



RELX Group interim results 2017  
Erik Engstrom, CEO  
Nick Luff, CFO

#### FORWARD-LOOKING STATEMENTS

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Erik Engstrom, CEO

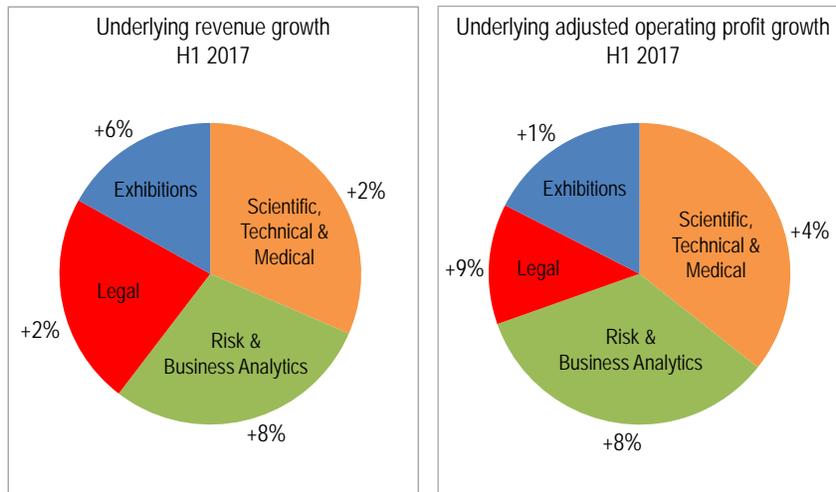
## RELX Group H1 2017 progress

- Positive financial performance
  - Underlying revenue growth across all four business areas
  - Underlying profit growth ahead of underlying revenue growth
- Further strategic and operational progress
  - Improvement in business profile
  - Organic development of analytics & decision tools

## H1 2017 financial highlights



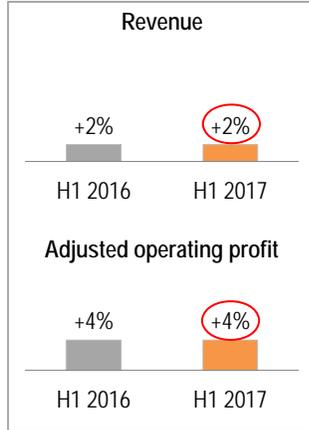
## Underlying revenue and adjusted operating profit



*Underlying revenue growth rates exclude exhibition cycling, and timing effects*

## Scientific, Technical & Medical

### Underlying growth

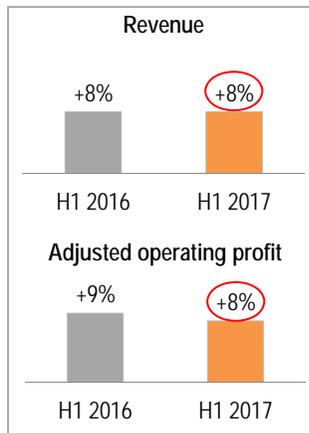


- Key business trends remained positive
- Primary research value enhancement: content sets; analytics; technology platforms
- Good growth in databases & tools; electronic reference products
- Print book declines in line with historic trends; print pharma revenues declined moderately

**Full year 2017 outlook:** Customer environment remains largely unchanged; overall we expect another year of modest underlying revenue growth, with underlying operating profit growth continuing to exceed underlying revenue growth

## Risk & Business Analytics

### Underlying growth

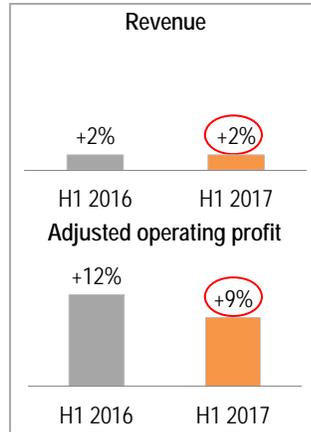


- Underlying revenue growth strong across all key segments
- Insurance growth driven by analytics, extension of datasets, and expansion in adjacent verticals. International initiatives progressing well
- Growth in Business Services driven by development of analytics across financial services and corporate sectors
- Government and healthcare growth driven by more sophisticated analytics; Data Services driving growth through organic development and integration of recent acquisitions

**Full year 2017 outlook:** Fundamental growth drivers remain strong; we expect underlying operating profit growth to broadly match underlying revenue growth

