



**ITE Group plc**  
**Interim Results**

Six months ended  
31 March 2015

# Review of H1

Group revenues down by 20%

L4L revenues ex-currency down by 7%

Key factors: Russia and Ukraine

HPBT of £17m down by 4%

Underlying trading - £3m

Forex impact well hedged

Increased geographic diversification

Breakbulk, Eurasia Rail, Africa Oil Week

Strong performance from Asian associates

Sinostar and ABEC

Confidence in full year outcome

Contracted bookings 90% + for FY15

## H2 Forward Look

Currency and trading in Russia will impact on H2 results

Trading in Russia has stabilised – volume sales circa 20% down

More stability in currency: Ruble 80 v 60 last year

Other geographies ex Russia/Ukraine are trading well

First time impact of recent acquisitions still to come

Section 1

# Financial Results

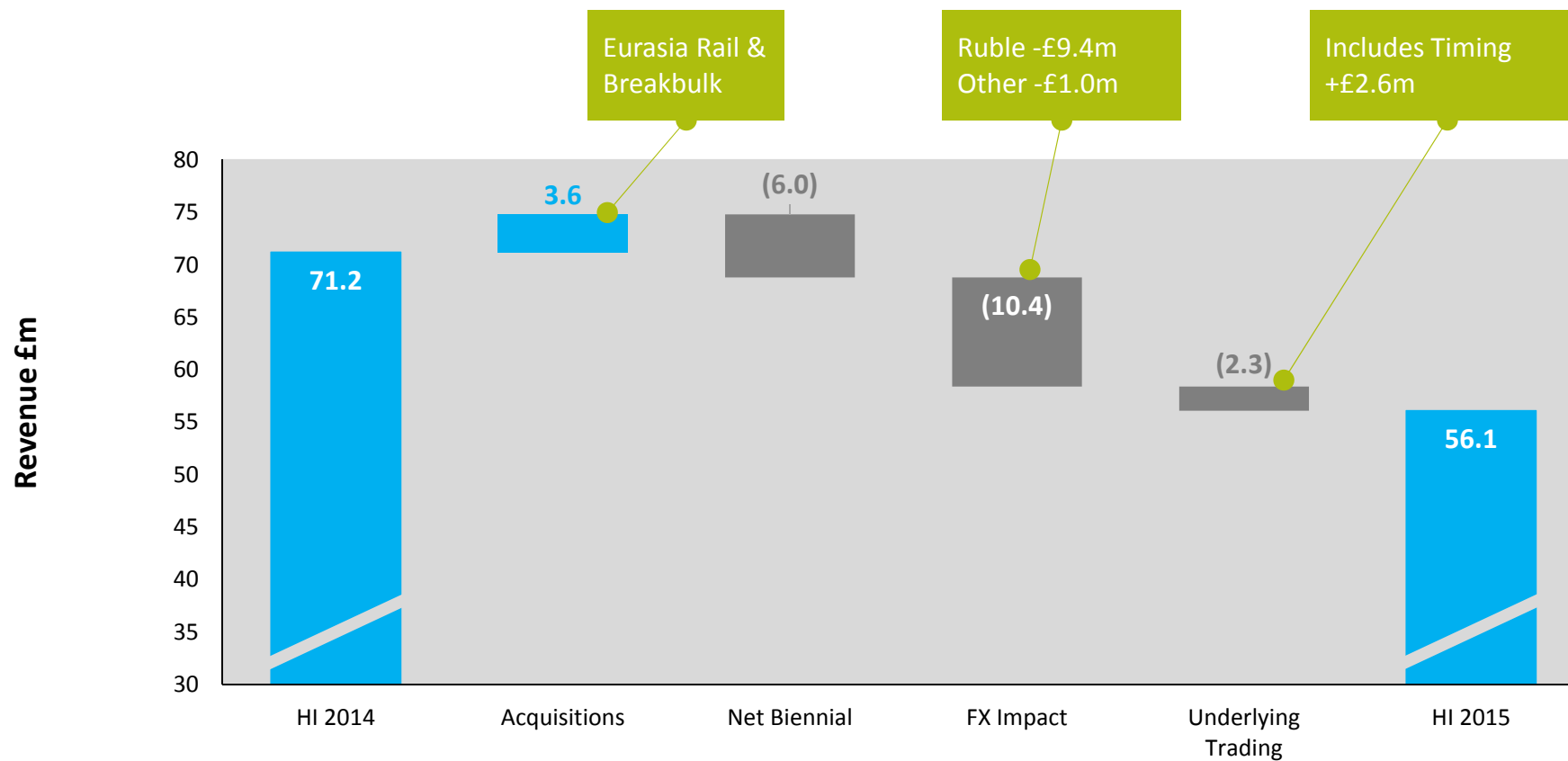
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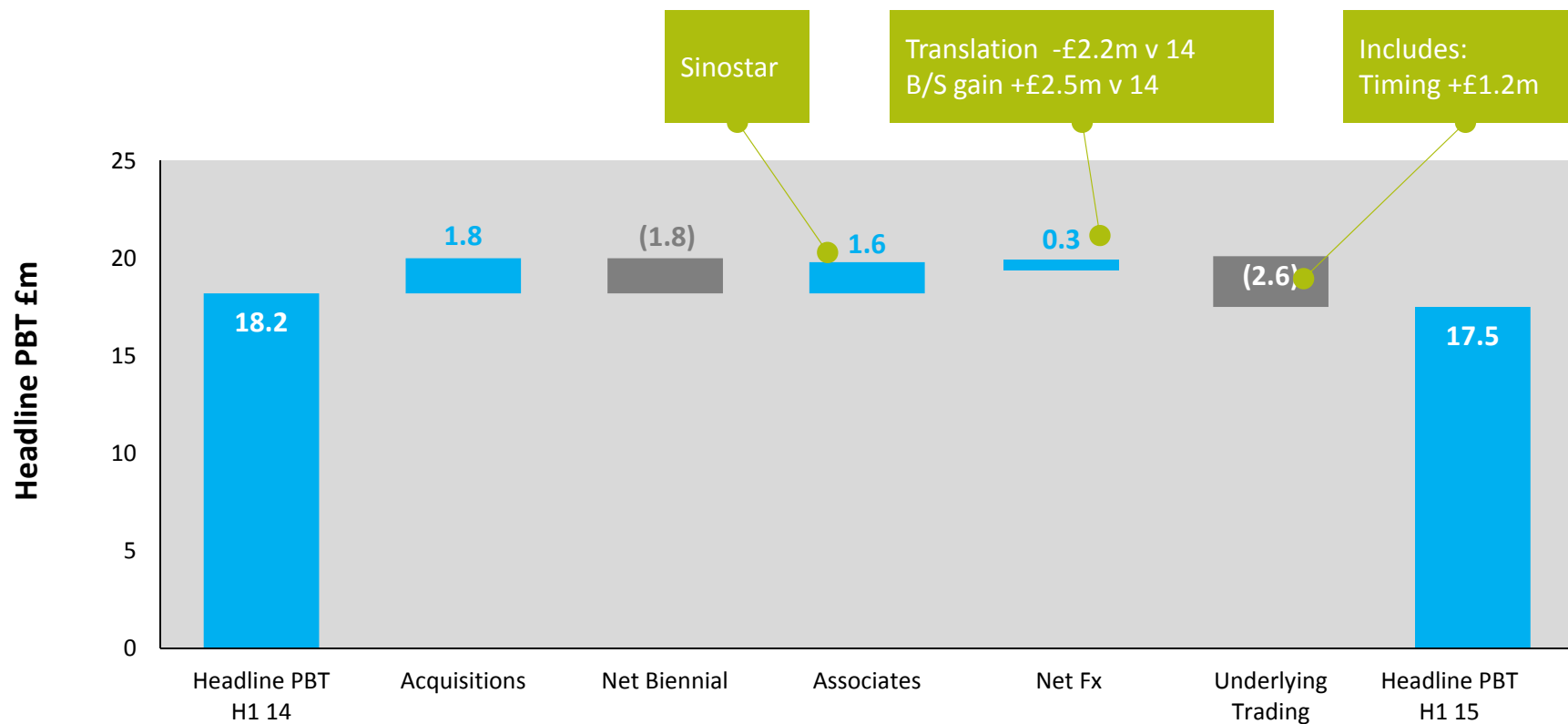
## Financial Results :: Highlights

