



Nation Media Group

Media of Africa for Africa

INVESTOR BRIEFING

F18 HY RESULTS

17TH AUGUST 2018



@Nation Media Group



@nationmediaGrp



www.nationmedia.com

HALF YEAR RESULTS BRIEFING

F18 H1 Highlights

F18 H1 Divisional Results

F18 H1 Group Results

Q & A





Nation Media Group
Media of Africa for Africa

OUR FOOTPRINT



BUSINESS DAILY
by nyasa nyaschillies
DAILY NATION

The EastAfrican
KENYA **BUZZ**



Daily Monitor



The EastAfrican
ENNYANDA



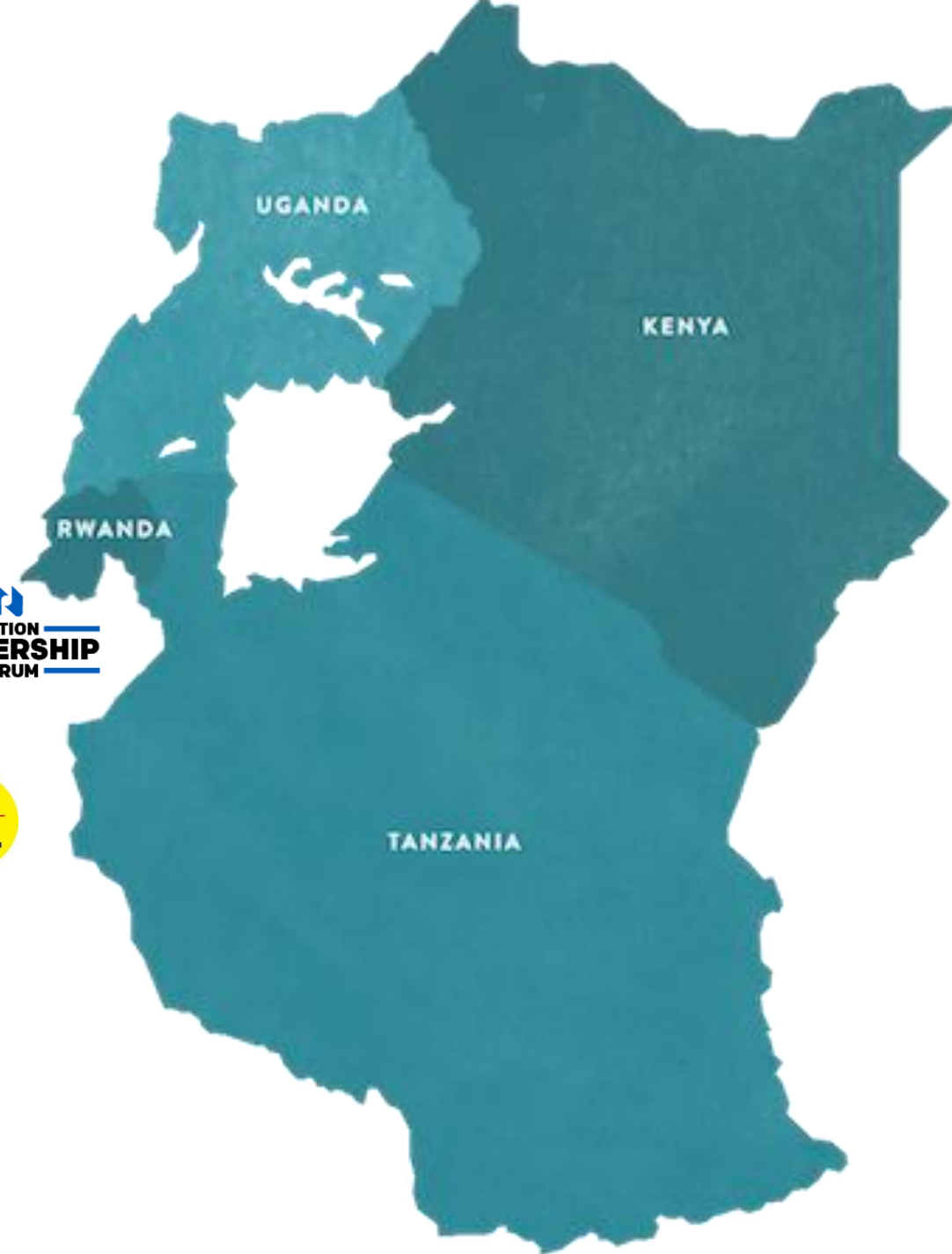
The EastAfrican



THE CITIZEN



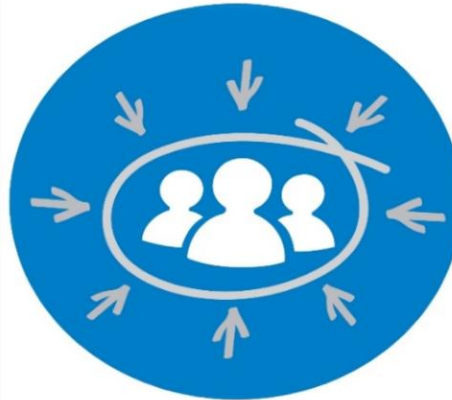
The EastAfrican



Our Values



**Continuous
Improvement &
Innovation**



Consumer Focus



We are a team



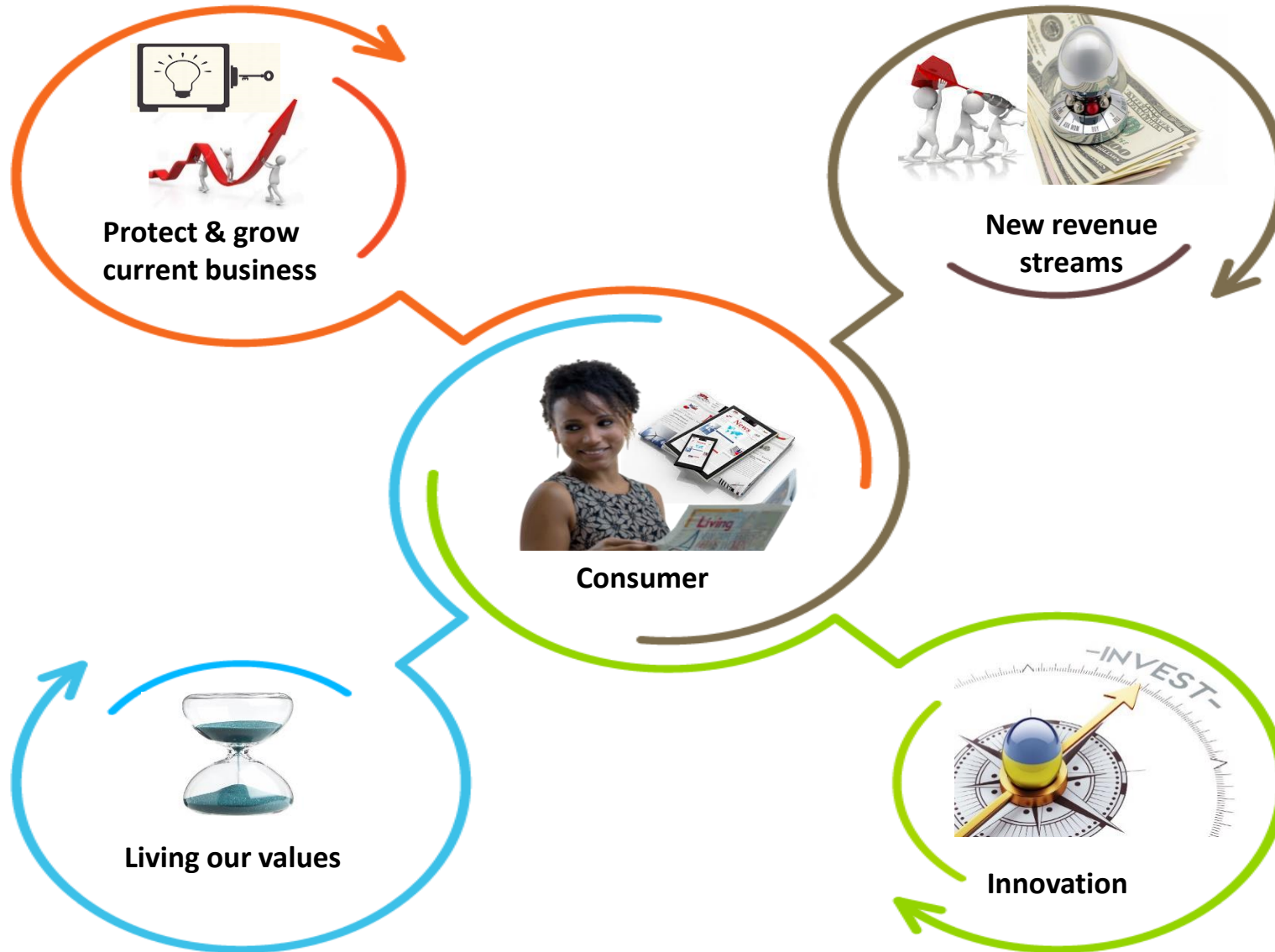
Integrity & Trust



**Drive for
Performance**

Inspiring leadership; Team work; Continuous improvement

Business Objective



