FUTURE

Connectors. Creators. Experience Makers.

FUTURE CAPITAL MARKETS DAY

6th February 2018

Connectors.
Creators.
Experience Makers.

Welcome

Zillah Byng-Thorne

AGENDA

10am	Business overview & growth strategy **| Zillah Byng-Thorne**
10.20am	Introducing our tech stack **| Kevin Li Ying**
10.40am	Managing content **| Aaron Asadi**
11am	**Coffee break**
11.15am	Commercial sales and the changing landscape **Clare Dove & Zack Sullivan**
11.35am	eCommerce **| Jason Kemp & Matthew Smith**
11.55am	Investment thesis **| Penny Ladkin-Brand**
12.15pm	Conclusion & questions **| Zillah Byng-Thorne**
Lunch	

BUSINESS OVERVIEW & GROWTH STRATEGY

Zillah Byng-Thorne

OUR PURPOSE

“We change people’s lives through sharing our knowledge and expertise with others, making it easy and fun for them to do what they want”

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Future: Business Overview

We operate in 7 verticals, with over 90 brands

Technology

- Leading brands including: TechRadar, T3, MacFormat, Maximum PC, T3 Awards
- No 1 in UK in consumer tech
- Audience online 29m, total circulation 173k

Games & Entertainment

- Leading brands including: PC Gamer, GamesRadar+, Golden Joysticks Official PlayStation, Total Film
- No 1 PC gaming website in the world
- Audience online 21m, total circulation 192k

Home Interest

- Leading brands including: Homebuilding & Renovating, Real Homes, Period Living
- No 1 UK DIY magazine on the newsstand
- Audience online 0.6m, total circulation 53k

Knowledge

- Leading brands including: How It Works, World of Animals, All About History, All About Space
- Audience online 0.3m, total circulation 108k

Photography & Design

- Leading brands inc: Digital Camera, CreativeBloq, The Photography Show
- No 1 UK photography magazine portfolio, no 1 UK creative & design website
- Audience online 2.9m, total circulation 138k

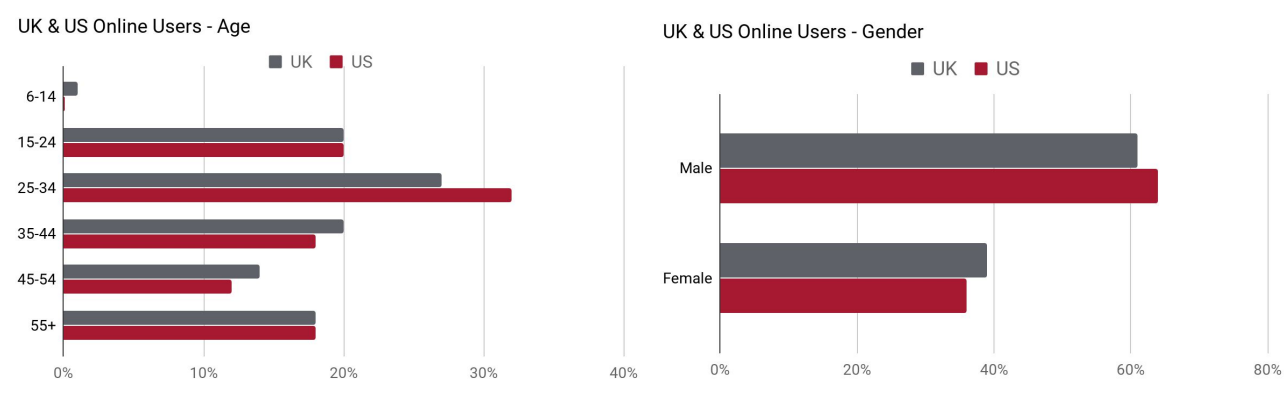
Music

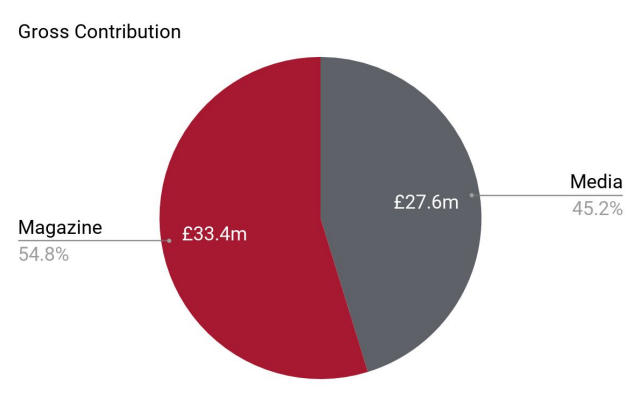
- Leading brands including: Classic Rock, Total Guitar, Guitarist, Metal Hammer, Golden Gods
- UK no 2 music website
- Audience online 3.2m, total circulation 131k

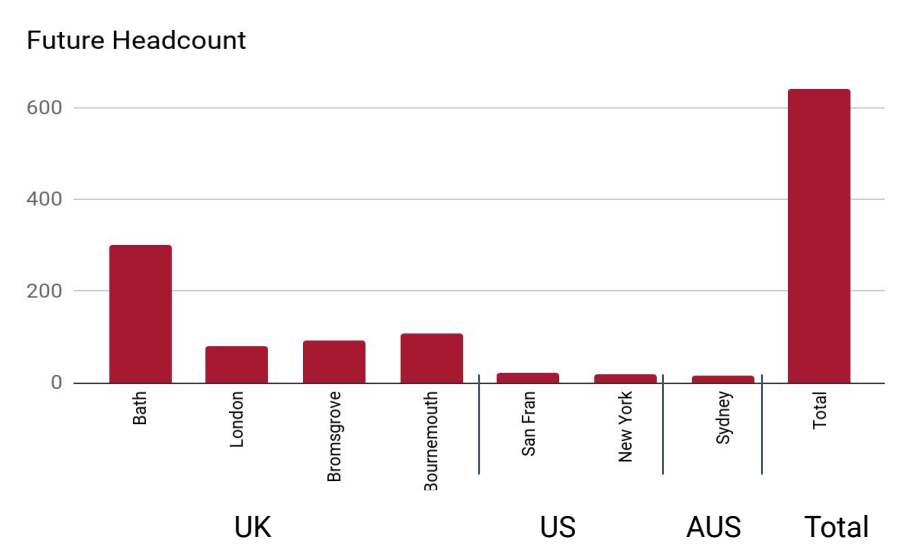
Field Sports

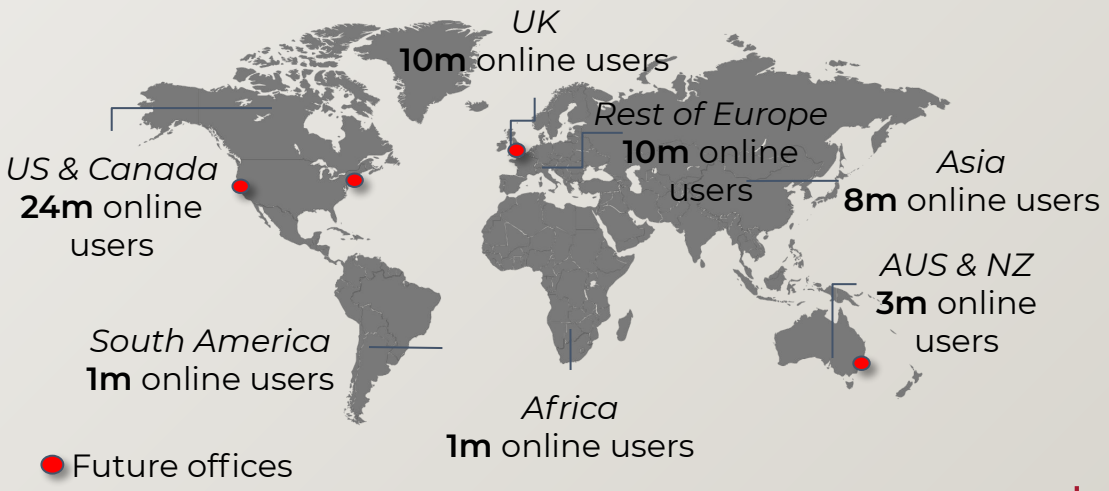
- Leading brands including: Sporting Rifle, Clay Shooting
- Audience online 66k, total circulation 10k

Future: Business Overview









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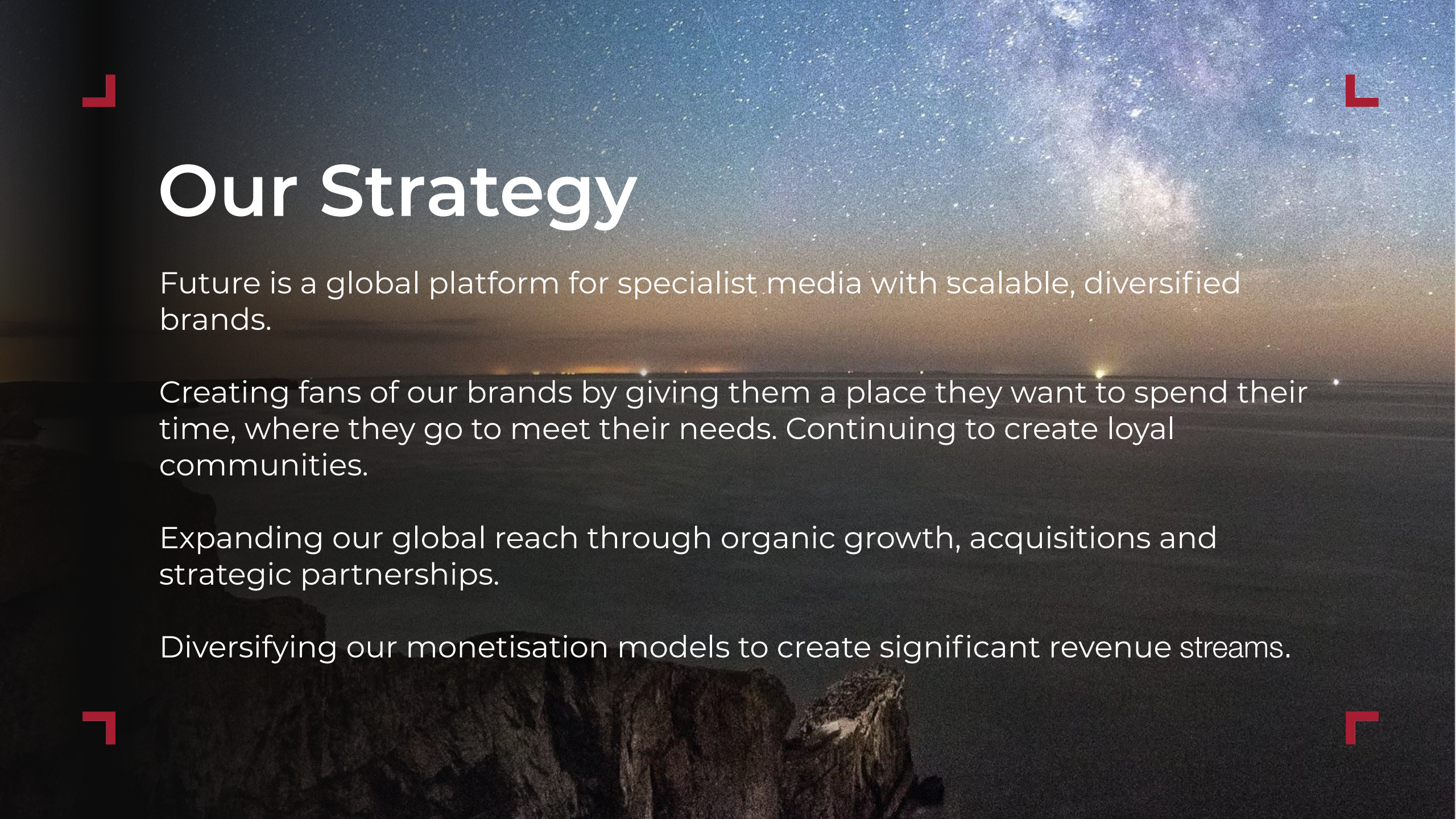


Our Strategy

Future is a global platform for specialist media with scalable, diversified brands.

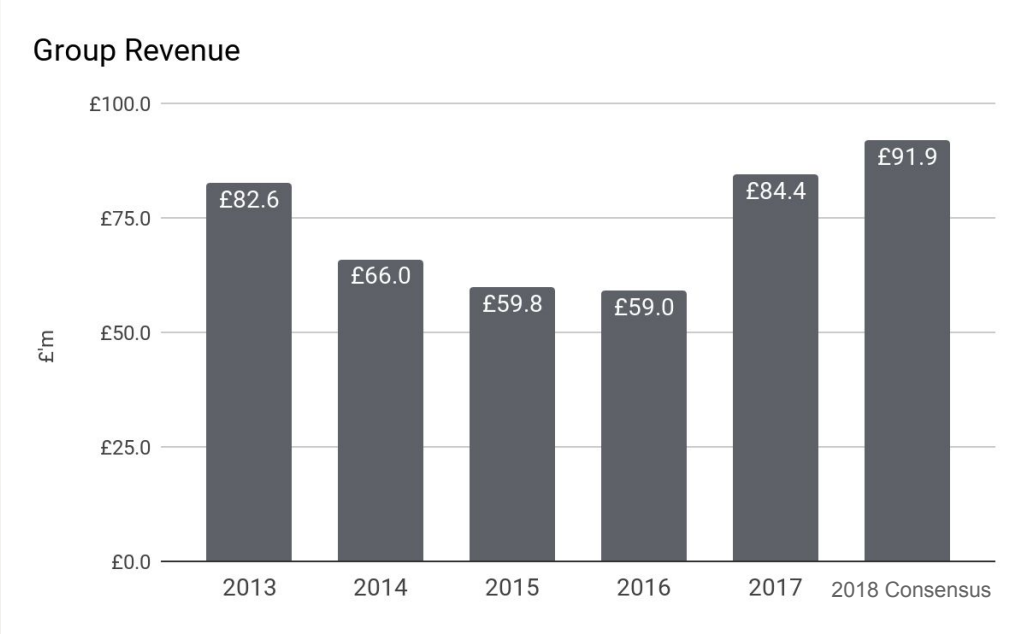
Creating fans of our brands by giving them a place they want to spend their time, where they go to meet their needs. Continuing to create loyal communities.

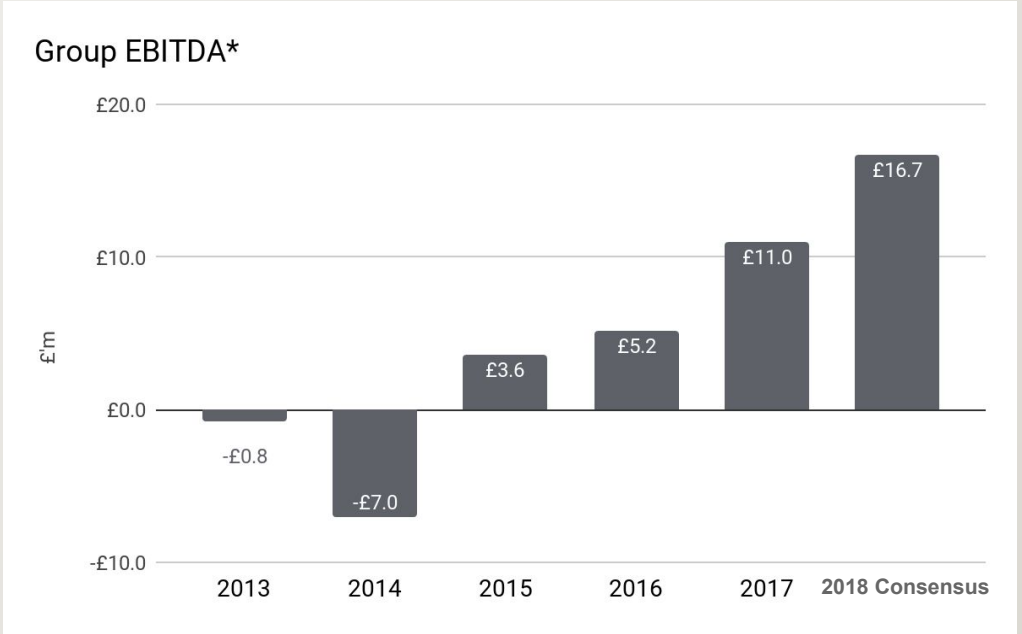
Expanding our global reach through organic growth, acquisitions and strategic partnerships.

Diversifying our monetisation models to create significant revenue streams.

Delivering Strategy: Growth in EBITDA

- Our focus is on delivering sustainable growth in EBITDA
- We achieve this through focusing on profitable revenues rather than top-line growth
- We invested in our core operating model to create a scalable organisation
- This is a platform for further growth



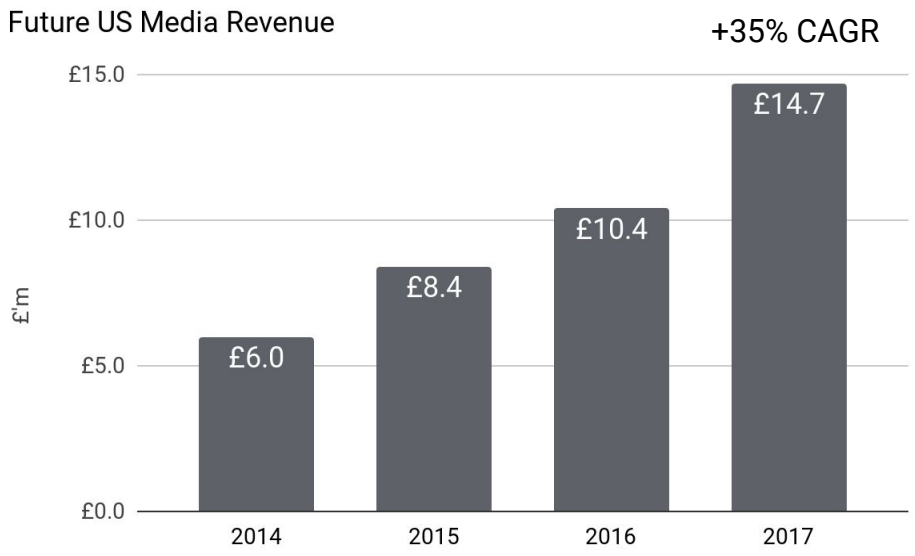


* EBITDA adjusted for SBP expense
All numbers are continuing and include acquisitions
2018 numbers are consensus guidance

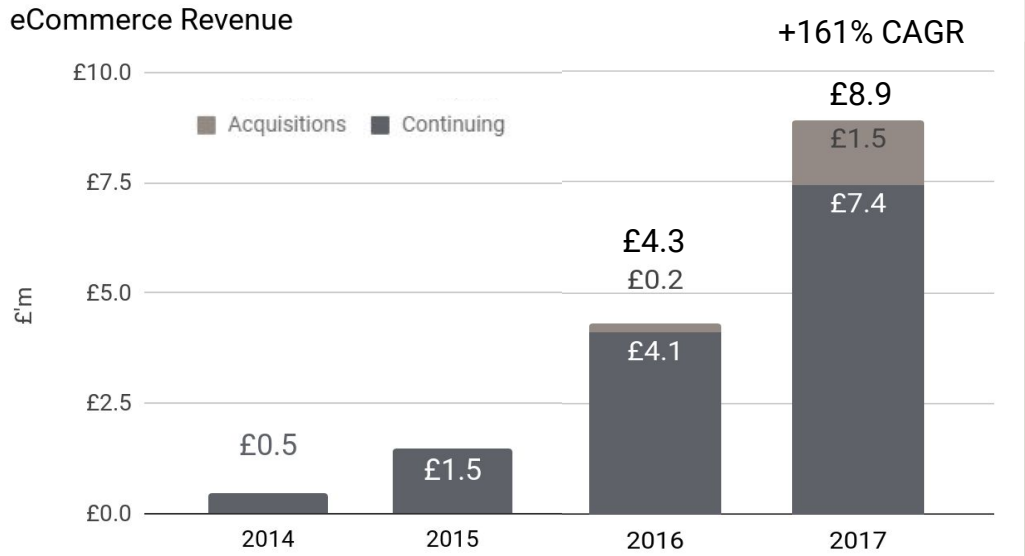
Delivering Strategy: Diversified & Organic Revenues

We have successfully grown our organic business via growing audience and developing new formats.

Future US Media growth



eCommerce growth



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Delivering Growth: Scalable Platforms

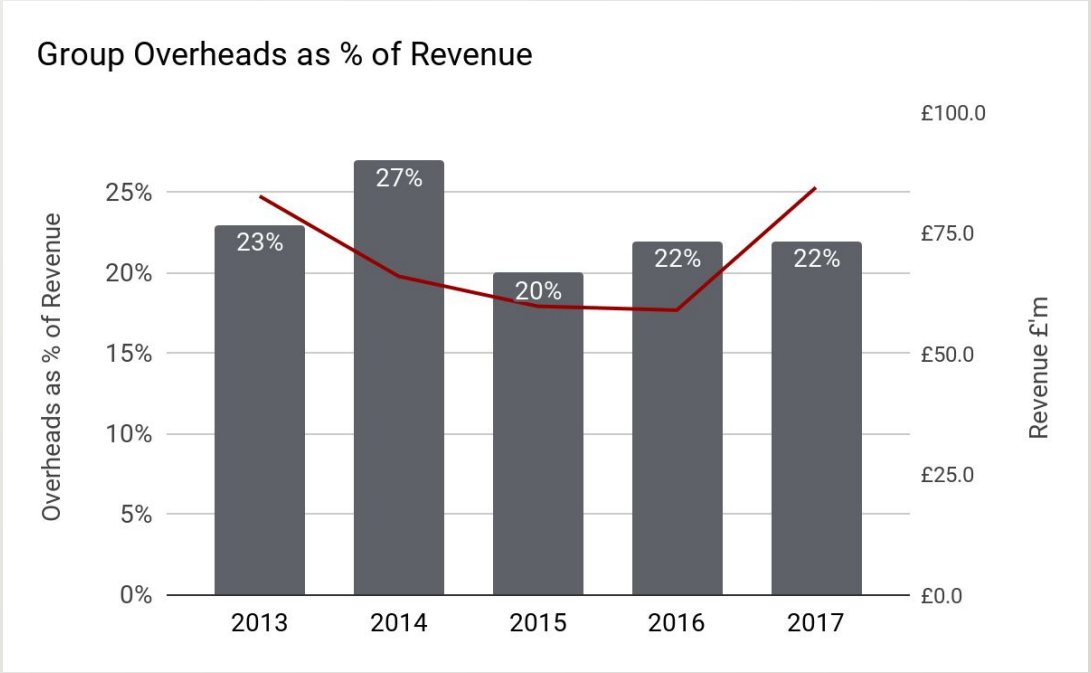
- Right-sized our organisation to create a platform for growth
- Investments in core back office systems and scalable overhead teams

Investment in Back Office

- New financial system
- New CRM
- Centralised data management

Investment in Infrastructure

- Refurbished all offices
- Strategy to insource to low cost location



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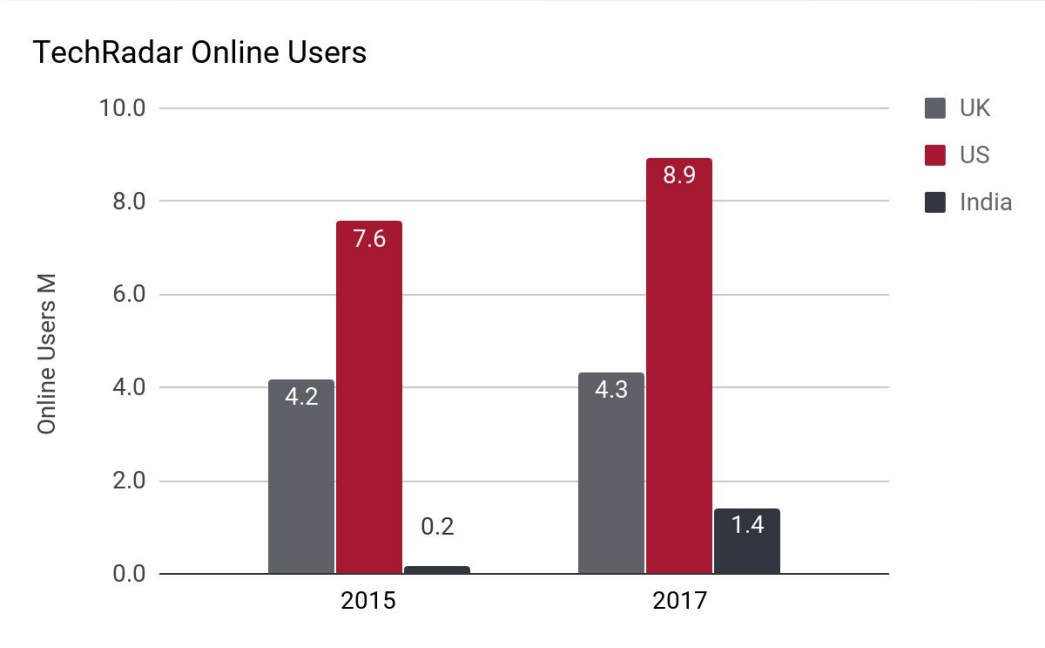
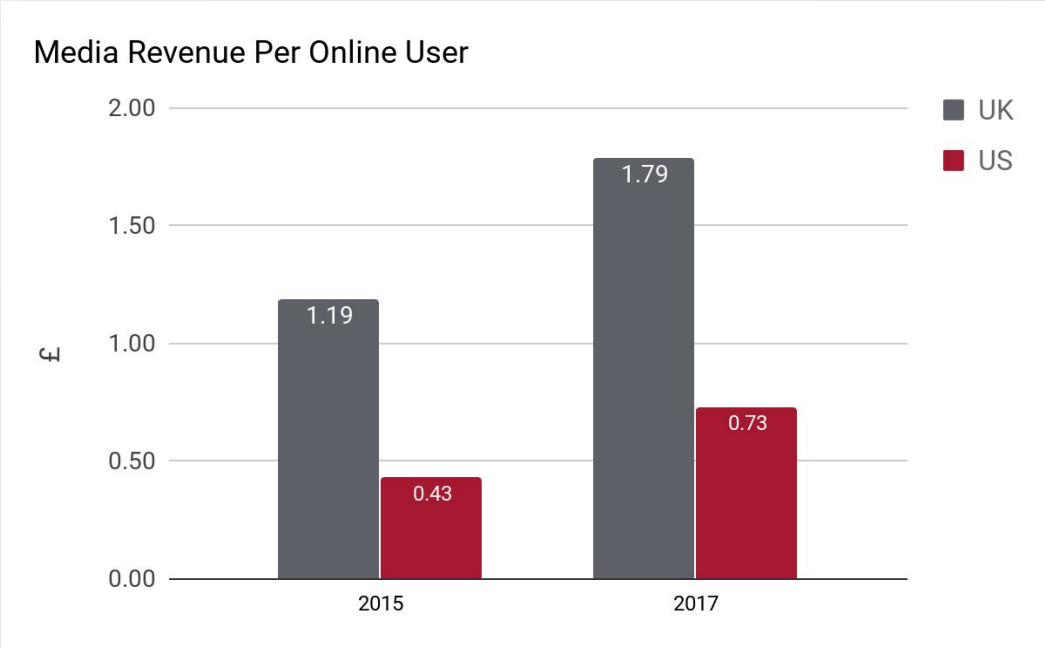
Delivering Strategy: Expanding Our Global Reach

