Interim report

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We pursue progress for individuals, organisations and the world.

The Economist Group

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Interim report

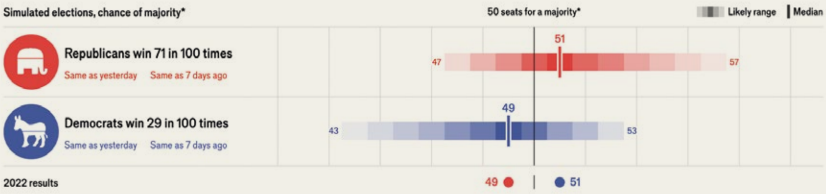
Six months ended September 30th 2024

economistgroup.com

About us—at a glance

HIGHLIGHTS OF OUR FIRST HALF

The Economist's US election model: Senate forecast



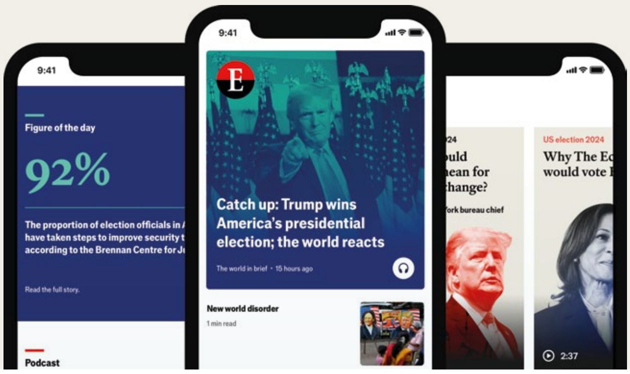
1.187m

closing subscriptions
(+3% year on year)

The Economist drew attention to the calamitous war in Sudan

AI-powered translation for articles and videos

Espresso offered **free for students** worldwide



FINANCIAL HIGHLIGHTS

£166.0m
▼ **-7% revenue**
(H1 2024: £178.7m)

£15.4m
▼ **-35% operating profit**
(H1 2024: £23.5m)

54.3p
▼ **-36% earnings per share**
(H1 2024: 85.1p)

£31.50
▬ **indicative share value**
(31 March 2024: £31.50)

Revenue by business	H1 FY25 £m	H1 FY24 £m
1 *The Economist* (includes Economist Education)	108.7	108.6
2 Economist Impact	34.2	46.1
3 Economist Intelligence	23.1	24.0

From the chair

Dangerous times call for clear-eyed insight.

Paul Deighton
Chair

"It will be a nerve-racking and dangerous year."

So wrote our editor-in-chief, Zanny Minton Beddoes, in November 2023, looking ahead to a period in which more than two billion people were due to vote in more than 70 nationwide elections—all against a backdrop of "grave geopolitical peril".

A year on, the nerves have not settled, and the danger has not passed. The world continues to be turbulent and uncertain, wracked by conflict and tension in Africa, Asia, Europe and the Middle East. Polarisation and demagoguery have disfigured much of the "year of democracy". And we are all wrestling with the ambiguous promise of AI, while feeling—often at painful first hand—the effects of a changing climate.

Progress in all these spheres is surely possible—but remains too often obstructed by doubt, distrust and disinformation. The Economist Group's purpose is to champion progress by contesting these obstacles—and to help people understand and navigate a volatile world through rigorous analysis, trusted insight and expertise, as we have since 1843.

Our strategy as a Group is to make sure we maintain long-term top- and bottom-line growth so that we can keep providing high-quality insights through the trusted editorial and information services we deliver through our businesses. In this half year, we've continued to innovate and experiment to support that strategy.

"We're seeing the benefits of our investments in data and digital capabilities, which have enhanced our ability to understand and respond to the evolving needs of subscribers."

Progress in our core business, resilience overall

Continued progress in our core business has been partly offset by the headwinds we still face in some client-facing businesses, in what is overall a resilient performance. In reporting terms, there are two important factors to bear in mind in these half-year results. The first is that last year's reporting period contained an additional week. The second is that our Economist Impact Events business held the highly successful EuroFinance International Event in early October this year rather than in September, meaning that the revenues from our largest event do not appear in these first-half results, as they did in 2023.

