ASCENTIAL

22 September 2023

Ascential plc

Half year results

Strong growth in all four segments
Performance in line with expectations

London: Ascential plc (LSE: ASCL.L), the specialist information, analytics, events and eCommerce optimisation company, today announces results for the six-month period to 30 June 2023.

Highlights

- Strong organic revenue growth in all segments, led by Events (up 25%).

- Organic revenue growth of 16% with Adjusted EBITDA growing 17% - in line with expectations.

- Strategic actions to maximise shareholder value and position each business within the portfolio for long-term success are well advanced. Market update expected before the end of the year.

Operational highlights

- Events (comprising the Marketing and Retail & Financial Services segments) revenue up 25%.

    - Marketing segment up 28%.
        - Lions' revenue up 30%.
        - Continued double-digit growth from WARC's subscription business up 12%.

    - Retail & Financial Services segment up 17%.
        - Money20/20 Europe continued to grow very strongly (up 19%).

- Digital Commerce segment revenue up 10%.

    - Strong revenue growth, outpacing a market impacted by the continuing challenging retail environment, with continued key client wins in the first half.

    - H1 investments in technology and marketing delivering and enabling:
        - September launch of Flywheel Commerce Cloud, the integrated go-to-market operating platform which brings together our best-in-class solutions and products.
        - Implementation of integration synergies now underway in H2 to drive stronger second half and full year margins.
        - October launch of unitary, single-brand, Digital Commerce organisation structure.

- Product Design segment revenue up 8%.

    - Subscription billings up 7% with continued strong retention.
    - Non-fashion products driving growth (up 13%) and now account for just under 50% of subscriptions.
    - Fashion product growth continues at 2%.

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Financial highlights

- Group revenues of £307.4m (H122: £260.7m).
  - Reported revenue growth of £46.7m or 18% (organic: 16%, proforma: 16%).

- Adjusted EBITDA of £78.6m (H122: £67.2m). Margin of 25.6% (H122: 25.8%).
  - Reported growth of £11.4m or 17% (organic: 17%, proforma: 18%).
  - Events Adjusted EBITDA up 26% to £64.6m.
  - Digital Commerce Adjusted EBITDA at break-even for the half – prior to the H2 reorganisation synergies enabled by the launch of Flywheel Commerce Cloud under a single go-to-market brand.
  - Product Design Adjusted EBITDA up 8% to £27.4m.

- Reported Operating profit of £0.7m (H122: loss of £35.1m) stated after charging Adjusting items of £63.5m (H122: £89.7m) reflecting:

  - Amortisation and impairment of acquired intangibles of £29.0m (H122: £48.9m).
  - Non-trading items of £25.7m (H122: £33.2m).
  - Share-based payments of £8.8m (H122: £7.6m).

- Adjusted diluted EPS of 7.7p (H122: 8.0p) and total EPS loss of 3.8p (H122: EPS loss of 8.7p).

- The Group continues to deliver strong operational cash flows with operating cash flow conversion of 99% (H1 2022: 128%) and free cash flow conversion after tax and capex of 72% (H1 2022: 107%). Closing net debt at £205.6m was a leverage ratio of 1.6x EBITDA (December 2022: £216.7m and 1.9x EBITDA).

Duncan Painter, Chief Executive Officer, commented:

"Our businesses have continued to trade strongly in the first half of 2023. In particular, both Cannes Lions and Money20/20 enjoyed extremely successful editions in June and have progressed even further ahead of their pre-pandemic benchmarks. Digital Commerce has once again outperformed the underlying retail market it serves and action taken in the first half to create an integrated enterprise customer product and organisation have set the Digital Commerce business up to deliver sustainable margins and operating leverage going forward. Product Design continues to drive growth by extending its world-class trend forecasting expertise to a wider range of products and end markets.

The strategic actions to maximise shareholder value and position each business within the portfolio for long-term success are well advanced and we will look to update the market again by the end of the year.

After our seasonally stronger first half, we have had a solid start to the second half. Despite continued macro uncertainty impacting the industries we serve and currency headwinds, our businesses remain well set for the year, supported by multiple growth levers. The structural long-term growth in our end markets, and the success of our marquee events, underpins the Board's confidence in the prospects of our businesses for the future."

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Ascential will host a presentation for analysts and investors at 9.00 am on 22 September 2023, at the offices of Numis, 45 Gresham St, London, EC2V 7BF. This presentation will be webcast on www.ascential.com, and a recording will also be available on-demand from our website in due course.

About Ascential

Ascential delivers specialist information, analytics, events, and eCommerce optimisation to the world's leading consumer brands and their ecosystems. Our world-class businesses improve performance and solve customer problems by delivering immediately actionable information combined with visionary longer-term thinking across Digital Commerce, Product Design, Marketing and Retail & Financial Services.

With more than 3,500 employees across six continents, we combine local expertise with a global footprint for clients in over 120 countries. Ascential is listed on the London Stock Exchange.

Cautionary statement

Certain statements in this announcement constitute, or may be deemed to constitute, forward-looking statements, projections and information (including beliefs or opinions) with respect to the Company and its subsidiary undertakings ("the Group"). An investor can identify these statements by the fact that they do not relate strictly to historical or current facts. They include, without limitation, statements regarding the Group's future expectations, operations, financial performance, financial condition and business. Such forward looking statements are based on current expectations and are subject to a number of risks, uncertainties and assumptions that may cause actual results to differ materially from any expected future results in forward-looking statements. These risks, 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.

Other than in accordance with its legal or regulatory obligations (including under the Market Abuse Regulation, the UK Listing Rules, Disclosure and Transparency Rules of the Financial Conduct Authority) no undertaking is given by the Group to update any forward-looking statements contained in this announcement, whether as a result of new information, future events or otherwise. Accordingly, no assurance can be given that any particular expectation will be met and investors are cautioned not to place undue reliance on the forward-looking statements.

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

Any forward-looking statements made by or on behalf of the Group speak only as of the date they are made and are based upon the knowledge and information available to the Directors on the date of this announcement.

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Financial highlights – continuing operations

	30 June		Growth		
	2023	2022	Reported	Organic[1]	Proforma[1]
	£'m	£'m	%	%	%
Revenue					
Events:					
Marketing	*104.8*	*80.8*	*30%*	*28%*	*28%*
Retail & Financial Services [2]	*31.3*	*33.6*	*(7%)*	*17%*	*17%*
Sub total	136.1	114.4	19%	25%	25%
Digital Commerce	114.1	95.1	20%	10%	11%
Product Design	57.2	51.2	12%	8%	8%
	307.4	260.7	18%	16%	16%
Adjusted EBITDA[1]					
Events:					
Marketing	55.7	43.2	29%	28%	28%
Retail & Financial Services [2]	8.9	8.8	*1%*	*15%*	*15%*
Sub total	64.6	52.0	24%	26%	26%
Digital Commerce	-	1.8	n.m.	0%	6%
Product Design	27.4	24.4	13%	8%	8%
Corporate Costs	(13.4)	(11.0)	(22%)	(29%)	(29%)
	78.6	67.2	17%	17%	18%
Adjusted EBITDA Margin[1]	25.6%	25.8%			
Operating profit/(loss)	0.7	(35.1)			
Adjusting items	(63.5)	(89.7)			
Adjusted operating profit[1]	64.2	54.6			
Loss before tax	(11.8)	(41.6)			
Diluted loss per share (pence)	(3.8p)	(8.7p)			
Adjusted diluted earnings per share (pence) [1]	7.7p	8.0p			
Adjusted cash generated from operations[1]	77.8	85.7			
Operating cash flow conversion[1] (%)	99%	128%			

	June 23	Dec 22
Net debt[1]	205.6	216.7
Leverage ratio[1] (x)	1.6x	1.9x

[1] Refer to the glossary of Alternative Performance Measures below.
[2] H122 included £5.6m of revenue and £0.8m of Adjusted EBITDA from the disposed RWRC business.

OPERATING REVIEW

The first half of 2023 has seen continued strong performance from all four business segments, following the record levels of revenue achieved in 2022. Overall revenue grew by 16%, with EBITDA growing by 17%, (both on an organic basis). After adjusting items, we recorded an operating profit of £0.7m (H122 £35.1m loss)

The **Events** business enjoyed an excellent half, with the two principal events in the period, the Cannes Lions Festival and Money20/20 Europe, both growing strongly. This was especially pleasing as the products had already exceeded their pre-Covid levels of performance in the prior year. Overall, Events revenue grew 25%, with EBITDA growing by 26%. Within **Marketing**, Lions grew by 30%, led by further record levels of strong sponsorship engagement, supported by growth from awards, delegates and subscription revenue streams. For **Retail & Financial Services,** Money20/20 delivered strongly, with revenue growth of 19% and attendee numbers now reaching in excess of 8,500. Customer engagement with the US show (in October 2023) remains good and preparations for the launch of the Asian event in Bangkok (in April 2024) continue to progress well.

The **Digital Commerce** segment delivered a strong revenue performance in the first half of 2023 against a backdrop of continuing challenges in the global retail sector due to sustained high inflation and the continuing volatility in consumer activity that impacts our clients. Revenue grew by 10% on an organic basis driven by the performance of our Enterprise customers. In the same period, for example, the sales growth of Flywheel's customers outstripped that of Amazon vendors overall by a factor of 5 highlighting the competitive edge that our services deliver for brands trading on the major marketplaces. The strong progress of the integration has enabled us to start to deliver material cost synergies after the half year end that will drive higher margins in H2 and in 2024.

Product Design delivered a strong performance in the period. Revenue grew by 8%, while billings from subscription products grew at 7%, driven by continuing high levels of retention. Growth continues to be driven by non-fashion products, such as Insight, which collectively accounted for almost half of the billings in the period, growing at 13%, while Fashion also grew 2% in-line with expectations, driven in part by the 2022 launch of our advanced, AI-driven, trend forecasting service, TrendCurve+.

Finally, as previously announced, we were pleased that our significant minority investment in **Hudson MX**, was strengthened by fresh investment capital from a new majority investor to help the Hudson business advance closer to sustainable success. Hudson made good progress deploying its technology and with key customers in the first half 2023.

Operating Responsibly

This year we have published a standalone Sustainability Report for the first time, containing our key ESG information, enabling stakeholders to understand our approach and commitments in this area.

Carbon Emissions data capture and reporting has been a core focus this half. We are embedding emissions measurements across the business to be able to report on scope 3 emissions in our value chain for 2023, along with the scope 1 and 2 emissions we already report. Measuring the emissions associated with our events has also been a focus. We have appointed Isla, a non-profit organisation founded by event professionals and industry leaders focusing on a sustainable future for events, to measure the carbon footprint of our event operations. From this baseline will work to set reduction targets and develop a sustainability charter that sets the standard for sustainable event operations across all of our events.

Internally, our focus remains to attract, retain, develop and engage a diverse workforce. Our Employee Networks are key to that focus and this year have organised education and engagement activities for colleagues globally around International Women's Day, Pride and Juneteenth. Externally, the partnerships our Brands continue to build are key to the impact we have in this area. These include Lion's partnership with the Black Executive CMO

Alliance, which supported a group of young Black marketers to attend Cannes Lions in June, and Flywheel Digital's partnership with Next One Up, a long-term mentoring non-profit that transforms the lives of young men in Baltimore city.

Progress against our 2023 Priorities
We have made good progress on the priorities we set for 2023 – which can be summarised as follows:

Engage with our shareholders on the proposals resulting from the strategic review and, subject to their approval, implement them.

> The preparations for the separation of the three businesses of Ascential have progressed well and include branding, tax and legal structuring, preparation of standalone cost bases and initial SEC filings. We have engaged with shareholders throughout the period since our announcement in January 2023 and have a good understanding of their feedback and priorities. As it implements its plans, the Board remains agile and focused on its primary objective of maximising shareholder value and positioning each business within the Group for long-term success.

Digital Commerce: Creation of an integrated operating platform, bringing together our digital products, aligning them with our customer base.

> The Flywheel Commerce Cloud, our integrated operating platform, initially for Enterprise customers has been developed and launched with key early-stage customers already migrating. This is a key enabler to release the economic and operational benefits of the integration of the Digital Commerce business.

Product Design: Continue to drive growth in non-fashion horizontal offerings, underpin fashion's growth and accelerate our high value advisory services.

> Non fashion products grew by 13% overall in the half, now accounting for just under half of billings with Fashion products up 2% supported by the new TrendCurve+ product. Our smaller and more economically sensitive Advisory services declined marginally in the half.

Events: Double down on the successful return of live events including preparations for Money20/20 Asia, growing digital revenues, with targeted M&A delivering an enhanced offer for customers.

> Both Lions and Money20/20 grew very strongly in the half and non-event dependent revenues, including digital, were up by 16%. The post period acquisition of Contagious brings expertise in creative trends insights to the Marketing segment.

Outlook
After a strong first half for the Group, our second half operational focus is to build upon this performance. In terms of Events, we look forward to delivering a successful edition of Money20/20 USA and preparing for the launch of Money20/20 Asia in 2024. In WGSN we will continue to drive growth through our non-Fashion products and, in Digital Commerce, complete the launch and roll out of Flywheel Commerce Cloud, accompanied by integration synergies to drive margins. As our results in H1 have demonstrated, our business-facing teams remain fully focused on delivering for customers.

