

# Singapore Press Holdings Limited



**3Q 2016 Financial Results**

**July 15, 2016**

## Group 3Q 2016 financial highlights

	3Q 2016 S\$'000	3Q 2015 S\$'000	Change %
Operating revenue	291,579	306,789	(5.0)
Operating profit <sup>#</sup>	60,770	105,192	(42.2)
Investment income	18,672	23,986	(22.2)
Profit after taxation	61,980	107,896	(42.6)
Net profit attributable to shareholders	52,656	98,214	(46.4)

The results for 3Q 2016 included impairment charges for goodwill and intangibles of S\$28.4m (3Q 2015: S\$1.1m). These related primarily to the magazine business due to unfavourable market conditions.

Excluding the impairment charges, operating profit would have fallen by S\$17.1m (16.1%).

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

## Group YTD 3Q 2016 financial highlights

	YTD 3Q 2016 S\$'000	YTD 3Q 2015 S\$'000	Change %
Operating revenue	847,081	884,139	(4.2)
Operating profit <sup>#</sup>	227,877	275,529	(17.3)
Investment income	36,230	44,868	(19.3)
Profit after taxation	216,789	265,352	(18.3)
Net profit attributable to shareholders	188,111	237,186	(20.7)

The results for YTD 3Q 2016 included impairment charges for goodwill and intangibles of S\$28.4m (YTD 3Q 2015: S\$1.1m). These related primarily to the magazine business due to unfavourable market conditions.

Excluding the impairment charges, operating profit would have fallen by S\$20.4m (7.4%).

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

# Group YTD 3Q 2016 financial highlights

Operating Revenue	YTD 3Q 2016 S\$'000	YTD 3Q 2015 S\$'000	Change %
Media	630,236	680,326	(7.4)
Property	181,138	171,382	5.7
Others	35,707	32,431	10.1
	<b>847,081</b>	<b>884,139</b>	<b>(4.2)</b>

## Media

- Advertisement revenue fell S\$45.3m (8.9%)
- Circulation revenue fell S\$3.9m (3%)

## Property

- Boosted by The Seletar Mall which commenced business on November 28, 2014

## Others

- Higher revenue from exhibitions and online classifieds business

# Group YTD 3Q 2016 financial highlights

Profit/(Loss) before taxation	YTD 3Q 2016 S\$'000	YTD 3Q 2015 S\$'000	Change %
Media	133,900	193,871	(30.9)
Property	111,268	109,091	2.0
Treasury and Investment	33,944	35,184	(3.5)
Others	(19,052)	(24,757)	(23.0)
	<b>260,060</b>	<b>313,389</b>	<b>(17.0)</b>

## Media

- Revenue declines partially mitigated by lower production and staff costs
- Included impairment charges relating to the magazine business

## Property

- Profit increase mainly from The Seletar Mall

## Treasury and Investment

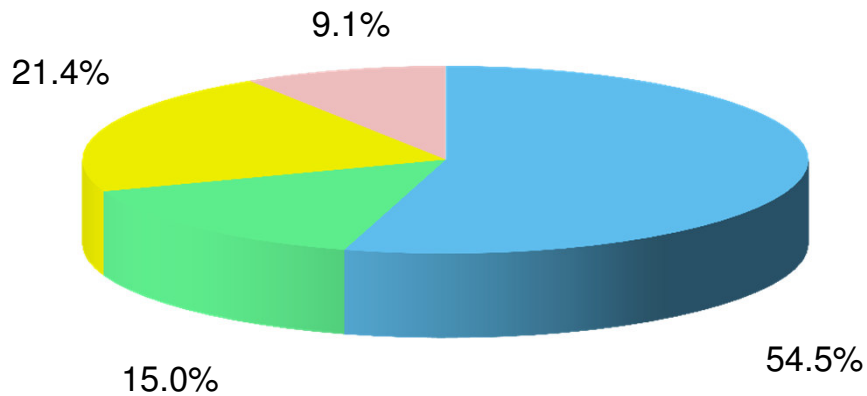
- Investment income decrease cushioned by savings in interest costs on Medium Term Notes redemption

