



# 9M 2018 Results

Analyst Briefing  
7 December 2018

THE STAR MEDIA GROUP



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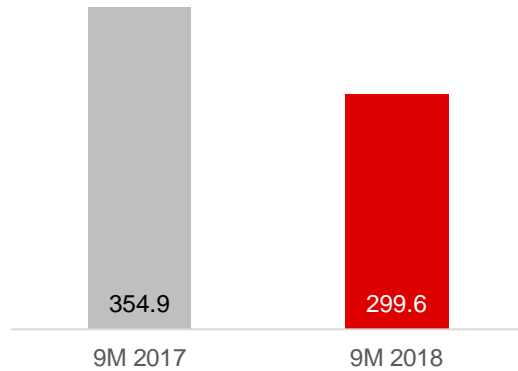
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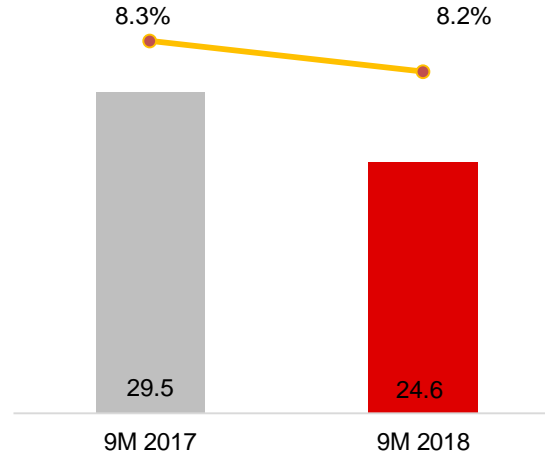
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# 9M 2018 Executive Summary

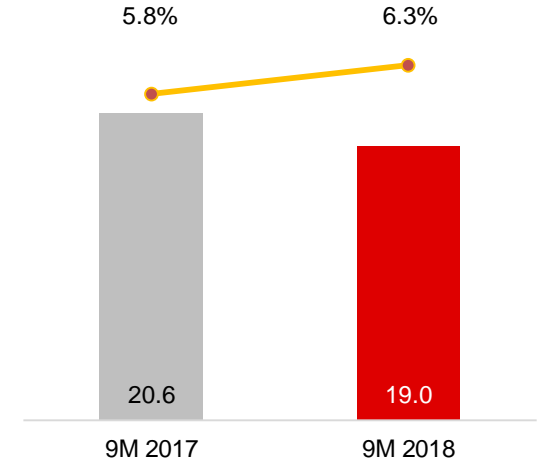
## Revenue



## EBITDA and Margins



## PBT\* and Margin



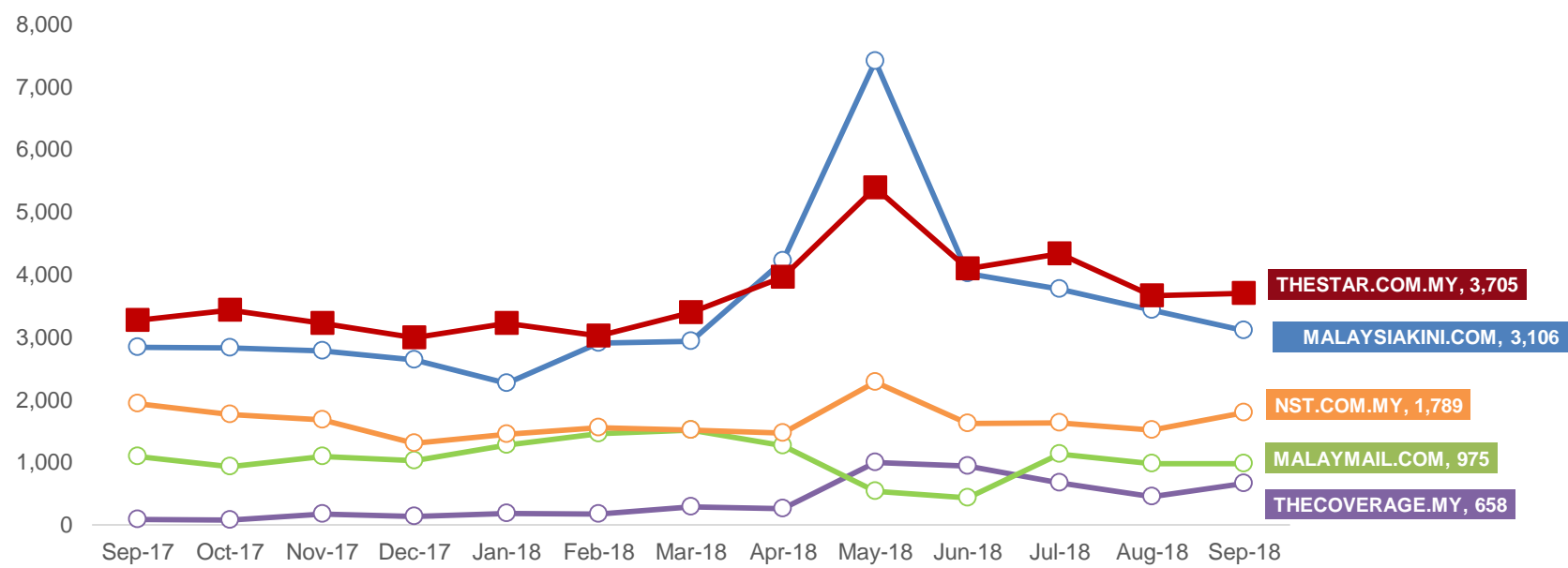
\* PBT is for continued operations and adjusted for exceptional Gain on disposal of a subsidiary in 2017

