



Informa

Full Year 2019 Results Presentation
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Informa

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Introduction

Stephen A. Carter, Group Chief Executive

Right, good morning, everybody, and thanks very much for coming. For those of you here, and for those of you who are watching on the webcast, thanks very much for giving us your time.

This is the disclaimer. Vicky has given you the health and safety warning, and there is endless tea and coffee, so if people want anything during the presentation, feel free to take it.

This is a slide that we've used many times, and is a part of what we're going to be talking about today, the acceleration of our commitment to sustainability. Recycling at the beginning of the presentation is a good idea, and the Knowledge & Information economy is something we've been talking about for some time.

It's a place where we have parked the Company, and as you'll see in the materials that we've published and will talk about today, it's where we see the future of the business. Driving specialisation in markets where we face off against sectors and subsectors with the ability to provide a range of products and services in physical and digital form.

This is a market which we believe has a lot of long-term attractive characteristics, for a whole variety of reasons, not least actually, it speaks profoundly to some of the underlying trends that are behind the march and the need for the march towards greater sustainability from economic businesses.

I thought I'd start today, for those of you with long memories - or longer memories - of these presentations, this is the sort of shorthand version of what are the 20 questions. These, it seems to me, are the key messages and substance points from today's meeting.

The first, and I think you see this in our 2019 results, the very good news about this company is that it is very strongly one company. We've put a lot of time and effort in over the last few years, in building and deepening a common culture, a set of values and approach, a response. And actually, when you find yourself facing a circumstance like the COVID-19 circumstance, that actually serves you very well, because it enables a speed of response and an alignment of response, which often makes the difference between your ability to navigate the turbulence and your ability not to.

We had a very strong operating performance in 2019, if we weren't going to be talking about COVID-19, the discussion would have been, in a sense, more enjoyably about what were the fundamental drivers behind what produced that performance in '19. And ultimately, that's what's going to serve us well, because that's where the long-term value is in the business.

We did well in revenue, we did well in earnings, we had all five of our businesses in growth, and we did very well in cash, which actually topically is not a bad place to be either.

Our twin track strategy of driving market specialisation and improving the operational capabilities inside the business is combining very well in geographies and in markets, and continues to do so.

Our subscription businesses, or our subscription-led businesses - in advanced learning, in Taylor & Francis, and in business intelligence in Informa Intelligence, and in the parts of Informa Tech which are subscription-led businesses - are performing well. They performed well in 2019, they're performing well in 2020, and that gives us a ballast of about 35% of the Group's revenue which remains robust and in markets and products that we feel good about.

Our January and February schedule in 2020 actually was fortunate in one way, in our Events business, in that we had virtually no events to speak of scheduled in mainland China in January and February, and so that allowed us - and we'll talk about that, we've talked about it in the release - to devise at speed a Postponement Programme which has enabled us to learn from China, Mainland China, and roll that out in other parts of the world.

The events that did trade in other parts of the world, speaking to the value of geographical diversity, traded on or ahead of plan. So, in round numbers, there's about £250m worth of Events revenue that's already traded in this year, to or ahead of plan.

We launched a Postponement Programme inside our own business, effectively, quietly, and commercially. And to date, as I speak to you this morning, we've lifted over 110 branded events out of the first half into later in the year, about £450m worth of revenue. We've used our scale, our reach, and in some cases our relationships and in other cases our muscle, to secure capacity to give us that optionality. And we made the decision very early with the support of the Board, that the right decision for the long-term health of the business was to put our colleagues, our customers, and our brands first. And if that required us to spend money in order to secure capacity, provide rebate allowances, communicate with our customers, the key objective was to manage the long-term value of the branded franchises that we own, because that's where the future value is.

We moved, two or three weeks ago, to a different management approach. We've taken management controls into the centre. We're running a weekly COVID Executive Management review process on costs, on capex, on operations, and on the key decisions around the way in which we make prioritisation on postponement and slot alignment for brands and events that need to be moved.

We have a very secure balance sheet. Gareth will talk about this in some depth. We made some quite significant changes last year, which are looking prescient. We pushed out most of our maturities to 2023. We have an extended RCF. We secured, as part of the Postponement Programme, an additional surplus credit facility, and so we find ourselves in this situation in a very secure balance sheet position.

We are proposing to confirm the dividend for 2019 in line with what we discussed at the half year, at just over 7%, and on a slightly less cheerful note, the Chairman succession process is under way, and towards the end of 2020 we will see the baton passed from our current Chairman, Derek Mapp, to a successor, and that process is, as I say, fully under way.

Important for those of you who are here and those of you who are watching to know that the position the leadership team have taken, I think, from really the end of January, is that our objective here is to focus on the long-term value in the business. So that what a market springs back, and some version of normal service returns, the test that we will have passed is the test in the minds of the customers and the communities that we serve, that we were open, we were transparent, we were quick, we had the value of their businesses, their brands, and their commercial interests at heart. And that, I think, will serve us well when we get to spring back.

Those are the subjects we're going to cover today. But to go back to go forward, as I'm fond of saying, let's go back to 2019. A world before COVID-19, and really, this was a strong year for our company.

The numbers were strong on the revenue line, both at a reported level and more importantly at an underlying level. We saw a sensible flow through to profit. We had some tailwinds on earnings per share, and a particularly strong performance again, year on year, on free cash flow. We did the work on our balance sheet, we tracked down to 2.5x levered as we undertook to do, and that allowed us to underpin the dividend.

More importantly, what stands behind that was a completion of things that we'd set out to do for ourselves. We saw Informa Markets operate for one full year as an integrated business in all of the geographies of the world, and despite the topical challenges that we faced in 2019 in Hong Kong, with the civil unrest, which was significant, and the continuing drag from Fashion, the Fashion portfolio where our GAP programme is really beginning to have some traction, we still managed to deliver growth rates in the 4.3% area.

In Informa Connect and Informa Intelligence, both those businesses stepped up to a level of growth that we were pleased with, and within Informa Intelligence, we did some sensible portfolio management, to come out of businesses we didn't see as part of our long-term plan, and double down on businesses where we believe we are well suited to longer-term growth.

We gave birth to Informa Tech. The most evident manifestation of our market specialist strategy where we are building a business that faces off against that market in events, in media, in conferencing, in training, in data, in information, in research, in consulting. And that surround sound service offering to a single market is a model that we will seek to expand elsewhere.

And serious credit to our colleagues in Taylor & Francis, which is facing a market we've discussed often, where we're seeing significant change in customer preferencing, in access, in pricing, in the way in which commercial contracts are negotiated, and in the way in which content is developed and validated. A very strong performance from Taylor & Francis in the full year, and particularly in the back end of the year, giving us a real confidence going in to 2020.

The cash flow, I think, and the cash conversion, the cash generation, has long been a bellwether of the business. It's a feature of the business model in all of our businesses. It's become an operating discipline of all of our businesses. And it's what has allowed us to take our leverage back down to 2.5x, and maintain our dividend growth on the rate that we have done over the last few years.

This slide will be familiar to you, but we've changed it slightly because we thought it might be more relevant to the backdrop to today's discussion. On the left-hand side, my left-hand side, we look at our portfolio through revenue lens by geography, and on the right-hand side, by type.

