ASCENTIAL

26 July 2021

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Ascential plc

Half year results

Results ahead of expectations
Strongly positioned for structural growth

London: Ascential plc (LSE: ASCL.L), the specialist information, analytics and eCommerce optimisation company, today announces results that are ahead of expectations for the six-month period to 30 June 2021.

Duncan Painter, Chief Executive Officer, commented:
"Ascential's results demonstrate excellent momentum, performing ahead of our own expectations and of market expectations, with organic revenue growth coming through strongly in our Digital Commerce, Product Design and Marketing segments.

"This reflects three key factors - our strategic direction over the past five years, as we have built a market-leading Digital Commerce business; strong demand from the high-growth markets that receive our focus, particularly Digital Commerce; and the unstinting efforts of our talented people through a period of unprecedented macro environmental challenges. We expect these factors to underpin continued positive progress throughout the rest of 2021. Furthermore, as we emerge from the pandemic, our Marketing and Retail & Financial Services segments are both very well positioned to benefit over successive years from a post-Covid recovery in activity levels.

"Targeted acquisitions remain an important part of our growth strategy. We are excited by the quality, talent and potential of our opportunities to create further value for our shareholders in the fastest growing areas of our business. The acquisition of Perpetua gives us access to the fast-growing challenger brand (and 3P) market and follows the extension of our global reach with DZ and Intellibrand. The addition of ASR at the start of the second half of 2021 further expands our suite of solutions that enable customers to optimise their performance across the rapidly evolving eCommerce landscape. We continue to have a healthy pipeline of acquisition opportunities to build on our leading digital commerce platform for our customers, while we remain committed to ongoing investment in Hudson MX, the SaaS-based platform for media buying and finance.

"Notwithstanding the near-term risk of setbacks relating to the pandemic, Ascential is better placed than ever to sustain strong organic revenue growth."

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Strategic highlights

- Strong performance reflects successful ongoing strategic transformation.
- Structural digital growth trends, combined with a market-leading position, are driving progress in both Digital Commerce (up 27%) and Product Design (with subscription billings up 9%).
- Resilient and agile performance in Marketing (up 158%) which, with Retail & Financial Services, is well placed to benefit from the post-Covid recovery.
- Successful continued execution of M&A strategy, with acquisitions of DZ, Intellibrand and Perpetua in the period and ASR shortly after the half, expanding the addressable market for Digital Commerce and building on our innovative solutions for this rapidly expanding end market.
- Healthy acquisition pipeline in Digital Commerce.
- Commitment to diversity and governance: board composition of 64% women and 73% independent meeting and exceeding targets set by Hampton-Alexander (gender) and Parker (ethnicity) reviews.

Financial highlights

- Results ahead of market and our own expectations.
- Revenue of £175.1m (H1 2020: £127.9m)
    - Reported revenue growth of 37% (organic: 39%, proforma: 41%)
    - Digital Commerce revenue up 27% proforma
    - Digital subscriptions and platforms revenues up 10% proforma.
- Adjusted EBITDA of £47.7m (H1 2020: £11.5m). Margin of 27.2% (H1 2020: 9.0%).
- Reported operating profit of £3.5m (H1 2020: loss of £75.9m).
- Adjusted diluted EPS from continuing operations of 6.4p (H1 2020: loss of 1.3p). Strong growth in statutory EPS to 54.9p reflects profit on disposal of non-core BEP segment (H1 2020: loss of 15.1p).
- Operating cash flow conversion of 171% (H1 2020: 39%), enhanced by new working capital facility for Flywheel reimbursables (113% excluding this impact). Strong cash generation and disposal proceeds reduce net debt to £152.6m (2.6x EBITDA) at 30 June 2021 with available liquidity of £294.6m.
- Based on the strength and strategic importance of our acquisition pipeline, the Board has decided to prioritise the preservation of capital for potential acquisitions rather than paying an interim dividend. The Board will keep capital allocation priorities including shareholder cash returns continually under review.

- On 26 July 2021 the Company announced a non-pre-emptive primary placing of 35,500,000 ordinary shares or approximately 9% of its issued share capital, to provide greater balance sheet flexibility to execute on its strong pipeline of attractive M&A opportunities.

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Ascential will host a webcast presentation for analysts and investors at 9.00am on Tuesday 27 July 2021, from www.ascential.com. A recording will also be available on-demand from our website in due course.

About Ascential

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

With more than 2,000 employees across five continents, we combine local expertise with a global footprint for clients in over 120 countries. Ascential is listed on the London Stock Exchange.

Cautionary statement

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

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

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Financial highlights – continuing operations

	30 June 2021	30 June 2020[1]	Growth Reported %	Growth Organic[2] %	Growth Proforma[2] %
	£'m	£'m			
Revenue					
Digital Commerce	59.7	47.8	25%	20%	27%
Product Design	44.3	44.6	(1%)	3%	3%
Marketing	63.9	26.4	142%	158%	158%
Retail & Financial Services	7.2	9.1	(21%)	(19%)	(19%)
	175.1	**127.9**	**37%**	**39%**	**41%**
Adjusted EBITDA[2]					
Digital Commerce	10.8	12.5	(13%)	(8%)	2%
Product Design	20.2	19.1	6%	12%	12%
Marketing	30.5	(4.1)	nm	nm	nm
Retail & Financial Services	(5.4)	(6.4)	16%	15%	15%
Corporate Costs	(8.4)	(9.6)	11%	8%	8%
	47.7	**11.5**	**nm**	**nm**	**nm**
Group Margin (%)	27.2%	9.0%			
Adjusted operating profit[2]	**38.2**	0.5			
Operating profit/(loss)	**3.5**	(75.9)			
Loss before tax	**(7.7)**	(86.1)			
Adjusted diluted earnings per share - continuing operations (pence)[2]	**6.4p**	(1.3p)			
Adjusted cash generated from operations[2]	**81.7**	4.5			
Operating cash flow conversion[2] (%)	***171%***	*39%*			
	June 21	Dec 20			
Net debt[2]	**152.6**	229.3			
Leverage ratio[2] (x)	**2.6x**	5.6x			

[1] Restated to reflect segmental re-organisation and discontinuance of BEP.

[2] Refer to the glossary of Alternative Performance Measures below.

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Revenue by type – continuing operations

	H1 2021 £'m	H1 2020 £'m	H1 2019 £'m	H1 2021 Proforma Growth
Digital Subscriptions & Platforms	54.9	45.1	33.6	24%
Advisory	4.8	2.7	2.3	73%
Digital Commerce	**59.7**	**47.8**	**35.9**	**27%**
Digital Subscriptions & Platforms	39.8	41.4	37.8	0%
Advisory	4.5	3.2	3.6	43%
Product Design	**44.3**	**44.6**	**41.4**	**3%**
Digital Subscriptions & Platforms	8.4	8.3	7.7	5%
Advisory	23.7	17.2	27.4	48%
Benchmarking Awards	27.2	0.1	26.1	nm
Events	4.6	0.8	39.3	nm
Marketing	**63.9**	**26.4**	**100.5**	**158%**
Digital Subscriptions & Platforms	5.7	7.2	7.5	(20%)
Advisory	1.1	1.0	1.1	21%
Events	0.4	0.9	32.2	(54%)
Retail & Financial Services	**7.2**	**9.1**	**40.8**	**(19%)**
Digital Subscriptions & Platforms	**108.8**	**102.0**	**86.6**	**10%**
Advisory	**34.1**	**24.1**	**34.4**	**49%**
Benchmarking Awards	**27.2**	**0.1**	**26.1**	**nm**
Events	**5.0**	**1.7**	**71.5**	**204%**
Total Revenue	**175.1**	**127.9**	**218.6**	**41%**

OPERATING REVIEW

Our performance over the past six months has highlighted the continuing strength and strategic positioning of our Digital Commerce and Product Design segments. The former has continued to achieve strong organic growth through new customer acquisition, the development of offerings on new marketplaces and the flow through of prior billings growth in Edge into revenue, as well as through acquiring attractive, complementary businesses. The acquisitions of Intellibrand, DZ, Perpetua and, after the period end, ASR, further increase our geographic penetration and open up new capabilities, including access to the fast-growing challenger brand (3P) market.

In Product Design, WGSN has regained excellent growth momentum, while continuing to expand the value of its business that comes from newer verticals and the innovative Coloro offering, despite testing conditions in some of its end markets.

For Marketing, while the Lions festival will return to Cannes in a physical format in 2022, strong customer participation in the Lions awards benchmark which has been held entirely digitally this year, demonstrated the power of this measurement system which is recognised industry-wide, thriving independently of the physical festival. MediaLink's advisory business has also bounced back particularly strongly and we have continued our investment in the innovative media buying and finance SAAS-based solution provider, Hudson.

The two Money20/20 editions, in Europe and the US, are on track for their return to a physical format, in September and October respectively. This follows significant investment in delegate retention and innovative show features, with the US show, in particular, seeing strong early customer engagement, following the return of large-scale events to Las Vegas in June 2021.

Overall, we believe that our performance in this half demonstrates the strength of our strategic position, which has been further advanced by continued investment in our Digital Commerce capability, using proceeds from the disposal of the Built Environment & Policy businesses early in the half.

Strong organic growth and cash generation
We delivered a very strong performance in the first half with revenue growing 41% on a Proforma basis and Adjusted EBITDA approximately 4 times higher at £47.7m. Our EBITDA margin improved significantly to 27% (H1 2020: 9%), while operating cash flow conversion was 171% (H1 2020: 39%). This, combined with the proceeds of the Built Environment & Policy disposal, reduced net debt to £153m at 30 June 2021.

Progress against 2021 Priorities

1. *Accelerating investments to drive strong organic growth in our Digital Commerce businesses and continued bolt on investments:*
    - Proforma H1 revenue growth of 27% for the Digital Commerce segment; acquisitions of DZ and Intellibrand expand offering in China and Latin America; acquisitions of Perpetua and ASR open up new capabilities and access to growing, new markets.

2. *Continuing the new customer segment expansion for our Product Design segment:*
    - Non Fashion sales grew by 28%; the launch of our Consumer Tech product is on track for August 2021.

3. *Ensuring the continued strong recovery of the Marketing segment, while making the necessary changes for RFS to bounce back strongly, subject to the easing of local restrictions and pandemic recovery*:
    - Strong return of the Lions awards benchmark in June in a fully digital form, with high levels of participation, plus strong growth from MediaLink and WARC; Money20/20 events in Amsterdam and Las Vegas ready to take place in September and October 2021.

Mergers and Acquisitions

Targeted acquisitions remain an important part of our growth strategy. We are excited by the quality, talent and potential of our opportunities to create further value for our shareholders in the fastest growing areas of our business. The acquisition of Perpetua gives us access to the fast-growing challenger brand, agency (and 3P) market (for brands that sell directly to consumers through the marketplaces) and follows the extension of our global reach with DZ and Intellibrand. The addition of ASR at the start of the second half of 2021 further expands our suite of solutions that enable customers to optimise their performance across the rapidly evolving eCommerce landscape.

We continue to have a healthy pipeline of acquisition opportunities to build on our leading digital commerce platform for our customers, while we remain committed to ongoing investment in Hudson MX, the SaaS-based platform for media buying and finance.

Equity Placing

As set out in a separate announcement, on 26 July 2021, the Company announced a non-pre-emptive primary placing of 35,500,000 ordinary shares or approximately 9% of its issued share capital to provide greater balance sheet flexibility to execute on its strong pipeline of attractive M&A opportunities.

Corporate and Social Responsibility

In 2020, we launched a new Corporate Responsibility framework that focuses our efforts on:

- a signature activity - supporting young people to thrive in the digital economy;
- two strategic areas of focus - Sustainability, Diversity & Inclusion; and
- solid foundations.

Having established Board Governance on Corporate Responsibility including environmental matters under our new Chief Operating Officer, and having put in place new reporting mechanisms to gather our emissions data, we are working to meet the disclosure requirements as set out by the Taskforce for Climate-related Financial Disclosure.

In terms of our social impact, building on our solid work over multiple years, we continued our work to increase diversity and build an inclusive culture throughout Ascential. Our first Diversity & Inclusion report, published in

January this year and available on our website, outlined our vision and objectives for 2021, as well as clear goals for the years beyond. Our focus for the first half has been putting in place the foundational tools; this has meant a focus on communication, training, reviewing our policies and processes, notably around recruitment, and putting a governance and reporting framework in place. We have implemented tools to measure the data we need to monitor progress and regionalised targets and objectives to ensure they are relevant across all business units and regions.

