



Nation Media Group

Media of Africa for Africa

**INVESTOR BRIEFING
FULL YEAR RESULTS 2018
17TH APRIL 2019**



FULL YEAR RESULTS BRIEFING



F18 Highlights

Business Sustainability

F18 Performance Overview

F18 Group Results

Q & A

Our Products



Kenya

DAILY NATION



BUSINESS DAILY
more possibilities
www.bdcitrics.com

TAIFA
LEO
A NATION MEDIA GROUP PUBLICATION

The
EastAfrican

NAIROBI NEWS
NN

KENYA BUZZ



LIT
360



Uganda

NTV

Daily
Monitor

dembe
90.4 fm
Omuziki N'ebikuzimba



ENNYANDA

Spark
It's your time

The
EastAfrican



Tanzania

M
LIMESHEHENI

MWANA
Spoti

The
EastAfrican

THE CITIZEN



Rwanda

The
EastAfrican

Our Values



Continuous Improvement & Innovation



Consumer Focus



We are a team



Integrity & Trust



Drive for Performance

Inspiring leadership; Team work; Continuous improvement

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2018 HIGHLIGHTS

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2018 PERFORMANCE OVERVIEW

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2018 GROUP RESULTS

4

Q & A

Thought Leadership

 | Nation Leadership Forum



 | Mwananchi Thought Leadership Forum



 | Monitor Thought Leadership Forum






 | NTV Economic Forum



 **Attendance:**
1550
 **Partners:**
20
 **Online Engagement:**
210 million impressions

 **Attendance:**
1050
 **Partners:**
20
 **Online Engagement:**
124 million impressions

 **Attendance:**
1200
 **Partners:**
18
 **Online Engagement:**
83 million impressions

 **Attendance:** 250
 **Partners:**
5
 **Online Engagement:**
87 million impressions

Topics |



Setting the agenda on key issues



An engaging, informative and entertaining magazine published every Monday in the Daily Nation

- Target Audience: 8-14 years
- Launch Date: 19th March 2018

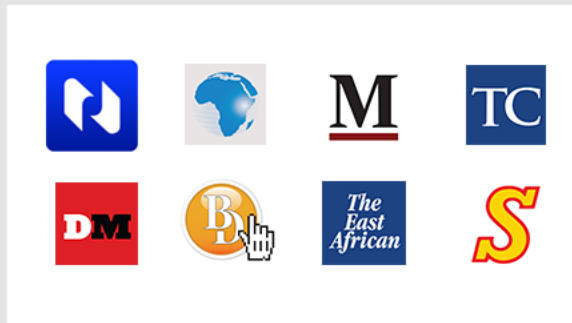


Creating a new audience segment within a younger demographic

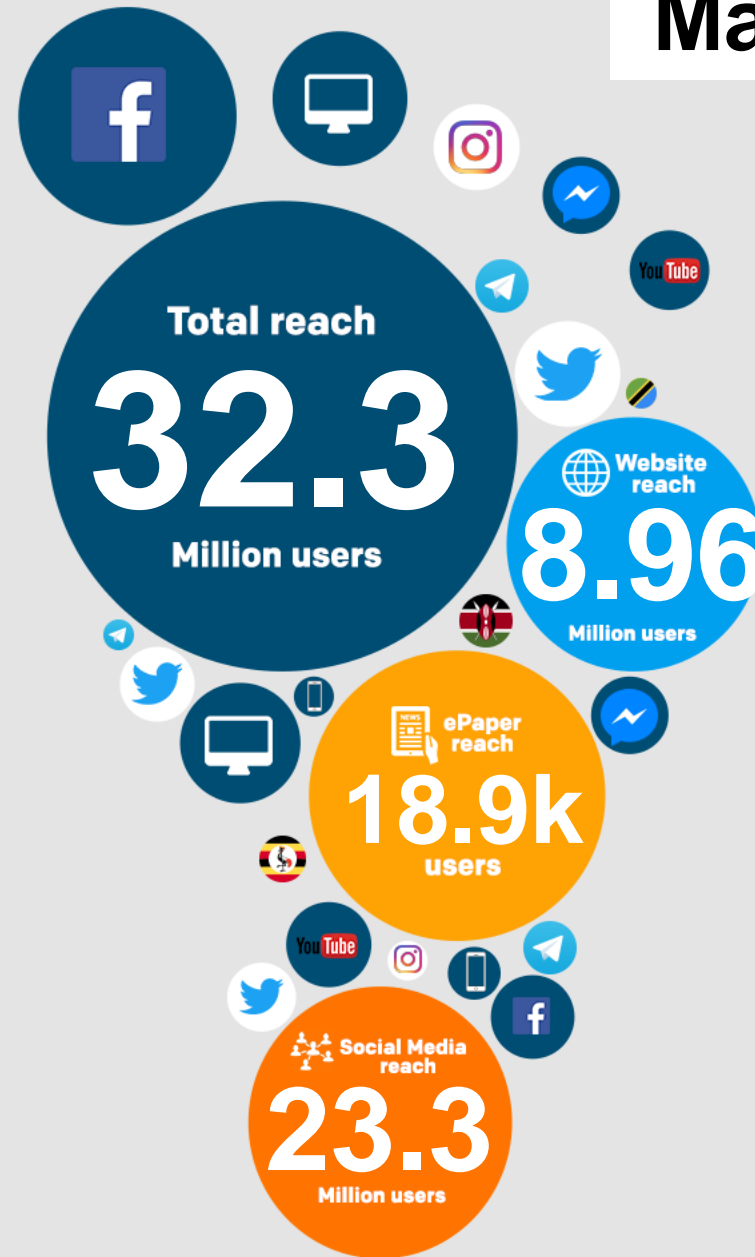
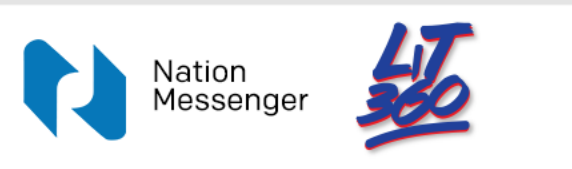
Websites



