22 July 2019

Ascential plc

Interim results for the six months ended 30 June 2019

Strong strategic progress and organic growth in revenue and profit

London: Ascential plc (LSE: ASCL.L), the specialist, global information company, today announces results for the six-month period ended 30 June 2019. Ascential's three main business segments are Product Design, Marketing and Sales.

Strategic and operational highlights

- Strong progress against our four key priorities for 2019:
    - Focus on execution: extend market leadership of digital information products and establish strategic client programme.
    - Integration of Edge.
    - Returning Marketing segment to growth after successful reset of Cannes Lions and MediaLink in 2018.
    - Rollout of One Ascential Operating Model.

- Segmental performance in line with expectations:
    - Product Design: revenue up 9% and successful launch of WGSN Beauty.
    - Marketing: return to growth with revenues up 13% driven by double digit growth in both Cannes Lions and MediaLink.
    - Sales: Organic growth of 3% (proforma 11%), Edge integration on track, excellent growth in Flywheel Digital and good overall growth in Money20/20.

Financial highlights

- Strong revenue growth to £236.2m (2018: £188.9m).
    - Reported growth of 25.0%.
    - Growth of 8.7% on an Organic basis, 11.0% on a Proforma basis.

- Strong Adjusted EBITDA growth to £76.7m (2018: £63.3m).
    - Reported growth of 21.1%.
    - Growth of 9.3% on an Organic basis, 10.8% on a Proforma basis.
    - Margin at 32.5% (2018: 33.5%).

- Reported operating profit of £36.0m up 23.3% (2018: £29.2m).

- Strong growth in earnings per share: Adjusted diluted EPS on continuing operations of 11.5p up 22.3% (2018: 9.4p).

- Good cash generation: operating cash flow conversion of 102% (2018: 122%), resulting in closing net debt leverage of 0.9x (December 2018: 1.1x) allowing headroom for continued investment in organic growth and bolt-on acquisitions.

- Interim dividend of 1.8p (2018: 1.9p) with the prior year benefiting from earnings from discontinued operations.

Duncan Painter, Chief Executive Officer, commented:

"In the first six months of the year Ascential has made considerable progress against our four key goals for 2019: focus on execution; integration of Edge; returning our Marketing segment to growth; and rolling out our One Ascential Operating Model across Ascential.

This operational progress, together with the acceleration of WGSN, the excellent performance of Flywheel and good growth at Money20/20, give the Board confidence in our overall 2019 performance and our medium-term target to achieve double-digit growth."

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Ascential will host a presentation for analysts and investors at 9.00am on Monday 22 July 2019 at The Theatre, 1st Floor, The London Stock Exchange, 10 Paternoster Square, London EC4M 7LS.

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.

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

- **Product Design** via global trend forecasting service WGSN;

- **Marketing** via global benchmark for creative excellence and effectiveness Cannes Lions and WARC, and strategic advisory firm MediaLink; and

- **Sales** via eCommerce-driven data, insights and advisory firm Edge by Ascential, leading managed services provider for Amazon, Flywheel Digital, the world's premier payments and FinTech congress Money20/20, global retail industry summit World Retail Congress and Retail Week.

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

Financial highlights – continuing operations

	30 June		Growth		
	2019	**2018**[1]	**Reported %**	**Organic %**[2]	**Proforma %**[2]
	£m	**£m**			
Revenue					
Product Design	41.6	37.8	10%	9%	9%
Marketing	100.5	80.7	25%	13%	13%
Sales	76.4	53.4	43%	3%	11%
Built Environment & Policy	17.7	17.0	4%	4%	4%
	236.2	188.9	**25.0%**	**8.7%**	**11.0%**
Adjusted EBITDA[2]					
Product Design	15.7	13.7	15%	14%	14%
Marketing	44.2	34.6	28%	23%	21%
Sales	18.8	15.7	20%	(16%)	(5%)
Built Environment & Policy	7.2	6.5	11%	10%	10%
Corporate Costs	(9.2)	(7.2)	(28%)	(26%)	(26%)
	76.7	63.3	**21.1%**	**9.3%**	**10.8%**
Group Margin (%)	*32.5%*	*33.5%*			
Adjusted operating profit[2]	**67.2**	55.9			
Operating profit	**36.0**	29.2			
Profit before tax	**30.5**	23.1			
Adjusted diluted continuing earnings per share (pence)[2]	**11.5p**	9.4p			
Interim dividend per share (pence)	**1.8p**	1.9p			
Operating cash flow[2]	**73.8**	73.7			
Operating cash flow conversion[2] (%)	*102%*	*122%*			
	June 2019	*Dec 2018*			
Net debt [2]	**105.2**	109.8			
Leverage [2]	*0.9x*	*1.1x*			

[1] Restated for initial application of IFRS 16 (see note 9).
[2] Refer to the glossary of Alternative Performance Measures below.

Operating Review

Following last year's reshaping of the Company with the disposal of Exhibitions and acquisition of WARC, BrandView and Flywheel, and the reset of Cannes Lions and MediaLink, we are pleased to report a successful first half performance, growing both revenue and profit strongly and making good progress on the priorities we set out for 2019.

Improving organic growth and good cash generation

We delivered a strong operating performance in the first half with revenue growing 25.0% on a reported basis or 8.7% on an Organic basis and 11.0% on a Proforma basis. Adjusted EBITDA was up 21.1% on a reported basis or 9.3% on an Organic basis and 10.8% on a Proforma basis. As anticipated, our EBITDA margin has reduced to 32.5% from 33.5% in 2018, following the acquisitions of WARC and BrandView as well as investment in Edge. This investment, along with acquisition payments and capex investment of £40.6m, was funded by good operational cash generation with operating cash flow conversion of 102% (H118: 122%).

Execution on key priorities for 2019

We have made good progress against the priorities we set for the year, in particular:

- We are pleased with the levels of *Execution* achieved to date by our key digital information products such as WGSN and Flywheel Digital and have put in place important initiatives to build our cross-Ascential strategic client programme.

- We have made good progress with the *Integration of Edge*, which commenced in the second half of 2018 and will run until the first half of 2020. With the first phase of team organisation and CRM integration complete we are now engaged in unifying the product, technology and business systems platforms.

- Following re-sets for both Cannes Lions and MediaLink in 2018, we returned the *Marketing Segment to Growth* in the first half of the year. For Cannes Lions, this was driven by the increasing participation of brands in the Festival, across all three revenue streams with record levels of participant feedback. For MediaLink the focus on brand-led business, both project-based and retainer, was successful in delivering a more sustainable business. The higher profile presence of MediaLink at the Cannes Lions festival, combined with the launch of the CLX platform, illustrated the benefit of collaboration and cross-selling initiatives that will be an area of increased focus across Ascential.

- We have made progress in developing the *One Ascential operating model*, with key changes implemented in our Finance, Marketing and Product Development functions that will drive efficiency and cross-sell and accelerate the development of our products.

Outlook

The Group is trading in line with expectations for the full year and the Board remains confident in our overall 2019 performance and our prospects for continued success through the execution of our strategy.

Segmental Review

Product Design Segment

	Six months ended 30 June (£'m)		Growth (%)		
	2019	2018*	Reported	Organic	Proforma
Revenue	41.6	37.8	+10%	+9%	+9%
Adjusted EBITDA	15.7	13.7	+15%	+14%	+14%
Adjusted EBITDA Margin	38%	36%			

*Restated for initial application of IFRS 16 (see note 9)

The first half of 2019 was a successful period for our Product Design segment with Organic revenue growth accelerating to 9%, driven by the success of Mindset, continued strong retention and a new product launch. Revenue and adjusted EBITDA both grew strongly in the period, with EBITDA margin expanding despite investment in the launch of the Beauty product.

WGSN, the Company's largest product brand, is the leading global supplier of trend forecasts, market intelligence and insight to businesses in design-orientated consumer markets. WGSN recently celebrated its 20th anniversary and has around 6,500 customers in 90 countries. Over recent years, WGSN has expanded beyond its core fashion heritage and offers the following products: Fashion Trend, Lifestyle and Interiors, Mindset, Insight, Beauty, Instock, Barometer, UseFashion and, in partnership with CTIC, Coloro. WGSN's information is sold primarily through digital subscriptions (c.90% of its revenue) but it has growing specialist advisory and colour services, through Mindset and Coloro respectively.

WGSN continues to gain traction with products launched in recent years such as Insight (the broader consumer trends product), Barometer (brand sentiment tool) and Coloro (the new colour system). These not only provide new revenue opportunities with existing customers but have also accelerated WGSN's expansion of its customer base beyond apparel into new product categories. The launch of WGSN Beauty in April 2019 is a good example. WGSN Beauty is a specific trend product for the Beauty industry serving product developers with trend information based on four key elements: Ingredients, Texture & Fragrance, Colour, and Packaging. We have 40 customers already signed up to the new product following the strong initial launch.

WGSN will continue to explore opportunities to enter new segments where its expertise in trend forecasting can be adapted, as well as identify solutions for smaller customers through its UseFashion basic offering. It will also continue to focus on the use of data from other Ascential products (such as Edge) to inform its forecasts and analysis including in empirical innovations such as the Trend Curve. These, together with our new Beauty trends product for 2019, position us well for continued growth in this segment.

Marketing Segment

	Six months ended 30 June (£'m)		Growth (%)		
	2019	**2018***	**Reported**	**Organic**	**Proforma**
Revenue	100.5	80.7	+25%	+13%	+13%
Adjusted EBITDA	44.2	34.6	+28%	+23%	+21%
Adjusted EBITDA Margin	44%	43%			

*Restated for initial application of IFRS 16 (see note 9)

One of our key objectives for 2019 was to return the Marketing Segment to growth after a re-set year in 2018 for our two largest products. We are therefore very pleased to report 13% organic revenue growth and 23% organic profit growth for the first half with both Cannes Lions and MediaLink contributing double digit revenue growth. Margin grew to 44% with margin improvement from Cannes Lions offset by investment in the launch of CLX and the contribution of WARC to the segment's results for the first time.

