Proposed sale of Digital Commerce and WGSN

30 October 2023
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Agenda

01 Overview

02 Transactions detail

03 Ascential plc

04 Current trading

05 Next steps

06 Q&A
Strategic review and conclusions

Previously announced:

April 2022
Evaluation of organisational and capital structure to maximise shareholder value. Assessment of managed separation.

January 2023
Intention to separate Digital Commerce into an independent, US listed company, alongside the sale of WGSN, with a significant portion of the proceeds returned to shareholders, allowing each business to achieve its growth ambitions.

Announced today:

- **Sale of Digital Commerce**\(^1\) to Omnicom Group for Enterprise Value of $900m
- **Sale of WGSN** to funds advised by Apax Partners for Enterprise Value of up to £700m
- **Combined proceeds of £1,210m**, with £850m expected to be returned to shareholders
- Both sales subject to shareholder approval, via inter-conditional resolutions
- **Events business to continue UK listing as Ascential plc**
- Board of Hudson MX has initiated sale process for the business

\(^1\) Rebranded as “Flywheel” from 24 October 2023
## Sources and uses of cash (expected proceeds subject to closing adjustments)

<table>
<thead>
<tr>
<th>Sources</th>
<th>Digital Commerce Enterprise Value</th>
<th>£741m</th>
<th>£900m</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Debt like items (inc. earnouts &amp; Minority Interest)</td>
<td>£(53)m</td>
<td>$(65)m</td>
</tr>
<tr>
<td></td>
<td>Early settlement of earnouts by Ascential</td>
<td>£(42)m</td>
<td>$(50)m</td>
</tr>
<tr>
<td></td>
<td>Other expected closing adjustments</td>
<td>£(8)m</td>
<td>$(10)m</td>
</tr>
<tr>
<td></td>
<td>Digital Commerce expected proceeds</td>
<td>£638m</td>
<td>$775m</td>
</tr>
<tr>
<td></td>
<td>WGSN Headline Enterprise Value</td>
<td>£700m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contingent consideration</td>
<td>£(50)m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>WGSN Upfront Enterprise Value</td>
<td>£650m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Deferred income (treated as debt-like)</td>
<td>£(61)m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other expected closing adjustments (inc. Minority Interest)</td>
<td>£(17)m</td>
<td></td>
</tr>
<tr>
<td></td>
<td>WGSN expected proceeds</td>
<td>£572m</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>£1,210m</td>
<td></td>
</tr>
</tbody>
</table>

| Uses | Expected return to shareholders | £850m | |
|      | Transaction costs ¹ | £53m | |
|      | Tax costs | £50m | |
|      | Separation costs ² | £40m | |
|      | Tax and transaction related costs | £143m | |
|      | Retention in respect of Hudson | £66m | |
|      | Expected net repayment of debt | £151m | |
| **Total** | | £1,210m | |

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1 Excludes costs paid in previous periods; ² Includes restructuring, residual matters and TSA delivery costs.

Exchange rate used: £1.00=$1.21 (as of 27 October 2023)
Value Created

Market capitalisation $^1$ £916m

Return to Shareholders £850m

Continuing Events business $^2$

Revenue: £213m
Adjusted EBITDA: £85m

$^1$ At 24 January 2023, preceding the announcement of Strategic Review conclusions;
$^2$ Last twelve months to (LTM) 30 June 2023. Excludes RWRC and allocation of corporate costs
02 Transactions detail
Sale of Digital Commerce

- Compelling offer received from Omnicom, a leading global marketing and corporate communications company.

- Sale delivers greater certainty and represents an attractive outcome for shareholders.

- Total Enterprise Value of $900m.
  - LTM 30 June 2023 Revenue: £245m, Adjusted EBITDA\(^1\): £19m.

- After closing adjustments, including earnout obligations assumed by Omnicom, and early earnout settlements by Ascential, proceeds expected to be $775m.

- Estimated completion: Q1 2024, conditional upon shareholder approval and customary regulatory clearances.

