ASCENTIAL

23 July 2018

Ascential plc

Interim results for the six months ended 30 June 2018

Strong strategic progress and organic growth

London: Ascential plc (LSE: ASCL.L), the specialist, global information company, today announces its interim results for the six-month period ended 30 June 2018.

Strategic and operational highlights

- Traction for new operating model organised by customer needs
    - Product design: growth from new products and segment expansion; excellent operating leverage.
    - Marketing: a year of transition to drive long term growth.
    - Sales: strong growth in the digital eCommerce subscription products and integration underway.

- Continued evolution of brands to enable customers to succeed in the digital economy
    - Launch of Money20/20 Asia in Singapore; successful move of Money20/20 Europe to Amsterdam.
    - Successful re-set of Cannes Lions; positive customer reaction and feedback for new model outweighing in-year impact on revenues and profits.
    - Cannes Lions extends digital offering with the launch of The Work followed by the acquisition of WARC, the digital subscription product on marketing effectiveness, in July.

- Capital allocation decisions to support long term growth
    - Conclusion of Exhibitions strategic review and sale to ITE shortly after the period end.
    - Acquisition of WARC.
    - Ungeared balance sheet supports further strategic development via organic growth and acquisitions.

Financial highlights

- Results in line with Company expectations.

- Another period of good Organic, constant currency, revenue growth.
    - Revenue from continuing operations of £188.9m (H117: £165.1m).
    - Reported revenue growth of 14%; 7% on a constant currency Organic basis.

- Adjusted EBITDA up 2% on an Organic basis.
    - As anticipated, margin reduces to 32.0% (H117: 36.8%) following the consolidation of Clavis, the launch of Money20/20 in Asia and China, and the Cannes Lions re-set.
    - Adjusted EBITDA from continuing operations of £60.4m (H117: £60.8m).

- Reported operating profit from continuing operations £28.7m (H117: £32.2m).

- Earnings per share
    - Adjusted, diluted EPS on continuing operations of 9.4p up 6% (H117: 8.9p) and on total operations of 13.4p (H117: 13.4p).
    - Reported, diluted earnings per share on total operations of 6.1p (H117: 7.1p).

- Good operational cash generation funded continued investment in the business and £49.0m of M&A with high operating cash flow conversion of 100% (H117: 103%).

- Closing net debt of £285.0m prior to receipt of proceeds from disposal of Exhibitions in July 2018 of approximately £284m after expected deductions, transaction expenses and separation-related costs (December 2017: £271.5m).

- Interim dividend of 1.9p per share (2017: 1.8p) up 6%.

Duncan Painter, Chief Executive Officer, commented:

"In the last six months we have made considerable progress with our strategic vision: enabling our customers to succeed in the digital economy. It is particularly pleasing that we have delivered strong organic growth from our products in both their live and digital formats.

This is supported by a number of important strategic decisions, such as the disposal of Ascential Exhibitions, the Cannes Lions re-set and realignment of Cannes Lions' digital offering with the launch of The Work, the Digital Pass, and the acquisition of WARC. We were pleased with the initial steps taken to integrate our eCommerce analytics offerings, with One Click Retail traffic data now available on the Clavis platform, and the combined business delivering their first joint eCommerce Accelerator Summits in New York and London. The Money20/20 series also had a very successful first half with strong growth through the successful launch of Money20/20 into Asia combined with the smooth transfer of Money20/20 Europe into Amsterdam.

The Group is trading in line with its expectations for the full year and the Board remains confident in our overall 2018 performance and our prospects for continued success through the execution of our strategy."

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Ascential will host a presentation for analysts and investors at 9.00am on 23 July 2018 at the offices of Numis Securities at The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT.

The presentation will also be webcast live at 9.00am from www.ascential.com, allowing the slides to be viewed. A recording of the webcast will also be available on-demand from our website in due course.

References to non-GAAP alternative performance measures are explained further below.

Financial Highlights

	Unaudited and restated[1] Six months ended 30 June		Growth	
	2018 £m	2017 £m	Reported %	Organic[2] %
Revenue from continuing operations				
Exhibitions & Festivals	85.4	80.1	6.6%	6.9%
Information Services	103.5	85.0	21.8%	6.6%
	188.9	**165.1**	**14.4%**	**6.7%**
Adjusted EBITDA from continuing operations[3]				
Exhibitions & Festivals	42.5	44.5	(4.5%)	(4.8%)
Margin	*49.7%*	*55.5%*		
Information Services	25.9	24.5	5.9%	12.7%
Margin	*25.1%*	*28.8%*		
Central costs	(8.0)	(8.2)		
	60.4	**60.8**	**(0.6%)**	**2.1%**
Total Margin	*32.0%*	*36.8%*		
Adjusted operating profit from continuing operations	**55.4**	56.3		
Reported operating profit from continuing operations	**28.7**	32.2		
Adjusted diluted earnings per share (pence)				
-Continuing operations	**9.4**	8.9		
-Total	**13.4**	13.4		
Reported diluted earnings per share (pence)				
-Continuing operations	**3.9**	4.4		
-Total	**6.1**	7.1		
Free cash flow[4]	**65.7**	74.5		
Free cash flow conversion	***81%***	*91%*		
	June 18	December 17		
Net debt	**285.0**	271.5		
Leverage[5]	***2.4x***	*2.3x*		

[1] 2017 results have been restated to treat the Exhibitions business as a discontinued operation.

[2] "Organic" growth is calculated to provide a more meaningful analysis of underlying performance. The following adjustments are made: (a) constant currency (restating H117 at H118 exchange rates), (b) event timing differences between periods (if any) (c) excluding the part-year impact of acquisitions and disposals.

[3] Adjusted EBITDA is IFRS operating profit before expensing (a) depreciation of tangible fixed assets and amortisation of software, (b) exceptional items, (c) amortisation of acquired intangible assets, (d) impairment of tangible fixed assets and software acquired intangibles (if any) and (e) share-based payments.

[4] Free cash flow is cash generated from operations before exceptional items, less capital expenditure and tax paid. Free cash flow conversion is the measure of free cash flow divided by Adjusted EBITDA from both Continuing and Discontinued Operations.

[5] Leverage is Net debt divided by last 12 months' Adjusted EBITDA from both Continuing and Discontinued Operations.

Operating Review

We are pleased to report a successful first half performance, growing both revenue and profit and making good progress towards the goals we set for the 2018 financial year.

Continued record of organic growth and cash generation

We delivered a strong operating performance in the first half with revenue from continuing operations growing 6.7% on an Organic basis (14.4% on a reported basis) and Adjusted EBITDA up 2.1% on an Organic basis (marginally lower on a reported basis). As anticipated, our EBITDA margin has reduced to 32.0% from 36.8% in 2017, following the integration of Clavis as well as the planned investment in the launch of Money20/20 Asia and China, the expansion of One Click Retail and the Cannes Lions re-set. This investment, along with acquisition payments of £49.0m, was primarily funded by strong operational cash generation with operating cash flow conversion of 100% (H117: 103%).

Effective execution of growth strategy

We have a clear strategic focus: becoming the leading specialist, global information company enabling customers in the consumer value chain to win in the digital economy by excelling at product design, marketing and sales.

We have built strong operational momentum during the first half of 2018 and have made good progress against the goals we set for the year:

- The 2018 edition of Money20/20 Europe successfully moved to a larger venue in Amsterdam, with strong, positive customer feedback, a record Customer NPS score post event of +39 and increased levels of customers rebooking. Money20/20 Asia took place for the first time in March 2018 and performed significantly ahead of original expectations delivering revenues of £6.7m. Preparations continue for our inaugural event in China.

- We have taken the first steps to integrate our eCommerce analytics offerings, in support of our goal to create the leading enterprise insight platform for market planning, digital shelf, market share, promotion, content and trade research worldwide. One Click Retail SKU-level traffic data is now available on the Clavis platform, and the combined business delivered their first joint eCommerce Accelerator Summits in New York and London.

- In 2017, we announced several key changes to improve the Cannes Lions festival, to make it more relevant, affordable and accessible. The platform re-set for Cannes Lions in 2018 received positive customer feedback but these changes resulted in a one off 9% organic constant currency revenue decline. Our exit customer engagement survey received an overall NPS of +53, one of the highest approval ratings the event has achieved. Our goal is to continue the evolution of Cannes Lions to ensure the marketing industry has a consistent measure of creativity across all digital economies and media formats, whilst accelerating our own digital propositions to further establish the global Cannes Lions benchmark. In support of this goal, we launched The Work in May 2018, a new digital resource aimed at providing the global creative communications industry with the intelligence they need to do better business. We also acquired WARC, a digital subscription business that helps brands, agencies and media platforms assess marketing effectiveness across all channels. We plan to bring these two products together to form a digital product that spans both creative excellence and marketing effectiveness.

- WGSN grew revenues by 7% on an Organic basis. Growth continues to be driven in part by take-up of recent new product launches (Instock, Insight, Barometer and Coloro). As well as providing new revenue opportunities, these new products broaden WGSN's customer base beyond its core apparel market, into the broader consumer goods sector.

- Retaining customers is at the centre of our growth model and we continue to focus relentlessly on listening to our customers so we can improve the quality and relevance of the information that we provide. In the first half we have assembled a research function independent of the brands to undertake all customer feedback and we continue to see retention rates of over 90% in WGSN, One Click Retail and Clavis.

Continued focus underpinned by diversified revenue streams

We believe that our success is driven by our ability to focus on providing information and capabilities to our customers that enable them to succeed in the digital economy. Over 90% of our H1 revenue was generated by brands who serve the consumer value chain through helping our customers excel at product design, marketing and sales. This focus is underpinned by diverse revenue streams including subscriptions, advisory, delegates, award entries and sponsorship as well as an increasingly global customer base. Following the disposal of the Exhibitions business, the Group generates 48% of its revenue from customers based in the Americas while revenues coming from customers based in the UK now stands at 22%.

Outlook

The last six months represent considerable progress in terms of the increased focus on our strategic vision, as well as organic growth from our products in both their live and digital formats. The Group is trading in line with its expectations for the full year and the Board remains confident in our overall 2018 performance and our prospects for continued success through the execution of our strategy.