Pursue value benefits anchored on driving growth through new revenue sources and innovation

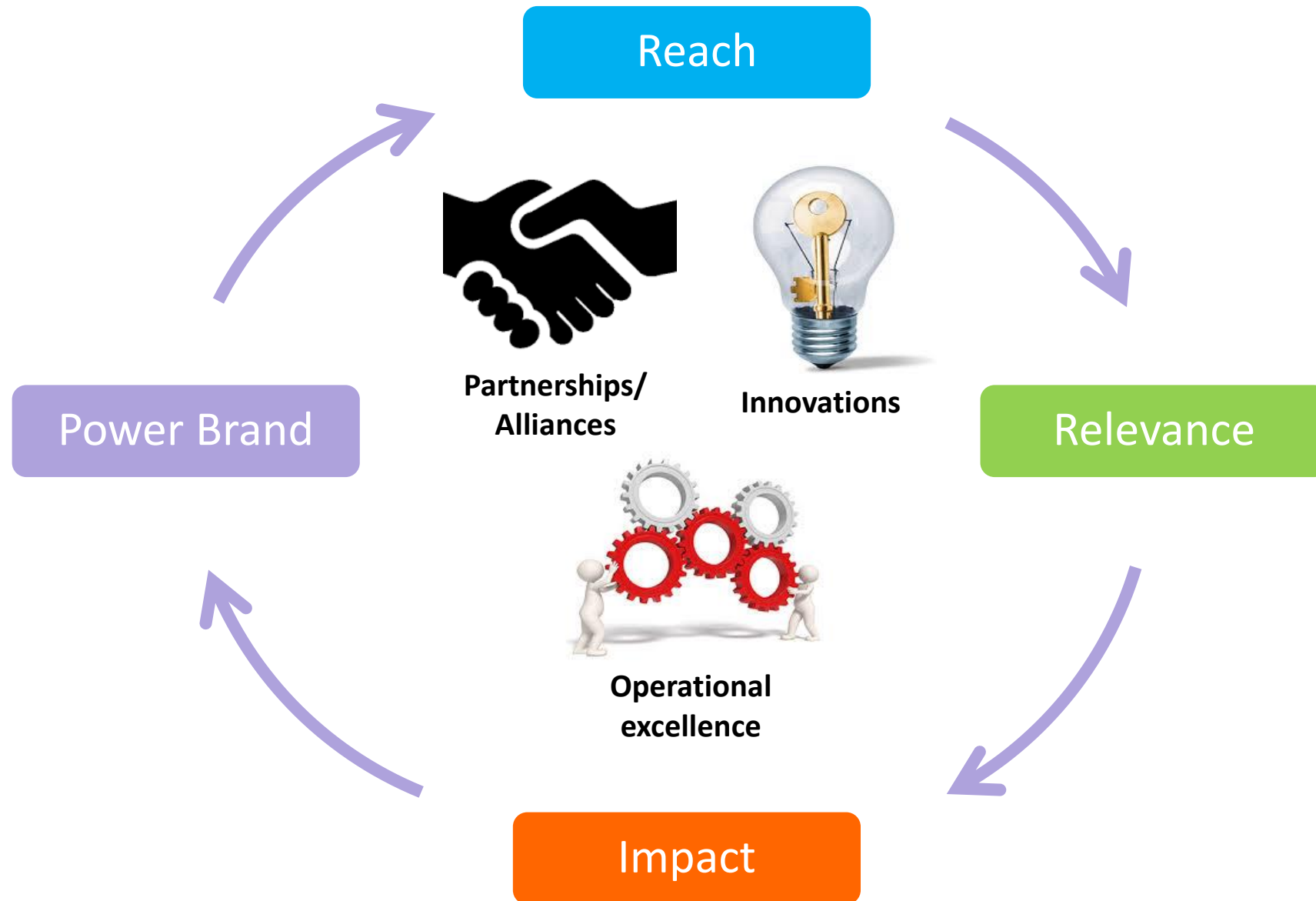
We are clear on our journey

Pursue value benefits anchored on driving growth through new revenue sources and innovation

- ✓ Innovate to continuously meet consumer demands
- ✓ Develop new products to maintain competitive edge
- ✓ Growing the top line
 - Grow current revenues
 - Generating new revenue streams
- ✓ Strengthen performance of legacy brands
- ✓ Investing in the right talent and capabilities
- ✓ Manage costs to constantly invest in growth



Driving Return on Investment



01

FY18 H1 HIGHLIGHTS

02

DIVISIONAL RESULTS

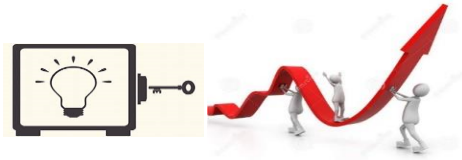
03

FY18 H1 GROUP RESULTS

04

Q & A

2018 Key Revenue Drivers



Protect & grow current business



Advertising



Circulation



Digital
(SMS, E-paper, E-commerce)



