

Media & Internet

B2B Media: FY23 playbook – Set the bar high

Price Objective Change

Reiterate Buy on RELX, Neutral on Pearson

We expect FY23 earnings and initial guidance to reinforce expectations for another year of strong growth in the B2B Media space. RELX arguably best-placed into FY23 prints, and we reiterate our Buy. We reiterate our Neutral rating on Pearson, amid a more selective approach to the sub-sector given the strong share price performance in Q4. PO tweaked 1% higher for RELX (3,770p) on modest peer group re-rating.

RELX: Legal acceleration and upsized buyback

We expect the discount to US info-services peers to get further squeezed out in 2024. In FY23 results (Feb 15th) we see 1) Confirmation of a still accommodative market in the Risk & Business Analytics division. Market expectations for 7.7% underlying revenue growth in Risk look reasonable; 2) An upsized buyback (BofAe: £1bn vs. cons: £739m); and 3) Initial guidance (for growth to continue above historic norms) should leave the door open to Legal division acceleration to confirm RELX's generative AI credentials – as LexisNexis survey data suggests 53% of Am Law 200 firms have purchased some form of genAI tools, we model step-up to 7% underlying growth this year (cons: 6%). On 18x CY24E EV/EBITDA RELX trades at a c.20% discount to US peers, we find unjustified given an ave. 7% underlying sales growth in 2023-25 in line with best-in-class peers.

Pearson: Few surprises likely

We see 1) Shares adequately valued – having recovered >25% since the AI sell-off of early May 2023; 2) growth likely maintained in the c.4% range in 2024 (vs. publisher peers' 6-8% and consensus' 4%); and 3) structural concerns likely to linger in Higher Education despite enrolments' stabilisation in 2023. Shares trade on 15x CY24E P/E, which we think is fair when considering Pearson's earnings profile vs. other media names.

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Exhibit 1: Reiterate Buy on RELX

POs and recommendations

	Rec.	PO	Upside potential
RELX PLC	Buy	3770p	15%
Pearson	Neutral	1030p	7%

Source: BofA Global Research

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RELX best candidate for further re-rating

Last year saw one of the strongest performances for this peer group in recent years, with all shares outperforming the market on a one-year view, and most outperforming on a three-, and six-month view as well. This came in the face of persistent rate rises.

Exhibit 2: The majority of our coverage outperformed the market in the last 3, 6 and 12 months

Share price performance

	1 month	3 month	6 month	1 year
Wolters Kluwer	8%	15%	22%	39%
RELX	6%	15%	26%	38%
Informa	0%	10%	3%	17%
Ascential	3%	16%	45%	13%
Pearson	1%	2%	13%	5%
SXXP	1%	12%	3%	7%

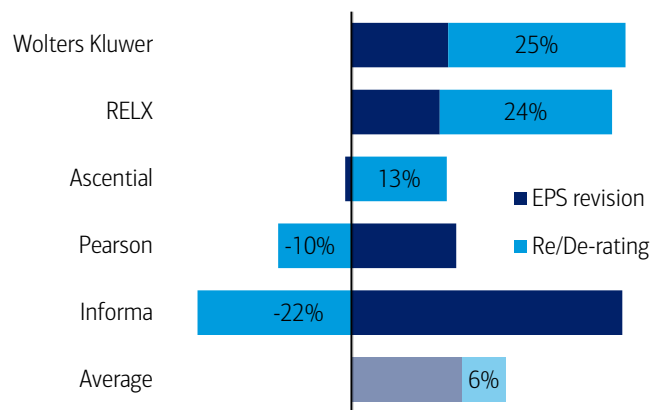
Source: BofA Global Research, Bloomberg

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The strong performance in 2023 was largely led by re-rating, which for the defensive RELX and Wolters Kluwer was very strong indeed. This is a tougher backdrop for further re-rating, but we still see pockets of opportunity.

Exhibit 3: Informa shares have been driven by EPS revision

Disaggregating drivers of share price performance in 1yr

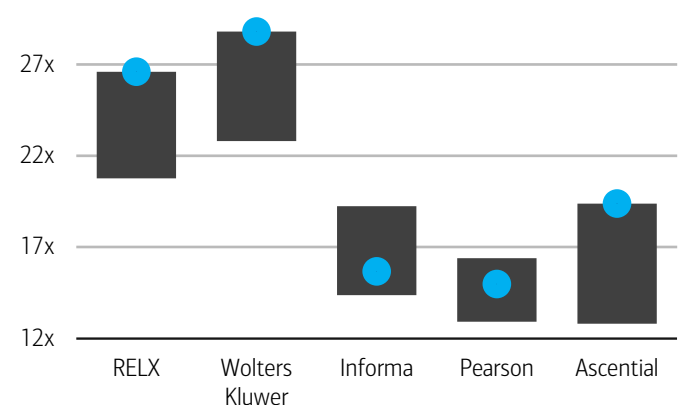


Source: BofA Global Research estimates

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Exhibit 4: Three of four stocks are trading close to 52 week high multiples

Consensus P/E (1BF) historic range and current level



Source: BofA Global Research, Bloomberg

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RELX has further upside as the gap to US peers narrows

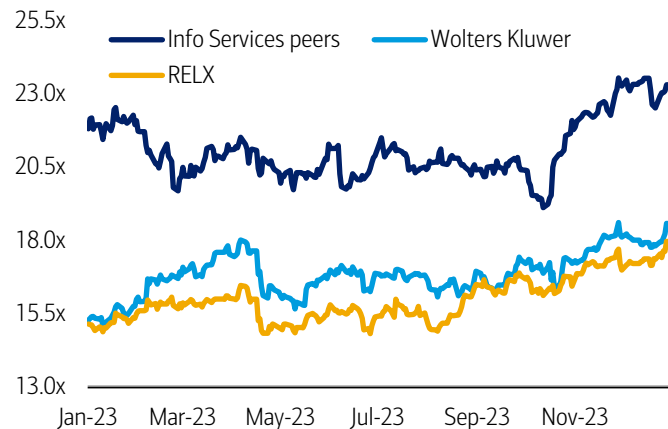
RELX has been strong in 2023, but we see further re-rating possible given:

- Addressable markets have expanded** since pre-COVID, extending RELX's growth opportunity – in the Risk division in particular, we see 15+ years of 7-8% YoY organic growth potential and scope to more than double revenues;
- Sentiment towards the STM division has flipped** – once viewed as low growth and structurally challenged, we think unpicking of the open access bear case in 2023 has led to substantial re-rating within the SOTP – we value STM at nearly £24bn, on 18x CY24E EV/EBITDA;
- Lexis+ AI could deliver good news in 2024** – we model a step-up in Legal division growth to 7% this year (cons: 6%) on the back of genAI product roll-out, with divisional adj.EBITA 7-15% ahead of consensus.
- On 18x CY24E EV/EBITDA **RELX still trades at a c.20% discount** to US info services peers, which we find unjustified. We expect investors to ignore cyclicalities in the Exhibitions division (10% of sales) in the valuation debate.

5. An average 7% underlying **sales growth in 2023-25 in line with the best-in-class peers**. Overall we think RELX remains an inexpensive European compounder given its unique positioning – generative AI exposure, defensive double-digit earnings growth and discounted valuation vs. peers.

