



Interim results 2020

Erik Engstrom, CEO, and Nick Luff, CFO

23 July 2020

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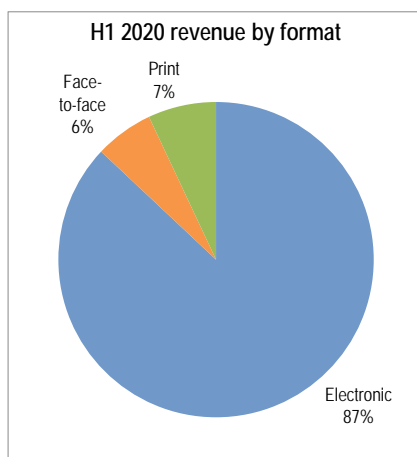
Erik Engstrom, CEO



RELX H1 2020 progress

- Financial performance
 - Three largest business areas held up well: underlying revenue and operating profit growth; cash conversion in line with recent years
 - Exhibitions impacted significantly by COVID-19
- Operational and strategic progress
 - Health and safety of colleagues, customers, and wider community first priority
 - Product and service quality maintained at high levels
 - Further organic development of analytics and decision tools supported by selective acquisitions

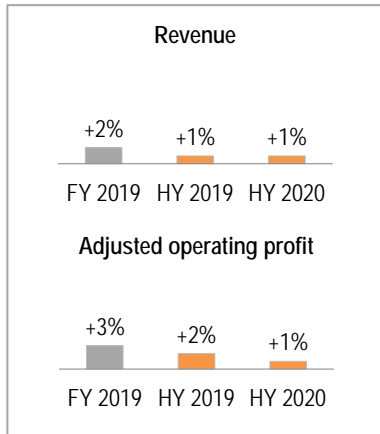
RELX revenue by format – H1 2020



- Electronic: +3% to +4% underlying growth
- Print: -17% to -19% underlying decline
- Face-to-face: -71% decline

Scientific, Technical & Medical

Underlying growth



- Positive underlying revenue growth despite COVID-19 related print distribution issues
- Electronic underlying revenue growth +4%; print -17%
- Primary research subscription renewal completion in line with recent years; article submission growth accelerated
- Databases & tools growth across market segments
- Print book and print pharma revenue decline steeper than recent years

2020 full year outlook: Whilst we could see some ongoing impact from the COVID-19 pandemic in our customer markets, and restrictions on movement could continue to impact our ability to conduct new sales in person and distribute print products, overall revenue stability is supported by over 75% being subscription based

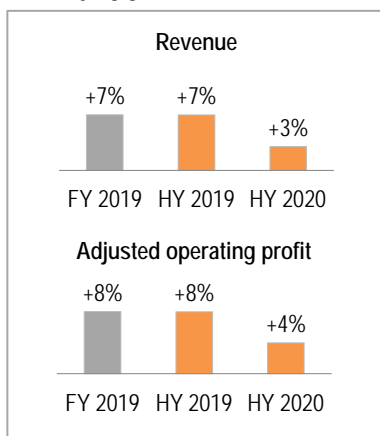


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Risk & Business Analytics

Underlying growth



- Positive underlying revenue growth in a recovering market environment
- Subscription revenue COVID-19 impact limited in first half. Transactional revenues fell mid-March; recovery began mid-April, improved May/June. Pace of recovery varied between market segments
- Insurance transactional volumes improved since mid-April, shopping activity growth returned to pre-COVID-19 levels. Gradual increase in claims volumes
- Business Services transactional revenue growth returned to pre-COVID-19 rates in several segments
- Data Services customer segments impacted by COVID-19 to varying degrees; continuing impact on new subscription sales and product implementations

2020 full year outlook: The current run rate for underlying revenue growth is around half the growth rate of recent years. The full year outcome remains dependent on the pace of recovery in business activity in the US and on the level of transactional activity in our customer markets.

