FUTURE

Connectors. Creators. Experience Makers.

Future plc
Capital Markets Day
14th February 2019

Agenda

3pm	Business overview & growth strategy **| Zillah Byng-Thorne**	
3.10pm	Owning a vertical - the value of leadership	
	Vertical strategy **| Aaron Asadi**	
	Audience & SEO **| Sam Robson**	
	Tom's Guide **| Mark Spoonauer**	
3.40pm	**Coffee break**	
3.55pm	The US media market & eCommerce **| Michael Kisseberth**	
	Peak trading **| Jason Kemp**	
4.20pm	Future tech and the power of RAMP	
	Evolution of our tech stack **| Kevin Li Ying**	
	Ad tech **| Zack Sullivan	Reda Guermas**	
4.45pm	Investment thesis **| Penny Ladkin-Brand**	
4.55pm	Conclusion & questions **| Zillah Byng-Thorne**	
	Drinks	

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Today's speakers

Vertical

US Market & eCommerce

Technology & Ads

Zillah Byng-Thorne
Chief Executive

Zillah will be talking about how Future operates and our growth strategy

Penny Ladkin-Brand
Chief Financial Officer

Penny will be talking about how we succeed through focusing on the basics and scaling up via acquisitions

Aaron Asadi
Chief Content Officer

Aaron will be talking about the benefits of our vertical strategy

Sam Robson
Audience Director

Sam will be covering how we succeed through search and the value of vertical leadership

Mark Spoonauer
Editor-in-Chief, Tom's Guide

Mark will be talking about Tom's Guide and how its addition to Future's tech vertical has yielded fantastic results

Michael Kisseberth
Chief Revenue Officer

Mike will be talking about the dynamics of the US media market and opportunities within eCommerce

Jason Kemp
eCommerce Director

Jason will be talking about how we capitalise on peak trading times

Zack Sullivan
SVP Sales & Operations, UK

Zack will be talking about the nature of programmatic advertising and how we win in this market

Reda Guermas
VP Software Engineering Ad Tech

Reda will be talking about the science behind our ad tech stack platforms - RAMP and Bordeaux

Kevin Li Ying
Chief Technology Officer

Kevin will be talking about how we continue to innovate and evolve our tech stack

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Business overview & growth strategy

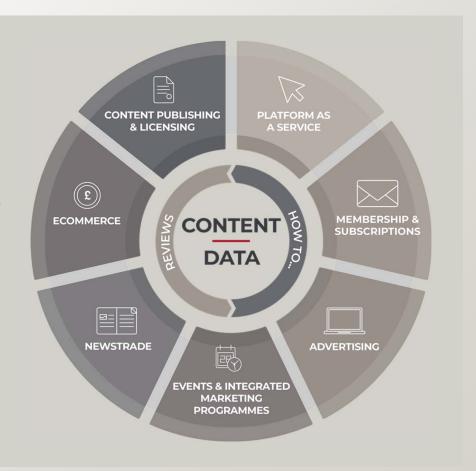**Zillah Byng-Thorne**
Chief Executive Officer

Our strategy

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

We create fans of our brands by giving them a place they want to spend their time and where they go to meet their needs. We continue to create loyal communities.

We are expanding our global reach through organic growth, acquisitions and strategic partnerships.

We are diversifying our monetisation models to create significant revenue streams.

How we execute our strategy
4 underlying pillars facilitate operating at pace

1	Diversifying our audience

New verticals
- Cycling
- Football
- Space

Added B2B expertise
- B2B Music
- B2B TV
- B2B Games

New global audiences
- TechRadar GCC
- TechRadar Scandinavia
- Purch sites

2	Scalable business

- Scalable, lean and robust

- Future Playbook's at heart of our processes

- Continued improvements in eCommerce and digital advertising

- 4 sites migrated to the Vanilla website platform in 2018, 2 in the start of current year

3	Continued diversification of content monetisation

- Growth in events business
  - organic new home event in Jan 2019

- Introduction of B2B business line
  - B2B Tech & Creative

- Constant innovation
  - Organic new site launches
  - New technology models

4	Ongoing investment

- Buy and build where we can add value

- Continued investment in our technology

- Continued investment in our people

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Our world

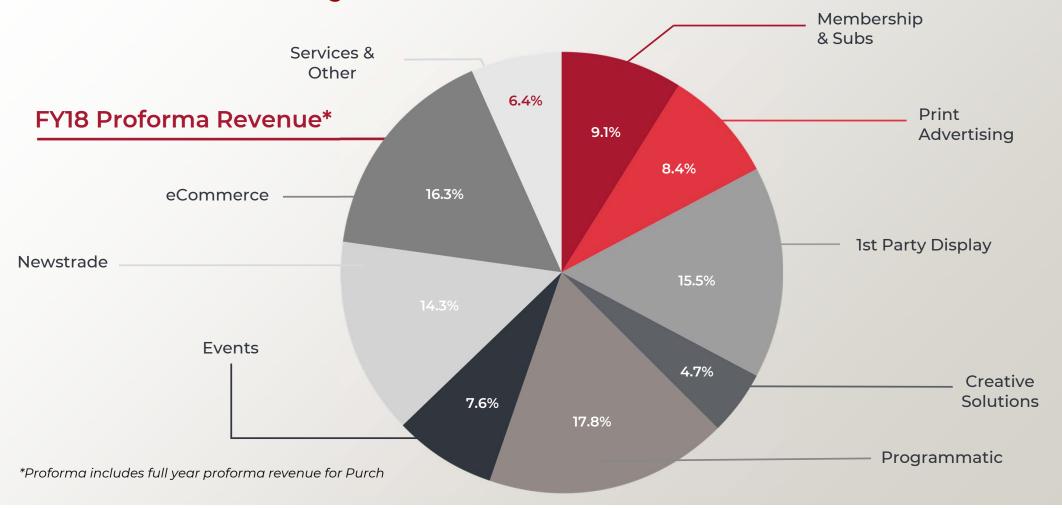## We go where our audiences are

As a result of our global audiences we operate across three continents: Europe, with offices in the UK and France; the US; and Asia Pacific with an office in Australia. Below is a summary of our locations and audience.

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Online Users: 13.2m (APAC)

United States

ELT Members: Claire MacLellan (MD People & Culture), Mike Kisseberth (CRO), Christine Shaw (MD & Snr VP B2B)
Offices: New York, Minneapolis, Virginia, Utah
Online Users: 72.8m (US & Can)

United Kingdom

ELT Members: Zillah Byng-Thorne (CEO), Penny Ladkin-Brand (CFO), Aaron Asadi (CCO), Kevin Li Ying (CTO), Jason Kemp (eCommerce Director)
Offices: Praed Mews (London), Southwark (London), Quay House (Bath), Bournemouth, Bromsgrove
Online Users: 17.8m

France

Offices: Paris, Grenoble
Online Users: 1.4m

Australia

ELT Members: Neville Daniels (MD, Australia)
Office: Sydney
Online Users: 6.1m (Aus & NZ)

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Diversifying our monetisation

We have created 6 meaningful revenue streams

FY18 Proforma Revenue*

Proforma includes full year proforma revenue for Purch

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Pie chart segments:
- Membership & Subs: 9.1%
- Print Advertising: 8.4%
- 1st Party Display: 15.5%
- Creative Solutions: 4.7%
- Programmatic: 17.8%
- Events: 7.6%
- Newstrade: 14.3%
- eCommerce: 16.3%
- Services & Other: 6.4%

Diversifying our monetisation

Our model is applied consistently across our verticals, with all having a mix of revenues

Where we operate

Audience diversification through scalable sectors delivering diversified revenues

CONSUMER

Technology
- techradar.
- tom's guide
- WHAT HI★FI?

Gaming & Entertainment
- PC GAMER
- gamesradar+
- TOTAL FILM

Music
- musicradar.
- GUITAR WORLD
- CLASSIC ROCK

Creative & Photography
- The Photography Show
- Digital Camera World
- ImagineFX

Hobbies
- HOW IT WORKS
- SPACE.com
- FourFourTwo

Home interest
- Homebuilding & Renovating SHOW
- Real HOMES
- PERIOD LIVING

B2B

Media Entertainment & Media Technology
- B&C BROADCASTING & CABLE
- Multichannel NEWS
- RADIOWORLD

Audio Video Technology
- AV TECHNOLOGY
- AV Network
- SVC

Education
- TECH & LEARNING LEADERSHIP SUMMIT
- TECH & LEARNING LIVE

Consumer Technology
- TWICE THE BUSINESS OF CONSUMER ELECTRONICS
- Residential Systems

Music & Pro Audio Tech
- Music Week
- prosound news
- PSN EUROPE THE BUSINESS OF PROFESSIONAL AUDIO

B2B Pro 1
- CB CREATIVE BLOQ
- ITProPortal
- generate

1   +laura.elliott@futurenet.com I thought we were calling this Pro B2B?
Reassigned to you
Penny Ladkin-brand, 13/02/2019

1   I thought that was just internally...like calling the rest of the B2B sub-verticals "B2B". I'm happy to change it to B2B Pro, I don't think it matters too much.
Laura Elliott, 13/02/2019

Vertical leadership

	Technology	Games & Ent	Music	Creative & Photo	Hobbies	Home Interest
Audience reach	**90m** consumer **5.3m** B2B	**37.9m** consumer	**16.6m** consumer **0.7m** B2B	**3.8m** consumer **5.3m** B2B	**36.0m** consumer	**1.3m** consumer
Market position	**#1** online in UK **#2** online in US **#1** hi-fi mag in UK **#1** B2B US tech mag publisher **#1** B2B US AV tech mag publisher	**#1** online in PC gaming **#1** UK games mag publisher	**#1** UK & US music making mag publisher	**#1** online in UK and US **#1** UK creative & design mag publisher **#1** UK consumer photography exhibition	**#1** online in space in US **#1** UK caravanning mag publisher	**#1** UK home building show **#1** UK home building publisher
Geography expansion	**US** +Purch, +NewBay **AU** +Nextmedia **UK** +Haymarket, +NewBay	**US** +Purch **AU** +Nextmedia	**US** +NewBay	**+25%** YoY online audience growth in US	**US** +Purch	**+91%** YoY online audience growth in US
Vertical expansion	**Audio sector** +Haymarket **B2B** +NewBay (AV, Tech, Education)	**Comics & Ents** +Purch (Newsarama) **B2B** +Newbay (TV & radio)	**B2B** +NewBay (music industry)	Launch of DigitalCameraWorld	**Football** +Haymarket **Carvanning** +Haymarket	+Centaur Home Interest division

Online market leadership measured by scale of online users within a competitive set or category in comScore; print market leadership measured by magazine circulation volume within a competitive set from the Association of National Magazine Wholesalers; event market leadership measured by size of venue and volume of attendees within a competitive set.

