30 November 2022

Connectors. Creators. Experience Makers.

FUTURE plc

2022 FULL YEAR RESULTS

Diversification strategy delivers record profitability
Continued profit growth and market share gains

Future plc (LSE: FUTR, "Future", "the Group"), the global platform for specialist media, today publishes its results for the year ended 30 September 2022.

Highlights

Financial results for the year ended 30 September 2022

Adjusted results[1]	**FY 2022**	**FY 2021**	**Var**
Adjusted operating profit (£m)	271.7	195.8	+39%
Adjusted operating profit margin (%)	33%	32%	+1ppt
Adjusted diluted EPS (p)	163.5	131.9	+24%
Adjusted Free Cash Flow[3]	267.2	199.3	+34%
Statutory results	**FY 2022**	**FY 2021**	**Var**
Revenue (£m)	825.4	606.8	+36%
Operating profit (£m)	188.6	115.3	+64%
Profit before tax (£m)	170.0	107.8	+58%
Cash generated from operations (£m)	268.5	197.2	+36%
Diluted EPS (p)	100.9	58.1	+74%

Financial highlights

- Full year revenue up 36% to £825.4m (FY 2021: £606.8m), reflecting a combination of continued organic[2] growth (2% in the year of which 5% from Media) and contribution from acquisitions. Strong growth in the US, with organic growth rates of +7%.

- Excellent full year results with adjusted operating profit[1] growth of 39% to £271.7m (FY 2021: £195.8m), of which 11% was organic (including 2% FX), 10% from the platform effect and 18% from acquisitions, significantly above our sustainable profit growth model target of 25% through the cycle. Statutory operating profit up 64% to £188.6m (FY 2021: £115.3m).

- Future's platform effect continues to deliver, with an improvement in adjusted operating profit[1] margin to 33%, an expansion of +1ppt over the prior year margin of 32% absorbing material inflationary pressures in FY 2022 (equivalent of (2)ppt) and initial dilutive impact of acquisitions (a further (2)ppt). Statutory operating margin at 23%, up +4ppt (FY 2021: 19%).

- The Group remains highly cash generative with adjusted free cash flow[3] of £267.2m (FY 2021: £199.3m), representing 98% of adjusted operating profit[1] (FY 2021: 102%). Cash generated from operations was £268.5m (FY 2021: £197.2m).

- Leverage[4] of 1.48x (FY 2021: 0.8x and increasing to 1.9x following the Dennis acquisition on 1 October 2021). This reflects continued rapid de-levering, resulting in net debt at the end of the year of £423.6m (FY 2021: £176.3m). In May 2022, we extended our RCF facilities by £100m and in November 2022, we secured a new facility of £400m with a syndicate of banks and supported by a partial guarantee from UK Export Finance, with attractive terms. Total facilities at the end of FY22 were £660m and £900m as of 30 November 2022.

Operational and strategic highlights

- **Growing relevant and valuable audiences**
  - Our leadership position within verticals (#1 consumer technology in US and UK, #6 beauty and fashion in the US, #4 in the UK; #1 in Homes in the UK)[10] delivers premium monetisation and growth
  - Group online users returned to organic growth in H2 up +2% and +8% on a reported basis
  - Further progress in increasing our online reach[11] in the US by +3ppt to 35%

- **Diversifying and growing monetisation**
  - 36% revenue growth with 17% total audience growth, leveraging our leadership positions
  - Continued progress on diversifying revenue with each of the three main monetisation routes (Advertising, Direct consumer monetisation and Affiliates) now representing approximately a third of revenue
    - 55% of Affiliates revenue is from services (up from 49% in FY 2021)
    - 48% of Magazine revenue is now from subscriptions providing favourable mix of recurring revenues (up from 26% in FY 2021)

- **Creating value from acquisitions**

    - 5 acquisitions completed since October 2021, adding capability in data, video and subscribers, while helping to enable leadership positions in Women's Lifestyle and Wealth content. We have allocated over £400m of capital during the year while remaining disciplined in approach to leverage.

- 'Our Future, Our Responsibility' - our **ESG strategy** - was launched in December 2021 and is now well-progressed in the Group as we make continued headway against our ambitions.

<u>Outlook</u>

- Future enters FY 2023 in a strong competitive position and we expect to further strengthen our market positions within our verticals. The agility of the business model means we expect to deliver modest profit growth in FY 2023.
- The strong balance sheet and cash generation serve the business well for ongoing investment and growth and we are well-placed to add additional content and capabilities to further enhance the Future platform.
- Longer-term, we are confident that our diversified strategy will continue to deliver significant value for shareholders, with our investment in new content verticals and capabilities underpinning our growth ambitions.

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

"I am pleased to report another year of record results, adding to our long-term track record, as we delivered sustained growth across all key metrics, including revenue, profitability and free cash flow. Our performance is testament to our diversified revenue streams, the strength of our content and the brilliant teams we have working across our business.

"2022 has been a busy year for us, as we allocated over £400m to complete five quality earnings-accretive acquisitions which added new capabilities to the Group and helped us to achieve leadership positions in the 'Women's Lifestyle' and 'Wealth' content verticals, all whilst continuing to rapidly de-lever.

"Today our content reaches over 500 million people in the UK and US, and one in three people online in the UK and US. We have a clear opportunity to build on the track record we have established in the US to date by replicating our successful model in newer verticals whilst adding further diversification to the Group.

"Looking ahead, whilst we are monitoring the macroeconomic climate, we remain confident in our strategy and the growth opportunities that we are uniquely placed to capitalise on, which we expect to deliver modest profit growth and market share gains."

Presentation

A live webcast of the analyst presentation will be available at 09.00 am (UK time) today at https://stream.brrmedia.co.uk/broadcast/636e5dd0ce306e2e48f6b99a

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. A reconciliation between adjusted and statutory profit is shown in note 8.

2) Organic growth defined as the like for like portfolio excluding acquisitions and disposals made during FY 2021 and FY 2022 and including the impact of closures and new launches at constant FX rates. Constant FX rates is defined as the average rate for FY 2022.

3) Adjusted free cash flow is defined as adjusted operating cash flow less capital expenditure. Capital expenditure is defined as cash flows relating to the purchase of property, plant and equipment and purchase of computer software and website development. Adjusted operating cash flow represents cash generated from operations adjusted to exclude cash flows relating to exceptional items and payment of 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. Adjusted free cash flow conversion reflects adjusted free cash flow as a percentage of adjusted operating profit.

4) Leverage is defined as Net debt as defined in below (excluding capitalised bank arrangement fees and lease liabilities, and including any non-cash ancillaries), as a proportion of Adjusted EBITDA 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 less interest, tax, depreciation and amortisation and also adjusted for the items referenced 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 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 that would otherwise distort the users understanding of the Group's performance. 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.

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 IFRS16 leases.

10) US reach score source: comScore Media Metrix Demographic Profile, October 2022 - Desktop Age 2+ and Total Mobile 18+)

11) US reach score source: comScore Media Metrix Demographic Profile, September 2022 - Desktop Age 2+ and Total Mobile 18+)

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About Future
Future is a global platform business for specialist media with diversified revenue streams. Its content reaches 1 in 3 adults online in the UK and 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, Who What Wear, 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 4.5 million delivered through more than 106 magazines, and 743 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

Future is a global platform for intent-led specialist media underpinned by technology, enabled by data; with diversified revenue streams. The business model has a strong track record of driving consistent, high-quality revenue growth which translates into strong operating margin and cash. Future's strategy is to grow relevant and valuable audiences to maintain or gain leadership positions in each of the markets it operates in whilst diversifying and growing the monetisation of these audiences.

By obtaining podium positions, we become a must-have partner, enabling monetisation optimisation and resilience through economic cycles. This resilience is reinforced by the diversified nature of the Group, both from content verticals, geographical locations and monetisation capabilities.

We are focused on profitable organic growth to drive long-term value through operating leverage and excellent cash conversion. The strategy is accelerated with acquisitions. Acquisitions are integrated in full, deploying our operating model including our global approach to our content, our technology platform and our audience reach, driving further the Platform Effect.

We have a relentless focus on the sustainable execution of our strategy. This focus translates into a repeatable, efficient value creation model as highlighted by our exceptional track record since 2014 of doubling the Group's profits approximately every two years.

Grow relevant and valuable audiences

Our first strategic objective is to meet the needs of our audience. We are a trusted expert, helping our audience do the things they love, whether that be how to clean their bike or which product to buy. Our goal is to be the market leader in the markets in which we operate, and this should enable us to reach 1 in 2 in the US as we extend our reach in these vertical markets, namely: Technology, Lifestyle (Fashion & Beauty and Homes), Wealth and B2B while adding new verticals.

In the period, we have made further progress towards our goal with our US reach growing by 3ppt to 35% (source: Comscore). We have maintained our leadership position in Technology and are now number six in Fashion and Beauty with key organic sites, such as MarieClaire and Woman & Home, growing in excess of 100% on Comscore. We are number 11 in Homes with our biggest site, Homes & Gardens growing by over 60% on Comscore. In the UK, our reach is 38%, and we have maintained our leadership position in Tech, whilst establishing #4 in Fashion & Beauty and #1 in Homes.

