

# Financial review

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# Chief Financial Officer's report



**In 2022, underlying revenue growth was 9% and underlying adjusted operating profit growth was 15%, and adjusted earnings per share grew at 10% at constant currency.**

Nick Luff, Chief Financial Officer

## Revenue

Underlying revenue growth was 9%, with all four market segments contributing to underlying growth. The underlying growth rate reflects strong growth in electronic and face-to-face revenues, partially offset by continued print revenue declines. Risk continued to deliver strong growth, while both STM and Legal improved their growth rates. Exhibitions saw a strong recovery in revenue.

Acquisitions and disposals together had a broadly neutral impact on revenue, while exhibition cycling effects had a positive impact, giving revenue growth at constant currency of 11%. The impact of currency movements was to increase revenue growth by 7%. Reported revenue including the effects of exhibition cycling and currency movements, was £8,553m (2021: £7,244m), up 18%.

## Profit

Underlying growth in adjusted operating profit was 15%, with growth in each of Risk, STM and Legal in line with or ahead of revenue growth, and the improvement in profitability in Exhibitions reflecting the increased activity levels and a lower cost structure.

Acquisitions and disposals combined had a small negative impact on adjusted operating profit growth, giving growth at constant currency of 14%. Currency effects increased adjusted operating profit by 7%.

Total adjusted operating profit, including the impact of acquisitions and disposals and currency effects, was £2,683m (2021: £2,210m), up 21%.

Operating costs on an underlying basis grew 9%, reflecting investment in global technology platforms, the launch of new products and services and the increased activity levels within Exhibitions, partly offset by the benefits of continued process innovation. Actions continue to be taken across the Company to improve cost-efficiency. Total adjusted operating costs, including the impact of acquisitions, disposals and currency effects, were up 16%. This includes the benefit of lower unallocated central costs and other operating items. Such items include foreign exchange gains and losses related to translation of working capital items into relevant functional currencies (see below).

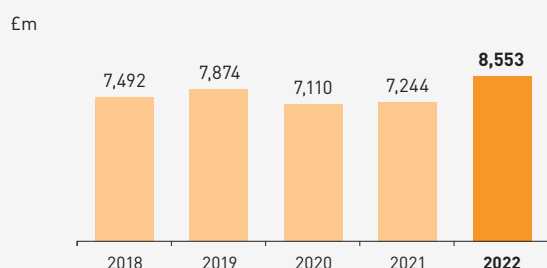
The overall adjusted operating margin of 31.4% was 0.9 percentage points higher than in the prior year. On an underlying basis, including cycling effects, the margin improved by 1.2 percentage points with portfolio changes reducing margins by 0.3 percentage points and currency being neutral on margins.

Reported operating profit was £2,323m (2021: £1,884m) up 23%, reflecting the increase in adjusted operating profit.

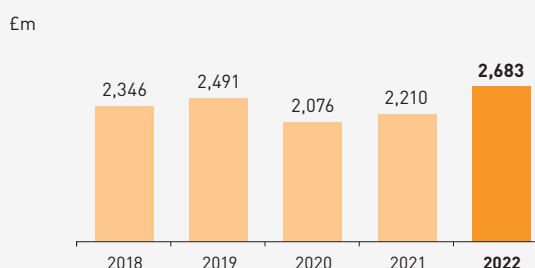
The amortisation charge in respect of acquired intangible assets, including the share of amortisation in joint ventures, was £296m (2021: £298m) including an impairment of £1m (2021: £13m).

Acquisition-related costs were £62m (2021: £21m), higher than the prior year as a result of increased acquisition activity and the absence of an offsetting gain (£27m) recognised in 2021.

## Revenue



## Adjusted operating profit



	2021 £m	2022 £m	Change	Change at constant currencies	Change underlying
<b>Adjusted figures</b>					
Revenue	7,244	<b>8,553</b>	18%	11%	9%
Operating profit	2,210	<b>2,683</b>	21%	14%	15%
Operating margin	30.5%	<b>31.4%</b>			
Profit before tax	2,077	<b>2,489</b>	20%	13%	
Net profit attributable to shareholders	1,689	<b>1,961</b>	16%	10%	
Net margin	23.3%	<b>22.9%</b>			
Cash flow	2,230	<b>2,709</b>	21%	13%	
Cash flow conversion	101%	<b>101%</b>			
Return on invested capital	11.9%	<b>12.5%</b>			
Earnings per share	87.6p	<b>102.2p</b>	17%	10%	
<b>Dividend</b>					
Ordinary dividend per share	49.8p	<b>54.6p</b>	10%		
<b>Reported figures</b>					
Revenue	7,244	<b>8,553</b>	18%		
Operating profit	1,884	<b>2,323</b>	23%		
Profit before tax	1,797	<b>2,113</b>	18%		
Net profit attributable to shareholders	1,471	<b>1,634</b>	11%		
Net margin	20.3%	<b>19.1%</b>			
Net debt	6,017	<b>6,604</b>			
Earnings per share	76.3p	<b>85.2p</b>	12%		

RELX uses adjusted and underlying figures as additional performance measures. Adjusted figures primarily exclude the amortisation of acquired intangible assets and other items related to acquisitions and disposals, and the associated deferred tax movements. Reconciliations between the reported and adjusted figures are set out on pages 216 to 224. Underlying growth rates are calculated at constant currencies, excluding the results of acquisitions until 12 months after purchase, and excluding the results of disposals and assets held for sale. Underlying revenue growth rates also exclude exhibition cycling. Constant currency growth rates are based on 2021 full-year average and hedge exchange rates.

Adjusted net interest expense was £194m (2021: £133m), with the increase reflecting higher average interest rates and currency translation effects. The adjusted interest expense excludes the net pension financing charge of £5m (2021: £9m).

Adjusted profit before tax was £2,489m (2021: 2,077m), up 20%. Reported profit before tax was £2,113m (2021: £1,797m) up 18%, reflecting a net loss on disposals and other non-operating items of £9m compared to a gain of £55m in the prior year, mainly related to our ventures portfolio and the higher acquisition-relate costs.