## Legal

### Underlying growth

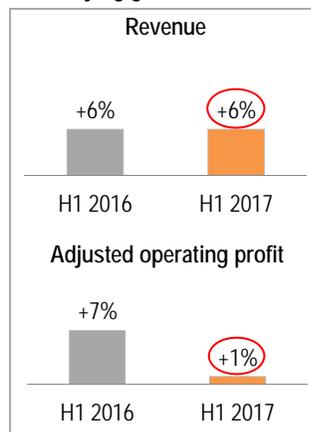


- Underlying revenue growth in line with prior year
- Continued growth in electronic revenues partially offset by print declines
- Roll out of new platform releases continued; broader datasets and expansion of early stage legal analytics
- US and European markets stable but subdued; revenue from other international markets grew well

**Full year 2017 outlook:** Trends in our major customer markets are unchanged, continuing to limit the scope for underlying revenue growth. We expect underlying profit growth to remain strong

## Exhibitions

### Underlying growth



- Strong underlying revenue growth in line with H1 of prior year
- Good growth in Europe; moderate in the US
- Strong growth in Japan and China; Brazil remained weak; most other markets grew strongly
- Launched 21 new events; completed two small acquisitions; piloting data analytics opportunities

**Full year 2017 outlook:** We expect underlying revenue growth trends to continue in line with prior year. For the full year we expect cycling out effects to decrease the reported revenue growth rate by around five percentage points

## RELX Group strategic direction: unchanged

### Where we are going

- Deliver improved outcomes to professional customers
- Combine content & data with analytics & technology in global platforms
- Build leading positions in long term global growth markets
- Leverage institutional skills, assets and resources across RELX Group

### How we are getting there

- Organic development: Investment in transforming core business; build-out of new products
- Portfolio reshaping: Selective acquisitions; selective divestments

### Implications for business profile: Improving quality of earnings

- More predictable revenues
- Higher growth profile
- Improving returns

Nick Luff, CFO

## H1 2017 financial highlights

### Income statement highlights

• Underlying revenue growth	+4%
• Underlying adjusted operating profit growth ahead of revenue growth	+5%
• Adjusted operating profit margin 20 basis points higher	31.0%
• Adjusted EPS growth at constant currencies	+8%

### Cash flow and balance sheet highlights

• Cash flow conversion	90%
• Net debt / EBITDA	2.4x*
• Dividend	PLC +14%; NV +8%
• Share buyback	£500m H1; £200m H2

*\*Pensions and lease adjusted; calculated in US dollars; unadjusted 2.0x*

## Income statement

6 months to 30 June	2016 £m	2017 £m	change	change constant currency	change underlying
Revenue	3,257	3,718	+14%	+3%	+4%
Adjusted operating profit	1,003	1,154	+15%	+4%	+5%
<i>Adjusted operating margin</i>	<i>30.8%</i>	<i>31.0%</i>			
Adjusted net interest expense	(83)	(87)			
Adjusted profit before tax	920	1,067	+16%	+5%	
Adjusted tax	(213)	(242)			
<i>Tax rate %</i>	<i>23.1%</i>	<i>22.7%</i>			
Non-controlling interests	(2)	(2)			
Adjusted net profit	705	823	+17%	+5%	
Reported net profit	558	691	+24%		

## Earnings per share

6 months to 30 June	2016	2017	Growth
Adjusted net profit (£m)	705	823	+17%
Average shares outstanding (m)	2,076	2,030	
Adjusted earnings per share			
Sterling	34.0p	40.5p	+19%
Euros	€0.435	€0.470	+8%
<b>Constant currency</b>			<b>+8%</b>
Reported net profit (£m)	558	691	
Average shares outstanding (m)	2,076	2,030	
Reported earnings per share			
PLC (p)	26.9p	34.0p	+26%
NV (€)	€0.344	€0.395	+15%

## Dividends per share

	PLC	Exchange rate	NV
Interim dividend 2017	11.70p	x €1.13/£	€0.132
<i>Growth</i>	<i>+14%</i>		<i>+8%</i>

- Full year dividend policy unchanged. Continue to grow dividends broadly in line with adjusted earnings per share, subject to exchange rate considerations, while maintaining cover of at least two times over the longer term

