Ascential

21 March 2024

Ascential plc

Unaudited full year results 2023

Ascential positioned as premium, global, events-led business
Results of the Continuing business ahead of market expectations: Revenue +13% and Adjusted EBITDA +17%
£850m to be returned to shareholders

Ascential plc (LSE: ASCL.L), the specialist events, intelligence and advisory company, today announces unaudited results for the year ended 31 December 2023.

POSITIONED AS A PREMIUM, GLOBAL, EVENTS-LED BUSINESS

- Long-term growth strategy: opportunities, both organically and via acquisition, for growth and returns.
- Proven track record through the cycle: +8% revenue CAGR over the last four years.
- Diverse, sustainable revenue streams: spanning live events, digital subscriptions and advisory.

STRATEGIC ACTIONS TO CREATE VALUE FOR SHAREHOLDERS

- Disposal of Digital Commerce and WGSN completed post year-end: total cash proceeds of £1.2bn.
- Plan to return £850m to shareholders through a combination of tender offer, special dividend and on-market buyback programmes.
- Hudson MX sale: process underway and expected to conclude in Q2 2024.

REVENUES AND ADJUSTED EBITDA FOR CONTINUING OPERATIONS AHEAD OF MARKET EXPECTATIONS

- **Strong organic growth:** Revenue up 13% to £206.4m (2022: £191.2m), Adjusted EBITDA up 17% to £56.4m (2022: £49.9m).

- **Strong growth in Marketing segment, revenue up 22%:**
    - Cannes Lions revenue grew 30%, with growth in all areas, led by sponsorship.
    - Subscription and advisory now 30% of the segment's revenue.

- **Financial Technology segment revenue up 1%:**
    - Money20/20 Europe revenue grew strongly, up 19%.
    - As previously announced, with headwinds in Fintech investment, Money20/20 US revenue was 8% lower in 2023, compared to very strong comparatives from an exceptional 60% growth in 2022. Revenue in 2023 was up 50% vs 2019 benchmark.

- **Delivering organic profit growth:**
    - Adjusted EBITDA before central costs of £82.3m (2022: £71.7m).
    - Adjusted EBITDA up 17% to £56.4m (2022: £49.9m), after £25.9m (2022: £21.8m) of central costs.
    - Marketing segment Adjusted EBITDA up 37% to £55.6m.
    - Financial Technology segment Adjusted EBITDA 7% lower at £26.7m, due to launch investment and lower US revenues.

- **Significant cost reduction:**
    - Ongoing corporate costs from 2024 onwards are expected to be approximately 50% lower than 2023 at £13m p.a., following the resizing of the central functions to match the continuing business.

- **Increase in EBITDA margins:**
  - Adjusted EBITDA margin increased to 27.3% (2022: 26.1%), reflecting strong revenue growth offset by continued investment to support long-term growth.

- **Reported Operating profit** from continuing operations of £30.7m (2022: £27.2m) stated after charging Adjusting items of £20.8m (2022: £18.1m).

- **Loss after tax for discontinued operations** of £195.5m (2022: £122.5m loss) after expensing Adjusting items of £220.2m (2022: £148.9m) relating primarily to the costs of the strategic review and the disposals as well as a fair value loss upon the consolidation of Hudson of £116.7m. The disposal and strategic review costs were recognised in 2023 ahead of the disposals which subsequently generated a profit of approximately £0.5 billion in 2024.

- **EPS for continuing operations** of 5.0p on an Adjusted diluted basis (2022: 7.2p) and total EPS for continuing operations of 1.3p (2022: 3.8p) after higher interest costs impacting 2023.

STRONG CASH FLOW PERFORMANCE AND ROBUST BALANCE SHEET

- Strong operational cash flows with operating cash flow conversion of 112% (2022: 114%) and free cash flow conversion after tax and capex of 96% (2022: 107%).

- Closing net debt of £318.1m as at 31 December 2023, after early payment of earnouts and repayment of working capital facilities in preparation for the Digital Commerce sale (31 December 2022: £216.7m). Debt fully repaid in January 2024 following disposals. New £225m RCF facility in place.

- Proforma net debt of approximately £106m following the net cash flows from the disposals, the return of value of £850m and the deferred consideration payable for Hudson.

PROPOSED £850M RETURN OF VALUE

- Since completing the disposals of Digital Commerce and WGSN in Q1 2024, raising total cash proceeds of £1.2bn and undertaking significant consultation with its shareholders, the Board has carefully considered the most appropriate mechanism for returning £850m of value to shareholders.

- Ascential today announces that it intends to return £850m of value to its shareholders by way of a £450m special dividend and a £400m purchase of shares executed in the following way:

  - a tender offer to acquire up to £300m of Ascential shares, with the price range to be finalised at the time of the publication of the shareholder circular but with the Board expecting the higher end of this range to be no greater than 331p, representing a 10% premium to the closing price of 301p on 20 March 2023. The final strike price for the tender will be set via a Dutch auction pricing mechanism;
  - a special dividend of at least £450m, expected to be declared following completion of the tender offer and accompanied by a share consolidation; and
  - on-market share buyback programmes to acquire £100m of Ascential shares, which will commence thereafter.

- Shareholder approvals in relation to the above will be sought at Ascential's upcoming AGM in May. Further details, including timetable, will be published in the shareholder circular and the AGM notice.

Philip Thomas, Chief Executive, commented:

"Following our strategic review, Ascential is now a focused events-led business with a compelling strategic framework, built around two of the world's leading event platforms. The sales of Digital Commerce and WGSN announced in October 2023 have given us the opportunity to return to our shareholders a value equivalent to almost 90% of Ascential's market capitalisation prior to the announcement date, and our shareholders also now own a business that has our world-leading events firmly at its heart and sole focus.

"Our events, subscription businesses and advisory services have a clear purpose. We help our customers succeed, grow, and drive their industries forward. This clarity underpinned our performance in 2023 - with revenues and profits ahead of expectations - and the compound annual growth of 8% in revenue over the last four years. Both event platforms are well ahead of their 2019 pre-Covid benchmark levels. We have sector-leading margins and continue to invest in our brands to maintain their premium standing in the marketplace and drive growth through product innovation and investment, penetration of existing markets, and bolt-on acquisitions.

"Looking ahead to 2024, we continue to see positive customer engagement, with booking levels for our events tracking in line with prior year indicators overall. Notwithstanding ongoing disruption to the Fintech funding environment, we are excited by the continued expansion of our end market and global footprint through the launch of Money20/20 Asia. This continuing momentum, following on from our strong post pandemic bounce-back, supports our confidence in our medium-term growth targets and ambitions.

"We are pleased that following the strategic review and sale of the Digital Commerce and WGSN businesses we are now able to return a substantial proportion of value to our shareholders. After careful consideration of multiple factors we have concluded that the proposed mechanism of return of value represents the optimal solution taking account of the interests of all shareholders, respecting the considerations of timeliness and flexibility, while we manage the final part of our transition to a focussed, events-led business.

I would like to thank all my Ascential colleagues, from WGSN, Digital Commerce, our central teams and the ongoing brands, for all their focus and hard work throughout our strategic review, and wish future success to those who are leaving Ascential for new careers."

Ascential will host a presentation for analysts and investors at 9.00 am on 21 March 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 takes the world's leading brands to the heart of what's next for their industries. We do this through our events, intelligence products and advisory services. Our 700 people serve a global customer base from more than 100 countries in the large and growing Marketing and Financial Technology sectors. Ascential plc is listed on the London Stock Exchange (LON: ASCL).

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Financial highlights – continuing operations

	31 December 2023 (unaudited) £'m	2022[1] £'m	Reported growth %	Organic [2] growth %
Revenue				
Marketing	130.5	99.2	32%	22%
Financial Technology [3]	75.9	92.0	(18%)	1%
	206.4	191.2	8%	13%
Adjusted EBITDA [2]				
Marketing	55.6	40.1	39%	37%
Financial Technology [3]	26.7	31.6	(15%)	(7%)
Adjusted EBITDA before Corporate Costs	*82.3*	*71.7*	*15%*	*19%*
Corporate Costs	(25.9)	(21.8)	(19%)	(23%)
	56.4	49.9	13%	17%

Adjusted operating profit [2]	51.5	45.3
Adjusting items	(20.8)	(18.1)
Operating profit	30.7	27.2
Net interest cost	(20.1)	(2.4)
Profit before tax	10.6	24.8
Diluted earnings per share	1.3p	3.8p
Adjusted diluted earnings per share [2]	5.0p	7.2p
Adjusted cash generated from operations[2]	62.9	56.9
Operating cash flow conversion[2]	112%	114%
Net debt[2]	318.1	216.7
Proforma net debt[4]	106.0	n/a

[1] Restated for discontinued operations.
[2] Refer to the Glossary of Alternative Performance Measures.
[3] 2022 included £7.4m of revenue and £0.1m of Adjusted EBITDA loss from the disposed RWRC business and £4.6m of revenue and £nil Adjusted EBITDA from the Acuity business transferred to the Marketing segment in 2023.
[4] Proforma net debt reflects reported net debt adjusted for the net cash flows from the disposals, the return of value of £850m and the deferred consideration payable for Hudson.

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The person responsible for arranging the release of this announcement on behalf of Ascential is Naomi Howden, Company Secretary.

CAUTIONARY STATEMENT

This announcement contains "forward-looking statements" which includes all statements other than statements of historical fact, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would, "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement.

Neither the Company nor its affiliates undertakes or is under any duty to update this announcement or to correct any inaccuracies in any such information which may become apparent or to provide you with any additional information, other than any requirements that the Company may have under applicable law or the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules or the Market Abuse Regulation MAR (EU No. 596/2014) as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018. To the fullest extent permissible by law, such persons disclaim all and any responsibility or liability, whether arising in tort, contract or otherwise, which they might otherwise have in respect of this announcement. The information in this announcement is subject to change without notice.

Ascential is a public limited company incorporated in England and Wales. Ascential shareholders in the United States are advised that the shares are not listed on a U.S. securities exchange and that Ascential is not currently subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended (the “U.S. Exchange Act”), and is not required to, and does not, file any reports with the U.S. Securities and Exchange Commission (the “SEC”) thereunder. The proposed tender offer referred to in this announcement (the “Tender Offer”) will be made to Ascential shareholders in the United States in compliance with the applicable U.S. tender offer rules under the U.S. Exchange Act, including Section 14(e) and Regulation 14E thereunder (subject to the exemption under Rule 14d-1(d) under the U.S. Exchange Act for a Tier II tender offer) and otherwise in accordance with the requirements of English law and the U.K. Listing

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Rules. Accordingly, the Tender Offer referred to in this announcement will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, the offer timetable, settlement procedures and timing of payments that are different from those applicable under U.S. domestic tender offer law and practice. The financial information relating to Ascential, will not have been prepared in accordance with generally accepted accounting principles in the U.S. and thus may not be comparable to financial information relating to U.S. companies.

Ascential and their affiliates or brokers (acting as agents for Ascential and its affiliates or brokers, as applicable) may from time to time, and other than pursuant to the Tender Offer referred to in this announcement, directly or indirectly, purchase, or arrange to purchase, in each case outside the United States, shares in Ascential or any securities that are convertible into, exchangeable for or exercisable for such shares before or during the period in which the Tender Offer remains open for acceptance, to the extent permitted by, and in compliance with, exemptive relief granted by the SEC from Rule 14e-5 under the U.S. Exchange Act, and in compliance with English law and the U.K. Listing Rules. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Information about any such purchases or arrangements to purchase that is made public in accordance with English law and practice will be available to all investors (including in the United States) via the Regulatory News Service on www.londonstockexchange.com.