After our seasonally stronger first half, we have had a solid start to the second half. Despite continued macro uncertainty impacting the industries we serve and currency headwinds, our businesses remain well set for the year, supported by multiple growth levers. The structural long-term growth in our end markets, and the success of our marquee events, underpins the Board's confidence in the prospects of our businesses for the future."

SEGMENTAL REVIEW

Events

This division comprises the Marketing and Retail & Financial Services segments and the combined performance for the half year was as follows:

	Six months ended 30 June (£'m)		Growth (%)		
	2023	2022	Reported	Organic	Proforma
Revenue	136.1	114.4	19%	25%	25%
Adjusted EBITDA	64.6	52.0	24%	26%	26%
Adjusted EBITDA Margin	47%	45%			

In the six months ended 30 June 2023, the Events business held two of its three main annual events: the Cannes Lions Festival and Money20/20 Europe. Both of these events grew very strongly compared to their editions in 2022. This performance, combined with continued strong growth from WARC's subscription driven business, delivered overall organic revenue growth of 25% and improved margins compared to the six months ended June 2022 demonstrating the strength of these market-leading products and the important role they play for their customers.

Marketing

The Marketing segment comprises Lions and WARC. Lions, through its awards and festival, as well as its subscription and advisory products, is the global benchmark for creativity in the branded communications industry, while WARC is the global authority on marketing effectiveness for brands, agencies and media platforms. Shortly after the half year end, in August 2023, we acquired Contagious, a provider of creative trends insights to brands and agencies.

	Six months ended 30 June (£'m)		Growth (%)		
	2023	2022	Reported	Organic	Proforma
Revenue	104.8	80.8	30%	28%	28%
Adjusted EBITDA	55.7	43.2	29%	28%	28%
Adjusted EBITDA Margin	53%	54%			

The Marketing segment performed very strongly in the first six months of 2023. Its year over year organic growth of 28% in both revenue and Adjusted EBITDA was especially pleasing considering that Lions had already returned to pre-COVID levels of revenue in the previous half year.

Lions provides opportunities to network, learn and do business at the Cannes Lions International Festival of Creativity. The festival celebrated its 70th edition in Cannes in June 2023, with Lions growing by 30% on the prior year (or by 40% on pre-COVID levels in 2019). The event enjoyed record levels of customer engagement, through physical sponsorship activations, while revenue from delegate participation was up 17% and award entries revenue also grew well, up 11%.

In terms of Events revenues, attendees at Cannes Lions also saw good growth, with a total of c.12,000 representing growth of 9% on the 2022 event. Attendees from Asia Pacific saw growth of over 30%, with delegates now able to travel outside their countries due to the lifting of pandemic restrictions. In addition, sponsorship revenue grew by 66%, as demand for onsite activations, particularly with major media and technology partners, grew strongly even compared to 2022's record levels.

In terms of the Lions benchmark awards, entry volumes of just under 27,000 were received, up 6% on prior year. This included an 18% increase in submissions directly from brand customers, with strong engagement in categories representing emerging channels such as B2B, Gaming, Commerce and Businesses Transformation. This year saw the launch of the Entertainment Lion for Gaming, where strong participation highlighted the increased collaboration between brands and this growing industry. Lions' regional awards (Dubai Lynx and Spikes) also saw growth in award entries, demonstrating the importance of the Middle East and Asian markets within the industry.

Lions also provides year-round intelligence and consulting services through its subscription and advisory products and this now accounts for 10% of the last twelve months' revenues. Subscription revenues from Lions membership and The Work, continued to grow well, up 8%, with annual renewal rates for The Work remaining strong, at over 90%. Advisory, which provides insights using Lions' awards intelligence and respected creative excellence training programmes, more than doubled vs H122, with projects for major brands such as Colgate, Pepsi and Heineken.

Further expanding Marketing's digital subscription base, WARC saw strong revenue growth of 12%, with renewal rates continuing to exceed 95%, building on the launch of the Marketing Effectiveness Platform last year. June also saw the launch, at the Lions Festival, of the Lions & WARC Creative Impact track, a joint content stream, examining what it takes to drive business performance through commercial creativity in 2023.

Acquired in August, Contagious, a multi-format creative insights business, brings to the Marketing segment deep expertise in the analysis of creative trends. The business, which provides forward-looking creative inspiration and trend analysis for agency and brand customers, is highly complementary to the offerings of Lions and WARC and further strengthens our product set across the industry.

Retail & Financial Services

Money20/20 is the world's leading platform where the global fintech communities come together to do business. The Retail and Financial Services segment also comprises Acuity Pricing, our Retail Price & Promotion data provider.

	Six months ended 30 June (£'m)		Growth (%)		
	2023	2022*	Reported	Organic	Proforma
Revenue	31.3	33.6	(7%)	17%	17%
Adjusted EBITDA	8.9	8.8	1%	15%	15%
Adjusted EBITDA Margin	28%	26%			

**Prior year results include £5.6m of revenue and £0.8m of Adjusted EBITDA from Retail Week World Retail Congress which was sold in December 2022.*

The Retail & Financial Services segment performed very strongly in the first six months of 2023. Its year over year organic growth of 17% in revenue and 15% in Adjusted EBITDA was especially pleasing considering that Money20/20 Europe had already returned to significantly higher than pre-COVID levels of revenue in the previous half year.

Money20/20 is the leading platform for the global fintech community, driving progress, growth and success for customers, by creating connections, enabling deals and generating fresh insights. The brand's European event, held in Amsterdam in June 2023, delivered growth of 19% compared to the 2022 edition (and over 50% compared to 2019), driven by increases in both attendees (now over 8,500), where revenue grew 11% and sponsorship business where revenue grew 23%. The event saw attendees from over 2,300 companies attend, representing over 100 countries, with over 18,000 customer meetings booked via the Money20/20 app (an increase of over 20%). An increase in the Net Promoter Score illustrates continued strong customer engagement.

Customer engagement ahead of the flagship US show, to be held in Las Vegas, in October remains good. After delivering an exceptional result in the prior year 2022 edition (where revenue was up 64% on pre-pandemic levels), and in light of disruption to the funding environment for the early-stage financial technology sector, in particular payments, we are expecting 2023 revenues to be flat to slightly down on a constant currency basis (noting that we also expect a 14% US Dollar currency headwind compared to 2022).

Preparations for the launch of the Asian show, in Bangkok in April 2024 are progressing well, with strong early engagement from key regional players and an excellent regional line up of content.

The Retail Price & Promotion business saw a slight decline in revenue, although billings grew modestly, supported by product enhancements and renewed marketing efforts including a re-brand in H1 to "Acuity Pricing".

The fintech end market and the broader payments ecosystem which Money20/20 serves remained robust throughout the pandemic underlining that it continues to represent a long-term global growth sector. Despite recent significant reductions in funding and valuations of companies in certain sub-segments of the customer base from their 2021 highs, the long-term trend is expected to be positive.

Digital Commerce

Our Digital Commerce segment operates a leading cloud-based platform enabling brand manufacturer customers to optimise their sales, share, and profit across the world's major digital commerce marketplaces.

Execution products (81% of revenue): *Flywheel Digital, OneSpace, WhyteSpyder, DZ, and Intrepid provide managed execution services to global enterprise brands across the world's leading marketplaces. Perpetua and 4K Miles provide self-service execution to challenger brands, while ASR provides content optimisation services.*

Measurement & Benchmarking products (19% of revenue): *Edge and Yimian primarily offer market share insight, with digital shelf optimisation, across the key global marketplaces, while Intellibrand specialises in digital shelf services in the Latam region.*

	Six months ended 30 June (£'m)		Growth (%)		
	2023	2022	Reported	Organic	Proforma
Revenue	114.1	95.1	20%	10%	11%
Adjusted EBITDA	-	1.8	n.m.	0%	6%
Adjusted EBITDA Margin	-	2%			

Digital Commerce delivered a strong performance in the first half of 2023 against a backdrop of continuing widespread economic challenges. In the six months ended 30 June 2023, revenue grew by 10% on an organic basis (11% on a proforma basis). We were pleased to see H1 growth ahead of that of the leading marketplace.

This growth was led by expansion of the Enterprise customer offering, where revenue grew by 11% on an organic basis (13% on a proforma basis) with our Challenger customer division growing at 10% on an organic basis (6% on a proforma basis). Growth in China was subdued at 2% as the region recovers from the pandemic disruption in the first quarter of the year. Our performance was once again led by the growth of our Execution products which grew by 14% proforma while Measurement & Benchmarking products declined slightly.

This robust underlying revenue performance continues to be driven by a mix of gross new customer additions and net revenue retention*. We added over 1,150 new customers in H123 (over 150 Enterprise customers and over 1,000 Challenger customers) and delivered net revenue retention for the last 6 months of over 100%.

Revenue continued to be weighted to the US with 62% of revenue from the US, 23% from Asia and 15% from Europe and other. Revenue from Digital Subscriptions and Platforms continued to make up the vast majority of revenue with approximately 50% paid on a fixed retainer or subscription and 50% variable with customer sales or media spend.

As previously reported, we planned for our margins to be weighted towards the second half of the year. Overall Adjusted EBITDA margin for the half was breakeven (H122: 2%), including £3.3m of losses from businesses newly acquired in 2022. We are now approaching the completion of our multi-year investment programme to reorganise and integrate the business and products, including the launch of Flywheel Commerce Cloud. This enables us to realise synergies from H2 2023 as part of the benefits of this programme and we are targeting a high single digit margin in 2023 and a mid-teens margin in 2024.

Flywheel Commerce Cloud was a critical focus for the business in the first half, enabling us to move to a unitary business structure, with key clients already commencing migration to the new integrated platform. This brings together the capabilities of our Flywheel, OneSpace, WhyteSpyder and Edge products into a single experience, all leveraging the same, aggregated, cross-marketplace data. This integrated platform fully enables our Enterprise clients to manage their end-to-end execution in real time across the world's leading marketplaces utilising AI automation programmes as well as new real-time retail optimisation utilities.

In addition to this critical launch of the first fully integrated platform for Digital Commerce at this scale, we have also been aggressively rolling out new capabilities with our marketplace partners to maximise our ability to optimise our clients' eCommerce trading on a real time basis. We have successfully launched products leveraging Amazon Market Cloud, Amazon Stream, Amazon DSP services, Walmart Quality Content Programme as well as Target, Instacart, and Uber.

The creation of Flywheel Commerce Cloud has also enabled us to create a unitary organisation structure with all elements of the operation migrating to a single brand "Flywheel" in October. As clients experience a fully integrated global platform, they will also have a simplified engagement experience with us under a single team.

* We calculate our net revenue retention rate on a constant currency basis as of the end of a period by using (i) the revenue from our clients during the twelve-month period ending one year prior to such period as the denominator; and (ii) the revenue from those same clients during the twelve months ending as of the end of such period as the numerator.

Product Design

WGSN, a leading global supplier of trend forecasts, market intelligence and consumer insight, helps customers understand the future demands of consumers. Information is delivered principally through digital subscriptions to over 6,500 customers in more than 90 countries. The Product Design segment also includes trend products for SMEs in the fashion market (WGSN Start) and the innovative colour system Coloro.

	Six months ended 30 June (£'m)		Growth (%)		
	2023	2022	Reported	Organic	Proforma
Revenue	57.2	51.2	12%	8%	8%
Adjusted EBITDA	27.4	24.4	13%	8%	8%
Adjusted EBITDA Margin	48%	48%			

The WGSN Group delivered a good performance in the first half of 2023. In the six months ended 30 June 2023, revenue grew organically by 8% compared to the six months ended 30 June 2022, while billings from subscription products grew at 7%, driven by continuing strong levels of retention, which continues to be at rates of over 95%. Growth continues to be driven by non-fashion products, such as Insight, which collectively accounted for almost half of the billings in the period and grew at 13%. Fashion grew at 2% with good take up of our advanced, AI-driven, data-rich trend forecasting service, TrendCurve+, launched in 2022. This product combines inputs from WGSN's unique proprietary data sources, applying deep machine-learning algorithms to generate trend projections across thousands of key items, silhouettes and colours, and is now being utilised by leading brands and retailers across the globe to inform their buying decisions.

In the smaller, non-subscriptions part of the business, the more economically sensitive Mindset advisory revenue declined by 13% in H1, while there was an offsetting strong performance from the Coloro business, which was up 60% compared to H122.

Signature white papers released this year include Future Consumer 2025, which has already been downloaded more than 13,000 times and presented at key events such as Vidcon São Paulo, Outdoor Retailer and Cannes

Lions. WGSN's strategic use of AI to enhance its products continued, with the launch of machine-translated versions of its Food & Drink platform into Spanish and Japanese, with future releases due later in 2023 of WGSN Fashion in German and French.

WGSN's ongoing roadmap of innovation and platform upgrades delivered an important update this July, addressing a key customer need, with the WGSN interface now serving up personalised forecast recommendations depending on a user's job role, industry and brand. Finally, the business has also continued to maintain outstanding levels of NPS in the last 2 years, underlining the value of the information delivered to customers and the strength of its brand.

