

Full year results

27 November 2015

Agenda

- Executive summary
- Financial review
- Strategic overview
 - Media Division
 - Magazine Division
- Summary and outlook

Executive summary

- FY15 results ahead of expectations
- Strategy delivered as expected
 - Successfully completed transformation
 - Generated momentum; building on existing strengths and market position
 - Moving into optimisation phase
 - New revenues streams growing and focus on margin growth
 - Building on profitability in current financial year
 - Expect to be cash generative in 12 months' time
- Proposed fund raise of up to £3.3m to support growth plans

Future

Financial review

Penny Ladkin-Brand – Chief Financial Officer

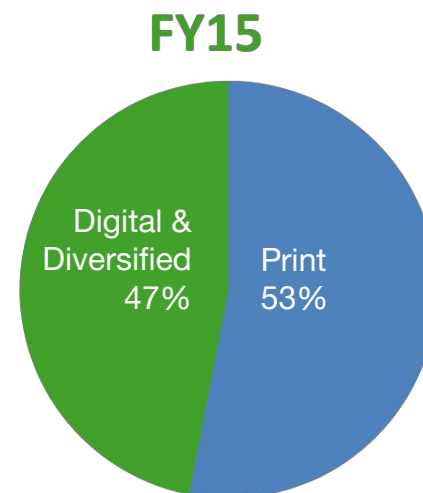
Financial highlights

Continuing: £m	FY15	FY14
Revenue	59.8	66.0
EBITDAE	3.6	(7.0)
EBITE	0.8	(10.3)
Pre-tax loss	(2.3)	(35.4)
Adjusted earnings/loss per share	0.0p	(3.2)p
Net (debt) / cash	(1.8)	7.5

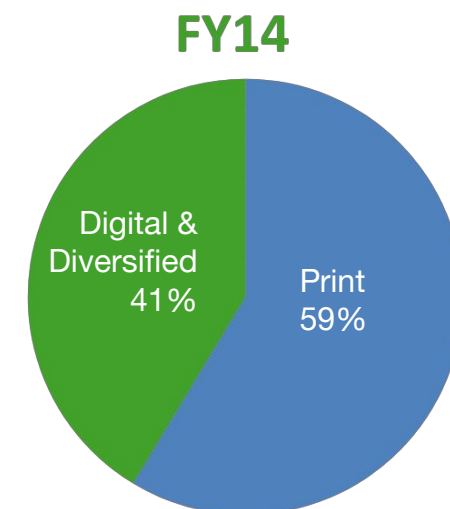
- Significant improvement in EBITDAE
- Adjusted loss per share excludes exceptional items
- Cash outflows in the year included restructuring costs and working capital outflows relating to disposed titles

FY15: Group performance - revenue

£m	FY15	FY14
UK	47.3	53.1
US	13.4	13.7
Intragroup	(0.9)	(0.8)
Total continuing	59.8	66.0



- 47% of revenue from Digital & Diversified activities
 - E-commerce and affiliates up 200% and high GC margin
 - Events up 23% and attractive GC margin
 - Digital advertising up 14%
- UK print revenue well managed - decline favourable to market, improving trend in H2



FY15: Group performance - EBITDAE

EBITDAE	FY15 £m	FY14 £m
UK	3.3	(5.3)
US	0.3	(1.7)
Total continuing	3.6	(7.0)

- Group EBITDAE £3.6m, ahead of expectations
- All territories profitable with the US continuing H1 trends
- Significant EBITDAE margin improvement to 6%

EBITDAE margin

UK	7%	(10)%
US	2%	(12)%
Total continuing	6%	(11)%

P&L exceptional items

£m	FY15	FY14
Exceptional items	2.5	7.5
Impairment	-	16.8
Total P&L exceptional items and impairment	2.5	24.3

Exceptional costs include :

- Restructuring costs of £2.8m - redundancies and property rationalisation
- Gain of £0.3m on sale of UK property

FY15: Cashflow

	£m
FY14 net cash	7.5
Cash used in operations	(2.3)
Restructuring	(5.2)
Interest and tax paid	(1.1)
Capital expenditure	(2.0)
Disposals	1.3
Bank arrangement fees	(0.2)
Non-cash movements	0.2
FY15 net debt	(1.8)

