

A blurred photograph of a modern office hallway. In the foreground, a woman in a black business suit is walking towards the camera. In the background, a man in a dark suit and a woman in a dark dress are walking away. The hallway has large glass windows and doors, and the floor is made of light-colored tiles. The overall scene is bright and professional.

# ITE Group plc Preliminary Results

Year ended 30 September 2016

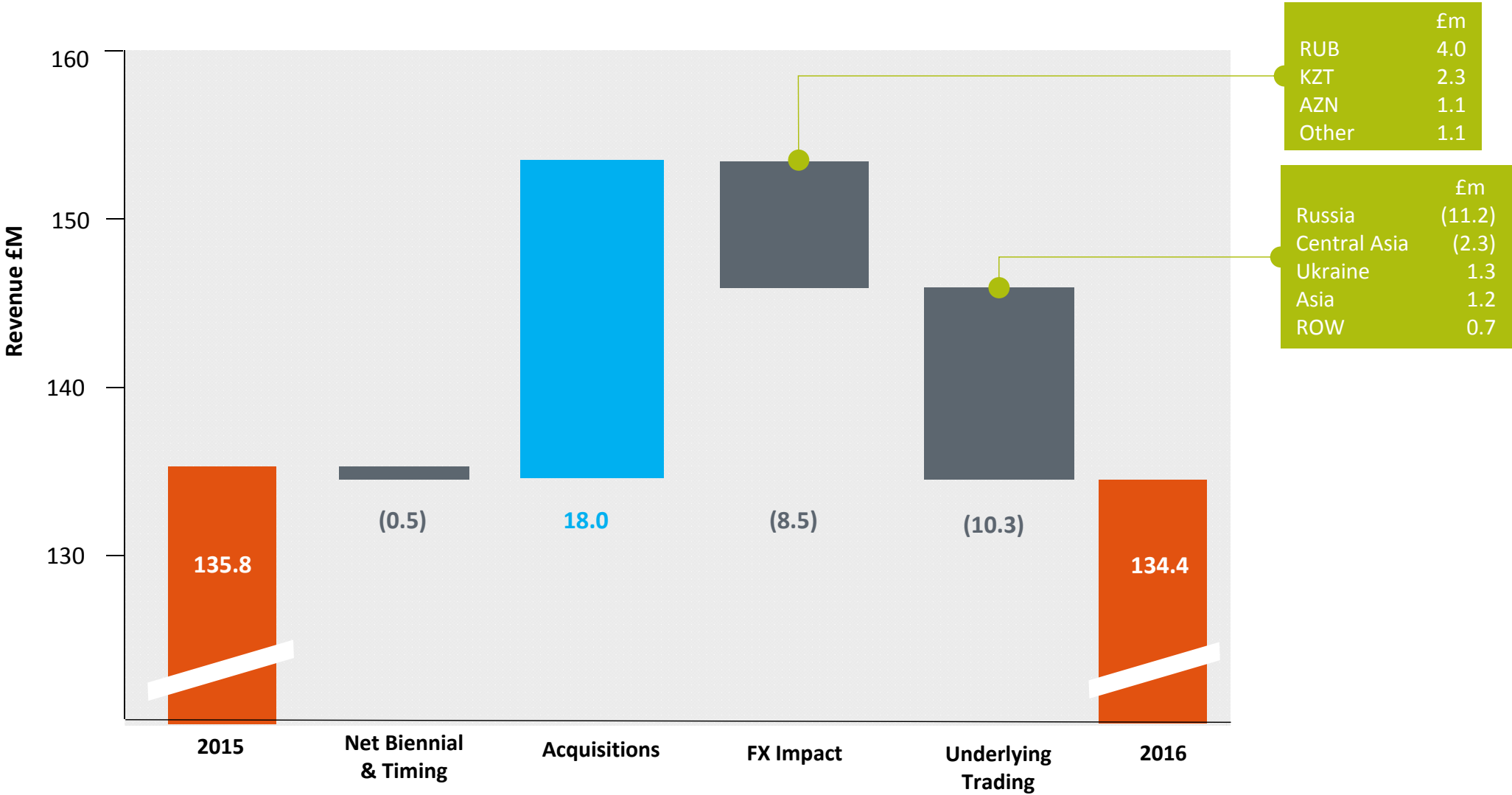
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# Financial Results