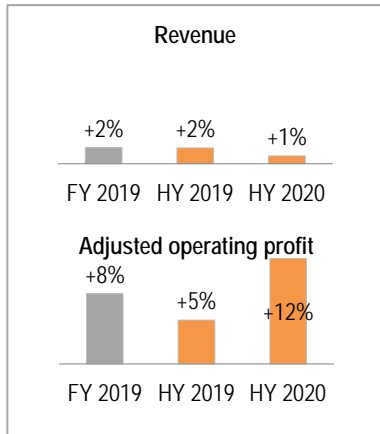


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Legal

Underlying growth



- Positive underlying revenue growth despite COVID-19 related print declines
- Electronic revenue growth of +4% reflects strong start to year and legal analytics growth; print -19%
- Underlying profit growth ahead of revenue growth; unchanged margin reflecting dilution from portfolio changes
- New sales dip in March/April; recovery in May/June

2020 full year outlook: The rate of growth will be dependent on the pace of recovery in the legal services industry, and on our ability to conduct new sales in person and distribute print products, but overall revenue stability is supported by nearly 80% being subscription based

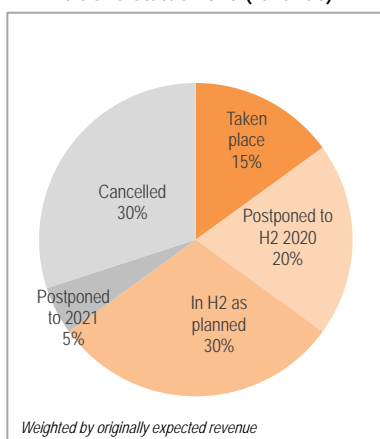


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Exhibitions

Exhibitions status 2020 (revenue)



- First half significantly impacted by COVID-19; no events mid-March to early June
- H1 events representing 15% of FY revenues taken place; 20% postponed to H2; 30% to go ahead as planned in H2. Events representing further 5% of FY revenues rescheduled to 2021; 30% cancelled
- Accelerated rate of digital experimentation; enable interaction and support brand value
- Action to save costs whilst continuing to serve customers

2020 full year outlook: Depending on the impact and duration of the restrictions resulting from the COVID-19 pandemic, further rescheduling or cancellation of events may be necessary, making the full year outlook highly uncertain



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Strategic direction: Portfolio reshaping

Selective acquisitions: Targeted data, analytics and exhibition assets that support our organic growth strategies

- In H1 2020 completed 7 acquisitions; total consideration £720m; including Emailage and ID Analytics

Selective disposals of non-strategic assets

- In 2020 completed several minor asset disposals for £12m

Nick Luff, CFO

H1 2020 financial highlights

Income statement highlights

• Revenue growth at constant currency	-12%
• Adjusted operating profit growth at constant currency	-27%
• Adjusted operating profit margin	26.8%
• Adjusted EPS change at constant currencies	-23%

Cash flow and balance sheet highlights

• Adjusted cash flow conversion	103%
• Net debt / EBITDA	3.2x*
• Dividend	13.6p; unchanged
• Share buyback	£150m

*including leases and pensions; calculated in US dollars; excluding leases and pensions 2.8x



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Revenue

6 months to 30 June	2019 £m	2020 £m	change	change constant currency	change underlying
Scientific, Technical & Medical	1,244	1,276	+3%	0%	+1%
Risk	1,149	1,209	+5%	+3%	+3%
Legal	811	815	0%	-1%	+1%
Exhibitions	684	201	-71%	-71%	nm
RELX	3,888	3,501	-10%	-12%	nm

nm – not meaningful



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Adjusted operating profit

6 months to 30 June	2019 £m	2020 £m	change	change constant currency	change underlying
Scientific, Technical & Medical	445	467	+5%	-1%	+1%
Risk	422	445	+5%	+3%	+4%
Legal	149	150	+1%	0%	+12%
Exhibitions	231	(117)	nm	nm	nm
Unallocated items	(7)	(6)			
RELX	1,240	939	-24%	-27%	nm

