

Euromoney Institutional Investor PLC

2014 Results Presentation

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November 20, 2014

2014 RESULTS PRESENTATION

- **Financial Review**
- Trading Review
- Strategy/Outlook

HIGHLIGHTS

£m	2012	2013	2014	Change
Revenue	394.1	404.7	406.6	-
Adjusted PBT ¹	106.8	116.5	116.2	-
<i>Statutory PBT¹</i>	<i>92.4</i>	<i>95.3</i>	101.5	+7%
Adjusted EPS ¹	65.9p	71.0p	70.6p	-1%
Dividend	21.75p	22.75p	23.00p	+1%
Net debt	30.8	9.9	37.6	

¹As reconciled in appendix to Chairman's Statement

KEY MESSAGES

- ◆ Results in line with expectations
- ◆ Underlying revenues* up 3%
- ◆ Adjusted PBT in line with last year at £116.2m
- ◆ Operating margin 29% (2013: 30%) reflecting investment in digital strategy
- ◆ Project Delphi platform delivering growth
- ◆ Change in expectations for CAP accounting
- ◆ Dealogic announcement post y/e
- ◆ Outlook remains challenging, Q1 trading in line with board expectations

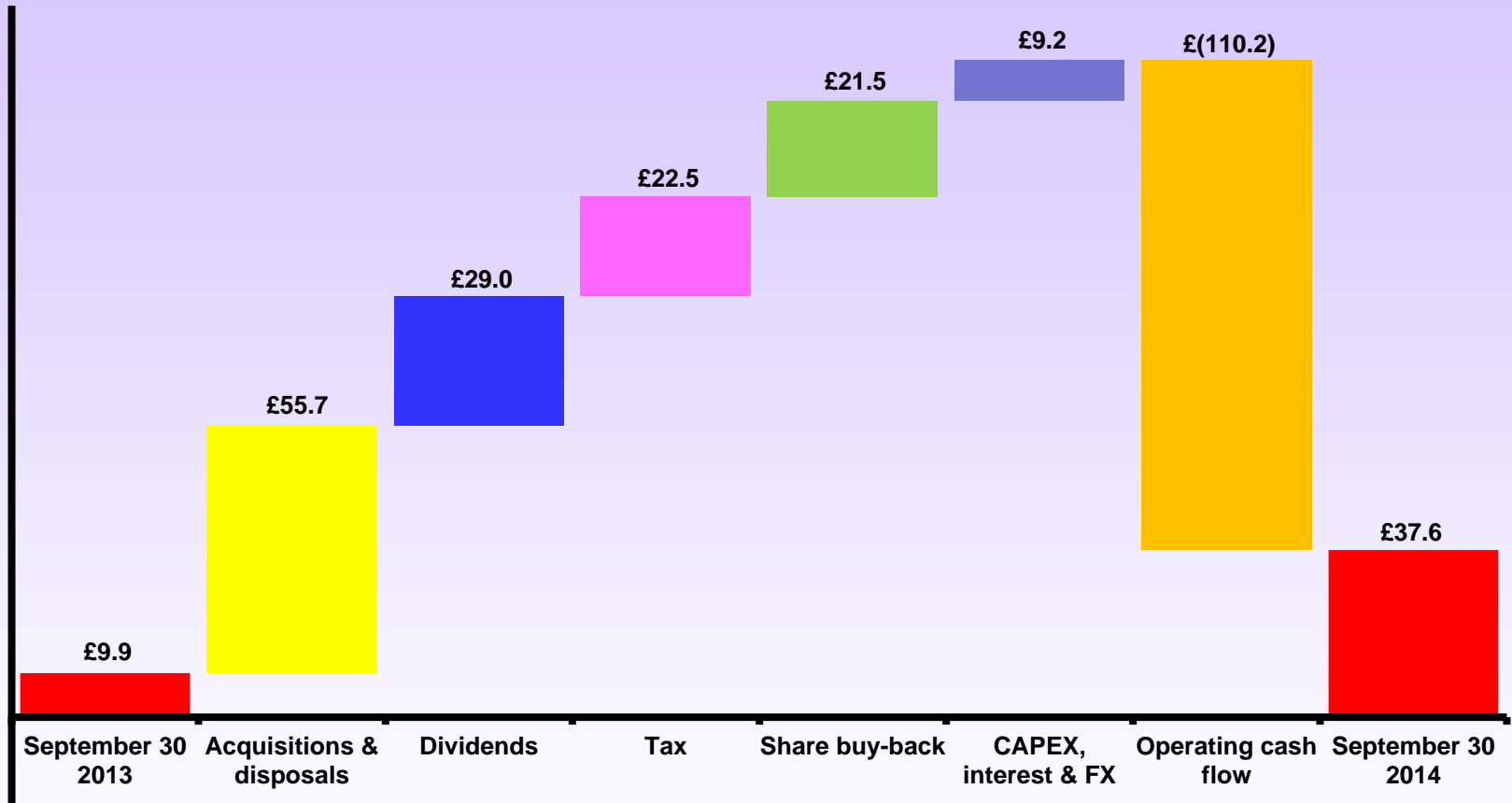
* Underlying excludes acquisitions/disposals and at constant currency