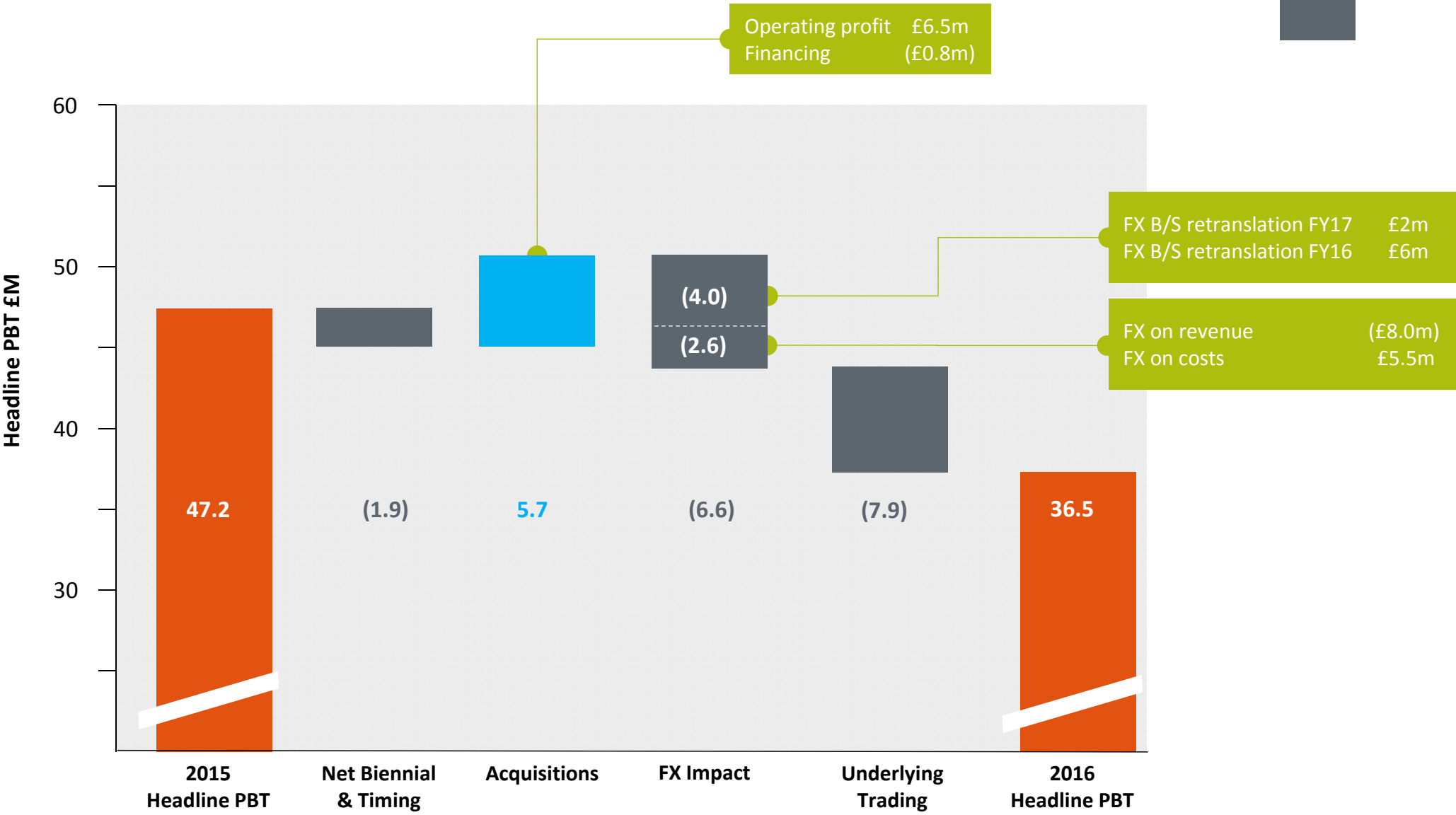
Year ended 30 September 2016

Revenues £134.4m; HPBT £36.5m, HDEPS 10.7p	▶	In line with market expectations
Challenging market conditions	▶	Impacted by oil prices and geo-political events
Adverse currency movements	▶	£8.5m impact on revenue, £6.6m impact on HPBT
Increased geographic diversification	▶	African Oil Week, Breakbulk Americas, ABEC and Ebseek
New CEO and CFO appointed	▶	Deep operational and industry experience
Final dividend of 3.0p	▶	Total dividend of 4.5p - Cover more than 2x
£81m of revenue booked for FY17	▶	Circa 59% of consensus revenues (FY16: 57%)