nm - not meaningful



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Adjusted operating margin

6 months to 30 June	2019 £m	2020 £m
Scientific, Technical & Medical	35.8%	36.6%
Risk	36.7%	36.8%
Legal	18.4%	18.4%
Exhibitions	33.8%	nm
RELX	31.9%	26.8%

nm - not meaningful



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Income statement

6 months to 30 June	2019 £m	2020 £m	change	change constant currency
Revenue	3,888	3,501	-10%	-12%
Adjusted operating profit	1,240	939	-24%	-27%
<i>Adjusted operating margin</i>	<i>31.9%</i>	<i>26.8%</i>		
Adjusted net interest expense	(97)	(81)		
Effective interest rate	3.1%	2.2%		
Adjusted profit before tax	1,143	858	-25%	-28%
Adjusted tax charge	(248)	(151)		
<i>Adjusted tax rate %</i>	<i>21.7%</i>	<i>17.6%</i>		
Adjusted net profit	895	713	-20%	-24%
Reported net profit	779	548	-30%	
Adjusted earnings per share	45.9p	37.0p	-19%	-23%
Reported earnings per share	39.9p	28.4p	-29%	



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Free cash flow

6 months to 30 June	2019 £m	2020 £m
Adjusted operating profit	1,240	939
Depreciation*	186	204
Capital expenditure	(171)	(168)
Repayment of lease principal (net)	(42)	(42)
Working capital and other items	(48)	36
Adjusted cash flow	1,165	969
<i>Cash flow conversion rate</i>	<i>94%</i>	<i>103%</i>
Cash interest paid	(97)	(115)
Cash tax paid	(253)	(227)
Acquisition related costs**	(21)	(31)
Free cash flow	794	596

*Includes depreciation of leased right-of-use assets of £41m (2019: £40m)

**Net of cash tax relief



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Uses of free cash flow

6 months to 30 June	2019 €m	2020 €m
Free cash flow	794	596
Disposals: total consideration	45	12
Acquisitions: total consideration	(246)	(720)
Dividends	(578)	(617)
Share buybacks	(400)	(150)
Other*	(89)	(26)
Currency translation	11	(415)
Movement in net debt	(463)	(1,320)
Net debt at 30 June (including leases)	(6,640)	(7,511)
Net debt / EBITDA (including leases and pensions)	2.6x	3.2x
Net debt / EBITDA (excluding leases and pensions)	2.3x	2.8x

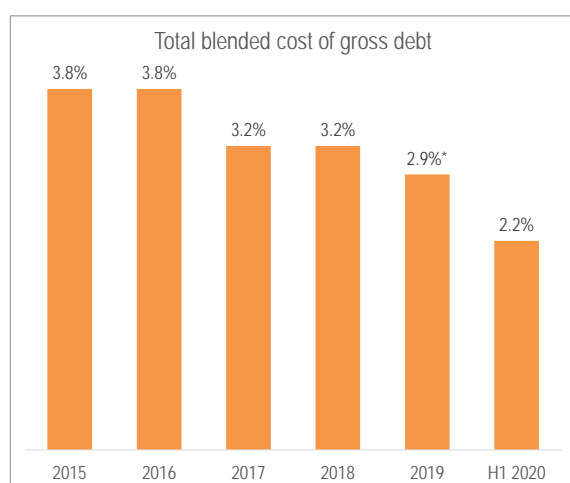
*Includes option proceeds, share purchases by the employee benefit trust, leases, acquisition and disposal timing effects and cash taxes on disposals