- Our success is driven by market leadership in many of the markets we operate in
- Growing our global audience represents a real opportunity for further monetisation
- Achieved organically, and via strategic partnerships (Times of India etc), while acquisitions represent an opportunity to accelerate





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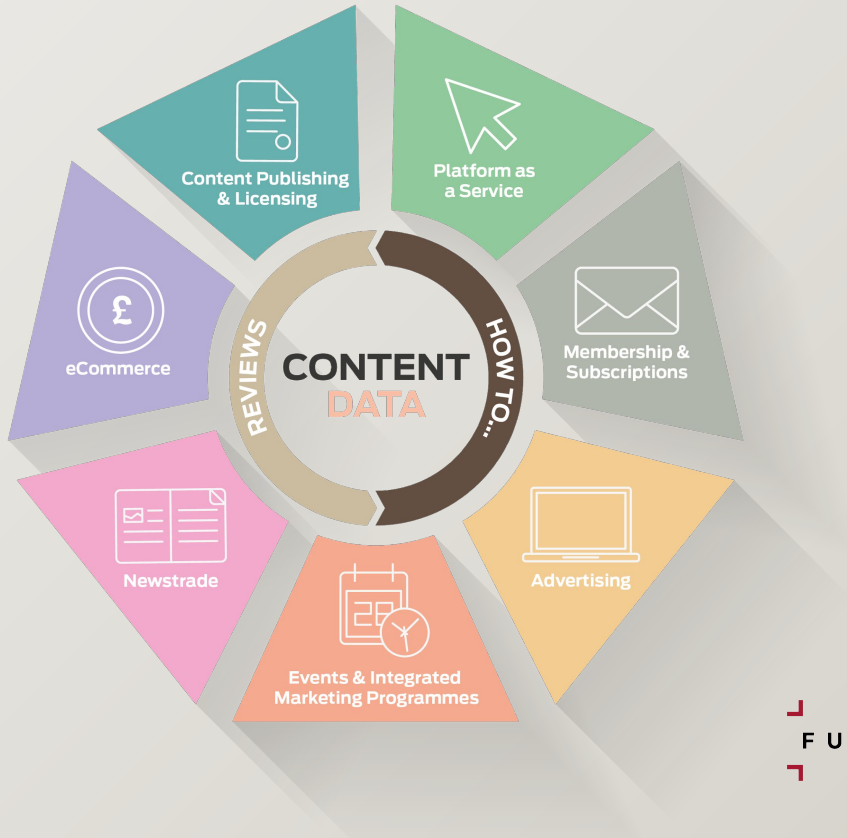
Delivering Strategy: Acquisitions

- Identifying and integrating acquisitions is a core skill
- Selection strategy based on identification of assets with new verticals and / or opportunities to monetise existing elements of the Future wheel faster
- All transactions in the last two years originated in house

Six acquisitions

Completed in 24 months

All acquisitions earnings enhancing in the first 12 months**



*excludes forecast synergies yet to be delivered
**adjusted earnings for FY17 acquisitions

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INTRODUCING OUR TECH STACK

Kevin Li Ying – Chief Technology Officer

What is a Tech Stack?

Our Tech Stack allows:

- Our websites to exist and grow
- Our magazines to be published on time every time
- Our business to further diversify its revenue streams
- Our organisation to operate efficiently

Enablers.

Our Tech Stack

One agile, flexible, lean, robust and scalable homogeneous ecosystem

STAFF

MAGAZINE PLATFORM: **STUDIO**

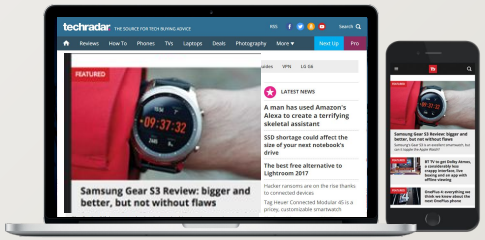
- MAGAZINE FLAT PLANNING
- CONTENT RIGHTS MANAGEMENT

FREELANCE

CONTENT COMMISSIONING PORTAL: **SOURCE**

- CONTENT RE-USE

ASSET STORAGE SYSTEM

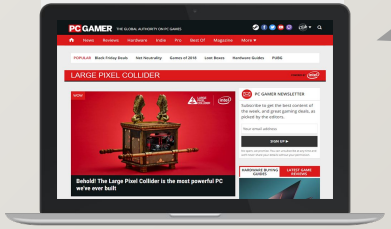


STAFF

WEB PLATFORM: **VANILLA**

- CMS
- CONTENT LOCALISATION
- AUTOMATED CONTENT TAGGING
- MEMBERSHIP SERVICE
- WEBSITE BUILDER

Vanilla. v1.28.5



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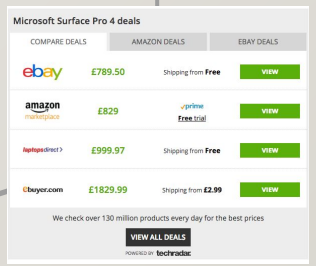
FUTURE HAWK

TECH SERVICES

- AD TECH: **BORDEAUX**
- ECOM TECH: **HAWK**



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Efficient Technology Supporting Acquisitions

FUTURE 2017 + HOME INTEREST | TEAM ROCK | IMAGINE

MAGAZINE PLATFORM:
STUDIO

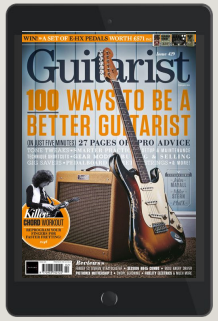
MAGAZINE FLAT PLANNING

CONTENT RIGHTS SYSTEMS

MAGAZINES

BOOKAZINES

DIGITAL SUBSCRIPTIONS



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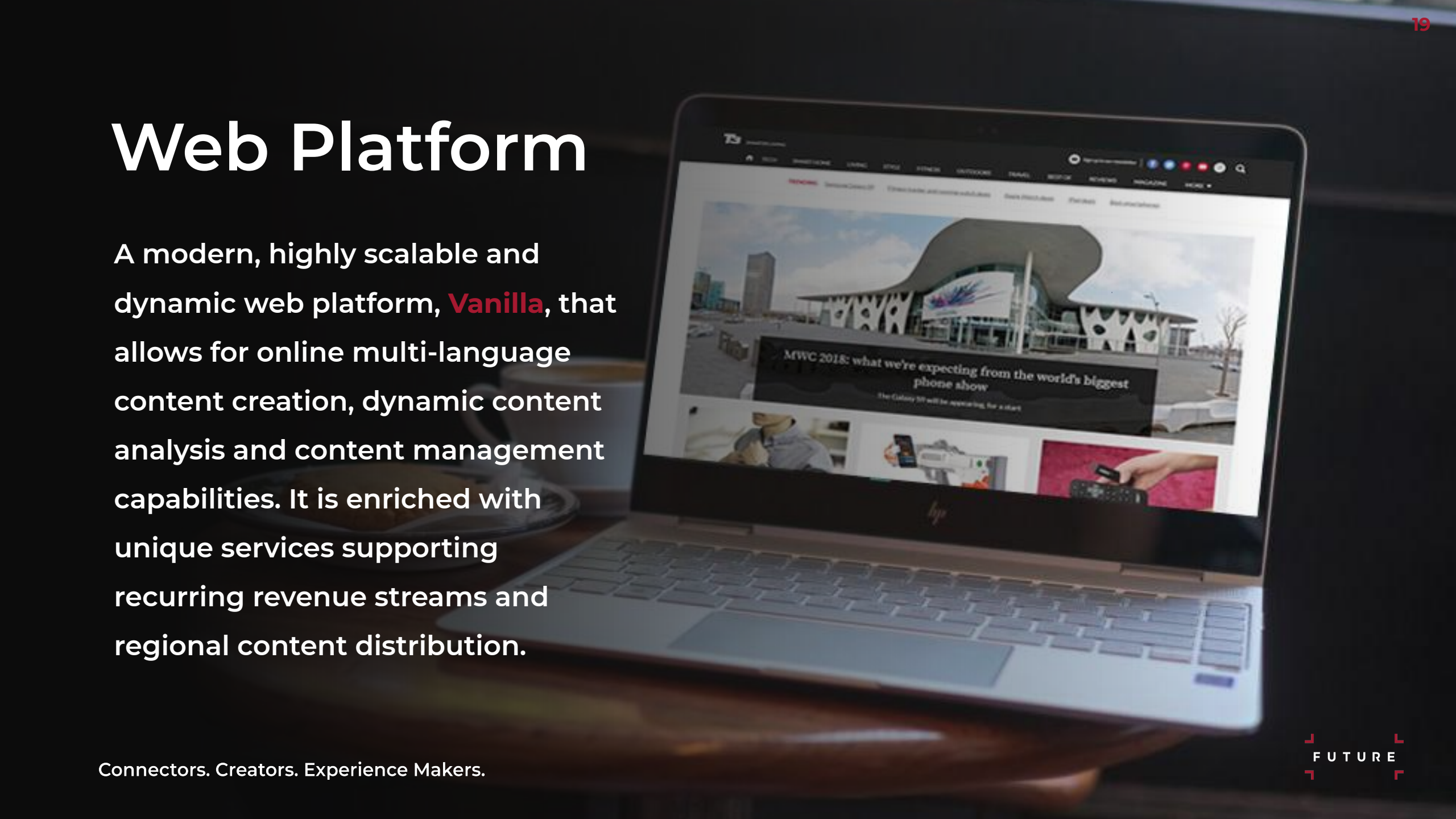
Web Platform

A modern, highly scalable and dynamic web platform, Vanilla, that allows for online multi-language content creation, dynamic content analysis and content management capabilities. It is enriched with unique services supporting recurring revenue streams and regional content distribution.



Web Platform: Enabling New & Growing Existing Brands

Vanilla's global content management system delivers:

Great economies of scale

- Standardised approach to online content creation
- Enables content reuse and content analysis
- Eases integration of acquired websites' online content
- Low training overhead and large pool of internal and external user experts

Modular architectural design, which facilitates:

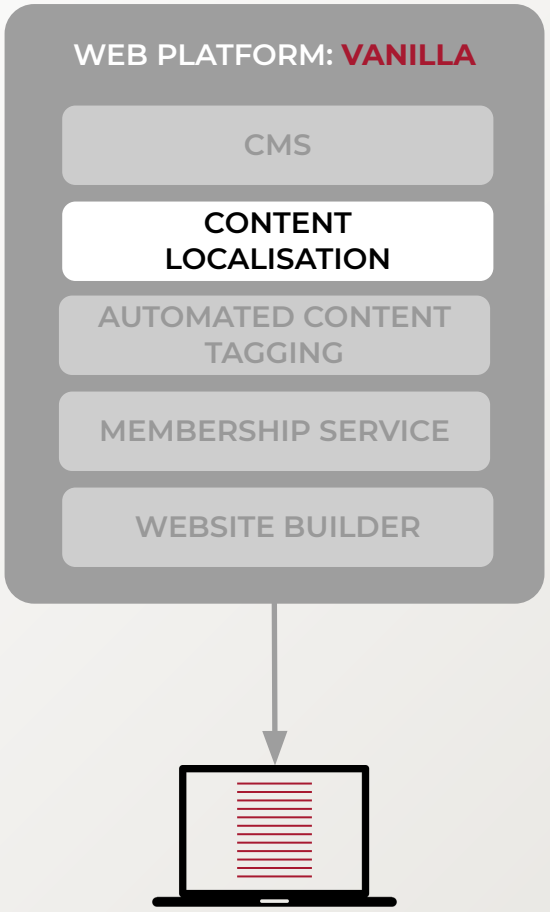
- Rapid new feature development
- Ability to respond to editorial needs

Turned key Software as a Service CMS, which supports our digital licensing strategy – Times of India and GCC, Middle East

TechRadar, PC Gamer, Real Homes, T3, MusicRadar, Digital Camera World, IT Pro Portal etc..

FUTURE

Web Platform: Enabling New & Growing Existing Brands



TechRadar, PC Gamer, Real Homes, T3, MusicRadar, Digital Camera World, IT Pro Portal etc..

Vanilla's content localisation feature:

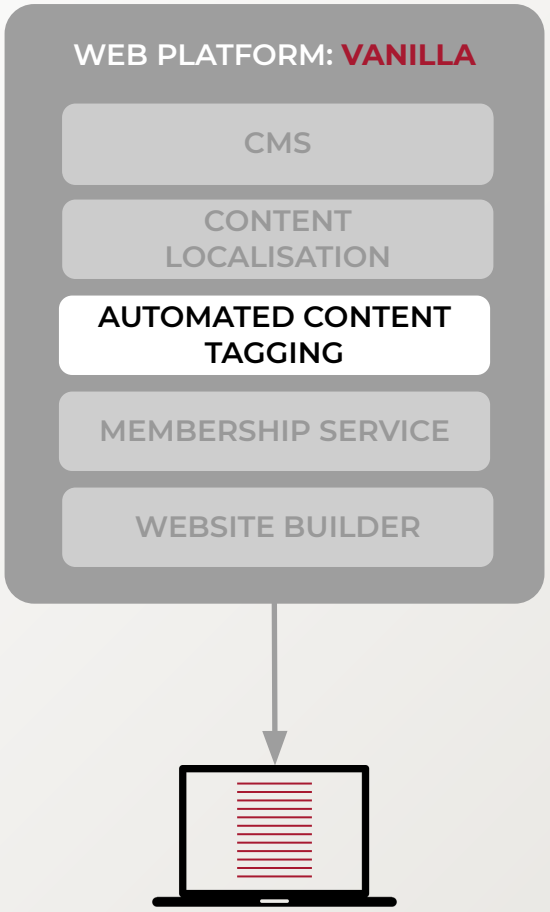
Offers the ability for content to be targeted for specific territories like TechRadar US, UK, Australia, Singapore, India, Middle East

- Ability to connect to and grow new audiences
- Further helps with revenue diversification
- More effective monetisation of localised content

Allows content to be written in multi-language

- Penetration into non-English markets with high revenue potential

Web Platform: Enabling New & Growing Existing Brands



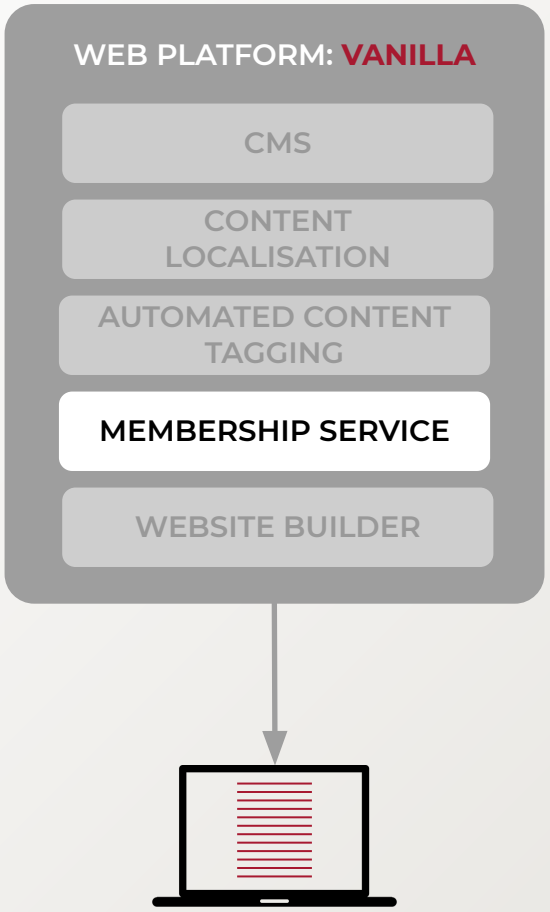
TechRadar, PC Gamer, Real Homes, T3, MusicRadar, Digital Camera World, IT Pro Portal etc..

Vanilla's automated content tagging technology:

Exploiting semantic analysis to interpret and tag content in a consistent way

- Gives TechRadar, for example, the ability to create new content hubs like Black Friday, Cyber Monday, Macbook Pro, Bill Gates, Samsung, Apple at pace, which gives even more content depth to our online brands
- Increases our online search engine visibility, which increases the discoverability of our content
- Drives more monetisable audience traffic to our sites
- Diversifies the way content can be syndicated online to third-party online partners

Web Platform: Enabling New & Growing Existing Brands



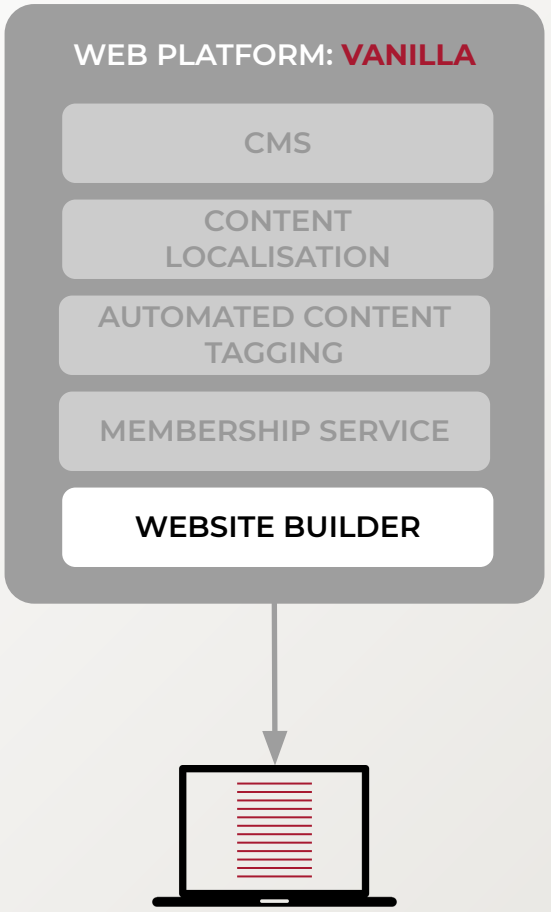
TechRadar, PC Gamer, Real Homes, T3, MusicRadar, Digital Camera World, IT Pro Portal etc..

Vanilla's membership service:

Build once and reuse everywhere – membership service currently live on PC Gamer

- Offers our users an ad-free experience, digital game keys and more
- Sets a foundation for building a loyal community
- Provides our business the opportunity to capture known user data
- Ability to upsell related products and services
- Enabler for further diversification of revenue; recurring revenue

Web Platform: Enabling New & Growing Existing Brands



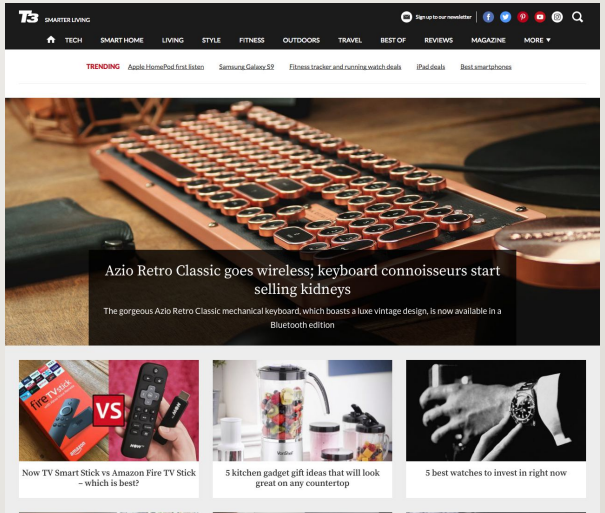
TechRadar, PC Gamer, Real Homes, T3, MusicRadar, Digital Camera World, IT Pro Portal etc..

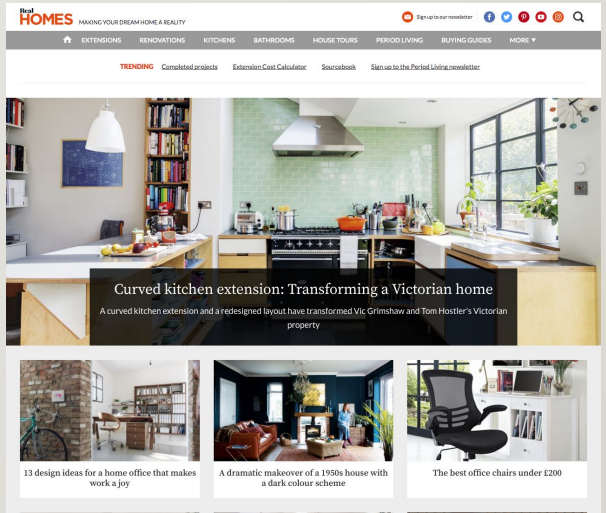
Vanilla's website builder:

Scalable and robust

- Supports delivery of 169m web page views and 517m advertising impressions (Dec 17)
- Cost effective and future proofed; will meet our online growth

Reusable templates and components that allow the business to go to market with new T3.com in six weeks and RealHomes.com five weeks





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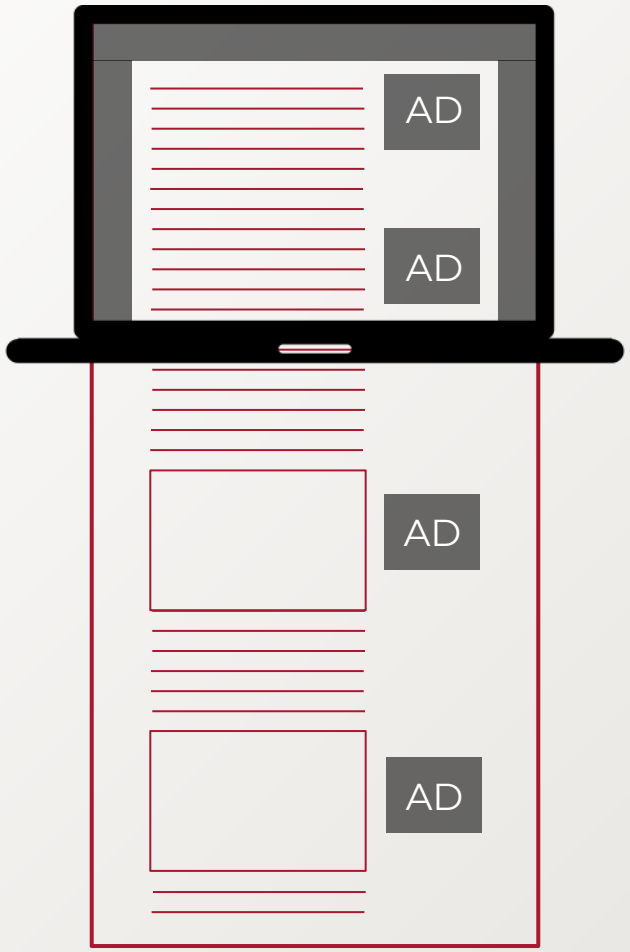
Ad Tech: What is Bordeaux?

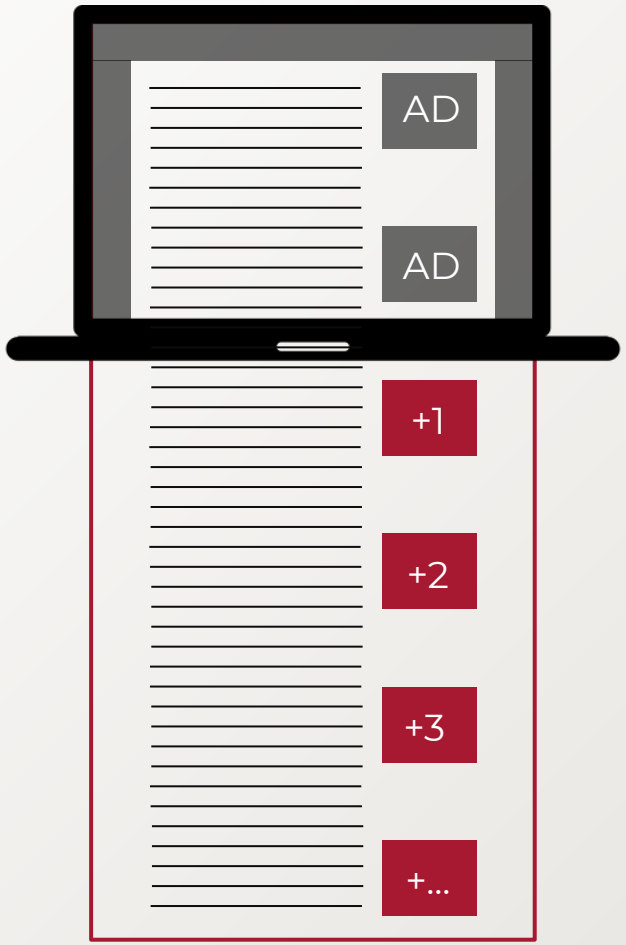
Bordeaux is a smart and dynamic technology service that allows content monetisation through advertising. It is a true enabler to further revenue diversification in the commercial advertising space.