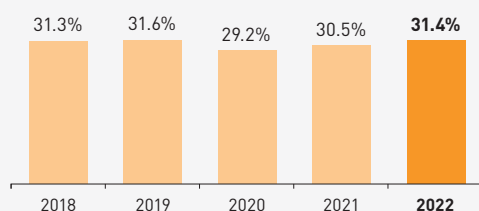
The adjusted tax charge was £530m (2021: £384m). The adjusted effective tax rate was 21.3% (2021:18.5%). This excludes movements in deferred taxation assets and liabilities related to goodwill and acquired intangible assets, but includes the benefit of tax amortisation where available on those items. The 2021 charge reflected the benefit of tax credits arising from the substantial resolution of prior year tax matters.

Adjusted operating profits, interest and taxation are grossed up for the equity share of interest and taxes in joint ventures. The application of tax law and practice is subject to some uncertainty and amounts are provided in respect of this. Discussions with tax authorities relating to cross-border transactions and other matters are ongoing. Although the outcome of open items cannot be predicted, no significant impact on profitability is expected.

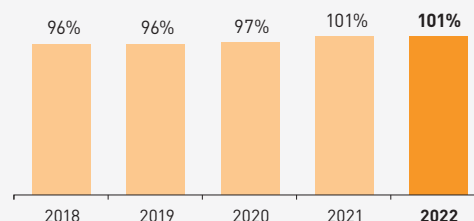
The reported tax charge was £481m (2021: £326m), including tax associated with the amortisation of acquired intangible assets, disposals and other non-operating items. The UK corporation tax rate will increase from 19% to 25% from 1 April 2023.

The adjusted net profit attributable to shareholders was £1,961m (2021: £1,689m), up 10% at constant currency and up 16% after changes in exchange rates. Adjusted earnings per share was up 10% at constant currency, and after changes in exchange rates was up 17% at 102.2p (2021: 87.6p).

#### Adjusted operating profit margin



#### Adjusted cash flow conversion



The reported net profit attributable to shareholders was £1,634m (2021: £1,471m). Reported earnings per share was 85.2p (2021: 76.3p).

## Cash flows

Adjusted cash flow was £2,709m (2021: £2,230m), up 21% compared with the prior period. The rate of conversion of adjusted operating profit to adjusted cash flow was 101% (2021: 101%).

### CONVERSION OF ADJUSTED OPERATING PROFIT INTO CASH

YEAR TO 31 DECEMBER	2021 £m	2022 £m
Adjusted operating profit	2,210	<b>2,683</b>
Depreciation and amortisation	487	<b>491</b>
<b>EBITDA</b>	<b>2,697</b>	<b>3,174</b>
Capital expenditure	(337)	<b>(436)</b>
Repayment of lease principal (net)*	(76)	<b>(78)</b>
Working capital and other items	(54)	<b>49</b>
<b>Adjusted cash flow</b>	<b>2,230</b>	<b>2,709</b>
<b>Adjusted cash flow conversion</b>	<b>101%</b>	<b>101%</b>

\* Excludes repayments and receipts in respect of disposal-related vacant property and is net of sublease receipts.

Capital expenditure was £436m (2021: £337m), including £400m (2021: £309m) in respect of capitalised development costs, reflecting sustained investment in new products. Capital expenditure was 5.1% of revenue (2021: 4.7%) and excludes pre-publication costs of £94m (2021: £73m) that were capitalised as current assets and principal lease repayments under IFRS 16 of £78m (2021: £76m). Depreciation and other amortisation charged within adjusted operating profit was £491m (2021: £487m) and represented 5.7% of revenue (2021: 6.7%). This includes amortisation of internally developed intangible assets of £309m (2021: £295m) and depreciation of property, plant and equipment of £47m (2021: £52m) which combined represent 4.2% (2021: 4.8%) of revenue.

Interest paid (net) of £165m (2021: £118m) was higher due to increases in interest rates compared to the prior year. Tax paid of £495m (2021: £342m) was lower than the current tax charge, with the difference reflecting timing of tax payments.

In 2022, the cash outflow relating to Exhibitions exceptional costs charged in 2020 was £25m (2021: £52m). Payments made in respect of acquisition-related items amounted to £54m (2021: £46m).

Free cash flow before dividends was £1,970m (2021: £1,672m). Ordinary dividends paid to shareholders in the year, being the 2021 final dividend and 2022 interim dividend, amounted to £983m (2021: £920m). Free cash flow after dividends was £987m (2021: £752m).

## FREE CASH FLOW

YEAR TO 31 DECEMBER	2021 £m	2022 £m
Adjusted cash flow	2,230	<b>2,709</b>
Interest paid (net)	(118)	<b>(165)</b>
Cash tax paid*	(342)	<b>(495)</b>
Exceptional costs in Exhibitions	(52)	<b>(25)</b>
Acquisition-related items	(46)	<b>(54)</b>
Free cash flow before dividends	1,672	<b>1,970</b>
Ordinary dividends	(920)	<b>(983)</b>
<b>Free cash flow post dividends</b>	<b>752</b>	<b>987</b>

\* Net of cash tax relief on acquisition-related items and including cash tax impact of disposals.

## RECONCILIATION OF NET DEBT YEAR-ON-YEAR

YEAR TO 31 DECEMBER	2021 £m	2022 £m
Net debt at 1 January	(6,898)	<b>(6,017)</b>
Free cash flow post dividends	752	<b>987</b>
Net disposal proceeds	190	<b>3</b>
Acquisition cash spend (including borrowings in acquired businesses)	(262)	<b>(463)</b>
Share repurchases	–	<b>(500)</b>
Purchase of shares by the Employee Benefit Trust	(1)	<b>(50)</b>
Other*	28	<b>(4)</b>
Currency translation	174	<b>(560)</b>
<b>Movement in net debt</b>	<b>881</b>	<b>(587)</b>
<b>Net debt at 31 December</b>	<b>(6,017)</b>	<b>(6,604)</b>

\* Distributions to non-controlling interests, pension deficit recovery payments, leases, share option exercise proceeds.