	2015 Unaudited	2014 Unaudited	
Revenue	£56.1m	£71.2m	L4L volumes -15%
Gross profit margin	41%	40%	Focused cost management
Associates (ITE share pre-tax)	£5.0m	£3.4m	Sinostar and ABEC
Headline profit before tax	£17.5m	£18.2m	Includes £4.1m FX gain (FY14:£1.6m)
Dividend per share	2.5p	2.5p	

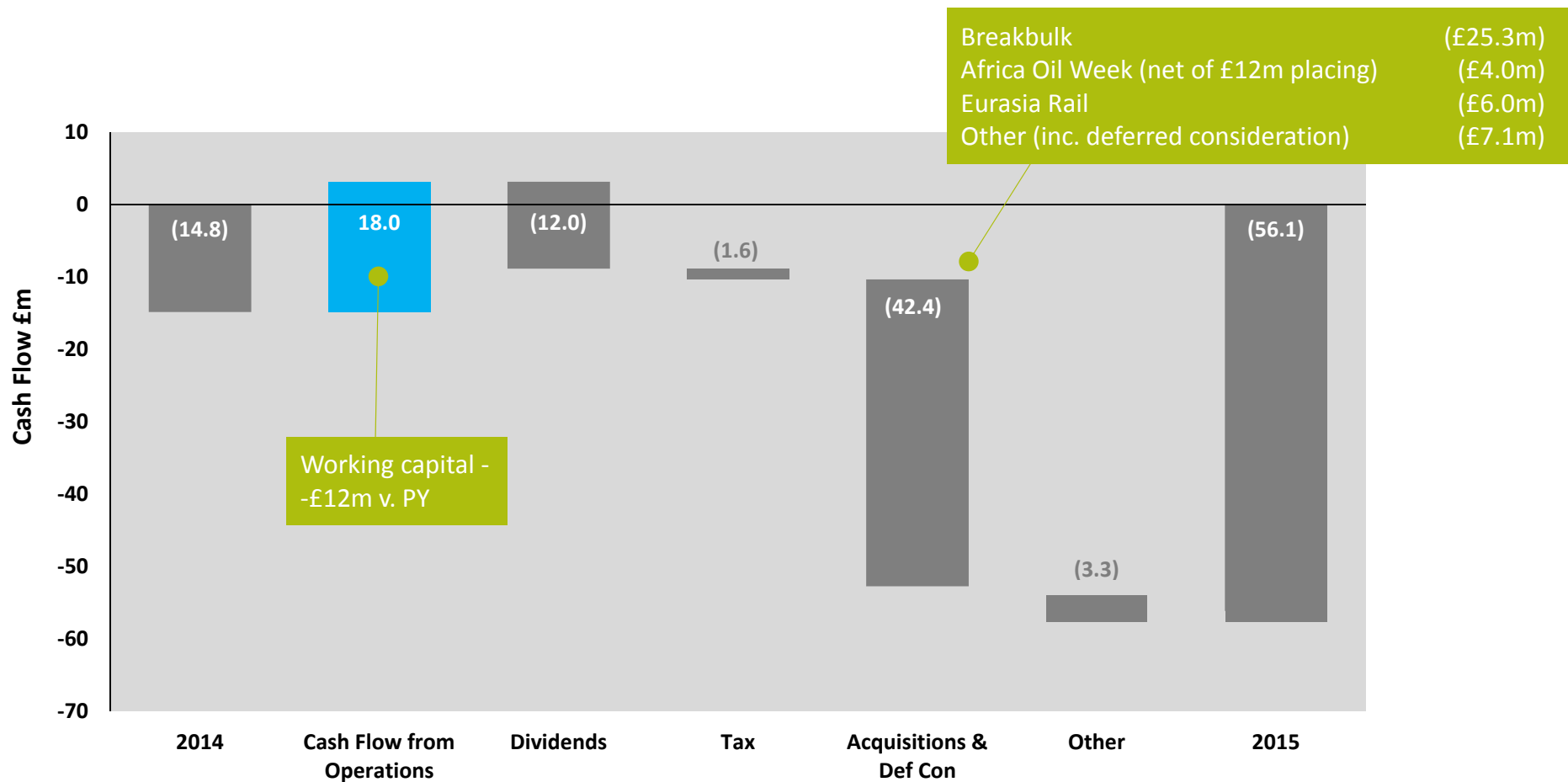
# Financial Results :: Revenue Bridge (H1 2014 to H1 2015)



# Financial Results :: Headline PBT Bridge (H1 2014 to H1 2015)



# Financial Results :: Cash Flow (H1 2015)





## Financial Results :: Balance Sheet

Trade receivables | Pre-payments | Creditors - (£13m)

Lower trading

Deferred income - (£25m)

Volume - (£16m)

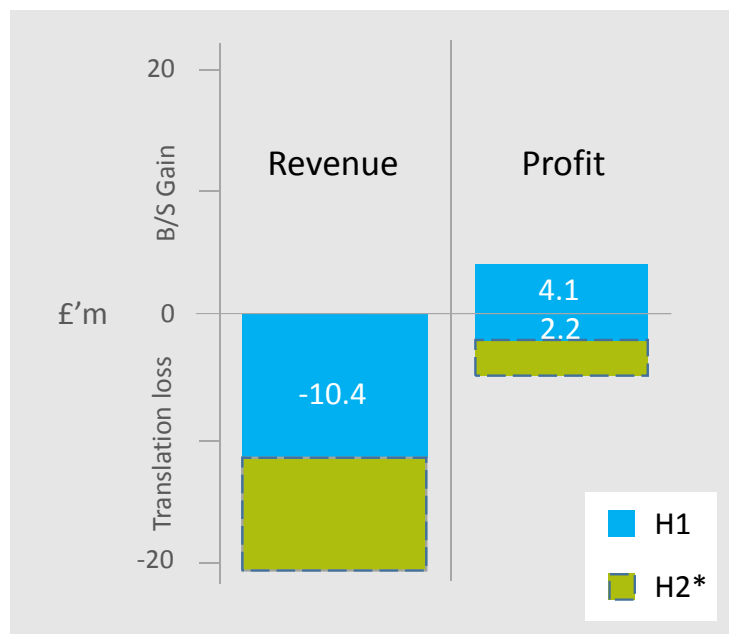
Currency - (£9m)

