30 November 2021

Connectors. Creators. Experience Makers.

FUTURE plc

2021 FULL YEAR RESULTS

Strong organic growth with record profit and cash flow, adding to the track record

Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today publishes its results for the year ended 30 September 2021.

Highlights

Financial results for the year ended 30 September 2021

Adjusted results[1]	**FY 2021**	**FY 2020**	**Var**
Adjusted operating profit (£m)	195.8	93.4	+110%
Adjusted operating profit margin (%)	32%	28%	+4ppt
Adjusted diluted EPS (p)	131.9	74.7	+77%
Statutory results	**FY 2021**	**FY 2020**	**Var**
Revenue (£m)	606.8	339.6	+79%
Operating profit (£m)	115.3	50.7	+127%
Profit before tax (£m)	107.8	52.0	+107%
Cash generated from operations (£m)	197.2	91.9	+115%
Diluted EPS (p)	58.1	45.4	+28%

Financial highlights

- H1 momentum continued into H2 with full year revenue up 79% to £606.8m (FY 2020: £339.6m).

- Organic[2] revenue grew 23% (H1: 21%, H2: 26%), or 15% average over a two-year period.

- US achieved organic revenue growth of 27%, demonstrating early momentum from the execution of our US strategy for TI Media; UK organic revenues grew by 17%, reflecting weighting towards events and magazines revenue.

- Improved quality of earnings, resulting from favourable revenue mix, scalability of the model and platform effect, drove adjusted operating profit[1] margin of 32%, up 4ppt year-on-year (FY 2020: 28%); adjusted operating profit up 110% to £195.8m (FY 2020: £93.4m), and statutory operating profit up 127% to £115.3m (FY 2020: £50.7m).

- The Group remains highly cash generative with strong adjusted free cash flow[3] of £199.3m (FY 2020: £96.0m), representing 102% of adjusted operating profit (FY 2020: 103%).

- Leverage[4] of 0.8x (FY 2020: 0.6x) reflecting rapid de-levering of the Group following the acquisition of GoCo, resulting in net debt at the end of the year of £176.3m (FY 2020: £62.1m). Following the Dennis acquisition on 1 October (excluding other cash movements), leverage was 1.9x.

- The proposed dividend for the year is 2.8p per share (FY 2020: 1.6p), +75% year-on-year, reflecting the growth of the Group and the confidence in the future.

Operational and strategic highlights

Future is a global platform for intent-led specialist media underpinned by technology, enabled by data; with diversified revenue streams. Over the last twelve months the execution of our strategy continued to deliver exceptional results:

- **Driving organic growth:**
    - Strong organic growth with Media up 27%, with robust performance in digital advertising and eCommerce, an average growth over a two-year period of 25%.
    - Anniversary impact of pandemic closures resulted in organic growth in Magazines of 4%, average organic revenue decline over a two-year period was (13)%.
    - Continued growth in direct advertising campaigns underpinned digital advertising organic growth of 27%. Average organic growth over a two-year period was 21%.
    - eCommerce continues to perform well with growth of 36%, with improved commission rate and conversion rate in H2. Average organic growth over a two-year period was 47%.

- **Benefiting from ongoing investment in the Platform:**

We continue to invest in our operating and technology platforms, resulting in increased performance and capability that can be leveraged across the Group:

- Significant investment in people, across editorial and technology with c.130 new roles created.
- Continued development of our technology with the launch of Aperture, our customer audience data platform, and improvements to Hawk, our eCommerce technology to improve yields and conversions. Development of new proprietary voucher technology, Eagle, leveraging existing GoCo capability across the Future estate.

- **Creating value from acquisitions**

    - Integration of GoCo, acquired in February 2021, is complete, with strong overall performance in GoCompare.com and MyVoucherCodes.
    - Ongoing delivery of benefits from TI Media, acquired in April 2020; performance has been strong with online user growth of 16% vs prior year proforma[7] with digital advertising and eCommerce revenue up 38% vs proforma with an acceleration in the second half to 60%.
    - Post year-end, in October 2021, we completed the acquisition of Dennis, with integration well underway.

- **Execution underpinned by values**
    - Launch of our Responsibility strategy with our Annual Report next month.
    - New Future 3.0 employment contract launched in January 2021 with enhancement to benefits for the majority of UK colleagues.
    - Continued support for staff during lockdowns, all staff participation in maximum payout of profit pool and roll out of our new global all staff share plan (VCP).

Outlook

- We expect our diversified strategy to continue to deliver and are well-positioned to continue to grow strongly.
- As we transition from the COVID-19 boosted comparators, we expect growth to accelerate in H2 FY 2022.
- Our platform effect continues to drive further margin expansion across the business and we are therefore upgrading our outlook for the full year and now expect adjusted results in FY 2022 to be materially above current expectations.

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

"I am pleased to announce another set of exceptional results, which builds on our long-term track record of growth. Our performance reflects the diversity of our revenue streams and our global reach and the operating leverage of our business model.

"We generated 23% organic growth in the period, driven by the strength of our trusted content which continues to attract a high value audience. The growth was accelerated in the US and we are confident about our ability to capitalise on the opportunity in North America, to further strengthen and diversify our revenue streams. Our strategy is accelerated through acquisition and in the year we continued to strengthen our proposition through the completed integration of GoCo Group, as well as the acquisition of Mozo, Marie Claire US, CinemaBlend and, post-year end, Dennis.

"Looking ahead, we expect our diversified strategy to continue to deliver and are well-positioned to continue to grow strongly. As we transition from the COVID-19 boosted comparators, we expect the growth to accelerate in H2 next year. We expect our operating model to drive enhanced scalability and operating leverage, leading to further margin expansion, and we are therefore upgrading our outlook for the full year and now expect adjusted results in FY 2022 to be materially above current expectations."

Presentation

A live webcast of the analyst presentation will be available at 08.30 am (UK time) today at https://webcasting.brrmedia.co.uk/broadcast/6196827d56c12f2f143114f5

A copy of the presentation will be available on our website at https://www.futureplc.com/investor-results/

A recording of the webcast will also be made available.

The definitions below apply throughout the document.

1) Adjusted results are adjusted to exclude share-based payments (relating to equity settled share awards with vesting periods longer than 12 months) and associated social security costs, exceptional items, amortisation of intangible assets arising on acquisitions and any related tax effects as well as the impact of the UK tax rate change. The prior year results are also adjusted for fair value movements on contingent consideration (and unwinding of associated discount) and on the currency option (including any related tax effects).

2) Organic growth defined as the like for like portfolio excluding acquisitions and disposals made during FY 2020 and FY 2021 and including the impact of closures and new launches at constant FX rates. Constant FX rates is defined as the average rate for FY 2021.

3) Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents cash generated from operations adjusted to exclude cash flows relating to exceptional items and movement on accrual for employer's taxes on share based payments relating to equity settled share awards with vesting periods longer than 12 months, and to include lease repayments following adoption of IFRS 16 *Leases* in the prior year.

4) Leverage is defined as Net debt as defined in 9) below (excluding capitalised bank arrangement fees and including any non-cash ancillaries), as a proportion of Adjusted EBITDA adjusted for the impact of IFRS 16 and including the 12 month trailing impact of acquired businesses (in line with the Group's bank covenants definition). Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation adjusted for the items referenced in 1) above where applicable.

5) Audience reach includes: online users (excluding forums), print and digital magazine and bookazines circulation, email newsletter subscribers, social media followers and event attendees.

6) Online users defined as monthly online users from Google Analytics and, unless otherwise stated, is the monthly average over the financial period. Forums are excluded as they are non-commercial websites for which Future does not write content, and are not actively managed or monetised.

7) Proforma numbers compare at constant exchange rates the performance of acquisitions on a like for like (as defined above in organic growth definition) basis.

8) Reference to 'core or underlying' reflects the trading results of the Group without the impact of one-off items, amortisation of acquired intangible assets, exceptional items, share-based payment expenses (relating to equity-settled share awards with vesting periods longer than 12 months), together with associated social security costs and any tax related effects (including the impact of the UK tax rate change) that would otherwise distort the users understanding of the Group's performance. In the prior year this also excludes changes in the fair value of contingent consideration (and unwinding of associated discount) and on the currency option (including any related tax effects).

9) Net debt is defined as the aggregate of the Group's cash and cash equivalents and its external bank borrowings net of capitalised bank arrangement fees. It does not include lease liabilities recognised following the adoption of IFRS 16 *Leases* in the prior year.

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About Future
Future is a global platform business for specialist media with diversified revenue streams. Its content reaches 1 in 2 adults online in the UK and 1 in 3 in the US.

The Media division is high-growth with complementary revenue streams including eCommerce for products and services, events, and digital advertising (including advertising within newsletters and video). It operates in a number of sectors including technology, games & entertainment, music, home & gardens, sports, TV & film, real life, knowledge, wealth & savings, women's lifestyle and B2B. Its brands include TechRadar, PC Gamer, Tom's Guide, Android Central, Truly, The Week, Kiplinger, GoCompare, Digital Camera World, Homebuilding & Renovating Show, GamesRadar+, The Photography Show, Top Ten Reviews, Marie Claire, Live Science, Guitar World, MusicRadar, Space.com, What to Watch, Gardening Etc, Adventure and Tom's Hardware.

The Magazine division focuses on publishing specialist content, with a combined global circulation of over 3 million delivered through more than 131 magazines, and 735 bookazines published a year. The portfolio spans technology, knowledge, games & entertainment, sports, music, photography & design, homes & garden, country lifestyle, TV & film and B2B. Its titles include Country Life, Wallpaper, Woman & Home, The Week, Classic Rock, Decanter, Guitar Player, FourFourTwo, Homebuilding & Renovating, Digital Camera, Guitarist, How It Works, Total Film, What Hi-Fi? and Music Week.*

Strategic and operational update

We have a relentless focus on the sustainable execution of our strategy - to be a leading global platform for intent-led specialist media underpinned by technology, enabled by data with scalable, diversified revenue streams. Our high-quality content is the fuel that drives our engine and we are focused on organic growth to drive long term value through operating leverage. We also drive the benefits from acquisitions by deploying the Future operating model including our global approach to our content and our audience reach.

Our strategy has continued to deliver in FY 2021. We achieved strong organic growth alongside the acquisitions of CinemaBlend, Mozo, GoCo, Marie Claire US and the recently completed acquisition of Dennis. This progress not only contributed to our record results, but also ensured that Future is well placed for continued growth and success.

Meeting our audience's needs

Our strategy is centred around meeting our audience's needs, ensuring we continue to be the trusted expert that helps them do the things they love, and make the decisions that matter most to them. As a result of our continued focus on creating the best quality content and experiences for our audiences, our overall audience has grown to 432m (FY 2020: 394m) underpinned by our online users, which have grown 8% year-on-year to 305m (FY 2020: 282m), an average organic growth rate of 20% on a two-year basis.

The first six months of 2020 saw our audiences boosted by the impact of lockdown as consumers around the world looked for both a trusted source of buying advice for items to facilitate the sudden shift to work from home and also news and information directly linked to the pandemic, particularly on sites such as Live Science. As we moved into FY 2021 this traffic normalised leading to an organic decline of (8)%, while media revenue was up 27% demonstrating the quality of our audience. Other verticals - which were more immune to COVID-19 related traffic, have seen good progress into FY 2021 in online users with Games (+3%, after a record 64% increase in the prior year), Sports (+31%), Music (+23%), Homes (+22%) and Photography (+25%) on a proforma basis. This performance is further evidence of the strength of the diversification of our business model which enables us to absorb even the most unusual of market trends.

Our significant scale and relevant content means we now reach 31% and 47% of internet users in the US and UK respectively. In addition, our social media reach has grown to over 123m followers (FY 2020: 99m) and our B2B newsletter emails now reach 11m (FY 2020: 9m).

Driving organic growth

Central to our strategy is driving organic growth. In the year, organic revenue growth was 23%, with growth of 21% in H1 and 26% in H2.