## Others

- Reduced losses from online classifieds business

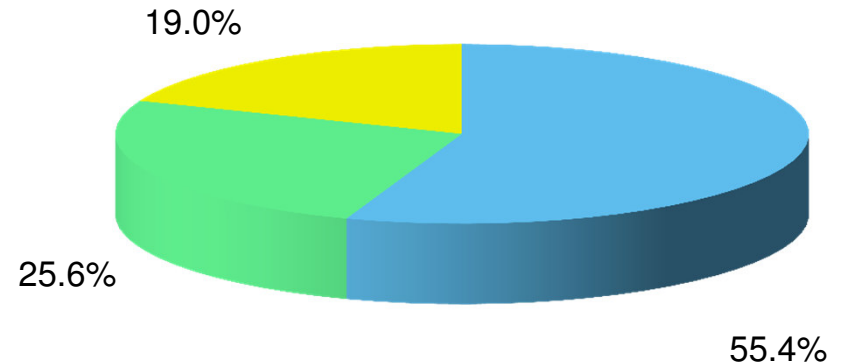
# Group YTD 3Q 2016 highlights

**Operating Revenue Composition**  
**(S\$847.1m)**



- Advertisements (Media)
- Circulation
- Rental & Services
- Other revenue

**Media**  
**Advertisement Revenue Composition**  
**(S\$461.8m)**

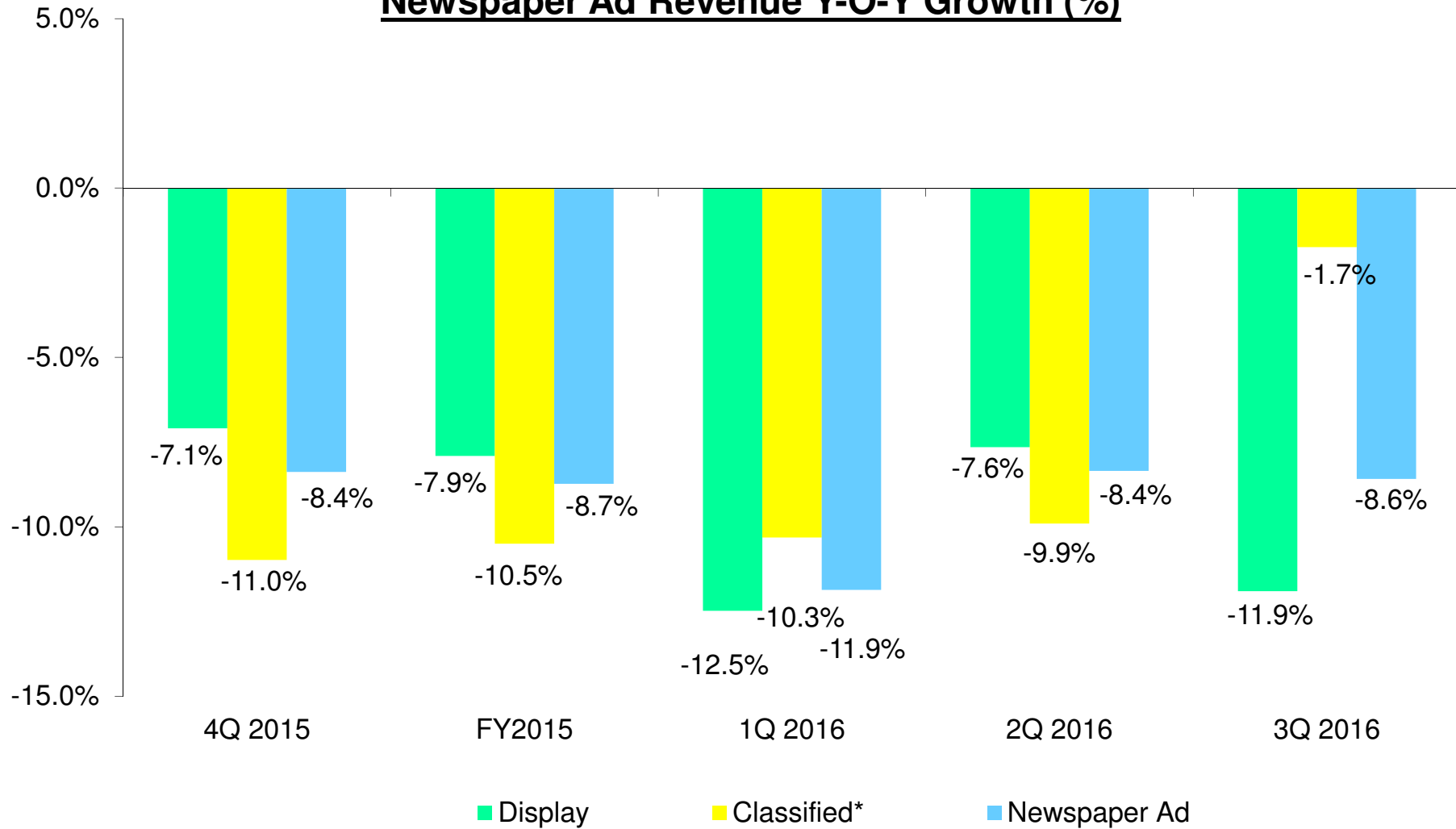


- Display
- Classified\*
- Magazines & Others

\* Classified includes Recruitment and Notices

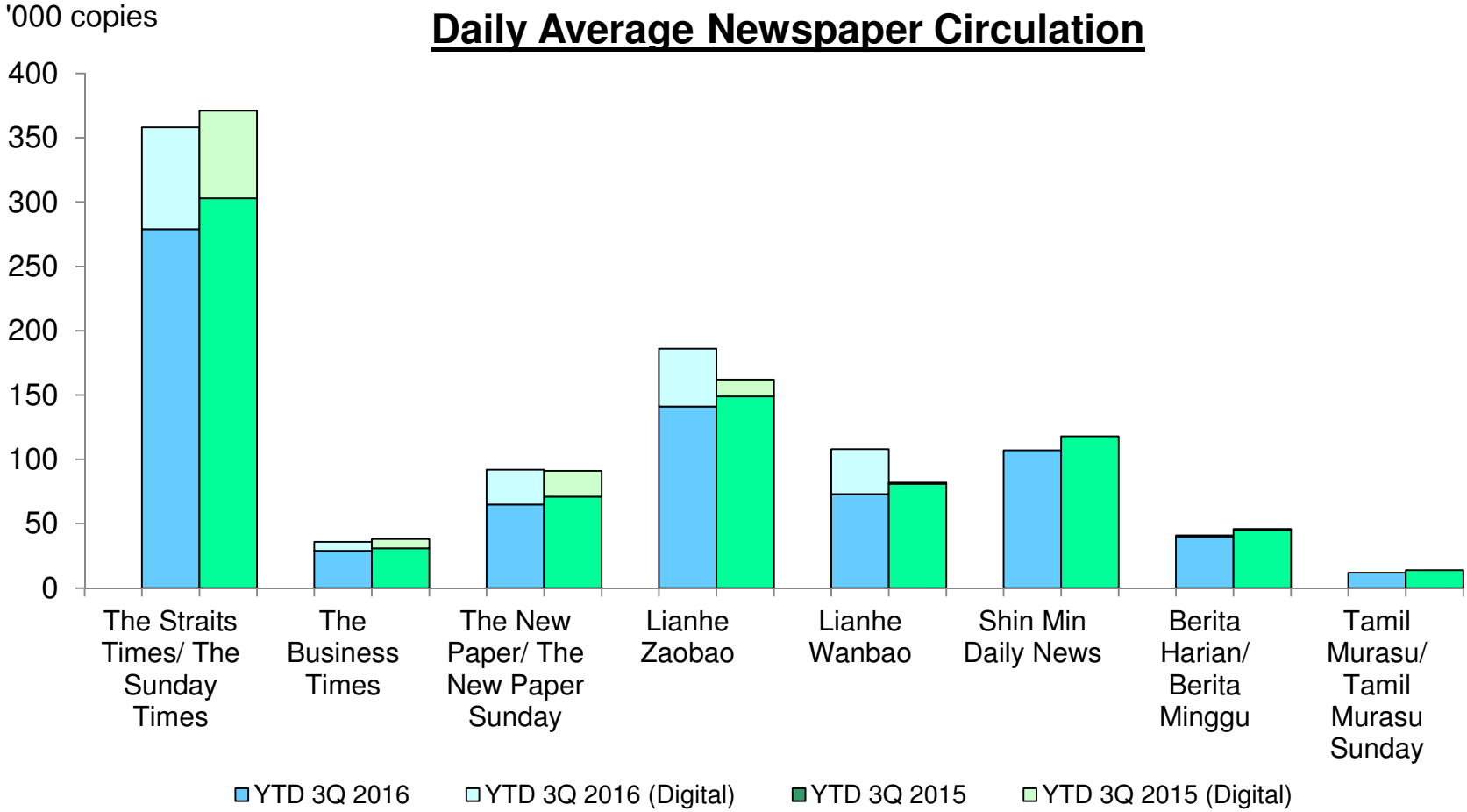
# Sluggish advertising market

## Newspaper Ad Revenue Y-O-Y Growth (%)



\* Classified includes Recruitment and Notices