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Expanding our reach through acquisitions

A proven model to add value

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- It is a core part of our strategy to buy and build where we identify assets where we can add value
- We take a systematic approach to all acquisitions, resulting in all transactions to date being originated in-house

Phase 0 *Pre-purchase* **IDENTIFICATION**	Phase 1 *First 4 months* **INTEGRATION**	Phase 2 *4-12 months* **TRANSFORMATION**	Phase 3 *1-2 year* **OPTIMISATION**
Systemised identification of long list internally developed	Diligence validation	Implementation of new revenue streams based on Future platform model	Yield management review
Desktop review to understand value against strategic filters	Meet-and-greet all staff	Global audience focus	New product launches
Relationships with key staff developed (often CEO to CEO)	Management assessment and new structure in place, cost savings delivered	Website refreshes	eCommerce growth from digital focus
Thorough due diligence undertaken with financial screening	Back office systems migration (Finance, IT, HR, Production, Rights Mgt)	Best practice sharing	Review and lessons learnt
	Review	Incentives review	

Vertical Extension - Cycling

Our proven model allows to acquire at pace and add value

cyclingnews

Procycling — INSIDE THE WORLD'S TOUGHEST SPORT

1 Diversifying our audience	**2** Business overview	**3** Investment case	**4** Ongoing investment
• Cyclingnews - market leader online for professional road racing	• Two leading brands focused on pro-cycling market	• Growth in eCommerce via application of Hawk	• Buy and build where we can add value
• Truly global audience (34% US; 25% Europe; 17% UK)	• 16 staff across UK/ N America/Aus	• Benefit from Future advertising stack - Ramp / Bordeaux	• Migrate onto Vanilla using our latest technology development Flexi - low risk way to test our innovation and our technology
• Procycling magazine directly distributed in UK, US, Aus	• Expected to be earnings enhancing in Yr 1 & payback <3 years	• Content extension through Future's operating model into mainstream cycling	• Continued investment in our people
• Licensed in key W European markets of Germany, Holland, Belgium & Italy	• In line with our acquisition strategy where we see opportunity to add value	• Opportunity to grow the US opportunity in time	

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Owning a vertical
The value of leadership

Vertical strategy

Aaron Asadi
Chief Content Officer

What is vertical leadership?

- Diversified, high-growth business in specialist markets

- New way to develop and manage strategy

- Vertical not channel-specific

- Vertical contains entire market product set

- Customer-first not product-first

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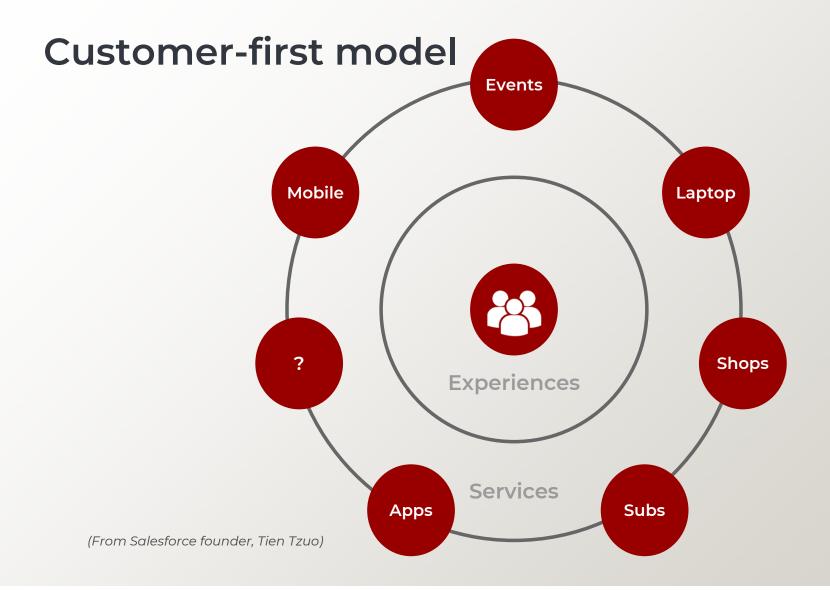
Product-first model

Product

Channel   **Shops**   **Subs**   **Apps**   **Web**   **License**

Customers

(From Salesforce founder, Tien Tzuo)

Customer-first model

(From Salesforce founder, Tien Tzuo)

Know the customer

We have to know what they want in order to deliver it.

At Future we rely on interaction and feedback loops to win that valuable insight. These include:

- Cross-platform reader surveys
- Online analytics
- eCommerce analytics
- Retail customer data
- Social media
- Forums
- One-to-one contact at Future shows and events
- Insight provided by partners and clients

Why vertical leadership?

- Customer-focused strategy

- Easier to adapt

- Opportunities easier to identify

- Better channel collaboration

- Smarter working

- Consistent standards

- Cross promotion

- Speaks to values

- Better cross-pollination
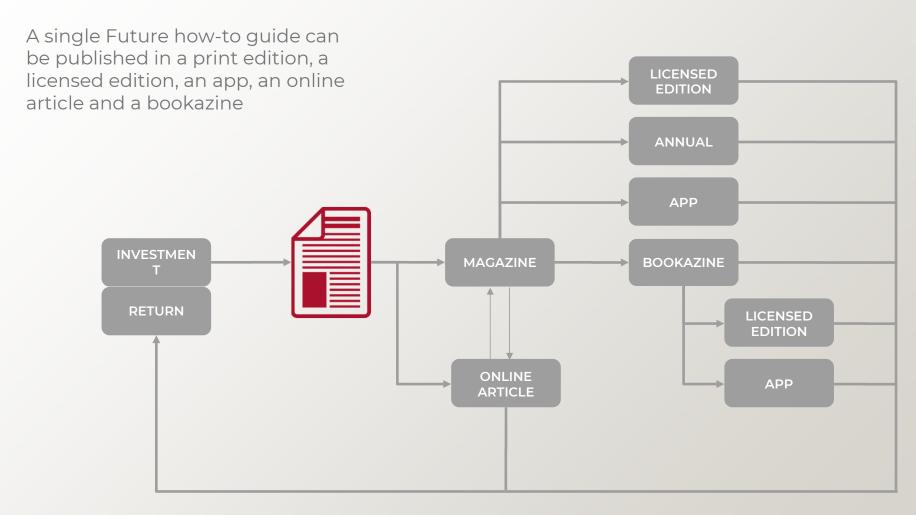
Our brands

Technology	Gaming & Entertainment	Music	Creative & Photography	Field Sports	Knowledge	Home Interest

The content workflow

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

Vertical leadership in consumer tech

- **Acquired new brands, increasing vertical scale**

- **Brand collaboration key to realising potential**

- **Approach providing:**
  - **Key terms strategy eg No 1 and 2 rankings**
  - **Intelligence sharing**
  - **More co-ordinated campaigns eg Honor**
  - **Efficiencies on testing / content sharing**
  - **All writers now cross-platform**
  - **Better cross-promotion of subs / other products**
  - **Unified video development**

Advertising in the consumer tech vertical

- Large range of clients with large range of needs

- Niche brands offer access to hyper specialist audience

- Consumer tech portfolio serves mainstream ads

- Vertical leadership helps unlock more

Specialist
client wants access to
niche enthusiasts

What Hi-Fi? charges
premium prices

Niche content also served
on TechRadar and T3
adding scale

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Results

Connectors. Creators. Experience Makers.

Audience & SEO

Sam Robson
Director of Audience
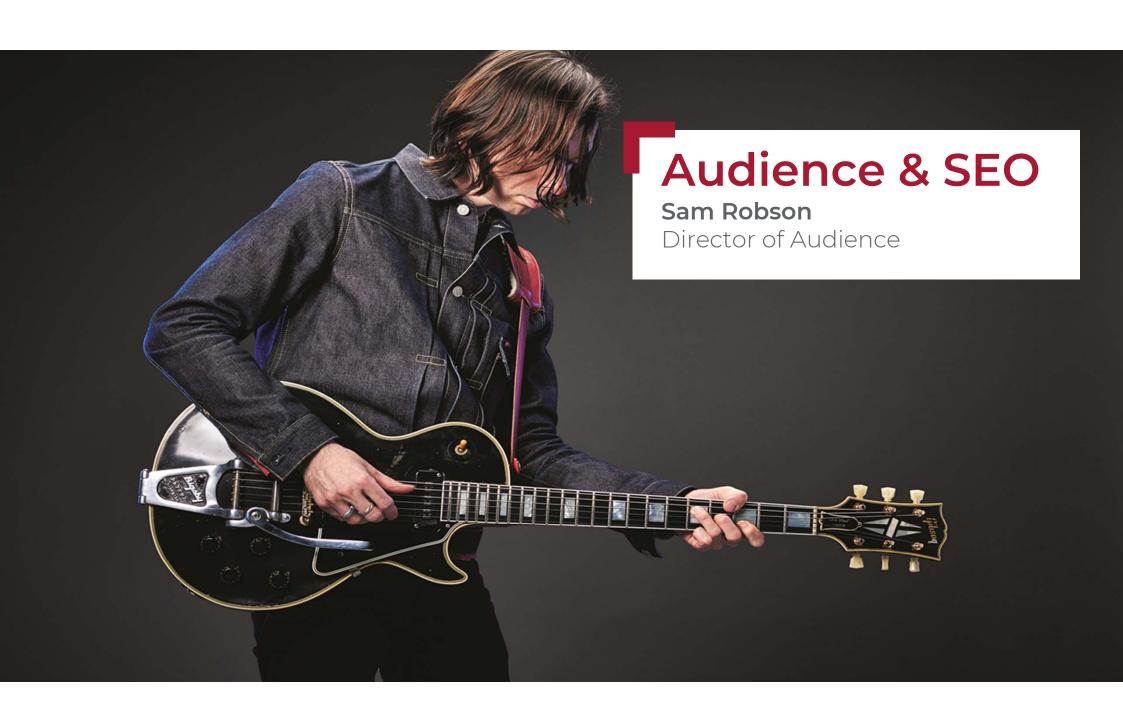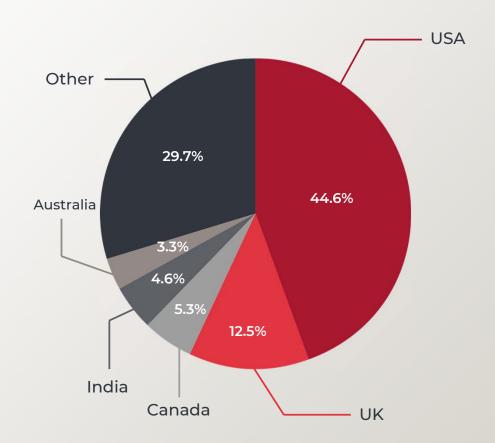
Future's online users by country

USA 44.6%

UK 12.5%

Canada 5.3%

India 4.6%

Australia 3.3%

Other 29.7%

Future's audience growth
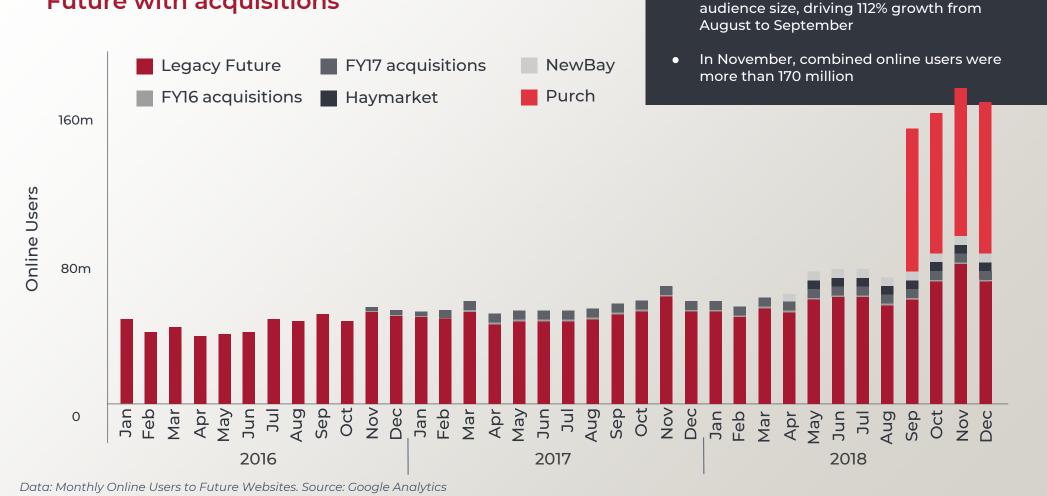
Future without Purch

- Underlying YoY organic growth (Dec 2017 to Dec 2018) of Legacy Future brands was 24%
- SEO is main driver of audience growth

Online Users

80m

40m

0

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec | Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec | Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec

2016 · 2017 · 2018

Data: Monthly Online Users to Future Websites. Source: Google Analytics

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Future's audience growth
Future with acquisitions

Legend: Legacy Future, FY16 acquisitions, FY17 acquisitions, Haymarket, NewBay, Purch

- Haymarket & NewBay drove a 18% increase from March to May
- Purch acquisition was transformative to audience size, driving 112% growth from August to September
- In November, combined online users were more than 170 million

Online Users (y-axis: 0, 80m, 160m)

2016: Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
2017: Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec
2018: Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec

Data: Monthly Online Users to Future Websites. Source: Google Analytics

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Why do we focus on search?