The Marketing Segment comprises Cannes Lions (and the Lions Regionals Eurobest, Dubai Lynx and Spikes), MediaLink, CLX and Cannes Lions Digital products including last year's addition of WARC. This period saw a step change in the collaboration between our Marketing products in line with our One Ascential strategy. In April 2019, Cannes Lions, MediaLink and WARC jointly delivered a series of customer seminars in New York and London to showcase how customer brands can drive effectiveness through creative excellence. Key themes included MediaLink on the future of media, Cannes Lions on the business case for creative bravery, and WARC on insights and trends from the world's most awarded campaigns. 2019 also saw the inaugural edition of **CLX**, a media and entertainment summit held at Cannes Lions in partnership with MediaLink and part of our strategy to broaden the appeal of the Festival to Media Companies. Our launch partners included Activision, Adobe, Tik Tok, NBCUniversal and Microsoft and we have received positive feedback from the audience of senior marketers who attended.

Cannes Lions is the globally recognised international benchmark for creativity in the branded communications industry, through both the main festival in June as well as digital products and consultancy. Following the changes implemented in 2018, including the new awards structure and re-focus into a shorter, five-day period, the Festival returned to growth in 2019 with expansion of all three revenue streams: award entries, delegates, and partnerships and digital.

Award entries accounted for 39% of Cannes Lions revenue. The changes we made to the Awards structure in 2018 resulted in a refocus with the industry concentrating on the absolute quality of their entries, allowing everyone in the marketing and advertising community to benchmark their output against the world's very best. We were pleased with the launch year performance of the Entertainment Lion for Sport and the Creative Strategy Lion while the Creative Effectiveness category continued to expand. The new points-based award for Creative Brand of the Year, won in 2019 by Burger King, helped drive good growth in award entries from brands.

Delegate passes accounted for 38% of the Festival's revenue. We were pleased to see a good increase in the volume of delegates in part driven by the growth in popularity of the "Cannes Curated" product for major brand groups. Partnerships and digital revenues accounted for 23% of Cannes Lions' revenues. The Work and Lions Digital Pass are important steps to broaden engagement with the creative community beyond the physical environment of Cannes. This, together with WARC, which was acquired in 2018, further develops Cannes Lions' year-round digital revenue streams.

Last year's changes to the Festival's format continue to be extremely well received by participants, resulting in a 2019 NPS of score 69, the highest on record, positioning Cannes Lions well for future growth.

MediaLink is a strategic advisory firm serving customers at the intersection of media, marketing, advertising, technology and entertainment. Following the previously announced refinement of MediaLink's strategy in favour of project work particularly for brands, rather than more volatile revenue streams from digital publishers and AdTech players, we are pleased to see strong first half growth.

MediaLink has benefitted from undertaking several major agency reviews and has seen particularly strong performance from its programme of targeted content, curated experiences and hosted meeting programmes at both The Consumer Electronics Show and Cannes Lions in the first half of 2019 with more than 1,800 hosted meetings taking place – a record for the business. In particular, MediaLink's location in Cannes, based in a new structure next to the Palais (the focal point for Cannes Lions), proved extremely popular with clients. We were also delighted to see MediaLink's founder and CEO, Michael Kassan, inducted into the American Advertising Federation's Hall of Fame in recognition of his and MediaLink's work in the industry.

WARC is the global digital subscription-based product that helps brands, agencies and media platforms benchmark marketing effectiveness across all channels. It grew revenue strongly in the first half. After last year's launch of WARC for Brands, there were two product launches in the first half of 2019. In January we launched WARC for Media Owners, a digital tool to help marketers utilise media effectively, offering a channel-focused view of best practice. In March the Gunn report was relaunched as WARC Rankings, a world-class benchmark for excellence in marketing based on performance in the world's most prestigious industry awards.

Sales Segment

	Six months ended 30 June (£'m)		Growth (%)		
	2019	2018*	Reported	Organic	Proforma
Revenue	76.4	53.4	+43%	+3%	+11%
Adjusted EBITDA	18.8	15.7	+20%	(16%)	(5%)
Adjusted EBITDA Margin	25%	29%			

*Restated for initial application of IFRS 16 (see note 9)

The Sales Segment comprises Edge by Ascential, Flywheel Digital, Money20/20, World Retail Congress and Retail Week. Revenue in the Sales Segment grew by 3% on an Organic basis or, including the impact of recent acquisitions Flywheel Digital and Edge Price & Promotion (BrandView), by 11%. The Organic and Proforma decline in EBITDA reflects high levels of investment in the Edge business in the first half of the year as well as the decline in revenue from World Retail Congress and Retail Week.

Edge by Ascential, the eCommerce data, insights and advisory business, comprises our Market Share, Digital Shelf, Price & Promotion and Retail Insights product lines. The business was created in late 2018 from the combination of One Click Retail (acquired in 2016), Clavis Insight (acquired in 2017), BrandView (acquired in August 2018) and Planet Retail RNG.

As previously reported, following a period of rapid customer acquisition for each of its major products, Edge is now undertaking an integration programme, running until the first half of 2020, which will focus on unifying its Go to Market approach, Product Leadership and Innovation and Technology and Operations platforms. Good progress has been made to date with the initial integration phases, covering organisational structure and CRM systems, complete. Progress on the underlying platform consolidation includes the development of a joint harvesting framework and good progress on the phased roll-out of Digital Shelf catalogue automation to Market Share customers.

Other highlights in the period included the launch of a refreshed Retail Insights portal, delivering more intuitive user interface and richer data and insights while in April, Edge launched an improved version of its Location Based Analytics, enabling customers to monitor availability and other digital shelf metrics at SKU level by retailer location.

In January, Edge debuted at CES in partnership with MediaLink, hosting a series of curated tours and seminars. In April and May, in partnership with Flywheel, Edge held integrated eCommerce Hackathon events in New York and London and in March, Edge launched the first industry Hackathon focused on Walmart's platform, held in Bentonville Arkansas.

Edge acquired 40 new customers in the first half of 2019 (H118: 40), but, as previously indicated revenue growth rates reduced. This was due in part to the impact of our integration efforts, with cross-sell and upsell opportunities dependent partly on our phased transfer of customers to the new catalogue platform and a reduction in non-subscriptions revenue compared to prior year.

Flywheel Digital, a provider of managed services to brands on Amazon, was acquired in November 2018. Since acquisition Flywheel has established its presence in Europe, Australia and Japan. We have also launched a separate operation called Spotlight within our MediaLink business based in New York. The rate of revenue growth in 2019 has continued to be extremely strong with the expansion of all three of its revenue lines (retainer, retail commission and media commission) and 36 new customers added in the first half of the year. Flywheel was also pleased to launch its initial Walmart service offering in 2019.

Money20/20 is the leading congress in the Fintech consumer payments sector, focusing on the evolution of consumer payment and financial services through mobile, retail, marketing services, data and technology, and, despite a small decline in the Asia edition, grew well in the period.

In March 2019, Money20/20 Asia returned for its second year to Singapore, bringing together the world's leaders and rising stars from across APAC's Financial Services, FinTech and Payments community. Over 3,000 attendees were able to explore the next level in the future of money, as industry leaders established the game changing trends impacting Asia's FinTech ecosystem. After an outstanding launch edition in 2018 that was two years in the making, the 2019 event saw a small year over year revenue decline.

Now in its fourth year, Money20/20 Europe took place again in Amsterdam in June 2019 and delivered strong growth. We were pleased to see growth in revenue and volumes for both delegates and sponsors, reflecting the quality of the product and location and the scale of the European market. The event attracted more than 6,300 attendees while the enlarged exhibition space in Amsterdam enabled a good increase in net square meterage sold.

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

The final, and smallest, element of the Sales Segment is **Retail Week** and **World Retail Congress** which both saw a small revenue decline in the half in the face of a challenged retail environment.

Built Environment & Policy

	Six months ended 30 June (£'m)		Growth (%)		
	2019	2018*	Reported	Organic	Proforma
Revenue	17.7	17.0	+4%	+4%	+4%
Adjusted EBITDA	7.2	6.5	+11%	+10%	+10%
Adjusted EBITDA Margin	41%	38%			

*Restated for initial application of IFRS 16 (see note 9)

The Built Environment and Policy Segment comprises the Groundsure, Glenigan and DeHavilland digital information products. Revenue for the six months grew by 4% to £17.7m, with all three products contributing growth.

Groundsure is the leading provider of environmental risk data to the UK residential property market. The product grew well against a subdued UK residential property market, as it continued to lead on product innovation, with new reports in the period focusing on Coal Mining and Energy & Transportation, together with the refresh of the Groundsure Homebuyers report.

Glenigan, a leading provider of construction project sales leads, industry data, analysis, forecasting and company intelligence also grew and maintained good retention rates, against a challenging market backdrop. The bespoke research element of the product is achieving good momentum in the market and will be an area of focus for Glenigan in the second half.

Finally, DeHavilland, a leading provider of political intelligence and monitoring services in the UK and EU, achieved good growth. DeHavilland expanded its retention rates which was helped by the launch of a new data feed API which allows clients to receive political contact data directly into their CRM solutions.

Financial Review

Overview

This Financial Review addresses key trends in continuing operations. Details of the discontinued operations, comprising the Exhibitions business sold in July 2018, are set out in Note 8.

Continuing operations

The results for the first half of 2019 are set out in the consolidated profit and loss statement and summarised in the table below.

£'m	H119	H118*	Reported growth rate	Organic growth rate	Proforma growth rate
Revenue	236.2	188.9	25.0%	8.7%	11.0%
Adjusted EBITDA	76.7	63.3	21.1%	9.3%	10.8%
Adjusted EBITDA margin	32.5%	33.5%	-	-	-

*Restated for initial application of IFRS 16 (see note 9).

Segmental results

Following the sale of the Exhibitions Business in July 2018, the Group changed from two to four reportable segments to align the operating model to the needs of the end customers we serve. The four reportable segments are Product Design, Marketing, Sales and Built Environment & Policy. Information regarding the results of each reportable segment is included below and restated for H118 to enhance comparability.