# Circulation sustained by digital

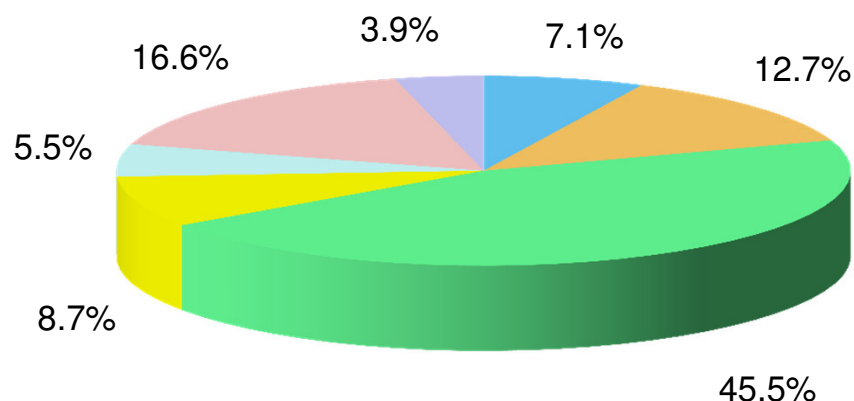


With effect from March 1, 2016, all subscriptions to our All-in-One packages (where subscribers get a home-delivered print copy, in addition to access to the respective paper's online, smartphone and tablet editions) are counted as the sale of one print copy and one digital copy. Prior to March 1, 2016, such subscriptions were counted as the sale of one print copy and three digital copies, with the proviso being the Audit Bureau of Circulation (ABC) rule that each additional digital edition had to be priced at 5 per cent more than the base (print copy) price. With the implementation of new cover prices of our newspapers and All-in-One packages on March 1, 2016, we have had to change the basis of our circulation count and have obtained ABC's endorsement for the new method. For comparative purposes, copy sales prior to March 1, 2016 had been restated accordingly.



# Operating costs contained

**YTD 3Q 2016**  
**Cost Composition<sup>^</sup>**  
**(S\$609.4m)**



- Newsprint
- Other Materials, Production & Distribution Costs
- Staff Cost
- Premises Cost
- Depreciation
- Other Operating Expenses
- Finance Costs

Newsprint	↓ 11.0%
Other Materials, Production & Distribution Costs	↓ 5.3%
Staff Costs	↓ 0.4%
Premises Costs*	↑ 5.5%
Other Operating Expenses	↑ 0.9%

