3 December 2019

Hyve Group plc

("Hyve" or the "Group")

PRELIMINARY RESULTS ANNOUNCEMENT

Transformation & Growth Programme (TAG) delivered, driving sustainable revenue growth and margin expansion

Financial highlights	**Year to 30 September 2019**	**Year to 30 September 2018**
Volume sales	783,000 SQM	766,000 SQM
Revenue	£220.7m	£175.7m
Headline profit before tax[1]	£50.4m	£35.4m
Statutory profit/(loss) before tax	£8.7m	£(3.7)m
Headline operating profit margin[1]	25%	22%
Headline diluted earnings per share[1]	4.9p	4.9p
Diluted earnings per share	0.4p	(1.6)p
Full year dividend per share	2.5p	2.5p
Net debt[1]	£111.7m	£82.7m

- 7% like-for-like[1] revenue growth
- £220.7m revenue (2018: £175.7m) up 26% largely due to acquisitions
- Top 10 TAG events[1] grew 13% like-for-like following implementation of TAG initiatives
- Headline profit before tax of £50.4m (2018: £35.4m); 16% like-for-like growth
- Statutory profit before tax of £8.7m (2018: loss of £3.7m) after amortisation of intangible assets, transaction related costs and one-off TAG costs
- Full year dividend cover[1] maintained at two times cover
- Net debt movement reflects acquisitions and TAG initiatives; maintained within two times EBITDA[1]
- Forward bookings[1] of £152m already contracted for FY20, representing 66% of market consensus and up 4% on a like-for-like basis

Strategy update

- Integration of Ascential Events and Mining Indaba acquisitions completed
- Strengthened portfolio with the sale of 56 non-core Russian events and the closure of 24 small Russian and Central Asian events during the year
- Successful delivery of the transformation element of the TAG programme has led to an evolved vision, a new way of working and an invigorated culture, culminating in a new brand
- TAG has fundamentally transformed the business to:
    - A more balanced international presence from a purely emerging-markets focus
    - A centralised operating model from a decentralised federal organisation
    - A premium product business from a geographic market-share led company
    - A diverse portfolio of market-leading events from a portfolio of mixed quality
- The portfolio has halved since the launch of TAG – 269 events (May 2017) to 130 events – yet overall revenue has increased by 64%[2]
- Returned the business to sustainable growth
- On track to deliver all TAG investment targets ahead of schedule

Mark Shashoua, CEO of Hyve Group plc, commented:

"I am delighted that our first set of results as Hyve show like-for-like revenue growth of 7%, as well as a like-for-like increase in headline profit before tax of 16% and strong margin improvement. Double digit revenue growth from our Top 10 TAG Events was a key driver of this performance and is proof of the benefits of the TAG programme.

We are on a mission to deliver unmissable events, with a stronger and more diversified portfolio. The investments we have made to improve our portfolio through the TAG programme and our focus on must-attend events means that we are well-placed to continue to deliver further growth in FY20. While not immune from global economic and geopolitical uncertainties, including Brexit, forward bookings of £152m, representing 66% of market consensus, give us very good visibility as we enter FY20.

We are confident that with the investments we have made into our market-leading events, we are in a better position to face any potential global headwinds. We will look for opportunities to increase our customer market share, as during downturns customer spend often gravitates towards market-leading events.

Current trading for FY20 is in line with the Board's expectations and we enter the new financial year with a stronger portfolio of events than ever before."

Notes to Editors

1. *In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA), additional information is provided on alternative performance measures (APMs) used by the Group in the Glossary. In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These additional measures provide additional information on the performance of the business and trends to stakeholders and are defined in the Glossary.*
2. *Compared to FY16 revenue, the last reported annual results pre-TAG.*

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About Hyve Group plc

Hyve Group plc is a next generation global events business whose purpose is to create unmissable events, where customers from all corners of the globe share extraordinary moments and shape industry innovation. Hyve Group plc was announced as the new brand name of ITE Group plc in September 2019, following its significant transformation under the Transformation and Growth (TAG) programme. Our vision is to create the world's leading portfolio of content-driven, must-attend events delivering an outstanding experience and ROI for our customers.

Where business is personal, where meetings move markets and where today's leaders inspire tomorrow's.

Chairman's statement

Significant transformation and growth

Performance

The last three years have seen significant change for Hyve Group plc. The management teams' ambitious vision has led the company to centralise its operating model, improve its systems, complete significant acquisitions of market-leading events, integrate and restructure new teams, relocate its HQ, as well as sell or close a number of less profitable events. Finally, this culminated in the launch of an inspiring new corporate identity at the end of the year, to support the business going forward.

The TAG programme, which we announced in 2017 remains ahead of plan on all investment targets and I am happy to report that this has led to industry leading organic growth. As the TAG programme draws to a close in 2020, the business will consider this phase of its transformation complete.

Revenue for 2019 increased to £220.7m (2018: £175.7m), a 7% increase on a like-for-like basis, while statutory profit before tax increased to £8.7m (2018: loss of £3.7m). Headline profit before tax increased to £50.4m (2018: £35.4m), a 42% increase on last year, and headline diluted EPS was 4.9p (2018: 4.9p), in line with last year after the full-year impact of the additional shares issued through last year's rights issue.

On behalf of the Board, I would like to thank every colleague who has contributed to the business over the last 12 months for their continued passion and dedication to this company and its events.

Shareholder returns

The Group maintains its dividend policy, with dividends declared and paid twice annually to shareholders. The Group's dividend policy aims to achieve an appropriate balance between providing an immediate return to shareholders and reinvesting in the business to pursue growth opportunities and deliver a longer-term return. Prior to any dividend declaration, consideration is given to the availability of distributable reserves, the ability for the Group to remain within its available banking facility, stay compliant with its covenant targets and retain sufficient cash for working capital purposes. Dividend cover is typically maintained at greater than two times headline diluted earnings per share.

Board changes

Earlier this year, Neil England stepped down from his position as Non-Executive Director, following ten years on the Board. During this time, Neil held the post of Senior Independent Director and acted as Chairman for a period of nine months. I would personally like to thank Neil for his guidance and expertise throughout his time here and wish him well for the future.

We are pleased to welcome Nicholas Backhouse to the Board. Nicholas, who joined on 1st May 2019, brings extensive experience at Board level, including non-executive roles at Guardian Media Group plc, Hollywood Bowl Group plc and Loungers plc.

Following the AGM in January 2020, Nicholas will replace Stephen Puckett as Chair of the Audit Committee and continue the excellent work which Stephen has been leading. Stephen will remain on the Audit Committee and will also become the Chair of the Risk Committee, in addition to having taken up the role of Senior Independent Director and the employee representative on the Board.

It is the Board's intention to seek to appoint an additional Non-Executive Director during 2020 to complement the skills of the existing Board Members.

Outlook

After the TAG programme, the Group will continue to benefit from the best practices, globally standardised ways of working and a centralised operating model introduced over the last three years. Having now professionalised the business and implemented best practice, the Group will now introduce innovative and efficient ways of operating to amplify the impact of the revenue growth being delivered.

This positions the Group well to continue to drive growth, both organically and through selective acquisition.

Despite uncertainty both economically and geopolitically across many of our markets, we remain confident in the future growth prospects of the Group. The focus on quality introduced through the TAG programme has increased the resilience of our portfolio and positions our market-leading events well to gain market share as customers refocus both their time and investment.

Chief Executive Officer's statement

Our business is all about quality and globally consistent best practice

2019 has been a successful year and I'm pleased to be able to report strong year-end financial results. We have delivered a third consecutive year of growth, with revenues of £220.7m (2018: £175.7m), a like-for-like increase of 7%. Our top 10 TAG events have collectively delivered double-digit growth, which is attributable to our highly-successful Transformation and Growth programme.

We are reporting a headline profit before tax of £50.4m (2018: £35.4m) and a profit before tax of £8.7m (2018: loss before tax of £3.7m). This reflects the full year impact of the acquisitions we made in 2018 and 2019, combined with our strong underlying trading growth across most markets.

We have good visibility of our forward bookings for 2020, representing 66% of city consensus, and remain confident of continuing our growth trajectory.

Delivery on Transformation and Growth programme

This year has been all about delivery. We launched our Transformation and Growth (TAG) programme back in 2017, identifying three key pillars to drive our transformation. These three pillars were – building a scalable platform, managing our portfolio and making product-led acquisitions. We have now built our scalable platform, which encompassed creating a centralised operating model and defining consistent global processes and best practice ways of working. With TAG almost complete, we are starting to realise the return on the investments we have made.

At the same time, we have been working towards completion of the technology transformation, which has seen us implement new customer relationship management software, roll out a global, cloud-based people system, connect our international teams through Skype for Business and establish a 24/7 IT service. The end results of this are improved collaboration on a global scale, more intelligent management information enabling us to make better decisions, one global view of our customers which opens opportunities for international sales and flexibility to work anywhere, at any time and on any device.

Launch of Hyve brand

We also launched our new company brand, Hyve, to our 1,200 colleagues around the world, and our new company values. The values were created through a process whereby we listened to hundreds of opinions and voices from around the business and the final values were launched at the same time as our new brand. They're already being used across the company and we look forward to them guiding how we work in the future.

Our business has a clear vision, well defined strategy and a renewed energy. These significant changes signify that we are now a fundamentally different business.

Our previous brand name and identity were no longer fit for purpose after our significant transformation, so it was time for a change. Our new name and identity are a better reflection of who we are now and capture our ambitions for our future.

The benefits we're already seeing include an increase in pride within our teams, fantastic reactions and strengthened relationships from our customers and a much more effective employer brand which will support us when hiring the very best people across the world.

The Hyve icon is a mark of quality and reflects events which are premium quality, centred around human connections and forever improving. Our new corporate brand will strengthen our event brands, and this was clearly visible at the recent Africa Oil Week in Cape Town, which was the first Hyve event.

Product-led acquisitions

Over the course of the TAG programme we have greatly enhanced our portfolio through the product-led acquisitions we have made. We have strengthened our Global Brands division with the acquisitions of Bett, CWIEME and Mining Indaba, and have created a new UK division following the acquisition of Pure, Glee and Spring and Autumn Fair. The integration of these events is now complete.

We will continue to prioritise product-led acquisitions that will benefit from the scalable platform we have created and have been building a pipeline of potential opportunities. We will analyse that pipeline and actively look for future acquisitions which meet the criteria we outlined under the TAG programme.

Managing the portfolio

We will continue to review our portfolio to ensure that all of the shows we own are market-leading or have the potential to become market-leading. In October 2018 we completed the substantial sale of 56 smaller, regional Russian events and in December 2018 closed the loss-making Siberian business. This has given a greater focus to the must-attend shows in Moscow which have a better potential for continued growth.

We will continue to review the compatibility of all our events with our ambitions and, where deemed necessary, would consider selling or closing any events which no longer align with our strategy.

Strong platform for growth

Now that the TAG programme is largely complete, we are a fundamentally different business. Whilst the transformation component of the programme has ended, we will continue to work on our growth. Driving organic growth, making product-led acquisitions and managing our portfolio will remain our strategic focus.

As well as enhancing our portfolio of events, we are focusing on organic growth opportunities for our current portfolio of events. This could be through a variety of initiatives such as launching new adjacent sectors; one great example of this is the launch of Pawexpo, the new pet tradeshow, which will premiere at our next Glee event in September.

As an international events organiser we recognise that we are exposed to macroeconomic factors outside our control. However, we believe that due to the investment we have made into products, people and systems, the headwinds currently faced present opportunities for a business like ours since as, in times of economic uncertainty, there is a flight to quality. When times are harder and budgets tighter there is a move to attend just the market-leading show, as the one place where everyone wants to do business.

Of course, headwinds such as Brexit, geopolitical instability in Turkey and a global economic slowdown more generally, can affect our business and we are not immune to this. However, rather than see this as a threat to our prospects we are excited by the opportunities for winning customer market share that this presents.

Priorities for 2020

We have three strategic priorities for 2020.

The first is to embed our new company values: brilliant work, rich connections, fresh thinking and collective buzz. Already, these values have instilled a new sense of direction and purpose for our teams and we are seeing people make better decisions and create more innovative and collaborative team strategies as a result.

Secondly, we will work towards obtaining a greater customer market share. We will do this by continuing to invest in our events and helping our customers to define and realise a greater return on investment and time. We aspire to build loyalty and continue to grow retention among our existing customers as well as bring in new customers from competitor shows that do not offer the same returns.

Finally, we will optimise, simplify and innovate within our business model. As we reach the final stage of the TAG programme, our focus will shift more externally to improving the way we work with our customers. We will be analysing how we can make it even easier for our customers to do business with us and attend our shows, ensure our events are truly unmissable and create an environment that facilitates the richest connections possible between buyers and sellers at our events. We will also look to refine our new systems and processes to create further efficiencies.

Due to the progress we have made throughout the TAG programme, we have good visibility of our forward bookings for next year and are confident in our outlook for 2020.

Chief Financial Officer's statement

Sustainable revenue growth at improved profit margins

Overview

Revenue

Revenue for the year was £220.7m (2018: £175.7m), up 7% on a like-for-like basis. This growth has been achieved despite headwinds in a number of the Group's markets and demonstrates the benefits of establishing a strong portfolio of market leading events. Deferred income has increased to £80.0m (2018: £77.6m), despite having disposed of a number of events in Russia and Azerbaijan and closed our Siberian business but after adding Mining Indaba to the portfolio. On a like-for-like basis forward bookings at 30 September 2019 were up 4%.

