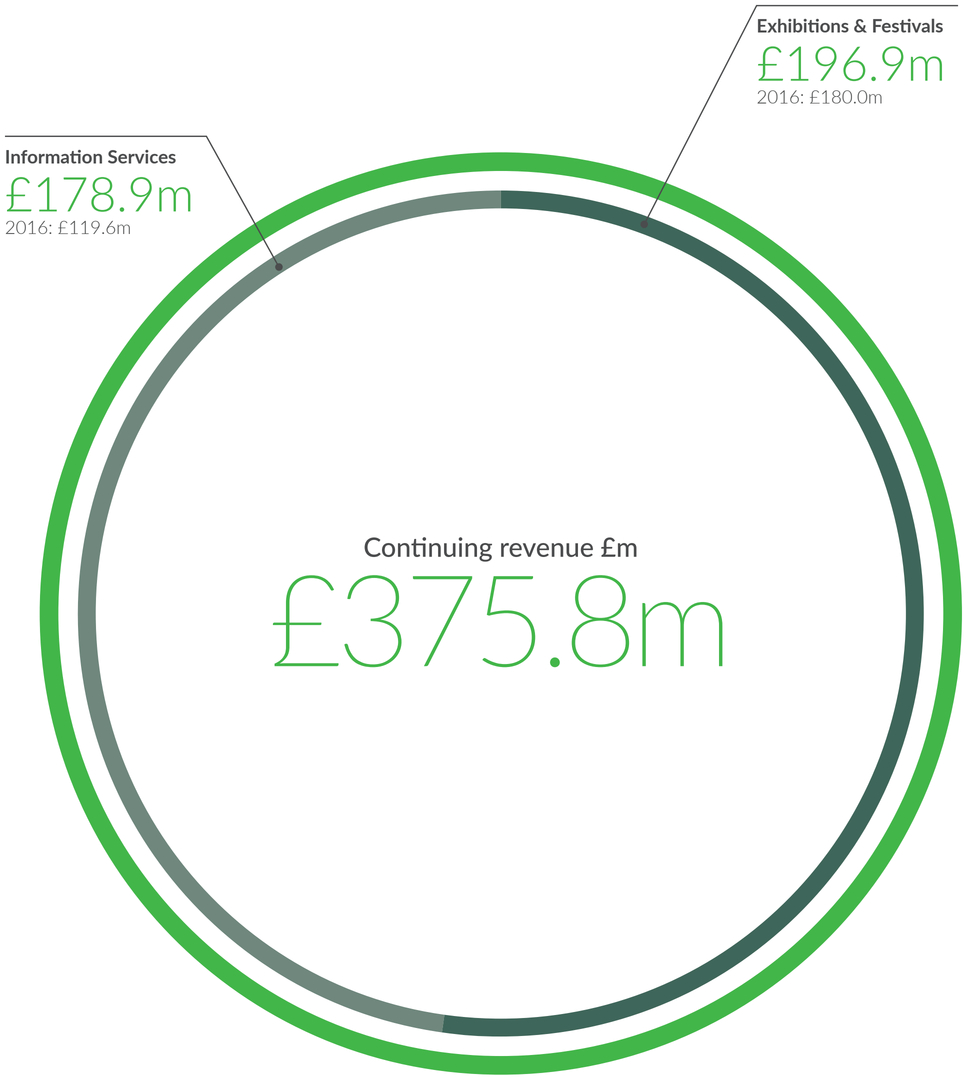
Unlock the future

ASCENTIAL

Annual Report 2017

/ 2017 HIGHLIGHTS



“Another year of strong growth”

Duncan Painter
Chief Executive Officer

Adjusted EBITDA[1]

£119.5m

2016: £95.9m

Adjusted operating profit from continuing operations[1]

£108.4m

2016: £83.0m

Adjusted proforma diluted earnings per share[1]

18.3p

2016: 13.5p

[1]this is an Alternative Performance Measure, as explained on pages 19 to 21

The majority of our customers are consumer product and services companies (or companies in their supply chain), who operate globally. We have built in recent years a reputation for enabling these customers to succeed in the digital economy. The rapid digitisation of commerce – and of business more generally – is one of the highest priorities for our customers and, in many cases, their greatest challenge.

The information and capabilities we provide to customers in facing this challenge are increasingly valued, differentiated, trusted – and pivotal to our future growth. Furthermore, it is becoming increasingly apparent that we are at our best when providing information, intelligence and insight that help our customers evolve their approach to Product Design, Marketing and Sales for success in this new digital context.

We are Ascential – the global, specialist information company that enables smart decision-making for business.

In an increasingly complex, digitally driven world, we help our clients understand what's important and how to act on it – today, and in the future.

Through our business-critical intelligence, world-class events and advice, we empower the world's most ambitious brands to find their focus and improve performance, particularly in the digital economy. From finance to fashion, eCommerce to economic forecasting, we anticipate trends and connect people to market-leading, sector specific, expertise – helping customers to overcome their commercial challenges and unlock value.

When you can see the future, it's easier to get there first – join us in staying a step ahead and 'unlock the future'.

Strategic report

Governance

Financial statements

More information online:
Our website gives you fast, direct access to a wide range of Company information.
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CONSUMER VALUE CHAIN

EMPOWERING BRANDS

80% of our revenue comes from brands that serve the consumer products and services industries globally across three main areas of capability for our customers

END MARKETS SERVED

Consumer value chain

Other end markets

Product design
Unlock trends that enable you to design for tomorrow's consumer, today

WGSN

coloro

Marketing

Unlock insight and connections for better decision making and more targeted campaigns

CANNES LIONS
MEDIALINK
LIONS Festivals
Barometer

DeHavilland
Definitive political intelligence

Sales

Unlock data, analytics and industry-specific platforms to maximise distribution opportunities and drive growth

One Click Retail
Money 20/20
RetailWeek
WORLD RETAIL CONGRESS
pure LONDON
SPRINGFAIR
AUTUMNFAIR
PlanetRetail RNG
glee
CLAVIS INSIGHT
Instock

Glenigan
Groundsure LOCATION INTELLIGENCE
bett
CWIEME BERLIN CHICAGO SHANGHAI

/ CHIEF EXECUTIVE'S REVIEW

"We have delivered good results whilst accelerating product innovation and growing our market leadership position."

Duncan Painter
Chief Executive Officer

Revenue from continuing operations
£375.8m
(2016: 299.6m)

Adjusted EBITDA[1]
£119.5m
(2016: £95.9m)

[1]alternative performance measures are explained on page 19

Operating profit from continuing operations
£44.5m
(2016: 32.1m)

The 2017 year was one of effective execution resulting in Organic revenue growth of 6.4% while maintaining strong Adjusted EBITDA margins of 31.8%. Revenue was £375.8m (2016: £299.6m), a reported growth of 25%.

All of our execution continues to centre on our stated strategy, which can be summarised in three goals:

- To be a leading, specialist, global information company that enables customers to excel in the digital economy in Product Design, Marketing and Sales.
- To accelerate the organic growth of our revenues and optimise margins and profits.
- Through the application of a tightly focused capital allocation process, to achieve our goals and maximise value creation for our shareholders.

With these three goals as our guide, we have made a great deal of operational progress this year, sharpening our portfolio, enhancing our product offering and acquiring exciting, high-growth businesses that fit with our ambitions. Examples of that progress include the:

- sale of our heritage, largely print-based brands;
- launch of three new products;
- acceleration in the growth of the products we launched in 2016;
- acquisitions of MediaLink and Clavis;
- evolution of Information Services into the major contributor to top line growth;
- completion of a successful, well received Cannes Lions review;
- acceleration of the launch of Money20/20 China; and
- build out of new capabilities designed to accelerate our future organic growth rates.

Each of these achievements has positioned us well to increase our growth rate in revenue and profit in 2018. We are pleased that our teams have been able to continue to deliver on the ambition we set out at the time of our IPO to become a more focused, faster growing company, with a greater number of satisfied customers allowing us to generate higher levels of returns for our shareholders.

Our focus continues to drive our success

The majority of our customers are consumer product and services companies (or companies in their supply chain), who operate globally. We have built in recent years a reputation for enabling these customers to succeed in the digital economy. The rapid digitisation of commerce – and of business more generally – is one of the highest priorities for our customers and, in many cases, their greatest challenge. The information and capabilities we provide to customers in facing this challenge are increasingly valued, differentiated, trusted – and pivotal to our future growth. Furthermore, it is becoming increasingly apparent that we are at our best when providing information, intelligence and insight that helps our customers evolve their approach to Product Design, Marketing and Sales for success in this new digital context.

Our top 10 brands deliver over 80% of our revenue and 90% of our organic growth. By continuing to optimise both the focus of our teams and the allocation of capital to our most important brands, we have grown well in 2017. This growth allows us to continue to simplify and optimise our business model to serve both our customers' and shareholders' needs.

In 2017 we increased the number of companies we do business with, whilst also diversifying the number of products we provide to our most significant customers. Growing our customer volumes, the number of products they buy and therefore the amount they pay us, plus their willingness to expand their relationship more broadly across their companies gives us confidence that our strategy is working.

A culture focussed on constant product improvement and customer retention

Really listening to customers is one of the most important skills we ask our teams to employ and is a skill we continually hone. Retaining customers is at the centre of our growth model.

We have created a culture where our teams are passionate about how to improve the information quality and relevance we provide plus how we can make it easier to consume and action. At the heart of this is an environment where all teams are encouraged to discuss, share and take actions to first understand and then address why customers leave our services. Going through monthly reviews of lost customers, understanding the reasons in depth and being open about how we will improve our products and services is at the tough end of our success. It is also at the heart of it. Without learning from our most difficult customer situations, we could easily be focusing on the wrong priorities. Creating an environment where people recognise the importance of these conversations and are willing to actively engage and learn from the feedback is an essential foundation.

"Really listening to our customers is one of the most important skills we ask our team to employ."

Of course, our people are very proud of the products and services we produce. However, by keeping a laser focus on retention, it ensures we remain grounded and recognise the need for continual improvement. Our success will only continue by constantly improving the information we deliver through digital subscriptions, live events and expert advice. In an increasingly complex, digitally driven world, these products must help clients digest what is important to their business and how to act on it now and in the future. Our markets move rapidly and in the digital age this is only accelerating. Our primary task is to continue to configure our business to keep ahead of this change.