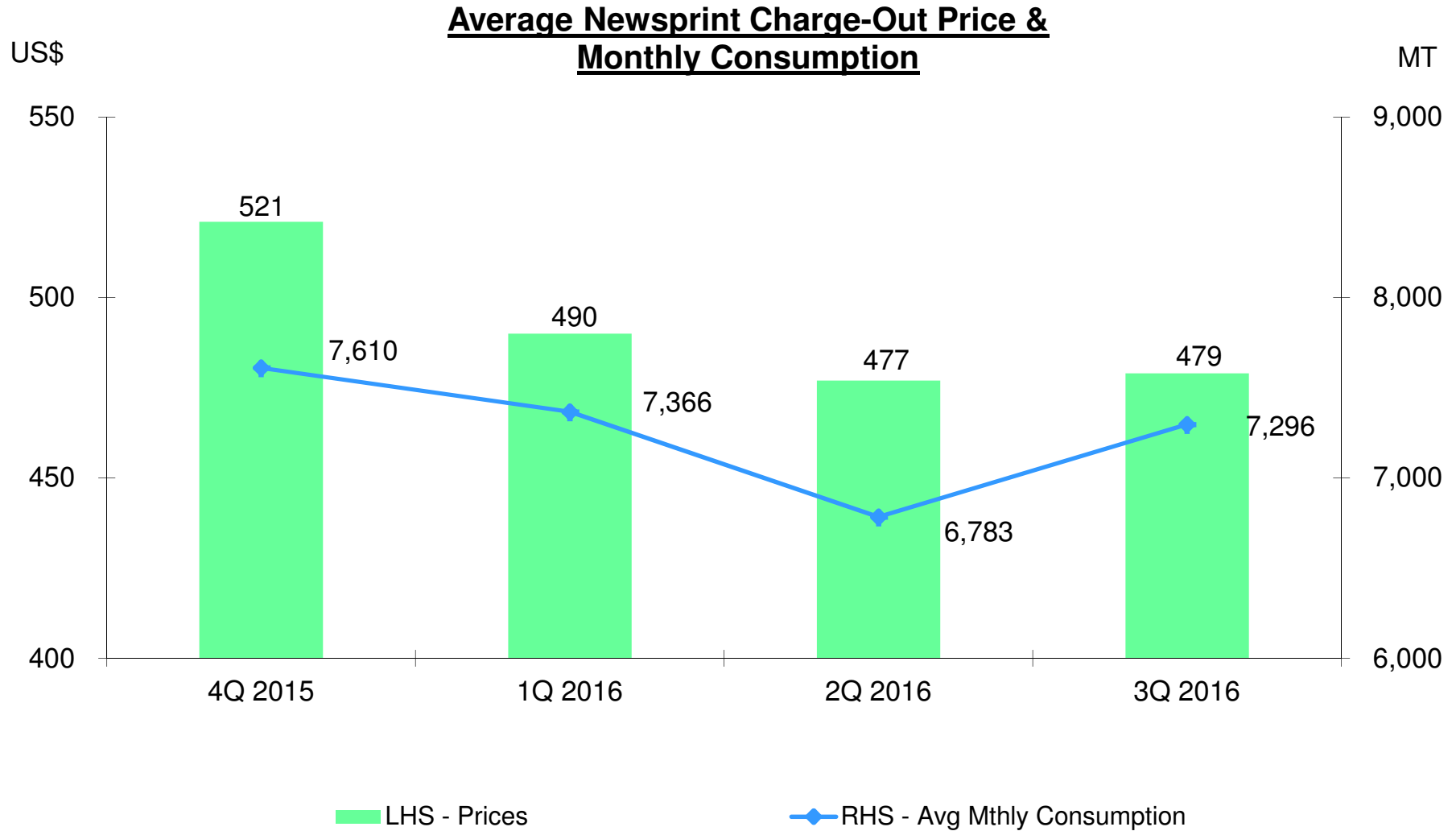
\* Increase was due to additional provision for property tax on the Group's investment property.

