

Euromoney Institutional Investor PLC

2016 Half-year results presentation

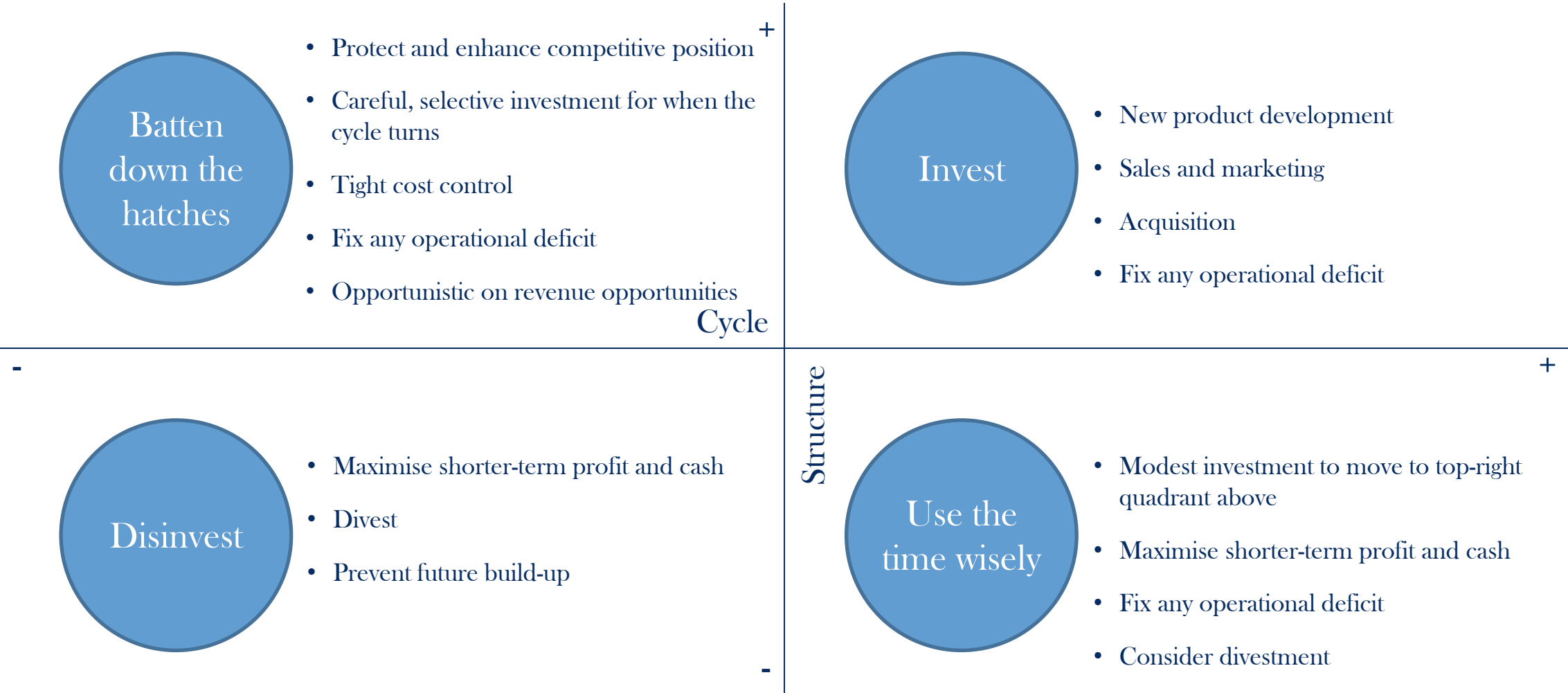
19 May 2016

Andrew Rashbass, CEO

Context

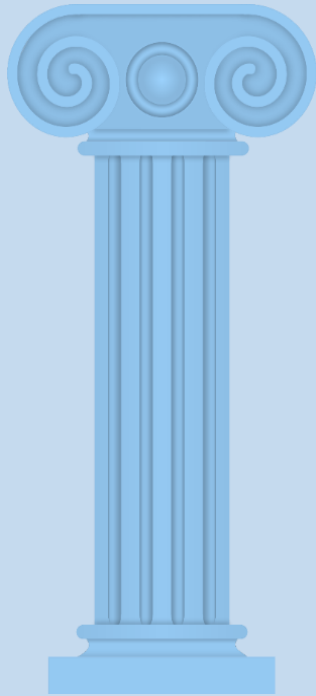
- Weak first half – the run-off of “operational deficit” last year and first quarter of this combined with difficult market conditions in some of our sectors
- Early signs of the positive impact the strategy will have
- Full-year performance in line with expectations

