



INVESTOR BRIEFING

2019 HALF YEAR PERFORMANCE

WEDNESDAY 28TH AUGUST 2019



AGENDA

Business Objective & Updates

H1 Highlights

H1 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



Uganda



Daily
Monitor



ENNYANDA



The
EastAfrican



Tanzania



The
EastAfrican

THE CITIZEN



Rwanda

The
EastAfrican

Our Values



**Continuous Improvement
& Innovation**



Consumer Focus



We are a team



Integrity & Trust



**Drive for
Performance**

A row of seven incandescent light bulbs is shown against a dark blue background. The central bulb is illuminated, casting a bright glow and reflecting on the surface below it. The other six bulbs are unlit and appear as dark silhouettes. The entire scene is reflected on a glossy surface.

Business Objective & Updates

We are clear on our business objective

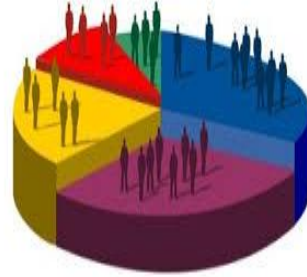


- **We are a content company**
Our competitive edge will be based on content
- **Digital, Innovation & Our values**
Are enablers to achieve the business objective
- **Purpose for NMG**
To transform society in a sustainable manner

Growing content business and creating new value



Develop new products to maintain competitive edge



Strengthen the bond with audiences



Investing in the right talent and capabilities



Quality, Credible & Trusted Content



Innovate to continuously meet consumer demands



Strengthen performance of legacy brands



Growing the top line
✓ Grow current revenues
✓ Generating new revenue streams

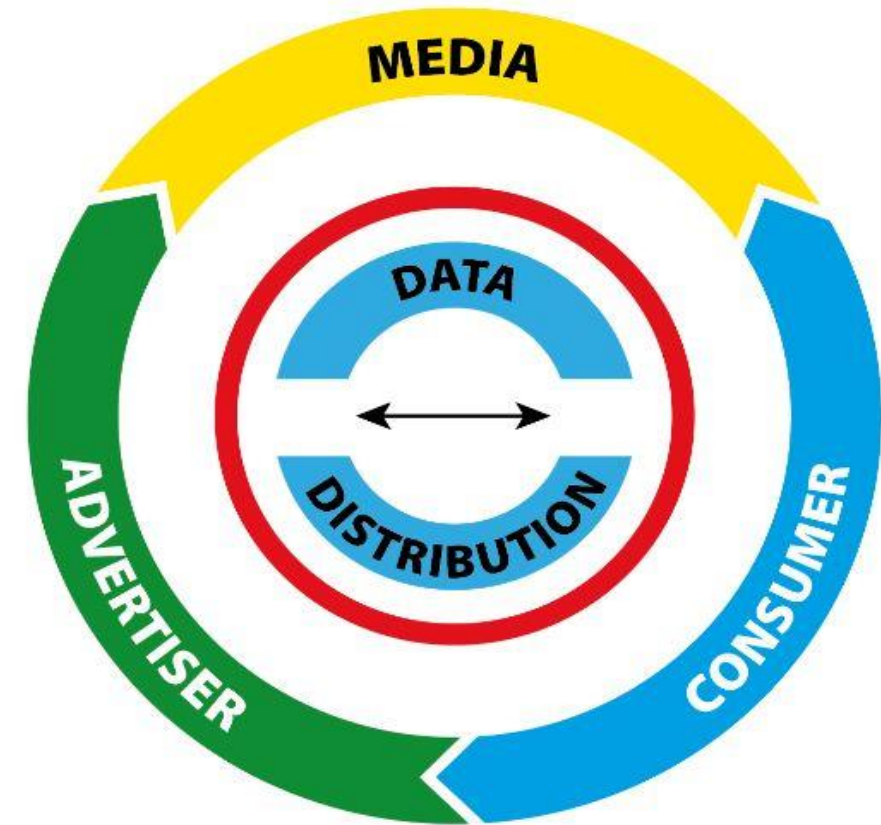
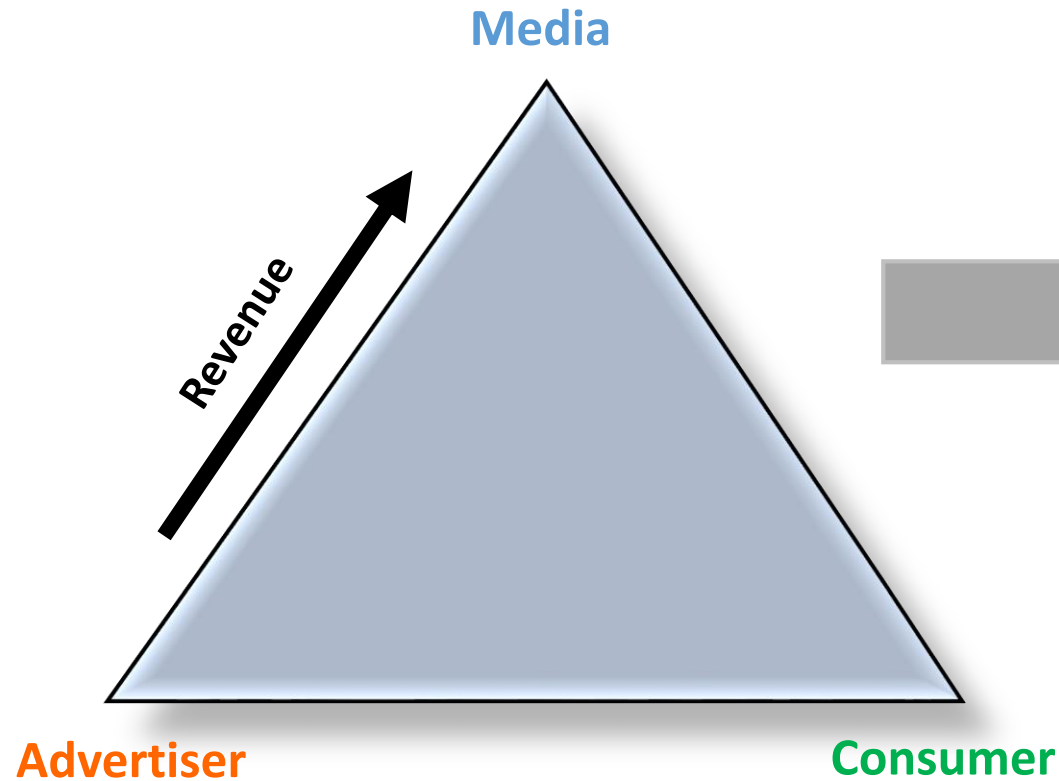