A year of accelerated investment in capabilities to drive our future growth rates

In 2017, we made investments in capabilities and teams across our business to ensure we can keep ahead of the critical needs of our customers including:

- expansion of our customer insight teams and digital analysis capabilities;
- expansion of our digital product creation and development teams; and
- upgrade of our digital marketing and customer engagement capabilities and our eCommerce teams.

We funded these investments by accepting we would deliver a lower organic EBITDA growth rate for one year of 3%. We have not made these investments lightly and have already seen, through the immediate gains and capabilities created, how they will enable improved growth rates for 2018 and beyond.

The best example of this is the launch of our new Avista product within Groundsure which grew revenues by 13% in a particularly tough market. This new product format, built by our newly created digital product team, has step changed our results in Groundsure. Not only did the team deliver the product to a very high quality within five months, but the impact of its design and ease of use for our customers meant that we could drive market share while also improving our yield for this new, high value, product. The design approach taken means that we can gain further traction from this investment in 2018 by building the next generation of our volume product range, leveraging the efficiency of the Avista environment to drive revenue growth while also streamlining our own operation.

We are now applying more widely the skills of these high quality teams to improve the performance of our most important brands.

Strategic review

We believe that to maximise returns for our shareholders, our focus as a business is best targeted at brands that support customer success in the digital economy. To ensure that our capital allocation is aligned to that opportunity we will be undertaking a strategic review of our exhibitions business (comprising the Spring and Autumn Fair, Bett, CWIEME, Pure, Glee and BVE brands which generated £78m of revenue in 2017). These brands are all number one in their markets and are of a size and scale that allows us to consider a variety of options to maximise their future value and enhance our overall organic growth rates.

Summary

The year ahead presents great opportunity for Ascential. Economic markets, particularly for our most important brands, remain strong particularly with our focus on supporting customer success in the digital economy. Many of our clients currently achieve less than 20% of their total sales through digital channels. They themselves recognise the need to move faster to drive this critical transition and, with our developments in the last 18 months, we are now very well positioned to assist them to unlock this future.

As we focus on our strategic objectives, it will mean a further year of change for the company. We will continue to assess the balance of the brands and product types in our company and how we can optimise our capital allocation going forward and we will continue to take proactive moves to achieve this. We have achieved a significant transition of our business over the last five years, particularly since our IPO. Nevertheless the urgency of continued and accelerated transition that our customers face to remain relevant remains just as critical for us.

I have great confidence in the capabilities and skills of the Ascential team, our valued relationships with our customers and the initiatives we have underway to continue to deliver strongly for our customers and our shareholders.

Outlook

While still early in 2018, we are encouraged by the current level of forward bookings. Our achievements in 2017 have positioned us well to increase our growth rate in revenue and profit in 2018 and the Board is confident about our prospects for continued success.

Duncan Painter
Chief Executive Officer
23 February 2018

/ SEGMENTAL REVIEW

/ Information Services

WGSN

£73.6m

Revenue +6%[1]

The global, leading provider of intelligence, insight and trend forecasts, continued to expand both its customer base and product offerings in 2017. WGSN launched two new products: Barometer, which provides customers with insight into their brand's impact among a panel of 120,000 consumers and Coloro, a new venture with our Chinese partners CTIC, that offers an innovative and universal categorisation of the colour spectrum for design professionals and manufacturers. These launches, together with the continued roll-out of WGSN Insight (launched at the end of 2016) helped drive the proportion of customers taking multiple products to 21% (from 15%), while average renewal rates remained high at 91% and subscription billings grew by 5%.

Groundsure

£17.4m

Revenue +13%[1]

The market leading provider of environmental risk data, had another strong year, re-enforcing its leading position while outperforming the underlying UK residential property market (volumes down 2%) with a 13% revenue growth. This success was achieved through its continued product innovation, in particular the launch of Avista which provides a simple, comprehensive and accessible solution for customers previously faced with multiple reports.

Other Information Services

£35.0m

Revenue +3%[1]

The other brands within Information Services are Glenigan, DeHavilland, Planet Retail RNG and Retail Week. We achieved double digit billings growth performances from Glenigan and DeHavilland and also launched the combined Planet Retail RNG product.

Recent acquisitions

MediaLink

£39.7m

Full year revenue £47.4m, +14%[1]

A strategic advisory firm and business services provider to the Media, Marketing, Advertising, Technology and Entertainment industries, joined Ascential in February 2017. Strong growth was accompanied by several achievements. MediaLink expanded its European footprint in May when the London office was opened. Integration has progressed well with several MediaLink staff assuming pan-Ascential North America responsibilities in Technology and HR and the introduction of major clients to the opportunities available for business development provided by the Money20/20 platform.

One Click Retail

£12.1m

Revenue +58[1]

The leading eCommerce analytics provider for Amazon sales and share, continued its rapid progress in the first full year of ownership. Both revenue and customer volumes grew more than 50%, while annual billings growth was 57%. A European office was established in London and we launched One Click Retail's own live content forums for the eCommerce community with the first event taking place in Seattle in November.

Clavis

£0.3m

Full year revenue £13.4m, +29%[1]

Clavis was acquired in December 2017 and offers a complementary product set to One Click Retail's sales and share expertise, as well as the potential to reach beyond the Amazon platform and further into the European and Asian markets. We included just nine days of revenue and EBITDA loss in our 2017 consolidated income statement.

[1] Organic growth is an Alternative Performance Measure, as explained on page 19.

/ Exhibitions and Festivals

Cannes Lions

£65.6m

Revenue +7%[1]

The creative community's largest global platform for networking, learning and inspiration, enjoyed another successful edition in June. Revenue grew 7%, driven by the strength of the digital product and commercial partnership revenues. The festival attracted over 40,000 award entries, welcomed around 10,000 paying delegates, and hosted over 600 speakers, including Dame Helen Mirren, Sheryl Sandberg and Juan Manuel Santos, President of Columbia and recipient of the 2016 Nobel peace prize.

In the second half of the year, we engaged with key customers and partners in a thorough consultation on the direction of the festival, with particular focus on the evolution of the creative industry that it serves. As a result, in November, we announced several key changes to make the 2018 festival even more relevant to its participants, as well as measures to make it more affordable and accessible. We were pleased with the positive reaction from the industry to these changes and look forward to seeing the impact of the new format in 2018.

Money20/20

£40.5m

Revenue +19%[1]

The world's leading event for the FinTech eco-system, continued to expand in 2017. The second year in Europe yielded extremely strong growth of 43%, attracting more than 5,000 attendees and 200 exhibitors. Such has been the popularity of the European edition that it will move from Copenhagen to Amsterdam's Rai convention centre in 2018, which offers significantly more capacity. Money20/20 USA also grew strongly by 11% in its sixth year and welcomed approximately 11,500 attendees and 400 exhibitors to Las Vegas.

Revenue by show (£'m)	2017	2016	Organic growth
Las Vegas, USA	28.2	26.9	+11%
Copenhagen, Europe	12.3	7.8	+43%
Total	40.5	34.7	+19%

In addition to the ongoing preparations for Money20/20 Asia which takes place in Singapore in March 2018, we were excited to announce that the brand is to debut in China, in November 2018. An earlier launch than originally anticipated, Money20/20 China, in the city of Hangzhou, will address this country's uniquely fast growing and innovative payments eco-system.

Spring and Autumn Fair

£33.6m

Revenue -2%[1]

The UK's No. 1 home and gift show for the retail industry and largest trade exhibition hosted approximately 85,000 visitors and 4,000 exhibitors and, as expected, delivered a slight revenue decline of 2%. Innovations in 2017 included the launch of digital appointment planning for buyers, while new in 2018's show is the Gift of the Year Awards and its gala dinner.

Other Exhibitions and Festivals

£57.2m

The RWM exhibition which delivered £3.9m of revenue in 2017 (down 19%) was sold on 29 December 2017 to a specialist events organiser with existing assets in the environmental sector. The other brands within Exhibitions and Festivals are Bett, CWIEME, Pure, Glee, BVE, WRC and the Lions Regional Festivals. The segment also includes the strategic event partnership services provided to DTI and other Government agencies. The performance of the largest brands was as follows:

- **Bett (revenue £17.9m +11%)** the leading educational technology series, enjoyed a year of strong growth. This was led by the success of the UK edition, which attracted over 34,000 visitors and 600 exhibitors while engagement with the most senior levels of educational institutions continued to grow.
- **CWIEME (revenue £10.5m +4%)** which serves the automotive, consumer electronics and power generations sectors across its four shows in Berlin, Shanghai, Chicago and, in 2017, Istanbul, saw overall good growth in the year. The largest show, in Berlin, attracted over 5,500 visitors and 500 exhibitors, with the show's relevance for electric motors and vehicles driving particular interest. In 2018 we have launched the EV Momentum Summit a brand new event dedicated to addressing the challenges and opportunities of the fast-growing electro-mobility ecosystem.
- **Pure (revenue £9.1m -3%)** the UK's leading fashion trade show, welcomed over 18,000 visitors and over 1,000 exhibitors across its two editions. In 2018 we have launched the Pure Origins platform to unite global fashion manufacturers and buyers.

1 Organic growth is an Alternative Performance Measure, as explained on page 19.

/ OUR STAKEHOLDER VALUE

UNLOCK THE FUTURE

Clients

Unlocking the answer to our clients' most complex business challenges

THE ADVANTAGE FOR OUR CLIENTS

Our intelligence and insights ensure our clients' businesses thrive in the digital age, keeping them ahead of their competitors while driving innovation through world class networking events and opportunities

Investors

Unlocking a strong investment opportunity for our stakeholders

THE ADVANTAGE FOR OUR INVESTORS

Our market leading brands evolve with customer demand, unlocking a dependable and exciting investment proposition built on strong growth, good profitability and disciplined use of capital

Employees

Unlocking our employees' skills and potential in a business that's always evolving

THE ADVANTAGE FOR OUR EMPLOYEES

We nurture our employee talent, unlocking hidden skills through unique learning and development opportunities and creating entrepreneurial environments and cross-brand opportunities

/ OUR STRATEGIC OBJECTIVES

DRIVING GROWTH

In 2018 we will continue to prioritise our market leading brands, while simplifying the way we work across the organisation to drive further efficiency and synergies.