Total consideration on acquisitions completed in the year was £443m (2021: £255m). Cash spent on acquisitions was £460m (2021: £262m), excluding £3m (2021: nil) of borrowings in acquired businesses and including deferred consideration of £21m (2021: £19m) on past acquisitions and investments in joint ventures and associates and venture capital investments of £66m (2021: £8m). Net cash inflow from disposals after timing differences and separation and transaction costs was £3m (2021: £190m).

Share repurchases in 2022 were £500m (2021: nil) with a further £150m repurchased in 2023 as at 15 February. In addition, the Employee Benefit Trust purchased shares of RELX PLC to meet future obligations in respect of share based remuneration totalling £50m (2021: £1m). Proceeds from the exercise of share options were £26m (2021: £32m).

## Exchange rates

RELX undertakes transactions with its customers and suppliers through a range of currencies, and RELX subsidiaries have different functional currencies for accounting purposes. The key currencies for RELX are the US dollar and the euro. While RELX manages its exposure to different currencies through its hedging and treasury strategies, year-on-year movement in exchange rates can have some effect on the financial results. In 2022, changes in exchange rates, mainly the relative strength of the US dollar, increased revenues by £543m and adjusted operating profit by £167m. In 2022, unallocated central costs and other operating items (as shown in note 2 to the financial statements on page 169) deducted in arriving at adjusted operating profit includes a charge of £24m from exchange rate movements from translation of working capital items into relevant functional currencies.

Changes in exchange rates during the year increased net debt by £560m (see below) and assets (net of other liabilities) by £987m, with the net effect of these resulting in an increase in shareholders' equity of £427m. Constant currency adjusted measures presented by RELX exclude the effect of these year-on-year exchange rate movements.

## Funding

### Debt

Net debt at 31 December 2022 was £6,604m, an increase of £587m since 31 December 2021. The majority of our borrowings are denominated in US dollars and euros, and as sterling was weaker against the US dollar and euro at the end of the year, our net borrowings increased when translated into sterling. Excluding currency translation effects, net debt increased by £27m. Expressed in US dollars, net debt at 31 December 2022 was \$7,991m, a decrease of \$132m.

Gross debt of £6,730m (2021: £6,167m) is comprised of bank and bond borrowings of £6,548m (2021: £5,959m) and lease liabilities under IFRS 16 of £182m (2021: £208m). The fair value of related derivative liabilities was £213m (2021: net assets of £35m), finance lease receivables totalled £5m (2021: £2m) and cash and cash equivalents totalled £334m (2021: £113m). In aggregate, these give the net debt figure of £6,604m (2021: £6,017m).

The effective interest rate on gross bank and bond borrowings was 2.9% in 2022 (2021: 2.0%). As at 31 December 2022, gross bank and bond borrowings had a weighted average life remaining of 4.4 years and a total of 58% of them were at fixed rates, after taking into account interest rate derivatives. The ratio of net debt (including pensions) to EBITDA (adjusted earnings before interest, tax, depreciation and amortisation) was 2.1x (2021: 2.4x), calculated in US dollars. Excluding pensions, the ratio was 2.1x (2021: 2.3x). The reduction in these leverage ratios reflects the growth in earnings and EBITDA in the year.

### Liquidity

During April 2022, the Group's undrawn committed bank facilities, maturing in 2023 and 2024, were cancelled and replaced with a new \$3bn facility maturing in April 2025. This committed facility, which provides security of funding for short-term debt, is undrawn. The new facility does not include a financial covenant (the previous facility included a covenant limiting the ratio of debt to EBITDA). The facility has pricing linked to three ESG performance targets.

In May 2022, \$500m of US dollar-denominated fixed rate term debt was issued with a coupon of 4.75% and a maturity of ten years. The Group has ample liquidity and access to debt capital markets, providing the ability to repay or refinance debt as it matures and to fund ongoing requirements.

## Invested capital and returns

Net capital employed was £11,089m at 31 December 2022 (2021: £9,810m), an increase of £1,279m with £1,077m of the increase due to changes in exchange rates. The carrying value of goodwill and acquired intangible assets increased by £1,058m. An amount of £125m (2021: £156m) was capitalised in the year in respect of acquired intangible assets and £269m (2021: £131m) was recorded as goodwill. These additions were offset by amortisation and impairment of acquired intangible assets.

### SUMMARY BALANCE SHEET

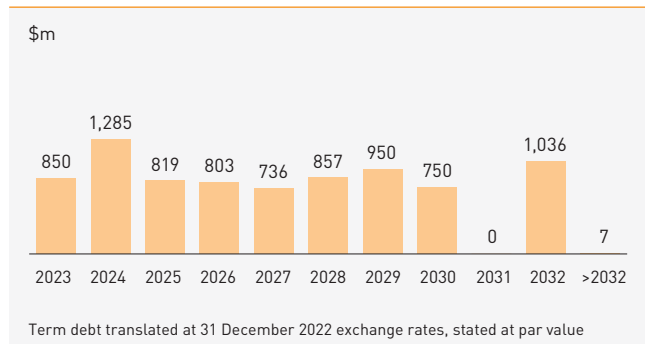
AS AT 31 DECEMBER	2021 £m	2022 £m
Goodwill and acquired intangible assets*	9,419	10,477
Internally developed intangible assets*	1,251	1,435
Property, plant and equipment*, right-of-use assets* and investments	504	557
Net pension obligations	(269)	(55)
Working capital	(1,095)	(1,325)
<b>Net capital employed</b>	<b>9,810</b>	<b>11,089</b>

\* Net of accumulated depreciation and amortisation.

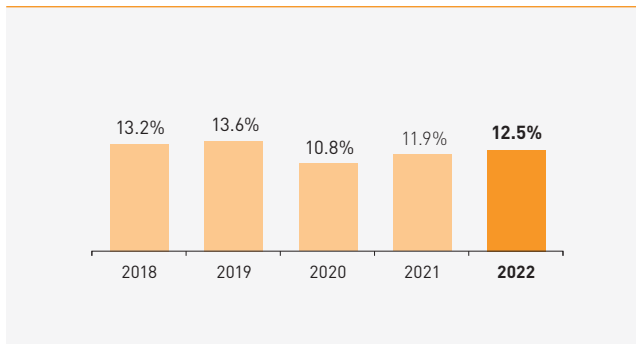
The net pension obligations (i.e. pension obligations less pension assets), as measured on an accounting basis, decreased to £55m (2021: £269m). The decrease in the net obligation balance is due to rising interest rates which has resulted in higher discount rates being applied to value future pension obligations. There was a positive accounting balance (i.e. pension assets less pension obligations) of £127m (2021: £8m negative balance) in respect of funded schemes, which were on average in excess of 100% funded at the end of the year on an IFRS basis.