News & Epaper Apps



Messenger bot & Music



Websites



News & Epaper Apps

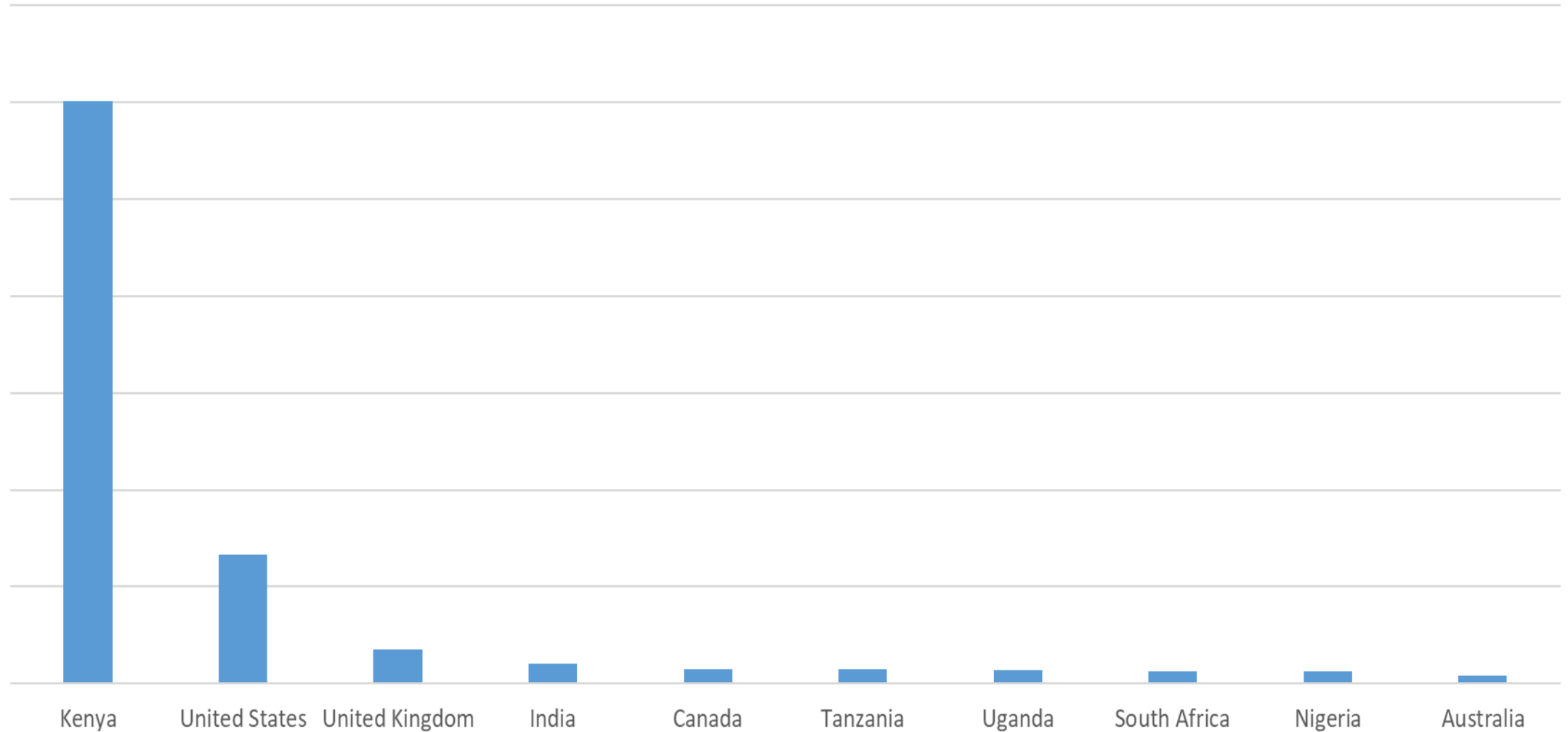


Messenger bot & Music



Digital footprint growth of 15%

Traffic by Top 10 Geo - 2018



More than half of the traffic (60%) is local on average.
US and UK next top traffic sources respectively.

**LIT**
music



**LIT**
360

**LIT**
963

**LIT** UBÉ

**LIT**
STREET

**LIT**
RECORDS

KENYA **BUZZ**

The screenshot shows the 'MOVIES' section of the Kenya Buzz website. The navigation bar includes 'HOME', 'MOVIES', 'EVENTS', 'LIFESTYLE', 'DIRECTORY', and 'GALLERY', along with a 'Subscribe to our newsletter' button. The main content is divided into four columns: 'What's Hot' (listing movies like Breakthrough, Hellboy, Avengers: Endgame, Shazam!, Hotel Mumbai, US, Dumbo, Captain Marvel, and a 'View All Movies' link), 'Coming Soon' (listing Kalank and a 'Click to see schedule' link), 'Bollywood Movies' (listing 'The Tashkent Files', 'Romeo Akbar Walter', and a 'Movie Pass' link), and 'Cinemas' (listing various cinema locations like Anga Sky Cinema, Anga IMAX Kenya, Century CINEMAX, Nyali Cinemax, Anga Mega, Prestige Cinemas, Westgate Cinema, Anga Diamond Plaza, and Movie Pass).

The screenshot shows the 'EVENTS' section of the Kenya Buzz website. The navigation bar is similar to the previous screenshot. The main content is divided into four columns: 'Buy Tickets' (listing 'Jikiji Folata Festival', '2nd Annual Global Mice Summit', 'Celtic Dream Dance', 'VDAY Nairobi 2019', and 'Art of Jazz - International Jazz Day'), 'All Events' (listing 'Bliss Healthcare Free Medical Camp', 'African Twilight Documentary', 'Mega Easter Egg Hunt', 'Jamia Bazaar', and 'The Purpose Driven Youth Conference'), 'Featured Events' (listing '2nd Annual Global Mice Summit', 'Celtic Dream Dance', 'Open Corner', and a 'View all featured events' link), and '+ Add Events' (with a 'Add your event' link).



A directory for movies, events & ticketing



100%

Cinema presence on the ticketing platform



Circulation growth from 10,000 to 20,000



- Revamping KenyaBuzz
- Launching UgandaBuzz & TanzaniaBuzz

Xixo Collective





- 530 video recipes
- Average of 7,500 monthly unique visitors
- 32,909 users
- 329, 821 page views

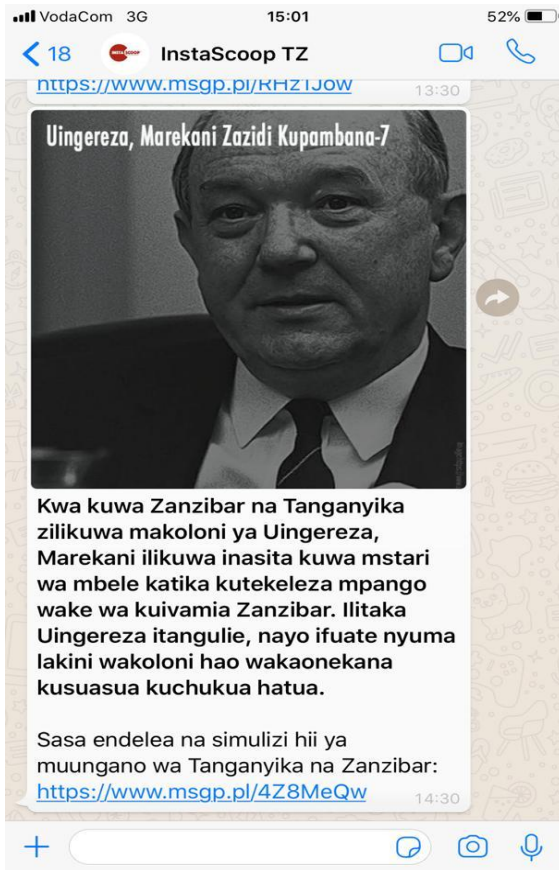
Online food channel



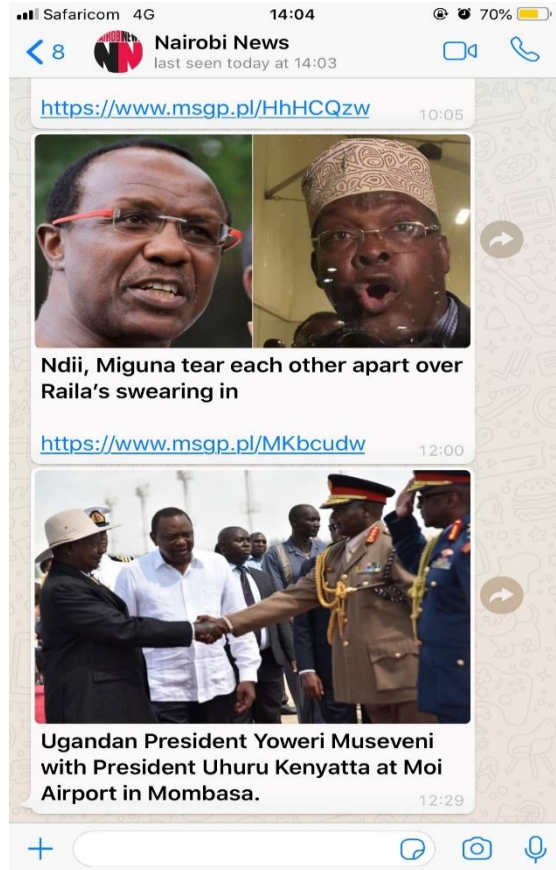
Nation Media Group
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WhatsApp Channels

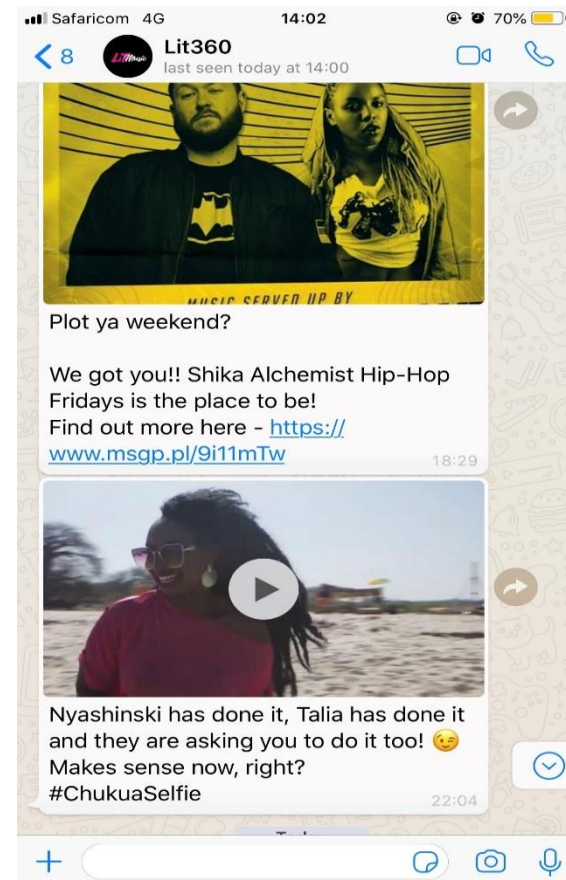


- Started – Oct 2018
- Subscribers - 16,021



Nairobi News
last seen today at 13:48

- Started - Feb 2019
- Subscribers – 5,086



Lit360
last seen today at 13:55

- Started – March 2019
- Subscribers - 204

WhatsApp is the most used messenger platform world over. East Africa Footprint > 20 Million

