



RELX Interim Results 2021

Thursday, 29th July 2021

Introduction

Erik Engström

CEO, RELX Group

RELX H1 2021 Progress

Financial performance

Good morning, everybody. Thank you for taking the time to join us on our call today. As you may have seen from our press release this morning, we delivered a strong first half, with underlying growth trends across almost all market segments returning to the improving trajectory that we saw in the early part of 2020.

Operational and strategic progress

We made good operational and strategic progress, investing behind our strategic priorities to drive organic growth through development of analytics and decision tools across segments, with recent acquisitions performing well. We also continued to build on our strong ESG performance, making good progress on many of our internal metrics and maintaining or improving our key external ratings.

H1 2021 financial highlights

In the first half, revenue growth at constant currencies was 4%. Adjusted operated profit growth was 11%. Adjusted earnings per share growth was 10%. And we announced an increase in the pound sterling interim dividend of 5%. Our three largest business areas, all delivered improved underlying revenue growth in the first half. So let's look at the results of each business area.

Revenue by business area

Risk

In Risk, underlying revenue growth was 10%. Underlying adjusted operating profit growth was 12%. Transactional revenue, which represents around 60% of the divisional total, grew in the double-digits in the first half, and volumes in most segments continue to develop strongly against both the disrupted first half of 2020 and the first half of 2019.

Subscription revenue, which represents around 40% of the divisional total, and where last year's disruption was more second-half weighted, have seen a more recent return to historical growth rates, driven by strong new sales across markets.

In Business Services, which represents nearly 45% of divisional revenue, double-digit revenue growth was driven by strong demand across almost all market segments. Fraud and Identity our leading digital identity solutions performed particularly well, with both ThreatMetrix and Emailage continuing to see growth of around 30%.

In Financial Crime and Compliance, last year's alignment of Accuity within Business Services has significantly strengthened our customer proposition through the sharing of technology platforms and data, and will enable an accelerated roll-out of new decision tools.

In Insurance, representing nearly 40% of the divisional total, strong revenue growth was driven by the continued roll-out of enhanced analytics and expansion of adjacent verticals.

Our customer markets have seen a recovery since the disruption in March and April of last year. Muted auto insurance shopping growth fluctuated somewhat, but overall for the first half was in line with recent years. US driving activity has continued to recover and is currently over 95% of 2019 levels, up from a low point of around 50% in April of last year. And claims volumes are following a similar trajectory.

In adjacent verticals, we have seen strong growth in home and life insurance, as customers seek alternative data sources in automation of the application and underwriting processes.

In Data Services, which represents just over 10% of divisional revenue, we saw continued strong growth in petrochemicals and agriculture, whilst other segments such as aviation are now in the early stages of recovery.

In Government, representing around 5% of divisional revenue, strong growth was driven by the continued expansion and roll-out of analytics and decision tools across both state and local and federal markets.

Going forward, we expect underlying revenue growth slightly above historical trends, with underlying adjusted operating profit growth broadly matching underlying revenue growth.

Scientific, Technical & Medical

In STM we saw underlying revenue growth of 4%, driven by continued good growth in electronic revenue, which represented 88% of the total. Print revenue, representing 12% of the total stabilised, following particularly steep declines in the first half of last year.

In Primary Research, the number of articles submitted to our journals remained at last year's elevated levels, and strong growth in the number of articles published drove market share gains in both subscription and open-access payment models. As you know, we're always very happy to serve our customers with whatever payment model they prefer, and our aim is to help them achieve their objectives in a way that gives them higher quality and better effective value from us than they can get from other major providers.

Our relative quality advantage in each sub-segment has been consistently maintained or increased. And growth in article usage has remained strong on all key measures. So far this year, we've launched another 55 author pays open access titles, bringing our open access journal count to over 560. And our subscription renewal completion rates and new sales are in line with historical trends.

Databases & Tools and Electronic Reference, which represents over a third of divisional revenue, showed strong growth in medical education, clinical solutions and electronic reference. This was driven by increased production of digital tools, including advanced simulation training, continued geographical rollout of ClinicalKey, and strong growth in evidence-based decision support tools, including ClinicalPath.

Print books, which now represent a little over 5% of divisional revenue in the first half, stabilised after last year's unusually steep first-half declines.

Going forward, we expect underlying revenue growth slightly above historical trends, with underlying adjusted operating profit growth slightly exceeding underlying revenue growth.

Legal

In Legal, underlying revenue growth was 3%, with underlying adjusted operating profit growth ahead of revenue growth at 6%, reflecting further process innovation.

Electronic revenue, representing 88% of the divisional total, has continued to grow well. And print revenue declines moderated following unusually steep declines in the first half of last year.

In North America, which accounts for around two-thirds of divisional revenue, growth across all key market segment was driven by the development and roll-out for legal analytics and new integrated functionality.

Last September we launched Lexis+, using machine learning and natural language processing to unite multiple legal research and analytic functions, delivered through a modernised user interface. We've seen positive uptake across all customer segments, with almost all new customers and the majority of renewing customers opting for Lexis+.

Trends in our major customer markets are stable, renewal rates holding up well, and new sales currently running ahead of recent years.

Going forward, we expect underlying revenue growth in line with or slightly above historical trends, with underlying adjusted operating profit growth exceeding underlying revenue growth.

Exhibitions

Exhibitions revenue declined 36% in constant currencies for the first half as a whole, but has been running ahead of last year since April. The physical events that we were able to hold in the first half have mostly been in China and Japan, and more recently in the US and elsewhere. They have generally been well received by both exhibitors and attendees, and have all been supported by digital initiatives. Nick will take you through the details for Exhibitions' revenues and costs in a few minutes.

