



FINANCIAL RESULTS

3Q FY19

12 July 2019

Singapore Press Holdings Limited

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3Q FY19 Financial Highlights

	3Q FY19 S\$'000	3Q FY18 S\$'000	Change %
Operating revenue	246,102	250,074	(1.6)
Operating expenses	(220,381)	(208,810)	5.5
Operating profit [#]	29,204	46,061	(36.6)
Profit after taxation	36,380	56,096	(35.1)
Net profit attributable to shareholders	26,200	46,905	(44.1)

[#] This represents the recurring earnings of the media, property and other businesses.

Operating revenue eased 1.6%, supported by UK PBSA and SPH REIT's Figtree

Media:

- Premium content strategy to expand overseas reach
- Good traction on ZB tablet campaign offers scope to boost digital circulation

Property: Improving scale and management

- Growing base of recurring income
- UK PBSA gaining momentum, added 1,507 beds

Digital:

- Extracting synergies from M1 with completion

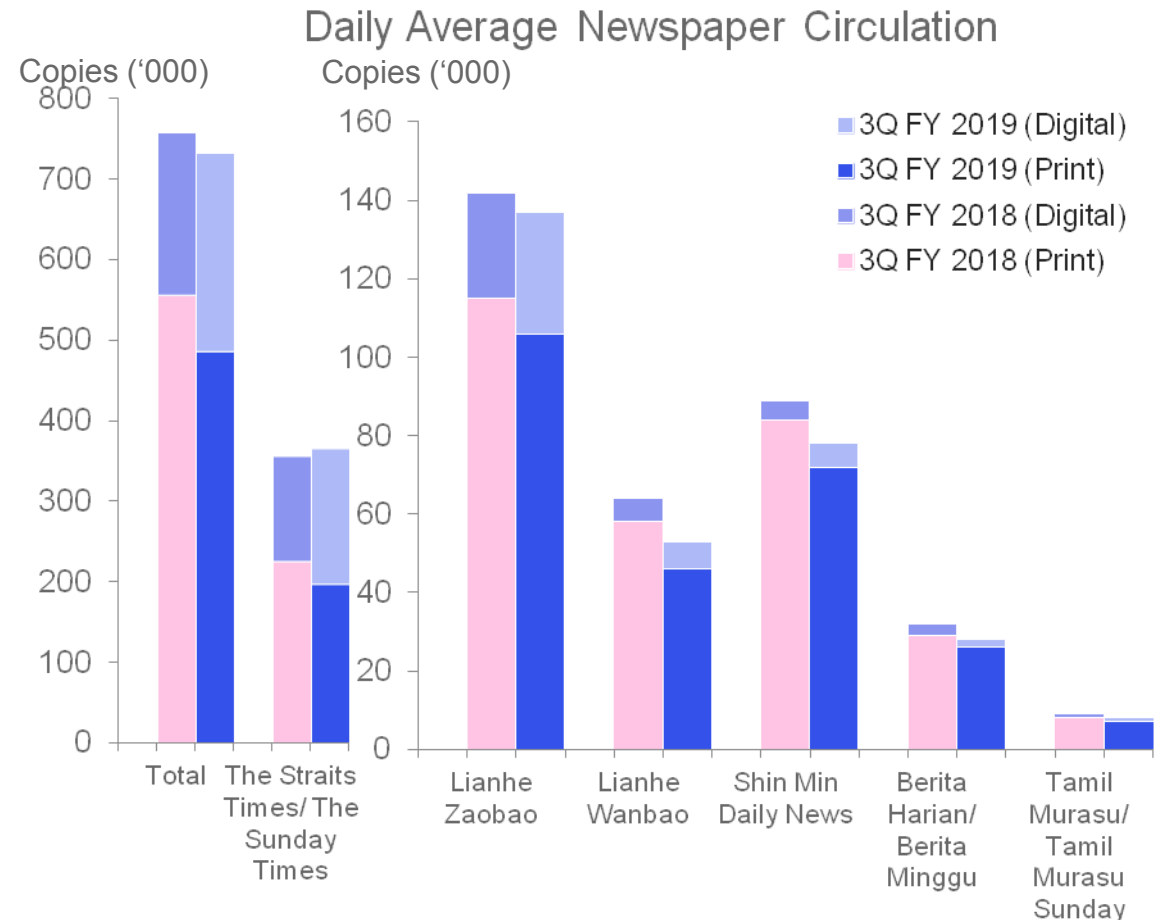
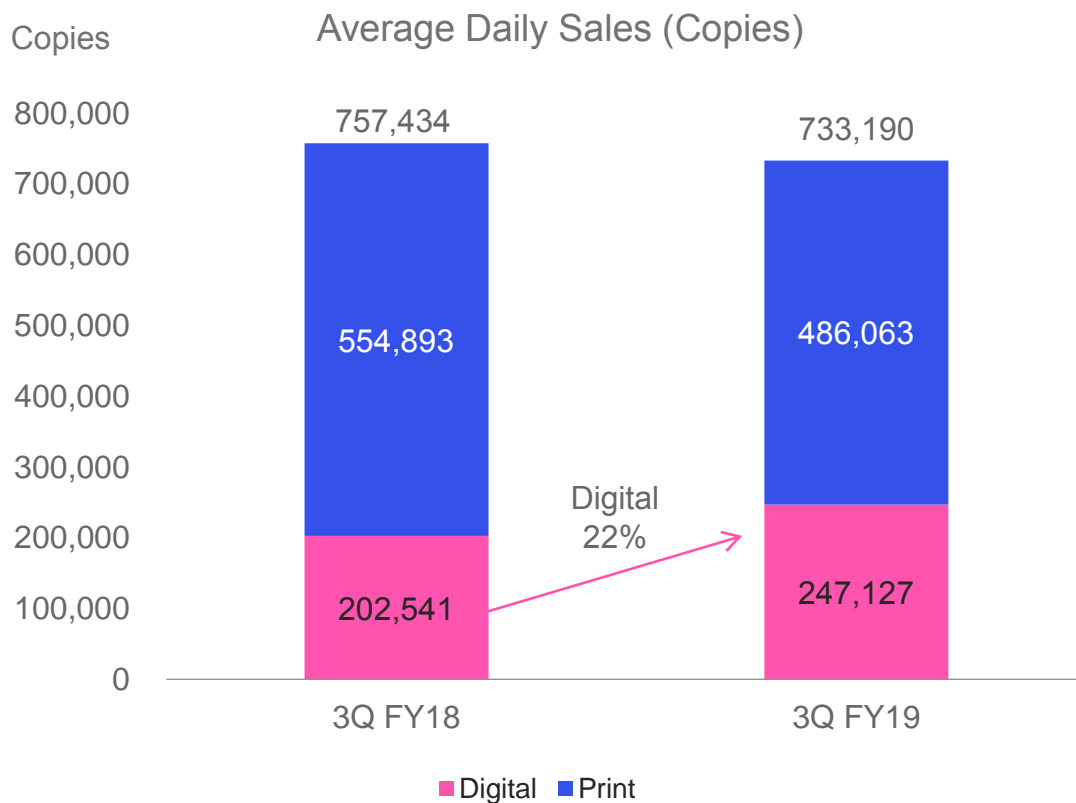
Establishing capital markets presence