Productivity & Efficiency

Business Model

TRADITIONAL

CURRENT



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

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

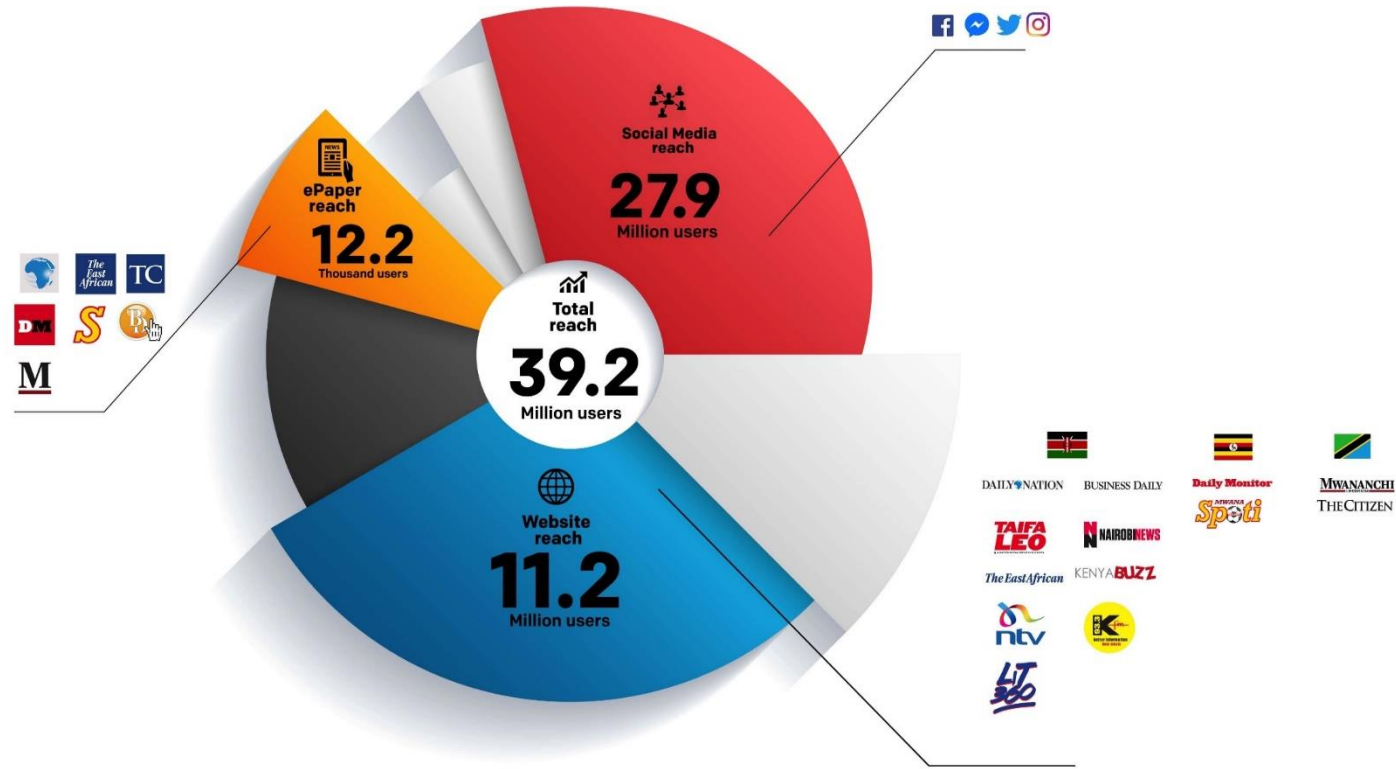
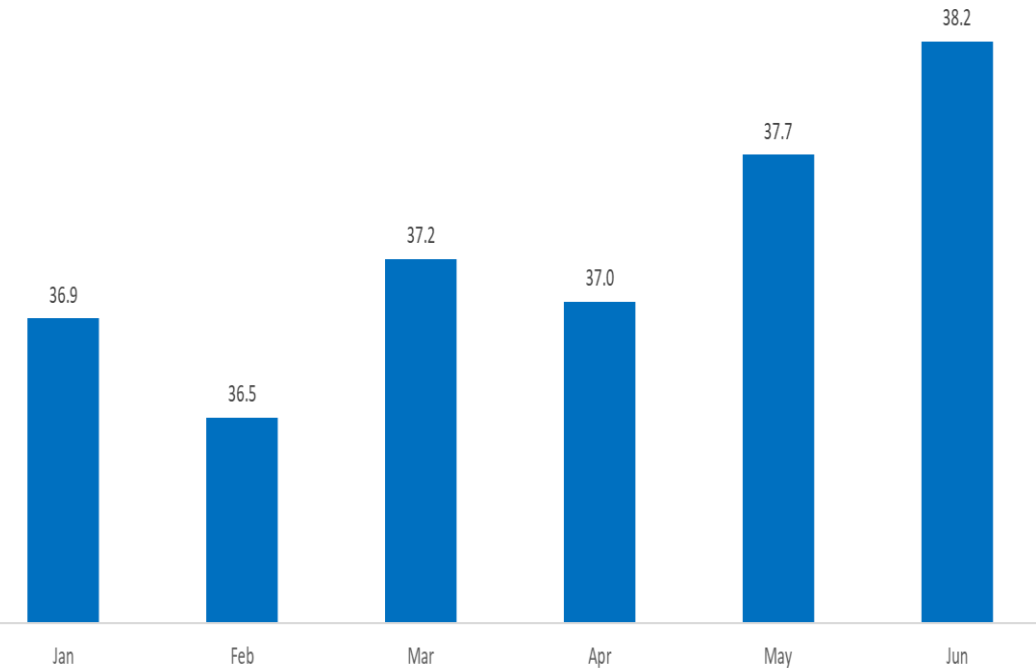


Recruit and grow **AUDIENCES** (Across platforms)

DIGITAL Footprint

JULY 2019

Footprint (in millions)



<p>MOBILE</p> <ul style="list-style-type: none"> Whatsapp (Kenya - 31K Reach) (Tanzania - 38K) Telegram - 18K Nation News app 50K+ 	<p>CHATBOTS</p> <ul style="list-style-type: none"> KIKI - 24K 	<p>NEWSLETTERS</p> <ul style="list-style-type: none"> Business Daily Subscribers - 33,537 (Open rates 34%, Click rates 18%) Kenyabuzz Subscribers - 95,171 (Open Rate 8%, Click rate 7%)
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***367# for Breaking News Alerts in English & Swahili**

Investment in understanding our audiences



Data Scientists, Data Analysts, Data Engineers

Capacity Building
& Training



Tableau, Microsoft Power BI, Google Analytics 360,
Oracle Data Management Platform

Tools &
Technology



Consumer Insights
& Engagement

- Created a foundation for user/customer journey analytics and basic personas of users on our platforms
- Obtaining user behaviour insights from website user data on NMG online properties, used for content improvement and development.

Protecting Nation journalism



Sustainability dependent on content quality

Content monetisation

Product improvement

- Daily Nation
- Saturday Nation
- Sunday Nation
- The East African



Mobile Apps

- Healthy Nation
- Seeds of Gold
- MyNetwork



Content Focus

Syndication

- Video
- Graphics
- Photos
- Stories

(Payment: Mpesa, Card)



