(1,166.0)</b> | <b>68.9</b>    |
| <b>Total comprehensive (expense)/income attributable to:</b>                                          |                  |                |
| – Equity holders of the Company                                                                       | (1,169.8)        | 48.2           |
| – Non-controlling interests                                                                           | 3.8              | 20.7           |

## Condensed Consolidated Statement of Changes in Equity

For the Year Ended 31 December 2020

|                                                                         | Share<br>capital<br>£m | Share<br>premium<br>account<br>£m | Translation<br>Reserve<br>£m | Other<br>reserves<br>£m | Retained<br>earnings<br>£m | Total<br>£m    | Non-<br>controlling<br>interests<br>£m | Total<br>equity<br>£m |
|-------------------------------------------------------------------------|------------------------|-----------------------------------|------------------------------|-------------------------|----------------------------|----------------|----------------------------------------|-----------------------|
| <b>At 31 December 2018</b>                                              | <b>1.3</b>             | <b>905.3</b>                      | <b>63.3</b>                  | <b>1,974.5</b>          | <b>2,933.8</b>             | <b>5,878.2</b> | <b>193.4</b>                           | <b>6,071.6</b>        |
| Effect of initial application of IFRS 16 on 1 January 2019              | –                      | –                                 | –                            | –                       | 4.1                        | 4.1            | –                                      | 4.1                   |
| <b>At 1 January 2019 as restated for initial application of IFRS 16</b> | <b>1.3</b>             | <b>905.3</b>                      | <b>63.3</b>                  | <b>1,974.5</b>          | <b>2,937.9</b>             | <b>5,882.3</b> | <b>193.4</b>                           | <b>6,075.7</b>        |
| Profit for the year                                                     | –                      | –                                 | –                            | –                       | 225.5                      | 225.5          | 20.6                                   | 246.1                 |
| Exchange loss on translation of foreign operations                      | –                      | –                                 | (233.6)                      | –                       | –                          | (233.6)        | 0.1                                    | (233.5)               |
| Exchange gain on net investment hedge debt                              | –                      | –                                 | 73.1                         | –                       | –                          | 73.1           | –                                      | 73.1                  |
| Loss arising on derivative hedges                                       | –                      | –                                 | (21.2)                       | –                       | –                          | (21.2)         | –                                      | (21.2)                |
| Foreign exchange recycling of disposed entities                         | –                      | –                                 | 1.2                          | –                       | –                          | 1.2            | –                                      | 1.2                   |
| Actuarial loss on defined benefit pension schemes                       | –                      | –                                 | –                            | –                       | (1.6)                      | (1.6)          | –                                      | (1.6)                 |
| Tax relating to components of other comprehensive income                | –                      | –                                 | –                            | –                       | 0.7                        | 0.7            | –                                      | 0.7                   |
| <b>Total comprehensive (expense)/ income for the year</b>               | <b>–</b>               | <b>–</b>                          | <b>(180.5)</b>               | <b>–</b>                | <b>224.6</b>               | <b>44.1</b>    | <b>20.7</b>                            | <b>64.8</b>           |
| Dividends to Shareholders                                               | –                      | –                                 | –                            | –                       | (280.3)                    | (280.3)        | –                                      | (280.3)               |
| Dividends to non-controlling interests                                  | –                      | –                                 | –                            | –                       | –                          | –              | (17.5)                                 | (17.5)                |
| Share award expense                                                     | –                      | –                                 | –                            | 10.4                    | –                          | 10.4           | –                                      | 10.4                  |
| Issue of share capital                                                  | –                      | –                                 | –                            | –                       | –                          | –              | –                                      | –                     |
| Own shares purchased                                                    | –                      | –                                 | –                            | (15.9)                  | –                          | (15.9)         | –                                      | (15.9)                |
| Transfer of vested LTIPs                                                | –                      | –                                 | –                            | (5.7)                   | 5.7                        | –              | –                                      | –                     |
| Disposal of non-controlling interests                                   | –                      | –                                 | –                            | 1.3                     | –                          | 1.3            | (0.5)                                  | 0.8                   |
| <b>At 31 December 2019</b>                                              | <b>1.3</b>             | <b>905.3</b>                      | <b>(117.2)</b>               | <b>1,964.6</b>          | <b>2,887.9</b>             | <b>5,641.9</b> | <b>196.1</b>                           | <b>5,838.0</b>        |
| Loss for the year                                                       | –                      | –                                 | –                            | –                       | (1,041.5)                  | (1,041.5)      | 3.9                                    | (1,037.6)             |
| Exchange gain on translation of foreign operations                      | –                      | –                                 | (46.1)                       | –                       | –                          | (46.1)         | (0.1)                                  | (46.2)                |
| Exchange loss on net investment hedge debt                              | –                      | –                                 | (13.0)                       | –                       | –                          | (13.0)         | –                                      | (13.0)                |
| Loss arising on derivative hedges                                       | –                      | –                                 | (41.8)                       | –                       | –                          | (41.8)         | –                                      | (41.8)                |
| Actuarial loss on defined benefit pension schemes                       | –                      | –                                 | –                            | –                       | (47.6)                     | (47.6)         | –                                      | (47.6)                |
| Tax relating to components of other comprehensive income                | –                      | –                                 | 11.9                         | –                       | 8.3                        | 20.2           | –                                      | 20.2                  |

|                                                       |            |                |                |                |                |                |              |                |
|-------------------------------------------------------|------------|----------------|----------------|----------------|----------------|----------------|--------------|----------------|
| Total comprehensive income/<br>(expense) for the year | –          | –              | (89.0)         | –              | (1,080.8)      | (1,169.8)      | 3.8          | (1,166.0)      |
| Dividends to non-controlling<br>interests             | –          | –              | –              | –              | –              | –              | (13.6)       | (13.6)         |
| Share award expense                                   | –          | –              | –              | 11.2           | –              | 11.2           | –            | 11.2           |
| Issue of share capital                                | 0.2        | 973.5          | –              | –              | –              | 973.7          | –            | 973.7          |
| Own shares purchased                                  | –          | –              | –              | (1.3)          | –              | (1.3)          | –            | (1.3)          |
| Transfer of vested LTIPs                              | –          | –              | –              | (4.9)          | 4.9            | –              | –            | –              |
| Acquisition of non-controlling<br>interest            | –          | –              | –              | –              | 9.3            | 9.3            | (9.3)        | –              |
| <b>At 31 December 2020</b>                            | <b>1.5</b> | <b>1,878.8</b> | <b>(206.2)</b> | <b>1,969.6</b> | <b>1,821.3</b> | <b>5,465.0</b> | <b>177.0</b> | <b>5,642.0</b> |

<sup>1</sup> Total attributable to equity holders of the parent

# Consolidated Balance Sheet

For the Year Ended 31 December 2020

|                                                     | 2020<br>£m       | 2019<br>£m       |
|-----------------------------------------------------|------------------|------------------|
| Goodwill                                            | 5,576.6          | 6,144.4          |
| Other intangible assets                             | 3,094.5          | 3,437.4          |
| Property and equipment                              | 49.1             | 69.0             |
| Right of use assets                                 | 209.9            | 264.4            |
| Investments in joint ventures and associates        | 20.0             | 19.8             |
| Other investments                                   | 7.3              | 10.1             |
| Deferred tax assets                                 | 8.4              | 6.7              |
| Retirement benefit surplus                          | –                | 4.9              |
| Finance lease receivables                           | 6.4              | 13.0             |
| Other receivables                                   | 20.2             | 27.8             |
| Derivative financial instruments                    | 44.6             | 3.9              |
| <b>Non-current assets</b>                           | <b>9,037.0</b>   | <b>10,001.4</b>  |
| Inventory                                           | 31.3             | 38.5             |
| Trade and other receivables                         | 358.1            | 476.1            |
| Current tax asset                                   | 4.9              | 8.9              |
| Cash and cash equivalents                           | 299.4            | 195.1            |
| Finance lease receivables                           | 1.5              | 2.3              |
| Derivative financial instruments                    | –                | 1.0              |
| <b>Current assets</b>                               | <b>695.2</b>     | <b>721.9</b>     |
| <b>Total assets</b>                                 | <b>9,732.2</b>   | <b>10,723.3</b>  |
| Borrowings                                          | –                | (152.2)          |
| Lease liabilities                                   | (33.4)           | (34.2)           |
| Derivative financial instruments                    | (0.2)            | (36.4)           |
| Current tax liabilities                             | (78.0)           | (97.5)           |
| Provisions                                          | (44.7)           | (35.0)           |
| Trade and other payables                            | (343.7)          | (482.8)          |
| Deferred income                                     | (700.6)          | (746.5)          |
| <b>Current liabilities</b>                          | <b>(1,200.6)</b> | <b>(1,584.6)</b> |
| Borrowings                                          | (2,093.2)        | (2,380.7)        |
| Lease liabilities                                   | (247.4)          | (282.4)          |
| Derivative financial instruments                    | (7.5)            | (22.4)           |
| Deferred tax liabilities                            | (406.4)          | (540.4)          |
| Retirement benefit obligation                       | (71.4)           | (35.0)           |
| Provisions                                          | (44.8)           | (19.1)           |
| Trade and other payables                            | (16.2)           | (17.4)           |
| Deferred income                                     | (2.7)            | (3.3)            |
| <b>Non-current liabilities</b>                      | <b>(2,889.6)</b> | <b>(3,300.7)</b> |
| <b>Total liabilities</b>                            | <b>(4,090.2)</b> | <b>(4,885.3)</b> |
| <b>Net assets</b>                                   | <b>5,642.0</b>   | <b>5,838.0</b>   |
| Share capital                                       | 1.5              | 1.3              |
| Share premium account                               | 1,878.8          | 905.3            |
| Translation reserve                                 | (206.2)          | (117.2)          |
| Other reserves                                      | 1,969.6          | 1,964.6          |
| Retained earnings                                   | 1,821.3          | 2,887.9          |
| Equity attributable to equity holders of the parent | 5,465.0          | 5,641.9          |
| Non-controlling interest                            | 177.0            | 196.1            |
| <b>Total equity</b>                                 | <b>5,642.0</b>   | <b>5,838.0</b>   |

