



# FINANCIAL RESULTS

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**1H 2018**

10 April 2018

Singapore Press Holdings Limited

# Group 1H 2018 Financial Highlights

	1H2018 S\$'000	1H2017 S\$'000	Change %
Operating revenue	492,457	516,275	(4.6)
Operating profit <sup>#</sup>	117,263	123,791	(5.3)
Investment income	21,666	14,915	45.3
Profit after taxation	120,817	119,691	0.9
<b>Net profit attributable to shareholders</b>	<b>100,622</b>	<b>99,237</b>	<b>1.4</b>

<sup>#</sup> This represents the recurring earnings of the media, property and other businesses.

**Flat Half Year Performance  
Facing digital challenges head on**

**Focusing on digital-first strategy**

- New all-digital subscriptions, at different price points

**Integrated multi-platform marketing**

- Portfolio approach to regain advertising ground

**Deploying into new growth sectors**

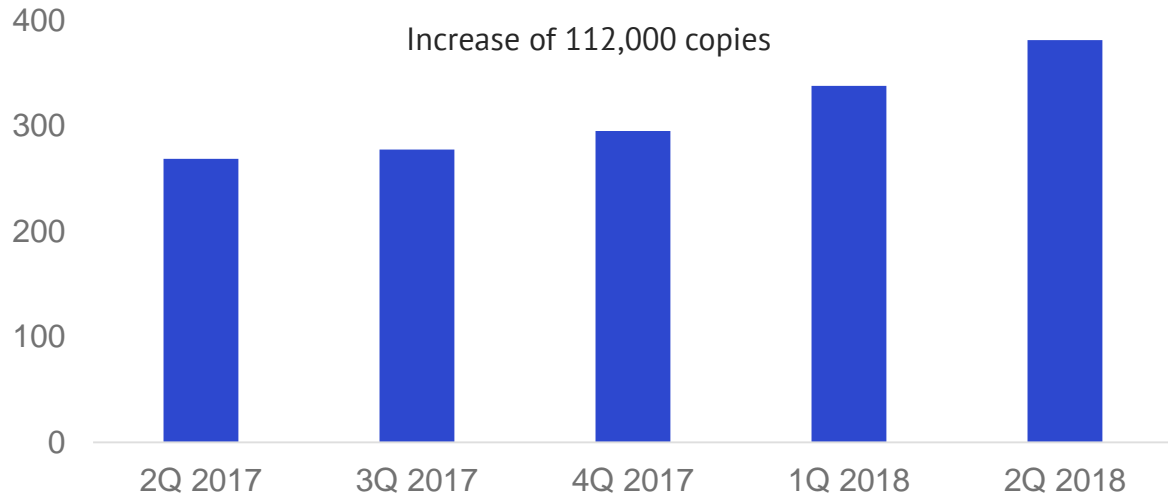
- Aged care
- Property asset management

**Other wins**

- IPO of Mindchamps

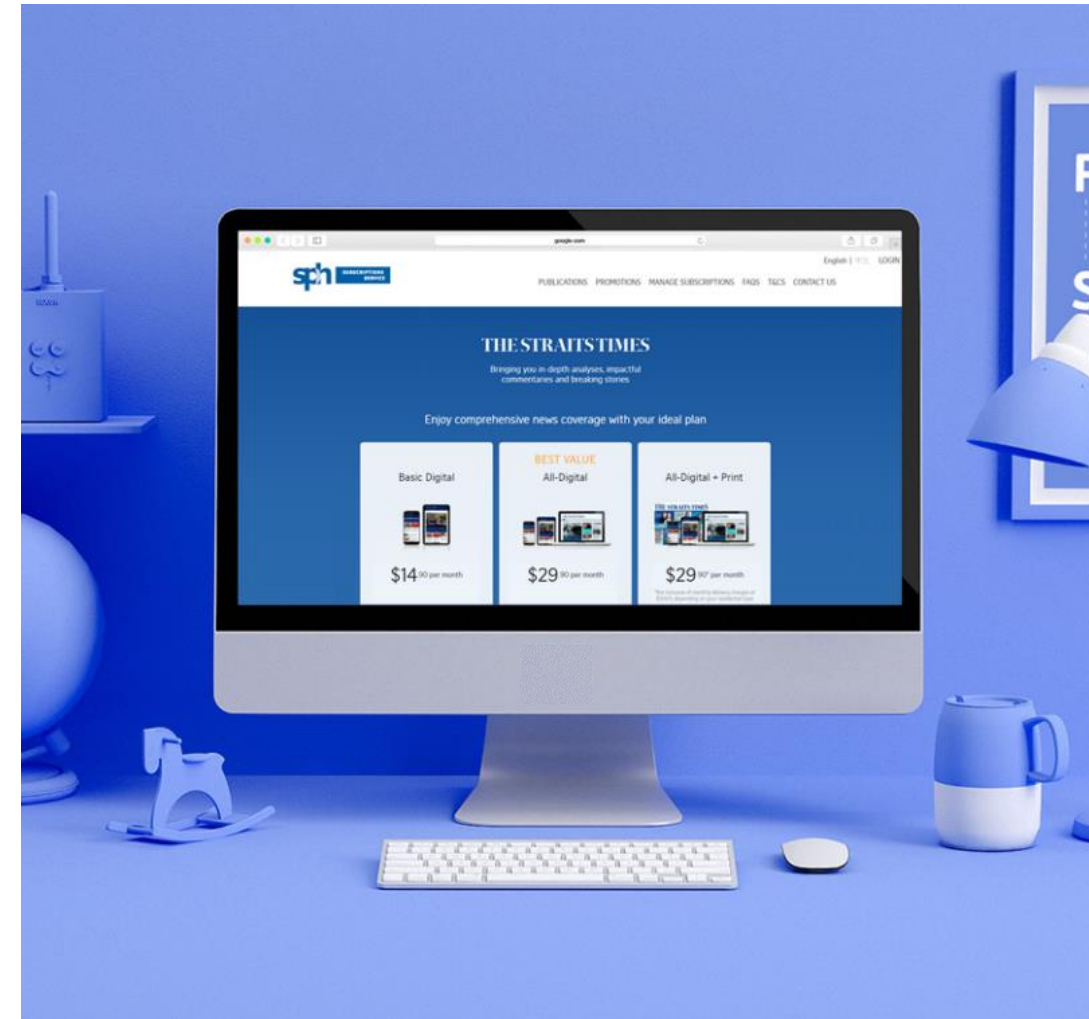
# Digital-First - Pursuing digital revenue

