Hyve FY21 Results
TRANSCRIPT

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Participants

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Good morning, I hope you enjoyed the video. Thank you for joining us today for our full year results presentation.

I'll start this morning with an overview of the business, John will take you through the full year performance and I'll talk briefly about our omni-channel strategy before we open it up for questions.

So, let's start with the headlines.

We delivered revenue of 55m based on a strong operating performance as events re-opened in all our major markets.

Pent up demand for the return of in person events is clear and our shows have performed very well on a wide range of key metrics.

We further strengthened the quality of our portfolio during the year by completing our exit from Central Asia and our legacy JV in India, ABEC.

A year ago, we said we wanted to position our business for success as markets recover, by achieving three clear priorities: I'm pleased to say that we have delivered on all three.
I'll talk more about this later.

At the same time, we have developed an ESG strategy where we can use our market leading events as a platform to make a real impact in the business communities we serve.

During uncertain times we are singular in our focus on what we can control - serving our customers along with tight management of costs, cash and liquidity.

We delivered headline profit of 20.8 million supported by strong cost control and our prudent decision to take out insurance for which we have successfully claimed 97.6m to date.

And we have maintained a strong balance sheet with sufficient liquidity to trade through any current uncertainty and to support the further development of our omni-channel strategy in FY22.

These results are not only the product of the work we did to future proof the business through our three-year Transformation and Growth programme.

They are also due to the extraordinary effort of all our people around the world who have worked relentlessly to serve our customers in challenging circumstances. I'm very proud of them and would like to thank everyone for their contribution.

This time last year we set out two alternative scenarios by which we would manage the business.

The recovery scenario assumed we would run events in our Eastern markets in the first half and that western markets would only open up in the second half. The East West scenario assumed no events would take place in our western markets all year.

Our modelling proved to be effective and we ended up operating somewhere between these two scenarios and flexing our costs accordingly.

As the year went on, more markets opened up from lockdown, so whilst we were able to run just 12 events during the first half in our Eastern markets, we ran 29 events in the second half as the west lifted restrictions, bringing the total for the year to 41.

We ran four of our Top Ten events all of which took place in the second half.

One of the benefits of having insurance in place was that we were able to work closely with customers and take into account their needs when we made a decision to run, cancel or postpone an event. And that collaborative approach has paid off.

Those shows that we were able to hold traded better than expected with strong pent up customer demand due to the quality of our portfolio.

I’ve been looking forward to reporting this data which demonstrates the resilience of our market leading events and the benefits of our transformation programme.

At the start of the pandemic people asked a lot of questions about the resilience of in-person events.

The first question was whether in person events would ever return - the simple answer is yes, but let me be clear, it’s only yes for market leading events that were invested in pre-crisis.

Then the question was whether customers would spend as much as before or whether they would find an alternative way to market their products.

We have found that on a like for like basis, customers spent 7% more than they did on the previous edition.

The next question was whether this was purely due to rollover - and it’s not. So thanks to our focus on customer market share and delivery of audiences, like for like spend is currently up 15% in FY22.

Then the question was if exhibitors came back would audiences also return. The answer is categorically yes.

The number of visitors per square metre of exhibition space increased 11%, so each exhibitor had the opportunity to meet more potential buyers.

Then the question was whether these largely domestic events would deliver successful trading - and again the answer is categorically yes. Customer satisfaction levels have increased dramatically.

Our visitor net promoter score is up 40% and our exhibitor net promoter score improved from a negative to plus 27.

These positive metrics have driven accelerated forward bookings for FY 22 which are currently at 108 million compared to 66 million at the same time last year.

The return to in-person events is even more evident when you look at the high levels of demand from domestic exhibitors.

In effect we're benefiting from a strong return of customers to our market leading events.

As I mentioned earlier, we continued to strengthen our portfolio during the year, by disposing of a number of events in Kazakhstan, which completed our exit from Central Asia, along with our legacy JV in India ABEC.

Since 2017 we have actively reduced our portfolio from 269 events to 63 with the benefit of average revenue per event increasing fivefold from £500,000 to 3.2m on a pro-forma basis.

Our revenues are also more diversified, higher quality and better balanced by geography and sector.

The acquisition and roll out of Retail Meetup further strengthens our portfolio and advances our omni-channel strategy.

This improved portfolio of events - that act as essential trading platforms in their sectors or geographies - put us in a strong position for full market recovery.

At the outset of the year we set out three priorities:

First, to win customer share on our market leading events,

Second to trial facilitated meetings with the aim of extending them to core events in our portfolio, and third, to accelerate our omni-channel strategy with the launch of online meet-ups.