- Issuance of S\$150m perpetual securities at 4.5%
- Refinancing of £205m facility to optimise capital structure

Media: Tablet subscriptions boost digital circulation

- Faster digital newspaper circulation growth of 22%*
- Boosted by ZB tablet sales campaign in end-March

- Overall circulation decline moderated to 3.3%
- Print circulation decline stable, overall ST circulation up due to digital growth



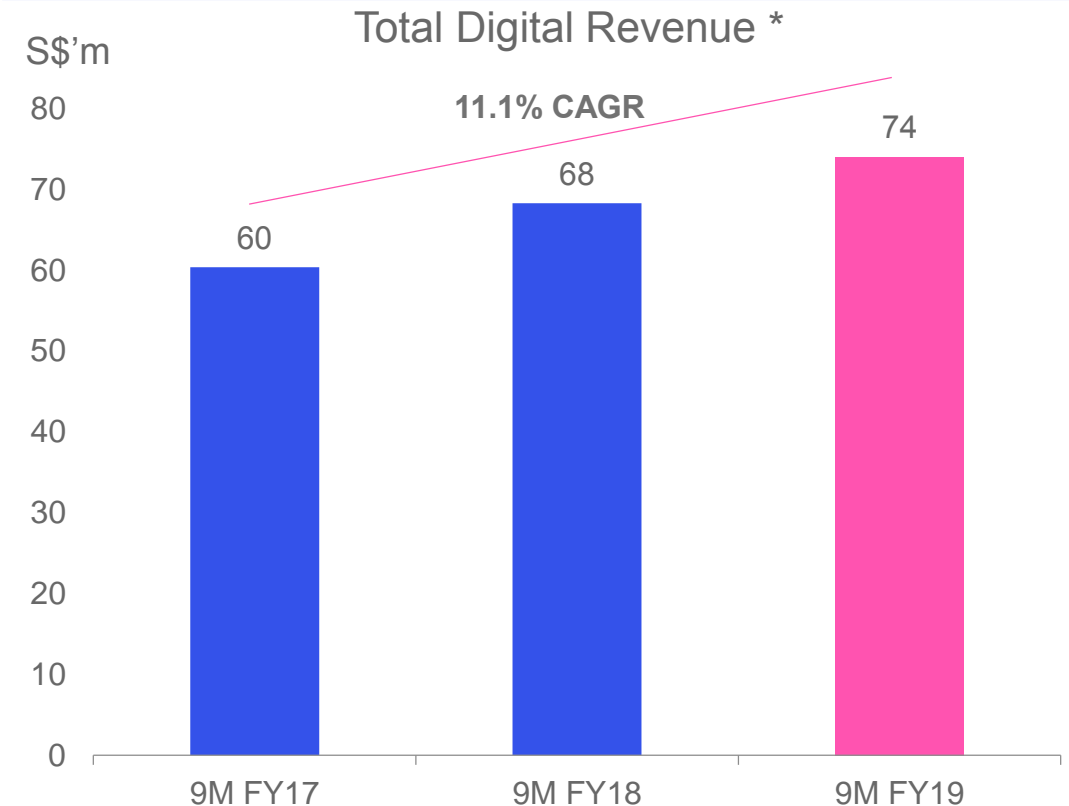
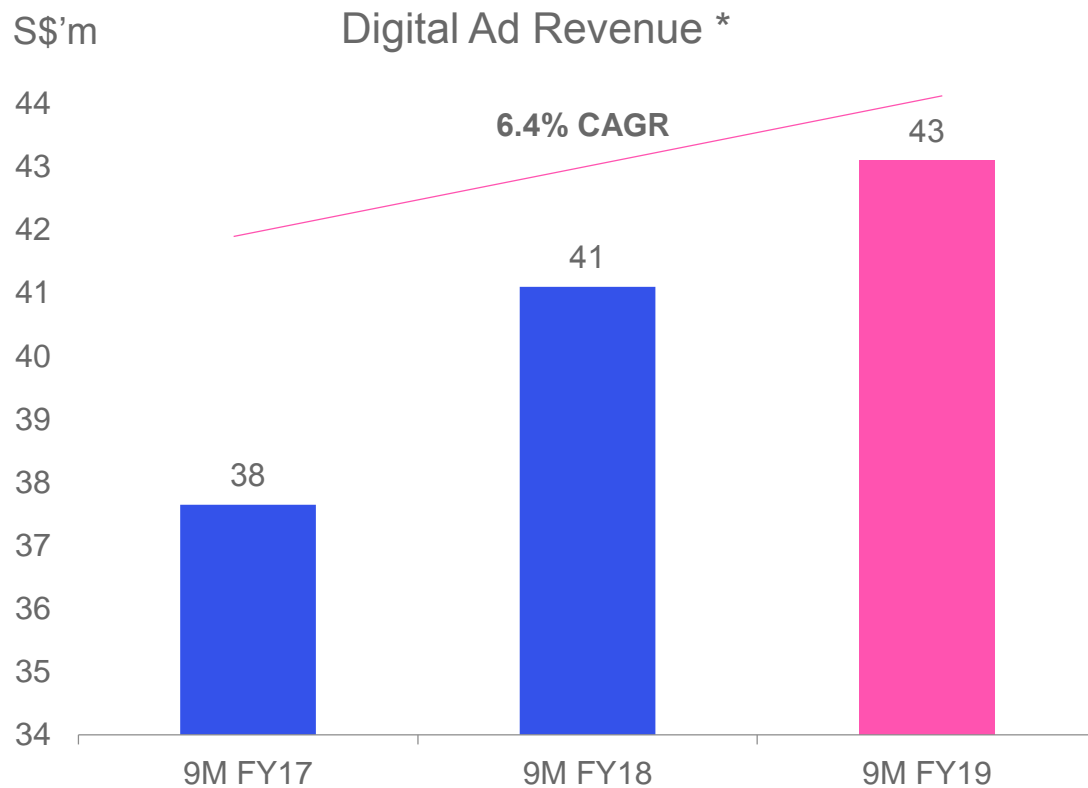
Note:

* Excluded 180,000 (3Q FY18) digital copies provided to Sin Chew as barter agreement has ended.