New NTV Local Programming



Introduction of new local programme line up to drive up audience acquisition and engagement

New on NTV - Uganda

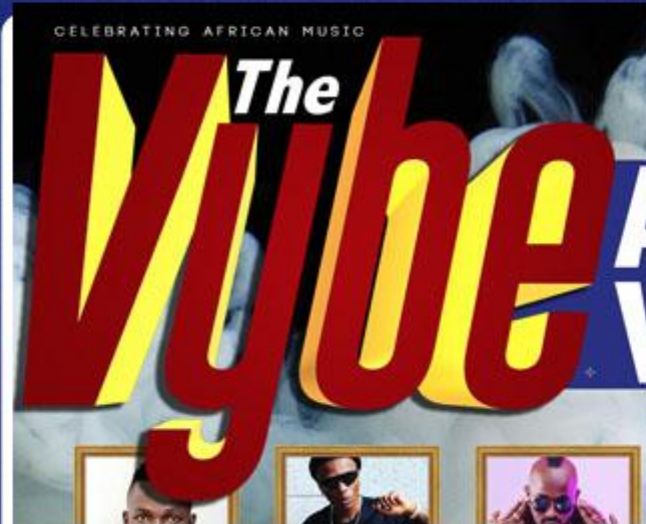


POWER OF LEGACY



Sunday **4:00PM**
Monday **8:00PM**
(Drama series)

THE VYBE



Mon - Fri **3:30PM**
(Musical show)

HOT STEPS



Sunday **5:00PM**
(Dance Competition)

International Awards - 2018



Nation Digital

'Best Idea to grow Digital readership' at the INMA Global Media Awards



Nation Digital

Best Digital Marketing Campaign, Africa Digital Media Awards



Daily nation

Best in Lifestyle, Sports, Entertainment website at the Africa Digital Media Awards



Nairobi News

Best in Lifestyle, Sports, Environment website - Africa Digital Media Awards



Lit360

Best in Social Media Engagement (Runner-up) - Africa Digital Media Awards



Nation Digital

received Honorable mention at the I-COM Data Creativity Awards 2018



Zeynab Wandati

Best Conservation Agriculture Journalist (African Conservation Tillage Network)



Doreen Magak

winner - 2018 Merck Foundation "More Than a Mother" Media Recognition Award.



Tumaini Msowoya

winner Children Reporting - awarded by UNICEF and Tanzania Editors' Forum.



Brian Okinda

winner - OFAB Africa Media Awards-Print & Online Category.



Bernard Rotich

recognized by IAAF as Upcoming Journalists in athletics



Joseph Kato

of Monitor Publication Limited awarded by UNFPA- for story on Child Abuse



Eunice omollo

Overall Winner of the Africa Media Network on Health Excellence in Journalism



Eunice Kilonzo

Print category (HIV/AIDS) Africa Media Network on Health Excellence in Journalism

Local Awards

Kenya: Annual Journalism Excellence Awards 2018 (AJEA)



Robert Gichira
Journalist of the Year



Jane Gatwiri
Business reporting
Category



Elvis Ondieki
Development Reporting
Category



Merab Elizabeth
Environment Reporting
Category



Abiud Awiti
Gender Reporting Print
Category



Rose Wangui & Leah Wambui
Gender reporting television
category



John Kamau
Winner - Good Governance
(Print category)



Robert Gichira
Winner - Good Governance
(Television category)



Sarah Ooko
Health Reporting
(Print category)



Cellestine Olilo
Sports reporting



Jane Gatwiri
Winner - Camera -person of
the year



Michael Munene
Cartoonist of the year

Kenya Press Photo Awards



Jeff Angote
Photographer of the Year



Jeff Angote
Best Photographer
(Environment Category)

Uganda (MPL & NTVU)



Best
Science Communicator
award



Uganda Press Photo
awards



Humorous news concept &
Male Anchor of the year
Media Challenge



Ruth Nankabiriwa
Best Female News Anchor



Online category award
National Population Council
Uganda



Best News Anchor
Media Challenge Awards

Tanzania: Excellence in Journalism Awards Tanzania (EJAT) in 2018



Education



Health Reporting



Best Photographer



Sports News and Culture

Marketing Highlights



FIFA World Cup Launch



NTV on the Road



EABC Awards



Top 100 Awards



Top 40 Under 40 - Women



Top 40 Under 40 - Men

Corporate Social Investment



MPL donates assorted items to cancer patients at Kiota Kona, Kawempe



NMG participated at the 2018 Mater Heart run



NMG participated at the 2018 StanChart Marathon in Nairobi



Mwananchi Communications sponsors the 2nd edition of the Tulia marathon



NMG (KE) donated books to more than 3,000 pupils.



NMG staff at the 2018 Mutuini Half Marathon

New Key Appointments



Richard Tobiko
Group Finance Director



Pamela Makotsi - Sittoni
Executive Editor



Wayua Muli
Editor, Saturday Nation



Ng'ang'a Mbugua
Managing Editor, Business Daily



Mutuma Mathiu
Group Editorial Director



**Managing Editor, The
EastAfrican & Africa
Project Lead**



David Aduda
Editor, Partnerships & Projects



Rachel Wanyoike
Head of Risk & Compliance

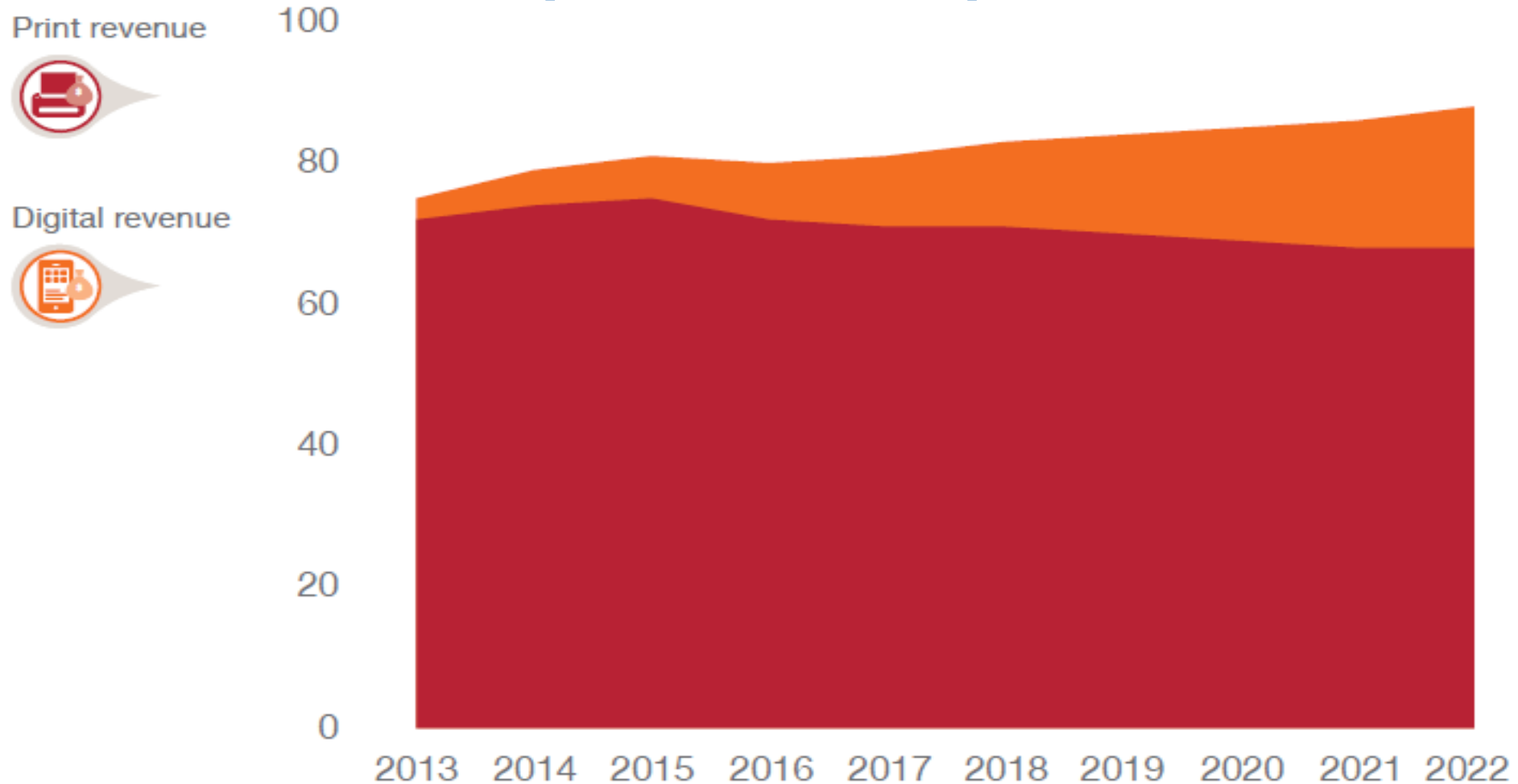


Celebrate our **60 years** of being a
true, trusted & independent
champion of society

A close-up, macro shot of a camera lens, showing the intricate details of the lens elements and the surrounding metal housing. The image is characterized by vibrant, ethereal light flares in shades of blue and orange, creating a sense of depth and focus. The text "Business Sustainability" is overlaid in the center in a bold, white, sans-serif font.