CONSISTENCY & SCALE
- SEARCH USED DAILY BY MOST PEOPLE
- CONSISTENT SEO REFERRAL GROWTH
- FUTURE-PROOF

EFFICIENCY
- EVERGREEN CONTENT HAS LONG LIFESPAN
- MAINTENANCE LESS RESOURCE INTENSIVE
- COST-EFFECTIVE

QUALIFIED AUDIENCE
- READER IS READY TO BE INFLUENCED
- INTENT CLEAR FROM SEARCH QUERY
- DRIVES AFFILIATES, ADS, REPEAT VISITS

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How a leadership position benefits content strategy

- In tech, we have the freedom to have different strategies for each brand

- TechRadar, as our largest brand, adopts a more conservative and defensive strategy

- T3 adopted a more aggressive news-focused strategy

- T3 has grown search traffic 247% YoY*, powering a rise of 19 places in the UK comScore technology vertical

- TechRadar consolidates position as Future's largest brand, and can gradually adopt T3's learnings once proven they work

SEO traffic to T3, Dec 2017 vs. Dec 2018 from Google Analytics.
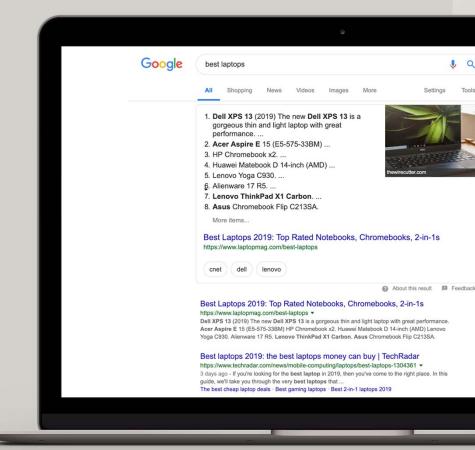
The SEO benefit of owning multiple brands

The old way

- Own one brand
- Aim to rank first
- Increase traffic by broadening search terms

The new way
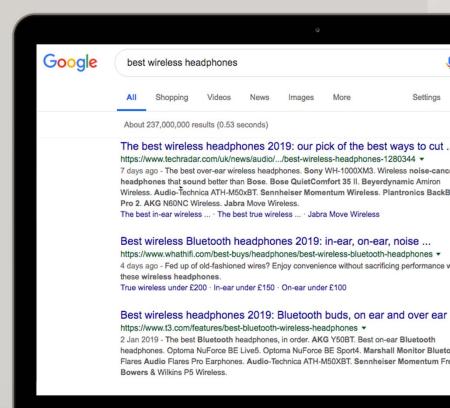
- Own many brands
- Aim to rank first
- Increase traffic by broadening search terms
- **+ Increase traffic by ranking 2nd & 3rd**

The ability to be both generalist and specialist
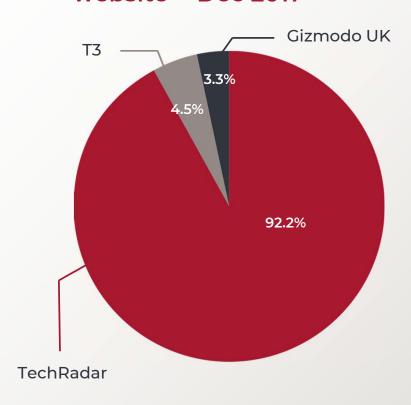
- Our position allows us to have more defined brands. Whether specialist or generalist, we have you covered

- No need for every brand to chase scale, can focus hard on own niche

  - TechRadar and Tom's Guide cover scale & breadth
  - What Hi-Fi?, Laptop etc can go narrow and deep

- We offer the consumer more choice and the option of 2nd & 3rd opinions, all from under the Future umbrella

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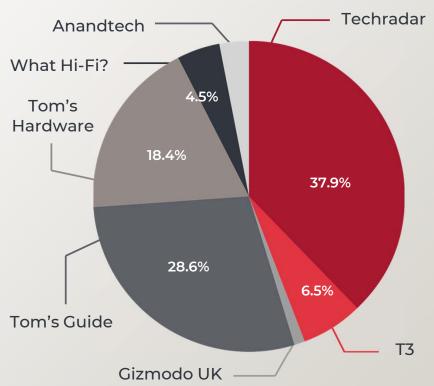
The benefits of leadership & diversification

Audience split by tech website - Dec 2017

Gizmodo UK
T3
3.3%
4.5%
92.2%
TechRadar

Audience split by tech website - Dec 2018

Anandtech
What Hi-Fi?
Tom's Hardware
4.5%
18.4%
Techradar
37.9%
Tom's Guide
28.6%
6.5%
Gizmodo UK
T3

- In December 2017, 92% of Future's tech audience came via TechRadar

- In December 2018, we've reduced this percentage to 38%

- By establishing leadership with a diversified portfolio of sites we de-risk that leadership position

- The diverse portfolio also allows us to use multiple strategies, limiting risk if one didn't work

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Future's audience advantage
Key takeaways

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OUR AUDIENCE IS GLOBAL, & GROWING

24% YoY ORGANIC GROWTH

24% YOY SEO GROWTH

45% OF AUDIENCE IN US

THE VALUE OF A SEARCH-DRIVEN AUDIENCE

PREDICTABLE

HIGH VOLUME

HIGH INTENT

SCALABLE & REPEATABLE SEO PROCESSES

VANILLA PLATFORM

DATA ANALYSIS

SEO PLAYBOOK

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Tom's Guide

Mark Spoonauer
Editor-in-Chief, Tom's Guide

Tom's Guide: acceleration as part of Future

1. Tom's Guide is a leading tech vertical site in US

2. Growing fast and now even faster now that we have integrated Future's best practices

3. Future's SEO Playbook and eCommerce strategy leading to great results

What is Tom's Guide?

One of top sites in tech vertical
Mission: Be helpful
Biggest year ever: 2018 biggest year ever - up 26% YoY
Impressive growth: Number of users went from 8.3 million in 2016 to 17.7 million in 2018
Authoritative: Expertise sought for TV and radio
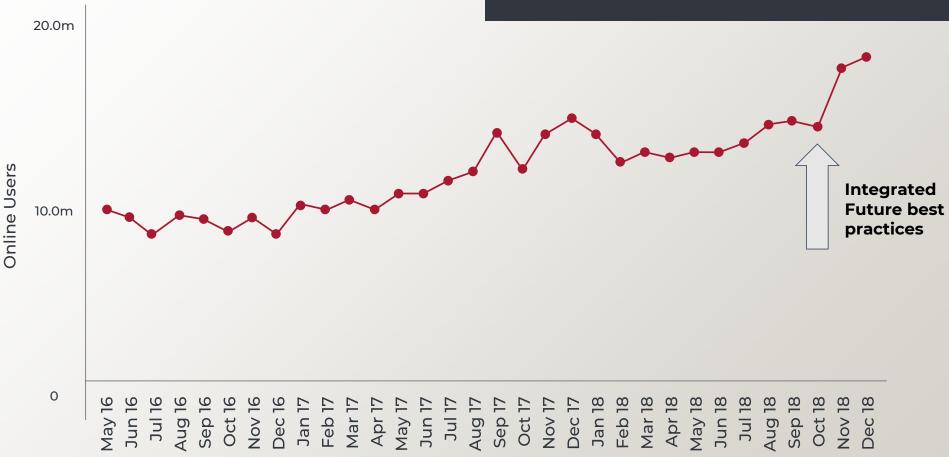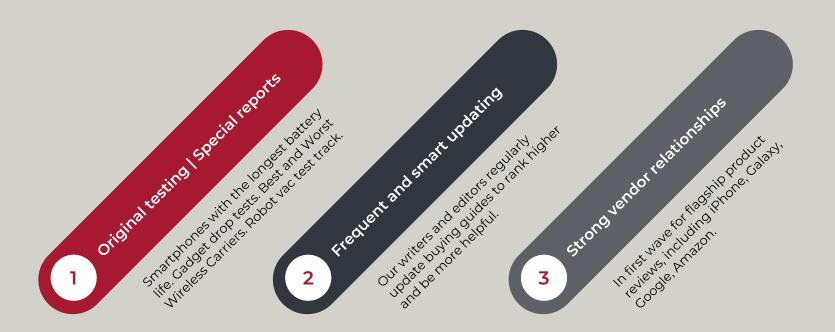
Integrated Future best practices

Online Users

20.0m
10.0m
0

May 16 Jun 16 Jul 16 Aug 16 Sep 16 Oct 16 Nov 16 Dec 16 Jan 17 Feb 17 Mar 17 Apr 17 May 17 Jun 17 Jul 17 Aug 17 Sep 17 Oct 17 Nov 17 Dec 17 Jan 18 Feb 18 Mar 18 Apr 18 May 18 Jun 18 Jul 18 Aug 18 Sep 18 Oct 18 Nov 18 Dec 18
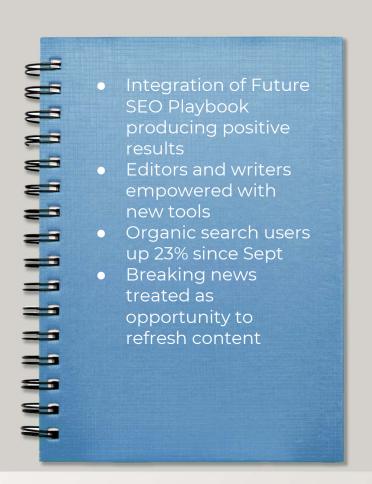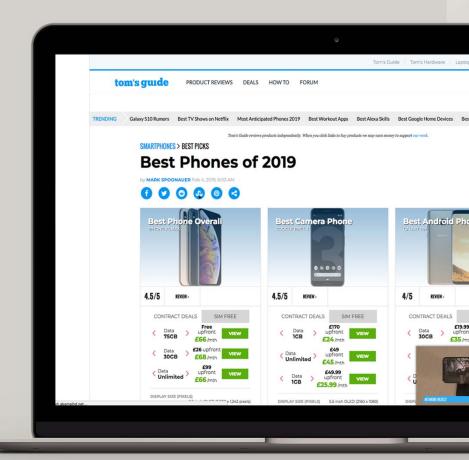
What makes Tom's Guide stand out?

1 — Original testing | Special reports

Smartphones with the longest battery life. Gadget drop tests. Best and Worst Wireless Carriers. Robot vac test track.

2 — Frequent and smart updating

Our writers and editors regularly update buying guides to rank higher and be more helpful.

3 — Strong vendor relationships

In first wave for flagship product reviews, including iPhone, Galaxy, Google, Amazon.