Recap: how we think about the business: four quadrants

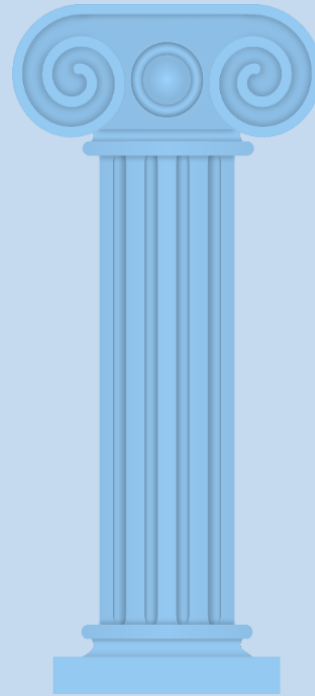


Three pillars of strategy

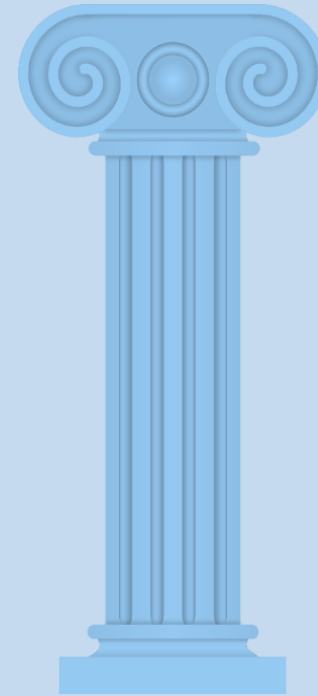
Invest around
big themes



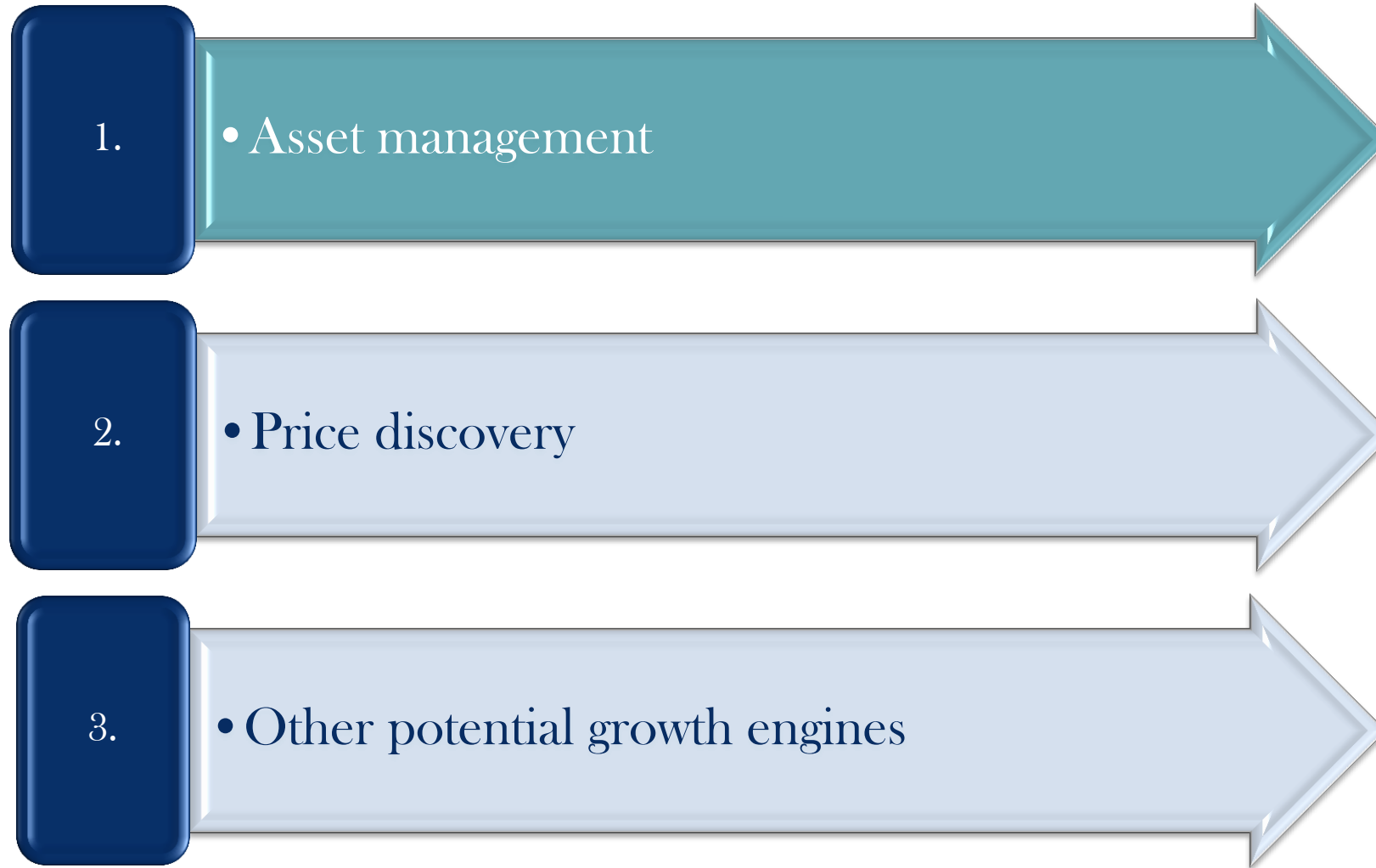
Transform
the operating
model



Actively
manage the
portfolio



Investing around big themes



A new operating model – fixing the operational deficit

Entrepreneurial

- ✓ Closeness to customers
- ✓ Passion for brand
- ✓ Knowledge of products
- ✓ Accountability for top line and profits

Corporate

- ✓ Scale
- ✓ Best practice
- ✓ Talent management
- ✓ Strategic

Best of both worlds

But

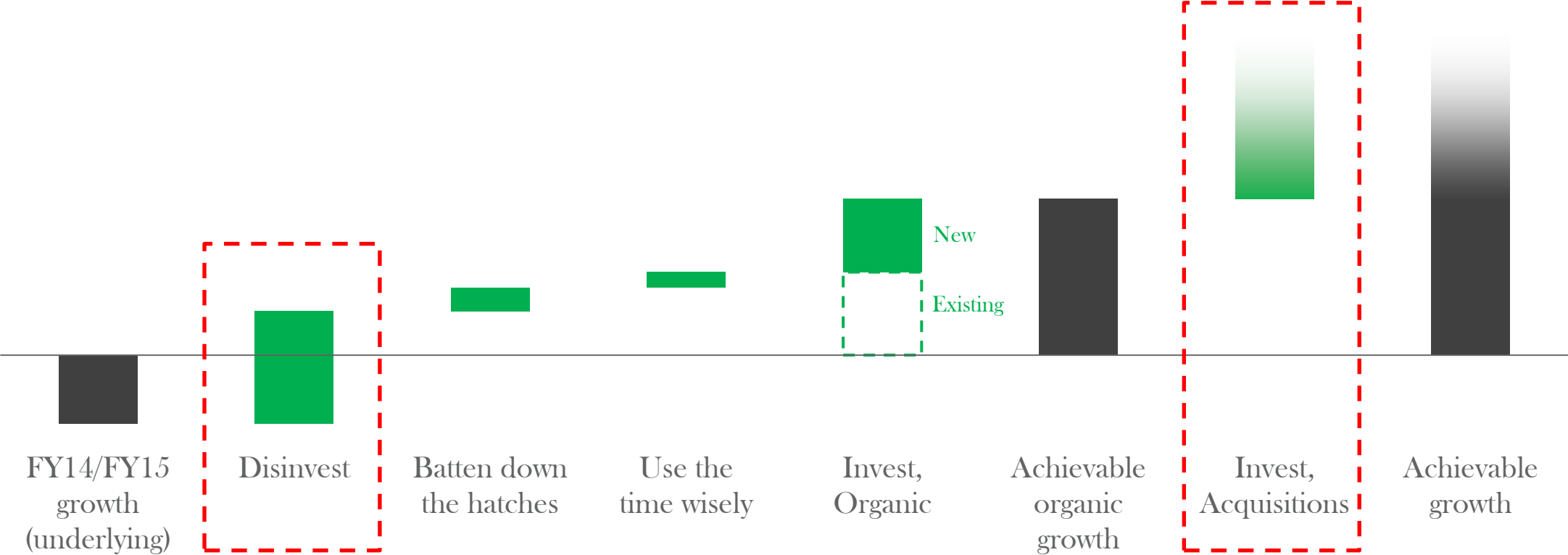
- ✗ Sub-scale
- ✗ Limited sharing of best practice
- ✗ Finite career prospects
- ✗ Unstrategic