FINANCIAL REVIEW

Overview
The results for the half are set out in the condensed consolidated statement of profit or loss and show revenue of £307.4m (H122: £260.7m) and an operating profit of £0.7m (H122: £35.1m loss). Adjusted EBITDA was £78.6m (H122: £67.2m) with the improvement driven mainly by Lions and WGSN. The £0.7m operating profit (H122: £35.1m loss) for the half includes adjusting items such as amortisation and impairment of acquired intangibles, share-based payments and non-trading items as set out in more detail below.

We delivered strong operating cash flow performance for the year with free cash flow from operations after tax and capex of £56.9m (H122: £72.2m), an operating cash flow conversion of 99% (H122: 128%) and a free cash flow conversion of 72% (H122: 107%) with the reduction driven by a £12.0m unwind in drawings under the Digital Commerce working capital financing and by higher capital expenditure.

Alternative Performance Measures
A core KPI and strategic goal of the Company is Organic revenue growth rate. We believe that this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth rate eliminates the impact of acquisitions (counting them only once they have been owned for 12 months) and disposals and that element of growth which is driven by changes in foreign exchange rates. It also eliminates the impact on growth rates of changes, if any, in timing of live events and of products that are being curtailed. Proforma growth rate is measured in a similar way to Organic growth rate but assumes that the Group's acquisitions were all made on 1 January 2022 and is therefore a measure of the like-for-like rate of growth of the brands owned today.

Adjusted EBITDA is also an Alternative Performance Measure and is used in the day-to-day management of the business to aid comparisons with peer companies, manage banking covenants and provide a reference point for assessing our operational cash generation. It eliminates items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from non-trading activities, intermittent or non-recurring events, and while they may generate substantial income statement amounts, do not relate to the ongoing operational performance that underpins long-term value generation.

Further details on Alternative Performance Measures are set out at the end of this report.

Segmental results
The Group has four reportable segments. These are Marketing, Retail & Financial Services, Digital Commerce and Product Design. Information regarding the results of each is included below.

£'m	Marketing	Retail & Financial Services	Digital Commerce	Product Design	Corporate costs	Total
H123						
Revenue	**104.8**	**31.3**	**114.1**	**57.2**	**-**	**307.4**
Organic growth	*28%*	*17%*	*10%*	*8%*	-	*16%*
Proforma growth	*28%*	*17%*	*11%*	*8%*	-	*16%*
Adjusted EBITDA	**55.7**	**8.9**	**-**	**27.4**	**(13.4)**	**78.6**
Organic growth	*28%*	*15%*	*0%*	*8%*	*(29%)*	*17%*
Proforma growth	*28%*	*15%*	*6%*	*8%*	*(29%)*	*18%*
Adjusted EBITDA margin	*53%*	*28%*	-	*48%*	-	*26%*
Depreciation and software amortisation	(1.2)	(0.2)	(10.0)	(1.5)	(1.5)	(14.4)
Adjusted operating profit / (loss)	**54.5**	**8.7**	**(10.0)**	**25.9**	**(14.9)**	**64.2**
H122						
Revenue	80.8	33.6	95.1	51.2	-	260.7
Adjusted EBITDA	43.2	8.8	1.8	24.4	(11.0)	67.2
Depreciation and software amortisation	(1.4)	(0.2)	(7.7)	(2.2)	(1.1)	(12.6)
Adjusted operating profit / (loss)	41.8	8.6	(5.9)	22.2	(12.1)	54.6

Revenue

The Company benefits from diverse revenue streams across its segments ranging from digital subscriptions to live events to advisory. Most of these revenue streams are digital and have recurring or repeat characteristics benefiting from our focus on customer retention.

Total revenue grew to £307.4m (H122: £260.7m), an increase of £46.7m or 18%. Adjusting for currency impacts, acquisitions, disposals and discontinued products, revenue increased by 16% on both an Organic basis and Proforma basis. This was driven by the strong growth across all our segments.

Adjusted EBITDA

Adjusted EBITDA grew to £78.6m (H122: £67.2m) an increase of £11.4m or 17%. This represented Organic growth of 17% slightly ahead of the growth in revenue. Adjusted EBITDA margin was in line with the prior year at 25.6% (H122: 25.8%). Adjusted EBITDA from operations is reconciled to statutory operating profit/loss as shown in the table below

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

£'m	**H123**	H122
Adjusted EBITDA	**78.6**	67.2
Depreciation and software amortisation	**(14.4)**	(12.6)
Adjusted operating profit	**64.2**	54.6
Amortisation of acquired intangibles	**(17.3)**	(17.5)
Impairment of intangibles	**(11.7)**	(31.4)
Share-based payments	**(8.8)**	(7.6)
Non-trading items	**(25.7)**	(33.2)
Statutory operating profit/(loss)	**0.7**	(35.1)

Amortisation of acquired intangibles

The small reduction in amortisation of acquired intangibles from £17.5m in H122 to £17.3m in H123 reflects the amortisation of intangibles on assets acquired in 2022 (Sellics and Intrepid) less the impact of fully amortised intangibles.

Impairment of acquired intangible assets

The Company undertakes a periodic review of the carrying value of its goodwill and indefinite life intangible assets and, if there is an indicator of impairment, its definite life intangible assets.

In H123 we have impaired acquired intangibles by £11.7m. This primarily relates to acquired brand intangibles within Digital Commerce as result of the decision to move to a single brand "Flywheel Digital" from the second half of 2023. An impairment was identified in the comparative period of H122 when, as reported last year, the decision was made to change the focus of the Edge Digital Shelf offering to our clients within the Digital Commerce segment. As a result of this change, certain intangible assets associated with this product no longer generated sufficient value to support the carrying value and an impairment charge of £31.4m was recorded in the first half of 2022.

Non-Trading items

The Company has incurred significant Non-Trading items in H123 which have been treated on a basis consistent with our policy and with previous years as set out below and further explained in Note 5.

£'m	**H123**	H122
Deferred contingent consideration - charge contingent on service	**7.8**	12.2
Deferred contingent consideration – revaluation credit	**(17.1)**	(4.6)
Deferred contingent consideration (credit) / charge	**(9.3)**	7.6
Strategic review	**23.0**	8.5
ERP and Salesforce implementation costs	**3.9**	13.3
Transaction and integration costs	**6.5**	4.3
Property impairments and onerous contracts	**1.4**	(0.5)
Loss on disposal of businesses	**0.2**	-
Non-Trading items relating to Continuing operations	**25.7**	33.2
Discontinued operations	-	0.4
Non-Trading items	**25.7**	33.6

The charge for deferred contingent consideration of £7.8m (H122: £12.2m) reflects the earnout that is contingent on the continuing employment of the founders on the acquisitions of Perpetua, WhyteSpyder, 4K Miles, and Intrepid. The credit for deferred contingent consideration of £17.1m (H122: £4.6m) reflects, primarily, the renegotiation of the Perpetua earnout to facilitate integration with the Digital Commerce business.

The costs of implementing the strategic actions constitute a significant non-trading item across both 2022 and 2023. These costs relate to resources and professional fees for project management, tax and legal structuring, US GAAP conversion and PCAOB audits for 2021 and 2022 and legal advice as well as severance and retention incentives for key personnel impacted by the proposed separation of the Group.

A 2021 IFRIC decision resulted in an amendment to the treatment of costs incurred in respect of the Company's new ERP and, in prior years, Salesforce systems, such that the majority of costs on implementation of SaaS software are no longer capitalised but expensed as incurred. Costs relating to this significant and non-recurring programme in the period totalled £3.9m (H122: £13.3m).

Transaction and integration costs comprise professional fees for diligence and legal costs for acquisitions and investments as well as the costs of integrating acquisitions, chiefly those of Sellics and Intrepid and the integration of our operating platform within Digital Commerce.

Net finance costs

The net finance cost for the period was £5.7m (H122: £5.2m) as set out in the table below:

(£ million)	**H123**	H122
Interest payable on external borrowings	**(9.9)**	(3.1)
Interest income	**8.0**	0.9
Fair value (loss) / gain on derivative financial instruments	**(2.0)**	1.9
Amortisation of arrangement fees	**(0.4)**	(0.4)
Discount unwind on deferred consideration and lease liabilities	**(3.2)**	(4.6)
Foreign exchange (loss) / gain	**(0.5)**	0.1
Adjusted net finance costs	**(8.0)**	(5.2)
Foreign exchange on deferred consideration	**2.3**	-
Net finance costs	**(5.7)**	(5.2)

The Group's adjusted net finance costs have increased from £5.2m in H122 to £8.0m in H123 driven mainly by the significantly higher interest expense payable since the second half of 2022 as interest rates have risen for both our USD and Euro borrowings. The major items in interest income (£8.0m) relate to interest receivable from Hudson MX of £5.3m (H122: £0.9m) together with interest income on our interest rate caps amounting to £1.6m (H122: nil). The unwind of the discount on deferred consideration and lease liabilities is lower than the prior period, totalling £3.2m (H122: £4.6m) due to the final settlement of older earnout agreements.

Profit before tax

Adjusted profit before tax of £49.8m increased compared to the prior period (H122: £48.4m). This reflects the growth in adjusted EBITDA to £78.6m (H122: £67.2m), partly offset by higher levels of depreciation and software amortisation and of net finance costs (see above), together with an increase in losses relating to the share of associates (to £6.4m, from £1.0m) as a result of an increase in our ownership of Hudson which is currently loss making (see below).

Total loss before tax for the half was £11.8m for the half down from a total loss of £41.6m in the prior period. The reduction in losses is driven by a £28.4m reduction in Adjusting items as set out above.

Taxation

A total tax charge of £5.0m (H122: £3.6m credit) was incurred on the reported loss before tax of £11.8m (H122: £41.6m) with the lower levels of tax deductibility of Adjusting items (with an effective tax rate of 16.6% or 17.5% in the prior period) driving this outcome.

A tax charge of £15.2m (H122: £12.2m) was incurred on Adjusted profit before tax of £49.8m (H122: £48.4m) resulting in an Adjusted effective tax rate for the period of 31% (H122: 25%) with the increase driven by the increased loss on Associates for which no deferred tax asset has been recognised.

The composition of the tax charge is summarised in the table below.

Analysis of tax charge (£'m)	**H123**	H122
Adjusted profit before tax	**49.8**	48.4
Tax charge on Adjusted profit before tax	**(15.2)**	(12.2)
Effective tax rate (%)	**30.5%**	25.3%
Adjusting items	**(61.6)**	(90.0)
Tax credit on Adjusting items	**10.2**	15.8
Effective tax rate on Adjusting items (%)	**16.6%**	17.5%
Reported loss before tax	**(11.8)**	(41.6)
Tax (charge)/credit on reported loss before tax	**(5.0)**	3.6
Effective tax rate on reported loss before tax (%)	**n.m.**	8.5%

The Group has a total recognised net deferred tax asset of £47.5m (H122: £49.1m) comprising a £23.7m (H122: £35.5m) deferred tax liability on non-deductible intangibles and an asset of £71.2m (H122: £84.6m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles. The gross asset is expected to be realised in cash over the next ten years with the majority recovered in the next four years. When considering the net deferred tax balance by entity this is presented as a gross asset of £54.5m offset by a deferred tax liability of £7.0m.

Foreign currency translation impact
The Group's reported performance is sensitive to movements in both the Euro and US dollar against pounds sterling with significant acquisitions denominated in US Dollars and events revenues in Euro and US Dollars. In particular, the Dollar exchange rate has benefited our reported financial performance in the first half as set out below.

	Weighted average rate			Period-end rate		
Currency	**H123**	H122	Change	**H123**	H122	Change
Euro	**1.17**	1.17	0.3%	**1.16**	1.16	(0.1%)
US Dollar	**1.23**	1.32	6.5%	**1.27**	1.22	(4.3%)

When comparing H123 and H122, changes in currency exchange rates had a favourable impact on revenue and adjusted EBITDA of £6.9m and £2.4m. On a segmental basis, the impact of changes in foreign currency exchange rates was as follows:

- Digital Commerce: £3.7m impact on revenue and £0.6m impact on Adjusted EBITDA
- Product Design: £1.8m impact on revenue and £0.8m impact on Adjusted EBITDA
- Marketing: £1.2m impact on revenue and £0.2m impact on Adjusted EBITDA
- Retail & Financial Services: £0.2m impact on revenue and no impact on Adjusted EBITDA.

The second half of 2022 benefited from a very weak Sterling exchange rate relative to the US Dollar and we are expecting currency headwinds of 11% in the second half of 2023 overall as a result.

For illustrative purposes, the table below provides details of the impact on revenue and Adjusted EBITDA if the results were restated for Sterling weakening by 1% against the Euro and US Dollar in isolation.

	H123		H122	
£'m	**Revenue**	**Adjusted EBITDA**	Revenue	Adjusted EBITDA
Euro	**1.3**	**1.0**	1.1	0.9
US Dollar	**1.2**	**0.3**	1.0	0.3

Furthermore, each 1% movement in the Euro to pounds Sterling exchange rate has a £0.8m (H122: £1.1m) impact on the carrying value of borrowings. Each 1% movement in the US Dollar has a circa £2.2m (H122: £2.8m) impact on the carrying value of borrowings.