Our Priorities	Goals for 2018
Market Leading Be a market leading information company, enabling our customers to excel in the digital economy in product design, marketing and sales.	To establish Money20/20 as the leading financial technology payments event platform across the four biggest markets of the United States, China, Europe and South-East Asia. To create the leading enterprise insight platform for market planning, digital shelf, market share, promotion, content and trade research worldwide.
Accelerate Organic Growth Accelerate the organic growth of our revenues and optimise margins and profits.	To accelerate the growth of the WGSN products launched over the last 18 months, establishing leadership across the new segments of Insight and Coloro. To continue the evolution of the Cannes Lions platform to ensure the marketing industry has a consistent measure of creativity across all digital economies and new media formats, while accelerating our own digital propositions to further establish the global Cannes Lions benchmark. To maintain our market leading customer retention levels across our most important brands.
Capital Allocation Apply a tightly focused capital allocation process, to achieve our goals and to maximise value creation for our shareholders.	To optimise our capital allocation and balance sheet to enable us to achieve our goals and to continue to simplify the Company.

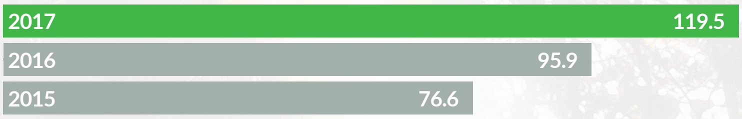
/ KEY PERFORMANCE INDICATORS

Revenue from continuing operations (£m)

£375.8m

Adjusted EBITDA (£m)

£119.5m

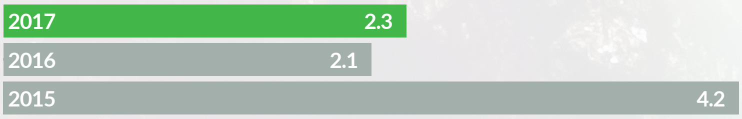


Adjusted EBITDA margin (%)

31.8%

Leverage ratio (x)

2.3x



/ FINANCIAL REVIEW

"2017 was another year of good Organic growth in revenue and strong cash generation."

Mandy Gradden
Chief Financial Officer

Overview

In addition to a strong growth performance, we have made good progress on executing our strategy with greater focus on higher growth brands through the acquisitions of MediaLink and Clavis as well as the successful disposal of the 13 Heritage Brands classified as held for sale at the end of last year.

The results for the year are set out in the consolidated profit and loss statement and show, for continuing operations, revenue of £375.8m (2016: £299.6m), an Organic growth of 6.4%, and reported operating profit of £44.5m (2016: £32.1m). Adjusted EBITDA was £119.5m (2016: £95.9m) an Organic growth of 3.4%. We also delivered strong cash flow in 2017 with free cash flow after tax and capex of £102.2m (2016: £90.9m) a conversion of 85% in line with last year.

A core KPI and strategic goal of the Company is Organic revenue growth as this is the most efficient method of growth, measures the underlying health of the business and is a key driver of shareholder value creation. Organic revenue growth eliminates the distorting impact of acquisitions and disposals and that element of growth which is driven by changes in foreign exchange rates. It is an alternative performance measure and is discussed in more detail on page 19.

Adjusted EBITDA is also an alternative performance measure and is used in the day-to-day management of the business to aid comparisons with peer group companies, manage banking covenants and provide a reference point for assessing our operational cash generation. It eliminates items arising from portfolio investment and divestment decisions, and from changes to capital structure. Such items arise from 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.

Continuing operations

£'m	2017	2016	Growth rate %	Organic growth rate %
Revenue	375.8	299.6	25%	6.4%
Adjusted EBITDA	119.5	95.9	25%	3.4%
Adjusted EBITDA margin	31.8%	32.0%		

Segmental results

The Company has two reportable segments "Exhibition & Festivals" (with the main brands being Cannes Lions, Money20/20, Spring and Autumn Fair, Bett, CWIEME and Pure) and "Information Services" (with the main brands being WGSN, MediaLink, Groundsure, One Click Retail and Clavis). Following the acquisition of MediaLink and One Click Retail, the split of revenues between Exhibitions & Festivals (52%) and Information Services (48%) has become more balanced during the last 12 months.

Revenue from continuing operations

£375.8m

Up 25%
(2016: £299.6m)

Statutory operating profit

£44.5m

Up 39%
(2016: £32.1m)

"Adjusted EBITDA from continuing operations increased by 25% to £119.5m, with an Organic growth rate of 3.4%."

A summary of the performance of the Company's segments is set out below:

2017	Exhibitions & Festivals	Information Services	Central Costs	Continuing operations
Revenue	196.9	178.9	–	375.8
Organic revenue growth	*5.7%*	*7.4%*	–	*6.4%*
Adjusted EBITDA	82.3	50.4	(13.2)	119.5
Organic Adjusted EBITDA growth	*5.1%*	*4.2%*	–	*3.4%*
Adjusted EBITDA margin	*41.8%*	*28.2%*	–	*31.8%*
Depreciation and software amortisation	(5.5)	(4.1)	(1.5)	(11.1)
Adjusted operating profit	76.8	46.3	(14.7)	108.4

2016	Exhibitions & Festivals	Information Services	Central Costs	Continuing operations
Revenue	180.0	119.6	–	299.6
Organic revenue growth	*12.3%*	*5.4%*	–	*9.5%*
Adjusted EBITDA	73.5	35.1	(12.7)	95.9
Organic Adjusted EBITDA growth	*17.5%*	*4.7%*	–	*11.5%*
Adjusted EBITDA margin	*40.8%*	*29.3%*	–	*32.0%*
Depreciation and software amortisation	(3.3)	(5.7)	(3.9)	(12.9)
Adjusted operating profit	70.2	29.4	(16.6)	83.0

Revenue
The Company benefits from diverse revenue streams across its brands 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 from continuing operations in 2017 grew to £375.8m (2016: £299.6m), an increase of £76.2m or 25%. Adjusting for currency impacts and recent acquisitions organic growth was 6.4% driven by double digit growth of Money20/20 (19%), Groundsure (13%), One Click Retail (56%) as well as Bett (11%) followed by the high single digit growth of Cannes Lions (7%) and WGSN (6%). This was slightly offset by a 2% decline in Spring and Autumn Fair.

/ FINANCIAL REVIEW CONTINUED

Adjusted EBITDA

Adjusted EBITDA increased by 25% to £119.5m (2016: £95.9m) representing a 3.4% Organic growth rate. Adjusted EBITDA margin dropped slightly to 31.8% due to planned product investment in Information Services largely offset by favourable foreign exchange movements.

Reconciliation between Adjusted EBITDA and statutory operating profit

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

£'m	2017	2016
Adjusted EBITDA	119.5	95.9
Depreciation and software amortisation	(11.1)	(12.9)
Adjusted operating profit	108.4	83.0
Amortisation	(25.5)	(28.8)
Exceptional items	(34.3)	(20.7)
Share based payments	(4.1)	(1.4)
Statutory operating profit	44.5	32.1

Amortisation of acquired intangible assets

The amortisation charge of £25.5m (2016: £28.8m) on acquired intangible assets relates mainly to US acquired intangibles with the addition of MediaLink and a full year of One Click Retail offset by the impact of fully amortised assets. The Company undertakes a periodic review of the carrying value of its intangible assets of £771.7m (2016: £651.6m) which are supported by the value in use calculations and no impairment was identified in the current or prior year.

Exceptional items

The charge for exceptional items included in continuing operations in 2017 totalled £34.3m (2016: £20.7m) as set out in the table below and further explained in Note 5.

£'m	2017	2016
Deferred consideration	27.7	15.3
Expenses related to acquisitions	4.6	1.7
Loss on disposal of RWM	1.8	–
IPO expenditure and other	0.2	3.7
Exceptional items relating to continuing operations	34.3	20.7

The charge for deferred consideration relates to acquisition-related contingent employment costs on the acquisition of Money20/20, One Click Retail and MediaLink which, absent the link to continued employment, would have been treated as consideration as well as, in 2016, adjustments to deferred consideration recognised in prior years on Money20/20.

Share-based payments

The charge for share-based payments of £4.1m (2016: £1.4m) incorporates the Share Incentive Plan, the SAYE and the Performance Share Plan. Further details are set out in Note 7.

- The charge in 2016 represented 9 months' charge (of the 36 month service period) for the Company's inaugural grant of awards.
- 2017's charge includes both a 12 month charge for the 2016 award and a 10 month charge for the 2017 award.
- The 2018 charge will include 12 month charge for the 2016 and 2017 awards as well as an expected 10 month charge for the grant in March 2018.

Finance costs

The adjusted net finance costs for the year were £11.7m (2016: £17.8m) as set out in the table below.

£'m	2017	2016
Interest payable on external debt	(5.8)	(10.1)
Interest receivable	0.2	0.1
Amortisation of loan arrangement fees	(1.3)	(1.4)
Other finance charges	(4.3)	(2.9)
Net loss on foreign exchange and derivatives	(0.5)	(3.5)
Adjusted net finance costs	(11.7)	(17.8)

The interest expense on the Company's borrowings was £5.8m (2015: £10.1m) with the reduction driven by the reduction in leverage and the consequent reduced rate of interest payable. Other finance charges represent the unwind of the discount on deferred consideration and increased during the year due to the acquisition of MediaLink at the start of the year.

Taxation

A tax charge of £23.2m (2016: £10.9m) was incurred on adjusted profit before tax of £97.0m (2016: £65.1m) resulting in an adjusted effective tax rate for the year of 24% (2016: 17%). This tax charge arises on profits before adjusting items that total £63.9m (2016: £66.9m). A tax credit of £12.2m arises on these adjusting items (2016: £24.3m). This equates to a total tax charge of £11.0m (2016: credit of £13.4m) and an effective tax rate of 33% on the continuing profit before tax of £33.1m.

Two major factors impacted the tax charge in 2017:

- The implementation of US tax reform in December 2017, and in particular the reduction in the US Federal tax rate from 35% to 21%. This resulted in the downwards revaluation of deferred tax assets and liabilities on losses and intangibles resulting in a charge of £10.4m and £6.8m to the adjusted tax charge and adjusting items respectively.
- The recognition of additional historic US net operating losses following a reassessment of the restriction on utilisation of the losses. This was occasioned by the 2017 acquisition of MediaLink which gave further certainty on the sufficiency of future taxable US profits and by the receipt of a third party valuation of the US sub-group at the time of the post-IPO change of control. The impact on the adjusted tax charge was a credit of £12.7m.

The ongoing adjusted effective tax rate of the Group is expected to be approximately 23-24% next year.

