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FUTURE plc

HALF YEAR RESULTS 2019

Record half year results

Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today publishes results for the six months ended 31 March 2019.

Highlights

Financial results for the six months ended 31 March 2019

Adjusted results	2019	2018	Var
Revenue (£'m)	108.7	53.6[1]	103%
Adjusted EBITDA[3] (£'m)	23.7	8.8	169%
Adjusted EBITDA margin %	22%	16%	38%
Adjusted diluted EPS (p)	20.5	10.7[2]	92%
Statutory results			
Operating profit (£m)	10.0	3.8	163%
Diluted EPS (p)	8.7	5.9[2]	47%

- Strong start to year achieving a step change in scale, with adjusted EBITDA[3] increasing by 169% to £23.7m (2018: £8.8m), following significant acquisition of Purch in September 2018
- Continuing strong organic[6] growth whilst significantly expanding scale of group reflected in adjusted diluted EPS growth of 92%
- Significant growth in audience across the Group, with overall online audience up 188% year-on-year, and organic sites up 25%
- Total revenue up 103% to £108.7m; Media revenue up 180%, now accounting for 70% of Group revenues, underpinned by organic[6] Media revenue growth of 38% at constant currency (42% at actual currency)
- Stated ambition to diversify revenue geographically into US is progressing well with 52%[5] of Group revenue now coming from the US (2018: 20%); market leader in consumer technology in US
- Ongoing improvements to operating leverage resulting in EBITDA margin increase to 22% from 16% in 2018
- Highly cash generative business with adjusted free cashflows[4] up 172% to £27.5m (2018: £10.1m)
- New £135m financing package (£90m Revolving Credit Facility with £45m accordion) to underpin growth strategy
- Company returns to Premium Segment of Official List of London Stock Exchange

Zillah Byng-Thorne, Future's Chief Executive, said:

"We have delivered a record breaking first half of the financial year and the continued execution of our strategy to deliver growth through audience engagement and technology innovation is generating clear value across the business.

"In addition, we continue our ambition to expand the scale and diversification of the Group. This was accelerated in the first half through two acquisitions: Mobile Nations increases our presence and positioning in the technology sector in the US, whilst ProCycling and Cyclingnews.com give us a credible foothold in a new specialist community.

"We have seen the strong momentum continue as we enter the second half of this financial year, with acquisitions performing well and continued positive organic[6] growth in the Media division. Going forward we will continue to drive scale and value through the successful execution of our strategy as a global platform business, driven by technology with diversified revenue streams."

[1] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £2.5m with a net nil impact on operating profit.

[2] 2018 figures have been restated to reflect the bonus element of the rights issue that took place in August 2018.

[3] Earnings before share based payments and associated social security costs, interest, tax, depreciation, amortisation and exceptional items (adjusting items, in aggregate, of £12.6m (2018: £3.7m)).

[4] Adjusted free cashflows defined as operating cashflows excluding exceptional items less capex

[5] Net of revenue between segments

[6] Organic revenue defined as performance of the like-for-like portfolio (i.e. an asset owned for a full financial year in the comparative period).

Enquiries:

Future plc	01225 442244
Zillah Byng-Thorne, Chief Executive	
Penny Ladkin-Brand, Chief Financial Officer	
Instinctif Partners	020 7457 2020
Kay Larsen/Chantal Woolcock	

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

Note to editors

Future is a global platform business for specialist media, driven by technology, with diversified revenue streams.

The Media division has three complementary high-growth revenue streams: eCommerce, events and digital advertising. It operates in a number of sectors including technology, gaming and entertainment, creative and photography, music, home interest, hobbies and B2B and its brands include TechRadar, PC Gamer, Tom's Guide, Homebuilding & Renovating Show, GamesRadar+, The Photography Show, Top Ten Reviews, Live Science, Android Central, Guitar World, MusicRadar, Space.com, NY TV Week, Tom's Hardware and Cyclingnews.com.

The Magazine division focuses on publishing specialist content, with 80 publications and over 537 bookazines published per year, totalling global circulation of 1.2m. The Magazine portfolio spans technology, gaming and entertainment, music, creative and photography, hobbies, home interest and B2B. Its titles include Classic Rock, Guitar Player, FourFourTwo, Homebuilding & Renovating, Digital Camera, Guitarist, How It Works, Total Film, What Hi-Fi?, ProCycling and Music Week.

Strategic overview

Record half year results
Future made major progress in the execution of the strategy to build a technology enabled global specialist media platform. In the six months to 31 March 2019, the Group has achieved a significant step change in scale, particularly in the US, through the acquisition of the consumer division of Purch in September 2018 and the acquisition of Mobile Nations in March 2019. Revenue increased 103% to £108.7m with 70% of Group revenues from the Media division (2018: 50%). Adjusted EBITDA has increased by 169% to £23.7m (2018: £8.8m), a record result for the Group.

Alongside this, the core business has continued to perform well with strong organic[6] revenue growth of 14% at constant currency (16% at actual currency). The adjusted EBITDA margin increased to 22% (2018: 16%) as a result of the increasing scale of the Group and the shifting revenue mix. Cash conversion has also been pleasing with cash from operations of £26.7m.

During the period, the Group returned to the Premium Segment of the Official List of the London Stock Exchange, reflecting the ambition of the Group to broaden and strengthen its shareholder base.

In addition a significant refinancing was undertaken, with a £90m RCF now in place and an additional uncommitted £45m accordion facility providing additional balance sheet strength to support the Group's next phase of growth.

Progress on building a scalable media platform
The Purch integration has progressed well with back office operations now fully embedded into Future and the combined businesses operating as one new organisation. As a direct benefit, Future has achieved market leadership in the consumer technology category in the US with comScore now recognising Future as the largest digital network for consumer tech news.

Future has enhanced its technology platform through the addition of "RAMP" advertising technology which was acquired as part of Purch. Considerable testing was undertaken during the first half to identify the optimal combination of Future's advertising technology solutions, "Bordeaux" and RAMP, resulting in the creation of "Hybrid" a best of breed advertising technology solution. In line with the Group's focus on developing a simplified and scalable technology stack, the new ad tech solution Hybrid was migrated to all organic[6] Future sites during April. Migration of the Purch sites to Hybrid will happen concurrently with the migration to the Vanilla website platform.