Net Debt – (£56m)

Facilities - £100m

Term - 31/3/19

# Financial Results :: FX Impact



\* Assumes ruble @ 80:£1

Currency	Average Translation Rate FY '15 (YTD)	% change FY '14	Profit Impact Full Year
RUB	81	-40%	Circa £5.0m

- Euro hedged forward €62m 2015-2017 at €1.21
- Euro Sales average €1.30 (-8%) (In trading)
- Introducing more sterling and USD invoicing

## Financial Results :: 2015 H2 Trading

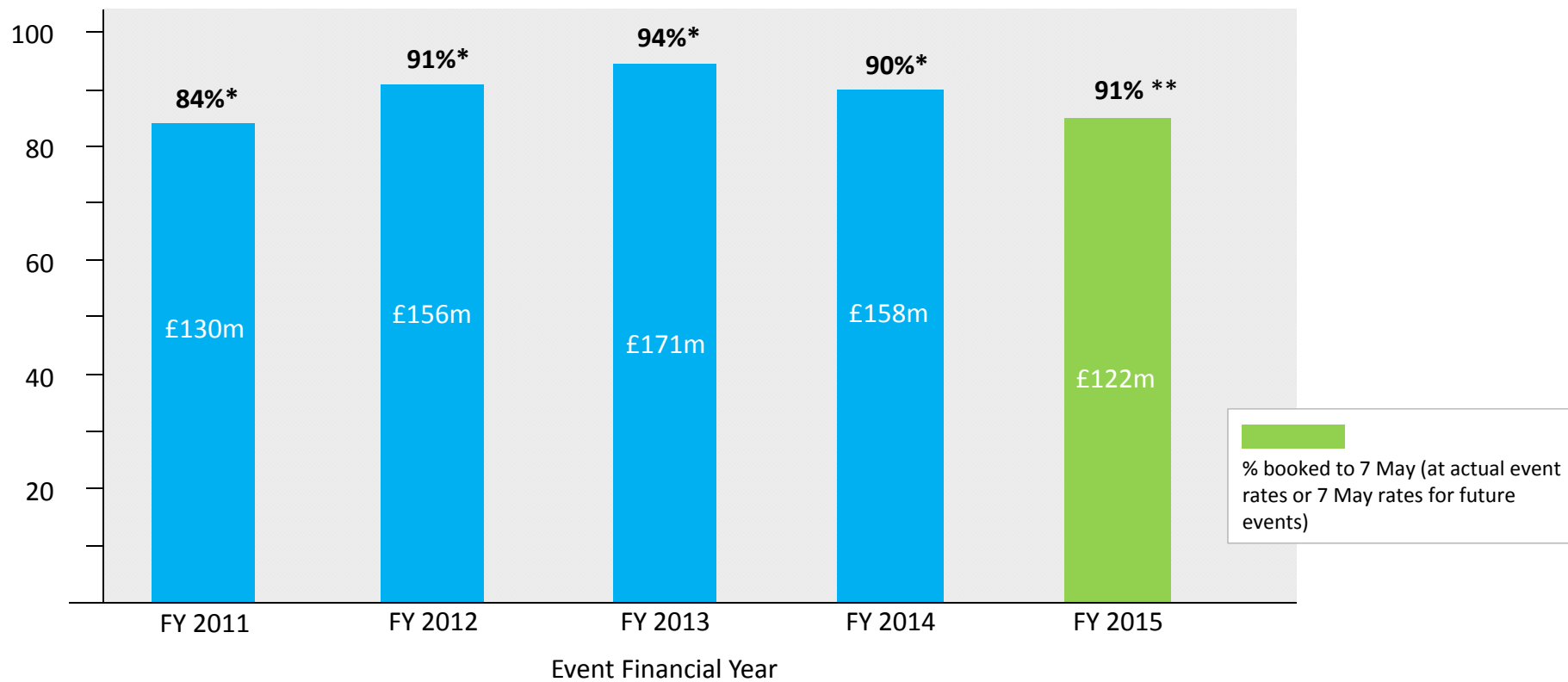
MosBuild 39,100sqm -40%

TurkeyBuild 39,800sqm +5%

MIOGE (June '15) - trading in line with general slowdown

World Food Moscow (Sept '15) - 'holding up' very well

## Financial Results :: Trading Update – 2015 Contracted Revenue



\*\* FY 2015 % of Full year revenue is based on consensus forecast of £134m  
\* % booked to 7 May at actual event rates. Expressed as a % of actual revenue