Daily Average Digital Circulation ('000 copies)



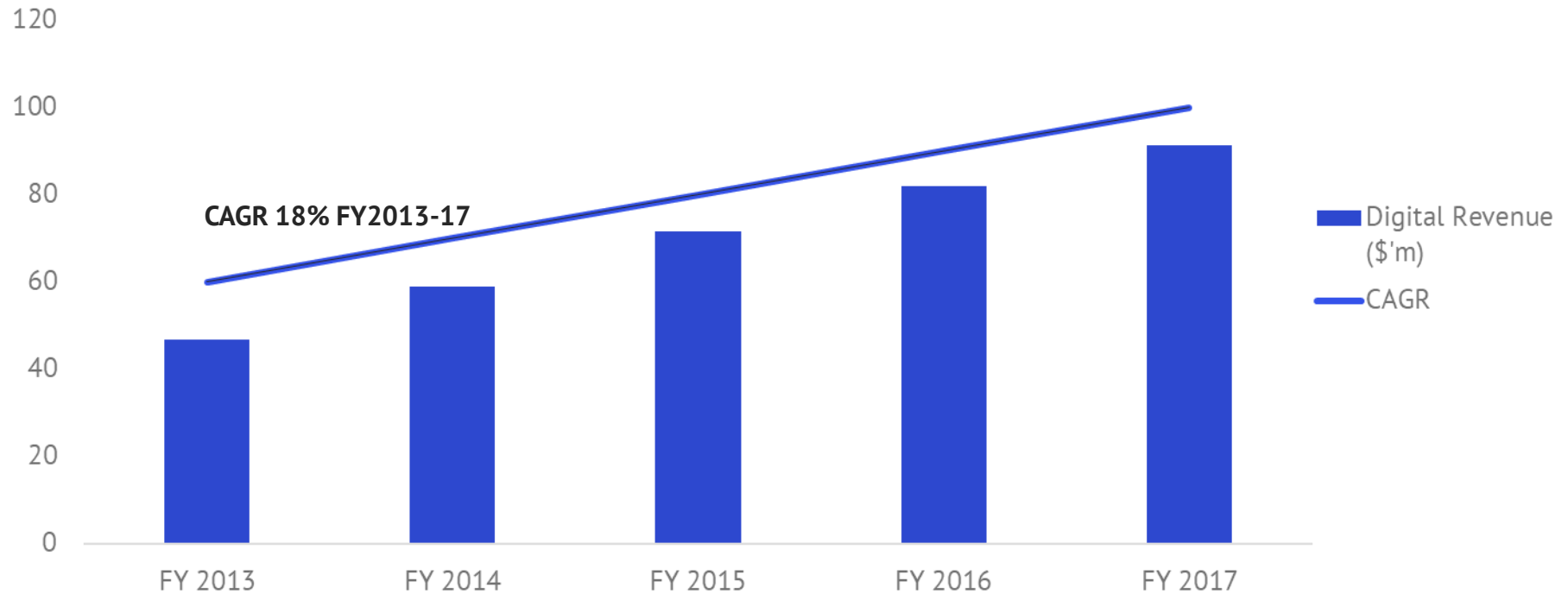
## Introduced new ST digital subscription offerings in Mar 2018