Media: Digital Revenue growth boosted by circulation

9M FY19 digital ad revenue eased to 4.9% y-o-y...

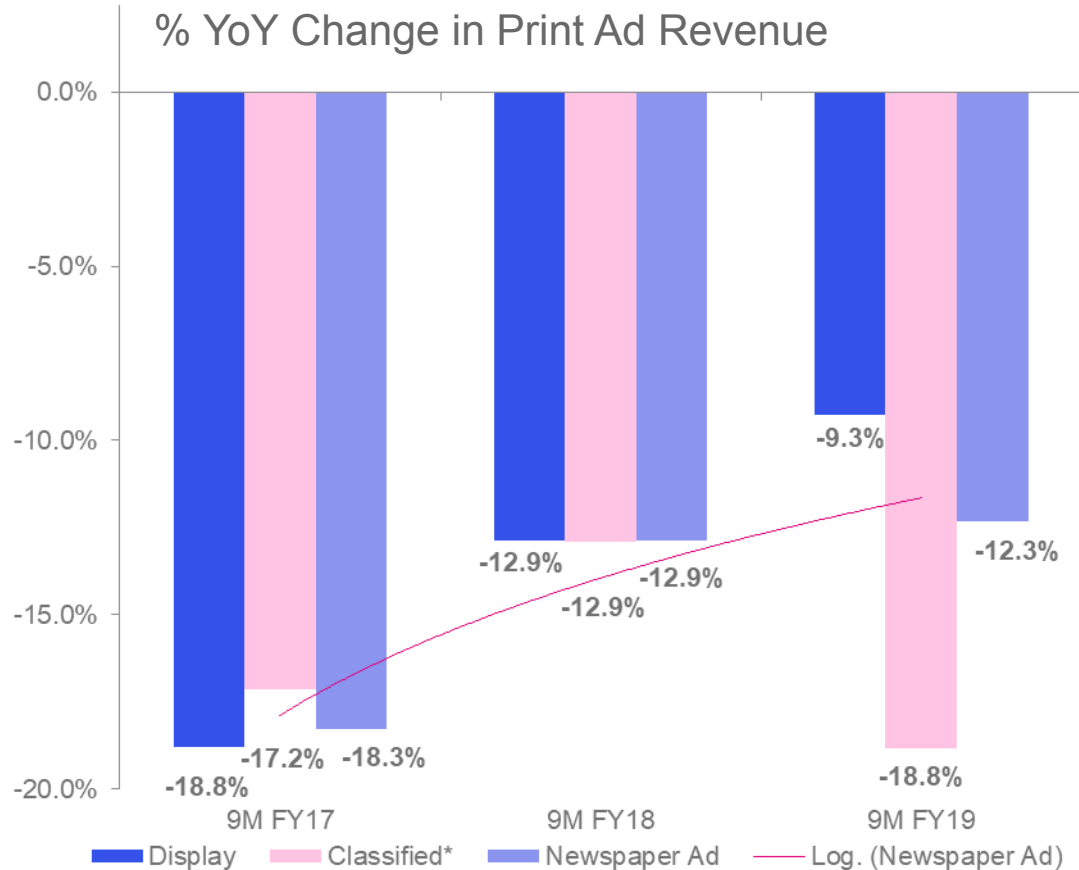
but total digital revenue increased 9% y-o-y with circulation initiatives



*Digital ad revenue from online ads, online classifieds, magazines, and other digital portals. This excludes Shareinvestor as it has been divested.

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Newspaper Print – Print ad revenue down 12.3%



*Classified includes Recruitment and Notices

- Total print ad revenue down 12.3% for 9M FY19
- Display ads shows single digit decline
 - Innovative print campaigns with advertisers
- Print classified segment challenged
 - Mitigated by leading position in online classifieds
 - Still profitable
 - Innovating and streamlining distribution to boost yields



Successful Berita Harian Hari Raya cover wrap campaign with Courts involving complimentary copies of BH being distributed at targeted locations

Media: Catalysing advertising and circulation channels

Extending advertising reach

Mega LED screen at One Raffles Place

- Partnership with One Raffles Place for mega LED screen
- 50% of traffic in Raffles Place are PMEBS
- Expands reach for higher-yielding advertising dollar
- Tapping growth potential of MBO



Expanding successful digital circulation campaign



- Initial launch of 7,000 News Tablet subscription packages fully taken up as at end June
- Tablet comes with pre-loaded e-paper version of Lianhe Zaobao, Lianhe Wanbao and Shin Min Daily News
- Next expanded phase of launch to cover Straits Times, Business Times, Berita Harian and Tamil Murasu

Media: Quality journalism drives content strategy



President of World Editors Forum

- ST Editor, Warren Fernandez elected president of **World Editors Forum (“WEF”)** for two years
- WEF is the world’s leading network for print and digital editors of news organisations; promotes editorial excellence

Quality journalism remains competitive advantage as sector is disrupted



INMA Global Media Awards



- **The Straits Times Asia Report** won Best in Asia/Pacific, Regional/Local Brands and Best New Print Award at the INMA Global Media Awards
- Monthly report adapts content curated from The Straits Times for a regional audience, 85k downloads for Aug-Sep 2018 issue on “Smart Cities”

Leveraging quality reputation to expand reach overseas

Property: Driving growth & recurring income, overseas

SPH REIT



Paragon
S\$2.72b



Clementi Mall
S\$586m



The Rail Mall
S\$63.3m



Figtree Grove
(85%)
A\$175m



The Seletar Mall
(70%)
S\$342m



Woodleigh Mall
(50%)
S\$400m



UK Student Accommodation
(100%)
>S\$600m



Chinatown Point
(30.68%)
Divested in April 2019

Property is 80% of SPH's PBT, the largest profit segment

- UK PBSA portfolio made £133.7m acquisition in April 2019, adding 1,243 beds across Leeds, Sheffield and Southampton
- Follows on from maiden acquisition in Scotland with 264 beds in March
- Scales UK PBSA to ~S\$600m, total capacity of 5,059 beds
- Chinatown Point stake divested in April 2019, recognised a S\$10.4m gain in May 2019
- Total recurring income for 9M FY19 rose S\$11.4m to S\$128.2m
- Seeking overseas acquisitions, in UK PBSA and other defensive sectors, by SPH and SPH REIT