Ad Tech: Bordeaux Delivers High Ad Viewability



- Highly extensible tech service delivering high advertising inventory quality
- Identifies optimum placement of ad slots
- Intelligently adapts to multitude of web page layouts
- Delivers advertising viewability of 84% on T3 vs UK average of 49% and US average of 56%
- Commands higher margin per campaign sell (premium)

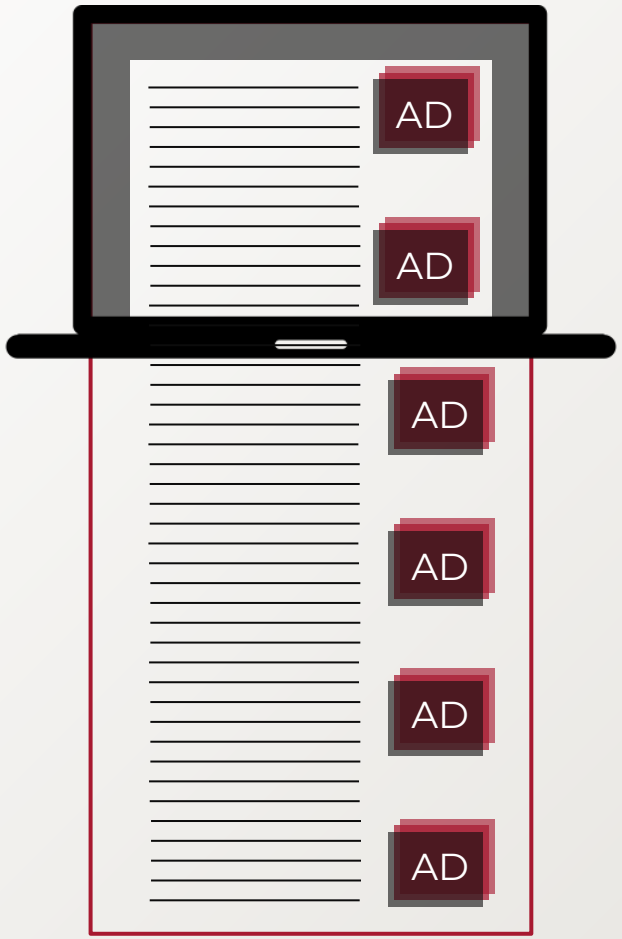
Ad Tech: Bordeaux Generates Incremental Revenue



Using its **incremental technology**

- Grows our programmatic advertising revenue
- Contributes to increase advertising viewability
- Helps increase advertising yield in turn
- Leverages time users spend navigating a web page
- Automatically adds more advertising onto the page
- Maximises revenue generated per web page
- 10.7 million extra impressions on TechRadar in January

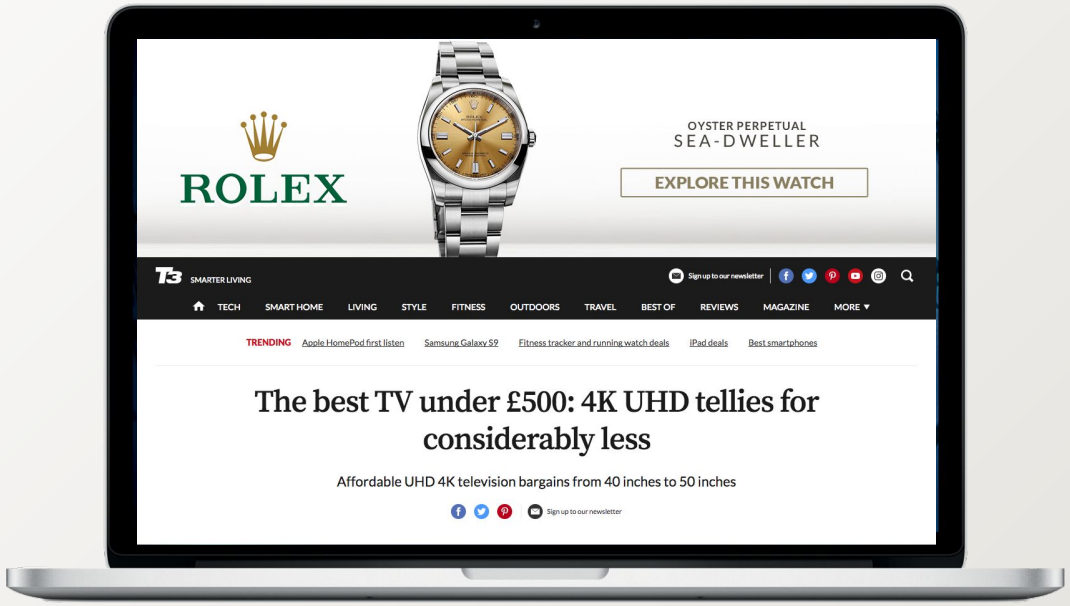
Ad Tech: Bordeaux Generates Incremental Revenue



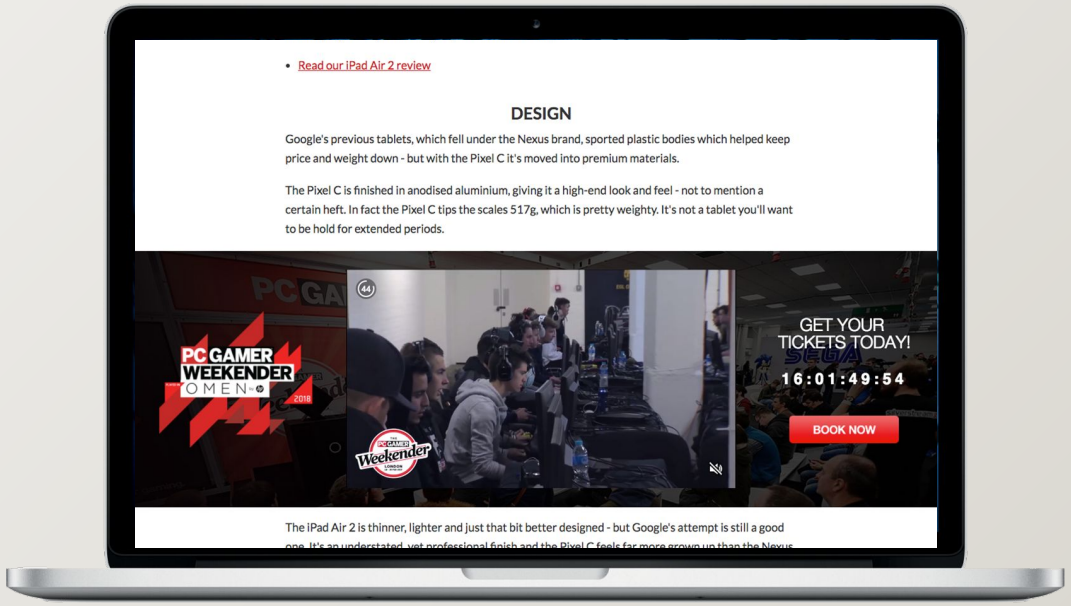
Using its **refresh technology**

- Another dimension to increase advertising impressions available to monetise by using Bordeaux's refresh technology
- Contributes to further increase advertising viewability
- Loads new adverts after continuously in view for 20-25 seconds
- Detects users active to ensure engagement
- Synergises with incremental technology
- 28.6 million extra impressions on TechRadar in January

Ad Tech: Bordeaux Supports New Advertising Formats



BIG TOP
INNOVATIVE HIGH IMPACT ADVERTISING FORMAT

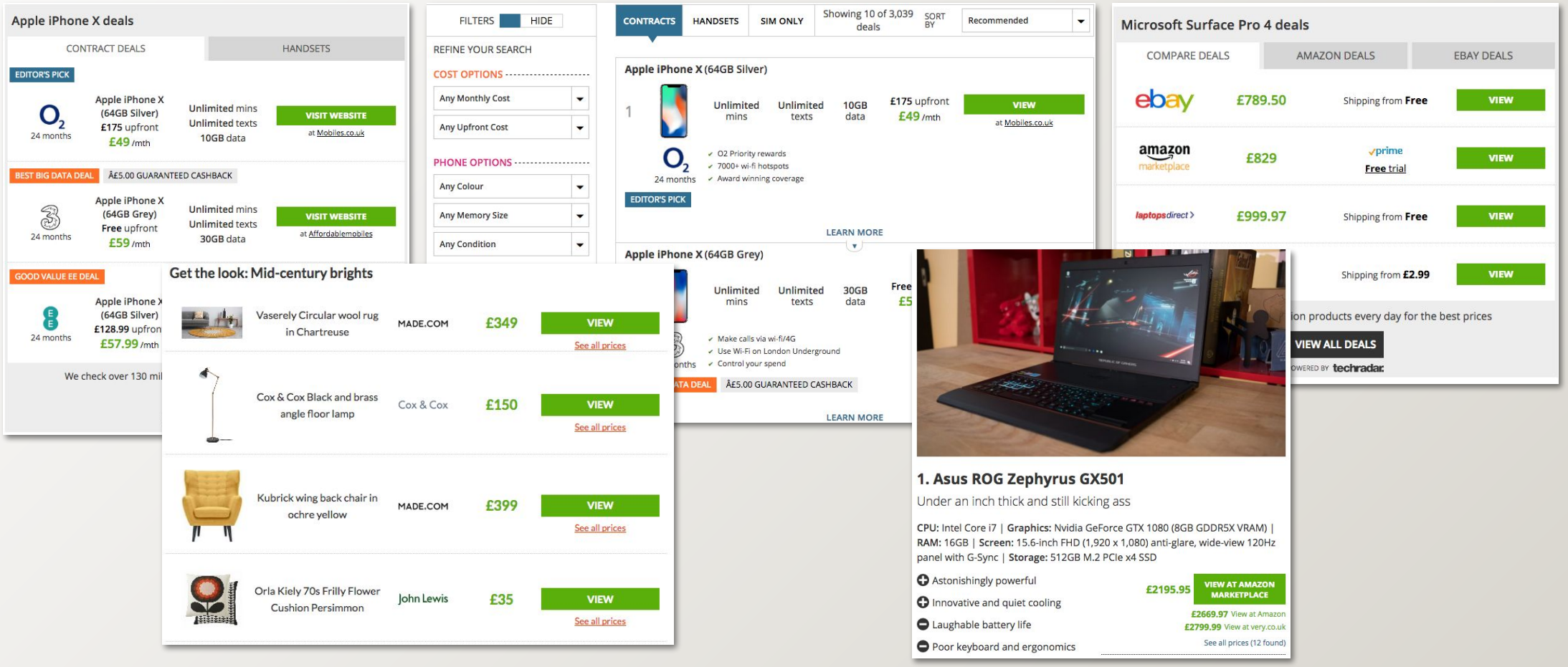


MINISCROLLER
NEW INDUSTRY ADVERTISING FORMAT

eCommerce Tech: What is Hawk?

Hawk is a powerful, proven and tested technology service that helps consumers find the right product for them online.

eCommerce Tech: Hawk Widgets



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eCommerce Tech: The Brilliance of Hawk

High quality match rate

Database of
250 million products

87% of automated
matches are successful

Algorithms that learn

Intelligent learning

Reduced manual curation

Consumer journeys

Every single click is
tracked end to end

Merchant level insights

eCommerce Tech: Enabling US Growth

Cutting-edge technology

Proprietary system design

Robust and scalable

- Expand our global reach, focusing on the US first
- Robust and Resilient: ready for new avalanche of traffic
- Rapid onboarding of new merchants to meet new audience's needs
- Solid platform to expand in new content verticals or new markets

People Driven Innovation

Uber high performing, resilient and flexible – geographically contained technical team.

Team criteria meet the ever changing business' ambitions and targeted growth objectives.

Smart training programme

Hands on, cross-team experiences

Personal development

Keep up with industry changes and developments

Graduate programme

Attract dynamic, forward thinking graduates

Looking Forward

More intelligent Tech Stack by utilising all our data points

- Personalisation: Subliminal recommendations to increase retention and engagement and build loyal communities

- Content forecasting: Predicting / anticipating demand through data analysis near real time

Summary

We have a strong and scalable proprietary tech stack. It promotes reuse from content, code and component.

While lean and cost effective, it supports our global growth ambition and supports the needs of tens of millions of users every month.

It allows us to build and drive new incremental and recurring revenue streams in traditional and non-traditional areas alike.

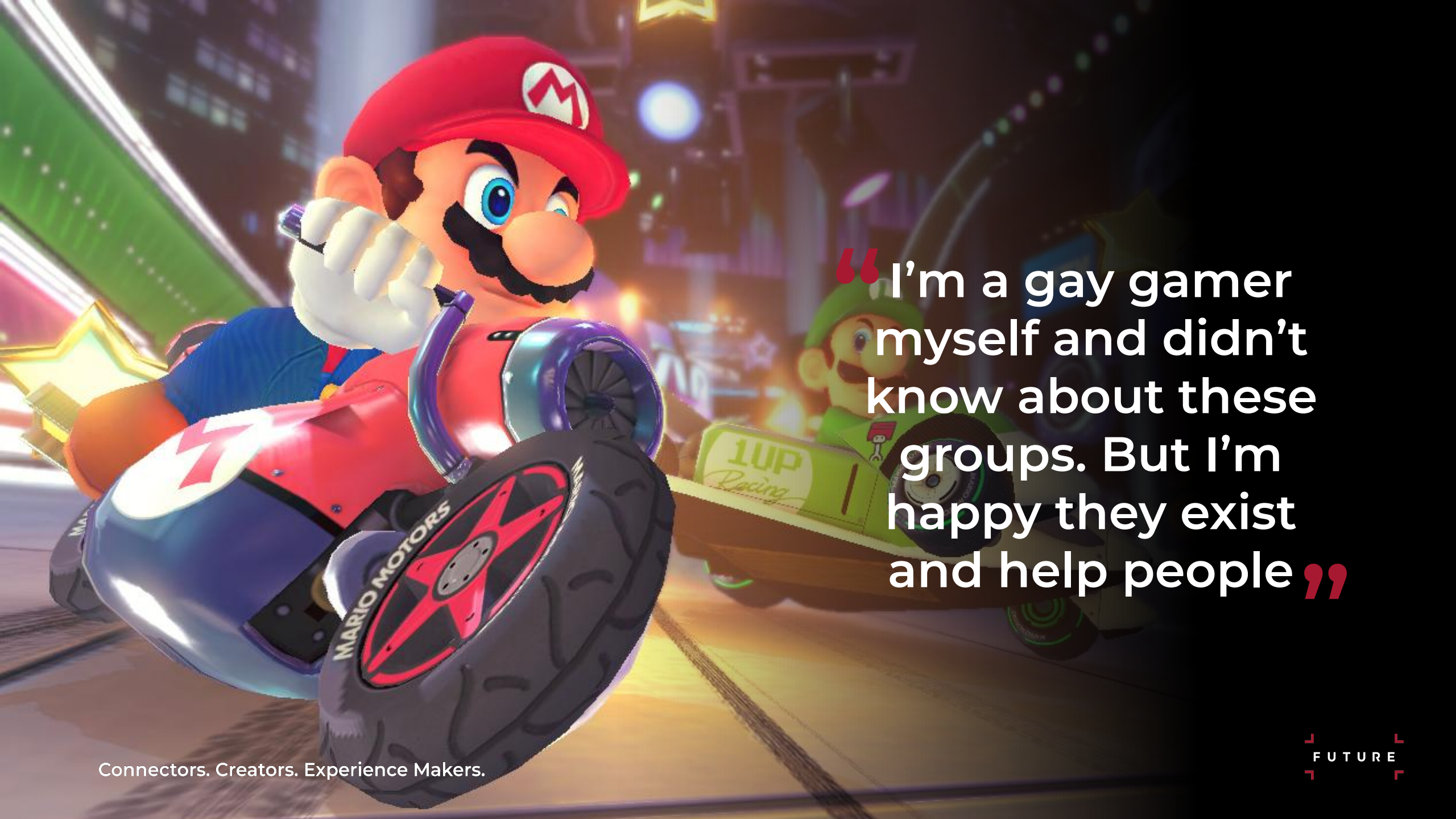
MANAGING CONTENT

Aaron Asadi

Managing Director, Magazines

“We change people’s lives through sharing our knowledge and expertise with others, making it easy and fun for them to do what they want”

“Thank you for getting me back into shooting and bringing my fond memories back of long ago!”



“I’m a gay gamer myself and didn’t know about these groups. But I’m happy they exist and help people”

“Just reading through the new issue of Classic Rock... My 10-year-old daughter is learning guitar – I’ll be showing her this magazine for inspiration”

What is Future Content?

FUTURE

Our Brands

Technology

techradar.
T3
Mac FORMAT
MAXIMUM PC
Windows Help & Advice
lifehacker UK
GIZMODO UK
IT ProPortal
MOBILE INDUSTRY AWARDS 2018
MOBILE CHOICE CONSUMER AWARDS 2017 POWERED BY techradar.

Gaming & Entertainment

gamesradar+
EDGE
TOTAL FILM
PlayStation Official Magazine - UK
retro GAMER
games™
PC GAMER PRESENTS PC GAMING SHOW POWERED BY intel
PC GAMER

Music

musicradar.
Guitarist
CLASSIC ROCK
TOTAL Guitar
COMPUTER MUSIC MAKE MUSIC NOW
METAL HAMMER
FutureMusic
THE LONDON DRUM SHOW 2017
THE LONDON BASS GUITAR SHOW

Creative & Photography

COMPUTER ARTS DESIGN MATTERS
The Photography Show
N Photo 100% NIKON 100% INDEPENDENT
CB CREATIVE BLOQ
net 3D WORLD
generate
FANTASY & SCI-FI DIGITAL ART ImagineFX
Digital Camera The definitive guide to SLR photography

Field Sports

AIRGUN SHOOTER
Clay SHOOTING
SPORTING RIFLE
GUN TRADE NEWS BRITAIN'S ONLY SHOOTING INDUSTRY PUBLICATION
The Airgun Show
BOW INTERNATIONAL
SID SHOOTING INDUSTRY DIRECTORY

Knowledge

HOW IT WORKS
ALL ABOUT HISTORY
World of Animals
All About Space
THE HISTORY COLLECTION
HISTORY of WAR
REAL CRIME

Home Interest

Real HOMES
Homebuilding & RENOVATING
PERIOD LIVING
Homebuilding & RENOVATING SHOW
plotfinder.net
PERIOD LIVING Beautiful English Cottages
Great British HOMES

Connectors. Creators. Experience Makers.

FUTURE

The Future Content Formula

Experts Creating Relevant Content

- Skilled creatives, experts in their field
- Essential to winning trust
- Future is a credible member of its communities
- Future's content must also be in-demand

Home of Real Talent

Astronomy

Future's space content is edited by Dr Gemma Lavender, recently awarded a PhD in Astrophysics and a regular speaker at astronomy events

Home of Real Talent

Guitars

Our Guitar Techniques content is edited by Neville Marten, an industry veteran who worked on Jimi Hendrix’s white stratocaster and played on stage with Gary Moore

Home of Real Talent

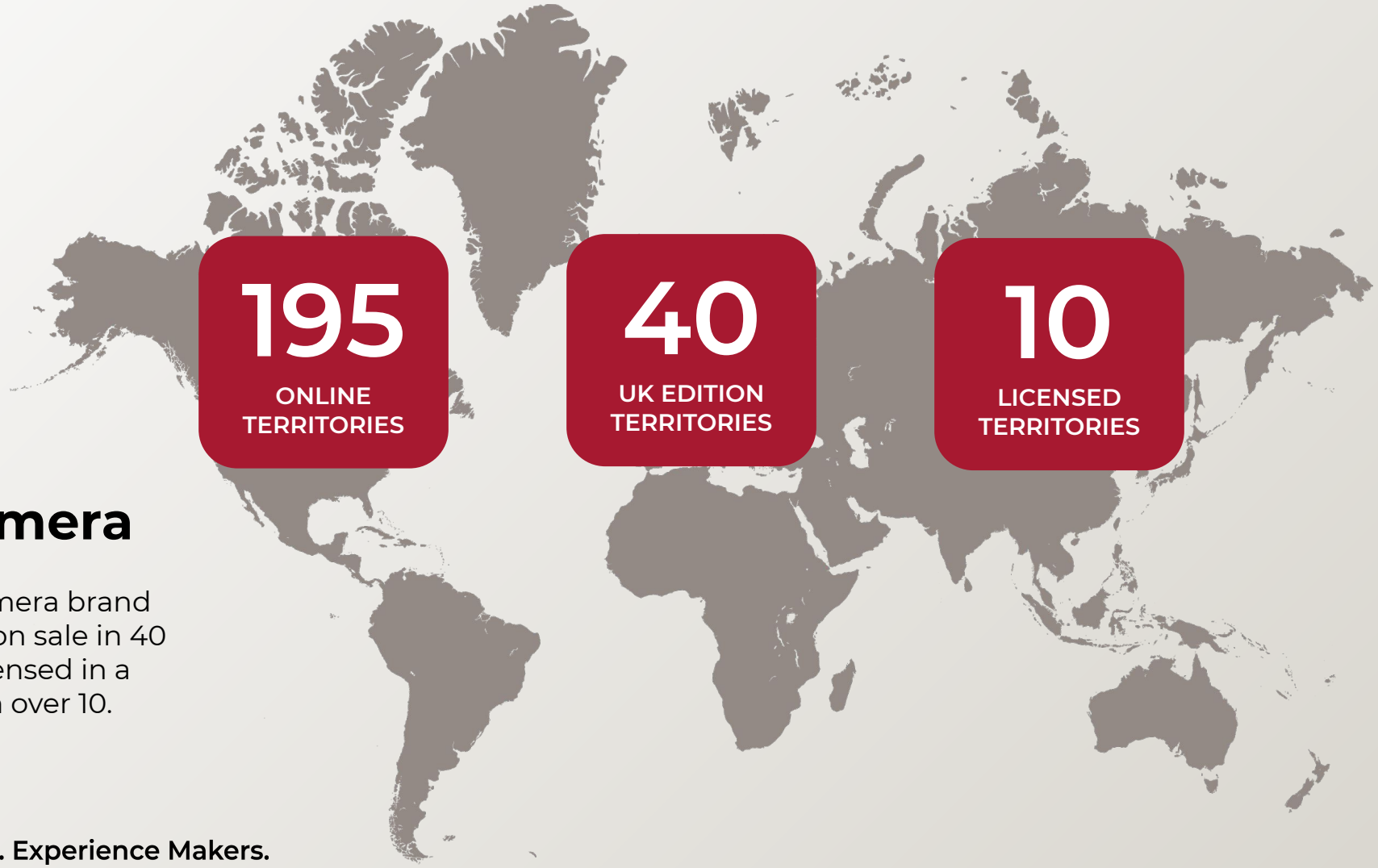
3D Art

The Editor of 3D World, Rob Redman, founded his own creative design studio, Pariah Studios, whose clients include McDonald’s and O2

Global & Evergreen Content

- Content is created for a worldwide audience
- Distribution spans the world
- Licensees from France to China
- Content with an extended half-life

Future Content across the World



Digital Camera

Future's Digital Camera brand has a print edition on sale in 40 countries and is licensed in a foreign language in over 10.

