Future Plc 2020 H1 Results

22nd May 2020

Continued strong momentum : Strategy is working

Record breaking online audience

253m online users
+26% YoY*

Resulting in ongoing revenue growth

Double digit organic revenue growth, with media organic revenue growth of 21%

Underpinned by scalable operating model

Adjusted operating profit margin of 28% (+7ppt)

Delivering continued EPS momentum

Adjusted diluted EPS growth of 60%

*Source: Google Analytics

Impact of Covid-19

Since start of pandemic focus has been based on 3 pronged approach, protecting our people, our business and our stakeholders

Objective is to ensure the momentum the business had going into the crisis is maintained on exit

People

Moved to full working from home ahead of local lockdowns

Created hardship fund and stipend for all staff during the period

Increased communication including weekly CEO letters, weekly top 100 leaders calls and virtual town halls

Increased mental health support and virtual activities, including weekly yoga and mental health first aiders

Business

Adapted content strategy where required to respond to audience demands

Innovated to create virtual events, (PC Gaming Show) where live events cancelled

Reviewed portfolio and removed activity that was loss making or marginal

Reviewed overheads and cost base including Board taking a pay cut from March

Reviewed subs distribution to satisfy demands

Stakeholders

Encouraged staff to support community including NHS volunteers

Evolved magazine distribution model to ensure easier for warehouse and shop staff to process

Swiftly moved to cancel events to minimise costs of partners, have processed refunds where requested for cancellations quickly

Through additional working capital facility increases flexibility as required

Penny Ladkin-Brand

Financial review

Financial KPIs

+33%
Revenue growth to £144.3m (2019: £108.7m)

+45%
Adjusted free cash flows growth to £40.0m (2019: £27.5m)

+77%
Adjusted operating profit growth to £39.9m (2019: £22.6m)

+60%
Adjusted diluted EPS growth to 32.9p (2019: 20.5p)

+7ppt
Adjusted operating profit margin ppt growth to 28% (2019: 21%)

+100%
Leverage improvement to Nil (2019: 1.09x)

Notes:
Adjusted results are adjusted for share-based payments (relating to equity settled awards with vesting periods longer than 12 months) and related social security costs, amortisation of acquired intangibles, fair value movements on contingent consideration (and unwinding of associated discount) and currency option, exceptional items and any related tax effects.
Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents operating cash inflow adjusted to exclude cash flows relating to exceptional items and employers NI on share based payments, and to include lease repayments following adoption of IFRS 16 Leases.
Leverage is defined as total net debt divided by trailing 12 months EBITDA. As at 22nd May 2020 current leverage at under 1x on a pro-forma basis following completion of acquisition of TI Media.

Group performance: Detailed P&L

£m	2020	2019	YoY Var
Revenue	144.3	108.7	33%
Gross contribution[1]	117.5	80.7	46%
GC margin	*81%*	*74%*	*+7ppt*
Sales, marketing and editorial[2]	42.5	32.4	31%
Margin after direct costs	*52%*	*45%*	*+7ppt*
Admin costs & other overheads	31.7	24.6	29%
Adjusted D&A[3]	3.4	1.1	+209%
Adjusted operating profit	**39.9**	**22.6**	**77%**
Adjusted operating profit margin	***28%***	***21%***	***+7ppt***
Total admin and other costs as a % of revenue	*22%*	*23%*	*-1ppt*
Salaries & Wages costs[4]:	*55.2*	*42.7*	*29%*

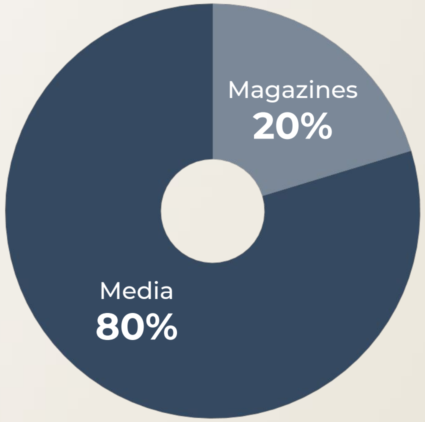
- Benefit of **operating leverage** shown with **77% growth** in adjusted operating profit and **margin improvement to 28%**
- Growth in margin due to **change in revenue mix increasing gross contribution margin to 81%** and **growing scale in the group** meaning cost base reduced by 1% as a % of revenue as don't need to scale overheads proportionately to revenue
- Results to end of H1 include the impact of lockdowns in the UK and US as a result of Covid-19.
- This resulted in a reduction in expected revenue during March of £6.7m with the cancellation of 3 major events worth £5.5m and reduction in magazine sales from shop closures of £1.2m.

[1] Gross contribution is after deducting distribution costs
[2] Direct costs include non-attributable cost of sales not included in gross contribution
[3] Increase in D&A reflects adoption of IFRS 16 in FY20 with rent cots moving into depreciation
[4] Includes payments to contributors + temporary staff, excludes IFRS 2 charge for share based payments

Group performance: Revenue by product

£m	2020	2019	YoY Var	Organic YoY Var
On platform advertising	47.8	40.4	18%	14%
Off platform revenue	18.3	1.1	1564%	(8%)
eCommerce	39.4	20.8	89%	68%
Media other	9.5	13.4	(29%)	(28%)
Media	**115.0**	**75.7**	**52%**	**21%**
Newstrade	10.8	12.2	(11%)	(13%)
Subscriptions	8.0	8.6	(7%)	(8%)
Other	10.5	12.2	(14%)	(15%)
Magazines	**29.3**	**33.0**	**(11%)**	**(12%)**
Total	**144.3**	**108.7**	**33%**	**11%**
Revenue mix: Media/Magazine	**80%/20%**	**70%/30%**	**+10% Media**	

Revenue mix by product

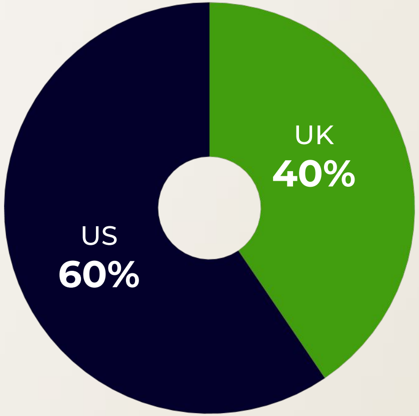


- Very strong organic revenue growth at 11% for total group and 21% in Media
- Media other organic growth flat without the impact of the event cancellations
- Significant increase in % of revenue from Media now at 80%.

Strong growth in revenue with the **US** now representing **60%** of the Group's revenues

£m	2020	2019	YoY Var	Organic YoY Var
Revenue				
US	85.9	56.2	53%	19%
UK	58.4	52.5	11%	3%
Total	**144.3**	**108.7**	**33%**	**11%**
Gross contribution				
US	73.8	42.6	73%	46%
UK	43.7	38.1	15%	3%
Total	**117.5**	**80.7**	**46%**	**26%**