Our world-class content is delivered by our editorial teams who have excelled in responding to audience demands for relevant, useful and engaging content (both online and in print). This relevant content, delivering high-intent audiences at scale, together with our data and analytics capability has enabled us to respond to advertisers' needs and capitalise on eCommerce demand. Media grew organically by 27% during the year (on a two-year basis, average organic growth was 25%). Organic Media revenue growth in the second half of 24% was driven by all the segments, with consistent growth in digital advertising, a slowdown in eCommerce driven by boosted prior year comparators and stock availability, offset by product enhancements and a recovery in events.

Organic revenue growth	***FY***	***2-year average***
Digital ads	*+27%*	*+21%*
eCommerce affiliate	*+36%*	*+47%*
Events, digital licensing, other online	*(17)%*	*(21)%*
Media revenue	***+27%***	***+25%***
Magazine revenue	***+4%***	***(13)%***
Organic revenue growth	***+23%***	***+15%***

During the year, **digital advertising** revenue performed strongly, up 27% organically. Our endemic brands and global scale coupled with our proprietary high-intent data has enabled us to leverage the knowledge of our audience's interests, preferences and intent to deliver a strong fundamental offering for advertisers. This has translated into an overall yield progression of 39% driven by further progression of direct campaigns which now represent 47% of total digital advertising revenues, up 6 percentage points from last year. In the year we also launched our new data platform, Aperture, to further benefit from the Group's first party data set.

Digital advertising off platform (AVOD - Advertising-based Video On Demand and email newsletters) also had an outstanding performance during the year. Revenue from email newsletters was up 23% year-on-year organically. Video as a centre of excellence (Future Studios) has resulted in an increase in the video content distributed across the verticals with AVOD revenue up 39% vs proforma as we engaged with 123m social followers and launched key programmes such as "Transformed", "My Extraordinary Family" and "Bling Life" which collectively have generated over 150m new views during the year, alongside the existing shows. Additionally, Future Studios produced over 200 hours of award-winning long form content for major broadcasters and streamers. Future Studios currently has five linear series in production including the iconic entertainment show, GamesMaster, for E4.

eCommerce revenue grew by 36% organically with gross value of transactions increasing to £0.9bn, despite a slowdown in the second half due to boosted prior year comparators and industry wide stock shortages. During the year, we have continued to enhance our eCommerce tools to improve the user experience with optimised templates and continued quality content and have therefore seen improved intent with click-through rates up 75% year-on-year and improved conversion in the second half (+22%) as the market normalises. The benefit of our proprietary technology platform has meant we were able to test and scale these learnings quickly. Whilst the backdrop of the last twelve months has been highly unusual, management believes that the trends noted above are largely reflective of the ongoing momentum in the business. As stated at the half-year, it is our view that the impact of the prolonged UK lockdown in January-March, coupled with the US Government stimulus checks in the US resulted in an estimated £5m of one-off COVID-19 related benefit to eCommerce revenues. Consequently H1 organic growth in eCommerce would have been 49% vs the 56% reported and total Media organic growth would have been 27% vs the 30% reported.

Other media revenue declined by (17)% (£(2.4)m) organically, driven by events which were down (37)% (£(3.2)m) on an organic basis during the year, impacted by COVID-19. Importantly, we have seen a swift recovery in the second half as restrictions lifted across our geographies and the agility of our team enabled us to provide quality live events whilst ensuring the safety of attendees. During the year, we hosted 78 events of which 74 were virtual and overall 93k people attended our events such as the Homebuilding and Renovation show in September 2021.

Magazines organic revenue growth of 4% was driven by a strong recovery in the second half of 34% against comparators which were impacted by store closures reducing newsstand sales. Subscriptions were more resilient during the pandemic. The average organic decline for magazines over a two-year period was (13)%.

Investment
A core part of our strategy is ensuring that over the long term we continue to deliver profitable growth. Critical to enabling this is the continued investment in our technology and people. During the year, we continued to invest in headcount, notably in editorial and technology which we believe are both sources of competitive advantage.

Content is at the heart of what we do and therefore we continue to invest in new editorial resources, with an increase in headcount of 12% during the year to focus on new evergreen content and ensuring that our content is relevant and valuable for our audience. New hires were spread across verticals to deepen our content coverage across our brand portfolio on our legacy and newly acquired brands as well as to support new launches. During the year we invested over £85m in the creation of content, with editorial headcount nearly doubling year-on-year to over 1,200 (including acquisitions), our biggest headcount cost.

We hired an additional 26 heads (an increase of 14%) to support our technology centre of excellence to focus on enhancing our capabilities such as Hawk which are leveraged across the Group. We have invested £8m in our technology centre of excellence to drive improvement of our platform.

We also invested in our working environment with new offices in London and New York to create common, modern environments for our colleagues to meet as we return from working from home.

These investments are leveraged across the business driving the Platform Effect.

The Platform Effect

Our financial results evidence our successful and diversified monetisation model and our ability to deploy the Future operating model to drive scalability and operating leverage - this is the Platform Effect.

Our centres of excellence reduce duplications and their low-cost locations deliver efficiency of spend. In parallel, we continue to invest to ensure the investment is benefiting the entire organisation, whether it is through our ability to monetise content in multiple ways or via technology. We have announced the opening of a new US hub based in Atlanta to optimise our costs and its proximity to universities ensures we can attract and retain talent.

Our proprietary tech platform continues to be a business enabler and we now have a total of 41 sites on the Vanilla website platform. In addition, we have been rapidly deploying new ad format functionality and eCommerce improvements to all our sites to unlock further potential for our brands focusing on better user experience and SEO (Search Engine Optimisation) optimisation. During the year, we launched Kiosq, a new proprietary reusable paywall service for monetising gated editorial content. We also made continued investments within our data science teams including the launch of Aperture, our customer audience data platform. Aperture, when combined with our scale and the high-intent of our audiences, positions us very well in an environment with increased focus on first party data and consumer privacy. We launched Eagle, our proprietary voucher technology, leveraging the capabilities acquired with GoCo. This has already been deployed on Real Homes and will be further deployed in FY 2022.

The completion of the TI Media integration has resulted in cost synergy savings in the year of £14m, adding to the £3m savings in FY 2020. As a result, the full cost synergies are £5m higher than we originally estimated at the time of the acquisition. The overall costs of delivering this change was £10m, at 50% of the overall savings vs the original estimate of 60%.

The integration of GoCo is progressing to plan with £6m of cost synergies delivered in the year, with a further £8m to come into FY 2022 and the full £15m realised by FY 2023, which is £5m higher than announced at the time of the acquisition. Costs of change are £2.9m, vs the £4.7m highlighted at the time of the deal, reducing from 47% of cost synergies to 19%.

Whilst continuing to invest in our business and our people, our scalable operating model and disciplined approach to the integration of our acquisitions has driven exceptional profit results. The cost synergies delivered through the recent acquisitions have enabled us to continue to invest organically, whether by hiring new editorial or tech employees, or launching organic brands such as The Money Edit. Our sales, marketing, editorial and overhead costs have reduced year-on-year as a percentage of sales, while we have continued to invest in new roles across the board in these areas.

Creating value through acquisitions

Accelerating the execution of our strategy with value creative acquisitions is a key part of our capital allocation. We remain highly disciplined when it comes to acquisitions with 28 deals reviewed for each transaction we executed in FY 2021 as we want to ensure that acquisitions drive additional value creation.

TI Media - Enhancing our position in Homes and Women's Lifestyle

TI Media, which completed in April 2020, and will be therefore recorded as organic in FY 2022, is making good progress in driving media revenue and growing its presence in North America. The acquired TI Media brands are benefiting from the Future operating model and centres of excellence approach, with revised editorial strategies and significantly enhanced SEO skills, coupled with a North America first mindset. This has resulted in online users for TI Media brands growing by 16% in the year on a proforma basis or 24% on a two-year CAGR basis, translating into an increase in digital ads and eCommerce revenue of 38%, accelerating to 60% in the second half.

CinemaBlend - Strengthening our position in TV and film vertical

On 2 October 2020, Future US, Inc. acquired CinemaBlend, a premium digital entertainment publisher based in the US. CinemaBlend is a high-growth digital brand focused on the TV, film and entertainment market. Through its website, podcast series, social media channels and newsletters, CinemaBlend provides a platform for enthusiasts and casual fans to discover, explore and discuss films and TV shows, both on streaming services such as Netflix and linear TV such as HBO.

The acquisition of CinemaBlend further strengthened our TV and film vertical whilst continuing to diversify our reach in the US, and is in line with our strategy to hold podium positions across our verticals. Following this acquisition Future was number 4 in Comscore in the US in the Entertainment and Movies vertical in September 2021. Total consideration paid was $12.75m.

We are delighted with the performance of this business which has added value from day one with its high audience growth that reached 23m in FY 2021, up 24% year-on-year on a standalone basis.

Mozo and GoCo Group - Further diversifying our business model - eCommerce services

Future's diversification strategy continued, with the acquisitions of Mozo and GoCo in February 2021. We now have more opportunities to champion the needs of our customers through our move into Wealth & Savings. Leveraging industry leading technology and knowledge, these businesses provide customers with an expert service of clear and impartial advice, providing comparison services across the products that meet their needs. The acquisitions provide the opportunity to combine leading financial services insight with Future's expertise in customer acquisition and content creation, creating an enhanced brand proposition and monetisation opportunities through Future's revenue diversification strategy. Additionally, these acquisitions enable us to enter a new attractive content vertical – Wealth & Savings. This new vertical is in line with the high-intent characteristic of our audiences and our purpose of sharing our knowledge and expertise with others, helping them make important decisions about their homes and their finances.

Mozo

On 2 February 2021, the Group completed the acquisition of Mozo. Mozo is a fast-growing Australian price comparison website focused on personal finance products such as home loans, credit, personal loans, banking and insurance. The Mozo business has been integrated into the existing Future operations in Australia, with a new strengthened local leadership team. Mozo is also collaborating with the GoCo teams and launched a broadband comparison proposition in May, amongst a number of initiatives.

GoCo Group ("GoCo")

On 17 February 2021, the Group completed the acquisition of GoCo. The Future and GoCo teams are working together on opportunities to leverage performance for the new combined business and we have seen continued signs of success in the second half. Our SEO expertise has already delivered improvement: SEO is now the biggest source of revenue for MyVoucherCodes, translating into strong revenue growth of 61% since acquisition vs proforma and GoCompare has seen ranking improvements from the no.4 slot on car insurance prior to acquisition to no.1 in October with overall revenue up 8% since acquisition. In addition, we have started to add to our tech stack with the launch of an initial eCommerce for services product and voucher technologies on our owned and operated websites. Further products are in the pipeline for eCommerce services to be rolled out in the next year. The Look After My Bills service proposition has been paused as a result of the challenging market conditions which has led to an impairment charge, as explained in the financial review. We are developing an alternative service, using our email newsletter technology to optimise the proposition to our instilled user base, which will be launched in early 2022

Marie Claire US - enhancing our Women's Lifestyle vertical in North America

In May 2021, the Group acquired a joint venture between MCA and Hearst operating the website MarieClaire.com and its assets. Simultaneously, the Group entered into a five year license agreement with Marie Claire Album S.A.S. to operate the title in the US and Canada.

The acquisition follows Future's acquisition of the license agreement of Marie Claire UK website in 2020 as part of the TI Media acquisition and builds on the ongoing success of the MarieClaire.co.uk brand. It strengthens Future's position in the Women's Lifestyle vertical in North America in line with the Group's strategy to achieve vertical leadership across English speaking markets. Marie Claire US is now integrated into our platform having migrated to Vanilla earlier this month.

Dennis - strengthening our Wealth & Savings, Knowledge and B2B verticals and our North American footprint

Post year-end, we completed the acquisition of Dennis, a leading consumer media subscriptions business, which includes trusted Wealth, Knowledge and B2B technology specialist titles such as, Kiplinger, MoneyWeek, The Week & IT Pro.