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CHIEF EXECUTIVE'S REVIEW

This has been a pivotal year for Ascential. In January 2023, we announced the conclusion of our strategic review: our decision to separate the WGSN and Digital Commerce businesses from Ascential, with the events-led business remaining listed on the UK public market. It had become very clear through the review that the three divisions each had strong competitive positions and growing but distinct end markets. Nevertheless, the Board concluded, and it was ultimately proven, that the diverse nature of their operating models, financial profiles and capital requirements had suppressed shareholder value. The sales of Digital Commerce and WGSN announced in October 2023 have given us the opportunity to return to our shareholders a value equivalent to almost 90% of Ascential's market capitalisation prior to the announcement date and our shareholders now own a business that has our world-leading events firmly at its heart and sole focus.

I am fortunate enough to experience the energy of our global team every day, and as we start this next chapter, I am happy to see our teams galvanised and energised by our new streamlined focus as an events-led business. I would like to take this opportunity to thank all our people for working so hard during these last months that have been dominated by change. I continue to be impressed by the focus and dedication of our teams, in particular those who were directly involved in delivering the outcome of the strategic review, and including some who have now left or are shortly to leave the business.

We are a business focused on dynamic, growing, global markets where disruption creates clear opportunities: Marketing and Financial Technology. Our events are distinct, sitting at the heart of the industries they bring together, and so attracting commercial participation from both attendees and corporate partners across a wide range of revenue channels. As we look ahead, we see clear opportunities for growth, both through the proven organic levers that have driven revenue successfully for many years, and through expansion deeper into our existing markets, and into similarly disrupted, multifaceted industries.

2023 performance

Our operational execution in the year has been strong, with overall revenue growth of 13% and Adjusted EBITDA growth of 17% (on a continuing, organic basis), as our events continue to outstrip their 2019 pre-Covid benchmark levels of performance.

Our *Marketing* segment grew revenue by 22%, with the Cannes Lions Festival of Creativity, in particular, growing strongly. This was a performance led by outstanding record levels of sponsorship engagement from global businesses who clearly see the value the event can deliver for them. There was good growth across all other revenue lines, including the awards benchmark (which saw the successful launch of the Entertainment Lion for Gaming), delegate revenues (with attendees reaching c.12,000) and from our subscription and advisory revenue streams. In August, we acquired Contagious, a creative insights business serving our Marketing customer set through event, subscription and advisory revenues, for which integration and the realisation of revenue synergies is progressing well.

Our *Financial Technology* segment grew revenue by 1% overall. Money20/20 Europe saw very strong growth of 19%, driven by the expansion of both delegate and sponsorship revenue streams. This was offset by an 8% drop in revenue from the US event, following growth of over 60% in 2022, with delegate numbers impacted by a steep decline of the early-stage funding environment impacting our customers. Despite this decline, Money20/20 US in 2023 was still 50% larger than its pre-Covid 2019 edition.

Throughout 2023 we owned the *Digital Commerce* and *Product Design* businesses which, following their sales agreed in October 2023, have now been treated as discontinued operations in these financial statements. Furthermore, as part of the arrangements for the ongoing disposal of Hudson MX, we acquired accounting control of that business and consolidated their results from October 2023, with that business also treated as a discontinued operation. Consolidated revenue and Adjusted EBITDA from these discontinued operations was £380m and £66m respectively with Digital Commerce delivering a 20% growth in revenue and Product Design a 7% growth in revenue. In 2023 these discontinued operations delivered a loss after tax of £195.5m driven by the costs of the strategic review and the disposal processes to optimise shareholder value (and driving of a net cash inflow of £1.2 billion and a profit of approximately £0.5bn to be recognised in 2024) as well as the revaluation of our investment in Hudson.

Operating responsibly
The main focus for our ESG work in 2023 was environment and climate change resilience, with a particular focus on carbon emissions data collection. I am pleased to report that this year, for the first time, we have measured our carbon footprint across our events portfolio including data from all of the scope 1 - 3 categories, and implemented a new carbon measurement tool and methodology for Ascential's carbon emissions. We also maintained our strong position across a range of ESG indexes and developed a revised Sustainability Strategy for the restructured business.

In line with our ambition to become one of the industry's most sustainable events-led businesses, we strive to mitigate any negative impact on the environment, community and society in which we operate, and to ensure the conditions in which our business can thrive. In my new role as ESG Board Sponsor, I will oversee and champion this new strategy, establishing governance and empowering the leadership team to identify and manage ESG risks and opportunities.

2024 priorities
In our first full year as a standalone events-led business, we have three key priorities:

- **Return of value to shareholders**: returning £850m to shareholders through a combination of tender offer, special dividend and on-market share buyback programmes.
- **Hudson MX sale**: concluding the sale process which is underway.
- **Delivering our medium-term growth targets and ambitions:** expanding our addressable market in Marketing and Financial Technology – both of which benefit from long-term structural growth drivers – as a focused, premium, events-led business.

Outlook

This is an important and exciting time for Ascential. As we look forward, we clearly see the opportunities that our newly focussed business offers our customers to further connect, learn and innovate, helping them succeed, shape and lead their industries.

We have many opportunities to strengthen the position of our global events – events which are truly distinctive, and which play an important role in the industries they serve. We have the opportunity to build on the diversity of our revenue streams and continue to innovate and grow our digital propositions, across both our divisions. Ascential has events at its heart – but our digital products and advisory services are what enable us to deepen our relationships with customers and ultimately serve them better. That balance is crucial for our success as a company.

In 2024, our focus in the early part of the year is for a successful launch of Money20/20 Asia in April, where preparations continue to go well. We continue to see positive customer engagement, with booking levels for our events tracking in line with prior year indicators overall. Notwithstanding ongoing disruption to the Fintech funding environment, we are excited by the continued expansion of our end market and global footprint through the launch of Money20/20 Asia. This continuing momentum, following on from our strong post pandemic bounce-back, supports our confidence in our medium-term growth targets and ambitions.

Philip Thomas
Chief Executive
21 March 2024

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SEGMENTAL REVIEW

Marketing

The Marketing segment comprises Lions, WARC, Contagious and Acuity. 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. WARC is the global authority on marketing effectiveness for brands, agencies and media platforms. In August 2023, we acquired Contagious, a provider of creative trends insights to brands and agencies. The Marketing segment now also includes Acuity which was transferred from the Financial Technology segment in 2023. Our Marketing segment empowers marketing professionals with the tools, insights and data to advocate for prioritising capital allocation towards marketing, especially creative marketing. We're confident this approach fuels growth and provides our customers with a measurable competitive advantage.

	Year ended 31 December (£'m)		Growth (%)	
	2023 (unaudited)	2022	Reported	Organic
Revenue	130.5	99.2	32%	22%
Adjusted EBITDA	55.6	40.1	39%	37%
Adjusted EBITDA margin	43%	40%		

The Marketing segment performed very strongly in 2023. Organic revenue growth of 22% in the year was especially notable given that Lions had already returned to pre-COVID levels of revenue in 2022. We were also pleased to see Adjusted EBITDA growth of 37% with margins growing to 43% despite the increasing proportion of lower margin sponsorship revenue.

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, growing very strongly compared to 2022. The event enjoyed record levels of customer engagement, through physical sponsorship activations, up 68%, as demand for onsite activations, particularly with major media and technology partners, grew strongly even compared to 2022's record levels. Overall, we welcomed 110 sponsorship customers with an average order value of £260,000.

The other major event revenue stream, revenue from delegate participation, was up 17%. Attendee volumes at Cannes Lions saw good growth, with more than 12,000 attendees representing growth of 9% on the 2022 event. Asia Pacific attendees grew by over 30%, with delegates now able to travel outside their countries due to the lifting of pandemic restrictions.

In terms of the Lions benchmark awards, entry volumes were just under 27,000, up 6% on the 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 Business Transformation. This year also saw the launch of the Entertainment Lion for Gaming, where strong participation highlighted the increased collaboration between brands and this significant industry. Lions' regional awards (Dubai Lynx, Spikes and Eurobest) also saw overall growth in revenue, demonstrating the importance of the Middle East and Asian markets within the industry.

Overall, subscriptions and advisory services accounted for around 30% of Marketing's revenue base in 2023. Subscriptions grew by 5%, as WARC, the largest subscription product, saw good growth, 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. Lions subscription products also continued to grow well, with annual renewal rates for the latter remaining strong, at over 90%.

The Retail Price & Promotion business, Acuity Pricing, was transferred to Marketing from the Financial Technology segment in 2023. The subscription-based business saw a slight decline in revenue, although billings grew modestly, supported by product enhancements and renewed marketing efforts including a rebranding to "Acuity”.

Advisory services, which include insights using Lions' awards intelligence and respected creative excellence training programmes, grew by 36% vs 2022, with projects for major brands such as Colgate, Pepsi, Heineken and Instacart.

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. Contagious saw good revenue growth of 6% in 2023.

Financial Technology

The payments ecosystem has grown increasingly complex due to technology and regulation, challenging organisations that move money globally at scale. Money20/20 helps customers navigate this by offering access to a diverse ecosystem where businesses can buy and sell products, form partnerships, and showcase their brands on a unified platform. In 2023, as noted above, Acuity was transferred to the Marketing segment.

	Year ended 31 December (£'m)		Growth (%)	
	2023 (unaudited)	2022*	Reported	Organic
Revenue	75.9	92.0	(18%)	1%
Adjusted EBITDA	26.7	31.6	(15%)	(7%)
Adjusted EBITDA margin	35%	34%		

**2022 results include £7.4m of revenue and a £0.1m EBITDA loss from Retail Week World Retail Congress which was sold in December 2022 and £4.6m of revenue (£nil profit) from Acuity, which was transferred to the Marketing segment in 2023.*

Organic revenue growth of 1% in the year reflects the very strong performance of Money20/20 Europe, with growth of 19%, combined with an 8% decline in revenue from the larger, US event which faced significant headwinds from the reduction in global Fintech spending (down 50% in 2023 to $39.2bn). Adjusted EBITDA reduced by £4.9m, reflecting the investment in the launch of Money20/20 Asia and TwentyFold, the strengthening of Pounds Sterling versus the US Dollar relative to 2022 levels, and the decline in the US edition.

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 55% 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.

The flagship US show, following its exceptional growth in 2022 (where revenue was up over 60% vs 2019), saw the impact of disruption to the funding environment for the early-stage financial technology sector, in particular payments which impacted our customer behaviour. The 2023 edition, held in Las Vegas in October, saw revenue decline by 8%, driven by lower delegate volumes, with attendees of over 11,500 and more than 3,200 companies participating. As with the European edition, an increase in the Net Promoter Score for the US edition illustrates continued strong customer engagement, combined with sponsorship average order value that grew by 20%, while revenue for the US event, despite being lower than in 2022, nevertheless stood 50% higher than the 2019 pre-Covid benchmark.

Preparations for the launch of the Asian show, in Bangkok in April 2024, continue to progress well, with good engagement from key regional players and a compelling program of content. Over 200 speakers, representing banks, payment companies and other industry leaders from across the region, will explore how integration, regulation and technology are transforming the Asian Fintech landscape.

In October 2023, we announced the launch, in early 2024, of TwentyFold, a new digital intelligence subscription product. This product helps Fintech professionals find the ideal investment and partnership opportunities, through its extensive set of market connections and data. The product is available via annual subscription, designed to help members optimise their deal and partnership sourcing, reducing the overall cycle time and cost. This is a long-term investment for the brand, and is not expected to deliver significant revenues in 2024.

Following a period of robust growth, the Fintech industry, in common with all tech sectors, currently operates within a challenging landscape shaped by higher interest rates and inflation, and their impact on investment decisions. Recently, this has seen some significant reductions in funding and valuations of companies in certain sub-segments of the customer base from their 2021 highs. Nevertheless, the ongoing technological revolution continues to create additional avenues for value creation in the sector, which, combined with some early indications of renewed investor confidence, suggest that the Fintech industry's growth is set to continue to outstrip that of its traditional banking counterpart in the medium-term.

Corporate Costs

Corporate costs grew by 23%, to £25.9m reflecting the higher level of resources required to implement the strategic review and its conclusions, including the separation and ultimate sales of the Digital Commerce and WGSN businesses. We have carefully evaluated the appropriate size of the Corporate function to efficiently support the continuing business, and in 2023 initiated a restructuring of both the staff and supplier cost base. As a result Corporate costs are expected to reduce by a half to approximately £13m from 2024 onwards.

