S&P Global
Market Intelligence

# Informa plc LSE:INF

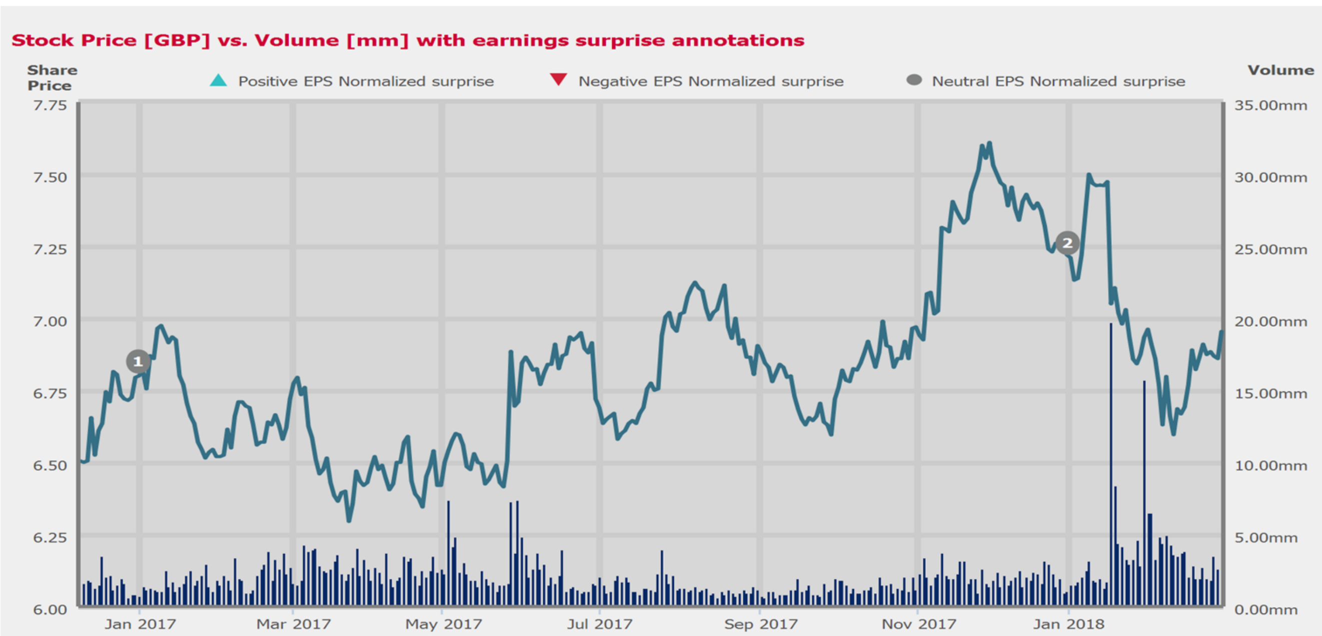
# FY 2017 Earnings Call Transcripts

## Wednesday, February 28, 2018 8:30 AM GMT

## S&P Global Market Intelligence Estimates

| | -FY 2017- | | | -FY 2018- |
|---|---|---|---|---|
| | CONSENSUS | ACTUAL | SURPRISE | CONSENSUS |
| EPS Normalized | 0.46 | 0.46 | 0.00 | 0.48 |
| Revenue (mm) | 1734.68 | 1757.60 | 1.32 | 1747.79 |

Currency: GBP
Consensus as of Feb-28-2018 8:21 AM GMT




| - EPS NORMALIZED - | CONSENSUS | ACTUAL | SURPRISE |
|---|---|---|---|
| FY 2016 | 0.42 | 0.42 | 1 0.00 % |
| FY 2017 | 0.46 | 0.46 | 2 0.00 % |

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# Call Participants

## EXECUTIVES

**Gareth Richard Wright**
*Group Finance Director & Director*

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

## ANALYSTS

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*Citigroup Inc, Research Division*

**William Henry Packer**
*Exane BNP Paribas, Research Division*

# Presentation

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Well, good morning, everybody, and thank you very much for coming, particularly on a cold wintery morning. It's very nice to see Tim and Marina at the back of the hall. It's my job to be the warmup act for you UBM's results later today, which some of you may well already have seen. And I'm hoping that we'll get through it in time to avoid you changing channels to go to the ITV presentation, which is just down the corridor.

But we're here today to talk about our 2017 annual results and to give a sense of what our plans are for 2018.

The standard disclaimer is as you would expect, and that takes us straight into where we are today.

We are, as a matter of record, presenting the results for 2017. But for us, it has a slight added [ peak ], we'll see, because we're also reporting what is the end of our Growth Acceleration Plan, which has been running for the last 4 years. And you'll forgive me if I just remind everybody what we were setting out to do when we put this together at the end of 2013.

We wanted to change the way in which we ran the business, and we shifted what had previously been a very distributed model into an operating structure pivoted around operating divisions. That necessitated and required quite a significant change the way in which we manage the business, and indeed, some of the people who manage the business. It made us look at our portfolio that we had then and make some changes about which bits of the portfolio would fit and suit for the company that we were building for the future.

We took a very early decision that we would build and buy a position in the Global Exhibitions market, and that's largely where we have focused our acquisition capital over the last period. We wanted to both lay out a reason why and earn the right to be able to invest at what we believe was an appropriate level in a business of this nature. Historically, we had been a significant, I would say, under-investor in our assets.

We weren't seeking to be an over-investor, but we were of the view that we were running what was increasingly going to be a data business and that running that at a sub-1% to sub-0.5% of sales investment ratio, which was just unsustainable position, and that, that would require us to address the way in which we funded this program probably through the use of our balance sheet in different ways both in debt and equity.

And that plan, which pivoted around those 6 pillars was designed to try and get us to a point, whereby, we could progressively return the business into growth, and at the same time, build some capabilities, which would allow us to then go on and do more at the end of that Growth Acceleration Plan period. That was what we set out to do.

Where are we at the end of 2017? I think we're in reasonable shape. We've had a full year of growth in revenue and in adjusted earnings, I think a good step-up, a further step-up after strong performance, actually last year in cash flow, and a continued progressive increase in our dividend. I don't want to overstate this because we are still very much in building capability mode. But nevertheless, those of you who know our company well, and I know many of you do, the operational capability within our business is in a significantly better and different place from where it was 4 or 5 years ago.

I think the highlight for me of 2017 has been the speed, pace and effectiveness with which Penton had to come onboard within the business. And we learned a lot about ourselves, and indeed, about how to do that in the last 18 months. And that will be relevant to what hopefully lies ahead of us.