I'll talk about each one in turn starting with winning customer share.

Over the last ten to fifteen years there's been a clear trend of marketing spend moving to the main event in its sector and geography.

That's why the first thing we did when I arrived in the business was to set out our Transformation and Growth programme Covid has simply accelerated this trend. In every crisis there is a flight to quality and it's the market leading brands that survive and thrive. In previous downturns many third and fourth tier shows disappeared. I believe that even second tier shows will not come back after Covid. That's because customers will be more selective than ever.

They will focus their marketing budgets on those events that deliver the best return on investment and time - in other words the market leading event in their sector or geography.

An obvious example where we are benefiting from the investment made during the TAG programme is Mosbuild.

As a result of Covid its major competitor Batimat was cancelled and its team disbanded, which shows the clear benefit of being market leading.

We've also used the time during the pandemic to actively attract customer market share from less relevant events through targeted sales and marketing activity

For every single show we have a list of customers that we target which we review on a monthly basis. And we are taking a greater share of customer marketing spend.

Let me give you just one example where a bellwether customer at BETT has reduced the number of events they attend as well as their overall spend - yet they prioritise our event as a fixture in their marketing calendar over all the others they have dropped and we're seeing this across the majority of our events.

Our growth in like for like customer spend is proof this strategy is working.

So let's move on now to talk about facilitated meetings

Over time the gravitational pull of market leading events will be strengthened by extending the facilitated meeting capability that we acquired with Shoptalk to other events in our portfolio

The purpose of facilitated meetings is to ensure that sellers meet the right buyers at our in-person events with a proposition enabled by technology.

So how do we do that?

The first step is to focus on key buyers in the sector - who is it our vendors must reach?

So, we create community development teams that do in-depth research and create categories of vendor and buyer relationships

Second, we develop a tailored proposition to ensure these buyers come to the event.

Third - the vendors create accounts and upload their products and the buyers create their profile.

Then the technology kicks in and the digital platform facilitates matching based on key criteria. Buyers and vendors can only meet when both parties agree to a match.

Once matched, the algorithm optimises the meeting schedule giving the matched parties a 15 minute slot within an allocated timeframe at the event.

These meetings increase both return on investment and time.

They also create a significant barrier to entry, give us greater differentiation, help us to capture valuable customer data, continually improve customer retention and ultimately generate additional revenues.

So, let me give you an example.

During the year our aim was to trial facilitated or curated meetings at Autumn Fair with the intention of then rolling them out across other events in our portfolio.

Autumn Fair took place in early September just over 6 weeks after restrictions in the UK were lifted so it's a testament to strength of the brand and the team that it was such a success. The show itself significantly improved key metrics as you can see.

Despite the short lead time, and the fact that we launched the trial of curated meetings when the UK was still in lockdown, we held 334 meetings.

100% of the buyers we surveyed were satisfied and 72% said they already had or expected to receive orders as a result.

You can see from the quotes here how happy sellers were with the speed, ease and effectiveness of these meetings and how pleased buyers were to meet brands they might not have considered before. You can also see our customer's response in this short video.

So, after the successful trial of curated meetings at Autumn Fair, we are now extending them to BETT in January and Spring Fair in February.

Our third priority in FY 21 was to advance our omni-channel strategy with the roll out of more Meet-ups after our acquisition of Retail Meet-up.

This acquisition allows us to bring the entire retail and grocery ecosystem together to network at scale in a digital format.

The online meet-ups are designed to complement the in-person events and provide customers with touch points to network and trade across the year.

For example Groceryshop Meet-up took place in March with the in-person event in September in Las Vegas.

We're very pleased with the roll out of our meet-ups to date.

As you can see there were two meet-ups in FY 21 in which 2250 participants took part in over

16,000 meetings and over 1400 attendees participated in 257 Tabletalks.

We followed up on these meet-ups with a further 2500 email introductions.

Again, the feedback shows how much the ecosystem values the opportunity to meet throughout the year, in a format delivering a strong return on investment and time.

At the same time as accelerating our omni-channel strategy we have also developed our approach to ESG.

Our ambition is for Hyve to play its role in contributing to a global drive for sustainable development.

So we have conducted a very thorough process to arrive at our strategy.

This took into account political, economic and social conditions in every country where we operate as well as the views of all our stakeholders, including customers, suppliers, colleagues and shareholders.

This input has helped us identify four key areas where we can make the most impact:

First is empowering our communities - both through local community engagement and by supporting global innovation, enterprise and trade;

Second, we plan to broaden horizons for our people so that they can reach their full potential - through a commitment to training and development, in a safe inclusive and supportive environment.