The acquisition will enable the Group to scale its Wealth & Savings vertical through the MoneyWeek and Kiplinger brands, further diversify the Group's revenue by materially increasing the Group's recurring revenues through subscriptions, further extend the Group's reach in the North American market, deepen the Group's existing presence in the B2B Pro Technology vertical and enhance the Group's Knowledge vertical with high subscription rates and growth potential.

The acquisition is expected to be materially earnings enhancing in the first full year of ownership with ROIC expected to exceed the Group's WACC within the first full year of ownership.

Expected cost synergies of £8m per annum are 60% higher than at the time the transaction was announced, representing 40% of Dennis' FY 2020 EBITDA. Cost synergies are expected to be achieved by FY 2023.

The integration of Dennis is progressing well and the combined teams are already working to deliver the strategic plan of the acquisition.

Execution underpinned by values

Future operates as a purpose-driven organisation creating value for all stakeholders. Our strategy is to operate as a responsible business and everything we do is underpinned by our purpose and values which fosters an aligned culture across the organisation.

Next month, we will be launching our responsibility strategy - Our Future, Our Responsibility - with the publication of our Annual Report. We launched Our Future, Our Responsibility not only because it is the right thing to do, but also because it is at the heart of our purpose - helping people, through sharing our knowledge. The strategy roll out formalises a lot of the initiatives that were already in place and that we have been working on. In putting together the strategy, we have focused on our areas of expertise and where we can make a difference. Given the volume of online content we produce, for example, we believe we have an important role to play in ensuring the Internet is a safe place and in reducing the impact of misinformation.

Our Future, Our Responsibility is centred around four pillars that fall into two categories: First, Future Differentiation - pillars where we can take a leading position which includes: Expanding Horizons (redefining learning through our content) and Shaping The Future (leading conversations on the future of the internet and publishing); Secondly, Future Foundations - pillars that reflect good practice and governance which includes: The Culture Behind The Company (building a diverse and inclusive culture that creates exceptional content); and Taking Responsibility (delivering a sustainable, transparent and well governed business, including environmental impact). Against these four pillars, the Group has set out a clear road-map of deliverables and related targets. The Board has created a Responsibility Committee, chaired by Senior Independent Director Hugo Drayton, to provide Board oversight of the execution of the Responsibility strategy and to monitor progress.

We are committed to being a great place to work and an employer of choice, ensuring that we have the best people. In January 2021, we invested in our employment contracts, enhancing benefits beyond just pay, by launching Future 3.0. This alignment of UK contracts of employment provided more favourable terms for the majority of colleagues, including increased pension matching, life assurance, sick pay, and enhanced parental leave.

In April 2021 we enhanced our employee benefits further by launching an all Staff Share Scheme - the Value Creation Plan - as approved by shareholders. Additionally, we will be paying out the maximum amount in our all staff annual profit pool bonus scheme. This is in line with our values that all employees share in our success.

We remain proud of and thankful to our colleagues for their hard work and ongoing support in what has been an extended period of difficulty for many.

Outlook

We expect our diversification strategy to continue to deliver and are well-positioned to continue to grow strongly.

As we transition from COVID-19 boosted comparators, we expect revenue growth to accelerate in H2 FY 2022.

Our platform effect continues to drive further margin expansion across the business and we are therefore upgrading our outlook for the full year and now expect adjusted results in FY 2022 to be materially above current expectations.

Financial summary

The financial summary is based primarily on a comparison of results for the year ended 30 September 2021 with those for the year ended 30 September 2020. Unless otherwise stated, change percentages relate to a comparison of these two periods. Organic growth is defined as the like for like portfolio excluding acquisitions and disposals made during FY 2020 and FY 2021 at constant FX rates.

	FY 2021 £m	FY 2020 £m
Revenue	**606.8**	339.6
Adjusted operating profit	**195.8**	93.4
Adjusted profit before tax	**188.3**	90.9
Operating profit	**115.3**	50.7
Profit before tax	**107.8**	52.0
Basic earnings per share (p)	**59.3**	46.4
Diluted earnings per share (p)	**58.1**	45.4
Adjusted basic earnings per share (p)	**134.6**	76.3
Adjusted diluted earnings per share (p)	**131.9**	74.7

The Directors believe that adjusted results provide additional useful information on the core operational performance of the Group, and review the results of the Group on an adjusted basis internally. See the section below for a reconciliation between adjusted and statutory results.

A reconciliation of adjusted operating profit to profit before tax is shown below:

	FY 2021 £m	FY 2020 £m
Adjusted operating profit	**195.8**	93.4
Adjusted net finance costs	**(7.5)**	(2.5)
Adjusted profit before tax	**188.3**	90.9
Adjusting items:		
Share-based payments (including social security costs)	**(14.8)**	(5.5)
Exceptional items (note 4)	**(27.4)**	(17.1)
Amortisation of acquired intangibles	**(38.3)**	(21.6)
Fair value gain on contingent consideration	**-**	7.6
Unwinding of discount on contingent consideration	**-**	(1.1)
Fair value loss on currency option	**-**	(1.2)
Profit before tax	**107.8**	52.0

Revenue

Revenue	**Segment**	**FY 2021**	Segment	FY 2020

			£m			£m		
	UK £m	**US £m**	**Total £m**	UK £m	US £m	Total £m	YoY Var	Organic YoY Var
Digital display advertising on platform	**47.6**	**89.9**	**137.5**	31.6	68.0	99.6	38%	26%
Digital display advertising off platform	**13.9**	**35.2**	**49.1**	11.2	29.4	40.6	21%	28%
eCommerce	**142.4**	**73.8**	**216.2**	24.5	54.8	79.3	173%	36%
Events, digital licensing other online	**15.0**	**3.5**	**18.5**	12.5	5.3	17.8	4%	(17)%
Platform Services	**1.5**	**-**	**1.5**	-	-	-	-	-
Total Media	**220.4**	**202.4**	**422.8**	79.8	157.5	237.3	78%	27%
Print & digital content	**129.5**	**2.9**	**132.4**	70.2	3.5	73.7	80%	16%
Print advertising, licensing and other print	**39.0**	**4.9**	**43.9**	19.8	6.7	26.5	65%	(17)%
Platform publisher services	**7.7**	**-**	**7.7**	2.1	-	2.1	269%	-
Total Magazines	**176.2**	**7.8**	**184.0**	92.1	10.2	102.3	80%	4%
Total revenue	**396.6**	**210.2**	**606.8**	171.9	167.7	339.6	79%	23%

Group revenue increased 79% or £267.2m to £606.8m (FY 2020: £339.6m), achieved organically (increase of 23% at constant currency and 18% at actual currency) and through acquisition, with FY 2020 and FY 2021 acquisitions net of disposals contributing £294.7m to revenue in the year.

UK revenue growth of 131% or £224.7m to £396.6m (FY 2020: £171.9m) included £109.1m of revenue from the GoCo acquisition. Total UK organic revenues increased by 17% driven by digital revenues (which include digital display advertising and eCommerce) which grew strongly by 25% on an organic basis. UK magazine revenue grew organically by 11%, reflecting an increase in newstrade over the comparative period when retail sales were impacted by store closures. UK events continued to be impacted by the pandemic but recovered strongly in H2.

Performance was also strong in the US where growth of 25% or £42.5m to £210.2m (2020: £167.7m) was supported by organic growth of 27% reflecting strong eCommerce performance and increased further by the inclusion of £8.4m incremental year-on-year revenue from the CinemaBlend and Marie Claire US acquisitions.

Media revenue increased by £185.5m or 78% and by 27% organically. Organic digital advertising revenue grew 27% driven by an increase in yield and organic eCommerce revenue was 36% ahead of the prior year. Other Media organic revenue declined by (17)% due to the impact of the pandemic on Events.

Magazine division revenue increased by 80% to £184.0m (FY 2020: £102.3m), including the full-year impact of the FY 2020 acquisition of TI Media. Magazine organic revenue performance increased by 4%, following the prior year revenue being materially impacted by travel outlets and store closures as a consequence of COVID-19.

Included below is a reconciliation between statutory revenue and organic revenue:

	FY 2021 £ m	FY 2020 £'m
Total revenue	**606.8**	339.6
Revenue from FY 2021 and FY 2020 acquisitions	**(294.7)**	(75.5)
Organic revenue	**312.1**	264.1
Impact of FX at constant rates	**(0.3)**	(10.4)
Organic revenue at constant currency	**311.8**	253.7

Operating profit

Statutory operating profit increased by £64.6m to £115.3m (FY 2020: £50.7m) and statutory operating margin increased to 19% (FY 2020: 15%). Adjusted operating profit increased by £102.4m to £195.8m (FY 2020: £93.4m) with adjusted operating margin increasing to 32% (FY 2020: 28%), reflecting favourable mix from the strong growth of the Media division and the operating leverage provided by the increased scale of the Group.

Earnings per share

	FY 2021	FY 2020
Basic earnings per share (p)	**59.3**	46.4
Adjusted basic earnings per share (p)	**134.6**	76.3
Diluted earnings per share (p)	**58.1**	45.4
Adjusted diluted basic earnings per share (p)	**131.9**	74.7

Basic earnings per share are calculated using the weighted average number of ordinary shares in issue during the year of 111.5m (FY 2020: 95.6m), the increase reflecting the weighted impact of the issue of 22.6m shares to fund the acquisition of GoCo.

Adjusted earnings per share is based on profit after taxation which is then adjusted to exclude share-based payments (relating to equity settled share awards with vesting periods longer than 12 months) and associated social security costs, exceptional items, amortisation of intangible assets arising on acquisitions and any related tax effects as well as the impact of the UK tax rate change. The prior year results are also adjusted for fair value movements on contingent consideration (and unwinding of associated discount) and on the currency option (including any related tax effects). Adjusted profit after tax was £150.0m (FY 2020: £72.9m).

Exceptional items

Exceptional costs amounted to £27.4m (FY 2020: £17.1m) and relate largely to acquisition related costs in respect of the GoCo and Dennis acquisitions (£10.2m and £4.5m respectively), integration and restructuring costs of £3.9m consisting of £2.9m relating to GoCo and a £1.0m net expense in respect of onerous properties, plus an impairment charge of £8.8m relating to a write down of the brand and customer relationship intangible assets relating to Look After My Bills ('LAMB'), which was acquired as part of the GoCo acquisition. The impairment, by £4.4m of both the brand and customer relationship intangible assets was recognised as a result of turbulence in the UK energy market which directly impacted the auto-switch service offering.

The GoCo restructuring costs charged in the year are associated with £15m expected cost synergies by FY 2023, a 19% cost-to-achieve ratio.

Other adjusting items
Acquired amortisation increased by £16.7m to £38.3m (FY 2020: £21.6m) reflecting a full year of amortisation for the TI Media and Barcroft acquisitions which were completed in FY 2020 and CinemaBlend which completed on 2 October 2020 as well as amortisation arising from the other in-year acquisitions of GoCo, Mozo and Marie Claire US

Share-based payment expenses (relating to equity-settled share awards with vesting periods longer than 12 months), together with associated social security costs increased by £9.3m to £14.8m (FY 2020: £5.5m) reflecting the charge relating to the new all staff share scheme and a higher charge in respect of employers social security costs as a result of the increase in the Future plc share price at 30 September 2021 from FY 2020.

Net finance costs and refinancing
In November 2020, the Group increased its debt facilities to fund the acquisition of GoCo through a £215m two-year term loan. The Group's £30m short dated COVID-19 facility was cancelled at this date as it was no longer required.

In July 2021, the Group undertook a further Amend & Extend of its existing £350m debt facilities. The amended facilities comprise a three-year £400m RCF (repayable in July 2024 but with the ability to request two one-year extensions at lender consent), and a £200m Term Loan which amortises at £10m in March and June 2022 and £20m per quarter thereafter with a final bullet payment on expiry in June 2023, (with one six month extension option at lender consent). The amended facility was secured at competitive market rates, on substantially similar terms as the previous facility, giving the Group significant headroom and flexibility to pursue the Group's growth strategy.