Going forward, the revenue outcome for the full year will depend on the pace and sequence of reopening. The operating results will benefit from a significantly lower cost structure than in the prior year.

Operational and strategic process

Our operational and strategic priorities, which are the drivers of our improved performance, are unchanged. In the first half, we continued to make good progress across market segments on our number one strategic priority: the organic development of increasingly sophisticated analytics and decision tools that deliver enhanced value to our customers and help them make better decisions, get better results and be more productive.

Our organic growth strategy is supported by targeted acquisitions. In the first half, we made five small acquisitions and recent acquisitions continued to perform well. We remain committed to our corporate responsibilities, drawing on the unique contributions that we're able to make as a business. And in the first half, we saw further improvement in our internal metrics and in the external recognition of our efforts.

With that, I will now hand over to Nick Luff, our CFO, who will talk you through our results in more detail. I will be back afterwards for a quick wrap-up and our usual Q&A.

Financial Overview

Nick Luff

CFO, RELX Group

H1 2021 financial highlights

Income statement highlights

Thank you, Erik. Good morning, everyone. Let me start by providing more detail on the Group financials.

Revenue growth for the period was 4% at constant currency, reflecting the strong performance of Risk, STM and Legal. Adjusted operating profit growth was 11% at constant currency, with all four business areas showing improved results. The adjusted operating margin improved to 30.1%. The improved profit performance flow through to adjusted earnings per share, which are up 10% at constant currency.

Cash flow and balance sheet highlights

Cash conversion was strong at 112%, contributing to a significant reduction in leverage to 2.8 times, including leases and pensions, down from 3.3 times at the end of 2020. Given the strong overall performance, we've been able to increase the interim dividend by 5% to 14.3p.

Revenue

Looking at revenues, underlying growth trends in our three largest business areas returned to the improving trajectory that we saw in the early part of 2020, with Risk at 10%, STM at 4% and Legal at 3%. Given the extent of event rescheduling during the year, underlying measures are not meaningful for Exhibitions for the first half, and hence not for the Group as a whole.

Portfolio changes were a small net positive for Risk, but within the rounding, a small positive for STM and a small negative for Legal. We generate the majority of our revenue in dollars, of course, and with the sterling stronger on average against the dollar as well the euro compared with the first half of last year, currency movements were a drag on sterling reported growth rates of between 4% and 8%, with Group revenue down 3% in sterling.

Adjusted operating profit

On adjusted operating profit, Risk and Legal delivered underlying growth slightly ahead of underlying revenue growth, with some benefit from phasing of expenses. For STM, adjusted operating profit growth was in line with revenue growth. Portfolio effects on adjusted operating profit were broadly neutral in the three largest business areas.

Exhibitions improved its operating results, despite lower revenues, with an adjusted loss of £48 million compared to £66 million in the prior first half. You will recall that in 2020 we incurred exceptional costs in Exhibition, with £51 million falling in the first half, mostly related to cancelled events. The first half 2020 comparative figure shown here excludes that exceptional cost. There were no exceptional costs in the first half of this year.

Including that improved result from Exhibitions, at constant currency, Group adjusted operating profit was up 11%. Currency movements were a drag to profit growth, similar to the drag on revenue. The Group adjusted operating profit was still up by 3% to just over £1 billion.

Adjusted operating margin

The three largest business areas each saw an increase in margin, the largest being in Legal, which continued to benefit from process innovation and tight control of costs. With the reduced loss in Exhibitions, overall adjusted operating margins for the Group improved by 1.8 percentage points to 30.1%.

Exhibitions revenue and cost

Looking at Exhibitions in a bit more detail, revenues were, of course, down on the prior half year, but as Erik mentioned, they have been running ahead of last year since April. We have been able to operate the business with a significantly lower cost base, as shown by the comparison with the H1 2019 figures shown on the slide.

Direct costs were down, of course, reflecting the event programme that we were able to run in the first half. On indirect costs, you'll recall that historically those run at around £400 million per annum, and we were targeting a reduction at around 25% on an ongoing basis. We achieved that and actually ran a little bit better than the target level in the first half, with some benefit from the phasing of cost within the year.

The first half result also benefitted from an increased contribution from joint ventures, mainly in China, where we are able to operate largely as normal. So overall, despite the lower revenue, the operating loss was reduced.

Looking into the second half, in July we run events in the US, Japan, China and a couple of other countries. Those events will enable us to deliver revenue for the month of close to £50 million, and a positive operating result, consistently with the roughly breakeven position we've been running at since April. We continue to be flexible with the programme for the remainder of the year, ready to hold face-to-face event as and when countries and venues open up.

Adjusted income statement

Going back to the Group numbers, here is the adjusted income statement, showing a constant currency growth of 4% in revenues and 11% in operating profit. That operating profit growth of 11% flowed through to growth in profit before tax of 13%, aided by a lower interest charge. The interest expense benefitted from lower average net borrowing and lower average interest rates compared to the prior period. The effective interest rate on gross debt was 2.1%.

The tax charge was £185 million, with an effective tax rate of 19.4%. Both the first half of 2021 and the first half of 2020 benefited from non-recurring tax credits, which resulted in effective rates below our normal ongoing rates, albeit, to a lesser extent in the first half of this year, hence the increase in effective rate.

Net profit was £771 million, up 10% at constant currency. At 40p, adjusted earnings per share was also up 10% at constant currency, and up 2% at reported exchange rates, reflecting the relatively strengthen of sterling compared to the prior first half.