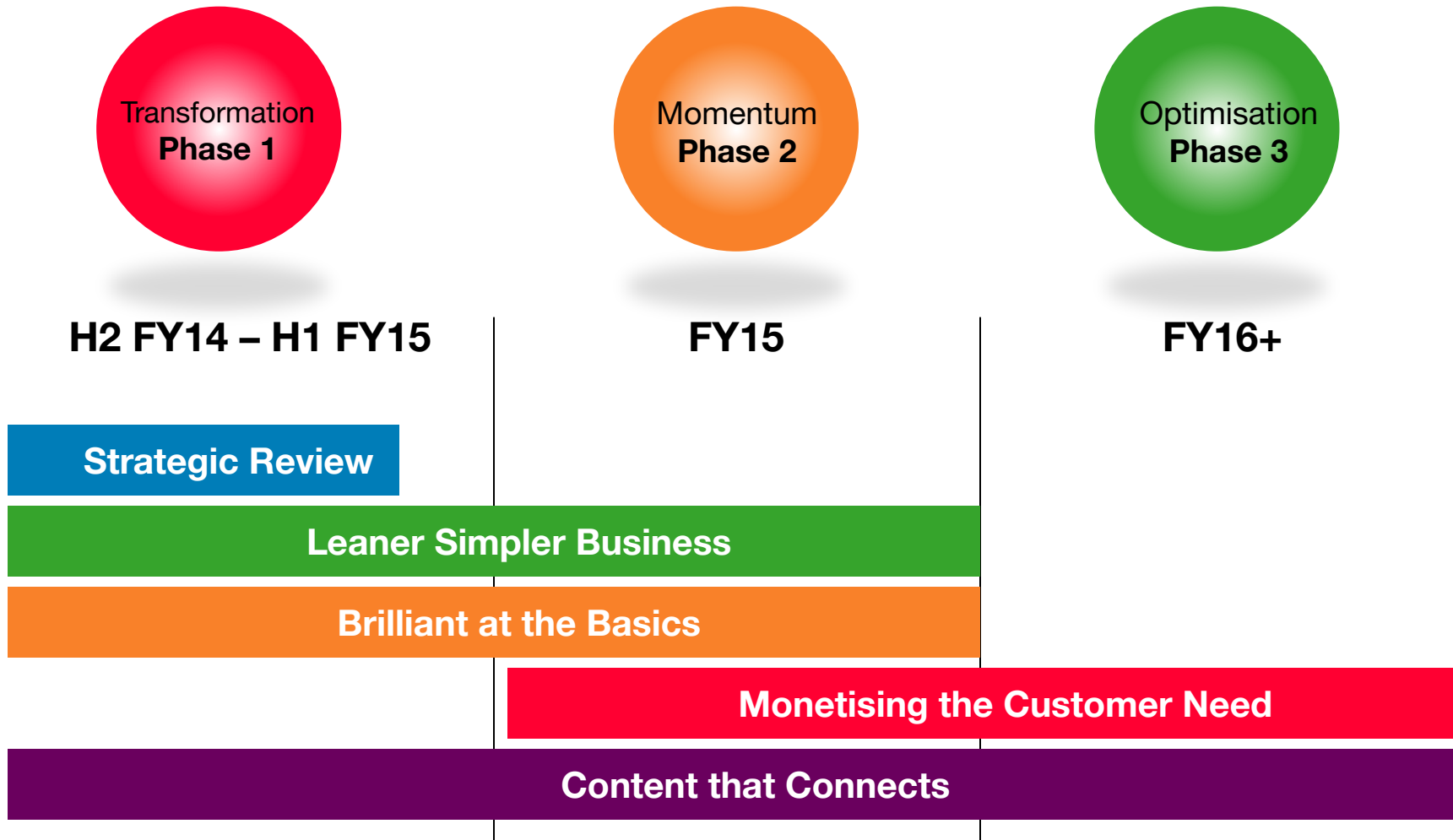
- Outflow from operations includes working capital payments relating to disposed titles
- Significant restructuring payments - £3.2m reorganisation and £2m property
- Cash inflow from sale of Bath property and cash from title disposals
- Cost of servicing legacy tax and onerous property costs materially affects cash flow
- Forward looking business is cash generative at trading level