We've continued and will continue to look at our portfolio. In 2017, we sold a majority position in Euroforum, our last remaining [ scale ] European Conference business in Germany, to our actually then licensed partner now, majority owner, Handelsblatt. We retain a minority position for reasons of relationship and actually market access if we need it. But it is no longer our business to run and theirs to grow alongside their more focused, traditional, media publishing assets. We also exited our Garland textbook business in Academic Publishing, further polishing and improving the mix of business within AP.

We also added some businesses. We brought in YPI at the beginning of the year, further building our position in International Yachting very much, following our strategy of, if we're going to add add-in verticals where we already play and have a market position. And we further added some capability in the Open Access market through the addition of Dove Medical Press in Academic Publishing.

And we are, as you know, in the middle of a process with UBM in order to try and create even more scale in the market in which we operate. I'm not going to say much about that today for the reason that many of you already heard me say a lot. And candidly, there's not much new to add. But we may will get to it in questions, and we will just do a short update on timing at the end.

In terms of numbers, these are the numbers. Our Exhibitions business did another strong year of good growth, slightly ahead of the market. Our Academic Publishing business, steady growth, strong year-end. As you all know, the quarter 4 and particularly, November and December are important months for that business, particularly for what you might describe as a more retail aspects of that business. And we had a strong November and December. Business intelligence continues to tick upwards. And K&N snuck over the line but got to where we wanted it to be, and I'll talk a little bit more about that later.

In terms of profit earnings and dividends per share, good growth on all those lines. The EPS number, which Gareth will break down, is a mixture of our currency tax and trading. And the free cash flow number, we're particularly pleased with and I won't steal Gareth's thunder on that either.

So just to summarize, before I hand over to Gareth to take you through the detail of the divisional and group performance. When we were looking at what became known as the Growth Acceleration Plan, what was it we were seeking to do? And these probably are in some sort of order, or maybe they're just the order of visibility. The first was to build and buy our scale position in B2B Events, which again sitting here in February 2018, kind of looks like an obvious thing to do. It didn't look quite so obvious in 2013. At the time, we had an Exhibitions business largely based out of the Middle East and Africa, plus the Monaco Yacht Show, which was around GBP 120 million to GBP 130 million of turnover. We had no business in the United States, no business materially in Asia.

We saw a market which we thought we would understand, that we could work in, and we sought to be competitive in the way in which we saw all that developing. And the proposed combination with UBM is a further step in that strategy.

At the same time, in the B2B Events business, we wanted to simplify and focus, and then get back into growth, what many of you knew as our old Conference business, which at that time was considerably larger than our Exhibitions portfolio. It had really been the heartbeat of the company and in the day, had been a great business to be in. It was a volume business, but it had been a great business. And the first-order decision for us was, "Do we just get out of that business altogether? Or is there an essence of that business which has long term sustainable defensible value?"

And we took the latter view, and so we have exited quite a number of markets, products, geographies, but we've kept the core of that business which we think has long term sustainability, whether our branded events, confexes, product with quality and sustainable differentiation, where you can charge a premium price for the quality and service you're delivering to your customers.

Less obviously and the area where we were at the time having the most difficulty in 2012, 2013 is what we now call Business Intelligence, what the market [ bearishly ] calls Information Services, where in truth, we were really a bit of a novate. We hadn't been in that market for a very long. We'd sort of picked up a series of spot assets through combined acquisitions. The company had historically made an acquisition which had not been, all that one would have wished it to be. And there was a question mark over whether or not really we should be in this business at all.

Many people, indeed many shareholders were of the view, we should just simply exit that market. And we took the view that actually for a relatively nominal investment, somewhere between GBP 25 million to

GBP 35 million, if we could repair that business, actually what we would have would be an asset of real capability. And we thought that the B2B market would move over time towards an approach of focused scale. Where having assets which were overlapping, whether they be in B2B Events or information or data or products or service provision would be long-term beneficial. And therefore -- but if we'd exited that market, we might well have built a strong position in B2B Events, but it would ultimately be a limiting place to be until we had scale.

We wanted to build a position in the United States. That's not a particularly revelatory statement. How many times have people like me stood at podiums like this in the United Kingdom and said, that's a good idea. But I remember saying at that time that even then, sadly, I was old enough and now I'm a bit older to know that it was a sort of little corporate graveyard just off the East Coast of United States of America of companies that have gone to America, particularly when the exchange rate is favorable, and then reversed out 2 or 3 years later with their tail between their legs.

So we did it very slowly. We started by putting our toe in the water. Our first business we bought was Virgo Publishing, small food ingredients business in Phoenix. We then stepped our way up in our scale and position in the United States, FIME, FanExpo, Hanley Wood and then Penton, in order to learn our way into the market and where we could to bring people and talent into the business as well as brands and business, so that we could learn as we went and build capability to enable us to be able to operate more effectively.

And then alongside all of that, what we wanted to do wasn't just trade but build. We needed to trade, so we needed to deliver growth. We needed to deliver progressive dividend returns to shareholders who stayed with us, but what we also needed to do was to build capability, invest in ourselves, in our products, in our people, in our platforms, in our systems. And believe you me, if you were inside the company, you could bump into many people and say, "It's a long way from done, but it's a long way from where it was as well." And that process of building capability, if you want to be in the information and data markets, is where you need to be in a business like ours.

So that's what we set out to do. Those were the initiatives that were the bedrock over the last 4 years and many people inside the company have been focused on doing, and in large part, delivering pretty well against those objectives over the time.

So now I'd like hand over to Gareth just to take us through the key financials from the group and the divisions. Gareth, over to you.

**Gareth Richard Wright**
*Group Finance Director & Director*

Thank you, Stephen. Good morning, everyone, and thanks for coming to the results presentation today.

The financial headline is that we're pleased to be reporting a set of results that demonstrates real financial performance and delivery in the final year of the 2014-2017 Growth Acceleration Plan.

So here are some of the financial highlights for the year. Reported revenue increased by 30.7% to GBP 1.76 billion. Our underlying revenue growth was 3.4%, an acceleration over the 1.6% organic growth delivered in 2016. Adjusted operating profit increased by 31.3% to GBP 545 million, and this increase in OP drove an improvement in the adjusted diluted earnings per share, which rose by 9.5% to 46.1p.

Breaking that growth down into its components. It's about 2p increase from trading; about 2p increase from our expansion, including Penton; about 2p increase from currency; and that's what partly offset by 2p tax headwind. As a result of this earnings growth, the board's commitment to increase the dividend by 6% to 20.45p per share, was covered around 2.25x by earnings.