And essentially, what it says is that a third of the business is subscription-related, two-thirds of the business is events-related. Although, within events-related, there are revenues other than just space revenues. You've got media revenues, you've got some data revenues, you've got some sponsorship revenues, but they're broadly revenues that are sold off the back of a physical event product.

And then, on the right-hand side, you see the strength of the business in North America, the scale of the business in mainland China, and combined with Hong Kong, and then the distribution of the business around the rest of the world. And actually, particularly in the case of COVID-19, where it is not the same circumstance in every geography in the world, that geographical diversity is also proving to be short-term helpful.

So how have we responded to the reality of COVID-19? Well, it landed in our commercial lives in the week leading up to the decision by the Chinese government on the 23rd of January. We put in place an action plan as to how we would respond to it. We took as our guiding principle that our primary priority would be the well-being of colleagues, customers, and markets, because this will pass, and when it passes, we want to come out the other side in a position where our brands and our reputation, externally and internally, is in good order.

We are following government and health authority advice in the markets in which we trade. We're not writing our own policies. We are being guided by the relevant authorities in the markets in which we trade.

From a colleague perspective, we have put in place a management discipline on most of our cost structures, which is giving us clear visibility of where we are in control, where we are spending, and where we need to double down in order to secure future capacity, and some very proactive controls on cash and on cost.

From our customers' point of view, we've made multiple decisions in multiple markets, about when to call for postponement, how to shift, how to conduct that, what does that mean for cash and refunds and communication and market value.

As a practical matter, as I stand here today, I think we have only cancelled three events. So, in terms of revenue that we knew about in 2020, when we opened the doors on January 1st, that we know will not be coming, it's actually a de-minimus number.

We have lifted and shifted circa £450m worth of revenue in the Postponement Programme. There is a question which I'm sure we'll get to, about how much of the £450m of revenue will recur, will there be a dilution effect, will there be a decay effect, will people never want to get on an aeroplane ever again in their life effect. And you've got to make your own judgements about that, but the judgement that we've made is that the reason why these are valuable franchises is

because they contribute to our customers' ability to trade. So our objective is to maintain the long-term relationships and the long-term value of the products.

We have, in some markets, gone to a model whereby we trade the event but we move it to a highly localised event. So we either screen out international travellers in total or we make it only a local event. We have in some instances gone to a virtual event, where you can turn the product into a purely digital event, short-term, rather than rely on a physical gathering.

The net consequence of all of that has put us in the position that we've laid out in today's announcement, which in summary looks as it is laid out in this chart.

A hundred brands that have run successfully so far already in 2020, mainly in January, February, and early March, although there are events running through April, May, and June in parts of the world either because they're highly localised events or because there are no control measures in those localities.

We've got 45 large-scale events - large-scale events for us are brands that are at revenues above £2m - that we have lifted and moved, and there are about 70 smaller events. And then there are about 13 events that fall broadly into the category of re-phased, postponed, or cancelled. And within some of those are biennials, where in a sense it was easier to make the decision just to lift them out of '20 and move them into '21.

The customer response to where we are today has actually been very reassuring on two levels. Firstly, where we have been open and transparent, we have been rewarded by customer feedback that has been very welcoming of that. And secondly, it has consistently underscored the fundamental value of the trade show as a product, particularly for smaller players in markets, or innovators in markets.

For the larger players, in a sense, it's easier to take a pass for a year. But for the smaller players, which make up most of our business in most of our trade shows, it's the route to market. It's how you sell, it's how you distribute, it's how you get distribution. It's how you see your customers, it's how you work out how to price, it's how you see where your competitors are. And actually, it's been very reassuring for us to see the depth of that validation.

The next two charts, I'll leave you to peruse. It just tries to bring to life what the lift and shift looks like in revenue, and we've broken it out by China, by the rest of the world, and by our subscription-related businesses.

Our subscription-related businesses, which if you like is the underpinning ballast of the Group at the moment, is trading on plan in some instances, ahead of plan, and for both the first half and the second half, as these two slides make clear, we assume that it trades on normal seasonal patterns, and there's no indication on our forward subscription numbers of any change there.

January and February in our events business has already traded on or ahead of plan. So, really, the pinch point is around a judgement about what happens between March and, let's pick a month, July or August. And our approach at the moment is, we are running this business with

the expectation that the world will spring back in the back half of 2020, and we want to be well-placed for that when it happens.

So, to summarise, where are we? 2019, a very strong year, puts the business in very good shape for 2020. Our strategy of market specialisation remains our driving focus. We had a very strong cash performance in 2020, which is serving us well. We've secured a robust position on the balance sheet. We have got a very tight response programme in relation to the COVID-19 circumstance as we see it today. And we are managing that on the assumption that our primary obligation is to secure the long-term value of the brands and the franchises we own and operate, and that's what has driven our approach to large-scale first-half to second-half postponement and rescheduling.

And on that note, I will pass over to Gareth.

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Financial Review

Gareth Wright, Group Finance Director

Tackled by my chair, hold on. Good morning, everyone, and thank you for coming to our 2019 Full Year Results announcement. The headlines are, we've produced a set of results in 2019 that demonstrate a further year-on-year improvement in terms of the financial performance of the Group, and have delivered our financial targets for the year. Entering 2020, we are tackling the challenges thrown our way earlier in the year in a proactive and responsible way.

These are the financial highlights from the 2019 Full Year Results. Reported revenue was up 22%, increasing to almost £2.9bn. Underlying revenue growth increased to 3.5%, reflecting a full year of growth from the UBM business acquired halfway through 2019.

Adjusted operating profit increased 27.5% to £933m, and these increase in AOP drove a 4.3% improvement in the adjusted diluted earnings per share on a reported basis, and a 16% increase on a pro forma basis, for a full year of UBM ownership.

Free cash flow growth was powerful, increasing over 40% to £722m, and this cash flow completed the process of bringing our leverage back down to our Group target range, with year-end leverage at 2.5x.

In response to the pro forma earnings growth and the strong free cash flow, the Board is recommending a 7.3% increase in the full year dividend.

Looking at the income statement, below operating profit, the interest charged was £112m, which included a £13m charge for the effect of IFRS 16.

Additionally, the year-on-year increase was driven by higher debt following the UBM combination and the stronger US dollar in 2019.

The effective tax rate increased 19%, primarily reflecting a full year of UBM profits, but also the increase in the average jurisdictional tax rates in the US and China. As we've previously communicated, the medium-term outlook for the enlarged group tax rate was a 19% effective rate, so we were in line with that rate in 2019, and we can confirm that's where we expect to be in 2020.

So, overall, these results produced a 4% increase in reported EPS, and a 16% increase on a pro forma basis, and finally, the 51p of earnings covered the full year proposed dividend around 2.2x.

Focusing on the revenue growth, the largest element of the revenue growth was delivered by our successful combination with UBM, which added around 15% to our reported revenue.

The most important element for us, though, was the 3.5% of underlying revenue growth through trading and growth in the divisions which I'll go through in a minute.

The currency benefit of the stronger US dollar added about 3% reported revenue growth, and the effect of biennials in the year was immaterial, increasing the reported revenue by 0.2%.