We continue to build on our innovative culture, record level of employee engagement and seek to empower success for our diverse workforce at all levels of our organisation. Following the appointment of Joanne Harris in March 2021, the Board now comprises 64% women and 73% independent members (including the Chairman) and we are exceeding the recommendations of both the Hampton-Alexander Review (on gender) and the Parker Review (on ethnic diversity).

This year also we also launched our new Code of Conduct globally, supported by the launch of a new whistleblowing tool to ensure staff can "Speak Up" and share any concerns anonymously.

Outlook

Our first half results saw strong structural growth in Digital Commerce and Product Design, which also feature a high proportion of subscription-based and recurring revenues. We have confidence these trends will continue to deliver further good progress in the second half of 2021 and are targeting full year proforma revenue growth of 30% for Digital Commerce and 5-6% for Product Design. Furthermore, as we emerge from the pandemic, our Marketing and Retail & Financial Services segments are very well positioned to benefit over successive years from a post-Covid recovery in their activity levels, although timing, of course, remains uncertain.

We continue to see opportunities through acquisitions to enhance our organic growth, while continuing to build out our market leading capabilities. In particular, we are excited about the cross-selling potential of recent acquisitions in China and Latin America, access to new markets since Perpetua joined Ascential and the new capabilities from the acquisition of ASR.

Notwithstanding the near-term risk of setbacks relating to the pandemic, Ascential is better placed than ever to sustain strong organic revenue growth.

SEGMENTAL REVIEW

Digital Commerce segment

Ascential has a leading position helping brands from some of the world's largest companies to optimise their revenues and profits from eCommerce. Its platform comprises products that provide: (1) eCommerce trading execution services*: Flywheel Digital provides managed retail and media optimisation services primarily to enterprise brands (1P) on the Amazon, Walmart, Instacart, Target and Kroger platforms while DZ (formerly X-Target) performs a similar role across Chinese platforms. Perpetua is an eCommerce media optimisation business that primarily helps challenger brands and agency customers (and 3P); and (2)* measurement information*: the Edge, Yimian and Intellibrand businesses deliver eCommerce data, insights and advisory, chiefly for performance measurement and digital shelf optimisation.*

	Year ended 30 June (£'m)		Growth (%)		
	H1 2021	**H1 2020**	**Reported**	**Organic**	**Proforma**
Revenue	59.7	47.8	+25%	+20%	+27%
Adjusted EBITDA	10.8	12.5	(13%)	(8%)	+2%
Adjusted EBITDA Margin	18%	26%			

The Digital Commerce segment has continued to grow, both organically and through M&A with the recent addition of DZ, Intellibrand, Perpetua and ASR (after the period end) adding to its capabilities. Strong underlying growth continues to come through a combination of new customer acquisition, customer growth, expansion of coverage across the major eCommerce marketplaces, new geographies, and additional market segments with investment in the period also focused on sales and data collection and operations efficiency programmes.

During the first half over 100 enterprise (1P) customers and over 300 challenger brands (3P) were added to the customer base with growth from new customers accounting for approximately half of the total growth in the period. Globally, customers are now served through active engagements in over 60 countries.

Adjusted EBITDA margin of 18% (H1 2020: 26%) reflected an ongoing investment in sales as well as the £1.3m transition costs for the data collection and operations efficiency programmes, the impact of the acquisition of several early stage businesses which have higher growth but lower current levels of profitability, and currency movements.

eCommerce trading execution

In terms of eCommerce marketplaces, we now cover most of the world's major platforms such as Amazon, Walmart, Instacart, Target, Kroger, Home Depot, Mercado Libre, Alibaba, JD, Pinduoduo, Shopee and Lazada. In addition, we now have access to cover over 130 individual retailer eCommerce sites through the major retail media networks.

Flywheel's revenue grew very strongly in the period, with approximately three quarters of growth from new customers and the balance through expanding services for existing customers, with 52 now taking services across at least two major eCommerce platforms. Revenues from subscription-like retainer contracts grew to 31% (H1 2020: 21%) of revenue while variable revenues (based on either retail sales achieved or media spend) represent 33% and 36% respectively (H1 2020: 35% and 44% respectively) of total revenue while media spend under management has doubled.

Flywheel acquired 31 new customers in the half with notable wins of several industry leaders in the Food & Beverage and Consumer Tech sectors. This was particularly the case in Food & Beverage categories where 29 customers are now served, up from 10 in the prior year. A key point in the calendar, Amazon's Prime Day held this year in June, saw a more modest growth in terms of the marketplace's overall eCommerce transactions, although Flywheel's customers have generally outperformed the market. Beyond Amazon, we have invested significantly in integrating Flywheel into Walmart and Instacart's APIs for overall improved functionality. Revenue from these marketplaces grew significantly.

DZ, Alibaba's number one awarded Independent Service Vendor, was acquired in March 2021. The business performed well in the first half, growing revenue by 52% and adding 18 new customers, including YSL, OPPO, Suntory, Erdos and Pandora.

The addition of Perpetua in April 2021 expanded our footprint into the fast-growing challenger brand (and 3P) market segment, covering c.1,500, generally smaller scale brands, as well as multiple agency customers. Perpetua's revenues in H1 trebled year over year, with over 300 customers added in the period.

eCommerce measurement

Edge has performed strongly in H1, with double digit billings growth across our major product lines of Digital Shelf and Market Share, through a combination of continued new business growth and an improvement in renewal rates, reflecting the recent investment made in these core platforms. Overall, Edge acquired 32 new customers in H1, with notable wins including Boehringer and Campari. Edge continues to be an important partner and route to market for our other Digital Commerce businesses, through continued product cross-sell for Yimian and now Intellibrand. Edge has continued to invest in the year to date, improving the scalability and performance of the Digital Shelf and Market Share platforms, outsourcing data operations and upgrading collection capabilities. Additionally, the second half will see the launch of a new Price & Promotion capability for Brands.

Meanwhile, our strong relationships with platforms continue to develop with Edge recently being accepted to the Amazon Advertising Partner Network in the measurement space. This relationship allows the opportunity for API access, collaborative R&D and ultimately results in a more precise and timely product for our customers.

Yimian, based in China, has recently expanded its services to brands trading on South East Asian platforms, such as Shopee and Lazada. The company performed extremely strongly in the first half, adding 17 new customers, including Coca Cola, Carlsberg, LG, Sony and Pepsi.

Intellibrand, based in Sao Paulo, was acquired in January 2021. The business performed well in the first half, with revenue more than doubling and adding 21 new customers including the cross-sell of Intellibrand's Food Aggregator product to a major customer of Edge.

Product Design segment

WGSN, a leading global supplier of trend forecasts, market intelligence and consumer insight, helps businesses understand their future consumers and the products and services that will be demanded by them. Information is delivered principally through digital subscriptions (over 90% of revenue) to around 6,200 customers in over 90 countries. Our Product Design segment also includes trend products for SMEs in the fashion market (WGSN Start and Use Fashion) and innovative colour system Coloro.

	Year ended 30 June (£'m)		Growth (%)		
	H121	H120	Reported	Organic	Proforma
Revenue	44.3	44.6	(1%)	+3%	+3%
Adjusted EBITDA	20.2	19.1	+6%	+12%	+12%
Adjusted EBITDA Margin	46%	43%			

Product Design has had a strong start to the year, growing revenue organically by 3%, driven by an excellent performance from its subscriptions business, where H1 billings grew 9% over the prior year augmented by a significant recovery in the Mindset advisory business and expansion in Coloro.

The strong billings performance of the core subscription business (after a flat overall performance in 2020) will feed through into revenue growth in H2. The take-up of Non Fashion focused products, such as Consumer Insight and Beauty, continues to be the chief engine of growth. Subscription renewal rates have remained strong throughout the pandemic and are now standing at over 90%. WGSN has also continued to maintain the record high levels of NPS recorded in 2020 (currently 48), underlining the value of the information delivered to customers and the strength of its brand. In terms of advisory, the recovery we saw towards the end of 2020 has continued into H1, while the smaller Coloro business continues to grow extremely strongly.

In June, WGSN joined experts from Digital Commerce on the major beauty industry platform WeCosmoprof International, delivering "Reinventing Retail", a series of recommendations to guide customers' eCommerce and business strategy. The same month saw the launch of WGSN Live, an interactive trend session focusing on Consumer Insight and Beauty with further sessions on other industry verticals to come later in the year.

Product Design continues to expand its range of offerings, adding authoritative quantitative data to its trend forecasting solutions, while investment in decision science capabilities and collaboration with Edge underpins new offerings such as Trend Curve. August will see the launch of the Consumer Tech product, continuing our strategy to address adjacent markets, utilising data from other Ascential businesses, and following recent launches such as Insight, Beauty, Food & Drink and Trend Curve. In the same month, Lifestyle & Interiors will relaunch (as WGSN Interiors) to more deeply support this rapidly growing market segment. The Beauty product (launched in 2019) has now exceeded 450 customers, expanding into 5 languages and growing billings to c.£4m. Food & Drink (launched in 2020) has exceeded 140 customers, providing global trend insights for brands to develop the products and services that consumers will eat, drink and experience in the near future.

Marketing segment

Lions, through its awards and festival, as well as its digital products and advisory business, is the global benchmark for creativity in the branded communications industry, while WARC is the global authority on marketing effectiveness for brands, agencies and media platforms. MediaLink is a leading strategic advisory firm that serves the media and marketing ecosystem.

	Year ended 30 June (£'m)		Growth (%)		
	H121	H120	Reported	Organic	Proforma
Revenue	63.9	26.4	+142%	+158%	+158%
Adjusted EBITDA	30.5	(4.1)	nm	nm	nm
Adjusted EBITDA Margin	48%	nm			

The Marketing segment has recovered strongly in the first half of 2021. Digital revenue performance has been robust, with good growth across the Lions and WARC subscription platforms. Revenue from the Lions benchmark awards exceeded that of 2019, despite the absence of a physical festival, while Cannes Lions Live has again brought the industry's global talent together through the power of digital connectivity, in both live and on-demand formats. The underlying recovery in global marketing activity and the need for advice to shape future strategies has also helped MediaLink's business rebound strongly in the half.

For Lions, while a physical event could not be held in Cannes this year, the awards benchmark successfully returned this year in a fully digital format. Lions saw over 29,000 entries from across 90 countries, with trends confirming that brands continue to invest in creativity, while growth was driven by entries from independent agencies and production companies. In place of the physical event, the digital platform of Cannes Lions Live returned in June, including Lions award shows broadcast live each day. Access to the platform was delivered through the Lions Membership subscription, launched in June, and attracted over 13,000 participants over the week. Additionally, the digital event attracted strong sponsorship and Lions Curated revenues, demonstrating the brand's strength in a digital format. Lions Membership now complements the subscription platform The Work which saw good growth over the period, while the Creative Transformation Advisory practice saw further strong performance with major clients including AB InBev and PepsiCo. Lions revenues in the first half amounted to £34.4m compared to £67.8m in the equivalent period in 2019.

MediaLink saw a strong return to growth in the half, with revenue up 35%, as its end markets continue to recover from the depressed activity levels of 2020 driven by strong demand for our strategic advisory services. This recovery has been led by project-based and search business, building on the momentum seen at the end of 2020. In particular, project revenues have been driven by corporate transformation and agency review work, for brands such as Infiniti. In January, MediaLink delivered the first purely digital version of C Space at CES, while in June we connected customers through MediaLink Beach, at the Whitney Museum in New York, the first in-person event for senior industry leaders since the pandemic hit.

WARC recorded strong revenue growth of 11%, underpinned by the performance of renewals throughout the half and growth in advisory revenue. The inaugural WARC Awards for Effectiveness received over 700 entries, with the Grand Prix winners announced on the awards channel at Cannes Lions Live. Development of the

WARC China subscription platform was a focus in the period, with Unilever a lead client. Growth in advisory work, recently, has come from clients such as TikTok, Spotify and Google, demonstrating a reach beyond WARC's traditional agency customer base.

Retail & Financial Services segment

Money20/20 is the world's leading, premium content, sales and networking platform for the global money ecosystem. The Retail and Financial Services segment also comprises Retail Week World Retail Congress ("RWRC") and the retail customers previously served by the Digital Commerce business as well as the Alternative Data team.