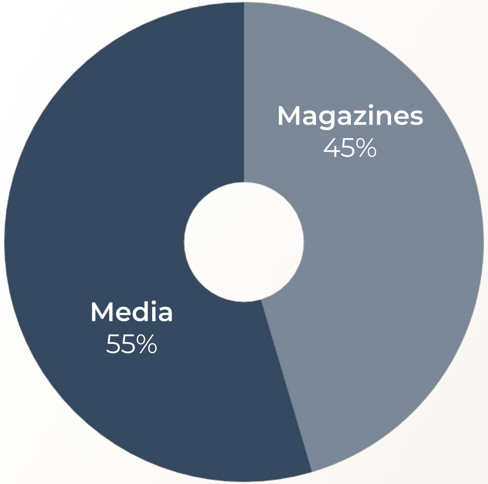
Revenue mix by geography



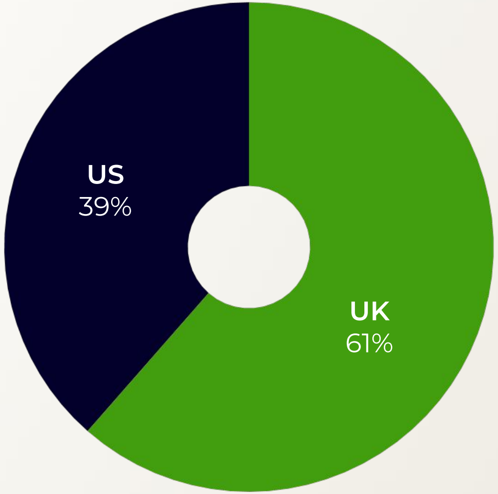
- Organic growth in the US 19% as a result of strong eCommerce and digital advertising performance
- Excluding Covid-19 total underlying organic growth was 14%. However the impact of Covid-19 reduced this by 3% to 11% (reflecting a reduction in UK organic growth by 11% partially offset by an increase in US organic growth by 5%)
- **The change in revenue mix drives growth in margin with organic revenue growth of 11% increasing to 26% at gross contribution level**

Proforma Group Revenue including TI Media

Revenue mix by product



Revenue mix by geography



- Proforma results relate to H1FY20 revenue for Future combined with the comparable period for TI Media. Media revenues remain above 50% and we expect Media revenues to remain above 60% for all periods to be reported by Future Group
- The revenue mix increases materially to the UK on a pro-forma basis providing a significant opportunity to grow US revenues through the US first mind-set to be adopted for growing TI audience communities online
- Future standalone revenue mix by product is 80% Media; 20% Magazines
- Future standalone revenue mix by geography is 60% US; 40% UK

FUTURE

Group performance: Organic Revenue Growth

+11%
organic growth

+33%
total growth

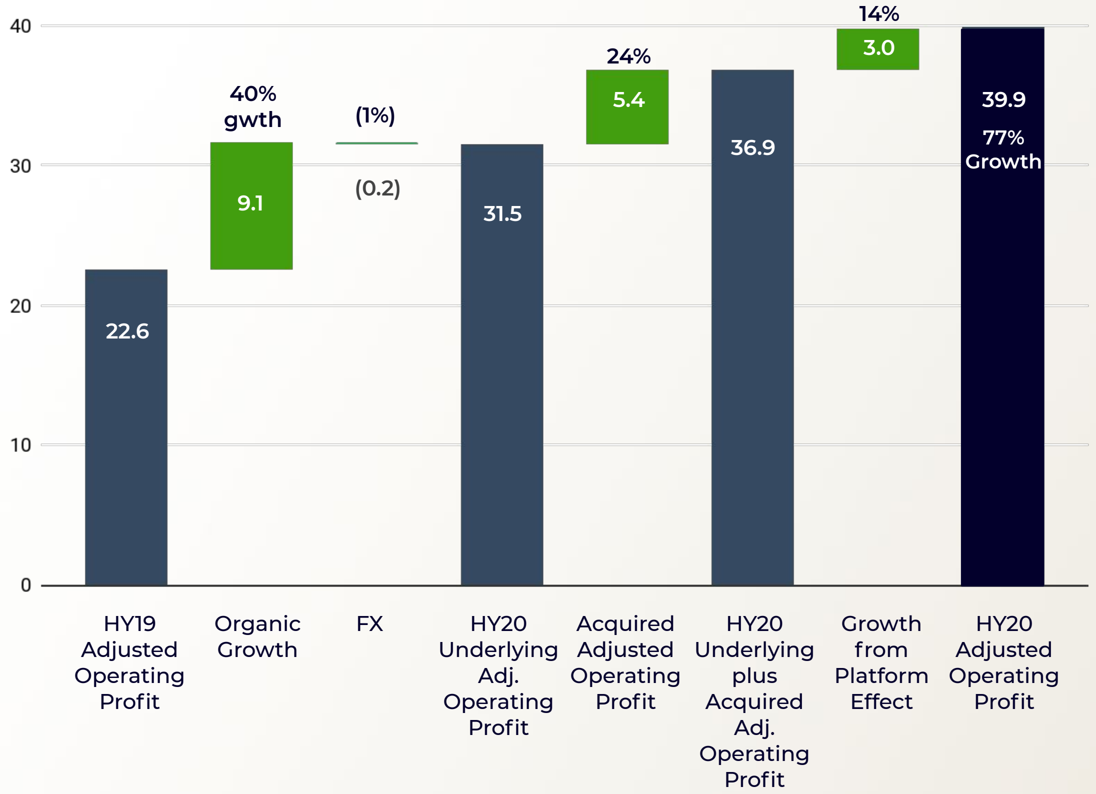
£m		2020		2019
Total Revenue		**144.3**		**108.7**
2019 acquisitions	21.9		1.1	
2020 acquisitions	4.1		-	
Disposals	-		1.1	
FX	0.1		-	
Total inorganic revenue		(26.1)		(2.2)
Total organic revenue		**118.2**		**106.5**
Organic growth		***+11%***		
Media/Magazine growth		***+21%/-12%***		

Definition of organic growth:
Organic growth is defined as year-on-year growth for the like-for-like portfolio of brands and excludes all acquisitions and disposals made in FY19 and FY20, but includes any closed titles. We classify revenue classified as "organic" once we have owned an acquisition and its titles for a full financial year, so we have comparative numbers that are under our ownership. This means that the components of organic in each year are not the same in each year, e.g. SmartBrief acquired July 2019 (i.e. FY19); owned for full financial year end of FY20; enters organic FY21. A new launch is regarded as organic.

Acquisitions are Mobile Nations, two Cycling brands from Immediate Media, SmartBrief, Barcroft and three brands from NextMedia
Disposals were two brands acquired from Purch and nine B2B brands

Group performance: Benefit of platform

Group Adjusted Operating Profit and Margin



Benefit of the Future platform is in the operating leverage of the business with strong growth across both organic and acquired assets.

In the chart, growth split into organic growth, incremental operating profit added from acquisitions and the growth as a result of those acquisitions being on the Future platform.

Organic growth is defined as all brands owned for at least one full financial year and is combined with central costs. As any back office costs from acquisitions are included in this value, 40% adjusted operating profit growth is a very strong result particularly given net of the decline in magazines and any title closures.

Acquired operating profit relates to the proforma operating profit recognised by the business prior to acquisition. This includes Mobile Nations, Smartbrief and Barcroft Studios.

Platform effect is the operating profit growth on acquisitions as they benefit from the growth within Future's ecosystem net of any disposals.