In addition, we will maintain a Transition, TSA and Separation team for the first half of 2024 to ensure that our obligations under the disposal agreements are serviced and that all residual issues relating to the discontinued operations are completed. The costs of this team, of approximately £7m, will be recorded as a Non-trading item.

FINANCIAL REVIEW

Overview

Following the agreement to sell the Digital Commerce and WGSN businesses during 2023 and the expected sale of Hudson in the first half of 2024, our financial results for 2023 and 2022 have been restated to classify these three businesses as discontinued operations. The commentary within this report is therefore mainly focused upon our continuing operations.

Our consolidated statement of profit or loss from continuing operations shows revenue of £206.4m (2022: £191.2m) and an operating profit of £30.7m (2022: £27.2m profit). Adjusted EBITDA from continuing operations was £56.4m (2022: £49.9m) with the growth primarily driven by the very strong performance of the Marketing segment in which the Cannes Lions festival in particular grew revenue by 30% versus 2022 as a result of across-the-board increases in delegates, sponsorship and awards.

Adjusting items in 2023 included the amortisation of acquired intangibles, share-based payments and other Non-trading items as set out in more detail below. The sale of the Digital Commerce and WGSN businesses completed shortly after the year end for total net cash proceeds of £1.2bn, delivering an anticipated profit on disposal in the 2024 financial year of approximately £500m subject to finalisation of customary completion mechanics with the buyers.

We delivered strong operating cash flow performance for the year in the continuing business with Adjusted cash generated from operations of £62.9m (2022: £56.9m), an operating cash flow conversion of 112% (2022: 114%) and a free cash flow conversion of 96% (2022: 107%).

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 and disposals and that element of growth which is driven by changes in foreign exchange rates.

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 below.

Continuing operations

The results for the year ended 31 December 2023 are summarised in the table below.

£'m	2023 (unaudited)	2022[1]	Growth rate Reported	Growth rate Organic
Revenue	206.4	191.2	8%	13%
Adjusted EBITDA	56.4	49.9	13%	17%
Operating profit	30.7	27.2	13%	21%
Adjusted operating profit	51.5	45.3	14%	18%

[1] Restated for discontinued operations.

Segmental results

Following the announcement of the sales of the Digital Commerce and WGSN businesses, and the determination that these, along with Hudson, were discontinued and held for sale, the Group has two continuing reportable segments. These are Marketing and Financial Technology. Information regarding the results, growth rates and margins of each is included below.

£'m	Marketing	Financial Technology	*Subtotal*	Corporate costs	Continuing operations
2023 (unaudited)					
Revenue	130.5	75.9	206.4	–	206.4
Organic growth	*22%*	*1%*	13%	-	*13%*
Adjusted EBITDA	55.6	26.7	82.3	(25.9)	56.4
Organic growth	*37%*	*(7%)*	19%	*(23%)*	*17%*
Adjusted EBITDA margin	*43%*	*35%*	40%	-	*27%*
Depreciation and software amortisation	(2.8)	(0.1)	(2.9)	(2.0)	(4.9)
Adjusted operating profit	52.8	26.6	79.4	(27.9)	51.5
2022 [1]					
Revenue	99.2	92.0	191.2	–	191.2
Adjusted EBITDA	40.1	31.6	71.7	(21.8)	49.9
Depreciation and software amortisation	(2.6)	(0.9)	(3.5)	(1.1)	(4.6)
Adjusted operating profit	37.5	30.7	68.2	(22.9)	45.3

[1] Restated for discontinued operations.

Ascential

Revenue

The Company benefits from diverse revenue streams across its two segments ranging from digital subscriptions to live events to advisory. Most of these revenue streams have recurring or repeat characteristics benefiting from our focus on customer retention. 34% of revenue (2022: 34%) was derived from non-events sources, namely our Benchmarking Awards, Subscriptions and Advisory service lines.

£'m	2023 (unaudited)	2022
Events	136.0	125.7
Delegates	*56.7*	*58.3*
Sponsorship	*79.3*	*67.4*
Non-events	70.4	65.5
Benchmarking Awards	*30.9*	*27.8*
Subscriptions	*30.2*	*30.2*
Advisory	*9.3*	*7.5*
Revenue from continuing operations	206.4	191.2

Revenue from continuing operations grew to £206.4m (2022: £191.2m), a reported increase of £15.2m or 8%, driven by the performance of the Marketing segment. Adjusting for currency impacts, the acquisition of Contagious in 2023 and the disposal of RWRC at the end of 2022, revenue increased by 13% on an Organic basis.

Adjusted EBITDA

Adjusted EBITDA from continuing operations grew to £56.4m (2022: £49.9m), an increase of £6.5m or 13%. This represented growth of 17% on an Organic basis. Adjusted EBITDA margin increased from the prior year to 27.3% (2022: 26.1%). This reflected a combination of very strong revenue growth offset by investment ahead of the launch of Money20/20 Asia in Bangkok, in April 2024, and TwentyFold, together with an increase in Corporate costs reflecting resource levels required to complete the conclusions of the strategic review, separation and ultimate sales of the Digital Commerce and WGSN businesses. In 2023, we initiated the resizing of our corporate costs to match the continuing business through staff and supplier cost base restructuring and expect that corporate costs will reduce by a half to approximately £13m going forward.

Reconciliation between Adjusted EBITDA and statutory operating profit

Adjusted EBITDA from continuing operations is reconciled to statutory operating profit as shown in the table below.

£'m	2023 (unaudited)	2022[1]
Adjusted EBITDA	56.4	49.9
Depreciation	(4.9)	(4.6)
Adjusted operating profit	51.5	45.3
Non-trading items	(4.4)	(3.6)
Amortisation of acquired intangibles	(9.0)	(8.9)
Share-based payments	(7.4)	(5.6)
Statutory operating profit	30.7	27.2

[1] Restated for discontinued operations.

Non-trading items

In light of the level of corporate activity, significant Non-trading items were incurred in 2023 - especially in relation to the discontinued operations. These have been treated on a basis consistent with our policy and with previous years, as set out in the table below and further explained in Note 5.

£'m	2023 (unaudited)	2022[1]
Strategic review costs	(1.5)	-
Transaction and integration costs	(0.7)	(0.7)
Profit/(loss) on disposal of RWRC	(0.3)	1.0
Property impairments and provisions	(1.9)	(3.9)
Non-trading items relating to continuing operations	(4.4)	(3.6)
Strategic review costs	(83.5)	(15.0)
Transaction and integration costs	(17.3)	(15.5)
Acquisition-related employment costs and deferred consideration	1.8	(31.4)
ERP and Salesforce implementation	(7.1)	(21.6)
Profit on disposal of businesses	0.2	4.1
Non-trading items relating to discontinued operations	(105.9)	(79.4)
Non-trading items relating to total operations	(110.3)	(83.0)

[1] Restated for discontinued operations.

Continuing Operations

Strategic review costs relate to costs incurred to set up the continuing Events-led business as a standalone business, as a result of the separation, such as investor relations and rebranding costs. Transaction and integration costs comprise legal and professional fees for the acquisition and integration of Contagious. Property impairments and provisions relate to a reassessment of the Group's property requirements as part of the strategic review and the impact of onerous lease obligations that remain with the continuing business following the disposals.

Discontinued Operations

Strategic review costs of £83.5m (2022: £15.0m) relate to the sales of the Digital Commerce and WGSN businesses as part of our optimisation of shareholder value, as well as the necessary restructuring and reduction of Ascential's central corporate function as a result of the disposal of such a large proportion of the Group. These costs related to resources and professional fees for project management, tax and legal structuring, activities relating to the aborted US listing, legal and professional advisor support as well as severance and retention incentives for key personnel impacted by the separation of the Group. Fees also include success fees paid to the banks managing the disposal processes. The vast majority of these costs have been recognised in 2023 either as services have been provided or, for contingent success fees, on shareholder approval of the disposals which occurred in December 2023. The significant scale of Non-trading items across both 2022 and 2023 should be viewed in the context of the expected distribution to shareholders of £850m and the 2024 preliminary pre-tax profit on disposal of approximately £500m (subject to finalisation of completion accounts).

Transaction and integration costs of £17.3m (2022: £15.5m) comprise professional fees for diligence and legal costs for acquisitions and investments as well as the costs of integrating acquisitions, such as the acquisitions of Sellics and Intrepid by the Digital Commerce business in 2022 and their subsequent integration. It also includes the execution of a significant staff reduction in the second half of 2023 following the product integration and launch of the Digital Commerce combined product Flywheel Commerce Cloud.

Amortisation of acquired intangibles

The amortisation of acquired intangibles of £9.0m (2022: £8.9m) primarily relates to brand and trade names of Lions, WARC and Money20/20. We expect a step down in amortisation over the next two years as certain assets are fully written down.

Share-based payments

The charge for share-based payments in continuing operations of £7.4m (2022: £5.6m) was higher in 2023 than in 2022 due to the acceleration of vesting for good leavers from the continuing business in the period. The charge for discontinued operations likewise increased from £10.3m to £16.4m.

Net finance costs

The total net finance costs for the year ended December 2023 were £132.7m (2022: £18.7m) as set out in the table below:

£'m	2023 (unaudited)	2022
Interest income on deposits and investments	5.6	0.5
Interest payable on external borrowings	(21.3)	(7.4)
Fair value (loss) / gain on derivative financial instruments	(4.3)	4.3
Amortisation of arrangement fees	(0.8)	(0.8)
Discount unwind on lease liabilities and provisions	(0.2)	-
Foreign exchange gain	-	1.0
Adjusted net finance costs relating to continuing operations	(21.0)	(2.4)
Remeasurement of trade investments to fair value	0.9	-
Net finance costs relating to continuing operations	(20.1)	(2.4)
Net finance costs relating to discontinued operations	(112.6)	(16.3)
Net finance costs relating to total operations	(132.7)	(18.7)

The Group's net finance costs from continuing operations have increased from £2.4m in 2022 to £20.1m in 2023 due mainly to the significantly higher interest expense payable on external borrowings since the second half of 2022. This reflects the higher underlying interest rates for both our USD and Euro borrowings, combined with a higher average level of net debt in 2023 compared to the prior year, particularly in the second half as we funded Digital Commerce to accelerate the payment of deferred consideration and the repayment of its factoring facility ahead of its sale.

Ascential

Net finance costs relating to discontinued operations include fair value adjustments in respect of Hudson of £116.7m arising following the decision in October 2023 to sell the business in order to complete the final elements of our strategic review. The agreements we entered into with Hudson's major shareholder relating to this resulted in a transition from Hudson being an equity-accounted associate to a fully consolidated subsidiary as described further below.

Profit before tax

Adjusted profit before tax on continuing operations of £30.5m reduced compared to 2022's £42.9m. This reflects the growth in net finance costs, which more than offset the higher level of Adjusted EBITDA and operating profit. Total profit before tax for the year of £10.6m, compared to the profit in the prior year of £24.8m.

Taxation

A tax charge on continuing operations of £4.8m (2022: £8.0m) was incurred on the reported profit before tax of £10.6m (2022: £24.8m) due to lower levels of tax deductibility of Adjusting items, such as disposal costs and share-based payment costs in respect of non UK staff. A tax charge of £8.1m (2022: £10.9m) was incurred on Adjusted profit before tax of £30.5m (2022: £42.9m) resulting in an Adjusted effective tax rate for the period of 27% (2022: 25%) broadly in line with the underlying UK and US corporate tax rates.

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

Analysis of tax charge (£'m)	2023 (unaudited)	2022
Adjusted profit before tax	30.5	42.9
Tax charge on Adjusted profit before tax	(8.1)	(10.9)
Effective tax rate (%)	27%	25%
Adjusting items	(19.9)	(18.1)
Tax credit on Adjusting items	3.3	2.9
Effective tax rate on Adjusting items (%)	17%	16%
Reported profit before tax	10.6	24.8
Tax charge on reported profit before tax	(4.8)	(8.0)
Effective tax rate on reported profit before tax (%)	46%	32%

The Group has a recognised net deferred tax asset of £84.6m (2022: £51.7m) comprising a £7.6m (2022: £8.6m) deferred tax liability on non-deductible intangibles and an asset of £92.2m (2022: £60.3m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles.