Segmental review

Exhibitions & Festivals

Overall the Exhibitions & Festivals segment grew well in the first half of 2018 with Organic revenue growth of 6.9% to £85.4m (H117: £80.1m) with very strong growth in Money20/20 offsetting a decline in Cannes Lions. However, as expected adjusted EBITDA declined, by 4.5% to £42.5m (H117: £44.5m) reflecting investment in the launch of Money20/20 Asia in H1 and preparations for China in H2 as well as lower Cannes Lions revenues.

Cannes Lions

Cannes Lions, held each June, is the world's largest and most widely recognised international benchmark and festival for creativity in the branded communications industry. Following extensive discussions last year with key stakeholders, the 2018 Festival featured some important changes, most notably a new awards structure that included the retirement of three Lion awards and a reduction of over 120 sub-categories. Additionally, the Festival was focused into a five-day period (previously it was held over eight), a feature that makes participation more cost effective for our customers. This year, owing principally to the one-year withdrawal of Publicis and the refreshed awards structure, revenues declined by 9% on a constant currency Organic basis to £57.3m. The revenue mix also continued to move away from other major advertising holding companies.

Cannes Lions has three main revenue streams: award entries, delegates, and partnerships and digital:

- Award entries account for 39% of the total revenue of Cannes Lions. As previously announced, volumes fell 21% this year driven by both the one-year Publicis withdrawal and the retirement of Lions awards and awards sub categories. Good levels of interest in the new Lions such as Social & Influencer and Brand Experience & Activation offset long established declines in Print and Outdoor Lions categories.

- Delegate passes also account for 39% of the total revenue of Cannes Lions. Delegate revenue declined in 2018 mainly as a result of reduced participation by agency holding companies including Publicis combined with the standardisation to a single five day pass. A new initiative this year was the "Cannes Curated" product for major brand groups.

- Partnerships and digital revenues were 21% of Cannes Lions total revenues. These revenues grew 35% compared to last year. The strong growth was driven by digital revenues and consultancy revenues from the Creative Leadership programmes that Cannes Lions is undertaking with three major brands. The launch of The Work and Lions Digital Pass were important steps to broaden engagement with the creative community beyond the physical environment of Cannes. This, together with the acquisition of WARC, further develops Cannes Lions year-round digital revenue streams.

Overall, we are encouraged that these developments, together with the well-received format changes and the high level of stakeholder engagement evident during the Festival, position Cannes Lions well for long term growth.

Money20/20

Money20/20 is the leading congress in the payments and financial services innovation sector, focusing on the evolution of payment and financial services through mobile, retail, marketing services, data and technology. H1 revenues were £23.9m, an Organic growth of 90%.

Money20/20 Asia was launched successfully and took place in Singapore for the first time in March 2018. The event delivered revenues of £6.7m, attracting over 3,500 attendees, significantly ahead of original expectations. Now in its third year, Money20/20 Europe relocated to its new home of Amsterdam in June 2018. The event delivered revenues of £17.2m, an Organic revenue growth of 33%. It attracted over 6,000 attendees, an increase of 21% and the enlarged exhibition space in Amsterdam enabled an increase in net square meterage sold of 41%.

Preparations continue for the shows set to take place in the second half of the year - the original and largest edition is our October event in Las Vegas, while the inaugural edition of Money20/20 in China will be held in November in Hangzhou.

£'m	**H118**	H117	2017
Asia (Singapore)	**6.7**	-	-
Europe (2018 Amsterdam, 2017 Copenhagen)	**17.2**	12.3	12.3
USA (Las Vegas)	**-**	-	28.2
China (Hangzhou)	**-**	-	-
Revenue	**23.9**	12.3	40.5

Other Exhibitions & Festivals

Revenues totalled £4.3m, down 2% on 2017. World Retail Congress, which brings together the leaders of the global retail industry, held its 2018 edition in Madrid, delivering double digit growth which was offset by a decline in one of the Lions Regionals.

Information Services

Information Services delivered good overall growth of 6.6% on an Organic basis to £103.5m (H117: £85.0m). Reported revenue growth of 21.8% benefited from a six-month contribution from MediaLink (compared to four months in the prior period) and Clavis (acquired in December 2017). Adjusted EBITDA of £25.9m for the half (H117: £24.5m) improved by 12.7% on an Organic basis, reflecting activities to drive operational leverage particularly in WGSN, Groundsure and Glenigan. As expected, margins reduced from 28.8% to 25.1% due mainly to the consolidation of Clavis, which is expected to break-even in 2018 but which was loss making in H1, as well as the impact of migrating MediaLink's revenue focus towards brand-led work.

WGSN

WGSN is the leading global supplier of trend forecasts, market intelligence and insight to the fashion industry and other businesses in design-orientated consumer markets. It is the Company's largest product. In the first half of 2018, WGSN grew revenues by 7% on an Organic basis to £37.8m, while retention rates remained strong, at 92%. WGSN continues to gain traction with products launched in recent years such as Instock (which is now being sold into financial services customers), the broader consumer trends product Insight, brand sentiment tool Barometer and new colour system Coloro which not only provide new revenue opportunities with existing customers but also broaden WGSN's customer base beyond apparel.

Digital retail strategy and analytics products
Ascential has three products in digital retail strategy and analytics – One Click Retail, Clavis and Planet Retail RNG – and has taken the first steps in H1 to integrate these three products.

One Click Retail is the leader in eCommerce data measurement for Amazon sales and share, sales analytics and product search optimisation for product manufacturers based primarily in North America and Europe. One Click Retail grew revenue by 53% driven by the signature of 21 new customers and the expansion of 15 existing customers into new geographies. One Click Retail secured five new customers in H1 as a result of synergies with its new sister brand Clavis.

Clavis, which was acquired in December 2017, is also a leader in eCommerce analytics offering customers the ability to track and optimise the performance of their products across the digital shelf of hundreds of retailer websites. It offers a complementary product set to One Click Retail's sales and share expertise, as well as the potential to reach beyond the Amazon platform and further into the European and Asian markets, especially China. Clavis grew revenue 25% on the prior year, pre-acquisition period.

Planet Retail RNG is our third retail analytics brand and grew revenues by 4% in H1. It provides information to consumer product companies, retailers and consultants on global retail trends through its digital subscription product, advisory services and executive education programmes.

MediaLink
MediaLink provides advisory and business services to brands, media platforms, technology companies and agencies seeking to drive growth through better marketing. It generates four main revenue streams – retainers, projects, executive search and events (bespoke content and hosted meeting programme for its customers at events like Cannes Lions and the Consumer Electronics Show). MediaLink has been incrementally expanding its presence in UK/Europe over the past year. With a deliberate shift in product mix towards brands and reduced revenues from professional digital publishers and adtech companies, revenue in the first six months was 6% lower than the prior period.

Other Information Services brands
Our other brands within the Information Services segment include Groundsure, Glenigan and Retail Week. Revenues totalled £24.0m, a year-on-year growth of 9%.

The largest of these brands is Groundsure, a market-leading provider of environmental risk data to solicitors, conveyancers, architects and other participants in the UK residential and commercial property market. Groundsure achieved strong growth during the period with revenues up 10% year on year to £9.5m in the first half of 2018 against the backdrop of broadly flat transactions in the UK housing market. Its new product, Avista, which was launched a year ago, has performed particularly strongly and now comprises over 15% of all residential reports sold.

Financial Review

Introduction

This Financial Review firstly addresses the key trends in continuing operations and then, as a separate section, discontinued operations comprising the Company's Exhibitions business disposed of in July 2018 and, in the prior period, the 13 Heritage brands which were all disposed of in 2017. The results of these discontinued operations, for both the current and the comparative period, are included as a single line item on the face of the consolidated profit and loss statement.

CONTINUING OPERATIONS

Segmental results

The Company currently has two continuing reportable segments – Exhibitions & Festivals and Information Services. A summary of the operational performance of the Company across its two continuing segments is given in the table below.

£'m	Exhibitions & Festivals	Information Services	Central costs	**Continuing operations**
H118				
Revenue	85.4	103.5	-	**188.9**
Adjusted EBITDA	42.5	25.9	(8.0)	**60.4**
Depreciation	(2.4)	(2.0)	(0.6)	**(5.0)**
Adjusted operating profit	40.1	23.9	(8.6)	**55.4**
Amortisation				**(11.2)**
Exceptional items				**(12.7)**
Share-based payments				**(2.8)**
Operating profit				**28.7**

H117				
Revenue	80.1	85.0	-	**165.1**
Adjusted EBITDA	44.5	24.5	(8.2)	**60.8**
Depreciation	(1.6)	(2.2)	(0.7)	**(4.5)**
Adjusted operating profit	42.9	22.3	(8.9)	**56.3**
Amortisation				**(8.7)**
Exceptional items				**(13.7)**
Share-based payments				**(1.7)**
Operating profit				**32.2**

Revenue

Revenue from continuing operations in the first half grew to £188.9m (H117: £165.1m), an increase of £23.8m. However, direct comparability was affected by the acquisition of MediaLink in February 2017 and Clavis in December 2017 together with movements in exchange rates between the two years. Adjusting for these factors, Organic growth in revenue from continuing operations was 6.7%.

Adjusted EBITDA

Adjusted EBITDA from continuing operations was £60.4m (H117: £60.8m) a reduction of £0.4m on a reported basis and a reduction in Adjusted EBITDA margin of 4.8 percentage points to 32.0%. The reported growth in Adjusted EBITDA was impacted by the same factors described above. On an Organic basis Adjusted EBITDA grew by 2.1%, with Exhibitions & Festivals declining by 4.8% and Information Services increasing by 12.7% with strong operating leverage in established subscription businesses like WGSN funding investment in One Click Retail and the reshaping of the business model in MediaLink.

Foreign currency impact

Following the Company's recent acquisitions together with the growth of Money20/20 and the disposal of the UK-based Exhibitions business and Heritage Brands, the Company's reported performance is increasingly sensitive to movements in both the euro and US dollar against pounds sterling. In the first half, sterling weakened considerably against the US dollar but was flat against the euro compared to H117 as shown in the table below:

Sterling exchange rates	Weighted average rate			Closing rate		
	H118	H117	Change	**H118**	H117	Change
Euro	**1.14**	1.14	0.4%	**1.13**	1.14	0.7%
US dollar	**1.37**	1.26	9.1%	**1.32**	1.30	1.4%

When comparing H118 and H117, changes in currency exchange rates had an adverse impact on revenue and Adjusted EBITDA of £3.1m and £0.5m respectively.