The first of the Purch websites, Space.com, was migrated during February onto Future's Vanilla website platform, with the remaining websites to be migrated during the rest of the calendar year. Space.com has had a double digit audience uplift following the migration. In addition, the User Forum technology that drives engagement with forum members on the Purch sites was migrated onto a new fully GDPR compliant solution during the first half of the year. The Group now has 18 sites on the Vanilla platform in total, with three migrated in the last six months.

Some of the benefits of Future best practice have been realised in advance of the website migrations including the sharing of SEO best practice to support audience growth, and the introduction of new eCommerce processes. Since the acquisition, a number of brands have achieved significant audience growth: Laptop audience has risen 14% year-on-year and Livescience is up 11% year-on-year. In addition, Tom's Guide's 2018 Black Friday weekend revenue was its largest ever, up 155% on the prior year, and its audience has risen by 28% year-on-year (excluding forums).

Acquisitions
Future continued its commitment to expand in the US by acquiring Mobile Nations in March 2019. Mobile Nations is a fast-growing digital technology media company which reinforces Future's status as a leading consumer technology publisher. Mobile Nations' key brands include consumer technology websites Android Central, iMore, Windows Central and Thrifter. Mobile Nations' focus, supporting its consumers in making better-informed buying decisions, is aligned with Future's strategy of combining content, community and commerce. Mobile Nations has a total audience of 39m, and delivered EBITDA of £6.2m in the 12 months prior to the acquisition. Whilst still early days, the business is performing well and is trading in line with expectations.

In February 2019 the Group also acquired two cycling brands from Immediate Media - ProCycling magazine and Cyclingnews.com. These long-established and profitable brands in the professional cycling market have strong digital subscriptions, export and licensing revenues. Cyclingnews has 2.3m podcast downloads, a testament to its strong audience engagement. Total audience reach is 2.1m, and revenues in the last 12 months prior to the acquisition were £2.0m. This acquisition enables Future to reach a new community of cycling enthusiasts to add to its other specialist communities, further diversifying its reach within outdoor leisure.

Operational review

A key objective of the Group is the diversification of revenues and the first half results show good progress on the achievement of this objective with a significant increase in the revenue mix from Media and also the US.

Revenue by geography

£m	HY19	HY18[i]	YoY Var	2018 Full Year
US[ii]	**56.2**	10.6	430%	39.0
UK[ii]	**52.5**	43.0	22%	85.6
Total revenue	**108.7**	53.6	103%	124.6

[i] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. UK segment revenue has increased by £2.0m and US segment revenue by £0.5m.

[ii] Net of revenue between segments.

Revenue by division

£m	HY19	HY18[iii]	YoY Var	2018 Full Year
Media	**75.7**	27.0	180%	64.2
Magazine	**33.0**	26.6	24%	60.4
Total revenue	**108.7**	53.6	103%	124.6

[iii] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Media revenue has increased by £0.8m and Magazine revenue by £1.7m.

Both Future's UK and US operations have performed well in H1, with UK revenue up 22% to £52.5m (2018: £43.0m) and US revenue up 430% to £56.2m (2018: £10.6m), of which 54% is organic[6] at constant currency (62% at actual currency). As a result, 52% of Group revenue (net of revenue between segments) is now derived from the US. This US growth has been significantly boosted by acquisitions of NewBay and Purch's consumer division in 2018.

As a pure-play digital business, the acquisition of Purch's consumer division has had a significantly positive impact on Media revenues. Underlying Media revenue organic[6] growth of 38% at constant currency (42% at actual currency) has also been very strong over this period. Growth in Media has been driven by both digital advertising, which has seen a particularly strong performance in programmatic revenues, and by eCommerce.

The acquisition of NewBay brought a large number of B2B events, particularly in the US, which has driven a 53% increase in events revenue to £11.2m (2018: £7.3m).

In the Magazine division, revenue increased by 24% to £33.0m (2018: £26.6m). This growth was driven by the acquisitions of NewBay and the four specialist brands from Haymarket in 2018 H2.

As a content-led business Future seeks to meet the needs of its specialist communities which it measures through the strength of its audience and the effective monetisation of that audience.

In the first half of the year Future saw its online audience reach increase to 192m through the increased scale of the Group.

Current trading and outlook

We have seen the strong momentum continue as we enter the second half of the financial year, with acquisitions performing well and continued positive organic growth in the Media division. While the backdrop of an uncertain economic outlook remains, the Board anticipates the Group's performance for the full year to be ahead of its previous expectations.

Financial summary

	HY19 £m	HY18 £m[iv]
Revenue	**108.7**	53.6
Adjusted EBITDA	**23.7**	8.8
Depreciation	**(0.4)**	(0.3)
Adjusted amortisation	**(0.7)**	(1.0)
Adjusted operating profit	**22.6**	7.5
Finance costs	**(1.1)**	(0.5)
Adjusted profit before tax	**21.5**	7.0
Statutory operating profit	**10.0**	3.8
Statutory profit before tax	**8.9**	3.3

[iv] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £2.5m with a net nil impact on operating profit.

Items described as adjusted in the table above exclude the items detailed as 'adjusting' in the reconciliation below. Adjusted items are a non-GAAP measure. For further details refer to the section on the reconciliation of non-statutory measures.

Earnings per share

	HY19	HY18[v]
Adjusted basic earnings per share (p)	**21.5**	11.5
Basic earnings per share (p)	**9.2**	6.3
Adjusted diluted earnings per share (p)	**20.5**	10.7
Diluted earnings per share (p)	**8.7**	5.9

[v] 2018 figures have been restated to reflect the bonus element of the 2018 rights issue.

Adjusted earnings per share is based on profit after taxation which is then adjusted to exclude share based payments including related social security costs, exceptional items, amortisation of intangible assets arising on acquisitions and related tax effects.

The adjusted profit after tax amounted to £17.6m (2018: £6.1m) and the weighted average diluted number of shares in issue was 85.9m (2018: restated 57.5m), the increase reflecting the impact of the rights issue that was completed in August 2018 to fund the Purch acquisition and the issue of 0.6m shares in the period for the acquisition of Mobile Nations.