Future

Business update and strategy

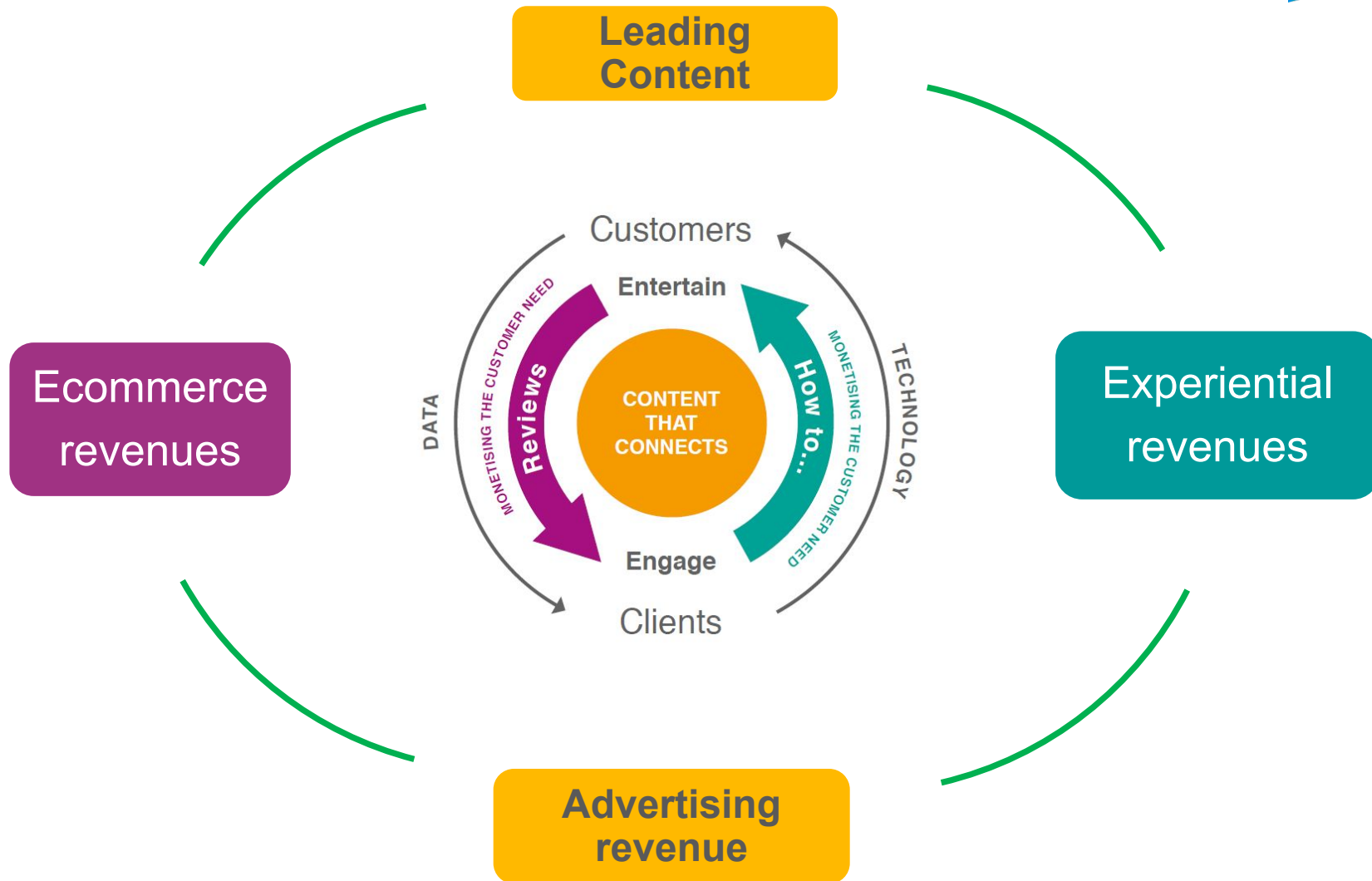
Zillah Byng-Thorne – Chief Executive

Momentum built: leading into optimisation



A virtuous cycle within our business

Future



FY16: creating shareholder value

Optimising the structure for growth

- Maximise shareholder value by splitting into two divisions: Media and Magazine
- Brand focused and organised around culture
- Two divisions are margin enhancing with transparency of overhead

Media Division

Market leading global brand franchises

- techradar
- PC Gamer
- GamesRadar+
- The Photography Show
- Golden Joysticks

- £19m revenue, growing at 11%
- Three distinct & complimentary revenue streams; digital advertising, e-commerce & events