Cash tax paid was £7.9m (2016: £3.5m) as the Group continued to benefit by £6.7m (2016: £8.1m) from the utilisation of historic tax losses in the UK and US which are expected to benefit the Group's cash flow over the medium term.

The Group has a total recognised deferred tax asset of £47.1m (2016: £54.9m) relating to UK and US losses, accelerated capital allowances and US acquired intangibles and deferred consideration. The majority of this asset is expected to convert into cash savings over the next ten years. The recognition of deferred tax assets on US losses in particular requires considerable judgements to be made including future trading performance of the US Group in the period up to the loss expiration, assessment of future earnouts payable for US acquisitions and the valuation of the US Group at the point of post-IPO change of control. In total a net deferred tax asset of £13.8m (2016: £17.4m) has been recognised in respect of US taxes leaving £127.1m of unrecognised US tax losses with a tax value of £26.7m.

Our deferred tax liability amounted to £31.3m (2016: £30.3m) and related to non-deductible acquired intangibles and is not expected to convert into cash.

Discontinued operations

Discontinued operations relate to the 13 Heritage Brands which were sold at various dates in 2017. The overall result for discontinued operations is comprised as follows:

£'m	2017	2016
Revenue	23.8	57.9
Adjusted EBITDA	1.1	11.6
Depreciation and amortisation	–	(4.3)
Exceptional item	(1.2)	(1.9)
Share based payments	(0.3)	(0.1)
(Loss)/profit before tax	(0.4)	5.3
Taxation	(3.7)	(1.3)
(Loss)/profit after tax	(4.1)	4.0

The exceptional item in discontinued operations includes a gain on disposal of £0.9m offset by £2.1m of costs separating the Heritage Brands including IT separation costs.

Foreign currency translation impact

Ascential reports its results in pounds Sterling and following its acquisition strategy and the growth of Cannes Lions and Money20/20, reported performance is increasingly sensitive to movements in both the Euro and US Dollar against pounds Sterling.

For most of 2017, Sterling was in line with the 2016 US Dollar average exchange rates but strengthened against the US Dollar at the year end – a trend that has continued in 2018 to date. Sterling continued to weaken against the Euro in 2017, as can be seen in the table below:

	Weighted average			Year end rate		
Currency	2017	2016	Change	2017	2016	Change
Euro	1.14	1.25	8.8%	1.13	1.17	3.4%
US Dollar	1.30	1.30	–	1.35	1.23	(9.8%)

/ FINANCIAL REVIEW CONTINUED

When comparing 2017 and 2016, changes in currency exchange rates had a net favourable impact of £10.6m on revenue and £6.0m on Adjusted EBITDA. On a segmental basis, the favourable impact of changes in foreign currency exchange rates was as follows:

- Exhibitions & Festivals: £7.0m impact on revenue and £4.7m impact on Adjusted EBITDA.
- Information Services: £3.6m impact on revenue and £1.2m impact on Adjusted EBITDA.

For illustrative purposes, the table below provides details of the impact on revenue and Adjusted EBITDA if the actual reported results were restated for Sterling weakening by 1% against the USD and Euro rates in isolation.

£'m	2017 Revenue	2017 Adjusted EBITDA	2016 Revenue	2016 Adjusted EBITDA
Increase in revenue/Adjusted EBITDA if:				
Sterling weakens by 1% against USD in isolation	1.2	0.6	0.7	0.4
Sterling weakens by 1% against EUR in isolation	1.1	0.9	0.9	0.7

Furthermore, each 1% movement in the Euro to pounds Sterling exchange rate has a circa £1.5m impact on the carrying value of borrowings and each 1% movement in the US Dollar has a circa £1.0m impact.

Earnings per share

Adjusted diluted Proforma earning per share of 18.6p per share is 20% ahead of the 15.5p per share recorded for 2016 and total diluted Proforma earnings per share of 4.4p per share is 13% ahead of the prior year figure of 3.9p. Total diluted earnings per share were 4.4p (2016: 4.3p).

Acquisitions and disposals and capital expenditure

We regularly assess opportunities to acquire high-growth products operating in sectors with the potential for scale and incurred initial cash consideration of £156.5m for two acquisitions of higher growth brands.

MediaLink

In February 2017, we acquired US-based media advisory business MediaLink for initial cash consideration of £55.3m plus future earnouts expected to total between $42m and $62m payable in cash or, for certain elements, shares at Ascential's option. A portion of the earnout payments is subject to founders remaining in employment with the company. MediaLink is growing rapidly and delivered revenue of £47.4m and adjusted EBITDA of £12.0m in 2017 up from £39.4m and £10.4m respectively in the prior year.

Clavis

In December 2017, we acquired the eCommerce analytics business Clavis for initial consideration of £88.9m plus future earnout expected to total between $25m and $50m payable in cash. A portion of the earnout payments is subject to founders remaining in employment with the company. Clavis is growing rapidly and, in the 2017 year, generated unaudited revenue of £13.4m and an EBITDA loss of £4.2m, up from £9.9m and £6.0m respectively in the prior year. Clavis is expected to break even in 2018.

Heritage Brands

We disposed of the 13 Heritage Brands held for sale at December 2016 in three transactions in January, May and December 2017. Total consideration received was £51.2m and the sale generated a gain on disposal of £0.9m.

Detailed information on all acquisitions can be found in Note 12 on pages 89 to 92.

The Group spent a further £11.8m of capital expenditure (2016: £13.1m). This investment was primarily for new product development and enhancements to business applications to support future organic growth.

Cash flow

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

£'m	2017	2016
Adjusted EBITDA (including discontinued operations)	120.6	107.5
Working capital movements	1.3	–
Adjusted cash generated from operations	121.9	107.5
% operating cash flow conversion	101%	100%
Capital expenditure	(11.8)	(13.1)
Tax paid	(7.9)	(3.5)
Free cash flow	102.2	90.9
% free cash flow conversion	85%	*85%*
Exceptional costs paid	(14.9)	(11.6)
– deferred consideration	(8.2)	(4.0)
– other	(6.7)	(7.6)
Loan to joint venture	0.2	(4.5)
Acquisition consideration paid	(156.5)	(39.4)
Disposal proceeds received	48.7	0.2
Cash flow before financing activities	(20.3)	35.6
Net interest paid	(5.9)	(20.8)
Dividends paid	(20.0)	(6.0)
Proceeds of issue of shares net of expenses	0.1	188.5
Debt drawdown/(repayments)	33.0	(189.4)
Net cash flow	(13.1)	7.9
Opening cash balance	61.9	44.4
FX movements	(3.0)	9.6
Closing cash balance	45.8	61.9
Borrowings	(320.7)	(290.3)
Capitalised arrangement fees	3.3	4.3
Derivative financial instruments	0.1	0.4
Net debt	(271.5)	(223.7)

The Company generated Adjusted operating cash flow of £121.9m (2016: £107.5m), an increase of 13%, due to the strong operational performance of the business. Capex was slightly behind 2016 at £11.8m (2016: £13.1m) reflecting the prior year's fit out of the Paddington office to accommodate the entire Exhibitions & Festivals business. The Company generated free cash flow of £102.2m (2016: £90.9m), also an increase of 13%, which was used to fund interest payments, M&A and exceptional items.

A major feature of cash flow in 2016 was the IPO, which generated proceeds of £200.0m or £188.5m net of expenses, which was used to reduce indebtedness.

Returns to shareholders

The Board targets a dividend payout ratio of 30% of Adjusted profit after tax. Consequently, the Board is recommending a final dividend of 3.8p per share payable on 15 June 2018 to shareholders on the register on 18 May 2018 which, together with the Company's interim dividend of 1.8p paid in September 2017, makes a total dividend for the 2017 financial year of 5.6p.

/ FINANCIAL REVIEW CONTINUED

Other financial matters

Capital structure

The Company 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. Following the acquisition of Clavis at the end of the year, the consolidated leverage ratio as at 31 December 2017 is 2.3x (31 December 2016: 2.1x).

Liquidity

On 12 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 1.5% over LIBOR on the term loans and LIBOR plus 1.25% on the RCF. There is a leverage covenant limit of 4.0x (which drops to 3.5x in 2019) which is measured semi-annually.

As at 31 December 2017, £320.7m of the facilities had been drawn (2016: £290.3m) including £31.8m of the RCF (2016: £nil).

Financial risk management

The Group is exposed to risks arising from the international nature of its operations and the financial instruments which fund them. These instruments include cash and borrowing and items such as trade receivables and trade payables which arise directly from operations. External borrowings are denominated 47% in Euros with the balance split between US Dollars (32%) and pounds Sterling (21%). The Company reviews and protects a proportion of its exposure to interest rate rises on the cost of borrowings through use of derivatives where appropriate. Principal risks (including strategic, operational, legal and other risks) are shown on pages 24 to 27.

Going concern

Ascential's business activities, performance and position, together with the factors likely to affect its future development, are set out in the Strategic Report. The Board is responsible for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The processes in place for assessment, management and monitoring of risks are described on page 22. Details of the financial risk management objectives and policies are given on pages 102 to 110 in Note 33 to the consolidated financial statements.

The Directors believe that the Group is well placed to manage its business risks successfully. The Board's assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, show that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have assessed the Group's prospects and viability over a three-year period and the viability statement can be found on page 23. Accordingly, the Directors continue to adopt the going concern basis for the preparation of the financial statements. In forming their view, the Directors have considered the Group's prospects for a period exceeding 12 months from the date when the financial statements are approved.

Mandy Gradden
Chief Financial Officer
23 February 2018

/ ALTERNATIVE PERFORMANCE MEASURES

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

Organic growth measures

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

- acquisitions and disposals of businesses lead to a lack of comparability between periods due to consolidation of only part of a year's results for these businesses;
- changes in exchange rates used to record the results of non-Sterling businesses result in a lack of comparability between periods as equivalent local currency amounts are recorded at different Sterling amounts in different periods; and
- event timing differences between periods. The Group has no biennial events, but when annual events are held at different times of year this can affect the comparability of half-year results.