At 30 September 2021, the £300m consideration required to complete the Dennis acquisition had been drawn and held in cash in readiness for completion on 1 October 2021.

Net adjusted finance costs increased to £7.5m (FY 2020: £2.5m) which includes external interest payable of £5.1m reflecting the drawdown of the RCF to fund the GoCo acquisition and £1.7m in respect of the amortisation of bank loan arrangement fees relating to the Group's bank facilities.

Leverage at 30 September 2021 was 0.8 times (FY2020: 0.6 times). Following completion of the Dennis acquisition on 1 October 2021 (excluding other cash movements on 1 October), leverage was 1.9 times.

Taxation
The tax charge for the year amounted to £41.7m (FY 2020: £7.7m), comprising a current tax charge of £30.2m (FY 2020: £9.8m) and a deferred tax charge of £11.5m (FY 2020: £2.1m credit). The current tax charge arises in the UK where the standard rate of corporation tax is 19% and in the US where the Group pays a blended Federal and State tax rate of 28%.

The Group's adjusted effective tax rate is 20.3% (FY 2020: 19.8%), which includes a credit of £1.1m arising on the part release of a provision recognised for uncertain tax positions on the basis that certain tax risks are now considered less likely to crystallise.

The Group's statutory effective tax rate is 39% (FY 2020: 15%) with the difference between the statutory rate and adjusted effective rates attributable primarily to the impact of the UK tax rate increase (from 19% to 25%) impacting deferred taxes and certain exceptional items not being deductible for tax purposes.

In the UK budget of 3 March 2021, it was announced that the main corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021 and as a result the relevant deferred tax balances have been re-measured. The overall impact of the re-measurement has been an increase in the Group's deferred tax liabilities of £15.6m.

The Group's deferred tax liability increased by £67.8m to £70.3m (FY 2020: £2.5m) mainly as a result of the deferred tax liabilities recognised in respect of the acquisition of GoCo (£60.7m) and as a result of the UK tax rate change detailed above.

Dividend

The Board is recommending a final dividend of 2.8p per share for the year ended 30 September 2021, payable on 9 February 2022 to all shareholders on the register at close of business on 14 January 2022.

Balance sheet

Property, plant and equipment increased by £26.5m to £47.4m in the year (FY 2020: £20.9m) reflecting the acquisition of GoCo (£4.7m) and in year right of use asset acquisitions (£33.9m) offset by depreciation and impairment of £16.7m.

Intangible assets increased by £661.1m to £1,154.7m (FY 2020: £493.6m) mainly reflecting the in-year acquisitions of GoCo, Marie Claire, Mozo and CinemaBlend (£721.4m) and capitalisation of website development costs (£7.4m) offset by amortisation (£48.7m) and the impairment of LAMB intangibles (£8.8m) and the impact of FX (£10.2m).

Trade and other receivables increased by £25.6m to £98.0m (FY 2020; £72.4m) primarily driven by the acquisition of GoCo (£32.6m on acquisition) offset by reduction in aged debt.

Trade and other payables increased by £24.6m to £140.8m (FY 2020; £116.2m) primarily driven by the acquisition of GoCo (£27.3m on acquisition).

Cash flow and net debt

Net debt at 30 September 2021 was £176.3m (FY 2020: £62.1m) reflecting additional debt drawn to fund the acquisition of GoCo, offset by strong cash generation. Net debt on 1 October 2021 was £476.3m (ignoring other cash movements on 1 October), following completion of the Dennis acquisition.

During the year, there was a cash inflow from operations of £197.2m (FY 2020: £91.9m) reflecting the Group's strong trading performance.

Adjusted operating cash inflow was £210.4m (FY 2020: £100.0m). A reconciliation of cash generated from operations to adjusted free cash flow is included below:

	FY 2021 £m	FY 2020 £m
Cash generated from operations	**197.2**	91.9
Cash flows related to exceptional items	**22.7**	8.0
(Increase)/decrease in accrual for employer's taxes on share-based payments[1]	**(3.4)**	4.0
Lease payments following adoption of IFRS 16 *Leases*	**(6.1)**	(3.9)
Adjusted operating cash inflow	**210.4**	100.0
Cash flows related to capital expenditure	**(11.1)**	(4.0)
Adjusted free cash flow	**199.3**	96.0

[1] Relating to equity-settled share awards with vesting periods longer than 12 months.

Other significant movements in cash flows include £11.1m (FY 2020: £4.0m) of capital expenditure, net drawdown of bank loans and overdraft (net of repayments and arrangement fees) of £334.8m partly to fund the acquisition of Dennis on 1 October 2021 (FY 2020: net repayment of £75.7m), payments of £169.3m (FY 2020: £75.7m inclusive of payments for disposals) for acquisitions, lease payments of £6.1m (FY 2020: £3.9m), the cost of shares issued as part consideration for the GoCo acquisition of £0.7m (FY 2020: proceeds from the issue of shares (net of costs of share issue) of £101.0), and the acquisition of own shares of £4.9m (FY 2020: £8.5m) to satisfy share awards vesting both in the year and in future years. The Group paid a dividend in the year of £1.6m (FY 2020: £1.0m). Foreign exchange and other movements accounted for the balance of cash flows.

Adjusted free cash flow increased to £199.3m (FY 2020: £96.0m), representing 102% of adjusted operating profit (FY 2020: 103%), reflecting the ongoing efficient cash management by the Group.

Going concern

As part of the year-end process and as required by the Companies Act, Listing Rules and IAS 1 Presentation of Financial Statements, the Directors have undertaken a going concern review. This included reviewing the Group's forecasts and projections, and assessing the headroom on the Group's combined multicurrency Revolving Credit Facility ("RCF") of £400m and term loan of £200m (which following the Dennis acquisition on 1 October 2021 was over £120m), and banking covenants after applying several severe but plausible downside scenarios to those projections as part of the assessment made for the Viability Statement.

This assessment included various individual and combined scenarios none of which individually (or in combination) threaten the viability of the Group. Even in the most extreme downside scenario modelled the Group would be able to operate well within the level of its current available debt facilities and covenants.

The Directors also note that at the year end the Group had net current assets of £234.9m (FY 2020: net current liabilities of £34.3m) following the drawdown of the RCF prior to the completion of the Dennis acquisition on 1 October 2021. If the cash related to the Dennis acquisition is excluded then the Group would have net current liabilities of £65.1m, primarily driven by the current portion of the new term loan relating to the Dennis acquisition, deferred income of £7.1m and the nature of the TI Media business acquired in the prior year where the profile of cash receipts from wholesalers is often ahead of payment of certain magazine related costs. The Group has consistently delivered adjusted free cash flow conversion in excess of 100% and is forecast to generate sufficient cash flows to meet its liabilities as they fall due.

After due consideration, the Directors have concluded that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the date of this report. For this reason the Directors continue to adopt the going concern basis in preparing the consolidated financial statements for the year ended 30 September 2021.

Consolidated income statement

for the year ended 30 September 2021

	Note	2021 Non -GAAP Adjusted results £m	2021 Adjusting items £m	2021 Statutory results £m	2020 Non -GAAP Adjusted results £m	2020 Adjusting items £m	2020 Statutory results £m
Revenue	1,2	**606.8**	**-**	**606.8**	339.6	-	339.6
Net operating expenses	3	**(411.0)**	**(80.5)**	**(491.5)**	(246.2)	(42.7)	(288.9)
Operating profit		**195.8**	**(80.5)**	**115.3**	93.4	(42.7)	50.7
Finance income	5	**0.3**	**-**	**0.3**	0.5	7.6	8.1
Finance costs	5	**(7.8)**	**-**	**(7.8)**	(3.0)	(2.3)	(5.3)
Net finance (costs)/income		**(7.5)**	**-**	**(7.5)**	(2.5)	5.3	2.8
Other expense		**-**	**-**	**-**	-	(1.5)	(1.5)
Profit before tax	1	**188.3**	**(80.5)**	**107.8**	90.9	(38.9)	52.0
Tax (charge)/credit	6	**(38.3)**	**(3.4)**	**(41.7)**	(18.0)	10.3	(7.7)
Profit for the year attributable to owners of the parent		**150.0**	**(83.9)**	**66.1**	72.9	(28.6)	44.3

Earnings per 15p Ordinary share

	Note	2021 pence	2020 pence
Basic earnings per share	8	**59.3**	46.4
Diluted earnings per share	8	**58.1**	45.4

Consolidated statement of comprehensive income

for the year ended 30 September 2021

	2021 £m	2020 £m
Profit for the year	**66.1**	44.3
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**(12.3)**	(8.3)
Other comprehensive expense for the year	**(12.3)**	(8.3)
Total comprehensive income for the year attributable to owners of the parent	**53.8**	36.0

Consolidated statement of changes in equity

for the year ended 30 September 2021

	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Treasury reserve £m	Accumulated exchange differences £m	Retained (losses)/ earnings £m	Total equity £m
Balance at 30 September 2019		12.5	97.2	140.4	(0.3)	10.5	(46.9)	213.4
Retained earnings impact of adopting IFRS 16		-	-	-	-	-	(0.8)	(0.8)
Restated balance at 1 October 2019		12.5	97.2	140.4	(0.3)	10.5	(47.7)	212.6
Profit for the year		-	-	-	-	-	44.3	44.3
Currency translation differences (net of tax)		-	-	-	-	(8.3)	-	(8.3)
Other comprehensive expense for the year		-	-	-	-	(8.3)	-	(8.3)
Total comprehensive income for the year		-	-	-	-	(8.3)	44.3	36.0
Share capital issued during the year	14	2.2	99.8	30.5	-	-	-	132.5
Acquisition of own shares		-	-	-	(9.1)	-	-	(9.1)
Share schemes								
- Issue of treasury shares to employees		-	-	-	0.6	-	(0.6)	-
- Value of employees' services		-	-	-	-	-	5.6	5.6
- Current tax on options		-	-	-	-	-	8.4	8.4
- Deferred tax on options		-	-	-	-	-	(3.7)	(3.7)
Dividends paid to shareholders	7	-	-	-	-	-	(1.0)	(1.0)
Balance at 30 September 2020		14.7	197.0	170.9	(8.8)	2.2	5.3	381.3
Profit for the year		**-**	**-**	**-**	**-**	**-**	**66.1**	**66.1**
Currency translation differences (net of tax)		**-**	**-**	**-**	**-**	**(12.3)**	**-**	**(12.3)**
Other comprehensive expense for the year		**-**	**-**	**-**	**-**	**(12.3)**	**-**	**(12.3)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**(12.3)**	**66.1**	**53.8**
Share capital issued during the year	14	**3.4**	**-**	**411.0**	**-**	**-**	**-**	**414.4**
Acquisition of own shares		**-**	**-**	**-**	**(4.9)**	**-**	**-**	**(4.9)**
Share schemes								
- Issue of treasury shares to employees		**-**	**-**	**-**	**6.1**	**-**	**(6.1)**	**-**
- Value of employees' services		**-**	**-**	**-**	**-**	**-**	**10.0**	**10.0**
- Current tax on options		**-**	**-**	**-**	**-**	**-**	**(2.4)**	**(2.4)**
- Deferred tax on options		**-**	**-**	**-**	**-**	**-**	**11.7**	**11.7**
Dividends paid to shareholders	7	**-**	**-**	**-**	**-**	**-**	**(1.6)**	**(1.6)**
Balance at 30 September 2021		**18.1**	**197.0**	**581.9**	**(7.6)**	**(10.1)**	**83.0**	**862.3**