The Group's half-year revenues of £166m were therefore 7% lower than the prior year at actual exchange rates, and 5% lower at constant currency. Operating profit of £15.4m was 35% below the prior year. Underlying revenue and operating profit, adjusting for these factors, were in line with last year.

Net debt before lease liabilities was £9.6m, higher than last year's £1.1m, reflecting the lower profit at this stage of this year, as described above, and the higher final dividend paid this summer.

Innovating and evolving to extend our reach

Across the Group, the half-year has seen several encouraging trends. *The Economist* business has grown in both volume and revenue, with continuing success in enterprise subscriptions, which allow corporates and other organisations to buy access to *The Economist* for a large number of employees. High-quality, values-based journalism remains at the heart of this growth. At the same time, innovation is extending our reach: in September, for example, *The Economist* announced that its short-form daily news app, Espresso, would be available free to over 400m students worldwide, featuring AI-powered, in-app translations in French, German, Mandarin and Spanish. We'll continue to focus on subscription growth and digital innovation; in July, we welcomed Luke Bradley-Jones as president and managing director of *The Economist*, who brings great experience in developing subscription businesses from his former roles as general manager of Disney+ EMEA, and at Sky and BBC Worldwide.

More widely, we're seeing the benefits of our investments in data and digital capabilities, which have enhanced our ability to understand and respond to the evolving needs of subscribers. We continue to explore the opportunities presented by AI, and will advance its use—clearly labelled and transparently governed—in our services.

In other parts of the Group, the picture this half-year is more mixed. Economist Intelligence has continued to garner awards and recognition, with EIU in particular growing subscriptions strongly.

Economist Impact remains the most exposed of our businesses to market conditions, with its two components, Economist Impact Events and Economist Impact Partnerships, both client-facing. The Economist Impact Events business has performed solidly, delivering 53 events and continuing to pursue its strategic aim of focusing on in-person events. While it does not appear in the first-half figures, October's market-leading EuroFinance International Event in Copenhagen was the biggest on record.

Economist Impact Partnerships continues to face difficult times, combating long-term advertising trends alongside current client spend constraints. We've further restructured the business this half-year to make it better adapted to an environment in which we see large, integrated partnerships playing an ever growing role; regrettably, 30 colleagues left the business as a result.

Trusted journalism in an historic year

Our success—and our purpose—remain inextricably linked to the quality of the insights we deliver. Once again, amidst vital elections and bitter conflict, *The Economist* has provided level-headed reporting and analysis from expert correspondents around the world.

The biggest story was, predictably, the battle for the White House. The race itself took dramatic twists, from an attempt to assassinate Donald Trump and the elevation of Kamala Harris as the Democratic nominee to Mr Trump's decisive victory on election night. Throughout this *The Economist*'s United States team responded nimbly, covering the election across its app, podcasts, newsletters, sophisticated forecast models and more. In a polarised media landscape, *The Economist*'s independent journalism has stood out, explaining what it all means—for America and the world.

The Economist also illuminated the toll of conflicts in Ukraine and Gaza, as well as the war in Sudan, a disaster too catastrophic for the world to ignore. But there has been good news, too. Prospects for Generation Z are surprisingly bright, *The Economist* reported in April, and a new era of solar power is set to dawn. These were among the stories that illuminated how, in a world rocked by uncertainty, progress is still possible.

Well positioned to keep championing progress

Demand for clear-eyed analysis remains strong. Over recent years we've invested in our capabilities so that we can continue to meet that demand—transforming our offer so that, for example, more than 66% of subscriptions to *The Economist* are now digital-only, compared with 44% four years ago, with 89% of new subscribers this half-year being digital-only.

With this focus on innovation and digitisation across the Group—alongside our continuing focus on colleague well-being, climate action and good governance—we believe that we are well positioned as a sustainable business that can keep delivering on our purpose. As a result, I am pleased to tell you that the Board has decided to declare an interim dividend of 53p per share, which is one-third of last year's annual dividend.

Paul Deighton Chair

> "In a year of vital elections and bitter conflict, *The Economist* provided level-headed reporting and analysis from expert correspondents around the world."

Financial statements

In this section

Pursuing progress.

Delivering insight.