Exhibit 5: Despite a strong share price performance the discount vs. peers has hardly narrowed

Consensus 1BF EV/EBITDA

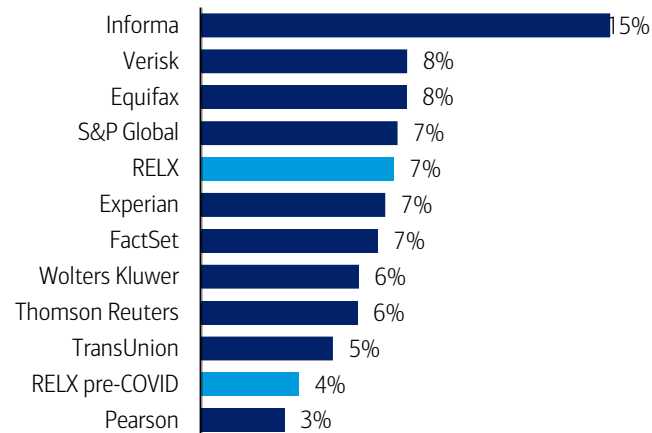


Source: BofA Global Research, Bloomberg

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Exhibit 6: Yet RELX grows as fast as the best of them

Underlying sales growth, average CY23-25E

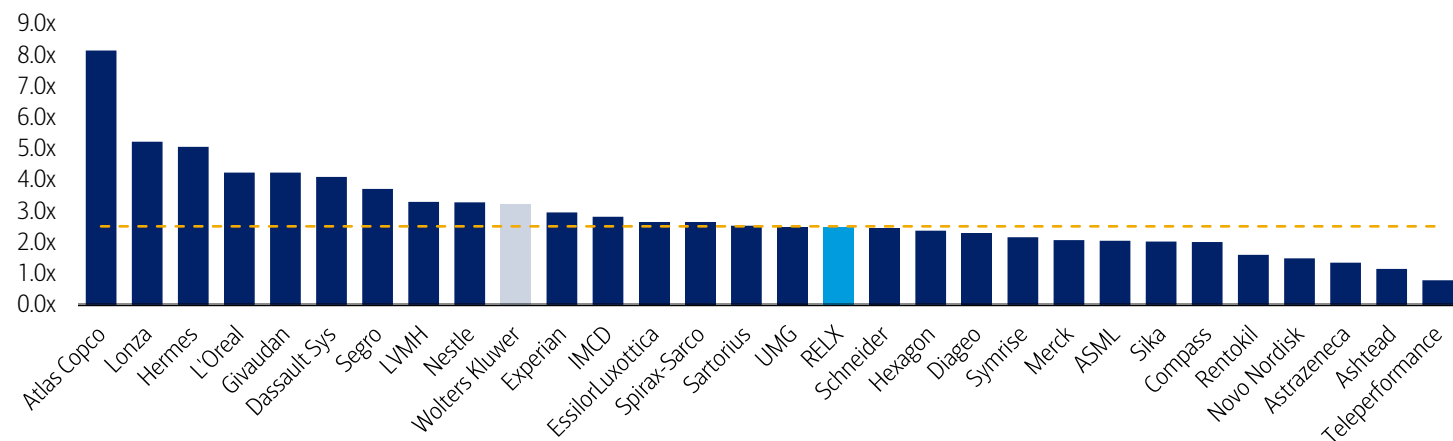


Source: BofA Global Research estimates, Visible Alpha

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Exhibit 7: Still an inexpensive compounder

PEG ratios of European "compounders"



Source: BofA Global Research, Bloomberg

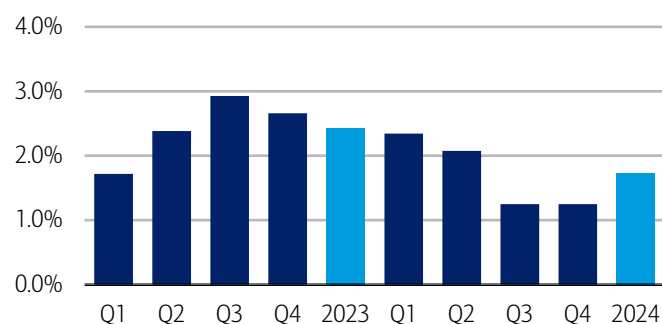
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Macro backdrop remains fairly benign

The macro outlook remains fairly benign, with BofA economists expecting a slowdown in growth across all major regions but not recession. This is a fairly neutral outlook for the majority of our coverage, which given a mostly defensive skew may be less in favour in the event economic conditions come in stronger than expected. This eventuality would favour Informa, which has more cyclical exposure than RELX, Wolters Kluwer or Pearson.

Exhibit 8: US GDP growth is expected to remain tepid, particularly in H2

US GDP growth forecasts



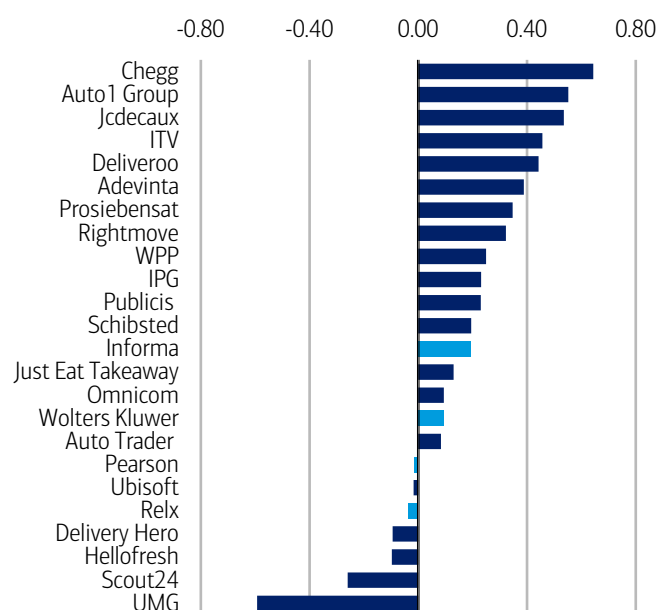
Source: BofA Global Research estimates

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For the largest B2B media stocks we demonstrate historical correlation with global PMIs in the chart below. Where we have data, Informa is most positively correlated.

Exhibit 10: Avg (10y where available) of 2y rolling correl. of 6m performance of stock rel to market versus 6m chg in global PMIs

RELX and Pearson exhibit negative correlation with global PMIs, while Informa and Wolters Kluwer correlation is low vs. peers



Source: BofA Global Research, Datastream, Haver

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Exhibit 9: Growth rates are lacklustre across all key regions

GDP growth forecasts for key geographies

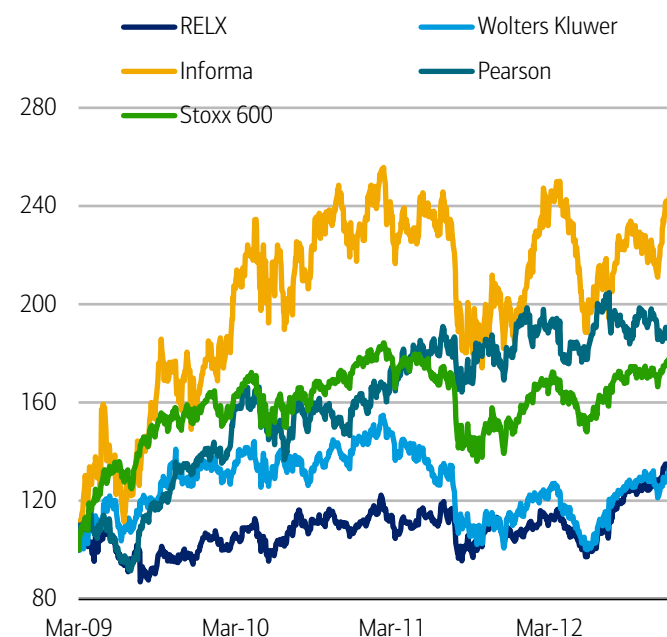
	Q1	Q2	Q3	Q4	2024
China	4.1%	4.9%	4.9%	5.0%	4.8%
Euro area	0.1%	0.1%	0.5%	0.7%	0.4%
US	2.3%	2.1%	1.2%	1.2%	1.7%
UK	0.1%	-0.1%	0.1%	0.2%	0.1%

Source: BofA Global Research estimates

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Exhibit 11: Share price performance in aftermath of the GFC

Informa was the best performer in the peer group coming out of the GFC



Source: BofA Global Research, Bloomberg

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Pearson revenue most exposed to Dollar strength but unhelpful across the board

B2B media stocks are most exposed to US and European economies. The US is more than half of the revenue for all the names in our coverage, with Europe a further c.25%. There is limited exposure to China, most notable for Informa which is c.10-14% of revenue with some scope to recover further in 2024.