Share-based payments

The charge for share-based payments of £2.8m for Continuing operations (H117: £1.7m) has increased from the prior period as the charge builds up to a normalised level over a three-year grant cycle following the Company's IPO in early 2016 together with the increasing accrual for employment taxes on the gains driven by the Company's strong share price growth.

Exceptional items

The following table sets out the exceptional items incurred by the Company that have been excluded from Adjusted EBITDA. The Company considers that separately identifying such items improves comparability of the financial results.

Exceptional items (£'m)	H118	H117
Earnouts: Acquisition-related contingent employment costs and revaluation	11.7	12.4
Expenses related to acquisition activities	1.0	1.3
Exceptional items relating to continuing operations	**12.7**	**13.7**

The acquisition-related contingent employment costs relate to deferred consideration on the acquisition of One Click Retail, MediaLink and Clavis (and in 2017 Money20/20) which, absent the link to continued employment, would have been treated as consideration, as well as any subsequent revaluation of the earnout consideration.

Net finance costs

The Company's adjusted net finance expense for the period was £5.9m (H117: £5.5m) broadly in line with the prior year.

Adjusted net finance expense (£'m)	H118	H117
Net interest payable	(3.4)	(3.0)
Amortisation of loan arrangement fees	(0.6)	(0.7)
Foreign exchange (loss) / gain	(0.1)	0.3
Other finance charges (amortisation of discount on unwind of deferred consideration)	(1.8)	(2.1)
	(5.9)	**(5.5)**

Taxation

The Company's effective tax rate on continuing adjusted profits for the period was 23.6% (H117: 29.5%) which reflects the expected rate for the full year following the disposal of the UK-based Exhibitions business.

Analysis of tax charge (£'m)	**H118**	**H117***	**2017***
Adjusted PBT	49.8	50.9	74.0
Tax charge on Adjusted PBT	(11.8)	(15.0)	(18.7)
Effective tax rate on Adjusted PBT	23.6%	29.5%	25.3%
Adjusting items	(26.7)	(24.1)	(54.1)
Tax credit on Adjusting items	4.7	6.1	10.7
Effective tax rate on Adjusting items	17.6%	25.4%	19.8%
Reported PBT	23.1	26.8	19.9
Tax charge on reported PBT	(7.1)	(8.9)	(8.0)
Effective tax rate on reported PBT	30.6%	33.2%	40.1%

*restated for discontinued operation

Cash tax paid in the first half was an outflow of £7.0m (H117: £3.6m) mainly attributable to the UK. The Company benefited by £4.4m in cash terms (H117: £4.2m) from the utilisation of historic tax losses in both the UK and the US.

The Company has a total remaining deferred tax asset of £41.0m (December 2017: £47.1m) relating to UK and US tax losses, accelerated capital allowances and US acquired intangibles and deferred consideration. The majority is expected to convert into cash savings over the next 10 years. The Company's deferred tax liability at June 2018 amounted to £19.6m (December 2017: £31.3m) and related to acquired intangibles.

DISCONTINUED OPERATIONS

Ascential's Exhibitions business was previously part of the Exhibitions & Festivals segment and was identified as a separate cash generating unit following the announcement of the strategic review in February 2018. The Exhibitions business was sold after the balance sheet date on 17 July 2018. The prior period also includes the results of the 13 Heritage brands which were sold in 2017.

A summary of the operational performance of the Company's discontinued operations is given in the table below.

£'m	**H118**	H117		
	Exhibitions	Exhibitions	Heritage Brands	Total Discontinued
Revenue	**54.5**	56.0	18.1	74.1
Adjusted EBITDA	**20.3**	20.6	0.2	20.8
Depreciation	**(0.3)**	(0.5)	-	(0.5)
Adjusted Operating profit	**20.0**	20.1	0.2	20.3

In H118, the Company also incurred £4.5m of exceptional costs for the Exhibitions disposal and separation costs and expects the total such costs for the year to be approximately £10m.

Acquisitions and disposals

Ascential's strategy is founded on Organic growth driven first and foremost by a customer experience and retention mindset. Ascential frequently reviews any existing products that operate in more challenging end markets which might act as an anchor to the Company's overall growth rates. As part of its capital allocation process, Ascential also regularly assesses opportunities to acquire high-growth products with synergies with its existing products or operating in sectors with the potential for scale that may benefit from Ascential's know-how and infrastructure. Ascential completed no acquisitions or disposals in the first half, but shortly after the period end disposed of the Exhibitions business and acquired WARC.

Exhibitions

Following a strategic review where the Board concluded that a sale was in the best interests of all shareholders, on 15 May 2018 the Company announced that it had entered into a conditional agreement to sell its Exhibitions business to ITE Group plc for an aggregate cash consideration of £300 million on a cash and debt free basis and subject to a normalised working capital adjustment. This transaction was approved by shareholders on 25 June 2018 and the transaction was completed on 17 July 2018 with the Company receiving net cash proceeds of approximately £284 million (after deductions, transaction expenses and separation-related costs).

As noted above, in H118, the Ascential Exhibitions business generated revenues of £54.5m and Adjusted EBITDA of £20.3m. In the financial year ended 31 December 2017, the Ascential Exhibitions business generated revenues of £82.9 million (or, adjusting for discontinued and sold events, £78.5 million) and Adjusted EBITDA of £23.3 million (or, adjusting for £1.5m of overheads stranded with the continuing business, £24.7m).

WARC

In July 2018, the Company acquired 100% of WARC for an initial cash consideration of £19.5m with deferred consideration of £4.5m payable in 2019. WARC is a global digital subscription business that helps brands, agencies and media platforms measure marketing effectiveness across all channels. In the year to 31 March 2018 WARC generated unaudited revenue of £10.8m (a growth of 10%) and EBITDA of £2.2m. The acquisition was funded from cash reserves and existing borrowing facilities and is expected to enhance Ascential's earnings per share in the 2018 financial year.

Capital structure

The Company has borrowing facilities comprising term loan facilities of £66m, €171m and $96m and a revolving credit facility of £95m which mature in February 2021, have a current rate of interest of 1.50-1.75% over LIBOR and are subject to a net leverage covenant measured at December and June each year. The covenant ratio limit is currently 4.0x and falls to 3.5x in June 2019. The Company's leverage ratio increased to 2.4x at 30 June 2018 from 2.3x at 31 December 2017 after paying out £49.0m in acquisition consideration in H1.

Shortly after the period end the Company received the proceeds from the sale of the Exhibitions business which was deposited into AAA-rated money market funds. The Company has ambitious growth plans through continued investment in its higher growth brands and value accretive acquisitions. It is therefore intended that, in the short to medium term, the balance of net proceeds will be utilised to realise the strategic priorities of the Company, including the pursuit of further M&A opportunities. The management team and Board will continue to critically assess all investments against strategic criteria and the potential for increased shareholder returns over the medium term.

Cash flow (continuing and discontinued operations)

The Company's cash flow statement and net debt position for the first half can be summarised as follows:

£'m	H118	H117
Adjusted EBITDA (including joint venture)	**81.1**	**81.6**
Working capital movements	0.4	2.9
Adjusted cash generated from operations	**81.5**	**84.5**
% Operating cash flow conversion	*100%*	*103%*
Capital expenditure	(8.8)	(6.4)
Tax paid	(7.0)	(3.6)
Free cash flow	**65.7**	**74.5**
% Free cash flow conversion	*81%*	*91%*
Exceptional costs paid	(7.7)	(4.9)
Repayment of loan to joint venture	-	0.1
Acquisition of investment	(0.7)	-
Acquisition consideration paid (including earn outs)	(49.0)	(79.0)
Disposal proceeds received	-	37.8
Cash flow before financing activities	**8.3**	**28.5**
Proceeds from issue of shares	0.3	-
Net interest paid	(3.2)	(3.3)
Dividends paid	(15.2)	(12.8)
Net debt drawdown	11.3	0.9
Net cash flow	**1.5**	**13.3**
Opening cash balance	**45.8**	**61.9**
FX movements	(0.4)	(0.6)
Closing cash balance	**46.9**	**74.6**
Borrowings	(334.8)	(290.1)
Capitalised arrangement fees	2.8	3.8
Derivative financial instruments	0.1	0.3
Net Debt	**(285.0)**	**(211.4)**

In the first half of 2018, the Company generated Adjusted operating cash flow of £81.5m being a conversion of 100% (H117: £84.5m, a conversion of 103%). After capex and tax, the Company generated free cash flow of £65.7m (H117: £74.5m) which, with an £11.3m draw down on the revolving credit facility, was used to fund dividends, interest payments, M&A and exceptional items.

Earnings per share

Total reported basic and diluted EPS for continuing and discontinued operations is 6.2p and 6.1p per share respectively (H117: 7.1p per share) with the reduction caused by an increase in the amortisation of acquired intangibles following the acquisition of Clavis and the increased share-based payments charge explained above. Adjusted diluted EPS for Continuing operations of 9.4p per share is 5.6% ahead of the 8.9p per share recorded for the first half of 2017.

Dividends

The Board's dividend policy is to target an annual dividend of approximately 30% of net income payable one-third following interim results and two-thirds following final results. Accordingly, the Board has declared an interim dividend of 1.9p per share (2017: 1.8p per share interim, 3.8p per share final) which will be payable on 28 September 2018 to ordinary shareholders on the register as of the close of business on 31 August 2018.

Alternative Performance Measures

The Company aims to maximise shareholder value by optimising potential for return on capital through strategic investment and divestment, by ensuring the Company's capital structure is managed to support both strategic and operational requirements, and by delivering returns through a focus on organic growth and operational discipline. The Board considers it helpful to provide, where practicable, performance measures that distinguish between these different factors – these are also the measures that the Board uses to assess the performance of the Company. 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.