Reconciliation of non-statutory measures

Statutory profit before tax reconciles to adjusted operating profit as follows:

	HY19 £m	HY18 £m
Adjusted operating profit	**22.6**	7.5
Finance costs	**(1.1)**	(0.5)
Adjusted profit before tax	**21.5**	7.0
Adjusting items:		
Share based payments (including related social security costs)	**(5.2)**	(1.4)

Exceptional costs	**(2.3)**	(0.3)
Amortisation of acquired intangibles	**(5.1)**	(2.0)
Statutory profit before tax	**8.9**	3.3

The financial review is based primarily on a comparison of adjusted results for the six months ended 31 March 2019 with those for the six months ended 31 March 2018. Unless otherwise stated, change percentages relate to a comparison of these two periods and all comparatives have been adjusted to reflect the adoption of IFRS 15 *Revenue from contracts with customers.*

Revenue
Group revenue was £108.7m which includes a £3.7m uplift as a result of adopting IFRS 15 (2018: £53.6m with £2.5m uplift), reflecting the acquisitions during the period and in 2018, which contributed £46.5m of revenue, and the strong growth of Media revenues.

The adjustment for IFRS 15 relates principally to revenues which have previously been shown net of agents' commission and have therefore now been grossed up, with an equal and opposite adjustment in cost of sales. The impact of the IFRS 15 adjustment has increased in the period due to the change in revenue mix.

EBITDA
The Group's adjusted EBITDA increased to £23.7m (2018: £8.8m), reflecting the strong growth of the Media division and the US business and the operating leverage provided by the increased scale of the Group.

Statutory exceptional items
Exceptional costs amounted to £2.3m (2018: £0.3m) and relate to the costs of returning to the Premium Segment of the Official List (£0.8m), the acquisition of Mobile Nations (£1.1m) and the integration of Purch (£0.4m).

Finance costs and refinancing
During the period the Group agreed a new £90m multi-currency Revolving Credit Facility ("RCF"). The RCF, which replaces Future's existing debt facilities, has an initial maturity of February 2023 and includes an incremental uncommitted £45m accordion, providing additional flexibility. The RCF has improved terms on the existing debt facilities and is being provided by HSBC, Natwest and Bank of Ireland.

Finance costs increased to £1.1m (2018: £0.5m), reflecting the draw-down of the RCF to fund the Mobile Nations acquisition and the release of prepaid arrangement fees on the Group's previous bank facility. The Group has continued to focus on efficient management of its cash position.

Taxation
The tax amount for the six months ended 31 March 2019 is based on the effective rate, estimated on a full year basis, being applied to the statutory profit for the six months ended 31 March 2019. The deferred tax asset as at 31 March 2019 primarily relates to historic US losses which we expect to be able to use against future profits generated in the US.

Cashflow and net debt
Net debt at 31 March 2019 was £38.8m (2018: £2.0m).

Cash inflow from operations before exceptional items was £29.2m (2018: £11.1m). Exceptional cashflows of £2.5m represent the cost of returning to the Premium Segment of the Official List, the acquisition of Mobile Nations, the integration of Purch and vacant property lease costs.

Capital expenditure was £1.7m (2018: £1.0m) in the period.

A reconciliation of adjusted operating cash inflow to cash inflow from operations is included below:

	HY19 **£m**	HY18 £m
Adjusted operating cash inflow	**29.2**	11.1
Cash flows related to exceptional items	**(2.5)**	(0.7)
Cash inflow from operations	**26.7**	10.4

Principal risks and uncertainties
The principal risks and uncertainties for the six months are largely unchanged from those detailed in the Group's Annual Report and Accounts for the year ended 30 September 2018. Reference should be made to pages 28 to 30 of the 2018 Annual Report and Accounts for more detail on the potential impact of risks and examples of mitigation.

The nature of the Group's business means there are no specific risks to the Group associated with Brexit other than the impact of general economic uncertainty on consumer sentiment.

Condensed consolidated interim financial statements

Consolidated income statement
for the six months ended 31 March 2019

		6 months to 31 March 2019			6 months to 31 March 2018[1]		
	Note	**Adjusted results £m**	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Revenue	1,2	**108.7**	**-**	**108.7**	53.6	-	53.6
Net operating expenses	3	**(86.1)**	**(12.6)**	**(98.7)**	(46.1)	(3.7)	(49.8)

Operating profit		**22.6**	**(12.6)**	**10.0**	7.5	(3.7)	3.8
Finance costs	6	**(1.1)**	**-**	**(1.1)**	(0.5)	-	(0.5)
Profit before tax	1	**21.5**	**(12.6)**	**8.9**	7.0	(3.7)	3.3
Tax on profit/(loss)	7	**(3.9)**	**2.5**	**(1.4)**	(0.9)	1.0	0.1
Profit for the period attributable to owners of the parent		**17.6**	**(10.1)**	**7.5**	6.1	(2.7)	3.4

[1] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Revenue and net operating expenses have both increased by £2.5m with a net nil impact on operating profit.

Earnings per 15p Ordinary share

		6 months to 31 March 2019			6 months to 31 March 2018[1]		
	Note	**Adjusted results pence**	**Adjusting items pence**	**Statutory results pence**	Adjusted results pence	Adjusting items pence	Statutory results pence
Basic earnings per share	9	**21.5**	**(12.3)**	**9.2**	11.5	(5.2)	6.3
Diluted earnings per share	9	**20.5**	**(11.8)**	**8.7**	10.7	(4.8)	5.9

[1] 2018 figures have been restated to reflect the bonus element of the rights issue that took place in August 2018.

