



Nation Media Group
Media of Africa for Africa

INVESTOR BRIEFING
F17 HY RESULTS
26TH JULY 2017

HALF YEAR RESULTS BRIEFING

F17 H1 Highlights

F17 H1 Divisional Results

F17 H1 Group Results

Q & A



NMG Objective



Protect & grow current business



Developing a sustainable culture



Consumer



New revenue streams



Digital Focus

Grow current business & foster a strong digital foundation for a sustainable, profitable future

We are clear on our journey

Grow current business & foster a strong digital foundation for a sustainable, profitable future

- ❑ Strengthen and accelerate growth of legacy brands
- ❑ Drive digital growth to transition from legacy media
- ❑ Innovate to continuously meet consumer demands
- ❑ Drive out costs to constantly invest in growth
- ❑ Investing in the right talent and capabilities
- ❑ Growing the top line
 - ✓ Grow current revenues
 - ✓ Generating new revenue streams



01

FY17 H1 HIGHLIGHTS

02

DIVISIONAL RESULTS

03

FY17 H1 GROUP RESULTS

04

Q & A

2017 Group Highlights

- Continued convergence journey across functions
- Embedding & driving the digital opportunity
- Effects of driving out costs have come through
- Strategic partnerships to drive the digital journey
- Growth of Kenya Buzz - >100% (Profit)
- Enhanced debt management across government agencies



Websites

DAILY NATION BUSINESS DAILY *The East African*



Daily Monitor

KENYA **BUZZ**

THE CITIZEN



MWANANCHI

**TAIFA
LEO**

Spoti



News & Epaper Apps



M

TC

DM



The East African

S

Messenger bot & Music

**LIT
360**

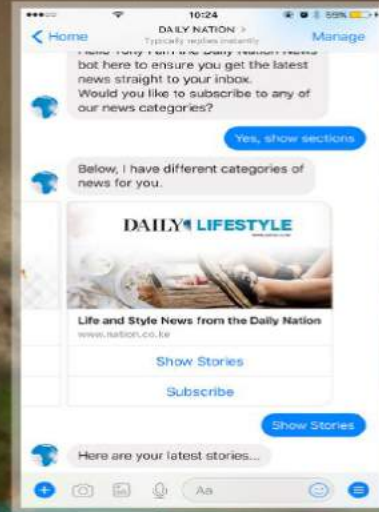


**Nation
Messenger**



Digital footprint up by 1m in 6 months

Receive Daily Nation's stories
directly to your Facebook inbox



-  Subscribe to news alerts
-  Choose topics i.e. Politics, Business, Sports etc.
-  Choose when to receive alerts
-  Stay informed

Connect with us on Messenger

Go to
www.messenger.com/t/DailyNation
to Get Started

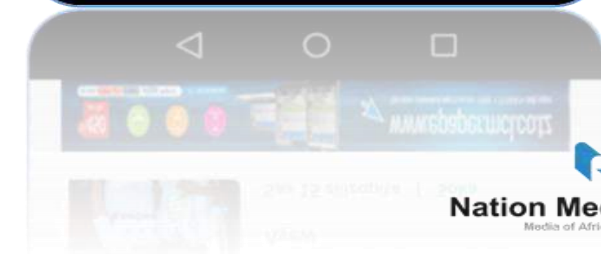
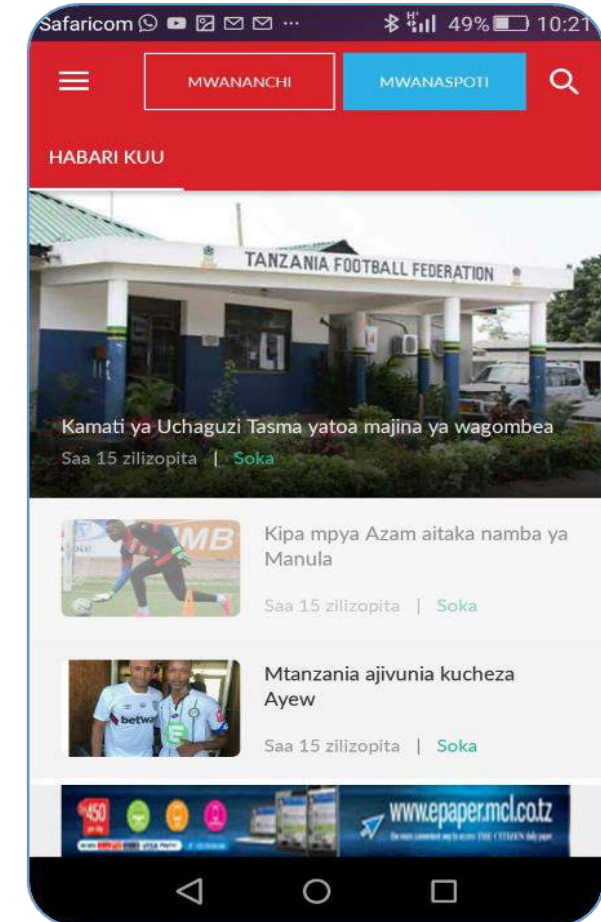
DAILY NATION