Adjusted profit measures

The Company uses Adjusted profit measures to assist readers in understanding underlying operational performance. These measures exclude income statement 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 Company 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 Company. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation. The Company 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 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 Company's policy set out in note 2 to the interim financial statements. They arise from both portfolio investment and divestment decisions, and from changes to the Company's capital structure, and so do not reflect current 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
As a result of the IPO, a number of employee share schemes were introduced in 2016. As a result, there is a lack of comparability between periods in respect of share scheme costs – particularly as the income statement charge builds up to a normalised level over a three-year period. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

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

Tax related to adjusting items
The elements of the overall Company 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 individual Adjusting item, taking into account its tax deductibility, the tax jurisdiction concerned, and any previously recognised tax assets or liabilities.

Adjusted cash flow measures

The Company 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 Company. The two measures used are Adjusted Cash Generated from Operations, and Free Cash Flow.

These are reconciled to IFRS measures as follows:

£'m	**H118**	**H117**
Cash generated from operations	54.4	71.4
Add back: acquisition-related contingent consideration cash flow	19.4	8.2
Add back: other exceptional cash flow	7.7	4.9
Adjusted cash generated from operations	**81.5**	**84.5**
Net cash generated from operating activities	47.4	67.8
Add back: acquisition-related contingent consideration cash flow	19.4	8.2
Add back: other exceptional cash flow	7.7	4.9
Less: capital expenditure	(8.8)	(6.4)
Free cash flow	**65.7**	**74.5**

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

Organic growth measures

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

- Acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these businesses.
- Changes in exchange rates used to record the results causes a lack of comparability between periods as equivalent local currency amounts are recorded at different sterling amounts in different periods.
- Event timing differences between periods. The Company has no biennial events, but if and when annual events are held at different times of year this can affect the comparability of half-year results. There were no such timing differences in the current or prior period.

The Company therefore defines Organic growth measures, which are calculated with the following adjustments as set out in the table below:

- Results of acquired and disposed businesses are excluded where the Company results include only part-period results in either current or prior periods.
- Prior year results are restated at current year exchange rates.
- 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.

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Revenue				
H118 – reported	85.4	103.5		188.9
Exclude acquisitions and disposals	-	(16.0)		(16.0)
H118 – Organic basis	85.4	87.5		172.9
Organic revenue growth	6.9%	6.6%		6.7%
H117 – reported	80.1	85.0		165.1
Currency adjustment	(0.2)	(2.9)		(3.1)
H117 – Organic basis	79.9	82.1		162.0
Adjusted EBITDA				
H118 – reported	42.5	25.9	(8.0)	60.4
Exclude acquisitions and disposals	-	1.0	-	1.0
H118 – Organic basis	42.5	26.9	(8.0)	61.4
Organic EBITDA growth	(4.8%)	12.7%		2.1%
H117 – reported	44.5	24.5	(8.2)	60.8
Currency adjustment	0.1	(0.6)	(0.1)	(0.6)
H117 – Organic basis	44.6	23.9	(8.3)	60.2

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
Exceptional items	Items within Operating profit separately identified in accordance with Company accounting policies
Adjusting Items	Exceptional items, Amortisation of intangible assets acquired through business combinations, Share based payments, Gains and losses on disposal and Tax related thereto
Adjusted operating profit	Operating profit excluding Adjusting Items
Adjusted EBITDA	Adjusted operating profit excluding depreciation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of Revenue
Adjusted profit before tax	Profit 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 for the period
Operating cash conversion	Operating cash flow expressed as a percentage of Adjusted EBITDA
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing
Free cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Net debt leverage	The ratio of Net debt to Adjusted EBITDA

Principal Risks and Uncertainties

The Directors consider that the nature of the principal risks and uncertainties which may have a material effect on the Company's performance remain unchanged from those identified in the 2017 Annual Report and Accounts available on our website www.ascential.com.

Cautionary statement

Certain statements in this interim management report constitute, or may be deemed to constitute, forward-looking statements (including beliefs or opinions). Any statement in this interim management report 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 risk 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 results 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 interim management report, whether as a result of new information, future events or otherwise.

Nothing in this interim management report should be construed as a profit forecast.

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

Responsibility statement

We confirm that to the best of our knowledge:

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

b. The interim management report includes the following information as required by 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 Company in that period; and
   ii. Any changes in the related party transactions described in the 2017 Annual report that could have material effect on the financial position or performance of the Company in the current period.

By order of the Board

Duncan Painter Chief Executive Officer	Mandy Gradden Chief Financial Officer

20 July 2018

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 2018 which comprises the Condensed Consolidated Profit and Loss, the Condensed Consolidated Statement of Other Comprehensive Income, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Statement of Changes in Equity, the Condensed Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

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

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

Directors' responsibilities

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

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted by the EU.

Our responsibility

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

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

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

Ian Griffiths
for and on behalf of KPMG LLP
Chartered Accountants
London, United Kingdom

20 July 2018

Condensed Consolidated Statement of Profit and Loss

(£ million)	Note	Six months to 30 June 2018 Unaudited			Restated* Six months to 30 June 2017 Unaudited			Restated* Year to 31 December 2017 Audited		
		Adjusted Results	Adjusting Items Note 5	Total	Adjusted Results	Adjusting Items Note 5	Total	Adjusted Results	Adjusting Items Note 5	Total
Continuing operations										
Revenue	2,4	188.9	-	**188.9**	165.1	-	**165.1**	292.9	-	**292.9**
Cost of sales		(67.6)	-	**(67.6)**	(55.5)	-	**(55.5)**	(93.9)	-	**(93.9)**
Sales, marketing and administrative expenses		(65.9)	(26.7)	**(92.6)**	(53.3)	(24.1)	**(77.4)**	(113.6)	(54.1)	**(167.7)**
Operating profit		**55.4**	**(26.7)**	**28.7**	**56.3**	**(24.1)**	**32.2**	**85.4**	**(54.1)**	**31.3**
Adjusted EBITDA		60.4	-	**60.4**	60.8	-	**60.8**	94.7	-	**94.7**
Depreciation and amortisation		(5.0)	(11.2)	**(16.2)**	(4.5)	(8.7)	**(13.2)**	(9.3)	(17.8)	**(27.1)**
Exceptional items		-	(12.7)	**(12.7)**	-	(13.7)	**(13.7)**	-	(32.5)	**(32.5)**
Share-based payments		-	(2.8)	**(2.8)**	-	(1.7)	**(1.7)**	-	(3.8)	**(3.8)**
Operating profit		**55.4**	**(26.7)**	**28.7**	**56.3**	**(24.1)**	**32.2**	**85.4**	**(54.1)**	**31.3**
Share of gain in equity-accounted investee, net of tax		0.3	-	**0.3**	0.1	-	**0.1**	0.3	-	**0.3**
Finance costs	6	(5.9)	-	**(5.9)**	(5.9)	-	**(5.9)**	(12.2)	-	**(12.2)**
Finance income	6	-	-	**-**	0.4	-	**0.4**	0.5	-	**0.5**
Profit before taxation		**49.8**	**(26.7)**	**23.1**	**50.9**	**(24.1)**	**26.8**	**74.0**	**(54.1)**	**19.9**
Taxation	7	(11.8)	4.7	**(7.1)**	(15.0)	6.1	**(8.9)**	(18.7)	10.7	**(8.0)**
Profit from continuing operations		**38.0**	**(22.0)**	**16.0**	**35.9**	**(18.0)**	**17.9**	**55.3**	**(43.4)**	**11.9**
Profit from discontinued operations net of tax	8	16.2	(7.3)	**8.9**	17.8	(7.3)	**10.5**	19.6	(13.5)	**6.1**
Profit for the period		**54.2**	**(29.3)**	**24.9**	**53.7**	**(25.3)**	**28.4**	**74.9**	**(56.9)**	**18.0**
Earnings per share (pence)	11									
Basic										
- Continuing operations		9.5	(5.5)	**4.0**	9.0	(4.5)	**4.5**	13.7	(10.8)	**2.9**
- Continuing and discontinued operations		13.5	(7.3)	**6.2**	13.5	(6.4)	**7.1**	18.7	(14.2)	**4.5**
Diluted										
- Continuing operations		9.4	(5.5)	**3.9**	8.9	(4.5)	**4.4**	13.6	(10.8)	**2.8**
- Continuing and discontinued operations		13.4	(7.3)	**6.1**	13.4	(6.3)	**7.1**	18.6	(14.2)	**4.4**

*Restated for discontinued operations (see note 8).

Condensed Consolidated Statement of Other Comprehensive Income

(£ million)	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Profit for the period	**24.9**	**28.4**	**18.0**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences recognised in equity	4.2	(10.8)	(22.9)
Cumulative currency translation differences on disposals	-	-	2.4
Total comprehensive income for the period	**29.1**	**17.6**	**(2.5)**

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Condensed Consolidated Statement of Financial Position

(£ million)	Note	30 June 2018 Unaudited	30 June 2017 Unaudited	31 December 2017 Audited
Assets				
Non-current assets				
Intangible assets and goodwill		693.3	692.0	771.7
Property, plant and equipment		12.3	13.9	11.3
Investments		6.1	5.1	5.1
Other receivables		0.4	0.4	0.3
Derivative financial assets		0.1	-	-
Deferred tax assets	15	41.0	48.9	47.1
		753.2	**760.3**	**835.5**
Current assets				
Inventories		5.7	14.2	17.8
Trade and other receivables		73.0	63.5	88.2
Derivative financial assets		-	0.3	0.1
Cash and cash equivalents	14	46.9	74.6	45.8
		125.6	**152.6**	**151.9**
Assets of disposal group classified as held for sale	9	97.3	22.3	-
Current assets		**222.9**	**174.9**	**151.9**
Total assets		**976.1**	**935.2**	**987.4**
Liabilities				
Current liabilities				
Trade and other payables		57.0	52.8	57.7
Deferred income		83.6	93.6	118.6
Deferred consideration	13	32.0	35.9	47.5
Current tax liabilities		11.0	14.9	12.1
Provisions		2.4	2.8	3.2
		186.0	**200.0**	**239.1**
Liabilities of disposal group classified as held for sale	9	44.6	9.6	-
Current liabilities		**230.6**	**209.6**	**239.1**
Non-current liabilities				
Deferred consideration	13	30.5	36.0	50.4
Deferred income		0.8	4.6	3.6
External borrowings	14	332.0	286.3	317.4
Deferred tax liabilities	15	19.6	28.8	31.3
Provisions		2.2	1.7	2.6
Total non-current liabilities		**385.1**	**357.4**	**405.3**
Total liabilities		**615.7**	**567.0**	**644.4**
Net assets		**360.4**	**368.2**	**343.0**
Capital and reserves				
Share capital		4.0	4.0	4.0
Share premium		0.3	-	0.1
Merger reserve		9.2	9.2	9.2
Group restructure reserve		157.9	157.9	157.9
Translation reserve		(33.7)	(28.2)	(37.9)
Retained earnings		222.7	225.3	209.7
Total equity		**360.4**	**368.2**	**343.0**