Third - we will address the impact of our own carbon footprint by measuring and reducing our emissions.

And fourth - we know we can have an impact beyond our business by using our events to inspire change and sustainability amongst the industries we serve.

From now on every individual in the organisation will have an ESG objective each year that is tracked and measured.

And at a group level we’ve identified a range of actions to support our ambition in these four areas and will report back to you on our progress.

After a challenging eighteen months we have also put a renewed focus on people, building on the positive culture at Hyve.

In March we launched a new digital employee survey using a platform called Peakon to gather feedback on a monthly basis so that we have regular up to date data.

This survey ensures that employees views are represented at Board level and the results are discussed at all our executive and board meetings.

We've also put a strong focus on wellbeing, partly in response to the impact of lockdown, but also to create greater awareness - for example we plan to roll out mental health training for all our managers to help them identify when someone needs support.

And we have reinstated full pay and incentives for all our employees, after a temporary reduction last year.

We're also investing in our people through training and development - with a new future leaders' programme as well as skills and diversity training.

We've initiated a new recognition programme called HyFive, recognising 10 people each quarter who live our values through exceptional performance.

And we've significantly improved internal communications - launching Hyve TV, a quarterly show that helps connect employees around the globe and running regular interactive sessions where employees can ask the senior leadership questions and vice versa.

This is not just an important part of our commitment to ESG - it's an integral part of our brand and culture.

Our business is all about bringing people together and making connections - to do that well at our events, we have to do it well at home in an environment where people can deliver their very best.

So, in summary:

We saw a welcome return to in-person events in all our markets in the second half and those events performed well, despite limited international travel.

We have delivered on all our key priorities in 2021 and whilst uncertainty about the evolution of the pandemic has increased in recent weeks, we remain well positioned with our strong portfolio of high quality events and we continue to advance our omni-channel strategy.

I'll now hand over to John to take you through the financial performance

<u>Hyve Year End Results: 16 December 2021</u>
<u>John Gulliver</u>

Thank you Mark and good morning.

As you would expect, COVID disruption had a significant impact on our results, especially in the <u>first</u> half - though in the <u>second</u> half, events returned in most of our markets including the UK and US.

As a result we delivered annual revenues of <u>55.2</u>m with <u>45</u>m in the second half.

I'm pleased that we returned to profitability, achieving headline profit before tax of 20.8m thanks to successful insurance claims of 65m.

Net debt was 79.9m, up from 67.7m. This is better than modelled under both the Recovery and East West scenarios, even after the acquisition of Retail Meetup.

Our balance sheet remains robust, with available liquidity of 130m.

And we have also secured a 12 month extension to our bank covenant waivers which further strengthens our liquidity position.

So let's move on now to look at our events schedule during the year.

After a disrupted first half, there was a significant improvement in the second half when we managed to run most of our events.

This represents a reversal of the pattern in FY20 when we ran most of our events in the first half but the second half was disrupted.

Nevertheless we did have to cancel some events in the second half this year, including two in Germany - CWIEME Berlin and Breakbulk Europe - and two in Shanghai as China re-imposed restrictions.

Despite these cancellations, we delivered second half revenue of 45m.

The scale of events was impacted by two factors: the time to prepare after restrictions lifted - especially in the UK and US - and international travel restrictions.

It was not possible for any of our top 10 events to take place in the first half.

However, in the second half we successfully ran four - Mosbuild and WorldFood Moscow in Russia, Autumn Fair in the UK and Groceryshop in the US which ran for the first time since acquisition.

Despite taking place after the reintroduction of some restrictions in Las Vegas, Groceryshop reported revenues ahead of expectation at 75% of the 2019 edition.

So let's turn now to the revenue bridge.

Revenue for FY20, after discontinued operations, was 99.4m.

Events that ran in FY20 but were unable to take place in FY21 reduced revenue by 69m.

Events that ran in FY21 but were unable to take place in FY20 increased revenue by 38.2m.

So the net impact of these movements was 30.8m.

As you would expect, those events which ran in both years were, on the whole smaller than pre-pandemic levels, resulting in an eight million reduction.

The non-recurrence of biennials, Paperex and Woodex, together with timing differences, resulted in a decrease of 5.8m. And, there was a 2m pound uplift from the acquired Retail Meetups.

Finally, we saw an adverse foreign exchange impact of 1.1m, mainly as a result of the pound strengthening against the rouble.

Taken together, these movements resulted in revenues of 55.2m.

Turning now to the Profit bridge.

As I said earlier, we are reporting a headline profit of 20.8m which represents a significant turnaround from the loss of 18.1m in FY20.