Overall audience increased to 506m (FY 2021: 432m) driven by growth in online users, social followers and subscribers. Online users grew by 3% driven by acquisitions and partially offset by an organic decline of (5)% for the year as we lapped lockdown-driven traffic spikes in the prior year, and some declines in the consumer technology market resulting in lower consumer time online .

Driving audience is a blend of art and science. The art is delivered by our expert editorial teams who thrive in responding to audience demands for relevant, useful and engaging content (both online and in print). The science is brought by our ability to use data and analytics, recently bolstered by the acquisition of Waive in March 2022, combined with the expertise of our editorial teams. The combination allows us to reach high-intent audiences at scale, providing a brand-safe qualified audience for advertisers and responding to eCommerce demand.

Our performance highlights the benefit and strength of the content vertical diversification of the Group, and our technology, enabling us to absorb unusual market trends and continue to grow audience share and revenues.

Diversify and grow monetisation

The second strategic objective of the Group is to diversify and grow monetisation. The diversification of revenue streams enables the Group to continue to perform irrespective of wider economic conditions. Growth in monetisation is driven by a combination of a content-led approach to acquire audiences, with a focus on achieving market leadership positions allowing premium pricing, as well as increasing yield by adding new routes of monetisation. For example, in FY 2021, we launched Eagle - our voucher technology. This year, we deployed Eagle on Tom's Guide and it is driving fantastic results with over 5k transactions in the US in the month of October alone.

Our oldest division, GETs (Games, Entertainment & Technology) has seen a double-digit increase in monetisation (digital advertising and affiliate revenues over online users in FY2022), with over 40% of digital monetisation coming from affiliates. This highlights the opportunities we have for our newer verticals to grow yield in the same way. For example, in LKN (Lifestyle, Knowledge & News) only 20% of digital monetisation comes from affiliates. Overall, we are currently monetising GETs online users over 1.5x more than LKN online users presenting an opportunity to increase monetisation as well as grow the audience in the LKN vertical.

Our 2 strategic objectives are translated into 3 strategic pillars: sustainable organic growth, the platform effect and creating value from acquisitions.

Sustainable organic growth

The continued focus on a valuable audience coupled with diversified revenue streams enables the group to outperform, even in challenging economic conditions.

Overall organic revenue growth of 2% was driven by Media organic growth of 5%, with Magazines down (2)% year-on-year. The organic growth in the US revenue outpaced significantly the UK (+7% vs (1)% respectively) as a result of a different revenue mix but also more opportunities and more favourable economic conditions.

	H1 2022	*H2 2022*	*FY 2022*	*FY 2021*
Online users (reported)	*(2)%*	*+8%*	**+3%**	+8%
Organic revenue growth				
Digital ads	*+10%*	*+4%*	**+7%**	+27%
Affiliates	*(10)%*	*(1)%*	**(6)%**	+36%
Events, digital licensing, other online	*+86%*	*+40%*	**+54%**	(17)%
Media revenue	***+5%***	***+6%***	**+5%**	**+27%**
Magazine revenue	***+3%***	***(8)%***	**(2)%**	**+4%**
Total organic revenue growth	***+4%***	***+1%***	**+2%**	**+23%**
UK organic revenue growth	*+3%*	*(6)%*	***(1)%***	*+17%*
US organic revenue growth	*+6%*	*+9%*	***+7%***	*+27%*

Digital advertising revenue has continued to perform strongly, growing +7% organically in the year. This performance demonstrates market outperformance, notably in the US with +10% organic growth. This demonstrates the Group's ability to deliver valuable audiences to advertisers. Future Studios also contribute to yield expansion. Video on content sites generated 4x the average yield and grew by 31% organically year-on-year, representing 14% of digital advertising revenue. The combination of data, scale and leadership positions in a brand-safe environment provides resilience to our advertising revenue.

Affiliate revenue saw an improvement in the second half, as anticipated and saw an organic decline of (1)%. In the full year, we saw an organic decline of (6)% or £(6.6)m, broadly in line with the benefit we saw from the pandemic related estimated income of c£5m in the prior year that we had noted in previous results. In the current challenging consumer environment, we continue to see consumers focusing on deals and events as evidenced by our strong performance during Prime Day in the Summer, as well as the performance of Eagle - our voucher technology - on Tom's Guide. In parallel, we have continued to make progress in diversifying our end-markets with affiliate revenue per user in our LKN (Lifestyle Knowledge & News) vertical increasing by 1.6x including 1.8x in our Women's Lifestyle vertical. We have seen very strong performance from newer categories such as sleep, small appliances including vacuums and kitchen tech, while we have continued to see ongoing softness in wider consumer technology.

Other media revenue grew by +54% organically, driven by events which recovered as restrictions were lifted. During the period, we hosted 111k people over 65 events.

Magazines organic revenue was down (2)% year-on-year, with a decline of (8)% in H2, as we have lapped the COVID-comparators. With the acquisition of Dennis in October 2021, subscriptions now represent 49% of the magazines division. This adds recurring, predictable revenues helping to mitigate the secular decline in magazines, with proforma revenue growth (including Dennis) for Subscription of 6% in the year.

The Platform Effect drives strong operating margin

The Platform Effect is more than operating leverage and growing the bottom line, it is about the multiplier impact of the organic and inorganic capabilities that deliver unique value creation, in both revenue and profit.

Our financial results evidence our successful and diversified monetisation model as well as our ability to deploy the Future operating model to drive scalability and operating leverage. 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. These investments are leveraged across the business driving the Platform Effect.

We believe our **proprietary technology platform** is a key source of competitive advantage. The benefit of having a common platform translates into our ability to leverage the benefit of continuous investment rapidly across our estate. We now have a total of 52 sites on the Vanilla website platform (FY 2021: 41). During the year, we continued to enrich our data audience platform Aperture and its activations. In addition to its capability of producing high-value advertising segments, Aperture has launched SmartDiscovery. This leverages our newly acquired asset Waive to spot content trends as they emerge to drive audience growth through first-mover advantage. In October, the most read article - about Ryan Reynolds confirming a documentary on John Candy on CinemaBlend - was a trend identified by using SmartDiscovery. On average, where we deploy SmartDiscovery we see a doubling of page views. This capability lives across our Entertainment vertical, driving efficiency of content.

Content is at the heart of our purpose and we continuously invest in content creation to ensure we remain the trusted, authoritative expert for our audiences. Editorial is our biggest team with over 1,300 editorial colleagues. Quality, expert, intent-led, content is also a source of operating leverage with over 50% of our revenue from content being produced in the prior periods in September.

Our **centres of excellence** reduce duplication and provide access to talent in locations with a lower cost of living, delivering efficiency of spend and agility in an ever-changing landscape, while creating teams of like-minded experts within the organisation. We will be opening a new hub in Cardiff at the start of 2023 to leverage the proximity to graduate talent in an affordable city location.

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 record profit. The cost synergies delivered through the recent acquisitions coupled with our focus on process re-engineering has enabled us to continue to invest organically. We have been able to increase adjusted operating margin despite continued investment in content, people, technology and infrastructure and cost inflation. Our business model has allowed us to absorb salary increases to help our employees mitigate the impact of inflation as well as cost of sales increases notably in our magazine division.

The adjusted operating profit growth of 39%, of which 11% was organic (including 2% FX tailwind), 10% from the platform effect and 18% from acquisitions, is above our sustainable profit growth model of 25% through the cycle (10% organic, 5% platform effect and 10% from acquisitions).

Creating value through acquisitions

Accelerating the execution of our strategy with value creating acquisitions is a key part of our capital allocation. We remain highly disciplined when it comes to acquisitions with 23 deals reviewed for each transaction that we executed in the past 12 months, as we rigorously ensure that acquisitions have strong strategic alignment and drive additional value creation.

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

Future's diversification strategy was demonstrated with the acquisitions of GoCo and Mozo in February 2021, bringing eCommerce affiliate services into the Group and establishing our Wealth & Savings vertical. A challenging consumer backdrop means Savings content is more important than ever, helping consumers save money and find the right product for everyday necessities.

As we enter the second year of ownership of GoCo, we are pleased with the performance showing continued signs of success in 2022, including the re-branding to Go.Compare. Our SEO expertise has already delivered improvement with consistent progress on car insurance (from #4 in search in September 2021 to #1 in September 2022), home insurance (from #7 in September 2021 to #5 in September 2022) and life insurance (from #11 in September 2021 to #7 in September 2022) combined with using our email newsletter capability to drive further engagement. The rich first-party data from GoCo is enhancing Aperture, our data platform, allowing us to create super-segments for premium advertising. Additionally, we have made further progress on diversifying away from car insurance with 34% of revenue now from verticals other than car insurance (up +5ppt year on year). This has resulted in Go.Compare growing revenues at 1% in the period on a proforma basis, despite continued challenges in the car and energy markets. Furthermore, the work to create a modular tech stack for the comparator technology is progressing, with our van and my account proposition going live in October 2022. We are on track to complete the roll-out of this technology across the comparison verticals in 2023. Finally, after the launch of Eagle in FY 2021, using the MyVoucherCodes capability, we have deployed it further in 2022, notably on Tom's Guide and have seen great traction with ~5k transactions in the US in the month of October.