Notes:
* All growth figures relate to YoY growth on H119 adjusted operating profit
EBITDA used as proxy for acquired adjusted operating profit for acquisitions for comparability

Cash flow

£m	2020	2019
Adjusted cash generated before changes in working capital and provisions	**43.1**	**23.9**
Movement in working capital and provisions	(0.9)	5.3
Adjusted operating cash inflow	**42.2**	**29.2**
Exceptionals and share schemes	(8.3)	(2.5)
Interest & tax	(3.0)	(1.4)
Capex	(2.2)	(1.7)
Acquisitions & financing	147.2	(23.9)
Dividend paid	(1.0)	(0.4)
Net cash flow	**174.9**	**(0.7)**
Exchange adjustments	0.3	-
Adjusted Free cash flow	**40.0**	**27.5**
Adjusted Free cash flow %	***100%***	***122%***
Adjusted Cash conversion %	***106%***	***129%***

- Strong cash generated from operations (with adjusted free cash flow of of £40m) reflecting highly cash-generative business and continued focus on working capital cycle which has not to date seen any significant negative Covid-19 impact
- Working capital returned to more normal basis following collections improvement across 2019 and increased staff bonus pool.
- Exceptional costs mainly reflect deal fees associated with the acquisitions and employers NI on share based payments relating mainly to exceptional share award which vested in November 2019

Adjusted free cash flow is defined as adjusted operating cash inflow less capital expenditure. Adjusted operating cash inflow represents operating cash inflow adjusted to exclude cash flows relating to exceptional items and employers NI on share based payments, and to include lease repayments following adoption of IFRS 16 Leases.
Adjusted cash conversion represents adjusted operating cash inflow as a % of adjusted operating profit.
Adjusted cash generated before changes in working capital and provisions adds back exceptional items.

Impact of Covid-19

Digital revenues remain in growth

- Since start of March audience growth has accelerated; online users of 329m in March up 40% MoM*
- Digital revenues continue to grow although monetisation per user lower
- Despite Amazon reducing listings in US due to supply issues, Hawk technology enabled other retailers to be shown with up to date stock availability benefiting customers

Shop closures impact magazine sales

- Magazine sales in shops (7% of FY20 H1 revenue) severely impacted by closure of WHSmith and Barnes & Noble in US
- Some volatility in grocery sales; volumes reduced for next six months and acceleration of closure of marginal titles
- Retail sales larger mix of TI Media revenues (42% of FY19 full year revenue) but bigger proportion of titles sold in grocery, market trending at 24% YoY volume reduction

Postponement & cancellation of events

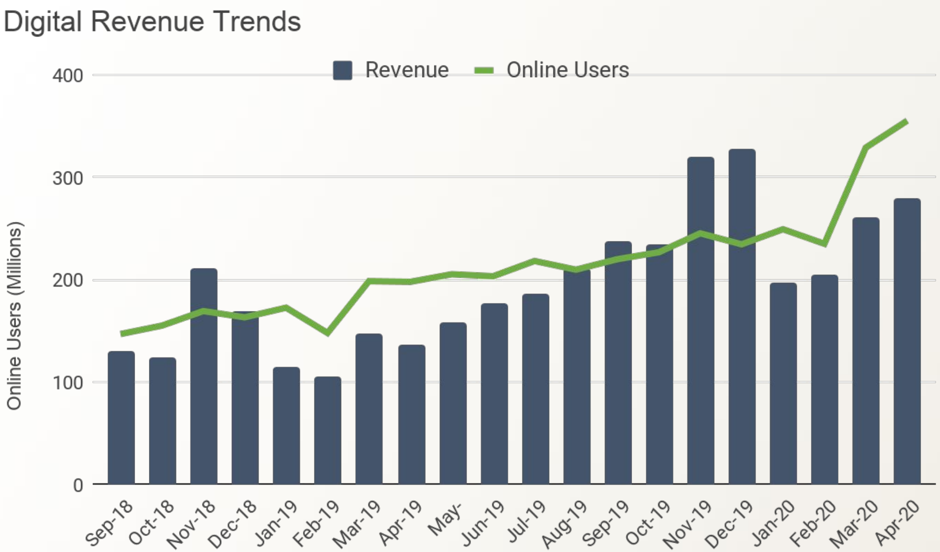
- Events (7% of FY19 full year revenue) impacted with most consumer events now expected to be cancelled in balance of year
- B2B events largely moved to virtual format which are lower revenue but higher margin
- Decanter Awards (TI Media's largest event) expected to go ahead across September/October

Impact on working capital

- Additional £1.8m bad debt provision taken in H1 in case of collections risk, however, April and May collections to date have remained in line with historic norms
- Additional working capital support offered to some small customer groups to encourage advertising as businesses reopen (e.g. caravan parks, home interest advertisers)
- Event refunds of £3.8m expected in H2

*Source: Google Analytics

Digital revenues remain in growth

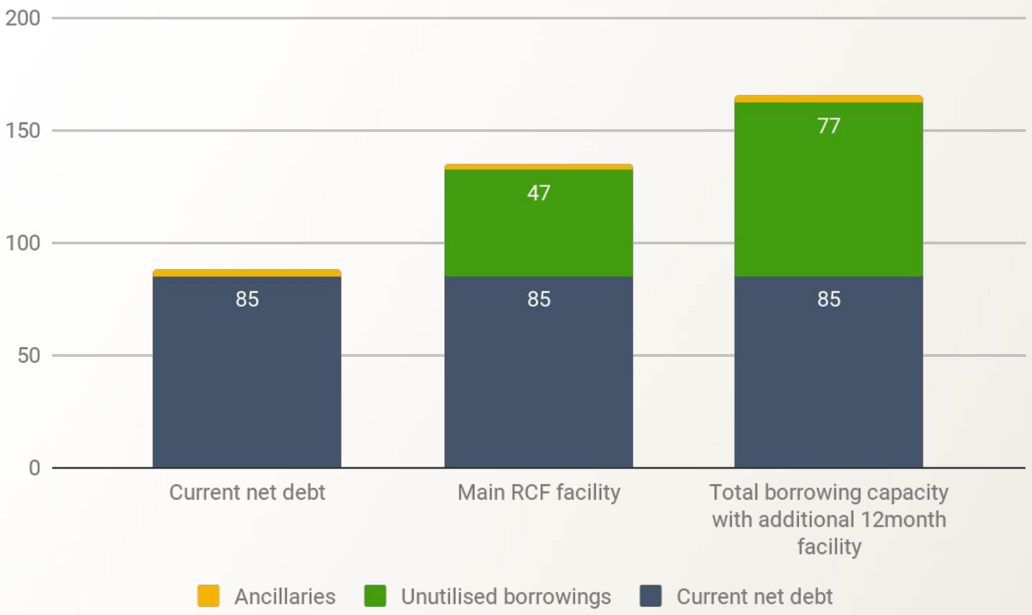


- Audience has been continuing growth trajectory for a number of years but since March we have seen audience spike to new levels
- We remain confident in outlook for digital revenue even with an expected normalisation of audience in H2
- Digital revenue performing well with continued YoY growth in digital advertising
- Yields have decreased through significant increase in inventory and market softness post lockdown although now stabilised
- eCommerce continues to perform well with demand offsetting fast moving retailer landscape
- Amazon Prime day historically in July - unlikely to see similar trading spikes due to retail warehouse pressures

Source: Online users are from Google Analytics

Financial outlook

Headroom on debt facilities



*The Group has a £3m ancillary line that cannot be drawn in cash

- Significant headroom on current facilities
- Opex costs including TI of £45m per quarter of which 30% is in the US.
- Some cost reduction activities taken with ability to reduce further if required
- Ongoing review of activities and corporate overheads to understand requirements for the new normal
- As at time of results announcement, headroom of £77m on total facilities with main RCF facility of £135m in place until February 2023 and an additional £30m until April 2021.

Financial review summary

Adjusted diluted EPS up 60% to 32.9p per share (2019: 20.5p per share) and reported **basic EPS increased 142%** to 22.3p per share (2019: 9.2p)

Completion of Barcroft acquisition in November and TI Media acquisition in April

£30m revolving credit facility agreed, to maintain growth momentum of combined business following TI Media acquisition, whilst navigating the impact of Covid-19

Highly cash generative with **strong free cash flows of £40.0m** (2019: £27.5m), **100% of adjusted operating profit** (2019: 122%)

Zillah Byng-Thorne

Strategy & Business update

Future is a **global platform** for specialist media **driven by technology** with **diversified revenue** streams.

