



National World plc

Interim Results 2023

PIVOTING TO A SUSTAINABLE MODEL

- Revenue stabilised with acquisitions and launches
- Digital continues to grow bucking trends

Audience +21%

Digital Revenue +9%

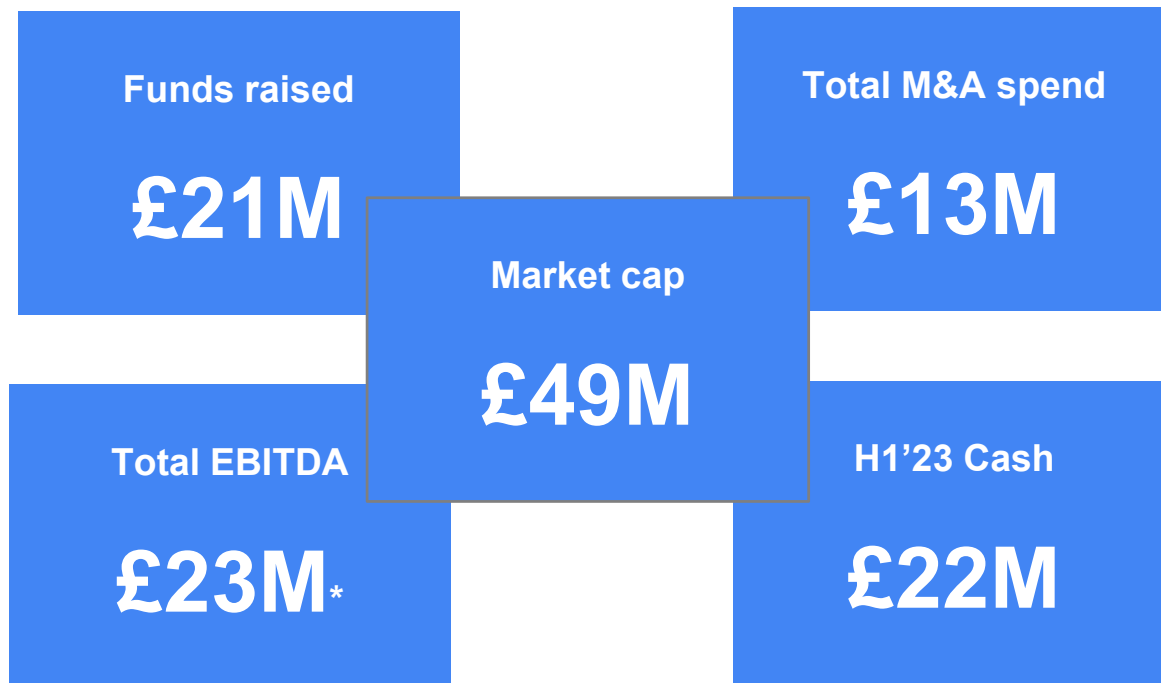
- Revenue profile transitioning to broader base