Leveraging SEO Playbook

- Integration of Future SEO Playbook producing positive results
- Editors and writers empowered with new tools
- Organic search users up 23% since Sept
- Breaking news treated as opportunity to refresh content

eCommerce Growth

Close collaboration with eComm team

Weekly strategy meetings. 24/7 war room effort peak trading and Prime Day.

\+

A focus on deal hubs and spotlights

More than 80 hubs created on TG. Product-focused deals increasing in traffic.

→

Results
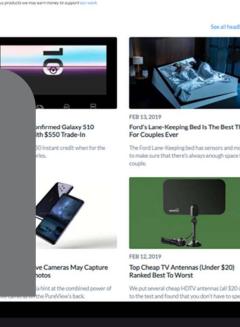
Generated more revenue in 4 days over Cyber Weekend than previous November. eCommerce sessions up 19% YoY overall.

Our guides: the best experts

- Team of 19 editors, writers, testers and producers
- We recruit, train and retain top talent, including from other leading sites
- We've rolled out SEO Playbook to all staffers
- TV, radio and other outlets seek us out (NBC, Fox Business, Cheddar, CBS Radio)

Mark Spoonauer
Mobile, Apple,
Google, Samsung
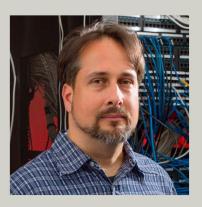
Sherri Smith
Gaming, audio,
VR/AR

Caitlin McGarry
Smartwatches,
phones, iOS

Henry Casey
Streaming,
laptops, tablets
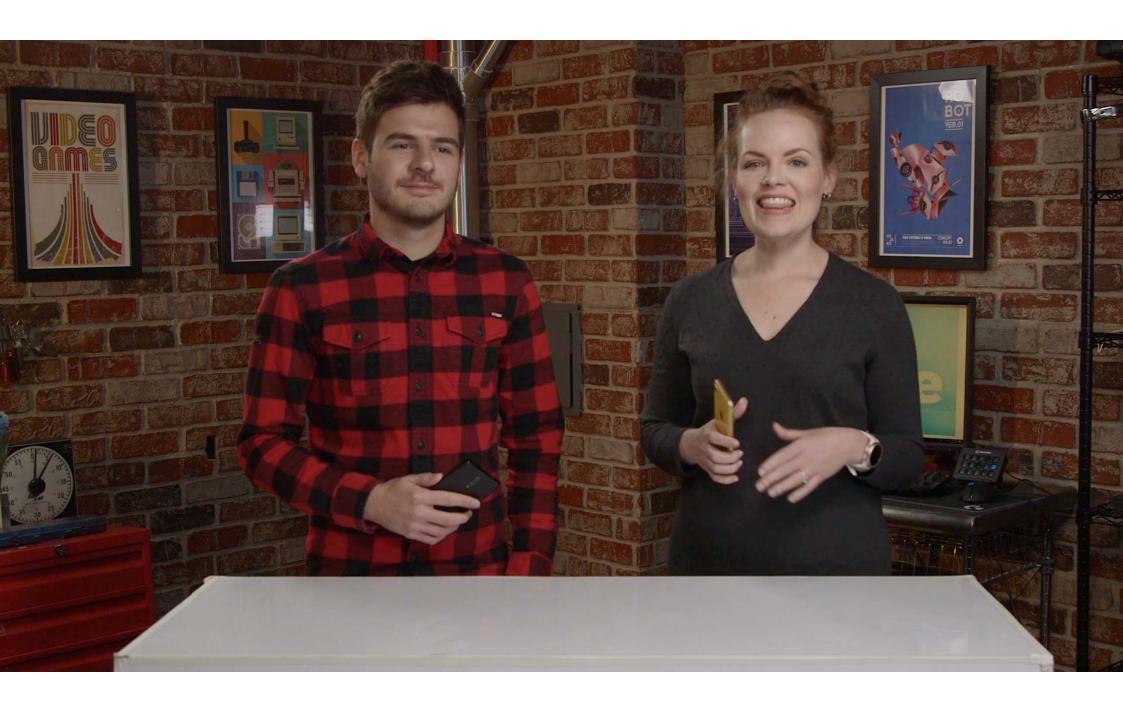
Paul Wagenseil
Security, privacy,
antivirus

Tom's Guide: acceleration as part of Future

- We are reaping rewards of Future integration
- Our original testing, team of experts and strong vendor relationships make Tom's Guide stand out
- Tom's Guide is driving growth in the highly competitive tech vertical in US and UK

Coffee break

The US media market & eCommerce

Michael Kisseberth
Chief Revenue Officer
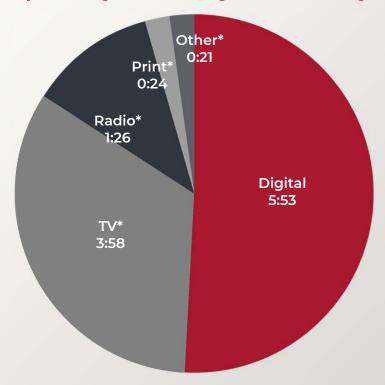
US adults spend most time with digital media

Average time spent per day with major media by US adults, 2017

**Total per day =
12 hours 1 minute**

Other*
0:21

Print*
0:24

Radio*
1:26

Digital
5:53

TV*
3:58
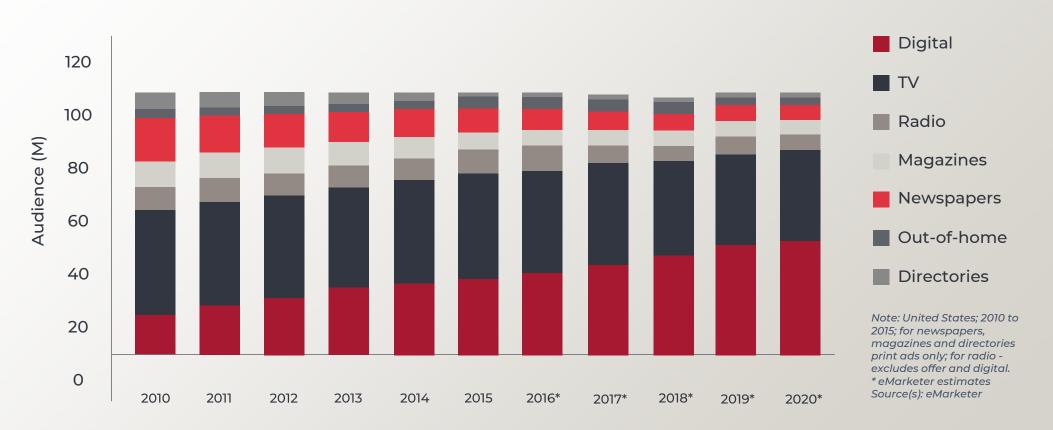
*Note: ages 18+, time spent with each medium includes all time spent with that medium, regardless of multitasking; for example, 1 hour of multitasking on desktop/laptop while watching TV is counted as 1 hour for TV and 1 hour for desktop/laptop; numbers may not add up to total due to rounding, *excludes digital, **includes all internet activities on desktop and laptop computers
Source: eMarketer, Sep 2017*

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Ad spending follows the users
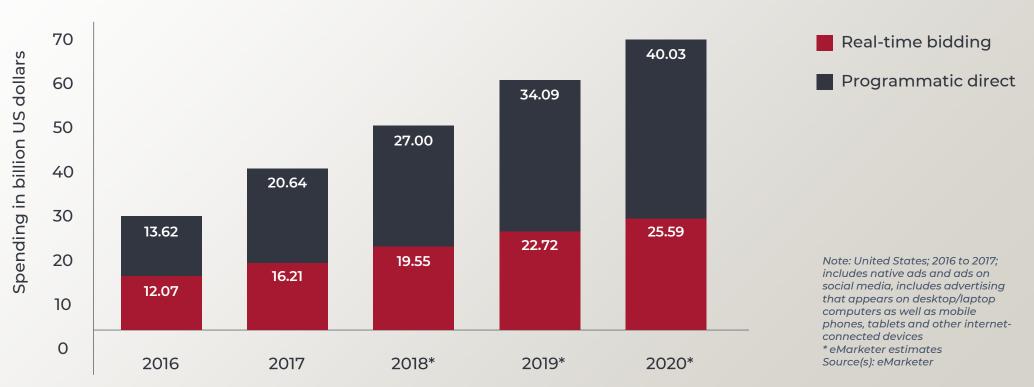
Distribution of advertising spending in the US from 2010 to 2020, by media

Legend:
- Digital
- TV
- Radio
- Magazines
- Newspapers
- Out-of-home
- Directories

*Note: United States; 2010 to 2015; for newspapers, magazines and directories print ads only; for radio - excludes offer and digital. * eMarketer estimates Source(s): eMarketer*

Delivering what marketers value fuels success

- ROI on their promotional spending
- Enough scale to have a material impact on their business
- The ability to reach their target audience
- Bringing simplicity to all of the above
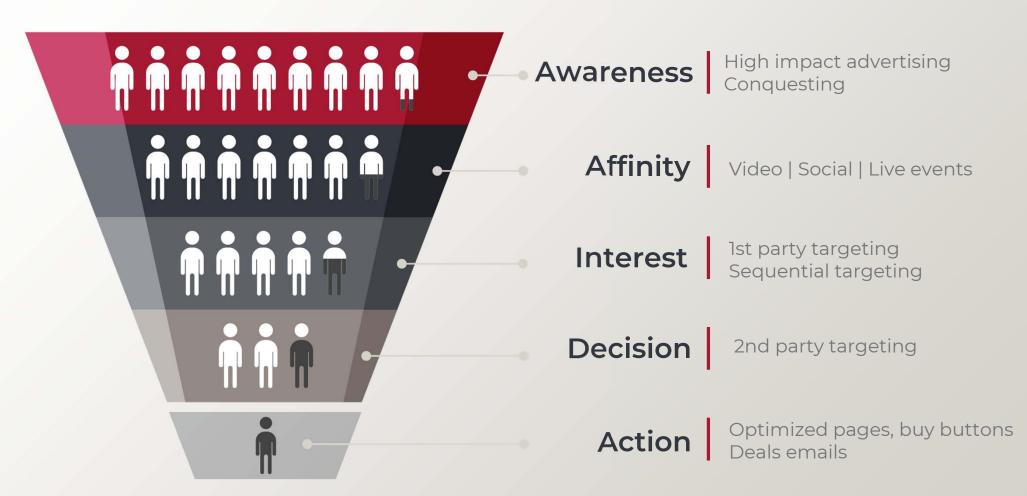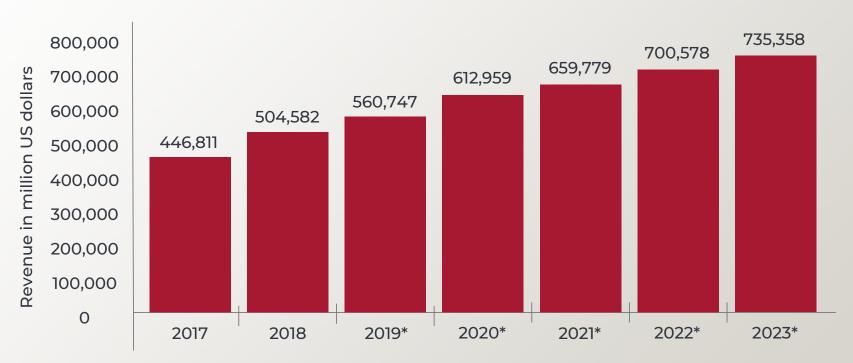
Our promotional products drive ROI