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Debt and liquidity



*Excluding bond redemption

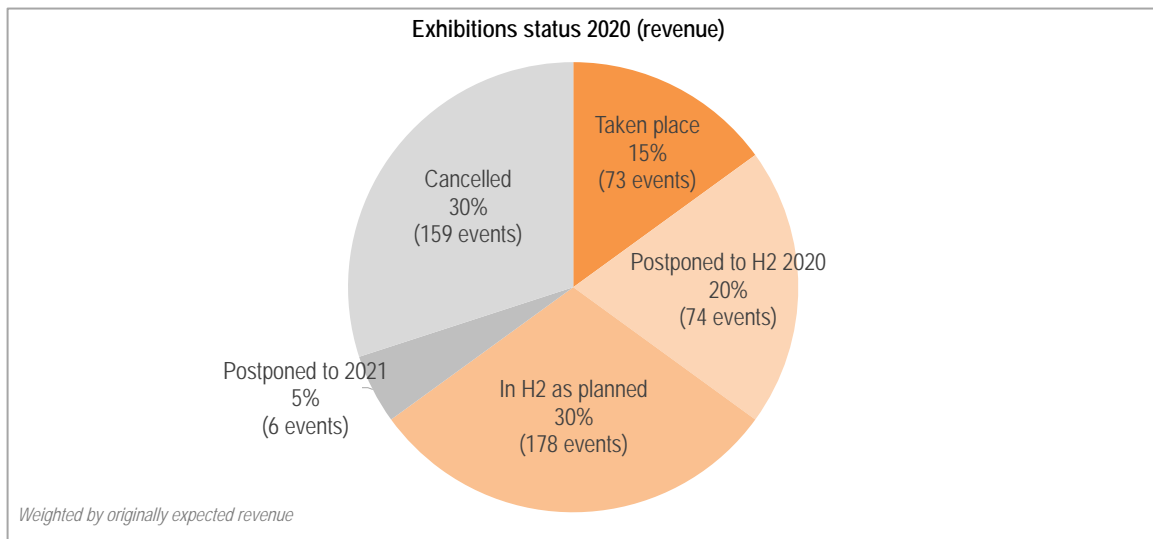
- Debt issuance in H1 2020:
 - €2bn (4, 8, 12 year maturities; blended coupon 0.42%)
 - \$750m (10 year maturity; 3% coupon)
- Access to committed bank facilities >\$3.5bn
- No requirement to access bond markets before 2023
- Effective interest rate on gross bank and bond borrowings: 2.2% (H1 2019: 3.1%)



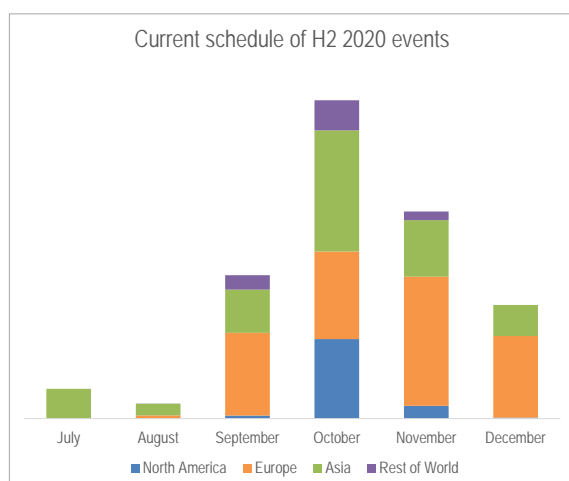
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Exhibitions



Exhibitions 2020 event schedule



- H2 events largely scheduled to run from September to December
- No significant European events until September
- No significant North American events until October

Weighted by originally expected revenue

Exhibitions 2020 revenue and cost

£m	H1 2019	FY 2019	H1 2020
Revenue	684	1,269	201
Cost	(480)	(986)	(323)
Wholly owned profit contribution	204	283	(122)
JV contribution	27	48	5
Adjusted operating profit	231	331	(117)

- 2020 originally expected to include 5 percentage points of positive events cycling, impacting revenue and costs
- Based on current events scheduled, cost savings in FY 2020 of c£300m