Profit before tax

The Group reported a profit before tax of £8.7m (2018: loss before tax of £3.7m), after including adjusting items of £41.7m (2018: £39.1m). The return to a statutory profit before tax is attributable to the acquisitions of Ascential Events and Mining Indaba in 2018 combined with strong underlying trading growth. Share of results of associates and joint ventures have increased to £6.4m (2018: £5.9m), following strong performance from the Chinacoat event, operated by our joint venture, Sinostar, and the stronger biennial year for our Russian joint venture, ITE MF.

Headline profit before tax is an alternative performance measure used by the Group to measure underlying trading performance. After excluding adjusting items, headline profit before tax was £50.4m (2018: £35.4m). On a like-for-like basis headline profit before tax has grown by 16%, building on the growth achieved in the previous year, and is significantly ahead of the rate of like-for-like revenue growth.

Earnings per share

Basic and diluted EPS were 0.4p (2018: (1.6)p). The Group achieved headline diluted EPS of 4.9p (2018: 4.9p). Headline diluted EPS is unchanged despite significant profit growth year-on-year as a result of the full-year impact of the higher number of shares in issue following the rights issue to fund the Ascential Events acquisition in July 2018.

Cash flow

Cash conversion[1] for the year was 94% (2018: 113%). The reduction reflects slower cash conversion at the acquired Ascential Events business compounded by Brexit uncertainty, which is causing some customers to withhold cash payments until later in the cycle, closer to the event dates. Action has been taken to improve cash conversion toward the end of the year which has had a positive impact and this will remain an ongoing area of focus in 2020, particularly whilst we face increased global macroeconomic pressures. Despite lower cash conversion, due to the Group's business model concerns over recoverability are limited.

Net debt at the year-end has increased to £111.7m from (30 September 2018: £82.7m) primarily as a result of additional drawn debt to fund the acquisition of the Mining Indaba event from Euromoney in October 2018 (total upfront consideration of £20.0m and deferred consideration paid in the year of £8.7m), and £2.6m of deferred consideration paid to Ascential plc. Excluding the net impact of acquisitions and disposals, cash flow from operations was sufficient to cover the Group's dividends, tax paid and the TAG costs incurred in the period.

At 30 September 2019, £146.2m of a total available £160.0m was drawn on the Group's banking facility. Bank loans presented in the Statement of Financial Position are £144.7m, net of £1.5m of capitalised borrowing costs.

[1] As defined in the Glossary.

Headline reconciliation

In addition to the statutory results, headline results are presented, which are the statutory results after excluding a number of adjusting items, as the Board consider this to be the most appropriate way to measure the Group's performance. In addition to providing a more comparable set of results year-on-year, this is also in line with similar adjusted measures used by our peer companies and therefore facilitates comparison across the industry.

The adjusting items presented are consistent with those disclosed in the previous year. The adjusting items have been presented separately in order to report what the Board consider to be the most appropriate measure of underlying performance of the Group and to provide additional information to users of the Annual Report.

Reconciliation of headline profit before tax to statutory profit/(loss) before tax:

£'m	**2019**	**2018**	
Headline profit before tax	**50.4**	**35.4**	
Operating items			
Amortisation of acquired intangible assets	24.1	13.6	<u>Definition</u> Amortisation charge in respect of intangible assets acquired through business combinations. <u>Explanation</u> The charge has increased significantly in the period, as a result of the amortisation of the intangible assets recognised following the Ascential Events acquisition in July 2018 and the Mining Indaba acquisition in October 2018. *<u>Why adjusted?</u>* *To present the profitability of the business such that performance can be appraised consistently whether from organic growth or through acquisition, and irrespective of whether or not acquired intangible assets have subsequently become fully amortised.*
Impairment of assets	-	7.5	<u>Definition</u> Write down of assets to fair value, where indicators of impairment have existed or following the completion of the annual impairment review. <u>Explanation</u> No impairment charges have been recognised in the year. In the prior year an impairment charge of £5.6m was recognised in respect of our Turkey cash generating unit, due to the adverse macro-economic and geopolitical climate in the country, which affected our long-term outlook for the region. In the prior year an impairment charge of £1.9m was also recognised in relation to a rental deposit paid in advance in respect of future years' rent for use of a venue in Siberia, following the termination notice served by the Group to the venue owner which rendered the prepayment irrecoverable. *<u>Why adjusted?</u>* *To exclude non-cash write offs specific to circumstances that arose either in the current year or based on future performance expectations. These are often inconsistent in origin and amount year-on-year and therefore the business performance is more comparable year-on-year without these charges.*
Derecognition of goodwill on cessation of trading	-	2.2	<u>Definition</u> Derecognition of goodwill following the closure of the part of the business to which the goodwill related.

			Explanation The comparative period results included the derecognition of £2.2m of goodwill in respect of our UK publishing business following the cessation of trading of RAS Publishing. *Why adjusted?* *To exclude non-cash write offs specific to a part of the business that is no longer operational, the results of which will not be included within future periods.*
Loss/(gain) on disposal	3.2	(2.9)	Definition The gain or loss recognised following the disposal of part of the business, represented by the difference between the fair value of proceeds received net of related selling expenses and the disposed of net assets. Explanation On 3 October 2018 the Group completed the disposal of ITE Expo LLC, the operating company for 56 of the Group's non-core, regionally-focused, smaller events in Russia. When discounted, the fair value of the consideration receivable was £4.1m at disposal, and a loss on disposal of £1.4m was recognised. During the year the Group also completed a number of smaller disposals within the Central Asia region and a Polish associate, with combined net assets of £1.3m. The Group received combined consideration of £0.6m, resulting in a loss on disposal of £1.6m being recognised, after the reclassification of cumulative exchange differences of £0.4m previously recognised in other comprehensive income and costs to sell of £0.5m. In the prior year the Group disposed of its investment in TradeLink the owner of Metaltech, the metalworking exhibition in Malaysia for £4.9m, and a gain on disposal of £3.1m was recognised in relation to this. The Group also disposed of its 75% stake in ECMI ITE Asia Sdn. Bhd ("ECMI") for £2.7m resulting in a £0.1m loss on disposal. *Why adjusted?* *To exclude the non-recurring profit/loss from a disposal completed during the year, from which no future profit or loss will be recognised. This increases the comparability of the results year-on-year.*
Transaction costs on completed, pending or aborted acquisitions and disposals	1.4	8.0	Definition Costs incurred that are directly attributable to acquisitions or disposals, whether completed, still being actively pursued or no longer being considered. Explanation Transaction costs on completed and pending acquisitions and disposals relate principally to costs incurred on the acquisition of the Mining Indaba event. The most significant of these costs are professional and consultancy fees incurred in relation to the due diligence and legal procedures necessary for the completion of the deal. In the prior year the costs incurred related principally to the acquisition of the Ascential Events business. *Why adjusted?* *While transaction costs are typically incurred each year due to the acquisitive nature of the industry and the Group's focus on actively managing the existing portfolio of events while making selective product-led acquisitions, the costs incurred are not consistent year-to-year, fluctuating significantly based on the number and size of deals. Costs incurred in relation to an acquisition, while often commensurate to the size of the business being acquired, are more closely connected to the consideration payments than the performance of the business in the period. Similarly, costs incurred in*

			relation to a disposal are linked to disposal transaction more than the underlying performance of the business in the year. Excluding the costs increases comparability of performance each year.
Integration costs - Integration costs - Costs to realise synergies	 5.3 1.5	 1.9 0.8	Definition Costs incurred following the completion of an acquisition to integrate the acquired business within the Hyve Group, including costs incurred that are necessary to enable the Group to realise synergy savings post-acquisition. Explanation Costs of £5.3m have been incurred, primarily in relation to the integration of the Ascential Events business, but also, to a lesser extent, in relation to the integration of Mining Indaba. The costs incurred relate to IT systems integration (CRM, finance and HR systems and network integration), talent unification (organisational structure changes, culture alignment, portfolio integration and harmonisation of commission schemes) and commercial continuity (office move, legal fees and the staff and consultancy costs directly associated with the integration programme). Costs of £1.5m have also been incurred in order to realise the synergy opportunities presented by the acquisitions. The costs include payments to staff who were working in specific roles for a limited period only (either to assist with the transition onto Hyve IT systems, the introduction of Hyve's ways of working or to oversee the merger of legacy and acquired teams) and to sales staff who received increased commission payments (either as a result of one-off schemes introduced to motivate staff at a critical time while there was uncertainty around restructuring decisions or through schemes set pre-acquisition that could not be harmonised with Hyve's until the end of the current edition event cycle). *Why adjusted?* *To exclude costs that are often, for a limited period, either duplicated, higher than ordinarily would be incurred or introduced to ensure consistency of operations, systems, practices, culture and reward to the extent that these costs are not expected to be a reflection of the ongoing costs of the Group and therefore their inclusion could distort comparability with future years' results.*
Restructuring costs - TAG - Other	 2.8 1.4	 5.4 2.2	Definition Costs incurred following the completion of an acquisition to integrate the acquired business within the Hyve Group, including costs incurred that are necessary to enable the Group to realise synergy savings post-acquisition. Explanation Restructuring costs include £2.8m (2018: £5.4m) of costs incurred in transforming the business, as a result of TAG. The costs in respect of TAG in the current year primarily relate to IT and system costs as part of the technology transformation, costs associated with the rebrand to Hyve and the launch of value-based pricing. In the comparative period, costs relate principally to implementing the Group's new strategy, developing and rolling out best practice blueprints, establishing the 'Hyve way' to increase the scalability of our platform and launching our event best practice initiatives. Note that costs of £8.0m (2018: £7.3m) that have been incurred as a result of the TAG programme that are expected to remain as part of the Group's new operating model post-transformation are not presented as adjusting items and are therefore included within underlying results. Other restructuring costs of £1.4m (£2.2m) have been incurred in connection with the new strategic direction of the Group, particularly in respect of the active management of the Group's portfolio of events. £1.3m of costs have been incurred in relation to the shutdown of the Siberian

			business in the year, principally in respect of legal fees and a litigation settlement payment following a legal claim made by the owner of the venue previously used in Siberia, the early termination of office space and some directly related staff and consultancy costs. Primarily In the prior year other restructuring costs related to redundancy and severance costs that incurred in relation to the active management of the Group's portfolio of events and the focus on our core events and the accelerated non-cash amortisation charge on the refinancing of our external debt during the year to part-fund elements of the TAG programme. *Why adjusted?* *The one-off costs incurred in respect of the TAG programme, up to £20m over the three years from announcement in May 2017, are presented as adjusting items. The costs are attributable to professionalising and centralising the business and designing and implementing the Group's strategy. All ongoing costs introduced as a result of the TAG programme are not presented within adjusting items.*
Tax on income from associates and joint ventures	1.9	1.6	Definition The tax charge in respect of the share of profits recognised from associates and joint ventures. Explanation The tax charge in the period is directly linked to the share of profits recognised, primarily from joint ventures in the year. The increase to £1.9m (2018: £1.6m) follows strong performance from Sinostar and the stronger biennial year of ITE MF. *Why adjusted?* *Statutory reported profits from associates and joint ventures are presented post-tax. In order to present a measure of profit before tax for the Group that is purely pre-tax, the tax on associate and joint venture profits is added back. Instead it is included in the headline post-tax measure of profit and therefore is applied consistently with the statutory measure of post-tax profit.*
Financing items			
Revaluation of liabilities on completed acquisitions	0.1	(1.2)	Definition The revaluation of future earn-out payments in respect of completed acquisitions recognised through profit and loss. Explanation A number of the Group's acquisitions completed in recent years have future earn-out commitments, either through deferred or contingent consideration payments or through equity option liabilities to increase our current shareholdings. These are held on balance sheet at fair value and therefore change based on the latest foreign exchange rates, the proximity of the settlement date and the latest expectation of the settlement value. Revaluation of assets and liabilities on completed acquisitions and disposals include the losses from the revaluation of our equity options over non-controlling interests in our subsidiaries (charge of £1.2m), principally in relation to the remaining 40% interest in ABEC, the 2015 acquisition of the Indian exhibitions company including the Acetech portfolio, the imputed interest credit on the unwinding of the discount on the Group's deferred consideration receivable in relation to the disposal of ITE Expo LLC (credit of £0.9m), and a gain on the revaluation of the ITE Expo LLC deferred consideration (credit of £0.2m). *Why adjusted?* *As with transaction costs, in order to present results excluding deal-related costs that fluctuate year-to-year. While the costs vary based on the latest expectations of future consideration payments, often linked to performance,*

			the outflows themselves are reflective of the cost of the acquisition rather than performance of the business in the year. Excluding the costs therefore aids comparability of the Group's performance year-on-year.
Profit/(loss) before tax	**8.7**	**(3.7)**	

