



SINGAPORE PRESS HOLDINGS LIMITED

*Reg. No. 198402868E
(Incorporated in Singapore)*

SPH REPORTS 64% RISE IN THIRD QUARTER NET PROFIT OF \$47.4 MILLION

- *Digital-first strategy gaining traction with growing digital subscriptions and e-paper readership*
- *Management bench strengthened for digital transformation*
- *Real estate asset management strategy progressing with deals being actively pursued*

SINGAPORE, 11 July 2018 – Singapore Press Holdings Limited’s (SPH) third quarter net profit attributable to shareholders rose 64.3% to \$47.4 million compared with the same period a year ago. This was due to lower impairment charges, the Group said in the results announcement for the third quarter ended 31 May 2018 (3Q 2018) today.

Group Performance

Group operating revenue of \$250.1 million for 3Q 2018 was \$9.9 million or 3.8% lower year-on-year (“y-o-y”), compared with 3Q 2017.

Group recurring earnings or operating profit grew 29.6% to \$44.4 million, an overall rebound from the same quarter last year. This was despite Media business revenue declining \$14.6 million or 8% to \$167.9 million for 3Q 2018.

Revenue for the Property segment was slightly lower, declining 2.4% to \$60.1 million y-o-y. It is the largest segment in the Group by profit, which accounts for close to 60% of the Group’s profit. It has continued to provide a steady income stream and stability to SPH’s financial performance.

Revenue from the other businesses rose \$6.1 million or 38.5% to \$22 million y-o-y, led by contributions from the aged care and education businesses.

Mr Ng Yat Chung, Chief Executive Officer of SPH, said: “As we continue to sharpen our Media capabilities in the face of digital disruption, we are seeing early signs of a slower decline of our Media revenue.

“At the same time, we are making efforts to diversify, with new growth thrusts. Our new strategy is to focus on the acquisition of cash-yielding real estate assets overseas. We are also preparing the Aged Care business for overseas expansion.”

Operational Highlights

The Group continues to face its digital challenges head on, while making key management appointments to boost its “First to Digital” initiatives, as it seeks to aggressively grow digital revenue.

SPH’s promotional efforts in the quarter had good results, as daily average digital circulation copies increased by 121,000 copies from 3Q 2017 to 3Q 2018. Going forward, SPH will continue with more promotions.

The E-paper (PDF version of the print paper) is also seeing good readership with more than 37,000 unique readers just on The Straits Time alone – this is more than 15% of total ST circulations. SPH will continue to promote E-paper readership and add new exciting features, while improving its understanding of print readership with valuable data analytics.

On the digital advertisement front, SPH’s total digital ad revenue is showing good growth and momentum, responding well to the challenge from digital disruptors. The new SMX platform, a data-driven programmatic ad exchange that started operating on 8 May, has been gaining momentum in reaching the Singapore digital population.

The Group also welcomed new faces into the management team in the quarter. Mr Ignatius Low, formerly Head of Media Solutions, was appointed Chief Marketing Officer, and will spearhead SPH’s integrated marketing strategy with new vigour.

SPH also announced a new Chief Technology Officer (CTO) and a Chief Product Officer (CPO) in May. CTO Glen Gary Francis is responsible for the technologies and digital capabilities for SPH's businesses, while CPO Gaurav Sachdeva will help develop the vision, design, development and monetisation of SPH's digital media content and products.

Mr Julian Tan, formerly Head of Digital Division, was re-designated as Chief of Digital Business. Mr Tan will drive and harness SPH's portfolio of digital investments that has been built over the last few years with new focus, while drawing upon new synergies to deliver consistent performance at the portfolio level.

In the area of property, SPH's international expansion into other asset sectors has seen progress. A new asset management company Straits Capitol was set up in the United Kingdom to actively review a strong pipeline of deals.

In the quarter, The Seletar Mall celebrated its 3rd anniversary, and SPH REIT announced the acquisition of The Rail Mall on 30 April. The acquisition was completed on 28 June.

SPH's Aged Care vertical in Singapore continues to progress with technology partnerships that will help Orange Valley position itself as the leader in nursing home operations. This sets a strong foundation for overseas expansion with lean capabilities.

Event Post-3Q2018 results

New Singapore property cooling measures on home purchases were introduced on 6 July. As it is a recent development, the Group is still monitoring the potential impact on The Woodleigh Residences, a joint project between SPH and Kajima Development.

Financial Highlights

	3Q2018 S\$'000	3Q2017 S\$'000	Change %
Operating revenue	250,074	259,963	(3.8)
Operating profit [#]	44,410	34,265	29.6
Investment income	21,895	11,682	87.4
Profit after taxation	56,634	36,776	54.0
Net profit attributable to shareholders	47,443	28,872	64.3

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

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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 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 also owns and operates The Seletar Mall. It is developing a new commercial cum residential site at Woodleigh. It also has a stake in Chinatown Point.

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.

For more information, please visit www.sph.com.sg