Exhibit 12: Our economists forecast weaker USD

BofA FX forecasts

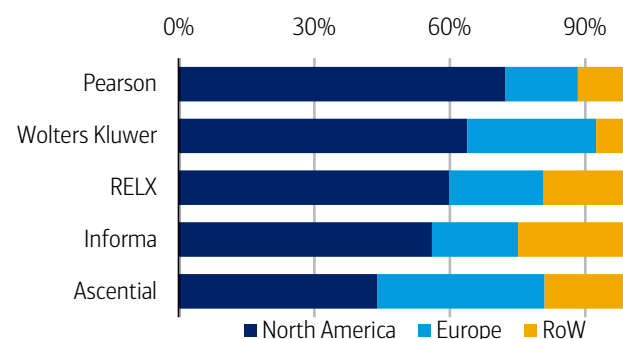
	1Q24	2Q24	3Q24	4Q24
GBP-USD	1.23	1.26	1.31	1.31
YoY %	1%	1%	4%	5%
EUR-USD	1.07	1.10	1.15	1.15
YoY %	0%	1%	6%	7%
GBP-EUR	1.15	1.15	1.14	1.14
YoY %	1%	0%	-2%	-2%

Source: BofA Global Research estimates

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Exhibit 13: Revenue exposure by geography

Over half of revenue is derived from the relatively more resilient US



Source: BofA Global Research estimates, company report

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RELX: Legal acceleration and upsized buyback

We expect the discount to US info-services peers to get further squeezed out in 2024. In FY23 results we see confirmation of a still supportive market backdrop in the Risk & Business Analytics division, and an upsized share buyback (BofAe: £1bn vs. cons: £739m). Initial guidance (for growth to continue above historic norms) should leave the door open to Legal division acceleration - we model a step-up to 7% underlying revenue growth this year (cons: 6%), with divisional adj.EBITA 7-15% ahead of consensus which will confirm RELX's AI credentials. On 18x CY24E EV/EBITDA RELX still trades at a c.20% discount to US info services peers, which we find unjustified given an average 7% underlying sales growth in 2023-25 in line with the best-in-class peers.

Exhibit 14: We remain well ahead of consensus within the Legal division

BofA forecasts vs. consensus: RELX

£m unless stated	2023			2024			2025		
	BofA	Cons.	% Variance	BofA	Cons.	% Variance	BofA	Cons.	% Variance
£:£	1.24			1.26			1.26		
Revenues	9,170	9,203	0%	9,753	9,772	0%	10,330	10,291	0%
Science Technical & Medical	3,041	3,049	0%	3,145	3,158	0%	3,289	3,290	0%
Risk & Business Analytics	3,113	3,142	-1%	3,323	3,351	-1%	3,580	3,605	-1%
Legal	1,880	1,886	0%	2,001	1,986	1%	2,150	2,113	2%
Exhibitions	1,137	1,126	1%	1,284	1,276	1%	1,311	1,283	2%
Organic growth (%)	8.3%	8.0%		6.5%	6.3%		6.5%	5.8%	
Science Technical & Medical	4%	4%		4%	4%		5%	4%	
Risk & Business Analytics	8%	8%		7.8%	7.7%		7.7%	7%	
Legal	6%	5%		7%	6%		7%	6%	
Exhibitions	29%	25%		9%	8%		7%	5%	
Adjusted operating profit	3,020	3,019	0%	3,280	3,242	1%	3,547	3,446	3%
Science Technical & Medical	1,160	1,158	0%	1,208	1,205	0%	1,272	1,261	1%
Risk & Business Analytics	1,157	1,167	-1%	1,247	1,250	0%	1,355	1,349	0%
Legal	408	404	1%	473	439	8%	557	484	15%
Exhibitions	308	308	0%	367	365	0%	378	369	2%
Corporate	-13	-17	-24%	-14	-17	-18%	-15	-17	-14%
Adjusted profit margin (%)	32.9%	32.8%		33.6%	33.2%		34.3%	33.5%	
Science Technical & Medical	38.1%	38.0%		38.4%	38.2%		38.7%	38.3%	
Risk & Business Analytics	37.2%	37.1%		37.5%	37.3%		37.9%	37.4%	
Legal	21.7%	21.4%		23.6%	22.1%		25.9%	22.9%	
Exhibitions	27.1%	27.4%		28.6%	28.6%		28.8%	28.7%	
Adjusted financing costs	-285	-286		-309	-293		-280	-277	
Adjusted PBT	2,735	2,732	0%	2,972	2,947	1%	3,267	3,167	3%
Adjusted tax	-621	-596	4%	-683	-665	3%	-751	-716	5%
Adjusted tax rate	22.7%	21.8%	4%	23.0%	22.6%	2%	23.0%	22.6%	2%
Non-controlling interests	-6	2		-6	3		-6	3	
Adjusted net profit	2,108	2,135	-1%	2,282	2,283	0%	2,510	2,452	2%
Diluted no. of shares	1,906	1,904	0%	1,876	1,877	0%	1,845	1,850	0%
Adjusted diluted EPS (p)	110.6	112.1	-1%	121.6	121.7	0%	136.1	132.6	3%
DPS (p)	57.2	59.1	-3%	62.9	63.7	-1%	70.4	68.8	2%

Source: BofA Global Research estimates, Visible Alpha

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- **Guidance for growth above historic trends:** Growth is likely to remain strong relative to history. We expect RELX's typical qualitative guidance to look as follows:

Exhibit 15: We expect guidance to signal another year of growth above historic trends

BofA assumptions for RELX's FY24 guidance

Underlying YoY growth	FY24 guide BofAe	FY24E BofAe	FY24E Cons	FY23E BofA
Revenue	Above historic trends	7%	6%	8%
Science Technical & Medical	Above historic trends	4%	4%	4%
Risk & Business Analytics	In line with historic trends	8%	8%	8%
Legal	Strong underlying growth	7%	6%	6%
Exhibitions	Above historic trends	9%	8%	29%
Adjusted operating profit	Above historic trends	8%		12%
Science Technical & Medical	Slightly exceeding revenue growth	5%		5%
Risk & Business Analytics	Slightly exceeding revenue growth	9%		8%
Legal	Growth to exceed revenue	16%		10%
Exhibitions	Growth to exceed revenue	19%		90%

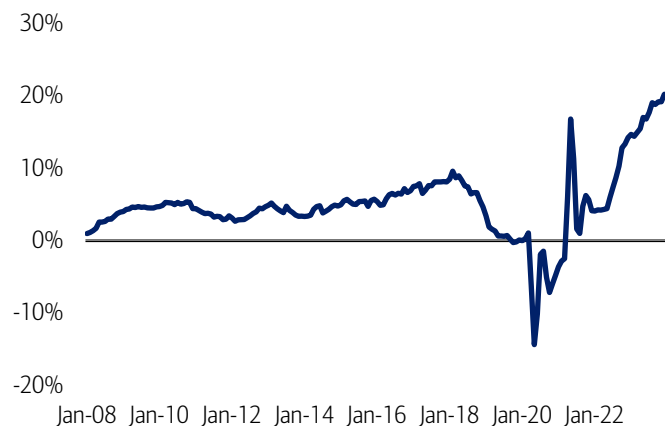
Source: BofA Global Research estimates, Visible Alpha

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- **Expect a still decent market backdrop in Risk & Business Analytics:** There are some concerns the strong market backdrop in auto insurance shopping and switching could switch to a headwind in 2024, which could weigh on growth in RELX's Risk & Business Analytics division. We think this is largely overstated as 1) The Risk division comprises two segments, and prospects for Business Services (as opposed to Insurance Solutions) are arguably on an improving trajectory as we exit 2023; 2) CPI inflation in US auto insurance premiums remains very high, likely to remain a stimulant to shopping activity.