Consolidated Income Statement

Item	Highlights
Revenue 2019: £220.7m (2018: £175.7m)	• Revenue increased by £45.0m due to the full year impact of the Ascential Events portfolio, the Mining Indaba event acquisition and strong underlying trading, partially offset by the impact of the disposal of 56 non-core events in the Russian regions and the closure of our Siberian operations. • Foreign exchange rates in the year have resulted in revenues being £2.3m lower than they would have been if revenue had been recognised at the previous year's exchange rates.
Cost of Sales 2019: £133.3m (2018: £107.6m)	• Cost of sales increased by £25.7m following the Group's acquisition and divestment activity and increased event expenditure to improve the quality of our events. • Gross profit margin increased to 40% (2018: 39%) despite the considerable investment in the Group's events.
Administrative expenses 2019: £79.4m (2018: £78.7m)	• Headline administrative expenses have remained consistent year on year at £39.7m (2018: £40.0m) with the impact of the acquisitions largely offset by related synergy savings. • Adjusting items of £39.7m (2018: £38.7m) are included in administrative expenses.
Other income 2019: £0.9m (2018: £0.9m)	• Other income relates primarily to rental income from sub-letting unused office space, management fees from joint ventures and a government incentive received for good corporate behaviour in China.
Foreign exchange (loss)/gain on operating activities 2019: £(1.1)m (2018: £2.2m)	• See the 'Foreign exchange' section below for further details.
Share of results of associates and joint ventures 2019: £6.4m (2018: £5.9m)	• Share of results of associates and joint ventures have increased to £6.4m (2018: £5.9m), following strong performance from the Chinacoat event in Guangzhou, operated by our joint venture, Sinostar and the stronger biennial year for our Russian joint venture, ITE MF.
Net finance costs 2019: £5.5m (2018: £2.1m) *Comprising:* Investment revenue 2019: £2.3m (2018: £3.6m) Finance costs 2019: £7.8m (2018: £5.7m)	• Statutory net finance costs are £5.5m (2018: £2.1m). On a headline basis, after excluding the revaluations relating to liabilities on completed acquisitions, net finance costs are £5.4m (2018: £3.3m). • These represent the interest cost on the Group's borrowings of £5.0m (2018: £2.8m) and bank charges of £1.4m (2018: £1.1m), net of interest income of £1.0m (2018: £0.6m). • The higher interest costs reflect the increased level of debt since July 2018, to part-fund the Ascential Events acquisition, and October 2018, to fund the Mining Indaba acquisition.
Tax 2019: £4.6m (2018: £3.0m)	• A tax charge of £4.6m (2018: £3.0m) was recognised in the year. The increased tax charge reflects the higher profits generated in the year. • The headline tax charge for the period was £13.1m (2018: £9.7m), equating to a headline effective tax rate of 26.1% (2018: 27.4%). • Tax on associate and joint venture profits, which is presented within the share of profit from associates and joint ventures, was £1.9m (2018: £1.6m), reflecting the higher level of joint venture profits discussed above.
NCI 2019: £1.0m (2018: £1.4m)	• NCI profits for the year were £1.0m (2018: £1.4m), down £0.4m. Our 60% owned subsidiary in India, ABEC, has faced short-term venue space constraints in Delhi causing our Acetech Delhi event to decrease in size during the year,

	suppressing profits.

Consolidated Statement of Financial Position

Item	Highlights
Goodwill and other intangible assets 2019: £480.6m (2018: £469.1m)	• Goodwill and intangible assets increased during the year due primarily to the acquisition of Mining Indaba which added £31.5m to the balance and the retranslation of overseas balances to sterling at year end exchange rates. This was partially offset by the annual amortisation charge in respect of the other intangible assets of £25.3m. The other intangible assets balance represents acquired customer relationships, trademarks and licences, visitor databases and computer software.
Interests in associates and joint ventures 2019: £43.4m (2018: £43.3m)	• Interests in associates and joint ventures has remained largely consistent year on year, with the receipt of dividends from our joint ventures largely offset by strong profitability from the Sinostar and ITE MF joint ventures.
Other non-current assets 2019: £18.0m (2018: £17.6m)	• Other non-current assets have increased as a result of capital expenditure as part of the TAG programme, primarily in relation to building fit-for-purpose IT infrastructure and systems to help create a scalable platform for growth, offset by the annual depreciation charge. • Other non-current assets also includes £3.8m of deferred consideration receivable from the sale of ITE Expo LLC and £8.5m in respect of deferred tax assets, primarily in relation to brought forward tax losses available for offset against future taxable profits.
Trade receivables 2019: £36.0m (2018: £34.7m)	• Trade receivables have been restated in the comparative period following the adoption of IFRS 15 *Revenue from Contracts with Customers*. Refer to note 2 to the financial statements of the Group for further details. • Trade receivables increased compared to the prior year as a result of the increased forward bookings for 2020 events as the Group's revenues continue to grow as a result of the TAG initiatives introduced since May 2017. This contributed to trade receivables increasing by over 3% year-on-year. Trade receivable recoverability remains strong and cash flow from operations and cash collection have continued to be areas of focus over the past year.
Net debt 2019: £111.7m (2018: £82.7m) *Comprising:* Cash 2019: £33.0m (2018: £49.6m) Bank loan 2019: £144.7m (2018: £132.3m)	• Cash balances decreased to £33.0m (2018: £49.6m) due to a £10.0m repayment made on our bank facility and consideration payments made in the year to acquire Mining Indaba. Efforts have been made to repatriate cash to the UK during the year and this cash has in turn been used to manage the size of our bank loan as well as funding investment within the business. • The bank loan balance of £144.7m (2018: £132.3m) has increased largely as a result of the £31.7m spent on acquisitions in the year.
Other current assets 2019: £26.4m (2018: £21.4m)	• Other current assets, comprising other receivables, prepayments and tax prepayments, have increased year on year, with the movement coming largely from increased prepaid event costs in a number of regions as we secure favourable terms in advance. • Other current assets also includes £1.7m of deferred consideration receivable from the sale of ITE Expo LLC.
Asset and liabilities classified as held for sale 2019: £nil (2018: £2.2m) *Comprising:* Assets classified as held for sale 2019: £nil (2018: £9.6m)	• In 2019, there were no balances classified as held for sale. • In 2018, assets of £9.6m were classified as held for sale at year-end, representing the assets of ITE Expo LLC, the subsidiary company that operated 56 of our non-core events in Russia, that was disposed of on 3 October 2018. • Liabilities of £7.5m relating to the disposal of ITE Expo LLC were also classified as held for sale at 30 September 2018.

Liabilities classified as held for sale 2019: £nil (2018: £7.5m)	
Deferred income 2019: £80.0m (2018: £77.6m) *Comprising:* Current deferred income 2019: £79.7m (2018: £76.8m) Non-current deferred income 2019: £0.3m (2018: £0.8m)	• Deferred income has been restated in the comparative period following the adoption of IFRS 15 *Revenue from Contracts with Customers*. Refer to note 2 to the financial statements of the Group for further details. • As with trade receivables, deferred income has increased in the year, with the increased balance at 30 September 2019 reflecting a 4% increase in our like-for-like forward bookings compared to the same time in 2018.
Other liabilities 2019: £91.1m (2018: £103.1m)	• Other liabilities decreased to £91.1m (2018: £103.1m). The decrease is primarily in respect of various tax balances, with the deferred tax liability reducing by £5.9m and the corporation tax liability reducing by £5.1m when also including the prepaid tax balance. The deferred tax liability is largely attributable to the intangible assets recognised from historical acquisitions and as these balances amortise, the deferred tax liability unwinds. The corporation tax reduction is largely reflective of timing of tax payments in the year.
Share capital and share premium 2019: £287.2m (2018: £287.2m)	• Share capital and share premium remained unchanged throughout the year. • As at 30 September 2019 the Employee Share Ownership Trust (ESOT) held 2,500,483 (0.3%) of the Company's issued share capital (2018: 2,506,133 (0.3%)).
Translation reserve 2019: £(45.1)m (2018: £(53.1)m)	• The movement in the translation reserve from a debit balance of £53.1m to £45.1m represents the gain on the year-end retranslation of the Group's overseas assets denominated in foreign currencies. This is driven primarily by movements in the sterling/ruble, sterling/lira and sterling/rupee exchange rates.
Other reserves 2019: £56.9m (2018: £66.9m)	• The movement in other reserves is attributable to the FY19 result after incorporating the dividends in the year. • The Group's ability to pay dividends in the next 12 months is secure, with distributable reserves in the parent Company accounts of £29.5m.
NCI 2019: £22.8m (2018: £23.8m)	• The NCI balance decreased in the year due to the level of dividends paid out of our non-wholly owned entities of £2.0m and the disposal of our stake in AzExpomontage (part of the Azerbaijan divestment) which reversed less than £0.1m of NCI. This was partially offset by the £1.0m profit attributable to NCI.

Trading summary

In 2019 the Group ran 129 events (2018: 205). The decrease is primarily attributable to cancellations of smaller, less profitable events and the disposal of 56 non-core events in the Russian regions. A detailed analysis of volumes and revenues is presented below:

		Square Metres Sold	Revenue	Average yield	Headline Profit Before Tax
		'000	£'m	£ per SQM	£'m
2018	**Total**	**766**	**175.7**	**229**	**35.4**
	Biennial	(26)	(4.7)		(1.7)
	Timing	(12)	(4.3)		(1.1)
	Non-recurring	(33)	(5.3)		(0.5)
	Disposals	(64)	(14.6)		(2.2)
2018	Annually recurring (B)	**631**	**146.8**	**233**	**29.9**
	Acquisitions	139	62.5		17.6
	Launches	-	-		-
	Foreign exchange	-	(2.3)		(4.2)
	Like-for-like growth[2] (A)	**(1)**	**10.7**		**4.7**
2019	Annually recurring	**769**	**217.7**	**283**	**48.0**
	Timing	2	0.6		0.6
	Biennial	12	2.4		1.8
2019	**Total**	**783**	**220.7**	**282**	**50.4**

Segmental results

Following the integration of Ascential Events, the way in which costs are allocated to the Group's reportable segments has changed. Therefore the comparative segmental information has been restated to reflect the current year basis on which segments are reported to the Executive Team for the purpose of allocating resources and making strategic decisions. This has resulted in changes to the segment headline profit before tax as set out below.

£'m	**Revenue**		**Headline profit before tax**	
	2019	**2018**	**2019**	**2018[3]**
Global Brands	49.7	11.5	20.3	2.1
Asia	23.2	25.7	9.4	10.2
Central Asia	19.8	24.5	5.0	7.2
Eastern & Southern Europe	16.7	15.2	5.8	4.4
Russia	62.6	73.3	25.9	24.3
UK	48.7	25.5	15.5	8.9
Other income	-	-	0.9	0.9
Central costs	-	-	(25.9)	(21.5)
Foreign exchange (loss)/gain	-	-	(1.1)	2.2
Net finance costs	-	-	(5.4)	(3.3)
Total	**220.7**	**175.7**	**50.4**	**35.4**

[2] Like-for-like growth as a percentage can be calculated by dividing like-for-like growth (A) by annually recurring (B).

[3] Headline profit before tax has been restated for UK and Central costs.

Refer to the Divisional trading summary below for commentary on the performance of each operating segment.

Central costs include all costs that are not allocated to the Group's operating segments when headline profit before tax is reported to the Executive team for the purposes of allocating resource and making strategic decisions. These include the Group's corporate overheads and other central costs that are included within cost of sales. The corporate overheads are the costs of running the head office in London and are primarily comprised of staff costs, which include the Group's executive and non-executive directors, depreciation of the Group's centrally held assets, office rent and professional fees. The other central costs included within cost of sales include costs that are not event-specific but span the Group's portfolio of events.

The increase in central costs in 2019 is primarily due to a full year of costs associated with running a larger group after the acquisitions of Ascential Events and Mining Indaba and the full year impact of the move into our new headquarters in Paddington.

Foreign exchange

As a result of the territories in which we operate, we are exposed to changes in foreign exchange rates and significant movements, particularly in the Russian ruble, can have a significant impact on our results.

Further detail is provided on the impact of translational FX, which is included within the results of each division and only adjusted for when considering like-for-like measures of revenue or profit, transactional FX, which is presented separately in the Income Statement and is a loss of £1.1m in the year (2018: gain of £2.2m) and the impact on reserves recognised in the foreign currency translation reserve below.

Translational FX

Each month our subsidiary company results are translated into sterling, from the functional currencies of the subsidiary companies, on consolidation, using the prevailing foreign exchange rates for the month. Changes in foreign exchange rates result in fluctuations of the level of profits reported for the Group. The impact of the changes in foreign exchange rates is included within both the statutory and adjusted reported results, within the relevant lines in the Consolidated Income Statement. To aid comparability of trading results, when presenting like-for-like performance we adjust for the impact of changes in foreign exchange rates on translation.

Whilst the Russian ruble and Turkish lira were stronger against sterling at the end of 2019 compared to the end of 2018, for the majority of the year these currencies were weaker compared to the same period in the previous year, meaning the reported results were lower than in the comparative period by £2.3m for revenue and £0.8m for headline profit before tax.

Transactional FX

As well as translational foreign exchange movements arising on consolidation, the Group results are impacted by changes in foreign exchange rates within our subsidiary company results. Where monetary transactions are entered into in different currencies than the functional currency of the entity this gives rise to revaluation gains and losses following changes in exchange rates between the transaction date, month end and the settlement date. Each revaluation of the monetary assets and liabilities held on the balance sheet results in gains and losses, which are reported within the Consolidated Income Statement within the 'Foreign exchange gain on operating activities' line.

The strengthening of the Russian ruble and Turkish lira throughout the financial year relative to the position at September 2018 has contributed to the loss of £1.1m (2018: gain of £2.2m) recognised in the year, which has arisen on the revaluation of foreign currency monetary assets and liabilities held in our subsidiary companies in Russia and Turkey.

In order to minimise our exposure to changes in foreign exchange rates, particularly on euro denominated cash inflows held in sterling subsidiary companies, which accounts for approximately 15-20% of total revenues, the Group previously held foreign exchange forward contracts to provide certainty over the future euro cash inflows. The gains and losses on the forward contracts are deferred and recognised within revenue at the point at which the revenue is recognised. From July 2019 onwards, the Group did not hold foreign exchange forward contracts, but instead sought to naturally hedge results.

In the year, a loss of £0.9m (2018: loss of £1.7m) was recognised within revenue in respect of our forward contracts, reflecting the strengthening of the euro against sterling relative to the contracted rate on entering into the forward contracts, naturally offsetting the benefit received from this strengthening within our reported revenues.