Reported profit

Reconciliation of adjusted to reported profit before tax

This next slide shows you how we reconciled from adjusted to reported profit. The biggest change in the reconciliation is that last year we had the exceptional charges in Exhibitions. As I mentioned, £51 million of those exceptional costs were incurred in the first half of 2020, with no exceptional costs in this year's first half. Also, amortisation of acquired intangibles was lower at £143 million, and there was a larger net gain on disposals of £39 million, mainly relating to the venture portfolio.

Overall, reported profit before tax was £825 million, up 24%, with net profit of £664 million, up 21%, and reported EPS of 34.5p, also up 21%.

Free cash flow

Turning to cash flow, Group CapEx was £150 million, equivalent to 4.4% of revenue. Cash conversion was strong at 112%, benefitting from some phasing, including the timing of CapEx spend and working capital movement. Cash interest paid was £72 million, in line with the income statement charge. The higher amount in the prior period related to the cash element of the charge of early redemption of some long-term bonds in the first half of 2020.

Cash tax paid of £142 million was lower than the prior year, with a new UK tax instalment regime resulting in one-off higher payments in the prior period. This year's cash tax has benefitted from some favourable timing of payments, which will reverse in the second half. For the full year, we expect cash tax to be broadly aligned with the adjusted tax charge.

After some Exhibitions' exceptional costs incurred in 2020, so paid in 2021, and lower acquisition-related items, total free cash flow was up over £300 million on the prior year to £886 million.

Use of free cash flow

And here's how we used that free cash flow. We had limited acquisition spend in the first half, with total consideration of £46 million, relating to five small transactions. You'll recall the mark-to-market gain we booked on the Palantir stake to help our venture fund in 2020. We have now sold that stake, which makes up almost all of the disposable proceeds of £175 million in the first half.

Total dividend payments were £634 million, being last year's final dividend. Through a combination of strong operational cash generation, net M&A proceeds and a currency translation benefit, net debt has come down by almost £600 million in the first half to £6.3 billion. Leverage also benefitted from the improvement in operating profit, which flowed through to EBITDA. Including leases and pensions, the ratio of net debt to EBITDA, calculated in US dollars, fell to 2.8 times, down from 3.3 times at year-end, so still above our historical range of 2.1 times to 2.5 times.

With that, I will hand you back to Erik.

Conclusion

Erik Engström

CEO, RELX Group

Summary

Thank you, Nick. Just to summarise what we've covered this morning. We delivered a strong first half, with underlying growth trends across almost all market segments returning to the improving trajectory that we saw in the early part of 2020, and we continue to invest behind our strategic priorities.

Going forward, based on the improved performance in Risk, STM and Legal in the first half, we expect full-year underlying growth rates in the revenue and adjusted operating profit as well as constant currency growth in adjusted earnings per share to be slightly above historical trends.

With that, I think, we're ready to go to questions.

Q&A

Operator: Okay. Ladies and gentlemen, we will now begin the question and answer session. As a reminder, if you wish to ask a question, you may press star one on your telephone. And if you wish to cancel your request, you may press the pound key. Please stand by while we compile the Q&A roster. Our first question is from the line of Adam Berlin from UBS. Thank you. Please ask your question.

Adam Berlin (UBS): Hi. Good morning, Erik and Nick. It's Adam Berlin from UBS. Thanks for taking my questions. I've got three for me. The first question was on RBA. I just wanted to understand are we seeing a sequential quarter-on-quarter improvement in revenues starting, say, in Q3 last year? And do you expect that to continue into Q3 and Q4 this year? Or is it just an effect of the ED comps is why the organic growth is so strong? That's the first question. The second question is on Exhibitions. Can you give us a sense of for the shows that ran in July where you said they generated £50 million, are those revenues broadly in line with 2019 still, substantially down? Can you give us a sense of what the gap is versus like a normalised revenue performance to the shows that did run in July? And the third question is on STM. There were some press that you had sold some publications in Elsevier to Mark Allen Group. Can you just tell us about the material? Will that have any effect on the revenues of STM in the second half? And was that impacted of that excluded from the underlying revenues you reported for STM in the first half? Thanks very much.

Erik Engström: I will hand the second question to Nick after I'm done with the first and the third here. When it comes to Risk, what we see is an improvement as we talked about earlier. In transactions that came – started to come through already in the second half of last year and continued to strengthen, and at the same time, though, we saw subscriptions the negative impact coming to later in the year in the second half. So it's a combination of the balance of the two that had created the result like you see now.

And so, in terms of quarter-on-quarter, we can have Nick later talk to you more specifically about it. But it's not a quarter on quarter issue. It's a question of what you compare to

during last year, where the first quarter was not disrupted significantly until the end and from the middle of March, basically, and then significantly disrupted for transaction in the second quarter. Then in the third and fourth quarter, the impact came through a bit in the subscriptions. Subscriptions then was impacted in the first part this year and now coming to and growing again at the beginning of the second half towards the end of the first half this year.

So it's a balance of the two. And as you can see last year, the growth rate was not significantly higher in the second half than it was in the first half when you add those two together.

When it comes to STM, the piece that we've sold this year was very, very small, immaterial when it comes to STM. It's an immaterial tail of some of these commercially corporate-oriented sort of magazine-oriented sector. So it's immaterial in any way you can look at.

Nick Luff: Yeah. And among the exhibitions in the July shows, I mean, there's quite a range of outcomes in terms of the performance relative to the prior edition. Some are actually up, others quite a long way down, and we've been seeing that all year. I mean, China typically is doing well and is often events are above their previous edition. Sometimes below but sometimes above, depending on how international they are.