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

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

Organic growth is calculated as follows:

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Revenue				
2017 – reported	196.9	178.9	–	375.8
Exclude acquisitions and disposals	–	(51.0)	–	(51.0)
2017 – Organic basis	196.9	127.9	–	324.8
Organic revenue growth	5.7%	7.4%	–	6.4%
2016 – reported	180.0	119.6	–	299.6
Exclude acquisitions and disposals	(0.8)	(4.1)	–	(4.9)
Currency adjustment	7.0	3.6	–	10.6
2016 – Organic basis	186.2	119.1	–	305.3

£'m	Exhibitions & Festivals	Information Services	Central costs	Continuing operations
Adjusted EBITDA				
2017 – reported	82.3	50.4	(13.2)	119.5
Exclude acquisitions and disposals	–	(17.2)	–	(17.2)
2017 – Organic basis	82.3	33.2	(13.2)	102.3
Organic EBITDA growth	5.1%	0.2%	–	3.4%
2016 – reported	73.5	35.1	(12.7)	95.9
Exclude acquisitions and disposals	–	(3.1)	–	(3.1)
Currency adjustment	4.7	1.2	0.1	6.0
2016 – Organic basis	78.2	33.2	(12.6)	98.8

/ ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Adjusted profit measures

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

Adjusting items

Adjusting items are not a defined term under IFRS, so may not be comparable to similar terminology used in other financial statements. Adjusting items include exceptional items, amortisation of acquired intangibles and share based payment charges. These items are defined and explained in more detail as follows:

Exceptional items

Exceptional items are recorded in accordance with the policy set out in Note 1 to the 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. These items are presented within a separate column on the face of the income statement, but within their relevant income statement caption to assist in the understanding of the performance and financial results as these types of cost do not form part of the underlying business.

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 several years, and so the associated amortisation does not reflect current operational performance.

Share based payments

Following the IPO, a number of employee share schemes have been introduced, as set out in Note 33 to the Financial Statements resulting in a lack of comparability between periods in respect of share scheme costs – particularly as the income statement charge builds up to a normalised level over a three year period. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Finance costs

In 2016, certain elements of finance costs were incurred as a result of debt refinancing and are therefore a result of changes to the Company's capital structure. In addition, part of the pre-IPO Shareholder debt was converted to equity, and as a result there is a lack of comparability between periods in respect of the interest previously incurred on this Shareholder debt. As this arises from a change triggered by the IPO change in capital structure, these costs have been treated as Adjusting items.

Tax related to adjusting items

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

Adjusted cash flow measures

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

£'m	2017	2016
Cash generated from operations	107.0	95.9
Add back: acquisition-related contingent employment cash flow	8.2	4.0
Add back: other exceptional cash flow	6.7	7.6
Adjusted cash generated from operations	121.9	107.5

£'m	2017	2016
Net cash from operating activities	99.1	92.4
Add back: acquisition-related contingent employment cash flow	8.2	4.0
Add back: other exceptional cash flow	6.7	7.6
Less: capital expenditure	(11.8)	(13.1)
Free cash flow	102.2	90.9

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

Proforma EPS

Changes to the Group's capital structure affecting the number of shares in issue will affect the comparability of earnings per share between periods. In order to present a consistent measure of earnings between periods, Ascential presents Proforma measures of EPS in which major changes to the number of shares in issue are presented as if they had occurred on the first day of the comparative period.

In presenting the 2016 financial statements, the IPO which completed on 12 February 2016 is treated as such a major change, and so accordingly Proforma EPS is calculated using a weighted average number of shares as if the IPO had occurred at the beginning of the 2016 financial year. Details are set out in Note 26 of the Financial Statements.

Glossary of alternative performance measures

Term	Description
Adjusted EBITDA	Adjusted operating profit excluding depreciation and software amortisation
Adjusted EBITDA margin	Adjusted EBITDA as a percentage of revenue
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 operating profit	Operating profit excluding Adjusting items
Adjusted profit before tax	Profit before tax excluding Adjusting items
Adjusted tax charge	Tax charge excluding Adjusting items
Cash conversion	Free cash flow expressed as a percentage of Adjusted EBITDA
Effective tax rate	Tax charge expressed as a percentage of profit before tax
Exceptional items	Items within Operating profit separately identified in accordance with Company accounting policies
Free cash flow	Cash flows before exceptionals, portfolio investments and divestments, and financing
Net debt leverage	The ratio of Net debt to Adjusted EBITDA
Organic revenue growth	Revenue growth on a like-for-like basis
Organic EBITDA growth	Adjusted EBITDA growth on a like-for-like basis
Proforma Adjusted EPS	Adjusted EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016
Proforma EPS	EPS calculated using a proforma number of shares, as if the IPO had occurred at the beginning of 2016

/ RISK MANAGEMENT

Risk management approach
Effective risk management is key to the success of our business. Risk is ultimately about future uncertainty, both opportunities and threats, and future events which might impact on our business performance. Accordingly, we do not seek to eliminate all risk, but to ensure that we only take risks that are relevant to our strategic goals and that risks should be balanced by proportionate reward. Our approach is to develop and maintain a risk framework to identify, monitor and manage the principal risks we face, within the overall framework of our Business Resilience Programme.

Risk management objectives
The primary objectives of risk management at Ascential are:

- To recognise that risk is embedded in all activities and that the underlying risk culture and approach is key to effective decision making.
- To promote consistency and transparency in methodology, assessment and management processes.
- To promote proactive recognition of external factors which present opportunities or uncertainties that could affect the achievement of our strategy and objectives.
- To enable the design and implementation of controls that provide appropriate assurance and are cost effective.
- To recognise that timely and accurate monitoring, review, communication and reporting of risk is critical to providing:
  - early warning mechanism for the effective management of risk occurrences;
  - assurance to management, the Board and shareholders;
  - a solid platform for growth; and
  - a sound business resilience platform.

Risk management process
It is the responsibility of all of our colleagues to manage risks within their domain. Ultimately, accountability for risk management resides with the Board which is responsible for ensuring that there is an adequate and appropriate risk management framework and culture in place.

The graphic below illustrates our approach to identifying and managing risk. Ascential employs both a top-down and bottom-up approach. Central functions and each operating division has a risk committee comprising divisional leaders and other functional heads, which are all attended by the Company Secretary, the General Counsel and the Head of Security to provoke discussion and share best practice across the Company. Risk identification follows a standard framework to assess impact and likelihood and risks are ranked in order to better direct resources to those which have a higher potential impact.

The Board

- Sets risk appetite taking into account strategic objectives
- Conducts 'deep dives' into specific principal risks
- Approves principal Group risks
- Assesses impact of principal risks when analysing the Company's long-term viability
- Considers reports from management and the Audit Committee as part of its review of the effectiveness of the system of internal controls

The Audit Committee

- Monitors the adequacy and effectiveness of internal control and risk management systems
- Ensures that a robust assessment of the principal risks facing the Company has been undertaken
- Monitors and reviews the effectiveness of the Internal Audit function

Executive Committee

- Prioritises principal risks
- Allocates resources to manage risks according to potential impact
- Communicates priorities to the Business
- Reviews divisional risk registers to agree aggregate risk register
- Identifies any emerging actions where Group wide action is required
- Reviews effectiveness of risk management procedures

Internal Audit

- Reviews and assesses the internal control environment with focus on control effectiveness, quality and continuous improvement
- Determines whether controls are appropriate to provide financial, managerial and operating information that is accurate, reliable and timely
- Determines whether risks are appropriately identified and managed
- Assesses whether assets are appropriately safeguarded
- Evaluates the systems established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on the Company

Divisional Risk Committees

- Identifies risks and risk owners
- Scores impact of risk on a mitigated and unmitigated basis, according to the Company's agreed risk scoring methodology
- Identifies controls and mitigations to manage risk
- Agrees action plans to strengthen controls or address deficiencies
- Reviews progress with action plans and current risks
- Identifies emerging risks
- Submits bottom-up risk registers to the Executive Committee
- Reports on effectiveness of risk management procedures

Developments in risk management in 2017

We continued to enhance our risk management policies during the year. A new and consistent reporting format for divisional risk registers was introduced along with a revised risk scoring methodology to increase transparency and enable more effective challenge of risk ratings and the efficiency of controls.

In addition to the Audit Committee receiving reports on the effectiveness of internal control and risk management, the Board has added a deep dive review of one of the principal risks to its standard Board meeting agenda. Reviews in 2017 included macro-economic conditions (including the impact of Brexit), cyber risk, people risk and new product and capability development.

Long-term viability statement

The Directors have assessed the prospects and viability of the Group in accordance with Provision C2.2 of the UK Corporate Governance Code. This assessment has been based on a three-year timeframe, covering the period to 31 December 2020, which is considered appropriate because it aligns with the Company's strategic planning and financial forecasting horizon, and because, in relation to viability, it provides a sufficiently long period for stress testing scenarios to be modelled through at least one complete business cycle.

The Company's prospects have been assessed mainly with reference to the Company's strategic planning and associated long-range financial forecast. This incorporates, as the first year, a detailed bottom-up budget for each part of the business. The budgeting and planning process is thorough and includes input from most operational line managers as well as senior management, and forms the basis for most variable compensation incentives.

The Board also participates during the year in both strategic planning and reviewing the detailed bottom-up budgets. The outputs from this process include full financial forecasts of EBITDA, Adjusted earnings, cash flow, working capital and net debt.

The Directors consider that the planning process and forecasts provide a sound underpinning to management's expectations of the Group's prospects.

The Directors carried out a robust assessment of the principal risks facing the Group, including those that could threaten its business model, future performance, solvency or liquidity. This assessment was made with reference to the Company's current position and prospects, strategy and principal risks, including how these are managed.

The Directors also assessed the potential impact on the Company's prospects should certain risks to the business materialise. This was done by considering specific scenarios aligned to the principal risks identified on pages 24 to 27, applied to stress test the long-range financial forecast. Of these, the five scenarios considered to have the most serious impact on the financial viability of the Company were modelled in detail.

The specific scenarios were:

- a global recession, designed to capture the impact of the most serious plausible manifestation of macro-economic risks;
- a major event venue being unavailable at short notice, with no equivalent alternative venue available;
- a serious safety and security incident at a major event;
- a substantial breach of cyber security and associated loss of data; and
- the loss of a major customer.

For each scenario, the modelling captured the impact on key measures of profitability, cash flow, liquidity and debt covenant headroom. Scenarios included the effects of plausible mitigation plans where appropriate. In all cases modelled, the Group was able to continue to fund its operations and to comply with debt covenant requirements.

Based on this assessment of prospects and stress test scenarios, together with its review of principal risks and the effectiveness of risk management procedures, the Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 December 2020.