Foreign currency translation reserve

Finally, our results are impacted by the translation of the subsidiary company balance sheets each month on consolidation into sterling. A change in foreign exchange rates gives rise to a movement which is recognised within reserves in the foreign currency translation reserve. This is on translation of the company balance sheets of our subsidiary companies, which are reported in their functional currencies before being translated into sterling on consolidation, at the prevailing period end rates.

The foreign currency translation reserve decreased by £7.9m, largely due to the strengthening of the Russian ruble, Turkish lira and the Indian rupee against sterling between the beginning and the end of the financial year. Due to the considerable goodwill and intangible assets held in these countries the value of the net assets within the consolidated statement of financial position has increased.

Venue arrangements

The Group has long-term arrangements with its principal venues in its main markets setting out Hyve's rights over future venue use and pricing.

The arrangements can take the form of a prepayment of future venue fees (advance payment), or a loan which can be repaid in cash or by offset against future venue fees (venue loan). Generally, the arrangements bring rights over future venue use and advantageous pricing arrangements through long-term agreements. Venue advances and prepayments are included in the Consolidated Statement of Financial Position under non-current and current assets.

Acquisitions and disposals

On 3 October 2018 the Group completed the disposal of ITE Expo LLC, the operating company for 56 of the Group's non-core, regionally-focused, smaller events in Russia, to Shtab-Expo LLC for consideration at fair value of £4.1m. The Group will receive principal consideration of approximately £10.0m over the nine years following completion together with additional variable consideration of up to approximately £4.7m based on ITE Expo LLC's incremental revenue growth during this period.

On 23 October 2018 the Group acquired the business and assets relating to Mining Indaba from Euromoney for £28.7m. Mining Indaba is the leading event dedicated to bringing together mining and investment experts in order to develop mining interests in Africa.

On 29 March 2020 the Group also completed a number of smaller disposals within the Central Asia region for combined consideration of £0.5m.

At 30 September 2019, equity options are held over further interests in our subsidiary companies, ABEC, Fasteners and Scoop, and our joint venture company Debindo.

Portfolio management

As part of our ongoing focus on Core events we have continued to review our portfolio of events. During the year we closed our Siberian business discontinuing 17 events that we previously operated in Ekaterinburg, representing the majority of the 24 events cancelled in 2019. The cancelled events had contributed £5.3m to Group revenue in 2018 and collectively were loss making, contributing a net loss of £0.5m to headline profit in the comparative period.

TAG overview

In May 2017, we announced our intention to invest up to £20.0m in the TAG programme over the three-year transformation period. In 2019 we invested £4.1m, comprised of £2.8m of one-off restructuring costs, which are presented within adjusting items, and £1.3m of capital expenditure. The costs incurred in the year include IT and system costs as part of the Group's technology transformation, costs associated with the rebrand to Hyve and the launch of value-based pricing at some of our Core events. Having invested £16.2m since May 2017, we anticipate investing up to £3.8m in FY20, focusing on building a new global finance system and implementing efficiencies within the Group's operating model. We therefore remain confident of delivering the overall TAG programme within the £20.0m one-off investment indicated.

During 2019, £8.0m (2018: £7.3m) of costs were included within our statutory and headline results in relation to the TAG programme. These represent costs in relation to the delivery of the Group's new strategy, rather than the costs of designing and implementing the strategy. These are costs that have arisen following changes to the way we operate as a result of the TAG programme and are expected to continue to be incurred as the Group's new operating model becomes fully embedded. These costs include direct costs incurred to drive future revenue growth, such as content and operations costs, to enhance the quality of our events and overhead costs in relation to maintaining best practice functions and teams and building capability and talent across the organisation.

In May 2017 we said that we expected the ongoing costs of TAG to exceed the incremental revenue it delivers during the three years ending 30 September 2019, with positive net operating profit after tax from the year ended 30 September 2020. As signalled last year, we can now confirm that we have met this target a year early, delivering a profit from TAG in the year ended 30 September 2019. We remain on course to deliver ROI from the TAG programme greater than our 2017 cost of capital a year ahead of plan, in the year ended 30 September 2020. This gives us confidence that we will meet all our TAG targets within the expected timeframe.

Divisional Trading Summary

Global Brands

	2019 £'m	2018 £'m	Change	Like-for-like change
Revenue	49.7	11.5	+332%	+16%
Headline profit before tax	20.3	2.1	+867%	+34%

The Group's Global Brands business now contains the results of the Africa Oil Week event and the Breakbulk portfolio of events. It also includes the Bett and CWIEME portfolios of events acquired as part of the Ascential Events acquisition in July 2018 and the Mining Indaba event acquisition completed in October 2018. During the year, the Group ran 15 (2018: 5) events in the Global Brands division.

Overall the portfolio reports a £38.2m increase in revenues and an £18.2m increase in profits. The considerable increase to both revenue and profits in the year is largely due to acquisitions, with the division having expanded rapidly over the past 18 months. On a like-for-like basis, revenues increased by 16% and headline profits before tax increased by 34% with the profit increase attributable to the trading results of our previously held Africa Oil Week and Breakbulk events which performed exceptionally in the year.

Africa Oil Week ran in October 2018 and considerably exceeded expectations with revenues growing in excess of 35% year on year, aided in part by the recovery of the oil price and with the benefits of TAG investment being realised.

The Bett portfolio is comprised of five events held across the globe with the showpiece event being the Bett event held in January at the ExCel in London, which is one of the Group's largest events by revenue. The event had been owned for less than a full event cycle when it was held in FY19, limiting the ability of the event teams to upgrade the event proposition to the full extent required, resulting in the event not achieving its full potential this year. Looking ahead, the portfolio is tracking ahead of the same time last year and after holding the events for a full cycle, the teams are optimistic for the growth trajectory across the portfolio.

The CWIEME portfolio is made up of three events in Germany, China and USA. The largest event in the portfolio is CWIEME Berlin which takes place in Messe Berlin each May. With a slightly longer run-up to the event post-acquisition from Ascential plc last year, the CWIEME event delivered in line with expectations, despite significant restructuring of the team during the year.

Mining Indaba, the South African mining exhibition and conference was acquired at the beginning of the financial year, four months in advance of the event. Whilst having limited time to affect any meaningful change at the event, small incremental improvements were made which have helped to position the event strongly for the future. The results of the current year event were ahead of expectations and the forward bookings for the 2020 event are considerably ahead of the same time last year.

Asia

	2019 £'m	2018 £'m	Change	Like-for-like change
Revenue	23.2	25.7	-10%	+5%
Headline profit before tax	9.4	10.2	-8%	+2%

The Group's Asian events take place in India and China, primarily operated by subsidiary companies in which the Group owns the majority but not all shares. Overall the Asia division reported lower results in the year across revenue and profit before tax, with the decline attributable to India as a result of known space constraints at ACETECH Delhi where the venue is under redevelopment, the cancellation of a number of smaller events and this being the weaker biennial year in which Paperex does not take place. On a like-for-like basis the region reported a revenue increase of 5% and a 2% increase in headline profit before tax.

The Group benefitted from another strong performance by its Sinostar joint venture, which is not included in consolidated revenues, but is included in consolidated profit before tax for the region. In South East Asia, the Group owns 50% of PT Debindo in Jakarta, Indonesia, which runs the IndoBuildTech series of construction exhibitions. While considerably smaller than Sinostar and therefore only having a minimal impact on the overall Group's performance, PT Debindo also contributed an increased share of profits in the year.

The Group operates two businesses in India: one through a wholly-owned subsidiary, Hyve India, which has its weaker biennial year in odd years, and the other through ABEC, one of India's largest exhibition organisers in which the Group has a 60% stake. ABEC's portfolio includes ACETECH, India's leading construction events. The Indian business as a whole delivered a like-for-like volume decline of 6%, and a like-for-like revenue decline of 5%, reflecting the space constraints at the Delhi venue. As a non-100% owned business, ABEC has not had the benefits of TAG or centralised operating model.

In China the Group has offices in Beijing and Shanghai and operates (through its Hong Kong headquartered 50% joint venture partner Sinostar) the Chinacoat/Surface Finishing China event. The December 2018 Chinacoat event in Shanghai recorded 26% volume growth on the equivalent previous edition. The 70% owned Gehua business performed well, exceeding expectations and delivering considerable year-on-year growth, supported by particularly strong growth from the food event which ran in August 2019. The Group's 70% owned Fasteners declined across all key metrics in the year, in the face of increased competition.

Central Asia

	2019 £'m	2018 £'m	Change	Like-for-like change
Revenue	19.8	24.5	-19%	+13%
Headline profit before tax	5.0	7.2	-30%	+0%

Hyve's principal offices in Central Asia are in Kazakhstan, Azerbaijan and Uzbekistan. All the economies in this region are heavily dependent on oil and gas for their overseas earnings and economic wealth and in the case of Kazakhstan a significant level of trade with Russia as well. The gradually improving oil price and the Russian economic stabilisation have had a positive impact on trading conditions within the region.

This year Hyve organised a total of 45 events (2018: 56) across these territories. Overall, reported results declined by 19% for revenue and 30% for headline profit before tax, but on a like-for-like basis, revenues increased by 13% and headline profit before tax remained flat. The decline in absolute results across the region is attributable to a combination of the sale of our small Azerbaijan portfolio, with only our largest event in the country, Caspian Oil & Gas, retained, the disposal of the Group's stand construction businesses in Azerbaijan and Kazakhstan and timing differences. The timing differences notably include KIOGE, the Kazakhstan oil and gas event, which took place in Almaty in October 2017 and again in September 2018 and so reported revenues on two event editions in the comparative year but none in 2019, and CAITME, the Uzbekistan textile machinery exhibition that took place in 2018 but did not run in 2019.

Kazakhstan is the Group's largest office in the region and the most notable year-on-year change was the KIOGE event not taking place in the period and the disposal of the stand construction business in March 2019, contributing to a decline compared to 2018. On a like-for-like basis results were comparable year-on-year.

Azerbaijan is the Group's smallest office in the region and has further decreased in size in the year as a result of the partial disposal of the business in March 2019. On a like-for-like basis results were in line with last year.

Hyve's Uzbekistan business has delivered significant growth in each of the last two years, driven to a large extent by the more favourable macroeconomic environment, with the current political regime taking a more favourable stance on international investment. Despite one of the Group's largest Uzbekistan events, CAITME, not taking place in the year due to timing differences, revenue and profit before tax both increased year-on-year.

Eastern and Southern Europe

	2019 £'m	2018 £'m	% change	% change Like-for-like
Revenue	16.7	15.2	+10%	+6%
Headline profit before tax	5.8	4.4	+32%	+13%

The Eastern and Southern Europe region is represented by the Group's offices in Turkey and Ukraine. Overall the region reported growth in revenue and headline profit before tax on both an adjusted and statutory basis. 2019 is the stronger biennial year in Turkey, benefiting from the railway industry exhibition Eurasia Rail which takes place in Spring in alternate years. On a like-for-like basis, revenues increased by 6%, reflecting the success of the pricing strategy pursued in 2019, while headline profit before tax increased by 13% on a like-for-like basis.

Overall performance in Turkey was mixed, mirroring the turbulent economic and political environment. The majority of the events outperformed their previous editions but overall growth was slowed by challenges at our TurkeyBuild Istanbul event which was operating in a construction sector that contracted by over 45% in the year. On a like-for-like basis revenues were up 5% due to pricing power following the introduction of TAG initiatives and euro pricing at several events.

Trading in Ukraine has continued on the path to recovery. Overall like-for-like revenue growth of 7% and double-digit headline profit before tax growth was reported.

Russia

	2019 £'m	2018 £'m	% change	% change Like-for-like
Revenue	62.6	73.3	-15%	+12%
Headline profit before tax	25.9	24.3	+7%	+14%

During the year Hyve held 17 events in Russia (2018: 89) and reported revenue of £62.6m, 15% lower than the previous year. This was due to the disposal of 56 of the Group's non-core, regionally-focused, smaller events in Russia, which previously contributed revenues of approximately £12.0m, the closure of the Siberian regional events and the weakening of the Russian ruble which had a negative impact of £0.8m on revenues and £0.3m on headline profit before tax. Excluding these effects, like for like revenues increased by 12% and headline profit before tax by 14%.

Headline profit before tax of £25.9m was 10% higher than the previous year, despite the disposal of the regional non-core events in the year. This was due primarily to strong underlying growth but was helped by this being the stronger biennial year for ITE MF, the Russian joint venture, which increased to a pre-tax share of profits of £1.7m (2018: £0.8m) and the closure of the Siberia business which was previously loss-making. Whilst the TAG benefits are now being felt, the trading environment in Russia has become less certain in the past year and the economic country's GDP growth is forecast to grow at below 2% for the next year. On a like-for-like basis headline profits before tax increased by 14% from the prior year.

Hyve's leading events in Russia have coped well in a challenging market, with the largest events delivering exceptional growth. MosBuild, the Group's largest event prior to the Ascential Events acquisition, grew volumes by 20% in the year, led by strong domestic exhibitor sales and significant growth from the ceramics sector. The majority of the other events in Moscow also performed well, proving resilient to the macroeconomic growth slowdown and international sanctions to deliver strong year-on-year growth in both revenue and profit. The one notable exception was MIOGE, the oil and gas event, which has continued to suffer from low exhibitor interest since becoming an annual event but not being the market-leading event in the sector in Russia, coupled with the effects of the sanctions on international energy companies operating in Russia. The event declined significantly year-on-year and has now been cancelled for 2020.