Contract printing



New revenue streams



Music



Gaming



Events

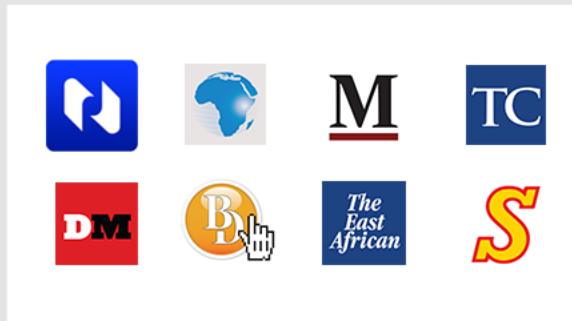


Education

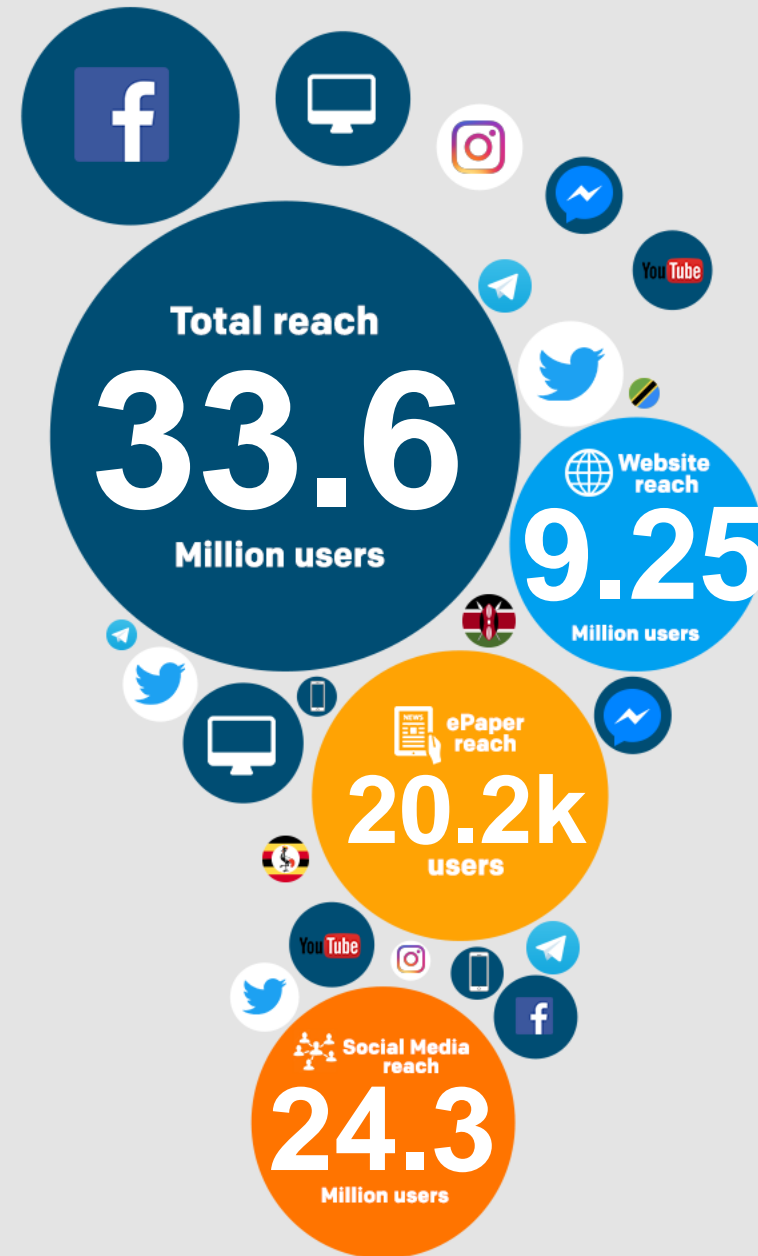
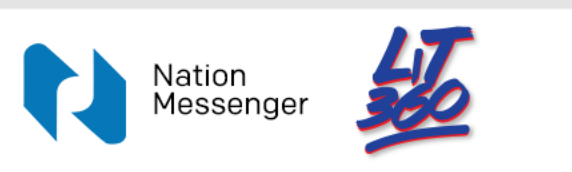
Websites



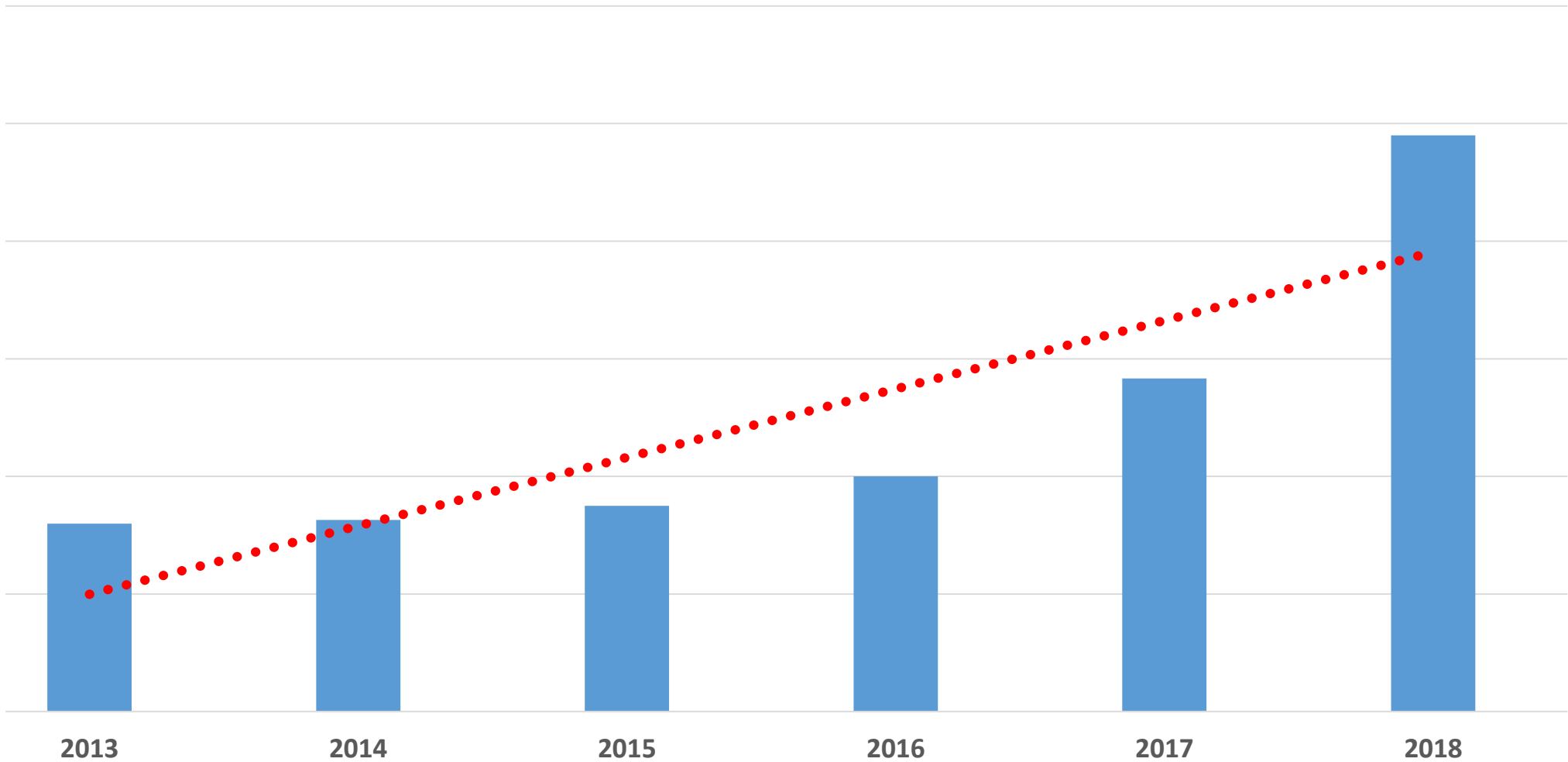
News & Epaper Apps



Messenger bot & Music



Digital Revenue Trend: 2013-2018



Record Label



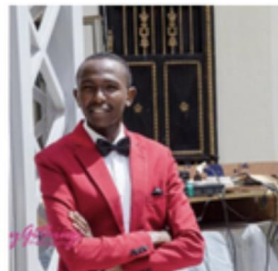
- Lit Music is an exciting new record label that brings together the **most talented and diverse artists**
- A platform to **recruit, nurture, develop, manage** and **promote** music talent
- Engaged a number of studios, production houses & other 3rd parties to provide **the most comprehensive solutions** for our artists to **build bigger and more dynamic careers.**