But

- ✗ Distant from customers
- ✗ Slow
- ✗ Expensive
- ✗ Brand blancmange

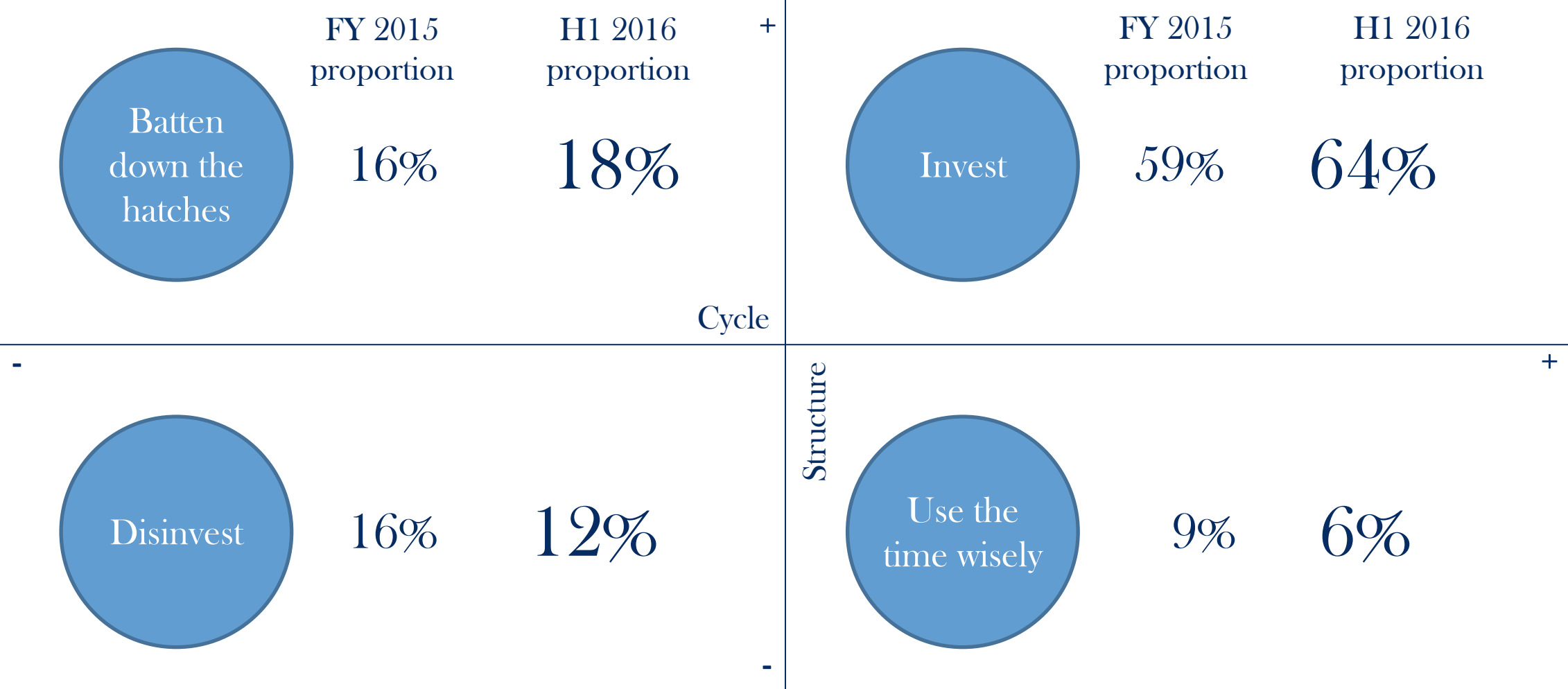
Avoiding downsides

Active portfolio management



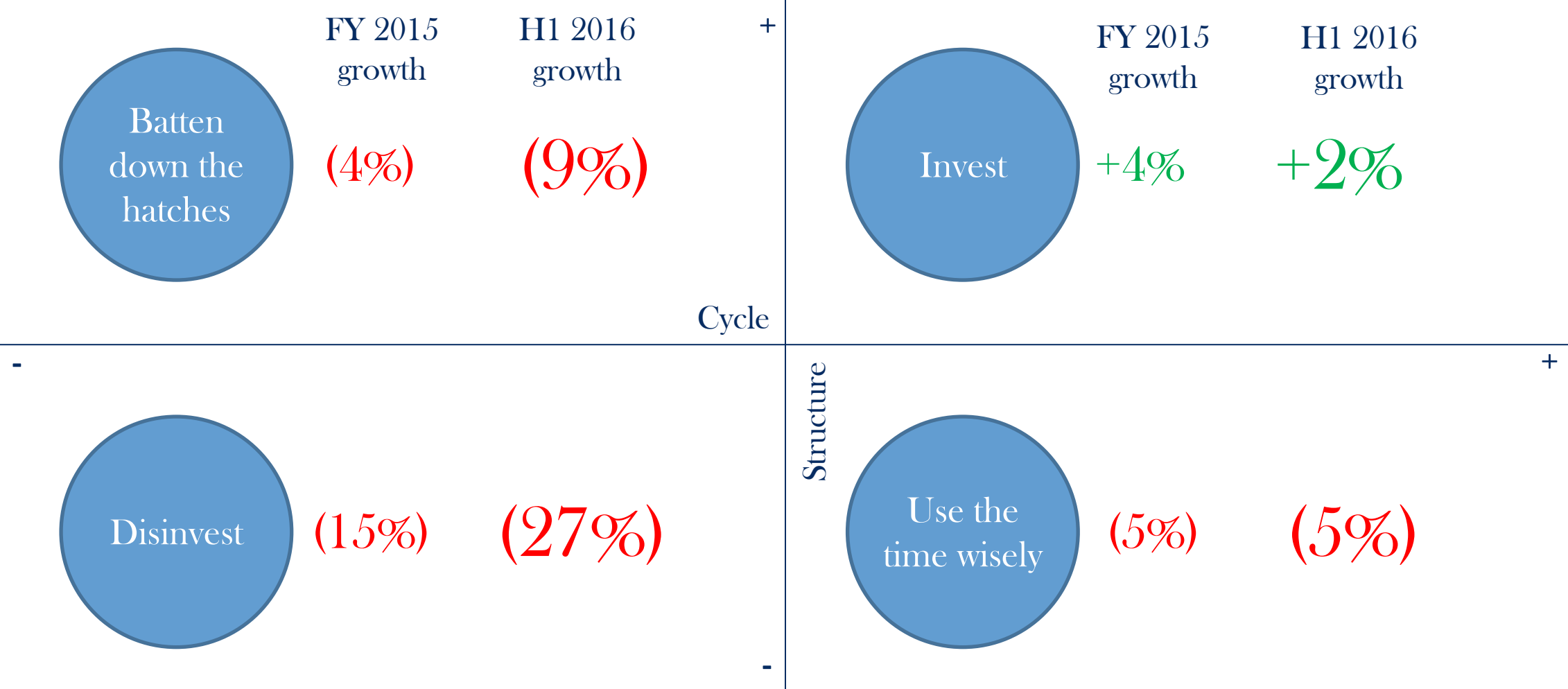
<p>Lower margin</p> <p>Lower quality</p>	<p>Margin-enhancing</p> <p>Improving quality</p>	<p>Higher margin</p> <p>High quality</p>
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First half – quadrant proportions



Source: Euromoney management accounts
 Note: Proportion of revenues based on reported revenues.

First half – growth/(decline)



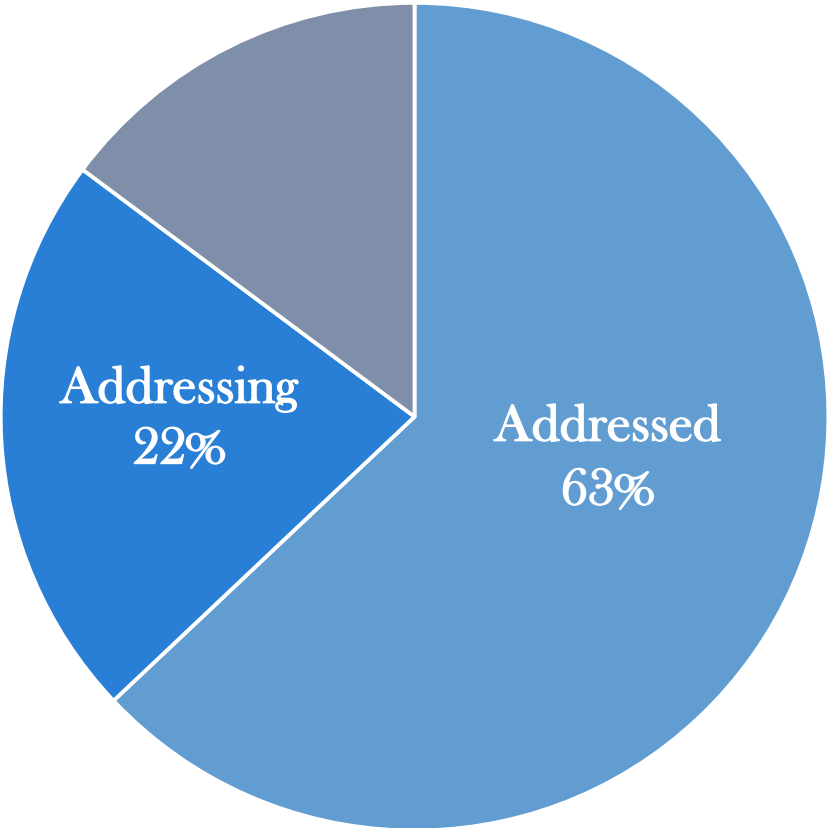
Source: Euromoney management accounts
 Note: Growth represents underlying revenue growth, excluding the impact of acquisitions, disposals, currency movements and event timing differences.

Looking forward

Early signs of the positive impact the strategy will have

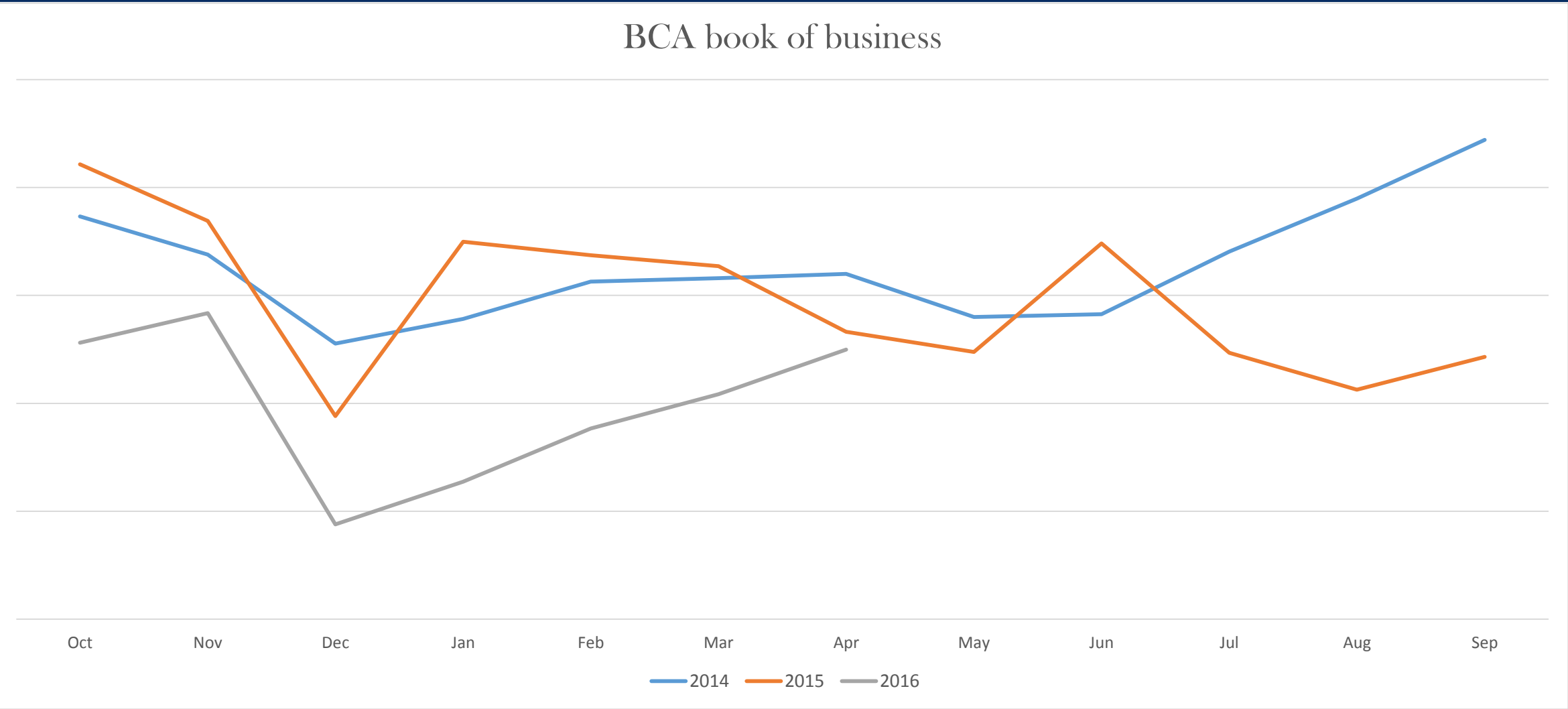
Dealing with the drag from the bottom left