Business Sustainability

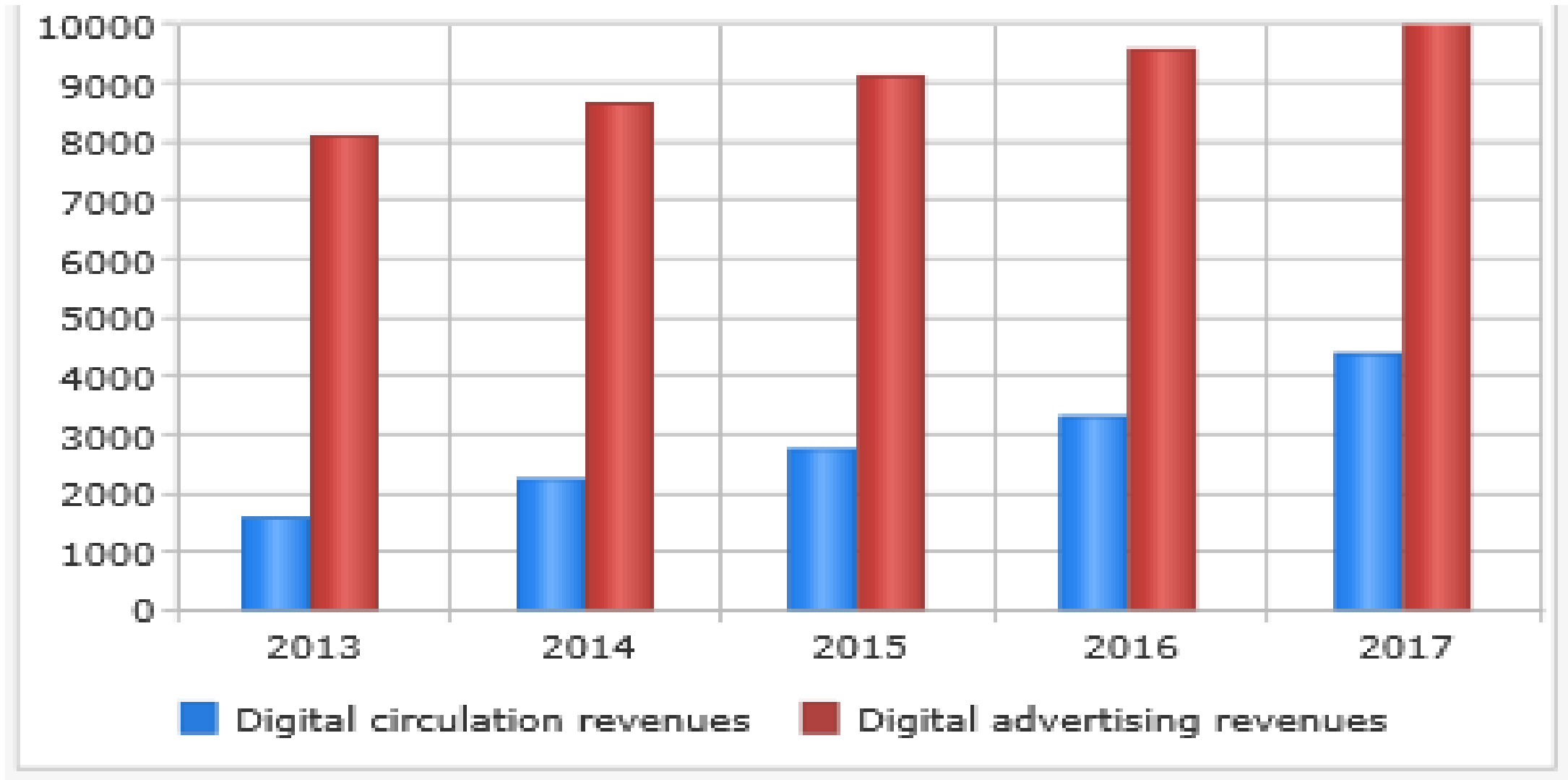
Kenya: Newspaper market, print vs digital, 2013 – 2022 (US\$ millions)



Source: *Global Entertainment and Media Report (PWC) 2018 - 2022*

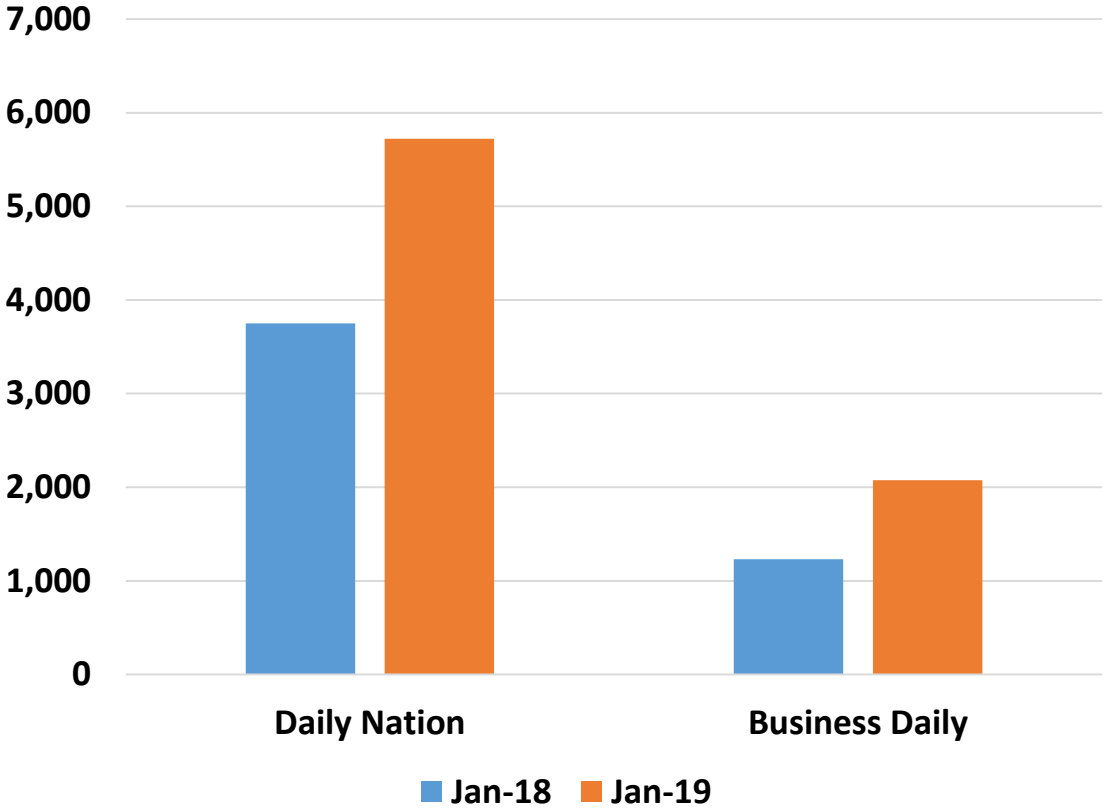
Newspaper revenues to grow with focus on digital, not print