Video / TV audience +49%

Video Revenue +67%



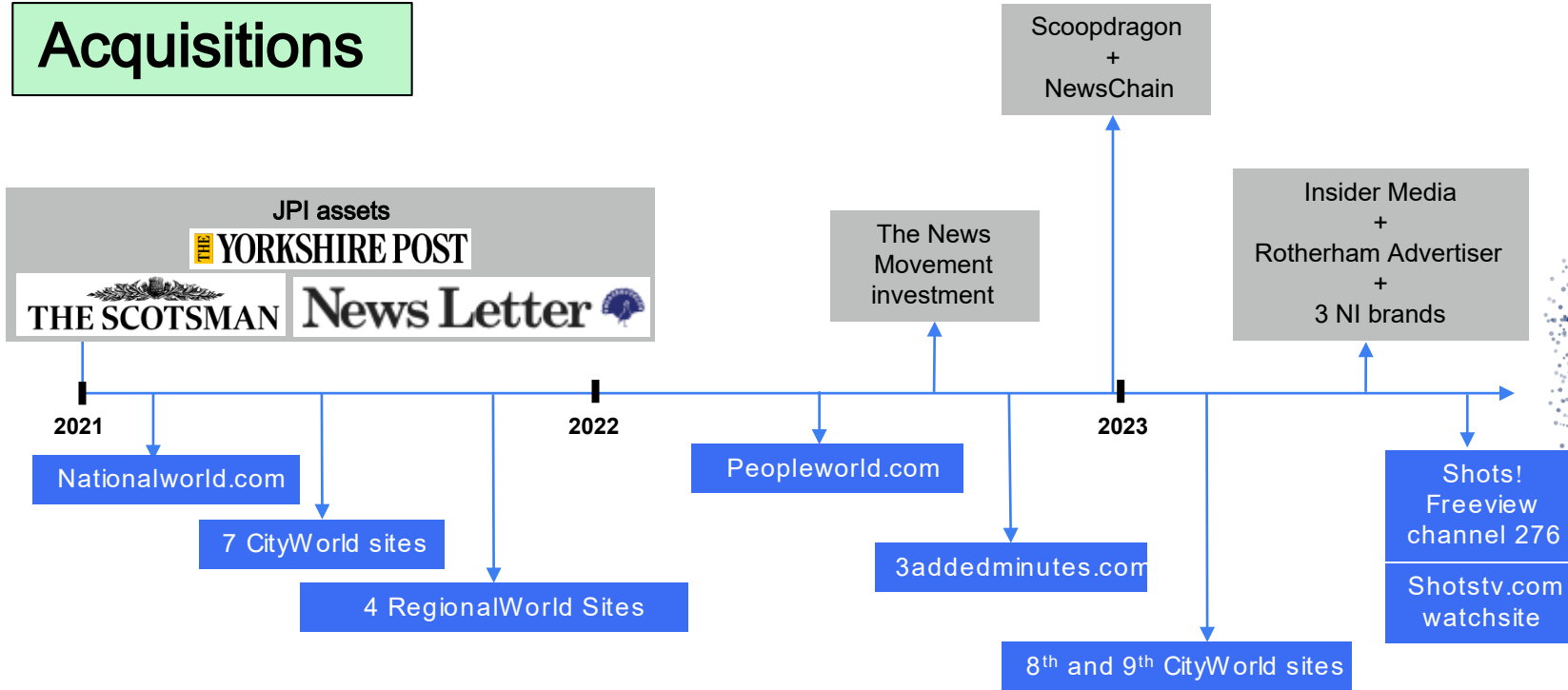
The story so far - *FIRST 30 MONTHS*



* £22.9m EBITDA 21/22/H123

Portfolio – EXTENDING FOOTPRINT & BROADENING BASE

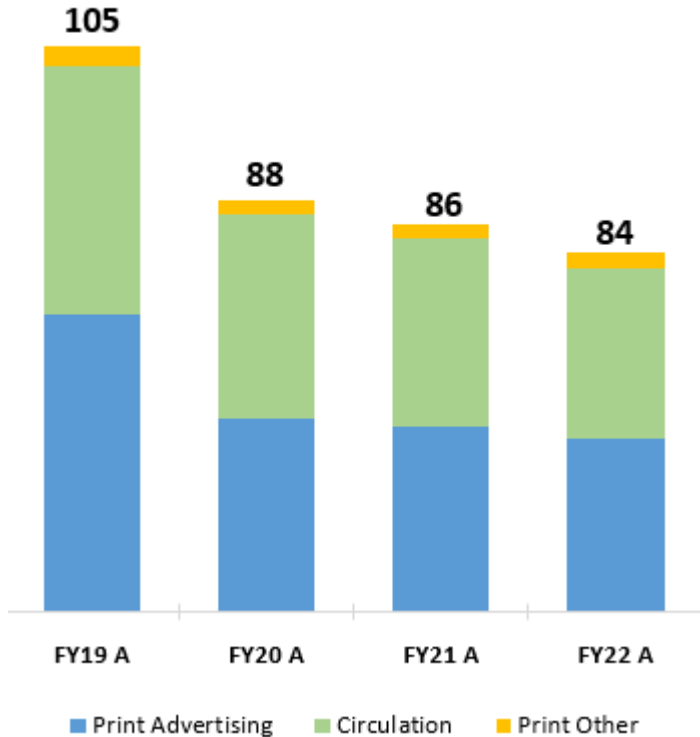
Acquisitions



Launches

Strategic challenge

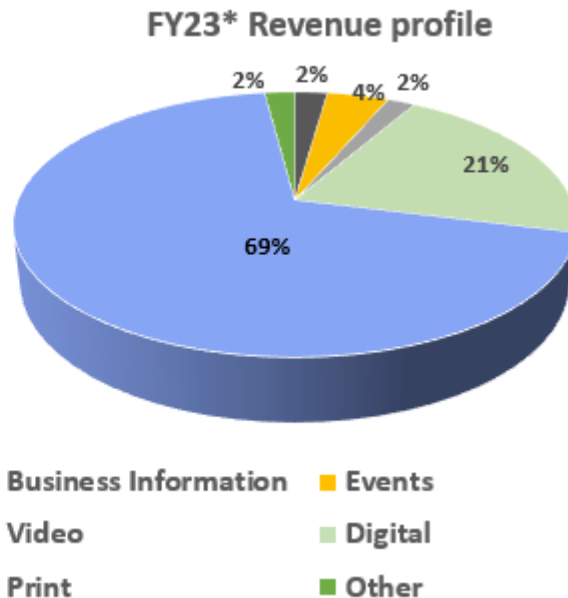
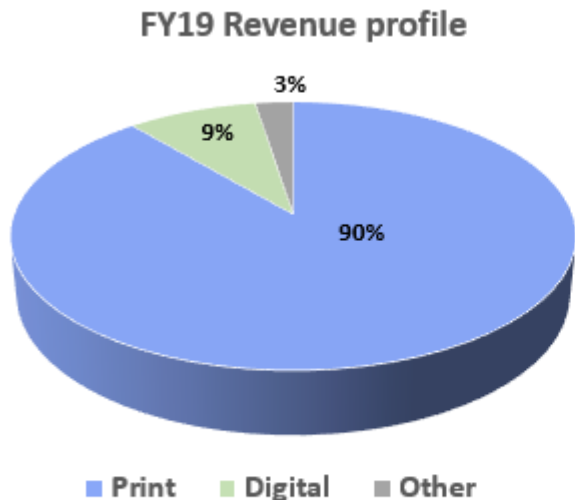
Print Publishing Revenues £M



- Continuing decline in heritage revenues
- Cost reduction alone will not restore valuations
- Necessary strategy of acquisition, consolidation underpinned by innovation
- Pivoting business away from sole dependency on news




Evolving revenue profile – 2019 & 2023



*FY23 projected revenue profile

Pivoting the business

Acquisitions, Consolidation, underpinned by Innovation

- Five acquisitions completed in H1 2023
- Expansion of **CityWorld** portfolio continues with NottinghamWorld.com and DerbyWorld.co.uk
- The net effect of launches and acquisitions this year means a projected stabilisation of revenue for the first time in many years
- Our first Freeview TV channel Shots! launched on 19 July 
- Subscriptions / paid Apps development – Scotsman app relaunched in June
- Daily print titles relaunched, with four completed between April and June, two more print title relaunches in July and a further final two will be completed in September