The vast majority of this net deferred tax asset, amounting to approximately £91m, was utilised shortly after the year end in January 2024 against gains arising on the disposal of Digital Commerce and restructuring of the US corporate structure. This 2024 restructuring also resulted in the recognition of a new deferred tax asset relating to Money20/20 USA and WARC USA of approximately £45m that will be realised in cash over the next 15 years.

Ascential

Discontinued operations

The results of the discontinued Digital Commerce, WGSN and Hudson businesses are included as a single line item within Profit After Tax but are set out in detail in Note 7. They can be summarised as follows:

Total Discontinued Operations

£'m	2023 (unaudited)			2022		
	Adjusted results	Adjusting items	Total	Adjusted results	Adjusting items	Total
Revenue	379.9	–	379.9	333.2	–	333.2
Adjusted EBITDA	65.6	–	65.6	71.2	–	71.2
Depreciation, amortisation and impairment	(17.3)	(30.3)	(47.6)	(21.1)	(82.7)	(103.8)
Non-trading items	–	(105.9)	(105.9)	–	(79.4)	(79.4)
Share-based payments	–	(16.4)	(16.4)	–	(10.3)	(10.3)
Operating profit / (loss)	48.3	(152.6)	(104.3)	50.1	(172.4)	(122.3)
Share of the loss of associates	(12.4)	(0.9)	(13.3)	(2.6)	(0.6)	(3.2)
Net finance income / (costs)	3.3	(115.9)	(112.6)	(11.0)	(5.3)	(16.3)
Profit / (loss) before tax	39.2	(269.4)	(230.2)	36.5	(178.3)	(141.8)
Taxation (charge)/credit	(14.5)	49.2	34.7	(10.1)	29.4	19.3
Profit / (loss) after tax	24.7	(220.2)	(195.5)	26.4	(148.9)	(122.5)

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 events revenues in Euro and US Dollars. As can be seen from the table below, Pounds Sterling was particularly weak against the US Dollar in 2022, which has negatively impacted the reported growth rates in our financial performance in 2023.

	Weighted average rate			Year-end rate		
Currency	2023 (unaudited)	2022	Change	2023 (unaudited)	2022	Change
Euro	1.17	1.17	0.5%	1.15	1.13	(2.0%)
US Dollar	1.22	1.10	(10.8%)	1.27	1.21	(5.2%)

When comparing 2023 and 2022, changes in currency exchange rates had an adverse impact on revenue and EBITDA from continuing operations of £3.6m and £2.2m respectively. On a segmental basis, the impact of changes in foreign currency exchange rates was as follows:

- Marketing: a £0.9m impact on revenue and a £0.2m impact on Adjusted EBITDA;
- Financial Technology: a (£4.5m) impact on revenue and (£3.1m) on Adjusted EBITDA; and
- Corporate costs: a £0.7m impact on Adjusted EBITDA.

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

	2023 (unaudited)		2022	
£'m	Revenue	Adjusted EBITDA	Revenue	Adjusted EBITDA
Euro	1.3	0.9	1.0	0.8
US Dollar	0.7	0.4	0.7	0.4

Earnings per share

Adjusted diluted earnings per share for continuing operations were 5.0p per share (2022: 7.2p). Total diluted loss per share for continuing operations was 1.3p (2022: profit of 3.8p) with 2023 impacted by higher levels of Adjusting items to effect the strategic review and consequent disposals of Digital Commerce and WGSN.

Acquisition of Contagious

In August 2023, the Group acquired 100% of Steel River Media Limited ("Contagious") for a cash consideration on a cash and debt free basis of £8.0m. Contagious is a multi-format creative insights and trend analysis business, serving agency and brand customers. The business delivers a mix of subscription, advisory and events revenue streams and has been integrated into the Marketing segment with synergies expected from both Lions and WARC.

Disposal of Digital Commerce and WGSN businesses

On 2 January 2024, the Group completed the sale of its Digital Commerce business to Omnicom Group Inc. and on 1 February 2024, the Group completed the sale of the Product Design business, WGSN, to Wind UK Bidco 3 Limited (a newly formed company established by funds advised by Apax Partners). Proceeds for both transactions totalled £1.2 billion and the pre-tax profit on disposal from the two transactions arising in early 2024 is expected to be approximately £500m (subject to customary closing adjustments) with a tax charge of approximately £50m (£9m current cash tax and the balance from using deferred tax assets such as brought forward losses) arising on the disposals and associated corporate restructuring. The tax charge has been reduced by the utilisation of £23m of capital losses resulting from the revaluation and transfer of Hudson MX and the recognition of £45m of deferred tax assets on the transfer of Money20/20 LLC and WARC LLC as part of the corporate restructuring.

Investments

The Group has a material investment in Hudson MX ("Hudson"), an advertising software business providing media buying and media accounting solutions through a cloud-based software as a service ("SaaS") platform and which was held for sale as of December 2023.

There were two material corporate transactions that affected the accounting for Hudson during 2023. Hudson completed a new financing and capital restructuring resulting in MT II Holdings LLP ("MTII") becoming Hudson's majority shareholder in February 2023. Ascential and MTII modified the February 2023 financing and capital agreements in October 2023 as part of the decision to initiate the ongoing process to sell Hudson.

As part of the February 2023 financing and capital restructuring, new investor MTII provided £24.9m of fresh investment to the Hudson business and purchased part of Ascential's holding of preference shares for £24.9m while Ascential agreed to provide a further £17.9m of funding to Hudson. As a result, MTII held 51% of Hudson's common stock, Ascential held 36.5% and Hudson's management team and pre-existing shareholders held 12.5%. Ascential also agreed arrangements to provide a potential path to a majority stake in the future, including granting a put option to MTII, exercisable from 1 April 2024 to 31 December 2025, which if exercised would result in Ascential holding a 79% common equity interest in Hudson with Ascential then having the right to call the remaining shares owned by MTII in the two years following any exercise of their put option. Additionally, both Ascential and Hudson's management team, along with other existing investors, agreed on options exercisable between February 2026 and December 2028, with a total consideration ceiling of $40m that would, if executed, increase the Group's equity stake in Hudson to 49%.

In October 2023, following the Board's decision that Hudson was not core to the ongoing business of Ascential following the sale of Digital Commerce, Ascential agreed with MTII to proceed with the sale of Hudson and entered into new arrangements with MTII in order to ensure that MTII will receive at least the same consideration for its stake in Hudson when the business is sold as it would have done if: (i) the existing put option and the call option with MTII had been exercised in April 2024; and (ii) Hudson's debt obligations to MTII on such exercise had been honoured.

The value of the consideration due to MTII if the existing put option and the call option are exercised is approximately $85.1m (£66.9m), being the combined purchase price for the equity and debt instruments held by MTII. Ascential will fund any shortfall between this amount and proceeds received by MTII on the sale of Hudson. In the event that the sale process for Hudson does not complete by 15 April 2024, MTII's and Ascential's existing put and call options will be automatically exercised and the full amount would be payable to MTII by Ascential.

From October 2023, when Ascential entered into these new arrangements with MTII, Ascential's ability to take control (due to Ascential being able to exercise its call option from that point) meant that the investment ceased to be considered an equity-accounted associate and was consolidated on a line-by-line basis with our investments eliminated and replaced (subject to fair value adjustments and additional consideration) with acquired intangibles and the assets of the business. The announced intention of Ascential to sell the business and likelihood of success means that the Hudson business is presented as held for sale and as a discontinued operation.

In the 10 months to October 2023, within discontinued operations we recorded our share of the losses of Hudson totalling £13.2m (2022: £2.8m loss) and recognised interest receivable of £10.2m (2022: £3.1m) relating to the preference shares held. On the transition between classification as associate and full consolidation, Finance costs of £116.7m were expensed, representing a reduction in the value of our existing investment including the valuation of the call and put options and the amount payable for the assets acquired relative to the deemed value of the business acquired. The valuation used was completed by an independent expert from a general market participant standpoint at the time and reflects the early-stage profile of the business, with limited proof points from a peer group perspective or of the expected future high growth of such a disruptive business. Due to the sensitivity of valuation inputs, the sale process may conclude with a materially different business valuation. For the two months of consolidation in the year, we included revenue of £1.5m as well as Adjusted EBITDA and Adjusted operating losses of £1.6m within discontinued operations.

Cash flow

Continuing operations

The Company generated Adjusted operating cash flow from continuing operations of £62.9m (2022: £56.9m), being a 112% (2022: 114%) operating cash flow conversion in the year. The Group's Adjusted EBITDA increased by £6.5m to £56.4m but this was partially offset by a £4.2m increase in tax payments. As a result, the Company generated free cash flow of £54.2m (2022: £53.2m) as shown in the table below:

£'m	2023 (unaudited)	2022
Adjusted EBITDA	56.4	49.9
Working capital movements	6.5	7.0
Adjusted operating cash flow from continuing operations	62.9	56.9
Operating cash flow conversion (%)	112%	114%
Capital expenditure	(5.3)	(4.5)
Tax (paid)/refunded	(3.4)	0.8
Free cash flow from continuing operations	54.2	53.2
Free cash flow conversion (%)	96%	107%

Discontinued operations

The Company generated free cash flow from discontinued operations of £5.3m (2022: £35.9m) with the outflow from working capital movements primarily driven by the £26.6m repayment of the Digital Commerce working capital factoring facility in preparation for the disposal.

£'m	2023 (unaudited)	2022
Adjusted EBITDA	65.6	71.2
Working capital movements	(23.5)	(2.9)
Adjusted operating cash flow from discontinued operations	42.1	68.3
Operating cash flow conversion (%)	64%	96%
Capital expenditure	(35.9)	(31.4)
Tax paid	(0.9)	(1.0)
Free cash flow from discontinued operations	5.3	35.9
Free cash flow conversion (%)	8%	50%

Ascential

Total operations

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

£'m	2023 (unaudited)	2022
Free cash flow from continuing operations	54.2	53.2
Free cash flow from discontinued operations	5.3	35.9
Free cash flow from total operations	59.5	89.1
Acquisition of businesses net of cash acquired	(6.8)	(60.8)
Deferred contingent consideration including contingent employment cost	(69.6)	(57.4)
Acquisition of investments and loan to associate	(23.1)	(34.6)
Proceeds from sale of equity-accounted investments	24.9	5.9
Non-trading costs paid	(66.4)	(52.3)
Cash flow before financing activities	(81.5)	(110.1)
Proceeds from external borrowings	170.1	176.8
Repayment of external borrowings	(47.5)	(53.8)
Net interest paid	(15.7)	(9.0)
Net lease liabilities paid	(8.1)	(7.3)
Share purchases	(5.7)	(3.7)
Proceeds of issue or sale of shares net of expenses	0.5	0.3
Dividends paid to non-controlling interest	(2.2)	(2.8)
Net cash flow	9.9	(9.6)
Opening cash balance	80.0	84.1
FX movements	(3.4)	5.5
Closing cash balance	86.5	80.0
Borrowings	(412.4)	(302.8)
Capitalised arrangement fees	0.8	1.6
Derivative financial instruments	7.0	4.5
Net debt	(318.1)	(216.7)

Returns to shareholders

Following completion of the disposals of Digital Commerce and WGSN and extensive consultation with shareholders, we have announced our intention to return £850m to shareholders by way of:

- a tender offer to acquire up to £300m of Ascential shares;
- a special dividend of at least £450m accompanied by a share consolidation; and
- on-market share buyback programmes to acquire £100m of Ascential shares.

Going forward, the Company intends to return to the policy of paying an annual dividend.

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 operations, are on-lent at market-based interest rates and on commercial terms and conditions or contributed as equity to subsidiaries.