## Revenue

Underlying growth in all business areas

6 months to 30 June	2016 £m	2017 £m	change	change constant currency	change underlying
Scientific, Technical & Medical	1,056	1,171	+11%	+1%	+2%
Risk & Business Analytics	898	1,074	+20%	+7%	+8%
Legal	754	845	+12%	+0%	+2%
Exhibitions	549	628	+14%	+2%	+6%
RELX Group	3,257	3,718	+14%	+3%	+4%

## Adjusted operating profit

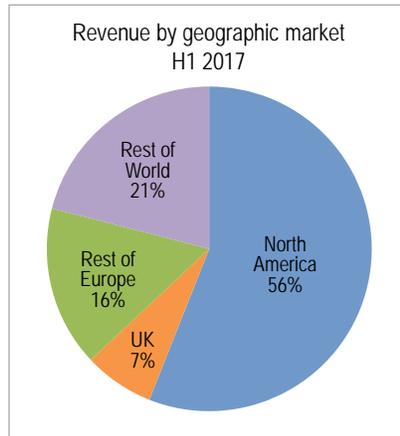
Underlying growth in all business areas

6 months to 30 June	2016 £m	2017 £m	change	change constant currency	change underlying
Scientific, Technical & Medical	374	414	+11%	+2%	<b>+4%</b>
Risk & Business Analytics	327	394	+20%	+8%	<b>+8%</b>
Legal	131	150	+15%	0%	<b>+9%</b>
Exhibitions	178	203	+14%	+1%	<b>+1%</b>
Unallocated items	(7)	(7)			
RELX Group	1,003	1,154	+15%	+4%	<b>+5%</b>

## Adjusted operating margin

6 months to 30 June	2016	2017
Scientific, Technical & Medical	35.4%	35.4%
Risk & Business Analytics	36.4%	36.7%
Legal	17.4%	17.8%
Exhibitions	32.4%	32.3%
RELX Group	30.8%	31.0%

## Currency profile



- Revenue by currency broadly matches geographic split
- Hedging smooths volatility in sterling and euro reported results
- At current exchange rates impact on FY 2017 adjusted EPS growth positive in sterling and small negative in euros

## Free cash flow

6 months to 30 June	2016 £m	2017 £m
<b>Adjusted operating profit</b>	<b>1,003</b>	<b>1,154</b>
Capital expenditure	(153)	(173)
Depreciation	117	139
Working capital and other items	(75)	(85)
<b>Adjusted cash flow</b>	<b>892</b>	<b>1,035</b>
<i>Cash flow conversion rate</i>	<i>89%</i>	<i>90%</i>
Cash interest paid	(54)	(80)
Cash tax paid	(241)	(222)
Acquisition related costs*	(10)	(11)
<b>Free cash flow</b>	<b>587</b>	<b>722</b>

\*Net of cash tax relief

## Uses of free cash flow

	2016	2017
6 months to 30 June	£m	£m
<b>Free cash flow</b>	<b>587</b>	<b>722</b>
Disposals: total consideration	7	21
Acquisitions: total consideration	(33)	(15)
Dividends	(464)	(523)
Share buybacks	(502)	(500)
Other*	(54)	(41)
Currency translation	(331)	16
<b>Movement in net debt</b>	<b>(790)</b>	<b>(320)</b>
Net debt at 30 June	(4,572)	(5,020)
Net debt / EBITDA (pensions and lease adjusted)	2.4x	2.4x
Net debt / EBITDA (unadjusted)	1.9x	2.0x

\*Includes option proceeds, share purchases by the employee benefit trust, acquisition and disposal timing effects and cash taxes on disposals

Erik Engstrom, CEO

## Summary

### H1 2017

- Continued positive financial performance
- Further strategic and operational progress

### 2017 Outlook

As we enter the second half of 2017, key business trends are unchanged, and we are confident that, by continuing to execute on our strategy, we will deliver another year of underlying revenue, profit, and earnings growth in 2017.