So, all of this added up to an increase in reported revenue of 22% for the year.

The shape of the waterfall graph appears consistent with revenue, with an OP growth, increased benefits from the crystallisation of synergies from the combination, and the benefit of currency is more marked in the OP chart with the weighting of operating profit towards the US dollar.

Let's focus on how the Group results break down division. Informa Markets delivered underlying revenue growth of 4.3%, which is a good result that occurred despite two market-specific in-year headwinds in Dubai and Hong Kong. This performance was driven by a strong performance from the top 30 exhibitions, which in markets in 2019 made up around half of the revenue, and that revenue growth and the synergies helped increase operating profit by over 7%.

Informa Connect improved its underlying revenue growth of 2.9%, led by stronger performances from the larger biotech, pharma, and finance events. Reported revenue was impacted by the disposal of the life sciences business at the start of 2019.

Informa Tech achieved its 2% underlying revenue growth target in its full year of existence, and the priority for this team, really, in the year, was to establish the team, the business, and the brand, and to achieve all that while hitting the underlying revenue growth target was satisfying.

Informa Intelligence continues its trend over recent years of improving underlying revenue growth, delivering 3.3% growth in 2019. This improvement reflects the benefits of the investment in products and platforms on the revenue streams, particularly in pharma, retail banking, and maritime.

OP increased just over 10% as the revenue dropped through very cleanly, and it was assisted by cost savings.

Finally, Taylor & Francis delivered a consistent underlying performance overall, delivering 2.4% revenue growth. The growth was weighted towards journals in the year, with a steady year-on-year trading performance in the books business.

Looking at the evolution of the operating profit margin, the Group finished 2019 delivering an attractive margin north of 32%. The inclusion of a full year of the UBM business trading at a slightly lower margin acted as a circa 1% drag on the overall margin of the business.

The increase to the year-on-year margin was driven by two specific dynamics: the FX benefit rises principally from the stronger US dollar, which benefits our US operations in Informa Markets and Taylor & Francis, and the growth and synergies delivered have increased the margin year-on-year, slightly offset by some investments in the Group to upgrade our technology platforms and our digital capabilities.

Strong free cash flow has been one of the real successes of 2019, increasing over 40% to £722m of free cash flow in the year. Most significantly, this reflects the growth in EBIT year-on-year, which is driven by the extra 5.5 months of trading of UBM in 2019, but also includes a strong year-on-year working capital performance, driven by a better contribution from the UBM portfolio, which did not benefit for the timing of the completion dates in 2018.

The interest line includes one-off fees payable in pre-paying certain US PP debt in 2019, and also that extra £13m payable in relation to IFRS.

Finally, we paid a bit more tax in 2019, as you'd expect from the larger business following the UBM combination.

So, building off that strong 2019 free cash flow result, I thought it would be worth outlining some of the characteristics of the business that produced those strong free cash flows. Advance bookings for subscriptions and events are paid for in advance, and leave us with over £500m of cash held in the balance sheet at any one time.

We have flexibility around our payments. We're able to roll forward bookings for future events based on our terms and conditions, if we reschedule them, and we're able to manage the payments to our suppliers over payment periods.

Our business is not capital-hungry, with 2019 running under 2% for capex. Whilst this was an unusually low percentage compared to recent years, it doesn't damage the business operating to a low capital intensity for short periods.

Our costs are split evenly between direct costs and indirect costs, leaving us lots to go for operationally should we reduce the volume of operations that the business is trading through, and should we want to take a more aggressive stance on costs.

And finally, our cash management and working capital management have been strong for a few years, and allow us to keep tight control on these areas and increase control in periods when we need to.

All of these characteristics result in a robust operating cash conversion, which for 2019 was over 100%, and it drove that strong free cash flow generation.

Stephen mentioned earlier, we've moved fast to implement the Postponement Programme, to move events from the first half to the second half of 2019. In addition to our base case planning, we are also running multiple downside scenarios to plan how I think the business is going to respond to emerging situations should they change.

These scenarios are important to me because they help me assess at what stage we need to take actions and decisions on our cost base, and also inform how decisively we need to move at any point in time.

As Stephen says, we want to be ready to trade strongly out of the downturn, and do that we need to make sure we only remove capacity that we absolutely must have to.

This slide talks you through two scenarios that we've assessed. In Scenario 1, on the left-hand side, we're assuming that no further events operate in the first half of 2020, after the circa £260m of revenue that we've already delivered in January and February.

In this scenario, we look to avoid the direct costs relating to those events that we would not be operating, and we would look to take specific targeted action in our own direct cost base. These mitigations would see us finish the first half of the year with material liquidity and the leverage covenant delivered under our control.

In Scenario 2, which looks at a scenario whereby, after the £270m worth of revenue in January and February, no further large events operate in the rest of 2020. Now, we think this is highly unlikely, given that we're starting to see signs of activity returning in China, but we're modelling it nonetheless so that we're prepared for this scenario.

In this scenario, we would again look to avoid the direct costs related to operating events, and we're taking more proactive pieces of action and action plan in terms of our direct cost base and our indirect cost base.

These mitigations would see us finish 2020 with material liquidity, but after 10 months with no large events, it's unsurprising that we may need to manage our way through our year-end covenant position.

As you'll have seen today, in 2020, we've put in place an additional surplus credit facility for £750m, which provides optionality to help us manage our way through a scenario like Scenario 2.

The key thing is that we're constantly tracking developments through the COVID Management Committee Meeting that Stephen mentioned, and that's enabling us to consider on a real-time basis further management measures should they be required.

Looking at the maturity of our borrowings: we're now in a position where we have no maturities until 2022, and no material drawn maturities until 2023. Our strong free cash flow has steadily

and consistently reduced covenant leverage, from 3.1x at the 2018 half-year following the UBM completion, to 2.5x at the 2019 year-end.

Most recently, we've moved proactively and quickly to secure a £750m committed surplus credit facility with a term of up to 2.5 years. Together with our existing £900m RCF, which is only around 25% drawn, with about £700m headroom at the moment, this gives us material committed undrawn facilities as we enter a period of potential uncertainty.

The headline message on synergies is that we remain on track to achieve the targets we've set ourselves, and that we've outlined to you previously. That's both on track in terms of the savings that we're looking to achieve, and also in terms of the costs of achieving those savings. This includes the delivery of £50m of OP savings generated in 2019, principally from two main areas of duplication: the Informa Markets Division and the cost of operating corporate and support functions which benefit all the divisions through lower cost allocations.

The UBM integration costs in 2019 was just over £40m, which, together with the £40m we incurred in 2019, means we've invested around 80% of the total budget that we had earmarked for the integration process.

So, wrapping up and going into 2020: our subscription businesses are performing well, with over 35% of Group revenue generated from forward-booked subscriptions. We're planning for a period of short-term volatility in the events-related growth in the business, but we have, through the Postponement Programme, a plan in place to work our way through that in 2020.

We're taking proactive cost measures in the business to set ourselves up for future scenarios, and the synergies that we earmarked out of the UBM combination are secure. Finally, our strong cash flow model and our good timelines to maturity, together with a strong liquidity, give us real balance sheet strength going into 2020.

And with that, I'll hand you back to Stephen.