Facebook Messenger Bot



Nation Media Group
Media of Africa for Africa

Mwananchi & Mwanaspoti Apps on iOS & Android



NTV Programming



Strong news & entertainment content to drive growth of audiences

10 Point Agenda

- 1) Kenyan Spirit: Kenya and the world, resilience of the citizen
- 2) Jobs (youth unemployment)
- 3) State capture: Drugs, corruption & public procurement
- 4) Social: Health (access to quality care - hospitals, medicine) + Education (Exams integrity, management of schools, access/equity)
- 5) Rise of tribalism: Reconciliation, national unity and distribution of public jobs
- 6) Escalating cost of living
- 7) Excessive public borrowing
- 8) Security
- 9) Devolution: impact, challenges
- 10) Land reforms & food security

Thought Leadership



Positioned NMG as a driver of national development issues

Engaging Society, Impacting the Nation



**HUNGRY & THIRSTY;
WHAT ARE
KENYA'S OPTIONS?**

Monday 3rd April 2017 | 7:30 - 9:00 p.m. Live on NTV
Moderator - Linus Kaikai | University of Nairobi Auditorium

**invite only*



Nation Media Group
Media of Africa for Africa

Partners



REPUBLIC OF KENYA
Ministry of Agriculture, Livestock and Fisheries



University
of Nairobi



Kenya
Red Cross



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@nmgleadershipforum

f Nation Leadership Forum |



**KENYAN
ELECTIONS:
VOTERS AND LEADERSHIP**

The Nation Media Group cordially invites you to
the 2nd Edition of the Nation Leadership Forum.

29TH 6:00PM-9:30PM
June 2017 | University of Nairobi
Auditorium

*Invite Only**



Join the conversation

#NMGLLeadershipForum @nmgleadershipforum f Nation Leadership Forum www.nationleadershipforum.com

RSVP: Naomy Ikenye Tel No: 020- 3288251, 0719 038 251, 0732 038 251 Email: nikenye@ke.nationmedia.com



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Awards



Zeynab Wandati

The winner of the prestigious A.H Boemer Award (FAO) for 2017



Pamella Sittoni

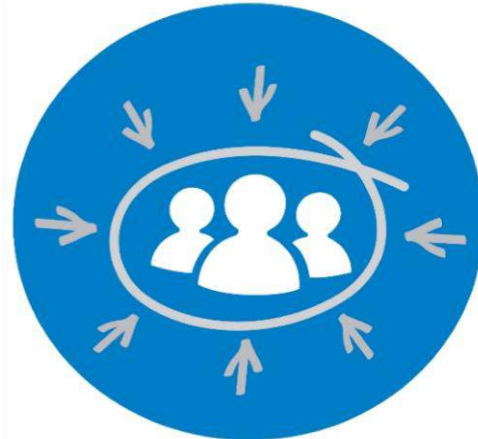
Women in News: Editorial Leadership Award