Section 2

# Divisional Analysis

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## Divisional Analysis :: Financial Results by Geography

	2015		2014	
	Revenue	Contribution*	Revenue	Contribution*
Russia	£29.7m	£10.3m	£42.3m	£13.2m
Central Asia	£11.5m	£3.4m	£12.5m	£3.7m
S/E Europe	£6.8m	£1.7m	£7.9m	£1.4m
UK + W Europe	£6.6m	£1.1m	£5.9m	£1.4m
Asia + ROW	£1.5m	£4.4m	£2.6m	£3.3m
<b>Divisional Profit</b>	<b><u>£56.1m</u></b>	<b><u>£20.9m</u></b>	<b><u>£71.2m</u></b>	<b><u>£23.0m</u></b>

\* Excludes B/S FX gains

# Russia :: Operating Review

- ▶ L4L volume sales down by 16%
- ▶ Average Ruble devaluation of circa 40% v. prior year
- ▶ Construction and Oil & Gas sectors hardest hit
- ▶ International volumes down more than local volumes
- ▶ L4L volume sales expected to be circa 20% down for year
- ▶ MosBuild 40% down, competition but rebooking strong
- ▶ Headcount reduced by 25% in past 12 months

	2015	2014
m <sup>2</sup> '000	149	176
Revenue	£30m	£42m



# Central Asia :: Operating Review

- ▶ L4L volume sales up 2%
- ▶ Kazakhstan and Uzbekistan trading well
- ▶ Devaluation of Tenge and Manat
- ▶ Future Oil & Gas events are slowing
- ▶ Russian meterage under pressure

	2015	2014
m <sup>2</sup> '000	37	39
Revenue	£12m	£13m





# Eastern & Southern Europe :: Operating Review

- ▶ L4L volume sales down circa 40%
- ▶ Business less than 2% of group profits
- ▶ New launch activity

**Ukraine**

	2015	2014
m <sup>2</sup> '000	63	71
Revenue	£7m	£8m

- ▶ L4L Volume up 1%
- ▶ TurkeyBuild benefiting from new venue space
- ▶ Good debut for Eurasia Rail
- ▶ Future currency weakness?

**Turkey**



# UK & Western Europe :: Operating Review

- ▶ Spring Moda – ‘same as’
- ▶ Bubble, Scoop, Jacket Required – all growing
- ▶ Expansion potential for fashion vertical

	2015	2014
m <sup>2</sup> '000	21	21
Revenue	£6m	£6m



# Asia :: Operating Review

- ▶ Construction business strong **India**
- ▶ New venue prospects improving
- ▶ Merging activities in India

	2015	2014
m <sup>2</sup> '000	6	13
Revenue *	£1m	£3m

- ▶ Strong Sinostar result **SE Asia/China**
- ▶ New launch activity
- ▶ Good M&A pipeline supporting strategy
- ▶ Outbound sales potential

\*Gross annual revenues of all events in this region are circa £30m

Section 3

# Strategy :: Growing Industry Verticals

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## Objective



'Create **sustainable growth** in headline earnings per share'