	Year ended 30 June (£'m)		Growth (%)		
	H121	H120	Reported	Organic	Proforma
Revenue	7.2	9.1	(21%)	(19%)	(19%)
Adjusted EBITDA	(5.4)	(6.4)	+16%	+15%	+15%
Adjusted EBITDA Margin	nm	nm			

For Money20/20, the fintech end market and the broader payments ecosystem has traded robustly throughout the pandemic and remains a long-term growth sector globally. While the conditions of 2020 have accelerated some key drivers, such as the migration to digital banking and growth of eCommerce transactions, the underlying shift to a new era for the industry (predicted in the trends identified in the Fintech 2.0 report we published in June 2021) suggests the end market continues to be dynamic and fast-growing as it moves from the digital distribution of existing products and services to digitally native financial services.

After the hiatus caused by the pandemic, both Money20/20 events are set to resume in the second half of 2021, with the US edition in its usual calendar position of 24-27 October and the European edition moved to 21-23 September (from June). Customer engagement with the physical shows remains strong, with our customer base signalling that we remain the number one place to learn and to do business and good early demand from sponsors and exhibitors. We will continue to monitor and comply with the travel and safety advice of all relevant authorities as we approach the event dates.

Money 20/20 has continued to meet customer demand across alternative formats, engaging its audience in the absence of physical events in the past 12 months. The digital platform MoneyFest attracted c.3,500 participants in April, while The Money Pot podcast audience has now grown to c.200,000.

For RWRC the physical events of Retail Week Awards and Retail Week Live are both set to run in October 2021, while the global platform of WRC will be run as a series of virtual connection events across the second half with the physical event due to return in Rome in April 2022. The subscription business, Retail Week, saw lower revenues in H1 as the end market continues to be challenged.

Our Alternative Data business serves the financial services industry with information delivered chiefly through digital subscriptions and grew strongly in the period. We track hundreds of eCommerce retailers and thousands of brands and products to provide data feeds of trends in pricing, discounting and product availability for uses including inflation model inputs and research on individual stocks and categories.

Price & Promotion and Retail Insights enjoyed good trading in H1 with both renewal rates in excess of 90% (after accounting for the sunsetting of certain unprofitable market segments). Improvements were led by new product development with a focus on retailer needs and through utilising relationships and expertise across the RFS segment.

Financial Review

Overview

The strong growth in the half was driven by a combination of structural growth, particularly in Digital Commerce, and the cyclical recovery of our Marketing segment following the significant impacts of Covid-19 in the prior year. The majority of Ascential's revenues come from robust digital subscriptions and platforms and high repeat advisory revenue streams, with historically 25% of revenue derived from live events and 8% from Cannes Lions awards benchmarking awards. Although we were unable to resume live events in the period, we were very pleased to see strong demand return for our Cannes Lions benchmarking awards delivered this year entirely as a digital offering.

(£'m)	H121	H120*	Reported growth rate	Organic growth rate	Proforma growth rate
Revenue	**175.1**	127.9	36.8%	39.4%	41.5%
Adjusted EBITDA	**47.7**	11.5	nm	nm	nm
Operating profit / (loss)	**3.5**	(75.9)	nm	nm	nm

* Restated for discontinued operations (see note 4)

Segmental results

(£'m)	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate Costs	Continuing operations
H121						
Revenue	**59.7**	**44.3**	**63.9**	**7.2**	**-**	**175.1**
Organic revenue growth	*20%*	*3%*	*158%*	*(19%)*	-	***39.4%***
Proforma revenue growth	*27%*	*3%*	*158%*	*(19%)*	-	***41.5%***
Adjusted EBITDA	**10.8**	**20.2**	**30.5**	**(5.4)**	**(8.4)**	**47.7**
Organic Adjusted EBITDA growth	*(8%)*	*12%*	*nm*	*15%*	*8%*	***nm***
Proforma Adjusted EBITDA growth	*2%*	*12%*	*nm*	*15%*	*8%*	***nm***
Adjusted EBITDA margin	*18%*	*46%*	*48%*	*nm*	-	***27.2%***
Depreciation and software amortisation	(4.0)	(1.4)	(2.4)	(0.5)	(1.2)	**(9.5)**
Adjusted operating profit / (loss)	**6.8**	**18.8**	**28.1**	**(5.9)**	**(9.6)**	**38.2**
H120*						
Revenue	47.8	44.6	26.4	9.1	-	**127.9**
Adjusted EBITDA	12.5	19.1	(4.1)	(6.4)	(9.6)	**11.5**
Adjusted EBITDA margin	*26%*	*43%*	*nm*	*nm*	-	***9.0%***
Depreciation and software amortisation	(2.4)	(2.3)	(3.2)	(1.4)	(1.7)	**(11.0)**
Adjusted operating profit / (loss)	**10.1**	**16.8**	**(7.3)**	**(7.8)**	**(11.3)**	**0.5**

* Restated for discontinued operations (see note 4)

Revenue

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

(£'m)	H121 £'m	H120* £'m	Proforma Growth
Digital Subscriptions & Platforms	108.8	102.0	10%
Advisory	34.1	24.1	49%
Benchmarking Awards	27.2	0.1	nm
Events	5.0	1.7	204%
Total	**175.1**	**127.9**	**41.5%**

* Restated for discontinued operations (see note 4)

Our Digital Commerce segment experienced excellent growth of 27% and there was also significant growth in our Marketing segment of 158% as the segment staged a partial recovery from the impacts of Covid-19 in the prior year. Our overall revenues from continuing operations grew to £175.1m (H120: £127.9m), an increase of £47.2m or 37%. Adjusting for currency impacts and acquisitions, revenue increased by 39% and 41% on an Organic and Proforma basis respectively.

Adjusted EBITDA

Adjusted EBITDA recovered to £47.7m (H120: £11.5m), reflecting demand for our services in the Marketing segment, and the Adjusted EBITDA margin increased to 27.2%. We continue to see evidence of the superior margin opportunities in scaled, mature, digital subscription businesses like Product Design allowing us to fund investments in, for example, sales and operational efficiencies in the data operations of Digital Commerce.

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

(£'m)	H121	H120*
Adjusted EBITDA	47.7	11.5
Depreciation and software amortisation	(9.5)	(11.0)
Adjusted operating profit	**38.2**	**0.5**
Amortisation of acquired intangibles	(16.1)	(17.1)
Exceptional items	(15.6)	(60.9)
Share-based payments	(3.0)	1.6
Statutory operating profit / (loss)	**3.5**	**(75.9)**

* Restated for discontinued operations (see note 4)

Exceptional items

The charge for exceptional items totalled £15.6m (H120: £60.9m) as set out in the table below and further explained in note 5.

(£'m)	H121	H120*
Deferred contingent consideration	12.9	55.8
Restructuring costs	-	4.0
Acquisition transaction and integration costs	2.7	1.1
Exceptional items relating to continuing operations	**15.6**	**60.9**

* Restated for discontinued operations (see note 4)

The charge for deferred contingent consideration of £12.9m (H120: £55.8m) mainly reflects the portions of the earn outs that are contingent on continued employment of founders and are therefore disclosed as employment costs in the period. The prior year charge in H120 reflected the revaluation of deferred contingent consideration given the significant outperformance in Flywheel Digital.

Share-based payments

The charge for share-based payments of £3.0m (H120: £1.6m credit) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan. The credit recognised in the prior year reflected revised expectations on the vesting of the 2018 and 2019 Performance Share Plan awards due to the actual and expected performance of the Group versus the EPS growth performance condition for the period ended 2020 and 2021 because of the impacts of Covid-19 on live events.

As explained in the Alternative Performance Measures section, we treat share-based payments as an Adjusting item because they are significant non-cash charges and credits driven by a valuation model that references Ascential's share price and so is subject to volatility rather than referencing current operational performance.

Finance costs

The Adjusted net finance costs for H121 were £9.5m (H120: £8.2m) as set out below.

Adjusted net finance costs (£'m)	H121	H120
Interest expense	(4.6)	(3.8)
Interest income	1.7	0.2
Amortisation of arrangement fees	(0.4)	(0.4)
Revaluation of investment to fair value	-	(0.1)
Foreign exchange (loss) / gain on cash and cash equivalents	(0.2)	0.4
Unwind of discount on:		
- deferred and contingent consideration	(5.5)	(3.9)
- lease liabilities	(0.4)	(0.6)
- property provisions	(0.1)	-
Adjusted net finance costs	**(9.5)**	(8.2)

The interest payable on the Group's borrowings was £4.6m (H120: £3.8m) due to the higher margin payable following the covenant waiver offset by the benefit of lower debt balances in H121 as a result of the normalisation of contingency liquidity levels held at the start of the pandemic and the proceeds received on the disposal of the discontinued Built Environment & Policy segment. Interest income grew to £1.7m (H120: £0.2m) as a result of interest income from the vendor loan granted to the purchaser of Groundsure. The unwind of the discount on deferred and contingent consideration totalling £5.5m (H120: £3.9m) relates mainly to Flywheel Digital.

In addition to the Adjusted net finance costs set out above, in Adjusting items we have recorded a charge of £0.8m in respect of the covenant amendments agreed in February 2021.

Taxation

Our profits are taxed mainly in the UK (taxed at 19%) and the US (taxed at 26%).

The effective tax rate on Adjusted PBT, before discrete items, is 20.7% but discrete items in the period have reduced the overall effective tax rate on Adjusted PBT to 5.4% as can be seen in the table below. Discrete items recognised include a credit of £2.0m to recognise deferred tax on US state losses following agreement in the half with the relevant state authorities and a credit of £2.4m on revaluation of UK deferred tax balances due to the increase in the UK tax rates to 25% from 1 April 2023 as recently enacted in Finance Act 2021.

Analysis of tax charge (£'m)	**H121**	**H120***	**2020**
Adjusted profit / (loss) before tax	27.8	(7.8)	(9.9)
Tax (charge) / credit on Adjusted PBT	(1.5)	2.5	1.5
Effective tax rate on Adjusted PBT	5.4%	32.1%	15.2%
Adjusting items	(35.5)	(78.3)	(174.4)
Tax credit on Adjusting items	2.7	16.5	33.9
Effective tax rate on Adjusting items	7.6%	21.1%	19.4%
Reported loss before tax	(7.7)	(86.1)	(184.3)
Tax credit on reported PBT	1.2	19.0	35.4
Effective tax rate on reported PBT	15.6%	22.1%	19.2%

* Restated for discontinued operations (see note 4)

Cash tax paid in the half was £3.5m (H120: £2.5m) with the Group continuing to have access to tax losses in the UK and US which are expected to continue to benefit the Group's cash flow over the medium term.

The Group has a total recognised net deferred tax asset of £48.4m (31 December 2020: £50.4m) relating to UK and US losses, accelerated capital allowances, US acquired intangibles, and deferred and contingent consideration offset by deferred tax on non-deductible acquired intangibles

Going forward in future years we currently expect our effective tax rate to be between 24% and 26%, following the recently enacted increase to UK Corporation tax rising to 25% in 2023, with the potential to increase should the US Federal tax rates increase above 21%. President Joe Biden announced his desire to increase the Federal tax rate to up to 28% and whilst this remains uncertain, such an increase could see the Group's future effective tax rate increase to approximately 30%.

Discontinued operations

The results of the discontinued Built Environment & Policy segment are included as a single line items within Profit After Tax but can be summarised as follows:

£'m	**H121**	H120
Revenue	4.8	16.4
Adjusted EBITDA	2.4	8.6
Depreciation and amortisation	-	(0.5)
Profit on disposal (net of disposal costs)	226.1	-
Other exceptional items	(0.5)	(0.3)
Profit before tax	**228.0**	**7.8**
Tax	(0.5)	(1.5)
Profit after tax	**227.5**	**6.3**

Foreign currency impact

The Group's reported performance is sensitive to movements in both the US dollar and the euro against pounds sterling. At June 2021, sterling had strengthened by 11.6% against the US dollar and 5.8% against the euro compared to June 2020 as shown in the table below:

Sterling exchange rates	**Weighted average rate**			**Closing rate**		
	H121	H120	Change	**H121**	H120	Change
US dollar	**1.39**	1.27	(8.9%)	**1.38**	1.24	(11.6%)
Euro	**1.17**	1.15	(1.8%)	**1.16**	1.10	(5.8%)

When comparing H121 and H120, changes in currency exchange rates had an unfavourable impact on revenue and Adjusted EBITDA of £6.4m and £3.5m respectively.

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Acquisitions and disposals
We regularly assess opportunities to acquire high-growth products and capabilities to serve our key end markets.