6 other NTV staff won awards at the annual IJE Media Council Awards in May 2017

Our Values



**Continuous
Improvement &
Innovation**



Consumer Focus



**Employer of
Choice**



Integrity & Trust



Drive for Performance

Inspiring leadership; Team work; Continuous improvement

Elections Coverage



National Debates



Converged elections
coverage

Impactful webpage
www.nation.co.ke/electionskenya

Fact check reporting

Independent, balanced news coverage

New Corporate Website




Nation Media Group
Media of Africa for Africa

We have **upgraded**,
come **visit!**

Experience the new look
NMG corporate website at
www.nationmedia.com



USER FRIENDLY



MOBILE READY



MORE IMAGES AND
CONTENT



UPDATED BUSINESS
INFORMATION

01

FY17 H1 HIGHLIGHTS

02

FY17 H1 DIVISIONAL RESULTS





















03

FY17 H1 GROUP RESULTS









04

Q & A

Print

| DIVISION | NND  | | TEA  | | BD  | | MPL  | | MCL  | |
|-------------------|--|-----|---|-------|---|-----|--|-----|--|-------|
| REVENUE |  | 7% |  | 21% |  | 3% |  | 6% |  | 17% |
| DIRECT COSTS |  | 1% |  | 26% |  | 13% |  | 7% |  | 14% |
| OPERATING RESULTS |  | 14% |  | >100% |  | 37% |  | 19% |  | >100% |

Television

| DIVISION |  | |  | |
|-------------------|---|-------|---|-------|
| REVENUE |  | 18% |  | 1% |
| DIRECT COSTS |  | 23% |  | 36% |
| OPERATING RESULTS |  | >100% |  | >100% |

Digital

| DIVISION | KENYA | |
|-------------------|-------|-------|
| REVENUE | ↑ | 54% |
| DIRECT COSTS | ↓ | 8% |
| OPERATING RESULTS | ↑ | >100% |