Exhibit 16: Auto insurance costs remain significantly elevated

Auto insurance component of CPI YoY

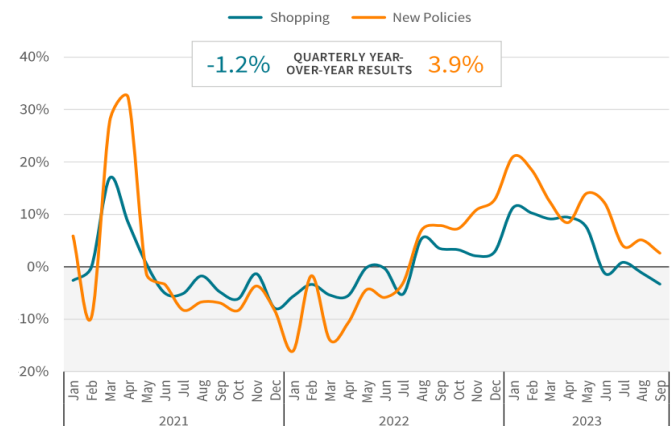


Source: Bloomberg

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Exhibit 17: Activity has cooled largely due to tougher comps

YoY change in shopping and new policies

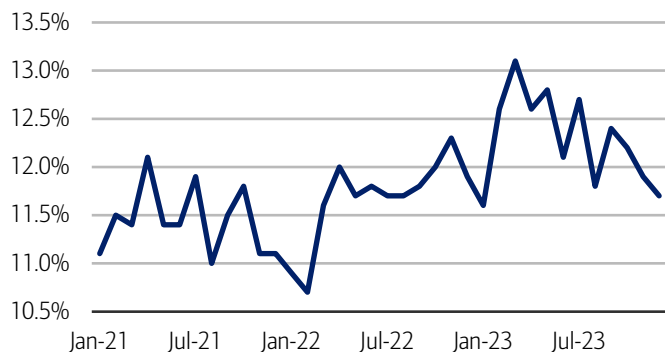


Source: LexisNexis Insurance Demand Meter Issue #16

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Exhibit 18: Auto insurance shopping activity

Rate shopping activity has decelerated over the past quarter

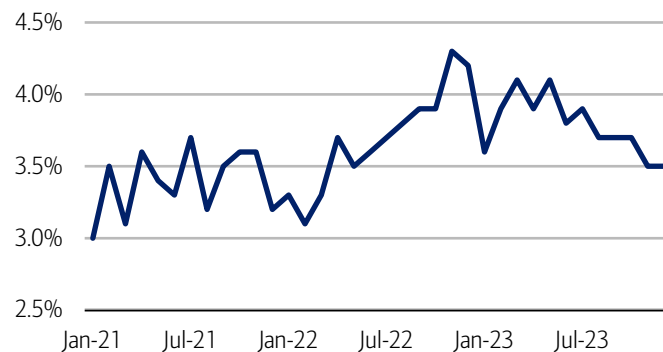


Source: J.D. Power Insurance Loyalty Indicator & Shopping Trends (LIST)

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Exhibit 19: Auto insurance switching activity

Auto insurance switching activity eased in 4Q23



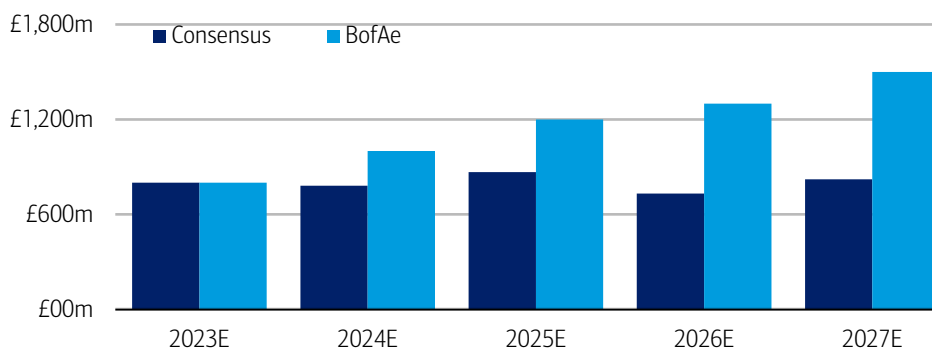
Source: J.D. Power Insurance Loyalty Indicator & Shopping Trends (LIST)

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- **An upsized buyback:** We model £1bn vs. consensus' £739m, and by 2027 >£2bn of additional shareholder returns vs. the street view.

Exhibit 20: Consensus underestimates buybacks

Share buyback forecasts



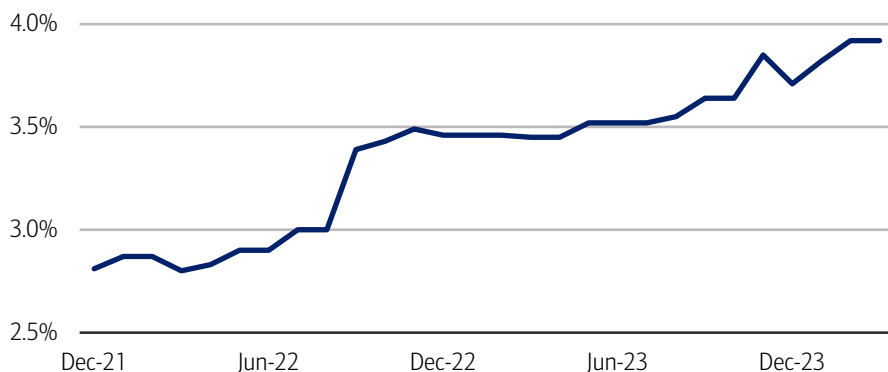
Source: BofA Global Research estimates, Visible Alpha

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- **More upbeat on STM, at 4% growth in FY24E:** We expect 4% growth in 2024E, notwithstanding a broadly more upbeat view on the division's prospects. We see mix shift in favour of faster growing databases & tools as the key driver of growth, with scope for generative AI to enhance the mid-high single digit growth here. However, we don't yet expect growth to tip into the 5% range.

Exhibit 21: Sentiment towards the STM division has flipped

Consensus forecasts for FY24E STM division underlying revenue growth



Source: Visible Alpha

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- **Legal acceleration on the cards:** Where we are more optimistic is on the Legal division, and will look closely for detail on the Lexis+ AI rollout on the earnings call. We think there is scope for the Legal division to grow 7% in FY24E, marking a further acceleration on the 6% we expect to be reported in FY23E.