\(^1\) Excludes allocation of corporate costs
Sale of WGSN

- Acquiror is funds advised by Apax Partners, a leading global private equity advisory firm.

- Headline Enterprise Value of up to £700m.
  - LTM 30 June 2023 Revenue: £113m, Adjusted EBITDA\(^1\): £52m.

- After closing adjustments (including in respect of deferred income), proceeds are expected to be £572 million, and up to a further £50m of contingent consideration (based on Apax’s ultimate return on investment).

- Estimated completion: Q1 2024, conditional upon shareholder approval and customary regulatory clearances.

\(^1\) Excludes allocation of corporate costs
Leadership

- Duncan Painter will join Omnicom, taking on role as CEO of Flywheel, a new Practice Area of Omnicom.
- Carla Buzasi will continue to lead the WGSN business under its new ownership.
- Philip Thomas will take on role of Chief Executive Officer of Ascential.
- Scott Forbes and Mandy Gradden remain as Chair and Chief Financial Officer of Ascential, respectively.
Return to shareholders

- Combined net sales proceeds: £1.2 billion.
  - Equivalent to 132% of market capitalisation of Ascential prior to announcement of the Strategic Review conclusions (24 January 2023).

- £850m expected to be returned to shareholders.
  - Equivalent to 93% of market capitalisation of Ascential prior to announcement of the Strategic Review conclusions.

- Continuing Events business (Revenue: £213m, Adjusted EBITDA: £85m<sup>1</sup>).

- Expected return mechanism: special dividend.

<sup>1</sup> LTM 30 June 2023. Excludes RWRC and allocation of corporate costs.
03 Ascential plc
Overview

- Events business to continue with UK listing as Ascential plc.
- Delivers premium global events for the Marketing and Financial Technology industries, through LIONS and Money20/20.

### Financial Results (LTM 30 June 2023)

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Organic Revenue Growth</th>
<th>Adjusted EBITDA</th>
<th>Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing</td>
<td>£123m</td>
<td>28%</td>
<td>£52m</td>
<td>43%</td>
</tr>
<tr>
<td>Financial Technology</td>
<td>£90m</td>
<td>41%</td>
<td>£33m</td>
<td>37%</td>
</tr>
<tr>
<td>Total</td>
<td>£213m</td>
<td>33%</td>
<td>£85m</td>
<td>40%</td>
</tr>
</tbody>
</table>

1Excludes RWRC and allocation of corporate costs
Highly attractive financial profile

**Strong revenue growth**

H123: +25%

**Strong cash generation**

H123: +125% operating cash conversion

**Excellent levels of profit**

LTM23: 40% pre central costs

**Low capital requirements**

H123: 2% capex/revenue

**Medium-term targets**

- Revenue growth: Averaging mid-high single digit per annum over the medium-term
- Standalone PLC costs: c. 50% of Ascential PLC
- EBITDA margin after standalone costs: Low - mid 30’s %
- Capex: c.2-3% of revenue
- Effective tax rate: c.26-27%
- Leverage: 1-2 x Net debt/adjusted EBITDA

Dividend policy of the post-demerged Ascential Events to be confirmed
04 Current trading
Current Trading

- Digital Commerce: third quarter revenue growth very strong (27%), with brand consolidation synergies expected to drive improved EBITDA from the fourth quarter.

- Product Design: third quarter subscription billings growth (4%) lower than in the first half. Strong margins maintained through cost discipline.

- Events:
  - Money20/20 US 2023 revenue up over 50% vs 2019, down by 8% vs 2022.
  - Money20/20 Europe forward bookings for 2024 in line with prior year.
  - Cannes Lions forward bookings for 2024 ahead of prior year levels.
05 Next steps
Next steps

- Issue of Class 1 circular: December 2023
- General Meeting: December 2023
- Estimated completion of sale of Digital Commerce: Q1 2024
- Estimated completion of sale of WGSN: Q1 2024
- Refinancing of debt facilities: by Q1 2024
- Intended return of value via special dividend: Q1 2024
Thank you