FUTURE

Half year results

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Future plc

INTERIM MANAGEMENT REPORT
FOR THE HALF YEAR ENDED 31 MARCH 2020

Strategic momentum continues

Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today publishes results for the six months ended 31 March 2020.

Highlights

Financial results for the six months ended 31 March 2020

Adjusted results	2020	2019	Var
Adjusted operating profit (£m)[1]	39.9	22.6	77%
Adjusted operating profit margin (%)	28%	21%	+7ppt
Adjusted free cash flows (£m)[2]	40.0	27.5	45%
Adjusted diluted EPS (p)	32.9	20.5	60%

Statutory results			
Revenue (£m)	144.3	108.7	33%
Operating profit (£m)	24.7	10.0	147%
Profit before tax (£m)	27.1	8.9	204%
Cash generated from operations (£m)	35.7	26.7	34%
Diluted EPS (p)	21.8	8.7	151%

- The Group has had an exceptionally strong first half with adjusted operating profit up 77% to £39.9m (2019: £22.6m)
- Covid-19 impacted the end of the period, driving an acceleration of audience growth which with our diversified revenue strategy helped to offset the impact of a significant slowdown in newstrade as travel stores shut and the cancellation of three large events in March
- Online users have grown to 253m in H1 (2019: 201m), up 26% year-on-year, 31% organic[i] [3] growth. The global lockdowns have resulted in audiences around the world searching for advice and recommendations resulting in the Group achieving a record-breaking 329m online users in March 2020, up 66% year-on-year[i]
- Overall organic revenue growth totalled 11% due to continued momentum in Media revenues with organic growth of 21%
- Improved quality of earnings resulting from the growth in scale of the Group and revenue mix is reflected in the strong operating leverage with adjusted operating profit margin increasing to 28% (2019: 21%)
- The Group remains highly cash generative with strong adjusted free cash flow[2] of £40.0m (2019: £27.5m), which represents 100% of adjusted operating profit (2019: 122%). To date the Group has not seen any significant negative Covid-19 impact on working capital
- Acquisition of TI Media completed on 20 April 2020 with integration underway. TI Media's performance has been impacted by the reduction in magazine sales since March, although the strategic rationale to implement Future's strategy across the TI brands and audience remains compelling

- Future's well diversified revenue model and strong balance sheet, which included current headroom of around £77m on existing banking facilities, leaves the Group well positioned to continue to adapt to market conditions in these times of unparalleled uncertainty

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

"We sincerely thank those who have been working to keep all of us safe through the crisis, particularly those in all aspects of frontline services. I also want to recognise and thank our staff, who have rapidly adapted to a new way of working to ensure we can continue to provide high quality content to our audience communities at a time when the need for expert advice is acute.

"We are seeing a rapid acceleration in the migration to online with a significant growth in online users looking for both entertainment and advice in their areas of interest as well as a rapid shift towards online retail. Future's diversified business model, global footprint and strong financial discipline means that we have been able to withstand the immediate challenges of the pandemic.

"Despite the impact of Covid-19, the first half of the financial year has been very strong with adjusted operating profit up 77% and adjusted free cashflows of 100%[2] of operating profit. This allows us to continue to invest in the platform through the development of new functionality and new content to drive revenue in the coming months and years.

"The acquisition of TI Media, completed in April, introduces many opportunities for us to add value to their strong portfolio of brands by utilising our technology platform to build digital presence, introduce new revenue models and an opportunity to expand reach beyond the UK, particularly in the US. It also introduces new content categories and audiences to the Group whose needs we look forward to meeting in the coming years.

"Our performance in the first half of the current year has been extremely strong; the downturn due to Covid-19 makes market conditions uncertain for the remainder of the year. However, due to our operating model, strategy and diversified revenue streams, the Group is well placed to navigate the challenges ahead."

1) Adjusted operating profit represents earnings before share-based payments (relating to equity settled awards with vesting periods longer than 12 months) and related social security costs, interest, tax, amortisation of acquired intangible assets, fair value movements on contingent consideration (and unwinding of associated discount) and currency option, and exceptional items and any related tax effects.

2) Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents operating cash inflow adjusted to exclude cash flows relating to exceptional items and settlement of employer's NI on share based payments, and to include lease repayments following adoption of IFRS 16 *Leases*.

3) Organic growth defined as the like for like portfolio excluding acquisitions and disposals made during FY19 and FY20 at constant FX rates.

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Note to editors

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

The high-growth Media division consists of six complementary revenue streams including eCommerce, events, digital advertising, lead generation, email marketing and video production. It operates in a large number of verticals 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, Live Science, Android Central, Guitar World, MusicRadar, Space.com, NY TV Week, Tom's Hardware, Cyclingnews.com, Born Different and Amazing Interiors.

The Magazine division focuses on publishing specialist content, with over 70 publications and over 625 bookazines published per year, totalling global circulation of 1.3m. The Magazine portfolio spans technology, gaming and entertainment, music, creative and photography, hobbies, home interest, sport, TV, women's 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.

Covid-19 Update

The health and safety of our staff is our utmost priority and so from the middle of March we moved to full working from home ahead of local government enforced lockdowns. Whilst many don't have ideal working conditions, all of our staff have been exceptional and adapted quickly to the new environment. Thankfully, due to our global operating model, the technology was already in place and the change has been almost seamless. To adapt to the reduction in contact time, we have put increased communication in place including weekly CEO letters, weekly top 100 leaders calls and virtual town halls. We are also focused on supporting our staff through these challenging times, many of whom were finding the increased costs of being at home and other personal matters financially challenging. Therefore we have paid all staff a work from home stipend during the period and also created a hardship fund for any staff in financial difficulty to access. Finally, we are offering increased mental health support and virtual activities, including weekly yoga and mental health first aiders.

Our many talented staff have been quick to evolve the business model to the changes in market conditions, including the creation of virtual events such as the Future Games Show and adapting the content strategy to respond to evolving audience demands. We have modified the subscription distribution model to ensure that readers can continue to access the content they love and increased presence of magazines on all digital channels. The closure of travel retail has reduced the profitability of some titles and therefore regrettably, we have reviewed the portfolio and removed activity that was loss making or marginal. In addition, cost based measures including a review of overheads has helped protect profitability. The Board has also taken a temporary pay cut from March.

In these challenging times, we want to be able to support our communities and in the UK all staff may take one day of leave per week to volunteer for the NHS. We also wanted to support our partners so have evolved the magazine distribution model to make it easier for warehouse and shop staff to handle our magazines, swiftly moved to cancel events to minimise costs of partners and processed requested refunds promptly to support our customers. As a result of our additional working capital facility we can provide more flexibility to customers as they look to reopen post lockdown.

We remain committed to our strategy to grow our business both organically and through acquisitions and as a result of early conversations with our banking partners we increased our working capital facility for 12 months by £30m, bring total headroom at the time of this announcement to around £77m. This gives the Group additional headroom to continue to adapt to market conditions in these times of unparalleled uncertainty while continuing to execute on its strategy.

Strategy update

Growing our audience brands and audiences

We have seen significant growth in our online audience over the first half of this year, with online users growing by 26% year-on-year to 253m, 31% of which is organic[i]. This growth is testament to our data-led audience strategy; by triangulating data from several sources combined with our editorial expertise, we know what our readers truly want to read and can subsequently generate highly relevant content ideas. We achieved a record number of online users in March 2020 of 329m, up 66% year-on-year[i], as audiences sought advice on how to work and "hunker down" at home. Our significant scale and relevant content in B2C means we now reach 44% of all US internet users[ii].

Ongoing diversification

A core aim of the group is to build a number of different revenue streams of scale to be able to adapt to market conditions. 2020 has tested this business model, albeit in a way that none of us would have wished. However, the strategy works, with growth in some categories and revenue streams more than offsetting challenges in other areas.

