



SINGAPORE PRESS HOLDINGS LIMITED

Reg. No. 198402868E

(Incorporated in Singapore)

SPH POSTS NET PROFIT OF \$213.2 MILLION FOR FY19, DRIVEN BY HIGHER INCOME FROM PROPERTY

- *Media industry remains challenged but digital transformation is progressing apace*
 - *Innovating for stronger digital circulation growth, achieving 19.3% rise*
 - *Positioning for future with disciplined cost management*
- *Higher profits from Property segment effectively offsetting Media's decline*
 - *Redeployment of capital from Treasury & Investment portfolio into defensive, cash-yielding sectors*
- *Proposed Final Dividend of 6.5 cents per share comprising a Normal Dividend of 5.5 cents per share and a Special Dividend of 1 cent per share; Total Dividend is 12 cents per share including Interim Dividend of 5.5 cents*

SINGAPORE, 17 Oct 2019 – Singapore Press Holdings Limited (SPH) today reported its results for the year ended 31 August 2019 (FY19). Net profit of \$213.2 million was 23.4% or \$65.2 million lower compared with a year ago, largely due to the absence of the one-off gain from the divestment of the Treasury & Investment portfolio.

Overall, operating revenue remained stable, easing by 2.4% or \$23.3 million to \$959.3 million with the improved Property revenue mitigating Media's decline.

Despite the increased scale of operations during the year from property acquisitions in UK and Australia and the expansion of capabilities in the Media and Property segments, costs were well-controlled. As a result, operating profit was 12.2% or \$26 million lower at \$186.9 million.

Segmental Highlights

Revenue from the Media segment fell by \$78.9 million or 12% to \$576.9 million as total print advertisement revenue decreased by 14.9% or \$57 million and total circulation revenue declined by \$11 million or 7.3%.

With innovative products such as the news tablet, the digital side of the business showed healthy growth. Daily average newspaper digital copies posted an increase of 19.3% while newspaper digital advertisement revenue also grew 6% year-on-year.

Effective cost management measures reduced production costs by 5.4% and staff costs by 6.9%. This helped to contain the decline in Media pre-tax profits which fell 44.6% or \$44 million to \$54.7 million.

Property revenue rose 22.3% or \$54.1 million to \$296.5 million, due to asset acquisitions made during the year. The UK student accommodation portfolio delivered \$36.4 million in revenue while SPH REIT's Figtree Grove in Australia contributed \$11.4 million. Boosted by revaluation gains, the Property segment enjoyed its best performance since 2012, with pre-tax profits rising \$73.8 million or 39% to \$263 million.

Revenue from the Others segment which includes Aged Care remains stable.

Mr Ng Yat Chung, Chief Executive Officer of SPH said: "The Media business continues to be challenged with the decline in print advertisement and circulation revenue. But we are seeing progress in our digital transformation strategy in terms of improved digital advertisement and circulation growth.

We have redeployed capital from our Treasury & Investment portfolio to invest in student accommodation which is yielding a steady stream of recurring income. We will continue to invest in such defensive, cash-yielding sectors to expand our recurring income base."

Operational Highlights

In the core Media segment, innovative customer-centric products have succeeded in broadening audience reach. The news tablet campaign which was launched in March with the Chinese newspapers has gained over 10,000 sign-ups, of which three-quarters are new subscribers. The latest campaign launched in September 2019 was for Berita Harian which has also received a strong response.

The Media segment is also investing in data analytics for better understanding of the audience and customers.

In the Property segment, SPH and its joint venture partner Kajima Development officially launched The Woodleigh Residences for sale in May 2019. Sales reached around 20% as at the end of FY19.

From the initial student portfolio acquired in September 2018, subsequent investments have expanded the number of beds to 5,059 across 10 cities in the UK. Assets under management now total more than \$600 million.

In the Aged Care segment, the occupancy rate of Orange Valley is up from a year ago while the average bill size sees improvement. The Group is seeking opportunities to expand its presence in Singapore and abroad while boosting operational standards and quality.

Post FY19

The Directors of SPH have proposed a Final Dividend of 6.5 cents per share, comprising a Normal Dividend of 5.5 cents per share and a Special Dividend of 1 cent per share in respect of the financial year ended 31 August 2019. These dividends will be paid on 20 December 2019. Together with the Interim Dividend of 5.5 cents, total Dividend payout for FY2019 will be 12 cents.

While Media's total audience across its platforms has increased, revenue remains challenged. In addition, the uncertain macroeconomic outlook has seen advertisers cutting back on advertising spend. The Group will be streamlining its Media operations in line with a new integrated sales approach.

This will result in a rationalisation of its Media sales and content teams and see an approximate 5% reduction in staff numbers across the Media Group. The exercise is expected to be completed within the current quarter and to incur retrenchment costs of approximately \$8 million.

SPH CEO Mr Ng said: "The restructuring will enable us to deliver more effective integrated solutions across various media platforms to meet the evolving demands of our advertising customers as well as audiences. We continue to invest in the newsrooms and digital media capabilities while remaining disciplined about costs."

---Ends---

Financial Highlights

	FY2019 S\$'000	FY2018 S\$'000	Change %
Operating revenue	959,255	982,555	(2.4)
Operating profit [#]	186,922	212,948	(12.2)
Fair value change on investment properties	82,407	45,702	80.3
Share of results of associates and joint ventures	19,119	(4,928)	NM
Net income from investments	9,834	115,175	(91.5)
Profit before taxation	298,282	368,897	(19.1)
Net profit attributable to shareholders	213,211	278,380	(23.4)

[#] This represents the recurring earnings of the media, property and other businesses.
 NM Not Meaningful

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About Singapore Press Holdings Ltd

Incorporated in 1984, main board-listed Singapore Press Holdings Ltd (SPH) is Asia's leading media organisation, engaging minds and enriching lives across multiple languages and platforms.

SPH's core business is publishing of newspapers, magazines and books in both print and digital editions. It also owns other digital products, online classifieds, radio stations and outdoor media.

On the property front, SPH owns approximately 70% in a real estate investment trust called SPH REIT which comprises Paragon, a premier upscale retail mall and medical suite/office property in Orchard Road, The Clementi Mall, a mid-market suburban mall and The Rail Mall, a stretch of shopping and dining outlets along Upper Bukit Timah Road. SPH REIT also holds 85% equity stake in Figtree Grove, a freehold sub-regional shopping centre in Wollongong, New South Wales, Australia. SPH owns and operates The Seletar Mall and is developing a new commercial cum residential site, The Woodleigh Residences and The Woodleigh Mall. It also owns a portfolio of Purpose-Built Student Accommodation (PBSA) in the United Kingdom.

It is in the aged care sector and owns Orange Valley, Singapore's largest private nursing home operator.

SPH runs a regional events arm and a chain of Buzz retail outlets. It also invested in the education business.

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