- Introduced ST Basic Digital package to cater to price sensitive audience
- Spearhead growth of digital readership and digital revenue, by offering different entry price points
- Expand to other digital publications over time



# Media: **Good** digital revenue growth

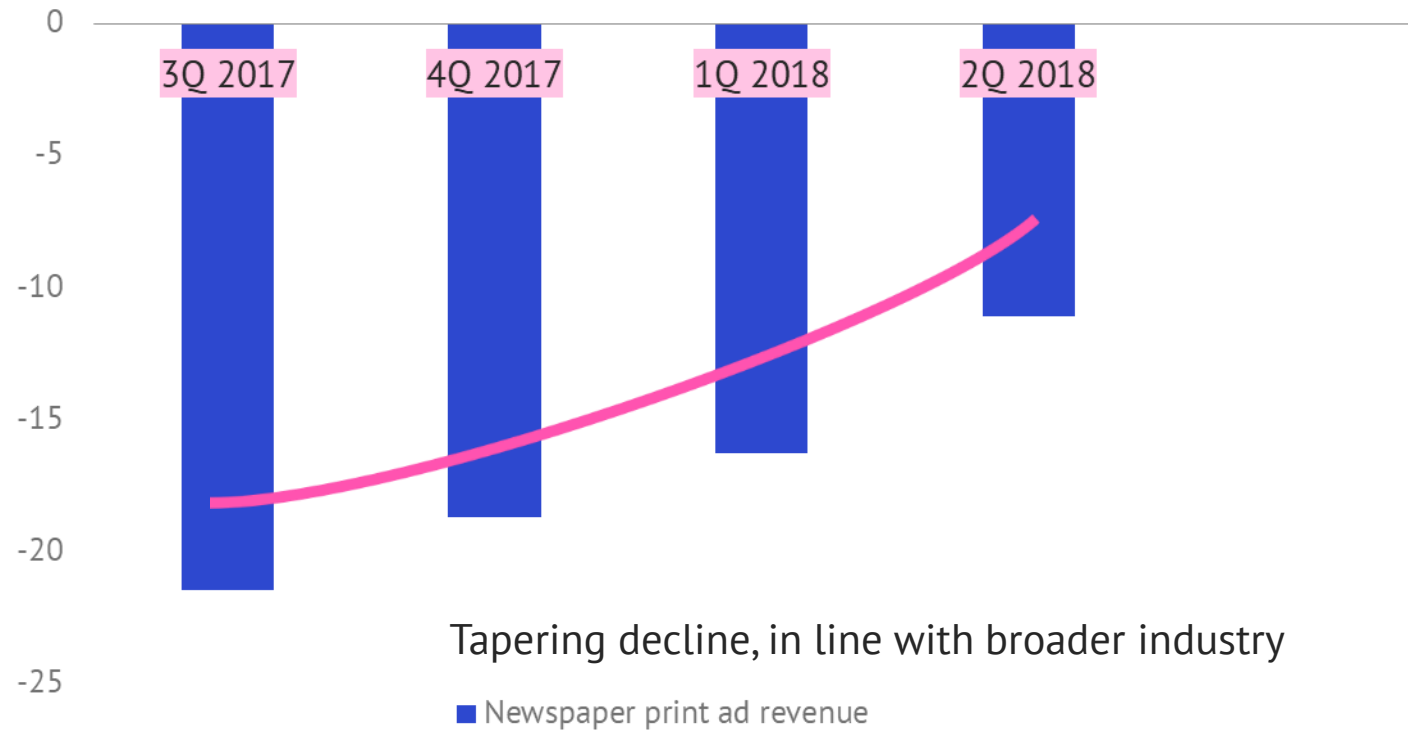
Digital revenue is currently about 12% of group media revenue\*, expected to grow faster with the launch of digital-first strategy



\*Includes revenue from media and online classifieds

# Media: Tapering print ad revenue decline

Newspaper Print Ad Revenue Y-o-Y Change (%),  
with decline seen tapering off





# Integrated Marketing

c.40% growth\* in advertisers buying two or more platforms

## Integrated all-platform marketing in 1H 2018

- Driving results for advertisers through event marketing
- Increasing brand value through content marketing



Robinsons Black Friday Campaign 2017



Fuji Tourism



Cars @ Expo

1,700 cars sold, \$180m in car sales, 130,000 visitors



# Sustained Property Performance

Property is the **biggest** profit driver

- Net Property Income (NPI) grew 1.4% to S\$95.3m
- All 3 malls continue to provide **recurrent income**