Consolidated balance sheet

as at 30 September 2021

	Note	2021 £m	2020 £m
Assets			
Non-current assets			
Property, plant and equipment		**47.4**	20.9
Intangible assets - goodwill	9	**688.2**	309.7
Intangible assets - other	9	**466.5**	183.9
Deferred tax		**3.8**	1.0
Total non-current assets		**1,205.9**	515.5
Current assets			
Inventories		**1.0**	0.7
Corporation tax recoverable		**-**	1.7
Trade and other receivables		**98.0**	72.4
Cash and cash equivalents	10	**324.3**	19.3
Finance lease receivable		**1.9**	1.6
Total current assets		**425.2**	95.7
Total assets		**1,631.1**	611.2
Equity and liabilities			
Equity			
Issued share capital	14	**18.1**	14.7
Share premium account		**197.0**	197.0
Merger reserve		**581.9**	170.9
Treasury reserve		**(7.6)**	(8.8)
Accumulated exchange differences		**(10.1)**	2.2
Retained earnings		**83.0**	5.3
Total equity		**862.3**	381.3
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	11	**458.1**	73.6
Lease liability due in more than one year		**44.0**	18.7
Deferred tax		**70.3**	2.5
Provisions	12	**6.1**	5.1
Total non-current liabilities		**578.5**	99.9
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	11	**42.5**	7.8
Trade and other payables		**140.8**	116.2
Corporation tax payable		**2.1**	-
Lease liability due within one year		**4.9**	6.0
Total current liabilities		**190.3**	130.0
Total liabilities		**768.8**	229.9
Total equity and liabilities		**1,631.1**	611.2

Consolidated cash flow statement
for the year ended 30 September 2021

	2021 £m	2020 £m
Cash flows from operating activities		
Cash generated from operations	**197.2**	91.9
Net interest paid on bank facilities	**(4.9)**	(1.4)
Interest paid on lease liabilities	**(0.9)**	(0.7)
Tax paid	**(25.7)**	(8.4)
Net cash generated from operating activities	**165.7**	81.4
Cash flows from investing activities		
Purchase of property, plant and equipment	**(3.7)**	(0.9)
Purchase of computer software and website development	**(7.4)**	(3.1)
Purchase of magazine titles and websites	**-**	(0.1)
Purchase of subsidiary undertakings, net of cash acquired	**(169.3)**	(73.5)
Disposal of subsidiaries, magazine titles and websites	**-**	(2.2)
Net cash used in investing activities	**(180.4)**	(79.8)
Cash flows from financing activities		
Proceeds from issue of Ordinary share capital	**-**	104.4
Costs of share issue	**(0.7)**	(3.4)
Acquisition of own shares	**(4.9)**	(8.5)
Drawdown of bank loans	**559.4**	142.1
Repayment of bank loans	**(213.6)**	(220.7)
(Repayment)/drawdown of overdraft	**(4.6)**	3.5
Bank arrangement fees	**(6.4)**	(0.6)
Repayment of principal element of lease liabilities	**(6.1)**	(3.9)
Settlement of derivative	**-**	0.2
Dividends paid	**(1.6)**	(1.0)
Net cash generated from financing activities	**321.5**	12.1
Net increase in cash and cash equivalents	**306.8**	13.7
Cash and cash equivalents at beginning of year	**19.3**	6.6
Effects of exchange rate changes on cash and cash equivalents	**(1.8)**	(1.0)
Cash and cash equivalents at end of year	**324.3**	19.3

Notes to the consolidated cash flow statement

for the year ended 30 September 2021

A. Cash generated from operations

The reconciliation of profit for the year to cash generated from operations is set out below:

	2021 £m	2020 £m
Profit for the year	**66.1**	44.3
Adjustments for:		
Depreciation and impairment charge	**9.7**	6.9
Amortisation of intangible assets and impairment charge	**57.5**	25.1
Share schemes		
- Value of employees' services	**10.0**	5.6
Net finance costs /(income)	**7.5**	(2.8)
Tax charge	**41.7**	7.7
Loss on the sale of operations	**-**	1.5
Cash generated from operations before changes in working capital and provisions	**192.5**	88.3
Movement in provisions	**0.2**	-
(Increase)/decrease in inventories	**(0.2)**	0.5
Decrease in trade and other receivables	**8.9**	2.6
(Decrease)/increase in trade and other payables	**(4.2)**	0.5
Cash generated from operations	**197.2**	91.9

B. Analysis of net debt

	1 October 2020 £m	**Cash flows £m**	**On acquisition £m**	**Other non-cash changes £m**	**Exchange movements £m**	**30 September 2021 £m**
Cash and cash equivalents	19.3	293.5	13.3	-	(1.8)	**324.3**
Debt due within one year	(7.8)	(31.4)	(3.2)	(0.1)	-	**(42.5)**
Debt due after more than one year	(73.6)	(303.2)	(80.0)	(1.6)	0.3	**(458.1)**
Net debt	**(62.1)**	**(41.1)**	**(69.9)**	**(1.7)**	**(1.5)**	**(176.3)**

	1 October 2019 £m	Cash flows £m	On acquisition £m	Other non-cash changes £m	Exchange movements £m	30 September 2020 £m
Cash and cash equivalents	6.6	(15.5)	29.2	-	(1.0)	19.3
Debt due within one year	(4.3)	(3.5)	-	-	-	(7.8)
Debt due after more than one year	(42.6)	78.7	(111.0)	0.2	1.1	(73.6)
Net debt	(40.3)	59.7	(81.8)	0.2	0.1	(62.1)

C. Reconciliation of movement in net debt

	2021 £m	2020 £m
Net debt at start of year	**(62.1)**	(40.3)
Increase in cash and cash equivalents	**306.8**	13.7
Increase in borrowings	**(417.8)**	(35.8)
Other non-cash changes	**(1.7)**	0.2
Exchange movements	**(1.5)**	0.1
Net debt at end of year	**(176.3)**	(62.1)

ACCOUNTING POLICIES

Compliance statement and basis of preparation
Future plc (the Company) is incorporated and registered in the United Kingdom and is a public company limited by shares. The financial statements consolidate those of Future plc and its subsidiaries (the Group).

The financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee's (IFRS IC) interpretations adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, applicable as at 30 September 2021, and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The principal accounting policies have been applied consistently to all years presented, unless otherwise stated below. These financial statements have been prepared under the historical cost convention, except for derivative financial instruments, and contingent and deferred consideration, which are measured at fair value.

The going concern basis has been adopted in preparing these financial statements.

Status of this preliminary announcement
The financial information contained in this audited preliminary announcement does not constitute the Company's statutory accounts for the years ended 30 September 2021 or 2020. Statutory accounts for 2020, which were prepared under International Financial Reporting Standards as adopted by the EU, have been delivered to the registrar of companies, and those for 2021 will be delivered in due course. Full financial statements for the year ended 30 September 2021 will shortly be posted to shareholders.

New or revised accounting standards and interpretations adopted in the year
The following standards and amendments became effective in the year:

- amendment to IFRS 3 *Clarifying the definition of a business*;
- amendment to IAS 1 and IAS 8 *Definition of material; and*
- amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform Phase 2.

There has been no material impact from the adoption of new standards, amendments to standards or interpretations which are relevant to the Group.

During April 2021 the IFRS Interpretations Committee finalised an agenda decision regarding configuration and customisation costs in Cloud Computing arrangements (Software as a Service) under IAS 38. The Group has changed its accounting policy relating to the capitalisation of software costs to align with the interpretation, however there is no impact on amounts capitalised on the balance sheet as a result of this alignment.

New accounting standards, amendments and interpretations that are issued but not yet applied by the Group

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 October 2021 and which the Group has chosen not to adopt early. These include the following standards which are relevant to the Group:

- amendment to IAS 1 *Amendments regarding the classification of liabilities* and *Amendments regarding the disclosure of accounting policies*;
- IAS 8 *Amendments regarding the definition of accounting estimates;*
- IAS 12 *Amendments regarding deferred tax on leases and decommissioning obligations;*
- IAS 16 *Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use*;
- IAS 37 *Amendments regarding the costs to include when assessing whether a contract is onerous*; and
- Annual Improvements to IFRS Standards 2018-2020 Cycle.

The Group does not expect that the standards and amendments issued but not yet effective will have a material impact on results or net assets.

Presentation of non-statutory measures

The Directors believe that adjusted results and adjusted earnings per share provide additional useful information on the core operational performance of the Group to shareholders, and review the results of the Group on an adjusted basis internally. The term 'adjusted' is not a defined term under IFRS and may not therefore be comparable with similarly titled profit measurements reported by other companies. It is not intended to be a substitute for, or superior to, IFRS measurements of profit.

Adjustments are made in respect of:

Share-based payments – share-based payment expenses (relating to equity-settled share awards with vesting periods longer than 12 months), together with associated social security costs, are excluded from the adjusted results of the Group as the Directors believe they result in a level of charge that would distort the user's view of the core trading performance of the Group.

Exceptional items – the Group considers items of income and expense as exceptional and excludes them from the adjusted results where the nature of the item, or its size, is material and/or is not related to the core underlying trading of the Group so as to assist the user of the financial statements to better understand the results of the Group. The impairment charge recognised in the year in respect of acquired intangible assets has been excluded from the adjusted results of the Group as it is non-cash and relates to acquired intangible assets for which amortisation is already considered to be an adjusting item. As such it is not considered to be reflective of the core trading performance of the Group. Details of exceptional items are shown in note 4.

Amortisation of acquired intangible assets – the amortisation charge for those intangible assets recognised on business combinations is excluded from the adjusted results of the Group since they are non-cash charges arising from non-trading investment activities. As such, they are not considered to be reflective of the core trading performance of the Group.

Impact of the UK tax rate change - this was substantively enacted in the UK in May 2021 and results in tax rates increasing from 19% to 25% in 2023. This has been excluded from the adjusted results of the Group as it results in a one-off non-cash impact on the Group’s deferred tax balances and would otherwise significantly distort the Group’s core underlying tax charge.

The following adjustments are only relevant in the context of the prior year results:

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

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

The tax related to adjusting items is the tax effect of the items above, calculated using the standard rate of corporation tax in the relevant jurisdiction.

Reference to 'core or underlying' reflects the trading results of the Group without the impact of one-off items, amortisation of acquired intangible assets, exceptional items, share-based payment expenses (relating to equity-settled share awards with vesting periods longer than 12 months), together with associated social security costs and any tax related effects (including the impact of the UK tax rate change) that would otherwise distort the users understanding of the Group's performance. In the prior year this also excludes changes in the fair value of contingent consideration (and unwinding of associated discount) and on the currency option (including any related tax effects).

A summary table of all measures is included below:

APM	Closest equivalent statutory measure	Definition
Adjusted operating profit	Operating profit	Adjusted operating profit represents earnings before share-based payments (relating to equity-settled awards with vesting periods longer than 12 months) and related social security costs, amortisation of acquired intangible assets, exceptional items and in the prior year fair value movements on contingent consideration. This is a key management incentive metric, used within the Group's Deferred Annual Bonus Plan. Adjusted operating profit margin is adjusted operating profit as a percentage of revenue. Adjusting items are shown in the table below and defined in the commentary.
Adjusted profit before tax	Profit before tax	Adjusted profit before tax represents earnings before share-based payments (relating to equity-settled awards with vesting periods longer than 12 months) and related social security costs, interest, tax, amortisation of acquired intangible assets, exceptional items, and any related tax effects as well as the impact of the UK tax rate change. The prior year results are also adjusted for fair value movements on contingent consideration (and unwinding of associated discount) and on the currency option (including any related tax effects). Adjusting items are shown in the table below and defined in the commentary.
Adjusted diluted earnings per share	Diluted earnings per share	Adjusted diluted earnings per share (EPS) represents adjusted profit after tax divided by the weighted average dilutive number of shares at the year end date. This is a key management incentive metric, used within the Group's Performance Share Plan. A reconciliation is provided in note 8.
Adjusted effective tax rate	Effective tax rate	Adjusted effective tax rate is defined as the effective tax rate adjusted for the tax impact of adjusting items. The tax impact of adjusting items is provided in note 6.
Adjusted operating cash flow	Operating cash flow	Adjusted operating cash flow represents cash generated from operations adjusted to exclude cash flows relating to exceptional items and movement on accrual for employer's taxes on share-based payments relating to equity settled share awards with vesting periods longer than 12 months, and to include lease repayments following adoption of IFRS 16 *Leases* in the prior year.
Adjusted free cash flow	Free cash flow	Adjusted free cash flow is defined as adjusted operating cash flow less capital expenditure.
Net debt	Statutory net debt	Net debt is defined as the aggregate of the Group's cash and cash equivalents and its external bank borrowings net of capitalised bank arrangement fees. It does not include lease liabilities recognised following the adoption of IFRS 16 *Leases* in the prior year.