Condensed Consolidated Statement of Changes in Equity

			Reserves				
(£ million)	**Share capital**	**Share premium**	**Merger reserve**	**Group restructure reserve**	**Translation reserve**	**Retained earnings**	**Total**
Balance at 1 January 2017 Audited	**4.0**	**-**	**9.2**	**157.9**	**(17.4)**	**207.7**	**361.4**
Profit for the period	-	-	-	-	-	28.4	28.4
Other comprehensive expense	-	-	-	-	(10.8)	-	(10.8)
Total comprehensive (expense)/income	-	-	-	-	(10.8)	28.4	17.6
Share-based payments	-	-	-	-	-	1.9	1.9
Taxation on share-based payments	-	-	-	-	-	0.1	0.1
Dividends paid	-	-	-	-	-	(12.8)	(12.8)
Balance at 30 June 2017 Unaudited	**4.0**	**-**	**9.2**	**157.9**	**(28.2)**	**225.3**	**368.2**
Loss for the period	-	-	-	-	-	(10.4)	(10.4)
Other comprehensive expense	-	-	-	-	(9.7)	-	(9.7)
Total comprehensive (expense)					(9.7)	(10.4)	(20.1)
Issue of shares	-	0.1	-	-	-	-	0.1
Share-based payments	-	-	-	-	-	1.7	1.7
Taxation on share-based payments	-	-	-	-	-	0.3	0.3
Dividends paid	-	-	-	-	-	(7.2)	(7.2)
Balance at 31 December 2017 Audited	**4.0**	**0.1**	**9.2**	**157.9**	**(37.9)**	**209.7**	**343.0**
Profit for the period	-	-	-	-	-	24.9	24.9
Other comprehensive income	-	-	-	-	4.2	-	4.2
Total comprehensive income					4.2	24.9	29.1
Issue of shares	-	0.2	-	-	-		0.2
Share-based payment	-	-	-	-	-	2.5	2.5
Taxation on share-based payments	-	-	-	-	-	0.8	0.8
Dividends paid	-	-	-	-	-	(15.2)	(15.2)
At 30 June 2018 Unaudited	**4.0**	**0.3**	**9.2**	**157.9**	**(33.7)**	**222.7**	**360.4**

Condensed Consolidated Statement of Cash Flows

(£ million)	Note	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Cash flow from operating activities				
Profit before taxation		35.3	42.7	32.7
Adjustments for:				
Amortisation of acquired intangible assets	5,8	14.3	12.7	25.5
Amortisation of software intangible assets		3.2	2.9	6.1
Depreciation of property, plant and equipment		2.0	2.1	5.0
(Loss)/gain on disposal of business operations and investments	8	(0.1)	(2.7)	0.9
Acquisition-related contingent employment costs	5,8	11.9	12.4	27.7
Share-based payments		2.9	2.2	4.4
Share of gain in equity-accounted investee, net of tax		(0.3)	(0.1)	(0.3)
Finance costs	6	5.9	5.9	12.2
Finance income	6	-	(0.4)	(0.5)
Cash generated from operations before working capital movements		**75.1**	**77.7**	**113.7**
Changes in:				
Inventories		3.9	2.7	(1.1)
Trade and other receivables		(2.2)	2.5	(15.1)
Trade and other payables, net of interest payable		(21.4)	(12.2)	7.5
Provisions		(1.0)	0.7	2.0
Cash generated from operations		**54.4**	**71.4**	**107.0**
Cash generated from operations before exceptional operating items		81.5	84.5	121.9
Cash outflows for acquisition-related employment costs		(19.4)	(8.2)	(8.2)
Cash flows for other exceptional operating items		(7.7)	(4.9)	(6.7)
Cash generated from operations		**54.4**	**71.4**	**107.0**
Income tax paid		(7.0)	(3.6)	(7.9)
Net cash generated from operating activities		**47.4**	**67.8**	**99.1**
Cash flow from investing activities				
Acquisition of businesses (net of cash acquired)		(29.6)	(70.8)	(156.5)
(Acquisition)/reduction of investments		(0.7)	0.1	0.2
Acquisition of software intangibles and property, plant and equipment		(8.8)	(6.4)	(11.8)
Disposal of businesses (net of cash disposed of)		-	37.8	48.7
Net cash used in investing activities		**(39.1)**	**(39.3)**	**(119.4)**
Cash flow from financing activities				
Proceeds from external borrowings	14	22.4	26.5	58.6
Repayment of external borrowings	14	(11.1)	(25.6)	(25.6)
Proceeds from issue of shares		0.3	-	0.1
Interest paid		(3.2)	(3.3)	(5.9)
Dividend paid		(15.2)	(12.8)	(20.0)
Net cash used in financing activities		**(6.8)**	**(15.2)**	**7.2**
Net increase in cash and cash equivalents		**1.5**	**13.3**	**(13.1)**
Cash and cash equivalents at the beginning of the period		45.8	61.9	61.9
Effect of exchange rate changes		(0.4)	(0.6)	(3.0)
Cash and cash equivalents at the end of the period		**46.9**	**74.6**	**45.8**

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 non-statutory condensed consolidated interim financial statements as at and for the six months ended 30 June 2018 comprise the Company and its subsidiaries and were approved by the Board of Directors on 20 July 2018. The condensed consolidated interim financial statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted by the European Union.

The condensed consolidated interim financial statements have been prepared on a going concern basis. On the basis of current financial projections and facilities available and after considering sensitivities, the Directors of the Company are confident 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.

The annual consolidated financial statements of the Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") and the Companies Act 2006 applicable to companies reporting under IFRS. These condensed consolidated half-yearly financial statements do not comprise statutory accounts within the meaning of Section 435 of the Companies Act 2006, and should be read in conjunction with the Annual Report and Accounts 2017. 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 2017 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.

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 2017, except as described below, and will be applied for the year ending 31 December 2018. The policy for recognising and measuring income taxes in the interim period is described in note 7. This is the first set of financial statements where IFRS 15 and IFRS 9 have been applied and the Group has initially adopted IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* from 1 January 2018 as described below.

IFRS 15 Revenue from Contracts with Customers
IFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to the customer and provides a single, principle based, five-step model to be applied to all sales contracts. It replaces the separate models for goods, services and construction contracts under current IFRS. It also provides further guidance on the measurement of sales on contracts which have discounts and rebates.

The Group has adopted IFRS 15 using the retrospective method with practical expedients, meaning the cumulative effect of initially applying the standard is recognised as a restatement at the start of the earliest presented period, i.e. the opening comparative balance sheet at 1 January 2017. The practical expedient applied is that the new standard has only been applied to those contracts that are not considered completed at 1 January 2017. Accordingly, where necessary the 2017 balances are restated as set out below.

The result of our assessment on continuing operations is a less than 0.2% impact on revenue and a less than 0.1% impact on retained earnings and therefore we have not restated prior year balances.

For discontinued operations the restatement resulted in a reduction to revenue and cost of sales of £0.9m for both the six months ended 30 June 2017 and the year ended 31 December 2017, with no impact on profit before tax in either period. The adjustment arose as a result of the application of IFRS 15 to one particular contract, where the Group concluded to move from principal to agent accounting. The primary statements have not been restated for these effects (see note 8) as the impact is not deemed material.

IFRS 9 Financial Instruments
IFRS 9 applies a forward-looking impairment model that replaces the current applicable incurred loss model. In contrast to the complex and rules based approach of IAS 39, the new hedge accounting requirements provide an improved link to risk management and treasury operations and will be simpler to apply. The adoption of IFRS 9 did not have a material impact on the Group's consolidated results or financial position and does not require a restatement of comparative figures.

The fair value of each category of the Group's financial instruments approximates to their carrying value. Where financial assets and liabilities are measured at fair values the measurement hierarchy, valuation techniques and inputs used are consistent with those used at 31 December 2017. There were no movements between different levels of the fair value hierarchy in the year.

IFRS 16 *Leases*
IFRS 16 is effective from 1 January 2019 which is the date at which the standard will be adopted. It replaces all existing lease guidance and introduces a single on-balance sheet model for lessee accounting whereby a lessee recognises a right-of use of asset and a lease liability for the obligation to make lease payments. The standard excludes leases of low-value assets and short-term leases. Lessor accounting remains similar to the current IAS 17 guidance. The Group has commenced its assessment of the potential impact on the consolidated financial statements resulting from the application of IFRS 16 and while it is not practical to provide a reasonable estimate of the effect of IFRS 16 until the detailed review has been completed, the impact is not expected to be material.

3. Critical accounting judgements and estimates

The preparation of these financial statements requires management to exercise judgement in applying the Group's accounting policies and 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 2017, namely:

- The use of alternative performance measures (note 5)
- Initial recognition of goodwill and intangibles on business combinations (note 12)
- Valuation of contingent consideration and acquisition-related employment costs (note 12,13)
- Recognition of deferred tax assets (note 15)

4. Operating segments

The Group has three reportable segments under IFRS 8 Operating Segments. In addition, there is a Group corporate function providing central services including finance, management and IT services to the Group's reportable segments. The reportable segments offer different products and services, and are managed separately because they require different capabilities, technology and marketing strategies. For each of the reportable segments, the Board (the chief operating decision maker) reviews internal management reports on a monthly basis.

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

- Exhibitions & Festivals: organiser of market-leading events.
- Information Services: produces intelligence, analysis and forecasting tools, subscription content and advisory services.
- Discontinued operations:
  - In 2018 (with 2017 comparatives restated): the Exhibitions business which was previously part of the Exhibitions & Festivals segment and which was identified as a separate cash generating unit following the announcement of its strategic review in February 2018. The Exhibitions business was sold after the balance sheet date on 17 July 2018 (see note 17).
  - In 2017: the 13 Heritage brands which were all sold in 2017.