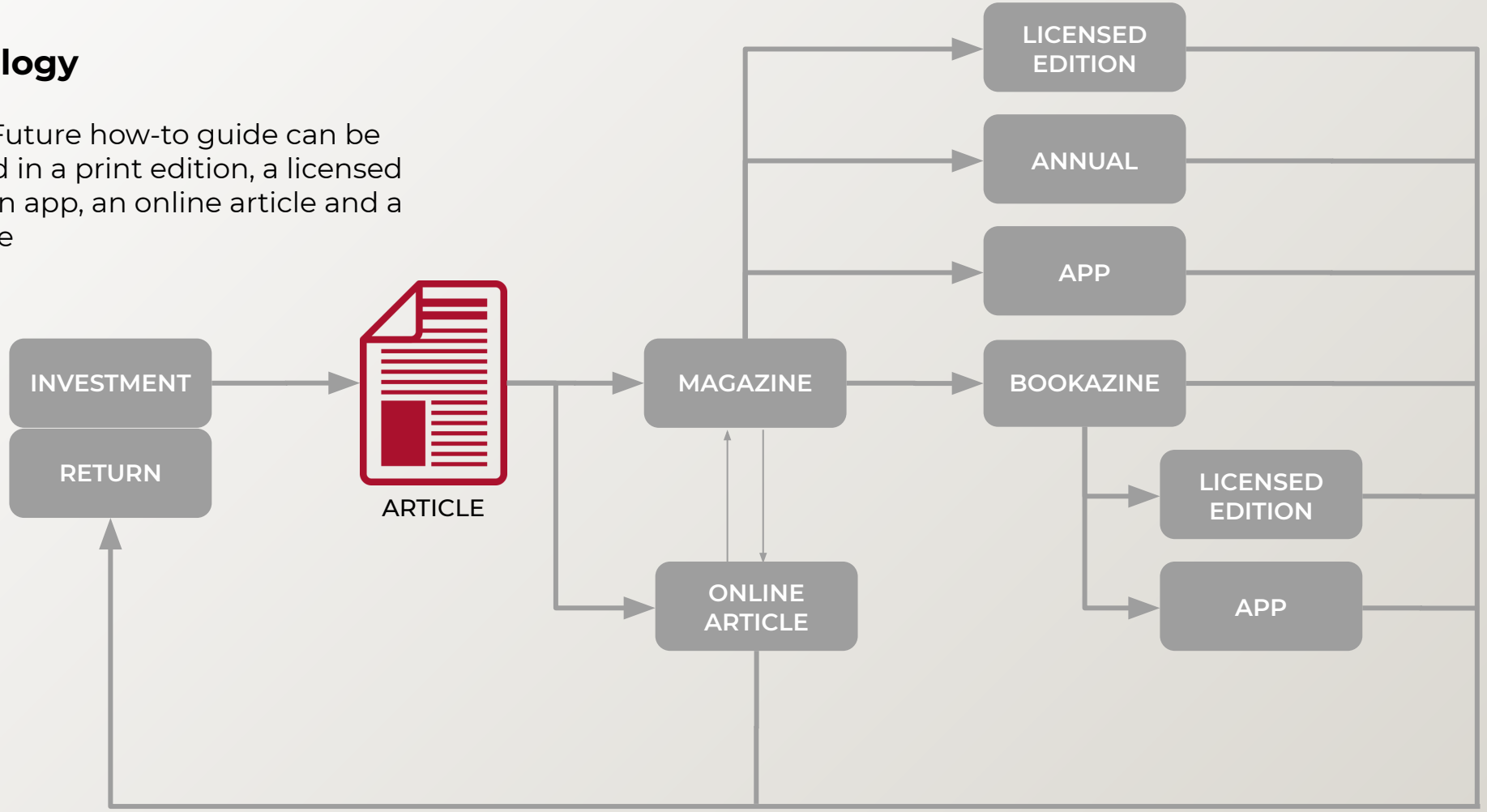
Content is Designed to be Platform-agnostic

- Audience need before format
- Content moulded to fit various platforms
- Future has transitioned from platform to platform
- Future welcomes the disruption of new platforms

The Lifecycle of a Single Piece of Content

Example:
Technology

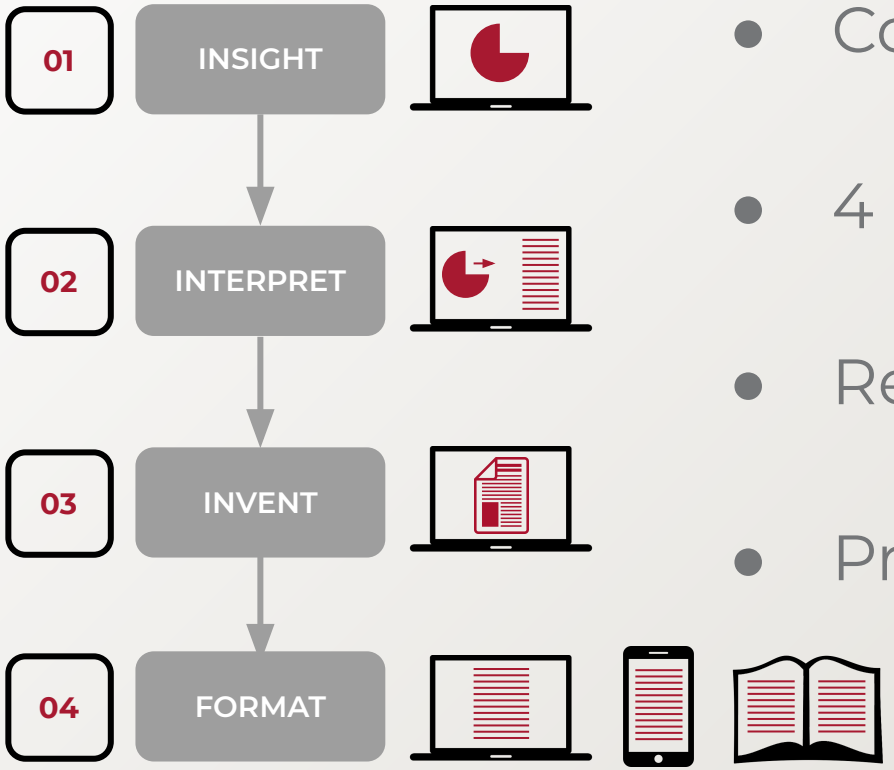
A single Future how-to guide can be published in a print edition, a licensed edition, an app, an online article and a bookazine



Powered by Excellent Rights-Management

- All in-house content is 100% Future-owned
- Able to re-use and license commissioned content across platforms
- Assets purchased from partners allow for maximum re-use
- Future's proprietary Source & Studio system makes re-use easy
- Investment in S&S sets it apart

How We Make Our Content Connect

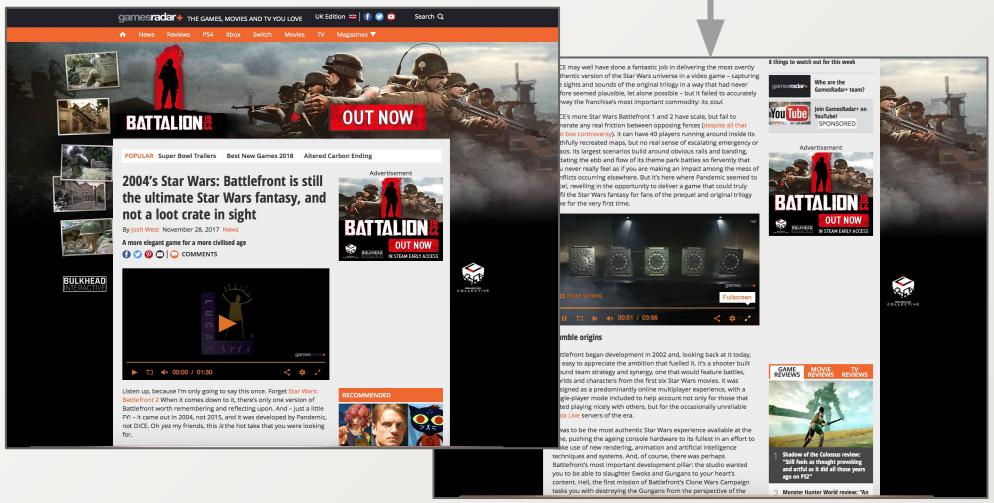


- Content created using a tested process
- 4 key stages
- Replicated across subject matters
- Proven to be scalable

From Format to Format

How one piece of access to a major release converts to online and print formats

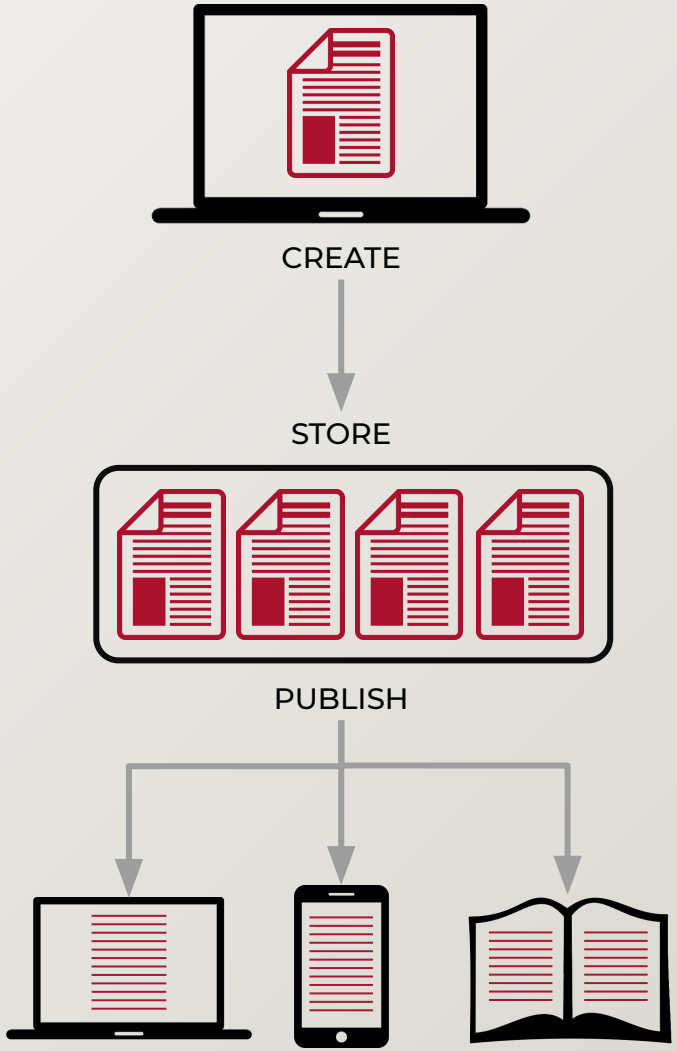
ARTICLE



- SEO-driven content on GamesRadar+ with video media included
- Designed for print and digital editions

The Future Content Model

- Genre-agnostic
- Suits myriad markets
- Works across platforms
- Create once, store and publish multiple times over
- Systematic, replicable at scale



How Our Content Creates Brands

- Content that connects with communities
- Reaches a vast audience
- Frequency rewarded with loyalty
- Loyalty builds our brand equity
- Future brands have trail-blazed a path for new ones

Virtuous Circle

- Brands that enjoy loyalty
- The community informs Future
- We learn from them as they learn from us
- Through connection, our content begins to power itself

COFFEE BREAK

COMMERCIAL SALES & THE CHANGING LANDSCAPE

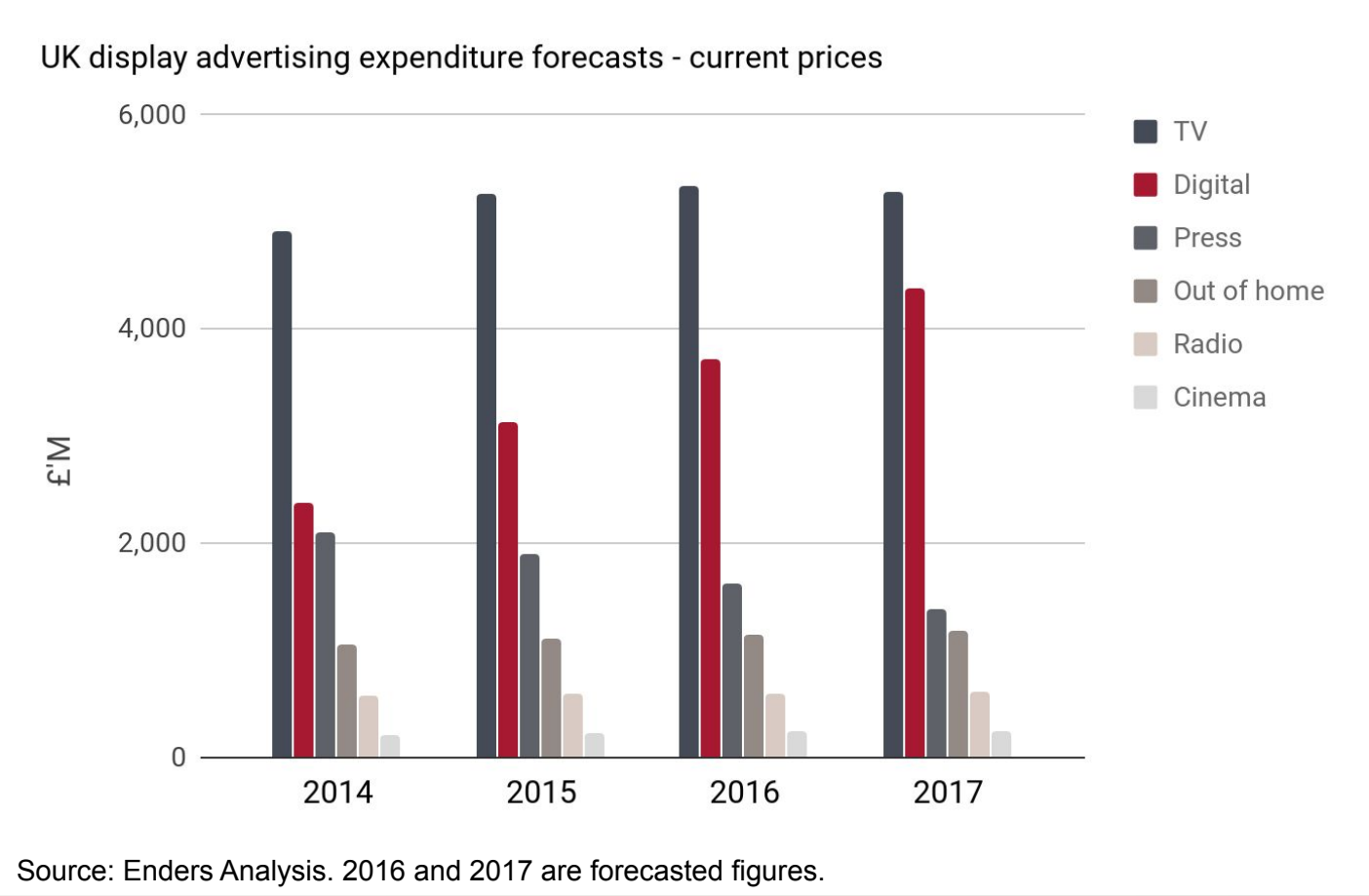
Clare Dove
Commercial Director

Zack Sullivan
Operations Director

AGENDA

- The changing media landscape
- The UK Commercial Sales Team
- Capitalising on Buy & Build
- Effective creative solutions
- Programmatic

The Changing Media Landscape



Source: Enders Analysis. 2016 and 2017 are forecasted figures.

PRINT
YouTube
SOCIAL
VIDEO
TV
MEDIA LANDSCAPE
AVERAGE TIME SPENT WITH ALL MEDIA HAS INCREASED
RADIO
flickr
Pinterest
SEO

> “ Half the money I spend on advertising is wasted; the trouble is I don't know which half ”

John Wanamaker (1838-1922)

Future's Media Landscape

- Specialist media is **the** market to be in:
  - Consumers look to specialist media to be inspired and to find new products within the framework of their area of special interest
  - We allow advertisers to reach targeted communities, globally, at scale

UK Commercial Sales Team

WE ARE ANYWHERE

AND WE WIN EVERYWHERE

34

sales people based in three of our UK offices

Connectors. Creators. Experience Makers.

FUTURE

Our Strategy

- Selling audiences and brands
- Client and agency relations
- Vertical strategy focused on core markets
- Focus where there is alignment between advertisers and our content

UK Commercial Advertising Objectives

Overarching objectives:

- Get a disproportionate share of media spend from the media market
- Grow unique revenues
- Develop revenues at a premium price point reflective of our brand strength and our unique audiences
- Take advantage from Buy and Build opportunities

Buy and Build Strategy

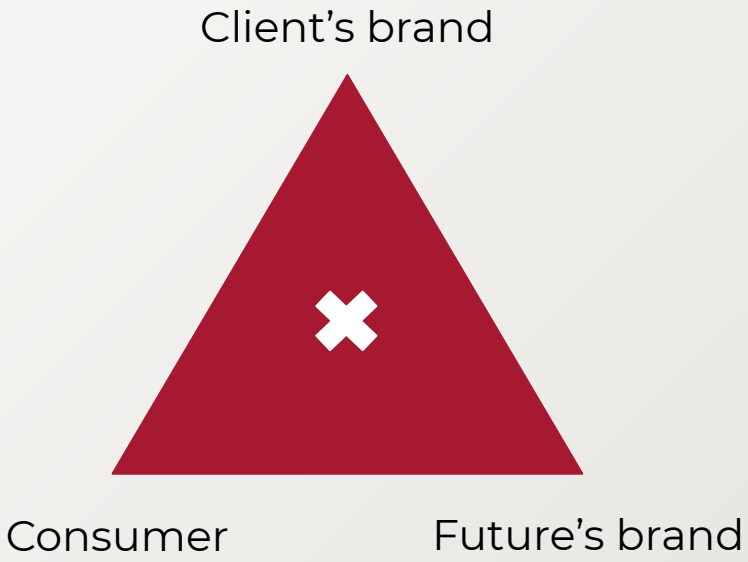
- Capitalise on new brands and scale our audience

- Seamlessly integrate acquisition brands into our structure
  - New Verticals
  - Integration into existing verticals

Effective Creative Solutions

53%

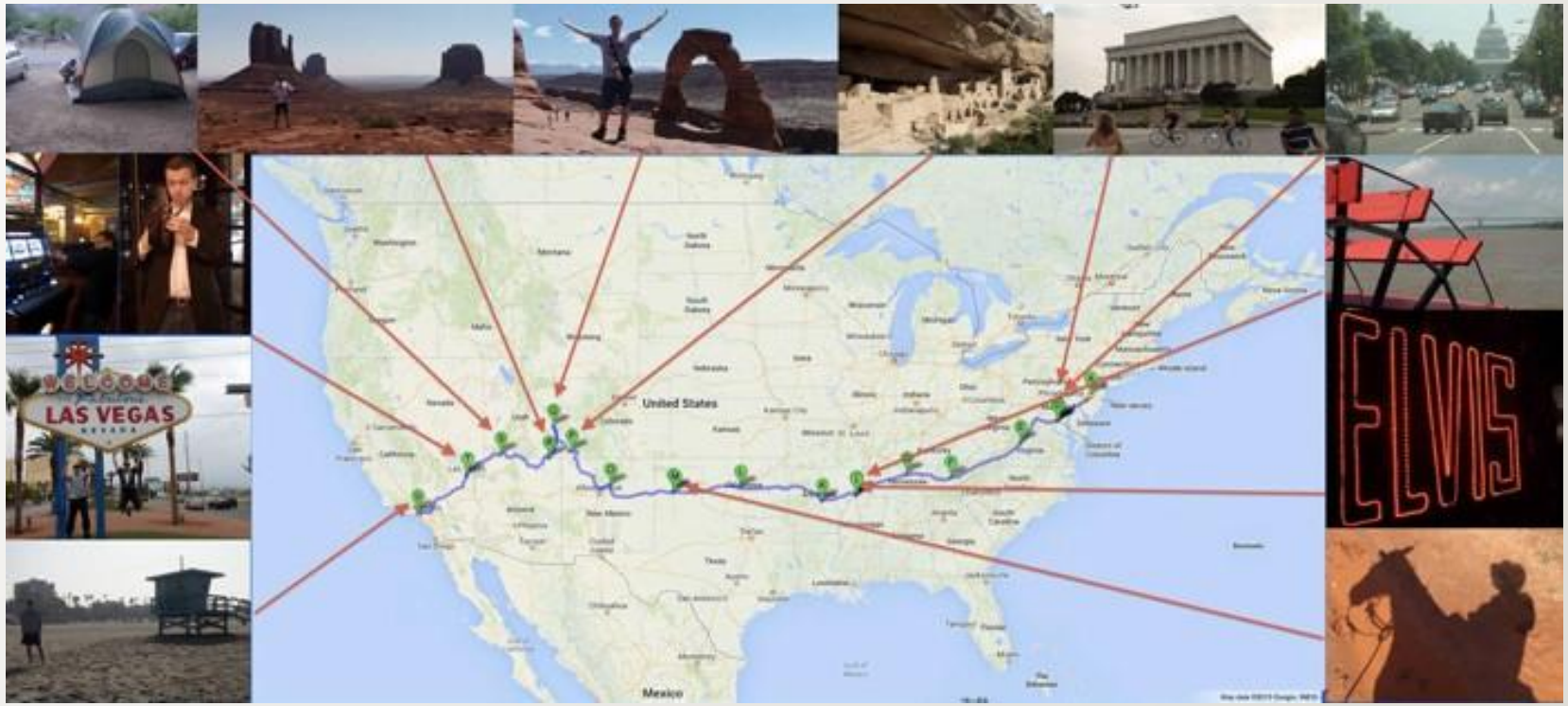
growth in creative solutions
(2017 vs 2015)



- A "creative solution" is an innovative, bespoke media solution that we create for our clients and agencies
- It consists of unique content and experiences that deliver on our clients' marketing strategies and simultaneously engages our audiences
- Delivers exceptional media stand-out and excellent return on investment

The USA Road to Consumer Electronics Show

The journey comprises of 8 stops, from Santa Monica, the start of Route 66, to New York City to arrive 8 days later at CES in Los Angeles

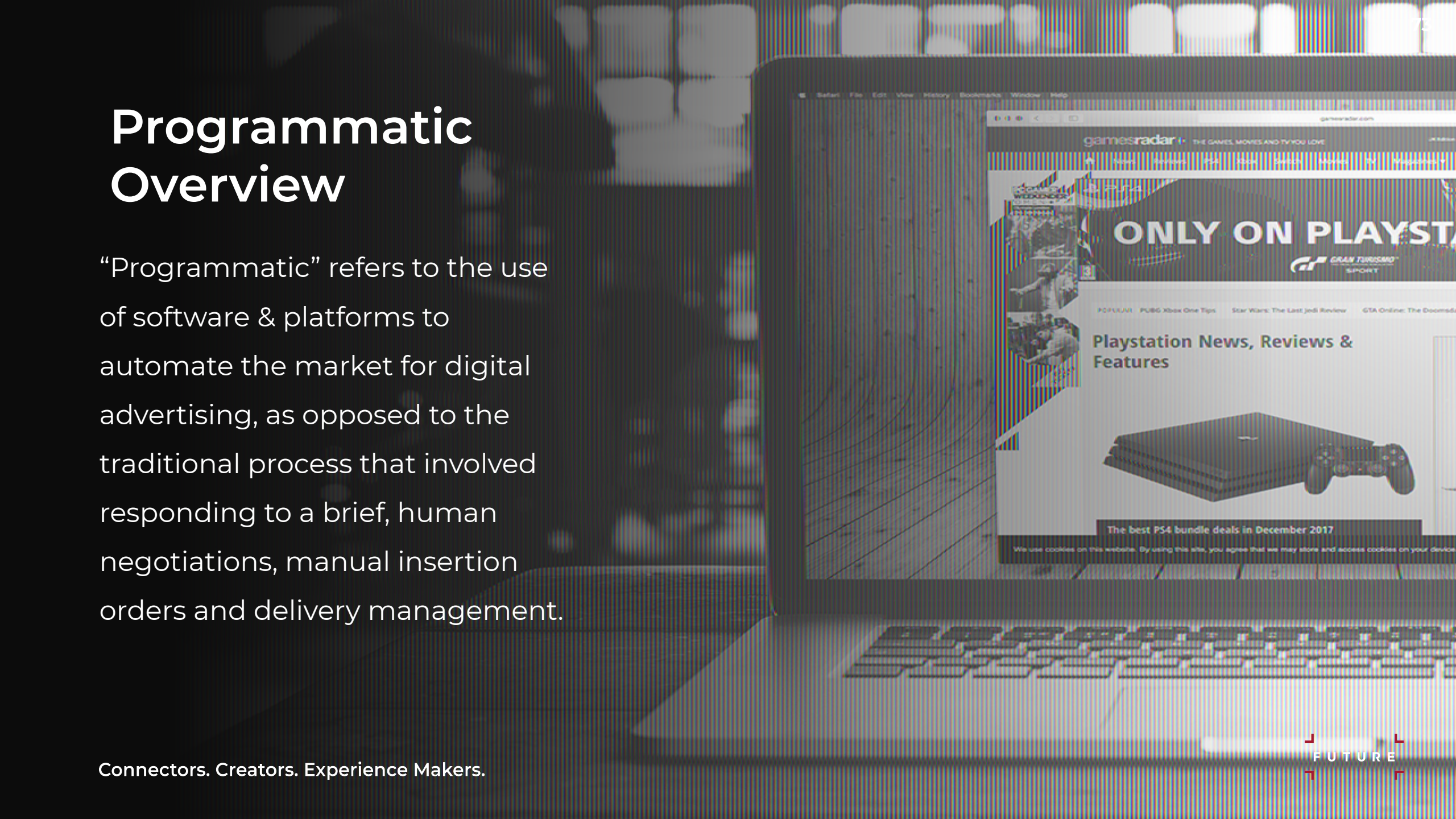


- LOS ANGELES
- LAS VEGAS
- MONUMENT VALLEY
- COLORADO
- TEXAS
- MEMPHIS
- WASHINGTON, D.C.
- NEW YORK CITY

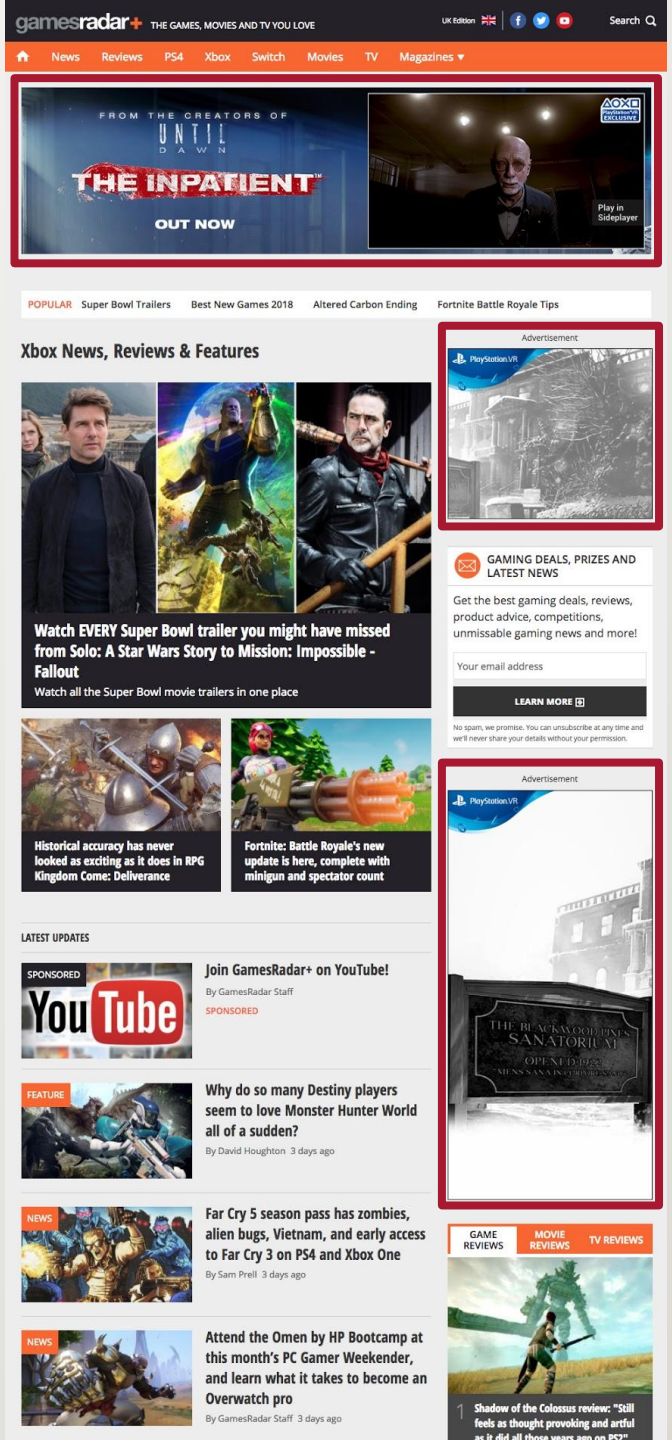
USA Road to CES

Programmatic Overview

“Programmatic” refers to the use of software & platforms to automate the market for digital advertising, as opposed to the traditional process that involved responding to a brief, human negotiations, manual insertion orders and delivery management.