## Market Value

Paragon  
**S\$2.85b**



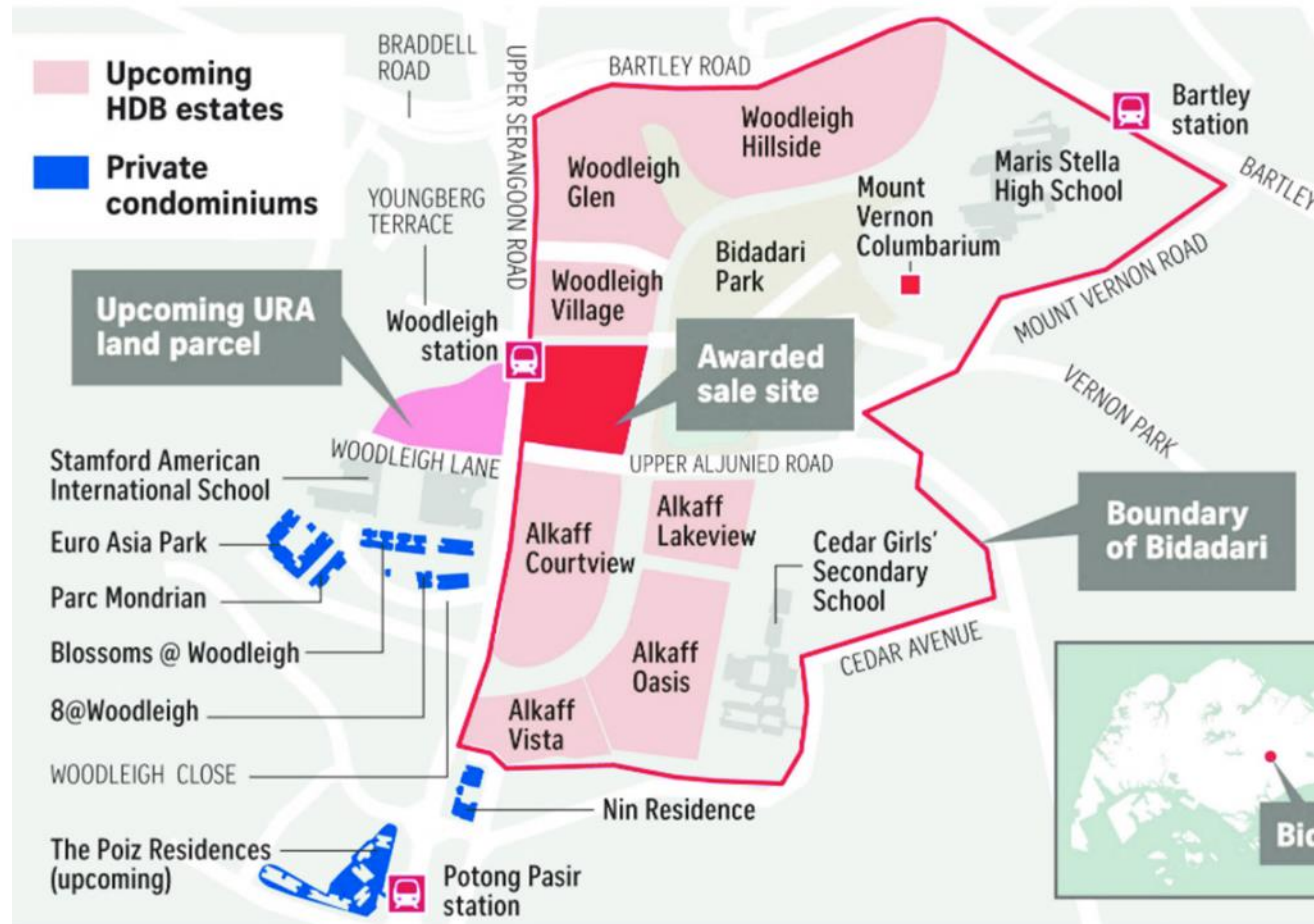
Seletar Mall  
**S\$490m**



Clementi Mall  
**S\$583m**

# Groundbreaking The Woodleigh Residences & Mall

## Fast-developing township



Sources: URA, HDB STRAITS TIMES

- Ground-breaking on 28 March 2018
- Drive medium term profit
- Recurring income from fourth retail mall

Premium residences  
**More than 600**

Retail, commercial  
**28,000 sq m**

Launch, TOP  
**To be announced**



# Potential new growth sectors: Property

## Exploring other property asset management sectors

- Focus on asset class with steady cash yield
- Working the balance sheet harder to generate return
- Generate new source of revenue and profit as asset managers
- Leveraging existing capabilities at SPH REIT and growing beyond