A reconciliation of adjusted operating profit to profit before tax is shown below:

	2021 £m	2020 £m
Adjusted operating profit	**195.8**	93.4
Adjusted net finance costs	**(7.5)**	(2.5)
Adjusted profit before tax	**188.3**	90.9

Adjusting items:		
Share-based payments (including social security costs)	**(14.8)**	(5.5)
Exceptional items (note 4)	**(27.4)**	(17.1)
Amortisation of acquired intangibles	**(38.3)**	(21.6)
Fair value gain on contingent consideration	**-**	7.6
Unwinding of discount on contingent consideration	**-**	(1.1)
Fair value loss on currency option	**-**	(1.2)
Profit before tax	**107.8**	52.0

A reconciliation between adjusted and statutory earnings per share measures is shown in note 8.

Notes

1. Segmental reporting

The Group is organised and arranged primarily by reportable segment. The Executive Directors consider the performance of the business from a geographical perspective, namely the UK and the US. The Australian business is considered to be part of the UK segment and is not reported separately due to its size. The Group also uses a sub-segment split of Media (websites and events) and Magazines for further analysis. The Group considers that the assets within each geographical segment are exposed to the same risks.

(a) Reportable segment
(i) Segment revenue

	Sub-segment		**2021 £m**	Sub-segment		2020 £m
	Media £m	**Magazines £m**	**Total £m**	Media £m	Magazines £m	Total £m
Segment:						
UK	**220.4**	**176.2**	**396.6**	79.8	92.1	171.9
US	**202.4**	**7.8**	**210.2**	157.5	10.2	167.7
Total	**422.8**	**184.0**	**606.8**	237.3	102.3	339.6

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

(ii) Segment adjusted operating profit

Adjusted operating profit is used by the Executive Directors to assess the performance of each segment. Operating profit for the Media and Magazines sub-segments is not reported internally, as overheads are not fully allocated on this basis. The table below shows the impact of intra-group adjustments on the adjusted operating profit for the UK and US segments:

	2021 £m	2020 £m

	Adjusted operating profit prior to intra-group adjustments £m	Intra-group adjustments £m	Adjusted operating profit £m	Adjusted operating profit prior to intra-group adjustments £m	Intra-group adjustments £m	Adjusted operating profit £m
UK	**64.9**	**68.7**	**133.6**	10.6	48.5	59.1
US	**130.9**	**(68.7)**	**62.2**	82.8	(48.5)	34.3
Total	**195.8**	**-**	**195.8**	93.4	-	93.4

Intra-group adjustments relate to the net impact of charges from the UK to the US in respect of management fees (for back office revenue functions such as finance, HR and IT which are largely based in the UK) and license fees for the use of intellectual property. The increase in the year is driven by the increased operating margin achieved by the Group and the growth in media revenue in the US.

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

	2021 £m	2020 £m
Total adjusted operating profit	**195.8**	93.4
Share-based payments (including social security costs)	**(14.8)**	(5.5)
Amortisation of acquired intangibles	**(38.3)**	(21.6)
Exceptional items (note 4)	**(27.4)**	(15.6)
Net finance (costs)/income	**(7.5)**	2.8
Other expense	**-**	(1.5)
Profit before tax	**107.8**	52.0

(b) Business segment

(i) Gross profit by business segment

			Sub-segment		2021 £m			Sub-segment		2020 £m
	Media £m	Magazines £m	Other £m	Add back distribution expenses £m	Total £m	Media £m	Magazines £m	Other £m	Add back distribution expenses £m	Total £m
Segment:										
UK	**163.5**	**109.4**	**(114.1)**	**21.3**	**180.1**	65.0	56.4	(59.5)	11.5	73.4
US	**182.6**	**4.4**	**(44.8)**	**1.7**	**143.9**	138.9	6.4	(43.8)	1.7	103.2
Total	**346.1**	**113.8**	**(158.9)**	**23.0**	**324.0**	203.9	62.8	(103.3)	13.2	176.6

In the prior year revenue of £43.4m arose from sales to the Group's largest single customer which operates as an intermediary for digital advertising customers, of which £10.9m is recognised within the UK segment and £32.5m within the US segment. In the current year no single customer exceeds this threshold. No end customer, or other single customer or group of customers under common control contributed 10% or more to the Group's revenue in either the current or prior year. The above analysis excludes the impact of intra-group adjustments.

2. Revenue

The Group applies IFRS 15 *Revenue from contracts with customers*. See note 1 for disaggregation of revenue by sub-segment.

Timing of satisfaction of performance obligations

Revenue is recognised in the income statement when control passes to the customer. If the customer simultaneously receives and consumes the benefits of the contract, revenue is recognised over time. Otherwise, revenue is recognised at a point in time.

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

			2021 £m			2020 £m
	Over time £m	**Point in time £m**	**Total revenue £m**	Over time £m	Point in time £m	Total revenue £m
Total revenue	**13.8**	**593.0**	**606.8**	12.3	327.3	339.6

3. Net operating expenses

Operating profit is stated after charging:

			2021			2020
	Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	Adjusted results £m	Adjusting items £m	Statutory results £m
Cost of sales	**(282.8)**	**-**	**(282.8)**	(163.0)	-	(163.0)
Distribution expenses	**(23.0)**	**-**	**(23.0)**	(13.2)	-	(13.2)
Share-based payments (including social security costs)	**(1.2)**	**(14.8)**	**(16.0)**	(3.2)	(5.5)	(8.7)
Exceptional items (note 4)	**-**	**(27.4)**	**(27.4)**	-	(15.6)	(15.6)
Depreciation	**(8.7)**	**-**	**(8.7)**	(5.8)	-	(5.8)
Amortisation	**(10.4)**	**(38.3)**	**(48.7)**	(2.7)	(21.6)	(24.3)
Other administration expenses	**(84.9)**	**-**	**(84.9)**	(58.3)	-	(58.3)
	(411.0)	**(80.5)**	**(491.5)**	(246.2)	(42.7)	(288.9)

4. Exceptional items

	2021 £m	2020 £m
Acquisition and integration related costs	**18.6**	14.89
Impairment of assets	**8.8**	0.8
Total operating charge	**27.4**	15.6
Disposals	**-**	1.5
Total charge	**27.4**	17.1

Exceptional items include acquisition related costs of £18.6m, being deal fees in respect of the GoCo acquisition (£10.2m) and the Dennis acquisition (£4.5m) (FY 2020: relating to the acquisition of TI Media (£3.8m)), integration and restructuring costs of £3.9m consisting of £2.9m relating to the GoCo acquisition (FY 2020: £9.1m relating to the integration of TI Media), as well as a £1.0m net expense on the exit of onerous properties (2020: £1.6m net expense on the exit of onerous properties) following acquisitions, consisting of a £8.0m impairment of right-of-use assets, net of a £6.3m release of lease-related liabilities following the lease surrender of leases and £0.7m recognition of finance lease receivable.

The impairment charge of £8.8m relates to a write down of the brand and customer relationship intangible assets relating to Look After My Bills ('LAMB') which was acquired as part of the GoCo acquisition, by £4.4m each respectively, as a result of turbulence in the UK energy market which directly impacted the auto-switch service offering.

Further details in respect of the acquisitions are shown in note 18.

5. Finance income and costs

	2021 £m	2020 £m
Interest receivable on interest-bearing loans and borrowings	**0.2**	0.4
Interest receivable on lease liabilities	**0.1**	0.1
Adjusted finance income	**0.3**	0.5
Decrease in fair value of contingent consideration	**-**	7.6
Total reported finance income	**0.3**	8.1
Interest payable on interest-bearing loans and borrowings	**(5.1)**	(1.8)
Amortisation of bank loan arrangement fees	**(1.7)**	(0.4)
Interest payable on lease liabilities	**(1.0)**	(0.8)
Adjusted finance costs	**(7.8)**	(3.0)
Fair value loss on currency option	**-**	(1.2)
Unwinding of discount on contingent consideration	**-**	(1.1)
Total reported finance costs	**(7.8)**	(5.3)
Net finance (costs)/income	**(7.5)**	2.8

For further information in respect of the Group's debt facilities and changes during the year see note 11.

In FY 2020, the £7.6m decrease in fair value of contingent consideration arose in respect of the SmartBrief, Inc acquisition. Similarly, £1.1m arose from unwinding of the discount on the contingent consideration in the prior year, of which £0.8m related to the acquisition of SmartBrief and £0.3m to Mobile Nations.

6. Tax on profit

The tax charged in the consolidated income statement is analysed below:

	2021 £m	2020 £m

Corporation tax		
Current tax on the profit for the year	**30.5**	9.7
Adjustments in respect of previous years	**(0.3)**	0.1
Current tax charge	**30.2**	9.8
Deferred tax origination and reversal of temporary differences		
Current year charge	**13.9**	0.4
Adjustments in respect of previous years	**(2.4)**	(2.5)
Deferred tax charge/(credit)	**11.5**	(2.1)
Total tax charge	**41.7**	7.7

The tax assessed in each year differs from the standard rate of corporation tax in the UK for the relevant year. The differences are explained below:

	2021 £m	2020 £m
Profit before tax	**107.8**	52.0
Profit before tax at the standard UK tax rate of 19% (2020: 19%)	**20.5**	9.9
Release of provision for uncertain tax positions	**(1.1)**	(1.5)
Expenses not deductible for tax purposes	**2.3**	0.9
Non-deductible amortisation	**0.5**	-
Share-based payments	**2.4**	0.1
Non-taxable gain on deferred consideration	**-**	(1.9)
Effect of different rates of subsidiaries operating in other jurisdictions	**4.7**	2.7
Effect of change in tax rates	**15.6**	-
Difference in current and deferred tax rates	**(0.5)**	(0.1)
Adjustments in respect of previous years	**(2.7)**	(2.4)
Total tax charge	**41.7**	7.7

Included below is a reconciliation between the statutory and adjusted tax charge:

	2021 £m	2020 £m
Total statutory tax charge	**41.7**	7.7
Tax effect of adjusting items:		
Exceptional items	**1.3**	2.3
Share based payments	**(1.5)**	1.0
Amortisation of acquired intangibles	**12.4**	6.7
Change in tax rate	**(15.6)**	-
Fair value loss on currency option	**-**	0.2
Unwinding of discount on contingent consideration	**-**	0.1
Total adjusted tax charge	**38.3**	18.0

In the UK budget of 3 March 2021, it was announced that the main corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021 within the Finance Bill 2021 and as a result the relevant deferred tax balances have been re-measured with a total impact of £15.6m as shown above. This is made up of an increase in deferred tax liabilities on acquired intangibles of £21.4m, offset by increases in deferred tax assets for share based payments, tax losses and capital allowances of £5.8m.

The Directors have assessed the Group's uncertain tax positions and reduced the level of provision from £4.5m in the prior year to £3.4m in the current year. As a result of this reduction the Group has recognised a tax credit in the year of £1.1m. The provision for uncertain tax positions has been recognised under IAS 12, taking into account the guidance published in IFRIC 23.