The post-tax return on average invested capital in the year was 12.5% (2021: 11.9%). The increase is largely due to growth in adjusted operating profit, partly offset by a higher effective tax rate.

### RELX term debt maturities at 31 December 2022



### Return on invested capital





## RETURN ON INVESTED CAPITAL

AS AT 31 DECEMBER	2021 £m	2022 £m
Adjusted operating profit	2,210	<b>2,683</b>
Tax at adjusted effective rate	(409)	<b>(571)</b>
Adjusted effective tax rate	18.5%	<b>21.3%</b>
Adjusted operating profit after tax	1,801	<b>2,112</b>
Average invested capital*	15,108	<b>16,920</b>
Return on invested capital	11.9%	<b>12.5%</b>

\* Average of invested capital at the beginning and the end of the year, retranslated at average exchange rates for the year. Invested capital is calculated as net capital employed, adjusted to add back accumulated amortisation and impairment of acquired intangible assets and goodwill and to exclude the gross up to goodwill in respect of deferred tax, and to add back exceptional restructuring costs.

## Dividends and share repurchases

	2021 £m	2022 £m	Change
Adjusted earnings per share	87.6p	<b>102.2p</b>	17%
Reported earnings per share	76.3	<b>85.2</b>	12%
Ordinary dividend per share	49.8p	<b>54.6p</b>	10%

The final dividend proposed by the Board is 38.9p per share. This gives total dividends for the year of 54.6p (2021: 49.8p), 10% higher than the prior year.

Dividend cover, being the number of times the total interim and proposed final dividends for the year is covered by the adjusted earnings per share, is 1.9x (2021: 1.8x). Dividend cover by the reported earnings per share is 1.6x (2021: 1.5x). The dividend policy of RELX PLC is, over the longer term, to grow dividends broadly in line with adjusted earnings per share, while targeting cover of at least two times.

During 2022, a total of 21.7m RELX PLC shares were repurchased at an average price of 2,303p. Total consideration for these repurchases was £500m. A further 2.2m (2021: 61,040) shares were purchased by the Employee Benefit Trust. As at 31 December 2022, total shares in issue, net of shares held in treasury and shares held by the Employee Benefit Trust, amounted to 1,909.5m. A further 6.3m shares have been repurchased in 2023 as at 15 February.

## Distributable reserves and parent company balance sheet

As at 31 December 2022, RELX PLC had distributable reserves of £6.5bn (2021: £7.0bn). In line with UK legislation, distributable reserves are derived from the non-consolidated RELX PLC balance sheet. The consolidated reserves reflect adjustments such as the amortisation of acquired intangible assets that are not taken into account when calculating distributable reserves.

The parent company balance sheet net assets are higher than those of the group due to the investment in RELX Group plc being carried at a value of £18bn which is not reflected on the consolidated balance sheet. The parent company balance sheet can be found on page 208. Further information on the distributable reserves can be found in the parent company financial statements on page 209.

## Alternative performance measures

RELX uses a range of alternative performance measures (APMs) in the reporting of financial information, which are not defined by generally accepted accounting principles (GAAP) such as IFRS. These APMs are used by the Board and management as they believe they provide relevant information in assessing the Group's performance, position and cash flows, enable investors to track more clearly the core operational performance of the Group, and provide a clear basis for assessing RELX's ability to raise debt and invest in new business opportunities.

Management also uses these financial measures, along with IFRS financial measures, in evaluating the operating performance of the Group as a whole and of the individual business areas. These measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with IFRS. The measures may not be directly comparable to similarly reported measures by other companies.

Reconciliations of adjusted measures are set out on pages 216 to 225.

## Accounting policies

The consolidated financial statements are prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) following the accounting policies shown in the notes to the financial statements on pages 162 to 211. The accounting policies and estimates which require the most significant judgement relate to the identification of separate intangible assets on acquisition, the capitalisation of development spend, taxation and accounting for defined benefit pension schemes.

Further detail is provided in the accounting policies on pages 167 and 168 and in the relevant notes to the accounts.

## Tax Principles

Taxation is an important issue for us and our stakeholders, including our shareholders, governments, customers, suppliers, employees and the global communities in which we operate. We have set out our approach to tax in our global tax strategy. This incorporates our Tax Principles along with additional disclosures around where we pay taxes and our broader contribution to society. This is all made publicly available on our website: [www.relx.com/go/taxprinciples](http://www.relx.com/go/taxprinciples). We maintain an open dialogue with tax authorities, and are vigilant in ensuring that we comply with current tax legislation. We have clear and consistent tax policies and tax matters are dealt with by a professional tax function, supported by external advisers. We proactively seek to agree arm's-length pricing with tax authorities to mitigate tax risks of significant cross-border operations. We actively engage with policy makers, tax administrators, industry bodies and international institutions to provide informed input on proposed tax measures, so that we and they can understand how those proposals would affect our business. In addition, we participate in consultations with the Organisation for Economic Co-operation and Development (OECD), European bodies and the United Nations.

## Treasury policies

The Board of RELX PLC agrees policies for managing treasury risks. The key policies address security of funding requirements, the target fixed/floating interest rate exposure for debt and foreign currency hedging and place limits on counterparty exposures. A more extensive summary of these policies is provided in note 17 to the financial statements on pages 189 to 194. Financial instruments are used to finance the RELX businesses and to hedge transactions. The Group's businesses do not enter into speculative transactions.

## Liquidity management

The capital structure is managed to support RELX's objective of maximising long-term shareholder value through appropriate security of funding, ready access to debt and capital markets, cost-effective borrowing and flexibility to fund business and acquisition opportunities while maintaining appropriate leverage to ensure an efficient capital structure.