Exhibit 22: GenAI could drive good news in 2024

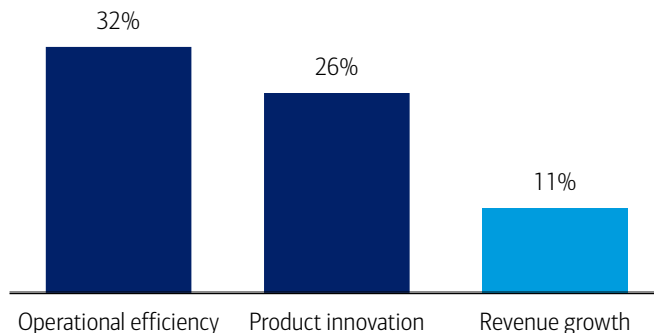
Attorneys expected to integrate genAI into legal work within the next year



Source: Wolters Kluwer Future Ready Lawyer survey, n = 700, dates = May 17th – June 4th 2023
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Exhibit 23: True revenue growth opportunities enabled by genAI – like Lexis+ AI – are rare

Where CEOs see the greatest "significant" impact from generative AI



Source: Outsell B2B technology and information services CEO Survey 2023, n = 76
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Pearson: Few surprises likely

We see 1) Shares adequately valued – having recovered >25% since the AI sell-off of early May 2023. We are not totally convinced by US listing plans; 2) growth likely maintained in the c.4% range in 2024 (vs. publisher peers' 6-8% and consensus' 4%); and 3) structural concerns likely to linger in Higher Education despite enrolments' stabilisation in 2023. Shares trade on 15x CY24E P/E, which we think is fair when considering Pearson's earnings profile vs. other media names.

Exhibit 24: We are broadly in line with consensus in FY23

BofA forecasts vs. consensus: Pearson

£m unless stated	2023		%	2024		%	2025		%
	BofA	Cons	change	BofA	Cons	change	BofA	Cons	change
E:\$	1.25			1.26			1.26		
Revenues	3,686	3,688	0%	3,742	3,749	0%	3,890	3,928	-1%
Virtual Learning	556	606	-8%	486	526	-8%	486	543	-11%
Higher Education	860	866	-1%	864	866	0%	881	890	-1%
English Language Learning	422	421	0%	486	470	3%	529	516	3%
Workforce Skills	224	223	0%	246	251	-2%	278	286	-3%
Assessment & Qualifications	1,600	1,562	2%	1,660	1,624	2%	1,716	1,697	1%
Businesses under strategic review	25	29	-16%	0	31	-100%	0	48	-100%
Organic growth	1%	3%		4%	4%		4%	5%	
Virtual Learning	-20%	-21%		-3%	2%		0%	4%	
Higher Education	-3%	-2%		1%	1%		2%	2%	
English Language Learning	30%	29%		15%	12%		9%	9%	
Workforce Skills	11%	10%		10%	13%		13%	14%	
Assessment & Qualifications	7%	7%		4%	4%		3%	4%	
Businesses under strategic review	-74.0%	-66%		0.0%	0%		0.0%	0%	
Adjusted operating profit	574	576	0%	617	622	-1%	654	681	-4%
Virtual Learning	55	72	-23%	61	71	-14%	61	74	-18%
Higher Education	109	118	-8%	117	132	-11%	122	144	-15%
English Language Learning	53	51	4%	62	65	-5%	75	80	-6%
Workforce Skills	15	16	-5%	19	21	-11%	24	31	-24%
Assessment & Qualifications	351	322	9%	359	338	6%	372	363	2%
Businesses under strategic review	-10	0	76160%	0	1	-100%	0	1	-100%
Adjusted operating profit margin	16%	16%		16.5%	16.6%		16.8%	17.3%	
Virtual Learning	10.0%	11.8%		12.5%	13.4%		12.5%	13.6%	
Higher Education	12.7%	13.7%		13.6%	15.3%		13.8%	16.2%	
English Language Learning	12.6%	12.2%		12.7%	13.8%		14.2%	15.5%	
Workforce Skills	6.7%	7.1%		7.6%	8.3%		8.6%	11.0%	
Assessment & Qualifications	21.9%	20.6%		21.6%	20.8%		21.7%	21.4%	

Exhibit 24: We are broadly in line with consensus in FY23

BofA forecasts vs. consensus: Pearson

£m unless stated	2023		%	2024		%	2025		%
	BofA	Cons	change	BofA	Cons	change	BofA	Cons	change
Businesses under strategic review	-41%	0%		#DIV/0!	2%		#DIV/0!	2%	
Adjusted interest	-36	-34	4%	-35	-33	6%	-31	-27	15%
Adjusted PBT	538	542	-1%	582	591	-1%	623	655	-5%
Adjusted tax	-129	-131		-140	-143		-149	-158	
Adjusted tax rate	24.0	24.1		24.0	24.2		24.0	24.2	
Adjusted net profit	406	410	-1%	440	447	-2%	470	495	-5%
Diluted no. of shares	711.3	711.0	0%	686.7	687.3	0%	687.7	683.5	1%
Adjusted EPS	57.1	57.7	-1%	64.1	64.6	-1%	68.4	71.6	-4%
DPS	23.0	22.6	2%	24.6	23.9	3%	26.3	26.6	-1%

Source: BofA Global Research estimates, Visible Alpha

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- Limited near-term upside, lingering mid-term question marks:** We think Pearson's current mix of businesses means growth prospects for the group will remain in the c.4% range in 2024. Longer term, we think concerns about Higher Education are unlikely to go away as we approach a weaker demographic from 2026 (see our report, Media & Internet: Too fast, too furious: Year Ahead 2024 edition 18 January 2024). And we increasingly question the outlook for Virtual Schools given recent lacklustre performance.

Exhibit 25: Pearson remains a sum-of-the-parts story with Higher Education and Virtual Schools a drag on growth – unlikely to substantially improve in the mid/near-term

Percent of sales by business area, delineated by growth relative to the group average

Percent of sales	Below group average	Above group average	2024-2026E revenue CAGR
Virtual Schools	13%		1%
Higher Education	23%		2%
Other Assessment & Qualifications	27%		3%
VUE		17%	5%
English Language Learning		13%	10%
Workforce Skills		7%	12%
Total	63%	37%	4%

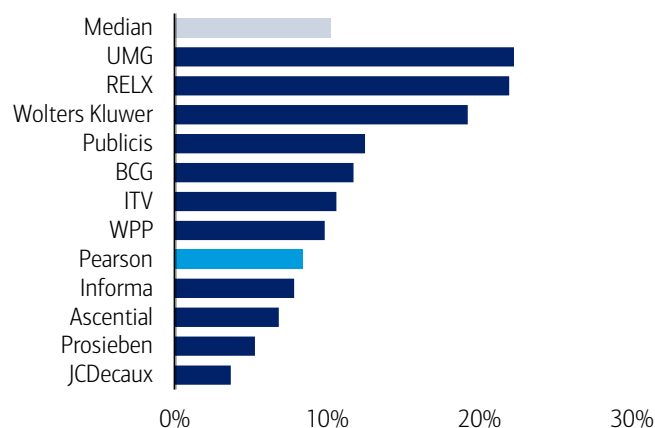
Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

- Shares adequately valued:** We think valuation is no longer appealing given the strong run in the shares since the nadir in May 2023. We think Pearson will continue to trade at a discount to publisher names and more in line with the broader media space given its lower growth and return profile.