- Digital innovation; high growth; diversified revenues; cash generative though growth is working capital intensive

Magazine Division

Market leading specialist magazines

- 10 super titles
- 29 magazines
- 100+ bookazines
- Publishing in print & digitally

- £40m revenue, declining market
- Two distinct revenue streams; copy sales & advertising

- Harvest magazines; solid magazine division of market leading brands; cash generative

Future

Media division

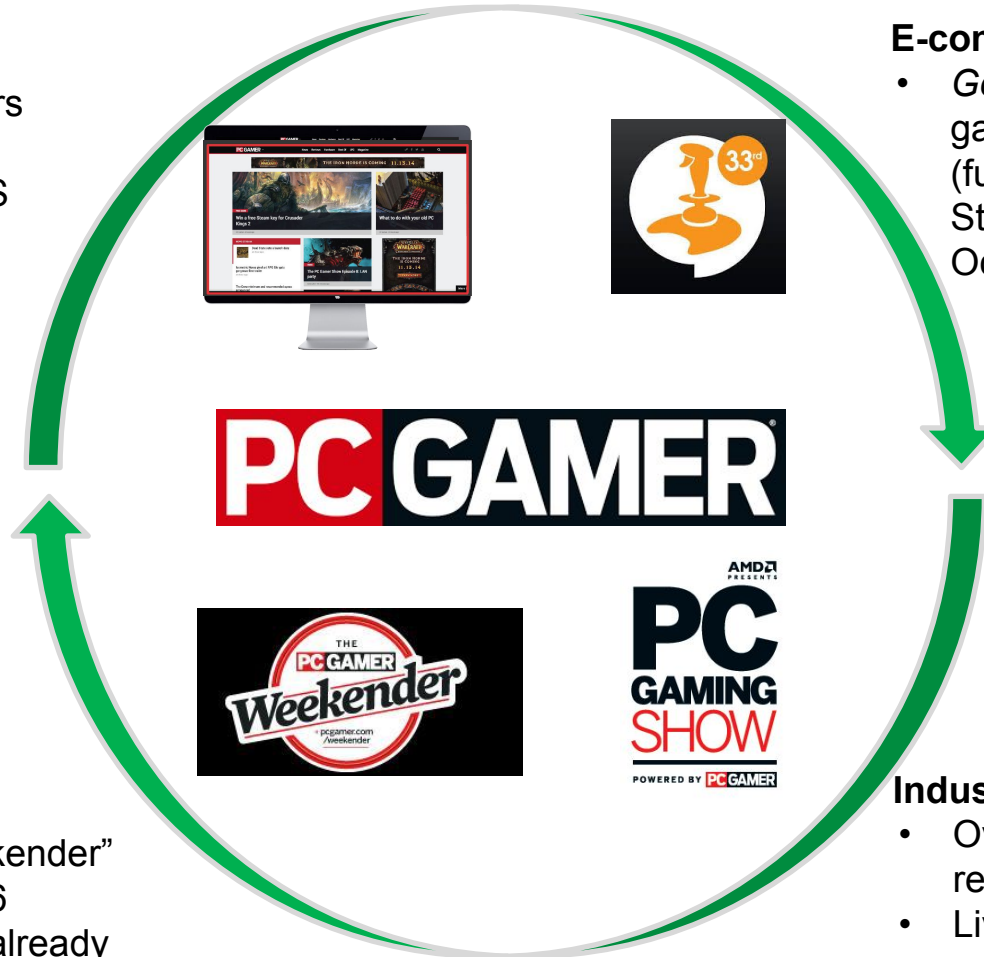
Exploiting global brands through diverse revenue streams

Digital leadership

- 4.5m social followers
- No.1 PC Gaming brand in UK and US

E-commerce

- *Golden Joysticks* games download shop (fulfilment by Exertis Storm) beta launch October



Industry event leadership

- Over \$650k of sponsorship revenue for inaugural event
- Live streaming on Twitch with audience of 1.5m plays

Experiential events

- New consumer “weekender” event launching FY16
- Sponsor advertising already booking

Optimising via diversified revenue streams

Future

- Continues execution of strategy, with three growth revenue streams; e-commerce, events, digital advertising
- New revenue streams have initially negative working capital cycles – equity placing provides cash to invest in accelerating these areas