## Performance Discussion

- Revenue declined by 15.6% on y-o-y basis mainly due to lower revenue from Print and Digital segment
- Correspondingly, EBITDA decreased from RM 29.5 million in 9M 2017 to RM 24.6 million in 9M 2018. However, EBITDA margins remained relatively stable due to better cost management and rationalization
- PBT margins expanded from 5.8% to 6.3% as finance cost declined by 47.9%

# English News Portals Performance

## Total Unique Visitors (000)



## The Star Online UV (000)

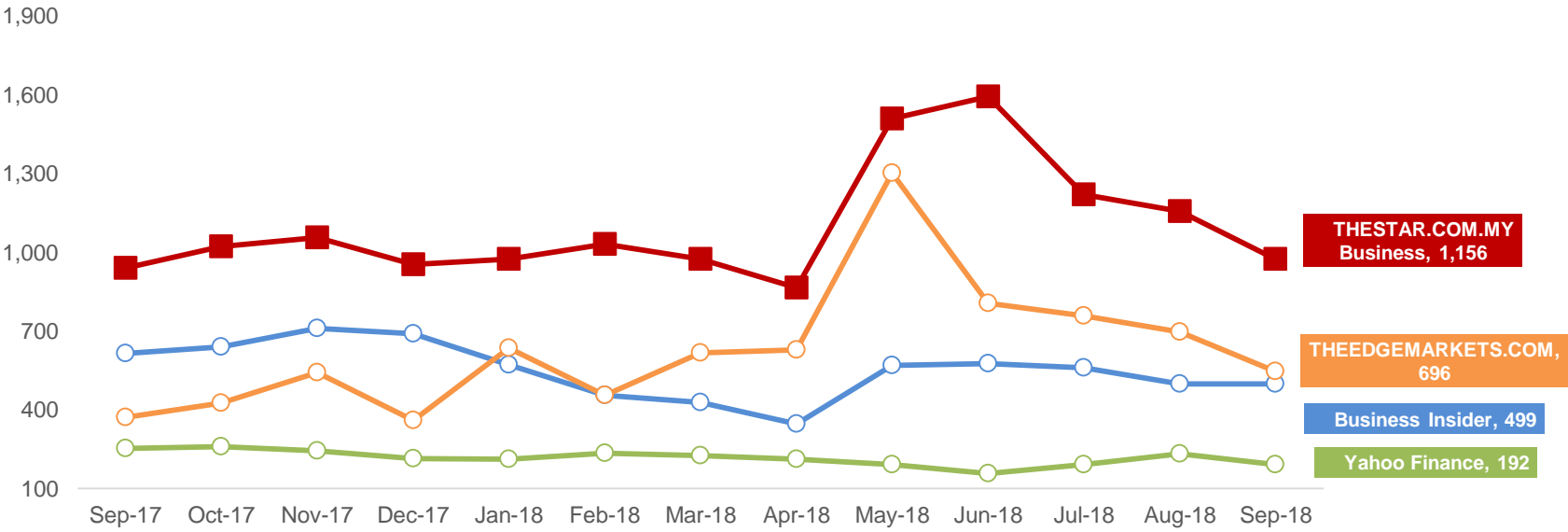
Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18
3,270	3,429	3,222	2,997	3,221	3,023	3,397	3,960	5,393	4,098	4,331	3,667	3,705