Free cash flow was strong, increasing around 30% to GBP 401 million, achieving our target that we set at the start of 2017 for free cash flow around GBP 400 million in the year. And this cash flow has brought our leverage back within our target range at 2.5x at year-end.

So just focusing on how the group revenue growth builds up for second. Our successful program of expansion and scale added about 21% to revenue year-on-year. The currency benefit of the stronger U.S. dollar added around 5.5%. The most important thing for us was a 3.4%, added through underlying trading, increasing from the 1.6% we delivered in the previous year. And all this adds up to an overall increase in actual reported revenue of around 31% in 2017.

So to say, a key driver of the expansion and scale was the successful integration of Penton Information Services, delivered ahead of schedule and operating under unified management team in 2017. We took the approach to combine the Penton business into the divisions of Informa that they were most likely to thrive in. Our approach to integrating Penton has allowed us to realize synergies quickly and effectively with around $15 million of gross cost savings achieved in '17 and this is expected to rise to around $22.5 million in 2018.

We've preserved and developed a strong brands and franchises within Penton, which has strengthened our specialist verticals in turn. And in addition, there are several revenue initiatives that are already underway, which I'll discuss in more detail on the next slide.

At the same time, Penton's data and marketing solutions business was relaunched as Informa Engage, offering specialist, B2B services for connecting marketers with B2B decision-makers. And this acquisition, building on the previous deals such as Hanley Wood and Virgo, has further strengthened -- excuse me, has further strengthened our presence in the U.S., our largest single market.

So overall, this demonstrates a model for integration that we have growing confidence in and which we'll look to use for the integration of UBM, assuming that we're successful in completing the shareholder approval process.

So the operating synergies of Penton have been achieved in 3 main areas. And taking these each in turn, and in terms of 2018 synergies that we're aiming to achieve, our corporate overhead reduction, approximately 15% of the GBP 22.5 million gross savings are coming from the reduction of duplicate costs across executive leadership and other corporate and group functions.

In terms of management and support restructuring. Approximately 50% of the savings are expected to be generated from the reduction of duplicate management cost, including the rationalization of overlapping IT systems, processes and associated investment spend. And finally, in terms of procurement, approximately 35% of the synergies generated for Penton are expected to come from leveraging the large group scale across procurement, commissions, insurance and property.

Addition to that, we believe that there are also revenue opportunities ongoing through our 6-step revenue growth plan. You may recognize this slide from the UBM 2.7 announcement presentation that we gave at the end of January. We felt it was worth using it again as a great illustration of how the 6-step revenue growth plan can be delivered in practice and how some of the dynamics are quite quick to come to fruition and some take a bit longer.

So picking out a couple of topics from the slide. Our broader market position across the GHNN supply chain post Penton has enabled us to promote our events to new audiences, leading to particularly strong growth of Vitafoods Europe and Vitafoods Asia in 2017, with the latter doubling in size. We've also used our greater depth in verticals to help us develop geo-cloning opportunities in 2018. This will see us launch SupplySide China in Guangzhou.

In 2017, we started to roll out our Markit Makr digital platform in a number of verticals, and Stephen is going to talk to you a bit more about this in a minute when he goes through the divisions. And combined with the progressive rollout of our customer value program, we're confident that these revenue synergies will contribute to another year of attractive growth overall for the business.

So focusing on the division-by-division growth. We delivered operational performance with all 4 divisions in growth in 2017. Global Exhibitions delivered underlying revenue growth of 7.6%, delivered by strong performance from the top 30 exhibitions. Margins increased -- margins decreased by 1 percentage point as we invested in the division, and we added the slightly lower margin YPI business, but the outturn was still a 6.5% increase in OP.

Business intelligence continued its improvement in underlying revenue growth to 2.2%, reflecting the benefits and investments in products and platforms on subscription renewals, consulting activities and specialist data for marketing solutions. OP increased by 6.2%, as BI was the largest beneficiary of Penton synergy savings.

Academic Publishing improved underlying revenue growth to 2%, reflecting consistent growth in journals and an improved performance in Books, which was particularly strong in the last 2 months of the year. And Knowledge & Networking delivered positive underlying revenue growth of 0.1%, reflecting increased focus in the portfolio, strength in brand and confexes and events and investment in its digital capabilities. The revenue growth, ahead of the Q3 IMS, was driven by strong performance in November by far K&Ns largest trading month of the year.

So walking down the wider income statement. Our operating margin increased by 10 basis points year-on-year, on the upside, higher growth and the mix benefit from the larger GE business helps. This was partly offset by extra depreciation and investment coming from the Growth Acceleration Plan. Interest was GBP 59 million, primarily because of the increased debt following Penton, but also not helped by a stronger U.S. dollar nor interest rate rises.

The effective tax rate increased to 21.2%, following change in the U.K. tax law, but also not benefiting from the increased mix of U.S. profits in 2017. And this all added up to a 9.5% increase in EPS, which covered the 6-point -- the 6% increase in the dividend a 2.25x.

This is a subject very close to my heart, free cash flow. The group continues to put great emphasis on conversion of profits into cash, alongside the effective allocation of free cash flow to balance our targeted acquisition strategy with consistent and progressive shareholder returns. At the start of 2017, you may remember we set a target of delivering GBP 400 million of free cash flow in the year, which would be an increase of over [ around 1/3 ] over the GBP 306 million we delivered in 2016.

We achieved this. We reported GBP 400.9 million despite the schedule increases in CapEx in the year following the Growth Acceleration Plan and also despite the negative trend in currency movements through the year. This reflects the strong profit delivery and lower cash tax as we utilized tax credits for losses that came with Penton. And the free cash flow performance delivered another strong year of free cash flow yield around about 7.1% for the full year.

So the combination of strong cash generation and our balanced approach to funding produced a robust balance sheet at year-end, with net debt-to-EBITDA of 2.5x, back within our target range of 2x to 2.5x. To strengthen our financing, we funded another $400 million in the U.S. Private Placement market at the end of January -- at the start of January 2018, at an average interest rate of 4%.

Another strengthening in the balance sheet in terms of pensions where our accounting deficit or the defined benefit pension schemes reduces to under GBP 24 million at year-end.

So in summary, including that new PP raise, alongside our year-end debt result and the maturity profile in the lower graph, you can see, together our secured pension position, we have a robust balance sheet with long-term financing flexibility.

We continued to deliver the portfolio management element of the GAP strategy, which looks to ensure that we allocate our capital to the parts of the portfolio where we can generate the best returns. To that end, in 2017, we exited a number of businesses. The sale of the Garland Books business reduced our exposure to the more volatile, lower-level text book market. The disposal of the majority stake in the Euroforum business increased our focus in K&N on the stronger performing core verticals. And finally, small-scale disposables in both BI and GE helped improve the performance for these businesses.