FINANCIAL HIGHLIGHTS

- ◆ Net debt increased by £27.7m to £37.6m since a year ago
- ◆ Cash conversion 92% (2013: 88%) due to timing of CAP payments*
- ◆ Interest on debt facility down £1.2m*
- ◆ FX impact on profits £5.0m*
- ◆ Underlying tax rate unchanged at 22%*
- ◆ Final dividend 16.00p (2013: 15.75p)
- ◆ EPS for dividend purposes adjusted for accelerated CAP cost

* See appendix for detail

NET DEBT STILL

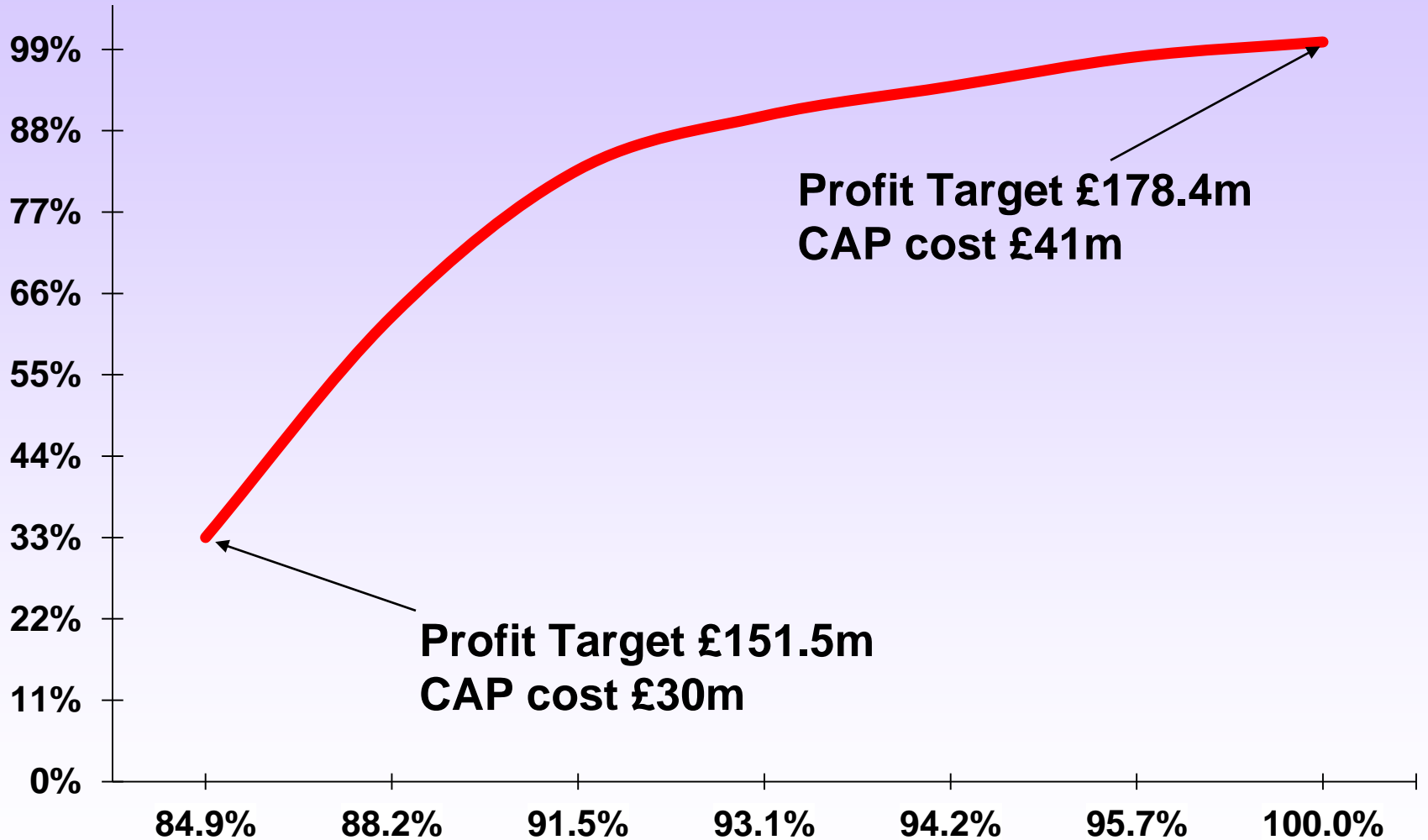


CAP 2014

- ◆ Awards granted in H2 – charge £2.4m
- ◆ Primary profit target £173.6m by 2017 (£178.4m after Indaba)
- ◆ Secondary profit target of £147.4m (£151.5m after Indaba)
- ◆ Funded by purchase of up to 3.5m shares and £7.6m in cash - 1.7m shares acquired to date
- ◆ Target profit range 84.9% (33% vesting) to 100%
- ◆ Total cost spread over period to FY20 as follows:

£m	FY14	FY15–17	FY18	FY19	FY20	Total
Secondary target	2.4	6.1	5.3	3.2	0.8	30.0
Primary target	3.7	8.8	6.6	3.4	0.9	41.0

CAP 2014



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TRADING SUMMARY

£m	2012	2013	2014	Change
Revenue	394.1	404.7	406.6	-
Adjusted operating profit ¹	118.2	121.1	119.8	-1%
Adjusted PBT ¹	106.8	116.5	116.2	-
Operating margin	30.0%	29.9%	29.5%	-0.4%

¹As reconciled in appendix to Chairman's Statement

TRADING HIGHLIGHTS

- ◆ Total revenues in line with last year, underlying revenues* up 3%
- ◆ No easing of pressure on investment banks from increased regulation/compliance. Commodities sector also weak
- ◆ In contrast, asset management sector performing well
- ◆ Subscription revenues increasing at a steady rate of 2%
- ◆ Pressure on bank advertising continued
- ◆ Sponsorship revenues increased from new financial events
- ◆ Delegate growth largely due to timing on events
- ◆ Group operating margin down 1% due to continued investment in digital publishing incl Delphi platform
- ◆ Sterling strength reduced operating profit by £5m

* Underlying excludes acquisitions/disposals and at constant currency

REVENUE BY TYPE

£m	2013	2014	Headline	Constant FX	Underlying
Subscriptions	206.2	205.0	-1%	+5%	+2%
Advertising	57.6	53.6	-7%	-3%	-4%
Sponsorship	51.0	56.9	+12%	+18%	+12%
Delegates	69.4	71.2	+3%	+5%	+5%
Other	12.0	13.4	+12%	+15%	+14%
Sold/closed	9.2	3.6	(61%)	(60%)	-3%
FX	(0.7)	2.9	-	-	-
Total	404.7	406.6	-	+4%	+3%
Acquisitions / disposals	(5.5)	(9.1)			
Underlying	399.2	397.5			

REVENUE CHANGE BY QTR (underlying)¹

Y-o-Y % change	FY2013				FY2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Subscriptions	-2%	+1%	-2%	+4%	+2%	+3%	+2%	+2%
Advertising	-8%	-10%	-13%	+12%	-3%	-1%	-8%	-2%
Sponsorship	+10%	-3%	+4%	+4%	-2%	+22%	-	+37%
Delegates	+2%	-21%	-1%	+8%	-	+17%	-1%	+2%
Other	+38%	+21%	+25%	+24%	+5%	+18%	+24%	+15%
Total ¹	+1%	-5%	-2%	+7%	+1%	+7%	-	+6%

¹ Excludes acquisitions/disposals and at constant currency

REVENUE BY DIVISION

£m	2013	2014	Headline	Constant FX	Under-lying
Research & Data	131.3	126.5	-4%	+2%	-1%
Financial Publishing	75.6	80.3	+6%	+10%	+7%
Business Publishing	68.9	67.8	-2%	+2%	+2%
Conferences & Seminars	99.4	106.1	+7%	+12%	+9%
Training	21.0	19.4	-8%	-2%	-2%
Sold/closed	9.2	3.6	-61%	-	-
FX	(0.7)	2.9	-	-	-
	404.7	406.6	-	+4%	+3%
Acquisitions	(5.5)	(9.1)			
Total	399.2	397.5			

OPERATING PROFIT BY DIVISION¹

£m	2013	2014	Change
Research & Data	54.7	50.6	-7%
Financial Publishing	23.9	22.4	-6%
Business Publishing	25.8	22.8	-12%
Conferences & Seminars	28.9	30.6	+6%
Training	3.9	3.9	-
Sold/closed	1.5	0.4	-73%
Corporate costs	(17.6)	(10.9)	
Total	121.1	119.8	-1%

¹Headline profit before effect of FX hedging and acquisitions/disposals

OPERATING MARGIN BY DIVISION

	FY 2013	H1 2014	H2 2014	FY 2014
Research & Data	43%	41%	39%	40%
Financial Publishing	32%	24%	31%	28%
Business Publishing	38%	29%	38%	34%
Conferences & Seminars	30%	30%	28%	29%
Training	19%	20%	20%	20%
Total ¹	30%	28%	31%	29%

¹After corporate costs

2014 RESULTS PRESENTATION

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GROWTH DRIVEN STRATEGY

Strategy designed to build a more focused, more robust and higher quality global online information and events business

- ◆ Increase the proportion of revenues derived from subscription products
- ◆ Use technology efficiently to assist the online migration of the group's print products and develop new electronic information services
- ◆ Invest in products of the highest quality
- ◆ Eliminate products with low margin or too high dependence on print advertising
- ◆ Maintain tight cost control at all times
- ◆ Retain and foster an entrepreneurial culture
- ◆ Use a healthy balance sheet and strong cash flows to fund selective acquisitions