/ PRINCIPAL RISKS

Principal risks and uncertainties

Principal risks are those that the Board considers would have the most impact on Ascential's strategic objectives. The Board has made a robust assessment of the principal risks facing the business including those related to its business model, future performance, solvency or liquidity, and considered them in the formulation of the Long-Term Viability Statement.

As part of this assessment, the Board considered the impact of the UK's decision to leave the EU (Brexit) and identified that the main impacts would be related to currency fluctuation, potentially reduced demand from business in certain regions, and changes to regulatory and tax frameworks. Potential implications of Brexit are considered at a more granular level by the Divisional Risk Committees and work includes proactive consultation through relevant industry bodies and the assessment of specific risks and opportunities presented by Brexit. In respect of the overall Group, the Board continues to consider that it is most appropriate, taking into account the diversification of revenue streams and geographical footprint, to manage this risk as part of the principal risk of macro-environment and geopolitical conditions rather than as a separate risk.

The review during 2017 did not identify any new principal risks but the grouping and articulation of principal risks has been revised to more clearly articulate the key risks facing the Group and the mitigation activity in place to manage them.

The Board considers the following to be the Company's principal risks:

/ Business and Strategic

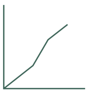
Description	Link to strategy	Impact	Mitigation
Customer end-market development	**Market Leading**	Our customers operate in a variety of end-markets, each with their own competitive pressures affecting customer preferences and spend. Changes in these end markets could increase competition, reduce customer spend, or make our products less relevant to customer needs, which could lead to a loss of market share and profitability.	• Strategic focus on customer retention ensures we stay close to customer sentiment and have early indications of whether there is a change in the perceived value of our products. • Customer satisfaction is measured regularly, and detailed usage is tracked to ensure continued relevance of product offerings. • We invest in new product development, and enhancements to existing products, to respond to changing needs and ensure continuing value to the customer. Where appropriate, this includes consultation with significant customer groups.
Economic and geopolitical conditions	**Accelerate Organic Growth**	Significant recession could lead to reduced customer demand for our products and services. Political and regulatory changes, such as those that may arise following the UK's decision to leave the EU, may disrupt patterns of trade, impose operating inefficiencies, and may also significantly affect the Company's tax position.	• Our brands hold market leading positions in their respective markets and many are closely integrated into customers' operational processes which increases the resiliency of revenues in the face of reduced demand. • Recession modelling gives early visibility of recession, enabling plans to be implemented proactively to minimise any sustained financial loss. • We monitor the geopolitical landscape and develop plans to specific threats or opportunities.
Competition or substitution	**Market Leading**	Our products depend on custom-designed IT platforms which require continual development to ensure the services remain competitive, by enhancing existing offerings and building new solutions to meet customer requirements. Our brands generally hold market leading positions in their respective markets and increased competition or substitution could result in a loss of market share and revenue.	• We review all major technology development proposals at a senior level, and manage subsequent delivery through robust project management. • We maintain an awareness of emerging technology developments through a variety of sources including relationships with existing vendors and independent partners, market research and involvement with peer networks. • We continually develop our brands to ensure sustained relevance to customers. • We closely monitor the competitive landscape to identify opportunities and threats.

/ Business and Strategic continued

Description	Link to strategy	Impact	Mitigation
New product and capability development	**Market Leading**	The ability to grow our revenues organically is central to Ascential's sustainability and development of new products and capabilities is a key driver for organic growth. Failure to successfully execute this development could negatively impact Ascential's growth rates and profitability.	• The Strategy Director manages all new product development. • All new product development has formal project plans, with appropriate gating and milestones. • Performance against project plans is monitored and reviewed by executive management.
Acquisitions and disposals	**Capital Allocation**	Growth through acquisitions entails several risks, including the ability to identify acquisition opportunities, to achieve the expected benefits, to integrate acquired businesses with our existing businesses, to retain staff and to preserve sources of competitive advantage. Acquisitions which move the Group into different geographies or markets increase operational complexity. Disposals may not realise appropriate value. Acquisitions which do not deliver anticipated value or are a poor strategic fit may lead to a loss of profitability, market share and damage to reputation.	• We take a disciplined approach to portfolio management decisions, led by the Strategy Director, with clear acquisition/disposal criteria, careful due diligence and pre-completion planning for integration/transitional service arrangements. • We have a transformation team that manages post-acquisition integration. • We conduct post-transaction reviews to identify any key learning points to inform future transactions. • We conduct post-acquisition reviews to evaluate actual performance against expected performance.
People risk	**Accelerate Organic Growth**	A lack of effective succession planning could undermine achievement of key business objectives, particularly in parts of the business that are structurally exposed to key person risk. High employee attrition in key areas would increase the risk to delivery of strategic and financial goals. Strategic skills shortages and inability to attract talent could compromise execution of growth, new product development and business efficiency programmes leading to weaker organic growth and margins.	• The Chief People Officer leads the Group's People plan, including leadership development, talent management, employment brand, managed engagement and reward. • We have reviewed our operating model to increase leadership and organisational capacity. • We have strengthened our employee engagement programme including a revised engagement survey and an action planning programme to better understand and reduce attrition drivers.
Direction of change		The trend for strategic risk is that it is rising, as we increase our exposure to different geographies, and the pace of change in our customer end-markets and the level of uncertainty in the geopolitical landscape increases. The Board, however, views an increasing pace of change as a new constant and the business is well placed to respond positively to these changes, with an effective framework to manage the associated risks effectively.	

/ PRINCIPAL RISKS CONTINUED

/ Operational

Description	Link to strategy	Impact	Mitigation
Loss, misuse or theft of proprietary, employee or customer data	**Accelerate Organic Growth** 	Loss of proprietary data could undermine the value that we derive from our intellectual property. We have an obligation to protect customer and employee data and loss or misuse of this data could result in a loss of reputation, and regulatory sanctions or fines. There is a risk of financial loss through successful phishing attacks or other cyber infiltration.	• Ascential's IT function maintains and tests network security, network resilience and business continuity plans, and monitors emerging threats to ensure our preparations and responses are current. • Each part of the business develops its own clearly defined security objectives in collaboration with the central IT function, which are reviewed and updated on a regular basis by divisional senior management. • Cyber risk and the controls and mitigations in place to manage it are reviewed by the Audit Committee and the Board at a Group level. • We train our employees and raise their awareness on how to behave with regard to information security best practices, particularly phishing and social engineering. • We have established a formal project to ensure readiness ahead of the implementation of the Global Data Protection Regulations from May 2018.
Venue availability, security and access	**Accelerate Organic Growth** 	Our events are held at specific locations which may become unavailable for use through damage, or may become available only on uneconomic terms. Travel disruption or safety risks from a variety of causes such as natural disasters, civil disorder, political instability and terrorism may prevent both customers and our own staff from reaching the event location, or lead to customers being unwilling to travel.	• We maintain close relationships with major venue providers, and maintain contingency plans to move events or dates if necessary. • Business continuity plans are in place to minimise disruption and financial impact. Our contractual terms provide some protection against the risk of late cancellation. • We maintain insurance cover in respect of certain event cancellation risks. • We have a dedicated security function with relevant experience and training to conduct security reviews of events throughout the world. This includes preventative measures, crisis management procedures and business continuity plans.
Business resilience	**Accelerate Organic Growth** 	Employees, customers, suppliers or assets may be directly or indirectly impacted by adverse security or natural events. IT service interruption (either through malicious attack, human error, lack of data centre capacity or other operational failure) could interrupt all aspects of the Group leading to lost revenue for transactional brands and damage to the reputation of our subscription based brands. Dependency on key suppliers risks interruption to our business operations and financial loss if a critical supplier suffers a business interruption.	• We have developed a Group Crisis Management Plan, through which Ascential's executive leadership team directs the business through any major incident or crisis which might severely disrupt operations, threaten business performance or damage reputation. • We are introducing a Group Travel Risk Management Programme to address duty of care obligations to our globally mobile workforce. • We have implemented a High-Availability Programme, including resilience between data centres, for our core applications. • We have a robust technical incident response process in place. • We have a central business continuity plan as well as brand specific business continuity plans. • We have long-term contracts with our key suppliers which are professionally procured and include rigorous Service Level Agreements.
Direction of change		We see the risk of cyber attack as continuous and we look to maintain our response against the increasing sophistication of attacks. Terrorism and the perception of increased terrorist risk have always received serious consideration and planning. We have robust information security and event security frameworks in place which we actively monitor and assess to preserve our resilience to these threats.	

/ Financial

Description	Link to strategy	Impact	Mitigation
Financial risk	**Accelerate Organic Growth**	We have material exposures to different currencies and fluctuations in these currencies may affect the reported financial results. As a global business, we are subject to many forms of taxation in many different jurisdictions. Tax law and administration is complex and tax authorities may challenge our application of tax law, potentially leading to lengthy and costly disputes and material tax changes.	• Our approach to management of foreign exchange risk is set out in Note 33 to the financial statements on page 106. • We have an experienced tax function, supported by professional advisers, who maintain a constructive relationship with tax authorities, and keep up to date with changes in tax legislation and in the development of our business to enable effective tax planning. • We make full, accurate and timely disclosure in submissions to tax authorities who we work with collaboratively to achieve early agreement and certainty on complex matters whenever possible.

Direction of change

These risks are slightly increased due to the uncertainty and consequent currency volatility caused by Brexit, as well as the increased level of uncertainty around United States fiscal policy resulting from the political change in the US.

/ Regulatory

Description	Link to strategy	Impact	Mitigation
Regulation	**Accelerate Organic Growth**	Change in regulation could make our current business models unprofitable or unsustainable. Increased revenues in geographies with more complex regulatory environments or expansion into new geographies can increase the risk of regulatory breaches. Compliance failures could lead to criminal and civil prosecution, including fines, censure, reputational damage and inability to trade in certain jurisdictions.	• Our legal team, supported by professional advisers, monitors changes in regulations and emerging best practice in the sector and in key policy areas. They are responsible for ensuring an appropriate compliance framework, with effective policies, processes and reporting. Each division has individuals responsible for embedding regulatory compliance within the business. • We have implemented a new training programme for key compliance areas, designed to be engaging and raise awareness of key compliance policies throughout the Company.

Direction of change

We view the level of regulatory risk as unchanged as although there are significant new regulations coming into effect, such as the General Data Protection Regulations, this is representative of a 'business as usual' environment in which we have developed capabilities to respond to changing regulatory environments accordingly.