The year started strongly with continued momentum from 2019 in audience growth and effective monetisation of those online audiences in digital advertising and eCommerce. As the impact of the global pandemic became clear, magazine sales and events were inevitably impacted. Three material events (The Photography Show, The National Homebuilding & Renovating Show and New York City TV Week), which would normally be held in March were initially postponed until later in the year, and, following further advice, we have now taken the regrettable decision to cancel the consumer shows with the New York City TV Week now taking place virtually. The media business has proved resilient through the lockdown, with the online editorial team springing into action to support their communities with advice on deals and stock availability of the equipment they needed for lockdown. Live Science in particular has seen YoY growth of 164%[i] in April 2020, driven by informative news and insight on the Coronavirus. The strong audience performance more than offset some reduction in advertising yields we saw during March, and the continued strength in eCommerce which has seen YoY growth of 89%, of which 68% is organic, also offset any negative revenue impacts arising from the pandemic.

The B2B verticals, formed from the acquisitions of NewBay Media in 2018, SmartBrief in 2019 and internal investment to drive new organic audiences, have also helped to provide resilience in the Group. SmartBrief performance has continued strongly despite the impact of Covid-19, with our email newsletter proving to be popular as audiences search for advice from all sources. The Technology & Learning division has been supporting school districts in the US to address remote schooling needs with remote schooling webinars. SmartBrief performance has been strong with EBITDA in the half of $4.3m vs $3.1m (adjusted for IFRS 16 *Leases* to ensure comparability) in the comparable period prior to acquisition.

The integration of Barcroft Studios, a video production company acquired in November 2019, is now offering an additional source of revenue with its real life videos watched by millions. We are starting to work together to leverage Barcroft's expertise in social audiences to drive audience engagement in social ecosystems for other Future content categories. In addition, the Barcroft team are working with the games editorial team on a new series focussed on video gamers' stories.

Our audience is truly global and in particular, we continue to expand our reach in the US, with 60% of Group revenue now coming from the US (52% in 2019). In addition to our network of franchise partners who license our brands and systems outside the UK and US, we also launched TechRadar Español for Spanish speaking audiences during 2019, with the audience starting to show promising signs of growth.

High-quality operating leverage

As the business scales we continue to invest in both our technology and our processes to supercharge our back office operations in order to ensure we can scale and deliver enhanced value on acquisitions. Our operating model delivers efficiencies which enable us to optimise our core business and acquisitions with a focus on improving operating margins.

The scalability of our proprietary tech platform has also allowed us to migrate a further eight websites onto our Vanilla web platform in the last six months, including Fourfourtwo.com and Laptopmag.com, resulting in a total of 29 sites now being on the centralised platform. This centralised approach, leveraging Future's platform, has reduced technology costs across the Group, while at the same time allowing us to rapidly deploy new functionality such as ad units or eCommerce improvements to all the sites.

The strength of our operating leverage is evident from the strong growth in adjusted operating profit margin, increasing from 21% at 31 March 2019 to 28% this year despite a significant increase in headcount of 27% year-on-year.

Continued investment

We continue to innovate and invest in our core business, with five new online brands launched on our central web platform Vanilla in the last 12 months, with two being in the last six months. We are able to take existing brands and unlock their full potential, such as the expansion of our Media Technology brands with Next TV and the extension of our B2B education brand with Tech & Learning University.

Late in 2019, following the integration of the Mobile Nations team into Future, we launched FUTR-Labs to provide an innovation incubator. FUTR-Labs consists of an agile team that can rapidly build and incubate new revenue streams. The primary focus of the team to date has been on the development of lead generation technology to provide data capture for eCommerce sales where the research journey happens online but with the final sale occurring offline. The new technology, Falcon, has been built directly into the Future technology stack to facilitate scaling in due course.

The next phase of development includes building out the sales expertise and go-to-market strategy.

Whilst costs have been a focus to ensure that we are able to manage the challenges of Covid-19, we believe it is a priority to continue to invest in the ongoing growth in the business. As a result, we have ring-fenced the investment in Falcon, the new site launches in the US (see acquisitions section below) and the improvement of our processes over the next few months.

During the first half of the year we invested over £16.6m in the creation of content, with editorial headcount increasing 21% year-on-year. While our technology and business model are a core part of our success, creating leading content is at our heart and we continue to have a strong commitment to investing here to meet our audiences' changing needs.

Acquisitions

Barcroft Studios

The Group acquired Barcroft Studios in November 2019 for a total consideration of £23.4m, of which 40% was satisfied by the issue of shares, with the remainder paid in cash. Barcroft is an independent studio that creates original content, which is then published on a variety of owned and operated social sites in addition to being distributed across mass media channels. This has added a significant new revenue stream in video production, which presents opportunities to further monetise Future's existing brands through video.

Whilst Covid-19 has impacted commissioned shows, Barcroft's diversified business model has meant that this has been partially offset by increased advertising-based video on demand (AVOD) views, as well as innovation in self filming and the new opportunities the Barcroft business model creates within the Future portfolio.

TI Media acquisition completed

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, Wallpaper and Woman & Home. TI Media brings to Future a presence in the Wine, Golf, Equestrian, Country Living, TV Listings and Gardening verticals and deepens and extends Future's strength and position in Home, Cycling and Country Sports. The acquisition of TI Media completed on 20 April 2020, following agreement from the CMA to dispose of just three brands; World Soccer, Amateur Photographer and Trusted Reviews. All three of the brands have now been sold.

The TI Media acquisition offers a compelling strategic and financial rationale through entry into new market verticals via leading brands and expansion within existing markets. It is still at a relatively early stage into the planned integration of the businesses, however, detailed project plans are in place and good progress has been made so far. The planned integration of TI into Future is following our standard model with a senior level steering committee overseeing two core workstreams. The first workstream is focusing on integration of the two organisations with a new organisational design and back office and systems integration. The second element is around the realisation of the investment thesis with better monetisation of the current digital assets and creation of new digital assets through leveraging the rich content heritage and expertise within TI Media. We are particularly excited about the opportunities presented and are planning to launch the first new brand benefiting from the acquisition in June.

The immediate next integration steps include: leveraging Future's proprietary technology platform on the current TI Media digital properties; migrating the TI websites which have the largest global opportunity onto Future's vanilla website platform; and the launch of new websites in TI Media's content verticals. It is early days but we remain excited about the long term opportunity to create value.

The challenges facing magazines as a result of Covid-19 has required us to pivot some of our thinking around the long term operating model and we are now preparing for the likely acceleration in online readership and a migration of more advertising revenues into digital. This will ensure we have the agility in the organisation design to deliver a sustainable business whilst we deploy the Future strategy, which is a critical part of our work. In the short term we are working with the existing TI team to ensure we share all of Future's learnings around responding to the immediate challenges. While TI had implemented a reduction in hours across the entire workforce, in keeping with our values, we sought to reverse that decision for all but the most senior staff.

Current trading and outlook

The second half of the financial year has continued to show strong momentum and, as a result of the quick action undertaken, we have been able to minimise the impact on the business of Covid-19-related issues. The ongoing strong growth in audiences has helped offset any softness in advertising, as well as maintaining the positive eCommerce trends seen in the first half of the year. The Board therefore remains confident in achieving its expectations for the full year.

Financial summary

	HY20 £m	HY19 £m
Revenue	**144.3**	108.7
Adjusted operating profit[1]	**39.9**	22.6
Adjusted net finance costs[4]	**(0.8)**	(1.1)
Adjusted profit before tax[1]	**39.1**	21.5
Operating profit	**24.7**	10.0
Net finance costs	**2.4**	(1.1)

Profit before tax	**27.1**	8.9

Basic earnings per share (p)	**22.3**	9.2
Adjusted basic earnings per share (p)[1]	**33.7**	21.5
Adjusted diluted earnings per share (p)[1]	**32.9**	20.5

1) Adjusted operating profit represents earnings before share-based payments (relating to equity settled awards with vesting periods longer than 12 months) and related social security costs, interest, tax, amortisation of acquired intangible assets, fair value movements on contingent consideration (and unwinding of associated discount) and currency option, exceptional items and any related tax effects. Adjusted profit before tax represents adjusted operating profit less adjusted net finance costs.

2) Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents operating cash inflow adjusted to exclude cash flows relating to exceptional items and settlement of employer's NI on share based payments, and to include lease repayments following adoption of IFRS 16 *Leases*.

3) Organic growth defined as the like for like portfolio excluding acquisitions and disposals made during FY19 and FY20 at constant FX rates.

4) Adjusted net finance costs represent net finance costs before fair value movements on contingent consideration (and unwinding of associated discount) and currency option.

Items described as adjusted in the table above exclude the items detailed as 'adjusting' in the 'Reconciliation of non-statutory measures' section below. Adjusted items are non-GAAP measures.

Following the Group's adoption of IFRS 16 *Leases* from 1 October 2019, the Chief Operating Decision Maker ("CODM") reviews adjusted operating profit as a key financial metric, rather than adjusted EBITDA, to include depreciation on right-of-use assets.

Reconciliation of non-statutory measures

Adjusted operating profit reconciles to statutory profit before tax as follows:

	HY20 £m	HY19 £m
Adjusted operating profit	**39.9**	22.6
Adjusted net finance costs	**(0.8)**	(1.1)
Adjusted profit before tax	**39.1**	21.5
Adjusting items:		
Share based payments (including related social security costs)	**(1.7)**	(5.2)
Exceptional items	**(4.4)**	(2.3)
Amortisation of acquired intangibles	**(9.1)**	(5.1)
Unwinding of discount on contingent consideration	**(0.8)**	-
Fair value gain on contingent consideration	**5.2**	-
Fair value loss on currency option	**(1.2)**	-
Statutory profit before tax	**27.1**	8.9

The financial review is based primarily on a comparison of adjusted results for the six months ended 31 March 2020 with those for the six months ended 31 March 2019. Unless otherwise stated, change percentages relate to a comparison of these two periods.

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	**Sub-segment**		**HY20 £m**	Sub-segment		HY19 £m		
	UK £m	**US £m**	**Total £m**	UK £m	US £m	Total £m	YoY Var	2019 Full Year
Digital display advertising on platform	**14.1**	**33.7**	**47.8**	10.8	29.6	40.4	18%	80.4
Digital display advertising off platform	**3.8**	**14.5**	**18.3**	-	1.1	1.1	1564%	8.5
eCommerce	**11.4**	**28.0**	**39.4**	7.0	13.8	20.8	89%	46.3
Other	**6.1**	**3.4**	**9.5**	8.8	4.6	13.4	(29)%	19.7
Total Media	**35.4**	**79.6**	**115.0**	26.6	49.1	75.7	52%	154.9

Print & digital content	**16.8**	**2.0**	**18.8**	18.8	2.0	20.8	(10)%	42.8
Other	**6.2**	**4.3**	**10.5**	7.1	5.1	12.2	(14)%	23.8
Total Magazines	**23.0**	**6.3**	**29.3**	25.9	7.1	33.0	(11)%	66.6
Total revenue	**58.4**	**85.9**	**144.3**	52.5	56.2	108.7	33%	221.5

Group revenue was £144.3m (2019: 108.7m), reflecting the impact of FY19 and HY20 acquisitions which contributed £26.0m of revenue. Media revenue increased by £39.3m, despite the cancellation of events in March which reduced events revenue in the period by £5.5m.

Both Future's UK and US operations have performed well in H1, with UK revenue up 11% to £58.4m (2019: £52.5m) and US revenue up 53% to £85.9m (2019: £56.2m). The US achieved revenue growth of 19% on an organic[3] basis at constant currency (19% at actual currency). As a result, 60% of Group revenue (net of revenue between segments) is now derived from the US. US revenue has also been boosted by the addition of £14.3m of revenue from SmartBrief.

Underlying Media revenue organic[3] growth of 21% at constant currency (21% at actual currency) has also been very strong over this period as a result of organic digital advertising growth of 14% representing an increase of £5.5m and organic eCommerce growth of £13.8m, 68% growth YoY.

The Magazine division performed in line with our expectations with revenue decreasing by 11% to £29.3m (2019: £33.0m), and includes the impact of store closures in March, which we estimate impacted the underlying performance by 3%. The organic revenue performance for magazines is a decline of 12% meaning that until the impact of Covid-19 at the end of March, the performance was ahead of historic trends (FY19 H1 organic decline 11%).

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 increase to 253m[i] through the increased scale and diversification of the Group, with organic audience growth of 31%.

Operating profit

Statutory operating profit increased by £14.7m to £24.7m (2019: £10.0m). Statutory operating margin increased by 8ppt to 17% (2019: 9%). The Group's adjusted operating profit increased to £39.9m (2019: £22.6m), reflecting the strong growth of the Media division and the operating leverage provided by the increased scale of the Group.

An additional receivables provision of £1.8m was recognised in the period reflecting the Group's assessment of underlying credit risk given the significant uncertainty arising from the Covid-19 pandemic, however to date we have not experienced any significant deterioration in collections.

Adoption of IFRS 16 *Leases*

The Group has adopted IFRS 16 *Leases* from 1 October 2019, resulting in the recognition on the balance sheet of assets and liabilities relating to leases previously accounted for as operating leases. On transition the Group has applied the modified retrospective approach, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and lease liabilities recognised within retained earnings. Comparative periods have not been restated.

Adoption of the standard has resulted in an increase in reported assets of £16.0m, which includes a deferred tax asset of £0.7m, and an increase in reported liabilities of £16.8m, with the balance of £0.8m being recognised within retained earnings at 1 October 2019.

In the income statement the operating lease rent expense has been replaced by depreciation of right-of-use assets (£1.6m in the period) and finance costs on lease liabilities (£0.2m). Operating profit has increased by £0.2m as a result of applying IFRS 16 *Leases* from 1 October 2019, compared to what would have been reported under IAS 17, with no impact on total earnings. Prior periods have not been restated.

Earnings per share

	HY20	HY19
Adjusted basic earnings per share (p)	**33.7**	21.5
Basic earnings per share (p)	**22.3**	9.2
Adjusted diluted earnings per share (p)	**32.9**	20.5
Diluted earnings per share (p)	**21.8**	8.7

Adjusted earnings per share is based on profit after taxation which is then adjusted to exclude share-based payments (relating to equity-settled share awards with vesting periods longer than 12 months) and associated social security costs, fair value movements on contingent consideration (and unwinding of associated discount) and currency option, exceptional items, amortisation of acquired intangible assets and any related tax effects.

The adjusted profit after tax amounted to £31.7m (2019: £17.6m) and the weighted average diluted number of shares in issue was 96.4m (2019: 85.9m), the increase reflecting the issue of 8.2m shares in November 2019 to fund the TI Media acquisition, the issue of 1.8m shares to settle the remaining deferred consideration for the acquisition of Mobile Nations and the issue of 0.7m shares as consideration for the acquisition of Barcroft Studios.

Statutory exceptional items

Exceptional costs amounted to £4.4m (2019: £2.3m) and relate largely to the acquisition costs associated with Barcroft Studios and TI Media (£4.3m) and the integration of SmartBrief (£0.1m), as well as other integration-related costs (£0.2m), offset by a credit (£0.2m) for the post-transition IFRS 16 impact of subletting an onerous property.

Net finance costs and refinancing

The Group agreed a new £30m multi-currency Revolving Credit Facility ("RCF") in April. The RCF, which stands alongside Future's existing debt facilities and matures in April 2021, 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 RCF mirror the Group's existing debt facilities and is being provided by the Group's existing banking syndicate of HSBC, Natwest and Bank of Ireland.

Adjusted finance costs reduced to £0.8m (2019: £1.1m), reflecting the receipt of the placing proceeds ahead of the completion of TI Media, which together with the Group's continued strong cash generation enabled the repayment of the previous draw-down of the RCF to fund the Mobile Nations acquisition. The Group has continued to focus on efficient management of its cash position.