1. Restated for updates to provisional acquisition accounting (see Note 3).

These financial statements were approved by the Board of Directors and authorised for issue on 22 April 2021 and were signed on its behalf by

— **Stephen A. Carter**  
Group Chief Executive

**Gareth Wright**  
Group Finance Director

## Consolidated Cash Flow Statement

For the Year Ended 31 December 2020

|                                                                              | 2020<br>£m     | 2019<br>£m     |
|------------------------------------------------------------------------------|----------------|----------------|
| <b>Operating activities</b>                                                  |                |                |
| Cash generated by operations                                                 | 153.1          | 958.5          |
| Income taxes paid                                                            | (32.9)         | (100.6)        |
| Interest paid                                                                | (259.7)        | (138.3)        |
| <b>Net cash (outflow)/inflow from operating activities</b>                   | <b>(139.5)</b> | <b>719.6</b>   |
| <b>Investing activities</b>                                                  |                |                |
| Interest received                                                            | 5.7            | 5.5            |
| Purchase of property and equipment                                           | (10.7)         | (17.5)         |
| Purchase of intangible software assets                                       | (23.8)         | (25.3)         |
| Product development costs additions                                          | (13.9)         | (7.0)          |
| Purchase of intangibles related to titles, brands and customer relationships | (7.3)          | (59.4)         |
| Acquisition of subsidiaries and operations, net of cash acquired             | (77.3)         | (167.7)        |
| Acquisition of investment                                                    | (0.9)          | (5.0)          |
| Proceeds from disposal of subsidiaries and operations                        | 10.4           | 179.3          |
| <b>Net cash outflow from investing activities</b>                            | <b>(117.8)</b> | <b>(97.1)</b>  |
| <b>Financing activities</b>                                                  |                |                |
| Dividends paid to Shareholders                                               | (0.2)          | (280.0)        |
| Dividends paid to non-controlling interests                                  | (13.6)         | (17.5)         |
| Proceeds from EMTN bond issuance                                             | 788.3          | 443.7          |
| Repayment of loans                                                           | (61.3)         | (499.7)        |
| New loan advances                                                            | –              | 41.2           |
| Repayment of private placement borrowings                                    | (1,227.8)      | (143.4)        |
| Borrowing fees paid                                                          | (17.6)         | (9.4)          |
| Repayment of the principal lease liabilities                                 | (37.1)         | (34.5)         |
| Finance lease receipts                                                       | 2.3            | 2.3            |
| Acquisition of non-controlling interests                                     | (44.9)         | (32.2)         |
| Cash outflow from purchase of shares                                         | (1.3)          | (15.9)         |
| Cash inflow from issue of shares                                             | 973.7          | –              |
| <b>Net cash inflow/(outflow) from financing activities</b>                   | <b>360.5</b>   | <b>(545.4)</b> |
| <b>Net increase in cash and cash equivalents</b>                             | <b>103.2</b>   | <b>77.1</b>    |
| Effect of foreign exchange rate changes                                      | 1.1            | (6.9)          |
| Cash and cash equivalents at beginning of the year                           | 195.1          | 124.9          |
| <b>Cash and cash equivalents at end of the year</b>                          | <b>299.4</b>   | <b>195.1</b>   |

# Notes to the Condensed Consolidated Financial Statements

For the Year Ended 31 December 2020

## 1. General information and basis of preparation

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 2020 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), which is the currency of the primary economic environment in which the Group operates and the functional currency of the Parent Company, Informa PLC.

## 2. Basis of preparation

The financial information for the year ended 31 December 2020 does not constitute the statutory financial statements for that year, but is derived from those audited financial statements for the year ended 31 December 2020 which will be published on [www.informa.com](http://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 considered the company's ability to be a going concern over the assessment period to June 2022 based on the Group's financial plan, a downside scenario and a reverse stress test case. The Group's financial plan assumes physical events outside of Asia start to return from June 2021 and there is a slower recovery for physical events compared with GDP forecasts for the same period in those geographies. In this scenario, the Group maintains liquidity headroom of more than £1.3bn.

Based on these scenarios, the Directors believe that the Group is well placed to manage its financing and other business risks satisfactorily. The Directors have been able to form a reasonable expectation that the Group has adequate resources to continue in operation for at least twelve months from the signing date of the Annual Report and Accounts, and therefore consider it appropriate to adopt the going concern basis of accounting in preparing the 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 2019, subject to new accounting standards, and are disclosed in full in the audited financial statements for the year ended 31 December 2020 which will be published on [www.informa.com](http://www.informa.com).

## 3. Restatement

### Fair value restatement

#### *Finalisation of the acquisition balance sheet of Centre for Asia Pacific Aviation Pty Ltd (CAPA)*

In 2020 the group completed the IFRS 3 fair value exercise in relation to the acquisition of CAPA within the 12-month remeasurement period from the acquisition date. This has resulted in the following restatements to the balance sheet as at 31 December 2019, with no impact to the income statement for the year ended 31 December 2019:

- An increase of £0.7m in provisions and a corresponding increase in goodwill

- Increase in accruals of £0.1m and a corresponding increase in goodwill
- Impairment of £0.2m in fixed assets and a corresponding increase in goodwill

*Fair value restatements to the acquisition balance sheet of the TMT Research and Intelligence portfolio from IHS Markit (TMT)*

An update to the provisional fair value 1 August 2019 acquisition balance sheet of TMT has resulted in the following restatements to the balance sheet as at 31 December 2019, with no impact on the income statement for the year ended 31 December 2019:

- A reduction in trade receivables of £0.3m, with a corresponding increase in goodwill

*Restatement of EPS and Dividends per Share due to discount on the share placement*

On 15 April 2020 the Company announced a share placement of 250,318,000 new Ordinary Shares, representing approximately 19.99% of the Company's existing issued share capital. 125,159,000 new Ordinary Shares were issued on 20 April 2020 and a further 125,159,000 on 5 May 2020. The share placement price was 400 pence per share and represented a discount of 4 per cent to the closing share price of 416.8 pence on 15 April 2020. The gross proceeds raised through the placement were £1,001.3m. The issue of shares at a discount required the restatement of prior years' weighted average number of shares, earnings per share and dividends per share.

|                                                                   | Year ended 31<br>December 2019<br>(Restated) | Year ended<br>31 December<br>2019<br>(as previously<br>reported) |
|-------------------------------------------------------------------|----------------------------------------------|------------------------------------------------------------------|
| Basic EPS (p)                                                     | 17.9                                         | 18.0                                                             |
| Diluted EPS (p)                                                   | 17.8                                         | 18.0                                                             |
| Adjusted basic EPS (p)                                            | 51.2                                         | 51.5                                                             |
| Adjusted diluted EPS (p)                                          | 51.0                                         | 51.3                                                             |
| Weighted average number of shares used in basic EPS calculation   | 1,259,117,620                                | 1,250,660,231                                                    |
| Weighted average number of shares used in diluted EPS calculation | 1,264,230,940                                | 1,255,739,205                                                    |
| Dividends per share (p)                                           | 7.50                                         | 7.55                                                             |

*Restatement of 2019 operating segments and revenue by type*

The operating segments results for the year ended 31 December 2020 were restated to reflect moves of certain businesses between operating segments with no impact on reported total income statement results.

2019 revenue by type disclosure has been restated to align revenue types with 2020 following the refinement to the classification. See note 4 for restated amounts and amounts previously reported.

#### 4. Revenue

An analysis of the Group's revenue by type is as follows;

| Year ended 31 December 2020        | Informa<br>Markets<br>£m | Informa<br>Connect<br>£m | Informa<br>Tech<br>£m | Informa<br>Intelligence<br>£m | Taylor &<br>Francis<br>£m | Total<br>£m    |
|------------------------------------|--------------------------|--------------------------|-----------------------|-------------------------------|---------------------------|----------------|
| Exhibitor                          | 359.1                    | 21.6                     | 12.2                  | –                             | –                         | 392.9          |
| Subscriptions                      | 26.1                     | 1.6                      | 59.3                  | 279.4                         | 316.2                     | 682.6          |
| Transactional sales                | 12.9                     | 4.1                      | 30.5                  | 13.1                          | 239.2                     | 299.8          |
| Attendee                           | 26.7                     | 54.7                     | 17.3                  | 0.2                           | –                         | 98.9           |
| Marketing and advertising services | 77.1                     | 14.7                     | 21.0                  | 11.7                          | 0.6                       | 125.1          |
| Sponsorship                        | 22.5                     | 27.5                     | 10.6                  | 0.9                           | –                         | 61.5           |
| <b>Total</b>                       | <b>524.4</b>             | <b>124.2</b>             | <b>150.9</b>          | <b>305.3</b>                  | <b>556.0</b>              | <b>1,660.8</b> |

| Year ended 31 December 2019 <sup>1</sup> | Informa<br>Markets<br>£m | Informa<br>Connect<br>£m | Informa<br>Tech<br>£m | Informa<br>Intelligence<br>£m | Taylor &<br>Francis<br>£m | Total<br>£m    |
|------------------------------------------|--------------------------|--------------------------|-----------------------|-------------------------------|---------------------------|----------------|
| Exhibitor                                | 1,140.8                  | 58.6                     | 64.8                  | 0.5                           | –                         | 1,264.7        |
| Subscriptions                            | 23.9                     | 2.0                      | 38.2                  | 293.9                         | 302.0                     | 660.0          |
| Transactional sales                      | 12.7                     | 5.7                      | 23.0                  | 18.7                          | 256.7                     | 316.8          |
| Attendee                                 | 80.7                     | 138.7                    | 76.8                  | 2.0                           | –                         | 298.2          |
| Marketing and advertising services       | 101.2                    | 21.1                     | 16.8                  | 33.0                          | 0.9                       | 173.0          |
| Sponsorship                              | 78.4                     | 60.0                     | 36.6                  | 2.6                           | –                         | 177.6          |
| <b>Total</b>                             | <b>1,437.7</b>           | <b>286.1</b>             | <b>256.2</b>          | <b>350.7</b>                  | <b>559.6</b>              | <b>2,890.3</b> |

1. Restated for restructure of operating segments and alignment of revenue types across the Group (see Note 3).

#### 5. Business Segments

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

The Group's five identified reportable segments under IFRS 8 Operating Segments are Informa Markets, Informa Connect, Informa Tech, Informa Intelligence and Taylor & Francis. There is no difference between the Group's operating segments and the Group's reportable segments.