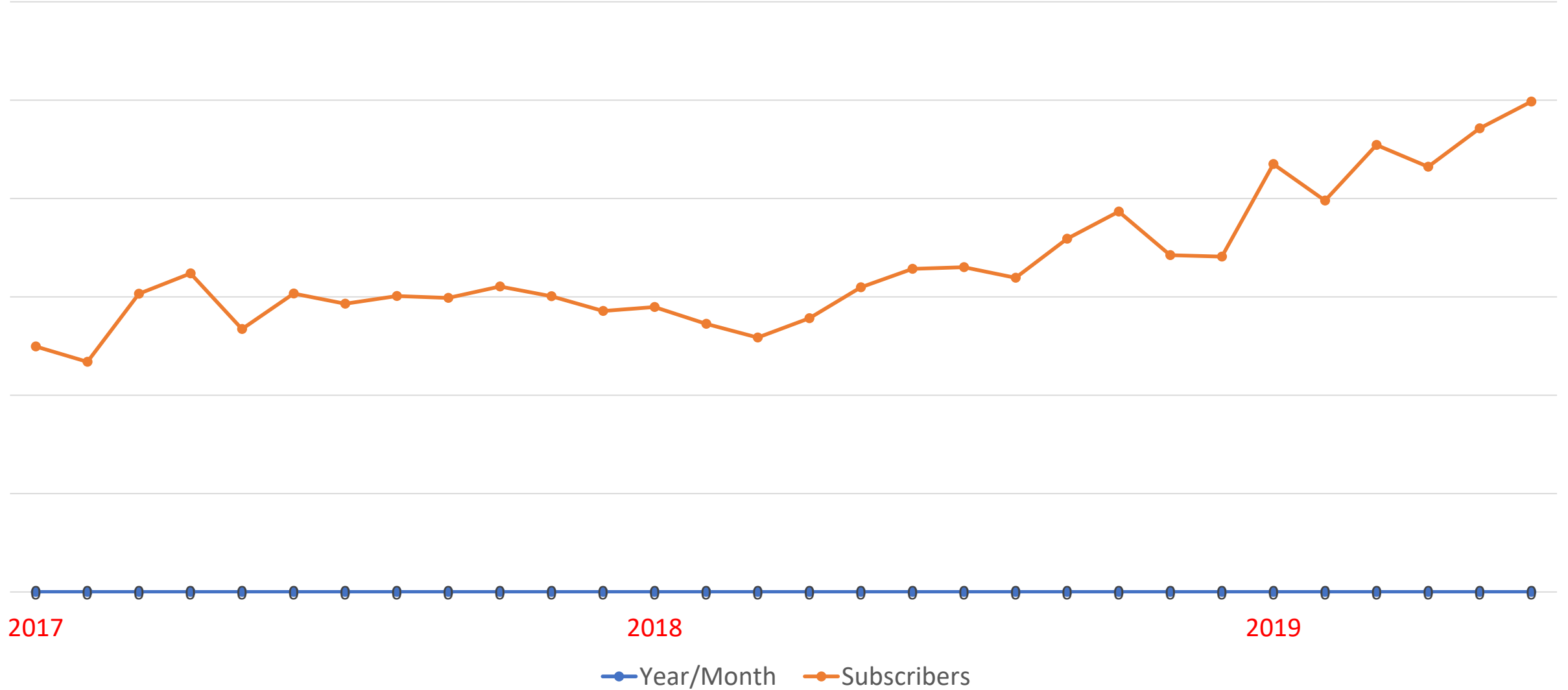
Gateway

- Premium content
- Micropayments
- Term subscription



Building a profitable and sustainable digital business model

E-Paper Subscription Trend



Subscription growth of 67% in the last 12 months

Monetising digital audiences



Use of analytics, research and insights to drive client objectives



Targeted advertising



Refining communication channels



Building Strategic Partnerships

Ad
728 x 90



Welcome to KenyaBuzz

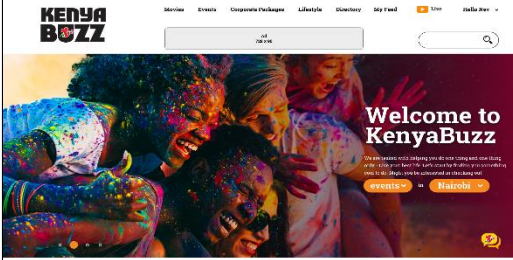
We are tasked with helping you do one thing and one thing only - Live your best life. Let's start by finding you something cool to do. Might you be interested in checking out

[events](#) in [Nairobi](#)



An online movie and events ticketing platform
Events Featured For You

- Integrated majority of movie cinemas in Nairobi on KenyaBuzz
- Site revamp to provide an unparalleled user experience



Events Featured For You

- Naivasha Paint run
- Earthquake Preparedness
- Bachelorette

Movies Featured For You

- Blade Runner 2049
- Solo
- Star Wars: The Force Awakens

Articles Featured For You

- Top 10 best Burger Joints by City

Listings Featured For You

- The Venetian Spa
- Gap's Salon
- Big Bad's

Introducing KRED

Why The Loyalty Card

- 01
- 02
- 03
- 04
- 05
- 06

Through our TV programmes, radio shows, Label artists and events, LIT MUSIC brings the BIGGEST moments in music entertainment to fans

LIT Music

LIT MUSIC is Kenya's newest and most exciting record label that brings together the newest, most talented and diverse artists Kenya has to offer.

LABEL PROFILE



Our Artists



REDEMPTION



NONI



MWENYE HAKI

WE PROMOTE OUR MUSIC TALENT THROUGH A 360 DEGREES COVERAGE ACROSS ALL OUR PLATFORMS IN BROADCASTING, PRINT AND DIGITAL.



SHERA



VANESSA



BADDERMAN

Our Artists

THE LIT BAND

THERE IS NO SUBSTITUTE FOR THE EXCITEMENT OF A LIVE PERFORMANCE.

THE LIT BAND IS FLEXIBLE AND VERSATILE ENOUGH TO PERFORM AT DIFFERENT EVENTS AND CATER TO A WIDE ARRAY OF MUSICAL TASTES.



CONCERTS



CORPORATE EVENTS



LIVE GIGS

Performing every Friday from 6pm at the Westgate Pop Up Market

Events objective



Shape conversations

- ✓ Enrich discourse on key issues
- ✓ Contribute development agenda
- ✓ Aligned to NMG's core purpose of quality journalism



Content development

- ✓ Generate unique content
- ✓ Repurposed across platforms
- ✓ Opportunity to serialise issues



Protect & Enhance NMG's Reputation



Strong valuable stakeholder relationships



Opportunity for alternative revenue stream

2019 Events Update



Seeds of Gold: Farm Clinic
Narok, Thika, Kajiado



The Leading Woman
Q4, 2019



Live2Lead with John Maxwell
October 11th, 2019
Serena Hotel - Nairobi



Top 100 Survey (Kenya)
Currently accepting entries



Top 40 Under 40 women
Nomination on-going



MyNetwork Career Fair



Westgate Auto Show

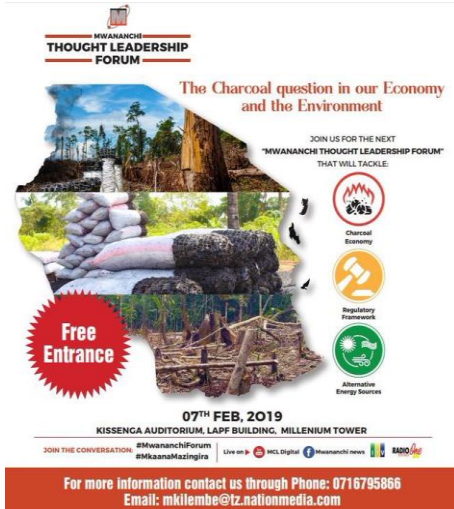


NTV On The Road



Thought Leadership Forums

Mwananchi Thought Leadership Forum



MWANANCHI THOUGHT LEADERSHIP FORUM

The Charcoal question in our Economy and the Environment

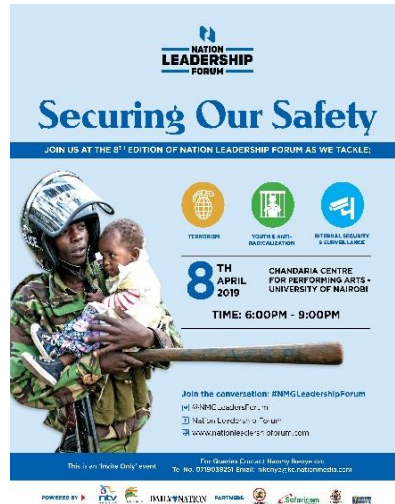
JOIN US FOR THE NEXT "MWANANCHI THOUGHT LEADERSHIP FORUM" THAT WILL TACKLE:

- Charcoal Economy
- Regulatory Framework
- Alternative Energy Sources

07TH FEB, 2019
KISSENGA AUDITORIUM, LAFF BUILDING, MILLENIUM TOWER

For more information contact us through Phone: 0716795866
Email: mkilembe@tz.nationmedia.com

Nation Leadership Forum



NATION LEADERSHIP FORUM

Securing Our Safety

JOIN US AT THE 8TH EDITION OF NATION LEADERSHIP FORUM AS WE TACKLE:

- TERRORISM
- YOUTH & EMPLOYMENT
- INTERNAL SECURITY & STABILITY

8TH APRIL 2019
CHANDARIA CENTRE FOR PERFORMING ARTS - UNIVERSITY OF NAIROBI
TIME: 6:00PM - 9:00PM

Join the conversation: #NLFLeadershipForum
@NLFLeadershipForum
Nation Leadership Forum
www.nationleadershipforum.com

Mwananchi Thought Leadership Forum



MWANANCHI THOUGHT LEADERSHIP FORUM

Theme: Our Agriculture, Our Lifeline

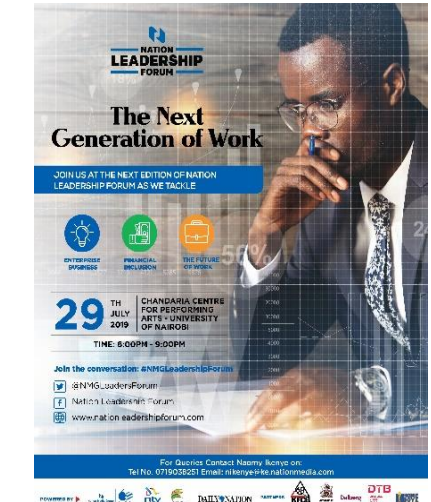
Date: May 23rd, 2019
Venue: Kissenga Hall, Millenium Tower
09:00- 11:00 PM

Save the date!

RSVP : 0767210419
smunema@tz.nationmedia.com

1 DAY TO GO

Nation Leadership Forum



NATION LEADERSHIP FORUM

The Next Generation of Work

JOIN US AT THE NEXT EDITION OF NATION LEADERSHIP FORUM AS WE TACKLE:

- TECHNOLOGICAL DISRUPTION
- FINANCIAL INCLUSION
- THE FUTURE OF WORK

29TH JULY 2019
CHANDARIA CENTRE FOR PERFORMING ARTS - UNIVERSITY OF NAIROBI
TIME: 6:00PM - 9:00PM

Join the conversation: #NLFLeadershipForum
@NLFLeadershipForum
Nation Leadership Forum
www.nationleadershipforum.com



Theme: The Charcoal question in our Economy and the Environment



Date: 7th February 2019



Theme: Securing our Safety



Date: 8th April 2019



Theme: Our Agriculture, Our Lifeline



Date: 23rd May 2019



Theme: The Next Generation of Work



Date: 29th July 2019

NMG at 60 Activities

Objective: Celebrate 60 years of being a true, trusted & independent champion of society while also building a basis for NMG's sustainability

1.



NMG at 60 Launch

Cocktail and festival of lights display to mark the start of the celebrations and showcase NMG as a digital and innovative brand

Distributor Conference

Two day conference with all NMG distributors across the country to strengthen valuable relationships with them and continue to build upon the mutual partnership.



2.

3.



Client Appreciation Cocktails

Client cocktails held at the Nation Centre to celebrate and appreciate our partners and continue to build upon our existing relationships.



Staff Funday

Staff NMG at 60 party to celebrate all staff members who have been involved in the journey and built NMG to the regional media house it now is.

4.

WHO WILL
FEED AFRICA'S
BILLIONS?

***WHAT AFRICA DOES
WITH FOOD IS GOING
TO DETERMINE
THE FUTURE OF
FOOD IN THE
WORLD**



65%

of the world's
uncultivated
arable land is
in Africa



\$35B

The amount
spent by Africa
importing food
to feed itself



\$110B

The amount
Africa will spend
importing food
to feed itself by
2025

AKINWUMI ADESINA
President, African Development Bank Group

Feeding Africa's billions – just one of the themes to be tackled at the KUSI – Ideas Festival convention | Meet the leading African minds at the conference that creates exposure and fires up action.

Register on:

www.kusiideasfestival.com

For more information contact Naomi Ikenye on:
nikenye@ke.nationmedia.com / t. +254 719 038 251

KIGALI CONVENTION CENTRE

**24-25
OCT 2019**
–KIGALI • RWANDA–

*Source: AfDB Debate: Transforming agriculture for wealth creation in Africa

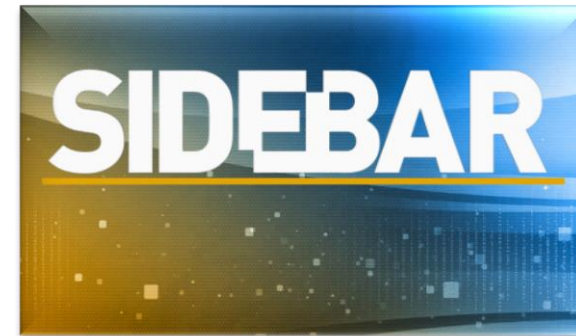


...
THE NEXT
60 YEARS IN
AFRICA

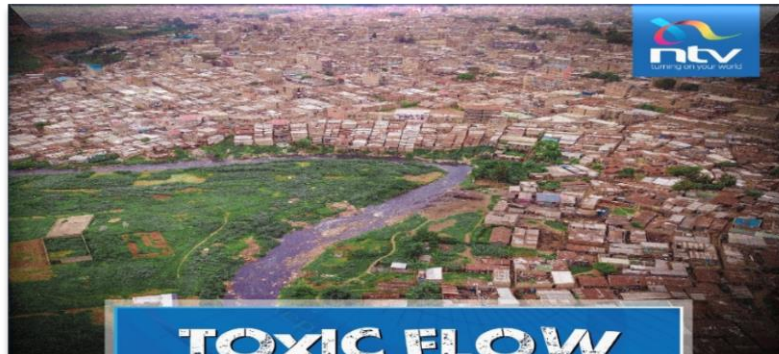
KUSI Ideas Festival

The theme will be “**The Next 60 Years in Africa**” and will bring together diverse influential leaders, innovators, young entrepreneurs and some of the best policy minds on the continent including Heads of State.

NTV Programming







NTV Features




TOXIC FLOW

The place of cool waters has turned to the source of poisoned waters. Nairobi River is serving counties the slime and sludge that waters their food. We bring you the sights, sounds and results of our investigation.

THIS SUNDAY @ 7pm & 9pm











PREDATOR GUARDIANS

In the recent past, Makueni county has experienced a rise in reported cases of Gender Based Violence. NTV unearths how children in the county, have become victims of heinous sexual defilement, some, even from relatives supposed to be protecting them.

THIS SUNDAY @ 9.30 p.m.





RED ALERT!