At 31 March 2020 the Group was in a net cash position of £52.7m and had headroom of over £180m on its available bank facilities. Subsequent to the reporting date the Group completed the acquisition of TI Media which increased net debt to around £85m (with headroom on available facilities of around £77m) at the time of this announcement. This equates to leverage of under 1x net debt: EBITDA (adjusted for IFRS 16 lease charge) on a proforma basis.

Taxation

The tax amount for the six months ended 31 March 2020 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 2020.

The Group's adjusted effective tax rate is 19% (2019: 18%) which reflects a credit of £0.7m arising on the part release of a provision recognised for uncertain tax positions and a further deferred tax credit of £0.8m as a result of changes in tax rates (both in the UK future enacted rate and the Group's estimated US state and Federal blended rate).

The Group's statutory effective tax rate is 23% (2019: 16%) with the difference between the statutory rate and adjusted effective rates being the impact of certain exceptional items not being deductible for tax purposes and the impact of changes in tax rates on the deferred tax asset relating to acquired intangibles.

Cash flow and net debt

Net cash at 31 March 2020 was £52.7m (2019: net debt of £38.8m).

Adjusted operating cash inflow was £42.2m (2019: £29.2m). Adjusting items are shown in the table below. Exceptional cash flows of £2.8m represent the acquisitions of Barcroft Studios and TI Media (£2.3m), the integration of SmartBrief (£0.1m), vacant property lease repayments (£0.2m) as well as other historic acquisition integration-related costs (£0.2m). Lease repayments have been included in adjusted operating cash flows to ensure consistency with operating profit following adoption of IFRS 16 *Leases*.

Capital expenditure was £2.2m (2019: £1.7m) in the period.

A reconciliation of adjusted free cash flow to cash flow from operations is included below:

	HY20	HY19
	£m	£m
Adjusted free cash flow	**40.0**	27.5
Cash flows related to capital expenditure	**2.2**	1.7
Adjusted operating cash inflow	**42.2**	29.2
Cash flows related to exceptional items	**(2.8)**	(2.5)
Settlement of NI on share based payments	**(5.5)**	-
Lease repayments (IFRS 16)	**1.8**	-
Cash generated from operations	**35.7**	26.7

Principal risks and uncertainties

Other than the impact of Covid-19 as outlined earlier, 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 2019. Reference should be made to pages 35 to 38 of the 2019 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.

Going concern

As part of the half year process and in light of the ongoing Covid-19 pandemic the Directors have undertaken a detailed going concern review. This included reviewing the Group's forecasts and projections, and assessing the headroom on the Group's combined multicurrency Revolving Credit Facility ("RCF") of £165m, following the £30m increase in the facility in April and banking covenants after applying a severe but plausible Covid-19 downside forecast to those projections.

The most extreme downside scenario modelled the impact of both a severe downturn in trading resulting in material reduction in digital advertising revenues (35% reduction for the period to June and 20% from then until September), in magazine revenues (75% reduction in newsstand and print advertising and a 50% reduction in print licensing for the period to July 2020) and in event revenues (assumed the cancellation of all remaining events in this financial year) offset by some mitigating cost reduction and profit protection actions. The same scenario was run for TI Media portfolio with the same assumptions other than a 50% reduction in newstrade and print advertising. The scenario also assumed a significant lengthening of the Group's working capital cycle to reflect an increase in delays in receipts from customers of up to 30 days.

Even in this most extreme downside scenario the Group would be able to operate well within the level of its current available RCF and covenants with a minimum level of headroom of over £40m.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason the Directors continue to adopt the going concern basis in preparing the condensed interim financial information for the six months ended 31 March 2020.

Condensed consolidated interim financial statements

Consolidated income statement
for the six months ended 31 March 2020

		6 months to 31 March 2020			6 months to 31 March 2019		
	Note	**Non-GAAP Adjusted results £m**	**Adjusting items £m**	**Statutory results £m**	Non-GAAP Adjusted results £m	Adjusting items £m	Statutory results £m
Revenue	1,2	**144.3**	**-**	**144.3**	108.7	-	108.7
Net operating expenses	3	**(104.4)**	**(15.2)**	**(119.6)**	(86.1)	(12.6)	(98.7)
Operating profit		**39.9**	**(15.2)**	**24.7**	22.6	(12.6)	10.0
Finance income	6	**0.2**	**5.2**	**5.4**	-	-	-
Finance costs	6	**(1.0)**	**(2.0)**	**(3.0)**	(1.1)	-	(1.1)
Net finance costs	6	**(0.8)**	**3.2**	**2.4**	(1.1)	-	(1.1)
Profit before tax	1	**39.1**	**(12.0)**	**27.1**	21.5	(12.6)	8.9
Tax on profit/(loss)	7	**(7.4)**	**1.3**	**(6.1)**	(3.9)	2.5	(1.4)
Profit for the period attributable to owners of the parent		**31.7**	**(10.7)**	**21.0**	17.6	(10.1)	7.5

Earnings per 15p Ordinary share

		6 months to 31 March 2020			6 months to 31 March 2019		
	Note	**Adjusted results pence**	**Adjusting items pence**	**Statutory results pence**	Adjusted results pence	Adjusting items pence	Statutory results pence
Basic earnings per share	9	**33.7**	**(11.4)**	**22.3**	21.5	(12.3)	9.2
Diluted earnings per share	9	**32.9**	**(11.1)**	**21.8**	20.5	(11.8)	8.7

Consolidated statement of comprehensive income
for the six months ended 31 March 2020

	6 months to 31 March 2020 £m	6 months to 31 March 2019 £m
Profit for the period	**21.0**	7.5
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**2.3**	(0.8)
Other comprehensive income/(expense) for the period	**2.3**	(0.8)
Total comprehensive income for the period attributable to owners of the parent	**23.3**	6.7

Consolidated statement of changes in equity
for the six months ended 31 March 2020

	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 2019		**12.5**	**97.2**	**140.4**	**(0.3)**	**(36.4)**	**213.4**
Retained earnings impact of adopting IFRS 16	10	-	-	-	-	(0.8)	**(0.8)**
Restated balance at 1 October 2019		**12.5**	**97.2**	**140.4**	**(0.3)**	**(37.2)**	**212.6**
Profit for the period		**-**	**-**	**-**	**-**	**21.0**	**21.0**

Currency translation differences		-	-	-	-	2.3	**2.3**
Other comprehensive income for the period		-	-	-	-	2.3	**2.3**
Total comprehensive income for the period		**-**	**-**	**-**	**-**	**23.3**	**23.3**
Share capital issued during the period	13,14	2.2	99.8	30.5	-	-	**132.5**
Acquisition of own shares	14	-	-	-	(3.8)	(0.5)	**(4.3)**
Share schemes							
- Value of employees' services	5	-	-	-	-	2.7	**2.7**
- Deferred tax on share options		-	-	-	-	1.7	**1.7**
Dividends paid to shareholders		-	-	-	-	(1.0)	**(1.0)**
Balance at 31 March 2020		**14.7**	**197.0**	**170.9**	**(4.1)**	**(11.0)**	**367.5**

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	13	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

Consolidated balance sheet
as at 31 March 2020

	Note	**31 March 2020 £m**	31 March 2019 £m	30 September 2019 £m
Assets				
Non-current assets				
Property, plant and equipment	10	**14.3**	1.7	2.5
Intangible assets - goodwill	11	**231.6**	205.5	218.7
Intangible assets - other	11	**112.5**	68.9	110.3
Investments		**0.2**	0.2	0.2
Financial asset - derivative		**-**	0.6	-
Deferred tax		**2.4**	2.3	3.7
Total non-current assets		**361.0**	279.2	335.4
Current assets				
Corporation tax recoverable		**0.5**	0.1	1.1
Trade and other receivables	12	**47.7**	35.4	41.9
Cash and cash equivalents		**181.8**	5.7	6.6
Finance lease receivable	10	**1.8**	-	-
Financial asset - derivative	12	**-**	-	1.4
Total current assets		**231.8**	41.2	51.0
Total assets		**592.8**	320.4	386.4
Equity and liabilities				
Equity				
Issued share capital	13	**14.7**	12.4	12.5
Share premium account		**197.0**	97.2	97.2
Merger reserve		**170.9**	129.0	140.4
Treasury reserve		**(4.1)**	(0.3)	(0.3)
Accumulated losses		**(11.0)**	(51.7)	(36.4)
Total equity		**367.5**	186.6	213.4
Non-current liabilities				
Financial liabilities - interest-bearing loans and borrowings		**129.1**	44.5	42.6
Lease liability due in more than one year	10	**11.1**	-	-
Deferred tax		**4.8**	-	0.4