Rachel Adiyi



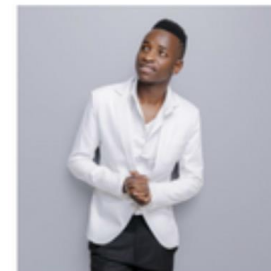
Vanessa



Alex Munyiri



Pitson



Redemption

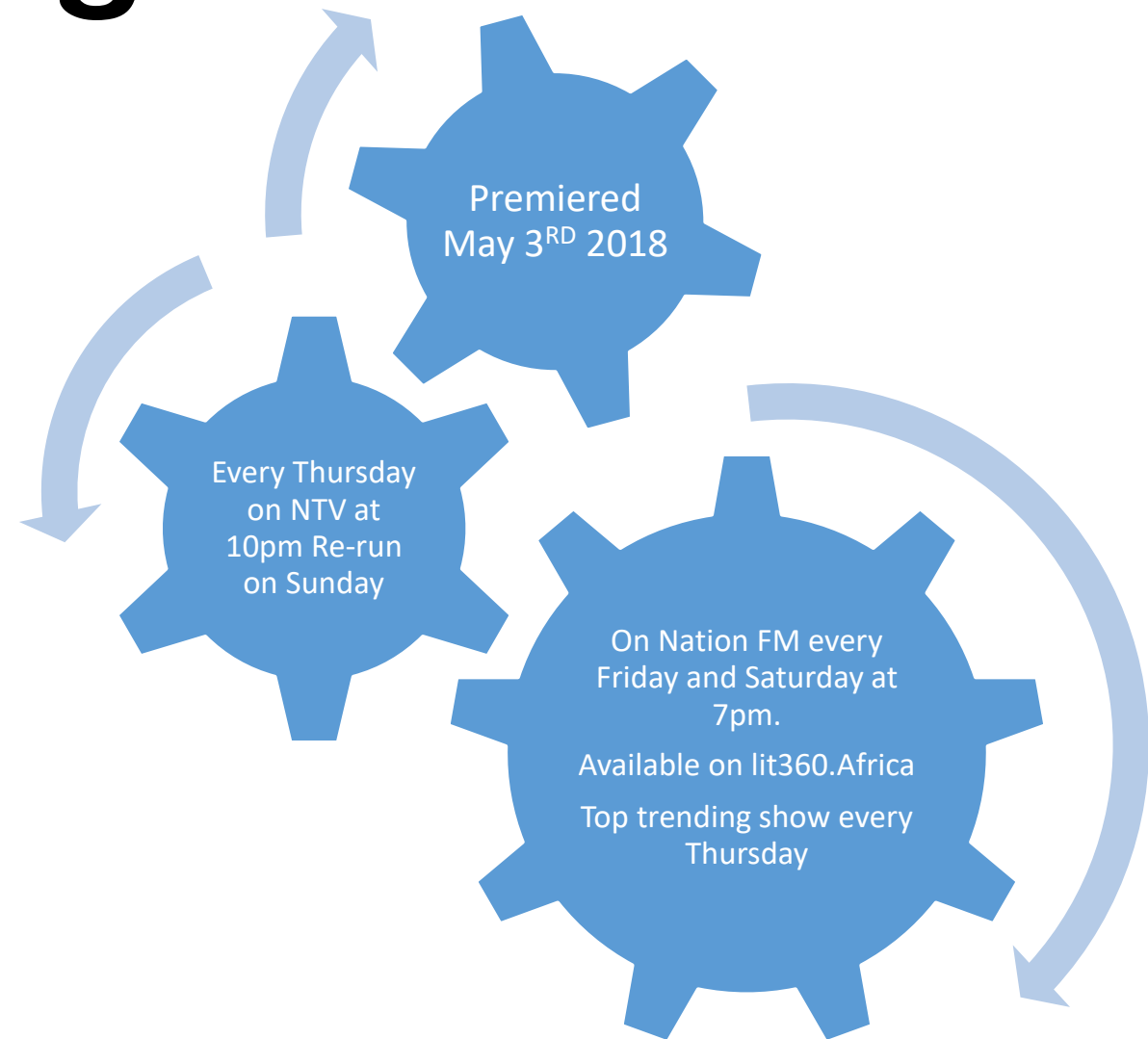


Jackie B

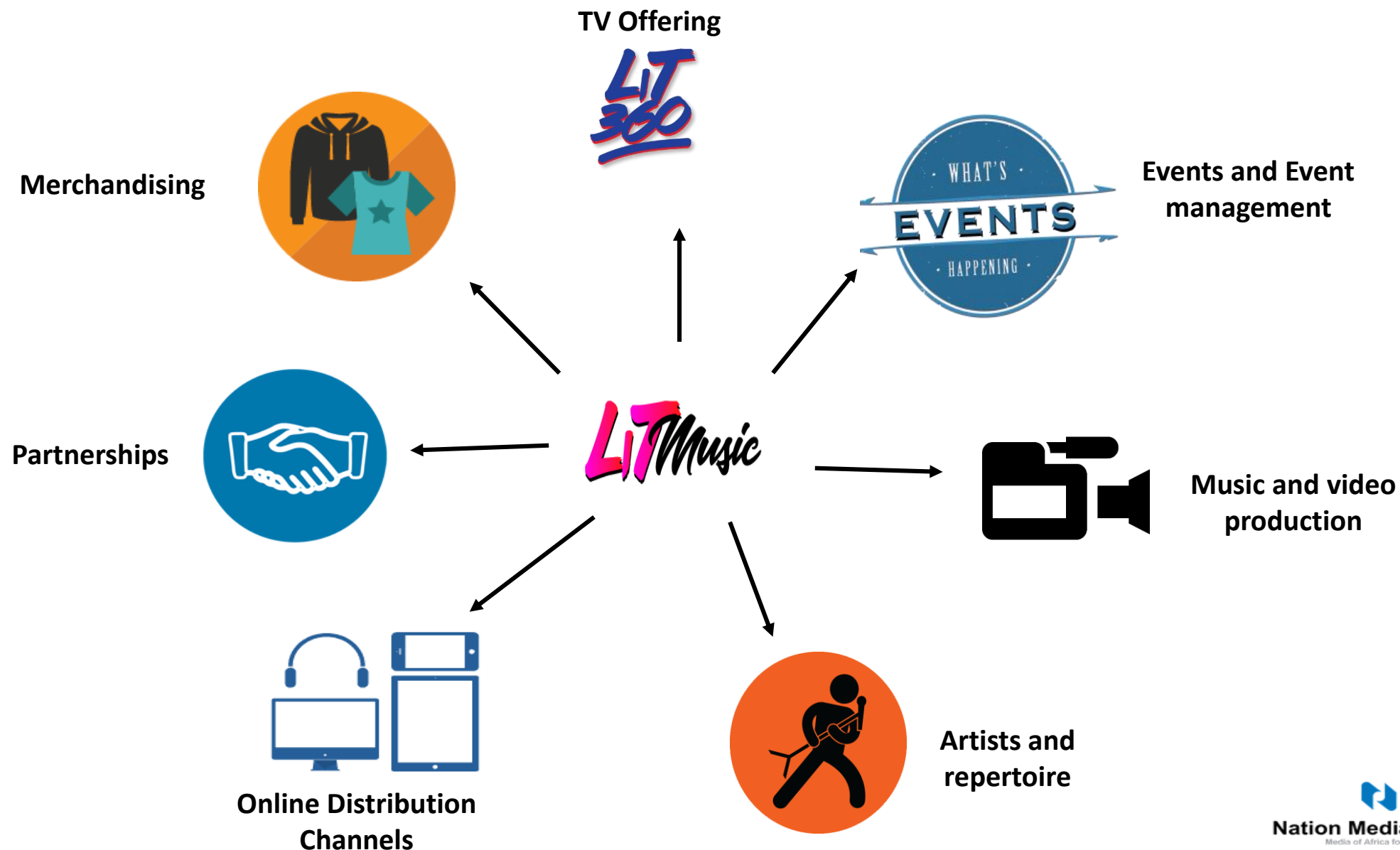


Mwenye Haki

Music offering



Way Forward



KENYA **BUZZ**



Ecommerce enabled experiential platform for movies, events & retailers



Audience growth: **87,000** in Jan 2017 to **155,000** in 2018



100%

cinema presence on the ticketing platform



Doubled circulation since its acquisition



Launching UgandaBuzz & TanzaniaBuzz

Provider of the most comprehensive event and lifestyle information in Kenya. (Online & Print)

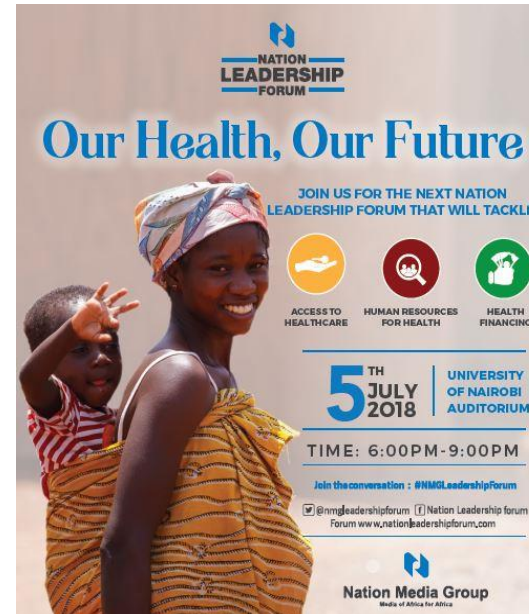


KenyaBuzz.com

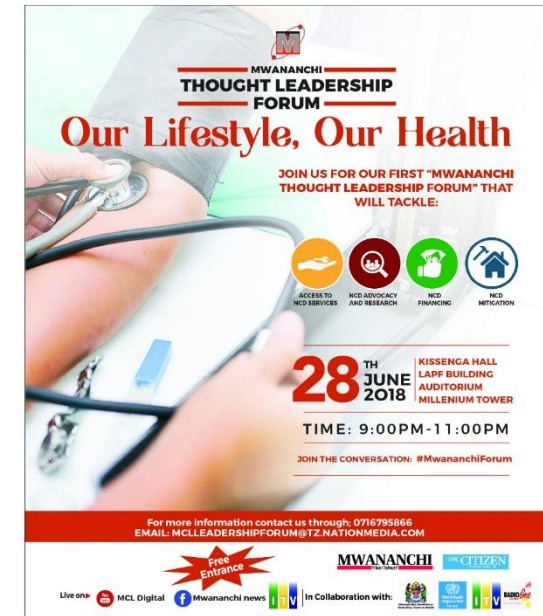
Events



Farm Clinic



Nation Leadership Forum



myNetwork career fair

Education



JuniorSpot



Printing of Books
(Supplementary reading material)



Newspapers in
Education Programme

Other Growth Areas



Online TV



Kenya Buzz Online
Directory & Ticketing



Online Lifestyle Platform

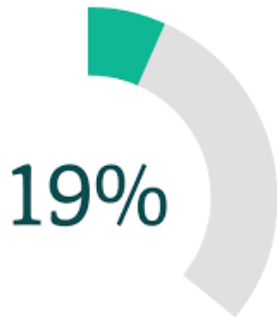
World Cup Coverage



FIFA World Cup Matches aired in partnership with Kwesé Free Sports



No. of viewers on NTV on the FIFA World Cup opening match



Growth of NTV Viewership during the world cup period



FIFA WORLD CUP
RUSSIA 2018



LICENSED BROADCASTERS

NTV is currently positioned as No. 2 TV station

NTV Programming



A vertical banner image featuring a dynamic, flowing ribbon in red and white, set against a blue background with a blurred logo.