Property: Woodleigh Residences' sales on track



Image credits: Housing & Development Board (2019)

 Woodleigh Residences & The Woodleigh Mall

 Woodleigh MRT Station



- Encouraging sales after official launch in May, at average selling price >S\$1,900 psf
- About 17% of units sold as at the end of June
- Woodleigh Residences sole private project to overlook Alkaff Lake, directly connected to Woodleigh Mall, Woodleigh MRT station and air-conditioned underground bus interchange
- Showflat highlights intelligent space usage together with Japanese craftsmanship
- Positive buying sentiment in Singapore with new private home sales up 29.5% in May 2019 from previous month

Property: Building up recurring income, honing capabilities



Source:KBS.com

222 Main in Salt Lake City is one of the 11 Grade A office properties in the IPO



- Committed US\$55m for a 6.8% stake as a cornerstone investor in KBS Prime US REIT's IPO
- Investing 20% stake in the REIT manager, by way of a call option, for US\$14.6 million
- KBS Prime US REIT's portfolio consists of 11 Grade A office properties in the US
- Dividend yield of 7.4% based on IPO price of 88 US cents
- Provides additional recurring income streams with dividend income from the REIT manager
- Offers opportunities to build up partnerships and capabilities in the US market

Property: Expanding PBSA portfolio, stabilising operations

> S\$600m AUM, 5,059 beds and 20 assets in 10 UK cities



- Acquisition of £133.7m UK portfolio in April, adding 1,243 beds across Leeds, Sheffield and Southampton
- Follows acquisition in March 2019 of Clifton & Stewart House in Glasgow with 264 beds
- Refinancing of £205m on a four-year secured term loan facility with OCBC Bank and Standard Chartered Bank
- Continuing to look for opportunities in the UK and beyond
- Ramping up marketing capability with centralised marketing and sales office in China

Property: Premier assets in fast-growing cities, first acquisition in Scotland

Hampton Square



- Added 526 beds in April
- Strong student-to-bed ratio of 2.4:1 and 90% occupied
- The University of Southampton is part of the Russell Group
- Seen growth in admissions

Sharman Court



- Added 397 beds in April
- Stable student-to-bed ratio of 1.6:1 and 96% occupied
- Located next to the University of Sheffield, which is ranked 12th in the UK and part of the Russell Group. 7 minutes walk from city centre

Asa Briggs House



- Added 320 beds in April
- Healthy student-to-bed ratio of 2.2:1 and 100% occupied
- Leeds is one of the UK's largest student accommodation markets and home to four universities with >53,000 full-time students

Clifton & Stewart House



- Added 264 beds in March
- Strong student-to-bed ratio of 2.6:1 and 100% occupied
- University of Glasgow is ranked 17th, part of the Russell Group of Universities

Property: Capitol Students - Aspiring PBSA lead player

Service differentiation and brand presence



Online student community portal



UK Student Fair 2019, March 2019

- Showcased Capitol Students brand at the student fair in Kuala Lumpur



Enabling data-driven sales and acquisitions

- Established sales office in Shanghai and appointed agents in China
- Adopted millennial-friendly social media marketing



- Partnering marketing agents in China
 - Uhomes
 - Funliving
 - 51homes



Digital: Harnessing synergies across platforms



Extracting synergies from associate

- Discussing data sharing initiatives to improve consumer insights, enhance audience-targeting
- Exploring offering SPH products and services to M1 customers and vice versa



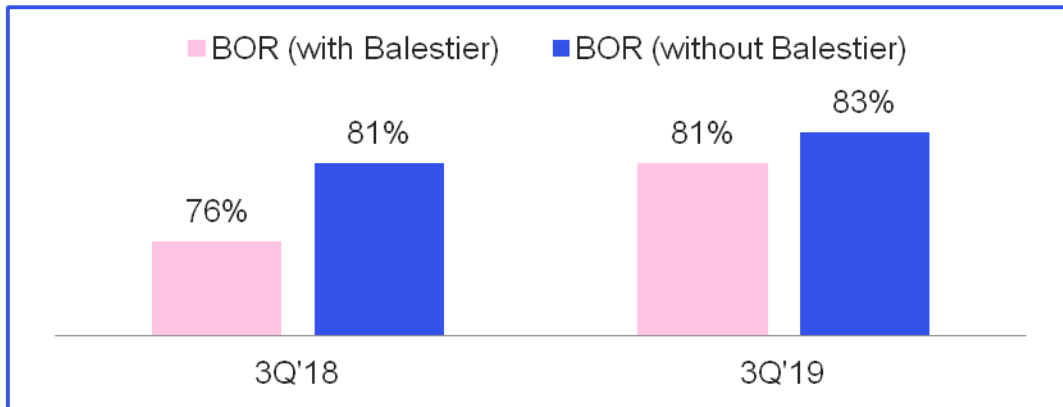
- Provides social media marketing insights
- Entering the influencer marketing sector early for financial upside



- sgCarMart's revenue from digital ads, events and Quotz are up 8% on a year-on-year basis
- **sgCarMart's Quotz car bidding system has seen growth of more than 25% on a quarter-on-quarter basis.**

Aged care: Strengthening operations; steady occupancy

Improvements in BOR



Clementi Branch



Simei Branch

• Impairment charge of \$21.5m

- Impacted by increase in build-own-lease bed capacity

• Improving bed occupancy rate (BOR)

- Improving operational efficiencies
- Balestier branch has ramped up operations compared with 3Q FY18

• Maintaining quality

- High quality standards facilitated renewal of licences for Simei and Clementi to 2021

Others: Optimising capital structure and financial resources

Established capital markets presence

Issuance of S\$150m perpetual securities at 4.5%

- Issuance of perpetual securities in June 2019; well-received by institutional investors
 - >5x subscribed
- Trading well in secondary market

SPH sets distribution rate of 4.5% on S\$150m perpetual notes

By Ng Ren Jye
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Singapore

SINGAPORE Press Holdings (SPH) has priced its S\$150 million of subordinated perpetual notes at a distribution rate of 4.5 per cent to yield 261.2 basis points (bps) over the five-year swap offer rate.

The securities were sold at par. There was a private-bank concession of 25 Singapore cents for every S\$100 of securities, or 25 basis points.