01

FY17 H1 HIGHLIGHTS

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FY17 H1 DIVISIONAL RESULTS

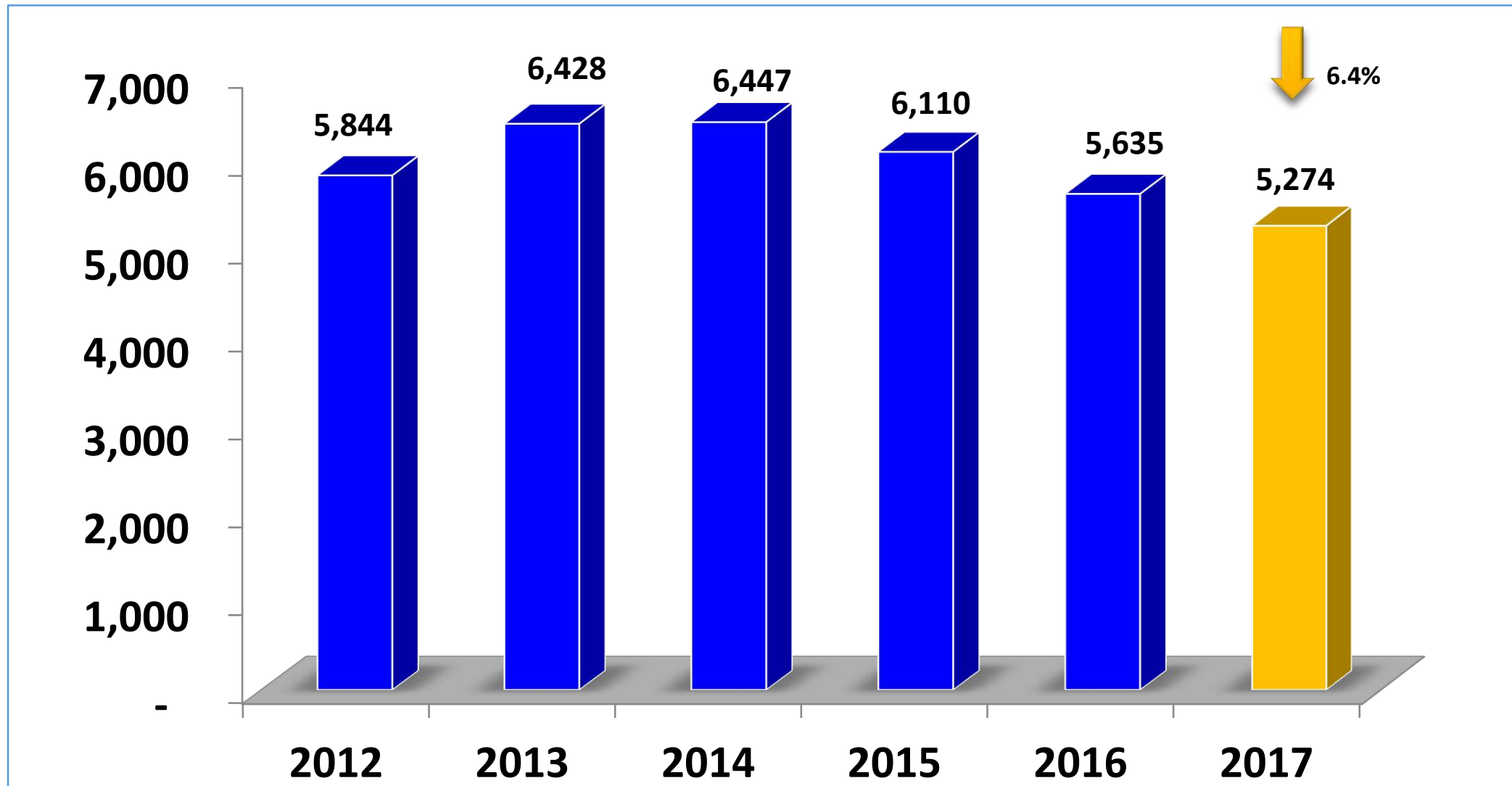