Over the long-term, RELX seeks to maintain cash flow conversion of 90% or higher and credit rating agency metrics that are consistent with a solid investment grade credit rating. These metrics, as defined by the rating agencies, include net debt to EBITDA, including and excluding pensions, and various measures of cash flow as a percentage of net debt. Further detail on liquidity management is provided on pages 189 and 190.

## Capital management

RELX uses the cash flow it generates to fund capital expenditure required to drive organic growth, to make selective acquisitions and to provide a growing dividend to shareholders, while retaining balance sheet strength to maintain access to cost-effective sources of borrowing. Share repurchases are undertaken to maintain an efficient balance sheet. Further detail on capital management is provided on pages 189 and 190.

## Corporate responsibility

Our concentration on high standards of corporate responsibility reduces environmental, social and governance (ESG) risks.

Among these is climate change risk. While the nature of our operations mean we have a limited, direct impact on the environment, we have set robust reduction targets including for energy and carbon emissions.

As we state in our Taskforce on Climate-Related Financial Disclosure (TCFD) on page 73, increased severity of extreme weather events could interrupt normal business operations (which is also reflected in our statement of principal risks related to technology and business resilience on page 90). To counter this, we operate comprehensive business continuity programmes. And to help our customers and other stakeholders, we produce information, data and analytics that can support their carbon reductions. One example is more accurate flight emissions data produced by Cirium in our Risk business, which we have also used in calculating our own business flight data (see page 31).

I chair our Environmental Checkpoint Committee which met regularly through the year to ensure progress on our key metrics including for Scope 1 and 2 emissions. Among other measures, to progress our commitment to achieving net zero emissions by 2040 at the latest as a signatory to the Climate Pledge, we raised the internal carbon price paid by our businesses to \$30 tCO<sub>2</sub>e, which will rise higher in future years.

In 2022, we achieved group-wide certification of our Environmental Management System (EMS). Green Teams, employee-led environmental groups representing 53% of employees in 44 facilities, helped us implement our EMS and achieve local environmental improvements.

Refer to the Corporate Responsibility Report on pages 29 to 80 for further information.

**Nick Luff**  
Chief Financial Officer

# Principal and emerging risks

RELX has a sophisticated risk management framework that is embedded into the operations of the business and continuously reviewed and overseen by the Audit Committee.

## Risk identification, evaluation and management

RELX has established a well-embedded risk management framework based on the Internal Control-Integrated Framework (2013) by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). Through this framework risks are identified, assessed, mitigated, and monitored in an effective and consistent way across the business.

RELX uses the 3 Lines of Defence model and aligns its systems of risk management and internal control with the COSO framework. Business Areas are required to maintain systems of risk management and internal control which are appropriate to the nature and scale of their activities and address all significant strategic, operational, financial, legal and regulatory compliance and reputational risks that they face. The RELX PLC Board monitors the system of internal control and risk management and performs an annual assessment of its effectiveness.

## Consideration of current and emerging risks

Our risk management process considers the likelihood and impact of risks, the timeline over which a risk could arise, the direction in which risks are trending and the effectiveness of our mitigation efforts. In addition to consideration of current risks,

we also identify emerging risks which could impact our business in the next 3-5 years. Examples of emerging risks include evolving privacy laws across global jurisdictions and data localisation requirements. We mitigate these risks by maintaining a dialogue with regulatory authorities and ensuring a robust data privacy and governance structure. Another set of emerging risks are climate related risks which are further described on pages 73 to 78 in the Corporate Responsibility section of this report.

## Covid-19 pandemic

The impact of the Covid-19 pandemic on RELX's business continues to depend on a range of factors which we are not able to accurately predict, including the duration and scope of the pandemic, and the duration and extent of containment measures, such as quarantines or other travel restrictions and site closures. These measures have had and may continue to have an impact on face-to-face events in our Exhibitions business with ongoing changing government restrictions on in-person events, in particular in China.

The principal and emerging risks facing the business, which have been assessed by the Audit Committee and Board, are described below.

## EXTERNAL RISKS

Risk	Description and impact	Mitigation
<b>Geopolitical, economic and market conditions</b>	Demand for our products and services, and our ability to operate internationally, may be adversely impacted by geopolitical, economic and market conditions beyond our control. These include acts of war and civil unrest; political conflicts and tensions; international sanctions; the impact of the effect of changes in inflation and interest rates in major economies; trading relations between the United States, Europe, China and other major economies; as well as levels of government and private funding for our markets.	<p>Our business is focused on professional markets which have generally been more resilient in periods of economic downturn. We deliver information solutions, many on a subscription and recurring revenue basis, which are important to our customers' effectiveness and efficiency. We operate diversified business areas in terms of sectors, markets, customers, geographies and products and services. We have multi-year contracts in place for much of the revenue base, and underlying demand drivers in many areas are not directly exposed to economic growth (e.g. scientific research, healthcare, fraud risk, financial crime compliance). Since the last major global recession after the 2008 financial crisis, RELX is significantly less dependent on revenue streams that were impacted in that period (e.g. advertising, employment screening). We have extended our position in long-term global growth markets through organic new launches supported by the selective acquisitions.</p> <p>We continuously monitor economic and political developments to assess their impact on our strategy which is designed to mitigate these risks. In response to specific uncertainties, our business areas engage in scenario planning and develop contingency plans where relevant and consider exiting business areas and markets that no longer fit our strategy.</p>