<sup>^</sup> Excluded impairment charges on goodwill and intangibles

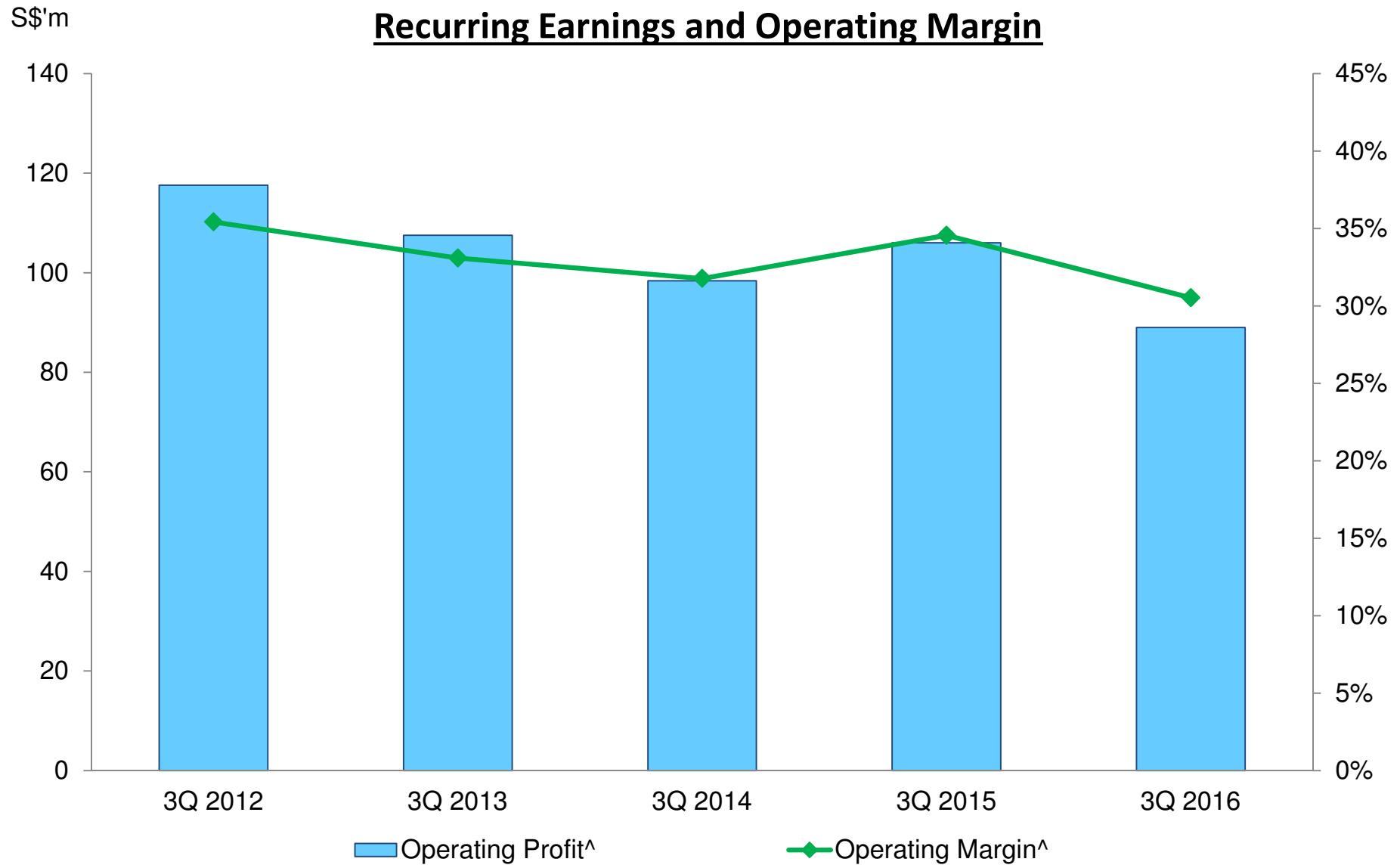
## Staff costs flat

	YTD 3Q 2016	YTD 3Q 2015	Change %
Headcount as at end-May	4,229	4,262	(0.8)
Staff Costs (\$\$'000)	277,384	278,614	(0.4)

# FY2016 charge-out expected to remain at current level



# Operating margin maintained at around 30%



<sup>^</sup> Excluded impairment charges on goodwill and intangibles.

# Property performance lifted by The Seletar Mall



**Paragon**



**The Clementi Mall**

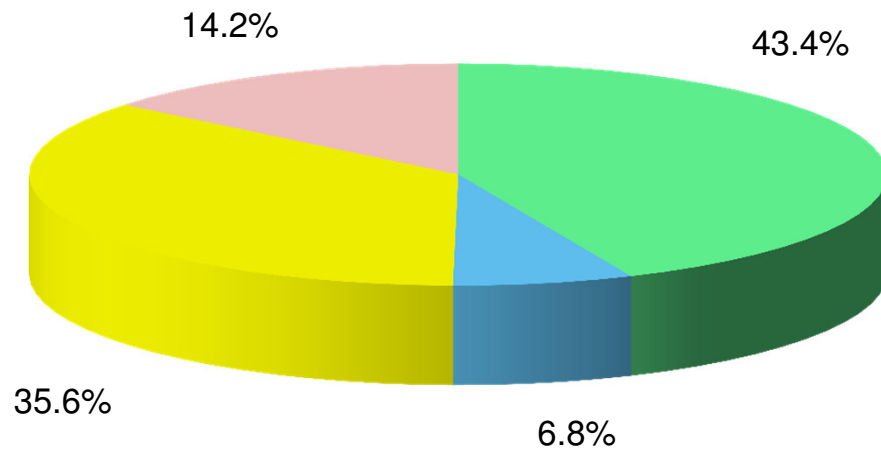


**The Seletar Mall**

- Net Property Income (NPI) grew 5.8% to S\$133.8m
- Boosted by The Seletar Mall which commenced business on November 28, 2014
- Paragon and The Clementi Mall also recorded higher rental income

# Group investible fund

**Group Investible Fund**  
**(S\$1.1b)**



■ Equities                      ■ Bonds  
■ Investment Funds          ■ Cash and deposits

(As at May 31, 2016)

- Conservative stance maintained on investment allocation, focused on capital preservation
- Returns are expected to be commensurate with low risk-return profile to mitigate against volatility

# Thank you

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