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## Further information

## Reconciliation of operating profit Adjusted to reported

6 months to 30 June	2016 £m	2017 £m	change
Adjusted operating profit	1,003	1,154	+15%
Adjustments:			
Amortisation of acquired intangible assets	(159)	(181)	
Acquisition related costs	(16)	(18)	
Reclassification of tax in joint ventures	(5)	(6)	
Reported operating profit	823	949	+15%

## Scientific, Technical & Medical Growth and currency analysis

£		Underlying	Acquisitions/ disposals	Constant currency	Period change in hedge rates	Other currency	Total currency	Total
H1 2017	Revenue	+2%	-1%	+1%	0%	+10%	+10%	+11%
	Adjusted operating profit	+4%	-2%	+2%	0%	+9%	+9%	+11%
	Adjusted operating margin	+0.7%	-0.4%	+0.3%	+0.1%	-0.4%	-0.3%	0.0%
2016	Revenue	+2%	0%	+2%	-1%	+11%	+10%	+12%
	Adjusted operating profit	+3%	-1%	+2%	-1%	+11%	+10%	+12%
	Adjusted operating margin	+0.4%	-0.1%	+0.3%	-0.1%	-0.1%	-0.2%	+0.1%
2015	Revenue	+2%	0%	+2%	-1%	0%	-1%	+1%
	Adjusted operating profit	+3%	+1%	+4%	-2%	-2%	-4%	0%
	Adjusted operating margin	+0.5%	+0.4%	+0.9%	-0.4%	-1.0%	-1.4%	-0.5%

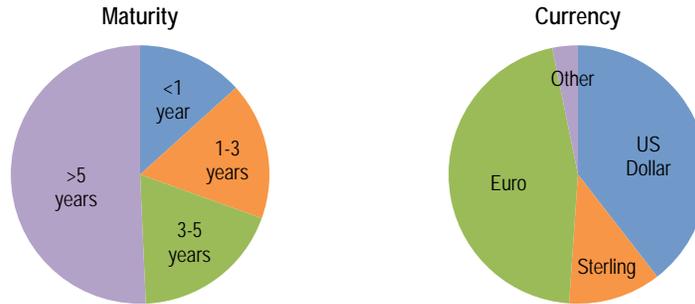
## Exhibitions: cycling impact

Revenue growth	2012	2013	2014	2015	2016	H1 2017
Total at constant currencies	+25%	+2%	+11%	+1%	+9%	+2%
Impact of acquisitions / divestments	+10%	0%	+2%	+1%	+1%	+1%
Underlying with cycling	+15%	+2%	+9%	0%	+8%	+1%
Impact of cycling* shows	+8%	-5%	+2%	-5%	+3%	-5%
Underlying	+7%	+7%	+7%	+5%	+5%	+6%

*\*All H1 cycling effects include cycling and timing*

## Debt profile

Debt as at 30 June 2017: Gross debt: \$6.7bn (£5.2bn); Net debt: \$6.5bn (£5.0bn)



- HY 2017 interest rate on gross debt of 3.4% (FY 2016: 3.8%)

## Exchange rates and shares outstanding

	At 31 Dec 2016	At 30 June 2017	Average H1 2016	Average 2016	Average H1 2017
<b>Exchange rates</b>					
£:\$	1.23	1.30	1.43	1.36	1.26
£:€	1.17	1.14	1.28	1.22	1.16

### Shares outstanding

Total:	2,043m	2,015m	2,076m	2,062m	2,030m
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## Balance sheet

	30 June 2016 £m	31 Dec 2016 £m	30 June 2017 £m
Goodwill & acquired intangible assets	8,188	8,911	8,336
Internally developed intangible assets	1,003	1,085	1,106
Property, plant & equipment and investments	490	481	454
Net assets held for sale	10	1	57
Net pension obligations	(601)	(636)	(522)
Working capital	(1,135)	(1,358)	(1,200)
Net capital employed (book value)	7,955	8,484	8,231

## Financial information in euros

## Income statement

6 months to 30 June	2016 €m	2017 €m	change	change constant currency	change underlying
Revenue	4,169	4,313	+3%	+3%	+4%
Adjusted operating profit	1,284	1,339	+4%	+4%	+5%
<i>Adjusted operating margin</i>	<i>30.8%</i>	<i>31.0%</i>			
Adjusted net interest expense	(106)	(101)			
Adjusted profit before tax	1,178	1,238	+5%	+5%	
Adjusted tax	(273)	(281)			
<i>Tax rate %</i>	<i>23.1%</i>	<i>22.7%</i>			
Non-controlling interests	(3)	(2)			
Adjusted net profit	902	955	+6%	+5%	
Reported net profit	714	802	+12%		