The perpetuals may be called by the issuer after five years. If they are not redeemed at that time, the distribution rate will step up by 100 bps, and be reset every five years thereafter.

The total orderbook stood in excess of S\$800 million.

SPH – which publishes *The Business Times* – will use the net proceeds for general working capital, capital expenditure and corporate requirements – including acquisitions and investments – and/or refinancing existing borrowings of the issuer and its subsidiaries.



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Fund managers and hedge funds made up 78 per cent of orders, private banks took up 18 per cent, and the remaining 4 per cent were taken by others.

By region, 98 per cent were from Singapore and 2 per cent from overseas.

Payment will be made semi-annually in arrears on June 7 and Dec 7. DBS Bank and OCBC Bank were the joint lead managers and bookrunners for the deal.

The offering is part of SPH's S\$1 billion multicurrency debt issuance programme announced in early May.

Maintaining healthy balance sheet



Recently acquired student accommodation asset Hampton Square in Southampton

- Refinancing of £205 million term loan facility to optimise capital structure, with major Singapore and foreign banks

Group 9M FY19 Segmental Highlights

Operating Revenue	9M FY19 S\$'000	9M FY18 S\$'000	Change %
Media	439,733	497,472	(11.6)
Property	220,745	181,777	21.4
Treasury and Investment	-	-	-
Others (including Aged Care)	63,267	63,283	NM
	723,745	742,532	(2.5)

NM – “Not Meaningful”

Media

Media revenue for 9M FY19 declined by 11.6%

- Print advertisement declined by 13.8%
- Newspaper digital ad revenue shows encouraging growth of 11%
- Newspaper digital copies increased by 26k (12.8%)
- Media decline controlled in challenging environment

Property

Property revenue surged 21.4%

- Fastest growth rate among all business segments
- UK PBSA added S\$26.8m
- Rail Mall contributed revenue of S\$3.7m
- Figtree contributed revenue of S\$7.4m

Others

Others (incl. Digital and Aged Care) remain stable

Group 9M FY19 Segmental Highlights

Profit / (loss) before taxation	9M FY19 S\$'000	9M FY18 S\$'000	Change %
Media	52,118	76,821	(32.2)
Property	132,804	115,676	14.8
Treasury and Investment	5,607	28,154	(80.1)
Others (including Aged Care)	(26,322)	(12,310)	113.8
	164,207	208,341	(21.2)

Media

Media's PBT 32.2% lower

- Decline in ad revenue
- Absence of retrenchment cost incurred in 9M FY18
- Costs well-controlled

Property

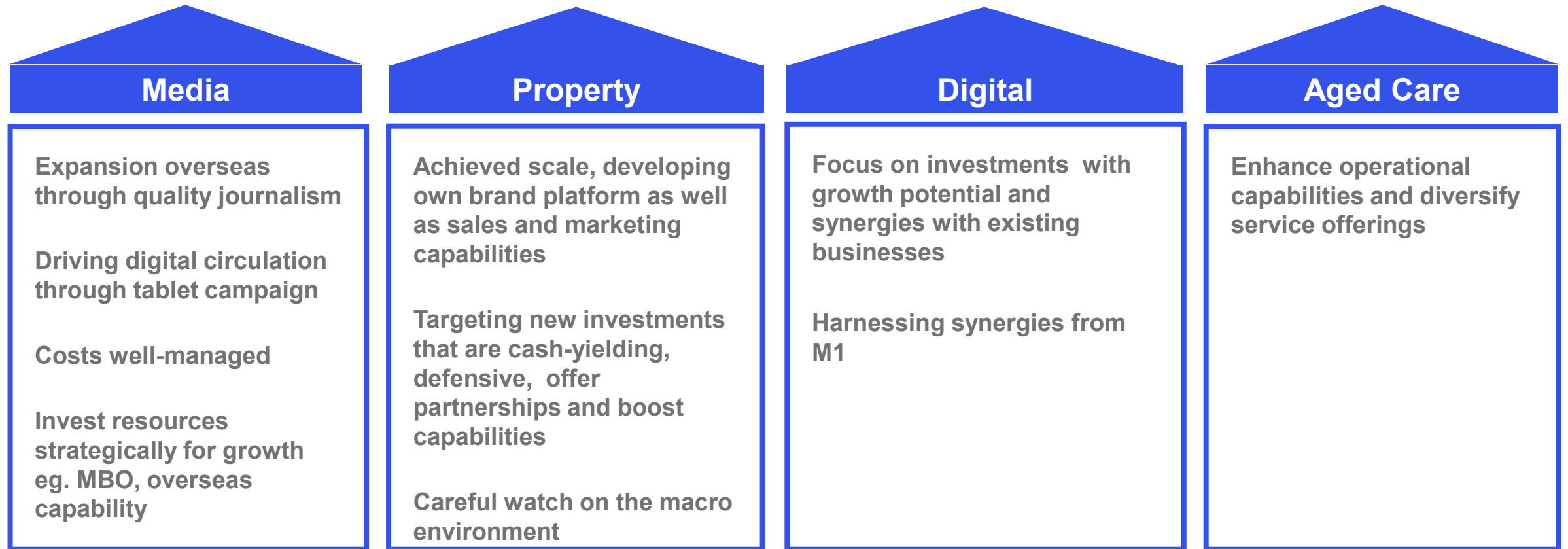
PBT improved 14.8%

- PBSA contributed PBT of S\$13.8m
- Property brings in 80% of PBT, up from 55% last year

Others

- Impairment charge of S\$21.5m on goodwill and intangibles relating to the Aged Care business
- Absence of S\$5.9m gain on divestment from the Mindchamps' IPO

Summary: Positioning for growth



Enhancing capital management to drive growth

Thank You

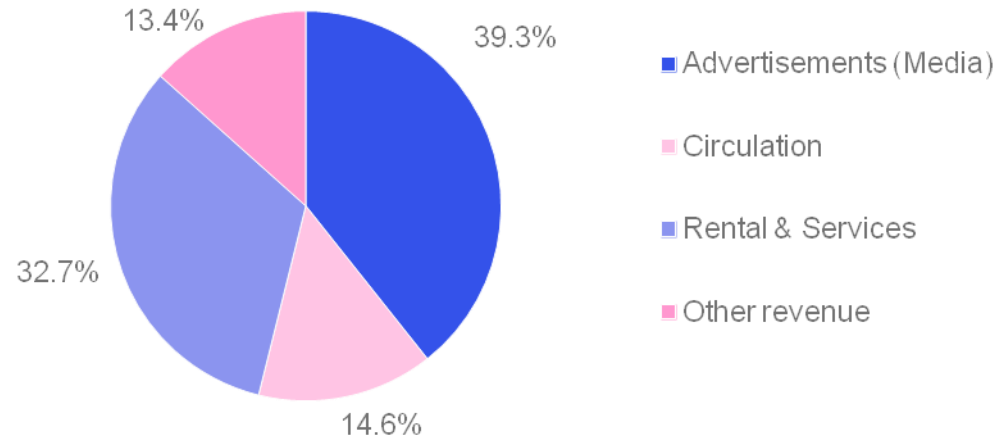
Visit www.sph.com.sg for more information