Most of the bars on this slide are self-explanatory, so I would like to focus on two components - the net impact of COVID and the impact of underlying trading.

As you would expect, COVID-related disruption has affected profits but the net impact is actually an uplift of 10m year-on-year.

There are three contributing factors:

First, the timing of cost recognition for FY21 events that were cancelled in FY20. 10.8m of costs for these events were recognised in the prior financial year.

Second, events that were cancelled in FY21 that did run in FY20 had an adverse impact of 12.1m.

And third, events that were cancelled in FY20 but ran in FY21 resulted in an increase of 11.3m.

We also continued to make cost savings which mitigated the impact of cancellation costs.

Moving on to underlying trading which covers events that ran in both years, where profit reduced by 9.1m.

This includes 7.9m from a return to normalised employee pay levels after temporary reductions in FY20.

And the 9m decline in underlying revenue resulted in an impact on profit of just 1.2m as a result of cost saving measures

So, despite a year-on-year reduction in revenue, profit increased as a result of insurance proceeds, timing of cost recognition and careful cost management.

Let me update you now on insurance…

In total, we received proceeds of 65m during the year.

We have cancellation policies covering events in FY20 and 21, capped at 62m and 50m respectively.

We have received 56m under the FY20 policy, of which 34m was recognised in FY21.

We also received and recognised 31m under the FY21 policy.

Since the year end, we've had confirmation of an additional 10.6m, which is due to be paid later this month. This brings total approved claims to 97.6m or 87% of total cover.

We continue to work through a number of other claims.

Turning now to cash…

I'm pleased to report that we are now cash flow positive at an operational level.

This slide shows our monthly average operational cash inflows which is cash collected from customers minus any refunds.

As you can see, average monthly cash collections have increased from less than one million in the first quarter to 12 million in the current quarter.

This is a signal of confidence from our customers and a demonstration of their commitment to our events.

As events resumed, operational cash outflows - which include overheads, cost of sales and capex - increased to 9m in the final quarter. This is still significantly below 12m for FY20 and 16m for FY19.

It is also slightly lower than expected, in part due to timing differences, which explains increased cash outflows in the current quarter.

As a result of these movements we are now cash flow positive at the start of the year, almost six months earlier than expected, for three main reasons:

First, strong customer collections which reflects the success of our customer deposit rollover strategy as well as a significant uptick in new bookings.

Second, we have managed our costs well

And third, we received substantial insurance proceeds.

These factors have all contributed to a stronger net debt position than expected which I'll now move on to.

We started the year with net debt of 67.7m.

An outflow of 35.4m from operations was more than offset by insurance proceeds of 65m.

There was also an outflow of 25.9m for acquisitions and disposals, mainly related to Retail Meetup.

Interest and tax in the year amounted to 9.6m, of which 6.5 million was interest on our debt facilities.

The only other outflow of note relates to lease payments, totalling 4m. We limited capex to less than one million.

Our closing net debt of 79.9m is considerably better than the 100 to 120m modelled under our two scenarios.

This is especially pleasing given that we funded Retail Meetup with debt and this was not included in those models

This time last year I demonstrated our strong liquidity headroom as a result of actions we took in response to the pandemic.

I shared our two modelled scenarios - Recovery and East/West - with projected liquidity headroom of 80 to 100m.

In May I said we expected to end the year with liquidity somewhere in this range, even after the Retail Meetup acquisition.

Our strong cash performance has helped to improve this and we ended the year with liquidity of 130m, at the top end of the range.

Based on our latest FY22 projections we expect net debt of 70 to 90m by the year end.

As the environment remains uncertain, we continue to model different trading scenarios in order to strike the right balance between prudent cost and cash flow management and reinvestment as we see signs of recovery.
Since the year end, we have also secured an extension to our bank covenant waivers.

At the start of the pandemic, we replaced our leverage ratio and interest cover covenants up to and including March 2022 with a minimum liquidity covenant.

We have now agreed a 12 month extension of these waivers up to and including March 23 to give us flexibility should there be further challenges ahead.

A minimum liquidity covenant of 40m remains in place until that date.

The combination of positive cash flow, material liquidity and covenant flexibility give us a strong financial platform from which to drive recovery.

As you heard from Mark, we have also delivered encouraging operational metrics at our FY21 events.

We saw strong interest from domestic exhibitors as lockdown restrictions eased.

Their revenues increased from 50% of pre-Covid levels in the first half, to 70% in the second.

Current booking trends suggest this could increase to 90% for FY22.

The return of travel is a significant factor determining the pace of recovery.