£'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate Costs	Continuing operations
H119						
Revenue	41.6	100.5	76.4	17.7	-	**236.2**
Organic revenue growth	*9%*	*13%*	*3%*	*4%*	-	***8.7%***
Proforma revenue growth	*9%*	*13%*	*11%*	*4%*	-	***11.0%***
Adjusted EBITDA	15.7	44.2	18.8	7.2	(9.2)	**76.7**
Organic Adjusted EBITDA growth	*14%*	*23%*	*(16%)*	*10%*	-	***9.3%***
Proforma Adjusted EBITDA growth	*14%*	*21%*	*(5%)*	*10%*	-	***10.8%***
Adjusted EBITDA margin	*38%*	*44%*	*25%*	*41%*	-	***32.5%***
Depreciation and software amortisation	(2.0)	(3.2)	(1.8)	(0.6)	(1.9)	**(9.5)**
Adjusted operating profit	**13.7**	**41.0**	**17.0**	**6.6**	**(11.1)**	**67.2**
H118*						
Revenue	37.8	80.7	53.4	17.0	-	188.9
Adjusted EBITDA	13.7	34.6	15.7	6.5	(7.2)	63.3
Adjusted EBITDA margin	*36%*	*43%*	*29%*	*38%*	-	*33.5%*
Depreciation and software amortisation	(2.7)	(2.5)	(1.0)	(0.3)	(0.9)	(7.4)
Adjusted operating profit	11.0	32.1	14.7	6.2	(8.1)	55.9

*Restated for initial application of IFRS 16 (see note 9).

Revenue

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

Revenues in the period grew to £236.2m (H118: £188.9m), an increase of £47.3m or 25.0%. Adjusting for currency impacts and 2018 acquisitions, Organic growth was 8.7% driven by double digit growth from both Cannes Lions and MediaLink (within the Marketing segment) and 9% growth from WGSN (the Product Design segment). Proforma revenue growth, which is a measure of how well the current business is growing, was 11.0%, reflecting Flywheel's very strong growth.

Adjusted EBITDA

Adjusted EBITDA increased by 21.1% to £76.7m (H118: £63.3m) representing 9.3% Organic growth. Adjusted EBITDA margin reduced to 32.5% due to the impact of the acquisitions of the lower margin businesses WARC and BrandView (now Edge Price & Promotion) in the second half of last year, as well as investment in Edge. We saw strong margin growth not just in the Marketing Segment but also in the Product Design and Built Environment & Policy segments, demonstrating the superior margin opportunities in scaled, mature, digital businesses.

Reconciliation between Adjusted EBITDA and statutory operating profit

Adjusted EBITDA is reconciled to statutory operating profit as shown in the table below:

£'m	**H119**	H118*
Adjusted EBITDA	76.7	63.3
Depreciation and software amortisation	(9.5)	(7.4)
Adjusted operating profit	**67.2**	**55.9**
Amortisation of acquired intangibles	(18.5)	(11.2)
Exceptional items	(8.4)	(12.7)
Share based payments	(4.3)	(2.8)
Statutory operating profit	**36.0**	**29.2**

*Restated for initial application of IFRS 16 (see note 9).

Exceptional items

The charge for exceptional items included in the period totalled £8.4m (H118: £12.7m) as set out in the table below and further explained in Note 5.

£'m	**H119**	H118
Deferred contingent consideration	4.3	11.7
Expenses related to acquisition	4.1	1.0
Exceptional items relating to continuing operations	**8.4**	**12.7**

The charge for deferred contingent consideration of £4.3m (H118: £11.7m) mainly relates to acquisition-related contingent employment costs on the acquisitions of MediaLink and Flywheel Digital which, absent the link to continued employment, would have been treated as consideration offset by a credit on revaluation.

The balance of the Exceptional items totalling £4.1m (H118: £1.0m) comprise Edge and Flywheel integration costs (£2.1m) and M&A legal and diligence costs (£2.0m) .

Share-based payments

The charge for share-based payments of £4.3m (H118: £2.8m) has increased from the prior period in part 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.

Finance costs

The adjusted net finance costs for the period were £5.8m (H118: £6.4m) as set out below.

Adjusted net finance costs (£'m)	**H119**	H118*
Net interest payable	(3.2)	(3.4)
Amortisation of loan arrangement fees	(0.6)	(0.6)
Foreign exchange gain / (loss)	0.6	(0.1)
Discount unwind on deferred and contingent consideration	(2.6)	(1.8)
Remeasurement of financial asset to fair value	0.7	-
Discount unwind of lease liability	(0.7)	(0.5)
Adjusted net finance costs	(5.8)	(6.4)

*Restated for initial application of IFRS16 (see note 9)

The net interest expense on the Company's borrowings was £3.2m (H118: £3.4m) with the decrease due largely to interest income on the Exhibition disposal proceeds which was deposited in money market funds. The increase in the unwind of the discount on deferred and contingent consideration of £2.6m (H118: £1.8m) is driven by Flywheel Digital while the remeasurement of the financial asset to fair value relates to one of the Company's minority investments.

Taxation

The Company's effective tax rate on continuing adjusted profits for the period was 24.1% (H118: 23.6%) which reflects the expected rate for the full year with a blend of profits in the US which are taxed at 26% and in the UK which are taxed at 19%.

Analysis of tax charge (£'m)	**H119**	**H118**	**2018**
Adjusted PBT	61.7	49.8	79.7
Tax charge on Adjusted PBT	(14.9)	(11.8)	(17.8)
Effective tax rate on Adjusted PBT	24.1%	23.6%	22.3%
Adjusting items	(31.2)	(26.7)	(50.8)
Tax credit on Adjusting items	5.8	4.7	8.9
Effective tax rate on Adjusting items	18.6%	17.6%	17.5%
Reported PBT	30.5	23.1	28.9
Tax charge on reported PBT	(9.1)	(7.1)	(8.9)
Effective tax rate on reported PBT	29.8%	30.7%	30.8%

Cash tax paid was £3.1m (H118: £7.0m) and the Group continued to benefit by £4.6m (H118: £4.4m) from the utilisation of historic tax losses in the UK and US which are expected to continue to benefit the Group's cash flow over the medium term.

The Group has a total recognised deferred tax asset of £37.4m (December 2018: £43.1m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles and deferred and contingent consideration. This asset is expected to convert into cash savings over the next ten years with the majority being recovered over the next two years. Meanwhile our deferred tax liability amounted to £23.2m (December 2018: £24.8m) and related to non-deductible acquired intangibles and is not expected to convert into cash.

Foreign currency impact

The Group's reported performance is sensitive to movements in both the euro and US dollar against pounds sterling. In the first half, sterling weakened by around 5% against the US dollar but was relatively flat against the euro compared to H118 as shown in the table below:

Sterling exchange rates	Weighted average rate			Closing rate		
	H119	H118	Change	**H119**	H118	Change
Euro	1.12	1.14	1.0%	1.12	1.13	1.2%
US dollar	1.30	1.37	5.4%	1.27	1.32	3.4%

When comparing H119 and H118, changes in currency exchange rates had a favourable impact on revenue and Adjusted EBITDA of £4.3m and £2.0m respectively.

Deferred and Contingent Consideration

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

The earn out is accounted for in three ways:

1. A liability for Deferred and Contingent Consideration is established on the balance sheet at the point of acquisition based on that element of the earn out which is not dependent on the continuing employment of the founders. This amounted to £75.2m at June 2019 (December 2018: £96.7m). Any change in estimate is recorded as an exceptional item and this amounted to a credit of £3.5m in the period (H118: charge £1.3m).

2. This liability is discounted to present value using the Company's cost of capital with the reversal of this discount being recorded within the interest charge. This amounted to a charge of £2.6m in H119 (H118: £1.8m).

3. Finally, that element of the deferred and contingent consideration that is contingent on the continuing employment of the founders is charged to the income statement as an exceptional item over the service life of those founders (typically three years). This amounted to a charge of £7.8m in the period (H118: £10.6m).

In total, the Company expects to pay Deferred and Contingent Consideration of between £90m and £110m over the next three years for acquisitions to date. This is mainly contingent on the future performance of the acquired businesses which are estimated to grow their annual EBITDA by between approximately £23m and £33m between 2018 and 2021.

Cash flow

Continuing operations

The Company generated Adjusted operating cash flow of £73.8m (H118: £73.7m) being a 102% operating cash flow conversion (H118: 122%). The reduction in inflows from working capital was attributed in the main from the high growth of Flywheel Digital which has positive working capital. Capex was stable at £8.8m while tax paid on profits from continuing operations reduced to £3.1m from £5.7m due principally to overpayment of tax in the prior period and a corresponding refund in the current period. As a result, the Company generated free cash flow on continuing operations of £61.9m (H118: £59.2m), a conversion of rate of 85% (H118: 98%) – as can be seen in the table below.

£'m	**H119**	H118
Adjusted EBITDA	**76.7**	63.3
IFRS 16 impact (note 9)	**(4.2)**	(2.9)
Adjusted EBITDA before IFRS 16 impact	**72.5**	60.4
Working capital movements	**1.3**	13.3
Adjusted cash generated from continuing operations	**73.8**	73.7
% operating cash flow conversion	***102%***	*122%*
Capital expenditure	**(8.8)**	(8.8)
Tax paid	**(3.1)**	(5.7)
Free cash flow from continuing operations	**61.9**	**59.2**
% free cash flow conversion	***85%***	*98%*

Discontinued operations

In H118 the Company generated Adjusted operating cash flow from discontinued operations of £6.5m. The large negative working capital movement reflects June being a seasonally low point for deferred income.

£'m	H118
Adjusted EBITDA	20.3
Working capital movements	(12.5)
Adjusted cash generated from discontinued operations	7.8
Tax paid	(1.3)
Free cash flow from discontinued operations	6.5

Continuing and discontinued operations

The consolidated cash flow statement (analysed between continuing and discontinued operations) and net debt position is summarised below.