Earnings per share

Adjusted diluted earnings per share were 7.7p per share (H122: 8.0p). Total diluted loss per share was 3.8p (H122: loss of 8.7p) with the prior period impacted by higher levels of Adjusting Items.

Investments

The Group holds minority investments in several companies including Shanghai Coloro Technology, Tracksuit, Infosum, Hashtag Paid, Symbiosis and Hudson MX (“Hudson”).

The largest investment, totalling £98.0m in equity and debt, is in Hudson, an advertising software business providing media buying and media accounting solutions through a cloud-based SaaS platform. Hudson completed a financing round in February 2023 attracting fresh investment of $51.5m of which $30.0m was provided by a new investor, MT II Holdings, LP (“MT II”), and $21.5m from Ascential. As part of this refinancing Hudson’s capital structure was revised and MT II purchased part of Ascential’s holding of preference shares for £24.9m. Following the restructuring, MT II holds 51% of Hudson’s common stock, Ascential holds 36.5% and Hudson's management team and pre-existing shareholders hold 12.5%.

Ascential continues to exert significant influence over Hudson and now holds a £10.3m (December 2022: £73.8m) equity investment consisting of ordinary shares measured using the equity method. In H123, we therefore recorded our share of the losses of the Hudson businesses totalling £6.8m (H122: £0.9m). Ascential also holds debt instruments in Hudson totalling £87.7m (December 2022: £42.7m) including accrued interest. In H123, we recorded interest receivable on these debt instruments totalling £5.3m (H122: £1.0m).

In addition, as part of the restructuring in February 2023 Ascential has agreed on arrangements that provide a potential path to a majority stake in the future. These arrangements include granting a put option to MT II, exercisable from 1 April 2024 to 31 December 2025 and subject to a maximum consideration payable by Ascential of US$52m. If exercised, this put option would result in Ascential holding a 79% common equity interest in Hudson with Ascential then holding the right to call the remaining shares owned by MT II in the two years following any exercise of their put option. Finally, and looking further ahead, between February 2026 and December 2028, both the Group and Hudson's management team, along with other existing investors, have agreed options with a total consideration ceiling of US$40 million that would, if executed, increase the Group's equity stake in Hudson to 49%.

Further details of the restructuring and the accounting for Hudson can be found in Note 10.

Deferred contingent consideration
The Company's preferred structure for acquisitions is to enter into long-term earnout arrangements with the founders of acquired companies and to link this to the post-acquisition performance of the acquired company and for certain elements make this contingent on the continuing employment of the founders. Accounting for the earnout is complex and requires considerable judgements to be made about the expected future performance of the acquired company at the both the point of acquisition and at each reporting date. This is especially difficult in the type of high growth, early stage, companies that Ascential acquires.

The earnout is accounted for in three ways:

1. A liability for deferred contingent consideration is established on the balance sheet at the point of acquisition based on that element of the earnout which is not dependent on the continuing employment of the founders. Any subsequent change in estimate is recorded as a Non-Trading item and in H123 we recorded a revaluation credit of £17.1m (H122: £4.6m) primarily attributable to the renegotiation of the earnout of Perpetua to facilitate early integration of the business. During the period we made cash payments of £14.3m (H122: £35.4m) in relation to this element of deferred contingent consideration.

2. This liability is discounted to present value with the reversal of this discount being recorded as a finance cost. This amounted to a finance cost of £2.7m for the period (H122: £4.1m).

3. Finally, that element of the deferred contingent consideration that is also contingent on the continuing employment of the founders is charged to the consolidated statement of profit or loss as a Non-Trading item over the service life of those founders (typically three years). This amounted to a charge of £7.8m (H122: £12.2m). During the period we made cash payments of £16.6m (H122: £18.0m) in relation to this element of deferred contingent consideration.

The liability for deferred contingent consideration amounted to £65.0m at 30 June 2023 (H122: £80.6m).

In total, when combining this liability with the future income statement charges for discount unwind and for deferred contingent consideration that is contingent on continuing employment of the founders, the Company expects to pay out deferred contingent consideration of up to £90m over the next three years for acquisitions to date. £14m is due in the second half of 2023 with the balance due in 2024, 2025 and 2026 contingent on the 2023, 2024 and 2025 performance of the relevant businesses.

Cash flow
The Company generated Adjusted operating cash flow of £77.8m (H122: £85.7m), being a 99% (H122: 128%) operating cash flow conversion in the first half.

A feature of our cash flow is the working capital required in the Digital Commerce segment for the purchasing of advertising media on behalf of customers where the payment terms agreed with the customer can differ from those agreed with the marketplace. At 30 June 2023 we had £182.5m of these media reimbursables receivable from customers and £170.9m payable to the marketplaces up from £122.6m and £116.4m respectively at 30 June 2022 with the balances recorded in Other Debtors and Other Creditors respectively. In order to reduce the impact of this working capital dynamic on the Group, we have a facility with a bank to sell certain of the customer receivables for an attractive rate of interest that is lower than our overall cost of borrowing. Drawings under this facility amounted to £18.3m (H122: £29.0m) at the period end representing a cash outflow of £12.0m in the half. The resultant net working capital position relating to such media reimbursables of a net receivable of £11.6m (H122: £6.2m) therefore does not have a significant overall impact on the Group's balance sheet.

The Group's capital spend increased by £6.0m from the prior year to £19.9m (H122: £13.9m) driven by increased product development in the Digital Commerce business with the increase primarily related to the creation of the single operating platform as part of our integration activities. Tax paid on profits was £1.0m in the current period (H122: £0.4m refund). Tax liabilities continue to be sheltered by prior period losses and tax-deductible acquisition consideration particularly in the US.

As a result, the Company generated free cash flow of £56.9m (H122: £72.2m) as shown in the table below:

£'m	**H123**	H122
Adjusted EBITDA	**78.6**	67.2
Working capital movements	**(0.8)**	18.5
Adjusted cash generated from operations	**77.8**	85.7
Operating cash flow conversion (%)	**99%**	128%
Capital expenditure	**(19.9)**	(13.9)
Tax (paid)/received	**(1.0)**	0.4
Free cash flow from operations	**56.9**	72.2
Free cash flow conversion (%)	**72%**	107%

The cash flow statement and net debt position are summarised as follows.

£'m	**H123**	H122
Free cash flow from operations	**56.9**	72.2
Acquisition of businesses net of cash acquired	**-**	(60.9)
Deferred contingent consideration including contingent employment cost	**(30.9)**	(53.4)
Disposal proceeds net of cash disposed and disposal costs	**24.9**	(0.4)
Acquisition of investments and loan to associate	**(13.3)**	(18.5)
Non-Trading costs paid	**(19.0)**	(24.9)
Cash flow before financing activities	**18.6**	(85.9)
Net proceeds from borrowings	**9.1**	91.8
Net interest paid	**(7.1)**	(2.5)
Lease liabilities paid	**(4.1)**	(3.0)
Shares purchased	**(2.6)**	-
Dividends paid to non-controlling interests	**-**	(1.2)
Net cash flow	**13.9**	(0.8)
Opening cash balance	**80.0**	84.1
FX movements	**(4.3)**	5.1
Closing cash balance	**89.6**	88.4
Borrowings	**(299.6)**	(265.2)
Capitalised arrangement fees	**1.2**	2.0
Derivative financial instruments	**3.2**	2.1
Net debt	**(205.6)**	(172.7)

Returns to shareholders
Following the impact of Covid-19 on the business, no dividends were paid in 2020 or 2021 and in 2022 cash flow was prioritised for acquisitions. The Board continues to prioritise capital for investment to support our growth strategy and also, in the context of the ongoing strategic review, has decided not to declare an interim 2023 dividend at this time.

Strong balance sheet and access to liquidity
Ascential manages its capital to ensure that entities in the Group will be able to continue as going concerns 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 at market-based interest rates and on commercial terms and conditions or contributed as equity to subsidiaries.

Going concern
The Board is required to assess going concern at each reporting period. These assessments require judgement to determine the impact of future economic conditions on the Group, including the impact of downward recessionary pressures. After considering the current financial projections and the bank facilities available and then applying a severe but plausible sensitivity, 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 financial statements.

The process and key judgements the Directors have considered in reaching their conclusions on going concern relate to liquidity, covenants and scenario planning and are set out in Note 1.

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Condensed Consolidated Statement of Profit and Loss

		Six months to 30 June 2023 (Unaudited)			Six months to 30 June 2022 (Unaudited)			Year to 31 December 2022 (Audited)		
(£ million)	**Note**	**Adjusted Results**	**Adjusting Items**	**Total**	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Continuing operations										
Revenue	4	307.4	-	307.4	260.7	-	260.7	524.4	-	524.4
Cost of sales		(103.8)	-	(103.8)	(95.7)	-	(95.7)	(212.0)	-	(212.0)
Sales, marketing and administrative expenses		(137.9)	(63.5)	(201.4)	(106.2)	(89.7)	(195.9)	(210.4)	(189.6)	(400.0)
Impairment loss on trade receivables and contract assets		(1.5)	-	(1.5)	(4.2)	-	(4.2)	(6.6)	-	(6.6)
Operating profit/(loss)	4	**64.2**	**(63.5)**	**0.7**	54.6	(89.7)	(35.1)	95.4	(189.6)	(94.2)
Adjusted EBITDA	4	78.6	-	78.6	67.2	-	67.2	121.1	-	121.1
Depreciation, amortisation and impairment		(14.4)	(29.0)	(43.4)	(12.6)	(48.9)	(61.5)	(25.7)	(91.6)	(117.3)
Non-trading items	5	-	(25.7)	(25.7)	-	(33.2)	(33.2)	-	(82.1)	(82.1)
Share-based payments		-	(8.8)	(8.8)	-	(7.6)	(7.6)	-	(15.9)	(15.9)
Operating profit/(loss)		**64.2**	**(63.5)**	**0.7**	54.6	(89.7)	(35.1)	95.4	(189.6)	(94.2)
Share of loss of associates	10	(6.4)	(0.4)	(6.8)	(1.0)	(0.3)	(1.3)	(2.6)	(0.6)	(3.2)
Finance costs	6	(16.0)	-	(16.0)	(8.0)	-	(8.0)	(21.8)	(5.3)	(27.1)
Finance income	6	8.0	2.3	10.3	2.8	-	2.8	8.4	-	8.4
Profit/(loss) before taxation		**49.8**	**(61.6)**	**(11.8)**	48.4	(90.0)	(41.6)	79.4	(195.5)	(116.1)
Taxation	7	(15.2)	10.2	(5.0)	(12.2)	15.8	3.6	(21.0)	32.3	11.3
Profit/(loss) from continuing operations		**34.6**	**(51.4)**	**(16.8)**	36.2	(74.2)	(38.0)	58.4	(163.2)	(104.8)
Discontinued operations										
Loss from discontinued operations, net of tax		-	-	-	-	(0.4)	(0.4)	-	(0.9)	(0.9)
Profit/(loss) for the period		**34.6**	**(51.4)**	**(16.8)**	36.2	(74.6)	(38.4)	58.4	(164.1)	(105.7)
Profit/(loss) attributable to:										
Owners of the Company		**33.9**	**(50.4)**	**(16.5)**	35.3	(73.5)	(38.2)	56.6	(153.0)	(96.4)
Non-controlling interests		**0.7**	**(1.0)**	**(0.3)**	0.9	(1.1)	(0.2)	1.8	(11.1)	(9.3)
Earnings/(loss) per share (basic and diluted, pence)										
Continuing operations		7.7	(11.5)	(3.8)	8.0	(16.6)	(8.6)	12.9	(34.6)	(21.7)
Discontinued operations		-	-	-	-	(0.1)	(0.1)	-	(0.2)	(0.2)
Total operations	8	**7.7**	**(11.5)**	**(3.8)**	8.0	(16.7)	(8.7)	12.9	(34.8)	(21.9)

Condensed Consolidated Statement of Other Comprehensive Income

	Six months to 30 June 2023 (Unaudited)			Six months to 30 June 2022 (Unaudited)			Year to 31 December 2022 (Audited)		
(£ million)	**Adjusted Results**	**Adjusting Items**	**Total**	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Profit/(loss) for the period	34.6	(51.4)	(16.8)	36.2	(74.6)	(38.4)	58.4	(164.1)	(105.7)
Other comprehensive income									
Items that may be reclassified subsequently to profit or loss:									
Foreign exchange translation differences:									
- recognised in equity from continuing operations	(28.4)	-	(28.4)	52.7	-	52.7	40.2	-	40.2
Other comprehensive income/(loss) net of tax	(28.4)	-	(28.4)	52.7	-	52.7	40.2	-	40.2
Total comprehensive income/(loss) for the period	6.2	(51.4)	(45.2)	88.9	(74.6)	14.3	98.6	(164.1)	(65.5)
Total comprehensive income/(loss) attributable to:									
Owners of the company	**5.5**	**(50.4)**	**(44.9)**	85.4	(73.5)	11.9	96.8	(153.0)	(56.2)
Non-controlling interest	**0.7**	**(1.0)**	**(0.3)**	3.5	(1.1)	2.4	1.8	(11.1)	(9.3)