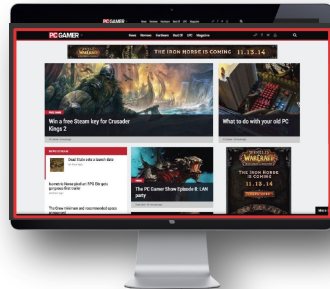
Event growth

- The Photography Show expanding into US Sept 2016 and plans to license in other countries
- Generate expanding into San Francisco & Europe in 2016
- PC Gaming Weekender launching in UK March 2016



Digital advertising

- Double digit revenue growth
- Supported by audience growth



E-commerce/introducing GJ shop...



- Shop sales started well, over £1k a day, albeit at a lower margin
- Affiliates revenues continue to grow fast

<http://store.goldenjoystick.com>

Case study: *techradar*

- Repositioned the brand as “the home of technology”, the place for all consumer technology needs
- Capitalised on growing technology market via new market sectors with three new content channels: “Wearables”, “How To” and “Car Tech”
- Huge global reach:
 - 67m page views, up 17% YoY
 - 20m users; UK users up 3% MoM
 - Growing market share in the US and continue to be no.1 consumer tech brand in the UK
- Highly engaged audience:
 - Social reach of 604k up 67% YoY
 - Users driven to techradar from social media up 135% YoY
 - Dwell time up 22% YoY and pages per session up 49% YoY
- B2B tech strategy producing strong results with *techradar Pro* users increasing 144% YoY and page views by 9.7m, a 249% increase

techradar: The Home of Technology



Future

Magazine division

Optimising via leadership in print

Print vertical leadership

- Technology: total circulation c.312k; c.214k subscribers
- Games & Entertainment: total circulation c.252k; c.112k subscribers
- Photography: market leading portfolio with total circulation c.100k; 50k subscribers
- Music: total circulation c.104k; 40k subscribers
- Creative & Design: total circulation c.38k; c.26k subscribers

Highly-engaged audience

- Average print retention rates of 67%
- Predominantly special interest titles lead to highly engaged communities with high retention rates

Opportunities

- New title launches where clear economic benefits
- Options to consolidate within the market



Case study: T3

- Re-launch of iconic T3 brand
- Re-launched magazine in May 2015 – “Life’s better with T3”
- T3 Squared – supplements every month
- Ad revenues growing vs last year.
- T3 UK newstrade sales up 31% in FY15 H2 vs. H1, increasing market share

T3

INTRODUCING THE ALL-NEW T3

THE REDESIGN ISSUE
100% ALL-NEW / 4 GREAT NEW SECTIONS / NO.1 FOR GADGET ADVICE

T3
The Gadget Magazine

Hands On WITH THE APPLE WATCH

The Best Gadgets
132 PAGES OF BEST-TESTED 'YOU WANT' tech
FOR IMPROVING YOUR LIFE, HOME, TRAVEL, COMMUTE, WORK & MORE!

MAN vs TECH!

T3 SQUARED
CUTTING-EDGE TECH EXPLORED NEW!
SMARTPHONE SHOCK OF THE NEW

ON SALE NOW!

FREE collectible magazine every month

4 brilliant new sections

152 pages of gadget advice and insight

LIFE'S BETTER WITH T3...

GUARANTEE YOUR COPY TODAY AT
www.myfavouritemagazines.co.uk/t3

Available on the App Store

Summary and outlook

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- Strategy delivered as expected
 - Successfully completed transformation
 - Generated momentum; building on existing strengths and market position
 - Moving into optimisation phase
 - New revenues streams growing and focus on margin growth
 - Building on profitability in current financial year
- Fund raise of £3.3m to support growth plans
- Expect to be net cash generative by FY17 and generating underlying EBITDA margins of 8% in FY16 and 12% in FY17