Acquisitions & Consolidation

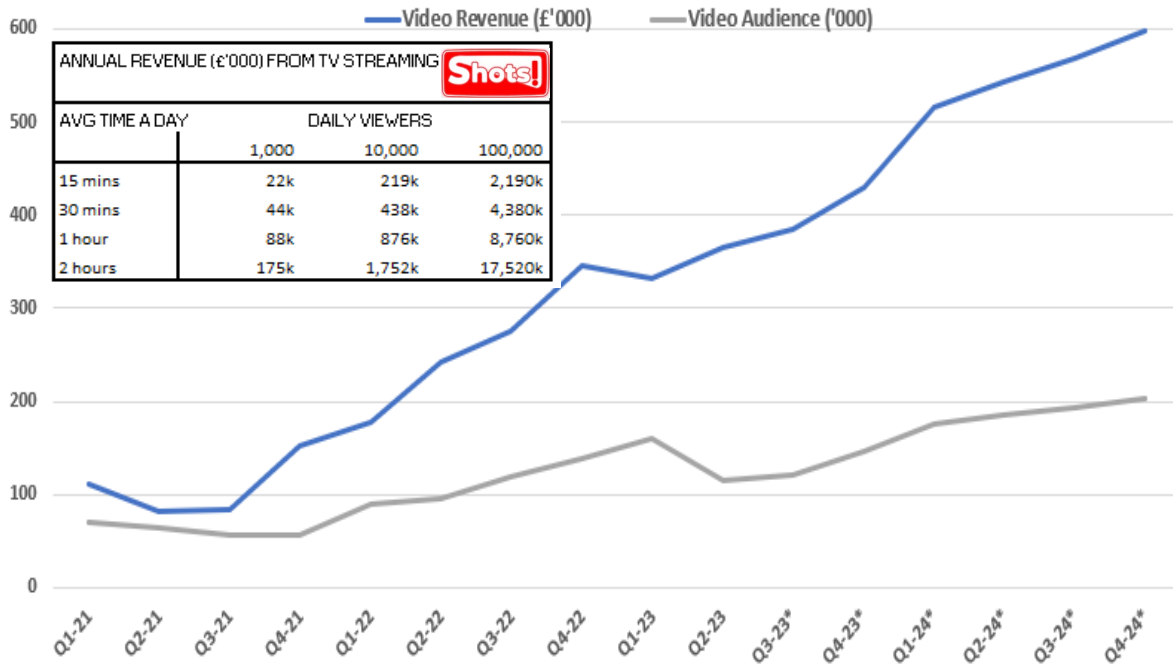
REINFORCING HERITAGE, WIDENING AGENDA

- Three weekly brands in Northern Ireland focused on cross community and farming
- Rotherham Advertiser making it the Group's largest weekly title
- Insider Media is a leading business content company with a strong penetration in key regions of the UK with:
 - Daily online service with newsletters
 - Over 90 events covering property, finance sectors and business networking
 - Over 50 quality subscription magazines serving six regions, including Yorkshire, NW, SE, SW, Wales and Midlands



Innovation - Video & TV

VIDEO REVENUE AND AUDIENCE

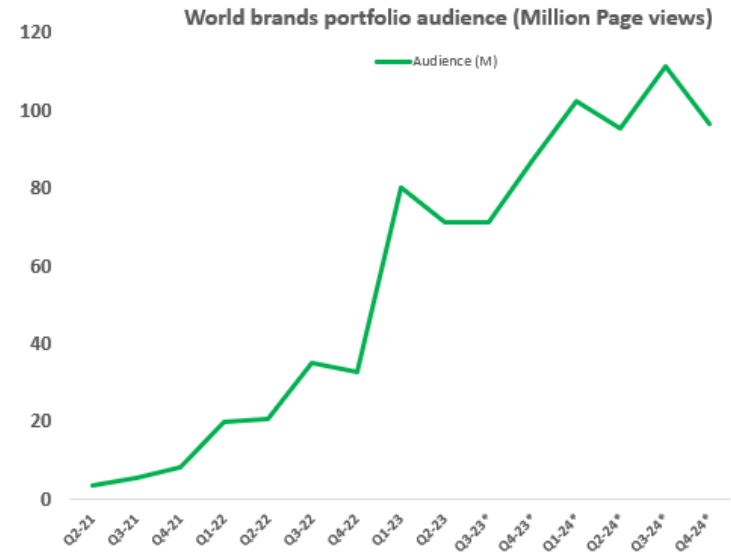
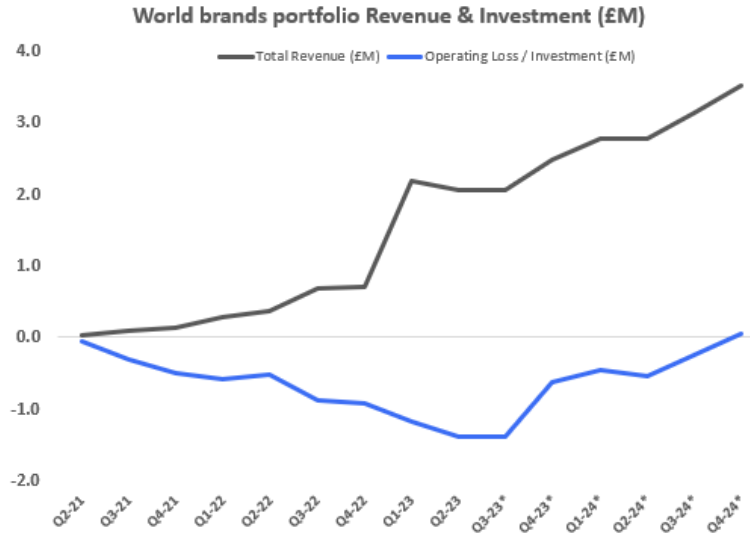