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Condensed Consolidated Statement of Financial Position

(£ million)	Note	**30 June 2023 (Unaudited)**	30 June 2022 (Unaudited)	31 December 2022 (Audited)
Assets				
Non-current assets				
Goodwill	9	681.9	682.4	711.1
Intangible assets	9	213.9	297.3	242.4
Property, plant and equipment		6.2	5.1	5.7
Right of use assets		16.6	22.9	20.7
Investments	10	24.9	92.8	88.5
Other receivables	11	87.7	-	42.7
Deferred tax assets	7	54.5	63.2	60.3
Derivatives		-	2.1	-
		1,085.7	**1,165.8**	1,171.4
Current assets				
Inventories		4.1	3.5	3.3
Trade and other receivables	11	317.1	302.9	344.9
Derivatives		3.3	-	4.5
Cash and cash equivalents	14	89.6	88.4	80.0
		414.1	**394.8**	432.7
Total assets		**1,499.8**	**1,560.6**	1,604.1
Liabilities				
Current liabilities				
Trade and other payables	12	269.9	218.9	277.6
Deferred income		114.8	121.0	116.3
Deferred and contingent consideration	13	42.3	43.5	43.2
Lease liabilities		6.8	6.6	7.3
Current tax liabilities		7.9	5.9	8.6
Provisions		1.5	1.6	2.0
		443.2	**397.5**	455.0
Non-current liabilities				
Deferred income		0.5	0.9	1.0
Deferred and contingent consideration	13	22.7	37.2	64.9
Lease liabilities		16.5	19.8	19.5
External borrowings	14	298.4	263.2	301.2
Deferred tax liabilities	7	7.0	14.1	8.6
Provisions		1.8	1.4	2.0
		346.9	**336.6**	397.2
Total liabilities		**790.1**	**734.1**	852.2
Net assets		**709.7**	**826.5**	751.9
Equity				
Share capital		4.4	4.4	4.4
Share premium		153.6	153.5	153.6
Other reserves		163.8	167.0	166.0
Translation reserve		(8.7)	32.2	19.7
Retained earnings		376.9	440.8	386.5
Shareholders' equity		**690.0**	797.9	730.2
Non-controlling interests		19.7	28.6	21.7
Total equity		**709.7**	**826.5**	751.9
Total Liabilities and Equity		**1,499.8**	**1,560.6**	1,604.1

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company						
(£ million)	**Share capital**	**Share premium**	**Translation reserve**	**Other reserves**	**Retained earnings**	**Non-controlling interest**	**Total**
Balance at 31 December 2021 (Audited)	**4.4**	**153.3**	**(20.5)**	**167.0**	**471.7**	**29.7**	**805.6**
Loss for the period	-	-	-	-	(38.2)	(0.2)	(38.4)
Other comprehensive income	-	-	52.7	-	-	-	52.7
Total comprehensive income	-	-	52.7	-	(38.2)	(0.2)	14.3
Issue of shares	-	0.2		-	-	-	0.2
Share-based payments	-	-	-	-	8.2	-	8.2
Taxation on share-based payments	-	-	-	-	(0.9)	-	(0.9)
Dividends paid	-	-	-	-	-	(0.9)	(0.9)
Balance at 30 June 2022 (Unaudited)	**4.4**	**153.5**	**32.2**	**167.0**	**440.8**	**28.6**	**826.5**
Loss for the period	-	-	-	-	(58.2)	(9.1)	(67.3)
Other comprehensive income	-	-	(12.5)	-	-	-	(12.5)
Total comprehensive income	-	-	(12.5)	-	(58.2)	(9.1)	(79.8)
Issue of shares	-	0.1	-	-	-	-	0.1
Share purchases	-	-	-	(3.7)	-	-	(3.7)
Shares issued to employees	-	-	-	2.7	(2.7)	-	-
Foreign exchange movements	-	-	-	-	-	3.4	3.4
Share-based payments	-	-	-	-	8.5	-	8.5
Taxation on share-based payments	-	-	-	-	(1.9)	-	(1.9)
Dividends paid	-	-	-	-	-	(1.2)	(1.2)
Balance at 31 December 2022 (Audited)	**4.4**	**153.6**	**19.7**	**166.0**	**386.5**	**21.7**	**751.9**
Loss for the period	-	-	-	-	(16.5)	(0.3)	(16.8)
Other comprehensive income	-	-	(28.4)	-	-	-	(28.4)
Total comprehensive income	-	-	(28.4)	-	(16.5)	(0.3)	(45.2)
Share purchases				(2.6)	-	-	(2.6)
Shares issued to employees	-	-	-	0.4	(0.4)	-	-
Share-based payments	-	-	-	-	8.4	-	8.4
Foreign exchange movements		-	-	-	-	(1.7)	(1.7)
Taxation on share-based payments	-	-	-	-	(1.1)	-	(1.1)
Balance at 30 June 2023 (Unaudited)	**4.4**	**153.6**	**(8.7)**	**163.8**	**376.9**	**19.7**	**709.7**

ASCENTIAL

Condensed Consolidated Statement of Cash Flows

(£ million)	Note	**Six months to 30 June 2023 (Unaudited)**	Six months to 30 June 2022 (Unaudited)	Year to 31 December 2022 (Audited)
Cash flow from operating activities				
Loss before taxation on continuing operations		(11.8)	(41.6)	(116.1)
Loss before taxation on discontinued operations		-	(0.4)	(0.9)
Adjustments for:				
Impairment of assets		2.0	31.4	59.9
Depreciation and amortisation		41.4	30.1	60.3
Deferred and contingent consideration: revaluation and contingent employment costs	5,13	(9.3)	7.6	31.5
Loss/ (profit) on disposal of business	5	0.2	-	(6.0)
Share-based payments		8.8	7.6	15.9
Share of loss on associates		6.8	1.3	3.2
Net finance costs	6	5.7	5.2	18.7
Cash generated from operations before changes in working capital, provisions and deferred and contingent consideration		**43.8**	41.2	66.5
Cash outflows for acquisition-related contingent employment costs	13	(16.6)	(18.0)	(19.5)
Changes in:				
Inventories		(0.9)	0.4	(1.2)
Trade and other receivables		15.8	16.4	(50.7)
Trade and other payables		0.8	3.7	58.2
Provisions		(0.7)	(0.9)	0.1
Cash generated from operations		**42.2**	42.8	53.4
Adjusted cash generated from operations		77.8	85.7	126.1
Cash outflows for discontinued operations		-	-	(0.9)
Cash outflows for acquisition-related contingent employment costs	13	(16.6)	(18.0)	(19.5)
Cash outflows for other non-trading items		(19.0)	(24.9)	(52.3)
Cash generated from operations		**42.2**	42.8	53.4
Tax (paid)/received		**(1.0)**	0.4	(0.2)
Net cash generated from operating activities		**41.2**	43.2	53.2
Cash flow from investing activities				
Acquisition of businesses, net of cash acquired		-	(60.9)	(60.8)
Deferred contingent consideration paid*	13	(14.3)	(35.4)	(37.9)
Acquisition of investments	10	(2.8)	(2.9)	(4.0)
Proceeds from sale of equity-accounted investments	10	24.9	-	5.3
Loan to associate		(10.5)	(15.6)	(30.6)
Acquisition of software intangibles and property, plant and equipment		(19.9)	(13.9)	(35.9)
Disposal of businesses, net of cash disposed		-	(0.4)	0.6
Net cash used by investing activities		**(22.6)**	(129.1)	(163.3)
Cash flow from financing activities				
Proceeds from external borrowings	14	57.1	115.6	176.8
Repayment of external borrowings	14	(48.0)	(23.8)	(53.8)
Proceeds from issue of shares		-	-	0.3
Share repurchase		(2.6)	-	(3.7)
Net interest paid		(7.1)	(2.5)	(9.0)
Net lease liabilities paid		(4.1)	(3.0)	(7.3)
Dividend paid to non-controlling interest		-	(1.2)	(2.8)
Net cash (used in)/generated from financing activities		**(4.7)**	85.1	100.5
Net increase/(decrease) in cash and cash equivalents		**13.9**	(0.8)	(9.6)
Cash and cash equivalents at the beginning of the period		80.0	84.1	84.1
Effect of exchange rate changes		(4.3)	5.1	5.5
Cash and cash equivalents at the end of the period		**89.6**	88.4	80.0

* Includes payments for both deferred and contingent consideration recognised on initial acquisition as well as any subsequent remeasurements. Payments linked to ongoing employment as well as business performance are shown within cash generated from operations

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 2023 comprise the results and financial position of the Company and its subsidiaries and were approved by the Board of Directors on 21 September 2023. The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted for use in the UK.

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, this condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the Company's published consolidated financial statements for the year ended 31 December 2022 which were prepared in accordance with applicable law and UK-adopted international accounting standards. 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 2022. 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 2022 are available upon request from the Company's registered office at 33 Kingsway, London, WC2B 6UF, United Kingdom or at www.ascential.com.

The condensed consolidated financial statements have been prepared on a going concern basis (see further details below) and under the historical cost convention, with the exception of items that are required by IFRS to be measured at fair value. We have performed our assessment based on the Group as it is currently constituted because, at the time of writing, the results of our strategic review are not yet sufficiently certain. In any case, these strategic actions would not be expected to have a detrimental impact on the Group nor any impact on the assessment to prepare the consolidated financial statements on a going concern basis.

Going concern

After considering the current financial projections and the bank facilities available, and then applying a severe but plausible sensitivity, 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 financial 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 require judgement to determine the impact of future economic conditions on the Group, including the impact of any downward recessionary pressures. The Directors have considered three main factors in reaching their conclusions on going concern – liquidity, covenants and scenario planning – as set out below.

<u>Liquidity</u>

In January 2020, the Group entered into a 5-year multi-currency revolving credit facility ("RCF") of £450m. The facility expires in January 2025 and the Group expects to negotiate either an extension of the existing facility or a replacement facility on materially similar terms prior to that date. The RCF can be drawn in tranches for each interest rate period. These tranches of debt can be rolled over at the end of the interest period subject to covenant compliance on the request date. The Group expects that it will be able to continue to rollover its debt at the end of each interest period over the remaining life of the facility. This reflects that even in downside stress scenarios that it can take mitigating actions to maintain compliance with these conditions. As the Group has the ability and the intent to roll-over the drawn RCF when due, it has classified these borrowings as a non-current liability.

This facility provides ample liquidity when judged against the net debt of the Company of £205.6m at 30 June 2023.

Covenants

The more sensitive aspects of the Company's financing are the application of certain covenant limits and the most sensitive covenant limit is Net Debt Leverage (broadly, the ratio of Net Debt to Adjusted pre-IFRS 16 EBITDA). The facility covenants are tested semi-annually and include (i) a maximum Net Debt Leverage of 3.25x with the benefit of additional 0.5x leverage spikes for relevant acquisitions and (ii) a minimum interest cover of 3.00x.

At 30 June 2023, our leverage ratio was 1.6x (or 1.7x on a covenant basis) compared to the limit of 3.25x, and therefore well within our banking covenants.

Scenario planning

In assessing going concern, the Directors considered the most severe but plausible scenario that could impact the business to be the cancellation of a major event at short notice. This scenario is not a forecast of the Company and is designed to stress test liquidity and covenant compliance. The key assumption is that Money 20/20 USA is cancelled in 2023 with minimal notice due to an unforeseen event. This scenario results in a 0.7x increase and a 0.5x increase to our leverage ratio at the 31 December 2023 and 30 June 2024 testing points respectively.

In their review of the downside scenario, the Directors have also considered a number of mitigations that would reduce the leverage ratio further and are at their discretion, including, but not limited to, the use of equity to meet deferred consideration obligations, and further restructuring and cost cutting measures.

In this downside scenario there is sufficient headroom against all banking covenant tests.

We have performed our assessment based on the Group as it is currently constituted and do not consider that any plausible outcome from the Company's ongoing strategic review would result in a more severe downside scenario.

Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

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 2022 and will be applied for the year ended 31 December 2023.

The amended standards and interpretations to IFRS effective during the six months to 30 June 2023 have not had a significant impact on the Group's accounting policies or reporting.

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 are set out below.