Appendix

Media Division Brands

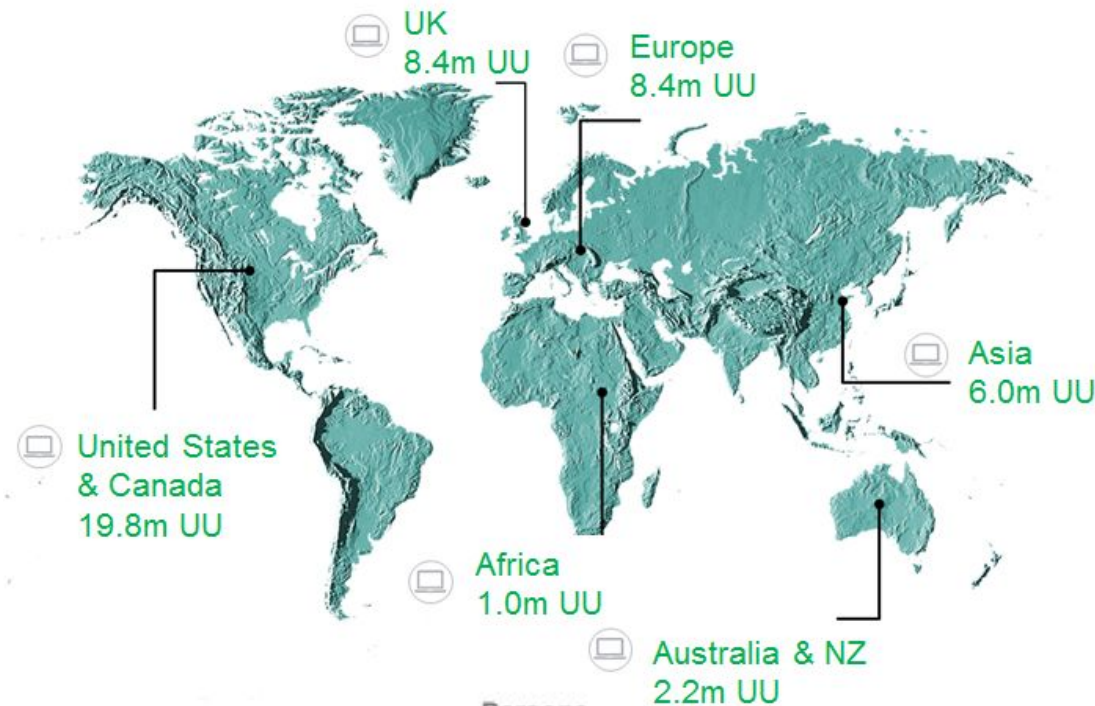
techradar
GamesRadar+
Pcgamer.com
Creative Bloq
Digital Camera World
MusicRadar
T3.com
Gizmodo UK
Maximumpc.com
Kotaku UK
ITProPortal
Lifehacker UK

Magazine Division Brands

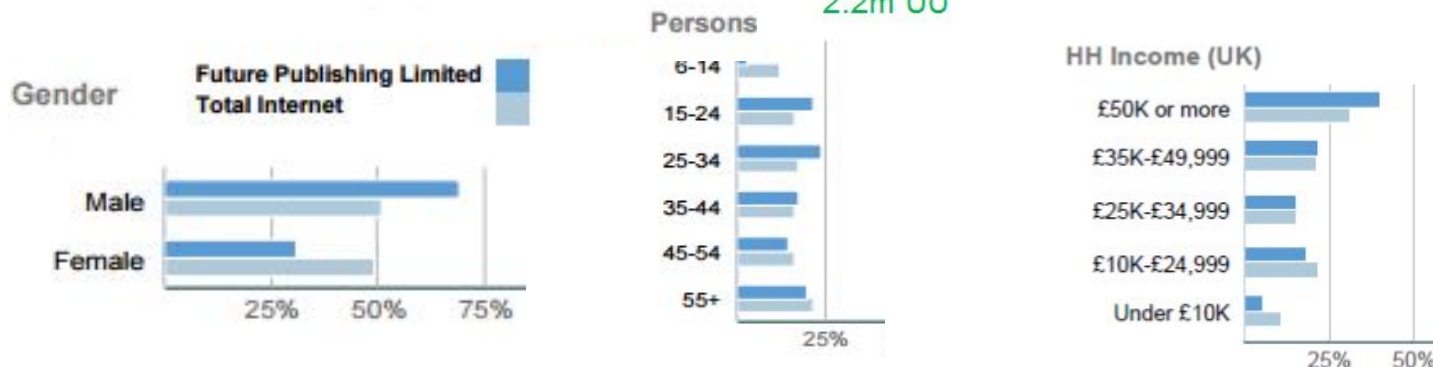
Mac|Life
Maximum PC
Total Film
T3
Guitarist
Digital Camera
PC Gamer
MacFormat
N-Photo
Official Playstation Magazine
Official Xbox Magazine
Linux Format
SFX
Guitar Techniques
Photo Plus
Edge
GamesMaster
APC Magazine