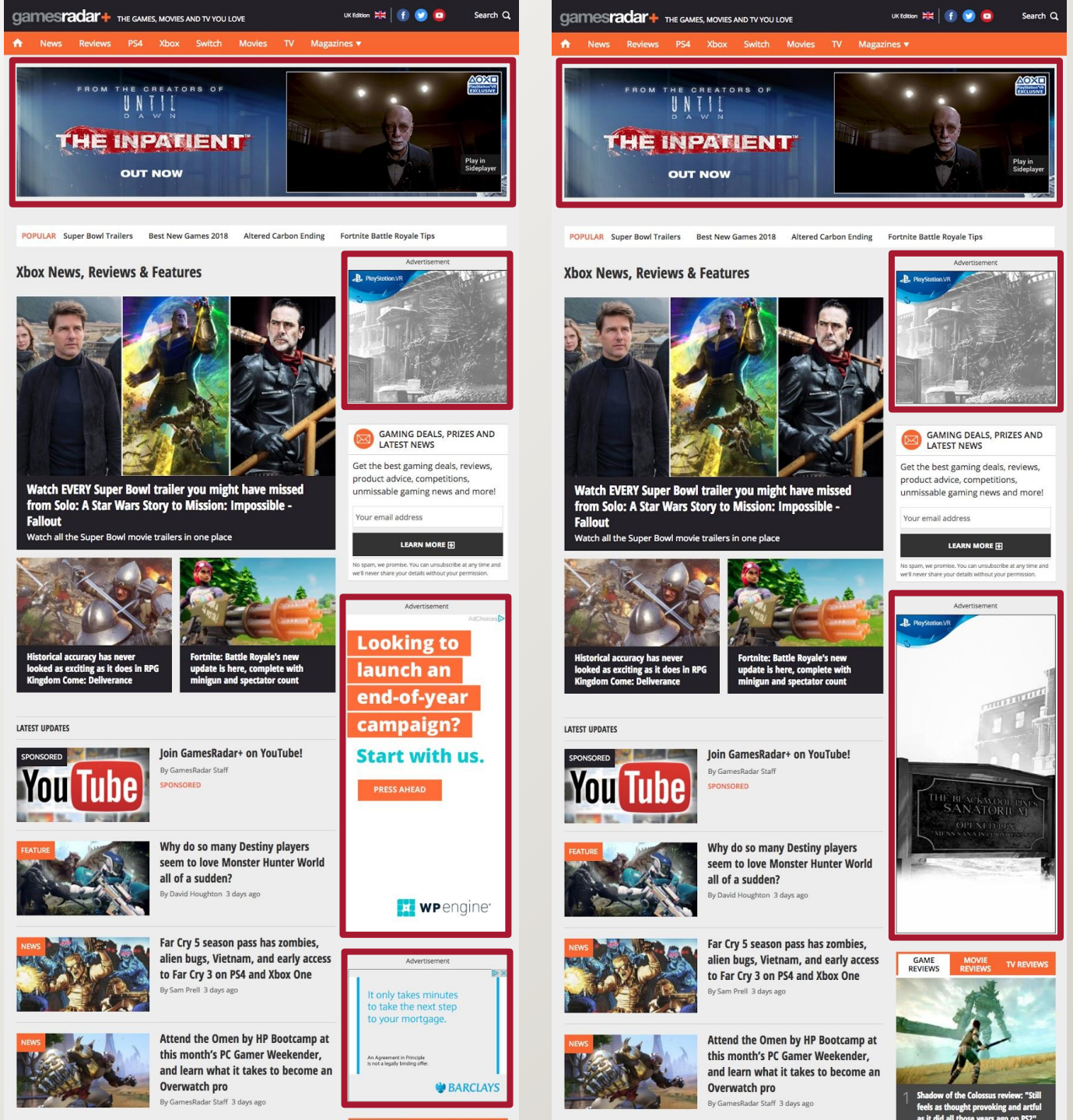
What we Sell



Connectors. Creators. Experience Makers.

FUTURE

The difference?



Connectors. Creators. Experience Makers.

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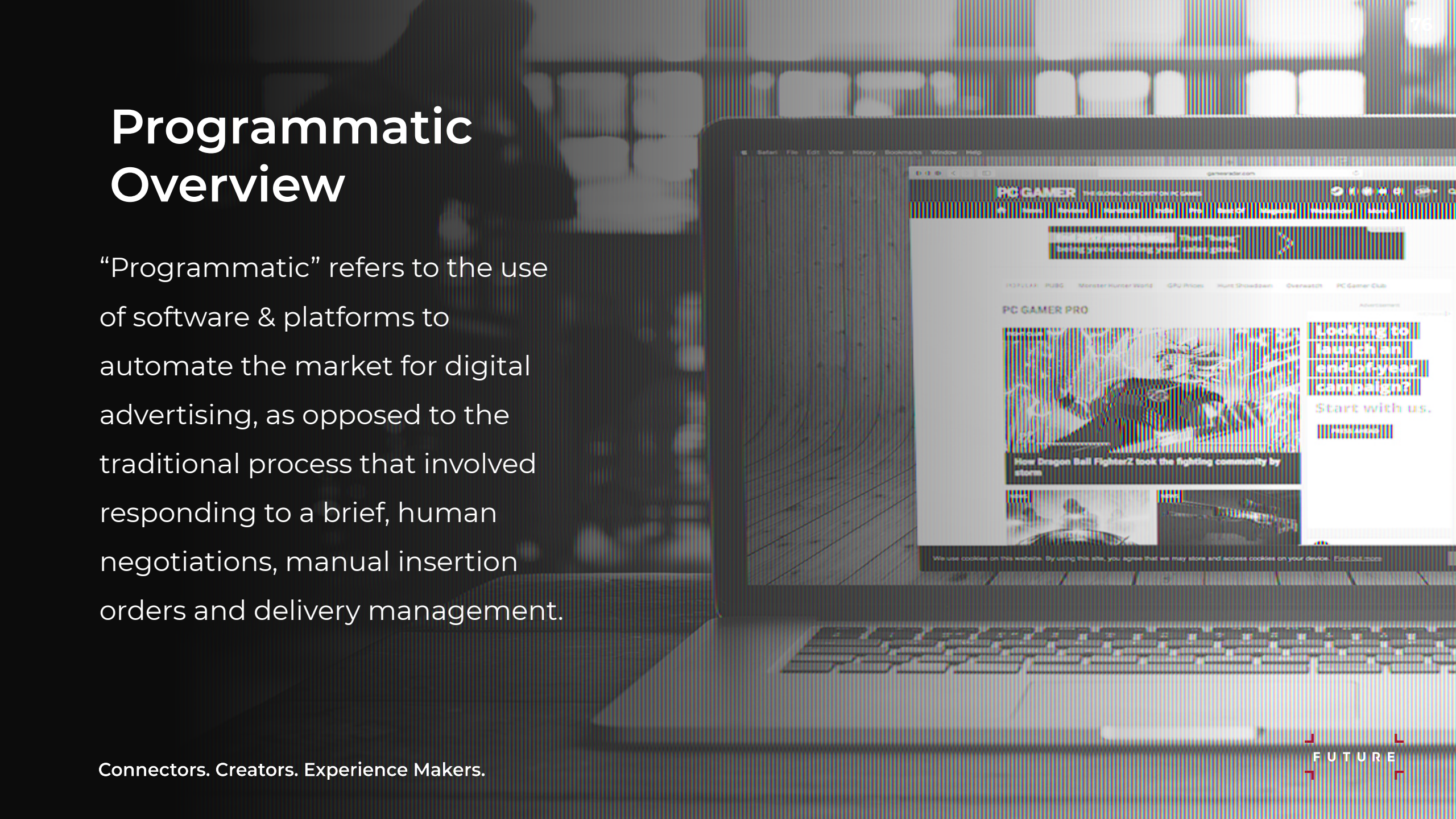
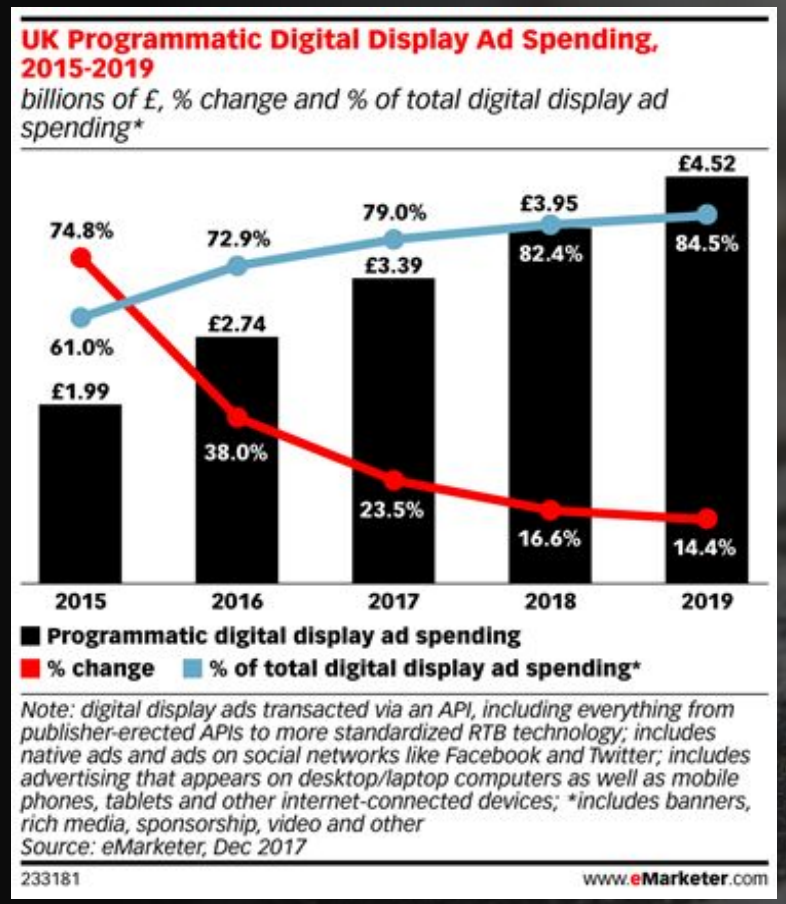
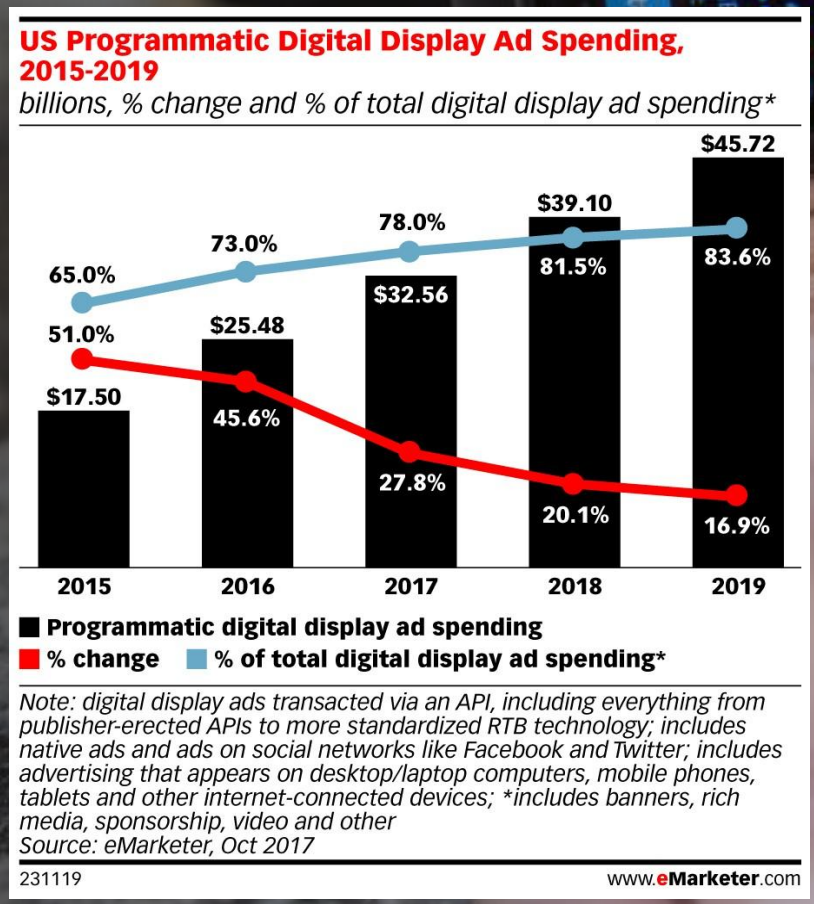


The Industry Trends





Programmatic - At Future

At Future we have two elements to our programmatic offering. Premium Programmatic and Open Auction / Real Time Bidding.

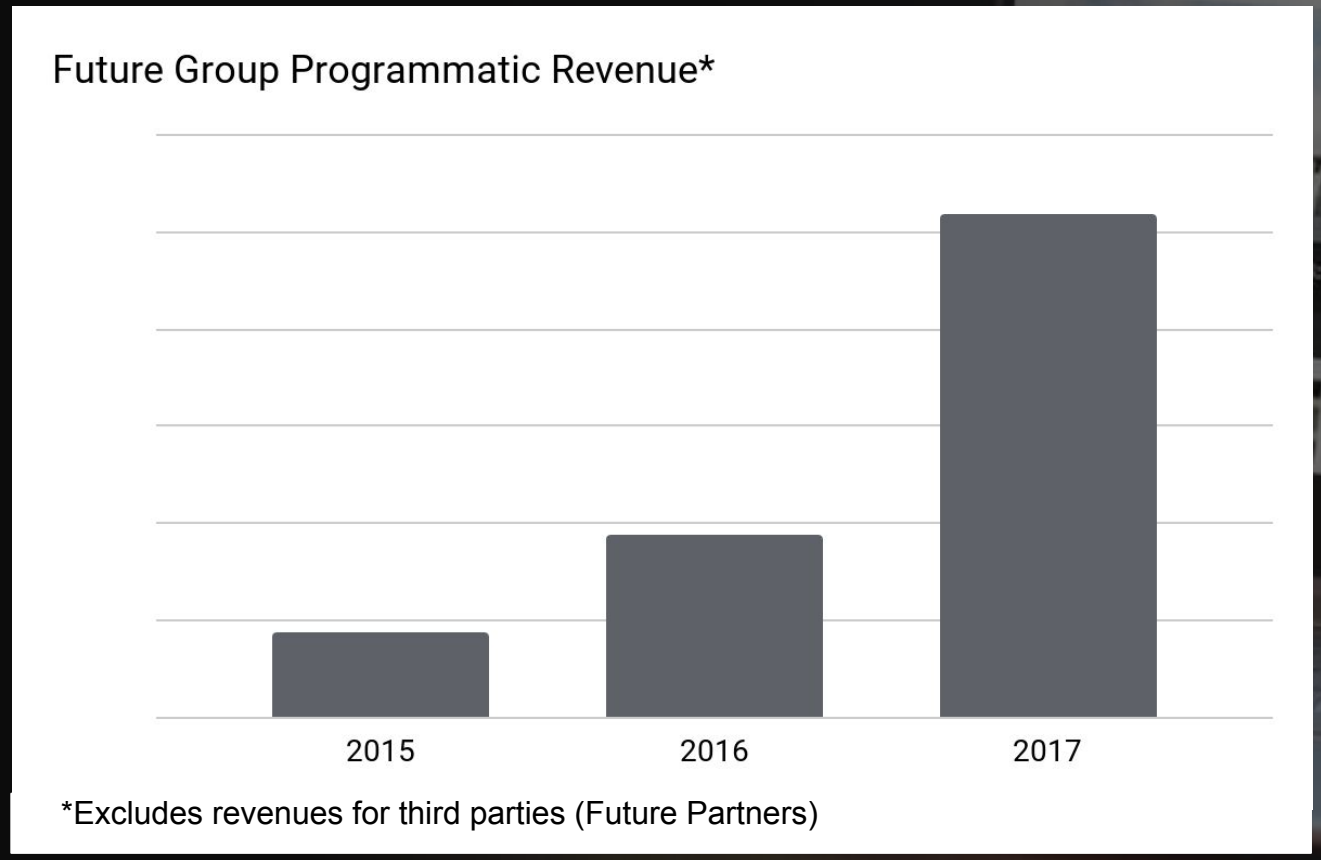
- Premium Programmatic
  - Automation of Delivery
  - Price or Quantity is agreed
  - Sold direct to buyers
  - First Publisher to run Programmatic Guaranteed

- Open auction / real-time bidding (RTB)
  - Buying, selling and delivery are automated
  - Prices are decided in real-time through an auction
  - The highest bidder wins the impression
  - Data used to qualify audience

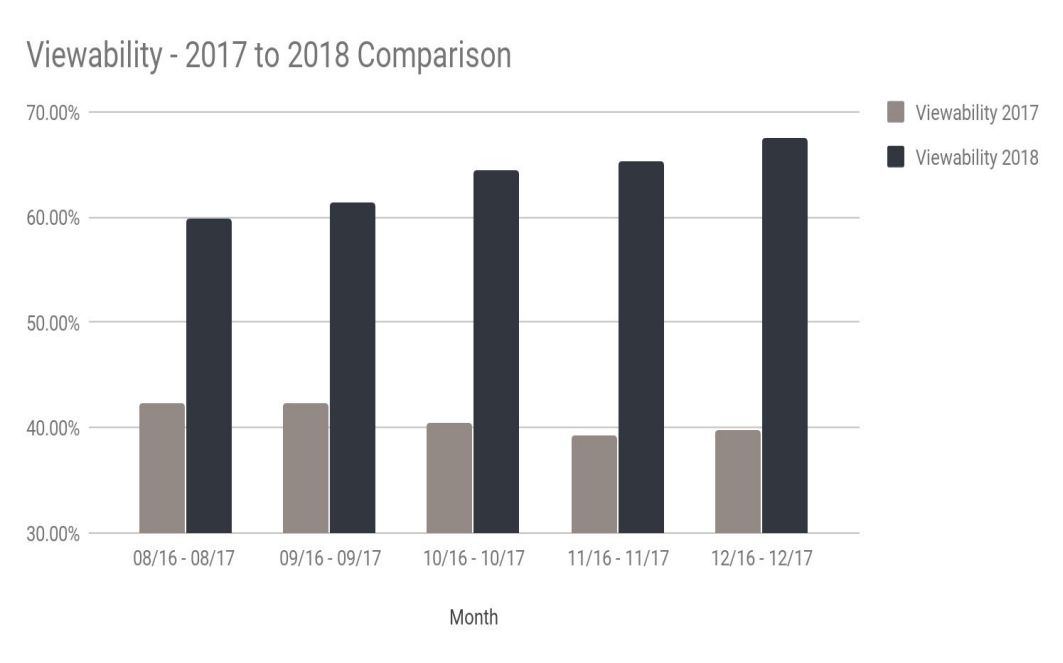
Programmatic - Value

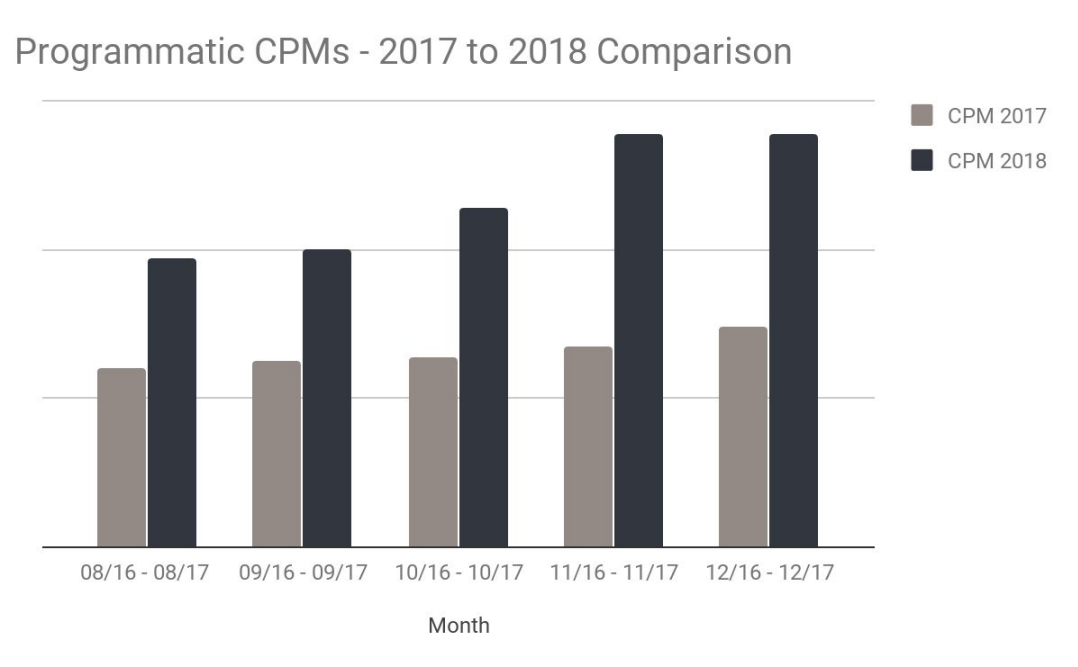
Ad Units Per Page X Page Views X Yield = Total Revenue

Programmatic - Growth at Future



Programmatic - Viewability





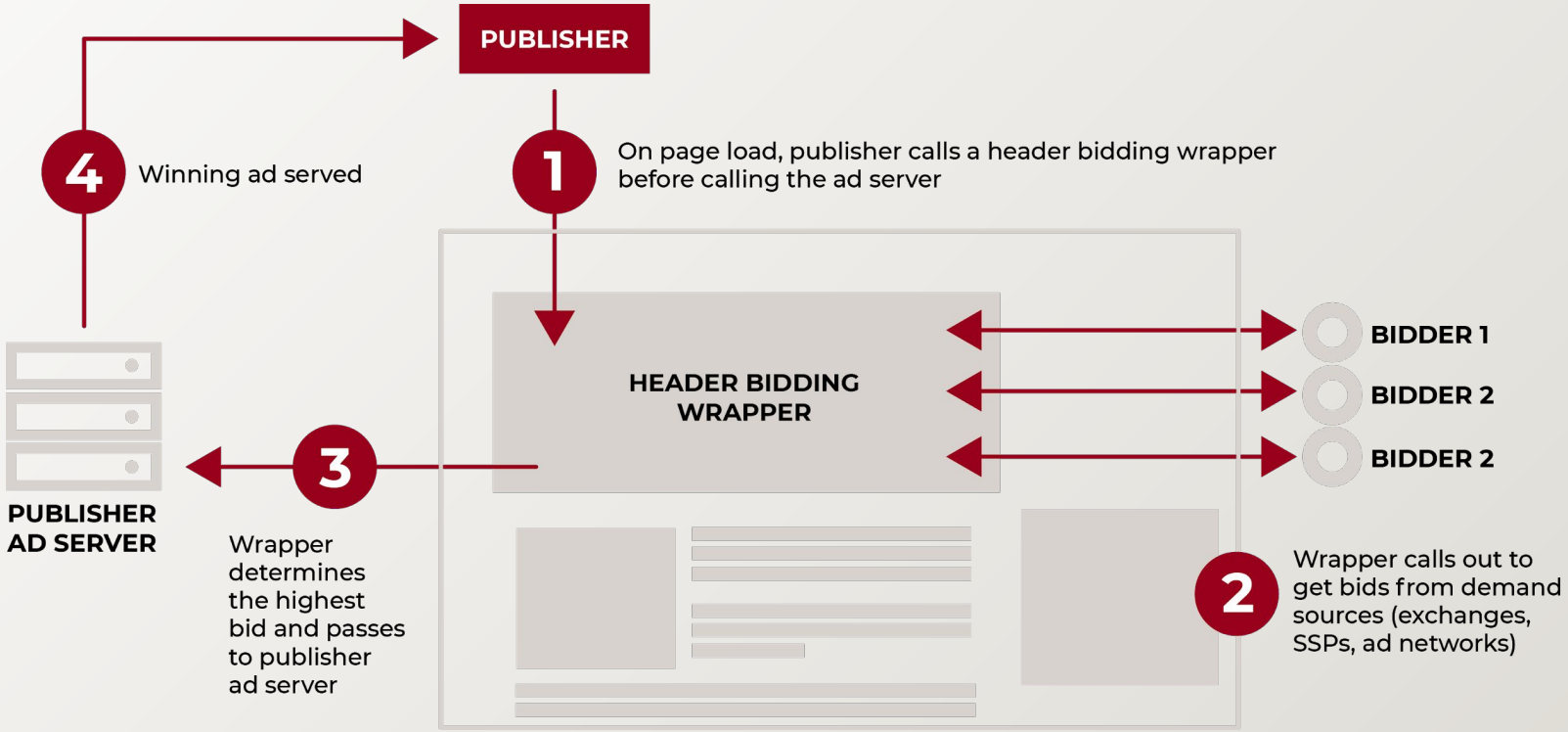
42% to 68%
increase in viewability

104%
Average YoY
increase in CPMs

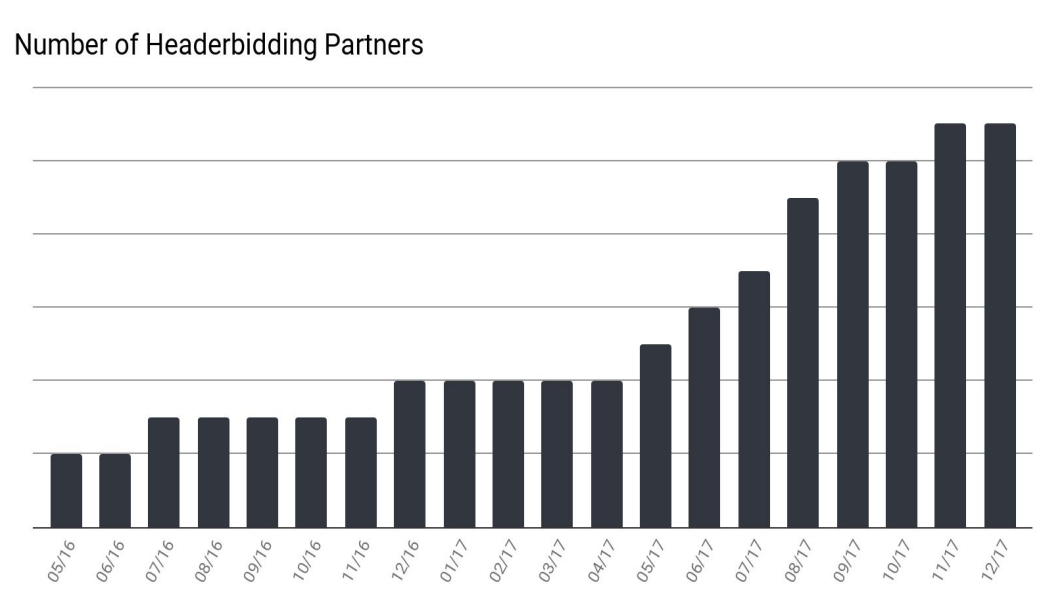
The viewability improvement impacts the ad impression per page element of our formula.