In other markets – I mean, you've got all sorts of dynamics. With some of these events, we've changed the city, we've changed the time of year. It's – you know, you almost sort of can't compare them. But we still felt it was worth holding the events and giving the customer what service we're able to provide them. So there's a big wide range. I'm not sure you can read anything into how they're doing for simply reference, because I think it very much depends on the specific circumstances of that event, that city, what restrictions there are, what limits there are on capacities and so on. So big wide range.

Adam Berlin: Nick, can I just follow-up just on two of the questions quickly? So just on Risk, can you just – are we seeing Q-on-Q improvements in absolute revenue in dollars, I suppose, or not? And on Exhibitions, can you just – maybe I'll ask it a different way then. How dependent are you on the return to kind of international travel to get revenues back to 2019 levels?

Nick Luff: Yeah. Look, I mean, on – as I already said, on Risk, yeah, absolutely the revenue is improving. The – and going up. The subscriptions – subscription side had a very different pattern last year. Obviously, it held up initially better but was then impacted – has taken longer to come back. The transactional side is, as Erik was describing, very dependent on what was in the – how much disruption there was in the prior period. But if you look at the sort of the sequencing of it, we continue to grow. We've got good new sales, good momentum. So definitely.

And on Exhibitions, yeah, it's clearly that the China, US tend to be more domestic events in terms of the audiences more domestic. Some of the international – if there's a more international component to it that's clearly tougher. But that's going depend – going forward that's going to depend on how restrictions are lifted, what travel constraints there are. And I'm not sure you can read a whole amount into what's happened in these shows we've just

run. I mean, some of them, particularly the US is only just reopening. So it's very early days to see how things will develop from here. As things pass[?] –

Adam Berlin: Thanks very much.

Nick Luff: Most of our audience is domestic in the customer portfolio as a whole. So clearly, we'd like international travel to be easier and some of the shows it's very, very important but for others it's less important.

Adam Berlin: Thanks, Nick.

Nick Luff: Okay. Thanks, Adam.

Operator: Thank you. Our next question is from the line Nick Dempsey from Barclays. Thank you. Please ask your question.

Nick Dempsey (Barclay): Yeah. Good morning guys. I've got three. So first one. In both Legal and STM divisions, we've got print shrinking pretty fast in the mix and you've seen analytics style offerings. Your comment is really positive about those in the first half. But when we look forward beyond 2021, does that give you a bit of confidence that you might start to see slightly better organic revenue growth in those two divisions than you saw in 2011 to 2019? Second question. You mentioned ThreatMetrix and I think Emailage holding 30% organic revenue growth. So it's still maintaining very strong growth there. They must be getting a little bit larger in the mix. Are they at a level where if they maintain that strong growth, they can actually move the needle on the whole of Risk and we could see that double up or it's too small to have much of an effect? And third question. You mentioned that £50 million of revenue for Exhibitions in July. Can you give us a bit of context in terms of your slate of planned events for the second half? How important July is? So is it a big month in China and Japan? I think, September through November are normally quite big months for you. But I'd be interested to see some context on that £50 million.

Erik Engström: I will hand the third question to Nick again here, but let me take the other two. In Legal and STM, you're absolutely right when you're saying that there has historically been a print drag and in the first half, that print drag, now you can calculate basically that typically an STM that print drag might be about 10% of the business declining. So 10% worse than the average, so it's average here. It's a percentage point print drag in the first half that was sort of absent this year because people are stabilising.

In Legal, the differences were – the difference was much smaller this year, so maybe not that material but a little bit of a benefit. The real benefit that's driving the fundamental improvement in Legal and STM growth rates – the fundamental driver is what we talked about earlier and which has also been the main driver in the past of our strategy, which is the continued development and roll-out of increasingly sophisticated analytics and decision tools that add more to our customers. And because we are continuing to move that across our customer base, we already saw that coming through a bit and improved growth rate in the early part of 2020, which we highlighted in the beginning of last year.

And then the COVID pandemic hit, and I think many of our markets were slightly disrupted and it feels that we're now heading back on that improving trajectory on the electronic reference and decision tool side. So yearly the print drag has a bit of an impact on the growth rate in any one six-month period, but over time that print drags continues to shrink a

little bit and obviously a little bit volatile. It should over time reduce, of course, and our objective is, in each one of our segments, to drive an acceleration or an improvement in the underlying, fundamental long-term growth rate all of each division.

On the second question, in Risk, I think you're specifically talking about our digital identity tools that are continuing to grow about 30% organically. Yes, they are getting bigger, of course. They are probably roughly 30% a year now than they were a year ago, and they are holding up very well at this point in time and continuing to grow at that rate.

I would expect that as they get bigger, the actual organic percentage point growth rate is likely to start to fade a little bit even though they're going to continue to grow very strongly. They're very well positioned in the market. I think, they're leaders in their segment and they're in growing segment. But I think, it would be realistic to expect that growth rate to gradually slow a little bit as they get larger.

But they should, of course, have an impact on the overall growth rate or risk. But the reason we're highlighting them is because they're acquisitions internally organically develops tools that are in the digital and identity section also are also growing very low, and, of course, we hope to continue to be able to develop more and more tools like this organically.

Nick Luff: Yeah, Nick. And on the third one, Exhibitions. Yeah, I think, July is normally a key month in the year for exhibitions, given the sort of pattern of vacations and the like. But this year, it's certainly been our most active month. If you look forward at the exhibition industry, August is generally quiet. As you say, September to November, it would typically pick up again and that would be the busy period. So weekly, you have a lot of the events scheduled but we'll have to see how markets open up and what's – which ones were able to run. And at the moment, it's US, China, Japan and a few other countries and we'll see whether we have the opportunity to run events elsewhere in the world.