Source: comScore Media Metrix / Mobile Metrix, September 2018

The Star Online remains as Malaysia's No.1 News Portal

# StarBiz vs Competitors

## Total Unique Visitors (000)



## Star Biz UV (000)

Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18
940	1,023	1,057	956	975	1,032	975	867	1,510	1,595	1,220	1,156	976

Source: comScore Media Metrix / Mobile Metrix, September 2018

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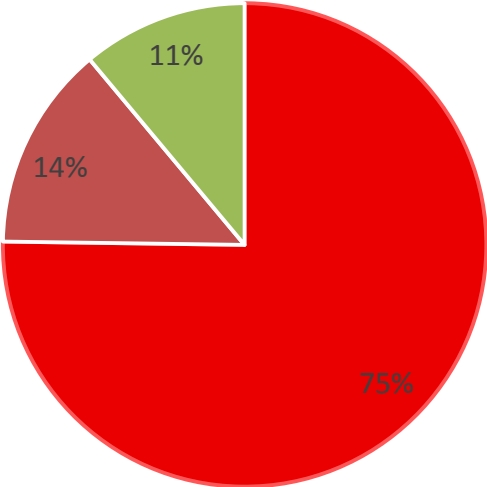
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# Newspaper Circulation Market Share

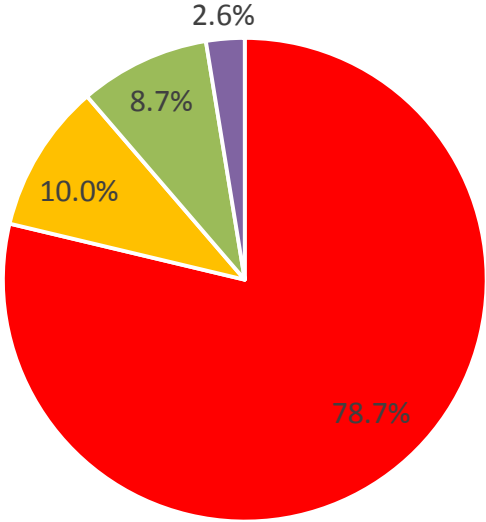
Total Circulation of paid English Newspaper (in '000s)

Sales



■ Daily Star ■ NST ■ The Edge

Total Circulation of Paid Digital Newspaper (in '000s)



■ Daily Star ■ The Edge ■ United Daily News ■ Others

Source: <http://abcm.org.my>

Total circulation of digital newspaper is on a continuous rising trend

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# 9M 2018 Highlights

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- Undergoing transformation into a digital focused media group
- Print business impacted due to changing media consumption behaviours; Growth in Digital advertising revenues
- Continued growth in the Events and Exhibition business due to more events held

# Performance of Star Media Group

<i>(RM million)</i>	3Q 2018	3Q 2017	Variance (%)	2Q 2018	Variance (%)	9M 2018	9M 2017	Variance (%)
<b>Revenue</b>	<b>91.1</b>	<b>119.1</b>	<b>(23.5%)</b>	<b>99.5</b>	<b>(8.4%)</b>	<b>299.6</b>	<b>354.9</b>	<b>(15.6%)</b>
<b>EBITDA</b>	<b>0.6</b>	<b>12.8</b>	<b>(95.3%)</b>	<b>4.7</b>	<b>(97.7%)</b>	<b>24.6</b>	<b>29.5</b>	<b>(16.6%)</b>
<i>EBITDA Margin (%)</i>	<i>0.7%</i>	<i>10.7%</i>		<i>4.7%</i>		<i>8.2%</i>	<i>8.3%</i>	
<b>PBT (continuing operations)</b>	<b>2.5</b>	<b>220.5</b>	<b>(98.9%)</b>	<b>2.3</b>	<b>8.7%</b>	<b>22.3</b>	<b>227.5</b>	<b>(90.2%)</b>
PBT (discontinued operations)	0.0	0.0	-	0.0	-	0.0	27.2	-
<b>Total PBT (all operations)</b>	<b>2.5</b>	<b>220.5</b>	<b>(98.9)%</b>	<b>2.3</b>	<b>8.7%</b>	<b>22.3</b>	<b>254.7</b>	<b>(91.2)%</b>

Nine month 2018 performance reflects the transformation and rationalisation initiatives which is driving operational cost savings

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# 9M18 Business Segments

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1.