Consolidated statement of comprehensive income
for the six months ended 31 March 2019

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Profit for the period	**7.5**	3.4
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**(0.8)**	(0.4)
Other comprehensive expense for the period	**(0.8)**	(0.4)
Total comprehensive income for the period attributable to owners of the parent	**6.7**	3.0

Consolidated statement of changes in equity
for the six months ended 31 March 2019

	Note	**Issued share capital £m**	**Share premium account £m**	**Merger reserve £m**	**Treasury reserve £m**	**Accumulated losses £m**	**Total equity £m**
Balance at 1 October 2018		**12.2**	**97.2**	**124.9**	**(0.3)**	**(61.4)**	**172.6**
Profit for the period		**-**	**-**	**-**	**-**	**7.5**	**7.5**
Currency translation differences		-	-	-	-	(0.8)	**(0.8)**
Other comprehensive expense for the period		-	-	-	-	(0.8)	**(0.8)**
Total comprehensive income for the period		-	-	-	-	**6.7**	**6.7**
Share capital issued during the period		0.2	-	4.1	-	-	**4.3**
Share schemes - Value of employees' services	5	-	-	-	-	1.9	**1.9**
- Deferred tax on share options		-	-	-	-	1.5	**1.5**
Dividends paid to shareholders		-	-	-	-	(0.4)	**(0.4)**
Balance at 31 March 2019		**12.4**	**97.2**	**129.0**	**(0.3)**	**(51.7)**	**186.6**
Balance at 1 October 2017		6.8	47.4	122.5	(0.3)	(115.1)	61.3
Profit for the period		-	-	-	-	3.4	3.4
Currency translation differences		-	-	-	-	(0.4)	(0.4)
Other comprehensive expense for the period		-	-	-	-	(0.4)	(0.4)

Total comprehensive income for the period		-	-	-	-	3.0	3.0
Share schemes							
- Value of employees' services	5	-	-	-	-	1.2	1.2
- Deferred tax on share options		-	-	-	-	0.5	0.5
Balance at 31 March 2018		6.8	47.4	122.5	(0.3)	(110.4)	66.0

Consolidated balance sheet
as at 31 March 2019

	Note	**31 March 2019 £m**	31 March 2018 £m	30 September 2018 £m
Assets				
Non-current assets				
Property, plant and equipment		**1.7**	1.1	1.7
Intangible assets - goodwill	10	**205.5**	65.7	99.8
Intangible assets - other	10	**68.9**	24.1	103.6
Investments		**0.2**	0.2	0.2
Financial asset - derivative	11	**0.6**	-	-
Deferred tax		**2.3**	4.7	5.3
Total non-current assets		**279.2**	95.8	210.6
Current assets				
Inventories		**-**	0.8	-
Corporation tax recoverable		**0.1**	0.2	0.1
Trade and other receivables		**35.4**	16.2	37.6
Cash and cash equivalents		**5.7**	17.5	6.4
Total current assets		**41.2**	34.7	44.1
Total assets		**320.4**	130.5	254.7
Equity and liabilities				
Equity				
Issued share capital	12	**12.4**	6.8	12.2
Share premium account		**97.2**	47.4	97.2
Merger reserve		**129.0**	122.5	124.9
Treasury reserve		**(0.3)**	(0.3)	(0.3)
Accumulated losses		**(51.7)**	(110.4)	(61.4)
Total equity		**186.6**	66.0	172.6
Non-current liabilities				
Financial liabilities - interest-bearing loans and borrowings		**44.5**	17.0	15.7
Deferred tax		**-**	4.4	5.1
Provisions		**2.4**	2.3	2.8
Contingent consideration	11,13	**29.3**	-	-
Other non-current liabilities		**0.5**	0.5	0.5
Total non-current liabilities		**76.7**	24.2	24.1
Current liabilities				
Financial liabilities - interest-bearing loans and borrowings		**-**	2.5	8.5
Financial liabilities - derivatives		**-**	0.1	-
Trade and other payables		**54.7**	35.2	48.4
Corporation tax payable		**2.4**	2.5	1.1
Total current liabilities		**57.1**	40.3	58.0
Total liabilities		**133.8**	64.5	82.1
Total equity and liabilities		**320.4**	130.5	254.7

Consolidated cash flow statement
for the six months ended 31 March 2019

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Cash flows from operating activities		
Cash generated from operations	**26.7**	10.4
Interest paid	**(0.4)**	(0.4)
Tax paid	**(1.0)**	(0.9)
Net cash generated from operating activities	**25.3**	9.1

Cash flows from investing activities

Purchase of property, plant and equipment	**(0.4)**	(0.4)
Purchase of computer software and website development	**(1.3)**	(0.6)
Purchase of magazine titles and events	**(1.7)**	-
Purchase of subsidiary undertakings, net of cash acquired	**(41.1)**	0.3
Disposal of magazine titles and trademarks	**0.5**	-
Purchase of derivative	**(0.7)**	-
Net cash used in investing activities	**(44.7)**	(0.7)
Cash flows from financing activities		
Dividends paid	**(0.4)**	-
Draw down of bank loans	**52.2**	-
Repayment of bank loans	**(32.4)**	(0.6)
Bank arrangement fees	**(0.7)**	-
Net cash generated/(used) from financing activities	**18.7**	(0.6)
Net (decrease)/increase in cash and cash equivalents	**(0.7)**	7.8
Cash and cash equivalents at beginning of period	**6.4**	10.1
Exchange adjustments	**-**	(0.4)
Cash and cash equivalents at end of period	**5.7**	17.5

Notes to the consolidated cash flow statement
for the six months ended 31 March 2019

A. Cash generated from operations

The reconciliation of profit for the period to cash flows generated from operations is set out below:

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Profit for the period	**7.5**	3.4
Adjustments for:		
Depreciation charge	**0.4**	0.3
Amortisation of intangible assets	**5.8**	3.0
Share schemes		
- Value of employees' services	**1.9**	1.2
- National insurance costs on share schemes	**3.3**	0.2
Net finance costs	**1.1**	0.5
Tax charge/(credit)	**1.4**	(0.1)
Cash generated before changes in working capital and provisions	**21.4**	8.5
Movement in provisions	**(0.4)**	(0.3)
Decrease/(increase) in trade and other receivables	**1.4**	(2.8)
Increase in trade and other payables	**4.3**	5.0
Cash generated from operations	**26.7**	10.4

B. Analysis of net debt

	31 September 2018 £m	**Cash flows £m**	**Other non- cash changes £m**	**Exchange movements £m**	**31 March 2019 £m**
Cash and cash equivalents	6.4	(0.7)	-	-	**5.7**
Debt due within one year	(8.5)	8.5	-	-	**-**
Debt due after more than one year	(15.7)	(28.3)	0.4	(0.9)	**(44.5)**
Net debt	(17.8)	(20.5)	0.4	(0.9)	**(38.8)**

On 14 February 2019 the Group signed a new £90 million multicurrency Revolving Credit Facility ("RCF"). The RCF, which replaces the Group's existing debt facilities, which were repaid in full, has an initial maturity of February 2023 and includes an incremental uncommitted £45 million accordion, providing additional flexibility. The RCF has improved terms on the existing debt facilities and is being provided by HSBC, Natwest and Bank of Ireland.