Still to be addressed
15%

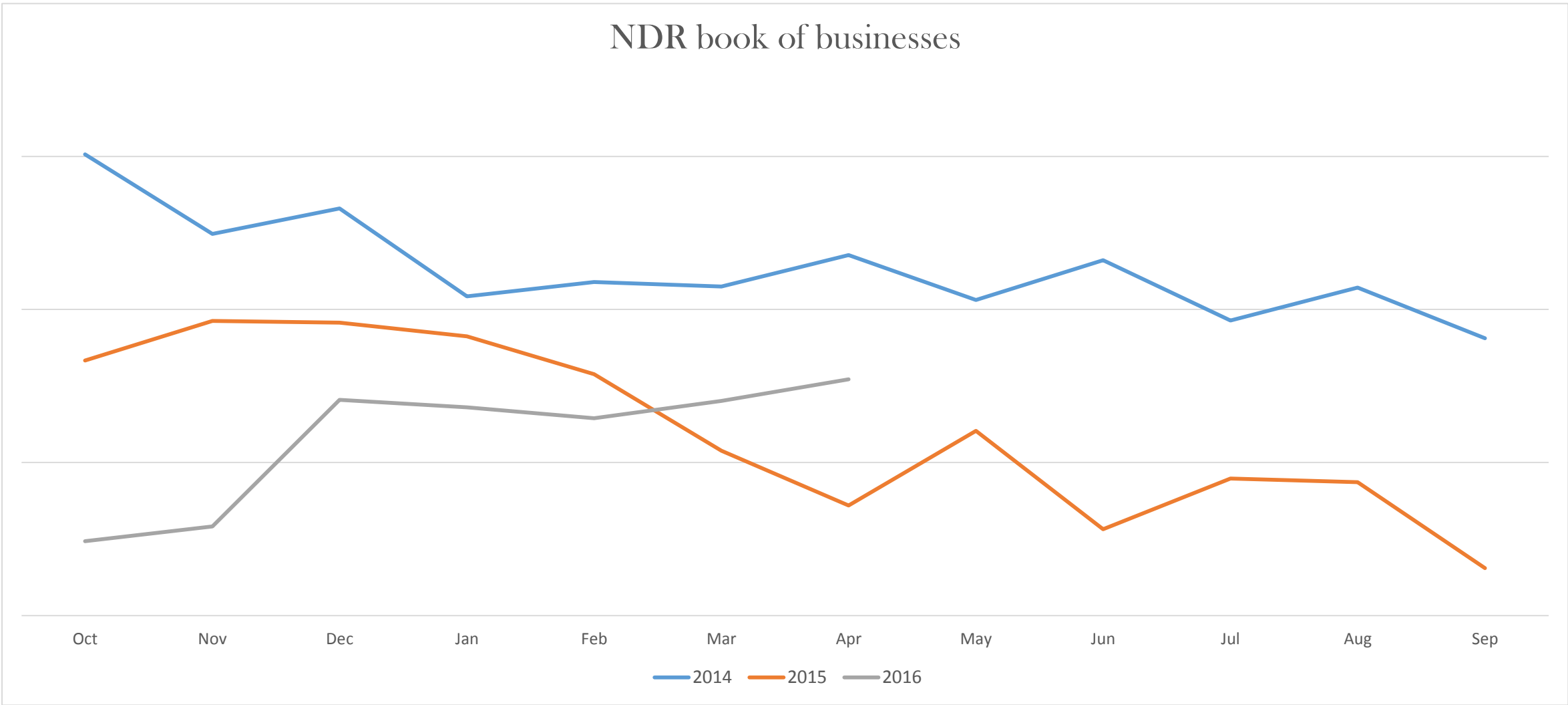


Sorting the operational deficit

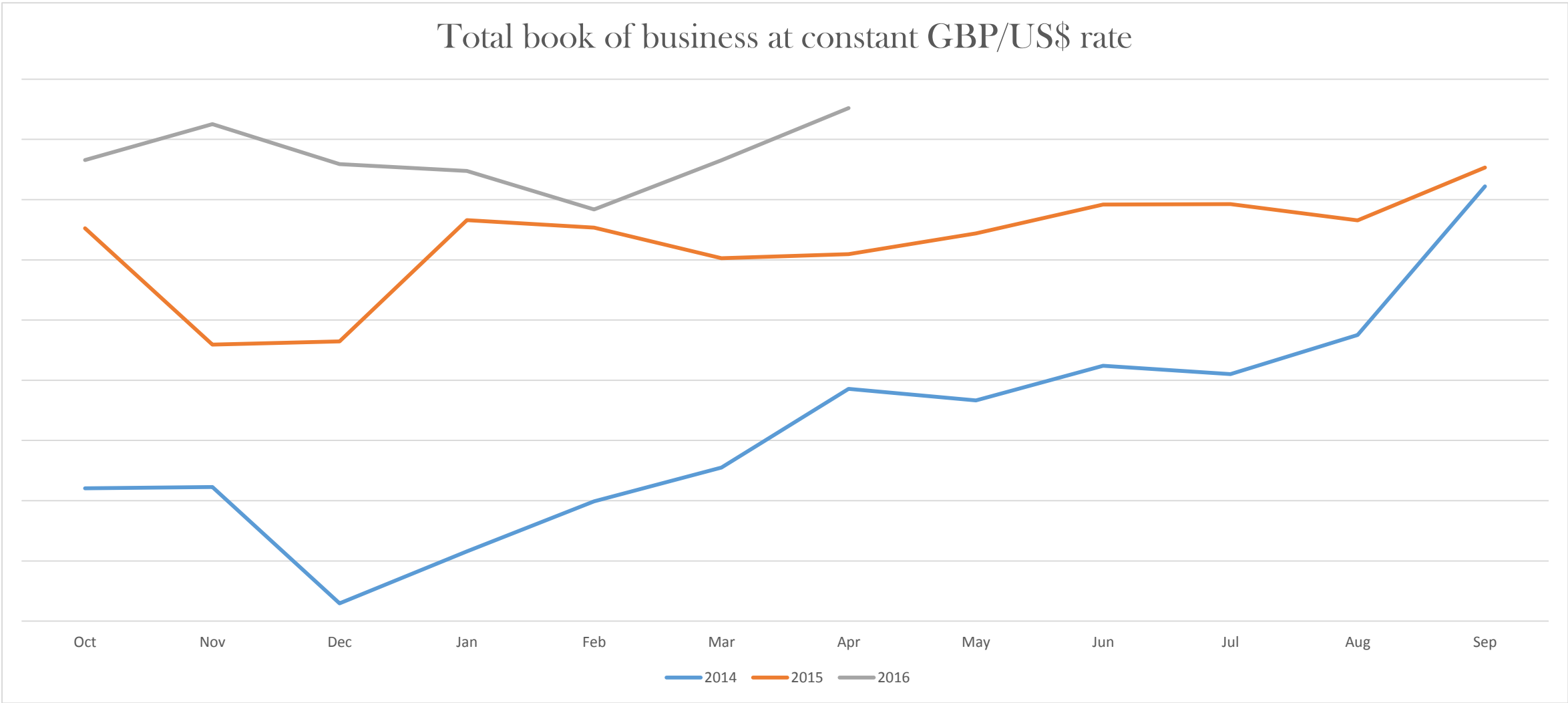
BCA book of business



Sorting the operational deficit



Not there with everything with subs but ...