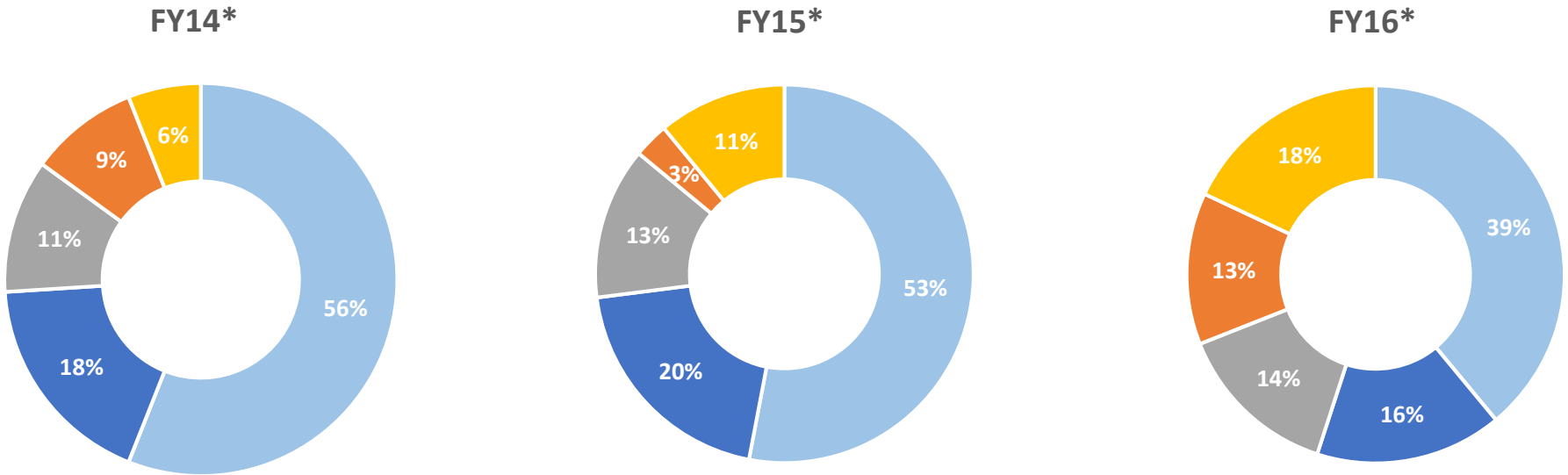
# Financial Results | Revenue Bridge



# Financial Results | Headline PBT Bridge



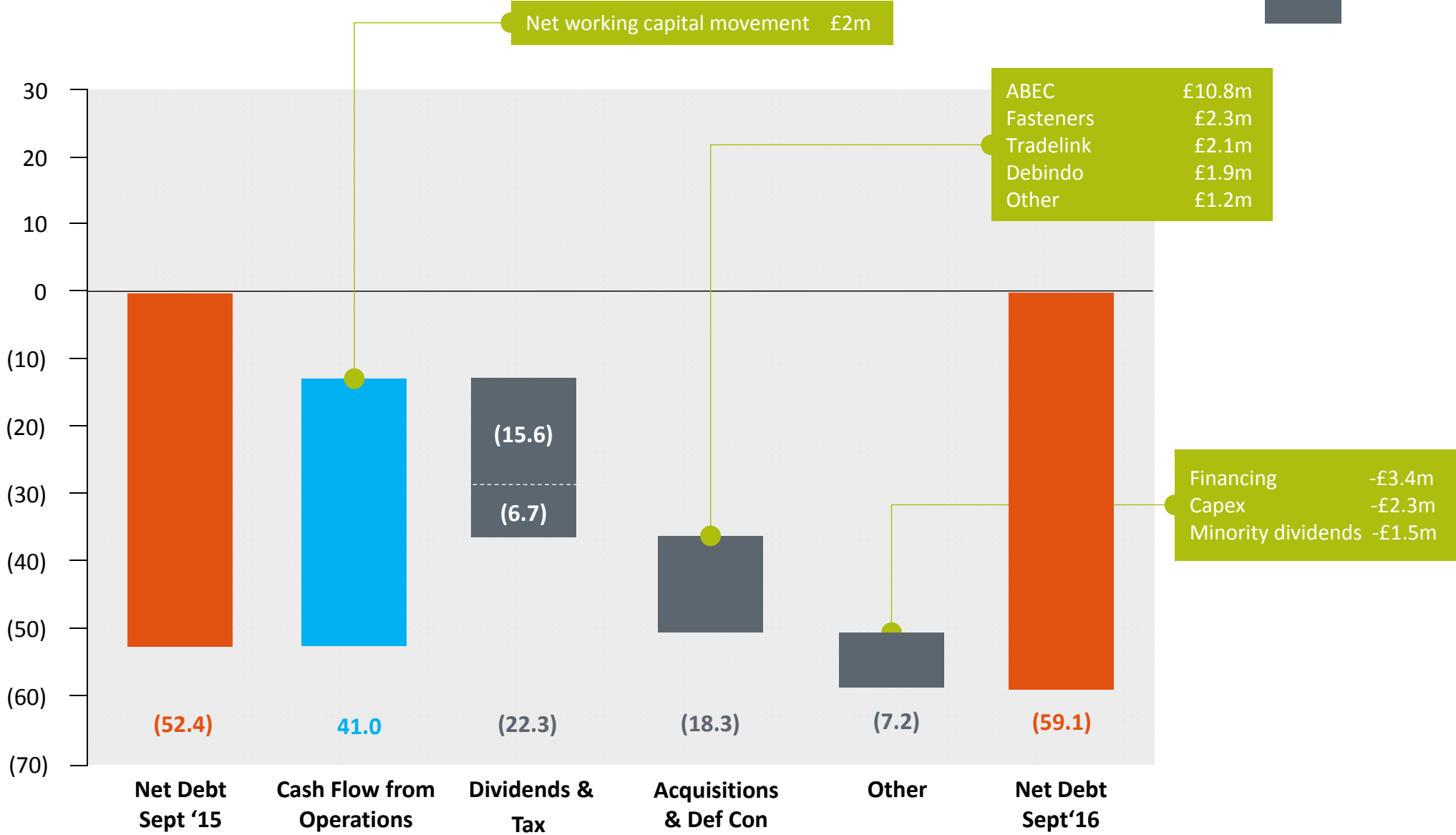
	2016		2015		
	Revenue (£m)	HPBT (£m)	Revenue (£m)	HPBT (£m)	
Russia	51	18	72	31	Full year impact of oil price FY17 economy expected to improve
Central Asia	22	7	27	9	Oil reliant economies and devaluation of currencies FY17 currently trading 20-25% down
E/S Europe	19	6	18	6	Ukraine volumes +40% Turkey terrorism & attempted coup sig. impact on FY17
Asia	18	5	4	4	Increased to 60% stake in ABEC in October 2015 Strong performance from Chinese JV.
RoW	24	11	15	2	AOW and Breakbulk acquisitions reflected in results AOW final 25% stake to be acquired in FY17
FX Gain		2		6	
Corporate O/H		(12)		(11)	
<b>Total</b>	<b>134</b>	<b>37</b>	<b>136</b>	<b>47</b>	