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

We **diversify our monetisation models** to create significant revenue streams.

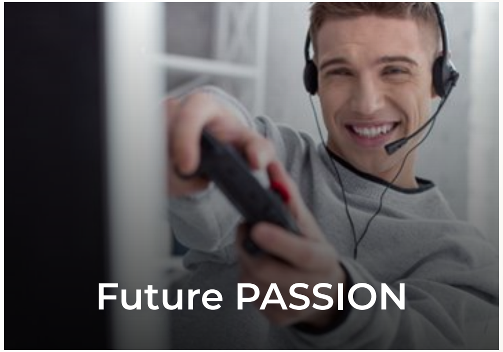
We **leverage our data and analytics** to drive innovation and execution of our strategy

We **expand our global reach** through organic growth, acquisitions and strategic partnerships.

Execution of strategy: Underpinned by four core pillars, delivering sustainable growth

	Grow our existing brands and audiences	Ongoing diversification	Delivering operating leverage	Continued investment
Horizon One: Today for tomorrow	Extension into new categories on legacy brands driving double digit growth, eg homeworking content	60% of revenue now delivered from the US	Scalable, lean and robust platform, with eight sites migrated to Vanilla in the last six months. Overall 29 websites on platform	Acquisition of Cycling, MoNa and SmartBrief all enabled Future to scale opportunity
Horizon Two: Today for 12 months	Launched new mainstream cycling site to broaden audience reach Launched new Tech & Learning University brand to grow B2B business	Investment in headcount to scale our Canadian opportunities Ongoing trials with, TechRadar Español, Language formats, Marketing intent, Podcasting & Video commerce	Continued improvements in eCommerce and digital advertising, including development of video & image-led solutions	Continued investment in technology, development of 'Hybrid' & 'Flexi', in addition to investment in internationalisation of technology stack Launch of five new websites in last 12 months
Horizon Three: Planning for long term	Relaunch of Purch forums, in addition to investment in new forums, embracing the community	SmartBrief adds significant off-platform expertise and client base	Investment in finance systems, telephony, and BI to increase scalability of business as we grow	Continued investment in our people, headcount increased 27% YoY

Diversified verticals



Tech Specialist
Photography & Design
Music
Sports
Games & Entertaining
Homes & Gardens
Knowledge & Wellness

Women's Lifestyle
TV & Film
Country Lifestyle
Lifestyle Tech & Travel
Real Life

B2B Pro
Media & AV Technology
Education
Media Entertainment
Music
SmartBrief

Success of diversification strategy: ten significant revenue streams at different stages of maturity.

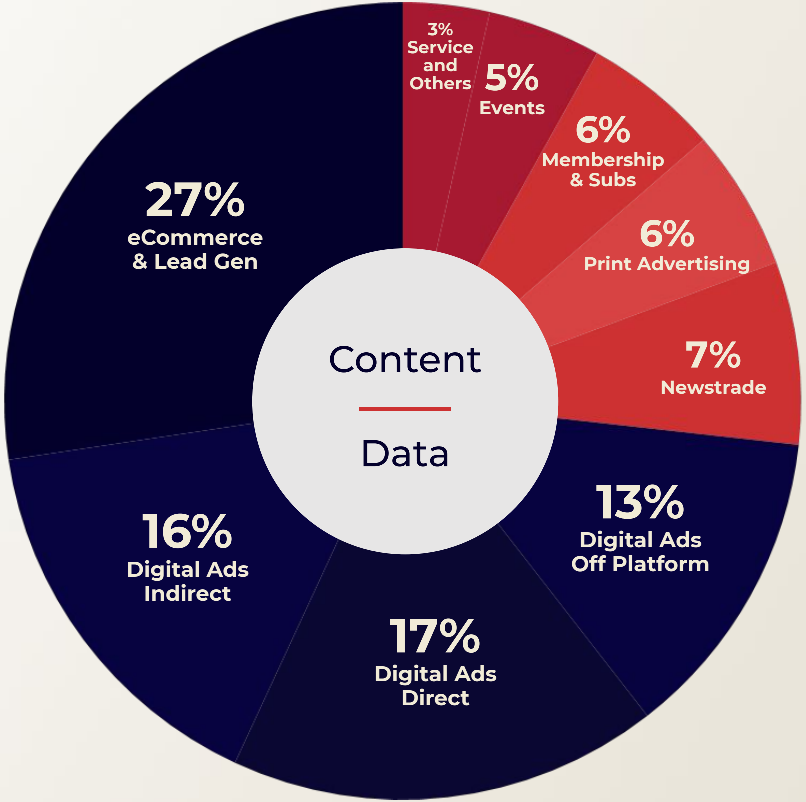
80% of revenue now outside of print

+68% eCommerce organic growth

+14% digital advertising organic growth

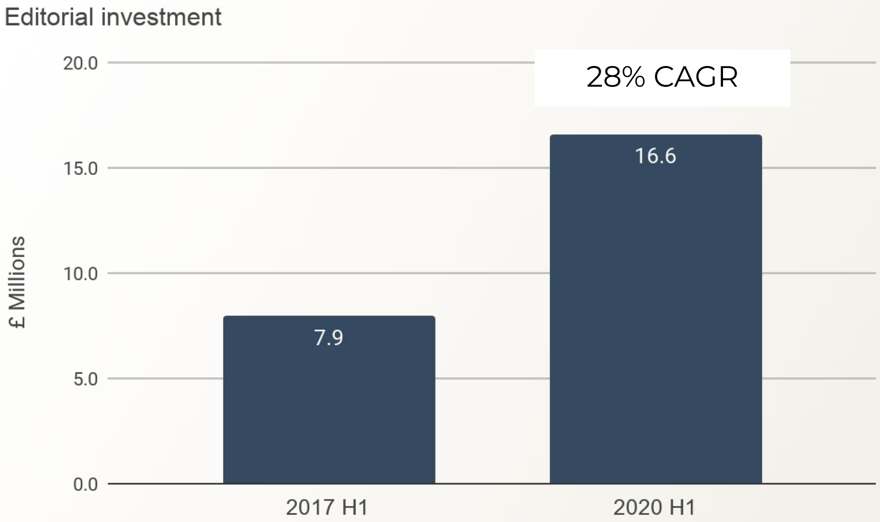
Strategy calls for continued diversification via new revenue streams either through acquisitions (such as email marketing via SmartBrief and video via Barcroft) or internally (such as lead generation)

The impact from Covid-19 on revenue (events and print newstrade, offset by an increase in online audience driven revenue) was approximately a reduction of 3%