Acquisitions
In December 2020, the Group announced that it had agreed to acquire Hangzhou Duozhun Data Technology Co. Ltd. ("DZ", formerly X-Target). DZ helps multi-national and premium Chinese brands optimise their consumer targeting, media execution and content marketing strategy across the leading eCommerce platforms in China, including Alibaba and JD. The acquisition allows Ascential to extend its offering in China, with the broadest eCommerce analytics proposition for consumer product companies, while also providing the opportunity to cross-sell and enhance customer relationships with Ascential's Yimian business. This acquisition was for an initial cash consideration of £11.1m, plus estimated earnout payments payable over three years resulting in an estimated total consideration (including the initial consideration) of between £29m and £35m. The total consideration payable for the company, in the event that very stretching targets are reached, is capped at £55m. The acquisition was completed on 26 February 2021.

Also in December 2020, the Group agreed to acquire ERA Serviços de Inteligência em Software S.A. ("Intellibrand"), based in Brazil. Intellibrand provides global brands operating in Latin America with expert local market digital shelf analytic capabilities. These services cover the major Latin America eCommerce platforms, notably Mercado Libre, as well as Food Service Aggregators ("FSAs"), such as Just Eat and Uber Eats. The acquisition provides Ascential with an opportunity to scale its Digital Commerce operations in the fast-growing Latin-American eCommerce market. It also offers proven capability in FSA analytics: a product that is growing in demand among Ascential's global digital shelf customers. The acquisition was for an initial cash consideration of £3.5m plus estimated earnout payments payable over three years resulting in an estimated total consideration (including the initial consideration) of between £5.9m and £7.9m. Total consideration payable, in the event that very stretching targets are reached, is capped at £9.1m. The acquisition completed on 15 January 2021.

In April 2021, the Group acquired Perpetua Labs, Inc. ("Perpetua"). Perpetua provides a self-service SaaS platform that helps independent sellers, as well as agencies and some larger brands, optimise the purchase of search and display advertising on Amazon and other major marketplaces. The acquisition of Perpetua gives us access to the fast-growing challenger brand (and 3P) market (for brands that sell directly to consumers through the marketplaces). The acquisition was for an initial cash consideration of $52m, plus deferred consideration payable over four years, resulting in an estimated total consideration (including the initial consideration) between $103m and $162m. Total consideration payable for Perpetua, in the event that very stretching targets are reached, is capped at US$250m.

Subsequent to the half year, on 16 July 2021 the Group acquired a 51% majority stake in ASR Group Holdings LLC ("ASR"), a digital content optimisation business that enables brands to grow sales through eCommerce marketplaces. The acquisition is for an initial cash consideration of US$122m. Ascential also has an option to acquire two further 24.5% stakes in the company based on a pre-determined multiple of trailing EBITDA between July 2022 and June 2025.

Disposal of Built Environment & Policy businesses

On 15 December 2020, the Group entered into an agreement to sell Glenigan to Byggfakta Group for £74.4m in cash. Following regulatory clearance, the sale completed on 17 March 2021. On 20 January 2021, the Group sold Groundsure to a subsidiary of ATI Global Limited for a purchase price of £169.0m comprising an initial cash consideration of £139.0m plus a £30.0m interest-bearing vendor loan note repayable on or prior to 31 December 2023. On 12 February 2021, the Group sold DeHavilland to the alternative asset management group Bridgepoint for £14.9m in cash.

The total profit on disposal of the above businesses was £226.1m.

Deferred and Contingent Consideration

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

The earn out is accounted for in three ways:

1. A liability for deferred and contingent consideration is established on the balance sheet at the point of acquisition based on that element of the earn out which is not dependent on the continuing employment of the founders. This amounted to £64.4m at 30 June 2021 (31 December 2020: £136.2m). Any change in estimate is recorded as an exceptional item and this amounted to a charge of £2.4m in H121 (H120: £39.4m).

2. This liability is discounted to present value using the Company's cost of capital with the reversal of this discount being recorded within the interest charge. This amounted to a charge of £5.5m in H121 (H120: £3.9m).

3. Finally, that element of the deferred and contingent consideration that is contingent on the continuing employment of the founders is charged to the income statement as an exceptional item over the service life of those founders (typically three years). This amounted to a charge of £10.5m in H121 (H120: £16.4m).

Cash flow

Continuing operations

The Group generated Adjusted operating cash flow from continuing operations of £81.7m in H121 (H120: £4.5m) being a 171% operating cash flow conversion (H120: 39%) due in part to the positive impact of a new working capital facility for Flywheel Digital reimbursables and strong cash collections in Product Design.

Capex increased to £15.2m from £10.6m due to investment in Business Applications most notably the build of an enhanced single Salesforce instance and a new ERP system, SAP 4/Hana, while tax paid on profits increased to £3.5m from £2.5m. As a result, the Company generated free cash flow from continuing operations of £63.0m (H120: £8.6m outflow), a conversion of rate of 132% (H120: (75%)).

(£'m)	**H121**	H120
Adjusted EBITDA	**47.7**	11.5
Working capital movements – Flywheel Digital media reimbursables	20.1	(7.3)
Working capital movements – other	13.9	0.3
Adjusted operating cash flow from continuing operations	**81.7**	4.5
Operating cash flow conversion (%)	*171%*	*39%*
Capital expenditure	(15.2)	(10.6)
Tax paid	(3.5)	(2.5)
Free cash flow from continuing operations	**63.0**	(8.6)
Free cash flow conversion (%)	132%	(75%)

Discontinued operations

The Company generated Adjusted operating cash flow from discontinued operations of £4.3m (H120: £7.7m):

(£'m)	**H121**	H120
Adjusted EBITDA	**2.4**	8.6
Working capital movements	1.9	(0.5)
Adjusted operating cash flow from discontinued operations	**4.3**	8.1
Operating cash flow conversion (%)	*179%*	*94%*
Capital expenditure	-	(0.4)
Free cash flow from discontinued operations	**4.3**	7.7
Free cash flow conversion (%)	179%	89%

Total operations

The consolidated cash flow statement and net debt position is summarised as follows:

(£'m)	H121	H120*
Free cash flow from continuing operations	63.0	(8.6)
Free cash flow from discontinued operations	4.3	7.7
Free cash flow from total operations	**67.3**	**(0.9)**
Acquisition of investments	(28.7)	(8.0)
Disposal of investments	-	55.1
Disposal proceeds net of cash disposed of and net of transaction expenses	216.8	-
Acquisition of businesses, net of cash acquired	(51.4)	(2.7)
Deferred and contingent consideration paid (including contingent employment cost)	(121.1)	(59.4)
Exceptional costs paid	(2.6)	(7.1)
Cash flow before financing activities	**80.3**	**(23.0)**
Net interest paid	(4.8)	(5.6)
Dividends paid to non-controlling interest	(0.6)	-
Lease liabilities paid	(3.6)	(5.3)
Proceeds of issue or sale of shares	0.3	0.5
Share repurchase	-	(9.2)
Net debt (repayment) / drawdown	(70.0)	107.8
Net cash flow	**1.6**	**65.2**
Opening cash balance	**80.2**	**111.7**
FX movements	(0.7)	0.4
Closing cash balance	**81.1**	**177.3**
Borrowings	(236.6)	(396.3)
Capitalised arrangement fees	2.8	3.3
Derivative financial investments	0.1	0.2
Net debt	**(152.6)**	**(215.5)**

* Restated for discontinued operations (see note 4)

Earnings per share

Adjusted diluted earnings per share from continuing operations of 6.4p per share is significantly improved from the 1.3p loss per share recorded for H120. Total diluted earnings per share of 54.9p (H120: loss of 15.1p) benefits from the substantial £226.1m profit on disposal of the Built Environment & Policy segment.

Dividends

Based on the strength and strategic importance of our acquisition pipeline, the Board has decided to prioritise the preservation of capital for potential acquisitions rather than paying an interim dividend. The Board will keep capital allocation priorities including shareholder cash returns continually under review.

Covenant headroom with flexible financing structure

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

In January 2020, we entered into a 5-year multi-currency revolving credit facility ("RCF") of £450m with an accordion to raise further debt amounts up to the greater of £120m or 150% of EBITDA. At 30 June 2021, the borrowings were subject to interest at 2.75% over LIBOR.

The facility covenants include 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 are tested semi-annually. To address the uncertain business environment and ensure maximum flexibility in the medium term, across a broad range of business planning scenarios, the Group agreed the following covenant amendments with its banking group (subject to minimum liquidity of £100m at December 2020 and £125m thereafter):

- At the June 2021 testing point - the leverage covenant ratio limit has been relaxed to 4.75x.
- At the December 2021 testing point - the leverage covenant ratio limit has been relaxed to between 3.50x and 4.50x depending on the scale of profits from live events in 2021.
- At the June 2022 testing point - if either Money20/20 Europe or USA do not take place by end June 2022, the leverage covenant limit at June 2022 will be 3.75x.

At 30 June 2021, our leverage ratio was 2.6x (or 2.7x on a covenant basis compared to the limit of 4.75x) and our available liquidity was £294.6m (compared to the minimum of £125m), both well within our banking covenants.

Going concern

There continues to be uncertainty surrounding the resolution of the Covid-19 outbreak and the impact to the wider global economy. The Directors have considered a number of severe but plausible scenarios and taken into account the condition of our balance sheet, our 2020 refinancing, the impact of the recent acquisitions and the disposal of the Built Environment & Policy segment, the diversification and digital nature of many of our business models and proactive steps taken to provide covenant headroom and adjust our cost base as well as further potential mitigating actions available to them.

The Board's assessment of the Group's prospects and stress test scenarios concludes that the Group has adequate resources to continue in operational existence for the foreseeable future, including the period of at least 12 months from the date when the financial statements are approved. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

Further details including of the various assumptions for the severe but plausible scenarios considered in coming to this conclusion are presented in note 1.

Alternative Performance Measures

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

(1) Adjusted profit measures

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

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

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

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

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

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

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

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

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

(2) Adjusted cash flow measures

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

£'m	**H121 (Unaudited)**	H120 (Unaudited)*
Cash generated from operations	40.9	(14.6)
Less: cash generated from discontinued operations	(4.3)	(7.9)
Add back: acquisition-related contingent employment costs	34.4	20.1
Add back: other exceptional cash flow	10.7	6.9
Adjusted cash generated from operations	**81.7**	4.5
Adjusted cash generated from operations	81.7	4.5
Adjusted EBITDA	47.7	11.5
Operating cash conversion (%)	**171%**	**39%**
Net cash generated from operating activities	37.4	(17.1)
Less: cash generated from discontinued operations	(4.3)	(7.9)
Less: capital expenditure	(15.2)	(10.6)
Add back: acquisition-related contingent employment costs	34.4	20.1
Add back: other exceptional cash flow	10.7	6.9
Free cash flow	**63.0**	(8.6)
Free cash flow	63.0	(8.6)
Adjusted EBITDA	47.7	11.5
Free cash flow conversion (%)	**132%**	**(75%)**

* Restated for discontinued operations (see note 4)

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

(3) Organic growth measures

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

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

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

- results of acquired and disposed businesses are excluded where the consolidated results include only part-period results in either current or prior periods;
- prior year consolidated results are restated at constant currency exchange rates for non-sterling businesses; and
- prior year results are adjusted such that comparative results of events that have been held at different times of year are included in the same period as the current year results.

