

Media

In our media segment, Media24 is building communities through content, technology and commerce. We are focusing on building a more diversified media player with market-leading mobile content and a portfolio of ecommerce solutions, including efashion, efulfilment and online job classifieds. This will enable Media24 to capitalise fully on rising mobile internet connectivity across the continent as well as on South Africa's growing online retail sector.

Highlights of the year



Media24 (excluding Novus) revenue was flat at US\$374m.

MEDIA24

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Online fashion store Spree achieved topline growth of 49%.

spree
CO.ZA

▶ Read more on page 46



24.com achieved double-digit year-on-year revenue growth.

news24
Breaking News. First.
careers24
Get a career you can be proud of.

▶ Read more on page 46



The larger portion of Media24's investment in Novus was unbundled.

novus holdings

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MEDIA24 (EXCLUDING NOVUS) REVENUE WAS FLAT YEAR ON YEAR AT

US\$
374m

Markets

We are navigating a competitive and fast-changing market

Media markets remain highly competitive and fast changing. Revenues in traditional media streams are under pressure whereas digital and technology changes create great opportunities for players with the resources and drive to adapt.

Performance

REVENUE⁽¹⁾ (US\$m)

2018	507
2017	588
IFRS: ↓14% LC: ↑1%	

TRADING PROFIT⁽¹⁾ (US\$m)

2018	3
2017	19
IFRS: ↓84% LC: ↓>100%	

Notes

⁽¹⁾ Presented on an economic-interest basis.
LC = local currency.

Media24

Growing ecommerce and news

Online fashion store Spree outperformed revenue expectations with topline growth of 49%. Nearly 50% of sales came from mobile devices.

Spree also launched visual search functionality and won the African customer experience award for innovation.

24.com achieved double-digit year-on-year revenue growth and increased daily average unique browsers by 6% year on year and pageviews by 9% during the period.

The News24 app's engagement reached all-time highs in the financial year.

As the competition and speed of change in media markets continue to rise, we are adapting our businesses for success.



Investing in social and relationship capital

Media24 aligns its strategic corporate social investment (CSI) with core business interests to enhance stakeholder relations and build its profile as a good corporate citizen.

Training tomorrow's journalists

Through its flagship CSI programme, WeCan24, Media24 equips young people with digital journalism skills. Young people learn how to use digital technologies to research and produce news and information. During the year, nearly 2 000 young people were trained at 350 schools and more than 2 000 articles were published on the WeCan24 platform. Going forward, the WeCan24 platform and programme will have a stronger digital focus. Face-to-face training is being converted into a Massive Open Online Course (MOOC) that will enable young people everywhere to access the material at any time. They will be able to learn writing and research skills via an accredited digital journalism course. The plan is for the programme to be self-sustaining by becoming a training conduit for partners who pay to use the platform.

Working with governments

Media24 is working on two strategic agreements with governments. A partnership with the Gauteng provincial government will provide training opportunities in digital, communication and entrepreneurship to unemployed youth via the Tshepo One Million programme. A partnership with the Western Cape government's Premier's Advancement of Youth (PAY) programme has enabled Media24 to include internships for youth with its enterprise development partner, Mikateko Media.

Media24 is helping to train the next generation of digital journalists.



Performance *continued*

Netwerk24

6 months.
32 engineers.
30 stakeholders.
113 standups.
689 tasks logged.
7 232 cups of coffee.

This is what it took to integrate Media24's digital lifestyle properties into Netwerk24, the subscriber-based home of Afrikaans content. Designing one home that would feel right for each of the brands, and which their audiences would want to pay for, was no mean feat. The small team ran six key projects in six months – app content integration, site designs and rebuilding, print content, paywall enhancement, emagazines, and rebranding. Through innovation, creativity and exceptional collaboration, the team achieved what had seemed like an impossible task. Subscriber numbers are up significantly and the team is applying the lessons they learnt along the way to their next project.

