27 July 2020

Ascential plc

Interim results for the six months ended 30 June 2020

Strategic advantage accelerated

London: Ascential plc (LSE: ASCL.L), the specialist information, data and analytics company, today announces results for the six-month period ended 30 June 2020.

Strategic and operational summary

- Resilient performance in challenging environment: strong growth from digital businesses but considerable headwinds for live events and the marketing sector.

- Consumer adoption of online channels driving higher demand for critical eCommerce insights, execution and expertise: Digital Commerce sub-segment now our largest product offering, growing revenue by 21%, doubling EBITDA year on year to £13.3m with margins of 25%.

- Digital subscriptions and platforms: over 80% of revenues in the half, growing 10% year on year.

- Positive momentum within Edge by Ascential: customer facing elements of the integration complete, with double-digit billings growth in Edge's Digital Shelf product ahead of plan and good cross-sell with Yimian.

- Continued investment in our digital platforms and products: expansion of Flywheel Digital onto the Walmart, Kroger and Instacart platforms, Yimian onto Lazada and Shopee and the launch of WGSN Food & Drink.

- Digital innovation and strong customer engagement: record levels of digital product uptake and the creation of complementary new platform extensions such as Lions Live.

- Live events: revenue down £96.8m in H1 due to COVID-19 related cancellations or deferrals. 2020 events outlook uncertain with operation of Money20/20 events in H2 remaining very challenging.

- Leadership group strengthened with new appointments to underpin our ambitious growth plans, particularly in Digital Commerce and China:

    - Chip DiPaula and Patrick Miller, cofounders of Flywheel Digital, appointed to lead the Digital Commerce sub-segment (comprising Edge, Flywheel Digital and Yimian).
    - Deren Baker, former CEO of Jumpshot, appointed to lead Edge.
    - Charles Song, founder of Chinese technology business Linklogis, appointed as a Non-Executive Director, reflecting the strategic importance of China to our growth plans.

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Financial summary

- Revenue of £144.3m (H119: £236.2m).
    - Reported decline of 38.9%.
    - Overall decline of 0.3% (Organic) or growth of 0.6% (Proforma) on an underlying basis adjusting for event deferrals and cancellations.
    - £118.8m from digital subscriptions and platforms up 10%.
    - Digital Commerce is our largest business at £53.6m, with strong growth of 21%.
    - Steady underlying growth in Product Design up 3% driven by strength of subscription incomes.
    - Marketing Segment declined £74.1m primarily due to the cancellation of the 2020 edition of Cannes Lions.
    - Sales Segment impacted by the deferral of M2020 Europe to the second half.

- Adjusted EBITDA of £20.1m (H119: £76.7m).
    - Reported decline of 73.8%.
    - Approximately £40m of COVID-19 -related cost savings measures implemented in addition to direct event savings with c. £10m benefiting H1.

- Reported operating loss of £68.1m (H119: profit of £36.0m) after amortisation of acquired intangibles, share based payments and exceptional items primarily relating to the upwards revaluation of the Flywheel Digital deferred consideration following its extremely strong performance.

- Adjusted diluted EPS 0.4p (H119: 11.5p).

- Liquidity of £231m, £177m in cash and £54m available under revolving credit facility. Cash generation impacted by event cancellation and deferral, delayed customer payments and growth of Flywheel Digital. Operating cash flow conversion of 63% (H119: 102%), resulting in closing net debt of £216m. Considerable headroom against new £450m, five-year facility agreed in January 2020.

- Net debt leverage of 3.4x (December 2019: 1.4x). Covenant leverage of 1.8x well within covenant tests at June 2020. Leverage and interest cover covenants waived for the December 2020 testing period and leverage covenant relaxed to 3.75x for June 2021.

- The Board continues to assess the appropriate time to reinstate dividends after its decision to suspend them in March 2020 and will reconsider reinstatement alongside the full year results.

Duncan Painter, Chief Executive Officer, commented:

"I am proud that Ascential has responded with resilience and resourcefulness, evident in our day-to-day operations and underlying financial performance, during a period of significant global challenge. This reflects our agile and digitally-focused business model, which has enabled us to adapt to meet the financial challenges posed by the restrictions on our physical events and accelerate launches of innovative new products, like the Lions Live programme, for a large global audience. We increased the output and frequency of insights provided to both existing and potential customers, via podcasts, webinars and other original digital content, often achieving record levels of engagement with our audience. We have also strengthened our balance sheet and maintain significant liquidity to enable us to continue to invest in new opportunities.

Our Digital Commerce business was well positioned to respond quickly and comprehensively to the huge changes in consumer behaviour seen in recent months, supporting our brand manufacturer customers in a period of unparalleled demand. This underpinned our financial performance in the half. Our digital businesses, which represented the vast majority of our revenue in the period, provide a strong platform for long-term growth, while the key executive and director appointments announced today give us the bandwidth to deliver against these opportunities and to realise our global ambitions.

I would be remiss if I did not recognise the impressive performances of our 2,000 employees worldwide, especially over the past few months. We reiterate our commitment to continually develop the robustness of our diversity and inclusion programme to strengthen and support Ascential's welcoming and equitable working environment.

The fluid nature of the worldwide pandemic and its management makes it impossible to be precise about the short-term outlook for the Company, but we take significant comfort that we pivoted our strategy to become a global leader in digital commerce. We remain ready to run our market-leading events as and when restrictions on face-to-face gatherings are lifted and the economics of running events are positive. We are confident that Ascential is well positioned to execute its strategy based on the strength of our platform, organisation and balance sheet."

Cautionary statement

Certain statements in this announcement constitute, or may be deemed to constitute, forward-looking statements (including beliefs or opinions). Any statement in this announcement that is not a statement of historical fact including, without limitation those regarding the Company's future expectations, operations, financial performance, financial condition and business is a forward-looking statement. Such forward looking statements are subject to risks and uncertainties that may cause actual results to differ materially. These risks and uncertainties include, among other factors, changing economic, financial, business or other market conditions. These and other factors could adversely affect the outcome and financial effects of the plans and events described in this announcement. As a result, you are cautioned not to place reliance on such forward-looking statements. Except as is required by the Listing Rules, Disclosure and Transparency Rules and applicable laws, no undertaking is given to update the forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise.

This announcement has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Ascential plc and its subsidiary undertakings when viewed as a whole.

About Ascential

Ascential is a specialist information, data and analytics company that helps the world's most ambitious businesses win in the digital economy. Our information, insights, connections, data and digital tools solve customer problems in three principal disciplines:

- **Product Design** via global trend forecasting service WGSN;
- **Marketing** via global benchmarks for creative excellence and effectiveness, Cannes Lions and WARC, and strategic advisory firm MediaLink; and
- **Sales** via Digital Commerce data, analytics and managed services brands Edge by Ascential, Yimian and Flywheel Digital, the world's premier payments and FinTech congress Money20/20, global retail industry summit World Retail Congress and Retail Week.

Ascential also powers political, construction and environmental intelligence product brands DeHavilland, Glenigan and Groundsure – together comprising the Built Environment & Policy Segment.

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Financial summary

	June 2020 £m	June 2019 £m	Growth Reported %	Organic %[1]	Proforma %[1]
Revenue					
Product Design	45.2	41.6	9%	3%	3%
Marketing	26.4	100.5	(74%)	(21%)	(21%)
Sales					
- *Digital Commerce*	*53.6*	*41.8*	*28%*	*19%*	*21%*
- *Non-Digital Commerce*	*2.7*	*34.6*	*(92%)*	*(31%)*	*(31%)*
	56.3	76.4	(26%)	15%	17%
Built Environment & Policy	16.4	17.7	(7%)	(10%)	(10%)
	144.3	**236.2**	**(38.9%)**	**(0.3%)**	**0.6%**
Adjusted EBITDA[1]					
Product Design	18.3	15.7	17%	7%	9%
Marketing	(4.1)	44.2	nm	nm	nm
Sales					
- *Digital Commerce*	*13.3*	*6.1*	*119%*	*92%*	*112%*
- *Non-Digital Commerce*	*(6.4)*	*12.7*	*nm*	*(3%)*	*(3%)*
	6.9	18.8	(63%)	nm	nm
Built Environment & Policy	7.7	7.2	6%	4%	4%
Corporate Costs	(8.7)	(9.2)	(6%)	(9%)	(9%)
	20.1	**76.7**	**(73.8%)**	**26.3%**	**34.0%**
Group Margin (%)	*13.9%*	*32.5%*			
Adjusted operating profit[1]	**8.7**	67.2			
Operating (loss) / profit	**(68.1)**	36.0			
(Loss) / profit before tax	**(78.3)**	30.5			
Adjusted diluted EPS (pence)[1]	**0.4p**	11.5p			
Interim dividend per share (pence)	**-**	1.8p			
Adjusted operating cash flow[1]	**12.6**	78.1			
Operating cash flow conversion[1] (%)	*63%*	*102%*			

	June 2020	*Dec 2019*
Net debt [1]	**215.5**	170.6
Leverage [1]	*3.4x*	*1.4x*

[1] Refer to the glossary of Alternative Performance Measures.

Operating Review

Introduction

For almost all businesses and for our society in general, the last six months has been a period defined by the unprecedented challenges of COVID-19 and social unrest. I am pleased to say that not only has Ascential performed with resilience, but that our people have also faced these testing conditions with fortitude, dedication to our customers and unwavering respect for their colleagues. Additionally, we took swift action, such as management pay reductions and adoption of the UK furlough scheme (supplemented to ensure employees received no reduction in pay), to minimise the prospect of job losses and financial hardship for our people, while applying and funding the same standards for outsource partners, such as our London office cleaning staff. We also made a raft of content available free of charge to the business communities that we serve.

Our key priorities have been:

1. Supporting our people to ensure they come through this pandemic secure in their physical and mental health.

2. To position the Company to continue to execute against our strategy.

3. To protect the integrity and long-term value of our product brands. “Super-serving” our customers and contributing to our wider industry has been key to reinforcing the value of our long-term partnerships. Additionally, our people understand the importance of our services in helping these customers to survive and even thrive.

4. Agreeing a constructive path forward with our banking partners, while mindful of the value of the investment our shareholders have made in our Company.

5. Implementing the necessary steps to ensure we remain ready to grasp opportunities going forward, while being realistic about the post COVID-19 economics.

6. Adapting the formats, environments and structure of our live event products.

Financial Results

In terms of financial results, the impact of the pandemic-related lock down on both our events and the Marketing Segment generally has caused revenues to decline by 39% and profits to decline by 74% year on year. On an underlying basis that excludes the impact of deferred and cancelled events, our revenues were roughly flat year on year. Adjusted EBITDA grew by 26% on an underlying Organic basis, reflecting the growth in our Digital Commerce sub-segment and the decisive cost control measures we have implemented this year. The overall flat revenue performance in the period reflects, in the absence of events, over 80% contribution from digital subscriptions and platforms business, which grew 10%, on a proforma basis, offset by advisory business that declined by 24%.

Product Design delivered good growth of 3%, reflecting the high proportion of WGSN’s revenues secured by subscription, despite a significant decline in its Mindset advisory revenue. The successful launch of Food & Drink in June, one month ahead of schedule, is testament to the focus of the brand in further expanding the reach of its offering.

The Marketing segment, excluding the Cannes Lions festival, declined by 21%, reflecting the condition of the segment's core customer base: the marketing and advertising community, unarguably one of the most challenged parts of the economy throughout the crisis. Pandemic-related restrictions resulted in the difficult decision to cancel the 2020 edition of Cannes Lions. Nevertheless, we continued to engage with our customers and the wider marketing community through the digital-only Lions Live week of content, attracting an audience of over 60,000, and plans are already underway to make the 2021 festival the most dynamic and engaging yet.

The Sales segment, excluding Money20/20 Asia and Europe (cancelled and deferred to September respectively), delivered strong proforma growth of 17%, or 21% focusing on the Digital Commerce brands alone. In the past months it is apparent that COVID-19 restrictions have driven accelerated consumer adoption of online channels, placing ever more reliance on our expertise and agility in responding to our customers' demands for insight and operational excellence. For example, online penetration of US retail advanced further in the first half of this year than it did between 2009 and 2019. It's now clearer than ever that these brands, particularly with the successful conclusion of Edge's integration programme in June, are strongly positioned to take advantage of this dynamic.

We should pause to highlight the innovation that our brands have displayed in the period, considerably increasing the output and frequency of insights provided to both existing and potential customers, via podcasts, webinars and other original digital content, often achieving record levels of engagement with their audience. We also believe the greater reliance on remote payment technology, observed in recent months, points to the continued vibrancy of Money20/20's customer base. Furthermore, the leading positions of both Money20/20 and Cannes Lions in their respective markets underpins their prospects as must-attend events, beyond the current physical restrictions imposed by the pandemic, and will continue to drive their evolution.

Management and Board

We have ambitious growth plans and we have a multitude of opportunities to further our strategic aims. As our Digital Commerce sub-segment becomes an ever-larger portion of our company and as the products within this sub-segment evolve, we are delighted that Chip DiPaula and Patrick Miller, co-founders of Flywheel Digital, have agreed to jointly lead the sub-segment going forward. They have made a huge contribution so far to Ascential, both leading in the high-growth Flywheel Digital brand but also contributing across the wider company and these are critical new leadership appointments. They will be joined by Deren Baker who will take over responsibility from me for Edge. Deren was the CEO of Jumpshot and is well known and respected within our company and the eCommerce industry.

