



Completion of TI Media acquisition and C-19 update

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Future plc

Completion of TI Media acquisition; Update on Covid-19; Banking facilities; and Board changes

Future plc (LSE: FUTR; "the Group"), the global platform for specialist media, today announces the completion of the acquisition of TI Media, which was announced on 30 October 2019 and was conditional upon clearance from the Competition and Markets Authority ("CMA"). TI Media is a UK-based, print-led consumer magazine and digital publisher with deep industry heritage and a portfolio that incorporates 38 brands including: Decanter; Country Life; Homes&Gardens; and Woman & Home. TI Media brings to Future a presence in the Wine, Golf, Equestrian, Country Living, TV Listings, Women's Lifestyle and Gardening verticals, and deepens and extends Future's strength and position in Home, Cycling and Country Sports.

On 16 March 2020, it was announced that the CMA had found that the purchase of TI Media did not raise competition concerns, subject to the sale of three closely competing products: World Soccer; Amateur Photographer; and the technology website Trustedreviews.com. We are pleased to announce today that Future has agreed the sales of World Soccer and Amateur Photographer to Kelsey Media, and Trusted Reviews to Incisive Media. These sales are expected to complete in the next few weeks. In addition, earlier this year, TI Media sold Collective Europe Ltd, its digital marketing agency, to Azerion Holding B.V., with Collective Europe Ltd identified as a non-core business by Future at the time of the deal.

In the year to December 2019, the combined revenue and EBITDA contribution in relation to these four assets was £12m and £0.3m respectively. The aggregate purchase price received for all four assets was £1.4m.

The TI Media acquisition continues to offer a compelling strategic and financial rationale, with entry into new market verticals through its leading brands, and expansion within existing markets. Leveraging Future's proprietary technology platform and global operating model, we remain excited about the long term opportunity.

Covid-19 update

Future

We continue to monitor closely the Covid-19 pandemic and its impact on our staff, clients and operations. Our primary focus is ensuring the safety and well-being of our employees and we were able to successfully implement a global remote working policy at an early stage of the pandemic. We continue to support our clients and the communities impacted with an initiative launched to assist staff in becoming NHS volunteers, as well as providing many content insights to support communities in lockdown.

Our audience numbers remain strong, and are benefiting from additional users currently searching for advice and inspiration; March was the biggest month ever for Tom's Guide, with over 22 million users and 28 million sessions, while Live Science had 100 million sessions in the month.

Our digital revenue performance continues to be encouraging with, to date, continued strength in eCommerce, and although digital advertising is experiencing some reduction in yields this is offset in the main by audience growth.

As previously announced, all material Events that were scheduled during April to June have been moved to later in the financial year, and are subject to ongoing review, while less material Events have been cancelled for the remainder of our financial year.

High street store closures have impacted magazine sales. Whilst we expect a significant reduction in sales in the coming months, our digital copies and subscriptions are performing well.

Future has carried out a number of cost saving measures, in order to protect profitability across the Group and lessen the economic impact of Covid-19 over the coming months. This includes the reduction in supply of magazines to retail outlets, the acceleration of the closure of a number of marginal magazine titles, a reduction in the variable costs associated with Events, a 25% reduction in discretionary costs, and some salary savings, including the furlough of some staff in impacted areas. The senior management team and Board have also taken a 20% reduction in salary from March.

TI Media

TI Media is a less diversified business and therefore the impact of Covid-19 is expected to be more significant. Magazine newsstand revenues have been impacted during the period of lockdown, with UK newsstand revenues reduced by approximately 30% since the introduction of lockdown measures on 23 March. However, subscriptions have been performing well, with demand driving a material year-on-year increase in new sales. Events, most notably the Decanter World Wine Awards, have also been deferred until later in the financial year.

In order to mitigate the impact of the reduction in revenue, a number of cost savings have been implemented within TI Media, which include a reduction of promotional and discretionary costs, smaller print runs to reduce the supply of magazines, the furlough of some staff and role closures, and tiered salary reductions for all staff.

Banking facilities

The Group is also pleased to announce the signing of a new £30m multi-currency Revolving Credit Facility ("RCF"). The RCF, which will stand alongside Future's existing debt facilities, and matures in 12 months, has been arranged in order to provide the Group with additional working capital headroom to maintain the underlying growth momentum of the combined business, whilst navigating the impact of Covid-19.

The key terms of the new RCF mirror the Group's existing debt facilities, and are being provided by the Group's existing banking syndicate of HSBC, Natwest and Bank of Ireland.

The Group's current net debt is £93m following completion of the TI transaction, with available cash headroom of £69m under the new facilities.

Board changes

As previously announced, the Group confirms that, with effect from 1 June 2020 (following an initial period of TUPE consultation with the TI Media employees), Rachel Addison will join the Board of Future plc as Chief Financial Officer.

Rachel replaces Penny Ladkin-Brand, who will be stepping down from the Board to assume the role of Chief Strategy Officer.

Outlook

Covid-19 introduces a significant level of uncertainty. However, given the Group's diversified model, revenue mix benefit, variable cost base, reduction in overheads, and the bank facility headroom outlined above, as well as exchange rate benefits, the Group is well placed to tackle the challenges that lie ahead.

The Group will publish its interim results for the six months to 31 March 2020 on 22 May 2020.

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About Future

Future is a global platform business for specialist media with diversified revenue streams.

The Media division is high-growth with three complementary revenue streams: eCommerce, Events and digital advertising including advertising within newsletters. It operates in a number of sectors including technology, games, music, home interest, hobbies and B2B and its brands include TechRadar, PC Gamer, Tom's Guide, Android Central, Homebuilding & Renovating Show, GamesRadar+, The Photography Show, Top Ten Reviews, Live Science, Guitar World, MusicRadar, Space.com and Tom's Hardware.

The Magazine division focuses on publishing specialist content, with 70 publications and 625 bookazines published per year, totalling global circulation of 1.4 million. The Magazine portfolio spans technology, games 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? and Music Week.

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