03

FY17 H1 GROUP RESULTS

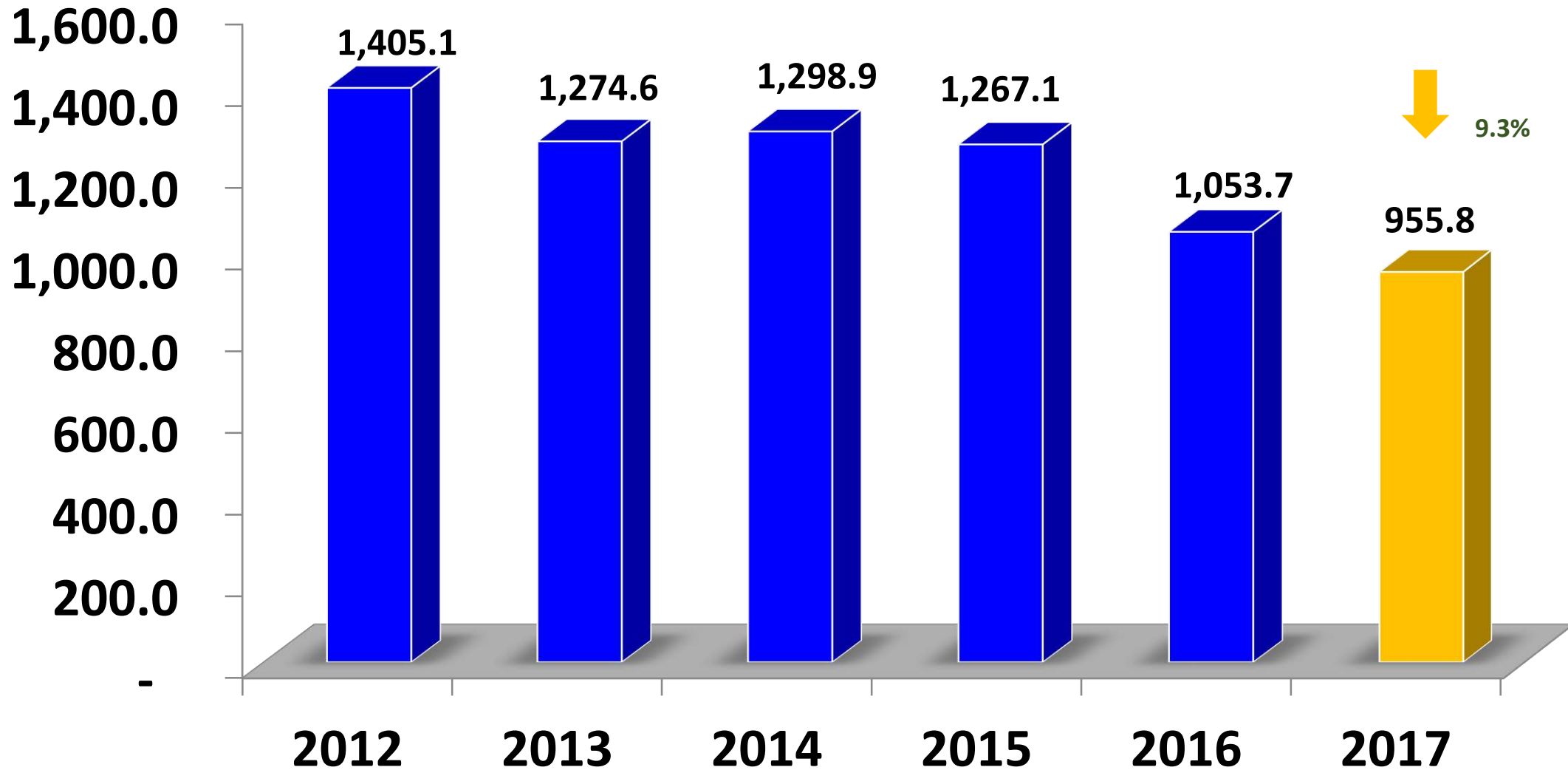
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Q & A