Exhibit 26: CY24E ROIC

Pearson has a below average returns profile

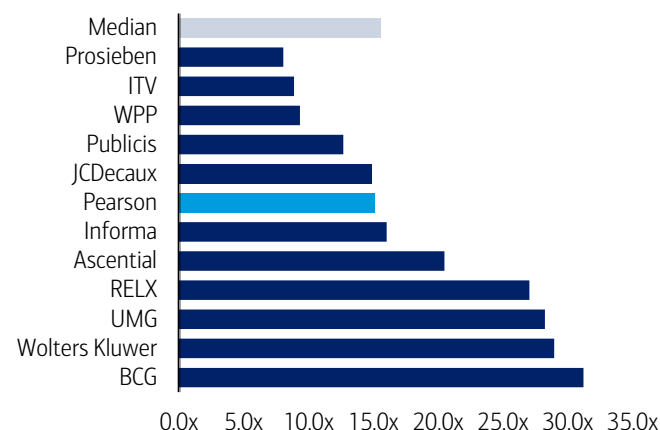


Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 27: CY23E P/E

And P/E multiple broadly in line with the sector

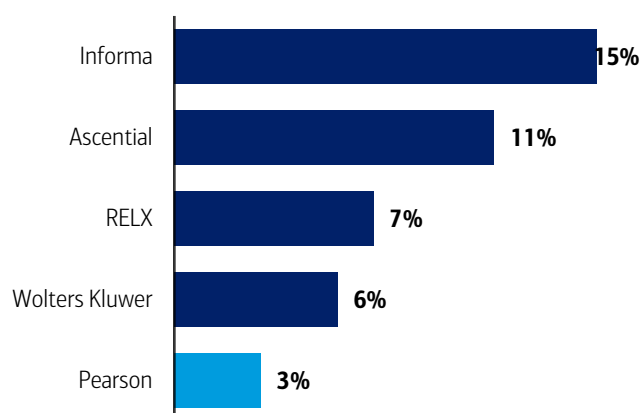


Source: BofA Global Research estimates

BofA GLOBAL RESEARCH

Exhibit 28: Average underlying sales growth, 2022-2025

Pearson remains low growth relative to peers

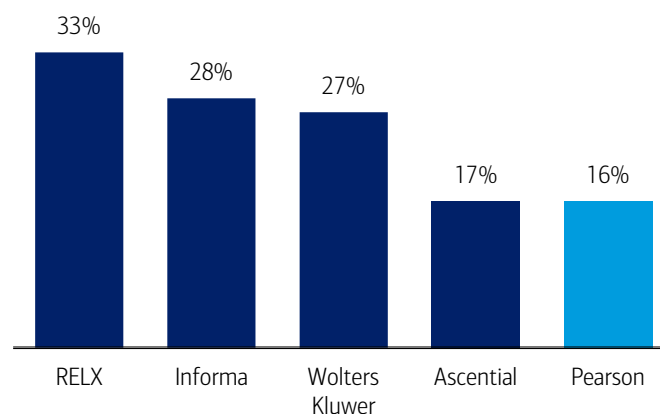


Source: BofA Global Research estimates

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Exhibit 29: CY24 EBITA margin

Pearson is also low margin



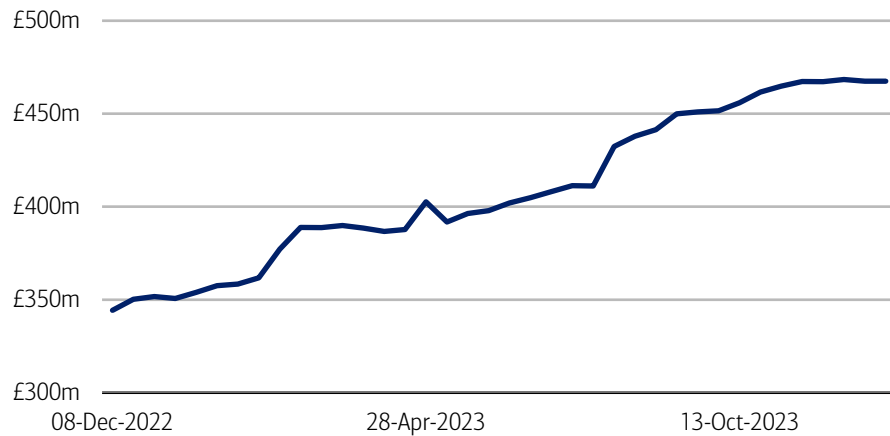
Source: BofA Global Research estimates

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- Consensus has caught up on English Language Learning:** Following recent approval in Canada and the strong momentum seen in 2023, consensus forecasts for English Language Learning divisional revenue in 2024 have increased meaningfully. We think this now adequately reflects the opportunity in 2024 and would expect limited further upside to forecasts. The very strong performance in 2023 also coincided with a largely supportive market backdrop. Recent changes to immigration rules in several major destination countries may make for a (slightly) less favourable market environment, though we think Pearson is largely insulated from this given it is a market share gainer (see our report: IDP Education: Outlook gets tougher as Canada to cut foreign student intake, Underperform 29 January 2024).

Exhibit 30: Consensus forecasts have now caught up

English Language Learning division revenue consensus forecasts



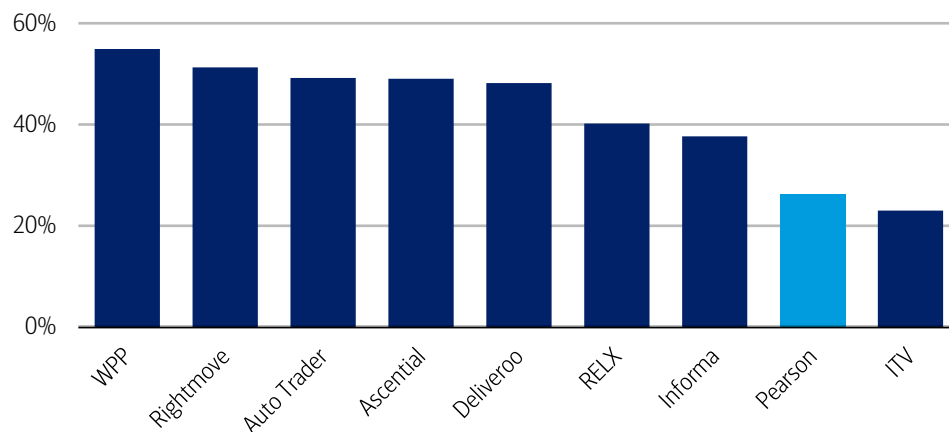
Source: Visible Alpha

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- A US listing? We are not totally convinced:** Pearson's largest shareholder has suggested a US listing could unlock 30-40% upside. In comments made to Bloomberg, Cevian's managing partner and founder Christer Gardell said, "To change the listing is an easy and effortless way to increase the value of a company". When we look at the education landscape in the US, we find (1) a mixed track record of performance vs. broader indices; (2) a considerably higher median growth profile; (3) a median EV/Sales multiple already broadly in line with Pearson's; and (4) Pearson already widely covered compared to the index constituents. Shares could re-rate given better liquidity, but we are not convinced US investors will ascribe materially greater value to Pearson given its low growth profile.

Exhibit 31: Over a quarter of Pearson shareholders are classified as American

Share of US ownership



Source: Bloomberg

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Exhibit 32: Stocks mentioned

Prices and ratings for stocks mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
PSO	PSO US	Pearson	US\$ 12.22	B-2-7
PSORF	PSON LN	Pearson	971.6p	B-2-7
RELX	RELX US	RELX PLC	US\$ 41.35	B-1-7
RLXXF	REL LN	RELX PLC	3262p	A-1-7
XFAFF	REN NA	RELX PLC	EUR 38.22	A-1-7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk**Pearson (PSORF / PSO)**

Our 1,030p (ADR US\$13.10) PO is based on 16x CY24E P/E, in line with a broad group of European Media sector peers. We think that a sector rating is appropriate, balancing growth/margin characteristics in Assessment & Qualifications and Virtual Learning, as well as the more uncertain outlook for Higher Education.

Downside risks to our PO: 1) Weaker US higher education enrolments due to structural enrolment pressures, 2) scope for a new strategy to demand additional investment in future years, 3) potential for online transitions in education to unwind post-COVID, 4) scope for faster monetisation of Pearson+ than we currently envisage.