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Business Update

Stephen A. Carter, Group Chief Executive

Thanks, Gareth. Right, if you can bear with me just for a couple of seconds before we get into questions, I thought I might just step out of the day-to-day and talk a little bit about the business. Where are we as a company, going into 2020?

As I say, if we weren't dealing with the immediate, we'd be focused on the future of the business, and really this is what we've been seeking to build - a business with more international reach.

You'll remember, we used to be really a very UK/European-focused business, but now actually almost the complete opposite of that. With depth in specialist markets where we see future growth, consistent underlying growth, 3.5%, we set ourselves that kind of target to get into the 4%-plus club.

Very predictable in growing cash flows. We wanted to maintain an engaged and inclusive culture, where people felt a sense of ownership for what they did and how they did it, and freedom to be able to do it.

We like the business model of our business, where, as Gareth says, you have forward visibilities on your recurring revenues, but actually also your exhibition revenues. We believe profoundly in the long-term value of face-to-face. I'm sure someone is going to ask me the existential question, 'Is the whole world going to change, and no one will meet with anyone ever again?' I don't believe that's going to come to pass. I think human beings are fundamentally social animals. Business gets conducted face-to-face, and in the trade show product, you have a perfect vehicle for doing that efficiently and in a highly sustainable manner.

But we needed to become a digital business, and we were a long way from that, and we've put a lot of time, money, and effort into building our digital capabilities, whether they be API service delivery for our subscription businesses, salesforce platform and in presentation, AIP is mentioned, perhaps this is meant here] service delivery deployment, or simple better master data management or accounting operating systems.

The world has gone specialist. It's our theme inside our own company now. Our business is to champion specialists. We are members of multiple industries and multiple communities, and that lack of a single point of weakness serves us well in the upside, and it actually serves us very well in the downside, because you very rarely get a universal problem everywhere at the same time.

And we have very specialist brands as a consequence. They're not household names, apart from in the households in which they belong, and when they're in those households, they really are household names. That's the Company that we've been building and that we are committed to continuing to build for the next 3 to 5 years.

To look at 2019 on any measure, we feel very good about what we did in 2019. We said we would create a single Company, what we called the AIP operating model, that we would, in this fine building, which was chosen by our predecessors, but thank you very much for it.

And we've purposefully gone out of our way to say goodbye to UBM as a brand, not because it was a bad brand, but because it wasn't our brand. It wasn't where we were going in the future.

We have pivoted the Company around the divisional brands, Informa Markets, Informa Connect, Informa Intelligence, and Informa Tech, our newest brand, and invested in the rebirthing of the Taylor & Francis brand, which, if Annie were here, she would talk about with more passion.

We have built a leadership and talent community which, I believe, gives us real bench strength, and at times like this, you need it, you feel it, and you're glad you've got it. We delivered and over delivered on our operating synergies in Year 1, in Year 2, and we're on track for Year 3.

We made a decision that was, frankly, at least 3 or 4 years overdue, to invest in the Fashion portfolio. Everyone said the problem with the fashion business was that the end market was

changing. Well, that possibly was true, but end markets change in all of our businesses. The problem with the fashion business was, it wasn't a very well-run business. So we invested to run that business with better brands, better locations, better contracts, better products, and a team that had the ability to be able to invest in their customers. And that is producing results.

We made some decisions, at times quite tough decisions, to say goodbye to businesses we liked, but we knew we were never going to be long-term owners of, such as our Agricultural and Intelligence business, outstanding business. But that's allowed us to double down in markets where we see long-term growth.

And we've invested a lot in our own culture, our own sense of ourselves, and our own brand, and that gives us the Informa Group as you look at it today.

The last time I was on this platform, actually, we were launching this brand, Omdia. In our tech business, we've taken all of the research, data, and consulting businesses - Ovum, IHS Markit, Light Reading, Heavy Reading, Tractica - and we've re-branded them and we've pulled them together from a product point of view, a pricing point of view, and a go-to-market point of view, to produce a proposition for the tech community in six subsectors in the technology industry, to provide a competitive, largely digital product service offer, and the early signs are that that is going extremely well.

We continue to develop, either through relationships and joint ventures - such as in Beauty, the Bologna Fiere; in tech, in a joint venture such as with Founders Forum; or through acquisition in open research, with F1000 - and to strengthen and extend our capabilities in the submarkets where we see future growth. And when we're out of the sharp point of the COVID-19 response, we will return to that as our going-forward strategy.

But, before I finish, I wanted to finish with a subject that would have been a larger part of today's discussion, and is probably the largest part of tomorrow's discussion, which is our approach to sustainability.

Ben, who is here, and his colleagues in the Sustainability team, which he has led and we have built over the last 4 or 5 years, have been working for some time on developing a proposition for our colleagues and for our customers and our own markets, where we can set out a target to be fully carbon-neutral by 2025 and net carbon zero by 2030 or earlier.

That speaks to what we do with waste, that speaks to what we do with travel, that speaks to what we do with energy, that speaks to what we do with our products and how we deliver sustainability content to the markets that we serve and deliver.

This programme, Faster Forward, we are deploying across all of our businesses. There's been months of work that have gone into turning this into an auditable and documented programme and approach to putting us in a place whereby we have a confident position on our economic and environmental footprint as a business. And we'll happily take more questions on this in the Q&A.

I'll finish where I started. Here's the summary, and I'll now throw it open to questions.

We'll start in the front.

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Questions and Answers

Will Packer, Exane BNP Paribas

Three questions from me, please. You outlined a postponement scenario in the release, around £400m of events revenue postponed to later in the year. If that scenario comes to pass, where shows re-start in June, what kind of revenue and EBIT hit do you expect to your events business? That's question one.

Secondly, could you talk us through the cash dynamics on postponement? My understanding is that you hold on to the cash as long as the show takes place. Do you have to pay the venues? Could you just talk us through what happens there?

And then finally, you talked about China showing evidence of being up and running. Certainly, speaking to other people in the industry, they feel confident that by June things should start to re-emerge. Could you just talk through the specifics there? Do you think that, if the rest of the world is still struggling with the virus, the Chinese government would be willing for trade shows to re-start in June? Is that realistic? Thank you.

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Stephen A. Carter, Group Chief Executive

Thanks, Will. Three very good questions. I'll cut into maybe all three of them, but Gareth, you might want to come in and give a broader picture on how we're approaching the cash dynamic question, because I think that's a question that a number of people will have. Just to be clear, I'm definitely not offering you an opinion on the Chinese government.

But to talk about China - what are we seeing in China in our business? Well, we're seeing what I'm sure you're picking up elsewhere. We moved early to close, and we went for an extended close. I think we were in 8 or 9 locations, physical locations, in China. We closed all of them for an extended period. And I have to say, I genuinely want to put on record that our colleagues in China have been absolutely outstanding through this process, in speed of response, flexibility, impact and effectiveness of remote working, and the way in which they've managed customers.

We were blessed, as I said, that we didn't have so many shows in the early part of January, so that gave us some breathing time to work fast and quick.

The good news about the China market, as you know well, is, there's quite a lot of capacity coming on. So actually, I wouldn't say it was the work of a moment to secure replacement capacity, but by and large, in mainland China, we've had no example of not being able to find a replacement capacity slot.