Nick Dempsey: Thanks, guys.

Operator: Thank you. Next question is from the line of Sami Kassab from Exane. Thank you. Please ask your question.

Sami Kassab (Exane BNP Paribas): Thank you, and good morning, gentlemen. I have two questions as well. The first one, we've seen your free cash flow go up by £300 million. We've seen your leverage come down by half a turn. We've seen operations normalising. So what are the key criterias are you looking for in order to resume the share buyback programme? Secondly, can you talk about the adoption of Lexis+, and to what extent is the improvement in new sales directly related to the roll-out of Lexis+? And lastly, I think in February you suggested that you were planning on rolling 75% of the shows that you had at RX in 2019. Can you update us on that number? Are you still looking to run 75% of the shows or a smaller number? Thank you.

Erik Engström: Well, I will hand over to Nick to answer the questions around – the first question on cash flow. And you might as well also address the question of exhibitions while you're at it and I will come back and answer your second one.

Nick Luff: Yeah. Sami, on the share buyback, I mean, as you know that's our mechanism for returning surplus capital to shareholders that they would leverage having stepped up due to

the reduction in the EBITDA that we had last year. We didn't have that surplus capital, hence the buyback was suspended and we said we won't resume it in 2021.

But as you point out, the leverage has come down. It's still above our historic range but it's has come down quite quickly. So we'll have to see how that evolves from here. Clearly, the rest of this year, exactly how the business performs and what acquisition spend we might have are probably the biggest variables. But we'll see and then we'll make a judgment for next year around that. But at the moment, obviously, leverage is still a little bit elevated and focus on that.

On your question on the number of exhibitions, I don't think we actually said we were expecting to run 75%. I think, we just said, well, that's the number in the calendar, to be clear, because they definitely won't happen if they're not in the calendar. It's lower than that now. Obviously, we've been rescheduling and pushing events for later in the year but not all of them sort of [inaudible] calendar of the industry we serve to hold them all. So it's – in terms of numbers, it's a fair bit lower than that now.

But yeah, I think, as we said, the focus is on the markets where we can operate today and looking to see when other markets open and what opportunities we've got. So there's plenty of events still in the calendar but the key is the ability to operate in different countries and we'll see how that develops.

Sami Kassab: Thank you, Nick.

Erik Engström: And on Legal, Lexis+, as you know was launched last year. It's been very well received by our customers. We continue to roll it out. And almost all new customers opt for Lexis+. And I would say that we had renewal conversations, the majority of our customers who renew also opt for Lexis+. And as we've said that's an integrated offering that integrates different types of analytical tools on different content [inaudible].

And when customers opt for that, they often use it so that they have increased access to and more usage of these different tools that are now integrated in a more easy to use way. And I do believe that the customer feedback and the success of that is a contributing factor, a significant contributing factor to the improvement that we have seen in new sales, and therefore what we perceive as an improvement in the underlying growth trajectory of the platform[?].

Sami Kassab: Thank you, Erik. May I follow up with two quick one on Lexis+? When you see new customers opting for Lexis+, do you see new customers moving away from other established research platform? So are you gaining share with Lexis+ in your view? Secondly, when you see existing customers opt for Lexis+, do you see an increase in the ARPU of these customers? Thank you.

Erik Engström: Yeah. When it comes to share of customers in the legal market, it's often more complicated than a straight share question, because most of the large customers, most of our large law firm customers as well as corporate customers use us as well as other providers. And it's often a question of for which purposes they use them and how much they use them. So it is not as simple as sort of are we taking or losing customers. That's often a small part of it.

We believe that we are getting increased attention and increased usage and that our customers see increased utility and value from us. And I think that's the main driver. So when customers opt for Lexis+, they can therefore use a broader set of our analytical tools and content sets, and therefore end up with an increase spend with us. We, of course, don't have direct insights into what their spending is with others by [inaudible].

Sami Kassab: Thank you very much, Erik.

Operator: Thank you. And our next question is from Matthew Walker from Credit Suisse. Thank you. Please ask your question.

Matthew Walker (Credit Suisse): Thanks. Congratulations on the results. Good morning. First question is, I guess, the sustainability of the growth. And you've been talking about decision tools, analytics for a while. What is the sustainability of better growth compared to history going into next year and the year after that? The second question is on which products would you point to in analytics which are driving the growth? And where are you on the adoption curve for those products? That would be interesting to know, like clinical – so your clinical path, how many hospitals are you in, what potential doctors in the US that you could kind of staff? And so some of your analytics tools in STM, what's the universal penetration compared to the general penetration which obviously is probably nearly 100%? And then the final question is, are you roughly looking to breakeven on the event side? I know it's very unpredictable. But are you roughly looking to breakeven? That's a question for Nick on the event side for this year.

Erik Engström: On the question of sustainability, we are driving the whole strategic direction of increasing sophisticated analytics and decisions tools and add more value across all our market segments, have been heading in that direction for a while. The reason we do it that way is because we believe that that is a sustainable strategic direction that over time will add more value to the customers, and therefore, that they would want to use more of our products and have more of our tools, and therefore, spend more with us because they get more value by spending more with us.

Therefore, we of course belief that this is a sustainable strategy. There are always things that happen in the world in different – at different times that we can't control such as what happened with the pandemic last year. So it's very hard to predict what exactly will happen in any one year, but we believe that this is a sustainable strategy that should lead to better organic growth over time.

Of course, as I said, there are specific events in this year's first half that may also have a slight impact, for example, the absence of the print drag which is a small contributor in STM, but there's still underlying fundamental improvement beyond that.