On the Dot

In South Africa we have a tradition of volunteering '67 minutes for Madiba' on Mandela Day, honouring the life and work of the late President Nelson Mandela. Rika Swart, general manager of On the Dot, Media24's distribution business, challenged her team to do 67 good deeds for Madiba by the end of July. Despite working to tight schedules and deadlines, with the constant pressure to do more with less, the team embraced the challenge bravely, pulling on their overalls to repaint schools, care for the elderly and many other initiatives. By the end of July, the team had volunteered for 72 separate initiatives. They made a difference, and inspired themselves and the rest of Media24. But the story doesn't end there. Their heart and courage carried the team through tough times a few months later: they went through a restructuring process that affected the whole middle management team. And yet, their engagement scores have never been higher.

Media24's distribution business On The Dot performed a variety of good deeds on Mandela Day – 72 in all.



Preparing for a potential water crisis

South Africa has recently declared a national disaster due to severe drought conditions in several provinces. The Western Cape province is a particular concern as it is experiencing its worst drought on record. The City of Cape Town disaster management plan called for Day Zero to be implemented when dam levels reach 13.5%. On Day Zero the water reticulation system to most areas in the city will be turned off and residents will need to collect their quota of 25 litres per person per day at 200 distribution points across the city.

At Media24 and other Naspers businesses in Cape Town, we have been preparing for a potential water crisis identified by the government by implementing water-saving and resilience initiatives, running awareness campaigns, and developing plans to work differently in the event of Day Zero.

Our South African businesses are well prepared for a severe water crisis.



Performance *continued*

Data-driven engineering

At Media24 we employ only the best – and we seek out talent that will raise the bar and challenge us. Some of the new appointees to our 24.com engineering team include an actual rocket scientist, and a PhD biochemistry graduate – not traditional skills in the media business, but critical to our data-driven approach.

Media24 seeks best talent – raising the bar and challenging us.



The migration of our Afrikaans lifestyle titles to Netwerk24 on 1 November 2017 showed promising early results, with a solid increase in subscribers. Netwerk24 is the largest digital subscription news destination in South Africa.

Posting positive results in print media

Our print media, book publishing and distribution portfolio posted excellent results. Better than expected advertising revenue, the phenomenal success of The President's Keepers (Jacques Pauw's best-selling exposé on President Jacob Zuma, published by NB Publishers), good textbook orders and strict cost management all contributed.

Playing our part in investigative journalism

Investigative journalism in South Africa is flourishing, exemplified by the success of The President's Keepers. The #Guptaleaks team, included 24.com investigative journalists Pieter-Louis Myburgh and Angelique Serrao, won the Vodacom Journalist of the Year award for their series of revelations on state capture. At the Standard Bank Sikuville awards, Suzanne Venter won the investigative journalism award and SA story of the year for her work on the Life Esidimeni story.

We are immensely proud of our award-winning investigative journalists

Unbundling Novus Holdings

Effective 26 September 2017, the majority of Media24's investment in Novus Holdings Limited was unbundled via Naspers, in accordance with the Competition Tribunal's merger approval condition. Post unbundling, Media24 retained a 19% investment in Novus (down from a pre-unbundling shareholding of 66.5%). Since 30 September 2017, the investment in Novus is carried as an available-for-sale investment and its results are no longer consolidated on a line-by-line basis.



Optimising distribution across the business

Any media company knows machine learning (ML) and artificial intelligence (AI) are integral to its tech and product suite. Media24 embraced this by launching apps based on ML and AI in FY18. Our aggregator and personalised app suite now include News24 Edge, a personalised version of flagship online title News24, as well as soccer aggregator Daily Kick, general news aggregator Sliced and Nigerian news aggregator Bounce. Spree, our efashion business, also piloted an AI-powered visual image search functionality on its app whereby shoppers can upload pictures of clothing they like and then view similar items for sale on Spree. It was the first of its kind for efashion in Africa. News24 Edge was named the top mobile news service by the World Publishing Expo and the World Association of Newspapers and News Publishers, while Spree won the prestigious African Customer Experience Innovator Award for its image search functionality.

Media24 embraced ML and AI launching News24 Edge.