Information regarding the results of each reportable segment is included below. Reportable segment profits are measured at an adjusted operating profit level, representing reportable segment Adjusted EBITDA, less depreciation costs and amortisation in respect of software intangibles, without allocation of Central costs as reported in the internal management reports that are reviewed by the Board.

Six months ended 30 June 2018, unaudited

(£ million)	Exhibitions & Festivals	Information Services	Central Costs	Continuing Operations Total	Discontinued Operations Note 8	Total
Revenue	85.4	103.5	-	188.9	54.5	243.4
Adjusted EBITDA	42.5	25.9	(8.0)	60.4	20.3	80.7
Depreciation and amortisation of tangible fixed assets and software intangibles	(2.4)	(2.0)	(0.6)	(5.0)	(0.3)	(5.3)
Adjusted operating profit	40.1	23.9	(8.6)	55.4	20.0	75.4
Amortisation of intangible assets acquired through business combinations				(11.2)	(3.2)	(14.4)
Exceptional items (note 5)				(12.7)	(4.5)	(17.2)
Share-based payments (note 5)				(2.8)	(0.1)	(2.9)
Operating profit				28.7	12.2	40.9
Share of gain in equity-accounted investee, net of tax				0.3	-	0.3
Net finance costs				(5.9)	-	(5.9)
Profit before tax				**23.1**	**12.2**	**35.3**
Total assets				**878.8**	**97.3**	**976.1**

Exceptional items in Continuing Operations of £12.7 million include £0.2 million, £11.5 million and £1.0 million, which are attributable to Exhibitions & Festivals, Information Services and Central Costs respectively. Please refer to note 8 for Discontinued Operations.

Six months ended 30 June 2017, restated and unaudited

(£ million)	Exhibitions & Festivals	Information Services	Central Costs	Continuing Operations Total	Discontinued Operations Note 8	Total
Revenue	80.1	85.0	-	165.1	74.1	239.2
Adjusted EBITDA	44.5	24.5	(8.2)	60.8	20.8	81.6
Depreciation and amortisation of tangible fixed assets and software intangibles	(1.6)	(2.2)	(0.7)	(4.5)	(0.5)	(5.0)
Adjusted operating profit	42.9	22.3	(8.9)	56.3	20.3	76.6
Amortisation of intangible assets acquired through business combinations				(8.7)	(4.0)	(12.7)
Exceptional items (note 5)				(13.7)	0.1	(13.6)
Share-based payments (note 5)				(1.7)	(0.5)	(2.2)
Operating profit				32.2	15.9	48.1
Share of gain in equity-accounted investee, net of tax				0.1	-	0.1
Net finance costs				(5.5)	-	(5.5)
Profit before tax				**26.8**	**15.9**	**42.7**
Total assets				**912.9**	**22.3**	**935.2**

Exceptional items in Continuing Operations of £13.7 million include £0.8 million and £12.9 million which are attributable to Exhibitions & Festivals and Information Services respectively. Please refer to note 8 for Discontinued Operations.

Year ended 31 December 2017, restated and audited

(£ million)	Exhibitions & Festivals	Information Services	Central Costs	Continuing Operations Total	Discontinued Operations Note 8	Total
Revenue	114.0	178.9	-	292.9	105.8	398.7
Adjusted EBITDA	58.6	50.4	(14.3)	94.7	25.9	120.6
Depreciation and amortisation of tangible fixed assets and software intangibles	(3.7)	(4.1)	(1.5)	(9.3)	(1.8)	(11.1)
Adjusted operating profit	54.9	46.3	(15.8)	85.4	24.1	109.5
Amortisation of intangible assets acquired through business combinations				(17.8)	(7.7)	(25.5)
Exceptional items (note 4)				(32.5)	(3.0)	(35.5)
Share-based payments (note 4)				(3.8)	(0.6)	(4.4)
Operating profit				31.3	12.8	44.1
Share of gain in equity-accounted investee, net of tax				0.3	-	0.3
Net finance costs				(11.7)	-	(11.7)
Profit before tax				**19.9**	**12.8**	**32.7**
Total assets				**987.4**	**-**	**987.4**

Exceptional items in Continuing Operations of £32.5 million include £2.0 million, £29.9 million and £0.6 million, which are attributable to Exhibitions & Festivals, Information Services and Central Costs respectively. Please refer to note 8 for Discontinued Operations.

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.

Additional segmental information on revenue

The Group's main revenue streams are those described in the Annual Report and Accounts 2017. The Group's revenue is derived from contracts with customers, and the nature and effect of initially applying IFRS 15 on the Group's interim financial statements is disclosed in Note 2.

Disaggregation of revenue

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

			Restated*	
	Timing of revenue recognition	**Six months to 30 June 2018**	**Six months to 30 June 2017**	**Year to 31 December 2017**
(£ million)		**Unaudited**	**Unaudited**	**Audited**
Delegates	Point in time	34.2	34.3	53.4
Award entries	Point in time	22.8	26.8	28.8
Sponsorship	Point in time	13.6	11.5	14.5
Stand Space	Point in time	10.1	5.1	12.3
Subscriptions	Over time	1.3	1.0	2.3
Other	Point in time	3.4	1.4	2.7
Exhibitions & Festivals revenue		**85.4**	**80.1**	**114.0**
Subscriptions	Over time	60.5	50.9	103.9
Advisory	Over time	27.5	20.1	47.2
Transactional	Point in time	9.5	8.6	17.6
Marketing services	Over time	1.2	1.2	2.7
Other	Point in time	4.8	4.2	7.5
Information Services revenue		**103.5**	**85.0**	**178.9**

Contract balances

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

	Note	**30 June 2018**	**30 June 2017**	**31 December 2017**
(£ million)		**Unaudited**	**Unaudited**	**Audited**
Receivables, which are included in "Trade and other receivables"		54.3	39.9	67.6
Receivables, which are included in "Assets held for sale"	9	12.4	8.7	-
Contract assets - accrued income		3.8	4.0	4.8
Contract liabilities – deferred income		84.4	91.2	122.2

Seasonality of operations

The Group's results of continuing and discontinued operations are impacted by seasonality. Revenue in Exhibitions & Festivals is generally recognised when an event takes place. Exhibitions & Festivals revenue is therefore seasonal, with revenue typically reaching its highest levels during the first half of each calendar year when Cannes Lions take place. Information Services primarily generates subscription revenue which is recognised rateably over the life of the subscription contract. Consequently, there is less seasonal fluctuation in the revenue of this reportable segment.

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.

Adjusting items included in continuing operating profit are:

(£ million)	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Continuing Operations			
Earnouts: Acquisition-related contingent employment costs and revaluation	11.7	12.4	27.7
Acquisition and integration costs	1.0	1.3	4.6
IPO expenditure	-	-	0.2
Exceptional items	**12.7**	**13.7**	**32.5**
Amortisation of intangibles acquired through business combinations	11.2	8.7	17.8
Share based payments	2.8	1.7	3.8
Adjusting items in continuing operating profit	**26.7**	**24.1**	**54.1**

For the period to 30 June 2018, acquisition-related expenses include acquisition-related employment costs relating primarily to the acquisition of MediaLink, One Click Retail and Clavis which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements approximately half of deferred payments are contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders and certain vendors.

As part of the overall strategy of managing the Group's portfolio, costs incurred as part of the acquisition and integration of acquired businesses are considered to be material and include transaction costs and stamp duty where applicable. Integration spend is incurred in relation to transferring acquired businesses onto Ascential's operating platforms and in integrating products.

Adjusting items relating to Discontinued Operations are detailed in note 8.

6. Finance costs and finance income

(£ million)	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Interest on bank deposits	-	0.1	0.2
Foreign exchange gain on borrowings	-	-	0.3
Foreign exchange gain on cash and cash equivalents	-	0.3	-
Finance income	**-**	**0.4**	**0.5**
Interest payable on external borrowings	(3.4)	(3.1)	(5.8)
Foreign exchange loss on cash and cash equivalents	(0.1)	-	(0.8)
Amortisation of loan arrangement fees	(0.6)	(0.7)	(1.3)
Other finance charges	(1.8)	(2.1)	(4.3)
Finance costs	**(5.9)**	**(5.9)**	**(12.2)**
Net finance costs	**(5.9)**	**(5.5)**	**(11.7)**

7. Tax on profit on ordinary activities

The charge for the half year for continuing operations has been calculated by applying the expected full year rate to the half year results with specific tax adjustments for adjusting items (amortisation of acquired intangible assets, share based payments and exceptional items). The tax charge for the period comprises:

		Restated*	
(£ million)	**Six months to 30 June 2018 Unaudited**	**Six months to 30 June 2017 Unaudited**	**Year to 31 December 2017 Audited**
Current tax			
UK corporation tax			
Current tax charge on income for the period	3.0	(0.8)	5.0
Foreign tax			
Current tax charge on income for the period	(0.5)	5.7	2.9
Total current tax charge	**2.5**	**4.9**	**7.9**
Deferred tax			
Current period	4.1	4.0	(16.5)
Adjustments in respect of prior years	0.5	-	(0.3)
Impact of rate changes on opening deferred tax balances	-	-	16.9
Total deferred tax charge	**4.6**	**4.0**	**0.1**
Total tax charge	**7.1**	**8.9**	**8.0**
Total effective tax rate	**30.6%**	**33.2%**	**40.1%**

*Results restated for discontinued operations (note 8).

The effective tax rate on adjusted continuing profit before tax for the six months period to 30 June 2018 was 23.6% (30 June 2017: 29.5%, 31 December 2017: 25.3%). A tax credit of £4.7m was recorded in related to continuing adjusting items in 2018 (30 June 2017: £6.1m and 31 December 2017: credit £10.7 million).

8. Discontinued operations

On 26 February 2018, the Company announced a strategic review of the Exhibitions business with a further announcement on 15 May 2018 announcing the proposed sale to ITE Group plc conditional upon the approval of Shareholders which was received on 25 June 2018 with completion having taken place after the half year end on 17 July 2018. For the period ended 30 June 2018, the Exhibitions business is classified as a discontinued operation in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations". Prior year periods have been restated to reflect this.