The sole event remining in the Russian regions is YugAgro in Krasnodar, the leading agriculture event, which, despite space constraints, continued its current growth trajectory since the launch of TAG and again delivered double-digit like-for-like revenue growth.

UK

	2019 £'m	2018[4] £'m	% change	% change Like-for-like
Revenue	48.7	25.5	+91%	-9%
Headline profit before tax	15.5	8.9	+75%	+0%

The UK division contains the results of our Moda portfolio of fashion events, including Moda, Scoop and Jacket Required, as well as the majority of the acquired Ascential Events portfolio including Spring Fair, Autumn Fair, Pure and Glee. The events included in the like-for-like results are therefore those from the Moda portfolio as well as one of the Pure events, Glee and Autumn Fair, which ran in the short period under Hyve ownership in the last financial year.

The legacy fashion portfolio continued to decline on the prior year. This was due to the continued challenges facing the UK's mid-market fashion industry.

Pure, the high-end fashion event held at Olympia in London is comparable to Moda in so far as the event is run biannually to cater to the changing seasons but seeks to serve a higher end of the market which has been slightly more robust than the mid-market fashion sector. Although the current uncertainty in the UK surrounding Brexit and challenges facing the UK high-street are having an impact.

Spring Fair and Autumn Fair, the Birmingham based home and gift events have faced considerable challenges over the past few years with significant investment needed to stabilise the declines seen in light of underinvestment at the events, coupled with the wider political uncertainty and the knock-on impact on the UK economy. Spring Fair is now the largest event in the Group's portfolio and fills the majority of the NEC, with volume sales in excess of 68,000 SQM.

Glee, the UK gardening and outdoor living trade performed reasonably well, but struggled in the months leading up to the event with trading sluggish due to Brexit. There has been investment into the event in the past year to enhance the quality and ensure that the customer experience is improved.

[4] Headline profit before tax has been restated for the UK division. Refer to note 3 for further details.

Consolidated Income Statement

		Year ended 30 September 2019			Year ended 30 September 2018		
		Headline	Adjusting items (Note 5)	Statutory	Headline	Adjusting items (Note 5)	Statutory
	Notes	£000	£000	£000	£000	£000	£000
Revenue	3	220,723	-	220,723	175,669	-	175,669
Cost of sales		(133,343)	-	(133,343)	(107,648)	-	(107,648)
Gross profit		87,380	-	87,380	68,021	-	68,021
Other operating income		934	-	934	889	-	889
Administrative expenses		(39,708)	(39,691)	(79,399)	(40,003)	(38,664)	(78,667)
Foreign exchange (loss)/gain on operating activities		(1,140)	-	(1,140)	2,237	-	2,237
Share of results of associates and joint ventures	3	8,297	(1,900)	6,397	7,557	(1,641)	5,916
Operating profit/(loss)		55,763	(41,591)	14,172	38,701	(40,305)	(1,604)
Investment revenue	6	1,019	1,335	2,354	603	2,995	3,598
Finance costs	7	(6,374)	(1,439)	(7,813)	(3,887)	(1,791)	(5,678)
Profit/(loss) before tax	3	50,408	(41,695)	8,713	35,417	(39,101)	(3,684)
Tax (charge)/credit	8	(13,115)	8,530	(4,585)	(9,722)	6,699	(3,023)
Profit/(loss)		37,293	(33,165)	4,128	25,695	(32,402)	(6,707)
Attributable to:							
Owners of the Company		36,313	(33,165)	3,148	24,337	(32,402)	(8,065)
Non-controlling interests		980	-	980	1,358	-	1,358
		37,293	(33,165)	4,128	25,695	(32,402)	(6,707)
Earnings per share (p)							
Basic	10	4.9		0.4	4.9		(1.6)
Diluted	10	4.9		0.4	4.9		(1.6)

The results stated above relate to continuing activities of the Group. The accompanying notes 1 to 13 form an integral part of the consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Notes	2019 £000	2018 £000
Profit/(loss) for the year attributable to shareholders		**4,128**	(6,707)
Cash flow hedges:			
Movement in fair value of cash flow hedges		**269**	1,946
Fair value of cash flow hedges released to the income statement		**655**	(97)
Currency translation movement on net investment in subsidiary undertakings		**7,561**	(7,808)
Total other comprehensive income		**8,485**	(5,959)
		12,613	(12,666)
Tax relating to components of comprehensive income	8	**(153)**	(314)
Total comprehensive income for the year		**12,460**	(12,980)
Attributable to:			
Owners of the Company		**11,480**	(14,338)
Non-controlling interests		**980**	1,358
		12,460	(12,980)

All items recognised in comprehensive income may be reclassified subsequently to the income statement.

The accompanying notes 1 to 13 form an integral part of the consolidated financial statements.

Consolidated Statement of Changes in Equity

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Retained earnings £000	Equity option reserve £000	Translation reserve £000	Hedge reserve £000	Total £000	Non-controlling interests £000	Total equity £000
Balance as at 1 October 2018	**7,416**	**279,756**	**2,746**	**457**	**(2,794)**	**80,800**	**(13,255)**	**(53,073)**	**(1,018)**	**301,035**	**23,847**	**324,882**
Net profit for the year	-	-	-	-	-	3,148	-	-	-	**3,148**	980	**4,128**
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	7,561	-	**7,561**	-	**7,561**
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	269	**269**	-	**269**
Fair value of cash flow hedges released to the income statement	-	-	-	-	-	-	-	-	655	**655**	-	**655**
Tax relating to components of comprehensive income (note 8)	-	-	-	-	-	**-**	**-**	**-**	(153)	**(153)**	-	**(153)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,148**	**-**	**7,561**	**771**	**11,480**	**980**	**12,460**
Dividends (note 9)	-	-	-	-	-	(14,043)	-	-	-	**(14,043)**	(1,978)	**(16,021)**
Exercise of share options	-	-	-	-	7	(8)	-	-	-	**(1)**	-	**(1)**
Share-based payments	-	-	-	-	-	112	-	-	-	**112**	-	**112**
Disposal of subsidiary	-	-	-	-	-	-	-	379	-	**379**	(46)	**333**
Balance as at 30 September 2019	**7,416**	**279,756**	**2,746**	**457**	**(2,787)**	**70,009**	**(13,255)**	**(45,133)**	**(247)**	**298,962**	**22,803**	**321,765**

The accompanying notes 1 to 13 form an integral part of the consolidated financial statements.

	Share capital £000	Share premium account £000	Merger reserve £000	Capital redemption reserve £000	ESOT reserve £000	Retained earnings £000	Equity option reserve £000	Translation reserve £000	Hedge reserve £000	Total £000	Non-controlling interests £000	Total equity £000
Balance as at 1 October 2017	**2,693**	**28,567**	**2,746**	**457**	**(4,240)**	**98,520**	**(13,255)**	**(45,265)**	**(2,553)**	**67,670**	**22,652**	**90,322**
Net (loss)/profit for the year	-	-	-	-	-	(8,065)	-	-	-	**(8,065)**	1,358	**(6,707)**
Currency translation movement on net investment in subsidiary undertakings	-	-	-	-	-	-	-	(7,808)	-	**(7,808)**	-	**(7,808)**
Movement in fair value of cash flow hedges	-	-	-	-	-	-	-	-	1,946	**1,946**	-	**1,946**
Fair value of cash flow hedges released to the income statement	-	-	-	-	-	-	-	-	(97)	**(97)**	-	**(97)**
Tax relating to components of comprehensive income (note 8)	-	-	-	-	-	-	-	-	(314)	**(314)**	-	**(314)**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**(8,065)**	**-**	**(7,808)**	**1,535**	**(14,338)**	**1,358**	**(12,980)**
Dividends (note 9)	4	(4)	-	-	-	(9,980)	-	-	-	**(9,980)**	(163)	**(10,143)**
Exercise of share options	-	-	-	-	1,446	(69)	-	-	-	**1,377**	-	**1,377**
Share-based payments	-	-	-	-	-	456	-	-	-	**456**	-	**456**
Issue of shares	4,719	251,193	-	-	-	-	-	-	-	**255,912**	-	**255,912**
Tax debited to equity (note 8)	-	-	-	-	-	(62)	-	-	-	**(62)**	-	**(62)**
Balance as at 30 September 2018	**7,416**	**279,756**	**2,746**	**457**	**(2,794)**	**80,800**	**(13,255)**	**(53,073)**	**(1,018)**	**301,035**	**23,847**	**324,882**

Consolidated Statement of Financial Position

	Notes	2019 £000	2018 (restated) £000	2017 (restated) £000
Non-current assets				
Goodwill		**209,970**	201,838	92,566
Other intangible assets		**270,608**	267,265	61,867
Property, plant and equipment		**5,167**	4,932	2,783
Interests in associates and joint ventures		**43,374**	43,293	45,470
Venue prepayments		**-**	2,141	3,548
Investments		**500**	-	-
Deferred consideration receivable > 1 year		**3,795**	-	-
Derivative financial assets > 1 year		**-**	103	-
Deferred tax asset		**8,547**	10,435	5,411
		541,961	530,007	211,645
Current assets				
Trade and other receivables		**59,024**	54,038	37,931
Tax prepayment		**3,300**	2,015	2,880
Cash and cash equivalents	13	**33,027**	49,649	23,321
Assets classified as held for sale		**-**	9,624	-
		95,351	115,326	64,132
Total assets		**637,312**	645,333	275,777
Current liabilities				
Bank loan and overdrafts	13	**(17,500)**	-	-
Trade and other payables		**(33,390)**	(35,863)	(21,332)
Deferred income		**(79,701)**	(76,764)	(59,097)
Corporation tax		**(1,929)**	(5,464)	(3,834)
Derivative financial instruments		**(12,955)**	(11,762)	(1,795)
Provisions		**(306)**	(1,469)	(527)
Liabilities classified as held for sale		**-**	(7,452)	-
		(145,781)	(138,774)	(86,585)
Non-current liabilities				
Bank loan and overdrafts	13	**(127,205)**	(132,345)	(72,998)
Provisions		**(1,505)**	(1,600)	(273)
Deferred income		**(291)**	(813)	-
Deferred tax liabilities		**(40,655)**	(46,595)	(12,494)
Derivative financial instruments		**(110)**	(324)	(13,105)
		(169,766)	(181,677)	(98,870)
Total liabilities		**(315,547)**	(320,451)	(185,455)
Net assets		**321,765**	324,882	90,322
Equity				
Share capital		**7,416**	7,416	2,693
Share premium account		**279,756**	279,756	28,567
Merger reserve		**2,746**	2,746	2,746
Capital redemption reserve		**457**	457	457
Employee Share Ownership Trust ("ESOT") reserve		**(2,787)**	(2,794)	(4,240)
Retained earnings		**70,009**	80,800	98,520
Equity option reserve		**(13,255)**	(13,255)	(13,255)
Translation reserve		**(45,133)**	(53,073)	(45,265)
Hedge reserve		**(247)**	(1,018)	(2,553)
Equity attributable to equity holders of the parent		**298,962**	301,035	67,670
Non-controlling interests		**22,803**	23,847	22,652
Total equity		**321,765**	324,882	90,322

The balances for trade and other receivables and deferred income for the years ended 30 September 2018 and 30 September 2017 have been restated upon the adoption of IFRS 15 as described in note 2.

The accompanying notes 1 to 13 form an integral part of the consolidated financial statements.

The financial statements of Hyve Group plc, registered company number 01927339, were approved by the Board of Directors and authorised for issue on 3 December 2019. They were signed on their behalf by:

Mark Shashoua Chief Executive Officer	Andrew Beach Chief Financial Officer

Consolidated Cash Flow Statement

	Notes	2019	2018 (restated)
		£000	£000
Operating activities			
Operating profit/(loss) from continuing operations		**14,172**	(1,604)
Adjustments:			
Depreciation and amortisation		**27,032**	16,288
Impairment of goodwill and intangible assets		**-**	5,572
Impairment of venue prepayment		-	1,843
Derecognition of goodwill on cessation of trading		-	2,216
Share-based payments		**63**	497
(Decrease)/increase in provisions		**(1,278)**	535
Loss/(profit) on disposal of plant, property and equipment and computer software		**10**	(17)
Loss/(profit) on disposal of subsidiary holdings		**3,154**	(2,968)
Fair value of cash flow hedges recognised in the income statement		**654**	(97)
Share of profit from associates and joint ventures		**(6,397)**	(5,916)
Operating cash flows before movements in working capital		**37,410**	16,349
(Increase)/decrease in receivables		**(4,346)**	6,312
Prepayments to venues		**(730)**	(6,585)
Utilisation of venue prepayments		**719**	6,043
Decrease in deferred income		**(96)**	(7,801)
Increase in payables		**1,249**	7,591
Operating cash flows after movements in working capital		**34,206**	21,909
Dividends received from associates and joint ventures		**6,147**	**6,420**
Cash generated from operations		**40,353**	28,329
Tax paid		**(11,548)**	(9,631)
Net cash from operating activities		**28,805**	18,698
Investing activities			
Interest received	6	**1,019**	603
Investment in associates and joint ventures		**(500)**	(1,356)
Acquisition of businesses – cash paid net of cash acquired		**(31,478)**	(294,502)
Purchase of plant, property and equipment and computer software		**(3,776)**	(4,254)
Disposal of plant, property and equipment and computer software		**70**	109
Disposal of subsidiaries and investments – cash received net of cash disposed		**(462)**	7,326
Net cash utilised on investing activities		**(35,127)**	(292,074)
Financing activities			
Equity dividends paid		**(14,077)**	(10,582)
Dividends paid to non-controlling interests		**(1,978)**	(154)
Interest paid and bank charges	7	**(6,374)**	(3,887)
Proceeds from the issue of share capital and exercise of share options		**-**	1,370
Proceeds from the rights issue net of fees		**-**	255,940
Drawdown of borrowings		**258,457**	437,322
Repayment of borrowings		**(246,330)**	(378,031)
Net cash outflow from financing activities		**(10,302)**	301,978

	2019	2018 (restated)
	£000	£000
Net (decrease)/increase in cash and cash equivalents	**(16,624)**	28,602
Cash and cash equivalents at beginning of year	**49,649**	23,321
Effect of foreign exchange rates	**2**	(81)
Cash and cash equivalents held for sale	-	(2,193)
Cash and cash equivalents at end of year	**33,027**	49,649

The working capital movements in receivables and deferred income for the year ended 30 September 2018 have been restated upon the adoption of IFRS 15 as described in note 2. There are no net impacts on cash flows.