## EXTERNAL RISKS

Risk	Description and impact	Mitigation
<b>Intellectual property rights</b>	Our products and services include and utilise intellectual property. We rely on trademark, copyright, patent, trade secret and other intellectual property laws to establish and protect our proprietary rights in this intellectual property. There is a risk that our proprietary rights could be challenged, limited, invalidated or circumvented, which may impact demand for and pricing of our products and services. Copyright laws are subject to national legislative initiatives, as well as cross-border initiatives such as those from the European Commission and increased judicial scrutiny in several jurisdictions in which we operate. This creates additional challenges for us in protecting our proprietary rights in content delivered through the internet and electronic platforms.	We actively engage in developing and promoting the legal protection of intellectual property rights. Our subscription contracts with customers contain provisions regarding the use of proprietary content. We are vigilant as to the use of our intellectual property and, as appropriate, take legal action to challenge illegal content distribution sources.
<b>Data Privacy</b>	Our business relies extensively on content and data from public records, governmental authorities, publicly available information and media, customers, end users and other information companies, including competitors. Changes in data privacy legislation, regulation, and/or enforcement could impact our ability to collect and utilise data, potentially affecting the effectiveness of our products. Failure or perceived failure to comply with requirements for proper collection, use, storage and transfer of data, by ourselves, or our third-party service providers, or other data loss incidents may damage our reputation, divert time and effort of management and other resources, and expose us to risk of loss, fines and penalties, litigation and increased regulation.	<p>We maintain an active dialogue with regulatory authorities on privacy and other data-related issues, and promote, with others, the responsible use of data.</p> <p>We have established data privacy principles, governance structures and control programmes designed to ensure data privacy requirements are met and which protect data and individuals' privacy across all jurisdictions where we operate. We have put in place and test response plans to manage incidents where data privacy might be compromised. We embed our data privacy principles in agreements with third parties.</p> <p>We have assurance programmes to monitor compliance and conduct training and awareness programmes to ensure that we comply with relevant legislative, regulatory and contractual requirements.</p>
<b>Payment model evolution</b>	Traditionally our Scientific, Technical & Medical (STM) primary research content publishing business has operated on a pay to read model, where readers or their institutions, as users of the content pay, and authors publish for free. Over time, an alternative model has gained traction where authors or their institutions or funding bodies prefer to pay to publish their research, so it is freely available to read. The latter model is commonly referred to as Open Access. There is continued debate in government, academic and library communities, regarding the payment models and the extent to which research content should be freely available to read, either immediately on publication or in some form after a period following publication. Changes in customer choice or regulation in this area could impact the mix and overall level of revenue generated by our primary research publishing business.	<p>We engage extensively with stakeholders in the STM community to better understand their needs and deliver value to them. We provide both pay to read and pay to publish models for our services as well as combinations of the two to support our customers diverse needs and preferences. Combined deals can include several components: pay to read, pay to publish and databases and tools, and are often on a subscription basis. Both payment models are available on a subscription or transactional basis. We aim to serve our customers in any way that they would like, and we work collaboratively with them and support them to achieve their research goals.</p> <p>We focus on the integrity and quality of research through the editorial and peer review process; we invest in efficient editorial and distribution platforms and in innovation in platforms and tools to make content and data more accessible and actionable; and we develop our research systems to provide capabilities to manage different payment models. We ensure vigilance on plagiarism and the long-term preservation of research findings.</p>

## STRATEGIC RISKS

Risk	Description and impact	Mitigation
<b>Customer acceptance of our products</b>	Our business is dependent on the continued demand by our customers for our products and services and the value placed on them. They operate in highly competitive and dynamic markets, and the means of delivery, customer demand for, and the products and services themselves, continue to change in response to rapid technological innovations, legislative and regulatory changes, the entrance of new competitors, and other factors. Failure to anticipate and quickly adapt to these changes, or to deliver enhanced value to our customers, could impact demand for our products and services and consequently adversely affect our revenue or the long-term returns from our investment in electronic product and platform initiatives.	We are focused on the needs and economics of our customers. We gain insights into the markets that we serve, evolving customers' needs, the potential application of new technologies and business models, and the actions of competitors and disrupters. These insights inform our strategic and operational priorities. We continuously invest significant resources in our products and services, and the infrastructure to support them. We leverage user centred design and development methods and customer analytics and invest in new and enhanced technologies to provide content and innovative solutions that help them achieve better outcomes and enhance productivity.
<b>Acquisitions</b>	We supplement our organic development with selected acquisitions. If we are unable to generate the anticipated benefits such as revenue growth and/or cost savings associated with these acquisitions, it could adversely affect return on invested capital and financial condition or lead to an impairment of goodwill or intangibles.	Acquisitions are made within the framework of our overall strategy, which emphasises organic development. We have a well formulated process for reviewing and executing acquisitions and for managing the post-acquisition integration. This process is underpinned with clear strategic, financial and ethical criteria. We closely monitor the integration and performance of acquisitions.

## OPERATIONAL RISKS

Risk	Description and impact	Mitigation
<b>Technology and business resilience</b>	Our business is dependent on electronic platforms and networks, primarily the internet, for delivery of our products and services. These could be adversely affected if our electronic delivery platforms, networks or supporting infrastructure experience a significant failure or interruption. Climate change may increase the intensity and frequency of severe weather events which increases the risk of significant failure.	We have established procedures for the protection of our business and technology assets. These include the development and testing of business continuity plans, including technical resilience plans and back-up delivery systems, to reduce business disruption in the event of major technology or infrastructure failure, terrorism or adverse weather incidents.
<b>Face-to-face events</b>	Face-to-face events are susceptible to economic cycles, communicable diseases, severe weather events and other natural disasters, terrorism and assignment of venues to alternative uses. Each or any of these may impact exhibitors' and visitors' desire and ability to travel in person to events and the availability of event venues. These factors each have the potential to reduce revenues, increase the costs of organising events and adversely affect cash flows and reputation.	We actively review our ability to host events considering the availability of venues and national and local regulations including those related to health, travel and security. Where regulations permit us to hold events, we take appropriate measures for the well being and safety of exhibitors, visitors and employees. The physical events being run are supported by enhanced digital services, including remote participation by both exhibitors and attendees.