Government Debt



- ✓ Outstanding GAA debt: Kshs 856 million; 85% overdue (Kshs 726m)
- ✓ Discussions with government ongoing; credit suspended
- ✓ Seeking alternative sources of revenue

NTV Closure



Corporate Social Responsibility



Mercy Care Children's Home
- Ndabibi, Naivasha County



Talitha Kum Children's Home -
Nyahururu , Laikipia County



Shika Adabu Primary School
- Likoni Sub-County



Mama Fatuma Goodwill Children's
Home - Nairobi County

Excellence Awards



Energy Management Awards - Best New Entrant Award (Small and Medium Consumer)

Media Council of Kenya Annual Journalism Excellence Awards (Various categories)



Communications Authority KUZA Awards - (3 Awards in various categories)



East African Business Council – East Africa's Best Media Company



Merck Foundation's More than a Mother Recognition Awards

2018 Group Highlights



Convergence
optimisation



Growing the digital
opportunity



Strategic
partnerships



Roll out of
Lit 360 Music



Growth of
Kenya Buzz



JuniorSpot



LICENSED BROADCASTERS

FIFA World Cup



New NTV
programming



MCL
shareholding



Debt mgt across
gov't agencies



NTV Closure

01

FY18 H1 HIGHLIGHTS

02

FY18 H1 DIVISIONAL RESULTS
























03

FY18 H1 GROUP RESULTS

04

Q & A

Print

DIVISION	NND		TEA		BD		MPL		MCL	
										
 Revenues		9%		0%		0%		3%		12%
 Direct Costs		8%		42%		7%		7%		24%
 Operating Results		13%		>100%		10%		27%		48%