##### 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 2020                                                        | Informa<br>Markets<br>£m | Informa<br>Connect<br>£m | Informa<br>Tech<br>£m | Informa<br>Intelligence<br>£m | Taylor &<br>Francis<br>£m | Total<br>£m      |
|------------------------------------------------------------------------------------|--------------------------|--------------------------|-----------------------|-------------------------------|---------------------------|------------------|
| Revenue                                                                            | 524.4                    | 124.2                    | 150.9                 | 305.3                         | 556.0                     | 1,660.8          |
| Adjusted operating profit/(loss) before joint ventures and associates <sup>1</sup> | (26.1)                   | (24.0)                   | (1.9)                 | 103.0                         | 216.0                     | 267.0            |
| Share of adjusted results of joint ventures and associates                         | 0.4                      | 0.4                      | –                     | –                             | –                         | 0.8              |
| Adjusted operating profit/(loss)                                                   | (25.7)                   | (23.6)                   | (1.9)                 | 103.0                         | 216.0                     | 267.8            |
| Intangible asset amortisation <sup>2</sup>                                         | (185.7)                  | (16.8)                   | (20.7)                | (16.6)                        | (52.0)                    | (291.8)          |
| Impairment- goodwill                                                               | (231.1)                  | (105.9)                  | (255.9)               | –                             | –                         | (592.9)          |
| Impairment – acquisition-related intangibles                                       | (24.1)                   | (4.5)                    | (6.2)                 | (2.7)                         | (1.0)                     | (38.5)           |
| Impairment – IFRS 16 right of use assets                                           | (15.0)                   | (5.3)                    | (2.5)                 | (7.0)                         | (6.3)                     | (36.1)           |
| Impairment – property and equipment                                                | (4.2)                    | (1.3)                    | (0.8)                 | (1.0)                         | (1.5)                     | (8.8)            |
| Impairment – external investments                                                  | –                        | (2.5)                    | –                     | (1.4)                         | –                         | (3.9)            |
| Acquisition and integration costs                                                  | (24.9)                   | (1.6)                    | (17.3)                | (4.3)                         | (1.0)                     | (49.1)           |
| Restructuring and reorganisation costs                                             | (39.5)                   | (11.7)                   | (11.8)                | (6.5)                         | (8.1)                     | (77.6)           |
| Onerous contracts and one-off costs associated with COVID-19                       | (46.3)                   | (3.3)                    | (2.9)                 | (0.1)                         | –                         | (52.6)           |
| Subsequent remeasurement of contingent consideration                               | (0.9)                    | 0.7                      | 3.3                   | –                             | –                         | 3.1              |
| Operating (loss)/profit                                                            | (597.4)                  | (175.8)                  | (316.7)               | 63.4                          | 146.1                     | (880.4)          |
| Loss on disposal of businesses                                                     |                          |                          |                       |                               |                           | (8.4)            |
| Finance income                                                                     |                          |                          |                       |                               |                           | 15.3             |
| Finance costs                                                                      |                          |                          |                       |                               |                           | (266.2)          |
| <b>Loss before tax</b>                                                             |                          |                          |                       |                               |                           | <b>(1,139.7)</b> |

1. Adjusted operating profit before joint ventures and associates included the following amounts for depreciation and other amortisation: £38.8m for Informa Markets, £8.2m for Informa Connect, £19.2m for Informa Intelligence, £3.7m for Informa Tech and £18.3m for Taylor and Francis.

2. Excludes acquired intangible product development and software amortisation.

| Year ended 31 December 2019<br>(restated) <sup>3</sup>                      | Informa<br>Markets<br>£m | Informa<br>Connect<br>£m | Informa<br>Tech<br>£m | Informa<br>Intelligence<br>£m | Taylor &<br>Francis<br>£m | Total<br>£m |
|-----------------------------------------------------------------------------|--------------------------|--------------------------|-----------------------|-------------------------------|---------------------------|-------------|
| Revenue                                                                     | 1,437.7                  | 286.1                    | 256.2                 | 350.7                         | 559.6                     | 2,890.3     |
| Adjusted operating profit before joint ventures and associates <sup>1</sup> | 489.2                    | 46.5                     | 71.4                  | 107.3                         | 217.2                     | 931.6       |
| Share of adjusted results of joint ventures and associates                  | 1.4                      | 0.1                      | –                     | –                             | –                         | 1.5         |
| Adjusted operating profit                                                   | 490.6                    | 46.6                     | 71.4                  | 107.3                         | 217.2                     | 933.1       |
| Intangible asset amortisation <sup>2</sup>                                  | (197.6)                  | (17.9)                   | (21.7)                | (23.2)                        | (52.0)                    | (312.4)     |
| Impairment – goodwill                                                       | (0.9)                    | –                        | –                     | –                             | –                         | (0.9)       |
| Impairment – acquisition-related intangibles                                | (3.8)                    | –                        | –                     | –                             | –                         | (3.8)       |
| Impairment – IFRS 16 right of use assets                                    | (1.4)                    | –                        | –                     | (0.9)                         | (2.3)                     | (4.6)       |
| Acquisition and integration costs                                           | (39.3)                   | (4.6)                    | (12.2)                | (3.3)                         | (0.3)                     | (59.7)      |
| Restructuring and reorganisation costs                                      | (3.0)                    | (0.2)                    | (0.6)                 | (4.8)                         | –                         | (8.6)       |
| Subsequent remeasurement of contingent consideration                        | 1.6                      | (1.7)                    | –                     | (3.1)                         | –                         | (3.2)       |
| VAT charges                                                                 | (1.8)                    | –                        | –                     | –                             | –                         | (1.8)       |
| Operating profit                                                            | 244.4                    | 22.2                     | 36.9                  | 72.0                          | 162.6                     | 538.1       |
| Loss on disposal of businesses                                              |                          |                          |                       |                               |                           | (95.4)      |
| Finance income                                                              |                          |                          |                       |                               |                           | 10.1        |
| Finance costs                                                               |                          |                          |                       |                               |                           | (134.1)     |
| Profit before tax                                                           |                          |                          |                       |                               |                           | 318.7       |

- Adjusted operating profit before joint ventures and associates included the following amounts for depreciation and other amortisation: £37.0m for Informa Markets, £9.2m for Informa Connect, £23.1m for Informa Intelligence, £3.7m for Informa Tech and £19.2m for Taylor and Francis.
- Excludes acquired intangible product development and software amortisation.
- Restated for restructure of operating segments (see Note 3)

## 6. Operating profit

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

|                                                                                   | Adjusted results<br>2020<br>£m | Adjusting Items<br>2020<br>£m | Statutory results<br>2020<br>£m | Adjusted results<br>2019<br>£m | Adjusting Items<br>2019<br>£m | Statutory results<br>2019<br>£m |
|-----------------------------------------------------------------------------------|--------------------------------|-------------------------------|---------------------------------|--------------------------------|-------------------------------|---------------------------------|
| <b>Cost of sales</b>                                                              | <b>527.3</b>                   | <b>–</b>                      | <b>527.3</b>                    | <b>981.3</b>                   | <b>–</b>                      | <b>981.3</b>                    |
| Staff costs (excluding adjusting items)                                           | 634.8                          | –                             | 634.8                           | 692.8                          | –                             | 692.8                           |
| Amortisation of other intangible assets                                           | 41.1                           | 291.8                         | 332.9                           | 41.9                           | 312.4                         | 354.3                           |
| Impairment – goodwill                                                             | –                              | 592.9                         | 592.9                           | –                              | 0.9                           | 0.9                             |
| Impairment – acquisition-related intangibles                                      | –                              | 38.5                          | 38.5                            | –                              | 3.8                           | 3.8                             |
| Impairment – IFRS 16 right of use assets                                          | –                              | 36.1                          | 36.1                            | –                              | 4.6                           | 4.6                             |
| Impairment – Property and equipment                                               | –                              | 8.8                           | 8.8                             | –                              | –                             | –                               |
| Impairment – Investments                                                          | –                              | 3.9                           | 3.9                             | –                              | –                             | –                               |
| Depreciation – Property and equipment                                             | 16.8                           | –                             | 16.8                            | 17.2                           | –                             | 17.2                            |
| Depreciation – IFRS 16 right of use assets                                        | 30.3                           | –                             | 30.3                            | 33.1                           | –                             | 33.1                            |
| Acquisition-related costs                                                         | –                              | 2.8                           | 2.8                             | –                              | 3.3                           | 3.3                             |
| Integration-related costs                                                         | –                              | 46.3                          | 46.3                            | –                              | 56.4                          | 56.4                            |
| Restructuring and reorganisation costs                                            | –                              | 77.6                          | 77.6                            | –                              | 8.6                           | 8.6                             |
| Onerous contracts and one-off costs associated with COVID-19                      | –                              | 52.6                          | 52.6                            | –                              | –                             | –                               |
| Subsequent remeasurement of contingent consideration                              | –                              | (3.1)                         | (3.1)                           | –                              | 3.2                           | 3.2                             |
| VAT charges                                                                       | –                              | –                             | –                               | –                              | 1.8                           | 1.8                             |
| Net foreign exchange gain                                                         | (3.1)                          | –                             | (3.1)                           | (9.3)                          | –                             | (9.3)                           |
| Auditor's remuneration for audit services                                         | 3.2                            | –                             | 3.2                             | 3.4                            | –                             | 3.4                             |
| Other operating expenses                                                          | 143.4                          | –                             | 143.4                           | 198.3                          | –                             | 198.3                           |
| <b>Total net operating expenses before share of joint ventures and associates</b> | <b>1,393.8</b>                 | <b>1,148.2</b>                | <b>2,542.0</b>                  | <b>1,958.7</b>                 | <b>395.0</b>                  | <b>2,353.7</b>                  |