They have no qualms selling you poison as food. It's a closely guarded secret to maximise on profits. #NTVinvestigates reveals how many have been duped, how supermarkets give your favourite foods a second life.

THIS SUNDAY @ 9.30 p.m.







LIVE FROM NAROK. DON'T MISS OUT!







NTV ON THE ROAD

NAROK SUPA EDITION
Fri 24th - Sun 26th May, 2019



Follow these easy steps to get NTV back on your free to air set-top box or digital TV:

1. Point your aerial for optimum picture.
2. Rescan your set top box to refresh channels.
3. Complete channel search. Scroll to NTV or ADN NTV.

NTV Revamp



- News
- Current affairs
- Investigative journalism
- Features
- Entertainment

QTV Re-launch



Highlights



Corporate Social Responsibility



Murumba Primary Sch.

March 22nd, 2019.

The school serves a population of 660 pupils.



Laikipia County Rehabilitation Centre

May 17th, 2019.

The facility serves as a rehabilitation centre for 80 children.



Mama Fatuma Goodwill Children's Home

May 23rd, 2019.

The facility caters for 65 children in house and 20 on home based care with relatives.



Kiwandani Primary Sch.

July 19th 2019.

The school serves a population of 1453 pupils.



Annual Journalism Excellence Awards 2019

Winners:



Business Print – John Kamau
Fertilizer politics and how the factory was derailed.



Gender Print – Angela Oketch
Kenya's first human milk bank finally ready to save babies' lives



Sports Print – Celestine Olilo
Rotting in jail: The footballing talent we waited for in vain



Health Print – Angela Oketch
Counties: How we got women to ditch home birth



Devolution TV – Edmond Nyabola & Robert Gichira
From cot to court



ICT Print – Waikwa Maina
With this mobile app you can run your farm on remote control



Governance Print – Brian Wasuna
Kenyans to pay Sh6bn in meat factory scandal



THE VOICE
ACHIEVERS AWARD

Elias Makori – African Media Personality Award
Winner - The Voice Achievers Awards

Excellence Awards

Winners:



Eunice Omollo (Overall)
Best Health Reporting - Africa Media Health Network Awards



Rose Wangui
Winner – Knight International Journalism Award



Eunice Omollo (TV Category)
Best Health Reporting - Africa Media Health Network Awards



Sharon Baranga
Best report for Early Childhood Education



Eunice Kilonzo (Print Category)
Best Health Reporting - Africa Media Health Network Awards



JuniorSpot
Best New Print Product (3rd place)