Condensed consolidated income statement

	Note	Six months to Sept 30th 2024 £000	Six months to Sept 30th 2023 £000	Twelve months to March 31st 2024 £000
Revenue	2	**166,042**	178,660	**366,988**
Operating expenses		(150,651)	(155,126)	(319,615)
Operating profit		**15,391**	23,534	**47,373**
Finance income		270	280	533
Finance costs		(1,302)	(1,124)	(2,444)
Profit before tax		**14,359**	22,690	**45,462**
Income tax		(3,590)	(5,801)	(11,389)
Profit for the period		**10,769**	16,889	**34,073**
Attributable to:				
Equity holders of the company		10,769	16,889	34,073
Earnings per share (in pence per share)	3			
Basic		**54.3**	85.1	**171.6**
Diluted		53.9	84.5	170.6
Dividends paid per share on a cash basis (pence)	4	120.0	80.0	120.0

The accompanying notes to the condensed consolidated financial statements form an integral part of the financial information.

Consolidated statement of comprehensive income

	Six months to Sept 30th 2024 £000	Six months to Sept 30th 2023 £000	Twelve months to March 31st 2024 £000
Profit for the period	**10,769**	16,889	**34,073**
Items that may be reclassified subsequently to the income statement:			
Change in fair value of cashflow hedges	3,353	(1,993)	(794)
Attributable tax	(838)	498	198
Change in value of interest rate hedges	–	(186)	(341)
Attributable tax including current tax charge	–	63	85
Net exchange differences on translation of net investments in overseas subsidiary undertakings	725	(919)	(568)
Items that will not be reclassified to the income statement:			
Remeasurement of retirement benefit obligations	24	79	(473)
Attributable tax including effect of rate change	(348)	(347)	(572)
Current tax benefit on retirement benefit obligations	342	327	679
Other comprehensive income/(expense) for the period	3,258	(2,478)	(1,786)
Total comprehensive income for the period	**14,027**	14,411	**32,287**
Attributable to:			
Equity holders of the company	14,027	14,411	32,287

Consolidated balance sheet

	As at Sept 30th 2024 £000	As at Sept 30th 2023 £000	As at March 31st 2024 £000
Property, plant and equipment	4,461	4,624	4,629
Right-of-use assets	23,273	25,139	23,514
Intangible assets	52,183	48,446	50,109
Deferred tax assets	3,131	8,871	4,436
Non-current assets	**83,048**	87,080	**82,688**
Inventories	348	403	282
Trade and other receivables	51,751	49,223	53,916
Current tax assets	3,516	414	1,422
Derivative financial instruments	3,894	400	541
Cash and cash equivalents	21,786	14,422	24,776
Current assets	**81,295**	64,862	**80,937**
Total assets	**164,343**	151,942	**163,625**
Trade and other liabilities	(6,457)	(6,515)	(6,783)
Borrowings	(31,379)	(15,505)	–
Lease liabilities	(24,790)	(26,953)	(25,412)
Deferred tax liabilities	(6)	(2,551)	–
Retirement benefit obligations	(6,507)	(8,799)	(7,947)
Other liabilities	–	(9)	–
Non-current liabilities	**(69,139)**	(60,332)	**(40,142)**
Trade and other liabilities	(165,376)	(162,155)	(185,971)
Lease liabilities	(6,148)	(5,019)	(4,748)
Derivative financial instruments	–	(847)	–
Current tax liabilities	(1,171)	(2,456)	(1,298)
Current liabilities	**(172,695)**	(170,477)	**(192,017)**
Total liabilities	**(241,834)**	(230,809)	**(232,159)**
Net liabilities	**(77,491)**	(78,867)	**(68,534)**
Equity			
Share capital	1,260	1,260	1,260
ESOP shares	(4,676)	(5,902)	(5,506)
Treasury shares	(188,823)	(188,823)	(188,823)
Translation reserve	(14,048)	(19,676)	(18,126)
Retained earnings	128,796	134,274	142,661
Total equity	**(77,491)**	(78,867)	**(68,534)**

A reconciliation of net debt is set out in the consolidated statement of cashflows on page 11.