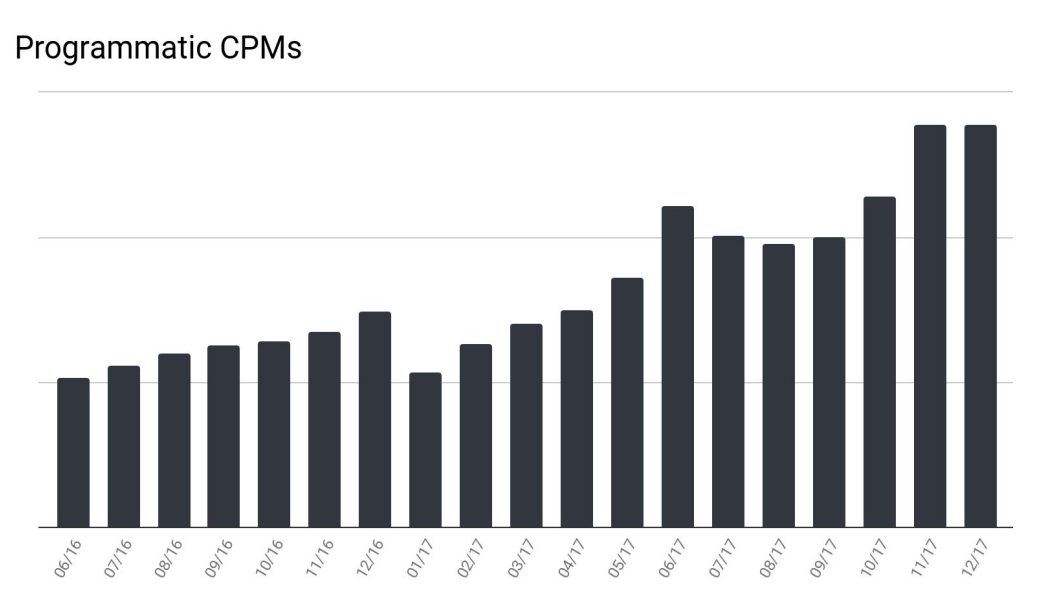
Programmatic - Drivers of Growth

Headerbidding allows ad inventory to be offered to multiple demand sources to bid on inventory simultaneously with the highest bidder winning the impressions. This drives up yield.



Programmatic - Headerbidding Impact





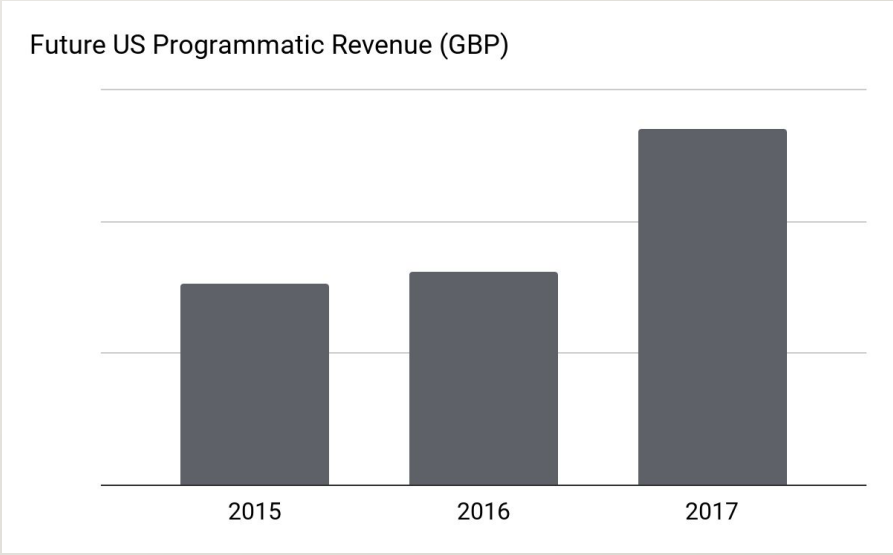
2 to 11
increase in partners

175%
increase in CPMs

Programmatic - Scalable Benefits

The benefits of this technology are:

- The team is based in the UK
- New Brands Launched or Acquired can be integrated benefiting immediately from the increase in delivery efficiency and yield
    - Home Interest programmatic increased 480% in 4 months
- Open Auction monetization is automated, continually working 24/7
- Capitalises on changes in demand
- Does not require additional team members to take on manage more brands / impressions
- Managing the influencing factors creates consistency to revenue



Summary

Commercial Sales

We have a winning sales team set up to meet buyers needs

We are anywhere and win everywhere

Growth in Creative Solutions

Programmatic

We expect growth in the industry to continue

Through Formulaic thinking we can manage our growth effectively

Improving demand and quality has increased revenue

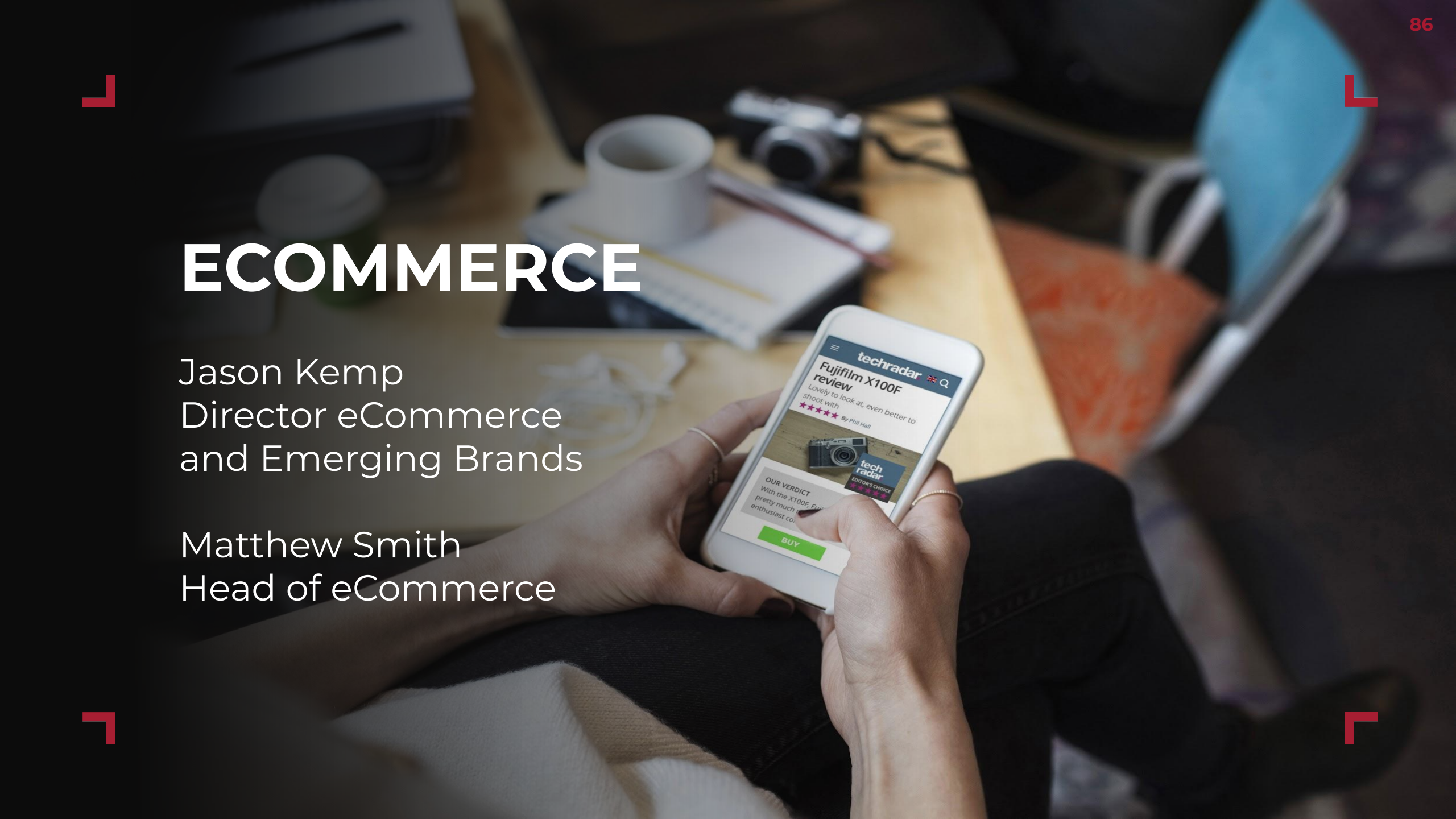
Benefits are scalable through automation

It presents great opportunities to Future

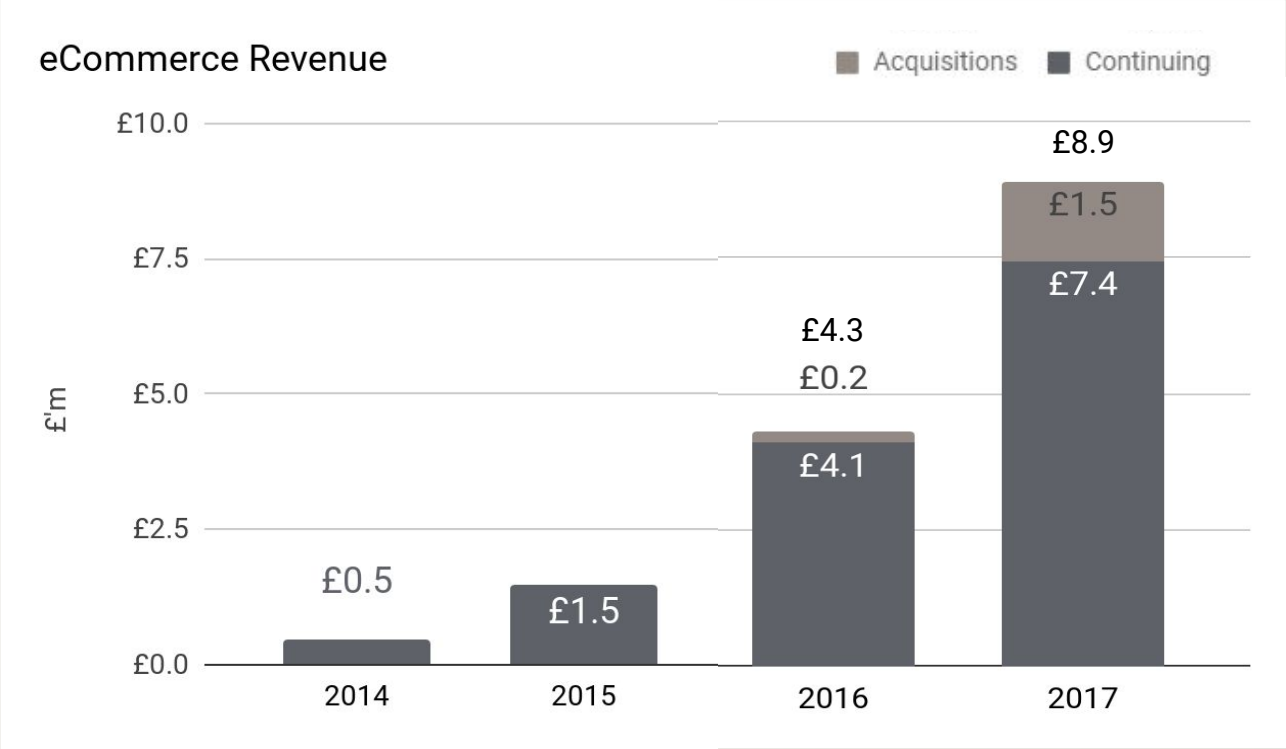
ECOMMERCE

Jason Kemp
Director eCommerce
and Emerging Brands

Matthew Smith
Head of eCommerce



eCommerce Performance



A new source of revenue in **2014**

Grown **from £0.5m** in 2014 **to £8.9m** in 2017

+161% CAGR from 2014 to 2017

FUTURE HAWK

What is eCommerce at Future?

- Future's editors are skilled at writing content that connects, and meets our users' needs.
- For 33% of our audience who land on Future's sites to read a product review, buying guide or deals post, this need is related to making a purchase decision.

"Is this the right product for me?"

What is eCommerce at Future?

- Where the answer is ‘yes’, then it becomes the role of the eCommerce team to connect further with our audience by answering their next question:

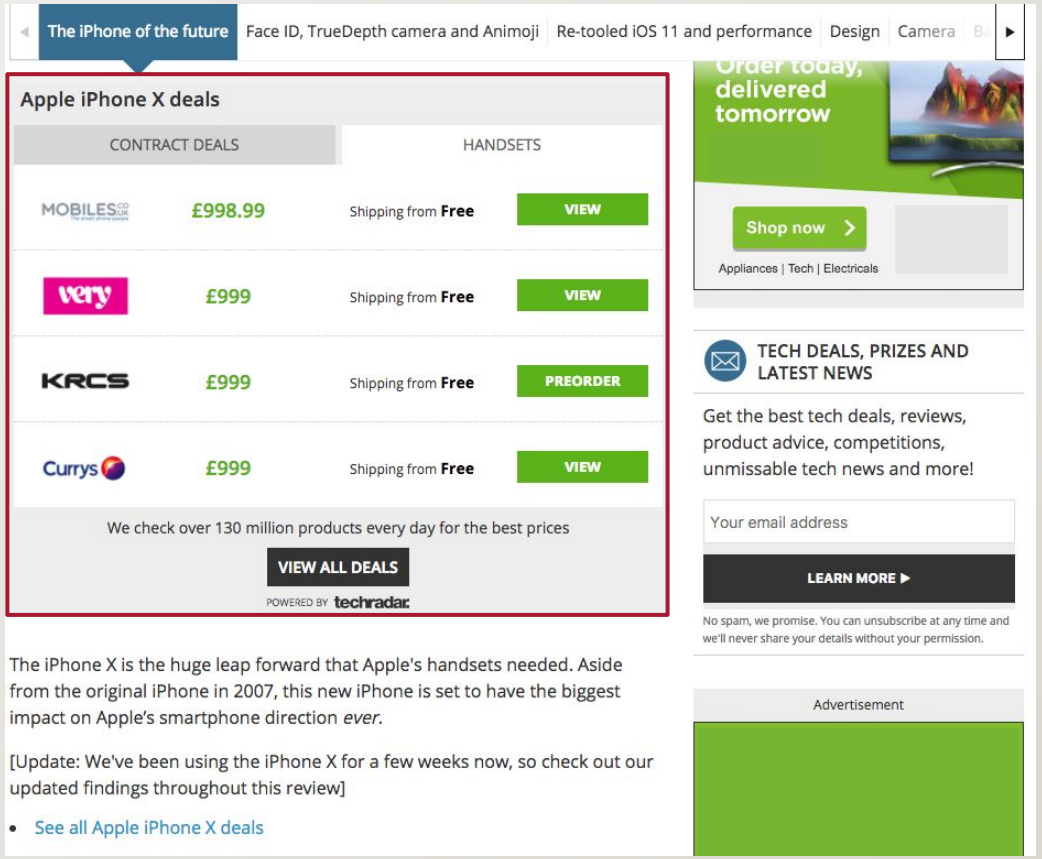
- “Where can I buy this product, either for the best price or for the best value at a trusted retailer?

What is eCommerce at Future?

- In 2014 we helped answer this question by creating a proprietary piece of eCommerce price comparison software called Hawk.

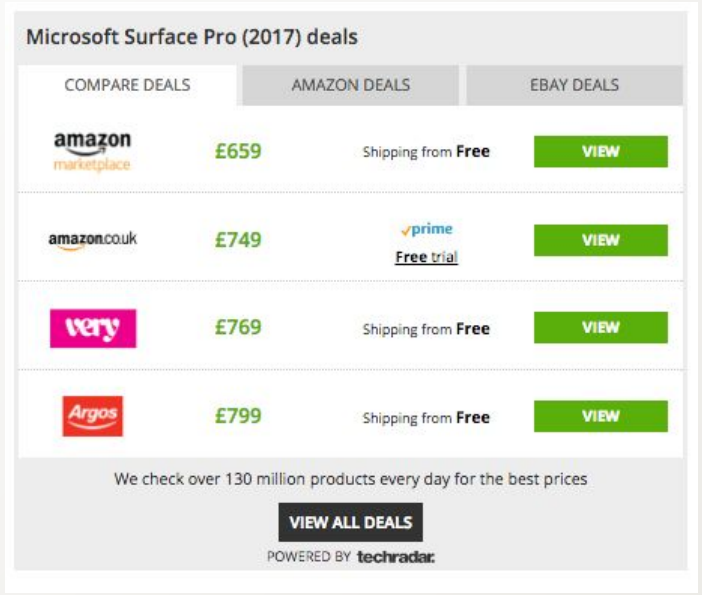
- Hawk allows us to identify the most relevant retailer deals. We can then show them to our audience at the points in our content that we have learnt are most likely to helped them reach the “yes, this is the right product for me” moment.

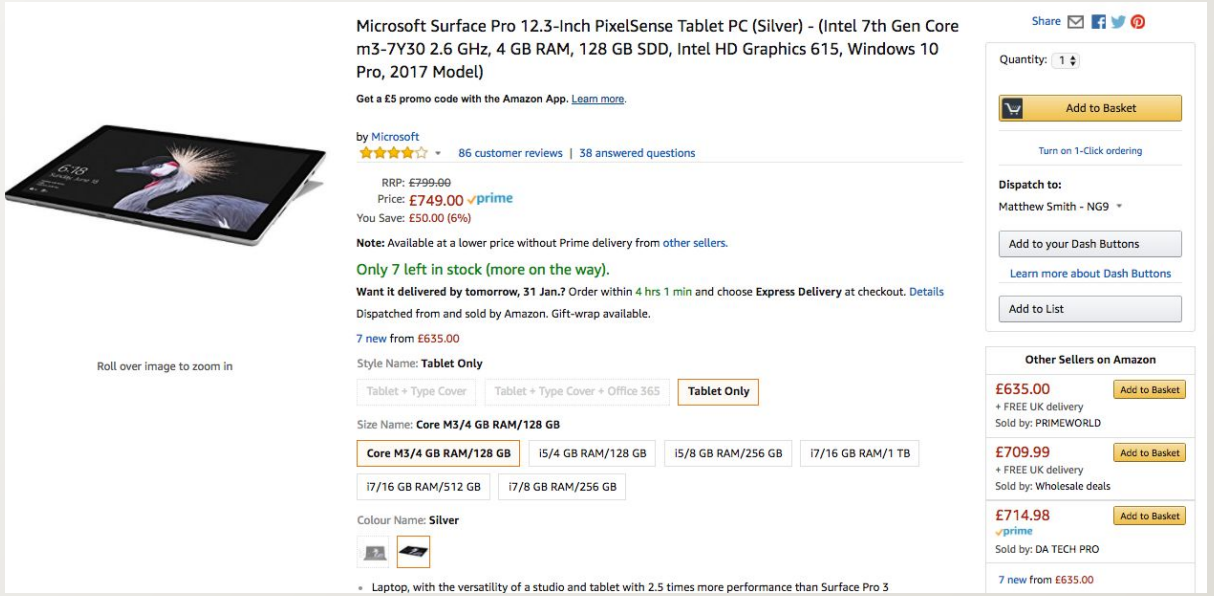
- Fast forward to today and we now work with 7,285 global retailers, and a database of 250m products, the prices of which are updated a minimum of three times a day.



FUTURE HAWK

What is eCommerce at Future?





It is when a reader of our content clicks out to one of our retail partners from a link on our page and purchases the product of their choice, that we generate eCommerce revenue.

What is eCommerce at Future?

eCommerce fits perfectly with our global audience strategy of **D**iscover, **E**ngage, **P**urchase:

Readers **D**iscover our content through searching for the buying terms that matter to them.

Our content **E**ngages them with expert and easy-to-understand buying advice.

Hawk then facilitates a **P**urchase by showing the user the best prices at the most respected retailers.

FUTURE HAWK

Incremental Revenue

eCommerce means that we can monetise our audience twice in two **complementary** and **non cannibalising** ways.

1. Ads
2. eCommerce

For example, on the page opposite, our ‘Best Laptops’ page in December:

- Ad revenue was at £9.44 per 1000 Pageviews
- eCommerce revenue was £21.74 per 1000 Pageviews
- Making the total £31.18 per 1000 Pageviews

eCommerce has made that page three times as valuable, whilst also adding value to our audience by connecting them to retailers at the point of purchase, improving their experience.

FUTURE HAWK

What is eCommerce at Future?

eCommerce at a publisher differs significantly to eCommerce in a retailer in the following ways:

	Retailer	Future
Handles the transaction?	**Y**	**N**
Capital tied up in stock?	**Y**	**N**
Stock risk?	**Y**	**N**
Investments in buying, merchandising, logistics?	**Y**	**N**
Earns full gross margin on the product?	**Y**	**N**
Earns a commission for informing the customer and generating the lead?	**N**	**Y**

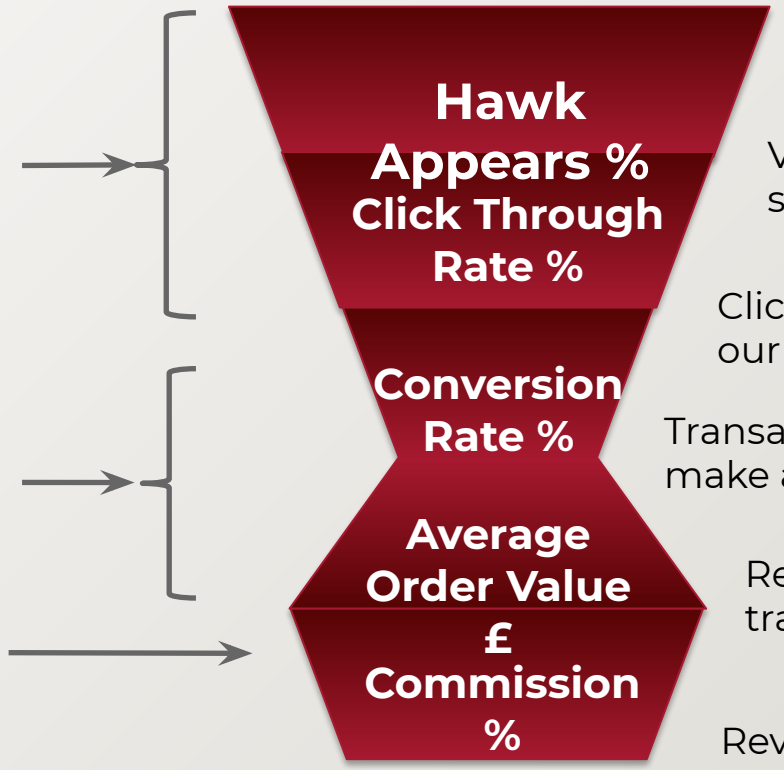
- Retailers value working with us because we add value to their value chain
- They only pay us when there is a successful transaction, making it a risk-free relationship
- Both us and our retail partners are equally incentivised to maximise the opportunities to drive sales

What is eCommerce at Future?