FY20 H1 Revenue by product

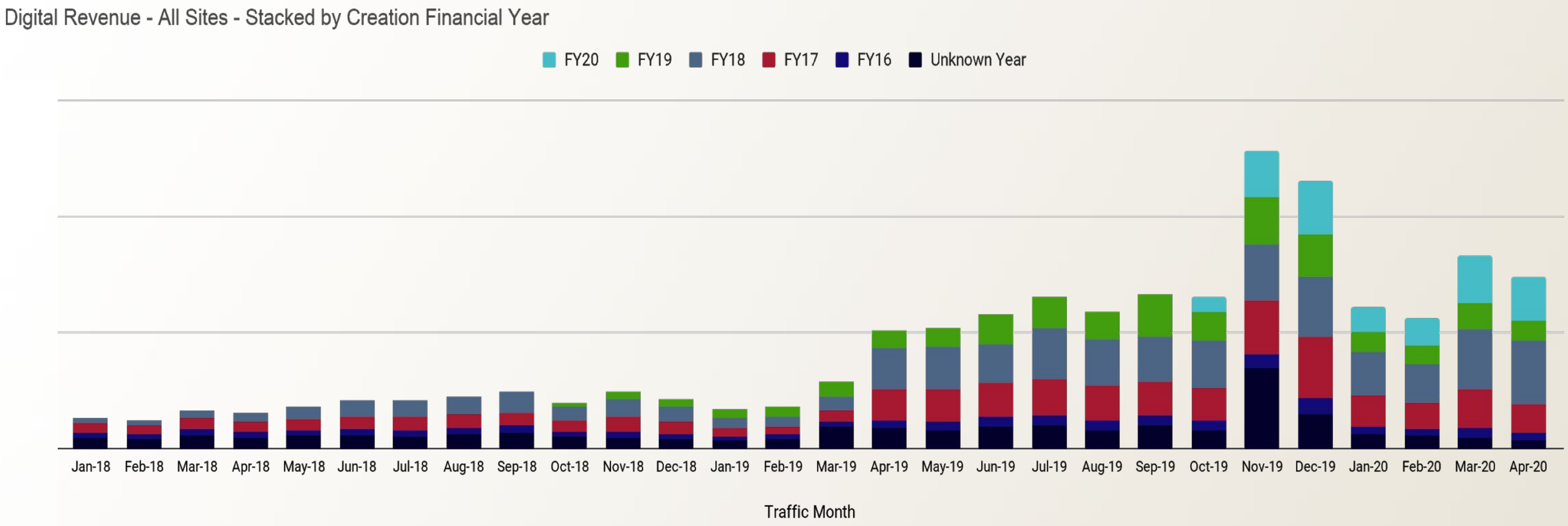
Group performance: Content investment



- Continued investment in new content assets year on year to ensure growing library of evergreen content
- Some cost synergies realised through integration of acquisitions, however, reinvested in editorial
- New areas of growth include the new site launches; Bike Perfect, Next TV and Tech & Learning University as well as the continued investment in Real Homes and content expansion in historical Future sites.

Today's Most Valuable Content

Revenue content **compounds over time**.
Content paid for in prior years continues to deliver revenue in 2020.



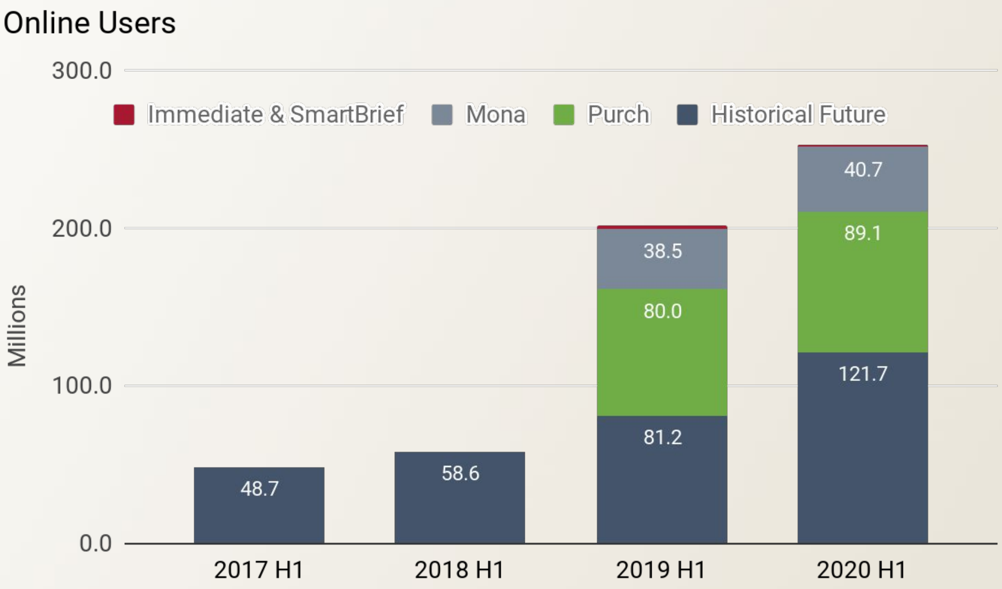
Ongoing growth in audience; market leading positions

253m
Online users*
+26% YoY 2020 H1

79m
Live Science online users*
+294% YoY March 2020

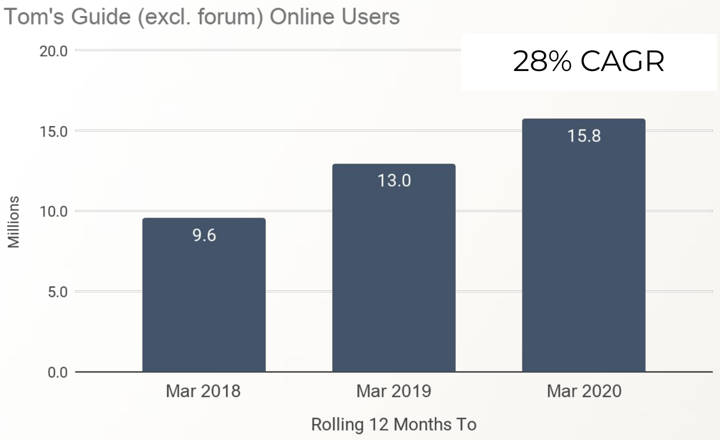
7
 # 1 vertical in market,
with 18 no.1 brands

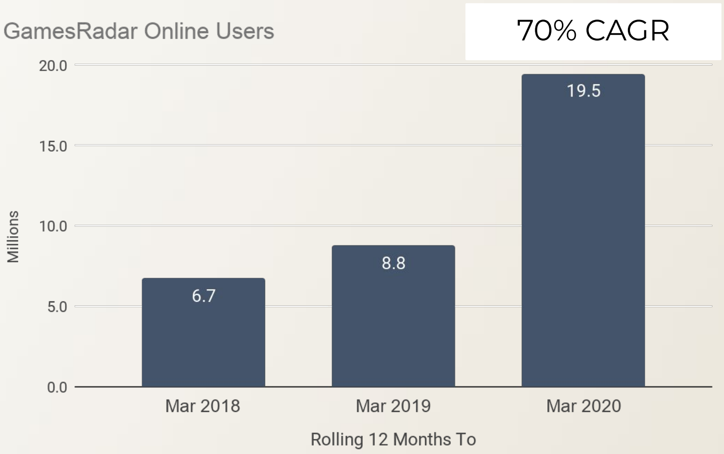
Almost half of all male US internet users each month visit a Future brand**



*Source: Google Analytics
**Source: comScore Media Metrix Demographic Profile, March 2020 - Desktop Age 2+ and Total Mobile 18+

Audience case study : Tom's Guide & GamesRadar





Acquired Tom's Guide in Sept 2018

Migrated to Vanilla platform in July 2019

Launched Future editorial model and best practice around content architecture

Investment in editorial & focus on training

GamesRadar 10+ years old

Multiple specialist tribes (Playstation, Xbox, Nintendo etc) under one online brand

Investment in editorial resource and expansion of content coverage areas

Source: Online users are from Google Analytics

Technology enabled

Our flexible and scalable tech stack supports **organic growth and acquisitions.**

8 sites migrated to Vanilla platform in last 6 months
Site speed increased **19%**

While new monetisation MVP for lead generation launched, **Falcon**

Assets

Freelance

Content Commissioning Portal
Source
Content Reuse

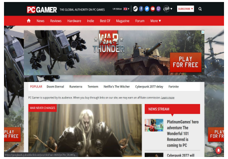
Asset Storage System

Websites

Staff

Web Platform
Vanilla

29 sites now on Vanilla



Monetisation

Tech Services

Ecom Tech: **Hawk**

Ad Tech: **Hybrid**

Email Tech: **SmartBrief**
(curation, ad placement & recording)