Awareness | High impact advertising
Conquesting

Affinity | Video | Social | Live events

Interest | 1st party targeting
Sequential targeting

Decision | 2nd party targeting

Action | Optimized pages, buy buttons
Deals emails

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eCommerce growth fuels affiliate opportunity

Retail eCommerce sales in the United States from 2017 to 2023 (in million US dollars)

Notes: United States; 2017 to 2018
* Statista estimates
Source(s): Statista DMO; Statista; ID 272391
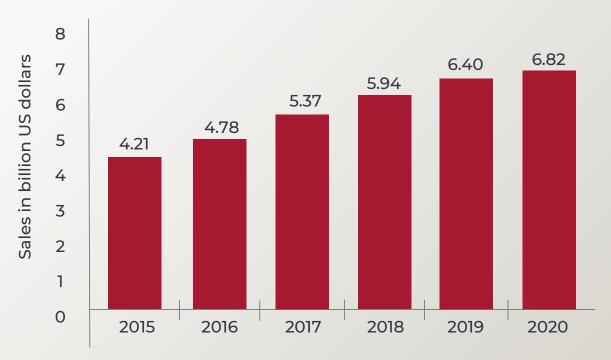
Future's intent content drives recurring revenue

- Delivers value to users which grows audience
- Drives affiliate link performance
- Scale + performance = negotiating leverage for higher affiliate revenue shares
- Affiliate links at scale = recession proof revenue

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Dell XPS 15 (2018) review
Big power, little change
★★★★☆ By Joe Osborne a day ago Laptops & portable PCs

| Introduction, price, design and display | Performance, battery life, features and verdict |
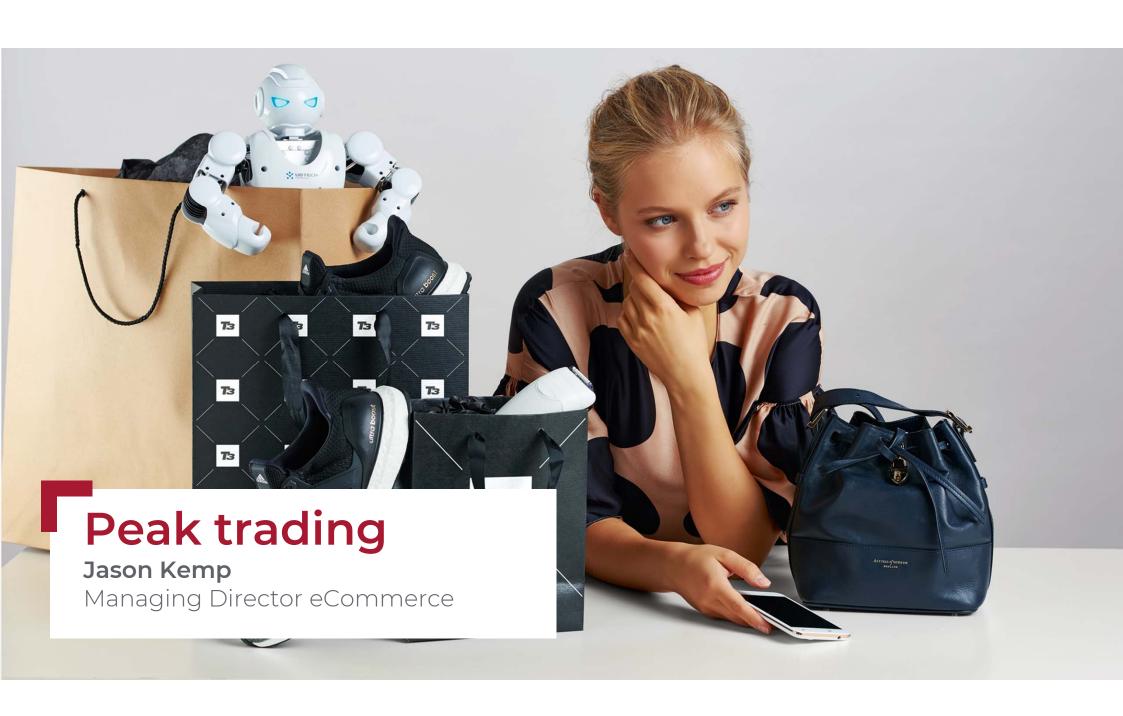
Why Future is well positioned for the US market

We deliver what marketers there value!

- **ROI** - our campaigns and proposals deliver
- **Scale** - our reach is large enough to get our customers' attention
- **The right audiences** - we deliver them in high context special interest environments that are brand safe
- **The ability to buy the above through any channel**, including affiliate promotions
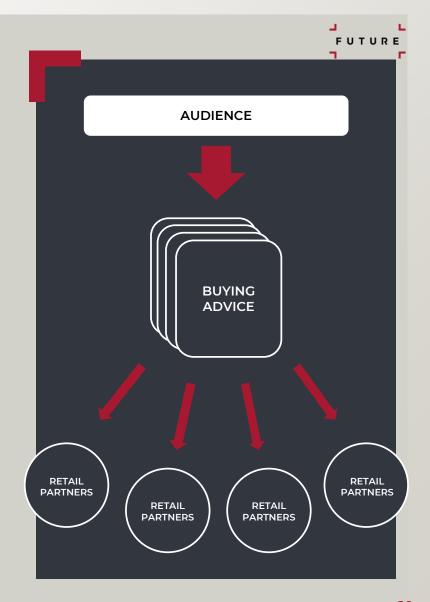
Peak trading

Jason Kemp
Managing Director eCommerce

What is peak trading?

- Peak trading runs from November to mid-January
- Includes a number of different trading events:
  - Black Friday
  - Cyber Monday
  - Holiday and Christmas gift buying
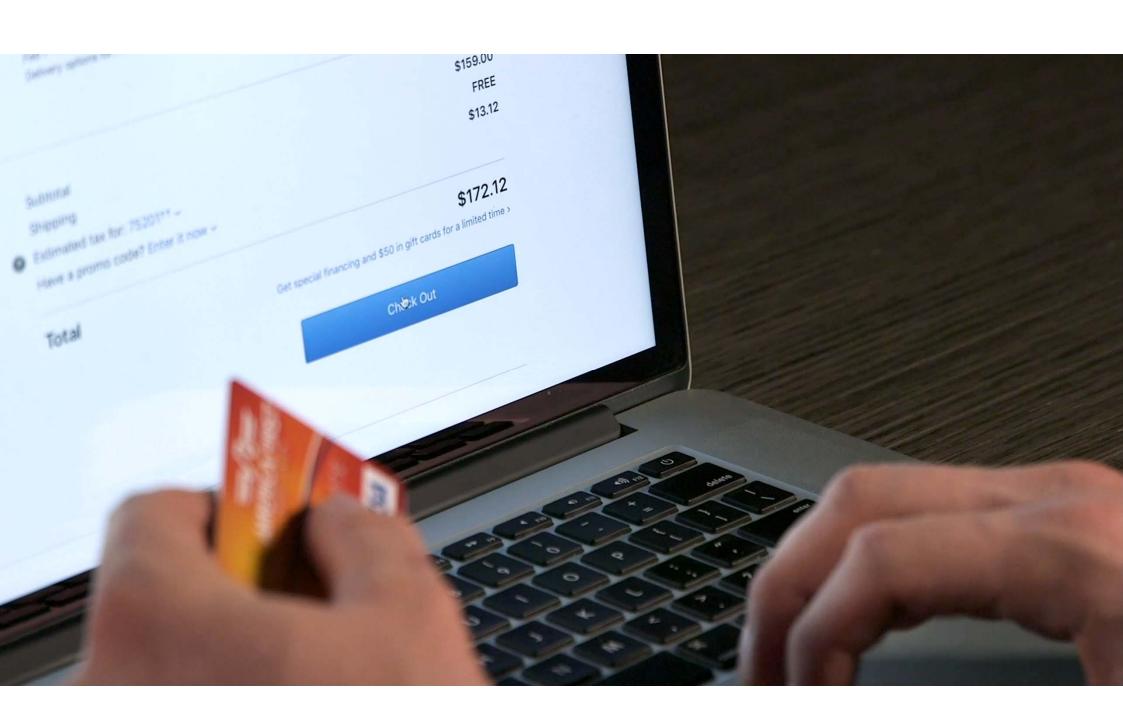 - Sale

Why it is important to Future

- A crucial time to connect with **143M members of our audience** visiting us for buying advice
- A time to connect with our retail and service partners a part of which is sending them **17.75M highly qualified clicks**
- Our scalable tech platform enables this as it allows us to:
  - Maintain uptime under significant audience load
  - Publish new content rapidly and at scale
  - Maintain high levels of price integrity during periods of high price instability through Hawk

Why it is important to Future

$159.00

FREE

$13.12

Subtotal

Shipping

Estimated tax for: 75201**

Have a promo code? Enter it now

$172.12

Get special financing and $50 in gift cards for a limited time ›

Check Out

Total

Prior planning & preparation

- We plan peak trading like a retailer
  - Get all preparation done in the months leading up to peak
  - Focus solely on trading during the time itself
- Our ability to be highly responsive is due to a blend of our formula and our scalable tech platform

Bath 2am

New York 4pm

New York 8am

A formula that works

Walmart ☀

- Future's peak trading formula is so effective that we managed to have our content for Walmart deals on Cyber weekend be viewed by Google as being more relevant than Walmart's own

- It is a formula that we can apply quickly to acquired brands also:
  - As a result Tom's Guide generated more revenue in the 4 days of Cyber Weekend than they did the whole of the previous November

The best Walmart Black Friday and Cyber Monday deals 2018: this ...
https://www.techradar.com/black-friday/walmart-black-friday-and-cyber-monday-dea... ▾
3 hours ago - Black Friday is now live for Walmart - here are our picks of the top
Walmart Black Friday deals now.
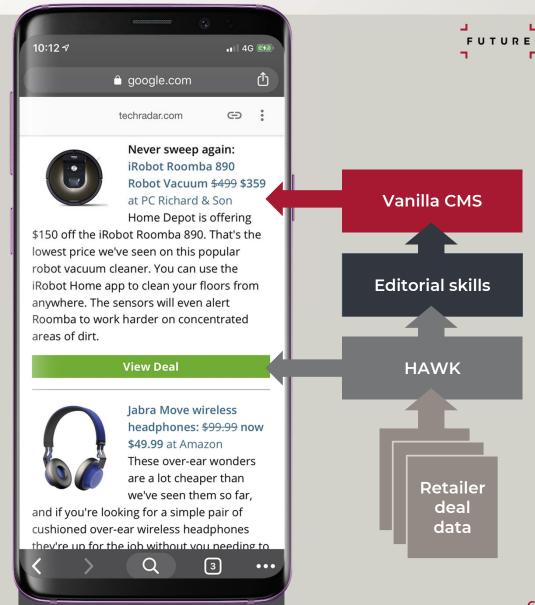
Walmart Black Friday Deals 2018
https://www.walmart.com/cp/black-friday/1076614 ▾
Black Friday. Walmart Black Friday Deals, Black Friday Ad, and Black Friday Sales.
Shop for Black Friday Deals at Walmart.com. ... America's Best Toy Shop ...