## 7. Adjusting Items

The Board considers certain items should be recognised as adjusting items (see glossary on page 49) 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:

|                                                      | 2020<br>£m     | 2019<br>£m   |
|------------------------------------------------------|----------------|--------------|
| Intangible amortisation and impairment               |                |              |
| Intangible asset amortisation                        | 291.8          | 312.4        |
| Impairment – goodwill                                | 592.9          | 0.9          |
| Impairment – acquisition-related intangible assets   | 38.5           | 3.8          |
| Impairment – IFRS 16 right of use assets             | 36.1           | 4.6          |
| Impairment – property & equipment                    | 8.8            | –            |
| Impairment – investments                             | 3.9            | –            |
| Acquisition costs                                    | 2.8            | 3.3          |
| Integration costs                                    | 46.3           | 56.4         |
| Restructuring and reorganisation costs               |                |              |
| Redundancy and reorganisation costs                  | 47.6           | 6.4          |
| Vacant property and finance lease modification costs | 30.0           | 2.2          |
| Onerous contracts associated with COVID-19           | 47.3           | –            |
| Other one-off costs associated with COVID-19         | 5.3            | –            |
| Subsequent remeasurement of contingent consideration | (3.1)          | 3.2          |
| VAT charges                                          | –              | 1.8          |
| <b>Adjusting items in operating loss/profit</b>      | <b>1,148.2</b> | <b>395.0</b> |
| Loss on disposal of subsidiaries and operations      | 8.4            | 95.4         |
| Finance income                                       | (8.3)          | (1.2)        |
| Finance costs                                        | 161.8          | 13.5         |
| <b>Adjusting items in loss/profit before tax</b>     | <b>1,310.1</b> | <b>502.7</b> |
| Tax related to adjusting items                       | (127.7)        | (83.5)       |
| <b>Adjusting items in loss/profit for the year</b>   | <b>1,182.4</b> | <b>419.2</b> |

The principal adjusting items are in respect of the following:

- 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 separately disclosed and are excluded from adjusted results. Note 13 provides details of the impairment of goodwill.
- Impairment of right of use assets relate to the permanent closure of a number of office properties in 2020.
- Acquisition costs are the costs and fees incurred by the Group in acquiring businesses.
- Integration costs are the costs incurred by the Group in integrating share and asset acquisitions and included £27.5m relating to the integration of UBM.
- Restructuring and reorganisation costs are incurred by the Group in business restructuring and operating model changes and in 2020 this included voluntary and targeted redundancy programmes
- Vacant property and finance lease modification costs arose from the permanent closure of office properties in 2020.

- Onerous contracts associated with COVID-19 relate to onerous contract costs for events which have been cancelled or postponed and the costs cannot be recovered. The costs largely relate to venue, marketing and event set-up costs.
- Other one-off costs associated with COVID-19 are the one-off indirect cost incurred as a result of COVID-19, largely relating to a contractual commitment to the owner of an event that was cancelled.
- Subsequent remeasurement 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.
- VAT charges related to an increase of the existing provisions for VAT penalties relating to the UAE which the group is disputing.
- Loss on disposal of subsidiaries and operations – the loss on disposal primarily relates to the impairment of loan note receivables.
- Finance income reflects the fair value movement on an acquisition put option.
- Finance costs relate to the one-off costs in relation to the issue of EMTNs and repayment of the Group's US private placements in 2020.
- The tax items relate to the tax effect on the items above and adjusting tax items which are analysed in Note 10.

## 8. Finance Income

|                                                                                                             |             |             |
|-------------------------------------------------------------------------------------------------------------|-------------|-------------|
| Interest income on bank deposits                                                                            | 5.5         | 4.7         |
| Interest income finance lessor leases                                                                       | 0.1         | 0.8         |
| Fair value gain on financial instruments through the Income Statement                                       | 1.4         | 3.4         |
| Finance income before adjusting items                                                                       | 7.0         | 8.9         |
| Adjusting item: finance income associated with debt issuance and fair value gain on acquisition put options | 8.3         | 1.2         |
| <b>Total Finance income</b>                                                                                 | <b>15.3</b> | <b>10.1</b> |

## 9. Finance Costs

|                                                                                                                                  | 2020<br>£m   | 2019<br>£m   |
|----------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Interest expense on borrowings and loans <sup>1</sup>                                                                            | 92.3         | 105.5        |
| Interest on IFRS 16 leases                                                                                                       | 12.2         | 14.3         |
| Interest cost on pension scheme net liabilities                                                                                  | 0.7          | 1.4          |
| Total interest expense                                                                                                           | 105.2        | 121.2        |
| Fair value loss on financial instruments through the Income Statement                                                            | (0.8)        | (0.6)        |
| Financing costs before adjusting items                                                                                           | 104.4        | 120.6        |
| Adjusting item: financing expense associated with early repayment of debt and associated termination of put options <sup>2</sup> | 161.8        | 13.5         |
| <b>Total finance costs</b>                                                                                                       | <b>266.2</b> | <b>134.1</b> |

1. Included in interest expense above is the amortisation of debt issue costs of £12.4m (2019: £5.1m).

2. The adjusting item for finance costs in 2020 and 2019 primarily relates to the finance fees associated with early repayment of debt.

## 10. Taxation

The tax (credit)/charge comprises:

|                                                                          | 2020<br>£m     | 2019<br>£m    |
|--------------------------------------------------------------------------|----------------|---------------|
| <b>Current tax:</b>                                                      |                |               |
| UK                                                                       | (1.1)          | 21.6          |
| Continental Europe                                                       | (1.1)          | 23.2          |
| US                                                                       | 4.2            | 12.0          |
| China                                                                    | 11.8           | 29.6          |
| Rest of world                                                            | 11.6           | 22.6          |
| <b>Total current tax</b>                                                 | <b>25.4</b>    | <b>109.0</b>  |
| <b>Deferred tax:</b>                                                     |                |               |
| Current year                                                             | (132.7)        | (19.5)        |
| Credit arising from tax rate changes                                     | 5.2            | (16.9)        |
| <b>Total deferred tax</b>                                                | <b>(127.5)</b> | <b>(36.4)</b> |
| <b>Total tax (credit)/charge on (loss)/profit on ordinary activities</b> | <b>(102.1)</b> | <b>72.6</b>   |

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

|                                                            | Gross<br>2020<br>£m | Tax<br>2020<br>£m | Gross<br>2019<br>£m | Tax<br>2019<br>£m |
|------------------------------------------------------------|---------------------|-------------------|---------------------|-------------------|
| Intangible assets amortisation                             | (291.8)             | 57.2              | (312.4)             | 92.1              |
| Benefit of goodwill amortisation for tax purposes only     | –                   | (22.6)            | –                   | (23.0)            |
| Deferred tax recognised on fair value adjustments          | –                   | –                 | –                   | 16.5              |
| Impairment of intangibles and goodwill                     | (631.4)             | 16.5              | (4.7)               | 1.0               |
| Impairment of IFRS 16 right of use assets                  | (36.1)              | 8.0               | (4.6)               | 0.9               |
| Impairment of property and equipment                       | (8.8)               | 2.1               | –                   | –                 |
| Impairment of investments                                  | (3.9)               | –                 | –                   | –                 |
| Acquisition and integration-related costs                  | (49.1)              | 8.2               | (59.7)              | 11.4              |
| Restructuring and reorganisation costs                     | (77.6)              | 17.4              | (8.6)               | 1.8               |
| Onerous contracts and other items associated with COVID-19 | (52.6)              | 10.9              | –                   | –                 |
| Subsequent remeasurement of contingent consideration       | 3.1                 | (0.1)             | (3.2)               | 0.7               |
| VAT charges                                                | –                   | –                 | (1.8)               | –                 |
| Loss on disposal of subsidiaries and operations            | (8.4)               | 2.2               | (95.4)              | (20.4)            |
| Finance income                                             | 8.3                 | (1.6)             | 1.2                 | –                 |
| Finance costs                                              | (161.8)             | 29.5              | (13.5)              | 2.5               |
| <b>Total tax on adjusting items</b>                        | <b>(1,310.1)</b>    | <b>127.7</b>      | <b>(502.7)</b>      | <b>83.5</b>       |

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. On 3 March 2021 the UK Government announced its intention to increase the UK Corporation Tax rate from 19% to 25% from 1 April 2023. If this change had been enacted by 31 December 2020, it would not have had a material impact on the amount of deferred tax recognised.