International attendance in FY21 was well below pre-Covid levels, though we did see revenues increase from 20% of these levels in the first half to 40% in the second.

Although we have strong forward bookings in FY22 from international exhibitors we're mindful of ongoing uncertainty about travel.

Those who are able to return to our events are spending more than they were pre-pandemic. As Mark said, customers in FY21 spent 7% more than they did for the corresponding event pre-Covid.

This trend was especially strong for our larger events such as Mosbuild and Groceryshop, where like-for-like customer spend was up 15 and 13% respectively.

Those who have booked for FY22 have so far spent 15% more than pre-covid. To give you one example, we recently ran Yugagro in Russia where like-for-like customer spend was up 14%.

We have also seen a significant increase in forward bookings.

This includes our successful rollover strategy which has enabled us to retain over 75% of exhibitor deposits.

Since May, as markets have reopened, rollovers for FY22 events have remained in the region of 35m-38m. You can also see here a growing trend of new bookings for FY22 events across all our markets. As we entered FY22, new bookings totalled 46m, which increased to 67m by the end of November. Total bookings currently stand at 108m - of which 68m is from domestic customers and 40m from internationals. This is a strong indicator for recovery as and when travel restrictions ease.

So, in summary…We are encouraged by the reopening of markets and positive indicators at our events.

We know that uncertainty remains about the course of the pandemic so we will continue to manage costs and cash as market conditions fluctuate.

Nevertheless, a combination of positive cash flow, robust liquidity, and covenant flexibility give us a strong financial platform from which to drive recovery and to develop our omni-channel strategy.

Thank you very much - I'd now like to hand back to Mark.

Thanks John.

I've shown you this slide before so let me re-cap…

Ultimately what we do is bring people together to trade, network and learn.

Our omni-channel strategy is designed to be able to facilitate this for our customers both in person and online.

So let me show you how we've evolved the relevant parts of our portfolio.

For the E-commerce Retail and Grocery Sectors we have market leading events in Shoptalk and Groceryshop…

We already have successful facilitated meetings programme within these events and we also now serve them through online Retail Meetups.

For the giftware sector we have market leading events in Spring and Autumn Fair. We've successfully trialled facilitated meetings at Autumn Fair in September and will roll them out at Spring Fair in February. We know that people want to feel and touch the product in Giftware so online meetings are not appropriate for this sector.

In Ed Tech we have the market leading event in BETT.

Having trialled facilitated meetings at BETT 2020 we are rolling them out in January 2022 and in addition we're launching online meetings.

Finally, in the Commodities sector we have a market leading event in Mining Indaba and our recently announced acquisition of 121 Group complements that with both facilitated and online meetings.

We will continue to assess how to expand these propositions during the year. Our focus is very much on sectors and geographies where digital adoption is most advanced and this determines our approach to M&A which I'll cover on the next slide.

We have a strategy for M&A which is clearly dependent on market conditions and our balance sheet but I want to give you some insight into how we are thinking about this.

There are two types of acquisitions that we are considering:

First, shows in sectors that lend themselves to omni-channel. These have to be market leading events and they're likely to be in sectors that are being disrupted by technology where the customer base is already digitally aware.

Shoptalk is a perfect example. Events of this type will benefit from applying both facilitated and online meetings.

Second, we will also look at businesses or products that accelerate our omni-channel offering.

Retail Meet-up and 121 Group are good examples here. As I said, in Commodities we already own the main event, Mining Indaba, and we acquired 121 to complete our omni-channel offering for this sector.

Then there are some key financial metrics: any acquisition has to be accretive in the first full year, and to deliver a return above the cost of capital within three years.

So, in summary:

We're in a very different position now than we were a year ago when vaccines were just starting to be rolled out and only a few of our markets were open.

During the year we've shown both the long term value of our events and their resilience, demonstrated by the strong operational metrics across our portfolio.

However, we recognise that in the short term, uncertainty has recently increased so we continue to focus on those things we can control.

We have a strong track record of managing costs, cash and liquidity. And with a robust balance sheet we are well positioned to weather any further challenges in FY22.

So, we continue to manage the business according to market conditions and at the same time position it for full market recovery by:

Driving customer share at our market leading events, Evolving our omni-channel strategy, and embedding our new ESG strategy across the group.

Thank you very much we'll open it up for questions now.

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Operator: So the first question comes from the line of Steve Leichti from Numis. Please go ahead.

