



Acquires US content business Newbay Media LLC

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Future plc

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Future plc (LSE: FUTR), the global platform for specialist media, today announces the acquisition of Newbay Media LLC (Newbay), the US based information and events business, for an initial net consideration of \$12.25m (£8.62m) cash and \$1.55m (£1.09m) shares, with a further potential deferred consideration of up to \$5.60m (£3.94m) in January 2019, depending on the future performance of the acquired business.

Newbay's information and events business operates in three key verticals: Television & Video, Entertainment & Educational Technology and Music. Newbay's market leading brands include Music Week, Twice and Broadcasting & Cable. Newbay generated EBITDA of \$4.2m in the year ending 31 December 2017.

Acquisition highlights & rationale

- The acquisition expands Future's reach into the US market
- Enhances Future's market leading position in music and consumer electronics
- In addition, the acquisition brings B2B titles in the complementary verticals of audio visual, television broadcasting and educational technology, which will further increase Future's revenue diversification model whilst also bringing B2B expertise to Future's existing titles
- Cross selling opportunities Newbay provides to the existing range of Future verticals will enhance and leverage the core organic growth of the business
- The acquisition has been funded in part by an increase in Future's debt facilities of £5m with the remainder of the cash consideration, as well as the expected cash consideration of the acquisition of the Haymarket titles recently announced, funded out of existing debt facilities
- The acquisition is expected to be earnings enhancing in first full year of ownership

The initial share consideration constitutes 283,692 new ordinary shares of 15p each (the "Consideration Shares") with a holdback on a potential further 18,303 shares. The Consideration Shares will be subject to lock-up restrictions for a period of three months from the date of issue.

The Company has made applications for the Consideration Shares to be admitted to the standard segment of the Official List and to the London Stock Exchange's main market for listed securities ("Admission"). The Company expects Admission to occur at 8am on 5 April 2018.

Current trading

Overall trading for the group during the first half has been strong with the positive momentum from last year continuing through into this financial year. Revenues from the Magazines division have continued to decline in line with expectations, however, the growth in revenue from the Media division, with particular strength in the US, has more than offset this decline. As a result the Group is trading comfortably in line with management expectations and believe that the US based acquisition will help further capitalise on the US opportunity.

Future will announce interim results on 17 May 2018.

Zillah Byng-Thorne, CEO of Future, commented:

"Newbay is clearly aligned with Future in its mission to create content that connects, with market leading titles.

"This acquisition strengthens our presence in the US, and together with our recent UK acquisition expands our market

leadership in music and consumer electronics. Newbay's B2B titles, including those in audio visual and television broadcasting, will further diversify our revenue streams whilst bringing additional valuable B2B experience to complement Future's B2C businesses.

"We have a proven track record of acquisition and successful integration. This deal will be earnings enhancing and drive further organic growth in revenue and profitability in the first full year."

Enquiries:

Future plc

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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.

About Future:

Future plc is an international media group and leading digital publisher, listed on the London Stock Exchange (symbol: FUTR). The Group operates two separately managed brand-led divisions: Media and Magazine. The Group has a reach of 100m+ globally, including 62m online users and 63m social media reach.

The Magazine division has over 60 leading brands in diverse verticals including music, gaming, photography, home interest, field sports and technology. These include iconic household names such as T3, Total Film and PC Gamer as well as market leading specialist brands including Metal Hammer, Digital Camera and Edge.

The Media division focuses on being at the forefront of digital innovation, in particular, the high growth technology and games markets, with three complementary revenue streams: eCommerce, events and digital advertising. It has a number of leading brands including TechRadar, PC Gamer, GamesRadar+, The Photography Show, Generate, The Homebuilding and Renovating Show and Golden Joysticks Awards.

This information is provided by RNS
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