PORTFOLIO MANAGEMENT

- ◆ Sale of MIS:
 - ◆ Strategic review - focus on new training opportunities under Euromoney Training brand
 - ◆ Net cash proceeds £5.9m (£6.6m less working capital adj £0.7m) plus £2.2m deferred
 - ◆ Exceptional profit on sale of £6.8m
- ◆ Portfolio rationalisation:
 - ◆ Four II titles sold in Oct 2014 for approx. \$1m (plus deferred revenue)
 - ◆ Various smaller titles sold / closed
 - ◆ Further product rationalisation as move to digital-first strategy
- ◆ Acquisition of *Infrastructure Journal* (£12.5m) and combination with *Project Finance* to create *IJ Global*
- ◆ Acquisition of Mining Indaba

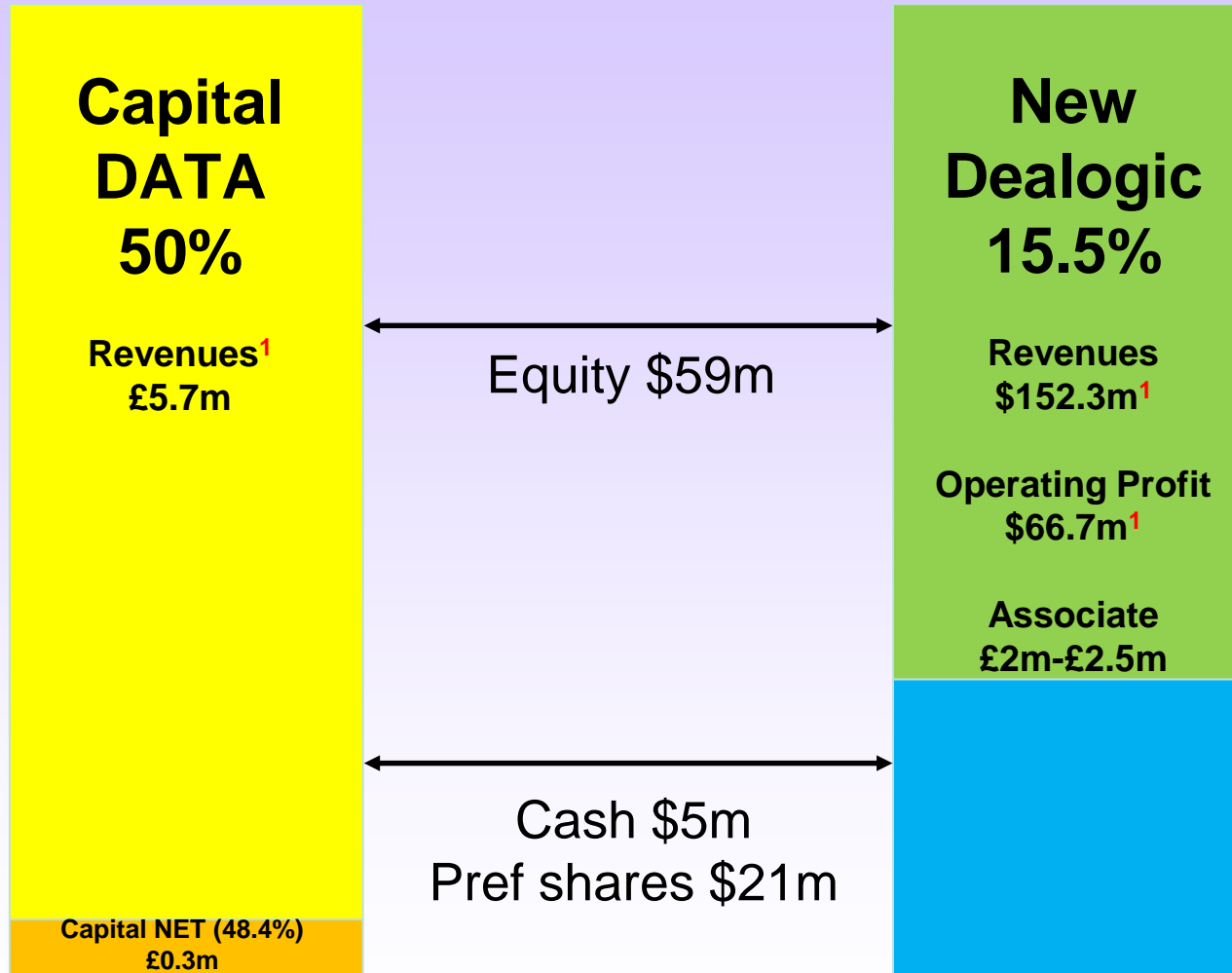
MINING INDABA

- ◆ *Investing in African Mining Indaba*
- ◆ Largest mining event in emerging markets
- ◆ Acquired in July 2014 for \$78m (£46m)
- ◆ Supports group's strategy to consolidate and strengthen position in the global commodities sector
- ◆ Opportunities to grow event, in particular to leverage investor network
- ◆ Also opportunities to expand geographically
- ◆ First event under Euromoney in February 2015
- ◆ Contribute approx. revenue £10m, operating profit £5m