The comparative period drawdown of borrowings and repayment of borrowings amounts have been restated to include the impact of all drawdowns and repayments made on the Group's Money Market Lending facility. This is a short-term facility to provide immediate working capital for periods of between one to 30 days and forms part of the Group's bank loan and overdrafts.

The accompanying notes 1 to 13 form an integral part of the consolidated financial statements.

1 Basis of preparation

Whilst the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards ("IFRS"), this announcement does not contain sufficient information to comply with IFRS. The Company expects to publish full financial statements that comply with IFRS later in December 2019. These will be available at www.hyve.group.

The financial information set out above does not constitute the Company's statutory accounts for the years ended 30 September 2019 or 2018, but is derived from those accounts. Statutory accounts for 2018 have been delivered to the Registrar of Companies and those for 2019 will be delivered following the Company's annual general meeting. The auditors have reported on those accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under s498(2) or (3) Companies Act 2006 or equivalent preceding legislation.

The Directors have, at the time of approving the Consolidated Financial Statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. They therefore continue to adopt the going concern basis of accounting in preparing the Consolidated Financial Statements.

Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, a number of judgements and estimates have been made by management. Those that have the most significant effect on the amounts recognised in the financial statements or have the most risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Critical accounting judgements

Adjusting items

The classification of adjusting items requires significant management judgement after considering the nature and intentions of a transaction. The Group's definitions of adjusting items are outlined within the Glossary. These definitions have been applied consistently year on year.

Note 5 provides further details on current year adjusting items.

Key sources of estimation uncertainty

Impairment of goodwill and intangible assets

There are a number of estimates management considers when determining value in use, most significantly the growth rates applied to future cash flows and the discount rates used to derive the present value of those cash flows. Growth rates reflect management's view of the long-term forecast rates of growth, using third party sources such as the International Monetary Fund where appropriate. Discount rates are selected to reflect the risk adjusted cost of capital for the respective territories. The most significant area of estimation uncertainty relates to forecast cash flows at each cash generating unit. Forecast cash flows are based on Board approved budgets and plans. A significant change in the assumptions used in determining the value in use of certain CGUs, could potentially result in an impairment charge being recognised in relation to these CGUs. In particular, a 5% decline in the operating profit growth rate forecast for the UK CGU would result in an impairment charge of £25.1m.

The carrying value of goodwill and intangible assets at 30 September 2019 is £210.0m (2018: £201.8m) and £270.6m (2018: £267.3m) respectively.

Equity option liabilities

The valuation of equity option liabilities held over own equity, of £13.0m (2018: £11.6m), requires management to estimate the fair value of the liabilities to be settled in future years to acquire non-controlling interests in subsidiary companies. The liabilities are to be settled based on a multiple of future years' EBITDA. The EBITDA estimates are based on the latest budgeted information grown in line with projected GDP growth rates for the countries in which the subsidiaries operate. The valuation of the equity option liabilities is highly sensitive to changes to forecast results, given that the equity options are based on multiples of 7.5x-12.5x EBITDA. A £0.1m movement in EBITDA in the relevant period could therefore result in up to a £1.25m movement in the equity option liability valuation.

2 Impact of new accounting standards

In the current year, the Group has applied the below amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for the Group's accounting period that began on 1 October 2018.

	Effective date
Amendments to IFRS 2 *Share-based payments*	1 January 2018
Clarifications to IFRS 15 *Revenue from Contracts with Customers*	1 January 2018
IFRS 9 *Financial Instruments*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018

The amendments to IFRS 2 *Share-based payments* have no impact.

In the current period the Group has applied IFRS 9 *Financial Instruments* (as revised in July 2014) and the related consequential amendments to other IFRSs. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting IFRS 9 has had no material impact during the year.

On adoption of IFRS 15 *Revenue from Contracts with Customers*, the Group has elected to restate comparative information using the fully retrospective method for prior periods. Under IFRS 15, the deferred income, and corresponding trade receivable, may not be recognised until the earlier of the service being provided and the payment falling due, whereas previously they were recognised when contractually committed. This has resulted in a material reduction to the deferred income and trade receivables on adoption of the standard as a result of the Group's significant forward bookings, as only a portion of the payment is generally due upfront at booking.

The Group has applied the practical expedient to recognise the incremental costs of obtaining a contract, specifically sales commissions, as an expense when incurred, as the amortisation period of the asset if recognised would be less than the year on all but an immaterial number of the Group's contracts.

The impact of this change on the balance sheet as at 30 September 2018 and 30 September 2017 is shown in the tables below and there is no net asset impact of these adjustments. There was no impact on the income statement for the year ended 30 September 2018.

30 September 2018	**As previously reported £000**	**IFRS 15 reclassifications £000**	**Restated £000**
Current assets			
Trade and other receivables	77,056	(23,018)	54,038
Assets classified as held for sale	10,483	(859)	9,624
Total assets	**87,539**	**(23,877)**	**63,662**
Current liabilities			
Deferred income	(99,114)	22,350	(76,764)
Liabilities classified as held for sale	(8,311)	859	(7,452)
Non-current liabilities			
Deferred income	(1,481)	668	(813)
Total liabilities	**(108,906)**	**23,877**	**(85,029)**

30 September 2017	As previously reported £000	IFRS 15 reclassifications £000	Restated £000
Current assets			
Trade and other receivables	61,425	(23,494)	37,931
Total assets	**61,425**	**(23,494)**	**37,931**
Current liabilities			
Deferred income	(82,591)	23,494	(59,097)
Total liabilities	**(82,591)**	**23,494**	**(59,097)**

The Group has not yet adopted certain new standards, amendments and interpretations to existing standards, which have been published but are only effective for the Group's accounting period beginning on or after 1 October 2019. A list of these can be found below:

	Effective date
Amendments to IAS 12 *Income taxes*	1 January 2019
IFRS 16 *Leases*	1 January 2019
Amendments to IFRS 9 *Prepayment features with Negative Compensation*	1 January 2019
Amendments to IAS 28 *Long-term interests in Associates and Joint Ventures*	1 January 2019
Annual Improvements to IFRS Standards 2015 – 2017 Cycle *Amendments to IAS 19 Employee Benefits*	1 January 2019
IFRS 10 *Consolidated Financial Statements and IAS 28 (amendments)*	1 January 2019
IFRIC 23 *Uncertainty over Income Tax Treatments*	1 January 2019

The Directors anticipate that the adoption of these standards and interpretations in future periods will not have a material impact on the financial statements of the Group, except as described below in relation to IFRS 16 *Leases*.

IFRS 16 eliminates the distinction between operating and finance leases for lessees. The standard requires lessees to recognise right of use assets and corresponding liabilities for all leases, unless the lease term is 12 months or less, or the underlying asset has a low value.

This is expected to have a significant impact on both the Consolidated Statement of Financial Position, due to the right of use assets and lease liabilities recognised, and the Consolidated Income Statement, through a changing of the expense profile and the financial statement lines in which the expenses are recognised.

The new standard replaces the operating lease expense with a depreciation charge on the underlying asset and an interest expense on the liability. This will increase the expense charged at the beginning of our lease contracts due to the front-loaded nature of the interest expense. This is expected to reduce profit before tax in the first three years of adoption.

Currently, our operating lease rentals are recognised within administrative expenses, but under IFRS 16, a portion of the cost, the interest expense on the lease liability, will be classified as a finance cost (the depreciation charge on the underlying asset will still be recognised within administrative expenses) and therefore operating profit is expected to increase on adoption.

The standard will primarily impact the Group's property and equipment leases. The treatment of venue leases is expected to remain unchanged, due to the cumulative tenancy dates over the term of each venue lease being less than 12 months. All current venue contracts are therefore expected to be exempt under IFRS 16.

The Group plans to apply IFRS 16 using the modified retrospective approach. Under this approach, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings on 1 October 2019, with no restatement of comparative information. Lease assets and lease liabilities will not be recognised for leases with a lease term ending within 12 months of 1 October 2019.

Adoption of IFRS 16 is expected to result in an increase in assets of £15.0m, and a corresponding increase in liabilities of £16.4m as at 1 October 2019. Operating profit for the year ending 30 September 2020 is estimated to increase by £0.5m, being the difference between the lease expense and depreciation, and profit before tax will decrease by £0.1m, reflecting a higher total lease interest expense in the initial years.

3 Segmental information

The Group has identified reportable segments based on financial information used by the Executive Team in allocating resources and making strategic decisions. The Executive Team (consisting of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief People Officer, and General Counsel), are considered to be the Group's Chief Operating Decision Maker. The Group evaluates performance on the basis of headline profit or loss before tax.

The Group's reportable segments are operational business units and groups of events that are managed separately, either based on geographic location or as portfolios of events. The products and services offered by each business unit are identical across the Group.

Following the integration of Ascential Events, the way in which costs are allocated to the Group's reportable segments has changed. Therefore the comparative segmental information has been restated to reflect the current year basis on which segments are reported to the Executive Team for the purpose of allocating resources and making strategic decisions. This has resulted in changes to the segment profits and net assets as set out below.

The revenue and headline profit before tax are attributable to the Group's one principal activity, the organisation of trade exhibitions, conferences and related activities and can be analysed by operating segment as follows:

Year ended 30 September 2019	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Revenue	**49,708**	**23,157**	**19,816**	**16,721**	**62,643**	**48,677**	**220,723**
Segment headline profit before tax	**20,258**	**9,382**	**4,980**	**5,849**	**25,902**	**15,509**	**81,880**
Unallocated costs							**(31,472)**
Headline profit before tax							**50,408**
Adjusting items (note 5)							**(41,695)**
Profit before tax							**8,713**
Tax							**(4,585)**
Profit after tax							**4,128**

The revenue in the year of £220.7m includes £3.3m (2018: £0.7m) of marketing and advertising services revenues and £1.5m (2018: £0.2m) of barter sales. No individual customer amounts to more than 10% of Group revenues.

Unallocated costs include:

- other income;

- head office costs;
- unallocated TAG costs of £8.0m;
- foreign exchange gains and losses on translation of monetary assets and liabilities held in Group subsidiary companies that are denominated in currencies other than the functional currency of the subsidiaries; and
- net finance costs.

The Group's share of profits from associates and joint ventures, capital expenditure and amortisation and depreciation can be analysed by operating segment as follows:

Year ended 30 September 2019	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Share of results of associates and joint ventures							
Share of results before tax	-	6,642	-	-	1,655	-	8,297
Tax	-	(1,571)	-	-	(329)	-	(1,900)
Share of results after tax	-	5,071	-	-	1,326	-	6,397
Capital expenditure							
Segment capital expenditure	-	298	98	235	687	-	1,318
Unallocated capital expenditure							2,458
							3,776
Depreciation and amortisation							
Segment depreciation and amortisation	12,560	3,657	53	2,224	413	6,038	24,945
Unallocated depreciation and amortisation							2,087
							27,032

The derecognition of goodwill and the impairment charges in respect of goodwill, intangible assets, investments in associates and joint ventures, and other assets can be analysed by operating segment as follows:

	2019	2018
	£000	£000
Eastern & Southern Europe	**-**	5,572
Russia	**-**	1,843
UK	**-**	2,216
	-	9,631

The Group's assets and liabilities can be analysed by operating segment as follows:

30 September 2019	**Global Brands £000**	**Asia £000**	**Central Asia £000**	**Eastern & Southern Europe £000**	**Russia £000**	**UK £000**	**Total Group £000**
Assets							
Segment assets	**250,521**	**106,657**	**13,130**	**15,295**	**54,177**	**184,343**	**624,123**
Unallocated assets							**13,189**
							637,312
Liabilities							
Segment liabilities	**(27,673)**	**(42,583)**	**(6,887)**	**(4,702)**	**(31,682)**	**(13,415)**	**(126,942)**
Unallocated liabilities							**(188,605)**
							(315,547)
Net assets							**321,765**

All assets and liabilities are allocated to reportable segments except for certain centrally held balances, including property, plant and equipment and computer software relating to the Group's head office function, the Group's bank loan, and taxation (current and deferred).