£'m	H119	H118
Free cash flow from continuing operations	**61.9**	59.2
Free cash flow from discontinued operations	**-**	6.5
Free cash flow from total operations	**61.9**	65.7
Investments	**(2.6)**	(0.7)
Acquisition consideration paid	**(18.2)**	(29.6)
Exceptional costs paid		
- Deferred consideration	**(11.0)**	(19.4)
- Other	**(6.5)**	(7.7)
Cash flow before financing activities	**23.6**	8.3
Net interest paid	**(3.1)**	(3.2)
Dividends paid	**(15.7)**	(15.2)
Proceeds of issue of shares	**0.2**	0.3
Debt drawdown	**-**	11.3
Net cash flow	**5.0**	1.5
Opening cash balance	**182.0**	45.8
FX movements	**0.6**	(0.4)
Closing cash balance	**187.6**	46.9
Borrowings	**(294.5)**	(334.8)
Capitalised arrangement fees	**1.7**	2.8
Derivative financial investments	**-**	0.1
Net debt	**(105.2)**	(285.0)

Earnings per share

Adjusted diluted earnings per share of 11.5p per share on continuing operations is 22.3% ahead of the 9.4p per share recorded for H118 and total diluted earnings per share on continuing operations of 5.2p per share is 33.3% ahead of the prior year figure of 3.9p.

Returns to shareholders

The Board targets a dividend payout ratio of 30% of Adjusted profit after tax split one-third following interim results and two-thirds following final results. Consequently, the Board has declared an interim dividend of 1.8p per share (H118: 1.9p) payable on 27 September 2019 to shareholders on the register on 30 August 2019. The slight reduction year over year reflects the disposal of the Exhibitions business which last year generated 4.0p per share of adjusted diluted EPS.

Strong balance sheet and focussed capital allocation

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

The Company's sources of funding comprise operating cash flow and access to substantial committed bank facilities from a range of banks. The Company maintains a capital structure appropriate for current and prospective trading over the medium term and aims to operate net debt of 1.5 to 2.0 times EBITDA to allow a healthy mix of dividends and cash for investment in bolt-on acquisitions.

We continued to apply a rigorous capital allocation framework to the business evidenced through the recycling of capital from the disposal of the Exhibitions business which was completed in July 2018 for a total cash consideration (adjusted for cash disposed and working capital) of £296.4m into higher growth business investments and M&A. Following the disposal of the Exhibitions business and the acquisitions of WARC, BrandView and Flywheel Digital in 2018, and the payment of deferred consideration in the first half of 2019, the consolidated leverage ratio as at 30 June 2019 is 0.9x (December 2018: 1.1x) allowing flexibility to fund organic growth initiatives, future deferred consideration and bolt-on acquisitions.

Liquidity

In February 2016 the Company entered into new term loan facilities of £66m, €171m and $96m as well as a revolving credit facility (RCF) of £95m. All mature in February 2021 and are currently subject to interest at 1.75% over LIBOR on the term loans and LIBOR plus 1.5% on the RCF. There is a leverage covenant limit of 3.5x which is measured semi-annually. As at 30 June 2019 all of the term facilities, totalling £294.5m (December 2018: £294.1m) had been drawn and none of the £95.0m of RCF had been drawn. As a result of the Exhibitions disposal, £187.6m of cash is currently held in short-term deposits and current accounts.

A refinancing is planned to take place in late 2019 or early 2020 ahead of the maturity of the facilities in February 2021.

Accounting developments

IFRS 16 is the new lease accounting standard and has been implemented on 1 January 2019. The most significant impacts of the new accounting standard are the recognition of operating lease liabilities on the balance sheet and the reclassification of the lease charge from EBITDA to amortisation and interest.

As a result of the initial application of IFRS 16, in relation to the leases that were previously classified as operating leases, the Group recognised £23.8m of right-of-use assets, £2.4m of investment property, and £29.5m lease liabilities as at 30 June 2019 and restated the comparatives. The Group has also recognised amortisation and interest costs instead of operating lease expense. During the six months ended 30 June 2019, the Group recognised £3.6m of amortisation charges and £0.7m of interest costs from these leases.

Alternative Performance Measures

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

Adjusted profit measures

The Group 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 Group presents a non-GAAP profit measure, Adjusted EBITDA, in order to aid comparisons with peer group companies and provide a reference point for assessing the operational cash generation of the Group. Adjusted EBITDA is defined as Adjusted Operating Profit before depreciation and amortisation. The Group measures operational profit margins with reference to Adjusted EBITDA.

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

Exceptional items

Exceptional items are recorded in accordance with the Group's policy set out in note 2 to the interim financial statements. They arise from both portfolio investment and divestment decisions, and from changes to the Group'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 achieved for the first time in 2019. Share-based payments are a significant non-cash charge and are driven by a valuation model, and National Insurance on share-based incentives is driven by reference to the share price and so subject to volatility, rather than reflecting operational activity. The alternative performance measures are designed to increase comparability of the Group's financial performance between periods.

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

Tax related to adjusting items
The elements of the overall Group tax charge relating to the Adjusting items are also 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 Group uses Adjusted cash flow measures for the same purpose as Adjusted profit measures, in order to assist readers of the accounts in understanding the ongoing operational performance of the Group. The two measures used are Adjusted Cash Generated from Continuing Operations, and Free Cash Flow.

These are reconciled to IFRS measures as follows:

£'m		**Restated***
	H119	**H118**
Cash generated from operations	60.6	57.8
Less: cash generated from discontinued operations	-	(7.8)
Less: lease liabilities paid	(4.3)	(3.4)
Add back: acquisition-related contingent consideration cash flow	11.0	19.4
Add back: other exceptional cash flow	6.5	7.7
Adjusted cash generated from continuing operations	**73.8**	**73.7**
Net cash generated from operating activities	57.5	50.8
Less: cash generated from discontinued operations	-	(6.5)
Less: lease liabilities paid	(4.3)	(3.4)
Less: capital expenditure	(8.8)	(8.8)
Add back: acquisition-related contingent consideration cash flow	11.0	19.4
Add back: other exceptional cash flow	6.5	7.7
Free cash flow	**61.9**	**59.2**

*Restated for initial application of IFRS 16 (see note 9).

The Group monitors its operational 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 Group 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 Group 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 Group 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 Group 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	Product Design	Marketing	Sales	Built Environment & Policy	Corporate Costs	Continuing operations
Revenue						
H119 - reported	41.6	100.5	76.4	17.7	-	236.2
Exclude acquisitions	-	*(6.4)*	*(19.7)*	-	-	*(26.1)*
H119 – Organic basis	41.6	94.2	56.6	17.7	-	210.1
Organic revenue growth	*9%*	*13%*	*3%*	*4%*	-	*8.7%*
H118 - reported	37.8	80.7	53.4	17.0	-	188.9
Currency adjustment	*0.4*	*2.4*	*1.5*	-	-	*4.3*
H118 – Organic basis	38.3	83.1	54.9	17.0	-	193.2
Adjusted EBITDA						
H119 – reported	15.7	44.2	18.8	7.2	(9.2)	76.7
Exclude acquisitions	-	*(0.8)*	*(4.5)*	-	-	*(5.3)*
H119 – Organic basis	15.7	43.4	14.3	7.2	(9.2)	71.4
Organic EBITDA growth	*14%*	*23%*	*(16%)*	*10%*	*(26%)*	*9.3%*
H118 – reported	12.8	34.0	15.2	6.4	(8.0)	60.4
IFRS 16 application	0.9	0.6	0.5	0.1	0.8	2.9
H118 – as restated	13.7	34.6	15.7	6.5	(7.2)	63.3
Currency adjustment	-	*0.8*	*1.2*	*0.1*	*(0.1)*	*2.0*
H118 – Organic basis	13.7	35.4	16.9	6.6	(7.3)	65.3

*Restated for initial application of IFRS 16 (see note 9).

Proforma growth measures

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

£'m	Product Design	Marketing	Sales	Built Environment & Policy	Corporate Costs	Continuing operations
Revenue						
H119 - reported	41.6	100.5	76.4	17.7	-	236.2
H119 – Proforma basis	41.6	100.5	76.4	17.7	-	236.2
Proforma revenue growth	*9%*	*13%*	*11%*	*4%*	-	*11%*
H118 - reported	37.8	80.7	53.4	17.0	-	188.9
Include acquisitions	-	*5.6*	*13.3*	-	-	*18.9*
Currency adjustment	*0.4*	*2.5*	*2.1*	-	-	*5.1*
H118 – Proforma basis	38.3	88.8	68.8	17.0	-	212.9
Adjusted EBITDA						
H119 – reported	15.7	44.2	18.8	7.2	(9.2)	76.7
H119 – Proforma basis	15.7	44.2	18.8	7.2	(9.2)	76.7
Proforma EBITDA growth	*14%*	*21%*	*(5%)*	*10%*	*(26%)*	*10.8%*
H118 – reported	12.8	34.0	15.2	6.4	(8.0)	60.4
IFRS 16 application	0.9	0.6	0.5	0.1	0.8	2.9
H118 – as restated	13.7	34.6	15.7	6.5	(7.2)	63.3
Include acquisitions	-	*0.9*	*2.8*	-	-	*3.7*
Currency adjustment	*0.1*	*1.0*	*1.1*	*0.1*	*(0.1)*	*2.2*
H118 – Proforma basis	13.8	36.5	19.7	6.6	(7.3)	69.2

*Restated for initial application of IFRS 16 (see note 9).

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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 Group 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 and amortisation
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
Adjusted cash generated from continuing operations	Cash generated from operations including lease liabilities paid with cash generated from discontinued operations, acquisition related contingent consideration and other exceptional cash flows excluded.
Operating cash conversion	Adjusted cash generated from continuing operations expressed as a percentage of Adjusted EBITDA before accounting for IFRS 16.
Free cash flow	Net cash generated from operating activities including lease payments and capital expenditure. Net cash generated from discontinued operations, acquisition-related contingent consideration and other exceptional cash flow are excluded.
Free cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA before accounting for IFRS 16
Leverage	The ratio of Net debt to Adjusted EBITDA before, in both cases, accounting for the impact of IFRS 16
Net debt	Net debt comprises cash and cash equivalents and external borrowings. Net debt excludes lease liabilities.

