

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

Informa PLC **Press Release**

10 February 2022

Informa to divest Pharma Intelligence for £1.9bn and commence share buyback

2021-2024 Growth Acceleration Plan II Update

Informa (LSE: INF.L), the international B2B Markets, Knowledge Services and Business Intelligence Group today announced two significant steps in its 2021-2024 Growth Acceleration Plan II ("GAP II").

The Group has agreed to divest *Pharma Intelligence*, the largest business within its Informa Intelligence division, to Warburg Pincus for £1.9bn, while separately commencing a share buyback.

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

"Like GAP I, our GAP II programme is ambitious for growth, value creation and shareholder returns. Since announcing the intention to divest our *Informa Intelligence* portfolio, we have received significant interest in its high-performing brand portfolio, leading to today's binding agreement for *Pharma Intelligence*, which reflects the quality and value created in this business, as well as its significant future potential."

He added:

"Our capital allocation discipline, combined with the pace and scale of today's agreement, allows us to commence our share buyback programme with immediate effect. It also enables us to strengthen the balance sheet, generate funds for further growth investment in our two leadership businesses and retain a minority position in *Pharma Intelligence* to benefit from its future growth."

Growth Acceleration Plan II – Increased Portfolio Focus

At Informa's Capital Markets Day last December, the Group outlined **GAP II**, a four-year programme designed to create a more focused, higher growth business.

As part of **GAP II**, the Group announced its intention to focus investment on the two markets where it has leading brands and leadership positions of global scale, with attractive opportunities for further growth and expansion: **Academic Markets & Knowledge Services** (Taylor & Francis) and **B2B Markets & Digital Services** (Informa Markets, Informa Connect, Informa Tech).

The Group announced the intended divestment of its **Informa Intelligence** portfolio of businesses, which were transformed during the 2014-2017 *GAP I* investment, providing funds to accelerate investment and expansion in our two businesses with scale leadership positions.

Divestment of Pharma Intelligence

Over the past two months, Informa has received significant interest in its *Pharma Intelligence* business, a leading provider of specialist intelligence and data for Clinical Trials, Drug Development and Regulatory Compliance. In 2020, this business accounted for approximately 40% of **Informa Intelligence** reported divisional revenues of £305m and c.50% of reported divisional adjusted operating profit of £103m.

The value created in this high-quality business and its significant future growth potential have led to a binding agreement with Warburg Pincus that values *Pharma Intelligence* at £1.9bn, equating to an attractive EV/EBITDA multiple based on 2020 reported figures or 2021 expected outcomes.

Under today's agreement, Warburg Pincus' commitment to future investment and growth, and our own knowledge and belief in the business, has led to a structure whereby 85% of equity value is realised today, equating to c.£1.7bn in cash, pre-tax, with Informa retaining a c.15% shareholding in the business going forward. This c.15% equity interest ranks *pari passu* with Warburg Pincus' equity and includes customary rights in the event of a sale of the business.

Retaining this shareholding, as well as Board representation, will contribute to the efficiency of the separation process, enabling the business to focus on its forward growth opportunities.

Today's binding sale agreement for *Pharma Intelligence*, which has the full approval of the Informa Board as being in the best interests of shareholders is expected to complete by early June subject to relevant regulatory clearances.

Following completion and separation of *Pharma intelligence*, Informa will proceed with the next process in its GAP II divestment plans, focusing on its *Financial Intelligence* business comprising *EPFR Global*, *IGM* and *Zephyr* but excluding the retail banking joint venture, *Curinos*.

Adarsh Sarma, Co-Head of Europe, Warburg Pincus LLC said:

"We are delighted to be the partner of choice for Informa and to have the opportunity to acquire *Pharma Intelligence* with its operating management team. *Pharma Intelligence* plays a critical role in supporting and maintaining the ecosystem that surrounds clinical trials, drug development and regulatory compliance, and we intend to invest and significantly grow the business and its product offerings. We are also pleased to be working again with Jay Nadler, who we worked with at MLM Information Services and Interactive Data Corp and he was previously CEO of Clarivate. He will also be joining the Board of the newly separated company."

Stephen A. Carter, Group Chief Executive, Informa PLC, commented:

"We received significant interest in the *Pharma Intelligence* business. We are delighted to partner with Warburg Pincus and share their view on its future growth potential, hence, we welcomed an agreement that represented value today and growth and value tomorrow."