When it comes to a specific products adoption curves percentages by each product or by each customer set, that is not something that we are prepared to talk about in public because there are competitive products and we do serve our customers in competition with others. But if you say where are we in general on those transition from reference to sophisticated analytics and decision tools? I continue to say that in the Risk division in many of the risk markets we might be 50%, 60%, 70% in that direction already and we continue to move down that path and there's significant growth in the end user markets there that support that growth rate as well.

When we talk about Legal and STM, it's quite possible that we're only sort of 20%, 30% down that path in general at this point in time. So I do not believe we're at the beginning but we're certainly not anywhere near the end.

Nick, do you want to cover Exhibitions?

Nick Luff: Yeah. Matthew, I'm not sure I'm going to give a precise profit forecast for Exhibitions for the second half [inaudible].

Matthew Walker: Thanks a lot.

Operator: Thank you. So our next question is from the line of Tom Singlehurst from Citi. Thank you. Please ask your question.

Tom Singlehurst (Citi): Good morning. It's Tom here from Citi. My line cut out a bit there, so I apologise if you cannot hear me properly. But I had a couple of questions. One was on STM, and it was around open access volumes and submissions and the linkage with revenue. We've seen reports in some universities and consortia of universities that they're in danger of having sort of already used their full quota of bundled articles as part of transformative deal. I'm just wondering whether you can make any comments to whether this is a widespread phenomenon, whether that's helping sort of short-term volumes and revenues from OA journals and/or whether that's likely to come through incrementally in the second half and beyond? That was the first question. And then a second question on events. I recognise this year is highly unusual. But just you talk about flexible management of the remaining 2021 schedule. I'm just interested in what proportion of events you would say are running at the right time of year and how important it is that events get back in sync, i.e., that they not only happen but they happen at the right time of year? And how critical that is to recovering revenues? Thank you very much.

Erik Engström: Well, again, I'll let Nick cover the second question of Exhibitions, but let me first answer the STM question. Yeah, as we said this morning, the open access volumes of articles published for the first half of this year continue to grow very strongly for us. That was basically around 50% increase in the articles published so far this year over last year. And what we are seeing is an increase in submissions and in articles published across our full offering of alternative ways to publish open access author pays, both in terms of customer sets and in terms of geographies and in terms of journals.

And as I said, we launched another 55 standalone open access journals. So we believe that the increase that we are seeing is partly due to the overall market growing and partly due to our increasing market share. So, of course, there are some customers in there that have specific agreements of numbers of articles and so on. I think the overall numbers for us, that is not a significant proportion or a material factor in the general trends we are seeing.

Nick Luff: Tom, on the events question, I mean, you're right. The schedule is quite disrupted in terms of exactly when things are taking place compared to normal. Sometimes we'll find the new date works just fine and just may carry on with it. But typically the dates are important for the relatively – relevant industries, overall schedule and programme and how it all fits together.

So you – typically you'd be looking to get them back to the 'normal' time of year. But it is – depending which events do take place this year, it's pretty disrupted in terms of timing, but

one understands that and wants to talk about that. So I think some are very supportive of us doing that, if we can still hold a good event for them. So – but we'll – most likely most of them will be moving back at some point.

Tom Singlehurst: Very clear. I have one – well, one and a half follow-ups. On the – you talk about 50% increase in articles published. I was wondering whether you have a similar figure for the growth in submission OA? And then on the events side, I mean, do you think it will take all the way through till 2023 to get everything back to the right time of year, or is that possible in 2022 as well?

Erik Engström: When it comes to the submissions in the first half this year to sort of old packs of submissions, we had a significant jump last year. I think it almost doubled, because we had such a large spike, and in the beginning – in the middle of the year, I should say, from the middle of the first half, all the way through towards the middle of the second half. But even on top of those numbers, I think order of magnitude about 25% – I don't know the exact number in front of me, but it's roughly that on open access submissions above the numbers that had that very high spike in the first half last year.

Nick Luff: And then how long did it take to get back to the normal calendar? I think it will depend on exactly what happens in the remainder of this year to start with, and which events do take place, and if they've taken place at an unusual time of year for that particular event. And what that means for '22? If you throw in cycling events as well that take place every year, then it will take a little bit of time to adjust everything – get the calendar back. But that's assuming sort of normal operating conditions and I think we'll have to see how things evolve.

Tom Singlehurst: That's very clear. Thank you very much, and congrats on the results.

Operator: Thank you. Next question is from the line of Matti Littunen from Bernstein. Thank you, please ask your question.

Matti Littunen (Bernstein): Thank you. Good morning. First question on ThreatMetrix and Emailage. Now, since your identity resolution tools don't rely on third-party cookies as far as I understand, do you think you've had a bit of an additional growth tailwind as the market is expecting the removal of third-party cookies? And then on Legal, could you just remind us of what are the main customer segments for LexisNexis as you see them? And is there perhaps one or two of them where you see yourself as having a particularly strong market and/or product position? Thank you.

Erik Engström: I would actually like to make sure you can explain or repeat your second question there? It wasn't absolutely clear to me. Could you do that again?

Matti Littunen: Yes, of course. On Legal, could you remind us what the main customer segments for LexisNexis are as you see them? And then if there are any of them where you see yourself as having to have a bit of a stronger market or product position relatively? Thank you.