Year ended 30 September 2018 (restated)	Global Brands	Asia	Central Asia	Eastern & Southern Europe	Russia	UK	Total Group
	£000	£000	£000	£000	£000	£000	£000
Revenue	**11,533**	**25,700**	**24,483**	**15,155**	**73,291**	**25,507**	**175,669**
Segment headline profit before tax	**2,145**	**10,240**	**7,155**	**4,393**	**24,319**	**8,858**	**57,110**
Unallocated costs							**(21,693)**
Headline profit before tax							**35,417**
Adjusting items (note 5)							**(39,101)**
Loss before tax							**(3,684)**
Tax							**(3,023)**
Loss after tax							**(6,707)**

Headline profit before tax for has been restated to reflect the current year basis on which segments are reported to the Executive Team for the purpose of allocating resources and making strategic decisions. This resulted in the following reallocation between UK and unallocated costs in the comparative period:

	£'000
UK segment headline profit before tax previously presented	**6,881**
Costs reallocated to Unallocated costs	**1,997**
UK segment headline profit before tax now presented	**8,858**

Year ended 30 September 2018	Global Brands £000	Asia £000	Central Asia £000	Eastern & Southern Europe £000	Russia £000	UK £000	Total Group £000
Share of results of associates and joint ventures							
Share of results before tax	-	6,665	-	71	821	-	7,557
Tax	-	(1,477)	-	-	(164)	-	(1,641)
Share of results after tax	-	5,188	-	71	657	-	5,916
Capital expenditure							
Segment capital expenditure	5	304	54	106	587	3	1,059
Unallocated capital expenditure							3,195
							4,254
Depreciation and amortisation							
Segment depreciation and amortisation	6,018	3,948	383	2,426	258	1,692	14,725
Unallocated depreciation and amortisation							1,563
							16,288

The Group's assets and liabilities can be analysed by operating segment as follows:

30 September 2018 (restated)	Global Brands	Asia	Central Asia	Eastern & Southern Europe	Russia	UK	Total Group
	£000	£000	£000	£000	£000	£000	£000
Assets							
Segment assets	217,885	106,348	11,013	16,188	65,826	208,108	625,368
Unallocated assets							19,965
							645,333
Liabilities							
Segment liabilities	(12,789)	(52,355)	(4,081)	(4,784)	(22,523)	(33,060)	(129,592)
Unallocated liabilities							(190,859)
							(320,451)
Net assets							324,882

Information about the Group's revenue by origin of sale and non-current assets by geographical location are detailed below:

Geographical information

	Revenue		Non-current assets[5]	
	2019	2018	**2019**	2018
	£000	£000	**£000**	£000
Asia	**24,882**	27,756	**81,383**	82,013
Central Asia	**11,595**	15,054	**4,097**	4,030
Eastern & Southern Europe	**13,810**	12,958	**9,578**	12,121
Russia	**40,842**	52,694	**23,904**	16,084
UK	**70,746**	36,267	**279,902**	285,643
Rest of the World	**58,848**	30,940	**134,550**	119,681
	220,723	175,669	**533,414**	519,572

[5] Non-current assets exclude deferred tax assets and assets classified as held for sale.

4 Operating profit

Operating profit is stated after charging/(crediting):

	2019 **£000**	2018 £000
Staff costs	**58,357**	50,484
Depreciation of property, plant and equipment	**1,704**	1,247
Amortisation of intangible assets included within administrative expenses	**25,328**	15,041
Derecognition of goodwill on cessation of trading	**-**	2,216
Impairment of goodwill	**-**	5,572
Impairment of venue prepayment	**-**	1,843
Loss/(profit) on disposals	**3,154**	(2,968)
Operating lease rentals – land and buildings	**3,558**	2,259
Loss/(gain) on derivative financial instruments – equity options	**1,121**	(2,918)
Foreign exchange loss/(gain) on operating activities	**1,140**	(2,237)

5 Adjusting items

	2019 **£000**	2018 £000
Operating adjusting items		
Amortisation of acquired intangible assets	**24,066**	13,631
Derecognition of goodwill on cessation of trading	**-**	2,216
Impairment of goodwill	**-**	5,572
Impairment of venue prepayment	**-**	1,843
Loss/(profit) on disposals	**3,154**	(2,968)
Transaction costs on completed and pending acquisitions and disposals	**1,462**	8,037
Integration costs		
- Integration costs	**5,322**	1,905
- Costs to realise synergies	**1,469**	845
Restructuring costs		
- TAG	**2,783**	5,347
- Other	**1,435**	2,236
Tax on income from associates and joint ventures	**1,900**	1,641
Total operating adjusting items	**41,591**	40,305
Financing adjusting items		
Revaluation of assets and liabilities on completed acquisitions and disposals	**104**	(1,204)
Total adjusting items	**41,695**	39,101

The adjusting items are discussed in the Chief Financial Officer’s statement.

6 Investment revenue

	2019 **£000**	2018 £000
Interest receivable from bank deposits	**1,019**	603
Gain on revaluation of equity options	**-**	2,918
Gain on revaluation of deferred and contingent consideration	**245**	77
Unwind of imputed interest charge on discounted deferred consideration receivable	**1,090**	-
	2,354	3,598

7 Finance costs

	2019 £000	2018 £000
Interest on bank loans	**5,013**	2,775
Bank charges	**1,361**	1,112
Loss on revaluation of deferred and contingent consideration	**87**	-
Loss on revaluation of equity options	**1,121**	-
Imputed interest charge on discounted equity option liabilities	**231**	1,791
	7,813	5,678

8 Tax on profit on ordinary activities

Analysis of tax charge for the year:

	2019 £000	2018 £000
Group taxation on current year result:		
UK corporation tax credit on result for the year	**(12)**	(78)
Adjustment to UK tax in respect of previous years	**(1,351)**	110
	(1,363)	32
Overseas tax – current year	**8,047**	9,856
Overseas tax – previous years	**109**	(255)
	8,156	9,601
Current tax	**6,793**	9,633
Deferred tax		
Origination and reversal of timing differences:		
Current year	**(2,353)**	(6,569)
Prior year	**145**	(41)
	(2,208)	(6,610)
	4,585	3,023

The tax adjusting items within the Consolidated Income Statement relates to the following:

	2019 Gross £000	**2019 Tax impact £000**	2018 Gross £000	2018 Tax impact £000
Amortisation of acquired intangible assets	**24,066**	**4,621**	13,631	3,100
Derecognition of goodwill on cessation of trading	**-**	**-**	2,216	-
Impairment of goodwill	-	-	5,572	-
Impairment of venue prepayments	**-**	**-**	1,843	-
Loss/(profit) on disposals	**3,154**	**34**	(2,968)	-
Transaction costs on completed and pending acquisitions and disposals	**1,462**	**-**	8,037	-
Integration costs				
- Integration costs	**5,322**	**1,011**	1,905	362
- Costs to realise synergies	**1,469**	**280**	845	161
Restructure costs				
- TAG	**2,783**	**548**	5,347	1,016
- Other	**1,435**	**136**	2,236	419
Tax on income from associates	**1,900**	**1,900**	1,641	1,641
Revaluation of liabilities on completed acquisitions	**104**	**-**	(1,204)	-
	41,695	**8,530**	39,101	6,699

The tax charge for the year can be reconciled to the profit per the income statement as follows:

	2019 £000	2018 £000
Profit/(loss) on ordinary activities before tax	**8,713**	(3,684)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.0% (2018: 19.0%)	**1,655**	(700)
Effects of:		
Expenses not deductible for tax purposes	**245**	1,531
Loss/(profit) on sale of investments	**527**	(577)
Adjusting items	**550**	1,326
Increase in uncertain contingencies	**-**	460
Tax effect of equity options and deferred/contingent consideration	**20**	(184)
Impairment of goodwill	**-**	1,830
Foreign exchange	**-**	(582)
Tax effect of amortisation of intangibles	**22**	(322)
Deferred tax asset not recognised	**961**	261
Withholding tax and other irrecoverable tax	**3,228**	1,511
Deferred tax provision on repatriation of overseas profits	**(597)**	157
Tax charge in respect of previous period	**(221)**	(186)
Reduction in DT rate from 19% to 17%	**32**	114
Effect of different tax rates of subsidiaries in other jurisdictions	**(621)**	(519)
Associate tax	**(1,216)**	(1,097)
	4,585	3,023

The effect of adjusting items and the effect of loss/(profit) on sale of investments relates to items that are not allowable in the jurisdiction where they have arisen.

Withholding tax and other irrecoverable tax relates to the taxes paid on profits repatriated from overseas subsidiaries in the year and the movement on the provision for taxes expected to be suffered on the future repatriation of profits which are expected to be made.

We seek to pay tax in accordance with the laws of the countries where we do business. We estimate our tax on a country-by-country basis. Our key uncertainty is whether our intra-group trading model will be accepted by a particular tax authority. At 30 September 2019 £1.0m (2018: 1.8m) is included in current liabilities in relation to these uncertainties. The reduction in the provision for uncertain tax provisions relates to the closure of earlier years due to the passage of time.

	2019 £000	2018 £000
Tax relating to components of comprehensive income:		
Cash flow gains - Current	**-**	**-**
Cash flow losses - Deferred	**(153)**	**(314)**
	(153)	**(314)**
Tax relating to amounts credited/(charged) to equity:		
Share options – Current	**-**	**-**
Share options – Deferred	**5**	**(62)**
	5	**(62)**
	(148)	**(376)**

9 Dividends

	2019 Per share p	**Settled in cash £000**	**Settled in scrip £000**	2018 Per share p	Settled in cash £000	Settled in scrip £000
Amounts recognised as distributions to equity holders in the year:						
Final dividend in respect of the prior year	**1.0**	**7,391**	**-**	2.5	5,962	701
Interim dividend in respect of the current year	**0.9**	**6,652**	**-**	1.5	4,018	-
	1.9	**14,043**	**-**	4.0	9,980	701

The Directors are proposing a final dividend for the year ended 30 September 2019 of 1.6p per ordinary share, a distribution of approximately £11.8m. The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

Under the terms of the trust deed dated 20 October 1998, the Hyve Group Employees Share Trust, which holds 2,500,483 (2018: 2,506,133) ordinary shares representing 0.3% of the Company's called up ordinary share capital, has agreed to waive all dividends due to it each year.

10 Earnings per share

The calculation of basic, diluted, headline basic and headline diluted earnings per share is based on the following numbers of shares and earnings:

	2019 No. of shares (000)	2018 No. of shares (000)
Weighted average number of shares:		
For basic earnings per share	**739,114**	500,822
Effect of dilutive potential ordinary shares	**232**	362
For diluted and headline diluted earnings per share	**739,346**	501,184

Basic and diluted earnings per share

The calculations of basic and diluted earnings per share are based on the profit for the financial year attributable to equity holders of the parent of £3.1m (2018: loss of £8.1m). Basic and diluted earnings per share were 0.4p (2018: (1.6)p). No share options (2018: 362,000) were excluded from the weighted average number of ordinary shares used in the calculation of the diluted earnings per share because their effect would have been anti-dilutive.

Headline diluted earnings per share

Headline diluted earnings per share is intended to provide a consistent measure of Group earnings on a year-on-year basis and is 4.9p per share (2018: 4.9p). Headline basic earnings per share is 4.9p (2018: 4.9p).

	2019 £000	2018 £000
Profit/(loss) for the financial year attributable to equity holders of the parent	**3,148**	(8,065)
Amortisation of acquired intangible assets	**24,066**	13,631
Derecognition of goodwill on cessation of trading	**-**	2,216
Impairment of goodwill	**-**	5,572
Impairment of venue prepayment	**-**	1,843
Loss/(profit) on disposals	**3,154**	(2,968)
Transaction costs on completed and pending acquisitions and disposals	**1,462**	8,037
Integration costs		
- Integration costs	**5,322**	1,905
- Costs to realise synergies	**1,469**	845
Restructuring costs		
- TAG	**2,783**	5,347
- Other	**1,435**	2,236
Revaluation of liabilities on completed acquisitions	**104**	(1,204)
Tax effect of other adjustments	**(6,630)**	(5,058)
Headline earnings for the financial year after tax	**36,313**	24,337

11 Acquisitions

Mining Indaba

On 23 October 2018 the Group completed the acquisition of the trade and assets relating to Mining Indaba from Euromoney Institutional Investor Plc. Mining Indaba is the leading event dedicated to bringing together mining and investment experts in order to develop mining interests in Africa.

The consideration of £28.7m comprises initial cash consideration of £20.0m paid on completion, and deferred cash consideration of £8.7m paid in June 2019.

During the year the Group incurred transaction costs on the acquisition of £0.5m, which are included within administrative expenses.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are presented as follows:

	Fair value £000
Intangible assets – Trademarks	22,090
Intangible assets – Customer relationships	3,726
Trade and other receivables	864
Accrued expenses	(438)
Deferred income	(2,620)
Deferred tax liability	(633)
Identifiable net assets	**22,989**
Goodwill arising on acquisition	5,730
Total consideration	**28,719**

Satisfied by	
Cash consideration	**20,000**
Deferred consideration	**8,719**
	28,719
Net cash outflow arising on acquisition	
Cash consideration paid	**20,000**
Cash and cash equivalents acquired	**-**
	20,000

The values used in accounting for the identifiable assets and liabilities of this acquisition is finalised at the balance sheet date.

The goodwill of £5.7m arising from the acquisition reflects the strategic value of the acquisition of a market-leading event, including the expectation of new contracts and relationships, and the expected synergies with the complementary Africa Oil Week event which the Group already owns. The goodwill recognised is expected to be fully deductible for tax purposes. The fair value of trade and other receivables includes trade receivables with a fair value, after providing for expected uncollectable amounts, of £0.5m. No further amounts are currently expected to be uncollectable.

The acquired business has contributed £7.9m to Group revenue and a statutory profit before tax of £4.9m since acquisition. If the acquisition had occurred on 1 October 2018, it would have contributed the same amounts to Group revenue and statutory profit before tax.

12 Disposal of subsidiaries

ITE Expo LLC

Subsequent to the assets and liabilities of ITE Expo LLC being classified as held for sale at 30 September 2018, on 3 October 2018 the Group completed the disposal of ITE Expo LLC, the operating company for 56 of the Group's non-core, regionally-focused, smaller events in Russia, to Shtab-Expo LLC.