Overall, the group ROCE includes the full year of the Penton business for the first time, which reduced ROCE as expected on the P&L returns basis. But on a cash tax basis, reflecting the losses acquired with that business, the ROCE was 9.9%.

So to wrap up, I just wanted to highlight the progress in our overall financial KPIs over the period of the Growth Acceleration Plan. Group revenue growth has increased by almost 2 percentage points. The compound annual growth and adjusted profit has been 13%. The compound annual growth in free cash flow has been 17%. And dividend payments have increased by an average of 4% over that time. And we think, taken together, this really underlines the solid and improving financial performance for Informa over the midterm and over the period of the Growth Acceleration Plan.

So with that, I'd like to hand back to Stephen.

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Thanks, Gareth. Right. Thanks very much, and welcome to some colleagues, who joined us. We're sort of halfway through, and then we'll get to questions.

So a little bit of a context. I'm not going to try in becoming an economic forecaster, because looking into the seeds of time and predicting which grains are going to grow or not, is a tricky to thing to do, as someone once said. But I think context is relevant for the market in which we operate in.

And our contextual view is that, whilst, on the day-to-day basis there's noise, and there's certainly noise if you're sitting in London, the macro themes are broadly helpful for the industries that we work in and that we serve. We are a truly and about to become an even more so international and global business. And we see the regional growth opportunities in the markets in which we will be trading, in North America, in Asia, in the Middle East and Africa, and indeed, in South America as mid- to long-term attractive. If anything, we will be underrepresented and certainly underweighted by a percentage in the United Kingdom and Europe.

There is much discussion about the impact of our artificial intelligence and robotics, and [ our growth and ] capability. What does that mean if you're any face-to-face business? We might get into that in questions. But what it certainly means is that the power of data and analytics, and knowing and understanding your customers, what they're doing, what they want, where they're going, is going to be a core part of the business in which we operate, and we largely see that not as a headwind but as a helping wind.

In the markets in which we operate, whether that's B2B Events, Business Information or scholarly research, the growth of learning and education, particularly, differentiated learning and education as opposed to mass-market education, again, we see, broadly, helpful, mid- to long-term trends. And certainly, in the latter, it's an area of significant investment in most of the developing markets. In specialist information and indeed in B2B Events, it's all about micro focus and being close to your specific customers, focused scale in the jargon of the Information Services market. And that has been where we have been trying to develop our portfolio over the last few years and we'll continue to do so.

In the verticals where we increasingly have strong footprint, actually, there's some very interesting trend, whether it's in changing end consumer habits, whether it's in the increase in demand being placed on the efficiency of the pharma biotech and healthcare sector, whether it's the increasing horizontalization of technology into all businesses, the significant increase in food demand driven by the rise in the world's population but no increase in the size of the planet, and demand for an ever-increasing urbanized globe to efficiently house and construct working environments that are fit for purpose for the world in which we live.

So we are not [ tiguresque ] about the markets we operate in, but we are quietly confident that we're in neighborhoods that have got mid- to long-term attractiveness built into them. And our task is to run our portfolio in a way that serves to take best advantage of that.

So let's have a little bit of a look at each of our divisions. And our Exhibitions business is now our largest division and will soon be an even larger part of the group. Our focus has been on the major brands in the main markets where we have sought to drive out improvement in absolute performance, whether that be straightforward volume.

The first lesson I was taught when I started to get deep into this business was, it starts with the visitors. You have to have attendee growth, or certainly attendee stability. It's not just a footfall business, but it matters. Then what you need to do is drive out yield

[Audio Gap]

across the portfolio. Then what you need to do is to do more. And the big highlight, as Gareth said, has been our Market Maker strategy where we've sought to target attractive industry verticals and build depth in verticals through multiple brands across the supply chain. For us, Markit Makr is both a strategy and a product.

The strategy is to serve to provide our customers with the service and benefits across the markets in which they work, a product is a digital platform that allows us to provide sales and service solutions to our customers, which provide them with ever more effective sales leads and efficient lead generation. The advantage of that is, if you do that, every time you do it, you gain more knowledge and information about your customer. We launched it about 18 months ago.

After about 18 months of development, we started on our Life Sciences portfolio, OMNIA is our sub-brand that we use within that platform. And what that allows us to do is to effectively create a multiplier effect on the service proposition for our customers. We then took it from Arab Health to Africa Health to MEDLAB, which was a brand that we spun out of Arab Health to set up in the medical technology market. We then took it to FIME in the U.S., which was a business we bought in the U.S. to further expand our footprint. And then we moved it onto Asia Health, which, so it is a mixture there of taker brand, geo-clone, buy an addition geo-clone, adding digital capability geo-clones.

So a steady cadence of developing your portfolio using your brands, using your cross-marketing and investing in digital capability to build your footprint. That then drives the ability for your customers to showcase their products, that enhances the participation of your exhibitors, that mass significantly improves the qualification of the lead generation that you're providing to your customers.

In 2018, we're taking this now from our Life Sciences portfolio on to our food ingredients portfolio, which is probably our other most internationalized vertical in the way in which we work. And then we're beginning to move it out across real estate and construction and other categories. We feel very confident that this is another added strength to our bow, alongside, ensuring that the core B2B Events product remains as strong as it needs to be in what is an increasingly demanding market.

Business Intelligence, quite a different business model. It's a subscription-led business model where renewal rates matter. If you remember back in the day, we were a 70% renewal rate business. That's really very tricky, as they say. If you open your books on January 1, and you've already lost 30% of your customers, you have to have a new business pipeline to die for if you're going to stay static. And that's why we were facing a 10% year-on-year decline, because we just couldn't catch up fast enough. And we were in that kind of death spiral of having to discount in order to just stand still.

So we rebased the business, and we focused the business around subscription renewals and contract value and existing customer management, changed the way in which we operate and organized around those customers and around those verticals. We then layered in consulting, largely as a sales and customer service support, rather than necessarily, as a profit driver. And then we began to bring our investment from GAP onboard in order to improve the product offering both for our existing customers and for prospective new customers.

I would say not job done but job being done, now on what I recall the hygiene factors of running a business like this. The price for us, I think, in 2018 and beyond is to take the investments we've made, whether it's in Citeline, in Pharma or in EPFR or in financial services or in ag or in technology, and not just satisfy the people we know, but also bring in some customers that we don't know. And if there's a challenge and a task for that business, it is to drive our performance in new business, having done a very strong performance in existing business. And that's where we see the midterm opportunity for further growth.