Provisions		**1.8**	2.4	2.1
Contingent consideration	12	**-**	29.3	10.9
Other non-current liabilities		**-**	0.5	0.4
Total non-current liabilities		**146.8**	76.7	56.4
Current liabilities				
Financial liabilities - interest-bearing loans and borrowings		**-**	-	4.3
Trade and other payables		**64.6**	54.7	62.4
Corporation tax payable		**3.2**	2.4	6.0
Lease liability due within one year	10	**4.5**	-	-
Contingent consideration	12	**6.2**	-	-
Deferred consideration	12	**-**	-	43.9
Total current liabilities		**78.5**	57.1	116.6
Total liabilities		**225.3**	133.8	173.0
Total equity and liabilities		**592.8**	320.4	386.4

Consolidated cash flow statement
for the six months ended 31 March 2020

	6 months to 31 March 2020 £m	6 months to 31 March 2019 £m
Cash flows from operating activities		
Cash generated from operations	**35.7**	26.7
Interest paid	**(0.5)**	(0.4)
Interest paid on lease liabilities	**(0.3)**	-
Tax paid	**(2.2)**	(1.0)
Net cash generated from operating activities	**32.7**	25.3
Cash flows from investing activities		
Purchase of property, plant and equipment	**(0.5)**	(0.4)
Purchase of computer software and website development	**(1.7)**	(1.3)
Purchase of magazine titles and events	**-**	(1.7)
Purchase of subsidiary undertakings, net of cash acquired	**(33.6)**	(41.1)
Disposal of magazine titles and trademarks	**-**	0.5
Net cash used in investing activities	**(35.8)**	(44.0)
Cash flows from financing activities		
Proceeds from share issue	**104.4**	-
Cost of share issue	**(3.2)**	-
Acquisition of own shares	**(3.8)**	-
Dividends paid	**(1.0)**	(0.4)
Draw down of bank loans	**133.5**	52.2
Repayment of bank loans	**(50.1)**	(32.4)
Bank arrangement fees	**(0.3)**	(0.7)
Repayment of principal element of lease liabilities	**(1.8)**	-
Settlement/(purchase) of derivative	**0.3**	(0.7)
Net cash generated from financing activities	**178.0**	18.0
Net increase/(decrease) in cash and cash equivalents	**174.9**	(0.7)
Cash and cash equivalents at beginning of period	**6.6**	6.4
Exchange adjustments	**0.3**	-
Cash and cash equivalents at end of period	**181.8**	5.7

Notes to the consolidated cash flow statement
for the six months ended 31 March 2020

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 2020 £m	6 months to 31 March 2019 £m
Profit for the period	**21.0**	7.5
Adjustments for:		
Depreciation charge	**2.4**	0.4
Amortisation of intangible assets	**10.1**	5.8
Share schemes		
- Value of employees' services	**2.7**	1.9
- National insurance costs on share schemes	**0.4**	3.3
Net finance (income)/costs	**(2.4)**	1.1
Tax charge	**6.1**	1.4

Cash generated before changes in working capital and provisions	**40.3**	21.4
Movement in provisions	**(0.2)**	(0.4)
(Increase)/decrease in trade and other receivables	**(3.0)**	1.4
(Decrease)/increase in trade and other payables	**(1.4)**	4.3
Cash generated from operations	**35.7**	26.7

B. Analysis of net debt

	30 September 2019 £m	**Cash flows £m**	**Other non- cash changes £m**	**Exchange movements £m**	**31 March 2020 £m**
Cash and cash equivalents	6.6	174.9	-	0.3	**181.8**
Debt due within one year	(4.3)	4.3	-	-	**-**
Debt due after more than one year	(42.6)	(87.4)	(0.1)	1.0	**(129.1)**
Net (debt)/cash	(40.3)	91.8	(0.1)	1.3	**52.7**

During the period the Group agreed a new £30m multi-currency Revolving Credit Facility ("RCF"). The RCF, which stands alongside Future's existing debt facilities and matures in April 2021, has been arranged in order to provide the Group with additional working capital headroom to maintain the underlying growth momentum of the business, whilst navigating the impact of Covid-19. The key terms of the RCF mirror the Group's existing debt facilities and is being provided by the Group's existing banking syndicate of HSBC, Natwest and Bank of Ireland. The existing facility of £90m has an initial maturity of February 2023 and includes an incremental £45m accordion option which was fully drawn in March 2020 in advance of the completion of the TI Media acquisition.

C. Reconciliation of movement in net debt

	6 months to 31 March 2020 £m	6 months to 31 March 2019 £m
Net debt at start of period	**(40.3)**	(17.8)
Increase/(decrease) in cash and cash equivalents	**174.9**	(0.7)
Movement in borrowings	**(83.1)**	(19.8)
Other non-cash changes	**(0.1)**	0.4
Exchange movements	**1.3**	(0.9)
Net cash/(debt) at end of period	**52.7**	(38.8)

Basis of preparation

This unaudited condensed consolidated interim financial information for the six months ended 31 March 2020 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 Guidance 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 2019.

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 2019 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 2019 the following amendments to existing standards have been applied where applicable: amendments as a result of Annual Improvements 2015-2017 Cycle; and amendment to IFRS 9 *Prepayment features with negative compensation and modifications of financial liabilities*. The Group has adopted IFRS 16 *Leases* and IFRIC 23 *Uncertainty over income tax treatments* from 1 October 2019. 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 2019.

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.

The Group has adopted IFRS 16 *Leases* from 1 October 2019, resulting in the recognition on balance sheet of assets and liabilities relating to leases previously accounted for as operating leases. On transition the Group has applied the modified retrospective approach, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and lease liabilities recognised within retained earnings. Comparative periods have not been restated.

Adoption of the standard has resulted in an increase in reported assets of £16.0m, which includes a deferred tax asset of £0.7m, and an increase in reported liabilities of £16.8m, with the balance of £0.8m being recognised within retained earnings at 1 October 2019.

In the income statement the operating lease rent expense has been replaced by depreciation of right-of-use assets and finance costs on lease liabilities.

The Group has taken advantage of the following practical expedients on transition to:

- rely on our assessment of where leases exist under current reporting standards IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*;
- exclude low-value leases;
- exclude short-term leases, being those with a term of 12 months or less from 1 October 2019;
- rely on our assessment of onerous leases under IAS 37 *Provisions, contingent liabilities and contingent assets* applied immediately before the date of initial application as an alternative to performing an impairment review;
- use hindsight when determining the lease term where the contract includes options to extend or terminate; and
- exclude initial direct costs from the measurement of the right-of-use asset.

Although there is no change to actual cash outflows, under IFRS 16 repayments relating to the principal portion of the lease liability are presented within cash flows from financing activities and the portion relating to the repayment of interest presented within cash flows from operating activities. Payments relating to short-term and low-value leases will continue to be included in cash flows from operating activities.

The Group's accounting policy for leases under IFRS 16 is as follows:

Property leases are recognised on the balance sheet as a right-of-use asset and corresponding lease liability at the date the leased asset is available for use. Lease liabilities are measured at the present value of payments less lease incentives receivable. Right-of-use assets are measured equal to the value of the lease liability plus restoration costs.

Lease payments are discounted using the interest rate implicit in the lease (for leases existing on transition the incremental borrowing rate).

Short-term and low-value leases (as defined by IFRS 16) are recognised on a straight-line basis as an expense in the income statement.

Finance costs are charged to the income statement over the lease term, at a constant periodic rate of interest. Right-of-use assets are depreciated over the lease term on a straight-line basis. Each lease payment is allocated between the liability and finance cost.