Principal Risks and Uncertainties

The Directors consider that the nature of the principal risks and uncertainties which may have a material effect on the Group's performance remain unchanged from those identified in the 2018 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 Group'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 Group as a whole and therefore gives greater emphasis to those matters which are significant to Ascential plc and its subsidiary undertakings when viewed as 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 Disclosure Guidance and Transparency Rule ("DTR") 4.2.7R:

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

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

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

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

   ii. Any changes in the related party transactions described in the 2018 Annual report that could have material effect on the financial position or performance of the Group in the current period.

By order of the Board

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

19 July 2019

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 2019 which comprises Condensed Consolidated Statement of Profit and Loss, Condensed Consolidated Statement of Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity and Condensed Consolidated Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 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
15 Canada Square
London E14 5GL
19 July 2019

Condensed Consolidated Statement of Profit and Loss

(£ million)	Note	Six months to 30 June 2019 Unaudited Adjusted Results	Six months to 30 June 2019 Unaudited Adjusting Items Note 5	Six months to 30 June 2019 Unaudited Total	Restated* Six months to 30 June 2018 Unaudited Adjusted Results	Restated* Six months to 30 June 2018 Unaudited Adjusting Items Note 5	Restated* Six months to 30 June 2018 Unaudited Total	Restated* Year to 31 December 2018 Audited Adjusted Results	Restated* Year to 31 December 2018 Audited Adjusting Items Note 5	Restated* Year to 31 December 2018 Audited Total
Continuing operations										
Revenue	4	236.2	-	**236.2**	188.9	-	**188.9**	348.5	-	**348.5**
Cost of sales		(87.6)	-	**(87.6)**	(67.6)	-	**(67.6)**	(125.2)	-	**(125.2)**
Sales, marketing and administrative expenses		(81.4)	(31.2)	**(112.6)**	(65.4)	(26.7)	**(92.1)**	(131.1)	(50.8)	**(181.9)**
Operating profit		**67.2**	**(31.2)**	**36.0**	**55.9**	**(26.7)**	**29.2**	**92.2**	**(50.8)**	**41.4**
Adjusted EBITDA		76.7	-	**76.7**	63.3	-	**63.3**	108.4	-	**108.4**
Depreciation and amortisation		(9.5)	(18.5)	**(28.0)**	(7.4)	(11.2)	**(18.6)**	(16.2)	(30.6)	**(46.8)**
Exceptional items		-	(8.4)	**(8.4)**	-	(12.7)	**(12.7)**	-	(14.0)	**(14.0)**
Share-based payments		-	(4.3)	**(4.3)**	-	(2.8)	**(2.8)**	-	(6.2)	**(6.2)**
Operating profit		**67.2**	**(31.2)**	**36.0**	**55.9**	**(26.7)**	**29.2**	**92.2**	**(50.8)**	**41.4**
Share of the profit of joint ventures accounted for using the equity method		0.3	-	**0.3**	0.3	-	**0.3**	0.6	-	**0.6**
Finance costs	6	(7.6)	-	**(7.6)**	(6.4)	-	**(6.4)**	(13.7)	-	**(13.7)**
Finance income	6	1.8	-	**1.8**	-	-	-	0.6	-	**0.6**
Profit before taxation		**61.7**	**(31.2)**	**30.5**	**49.8**	**(26.7)**	**23.1**	**79.7**	**(50.8)**	**28.9**
Taxation	7	(14.9)	5.8	**(9.1)**	(11.8)	4.7	**(7.1)**	(17.8)	8.9	**(8.9)**
Profit from continuing operations		**46.8**	**(25.4)**	**21.4**	**38.0**	**(22.0)**	**16.0**	**61.9**	**(41.9)**	**20.0**
Discontinued operations										
Profit from discontinued operations net of tax	8	**-**	**-**	**-**	16.2	(7.3)	**8.9**	15.5	173.7	**189.2**
Profit for the period		**46.8**	**(25.4)**	**21.4**	**54.2**	**(29.3)**	**24.9**	**77.4**	**131.8**	**209.2**
Earnings per share (pence)	11									
Continuing operations										
- basic		11.7	(6.3)	**5.4**	9.5	(5.5)	**4.0**	15.5	(10.5)	**5.0**
- diluted		11.5	(6.3)	**5.2**	9.4	(5.5)	**3.9**	15.3	(10.5)	**4.8**

*Restated for initial application of IFRS 16 (see note 9).

Condensed Consolidated Statement of Other Comprehensive Income

(£ million)	Six months to 30 June 2019 Unaudited	Restated* Six months to 30 June 2018 Unaudited	Restated* Year to 31 December 2018 Audited
Profit for the period	**21.4**	**24.9**	**209.2**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation differences recognised in equity	0.5	4.2	8.5
Cumulative currency translation differences on disposals	-	-	2.4
Total other comprehensive income, net of tax	**0.5**	**4.2**	**10.9**
Total comprehensive income for the period	**21.9**	**29.1**	**220.1**

*Restated for initial application of IFRS 16 (see note 9).

Condensed Consolidated Statement of Financial Position

(£ million)	Note	30 June 2019 Unaudited	Restated* 30 June 2018 Unaudited	Restated* 31 December 2018 Audited
Assets				
Non-current assets				
Goodwill		506.5	427.2	505.1
Intangible assets		265.1	210.3	280.9
Property, plant and equipment		9.4	12.3	9.2
Right of use assets	9	23.8	17.8	23.3
Investments		9.7	6.1	6.1
Investment property	9	2.4	3.1	2.7
Other receivables		-	0.4	-
Derivative financial assets		-	0.1	-
Deferred tax assets	15	37.4	41.3	43.1
		854.3	**718.6**	**870.4**
Current assets				
Inventories		5.4	5.7	3.9
Trade and other receivables		125.9	72.1	113.2
Cash and cash equivalents	14	187.6	46.9	182.0
Assets of disposal group classified as held for sale		-	153.1	-
Current assets		**318.9**	**277.8**	**299.1**
Total assets		**1,173.2**	**996.4**	**1,169.5**
Liabilities				
Current liabilities				
Trade and other payables		85.7	54.0	78.1
Deferred income		97.8	83.6	90.6
Deferred and contingent consideration	13	51.2	32.0	32.3
Lease liabilities	9	9.8	8.4	9.0
Current tax liabilities		7.4	11.0	6.0
Provisions		2.7	2.4	2.8
Liabilities of disposal group classified as held for sale		-	44.6	-
Current liabilities		**254.6**	**236.0**	**218.8**
Non-current liabilities				
Deferred and contingent consideration	13	24.0	30.5	64.4
Lease liabilities	9	19.7	16.2	20.4
Deferred income		0.5	0.8	0.6
External borrowings	14	292.8	332.0	291.8
Deferred tax liabilities	15	23.2	19.6	24.8
Provisions		2.5	2.2	3.2
Total non-current liabilities		**362.7**	**401.3**	**405.2**
Total liabilities		**617.3**	**637.3**	**624.0**
Net assets		**555.9**	**359.1**	**545.5**
Equity				
Share capital		4.0	4.0	4.0
Share premium		0.7	0.3	0.5
Merger reserve		9.2	9.2	9.2
Group restructure reserve		157.9	157.9	157.9
Translation reserve		(26.5)	(33.7)	(27.0)
Treasury share reserve		(0.1)	(0.1)	(0.1)
Retained earnings		410.7	221.5	401.0
Total equity		**555.9**	**359.1**	**545.5**

*Restated (see note 2).

Condensed Consolidated Statement of Changes in Equity

(£ million)	Share capital	Share premium	Reserves: Merger reserve	Reserves: Group restructure reserve	Reserves: Translation reserve	Reserves: Treasury share reserve	Retained earnings*	Total
Balance at 31 December 2017 Audited, as previously reported	**4.0**	**0.1**	**9.2**	**157.9**	**(37.9)**	**(0.1)**	**209.8**	**343.0**
Adjustment on initial application of IFRS 16, net of tax	-	-	-	-	-	-	(1.3)	(1.3)
Restated balance at 31 December 2017 Audited	**4.0**	**0.1**	**9.2**	**157.9**	**(37.9)**	**(0.1)**	**208.5**	**341.7**
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 payments	-	-	-	-	-	-	2.5	2.5
Taxation on share-based payments	-	-	-	-	-	-	0.8	0.8
Dividends paid	-	-	-	-	-	-	(15.2)	(15.2)
Restated balance at 30 June 2018 Unaudited	**4.0**	**0.3**	**9.2**	**157.9**	**(33.7)**	**(0.1)**	**221.5**	**359.1**
Profit for the period	-	-	-	-	-	-	184.3	184.3
Other comprehensive income	-	-	-	-	6.7	-	-	6.7
Total comprehensive income	-	-	-	-	6.7	-	184.3	191.0
Issue of shares	-	0.2	-	-	-	-	-	0.2
Share-based payments	-	-	-	-	-	-	3.2	3.2
Taxation on share-based payments	-	-	-	-	-	-	(0.4)	(0.4)
Dividends paid	-	-	-	-	-	-	(7.6)	(7.6)
Restated balance at 31 December 2018 Audited	**4.0**	**0.5**	**9.2**	**157.9**	**(27.0)**	**(0.1)**	**401.0**	**545.5**
Profit for the period	-	-	-	-	-	-	21.4	21.4
Other comprehensive income	-	-	-	-	0.5	-	-	0.5
Total comprehensive income	-	-	-	-	0.5	-	21.4	21.9
Issue of shares	-	0.2	-	-	-	-	-	0.2
Share-based payments	-	-	-	-	-	-	4.0	4.0
Dividends paid	-	-	-	-	-	-	(15.7)	(15.7)
At 30 June 2019 Unaudited	**4.0**	**0.7**	**9.2**	**157.9**	**(26.5)**	**(0.1)**	**410.7**	**555.9**

* Restated for initial application of IFRS 16 (see note 9).