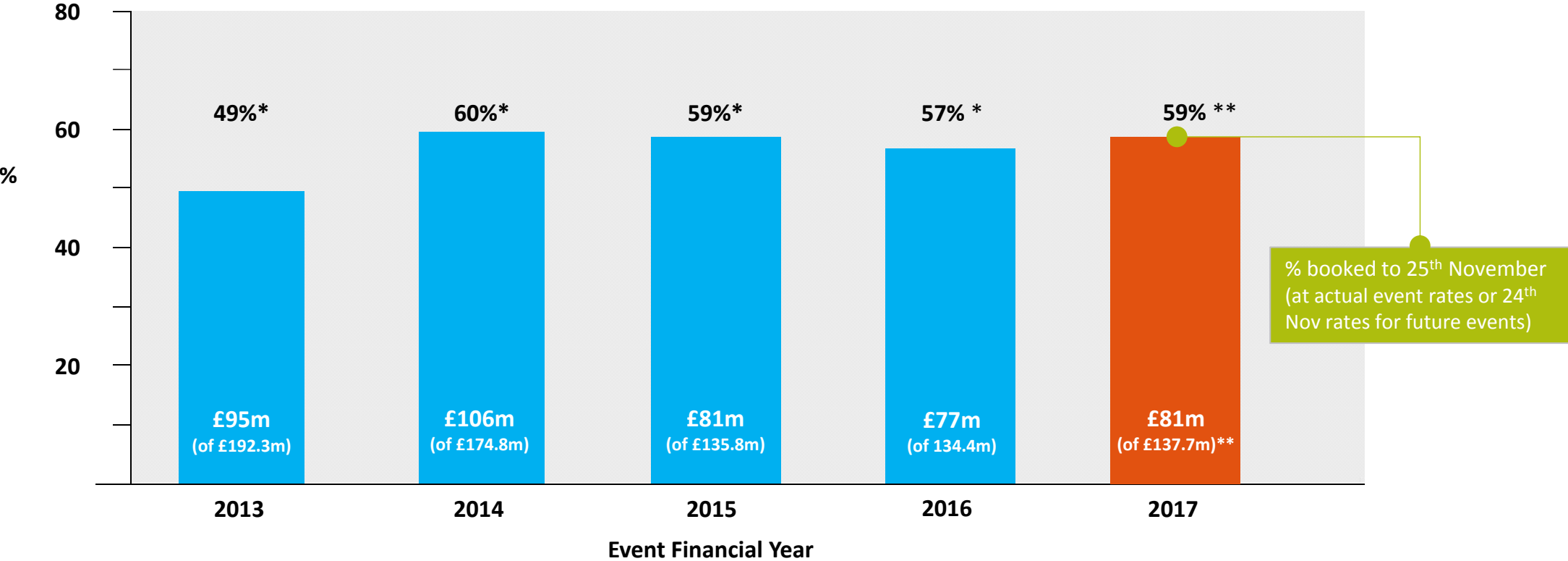
Increasing geographical diversification →