Lead Gen Tech: **Falcon**

New Smartbrief Asset

New Asset

B2B diversification and innovation

Significantly strengthened B2B operations with acquisition of SmartBrief - adding new email marketing revenue stream

Diversification of audience: B2B now makes up 16% of total revenues

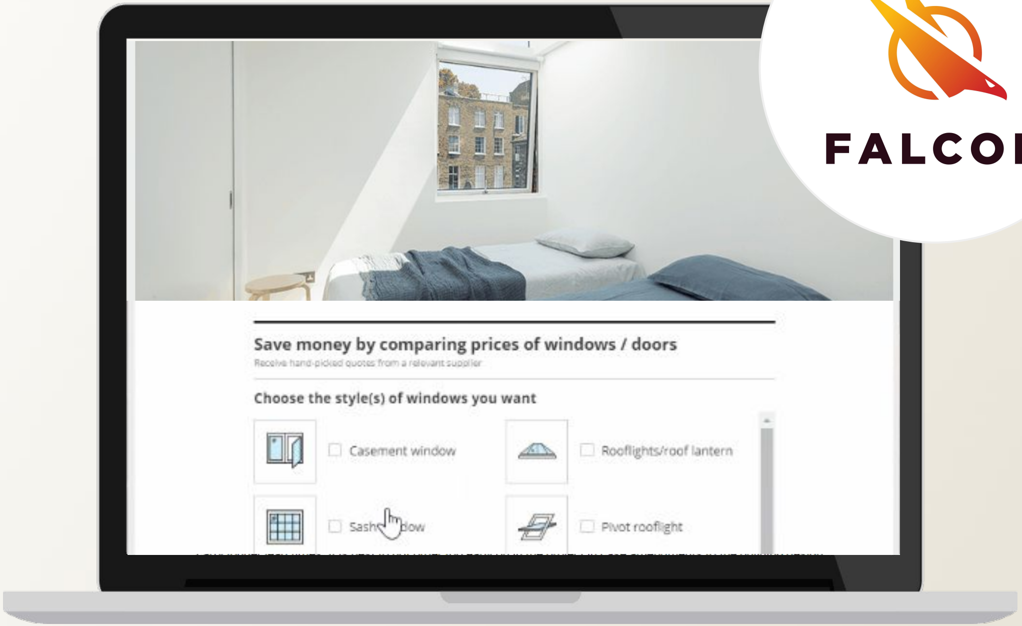
Two new launches - **Tech & Learning University and Next TV**

Adapting to changing market conditions, including remote learning content and webinar virtual events

We launched **FUTR-Labs** in Nov 19, an agile team that can rapidly build and iterate strategies, launching **Falcon**

+173%
Tech & Learning online users YoY March 2020*

*Source: Google Analytics



FALCON

- Our recent acquisitions had a strong start to the year, proving resilient through current crisis.
- Increasing the diversification of revenue, c.13% now off-platform
- Acquisitions now fully integrated; work on delivering added value underway

SmartBrief

acquired Jul 19

Technology creates curated newsletters to engaged audiences

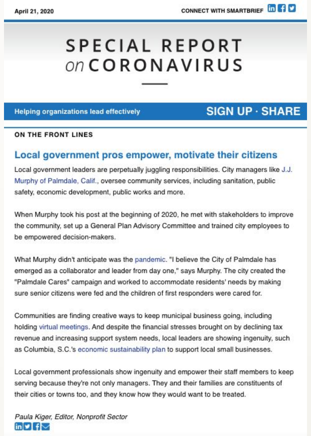
Operational integration completed and business trading in line with expectations

Future branded B2B smartbriefs launched in spring

Work underway on scoping consumer smartbrief proposition post earn-out period

Business proved very resilient through virus period, continues to grow YoY

Special report on Coronavirus had significant engagement: 50.2% unique open rate; 16.66% CTR (12 issues)



April 21, 2020 — CONNECT WITH SMARTBRIEF

SPECIAL REPORT
on CORONAVIRUS

Helping organizations lead effectively — SIGN UP · SHARE

ON THE FRONT LINES

Local government pros empower, motivate their citizens

Local government leaders are perpetually juggling responsibilities. City managers like J.J. Murphy of Palmdale, Calif., oversee community services, including sanitation, public safety, economic development, public works and more.

When Murphy took his post at the beginning of 2020, he met with stakeholders to improve the community, set up a General Plan Advisory Committee and trained city employees to be empowered decision-makers.

What Murphy didn't anticipate was the pandemic. "I believe the City of Palmdale has emerged as a collaborator and leader from day one," says Murphy. The city created the "Palmdale Cares" campaign and worked to accommodate residents' needs by making sure senior citizens were fed and the children of first responders were cared for.

Communities are finding creative ways to keep municipal business going, including holding virtual meetings. And despite the financial stresses brought on by declining tax revenue and increasing support system needs, local leaders are showing ingenuity, such as Columbia, S.C.'s economic sustainability plan to support local small businesses.

Local government professionals show ingenuity and empower their staff members to keep serving because they're not only managers. They and their families are constituents of their cities or towns too, and they know how they would want to be treated.

Paula Kiger, Editor, Nonprofit Sector

Barcroft

acquired Nov 19

Diversified revenue model, creating low cost, high quality films for AVOD coupled with commissioned prime shows

Operational integration now completed

Following integration PC Gamer monetising its Facebook audience for the first time

Pandemic impacted business, specifically commissioned shows, diversified revenue model means revenues less materially impacted due to increased AVOD views

Maintained our pre-Covid schedule of uploading over 40 original new films a month to main social video platform

9.9m
All Barcroft YouTube subs

+79%
MoM Mar-20

TI Media : Strategy

Country Lifestyle	Homes & Gardens	Sports	Women's Lifestyle	TV & Film	Lifestyle Tech & Travel
THE FIELD	Ideal Home	Cycling Weekly	Woman's Weekly	What's on TV	Decanter
COUNTRY LIFE	HOMES & GARDENS	MOTOR BOAT	Woman's Own	TV Times	Wallpaper*
HORSE&HOUND	COUNTRY HOMES & INTERIORS	Practical Boat Owner	woman	TV&Satellite week	
Shootinguk	Livingetc	GOLF MONTHLY	woman&home		
SHOOTING TIMES & COUNTRY MAGAZINE	25 BEAUTIFUL HOMES	Mountain Bike Rider mbr	marie claire		
	Style at Home		goodtoknow		
	Amateur Gardening		Chat		

marketforce

38 Brands | **30m+** Annual circulation | **21.5m** Online users*

Transaction Recap

Acquisition completed 20 April 2020. Market-leading brands - trust and heritage spanning over 160 years

Significant scale as TI Media engages with 23% of all UK adults, 32% of all AB UK adults; 66% female audience**

- **30m+** annual circulation
- **59.9m** monthly page views

Headline price £140m, EBITDA for FY19 was £30.2m***

Since signing non core / overlap assets disposed of Collective, Amateur Photographer, World Soccer & Trusted Reviews. Revenue impact of £12.4m, EBITDA of £0.3m

Investment case

Grow existing brands in the US with a "US First" mindset

Launch new ".com" brands into new verticals with a US First mindset

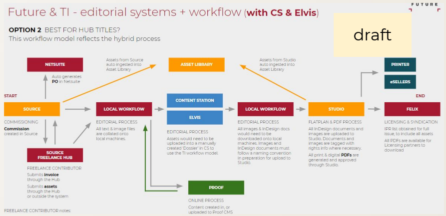
Monetise existing sites better through ad, ecom and SEO best practice