## Strategy

By developing and maintaining



industry leadership

in exhibitions

in emerging markets

## Strategy :: Key points








Renewed focus on Organic Growth

Maintain M+A Appetite

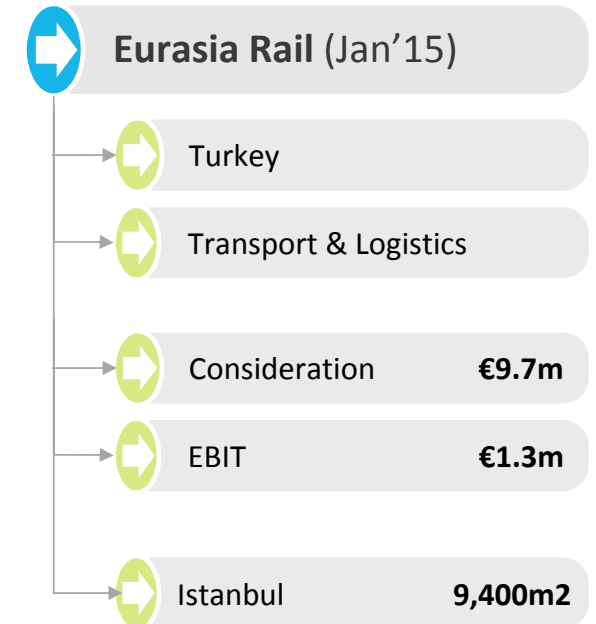
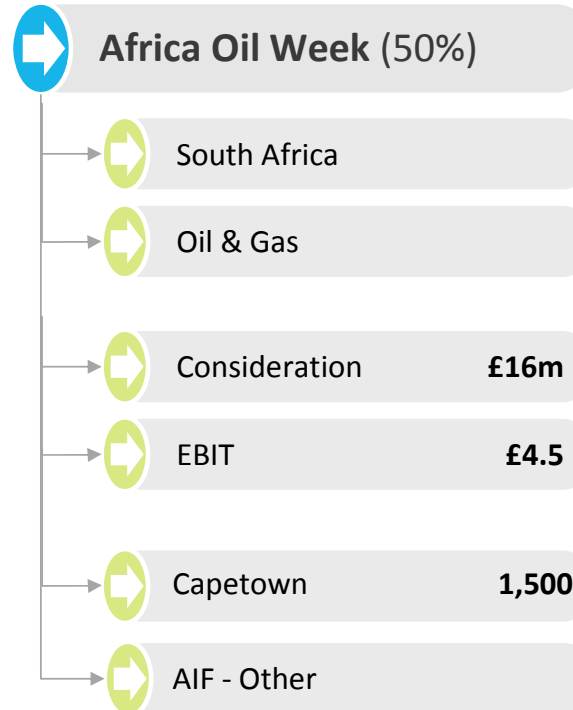
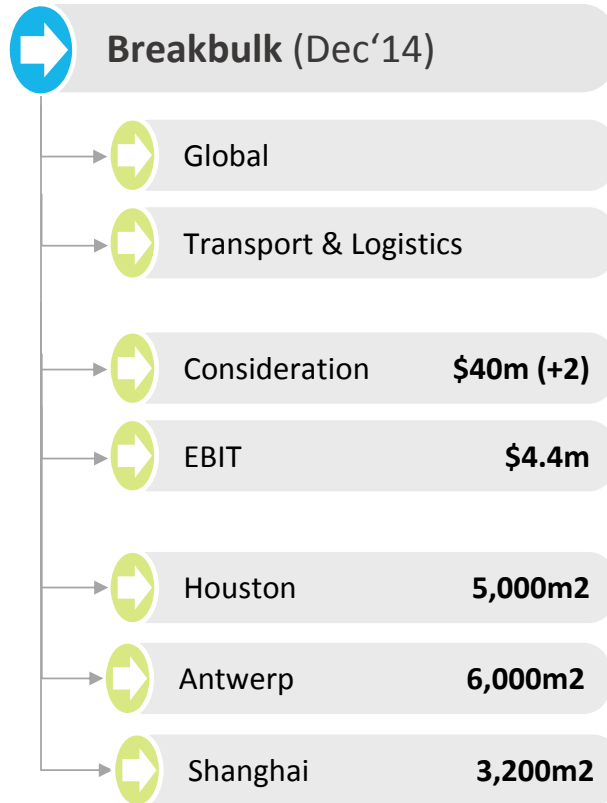
Strengthen Industry Verticals

Leverage Digital

# Strategy :: Application & Execution

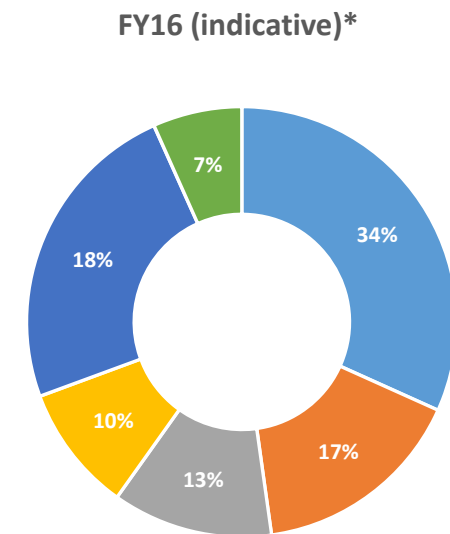
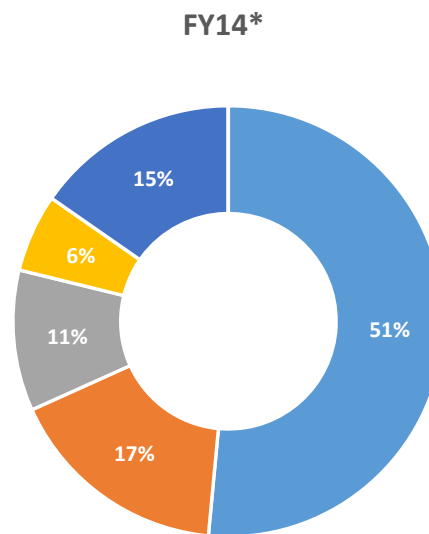
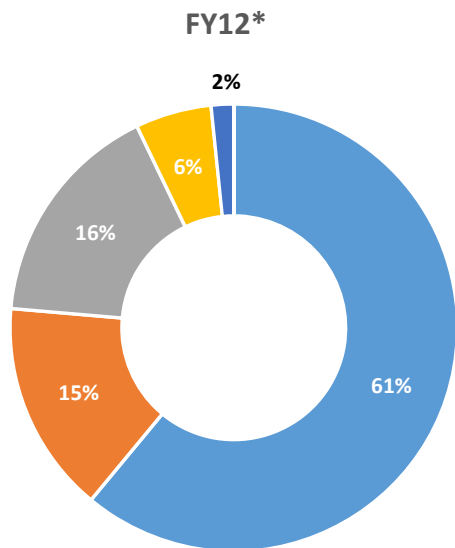
	Renewed focus on Organic Growth		Maintain M+A Appetite	Strengthen Verticals	Leverage Digital
Build & Construction	NPD in Africa , Vietnam	Integrate India	ABEC Call Option	 WorldBuild Baku	WB365 Launched
Fashion	Launch in Asia	Grow high-end in London	Scoop Finalised		Social Marketing
Oil & Gas	Integrate AOW	NPD in Africa, SE Asia	AOW acquired	 KIOGE Kazakhstan	Content Marketing
Transport & Logistics	NPD in ColdChain		BreakBulk, EurasiaRail, Comtrans, acquired	 TransRussia Moscow	Content Marketing
Travel & Tourism	☑		☑	 Mitt	☑
Food & Packaging	NPD in Ukraine, Russia		☑	 WorldFood Ukraine	☑
Others	Coatings in Ukraine & Thailand; Beauty in Thailand		Palm Acquired	 securika Moscow	☑

