

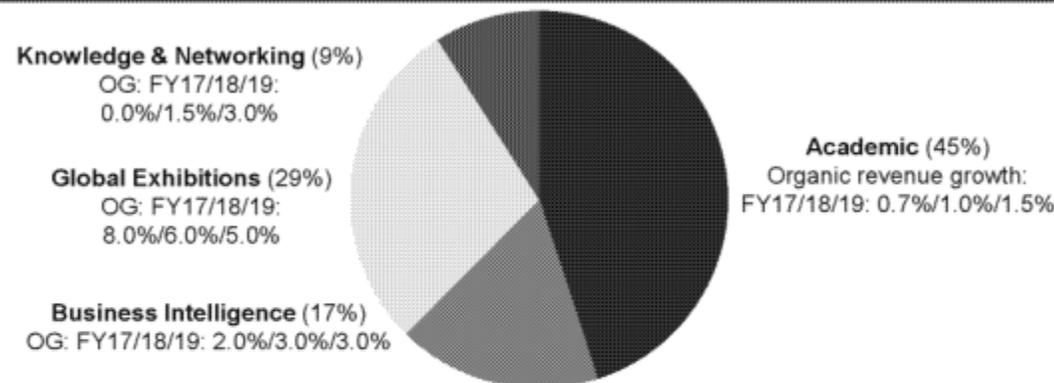
26 **Informa – Chris Collett, BUY, close 713.8p, 880p tgt, 23% upside**

- **2018 as the turning point.** Investors have been sceptical of the Growth Acceleration Plan; we think the company finally delivers >3% organic revenue growth in 2018 (DBe +3.1%).
- **We believe our forecasts are conservative.** We estimate 6% organic growth in Exhibitions (37% of operating profit) in 2018; growth has averaged c9% over the past three years.
  - Product re-launches and improved retention could also provide upside to our estimate of 3% in Business Intelligence (18% of operating profit).
- **Academic Publishing should improve** (37% of operating profit). We forecast 1% growth, but with the disposal of Garland Science, better books integration and a dynamic new divisional CEO, there is further upside.
  - Management has also reassured on a recent earnings call that margins would be protected.
- **Knowledge & Networking turnaround** (8% of operating profit). Revenue growth turned positive in July-October 2017 after underlying declines every year since 2013.
- **We expect the unwarranted discount to peers to close** as Informa re-rates. Informa trades at P/E discounts of 2.5pts to Wolters Kluwer (despite identical organic growth) and 4.5pts to RELX (whose organic growth is only 1pp higher). **Informa trades on 14.9x 2019E P/E.**
- Catalysts: FY-17 28<sup>th</sup> February

**Related DB Research:**

In the 3% club: raising TP to 880p (Collett)

**Positive organic growth across all divisions (split by operating profit, 2016)**



Source: Deutsche Bank

**Informa trades on a discount to global information peers**

Company	PE		EV/EBITDA	
	2017	2018	2017	2018
CoreLogic	15.6	14.6	12.4	11.5
Experian	25.6	24.2	13.8	13.3
IHS Markit	21.4	19.2	15.5	14.3
Thomson Reuters	18.0	16.7	11.1	10.4
Verisk Analytics	29.2	28.0	17.7	16.6
Median pure-play BI	21.4	19.2	13.8	13.3
Informa	15.2	14.7	12.2	11.3
Informa vs. median	(28.9%)	(23.4%)	(11.4%)	(15.0%)

Source: Deutsche Bank