NTV Kenya – Winner
Persons With Disability Accessibility Award



NTV Uganda
Most Admired Media Brand in Uganda – Brand Africa 100

H1 2019 Group Results



Performance Drivers



Data & Analytics



Audience Monetisation



Content Monetisation



E-Paper



Partnerships



Debt



Productivity & Efficiency



60th Anniversary Celebrations



Enhancement of Digital Structure



Sector-based selling



Newsprint price increase



Challenging business environment

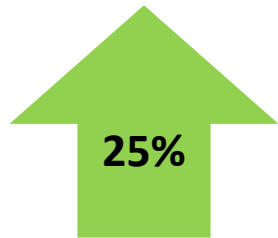


Interest income decline

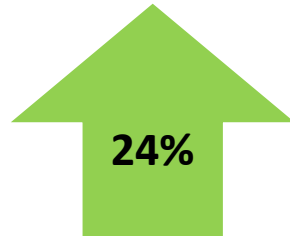


Currency Depreciation

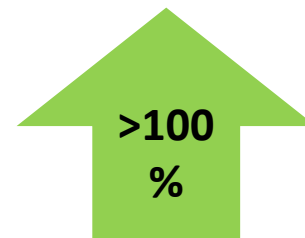
H1 Performance Highlights



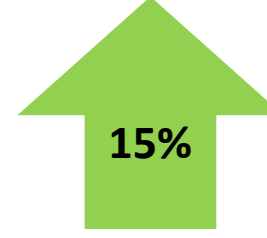
Cash generated from operations



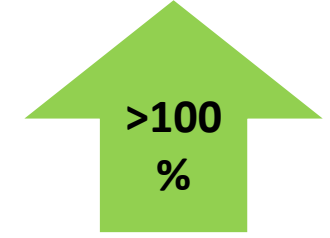
Digital Copy Sales



Music

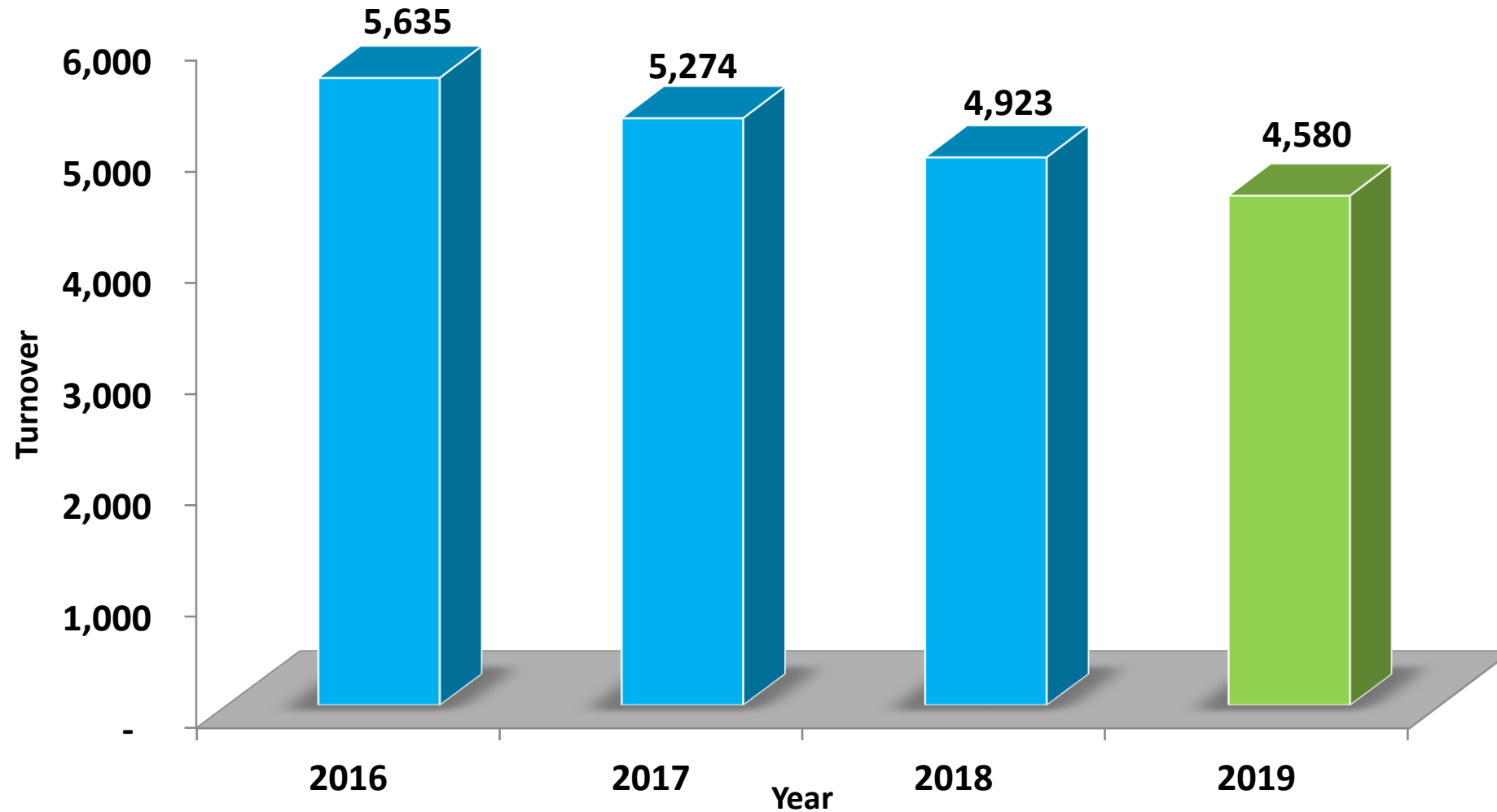


Kenya Buzz

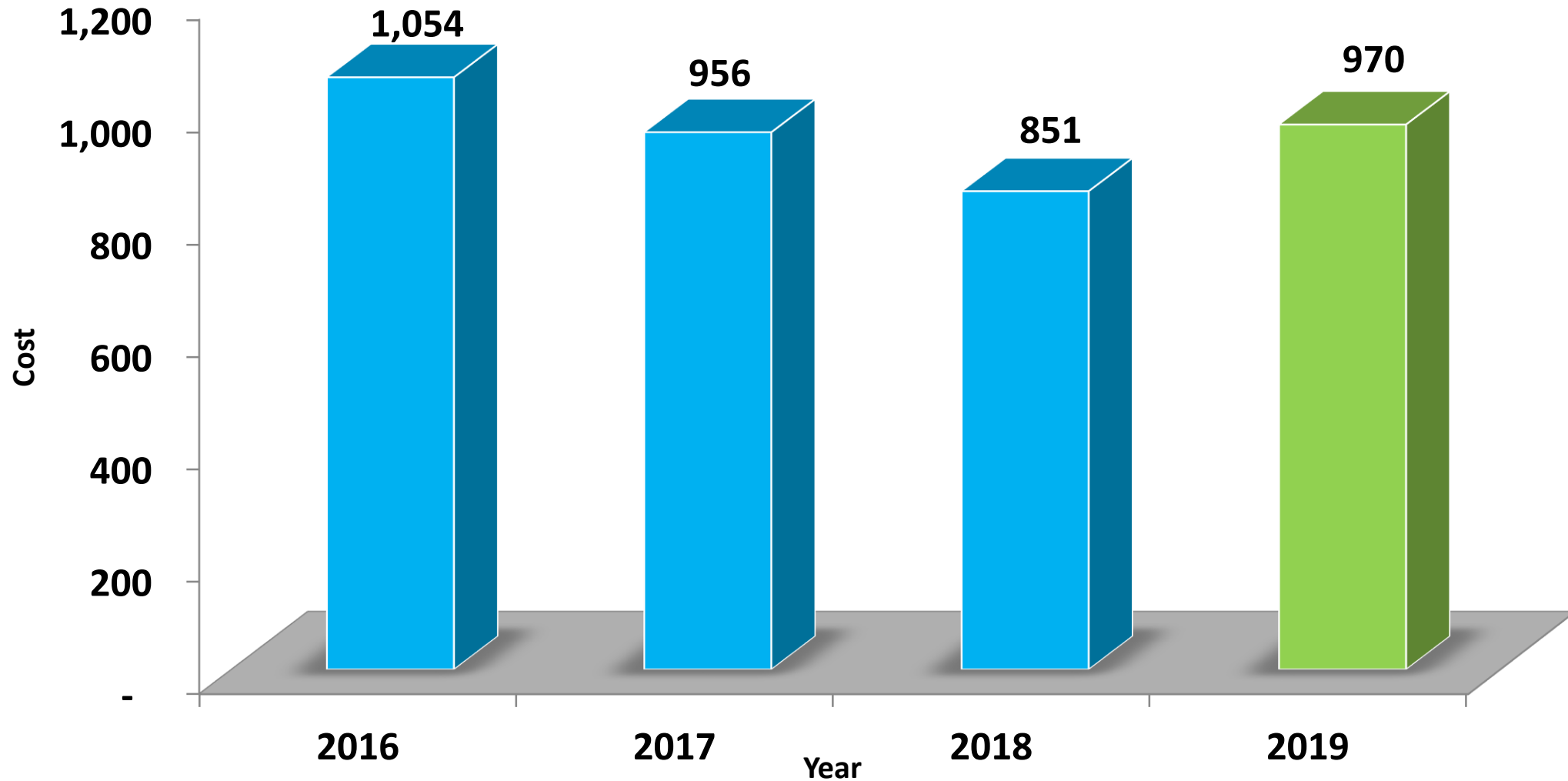


Google Ads

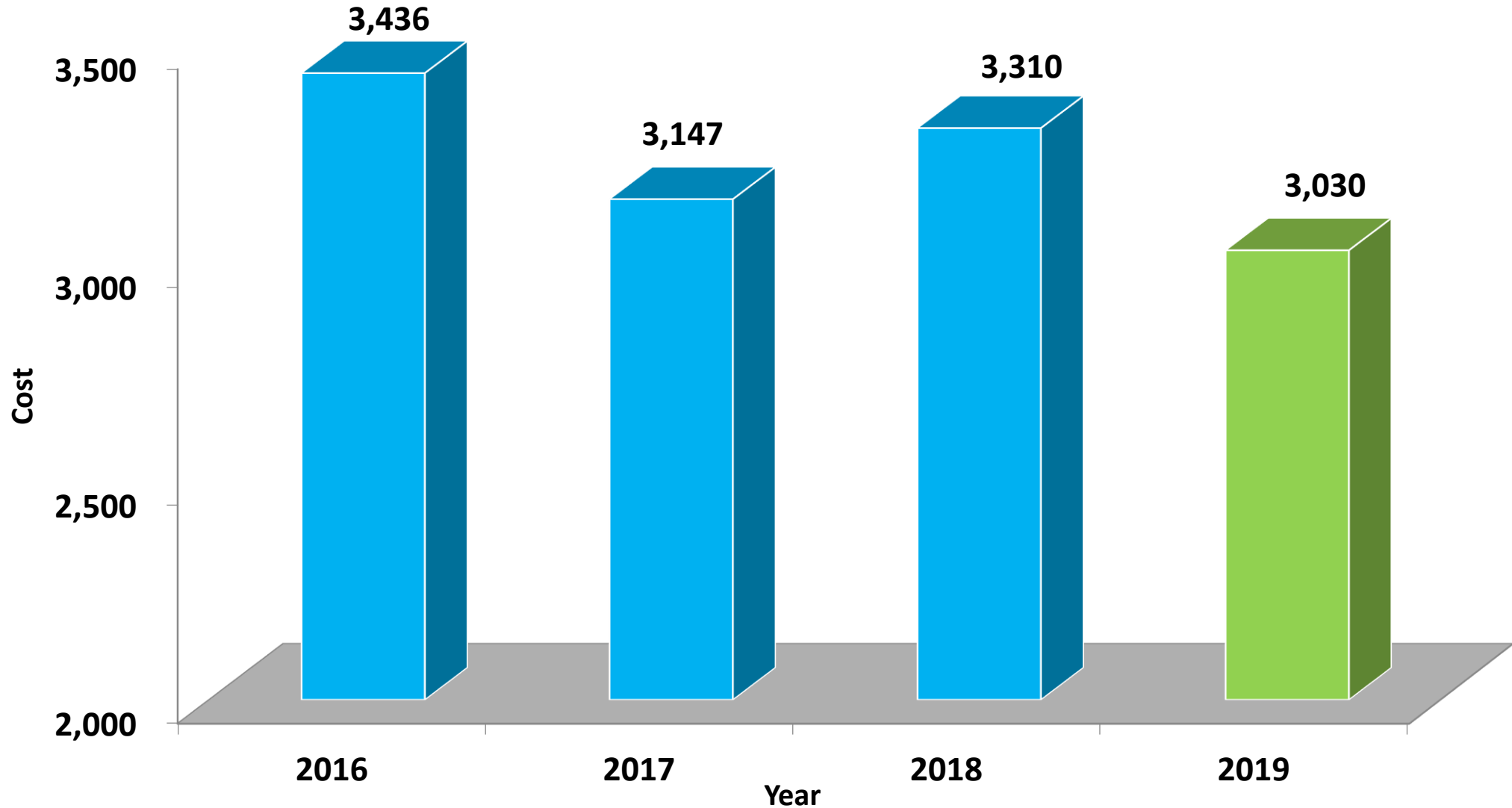
Turnover Trend (Kshs m)