In Academic Publishing, which has been a business of consistent strength, and if I had a pound for every time I've been asked what are you going to do with Academic Publishing question, in the last 5 years, we would we doing very well. This is a consistent business. It is a strong business. It was when the board asked me to become the Chief Executive, it was nearly 60% to 65% of our business. It will, I think, on math doing it in my head, at the end of 2017, will be just less than 1/3 of the business. If we are successful in the completion of our combination with UBM, it'll be less than 1/5 of the business. But the interesting is, it'll be 40% bigger than it was 5 years ago. So for me, there's not a lot to like about a business that's growing, that's getting small as a proportion of a group that's growing. It's a very consistent, reliable and powerful business.

We have no scale issues in this market. That was a problem we had in the B2B Events business. We don't have a scale issue in this market. We have a powerful brand or indeed brands. We have a footprint in Humanities and Social Sciences, which is recognized by authors, by researchers, by institutions. It's an international business. And it's a business which is adapting to the way in which the market is adapting. And it is true that the market is adapting. There is a shift in the way in which, particularly in research journals, customers are seeking to buy and use the product, and that shift between big-access deals to open access, pay-to-publish publishing is a trend. But it's not a cliff edge. It's a trend. And it's a trend that we are actively participating in, investing in and bringing capability to be able to deliver service to our customers.

The opportunity in this business is to drive further service and technology capability for the customers that we've got and for the communities that we serve. I encourage you to go to our platform there, taylorfrancis.com, we've invested quite a significant amount of money. We've done a job of work in our Books business over the last 2, 3 years.

Those of you who have listened to me politely over the last few years will remember talking about 2 or 3 years ago that we were unifying our Books business. It was 3 businesses, we're putting it into 1. We're creating a central platform. We're moving all of our books product into 1 platform, the [ UBS ] platform. We invested quite a considerable amount of money in that platform. We launched that last year. It puts over 140 reference titles on it. We've got 2,000 customers. We've migrated onto that platform. It's live. It's active. I encourage you to go to the artificial intelligence area not just because it's a fascinating current subject, but also, we're one of the world leaders in it. But you can't get beyond the pay wall until you pay. And so hopefully, there'll be enough there to tease you to consider going further.

On Author Services, we need to more Author Services, because it isn't simply any longer a matter of sourcing content. You have to regard your authors as a relationship for life and for the period of the publication. And again, that's an area where we're investing in technology to help us on providing those author communities with research dashboards, portals for easier submission and the easier managing of manuscripts, more flexibility, faster routes to market and a higher level of data and analytics on subject matter usage and reader interest. It's a very interesting market with lots going on underneath that steady headline of another year of consistent performance.

In Knowledge & Networking, just to finish on the portfolio, here we said, we wanted to simplify and grow. And as I said at the beginning, this used to be a very significant business in volume. It's now a significant business in quality. And the focus is largely, if you look at the chart in the revenue by vertical, is around the 3 verticals of Life Sciences, Global Finance and TMT, which is about GBP 220 million, GBP 230 million of the GBP 280 million of revenue. Those markets are doing well. The brands in those markets are doing well.

The event portfolio have shrunk to just under 1,000 from nearly 12,000. The focus is around the larger events

[Audio Gap]

and is over 100,000. We're building businesses that have got revenues of over GBP 1 million, and that is the way in which we will seek to develop that portfolio.

We've said goodbye to Spain and Portugal and South Africa and Holland twice and Sweden and Denmark and Russia and Brazil and Germany and Switzerland and those exit processes take time. I know because I'm looking at some of the people who did it. And we, by and large, I think exercised our duty of care to our colleagues in those businesses well and focused the business around where we see long term, sustainable future.

This is a lift from an internal presentation, which was designed to visualize. When we talk about communities, what do we mean by communities? What do we mean when we say what we need to do is to provide an engagement platform for our customers in individual communities? How do you become a digital-first business rather than just a spot events business? How do you provide market-leading trend data for your customers, which is relevant?

How do you build a digital platform that people are willing to subscribe to and use regularly? How do you make people genuinely feel part of an industry community and importantly, for us, commercially, insert yourself into that community in a way where people don't think it's intrusive, but an embedded part of the way in which they connect network and learn? And that is the core of that business. And when you get it right, it is a really beautiful thing.

The group, as a whole, here's where we are on [ our core ] visibility of earnings. Our revenue by division is as laid out. Our Exhibitions business is now as we set out to be 4 or 5 years ago, our largest business. It will become a larger business, but that's a snapshot. That's a moment in time. We're building this group over time for scale and performance and Information Services group. But short term, it now is clearly our largest and powerhouse business.

Our revenue mix is materially dollar-denominated, and our revenue type is increasingly more visible and more predictable and gives us a higher level of certainty as we step from one year to the next.

Our strategy for 2018 is growth continuation. We see the steady progressive improvement in growth, in performance, in revenue, in earnings and dividends as an attractive part of the investment proposition for shareholders, as a measured balance of return for our customers and our colleagues and our shareholders, and allows us to invest in the business progressively over time to continue to compound our technology improvements and our platform capabilities.

We feel good about where the business is. We are very excited about our possible combination with UBM. The processes is laid out. There's not much to add to that, other than, later today, there'll be a considerable more exciting presentation from Tim and Marina on their own results. And then we will both be Publishing the relevant circular and prospectus materials in the middle of March. There'll then be a shareholder vote in April, and there'll be a record date for the dividends. And then, we're anticipating a completion date in Q2 2018, obviously, that's subject to the completion of the now underway antitrust procedural filings.

We're hopeful, therefore, that will take us to the midyear, where we'll be one company. That will allow us to set at it with our Accelerated Integration Plan. We're using the time within the bounds of appropriate rules and procedures to learn more to test our operating hypothesis, so that when we combine, we can hit the ground running.

We have a team that is working, I would say, as collaboratively as you can do. And these -- I'd like to just pay a thank you to Tim and Marina and the team for allowing us to do that in a way that's making the discovery as effective as it can at this stage. We see cost savings, but we're not making this proposal in order to achieve cost savings. We want to run the business efficiently, but what we want to do is we want the combined company to be a growth-based business, investing for the future and delivering more for its customers and for itself.
And on that, I will pause and take questions.

# Question and Answer

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Front row. Do we have microphones?