Revenue Composition 3Q FY19 and 9M FY19

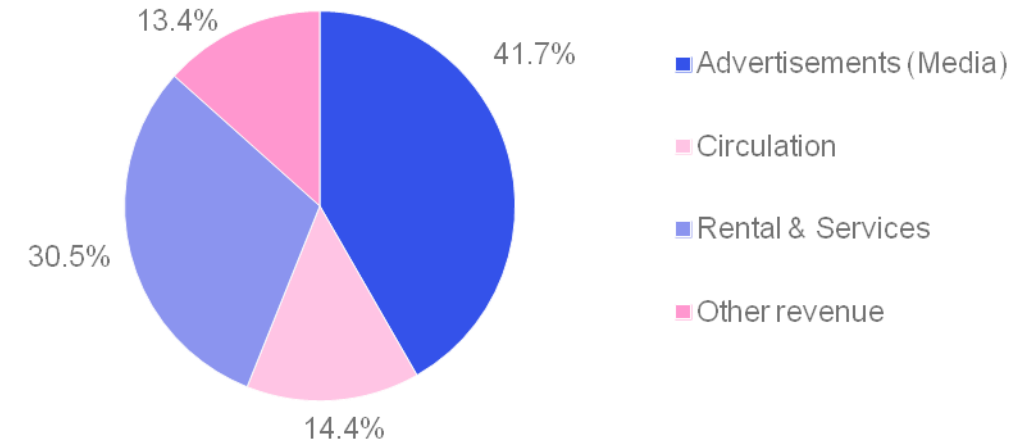
3Q FY19

Operating Revenue Composition (S\$246.1m)

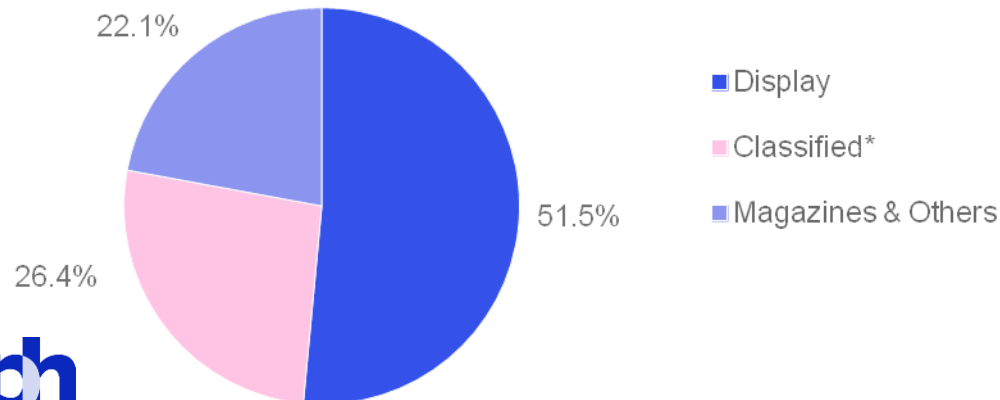


9M FY19

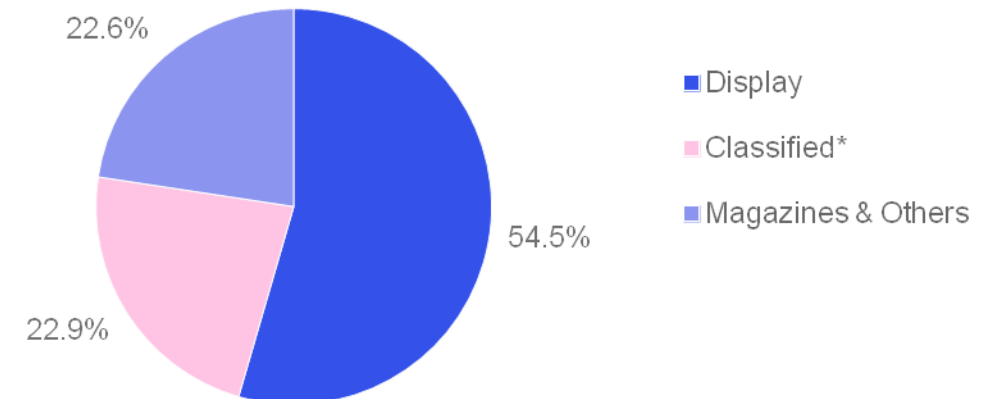
Operating Revenue Composition (S\$723.7m)



Media Advertisement Revenue Composition (S\$96.9m)