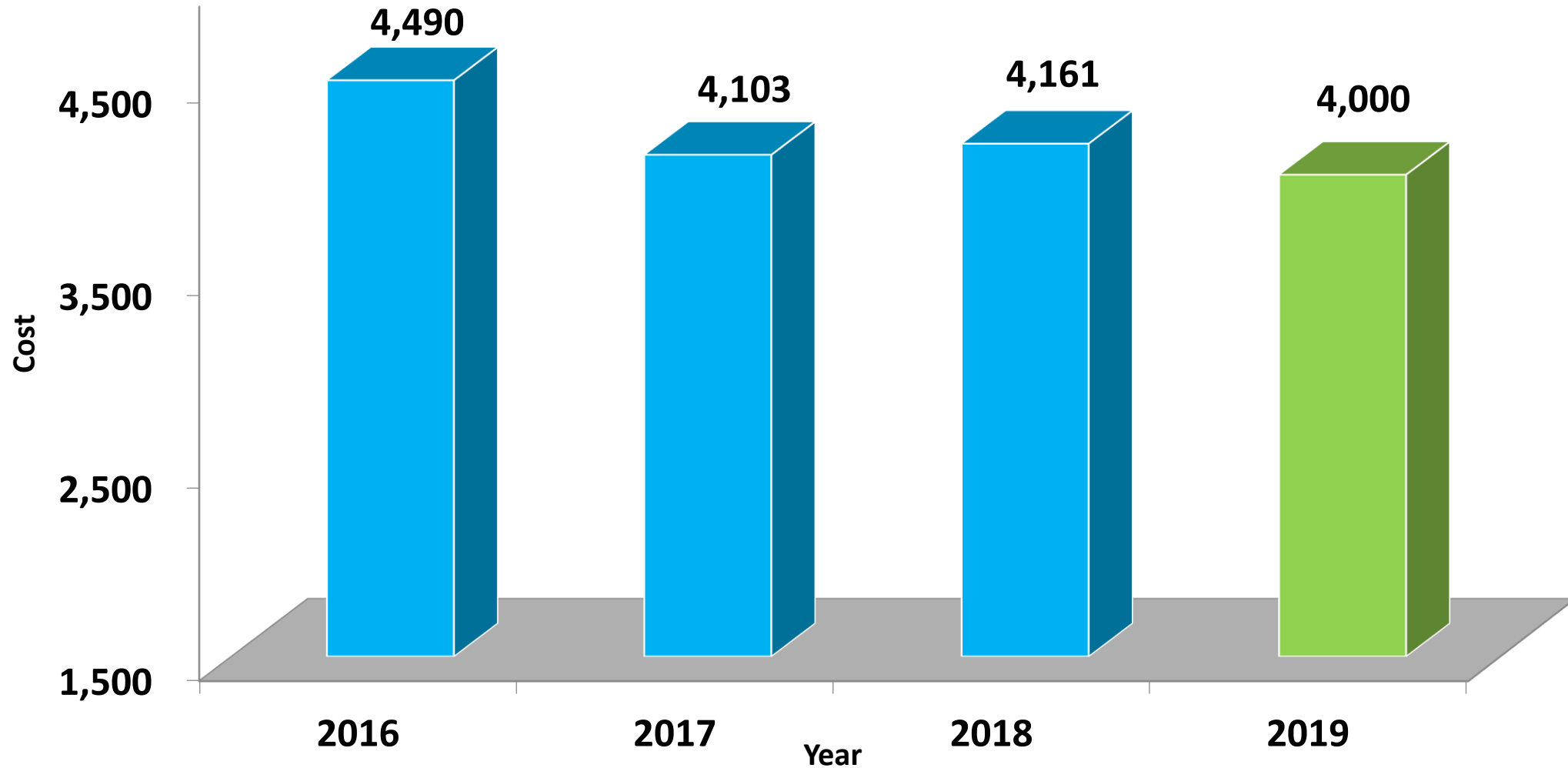
Direct Costs (Kshs m)



Operating Costs (Kshs m)



Total Costs (Kshs m)



Consolidated Statement of Comprehensive Income (Kshs m)

	June 2019	June 2018	% change
Turnover	4,580.4	4,923.1	(7.0)
Profit before income tax	580.8	761.8	(23.8)
Income tax expense	(177.1)	(232.6)	23.9
Profit after income tax	403.7	529.2	(23.7)
Other comprehensive income	13.0	(74.2)	117.5
Total comprehensive income	416.7	455.0	(8.4)

Statement of Financial Position (Kshs m)

	June 2019	December 2018
Capital and reserves		
Share capital	471.4	471.4
Other reserves	(124.0)	(136.4)
Retained earnings	6,946.7	6,826.0
Proposed dividends	942.7	659.9
	<u>8,236.8</u>	<u>7,820.9</u>
Non controlling interest	57.5	56.7
Total equity	8,294.3	7,877.6
Non-current liabilities	27.8	30.0
Total equity and non current liabilities	8,322.1	7,907.6
Assets		
Non-current assets	4,598.7	4,770.0
Working capital		
Current assets	7,247.4	6,428.0
Current liabilities	3,524.0	3,290.4
Net working capital	3,723.4	3,137.6
Total Assets	8,322.1	7,907.6