# Aged care: Pressing ahead



## Launch of new nursing home at Balestier

- Largest private sector player in Singapore, with more than 1,000 beds
- Looking to grow further locally and overseas



# Investment Portfolio

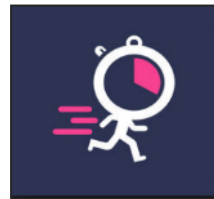
## Wins and progress in 1H 2018

Pre-school operator  
IPO, SPH owns 20%



MindChamps<sup>®</sup>  
preschool

Fast Jobs  
Third-party investor



Radio expansion in 2Q FY 2018

Money FM 89.3  
Jan 29, 2018

**MONEYFM**  
**89.3**  
STAY AHEAD

96.3 Hao FM  
Jan 8, 2018

**96.3好**  
FM  
好歌, 好FM

Popular stations

Kiss92

**kiss92<sup>FM</sup>**  
All the great songs in one place

One FM 91.3

**ONEFM** 91.3  
REAL MUSIC

UFM 100.3

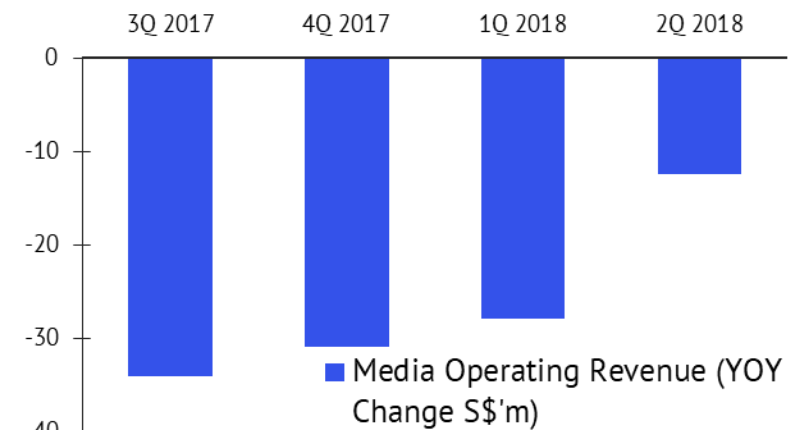
**UFM**  
100.3  
U选好歌, 非听不可!

# Group 1H2018 Segmental Highlights

Operating Revenue	1H2018 S\$'000	1H2017 S\$'000	Change %
Media	329,531	369,937	(10.9)
Property	121,676	122,417	(0.6)
Others	41,250	23,921	72.4
	<b>492,457</b>	<b>516,275</b>	<b>(4.6)</b>

## Media

- Revenue decline tapering



## Property

- Steady income stream

## Others

- Contributions mainly from the aged care business

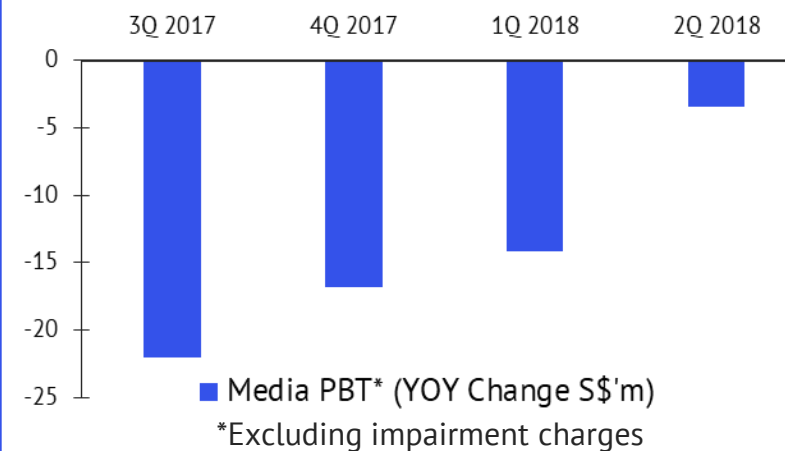


# Group 1H2018 Segmental Highlights

Profit/(Loss) before taxation	1H2018 S\$'000	1H2017 S\$'000	Change %
Media	40,448	50,611	(20.1)
Property	80,983	81,751	(0.9)
Treasury and Investment	16,167	9,697	66.7
Others	2,195	(1,985)	NM
	<b>139,793</b>	<b>140,074</b>	<b>(0.2)</b>

## Media

- Slowing PBT decline in line with revenue



## Property

- Largest profit contributor with stable income stream

## Treasury and Investment

- Increase in investment income due to foreign exchange gains

## Others

- Gain on disposal of an investment

# **Interim Dividend**

The Board has declared  
an interim dividend of 6 cents per share.

