

The Directors of Nation Media Group PLC announce the audited Group financial results for the year ended 31 December 2023

Condensed consolidated statement of comprehensive income

	2023 Kshs m	2022 Kshs m
Turnover	7,116.2	7,298.3
Cost of sales	(1,723.3)	(1,424.6)
Gross profit	5,392.9	5,873.7
(Loss)/profit before income tax	(431.8)	491.7
Income tax credit/(expense)	226.1	(173.2)
(Loss)/profit after income tax	(205.7)	318.5
Other comprehensive income net of tax	369.1	152.1
Total comprehensive income for the year	163.4	470.6
(Loss)/profit after income tax attributable to:		
Owners of the parent	(201.7)	463.9
Non controlling interest	(4.0)	6.7
Earnings per share (Kshs)	(1.1)	1.7
Dividend per share (Kshs)-Ordinary	-	1.5

Condensed consolidated statement of financial position

	2023 Kshs m	2022 Kshs m
Capital and reserves		
Share capital	518.5	518.5
Other reserves	512.5	172.9
Retained earnings	7,444.8	7,643.5
Proposed dividends	-	285.4
Treasury shares reserve	(714.8)	(427.5)
	7,761.0	8,192.8
Non controlling interest	100.6	82.1
Total equity	7,861.6	8,274.9
Non-current liabilities	353.8	348.8
	8,215.4	8,623.7
Assets		
Non-current assets	4,501.5	4,345.5
Working capital		
Current assets	7,302.0	7,953.6
Current liabilities	3,588.1	3,675.4
Net working capital	3,713.9	4,278.2
	8,215.4	8,623.7

Condensed consolidated statement of cashflows

	2023 Kshs m	2022 Kshs m
Cash (used in)/generated from operations	(203.3)	461.1
Interest on lease	(32.6)	(38.9)
Share buyback expenses	(3.7)	-
Tax paid	(106.5)	(432.7)
Net cash from operating activities	(346.1)	(10.5)
Net cash generated from investing activities	741.6	188.4
Net cash used in financing activities	(721.5)	(412.9)
Decrease in cash and cash equivalents	(326.0)	(235.0)
At start of period	1,893.9	2,111.9
Exchange gains on cash and cash equivalents	155.3	17.0
At end of period	1,723.2	1,893.9
Short term investments	1,378.8	1,861.7
Total cash and cash equivalents and short term investments	3,102.0	3,755.6

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
Year ended 31 December 2023							
At start of year	518.5	(427.5)	172.9	7,643.5	285.4	82.1	8,274.9
Total comprehensive income:							
Loss for the period	-	-	-	(201.7)	-	(4.0)	(205.7)
Other comprehensive income, net of tax							
Currency translation differences	-	-	238.2	-	-	22.8	261.0
Transfer of excess depreciation	-	-	(9.6)	9.6	-	-	-
Deferred income tax on transfer	-	-	2.9	(2.9)	-	-	-
Share of comprehensive income in associate	-	-	108.1	-	-	-	108.1
Total other comprehensive income	-	-	339.6	6.7	-	22.8	369.1
Total comprehensive income for the period	-	-	339.6	(195.0)	-	18.8	163.4
Transaction with owners:							
Dividend paid - final 2022	-	-	-	-	(285.4)	-	(285.4)
Dividend paid to minority	-	-	-	-	-	(0.3)	(0.3)
Share buyback	-	(287.3)	-	(3.7)	-	-	(291.0)
Total transaction with owners	-	(287.3)	-	(3.7)	(285.4)	(0.3)	(576.7)
At end of period	518.5	(714.8)	512.5	7,444.8	-	100.6	7,861.6

Performance

The Group's performance during the period was adversely impacted by a challenging macro-economic environment characterized by weakened consumer spending, rising prices of basic commodities, higher fuel prices and rising interest rates. In addition, the depreciation of the Kenya shilling against the US dollar aggravated the impact, resulting in an increase of 21% (Kshs 298.7m) in our cost of sales and a decline of 2.5% in turnover compared to prior year.

As we embark on our Digital Northstar journey, a decision was made to impair the printing press in Kenya, resulting in an impairment charge of Kshs 291.4m. Consequent to the above factors, the Group posted a loss before tax of Kshs 431.8m for the year.

Our digital footprint increased to 60.2 million users compared to 57.9 million in the previous year, as a result of a continued focus on audience acquisition and engagement.

The Group registered revenue growth in its niche products (*Business Daily*, *The EastAfrican* and *Taifa Leo*), resulting from insightful content and partnerships.

Share Buyback

The second Share Buyback offer opened on 3rd July, 2023, and is expected to conclude either when the Company has acquired the maximum allowable number of ordinary shares (19.03m shares) as specified in the Buyback, or on 2nd July, 2024, whichever comes earlier. At the close of the year, a total of 14.3m shares had been purchased from shareholders who opted to participate. These ordinary shares purchased under the Buyback are held as treasury shares.

Dividend

Considering the prevailing economic environment and the Group's investment plans, the Board of Directors does not recommend payment of a dividend for the year 2023.

Outlook

We maintain our confidence in the investments we continue to make to transform the organization, develop a portfolio of new digital products, and enhance revenue diversification by monetizing our extensive digital presence. These efforts will solidify the Group's position as the leading multi-media company in the region, delivering impactful content to our audiences. The Group will also continue to maintain a strong presence in commercially viable print and broadcast media, focusing on unique and relevant content.

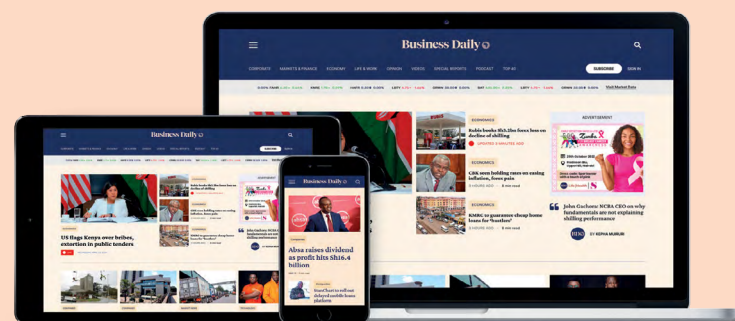
By order of the Board

Angela Namwakira
Company Secretary
19th April 2024

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