Critical accounting judgements

- Recognition of associates (note 10)

Key sources of estimation uncertainty

- Measurement of associates (note 10)
- Valuation of contingent consideration and acquisition-related employment costs (note 13)

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 risks and opportunities vary and capital allocation decisions are made on the basis of four reportable segments. The four reportable segments are Digital Commerce, Product Design, Marketing, and Retail & Financial Services. 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 continuing operations in each of the Group's reportable segments:

- Digital Commerce: measurement, optimisation and execution for digital commerce growth
- Product Design: consumer product trend forecasting, data and insight to create world-class products and experiences
- Marketing: services and tools to measure and optimise marketing creativity, media and platform effectiveness and efficiency
- Retail & Financial Services: events, data and tools to improve performance and drive innovation in retail and financial services

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 2023 (Unaudited)

(£ million)	Marketing	Retail & Financial services	Digital Commerce	Product Design	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	104.8	31.3	114.1	57.2	-	307.4	-	307.4
Adjusted EBITDA	55.7	8.9	-	27.4	(13.4)	78.6	-	78.6
Depreciation and software amortisation	(1.2)	(0.2)	(10.0)	(1.5)	(1.5)	(14.4)	-	(14.4)
Adjusted operating profit/(loss)	**54.5**	**8.7**	**(10.0)**	**25.9**	**(14.9)**	**64.2**	**-**	**64.2**
Amortisation and impairment of acquired intangible assets						(29.0)	-	(29.0)
Non-trading items						(25.7)	-	(25.7)
Share-based payments						(8.8)	-	(8.8)
Operating profit/(loss)						**0.7**	**-**	**0.7**
Share of the loss of associates						(6.8)	-	(6.8)
Finance costs						(16.0)	-	(16.0)
Finance income						10.3	-	10.3
Loss before tax						**(11.8)**	**-**	**(11.8)**

Six months to 30 June 2022 (Unaudited)

(£ million)	Marketing	Retail & Financial services	Digital Commerce	Product Design	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	80.8	33.6	95.1	51.2	-	260.7	-	260.7
Adjusted EBITDA	43.2	8.8	1.8	24.4	(11.0)	67.2	-	67.2
Depreciation and software amortisation	(1.4)	(0.2)	(7.7)	(2.2)	(1.1)	(12.6)	-	(12.6)
Adjusted operating profit/(loss)	**41.8**	**8.6**	**(5.9)**	**22.2**	**(12.1)**	**54.6**	**-**	**54.6**
Amortisation and impairment of acquired intangible assets						(48.9)	-	(48.9)
Non-trading items						(33.2)	-	(33.2)
Disposal of business						-	(0.4)	(0.4)
Share-based payments						(7.6)	-	(7.6)
Operating loss						**(35.1)**	**(0.4)**	**(35.5)**
Share of the loss of associates						(1.3)	-	(1.3)
Finance costs						(8.0)	-	(8.0)
Finance income						2.8	-	2.8
Loss before tax						**(41.6)**	**(0.4)**	**(42.0)**

Year to 31 December 2022 (Audited)

(£ million)	Marketing	Retail & Financial services	Digital Commerce	Product Design	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	99.2	92.0	226.1	107.1	-	524.4	-	524.4
Adjusted EBITDA	40.1	31.6	21.2	49.1	(20.9)	121.1	-	121.1
Depreciation and software amortisation	(2.6)	(0.9)	(17.8)	(3.3)	(1.1)	(25.7)	-	(25.7)
Adjusted operating profit/(loss)	**37.5**	**30.7**	**3.4**	**45.8**	**(22.0)**	**95.4**	**-**	**95.4**
Amortisation and impairment of acquired intangible assets						(91.6)	-	(91.6)
Non-trading items						(88.1)	(0.9)	(89.0)
Disposal of business						6.0	-	6.0
Share-based payments						(15.9)	-	(15.9)
Operating loss						**(94.2)**	**(0.9)**	**(95.1)**
Share of the loss of associates						(3.2)	-	(3.2)
Finance costs						(27.1)	-	(27.1)
Finance income						8.4	-	8.4
Loss before tax						**(116.1)**	**(0.9)**	**(117.0)**

Non-trading items costs within continuing operations of £25.7m (31 December 2022: £88.1m; 30 June 2022: £33.2m) include Digital Commerce costs of £6.4m (31 December 2022: £51.1m; 30 June 2022: £10.6m), Product Design costs of £5.7m (31 December 2022: £nil; 30 June 2022: £nil), Marketing costs of £0.7m (31 December 2022: £nil; 30 June 2022: £nil), Retail & Financial Services costs of £0.2m (31 December 2022: £nil; 30 June 2022: £nil) and Corporate costs of £12.7m (31 December 2022: £37.0m; 30 June 2022: £22.6m).

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 2022. 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:

(£ million)	Timing of revenue recognition	Six months to 30 June 2023 (Unaudited)	Six months to 30 June 2022 (Unaudited)	Year to 31 December 2022 (Audited)
Digital Subscriptions & Platforms	Over time	12.6	11.1	23.9
Advisory	Over time	4.4	1.9	5.2
Benchmarking Awards	Point in time	28.9	25.7	27.8
Events	Point in time	58.9	42.1	42.3
Marketing		**104.8**	**80.8**	**99.2**
Digital Subscriptions & Platforms	Over time	2.4	4.5	6.3
Advisory	Over time	-	1.5	2.3
Events	Point in time	28.9	27.6	83.4
Retail & Financial Services		**31.3**	**33.6**	**92.0**
Digital Subscriptions & Platforms	Over time	107.2	89.6	213.9
Advisory	Over time	6.9	5.5	12.2
Digital Commerce		**114.1**	**95.1**	**226.1**
Digital Subscriptions & Platforms	Over time	51.3	45.4	95.9
Advisory	Over time	5.9	5.8	11.2
Product Design		**57.2**	**51.2**	**107.1**
Revenue from continuing operations		**307.4**	**260.7**	**524.4**

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 material seasonal fluctuation. However, the Company delivers a material amount of revenue from Benchmarking Awards and Events which typically are more weighted to the first half of the year.

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 non-trading items such as costs incurred for acquisitions and disposals, integration, non-recurring business restructuring, intangible impairment and capital restructuring. The tax effect of Adjusting items is also included within Adjusting items.
Adjusting items included in profit/loss before tax are:

(£ million)	**Six months to 30 June 2023 (Unaudited)**	Six months to 30 June 2022 (Unaudited)	Year to 31 December 2022 (Audited)
Revaluation of contingent consideration	17.1	4.6	(1.0)
Acquisition–related employment costs accrued in the period	(7.8)	(12.2)	(30.4)
Total deferred contingent consideration costs	**9.3**	**(7.6)**	**(31.4)**
ERP and Salesforce implementation costs	(3.9)	(13.3)	(21.6)
Strategic review costs	(23.0)	(8.5)	(15.0)
Transaction and integration costs	(6.5)	(4.3)	(16.2)
Profit/(loss) on disposal of businesses	(0.2)	-	6.0
Property provisions	(1.4)	0.5	(3.9)
Non-Trading items	**(25.7)**	**(33.2)**	**(82.1)**
Amortisation of acquired intangible assets	(17.3)	(17.5)	(34.6)
Impairment of acquired intangibles	(11.7)	(31.4)	(57.0)
Share-based payments	(8.8)	(7.6)	(15.9)
Adjusting items included within operating profit/loss	**(63.5)**	**(89.7)**	**(189.6)**

The revaluation of contingent consideration in the period includes a credit relating to the renegotiation of the Perpetua earnout to facilitate integration with Sellics, removing the link to future performance. The remainder of the revaluation of deferred contingent consideration in the period relates to updates to actual or expected performance for all acquisitions with outstanding deferred consideration. Acquisition-related employment costs incurred in the period relate primarily to that element of the purchase consideration for the acquisitions of Perpetua, WhyteSpyder, 4K Miles and Intrepid. The related net tax impact is a charge of £6.3m at June 2023.

The Group is concluding a multi-year programme to introduce a new ERP system and a new instance of Salesforce, both of which are cloud-based and totalled £3.9m (H122: £13.3m). These expenses are deductible for tax purposes and generate a net tax credit of £1.0m. The programme is anticipated to be completed this year. The cash impact of these costs is an outflow of £3.7m.

A significant non-trading item was the costs of the strategic review totalling £23.0m (31 December 2022: £15.0m; 30 June 2022: £8.5m). The costs relate to resources and professional fees for project management, tax and legal structuring, US GAAP conversion and audit, and legal advice as well as severance and retention incentives for key personnel impacted by the proposed separation of the Group. The related net tax impact is a credit of £1.8m. The cash impact of these costs is an outflow of £9.8m.

Transaction and integration costs totalling £6.5m (31 December 2022: £16.2m; 30 June 2022: £4.3m) comprise professional fees for diligence and legal costs; as well as the DC integration costs which include the costs of integrating acquisitions and £1.0m of costs relating to the creation of an integrated Enterprise Product bringing together digital platforms. Transaction costs are generally non-deductible for tax purposes, whilst integration costs give rise to a tax credit of £1.8m. The cash impact of these costs is an outflow of £5.4m.

The loss on disposal of businesses of £0.2m represents additional costs relating to the 2022 sale of Retail Week World Retail Congress, ("RWRC").

Costs in relation to property impairments and provisions of £1.4m (31 December 2022: £3.9m; 30 June 2022: credit of £0.5) reflect impairments of right of use assets and leasehold improvements and the creation of provisions for operating expenses that were onerous following a reassessment of the Group's property requirements. These costs are non-deductible for tax accounting purposes and had no cash impact on the Group in 2023.

6. Finance costs and finance income

(£ million)	**Six months to 30 June 2023 (Unaudited)**	Six months to 30 June 2022 (Unaudited)	Year to 31 December 2022 (Audited)
Interest on deposits, investments and debt securities	8.0	0.9	3.6
Fair value gain on derivative financial instruments	-	1.9	4.3
Foreign exchange gain on cash and cash equivalents	-	0.1	0.5
Adjusted finance income	**8.0**	**2.9**	**8.4**
Foreign exchange on deferred consideration	2.3	-	-
Adjusting finance income	**2.3**	**-**	**-**
Total finance income from continuing operations	**10.3**	**2.9**	**8.4**
Interest payable on external borrowings	(9.9)	(3.1)	(9.6)
Amortisation of arrangement fees	(0.4)	(0.4)	(0.8)
Fair value loss on derivative financial instruments	(2.0)	-	-
Discount unwind on deferred and contingent consideration	(2.7)	(4.1)	(10.3)
Discount unwind of lease liability	(0.5)	(0.5)	(1.1)
Foreign exchange loss on cash and cash equivalents	(0.5)	-	-
Adjusted finance costs	**(16.0)**	**(8.1)**	**(21.8)**
Foreign exchange on deferred consideration	-	-	(1.3)
Remeasurement of trade investments to fair value	-	-	(4.0)
Adjusting finance costs	**-**	**-**	**(5.3)**
Total finance costs from continuing operations	**(16.0)**	**(8.1)**	**(27.1)**
Net finance costs from continuing operations	**(5.7)**	**(5.2)**	**(18.7)**

7. Tax on profit on ordinary activities

The total tax charge for the period is £5.0m (30 June 2022: credit of £3.6m) which comprises a tax charge of £15.2m on Adjusted profits and a tax credit of £10.2m on Adjusting items.

The tax charge on Adjusted profits for the period has been calculated by applying the expected full year rate of 30.5% (30 June 2022: 25.3%) to the results for the six months ended 30 June 2023.

A tax credit of £10.2m is recorded in relation to Adjusting items for the six months ended 30 June 2023 (30 June 2022: £15.8m; 31 December 2021: £32.3m). A deferred tax charge of £1.1m (30 June 2022: £0.9m; 31 December 2022: £2.8) is recognised in equity relating to share-based payments.

The total tax charge for the period comprises:

(£ million)	Six months to 30 June 2023 (Unaudited)	Six months to 30 June 2022 (Unaudited)	Year to 31 December 2022 (Audited)
Current tax			
UK tax (charge)/credit on income for the period	(1.6)	-	7.8
Overseas tax charge on income for the period	-	(1.2)	(3.0)
Adjustments in respect of prior years	-	-	(0.3)
Total current tax (charge)/credit	**(1.6)**	**(1.2)**	4.5
Deferred tax			
Current period (charge)/credit	(3.4)	5.0	5.9
Adjustments in respect of prior years	-	(0.2)	0.7
Impact of rate changes on opening balances	-	-	0.2
Total deferred tax (charge)/credit	**(3.4)**	**4.8**	6.8
Total tax (charge)/credit	**(5.0)**	**3.6**	11.3
Total effective tax rate	**nm***	**8.5%**	10.0%

*Tax charge on loss results in an effective tax rate that is not meaningful.

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

(£ million)	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)	31 December 2022 (Audited)
Deferred tax assets	54.5	63.2	60.3
Deferred tax liabilities	(7.0)	(14.1)	(8.6)
Total	**47.5**	49.1	51.7

The £4.2m net movement in deferred tax from 31 December 2022 comprises;

- a charge of £9.9m arising on utilisation of tax assets related to US acquisition intangibles and losses,
- a credit of £6.4m which relates largely to the unwinding of the deferred tax liability on consolidated intangibles as a result of amortisation in the period and share-based payments; and
- a charge arising on foreign exchange movements of £0.7m on deferred tax assets, net of liabilities held in US dollar.

At 30 June 2023, within the £47.5m net deferred tax asset, the Group had utilisable losses in the US and UK with a future tax impact of £26.2m (31 December 2022: £30.5m). The movement from the year end arises due to the utilisation of tax losses in the UK. Our ability to utilise losses in future years is primarily driven by the level of taxable profits arising in the US and UK 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 four years.

8. 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 440.2million (30 June 2022: 439.0 million and 31 December 2022: 440.0 million). There is no dilutive impact from potential ordinary shares as potential ordinary shares can only be considered dilutive when their inclusion would decrease earnings or increase loss per share.