Television



Revenues



10%



1%



Direct Costs



21%



42%



Operating Results



>100%



32%

Digital



Revenues



6%



Direct Costs



27%



Operating Results



20%



01

FY18 H1 HIGHLIGHTS

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FY18 H1 DIVISIONAL RESULTS

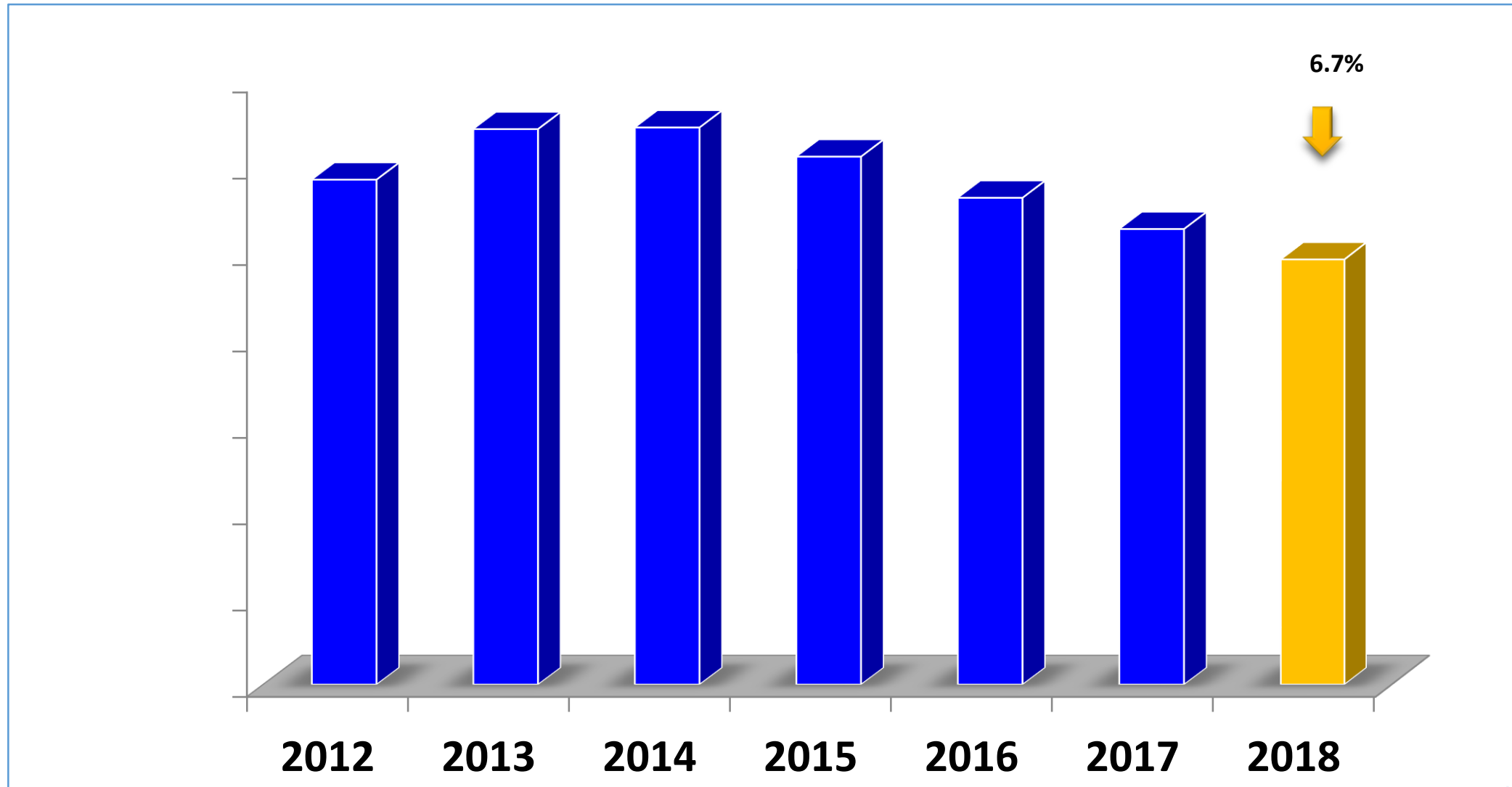
03

FY18 H1 GROUP RESULTS

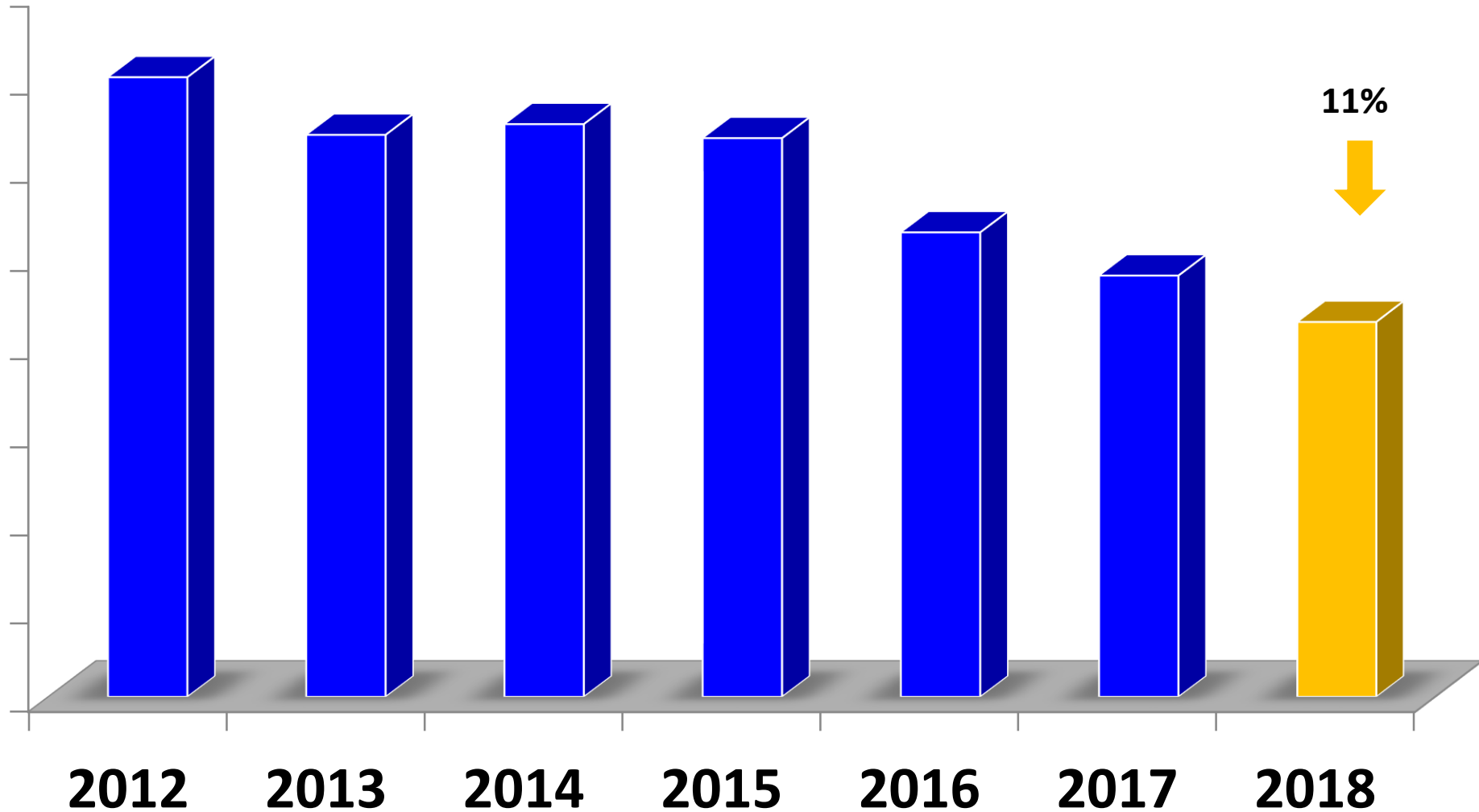
04

Q & A

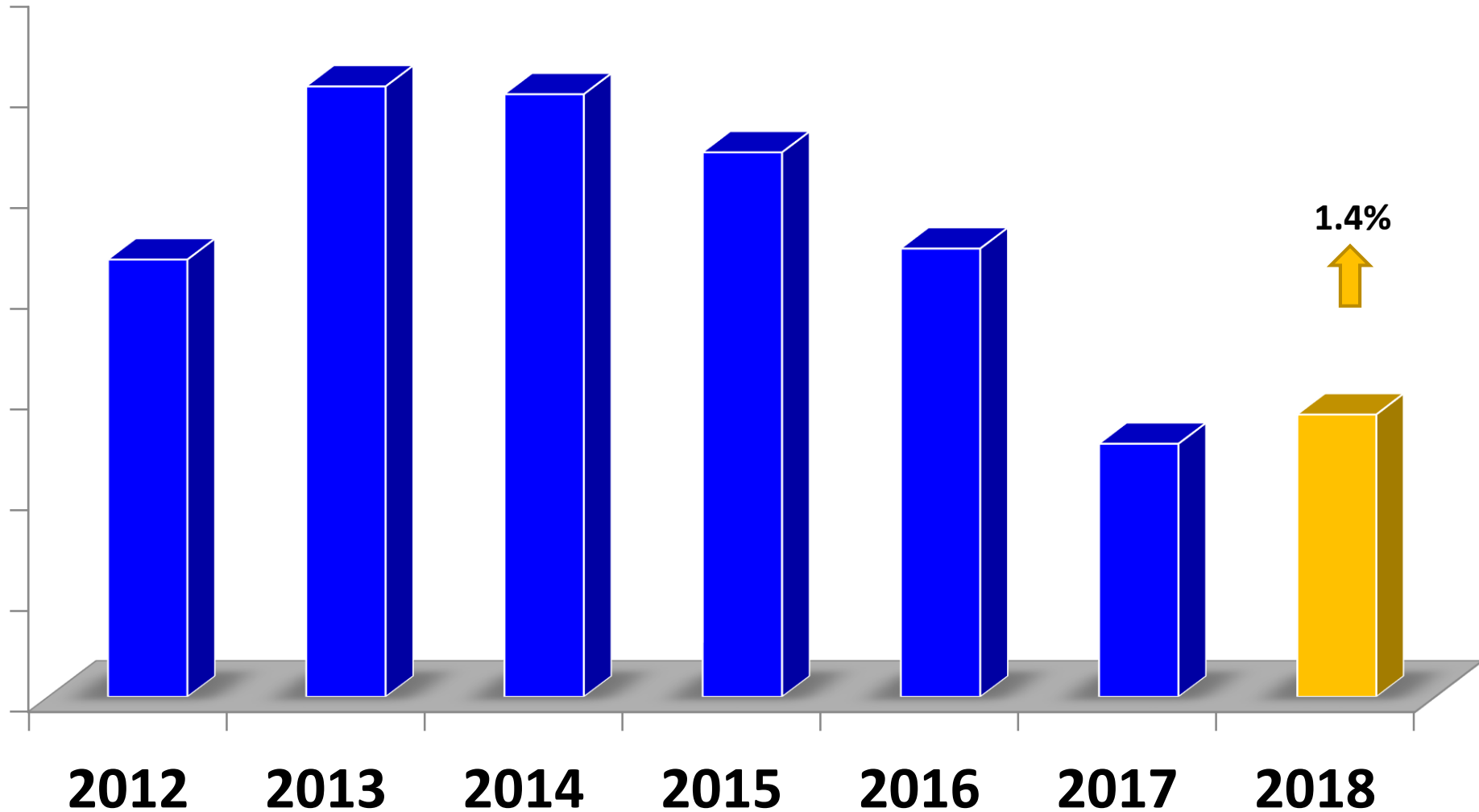
Turnover Trend (Kshs m)



Cost of Sales (Kshs m)



Total Costs (Kshs m)