Share Buyback Programme

Alongside investing for growth, the Group has previously announced its intention to return a proportion of the proceeds from the divestment of Informa Intelligence to shareholders. Following today's binding agreement for the *Pharma Intelligence* business, the Group intends to commence a share buyback programme.

As such, Informa has entered into a non-discretionary arrangement with its broker, Merrill Lynch International (BofA Securities), to purchase on its behalf and within certain pre-set parameters, ordinary shares of 0.1 pence each in the Company, with the intention to cancel those shares purchased.

The programme will commence with immediate effect and run through to the AGM in June, including through the Company's close period (30 days from 13 February to 14 March 2022). The maximum amount allocated to the initial tranche of the buyback programme will be £100m. The share buyback programme will take place in accordance with the Company's current approved buyback authorities and be effected in accordance with Chapter 12 of the FCA's Listing Rules. The maximum number of ordinary shares that may be repurchased under those authorities is 150,311,000.

Trading Update

Informa will report its 2021 Full Year Results on 15 March 2022. Ahead of this, the Group can confirm that it expects to report trading in 2021 in line with guidance of £1.8bn± Group Revenue and £375m± of Adjusted Operating Profit.

Since the beginning of the COVID pandemic, the Group has put particular emphasis on cash control, cash management and cash generation as key financial and company performance targets. This focus has delivered a strong performance through the year and, as a result, free cash flow is expected to be ahead of previous guidance of £325m+.

Trading in 2022 has started confidently in our two leadership businesses, **Academic Markets** and **B2B Markets**, alongside continuing growth in our **Informa Intelligence** portfolio. Unlike the previous two years, we have a full physical events calendar scheduled through the first quarter in North America and the Middle East, with trading in China scheduled to start in mid-March after the annual holiday period. To date, exhibitor and attendee participation levels and forward bookings have been robust, with our brands in **Construction & Real Estate** (*World of Concrete*, *TISE*), **Healthcare** (*Arab Health*, *Medlab*), **Luxury & Lifestyle** (*Miami International Boat Show*) and **Technology** (LEAP) all performing in line or ahead of plan.

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Notes to Editors

About Pharma Intelligence

A leading operator in the \$22bn global pharma and life sciences analytics markets, *Pharma Intelligence* delivers highly valued specialist intelligence and data in areas of Clinical Trials, Drug Development and Regulatory Compliance. Its portfolio of specialist brands includes the *Citeline* suite of products (*Citeline Predict*, *Citeline Engage*, *Citeline Connect*), *Biomedtracker*, *Datamonitor Healthcare*, *Scrip*, *Pink Sheet* and *TrialScope*.

The *Pharma Intelligence* business performed strongly in 2021 and this has continued into 2022, with high levels of subscription renewals and continued momentum in annualised contract values. For the purpose of UK listing rules, the last reported Profit Before Tax of *Pharma Intelligence* was £55.3m for the year ended 31 December 2020 and the last statement of Gross Assets was £479.9m, as at 30 June 2021.

About Warburg Pincus

Warburg Pincus LLC is a leading global growth investor. The firm has more than \$73 billion in assets under management. The firm's active portfolio of more than 235 companies is highly diversified by stage, sector, and geography. Warburg Pincus is an experienced partner to management teams seeking to build durable companies with sustainable value. Founded in 1966, Warburg Pincus has raised 20 private equity and 2 real estate funds, which have invested more than \$100 billion in over 1,000 companies in more than 40 countries. The firm is headquartered in New York with offices in Amsterdam, Beijing, Berlin, Hong Kong, Houston, London, Luxembourg, Mumbai, Mauritius, San Francisco, São Paulo, Shanghai, and Singapore. For more information please visit www.warburgpincus.com. Follow us on [LinkedIn](https://www.linkedin.com/company/warburgpincus).

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This announcement contains forward-looking statements, including in relation to the financial condition of the Group and the results of operations and businesses of the Group. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words and words of similar meaning as "ambition", "anticipates", "aspire", "aims", "due", "could", "may", "will", "should", "expects", "believes", "intends", "plans", "potential", "targets", "goal" or "estimates". Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, these statements are not guarantees of future performance and are subject to a number of risks and uncertainties and actual results, performance and events could differ materially from those currently being anticipated, expressed or implied in such forward-looking statements. Factors which may cause future outcomes to differ from those foreseen in forward-looking statements include, but are not limited to, those identified in the "Principal Risks and Uncertainties" section of the Group's Annual Report. Forward-looking statements contained in this announcement speak only as of the date of preparation of this announcement and have not been audited or otherwise independently verified. Past performance should not be taken as an indication or guarantee

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