What are we seeing? All of our offices are now open. Everyone is now physically back at work, unless they are remote working for practical reasons. There is no province that I am aware of, as of pretty much very early this morning, where venues are yet open. But the level of security grading is coming down progressively in various locations, and we, like others, are planning on a June return. Possibly an end-May return in some locations.

The big swing vote, as I'm sure you also know, is what happens to the Canton Fair. Sadly, the Canton Fair is not one of our brands, but it is a huge commercial trading event in China, and there's a bit of a debate about when that will come back. Will it be as planned, which is the end of April, or will it be slightly later in May or early June? But there's confidence it will return.

To your point about what the volume will be, well, that speaks to the question about, metaphorically, if you looked at the entirety of our shows, what percentage of the exhibitors are international, what percentage are domestic? That's not just the China question, that's an everywhere question. What percentage of our attendees are international, what percentage of our attendees are domestic or international? And the broad answer is, it's a way higher percentage of exhibitors that are domestic. There's a higher percentage of visitors that are international.

On costs, we took a commercial decision early, that we would pay to secure venue capacity on a going forward, and worry about, not heedlessly, but we would worry about the costs of the venue capacity we were already paid. And that seems to be serving us well, because there is evidence certainly in China of sensible, in our view, clearly we're biased, but sensible cost waivers and being offered by locations.

So our judgement is actually, when this comes out in the wash in China, I don't think that double costing will be anywhere near the earnings impact that we might have modelled in a worst-case scenario.

On the broader cash question, if we run the show, we run the show. In some specific shows, we've offered some targeted rebates, particularly for those communities who feel the cash pinch more, and that speaks to my point about maintaining long-term relationship. But generally actually we haven't had a significant demand from customers to speak of, who have forward-paid, if we have secured an alternative venue and date. And that's part of the reason why we moved quite so fast on postponement.

We're not giving guidance on revenue and EBIT. The only revenue we know we're not going to have are the cancelled shows. Everyone here can make their own judgement about whether a postponed dollar will appear at 100%. That's a judgement. It's not a fact today. It might appear at 80 cents on the dollar, which is a sort of consensus number I've seen out there, but actually we might find that it appears at 110 because there's pent-up demand because people haven't been able to trade for 6 months. And that's very difficult to predict at this point. But we're not giving any guidance on that.

And that's the way we're thinking about those few things. But on the more general cash question, do you want to outline our approach, Gareth?

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Gareth Wright, Group Finance Director

Yes, I think in terms of the headline, as you know from the last couple of years, the working capital age for the business is that we receive cash in advance of operating the venue or delivering the services, and therefore in advance of paying out the money to the suppliers.

And therefore, at any point in time, that model works in our favour, and therefore the ball is in our court to manage the situation and work our way through it, because we are on the right side of the working capital equation. And therefore it's manageable by us.

In terms of customers, just looking at that piece, we are looking to reschedule the events, but when we do that, we reschedule the event, then we talk to the customer about their new event, what the format's going to be, what the date's going to be, where it's going to be, etc, and we look to see how they want to engage with that new show.

Generally what we're finding is, the engagement is positive. There is demand there. People want the shows to run, they just don't want them to run at exactly the time it was scheduled for originally. So generally we're finding that engagement is positive and people are looking to re-engage with the new shows. And once we've discussed customer requirements, then hopefully we can get them to come along to the new show.

We are looking very carefully at smaller customers, or smaller suppliers, to some of our industries, to make sure we look after them in an appropriate way so they remember that when we come out the other side of the process.

And in terms of suppliers, this is where it helps being a large-scale operator, and operating events regularly through a lot of these venues and these contractors, because we can have a more professional and long-term relationship discussion, rather than a short-term reaction to any cash flow issues they're facing, or dynamics that we're seeing in the business.

So, headline is, the working capital model is in our favour and therefore enables us to manage it through the situation.

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Will Packer, Exane BNP Paribas

To come back briefly to your comment around the drop through. I think Hive, which is the old IT group, talked about a 7% revenue impact from cancellations flowing through to a 25%-ish profit impact. It would sound from your communication that that would be too significant a read across for your business.

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Stephen A. Carter, Group Chief Executive

I genuinely don't know, which is why we're not giving guidance. We're not not giving guidance because we're trying to be unhelpful, we're not giving guidance because this situation is changing literally on a daily basis.

I think the revenue-to-profit drop through would be higher than one would expect normally, the revenue of cancellation to profit, because there is some double costing. And that's a sensible business decision, although it's going to affect 2020 earnings to a degree, because I think it's going to secure the long-term value of the franchises.

And the key value equation, the judgement we've made, is in the long-term value of the cash flows. Which doesn't mean that we're going to be casual about the cost impacts in 2020, but if you have to make a decision on the margin, we're making a decision in favour of the long-term value of the cash flows.

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Will Packer, Exane BNP Paribas

Thank you.

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Stephen A. Carter, Group Chief Executive

Next question?

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Adrian, Bank of America

Good morning, everyone. I get that there is about £1.4bn of events revenues which have not been rescheduled yet. Can you talk a bit about the underlying growth rates that you expect for that part of the revenues? Is that the usual 4 to 5 I would probably expect not, but if you can give us a number, that would be helpful.

Also, second question, on your presentation I think you showed which revenues are being rescheduled in what parts of the world, and from that chart it seems that most of the rescheduling is taking place actually outside of China. Perhaps you want to give us a split of the £400m, how is that split between China and non-China?

And then, Stephen, you said you would expect things to re-emerge maybe in June in China. Do you think that puts us, or puts you, in a position to give us a guidance at the July H1 numbers? Thank you.

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Stephen A. Carter, Group Chief Executive

Again, good question. Maybe take them in reverse order. And Gareth, you might want to speak to the first one, if you could. That was the non-event revenue question, the first one, was that correct?

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Adrian, Bank of America

No, sorry, I meant, you said 65% of revenues are events, but you said there is £400m which is rescheduled -

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Stephen A. Carter, Group Chief Executive

What's happening to the rest of it, is that your question?

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Adrian, Bank of America

Yes, so what's happening to the events that are not being rescheduled?

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Stephen A. Carter, Group Chief Executive

Okay, yes. I'll touch on that, but Gareth, if you could pick that up at the end. On guidance, look, our AGM is on June 12th, and then the half-year is whenever the half-year is. I would expect that we would aim to try and give some more detailed guidance on June 12th. I mean, I'm not over-fixating on a specific date, but my own personal view would be that, by the end of May, early June, we'll have enough forward visibility as to whether the challenges in H1 are challenges in H2, if you see what I mean. So I think at that point would be sensible to take a view on forward guidance.

If the challenges in H1 look like they're on a kind of glide path to manageable, then I think we'll get back to the sort of questions that you and Will and others are asking, which I understand, around what's the in-year impact, and what if any is the sort of traffic jam impact into 2021?

If, by the time we get to June 12th, the circumstances that are facing us now look like they're continuing into Q3 or, worse, to the end of H2, then we'll have enough visibility, I think, to be able to speak to that.

But, so people are clear here today, and I think we've been clear to the market, our planning assumption is that that is what will happen, that there will be a spring back, and that we have planned it to be a spring back from H2.