Condensed Consolidated Statement of Cash Flows

(£ million)	Note	Six months to 30 June 2019 Unaudited	Restated* Six months to 30 June 2018 Unaudited	Restated* Year to 31 December 2018 Audited
Cash flow from operating activities				
Profit before taxation on continuing operation		30.5	23.1	28.9
Profit before taxation on discontinued operations		-	12.2	192.6
Adjustments for:				
Amortisation of acquired intangible assets	4	18.5	14.4	33.7
Amortisation of software intangible assets		4.3	3.3	7.6
Amortisation of right of use asset		3.6	2.4	5.4
Depreciation of property, plant and equipment		1.6	2.0	3.5
Gain on disposal of business operations and investments	8	-	-	(180.6)
Acquisition-related contingent employment costs	5	4.3	11.9	8.1
Share-based payments		4.3	2.9	6.5
Share of gain in equity-accounted investee, net of tax		(0.3)	(0.3)	(0.6)
Net finance costs	6	5.8	6.4	13.1
Cash generated from operations before working capital movements		**72.6**	**78.3**	**118.2**
Changes in:				
Inventories		(1.6)	3.9	2.6
Trade and other receivables		(12.6)	(1.7)	(8.6)
Trade and other payables, net of interest payable		3.2	(21.7)	(26.7)
Provisions		(1.0)	(1.0)	(1.1)
Cash generated from operations		**60.6**	**57.8**	**84.4**

Cash generated from operations before exceptional operating items		73.8	81.5	110.1
Cash outflows for acquisition-related contingent employment costs	13	(11.0)	(19.4)	(21.0)
Cash outflows for lease liabilities paid	9	4.3	3.4	7.7
Cash flows for other exceptional operating items		(6.5)	(7.7)	(12.4)
Cash generated from operations		**60.6**	**57.8**	**84.4**

Income tax paid		(3.1)	(7.0)	(12.2)
Net cash generated from operating activities		**57.5**	**50.8**	**72.2**
Cash flow from investing activities				
Acquisition of businesses (net of cash acquired)	12	(0.5)	-	(97.7)
Deferred and contingent consideration cash paid	13	(17.7)	(29.6)	(37.7)
Acquisition of investments		(2.6)	(0.7)	(0.7)
Acquisition of software intangibles and property, plant and equipment		(8.8)	(8.8)	(18.7)
Disposal of businesses (net of cash disposed of)		-	-	290.0
Net cash used in investing activities		**(29.6)**	**(39.1)**	**135.2**
Cash flow from financing activities				
Proceeds from external borrowings	14	-	22.4	32.4
Repayment of external borrowings	14	-	(11.1)	(66.0)
Proceeds from issue of shares		0.2	0.3	0.4
Interest paid		(3.1)	(3.2)	(6.9)
Lease liabilities paid	9	(4.3)	(3.4)	(7.7)
Dividend paid	10	(15.7)	(15.2)	(22.8)
Net cash used in financing activities		**(22.9)**	**(10.2)**	**(70.6)**
Net increase in cash and cash equivalents		**5.0**	**1.5**	**136.8**
Cash and cash equivalents at the beginning of the period		182.0	45.8	45.8
Effect of exchange rate changes		0.6	(0.4)	(0.6)
Cash and cash equivalents at the end of the period		**187.6**	**46.9**	**182.0**

*Restated for initial application of IFRS 16 (see note 9).

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 2019 comprise the Company and its subsidiaries and were approved by the Board of Directors on 19 July 2019. 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 2018. 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 2018 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 2018, except as described below, and will be applied for the year ending 31 December 2019.

This is the first set of financial statements where IFRS 16 have been applied and the Group has initially adopted IFRS 16 *Leases* from 1 January 2019 as described below. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognised right of use of assets representing its rights to use the underlying assets and lease liabilities representing its obligation to make lease payments. As previously indicated, the Group has applied IFRS 16 fully retrospectively. The results for the year ending 31 December 2018 and the half year ending 30 June 2018 have been restated for the initial application of IFRS 16. The impact of IFRS 16 on consolidated financial statements is shown in note 9.

The prior half year balance sheet has also been restated to reflect the impact of the disposal of the Group's Exhibition's business in July 2018. As a result, £55.8 million of goodwill relating to historic Exhibition acquisitions has been reclassified to the disposal group held for sale, resulting in a decrease in non-current assets and an increase in current assets. The adjustment does not affect comparative net assets at 30 June 2018 or in the 2018 Annual Report.

The details of changes in accounting policies as a result of IFRS 16 are disclosed below.

Definition of a lease
Previously, the Group determined at contract inception whether an arrangement contained a lease under IFRIC 4. The Group now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions were leases. It applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as lease under IAS 17 and IFRIC 4 were not reassessed. Therefore, the definition of a lease under IFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

As a lessee
The Group leases commercial office space and photocopiers. The Group has elected not to recognise right of use assets and lease liabilities for some leases of low-value (photocopiers). The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group presents right of use assets that do not meet the definition of investment property as a separate line item on the statement of financial position.

The Group recognises a right of use asset and lease liability at the lease commencement date.

The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounting using the Group's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised.

The Group applied the exemption not to recognise right of use assets and liabilities for leases with less than twelve months of lease term.

As a lessor
The Group sub-leases some of its properties. Under IAS 17, the head lease and sub lease contracts were classified as operating leases. On transition to IFRS 16, the right-of use assets recognised from the head lease are presented in investment property and measured at fair value on transition to IFRS 16. The sub-lease contracts are classified as operating leases under IFRS 16.

Impacts for the period
The impact of initially applying IFRS 16 is shown in note 9 and segmental information is shown in note 4.

No depreciation is recognised for the right of use assets that meet the definition of investment property.

3. Critical accounting judgements and estimates

The preparation of these condensed consolidated interim financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. The actual future outcomes may differ from these estimates and give rise to material adjustments to the reported results and financial position of the Group. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the year in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgement or complexity and assumptions or estimation remain consistent with those disclosed in the Group's consolidated financial statements as at and for the year ended 31 December 2018, namely:

Critical accounting judgements

- The use of alternative performance measures (note 5)

Key sources of estimation

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

4. Operating segments

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

- Product Design: global trend forecasting and insight (WGSN)
- Marketing: global creative benchmark, effectiveness measurement and strategic advisory (Cannes Lions, WARC, MediaLink)
- Sales: global eCommerce data, analytics and managed services, Fintech and retail intelligence (Edge, Flywheel, Money20/20, RWRC)
- Built Environment & Policy: Political, construction and environment intelligence brands (Groundsure, Glenigan, DeHavilland)
- Discontinued operations: In 2018 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 on 17 July 2018 (see note 8).

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

Six months ended 30 June 2019, unaudited

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

Six months ended 30 June 2018, restated* and unaudited

(£ million)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	37.8	80.7	53.4	17.0	-	188.9	54.5	243.4
Adjusted EBITDA as reported	12.8	34.0	15.2	6.4	(8.0)	60.4	20.3	80.7
IFRS 16 application	0.9	0.6	0.5	0.1	0.8	2.9	-	2.9
Adjusted EBITDA as restated	13.7	34.6	15.7	6.5	(7.2)	63.3	20.3	83.6
Depreciation and software amortisation as reported	(1.6)	(1.9)	(0.7)	(0.2)	(0.6)	(5.0)	(0.3)	(5.3)
IFRS 16 application of amortisation of right of use asset	(1.1)	(0.6)	(0.3)	(0.1)	(0.3)	(2.4)	-	(2.4)
Adjusted operating profit	**11.0**	**32.1**	**14.7**	**6.2**	**(8.1)**	**55.9**	**20.0**	**75.9**
Amortisation of acquired intangible assets						(11.2)	(3.2)	(14.4)
Exceptional items						(12.7)	(4.5)	(17.2)
Share-based payments						(2.8)	(0.1)	(2.9)
Operating profit						**29.2**	**12.2**	**41.4**
Share of net loss in equity-accounted investee						0.3	-	0.3
Finance costs						(6.4)	-	(6.4)
Finance income						-	-	-
Profit before tax						**23.1**	**12.2**	**35.3**

Year ended 31 December 2018, restated* and audited

(£ million)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing operations total	Discontinued operations	Total
Revenue	77.8	116.3	120.9	34.3	(0.8)	348.5	54.6	403.1
Adjusted EBITDA as reported	28.1	38.9	36.9	14.0	(16.1)	101.8	19.8	121.6
IFRS 16 application	1.8	1.6	1.4	0.3	1.5	6.6	-	6.6
Adjusted EBITDA as restated	29.9	40.5	38.3	14.3	(14.6)	108.4	19.8	128.2
Depreciation and software amortisation as reported	(1.8)	(4.1)	(2.1)	(0.5)	(2.3)	(10.8)	(0.3)	(11.1)
IFRS 16 application of amortisation of right of use asset	(2.2)	(1.4)	(0.9)	(0.2)	(0.7)	(5.4)	-	(5.4)
Adjusted operating profit	**25.9**	**35.0**	**35.3**	**13.6**	**(17.6)**	**92.2**	**19.5**	**111.7**
Amortisation of acquired intangible assets						(30.6)	(3.1)	(33.7)
Exceptional items						(14.0)	176.5	162.5
Share-based payments						(6.2)	(0.3)	(6.5)
Operating profit						**41.4**	192.6	234.0
Share of net loss in equity-accounted investee						0.6	-	0.6
Finance costs						(13.7)		(13.7)
Finance income						0.6	-	0.6
Profit before tax						**28.9**	**192.6**	**221.5**

*Restated for initial application of IFRS 16 (see note 9).

Exceptional items of £8.4 million (2018 full year: £14.0 million; 2018 half year £12.7 million) include £nil million (2018 full year: £0.3 million), £2.8 million (2018 full year: £1.3 million income), £3.6 million (2018 full year: £14.7 million) and £2.0 million (2018 full year: £0.3 million) which are attributable to Product Design, Marketing, Sales and Corporate costs respectively.

