

The Directors of Nation Media Group PLC announce the unaudited Group financial results for the six months to 30 June 2023

Condensed consolidated statement of comprehensive income

	June 2023	June 2022
	Kshs m	Kshs m
Turnover	3,529.6	3,695.9
Cost of sales	(862.2)	(683.2)
Gross profit	2,667.4	3,012.7
Profit before income tax	10.8	354.0
Income tax expense	(7.9)	(106.2)
Profit after income tax	2.9	247.8
Other comprehensive income net of tax	187.6	(28.4)
Total comprehensive income for the year	190.5	219.4
Attributable to:		
Owners of the parent	176.8	218.8
Non controlling interest	13.7	0.6
Earnings per share (Kshs)	0.0	1.3

Condensed consolidated statement of financial position

	June 2023	December 2022
	Kshs m	Kshs m
Capital and reserves		
Share capital	518.5	518.5
Other reserves	346.1	172.9
Retained earnings	7,647.1	7,643.5
Proposed dividends	285.4	285.4
Treasury shares reserve	(427.5)	(427.5)
	8,369.6	8,192.8
Non controlling interest	95.8	82.1
Total equity	8,465.4	8,274.9
Non-current liabilities	302.2	348.8
	8,767.6	8,623.7
Assets		
Non-current assets	4,273.3	4,345.5
Working capital		
Current assets	8,486.9	8,303.8
Current liabilities	3,992.6	4,025.6
Net working capital	4,494.3	4,278.2
	8,767.6	8,623.7

Condensed consolidated statement of cashflows

	6 months ended 30.06.23	6 months ended 30.06.22	12 months ended 31.12.22
	Kshs m	Kshs m	Kshs m
Cash (used in)/generated from operations	(103.9)	184.1	461.1
Interest on lease	(19.2)	(22.0)	(38.9)
Tax paid	(44.2)	(340.8)	(432.7)
Net cash used in operating activities	(167.3)	(178.7)	(10.5)
Net cash generated from investing activities	1,036.6	259.4	188.4
Net cash used in financing activities	(48.4)	(41.9)	(412.9)
Increase in cash and cash equivalents	820.9	38.8	(235.0)
At start of period	1,893.9	2,111.9	2,111.9
Exchange gain/(loss) on cash and cash equivalents	96.0	(26.3)	17.0
At end of period	2,810.8	2,124.4	1,893.9
Short term investments	909.4	1,677.3	1,861.7
Total cash and cash equivalents and short term investments	3,720.2	3,801.7	3,755.6

Condensed Group statement of changes in equity

	Attributable to equity holders of the company						Total equity
	Share capital	Treasury shares reserve	Other reserves	Retained earnings	Proposed dividends	Minority interest	
	Kshs m	Kshs m	Kshs m	Kshs m	Kshs m	Kshs m	Kshs m
6 months ended 30th June 2023							
At start of year	518.5	(427.5)	172.9	7,643.5	285.4	82.1	8,274.9
Total comprehensive income:							
Profit for the period	-	-	-	3.6	-	(0.7)	2.9
Other comprehensive income, net of tax							
Currency translation differences	-	-	168.3	-	-	14.4	182.7
Share of comprehensive income in associate	-	-	4.9	-	-	-	4.9
Total other comprehensive income	-	-	173.2	-	-	14.4	187.6
Total comprehensive income for the period	-	-	173.2	3.6	-	13.7	190.5
At end of period	518.5	(427.5)	346.1	7,647.1	285.4	95.8	8,465.4

Performance

The Group's performance during the period was impacted by a challenging macro-economic environment marked by weakened consumer spending, rising prices of basic commodities, increase in fuel prices and rising interest rates. The depreciation of the Kenya Shilling against the US Dollar aggravated the economic slowdown that resulted in a 4.5% decline in the Group's turnover compared to the same period last year.

Resulting from the Group's focus on audience acquisition and engagement, our digital footprint has grown by 14% to 59.5 million users compared to 52.2 million users last year. We continue to focus on innovation to develop products that resonate with audiences through an experiment-driven development approach to accelerate monetisation of our expansive digital footprint. The Group also registered continued growth in its niche products - Business Daily, The EastAfrican and Taifa Leo - as a result of insightful content and partnership initiatives. Similar initiatives are being implemented for other products across the Group.

Group profitability was adversely impacted by increased direct costs attributable to the drastic rise in the cost of imported raw materials, particularly newsprint, and the depreciation of the Kenya Shilling against the US Dollar. The resultant incremental direct costs of Kshs 179 million was absorbed by the Group. This adverse impact was partially mitigated by reduced operating costs resulting from improved operational efficiency and increased productivity.

Dividend

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

Outlook

We remain confident that the investments we continue to make to accelerate product innovation, diversify revenue streams and transform the organisation into an agile, customer-centric and data-driven media company will deliver long-term shareholder value. In addition, the recently completed newsroom integration and the ongoing implementation of our content strategy will entrench the Group as the leading multi-media company offering unique and impactful content to our audiences. The Group is also optimistic that it will navigate the immediate business challenges posed by the implementation of the Finance Act 2023 (Kenya).

By order of the Board

Angela Namwakira
Company Secretary
17th August 2023

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