Finally, to reflect the increasing importance we place on the development of our business in China, we are delighted to welcome Charles Song to the board as a new Non-Executive Director. Charles is the CEO and founder of the Chinese technology business LinkLogis. He brings over 25 years' experience in senior roles with firms such as JP Morgan Chase, HSBC and China Resources Bank. We are very pleased that Charles' appointment not only improves the mix of our board's skills but also underlines our commitment to adding the appropriate experience required to help us achieve our strategy that comes from Ascential's programme of diversity and inclusion.

Outlook and current trading

This crisis has created an opportunity for us to run harder at our strategic plans. Over the next 18 months we will focus on:

1. Accelerating investments to drive strong organic growth in our Digital Commerce businesses and continued bolt on investments.

2. Continuing to streamline our company, to both release capital to fund these investments and to further strengthen our balance sheet.

3. Making the necessary changes to ensure our marquee events of Cannes Lions and Money20/20 bounce back strongly, subject to the easing of local restrictions and stabilisation of end market conditions.

4. Continuing the new customer segment expansion for our WGSN business unit.

Clearly, the impact on our business in 2020 from COVID-19 has been significant. While we do not expect an immediate recovery in underlying trading conditions it is also apparent that a number of our brands remain well positioned, arguably more so than six months ago, to benefit from the accelerated shift towards eCommerce that we have witnessed, particularly clearly, in the past period. Despite entering the year in an already strong financial position we reinforced our balance sheet through the early suspension of the share buy-back programme and cancellation of the 2019 final dividend payment. These factors, combined with a refinancing in January 2020 that provides considerable liquidity headroom and the agreed relaxation of banking covenants over the next twelve months, leave us well placed to take advantage of the clear opportunities for growth both today and in the coming years.

Segmental Review

Product Design Segment

	Six months ended 30 June (£'m)		Growth (%)			12 months
	2020	2019	Reported	Organic	Proforma	2019
Revenue	45.2	41.6	9%	3%	3%	86.5
Adjusted EBITDA	18.3	15.7	17%	7%	9%	36.0
Adjusted EBITDA Margin	40%	38%				42%

Through WGSN, a leading global supplier of trend forecasts, market intelligence and consumer insight, we help customers understand the future demands of consumers. Information is delivered principally through digital subscriptions (over 90% of revenue) to around 6,500 customers in over 90 countries. This segment had a solid six months overall, growing revenue organically by 3%, underpinned by its subscription base, which more than offset the decline in its Mindset advisory business.

For subscription revenues, which grew 6% on a proforma basis, the take-up of non-apparel focused subscriptions, such as Insight and Beauty continues to be the chief engine of growth. Subscription renewal rates, after starting the period at particularly strong levels, dipped during the height of COVID-19 restrictions, but showed signs of recovery towards the end of the half and we ended the half with c.90% renewal rates. New business, generally a smaller contributor to growth, saw similar patterns of performance across the period. WGSN also achieved a record Net Promoter Score from its subscribers in

June 2020, reflecting the importance of the information we are providing to customers and the market position of our brand, boding well for both future growth and renewal rates.

In June, ahead of schedule, we successfully launched our new product addressing trends in the Food & Drink market, as part of our continuing focus to expand our offerings, utilising data from other Ascential products (such as Edge) and following the launches of Beauty and Trend Curve in 2019. Beauty has now exceeded 300 customers, growing billings to c.£3m, while our alternative data offering, serving the Financial Services community, also continues to expand.

Adjusted EBITDA grew well in the period, with the margin expanding despite investment in the Food & Drink product launch.

Marketing Segment

	Six months ended 30 June (£'m)		Growth (%)			12 months
	2020	2019	Reported	Organic	Proforma	2019
Revenue	26.4	100.5	(74%)	(21%)	(21%)	135.9
Adjusted EBITDA	(4.1)	44.2	nm	nm	nm	50.7
Adjusted EBITDA Margin	nm	44%				37%

The Marketing segment was significantly impacted by the cancellation of the 2020 Cannes Lions festival, as a result of the widescale restrictions arising from the COVID-19 pandemic. The resulting economic conditions, particularly impacting the marketing community, have also had an adverse impact on MediaLink's advisory business. Excluding the Lions festival, the Marketing segment revenue declined by 21% overall and made a loss at the EBITDA level, notwithstanding the continuing strong performances of our digital subscription products WARC and The Work.

Cannes Lions is the global benchmark for creativity in the branded communications industry through both the main festival in June as well as digital products and consultancy. In the absence of the 2020 edition of the festival, Lions revenue in the period related chiefly to The Work, where its subscription-driven revenues continued to show good growth. In terms of the 2021 festival, plans are already underway, with a majority of both delegates and sponsors that booked for 2020 rolling forward their commitments to the 2021 edition such that we take forward over £13m of forward bookings to the 2021 event. In place of the festival, in June, Lions launched Lions Live: a week-long broadcast series of interviews with industry leaders, masterclasses and other original digital content that attracted an audience of over 60,000 from the marketing community. Lions Live attests to the brand's appeal as the focal point for the creative industry and gives us confidence that Cannes Lions will rebound strongly when economic and pandemic conditions, ideally including a healthcare solution, permit.

MediaLink, the strategic advisory firm serving the media and marketing ecosystem, experienced challenging trading conditions from the onset of the COVID-19 pandemic, with impacts on retainer levels, and reduced project and search activity, given the extraordinary pressures faced by its customers. Additionally, although events revenue is usually only around 10% of MediaLink's income, the absence of the Cannes Lions festival, a major platform for the industry, reduced the opportunity to sign new business. Towards the end of the period, the business saw signs of a recovery with several significant projects commissioned, suggesting the transformational pressures the pandemic has placed on the industry are beginning to drive demand for MediaLink's expertise. In addition, June saw the launch of the MediaLink Beach Online delivering tailored activation meetings to clients and a curated series of insights from senior figures engaging the wider industry.

WARC, which helps brands, agencies and media platforms benchmark marketing effectiveness, recorded strong, subscription driven, revenue growth underpinned by the performance of renewals throughout the period. In common with other brands WARC experienced record levels of engagement across its digital content with, for example, subscriber usage of WARC material growing by 29% in H1. WARC also expanded its collaboration with other Ascential brands in the period, particularly Lions Live, where it launched the Creative Effectiveness Ladder, a universal code to unlock successful marketing strategies, and supported several insight sessions delivered to Edge's customers, including the Digital Commerce Accelerator summit focusing on the development of eCommerce in China.

Sales Segment

	Six months ended 30 June (£'m)		Growth (%)			12 months
	2020	2019	Reported	Organic	Proforma	2019
Revenue	56.3	76.4	(26%)	15%	17%	158.4
Adjusted EBITDA	6.9	18.8	(63%)	nm	nm	39.6
Adjusted EBITDA Margin	12%	25%				25%

The Sales Segment comprises the Digital Commerce sub-segment (comprising Edge by Ascential, Flywheel Digital and Yimian) and the non-Digital Commerce sub-segment (comprising Money20/20, WRC and Retail Week). Because of the impact of the pandemic on our ability to run live events, the revenue of the Sales Segment declined in total by 26% and the profits by 63%. The performance of the two sub-segments is set out below.

Digital Commerce

	Six months ended 30 June (£'m)		Growth (%)			12 months
	2020	2019	Reported	Organic	Proforma	2019
Revenue	53.6	41.8	28%	19%	21%	89.6
Adjusted EBITDA	13.3	6.1	119%	92%	112%	13.0
Adjusted EBITDA Margin	25%	15%				15%

The Digital Commerce sub segment grew revenues by 19% on an Organic basis and 21% including Yimian and Indigitous on a Proforma basis. Profits were up strongly reflecting a balance of continuing investment in expansion offset by the flow through of the high levels of revenue growth in the period.

Through Edge we deliver eCommerce data, insights and advisory, comprising performance measurement, digital shelf optimisation, pricing & promotion and retail strategy expertise. Edge enjoyed solid trading, in terms of billings, across the period overall. We were pleased to see Digital Shelf, Edge's largest product, return to double digit billings growth. In terms of its integration programme, the business has now completed all major customer-facing elements of the programme, with the recent launches of both Market Share 2.0 and Digital Shelf 2.0 to customers in Q1 ahead of schedule. These new systems have been critical in handling massive increases in eCommerce data flows through the pandemic lockdown period and reacting quickly to rapidly evolving customer needs. With customer-facing systems now in place our focus now turns to business as usual, optimising the profitability of the products which has grown well in the period.

Overall, Edge acquired 32 new customers in the period with two significant global customer agreements with Coca-Cola and Adidas. It also generated new sales in partnership with Yimian in China, a market where we can now provide market share insight for our global brand customers. Yimian exhibited extremely strong growth in the period and added 10 new customers, including Unilever China and Reckitt Benckiser.

Through Flywheel Digital we provide managed retail and media services to brands on Amazon with a growing presence on the new and expanding Walmart, Instacart and Kroger platforms. In February 2020 we expanded coverage into the active lifestyle category, with the acquisition of Indigitous, an Amazon-focused managed service provider based in Seattle. Flywheel Digital recorded extremely strong growth in the first half, adding 33 new customers, continuing the roll-out of services to customers on Walmart, expansion in Europe, India and Japan and onboarding clients to the Instacart and Kroger platforms. An additional contributor of growth has been the underlying surge in consumers' eCommerce activity, which has reached record levels during the period of the COVID-19 pandemic, driven particularly by demand for personal health and household goods via online channels.

Non-Digital Commerce

	Six months ended 30 June (£'m)		**Growth (%)**			**12 months**
	2020	**2019**	**Reported**	**Organic**	**Proforma**	**2019**
Revenue	2.7	34.6	(92%)	(31%)	(31%)	68.8
Adjusted EBITDA	(6.4)	12.7	nm	(3%)	(3%)	26.6
Adjusted EBITDA Margin	nm	37%				39%

Through Money20/20 we are the leading point of reference for digital payments product strategy worldwide. Our congresses, which focus on the evolution of consumer payment and financial services across multiple channels, have been significantly disrupted this year by the physical restrictions imposed by the COVID-19 pandemic. Neither the Asian nor European events were able to run in the first half, and we took the decision to cancel the 2020 Asia event, the smallest of three regional editions, in accordance with the advice of the local authorities in Singapore. For the two larger events, in consultation with each venue, size restrictions have been applied to delegate volumes to allow for appropriate physical distancing on site: reducing the Europe event, deferred to September, to a maximum of 4,000 attendees (having attracted over 6,000 last year) and the US event, in October to 6,000 (from around 10,000 last year). We are closely monitoring the developing local market conditions both in Europe and the US, conscious not only that large-scale events need to be permitted by the authorities but that our delegates and sponsors must have the appetite to travel and attend.

In the absence of physical events in the first half, customer engagement has focused on the brand's digital content, achieving record levels of audience reach. As an example, The Money Pot podcast, which addresses the current forces and ideas shaping the future of money, achieved downloads over five times the level seen at its launch in 2019. Looking forward into 2021 we are taking the opportunity to streamline Money20/20 and will focus our efforts on running the European and US editions. The scale of rebound in 2021 will depend on the global economy, scientific developments and customers' propensity to travel and attend large scale events and in this regard we are fortunate that Money20/20 is the most significant annual event in our industry and that payments technology continues to be an attractive end market.

The smallest element of the Sales Segment consists of Retail Week and World Retail Congress (WRC) serving the needs of UK and Global retailers and their ecosystem. WRC Rome has been cancelled for 2020 and will run in April 2021 and Retail Week Live has been deferred to October, while the subscription business of Retail Week continued to experience revenue declines driven by the weak underlying retail environment, which has been further impacted by the pandemic restrictions.

Built Environment & Policy

	Six months ended 30 June (£'m)		Growth (%)			12 months
	2020	2019	Reported	Organic	Proforma	2019
Revenue	16.4	17.7	(7%)	(10%)	(10%)	35.9
Adjusted EBITDA	7.7	7.2	6%	4%	4%	17.0
Adjusted EBITDA Margin	47%	41%				47%

The Built Environment & Policy Segment comprises the Groundsure, Glenigan and DeHavilland digital information products. Revenue for the six months declined by 7% to £16.4m, due to the two-month hiatus for property transactions in the UK impacting Groundsure.

Groundsure is a leading provider of environmental risk data to the UK property market. In January, Groundsure acquired Mining Searches UK, a specialist provider of coal mining risk reports that complements their own expertise in non-coal reports, with a joint product launch scheduled for the second half. Groundsure grew strongly in Q1, supported by an active UK residential property market following the December 2019 general election. However, from late March housing transactions reduced sharply as the COVID-19 restrictions took hold, impacting Groundsure's revenue performance. The latter part of Q2 saw an improvement in residential transactions after the property market reopened in May, with volumes in recent weeks reaching historical highs.

Glenigan, a leading provider of construction project sales leads, industry data, analysis, forecasting and company intelligence grew steadily in the period. This was underpinned by solid subscription renewals, although new business, both subscriptions and bespoke, was impacted adversely by the extremely low activity levels in the UK construction industry during the pandemic lock-down period.

Lastly, DeHavilland, a leading provider of political intelligence and monitoring services in the UK and EU, also achieved steady growth. Like Glenigan this was supported by subscription renewals, with weaker new business reflecting the focus of government activity in the period on combating the pandemic as opposed to broader policy initiatives.

