

AUDITED GROUP RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

Nation Media Group PLC

The Directors are pleased to announce the Group's audited financial results for the year ended 31st December 2019.

GROUP RESULTS

The Group's performance was adversely impacted by a challenging economic environment which together with industry specific developments in a leading advertising sector precipitated reductions in advertising spend in general. The performance of the traditional media platforms was further affected by higher prices of newsprint, its main production input. The adverse impact of the market environment on the Group's overall performance was substantially mitigated by reduced operating costs realized from sustained optimization of business operations to improve efficiency and productivity.

Group turnover at Kshs 9.1 billion was 6.3% lower than prior year while profit before tax at Kshs 1.3 billion was 20.7% lower than prior year. Total comprehensive income for the year at Kshs 0.9 billion was 18.4% below prior year.

DIVIDEND

The Group is making extensive investments in innovation to grow new revenue streams and gradually transition to digital media becoming a significant contributor of its revenue as the scope for growth in the legacy media business declines globally. The contemplated investments will require substantial resources including material cash reserves to actualize the initiatives.

Considering the above, the Directors do not recommend payment of a final dividend for the year. Consequently, the interim dividend of Kshs 1.50 (60%) per share on the issued share capital of 188,542,286 ordinary shares of Kshs.2.50 each, paid on 30th September 2019, will be the total dividend per share and will be deemed as the final dividend for the year ended 31st December 2019 (2018: Kshs 5.00 per share).

BONUS SHARES ISSUE

The Directors recommend, subject to approval by the Capital Markets Authority, the Nairobi Securities Exchange Plc, and the Shareholders at the Annual General Meeting, a bonus share issue of one new fully paid ordinary share for every ten shares held in the capital of the Company, to the shareholders on the register of members at the close of business on 12th June 2020. The new shares shall not qualify for payment of any dividend for the year 2019.

OUTLOOK

The outbreak of COVID-19 pandemic presents an unprecedented risk to the global economy in 2020 and possibly beyond. The Group has taken appropriate steps to safeguard the safety and health of our employees alongside ensuring business continuity.

The Group will also continue to make appropriate investments to capture the opportunities presented by the rapidly growing digital media sector alongside undertaking targeted interventions in print media which continues to be an important segment for exceptional players.

ANNUAL GENERAL MEETING

Due to the prevailing restrictions on mass gatherings, arrangements regarding the Annual General Meeting will be communicated at a later date.

By order of the Board

S Owino
 INTERIM COMPANY SECRETARY
 17th April 2020

Consolidated Statement of Comprehensive Income	2019 Kshs.million	2018 Kshs.million
Turnover	9,050.9	9,660.6
Profit before tax	1,296.4	1,634.0
Income tax expense	(440.4)	(516.5)
Profit after tax	856.0	1,117.5
Other comprehensive income	6.6	(60.8)
Total Comprehensive Income for the year	862.6	1,056.7
Attributable to:		
Equity holders of the Company	855.4	1,052.9
Non-controlling interest	7.2	3.8
Earnings per share (Kshs)	4.5	5.9
Dividend per share (Kshs)-Ordinary	1.5	5.0

Consolidated Statement of Financial Position	2019 Kshs.million	2018 Kshs.million
Capital and reserves		
Share capital	471.4	471.4
Other reserves	(134.9)	(136.4)
Retained earnings	7,397.1	6,826.0
Proposed dividends	-	659.9
	7,733.6	7,820.9
Non-controlling interest	63.9	56.7
Total equity	7,797.5	7,877.6
Non-current liabilities	725.5	30.0
	8,523.0	7,907.6

Assets	2019 Kshs.million	2018 Kshs.million
Non-current assets	5,184.7	4,770.0
Working capital		
Current assets	6,912.0	6,428.0
Current liabilities	3,573.7	3,290.4
Net working capital	3,338.3	3,137.6
	8,523.0	7,907.6

Condensed Consolidated Statement of Cashflows	2019 Kshs.million	2018 Kshs.million
Cash generated from operations	1,967.8	1,142.2
Tax paid	(519.4)	(566.6)
Net cash from operating activities	1,448.4	575.6
Net cash used in investing activities	(140.9)	309.2
Net cash used in financing activities	(1,155.9)	(1,697.4)
Increase/(decrease) in cash and cash equivalents	151.6	(812.6)
At start of period	867.1	1,692.6
Exchange gains on cash and cash equivalents	20.3	(12.9)
At end of period	1,039.0	867.1
Short term investments	1,520.0	1,288.2
Total cash	2,559.0	2,155.3

Consolidated Statement of Changes in Equity	Share capital Kshs m	Other reserves Kshs m	Retained earnings Kshs m	Proposed dividends Kshs m	Minority interest Kshs m	Total equity Kshs m
Year ended 31 December 2019						
At start of year	471.4	(136.4)	6,826.0	659.9	56.7	7,877.6
Total Comprehensive income:						
Profit for the period	-	-	849.3	-	6.7	856.0
Other comprehensive income, net of tax						
Currency translation differences	-	21.6	-	-	0.5	22.1
Transfer of excess depreciation	-	(6.5)	6.5	-	-	-
Deferred income tax on transfer	-	1.9	(1.9)	-	-	-
Share of comprehensive income in associate	-	(15.5)	-	-	-	(15.5)
Total other comprehensive income	-	1.5	4.6	-	0.5	6.6
Total comprehensive income for the period	-	1.5	853.9	-	7.2	862.6
Transaction with owners:						
Dividends						
Final for 2018	-	-	-	(659.9)	-	(659.9)
Interim for 2019 paid	-	-	(282.8)	-	-	(282.8)
Total transaction with owners	-	-	(282.8)	(659.9)	-	(942.7)
At end of period	471.4	(134.9)	7,397.1	-	63.9	7,797.5

OUR BRANDS

DAILY NATION
 BUSINESS DAILY
 The EastAfrican

Daily Monitor
 MWANANCHI
 TAIFA LEO

RWANDA TODAY
 THE CITIZEN
 ENNYANDA

Sp:ti
 ntv

NV
 Spark:1

dembe

NATION NEWS APP

PUSH
 DISCOVER THE TASTE

brand studio

TAG
 brand studio

NATION NEWS APP

NATION NEWS APP

KENYA BUZZ

Nation ePaper