Global digital revenues US\$ million at current prices

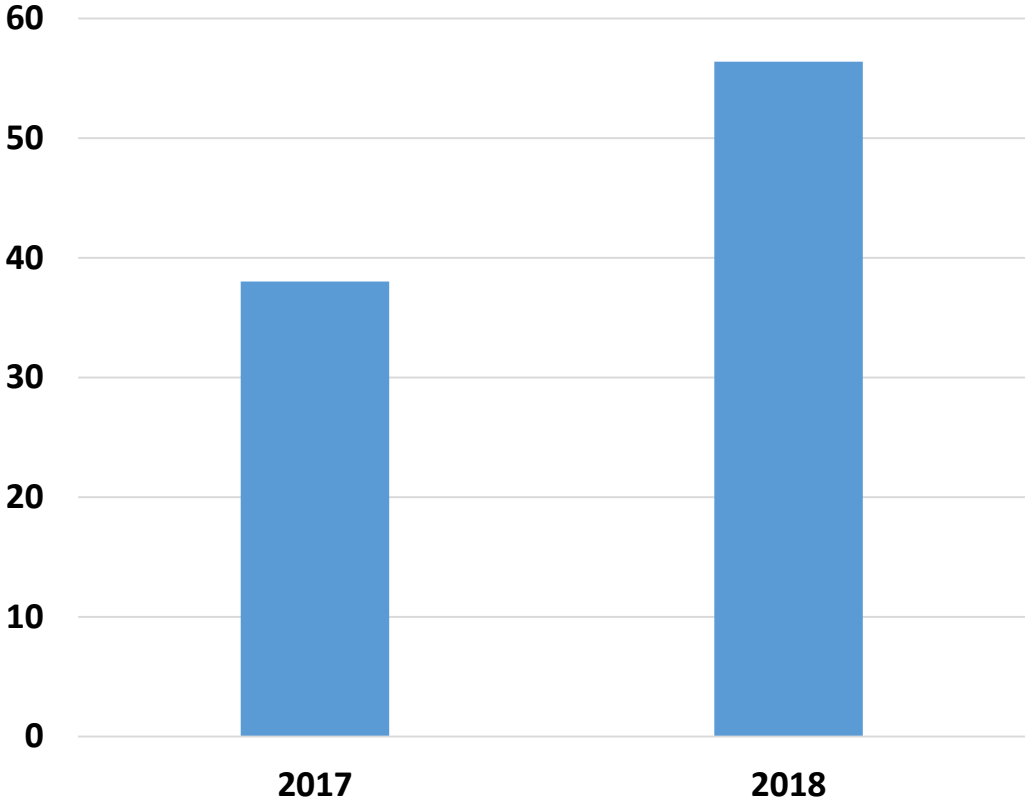


NMG e-paper performance

Active Subscriptions (monthly average)



Net Revenue (KES Millions)



Strong growth in 2018: 48% propelled by evolving consumption patterns and aggressive corporate sales push

The Challenge

Our **KEY CONSUMERS** have gone wholeheartedly **DIGITAL-SOCIAL-MOBILE**. We need to be **RELEVANT** in their lives by being the provider of **UNIQUE, HIGH QUALITY CONTENT** at their **CONVENIENCE** in their **WAY**

Where we play and How we win

WHERE?

- **MOBILE FIRST**
- **QUALITY, DIFFERENTIATED CONTENT**
- **MULTIPLE PLATFORMS**



- **FIRST WITH THE TRUTH**
- **SUPERIOR USER EXPERIENCE**
- **RIGHT FOR YOUR LIFE**

Our Commitment

We will give our consumers highly desirable content that fits into their worlds, wherever, however and whenever they need it



Our Action Agenda

1



Track and understand the changing needs of the **CONSUMER**

2



Produce dynamic **CONTENT** that evolves with its user

3



Deliver superior **USER EXPERIENCE** (Across platforms)

4



Leading societal conversations by **LIVING OUR VALUES** (Always)

5



Recruit and grow **AUDIENCES** (Across platforms)

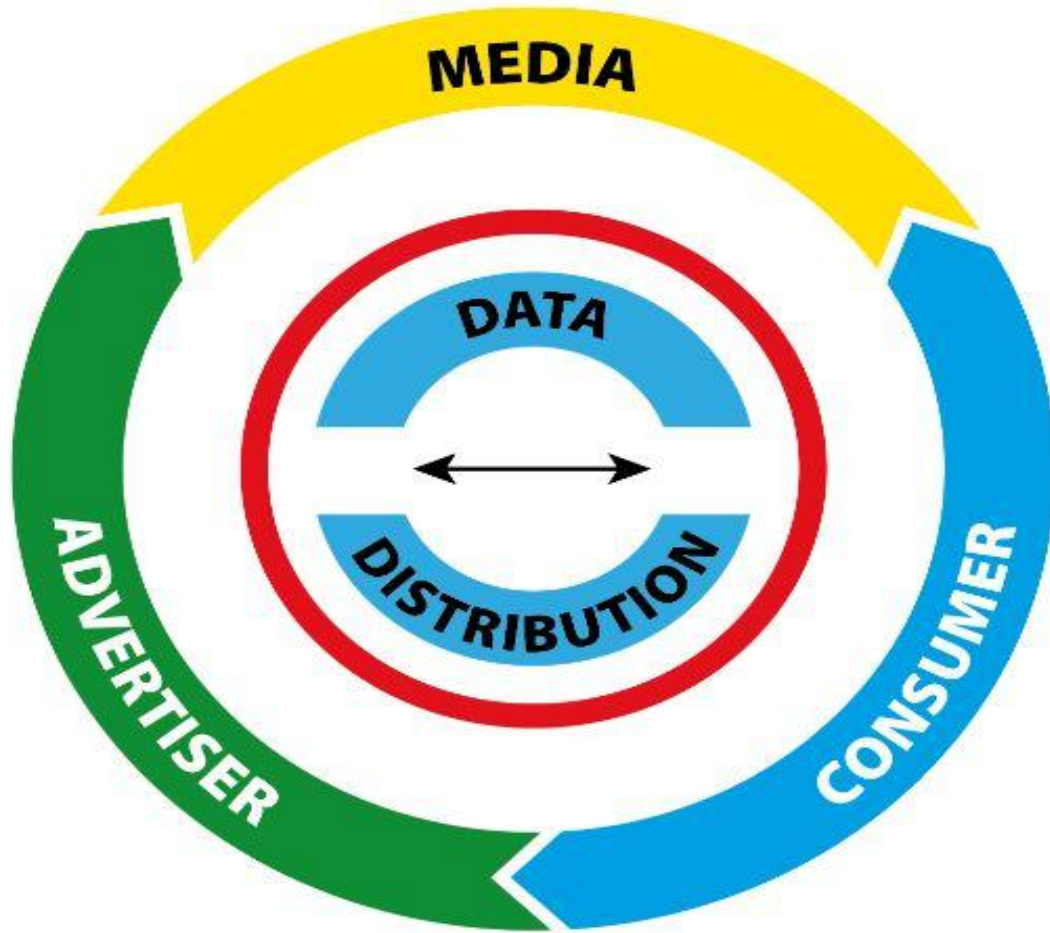
Business Objective



- **We are a content company;** our competitive edge will be based on content
- **Digital, Innovation & Our values** are enablers to achieve the business objective
- **Purpose for NMG:** To transform society in a sustainable manner