IFRIC 23 *Uncertainty over income tax treatments* provides guidance and clarifies how to apply the recognition and measurement requirements in IAS 12 *Income taxes* where there is uncertainty over income tax treatments. IFRIC 23 has been applied in the measurement of the provision recognised. The adoption of the standard has not had a material impact on the financial statements.

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 (relating to equity-settled share awards with vesting periods longer than 12 months), together with 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 not related to the core underlying trading of the Group 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 to be reflective of the core trading performance of the Group.

Change in the fair value of contingent consideration - the Group excludes the remeasurement of these acquisition-related liabilities from its adjusted results as the impact of remeasurement can vary significantly depending on the underlying acquisition's performance. The unwinding of the discount on contingent consideration is also excluded from the Group's adjusted results on the basis that it is non-cash and the balance is driven by the Group's assessment of the relevant discount rate to apply. Excluding these items ensures comparability with prior periods.

Changes in the fair value of currency option - the Group has excluded this from its adjusted results as the option was acquired in order to hedge USD exposure to acquisition related contingent consideration and does not relate to the core underlying trading performance of the Group.

The tax related to adjusting items is the tax effect of the items above, 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 2020 £m	6 months to 31 March 2019 £m
Adjusted operating profit	**39.9**	22.6
Adjusted net finance costs	**(0.8)**	(1.1)
Adjusted profit before tax	**39.1**	21.5
Adjusting items:		
Share based payments (including social security costs)	**(1.7)**	(5.2)
Exceptional items	**(4.4)**	(2.3)
Amortisation of acquired intangibles	**(9.1)**	(5.1)
Unwinding of discount on contingent consideration	**(0.8)**	-
Fair value gain on contingent consideration	**5.2**	-
Fair value loss on currency option	**(1.2)**	-

Profit before tax	**27.1**	8.9

A reconciliation of adjusted free cash flow to cash generated from operations is shown below:

	6 months to 31 March 2020 £m	6 months to 31 March 2019 £m
Adjusted free cash flow	**40.0**	27.5
Cash flows related to capital expenditure	**2.2**	1.7
Adjusted operating cash inflow	**42.2**	29.2
Cash flows related to exceptional items	**(2.8)**	(2.5)
Settlement of NI on share based payments	**(5.5)**	-
Lease repayments (IFRS 16)	**1.8**	-
Cash generated from operations	**35.7**	26.7

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 2020

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.

Following the Group's adoption of IFRS 16 *Leases* from 1 October 2019, the Chief Operating Decision Maker ("CODM") reviews adjusted operating profit as a key financial metric, rather than adjusted EBITDA, to include depreciation on right-of-use assets (see note 10 for further detail). This has been reflected in the tables below.

Segment revenue

	Sub-segment		**6 months to 31 March 2020 £m**	Sub-segment		6 months to 31 March 2019 £m
	Media £m	**Magazines £m**	**Total £m**	Media £m	Magazines £m	Total £m
UK	**35.4**	**23.0**	**58.4**	26.6	25.9	52.5
US	**79.6**	**6.3**	**85.9**	49.1	7.1	56.2
Total	**115.0**	**29.3**	**144.3**	75.7	33.0	108.7

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

Segment adjusted operating profit

			6 months to 31 March 2020 £m			6 months to 31 March 2019 £m
	Underlying adjusted operating profit £m	**Intragroup adjustments £m**	**Adjusted operating profit £m**	Underlying adjusted operating profit £m	Intragroup adjustments £m	Adjusted operating profit £m
UK	**1.6**	**18.4**	**20.0**	7.3	4.8	12.1
US	**38.3**	**(18.4)**	**19.9**	15.3	(4.8)	10.5
Total	**39.9**	**-**	**39.9**	22.6	-	22.6

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

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

	6 months to 31 March 2020 £m	6 months to 31 March 2019 £m
Total segment adjusted operating profit	**39.9**	22.6
Share based payments (including social security costs)	**(1.7)**	(5.2)
Amortisation of acquired intangibles	**(9.1)**	(5.1)
Exceptional items	**(4.4)**	(2.3)
Net finance income/(costs)	**2.4**	(1.1)
Profit before tax	**27.1**	8.9

2. Revenue

The table below disaggregates revenue according to the timing of satisfaction of performance obligations:

	Over time £m	Point in time £m	6 months to 31 March 2020 £m	Over time £m	Point in time £m	6 months to 31 March 2019 £m
Total revenue	**2.8**	**141.5**	**144.3**	3.0	105.7	108.7

See note 1 for disaggregation of revenue by geography.

3. Net operating expenses

Operating profit is stated after charging:

	6 months to 31 March 2020			6 months to 31 March 2019		
	Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Cost of sales	**(69.3)**	**-**	**(69.3)**	(60.4)	-	(60.4)
Share based payments (including social security costs)	**-**	**(1.7)**	**(1.7)**	-	(5.2)	(5.2)
Exceptional items (note 4)	**-**	**(4.4)**	**(4.4)**	-	(2.3)	(2.3)
Depreciation	**(2.4)**	**-**	**(2.4)**	(0.4)	-	(0.4)
Amortisation	**(1.0)**	**(9.1)**	**(10.1)**	(0.7)	(5.1)	(5.8)
Other administration expenses	**(31.7)**	**-**	**(31.7)**	(24.6)	-	(24.6)
Total	**(104.4)**	**(15.2)**	**(119.6)**	(86.1)	(12.6)	(98.7)

4. Exceptional items

	6 months to 31 March 2020 £m	6 months to 31 March 2019 £m
Premium listing costs	**-**	0.8
Acquisition and integration related costs	**4.6**	1.5
Vacant property provision movement	**(0.2)**	-
Total	**4.4**	2.3

5. Employee costs

	6 months to 31 March 2020 £m	6 months to 31 March 2019 £m
Wages and salaries	**46.1**	32.4
Social security costs	**3.9**	5.8
Other pension costs	**0.8**	0.6
Share schemes		
- Value of employees' services	**2.7**	1.9
Total employee costs	**53.5**	40.7

The table above includes the all-employee profit pool bonus.

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 2020 £m	6 months to 31 March 2019 £m
Salaries and other short-term employee benefits	**1.2**	1.2
Share schemes		
- Value of employees' services	**1.6**	0.9
Total	**2.8**	2.1

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 income and costs

	Note	**6 months to 31 March 2020 £m**	6 months to 31 March 2019 £m
Interest payable on interest-bearing loans and borrowings		**0.6**	0.6
Amortisation of bank loan arrangement fees		**0.1**	0.5
Interest payable on lease liabilities		**0.3**	-
Adjusted finance costs		**1.0**	1.1

Unwinding of discount on contingent consideration		**0.8**	-
Fair value loss on currency option	12	**1.2**	-
Total reported finance costs		**3.0**	1.1
Interest receivable on interest-bearing loans and borrowings		**(0.2)**	-
Adjusted finance income		**(0.2)**	-
Fair value gain on contingent consideration	12,16	**(5.2)**	-
Total reported finance income		**(5.4)**	-
Net finance (income)/costs		**(2.4)**	1.1

During the period the Group agreed a new £30m multi-currency Revolving Credit Facility ("RCF"), which stands alongside Future's existing debt facilities and matures in April 2021. See note B to the cash flow statement for further detail.

7. Tax on profit

The tax amount for the six months ended 31 March 2020 is based on the effective rate of 19% (2019: 18%), 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 2020.

8. Dividends

Equity dividends	**6 months to 31 March 2020**	6 months to 31 March 2019
Number of shares in issue at end of period (million)	**98.0**	82.5
Dividends paid and payable in period (pence per share)	**1.0**	0.5
Dividends paid and payable in period (£m)	**(1.0)**	(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 2019 was paid on 14 February 2020. The Board has not proposed a dividend for the six months ended 31 March 2020.

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, changes in fair value and unwinding of discount on contingent consideration, changes in fair value on currency option, and any related tax effects from the calculation.