Erik Engstrom, CEO

Summary

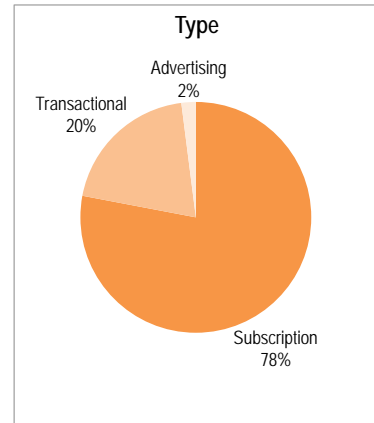
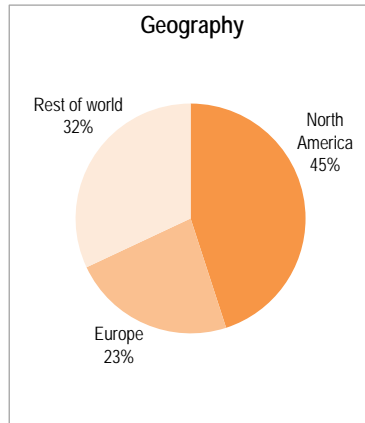
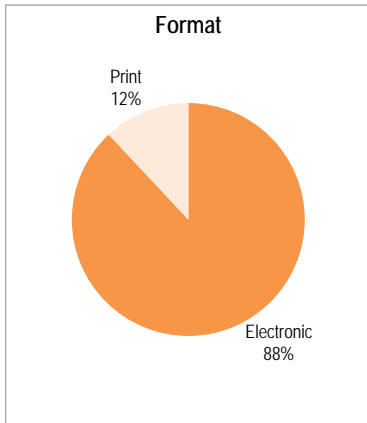
- Three largest business areas holding up well; underlying revenue and operating profit growth in first half; full year outlook varies by customer market
- Exhibitions significantly impacted by COVID-19; outlook for remainder of 2020 remains highly uncertain

Appendices

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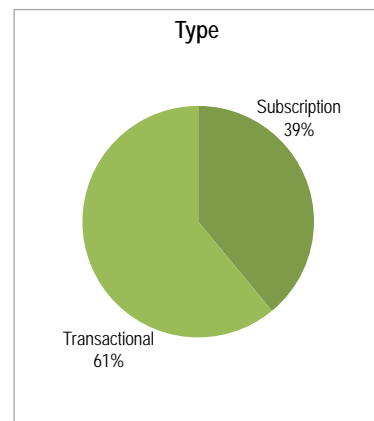
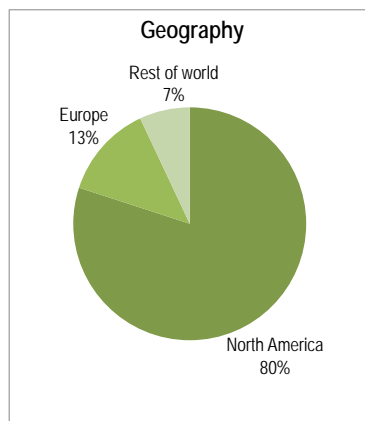
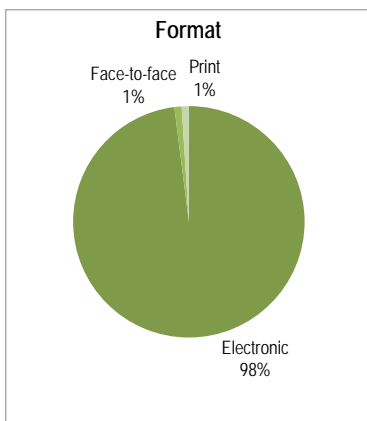
Scientific, Technical & Medical