Total Guitar
ImagineFX
Computer Music
net
TechLife
Computer Arts
Future Music
Windows Help & Advice
Rhythm
3D World
PC Format
iPad User
Photography Week
Practical Photoshop

Global online audience with very desirable demographics



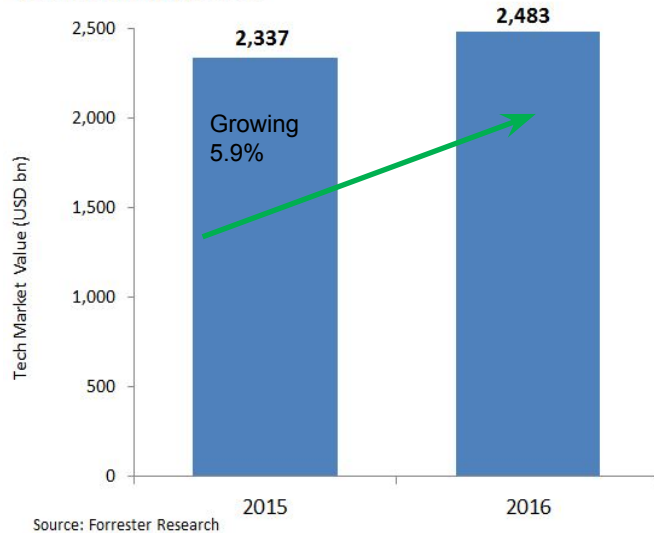
Future and its Partners reach 62% of the 18-44 male audience in the UK



Targeting two of the hottest industries

Technology

Global technology market



£22.9bn

UK tech market sales revenue 2014



\$225bn

N. America tech market sales revenue 2014



Global

+5.3%

2015 YoY tech market growth



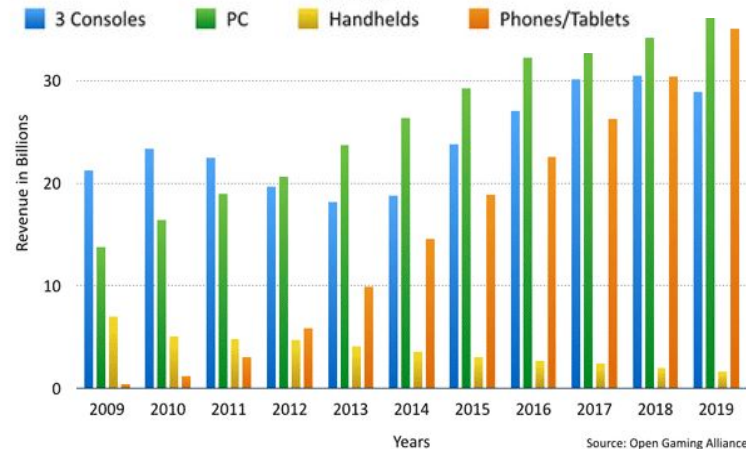
Global

+5.9%

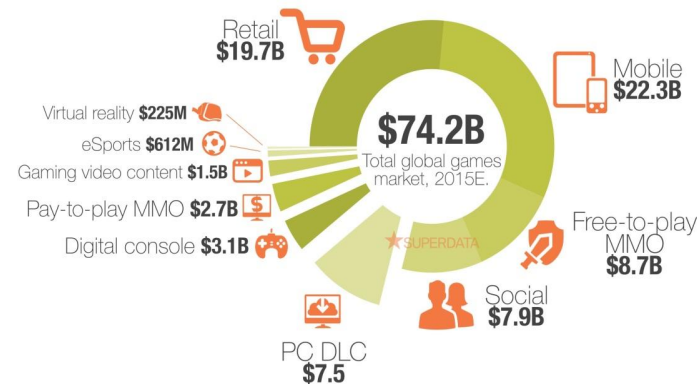
2016 YoY tech market growth

Games

Global gaming software revenue by platform



Global games market, by segment (2015E, billion \$) *****



Sources: GfK TEMAX , CES/CEA Global Tech Market Update 2015, Forrester Global Tech Market Outlook, Open Gaming Alliance, SuperData Research