	6 months to 31 March 2020	6 months to 31 March 2019
Adjustments to profit after tax:		
Profit after tax (£m)	**21.0**	7.5
Share based payments (including social security costs) (£m)	**1.7**	5.2
Exceptional items (£m)	**4.4**	2.3
Amortisation of acquired intangibles (£m)	**9.1**	5.1
Fair value gain on contingent consideration (£m)	**(5.2)**	-
Unwinding of discount on contingent consideration (£m)	**0.8**	-
Fair value loss on currency option (£m)	**1.2**	-
Tax effect of the above adjustments (£m)	**(1.3)**	(2.5)
Adjusted profit after tax (£m)	**31.7**	17.6
Weighted average number of shares in issue during the period:		
- Basic	**94,011,413**	81,719,444
- Dilutive effect of share options	**2,438,143**	4,132,152
- Diluted	**96,449,556**	85,851,596
Basic earnings per share (in pence)	**22.3**	9.2
Adjusted basic earnings per share (in pence)	**33.7**	21.5
Diluted earnings per share (in pence)	**21.8**	8.7
Adjusted diluted earnings per share (in pence)	**32.9**	20.5
The adjustments to profit after tax have the following effect:		
Basic earnings per share (pence)	**22.3**	9.2
Share based payments (including social security costs) (pence)	**1.8**	6.4
Exceptional items (pence)	**4.7**	2.8
Amortisation of acquired intangibles (pence)	**9.7**	6.2
Fair value gain on contingent consideration (pence)	**(5.5)**	-
Unwinding of discount on contingent consideration (pence)	**0.9**	-
Fair value loss on currency option (pence)	**1.3**	-
Tax effect of the above adjustments (pence)	**(1.5)**	(3.1)

Adjusted basic earnings per share (pence)	**33.7**	21.5

Diluted earnings per share (pence)	**21.8**	8.7
Share based payments (including social security costs) (pence)	**1.8**	6.1
Exceptional items (pence)	**4.6**	2.7
Amortisation of acquired intangibles (pence)	**9.4**	5.9
Fair value gain on contingent consideration (pence)	**(5.4)**	-
Unwinding of discount on contingent consideration (pence)	**0.8**	-
Fair value loss on currency option (pence)	**1.2**	-
Tax effect of the above adjustments (pence)	**(1.3)**	(2.9)
Adjusted diluted earnings per share (pence)	**32.9**	20.5

10. Adoption of IFRS 16 *Leases*

The Group has adopted IFRS 16 *Leases* from 1 October 2019, resulting in the recognition on balance sheet of assets and liabilities relating to property leases previously accounted for as operating leases. On transition the Group has applied the modified retrospective approach, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and lease liabilities recognised within retained earnings. Comparative periods have not been restated.

The balance sheet impact at transition on 1 October 2019 is included in the table below:

	1 October 2019 £m
Right-of use assets	13.5
Finance lease receivables (net investment in subleases)	1.8
Deferred tax asset	0.7
Total assets	**16.0**
Lease liabilities due within one year	(4.6)
Lease liabilities due in more than one year	(13.0)
Net release of provisions for vacant property and dilapidations	0.4
Derecognition of lease incentive	0.4
Total liabilities	**(16.8)**
Retained earnings reduction on transition	**(0.8)**

Lease liabilities were measured at the present value of remaining lease payments, discounted using the incremental borrowing rate on 1 October 2019 on a lease-by-lease basis.

Although there is no change to actual cash outflows, under IFRS 16 repayments relating to the principal portion of the lease liability are presented within cash flows from financing activities and the portion relating to the repayment of interest presented within cash flows from operating activities. Payments relating to short-term and low-value leases will continue to be included in cash flows from operating activities.

Post-transition impact

Following the adoption of IFRS 16 *Leases*, the Chief Operating Decision Maker ("CODM") reviews adjusted operating profit as a key financial metric, rather than adjusted EBITDA, to include depreciation on right-of-use assets. There has been an increase in operating profit in the period of £0.2m a result of applying the standard, due to the charge being split between depreciation and interest, however there has been a net nil impact on total earnings. The income statement impact for the six months to 31 March 2020 is included in the table below:

	Six months to 31 March 2020		
	Applying IFRS 16 £m		**Applying previous accounting standard IAS 17 £m**
Rent expense	-		1.8
Depreciation		1.6	-
Interest payable		0.2	-
Total		**1.8**	**1.8**

11. Intangible assets

	Goodwill £m	**Acquired intangibles £m**	**Other £m**	**Total £m**
Cost				

At 1 October 2018	364.0	121.6	20.0	505.6
Additions through business combinations	78.1	51.6	0.1	129.8
Other additions	-	-	2.6	2.6
Adjustments to fair value on prior year acquisitions	39.2	(37.8)	-	1.4
Disposal	(0.2)	-	-	(0.2)
Exchange adjustments	3.6	5.1	0.5	9.2
At 30 September 2019	**484.7**	**140.5**	**23.2**	**648.4**
Additions through business combinations	**13.0**	**10.9**	**-**	**23.9**
Other additions	**-**	**-**	**1.7**	**1.7**
Exchange adjustments	**(0.3)**	**(0.3)**	**-**	**(0.6)**
At 31 March 2020	**497.4**	**151.1**	**24.9**	**673.4**
Accumulated amortisation and impairment				
At 1 October 2018	(264.2)	(20.1)	(17.9)	(302.2)
Charge for the period	-	(13.1)	(1.4)	(14.5)
Exchange adjustments	(1.8)	(0.4)	(0.5)	(2.7)
At 30 September 2019	**(266.0)**	**(33.6)**	**(19.8)**	**(319.4)**
Charge for the period	**-**	**(9.1)**	**(1.0)**	**(10.1)**
Exchange adjustments	**0.2**	**-**	**-**	**0.2**
At 31 March 2020	**(265.8)**	**(42.7)**	**(20.8)**	**(329.3)**
Net book value at 31 March 2020	**231.6**	**108.4**	**4.1**	**344.1**
Net book value at 30 September 2019	218.7	106.9	3.4	329.0

Acquired intangibles relate mainly to brands, subscriber databases, trademarks, advertising relationships, creative services relationships, customer relationships, publishing rights, content, non-compete agreements and customer lists. These assets are amortised over their estimated economic lives, typically ranging between one and fifteen 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 16.

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.

12. Financial instruments

The Group applies the simplified approach to recognise lifetime credit losses for trade receivables. The £5.0m provision includes the recognition in the period of a one-off £1.8m reflecting incremental bad debt risk in the Group's markets which are most exposed to the Covid-19 pandemic lockdown measures. Although to date we have not experienced any significant deterioration in collections, there remains a significant level of uncertainty.

	31 March 2020 £m	30 September 2019 £m
Allowance for bad debt - based on historical write offs per IFRS 9	**3.2**	3.2
Additional provision	**1.8**	-
Total allowance for bad debt	**5.0**	3.2

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 March 2020:

	31 March 2020		30 September 2019	
	Level 2 Fair value £m	**Level 3 Fair value £m**	Level 2 Fair value £m	Level 3 Fair value £m
Assets				
Financial asset- derivative	-	-	1.4	-
Liabilities				
Deferred consideration	-	-	-	(43.9)
Contingent consideration	-	**(6.2)**	-	(10.9)

The contingent consideration of £6.2m (30 September 2019: £10.9m) relates to the acquisition of SmartBrief, LLC ("SmartBrief")(see note 16 for further details).

The SmartBrief contingent consideration has been valued using a scenario-based approach drawing from internal projections and forecasts. The outcome is then discounted to reflect the market risk related to contingent consideration and underlying achievement of the gross profit target. The discount rate of 10% was determined using a Capital Asset Pricing Model (CAPM) approach. During the period, a fair value gain on contingent consideration of £5.2m has been recognised, reflecting the Directors' best estimate of the value at the date of settlement based on current gross profit forecasts. EBITDA generated from SmartBrief continues to over-perform compared to its performance prior to acquisition.