C. Reconciliation of movement in net debt

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Net debt at start of period	**(17.8)**	(10.0)
(Decrease)/increase in cash and cash equivalents	**(0.7)**	7.8
Movement in borrowings	**(19.8)**	0.6
Other non-cash changes	**0.4**	-
Exchange movements	**(0.9)**	(0.4)
Net debt at end of period	**(38.8)**	(2.0)

Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 31 March 2019 has been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union, and in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority.

The interim financial information contained in the Interim Report should be read in conjunction with the Annual Report for the year ended 30 September 2018.

The Interim Report does not constitute statutory accounts as defined in section 434 of the Companies Act 2006 and has not been audited. A copy of the statutory financial statements for the year ended 30 September 2018 has been filed with the Registrar of Companies. The auditors' report on those accounts was unqualified, and it did not contain any statements under section 498(2) or section 498(3) of the Companies Act 2006. The auditors have carried out a review of the Interim Report and their review report is included at the back of this report.

Having considered the Group's funding position and latest forecasts, the Directors believe that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the condensed interim financial information.

As stated in the financial statements for the year ended 30 September 2018 the following amendments to existing standards have been applied where applicable: amendments as a result of Annual Improvements 2014-2016 Cycle; and amendments to IFRS 2 Classification and measurement of share-based payment transactions. The Group has adopted IFRS 9 *Financial instruments* and IFRS 15 *Revenue from contracts with customers* from 1 October 2018. The accounting policies adopted, methods of computation and presentation are otherwise consistent with those set out in the Group's statutory accounts for the financial year ended 30 September 2018.

There has been no material impact from the adoption of new standards, amendments to standards or interpretations which are relevant to the Group, other than as set out below.

Applying IFRS 9 has resulted in changes to the measurement and disclosure of financial instruments and introduces a new expected loss impairment model. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables. The adoption of the standard has not had a significant impact on the Group's consolidated results or financial position.

The Group's accounting policy for trade receivables under IFRS 9 is as follows:

Trade and other receivables are initially recognised at their transaction price and subsequently measured at amortised cost. The provision for impairment is calculated based on lifetime expected credit losses in accordance with IFRS 9.

IFRS 15 replaces the risk and reward approach of IAS 18 *Revenue* with a contract based five-step model. The Group has elected to apply the fully retrospective method for initial application, applying IFRS 15 retrospectively (and restating comparatives) from the period beginning 1 October 2017.

As part of the implementation, the Group has conducted a thorough analysis of all material revenue streams and customer contracts and reviewed sales and accounting processes. Print and digital magazine newstrade and subscription revenue, and digital advertising revenues and expenses have changed as a result of the new standard. Based on the enhanced guidance around the principal/agent approach, revenue is recognised as the amount paid by the end consumer, rather than the amount remitted by the agent. Related commissions paid to agents are recognised as an expense within cost of sales. There has been no material impact on transition relating to any other revenue streams within the Group.

The adoption of IFRS 15 has resulted in an increase in revenue of £3.7m for the six months ending 31 March 2019, along with an increase in cost of sales of £3.7m, compared to what would have been reported under IAS 18. The comparative period income statement for the six months ending 31 March 2018 has been restated for an increase in revenue of £2.5m and an increase in cost of sales of £2.5m. There has been no impact on retained earnings at the date of transition or subsequently.

The group's accounting policy for revenue under IFRS 15 is as follows:

Revenue from contracts with customers is recognised in the income statement in line with the five-step model in IFRS 15, to reflect the pattern of transfer of goods and services to the customer. Revenue is recognised in the income statement when control passes to the customer. If the customer simultaneously receives and consumes the benefits of the contract, revenue is recognised over time. Otherwise, revenue is recognised at a point in time.

Revenue comprises the transaction price of the contract, being consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, estimated returns, rebates and discounts and after eliminating sales within the Group.

For print and digital magazine newstrade and subscription revenue, and digital advertising revenues and expenses, revenue is recognised as the amount paid by the end consumer, rather than the amount remitted by the agent. Related commissions paid to agents are recognised as an expense within cost of sales.

The following recognition criteria also apply:

- Magazine newsstand circulation and advertising revenue is recognised according to the date that the related publication goes on sale
- Online advertising revenue is recognised over the period during which the advertisements are served
- Revenue from the sale of digital magazine subscriptions is recognised uniformly over the term of the subscription
- Event income is recognised when the event has taken place
- Licensing revenue is recognised on the supply of the licensed content
- Other revenue is recognised at the time of sale or provision of service

The Group is continuing to assess the impact of IFRS 16 *Leases*, which will be effective for the year ending 30 September 2020. Adoption of this standard will result in the recognition on balance sheet of assets and liabilities relating to leases which are currently being accounted for as operating leases. The Group anticipates a material increase in reported assets and liabilities, as well as additional disclosures.

Presentation of non-statutory measures

The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit. Adjustments are made in respect of:

Share-based payments - share-based payment expenses or credits, together with the associated social security costs, are excluded from the adjusted results of the Group as the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group.

Exceptional items - the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and likely to be non-recurring in nature (in the medium term) so as to assist the user of the financial statements to better understand the results of the core operations of the Group. Details of exceptional items are shown in note 4.

Amortisation of acquired intangible assets - the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered reflective of the core trading performance of the Group.

The tax related to adjusting items is the tax effect of the items above that are allowable deductions for tax purposes calculated using the standard rate of corporation tax in the relevant jurisdiction.