In December 2023, the Group signed a new 4-year multi-currency revolving credit facility ("RCF") of £225m with an accordion of up to a further £75m or 100% of EBITDA. These facilities became effective on completion following the sale of Digital Commerce in January 2024. The proceeds received as a result of this sale were used in part to repay the net debt of the Group of £318.1m at 31 December 2023. The balance of the Digital Commerce sale proceeds, the proceeds from the sale of WGSN and the new RCF will fund the proposed £850m return to shareholders with the balance expected to provide ample future liquidity.

The more sensitive aspects of the Company's financing are the application of certain covenant limit tests to these facilities and the most sensitive covenant limit is Net Debt Leverage (broadly, the ratio of Net Debt to Adjusted pre-IFRS 16 EBITDA). The new facility covenants are tested semi-annually and include (i) a maximum Net Debt leverage of 3.00x and, (ii) a minimum interest cover of 3.00x. At 31 December 2023, our leverage ratio was 2.7x compared to the old facility limit of 3.25x prior to the repayment of the facility from the proceeds of the disposal of Digital Commerce in January 2024. Ascential aims to operate with net leverage of between 1-2x Adjusted EBITDA, although may operate above these levels temporarily following acquisitions.

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.

Mandy Gradden
Chief Financial Officer
21 March 2024

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. 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. 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.

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	2023 (unaudited)	2022
Cash (outflow) / generated from total operations	(3.9)	53.4
Less: cash outflow from discontinued operations	(42.1)	(68.3)
Add back: acquisition-related contingent consideration cash flow	42.5	19.5
Add back: other non-trading cash flow	66.4	52.3
Adjusted cash generated from continuing operations	62.9	56.9
Adjusted EBITDA from continuing operations	56.4	49.9
Operating cash flow conversion from continuing operations	112%	114%
Net cash (outflow) / generated from operating activities	(8.2)	53.2
Less: cash outflow from discontinued operations	(42.1)	(68.3)
Less: capital expenditure from continuing operations	(5.3)	(4.5)
Add back: tax paid by discontinued operations	0.9	1.0
Add back: acquisition-related contingent consideration cash flow	42.5	19.5
Add back: other non-trading cash flow	66.4	52.3
Free cash flow from continuing operations	54.2	53.2
Adjusted EBITDA from continuing operations	56.4	49.9
Free cash flow conversion from continuing operations	96%	107%

Leverage

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

£'m	2023
Adjusted EBITDA – Total Operations	122.0
Less: Rent expense	(6.1)
Adjusted EBITDA (pre-IFRS 16)	115.9
Net debt	318.1
Leverage ratio	2.7x

Proforma net debt

Proforma net debt is calculated as follows:

£'m	Proforma for strategic actions and return of value
Net debt at December 2023 - as reported	(318)
Net adjustment for:	1,062
Proceeds from sales of Digital Commerce and WGSN	
Costs of the sales and other strategic review costs	
Cash set aside to acquire remaining stake in Hudson	
Cash tax	
Return of value	(850)
Net debt - proforma basis	(106)

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 of specific product lines are excluded if are being 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:

2023 (unaudited) £'m	Marketing	Financial Technology	Corporate Costs	Total – continuing operations
Revenue				
2023 - reported	130.5	75.9	–	206.4
Acquisition of Contagious	(2.5)	–	–	*(2.5)*
2023 – Organic basis	128.0	75.9	–	203.9
Organic revenue growth	*22%*	*1%*	–	*13%*
2022 – restated*	99.2	92.0	–	191.2
Disposal of RWRC	–	(7.4)	–	(7.4)
Transfer of Acuity	4.6	(4.6)	–	–
Currency adjustment	0.9	(4.5)	–	(3.6)
2022 – Organic basis	104.7	75.5	–	180.2
Adjusted EBITDA				
2023 – restated*	55.6	26.7	(25.9)	56.4
Acquisition of Contagious	(0.5)	–	–	(0.5)
2023 – Organic basis	55.1	26.7	(25.9)	55.9
Organic EBITDA growth	*37%*	*(7%)*	*(23%)*	*17%*
2022 – restated*	40.1	31.6	(21.8)	49.9
Disposal of RWRC	–	0.1	–	0.1
Transfer of Acuity	–	–	–	–
Currency adjustment	0.2	(3.1)	0.7	(2.2)
2022 – Organic basis	40.3	28.6	(21.1)	47.8

* Restated for discontinued operations (refer to Note 7).

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
Non-trading items	Items within Operating profit / (loss) separately identified in accordance with Group accounting policies
Adjusting items	Non-trading items, Amortisation and impairment of intangible assets acquired through business combinations, Share-based payments, Gains and losses on acquisitions and disposals, 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 diluted EPS	Diluted 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 flow 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
Proforma net debt	Net debt adjusted for (a) the proceeds, net of cash disposed, from the 2024 disposals of Digital Commerce and WGSN (b) the cash costs of the disposals and associated strategic review actions (c) the cash payable to acquire Hudson (d) the forthcoming £850m return of value to shareholders and (e) cash taxes

Consolidated Statement of Profit or Loss

For the year ended 31 December 2023 (unaudited)

		2023 (unaudited)			2022 (restated)*		
(£ million)	Note	**Adjusted results**	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Continuing operations							
Revenue	4	**206.4**	**-**	**206.4**	191.2	-	191.2
Cost of sales		**(74.2)**	**-**	**(74.2)**	(65.3)	-	(65.3)
Sales, marketing and administrative expenses		**(80.7)**	**(20.8)**	**(101.5)**	(80.6)	(18.1)	(98.7)
Operating profit/(loss)		**51.5**	**(20.8)**	**30.7**	45.3	(18.1)	27.2
Adjusted EBITDA	4	**56.4**	**-**	**56.4**	49.9	-	49.9
Depreciation, amortisation and impairment	4	**(4.9)**	**(9.0)**	**(13.9)**	(4.6)	(8.9)	(13.5)
Non-trading items	5	**-**	**(4.4)**	**(4.4)**	-	(3.6)	(3.6)
Share-based payments	5	**-**	**(7.4)**	**(7.4)**	-	(5.6)	(5.6)
Operating profit/(loss)		**51.5**	**(20.8)**	**30.7**	45.3	(18.1)	27.2
Finance costs	6	**(26.6)**	**-**	**(26.6)**	(8.2)	-	(8.2)
Finance income	6	**5.6**	**0.9**	**6.5**	5.8	-	5.8
Profit/(loss) before taxation		**30.5**	**(19.9)**	**10.6**	42.9	(18.1)	24.8
Taxation (charge)/credit		**(8.1)**	**3.3**	**(4.8)**	(10.9)	2.9	(8.0)
Profit/(loss) from continuing operations		**22.4**	**(16.6)**	**5.8**	32.0	(15.2)	16.8
Discontinued operations							
Profit/(loss) from discontinued operations, net of tax	7	**24.7**	**(220.2)**	**(195.5)**	26.4	(148.9)	(122.5)
Profit/(loss) for the year		**47.1**	**(236.8)**	**(189.7)**	58.4	(164.1)	(105.7)
Profit/(loss) attributable to:							
Owners of the Company		**44.6**	**(235.9)**	**(191.3)**	56.6	(153.0)	(96.4)
Non-controlling interests (NCI)		**2.5**	**(0.9)**	**1.6**	1.8	(11.1)	(9.3)
Earnings/(loss) per share (Basic and Diluted, pence)							
Continuing operations							
- Basic EPS		**5.1**	**(3.8)**	**1.3**	7.3	(3.5)	3.8
- Diluted EPS		**5.0**	**(3.7)**	**1.3**	7.2	(3.4)	3.8
Continuing and discontinued operations							
- Basic EPS		**10.2**	**(53.8)**	**(43.6)**	12.9	(34.8)	(21.9)
- Diluted EPS		**10.0**	**(52.9)**	**(42.9)**	12.7	(34.3)	(21.6)

*Restated for discontinued operations, refer to Note 7 for further detail.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2023 (unaudited)

	2023 (unaudited)			2022 (restated)*		
(£ million)	**Adjusted results**	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Profit/(loss) for the year from:						
Continuing operations	**22.4**	**(16.6)**	**5.8**	32.0	(15.2)	16.8
Discontinued operations	**24.7**	**(220.2)**	**(195.5)**	26.4	(148.9)	(122.5)
Profit/(loss) for the year	**47.1**	**(236.8)**	**(189.7)**	58.4	(164.1)	(105.7)
Other Comprehensive income						
Items that have been or may be reclassified subsequently to profit or loss (net of tax):						
Exchange translation differences recognised in equity on translation of foreign operations	**(28.8)**	**-**	**(28.8)**	40.2	-	40.2
Gain on net investment hedge	**-**	**4.6**	**4.6**	-	-	-
Other comprehensive income, net of tax	**(28.8)**	**4.6**	**(24.2)**	40.2	-	40.2
Total comprehensive income/(expense) for the year, net of tax	**18.3**	**(232.2)**	**(213.9)**	98.6	(164.1)	(65.5)
Total comprehensive income/(expense) attributable to:						
Owners of the Company	**15.8**	**(231.3)**	**(215.5)**	96.8	(153.0)	(56.2)
Non-controlling interests	**2.5**	**(0.9)**	**1.6**	1.8	(11.1)	(9.3)

*Restated for discontinued operations, refer to Note 7 for further detail.

Consolidated Statement of Financial Position

As at 31 December 2023 (unaudited)

(£ million)	Note	2023	2022
Assets			
Non-current assets			
Goodwill		134.8	711.1
Intangible assets		69.6	242.4
Property, plant and equipment		0.6	5.7
Right-of-use assets		5.9	20.7
Investments		1.7	88.5
Other receivables		–	42.7
Deferred tax assets		92.2	60.3
		304.8	1,171.4
Current assets			
Inventories		0.3	3.3
Trade and other receivables		49.2	344.9
Derivatives		7.0	4.5
Cash and cash equivalents		39.4	80.0
Assets held for sale	7	1,205.6	–
		1,301.5	432.7
Total assets		1,606.3	1,604.1
Liabilities			
Current liabilities			
Trade and other payables		80.5	277.6
Deferred income		54.1	116.3
Deferred and contingent consideration		65.7	43.2
Lease liabilities		2.0	7.3
Current tax liabilities		5.2	8.6
Provisions		5.4	2.0
Liabilities held for sale	7	413.9	–
		626.8	455.0
Non-current liabilities			
Deferred income		–	1.0
Deferred and contingent consideration		–	64.9
Lease liabilities		8.9	19.5
External borrowings	8	411.6	301.2
Deferred tax liabilities		7.6	8.6
Provisions		1.9	2.0
		430.0	397.2
Total liabilities		1,056.8	852.2
Net assets		549.5	751.9
Equity			
Share capital		4.4	4.4
Share premium		154.1	153.6
Translation reserve		(4.5)	19.7
Other reserves		165.8	166.0
Retained earnings		209.7	386.5
Shareholders' equity		529.5	730.2
Non-controlling interests		20.0	21.7
Total equity		549.5	751.9
Total liabilities and equity		1,606.3	1,604.1

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023 (unaudited)