- Video revenue accelerating
- Local sales at high yield
- Great potential with TV channel launch, Freeview 276



* Internal projections

Innovation - World brands profit in sight FY2024



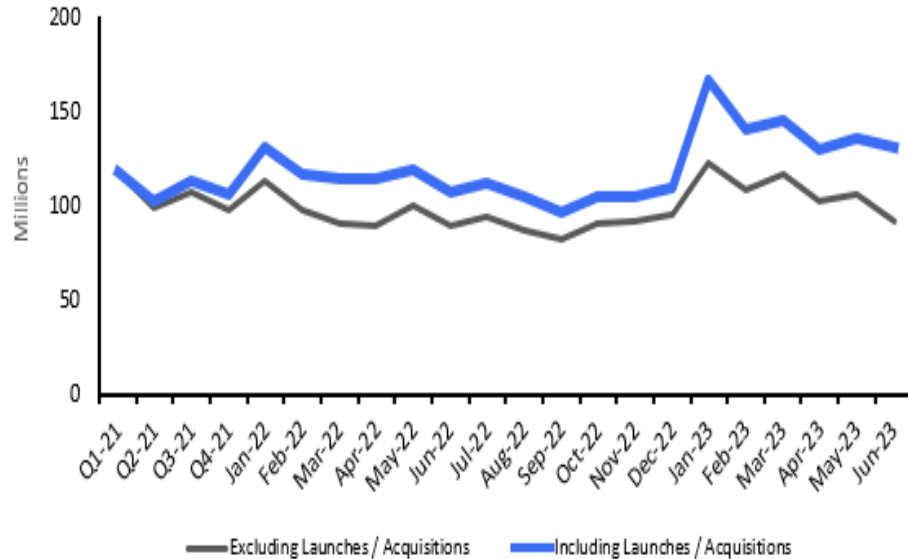
	Q2-21	Q3-21	Q4-21	Q1-22	Q2-22	Q3-22	Q4-22	Q1-23	Q2-23	Q3-23*	Q4-23*	Q1-24*	Q2-24*	Q3-24*	Q4-24*
Total Revenue (£M)	0.0	0.1	0.1	0.3	0.4	0.7	0.7	2.2	2.1	2.1	2.5	2.8	2.8	3.1	3.5
Operating Loss / Investment (£M)	(0.1)	(0.3)	(0.5)	(0.6)	(0.5)	(0.9)	(0.9)	(1.2)	(1.4)	(1.4)	(0.6)	(0.5)	(0.5)	(0.2)	0
Audience (M)	3.5	5.5	8.4	20.1	20.6	35.0	32.9	80.1	71.4	71.4	87.5	102.4	95.6	111.4	96.6

* Internal projections



Outperforming – 9% Digital revenue growth

National World Network Page Views
(Monthly Average)



- Pageviews up 21% including acquisitions / launches, the main driver of programmatic revenue, averaged 141M per month (H1 2022: 117M)
- Video revenue growth of 67%, with 49% increase in video views
- Launches and acquisitions add over 10% to audience numbers in H1 2023.
- Local data driven advertising 65% H1 2023, up 12% on 2022 average.