Consolidated statement of changes in equity

For the six-month period ended September 30th 2024	**Equity attributable to equity holders of the company**					
	Share capital £000	**ESOP shares £000**	**Treasury shares £000**	**Translation reserve £000**	**Retained earnings £000**	**Total equity £000**
At April 1st 2024	**1,260**	**(5,506)**	**(188,823)**	**(18,126)**	**142,661**	**(68,534)**
Profit for the period	–	–	–	–	10,769	10,769
Other comprehensive income/(expense)	–	–	–	4,078	(820)	3,258
Total comprehensive income	–	–	–	4,078	9,949	14,027
Net sale of own shares	–	830	–	–	–	830
Dividends	–	–	–	–	(23,814)	(23,814)
At September 30th 2024	**1,260**	**(4,676)**	**(188,823)**	**(14,048)**	**128,796**	**(77,491)**

For the six-month period ended September 30th 2023	Equity attributable to equity holders of the company					
	Share capital £000	ESOP shares £000	Treasury shares £000	Translation reserve £000	Retained earnings £000	Total equity £000
At April 1st 2023	1,260	(4,606)	(188,823)	(16,764)	132,852	(76,081)
Profit for the period	–	–	–	–	16,889	16,889
Other comprehensive (expense)/income	–	–	–	(2,912)	434	(2,478)
Total comprehensive (expense)/income	–	–	–	(2,912)	17,323	14,411
Net purchase of own shares	–	(1,296)	–	–	–	(1,296)
Dividends	–	–	–	–	(15,901)	(15,901)
At September 30th 2023	1,260	(5,902)	(188,823)	(19,676)	134,274	(78,867)

For the year ended March 31st 2024	**Equity attributable to equity holders of the company**					
	Share capital £000	**ESOP shares £000**	**Treasury shares £000**	**Translation reserve £000**	**Retained earnings £000**	**Total equity £000**
At April 1st 2023	**1,260**	**(4,606)**	**(188,823)**	**(16,764)**	**132,852**	**(76,081)**
Profit for the year	–	–	–	–	34,073	34,073
Other comprehensive (expense)	–	–	–	(1,362)	(424)	(1,786)
Total comprehensive (expense)/income	–	–	–	(1,362)	33,649	32,287
Net purchase of own shares	–	(900)	–	–	–	(900)
Dividends	–	–	–	–	(23,840)	(23,840)
At March 31st 2024	**1,260**	**(5,506)**	**(188,823)**	**(18,126)**	**142,661**	**(68,534)**

The translation reserve includes exchange differences arising from the translation of the net investment in foreign operations and of borrowings and other currency instruments designated as hedges of these investments.

Consolidated statement of cashflows

	Six months to Sept 30th 2024 £000	Six months to Sept 30th 2023 £000	Twelve months to March 31st 2024 £000
Cashflows from operating activities			
Operating profit	15,391	23,534	47,373
Depreciation, amortisation and impairment charges	6,790	6,950	14,718
(Increase)/decrease in inventories	(67)	(18)	103
(Increase)/decrease in trade and other receivables	(80)	10,787	5,889
Decrease in trade and other liabilities	(17,198)	(28,190)	(3,103)
Decrease in retirement benefit obligations	(1,550)	(1,503)	(3,000)
Decrease in provisions	–	–	(123)
Cash generated from operations	**3,286**	11,560	**61,857**
Taxes paid	(5,525)	(4,814)	(9,853)
Net cash (used in)/generated from operating activities	**(2,239)**	6,746	**52,004**
Investing activities			
Interest received	258	280	533
Purchase of software and other intangible assets	(5,325)	(3,169)	(9,341)
Purchase of property, plant and equipment	(596)	(408)	(762)
Net cash used in investing activities	**(5,663)**	(3,297)	**(9,570)**
Financing activities			
Dividends paid	(23,814)	(15,901)	(23,840)
Interest paid	(903)	(783)	(2,077)
Payment of lease liabilities	(1,878)	(3,919)	(6,711)
Sale/(purchase) of own shares	263	(1,296)	(1,590)
Proceeds from borrowings	35,000	16,000	30,000
Repayment of borrowings	(3,000)	(17,000)	(47,000)
Net cash generated from/(used in) financing activities	**5,668**	(22,899)	**(51,218)**
Effects of exchange rate changes on cash and cash equivalents	(756)	(170)	(482)
Net decrease in cash and cash equivalents	(2,990)	(19,620)	(9,266)
Cash and cash equivalents at the beginning of the period	24,776	34,042	34,042
Cash and cash equivalents at the end of the period	**21,786**	14,422	**24,776**