The Mozo business, an Australian price comparison website focused on personal finance products, has been integrated into the existing Future operations in Australia, providing the opportunity to invest in a new strengthened local leadership team as we gain scale. Mozo is also collaborating with the GoCo teams and launched a broadband comparison proposition in May, amongst a number of initiatives. Mozo revenue grew by 26% year-on-year on a proforma basis demonstrating the Group's ability to drive value from acquisitions.

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 licence agreement with Marie Claire Album S.A.S. to operate the title in the US and Canada. Marie Claire US is now integrated into our fast, brand safe platform having migrated to Vanilla at the end of 2021 and is performing well with significant yield increase on both direct and indirect advertising revenue.

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

In October 2021, 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 enables the Group to scale its Wealth & Savings vertical through the MoneyWeek and Kiplinger brands which we have identified as a significant strategic vertical opportunity.

In addition, the acquisition has helped to further diversify the Group's revenue by materially increasing the Group's recurring revenues through subscriptions, and further extending the Group's reach in the North American market.

The integration of Dennis completed in the first half and the combined teams are already working to deliver the strategic plan of the acquisition. Our proprietary ad tech Hybrid has been deployed across the Dennis brands, translating into double digit improvement in yields and the new Wealth bureau is enabling wealth content to sit on other websites such as Woman&Home with its Smart With Money channel. In the period, we migrated Kiplinger to Vanilla with further migrations of the remaining Dennis brands scheduled for FY 2023. Kiplinger newsletter has migrated to the SmartBrief technology, resulting in a 2.5x increase in ad click-through rates. The performance during the year has been strong with double-digit revenue growth, demonstrating the strength and resilience of the subscription business.

Waive - strengthening data insight capabilities

In March 2022, we completed the acquisition of Waive, an artificial intelligence enabled platform which provides intelligence on emerging content trends. This acquisition will extend Future's Aperture data platform and enhanced data science capabilities with the launch of SmartDiscovery, as mentioned above.

WhatCulture.com - enhancing our Entertainment vertical and video monetisation capabilities

On 23 March 2022, we completed the acquisition of WhatCulture.com, a digital-only publisher focused on gaming and entertainment.

This acquisition further strengthens Future's position in video, notably with its expertise in the monetisation on YouTube. WhatCulture will benefit from the Future proprietary technology stack and operating model to drive the platform effect whilst bolstering Future's gaming and entertainment vertical. The integration is well progressed with payroll, IT and most financial systems already migrated. The base in Newcastle provides the opportunity for a Northern hub for video creation across the group going forward.

Who What Wear - bolstering our Women's lifestyle vertical and US reach

On 15 June 2022, we completed the acquisition of *Who What Wear,* a leading digital-only Women's lifestyle publisher. The acquisition further strengthens Future's position in the Women's Lifestyle vertical and gives the Group greater scale and reach in North America to further monetise its audience. Combined with the Group's existing business, Future is now the 6th largest Beauty and Fashion publisher in the US (Source: Comscore MMX Multi Platform Total Audience September 2022 US). With Future's content already reaching 1 in 3 adults online in the US, the transaction will accelerate Future's scale and revenue opportunities in the US. The Group's existing Women's Lifestyle brands will benefit from Who What Wear's leading direct advertising sales capabilities, whilst Who What Wear will benefit from Future's proprietary technology stack and operating model to drive the platform effect. Hybrid and Hawk have been deployed on the site and the migration to Vanilla is scheduled in the Spring of 2023, once new functionalities have been deployed.

On 18 October 2022, we completed the acquisition of Shortlist.com, a technology website. We will be able to deploy our tech stack to the website to drive monetisation, whilst growing our online users and accelerating this growth through our capabilities.

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. We are extremely fortunate that our brands give us the platform and opportunities to influence and inspire people across the globe to encourage positive change.

Being a responsible employer is an important part of our strategy and in January 2022 we put in place two tiers of cost of living increases of +2% and +4%, with the higher amount for colleagues paid less. In all our markets, we are proud of the fact that we have a Future base level wage that is higher than any central or local government standard.

This year, we also paid our all-staff annual profit pool bonus scheme in two instalments (June and December) to help mitigate the immediate inflationary pressures we have seen. All colleagues, except the Executive Leadership Team received an initial payment equivalent to 40% of their full-year bonus in June. The remainder of the annual profit pool bonus will be paid in December, which means that all colleagues in Future will have received a minimum of £1,905 as a bonus during the year.

Finally, we have brought forward our annual salary review process from January 2023 to November 2022 with our colleagues receiving at least a +4% increase to their salary. In addition, for employees with lower salaries in the UK (below £50k), they will receive a one-off cost of living bonus representing 2% of their salary in their November pay.

We remain proud of and thankful to our colleagues for their hard work and ongoing support in these continued challenging times.

In December 2021, we launched our **Responsibility strategy - Our Future, Our Responsibility**. Our strategy is articulated around 4 pillars which fall under 2 headers: the Foundations pillars which incorporates Taking Responsibility and The Culture behind the Company, and the Differentiation pillars which consist of Shaping the Future and Expanding Horizons. Each pillar is sponsored by a member of the Executive Team.

During the year, the pillar leads reported progress and achievement to the Responsibility Board Committee and the Responsibility Steering Committee.

In the **Culture behind the Company**, we have also been revising our recruitment process to ensure inclusivity and transparency. Additionally, we foster a culture where people can do their best work, be themselves and shine. In order to ensure the effectiveness of our efforts, we have conducted a company-wide engagement survey, the results of which we are translating into tangible actions across the Group, notably to ensure clarity and transparency of career progression.

In **Expanding Horizons**, we will leverage our experts to share skills and knowledge on topics of interest to our colleagues and audience.

Shaping the Future will see us taking a leadership position in championing a safer internet and we've partnered with PPA (UK), supporting them in lobbying the UK Government on its proposed Online Safety Bill. Additionally, four of our Future websites are certified as Green by Newsguard and we've recently published our Responsible Content Framework as a guide for everyone producing content at Future to ensure we honour our commitments.

In **Taking Responsibility**, we've already taken action with our print products, invested in three new intelligent data centre technologies that are 100% powered by renewable energy.

We will continue to make progress on all pillars by improving our reporting but also translating the Responsibility strategy into many small intentional steps that will add to an ambitious programme for the Group over the coming years. To reflect the increased importance of this, we have also added a responsibility target to the executive bonus scheme for 2023.

Executive changes
Following the announcement on 20 September 2022 of Zillah Byng-Thorne's intention to step down as CEO by the end of 2023, the Board appointed a global executive search firm to undertake the search for Zillah's successor. Good progress is being made and the Board will provide a further update on this in due course. In addition, Penny Ladkin-Brand's role has been extended to Group CFO and Strategy Officer. Penny will continue to lead all finance activities within the organisation, and will now also focus on inorganic growth opportunities and execution of the strategy to deliver medium and long-term growth. In conjunction with this, Penny's notice period has been extended from six to twelve months.

Outlook

- Future enters FY 2023 in a strong competitive position and we expect to further strengthen our market positions within our verticals. The agility of the business model means we expect to deliver modest profit growth in FY 2023.

- The strong balance sheet and cash generation serve the business well for ongoing investment and growth and we are well-placed to add additional content and capabilities to further enhance the Future platform.

- Longer-term, we are confident that our diversified strategy will continue to deliver significant value for shareholders, with our investment in new content verticals and capabilities underpinning our growth ambitions.

Financial summary

The financial summary is based primarily on a comparison of results for the year ended 30 September 2022 with those for the year ended 30 September 2021. Unless otherwise stated, change percentages relate to a comparison of these two periods. Organic growth defined as the like for like portfolio excluding acquisitions and disposals made during FY 2021 and FY 2022 at constant FX rates and including the impact of closures and new launches. Constant FX rates is defined as the average rate for FY 2022.

	FY 2022 £m	FY 2021 £m
Revenue	**825.4**	606.8
Adjusted operating profit	**271.7**	195.8
Adjusted profit before tax	**253.1**	188.3
Operating profit	**188.6**	115.3
Profit before tax	**170.0**	107.8
Basic earnings per share (p)	**101.4**	59.3
Diluted earnings per share (p)	**100.9**	58.1
Adjusted basic earnings per share (p)	**164.4**	134.6
Adjusted diluted earnings per share (p)	**163.5**	131.9

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 2022 £m	FY 2021 £m
Adjusted operating profit	**271.7**	195.8
Adjusted net finance costs	**(18.6)**	(7.5)
Adjusted profit before tax	**253.1**	188.3
Adjusting items:		
Share-based payments (including social security costs)	**(6.9)**	(14.8)
Exceptional items (note 4)	**(17.9)**	(27.4)
Amortisation of acquired intangibles	**(58.3)**	(38.3)
Profit before tax	**170.0**	107.8

Revenue

Revenue		**Segment**	**FY 2022 £m**	Segment		FY 2021 £m		
	UK £m	**US £m**	**Total £m**	UK £m	US £m	Total £m	YoY Var	Organic YoY Var
Digital ads	**67.8**	**163.4**	**231.2**	61.5	125.1	186.6	+24%	+7%
Affiliates	**194.4**	**78.3**	**272.7**	142.4	73.8	216.2	+26%	(6)%
Events, digital licensing and other media	**22.0**	**9.3**	**31.3**	16.5	3.5	20.0	+57%	+54%
Total Media	**284.2**	**251.0**	**535.2**	220.4	202.4	422.8	+27%	+5%
Newstrade	**85.2**	**0.8**	**86.0**	84.4	0.9	85.3	+1%	(2)%
Subscriptions	**75.8**	**65.0**	**140.8**	45.1	2.0	47.1	+199%	(11)%
Print advertising, licensing and other print	**54.3**	**9.1**	**63.4**	46.7	4.9	51.6	+23%	+5%
Total Magazines	**215.3**	**74.9**	**290.2**	176.2	7.8	184.0	+58%	(2)%
Total revenue	**499.5**	**325.9**	**825.4**	396.6	210.2	606.8	+36%	+2%

Group revenue increased 36% or £218.6m to £825.4m (FY 2021: £606.8m), achieved organically (increase of 2% at constant currency and 5% at actual currency) and through acquisition, with FY 2021 and FY 2022 acquisitions net of disposals contributing £308.3m to revenue in the period.