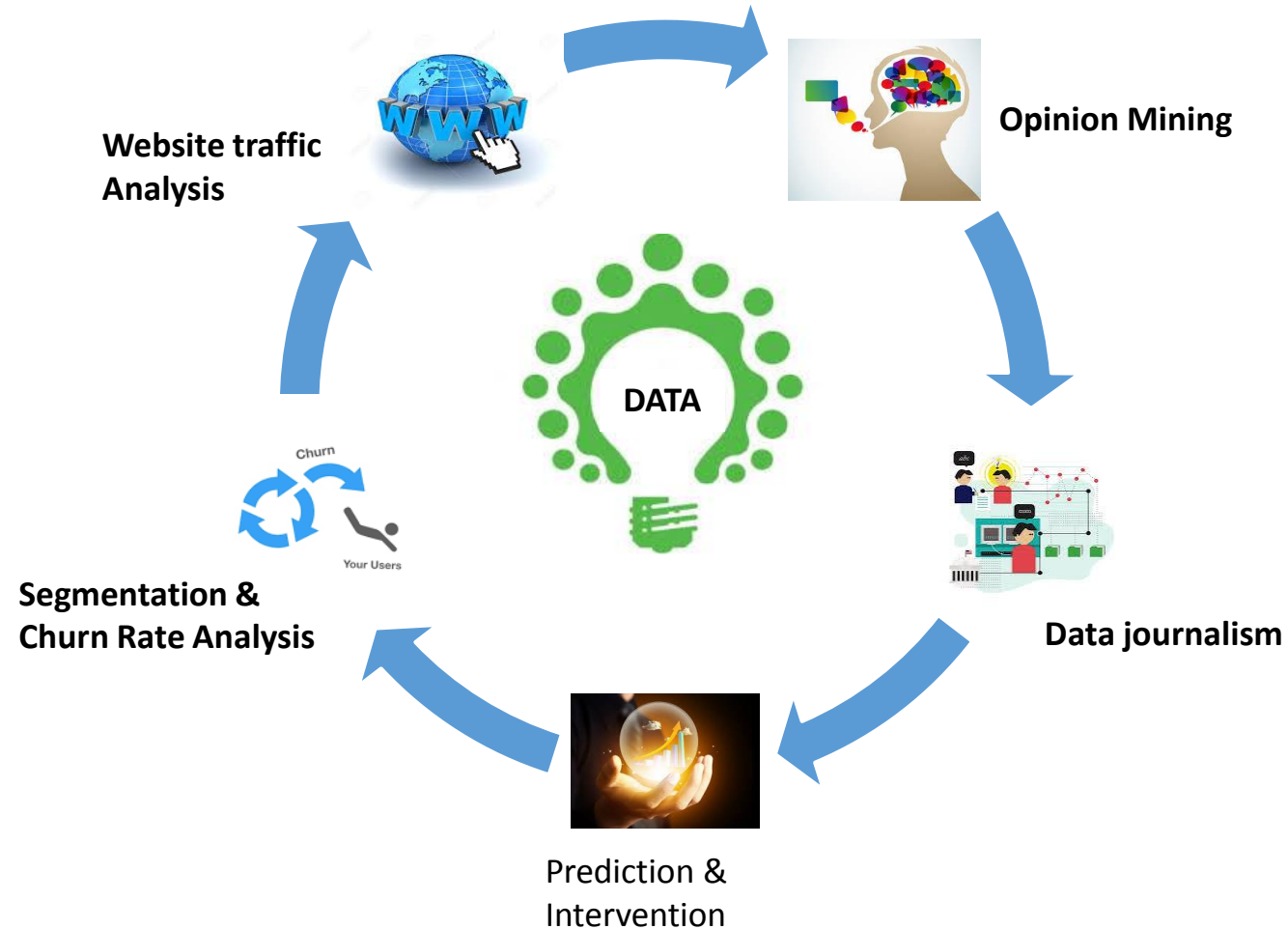


New Business Model



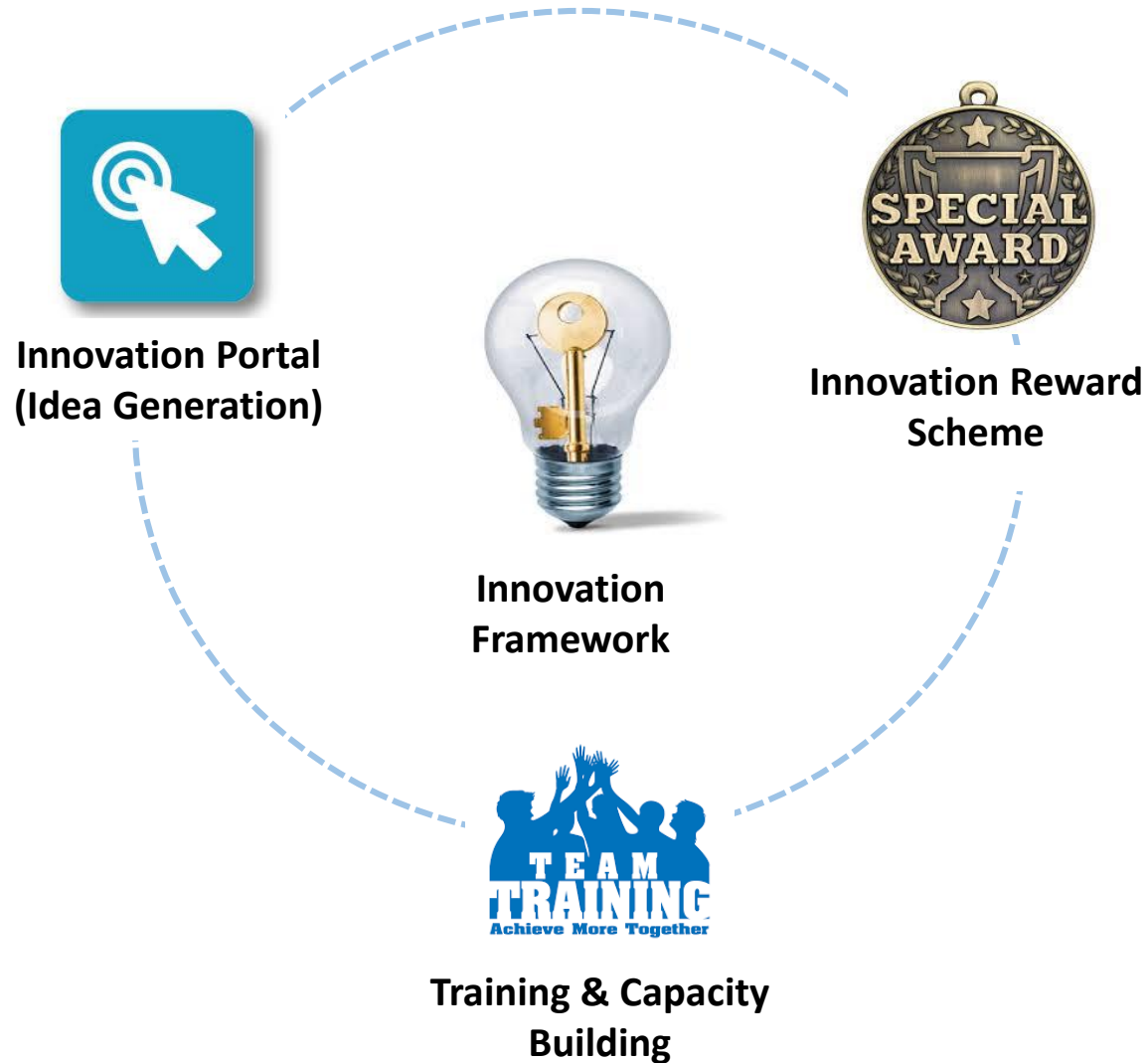
- **Diversifying revenue** opportunities (advertiser and consumer)
- Invest in **understanding the consumer** to develop products that connect and engage them
- Adopt appropriate **distribution model** to engage audiences (Enhanced user experience)

Data Insights for understanding consumer



We endeavour to gain a better understanding of our audience and their content needs

Building innovation culture



Creating an enabling environment for creativity, experimentation and unconventional thinking, challenging the status quo and the old way of doing things

Driving sustainability



Content
Monetization



Digital
Marketing



Events



Data Insights

We must lead the migration to digital and aggressively lead our audiences in new spaces by providing unique value that keeps them engaged on our platforms

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Q & A

A conceptual graphic for a business overview. It features a person in a dark suit and blue tie, with their hands clasped in the center. A white arrow curves upwards from the bottom left towards the top right, passing through the hands. The background is a light blue gradient with a complex overlay of business-related icons and text. These include terms like 'Investment', 'Solution', 'Feedback', 'Ideal', 'Cloud Computing', 'Social Network', 'Growth', and 'Jobs'. There are also various charts, graphs, and symbols like a lightbulb, a pie chart, and a bar chart. The overall theme is business strategy and growth.