Organic growth is calculated as follows:

£'m (Unaudited)	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate Costs	Total
Revenue						
H121 - reported	59.7	44.3	63.9	7.2	-	175.1
Exclude acquisitions	(5.2)	-	-	-	-	(5.2)
H121 – Organic basis	54.5	44.3	63.9	7.2	-	169.9
Organic revenue growth	20%	3%	158%	(19%)	-	39.4%
H120 - *restated*	47.8	44.6	26.4	9.1	-	127.9
Include acquisitions	0.4	-	-	-	-	0.4
Currency adjustment	(3.0)	(1.7)	(1.6)	(0.1)	-	(6.4)
H120 – Organic basis	45.2	42.9	24.8	9.0	-	121.9
Adjusted EBITDA						
H121 – reported	10.8	20.2	30.5	(5.4)	(8.4)	47.7
Exclude acquisitions	(0.5)	-	-	-	-	(0.5)
H121 – Organic basis	10.3	20.2	30.5	(5.4)	(8.4)	47.2
Organic EBITDA growth	(8%)	12%	nm	15%	8%	nm
H120 – *restated*	12.5	19.1	(4.1)	(6.4)	(9.6)	11.5
Include acquisitions	0.1	-	-	-	-	0.1
Currency adjustment	(1.4)	(1.1)	(1.4)	-	0.4	(3.5)
H120 – Organic basis	11.2	18.0	(5.5)	(6.4)	(9.2)	8.1

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(4) Proforma growth measures

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

£'m (Unaudited)	Digital Commerce	Product Design	Marketing	Retail & Financial Services	Corporate Costs	Total
Revenue						
H121 – reported	59.7	44.3	63.9	7.2	-	175.1
Include acquisitions	2.9	-	-	-	-	2.9
H121 – Proforma basis	62.6	44.3	63.9	7.2	-	178.0
Proforma revenue growth	27%	3%	158%	(19%)	-	41.5%
H120 – restated	47.8	44.6	26.4	9.1	-	127.9
Include acquisitions	4.6	-	-	-	-	4.6
Currency adjustment	(3.3)	(1.7)	(1.6)	(0.1)	-	(6.7)
H120 – Proforma basis	49.1	42.9	24.8	9.0	-	125.8
Adjusted EBITDA						
H121– reported	10.8	20.2	30.5	(5.4)	(8.4)	47.7
Include acquisitions	-	-	-	-	-	-
H121 – Proforma basis	10.8	20.2	30.5	(5.4)	(8.4)	47.7
Proforma EBITDA growth	2%	12%	nm	15%	8%	nm
H120 – restated	12.5	19.1	(4.1)	(6.4)	(9.6)	11.5
Include acquisitions	(0.4)	-	-	-	-	(0.4)
Currency adjustment	(1.4)	(1.1)	(1.4)	-	0.4	(3.5)
H120 – Proforma basis	10.7	18.0	(5.5)	(6.4)	(9.2)	7.6

Glossary of Alternative Performance Measures

Term	Description
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma revenue growth	Revenue growth on a like-for-like basis assuming the Company's acquisitions or disposals were made on the first day of the comparative accounting period
Proforma EBITDA growth	Adjusted EBITDA growth on a like-for-like basis assuming the Company's acquisitions or disposals were made on the first day of the comparative accounting period
Exceptional items	Items within Operating profit or loss but separately identified in accordance with Group accounting policies as set out in the Group's Annual Report and Accounts for the year ended 31 December 2020 and in note 5 to these interim financial statements
Adjusting items	Exceptional items, Amortisation of intangible assets acquired through business combinations, Share-based payments, Gains and losses on disposal, Write-off of unamortised arrangement fees on re-financing, Covenant amendment fees and Tax related thereto
Adjusted operating profit / (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 period
Adjusted cash generated from operations	Cash generated from operations with cash generated from discontinued operations, acquisition related contingent consideration and other exceptional cash flows excluded
Operating cash conversion	Adjusted cash generated from operations expressed as a percentage of Adjusted EBITDA
Free cash flow	Net cash generated from operating activities including capital expenditure. Net cash generated from discontinued operations, acquisition-related contingent consideration and other exceptional cash flow are excluded
Free cash flow conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Leverage	The ratio of Net debt to Adjusted EBITDA before, in both cases, accounting for the impact of IFRS 16
Net debt	Net debt comprises external borrowings net of arrangement fees, cash and cash equivalents and derivative financial instruments. Net debt excludes lease liabilities

Condensed Consolidated Statement of Profit and Loss

(£'m)	Note	**Six months to 30 June 2021 (Unaudited)** Adjusted Results	Adjusting Items	Total	Six months to 30 June 2020 (Unaudited and restated*) Adjusted Results	Adjusting Items	Total	Year to 31 December 2020 (Audited) Adjusted Results	Adjusting Items	Total
Revenue	4	175.1	-	**175.1**	127.9	-	127.9	263.7	-	263.7
Cost of sales		(63.1)	-	**(63.1)**	(53.4)	-	(53.4)	(106.6)	-	(106.6)
Sales, marketing and administrative expenses		(73.8)	(34.7)	**(108.5)**	(74.0)	(76.4)	(150.4)	(151.1)	(172.5)	(323.6)
Operating profit / (loss)	4	**38.2**	**(34.7)**	**3.5**	0.5	(76.4)	(75.9)	6.0	(172.5)	(166.5)
Adjusted EBITDA	4	47.7	-	**47.7**	11.5	-	11.5	28.5	-	28.5
Depreciation and amortisation		(9.5)	(16.1)	**(25.6)**	(11.0)	(17.1)	(28.1)	(22.5)	(33.7)	(56.2)
Exceptional items	5	-	(15.6)	**(15.6)**	-	(60.9)	(60.9)	-	(140.4)	(140.4)
Share-based payments		-	(3.0)	**(3.0)**	-	1.6	1.6	-	1.6	1.6
Operating profit / (loss)		**38.2**	**(34.7)**	**3.5**	0.5	(76.4)	(75.9)	6.0	(172.5)	(166.5)
Share of the loss of joint ventures and associates		(0.9)	-	**(0.9)**	(0.1)	-	(0.1)	(0.2)	-	(0.2)
Finance costs	6	(11.2)	(0.8)	**(12.0)**	(8.8)	(1.9)	(10.7)	(17.6)	(1.9)	(19.5)
Finance income	6	1.7	-	**1.7**	0.6	-	0.6	1.9	-	1.9
Profit / (loss) before taxation		**27.8**	**(35.5)**	**(7.7)**	(7.8)	(78.3)	(86.1)	(9.9)	(174.4)	(184.3)
Taxation	7	(1.5)	2.7	**1.2**	2.5	16.5	19.0	1.5	33.9	35.4
Profit / (loss) from continuing operations		**26.3**	**(32.8)**	**(6.5)**	(5.3)	(61.8)	(67.1)	(8.4)	(140.5)	(148.9)
Profit / (loss) from discontinued operations, net of tax		**1.9**	**225.6**	**227.5**	6.7	(0.4)	6.3	16.7	(3.2)	13.5
Profit / (loss) for the period		**28.2**	**192.8**	**221.0**	1.4	(62.2)	(60.8)	8.3	(143.7)	(135.4)
Profit / (loss) attributable to:										
Owners of the company		27.8	192.8	**220.6**	1.8	(62.2)	(60.4)	7.6	(143.7)	(136.1)
Non-controlling interest		0.4	-	**0.4**	(0.4)	-	(0.4)	0.7	-	0.7
Earnings / (loss) per share (pence)										
Continuing operations										
- Basic		6.4	(8.1)	**(1.7)**	(1.3)	(15.4)	(16.7)	(2.3)	(35.0)	(37.3)
- Diluted		6.4	(8.1)	**(1.7)**	(1.3)	(15.4)	(16.7)	(2.3)	(35.0)	(37.3)
Discontinued operations										
- Basic		0.5	56.1	**56.6**	1.7	(0.1)	1.6	4.2	(0.9)	3.3
- Diluted		0.5	56.1	**56.6**	1.7	(0.1)	1.6	4.2	(0.9)	3.3
Total operations										
- Basic		**6.9**	**48.0**	**54.9**	0.4	(15.5)	(15.1)	1.9	(35.9)	(34.0)
- Diluted		**6.9**	**48.0**	**54.9**	0.4	(15.5)	(15.1)	1.9	(35.9)	(34.0)

* Restated for discontinued operations (see note 4)

Condensed Consolidated Statement of Other Comprehensive Income

(£'m)	**Six months to 30 June 2021 (Unaudited)**			Six months to 30 June 2020 (Unaudited and restated*)			Year to 31 December 2020 (Audited)		
	Adjusted Results	**Adjusting Items**	**Total**	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Profit / (loss) for the year from continuing operations	**26.3**	**(32.8)**	**(6.5)**	(5.3)	(61.8)	(67.1)	(8.4)	(140.5)	(148.9)
Profit / (loss) for the year from discontinued operations	**1.9**	**225.6**	**227.5**	6.7	(0.4)	6.3	16.7	(3.2)	13.5
Profit / (loss) for the year	**28.2**	**192.8**	**221.0**	1.4	(62.2)	(60.8)	8.3	(143.7)	(135.4)
Other comprehensive income / (expense)									
Items that may be reclassified subsequently to profit or loss:									
Foreign exchange translation differences recognised in equity	**5.0**	**-**	**5.0**	11.4	-	11.4	(10.5)	-	(10.5)
Total other comprehensive income / (loss) net of tax	**5.0**	**-**	**5.0**	11.4	-	11.4	(10.5)	-	(10.5)
Total comprehensive income / (loss) for the period	**33.2**	**192.8**	**226.0**	12.8	(62.2)	(49.4)	(2.2)	(143.7)	(145.9)
Total comprehensive income / (loss) attributable to:									
Owners of the company	**32.8**	**192.8**	**225.6**	13.2	(62.2)	(49.0)	(2.9)	(143.7)	(146.6)
Non-controlling interest	**0.4**	**-**	**0.4**	(0.4)	-	(0.4)	0.7	-	0.7

* Restated for discontinued operations (see note 4)

Condensed Consolidated Statement of Financial Position

(£'m)	Note	**30 June 2021 (Unaudited)**	30 June 2020 (Unaudited)	31 December 2020 (Audited)
Assets				
Non-current assets				
Goodwill	11, 12	522.9	531.4	467.4
Intangible assets	11	226.6	245.4	206.7
Property, plant and equipment		4.4	7.9	5.5
Right of use assets		13.3	18.8	15.4
Investments	8	59.1	23.6	32.4
Investment property		0.9	1.9	0.8
Deferred tax assets	7	55.4	60.7	55.0
Other receivables	15	32.0	0.2	0.7
		914.6	889.9	783.9
Current assets				
Inventories		1.5	3.8	2.1
Trade and other receivables		186.2	176.0	197.9
Assets classified as held for sale		-	-	40.2
Other investments, including derivatives		-	1.1	-
Current tax asset		1.4	-	-
Cash and cash equivalents	14	81.1	177.3	78.2
Current assets		**270.2**	358.2	318.4
Total assets		**1,184.8**	1,248.1	1,102.3
Liabilities				
Current liabilities				
Trade and other payables		142.9	99.5	137.3
Deferred income		106.0	118.5	91.2
Deferred and contingent consideration	13	37.3	96.3	113.5
Lease liabilities		7.4	9.0	6.7
Liabilities classified as held for sale		-	-	13.3
Current tax liabilities		-	3.5	2.4
Provisions		4.6	0.4	7.4
Current liabilities		**298.2**	327.2	371.8
Non-current liabilities				
Deferred income		0.5	0.4	0.6
Deferred and contingent consideration	13	27.1	14.8	22.7
Lease liabilities		9.9	13.4	13.7
External borrowings	14	233.8	393.0	309.5
Deferred tax liabilities	7	7.0	23.5	4.6
Provisions		1.6	2.6	1.6
Total non-current liabilities		**279.9**	447.7	352.7
Total liabilities		**578.1**	774.9	724.5
Net assets		**606.7**	473.2	377.8
Equity				
Share capital		4.0	4.0	4.0
Share premium		3.3	2.2	3.0
Merger reserve		9.2	9.2	9.2
Group restructure reserve		157.9	157.9	157.9
Translation reserve		(40.7)	(23.8)	(45.7)
Treasury share reserve		(0.1)	(0.1)	(0.1)
Retained earnings		472.0	323.6	248.2
Non-controlling interest		1.1	0.2	1.3
Total equity		**606.7**	473.2	377.8