Steve Leichti: Morning, everybody. Can I just have a few questions, really based around the current environment with Omicron and forward bookings? So, the first one really on the forward bookings. Thanks for the slide 27, that's very helpful, but just to help me sort of unpick it in my mind a bit more. On that forward bookings figure of 108 million, how much of that, how much cash would you have actually received in fiscal 2021 and fiscal 2022 of that to date? And also bearing that in mind, can you just remind us of experience in 2020 when COVID hit in your experience on how much you had to pay back and how much you kept that through the sort of lockdown? So that's the sort of first question.

Second is any experience with events that have run since Omicron appeared in late to mid-November? Anything you can give us there, I think you mentioned you gained in that period, but any others that you could talk about? Third one, again, on slide 27, just double checking net forward booking since Omicron hit, any changes, dropouts, changes in trends there on that? And then finally, a more fundamental one on the forward bookings, any pushback from customers in terms of the sort of traditional way that they pay for events in terms of the upfront bookings and cash payment terms you can give us? Thank you.

Mark Shashoua: Okay. Well, morning, Steve. So I think there's four questions we got. So the first one was about forward bookings and how much, and then to remind what happened in 2020 in terms of what we had to pay back or not pay back, but in terms of what the refunds and what percentage was it? The second, I believe it was about the events that have been held since Omicron came out, then back to forward bookings and then how we had to change payment terms. So, I think quite a few of those are more you, John. I'll cover the frame of the events that have happened, but if you want to start off.

John Gulliver: Okay, so maybe Steve, if I just give some sort of data points and then you'll let me know if there's anything I haven't covered. So in terms of the 106 million, 108 million of four bookings that we've now got about 60% of that has been paid in cash. Okay. And first thing probably to explain about how the four bookings works is remember that pretty much for all of our events there are staged payments. Okay. So, what's good I think about the 60% we've got collected, is it clearly, it's great that we've collected that, but it demonstrates clearly that people are willing to commit and pay and expect to pay what's due in the future as the events get closer, but obviously the fact we've only collected 60 million and there's still 48 million to collect, clearly gives us visibility of collections to come in the coming weeks and months. So I think there's a nice balance there.

To give you a sense of perhaps how this has kind of moved since the year end and the momentum that we've got, what I show you on slide 27 is that the yearend total forward bookings were 83 million. Okay. That's risen to 108 now. And in that same period, we've actually received cash of 29 million pounds. So actually the cash collections coming in have slightly exceeded the level of book. So hopefully that gives you aa sense of the momentum. And just in case anyone's interested in the year on year, I think we had about 66 million of four bookings at the same time last year. So obviously significant year on year growth.

To remind everybody kind of what happened going into sort of the pandemic in the early stages and what happened with the customer rollovers, we managed to retain 75% of the deposits that we paid, IE refunded only 25%. And that stayed pretty consistent actually throughout sort of the more difficult months. And it's not just us, I think, across the industry that's kind of what people have seen. And I think the last point around the payment terms, we've not adjusted our payment terms for exhibitors. Clearly where there's been a period of certainty, perhaps leading up to an event, we've obviously been mindful of how we manage the dialogue with customers where there's been uncertainty, but we've not changed our commercial terms throughout the pandemic. It's actually quite an important mechanism for us in terms of getting forward bookings and demand for space at our events. So, we've not adjusted that and people have expected that.

Mark Shashoua: And then in terms of that one thing I might add just with the 60% of collections, but that is across the whole year. So the percentage will we hire for show is coming up. Also just there's a seasonal element. Yeah. So there's a seasonal element for that. So, in terms of shows that have happened, you're absolutely right, Steve, Yuga is one of our top 10 events that was actually just recently held and very successful. Actually it performed, it had increased compared to what it did in 2019 in all ways. Visitors were very strong, re bookings were very strong. There is obviously a cool off period, but it continues to hold up. So we're actually not seeing any, in terms of that particular event, no reaction to Omicron, it's sort of business as usual there.

John Gulliver: Yeah. And I think, look, in terms of the last few weeks, I think it's important to remember Omicron feels very, very real here. Our forward bookings is obviously across the globe, but I think ignoring that, I think what's quite difficult for us at the moment with all the news flow is yeah, there's nothing really we can point to in terms of the momentum over the last few weeks that we can sort of play back to say there's been any real sort of change in trajectory, but clearly there is uncertainty and we have to be very mindful of potential disruption over the coming weeks. But there's no sort of real data points we can give you today.

Steve Liechti: Thank you very much.

Mark Shashoua: Good. Okay. Next question.

Operator: The next question comes from the line of Alastair Reid from Investec. Please go ahead.