A reconciliation of the actual tax expense to the expected tax expense at the applicable statutory rate is shown below:

|                                                                           | 2020           |            | 2019        |             |
|---------------------------------------------------------------------------|----------------|------------|-------------|-------------|
|                                                                           | £m             | %          | £m          | %           |
| (Loss)/profit before tax                                                  | (1,139.7)      |            | 318.7       |             |
| Tax (credit)/charge at effective UK statutory rate of 19.0% (2019: 19.0%) | (216.5)        | 19.0       | 60.6        | 19.0        |
| Different tax rates on overseas profits                                   | (27.3)         | 2.4        | 22.8        | 7.1         |
| Disposal related items                                                    | (0.1)          | -          | 36.9        | 11.6        |
| Non-deductible expenditure                                                | 121.9          | (10.7)     | 10.9        | 3.4         |
| Non-taxable income                                                        | (2.1)          | 0.2        | (6.2)       | (1.9)       |
| Benefits from financing structures                                        | (5.5)          | 0.5        | (6.1)       | (1.9)       |
| Tax incentives                                                            | (1.7)          | 0.1        | (1.9)       | (0.6)       |
| Adjustments for prior years                                               | 6.6            | (0.6)      | (6.9)       | (2.2)       |
| Net movement in provisions for uncertain tax positions                    | 1.1            | (0.1)      | (4.3)       | (1.3)       |
| Impact of changes in tax rates                                            | 5.2            | (0.4)      | (16.9)      | (5.3)       |
| Deferred tax recognised on fair value adjustments                         | -              | -          | (16.5)      | (5.2)       |
| Movements in deferred tax not recognised                                  | 16.3           | (1.4)      | 0.2         | 0.1         |
| <b>Tax (credit)/charge and effective rate for the year</b>                | <b>(102.1)</b> | <b>9.0</b> | <b>72.6</b> | <b>22.8</b> |

In addition to the income tax charge to the Consolidated Income Statement, a tax credit of £20.2m (2019: credit of £0.7m) has been recognised directly in the Consolidated Statement of Comprehensive Income during the year.

Current tax liabilities include £54.2m (2019: £53.1m) 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. On 3 March 2021, a charging notice was issued by HMRC to Informa in relation to certain group companies and periods and on 1 April 2021, Informa paid an amount of £5.5m to HMRC. The Group is awaiting confirmation from HMRC as to the position for other group companies and periods where the exemption was claimed and we believe that the maximum amount that could become payable in addition to the £5.5m already paid is £19.1m including interest.

As part of the acquisition accounting relating to contingent liabilities, an amount of £8m has been provided in relation to UBM companies. We do not currently believe it is probable that we will ultimately have a liability in relation to this matter and therefore have not provided for any additional amounts.

## 11. Dividends

|                                                                                                        | 2020<br>Pence per<br>Share<br>p | 2020<br>£m | 2019<br>Pence Per<br>Share <sup>1</sup><br>p | 2019<br>£m |
|--------------------------------------------------------------------------------------------------------|---------------------------------|------------|----------------------------------------------|------------|
| Amounts recognised as distributions to equity holders in the year:                                     |                                 |            |                                              |            |
| Final dividend for the year ended 31 December 2019                                                     | -                               | -          | -                                            | -          |
| Interim dividend for the year ended 31 December 2020                                                   | -                               | -          | -                                            | -          |
| Final dividend for the year ended 31 December 2018                                                     | -                               | -          | 14.75p                                       | 185.8      |
| Interim dividend for the year ended 31 December 2019                                                   | -                               | -          | 7.50p                                        | 94.5       |
|                                                                                                        | -                               | -          | 22.25p                                       | 280.3      |
| <b>Proposed final dividend for the year ended 31 December 2020 and the year ended 31 December 2019</b> | <b>-</b>                        | <b>-</b>   | <b>-</b>                                     | <b>-</b>   |

1. Restated for share placement (see Note 3).

In April 2020 the Group announced the temporary suspension of dividend payments, including the withdrawal of the proposed 2019 final dividend. There was no interim dividend for the six months ended 30 June 2020 or proposed final dividend for the year ended 2020. As at 31 December 2020 £0.2m (2019: £0.4m) of dividends were still to be paid, and total dividend payments in the year were £0.2m (2019: £280.0m).

In the year ended 31 December 2020 there were dividend payments of £13.6m (2019: £17.5m) to non-controlling interests.

## 12. Earnings Per Share (EPS)

### Basic EPS

The basic earnings per share calculation is based on the loss attributable to equity shareholders of the parent of £1,038.0m (2019: Profit £225.5m). This loss 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 1,419,707,507 (2019: 1,259,117,620).

### Diluted EPS

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 1,419,707,507 (2019: 1,264,230,940).

In 2020 there were 6,813,614 potential ordinary shares which are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of calculating diluted earnings per share.

The table below sets out the adjustment in respect of dilutive potential Ordinary Shares for use in the calculation of diluted EPS:

|                                                                             | 2020                 | 2019 <sup>1</sup>    |
|-----------------------------------------------------------------------------|----------------------|----------------------|
| Weighted average number of shares used in basic earnings per share          | 1,419,707,507        | 1,259,117,620        |
| Effect of dilutive potential Ordinary Shares                                | –                    | 5,113,320            |
| <b>Weighted average number of shares used in diluted earnings per share</b> | <b>1,419,707,507</b> | <b>1,264,230,940</b> |

1. Restated for share placement (see Note 3).

The table below sets out the adjustment in respect of dilutive potential Ordinary Shares for use in the calculation of diluted adjusted EPS:

|                                                                                      | 2020                 | 2019 <sup>1</sup>    |
|--------------------------------------------------------------------------------------|----------------------|----------------------|
| Weighted average number of shares used in basic earnings per share                   | 1,419,707,507        | 1,259,117,620        |
| Effect of dilutive potentially Ordinary Shares                                       | 6,813,614            | 5,113,320            |
| <b>Weighted average number of shares used in diluted adjusted earnings per share</b> | <b>1,426,521,121</b> | <b>1,264,230,940</b> |

1. Restated for share placement (see Note 3).

In addition to basic EPS, adjusted diluted EPS has been calculated to provide useful additional information on underlying earnings performance. Adjusted diluted EPS is based on profit attributable to equity shareholders which has been adjusted to exclude items that, in the opinion of the Directors, would distort underlying results with the items detailed in Note 7.

|                                                                                    | Earnings<br>2020<br>£m | Per Share<br>Amount<br>2020<br>Pence | Earnings<br>2019<br>£m | Per Share<br>Amount<br>2019 <sup>1</sup><br>Pence |
|------------------------------------------------------------------------------------|------------------------|--------------------------------------|------------------------|---------------------------------------------------|
| Earnings per share                                                                 |                        |                                      |                        |                                                   |
| (Loss)/profit for the year                                                         | (1,037.6)              |                                      | 246.1                  |                                                   |
| Non-controlling interests                                                          | (3.9)                  |                                      | (20.6)                 |                                                   |
| <b>Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)</b>     | <b>(1,041.5)</b>       | <b>(73.4)</b>                        | 225.5                  | 17.9                                              |
| Effect of dilutive potential Ordinary Shares                                       | –                      | –                                    | –                      | (0.1)                                             |
| <b>Earnings for the purpose of statutory diluted EPS/statutory diluted EPS (p)</b> | <b>(1,041.5)</b>       | <b>(73.4)</b>                        | 225.5                  | 17.8                                              |

1. Restated for share placement (see Note 3).

|                                                                                  | Earnings<br>2020<br>£m | Per Share<br>Amount<br>2020<br>Pence | Earnings<br>2019<br>£m | Per Share<br>Amount<br>2019 <sup>1</sup><br>Pence |
|----------------------------------------------------------------------------------|------------------------|--------------------------------------|------------------------|---------------------------------------------------|
| Adjusted earnings per share                                                      |                        |                                      |                        |                                                   |
| <b>Earnings for the purpose of statutory basic EPS/statutory basic EPS (p)</b>   | <b>(1,041.5)</b>       | <b>(73.4)</b>                        | 225.5                  | 17.9                                              |
| Adjusting items:                                                                 |                        |                                      |                        |                                                   |
| Intangible asset amortisation                                                    | 291.8                  | 20.5                                 | 312.4                  | 24.8                                              |
| Impairment – goodwill                                                            | 592.9                  | 41.8                                 | 0.9                    | 0.1                                               |
| Impairment – acquisition-related intangible assets                               | 38.5                   | 2.7                                  | 3.8                    | 0.3                                               |
| Impairment – IFRS 16 right of use assets                                         | 36.1                   | 2.5                                  | 4.6                    | 0.4                                               |
| Impairment – property and equipment                                              | 8.8                    | 0.6                                  | –                      | –                                                 |
| Impairment – investments                                                         | 3.9                    | 0.3                                  | –                      | –                                                 |
| Acquisition and integration costs                                                | 49.1                   | 3.5                                  | 59.7                   | 4.7                                               |
| Restructuring and reorganisation costs                                           | 77.6                   | 5.5                                  | 8.6                    | 0.7                                               |
| Onerous contracts associated with COVID-19                                       | 47.3                   | 3.3                                  | –                      | –                                                 |
| Other items associated with COVID-19                                             | 5.3                    | 0.4                                  | –                      | –                                                 |
| Subsequent remeasurement of contingent consideration                             | (3.1)                  | (0.2)                                | 3.2                    | 0.2                                               |
| VAT charges                                                                      | –                      | –                                    | 1.8                    | 0.1                                               |
| Loss on disposal of subsidiaries and operations                                  | 8.4                    | 0.6                                  | 95.4                   | 7.6                                               |
| Finance income                                                                   | (8.3)                  | (0.6)                                | (1.2)                  | (0.1)                                             |
| Finance costs                                                                    | 161.8                  | 11.4                                 | 13.5                   | 1.1                                               |
| Tax related to adjusting items                                                   | (127.7)                | (9.0)                                | (83.5)                 | (6.6)                                             |
| <b>Earnings for the purpose of adjusted basic EPS/adjusted basic EPS (p)</b>     | <b>140.9</b>           | <b>9.9</b>                           | 644.7                  | 51.2                                              |
| Effect of dilutive potential Ordinary Shares (p)                                 | –                      | –                                    | –                      | (0.2)                                             |
| <b>Earnings for the purpose of adjusted diluted EPS/adjusted diluted EPS (p)</b> | <b>140.9</b>           | <b>9.9</b>                           | 644.7                  | 51.0                                              |