Upside risks to our PO are 1) Higher US enrolments 2) Positive surprise on cost savings 3) Better than take up of Pearson+ and other direct to consumer product 4) Assets disposed at a premium to our expectations.

RELX (RELX)

We set our price objective at \$46.90 based on our DCF valuation with WACC at 7.7% and a long-term growth rate of 3.75%, and comparative valuation based on 20x CY24E EV/EBITDA, in line with peer group multiples.

Downside risks to our PO are: 1) A slowdown in insurance market conditions could impact RELX's ability to grow its Risk & Business Analytics division, where a significant proportion of revenue is transactional 2) Major geopolitical disruption can impact revenue growth and profitability in the Exhibitions division 3) RELX operates in regulatory complex markets and future changes to regulation could be detrimental 4) RELX handles large amounts of data, which puts it at risk from cyber-attacks or other data misuse.

RELX (RLXXF / XFAFF)

We set our price objectives at 3,770p / €44.10 based on our DCF valuation with WACC at 7.7% and a long-term growth rate of 3.75%, and comparative valuation based on 20x CY23E EV/EBITDA, in line with peer group multiples.

Downside risks to our PO are: 1) A slowdown in insurance market conditions could impact RELX's ability to grow its Risk & Business Analytics division, where a significant proportion of revenue is transactional 2) Major geopolitical disruption can impact revenue growth and profitability in the Exhibitions division 3) RELX operates in regulatory complex markets and future changes to regulation could be detrimental 4) RELX handles large amounts of data, which puts it at risk from cyber-attacks or other data misuse.

Analyst Certification

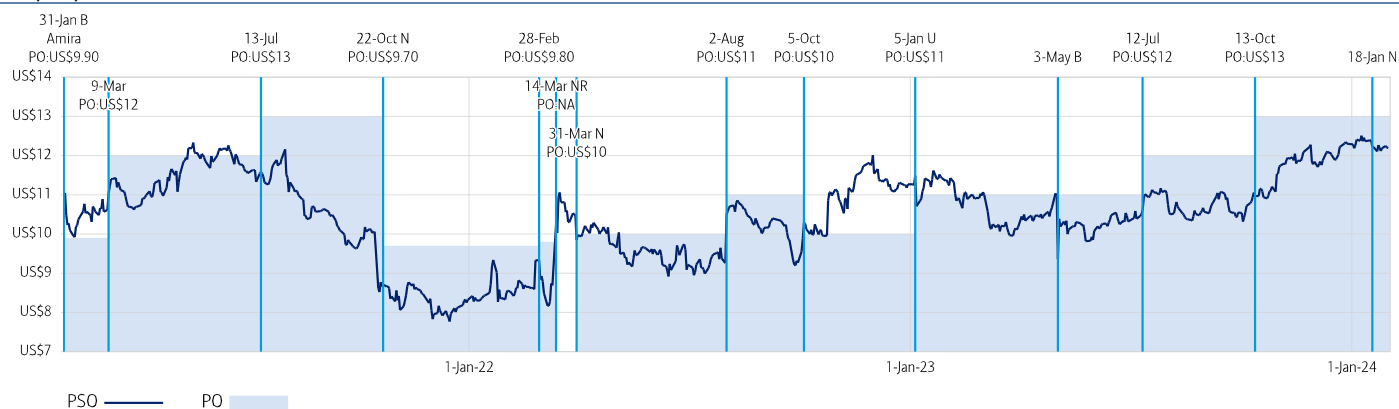
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EMEA - Media Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Auto Trader	ATDRF	AUTO LN	David Amira, CFA
	Deliveroo	DROOF	ROO LN	Kiranjot Grewal
	Entain	GMVHF	ENT LN	Kiranjot Grewal
	Evolution	EWVTY	EWVTY US	Kiranjot Grewal
	Evolution Gaming	EVGGF	EVO SS	Kiranjot Grewal
	Flutter	XZMVF	FLTR LN	Kiranjot Grewal
	Flutter	FLUT	FLUT US	Kiranjot Grewal
	Informa	IFPJF	INF LN	David Amira, CFA
	Interpublic	IPG	IPG US	Adrien de Saint Hilaire
	JCDecaux	JCDXF	DEC FP	Adrien de Saint Hilaire
	Just Eat Takeaway	TKAYF	TKWY NA	Kiranjot Grewal
	Just Eat Takeaway	JTKWY	JTKWY US	Kiranjot Grewal
	Playtech	PYTCF	PTEC LN	Kiranjot Grewal
	Publicis	PUBGY	PUBGY US	Adrien de Saint Hilaire
	Publicis Groupe	PGPEF	PUB FP	Adrien de Saint Hilaire
	RELX	XFAFF	REN NA	David Amira, CFA
	RELX	RLXXF	REL LN	David Amira, CFA
	RELX	RELX	RELX US	David Amira, CFA
	Schibsted	SBSNF	SCHA NO	Adrien de Saint Hilaire
	Schibsted	SBBTF	SCHB NO	Adrien de Saint Hilaire
	Scout24	SCOTF	G24 GY	David Amira, CFA
	Universal Music Group	UMGNF	UMG NA	Adrien de Saint Hilaire
	Vivendi	VIVEF	VIV FP	Adrien de Saint Hilaire
	Vivendi	VIVHY	VIVHY US	Adrien de Saint Hilaire
NEUTRAL				
	Ascential	AIAPF	ASCL LN	David Amira, CFA
	AUTO1 Group	ATOGF	AG1 GY	David Amira, CFA
	Baltic Classifieds Group	XZXXF	BCG LN	David Amira, CFA
	Chegg Inc.	CHGG	CHGG US	David Amira, CFA
	Delivery Hero	DLVHF	DHER GY	Kiranjot Grewal
	La Francaise Des Jeux	LDJF	FDJ FP	Kiranjot Grewal
	Pearson	PSORF	PERSON LN	David Amira, CFA
	Pearson	PSO	PSO US	David Amira, CFA
	Wolters Kluwer	WOLTF	WKL NA	David Amira, CFA
	Wolters Kluwer	WTKWY	WTKWY US	David Amira, CFA
UNDERPERFORM				
	Embracer Group	THQQF	EMBRACB SS	Adrien de Saint Hilaire
	HelloFresh	HLFFF	HFG GY	Kiranjot Grewal
	ITV	ITVPF	ITV LN	Adrien de Saint Hilaire
	Omnicom	OMC	OMC US	Adrien de Saint Hilaire
	ProSiebenSat.1	PBSFF	PSM GY	Adrien de Saint Hilaire
	Rightmove	RTMVF	RMV LN	David Amira, CFA
	Rightmove	RTMVY	RTMVY US	David Amira, CFA
	RTL Group	ZRLQF	RRTL GY	Adrien de Saint Hilaire
	Ubisoft	UBSFF	UBI FP	Adrien de Saint Hilaire
	Ubisoft	UBSFY	UBSFY US	Adrien de Saint Hilaire
	WPP	WPPGF	WPP LN	Adrien de Saint Hilaire
	WPP	WPP	WPP US	Adrien de Saint Hilaire