7. Dividends

Equity dividends	**2021**	2020
Number of shares in issue at end of year (million)	**120.6**	98.0
Dividends paid in year (pence per share)	**1.6**	1.0
Dividends paid in year (£m)	**(1.6)**	(1.0)

Interim dividends are recognised in the period in which they are paid and final dividends are recognised in the period in which they are approved.

On 30 November 2021 the Board proposed a dividend of 2.8p per share, totalling an estimated £3.4m, in respect of the year ended 30 September 2021, which subject to shareholder consent at the AGM, will be paid on 9 February 2022 to shareholders on the register at close of business on 14 January 2022.

A dividend of 1.6p per share totalling £1.6m in respect of the year ended 30 September 2020 was paid on 16 February 2021.

8. Earnings per share

			2021			2020
	Adjusted results pence	**Adjusting items pence**	**Statutory results pence**	Adjusting results pence	Adjusted items pence	Statutory results pence
Basic earnings/(loss) per share	**134.6**	**(75.3)**	**59.3**	76.3	(29.9)	46.4
Diluted earnings/(loss) per share	**131.9**	**(73.8)**	**58.1**	74.7	(29.3)	45.4

Basic earnings per share are calculated using the weighted average number of Ordinary shares in issue during the year. Diluted earnings per share have been calculated by taking into account the dilutive effect of shares that would be issued on conversion into Ordinary shares of awards held under employee share schemes.

Adjusted earnings per share is based on profit after taxation which is then adjusted to exclude share-based payments (relating to equity settled share awards with vesting periods longer than 12 months) and associated social security costs, exceptional items, amortisation and impairment of intangible assets arising on acquisitions and any related tax effects as well as the impact of the UK tax rate change. The prior year results are also adjusted for fair value movements on contingent consideration (and unwinding of associated discount) and on the currency option (including any related tax effects).

	2021	2020
Adjustments to profit after tax:		
Profit after tax (£m)	**66.1**	44.3
Share-based payments (including social security costs) (£m)	**14.8**	5.5
Exceptional items (£m)	**27.4**	17.1
Amortisation of intangible assets arising on acquisitions (£m)	**38.3**	21.6
Decrease in fair value of contingent consideration (£m)	**-**	(7.6)
Unwinding of discount (£m)	**-**	1.1
Fair value loss on currency option (£m)	**-**	1.2
Tax effect of the above adjustments (£m)	**(12.2)**	(10.3)
Change in tax rate (£m)	**15.6**	-
Adjusted profit after tax (£m)	**150.0**	72.9
Weighted average number of shares in issue during the year:		
- Basic	**111,463,911**	95,553,034
- Dilutive effect of share options	**2,247,933**	2,026,649
- Diluted	**113,711,844**	97,579,683
Basic earnings per share (in pence)	**59.3**	46.4
Adjusted basic earnings per share (in pence)	**134.6**	76.3
Diluted earnings per share (in pence)	**58.1**	45.4
Adjusted diluted earnings per share (in pence)	**131.9**	74.7
The adjustments to profit after tax have the following effect:		
Basic earnings per share (pence)	**59.3**	46.4
Share-based payments (including social security costs) (pence)	**13.3**	5.8
Exceptional items (pence)	**24.5**	17.9
Amortisation of intangible assets arising on acquisitions (pence)	**34.4**	22.6
Decrease in fair value of contingent consideration (pence)	**-**	(8.0)
Unwinding of discount (pence)	**-**	1.2
Fair value loss on currency option (pence)	**-**	1.3
Tax effect of the above adjustments (pence)	**(10.9)**	(10.9)
Change in tax rate (pence)	**14.0**	-
Adjusted basic earnings per share (pence)	**134.6**	76.3
Diluted earnings per share (pence)	**58.1**	45.4
Share-based payments (including social security costs) (pence)	**13.0**	5.6
Exceptional items (pence)	**24.1**	17.5
Amortisation of intangible assets arising on acquisitions (pence)	**33.7**	22.1
Decrease in fair value of contingent consideration (pence)	**-**	(7.8)
Unwinding of discount (pence)	**-**	1.1
Fair value loss on currency option (pence)	**-**	1.2
Tax effect of the above adjustments (pence)	**(10.7)**	(10.4)
Change in tax rate (pence)	**13.7**	-
Adjusted diluted earnings per share (pence)	**131.9**	74.7

9. Intangible assets

	Goodwill £m	Publishing rights £m	Brands £m	Customer relationships £m	Subscribers £m	Other acquired intangibles £m	Other £m	Total £m
Cost								
At 1 October 2019	484.7	15.5	61.6	16.4	12.8	34.2	23.2	684.4
Additions through business combinations	97.2	75.1	4.5	6.0	3.4	5.3	4.2	195.7
Other additions	-	-	-	-	-	-	3.1	3.1

Exchange adjustments	(7.6)	(0.1)	(1.8)	(0.7)	(0.6)	(1.1)	(0.5)	(12.4)
At 30 September 2020	**574.3**	**90.5**	**64.3**	**21.7**	**15.6**	**38.4**	**30.0**	**834.8**
Additions through business combinations	**384.7**	**-**	**287.7**	**33.5**	**0.1**	**5.3**	**10.1**	**721.4**
Other additions	**-**	**-**	**-**	**-**	**-**	**-**	**7.4**	**7.4**
Disposal	**-**	**-**	**-**	**-**	**-**	**-**	**(0.8)**	**(0.8)**
Exchange adjustments	**(7.8)**	**(0.1)**	**(2.3)**	**(0.7)**	**(0.5)**	**(1.1)**	**(0.7)**	**(13.2)**
At 30 September 2021	**951.2**	**90.4**	**349.7**	**54.5**	**15.2**	**42.6**	**46.0**	**1,549.6**
Accumulated amortisation and impairment								
At 1 October 2019	(266.0)	(7.2)	(6.3)	(1.6)	(2.6)	(15.9)	(19.8)	(319.4)
Charge for the year	-	(5.9)	(6.2)	(2.1)	(1.6)	(5.8)	(2.7)	(24.3)
Impairment	-	-	-	-	-	-	(0.8)	(0.8)
Exchange adjustments	1.4	-	0.8	0.1	0.1	0.5	0.4	3.3
At 30 September 2020	**(264.6)**	**(13.1)**	**(11.7)**	**(3.6)**	**(4.1)**	**(21.2)**	**(22.9)**	**(341.2)**
Charge for the year	**-**	**(9.0)**	**(15.7)**	**(5.8)**	**(1.8)**	**(6.0)**	**(10.4)**	**(48.7)**
Impairment	**-**	**-**	**(4.4)**	**(4.4)**	**-**	**-**	**-**	**(8.8)**
Disposal	**-**	**-**	**-**	**-**	**-**	**-**	**0.8**	**0.8**
Exchange adjustments	**1.6**	**0.1**	**0.4**	**0.2**	**0.2**	**0.1**	**0.4**	**3.0**
At 30 September 2021	**(263.0)**	**(22.0)**	**(31.4)**	**(13.6)**	**(5.7)**	**(27.1)**	**(32.1)**	**(394.9)**
Net book value at 30 September 2021	**688.2**	**68.4**	**318.3**	**40.9**	**9.5**	**15.5**	**13.9**	**1,154.7**
Net book value at 30 September 2020	309.7	77.4	52.6	18.1	11.5	17.2	7.1	493.6
Net book value at 1 October 2019	218.7	8.3	55.3	14.8	10.2	18.3	3.4	329.0
Useful economic lives		5-15 years	3-15 years	8-10 years	7-8 years	3-15 years	2 years	

Acquired intangibles are amortised over their estimated economic lives, typically ranging between two and fifteen years. The other acquired intangibles category in the table above includes assets relating to customer lists, content and websites.

Included within the summary of acquired intangible assets above are the following individually material assets:

- GoCo brand acquired in February 2021, with a net book value ('NBV') at 30 September 2021 of £254.8m, a useful economic life ('UEL') of 20 years and remaining amortisation period of 19.5 years;
- GoCo customer relationships acquired as part of the GoCo acquisition in February 2021 (NBV at 30 September 2021 of £11.4m with a UEL of 4 years and remaining amortisation period of 3.5 years);
- Publishing rights relating to TV Weekly magazines, acquired as part of the TI Media acquisition in April 2020 (NBV at 30 September 2021 of £24.8m with a UEL of 15 years and remaining amortisation period of 13.5 years);
- Publishing rights relating to Decanter magazine which was acquired as part of the TI Media acquisition (NBV at 30 September 2021 of £7.2m with a UEL of 15 years and remaining amortisation period of 13.5 years);
- Publishing rights relating to Country Life magazine which was acquired as part of the TI Media acquisition (NBV at 30 September 2021 of £7.5m with a UEL of 15 years and remaining amortisation period of 13.5 years); and

- Subscriber asset relating to the email newsletter subscriber database acquired as part of the SmartBrief acquisition in July 2019 (NBV at 30 September 2021 of £6.7m with a UEL of 7 years and remaining amortisation period of 5 years).
- LAMB brand and customer relationships which were both acquired as part of the GoCO acquisition during the year (NBV's at 30 September 2021 of £7.3m and £7m respectively and with UEL's of 10 and 9 years respectively)

Any residual amount arising as a result of the purchase consideration being in excess of the value of acquired assets is recorded as goodwill.

Further details regarding the intangible assets acquired during the year through business combinations are set out in note 18.

Other intangibles relate to capitalised software costs and website development costs which are internally generated.

An impairment charge of £8.8m has been recognised in the year, relating to a write down of the brand and customer relationship intangible assets relating to LAMB which was acquired as part of the GoCo acquisition, by £4.4m each respectively, as a result of turbulence in the UK energy market which directly impacted the auto-switch service offering (see note 4).

The recoverable amounts remaining on the 30 September 2021 balance sheet in respect of these assets are £7.0m in respect of customer relationships and £7.3m in respect of the LAMB brand which reflect the estimated value in use of these intangible assets, calculated using a post tax discount rate of 9.5% (pre-tax discount rate of 12.7%).

A change of less/plus 100 basis points in the post tax discount rate would decrease/increase the level of impairment recognised by £0.6m. An increase/decrease in the profits forecast to be generated by the LAMB assets by 25% would decrease/increase the level of impairment recognised by £3.5m.

The impairment in the prior year of £0.8m relates to the TI Media legacy finance system.

Amortisation is included within administration expenses in the consolidated income statement.

Impairment assessments for goodwill

The net book value of goodwill at 30 September 2021 consists of £532.2m (2020: £170.9m) relating to the UK, £143.3m (2020: £138.8m) relating to the US and £12.7m (2020: £nil) relating to Australia.

At 30 September 2021 the Group performed its annual impairment assessment of goodwill and concluded that no impairment of goodwill was required.

10. Cash and cash equivalents

Cash and cash equivalents include the following for the purposes of the cash flow statements:

	2021 £m	2020 £m
Cash and cash equivalents	**324.3**	19.3

As at 30 September 2021 the £300m consideration required to complete the Dennis acquisition had been drawn down and held in cash in readiness for completion on 1 October 2021, of which £200m was restricted specifically for the acquisition.

11. Financial liabilities – interest-bearing loans and borrowings

Non-current liabilities

	Interest rate at 30 September 2021	Interest rate at 30 September 2020	2021 £m	2020 £m
Sterling revolving loan	**1.83%**	1.80%	**239.3**	66.6
Sterling term loan	**1.83%**	-	**159.7**	-
US dollar revolving loan	**1.84%**	1.90%	**43.8**	7.0
AU dollar revolving loan	**1.83%**	-	**15.3**	-
Total			**458.1**	73.6

Current liabilities

	Interest rate at 30 September 2021	Interest rate at 30 September 2020	2021 £m	2020 £m
Multi-currency overdraft	**1.00%**	2.01%	**3.1**	7.8
Sterling term loan	**1.83%**	-	**39.4**	-
Total			**42.5**	7.8

The interest-bearing liabilities are repayable as follows:

	2021 £m	2020 £m
Within one year	**42.5**	7.8
Between two and five years	**458.1**	73.6
Total	**500.6**	81.4

In November 2020, the Group increased its debt facilities to fund the acquisition of GoCo through a £215m two-year term loan. The Group's £30m short dated COVID-19 facility was cancelled at this date as it was no longer required.