Condensed Consolidated Statement of Changes in Equity

	Attributable to owners of the Company								
(£'m)	Share capital	Share premium	Merger reserve	Group restructure reserve	Translation reserve	Treasury share reserve	Retained earnings	Non-controlling interest	Total
Balance at 31 December 2019 (Audited)	**4.0**	**1.7**	**9.2**	**157.9**	**(35.2)**	**(0.1)**	**394.0**	**0.6**	**532.1**
Loss for the period	-	-	-	-	-	-	(60.4)	(0.4)	(60.8)
Other comprehensive income	-	-	-	-	11.4	-	-	-	11.4
Total comprehensive income / (loss)	-	-	-	-	11.4	-	(60.4)	(0.4)	(49.4)
Issue of shares	-	0.5	-	-	-	-	-	-	0.5
Share repurchase	-	-	-	-	-	-	(9.2)	-	(9.2)
Share-based payments	-	-	-	-	-	-	(0.9)	-	(0.9)
Taxation on share-based payments	-	-	-	-	-	-	0.1	-	0.1
Balance at 30 June 2020 (Unaudited)	**4.0**	**2.2**	**9.2**	**157.9**	**(23.8)**	**(0.1)**	**323.6**	**0.2**	**473.2**
(Loss) / profit for the period	-	-	-	-	-	-	(75.7)	1.1	(74.6)
Other comprehensive loss	-	-	-	-	(21.9)	-	-	-	(21.9)
Total comprehensive (loss) / income	-	-	-	-	(21.9)	-	(75.7)	1.1	(96.5)
Issue of shares	-	0.2	-	-	-	-	-	-	0.2
Treasury shares sold	-	0.6	-	-	-	-	-	-	0.6
Share-based payments	-	-	-	-	-	-	(0.5)	-	(0.5)
Taxation on share-based payments	-	-	-	-	-	-	0.8	-	0.8
Balance at 31 December 2020 (Audited)	**4.0**	**3.0**	**9.2**	**157.9**	**(45.7)**	**(0.1)**	**248.2**	**1.3**	**377.8**
Profit for the period	-	-	-	-	-	-	220.6	0.4	221.0
Other comprehensive income	-	-	-	-	5.0	-	-	-	5.0
Total comprehensive income	-	-	-	-	5.0	-	220.6	0.4	226.0
Issue of shares	-	0.3	-	-	-	-	-	-	0.3
Dividends	-	-	-	-	-	-	-	(0.6)	(0.6)
Share-based payments	-	-	-	-	-	-	2.5	-	2.5
Taxation on share-based payments	-	-	-	-	-	-	0.7	-	0.7
Balance at 30 June 2021 (Unaudited)	**4.0**	**3.3**	**9.2**	**157.9**	**(40.7)**	**(0.1)**	**472.0**	**1.1**	**606.7**

Condensed Consolidated Statement of Cash Flows

(£'m)	Note	**Six months to 30 June 2021 (Unaudited)**	Six months to 30 June 2020 (Unaudited and restated*)	Year to 31 December 2020 (Audited)
Cash flow from operating activities	**Note**			
Profit / (loss) before taxation on continuing operations		(7.7)	(86.1)	(184.3)
Profit before taxation on discontinued operations		228.0	7.8	17.4
Adjustments for:				
Amortisation of acquired intangible assets	5	16.1	17.2	33.9
Amortisation of software intangible assets		5.2	5.1	11.4
Amortisation of right of use assets		2.0	4.0	7.6
Depreciation of property, plant and equipment		2.3	2.3	4.4
Gain on disposal of business operations		(226.1)	-	-
Impairment of assets		-	-	31.9
Deferred and contingent consideration: revaluation and contingent employment costs	5	12.9	55.8	97.6
Share-based payments		3.0	(1.6)	(1.6)
Share of loss in equity-accounted investee, net of tax		0.9	0.1	0.2
Net finance costs	6	10.3	10.1	17.6
Cash generated from operations before changes in working capital and provisions		**46.9**	14.7	36.1
Deferred and contingent consideration paid		(34.4)	(20.1)	(23.1)
Changes in:				
Inventories		0.6	0.3	2.2
Trade and other receivables		19.2	(40.6)	(70.8)
Trade and other payables**		11.4	31.7	61.0
Provisions		(2.8)	(0.6)	5.7
Cash generated from / (used in) operations		**40.9**	(14.6)	11.1
Cash generated from operations before exceptional operating items		81.7	4.5	25.7
Cash inflows for discontinued operations		4.3	8.1	19.8
Cash outflows for acquisition-related contingent employment costs	13	(34.4)	(20.1)	(23.1)
Cash flows for other exceptional operating items		(10.7)	(7.1)	(11.3)
Cash generated from / (used in) operations		**40.9**	(14.6)	11.1
Tax paid		**(3.5)**	(2.5)	(3.3)
Net cash generated from / (used in) operating activities		**37.4**	(17.1)	7.8
Cash flow from investing activities				
Acquisition of businesses, net of cash acquired	12	(51.4)	(2.7)	(2.7)
Deferred and contingent consideration cash paid in the period	13	(86.7)	(39.3)	(46.0)
Acquisition of investments	8	(28.7)	(8.0)	(16.8)
Disposal of equity-accounted investments		-	55.1	55.1
Acquisition of software intangibles and property, plant and equipment		(15.2)	(11.0)	(24.0)
Disposal of businesses, net of cash disposed of		224.9	-	-
Net cash generated from / (used by) investing activities		**42.9**	(5.9)	(34.4)

Condensed Consolidated Statement of Cash Flows (continued)

(£'m)		**Six months to 30 June 2021 (Unaudited)**	Six months to 30 June 2020 (Unaudited and restated*)	Year to 31 December 2020 (Audited)
Cash flow from financing activities				
Proceeds from external borrowings	14	68.5	393.6	311.5
Repayment of external borrowings	14	(138.5)	(285.8)	(285.8)
Proceeds from issue of shares		0.3	0.5	0.7
Proceeds from sale of SIP shares		-	-	0.6
Share repurchase		-	(9.2)	(9.2)
Interest and arrangement fees paid		(4.8)	(5.6)	(12.0)
Lease liabilities paid		(3.6)	(5.3)	(8.9)
Dividend paid to non-controlling interest		(0.6)	-	-
Net cash generated from / (used in) financing activities		**(78.7)**	88.2	(3.1)
Net increase / (decrease) in cash and cash equivalents		**1.6**	65.2	(29.7)
Cash and cash equivalents at the beginning of the period		80.2	111.7	111.7
Effect of exchange rate changes		(0.7)	0.4	(1.8)
Cash and cash equivalents at the end of the period* **		**81.1**	177.3	80.2

* Restated for discontinued operations (see note 4)

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

*** The balance at 31 December 2020 includes £2.0m of cash and cash equivalents classified as held for sale

Notes to the Condensed Consolidated Interim Financial Statements

1. Basis of preparation

Ascential plc (the "Company") is a public limited company, which is listed on the London Stock Exchange and incorporated and domiciled in the United Kingdom. These unaudited condensed consolidated interim financial statements as at and for the six months to 30 June 2021 comprise the results and financial position of the Company and its subsidiaries and were approved by the Board of Directors on 26 July 2021. The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted for use in the UK.

The annual consolidated financial statements of the Group for the year ended 31 December 2021 will be prepared in accordance with UK-adopted international accounting standards. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, this condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 December 2020 which were prepared in accordance with International Financial Reporting Standards (IFRSs) adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. These condensed consolidated half-yearly financial statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006 and should be read in conjunction with the Annual Report and Accounts 2020. Those accounts were reported upon by the Group's auditors and delivered to the Registrar of Companies. The report of the auditors was unqualified, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain statements under Section 498 (2) or (3) of the Companies Act 2006. The Annual Report and Accounts 2020 are available upon request from the Company's registered office at The Prow, 1 Wilder Walk, London, W1B 5AP, United Kingdom or at www.ascential.com.

Going concern

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

The Board is required to assess going concern at each reporting period. These assessments are significantly more difficult currently given the uncertainties about the impact of Covid-19, the extent and duration of Covid-related restrictions and the impact on the economies in which we operate. The level of judgement to be applied has therefore increased considerably compared to 2019 and prior. The Directors have considered three main factors in reaching their conclusions on going concern – liquidity, covenants and scenario planning – as set out below.

Liquidity

In January 2020, the Group entered into a new 5-year multi-currency revolving credit facility ("RCF") of £450m plus an accordion to raise further debt amounts, at the option of the lenders, of up to the greater of £120m or 150% of EBITDA. At 30 June 2021 the borrowings were subject to interest at a margin of 2.75% over LIBOR. These facilities provide ample liquidity when judged against the net debt of the Company of £152.6m at 30 June 2021.

Covenants

The more sensitive aspects of the Company's financing are the application by the lenders of covenant tests to these facilities and the most sensitive covenant is Net Debt Leverage (broadly, the ratio of Net Debt to Adjusted pre-IFRS16 EBITDA). The facility covenants include 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 are tested semi-annually. To address the uncertain business environment and ensure maximum flexibility in the medium term, across a broad range of business planning scenarios, the Group agreed the following covenant amendments with its banking group (subject to minimum liquidity of £125m after 31 December 2020):

- At the June 2021 testing point – the leverage covenant ratio limit has been relaxed to 4.75x.
- At the December 2021 testing point – the leverage covenant ratio limit has been relaxed to between 3.50x and 4.50x depending on the scale of profits from live events in 2021.
- At the June 2022 testing point – if either Money20/20 Europe or USA do not take place in 2021, the leverage covenant limit at June 2022 will be 3.75x.

At 30 June 2021, our leverage ratio was 2.6x (or 2.7x on a covenant basis compared to the limit of 4.75x) and our available liquidity was £294.6m (compared to the minimum of £125m), both well within our banking covenants.

Scenario planning

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

- **Near term cessation of restrictions -** the scenario envisages a significant reduction in lockdowns and other measures leading to a robust recovery in global economic activity from the Summer of 2021. The scenario assumes Money20/20 takes place in Europe in September 2021 and in the US in October 2021.

- **Longer term easing of restrictions** - the most severe modelled scenario that the directors consider as severe but plausible for going concern stress testing assumes that restrictions continue to impact 2021 as well as 2022, resulting in the cancellation of all remaining events for the next 12 months until resumption of a normal events roster in October 2022.

Note that these scenarios included the impact of the acquisition of ASR shortly after the balance sheet date.

In their review of the downside scenarios, the Directors have considered a number of mitigations that are at their discretion, including but not limited to: future dividend policy, the use of equity to meet deferred consideration obligations, and further restructuring and cost cutting measures.

In these downside scenarios there is sufficient headroom with regards to banking covenants, even without the benefit of the equity raise launched in the post balance sheet period on 26 July 2021. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements.

2. Accounting policies, developments and changes

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those set out in the Group's Annual Report and Accounts for the year ended 31 December 2020, except as outlined below, and will be applied for the year ended 31 December 2021.

Equity-accounted investments

Investments in equity instruments are measured at fair value through profit or loss unless or until such time as we are deemed to have significant influence or control over the investee, or they are derecognised. When significant influence is obtained, the Group determines its investment in the equity-accounted associate using the fair value approach. Accordingly, the initial valuation includes the sum of the fair value of the initial interest at the date of obtaining significant influence plus the consideration paid for any additional interest.

3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Group. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected. The areas involving a higher degree of judgement or complexity and assumptions or estimation remain consistent with those disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2020 and are set out below. Significant updates to these judgements and estimations, in particular in light of Covid-19, are detailed where relevant in the related notes and in note 1 above on going concern.