- Russia
- Central Asia
- E/S Europe
- Asia
- ROW

\*including 100% of revenue from associates







\* % booked to 25 Nov at actual event rates. Expressed as a % of actual revenue

\*\* FY 2017 % of Full year revenue is based on consensus forecast of £137.7m

A blurred photograph of a modern office hallway. In the foreground, a woman in a black business suit is walking towards the camera. Behind her, a man in a dark suit and a woman in a dark dress are also walking. The hallway has large glass windows on the left and right, and a tiled floor. The overall scene is in motion, suggesting a busy work environment.

# Introducing new management

Year ended 30 September 2016

## Mark Shashoua, CEO from 1 September 2016



- Mark has significant experience in the global events industry. He recently led the turnaround of i2i events (now Ascential Events).
- i2i became one of the fastest growing events business in Europe and Mark oversaw the transformation from a mature UK business to one that spanned 11 new geographical markets.
- Mark was a co-founder, senior manager and Board Member of ITE up to August 1999.

## Andrew Beach, CFO from 17 October 2016



- Andrew was previously Chief Financial and Operating Officer of Ebiquity plc, the AIM listed marketing analytics specialists, where he spent 9 years overseeing the rapid expansion of the business, which now spans 20 offices in 14 markets and employs over 900 staff.
- Qualified as Chartered Accountant in 2000 in PwC's Media practice

Strong sales and marketing performance based culture

Customer insight and data

Retention-led business

Product led business – running market leading events by sector or geography

Customer service

Content-led – high on relevance

Strong market positions in multiple geographies

Acquisition led business

De-centralised

Passionate and experienced people

Russian economy appears to be improving

FY17 remains challenging

£81m of revenue booked for FY17 - 59% of consensus expectations (2016: 57%)

New management excited about the future

Review of business to be completed by May 2017

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Thank you

Year ended 30 September 2016

A blurred photograph of a modern office hallway. In the foreground, a woman in a black business suit is walking towards the camera. In the background, a man in a suit and another woman are walking away. The hallway has glass walls and a tiled floor. A large 'ITE' logo is visible on a wall in the upper left.

# Appendix: Divisional Analysis

Year ended 30 September 2016



- ▶ L4L volume sales down by 14%
- ▶ Average Ruble devaluation of circa 10% v. prior year
- ▶ Full year impact of oil price
- ▶ International business impacted heavily
  
- ▶ FY17 economy expected to improve
- ▶ MIOGE facing increased local competition

	2016	2015
m <sup>2</sup> '000	256	313
Revenue	£51m	£72m

- ▶ L4L volume sales down 17% as expected
- ▶ Oil reliant economies and devaluation of currencies
- ▶ Devaluation of currencies in FY15 cycling through results
  
- ▶ FY17 currently trading 30% down
- ▶ Russian meterage still under pressure

Central Asia includes the following countries: Kazakhstan, Uzbekistan, Azerbaijan, Turkmenistan, Kyrgyzstan

	2016	2015
m <sup>2</sup> '000	70	83
Revenue	£22m	£27m

- ▶ L4L volume sales up circa 40%
  - ▶ Contribution from Ukraine represents 3% of Group profits
  - ▶ Rebound in effect
  - ▶ Visitors remain strong
  - ▶ L4L volume sales down 3%
  - ▶ Significant impact from terrorism and attempt coup
  - ▶ FY17 bookings are weak – unstable political environment
  - ▶ Outbound sales into Russia slowly resuming
- Eastern & Southern Europe incorporates the following countries:  
Turkey and Ukraine

Ukraine	2016	2015
m <sup>2</sup> '000	37	27
Revenue	£4m	£3m

Turkey	2016	2015
m <sup>2</sup> '000	135	120
Revenue	£15m	£15m

- ▶ Increased stake in ABEC to 60% in October 2015
- ▶ Full year consolidating results of ABEC
- ▶ Good business but impairment arising due to lack of venue space
  