Slightly to one bit of your question about the events revenue that either hasn't traded, the £250m, or that hasn't been postponed and rescheduled, the £450m, so the remainder, some of that we're still planning to trade, and indeed is trading as we speak, because there are parts of the world where there are not control measures, and actually much of our priority is highly localised.

So last week we ran the Middle East Energy Show in Dubai. We have two shows running in São Paulo in Brazil next week. So it is not the case that there is no event activity everywhere in the world. I wouldn't want you to take that view.

But, to your question about where the big chunks of movement have been, there have been some in mainland China, but fortunately for us, not so many, because we didn't have that much in the front half of the year. Really, the bigger chunks have been in specific locations in North America, of which the single business was Natural Products Expo, and that was a tough one for us to call, because Natural Products Expo, the reason why it's such a highly valuable franchise is because it's a highly valuable product, because it serves up for many thousands of exhibitors.

And so, we were kind of caught between half the community who wanted us to run it, and half the community who didn't, so we ended up making a decision in the end that, in the best interests of the community, we would step out, put a pop-up show in before summer, and then do a fuller show in the east, in Philadelphia, in the autumn.

And that scenario, to Gareth's point, where we have stood up a relief and rebate fund for the kind of smaller, founder innovator community, in that market, because they're very important to the health of that market. That's what the big guys turn up to meet, and that's really what drives the health of that show.

GDC Game Developer was another big North American show which we lifted and dropped. In Europe we've had three big shows which we've lifted and dropped. So it hasn't just been China. You're right to spot that.

But we have made these decisions on a case-by-case basis. We have no shows in Italy, so Italy is not directly an issue for us. It's indirectly an issue, and we self-evidently feel for the circumstances in Italy, not least because we have a very close and constructive partnership with Bologna Fiere. Indeed, I was due to be in Bologna this weekend for that reason. But it doesn't directly affect our portfolio.

On the remainder of the non-event revenues, what's our forward assumption there? Sorry, event revenues.

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Gareth Wright, Group Finance Director

Yes, Adrian's question I think was around event revenues. Non-event revenues, as we said, proceeding to plan, journals, subscription renewals, good. Professional contracts good in Informa Intelligence.

In terms of the event revenues, on the balance, broadly we think they're trading to plan, as we go through the year, but what we're doing at the moment is, we're saying that we're going to reassess that when we get to the half year and give you clearer guidance for the full year on that basis. But we do think some of those smaller, outdoor, smaller gathering private type shows can continue to operate through Q2.

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Adrian, Bank of America

Thank you.

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Stephen A. Carter, Group Chief Executive

Vicky, I'm going to leave you to judge or just hand the microphone round as you see fit.

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Patrick Wellington, Morgan Stanley

Three questions. The top 30 shows are 50% of revenues, so can you tell us how many of the top 30 shows have run, and where the others appear in terms of Q2, Q3, Q4?

Secondly, Stephen, you say if you're working on the basis of things normalise at the end of June, but your phasing chart would suggest that in China, at the least, you've got more shows that you would normally have in June. So you're assuming that China turns round, what, the end of May? Are you going to run China Beauty in mid-May? I mean, what are your assumptions? Are you going to run Hong Kong Jewellery in June?

And then, thirdly, you talked a bit about the traffic jam effect, as this creeping barrage of cancellations and postponements happens, what can you do about re-phasing shows in the early part of the second half through the late part of the second half, and what's the impact on '21? If you've held a show in October which would normally be in March, what would you expect to happen the following March? Is everybody going to turn up? Are people going to have their desires sated by having turned up in October? What's the roll-forward impact into 2021?

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Stephen A. Carter, Group Chief Executive

Those are quite challenging questions. Let me see if I can give you some clarity. On the answer to your first, I'm going to throw that one directly to Richard. I don't have that data to hand. Of our top 50 shows, how many of those...

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Richard

They're roughly spread evenly across the year, so if you go quarter by quarter, they work pretty evenly through the year. Year to date, I think we've traded 7 of the top 30, which, you know, 7 and a quarter, we're basically on track for what you'd expect.

So it's the ones in Q2, those ones are the ones that are rescheduling back out into the second half of the year, one or two of them in the first quarter in China, but generally, we're weighted fairly steadily through the year, and we've operated the sort of number of them that you would expect us to operate so far in the calendar.

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Stephen A. Carter, Group Chief Executive

On the specific question of CB, I hope you'll forgive me, Patrick, and others will. I understand the desire for specifics, but there's a limit to how far we will go, because - a) it's commercially sensitive and we're trying to manage in real time the community. We are making some assumptions, but what I would say is, rest assured that we've also got backup plans if those assumptions don't come to pass.

But to your specific question around China in June, you're correct. In order for China as a generic - it won't be a generic, it will be province by province, location by location - to trade in June, for us, it would probably mean, by April or early May, the relevant level of control would have to have come down to a point whereby the venues were officially open and markets were ready to come back. We would have enough advance notice of that that, if we needed to go to our Plan B for any of the brands that are currently scheduled for June, we could do that.

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Patrick Wellington, Morgan Stanley

Traffic jam effect?

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Stephen A. Carter, Group Chief Executive

I genuinely don't know, is the answer. It's a very legitimate, forward-modelling question, or commercial question. I think, based on what we would judge today, because we do know which of the 45 larger brands that we've lifted and moved, if someone flicked a switch tomorrow and this was all over, do I think that we would see a significant deleterious effect in 2021, because of the shift in 2020? No, I don't believe we would, actually.

I think, if it extends beyond the half year into the second half, then I think that traffic jam effect begins to build up a bit more, and then we'd have to make a different judgement about what it means for 2021.

The good news about our calendar is, it's either relatively light in the first quarter of 2021 or actually they've already run. So it really, for us, would become an issue by the time you get to the Q2 of 2021, if you see what I mean. So I think we have a little bit more flex than the natural calendar would suggest.

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Katherine Tait, Goldman Sachs

A couple of questions from me. I think, at your investor day last year, you very helpfully put up a sort of pie chart that showed the exposure within the Informa Markets division to different end markets. Just given what's been happening with the oil price, I wonder if you could kind of give

us a fresh number on, particularly, exposure to aviation, transport, any other sort of end markets that I guess you imagine could be impacted by that.

Secondly, you talked about more space constraint coming on in China, and how that's enabled you to fill those postponements. Can you give us a sense for the rest of the world as well, particularly the US? I know North America's a big market for you. What's the sort of space constraints there?

And then finally, on the sort of forward bookings for back end of '20 and into '21, are you seeing any impact so far to those sort of forward bookings, or are people generally accepting that this will pass? Thank you.

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Stephen A. Carter, Group Chief Executive

Great questions. Let's start with the last one, because it's a good answer. Forward pacing is tracking well. Actually, the forward indicators, I mean, pacing is not revenue but it's an indicator, forward pacing is tracking well. So the buyer side of the market isn't looking at what's happening and thinking, 'This isn't a product or a service that I'm interested in on a go-forward basis'. Which doesn't mean that there aren't specific in-spot issues but to that very specific question, actually: good.