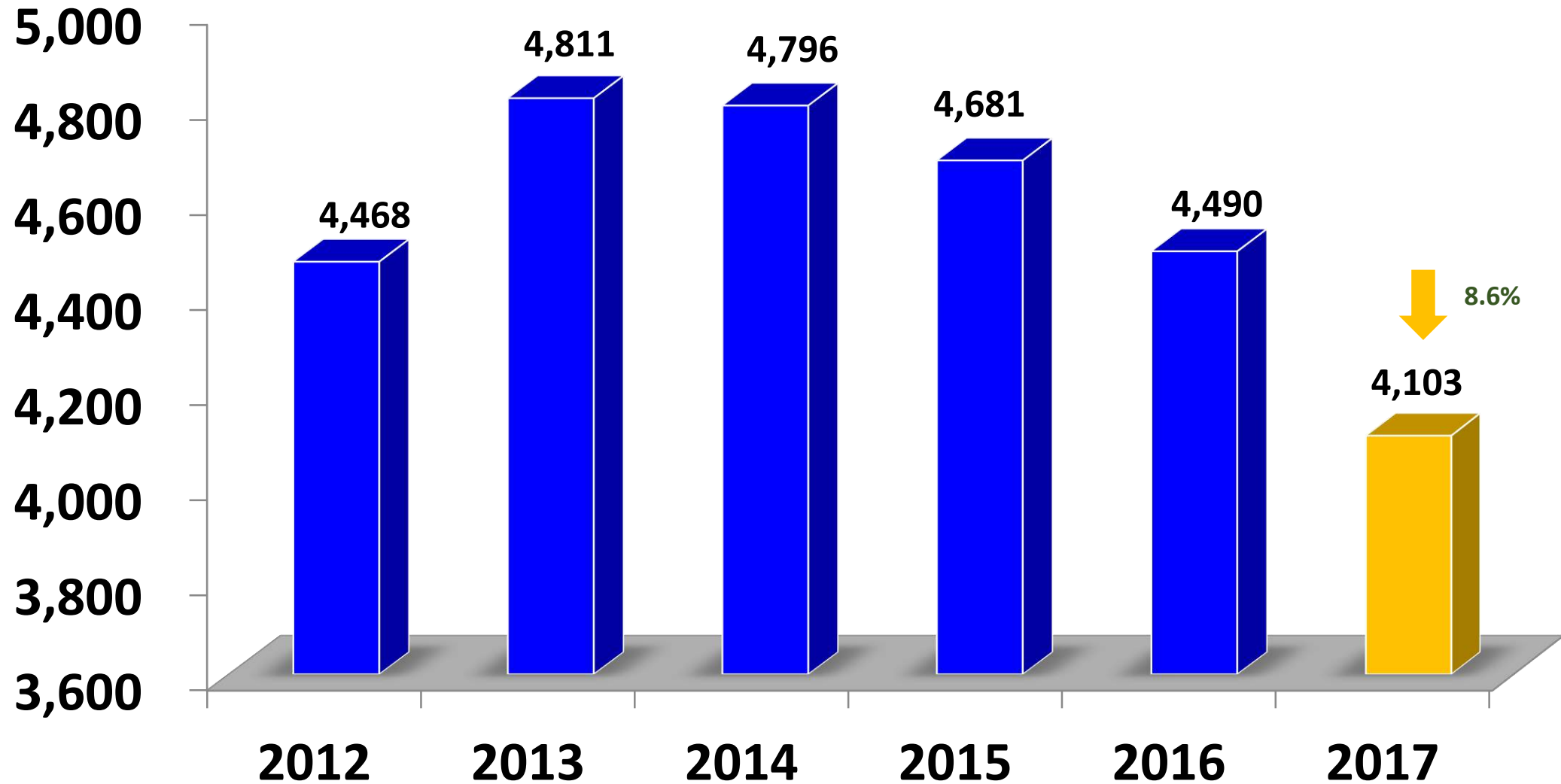
Turnover Trend (KShs M)



