

ASCENTIAL

14 June 2019

Ascential plc

Trading Update

- **Group Trading in line with full year expectations -**
- **Marketing Segment returns to double digit growth in H1 -**

- Trading Update and IFRS16 information ahead of Product Deep Dive at Cannes Lions -

Product Deep Dive at Cannes Lions

On 19 and 20 June 2019, Ascential plc (ASCL.LN) will host a number of investors and covering sell-side analysts at a product deep dive at the Cannes Lions Festival. No new material financial information, beyond the content of the trading update presented below, will be disclosed. Presentation materials will be available on Ascential's website after the event.

Trading Update

Given the proximity of the Product Deep Dive to the half year end, Ascential confirms that the Group is trading in line with its expectations for the full year.

The Product Design Segment is expected to deliver Organic revenue growth of 9% in H1 with ongoing strong growth in subscriptions enhanced by an excellent performance from its specialist Mindset advisory product and a successful launch of the new WGSN Beauty product.

The Marketing Segment is expected to deliver Organic revenue growth of 12% in H1 with Cannes Lions and MediaLink both expected to produce double digit first half increases. The Cannes Lions Festival opens on 17 June and we aim to build on the momentum created by 2018's reset by delivering high value propositions that delight customers and drive revenue. We anticipate a successful launch of the new CLX platform and good growth in Cannes Lions delegate and awards entry revenue. We have also seen strong engagement with our sponsorship and digital products. The refocus of MediaLink's business undertaken in 2018 was a key driver of its strong growth in the half.

The Sales Segment is expected to deliver Organic revenue growth of 3% in H1 (or 11% on a Proforma basis). Money20/20 Europe delivered strong growth in its fourth edition taking place in Amsterdam last week, partially offset by a decline in the second edition of the Singapore event held earlier in the half. Flywheel Digital has continued to deliver very strong growth and is trading ahead of our expectations. Edge by Ascential is making good progress as it focuses on the integration of its four products and its data collection and catalogue systems. As expected, the pace of Edge by Ascential's revenue growth in 2019 will be tempered as we execute these important changes.

Finally, the Built Environment and Policy Segment is trading in line with our expectations.

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Notice of Results

Ascential will report half year results for the six months ending 30 June 2019 on Monday 22 July 2019.

IFRS16

Ahead of half year results, Ascential provides restated summary results for the year ending 31 December 2018 and the half year ending 30 June 2018 following the adoption of IFRS 16. This restatement does not constitute new information about the recent or current trading of the Company and is provided solely for the purposes of providing familiarity with the comparative information for the prior accounting periods ahead of the announcement of half year results.

Background

IFRS 16 is effective from 1 January 2019, which is the date at which the standard has been adopted. As previously indicated, the Group is adopting the standard 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. These restated results will be presented in full along with announcement of interim results for the current year. Here, the restated results are presented in summary to provide familiarity with the comparative information ahead of that announcement.

Restated Summary Disclosures

Six months ended 30 June 2018, restated and unaudited

(£ million)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing Operations Total
Revenue (reported)	37.8	80.7	53.4	17.0	-	188.9
Adjusted EBITDA (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
Adjusted EBITDA (restated)	13.7	34.6	15.7	6.5	(7.2)	63.3
Depreciation and amortisation of tangible fixed assets and software intangibles (reported)	(1.6)	(1.9)	(0.7)	(0.2)	(0.6)	(5.0)
IFRS 16 application	(1.1)	(0.6)	(0.3)	(0.1)	(0.3)	(2.4)
Adjusted operating profit (restated)	11.0	32.1	14.7	6.2	(8.1)	55.9
Amortisation of acquired intangible assets (reported)						(11.2)
Exceptional items (reported)						(12.7)
Share-based payments (reported)						(2.8)
Operating Profit (restated)						29.2
Share of net profit in equity-accounted investee (reported)						0.3
Net Finance Costs (restated)						(6.4)
Profit before tax (reported)						23.1

ASCENTIAL

Year ended 31 December 2018, restated and unaudited

(£ million)	Product Design	Marketing	Sales	Built Environment & Policy	Corporate costs	Continuing Operations Total
Revenue (reported)	77.8	116.3	120.9	34.3	(0.8)	348.5
Adjusted EBITDA (reported)	28.1	38.9	36.9	14.0	(16.1)	101.8
IFRS 16 application	1.8	1.6	1.4	0.3	1.5	6.6
Adjusted EBITDA (restated)	29.9	40.5	38.3	14.3	(14.6)	108.4
Depreciation and amortisation of tangible fixed assets and software intangibles (reported)	(1.8)	(4.1)	(2.1)	(0.5)	(2.3)	(10.8)
IFRS 16 application	(2.2)	(1.4)	(0.9)	(0.2)	(0.7)	(5.4)
Adjusted operating profit (restated)	25.9	35.0	35.3	13.6	(17.6)	92.2
Amortisation of acquired intangible assets (reported)						(30.6)
Exceptional items (reported)						(14.0)
Share-based payments (reported)						(6.2)
Operating Profit (restated)						41.4
Share of net profit in equity-accounted investee (reported)						0.6
Net Finance Costs (restated)						(13.1)
Profit before tax (reported)						28.9

The impact of IFRS 16 on the continuing consolidated financial statements is summarised below.

	30 June 2018 Unaudited	31 December 2018 Unaudited
Consolidated Statement of Profit or Loss		
Operating profit	2.9	6.6
Depreciation and amortisation	(2.4)	(5.4)
Finance costs	(0.5)	(1.2)
Profit before tax	-	-
Consolidated Statement of Cash flows		
Cash generated from operations	3.4	7.7
Cash flow from financing activities	(3.4)	(7.7)
Net change in cash and cash equivalents	-	-

The adoption of IFRS 16 has no impact on profit before tax for the Group, although the presentation in the statement of profit or loss will change, resulting in depreciation and interest costs instead of operating lease expense. The adoption of IFRS 16 has no impact on net cash flows for the Group although the presentation of the lease payments in the statement of cash flows will change, resulting in an increase to cash generated from operations, and hence

ASCENTIAL

operating cash flow, and a corresponding increase in the net cash outflow from financing activities.

	30 June 2018 Unaudited	31 December 2018 Unaudited
Consolidated Statement of Financial Position		
Non-current and current assets		
Right of use	17.8	23.3
Investment property	3.1	2.7
Trade and other receivables	(0.9)	(1.2)
Non-current and current liabilities		
Trade and other payable	3.0	3.0
Lease liabilities	(24.6)	(29.4)
Adjustment to Retained Earnings before tax on initial application of IFRS 16	(1.6)	(1.6)

For further information, please contact:

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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 brands DeHavilland, Glenigan and Groundsure.