Critical accounting judgements

- Alternative performance measures (APMs)
- Recognition of associates (note 8)

Key sources of estimation

- Business combinations (notes 12 and 13)
- Valuation of contingent consideration and acquisition-related employment costs (notes 12 and 13)
- Deferred tax (note 7)
- Goodwill and acquired intangibles recoverable amount (note 11)

4. Operating segments

The Group has four reportable segments that are used to present information to the Board (Chief Operating Decision Maker) on a monthly basis. End market risks and opportunities vary and capital allocation decisions are made on the basis of four reportable segments. The four reportable segments are Digital Commerce, Product Design, Marketing, and Retail & Financial Services. During the first half of the year, Built Environment & Policy, which was previously regarded as a fifth reportable segment, was disposed of and was treated as a discontinued operation until the point of disposal. The reportable segments offer different products and services and are managed separately as a result of different capabilities, technology, marketing strategies and end market risks and opportunities. The following summary describes the continuing operations in each of the Group's reportable segments:

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

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

Six months to 30 June 2021 (Unaudited)

(£'m)	Digital Commerce	Product Design	Marketing	Retail & Financial services	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	59.7	44.3	63.9	7.2	-	175.1	4.8	179.9
Adjusted EBITDA	10.8	20.2	30.5	(5.4)	(8.4)	47.7	2.4	50.1
Depreciation and software amortisation	(4.0)	(1.4)	(2.4)	(0.5)	(1.2)	(9.5)	-	(9.5)
Adjusted operating profit / (loss)	**6.8**	**18.8**	**28.1**	**(5.9)**	**(9.6)**	**38.2**	**2.4**	**40.6**
Amortisation of acquired intangible assets						(16.1)	-	(16.1)
Exceptional items						(15.6)	225.6	210.0
Share-based payments						(3.0)	-	(3.0)
Operating profit						**3.5**	**228.0**	**231.5**
Share of net loss in equity-accounted investee						(0.9)	-	(0.9)
Finance costs						(12.0)	-	(12.0)
Finance income						1.7	-	1.7
Profit / (loss) before tax						**(7.7)**	**228.0**	**220.3**

Six months to 30 June 2020 (Unaudited and restated)

(£'m)	Digital Commerce	Product Design	Marketing	Retail & Financial services	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	47.8	44.6	26.4	9.1	-	127.9	16.4	144.3
Adjusted EBITDA	12.5	19.1	(4.1)	(6.4)	(9.6)	11.5	8.6	20.1
Depreciation and software amortisation	(2.4)	(2.3)	(3.2)	(1.4)	(1.7)	(11.0)	(0.4)	(11.4)
Adjusted operating profit / (loss)	**10.1**	**16.8**	**(7.3)**	**(7.8)**	**(11.3)**	**0.5**	**8.2**	**8.7**
Amortisation of acquired intangible assets						(17.1)	(0.1)	(17.2)
Exceptional items						(60.9)	(0.3)	(61.2)
Share-based payments						1.6	-	1.6
Operating loss						**(75.9)**	**7.8**	**(68.1)**
Share of net loss in equity-accounted investee						(0.1)	-	(0.1)
Finance costs						(10.7)	-	(10.7)
Finance income						0.6	-	0.6
Loss before tax						**(86.1)**	**7.8**	**(78.3)**

Year to 31 December 2020 (Audited)

(£'m)	Digital Commerce	Product Design	Marketing	Retail & Financial services	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	103.1	88.1	54.3	18.2	-	263.7	37.4	301.1
Adjusted EBITDA	22.9	38.0	(0.8)	(14.3)	(17.3)	28.5	21.5	50.0
Depreciation and software amortisation	(6.3)	(4.7)	(6.1)	(2.3)	(3.1)	(22.5)	(0.9)	(23.4)
Adjusted operating profit / (loss)	**16.6**	**33.3**	**(6.9)**	**(16.6)**	**(20.4)**	**6.0**	**20.6**	**26.6**
Amortisation of acquired intangible assets						(33.7)	(0.2)	(33.9)
Exceptional items						(140.4)	(3.0)	(143.4)
Share-based payments						1.6	-	1.6
Operating loss						**(166.5)**	**17.4**	**(149.1)**
Share of net loss in equity-accounted investee						(0.2)	-	(0.2)
Finance costs						(19.5)	-	(19.5)
Finance income						1.9	-	1.9
Loss before tax						**(184.3)**	**17.4**	**(166.9)**

Exceptional items within continuing operations of £15.6m (31 December 2020: £140.4m; 30 June 2020: £60.9m) include £11.6m (31 December 2020: £98.5m; 30 June 2020: £57.5m), £nil (31 December 2020: £1.2m; 30 June 2020: £0.4m), £3.2m (31 December 2020: £4.9m; 30 June 2020: £1.5m), £nil (31 December 2020: £29.3; 30 June 2020: £0.2m) and £0.8m (31 December 2020: £6.5m; 30 June 2020: £1.3m) which are attributable to Digital Commerce, Product Design, Marketing, Retail & Financial Services and Corporate costs respectively. Finance costs, finance income, share of net profit in equity accounted investees and share-based payments are not allocated to segments, as these types of activity are driven by the Group corporate function.

Additional segmental information on revenue

The Group's main revenue streams are those described in the Annual Report for the year ended 31 December 2020. The Group's revenue is derived from contracts with customers.

Disaggregation of revenue

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

(£'m)	Timing of revenue recognition	Six months to 30 June 2021 (Unaudited)	Six months to 30 June 2020 (Unaudited and restated*)	Year to 31 December 2020 (Audited)
Digital Subscriptions & Platforms	Over time	54.9	45.1	95.6
Advisory	Over time	4.8	2.7	7.5
Digital Commerce		**59.7**	**47.8**	**103.1**
Digital Subscriptions & Platforms	Over time	39.8	41.4	81.3
Advisory	Over time	4.5	3.2	6.8
Product Design		**44.3**	**44.6**	**88.1**
Digital Subscriptions & Platforms	Over time	8.4	8.3	17.0
Advisory	Over time	23.7	17.2	35.0
Benchmarking Awards	Point in time	27.2	0.1	1.0
Events	Point in time	4.6	0.8	1.3
Marketing		**63.9**	**26.4**	**54.3**
Digital Subscriptions & Platforms	Over time	5.7	7.2	14.3
Advisory	Over time	1.1	1.0	2.2
Events	Point in time	0.4	0.9	1.7
Retail & Financial Services		**7.2**	**9.1**	**18.2**
Revenue from continuing operations		**175.1**	**127.9**	**263.7**

* Restated for discontinued operations.

Seasonality of operations

The Group's results are impacted by seasonality. The majority of Ascential's revenues come from robust digital subscriptions and platforms and high repeat advisory revenue streams which contain little seasonal fluctuation. However, the Company makes a material amount of revenue from Benchmarking Awards which typically take place in the first half of the calendar year.

5. Adjusting items

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

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

(£'m)	**Six months to 30 June 2021 (Unaudited)**	Six months to 30 June 2020 (Unaudited and restated*)	Year to 31 December 2020 (Audited)
Revaluation of contingent consideration recognised in the consolidated statement of profit and loss	2.4	39.4	64.1
Acquisition–related employment costs accrued in the period	10.5	16.4	33.5
Total deferred contingent consideration costs	**12.9**	**55.8**	**97.6**
Impairment of Retail & Financial Services assets	-	-	28.4
Property impairments and onerous contracts	-	-	4.8
Restructuring costs	-	4.0	7.0
Acquisition transaction and integration costs	2.7	1.1	2.6
Exceptional items	**15.6**	**60.9**	**140.4**
Amortisation of acquired intangible assets	16.1	17.1	33.7
Share-based payments	3.0	(1.6)	(1.6)
Adjusting items included within operating profit / (loss)	**34.7**	**76.4**	**172.5**
Finance costs	0.8	1.9	1.9
Adjusting items included with profit / (loss) before tax from continuing operations	**35.5**	**78.3**	**174.4**

* Restated for discontinued operations (see note 4).

The revaluation of contingent consideration in the period mainly reflects updated estimates of the performance of Yimian.

Acquisition-related employment costs incurred in the period relate primarily to that element of the purchase consideration which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements, between 20% and 50% of deferred payments are contingent on not only the results of the business in the post-acquisition period but also the continued employment of the founders.

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

The charge for share-based payments of £3.0m incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan. As explained in the Alternative Performance Measures section, we treat 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.

Finance costs of £0.8m relate to fees for covenant amendments.

6. Finance costs and finance income

(£'m)	**Six months to 30 June 2021 (Unaudited)**	Six months to 30 June 2020 (Unaudited)	Year to 31 December 2020 (Audited)
Interest on bank deposits and external loans	1.7	0.2	0.3
Remeasurement of trade investments to fair value	-	-	1.4
Foreign exchange gain on cash and cash equivalents	-	0.4	0.2
Finance income	**1.7**	0.6	1.9
Interest payable on external borrowings	(4.6)	(3.8)	(7.4)
Amortisation of arrangement fees	(0.4)	(0.4)	(0.8)
Fair value loss on derivative financial instruments	-	(0.1)	(0.3)
Discount unwind on deferred and contingent consideration	(5.5)	(3.9)	(7.9)
Discount unwind of lease liability	(0.4)	(0.6)	(1.1)
Discount unwind of property provisions	(0.1)	-	(0.1)
Foreign exchange loss on cash and cash equivalents	(0.2)	-	-
Adjusted finance costs	**(11.2)**	(8.8)	(17.6)
Adjusting items in relation to covenants and refinancing (note 5)	(0.8)	(1.9)	(1.9)
Finance costs	**(12.0)**	(10.7)	(19.5)
Net finance costs	**(10.3)**	(10.1)	(17.6)

7. Tax on profit on ordinary activities

The total tax credit for the period is £1.2m (30 June 2020: £19.0m) which comprises a tax charge of £1.5m on Adjusted profits and a tax credit of £2.7m on Adjusting items (being the amortisation of acquired intangible assets, share-based payments and exceptional items).

The tax credit on Adjusted profits for the period has been calculated by applying the expected full year rate, before discrete items, of 20.7% (30 June 2020: 22.1%) to the H121 results. Discrete items of £4.2m have then been applied and comprise a credit of £2.4m for the revaluation of UK deferred tax assets following the enactment of the UK rate change and a credit of £2.0m for the recognition of US tax losses.

A tax credit of £2.7m is recorded in relation to Adjusting items for the six months ended 30 June 2021 (30 June 2020: £16.5m; 31 December 2020: £33.9m). This includes a net tax charge of £3.2m for revaluation of UK deferred tax liabilities and assets on consolidated intangibles and share-based payments. A deferred tax credit of £0.7m (30 June 2020: £0.1m; 31 December 2020: £0.9m) is recognised in equity relating to share-based payments.

The total tax credit for the period comprises:

(£'m)	Six months to 30 June 2021 (Unaudited)	Restated* Six months to 30 June 2020 (Unaudited)	Year to 31 December 2020 (Audited)
Current tax			
UK tax credit on income for the period	-	(1.5)	(3.8)
Overseas tax charge on income for the period	0.2	-	0.7
Adjustments in respect of prior years	-	-	(0.9)
Total current tax charge/(credit)	0.2	(1.5)	(4.0)
Deferred tax			
Current period credit	(2.1)	(18.0)	(32.1)
Adjustments in respect of prior years	-	-	0.2
Impact of rate changes on opening balances	0.7	0.5	0.5
Total deferred tax credit	**(1.4)**	(17.5)	(31.4)
Total tax credit	**(1.2)**	(19.0)	(35.4)
Total effective tax rate	**15.6%**	22.1%	19.2%

*Restated for discontinued operations (see note 4)

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

(£'m)	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)	31 December 2020 (Audited)
Deferred tax assets	55.4	60.7	55.0
Deferred tax liabilities	(7.0)	(23.5)	(4.6)
Total	**48.4**	37.2	50.4

The £2.0m net movement in deferred tax in the period largely results from deferred tax liability recognised on new acquisitions in the period, offset by additional recognition of previously unrecognised tax losses and a net credit of £0.7m in respect of the UK rate change.

At 30 June 2021, the Group had utilisable losses in the US and UK with a future tax impact of £34.6m (31 December 2020: £28.7m). The movement from the year end arises because of losses generated in H121. Our ability to utilise losses in future years is primarily driven by the level of taxable profits arising in the US and UK and we expect our deferred tax assets to convert into cash savings over the next ten years with the majority being recovered over the next three years.

8. Investments in associates

On 15 January 2021, the Group signed an investment agreement with Hudson MX ("Hudson") which included an option to invest further amounts. From that date, the Group was deemed to have gained significant influence over Hudson and the investment was classified as an equity-accounted associate. After the initial recognition, the consolidated financial statements include the Group's 8% share of the profit or loss and other comprehensive income of the investee. In the six months ended 30 June 2021, the Group made further investments into Hudson totalling £28.3m and the Group's share of losses recognised totalled £0.6m (H120: £nil).

9. Dividends

Based on the strength and strategic importance of our acquisition pipeline, the Board has decided to prioritise the preservation of capital for potential acquisitions rather than paying an interim dividend. The Board will keep capital allocation priorities including shareholder cash returns continually under review.

10. Earnings per share

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

The weighted average number of ordinary shares in issue during the period, excluding those held by Employee Benefit Trusts, was 401.7 million (30 June 2020: 400.6 million and 31 December 2020: 400.8 million). The impact of all potentially dilutive share options has no change to the weighted average number of shares used in the calculation of EPS (30 June 2020: no change; 31 December 2020: no change).