A formula that works

Future's peak trading formula is one that is both driven and enabled by our tech platform:

- ○ Hawk ingests retailer data and tells us of the price movements of key products
- ○ This informs our editors who use it to decide which deals to feature
- ○ The editors use the Vanilla platform's responsive CMS to publish content that converts quickly and at scale
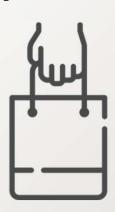- ○ Hawk monetises the outbound links

Peak trading roundup

143M users visited our buying advice content over peak trading

Our content helped inform over **1M transactions** for our audience across **12k different products**

Significant trading outside of tech

Evolution of our tech stack

Kevin Li Ying
Chief Technology Officer

Why is the tech stack important?

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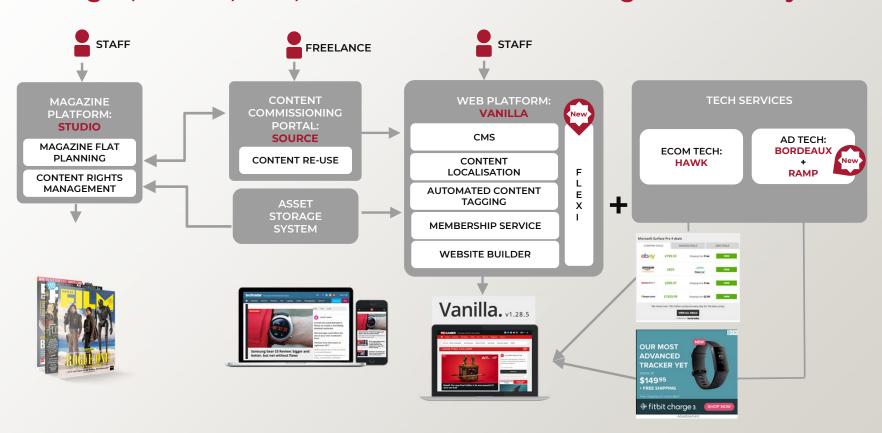
- Our websites to exist and grow
- Our magazines to be published on time every time
- Our business to further diversify its revenue streams
- Our organisation to operate efficiently

Our tech stack

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

STAFF

FREELANCE

STAFF

MAGAZINE PLATFORM: STUDIO
- MAGAZINE FLAT PLANNING
- CONTENT RIGHTS MANAGEMENT

CONTENT COMMISSIONING PORTAL: SOURCE
- CONTENT RE-USE

ASSET STORAGE SYSTEM

WEB PLATFORM: VANILLA (New)
- CMS
- CONTENT LOCALISATION
- AUTOMATED CONTENT TAGGING
- MEMBERSHIP SERVICE
- WEBSITE BUILDER

FLEXI

+

TECH SERVICES
- ECOM TECH: HAWK
- AD TECH: BORDEAUX + RAMP (New)

Vanilla. v1.28.5

Vanilla platform: enabling new & growing existing brands

Vanilla's global content management system delivers:

Great economies of scale

- Standardised approach to online content creation
- Enables **online** + **print** 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

WEB PLATFORM: VANILLA

CMS

CONTENT LOCALISATION

AUTOMATED CONTENT TAGGING

WEBSITE BUILDER

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

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Vanilla platform: enabling new & growing existing brands
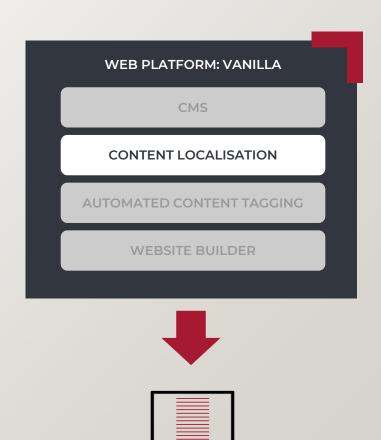
Vanilla's content localisation features:

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
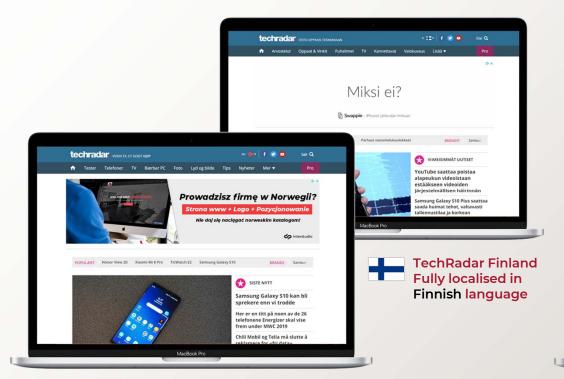- More effective monetisation of localised content
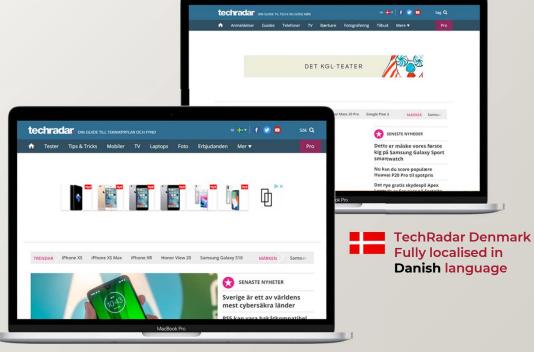
Allows content to be written in multi-language

- Penetration into non-English markets with high revenue potential

WEB PLATFORM: VANILLA

CMS

CONTENT LOCALISATION

AUTOMATED CONTENT TAGGING

WEBSITE BUILDER

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

Vanilla platform: enabling new & growing existing brands

🇫🇮 **TechRadar Finland**
Fully localised in
Finnish language

🇩🇰 **TechRadar Denmark**
Fully localised in
Danish language

🇳🇴 **TechRadar Norway**
Fully localised in
Norwegian language

🇸🇪 **TechRadar Sweden**
Fully localised in
Swedish language

Vanilla platform: enabling new & growing existing brands

Vanilla's automated content tagging technology:

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

- Drives more monetisable audience traffic to our sites
    - Audience segments
    - Facilitate hyper advertising targeting
- Diversifies the way content can be syndicated online to third-party online partners
- Increases our online search engine visibility, which increases the discoverability of our content

WEB PLATFORM: VANILLA

CMS

CONTENT LOCALISATION

AUTOMATED CONTENT TAGGING

WEBSITE BUILDER

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

Vanilla platform: **enabling new & growing existing brands**
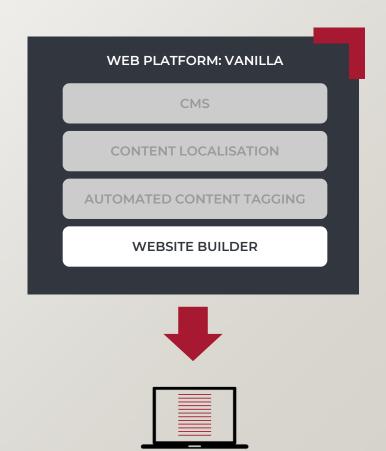
Vanilla's website builder:
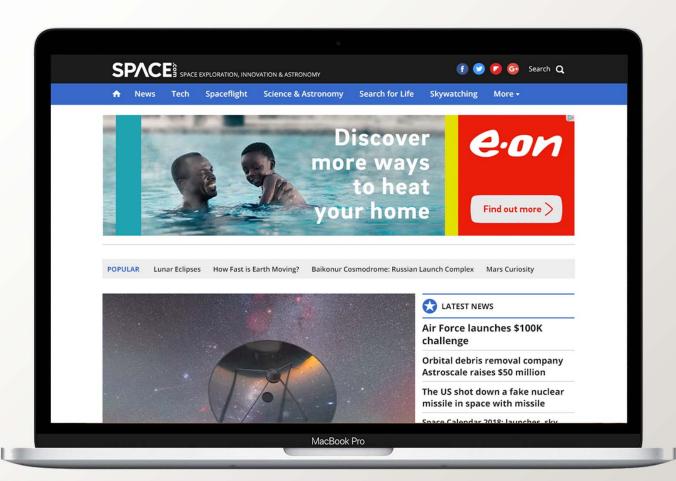
Scalable and robust

- Supports delivery of 175m web page views and 860m advertising impressions (Dec 18)
- Cost effective and future proofed; will meet our online growth
- Launched Louder Sound, Guitar World, What HiFi, AVNetwork, Tech & Learning and Space.com in the past 12 months

FUTURE

WEB PLATFORM: VANILLA

CMS

CONTENT LOCALISATION

AUTOMATED CONTENT TAGGING

WEBSITE BUILDER

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

Vanilla platform: enabling new & growing existing brands

Vanilla is a plug and play solution and it gives us

- Speed to market; Space.com within 12 weeks
- Optimise for SEO
- Maximise revenue per user
- Delivers web page fast
- Fast web page delivery

75
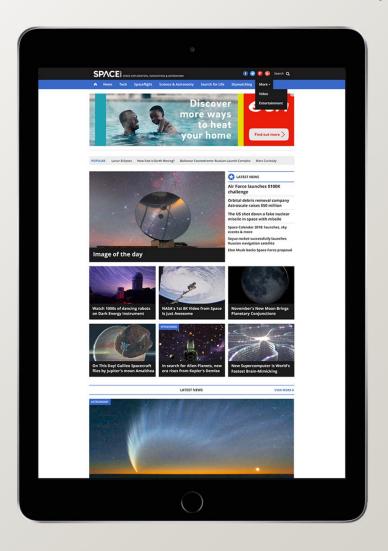
Vanilla platform delivering a scalable business model

Overall an agile, lean, robust and scalable tech stack

We now have 16 sites in total on our proprietary platform Vanilla having migrated four in 2018 and a further two in the start of current year already

- Two new launches in 2018: *Realhomes.com* and *Louder*, a re-imagining of TeamRock.com brand
- Facilitated **3.5m** eCommerce transactions in 2018
- Delivered **7.2bn** ad impressions in 2018 vs. 5.6bn in 2017
- The sites migrated to Vanilla in 2018 have seen advertising viewability increase by an average of **13%**
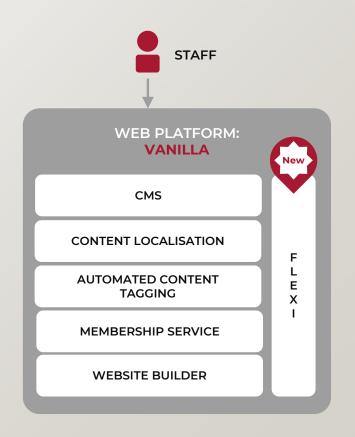
Innovation: enabling business growth