(£ million)	Share capital	Share Premium	Translation reserve	Other reserves	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
At 1 January 2022	4.4	153.3	(20.5)	167.0	471.7	775.9	29.7	805.6
Loss for the year	–	–	–	–	(96.4)	(96.4)	(9.3)	(105.7)
Other comprehensive income	–	–	40.2	–	–	40.2	–	40.2
Total comprehensive income	–	–	40.2	–	(96.4)	(56.2)	(9.3)	(65.5)
Issue of shares	–	0.3	–	–	–	0.3	–	0.3
Share purchases	–	–	–	(3.7)	–	(3.7)	–	(3.7)
Shares issued to employees	–	–	–	2.7	(2.7)	–	–	–
Foreign exchange movements	–	–	–	–	–	–	3.4	3.4
Share-based payments	–	–	–	–	16.7	16.7	–	16.7
Taxation on share-based payments	–	–	–	–	(2.8)	(2.8)	–	(2.8)
Dividends paid to non-controlling interest	–	–	–	–	–	–	(2.1)	(2.1)
At 31 December 2022	4.4	153.6	19.7	166.0	386.5	730.2	21.7	751.9
Loss for the year	–	–	–	–	(191.3)	(191.3)	1.6	(189.7)
Other comprehensive (expense)/income	–	–	(24.2)	–	–	(24.2)	–	(24.2)
Total comprehensive (expense)/income	–	–	(24.2)	–	(191.3)	(215.5)	1.6	(213.9)
Issue of shares	–	0.5	–	–	–	0.5	–	0.5
Share purchases	–	–	–	(6.7)	–	(6.7)	–	(6.7)
Shares issued to employees	–	–	–	6.5	(6.5)	–	–	–
Foreign exchange movements	–	–	–	–	–	–	(1.2)	(1.2)
Share-based payments	–	–	–	–	22.8	22.8	–	22.8
Taxation on share-based payments	–	–	–	–	(1.8)	(1.8)	–	(1.8)
Acquisition of non-controlling interests	–	–	–	–	–	–	0.1	0.1
Dividends paid to non-controlling interest	–	–	–	–	–	–	(2.2)	(2.2)
At 31 December 2023 (unaudited)	4.4	154.1	(4.5)	165.8	209.7	529.5	20.0	549.5

Consolidated Statement of Cash Flows

For the year ended 31 December 2023 (unaudited)

(£ million)	Note	2023 (unaudited)	2022 (restated)*
Cash flow from operating activities			
Profit before taxation from continuing operations		10.6	24.8
Loss before taxation from discontinued operations		(230.2)	(141.8)
Loss before tax		(219.6)	(117.0)
Adjustments for:			
Depreciation and amortisation		49.8	60.3
Impairment of assets		12.8	59.9
Deferred contingent consideration		(1.8)	31.5
Loss/(gain) on disposal of businesses		0.1	(6.0)
Loss on disposal of intangible assets and property, plant and equipment		0.6	-
Share-based payments		23.8	15.9
Share of the loss of equity-accounted investees, net of tax		13.3	3.2
Net finance costs		132.7	18.7
Cash generated from operations before changes in working capital, provisions and deferred and contingent consideration		11.7	66.5
Deferred and contingent consideration paid		(42.5)	(19.5)
Changes in:			
Inventories		(4.5)	(1.2)
Trade and other receivables		(67.5)	(50.7)
Trade and other payables		94.0	58.2
Provisions		4.9	0.1
Cash (used in) / generated from operations		(3.9)	53.4
Adjusted cash generated from operations		62.9	56.9
Cash inflows for discontinued operations		42.1	68.3
Cash outflows for acquisition-related contingent employment costs**		(42.5)	(19.5)
Cash outflows for other Non-trading items		(66.4)	(52.3)
Cash (used in) / generated from operations		(3.9)	53.4
Tax paid		(4.3)	(0.2)
Net cash (used in) / generated from operating activities		(8.2)	53.2
Cash flow from investing activities			
Acquisition of subsidiaries, net of cash acquired		(6.8)	(60.8)
Deferred and contingent consideration paid**		(27.1)	(37.9)
Acquisition of investments		(3.6)	(4.0)
Proceeds from sale of equity-accounted investments	9	24.9	5.3
Loan to associate		(19.5)	(30.6)
Acquisition of software intangibles and property, plant and equipment		(41.2)	(35.9)
Disposal of businesses, net of cash disposed		-	0.6
Net cash used in investing activities		(73.3)	(163.3)

Consolidated Statement of Cash Flows (continued)

For the year ended 31 December 2023 (unaudited)

(£ million)	Note	2023 (unaudited)	2022 (restated)*
Cash flow from financing activities			
Proceeds from external borrowings	8	170.1	176.8
Repayment of external borrowings	8	(47.5)	(53.8)
Proceeds from issue of shares		0.5	0.3
Share repurchase		(5.7)	(3.7)
Net interest and arrangement fees paid		(15.7)	(9.0)
Net lease liabilities paid		(8.1)	(7.3)
Dividends paid to non-controlling interests		(2.2)	(2.8)
Net cash generated from financing activities		91.4	100.5
Net increase/(decrease) in cash and cash equivalents		9.9	(9.6)
Cash and cash equivalents at 1 January		80.0	84.1
Effect of exchange rate changes		(3.4)	5.5
Cash and cash equivalents (including cash held in disposal groups) at 31 December		86.5	80.0
Cash and cash equivalents held in disposal group presented as held for sale at 31 December		47.1	-
Cash and cash equivalents at 31 December		39.4	80.0

*Restated for discontinued operations, refer to Note 7 for further detail.

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

Notes to the Condensed Consolidated Financial Statements

For the year ended 31 December 2023 (unaudited)

1. Basis of preparation

These condensed consolidated financial statements of Ascential plc (the "Company") and its subsidiaries (the "Group") have been prepared in accordance with Companies Act 2006 and UK-adopted international accounting standards ("UK-adopted IFRS").

Ascential plc is a public company, which is listed on the London Stock Exchange, registered in England and Wales, incorporated and domiciled in the United Kingdom. The registered office is located at 33 Kingsway, London, WC2B 6UF. The Company is principally engaged in the provision of industry-specific events, intelligence and advisory services. The principal activities in the year were information services for digital commerce, product design, marketing, and retail & financial services. Following the disposal of the Digital Commerce and Product Design businesses in early 2024 (see Note 7), the principal activities are events, intelligence and advisory services for the Marketing and Financial Technology industries.

The condensed consolidated financial statements are presented in Pounds Sterling ("GBP"), which is the Company's functional currency, and have been rounded to millions to the nearest one decimal place except where otherwise indicated.

The condensed consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, with the exception of items that are required by IFRS to be measured at fair value.

The financial information set out above does not constitute the company's statutory accounts for the year ended 31 December 2023 or 31 December 2022. The financial information for the year ended 31 December 2022 is derived from the statutory accounts for 2022 which have been delivered to the registrar of companies. The auditor has reported on the 2022 accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006. The statutory accounts for 2023 will be finalised on the basis of the financial information presented by the directors in this preliminary announcement and will be delivered to the registrar of companies in due course.

2. Accounting policies

The principal accounting policies in the preparation of the condensed consolidated financial statements have been applied consistently to both periods presented.

3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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 significant degree of judgement or estimation are set out below and in more detail in the related notes.

Critical accounting judgements

In the process of applying the Group's accounting policies, management has made the following accounting judgements, which have the most significant effect on the amounts recognised in the condensed consolidated financial statements:

Hudson (Note 9)

Ascential has a significant investment in Hudson MX, Inc. ("Hudson"), an advertising software business providing media buying and media accounting solutions through a cloud-based software as a service ("SaaS") platform. Critical accounting judgements in respect of Hudson include:

- Whether we exercised significant influence or control over the relevant activities of Hudson and therefore over what periods we should equity account or consolidate Hudson into Ascential's financial statements;
- The treatment of options, common stock and preference share investments, including whether the potential voting rights conferred gave us significant influence or control and if they had substance from an ability to exercise standpoint;
- Classification of liabilities and equity, whether they are extinguished on step accounting, classification and what value to take as part of consideration or net assets acquired upon step accounting between equity accounting and acquisition;
- Whether Hudson should be treated as held for sale;
- Whether Hudson should be treated as a discontinued operation.

Key sources of estimation uncertainty

Hudson (Note 9)

We have been required to make a number of significant estimates in respect to our investment in Hudson, including:

- Upon our assumption of control for accounting purposes, the values of consideration and the identification and fair values of the assets and liabilities acquired;
- The fair value less costs to sell of assets classified as held for sale.

4. Operating Segments

The Group has two continuing reportable segments that are used to present information to the Board (Chief Operating Decision Maker). End market risks and opportunities vary, and capital allocation decisions are made on the basis of those two reportable segments, namely Marketing and Financial Technology. The reportable segments offer different products and services and are managed separately as a result of different capabilities, technology, marketing strategies and end market risks and opportunities.

The following summary describes the operations in each of the Group's continuing reportable segments:

- Marketing: events, intelligence and advisory that champion creative marketing that matters through improving creative impact and marketing effectiveness.
- Financial Technology: events and intelligence that improve performance and drive innovation for the global money ecosystem.

In 2023, Acuity was transferred from the Financial Technology segment into the Marketing segment. The 2022 comparatives have not been restated and so the Financial Technology segment includes revenue of £4.6m and an Adjusted EBITDA of £nil in relation to this business. Discontinued operations consists of the Digital Commerce and Product Design segments, disposed of subsequent to the year end, and Hudson MX which is expected to be disposed of in 2024 (refer to Note 7 and Note 9 for further detail).

Information regarding the results of each reportable segment is included below and prior periods are represented to reflect discontinued operations to provide comparability. 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.

Year ended 31 December 2023 (unaudited)

(£ million)	Marketing	Financial Technology	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	130.5	75.9	-	206.4	379.9	586.3
Adjusted EBITDA	55.6	26.7	(25.9)	56.4	65.6	122.0
Depreciation and software amortisation	(2.8)	(0.1)	(2.0)	(4.9)	(17.3)	(22.2)
Adjusted operating profit/(loss)	52.8	26.6	(27.9)	51.5	48.3	99.8
Amortisation of acquired intangible assets and impairment				(9.0)	(30.3)	(39.3)
Non-trading items				(4.4)	(105.9)	(110.3)
Share-based payments				(7.4)	(16.4)	(23.8)
Operating profit/(loss)				30.7	(104.3)	(73.6)
Share of net loss in equity-accounted investee				-	(13.3)	(13.3)
Finance costs				(26.6)	(124.7)	(151.3)
Finance income				6.5	12.1	18.6
Profit/(loss) before tax				10.6	(230.2)	(219.6)

Year ended 31 December 2022 (restated)*

(£ million)	Marketing	Financial Technology	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	99.2	92.0	–	191.2	333.2	524.4
Adjusted EBITDA	40.1	31.6	(21.8)	49.9	71.2	121.1
Depreciation and software amortisation	(2.6)	(0.9)	(1.1)	(4.6)	(21.1)	(25.7)
Adjusted operating profit/(loss)	37.5	30.7	(22.9)	45.3	50.1	95.4
Amortisation of acquired intangible assets and impairment				(8.9)	(82.7)	(91.6)
Non-trading items				(4.6)	(83.5)	(88.1)
Profit on disposal of business				1.0	4.1	5.1
Share-based payments				(5.6)	(10.3)	(15.9)
Operating profit/(loss)				27.2	(122.3)	(95.1)
Share of net loss in equity-accounted investee				–	(3.2)	(3.2)
Finance costs				(8.2)	(19.4)	(27.6)
Finance income				5.8	3.1	8.9
Profit/(loss) before tax				24.8	(141.8)	(117.0)

*Restated for discontinued operations (refer to Note 7).

Non-trading items within continuing operations of £4.4m (2022: £4.6m) include costs attributable to Marketing of £0.7m (2022: £nil), Financial Technology of £0.3m (2022: £nil) and Corporate of £3.4m (2022: £4.6m).

Additional segmental information on revenue

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

(£ million)	Timing of revenue recognition	2023 (unaudited)	2022 (restated)*
Delegates	Point in time	**56.7**	58.3
Sponsorship	Point in time	**79.3**	67.4
Events		**136.0**	125.7
Benchmarking awards	Point in time	**30.9**	27.8
Subscriptions	Over time	**30.2**	30.2
Advisory	Over time	**9.3**	7.5
Non-events		**70.4**	65.5
Revenue from continuing operations		**206.4**	191.2

*Restated for discontinued operations (refer to Note 7).

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 provide a greater insight into the Group's financial performance. 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. Adjusting items aim to facilitate a comparative understanding of the Group's financial performance from period to period by removing the effect of share-based payment charges, amortisation of intangibles acquired through business combinations, impairment and Non-trading items such as costs incurred for acquisitions and disposals, integration, non-recurring business restructuring and capital restructuring. The tax effect of Adjusting items is also included within Adjusting items.