Financial Review

Overview

The majority of Ascential's revenues come from robust digital subscriptions and platforms and high repeat advisory revenue streams. However, the Company derives 25% of its revenue from live events, and 8% from its Cannes Lions awards benchmark product. As a result of the impact of COVID-19 restrictions, the Company cancelled the 2020 edition of the Cannes Lions festival and its associated regional events, which comprised just over half total revenues in the Marketing Segment in 2019. Additionally, we have cancelled Money20/20 Asia and RWC and rescheduled the Money20/20 Europe and Retail Week Live events from H1 to H2.

While our results for the first half have demonstrated the strength and resilience of our revenues from digital subscriptions and platforms, the impact of COVID-19 related restrictions has been significant on our events revenue lines and the profits of the Company as can be seen in the table below.

(£'m)	**H120**	H119	**Reported growth rate**	**Organic growth rate**	**Proforma growth rate**
Revenue	**144.3**	236.2	(38.9%)	(0.3%)	0.6%
Adjusted EBITDA	**20.1**	76.7	(73.8%)	26.3%	34.0%
Operating (loss) / profit	**(68.1)**	36.0	nm	nm	nm

Segmental results

(£'m)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate Costs	Total
H120						
Revenue	45.2	26.4	56.3	16.4	-	**144.3**
Organic revenue growth	*3%*	*(21%)*	*15%*	*(10%)*	-	***(0.3%)***
Proforma revenue growth	*3%*	*(21%)*	*17%*	*(10%)*	-	***0.6%***
Adjusted EBITDA	18.3	(4.1)	6.9	7.7	(8.7)	**20.1**
Organic Adjusted EBITDA growth	*7%*	*nm*	*nm*	*4%*	*(9%)*	***26.3%***
Proforma Adjusted EBITDA growth	*9%*	*nm*	*nm*	*4%*	*(9%)*	***34.0%***
Adjusted EBITDA margin	*40%*	*(15%)*	*12%*	*47%*	-	***13.9%***
Depreciation and software amortisation	(2.4)	(3.2)	(3.7)	(0.4)	(1.7)	**(11.4)**
Adjusted operating profit / (loss)	**15.9**	**(7.3)**	**3.2**	**7.3**	**(10.4)**	**8.7**
H119						
Revenue	41.6	100.5	76.4	17.7	-	236.2
Organic revenue growth	*9%*	*13%*	*3%*	*4%*	-	*8.7%*
Proforma revenue growth	*9%*	*13%*	*11%*	*4%*	-	*11.0%*
Adjusted EBITDA	15.7	44.2	18.8	7.2	(9.2)	76.7
Organic Adjusted EBITDA growth	*14%*	*23%*	*(16%)*	*10%*	-	*9.3%*
Proforma Adjusted EBITDA growth	*14%*	*21%*	*(5%)*	10%	-	*10.8%*
Adjusted EBITDA margin	*38%*	*44%*	*25%*	*41%*	-	*32.5%*
Depreciation and software amortisation	(2.0)	(3.2)	(1.8)	(0.6)	(1.9)	(9.5)
Adjusted operating profit / (loss)	13.7	41.0	17.0	6.6	(11.1)	67.2

Revenue

The Company benefits from diverse revenue streams ranging from digital subscriptions to live events to advisory. Most of these revenue streams have recurring characteristics and benefit from our focus on customer retention.

The unprecedented events stemming from the COVID-19 pandemic have resulted in a substantial impact on revenue in the period which reduced to £144.3m (H119: £236.2m), a decrease of £91.9m or 38.9%, due largely to the cancellation of the Cannes Lions 2020 festival and the rescheduling of Money20/20 Europe to September. Adjusting for cancellations, deferrals, currency impacts and acquisitions, revenue reduced by 0.3% on an Organic basis, with good growth from the Product Design Segment and the Sales Segment offset by declines in the Marketing and Built Environment & Policy Segments. On a Proforma basis, revenue grew at 0.6%, reflecting the underlying growth of Yimian, which was acquired in December 2019.

The following table of revenue by type illustrates the resilience of revenue from Digital Subscriptions & Platforms in particular within the Digital Commerce sub-segment:

	Digital Subscriptions & Platforms		Advisory		Events		Total	
	£'m	Proforma Growth	£'m	Proforma Growth	£'m	Proforma Growth	£'m	Proforma Growth
Product Design	42.4	6%	2.8	(24%)	-	-	**45.2**	**3%**
Marketing	8.2	10%	17.2	(29%)	1.0	(38%)	**26.4**	**(21%)**
Sales								
Digital Commerce	*51.3*	*22%*	*2.3*	*33%*	*-*	*(72%)*	***53.6***	***21%***
Non-Digital Commerce	*1.1*	*(15%)*	*-*	*-*	*1.6*	*(39%)*	***2.7***	***(31%)***
Sales Segment Total	52.4	21%	2.3	33%	1.6	(44%)	**56.3**	**17%**
Built Environment & Policy	15.8	(10%)	0.6	(21%)	-	-	**16.4**	**(10%)**
Group	**118.8**	**10%**	**22.9**	**(24%)**	**2.6**	**(44%)**	**144.3**	**0.6%**

Adjusted EBITDA

Adjusted EBITDA reduced by 73.8% to £20.1m (H119: £76.7m), impacted heavily by the cancellation of Cannes Lions 2020 and the rescheduling of Money20/20 Europe, while the Adjusted EBITDA margin reduced to 13.9%. Adjusting for these cancellations and deferrals, Adjusted EBITDA grew by 26.3% on an Organic basis, or 34.0% on a Proforma basis, driven by the operational leverage within Flywheel Digital and WGSN combined with their revenue growth. We saw good margin growth not just in the Product Design Segment but also in Built Environment & Policy despite its revenue decline, although overall the EBITDA margin was impacted negatively by the cancellation of Cannes Lions 2020 and deferral of Money20/20 Europe.

In order to mitigate the impact of both event cancellations and deferrals as a result of COVID-19 restrictions, we suspended the share buy-back programme and the 2019 final dividend, made a temporary reduction of 25% in the Executive Directors' salaries and Non-Executive Director fees and cancelled the previously proposed 2020 annual salary increases across Ascential. We also agreed temporarily reduced salaries with our Executive Team and our most senior employees throughout the Group and utilised the UK Government's Coronavirus Job Retention Scheme to preserve the roles of approximately 200 colleagues working on events and in other impacted parts of our business. To ensure we are right-sized for the future economic headwinds we reluctantly took the decision to make just over 110 roles redundant in May.

In combination with reductions in variable compensation (bonuses and commissions) we have now made savings totalling £40m in addition to savings that flow naturally from cancelled events. Our objective continues to be to balance a near-term cost focus with the importance of preserving and nurturing Ascential's market leading positions and capabilities and its ability to deliver a strong rebound in 2021.

Reconciliation between Adjusted EBITDA and statutory operating (loss) / profit

Adjusted EBITDA is reconciled to statutory operating (loss) / profit as shown in the table below:

(£'m)	**H120**	H119
Adjusted EBITDA	20.1	76.7
Depreciation and software amortisation	(11.4)	(9.5)
Adjusted operating profit	**8.7**	67.2
Amortisation of acquired intangibles	(17.2)	(18.5)
Exceptional items	(61.2)	(8.4)
Share-based payments	1.6	(4.3)
Statutory operating (loss) / profit	**(68.1)**	36.0

Exceptional items

The charge for exceptional items included in H120 totalled £61.2m (H119: £8.4m) as set out in the table below and further explained in note 5.

(£'m)	H120	H119
Deferred contingent consideration	55.8	4.3
Restructuring costs	4.1	-
Acquisition transaction and integration costs	1.3	4.1
Exceptional items	**61.2**	8.4

The charge for deferred contingent consideration of £55.8m (H119: £4.3m) reflects the expectation of further significant outperformance of Flywheel Digital in 2020 and 2021. Flywheel Digital accounts for £53.1m of the total charge of which £13.8m is attributable to continued employment of the founders and is therefore disclosed as employment costs in the period.

Restructuring costs represent the one-off expenses of the redundancy programme described above in order to right-size our future cost base for the economic headwinds we expect to arise from the COVID-19 related restrictions imposed around the world. Acquisition transaction and integration costs comprise integration costs for Yimian and Edge as well as diligence and legal fees for the acquisitions of Mining Searches UK and Indigitous early in 2020.

Share-based payments

The total credit for share-based payments in H120 of £1.6m (H119: charge £4.3m) reflects changed expectations on the vesting of PSP awards due to the expected performance of the Group versus the target performance conditions.

Finance costs

The Adjusted net finance costs for H120 were £8.2m (H119: £5.8m) as set out below.

Adjusted net finance costs (£'m)	H120	H119
Net interest payable	(3.6)	(3.2)
Amortisation of arrangement fees	(0.4)	(0.6)
Foreign exchange gain on cash and cash equivalents	0.4	0.6
Discount unwind on deferred and contingent consideration	(3.9)	(2.6)
Remeasurement of financial asset to fair value	(0.1)	0.7
Discount unwind of lease liability	(0.6)	(0.7)
Adjusted net finance costs	(8.2)	(5.8)

The net interest payable on the Group's borrowings was £3.6m (H119: £3.2m) with the increase due to the higher levels of debt held in the period as a result of securing liquidity throughout the COVID-19 pandemic. The increase in the unwind of the discount on deferred and contingent consideration totalling £3.9m (H119: £2.6m) is driven by the revaluation adjustment made in 2019 in respect of Flywheel Digital.

In addition to the Adjusted net finance costs above, we have also included in Adjusting items a charge of £1.9m in respect of the write-off of unamortised arrangement fees upon early refinancing of our 2016 debt facilities in January 2020 and the subsequent covenant amendments agreed in April 2020.

Taxation

The Effective tax rate on Adjusted PBT has been impacted by a shift in profits; away from the UK (taxed at 19%) towards the higher tax jurisdiction of the US (taxed at 26%). Discrete items in the period, namely the impact of the UK rate change, have given rise to the net credit for the period.

Analysis of tax charge (£'m)	**H120**	H119	2019
Adjusted PBT	0.4	61.7	96.4
Tax credit / (charge) on Adjusted PBT	1.0	(14.9)	(20.6)
Effective tax rate on Adjusted PBT	nm	24.1%	21.4%
Adjusting items	(78.7)	(31.2)	(86.2)
Tax credit on Adjusting items	16.5	5.8	18.5
Effective tax rate on Adjusting items	21.0%	18.6%	21.5%
Reported PBT	(78.3)	30.5	10.2
Tax credit / (charge) on reported PBT	17.5	(9.1)	(2.1)
Effective tax rate on reported PBT	22.3%	29.8%	20.6%

Cash tax paid was £2.5m (H119: £3.1m) and the Group continued to benefit by £1.0m (H119: £4.6m) from the utilisation of historic tax losses in the UK and US which are expected to continue to benefit the Group's cash flow over the medium term.

The Group has a total recognised deferred tax asset of £60.7m (December 2019: £42.7m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles including the impact of deferred and contingent consideration. This asset is expected to convert into cash savings over the next ten years with the majority being recovered over the next three years. Meanwhile our deferred tax liability amounted to £23.5m (December 2019: £22.9m) and related to the amortisation of non-deductible acquired intangibles and is not expected to convert into cash.

Foreign currency impact

The Group's reported performance is sensitive to movements in both the Euro and US dollar against pounds sterling. In the first half, sterling weakened by 2.7% against the US dollar and 1.5% against the Euro compared to H119 as shown in the table below:

Sterling exchange rates	**Weighted average rate**			**Closing rate**		
	H120	H119	Change	**H120**	H119	Change
Euro	**1.15**	1.12	(2.1%)	**1.10**	1.12	1.5%
US dollar	**1.27**	1.30	2.1%	**1.24**	1.27	2.7%

When comparing H120 and H119, changes in currency exchange rates had a favourable impact on revenue and Adjusted EBITDA of £0.6m and £0.3m respectively.

Acquisitions and disposals

We regularly assess opportunities to acquire high-growth products and capabilities to serve our key end markets of Product Design, Marketing and Sales.

Jumpshot

In August 2019, we completed the acquisition of a 35% investment in Jumpshot Inc., an analytics business providing insights on digital consumer engagement. Cash consideration, including subsequent working capital contribution and acquisition expenses, totalled £56.2m. On 30 January 2020, we agreed to sell back our 35% ownership interest in Jumpshot back to the majority owner, Avast plc, for cash consideration equivalent to our cost of investment.

Mining Searches UK
On 2 January 2020, we acquired Mining Searches UK, the country's leading specialist in historical mining risk for £2.6m in order to build out our mining search product offerings for our customers. Mining Searches UK has been fully integrated into Groundsure in our Built Environment & Policy Segment.

Indigitous
In February 2020, we expanded into the active lifestyle category through the acquisition of Indigitous, an Amazon-focused managed service provider based in Seattle for £2.2m. Indigitous has been integrated into Flywheel in our Sales Segment.

Hudson
Hudson MX is an advertising software business providing media buying and media accounting solutions through a cloud-based SaaS platform. In 2019 we invested £8.0m for a minor equity interest and, subject to certain growth targets, agreed to increase our future holding for further cash consideration of £8.0m, of which £0.5m was invested as equity and £7.5m as a convertible loan in the first half, which we expect to convert into equity in due course.