UK revenue grew by 26% or £102.9m to £499.5m (FY 2021: £396.6m). Total UK organic revenues declined 1% with 1% organic revenue growth in Media being offset by a 3% decline in Magazines. UK Media organic growth of 1% was driven by digital advertising (+1%) as well as the recovery in events (+47%) which were previously impacted by the pandemic, partially offset by the decline in Affiliates revenue as expected.

Performance was strong in the US where growth of 55% or £115.7m to £325.9m (FY 2021: £210.2m) and was supported by organic growth of 7% reflecting strong growth in digital advertising and a stronger affiliates performance despite the impact of the comparators.

Media revenue increased by £112.4m or 27% and by 5% organically. Organic digital advertising revenue grew 7% despite the impact of lower online audiences and organic affiliate revenue was down 6%, with the decline broadly equal to the COVID one-off performance in the prior year. Events recovered and grew by 62% to over £15m.

Magazine revenue increased by 58% to £290.2m (FY 2021: £184.0m), including the full-year impact of the Dennis acquisition which continued to perform well with subscription revenues growing on a proforma basis by 6%. In the organic portfolio, subscriptions declined by 11% as we returned to a normalised level of subscribers post pandemic, whilst newstrade held up well with a marginal decline at 2% organic reduction over the prior year and advertising growing on an organic basis by 5%. Magazine organic revenue performance marginally decreased by 2% as we are now through the COVID comparators.

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

	FY 2022 £m	FY 2021 £m
Total revenue	**825.4**	606.8
Revenue from FY 2022 and FY 2021 acquisitions	**(308.4)**	(115.2)
Organic revenue	**517.0**	491.6
Impact of FX at constant rates	**0.3**	13.3
Organic revenue at constant currency	**517.3**	504.9

Operating profit

Cost of sales have increased year-on-year driven by inflation, mostly in magazines with increases to paper and printing costs due to high energy prices as well as the inclusion of acquisitions and their respective costs. Other costs have increased due to inflationary pressures on salary and wages, and our ongoing investment in editorial, technology, infrastructure and people. Despite the impact of investments and inflation combined with the initial dilutive impact of acquisitions, the Group has delivered an improved adjusted operating margin of 33% (FY 2021: 32%). This is a testament of the strength of the platform and the ability to create operating leverage. As a result, adjusted operating profit increased by £75.9m to £271.7m (FY 2021: £195.8m) driven by both organic profit growth and contributions from acquisitions. Statutory operating profit increased by £73.3m to £188.6m (FY 2021: £115.3m) and statutory operating margin improved to 23% (FY 2021: 19%) driven by the performance in adjusted operating profit combined with lower relative adjusting items.

Earnings per share

	FY 2022	FY 2021
Basic earnings per share (p)	**101.4**	59.3
Adjusted basic earnings per share (p)	**164.4**	134.6
Diluted earnings per share (p)	**100.9**	58.1
Adjusted diluted basic earnings per share (p)	**163.5**	131.9

Basic earnings per share are calculated using the weighted average number of ordinary shares in issue during the period of 120.5m (FY 2021: 111.5m), the increase reflecting the weighted impact of the issue of 22.6m shares to fund the acquisition of GoCo in the prior year.

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. Adjusted profit after tax was £198.1m (FY 2021: £150.0m).

Exceptional items

Exceptional items include acquisition and integration related costs of £4.7m including £2.9m and £1.2m relating to the Dennis and Who What Wear acquisitions respectively, in addition to £1.7m and £0.6m of restructuring costs attributable to the review of titles in our portfolio and building of a finance centre of excellence in Bath (2021: £13.1m in respect of the GoCo acquisition and £4.5m in respect of the Dennis acquisition). A total of £10.9m has been recognised in respect of onerous properties, partly reflecting extended time frames in subletting existing onerous property leases as well as £5.7m relating to properties acquired as part of the Dennis acquisition (2021: £1.0m net expense on the exit of onerous properties).

During 2021, the impairment charge of £8.8m related 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.

Other adjusting items

Acquired amortisation increased by £20.0m to £58.3m (FY 2021: £38.3m) reflecting amortisation arising from the in-year acquisitions of Dennis, What Culture and Who What Wear and the acquisition of GoCo in FY2021.

Share-based payment expenses (relating to equity-settled share awards with vesting periods longer than 12 months), together with associated social security costs decreased by £7.9m to £6.9m (FY 2021: £14.8m). The nature of the scheme means that a charge is booked irrespective of the likelihood of achieving the vesting targets, however, this was mitigated by a reduction for expected associated employers' national insurance.

Net finance costs

Net finance costs increased to £18.6m (FY 2021: £7.5m) which includes external interest payable of £13.6m reflecting the drawdown of the RCF to fund the Dennis and Clique Brands Inc. (Who What Wear) acquisitions, higher interest rates and £2.8m in respect of the amortisation of arrangement fees relating to the Group's bank facilities.

Leverage at 30 September 2022 was 1.48 times down from 1.9 times following the Dennis acquisition on 1 October (excluding other cash movements) (FY 2021: 0.8 times).

In November 2022, we secured a new facility of £400m with a syndicate of banks and supported by a partial guarantee from UK Export Finance, with attractive terms. Therefore, total facilities at the end of November 2022 were £900m.

Including commitment fees, external interest payable in FY 2023 is expected to increase to £27m, reflecting a blended interest rate of 7.2% on average gross debt of £378.2m. The total forecast net finance cost for FY23 of £32.5m also includes £3.0m in respect of amortisation of arrangement fees and £2.5m of IFRS16 related interest costs.

Taxation

The tax charge for the year amounted to £47.8m (FY 2021: £41.7m), comprising a current tax charge of £38.3m (FY 2021: £30.2m) and a deferred tax charge of £9.5m (FY 2021: £11.5m 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 21.75% (FY 2021: 20.30%).

The Group's statutory effective tax rate is 28.12% (FY 2021: 28.69%) with the difference between the statutory rate and adjusted effective rates attributable to movements on the Group’s share-based payments and other non-deductible costs.

The Group’s deferred tax liability increased by £63.7m to £130.2m (FY 2021: £66.5m) mainly as a result of the deferred tax liabilities recognised in respect of the acquisition of Dennis and Who What Wear.

For FY2023, the Group expects adjusted tax rate to be at 24%.

Dividend
The Board is recommending a final dividend of 3.4p per share for the year ended 30 September 2022, payable on 14 February 2023 to all shareholders on the register at close of business on 20 January 2023.

Balance sheet
Property, plant and equipment increased by £5.6m to £53.0m in the period (FY 2021: £47.4m) reflecting the acquisition of Dennis (£13.2m) and acquisition of Who What Wear (£5.0m) offset by depreciation (£9.1m) and impairment of right of use assets (£6.6m), primarily attributable to property leases inherited via the acquisition of Dennis (included within exceptionals).

Intangible assets increased by £561.1m to £1,715.8m (FY 2021: £1,154.7m) mainly reflecting the in-year acquisitions of Dennis, WhatCulture, Waive and Who What Wear (£513.8m) and capitalisation of website development costs (£9.0m) offset by amortisation (£71.3m) and the impact of FX (£109.6m).

Trade and other receivables increased by £36.3m to £134.3m (FY 2021: £98.0m) primarily driven by the acquisition of Dennis (£20.9m on acquisition) and the acquisition of Who What Wear (£9.9m on acquisition).

Trade and other payables inclusive of deferred income increased by £58.9m to £199.7m (FY 2021: £140.8m) primarily driven by the acquisition of Dennis (£60.7m on acquisition). Provisions increased by £15.3m, primarily due to the £10.0m provision for legal costs being recognised on the Dennis opening balance sheet relating to historic litigation claims.

Cash flow and net debt
Net debt at 30 September 2022 was £423.6m (FY 2021: £176.3m) reflecting the Dennis, Waive, WhatCulture and Who What Wear acquisitions, offset by strong cash generation.

During the year, there was a cash inflow from operations of £268.5m (FY 2021: £197.2m) reflecting the Group’s strong trading performance.