- **Print and Digital**

2.

- Events & Exhibition

3.

- Radio

# Performance of Star Media Group

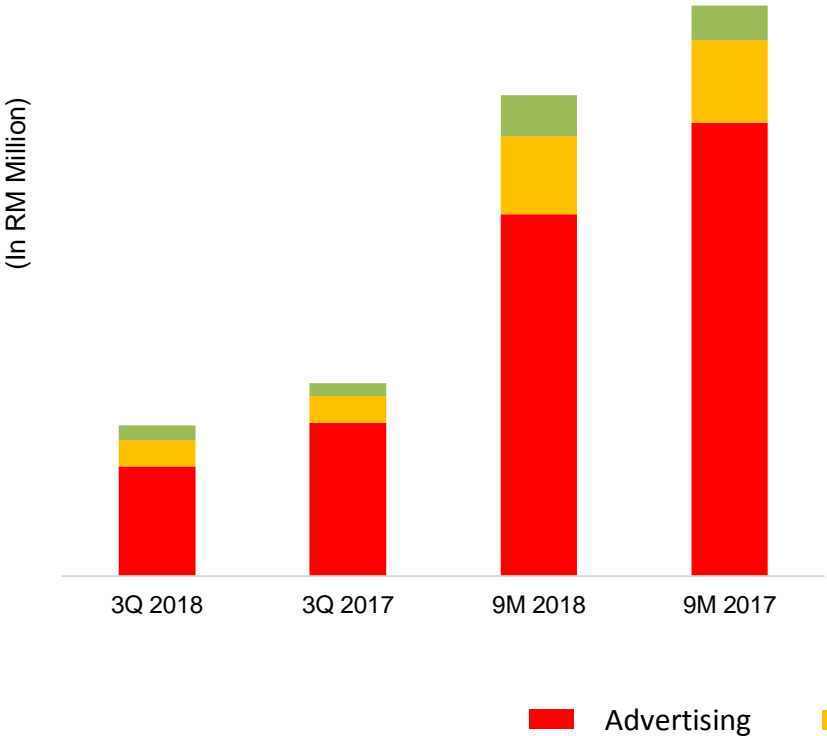
## Print and Digital Segment

<i>(RM million)</i>	Variance			Variance		Variance		
	3Q 2018	3Q 2017	(%)	2Q 2018	(%)	9M 2018	9M 2017	(%)
<b>Revenue</b>	<b>80.99</b>	<b>103.58</b>	<b>(21.8%)</b>	<b>85.43</b>	<b>(5.2)%</b>	<b>258.46</b>	<b>306.95</b>	<b>(15.8%)</b>
<b>EBITDA</b>	<b>3.36</b>	<b>19.69</b>	<b>(82.9%)</b>	<b>5.00</b>	<b>(32.8)%</b>	<b>26.99</b>	<b>43.76</b>	<b>(38.3%)</b>
<i>EBITDA Margin (%)</i>	4.2%	19.0%	-	5.9%	-	10.4%	14.3%	-
<b>PBT</b>	<b>1.74</b>	<b>20.50</b>	<b>(91.5%)</b>	<b>2.36</b>	<b>(26.3)%</b>	<b>21.07</b>	<b>31.56</b>	<b>(33.2%)</b>
<i>PBT Margin (%)</i>	2.1%	19.8%	-	2.8%	-	8.2%	10.3%	-