Reduce overall costs through sharing of best practice and systems

Strong management team, and expert colleagues

*Source: Google Analytics
**Source: PAMCo 1 2020 and covers the period Jan-Dec 2019
***Based on FY19 unaudited results

TI Media : Alignment



People

New planned leadership team planned to include 4 TI executives

Significant comms from day 1 to explain strategy, rational for organisation and changes to support the business going forward

6 month induction process to enable deep alignment of cultures

Creating one combined organisation with common goals and purpose

Staff consultation underway

Processes

Creation of Future University to enable online sharing of best practice

Opportunity to deliver operating margin/efficiency while transitioning to digital media

Development of new verticals to enable creation of more wheels and clarity of brand strategy, facilitating investment needs

Systems

Reviewed Editorial systems with aim of creating best of breed approach to content creation

Migration of Future magazine subscriptions to TI technology solution, enabling best practice

6-8 migrations / new launches planned between now and Oct 2020

Significant progress has been made in the integration planning, enabling a fast start

Phase 1 - Integration

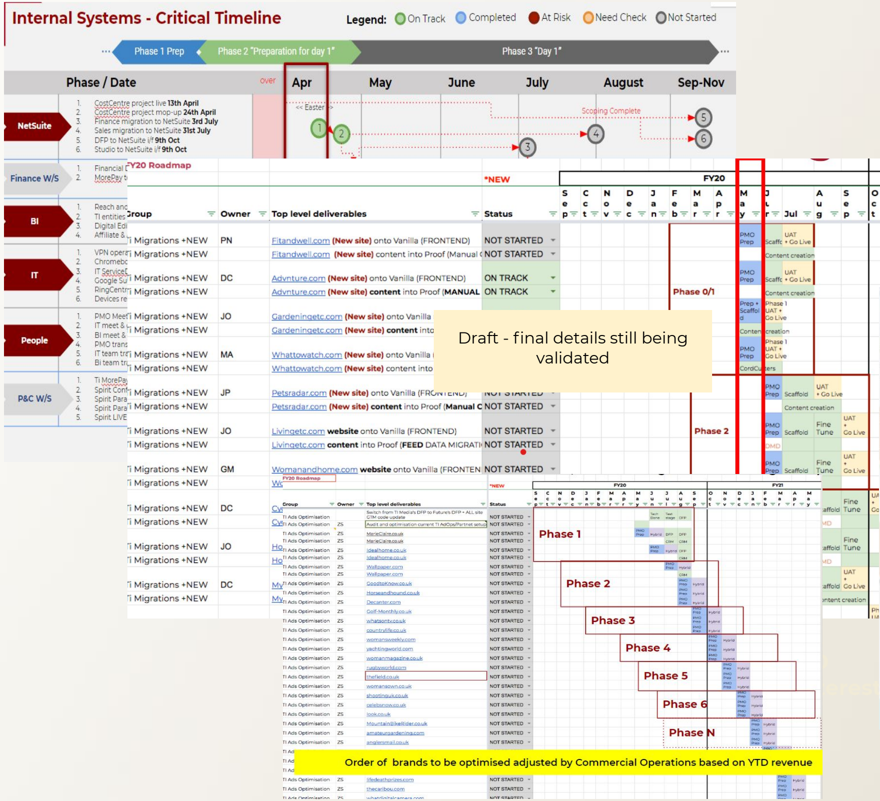
Detailed plans developed to migrate to common back office systems, majority complete by end of Dec 2020.

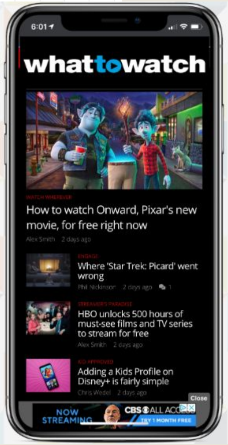
Work nearly complete to validate synergies with £15m annualised, expected within 18 months, including significant savings in property and duplicate contracts

Phase 2 - Optimisation

Prioritisation of brands to migrate to Vanilla completed and work underway

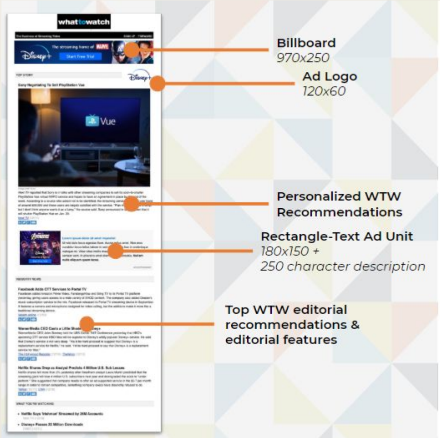
Fast start enabled via migration to Future Ad stack (Hybrid) and eCommerce engine (Hawk)





Execution of 2020 strategy **Underpinned by four core pillars, delivering sustainable growth**

	Protect the core, grow existing brands & audiences	Ongoing diversification	Operating leverage
Horizon One: Today for tomorrow	A clearly defined strategy for each vertical encompassing the Future wheel, with a focus on digital & US opportunities within first eight weeks post complosing	Launching multiple brands within a vertical enables "Search 1-2-3" strategy	Implementation of Future technology enables organisation to scale
Horizon Two: Today for 12 months	Successful deployment of Future best practice in ads tech, eCommerce and SEO across all the sites before peak trading period from Oct	Diversified verticals allows for faster audience growth	Renegotiation of core TI model, creates a modern organisation able to navigate changing media landscape
Horizon Three: Planning for long term	An audience strategy, including critical channels and social opportunities within 3 months, to enable market leading presence in comSore within 12 months	Development of US first editorial strategy for all .com's and new verticals, underpinned by US trade marketing and go to market strategy	Leveraging US infrastructure minimise increased costs to scale US opportunities Standardising the model - Playbooks rolled out across business



Looking forward

- Business performed well in 2020 H1 - ongoing momentum, while continuing to invest in longer term initiatives
- Working with colleagues to maintain productivity, with considerations around how and when we returning to offices. Working from home has been successful, reflects agility and flexibility of Future model
- Diversified model proven successful during downturn
- Expectations for full year profit remain unchanged; excited about prospects for coming years and opportunities ahead

Appendix

Our World

Future Passions


Tech Specialist

129m
audience reach

#1 publisher in tech online in UK and US

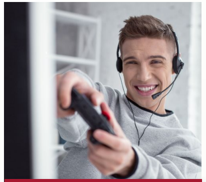
TechRadar online users up 37% YoY


Home & Gardens

5m
audience reach

#1 home renovations print publisher in UK

Real Homes online users up 435% YoY


Games & Ents

69m
audience reach

#1 PC gaming website online globally

GamesRadar online users up 136% YoY


Knowledge & Wellness & Sports

65m
audience reach

#1 space and science websites in US

#1 road cycling website

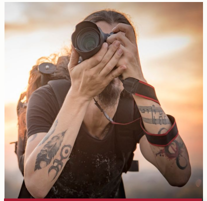


Photo & Design

16m
audience reach

#1 photo website in the UK and #2 in US

Digital Camera World online users up 25% YoY


Music

40m
audience reach

#1 music making print publisher in UK and US

MusicRadar online users up 36% YoY

Future Living


Lifestyle Tech & Travel

33m
audience reach

T3 online users up 76% YoY


Real Life

44m
audience reach

9.8m YouTube subs, up 79% MoM Mar-20


TV & Film

5m
audience reach

Cordcutters online users up 115% YoY


Country Lifestyle

2m
audience reach

1.4m social reach

B2B


B2B

10m
audience reach

5.8m newsletter subscribers

B2B online users up 25% YoY

For sources and definitions of market positions see Sources and Definitions slide