# Prioritising Digital ...

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## **Media:**

Rewards from digital strategy will happen in time

## **Property:**

Largest profit segment, will continue to provide stability

## **New Growth Initiatives:**

Expanding asset management efforts will open up avenue for growth

## **Other Investments:**

Performing well

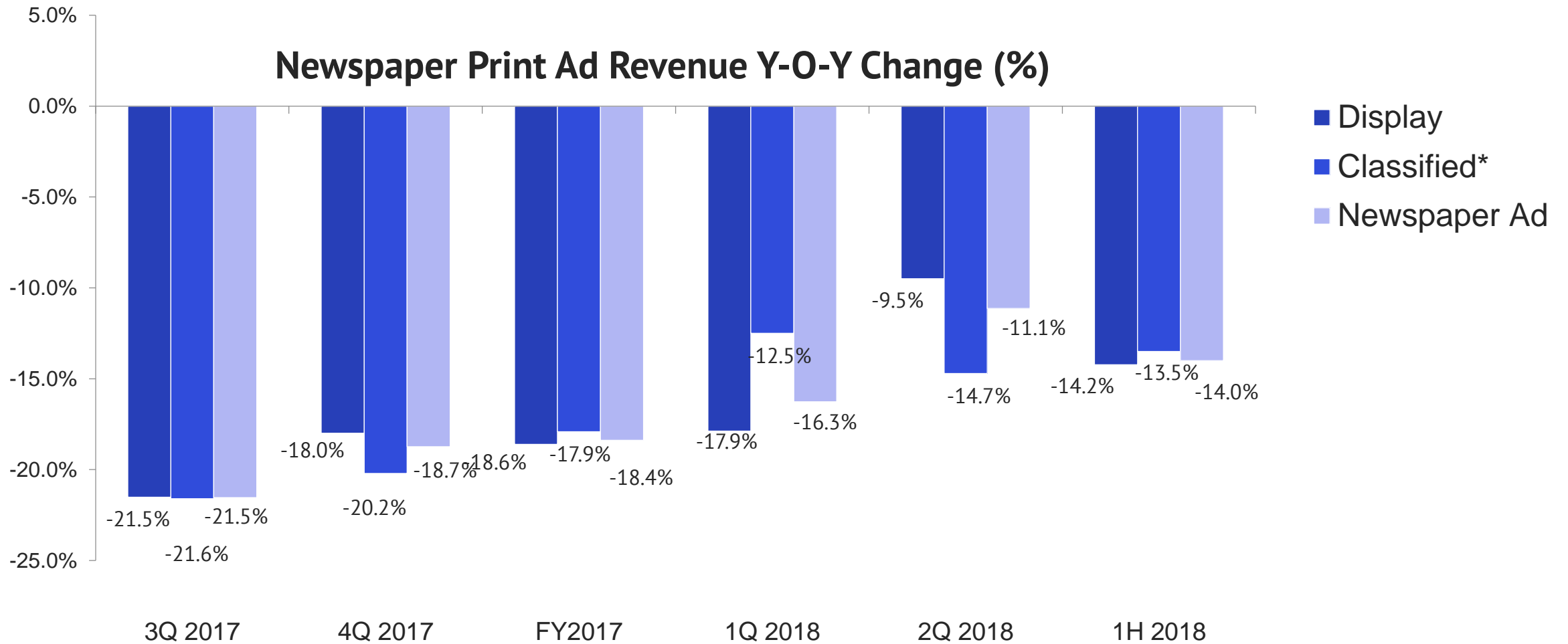
# Thank You

Visit [www.sph.com.sg](http://www.sph.com.sg) for more information