	Six months to 30 June 2023 (Unaudited)			Six months to 30 June 2022 (Unaudited)			Year to 31 December 2022 (Audited)		
	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Profit/(loss) attributable to owners of the Company (£ million)									
Profit/(loss) for the year- continuing operations	**33.9**	**(50.4)**	**(16.5)**	35.3	(73.1)	(37.8)	56.6	(152.1)	(95.5)
Profit/(loss) for the year - discontinued operations	**-**	**-**	**-**	-	(0.4)	(0.4)	-	(0.9)	(0.9)
Profit/(loss) for the year	**33.9**	**(50.4)**	**(16.5)**	**35.3**	**(73.5)**	**(38.2)**	**56.6**	**(153.0)**	**(96.4)**
Share number (million)									
Basic and diluted weighted average number of shares	**440.2**	**440.2**	**440.2**	439.0	439.0	439.0	440.0	440.0	440.0
Earnings/(loss) per share (basic and diluted, pence)									
Continuing operations	**7.7**	**(11.5)**	**(3.8)**	8.0	(16.6)	(8.6)	12.9	(34.6)	(21.7)
Discontinued operations	**-**	**-**	**-**	-	(0.1)	(0.1)	-	(0.2)	(0.2)
Total operations	**7.7**	**(11.5)**	**(3.8)**	**8.0**	**(16.7)**	**(8.7)**	**12.9**	**(34.8)**	**(21.9)**

9. Goodwill and intangibles

At 30 June 2023, the Group had £849.2m of goodwill and acquired intangibles and £46.6m of software (31 December 2022: £912.1m and £41.4m; 30 June 2022: £937.2m and £42.5m). Movements in goodwill and acquired intangibles included a decrease of £33.9m from unfavourable foreign exchange movements, amortisation charge of £17.3m and impairment charge of £11.7m which was primarily driven by the impairment of acquired brand intangible assets within the Digital Commerce segment, following the decision to rebrand Digital Commerce entities under the Flywheel brand.

The goodwill attributed to each of the Group's cash generating units (CGUs) and group of CGUs are assessed for impairment at least annually. Regardless of whether goodwill has been allocated to a CGU, CGUs may be assessed for impairment more frequently than annually 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.

10. Investments in associates

(£ million)	Total
At 1 January 2023	**88.5**
Acquisition of investments	2.8
Share of the loss of associates	(6.8)
Disposal and conversion of investment in associates	(58.1)
Movements in exchange rates	(1.5)
At 30 June 2023	**24.9**

Investments as at 30 June 2023 were made up as follows:

(£ million)	Total
Trade investments measured at fair value through profit or loss	11.6
Associates accounted for using the equity method	13.3
Investments as at 30 June 2023	**24.9**

Our investments in associates include investments in Hudson MX Holdings, Inc ('Hudson'), Shanghai Coloro Technology Co and several trade investments, with Cognitive Logic Inc. ("Infosum") being the most significant among them.

Ascential has a £10.3m investment in Hudson in addition to preference shares receivables of £87.7m included in note 11 (31 December 2022: £73.8m investment in addition to £42.7m of secured and unsecured debt), an advertising software business providing media buying and accounting solutions through a cloud-based SaaS platform. This investment of £10.3m consists of ordinary shares net of equity–accounted share of the profit or loss.

In February 2023 Hudson completed a new financing round and executed a capital restructuring. It resulted in MT II Holdings, LP ("MT II") becoming the majority shareholder in Hudson, holding 51.0% of the fully diluted common equity and Ascential holding a 36.5% interest. The remaining 12.5% is held by Hudson's management team and existing shareholders and does not carry voting rights. As part of this, Ascential received £24.9m in cash from MT II for a portion of its preference stock investment (which MT II then converted into common stock) and converted the remaining £51.0m of the preference stock investment into debt-like instruments, as disclosed in note 11 (£33.2m), and into common stock (£17.8m). At the same time, the promissory notes that were previously held were also converted into these debt-like preference shares.

The Group has agreed arrangements that provide a potential path to a majority stake in the future. These arrangements include providing MT II with a put option over 42.5% of their 51.0% stockholding, exercisable by MT II from 1 April 2024 to 31 December 2025 and, if executed, subject to a maximum consideration payable by Ascential of US$52m and minimum consideration of between US$38m and US$52m depending on the time period the option is held for. The Group has assessed the value of this derivative liability to be not significant at the transaction date and reporting date and will continue to assess the value at each future reporting date until the option is exercised or lapses. In making this assessment, the Directors evaluated various potential plausible outcomes, including less favourable scenarios, and found that this did not lead to a significant change in the value of the derivative liability. If exercised, this put option would result in Ascential holding a 79% common equity interest in Hudson, at which point it is expected Ascential would control Hudson and would then be required to consolidate its results. If the put option is exercised then Ascential will be able to call the remaining 8.5% equity shares held by MT II at any time in the subsequent two years.

Separately, Ascential has established put and call options to acquire the remaining management and external investors' shareholdings, totalling 12.5%, which are exercisable between February 2026 and December 2028, subject to a maximum consideration of US$40m. Full execution of these options would result in the Group holding a 49% equity stake in Hudson. The Group has considered the value of these options to be not significant at the transaction date and reporting date and will continue to assess their values at each future reporting date until the options are exercised or lapse.

Both MT II and the Group have committed to funds of up to an aggregate value of US$51.5m into Hudson through non-voting preference stock, proportionate to their common equity holdings. The Group's commitment in this respect is £17.9m (equivalent of $21.5m) of which £8.0m had been drawn at the period end. Subsequent to 30 June 2023 a further £9.9m has been provided.

Summarised financial information for the Hudson entity for the 6 months to 30 June 2023 is as follows. The balance sheet includes current assets of £6.8m, non-current assets of £111.7m, current liabilities of £9.2m and non-current financial liabilities of £113.1m. These figures include cash and cash equivalents of £6.0m. The income statement includes a loss from operations of £22.2m. Included in these amounts are depreciation and amortisation of £6.8m and interest expense of £6.7m.

Critical accounting judgement: Recognition of associates

The assessment of whether the Group has control or significant influence over Hudson is considered a critical accounting judgement which, following the Hudson's refinancing in February 2023 has been reassessed. The assessment of the position prior to February 2023 is described on page 161 of the Ascential plc Annual Report 2022.

Assessment of Control

We have considered whether the nature of the relationship with Hudson, rights under the terms of the common stock investments or any other factors would indicate that Ascential has control over Hudson. We have considered the requirements under IFRS 10 "Consolidated Financial Statements" to assess if the Group exercises control over Hudson during the reporting period and at the reporting date as follows:

- Power over the investee

We have assessed that Ascential cannot exercise power over Hudson due to the lack of ability to direct the relevant activities of Hudson because its entitlement to two board seats and 41.1% voting rights does not give it majority power.

We have assessed that our customary protective veto rights over significant changes to Hudson, including actions which could change the credit risk of the business such as changes to capital structure, asset disposals, dividend declaration and attraction of external funding, are protective in nature and relate to fundamental changes to Hudson that only apply in exceptional circumstances.

While Ascential may acquire control of Hudson in the future if a put option held by MT II Holdings LLP is exercised, this is not within the control of Ascential and therefore does not indicate control. Ascential has two call options neither of which would result in it holding a majority of the voting rights of Hudson and neither are considered to be substantive at the reporting date.

In 2023 as part of Hudson's refinancing, we increased our funding to Hudson. The funding was provided in a form of investment in preference shares on an arm's length basis, without conversion or equity rights, repayable by maturity date and at a market rate of interest. The increase in funding does not change our determination of control under IFRS 10 as the terms are comparable to those that Hudson would be able to obtain from an institutional lender given the risk profile and life cycle of the business. Our continued funding in 2023 to Hudson has helped protect the underlying investment in the business.

- Exposure or rights to variable returns from its involvement with the investee

We have assessed that the Group is exposed to variable returns, primarily through the common stock equity instruments held during the reporting period.

- The ability to use its power over the investee to affect the amount of the investor's returns

We have concluded that although the Group has exposure to the variable returns from the investment, it does not have actual or potential rights to direct the relevant activities of Hudson and therefore the Group does not have power over the investment.

We have therefore concluded that Ascential's investment in Hudson does not meet the definition of control as at 30 June 2023.

Assessment of Significant Influence

Following our consideration of control, we then considered the requirements of IAS 28 "Investments in Associates and Joint Ventures" to determine whether Hudson should be treated as an equity-accounted associate or as a trade investment. This decision is determined by our assessment of ability (or otherwise) to participate in the financial and operating policy decisions of Hudson.

Following the restructuring of our investment in Hudson in February 2023, Ascential holds 36.5% of the common stock and 41.1% of the voting rights in Hudson, together with two of the five board positions. The Group has therefore determined that it has significant influence over Hudson and accounts for its investment using the equity method under IAS28.

<u>Critical accounting estimate: Measurement of associates</u>

Following its refinancing in February 2023 the Group's investment in Hudson comprises common and preference stock.

The common stock we own is accounted for by applying equity accounting under IAS 28 "Investments in Associates and Joint Ventures", including recording our share of the results of Hudson in proportion to our common stockholding. The equity investment amounts to £10.3m at the reporting date (31 December 2022: £73.8m) after accounting for our share of Hudson's losses amounting to £6.8m (30 June 2022: £0.9m).

We have determined that the preference stock we own is treated as a debt instrument held at amortised cost under IFRS9 "Financial Instruments", rather than an equity instrument. This is because the contractual terms give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding and that the cash flows are consistent with normal lending arrangements for an early-stage investment. The debt investment amounts to £87.7m at the reporting date (31 December 2022: £42.7m of secured and unsecured debt) and is disclosed as a non-current other receivable (see note 11).

The valuation of the investment in and options over Hudson shares is subject to estimation and is informed by unobservable data points, including external market evidence and Hudson's refinancing that took place in February 2023 on an arm's length basis with a market participant. An assessment of the sensitivity of the valuation of the investment indicated that a 5% increase / decrease in the equity valuation of Hudson would not materially affect the value of our investment on 30 June 2023.

11. Trade and other receivables

(£ million)	**30 June 2023 (Unaudited)**	30 June 2022 (Unaudited)	31 December 2022 (Audited)
Other receivables	87.7	-	42.7
Total non-current other receivables	**87.7**	**-**	**42.7**

(£ million)	**30 June 2023 (Unaudited)**	30 June 2022 (Unaudited)	31 December 2022 (Audited)
Trade receivables, net of the allowance for doubtful debts	78.6	94.9	112.1
Prepayments	18.9	24.0	9.6
Contract assets – accrued income	25.6	21.4	18.4
Other receivables	194.0	162.6	204.8
Total current trade and other receivables	**317.1**	**302.9**	**344.9**

Non-current receivables represent the investment in Hudson preference shares (2022: secured and unsecured debt). Refer to note 10 for further detail.

Other receivables principally include amounts due from customers for pass-through costs of £182.5m (31 December 2022: £194.6m) in relation to the purchase of media on their behalf. These costs comprise amounts payable to external suppliers which are charged directly to clients. The amounts due to external suppliers in these relationships are recognised in other payables (see note 12).

12. Trade and other payables

(£ million)	**30 June 2023 (Unaudited)**	30 June 2022 (Unaudited)	31 December 2022 (Audited)
Trade payables	11.2	12.9	18.0
Other payables	182.8	134.3	203.5
Accruals	68.5	59.2	48.1
Interest accruals	0.8	0.6	0.9
Taxes and social security costs	6.6	11.9	7.1
Total trade and other payables	**269.9**	**218.9**	**277.6**

Other payables include amounts due to external suppliers in relation to pass-through costs of £170.9m (31 December 2022: £193.7m). Pass-through costs comprise amounts payable to external media suppliers which are charged directly to clients. The amounts due from customers in these relationships are recognised in other receivables (see note 11).

13. Deferred contingent consideration

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

(£ million)	Note	Total
At 31 December 2022 (Audited)		**108.1**
Acquisition–related employment costs accrued in the period	5	7.8
Revaluation of contingent deferred consideration recognised in the consolidated statement of profit and loss	5	(17.1)
Discount unwind on contingent deferred consideration	6	2.7
Acquisition–related employment cost paid in the period		(16.6)
Deferred consideration paid in the period		(14.3)
Effect of movements in exchange rates		(5.6)
At 30 June 2023 (Unaudited)		**65.0**

At 30 June 2023, £34.9m of deferred contingent consideration was categorised as level 3 in the fair value hierarchy of financial instruments (31 December 2022: £66.8m). Uncertainty in the economic environment has increased the level of uncertainty in the Group's projections with a consequent impact on the potential range of these level 3 valuations. The balance is also impacted by economic uncertainty in the markets we operate. It is therefore possible that this uncertainty could result in the recognition of materially higher or lower contingent consideration.

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 revenues and the five-year plan which is updated annually. Forecasts are inherently a source of management estimation, resulting in a range of outcomes. During the period, the Perpetua earnout, which is one of the largest payments, was renegotiated to remove the link to future performance, which reduces the uncertainty considerably; a link to employment for a portion of the earnout remains. The majority of the remaining balance relates to the 4K Miles and WhyteSpyder earnouts. A 10% increase in the results of these businesses in all remaining years would result in an additional payment of around £8.9m over 2024 to 2025. A 10% reduction in the revenue of these businesses in all remaining years would result in a lower payment of around £7.9m over 2024 to 2025.