# Strategy :: Building out by Verticalp





# Strategy :: Geographical Diversification of Revenues\*



————— Increasing geographical diversification —————>

- ◐ Russia    ◐ Asia    ◐ ESE
- ◐ CAC    ◐ UKW    ◐ ROW

\*including 100% of revenue from associates

## Forward :: Key Messages

Trading in Russia has stabilised

Russia will be circa 40% of ITE's 2016 business

Asia and Turkey are continuing to perform strongly

Continuation of strategy – more complementary bolt-ons

Robust financial position to support strategy

Section Four

Thank you :: Questions & Answers

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# Appendices

ITE Group plc  
Interim Results

Six months ended  
31 March 2015

## Appendices :: Shareholder Structure (as at 27 April 2015)

	%	No. of Shares (millions)
Schroders	13.3	34.2
Brandes	9.3	23.9
Franklin Templeton	9.2	23.7
Mason Hill	7.3	18.8
Fidelity Management & Research	5.1	13.2
Threadneedle Investments	4.7	12.2
NBIM	3.4	8.7
SEB	3.0	7.8
Legal and General	2.7	6.8
Directors	0.8	1.9
ESOT	1.3	3.4
Other Institutions and individuals	39.9	102.3
<b>Total Shares in issue</b>	<b>100</b>	<b>256.9</b>
Options in the money:	0.3	0.7
<b>Management including options in the money</b>	<b>1.1</b>	<b>2.6</b>
<b>Free float (Excluding Directors &amp; ESOT)</b>	<b>97.9</b>	
<b>Average daily trading volume (6 months)</b>		<b>0.4</b>

## Appendices :: Performance Analysis

		Metres	Revenue	Gross Profit
		000s	£m	£m
2014	Results from events	320	71.2	28.6
	Non annual 2014	(31)	(6.2)	(1.9)
	Discontinued events	(15)	(2.2)	(0.9)
	Recurring Events	274	62.8	25.8
2015	Acquisitions	15	3.6	1.8
	FX translation	-	(10.4)	(3.9)
	Net organic growth	(28)	(2.7)	(2.2)
2015	Non annual 2015	1	0.2	0.1
	Timing differences	14	2.6	1.2
	Results from events	276	56.1	22.8

Eurasia Rail  
Breakbulk

## Appendices :: Key Exhibitions (in 2014 gross profit order)

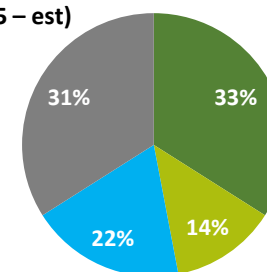
<u>Rank</u>	<u>Event</u>	<u>Location</u>	<u>2015</u> <u>m<sup>2</sup> sold</u>	<u>2014</u> <u>m<sup>2</sup> sold</u>
1	MosBuild	Moscow	39,100	65,400
2	Moscow International Travel & Tourism (MITT)	Moscow	16,400	20,300
3	World Food Moscow (September 2014)	Moscow	Sep	25,800
4	TurkeyBuild (YAPI)	Istanbul	39,800	36,300
5	MODA UK*	Birmingham	16,700*	33,700
6	MIOGE	Moscow	June	24,000**

\* February edition only; Second edition in August

\*\* 2013 edition

Events by GP (2015 – est)