Flywheel Digital
The expected significant outperformance of this 2018 acquisition versus our original expectations (see note 5) results in a significant increase in deferred consideration. We have agreed the option, utilisable at our discretion, to pay up to 75% of this future deferred consideration in Ascential shares.

Detailed information on acquisitions in the period can be found in note 12 on page 34.

Deferred and Contingent Consideration
The Company's preferred structure for M&A is to enter into long term earn out arrangements with the founders of acquired companies and to link the earn out to both the post-acquisition performance of the acquired company and the continuing employment of the founders. Accounting for the earn out is complex and requires considerable judgements to be made about the expected future performance of the acquired company at the point of acquisition and at each subsequent balance sheet date – especially difficult in the type of high growth, early stage companies that Ascential typically acquires.

The earn out is accounted for in three ways:

1. A liability for Deferred and Contingent Consideration is established on the balance sheet at the point of acquisition based on that element of the earn out which is not dependent on the continuing employment of the founders. This amounted to £111.1m at 30 June 2020 (31 December 2019: £103.2m). Any change in estimate is recorded as an exceptional item and this amounted to a charge of £39.4m in H120 (H119: credit of £3.5m) as a result of the very strong performance of Flywheel Digital.

2. This liability is discounted to present value using the Company's cost of capital with the reversal of this discount being recorded within the interest charge. This amounted to a charge of £3.9m in H120 (H119: £2.6m).

3. Finally, that element of the deferred and contingent consideration that is contingent on the continuing employment of the founders is charged to the income statement as an exceptional item over the service life of those founders (typically three years). This amounted to a charge of £16.4m in H120 (H119: £7.8m).

Cash flow
The Company generated Adjusted operating cash flow of £12.6m in H120 (H119: £78.1m) being a 63% operating cash flow conversion (H119: 102%). The outflow from working capital versus the inflow in the prior year period was attributable to a combination of growth in Flywheel Digital and an increase in the time taken to collect receivables due to COVID-19 related lock downs.

Capex increased to £11.0m from £8.8m, while tax paid on profits reduced to £2.5m from £3.1m due principally to overpayment of tax in the prior period. As a result, the Company generated free cash outflow of £0.9m (H119: £66.2m inflow), a conversion of rate of negative 4% (H119: positive 86%).

The consolidated cash flow statement and net debt position is summarised below.

(£'m)	**H120**	H119
Adjusted EBITDA	**20.1**	76.7
Working capital movements	(7.5)	1.4
Adjusted operating cash flow	**12.6**	78.1
% operating cash flow conversion	*63%*	*102%*
Capital expenditure	(11.0)	(8.8)
Tax paid	(2.5)	(3.1)
Free cash flow	**(0.9)**	66.2
% free cash flow conversion	*(4%)*	*86%*
Acquisition of investments	(8.0)	(2.6)
Disposal of investments	55.1	-
Acquisition of businesses	(2.7)	(0.5)
Deferred and contingent consideration	(39.3)	(17.7)
Exceptional costs paid		
- Deferred and contingent consideration	(20.1)	(11.0)
- Other	(7.1)	(6.5)
Cash flow before financing activities	**(23.0)**	27.9
Net interest	(5.6)	(3.1)
Dividends	-	(15.7)
Lease liabilities	(5.3)	(4.3)
Proceeds of issue of shares	0.5	0.2
Share repurchase	(9.2)	-
Net debt drawdown	107.8	-
Net cash flow	**65.2**	5.0
Opening cash balance	**111.7**	182.0
FX movements	0.4	0.6
Closing cash balance	**177.3**	187.6
Borrowings	(396.3)	(294.5)
Capitalised arrangement fees	3.3	1.7
Derivative financial investments	0.2	-
Net debt	**(215.5)**	(105.2)

Earnings per share
Adjusted diluted earnings per share of 0.4p per share for H120 is below the 11.5p per share recorded for H119 driven primarily by the absence of Cannes Lions and Money20/20 Europe in the period. Total diluted loss per share of 15.1p per share is below the H119 earnings figure of 5.2p being further impacted by the exceptional item of £53.1m for the revaluation of the Flywheel Digital earnout.

Returns to shareholders

Dividends
The Board normally targets a dividend payout ratio of 30% of Adjusted profit after tax split one-third following interim results and two-thirds following final results. However, as a result of the COVID-19 pandemic, the ensuing cancellation of the Cannes Lions festival and consequent impact on profits and debt covenants, the Board decided not to declare the previously announced final dividend for 2019 and has not declared an interim dividend for the period (H119: 1.8p).

Share repurchase programme
At the start of the period after consistently strong levels of cash flow conversion, combined with disciplined capital allocation, and following the sale of the Jumpshot investment in January 2020, our leverage was well below historic levels. We recognise that the delivery of shareholder value requires a balanced approach to investing in growth and returning excess capital to shareholders whilst maintaining a strong balance sheet and having reviewed our capital allocation policy, the Board decided to utilise part of its authority to make on market purchases of our ordinary shares. We originally anticipated spending up to £120m in a share repurchase programme but suspended this in March 2020, having repurchased shares worth £9.2m, as the impact of the COVID-19 pandemic on our 2020 financial performance became clear.

Strong balance sheet and access to liquidity
The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt to equity balance. The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent comprising capital, reserves and retained earnings. The Group's policy is to borrow centrally to meet anticipated funding requirements. These borrowings, together with cash generated from the operations, are on-lent or contributed as equity to subsidiaries at market-based interest rates and on commercial terms and conditions.

In January 2020, we entered into a new 5-year multi-currency revolving credit facility ("RCF") of £450m with an accordion to raise further debt amounts up to the greater of £120m or 150% of EBITDA. The maturity of the facility may be extended for up to two further one-year terms subject to individual lender approval. At 30 June 2020, the borrowings were subject to interest at 1.60% over LIBOR. The facility covenants include a maximum net leverage of 3.25x with the benefit of an additional 0.5x leverage spikes for relevant acquisitions and a minimum interest cover of 3.00x and are tested semi-annually. At 30 June 2020, £396.3m of the new RCF had been drawn. The previous term loan facilities and £95m RCF held were fully repaid and cancelled in January 2020 (at 31 December 2019 £283.8m of term loan facilities were held and none of the £95m previous RCF had been drawn).

To address the uncertain business environment and ensure maximum flexibility in the medium term, across a broad range of business planning scenarios including a scenario in which no events take place in 2020, we agreed the following covenant amendments with our banking group in April 2020:

- At the December 2020 testing point – a full waiver of the leverage and interest cover covenants subject to a minimum liquidity of £100m at 31 December 2020.

- At the June 2021 testing point – the leverage covenant ratio limit has been relaxed from 3.25x to 3.75x to provide greater flexibility in a scenario in which no events take place in 2020.

Our covenant leverage at 30 June 2020 was 1.8x, which is well within our banking covenants. This was lower than the published leverage of 3.4x due to the application of pre-existing covenant adjustments for rescheduled events.

Going concern

There continues to be uncertainty surrounding the resolution of the COVID-19 outbreak and the impact to the wider global economy. The directors have considered a number of stressed scenarios and taken into account the strong condition of our balance sheet, our recent refinancing, the diversification of our business models and proactive steps taken already to provide covenant headroom and adjust our cost base as well as further potential mitigating actions. The directors therefore continue to believe that the preparation of these condensed consolidated interim financial statements should be on the basis of a going concern. Further details including of the various assumptions for the severe but plausible scenarios considered in coming to this conclusion are presented in note 1.

Condensed Consolidated Statement of Profit and Loss

(£'m)	Note	**Six months to 30 June 2020 (Unaudited)**			Six months to 30 June 2019 (Unaudited)			Year to 31 December 2019 (Audited)		
		Adjusted Results	**Adjusting Items**	**Total**	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Revenue	4	144.3	-	**144.3**	236.2	-	236.2	416.2	-	416.2
Cost of sales		(57.6)	-	**(57.6)**	(87.6)	-	(87.6)	(151.9)	-	(151.9)
Sales, marketing and administrative expenses		(78.0)	(76.8)	**(154.8)**	(81.4)	(31.2)	(112.6)	(158.5)	(85.9)	(244.4)
Operating profit / (loss)	4	**8.7**	**(76.8)**	**(68.1)**	67.2	(31.2)	36.0	105.8	(85.9)	19.9
Adjusted EBITDA	4	20.1	-	**20.1**	76.7	-	76.7	128.5	-	128.5
Depreciation and amortisation		(11.4)	(17.2)	**(28.6)**	(9.5)	(18.5)	(28.0)	(22.7)	(35.8)	(58.5)
Exceptional items	5	-	(61.2)	**(61.2)**	-	(8.4)	(8.4)	-	(41.6)	(41.6)
Share-based payment credit / (charge)		-	1.6	**1.6**		(4.3)	(4.3)	-	(8.5)	(8.5)
Operating profit / (loss)		**8.7**	**(76.8)**	**(68.1)**	67.2	(31.2)	36.0	105.8	(85.9)	19.9
Share of the profit / (loss) of joint ventures		(0.1)	-	(0.1)	0.3	-	0.3	0.9	(0.3)	0.6
Finance costs	6	(8.8)	(1.9)	**(10.7)**	(7.6)	-	(7.6)	(14.8)	-	(14.8)
Finance income	6	0.6	-	**0.6**	1.8	-	1.8	4.5	-	4.5
Profit / (loss) before taxation		**0.4**	**(78.7)**	**(78.3)**	61.7	(31.2)	30.5	96.4	(86.2)	10.2
Taxation	7	1.0	16.5	**17.5**	(14.9)	5.8	(9.1)	(20.6)	18.5	(2.1)
Profit / (loss) for the period		**1.4**	**(62.2)**	**(60.8)**	46.8	(25.4)	21.4	75.8	(67.7)	8.1
Profit / (loss) attributable to:										
Owners of the Company		**1.8**	**(62.2)**	**(60.4)**	46.8	(25.4)	21.4	75.6	(67.7)	7.9
Non-controlling interest		**(0.4)**	**-**	**(0.4)**	-	-	-	0.2	-	0.2
Earnings / (loss) per share (pence)										
- basic		0.4	(15.5)	**(15.1)**	11.7	(6.3)	5.4	18.8	(16.8)	2.0
- diluted		0.4	(15.5)	**(15.1)**	11.5	(6.3)	5.2	18.5	(16.6)	1.9

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Condensed Consolidated Statement of Other Comprehensive Income

(£'m)	**Six months to 30 June 2020 (Unaudited)**	Six months to 30 June 2019 (Unaudited)	Year to 31 December 2019 (Audited)
Profit / (loss) for the period	**(60.8)**	21.4	8.1
Other comprehensive income / (expense)			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences recognised in equity	11.4	0.5	(8.2)
Total other comprehensive income / (loss) net of tax	**11.4**	0.5	(8.2)
Total comprehensive income / (loss) for the period	**(49.4)**	21.9	(0.1)
Total comprehensive income / (loss) attributable to:			
Owners of the Company	**(49.0)**	21.9	(0.3)
Non-controlling interest	**(0.4)**	-	0.2

Condensed Consolidated Statement of Financial Position

(£'m)	Note	**30 June 2020 (Unaudited)**	30 June 2019 (Unaudited)	31 December 2019 (Audited)
Assets				
Non-current assets				
Goodwill	11, 12	531.4	506.5	512.9
Intangible assets	11	245.4	265.1	247.8
Property, plant and equipment		7.9	9.4	8.4
Right of use assets		18.8	23.8	21.6
Investments	8	23.6	9.7	67.6
Investment property		1.9	2.4	2.1
Deferred tax assets	15	60.7	37.4	42.7
Other investments, including derivatives		0.2	-	0.3
		889.9	854.3	903.4
Current assets				
Inventories		3.8	5.4	4.1
Trade and other receivables		176.0	125.9	141.4
Other investments, including derivatives		1.1	-	1.4
Cash and cash equivalents	14	177.3	187.6	111.7
Current assets		**358.2**	318.9	258.6
Total assets		**1,248.1**	1,173.2	1,162.0
Liabilities				
Current liabilities				
Trade and other payables		99.5	85.7	85.7
Deferred income		118.5	97.8	98.5
Deferred and contingent consideration	13	96.3	51.2	63.1
Lease liabilities		9.0	9.8	9.4
Current tax liabilities		3.5	7.4	6.1
Provisions		0.4	2.7	1.0
Current liabilities		**327.2**	254.6	263.8
Non-current liabilities				
Deferred income		0.4	0.5	0.7
Deferred and contingent consideration	13	14.8	24.0	40.1
Lease liabilities		13.4	19.7	17.4
External borrowings	14	393.0	292.8	282.6
Deferred tax liabilities	15	23.5	23.2	22.9
Provisions		2.6	2.5	2.4
Total non-current liabilities		**447.7**	362.7	366.1
Total liabilities		**774.9**	617.3	629.9
Net assets		**473.2**	555.9	532.1
Equity				
Share capital	16	4.0	4.0	4.0
Share premium		2.2	0.7	1.7
Merger reserve		9.2	9.2	9.2
Group restructure reserve		157.9	157.9	157.9
Translation reserve		(23.8)	(26.5)	(35.2)
Treasury share reserve		(0.1)	(0.1)	(0.1)
Retained earnings		323.6	410.7	394.0
Non-controlling interest		0.2	-	0.6
Total equity		**473.2**	555.9	532.1