Erik Engström: Okay, now I understand. On the first question, in digital identity verification, our digital identity tools are very sophisticated and very embedded and their recognition of devices, and in some of these examples, there are tools that are used and embedded within a financial services institution, for example. And last time we talked about these numbers in

public, we had an order of magnitude a bit over 100,000 million times a day that devices were actually being pinged or checked with a couple of hundred different digital identity characteristics that are being checked on that device and how that device is behaving and how it has behaved previously in the database of several billion of devices that we had in our system. So it's a very deep, sophisticated technological device and software recognition tool.

I do not believe personally that sort of the cookie trend that is going on at the moment has had a significant impact or will have a significant impact going forward. That's, of course, a personal opinion.

On Legal, the main customer segment, the way we look at it, it's of course, we said two-thirds of Legal is in the US and a third is international, of course, are largely in the UK, France, Australia, for example, some of those countries. Inside the US, we have law firms and we have a large law firm segment. We have a small law firm segment. We also have corporate legal customers, and we have federal state and government in the US – state local government and federal government customers. So we operate across a broad range of customer set[?]. Traditionally, we often talk mostly about the law firm customers. But there are several other customer segments as well that use our legal tool, and in particular, the legal analytics and decision tools more and more, because they help them manage their litigation cost, help them manage their legal exposure, help them manage their legal decision-making around this. So it is actually a relatively broad range of customer segment.

Matti Littunen: Just – thank you very much. Just to clarify on that first point about ThreatMetrix and Emailage. Now I understand there's sophistication of the tools. So my question was actually have you had a positive impact from the impending cookie removal as perhaps clients recognise the relative strength of your identity resolution versus solutions that rely more on cookies?

Erik Engström: I actually do believe that the kind of solution we offer is not directly comparable to the ones with cookies, so I do not believe that there has been a significant impact on that, because I think we have so far competed in a different segment. So I don't think it has been a significant factor, and I don't believe it is likely to be a significant factor. But as I said, that's my personal opinion and interpretation of the market and the audience as opposed to any data I can give you.

Matti Littunen: Very helpful, thank you.

Operator: And your next question is from Patrick Wellington from Morgan Stanley. Thank you. Please ask your question.

Patrick Wellington (Morgan Stanley): Yeah. Good morning, everybody. Three questions. First one, we've talked about market share gains in STM. Do you think that's a product of your shift – your greater shift towards read and publish deals and open access? You are taking share clearly in open access. You're talking about taking share in subscription. Why are you taking share, if you like? And does it extend to your database businesses? If I look at people like Clarivate, they have sort of high-single-digit growth aspirations in their databases and tools business. Do you have similar? That's the first question which is around STM. The second one, I think you may have answered this partly in Matthew's question, but the line was a bit garbled. So what percentage of the revenues in STM and Legal would you say are now represented by the decision tools and analytics activities? And then my third

question is around Exhibitions, and it's kind of got three parts really. The first one is, I'm sure Nick gave us the likely profits number for the year, but again the line seemed to cut out momentarily, so if he could give it to us again? Secondly, on revenue. If July is a £50 million month, could we just simply say, well, August will be about £25 million, September, October, November about £75 million each, and December £50 million again? And we would get to about the shortfall of £75 million, £500 million for the year. Would that be a reasonable assumption? And then my final one on Exhibitions is, Erik, can you update us on its role within the Group? You like a nice subscription-based reliable business. You like to be a regular compounder as a Group. Exhibition has got a lot of very good characteristics. Return on invested capital is very good. But RELX has been producing organic revenue growth numbers for 25 years now since 1996 roughly, and you've had six down years in Exhibitions in terms of organic growth in that period, including the last two. So does a business that's with a sort of six out of 25 sort of miss rate, if you like, does that sit happily within the RELX Group?

Erik Engström: I'll start by addressing the STM and Legal questions, and then will hand over the Exhibitions to Nick. I'll come back and talk about your last question after that.

So market share in STM, why do I believe we have an increasing – increased market share? I believe that when it comes to in primary research publishing, which is really I think what you're asking about first, where in the subscription side, we have had a very high quality set of journals with high quality across many market segments, and we continue to launch and spin-off journals in pockets where we have had less of a presence over time.

As we have said before, our objective is in each one of those segments to offer higher quality content and better technology sort of platform tools and to do that at a better value or lower effective price to our customers than other major providers. And I believe that if you continue to do that systematically with the scale that we have, it should be reasonable to continue to increase your market share a little bit on an ongoing basis. And I think we continue to do that this year on the subscription side.

When it comes to open access, the main driver of that is that we have now applied that methodology for the last few years also to spinning off and creating author pays open access journals as well as other types of open access publishing alternatives across the different market segments and the different quality tiers and we are approaching that with a similar strategy, which is again to target higher quality, better platform technology tools and a more effective better value than other major providers.

And because we started to do that, I would say slightly more recently in open access than we did in subscription, you can continue to see that we're growing at a faster rate than the market in open access. And that's a market share again to – and expand – expanded market presence with the same strategy. Therefore in a faster-growing market, our market share gains are more significant.

The question of does that link directly to specific deals? I think the share of those deals is still relatively small. I think that – I mean, we are very happy to serve our customers with whichever publish model they prefer or whatever combination of publishing models they prefer, whatever they prefer to call them. So clearly, I believe that when we work with our

customers and offer them what they would like, that's a positive contributor. But I think our fundamental strategy here is the main driver.

Second question on STM was does it extend to databases and tools? Our strategy extends to databases and tools. The direction of travel extends to databases and tools. I can't comment on any specific other providers what the growth rate should be, but our database tools as well as our electronic reference has, as we have said before, they have grown in sort of strong growth rates for a long period of time. And I think they will continue to do that for a long period of time, if we successfully execute on our strategy, and they're now more than a third of the revenue base of the STM division. And of course, that share continues to increase each year because of obviously growing sub-segment.