/ OUR PEOPLE

Ascential brings together talented people and brilliant brands. We work hard to attract and retain the best people in the industry to work on our portfolio of leading products and aim to be a destination employer in every one of our key operating territories and markets.

Valuing the diversity our people bring
Our business success is driven by difference and we value what everyone brings. We welcome all employees without unfair or unlawful discrimination and aim to inspire everyone to do their best work and build their careers with us.

Our people's opinions matter
People's opinions matter and we hold regular updates to both inform them on business progress and answer any questions they may have.

We conduct and act upon annual employee engagement surveys which, along with face-to-face feedback, help us understand what people think, and what they want to achieve in their careers with us.

As we develop a "One Ascential" culture across all brands and geographies, we are progressively aligning key people processes globally. For the first time, this year we ran a single unified engagement survey globally. Our aggregated engagement score was 70 (out of 100) with scores for Manager Quality, Pride, Motivation and Loyalty indicators all above 80. We have a clear plan to drive further improvement across all engagement areas in 2018.

Each area of the business also regularly hosts face-to-face all-staff meetings (known as Town Halls), webinars and team briefings to share news and progress against priorities.

At the 2017 Company conference, our CEO and CFO hosted an open, live Q&A session, taking questions from the floor. Responses were recorded and posted to the intranet for people unable to attend. The post-event survey recorded this as one of the most popular segments and it was repeated in January 2018. Midway through the year, when we announced our half-year 2017 results, the CEO and CFO again hosted a webinar for staff, as well as meeting external analysts, investors and members of the press.

A leading approach to gender diversity
The Company continues to take part in the Hampton-Alexander review, which sees British business drive to improve further the number of women in senior leadership positions and on the boards of FTSE 350 companies. The review has a stated aim that a third of all FTSE 100 leadership roles are to be occupied by women by the end of 2020, up from 25% today. Once again, Ascential was highlighted in the November 2017 review as "leading the way" with 57% women on our plc Board, the highest in the entire FTSE 350.

Whilst we are very happy with the gender mix of our Board there is more work to be done. When we look at our gender pay gap, Ascential's UK mean differential is 15.3%, as at April 2017, the most recent gender pay gap reporting point. Our mean differential is better than the UK national average of 17.4% but there is clearly still work to be done. For us, the gap exists because whilst 57% of our total 1,736 employees are women (2016: 62% out of 1,557) only 52% (233 out of 449) of our managers are female (2016: 57%, 239 out of 417).

So to address the issue we need to recruit, encourage, support and promote more women into our senior leadership group. We will be launching a significant new Women in Leadership programme early in 2018 to super-charge our efforts in this regard.

Share ownership
One of our business beliefs is that when the Company prospers, we want everyone who has contributed to prosper.

When we floated the Company on the London Stock Exchange in February 2016, everyone employed by the business at that time was gifted 500 shares subject only to their continued employment in 2019. Later in the year, we launched the UK and International Sharesave and US Stock Purchase saving plans for employees wishing to invest in Ascential plc shares. These plans enable people in any one of our offices around the world who wish to enrol to save a set sum each month and in future years buy shares at a discounted purchase price. So far 46% of all eligible employees decided to participate, saving on average £178 per month.

Benefits
As part of an attractive overall employment package, people are offered a range of benefits, which they have the opportunity to amend during the year. We seek to offer solutions that speak to our different generations, so benefits are constantly reviewed and introduced, extended or removed depending on demand and feedback.

Our goal is to have all employees in any given country operate on consistent terms and conditions no matter what brand they work for. This year we harmonised our holiday and paid time off policies in the US to ensure employees from our various acquisitions there to date operate on a consistent set of generous terms relative to the market.

Employee engagement and rewards
Ascential is a fast-paced, international business. We are a responsible destination employer and are determined to attract and retain the best in our industry by offering our people great opportunities to develop and grow their careers with us. We offer regular recognition and rewards linked to performance, and we invest heavily in development.

Ascential Excellence Awards

Some of the most hotly contested awards each year are the Ascential Excellence Awards, which are open to all employees. Judged by senior leaders of the business and external industry experts, they are a fun and effective way for the achievements of individuals and teams to be recognised and celebrated at a gala dinner during the all-Company conference each January.

Elite

This generous reward programme is open to every high-performing employee across the Group. Sales league winners, content creators and business support individuals are recognised with rewards, including trips to Ascential offices and events in other countries, tickets to exclusive venues, dinners and sporting days out. The highlight of the Elite programme is during the annual Ascential conference when winners of the "Holidays of a Lifetime" – including for the top content creators and highest sales achievers in each business area – are announced. Elite enables a clear line of sight from personal performance to personal reward.

Embedding industry leading standards

Ascential runs a number of formal cross-brand Professional Communities in key areas such as Sales, Content, and Marketing.

The Ascential Sales Academy – is led by internal and external sales experts and offers many sales performance programmes and leadership alumni programmes.

Content First programme – to ensure we set ourselves up for future success, inspire world-class content and embed a content excellence culture, Ascential offers a Content First programme. Run by two of Ascential's most respected and successful content leaders with an outstanding track record in driving exceptional content, the in-house Content First programme aims to further embolden our content talent across the whole business to deliver the content our customers need, when they need it and in a simple to find and digest format. This year we also developed a bespoke Content Leaders programme where content leaders from around the world were brought together to collaborate with peers to drive content innovation within their own teams and brands. Armed with robust data around customer insight and market knowledge, these leaders will continue to raise the standard of Ascential's content to be the best in each of the industries we serve.

All-Ascential conference

We hold our all-Company conference in January each year and this enables more than 1,200 individuals to network, share learnings and collaborate. Our annual conference and Gala Awards night has become an important part of our journey to a more informed and connected Ascential. The event is a large investment by the Company, but we believe is key to continuing to share, learn and connect with colleagues and celebrate the great work of individuals and teams across the business.

Journey ahead

People is a core capability at which we must excel. While we have made good progress towards putting in place the structure, learning and support to enable everyone to reach their goals and develop their careers with us, we also recognise that there is always more to do on the journey ahead.

Our values and leadership beliefs

Forward thinking

We think big and see the bigger picture to help our customers translate insight into advantage

Leadership beliefs

- Focus – we prioritise and keep things simple
- Facts – we use data and insight to inform our work
- Empathy – we can be relied upon for fairness and consideration

Challenging

We are thought-provoking and persuasive – always searching for a better way to get things done

Leadership beliefs

- Creativity – we are smart, pro-active innovators
- Transparency – we tell it as it is
- Openness – we insist on honesty, integrity and openness

Transformative

We are visionary and confident – making changes happen

Leadership beliefs

- All-in – we have a clear focus on outcome
- No silos – we are one team

/ CORPORATE AND SOCIAL RESPONSIBILITY

Ascential is passionate about the work we do and the difference we make to the communities we serve and live in.

Making a real difference to the world around us
As a Patron of The Prince's Trust, Ascential sponsors The Trust's Million Makers Awards for London and the South East. Our fund raising efforts have been recognised with the 'Above and Beyond' Award from The Prince's Trust for the past three years.

Fund raising

2015	£90,000
2016	£170,000
2017	£300,000

Ascential also sponsors The Educational Achiever of the Year Award and to help promote its aims, has given an exhibition stand to The Prince's Trust during the BETT UK show at Excel 2018.

The 2017 winner of the London and South East Region Award was Jaidah Thomas and she will be furthering her learning during three months paid work with Cannes Lions from May to July 2018, including visiting the Festival in the South of France. The overall winner for the Million Makers award will be presented by HRH Prince Charles at the Celebrate Success Awards at the London Palladium.

We also support various local charities across the business and the Group.

A better start for young people
Ascential people have given their time and experience to provide a helping hand to young people starting on their career paths. Through mentoring and work placements ranging from three weeks to 18 months at top brands, exhibition space in our buildings and being sponsored at our shows, we have made a positive difference.

Lending a hand to those less able to help themselves
A core strength of Ascential people is their commitment and passion for the communities we live in and serve. Many volunteer their time to help people less able to help themselves. 2017 projects included gardening and volunteering days to cook and entertain elderly and homeless people in Central London.

Case study

Strong commitment to our customer communities

Just four weeks before we opened Bett Latin America in Mexico City, a 7.1 magnitude earthquake – the biggest in 30 years – hit Mexico City. Lives were lost; hundreds of buildings were damaged; and more were at risk of collapse. Electricity and phone lines were only intermittent.

Working with our local partners, we wanted to balance doing the right thing – the best thing for the community and the future of the education sector in Mexico – against what was possible in the aftermath. The government, who were crucial to our event, were under pressure as several schools had collapsed so they were hard to reach.

Working in harness with our partners and the government we had to be extremely sensitive to the national mourning period, infrastructure safety, staff morale and market appetite – there is no rule book in these situations. With inputs from many across the different audiences – but most loudly our local partners – we agreed together that we should not be leaving Mexico in a time of need and that we should run the event for the right reason. Bett Latin America should have a NEW Vision: it will be a platform that brings together the community, offering support, resilience and reconstruction.

The 2016 event welcomed around 2,000 people. At the point we made the decision to continue with the 2017 event we had 620 attendees registered. In just 10 days, the team changed the vision of the event to one of helping rebuild the education sector and on 18 October 2017, we opened the doors for 3,483 people to Bett Latin America.

We had a donation area in the Expo, collecting school materials and equipment that we then gave to the most affected schools. We changed elements in our content to include charities speaking about security and infrastructure at schools. We also sponsored the transformation of a shipping container in to a pop-up school which we are donating to one of the regions which lost several schools.

Bett Latin America was very proud to give back to our audience community, improving their immediate situation with a pop-up school and helping to build a future for the sector.

Case study

Retail Week – addressing gender imbalance in boardrooms and inspiring future leaders

Be Inspired began life with a documentary and panel session at Retail Week Live in March 2016 with the aim of addressing gender imbalance in retail boardrooms, and inspiring future female leaders. It has since grown into the most wide-reaching campaign Retail Week has ever launched, touching the lives of thousands of aspiring women.

Industry backing
Be Inspired brings together retail leaders with women seeking to fulfil their career ambitions, using stories of those who have advanced their retail careers to inspire the next generation. 65 ambassadors – including CEOs from Ann Summers, Ikea, Dixons, M&S and Tesco – are backing the campaign. Ambassadors notably include both men and women, as men are needed as agents of change to help address gender diversity. The calibre of ambassadors reflects the level of support the industry has for what Retail Week is trying to achieve.