1. Restated for share placement (see Note 3).

### 13. Goodwill

|                                      | £m             |
|--------------------------------------|----------------|
| <b>Cost</b>                          |                |
| At 1 January 2019                    | 6,464.9        |
| Additions in the year <sup>1</sup>   | 128.3          |
| Disposals                            | (149.7)        |
| Exchange differences                 | (182.4)        |
| At 1 January 2020 <sup>1</sup>       | 6,261.1        |
| Additions in the year                | 57.5           |
| Disposals                            | (0.8)          |
| Exchange differences                 | (79.9)         |
| <b>At 31 December 2020</b>           | <b>6,237.9</b> |
| <b>Accumulated impairment losses</b> |                |
| At 1 January 2019                    | (121.0)        |
| Disposals                            | 1.1            |
| Impairment loss for the year         | (0.9)          |
| Exchange differences                 | 4.1            |
| At 1 January 2020                    | (116.7)        |
| Disposals                            | 0.8            |
| Impairment loss for the year         | (592.9)        |
| Exchange differences                 | 47.5           |
| <b>At 31 December 2020</b>           | <b>(661.3)</b> |
| <b>Carrying amount</b>               |                |
| <b>At 31 December 2020</b>           | <b>5,576.6</b> |
| At 31 December 2019 <sup>1</sup>     | 6,144.4        |

1. 2019 restated for updates to provisional acquisition accounting (see Note 3).

The Group tests for impairment of goodwill at the business segment level (see Note 5 for business segments) representing an aggregation of CGUs reflecting the level at which goodwill is monitored. Intangible assets are tested for impairment at the individual CGU level. The impairment testing of goodwill involved testing for impairment at a segment level by aggregating the carrying value of assets across CGUs in each Division and comparing this to value in use calculations derived from the latest Group cash flow projections.

There were five groups of CGUs for goodwill impairment testing in 2020 and these were identical to the business segment reporting detailed in Note 5 (2019: five CGU groups).

|                      | Carrying Amount<br>31 December<br>2020<br>£m | Carrying Amount<br>31 December<br>2019<br>£m | Number of<br>CGUs<br>2020 | Number of<br>CGUs<br>2019 |
|----------------------|----------------------------------------------|----------------------------------------------|---------------------------|---------------------------|
| CGU groups           |                                              |                                              |                           |                           |
| Informa Markets      | 3,598.8                                      | 3,848.3                                      | 6                         | 8                         |
| Informa Connect      | 328.3                                        | 436.7                                        | 3                         | 5                         |
| Informa Tech         | 433.3                                        | 678.0                                        | 1                         | 1                         |
| Informa Intelligence | 678.6                                        | 648.0                                        | 4                         | 4                         |
| Taylor & Francis     | 537.6                                        | 533.4                                        | 1                         | 1                         |
|                      | <b>5,576.6</b>                               | <b>6,144.4</b>                               | <b>15</b>                 | <b>19</b>                 |

As goodwill is not amortised, it is tested for impairment at least annually, or more frequently if there are indicators of impairment. During the year, an impairment indicator was identified in three of our groups of CGUs, namely the business segments which derive the majority of their revenue from operating physical events: Informa Markets, Informa Tech and Informa Connect. This was as a result of the containment measures to prevent the spread of COVID-19 and the resulting reduction in forecast events revenues.

The outbreak of COVID-19 has led to the cancellation or postponement of the majority of physical events since March 2020, and therefore a reduction in the revenue generated by these businesses. The short term and potential longer-term impact was considered as an indicator of impairment. Because of this, an impairment analysis was carried out at 30th June 2020 and an impairment of £592.9m was recognised. Due to the ongoing restrictions, and in line with our accounting policy, an annual impairment review was performed on 31 December 2020. The testing involved comparing the carrying value of assets in each cash generating unit (CGU) with value in use calculations or assessments of fair value less costs to sell, derived from the latest Group cash flow projections.

At 30 June, long term growth rates were 2.3% for Informa Markets, 1.7% for Informa Connect and 1.9% for Informa Tech. The pre-tax discount rates were 10.1% for Informa Markets, 10.7% for Informa Connect and 11.8% for Informa Tech.

The goodwill impairment test at 30th June 2020 resulted in an impairment to the following CGU groups

| Impairment of goodwill | Year ended<br>31 December<br>2020 | Year ended<br>31 December<br>2019 |
|------------------------|-----------------------------------|-----------------------------------|
|                        | £m                                | £m                                |
| Informa Markets        | 231.1                             | –                                 |
| Informa Connect        | 105.9                             | –                                 |
| Informa Tech           | 255.9                             | –                                 |
| <b>Total</b>           | <b>592.9</b>                      | <b>–</b>                          |

Management have used the following assumptions in their impairment analysis as at 31 December 2020:

#### Key assumption

#### Projected cash flows

For 2021, management have used the budget to provide the forecast for the year. For the periods 2022-2025, management have made a judgement as to the likely shape and length of recovery in the sectors they operate. Management's short to medium term forecasts from 2022 to 2025 reflect a deeper economic impact and slower recovery on the events industry when compared to GDP forecasts for the same period in the relevant geographies. This is based on management expecting large scale physical events to be one of the last parts of the economy to return to normal trading levels

Considering these inputs to the financial forecasts, this results in a recovery to 2019 cash flow levels for the events revenues for these CGUs over the course of the period from 2021 to 2025. These projections represent the directors' best estimate of the future performance of these businesses. For non-events revenues, there is a stable growth trajectory over the medium to longer term.

Across each of these time horizons, management have considered external metrics, market data and publicly available economic outlooks, taking these into account when determining the estimate.

#### Long-term growth rate

For the Group's value in use calculation, a perpetual growth rate has been applied to the 2025 operating cash flow. Long-term growth rates are based on external reports on long-term GDP growth rates for the main geographic markets in which each CGU and Division operates and therefore are not considered to exceed the long-term average growth prospects for the individual markets. Long term growth rates have not been risk adjusted to reflect any of the uncertainties noted above, as these uncertainties are reflected in the forecasts.

#### Discount rate applied

We have calculated the weighted average cost of capital for each CGU and CGU group. For the cost of debt, we have considered market rates, based on entities with a comparable credit rating. The cost of equity is calculated using the Capital Asset Pricing Model (CAPM). Discount rates have not been risk adjusted to reflect any of the uncertainties noted above, as these uncertainties are reflected in the forecasts.

Management have concluded that there was no impairment indicated in the impairment test conducted as at 31 December 2020, noting headroom as follows:

|                              | Headroom<br>on CGU<br>groups 2020 | Long-term market<br>growth rates |      | Pre-tax discount<br>rates |       |
|------------------------------|-----------------------------------|----------------------------------|------|---------------------------|-------|
| Key assumptions and headroom | £m                                | 2020                             | 2019 | 2020                      | 2019  |
| Informa Markets              | 170.4                             | 2.5%                             | 2.2% | 11.1%                     | 9.3%  |
| Informa Connect              | 64.7                              | 1.8%                             | 1.7% | 11.7%                     | 9.6%  |
| Informa Tech                 | 44.1                              | 2.0%                             | 1.9% | 11.3%                     | 10.9% |
| Informa Intelligence         | 894.7                             | 1.9%                             | 1.7% | 10.4%                     | 10.2% |
| Taylor & Francis             | 2,337.3                           | 1.7%                             | 1.6% | 8.8%                      | 8.9%  |

The headroom shown above represents the excess of the recoverable amount over the carrying value.

#### Sensitivity analysis

The sensitivities provided represent areas assessed by management to be a key source of estimation uncertainty.

Key uncertainties relate to the depth of the economic impact from COVID-19 containment measures, the speed of recovery, and the variability in impact across the geographies in which the group operates, which may impact our future cash flows, discount rates and LTGR.

Our cash flow sensitivity analysis scenario considers a potentially extended and severe restriction on our ability to run events into the future. The sensitivity specifically considers the impact on cash flows if COVID-19 restricted our ability to run events outside of Mainland China in 2021, as well as the impact that would have on our business in the medium to longer term.

When taken together these would be equivalent to a further 11.9% reduction in cash flow from 2021 to 2025.

Sensitivity analysis scenarios also considered changes to the key assumptions including the rate of WACC and LTGR. We based this sensitivity analysis on reasonably possible changes to the cost of capital and LTGR in the markets in which we operate.

|                      | Cash flow<br>reduction<br>£m | WACC rates<br>increasing by 0.5%<br>£m | LTGR reduction<br>by 1.0%<br>£m |
|----------------------|------------------------------|----------------------------------------|---------------------------------|
| Informa Markets      | (603.8)                      | (393.5)                                | (256.1)                         |
| Informa Connect      | (30.5)                       | –                                      | –                               |
| Informa Tech         | (16.7)                       | (39.1)                                 | (22.0)                          |
| Informa Intelligence | –                            | –                                      | –                               |
| Taylor & Francis     | –                            | –                                      | –                               |
| <b>Total</b>         | <b>(651.0)</b>               | <b>(432.6)</b>                         | <b>(278.1)</b>                  |

These sensitivities show the impact of WACC rates increasing by 1.0% and LTGR reducing by 1.0%.

The results from the sensitivity analysis would indicate the following impairments to CGU groups, in addition to the £592.9m impairment that has been recorded in the results for the year:

The above sensitivities indicate management's assessment of reasonably plausible, material changes which could lead to a further impairment.