Adjusted operating cash inflow was £278.8m (FY 2021: £210.4m). A reconciliation of cash generated from operations to adjusted free cash flow is included below:

	FY 2022 £m	FY 2021 £m
Cash generated from operations	**268.5**	197.2

Cash flows related to exceptional items	**13.7**	22.7
Settlement of employer's NI on share based payments[1]	**2.0**	(3.4)
Lease payments following adoption of IFRS 16 *Leases*	**(5.4)**	(6.1)
Adjusted operating cash inflow	**278.8**	210.4
Cash flows related to capital expenditure	**(11.6)**	(11.1)
Adjusted free cash flow	**267.2**	199.3

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

Other significant movements in cash flows include £11.6m (FY 2021: £11.1m) of capital expenditure, net repayment of bank loans and overdraft (net of arrangement fees) of £372.3m, with £298.6m relating to debt settled on completion of the Dennis acquisition and the balance reflecting the Group's strong cash generation (FY 2021: net drawdown of £334.8m) and lease payments of £5.4m (FY 2021: £6.1m). The Group paid a dividend in the period of £3.4m (FY 2021: £1.6m). Foreign exchange and other movements accounted for the balance of cash flows.

Adjusted free cash flow increased to £267.2m (FY 2021: £199.3m), representing 98% of adjusted operating profit (FY 2021: 102%), reflecting the ongoing efficient cash management by the Group.

Going concern

The Group has produced forecasts which have been modelled for different plausible downside scenarios, and include the impact of the increase in the Group's facilities of £240m, following the completion of a £400m UK Export Finance facility in November 2022 and the subsequent immediate repayment of the term loan. These scenarios confirm that even in the most severe but plausible downside scenarios, the Group is able to generate profits and positive cash flows.

At the period end the Group had net current liabilities of £115.3m (FY 2021: net current assets of £234.9m or net current liabilities of £65.1m on an underlying basis if the cash related to the Dennis acquisition is excluded). This is primarily driven by the current portion of the term loan (£79.5m), deferred income of £55.8m (which is materially higher following the acquisition of Dennis) and the nature of the Group's magazine business 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 of around 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 FY 2022 results.

Consolidated income statement
for the year ended 30 September 2022

	Note	2022 Non-GAAP Adjusted results £m	2022 Adjusting items £m	2022 Statutory results £m	2021 Non-GAAP Adjusted results £m	2021 Adjusting items £m	2021 Statutory results £m
Revenue	1,2	**825.4**	**-**	**825.4**	606.8	-	606.8
Net operating expenses	3	**(553.7)**	**(83.1)**	**(636.8)**	(411.0)	(80.5)	(491.5)
Operating profit		**271.7**	**(83.1)**	**188.6**	195.8	(80.5)	115.3
Finance income	5	**0.1**	**-**	**0.1**	0.3	-	0.3
Finance costs	5	**(18.7)**	**-**	**(18.7)**	(7.8)	-	(7.8)
Net finance costs		**(18.6)**	**-**	**(18.6)**	(7.5)	-	(7.5)
Profit before tax	1	**253.1**	**(83.1)**	**170.0**	188.3	(80.5)	107.8
Tax (charge)/credit	6	**(55.0)**	**7.2**	**(47.8)**	(38.3)	(3.4)	(41.7)
Profit for the year attributable to owners of the parent		**198.1**	**(75.9)**	**122.2**	150.0	(83.9)	66.1

Earnings Ordinary share

	Note	**2022 pence**	2021 pence
Basic earnings per share	8	**101.4**	59.3
Diluted earnings per share	8	**100.9**	58.1

Consolidated statement of comprehensive income
for the year ended 30 September 2022

	2022 £m	2021 £m
Profit for the year	**122.2**	66.1
Items that may be reclassified to the consolidated income statement		
Currency translation differences	**80.8**	(12.3)
Other comprehensive income/(expense) for the year	**80.8**	(12.3)
Total comprehensive income for the year attributable to owners of the parent	**203.0**	53.8

Consolidated statement of changes in equity
for the year ended 30 September 2022

	Note	Issued share capital £m	Share premium account £m	Merger reserve £m	Treasury reserve £m	Accumulated exchange differences £m	Retained earnings/(losses £m	Total equity £m
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)	-
- Share-based payments		-	-	-	-	-	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
Profit for the year		**-**	**-**	**-**	**-**	**-**	**122.2**	**122.2**
Currency translation differences (net of tax)		**-**	**-**	**-**	**-**	**80.8**	**-**	**80.8**
Other comprehensive expense for the year		**-**	**-**	**-**	**-**	**80.8**	**-**	**80.8**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**80.8**	**122.2**	**203.0**
Acquisition of own shares		**-**	**-**	**-**	**(7.9)**	**-**	**-**	**(7.9)**
Share schemes								
- Issue of treasury shares to employees		**-**	**-**	**-**	**7.5**	**-**	**(7.5)**	**-**
- Share-based payments		**-**	**-**	**-**	**-**	**-**	**11.3**	**11.3**
- Current tax on options		**-**	**-**	**-**	**-**	**-**	**3.1**	**3.1**
- Deferred tax on options		**-**	**-**	**-**	**-**	**-**	**(7.7)**	**(7.7)**
Dividends paid to shareholders	7	**-**	**-**	**-**	**-**	**-**	**(3.4)**	**(3.4)**
Balance at 30 September 2022		**18.1**	**197.0**	**581.9**	**(8.0)**	**70.7**	**201.0**	**1,060.7**

Consolidated balance sheet
as at 30 September 2022

	Note	**2022 £m**	2021 £m
Assets			
Non-current assets			
Property, plant and equipment		**53.0**	47.4
Intangible assets - goodwill	9	**1,069.6**	688.2
Intangible assets - other	9	**646.2**	466.5
Deferred tax		**-**	3.8
Total non-current assets		**1,768.8**	1,205.9
Current assets			
Inventories		**1.2**	1.0
Corporation tax recoverable		**13.4**	-
Deferred tax		**5.1**	-
Trade and other receivables		**134.3**	98.0
Cash and cash equivalents	10	**29.2**	324.3
Finance lease receivable		**6.1**	1.9
Total current assets		**189.3**	425.2
Total assets		**1,958.1**	1,631.1
Equity and liabilities			
Equity			
Issued share capital	14	**18.1**	18.1
Share premium account		**197.0**	197.0
Merger reserve		**581.9**	581.9
Treasury reserve		**(8.0)**	(7.6)
Accumulated exchange differences		**70.7**	(10.1)
Retained earnings		**201.0**	83.0
Total equity		**1,060.7**	862.3
Non-current liabilities			
Financial liabilities - interest-bearing loans and borrowings	11	**369.0**	458.1
Lease liability due in more than one year		**55.8**	44.0
Deferred tax		**131.7**	70.3
Provisions	12	**21.4**	6.1
Deferred income		**14.9**	-
Total non-current liabilities		**592.8**	578.5
Current liabilities			
Financial liabilities - interest-bearing loans and borrowings	11	**83.8**	42.5
Trade and other payables		**143.8**	133.7
Deferred income		**55.8**	7.1
Corporation tax payable		**1.0**	2.1
Lease liability due within one year		**12.1**	4.9
Deferred consideration		**4.5**	-
Deferred Tax		**3.6**	-
Total current liabilities		**304.6**	190.3
Total liabilities		**897.4**	768.8
Total equity and liabilities		**1,958.1**	1,631.1

Consolidated cash flow statement
for the year ended 30 September 2022

	2022 £m	2021 £m
Cash flows from operating activities		
Cash generated from operations	**268.5**	197.2
Net interest paid on bank facilities	**(13.7)**	(4.9)
Interest paid on lease liabilities	**(2.1)**	(0.9)
Tax paid	**(50.1)**	(25.7)
Net cash generated from operating activities	**202.6**	165.7
Cash flows from investing activities		
Purchase of property, plant and equipment	**(2.6)**	(3.7)
Purchase of computer software and website development	**(9.0)**	(7.4)
Purchase of subsidiary undertakings, net of cash acquired	**(113.1)**	(169.3)
Settlement of receivable from sellers	**8.0**	-
Net cash used in investing activities	**(116.7)**	(180.4)
Cash flows from financing activities		
Costs of share issue	**-**	(0.7)
Acquisition of own shares	**(7.9)**	(4.9)
Drawdown of bank loans	**95.7**	559.4
Repayment of bank loans	**(467.1)**	(213.6)
Drawdown/(repayment) of overdraft	**1.0**	(4.6)
Bank arrangement fees	**(1.9)**	(6.4)
Repayment of principal element of lease liabilities	**(5.4)**	(6.1)
Dividends paid	**(3.4)**	(1.6)
Net cash generated from financing activities	**(389.0)**	321.5
Net increase in cash and cash equivalents	**(303.1)**	306.8
Cash and cash equivalents at beginning of year	**324.3**	19.3
Effects of exchange rate changes on cash and cash equivalents	**8.0**	(1.8)
Cash and cash equivalents at end of year	**29.2**	324.3

Notes to the consolidated cash flow statement
for the year ended 30 September 2022