NEW DEALOGIC

- ◆ 15.5% equity stake in New Dealogic
- ◆ Seat on board and 20% voting rights
- ◆ Significant influence satisfies equity accounting
- ◆ Other tag and drag rights including acquisitions
- ◆ Fits group strategy of expanding activities in the global financial information & analytics sector
- ◆ Completion expected in December 2014
- ◆ Cap on exit valuation (25% of market cap) to satisfy Listing Rules
- ◆ New Dealogic highly leveraged post completion

NEW DEALOGIC



¹As at calendar year to December 2013

STRATEGY: DELPHI PLATFORM

- ◆ Drive digital-first strategy
- ◆ Increase the value of our content with enhanced personalisation and discoverability
- ◆ Facilitate the repurposing of existing content and data using semantic tagging, search and aggregation
- ◆ Remove product silos
- ◆ Increase speed to market for new products
- ◆ Enhance product value by embedding in customer workflows
- ◆ Generate cost and production efficiencies

TRANSFORMATIONAL TECHNOLOGY INVESTMENT

STRATEGY: DIGITAL FUTURE

- ◆ BCA Research & Global Capital launched on Delphi in spring 2014:
 - ◆ BCA Analytics \$1m
 - ◆ Offshore RMB
 - ◆ GlobalCapital - positive impact on traffic, trials, time on site and upsales
- ◆ Delphi development: on time, on budget, high quality
 - ◆ Capital investment in platform £10m
 - ◆ Annual cost incl depreciation and support c£4m
 - ◆ Further investment based on future business plans

A SUSTAINABLE COMPETITIVE ADVANTAGE

DELPHI NEXT STEPS

- ◆ All remaining publishing sites live on DAT by end 2015
- ◆ Replace proprietary search component across existing sites by end 2015
- ◆ New Delphi products being launched:
 - ◆ BCA Edge and 6 new BCA products
 - ◆ HFI
 - ◆ Metal Bulletin
- ◆ Other products:
 - ◆ Regulatory Capital Analytics
 - ◆ Capacity Intelligence
 - ◆ Insurance Asset Mgt



delphi
the medium is the message

STRATEGY: BEYOND DELPHI

- ◆ Investor Intelligence Network (IIN)
- ◆ Builds on reputation of Institutional Investor's memberships
- ◆ Disruptive technology connecting asset owners, asset managers & intermediaries in asset management industry
- ◆ Revenues from RFI cap intro fees, data services, platform fees
- ◆ Deal Rooms to facilitate inv managers and banks to promote deals to investors
- ◆ Seeking regulatory approval in UK to charge basis point fees on mandates placed (“Appointed Representative”)

OUTLOOK

- ◆ Investment banking esp FICC remains challenging – retribution culture
- ◆ Weak commodity prices
- ◆ Asset management sector good momentum
- ◆ Key factors for FY15:
 - ◆ Mining Indaba
 - ◆ Event timing, property costs, annualised Delphi costs
 - ◆ Investment in new products
 - ◆ CAP expense
 - ◆ FX, tax rate
 - ◆ Dealogic
- ◆ Strategic focus:
 - ◆ Delphi roll-out, new products, digital-first
 - ◆ Under geared balance sheet

Euromoney Institutional Investor PLC

Appendix

CASH CONVERSION

	Cash generated from operations	Adjusted operating profit	Cash con- version 2014	Cash con- version 2013
Headline cash conversion	110.2	119.8	92%	88%
<i>Add back:</i>				
CAP cash (incl tax)	9.3	-	8%	8%
Profit share	-	-	-	6%
Other	0.4	-	-	1%
Underlying cash conversion	119.9	119.8	100%	103%

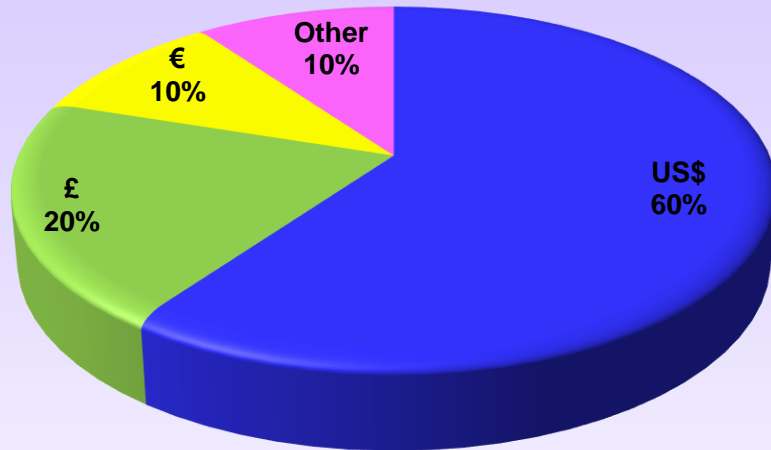
NET FINANCE COSTS

£m	2013	2014
Interest on debt facility	(2.6)	(1.4)
Interest on tax	(0.7)	(0.3)
Other	0.6	0.2
Underlying net finance costs	(2.7)	(1.5)
Acquisition deferred consideration	(4.7)	(1.9)
Acquisition commitments	(3.0)	1.3
Statutory net finance costs	(10.4)	(2.1)