Condensed Consolidated Statement of Changes in Equity

(£'m)	Share capital	Share premium	Reserves: Merger reserve	Reserves: Group restructure reserve	Reserves: Translation reserve	Reserves: Treasury share reserve	Reserves: Retained earnings*	Non-controlling interest	Total
Restated balance at 31 December 2018* (Audited, as previously reported)	**4.0**	**0.5**	**9.2**	**157.9**	**(27.0)**	**(0.1)**	**401.0**	**-**	**545.5**
Profit for the period	-	-	-	-	-	-	21.4	-	21.4
Other comprehensive income	-	-	-	-	0.5	-	-	-	0.5
Total comprehensive income	-	-	-	-	0.5	-	21.4	-	21.9
Issue of shares	-	0.2	-	-	-	-	-	-	0.2
Share-based payments	-	-	-	-	-	-	4.0	-	4.0
Dividends paid	-	-	-	-	-	-	(15.7)	-	(15.7)
Balance at 30 June 2019 (Unaudited)	**4.0**	**0.7**	**9.2**	**157.9**	**(26.5)**	**(0.1)**	**410.7**	**-**	**555.9**
Profit for the period	-	-	-	-	-	-	(13.5)	0.2	(13.3)
Other comprehensive income	-	-	-	-	(8.7)	-	-	-	(8.7)
Total comprehensive income	-	-	-	-	(8.7)	-	(13.5)	0.2	(22.0)
Issue of shares	-	1.0	-	-	-	-	-	-	1.0
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	-	0.4	0.4
Share-based payments	-		-	-	-	-	3.7	-	3.7
Taxation on share-based payments	-		-	-	-	-	0.3	-	0.3
Dividends paid	-		-	-	-	-	(7.2)	-	(7.2)
Balance at 31 December 2019 (Audited)	**4.0**	**1.7**	**9.2**	**157.9**	**(35.2)**	**(0.1)**	**394.0**	**0.6**	**532.1**
Loss for the period	-	-	-	-	-	-	(60.4)	(0.4)	(60.8)
Other comprehensive income	-	-	-	-	11.4	-	-	-	11.4
Total comprehensive income	-	-	-	-	11.4	-	(60.4)	(0.4)	(49.4)
Issue of shares	-	0.5	-	-	-	-	-	-	0.5
Share repurchase	-	-	-	-	-	-	(9.2)	-	(9.2)
Share-based payments	-	-	-	-	-	-	(0.9)	-	(0.9)
Taxation on share-based payments	-	-	-	-	-	-	0.1	-	0.1
Balance at 30 June 2020 (Unaudited)	**4.0**	**2.2**	**9.2**	**157.9**	**(23.8)**	**(0.1)**	**323.6**	**0.2**	**473.2**

* Restated for initial application of IFRS 16 – 2018 only.

Condensed Consolidated Statement of Cash Flows

(£'m)	Note	**Six months to 30 June 2020 (Unaudited)**	Six months to 30 June 2019 (Unaudited)	Year to 31 December 2019 (Audited)
Cash flow from operating activities				
Profit / (loss) before taxation		(78.3)	30.5	10.2
Adjustments for:				
Amortisation of acquired intangible assets	5	17.2	18.5	35.8
Amortisation of software intangible assets		5.1	4.3	11.6
Amortisation of right of use assets		4.0	3.6	7.3
Depreciation of property, plant and equipment		2.3	1.6	3.8
Deferred and contingent consideration: revaluation and contingent employment costs	5	55.8	4.3	33.1
Share-based payments		(1.6)	4.3	8.5
Share of (profit) / loss in equity-accounted investee, net of tax		0.1	(0.3)	(0.6)
Net finance costs	6	10.1	5.8	10.3
Cash generated from / (used in) operations before changes in working capital and provisions		**14.7**	72.6	120.0
Changes in:				
Inventories		0.3	(1.6)	(0.3)
Trade and other receivables		(40.6)	(12.6)	(25.2)
Trade and other payables*		11.6	3.2	(1.3)
Provisions		(0.6)	(1.0)	(2.8)
Cash generated from / (used in) operations		**(14.6)**	60.6	90.4
Cash generated from operations before exceptional operating items		12.6	78.1	113.2
Cash outflows for acquisition-related contingent employment costs	13	(20.1)	(11.0)	(11.5)
Cash flows for other exceptional operating items		(7.1)	(6.5)	(11.3)
Cash generated from / (used in) operations		**(14.6)**	60.6	90.4
Tax paid		**(2.5)**	(3.1)	(3.2)
Net cash generated from / (used in) operating activities		**(17.1)**	57.5	87.2
Cash flow from investing activities				
Acquisition of businesses, net of cash acquired	12	(2.7)	(0.5)	(16.8)
Deferred and contingent consideration cash paid in the period	13	(39.3)	(17.7)	(20.3)
Acquisition of investments	8	(8.0)	(2.6)	(64.5)
Disposal of equity-accounted investments	8	55.1	-	-
Acquisition of software intangibles and property, plant and equipment		(11.0)	(8.8)	(18.5)
Disposal of businesses, net of cash disposed of		-	-	(2.3)
Net cash used by investing activities		**(5.9)**	(29.6)	(122.4)
Cash flow from financing activities				
Proceeds from external borrowings	14	393.6	-	-
Repayment of external borrowings	14	(285.8)	-	-
Proceeds from issue of shares		0.5	0.2	1.2
Share repurchase	16	(9.2)	-	-
Interest and arrangement fees paid		(5.6)	(3.1)	(6.2)
Lease liabilities paid		(5.3)	(4.3)	(9.0)
Dividend paid to shareholders	9	-	(15.7)	(22.9)
Net cash generated from / (used in) financing activities		**88.2**	(22.9)	(36.9)
Net increase / (decrease) in cash and cash equivalents		**65.2**	5.0	(72.1)
Cash and cash equivalents at the beginning of the period		111.7	182.0	182.0
Effect of exchange rate changes		0.4	0.6	1.8
Cash and cash equivalents at the end of the period		**177.3**	187.6	111.7

* Net of interest payable and inclusive of deferred income and acquisition-related employment costs

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of preparation

Ascential plc (the "Company") is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. These unaudited condensed consolidated interim financial statements as at and for the six months to 30 June 2020 comprise the results and financial position of the Company and its subsidiaries and were approved by the Board of Directors on 24 July 2020. The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted by the European Union.

The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act 2006 applicable to companies reporting under IFRS. These condensed consolidated half-yearly financial statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006 and should be read in conjunction with the Annual Report and Accounts 2019. Those accounts were reported upon by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006. The Annual Report and Accounts 2019 are available upon request from the Company's registered office at The Prow, 1 Wilder Walk, London, W1B 5AP, United Kingdom or at www.ascential.com.

Going concern
The condensed consolidated interim financial statements have been prepared on a going concern basis. After considering the current financial projections and facilities available and severe but plausible sensitivities, the Directors of the Company are satisfied that the Group has sufficient resources for its operational needs and will remain in compliance with the financial covenants in its bank facilities for at least the next 12 months from the date of approving these interim statements. The process and key judgements in coming to this conclusion are set out below.

The Board is required to assess going concern at each reporting period. These assessments are significantly more difficult currently given the uncertainties about the impact of COVID-19, the extent and duration of social distancing measures and the impact on the economies in which we operate. The level of judgement to be applied has therefore increased considerably. The Directors have considered three main factors in reaching their conclusions on going concern – liquidity, covenants and scenario planning – as set out below.

Liquidity
The Company renewed and expanded its committed debt facilities in January 2020. These facilities comprise a £450m revolving credit facility together with an accordion to raise further debt amounts, at the option of the lenders, up to the greater of £120m or 150% of EBITDA. The maturity of the facility may be extended from its January 2025 maturity for up to two further one-year terms subject to individual lender approval. These facilities provide ample liquidity when judged against the net debt of the Company of £216m at 30 June 2020.

Covenants
The more sensitive aspects of the Company's financing are the application by the lenders of covenant tests to these facilities and the most sensitive covenant is Net Debt Leverage (the ratio of Net Debt to Adjusted EBITDA). This is primarily because Adjusted EBITDA has reduced considerably, largely as a result of event cancellation. The leverage ratio is measured semi-annually and the limit is 3.25x. Due to a pre-

existing events proforma clause, where the Adjusted EBITDA of events which are postponed or cancelled in the 45 days preceding the period end can be replaced by the prior year event Adjusted EBITDA, the leverage test is passed readily at June 2020. The Company has obtained a full waiver of the leverage and interest cover covenants at December 2020 (subject to a minimum liquidity of £100m at 31 December 2020) and an expansion of the leverage covenant ratio limit to 3.75x at June 2021 to provide greater flexibility in a scenario in which no events take place in 2020.

Scenario planning

In assessing going concern, the Directors consider a variety of plausible scenarios in the context of the COVID-19 pandemic. These scenarios are not the forecasts of the Company and are designed to stress test liquidity and covenant compliance. The three most relevant scenarios, in ascending order of severity, reviewed to test going concern are as follows:

- ***Containment and recovery*** – the scenario envisages a V-shaped recovery and quick rebound in economic activity. The scenario assumes that Money20/20 takes place in Europe and the US in H2 2020 and the normal events roster recommences in January 2021.

- ***Muted recovery*** – the scenario models a U-shaped recovery with most countries experiencing a more severe contraction than in the 2008 global financial crisis. The scenario assumes that no Money20/20 events take place in H2 2020 but the normal events roster recommences in January 2021.

- ***Winter resurgence*** – the most severe modelled scenario is for a W-shaped recovery characterised by a second lockdown in winter 2020 with most economies not returning to pre-crisis levels until 2023. This assumes that no events take place in H2 2020 and furthermore, no events take place in H1 2021 and all are deferred to H2 2021.

In their review of the downside scenarios, the Directors have considered a number of mitigations that are at their discretion, including but not limited to: future dividend cancellation; the option of the Company to pay a significant portion of the Flywheel Digital deferred consideration in its own shares (see notes 5 and 13); and further restructuring and cost cutting measures.

Accordingly, the Directors continue to believe that the preparation of these unaudited condensed consolidated interim financial statements should be on the basis of a going concern.

2. Accounting policies, developments and changes

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those set out in the Group's Annual Report and Accounts for the year ended 31 December 2019, except as described below, and will be applied for the year ended 31 December 2020.

Government grants have been accounted for in line with IAS 20 Accounting for Government Grants and Disclosure of Government Assistance. Grants for the reimbursement of operating expenditure are deducted from the related category of costs in the income statement.

3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Group. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity and assumptions or estimation remain consistent with those disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2019 and are set out below. Significant updates to these judgements and estimations, in particular in light of COVID-19, are detailed where relevant in the related notes and in note 1 above on going concern.

Critical accounting judgements

- Alternative performance measures (APMs) (pages 39-43)

Key sources of estimation

- Business combinations (notes 11 and 12)
- Valuation of contingent consideration and acquisition-related employment costs (notes 12 and 13)
- Deferred tax (note 15)
- Goodwill and acquired intangibles recoverable amount (note 11)

4. Operating segments

The Group has four reportable segments that are used to present information to the Board (Chief Operating Decision Maker) on a monthly basis. End market risk and opportunities vary, and capital allocation decisions are made on the basis of four reportable segments. The four reportable segments are Product Design, Marketing, Sales and Built Environment & Policy. The reportable segments offer different products and services and are managed separately as a result of different capabilities, technology, marketing strategies and end market risks and opportunities. The following summary describes the operations in each of the Group's reportable segments:

- Product Design: global trend forecasting and insight (WGSN)
- Marketing: global creative benchmark, effectiveness measurement and strategic advisory (Cannes Lions, WARC, MediaLink)
- Sales: global eCommerce data, analytics and managed services, Fintech and retail intelligence (Edge by Ascential, Flywheel Digital, Yimian, Money20/20, Retail Week & WRC)
- Built Environment & Policy: political, construction and environment intelligence brands (Groundsure, Glenigan, DeHavilland)

Information regarding the results of each reportable segment is included below. Reportable segment profits are measured at an Adjusted operating profit level, representing reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of Corporate costs as reported in the internal management reports that are reviewed by the Board. Reportable segment Adjusted EBITDA and reportable segment Adjusted operating profit are used to measure performance as management believes that such information is the most relevant in evaluating the results of the reportable segments relative to other comparable entities. Total assets and liabilities for each reportable segment are not disclosed because they are not provided to the Board on a regular basis. Total assets and liabilities are internally reviewed on a Group basis.