Cost of Sales (KShs. M)



Total Costs (KShs. M)



Consolidated Statement of Comprehensive Income (KShs M)

| | June 2017 | June 2016 | % Change |
|----------------------------|--------------|--------------|----------|
| Turnover | 5,274.2 | 5,634.8 | (6.4) |
| Profit before Income Tax | 1,171.2 | 1,144.9 | 2.3 |
| Income Tax Expense | (351.4) | (333.4) | (5.4) |
| Other comprehensive income | 5.8 | (26.1) | 122.2 |
| Total comprehensive income | 825.6 | 785.4 | 5.1 |

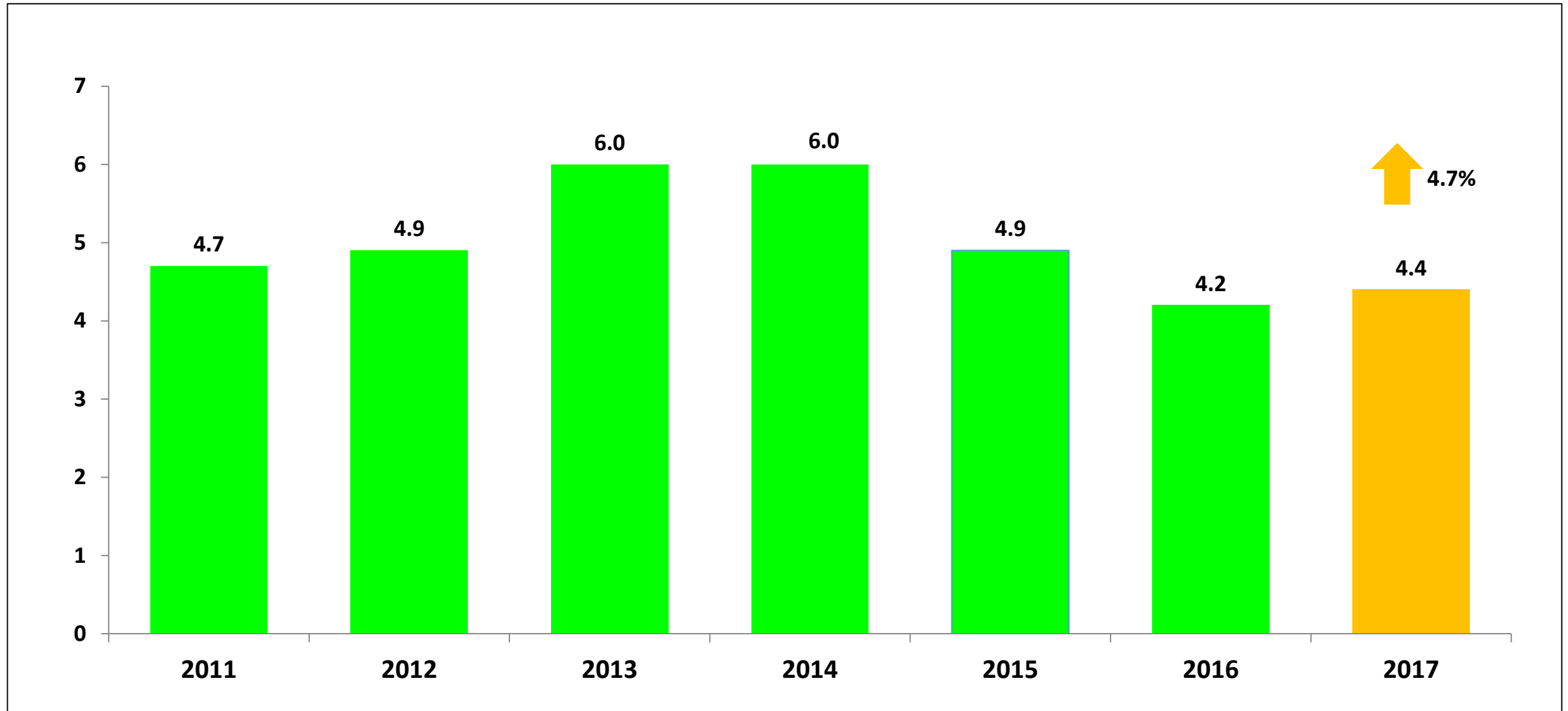
Statement of Financial Position (KShs M)

| | June 2017 | December 2016 |
|---|----------------|------------------|
| Capital and reserves | | |
| Share capital | 471.4 | 471.4 |
| Other reserves | (84.6) | (89.1) |
| Retained earnings | 7,207.1 | 6,859.5 |
| Proposed dividends | 1,885.5 | 1,414.1 |
| Minority Interest | 48.7 | 47.0 |
| Non-current liabilities | 15.0 | 15.2 |
| Total Equity & Non-current liabilities | 9,543.1 | 8,718.1 |
| Assets | | |
| Non-current assets | 4,827.1 | 5,010.8 |
| Working capital | | |
| Current assets | 7,934.9 | 7,163.3 |
| Current liabilities | 3,218.9 | 3,456.0 |
| Net working capital | 4,716.0 | 3,707.3 |
| Total Assets | 9,543.1 | 8,718.1 |

Condensed Cash Flow Statement (Kshs M)

| | 6 Months ended June 2017 | 6 Months ended June 2016 |
|--|-----------------------------|-----------------------------|
| Cash generated from operations | 1,547.7 | 1,132.0 |
| Interest received | 173.0 | 168.2 |
| Interest paid | 0.0 | (0.3) |
| Tax paid | (799.2) | (57.6) |
| Net cash from operating activities | 921.5 | 1,242.3 |
| Net cash used in investing activities | (26.0) | (211.6) |
| Net cash used in financing activities | 0.0 | (38.2) |
| Increase in cash and cash equivalents | 895.5 | 992.5 |
| At start of period | 3,447.3 | 3,063.3 |
| Exchange gains/(losses) on cash and cash equivalents | 0.1 | (10.0) |
| At end of period | 4,342.9 | 4,045.8 |

Earnings Per Share (Kshs)