- ▶ Record Chinacoat result in FY16 (50% JV)
- ▶ Record IndoBuildtech Jakarta result in new venue
- ▶ Strong growth on acquired Fasteners show in China
- ▶ Chinese Gehua acquisition awaiting government approval

India	2016	2015*
m <sup>2</sup> '000	95	83
Revenue	£13m	£13m

SE Asia / China	Fully consolidated basis	
	2016	2015
m <sup>2</sup> '000	115	78
Revenue	£23m	£18m

\* Prepared on a fully consolidated basis

- ▶ AOW – increased stake to 75% in May 2016
- ▶ Breakbulk timing benefit in FY16
- ▶ Moda declined slightly in tough market
- ▶ Breakbulk – well positioned in attractive market
- ▶ AOW – remains a market leading brand

RoW includes the following countries: Belgium, Nigeria, South Africa, United Kingdom and USA

	2016	2015
m <sup>2</sup> '000	59	53
Revenue	£24m	£15m

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# Appendix: Other information

Year ended 30 September 2016

## Shareholder Structure (as at 8 Nov 2016)

	Country of Shareholder	% of Total Shares	No. of Shares (millions)
Brandes	USA	13.9	36.3
Neptune	England	8.2	21.5
Invesco	Canada	7.5	19.7
Schroder	England	6.9	18.2
Fidelity Management	USA	5.3	13.9
Mawer	Canada	3.9	10.2
MN Services	Netherlands	3.7	9.7
Fidelity Institutional	USA	3.5	9.2
Majedie	England	3.4	8.9
Blackrock	England	3.0	7.9
ESOT		1.1	2.9
Other Institutions and individuals		42.5	119.7
<b>Total Shares in issue</b>		<b>100</b>	<b>262.1</b>

## Performance Analysis

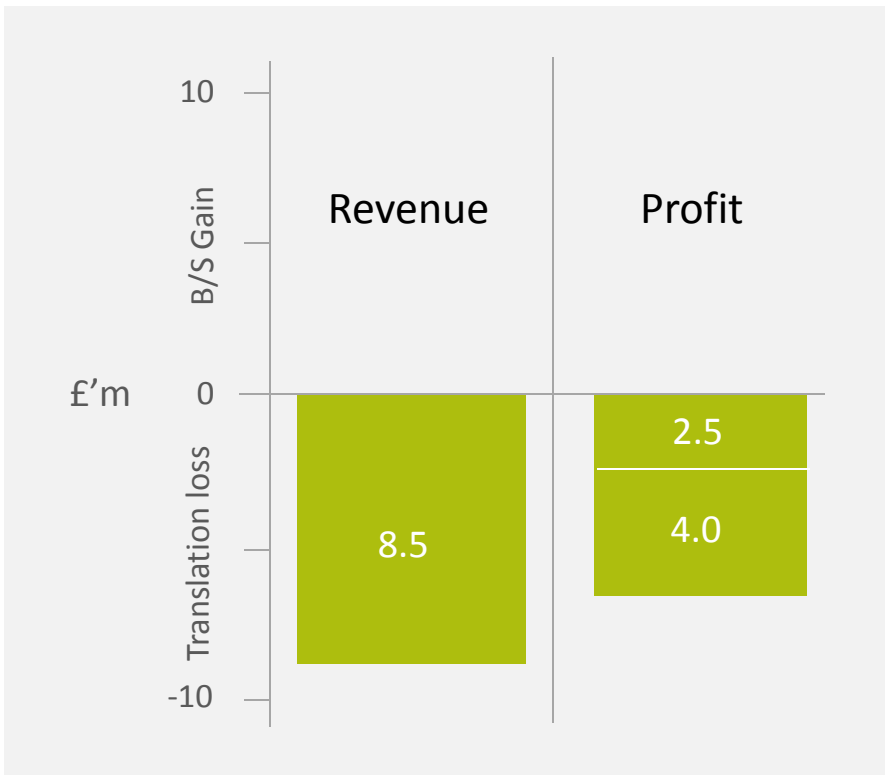
		Metres	Revenue	Gross Profit
		000s	£m	£m
2015	Results from events	613	136	62
	Non annual 2015	(20)	(7)	(4)
	Recurring Events	593	129	58
2015	Acquisitions	91	18	10
	Timing differences	-	1	1
	FX translation	-	(9)	(4)
	Net organic change	(44)	(10)	(7)
2016	Non annual 2016	45	5	1
	Results from events	685	134	59