Six months to 30 June 2020 (Unaudited)

(£'m)	**Product Design**	**Marketing**	**Sales**	**Built Environment & Policy**	**Corporate costs**	**Total**
Revenue	45.2	26.4	56.3	16.4	-	144.3
Adjusted EBITDA	18.3	(4.1)	6.9	7.7	(8.7)	20.1
Depreciation and software amortisation	(2.4)	(3.2)	(3.7)	(0.4)	(1.7)	(11.4)
Adjusted operating profit / (loss)	**15.9**	**(7.3)**	**3.2**	**7.3**	**(10.4)**	**8.7**
Amortisation of acquired intangible assets						(17.2)
Exceptional items						(61.2)
Share-based payments						1.6
Operating loss						**(68.1)**
Share of net loss in equity-accounted investee						(0.1)
Finance costs						(10.7)
Finance income						0.6
Loss before tax						**(78.3)**

Six months to 30 June 2019 (Unaudited)

(£'m)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Total
Revenue	41.6	100.5	76.4	17.7	-	236.2
Adjusted EBITDA	15.7	44.2	18.8	7.2	(9.2)	76.7
Depreciation and software amortisation	(2.0)	(3.2)	(1.8)	(0.6)	(1.9)	(9.5)
Adjusted operating profit / (loss)	13.7	41.0	17.0	6.6	(11.1)	67.2
Amortisation of acquired intangible assets						(18.5)
Exceptional items						(8.4)
Share-based payments						(4.3)
Operating profit						36.0
Share of net loss in equity-accounted investee						0.3
Finance costs						(7.6)
Finance income						1.8
Profit before tax						30.5

Year to 31 December 2019 (Audited)

(£'m)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs*	Total
Revenue	86.5	135.9	158.4	35.9	(0.5)	416.2
Adjusted EBITDA	36.0	50.7	39.6	17.0	(14.8)	128.5
Depreciation and software amortisation	(4.2)	(7.5)	(6.6)	(0.9)	(3.5)	(22.7)
Adjusted operating profit / (loss)	31.8	43.2	33.0	16.1	(18.3)	105.8
Amortisation of acquired intangible assets						(35.8)
Exceptional items						(41.6)
Share-based payments						(8.5)
Operating profit						19.9
Share of net loss in equity-accounted investee						0.6
Finance costs						(14.8)
Finance income						4.5
Profit before tax						10.2

*Corporate costs include a £0.5m elimination for intercompany trading.

Exceptional items of £61.2m (31 December 2019 : £41.6m: 30 June 2019: £8.4m) include £0.4m (31 December 2019 : £nil), £1.5m (31 December 2019: £3.5m income), £57.8m (31 December 2019: £37.3m), £0.1m (31 December2019: £0.2m) and £1.4m (31 December 2019: £0.6m) which are attributable to Product Design, Marketing, Sales, Built Environment & Policy and Corporate costs respectively. Finance costs, finance income, share of net profit in equity accounted investees and share-based payments are not allocated to segments, as these types of activity are driven by the Group corporate function.

Additional segmental information on revenue

The Group's main revenue streams are those described in the Annual Report for the year ended 31 December 2019. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

The following table shows revenue disaggregated by major service lines, and the timing of revenue recognition:

(£'m)	Timing of revenue recognition	Six months to 30 June 2020 (Unaudited)	Six months to 30 June 2019 (Unaudited)	Year to 31 December 2019 (Audited)
Digital Subscriptions & Platforms	Over time	42.4	37.0	78.1
Advisory	Over time	2.8	4.6	8.4
Product Design		**45.2**	**41.6**	**86.5**
Digital Subscriptions & Platforms	Over time	8.2	7.4	15.4
Advisory	Over time	17.2	27.5	50.0
Events	Point in time	1.0	65.6	70.5
Marketing		**26.4**	**100.5**	**135.9**
Digital Subscriptions & Platforms	Over time	52.4	40.8	86.1
Advisory	Over time	2.3	1.8	5.2
Events	Point in time	1.6	33.8	67.1
Sales		**56.3**	**76.4**	**158.4**
Digital Subscriptions & Platforms	Over time	15.8	17.2	34.9
Advisory	Over time	0.6	0.5	1.0
Built Environment and Policy		**16.4**	**17.7**	**35.9**
Intersegment Sales		-	-	(0.5)
Total		**144.3**	**236.2**	**416.2**

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

(£'m)	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	31 December 2019 (Audited)
Receivables, which are included in "Trade and other receivables"	88.6	72.3	74.3
Contract assets - accrued income	6.0	6.7	4.7
Contract liabilities – deferred income	118.8	98.3	99.2

Seasonality of operations

The Group's results are impacted by seasonality. The majority of Ascential's revenues come from robust digital subscriptions and platforms and high repeat advisory revenue streams which contain little seasonal fluctuation. However, the Company derives 25% of its revenue from live events and 8% from its Cannes Lions awards benchmark product (in the Marketing Segment) which typically takes place in the first half of each calendar year. In 2020, as a result of the impact of COVID-19 restrictions, we cancelled the 2020 edition of the Cannes Lions festival and its associated regional events. Additionally, we have cancelled Money20/20 Asia and RWC and deferred the Money20/20 Europe and Retail Week Live events from H1 to H2 2020.

5. Adjusting items

Adjusting items are those which are considered significant by virtue of their nature, size or incidence and are presented separately in the consolidated statement of profit and loss to enable a full understanding of the Group's financial performance. Adjusting items are not a defined term under IFRS and include the share-based payment charge, amortisation of intangibles acquired through business combinations and exceptional items such as costs incurred for acquisitions and disposals, integration, non-recurring business restructuring and capital restructuring. The tax effect of Adjusting items is also included within Adjusting items (note 7).

Adjusting items included in profit / (loss) before tax are:

(£'m)	**Six months to 30 June 2020 (Unaudited)**	Six months to 30 June 2019 (Unaudited)	Year to 31 December 2019 (Audited)
Revaluation of contingent consideration recognised in the consolidated statement of profit and loss	39.4	(3.5)	13.0
Acquisition–related employment costs accrued in the period	16.4	7.8	20.1
Restructuring costs	4.1	-	-
Acquisition transaction and integration costs	1.3	4.1	8.5
Exceptional items	**61.2**	8.4	41.6
Amortisation of acquired intangible assets	17.2	18.5	35.8
Share-based payments	(1.6)	4.3	8.5
Adjusting items included within operating profit / (loss)	**76.8**	31.2	85.9
Finance costs	1.9	-	-
Share of the (profit) / loss of joint ventures	-	-	0.3
Adjusting items included with profit / (loss) before tax	**78.7**	31.2	86.2

The revaluation of contingent consideration in the period reflects the expectation of further significant outperformance of Flywheel Digital in 2020 and 2021. This has been increased by consumer purchasing trends moving further towards eCommerce channels as a result of the COVID-19 pandemic. This significant outperformance results in a material increase in deferred consideration payable over the next two years and Flywheel Digital accounts for £53.1m of the total charge of which £13.8m is attributable to a founder service condition and therefore disclosed as employment costs in the period. We have negotiated the option, utilisable at our discretion, to pay up to 75% of the Flywheel Digital future deferred consideration in shares.

Acquisition-related employment costs incurred in the period include £13.8m, £2.1m and £0.1m, relating primarily to that element of the purchase consideration the acquisitions of Flywheel Digital, Yimian and MediaLink which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements, between 25% and 50% of deferred payments are contingent on not only the results of the business in the post-acquisition period but also the continued employment of the founders.

Restructuring costs of £4.1m represent the one-off material expenses of a redundancy programme, eliminating approximately 110 roles, in order to right-size our cost base in light of the economic outlook.

As part of the overall strategy of managing the Group’s portfolio, we consider the costs incurred as part of the acquisition and integration of acquired businesses to be Adjusting items. Acquisition transaction costs include directly linked transaction costs such as legal and diligence fees as well as stamp duty where applicable. Integration spend is in relation to transferring acquired businesses onto the Group’s IT and revenue platforms, merging of products and rebranding.

The total credit for share-based payments of £1.6m (30 June 2019: charge £4.3m) reflects revised expectations on the vesting of PSP awards due to the expected performance of the Group versus the target performance conditions.

Finance costs of £1.9m relate to the write-off of unamortised arrangement fees upon early refinancing of the previous debt facility and subsequent covenant amendments (see note 6).

6. Finance costs and finance income

(£'m)	**Six months to 30 June 2020 (Unaudited)**	Six months to 30 June 2019 (Unaudited)	Year to 31 December 2019 (Audited)
Interest on bank deposits	0.2	0.5	0.9
Foreign exchange gain on borrowings	-	-	0.1
Remeasurement of trade investments to fair value	-	0.7	1.6
Foreign exchange gain on cash and cash equivalents	0.4	0.6	1.9
Finance income	**0.6**	1.8	4.5
Interest payable on external borrowings	(3.8)	(3.7)	(6.8)
Amortisation of arrangement fees	(0.4)	(0.6)	(1.1)
Fair value loss on derivative financial instruments	(0.1)	-	-
Discount unwind on deferred and contingent consideration	(3.9)	(2.6)	(5.5)
Discount unwind of lease liability	(0.6)	(0.7)	(1.3)
Discount unwind of property provisions	-	-	(0.1)
Adjusted finance costs	**(8.8)**	(7.6)	(14.8)
Adjusting items in relation to refinancing (note 5)	(1.9)	-	-
Finance costs	**(10.7)**	(7.6)	(14.8)
Net finance costs	**(10.1)**	(5.8)	(10.3)

7. Tax on profit on ordinary activities

The tax charge for the period has been calculated by applying the expected full year rate of 28.7% (30 June 2019: 24.1%) to the H120 results with specific tax adjustments for Adjusting items (amortisation of acquired intangible assets, share-based payments and exceptional items). The tax charge for the period comprises:

(£'m)	**Six months to 30 June 2020 (Unaudited)**	Six months to 30 June 2019 (Unaudited)	Year to 31 December 2019 (Audited)
Current tax			
UK current tax charge on income for the period	-	2.1	6.7
Overseas current tax charge on income for the period	-	3.1	2.3
Adjustments in respect of prior years	-	-	(2.6)
Total current tax charge	**-**	5.2	6.4
Deferred tax			
Current period	(18.0)	3.9	(3.2)
Adjustments in respect of prior years	-	-	(1.1)
Impact of rate changes on opening balances	0.5	-	-
Total deferred tax (credit) / charge	**(17.5)**	3.9	(4.3)
Total tax (credit) / charge	**(17.5)**	9.1	2.1
Total effective tax rate	**22.3%**	29.8%	21%

A tax credit of £16.5m is recorded in relation to Adjusting items for the six months ended 30 June 2020 (30 June 2019: £5.8m; 31 December 2019: £18.5m). A deferred tax credit of £0.1m (30 June 2019: £nil) is recognised in equity relating to share-based payments. The £0.5m impact of rate changes on opening balances in the period includes a £1.8m charge in respect of Adjusting items.

8. Investments

On 30 August 2019, the Group acquired a 35% ownership interest in Jumpshot Inc., the former marketing analytics subsidiary of Avast plc. On 30 January 2020, the Group sold that 35% ownership interest in Jumpshot back to Avast plc for cash consideration equivalent to the cost of investment.

In the six months ended 30 June 2020 the Group made a further £8.0m investment in Hudson MX. £0.5m was invested in further equity and £7.5m was advanced as a convertible loan, which the Group expects to convert into equity in due course.

9. Dividends

Amounts recognised and paid as distributions to ordinary shareholders in the period comprise:

(£'m)	**Six months to 30 June 2020 (Unaudited)**	Six months to 30 June 2019 (Unaudited)	Year to 31 December 2019 (Audited)
Amounts recognised as distributions to equity shareholders			
Final dividend for the year to 31 December 2018 – 3.9 pence	-	15.7	15.7
Interim dividend for the year to 31 December 2019 – 1.8 pence	-	-	7.2
Dividend paid	-	15.7	22.9

In March 2020, as part of COVID-19 related cash preservation measures, the Board decided not to declare the final dividend of 4.0 pence per share that it had previously announced. The Board has decided not to reinstate the dividend at this time.

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10. Earnings per share

The calculations of basic and diluted EPS are based on the profit attributable to ordinary shareholders and a weighted average number of shares outstanding during the related period.

The weighted average number of ordinary shares in issue during the period, excluding those held by Employee Benefit Trusts, was 400.6 million (30 June 2019: 400.9 million and 31 December 2019: 401.4 million). The impact of all potentially dilutive share options has no change to the weighted average number of shares used in the calculation of EPS (30 June 2019: increase to 405.9 million; 31 December 2019: increase to 407.6 million).

	Six months to 30 June 2020 (Unaudited)			Six months to 30 June 2019 (Unaudited)			Year to 31 December 2019 (Audited)		
	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Profit / (loss) attributable to owners of the Company (£'m)	**1.8**	**(62.2)**	**(60.4)**	46.8	(25.4)	21.4	75.6	(67.7)	7.9
Share number (million)									
Basic weighted average number of shares	400.6	400.6	400.6	400.9	400.9	400.9	401.4	401.4	401.4
Dilutive potential ordinary shares	-	-	-	5.0	5.0	5.0	6.2	6.2	6.2
Diluted weighted average number of shares	**400.6**	**400.6**	**400.6**	405.9	405.9	405.9	407.6	407.6	407.6
Earnings per share (pence)									
Basic earnings per share	0.4	(15.5)	(15.1)	11.7	(6.3)	5.4	18.8	(16.8)	2.0
Diluted earnings per share	**0.4**	**(15.5)**	**(15.1)**	11.5	(6.3)	5.2	18.5	(16.6)	1.9

11. Goodwill and acquired intangibles

At 30 June 2020, the Group had £748.0m of goodwill and intangibles acquired through acquisitions (30 December 2019: £737.5m). The goodwill attributed to each of the Group's cash generating units (CGUs) is assessed for impairment each year or where there are indicators of impairment. If such indicators exist, an estimate of the CGU's recoverable amount is determined. The recoverable amount is the higher of value in use and fair value less costs of disposal.