A. Cash generated from operations

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

	2022 £m	2021 £m
Profit for the year	**122.2**	66.1
Adjustments for:		
Depreciation	**9.1**	8.7
Impairment charge on tangible assets	**6.6**	1.0
Amortisation of intangible assets	**71.3**	48.7
Impairment charge on intangible assets	**-**	8.8
Share-based payments	**11.3**	10.0
Net finance costs	**18.6**	7.5
Tax charge	**47.8**	41.7
Cash generated from operations before changes in working capital and provisions	**286.9**	192.5
Movement in provisions	**0.5**	0.2
Increase in inventories	**(0.2)**	(0.2)
(Increase)/decrease in trade and other receivables	**(3.8)**	8.9
Decrease in trade and other payables	**(14.9)**	(4.2)
Cash generated from operations	**268.5**	197.2

B. Analysis of net debt

	1 October 2021 £m	**Cash flows £m**	**On acquisition £m**	**Other non-cash changes £m**	**Exchange movements £m**	**30 September 2022 £m**
Cash and cash equivalents	324.3	(316.1)	13.0	-	8.0	**29.2**
Debt due within one year	(42.5)	(38.3)	(2.4)	(0.6)	-	**(83.8)**
Debt due after more than one year	(458.1)	410.8	(296.2)	(2.2)	(23.3)	**(369.0)**
Net debt	**(176.3)**	**56.4**	**(285.6)**	**(2.8)**	**(15.3)**	**(423.6)**

	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)

C. Reconciliation of movement in net debt

	2022 £m	2021 £m
Net debt at start of year	**(176.3)**	(62.1)
(Decrease)/increase in cash and cash equivalents	**(303.1)**	306.8
Decrease/(increase) in borrowings	**73.9**	(417.8)
Other non-cash changes	**(2.8)**	(1.7)
Exchange movements	**(15.3)**	(1.5)
Net debt at end of year	**(423.6)**	(176.3)

Accounting policies

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

The Consolidated Financial Statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and UK adopted IFRSs. 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 contingent and deferred consideration, which is 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 2022 or 2021. Statutory accounts for 2021, which were prepared under International Financial Reporting Standards as adopted by the EU, have been delivered to the registrar of companies, and those for 2022 will be delivered in due course. Full financial statements for the year ended 30 September 2022 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:

- amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 regarding replacement issues in the context of the IBOR reform; and
- amendments to IFRS 16 relating to the extension of the exemption from assessing whether a COVID-19 related rent concession is a lease modification.

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

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 2022 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*;
- IFRS 3 *Amendments updating a reference to the Conceptual Framework*;
- IFRS 9 *Amendments relating to fees in the '10 per cent' test for derecognition of financial liabilities*;
- IFRS 16 *Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions*; 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 trading of the Group so as to assist the user of the financial statements to understand the results of the core underlying operations of the Group. The prior year impairment charge recognised in respect of acquired intangible assets have been excluded from the adjusted results of the Group and included within exceptional items as they are non-cash and related to acquired intangible assets for which amortisation is already considered to be an adjusting item. As such it was 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.

The following adjustment is only relevant in the context of the prior year results:

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

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 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 that would otherwise distort the users understanding of the Group's performance. In the prior year this also excludes the impact of the UK tax rate change and impairment charge in respect of acquired intangible assets.

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 and exceptional items. 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. 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 and any other one-off impacts that distort a user's view of the tax charge that would be expected to arise on the core trading profit of the Group on a recurring basis. 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 payment of 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*.
Adjusted free cash flow	Free cash flow	Adjusted free cash flow is defined as adjusted operating cash flow less capital expenditure. Capital expenditure is defined as cashflows relating to the purchase of property, plant and equipment and purchase of computer software and website development.
Net debt	The aggregation of cash and 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*.

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

	2022 £m	2021 £m
Adjusted operating profit	**271.7**	195.8
Adjusted net finance costs	**(18.6)**	(7.5)
Adjusted profit before tax	**253.1**	188.3
Adjusting items:		
Share-based payments (including social security costs)	**(6.9)**	(14.8)
Exceptional items (note 4)	**(17.9)**	(27.4)
Amortisation of acquired intangibles	**(58.3)**	(38.3)
Profit before tax	**170.0**	107.8

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

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		**2022 £m**	Sub-segment		2021 £m
	Media £m	**Magazines £m**	**Total £m**	Media £m	Magazines £m	Total £m
Segment:						
UK	**284.2**	**215.3**	**499.5**	220.4	176.2	396.6
US	**251.0**	**74.9**	**325.9**	202.4	7.8	210.2
Total	**535.2**	**290.2**	**825.4**	422.8	184.0	606.8

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:

			2022 £m			2021 £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	**60.5**	**88.2**	**148.7**	64.9	68.7	133.6
US	**211.2**	**(88.2)**	**123.0**	130.9	(68.7)	62.2
Total	**271.7**	**-**	**271.7**	195.8	-	195.8

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 licence 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 following acquisitions.

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

	2022 £m	2021 £m
Adjusted operating profit	**271.7**	195.8
Share-based payments (including social security costs)	**(6.9)**	(14.8)
Amortisation of acquired intangibles	**(58.3)**	(38.3)
Exceptional items (note 4)	**(17.9)**	(27.4)
Net finance costs	**(18.6)**	(7.5)
Profit before tax	**170.0**	107.8

(b) Business segment

(i) Gross profit by business segment

		Sub-segment			**2022 £m**		Sub-segment			2021 £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	**203.3**	**127.5**	**(136.2)**	**31.1**	**225.7**	163.5	109.4	(114.1)	21.3	180.1
US	**224.0**	**54.3**	**(80.8)**	**11.4**	**208.9**	182.6	4.4	(44.8)	1.7	143.9
Total	**427.3**	**181.8**	**(217.0)**	**42.5**	**434.6**	346.1	113.8	(158.9)	23.0	324.0

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:

			2022 £m			2021 £m
	Over time £m	**Point in time £m**	**Total revenue £m**	Over time £m	Point in time £m	Total revenue £m
Total revenue	**16.2**	**809.2**	**825.4**	13.8	593.0	606.8

3. Net operating expenses

Operating profit is stated after charging:

	2022 Adjusted results £m	**Adjusting items £m**	**Statutory results £m**	2021 Adjusted results £m	Adjusting items £m	Statutory results £m
Cost of sales	**(390.7)**	**-**	**(390.7)**	(282.8)	-	(282.8)
Distribution expenses	**(42.5)**	**-**	**(42.5)**	(23.0)	-	(23.0)
Share-based payments (including social security costs)	**(0.5)**	**(6.9)**	**(7.4)**	(1.2)	(14.8)	(16.0)
Exceptional items (note 4)	**-**	**(17.9)**	**(17.9)**	-	(27.4)	(27.4)
Depreciation	**(9.1)**	**-**	**(9.1)**	(8.7)	-	(8.7)
Amortisation	**(13.0)**	**(58.3)**	**(71.3)**	(10.4)	(38.3)	(48.7)
Other administration expenses	**(97.9)**	**-**	**(97.9)**	(84.9)	-	(84.9)
	(553.7)	**(83.1)**	**(636.8)**	(411.0)	(80.5)	(491.5)

4. Exceptional items

	2022 £m	2021 £m
Acquisition and integration related costs	**4.7**	18.6
Restructuring costs	**2.3**	-
Onerous property costs	**10.9**	-
Impairment of intangible assets	**-**	8.8
Total charge	**17.9**	27.4

Exceptional items include acquisition and integration related costs of £4.7m including £2.9m and £1.2m relating to the Dennis and Who What Wear acquisitions respectively, in addition to £1.7m and £0.6m of restructuring costs attributable to the review of titles in our portfolio and building of a finance centre of excellence in Bath (2021: £13.1m in respect of the GoCo acquisition and £4.5m in respect of the Dennis acquisition). A total of £10.9m has been recognised in respect of onerous properties, partly reflecting extended time frames in subletting existing onerous property leases as well as £5.7m relating to properties acquired as part of the Dennis acquisition (2021: £1.0m net expense on the exit of onerous properties).

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

During 2021 the impairment charge of £8.8m related 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.

5. Finance income and costs

	2022 £m	2021 £m
Interest receivable on interest-bearing loans and borrowings	**-**	0.2
Interest receivable on sub-leases	**0.1**	0.1

Total reported finance income	**0.1**	0.3

Interest payable on interest-bearing loans and borrowings	**(13.6)**	(5.1)
Amortisation of bank loan arrangement fees	**(2.8)**	(1.7)
Interest payable on lease liabilities	**(2.3)**	(1.0)
Total reported finance costs	**(18.7)**	(7.8)

Net finance costs	**(18.6)**	(7.5)

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

6. Tax on profit

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

	2022 £m	2021 £m
Corporation tax		
Current tax on the profit for the year	**43.6**	30.5
Adjustments in respect of previous years	**(5.3)**	(0.3)
Current tax charge	**38.3**	30.2
Deferred tax origination and reversal of temporary differences		
Current year charge	**7.8**	13.9
Adjustments in respect of previous years	**1.7**	(2.4)
Deferred tax charge	**9.5**	11.5
Total tax charge	**47.8**	41.7

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:

	2022 £m	2021 £m
Profit before tax	**170.0**	107.8
Profit before tax at the standard UK tax rate of 19% (2021: 19%)	**32.3**	20.5
Release of provision for uncertain tax positions	**-**	(1.1)
Expenses not deductible for tax purposes	**1.4**	2.3
Non-deductible amortisation	**-**	0.5
Share-based payments	**11.1**	2.4
Effect of different rates of subsidiaries operating in other jurisdictions	**6.6**	4.7
Effect of change in tax rates	**-**	15.6
Difference in current and deferred tax rates	**-**	(0.5)
Adjustments in respect of previous years	**(3.6)**	(2.7)
Total tax charge	**47.8**	41.7

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

	2022 £m	2021 £m
Total statutory tax charge	**47.8**	41.7

Tax effect of adjusting items:		
Exceptional items	**4.0**	1.3
Share based payments	**(9.6)**	(1.5)
Amortisation of acquired intangibles	**12.8**	12.4
Adjustments in respect of previous years	**-**	(15.6)
Total adjusted tax charge	**55.0**	38.3

The Directors have assessed the Group's uncertain tax positions and are maintaining a provision of £3.4m (2021: £3.4m). 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	2022	2021
Number of shares in issue at end of year (million)	**120.9**	120.6
Dividends paid in year (pence per share)	**2.8**	1.6
Dividends paid in year (£m)	**3.4**	1.6

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 29 November 2022 the Board proposed a dividend of 3.4p per share, totalling an estimated £4.1m, in respect of the year ended 30 September 2022, which subject to shareholder consent at the AGM, will be paid on 14 February 2023 to shareholders on the register at close of business on 20 January 2023.