## Adjusting items

		2016	2015
		£'000	£'000
Operating items	Amortisation of acquired intangibles	15,468	13,134
	Impairment of goodwill	24,650	-
	Impairment of investments in associates and joint ventures	1,859	-
	Transaction costs	330	2,534
	Profit on disposal of investments	(1,498)	-
	Tax on income from associates & JVs	1,078	1,208
Financing items	Profit/loss on revaluation of equity option liabilities	(6,940)	929
	Profit/loss on revaluation of deferred contingent consideration	3,094	(2,192)
	Imputed interest on discounted equity option liabilities	2,558	-
<b>Total</b>		<b>40,599</b>	<b>15,613</b>

## Foreign Exchange Impact



Currency	Average Translation Rate FY '16 (YTD)	% change FY '15	Profit Impact Full Year
RUB	96	-10%	£1.3m

■ Euro Sales average (post-hedging) €1.29 (€1.25 in FY15)

■ Euro hedged forward €46m 2016-2019 at €1.25

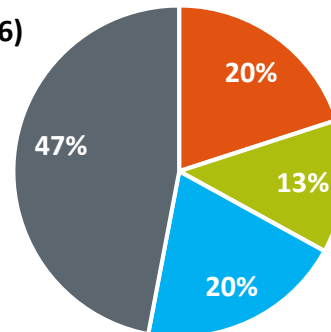
## Key exhibitions (in 2016 gross profit order)

<u>Rank</u>	<u>Event</u>	<u>Location</u>	<u>2016</u> <u>m<sup>2</sup> sold</u>	<u>2015</u> <u>m<sup>2</sup> sold</u>
1	MosBuild	Moscow	31,800	40,300
2	Africa Upstream	Cape Town	N/a*	N/a*
3	TurkeyBuild (YAPI)	Istanbul	38,400	40,000
4	World Food Moscow	Moscow	20,200	22,600
5	Moscow International Travel & Tourism (MITT)	Moscow	11,700	16,300
6	MODA UK	Birmingham	30,200	32,400

\*Conference

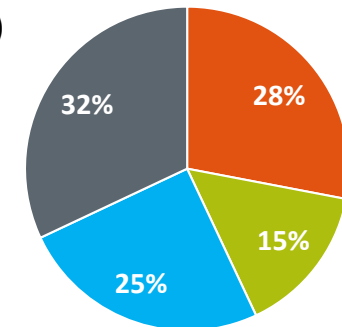
**Revenue by Event (2016)**

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



**GP by Event (2016)**

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



## Consolidated Balance Sheet

	Sep-16 (£'m)	Sep-15 (£'m)
<b>Non Current Assets</b>		
• Goodwill & intangibles	168.7	137.8
• Other non-current assets	54.1	63.8
	<b>222.8</b>	<b>201.6</b>
<b>Current Assets</b>		
• Trade debtors	32.5	23.7
• Prepayments	11.2	6.8
• Other current assets	9.0	13.5
• Net (debt)/cash	(59.1)	(52.3)
	<b>(6.4)</b>	<b>(8.3)</b>
<b>Creditors</b>		
• Deferred revenue	(61.9)	(49.8)
• Trade & other payables	(20.6)	(14.6)
• Deferred consideration & put option liabilities	(24.4)	(19.3)
• Deferred tax	(12.7)	(10.0)
• Provisions	(0.4)	(0.3)
	<b>(120.0)</b>	<b>(94.0)</b>
<b>Net Assets</b>	<b>96.4</b>	<b>99.3</b>

-38.9

-33.9

## Future Consideration

Deferred Consideration – cash settle	£m	Financial Year Payable
ABEC	1.6	2017
Fasteners	2.2	2017
	<b>3.8</b>	

Puts & Calls - cash settle	£m	Financial Years*
Fasteners	1.5	2020
Indobuild	1.5	2018, 2020
ECMI	1.5	2018
Scoop (for 5% MI)	0.3	2018
The Hub	0.2	2018
	<b>5.0</b>	

Puts & Calls - equity settle	£m	Financial Years*
ABEC	14.0	2018
AOW	4.6	2017
	<b>18.6</b>	