**Katherine Tait**
*Goldman Sachs Group Inc., Research Division*

Katherine Tait from Goldman Sachs. Two questions for me. Firstly, on Academic Publishing. Clearly, Annie's been in place now for about 8 months, and these a lot of talk about data attack. But obviously, your margins this year improved by 100 basis points. How should we think about that margin profile going forwards given potential investments that Annie and the team will be making within that business to really bring it up to the level that you've been sketching out for us? And secondly, on the sort of Markit Makr digitization of Exhibitions. Can you talk us through how this is monetized? Is this an additional subscription that your exhibitors and various attendees sign up for and pay an additional fee for? Or is that something that is incorporated into the broader services of the existing shows?

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Okay. Thanks, Katherine. Why don't I touch on Markit Makrs, say a couple of things on Academic, and you might come in on the margin profile.

**Gareth Richard Wright**
*Group Finance Director & Director*

Yes.

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

On Markit Makr, there are 3 or 4 different ways in which you can monetize. The first thing I would say is we didn't set out to do it in order to drive revenue. We set out to do it a bit like what we're doing in K&N where we're trying to build community relationships over time outside the events of the people call beyond the booth in order to build a community relationship. Having said that, there are routes to monetization. You can monetize through straightforward, effectively exhibit prices, but they're digital exhibits for presence and depending on what the scale of that presence is and the ranking of that presence. You can monetize through media and advertising revenues. You can monetize through data analytics. And what it also allows you to do is to deepen the nature of your following-year conversation about how you then sell and price and package for the following year because you're dealing with a customer who A, is considerably more invested and embedded in the event, and B, you considerably more information about who their visitors were, what their purchasing cycle was, what their purchase budget was, and how it enables you to then sell to them. So it's really -- at its heart, it was driven by desire to improve the depth of the relationship with the customer and to enable you to do what we call customer value proposition, which is to have more than just a simple price to yield conversation. That's the way we think about it. On Annie, it certainly feels longer, and that's a good thing. She's definitely a firm part of the team, both the Informa leadership team but also the Taylor & Francis team. She's been, it would appear, everywhere. Certainly, everywhere I go, she's been there before me, both inside the business and with customers. We've begun to make some changes. The Dove addition was very much made on her watch, albeit it was on the pipeline before she came. That was very much part of -- she was in that thinking from the get-go. The approach to what we're doing in Academic Publishing is no different, Katherine, than what we've tried to do everywhere, which is measured change rather than kind of seismic or cliff-edge change. I think I said publicly we're not seeking to, because there's been a change in leadership, have a kind of kitchen sink moment where we kind of rebase the business and turn it into something that it isn't or it wasn't because it doesn't need that. But what it does need and why Annie was the right person is it needs much more focus around service delivery for authors. It's definitely true. We need to be at a minimum alongside the price and, how would I describe it, kind of market shifts in the way which journals are being used both by authors and indeed, by institutions. And we also need, I think, to be more ambitious about what we can do internationally. We have a very nice business in the United States, actually a good business in U.K. and Europe. But really, a lot of the growth in Publishing and in Academic Research is in the rest of the world. I was about to say emerging markets, but these are well emerged. China is a global leader in research publishing now. So we can be more ambitious there and that's where her focus. Personally, I don't believe we need to materially change the margin profile of that business. We might need to adjust it but not materially. Gareth?

**Gareth Richard Wright**
*Group Finance Director & Director*

In terms of the actual movements, Katherine, in 2017, because of the nature of this business is that it's heavily weighted towards dollars and its revenue profile has a sterling cost base. In 2017, you saw margin expand by about 1 percentage point because of the strengthening in the dollar relative to sterling. So that explains the '17 result. But obviously, the corollary of that is if you mark-to-market at the moment 1.41 with the U.S. dollar, what you'll see is that margin coming down under pressure going the other way in 2018. So in the short term, you shouldn't expect to see an expansion in that number.

**Ian Richard Whittaker**
*Liberum Capital Limited, Research Division*

Ian Whittaker from Liberum. Three questions. First of all, just looking at your underlying organic revenue growth for 2018, the more than 3.5%. Given you did 3.4% sort of in 2017, large network is improving, Business Intelligence improving, academic should be stable, Events continue to remain strong a very good growth rate, so should we expect that to be close to 4% rather than the 3.5% level? The second thing is just in terms of Academic. There's been some speculation in the or some suggestions in the trade press that there's been some issues with your negotiations in France and the U.K. just around your products, so just wondered if you could so that with the universities there talk a bit about that. And then third of all, just in terms of what you were talking about in terms of Penton, in terms of you've got potential revenue synergies on top of what you've done in terms of the cost. Obviously, there's been a time lag in terms of when you acquired that business to when you're now talking about potential revenue synergies. Is this typical in terms of the length that you would expect from an acquisition to then when you start to actually sort of look at revenue synergies? Or is it something special about the Penton deal that has meant that maybe things have been a little bit delayed?

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Okay, thanks very much, Ian. I'll try and cut into those. Gareth, come in as you see fit, maybe particularly on the overall growth figure. On Penton, I mean, I don't know if it was you Ian, but certainly somebody I think, I'm sorry I could be misattributing, if I am, I apologize. Somebody said I think when we announced Penton, so what it is about a growth strategy that encourages you to buy a business that is not growing? And our view was, well, because we think over time it will grow. And we think the bits that aren't growing are going to decline at a pace and rate, and the bits that are going to grow are going to exceed that, and then we'll get there. And you're right, there is a bit of a time lag. Actually, if you -- I think we don't break out Penton, so I don't know what the profit number is, but I think if I looked at Penton as Penton was, it probably was marginally in growth in '17. I'm looking at Richard to keep me -- I want to say it was marginally in growth. But there was a drag, and the drag was largely print. But the print actually didn't do as badly as we thought or certainly as we modeled. I think partly because we don't have a theological view that print revenue is bad revenue if it has a role. And we're not seeking to maximize our nonprint revenue mix in order to drive a valuation for sale. So we're not motivated by that outcome. And the other parts of the Penton portfolio, which we thought were strong have been stronger. The event brands have been very strong. The combination where we've made them with our existing brands, particularly in food ingredients, has been extremely strong. We're adding into Natural Products Expo this year -- this week and in through next week, and that is looking extremely good. I think if you give that a little bit of time to run, we'll get it to where it is. And I think -- but I think that's a function of the Penton mix rather than a structural point on approach to acquisitions. On AP, look, it's that time of year. We're in the middle of renegotiations and renewals and subscription discussions. I haven't seen the noise that you referred to, but I'm sure there is some. But there is nothing that's materially worrisome. On the overall growth, I couldn't possibly comment because we're in the middle of an offer period. We've given previous guidance that we want to have another year of growth. We think that north of 3.5% is a target we should aim for. Obviously, it's a mix because it's a group number, it will depend. Exhibitions is a bigger business now by some margin. So whilst I think Exhibitions will have another strong year, it won't be as strong, I would suggest, on the headline number as it has been this year. Academic, I think, will be steady. BI, we're targeting another year of progressive growth, but we'll not put a number on it. And K&N, again, I think will be steady. So it's a mix effect, but another year of growth. I don't know if you want to lead the witness any further on that one, Gareth?