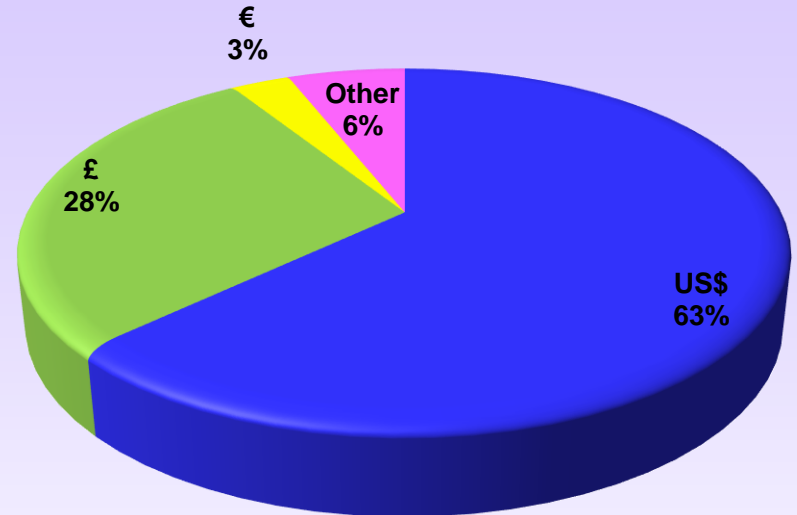
See note 5

IMPACT OF FX

Revenue ¹



Profit before tax ¹

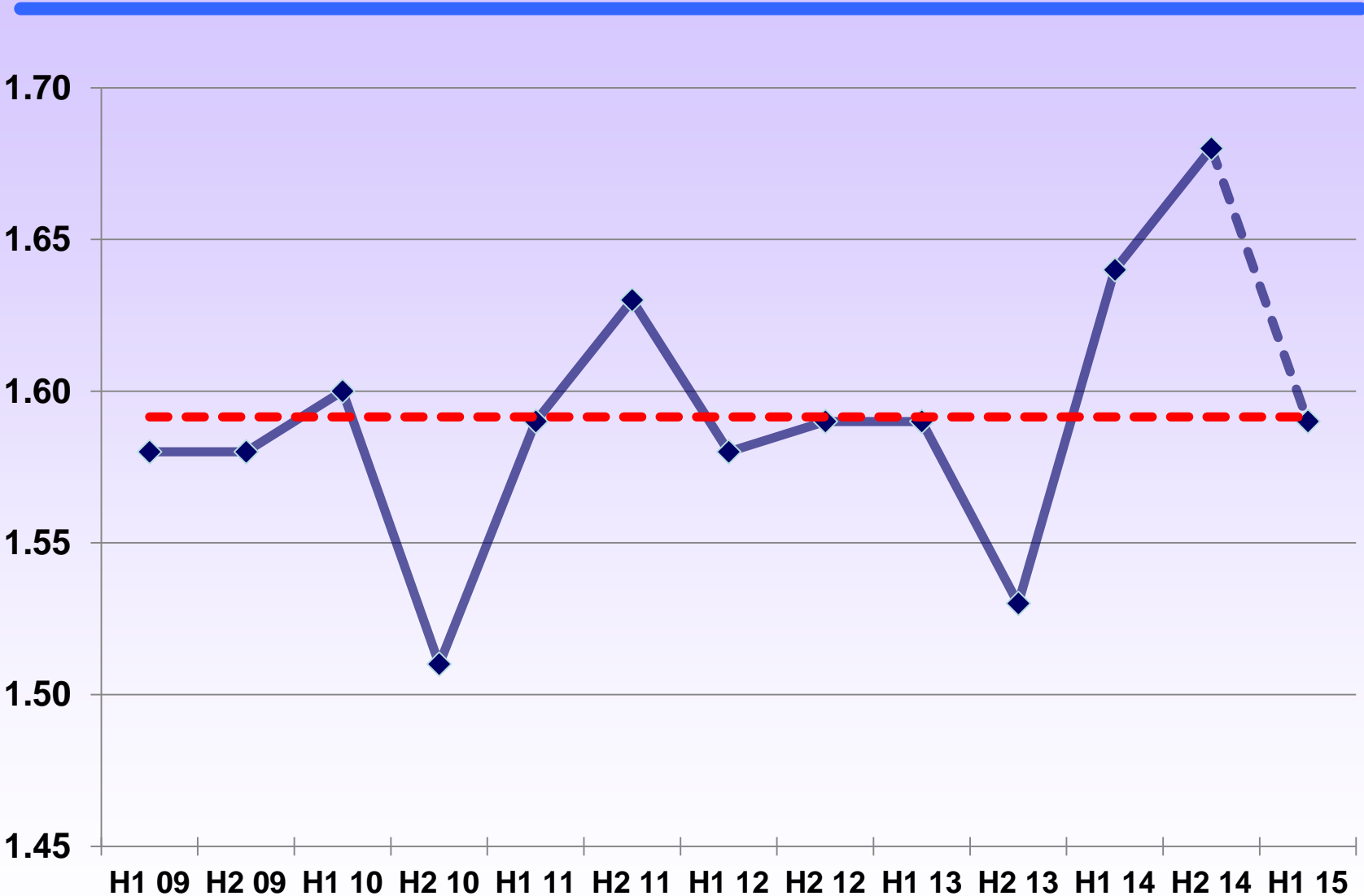


USD	2014	2013
Average rates	1.66	1.56
Closing rates	1.62	1.62

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

¹Before effect of FX hedging

US\$/GB£ AVERAGE RATES



TAX

£m	2013	2014
Adjusted PBT	116.5	116.2
Statutory tax charge	(22.2)	(25.6)
Add: other tax adjustments	(3.0)	(0.1)
Underlying tax charge	(25.2)	(25.7)
Underlying tax rate	22%	22%

Underlying tax rate 20-21% for FY15 depending on profit mix

See note 6

REVENUE CHANGE BY QTR (headline)

Y-o-Y % change	FY2013				FY2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Subscriptions	-3%	+3%	+4%	+9%	+5%	+1%	-4%	-3%