H1 2020 revenue £1,276m



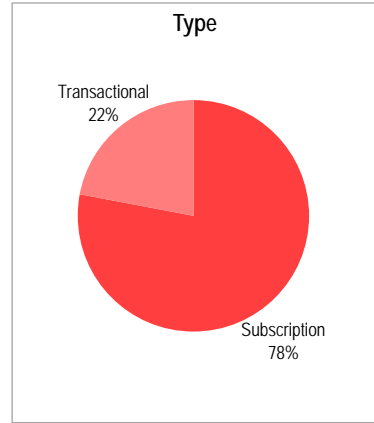
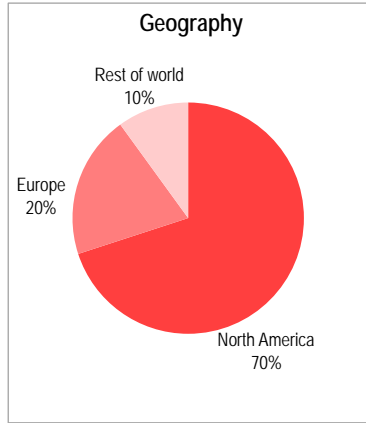
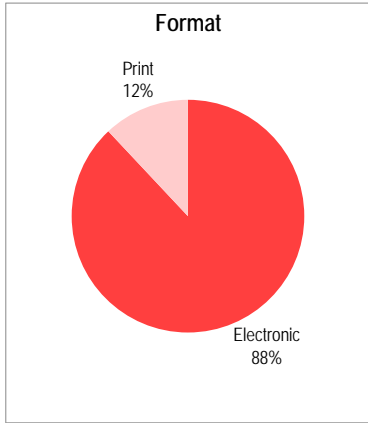
Risk & Business Analytics

H1 2020 revenue £1,209m



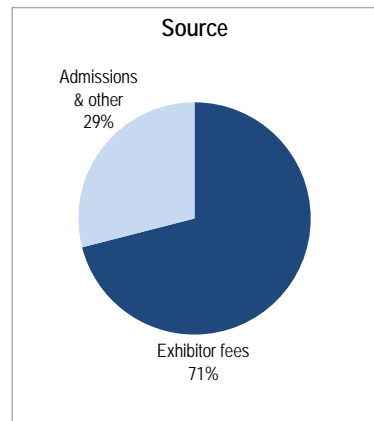
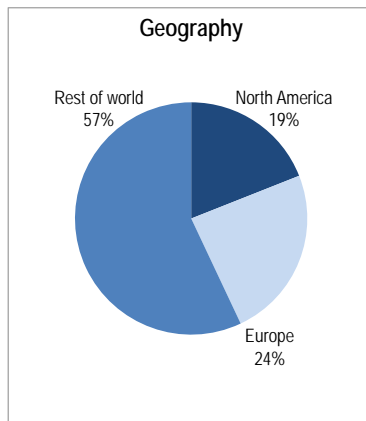
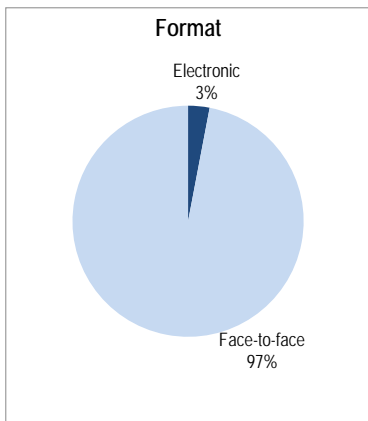
Legal

H1 2020 revenue £815m



Exhibitions

H1 2020 revenue £201m



Reconciliation of operating profit Adjusted to reported

6 months to 30 June	2019 £m	2020 £m	change
Adjusted operating profit	1,240	939	-24%
Adjustments:			
Amortisation of acquired intangible assets	(147)	(164)	
Acquisition related costs	(38)	(26)	
Reclassification of tax in joint ventures	(7)	(2)	
Reported operating profit	1,048	747	-29%

Balance sheet

	30 June 2019 £m	31 Dec 2019 £m	30 June 2020 £m
Goodwill & acquired intangible assets	9,375	9,012	10,212
Internally developed intangible assets	1,249	1,264	1,341
Property, plant & equipment and investments	484	431	447
Right-of-use assets	272	264	254
Net pension obligations	(457)	(520)	(611)
Working capital	(1,164)	(1,214)	(1,185)
Net capital employed (book value)	9,759	9,237	10,458

Exchange rates and shares outstanding

	At 31 Dec 2019	At 30 June 2020	Average H1 2019	Average FY 2019	Average H1 2020
Exchange rates					
£:\$	1.33	1.24	1.29	1.28	1.26
£:€	1.18	1.10	1.15	1.14	1.14
Shares outstanding					
Total:	1,932m	1,925m	1,952m	1,944m	1,927m