Consolidated Statement of Comprehensive Income (Kshs m)

	Jun-18	Jun-17	% Change
Turnover	4,923.1	5,274.2	(6.7)
Profit before income tax and exceptional items	1,103.1	1,190.9	(7.4)
Exceptional items:			
Provision for overdue debts	(291.6)	(17.5)	
Revaluation of financial assets	(49.7)	(2.2)	
Income tax expense	(232.6)	(351.4)	
Profit after income tax	529.2	819.8	(35.5)
Other comprehensive income	(74.2)	5.8	
Total comprehensive income	455.0	825.6	(44.9)

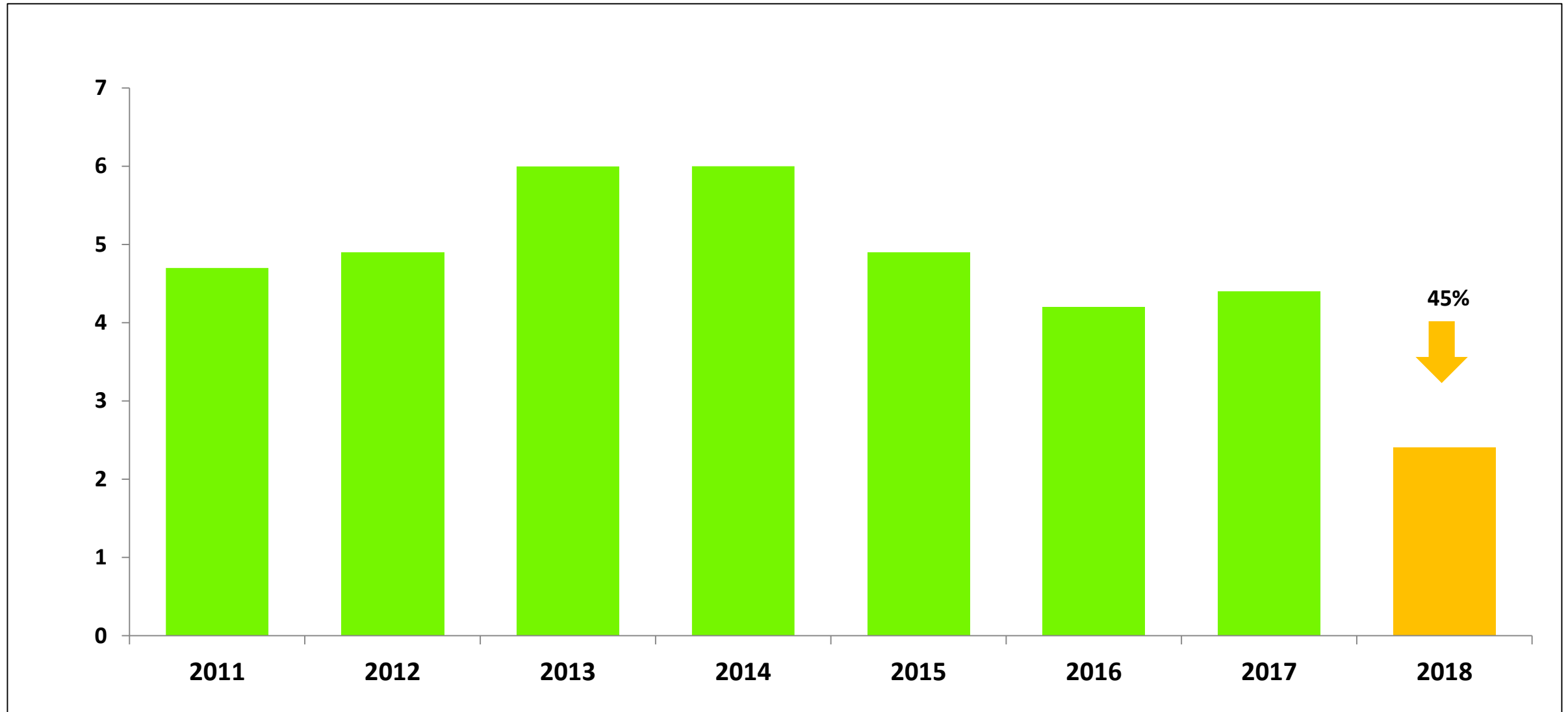
Statement of Financial Position (Kshs m)

