



Acquisition of SmartBrief

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Future plc

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The Board of Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today announces the acquisition of SmartBrief, Inc. ("SmartBrief"), a leading US based digital media publisher, for an initial sum of \$45 million (the "Acquisition").

The initial \$45 million will include a cash consideration of \$32.2 million funded from the Group's existing debt facilities, with a further \$12.8 million to be satisfied through the issue to the vendors of 1,027,492 new ordinary shares (the "Consideration Shares"). The agreement also includes a deferred consideration based on certain financial targets achieved over the year ending 31 July 2020, which is subject to a cap of \$20 million.

SmartBrief, headquartered in Washington DC, is a digital media publisher of targeted business news and information, combining technology and editorial expertise to deliver relevant industry news curated from over 1,500 sources. SmartBrief operates in partnership with trade associations, professional societies, non-profits and corporations across a range of verticals including business, education, finance, health care, marketing & advertising, retail and food & travel.

Transaction highlights and rationale

- The Acquisition enhances Future's proprietary technology stack through the addition of automated email marketing, enhancing Future's operations as follows:
 - Increases scale and product capabilities of B2B division
 - Improves B2B market share, more than tripling the subscriber database
 - Access to new vertical markets
 - Provides access to CRM and email marketing as potential new audience drivers for B2C
 - Provides opportunity to utilise the CRM solution for Future's existing B2B and B2C customers
- Strong financial rationale
 - Stable annual revenues of \$35.1 million and adjusted EBITDA of \$5.0m
 - Transaction expected to be earnings enhancing in the current financial year and in the first full year following completion
- Total consideration of up to \$65 million
 - Initial cash consideration of \$32.2 million, with further \$12.8 million in shares
 - Further variable deferred consideration up to total value of \$20 million, subject to achievement of gross contribution target based on the year ending 31 July 2020. Deferred consideration to be in shares or a mixture of cash and shares
 - The shares issued in consideration will be subject to lock-up restrictions for a period of six months from the date of issue
 - Initial cash consideration funded via Group's existing debt facilities

Zillah Byng-Thorne, CEO of Future, said:

"This acquisition will substantially boost our presence and market position in the B2B sector and enhance our proprietary technology capabilities.

"SmartBrief is a leading, respected provider of sector-focused newsletters and daily email briefings covering a range of key verticals. The addition of SmartBrief's must-read information products to our portfolio will further extend the reach of our B2B operations.

"The acquisition of SmartBrief will be earnings enhancing and we have identified a number of exciting opportunities

to leverage SmartBrief's proprietary technology in both our B2C and B2B business."

There will be an analyst conference call at 8 a.m. UK time - please contact Hannah Campbell at hannah.campbell@instinctif.com or telephone 020 7427 1412 for details.

Details of the transaction

SmartBrief is an independent trading entity which Future is acquiring from its shareholders through a merger transaction. The majority of SmartBrief's share capital is owned by three founders, one of whom is still active in the business as CEO and who is expected to remain with SmartBrief post close.

In the 12 months to 31 March 2019, SmartBrief's unaudited revenue was \$35.1 million, predominantly derived from display advertising in email newsletters/industry briefs and adjusted pro forma EBITDA of \$5.0m^[1].

The consideration for 100% of the equity of SmartBrief consists of an initial cash consideration on closing of \$32.2 million, subject to adjustment for working capital, funded via Group's existing debt facilities, with further \$12.8 million to be satisfied through the issue to the vendors of 1,027,492 new ordinary shares, together with deferred consideration based on certain financial targets based on the year ending 31 July 2020, which is subject to a cap of \$20m. Future is entitled to settle any deferred consideration by the issue of ordinary shares in the Company ("Shares") or by a mixture of cash and the issue of Shares. The maximum aggregate consideration payable by Future for 100% of the equity of SmartBrief will be capped at \$65m. The newly issued shares in Future are subject to a lock up agreement for six months.

In relation to the Consideration Shares, applications have been made to the Financial Conduct Authority for admission of the Placing Shares to the premium listing segment of the Official List of the Financial Conduct Authority and to London Stock Exchange plc for admission to trading of the Placing Shares on its main market for listed securities (together, "Admission") and Admission is expected to take place at 8.00 a.m. on 31 July 2019.

In accordance with the FCA's Disclosure Guidance and Transparency Rules, following this issue, the Company's issued share capital consists of 83,546,924 ordinary shares of 15 pence each. The Company currently holds 0 ordinary shares in treasury. Therefore, following this issue, the total number of issued shares with voting rights in the Company is currently 83,546,924.

The figure of 83,546,924 ordinary shares should be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

This Announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014 ("MAR").

Enquiries

Future plc 01225 442244
Zillah Byng-Thorne, Chief Executive Officer
Penny Ladkin-Brand, Chief Financial Officer

Numis Securities Limited (Financial Adviser to Future) 020 7260 1000
Nick Westlake, Mark Lander, Hugo Rubinstein

Instinctif Partners 020 7457 2020
Kay Larsen, Chantal Woolcock

About Future

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, Creative Planet Network, 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, Broadcasting & Cable, Multichannel News, AV Technology and Music Week.

[\[1\]](#) In the 12 months to 31 March 2019 PBT was \$3.4m and as at 31 March 2019 gross assets were \$13.4m.

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