Customer engagement – Growth / progress

- **576k subscribers** to editor and marketing newsletters
- **17k paid digital and app subscribers**
- **1.1m fully registered users** across news portfolio
- **1.6m active subscribers** to push notifications
- **5%** growth in digital subscribers to premium newsbrands
- Brand Lovers engagement up **30%** year on year
- Loyal users up **8%** year on year
- Active users on our sites up **39%** in Q2 vs Q1 each month

ANNUAL REVENUE (£'000) POTENTIAL FROM NEWSLETTERS £1 per week subscription model			
Number of titles	Paid subscribers		
	10	100	500
1	1k	5k	26k
5	3k	26k	130k
10	5k	52k	260k
50	26k	260k	1,300k



Innovation - Community Media Network

- Local publishing meets social media...at last
- New build platform for content and marketplace
- Automation including AI
- Launches August through December
- Single unit for all curation



Financial Performance

	Adjusted results*	
	H1 2023	H1 2022
	£m	£m
Revenue	41.6	43.5
Operating costs	(38.5)	(37.6)
Depreciation and amortisation	(0.2)	(0.2)
Operating profit	2.9	5.7
EBITDA	3.1	5.9
Net finance income / (expense)	0.3	(0.1)
Profit before tax	3.2	5.6
Tax (charge) / credit	(0.8)	(1.1)
Profit after tax	2.4	4.5
Earnings per share (pence)	0.9	1.7
Cash	22.1	25.7

*Adjusted results are before non-recurring items, amortisation of intangible assets and implementation of IFRS 16.

- Revenue down 4%
- Operating profit of £2.9M in line with expectation
- Adjusted EBITDA of £3.1M (margin of 7%)
- Strong balance sheet - maintaining financial flexibility
- Actions instigated to address the cost base



Summary

- Revenue stabilised and pivoting towards growth
- Digital, video and launches driving revenue growth
- Significant acquisitions pipeline
- *Acquisitions, Consolidation, Innovation*
= a sustainable operating model



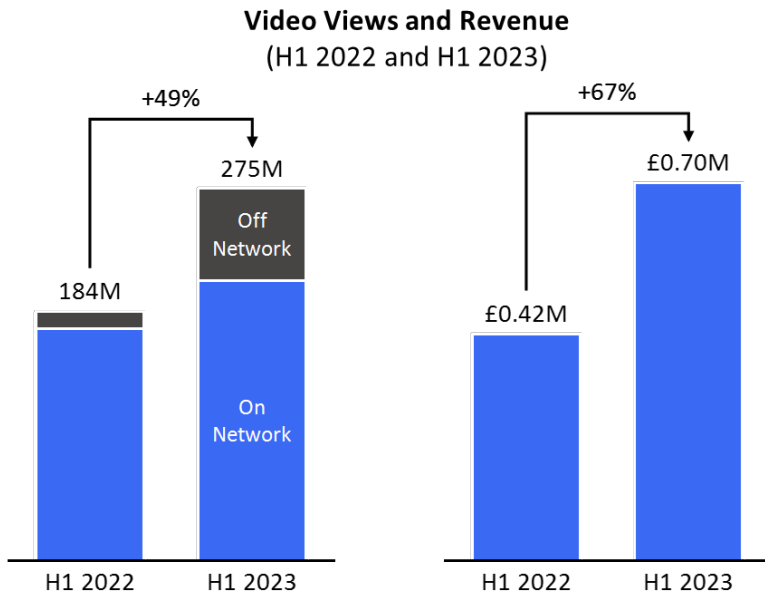


Appendix

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Video

Scaling our content and monetisation resources into a high growth format and new distribution channels



H2 2023 development plans:

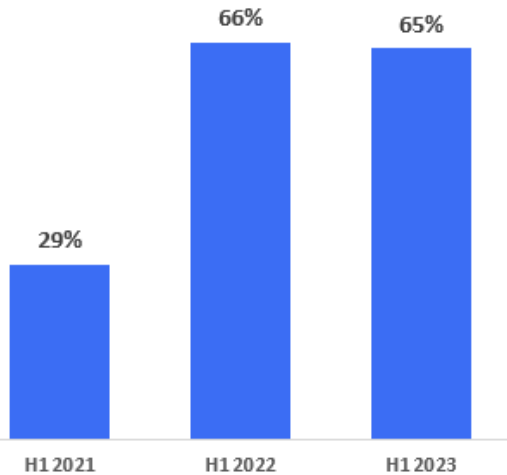
- Focus on growing distribution beyond websites
- Launch of Shots! - a new TV brand
 - Streaming to Freeview
 - Dedicated watchsite