1) Excludes grace revenues

Euromoney Institutional Investor PLC

2016 Half-year results presentation

19 May 2016

Colin Jones, Finance Director

Half-year results snapshot¹

£m	2014	2015	2016	Change
Revenue	195.8	197.7	194.2	-2%
Adjusted PBT ¹	53.4	53.4	46.9	-12%
<i>Statutory PBT¹</i>	42.8	93.3	23.4	-75%
Adjusted EPS ¹	32.0p	34.1p	29.9p	-12%
Dividend	7.00p	7.00p	7.00p	=
Net (debt)/cash	(28.6)	(10.6)	55.9	

1. As reconciled in appendix to Interim Financial Report

Key messages

- Underlying¹ revenues (excl timing) down 6%, in line with trend and expectations
- Q2 subscription revenue growth close to zero – expected to be low point
- Adjusted operating margin down 1.4% points to 24.1%
- Revenue and margin declines largely due to disinvest quadrant – strategy addresses these challenges
- Favourable US\$ throughout period
- Adjusted PBT down 12% to £46.9m
- Strong operating cash conversion and £56m net cash at March 31
- Post March 31 disposal of Gulf/PE for \$18m
- H2 performance expected to be similar to last year's

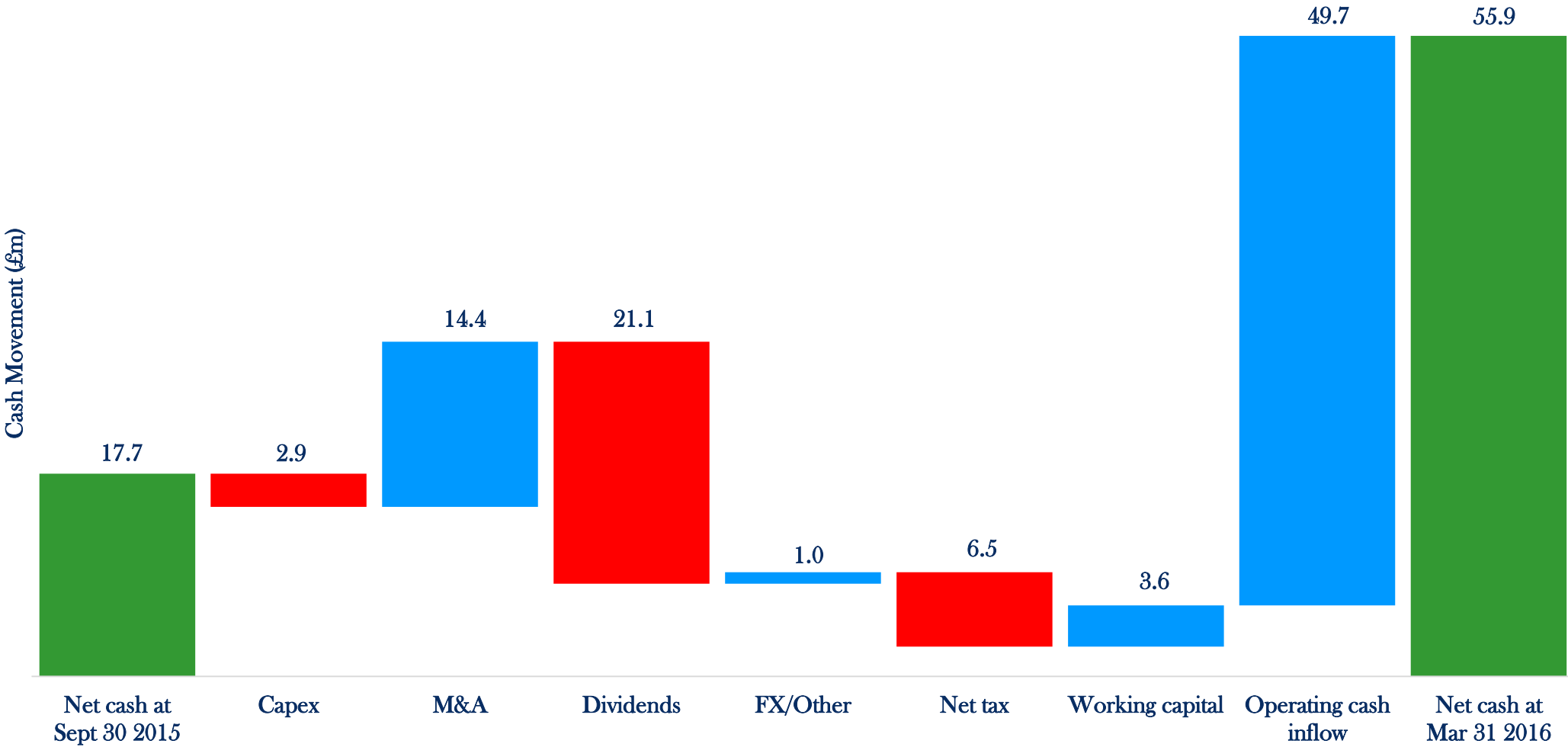
1. Excludes acquisitions/disposals and at constant exchange rates

Statutory numbers, cash flow & balance sheet

- Statutory profit £23.4m vs Adjusted PBT £46.9m¹
- Exceptional items - Indaba impairment £12.9m¹
- Underlying tax rate 19% consistent with 2015¹
- Unchanged interim dividend of 7p
- Strong cash flows (see waterfall)
- Underlying cash conversion 114% (2015: 105%)¹
- Deferred subscription revenue up 1%¹

1. See appendix for further details

Strong cash flows in the first half



Active portfolio management

- Net cash at March 31 £56m
- Net cash at April 30 £76m....
- including proceeds from sale of Gulf/PE¹
- \$160m borrowing facility, due to expire in April 2016, extended to November 2018....
- provides significant acquisition firepower
- No imminent disposals but further active portfolio management expected in H2

1. See appendix for further details

Operating summary

£m	2014	2015	2016	Change
Revenue	195.8	197.7	194.2	-2%
Adjusted operating profit ¹	54.2	50.5	46.8	-7%
Adjusted PBT	53.4	53.4	46.9	-12%
Operating margin	27.7%	25.5%	24.1%	-1.4%

1. As reconciled in appendix to Interim Financial Report

Revenue by type - highlights impact of disinvest quadrant

£m	2015	2016	Reported	Underlying ¹	Underlying ¹ excl timing
Subscriptions	103.6	109.3	+6%	+1%	+1%
Advertising	20.0	18.4	-8%	-13%	-13%
Sponsorship	26.3	25.5	-3%	-8%	-8%
Delegates	39.0	37.1	-5%	-6%	-17%
Other	6.3	5.2	-17%	-19%	-19%
Sold business	1.5	-	-	-	-
FX	1.0	(1.3)	-	-	-
Total	197.7	194.2	-2%	-4%	-6%

1. Excludes acquisitions/disposals and at constant exchange rates

Revenue change (underlying¹ excl timing) - H1 follows 2015 H2 trend, as expected

Y-o-Y % change	2015		2016
	H1	H2	H1
Subscriptions	+2%	+3%	+1%
Advertising	-11%	-11%	-13%
Sponsorship	+7%	-6%	-8%
Delegates	+3%	-12%	-17%
Other	-6%	-16%	-19%
Total ²	+1%	-5%	-6%

1. Excludes acquisitions/disposals and at constant exchange rates

2. After closed business and FX

Revenue change by quarter (underlying¹ excl timing) – subscription low point?