A reconciliation of adjusted operating profit to profit before tax is shown below:

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Adjusted operating profit	**22.6**	7.5
Finance costs	**(1.1)**	(0.5)
Adjusted profit before tax	**21.5**	7.0
Adjusting items:		
Share based payments (including social security costs)	**(5.2)**	(1.4)
Exceptional items	**(2.3)**	(0.3)
Amortisation of acquired intangibles	**(5.1)**	(2.0)
Profit before tax	**8.9**	3.3

A reconciliation between adjusted and statutory earnings per share measures is shown in note 9.

Notes to the financial information
for the six months ended 31 March 2019

1. Segmental reporting

The Group is organised and arranged primarily by reportable segment. The Executive Directors consider the performance of the business from a geographical perspective, namely the UK and the US. The Australian business is considered to be part of the UK segment and is not reported separately due to its size.

Segment revenue

	6 months to 31 March 2019 £m	6 months to 31 March 2018[1] £m
UK	**58.2**	44.0
US	**57.1**	10.9
Revenue between segments	**(6.6)**	(1.3)
Total	**108.7**	53.6

[1] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. UK segment revenue has increased by £2.0m and US segment revenue by £0.5m.

Transactions between segments are carried out at arm's length.

Segment adjusted EBITDA

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
UK	**13.0**	4.2
US	**10.7**	4.6
Total segment adjusted EBITDA	**23.7**	8.8

EBITDA is used by the Executive Directors to assess the performance of each segment.

A reconciliation of total segment EBITDA to profit before tax is provided as follows:

	6 months to 31 March 2019	6 months to 31 March 2018

	£m	£m
Total segment adjusted EBITDA	**23.7**	8.8
Share based payments (including social security costs)	**(5.2)**	(1.4)
Depreciation	**(0.4)**	(0.3)
Amortisation	**(5.8)**	(3.0)
Exceptional items	**(2.3)**	(0.3)
Net finance costs	**(1.1)**	(0.5)
Profit before tax	**8.9**	3.3

2. Revenue

An additional analysis of the Group's revenue is shown below:

	6 months to 31 March 2019 £m	6 months to 31 March 2018[1] £m
Media	**75.7**	27.0
Magazine	**33.0**	26.6
Total	**108.7**	53.6

[1] Restated for the impact of adopting IFRS 15 *Revenue from contracts with customers*. Media revenue has increased by £0.8m and Magazine revenue by £1.7m.

The Group has applied IFRS 15 from 1 October 2018, using the fully retrospective method for initial application, meaning comparative periods have been restated from 1 October 2017.

Under the principal/agent requirements of IFRS 15, revenue is recognised as the amount paid by the end consumer, rather than the amount remitted by the agent. Related commissions paid to agents will be recognised as an expense within cost of sales. There has been no material impact on transition relating to any other revenue streams within the Group.

The adoption of IFRS 15 has resulted in an increase in revenue of £3.7m for the six months ending 31 March 2019, along with an increase in cost of sales of £3.7m, compared to what would have been reported under IAS 18. The comparative period income statement for the six months ending 31 March 2018 has been restated for an increase in revenue of £2.5m and an increase in cost of sales of £2.5m. There has been no impact on retained earnings at the date of transition or subsequently.

See note 1 for disaggregation of revenue by geography.

3. Net operating expenses

Operating profit is stated after charging:

	6 months to 31 March 2019			6 months to 31 March 2018		
	Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Cost of sales	**(60.4)**	**-**	**(60.4)**	(33.3)	-	(33.3)
Share based payments (including social security costs)	**-**	**(5.2)**	**(5.2)**	-	(1.4)	(1.4)
Exceptional items (note 4)	**-**	**(2.3)**	**(2.3)**	-	(0.3)	(0.3)
Depreciation	**(0.4)**	**-**	**(0.4)**	(0.3)	-	(0.3)
Amortisation	**(0.7)**	**(5.1)**	**(5.8)**	(1.0)	(2.0)	(3.0)
Other administration expenses	**(24.6)**	**-**	**(24.6)**	(11.5)	-	(11.5)
Total	**(86.1)**	**(12.6)**	**(98.7)**	(46.1)	(3.7)	(49.8)

4. Exceptional items

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Premium listing costs	**0.8**	-
Acquisition and integration related costs	**1.5**	-
Restructuring and redundancy costs	**-**	0.3
Total	**2.3**	0.3

5. Employee costs

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Wages and salaries	**23.8**	12.9
Social security costs	**5.8**	1.5
Other pension costs	**0.6**	0.3

Share schemes		
- Value of employees' services	**1.9**	1.2
Total employee costs	**32.1**	15.9

IFRS 2 *Share-based Payment* requires an expense for equity instruments granted to be recognised over the appropriate vesting period, measured at their fair value at the date of grant.

The fair value has been calculated using the Monte Carlo and Black-Scholes models, using the most appropriate model for each scheme. Assumptions have been made in these models for expected volatility, risk-free rates and dividend yields.

Key management personnel compensation

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Salaries and other short-term employee benefits	**1.2**	0.8
Share schemes		
- Value of employees' services	**0.9**	0.7
Total	**2.1**	1.5

Key management personnel are deemed to be the members of the Board of Future plc. It is this Board which has responsibility for planning, directing and controlling the activities of the Group.

6. Finance costs

	6 months to 31 March 2019 £m	6 months to 31 March 2018 £m
Interest payable on interest-bearing loans and borrowings	**0.6**	0.3
Amortisation of bank loan arrangement fees	**0.5**	0.1
Other finance costs	**-**	0.1
	1.1	0.5

On 14 February 2019 the Group signed a £90 million multicurrency Revolving Credit Facility ("RCF"), including an incremental uncommitted £45 million accordion, providing additional flexibility. Included within amortisation of bank loan arrangement fees is the release of prepaid costs in relation to the previous loan facility.

7. Tax on profit

The tax amount for the six months ended 31 March 2019 is based on the effective rate, estimated on a full year basis by territory, being applied to the taxable profits or losses of each territory for the six months ended 31 March 2019.