#### 14. Business combinations

The provisional amounts recognised in respect of the estimated fair value of identifiable assets and liabilities for 2020, acquisitions and payments made in 2020 relating to prior year acquisitions were:

|                                                  | TrialScope<br>£m | Other<br>acquisitions<br>including<br>deferred<br>consideration<br>£m | Deferred<br>consideration<br>and<br>finalisation of<br>working<br>capital<br>£m | Total<br>£m |
|--------------------------------------------------|------------------|-----------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------|
| Acquisition related intangibles                  | 19.1             | 3.9                                                                   | –                                                                               | 23.0        |
| Other intangibles                                | 2.5              | –                                                                     | –                                                                               | 2.5         |
| Trade and other receivables                      | 1.7              | 0.2                                                                   | –                                                                               | 1.9         |
| Cash and cash equivalents                        | 3.4              | –                                                                     | –                                                                               | 3.4         |
| Trade and other payables                         | (1.8)            | (0.1)                                                                 | –                                                                               | (1.9)       |
| Deferred income                                  | (5.2)            | (0.1)                                                                 | –                                                                               | (5.3)       |
| Deferred tax liabilities                         | (4.9)            | (0.7)                                                                 | –                                                                               | (5.6)       |
| Identifiable net assets acquired                 | 14.8             | 3.2                                                                   | –                                                                               | 18.0        |
| Goodwill                                         | 44.8             | 12.7                                                                  | –                                                                               | 57.5        |
| <b>Total consideration</b>                       | <b>59.6</b>      | <b>15.9</b>                                                           | <b>–</b>                                                                        | <b>75.5</b> |
| <b>Satisfied by:</b>                             |                  |                                                                       |                                                                                 |             |
| Cash consideration                               | 57.5             | 15.9                                                                  | –                                                                               | 73.4        |
| Deferred and contingent cash consideration       | 1.2              | –                                                                     | 8.3                                                                             | 9.5         |
| Non-cash consideration                           | 0.9              | –                                                                     | –                                                                               | 0.9         |
| <b>Total</b>                                     | <b>59.6</b>      | <b>15.9</b>                                                           | <b>8.3</b>                                                                      | <b>83.8</b> |
| <b>Net cash outflow arising on acquisitions:</b> |                  |                                                                       |                                                                                 |             |
| Initial cash consideration                       | 57.5             | 15.9                                                                  | –                                                                               | 73.4        |
| Deferred and contingent consideration paid       | –                | –                                                                     | 8.3                                                                             | 8.3         |
| Less: cash settlement in 2019                    | –                | (1.0)                                                                 | –                                                                               | (1.0)       |
| Less: cash acquired                              | (3.4)            | –                                                                     | –                                                                               | (3.4)       |
| <b>Net cash outflow arising on acquisitions</b>  | <b>54.1</b>      | <b>14.9</b>                                                           | <b>8.3</b>                                                                      | <b>77.3</b> |

## 15. Movements in net debt

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

|                                                        | At 1 January<br>2020<br>£m | Non-cash<br>Movements<br>£m | Cash flow<br>£m | Exchange<br>movements<br>£m | At 31<br>December<br>2020<br>£m |
|--------------------------------------------------------|----------------------------|-----------------------------|-----------------|-----------------------------|---------------------------------|
| Cash at bank and on hand                               | 195.1                      | –                           | 103.2           | 1.1                         | 299.4                           |
| Overdrafts                                             | –                          | –                           | –               | –                           | –                               |
| Cash and cash equivalents                              | 195.1                      | –                           | 103.2           | 1.1                         | 299.4                           |
| Bank loans due in less than one year                   | –                          | –                           | –               | –                           | –                               |
| Bank loans due in more than one year                   | (56.9)                     | –                           | 61.3            | (4.4)                       | –                               |
| Bank loan fees due in more than one year               | 2.2                        | 0.4                         | –               | –                           | 2.6                             |
| Private placement loan notes due in less than one year | (152.2)                    | –                           | 153.0           | (0.8)                       | –                               |
| Private placement loan notes due in more than one year | (1,060.6)                  | 3.7                         | 1,074.8         | (17.9)                      | –                               |
| Private placement loan note fees                       | 2.7                        | (2.7)                       | –               | –                           | –                               |
| Bond borrowings due in more than one year              | (1,279.1)                  | –                           | (788.3)         | (43.7)                      | (2,111.1)                       |
| Bond borrowing fees                                    | 11.0                       | 4.3                         | –               | –                           | 15.3                            |
| Derivative assets associated with borrowings           | 3.9                        | 40.7                        | –               | –                           | 44.6                            |
| Derivative liabilities associated with borrowings      | (22.4)                     | 14.9                        | –               | –                           | (7.5)                           |
| Lease liabilities                                      | (316.6)                    | (6.8)                       | 37.1            | 5.5                         | (280.8)                         |
| Finance lease receivables                              | 15.3                       | (5.4)                       | (2.3)           | 0.3                         | 7.9                             |
| <b>Net debt</b>                                        | <b>(2,657.6)</b>           | <b>49.1</b>                 | <b>638.8</b>    | <b>(59.9)</b>               | <b>(2,029.6)</b>                |

Included within the net cash inflow of £638.8m (2019: inflow of £276.9m) is £61.3m (2019: £499.7m) of loan repayments, £nil (2019: £41.2m) of facility loan drawdowns, £788.3m (2019: £433.7m) of proceeds from EMTN bond issuances, and £1,227.8m (2019: £143.4m) of private placement repayments.

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

|                                                               | 2020<br>£m     | 2019<br>£m     |
|---------------------------------------------------------------|----------------|----------------|
| <b>Current</b>                                                |                |                |
| Bank borrowings (\$200.0m) – repaid March 2019                | –              | –              |
| Private placement loan note (\$200.5m) – repaid February 2020 | –              | 152.2          |
| Total current borrowings                                      | –              | 152.2          |
| <b>Non-current</b>                                            |                |                |
| Bank borrowings – revolving credit facility <sup>1</sup>      | –              | 56.9           |
| Bank debt issue costs                                         | (2.6)          | (2.2)          |
| Bank borrowings – non-current                                 | (2.6)          | 54.7           |
| Private placement loan note (\$385.5m) – repaid November 2020 | –              | –              |
| Private placement loan note (\$45.0m) – repaid November 2020  | –              | 35.0           |
| Private placement loan note (\$120.0m) – repaid November 2020 | –              | 91.1           |
| Private placement loan note (\$55.0m) – repaid November 2020  | –              | 41.7           |
| Private placement loan note (\$76.1m) – repaid November 2020  | –              | 61.8           |
| Private placement loan note (\$80.0m) – repaid November 2020  | –              | 60.7           |
| Private placement loan note (\$200.0m) – repaid November 2020 | –              | 151.8          |
| Private placement loan note (\$130.0m) – repaid November 2020 | –              | 98.7           |
| Private placement loan note (\$365.0m) – repaid November 2020 | –              | 277.1          |
| Private placement loan note (\$116.0m) – repaid November 2020 | –              | 90.9           |
| Private placement loan note (\$200.0m) – repaid November 2020 | –              | 151.8          |
| Private debt issue costs                                      | –              | (2.7)          |
| Private placement – non-current                               | –              | 1,057.9        |
| Bond borrowings (\$350.0m) – repaid in November 2019          | –              | –              |
| Euro Medium Term Note (€650.0m) – due July 2023               | 583.6          | 553.4          |
| Euro Medium Term Note (€700m) – due October 2025              | 628.5          | –              |
| Euro Medium Term Note (£450.0m) – due July 2026 <sup>2</sup>  | 450.0          | 300.0          |
| Euro Medium Term Note (€500.0m) – due April 2028              | 449.0          | 425.7          |
| Bond and EMTN borrowings issue costs                          | (15.3)         | (11.0)         |
| Bond and EMTN borrowings – non-current                        | 2,095.8        | 1,268.1        |
| Total non-current borrowings                                  | 2,093.2        | 2,380.7        |
|                                                               | <b>2,093.2</b> | <b>2,532.9</b> |

1. On 26 November 2020, the Group's RCF was increased by £150m to £1,050m. On 14 December 2020 there were extensions to the RCF resulting in facilities of £30m (2019: £30m) maturing February 2023, £420m (2019: £270m) maturing February 2024, £60m (2019: £60m) maturing February 2025 and £540m (2019: £540m) maturing in February 2026.

2. On 3 November 2020 the Group issued an additional £150m EMTN to increase the borrowings in this tranche to £450m (2019: £300m)

Following debt repayments in November 2020 there are no longer any debt covenants on any of the Group's bank facilities. The Group does not have any of its property and equipment and other intangible assets pledged as security over loans.

At 31 December 2020, the Group had private placement loan notes amounting to \$nil (2019: \$1,587.6m). All US Private Placement loan notes were repaid on 6 November 2020, with any associated fees being recognised in the Income Statement. The decision to repay the US Private Placement loan notes was taken in 2020.

For the purpose of refinancing the borrowings the Group issued the following Euro Medium Term Notes (EMTNs), which are debt instruments traded outside of the US and Canada.

On 22 October 2019 EMTN fixed term loan notes were issued totalling €500.0m with a maturity of 22 April 2028. In addition, the Group issued the following EMTNs during 2020:

- €700.0m on 6 October 2020 with a maturity of 6 October 2025
- £150.0m on 3 November 2020 with a maturity of 5 July 2026

The average debt maturity on our drawn borrowings is currently 4.8 years (2019: 5.5 years).