Y-o-Y % change	FY2015				HY2016	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions	+2%	+2%	+4%	+2%	+2%	+0%
Advertising	-6%	-16%	-8%	-13%	-6%	-21%
Sponsorship	+1%	+11%	-9%	-2%	-7%	-8%
Delegates	+3%	+5%	-11%	-14%	-18%	-14%
Other	-4%	-10%	-24%	-9%	-37%	+5%
Total ²	+2%	+1%	-5%	-6%	-6%	-6%

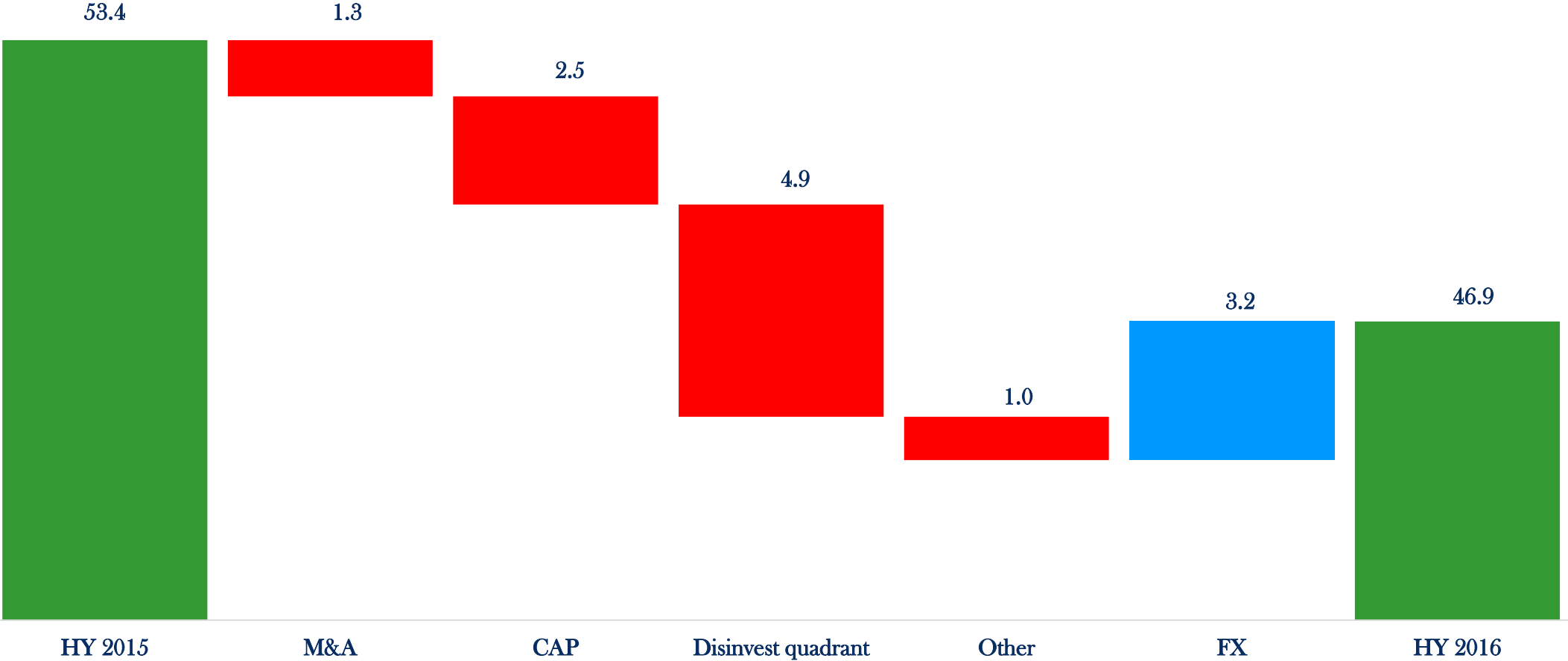
1. Excludes acquisitions/disposals and at constant exchange rates

2. After closed business and FX

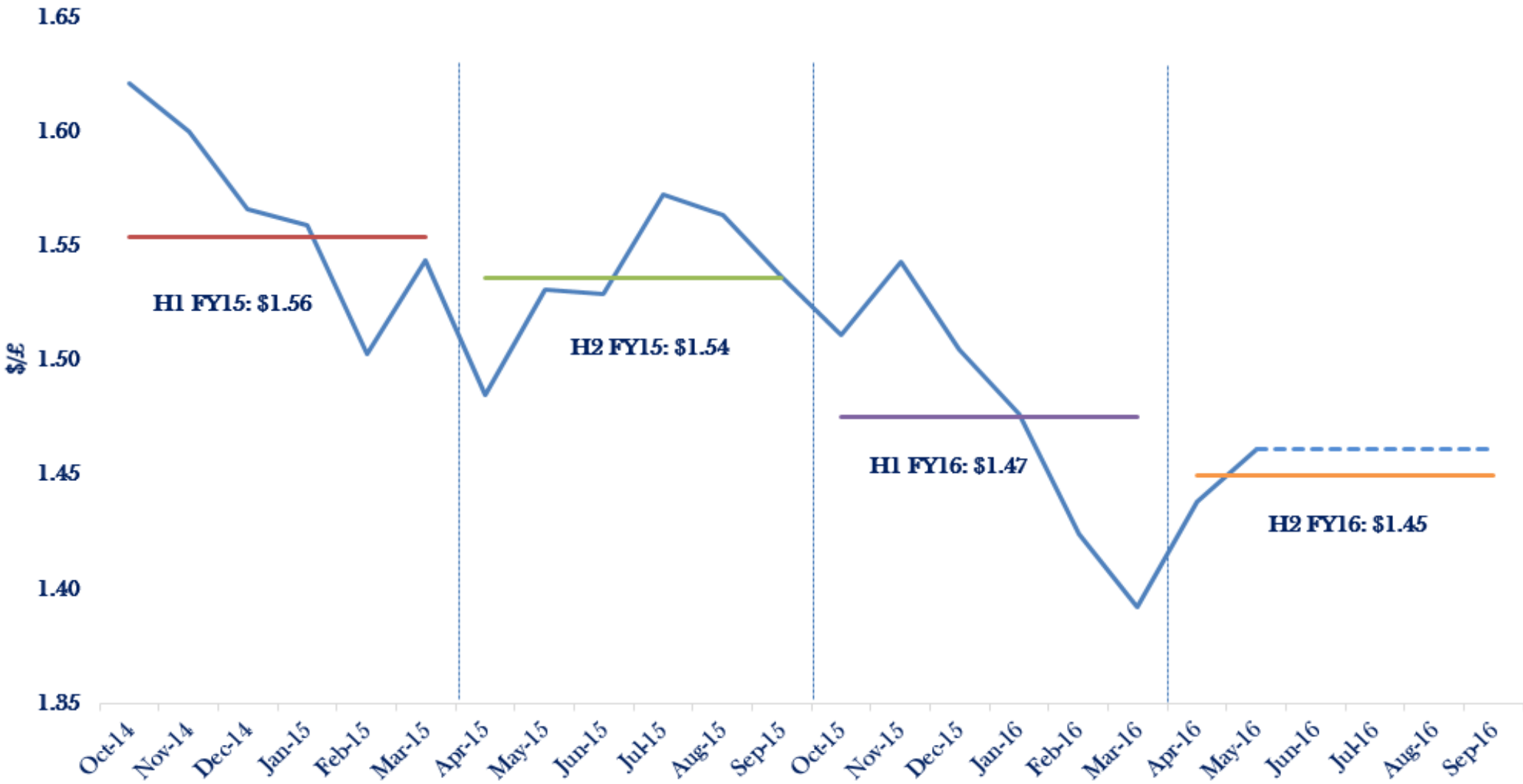
Fall in underlying operating margin also largely due to disinvest quadrant

	%
Adjusted operating margin H1 2015	25.5
2015 drivers:	
Dealogic transaction	(0.4)
Property costs	(0.3)
	24.8
2016 drivers:	
Event timing difference	0.6
Disinvest quadrant	(1.6)
Other	0.3
Adjusted operating margin H1 2016	24.1

Adjusted PBT helped by favourable FX rates



Benefit from strength of US\$ vs GBP should continue in H2



Outlook

- Structural and cyclical headwinds remain:
 - Banking & capital markets - Q1 IB revenues weakest since 2009
 - Commodities and energy - recovery from lows?
 - Asset management - signs of budget tightening
- Markets haven't yet bottomed out....
- but strategy is starting to show positive signs
- and forward indicators suggest subscription growth rate close to point of inflection
- FX remains favourable
- Costs will continue to be managed tightly
- No significant H2 investment requirements
- Continued focus on active portfolio management and plenty of acquisition firepower
- Board comfortable with H2 expected performance similar to last year's