8. Dividends

Equity dividends	**6 months to 31 March 2019**	6 months to 31 March 2018
Number of shares in issue at end of period (million)	**82.5**	45.7
Dividends paid and payable in period (pence per share)	**0.05**	-
Dividends paid and payable in period (£m)	**(0.4)**	-

Interim dividends are recognised in the period in which they are paid and final dividends are recognised in the period in which they are approved. The dividend in respect of the year ended 30 September 2018 was paid on 15 February 2019. The Board has not proposed a dividend for the six months ended 31 March 2019.

9. Earnings per share

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the period. Diluted earnings per share have been calculated by taking into account the dilutive effect of shares that would be issued on conversion into Ordinary shares of awards held under employee share schemes.

Adjusted earnings per share remove the effect of share based payments, exceptional items, amortisation of intangible assets arising on business combinations and any related tax effects from the calculation.

	6 months to 31 March 2019	6 months to 31 March 2018[1]
Adjustments to profit after tax:		
Profit after tax (£m)	**7.5**	3.4
Share based payments (including social security costs) (£m)	**5.2**	1.4
Exceptional items (£m)	**2.3**	0.3
Amortisation of intangible assets arising on acquisitions (£m)	**5.1**	2.0
Tax effect of the above adjustments (£m)	**(2.5)**	(1.0)
Adjusted profit after tax (£m)	**17.6**	6.1

Weighted average number of shares in issue during the period:

- Basic	**81,719,444**	53,503,698
- Dilutive effect of share options	**4,132,152**	4,037,666
- Diluted	**85,851,596**	57,541,364
Basic earnings per share (in pence)	**9.2**	6.3
Adjusted basic earnings per share (in pence)	**21.5**	11.5
Diluted earnings per share (in pence)	**8.7**	5.9
Adjusted diluted earnings per share (in pence)	**20.5**	10.7

The adjustments to profit after tax have the following effect:

Basic earnings per share (pence)	**9.2**	6.3
Share based payments (including social security costs) (pence)	**6.4**	2.6
Exceptional items (pence)	**2.8**	0.6
Amortisation of intangible assets arising on acquisitions (pence)	**6.2**	3.7
Tax effect of the above adjustments (pence)	**(3.1)**	(1.7)
Adjusted basic earnings per share (pence)	**21.5**	11.5

Diluted earnings per share (pence)	**8.7**	5.9
Share based payments (including social security costs) (pence)	**6.1**	2.4
Exceptional items (pence)	**2.7**	0.5
Amortisation of intangible assets arising on acquisitions (pence)	**5.9**	3.5
Tax effect of the above adjustments (pence)	**(2.9)**	(1.6)
Adjusted diluted earnings per share (pence)	**20.5**	10.7

[1] 2018 figures have been restated to reflect the bonus element of the rights issue that took place in August 2018.

10. Intangible assets

Group	Goodwill £m	Magazine and website £m	Other £m	Total £m
Cost				
At 1 October 2017	329.2	38.2	18.8	386.2
Additions through business combinations	34.1	83.3	-	117.4
Other additions	-	-	1.2	1.2
Adjustments to fair value on prior year acquisitions	(0.2)	-	-	(0.2)
Exchange adjustments	0.9	0.1	-	1.0
At 30 September 2018	**364.0**	**121.6**	**20.0**	**505.6**
Additions through business combinations	**74.4**	**0.4**	**-**	**74.8**
Other additions	**-**	**-**	**1.3**	**1.3**
Adjustments to fair value on prior year acquisitions	**31.5**	**(30.6)**	**-**	**0.9**
Disposal	**(0.2)**	**-**	**-**	**(0.2)**
At 31 March 2019	**469.7**	**91.4**	**21.3**	**582.4**
Accumulated amortisation and impairment				
At 1 October 2017	(263.4)	(14.2)	(16.3)	(293.9)
Charge for the year	-	(5.7)	(1.6)	(7.3)
Exchange adjustments	(0.8)	(0.2)	-	(1.0)
At 30 September 2018	**(264.2)**	**(20.1)**	**(17.9)**	**(302.2)**
Charge for the year	**-**	**(5.1)**	**(0.7)**	**(5.8)**
Exchange adjustments	**-**	**-**	**-**	**-**
At 31 March 2019	**(264.2)**	**(25.2)**	**(18.6)**	**(308.0)**
Net book value at 31 March 2019	**205.5**	**66.2**	**2.7**	**274.4**
Net book value at 30 September 2018	99.8	101.5	2.1	203.4
Net book value at 1 October 2017	65.8	24.0	2.5	92.3

Acquired intangibles relate mainly to trademarks, advertising relationships, publishing rights and customer lists. These assets are amortised over their estimated economic lives, typically ranging between one and ten years.

Any residual amount arising as a result of the purchase consideration being in excess of the value of acquired assets is recorded as goodwill.

Further details regarding the intangible assets acquired during the year through business combinations are set out in note 14.

Other intangibles relate to capitalised software costs and website development costs which are internally generated.

Amortisation is included within administration expenses in the consolidated income statement.

11. Financial instruments

Adoption of IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* became effective for the Group from 1 October 2018. The standard has been applied fully retrospectively, as required by IFRS 9, but the designation of financial assets and liabilities has been taken at the date of initial application. The Group has adopted the simplified approach to recognise lifetime credit losses for trade receivables. The change in approach has not had a material impact on the provision for bad debt.

IFRS 9 largely retains the existing classifications for financial liabilities. For the Group's financial assets, the following table shows the new measurement categories under IFRS 9:

Financial asset	IFRS 9 classification	Previous classification under IAS 39
Cash and cash equivalents	Amortised cost	Loans and receivables
Trade and other receivables	Amortised cost	Loans and receivables
Derivative - purchased option	Fair value through profit or loss	N/a

There has not been a significant impact on the carrying amounts of assets held.

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2019:

	Level 2 Fair value £m	Level 3 Fair value £m
Assets		
Financial asset - derivative	0.6	-
Liabilities		
Contingent consideration	-	29.3

The contingent consideration relates to the acquisition of MoNa Mobile Nations, LLC (see note 14 for further details). A derivative foreign currency option to buy $30m in June 2020 was acquired in order to hedge the currency exposure arising on the contingent consideration. In the comparative period no financial assets or liabilities were measured at fair value. There were no transfers between levels in the current or prior period.

The derivative option has been valued using rates available from publicly-quoted sources.