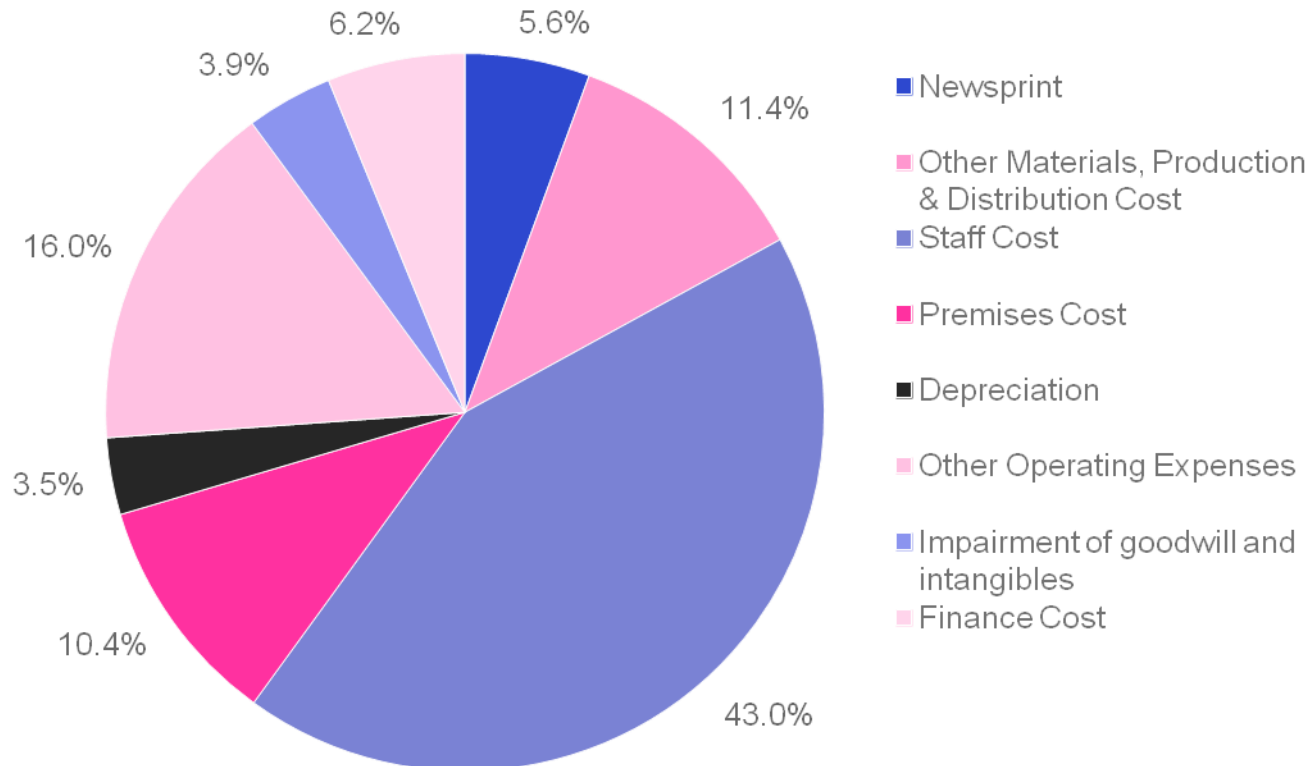
Media Advertisement Revenue Composition (S\$301.6m)



Operating costs fell 1.7% compared to 9M FY18

S\$m

9M FY19 Operating Expenditure
Cost Composition (S\$585.7m)

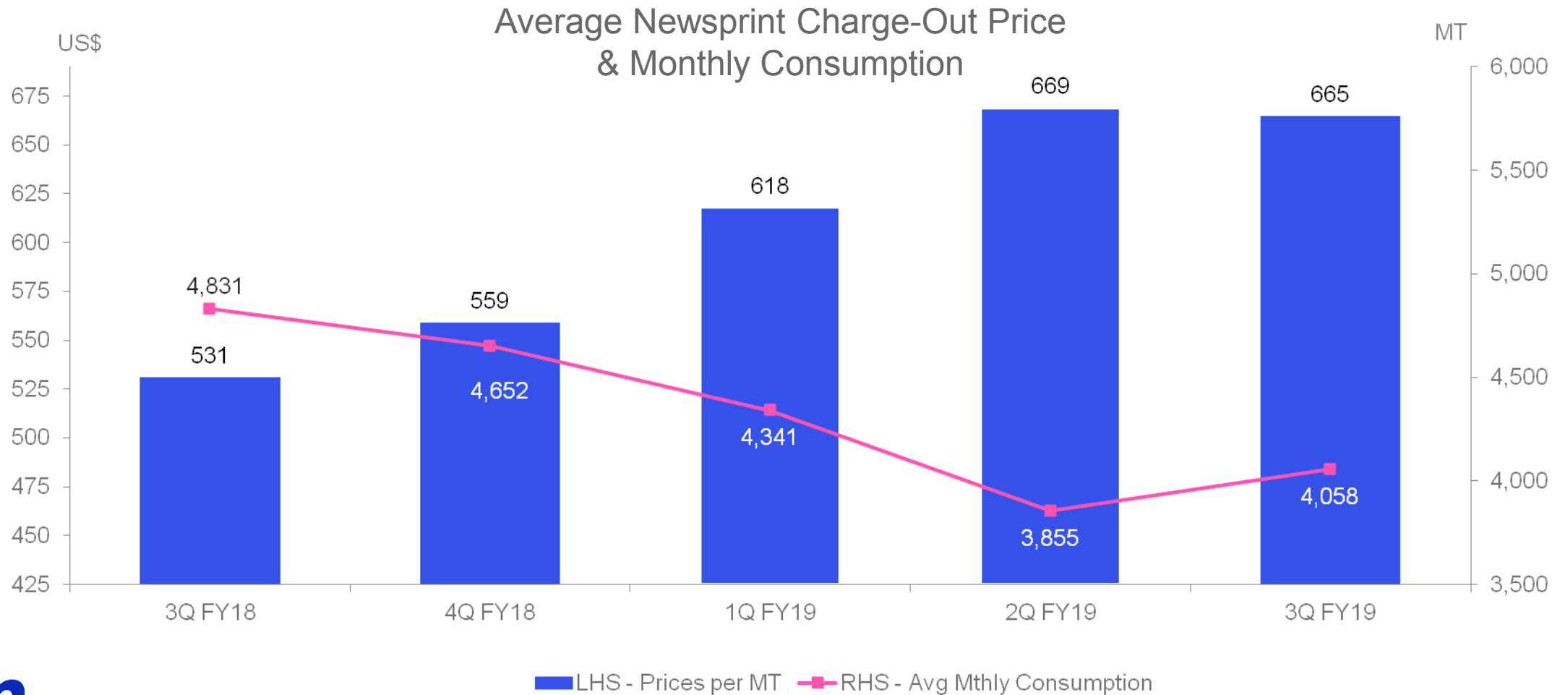


Newsprint	▲	2.1
Other Production costs	▼	8.6
Staff Costs	▼	13.2
Premises Costs	▲	9.4
Depreciation	▲	0.5
Other Operating Expenses*	▼	9.5
Impairment Costs	▲	0.5
Finance costs	▲	8.7



