

## Exit Future Plc: Too many risks that could reduce their guidance<sup>1</sup>

<b>Company:</b>	Future (FUTR)	<b>Market Cap:</b>	734p (£777m)
<b>Industry:</b>	Media	<b>Net debt:</b>	£185m (FY 25 estimate)
<b>Country:</b>	US, UK	<b>Revenue:</b>	£777m (FY 25 guidance)
<b>Exit Date:</b>	13 <sup>th</sup> June 2025	<b>Adj. Operating profit:</b>	£218m (FY 25 guidance)
<b>Dividend:</b>	3.4p (0.5%) + £55m buyback	<b>Free cash flow:</b>	£140m (FY 25 estimate)
<b>Entry:</b>	690p (£730m)	<b>Exit:</b>	698p or £739m (+1%)

### Why exit Future?

- The new management team gave a questionable performance during the latest results presentation
- Guidance might not be met due to USD weakness, as a 1 cent in the GBPUSD exchange rate impacts revenues by £2.3m and EBIT by £1m
- Reallocation of capital towards better opportunities that fit external factors
- Car insurance prices continue to drop, making fewer switches via Go.Compare likely

### Iran war, Section 899 and \$ weakness

When the 12-day Iran war started, I exited Future to shift the capital into oil related names. Although this was successful, after the Iran war finished, I decided to invest in companies that have no USD exposure, rather than shifting the capital back into Future. Section 899<sup>2</sup> of the Big Beautiful Bill was an additional risk I did not want to have exposure to, although it was removed later<sup>3</sup>. Finally, Trump ratcheted up the

<sup>1</sup> all assumptions and observations are based on internal modelling and data analysis

<sup>2</sup> <https://www.congress.gov/crs-product/IF13023>

<sup>3</sup> <https://tax.thomsonreuters.com/news/revenge-tax-dropped-from-budget-bill-as-senate-byrd-bath-continues/>

call for the Fed to lower rates<sup>4</sup>, which has already led to a 10% decline in the USD to GBP year-to-date. With many US Treasuries being refinanced in August, I expect Trump to turn the heat on the Fed in order to move the yield curve lower. In turn, this could lead to further pressure on the USD. According to Future's annual report 2024 and management, a 1 cent in GBPUSD movement impacts revenue by £2.3m and EBIT by £1m. Since the half-year results 2025, we have moved another 5 cents higher on GBPUSD, causing EBIT to drop by £5m. In addition, UK car insurance prices continue to drop, and I can renew my personal car insurance with my existing insurer for a lot less than if I were to switch. This makes fewer car insurance switches via Go.Compare very likely. However, the valuation remained very attractive, which made me re-enter the position in July. Just a few days later, WPP gave a negative market update<sup>5</sup>, which led me to exit Future once again. Overall, it feels safer to wait for Future's trading update on 17<sup>th</sup> July, and in case it is very positive, one can always enter a position in Ziff Davis instead – a close competitor focused on the US.



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<sup>4</sup> <https://www.reuters.com/business/finance/trump-says-he-wants-interest-rate-cut-1-would-love-if-powell-resigned-2025-06-27/>

<sup>5</sup> [https://otp.tools.investis.com/clients/uk/wpp\\_group\\_plc/rns/regulatory-story.aspx?cid=1299&newsid=1964179](https://otp.tools.investis.com/clients/uk/wpp_group_plc/rns/regulatory-story.aspx?cid=1299&newsid=1964179)

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