Euromoney Institutional Investor PLC

Summary

Andrew Rashbass, CEO

Summary

- Weak first half
- Full-year performance should be in line with Board's expectations
- Strategy being implemented and early signs encouraging

Q&A

Q&A

Euromoney Institutional Investor PLC

2016 Half-year results presentation

19 May 2016

Andrew Rashbass, CEO

Appendix:
Supplementary Information

Revenue by division

£m	2015	2016	Reported	Underlying
Research & Data	62.0	64.1	+3%	-
Financial Publishing	34.5	34.8	+1%	-3%
Business Publishing	31.6	30.5	-3%	-7%
Conferences, Seminars & Training	67.1	66.1	-1%	-5%
Other/closed	1.5	-	-	-
FX	1.0	(1.3)	-	-
	197.7	194.2	-2%	-4%

Revenue change by quarter (reported)

Y-o-Y % change	FY2015				FY2016	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions	+3%	+7%	+12%	+6%	+5%	+6%
Advertising	-4%	-10%	+1%	-9%	-2%	-15%
Sponsorship	-12%	+33%	-3%	+3%	-4%	-3%
Delegates	-1%	+17%	-9%	-11%	-18%	+6%
Other	-3%	-4%	-21%	-7%	-35%	+6%
Total ¹	-5%	+6%	-1%	-4%	-5%	+1%

1. After closed business and FX

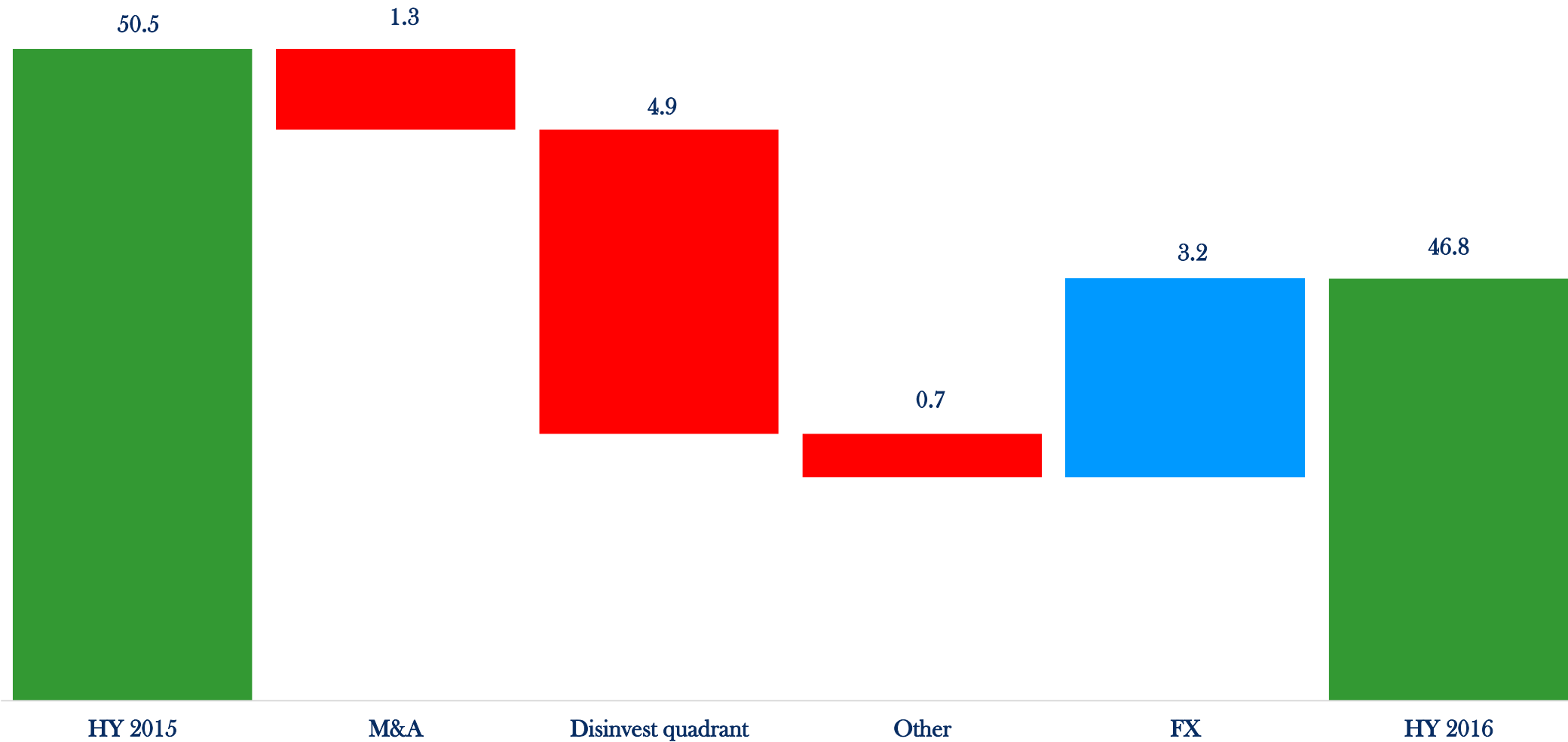
Revenue change by quarter (underlying¹)

Y-o-Y % change	FY2015				FY2016	
	Q1	Q2	Q3	Q4	Q1	Q2
Subscriptions	+2%	+2%	+4%	+2%	+2%	+0%
Advertising	-6%	-16%	-8%	-13%	-6%	-21%
Sponsorship	-12%	+8%	-9%	-2%	-7%	-8%
Delegates	-1%	-24%	-11%	-14%	-19%	+4%
Other	-4%	-10%	-24%	-9%	-37%	+5%
Total ²	-1%	-5%	-5%	-6%	-6%	-3%

1. At constant exchange rates and excluding acquisitions/disposals

2. After closed business and FX

Adjusted operating profit



Operating profit by division¹

£m	2015	2016	Change
Research & Data	20.3	22.8	+12%
Financial Publishing	7.8	6.6	-15%
Business Publishing	9.5	9.0	-5%
Conferences, Seminars & Training	19.7	14.7	-25%
Sold/closed businesses	1.3	-	-
Corporate costs	(8.1)	(6.3)	-22%
Total	50.5	46.8	

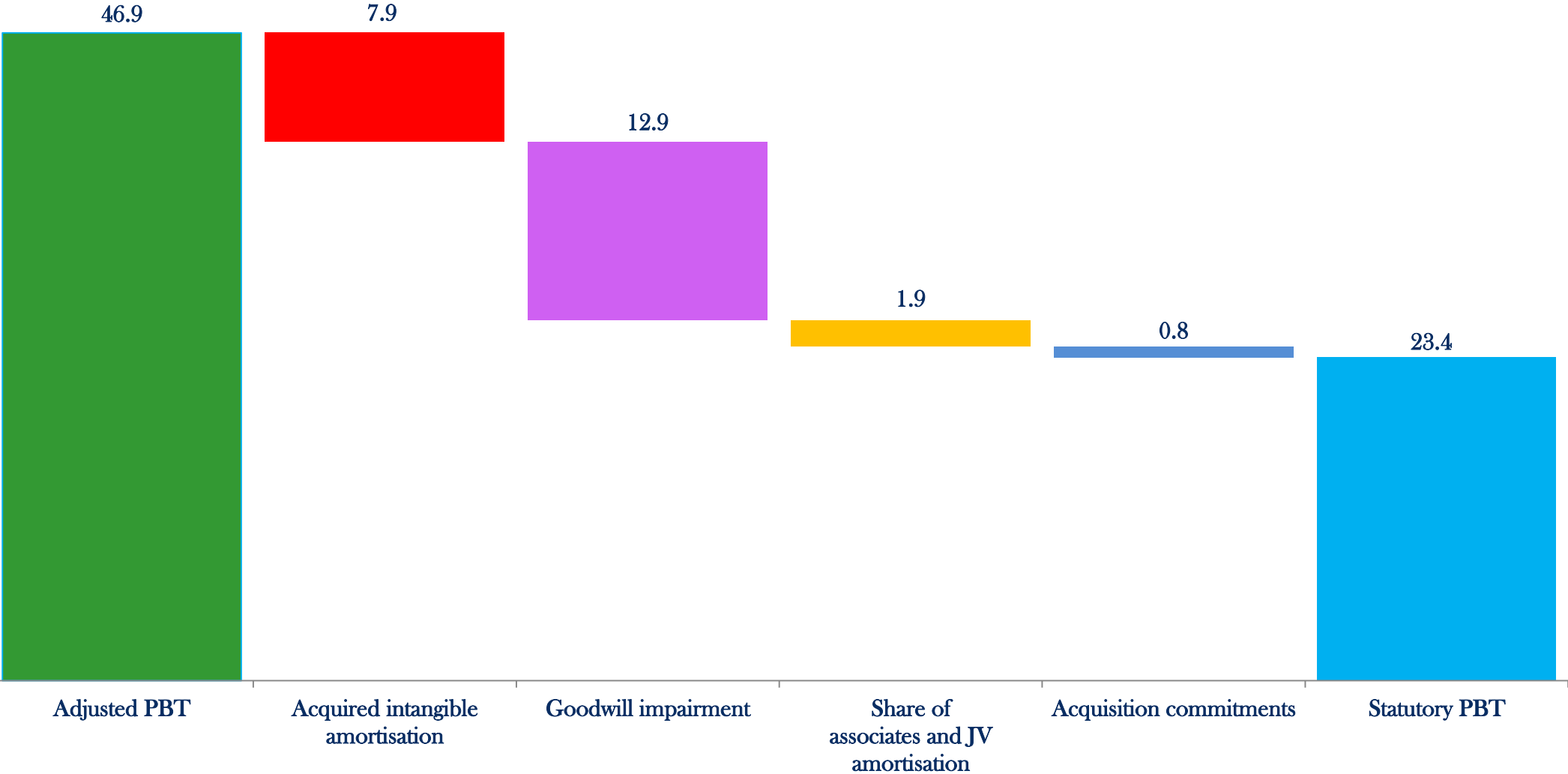
1. Headline profit before effect of FX hedging