The Group will receive principal consideration of approximately £10.0m over the nine years following completion together with additional variable consideration of up to approximately £4.7m based on ITE Expo LLC's incremental revenue growth during this period. The terms of the deal incentivise the purchaser to make earlier payments to satisfy the consideration. If the purchaser has by 30 September 2023 paid principal consideration of approximately £6.3m, this will reduce the obligation to pay the remaining principal consideration by £1.4m and extinguish the obligation to pay any further future variable consideration.

When discounted, the fair value of the consideration receivable was £4.1m at disposal.

The net assets of ITE Expo LLC at the date of disposal were as follows:

	£000
Goodwill	3,916
Cash and cash equivalents	3,224
Other net liabilities	(2,261)
Net assets	**4,879**
Fair value of consideration received	**4,131**
Disposal costs	**(631)**
Proceeds net of related selling expenses	**3,500**
Loss on disposal	**(1,379)**
Satisfied by:	
Cash and cash equivalents	95
Deferred consideration	4,036
	4,131
Net cash outflow arising on disposal:	
Consideration received in cash and cash equivalents	95
Less: cash and cash equivalents disposed of	(3,224)
	(3,129)

A payment of £2.6m was made by ITE Expo LLC to the Group subsequent to the disposal date, in settlement of a liability due to another company within the Group. This reduced the cash and cash equivalents disposed of shortly after the disposal date to £0.6m.

Central Asia

During the period the Group also completed a number of smaller disposals within the Central Asia region with combined net assets of £0.5m. The Group received combined consideration of £0.5m, resulting in a loss on disposal of £0.9m being recognised, after the reclassification of cumulative exchange differences of £0.4m previously recognised in other comprehensive income, and disposal costs of £0.5m.

13 Net debt

	At 1 October 2018 £000	Cash flow £000	Foreign exchange £000	At 30 September 2019 £000
Cash	49,649	**(16,624)**	**2**	**33,027**
Debt due after one year	(132,345)	**(12,128)**	**(232)**	**(144,705)**
Net debt	(82,696)	**(28,752)**	**(230)**	**(111,678)**

Glossary

Alternative performance measures ("APMs")

In accordance with the Guidelines on APMs issued by the European Securities and Markets Authority ("ESMA"), additional information is provided on the APMs used by the Group below.

In the reporting of financial information, the Group uses certain measures that are not required under IFRS. These additional measures provide additional information on the performance of the business and trends to stakeholders. These measures are consistent with those used internally and are considered important to understanding the financial performance and position of the Group. APMs are considered to be an important measure to monitor how the Group is performing because this provides a meaningful comparison of how the business is managed and measured on a day-to-day basis and achieves consistency and comparability between reporting periods.

These APMs may not be directly comparable with similarly titled profit measures reported by other companies and they are not intended to be a substitute for, or superior to, IFRS measures.

<table>
<tr><th>APM</th><th>Closest equivalent statutory measure</th><th>Reconciling items to statutory measure</th><th>Definition and purpose</th></tr>
<tr><td>Headline profit before tax</td><td>Profit/(loss) before tax</td><td>Adjusting items as disclosed in note 5.</td><td>Headline profit before tax is profit/(loss) before tax and adjusting items, as presented in note 5. In addition to providing a more comparable set of results year-on-year, this is also in line with similar adjusted measures used by our peer companies and therefore facilitates comparison across the industry.

Refer to the Chief Financial Officer's statement for a reconciliation to the statutory measure, and explanations of the amounts adjusted for.</td></tr>
<tr><td>Headline operating profit</td><td>Operating profit</td><td>Operating adjusting items as disclosed in note 5.</td><td>Headline operating profit is operating profit before operating adjusting items, as presented in note 5.
<table>
<tr><th></th><th>2019
£000</th><th>2018
£000</th></tr>
<tr><td>Operating profit/(loss)</td><td>14,172</td><td>(1,604)</td></tr>
<tr><td>Operating adjusting items (note 5)</td><td>41,591</td><td>40,305</td></tr>
<tr><td>Headline operating profit</td><td>55,763</td><td>38,701</td></tr>
</table></td></tr>
<tr><td>Headline operating profit margin</td><td>Operating profit margin</td><td>Operating adjusting items as disclosed in note 5.</td><td>Headline operating profit margin is headline operating profit as a percentage of revenue.</td></tr>
<tr><td>EBITDA</td><td>Operating profit</td><td>Operating adjusting items as disclosed in note 5, depreciation of property, plant and equipment and amortisation of computer software.</td><td>EBITDA is headline operating profit before operating adjusting items, depreciation of property, plant and equipment and amortisation of computer software.
<table>
<tr><th></th><th>2019
£000</th><th>2018
£000</th></tr>
<tr><td>Operating profit/(loss)</td><td>14,172</td><td>(1,604)</td></tr>
<tr><td>Operating adjusting items (note 5)</td><td>41,591</td><td>40,305</td></tr>
<tr><td>Depreciation of property, plant and equipment</td><td>1,704</td><td>1,247</td></tr>
<tr><td>Amortisation of computer software</td><td>1,262</td><td>1,410</td></tr>
<tr><td>Headline EBITDA</td><td>58,729</td><td>41,358</td></tr>
</table></td></tr>
</table>

<table>
<tr><td>Net debt</td><td>Cash and cash equivalents less bank loans</td><td>Reconciliation of net debt (note 13)</td><td>Net debt is defined as cash and cash equivalents after deducting bank loans.

The Board consider net debt to be a reliable measure of the Group’s net indebtedness that provides an indicator of the overall balance sheet strength. It is also a single measure that can be used to assess the combined impact of the Group’s cash position and its indebtedness.</td></tr>
<tr><td>Net debt : EBITDA</td><td>None</td><td>N/A</td><td>Net debt : EBITDA is the ratio of net debt to headline EBITDA.</td></tr>
<tr><td>Cash conversion</td><td>None</td><td>N/A</td><td>Cash conversion is defined as headline cash generated from operations as a percentage of headline operating profit before non-cash items. Headline cash generated from operations is cash generated from operations before net venue utilisation, the cash impact of adjusting items included in the definition of headline profit before tax after adjusting for any wrong pockets true ups through working capital adjustments on acquisitions or disposals. Headline operating profit before non-cash items is headline operating profit before foreign exchange gains/losses, depreciation and amortisation.
<table>
<tr><td></td><td>2019</td><td>2018</td></tr>
<tr><td></td><td>£000</td><td>£000</td></tr>
<tr><td>Cash generated from operations</td><td>40,353</td><td>28,329</td></tr>
<tr><td>Net venue utilisation</td><td>12</td><td>542</td></tr>
<tr><td>Adjusting items:</td><td></td><td></td></tr>
<tr><td>Integration costs</td><td>6,791</td><td>2,750</td></tr>
<tr><td>Restructuring costs</td><td>4,218</td><td>7,583</td></tr>
<tr><td>Transaction costs on completed and pending acquisitions and disposals</td><td>1,462</td><td>8,037</td></tr>
<tr><td>Adjustment to reflect timing of cash flow for above adjusting items</td><td>1,847</td><td>(3,223)</td></tr>
<tr><td>Working capital adjustment on acquisitions</td><td>1,409</td><td>-</td></tr>
<tr><td>Adjusted cash flow from operations</td><td>56,092</td><td>44,018</td></tr>
<tr><td>Headline operating profit</td><td>55,763</td><td>38,701</td></tr>
<tr><td>Depreciation of property, plant and equipment</td><td>1,704</td><td>1,247</td></tr>
<tr><td>Amortisation of computer software</td><td>1,262</td><td>1,410</td></tr>
<tr><td>Foreign exchange loss/(gain) on operating activities</td><td>1,140</td><td>(2,237)</td></tr>
<tr><td>Headline operating profit on a cash basis</td><td>59,869</td><td>39,121</td></tr>
<tr><td>Cash conversion</td><td>94%</td><td>113%</td></tr>
</table></td></tr>
<tr><td>Headline basic earnings per share</td><td>Basic earnings per share</td><td>Adjusting items in in the earnings per share note (note 10)</td><td>Profit after tax attributable to owners of the Parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial year.</td></tr>
<tr><td>Headline diluted earnings per share</td><td>Diluted earnings per share</td><td>Adjusting items in in the earnings per share note (note 10)</td><td>Profit after tax attributable to owners of the Parent and before the impact of adjusting items, divided by the weighted average number of ordinary shares in issue during the financial year adjusted for the effects of any potentially dilutive options unless anti-dilutive.</td></tr>
</table>

<table>
<tr><td>Dividend cover</td><td>None</td><td>Dividend (note 9) and adjusting items in in the earnings per share note (note 10)</td><td>Dividend cover is defined as headline diluted earnings per share divided by dividend per share.</td></tr>
<tr><td>Headline effective tax rate</td><td>Effective tax rate</td><td>Adjusting items and the tax impact of adjusting items

(note 5 and note 8)</td><td>The income tax charge for the Group excluding the tax impact of adjusting items, divided by headline profit before tax.

This measure is a useful indicator of the ongoing tax rate for the Group.
<table>
<tr><td></td><td>2019</td><td>2018</td></tr>
<tr><td></td><td>£000</td><td>£000</td></tr>
<tr><td>Tax charge per income statement</td><td>(4,585)</td><td>(3,023)</td></tr>
<tr><td>Tax on share of results of associates and joint ventures</td><td>(1,900)</td><td>(1,641)</td></tr>
<tr><td>Tax impact of adjusting items</td><td>(6,630)</td><td>(5,058)</td></tr>
<tr><td>Headline tax charge</td><td>(13,115)</td><td>(9,722)</td></tr>
<tr><td>Headline profit before tax</td><td>50,408</td><td>35,417</td></tr>
<tr><td>Headline effective tax rate</td><td>26%</td><td>27%</td></tr>
</table></td></tr>
<tr><td>Return on capital employed</td><td>None</td><td>Operating adjusting items as disclosed in note 5.</td><td>ROCE is calculated as headline operating profit (i.e. before adjusting items) divided by net assets excluding all balances relating to any provisions, financial instruments, interest-bearing liabilities and cash or cash equivalents.
<table>
<tr><td></td><td>2019</td><td>2018</td></tr>
<tr><td>Return on capital employed (“ROCE”)</td><td>£000</td><td>£000</td></tr>
<tr><td>Headline operating profit (A)</td><td>55,763</td><td>38,701</td></tr>
<tr><td>Non-current assets:</td><td></td><td></td></tr>
<tr><td>Acquired goodwill</td><td>209,970</td><td>201,838</td></tr>
<tr><td>Acquired intangibles</td><td>270,608</td><td>267,265</td></tr>
<tr><td>Property, plant and equipment</td><td>5,167</td><td>4,932</td></tr>
<tr><td>Interests in associates and joint ventures</td><td>43,374</td><td>43,293</td></tr>
<tr><td>Deferred consideration receivable</td><td>3,795</td><td>-</td></tr>
<tr><td>Deferred tax asset</td><td>8,547</td><td>10,435</td></tr>
<tr><td>Current assets:</td><td></td><td></td></tr>
<tr><td>Trade and other receivables</td><td>59,024</td><td>54,038</td></tr>
<tr><td>Tax prepayment</td><td>3,300</td><td>2,015</td></tr>
<tr><td>Assets held for sale</td><td>-</td><td>9,624</td></tr>
<tr><td>Current liabilities:</td><td></td><td></td></tr>
<tr><td>Trade and other payables</td><td>(33,390)</td><td>(35,863)</td></tr>
<tr><td>Corporation tax</td><td>(1,929)</td><td>(5,464)</td></tr>
<tr><td>Deferred income</td><td>(79,701)</td><td>(76,764)</td></tr>
<tr><td>Non-current liabilities:</td><td></td><td></td></tr>
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<tr><td></td><td></td><td></td><td><table>
<tr><td>Deferred tax liability</td><td>(40,655)</td><td>(46,595)</td></tr>
<tr><td>Deferred income</td><td>(291)</td><td>(813)</td></tr>
<tr><td>Capital employed (B)</td><td>447,819</td><td>427,941</td></tr>
<tr><td>ROCE (A/B)</td><td>12.5%</td><td>9.0%</td></tr>
</table></td></tr>
<tr><td>Like-for-like</td><td>None</td><td>N/A</td><td>Like-for-like (or underlying) results are stated on a constant currency basis, after excluding events which took place in the current period, but did not take place under our ownership in the comparative period and after excluding events which took place in the comparative period, but did not take place under our ownership in the current period. This excludes:
Biennial events;
timing differences (i.e. events that ran in only one of the current or comparative periods, due to changes in the event dates);
launches;
cancelled or disposed of events that did not take place under our ownership in the current year;
acquired events in the current period;
and acquired events in the comparative period that didn't take place under our ownership in the comparative period (i.e. they took place pre-acquisition).
Refer to the Chief Financial Officer statement for a reconciliation to the closest statutory measures.</td></tr>
<tr><td>Forward bookings</td><td>None</td><td>N/A</td><td>Forward bookings are contracted revenues for the following financial year. Unless otherwise stated these are as at the date of announcement (i.e. late November/early December each year).</td></tr>
<tr><td>Top 10 TAG events</td><td>None</td><td>N/A</td><td>Top 10 TAG events includes the 10 largest wholly-owned events by revenue excluding the acquired Ascential Events and Mining Indaba events.</td></tr>
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Dividend calendar

Final dividend 2019

Ex-dividend date	2 January 2020
Record date	3 January 2020
Payment date	3 February 2020

Interim dividend 2020

Ex-dividend date	18 June 2020
Record date	19 June 2020
Payment date	30 July 2020