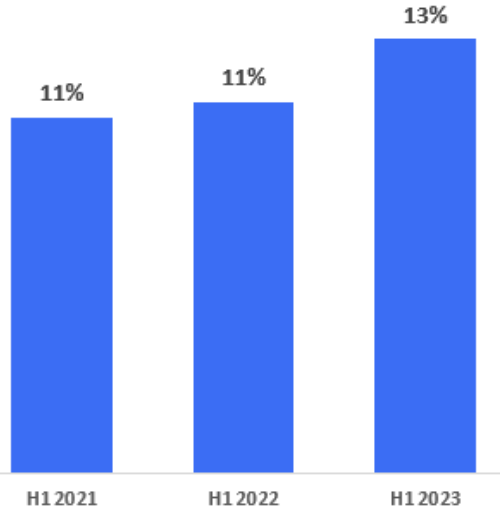
Quality Monetisation

Applying first party data and effectiveness tracking to drive ever increasing value for advertisers

Digital Display using audience targeting (% of Locally sold owners and operated revenue)



Brand lift achieved (% Post vs Pre Campaign)



Balance sheet

	As at 1 July 2023 £m	As at 2 July 2022 £m
Non-current assets		
Goodwill	7.9	5.2
Intangible assets	5.7	5.0
Tangible assets	1.0	0.8
Investments	1.1	-
Right of use assets	0.6	0.8
Deferred tax	4.0	3.3
	20.3	15.1
Current assets		
Inventory	0.1	-
Trade and other receivables	13.0	13.1
Cash and cash equivalents	22.1	25.7
	35.2	38.8
Total assets	55.5	53.9
Current liabilities		
Trade and other payables	(18.8)	(15.8)
Borrowings	(1.0)	-
Lease liabilities	(0.6)	(0.8)
Deferred consideration	-	(2.5)
Provisions	(0.5)	(0.9)
	(20.9)	(20.0)
Non-current liabilities		
Borrowings	-	(1.0)
Lease liabilities	(0.2)	(0.4)
Provisions	(0.4)	(0.6)
	(0.6)	(2.0)
Total liabilities	(21.5)	(22.0)
Net assets	34.0	31.9

- Strong balance sheet - retaining financial flexibility
- £22.1M cash held at period-end
- Second final tranche of £2.5M deferred consideration for JPIGroup paid in H1 2023
- Over £19M of brought forward losses recognised as deferred tax assets at the period-end.
- Maiden dividend of 0.5p per share totalling £1.4M accrued at period end, and paid on 5 July 2023
- *No pension obligations*



Cashflow

	Adjusted		Statutory	
	H1 2023	H1 2022	H1 2023	H1 2022
	£m	£m	£m	£m
Operating profit/(loss) for the period	2.9	5.7	1.4	4.1
Depreciation and amortisation charges	0.2	0.2	0.7	0.8
EBITDA	3.1	5.9	2.1	4.9
Long term incentive plan	0.1	-	0.1	-
Restructuring costs paid	(1.4)	(0.9)	-	-
Net decrease in provisions	-	-	(0.3)	(0.6)
Changes in working capital:	(1.8)	0.5	(1.6)	2.0
Net cash inflow from operating activities	0.0	5.5	0.3	6.3
Investing activities				
Deferred consideration	(2.5)	(2.5)	(2.5)	(2.5)
Acquisition of subsidiaries	(1.4)	-	(1.4)	-
Interest earned	0.4	-	0.4	-
Acquisition of digital and publishing title assets	(1.0)	-	(1.0)	-
Purchases of tangible assets	(0.3)	(0.2)	(0.3)	(0.2)
Net cash outflow from investing activities	(4.8)	(2.7)	(4.8)	(2.7)
Financing activities				
Interest paid	(0.1)	(0.1)	(0.1)	(0.1)
Interest element of lease rental payments	-	-	-	(0.1)
Principal repayment of leases	0.0	0.0	(0.3)	(0.7)
Net cash generated from financing activities	(0.1)	(0.1)	(0.4)	(0.9)
Net increase in cash and cash equivalents	(4.9)	2.7	(4.9)	2.7
Cash and cash equivalents at the beginning of the period	27.0	23.0	27.0	23.0
Cash and cash equivalents at the end of the period	22.1	25.7	22.1	25.7