A dividend of 2.8p per share totalling £3.4m in respect of the year ended 30 September 2021 was paid on 9 February 2022.

8. Earnings per share

		2022				2021
	Adjusted results pence	**Adjusting items pence**	**Statutory results pence**	Adjusting results pence	Adjusted items pence	Statutory results pence
Basic earnings/(loss) per share	**164.4**	**(63.0)**	**101.4**	134.6	(75.3)	59.3
Diluted earnings/(loss) per share	**163.5**	**(62.6)**	**100.9**	131.9	(73.8)	58.1

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 of intangible assets arising on acquisitions and any related tax effects. In the prior year, the results were also adjusted for the impairment charge in respect of intangible assets and the impact of the UK tax rate change.

	2022	2021
Adjustments to profit after tax:		
Profit after tax (£m)	**122.2**	66.1
Share-based payments (including social security costs) (£m)	**6.9**	14.8
Exceptional items (£m)	**17.9**	27.4
Amortisation of intangible assets arising on acquisitions (£m)	**58.3**	38.3
Tax effect of the above adjustments (£m)	**(7.2)**	(12.2)
Change in tax rate (£m)	**-**	15.6
Adjusted profit after tax (£m)	**198.1**	150.0
Weighted average number of shares in issue during the year:		
- Basic	**120,505,969**	111,463,911
- Dilutive effect of share options	**652,687**	2,247,933
- Diluted	**121,158,656**	113,711,844
Basic earnings per share (in pence)	**101.4**	59.3
Adjusted basic earnings per share (in pence)	**164.4**	134.6
Diluted earnings per share (in pence)	**100.9**	58.1
Adjusted diluted earnings per share (in pence)	**163.5**	131.9
The adjustments to profit after tax have the following effect:		
Basic earnings per share (pence)	**101.4**	59.3
Share-based payments (including social security costs) (pence)	**5.7**	13.3
Exceptional items (pence)	**14.9**	24.5
Amortisation of intangible assets arising on acquisitions (pence)	**48.4**	34.4
Tax effect of the above adjustments (pence)	**(6.0)**	(10.9)
Change in tax rate (pence)	**-**	14.0
Adjusted basic earnings per share (pence)	**164.4**	134.6
Diluted earnings per share (pence)	**100.9**	58.1
Share-based payments (including social security costs) (pence)	**5.7**	13.0
Exceptional items (pence)	**14.8**	24.1
Amortisation of intangible assets arising on acquisitions (pence)	**48.1**	33.7
Tax effect of the above adjustments (pence)	**(6.0)**	(10.7)
Change in tax rate (pence)	**-**	13.7
Adjusted diluted earnings per share (pence)	**163.5**	131.9

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 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**
Additions through business combinations	**302.6**	**-**	**128.4**	**-**	**62.0**	**19.1**	**1.7**	**513.8**
Other additions	**-**	**-**	**-**	**-**	**-**	**-**	**9.0**	**9.0**
Exchange adjustments	**86.4**	**0.5**	**23.5**	**3.3**	**9.2**	**4.7**	**2.5**	**130.1**
At 30 September 2022	**1,340.2**	**90.9**	**501.6**	**57.8**	**86.4**	**66.4**	**59.2**	**2,202.5**
Accumulated amortisation and impairment								
At 1 October 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)**
Charge for the year	**-**	**(7.5)**	**(27.4)**	**(7.8)**	**(9.4)**	**(6.2)**	**(13.0)**	**(71.3)**
Exchange adjustments	**(7.6)**	**(0.4)**	**(4.3)**	**(1.3)**	**(2.0)**	**(2.8)**	**(2.1)**	**(20.5)**
At 30 September 2022	**(270.6)**	**(29.9)**	**(63.1)**	**(22.7)**	**(17.1)**	**(36.1)**	**(47.2)**	**(486.7)**
Net book value at 30 September 2022	**1,069.6**	**61.0**	**438.5**	**35.1**	**69.3**	**30.3**	**12.0**	**1,715.8**
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 1 October 2020	309.7	77.4	52.6	18.1	11.5	17.2	7.1	493.6
Useful economic lives		5-15 years	3-20 years	8-10 years	7-11 years	3-15 years	2 years	

Acquired intangibles are amortised over their estimated economic lives, typically ranging between two and twenty 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 2022 of £241.5m, a useful economic life ('UEL') of 20 years and remaining amortisation period of 18.5 years;
- GoCo customer relationships acquired as part of the GoCo acquisition in February 2021, with a net book value ('NBV') at 30 September 2022 of £8.0m, a UEL of 4 years and remaining amortisation period of 2.5 years;
- Publishing rights relating to TV Weekly magazines, acquired as part of the TI Media acquisition in April 2020, with a net book value ('NBV') at 30 September 2022 of £23.0m, a UEL of 15 years and remaining amortisation period of 12.5 years);
- Dennis Brand acquired in October 2021, with a net book value ('NBV') at 30 September 2022 of £26.0m, a useful economic life ('UEL') of 20 years and remaining amortisation period of 19 years;
- Dennis subscriber relationships acquired in October 2021, with a net book value ('NBV') at 30 September 2022 of £27.7m, a useful economic life ('UEL') of 11 years and remaining amortisation period of 10 years;
- The Week US brand acquired in October 2021, with a net book value ('NBV') at 30 September 2022 of £40.6m, a useful economic life ('UEL') of 20 years and remaining amortisation period of 19 years;
- The Week US subscriber relationships acquired in October 2021, with a net book value ('NBV') at 30 September 2022 of £19.9m, a useful economic life ('UEL') of 7 years and remaining amortisation period of 6 years;
- Kiplinger brand acquired in October 2021, with a net book value ('NBV') at 30 September 2022 of £26.5m, a useful economic life ('UEL') of 20 years and remaining amortisation period of 19 years;
- Kiplinger subscriber relationships acquired in October 2021, with a net book value ('NBV') at 30 September 2022 of £13.0m, a useful economic life ('UEL') of 7 years and remaining amortisation period of 6 years;

- Who What Wear brand acquired in June 2022, with a net book value ('NBV') at 30 September 2022 of £35.6m, a useful economic life ('UEL') of 15 years and remaining amortisation period of 14.75 years; and
- Who What Wear Advertising relationships acquired in June 2022, with a net book value ('NBV') at 30 September 2022 of £14.1m, a useful economic life ('UEL') of 13 years and remaining amortisation period of 12.75 years.

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

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

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

No reasonably possible change in assumptions would result in a reduction of this impairment.

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

Impairment assessments for goodwill

The net book value of goodwill at 30 September 2022 consists of £603.0m (2021: £532.2m) relating to the UK, £453.6m (2021: £143.3m) relating to the US and £13.0m (2021: £12.7m) relating to Australia.

At 30 September 2022 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:

	2022 **£m**	2021 £m
Cash and cash equivalents	**29.2**	324.3

As at 30 September 2021, the £300m of 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 2022	Interest rate at 30 September 2021	**2022** **£m**	2021 £m

Sterling revolving loan	**4.32%**	1.83%	**115.5**	239.3
Sterling term loan	**3.99%**	1.83%	**80.0**	159.7
US dollar revolving loan	**4.98%**	1.84%	**161.5**	43.8
AU dollar revolving loan	**4.68%**	1.83%	**12.0**	15.3
Total			**369.0**	458.1

Current liabilities

	Interest rate at 30 September 2022	Interest rate at 30 September 2021	**2022 £m**	2021 £m
Multi-currency overdraft	**1.00%**	1.00%	**4.2**	3.1
Sterling term loan	**3.99%**	1.83%	**79.6**	39.4
Total			**83.8**	42.5

The interest-bearing liabilities are repayable as follows:

	2022 £m	2021 £m
Within one year	**83.8**	42.5
Between two and five years	**369.0**	458.1
Total	**452.8**	500.6

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.