COVID-19

The impact of COVID-19 on the Group's brands has varied considerably. Global restrictions arising from the COVID-19 pandemic and the inability to run face to face events have resulted in cancellations and deferrals of events to the second half which typically form part of the business as usual cash flows of certain CGUs. Furthermore, a contraction of their underlying end markets has led to challenging trading conditions, deterioration in financial performance and increased uncertainty over certain CGUs' short-term business outlook. These restrictions have impacted sales of the Group's advisory services and the rate of sale of new business and retention rates in some of its subscriptions businesses. These factors, combined, have been identified as indicators of potential impairment for certain cash generating units, namely Retail Week & WRC and MediaLink which have therefore been subject to impairment testing which determined that the net assets of each CGU are recoverable. The key assumptions and methodology of the impairment assessments are detailed below.

For the other CGUs, it is expected that the adverse impact of COVID-19 will not be long term and they have the platforms and capabilities to bounce back strongly. Edge continues to perform in line with the forecasts that resulted in considerable headroom at 31 December 2019. Furthermore, whilst COVID-19 has impacted significant elements of the world's economy, it has accelerated the Group's strategically important Digital Commerce business. Therefore, taking this and in the context of the size of the assets being reviewed versus the future cash-generative ability of these CGUs, impairment indicators have not been identified.

Impairment testing

No impairment losses have been identified or recognised for the six months ended 30 June 2020 (30 June 2019: £nil).

When testing for impairment, the recoverable amounts of the Retail Week & WRC and MediaLink CGUs have been measured at their value-in-use by discounting the future expected cash flows from the assets in the CGUs. The key assumptions and estimates used for value-in-use calculations are as follows:

a) Future expected cash flows

Cash flow forecasts over a five-year horizon have been prepared after considering the current economic environment in the relevant markets and the length and shape of the end market recovery from COVID-19. In calculating the terminal value, cash flows beyond the five-year period are extrapolated using a long-term growth rate of 2.5% (31 December 2019: 2.5%), representing our best estimate of cash flow growth beyond the plan period.

b) Discount rates

Inputs include risk-adjusted, pre-tax discount rates, calculated by reference to the weighted average cost of capital for each CGU, weighted to the country, or countries, which the CGU operates in. Movements in the pre-tax discount rates for CGUs since the year ended 31 December 2019 are driven by changes in market-based inputs and the Company specific risk which is assessed based on economic outlook and which will also include the expected impact of COVID-19.

The pre-tax discount rates applied to the risk-adjusted cash flow forecasts and the carrying values of goodwill and other acquired intangible assets allocated to the CGUs tested for impairment at 30 June 2020 are set out below.

CGU (£'m)	**30 June 2020 (Unaudited)**			31 December 2019 (Audited)		
	Pre-tax discount rate %	**CGU Goodwill**	**Other Acquired Intangibles in CGU**	Pre-tax discount rate %	CGU Goodwill	Other Acquired Intangibles in CGU
MediaLink (Marketing Segment)	11.9	35.7	19.6	12.5	33.4	19.8
Retail Week &WRC (Sales Segment)	11.8	4.0	5.2	6.4	4.0	5.4

c) Sensitivity

The calculation of value in use is most sensitive to the discount rates and long-term growth rates used. The Group has performed sensitivity analyses on the CGUs tested, using reasonably possible changes in the long-term growth rates and pre-tax discount rates arising from reasonably possible trading and economic scenarios. The sensitivity analysis showed that no impairment charge would arise from these changes for MediaLink. For Retail Week & WRC, this analysis showed that in isolation, a 1.0% increase in the discount rate or a 1.3% reduction in the long-term growth rate would cause a c.£1m impairment.

12. Business combinations

Mining Searches UK
On 2 January 2020 the Group acquired 100% of the Cornwall Mining Services Limited ("Mining Searches UK"), a specialist data provider in the mining industry. The Group paid cash consideration of £1.7m upfront and consolidated £0.5m of cash on acquisition, resulting in a net £1.2m cash outflow on acquisition. There is, in addition, deferred consideration to be paid over a two-year period estimated to total £0.9m.

Indigitous
On 28 February 2020, the Group purchased 100% of Indigitous, LLC ("Indigitous") for initial cash consideration of £1.5m. Indigitous is an Amazon-focused managed service provider based in Seattle specialising in the active lifestyle category. Indigitous has been integrated into Flywheel Digital in our Sales Segment. Earn out consideration is payable in cash based on the revenue growth of the business for the next three years to 2022 with a minimum consideration of $250k per year, with total consideration capped at $10m. Half of the earn-out is additionally linked to the ongoing employment of the founders and therefore recognised in the income statement over the life of the earn-out.

This acquisition-related employment cost is being accrued over the period in which the related services are being received, recorded as exceptional costs. To determine the estimated contingent consideration and the acquisition-related employment cost figures, the Directors are required to make an estimate regarding the future results. Any subsequent revaluations to contingent consideration as a result of changes in such estimations are recognised in the consolidated income statement and disclosed in note 13.

The provisional fair values of the identifiable assets purchased and liabilities assumed of the two acquired companies as at the date of acquisition were as follows:

(£'m)	Total (Unaudited)
Customer relationships, database costs and other intangibles	1.8
Other net assets acquired	0.8
Cash	0.5
Total identifiable net assets at fair value	3.1
Initial cash consideration	3.2
Contingent consideration payable in 2021 – 2023	1.6
Total consideration	4.8
Goodwill on acquisition	1.7
Acquisition of businesses (net of cash acquired)	2.7

The goodwill of £1.7m arising on acquisitions is attributable to workforce in place and know-how within the business.

13. Deferred and contingent consideration

The Group has liabilities in respect of deferred and contingent consideration payments under various business acquisition contracts as set out below.

(£'m)	Note	Total
At 31 December 2019 (Audited)		**103.2**
Additions		1.6
Acquisition–related employment costs accrued in the period	5	16.4
Revaluation of contingent and deferred consideration	5	39.4
Discount unwind on contingent and deferred consideration	6	3.9
Acquisition–related employment cost paid in the period		(20.1)
Deferred consideration paid in the period		(39.3)
Effect of movements in exchange rates		6.0
At 30 June 2020 (Unaudited)		**111.1**

At 30 June 2020, £77.2m of deferred and contingent consideration was categorised as level 3 in the fair value hierarchy of financial instruments (31 December 2019: £68.4m). COVID-19 has increased the level of uncertainty in the Group's projections with a consequent impact on the potential range of these level 3 valuations. However, we have found the pandemic-related lockdowns to be an accelerator of our digital commerce businesses which form the majority of this balance and as such we expect this to be largely supportive of our valuation.

Both contingent consideration and acquisition-related employment costs are based on the future performance of the acquired business to which they relate. Performance is assessed using forecast profits and the current three-year plan which is updated annually. Forecasts are inherently a source of management estimation, resulting in a range of outcomes. As disclosed in the 2018 Annual Report, the Flywheel Digital earnout is contingent on results for the financial years 2019 to 2021 and is payable in 2020 to 2022. The Flywheel Digital earnout is subject to a contractual maximum and the remaining consideration which is dependent on the results in 2020 and 2021 is capped at £280m. A one percent increase in results in both 2020 and 2021 would result in an additional payment of around £4.0m.

14. Borrowings

Details of the Company's borrowing facilities are set out in note 1.

Reconciliation of movement in net debt

(£'m)	Cash	Cash in transit	Short-term deposits	Interest rate cap	External Borrowings	Net debt*
At 31 December 2019 (Audited)	79.0	1.2	31.5	0.3	(282.6)	(170.6)
Exchange differences	0.4	-	-	-	(4.7)	(4.3)
External debt repayment		-	-	-	285.8	285.8
External debt cash flow drawdown		-	-	-	(393.6)	(393.6)
Fair value movement	-	-	-	(0.1)	-	(0.1)
Write off, capitalisation and amortisation of debt arrangement fees	-	-	-	-	2.1	2.1
Net cash movement	(28.9)	(1.3)	95.4	-	-	65.2
At 30 June 2020 (Unaudited)	**50.5**	**(0.1)**	**126.9**	**0.2**	**(393.0)**	**(215.5)**

* Refer to the Glossary of Alternative Performance Measures for the definition of Net Debt.

Borrowings are shown net of unamortised issue costs of £3.3m (31 December 2019: £1.2m). The carrying amounts of borrowings approximate their fair value. The Group's borrowings at 30 June 2020 were £106.0m, $167.0m and €171.0m and 31 December 2019 were £66.0m, $96.0m and €171.0m.

15. Deferred tax

The deferred tax balances shown in the consolidated statement of financial position are analysed as follows.

(£'m)	**30 June 2020 (Unaudited)**	30 June 2019 (Unaudited)	31 December 2019 (Audited)
Deferred tax assets	**60.7**	37.4	42.7
Deferred tax liabilities	**(23.5)**	(23.2)	(22.9)
Total	**37.2**	14.2	19.8

The £17.4m net movement in deferred tax in the period largely results from an income statement credits of £8.3m, representing the recognition of utilisable losses generated in the first half in the US and UK, and £8.7m, from the revaluation of the Flywheel Digital earnout which increased the US deferred tax asset on the acquisition-related employment costs (see note 5).

At 30 June 2020, the Group had utilisable losses in the US with a tax impact of £43.5m (31 December 2019: £36.1m). The movement from the year end arises because of losses generated in H120. Our ability to utilise losses in future years is primarily driven by the level of taxable profits arising in the US and we expect our deferred tax assets to convert into cash savings over the next ten years with the majority being recovered over the next three years.

16. Share capital

In the six months ended 30 June 2020, 0.7m ordinary shares (30 June 2019: 1.0m) were issued to employees under the PSP and Sharesave schemes for which cash proceeds of £0.5m (30 June 2019: £0.2m) were received. This results in an increase in share premium by £0.5m (30 June 2019: £0.2m).

During the six months ended 30 June 2020, 3.0m ordinary shares (30 June 2019: nil) were repurchased for cash consideration of £9.2m (30 June 2019: £nil) and subsequently cancelled.

17. Related parties

Other than as described elsewhere in these financial statements, there are no material related party transactions requiring disclosure under IAS 24 "Related Party Disclosures" other than compensation of key management personnel, which will be disclosed in the Group's Annual Report for the year ended 31 December 2020.

18. Events after the balance sheet date

There were no reportable events after the balance sheet date.

19. Principal risks and uncertainties

The principal risks and uncertainties that affect the Group are described in detail on pages 41 to 45 of the 2019 Annual Report available at www.ascential.com/investors.

The Board considers that these risks and uncertainties (summarised below) continue to be the most relevant risks and uncertainties faced by the Company. However, the Board considers that there is an overall increasing risk trend resulting from the impact of COVID-19:

Risk		Change since 31 December 2019 (net of mitigation)
1.	Customer end-market development	Unchanged
2.	Economic and geopolitical	Increased
3.	Competition / substitution	Unchanged
4.	Execution of new product and capability development	Unchanged
5.	Acquisitions and disposals	Unchanged
6.	People	Increased
7.	Reliance on data providers	Unchanged
8.	Cyber threat and information security	Unchanged
9.	Venue availability, security and access	Increased
10.	Business resilience	Unchanged
11.	Financial risk	Increased
12.	Regulation and compliance	Unchanged

Risk 2 - Economic and geopolitical
In line with most businesses, the economic impact of COVID-19 across the world has negatively impacted our overall revenue and profitability in the short to medium term. Events revenues have been most directly impacted in 2020 (see risk 9). The Marketing Segment has been significantly impacted by the condition of the segment's core customer base: the marketing and advertising community, which has been a significantly challenged part of the economy throughout the pandemic period. The Product Design Segment has continued to deliver growth reflecting the high proportion of its subscription revenues during the pandemic period. Our largest segment, the Sales Segment, excluding Money 20/20 Asia and Europe, delivered strong growth driven by a change in consumer behaviour accelerating customer demand for eCommerce insights and expertise. The Built Environment & Policy Segment has been directly impacted by the downturn in the UK housing and construction sector. Our customers generally are facing their own disruption which may in turn impact their ability to buy the Group's services.

A range of actions were taken in response to these impacts, including cost reductions including management pay, suspension of the 2019 final dividend and suspension of the share buyback programme. Our plans for the short and medium term have been developed on the basis of conservative recovery assumptions that have acceleration options should economic conditions improve more quickly. However, the continuing uncertainty around the shape of economic recovery across different geographies in which we operate means that this risk is expected to continue to remain at an increased level over the forthcoming pandemic period in comparison with prior periods.

Risk 6 - People
COVID-19 has presented a significant impact on our people as some have been directly or indirectly impacted by illness, and they have had to adapt to working from home and balance their work responsibilities with competing personal responsibilities. Our people have reacted with aplomb and there have been demonstrations of increased, not decreased, productivity. We have supported our people

through this period through a comprehensive wellbeing support programme. Irrespective of observations of improved productivity and focus on our people by senior management, we recognise increased risk due to a substantial, sustained change in the recent and near future working environment.

Risk 8 - Cyber threat and information security
COVID-19 is resulting in an upward trend for this risk since phishing attacks, criminal cyber-activity and other scams are reportedly increasing as home-workers are targets. However, we do not consider that this risk has significantly increased on a mitigated basis as we have continued to focus on our training and awareness programme, specifically tailored to address COVID-19 related risks, and strengthened protection and controls to mitigate cyber risk.