Additional segmental information on revenue
The Group's main revenue streams are those described in the Annual Report and Accounts 2018. The Group's revenue is derived from contracts with customers.

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

(£ million)	Timing of revenue recognition	H119	H118
Subscriptions	Over time	36.8	34.4
Advisory	Over time	3.3	2.1
Transactions	Point in time	0.3	0.2
Other	Point in time	1.2	1.1
Product Design		**41.6**	**37.8**
Subscriptions	Over time	7.5	1.3
Advisory	Over time	27.2	23.3
Event related revenues*	Point in time	64.1	54.1
Other	Point in time	1.7	2.0
Marketing		**100.5**	**80.7**
Subscriptions	Over time	30.9	19.1
Advisory	Over time	2.9	3.9
Transactions	Point in time	9.9	-
Event related revenues*	Point in time	32.4	30.1
Other	Point in time	0.3	0.3
Sales		**76.4**	**53.4**
Subscriptions	Over time	7.5	7.0
Advisory	Over time	0.3	0.6
Transactions	Point in time	9.7	9.3
Other	Point in time	0.2	0.1
Built Environment and Policy		**17.7**	**17.0**
Revenue from continuing operations		**236.2**	**188.9**

*Event related revenues include Delegate fees, Stand Space, Sponsorship and Award entries

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

(£ million)	30 June 2019 Unaudited	30 June 2018 Unaudited	31 December 2018 Audited
Receivables, which are included in "Trade and other receivables"	72.3	54.3	64.2
Receivables, which are included in "Assets held for sale"	-	12.4	-
Contract assets - accrued income	6.7	3.8	7.4
Contract liabilities – deferred income	98.3	84.4	91.2

Seasonality of operations
The Group's results of continuing and discontinued operations are impacted by seasonality. Marketing revenue is particularly seasonal, with revenue typically reaching its highest levels during the first half of each calendar year when Cannes Lions take place. Product Design primarily generates subscription revenue which is recognised 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 2019 Unaudited	Six months to 30 June 2018 Unaudited	Year to 31 December 2018 Audited
Continuing Operations			
Acquisition-related expenses	4.3	11.7	8.1
Acquisition transaction and integration costs	4.1	1.0	5.9
Exceptional items	**8.4**	**12.7**	**14.0**
Amortisation of acquired intangible assets	18.5	11.2	30.6
Share based payments	4.3	2.8	6.2
Adjusting items in continuing operating profit	**31.2**	**26.7**	**50.8**

Acquisition-related expenses include payments agreed as part of the acquisition but linked to ongoing employment of £7.8 million (2018 full year: £13.3 million; 2018 half year: £10.6 million) offset by revaluation of contingent consideration of £3.5 million (2018 full year: £5.2 million; 2018 half year: £(1.1) million).

Acquisition-related employment costs relate primarily to the acquisitions of MediaLink and Flywheel Digital, which, absent the link to continued employment, would have been treated as consideration. Under the sale and purchase agreements between 25% and 50% of deferred payments are contingent on both (i) the results of the business in the post-acquisition period and (ii) the continued employment of the founders.

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. Acquisitions transaction costs include directly linked transaction costs such as legal and diligence fees as well as stamp duty where applicable. Integration spend is in relation to transferring acquired businesses onto the Group's IT and revenue platforms, merging of products and rebranding.

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

6. Finance costs and finance income

(£ million)	Six months to 30 June 2019 Unaudited	Restated* Six months to 30 June 2018 Unaudited	Restated* Year to 31 December 2018 Audited
Interest on bank deposits	0.5	-	0.6
Foreign exchange gain on cash and cash equivalents	0.6	-	-
Remeasurement of financial asset to fair value	0.7	-	-
Finance income	**1.8**	**-**	**0.6**
Interest payable on external borrowings	(3.7)	(3.4)	(7.1)
Foreign exchange loss on cash and cash equivalents	-	(0.1)	(0.6)
Amortisation of loan arrangement fees	(0.6)	(0.6)	(1.2)
Discount unwind of deferred and contingent consideration	(2.6)	(1.8)	(3.6)
Discount unwind of lease liability	(0.7)	(0.5)	(1.2)
Finance costs	**(7.6)**	**(6.4)**	**(13.7)**
Net finance costs	**(5.8)**	**(6.4)**	**(13.1)**

*Restated for initial application of IFRS 16 (see note 9).

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:

(£ million)	Six months to 30 June 2019 Unaudited	Restated* Six months to 30 June 2018 Unaudited	Restated* Year to 31 December 2018 Audited
Current tax			
UK corporation tax			
Current tax charge on income for the period	2.1	3.0	6.5
Foreign tax			
Current tax charge on income for the period	3.1	(0.5)	2.2
Adjustments in respect of prior years	-	-	(1.9)
Total current tax charge	**5.2**	**2.5**	**6.8**
Deferred tax			
Current period	3.9	4.1	1.2
Adjustments in respect of prior years	-	0.5	0.9
Total deferred tax charge	**3.9**	**4.6**	**2.1**
Total tax charge	**9.1**	**7.1**	**8.9**
Total effective tax rate	**29.8%**	**30.7%**	**30.8%**

*Restated for initial application of IFRS 16 (see note 9).

The effective tax rate on adjusted continuing profit before tax for the six months period to 30 June 2019 was 24.1% (30 June 2018: 23.7%, 31 December 2018: 22.3%). A tax credit of £5.8 million was recorded in relation to continuing adjusting items in 2019 (30 June 2018: £4.7 million and 31 December 2018: £8.9 million).

A deferred tax credit of £nil million (2018 full year: £0.4 million; 2018 half year: £0.8 million) was recognised in equity relating to share-based payments.

8. Discontinued operations

Ascential's Exhibitions business was previously part of the Exhibitions & Festivals segment and was classified as a discontinued operation in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" following the announcement of the strategic review in February 2018. The Exhibitions business was sold on 17 July 2018.

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

	Six months to 30 June 2019 Unaudited			Six months to 30 June 2018 Unaudited			Year to 31 December 2018 Audited		
(£ million)	**Adjusted Results**	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**	**Adjusted Results**	**Adjusting Items**	**Total**
Revenue	-	-	-	54.5	-	54.5	54.6	-	54.6
Cost of sales	-	-	-	(21.3)	-	(21.3)	(21.4)	-	(21.4)
Sales, marketing & administrative expenses	-	-	-	(13.2)	(7.8)	(21.0)	(13.7)	173.1	159.4
Operating profit	-	-	-	**20.0**	**(7.8)**	**12.2**	**19.5**	**173.1**	**192.6**
Adjusted EBITDA	-	-	-	20.3	-	20.3	19.8	-	19.8
Depreciation & amortisation	-	-	-	(0.3)	(3.2)	(3.5)	(0.3)	(3.1)	(3.4)
Exceptional items	-	-	-	-	(4.5)	(4.5)	-	176.5	176.5
Share-based payments	-	-	-	-	(0.1)	(0.1)	-	(0.3)	(0.3)
Operating profit	-	-	-	**20.0**	**(7.8)**	**12.2**	**19.5**	**173.1**	**192.6**
Taxation	-	-	-	(3.8)	0.5	(3.3)	(4.0)	0.6	(3.4)
Profit from discontinued operation net of tax	-	-	-	**16.2**	**(7.3)**	**8.9**	**15.5**	**173.7**	**189.2**
Discontinued earnings per share (pence)									
- Basic	-	-	-	4.0	(1.8)	2.2	3.8	43.4	47.2
- Diluted	-	-	-	4.0	(1.8)	2.2	3.8	42.8	46.6

Adjusting items from discontinued operations

Exceptional adjusting items included in discontinued operating profit are:

(£ million)	Six months to 30 June 2019 Unaudited	Six months to 30 June 2018 Unaudited	Year to 31 December 2018 Audited
Discontinued operations			
Disposal costs	-	(4.5)	(4.1)
Gain on disposal	-	-	180.6
Exceptional items included in profit from discontinued operations	-	**(4.5)**	**176.5**

Cash flows from discontinued operations

(£ million)	Six months to 30 June 2019 Unaudited	Six months to 30 June 2018 Unaudited	Year to 31 December 2018 Audited
Net cash generated from operating activities	-	3.2	2.0
Net cash (used in)/generated from investing activities	-	(0.2)	-
Net cash inflows for the year	-	**3.0**	**2.0**

9. Leases

The results for the year ending 31 December 2018 and the half year ending 30 June 2018 have been restated for the initial application of IFRS 16. The impact of on the continuing consolidated financial statements is shown below. There is no material impact to discontinued operations and discontinued operations have not been restated for the impact of IFRS 16.

(£ million)	30 June 2019 Unaudited	30 June 2018 Unaudited	31 December 2018 Audited
Consolidated Statement of Financial Position			
Non-current assets			
Right of use assets	23.8	17.8	23.3
Deferred tax assets	0.3	0.3	0.3
Investment property	2.4	3.1	2.7
Current assets			
Trade and other receivables	(1.0)	(0.9)	(1.2)
Current liabilities			
Trade and other payables	2.6	3.0	3.0
Lease liabilities	(9.8)	(8.4)	(9.0)
Non-current liabilities			
Lease liabilities	(19.7)	(16.2)	(20.4)
Net assets and adjustment to Retained Earnings on initial application of IFRS 16	**(1.4)**	**(1.3)**	**(1.3)**

(£ million)	Six months to 30 June 2019 Unaudited	Six months to 30 June 2018 Unaudited	Year to 31 December 2018 Audited
Operating profit	4.2	2.9	6.6
Amortisation	(3.6)	(2.4)	(5.4)
Finance costs	(0.7)	(0.5)	(1.2)
Taxation	-	-	-
Profit for period	**(0.1)**	-	-
Cash generated from operations	**4.3**	**3.4**	**7.7**
Cash flow from financing activities	**(4.3)**	**(3.4)**	**(7.7)**
Net change in cash and cash equivalents	-	-	-

Operating profit includes income from sub-leasing right of use assets related to the application of IFRS 16 and amounting to £0.4m (H118: £0.4m; 2018 £0.8m).