**Gareth Richard Wright**
*Group Finance Director & Director*

Nothing to add to that. I think that's what we can say at the moment.

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

At the back?

**William Henry Packer**
*Exane BNP Paribas, Research Division*

It's Will Packer from Exane BNP Paribas. I have 3 questions for me, please. Firstly, within your Exhibitions portfolio, could you go into a bit more detail on what bits from a vertical and geographic perspective would have outperformed? And just how big a driver has the U.S. real estate and construction been? And how -- what's the sustainability of growth there? Secondly, it seems there's been some reallocation between divisions from '16 to '17. Could you just talk through what assets have moved between Exhibitions, BI and K&N? And then lastly, we kind of touched on this already, but when we're finished with the GAP scheme, we're talking about organic revenue growth of 3.5%, just how much operating leverage can we start to see in the business?

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Gareth, do you want to come in on the operational leverage and sorry, what was your second question? Apologies.

**William Henry Packer**
*Exane BNP Paribas, Research Division*

The reallocation.

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

And the reallocation point, and then I'll talk about GE. Or would you rather dodge the question? Would you like to come in on the operating leverage question, when can we see some or more? And has there been any material reallocation between I think you said GE and BI, didn't you?

**Gareth Richard Wright**
*Group Finance Director & Director*

Yes. That's one that's slightly -- I slightly have to think about. I don't think there is anything reallocating between the divisions in 2017. We had a initial allocation of the Penton assets as one segment, and then we broke that out at the half year. But I think it's really pretty steady between the divisions and certainly not a material factor in terms of any of the numbers. In terms of operating leverage, I think we've seen in '16 and '17 as a strive to improve the level of revenue performance, we're going to focus on that and make the investments that we need to make into the business to deliver that. And we would see that being kind of the same in 2018 and in the short term because we want to continue to drive the revenue number and continue to improve that, and whilst we like to see the OP tick up behind it, it's not our -- getting OP to accelerate ahead of the revenue growth is not our primary focus at the moment. It's really about sustainable revenue growth, and therefore, if we can deliver a higher -- slightly higher level of revenue growth and have the profits tick up a bit behind it but not reach that level, then we'll be comfortable with that as an overall shape of the business.

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

And on your vertical and geography point, actually just scanning down these, keep me -- we don't report these breakout numbers, but Richard can keep me -- construction real estate had a good year across the mix. I mean, it's not all hard construction, as you know. Some of that is surfaces, some of that is interiors, some of that is property development, some of it is physical construction. We've got a broad portfolio there. But the only area where we had any real softness was in one particular geography. But that was a local issue. Health and nutrition, very strong across the entire brand so in all geographies. Life Sciences, similarly, I think very strong. And MEDLAB last year was the breakout, we repeated this year, again went well. Aviation, the Events portfolio was very, very strong. That was a Penton addition. That's really a secondary market portfolio, as you know. Agriculture, similarly. International Yachting, we had a slight heart-in-the-mouth moment as many people did very genuine reasons around the hurricanes in the United States. But actually, we were on the other side of that. And actually, our entire Yachting portfolio traded strongly. And we've had the first of those this year in Miami. We've got Palm Beach coming up and again strong. Beauty and antiaging, largely an Asian business. But antiaging is one of our European portfolios. And Europe and U.S. is strong. Utilities, which is largely waste, strong, almost all American pop culture all North American and strong. So actually, very, very spread. It was a consistent portfolio performance across geographies.

**William Henry Packer**
*Exane BNP Paribas, Research Division*

One point we should, therefore, expect underlying, excluding the UBM acquisition, operating profit growth to be in line or below revenue growth for FY '18?

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

I don't think we can comment on that. Well, but it's a very fair question. Next?

**Simon Baker**
*Societe Generale Cross Asset Research*

Simon Baker, SocGen. Two questions, please. Firstly, when you talk, Stephen, about the BI progressive organic revenue growth in 2018, I'm just wondering what KPIs you can share with us that underpins your confidence and expectation there? In the past renewal rates were moving up towards 90% as they are now. We've talked about ACV in the past being one of the main KPIs. So what you can share with us on that? And then secondly, on Academic Publishing, you say that the market is adapting Open Access deals paid-to-publish deals are the trend. I was just wondering whether you could add some color on what that trend means for margin, please, within that component?

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Interesting questions. On the first, I think the confidence in a steady performance from BI comes from the fact that we have good visibility now on where we are on renewals and on contract value across all of the markets we're in and the renewal period is -- runs really from -- straddles the calendar year, it runs from November through to February. So actually standing here now, we've got reasonable sight of that. The less confidence in how punchy or strong that will be is because, as I was saying in my opening remarks, really, what will now lift that business from a steady growth performer, and there's no shame or disappointment in that, but into a strong growth performer is new business and that's about pipeline and conversion. And indeed, the profitability of that pipeline and conversion, that's much harder to track and see at this stage of the year. And so that will be where there'll be a real focus in 2018 and beyond. And that's a bit of a skills shift too because you're into farmers and hunters and the way in which you take your product to market. So there's a bit of an operational gearshift we need within the business, which we're doing. I'm not saying with a lot of life to it but it's a slightly different pace. In AP, I mean, this is a subject that I don't profess to be an expert. There are many people who know more about this than me. But there is no doubt that we've discussed this before, you and I, the fundamental truth of research and scholarly publishing is that everybody engaged in that activity has one common goal, and that is to ensure the dissemination and sharing of high-quality, original research output on the grounds that it broadens the sum of human knowledge. And if you broaden the sum of human knowledge, you increase learning. If you increase learning, you increase innovation. That's the driving force of the activity that we're all engaged with, which is why academic publishers to be good academic publishers have to be as interested in academia as they are in publishing. It's a very interesting market to work in. It's not just a sales proposition. And in Open Access, what you have in Open Access is a publishing, a systemic publishing product solution, which accelerates that dissemination because it makes it easier to access, it makes it quicker, it changes the peer review process so that has some impacts. And also, in some instances, it changes the way in which people budget and pay. And in any market when you see those shifts, that requires the provider of the service to adapt their product development, packaging, pricing model and we're doing that. And on the buy side of the market, people don't want to buy twice or they certainly might buy twice, but they don't want pay twice for the same product. And those are the trends that all the publishers are addressing. And that's why we've progressively made investment both in our own Open Access business. We bought an Open Access business last year. We're making more investment in the way in which we provide service provision to those. I don't -- I mean, it's a trend, but it's not a cliff edge. And I think the end outcome will be a positive one, which is it will expand the market. And generally speaking, my experience is, if you're in a market, if you're got brands, product and quality content and the market is expanding, it's incumbent upon you to find a way of developing your product and service to take advantage of that not just defend where you are. And that's what we're in the process of doing, and that's a large part to go back to Katherine's question of what Annie's charge is over the next 3 to 4 years. Chris?