Adjusting items included in continuing operating profit/(loss) are:

(£ million)	Note	2023 (unaudited)	2022 (restated)*
Strategic review costs		(1.5)	-
Transaction and integration costs		(0.7)	(0.7)
Profit/(loss) on disposal of businesses		(0.3)	1.0
Property impairments and provisions		(1.9)	(3.9)
Non-trading items		(4.4)	(3.6)
Amortisation of acquired intangible assets		(9.0)	(8.9)
Share-based payments		(7.4)	(5.6)
Adjusting items included within operating profit/(loss)		(20.8)	(18.1)

* Restated for discontinued operations (refer to Note 7).

Strategic review costs totalling £1.5m (2022: £nil) relate to costs incurred to set up the continuing Events business, as a result of the separation, such as investor relations and rebranding costs. The related net tax impact is a credit of £0.3m.

Transaction and integration costs totalling £0.7m (2022: £0.7m) comprise professional fees for diligence as well as the costs of integrating acquisitions which in 2023 related to the acquisition of Contagious. Transaction costs are generally non-deductible for tax purposes, whilst integration costs of £0.1m give rise to a tax credit of £nil.

The loss on disposal of businesses of £0.3m (2022: profit of £1.0m) within continuing operations relates to the additional costs on disposal of Retail Week World Retail Congress ("RWRC").

Costs in relation to property impairments and provisions in 2023 of £1.9m (2022: £3.9m) 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.

The charge for share-based payments of £7.4m (2022: £5.6m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan. As explained in the Alternative Performance Measures section, the Group treats share-based payments as an Adjusting item because they are a significant non-cash charge driven by a valuation model that references Ascential's share price and so is subject to volatility rather than referencing operational activity. Share-based payment expenses give rise to a tax credit of £1.1m to income statement net of a £1.4m charge through equity.

6. Finance costs and finance income

(£ million)	Note	2023 (unaudited)	2022 (restated)*
Interest on deposits and derivatives		5.6	0.5
Fair value gain on derivative financial instruments		–	4.3
Foreign exchange gain		–	1.0
Adjusted finance income		**5.6**	**5.8**
Remeasurement of trade investments to fair value		0.9	–
Adjusting finance income		**0.9**	**–**
Total finance income		**6.5**	**5.8**
Interest payable on external borrowings		(21.3)	(7.4)
Amortisation of arrangement fees	8	(0.8)	(0.8)
Discount unwind of lease liability		(0.1)	–
Discount unwind on provisions		(0.1)	–
Fair value loss on derivative financial instruments		(4.3)	–
Adjusted finance costs		**(26.6)**	**(8.2)**
Net finance costs from continuing operations		**(20.1)**	**(2.4)**

* Restated for discontinued operations (refer to Note 7).

7. Discontinued operations

On 30 October 2023, the Group announced that it had entered into agreements to sell its Digital Commerce and WGSN businesses. Although these agreements were subject to shareholder approval, which was obtained on 18 December 2023, the Group believed that it was highly probable that the transactions would complete within 12 months of the date of the announcement and so were classified as disposal groups held for sale and discontinued operations from that date. The Digital Commerce transaction completed on 2 January 2024, the WGSN transaction completed on 1 February 2024 and the Hudson transaction is expected in the first half of 2024.

The results of Digital Commerce, WGSN and Hudson for the year are presented below. For further details of the investment in Hudson see Note 9:

a. *Digital Commerce:*

(£ million)	2023 (unaudited)			2022		
	Adjusted results	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Revenue	**263.5**	**-**	**263.5**	226.1	-	226.1
Cost of sales	**(158.4)**	**-**	**(158.4)**	(126.1)	-	(126.1)
Sales, marketing and administrative expenses	**(105.9)**	**(112.9)**	**(218.8)**	(94.6)	(166.2)	(260.8)
Impairment loss on trade receivables and contract assets	**(4.6)**	**-**	**(4.6)**	(5.3)	-	(5.3)
Operating profit/(loss)	**(5.4)**	**(112.9)**	**(118.3)**	0.1	(166.2)	(166.1)
Adjusted EBITDA	**8.9**	**-**	**8.9**	17.9	-	17.9
Depreciation, amortisation and impairment	**(14.3)**	**(30.1)**	**(44.4)**	(17.8)	(82.5)	(100.3)
Non-trading items	**-**	**(69.9)**	**(69.9)**	-	(75.5)	(75.5)
Share-based payments	**-**	**(12.9)**	**(12.9)**	-	(8.2)	(8.2)
Operating profit/(loss)	**(5.4)**	**(112.9)**	**(118.3)**	0.1	(166.2)	(166.1)
Finance costs	**(6.8)**	**-**	**(6.8)**	(13.6)	(5.3)	(18.9)
Finance income	**0.1**	**1.7**	**1.8**	-	-	-
Loss before tax from discontinued operations	**(12.1)**	**(111.2)**	**(123.3)**	(13.5)	(171.5)	(185.0)
Tax credit/(charge)	**(0.1)**	**22.1**	**22.0**	1.1	28.9	30.0
Loss from discontinued operations, net of tax	**(12.2)**	**(89.1)**	**(101.3)**	(12.4)	(142.6)	(155.0)

b. WGSN:

(£ million)	2023 (unaudited)			2022		
	Adjusted results	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Revenue	**114.9**	**–**	**114.9**	107.1	–	107.1
Cost of sales	**(20.1)**	**–**	**(20.1)**	(20.6)	–	(20.6)
Sales, marketing and administrative expenses	**(38.2)**	**(37.7)**	**(75.9)**	(35.5)	(4.4)	(39.9)
Impairment loss on trade receivables and contract assets	**(1.3)**	**–**	**(1.3)**	(1.2)	–	(1.2)
Operating profit/(loss)	**55.3**	**(37.7)**	**17.6**	49.8	(4.4)	45.4
Adjusted EBITDA	**58.3**	**–**	**58.3**	53.1	–	53.1
Depreciation, amortisation and impairment	**(3.0)**	**(0.2)**	**(3.2)**	(3.3)	(0.2)	(3.5)
Non-trading items	**–**	**(34.0)**	**(34.0)**	-	(2.1)	(2.1)
Share-based payments	**–**	**(3.5)**	**(3.5)**	–	(2.1)	(2.1)
Operating profit/(loss)	**55.3**	**(37.7)**	**17.6**	49.8	(4.4)	45.4
Share of the loss of associates	**(0.1)**	**–**	**(0.1)**	(0.4)	–	(0.4)
Finance costs	**(0.3)**	**–**	**(0.3)**	(0.5)	–	(0.5)
Finance income	**0.1**	**–**	**0.1**	–	–	–
Profit/(loss) before tax from discontinued operations	**55.0**	**(37.7)**	**17.3**	48.9	(4.4)	44.5
Tax credit/(charge)	**(14.4)**	**4.0**	**(10.4)**	(11.2)	0.5	(10.7)
Profit/(loss) from discontinued operations, net of tax	**40.6**	**(33.7)**	**6.9**	37.7	(3.9)	33.8

c. Hudson:

(£ million)	2023 (unaudited)			2022		
	Adjusted results	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Revenue	**1.5**	**–**	**1.5**	–	–	–
Cost of sales	**(1.8)**	**–**	**(1.8)**	–	–	–
Sales, marketing and administrative expenses	**(1.3)**	**(2.0)**	**(3.3)**	0.2	(0.9)	(0.7)
Operating profit/(loss)	**(1.6)**	**(2.0)**	**(3.6)**	0.2	(0.9)	(0.7)
Adjusted EBITDA	**(1.6)**	**–**	**(1.6)**	0.2	–	0.2
Depreciation, amortisation and impairment	**–**	**–**	**–**	–	–	–
Non-trading items	**–**	**(2.0)**	**(2.0)**	–	(0.9)	(0.9)
Operating profit/(loss)	**(1.6)**	**(2.0)**	**(3.6)**	0.2	(0.9)	(0.7)
Share of the loss of associates	**(12.3)**	**(0.9)**	**(13.2)**	(2.2)	(0.6)	(2.8)
Finance costs	**–**	**(117.6)**	**(117.6)**	–	–	–
Finance income	**10.2**	**–**	**10.2**	3.1	–	3.1
Profit/(loss) before tax from discontinued operations	**(3.7)**	**(120.5)**	**(124.2)**	1.1	(1.5)	(0.4)
Tax credit/(charge)	**–**	**23.1**	**23.1**	–	–	–
Profit/(loss) from discontinued operations, net of tax	**(3.7)**	**(97.4)**	**(101.1)**	1.1	(1.5)	(0.4)

d. Total discontinued operations

(£ million)	2023 (unaudited)			2022		
	Adjusted results	**Adjusting items**	**Total**	Adjusted results	Adjusting items	Total
Revenue	**379.9**	**-**	**379.9**	333.2	-	333.2
Cost of sales	**(180.3)**	**-**	**(180.3)**	(146.7)	-	(146.7)
Sales, marketing and administrative expenses	**(145.4)**	**(152.6)**	**(298.0)**	(129.9)	(172.4)	(302.3)
Impairment loss on trade receivables and contract assets	**(5.9)**	**-**	**(5.9)**	(6.5)	-	(6.5)
Operating profit/(loss)	**48.3**	**(152.6)**	**(104.3)**	50.1	(172.4)	(122.3)

Adjusted EBITDA	**65.6**	**-**	**65.6**	71.2	-	71.2
Depreciation, amortisation and impairment	**(17.3)**	**(30.3)**	**(47.6)**	(21.1)	(82.7)	(103.8)
Non-trading items	**-**	**(105.9)**	**(105.9)**	-	(79.4)	(79.4)
Share-based payments	**-**	**(16.4)**	**(16.4)**	-	(10.3)	(10.3)
Operating profit/(loss)	**48.3**	**(152.6)**	**(104.3)**	50.1	(172.4)	(122.3)
Share of the loss of associates	**(12.4)**	**(0.9)**	**(13.3)**	(2.6)	(0.6)	(3.2)
Finance costs	**(7.1)**	**(117.6)**	**(124.7)**	(14.1)	(5.3)	(19.4)
Finance income	**10.4**	**1.7**	**12.1**	3.1	-	3.1
Loss before tax from discontinued operations	**39.2**	**(269.4)**	**(230.2)**	36.5	(178.3)	(141.8)
Tax credit/(charge)	**(14.5)**	**49.2**	**34.7**	(10.1)	29.4	19.3
Profit/(loss) from discontinued operations, net of tax	**24.7**	**(220.2)**	**(195.5)**	26.4	(148.9)	(122.5)

e. Adjusting items:

Adjusting items included within discontinued operations include Non-trading items as follows:

(£ million)	**2023 (unaudited)**	2022 (restated)*
Strategic review costs	**(83.5)**	(15.0)
Transaction and integration costs	**(17.3)**	(15.5)
ERP and Salesforce implementation	**(7.1)**	(21.6)
Profit on disposal of businesses	**0.2**	4.1
Acquisition-related employment costs and earn out revaluations	**1.8**	(31.4)
Non-trading items	**(105.9)**	(79.4)

Strategic review costs of £83.5m (2022: £15.0m) related to resources and professional fees incurred specifically in respect of the sales of the Digital Commerce and WGSN businesses, as well as the necessary restructuring and reduction of Ascential's central corporate function as a result of the disposal of such a large proportion of the Group. These costs related to resources and professional fees for project management, tax and legal structuring, activities relating to the aborted US listing, legal and professional advisor support as well as severance and retention incentives for key personnel impacted by the separation of the Group. Fees also include success fees paid to the banks managing the disposal processes. The vast majority of these costs have been recognised in 2023 either as services have been provided or, for contingent success fees, on shareholder approval of the disposals which occurred in December 2023. These costs generate a tax credit of £11.5m (2022: £0.9m).

Transaction and integration costs of £17.3m (2022: £15.5m) comprise professional fees for diligence and legal costs for acquisitions and investments as well as the costs of integrating acquisitions, such as the acquisitions of Sellics and Intrepid by the Digital Commerce business in 2022 and their subsequent integration. It also includes the execution of a significant staff reduction in the second half of 2023 following the product integration and launch of the Digital Commerce combined product Flywheel Commerce Cloud. These costs generate a tax credit of £4.4m (2022: £2.3m).