## OPERATIONAL RISKS

Risk	Description and impact	Mitigation
<b>Cyber security</b>	<p>Our business maintains and uses online databases and platforms delivering our products and services, which we rely on, and provide data to third parties, including customers and service providers. These databases and information are a target for compromise and face a risk of unauthorised access and use by unauthorised parties including through cyber, ransomware and phishing attacks on us or our third-party service providers.</p> <p>Our cyber security measures, and the measures used by our third-party service providers, may not detect or prevent all attempts to compromise our systems, which may jeopardise the security of the data we maintain or may disrupt our systems. Failures of our cyber security measures could result in unauthorised access to our systems, misappropriation of our or our users' data, deletion or modification of stored information or other interruption to our business operations. As techniques used to obtain unauthorised access to or to sabotage systems change frequently and may not be known until launched against us or our third-party service providers we may be unable to anticipate or implement adequate measures to protect against these attacks and our service providers and customers may likewise be unable to do so.</p> <p>Compromises of our or our third-party service providers' systems could adversely affect our financial performance, damage our reputation and expose us to risk of loss, fines and penalties, litigation and increased regulation.</p>	<p>We have established security programmes which are constantly reviewed and updated to address developments in the threat landscape with the aim of ensuring our ability to prevent, respond to and recover from a cyber-attack or ransomware attack, that data is protected and our business infrastructures and those of our third-party service providers continue to operate.</p> <p>We have governance mechanisms in place to design and monitor common policies and standards across the Company.</p> <p>We invest in appropriate technological and physical controls which are applied across the enterprise in a risk-based security programme which operates at the infrastructure, application and user levels. These controls include, but are not limited to, infrastructure vulnerability management, application scanning and penetration testing, network segmentation, encryption and logging and monitoring. We provide regular training and communication initiatives to establish and maintain awareness of risks at all levels of our Company. We have appropriate incident response plans to respond to threats and attacks which include procedures to recover and restore data and applications in the event of an attack. We maintain appropriate information security policies and contractual requirements for our Company and run programmes monitoring the application of our data security and resilience policies by third party service providers. We use independent internal and third-party auditors to test, evaluate, and help enhance our procedures and controls.</p>
<b>Supply chain dependencies</b>	<p>Our organisational and operational structures depend on suppliers including outsourced and offshored functions, as well as cloud service providers. Poor performance, failure or breach of third parties to whom we have contracted could adversely affect our business performance, reputation and financial condition.</p> <p>We source content to enable information solutions for our professional customers. The disruption or loss of data sources, either because of data localisation regulations, or because data suppliers decide not to supply them, may impose limits on our collection and use of certain kinds of information and our ability to communicate, offer or make such information available or useful to our customers.</p>	<p>We select our vendors with care and establish contractual service levels that we closely monitor, including through key performance indicators and targeted supplier audits. We have developed business continuity plans to reduce disruption in the event of a major failure by a vendor. We have a formal supplier resilience program to identify and manage critical suppliers across the business. A risk register is used to document any unique supplier risks and associated mitigation plans, due diligence is performed annually, regular resilience discussions are held, and our contractual terms enable us to audit supplier resilience plans/procedures.</p> <p>We have a multitude of data sources that we use to develop solutions for our customers and regularly monitor the market for new data sources in order to minimize dependence on any single provider. Where content is supplied to us by third parties, we aim to have contracts which provide mutual commercial benefit.</p>

## OPERATIONAL RISKS

Risk	Description and impact	Mitigation
<b>Talent</b>	The implementation and execution of our strategies and business plans depend on our ability to recruit, motivate, develop and retain a diverse population of skilled employees and management. We compete globally and across business sectors for diverse talented management and skilled individuals, particularly those with technology and data analytics capabilities. An inability to recruit, motivate or retain such people could adversely affect our business performance. Failure to recruit and develop talent regardless of gender, race or other characteristics could adversely affect our reputation and business performance.	We monitor capability needs and remuneration schemes are tailored to attract and motivate the best talent available at an appropriate level of cost. We actively seek feedback from employees, which feeds into plans to enhance employee engagement, motivation and development. Our focus on an inclusive culture results in a diverse workforce and environment that respects individuals and their contributions.

## FINANCIAL RISKS

Risk	Description and impact	Mitigation
<b>Pensions</b>	We operate a number of pension schemes around the world, including local versions of the defined benefit type in the UK and the United States. The US scheme is closed to future accruals. The UK scheme has been closed to new hires since 2010. The members who continue to accrue benefits now represent a small and reducing portion of the overall UK based workforce. The assets and obligations associated with these pension schemes are sensitive to changes in the market values of the scheme's investments and the market-related assumptions used to value scheme liabilities. Adverse changes to asset values, discount rates, longevity assumptions or inflation could increase funding requirements.	We have professional management of our pension schemes and we focus on maintaining appropriate asset allocation and plan designs. We review our funding requirements on a regular basis with the assistance of independent actuaries and ensure that the funding plans are appropriate. We seek to manage pension liabilities by reviewing pension benefits provided to staff as well as the structure of scheme arrangements.
<b>Tax</b>	Our business operates globally, and our profits are subject to taxation in many different jurisdictions and at differing tax rates. Tax laws that currently apply to our business may be amended by the relevant authorities or interpreted differently by them, and these changes could adversely affect our reported results.	We maintain an open dialogue with tax authorities and are vigilant in ensuring that we comply with current tax legislation. We have clear and consistent tax policies and tax matters are dealt with by a professional tax function, supported by external advisers. As outlined in the Chief Financial Officer's report on pages 82 to 87 we engage with tax authorities and international organisations. We continue to monitor legislative developments in the jurisdictions in which we operate and consider the potential impacts of proposed regulation changes under various scenarios. The principles we adopt in our approach to tax matters can be found on our website at <a href="https://www.relx.com/go/taxprinciples">www.relx.com/go/taxprinciples</a> .

**FINANCIAL RISKS**

<b>Risk</b>	<b>Description and impact</b>	<b>Mitigation</b>
<b>Treasury</b>	<p>The RELX PLC consolidated financial statements are expressed in pounds sterling and are subject to movements in exchange rates on the translation of the financial information of businesses whose operational currencies are other than sterling. The United States is our most important market and, accordingly, significant fluctuations in the US dollar exchange rate could significantly affect our reported results. We also earn revenues and incur costs in a range of other currencies, including the euro and the yen, and significant fluctuations in these exchange rates could also significantly impact our reported results.</p> <p>Macroeconomic, political and market conditions may adversely affect the availability and terms of short and long-term funding, volatility of interest rates, the credit quality of our counterparties, currency exchange rates and inflation. The majority of our outstanding debt instruments are, and any of our future debt instruments may be, publicly rated by independent rating agencies. Our borrowing costs and access to capital may be adversely affected if the credit ratings assigned to our debt are downgraded.</p>	Our approach to capital structure and funding is described in the Chief Financial Officer's report on pages 82 to 87. The approach to the management of treasury risks is described in note 17 to the consolidated financial statements.