Vanilla platform with Flexi - cutting-edge technology

Proprietary system design
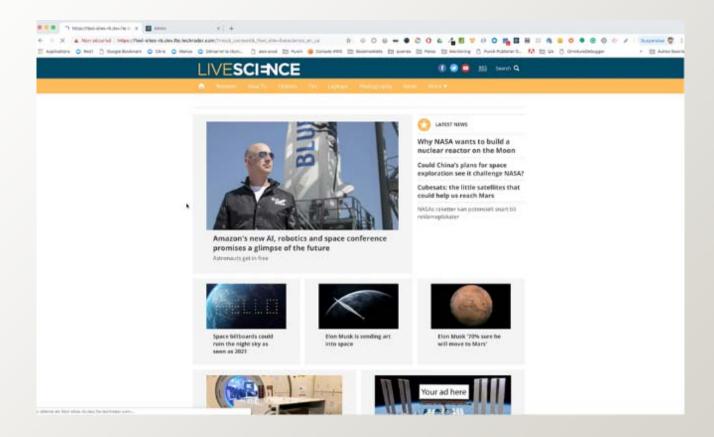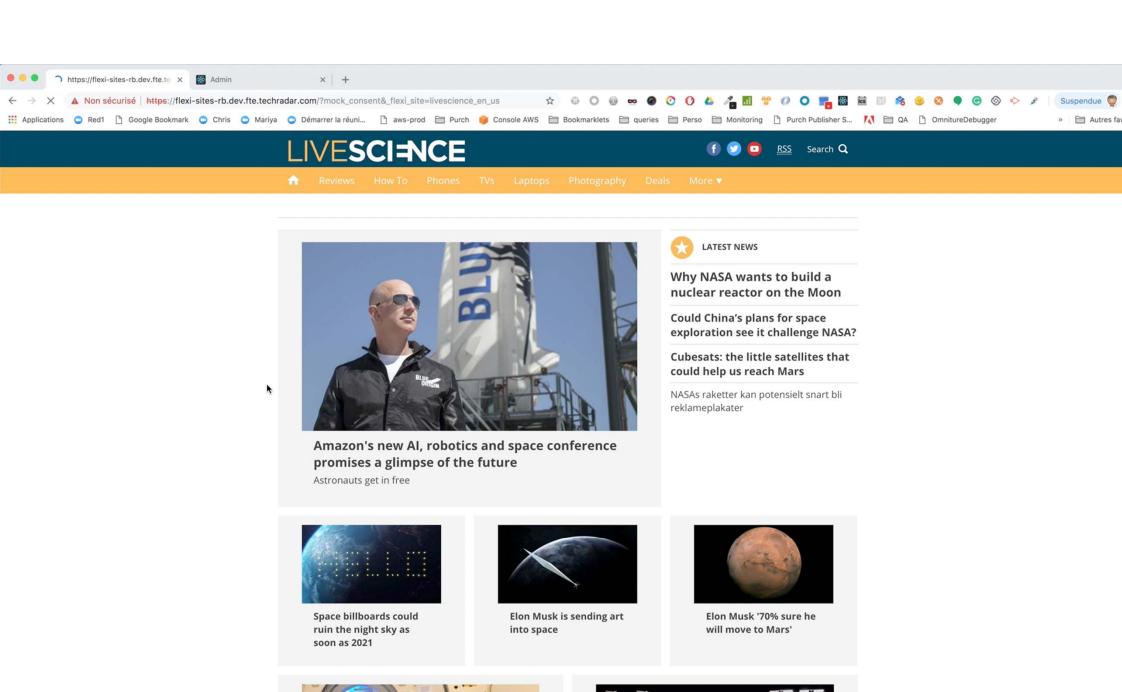
Designed to be robust and resilient

- Accelerate website migration -> auto migration in the future for Future
- Allow re-purposing our tech talent on further innovation -> focus on organic growth
- Maintain high operational gearing -> allowing us to move into optimisation phase quicker

STAFF

WEB PLATFORM: **VANILLA**

New

CMS

CONTENT LOCALISATION

AUTOMATED CONTENT TAGGING

MEMBERSHIP SERVICE

WEBSITE BUILDER

FLEXI

Vanilla platform with Flexi:
enabling business growth

LIVESCIENCE

RSS   Search

Home   Reviews   How To   Phones   TVs   Laptops   Photography   Deals   More ▼

Amazon's new AI, robotics and space conference promises a glimpse of the future
Astronauts get in free

⭐ LATEST NEWS

Why NASA wants to build a nuclear reactor on the Moon

Could China's plans for space exploration see it challenge NASA?

Cubesats: the little satellites that could help us reach Mars

NASAs raketter kan potensielt snart bli reklameplakater

Space billboards could ruin the night sky as soon as 2021

Elon Musk is sending art into space

Elon Musk '70% sure he will move to Mars'

Summary: technology operating model enabling business growth

Efficiency

Go to market fast

Ability and agility to pivot

Counter effect of additional complexity with business growth

Scalability

Blend of people + technology + processes

Delivering operating margin/efficiency

Efficient, faster, accurate, precise

Innovation

Foundation enabling innovation
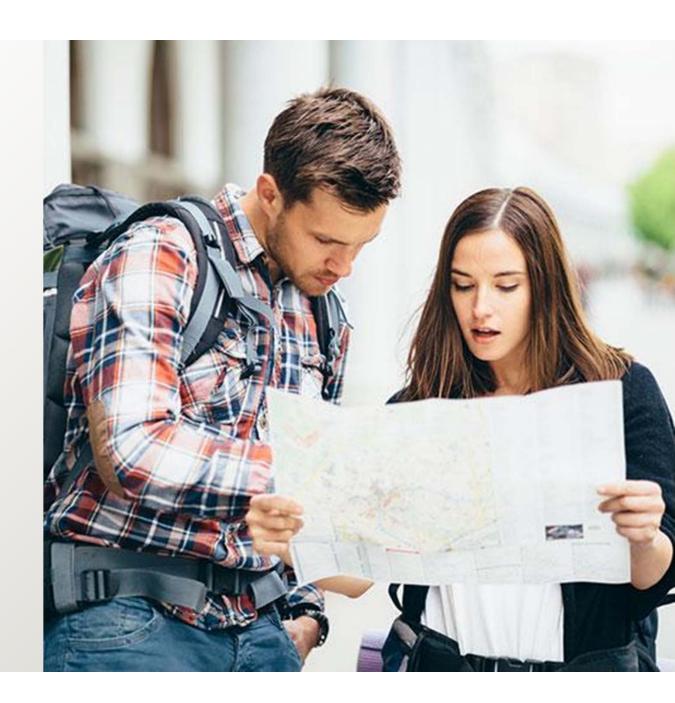
Turbo charging our Vanilla platform

Vanilla + Flexi

Ad tech

Zack Sullivan SVP Sales & Operations, UK
Reda Guermas VP Software Engineering Ad Tech

This section

- What is programmatic

- The benefits

- Our trends

- How we deliver this
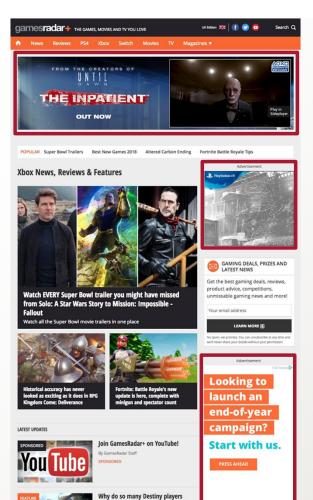
What is programmatic?

Platform enabled automation of the buying, selling and delivery of advertising

Using an auction mechanic

Premium & RTB

RAMP is Future's proprietary programmatic platform
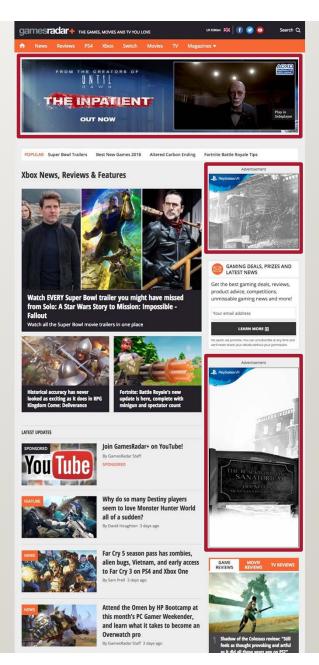
The difference?

The benefits

Optimises Yield

Predictable

Scalable

Automated
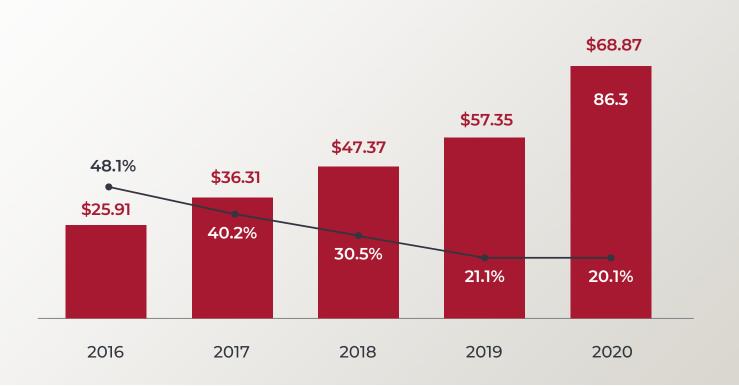
	Direct selling	Programmatic Selling
Buyers	(16 person icons)	(many person icons)
Sales teams	(9 person icons)	(3 person icons)
Delivery teams	(4 person icons)	(2 person icons)

Programmatic as a percentage of total display revenue

FY16 Group Digital Display Revenue*

1st party advertising 63%

Programmatic advertising 37%

Change in % split

FY18 Group Digital Display Revenue* (Proforma for Purch)

1st party advertising 47%

Programmatic advertising 53%

*Digital display revenue excludes creative solutions and sponsorship revenue

FUTURE

How we drive programmatic revenue
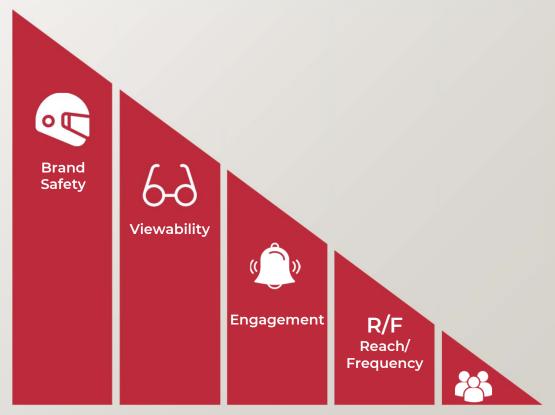
We start with the basics
- The right audience
- Reach
- Engagement

The value Future adds
- Viewability
- Brand safety
- Refresh & incremental
- GDPR data consent

And with RAMP we are taking it further
- Speed
- Data management
- Auction modeling

Brand Safety

Viewability

Engagement

R/F
Reach/ Frequency

Audience

Summary: **Programmatic delivers multiple benefits**

FUTURE

Efficiency

Automated

Predictable revenue

Scalable

Growth

Growing area of advertising

Better than market growth

Delivers marketers needs

Innovation

RAMP is turbo charging growth

Optimized to Vanilla & Bordeaux

RAMP & Bordeaux

Reda Guermas VP Software Engineering Ad Tech

R A M P
Revenue and Advertising Management Platform
2018 DIGIDAY Best Use of Technology Award Winner

Ad Tech with RAMP

FUTURE

Sellers
Publishers

$

$

Advertising Placement Technology

RAMP

Scale

Advertising Market Place

Advertising Trading Marketplace

Buyers
Advertisers

DIRECT

PROGRAMMATIC

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Ad Tech with Bordeaux

Sellers
Publishers

FUTURE

$ | $
$ | $

Bordeaux

Advertising Viewability

Advertising Volume

RAMP

Scale

Advertising Market Place

Advertising Trading Marketplace

Buyers
Advertisers

DIRECT

PROGRAMMATIC

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Ad Tech with RAMP + Bordeaux

RAMP

- Scale
- Competition

Bordeaux

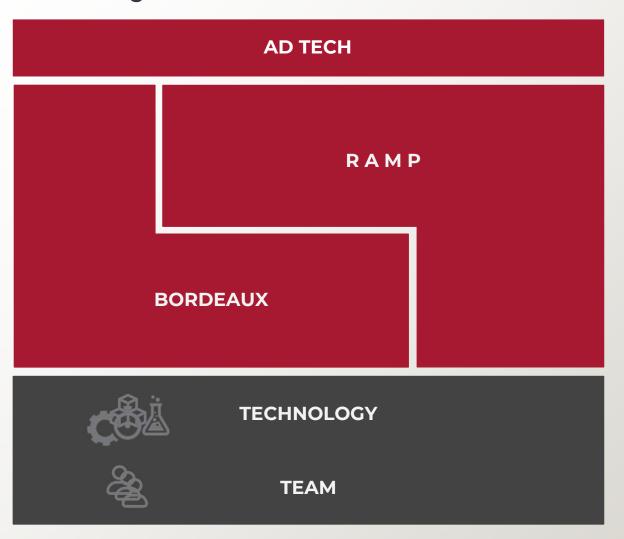- Viewability
- Volume

1 + 1 = 4

Summary: Power of RAMP + Bordeaux

RAMP + Bordeaux together give us

- Scale
- Diversity
- Market depth
- Insight
- Optimal viewability
- Increased volume