# Annexe

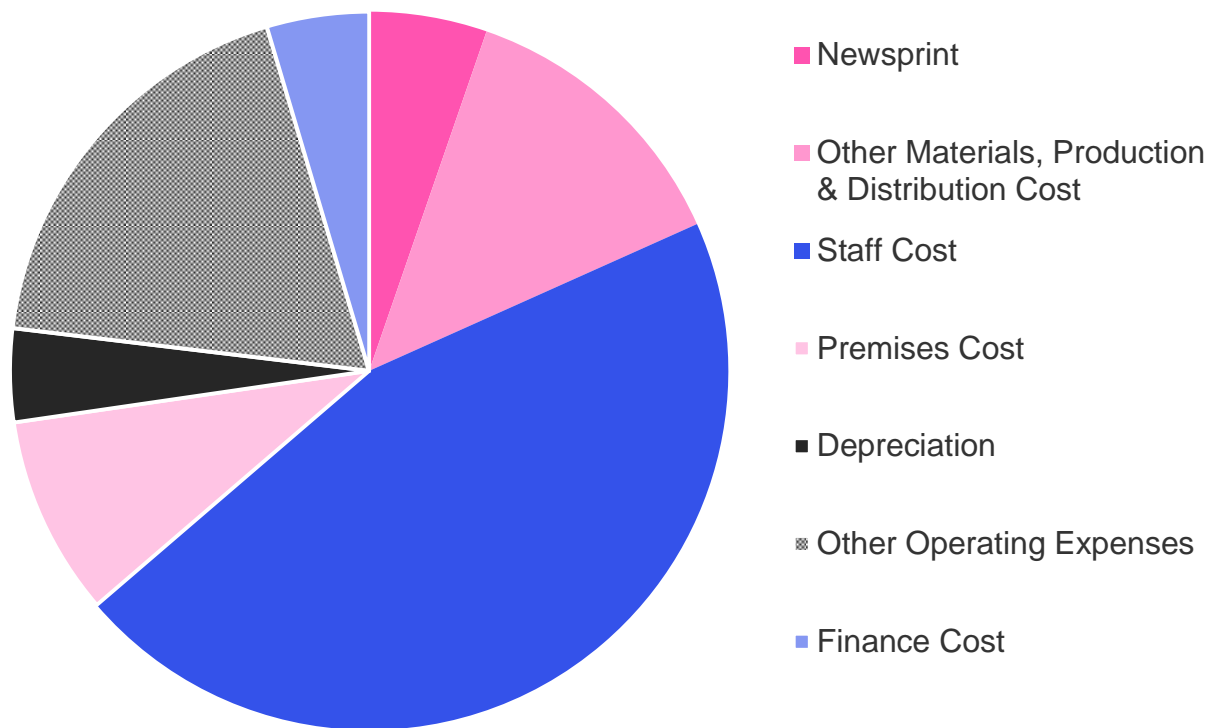
# Tapering print advertisement revenue decline



\* Classified includes Recruitment and Notices

# Operating costs **fell** 2.4%

1H 2018 Operating Expenditure  
Cost Composition (S\$390m)



S\$ m

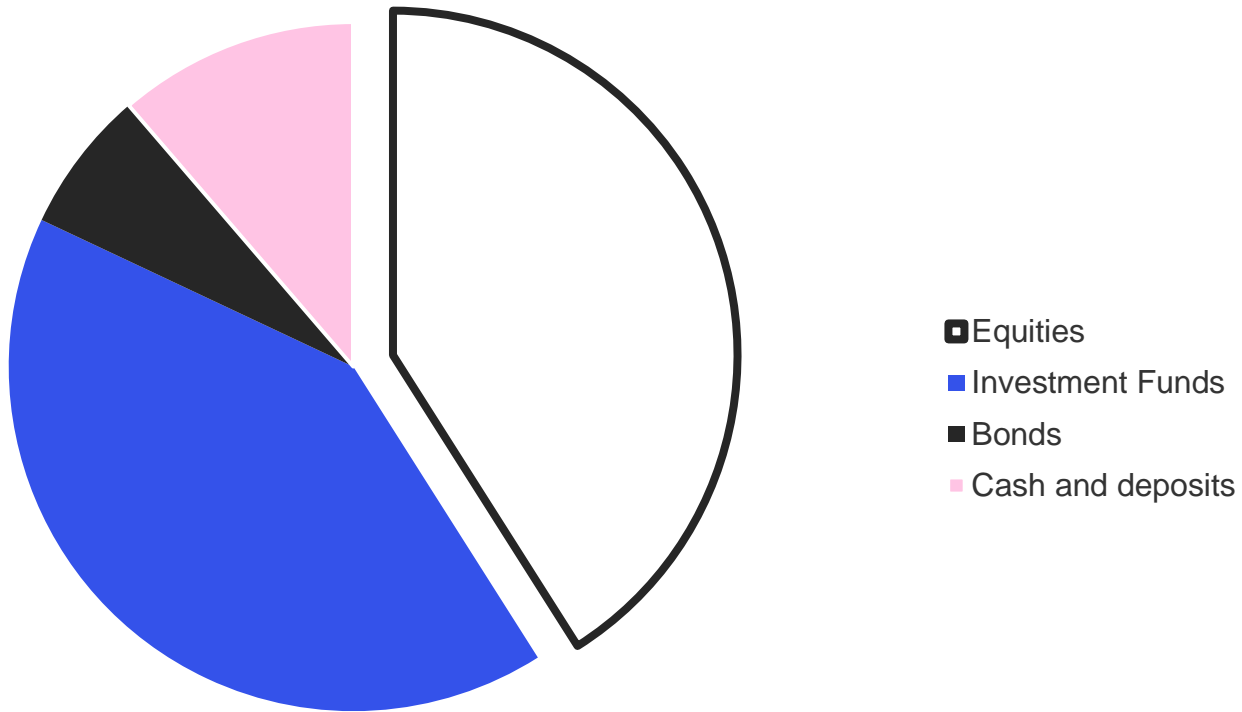
Newsprint	▼	4.0
Other Production costs	▼	2.8
Staff Costs	▼	5.0
Premises Costs <sup>#</sup>	▲	3.2
Depreciation	▼	3.2
Other Operating Expenses	▼	0.5
Finance costs <sup>^</sup>	▲	2.8