The Group maintains the following lines of credit:

- £1,050.0m (2019: £900.0m) revolving credit facility, of which £nil (2019: £56.9m) was drawn down at 31 December 2020. Interest is payable at the rate of LIBOR plus a margin.
- £109.7m (2019: £152.9m) comprising a number of bilateral bank uncommitted facilities that can be drawn down to meet short-term financing needs, of which £nil (2019: £nil) was drawn at 31 December 2020. These facilities consist of £60.0m (2019: £70.0m), USD 22.3m (2019: USD 22.3m), €nil (2019: €40.0m), AUD 1.0m (2019: AUD 1.0m), CAD 2.0m (2019: CAD 2.0m), SGD 2.3m (2019: SGD 2.3m) and CNY nil (2019: CNY 50.0m). Interest is payable at the local base rate plus a margin.
- Four bank guarantee facilities comprising in aggregate up to USD 10.0m (2019: USD 10.0m), €7.0m (2019: €7.0m), £16.0m (2019: £9.0m) and AUD 1.5m (2019: AUD 1.5m).

The effective interest rate for the year ended 31 December 2020 was 3.3% (2019: 3.9%)

## 17. Notes to the Cash Flow Statement

|                                                            | 2020<br>£m   | 2019<br>£m   |
|------------------------------------------------------------|--------------|--------------|
| (Loss)/profit before tax                                   | (1,139.7)    | 318.7        |
| Adjustments for:                                           |              |              |
| Depreciation of property and equipment                     | 16.8         | 17.2         |
| Depreciation of right of use asset                         | 30.3         | 33.1         |
| Amortisation of other intangible assets                    | 332.9        | 354.3        |
| Impairment – goodwill                                      | 592.9        | 0.9          |
| Impairment – investments                                   | 3.9          | –            |
| Impairment – acquisition intangible assets                 | 38.5         | 3.8          |
| Impairment – property and equipment                        | 8.8          |              |
| Impairment – IFRS 16 right of use assets                   | 36.1         | 4.6          |
| Share-based payments                                       | 11.2         | 10.4         |
| Subsequent remeasurement of contingent consideration       | (3.1)        | 3.2          |
| Finance lease modifications                                | (2.2)        | –            |
| Loss on disposal of businesses                             | 8.4          | 95.4         |
| Loss on disposal of Plant and equipment and software       | 0.9          | –            |
| Finance income                                             | (15.3)       | (10.1)       |
| Finance costs                                              | 266.2        | 134.1        |
| Share of adjusted results of joint ventures and associates | (0.8)        | (1.5)        |
| Operating cash inflow before movements in working capital  | 185.8        | 964.1        |
| Decrease in inventories                                    | 7.2          | 12.3         |
| Decrease in receivables                                    | 114.8        | 20.6         |
| Decrease in payables                                       | (148.5)      | (33.1)       |
| Movements in working capital                               | (26.5)       | (0.2)        |
| Pension deficit recovery contributions                     | (6.2)        | (5.4)        |
| <b>Cash generated by operations</b>                        | <b>153.1</b> | <b>958.5</b> |

## 18. Share Capital

Share capital as at 31 December 2020 amounted to £1.5m (2019: £1.3m).

|                                                                  | 2020<br>£m | 2019<br>£m |
|------------------------------------------------------------------|------------|------------|
| <b>Issued, authorised and fully paid</b>                         |            |            |
| 1,502,137,804 (2019: 1,251,798,534) Ordinary Shares of 0.1p each | 1.5        | 1.3        |

|                                                             | 2020<br>Number of<br>Shares | 2019<br>Number of<br>Shares |
|-------------------------------------------------------------|-----------------------------|-----------------------------|
| At 1 January                                                | 1,251,798,534               | 1,251,798,534               |
| Issue of new shares in relation to share placements in 2020 | 250,318,000                 | –                           |
| Other issue of shares                                       | 21,270                      | –                           |
| <b>At 31 December</b>                                       | <b>1,502,137,804</b>        | <b>1,251,798,534</b>        |

On 15 April 2020 the Company announced a share placement of 250,318,000 new Ordinary Shares in the capital of the Company, representing approximately 19.99% of the Company's existing issued share capital. 125,159,000 new Ordinary Shares were issued on 20 April 2020 and a further 125,159,000 on 5 May 2020. The shares were issued at £4.00 per share resulting in gross proceeds of £1,001.3m and net proceeds of £973.7m.

## 19. 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.

### Other related party disclosures

At 31 December 2020, Informa Group companies have guaranteed the UK pension scheme liabilities of the Taylor & Francis Group Pension and Life Assurance Scheme, the Informa Final Salary Scheme and the UBM Pension Scheme.

Transactions with related parties are made at arm's length. Outstanding balances at year end are unsecured and settlement occurs in cash. There are no bad debt provisions for related party balances as at 31 December 2020, and no debts due from related parties have been written off during the year. During the period, Informa entered into related party transactions to the value of £0.5m (2019: £0.2m) with a balance of £0.2m (2019: £0.2m) outstanding at 31 December 2020.

## Glossary of terms: Alternative Performance Measures

The Group provides adjusted results and underlying measures in addition to statutory measures, in order to provide additional useful information on business performance trends to Shareholders. The Board considers these non-GAAP measures as the most appropriate way to measure the Group's performance because it aids comparability to the prior year and is also in line with the similarly adjusted measures used by peers and therefore facilitates comparison.

The terms "adjusted" and "underlying" are not defined terms under IFRS and may not therefore be comparable with similarly- titled measurements reported by other companies. These measures are not intended to be a substitute for, or superior to, IFRS measurements. The Financial Review provides reconciliations of alternative performance measures (APMs) to statutory measures and also provides the basis of calculation for certain APM metrics. These APMs are provided on a consistent basis with the prior year.

### Adjusted results and adjusting items

Adjusted results exclude items that are commonly excluded across the media sector: amortisation and impairment of goodwill and intangible assets relating to businesses acquired and other intangible asset purchases of book lists, journal titles, acquired databases and brands related to exhibitions and conferences, acquisition and integration costs, profit or loss on disposal of businesses, restructuring costs and other items that in the opinion of the Directors would impact the comparability of underlying results. Adjusting items are detailed in Note 8 to the Consolidated Financial Statements.

Adjusted results are prepared for the following measures which are provided in the Consolidated Income Statement on page 21: Adjusted operating profit, Adjusted net finance costs, Adjusted profit before tax (PBT), Adjusted tax charge, Adjusted profit after tax (PAT), Adjusted earnings, and Adjusted diluted earnings per share. Adjusted operating margin, Adjusted tax rate and Adjusted EBITDA are used in the Financial Review on pages 9, 13 and 16 respectively.

### EBITDA

Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation and other non-cash items such as share-based payments and before adjusting items

Covenant-adjusted EBITDA for interest cover purposes under the Group's previous debt covenants is earnings before interest, tax, depreciation and amortisation and adjusting items. It is adjusted to be on a pre-IFRS 16 basis

Covenant-adjusted EBITDA for leverage purposes under the Group's previous debt covenants is earnings before interest, tax, depreciation and amortisation and adjusting items. It is adjusted to include a full year's trading for acquisitions and remove trading results for disposals, and adjusted to be on a pre-IFRS 16 basis

### Effective tax rate

The effective tax rate is shown as a percentage and is calculated by dividing the adjusted tax charge by the adjusted profit before tax. The Financial Review on page 13 provides the calculation of the effective tax rate.

### 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 and debt issues or repayments. Free cash flow is one of the Group's key performance indicators, and is an indicator of operational efficiency and financial discipline, illustrating the capacity to reinvest, fund future dividends and repay down debt. The Financial Review on page 17 provides a reconciliation of free cash flow to statutory measures.

#### Interest cover

Debt covenants ceased to apply to all the group's borrowing facilities from November 2020 following the repayment of debt subject to debt covenants. Interest cover is calculated according to the Group's previous debt covenants and is the ratio of covenant-adjusted EBITDA for interest cover purposes to adjusted net finance costs and excluding finance fair value items. It is provided to enable the assessment of our debt position together with our compliance with these previous specific debt covenants. The Financial Review on page 19 provides the basis of the calculation of interest cover.

#### Leverage ratio

The leverage ratio is calculated according to the Group's previous debt covenants and is the ratio of net debt to covenant-adjusted EBITDA for leverage information purposes, and is provided to enable the assessment of our debt position together with compliance with these previous specific debt covenants. Covenant-adjusted net debt is translated using average exchange rates for the 12-month period and is adjusted to include deferred consideration payable, to exclude derivatives associated with borrowings and to be on a pre-IFRS 16 basis. The Financial Review on page 19 provides the basis of the calculation of the leverage ratio.

#### Operating Cash flow and operating cash flow conversion

Operating cash flow is a financial measure used to determine the efficiency of cash flow generation in the business and is measured by and represents free cash flow before interest, tax, restructuring and reorganisation costs. The Financial Review on page 17 reconciles operating cash flow to statutory measures.

Operating cash flow conversion is a measure of the strength of cash generation in the business and is measured as a percentage by dividing operating cash flow by adjusted operating profit in the reporting period. The Financial Review on page 16 provides the calculation of operating cash flow conversion.

#### Underlying measures of growth

Underlying measures of growth refer to revenue and adjusted operating profit results adjusted for acquisitions and disposals, the phasing of events, including biennials, the impact of changes from implementing new accounting standards and accounting policy changes and the effects of changes in foreign currency by adjusting the current year and prior year amounts to use consistent currency exchange rates. Phasing and biennial adjustments relate to the alignment of comparative period amounts to the timing of events in the current year. Where an event originally scheduled for 2020 was either cancelled or postponed there was an adverse impact on 2020 underlying growth as no adjustment was made for these in the calculation.

The results from acquisitions are included on a pro-forma basis from the first day of ownership in the comparative period. Disposals are similarly adjusted for on a pro-forma basis to exclude results in the comparative period from the date of disposal. Underlying measures are provided to aid comparability of revenue and adjusted operating profit results against the prior year. The Financial Review on page 10 provides the reconciliation of underlying measures of growth to reported measures of growth in percentage terms.