Business Overview 2018

2018 Performance Overview



Challenging business environment



NTV Kenya Closure



Delays in payment



Key advertising discontinued



Newsprint price increase



FIFA World cup coverage



Talent Retention



MCL shareholding



Growth of online audiences



Strategic partnerships



Interest income decline



UGX Depreciation



Government austerity measures

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2018 PERFORMANCE OVERVIEW

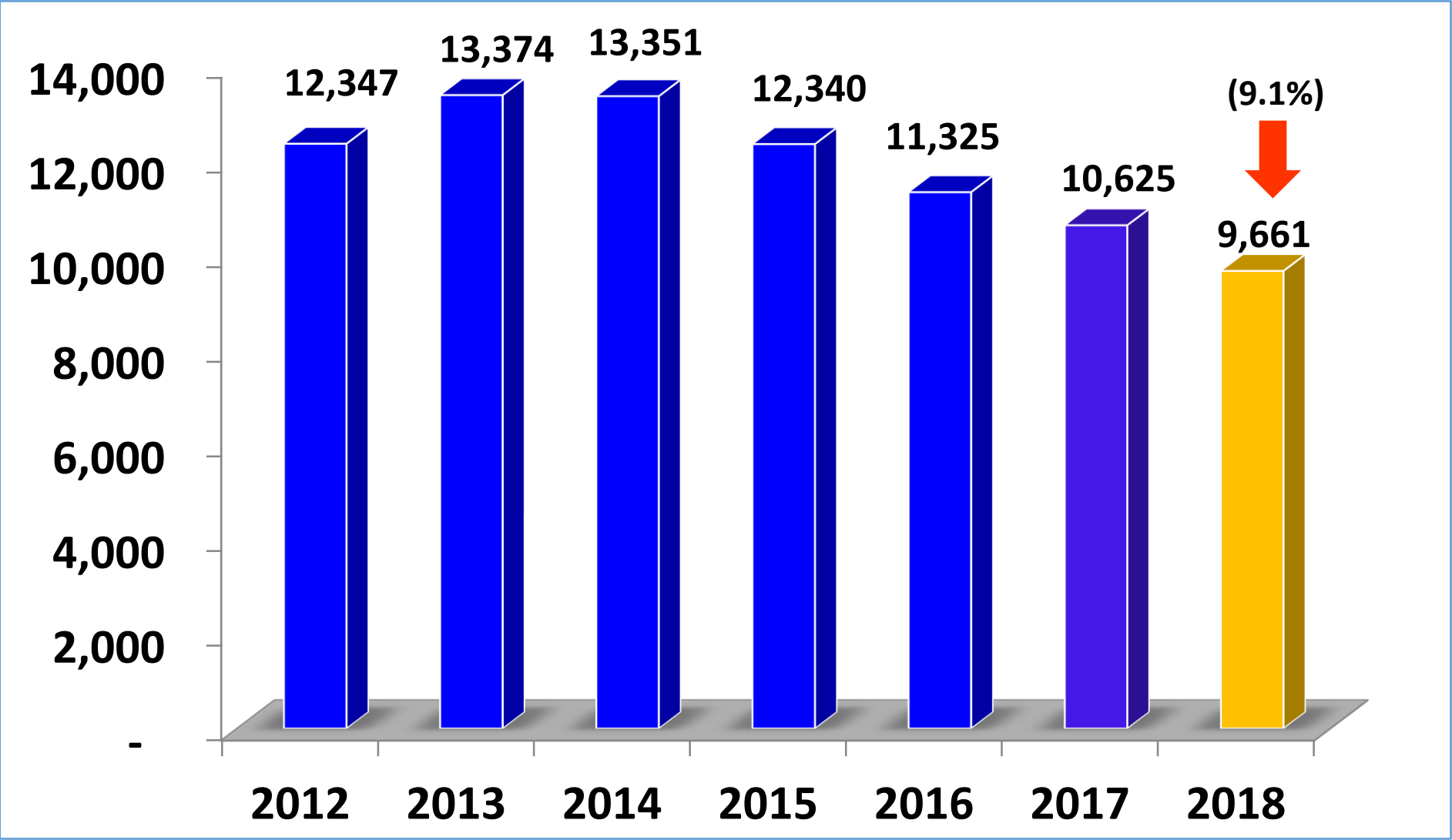
3

2018 GROUP RESULTS

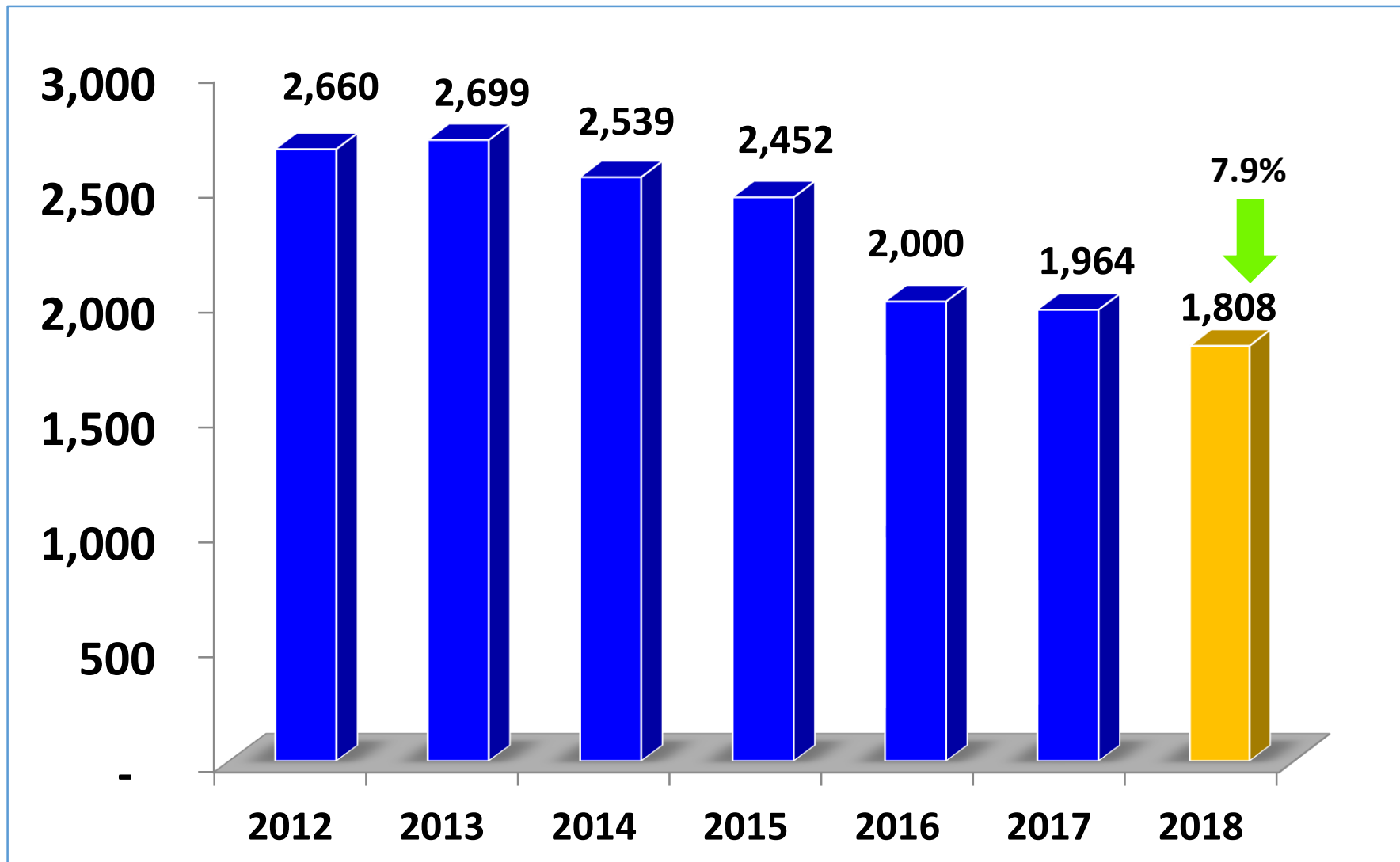
4

Q & A

Group Turnover Trend (Kshs M)



Cost of Sales (Kshs M)



Consolidated Statement of Comprehensive Income (Kshs M)

	2018	2017	% Change
Turnover	9,660.6	10,624.9	(9.1)
Profit before Income tax	1,634.0	1,954.6	(16.4)
Income tax expense	(516.5)	(643.8)	19.8
Other comprehensive income	(60.8)	40.1	>(100)
Total Comprehensive Income for the year	1,056.7	1,350.9	(21.8)