14. Borrowings

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

Reconciliation of movement in net debt

(£ million)	Cash	Cash in transit	Short-term deposits	Interest rate caps	External Borrowings	Net debt*
At 31 December 2022 (Audited)	**59.0**	**0.9**	**20.1**	**4.5**	**(301.2)**	**(216.7)**
Exchange differences	(4.3)	-	-	-	12.3	8.0
Repayment of external borrowings	-	-	-	-	48.0	48.0
Proceeds from external borrowings	-	-	-	-	(57.1)	(57.1)
Fair value movement	-	-	-	(2.0)	-	(2.0)
Net interest accrued	-	-	-	1.6	-	1.6
Amortisation of debt arrangement fees	-	-	-	-	(0.4)	(0.4)
Net cash movement	0.4	(0.3)	13.8	(0.9)	-	13.0
At 30 June 2023 (Unaudited)	**55.1**	**0.6**	**33.9**	**3.2**	**(298.4)**	**(205.6)**

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

Borrowings are shown net of unamortised issue costs of £1.2m (31 December 2022: £1.6m). The carrying amounts of borrowings approximate their fair value. The Group's borrowings at 30 June 2023 were $279.0m and €93.0m (31 December 2022: $233.0m and €124.5m).

15. 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 2023.

16. Principal risks and uncertainties

The principal risks and uncertainties that affect the Group are described in detail on pages 51 to 55 of the 2022 Annual Report and the Board considers that these risks and uncertainties continue to be the most relevant risks and uncertainties faced by the Company.

Economic and geopolitical risk continues to be assessed as high given persistent inflationary pressure and risk of economic downturn or recession to varying degrees depending on the geography where Ascential has clients and conducts business. Recession modelling and scenario planning is a key part of the Budget process and is kept under review as economic conditions change. The impact of recession is distributed across Ascential brands with some brands' propositions more attractive in a recessionary environment.

We also note the inevitable pressures on certain employees from uncertainty arising from the January 2023 announcement about the Board's strategic review process. We mitigate the impact of this on our people by limiting the number of colleagues directly involved in the process and active awareness of employee health and well-being. Details of the support we provide are included in the "Our People" section of the 2022 Annual Report.

We consider that the Acquisitions and Disposals risk has increased since 31 December 2022 as we execute our strategic actions, in particular the disposal of WGSN and separation of our Digital Commerce business. We are pleased with progress to date and continue to actively manage the process to mitigate execution risk with the support of our financial and legal advisors.

The Board and management are mindful that factors that increase and decrease risk assessments and related mitigation may change quickly. We continue to monitor the risk landscape and the Company's mitigation strategies. The Company is aware that a number of risks and uncertainties could have a material impact on the Group's performance over the remaining months of the financial year and could cause actual results to differ from expected and historical results.

17. Events after the reporting period

Investment in Contagious Communications

On 31 July 2023 the Group acquired Contagious Communications and its holding company Steel River Media Limited. Contagious is a multi-format creative insights business that provides forward-looking creative inspiration and trend analysis for their agency and brand customers and will form part of the Marketing segment.

The consideration for the acquisition was £8m net of cash acquired, subject to adjustment based on the working capital to be determined upon the finalisation of completion accounts for the acquired entities. Owing to the acquisition's proximity to the issuance date of the interim condensed consolidated financial statements, the Group has yet to conclude the purchase price accounting pertaining to this acquisition.

ALTERNATIVE PERFORMANCE MEASURES

Ascential aims to maximise shareholder value by optimising the potential for return on capital through strategic investment and divestment, by ensuring the Company'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, additional performance measures that distinguish between these different factors – these are also the measures that the Board uses itself to assess the performance of the Company, on which the strategic planning process is founded and on which management incentives are based. Accordingly, this 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 and additional information.

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.

The Group presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid, where possible, 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. As Adjusted results include the benefits of portfolio investment and divestment decisions but exclude significant costs (such as amortisation of acquired intangibles and Non-Trading items), they should not be regarded as a complete picture of the Group's financial performance, which is presented in its Total results. The exclusion of other Adjusting items may result in Adjusted results being materially higher or lower than Total results.

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

Non-Trading items
Non-Trading items are recorded in accordance with the Group's policy set out in Note 5 to the 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 outside the course of ordinary operating activities, (e.g. deferred consideration, integration costs and professional fees on acquisitions). 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 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 Covid-related covenant amendments were also incurred. These one-off items do not reflect the current operational performance of the Group. In addition, the foreign exchange gains and losses on deferred consideration liabilities are treated as adjusting items in line with other income statement items relating to revaluation of deferred consideration.

Tax related to Adjusting items
The elements of the overall Group tax charge relating to the Adjusting items are also, for consistency, 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.

Adjusted cash flow measures
The Group uses Adjusted cash flow measures for the same purpose as Adjusted profit measures. The two measures used are Adjusted Cash Generated from operations, and Free Cash Flow. The Group monitors its operational efficiency with reference to operational cash conversion. These are reconciled to IFRS measures as follows:

£'m	**H123**	H122
Cash generated from operations	**42.2**	42.8
Add back: acquisition-related contingent consideration cash flow	**16.6**	18.0
Add back: other non-trading cash flow	**19.0**	24.9
Adjusted cash generated from operations	**77.8**	85.7
Adjusted EBITDA	**78.6**	67.2
Operating cash conversion	**99%**	128%
Net cash generated from operating activities	**41.2**	43.2
Less: capital expenditure	**(19.9)**	(13.9)
Add back: acquisition-related contingent consideration cash flow	**16.6**	18.0
Add back: other non-trading cash flow	**19.0**	24.9
Free cash flow	**56.9**	72.2
Adjusted EBITDA	**78.6**	67.2
Free cash flow conversion	**72%**	107%

Net Debt
Net Debt is calculated as follows:

£'m	H123	2022	H122
Borrowings	**299.6**	302.8	265.2
Capitalised arrangement fees	**(1.2)**	(1.6)	(2.0)
Derivative financial instruments	**(3.2)**	(4.5)	(2.1)
Cash	**(89.6)**	(80.0)	(88.4)
Net debt	**205.6**	216.7	172.7

Leverage
The ratio of net debt to EBITDA is calculated as follows:

£'m	H123	2022	H122
Adjusted EBITDA	**78.6**	121.1	67.2
Less: Rent expense	**(3.4)**	(7.0)	(3.5)
Adjusted EBITDA (pre-IFRS16)	**75.2**	114.1	63.7
Adjusted EBITDA (pre-IFRS16) H2 2022 / 2021	**50.4**	-	44.1
Adjusted EBITDA (pre-IFRS16) for last 12 months	**125.6**	114.1	107.8
Net debt	**205.6**	216.7	172.7
Leverage ratio	**1.6x**	1.9x	1.6x

The Group also monitors leverage using definitions included in the Group's banking covenants which are subject to proforma adjustments for acquisitions. Using these covenant definitions, the leverage ratio at the end of June 2023 was 1.7x.

Organic growth measures
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 companies;
- discontinuation or curtailment of products or the move of event products between different periods; and
- changes in exchange rates used to record the results of non-sterling businesses result in a lack of comparability between periods as equivalent local currency amounts are recorded at different sterling amounts in different 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-year results in either current or prior periods;
- results are normalised for events that move between H1 and H2, if applicable;
- results of specific product lines are excluded if wholly or partly discontinued; and
- prior year and current year consolidated results are restated at constant currency for non-sterling businesses.

Organic growth is calculated as follows:

H123 **£'m**	**Marketing**	**Retail & Financial Services**	**Digital Commerce**	**Product Design**	**Corporate Costs**	**Total**
Revenue						
H123 - reported	104.8	31.3	114.1	57.2	-	307.4
Acquisitions	-	-	(11.4)	-	-	(11.4)
Other adjustments*	-	-	(1.3)	-	-	(1.3)
H123 – Organic basis	104.8	31.3	101.4	57.2	-	294.7
Organic revenue growth	28%	17%	10%	8%	-	16%
H122 – reported	80.8	33.6	95.1	51.2	-	260.7
Disposals	-	(5.6)	-	-	-	(5.6)
Other adjustments*	-	-	(7.7)	-	-	(7.7)
Transfers**	-	(1.4)	1.4	-	-	-
Currency adjustment	1.2	0.2	3.7	1.8		6.9
H122 – Organic basis	82.0	26.8	92.5	53.0	-	254.3
Adjusted EBITDA						
H123 – reported	55.7	8.9	-	27.4	(13.4)	78.6
Acquisitions	-	-	3.3	-	-	3.3
Other adjustments*	-	-	4.0	-	-	4.0
H123 – Organic basis	55.7	8.9	7.3	27.4	(13.4)	85.9
Organic EBITDA growth	28%	15%	0%	8%	(29%)	17%
H122 – reported	43.2	8.8	1.8	24.4	(11.0)	67.2
Disposals	-	(0.8)	-	-	-	(0.8)
Other adjustments*	-	-	4.6	-	-	4.6
Transfers**	-	(0.2)	0.2	0.2	(0.2)	-
Currency adjustment	0.2	-	0.6	0.8	0.8	2.4
H122 – Organic basis	43.4	7.8	7.2	25.4	(10.4)	73.4

* Other adjustments relate to Edge Digital Shelf and Sellics Non-Advertising discontinued products.
** Transfers relate to moving Retail Insight into Digital Commerce from RFS and the transfer of lease property costs from Product Design to the Corporate segment.

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 a measure of the rate of growth of the brands owned today. Proforma growth is calculated as follows:

H123 £'m	**Marketing**	**Retail & Financial Services**	**Digital Commerce**	**Product Design**	**Corporate Costs**	**Total**
Revenue						
H123 - reported	104.8	31.3	114.1	57.2	-	307.4
Other adjustments*	-	-	(1.3)	-	-	(1.3)
H123 – Proforma basis	104.8	31.3	112.8	57.2	-	306.1
Proforma revenue growth	28%	17%	11%	8%	-	16%
H122 - reported	80.8	33.6	95.1	51.2	-	260.7
Acquisitions	-	-	8.8	-	-	8.8
Disposals	-	(5.6)	-	-	-	(5.6)
Other adjustments*	-	-	(7.8)	-	-	(7.8)
Transfers**	-	(1.4)	1.4	-	-	-
Currency adjustment	1.2	0.2	4.4	1.8	-	7.6
H122 – Proforma basis	82.0	26.8	101.9	53.0	-	263.7
Adjusted EBITDA						
H123 - reported	55.7	8.9	-	27.4	(13.4)	78.6
Other adjustments*	-	-	4.0	-	-	4.0
H123 – Proforma basis	55.7	8.9	4.0	27.4	(13.4)	82.6
Proforma EBITDA growth	28%	15%	6%	8%	(29%)	18%
H122 - reported	43.2	8.8	1.8	24.4	(11.0)	67.2
Acquisitions	-	-	(3.5)	-	-	(3.5)
Disposals	-	(0.8)	-	-	-	(0.8)
Other adjustments*	-	-	4.8	-	-	4.8
Transfers**	-	(0.2)	0.2	0.2	(0.2)	-
Currency adjustment	0.2	-	0.4	0.8	0.8	2.2
H122 – Proforma basis	43.4	7.8	3.7	25.4	(10.4)	69.9

* Other adjustments relate to Edge Digital Shelf and Sellics Non-Advertising discontinued products.

** Transfers relate to moving Retail Insight into Digital Commerce from RFS and the transfer of lease property costs from Product Design to the Corporate segment.

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 all 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 all made on the first day of the comparative accounting period
Non-Trading items	Items within Operating profit / (loss) separately identified in accordance with Group accounting policies
Adjusting items	Non-trading items (e.g. deferred consideration, integration and restructuring costs), Amortisation of intangible assets acquired through business combinations, Share-based payments, Gains and losses on disposal, Write-off of unamortised arrangement fees on refinancing, Covenant amendment fees and Tax related thereto
Adjusted operating profit / (loss)	Operating profit / (loss) excluding Adjusting items
Adjusted EBITDA	Adjusted operating profit / (loss) excluding depreciation and amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted profit / (loss) before tax	Profit / (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 / (loss) for the year
Adjusted cash generated from operations	Cash generated from operations with cash generated from discontinued operations acquisition related contingent consideration and other non-trading cash flows excluded
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 non-trading cash flow are excluded
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 in line with how net debt is considered for the Group's banking covenants

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 for use in the UK;

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 2022 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 Chief Executive Officer	Mandy Gradden Chief Financial Officer

22 September 2023

INDEPENDENT REVIEW REPORT TO ASCENTIAL PLC

Conclusion

We have been engaged by Ascential plc ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2023 which comprises the Condensed Consolidated Statement of Profit and Loss, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, 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 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued 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.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

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.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

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 for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

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.

Christopher Hearn
for and on behalf of KPMG LLP
Chartered Accountants

15 Canada Square
Canary Wharf
London
E14 5GL

22 September 2023