	30-Jun-18	30-Dec-17
Capital and reserves		
Share capital	471.4	471.4
Other reserves	(142.0)	(72.5)
Retained earnings	6,545.30	6,302.30
Proposed dividends	1,696.90	1,414.10
	8,571.60	8,115.30
Non controlling interest	49.7	51
Total equity & Non-current liabilities	8,621.30	8,166.30
Non-current liabilities	25	25.9
	8,646.30	8,192.20
Assets		
Non-current assets	4,892.10	5,009.20
Working capital		
Current assets	7,093.60	6,311.10
Current liabilities	3,339.40	3,128.10
Net working capital	3,754.20	3,183.00
Total Assets	8,646.30	8,192.20

Condensed Cash Flow Statement (Kshs m)

	6 months ended June 2018	6 months ended June 2017
Cash generated from operations	1,231.5	2,282.6
Tax paid	(411.4)	(799.2)
Net cash from operating activities	820.1	1,483.4
Net cash used in investing activities	(36.5)	147.0
Net cash from financing activities	-	-
Increase in cash and cash equivalents	783.6	1,630.4
At start of period	1,692.6	1,344.7
Exchange gains/(losses) on cash and cash equivalents	(30.4)	0.1
At end of period	2,445.8	2,975.2

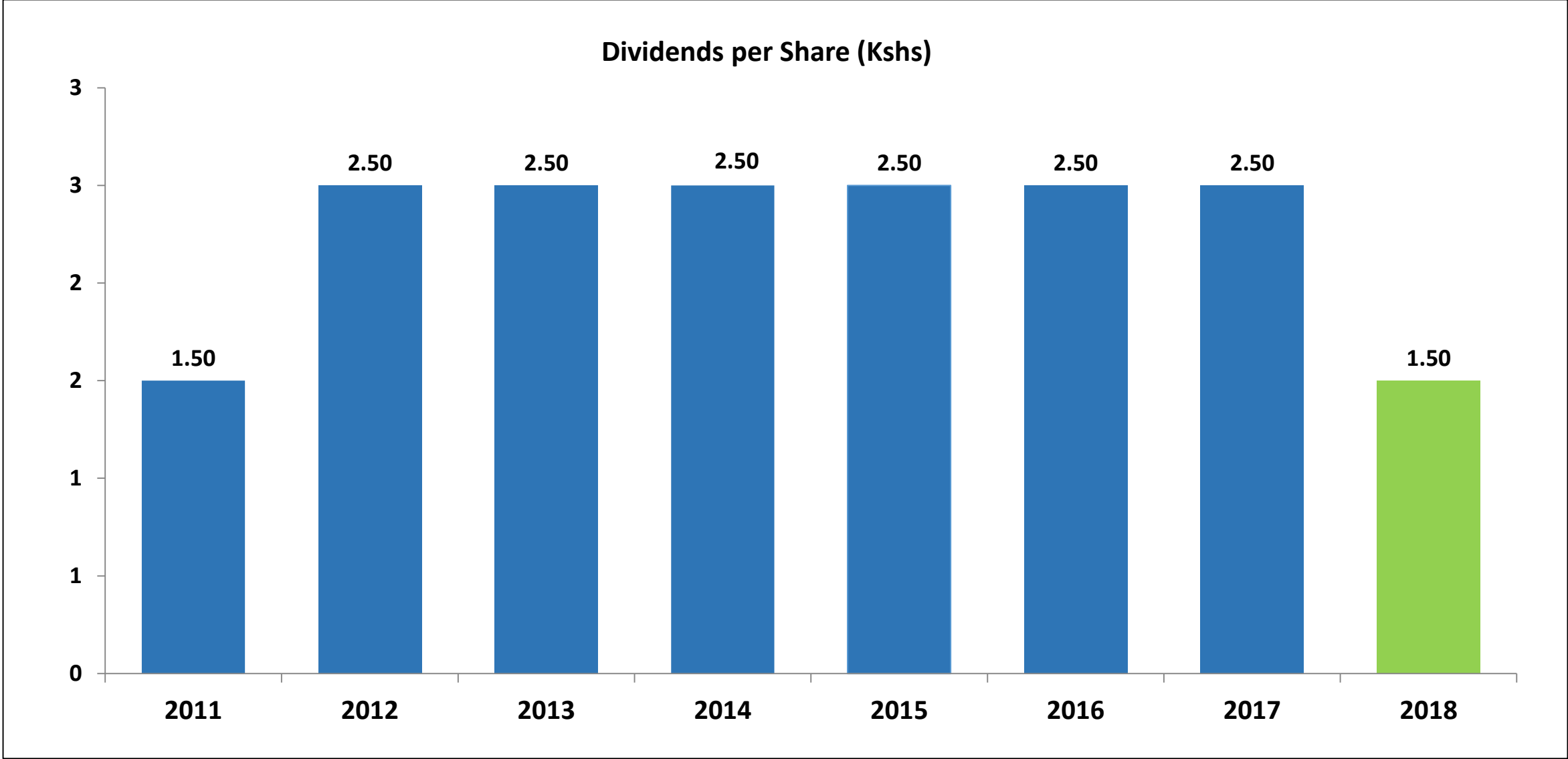
Earnings Per Share (Kshs)



Dividends



Interim Dividend





Kenya

Our Products

DAILY NATION



BUSINESS DAILY
more possibilities
www.businessdailyafrica.com

TAIFA LEO
A NATION MEDIA GROUP PUBLICATION

KENYA BUZZ

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- Nairobi News



Uganda



Daily Monitor



ENNYANDA

Spark TV
It's your time

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Tanzania



MWANA Spoti

THE CITIZEN

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Rwanda

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Media of Africa for Africa

A close-up photograph of a computer keyboard. The central focus is a bright red, rectangular key with rounded corners, featuring the words "Thank You" in a raised, white, sans-serif font. This key is positioned among standard black keyboard keys. To the upper left, keys with symbols like {, }, ~, and numbers 1, 2, 3 are visible. To the lower right, a large black key with the word "shift" in white is partially shown. The lighting creates soft shadows, emphasizing the three-dimensional nature of the keys.

Thank You