	Six months to Sept 30th 2024 £000	Six months to Sept 30th 2023 £000	Twelve months to March 31st 2024 £000
Reconciliation of net debt			
Net debt at beginning of the period	(5,384)	(18,238)	(18,238)
Net decrease in cash and cash equivalents	(2,990)	(19,620)	(9,266)
Proceeds from borrowings	(35,000)	(16,000)	(30,000)
Repayment of borrowings	3,000	17,000	47,000
Payment of lease liabilities	1,878	3,919	6,711
Inception of new lease liabilities, net of disposals	(2,621)	–	(1,095)
Other non-cash changes	621	(82)	(577)
Effects of exchange rate changes on lease liabilities	(35)	(34)	81
Net debt at the end of the period	**(40,531)**	(33,055)	**(5,384)**
Net debt comprises:			
Cash and cash equivalents	21,786	14,422	24,776
Lease liabilities	(30,938)	(31,972)	(30,160)
Borrowings	(31,379)	(15,505)	–
Total net debt	**(40,531)**	(33,055)	**(5,384)**

Notes to the consolidated interim financial report

Note 1 Accounting policies

This condensed consolidated half-yearly financial statement for the six-month period ended September 30th 2024 has been prepared on the basis of the accounting policies set out in the 2024 annual report.

This condensed consolidated half-yearly financial statement does not constitute statutory accounts of the Group within the meaning of sections 434(3) and 435(3) of the Companies Act 2006. The full Group accounts for 2024 were published in the Annual Report 2024, which has been delivered to the Registrar of Companies and on which the report of the independent auditor was unqualified and did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information was approved by the Board of directors on November 19th 2024 and is unaudited. The financial information for the year ended March 31st 2024 has been extracted from the full accounts for that period which have been filed with the Registrar of Companies and on which the auditors gave an unqualified report.

The directors have prepared this interim financial statement on the going-concern basis since the Group's current cashflow forecasts and projections indicate that the Group has sufficient liquidity and financing facilities to enable it to operate for the foreseeable future.

Note 2 Analysis of revenue by business

A breakdown of the Group's revenue by business division is shown in the table below.

Revenue by business	**Six months to Sept 30th 2024 £000**	Six months to Sept 30th 2023 £000	**Twelve months to March 31st 2024 £000**
The Economist	**108,748**	108,635	**217,669**
Economist Impact	**34,189**	46,063	**99,124**
Economist Intelligence	**23,105**	23,962	**50,195**
	166,042	178,660	**366,988**

Note 3 Earnings per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the company and held as treasury shares.

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares to take account of all dilutive potential ordinary shares and adjusting profit attributable, if applicable, to account for any tax consequences that might arise from conversion of those shares.

	Six months to Sept 30th 2024 £000	Six months to Sept 30th 2023 £000	Twelve months to March 31st 2024 £000
Profit for the period	10,769	16,889	34,073

	000s	000s	000s
Weighted average number of shares	19,850	19,844	19,852
Effect of dilutive share options (restricted share scheme units)	115	154	120
Weighted average number of shares for diluted earnings	19,965	19,998	19,972

Earnings per share	Six months to Sept 30th 2024 Pence	Six months to Sept 30th 2023 Pence	Twelve months to March 31st 2024 Pence
Basic	54.3	85.1	171.6
Diluted	53.9	84.5	170.6

Notes to the consolidated interim financial report

Note 4 Dividends

Cash dividends paid	Six months to Sept 30th 2024 £000	Six months to Sept 30th 2023 £000	Twelve months to March 31st 2024 £000
Final dividend for previous year of 120.0p per share (Sept 30th 2023 and March 31st 2024: 80.0p per share respectively)	23,814	15,901	15,901
Interim dividend for year to March 31st 2024 of 40.0p per share	–	–	7,939
	23,814	15,901	23,840
Dividends proposed in respect of the period			
Interim dividend proposed of 53.0p per share (Sept 30th 2023 and March 31st 2024: 40.0p per share respectively)	10,523	7,939	7,939
Final dividend proposed for year to March 31st 2024 of 120.0p per share	–	–	23,814
	10,523	7,939	31,753

Dividends paid in respect of the company's shares held by the ESOP have been deducted in arriving at the total dividends paid and proposed.

Notes

The Economist Newspaper Limited and its subsidiary companies

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