The result of discontinued operations in 2017 also includes the results of the 13 Heritage Brands for the period under ownership until the disposals in 2017.

The results of the discontinued operations which have been included in the consolidated statement of profit and loss are as follows:

				Restated*					
	Six months to 30 June 2018 Unaudited			Six months to 30 June 2017 Unaudited			Year to 31 December 2017 Audited		
(£ million)	**Adjusted Results**	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**
Revenue	54.5	-	54.5	74.1	-	74.1	105.8	-	105.8
Cost of sales	(21.3)	-	(21.3)	(28.9)	-	(28.9)	(42.2)	-	(42.2)
Sales, marketing & administrative expenses	(13.2)	(7.8)	(21.0)	(24.9)	(4.4)	(29.3)	(39.5)	(11.3)	(50.8)
Operating profit	**20.0**	**(7.8)**	**12.2**	**20.3**	**(4.4)**	**15.9**	**24.1**	**(11.3)**	**12.8**
Adjusted EBITDA	20.3	-	20.3	20.8	-	20.8	25.9	-	25.9
Depreciation & amortisation	(0.3)	(3.2)	(3.5)	(0.5)	(4.0)	(4.5)	(1.8)	(7.7)	(9.5)
Exceptional items	-	(4.5)	(4.5)	-	0.1	0.1	-	(3.0)	(3.0)
Share-based payments	-	(0.1)	(0.1)	-	(0.5)	(0.5)	-	(0.6)	(0.6)
Operating profit	**20.0**	**(7.8)**	**12.2**	**20.3**	**(4.4)**	**15.9**	**24.1**	**(11.3)**	**12.8**
Taxation	(3.8)	0.5	(3.3)	(2.5)	(2.9)	(5.4)	(4.5)	(2.2)	(6.7)
Profit from discontinued operation net of tax	**16.2**	**(7.3)**	**8.9**	**17.8**	**(7.3)**	**10.5**	**19.6**	**(13.5)**	**6.1**
Discontinued earnings per share (pence)									
- Basic	4.0	(1.8)	2.2	4.5	(1.9)	2.6	5.0	(3.4)	1.6
- Diluted	4.0	(1.8)	2.2	4.5	(1.8)	2.7	5.0	(3.4)	1.6

*Revenue and cost of sales have been restated for IFRS 15 (see note 2), with no impact on opening balance sheet, net profit, or basic or diluted EPS.

Adjusting items from discontinued operations

Exceptional adjusting items included in discontinued operating profit are:

(£ million)	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Discontinued operations			
Disposal costs	(4.5)	(2.6)	(2.1)
Gain/(loss) on disposal	-	2.7	(0.9)
Exceptional items included in profit from discontinued operations	**(4.5)**	**0.1**	**(3.0)**

Cash flows from discontinued operations

(£ million)	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Net cash generated from operating activities	3.2	6.2	20.1
Net cash (used in)/generated from investing activities	(0.2)	36.5	44.5
Net cash inflows for the year	**3.0**	**42.7**	**64.6**

9. Disposal group held for sale

At 30 June 2018, the Exhibitions business disposal group was stated at carrying value and comprised of the following assets and liabilities:

(£ million)	30 June 2018
Intangible assets and goodwill	70.7
Property, plant and equipment	2.9
Deferred tax assets	1.1
Inventories	8.2
Trade and other receivables	14.4
Assets held for sale	**97.3**
Trade and other payables	34.4
Provisions	0.6
Deferred tax liabilities	9.6
Liabilities held for sale	**44.6**

10. Dividends

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

	Six months to 30 June 2018 Unaudited	Six months to 30 June 2017 Unaudited	Year to 31 December 2017 Audited
Amounts recognised as distributions to equity shareholders			
Final dividend for the year-ended 31 December 2016 – 3.2 pence	-	12.8	12.8
Interim dividend for the year-ended 31 December 2017 – 1.8 pence	-	-	7.2
Final dividend for the year-ended 31 December 2017 – 3.8 pence	15.2	-	-
Dividend paid	**15.2**	**12.8**	**20.0**

After the reporting date, the Board approved an interim dividend of 1.9p per ordinary share from distributable reserves. The interim dividend is not included in the condensed consolidated statement of financial position as a liability at 30 June 2018.

11. Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is calculated by dividing the net profit for the period attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

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

- The weighted average number of ordinary shares in issue during the period, excluding those held by Employee Benefit Trusts was 400.2 million (30 June 2017: 400.0 million and 31 December 2017: 400.1 million).
- The impact of all potentially dilutive share options would be to increase the weighted average number of shares used in the calculation of EPS to 403.0 million (30 June 2017: 402.4 million; 31 December 2017: 402.3 million).

	Six months to 30 June 2018 Unaudited			Six months to 30 June 2017 Unaudited			Year to 31 December 2017 Audited		
	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total	Adjusted Results	Adjusting Items	Total
Profit attributable to equity shareholders of the Parent (£ million)									
Profit for the year - continuing operations	38.0	(22.0)	16.0	35.9	(18.0)	17.9	55.3	(43.4)	11.9
Profit for the year - discontinued operations	16.2	(7.3)	8.9	17.8	(7.3)	10.5	19.6	(13.5)	6.1
	54.2	**(29.3)**	**24.9**	**53.7**	**(25.3)**	**28.4**	**74.9**	**(56.9)**	**18.0**
Basic EPS (pence)									
Continuing operations	9.5	(5.5)	4.0	9.0	(4.5)	4.5	13.7	(10.8)	2.9
Discontinued operations	4.0	(1.8)	2.2	4.5	(1.9)	2.6	5.0	(3.4)	1.6
	13.5	**(7.3)**	**6.2**	**13.5**	**(6.4)**	**7.1**	**18.7**	**(14.2)**	**4.5**
Diluted EPS (pence)									
Continuing operations	9.4	(5.5)	3.9	8.9	(4.5)	4.4	13.6	(10.8)	2.8
Discontinued operations	4.0	(1.8)	2.2	4.5	(1.8)	2.7	5.0	(3.4)	1.6
	13.4	**(7.3)**	**6.1**	**13.4**	**(6.3)**	**7.1**	**18.6**	**(14.2)**	**4.4**

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12. Business combinations

The Group acquired the following businesses during the year ended 31 December 2017:

Name	Date of acquisition	Country of incorporation	Shares/ asset deal	% acquired	Acquisition-related costs (£ million)
Media Link, LLC	February 2017	USA	Shares	100%	0.9
Siberia LLC	September 2017	USA	Shares	100%	0.1
Sistema Use Fashion Comercio de Informacaos Ltda	November 2017	Brazil	Shares	100%	0.3
Clavis Technology Limited	December 2017	Ireland	Shares	100%	2.3

Contingent consideration is the Group's only financial instrument classified as level 3 in the fair value hierarchy. The key assumptions taken into consideration when measuring this acquisition related liability are the performance expectations of the acquisition and a discount rate that reflects the size and nature of the new business. See note 13 for all movements of level 3 contingent consideration in the period.

There have been no changes to the provisional fair values presented in the 2017 annual report except for Clavis Technology Limited as set out below.

2017 – acquisition of Clavis Technology Limited
On 22 December 2017, the Group acquired 100% of the shares in Clavis Technology Limited and its subsidiaries ("Clavis"), an unlisted group of companies based in Dublin, Ireland, whose primary activities include the provision of eCommerce analytics, with proprietary technology enabling consumer product companies to track and optimise the performance of their products across hundreds of retailer websites and mobile commerce sites globally. Clavis forms part of the Information Services segment.

The consideration of £95.1 million comprises:

- £84.6 million (net of consideration for cash acquired) paid in 2017;
- £(0.9) million working capital adjustment to reduce total consideration on deal completion;
- £4.3 million payable in 2018; and
- consideration contingent on the results of the 2018, 2019, and 2020 financial years payable in 2019 to 2021 and estimated to total £8.8 million at the acquisition date which has been discounted to present value of £7.1 million using a discount rate relevant to the acquired business.

In addition to the contingent consideration described above, and subject to continued employment, the vendors also receive employment income contingent on the results of the 2018, 2019 and 2020 financial years payable in 2019 to 2021, estimated to total £8.9 million. To determine the contingent consideration and the acquisition-related contingent employment cost, the Directors are required to make a judgement regarding the current and future results. Any subsequent revaluations to contingent consideration as a result of changes in the estimation of future results are recognised in the consolidated statement of profit and loss. The acquisition-related employment cost is being accrued over the period in which the related services are being received.

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The fair values of the identifiable assets purchased and liabilities assumed of Clavis as at the date of acquisition were as follows:

(£ million)	Fair value Unaudited
Intangible assets	44.0
Property, plant and equipment	0.3
Trade and other receivables	5.2
Cash	0.9
Trade and other payables	(1.8)
Provisions	(2.4)
Deferred income	(3.3)
Deferred tax liability	(5.2)
Total identifiable net assets at fair value	**37.7**
Initial cash consideration relating to business combination	84.6
Completion working capital adjustment	(0.9)
Deferred consideration payable in 2018	4.3
Contingent consideration payable in 2019-2021	7.1
Consideration for cash acquired	0.9
Total consideration	**96.0**
Goodwill on acquisition	**58.3**

Due to the proximity of the acquisition date to the year ended 31 December 2017, certain identifiable assets purchased and liabilities assumed were provisional in the financial statements for the year then ended and have now been finalised resulting in a net increase of £0.7 million in total goodwill.

The goodwill of £58.3 million arising on acquisition is attributable to existing workforce skills and expertise, the synergies with our existing business and the strengthening of our eCommerce analytics offering in new geographies.

The intangible assets recognised on acquisition, being the brands (£7.8 million) and customer relationships and databases (£36.2 million), require judgements involving estimation. The significant estimate involved in the valuation of these assets is the estimation of future cash flows.

