

The Directors of Nation Media Group PLC are pleased to announce the unaudited Group financial results for the six months to 30 June 2022

Condensed consolidated statement of comprehensive income

	June 2022	June 2021
	Kshs m	Kshs m
Turnover	3,695.9	3,720.0
Gross profit	3,012.7	3,199.5
Profit before income tax	354.0	410.7
Income tax expense	(106.2)	(125.5)
Profit after income tax	247.8	285.2
Other comprehensive income	(28.4)	4.8
Total comprehensive income for the year	219.4	290.0
Attributable to:		
Owners of the parent	218.8	289.7
Non controlling interest	0.6	0.3
Earnings per share (Kshs)	1.1	1.4

Condensed consolidated statement of financial position

	June 2022	December 2021
	Kshs m	Kshs m
Capital and reserves		
Share capital	518.5	518.5
Other reserves	(2.6)	24.2
Retained earnings	7,859.3	7,613.7
Proposed dividends	285.4	285.4
Treasury shares reserve	(427.5)	(427.5)
	8,233.1	8,014.3
Non controlling interest	76.5	75.9
Total equity	8,309.6	8,090.2
Non-current liabilities	359.5	457.5
	8,669.1	8,547.7
Assets		
Non-current assets	4,336.4	4,526.5
Working capital		
Current assets	8,204.4	8,126.9
Current liabilities	3,871.7	4,105.7
Net working capital	4,332.7	4,021.2
	8,669.1	8,547.7

Condensed consolidated statement of cashflows

	6 months ended 30.06.22	6 months ended 30.06.21	12 months ended 31.12.21
	Kshs m	Kshs m	Kshs m
Cash generated from operations	184.1	910.0	1,711.1
Interest on lease	(22.0)	(25.6)	(44.6)
Tax paid	(340.8)	(104.2)	(219.6)
Net cash from operating activities	(178.7)	780.2	1,446.9
Net cash generated from investing activities	259.4	297.0	(161.4)
Net cash used in financing activities	(41.9)	(171.0)	(556.0)
Increase in cash and cash equivalents	38.8	906.2	729.5
At start of period	2,111.9	1,344.2	1,344.2
Exchange (loss)/gain on cash and cash equivalents	(26.3)	13.2	38.2
At end of period	2,124.4	2,263.6	2,111.9
Short term investments	1,677.3	1,322.1	1,846.7
Total cash and cash equivalents and short term investments	3,801.7	3,585.7	3,958.6

Condensed Group statement of changes in equity

	Attributable to equity holders of the company						
	Share capital	Treasury shares reserve	Other reserves	Retained earnings	Proposed dividends	Minority interest	Total equity
	Kshs m	Kshs m	Kshs m	Kshs m	Kshs m	Kshs m	Kshs m
6 months ended 30th June 2022							
At start of year	518.5	(427.5)	24.2	7,613.7	285.4	75.9	8,090.2
Total comprehensive income:							
Profit for the period	-	-	-	245.6	-	2.2	247.8
Other comprehensive income, net of tax							
Currency translation differences	-	-	(21.3)	-	-	(1.6)	(22.9)
Share of comprehensive income in associate	-	-	(5.5)	-	-	-	(5.5)
Total other comprehensive income	-	-	(26.8)	-	-	(1.6)	(28.4)
Total comprehensive income for the period	-	-	(26.8)	245.6	-	0.6	219.4
At end of period	518.5	(427.5)	(2.6)	7,859.3	285.4	76.5	8,309.6

Performance

This year experienced weakened consumer spending as prices of basic commodities continued to increase. However, the Group's turnover remained largely flat compared to the same period last year as our products demonstrated resilience in a relatively depressed business environment particularly in Kenya. The steady turnover was mainly attributable to growth in broadcast business, increased revenue from digital products and services and growth of our niche print products - Business Daily, The EastAfrican and Taifa Leo. The Group's digital footprint grew to 52.2 million users compared to 44.9 million users the same period last year.

Group profitability was adversely impacted by the drastic rise in global newsprint prices (which increased by over 100% compared to prior year) and the depreciation of the Kenya Shilling against the US Dollar aggravating the cost of imported raw materials. This adverse impact was partially cushioned by sustained cost containment and improved operational efficiency resulting from business optimization initiatives.

Dividend

Considering the prevailing economic environment and the Group's investment plans, the Directors do not recommend payment of an interim dividend.

Outlook

The Group remains cautiously optimistic that the business environment in Kenya will stabilize after the General Elections while the favourable operating environment in the rest of East Africa will prevail. The Group continues to focus on product innovation across our channels and platforms to drive audience acquisition, engagement and optimal monetization of our expansive digital footprint. This will be done alongside upholding the Group's strong presence in print and broadcast media by continuously offering unique and relevant content to our audiences.

By order of the Board

Angela Namwakira
Company Secretary
17th August 2022

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