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

Assumption	**SmartBrief, LLC**
Discount rate	10%
Gross profit	\$26.4m - \$31.5m

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%	£nil
Discount rate	(10)%	£nil
Gross profit	10%	£0.6m
Gross profit	(10)%	£(0.6)m

At 30 September 2019 deferred consideration of £43.9m related to the acquisition of MoNa Mobile Nations, LLC ("MoNa"). The MoNa deferred consideration was settled in the period with 50% being issued in shares (1,792,534 shares in Future plc issued in October 2019), and 50% in cash (which was paid on 28 February 2020).

In the comparative period, a derivative foreign currency option to buy $30m in June 2020 was acquired in order to hedge the currency exposure arising on the MoNa contingent consideration. Following the acceleration of settlement of contingent consideration for MoNa, this was closed out, resulting in a fair value loss of £1.2m being charged to the income statement in the period. There were no transfers between levels in the current or prior period.

13. Issued share capital

During the period 3,755,148 Ordinary shares (31 March 2019: 353,350) with a nominal value of £563,272 (31 March 2019: £53,003) were issued by the Company pursuant to share scheme exercises throughout the period.

Additionally, 1,792,534 Ordinary shares were issued in settlement of the contingent consideration for the acquisition of MoNa Mobile Nations, LLC, with a value of £21.8m (share price of £12.18); 686,497 Ordinary shares were issued on the acquisition of Barcroft Studios, with a value of £9.1m (share price of £13.22); and 8,184,906 Ordinary shares were issued on the acquisition of TI Media, with a value of £104.4m (share price of £12.75).

As at 31 March 2020 there were 98,014,506 Ordinary shares in issue (31 March 2019: 82,487,107; 30 September 2019: 83,595,421).

14. Reserves

Share premium account

Share premium has increased in the period by £99.8m, being the £103.0m excess of proceeds received over the nominal value of new shares issued on the acquisition of TI Media, net of share placing costs of £3.2m.

Merger reserve

The merger reserve has increased in the period by £30.5m, relating to the premium on shares issued as consideration for the acquisition of Barcroft Studios of £9.0m, and the premium on shares issued to part settle the Mobile Nations contingent consideration of £21.5m.

See note 16 for further details of the acquisitions.

Treasury reserve

The treasury reserve represents the cost of shares in Future plc held by the Employee Benefit Trust (EBT) to satisfy awards made by the trustees. During the period, 0.3m shares were purchased in the market at a total value of £3.8m.

15. Contingent assets, contingent liabilities and deferred liabilities

At 31 March 2020 there were no material contingent assets (31 March 2019: £nil). The Group has a contingent liability of £6.2m recognised on the balance sheet for variable deferred contingent consideration on the acquisition of SmartBrief, LLC (31 March 2019: £29.3m in relation to MoNa Mobile Nations, LLC).

During the period, the contingent consideration for MoNa Mobile Nations, LLC was agreed and settled in full (see note 12 for further details).

See note 16 for further details regarding the acquisition.

16. Acquisitions

Acquisition of Barcroft Studios

On 30 November 2019, Future Holdings 2002 Limited (a wholly owned direct subsidiary of Future plc) acquired 100% of the equity in Barcroft Studios Limited ("Barcroft"), a small independent studio that creates original content, which is published on a variety of owned and operated social sites and distributed across mass media channels. Total consideration was £23.4m (9.4x multiple of last 12 months EBITDA) of which 40% was satisfied by the issue of shares, with the remainder paid in cash.

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

	Fair value £m
Tangible assets	0.5
Intangible assets	
- Brands	4.5
- Customer relationships	2.7
- Content	3.1
- Non-compete	0.6
Cash and cash equivalents	2.0
Trade and other receivables	3.0
Trade and other payables	(3.3)
Financial liabilities - interest bearing loans and borrowings	(0.2)

Deferred tax	(2.1)
Net assets acquired	10.8
Goodwill	12.6
	23.4
Consideration:	
Cash	14.3
Equity shares	9.1
Total consideration	**23.4**

The acquisition has further diversified the Group's revenues with the addition of video production expertise and goodwill is attributable to the opportunities that exist to further monetise the Group's existing brands through video. The intangibles recognised, including goodwill, are not expected to be deductible for tax purposes.

Included within the Group's results for the period are revenues of £4.0m and a profit before tax of £0.4m from Barcroft (excluding deal fees, associated integration costs and acquired intangible amortisation).

If the acquisition had been completed on the first day of the financial year, it would have contributed £6.9m of revenue and a profit before tax of £1.0m (excluding deal fees, associated integration costs and acquired intangible amortisation) during the period.

Gross trade receivables were £2.1m, of which £2.0m on acquisition were expected to be recovered.

Acquisition of SmartBrief, LLC - update to contingent consideration and fair values

In the prior year on 29 July 2019 Future plc acquired SmartBrief, Inc. (following the acquisition, the legal form of the entity was changed from an Incorporation to an LLC). An update to the fair value of the assets has been performed, with no change to the values previously disclosed other than an increase of £0.3m in the deferred tax liability. Fair values are detailed below and are now considered to be final:

	Fair value £m
Tangible assets	0.4
Intangible assets	
- Subscriber base	10.6
- Brand	2.8
- Software	2.6
- Other intangible assets	2.5
Cash	2.3
Trade and other receivables	5.7
Trade and other payables	(6.6)
Financial liabilities - interest bearing loans and borrowings	(3.8)
Deferred tax	(4.6)
Net assets acquired	11.9
Goodwill	31.7
	43.6
Consideration:	
Equity shares	11.6
Cash	21.2
Consideration	**32.8**
Contingent consideration	10.8
Total consideration	**43.6**

At the 31 March 2020 the estimate of contingent consideration was reduced to £6.2m. This movement reflects both the impact of discounting and a reduction in fair value of £5.2m. See note 12 for further detail.

MoNa Mobile Nations, LLC - settlement of deferred consideration

On 11 October 2019 the Group announced the acceleration of the payment of the contingent consideration in respect of MoNa Mobile Nations, LLC, which the Group acquired on 1 March 2019. A total contingent consideration of $55m was agreed, split equally between cash and the issuance of new shares in Future plc. See notes 12 and 13 for further detail.

Acquisition of TI Media

On 30 October 2019 the Group announced the proposed acquisition of TI Media for a total consideration of £140 million in cash. TI Media is a UK-based, print-led consumer magazine and digital publisher with deep industry heritage and a portfolio that incorporates 41 brands including Decanter, Country Life, Wallpaper* and Woman & Home. TI Media brings to Future a presence in the Wine, Golf, Equestrian, Country Living, TV Listings and Gardening verticals and deepens and extends Future's strength and position in Home, Cycling, Consumer Technology 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. The Group subsequently agreed the sales of World Soccer and Amateur Photographer to Kelsey Media, and Trusted Reviews to Incisive Media, which completed in May 2020.

The acquisition was completed on 20 April 2020. The acquisition was part funded by raising proceeds of £104.4m, net of costs of £3.2m, through a placing of 8,184,906 new ordinary shares in November 2019, with the balance being settled through exercise of the £45m accordion option.

As the acquisition completed on 20 April 2020, soon after the reporting date, the fair values of the intangible assets acquired are in the process of being determined. Being so close to the reporting date, it is impractical to disclose the impact of the acquisition on Group revenue and profits had the acquisition completed on the first day of the period. These disclosures will be included in the Annual Report 2020.

Statement of Directors' responsibilities

We confirm that to the best of our knowledge:

• the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU;

• the interim management report includes a fair review of the information required by:

a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

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 Officer

Penny Ladkin-Brand
Chief Financial Officer

Hugo Drayton
Independent Non-Executive

Alan Newman
Independent Non-Executive

Rob Hattrell
Independent Non-Executive

Meredith Amdur
Independent Non-Executive

22 May 2020

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 2020. 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 2020;
- 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
22 May 2020

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[i] Online users are sourced from Google Analytics and, unless otherwise stated, reflect the monthly average over the half year period.
[ii] Source: comScore Media Metrix Demographic Profile, March 2020 - Desktop Age 2+ and Total Mobile 18+