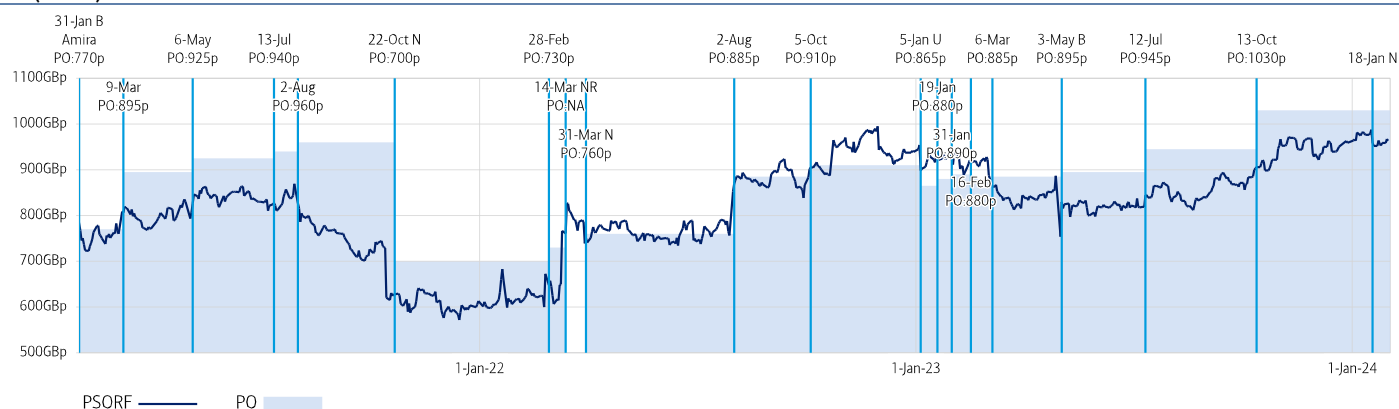
Disclosures

Important Disclosures

Pearson (PSO) Price Chart

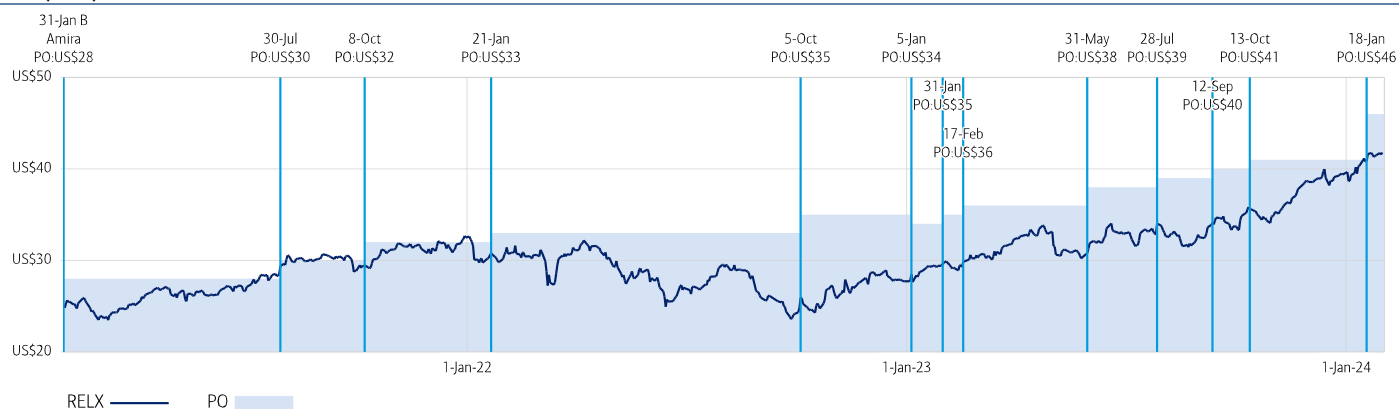
B: Buy, N: Neutral, U: Underperform, PO: Price Objective, NA: No longer valid, NR: No Rating

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Pearson (PSORF) Price Chart

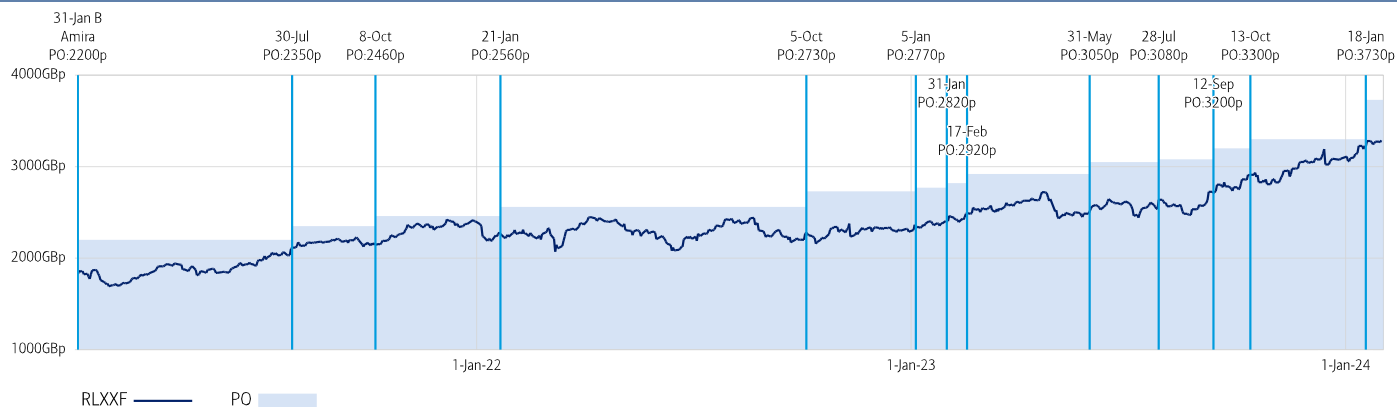
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RELX PLC (RELX) Price Chart

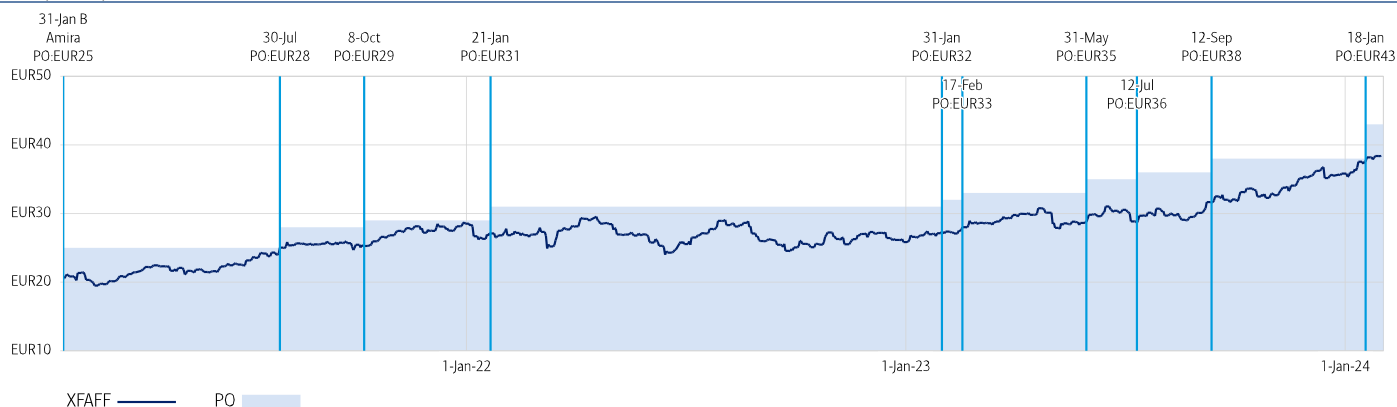
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RELX PLC (RLXXF) Price Chart

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RELX PLC (XFAFF) Price Chart

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Equity Investment Rating Distribution: Media & Entertainment Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	35	53.85%	Buy	15	42.86%
Hold	15	23.08%	Hold	8	53.33%
Sell	15	23.08%	Sell	7	46.67%

Equity Investment Rating Distribution: Technology Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	215	53.09%	Buy	111	51.63%
Hold	97	23.95%	Hold	45	46.39%
Sell	93	22.96%	Sell	24	25.81%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships ^{R1}	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

^{R1} Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

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Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster ^{R2}
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

^{R2}Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

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