**Christopher Anton Giles Collett**
*Deutsche Bank AG, Research Division*

It's Chris Collett from Deutsche. Just a couple of questions. One was continuing on Academic. You've talked about Journals business being steady. Looks like books have just improved. But given that's somewhat lumpy business and very weighted to the year-end, do you have confidence that, that businesses will genuinely improve? Or could we go back to another poor performance in 2018? Second question was just on the synergies with UBM. It was interesting to see, I think you had over 1/3 of your synergies from Penton were coming from procurement, but procurement as a proportion of the synergies with UBM is a much smaller part. So just wondering if there's anything that we should read into that? And then final question, a little bit reflective. You've come to the end of the GAP. I think you talked about sort of the next plan being the sort of Accelerated Integration Plan, but integration isn't necessarily a strategy. So what is going to come? Is there going to be another GAP? Should we expect another sort of strategy announcement at some point in the future?

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

Thanks, Chris. You might want to come in on the procurement question, Gareth. I mean, our Academic business is a tale of 2 cities, although they're not equally sized. One of the cities is a bigger one, which is Journals; and the other is, as you say, the Books one, which is more of a unit sale business. The great joy of the Journals business is it's a subscription business. The great worry of the Journals business is it's a subscription business. The great joy of the Books business is when you get it right, it's a beautiful thing; and when you get it wrong, it's a retail sales business. So you kind of live with both. What we do in order to smooth out the lumps to use your word in Books and what we've been doing, and that's why I used it in my presentation is we've simplified our own operating business. So we've got rid of our own internal divisions where we had kind of 3 different Books versions of the world, which just makes for an efficient production processes and commissioning. We have upped our absolute volume, so we are publishing more product. We're producing more product. I think we have done that without any reduction in quality. In fact, if anything, I think not to comment on historically that it was poorer quality, but I think our quality levels continue to improve year-on-year. And we've invested significantly in our platform where increasingly more and more customers are using for discovery and usage. So and then on top of that, you need to improve your marketing and your customer service. But ultimately, I'll be standing here in November of next year and you'll be saying to me, "What's your confidence in your Books numbers for 2018?" I'll be saying, "Ask me in January." That's the truth of that business. But I think, we are pleased that what we did in '17 brought through in '18 -- sorry, what we did in '16 brought through in '17. And I think we feel, going into '18, good about the midterm prospects. I'll let Gareth come in on procurement, although suffice to say, the number that we put out in the 2.7 was an audited number. And as the auditor is sitting just one row behind you, I need to limit anything further that I say on that, other than that number has been verified and we feel confident in that. Are we hopeful that there might be another number that will be subsequently verified? Of course, we're hopeful about that, but I can't comment anymore. On strategy, we have -- we've got our hands full right now. We've come out of the GAP program. We've given ourselves a program for forward growth. And we want to deliver that in our existing business in '18, and that's I think a good strategy for this year. We also want to ensure that our combination with UBM goes well and the AIP will take some doing to do that at the speed that we've laid out. I think you asked an interesting question about where long term the future of the combined group is, but I think we need to become a combined group before we answer that question publicly. So I think that will be a '19 issue, not an '18 issue. But on the detail of the Penton procurement versus what we're proposing on UBM, do you want to touch on that, Gareth?

**Gareth Richard Wright**
*Group Finance Director & Director*

I think you're right in the way you've analyzed it, Chris. I mean, on Penton, it was a larger proportion of the overall numbers for procurement. A key aspect of that was getting their contractor services contracts for the build of their exhibitions onto the [indiscernible] contract. And we had a larger scale business, therefore, we're able to use some leverage to get a better contract in that space. So that was the largest part of the Penton savings, along with things about insurance, commissions, property, et cetera, that also helped. But the contractor savings was the largest element. It's slightly lower in terms of the shape of it in terms of the UBM 2.7 announcement for 2 reasons. The first one is, as Stephen has mentioned, it's an audited number. And therefore, you've got to take a bit of a haircut on the number to get to a point where it's been derisked enough for the auditors to sign off on it and be comfortable with it. As Stephen said, it's a number that we would hope to beat. But the second dynamic that you've got to take into account is that UBM have made procurement a part of their strategy, and therefore, I don't think we're coming from the same sort of starting point as we were with the Penton acquisition. So I think it would be wrong to assume that it was going to be quite the same level of low-hanging fruit as there were with Penton.

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

I'm conscious we're losing the audience to an audience business. Question at the front.

**Thomas A Singlehurst**
*Citigroup Inc, Research Division*

It's Tom here from Citigroup. And I do apologize if you addressed this elsewhere, but I think I missed the beginning. But just to pin down the Books business in the fourth quarter of last year, obviously a big acceleration from 0.9% in Academic to 2.0% the whole year. Was there anything unusual in that? Was that all underlying demand for Books? Or was there any sort of channel effects or anything that was unusual in that fourth quarter performance because it obviously was a big acceleration. And you seem to be saying that it will now a stick at 2% for the whole of the year for 2018 as well?

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*

I don't think I said that last bit. I said steady.

**Thomas A Singlehurst**
*Citigroup Inc, Research Division*

Steady at 2%.

**Stephen Andrew Carter**
*Group Chief Executive & Executive Director*
I said steady. But just to be clear, for the audience of doubt, as they say. I have no recollection of saying that. But I think it will be steady. The answer is, it was, look, it was a strong. It was one channel change in one geography where there was a new channel or a new stocking order which came to the market. But overall, the vast majority of the performance was underlying. And given that we are having this conversation in February, if I'm allowed to say this with you, Richard, we've seen -- we haven't seen a dry January because of a bumper December, if that's your question. Any final questions? Well, can I thank you again for those people who are in the room. Can I say thank you to those people who are watching on the webcast. I know -- I hope at least that they'll be colleagues not just from Informa, but Tim, very kindly arranged for this to be linked through the UBM site. And I hope that some UBM colleagues also found it a useful insight into the business that hopefully they will be coming a very central part of. So thanks very much for your time, and enjoy the next show. Thank you very much.