Writing content that connects, coupled with a relevant Hawk proposition, drives the top of our funnel

It is the retailer's role to ensure that they maximise their Conversion Rate Optimisation and average order value

We work together with the retailer to identify the commission % that maximises the opportunity for us both



Visitors to a page

Visitors that get to see Hawk

Clicks generated to our retail partners

Transactions our retail partners make as a result of these clicks

Retail value of these transactions

Revenue we generate

eCommerce in Context

- **In 2017 we drove an average of 165,000 sales a month for our retail partners.**

- The average order value of these transactions was more than £70, and this generated around **£147m of retail sales value** for our partners.

- To put that in context, that represents:
  - **1 laptop** sold through our sites every seven and a half minutes.
  - **33,000** Phone & Broadband contracts sold
  - **12,700** Smart Home Devices Sold (one every 45 mins)

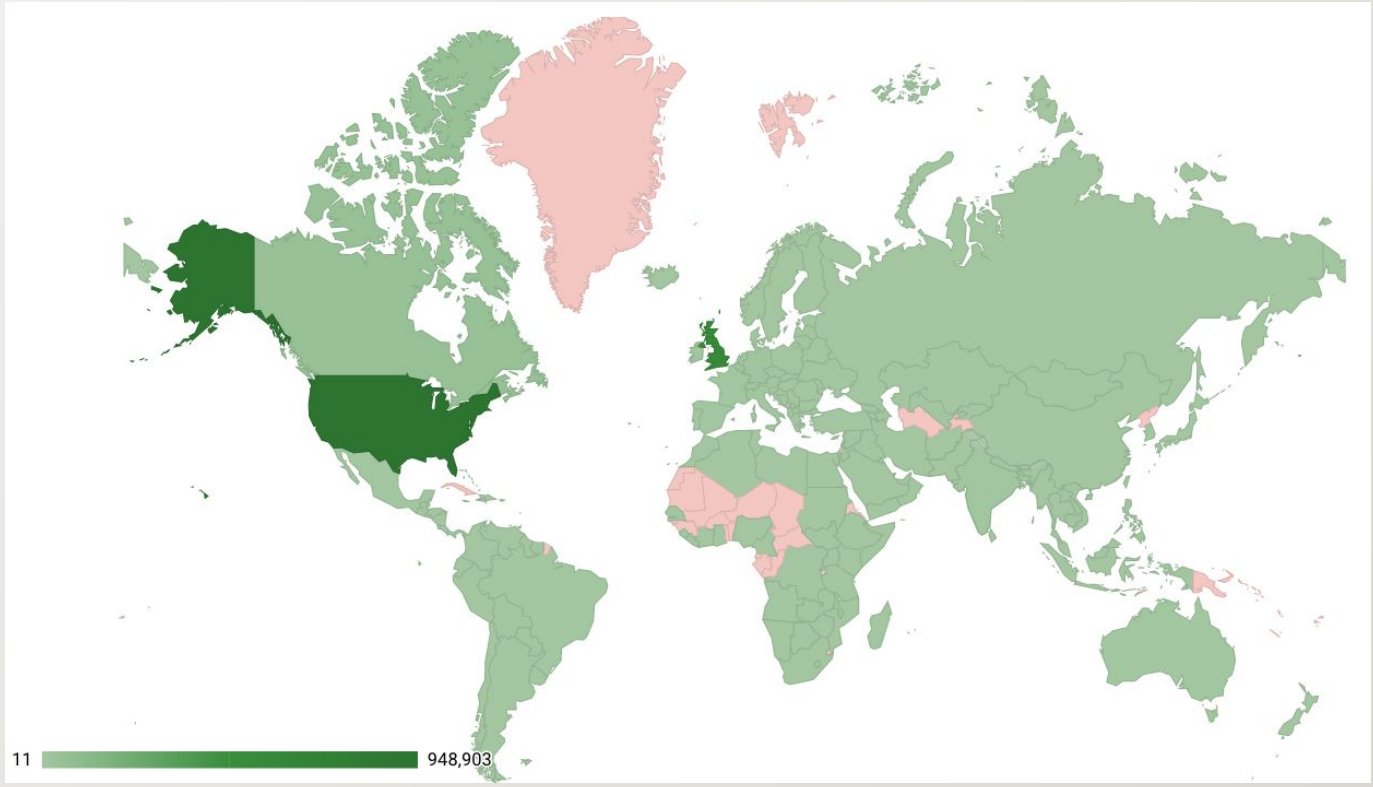
eCommerce is Global

eCommerce is also a global revenue stream for Future, allowing us to facilitate transactions wherever our audience is by matching them with local and global retailers.

amazon Walmart

ebay John Lewis

SOUQ.com Flipkart



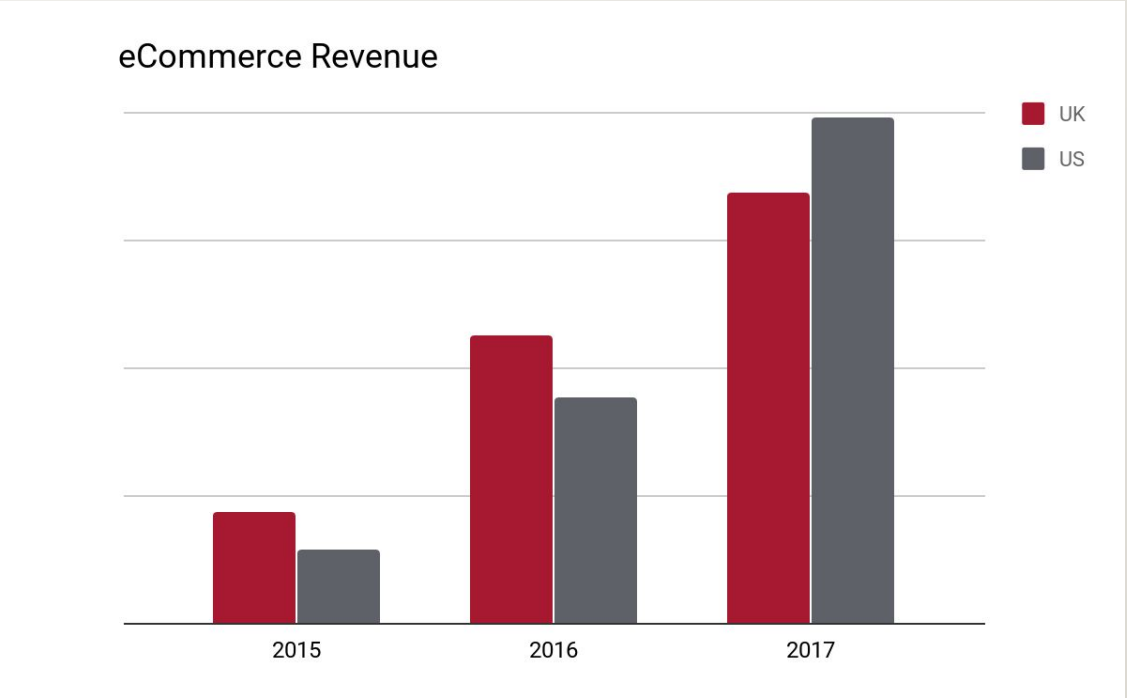
Our Focus on the US

The US is a key focus for us right now. We've grown it to the largest single territory for eCommerce total revenue in the last year.

The US has:

- 5 times the UK Population
- Twice the UK audience on Future sites
- Yet every 1000 users in the US are monetised via eCommerce at only 52% of every 1000 in the UK

Getting the US audience monetisation to parity with the UK also gives us significant scope for further growth.



Data at our Core

eCommerce at Future is immensely data driven.

With our visitor volumes we have large data sets to analyse and interpret, enabling us to identify areas where we can better meet our user's needs and drive the sales funnel as a result.

50m
Monthly Unique Users

3.3m
Clicks Through Hawk

10,000s
of different products bought

1,000s
of retailers

FUTURE HAWK

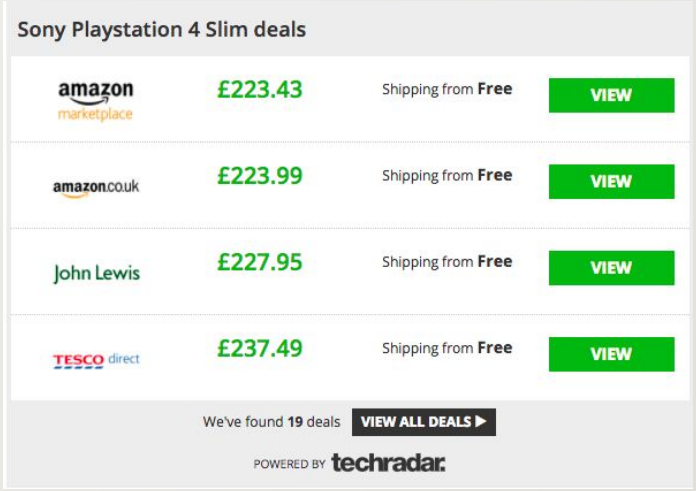
Data at our Core

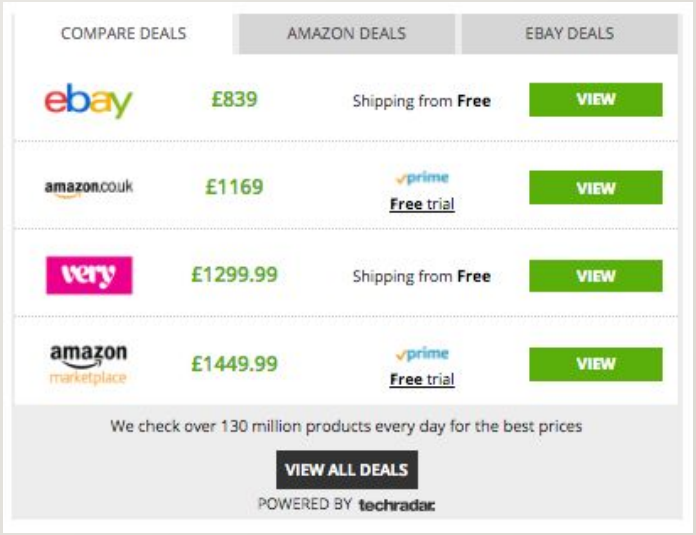
Within this data we look for opportunities to drive revenue, and are constantly running A/B Testing to make sure we're best meeting our user's needs and driving sales.

For example, we gained insight from click data that a subset of users in the UK were looking only for Amazon deals, and yet another subset for second-hand deals.

We trialled adding an eBay & Amazon tab to our review widget.

The new version increased transactions in the UK by a huge **44%.**

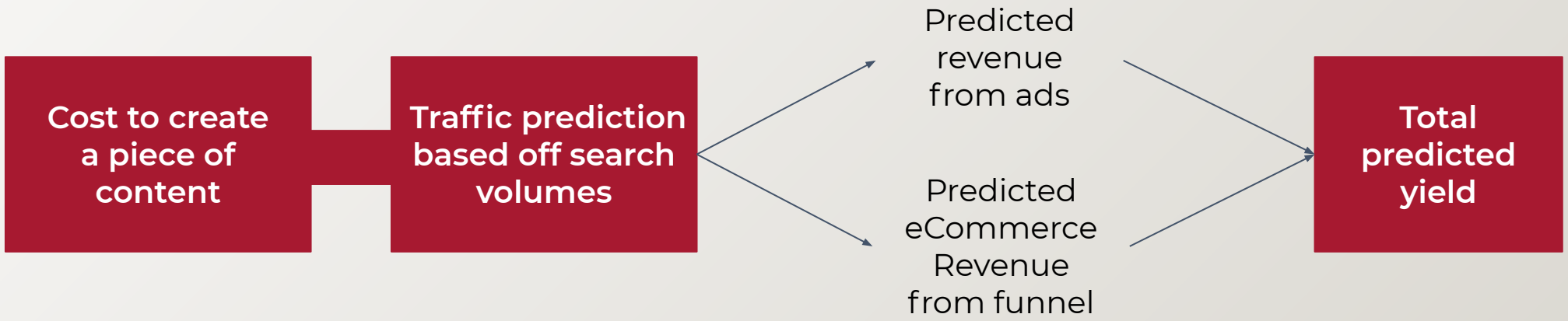




Data at our Core

We use data to understand the yield from our eCommerce-focused content, and therefore to determine whether we should invest in expanding particular content verticals or article types.

This combination of art (writing) and science (data analysis) allows us to drive the most value from our content.

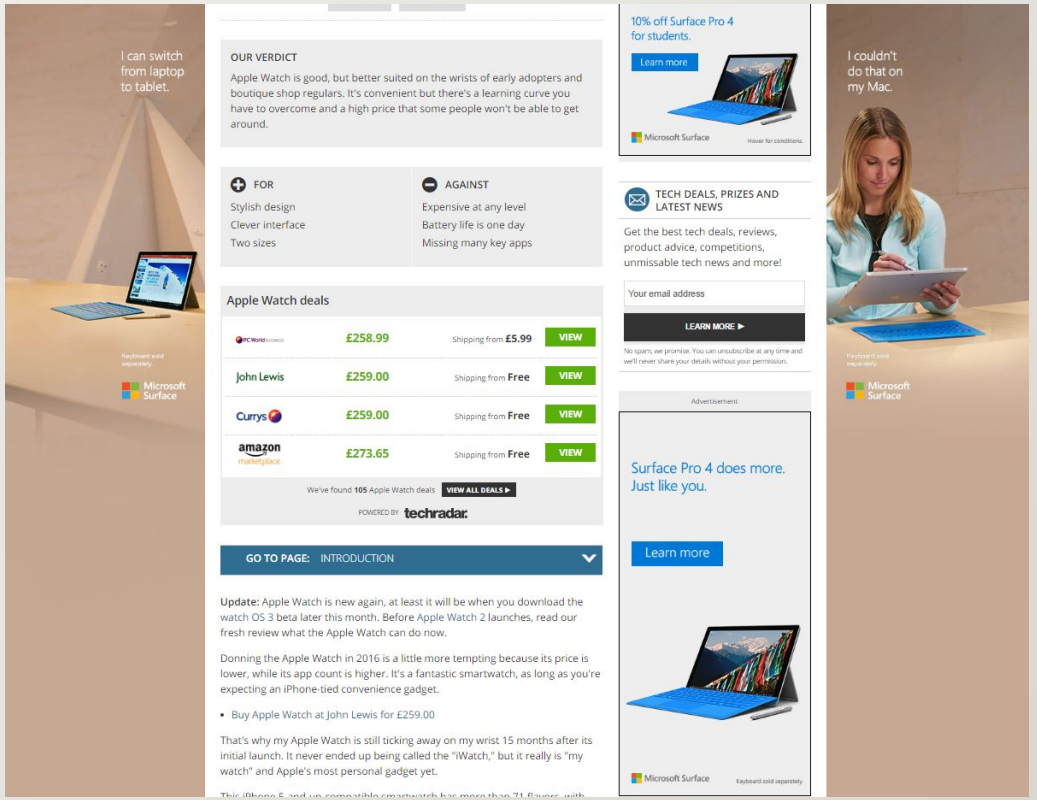


Driving a Competitive Advantage

As we look to extract the maximum value from our data, we also look at how we can share it to enable other parts of the business to increase their own revenues.

E.g. We can sell data segments that lets advertisers target users who:

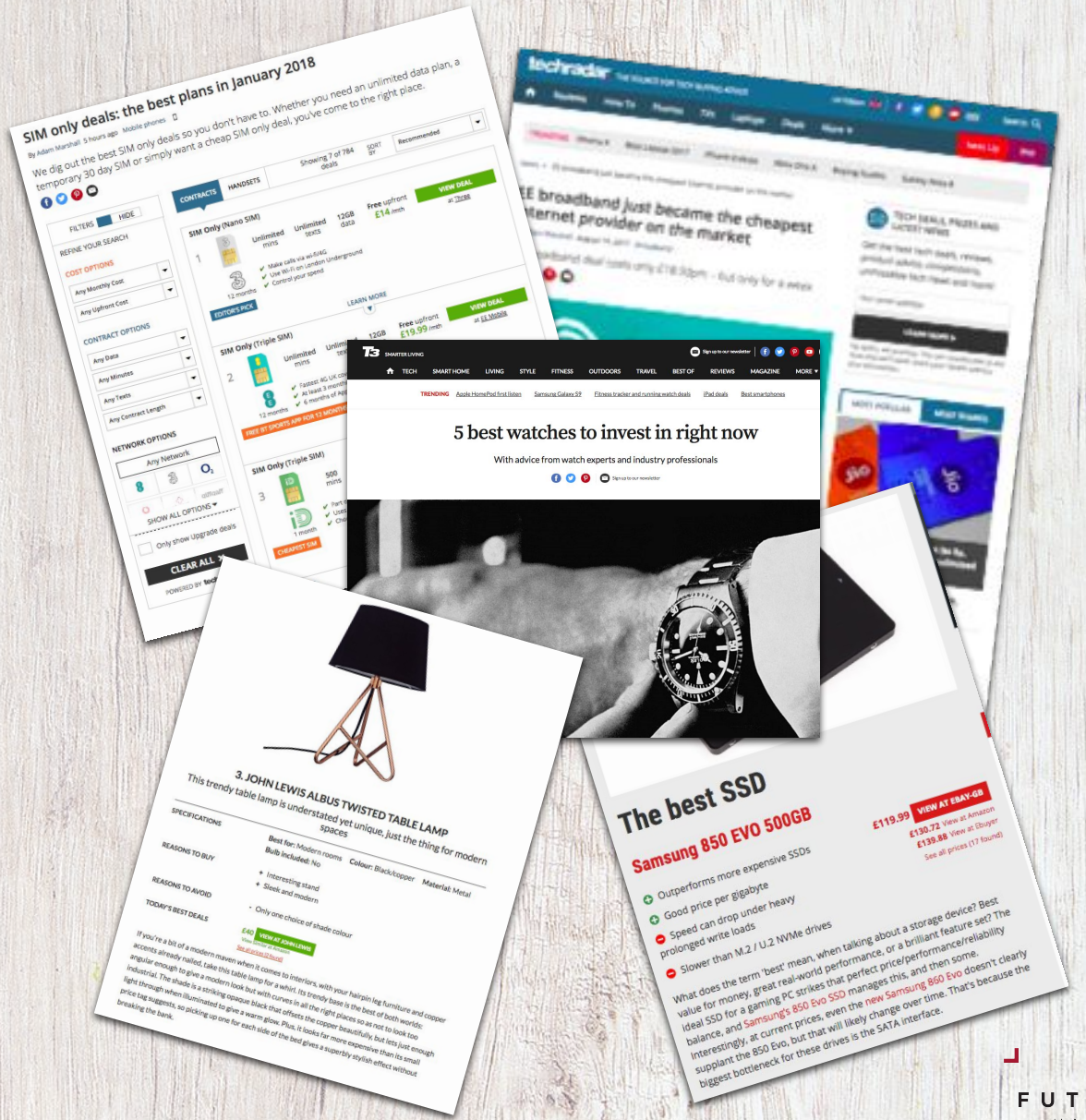
- Are ‘in-market’ for a laptop at that moment in time
- Have previously had a preference to buy at that retailer and/or their direct competitors
- Are willing to spend at a certain price point



FUTURE HAWK

Diversification

Our data-led approach enables us to identify effective ways to diversify our portfolio of content channels, eCommerce partners and revenue streams

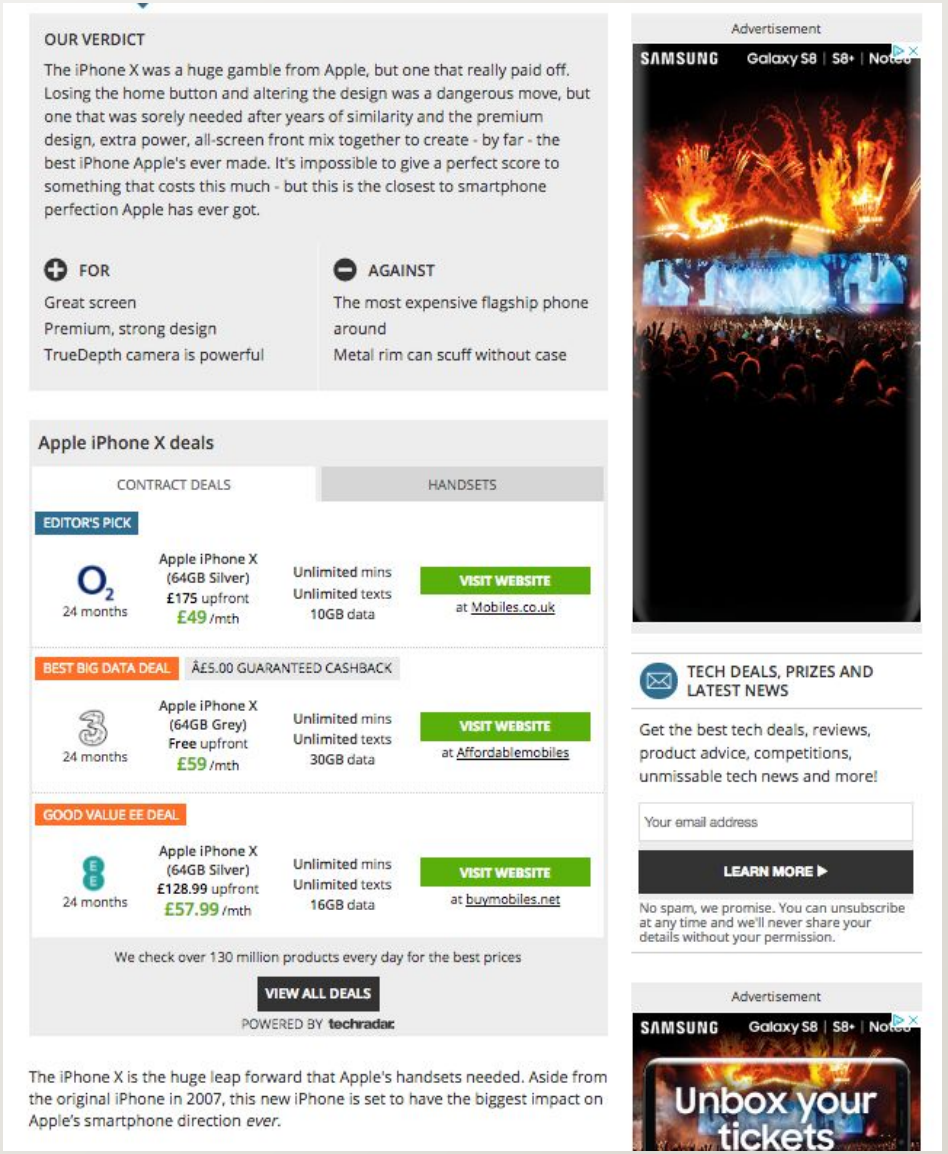


FUTURE HAWK

Diversification

- One stand-out area is mobile phone contract comparison; a natural extension of our phone handset reviews.

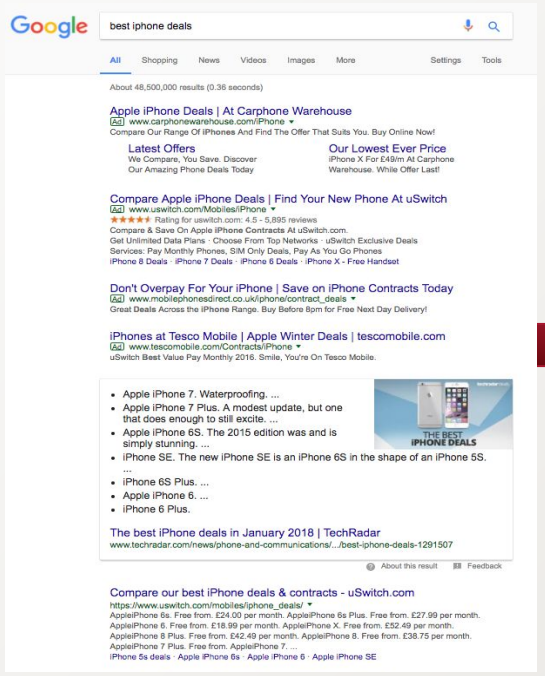
- Hawk enabled us to rapidly scale into this vertical, which had a more complex user journey and multiple facets to communicate, such as:
  - Minutes
  - Texts
  - Data
  - Monthly price
  - Upfront payment
  - Colour
  - Memory size



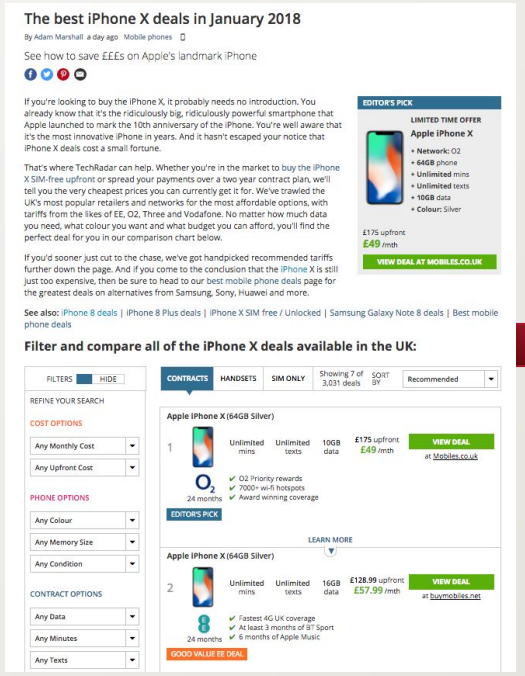
FUTURE HAWK

We now rank for key search terms, and last FY we sold over 33,000 phone contracts, across 14 networks and resellers.