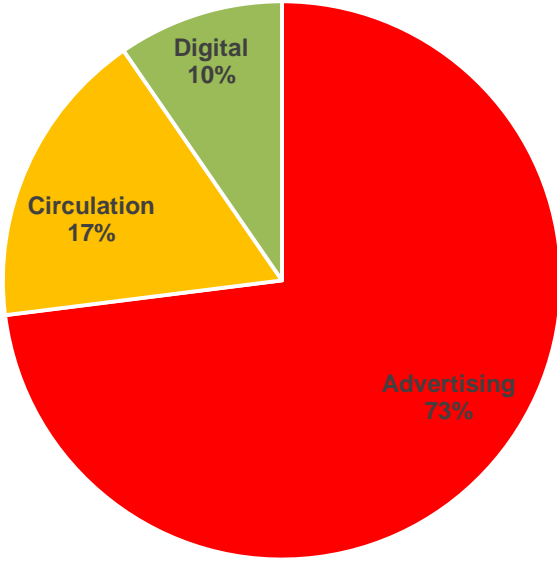
Print business impacted due to change in media consumption behaviour and slower economy

# Breakdown of revenue 3Q18

Q-on-Q and 9M-on-9M comparison



3Q18 revenue of RM 80.99 million



Digital advertising revenues growth of 17% during 9M 2018



# 9M18 Business Segments

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1.

- Print and Digital

2.

- **Events & Exhibition**

3.

- Radio

# Performance of Star Media Group

## Events & Exhibition

<i>(RM million)</i>	Variance			Variance		Variance		
	3Q 2018	3Q 2017	(%)	2Q 2018	(%)	9M 2018	9M 2017	(%)
<b>Revenue</b>	<b>2.57</b>	<b>1.14</b>	<b>&gt;100%</b>	<b>3.56</b>	<b>(27.8%)</b>	<b>12.14</b>	<b>6.89</b>	<b>76.2%</b>
<b>EBITDA</b>	<b>(0.71)</b>	<b>(0.43)</b>	<b>(64.2%)</b>	<b>0.21</b>	<b>&gt;(100%)</b>	<b>2.21</b>	<b>(0.53)</b>	<b>&gt;100%</b>
<i>EBITDA Margin (%)</i>	<i>(27.5%)</i>	<i>(37.7%)</i>		<i>5.9%</i>		<i>18.2%</i>	<i>(7.7%)</i>	
<b>PBT</b>	<b>(0.72)</b>	<b>(0.46)</b>	<b>(55.7%)</b>	<b>0.20</b>	<b>&gt;(100%)</b>	<b>2.17</b>	<b>(0.38)</b>	<b>&gt;100%</b>
<i>PBT Margin (%)</i>	<i>(28.0%)</i>	<i>(40.6%)</i>		<i>5.6%</i>		<i>17.9%</i>	<i>(5.5%)</i>	

Higher revenue and PBT due to more events held in 2018

# 9M18 Business Segments

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1.

- Print and Digital

2.

- Events & Exhibition

3.

- **Radio**

# Performance of Star Media Group



## Radio Group

<i>(RM million)</i>	Variance			Variance		Variance		
	3Q 2018	3Q 2017	(%)	2Q 2018	(%)	9M 2018	9M 2017	(%)
<b>Revenue</b>	<b>6.47</b>	<b>9.12</b>	<b>(29.1%)</b>	<b>7.13</b>	<b>(9.3%)</b>	<b>21.85</b>	<b>26.46</b>	<b>(17.4%)</b>
<b>EBITDA</b>	<b>(0.72)</b>	<b>2.15</b>	<b>&gt;(100%)</b>	<b>0.23</b>	<b>&gt;(100%)</b>	<b>0.95</b>	<b>4.30</b>	<b>(77.9%)</b>
<i>EBITDA Margin (%)</i>	<i>(11.1%)</i>	<i>23.6%</i>		<i>3.2%</i>		<i>4.3%</i>	<i>16.3%</i>	
<b>PBT</b>	<b>(0.58)</b>	<b>2.17</b>	<b>&gt;(100%)</b>	<b>0.23</b>	<b>&gt;(100%)</b>	<b>1.05</b>	<b>4.29</b>	<b>(75.5%)</b>
<i>PBT Margin (%)</i>	<i>(9.0%)</i>	<i>23.7%</i>		<i>3.2%</i>		<i>4.8%</i>	<i>16.2%</i>	

Radio business impacted due to lower advertising spend post election

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# In conclusion

- The Star Online remains the number one local English news portal according to MDA Sept report.
- Advertising spend in 3Q 2018 continued to be weak in line with the slowing economy and change in media consumption behaviour. Digital revenue grew 17% in 3Q 2018
- In Event and Exhibition segment, higher revenue and PBT from more events held.

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**THANK**  
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