The contingent consideration has been valued using a scenario-based approach drawing from internal EBITDAE projections and forecasts and weighting them according to the perceived probability of being achieved. The outcome is then discounted to reflect the market risk related to the earn outs and underlying achievement of the EBITDAE targets. The discount rate of 9% was determined using a Capital Asset Pricing Model (CAPM) approach.

The main level 3 inputs used in valuing the contingent consideration are EBITDAE and the discount rate, as shown in the table below.

Assumption	
Discount rate	9%
EBITDAE	$7.1m - $12.5m

The table below sets out the sensitivity of level 3 inputs to a 10% change in the assumptions, which is considered to be a reasonably possible alternative assumption:

Assumption	Increase/(decrease)	Increase/(decrease) in liability
Discount rate	10%	£(0.3)m
Discount rate	(10)%	£0.3m
EBITDAE	10%	£7.4m
EBITDAE	(10)%	£(13.1)m

12. Issued share capital

During the period 353,350 Ordinary shares (31 March 2018: 350,380) with a nominal value of £53,003 (31 March 2018: £52,557) were issued by the Company pursuant to share scheme exercises throughout the period.

Additionally, 615,166 Ordinary shares were issued as consideration for the acquisition of MoNa Mobile Nations, LLC, with a nominal value of $5 million.

As at 31 March 2019 there were 82,487,107 Ordinary shares in issue (31 March 2018: 45,743,194).

13. Contingent assets and contingent liabilities

At 31 March 2019 there were no material contingent assets (31 March 2018: £nil). During the period, a contingent liability of £29.3m was recognised for variable deferred contingent consideration on the acquisition of MoNa Mobile Nations, LLC (31 March 2018: £nil). See note 14 for further details regarding the acquisition.

14. Acquisitions

Immediate Media titles

On 13 February 2019 Future plc acquired two specialist consumer brands from Immediate Media, CyclingNews.com and Procycling Magazine, for consideration of £1.65 million. Cycling News is the leading cycling news website in the UK, while Procycling is the market-leading magazine within the professional cycling arena. Fair values of assets relating to this acquisition are provisional.

MoNa Mobile Nations, LLC

On 1 March 2019 Future plc acquired MoNa Mobile Nations, LLC ("Mobile Nations"), a leading global digital publisher focused on consumer electronics and based in the US. The initial cash consideration paid was $55 million with a further $5 million satisfied through the issue of 615,166 new ordinary shares. In addition, a further variable deferred contingent consideration up to a total value of $60 million will be paid, subject to meeting certain financial targets based on the year ending 31 March 2020. 100% of the voting equity interest was acquired.

The impact of the acquisition on the consolidated balance sheet was:

	Provisional fair value £m
Intangible assets	0.4
Trade and other receivables	2.6
Trade and other payables	(0.1)
Net assets acquired	2.9
Goodwill	72.7
	75.6
Consideration:	
Cash	42.0
Equity shares	4.3
Total consideration paid	**46.3**
Contingent consideration	29.3
Total consideration	**75.6**

Included within the Group's results for the period are revenues of £1.1m and a profit before tax of £0.5m (excluding deal fees, associated integration costs and acquired intangible amortisation) from Mobile Nations.

If the acquisition had been completed on the first day of the financial year, it would have contributed £7.7m of revenue and a profit before tax of £3.7m (excluding deal fees, associated integration costs and acquired intangible amortisation) during the period.

The fair values are described as 'provisional' as the acquisition occurred within one month of the balance sheet date and so further time is required in order to fully ascertain the fair value of assets and liabilities acquired.

See note 11 for the assumptions used in determining the fair value of the contingent consideration and sensitivities of these assumptions to a reasonably possible change.

Acquisition of Purch Group LLC - update to fair values

On 4 September 2018, Future US Inc. acquired 100% of the share capital of Purch Group LLC, as disclosed in the Annual Report for the year ended 30 September 2018. An update to the fair value of the assets has been performed, as detailed below:

	Fair value £m
Intangible assets	
- Customer relationships	17.3
- Brands	21.9
- Software	2.8
Trade and other receivables	10.9
Trade and other payables	(4.8)
Net assets acquired	48.1
Goodwill	51.7
	99.8
Consideration:	
Cash	99.8
Total consideration	**99.8**

The Purch acquisition occurred within one month of the FY18 balance sheet date and following the passage of time further information has become available to the Directors which has enabled the calculation of the fair value of the assets and liabilities acquired to be refined. As part of this exercise, assets previously identified as websites have been re-categorised as brands to better reflect the underlying nature of the intangible assets acquired.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial 6 month period. Under that law the Directors have prepared the Group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in the Statement of Directors' Responsibilities confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group; and
- the Operational Review includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' Report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

A list of current Directors is maintained on the Future plc website, www.futureplc.com.

By order of the Board

Directors

Richard Huntingford
Independent Non-Executive Chairman

Zillah Byng-Thorne
Chief Executive

Penny Ladkin-Brand
Chief Financial Officer and Company Secretary

Hugo Drayton
Independent Non-Executive

Alan Newman
Independent Non-Executive

Rob Hattrell
Independent Non-Executive

17 May 2019

The maintenance and integrity of the Future plc website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent review report to Future plc

Report on the condensed consolidated interim financial statements

Our conclusion

We have reviewed Future plc's condensed consolidated interim financial statements (the "interim financial statements") in the half-year results announcement of Future plc for the 6 month period ended 31 March 2019. Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

What we have reviewed

The interim financial statements comprise:

- the consolidated balance sheet as at 31 March 2019;
- the consolidated income statement and consolidated statement of comprehensive income for the period then ended;
- the consolidated cash flow statement for the period then ended;
- the consolidated statement of changes in equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the half year results have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

As disclosed in the basis of preparation to the interim financial statements, the financial reporting framework that has been applied in the preparation of the full annual financial statements of the Group is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the Directors

The half-year results announcement, including the interim financial statements, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-year results announcement in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Our responsibility is to express a conclusion on the interim financial statements in the half-year results announcement based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What a review of interim financial statements involves

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the half-year results announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

PricewaterhouseCoopers LLP
Chartered Accountants
Bristol
17 May 2019