

# Euromoney Institutional Investor

Acquisition

## BoardEx brought on board

Euromoney Institutional Investor (ERM) has announced the acquisition of BoardEx and The Deal for \$87.3m in cash from The Street, representing 3.5x FY18 revenues. Completion is expected in early 2019, at which point we will update our forecasts. BoardEx and The Deal fit neatly alongside elements of ERM's existing specialist information, banking and financial operations, with overlap in the customer base and similarly strong subscription bases and retention rates. Management anticipates the deal will be earnings enhancing in the first year. Net cash at end-September was £78.3m and £20m of disposal proceeds was received in October, leaving plenty of resource for further deals.

Year end	Revenue (£m)	PBT* (£m)	EPS* (p)	DPS (p)	P/E (x)	Yield (%)
09/17	428.4	106.5	76.4	30.6	16.4	2.4
09/18	414.1	109.2	81.3	32.4	15.4	2.6
09/19e	400.0	98.1	72.9	32.5	17.1	2.6
09/20e	412.0	103.6	76.9	34.2	16.3	2.7

Note: \*PBT and EPS are normalised, excluding amortisation of acquired intangibles, share-based payments

The purchase comprises two elements, BoardEx and The Deal. BoardEx is an executive profiling and relationship mapping platform, covering more than 1m business leaders globally. The Deal is a digital subscription product supplying data, news and intelligence on M&A, activist investing, private equity and restructuring and is one of the market-leading brands in the US. Combined with ERM's existing product set, this will give greater added value to subscribers (both of ERM's and The Deal's services), facilitating cross- and up-selling. It also fits with ERM's goals of becoming increasingly embedded in its customers' workflows.

Our modelling following the recent preliminary results suggested end FY19 net cash of £157m. Following this purchase there remains ample resource for management to look at other opportunities.

### Media

7 December 2018

**Price** 1250p  
**Market cap** £1,365m

Net cash (£m) at 30 September 2018	78.3
Shares in issue	109.2m
Free float	50.8%
Code	ERM
Primary exchange	LSE
Secondary exchange	N/A

### Share price performance



### Business description

Euromoney Institutional Investor is a global, multi-brand information business that provides critical data, price reporting, insight, analysis and must-attend events to financial services, commodities, telecoms and legal markets.

### Analysts

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