## Revenue

Underlying growth in all business areas

6 months to 30 June	2016 €m	2017 €m	change	change constant currency	change underlying
Scientific, Technical & Medical	1,352	1,358	0%	+1%	+2%
Risk & Business Analytics	1,149	1,246	+8%	+7%	+8%
Legal	965	980	+2%	+0%	+2%
Exhibitions	703	729	+4%	+2%	+6%
RELX Group	4,169	4,313	+3%	+3%	+4%

## Adjusted operating profit

Underlying growth in all business areas

6 months to 30 June	2016 €m	2017 €m	change	change constant currency	change underlying
Scientific, Technical & Medical	479	480	0%	+2%	+4%
Risk & Business Analytics	418	457	+9%	+8%	+8%
Legal	168	174	+4%	0%	+9%
Exhibitions	228	236	+4%	+1%	+1%
Unallocated items	(9)	(8)			
<b>RELX Group</b>	<b>1,284</b>	<b>1,339</b>	<b>+4%</b>	<b>+4%</b>	<b>+5%</b>

## Free cash flow

6 months to 30 June	2016 €m	2017 €m
<b>Adjusted operating profit</b>	<b>1,284</b>	<b>1,339</b>
Capital expenditure	(196)	(201)
Depreciation	150	161
Working capital and other items	(96)	(98)
<b>Adjusted cash flow</b>	<b>1,142</b>	<b>1,201</b>
<i>Cash flow conversion rate</i>	<i>89%</i>	<i>90%</i>
Cash interest paid	(69)	(93)
Cash tax paid	(308)	(258)
Acquisition related costs*	(13)	(13)
<b>Free cash flow</b>	<b>752</b>	<b>837</b>

\*Net of cash tax relief

## Uses of free cash flow

6 months to 30 June	2016 €m	2017 €m
<b>Free cash flow</b>	<b>752</b>	<b>837</b>
Disposals: total consideration	9	24
Acquisitions: total consideration	(42)	(17)
Dividends	(594)	(607)
Share buybacks	(643)	(580)
Other*	(70)	(47)
Currency translation	246	166
<b>Movement in net debt</b>	<b>(342)</b>	<b>(224)</b>
Net debt at 30 June	(5,486)	(5,723)
Net debt / EBITDA (pensions and lease adjusted)	2.4x	2.4x
Net debt / EBITDA (unadjusted)	1.9x	2.0x

\*Includes option proceeds, share purchases by the employee benefit trust, acquisition and disposal timing effects and cash taxes on disposals

## Reconciliation of operating profit Adjusted to reported

6 months to 30 June	2016 €m	2017 €m	change
Adjusted operating profit	1,284	1,339	+4%
Adjustments:			
Amortisation of acquired intangible assets	(204)	(210)	
Acquisition related costs	(21)	(21)	
Reclassification of tax in joint ventures	(6)	(7)	
Reported operating profit	1,053	1,101	+5%

## Scientific, Technical & Medical Growth and currency analysis

€	Underlying	Acquisitions/ disposals	Constant currency	Period change in hedge rates	Other currency	Total currency	Total
H1 2017 Revenue	+2%	-1%	+1%	0%	-1%	-1%	0%
Adjusted operating profit	+4%	-2%	+2%	0%	-2%	-2%	0%
Adjusted operating margin	+0.7%	-0.4%	+0.3%	+0.1%	-0.4%	-0.3%	0.0%
FY 2016 Revenue	+2%	+0%	+2%	-1%	-2%	-3%	-1%
Adjusted operating profit	+3%	-1%	+2%	-1%	-2%	-3%	-1%
Adjusted operating margin	+0.4%	-0.1%	+0.3%	-0.1%	-0.1%	-0.2%	+0.1%
FY 2015 Revenue	+2%	0%	+2%	-1%	+11%	+10%	+12%
Adjusted operating profit	+3%	+1%	+4%	-2%	+9%	+7%	+11%
Adjusted operating margin	+0.5%	+0.4%	+0.9%	-0.4%	-1.0%	-1.4%	-0.5%

## Balance sheet

	30 June 2016 €m	31 Dec 2016 €m	30 June 2017 €m
Goodwill & acquired intangible assets	9,826	10,426	9,503
Internally developed intangible assets	1,204	1,269	1,261
Property, plant & equipment and investments	588	563	518
Net assets held for sale	12	1	65
Net pension obligations	(721)	(744)	(595)
Working capital	(1,363)	(1,589)	(1,369)
Net capital employed (book value)	9,546	9,926	9,383