Growth in total assets of 5.2% from December 2018

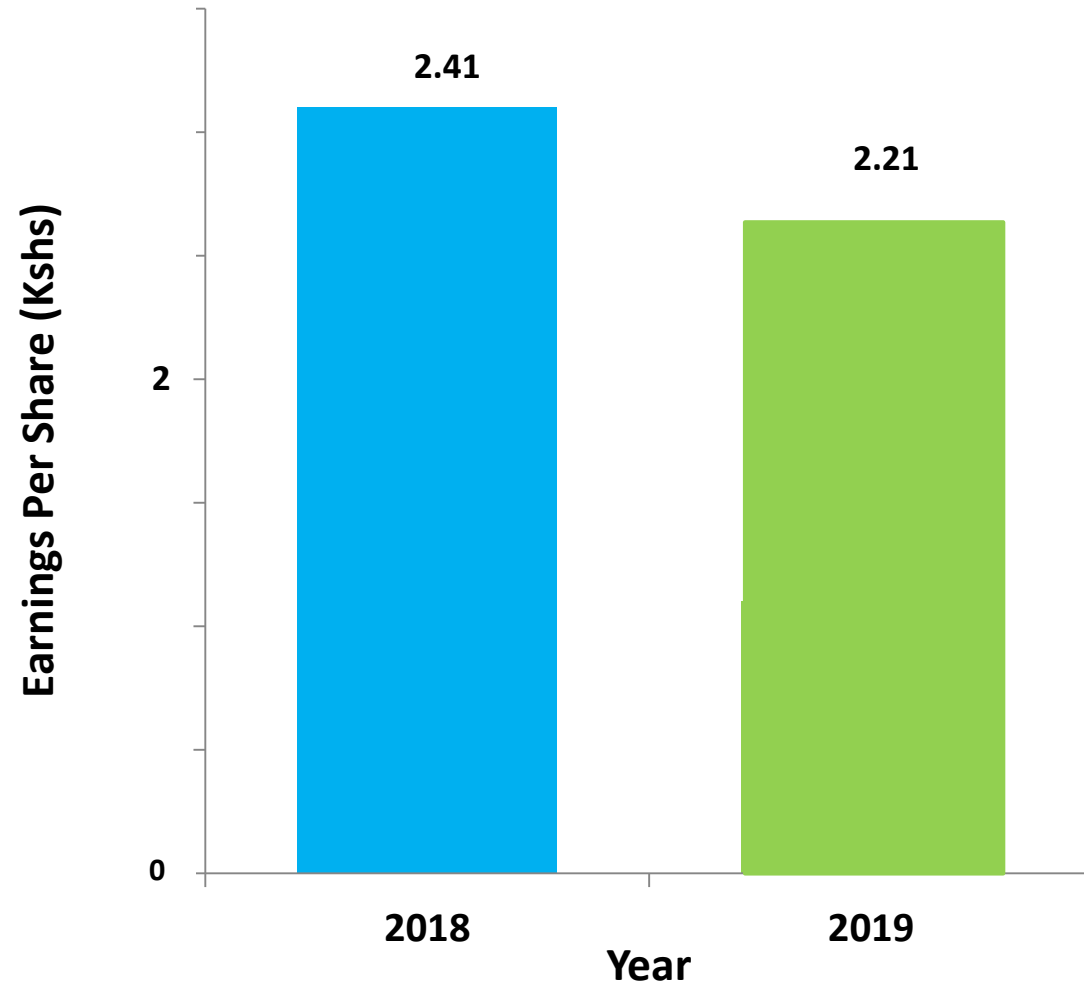
Condensed Cash Flow Statement (Kshs m)

	June 2019	December 2018
Cash generated from operations	967.6	1,142.2
Tax paid	(382.0)	(566.6)
Net cash from operating activities	585.6	575.6
Net cash used in investing activities	141.8	309.2
Net cash from financing activities	-	(1,697.4)
Increase in cash and cash equivalents	727.4	(812.6)
At start of period	867.1	1,692.6
Exchange gains/(losses) on cash and cash equivalents	6.1	(12.9)
At end of period	1,600.6	867.1
Short term investments	1,186.1	1,288.2
Total cash	2,786.7	2,155.3

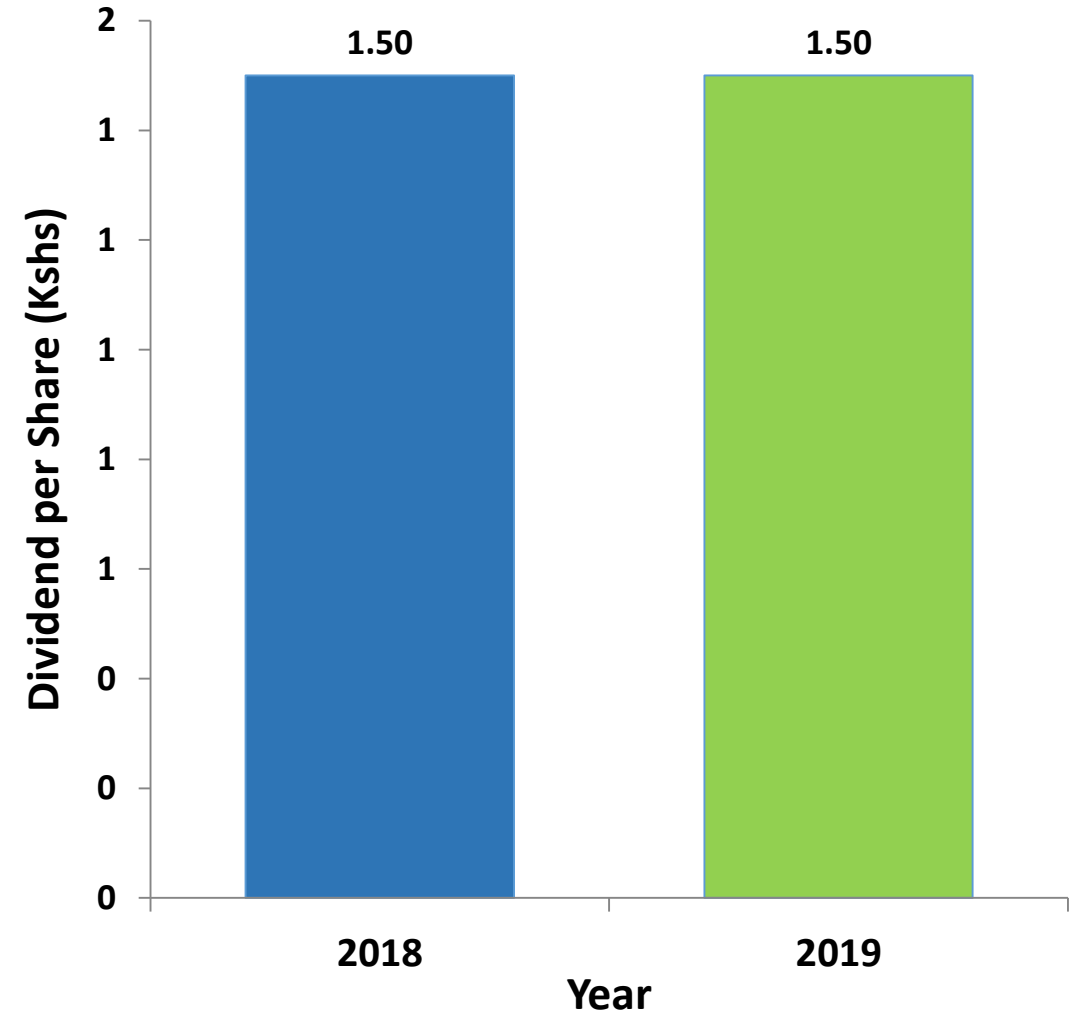
Interim Dividends



Earnings Per Share (Kshs)



Interim Dividend (Kshs)







Kenya

Our Products

DAILY NATION



BUSINESS DAILY
more possibilities
www.businessdaily.co.ke



KENYA BUZZ

The EastAfrican



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- @Daily Nation
- Daily Nation

- ntv.co.ke/live
- @NTV Kenya
- NTV Kenya

- businessdailyafrica.com
- @BusinessDailyAfrica
- @BD_Africa

- Taifaleo.nation.co.ke
- @Taifa_Leo
- Taifa Leo

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- Nairobi News



Uganda



Daily Monitor



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- Dembe FM

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- 933KFM

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- @SparkTVUganda
- SparkTVUganda

- Theeastafrican.co.ke
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- TheEastAfrican



Tanzania



THE CITIZEN

The EastAfrican

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Thank You

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