<sup>#</sup> Increase attributable to aged care business

<sup>^</sup> Increase due to borrowings for the Woodleigh project

# Strong balance sheet

Group Investible Fund (S\$1.1b)  
As at 28 February 2018

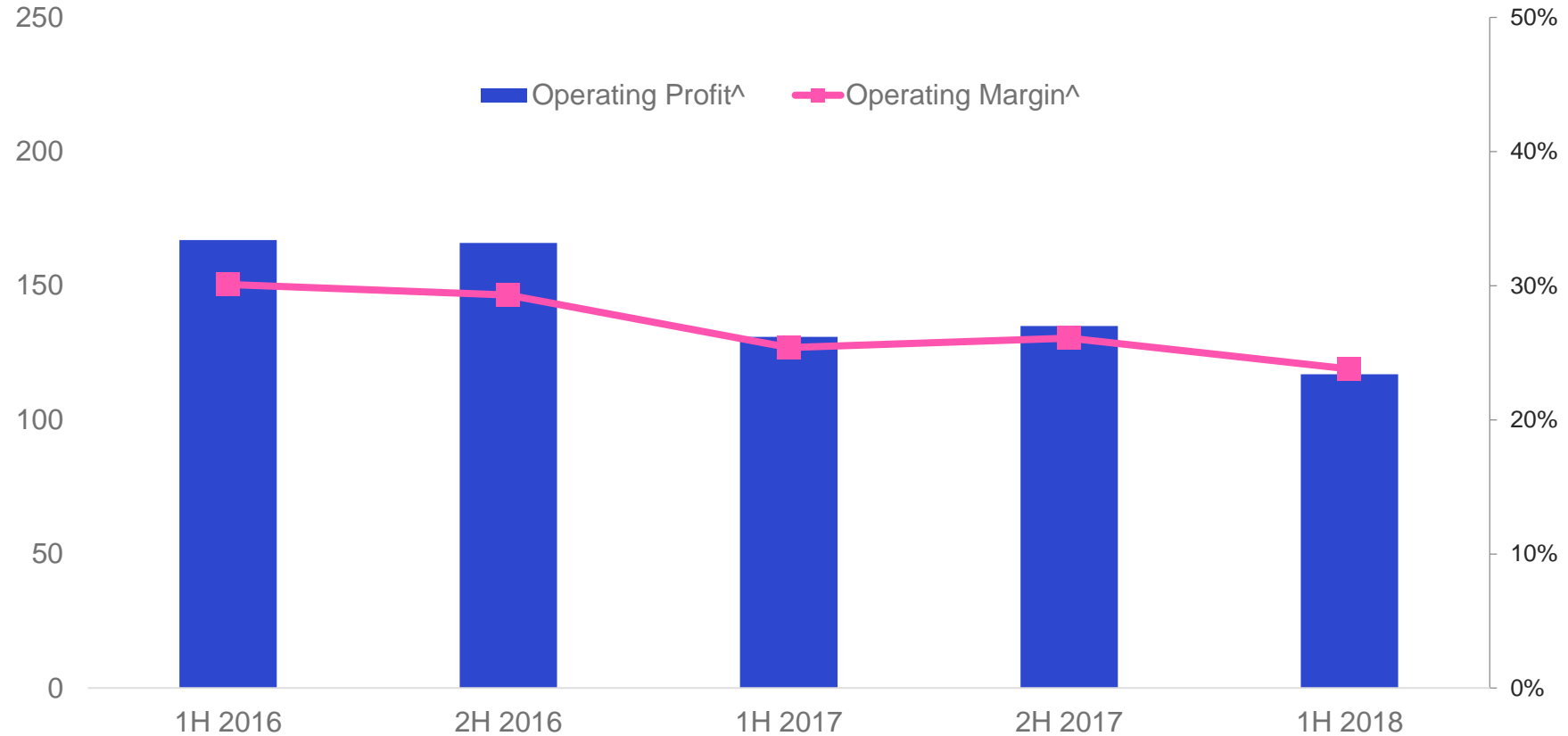


Balance sheet continues to be healthy  
Able to fund new growth sectors



# Healthy operating margins

Recurring Earnings and Operating Margin<sup>^</sup>



<sup>^</sup> Excluding impairment charges on goodwill and intangibles, and property, plant and equipment