To your capacity question, we're relatively well placed. There are pinch points of capacity in some locations, but in most of the locations where there are pinch points of capacity, we're the single largest commercial buyer. And Gareth, I think, spoke to that earlier, and that has served us well. So, being early and being scale is advantageous.

In China in particular there's quite a lot of capacity, and so that is relatively helpful, and some of this is involving us, making some decisions about moving some of our own shows to accommodate other shows. And so the larger portfolio also happens to help you there. And actually, broadly, on the end market exposure, I'm certainly feeling good about the decision not to get big in energy, and that's not an end market for us.

We do have an aviation business. We've got, in round numbers, a \$100m aviation business which essentially comes in three parts - it's a data business, it's an events business, and it's a media information business. Actually the events business is largely focussed at the secondary market, and that's holding up actually quite well for maybe the same reasons as the primary market isn't. The media business is feeling a little bit of softness, and the data and kind of information business, actually reasonably steady.

So, in the round, we're feeling a bit of a pinch in aviation, but not material or worrisome, and we don't really have any other end markets where we're feeling it. In fact, our single biggest end market as a company, in advanced learning, in business information, and in events, is pharma and health care, and right now that's tracking well.

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Adam Berlin, UBS

Good morning. Just two questions from me, please. The first is, can you talk a little bit about what's happening in North America, in terms of are there any cities where there's bans in place? What are you hearing from the US government about whether things could happen, and are events generally running, and the majority of events happening? Because North America is obviously your biggest market for events.

And the second question was, in your Scenario 2, Gareth, where you talked about £275m of indirect cost savings, could you explain a little bit about what that would come from? And are you going to do that because you need to meet covenant obligations, or just to kind of preserve short-term numbers? Why would you react to a one-off event by cutting costs so dramatically?

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Stephen A. Carter, Group Chief Executive

Don't worry. We'll restrain his worst instincts. I'll leave you to take the second question. On the first one, in the US - I mean the same is true everywhere in the world. We are approaching our approach through the guidance from the relevant authorities in location. And in North America, or in the United States of America, that varies. Sometimes that could be a state government, sometimes that could be a city government, and sometimes that could be a federal government. And it really varies.

And so there are, in some locations - let's take, I think the first one on the US side of the tracks, Orange County, there was a state of emergency declared in Orange County. But there are other locations where there have been a different set of responses. We have made a very conscious decision not to try and put ourselves between what the authority guidance is and our own view of it. And by and large our customers have welcomed that.

We have, as a standard operating measure, put in place a whole range of services at events generally, on hygiene, on screening, on deep clean, on briefing, and on, you know, when we have got attendees and exhibitors from controlled locations, we have put in place, you know, 'We would rather you didn't attend,' or 'Don't participate,' measures if that has been deemed appropriate.

So that's the way we've stepped through it. To date, that is serving the communities we serve well, and we'll continue to work on that basis. Obviously the latest example is Italy, where there's been a unitary decision for the entire country, but we will see how that plays out more broadly.

I'll let Gareth speak to the chart he presented, but I think the point that I would leave you with is, at the moment we are, I think, doing exactly what you are speaking to, which is the decision we're making is to preserve the long-term value of the business, and we're doing that based on an assumption that some version of normal service will return in the second half of the year.

And normal service is currently happening in our subscription and information businesses, and normal service is currently happening in many geographies around the world. But the scale of

the Postponement Programme is such that, if that continued through to June or July, we might have to scenario plan for a different outcome, and I think that's what Gareth was talking to.

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Gareth Wright, Group Finance Director

Yes, exactly, that's what it is. I think we would agree with the tone of your question, which is, why would you take strong action, decisive action, right now based on what you know now? Because we want to trade strongly out of this downturn, what we perceive to be a period of time issue, rather than something that is sustained and will be long-term.

So we are absolutely taking the approach to be ready to move decisively if we need to, but not looking to take the capacity out unless we absolutely have to, and only when we have to. So, to get to the essence of Scenario 2, what you've got to believe and assume is that there are going to be no events for the rest of the year, so effectively for 10 months of the year.

And I think, based on the global view and general views, that appears unlikely as a scenario. But it's not saying it's a scenario we shouldn't plan for, and that's why we're doing the work, to make sure we understand how we're going to react in that situation.

In that situation, what we'll be looking to do is look at the volume-related indirect costs. I know 'indirect' sounds like it's fixed, but actually there's quite a lot in there that is volume-related in terms of the back office, and structures in how you actually operate the business, and we'd look to take short-term cost measures that were appropriate in terms of the length, and appropriate in terms of the depth, the downturn as it played out.

We don't feel we have to make that decision at this point in time, and we feel there are opportunities and actions we can take as we go through the year, should the scenario evolve that looks like it's heading down that road.

So I think overall we feel in control and we feel comfortable about how we're going to manage that situation, should it evolve that way.

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Adam Berlin, UBS

Just to clarify, the reason in the bad scenario you have to cut costs by that much, is that because you want to preserve short-term earnings, or because you're worried about covenants and other issues?

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Gareth Wright, Group Finance Director

I think it's a variety of issues. I think, in that sort of situation, as you'd expect, management should take action and do something around the cost base. I don't think you'd expect us just to have, if you take Scenario 2 and believe it, I don't think you'd expect us to go for 10 months without operating an event and not do anything on costs. I think that would just be a slightly

strange management action to take. But we want to be appropriate, and we want to take the right decisions at the right time.

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Nick Dempsey, Barclays Capital

First question - if we do have the more negative scenario, we get towards the end of 2020 and we're worrying about the covenants, to what extent is that conversation with your debtholders shaped by your bookings into 2021? So, in the event that you are there in December and saying, 'Hey, looks like we might be just over 3.5x net debt/EBITDA, but our bookings into 2021 show good growth,' to what extent does that shape the conversation that you then have, and the measures you'd have to put into place?

Second question - just on the biennial shows that are being bumped into 2021, could they run again in 2022, or are we talking about starting again with them as a biennial, so we're bumping 2022 revenue into 2023?

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Stephen A. Carter, Group Chief Executive

Just the two?

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Nick Dempsey, Barclays Capital

Just the two.

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Stephen A. Carter, Group Chief Executive

Oh, fantastically economical. Possibly on biennials. That's a good question. I mean, as a general rule, with the biennial portfolio, which as you know has enlarged a lot in our business over the last few years, we tend to take a view and do quite significant market and customer research, to see whether or not there is value in that product coming to market more often.

Generally we would do that anyway at the end of any year. In a year like this, where we've in effect moved biennials up, then I think that would be particularly the case. So I think we would just take a judgement based on market appetite and customer interest.

Unless Gareth is going to disagree with me, which he's perfectly free to do so, I don't think we should get into answering your first question, Nick. Not to personalise it to you. It's a hypothetical. We've laid it out for transparency's sake, because I think it seems wise to do that. But our view at the moment is that we're running the business on the assumption that normal service returns in H2.

If some form of normal service doesn't return, which is a kind of in extremis scenario, then I think we're in a different situation, both as it relates to our cost and as it relates to our broader

commercial circumstance, and we'll deal with it then. I'm not sure right now it's useful to play it out as a hypothetical scenario, but we've given you a sense of the levers that we've got to pull if we need to.