Alastair Reid: Morning guys. Thanks for taking some questions. A few for me as well. I guess firstly, on the topic of gaining customer market share, you highlighted, I think, example in Moscow. Are there any other examples you can give across bigger shows in your portfolio of where you have seen weaker competitors notably retrench or pull out completely? And then the second question would be you gave us one of the slides that are sent to the key sectors in terms of your focus for the omnichannel strategy, but longer term, what number or proportion of events across your existing portfolio do you think can support facilitating meetings meet up type programs and how should we think about the average price for those?

And then lastly, sort of perhaps a sort of broader one. Your exhibitions clearly very important places in the value chain and ecosystems of the industries that they serve. I guess you must have a lot of data on relevant buyers and players in an industry. Do you have consent from people for them to be marked? Have you considered using that for targeting lead generation revenues from the B2B sector more broadly, for example, sort of outside of events? Thanks very much.

Mark Shashoua: Okay. Alastair, thank you very much. Well, I'll try and I'll think most of those are mine. So giving specific examples of shows that have retrenched. I won't actually give more examples because I think it's still extremely fluid. I mean, we are seeing it bat app[?] was a particular example where it was formally announced that the team that the show was 100% canceled when the team disbanded, but we are seeing it across the board. So I think it's probably more relevant when we talk about it this time. Next year, once we have one more cycle of shows, because some people have had some rollovers, but I think that's probably the best way to leave that one, but we are seeing it across the board. Yeah. Smaller, less relevant shows are suffering. And that is very much what I was saying before about looking at the like for like customer spend, that is also a proof point. Yeah. So 7% going into the events for 2021, and that is not just rollover. It is then repeating against, and that's across the board, it's plus 15%.

In terms of the omnichannel strategy and which sectors it's relevant for in terms of the meetings. Again, it's slightly too soon. So we're rolling it out for, as I mentioned, we're rolling it out for bet. We're rolling it out for spring fair. We will trial some more events next year in the 2022. So that is a full launch in 2023. That's how it works. It does take a good six months because you've got to build up a team. It's the whole proposition. You have to build out the research who are the key buyers and then target them with a proper proposition that will bring them to the actual event specifically for meetings. So it is quite an extensive program to launch a full-fledged host of meetings. And then you trial it at the event to build up awareness, then you launch it properly for the year after.

So realistically at the half year we'll be giving a bit more information around other sectors that will be launching that for. But what I will say is, and that's why I talked about it at the end. It is, facilitated meetings are relevant for everyone, but in terms of monetization of it, it is very much, we're seeing that it's for sectors that are already being disrupted through technology, in particular where you can monetize it. Yes, so EdTech, e-commerce for retail, e-commerce for grocery, the commodities. Well, commodities is very specific and that's one to one. That's why it's investors with junior minors and the minors are willing to pay to get access to those investors. So it's a very specific proposition.

So again, we'll give more information that throughout the next year, and then the last question you asked was a terrific one about lead generation. So, the capturing of the data is very important as well as the permission of what we can and can't do with that data. Ultimately what through hosted meetings that will be sort of the next phase of our evolution as a business is to look at things like lead generation, but that is one step further. First step is the meetings program. Okay. Hopefully that covers your questions, Alastair?

Alastair Reid: That's perfect. Thank you.

Operator: The next question comes from the line of Fiona Orford-Williams from Edison Group. Please go ahead.

Fiona Orford-Williams: Thanks. Good morning. Can you just remind me please of the timing first half, second half of the international meetings or the ones with the higher international attendance? And the second question can you just remind me also, I may have missed this of what the position is regarding insurance cover for FY22 and on? And the third one was about on the cost side, whether there is any, have been any changes in venues pricing and issues around staffing? Thanks.

Mark Shashoua: Okay. So I think three first question is a split around international first half versus second half and third question was insurance. And then, so in terms of first half, first, second half, our first half is slightly larger than and the second half. And therefore the international is slightly more weighted to the first half, but it's not a significant difference. I mean, our big shows in the first half of spring fair, we’ve got sort of short talk, so they do have some international element, but not huge. There is obviously more international. Yeah. So, I would say it's kind of broadly evenly split actually in terms of terms of that. As far as insurance goes, so we've updated on this pretty consistently the cancellation insurance with communicable disease cover we had for FY20 events and FY21 only. There is no cover, no similar cover available for 2022.

What I would say here in the UK is that we've taken advantage of the government back scheme that they've put in place to support the events industry. So, it's slightly different cover, it's not as extensive as what we've had in the past, but we've taken advantage of that for some of our shows in the UK. Yeah. Okay. And then the cost in terms of venues, no, the key thing that we did when COVID first hit was actually was one of the main areas that we focused on was the renegotiation of our venue contracts across the board. And that was, and it's not, so the costs haven't gone down in terms of venues, but our minimum commitments have, and that was the key area that we wanted to negotiate. So we haven't seen any increase in costs of more than inflation, but we're not seeing a decrease in costs, if that was the question, but we it's the minimum spend and the minimum commitments that we have reduced across the board to give us more flexibility. And those are now all part of long term agreements. Thank you.