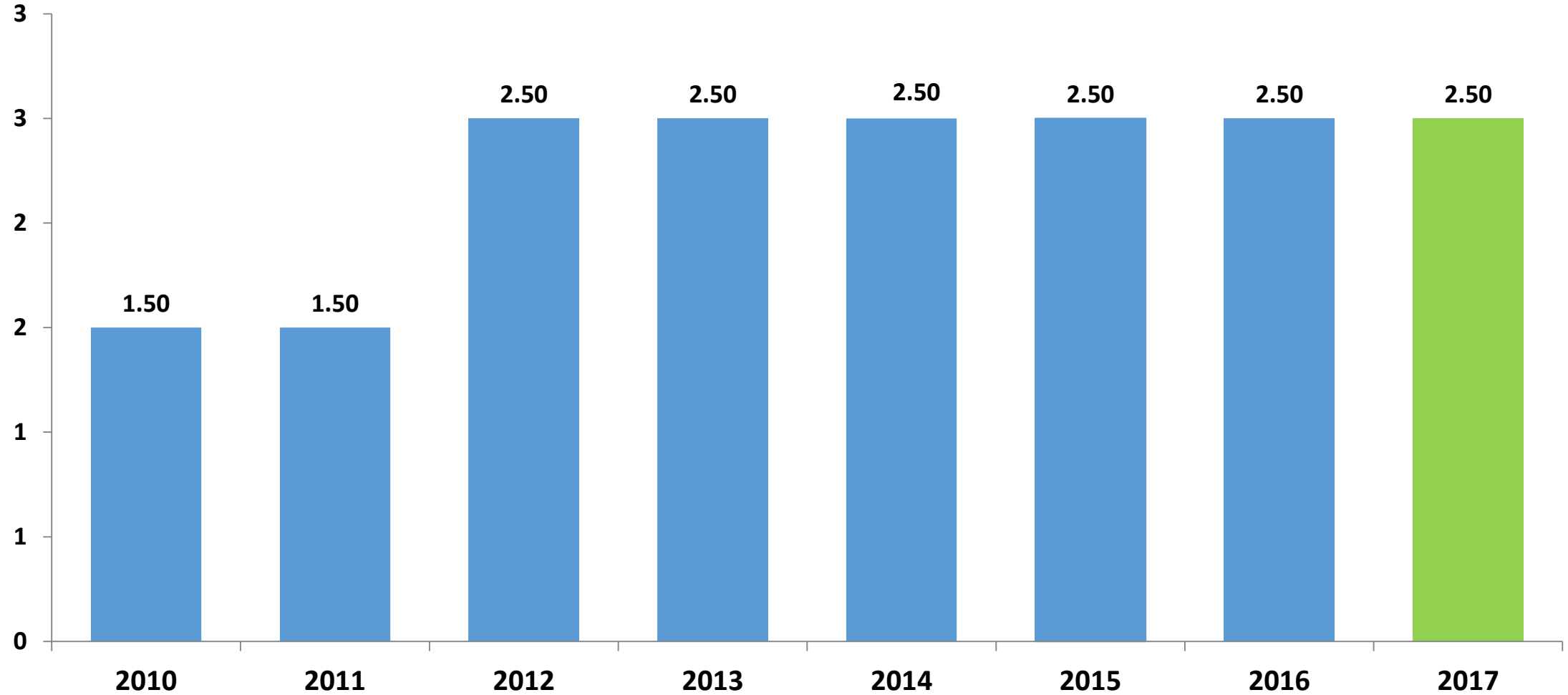


Dividends



Interim Dividend

Dividends per Share (Kshs)



A close-up photograph of a computer keyboard. A single, rectangular red key is the central focus, featuring the words "Thank You" in a raised, gold-colored font. The key is positioned among standard black keys. To the left, keys with the letters "f", "r", and "t" are visible. Above the red key, keys with the numbers "1" and "2" are partially seen. To the right, a "shift" key is visible. The lighting creates soft shadows, highlighting the texture of the keys and the metallic sheen of the text on the red key.

Thank You