Advertising	-10%	-10%	-9%	+17%	-	-4%	-15%	-7%
Sponsorship	+8%	-3%	+9%	+17%	+8%	+23%	-2%	+29%
Delegates	+1%	-21%	+1%	+11%	+2%	+14%	-3%	-2%
Other	+35%	+21%	+27%	+25%	+4%	+17%	+21%	+11%
Total	-1%	-4%	+3%	+12%	+3%	+5%	-6%	-

REVENUE CHANGE BY QTR (underlying)¹

Y-o-Y % change	FY2013				FY2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Subscriptions	-2%	+1%	-2%	+4%	+2%	+3%	+2%	+2%
Advertising	-8%	-10%	-13%	+12%	-3%	-1%	-8%	-2%
Sponsorship	+10%	-3%	+4%	+4%	-2%	+22%	-	+37%
Delegates	+2%	-21%	-1%	+8%	-	+17%	-1%	+2%
Other	+38%	+21%	+25%	+24%	+5%	+18%	+24%	+15%
Total	+1%	-5%	-2%	+7%	+1%	+7%	-	+6%

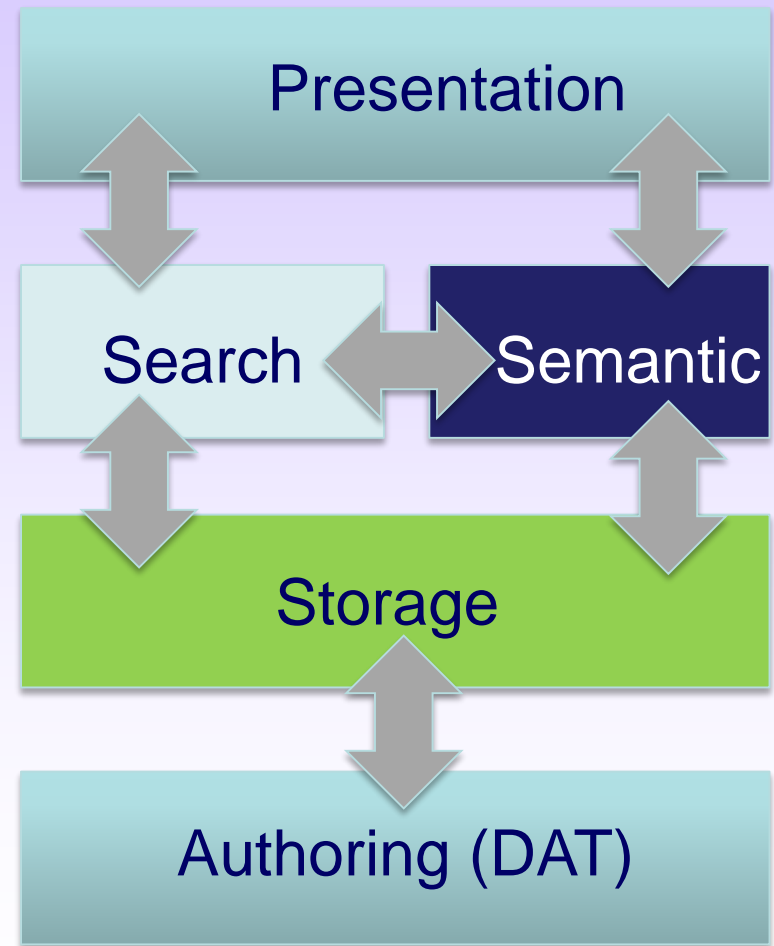
¹ Excludes acquisitions/disposals and is at constant exchange rates