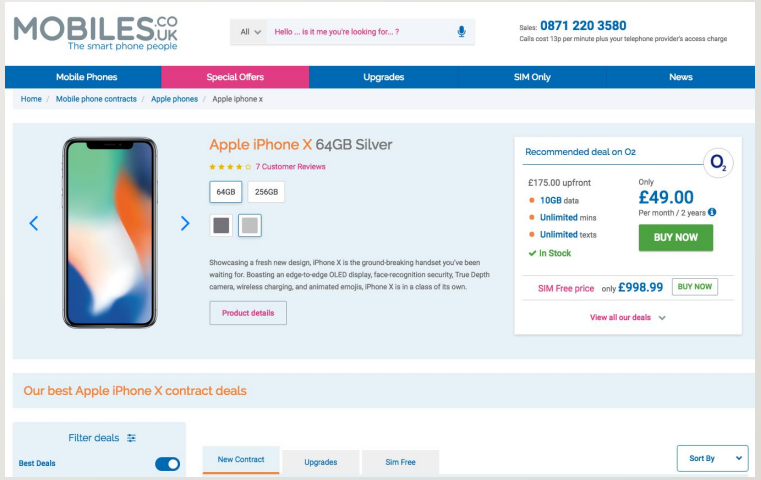
Discover



Engage



Purchase



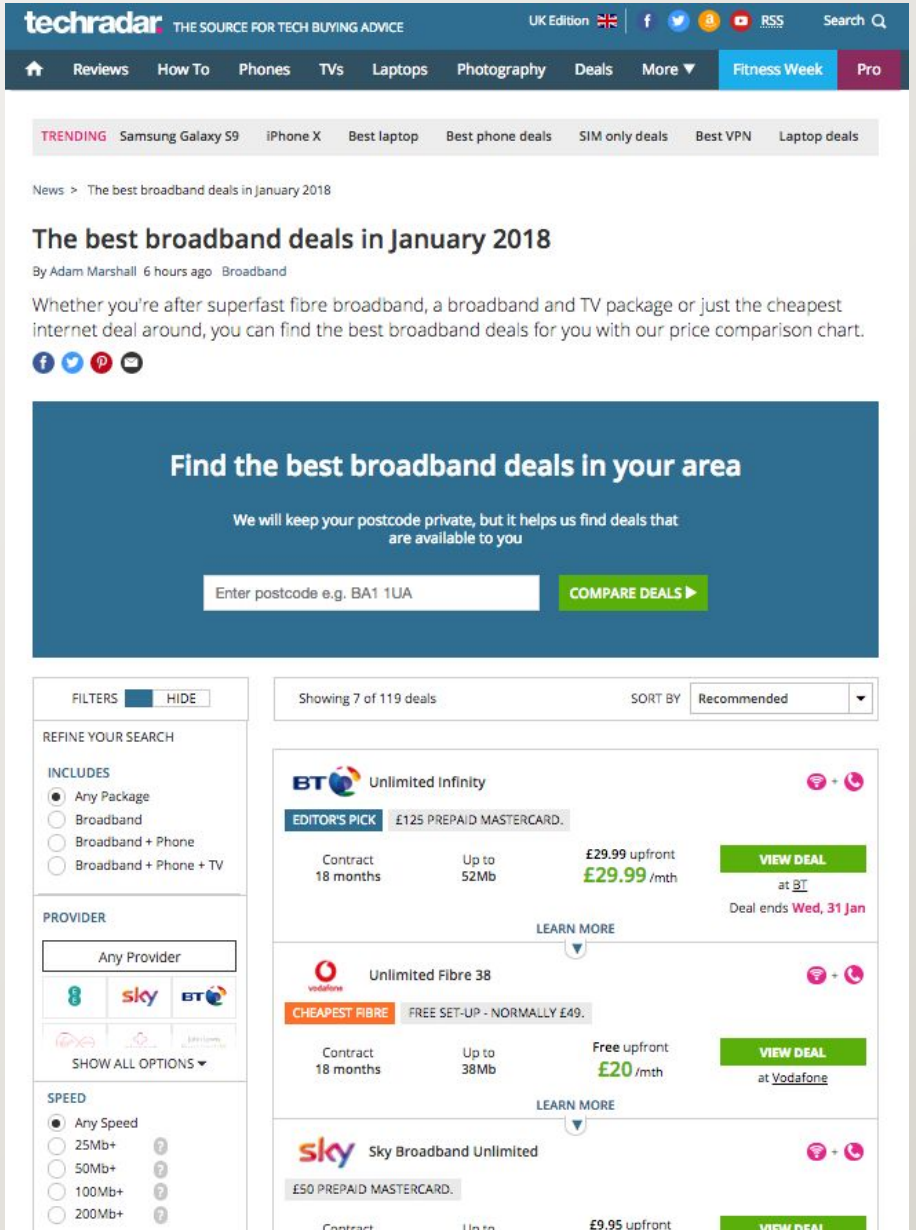
Mobiles.co.uk Affiliate Manager recently said:

"TechRadar has been a trusted partner of Mobiles.co.uk for the past few years. We have seen growth on an incredible scale of which has not been replicated with any of our other affiliates. Their ability to be flexible and turn around volume in such a short space of time is completely unique in our program. They are without doubt, a very trusted source for tech-buyers."

Diversification

In May we launched our first Hawk-powered Broadband comparison chart, with an integrated Postcode finder that allows users to generate available deals based on their property location.

By partnering with a third party for the Postcode API we were able to launch quickly.



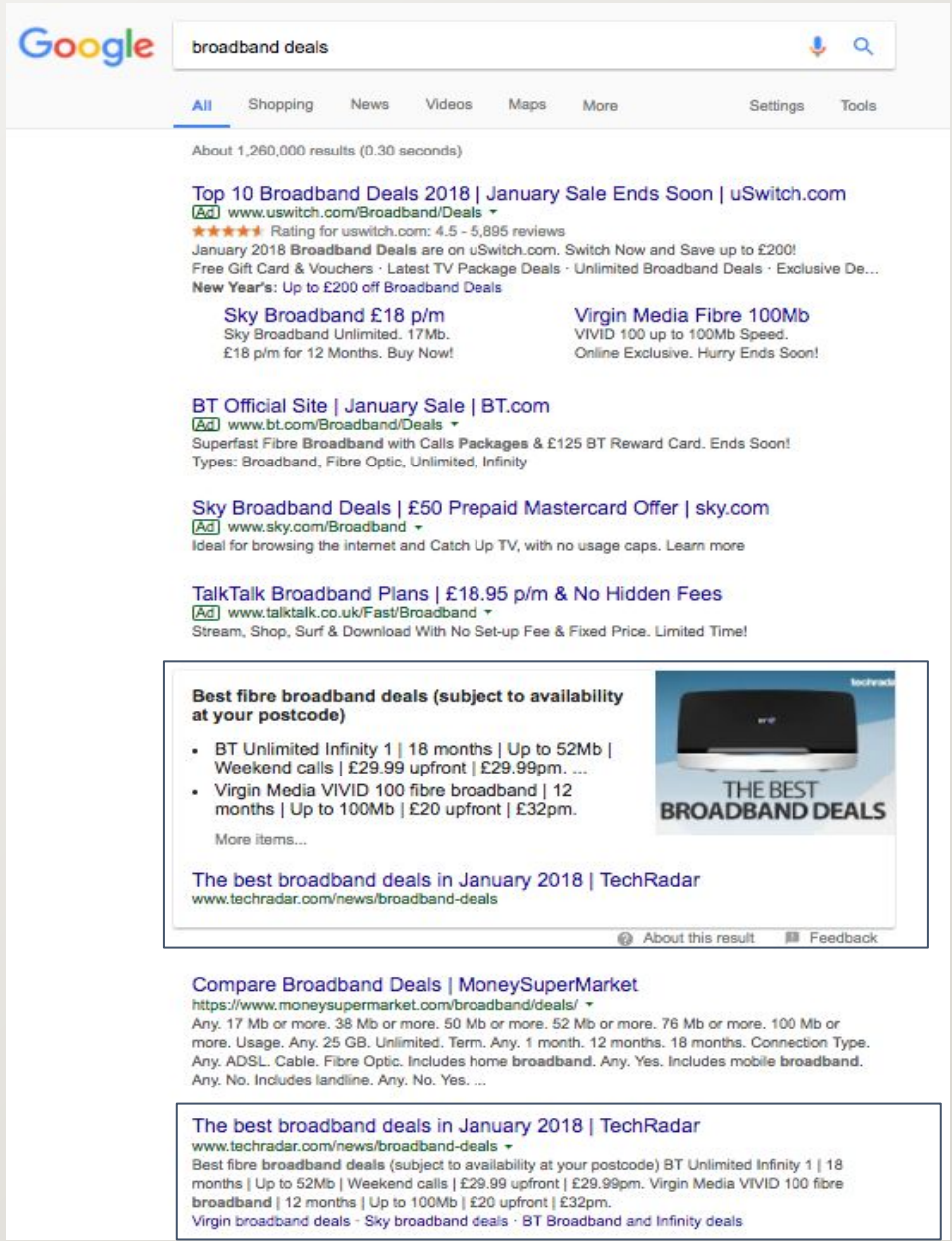
Connectors. Creators. Experience Makers.

FUTURE HAWK

Diversification

In 9 months we have gone from ranking on the second page of Google to rivalling comparison giants for major broadband comparison terms.

Our unique mix of content and comparison has allowed site visitors to research and purchase the right deal in a single location.



FUTURE HAWK

A Diverse and Defensible Business

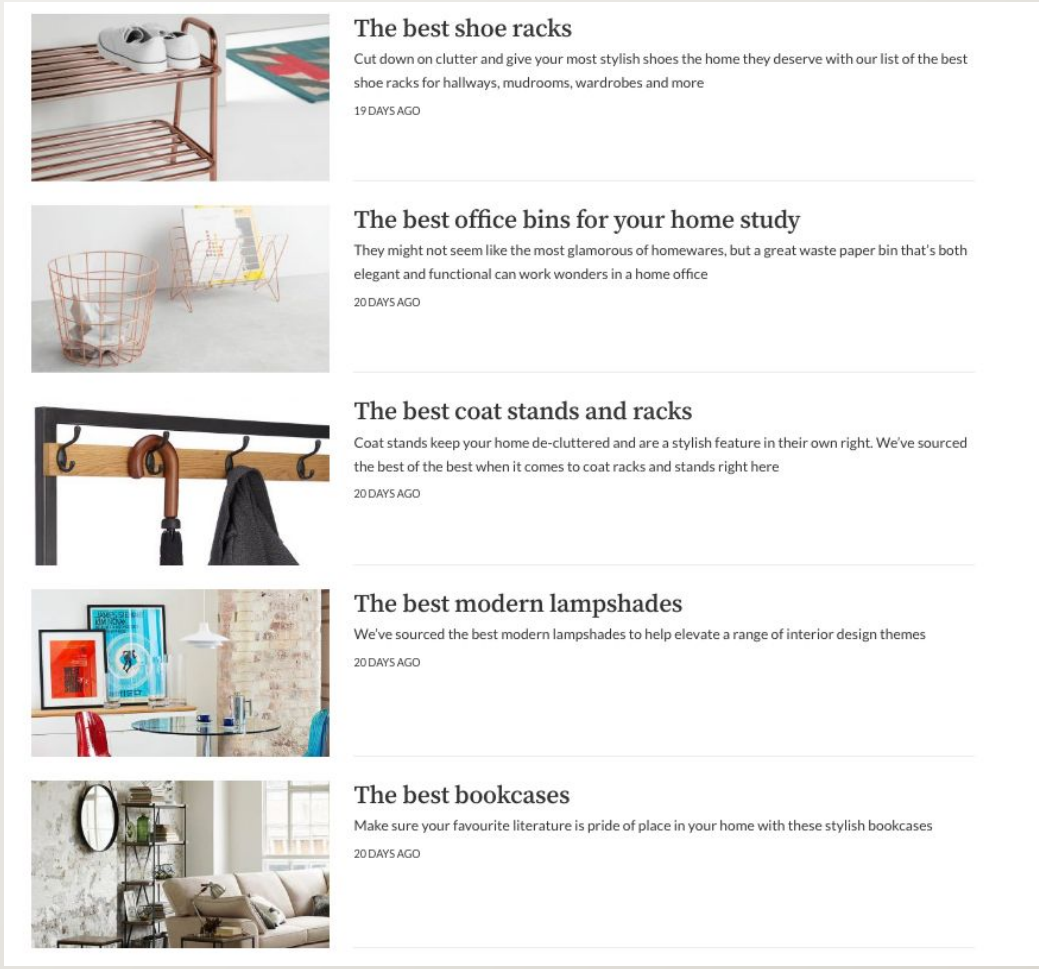
Our aim is not just to build a diverse revenue stream, but also a defensible one. How?

- Our proprietary software, Hawk, enables us to own the end-to-end customer journey
- By diversifying our sites' content verticals and geographies where we make revenue
- Our editorial expertise, marrying Art & Science, gives us a competitive advantage.
- We seize the opportunity of getting into a market early

Diversification

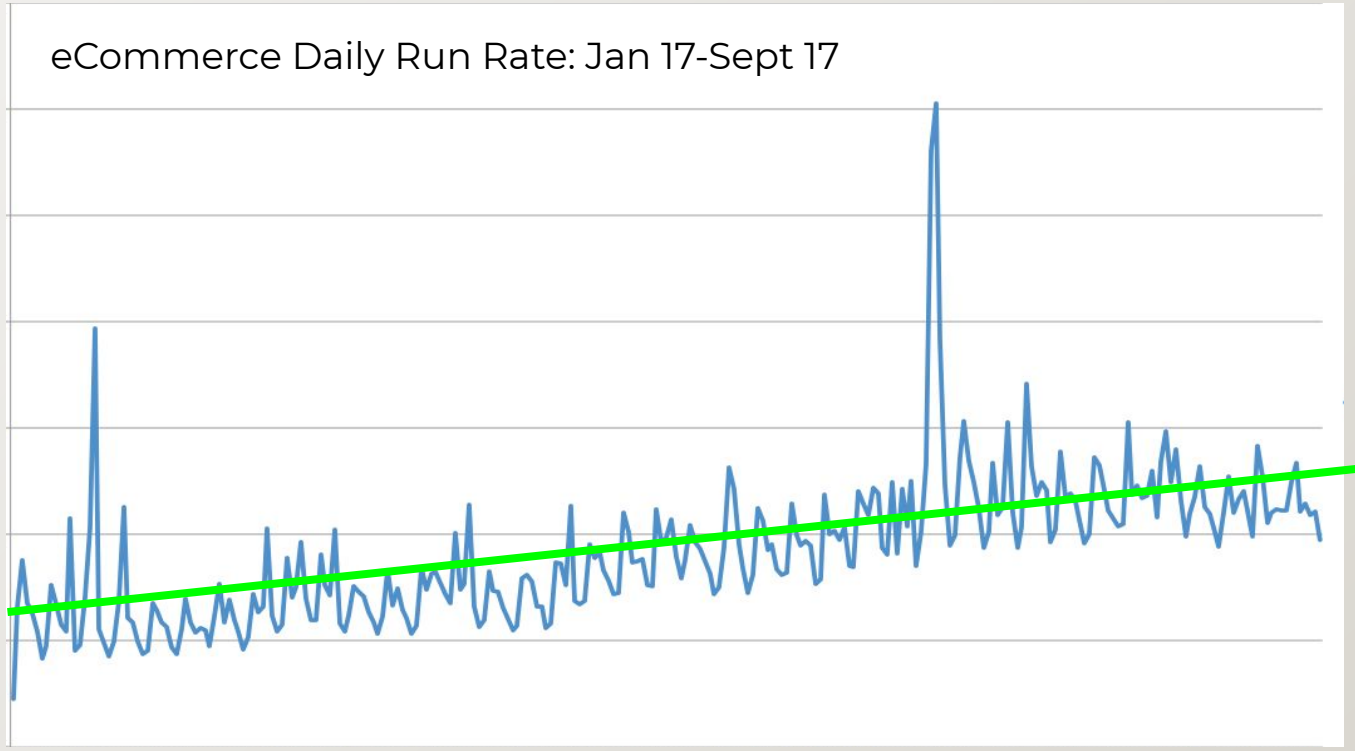
A great example of cross-site diversification is the launch of RealHomes.com

- Test conducted in 2017 on T3 for home and kitchen content
- This test informed the acquisition of our Home Interest division
- Our scalable tech stack enabled the launch of RealHomes.com in just 5 weeks
- We have published 123 new buying guides for RealHomes.com
- Monetising RealHomes.com through both ads and eCommerce enables us to diversify our revenue streams



Recurring Revenue Driven by Data

- We have background data to forecast with high degrees of accuracy.
- All of this means we can model improvements to the funnel, from the top to the bottom, and accurately predict revenue.
- This provides the business with high degrees of certainty and confidence in future revenue streams



Summary

We are passionate about eCommerce at Future because:

- It provides an additional way to **connect with our audience**
- It generates **closer relationships with retail partners**
- It delivers **truly incremental, non cannibalising revenue**
  - **Predictable and recurring**
- It yields **large volumes of high-quality data**
  - Data we use to generate **high yields in other areas of the business**
- Our own tech stack enables us to **scale quickly, efficiently and for minimal cost** into new areas

WHY INVEST IN FUTURE?

Penny Ladkin-Brand
Chief Financial Officer

Scalable Platform for Growth

- Future is a blend of art and science; beneath the creativity, specialist content and passionate fans lies a strong foundation layer of technology
- Designed and built to be highly scalable, with a strong focus on cost effectiveness and eliminating redundancy

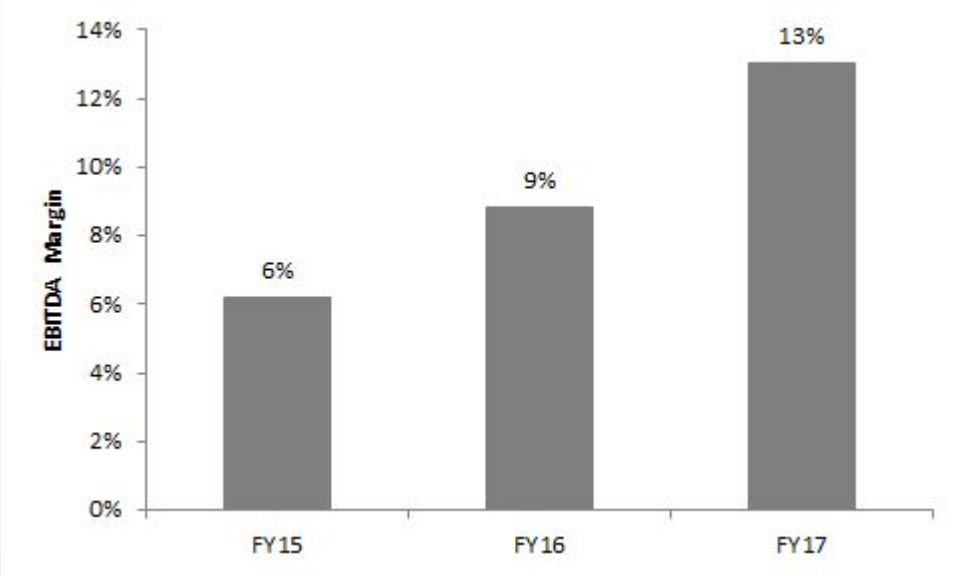
Connectors. Creators. Experience Makers.

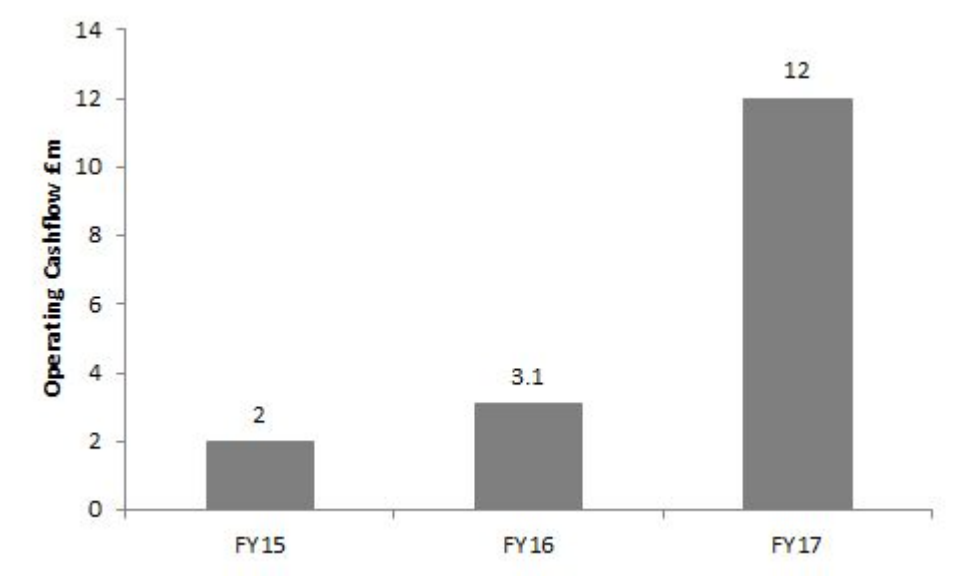
Strong Fundamentals

£m	2017	2016	YoY Var
Media Division Gross Contribution	27.6	19.5	42%
GC margin	*81%*	*82%*	*(1pp)*
Magazine Division Gross Contribution	33.4	23.5	42%
GC margin	*66%*	*67%*	*(1pp)*
Admin costs and other overheads	(50.0)	(37.8)	(32%)
Overheads and unattributable costs as % of revenue	*59%*	*64%*	*(5pp)*
EBITDA	**11.0**	**5.2**	**112%**
EBITDA margin	*13%*	*9%*	*4pp*

- Organic profit growth as the revenue mix changes improves margin
  - Declines in print market expected and factored into plans
- High cash conversion driving strong free cash flows

Growing Free Cash Flows





- Margin expansion as business scales and mix changes
- Significant growth in operating cashflows
- FY17 free cash flow £15.3m

Significant Opportunity in US

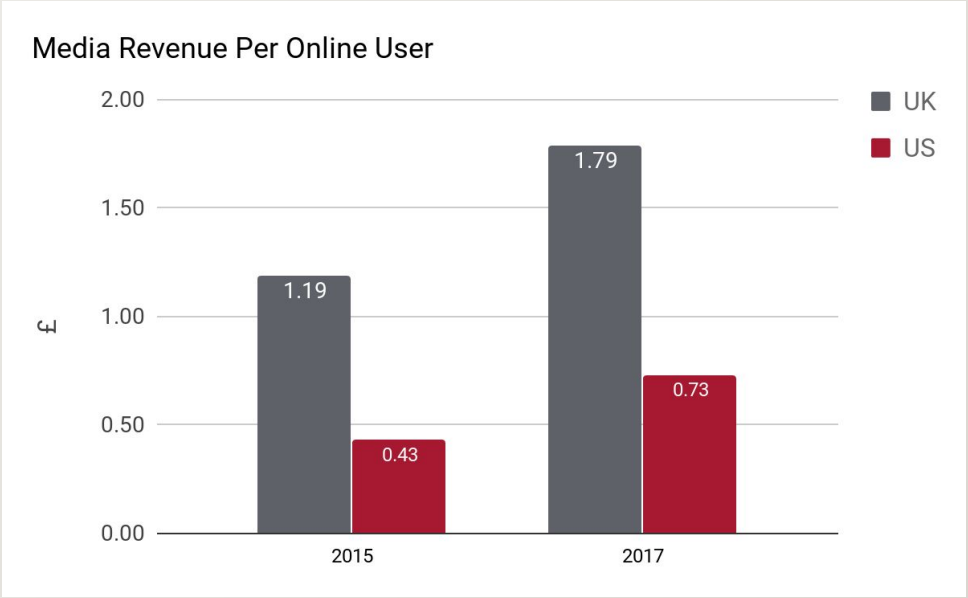
- Potential to grow revenue through monetising US audience at same rate as the UK
- Potential to increase market share of audience

40%
of Future's online audience

43%
of Media revenues (FY17)*

23%
of Future's online audience

63%
of Media revenues (FY17)*



*Including intragroup revenues

FUTURE

Ability to Accelerate Growth Through Acquisitions

- To date we have been able to acquire businesses with some print exposure at a relatively low multiple.
- Benefit of the platform means we can integrate quickly and slot into core infrastructure and operating model.

FY17 Acquisitions	EBITDA multiple	Integration complete within
Imagine	Historic 6.5X 3.4X post synergies	Five months
Team Rock	<1X in first full year of ownership	One month
Home Interest	7.7X historic pro-forma	Four months

Summary

- Scalable platform: fit for growth both organic and acquired
- Strong fundamentals: attractive free cash flows
- Significant growth opportunity in the US
- Ability to accelerate growth through acquisitions

CONCLUSION & QUESTIONS

APPENDIX

WHERE WE ARE GOING
OUR STRATEGY

Future is a global platform for specialist media with scalable, diversified brands.

Creating fans of our brands by giving them a place they want to spend their time, where they go to meet their needs. Continuing to create loyal communities.

Expanding our global reach through organic growth, acquisitions and strategic partnerships.

Diversifying our monetisation models to create significant revenue streams.

Global Platform for Specialist Media

Connectors. Creators. Experience Makers.

FUTURE

Specialised Media in Multiple Sectors

Specialist high-value sectors, scalable markets delivering diversified revenues

Connectors. Creators. Experience Makers.

WHY WE EXIST

“We change people’s lives through sharing our knowledge and expertise with others, making it easy and fun for them to do what they want”

Connectors. Creators. Experience Makers.

FUTURE

FUTURE
THANK YOU