**REPUTATIONAL RISKS**

<b>Risk</b>	<b>Description and impact</b>	<b>Mitigation</b>
<b>Ethics</b>	As a global provider of professional information solutions we, our employees and major suppliers are expected to adhere to high standards of integrity and ethical conduct, including those related to anti-bribery and anti-corruption, fraud, sanctions, competition and principled business conduct. A breach of generally accepted ethical business standards or applicable laws could adversely affect our business performance, reputation and financial condition.	Our Code of Ethics and Business Conduct is provided to every employee and is supported by training and communication. It encompasses such topics as competing fairly, prohibiting corrupt business practice and fair employment practices and encouraging open and principled behaviour. We have well-established processes for monitoring, reporting and investigating instances of unethical conduct. Our major suppliers are required to adhere to our Supplier Code of Conduct.

## Viability statement

The UK Corporate Governance Code requires Directors to assess the viability of the Group over an appropriate period of time. The Directors have made the assessment that given the nature of the Group's business with a high proportion of recurring revenue, a typical contract length of three years in many of its subscription agreements and a balanced debt maturity profile, a viability period of three years, aligned with the Group's annual strategy plan, is suitable to assess the risks outlined on pages 88 to 93.

### Assessing the Group's Prospects

The Group develops information-based analytics and decision tools for professional and business customers in the Risk, Scientific, Technical & Medical (STM), Legal and Exhibitions sectors. The Market Segments section describes each area's business model, strategic priorities, market opportunities and competition, showing how the Group is positioned to create value for shareholders over the longer term.

The Group's prospects are assessed annually through the strategic planning process which includes a review of assumptions made and an assessment of each business area's longer-term plan. The resulting three-year strategy plan forms the basis for Group and divisional targets and in-year budgets. Objectives are set with consideration given to the economic and regulatory environment, and to customer trends, as well as incorporating risks and opportunities. The most recent three-year strategy business plan was agreed by the Directors in September 2022 and updated in February 2023. Separate from the annual strategy plan, the Directors periodically receive updates from business area management on their operations, prospects and risks. Whilst these reviews and discussions naturally focus more closely on the more immediate risks facing the business within the three-year strategy planning period, they also cover the risks described in the principal risks section on pages 88 to 93.

### Assessing the Group's Viability

The three-year strategy plan for our business areas includes management's assessment of the anticipated operational risks affecting the business. Management then considered the viability of the business in various downside scenarios, the most severe of which assumes the simultaneous occurrence of Cyber security, Intellectual property rights and Face-to-face events risks resulting in a decline of around 30% in adjusted operating profit in each of 2023 to 2025, and the closure of the debt capital markets preventing the refinancing of scheduled liabilities. It is assumed that the first extension option on the Group's undrawn \$3bn revolving credit facility will be exercised in April 2023, taking the maturity to April 2026. The resulting analysis, which assumed no share buybacks, modest acquisition activity and a growing dividend, determined that the Group would have sufficient liquidity to refinance all maturing term debt.

The impact of the Covid-19 pandemic on our three largest business areas, Risk, STM and Legal, which contribute approximately 90% of the Group's revenue, was limited, with continued growth in revenues and profits since the start of the pandemic in 2020. The impact on Exhibitions was significant, with only limited activity for a period, followed by a recovery as venues re-opened. Face-to-face events have now resumed in almost all major geographies, but there remains an ongoing risk of cancellation or rescheduling of events. This risk has been considered as part of the downside scenarios described above.

We remain focused on successfully pursuing our strategic priority of organically developing increasingly sophisticated information-based analytics and decisions tools that deliver enhanced value to our customers, supplemented by selective acquisitions that support our organic growth. We believe the combination of compelling structural opportunities combined with an appropriate capital structure will continue to drive long-term value.

Based on this assessment and the scenario modelling that shows sufficient liquidity even with the simultaneous occurrence of principal risks and the closure of the debt capital markets, the Directors confirm that they have a reasonable expectation that the Group will be able to continue its operations and meet its liabilities as they fall due over the next three years and are not aware of any longer-term operational or strategic risks that would result in a different outcome from the three-year review.



Going concern

The Directors have adopted the going concern basis in preparing these accounts after assessing the potential impact on the business of the principal risks over the 18 months to 30 June 2024 and during the longer period over which the Group’s viability has been assessed, as described on page 94. Management forecasts reflect a downside scenario which includes the simultaneous occurrence of principal risks, which combined would reduce adjusted operating profit by around 30%. We have also assumed an inability to access the debt capital markets. Under this scenario, the Group will still have substantial liquidity headroom on its undrawn \$3bn revolving credit facility (which was refinanced during 2022 and no longer contains a financial covenant). Having considered this downside scenario, the Directors believe that the Group is well-positioned to manage its business risks and that adequate resources exist for the Group to continue in operational existence for the foreseeable future. They therefore consider it is appropriate to adopt the going concern basis in preparing the 2022 financial statements.

A commentary on the Group’s cash flows, financial position and liquidity for the year ended 31 December 2022 is set out in the Chief Financial Officer’s report on pages 82 to 87. This shows that after taking account of available cash resources and committed bank facilities that back up short-term borrowings, all of the Group’s borrowings that mature in the period to 30 June 2024 can be repaid in full. The Group’s policies on liquidity, capital management and management of risks relating to interest rate, foreign exchange and credit exposures are set out on pages 189 to 194. The principal risks facing the Group are set out on pages 88 to 93.

The Strategic Report, as set out on pages 2 to 95, has been approved by the Board of RELX PLC.

By order of the Board  
**Henry Udow**  
Company Secretary  
15 February 2023

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1-3 Strand  
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Overview
Market segments
Corporate Responsibility
Financial review
Governance
Financial statements and other information