H2 cashflow items:

- Maiden dividend of 0.5p per share totalling £1.4M paid to shareholders 5 July 2023
- Repayment of £1.0M of loan notes planned for December 2023



Revenue split

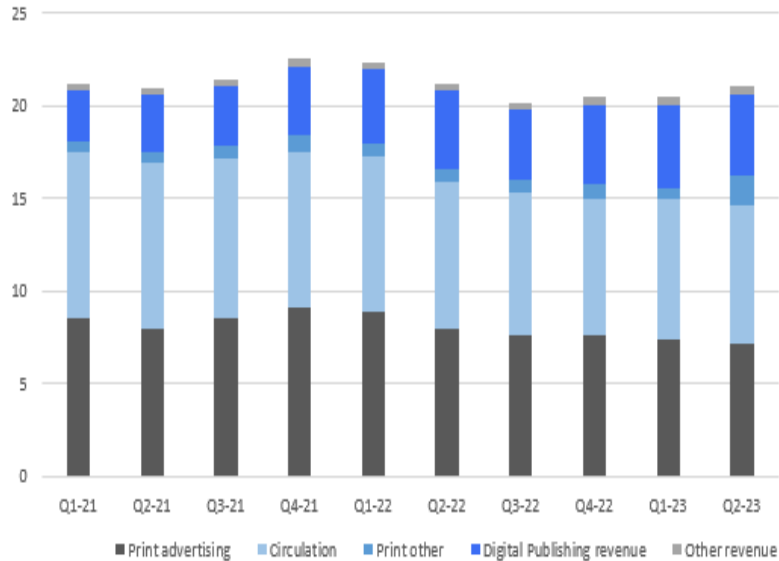
	H1 2023	H1 2022	Change	Change
	£m	£m	£m	%
Print Publishing Revenue	31.7	34.6	(2.9)	(8%)
<i>Advertising</i>	14.6	16.7	(2.1)	(13%)
<i>Circulation</i>	14.9	16.5	(1.6)	(10%)
<i>Other</i>	2.2	1.4	0.8	57%
Digital Publishing Revenue	8.9	8.2	0.7	9%
<i>Advertising</i>	5.6	5.0	0.6	12%
<i>Subscriptions</i>	0.8	0.8	0.0	0%
<i>Other</i>	2.5	2.4	0.1	4%
Other Revenue	1.0	0.7	0.3	43%
Total Revenue	41.6	43.5	(1.9)	(4%)

- Print revenue includes all print driven revenue and all print led packaged revenue with digital and government Covid-19 advertising spend (print and digital)
- Digital revenue includes all digital driven revenue and digital led packaged revenue with print
- **Digital revenue 21%** of total and expected to rise in the medium-term

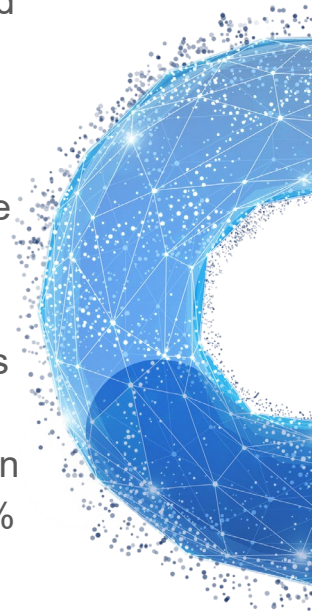


Total Revenue

National World Quarterly Revenue (£M)



- H1 2023 Print advertising revenue fell by 13% year on year. Performance improved in quarter two, with revenue flat on the prior year
- Circulation revenue down -10% year on year, with a decline of 11% in quarter one and 7% in quarter two
- Circulation volume decline partially mitigated by cover price increases across the portfolio, and acquisitions
- Digital publishing revenue growth of 9% in H1 2023, with 11% in quarter one and 4% in quarter two
- Acquisitions completed in the first half have boosted revenues by £2.0M, with £7.0M expected for the full year





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