\* Earliest financial year Puts & Calls are exercisable

## Banking Facility

Net Debt – £59m



1.5x Headline EBITDA



Available Facility - £93m



Drawn Facility - £74.6m



Interest Rate – 2.8%

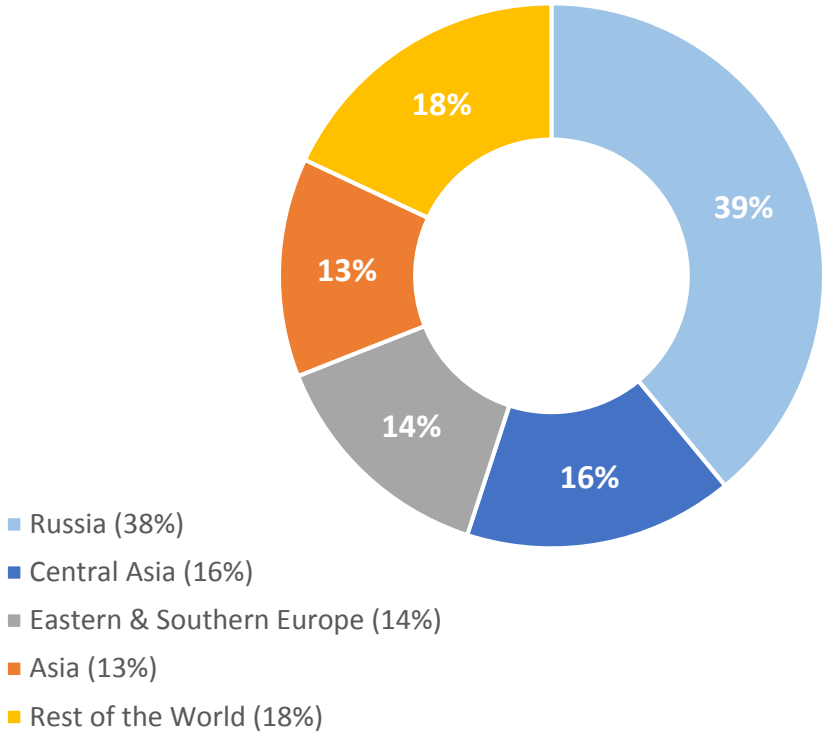


Term - 31/3/19

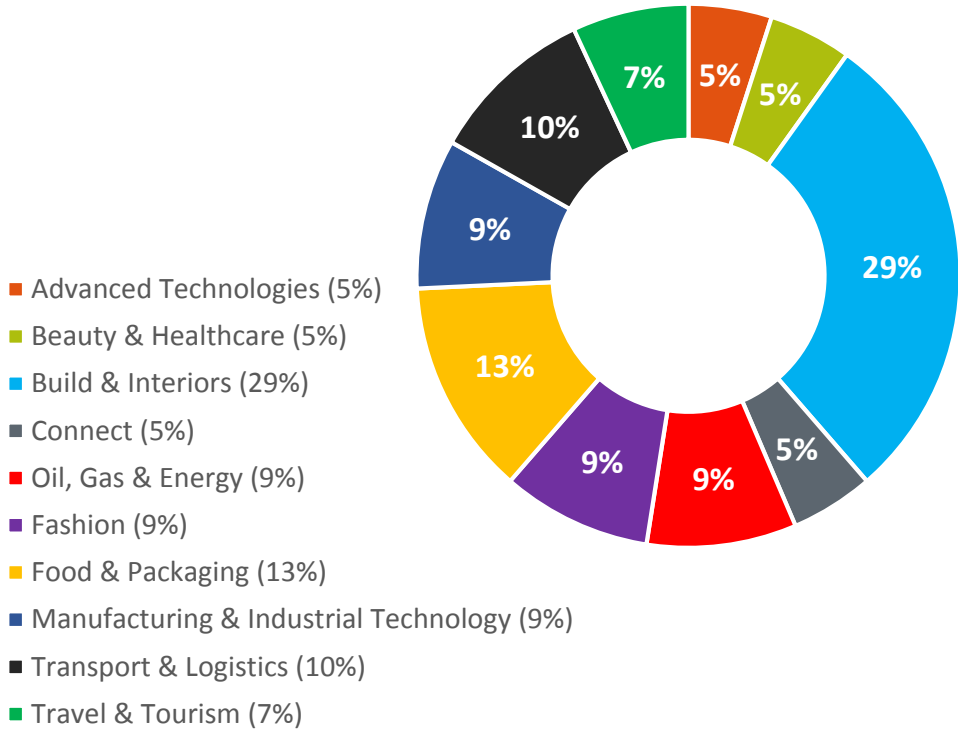
## Venue Relationships

<b>Venue</b>	<b>Loans/Prepayments 30 Sept 2016 £'m</b>
Russia	4.6
Central Asia	0.8
Eastern & Southern Europe	0.9
<b>Total (£3.3m &lt; 1 Yr, £3.0m &gt; 1 Yr)</b>	<b><u>6.3</u></b>

Revenue by Region



Revenue by Sector



2015 figures in brackets