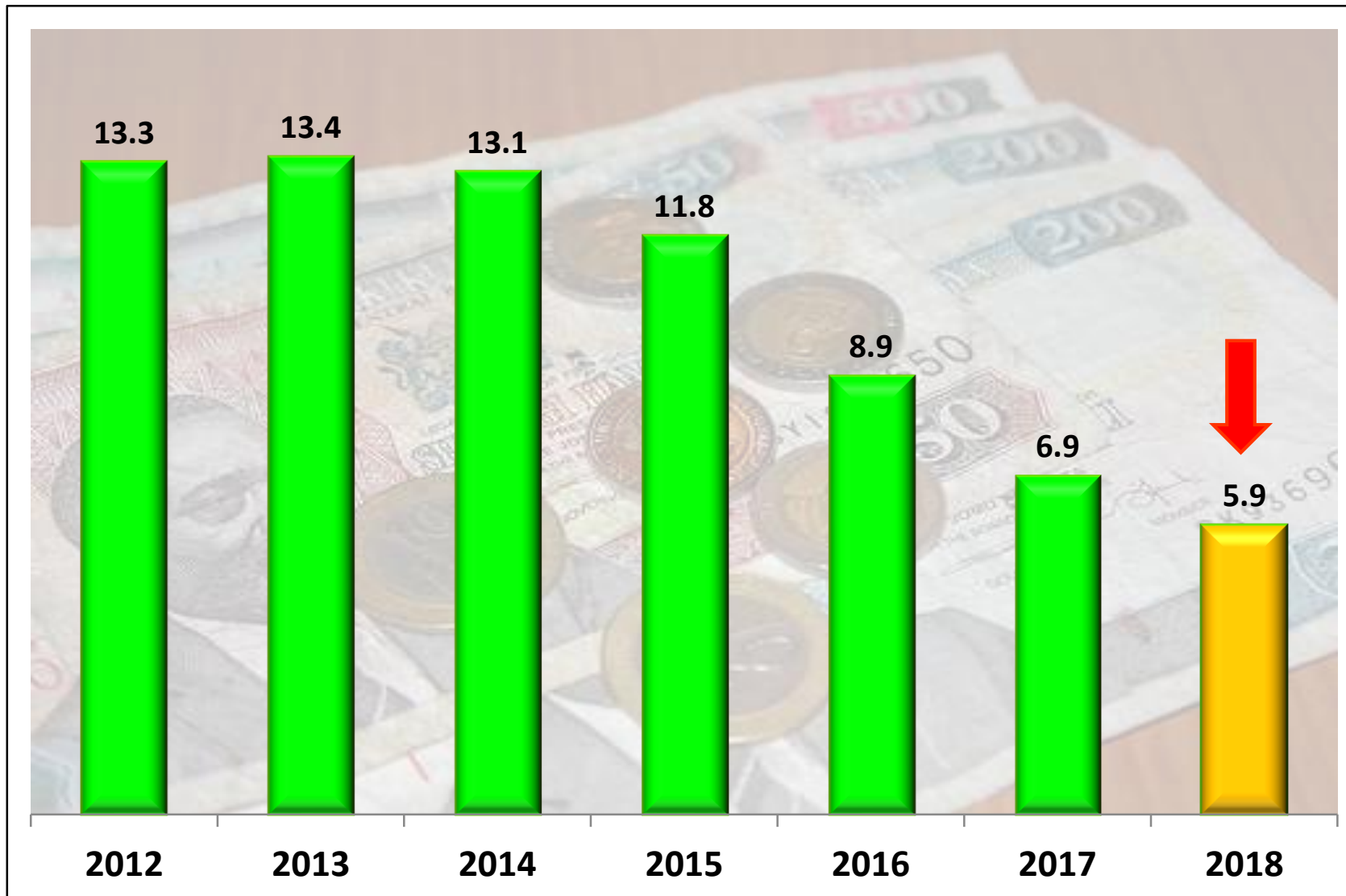
Consolidated Statement of Financial Position (Kshs M)

	2018	2017
Capital and reserves		
Share capital	471.4	471.4
Other reserves	(136.4)	(72.5)
Retained earnings	6,826.0	6,302.3
Proposed dividends	659.9	1,414.1
Non-controlling interest	56.7	51.0
Total equity	7,877.6	8,166.3
Non-current liabilities	30.0	25.9
Total equity & non-current liabilities	7,907.6	8,192.2
Assets		
Non-current assets	4,770.0	5,009.2
Working capital		
Current assets	6,428.0	6,311.1
Current liabilities	3,290.4	3,128.1
Net working capital	3,137.6	3,183.0
Total Assets	7,907.6	8,192.2

Condensed Cash Flow Statement (Kshs M)

	2018	2017
Cash generated from operations	1,142.2	2,807.7
Tax paid	(566.6)	(1,112.4)
Net cash from operating activities	575.6	1,695.3
Net cash generated in investing activities	309.2	534.0
Net cash used in financing activities	(1,697.4)	(1,885.5)
Increase/ (Decrease) in cash and cash equivalents	(812.6)	343.8
At start of period	1,692.6	1,344.7
Exchange gains/ (loss) on cash and cash equivalents	(12.9)	4.1
At end of period – Cash and Cash Equivalents	867.1	1,692.6
Short term investments	1,288.2	1,613.9
Total Cash	2,155.3	3,306.5

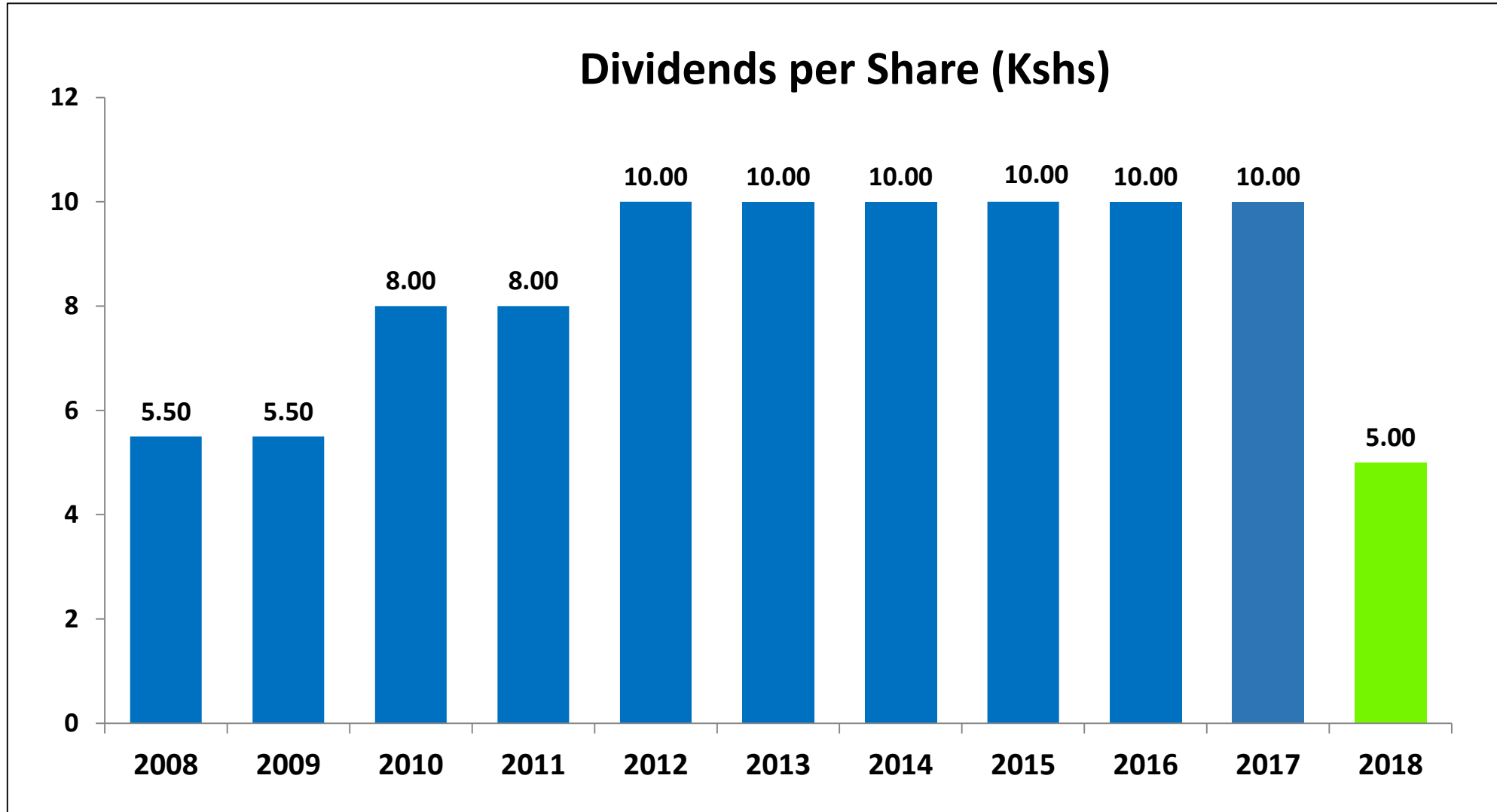
Earnings Per Share (Kshs)





Proposal for 2018 Dividend

Dividend Trend



Total Dividend rate at Kshs. 5.00 per share

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Q & A



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DAILY NATION



The EastAfrican

BUSINESS DAILY
■ more possibilities



THE CITIZEN



MWANANCHI
LIMURUWANI

Daily Monitor



KENYA BUZZ



NATION KIKI!