Operating margin by division

	H1 2015	H2 2015	FY 2015	H1 2016
Research & Data	33%	37%	35%	36%
Financial Publishing	23%	26%	25%	19%
Business Publishing	30%	38%	35%	29%
Conferences, Seminars & Training	29%	22%	25%	22%
Group operating margin ¹	26%	26%	26%	24%

1. After corporate costs

Statutory profit



Exceptional items

£m	HY 2015	HY 2016
Profit on disposal of Cap DATA & Cap NET	48.4	-
Profit on disposal of business	2.4	-
Profit on disposal of properties	4.3	-
	55.1	-
Goodwill impairment	(7.8)	(12.9)
Restructuring and other exceptional items	(1.5)	-
	45.8	(12.9)

Tax¹

£m	FY 2015	HY 2015	HY 2016
Adjusted PBT	107.8	53.4	46.9
Statutory tax charge	(17.6)	(13.3)	(6.2)
Other tax adjustments	(1.3)	2.9	(2.7)
Underlying tax charge	(18.9)	(10.4)	(8.9)
Underlying tax rate	18%	19%	19%

1. See note 6 of Interim Financial Report

Net finance costs¹

£m	FY 2015	HY 2015	HY 2016
Interest on debt facility	(1.1)	(0.7)	(0.4)
Interest on tax	(0.4)	(0.3)	(0.3)
Other	0.2	0.2	0.1
Underlying net finance costs	(1.3)	(0.8)	(0.6)
Acquisition deferred consideration	(2.9)	(1.3)	-
Acquisition commitments	4.7	5.1	(0.8)
Statutory net finance costs	0.5	3.0	(1.4)

1. See note 5 of Interim Financial Report

Disposal of business

- Sale of Gulf/PE in April for \$18m
- \$15m cash received, net of escrow and working capital adjustments
- FY15 revenues £11.3m, FY16 £4.3m to date of sale
- FY15 operating profit £2.9m, FY16 £0.1m to date of sale

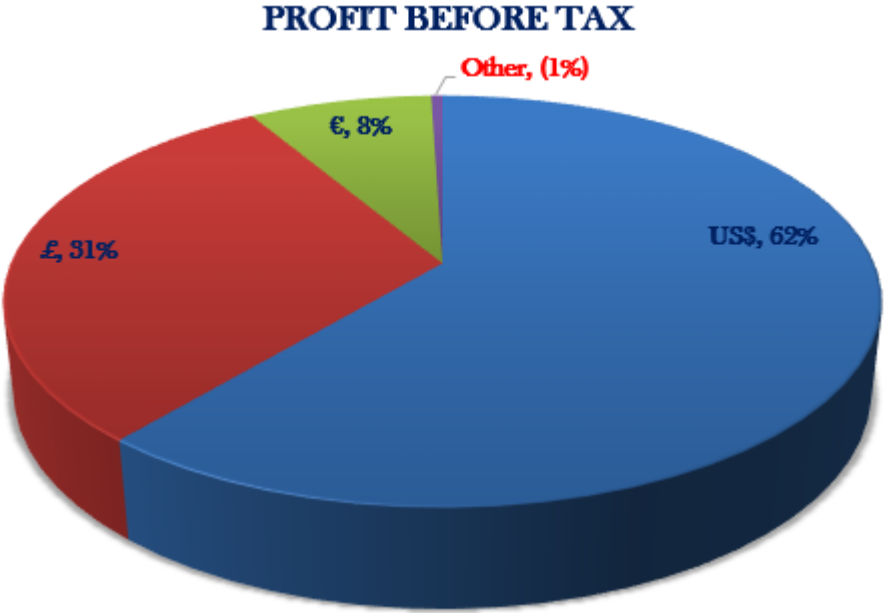
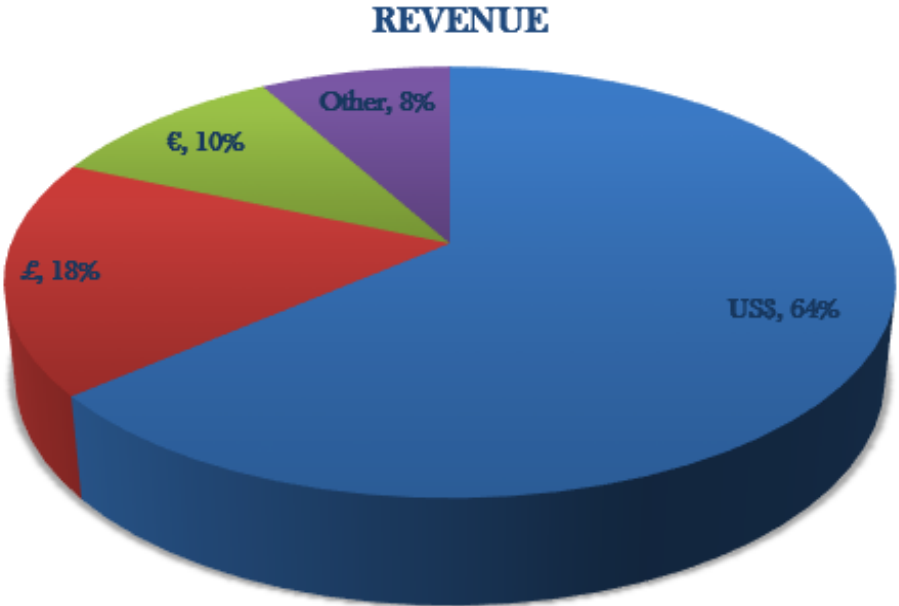
Cash conversion

	Cash generated from operations	Adjusted operating profit	Cash conversion HY2016	Cash conversion HY2015
Reported cash conversion	53.3	46.8	114%	108%
Property adjustment	-	-	-	(3%)
Underlying cash conversion	53.3	46.8	114%	105%

Deferred revenue

£m	Mar-15 to Mar-16		Sept-15 to Mar-16	
	Subs	Other	Subs	Other
Opening balance	93.4	32.6	86.2	25.9
Assets held for sale	(0.9)	(0.6)	(0.9)	(0.6)
FX	1.5	0.8	3.3	1.1
Adjusted opening balance	94.0	32.8	88.6	26.4
Underlying movement	1.4	0.8	6.8	7.2
Closing balance	95.4	33.6	95.4	33.6
Underlying growth %	1%	2%	8%	27%

Impact of FX



USD	HY 2016	HY 2015
Average rate	1.47	1.56
Closing rate	1.44	1.48

USD	1¢ movement
Revenue	+/- £1.4m
Profit before tax	+/- £0.6m