In July 2021, the Group undertook a further Amend & Extend of its existing £350m debt facilities. The amended facilities comprise a three-year £400m RCF (repayable in July 2024 but with the ability to request two one-year extensions at lender consent), and a £200m Term Loan which amortises at £10m in March and June 2022 and £20m per quarter thereafter with a final bullet payment on expiry in June 2023 (with one six month extension option at lender consent). The amended facility was secured at competitive market rates, on substantially similar terms as the previous facility, giving the Group significant headroom and flexibility to pursue its growth strategy.

Interest bearing loans are shown net of unamortised issue costs which amounted to £5.6m (2020: £0.9m)

12. Provisions

	Property 2021 £m	Property 2020 £m
At 1 October	**5.1**	2.1
Adoption of IFRS 16 *Leases*	**-**	(0.4)
On acquisition	**0.9**	3.8
Charged in the year	**2.2**	0.8
Utilised in the year	**(2.1)**	(1.2)
At 30 September	**6.1**	5.1

The provision for property relates to dilapidations and obligations under short leasehold agreements on vacant property. The majority of the vacant property provision is expected to be utilised over the next two years.

13. Financial instruments

The Group applies IFRS 9 *Financial Instruments*. For the Group's financial assets, the following table shows the measurement categories under IFRS 9:

Financial asset	**IFRS 9 classification**
Cash and cash equivalents	Amortised cost
Trade and other receivables	Amortised cost
Derivative – purchased option	Fair value through profit or loss

There has not been a significant impact on the carrying amounts of assets held. All financial assets and liabilities are classed as level 1.

14. Issued share capital

	2021		2020	
	Number of shares	**£m**	Number of shares	£m
Allotted, authorised, issued and fully paid Ordinary shares of 15p each				
At 1 October	**98,014,955**	**14.7**	83,595,421	12.5
Share placing to fund acquisition	**-**	**-**	8,184,906	1.2
Issued as consideration for acquisition	**22,608,736**	**3.4**	2,479,031	0.4
Share scheme exercises	**-**	**-**	3,754,818	0.6
Share Incentive Plan matching shares	**943**	**-**	779	-

At 30 September	**120,624,634**	**18.1**	98,014,955	14.7

22,608,736 Ordinary shares were issued as part-consideration for the acquisition of GoCo Group plc, with a value of £415.1m (share price of £18.36).

During the year 943 Ordinary shares were issued under the Share Incentive Plan for a combined total cash commitment of £nil.

Further details of acquisitions are shown in note 18.

15. Reserves

Share premium account
Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Treasury reserve
The treasury reserve represents the cost of shares in Future plc purchased in the market and held by the EBT to satisfy awards made by the trustees.

During the year the Company purchased 276,132 of its own shares to fund the future vesting of share options, at a total value of £4.9m.

Merger reserve
The merger reserve has increased in the period by £411.0m, consisting of £411.7m relating to the premium on shares issued as consideration for the acquisition of GoCo Group plc, offset by £0.7m of related share issuance costs. See note 18 for further details of the acquisition.

Accumulated exchange differences
The reserve for accumulated exchange differences comprises the revaluation of the Group's foreign currency entities, principally the US, on consolidation.

16. Contingent liabilities

There were no material contingent liabilities as at 30 September 2021 or 30 September 2020.

17. Related party transactions

The Group had no material transactions with related parties in 2021 or 2020 which might reasonably be expected to influence decisions made by users of these financial statements.

18. Acquisitions

Acquisition of CinemaBlend

On 2 October 2020, Future US, Inc. (a wholly owned subsidiary of Future plc) acquired CinemaBlend, a premium digital entertainment publisher based in the

US, for total consideration of $12.75m. CinemaBlend is a high-growth digital brand focused on the TV, film and entertainment market. Through its website, podcast series, social media channels and newsletters, CinemaBlend provides a platform for enthusiasts and casual fans to discover, explore and discuss films and TV shows, both on streaming services such as Netflix and linear TV such as HBO.

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

	Fair value £m
Intangible assets	
- Brand	4.8
- Partner relationships	0.2
Net assets acquired	5.0
Goodwill	4.9
	9.9
Consideration:	
Cash	9.9
Total consideration	**9.9**

The acquisition has further diversified the Group's revenues by expanding the Group's US presence and audience. Goodwill is attributable to the opportunities that exist to further monetise the Group's brands and audience. The intangibles recognised, including goodwill, are expected to be deductible for tax purposes.

Included within the Group's results for the period are revenues of £5.8m and a profit before tax of £3.7m from CinemaBlend (excluding acquired intangible amortisation). This is equal to the revenue and profit before tax that would have been contributed if the acquisition had completed on the first day of the financial year.

Acquisition of Mozo Pty Limited

On 2 February 2021, Future Publishing (Overseas) Limited (a wholly owned subsidiary of Future plc) acquired 100% of the equity in Mozo Pty Limited ("Mozo"), a price comparison site focused on personal finance products, based in Australia. Total consideration was AUD$31.0m in cash, of which AUD$29.5m was paid on completion, with a further AUD$1.5m deferred consideration which was settled in May 2021.

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

	Fair value £m

Tangible assets	
- Right-of-use lease assets	0.4
- Other tangible assets	0.1
Intangible assets	
- Brand	3.2
- Partner relationships	2.4
- Subscriber relationships	0.1
- Content	0.1
- Software	0.9
Cash and cash equivalents	1.2
Trade and other receivables	0.6
Trade and other payables	(0.8)
Corporation tax payable	(0.5)
Lease liability due within one year	(0.1)
Non-current liabilities	
- Provision	(0.1)
- Lease liability due in more than one year	(0.3)
Deferred tax	(2.4)
Net assets acquired	4.8
Goodwill	12.4
	17.2
Consideration:	
Cash	16.4
Deferred consideration	0.8
Total consideration	**17.2**

The acquisition has further diversified the Group's revenues by expanding the Group's price comparison offering and goodwill is attributable to the opportunities that exist to further monetise the Group's brands and extend the Group's eCommerce proposition beyond products into services. The intangibles recognised, including goodwill, are not expected to be deductible for tax purposes.

Included within the Group's results for the period are revenues of £3.4m and a profit before tax of £0.7m from Mozo (excluding acquired intangible amortisation).

If the acquisition had been completed on the first day of the financial year, it would have contributed £4.9m of revenue and a profit before tax of £1.1m (excluding acquired intangible amortisation) during the period.

Gross trade receivables were £0.6m on acquisition, of which £0.6m were expected to be recovered.

Acquisition of GoCo Group plc

On 17 February 2021, Future plc acquired 100% of the equity in GoCo Group plc ("GoCo"), a provider of price comparison and auto-switching services. Consideration was £557.2m, of which £142.1m was paid in cash and £415.1m settled via the issue of 22.6m equity shares in Future plc. In addition, GoCo's existing net debt of £72.0m was settled on acquisition (being debt of £83.2m net of £11.2m cash acquired). Total cost therefore amounted to £629.2m. The acquisition was funded by increasing the Group's debt facilities through a £215m two year term loan.

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

	Fair value £m
Tangible assets	
- Right-of-use lease assets	3.0
- Other tangible assets	1.7
Intangible assets	
- Brand	279.8
- Customer relationships	30.5
- Software	9.2
Cash and cash equivalents	11.2
Trade and other receivables	32.6
Corporation tax receivable	3.1
Trade and other payables	(27.3)
Lease liability due within one year	(0.7)
Financial liabilities – interest bearing loans and borrowings due in less than one year	(3.2)
Non-current liabilities	
- Provisions	(0.8)
- Lease liability due in more than one year	(2.4)
- Financial liabilities – interest bearing loans and borrowings due in more than one year	(80.0)
Deferred tax	(60.7)
Net assets acquired	196.0
Goodwill	361.2
	557.2
Consideration:	
Equity shares	415.1
Cash	142.1
Total Consideration	**557.2**

The acquisition has significantly strengthened the Group's proposition of seeking to address the growing consumer demand for informed and value driven purchasing decisions enabled by intent driven content, and provides a unique opportunity to capitalise on the combination of the Group's deep audience insight with GoCo's expertise in price comparison and the proprietary technology of both Future and GoCo. Goodwill is attributable to the synergies of the combined Group and the opportunities that exist to extend the Group's eCommerce proposition beyond products into services. The intangibles recognised, including goodwill, are not expected to be deductible for tax purposes.

Included within the Group's results for the period are revenues of £109.1m and profit before tax of £18.9m from GoCo (excluding deal fees, associated integration costs, acquired intangible amortisation and interest).

If the acquisition had been completed on the first day of the financial year, it would have contributed £171.5m of revenue and profit before tax of £31.5m (excluding deal fees, associated integration costs, acquired intangible amortisation and interest) during the period.

Gross trade receivables were £15.4m on acquisition, of which £14.6m were expected to be recovered.

Acquisition of Marie Claire US

On 12 May 2021 Future US, Inc. acquired 100% of Marie Claire US, a former joint venture between Marie Claire Album S.A.S. ("MCA") and Hearst Magazines Media Inc. Future has entered into a five year license agreement with MCA to operate in the US and Canada for consideration of £13.3m.

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

	Fair value £m
Intangible assets	
- Customer relationships	3.0
- Content	2.6
Cash and cash equivalents	0.9
Inventory	0.1
Trade and other receivables	3.3
Trade and other payables	(1.0)
Non-current liabilities	
Deferred tax	(1.6)
Net assets acquired	7.3
Goodwill	6.0
	13.3

Consideration:	
Cash	13.3
Total consideration	**13.3**

The acquisition follows the enlarged Group's acquisition of Marie Claire UK in 2020 and builds on the ongoing success of the MarieClaire.co.uk brand. It strengthens the Group's position in the Women's Lifestyle vertical in North America in line with the Group's strategy to achieve brand vertical leadership across English speaking markets.

Included within the Group's results for the period are revenues of £2.6m and a profit before tax of £nil from Marie Claire US (excluding deal fees, associated integration costs, acquired intangible amortisation and interest).

If the acquisition had been completed on the first day of the financial year, it would have contributed £11.1m of revenue and a profit before tax of £2.1m during the period.

Gross trade receivables were £3.2m on acquisition, of which £3.0m were expected to be recovered.

19. Post balance sheet events

Acquisition of Dennis

On 16 August 2021 the Group announced the acquisition of Dennis (via the acquisition of 100% of the share capital and voting rights of Broadleaf Newco 2 Limited and it's subsidiaries), a leading consumer media subscriptions business, which includes trusted Wealth, Knowledge and B2B technology specialist titles such as Kiplinger, MoneyWeek, The Week & IT Pro. Consideration of £300m was paid on completion on 1 October 2021, funded using the Group's existing debt facilities.

The titles acquired by Future are: The Week UK / The Week US, The Week Junior UK / The Week Junior US, MoneyWeek, Kiplinger, Science & Nature, IT Pro, Computer Active, PC Pro, Minecraft World, and Coach.

The acquisition will scale the Group's 'Wealth & Savings' vertical, further diversify the Group's revenue by materially increasing the Group's recurring revenues through subscriptions and extending the Group's reach in the North American market, deepen the Group's existing presence in the 'B2B Pro Technology' vertical and enhance the Group's 'Knowledge' vertical with high subscription rates and growth potential.

Work has commenced on the purchase price allocation but, because the acquisition is still relatively recent, the Group is not yet able to present reliable estimates of the fair values of the purchase consideration or the identifiable assets and liabilities acquired. The preliminary purchase price allocation will be presented in the Group's half year report for the six months ending 31 March 2022 that will be published in May 2022.

During the year ended 30 September 2021, the Group recognised transaction costs of £4.5m in relation to the acquisition of Dennis (included within net operating expenses).