10. Dividends

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

(£ million)	Six months to 30 June 2019 Unaudited	Six months to 30 June 2018 Unaudited	Year to 31 December 2018 Audited
Amounts recognised as distributions to equity shareholders			
Final dividend for the year-ended 31 December 2017 – 3.8 pence	-	15.2	15.2
Interim dividend for the year-ended 31 December 2018 – 1.9 pence	-	-	7.6
Final dividend for the year ended 31 December 2018 – 3.9 pence	15.7	-	-
Dividend paid	**15.7**	**15.2**	**22.8**

After the reporting date, the Board approved an interim dividend of 1.8p 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 2019.

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 400.9 million (30 June 2018: 400.2 million and 31 December 2018: 400.3 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 405.9 million (30 June 2018: 403.0 million; 31 December 2018: 405.5 million).

	Six months to 30 June 2019 Unaudited			Six months to 30 June 2018 Unaudited			Year to 31 December 2018 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)									
Continuing operations	46.8	(25.4)	21.4	38.0	(22.0)	16.0	61.9	(41.9)	20.0
Discontinued operations	-	-	-	16.2	(7.3)	8.9	15.5	173.7	189.2
	46.8	**(25.4)**	**21.4**	**54.2**	**(29.3)**	**24.9**	**77.4**	**131.8**	**209.2**
Basic EPS (pence)									
Continuing operations	11.7	(6.3)	5.4	9.5	(5.5)	4.0	15.5	(10.5)	5.0
Discontinued operations	-	-	-	4.0	(1.8)	2.2	3.8	43.4	47.2
	11.7	**(6.3)**	**5.4**	**13.5**	**(7.3)**	**6.2**	**19.3**	**32.9**	**52.2**
Diluted EPS (pence)									
Continuing operations	11.5	(6.3)	5.2	9.4	(5.5)	3.9	15.3	(10.5)	4.8
Discontinued operations	-	-	-	4.0	(1.8)	2.2	3.8	42.8	46.6
	11.5	**(6.3)**	**5.2**	**13.4**	**(7.3)**	**6.1**	**19.1**	**32.3**	**51.4**

12. Business combinations

There have been no changes to the provisional fair values presented in the 2018 annual report in relation to Peloton Holdings LLC (Flywheel Digital).

The Group settled initial consideration relating to working capital balances in period, which resulted in a payment of £0.5 million for Edge Price + Promo (BrandView), a payment of £0.1 million for Flywheel Digital and a receipt of £0.2 million for WARC.

On 2 January 2019, the Group purchased assets from Metropolis Property Research Limited for £0.2 million cash consideration. The acquisition is treated as a business combination as the property research services acquired constitute a business. Assets purchased include £0.1 million of cash and as a result the £0.1 million consideration net of cash acquired is included in the Statement of Cash Flows.

13. Deferred and contingent consideration

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

(£ million)	Note	Total	Level 3*
At 1 January 2018		**97.9**	**59.4**
Acquisition – related employment costs accrued in the period	5	10.6	-
Revaluation of contingent consideration recognised in the consolidated statement of profit and loss	5	1.3	1.3
Discount unwind on contingent and deferred consideration	6	1.8	1.8
Acquisition – related employment cash paid in the period		(19.4)	-
Deferred consideration cash paid in the period		(29.6)	(25.8)
Effect of movements in exchange rates		0.1	0.1
Transfer to held for sale		(0.2)	(0.2)
At 30 June 2018		**62.5**	**36.6**
Additions		43.4	33.8
Acquisition – related employment costs accrued in the period	5	2.7	-
Revaluation of contingent consideration recognised in the consolidated statement of profit and loss	5	(6.2)	(6.2)
Discount unwind on contingent and deferred consideration	6	1.8	1.8
Acquisition – related employment cash paid in the period		(1.6)	-
Deferred consideration cash paid in the period		(8.1)	(7.6)
Effect of movements in exchange rates		2.2	1.3
At 31 December 2018		**96.7**	**59.7**
Acquisition – related employment costs accrued in the period	5	**7.8**	-
Revaluation of contingent consideration recognised in the consolidated statement of profit and loss	5	**(3.5)**	**(3.5)**
Discount unwind on contingent and deferred consideration	6	**2.6**	**2.6**
Acquisition – related employment cash paid in the period		**(11.0)**	-
Deferred consideration cash paid in the period		**(17.7)**	**(10.4)**
Effect of movements in exchange rates		**0.3**	-
At 30 June 2019		**75.2**	**48.4**

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

14. Borrowings

Reconciliation of movement in net debt

(£ million)	Cash	Cash in transit	Short-term deposits	Interest rate cap	External Borrowings	Net debt*
At 1 January 2018 Audited	**26.7**	**2.4**	**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	2.8	(2.4)	1.1	-	-	1.5
At 30 June 2018 Unaudited	**29.2**	**-**	**17.7**	**0.1**	**(332.0)**	**(285.0)**
Exchange differences	(0.1)	-	(0.1)	-	(4.7)	(4.9)
External debt repayment	-	-	-	-	54.9	54.9
External debt drawdown	-	-	-	-	(10.0)	(10.0)
Non-cash movements	-	-	-	(0.1)	-	(0.1)
Net cash movement	20.3	7.2	107.8	-	-	135.3
At 31 December 2018 Audited	**49.4**	**7.2**	**125.4**	**-**	**(291.8)**	**(109.8)**
Exchange differences	0.6	-	-	-	(0.4)	0.2
Non-cash movements	-	-	-	-	(0.6)	(0.6)
Net cash movement	64.2	(4.6)	(54.6)	-	-	5.0
At 30 June 2019 Unaudited	**114.2**	**2.6**	**70.8**	**-**	**(292.8)**	**(105.2)**

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

Borrowings are shown net of unamortised issue costs of £1.7 million (31 December 2018: £2.3 million; 30 June 2018: £2.8 million). The carrying amounts of borrowings approximate their fair value. The Group's borrowings at each of 30 June 2019, 30 June 2018 and 31 December 2018 were £66.0 million, $96.0 million and €171.0 million.

15. Deferred tax

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

(£ million)	30 June 2019 Unaudited	Restated* 30 June 2018 Unaudited	Restated* 31 December 2018 Audited
Deferred tax assets	37.4	41.3	43.1
Deferred tax liabilities	(23.2)	(19.6)	(24.8)
Total	**14.2**	**21.7**	**18.3**

*Restated for initial application of IFRS 16 (see note 9).

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

(£ million)	Non-deductible intangible assets	US deductible intangible assets	Share based payments	Property plant and equipment	Tax losses	Other temporary differences	Net total
At 1 January 2018 Audited*	**(31.3)**	**13.6**	**0.9**	**9.0**	**23.5**	**0.1**	**15.8**
Adjustment on initial application of IFRS 16	-	-	-	-	-	0.3	0.3
Credit/(charge) to the consolidated statement of profit and loss for the period	1.0	(2.4)	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)
Held for sale	9.6	-	(0.2)	(0.9)	-	-	8.5
Foreign exchange movements	0.1	0.3	-	-	0.5	-	0.9
At 30 June 2018 Unaudited*	**(21.1)**	**11.5**	**1.9**	**7.3**	**21.4**	**0.7**	**21.7**
Credit/(charge) to the consolidated statement of profit and loss for the period	2.6	(0.4)	0.4	(0.1)	1.0	(0.3)	3.2
Credit to equity	-	-	(0.4)	-	-	-	(0.4)
Adjustments in respect of prior years	(0.1)	-	0.1	(0.2)	(1.3)	1.0	(0.5)
Acquisitions	(6.8)	-	-	-	-	-	(6.8)
Disposals	0.5	-	0.1	0.2	-	-	0.8
Foreign exchange movements	0.1	(0.1)	-	-	0.3	-	0.3
At 31 December 2018 Audited*	**(24.8)**	**11.0**	**2.1**	**7.2**	**21.4**	**1.4**	**18.3**
Credit/(charge) to the consolidated statement of profit and loss for the period	1.6	(0.6)	-	(0.3)	(4.6)	-	(3.9)
Foreign exchange movements	-	(0.1)	-	-	(0.1)	-	(0.2)
At 30 June 2019 Unaudited	**(23.2)**	**10.3**	**2.1**	**6.9**	**16.7**	**1.4**	**14.2**

*Restated for initial application of IFRS 16 (see note 9).

At 30 June 2019, the Group has the following tax losses:

	Recognised		Unrecognised		Total	
	June 2019	**Dec 2018**	**June 2019**	**Dec 2018**	**June 2019**	**Dec 2018**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
US net operating losses	**58.5**	71.3	**130.4**	127.0	**188.9**	198.3
UK non-trading losses	**29.7**	36.3	**-**	-	**29.7**	36.3
Irish trading losses	**-**	-	**18.4**	18.3	**18.4**	18.3
UK capital losses	**-**	-	**114.9**	114.9	**114.9**	114.9
Other Rest of World losses	**-**	-	**4.3**	3.9	**4.3**	3.9
Total	**88.2**	107.6	**268.0**	264.1	**356.2**	371.7

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

	Recognised		Unrecognised		Total	
	June 2019	**Dec 2018**	**June 2019**	**Dec 2018**	**June 2019**	**Dec 2018**
	£m	**£m**	**£m**	**£m**	**£m**	**£m**
US net operating losses	**11.5**	15.0	**27.4**	26.7	**38.9**	41.7
UK non-trading losses	**5.2**	6.4	**-**	-	**5.2**	6.4
Irish trading losses	**-**	-	**2.3**	2.3	**2.3**	2.3
UK capital losses	**-**	-	**19.5**	19.5	**19.5**	19.5
Other Rest of World losses	**-**	-	**1.1**	1.1	**1.1**	1.1
Total	**16.7**	21.4	**50.3**	49.6	**67.0**	71.0

The Group has tax losses in the US totalling £188.9 million carried forward at 30 June 2019 (30 June 2018: £186.3 million; 31 December 2018: £198.3 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 following 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 asset recognised of £11.5m as at 30 June 2019 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 twelve 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 2019.