DEFERRED REVENUE

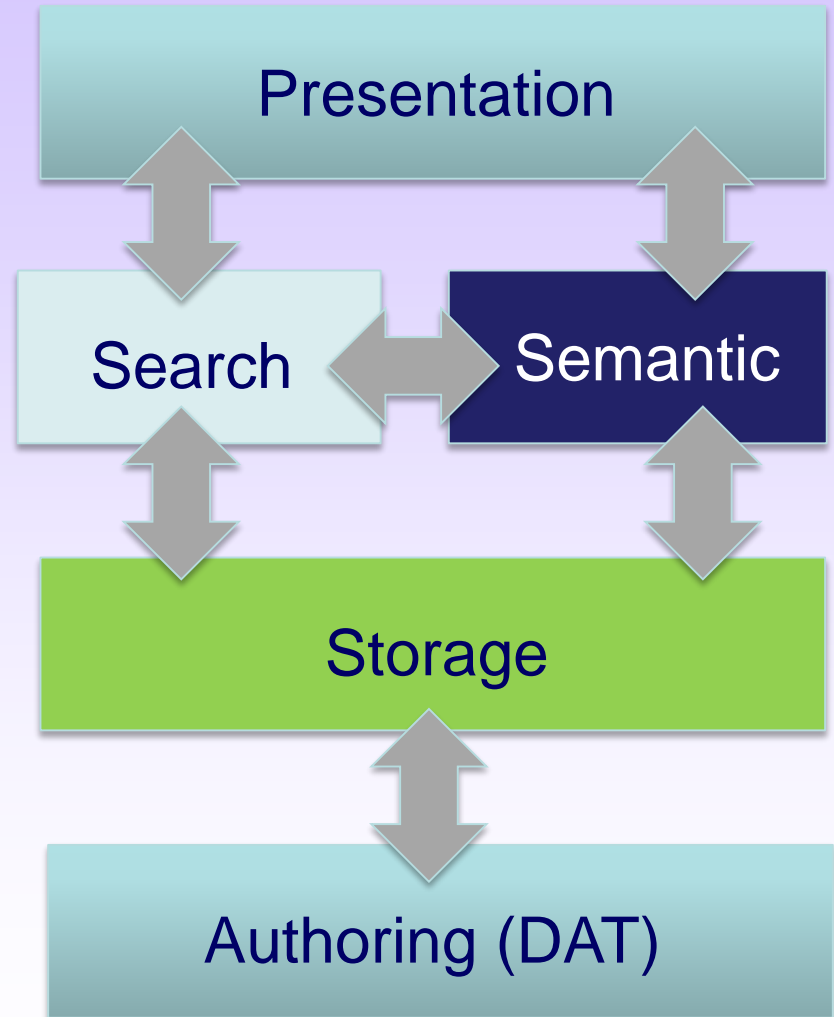
£m	Subs	Other
Opening balance	90.4	26.9
Acquisitions/disposal	-	1.1
FX/other	(0.2)	(0.1)
Adjusted opening balance	90.2	27.9
Underlying movement	4.2	(0.1)
Closing balance	94.4	27.8
Underlying growth %	5%	-

DELPHI PLATFORM

- ◆ Journalists and editors use an **intuitive authoring interface** to create content
- ◆ **Greater editorial control** over web presentation through drag & drop GUI
- ◆ Content relationships better defined using **semantic tagging** (intelligent relationships) within a domain ontology (eg asset classes)
- ◆ **Search capabilities** significantly enhanced using semantic tags
- ◆ Improved product **personalisation** incl configurable alerting and dashboards
- ◆ Content easily **distributed to multiple devices** (desktop, tablet, phone) using responsive design



DELPHI TECHNOLOGY



DELPHI: BCA

- ◆ Transformation from basic PDF delivery to powerful, user friendly, digital research tool including:
 - ◆ BCA Analytics (BAN) – sophisticated, searchable, flexible, interactive charts – initial sales ahead of forecast
 - ◆ BCA Dashboard – all customized content in one location:
 - ◆ Live reports as soon as published
 - ◆ Semantic search and intelligent auto-suggest
 - ◆ Personalised views, alerts
 - ◆ Theme insight and impact
 - ◆ Comprehensive database of BCA trade and asset allocation recommendations
 - ◆ Easily embedded into client workflows incl ability to clip annotate and share content
 - ◆ Initial reaction to dashboard positive – upselling opportunities from FY15