In May 2022 the Group exercised the first one year extension option and also increased the size of its Revolving Credit Facility ('RCF') from £400m to £500m. The enlarged and extended facility is now repayable in July 2025 and there were no changes to covenants arising as a result. In July 2022 the Group exercised its six month extension option on the Term Loan, taking the maturity date of this facility out to 31 December 2023.

Interest bearing loans are shown net of unamortised issue costs which amounted to £5.0m (2021: £5.6m).

12. Provisions

	Property £m	**Other £m**	**Total £m**
At 1 October 2021	**6.1**	**-**	**6.1**
On acquisition	**2.5**	**10.9**	**13.4**
Charged in the year	**3.0**	**-**	**3.0**
Utilised in the year	**(2.5)**	**(0.1)**	**(2.6)**
Foreign exchange movement	**-**	**1.5**	**1.5**
At 30 September 2022	**9.1**	**12.3**	**21.4**

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 three years. A provision for legal costs of £10.0m was recognised on the Dennis opening balance sheet relating to historic litigation claims, which are expected to be settled within the next 12 months.

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

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

	2022		2021	
	Number of shares	**£m**	Number of shares	£m
Allotted, authorised, issued and fully paid Ordinary shares of 15p each				
At 1 October	**120,624,634**	**18.1**	98,014,955	14.7
Issued as consideration for acquisition	**-**	**-**	22,608,736	3.4
Share scheme exercises	**229,113**	**-**	-	-
Share Incentive Plan matching shares	**2,183**	**-**	943	-
At 30 September	**120,855,930**	**18.1**	120,624,634	18.1

During the year 229,113 Ordinary shares with a nominal value of £34,367 were issued by the Company pursuant to share scheme exercises throughout the period. 2,183 Ordinary shares were issued under the Share Incentive Plan for a combined total cash commitment of £nil (2021: 943 ordinary shares, total cash commitment of £nil).

In the prior year, 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).

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 Employee Benefit Trust ('EBT') to satisfy awards made by the trustees.

During the year the Company purchased 522,795 of its own shares to fund the future vesting of share options, at a total value of £7.9m and 450,404 shares held by the EBT were used to satisfy the vesting of share options (2021: 276,132 shares were purchased, at a total value of £4.9m).

Merger reserve

During the current year there was no movement on the merger reserve. In the prior year the merger reserve increased 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.

Accumulated exchange differences

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

16. Contingent liabilities

There were no material contingent liabilities as at 30 September 2022 or 30 September 2021.

17. Related party transactions

The Group had no material transactions with related parties in 2022 or 2021 which might reasonably be expected to influence decisions made by users of these financial statements.

18. Acquisitions

Acquisition of Dennis

On 1 October 2021, Future acquired Dennis Publishing, 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 consideration was £1.0m, however the acquired debt of £298.6m was required to be repaid immediately following the acquisition. Transaction fees of £4.5m were incurred as part of the acquisition in the prior year.

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

	Fair value £m

Tangible assets	
-Right-of-use lease assets	11.2
- Other tangible assets	2.0
Intangible assets	
- Brand	89.5
- Advertiser relationships	5.9
- Subscriber relationships	61.9
- Software	1.5
Cash and cash equivalents	0.8
Inventory	0.1
Trade and other receivables	20.9
Finance lease receivable due within 1 year	0.5
Corporation tax receivable	0.4
Trade and other receivables due in more than 1 year	0.6
Finance lease receivables due in more than 1 year	2.2
Trade and other payables	(60.7)
Lease liability due within one year	(1.9)
Financial liabilities – interest bearing loans and borrowings due in less than one year	(2.4)
Non-current liabilities	
- Provisions	(13.4)
- Deferred income	(10.8)
- Lease liability due in more than one year	(14.1)
- Financial liabilities – interest bearing loans and borrowings due in more than one year	(296.2)
Deferred tax	(26.3)
Net assets acquired	(228.3)
Goodwill	229.3
	1.0
Consideration: Cash	1.0
Total consideration	**1.0**

The acquisition has scaled the Group's 'Wealth & Savings' vertical, further diversified 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, deepened the Group's existing presence in the 'B2B Pro Technology' vertical and enhanced the Group's 'Knowledge' vertical with high subscription rates and growth potential. Goodwill is attributable to the synergies of the combined Group and the opportunities noted above. The intangibles recognised, including goodwill, are not expected to be deductible for tax purposes.

At HY 2022 provisional values were included in the above. These have since been updated and finalised to increase provisions (from £7.1m to £13.4m) to reflect additional legal costs as well as recognising a deferred tax asset of £2.7m on the basis that the costs, once settled, are expected to be tax deductible.

Included within the Group’s results for the period are revenues of £129.6m from Dennis. Given that Dennis is now fully integrated and using the Group’s shared back office functions it is impractical to disclose the profit before tax generated as it is not monitored at this level internally.

The acquisition was completed on the first day of the financial year and so the amounts included within the Group's results reflect its ownership for the full period.

Gross trade receivables were £5.6m on acquisition, of which £5.2m were expected to be recovered. The assets and liabilities acquired included an £8m receivable from the sellers related to titles not purchased.

Acquisition of WhatCulture

On 23 March 2022, the Group acquired WhatCulture, an entertainment-based website, for total consideration of £22.7m. WhatCulture further strengthens Future's position in video, notably with its expertise in the monetisation on YouTube and will benefit from the Future proprietary technology stack and operating model to drive the platform effect whilst bolstering Future's gaming and entertainment verticals, forming part of the Group's UK cash generating unit.

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

	Fair value £m
Tangible assets	
- Land and buildings	0.4
Intangible assets	
- Brand	5.7
Cash	3.6
Trade and other receivables	0.5
Trade and other payables	(0.1)
Deferred tax	(1.4)
Net assets acquired	8.7
Goodwill	14.0
	22.7
Consideration:	
Cash	18.2
Deferred consideration	4.5
Total Consideration	**22.7**

Goodwill is attributable to the opportunities that exist to further monetise the Group's brands and audience and is not expected to be deductible for tax purposes.

Included within the Group's results for the period are revenues of £2.1m from WhatCulture (excluding deal fees, associated integration costs, acquired intangible amortisation and interest). Given that WhatCulture is now fully integrated and using the Group's shared back office functions it is impractical to disclose the profit before tax generated as it is not monitored at this level internally.

If the acquisition had been completed on the first day of the financial year, it would have contributed £4.3m of revenue during the period.

Gross trade receivables were £0.4m on acquisition, of which £0.4m were expected to be recovered.

Acquisition of Who What Wear

On 15 June 2022, the Group completed the acquisition of Who What Wear, a leading digital-only women's lifestyle publisher based in the US from Clique Brands Inc for consideration of $127.2m. Transaction fees of £1.2m were incurred as part of the acquisition.

Who What Wear is a brand highly-regarded by both consumers and advertisers with a strong social presence and diverse revenue streams ranging from digital advertising to eCommerce.

The acquisition further strengthens Future's position in the Women's Lifestyle vertical and gives the Group greater scale and reach in North America to further monetise its audience. With Future's content already reaching 1 in 3 adults online in the US, the transaction will accelerate Future's scale and revenue opportunities in the US. The Group's existing Women's Lifestyle brands will benefit from Who What Wear's leading direct advertising sales capabilities, whilst Who What Wear will benefit from Future's proprietary technology stack and operating model to drive the platform effect.

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

	Provisional Fair value £m
Tangible assets	
- Right-of-use lease asset	4.7
- Other tangible assets	0.3
Intangible assets	
- Brand	34.2
- Advertiser relationships	12.2
- Software	0.1
Cash and cash equivalents	7.1
Trade and other receivables	9.9
Trade and other payables	(6.1)
Lease liability due within one year	(1.1)
Non-current liabilities	
- Lease liability due in more than one year	(3.6)
Deferred tax	(11.8)
Net assets acquired	45.9
Goodwill	59.3
	105.2
Consideration:	
Cash	105.2
Total Consideration	**105.2**

The values included above are considered to be final other than the consideration (and any subsequent flow on impact to goodwill) as completion accounts are in the process of being finalised and agreed with the seller.

Included within the Group's results for the period are revenues of £9.0m from Who What Wear (excluding deal fees, associated integration costs, acquired intangible amortisation and interest). Given that Who What Wear is now fully integrated and using the Group's shared back office functions it is impractical to disclose the profit before tax generated as it is not monitored at this level internally.

If the acquisition had been completed on the first day of the financial year, it would have contributed £33.0m of revenue during the period.

Gross trade receivables were £7.8m on acquisition, of which £7.5m are expected to be recovered.

19. Post balance sheet events

On 23 November 2022, the Group further extended its committed debt facilities with a 5 year, £400m term facility partially guaranteed by UK Export Finance. The facility, maturing November 2027, has a 12 month availability period and amortises from year 3. It was secured at competitive market rates, on substantially similar terms to, and with the same covenants as, the Groups RCF. On signing, the first £160m was utilised to prepay the Groups existing Term Loan maturing 31 December 2023.

Acquisition of ShortList Media Ltd

On 18 October 2022, we completed the acquisition of ShortList Media Ltd (trading as Shortlist.com), a technology website, adding the much respected technology and lifestyle brand and its archive of hundreds of evergreen articles for consideration of £0.3m. We will be able to deploy our tech stack to the website to drive monetisation, whilst growing our online users and accelerating this growth through our capabilities.