Growth and reach
2017 Be Inspired grew 186% owing to high-profile partnerships including Accenture, L'Oreal and Google, and a sell-out conference.

It has also generated a new revenue stream of 'Retail Partners' which helps retailers demonstrate their commitment to gender diversity and provide learning and development for women within their organisations. There are now 13 retail partners, up from seven in 2016 with 100% retention year-on-year.

The impact of Be Inspired throughout the sector is evident in its reach. This year, 238 retail brands and 1,300 people engaged with our live events, whilst 636 users generated 2.3K tweets with a potential impression of 22.52m.

Calibre of content
Central to the campaign's success is emotive content that strikes a chord with women at all stages of their career. It is a brand-wide programme including digital and print content, an annual mentoring scheme with five ambassadors coaching five competition winners, a newly launched eLearning platform, free monthly workshops and a conference. The sell-out conference was our stand-out success of 2017 – with an over 80% increase in delegate volume from 2016, and yielding a Net Promoter Score of 56.52. Speakers ranged from well-known retailers such as M&S style director Belinda Earl and AO.com founder John Roberts, to BBC broadcaster Emma Barnett and chairman of The Pool and architect of the This Girl Can campaign Tanya Joseph.

In November we also launched the Be Inspired community platform, which will allow our UK-wide community to connect, transforming our reach and providing a vital source of free learning and development.

2018 and beyond
The impact and growth of Be Inspired continues. It has become a powerful brand in its own right in less than two years. We believe Be Inspired is the first programme for women in retail that has shifted the gender diversity debate from merely talking about the problem, to something that is practical, engaging, and will genuinely help shape the careers of thousands.

Improving gender diversity
The Ascential plc Board leads the way on gender diversity, comprising 57% women, the highest in the FTSE 350. More than 50% of our managers are female and we are launching a women in Leadership programme early in 2018 to increase this percentage to be broadly equal to the proportion of female employees across the Group. We have a flexible working policy that applies to all of our employees and our 'Ascential Anywhere' technology enables employees to work flexibly more easily. Our maternity policy is to pay maternity pay beyond the statutory minimum and we have a shared parental leave policy to enable parents to choose how to share the care of their child during the first year after birth or adoption.

/ CORPORATE AND SOCIAL RESPONSIBILITY CONTINUED

Case Study

Cannes Lions helping accelerate the career progression of high-potential senior creative women

See It Be It is a tailored, Cannes Lions initiative, aiming to accelerate the career progression of high-potential senior creative women to change the ratio of female leaders in agency creative departments.

Launched in 2014, the programme is a response to industry gender imbalance. Fewer women than men are joining creative ranks and even less will climb the ladder. Worldwide, it's estimated that only 30% of agency creatives are female and just 12% reach Creative Director level, up from 3% in 2004.

See It Be It helps to address this issue by developing high-potential creative women and bringing them to the attention of the industry. By raising profiles, expanding contacts, and building confidence participants are accelerated down the leadership path.

This continues to grow, with events in Brazil, Spain and Pakistan pending, interest to replicate the model at Dubai Lynx and a queue of senior industry figures (male and female) offering their support for the programme.

The See It Be It global network is expanding all the time:

- 1,000+ applications from women globally.
- Bringing 52 women to the Festival over four years.
- 70% of these women have been promoted since the programme.
- 180 mentors and mentees matched.
- 100% positive Net Promoter Score.
- Seven successful events held globally on zero additional spend.
- 2,000 registered to attend local events.
- Ambassador of the programme Madonna Badger is a diversity advocate who speaks at events globally.

Jury

- 390 jury members from 50 countries.
- 43% of jurors were female in 2017, a record for the Festival. The number of women on the juries has doubled in the last five years, from 21% in 2012.

Speakers

- 688 speakers from 29 countries (35% female: 65% male gender split).

Sessions included discussions from Indian transgender pop band 6-Pack, Sir Ian McKellen urging brands to change the perception of the LGBT community, Rev. Jesse Jackson and Dame Helen Mirren talking about diversity of race and age.

Behaving ethically

Our suppliers, partners and other third parties involved in the provision of goods or services are important to us. They underpin our ability to serve our customers and while delivering our valued and trusted products, it is important to us that we and our suppliers do business responsibly, ethically and lawfully.

Third Party Code of Conduct

We have implemented a Third Party Code of Conduct which outlines our ethical approach to doing business and explains the standards we strive to ensure that all our suppliers should abide by, and we also expect our suppliers' suppliers to adhere to it. The main principles of this Code are:

No Forced, Involuntary or Child Labour:
There is no forced, involuntary or debt bonded labour in any form including slavery or trafficking of persons. There are no workers under the age of 15, or where it is higher, the mandatory school leaving age in the local country. The use of legitimate workplace apprenticeship programmes, which comply with all laws and regulations, is supported.

Freedom of Association:
Workers, without distinction, have the right to associate freely, join or not join labour unions, seek representation and join workers' councils as well as the right of collective bargaining in accordance with local laws.

Diversity and equality:
There is equality of opportunity and treatment regardless of physical attributes or condition (including pregnancy), gender, religion (or absence of such beliefs), political opinion, nationality, sexual orientation, age or ethnic background. Equal pay for work of equal value is supported. Discrimination or intimidation towards and between employees is opposed, including all forms or threats of physical and psychological abuse.

Business Integrity:
There is no tolerance of any form of corruption, bribery, fraud, extortion or embezzlement and business is conducted in a manner that avoids conflicts of interest.

Fair Competition:
Fair business, advertising and competition is supported.

Intellectual Property, Privacy and Data Security:
There is respect for and protection of intellectual property rights, data and confidential information to safeguard it against and prohibit loss and unauthorised use, disclosure, alteration or access. Our intellectual property and confidential information is handled and data processed on our behalf only for the purposes for which it was made available, received or collected in accordance with the reasonable directions provided by us.

Business Continuity:
Any disruptions of business are prepared for (including but not limited to natural disasters, terrorism or cyber attacks). Risks are frequently assessed and appropriate controls put in place and regularly tested.

Quality, Health, Safety and Environment:
All required quality, health, safety and environment related permits, licences and registrations are obtained, maintained and kept up-to-date and their operational and reporting requirements are followed. Proper provision is made for the health, safety and welfare of employees, visitors, contractors, the community and the environment. Health, safety and environmental risks are regularly assessed and appropriate controls are put in place bearing in mind the prevailing knowledge of the industry and of any specific hazards

The full Third Party Code of Conduct is available on our website ascential.com

Modern Slavery

Ascential recognises that slavery, forced labour and human trafficking (Modern Slavery) is a global issue. One that Ascential understands affects innocent lives. Ascential has a zero tolerance approach to Modern Slavery of any kind and has taken steps to eliminate it from its supply chain. Through this work, we have found support from customers, suppliers and Ascential employees to this zero tolerance approach. The Ascential community has no tolerance for Modern Slavery and has pledged to raise awareness and take steps to source suppliers responsibly.

In January 2016 we established a steering group to map our supply chain and assess areas of risk. Our procurement team has evaluated our supply base and categorised it to understand where there may be risk within it using guidance issued by the Walk Free Foundation. The steering committee specifically focused their initial efforts on identifying countries where bonded labour is more prevalent, or sectors that may typically be associated with unfair labour practices. From this exercise we established which suppliers are deemed to be high and medium risk. During 2017, all high risk suppliers were contacted and required to adopt our Third Party Code of Conduct and to complete a questionnaire designed to identify any areas of non-compliance with that code, as well as confirm that our supply chain is slavery and human trafficking free. We reserve the right to terminate the business supplier relationship without consequence or liability if a supplier fails to fulfil the minimum standards outlined in our Code. We intend to roll-out this process to those suppliers classified as medium risk during 2018. From January 2017, our Code of Conduct has been embedded into standard terms and conditions and our supplier set up process includes the requirement that all new major suppliers sign up to our Code of Conduct before we do business with them.

Our full Modern Slavery Statement, which has been approved by the Board of Ascential plc, is available on our website Ascential.com/aboutus

Anti-corruption

We have a formal anti-corruption policy which is communicated to all employees that prohibits offering, promising or giving a bribe; requesting, agreeing to receive, or accepting a bribe; and bribing a foreign public official to obtain or retain business or a business-related advantage. The policy includes details of how employees can report any suspected violations of the policy confidentially to the Ethics Helpline and assurances that concerns raised in good faith will not be criticised or penalised in any way. The Board of Ascential plc has appointed the Audit Committee to review the implementation of this policy and the Audit Committee periodically monitors and audits compliance.

There were no reported breaches of the Bribery Act during 2017.

We also require our suppliers to adopt a zero tolerance approach to bribery and corruption through our Third Party Code of Conduct.

Whistleblowing policy

We have a formal whistleblowing policy which encourages all staff to report suspected wrongdoing, in the knowledge that their concerns will be taken seriously and investigated appropriately, and that their confidentiality will be respected. Wrongdoing includes failure to comply with legal obligations or regulations, including bribery and corruption. The policy also aims to reassure staff that they should be able to raise genuine concerns without fear of reprisals, even if they turn out to be mistaken. We provide details of a confidential helpline operated by an independent third party, as well as contact details for the Independent Chairman of the Audit Committee within the policy. The policy is embedded in the employee handbook and available on the Company's intranet.

Lighter footsteps

As a leading information business, Ascential creates a lot of value for a relatively small, direct environmental impact. Nonetheless, we recognise that we need to minimise our direct environmental impact where we can.

Increasing energy efficiency

Ascential works with its landlords to ensure installation of energy efficient low temperature hot water, water efficient low-flush toilets, low energy lighting and low power technology across all its offices.

Waste recycling

We promote recycling, sustainably produced materials and paper efficiency at all our shows with our venue hosts and amongst all our exhibitors.

Reducing print

With a continuing customer shift towards digital consumption of content, as well as constant work on paper innovations and run efficiency, print requirements for the business have further declined. The sale of the Heritage Brands during the year further reduced the business paper requirements.

Greenhouse gas emissions

Full details of our direct and indirect greenhouse gas emissions are set out in the Directors' Report on page 67.

Business travel

As a global business, there is an ongoing need for our employees to travel around the Group to meet with colleagues and customers. We encourage all employees to use video conferencing and webinars as much as possible and the business aims to reduce the need to fly wherever possible.