■ Top 1 - 5  
 ■ Top 6 - 10  
 ■ Top 11 - 25  
 ■ Rest



## Appendices :: Consolidated Balance Sheet

	Mar-15 (£'m)	Mar-14 (£'m)
<b>Non Current Assets</b>		
• Goodwill & intangibles	154.0	118.4
• Other non-current assets	68.4	57.9
	<b>222.4</b>	<b>176.3</b>
<b>Current Assets</b>		
• Trade debtors	24.7	29.3
• Prepayments	12.4	22.3
• Other current assets	12.5	5.0
• Net (debt)/cash	(56.1)	(1.8)
	<b>(6.5)</b>	<b>54.8</b>
<b>Creditors</b>		
• Deferred revenue	(66.1)	(91.4)
• Trade & other payables	(14.2)	(16.2)
• Deferred consideration & put option liabilities	(22.2)	(16.2)
• Deferred tax	(13.3)	(10.9)
• Provisions	(0.4)	(0.6)
	<b>(116.2)</b>	<b>(135.2)</b>
<b>Net Assets</b>	<b>99.7</b>	<b>95.8</b>



## Appendices :: Future Consideration (at 31 March 2015)

Deferred Consideration	£m	Financial Years
Eurasia Rail	1.2	2015
Breakbulk	1.3	2016
Summit	0.2	2016
Indobuild	2.6	2017
	<b>5.3</b>	

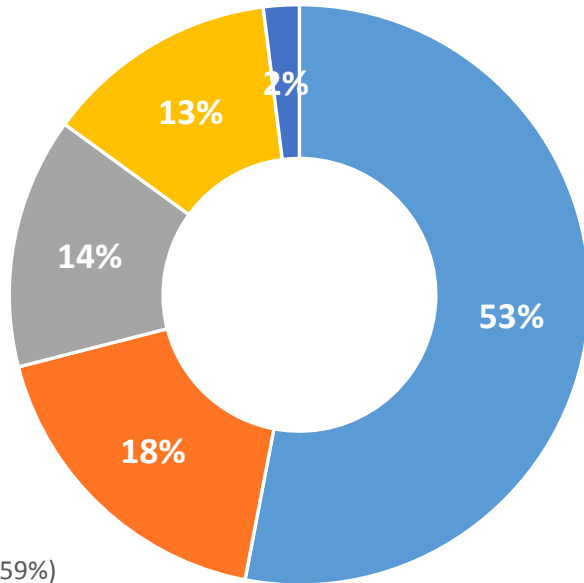
Puts & calls	£m	Financial Years
ABEC (for extra 32%)	14.0	2016
Tradelink	1.2	2015
Indobuild	2.9	2017
ECMI	0.8	2017 & 2019
Scoop (for 5% MI)	0.5	2020 +
AOW	15.4	2016 onwards in two tranches
	<b>34.8</b>	

## Appendices :: Venue Relationships

<b>Venue</b>	<b>Loans/Prepayments 31 Mar 2015 £m</b>
Russia	5.4
Central Asia & Caucasus	0.5
Eastern & Southern Europe	2.1
<b>Total</b>	<b><u>8.0</u></b>

# Appendices :: 2015 (est.) Revenue by Sector & Region

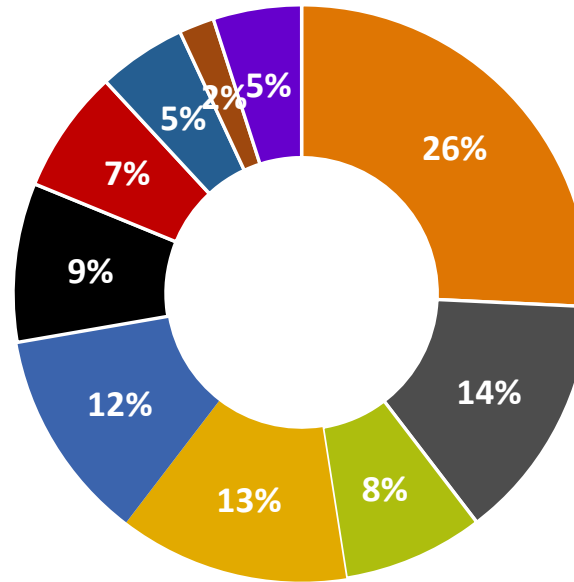
## ITE Group Revenue by Region



- Russia (59%)
- Central Asia & Caucasus (19%)
- Eastern & Southern Europe (12%)
- UK & Western Europe (7%)
- Asia (3%)

2014 figures in brackets

## ITE Group Revenue by Sector



- Build (31%)
- Food & Packaging (14%)
- Travel & Tourism (8%)
- Energy (6%)
- Industrial (17%)
- Fashion (7%)
- Transport & Logistics (3%)
- Pharma & Healthcare (4%)
- Beauty (1%)
- Other (9%)

2014 figures in brackets