	Six months to 30 June 2021 (Unaudited)			Six months to 30 June 2020 (Unaudited)			Year to 31 December 2020 (Audited)		
	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Profit / (loss) attributable to owners of the Company (£'m)									
Profit / (loss) for the year- continuing operations	25.9	(32.8)	(6.9)	(4.9)	(61.8)	(66.7)	(9.1)	(140.5)	(149.6)
Profit / (loss) for the year - discontinued operations	1.9	225.6	227.5	6.7	(0.4)	6.3	16.7	(3.2)	13.5
Profit/(loss) for the year	**27.8**	**192.8**	**220.6**	**1.8**	**(62.2)**	**(60.4)**	**7.6**	**(143.7)**	**(136.1)**
Share number (million)									
Basic weighted average number of shares	401.7	401.7	401.7	400.6	400.6	400.6	400.8	400.8	400.8
Diluted weighted average number of shares	**401.7**	**401.7**	**401.7**	**400.6**	**400.6**	**400.6**	**400.8**	**400.8**	**400.8**
Earnings per share (pence)									
Basic earnings per share	6.9	48.0	54.9	0.4	(15.5)	(15.1)	1.9	(35.9)	(34.0)
Diluted earnings per share	6.9	48.0	54.9	0.4	(15.5)	(15.1)	1.9	(35.9)	(34.0)
Continuing operations									
Basic earnings per share	6.4	(8.1)	(1.7)	(1.3)	(15.4)	(16.7)	(2.3)	(35.0)	(37.3)
Diluted earnings per share	6.4	(8.1)	(1.7)	(1.3)	(15.4)	(16.7)	(2.3)	(35.0)	(37.3)
Discontinued operations									
Basic earnings per share	0.5	56.1	56.6	1.7	(0.1)	1.6	4.2	(0.9)	3.3
Diluted earnings per share	0.5	56.1	56.6	1.7	(0.1)	1.6	4.2	(0.9)	3.3

11. Goodwill and acquired intangibles

At 30 June 2021, the Group had £749.5m of goodwill and intangibles acquired through acquisitions (30 December 2020: £674.1m). The goodwill attributed to each of the Group's cash generating units (CGUs) is assessed for impairment each year or where there are indicators of impairment. If such indicators exist, an estimate of the CGU's recoverable amount is determined. The recoverable amount is the higher of value in use and fair value less costs of disposal.

No indicators of impairment have been identified for the six months ended 30 June 2021 and no losses or reversals have been recognised (30 June 2020: £nil).

12. Business combinations

Perpetua

On 15 April 2021, the Group acquired 100% of Perpetua Labs, Inc. ("Perpetua") for initial cash consideration (net of cash acquired) of \$52m, plus deferred consideration payable over four years resulting in an estimated total consideration (including the initial consideration) between \$103m and \$162m. Total consideration payable, in the event that very stretching targets are reached, is capped at \$250m. Approximately a quarter of the deferred consideration to be paid over the four years is linked to the ongoing employment of the founders and therefore recognised in the income statement over the life of the earn-out.

Perpetua provides a self-service SaaS platform that helps independent sellers, as well as agencies and some larger brands, optimise the purchase of search and display advertising on Amazon and other major marketplaces. The acquisition of Perpetua gives us access to the fast-growing Third-Party seller market (for brands that sell directly to consumers through the marketplaces).

DZ (formerly known as X-Target)

On 26 February 2021, the Group acquired 100% of Hangzhou Duozhun Data Technology Co. Ltd. ("DZ") for an initial cash consideration of £11.1m plus estimated earnout payments payable over three years resulting in an estimated total consideration (including the initial consideration) between £29m and £35m. Total consideration payable, in the event that very stretching targets are reached, is capped at £55m. Half of the earn-out is additionally linked to the ongoing employment of the founders and therefore recognised in the income statement over the life of the earn-out.

DZ helps multi-national and premium Chinese brands optimise their consumer targeting, media execution and content marketing strategy across the leading eCommerce platforms in China, including Alibaba and JD. The acquisition allows Ascential to extend its offering in China, with the broadest eCommerce analytics proposition for consumer product companies, while also providing the opportunity to cross-sell and enhance customer relationships with Ascential's Yimian business.

Intellibrand

On 15 January 2021, the Group acquired 100% of ERA Serviços de Inteligência em Software S.A. ("Intellibrand") for an initial cash consideration of £3.5m plus estimated earnout payments payable over three years resulting in an estimated total consideration (including the initial consideration) between £5.9m and £7.9m. Total consideration payable, in the event that very stretching targets are reached, is capped at £9.1m. 30% of the earn-out is contingent on the ongoing employment of the founders and therefore recognised in the income statement over the life of the earn-out.

Intellibrand provides global brands operating in Latin America with expert local market digital shelf analytic capabilities. These services cover the major Latin America eCommerce platforms, notably Mercado Libre, as well as Food Service Aggregators ("FSAs"), such as Just Eat and Uber Eats. The acquisition provides Ascential with an opportunity to scale its Digital Commerce operations in the fast-growing Latin-American eCommerce market. It also offers proven capability in FSA analytics: a product that is growing in demand among Ascential's global digital shelf customers.

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

All three acquisitions are included in our Digital Commerce segment. The provisional fair values of the identifiable assets purchased and liabilities assumed of the three acquired companies as at the date of acquisition are detailed below. The fair values are provisional due to insufficient time since the completion dates to be finalised.

(£'m)	**Total**
Brands, customer relationships, and technology intangibles	28.5
Other net assets acquired	(2.2)
Cash	4.4
Total identifiable net assets at fair value	**30.7**
Initial cash consideration	55.8
Contingent consideration payable in 2021 - 2024	32.9
Total consideration	**88.7**
Goodwill on acquisition	58.0
Acquisition of businesses (net of cash acquired)	**51.4**

The goodwill of £58.0m arising on acquisitions comprises earnings attributable to new service offerings, growth through new customer relationships and the assembled workforces. Of the £58.0m goodwill acquired during the period, £51.5m of goodwill is expected to be deductible for tax purposes.

From the date of acquisition, the businesses acquired in 2021 contributed £5.2m revenue and £0.5m EBITDA.

13. Deferred and contingent consideration

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

(£'m)	**Note**	**Total**
At 31 December 2020 (Audited)		**136.2**
Additions		32.9
Acquisition–related employment costs accrued in the period	5	10.5
Revaluation of contingent and deferred consideration	5	2.4
Discount unwind on contingent and deferred consideration	6	5.5
Acquisition–related employment cost paid in the period		(34.4)
Deferred consideration paid in the period		(86.7)
Effect of movements in exchange rates		(2.0)
At 30 June 2021 (Unaudited)		**64.4**

At 30 June 2021, £49.5m of deferred and contingent consideration was categorised as level 3 in the fair value hierarchy of financial instruments (31 December 2020: £96.5m). Covid-19 has increased the level of uncertainty in the Group's projections with a consequent impact on the potential range of these level 3 valuations. We have found the pandemic-related lockdowns to be an accelerator of our digital commerce businesses which form the majority of this balance. It is therefore possible that this uncertainty could result in the recognition of additional contingent consideration.

Both contingent consideration and acquisition-related employment costs are based on the future performance of the acquired business to which they relate. Performance is assessed using forecast profits and the five-year plan which is updated annually. Forecasts are inherently a source of management estimation, resulting in a range of outcomes. The largest payments are for Flywheel Digital and Perpetua and are therefore most relevant when considering the sensitivity to fluctuations in performance. A 10% increase in results in 2021 would result in an additional payment of around £8.8m in 2022 for the final Flywheel Digital payment. For Perpetua, a 10% increase in revenue in all years the earnout is dependent upon (2021 to 2024) would result in additional total payments of around £6.9m paid over 2022 to 2025.

14. Borrowings

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

Reconciliation of movement in net debt

(£'m)	Cash*	Cash in transit	Short-term deposits	Interest rate cap	External Borrowings	Net debt**
At 31 December 2020 (Audited)	**51.0**	**0.5**	**28.7**	**-**	**(309.5)**	**(229.3)**
Exchange differences	(0.7)	-	-	-	7.4	6.7
External debt repayment	-	-	-	-	138.5	138.5
External debt cash flow drawdown	-	-	-	-	(68.5)	(68.5)
Acquisition of subsidiary	4.4	-	-	-	(1.3)	3.1
Fair value movement	-	-	-	0.1	-	0.1
Write off, capitalisation and amortisation of debt arrangement fees	-	-	-	-	(0.4)	(0.4)
Net cash movement	(3.7)	(0.2)	1.1	-	-	(2.8)
At 30 June 2021 (Unaudited)	51.0	0.3	29.8	0.1	(233.8)	(152.6)

* Includes £2.0m of cash classified as held for sale as at 31 December 2020.

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

Borrowings are shown net of unamortised issue costs of £2.8m (31 December 2020: £3.2m). The carrying amounts of borrowings approximate their fair value. The Group's borrowings at 30 June 2021 were $195.0m and €110.0m and at 31 December 2020 were £82.5m, $117.0m and €161.0m.

15. Trade and other receivables

In the 6 months to 30 June 2021, the Group has undertaken the sale of trade receivables, without recourse, to banks to manage the working capital impact of our high growth Flywheel business. At 30 June 2021, the level of trade receivables sold to a financial institution under a non-recourse financing arrangement totalled £27.6m (H1 2020: £nil).

As at 30 June 2021, the Group has recognised £31.7m (H120: £nil) in other receivables relating to the vendor loan note issued as part of the consideration for Groundsure. This loan is interest bearing and repayable on or prior to 31 December 2023.

16. Related parties

Other than as described elsewhere in these financial statements, there are no material related party transactions requiring disclosure under IAS 24 "Related Party Disclosures" other than compensation of key management personnel, which will be disclosed in the Group's Annual Report for the year ended 31 December 2021.

17. Events after the balance sheet date

On 16 July 2021, the Group acquired a 51% majority stake in ASR Group Holdings LLC ("ASR"), a digital content optimisation business that enables brands to grow sales through eCommerce marketplaces. The acquisition is for an initial cash consideration of US$122m. Ascential also has an option to acquire two further 24.5% stakes in the company based on a pre-determined multiple of trailing EBITDA between July 2022 and June 2025.

On 26 July 2021 the Company announced a non-pre-emptive primary placing of 35,500,000 ordinary shares or approximately 9% of its issued share capital, to provide greater balance sheet flexibility to execute on its strong pipeline of attractive M&A opportunities.

18. Principal risks and uncertainties

The principal risks and uncertainties that affect the Group are described in detail on pages 50 to 55 of the 2020 Annual Report and the Board considers that these risks and uncertainties (summarised below) continue to be the most relevant risks and uncertainties faced by the Company.

Risk		Change since 31 December 2020 (net of mitigation)
1.	Customer end-market development	Unchanged
2.	Economic and geopolitical	Unchanged
3.	Competition / substitution	Unchanged
4.	Execution of new product and capability development	Unchanged
5.	Acquisitions and disposals	Unchanged
6.	People	Decreased
7.	Reliance on data providers	Unchanged
8.	Cyber threat and information security	Unchanged
9.	Venue availability, security and access	Decreased
10.	Business resilience	Unchanged
11.	Financial risk	Decreased
12.	Regulation and compliance	Unchanged

As we reopen our offices and adopt a more flexible way of working for our people, we consider that the levels of risk to our people and business resilience has now returned to more normalised levels. The easing of Covid-related restrictions and the roll-out of the global vaccination programme has led to some reduction of risk on our ability to hold large-scale events in H2 2021, although there continues to be uncertainty surrounding the resolution of the Covid-19 outbreak.

Our first half results saw strong structural growth in Digital Commerce and Product Design and we have confidence that these trends will continue to deliver further good progress in the second half of 2021. Notwithstanding the risk of further setbacks relating to the pandemic, we consider that the condition of our balance sheet, and proactive steps taken to provide covenant headroom and adjust our cost base, has led to a reduction in financial risk from that reported at 31 December 2020.

The Board and management are mindful that risk trends may change quickly and continue to monitor the risk landscape and the Company's mitigation strategies. However, a number of these risks and uncertainties could have an impact on the Group's performance over the remaining six months of the financial year and could cause actual results to differ from expected and historical results.

Responsibility statement

We confirm that to the best of our knowledge:

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

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

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

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

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

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

   ii. Any changes in the related party transactions described in the 2020 Annual Report that could have material effect on the financial position or performance of the Group in the current period.

By order of the Board

Duncan Painter	**Mandy Gradden**
Chief Executive Officer	**Chief Financial Officer**

26 July 2021

INDEPENDENT REVIEW REPORT TO ASCENTIAL PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 which comprises the Condensed Consolidated Statement of Financial Position of Ascential Plc ("the Company"), as at 30 June 2021, and the related Condensed Consolidated Statement of Profit and Loss, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows for the six-month period then ended, and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2021 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

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

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

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA. The latest annual financial statements of the group were prepared in accordance with International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and the next annual financial statements will be prepared in accordance with UK-adopted international accounting standards. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

Our responsibility

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

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

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

Ian Griffiths
for and on behalf of KPMG LLP

Chartered Accountants
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E14 SGL

26 July 2021