And as it happens, I think you're 100% correct. I think the forward value of the forward bookings would be a key indicator of the long-term value of the business, which is why we're making the decisions right now that what really matters is the long-term value of the assets.

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Tom, Citigroup

Just two questions. One is backwards-looking, funnily enough. For events, I guess 4.5 minus ended up being 4.3, but specifically the impact of Hong Kong in that. Firstly, can you quantify it, and secondly, is that just not an issue in the near term for you guys? Should we expect any hangover from that, even on the second half shows, assuming everything is unaffected?

And then very briefly on the cash - obviously the prepayments mean that the cash flow is secured for this year, presumably, regardless of what happens. Does this mean we'll just end up with a cash echo into 2021, so that the profit squeeze hits this year and cash next?

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Stephen A. Carter, Group Chief Executive

Okay, I'll let Gareth take the second one. On the first one, we haven't broken out, and probably wouldn't choose to, but if you look at our Markets business, I think the combination of Hong Kong and the specific issues facing the real estate market in the Middle East, which we really felt acutely in our Cityscape portfolio in Dubai, and then the remaining drag of Fashion, which was considerably greater in '19 than it will be in '20, all else being equal, was probably worth, I don't know, 1.5% to 2% growth in that division.

I mean, that's a little bit earnings without the bad things, but they were very specific. As to whether or not the civil unrest issues in Hong Kong recur in 2020, well, they've been rather overtaken by events. So it's very difficult to see that right now, and we'll have to take a judge on that as we step through, through the year. But we have not planned on that recurring in our normal planning process for 2020. Do you want to talk to the cash question?

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Gareth Wright, Group Finance Director

In terms of the cash dynamic, as you'd expect, sitting here at this stage of the year it's quite difficult to make a definitive answer to whether the dynamic's going to fall this side or the other side of the end of the year. In our modelling, we're assuming that the downside falls largely in 2020, so the working capital outflows occur in the year this year. But in terms of a guidance being definitive about it, I think it's too early to call at this stage.

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Matthew Walker, Credit Suisse

First question is on the dividend. I'm guessing that, under your basic scenario, the sort of 6%, 7% increase in the dividend for 2020 is held if things do kick off again in June? That's the first question.

Second question is, on the famous Scenario 2, isn't it the case, your only covenants are actually in the US Private Placement debt that's about 1.2bn. With your facilities, you could actually repay the US Private Placement debt if you needed to.

And also, wouldn't you expect the bondholders to give you a waiver, if this is a sort of one-off event that's not permanently impairing the business, would you not expect the bondholders to give you a waiver anyway? So there are kind of two routes to deal with that. One is, you just repay it, and the second thing is, you get a waiver.

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Stephen A. Carter, Group Chief Executive

There's nothing I like better, Matthew, than someone who asks the question and then answers it.

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Matthew Walker, Credit Suisse

I'm not the CEO yet, so I'll wait for you to answer it.

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Stephen A. Carter, Group Chief Executive

If things continue the way they are, Matthew, it's only a matter of time.

On the dividend, what have we said about the dividend? It's a progressive dividend, so, we haven't actually committed to a specific percentage increase, but our historical pattern, I think, has been consistent. All else being equal, it's obviously a decision for the Board. I can't imagine a circumstance where we would change that.

And we've laid out, I think, the information on your second question in a way that's allowing you to self-conclude how one might cut into that if you needed to.

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Matthew Walker, Credit Suisse

Thank you.

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Stephen A. Carter, Group Chief Executive

There's a question at the front here, and I think one at the back there.

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Sarah Simon, Berenberg

Two questions. First one, just on Scenario 1. Just to be clear, when you talk about the savings in terms of direct costs, should we assume that all of those returns, they're essentially deferred cost rather than absolute saving, whereas presumably the indirect costs are largely absolute? Can you just explain that a bit more?

And then, if I can be controversial and talk about something other than events: if you look at tech, tech is obviously a sector that we know of as a high growth sector. It's actually your slowest growth division. Can you talk us through what the pluses and minuses are within tech? Because it's obviously a sort of microcosm of Informa in terms of events and data and so on. If you could just give us a bit of colour on that, thanks.

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Stephen A. Carter, Group Chief Executive

Sure. Thanks for that second question. On your first, sort of 'yes' is the short answer. I mean, the direct costs, effectively, if we don't run the event, then you just defer the costs to when we do.

But I think, to an earlier question, it would be safe to assume, but we're providing no guidance, that the margins might be slightly less rich this year than they would be in a normal year, because we might have additional marketing costs, additional sales costs, and possibly in some instances, not literally duplicate venue costs, I think that's highly unlikely, but there might be some incremental venue costs.

Having said that, we have been reassured already, in our early discussions in probably 8 or 9 locations around the world, of the degree to which locations have already worked out that, when normal service returns, then there is a material interest for the location in encouraging the world to return there. And one of the most efficient ways of doing that is promoting large-scale trade shows.

So I think we have a high degree of confidence, but do we have cash in the bank on that today? No, but we have a high degree of confidence that there will be funds made available which we, I think, would have a legitimate call on. But that's the way I think about the direct costs.

The indirect costs, well, they are indirect and therefore more controllable immediately, and that's an area where we have made some early control measures, just to keep pace with current circumstance.

Tech. What a great discussion. Let's talk about Tech. Essentially, our tech business is a thing of beauty, but it's a thing of - it's a bit like the Taj Mahal. It's made up of lots of individual things that are beautiful and makes an even more beautiful thing in total. We've got an outstanding trade show portfolio in Tech, particularly in some key markets where, actually, we're not facing up against large-scale vendor competitors, because as you know, in the trade show market in Tech, many of the large-scale vendors run their own trade shows as kind of customer events,

whether it's Salesforce's Dreamforce, or Google's Zeitgeist, or indeed trade associations like Mobile World Congress.

But in our Security portfolio Black Hat, and in our Game Developer portfolio GDC, we really are the leading brands in those markets. And what we're doing there is beginning to build additional products and services around those trade show brands, from our other capabilities which we've put together in Tech.

Omdia is a big engine for that, which is why we're interested in doing the swap for agribusiness intelligence for IHS Markit's capability, so that we can build up our research, our data, and our product consulting and project consulting capability under the Omdia label.

Probably the toughest area of that business, which slightly speaks to why the overall aggregate growth rate is 2% rather than 4% or 6%, is the kind of confex portfolio, where there are some outstanding brands of scale. Probably the showcase brand would be africa.com, which is definitely Africa's leading digital trade show brand. Broadband World Forum, our 5G series, our AI summits, best in class. But it's a portfolio of 50, 60 brands, and that probably needs some further work on focus and pruning.

So, what you'll see over the next 2 or 3 years is, more investment in the research and data product, more expansion behind the end markets where we see future growth, security, game development, AI, machine learning, 5G, and a little bit of pruning in the historical conference and confex portfolio. That's the way we think about it.

Any final questions? Fantastic. Thank you very much for coming. I really do appreciate it, particularly it's a busy time. I hope we've given you some colour, I hope we've laid things out clearly in the release, and we're hanging around for a bit, so if people want to have one-on-one conversations, please feel free to do so, and in the meantime, travel well. Thank you very much.

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