Risk 9 - Venue availability, security and access
A material percentage of the Group's revenue and profit is generated by its live events. In accordance with governments' restrictions on travel and attending gatherings, we have postponed or cancelled our events originally scheduled to take place in H1 2020, including the cancellation of the Cannes Lions festival. We are taking steps to mitigate any corresponding business impact including a robust Lions Live virtual production with over 60,000 participants and we have continued to engage with our customers and the wider marketing community in other ways. Lions Live, other customer engagement and our assessment of the ability and willingness of participants to travel will inform our plans for the 2021 festival and beyond. Obviously, the impact to H1 2020 revenue and profits from the cancellation of live events has been significant. There remains a risk that a second wave or multiple waves of the pandemic could lead to the cancellation of Money20/20 Europe and/or Money20/20 US, both currently scheduled to take place in H2 2020 as well as future events depending on various government restrictions on travel and event hosting, customer confidence including in relation to a healthcare solution for the pandemic and businesses travel policies over time.

Risk 10 - Business resilience
COVID-19 has disrupted the Group's general business operations. For example, our offices have been closed, our staff have been working from home and we cannot travel to visit customers in most countries. The impact of this has been mitigated by our contingency preparations for working from home, our flexible working capabilities which allowed us to pivot quickly to completely distributed working, and the innovation displayed by our brands, considerably increasing the output and frequency of insights provided to both existing and potential customers via podcasts, webinars and other original digital content. We therefore consider this risk to be unchanged on a mitigated basis.

Risk 11 - Financial risk
The impact of COVID-19 on liquidity has been significant for many companies. Ascential has considerable headroom against the Company's new £450m, five-year facility agreed in January 2020 against closing net debt of £216m. Net debt leverage was well within covenant tests at June 2020. Leverage and interest cover covenants have been waived for the December 2020 testing period and leverage covenant ratio limit has been relaxed to 3.75x for June 2021 to provide greater flexibility in a scenario in which no events take place in 2020. This puts the Company in a strong position to manage its liquidity over the next 12 months. However, uncertainties for all companies abound, even for those with substantial concentration on eCommerce which has fared positively during the pandemic period. For example, the pandemic period has challenged cash collections and therefore, could continue to suppress balance sheet efficiency.

The Board is focussed on taking the steps necessary to navigate through this crisis and mitigating its impact. The Board and management are mindful that risk trends may change quickly and are closely monitoring the risk landscape and the Company's mitigations strategies. However, a number of these risks and uncertainties could have an impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ from expected and historical results.

Alternative Performance Measures

The Group aims to maximise shareholder value by optimising potential for return on capital through strategic investment and divestment, by ensuring the Group's capital structure is managed to support both strategic and operational requirements, and by delivering returns through a focus on organic growth and operational discipline. The Board considers it helpful to provide, where practicable, performance measures that distinguish between these different factors – these are also the measures that the Board uses to assess the performance of the Group. Accordingly, the interim report presents the following non-GAAP measures alongside standard accounting terms as prescribed by IFRS and the Companies Act, in order to provide this useful additional information.

(1) Adjusted profit measures

The Group uses Adjusted profit measures to assist readers in understanding underlying operational performance. These measures exclude income statement items relating to items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from events which are non-recurring or intermittent, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation. The income statement items that are excluded from Adjusted profit measures are referred to as Adjusting items.

Both Adjusted profit measures and Adjusting items are presented together with statutory measures on the face of the profit and loss statement. In addition, the Group presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid comparisons with peer group companies and provide a reference point for assessing the operational cash generation of the Group. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation and amortisation. The Group measures operational profit margins with reference to Adjusted EBITDA.

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other companies' financial statements. Details of the charges and credits presented as Adjusting items are set out in note 5 to the interim financial statements. The basis for treating these items as Adjusting is as follows:

Exceptional items
Exceptional items are recorded in accordance with the Group's policy set out in note 5 to the interim financial statements. They arise from portfolio investment and divestment decisions, from changes to the Group's capital structure, as well as material events that are expected to be non-recurring and outside the course of ordinary operating activities. They do not reflect underlying operational performance.

Amortisation of intangible assets acquired through business combinations
Charges for amortisation of acquired intangibles arise from the purchase consideration of a number of separate acquisitions. These acquisitions are portfolio investment decisions that took place at different times over many years, so the associated amortisation does not reflect current operational performance.

Share-based payments
Ascential operates several employee share schemes. Income statement charges or credits relating to such schemes are a significant non-cash charge or credit and are driven by a valuation model which references the Ascential share price and future performance expectations. The income statement charge or credit is consequently subject to volatility and does not fully reflect current operational performance.

Gains and losses on disposal
Gains and losses on disposal of businesses arise from divestment decisions that are part of strategic portfolio management and do not reflect current operational performance.

Finance costs
As part of the Group's early refinancing of its 2016 debt facility in 2020, unamortised arrangement fees relating to the previous facility were written off and fees for subsequent covenant amendments were incurred. These one-off items do not reflect the current operational performance of the Group.

Tax related to Adjusting items
The elements of the overall Group tax charge relating to the Adjusting items are also treated as Adjusting. These elements of the tax charge are calculated with reference to the specific tax treatment of each Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

(2) Adjusted cash flow measures
The Group uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, in order to assist readers of the accounts in understanding the ongoing operational performance of the Group. The two measures used are Adjusted Cash Generated from operations, and Free Cash Flow. These are reconciled to IFRS measures as follows:

£'m	**H120 (Unaudited)**	H119 (Unaudited)
Cash generated from operations	(14.6)	60.6
Add back: acquisition-related contingent consideration cash flow	20.1	11.0
Add back: other exceptional cash flow	7.1	6.5
Adjusted cash generated from operations	**12.6**	78.1
Net cash generated from operating activities	(17.1)	57.5
Less: capital expenditure	(11.0)	(8.8)
Add back: acquisition-related contingent consideration cash flow	20.1	11.0
Add back: other exceptional cash flow	7.1	6.5
Free cash flow	**(0.9)**	66.2

The Group monitors its operational efficiency with reference to operational cash conversion, defined as Free Cash Flow as a percentage of Adjusted EBITDA.

(3) Organic growth measures
In order to assess whether the Company is achieving its strategic goal of driving Organic growth it is helpful to compare like-for-like operational results between periods. Income statement measures, both Adjusted and Reported, can be significantly affected by the following factors which mask like-for-like comparability:

- acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these businesses;
- changes in exchange rates used to record the results causes a lack of comparability between periods as equivalent local currency amounts are recorded at different Sterling amounts in different periods; and
- event timing differences between periods.

Ascential therefore defines Organic growth measures, which are calculated with the following adjustments:

- results of acquired and disposed businesses are excluded where the consolidated results include only part-period results in either current or prior periods;
- prior year consolidated results are restated at current year exchange rates for non-Sterling businesses;

- prior year results are adjusted such that comparative results of events that have been held at different times of year (this year Money20/20 Europe and Retail Week Live) are included in the same period as the current year results; and
- prior year results are adjusted to remove events that have not been held in the current year. This adjustment has arisen as a result of COVID-19 related cancellations (Cannes Lions, World Retail Congress, Dubai Lynx, Money20/20 Asia).

Organic growth is calculated as follows:

£'m (Unaudited)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate Costs	Total
Revenue						
H120 - reported	45.2	26.4	56.3	16.4	-	144.3
Acquisitions	*(2.3)*	-	*(2.1)*	-	-	*(4.4)*
H120 – Organic basis	42.9	26.4	54.2	16.4	-	139.9
Organic revenue growth	*3%*	*(21%)*	*15%*	*(10%)*	-	*(0.3%)*
H119 - reported	41.6	100.5	76.4	17.7	-	236.2
Acquisitions	-	-	*1.0*	*0.6*	-	*1.6*
Event timing differences and COVID-19 related event cancellations	-	*(67.4)*	*(30.7)*	-	-	*(98.1)*
Currency adjustment	*(0.1)*	*0.3*	*0.5*	-	-	*0.7*
H119 – Organic basis	41.5	33.4	47.2	18.3	-	140.4
Adjusted EBITDA						
H120 – reported	18.3	(4.1)	6.9	7.7	(8.7)	20.1
Acquisitions	*(1.2)*	-	*(0.6)*	-	-	*(1.8)*
H120 – Organic basis	17.1	(4.1)	6.3	7.7	(8.7)	18.3
Organic EBITDA growth	*7%*	*nm*	*nm*	*4%*	*(9%)*	*26.3%*
H119 – reported	15.7	44.2	18.8	7.2	(9.2)	76.7
Acquisitions	-	-	*0.3*	*0.1*	-	*0.4*
Event timing differences and COVID-19 related event cancellations	-	*(44.1)*	*(18.9)*	-	-	*(63.0)*
Currency adjustment	*0.3*	*0.2*	*0.2*	-	*(0.3)*	*0.4*
H119 – Organic basis	16.0	0.3	0.4	7.3	(9.5)	14.5

(4) Proforma growth measures

Proforma growth is measured in a similar way to Organic growth but assumes that the Company's acquisitions or disposals were all made on the first day of the comparative accounting period and is therefore a measure of the rate of growth of the brands owned today. Proforma growth is calculated as follows:

£'m (Unaudited)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate Costs	Total
Revenue						
H120 – reported	45.2	26.4	56.3	16.4	-	144.3
Include acquisitions	-	-	0.5	-	-	0.5
H120 – Proforma basis	45.2	26.4	56.8	16.4	-	144.8
Proforma revenue growth	*3%*	*(21%)*	*17%*	*(10%)*	-	*0.6%*
H119 – reported	41.6	100.5	76.4	17.7	-	236.2
Include acquisitions	2.2	-	2.2	0.6	-	5.0
Event timing differences and COVID-19 related event cancellations	-	*(67.4)*	*(30.7)*	-	-	*(98.1)*
Currency adjustment	(0.1)	0.3	0.5	-	-	0.7
H119 – Proforma basis	43.7	33.4	48.4	18.3	-	143.8
Adjusted EBITDA						
H120 – reported	18.3	(4.1)	6.9	7.7	(8.7)	20.1
H120 – Proforma basis	18.3	(4.1)	6.9	7.7	(8.7)	20.1
Proforma EBITDA growth	*9%*	*nm*	*nm*	*4%*	*(9%)*	*34.0%*
H119 – reported	15.7	44.2	18.8	7.2	(9.2)	76.7
Include acquisitions	0.8	-	-	0.1	-	0.9
Event timing differences and COVID-19 related event cancellations	-	*(44.1)*	*(18.9)*	-	-	*(63.0)*
Currency adjustment	0.3	0.2	0.2	-	(0.3)	0.4
H119 – Proforma basis	16.8	0.3	0.1	7.3	(9.5)	15.0

Glossary of Alternative Performance Measures

Term	Description
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma revenue growth	Revenue growth on a like-for-like basis assuming the Company's acquisitions or disposals were made on the first day of the comparative accounting period
Proforma EBITDA growth	Adjusted EBITDA growth on a like-for-like basis assuming the Company's acquisitions or disposals were made on the first day of the comparative accounting period
Exceptional items	Items within Operating profit or loss but separately identified in accordance with Group accounting policies as set out in the Group's Annual Report and Accounts for the year ended 31 December 2019 and in note 5 to these interim financial statements
Adjusting items	Exceptional items, Amortisation of intangible assets acquired through business combinations, Share-based payments, Gains and losses on disposal, Write-off of unamortised arrangement fees on re-financing, Covenant amendment fees and Tax related thereto
Adjusted operating profit	Operating profit or loss excluding Adjusting items
Adjusted EBITDA	Adjusted operating profit or loss excluding depreciation and amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted profit before tax	Profit or loss before tax excluding Adjusting items
Adjusted tax charge	Tax charge excluding Adjusting items
Adjusted effective tax rate	Adjusted tax charge expressed as a percentage of Adjusted profit before tax
Adjusted EPS	EPS calculated with reference to Adjusted profit or loss
Adjusted cash generated from operations	Cash generated from operations with cash generated from discontinued operations, acquisition related contingent consideration and other exceptional cash flows excluded
Adjusted operating cash conversion	Adjusted cash generated from operations expressed as a percentage of Adjusted EBITDA
Free cash flow	Net cash generated from operating activities including capital expenditure. Net cash generated from discontinued operations, acquisition-related contingent consideration and other exceptional cash flow are excluded
Free cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Leverage	The ratio of Net debt to Adjusted EBITDA before, in both cases, accounting for the impact of IFRS 16
Net debt	Net debt comprises external borrowings net of arrangement fees, cash and cash equivalents and derivative financial instruments. Net debt excludes lease liabilities

Responsibility statement

We confirm that to the best of our knowledge:

a. The Condensed set of Consolidated Financial Statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the European Union;

b. The interim management report includes the following information as required by Disclosure Guidance and Transparency Rule ("DTR") 4.2.7R:

   i. An indication of important events that have occurred during the first six months of the financial year, and their impact on the Condensed set of Consolidated Financial Statements; and

   ii. A description of the principal risks and uncertainties for the remaining six months of the year.

c. The interim management report includes the following information as required by DTR 4.2.8R:

   i. Related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Group in that period; and

   ii. Any changes in the related party transactions described in the 2019 Annual Report that could have material effect on the financial position or performance of the Group in the current period.

By order of the Board

Duncan Painter	Mandy Gradden
Chief Executive Officer	Chief Financial Officer

24 July 2020

Independent Review Report to Ascential plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 which comprises Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Profit and Loss, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Ian Griffiths
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square, London, E14 5GL

24 July 2020