You asked a question also on STM and Legal, on what percentage is the analytics and decision tools? And this is a question that we received many times, but it's very difficult to define, because it is not that we sell a reference product and separately sell a decision tool or an analytics tool. Most of the time what we do is we take our reference tool and increase the proportion of analytical tools and decision tools that are built-in or built on top in different sub-segments or for different content sets.

Sometimes those content sets are then sold with the tool integrated and sometimes the tool is sold separately. So it's very difficult to define a sustainable accounting method here. But I said that I would argue that in the STM and Legal divisions, we're probably order of magnitude 20% or 30% down the road on this journey.

Nick Luff: And Patrick, I assure you didn't miss me giving a profit forecast for the commissions for the remainder of the year. The way I was characterising it was that obviously we had the loss in the first half. But from what we said, you can tell that actually it was in the first quarter. We've been roughly breaking even since then on the basis of the markets that are now open. And we'll have to see what happens through the remainder of the year in terms of the markets opening up or not.

And that's – we don't know, and we don't know what restrictions will be in place at the time when events in the markets we are open today and indeed the markets that are yet to open. We don't know what those restrictions will be when we get there, so we'll have to see. But we have been running at that breakeven position for a few months now.

I might answer your revenue question. It's much the same. It will depend. You can obviously choose any method you want – if you want to try and create a forecast for revenue in the second half in Exhibitions, and it will depend on the event calendar and which events or what the particular circumstances are in each of those geographies when those events come up. So we'll have to see.

Patrick Wellington: Okay.

Erik Engström: On exhibitions rolled within RELX, as you know, Exhibitions, and as you said, Exhibitions has been over time a good contributor on average to organic revenue growth and good returns on invested capital both in terms of organic development and acquisitions the way we've done it.

Before the pandemic hit, we transferred over several people and several functions from the Risk division over to Exhibitions, so that we could see if we could accelerate the drive in the

exhibition industry towards using more sophisticated data sets, more sophisticated analytics and digital decision tools to improve the value, to increase the value that we provide to our customer businesses and help them do business better. That was the objective and we thought that would be a five to 10-year journey. And I think the pandemic might have accelerated that digital transition and the use of digital tools and the value of data and analytics in that industry.

We will not know if that transition is working as we had hoped or if it has accelerated for a few more years, because at this point, we're 100% focussed on supporting our customers through the pandemic and coming out of the pandemic. But in a few years, I think this will be an interesting question to address again when the exhibition market has come back and we see how well the digital tools and the analytics and decision support tools have developed in that segment.

At this point though and for the next few years, we're very focussed on supporting our customers with the Exhibitions division the way we have it right now and the way we're pushing digital tools and analytics in the division to our customers at the moment.

Patrick Wellington: That's great. Thank you.

Operator: Thank you. And our last question will be coming from Rajesh Kumar from HSBC. Your line is now open. Please go ahead.

Rajesh Kumar (HSBC): Good morning. Just on your first half growth. Can I clarify that when you say transactional picked up, you're not suggesting that there's a delayed revenues from the second half last year, which have moved to first half? Can you just confirm that in STM, in Risk and Legal, the growth we are seeing is – at least in Q2 terms, that does not include a large flush of backed up demand from 2020? The second question is a follow-up on the Exhibitions. Just on – when you talk to your division heads, what sort of colour are they getting on forward bookings in the sense the interest from various part of events for 2021, are they seeing the same level of discussion that they were seeing towards end of 2020? Or is it too early to tell on that one? And just on the ThreatMetrix comment you made earlier, that the growth is likely to slow as the base grows, that I'm sure is a mathematical certainty. If – but are you implying that the dollar growth would slow, or are you saying the dollar growth remains similar but what you see is against a larger base you start seeing lower percent growth?

Erik Engström: I will hand the second question to Nick, but first I'll answer the number one and number three there. We do not believe that there's any delayed revenue or backlog that artificially inflated the first half of 2021 in any material way or in any specific segment, that's not something we have noticed. So we believe that the revenue growth is what it is, and represented the first half.

When it comes to metrics, I do not believe in any way that the dollar revenue will slow. The only reason I am saying that the percentage point growth might fade somewhat over time, is that even though it's a fast-growing segment, a very attractive segment, we have a very clear leading position and we're doing very well. But as a business gets bigger and bigger and bigger, the very high percentage points growth are naturally going to be more and more difficult to sustain. And on a percentage point basis, we do not believe in any way that the dollar growth should slow, that is not the direction of travel that we hope that it will be on.

Rajesh Kumar: Understood. Thank you.

Nick Luff: And the – your second question, Rajesh, on forward bookings in Exhibitions. We are seeing good appetite actually for people wanting to come to face-to-face events. Customers are generally keen to see the events go ahead when we are able to hold them. And they're generally working well for them.

Clearly, the uncertainty is an issue for people in terms of booking and knowing that they can – whether the event's going to go ahead or not – and depending what industry you're talking about, sometimes the lead times to get ready for the event and take your store to the event and have your product there is longer, and sometimes it's shorter, so that can affect people. Generally speaking, there's good appetite. The key variable is are we able to hold the event given the restrictions that are relevant to that particular location.

Rajesh Kumar: Very clear. Thank you very much.

Operator: Thank you. There are no further questions at this time. Please continue.

Erik Engström: Thank you all for joining us on our call today, and I look forward to talking to you again soon. Thank you.

Operator: Thank you speakers. This ends our conference for today. Thank you all for participating, you may now disconnect. Speakers, please standby.

[END OF TRANSCRIPT]