Fiona Orford-Williams: And issues around staffing? Have you had any issues around staffing availability of people, rising labor costs?

Mark Shashoua: No. No, no. Thank you. So, we were in a, what can I say is when COVID hit, we were very careful about how did we restructure the business for the future, and we were, with the knowledge of having insurance, it has helped us to be able to look at the long term. So of course, we did restructure, but we were very careful about keeping the key core teams intact across our shows. So we haven't had as much of an issue in terms of staffing in that sense. And we've been very, as I talked about in the presentation, we have put an enormous amount of emphasis on well for the staff and how to support them through the COVID and the crisis. Because as you can appreciate, just because you can't run an event, doesn't mean that the work stops, it actually probably increases fivefold because we've got to constantly either postpone or cancel and then roll over. So no, we were very careful to protect the core teams across the world, across the shows. So we haven't actually seen that much. It's been more the building up the new capability of omnichannel that we've been gearing up for and actually we're recruiting and recruiting well. But it's clear that there are wage issues and inflation issues across the world that we have to keep in mind as we hire.

Fiona Orford-Williams: Thank you.

Mark Shashoua: Okay. So I think we're now going to switch to the typed questions. So the first is from Annick Mass from Exane BNP Paribas. I think actually answered most of them.

Your question on forward bookings very similar to Steve's, and so hopefully I've covered most of those. I think the slight difference is I think you are asking, is there a particular dynamic driving the four bookings, IE is it more exhibitor signing up to more shows or exhibitors paying a higher share up front? I wouldn't say there is any sort of unusual trend, it’s more exhibitors for more shows spending more, which is what we want to see obviously across the board. I think probably the dynamic that’s obviously in there, I talked about a strong recovery in the domestic exhibitors, so that's really where we are seeing the growth.

Okay. I think as you would imagine, the international bookings are following a slightly different pattern. We've got strong forward bookings from internationals. Some of those are rollovers, which obviously means once those people are able to attend, we can book those revenues and clearly look, the international bookings will be affected across different markets. So it's really a big growth in the domestic exhibitor debate that we're seeing. So hopefully that answers your question there.

Mark Shashoua: Good. And then from Tom Singlehurst at Citi, the question was what proportion of your shows will not only be running, but running in the right time slot in 2022? I can cover that. I mean, so most, the vast majority are in the same time slot. We are expecting to run a full host of events throughout 2022, some have moved. So we had two shows in China that were due to be held in November and December. One of them being our joint venture, China code, those have got new dates in March. So they've moved from December to March of next year. We had Africa Oil week, which was the same date line, but moved countries. It was due to be held in Capetown but was held very successfully in Dubai. And then Mining INDABA was due to be held in February and that has moved to May. But otherwise the vast majority are in the same timeline. I think that's that one.

John Gulliver: Tom from Citi also asks about pricing. Okay. We continue to increase prices as usual, we're not feeling the need to reduce prices in order to get bookings. And I think, look given the sort of inflationary pressures across a number of markets, it's important that we continue that and I think customers are their understanding of that. So there's no real change on the pricing approach.

Mark Shashoua: Yeah, so again, Tom's asked you talk about liquidity available and recently executed the one to one deal. To what extent should we think about you being on the front foot with respect to M&A in 2022? No, thank you for asking. I mean, you should expect that we will continue to look and develop relationships on, but on those two fronts that I mentioned before, right? So it might, we are looking at either events that are in sectors that lend themselves to omnichannel, so already market leading events, but then we can apply hosted meetings to, and then also on line networking too. So then not only will you get the recovery from that market leading event, but then you'll supplement it with these core facilitated meetings that are also revenue generating and also online networking and then driving also digital revenues and profits.

So you should expect us to - we will, it takes, these things do take time. I mean, 121 Group was four years in the making, Shoptalk was four years in the making as well, actually. So, these things do take time, but it is also subject to market conditions and it's very much subject to liquidity, but we will continue to pursue different, those two strategies. One is the market leading events and then the other is anything that will accelerate our omnichannel strategy.

Okay. So I think that is up for both questions and time. So on that note, I just wanted to thank you all for your time. Thank you all for your support. It's been an incredible 18 months for not just us, but for everybody. So I hope you'll have a break over the holidays, but thank you again for all your time and support. Thank you.

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