Audience

Top 10 Future Sites - Online Users (Millions)			
	2019 H1 (Oct 18-Mar 19 Mthly Avg)	**2020 H1** (Oct 18-Mar 19 Mthly Avg)	**YoY %**
TechRadar	30.9	42.3	+37%
Live Science	17.9	34.1	+91%
GamesRadar	9.8	23.2	+136%
Tom's Guide	22.7	20.6	-9%
PC Gamer	12.8	17.4	+35%
Android Central	16.2	15.8	-3%
iMore	12.9	13.7	+6%
Space.com	9.0	13.2	+47%
T3	5.8	10.3	+76%
Windows Central	8.1	9.6	+20%

All Future Sites - Online Users by Geography (Millions)			
	2019 H1 (Oct 18-Mar 19 Mthly Avg)	**2020 H1** (Oct 18-Mar 19 Mthly Avg)	**YoY %**
US & Canada	100.4	127.8	+27%
UK	23.6	32.6	+38%
Australia & NZ	8.3	10.7	+29%
Rest of World	69.1	82.4	+19%

Source: Google Analytics

The right acquisition for Future is one we believe can uniquely create additional value while accelerating our strategy

Ability to add value

Use data and analytics to identify assets where we can add value.

Opportunity to increase operating leverage

Digitizing and growing brands through our platforms

Clear criteria

Clear investment criteria focussing on financial and non-financial metrics

Focus on people & IP

Look at longer term NPV/Value multiples

Hurdle rates vs where we want to be, not our current valuation

Speedy integration

Integrate rapidly and efficiently

Have a clear plan, involve the right people early (but only them)

Free up resource from BAU to focus on delivering integration

Identify opportunities for further additional value creation

There is no one deal we have to do so can remain disciplined on price and have a wide pool of opportunity

Our World

We go where our audiences are, which enables us to recruit talent around team hubs. Only those skills that need to be in market are local with centralised centres of excellence.

Centralised services are located in the lowest cost location with the UK the centre for many shared services and technology split across the UK and France.

United Kingdom
Front office:
eCommerce
Sales & Marketing
Editorial
Events

Central services:
Technology
Audience development
Finance
People & Culture

France
Central services:
Technology

United States
Front office:
Sales & Marketing
Editorial
Events
Local People & Culture
SmartBrief

Australia
Front office:
Sales & Marketing
Editorial
Local eCommerce

Adoption of IFRS 16 *Leases*

Balance sheet impact on transition

£m	2020
Right-of-use assets	13.5
Finance lease receivables	1.8
Deferred tax asset	0.7
Total assets	**16.0**
Lease liabilities due within one year	(4.6)
Lease liabilities due in more than one year	(13.0)
Net release of provisions for vacant property and dilapidations	0.4
Derecognition of lease incentive	0.4
Total liabilities	**(16.8)**
Retained earnings reduction on transition	**(0.8)**

Post-transition impact

£m	HY20 applying IFRS 16	HY20 under previous standard IAS 17
Rent expense	-	1.8
Depreciation	1.6	-
Interest payable	0.2	-
Total	**1.8**	**1.8**

The Group has adopted IFRS 16 *Leases* from 1 October 2019, resulting in the recognition on balance sheet of assets and liabilities relating to property leases previously accounted for as operating leases.

- Modified retrospective transition approach applied, with the right-of-use asset measured as if IFRS 16 had always applied and the difference between lease assets and lease liabilities recognised within retained earnings.
- Comparative periods have not been restated.
- Operating profit now included as a KPI, rather than EBITDA, to include depreciation of right-of-use assets.
- Post-transition impact: increase in operating profit of £0.2m, due to charge being split between depreciation and interest. Net nil impact on total earnings.
- No change to actual cash outflows however re-categorised within cash flow statement. Repayments relating to the principal portion of the lease liability are presented within cash flows from financing activities and the portion relating to the repayment of interest presented within cash flows from operating activities. We have adjusted for this within adjusted operating cash inflow to ensure consistency of comparison with the prior year.

Exceptional items (P&L)

£m	2020	2019
Premium listing costs	-	0.8
Acquisition and integration related costs	4.6	1.5
Vacant property release	(0.2)	-
Total exceptional items	**4.4**	**2.3**

Adjusted free cash flow reconciliation

£m	2020	2019
Adjusted free cash flow	**40.0**	**27.5**
Cash flows related to capital expenditure	2.2	1.7
Adjusted operating cash inflow	**42.2**	**29.2**
Cash flows related to exceptional items	(2.8)	(2.5)
Settlement of employers NI on share based payments	(5.5)	-
Lease repayments (IFRS 16)	1.8	-
Cash generated from operations	**35.7**	**26.7**

Exceptional P&L items relate to the following;

- Acquisitions of Barcroft Studios and TI Media (£4.3m);
- The integration of SmartBrief and other costs relating to historic acquisition integrations (£0.3m);
- Offset by a £0.2m credit in respect of subletting an onerous property.

Exceptional cash flows relate to:

- Acquisitions of Barcroft Studios and TI Media (£2.3m);
- The integration of SmartBrief and other costs relating to historic acquisition integrations (£0.3m); and
- Vacant property lease repayments (£0.2m);

Lease repayments are included in adjusted operating cash flows to ensure consistency with operating profit following adoption of IFRS 16 *Leases*.

Sources & Definitions

Organic

- Organic growth is defined as year-on-year growth for the like-for-like portfolio of brands and excludes all acquisitions made during FY19 and FY20, but includes any closed titles
- Acquisitions included in organic are: FY18 acquisitions Haymarket assets, NewBay and Purch; FY17 acquisitions Home Interest, Imagine and Team Rock; and FY16 acquisitions Blaze, Next Commerce and Noble House
- Definition is the same for both revenue and audience

Online users

- Online users are taken from Google Analytics. Unless otherwise stated, online users are monthly and the monthly average across the half year period is taken

Online demographic reach information

- Demographic reach information on Future's online audience is taken from comScore Media Metrix Demographic Profile, March 2020 - Desktop Age 2+ and Total Mobile 18+
- Demographic reach information on TI Media's audience is from PAMCo 1 2020 and covers the period Jan-Dec 2019

Total audience reach

- Magazine and bookazine print circulation per issue + monthly online users + event attendees + online subscribers + social reach (Twitter followers, Facebook unique impressions, YouTube subscribers, Instagram followers) + newsletter subscribers

Market positions

- #1 publisher in tech online in UK and US: comScore technology news category, desktop visitors age 2+ and mobile visitors age 18+, UK position Jan-20; US position Mar-20
- #1 PC gaming website online globally: based on websites in the Gaming Information comScore category that are PC gaming focused, desktop visitors age 2+ and mobile visitors age 18+, UK position Jan-20; US position Mar-20
- #1 photo website in the UK and #2 in US: based on internally produced competitive set of all websites about photography, ranked by comScore desktop visitors age 2+ and mobile visitors age 18+, Mar-20
- #1 space and science websites in US: based on internally produced competitive set of all websites about science and space in the US, ranked by comScore desktop visitors age 2+ and mobile visitors age 18+, Mar-20
- #1 music making print publisher in UK and US: based on magazine copy sales in music making sector on UK newsstand (source: distributor data, 2019) and magazine copy sales in music sector on US Barnes & Noble newsstand (source: Barnes & Noble sales rankings)
- #1 home renovations print publisher in UK: magazine copy sales in home improvement – DIY sector on UK newsstand (source: distributor data), 2019