* mainly due to absence of retrenchment costs of S\$10.3m incurred in 9M FY18

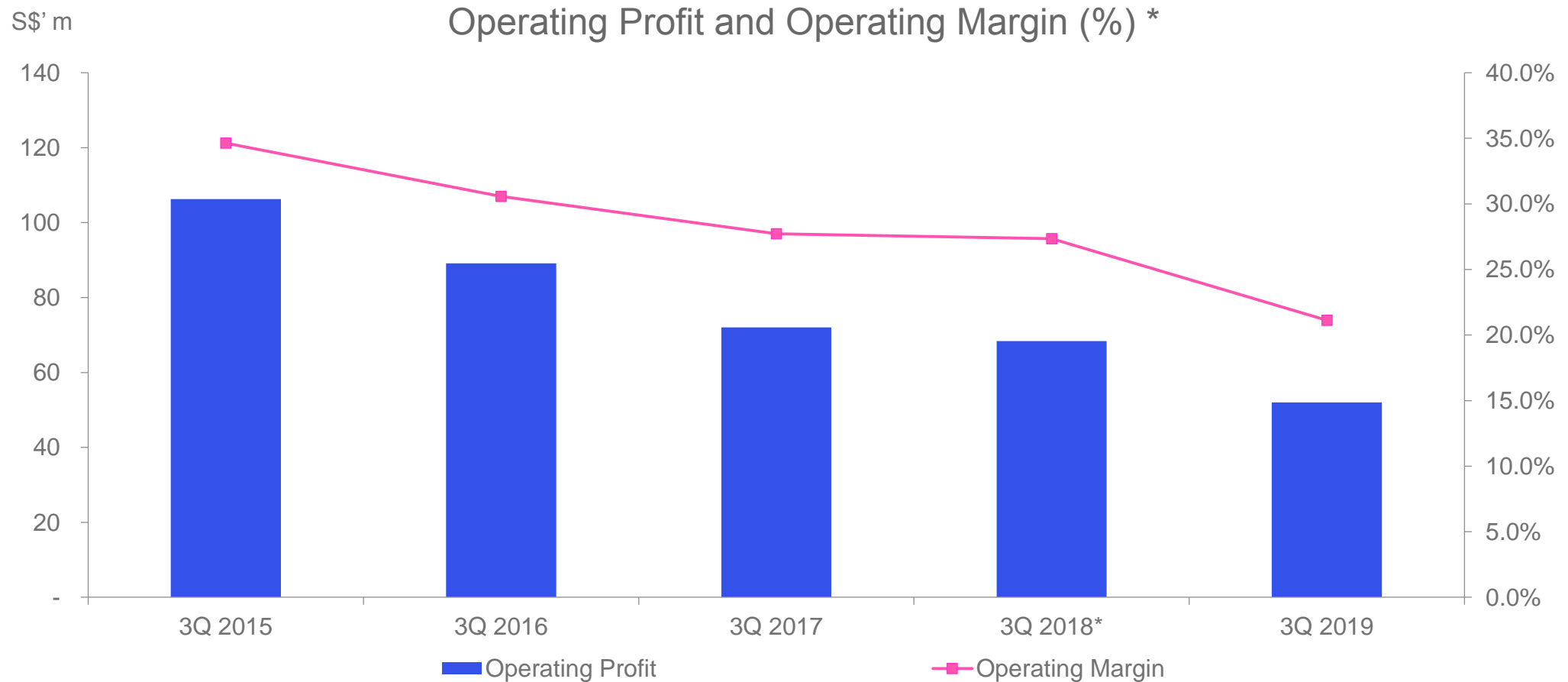
Rising monthly consumption at lower cost



Staff costs shaved off 5.0% compared with 9M FY18

	9M FY19	9M FY18	Change %
Headcount as at end of each period	4,052	4,130	(1.9)
Staff Costs (S\$'000)	251,594	264,810	(5.0)

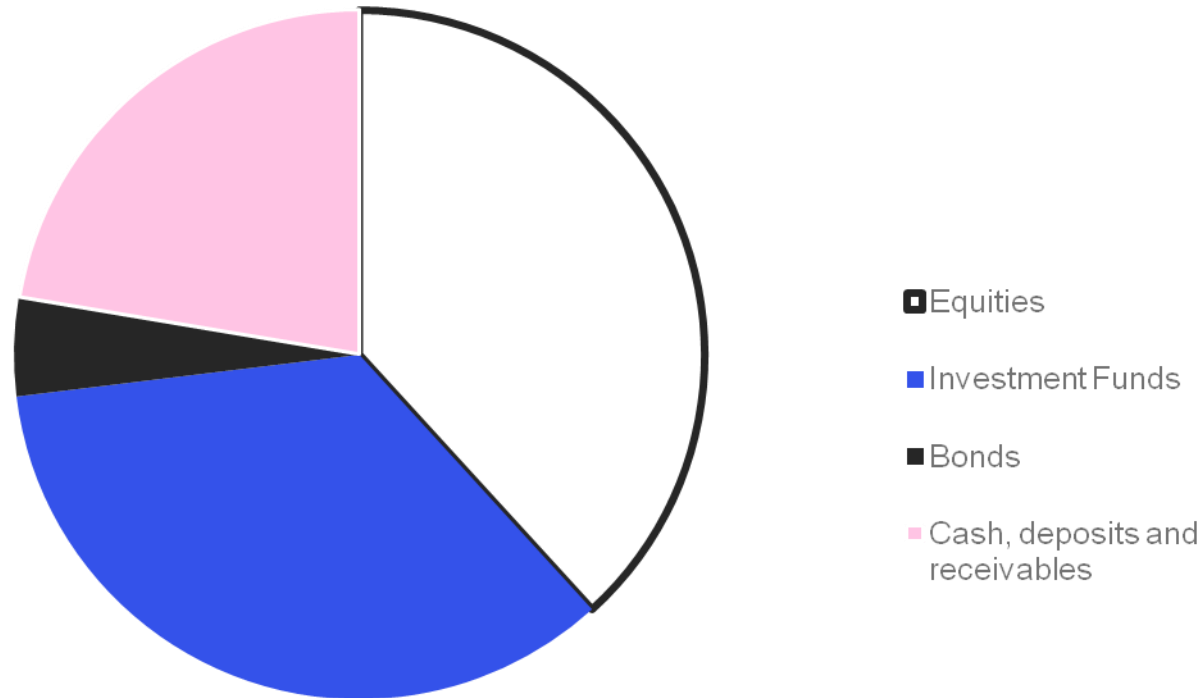
Weaker 3Q margins on lower media revenue



* Excluding impairment charges on goodwill and intangibles, and property, plant and equipment

Balance Sheet

Group Investible Fund (S\$412m)
As at 31 May 2019



Funds recycled to focus on investments in property, digital and other areas.

Cash proceeds of S\$28.2m from disposal of investments.

Cash redeployed towards UK student accommodation investments.