Acquisition-related employment costs and revaluations of £1.8m credit (2022: £31.4m debit) relates to the revaluation of deferred contingent consideration as a result of updates to actual or expected performance along with costs associated with the element of purchase consideration connected directly not only with the performance of the acquiree, but on the continuing employment of the founder. These costs generate a tax credit of £2.7m (2022: £5.8m).

The ERP and Salesforce implementation fees of £7.1m (2022: £21.6m) are in respect of the final year of a multi-year programme to implement a new ERP in Digital Commerce to replace the Oracle system introduced in 2007 and a new instance of Salesforce, both of which are cloud-based. The implementation costs are subject to the IFRIC agenda decision relating to IAS 38 taken after initiation of the project and accordingly were required to be expensed. Given the materiality and once-in-a-decade nature, these costs were recorded as Non-trading items. These costs generate a tax credit of £1.7m (2022: £4.1m).

2022 includes a £5.0m profit on the sale of our trade investment Analytic Index which was previously accounted for as an associate.

Depreciation, amortisation and impairment included in Adjusting items within discontinued operations for the year of £30.3m (2022: £82.7m) include a £11.7m impairment in respect to Flywheel brand intangibles within Digital Commerce as a result of the decision to move to a single brand "Flywheel Digital". 2022 includes £57.0m impairment in respect to ASR (£25.6m) and Edge (£31.4m) brand assets.

Finance costs include fair value adjustments relating to the transition of Hudson between an equity-accounted associate and full consolidation in the period of £116.7m (2022: £nil) (see Note 9 for further details). We recognise a deferred tax asset of £23.1m (2022: £nil) in respect of these fair value adjustments.

Exchange translation differences recognised between the date of classification as held for sale and 31 December 2023 are reflected in other comprehensive income.

The major classes of assets and liabilities classified as held for sale as at 31 December are, as follows:

	Digital Commerce	WGSN	Total
(£ million)	**2023 (unaudited)**	**2023 (unaudited)**	**2023 (unaudited)**
Assets			
Goodwill	398.1	154.4	552.5
Intangible assets	145.8	5.0	150.8
Property, plant and equipment	5.7	0.4	6.1
Right-of-use assets	8.3	0.5	8.8
Investments	11.6	3.6	15.2
Inventories	6.4	1.0	7.4
Trade and other receivables	323.5	27.7	351.2
Cash and cash equivalents	33.8	11.8	45.6
Deferred tax assets	–	5.5	5.5
Assets held for sale	933.2	209.9	1,143.1
Assets held for sale relating to subsidiary acquired exclusively with a view to resale			62.5
Total assets held for sale			1,205.6
Liabilities			
Trade and other payables	280.2	9.7	289.9
Deferred income	12.5	55.7	68.2
Deferred and contingent consideration	36.0	–	36.0
Lease liabilities	8.7	0.4	9.1
Deferred tax liabilities	5.6	–	5.6
Provisions	1.7	0.1	1.8
Liabilities held for sale	344.7	65.9	410.6
Liabilities held for sale relating to subsidiary acquired exclusively with a view to resale			3.3
Total liabilities held for sale			413.9
Net assets directly associated with disposal group			791.7
Amounts included in reserves directly associated with disposal group			
Non-controlling interest			20.0
Translation reserve			28.0
Reserve of disposal group classified as held for sale			48.0

The net cash flows generated/(incurred) by discontinued operations were as follows:

(£ million)	**2023 (unaudited)**	2022
Operating	(63.5)	5.4
Investing	(60.4)	(159.4)
Financing	139.6	154.6
Net cash inflow/(outflow)	15.7	0.6

8. Borrowings

During the year, the Group had a multi-currency revolving credit facility ('RCF') of £450m with a syndicate of lenders, plus an accordion to raise further debt amounts, at the options of the lenders, of up to the greater of £120m or 150% of EBITDA. This facility was available until January 2025 and the RCF could be drawn in tranches for each interest rate period. These tranches of debt could be rolled over at the end of the interest period subject to covenant compliance on the request date. The Group was in compliance with covenants throughout the year.

At 31 December 2023, the borrowings were subject to interest at a margin of 1.60% over the relevant currency interest rate benchmarks. The facility covenants included a maximum net leverage of 3.25x with the benefit of additional 0.5x leverage spikes for relevant acquisitions and a minimum interest cover of 3.00x and were tested semi-annually.

At 31 December 2023, the maturity profile of the Group's borrowings, which consisted entirely of the RCF, was as follows:

(£ million)	2023 (unaudited)	2022
Non-current		
One to two years	**411.6**	-
Two to five years	**-**	301.2
Total borrowings	**411.6**	301.2

Borrowings are shown net of unamortised issue costs of £0.8m (2022: £1.6m). The carrying amounts of borrowings approximate their fair value. The Group's borrowings at 31 December 2023 were denominated in Pounds Sterling, US Dollars and Euros amounting to £77.0m, $311.0m and €105.0m respectively (2022: $233.0m and €124.5m).

On 19 December 2023, the Group signed a new 4 year multi-currency revolving credit facility ("RCF") of £225.0m with an accordion of up to a further £75.0m or 100% of EBITDA. The Group can request a further one year extension to the facility at the option of individual lenders. The RCF became effective on 8 January 2024 following the repayment of the previous RCF Facility and the disposal of the Digital Commerce business on 2 January 2024. The new RCF is subject to interest of between 2.05% and 3.25% per annum over SONIA, EURIBOR or US Dollar SOFR. The margin increases over a range of 1.00x to 3.00x net debt to EBITDA. The facility covenants include a maximum net leverage of 3.00x and a minimum interest cover of 3.00x and are tested semi-annually. Upon completion of the new agreement, capitalised arrangement fees of £0.8m relating to the previous facility will be written off in 2024 as an Adjusting finance cost. We expect fees of £2.9m to be capitalised as part of the new arrangements and these shall be amortised over the expected life of the facility.

Reconciliation of movement in Net Debt

(£ million)	Cash**	Cash in transit	Short-term deposits	Derivatives	Borrowings	Net debt*
At 1 January 2022	55.7	0.4	28.0	0.2	(158.1)	(73.8)
Exchange differences	5.5	–	–	–	(19.3)	(13.8)
Proceeds from external borrowings	–	–	–	–	(176.8)	(176.8)
Repayment of external borrowings	–	–	–	–	53.8	53.8
Fair value movement	–	–	–	4.3	–	4.3
Amortisation of debt arrangement fees	–	–	–	–	(0.8)	(0.8)
Net cash movement	(2.2)	0.5	(7.9)	–	–	(9.6)
At 1 January 2023	59.0	0.9	20.1	4.5	(301.2)	(216.7)
Exchange differences	(2.6)	-	-	-	13.0	10.4
Proceeds from external borrowings	-	-	-	-	(170.1)	(170.1)
Repayment of external borrowings	-	-	-	-	47.5	47.5
Fair value movement	-	-	-	1.5	-	1.5
Net interest accrued	-	-	-	4.0	-	4.0
Amortisation of debt arrangement fees	-	-	-	-	(0.8)	(0.8)
Net cash movement	16.1	(0.3)	(6.7)	(3.0)	-	6.1
At 31 December 2023 (unaudited)	72.5	0.6	13.4	7.0	(411.6)	(318.1)

* Refer to the Glossary of Alternative Performance Measures for the definition of Net Debt
** Includes £47.1m of cash classified as held for sale (including restricted cash) as at 31 December 2023

Cash and cash equivalents at 31 December 2023 of £86.5m (2022: £80.0m) relate to bank balances, including short-term deposits with an original maturity date of less than three months, and cash in transit.

9. Hudson

Ascential has a significant investment in Hudson MX, Inc. ("Hudson").

A. Critical accounting judgements

Assessment of control
We have considered whether the nature of the relationship with Hudson, including rights under the terms of the common and preference stock investments and any other agreements, gave Ascential significant influence or control over the activities of Hudson. Control exists when an investor is exposed to variable returns from their involvement with an investee and has the ability to affect those returns through their power over that investee.

As a result of the February 2023 financing and capital restructuring, we assessed Ascential could not 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 did not give it majority power. We judged that our customary protective veto rights over significant changes to Hudson, including actions which could change the credit risk of the business, were protective in nature and related to fundamental changes to Hudson that only apply in exceptional circumstances. We further concluded that while Ascential may acquire control of Hudson in the future if a put option held by MTII were exercised, this was not within the control of Ascential and therefore did not indicate control. Ascential had two call options neither of which would result in it holding a majority of the voting rights of Hudson and neither were considered to be substantive at that date because neither were exercisable until a later date. We therefore determined that we continued to have significant influence over Hudson and accounted for our investment using the equity method under IAS 28 "Investments in Associates and Joint Ventures".

The 30 October 2023 agreement gave Ascential potential voting rights in Hudson that could be currently exercised by introducing the Early Call option that allows Ascential to acquire majority voting rights immediately and until 1 April 2024. With no significant financial or other encumbrances to prevent exercise from October 2023, from an accounting perspective, the potential voting rights granted by the new Early Call option give Ascential power over the operational decisions of Hudson at any time from 30 October 2023. In making this determination, we have considered that the new Early Call option is substantive given the agreement to purchase MTII's common stock by 15 April 2024.

We have therefore concluded that the Group exercised control over Hudson from 30 October 2023 onwards and have ceased equity accounting for our investment and consolidated Hudson into Ascential's financial statements from that point.

Classification of Hudson as held for sale and as a discontinued operation
On 30 October 2023, MTII and Ascential agreed to the initiation of the sale process for Hudson. Hudson is available for immediate sale, is being actively marketed and can be sold in its current condition. We believe that the sale is highly probable and will complete within 12 months. Accordingly, Hudson was classified as a disposal group held for sale and discontinued operation from that date as it has been acquired exclusively with a view to resale. The fair value loss, which is disclosed below, has been shown within discontinued operations in order to provide a more relevant picture of continuing operations.

B. Key sources of estimation uncertainty - Acquisition of subsidiary

Following the acquisition of control, we derecognised our existing investments in common stock and preference shares and, adjusting these to fair value, these formed part of our acquisition consideration. Consideration also included the fair value of liabilities payable of £67.9m, representing both the deferred payment to MTII for acquiring their 51% common stock holding in Hudson, which will become due on 16 April 2024 at the latest, and the fair value of preference shares held by MTII. In addition, the consideration included the fair value of the put and call options held over MTII's common stock. Under the anticipated-acquisition method, the Group accounted for the non-controlling interests of MTII and certain other minority shareholders as if the put and call options had been exercised already.

The valuation of consideration and the resultant net held for sale assets of £59.2m have been supported by an external valuation conducted by an independent expert who relied primarily on a discounted cash flow methodology based on management forecasts.

C. Fair value loss

We recognised finance costs of £116.7m, or £93.6m post tax, to reflect the loss in value of our preference shares and common stock, the fair value movement of the MTII put and call options, and future deferred consideration of £65.7m. This aligns with a valuation by an independent external expert representing fair value less costs to sell. This fair value loss reflected the change in both internal and external factors around the time of the strategic decision in October 2023. A future acquirer may have a number of factors specific to them that may value Hudson differently from a general market participant, a different cost of capital or synergies. The sale process may therefore conclude with a materially different business valuation.

10. Events after the reporting date

Disposals of Digital Commerce and Product Design businesses

On 2 January 2024 the Group completed the sale of its Digital Commerce business to Omnicom Group Inc and on 1 February 2024 the Group announced the completion of the sale of its Product Design business to Wind UK Bidco 3 Limited (a newly formed company established by funds advised by Apax Partners). The consideration for both transactions totalled £1.2 billion. The provisional pre-tax profit on disposal of these businesses is expected to be approximately £0.5 billion with a tax charge of approximately £50m. These profits are subject to the finalisation of the completion balance sheets with the buyers in 2024.