13. Deferred consideration

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

								Level 3*
(£ million)	**Note**	**Money20/20**	**OCR**	**MediaLink**	**Clavis**	**Other**	**Total**	**Total**
At 1 January 2017		**30.6**	**36.2**	**–**	**–**	**4.0**	**70.8**	**51.0**
Additions		-	-	14.2	-	-	14.2	14.2
Acquisition – related employment costs accrued in the period		0.8	7.9	3.7	-	-	12.4	-
Discount unwind on contingent and deferred consideration		0.5	1.2	0.4	-	-	2.1	2.1
Acquisition – related employment cash paid in the period		(8.2)	-	-	-	-	(8.2)	-
Deferred consideration cash paid in the period		(8.1)	(4.0)	-	-	(3.4)	(15.5)	(13.1)
Effect of movements in exchange rates		(0.9)	(2.1)	(0.7)	-	(0.2)	(3.9)	(2.6)
At 30 June 2017		**14.7**	**39.2**	**17.6**	**-**	**0.4**	**71.9**	**51.6**
Additions	12	-	-	-	11.4	0.8	12.2	7.0
Acquisition – related employment costs accrued in the period		0.9	7.6	5.7	-	-	14.2	-
Revaluation of contingent consideration recognised in the consolidated statement of profit and loss		0.4	-	0.7	-	-	1.1	1.1
Discount unwind on contingent and deferred consideration		0.3	1.1	0.6	-	-	2.0	2.0
Deferred consideration cash paid in the period		-	-	-	-	(0.1)	(0.1)	-
Effect of movements in exchange rates		(0.6)	(1.8)	(0.9)	(0.1)	-	(3.4)	(2.3)
At 31 December 2017		**15.7**	**46.1**	**23.7**	**11.3**	**1.1**	**97.9**	**59.4**
Acquisition – related employment costs accrued in the period		-	5.0	3.3	2.3	-	10.6	-
Revaluation of contingent consideration recognised in the consolidated statement of profit and loss		0.2	1.9	(1.1)	-	0.3	1.3	1.3
Discount unwind on contingent and deferred consideration		0.1	0.9	0.5	0.3	-	1.8	1.8
Acquisition – related employment cash paid in the period		(4.7)	(10.1)	(4.6)	-	-	(19.4)	-
Deferred consideration cash paid in the year		(11.0)	(10.0)	(4.6)	(3.8)	(0.2)	(29.6)	(25.8)
Effect of movements in exchange rates		(0.3)	0.2	0.2	0.2	(0.2)	0.1	0.1
Transfer to held for sale		-	-	-	-	(0.2)	(0.2)	(0.2)
At 30 June 2018		**-**	**34.0**	**17.4**	**10.3**	**0.8**	**62.5**	**36.6**

*Categorised as level 3 in the fair value hierarchy of financial instruments.

14. Borrowings

Reconciliation of movement in net debt

(£ million)	Cash	Short-term deposits	Interest rate cap	External Borrowings	External net debt
At 1 January 2017 Audited	**43.5**	**18.4**	**0.4**	**(286.0)**	**(223.7)**
Exchange differences	(0.2)	(0.2)	-	1.1	0.7
External debt repayment	-	-	-	25.6	25.6
External debt drawdown	-	-	-	(26.5)	(26.5)
Fair value movements	-	-	-	-	-
Non-cash movements	-	-	(0.1)	(0.5)	(0.6)
Net cash movement	12.4	0.7	-	-	13.1
At 30 June 2017 Unaudited	**55.7**	**18.9**	**0.3**	**(286.3)**	**(211.4)**
Exchange differences	(1.8)	(0.6)	-	1.6	(0.8)
External debt drawdown	-	-	-	(32.1)	(32.1)
Non-cash movements	-	-	(0.2)	(0.6)	(0.8)
Net cash movement	(24.8)	(1.6)	-	-	(26.4)
At 31 December 2017 Audited	**29.1**	**16.7**	**0.1**	**(317.4)**	**(271.5)**
Exchange differences	(0.3)	(0.1)	-	(2.7)	(3.1)
External debt repayment	-	-	-	11.1	11.1
External debt drawdown	-	-	-	(22.4)	(22.4)
Non-cash movements	-	-	-	(0.6)	(0.6)
Net cash movement	0.4	1.1	-	-	1.5
At 30 June 2018 Unaudited	**29.2**	**17.7**	**0.1**	**(332.0)**	**(285.0)**

The Group's borrowings at 30 June 2018, 30 June 2017 and 31 December 2017 were £66.0 million, $96.0 million and €171.0 million and are shown net of unamortised issue costs. The carrying amounts of borrowings approximate their fair value.

The Group had interest rate caps at 30 June 2018 of £0.1 million included in non-current assets (30 June 2017: £0.3 million and 31 December 2017: £0.1 million included within current assets). The interest rate caps are used to cap an element of the Group's external borrowings, which all bear interest at floating rate. As at 30 June 2018, the total notional amount of outstanding interest rate caps to which the Group is committed is £113.1 million (30 June 2017: £125.0 million and 31 December 2017: £109.2 million).

15. Deferred tax

The deferred tax balances shown in the consolidated balance sheet are analysed as follows:

(£ million)	30 June 2018 Unaudited	30 June 2017 Unaudited	31 December 2017 Audited
Deferred tax assets	41.0	48.9	47.1
Deferred tax liabilities	(19.6)	(28.8)	(31.3)
Total	**21.4**	**20.1**	**15.8**

The major deferred tax assets and liabilities recognised by the Group, and the movements in the period, are set out below:

(£ million)	Intangible assets	Share based payments	Depreciation vs. tax allowances	Tax losses	Other temporary differences	Net total
At 1 January 2017 Audited	**(17.8)**	**0.2**	**9.9**	**32.2**	**0.1**	**24.6**
Credit/(charge) to the consolidated statement of profit and loss for the period	2.9	0.1	(0.6)	(5.4)	-	(3.0)
Credit to equity	-	0.1	-	-	-	0.1
Foreign exchange movements	(0.7)	-	-	(0.9)	-	(1.6)
At 30 June 2017 Unaudited	**(15.6)**	**0.4**	**9.3**	**25.9**	**0.1**	**20.1**
Credit/(charge) to the consolidated statement of profit and loss for the period	9.7	0.2	(0.3)	8.0	-	**17.6**
Credit to equity	-	0.3	-	-	-	**0.3**
Adjustments in respect of prior years	-	-	0.1	0.3	-	**0.4**
Impact of rate changes	(6.8)	-	-	(10.1)	-	**(16.9)**
Acquisitions	(5.3)	-	-	-	-	**(5.3)**
Disposals	0.8	-	(0.1)	-	-	**0.7**
Foreign exchange movements	(0.5)	-	-	(0.6)	-	**(1.1)**
At 31 December 2017 Audited	**(17.7)**	**0.9**	**9.0**	**23.5**	**0.1**	**15.8**
Credit/(charge) to the consolidated statement of profit and loss for the period	(1.4)	0.4	(0.8)	(2.6)	0.3	(4.1)
Credit to equity	-	0.8	-	-	-	0.8
Adjustments in respect of prior years	(0.5)	-	-	-	-	(0.5)
Foreign exchange movements	0.4	-	-	0.5	-	0.9
Held for sale	9.6	(0.2)	(0.9)	-	-	8.5
At 30 June 2018 Unaudited	**(9.6)**	**1.9**	**7.3**	**21.4**	**0.4**	**21.4**

At 30 June 2018, the Group has the following tax losses:

	Recognised		Unrecognised		Total	
	June 2018	Dec 2017	June 2018	Dec 2017	June 2018	Dec 2017
	£m	£m	£m	£m	£m	£m
US net operating losses	59.2	66.0	127.1	127.1	186.3	193.1
UK non-trading losses	48.2	54.1	-	-	48.2	54.1
Irish trading losses	-	-	16.4	16.4	16.4	16.4
UK capital losses	-	-	115.1	115.1	115.1	115.1
Total	107.4	120.1	258.6	258.6	366.0	378.7

The above losses represent the following value at tax rates applicable at the balance sheet date:

	Recognised		Unrecognised		Total	
	June 2018	Dec 2017	June 2018	Dec 2017	June 2018	Dec 2017
	£m	£m	£m	£m	£m	£m
US net operating losses	12.8	13.8	26.7	26.7	39.5	40.5
UK non-trading losses	8.6	9.7	-	-	8.6	9.7
Irish trading losses	-	-	2.1	2.1	2.1	2.1
UK capital losses	-	-	19.6	19.6	19.6	19.6
Total	21.4	23.5	48.4	48.4	69.8	71.9

The Group has tax losses in the US totalling £186.3 million carried forward at 30 June 2018 (Dec 2017: £193.1 million). It has been agreed with the US tax authorities that these losses are available to offset against taxable profits subject to a restriction following the change of ownership that was deemed to have occurred upon the listing of Ascential plc in 2016. In line with the US tax rules, the restriction of losses is, to a large extent, based on the valuation of the US tax group at the change of control date and this will be agreed with the US tax authorities in due course. The valuation of the US tax group is therefore a source of estimation and an external valuation was commissioned to support the Group's position. The recognised deferred tax asset is sensitive to a change in this valuation. There have been no developments since the year end which would change the estimation basis and so the total credit recognised of £12.8m as at 30 June 2018 is on the same basis as at the prior year end. The Board expects the deferred tax asset to be recovered over a number of years and considers it unlikely that there will be a consequential change in the estimates made that would lead to a material movement in the asset in the next six months.

16. Related parties

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 ending 31 December 2018.

17. Events after the reporting period

Acquisition of WARC
On 2 July 2018, the Group acquired 100% of the share capital of WARC Limited, a global digital subscription business that helps brands, agencies and media platforms assess marketing effectiveness across all channels, for an initial cash consideration of £19.5 million (subject to a normalised working capital adjustment), plus deferred consideration of £4.5 million payable in 2019. In the year to 31 March 2018 WARC generated unaudited revenue of £10.8 million and EBITDA of £2.2 million. The acquisition will be funded from cash reserves and existing borrowing facilities and the company will form part of the Information Services segment.

Disposal of Exhibitions

On 17 July 2018, the Group disposed of the Exhibitions business to the ITE Group plc for cash consideration of £300m before deductions, transaction expenses and separation costs. This followed a strategic review announced on 26 February 2018 and the approval of shareholders received on 25 June 2018. The Board concluded that the sale was in the best interest of all shareholders in order to allocate capital to higher growth areas of the business. The Exhibitions business is presented in these interim financial statements as Discontinued Operations in the statement of profit and loss and held for sale in the Statement of Financial Position (see note 8 and 9).