Investment thesis

Penny Ladkin-Brand
Chief Financial Officer

Our strategy

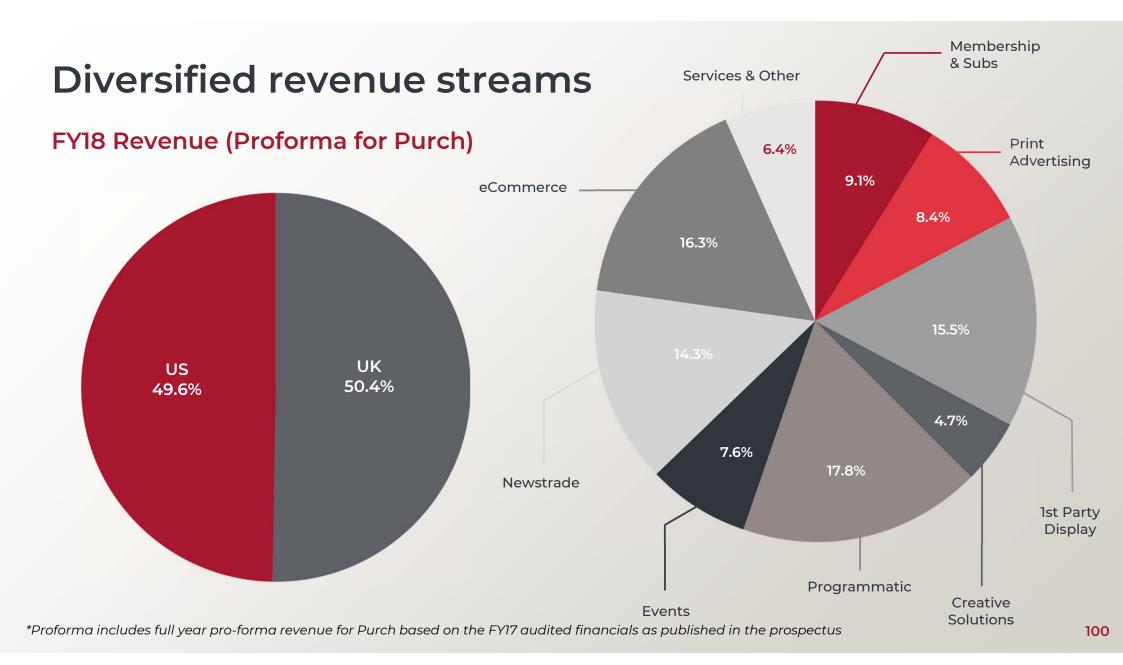Future is a global platform for specialist media with scalable, diversified brands.

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.

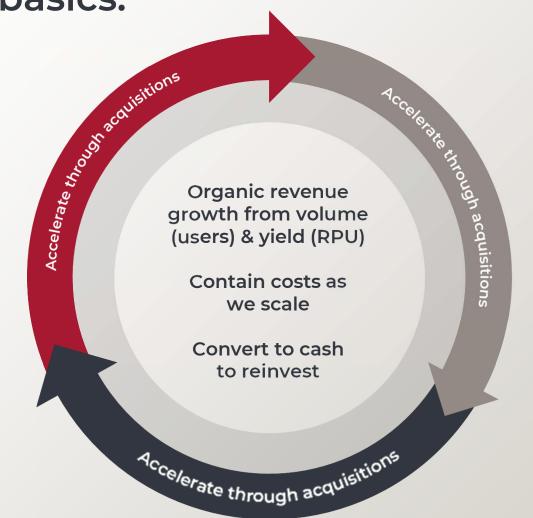Diversifying our monetisation models to create significant revenue streams.
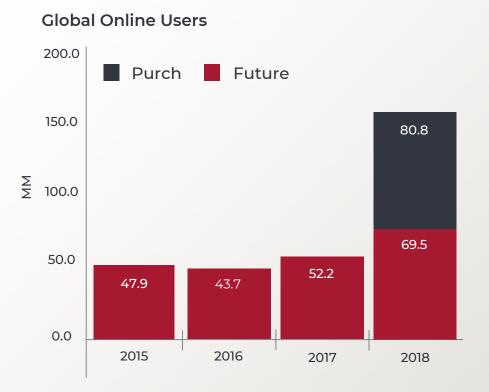
Compelling investment case

Diversified revenue streams

FY18 Revenue (Proforma for Purch)

US 49.6%

UK 50.4%

Services & Other 6.4%

Membership & Subs 9.1%

Print Advertising 8.4%

eCommerce 16.3%

15.5%

14.3%

4.7%

Newstrade

7.6%

17.8%

1st Party Display

Events

Programmatic

Creative Solutions

Proforma includes full year pro-forma revenue for Purch based on the FY17 audited financials as published in the prospectus

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Focus on the basics:

FUTURE

Accelerate through acquisitions

Accelerate through acquisitions

Accelerate through acquisitions

Organic revenue growth from volume (users) & yield (RPU)

Contain costs as we scale

Convert to cash to reinvest

101

Growing volume and yield

Global Online Users

Purch ■ Future ■

- 2015: Future 47.9
- 2016: Future 43.7
- 2017: Future 52.2
- 2018: Future 69.5, Purch 80.8

Organic: +13% CAGR   Total: +26% CAGR

Revenue Per Online User

UK* ■ US ■

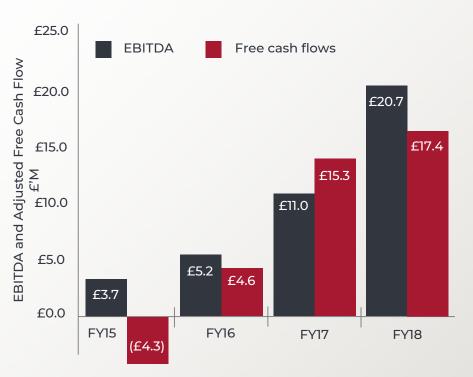| Year	UK*	US
2015	0.98	0.46
2016	1.16	0.60
2017	1.39	0.75
2018	1.78	1.01

UK: +22% CAGR   US: +31% CAGR

*Includes Aus & NZ users and excludes legacy Purch UK users
Purch 2018 figures are proforma

High cash conversion

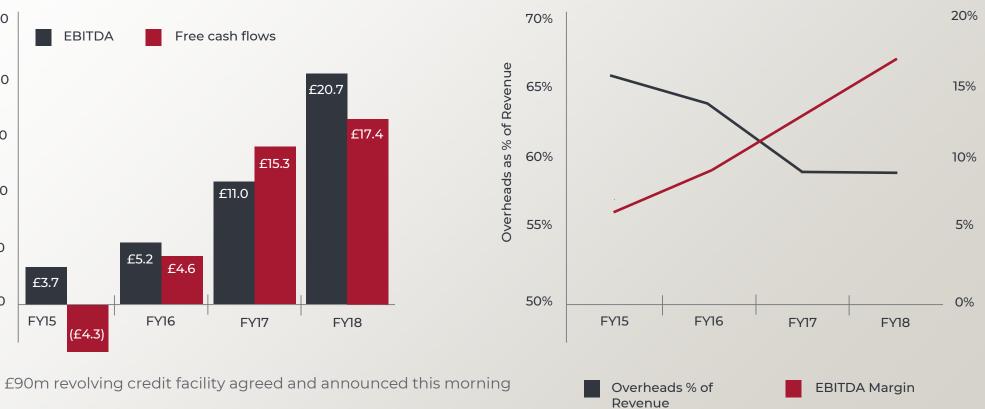## Group EBITDA and Free Cash Flows

- £90m revolving credit facility agreed and announced this morning

Adjusted free cash flow defined as operating cash flows excluding exceptional items and capex

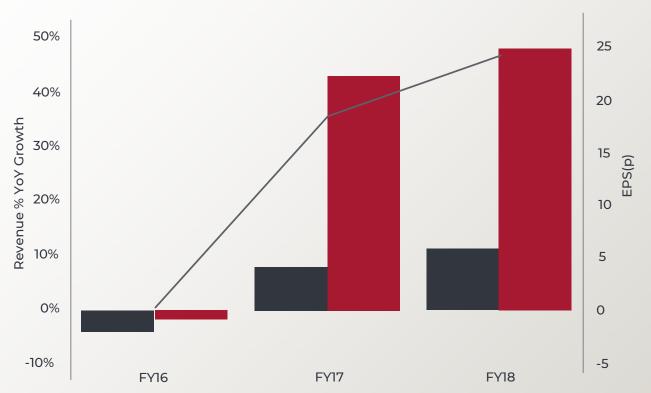## Group Overheads as % of Revenue & EBITDA Margin

Scaling up through acquisitions

- Accelerate growth through sensible acquisitions

Revenue & EPS Growth

Legend:
- ■ Group organic revenue YoY growth
- ■ Group total revenue YoY growth
- — EPS(p)*

- Organic revenue YoY Growth rate excludes all acquisitions until owned for a full year
- Organic revenue growth is total group - the Media revenue growth is higher than the total group
- Media revenues are higher margin than Magazine revenues therefore EBITDA increases as the revenue mix changes

* EPS is diluted & adjusted and for FY15 and FY16 for continuing operations only

1   +penny.ladkinbrand@futurenet.com Do you want to add a comment that the organic is total company and therefore that MEdia is far greater? Otherwise I am worried could be perceived as a little slow

Also I was asked aboutour EPS CAGR - do you think someone could calculate that and we could add as a bullet?
Assigned to Penny Ladkin-brand
Zillah Byng-Maddick, 11/02/2019

FUTURE

Investment case

- Our strategy is aimed to be both defensive and growth oriented

- Margin increases as we gain scale and the revenue mix changes towards Media revenues

- Strong cash conversion delivers increasing free cash flows

- Focus on delivering organic growth and building platform to accelerate growth through acquisitions

Conclusion & questions

Executive summary

Strategy delivering sustainable growth

- Diversifying our monetisation - creation of six meaningful revenue streams
- Expanding our reach through acquisitions - vertical expansion (cycling, B2B) and geographical expansion (Purch - US)
- Compelling investment case by focusing on the basics: organic revenue growth, containment of costs, and conversion to cash for re-investment

Specialist verticals create value

- A customer-first model to develop and manage vertical strategy
- SEO-focused culture benefiting from vertical leadership and diversification; both generalist and specialist
- Tom's Guide a strong addition to tech vertical - shared SEO and eCommerce learnings producing good results

US market key opportunity

- Delivering value to marketers through scale, reach and simplicity
- Driving programmatic advertising through brand safe environments, viewability and bot-free traffic
- Focus on customer intent facilitating eCommerce growth
- Success in peak trading periods due to tried and tested formula and continual learnings

Our proprietary tech stack drives scale

- Continual evolution of strong and scalable proprietary Vanilla web platform
- New proprietary tool, Flexi within Vanilla, accelerates website migration and development
- Benefits of programmatic: a predictable revenue stream which is scalable and automatic
- Combination of ad tech RAMP and Bordeaux best of breed driving volume and yield optimisation