



1H 2018 Results



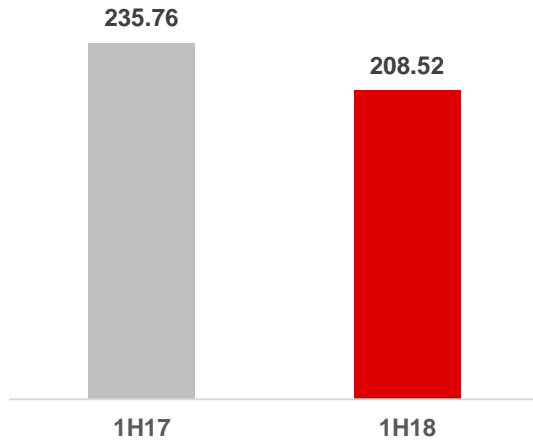
Analyst Briefing
24 August 2018

THE STAR MEDIA GROUP

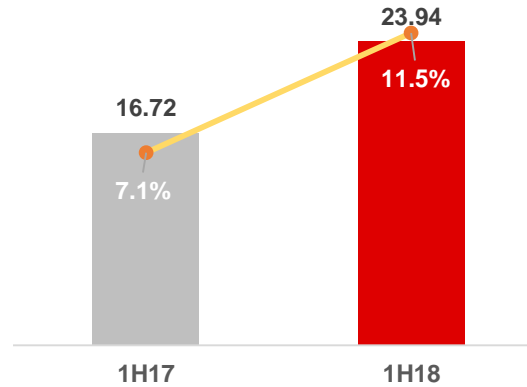
Read. Listen. Watch. Think. Be Inspired

1H 2018 Executive Summary

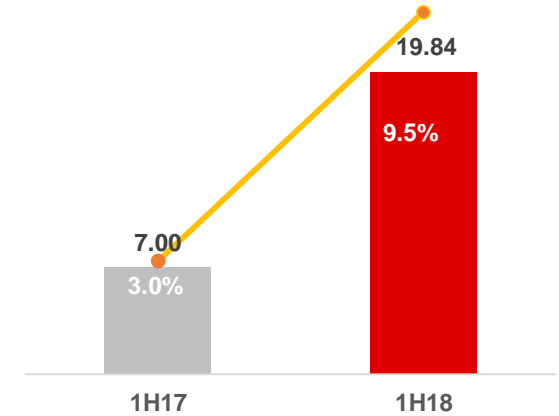
Revenue



EBITDA and Margins



PBT Continuing Businesses



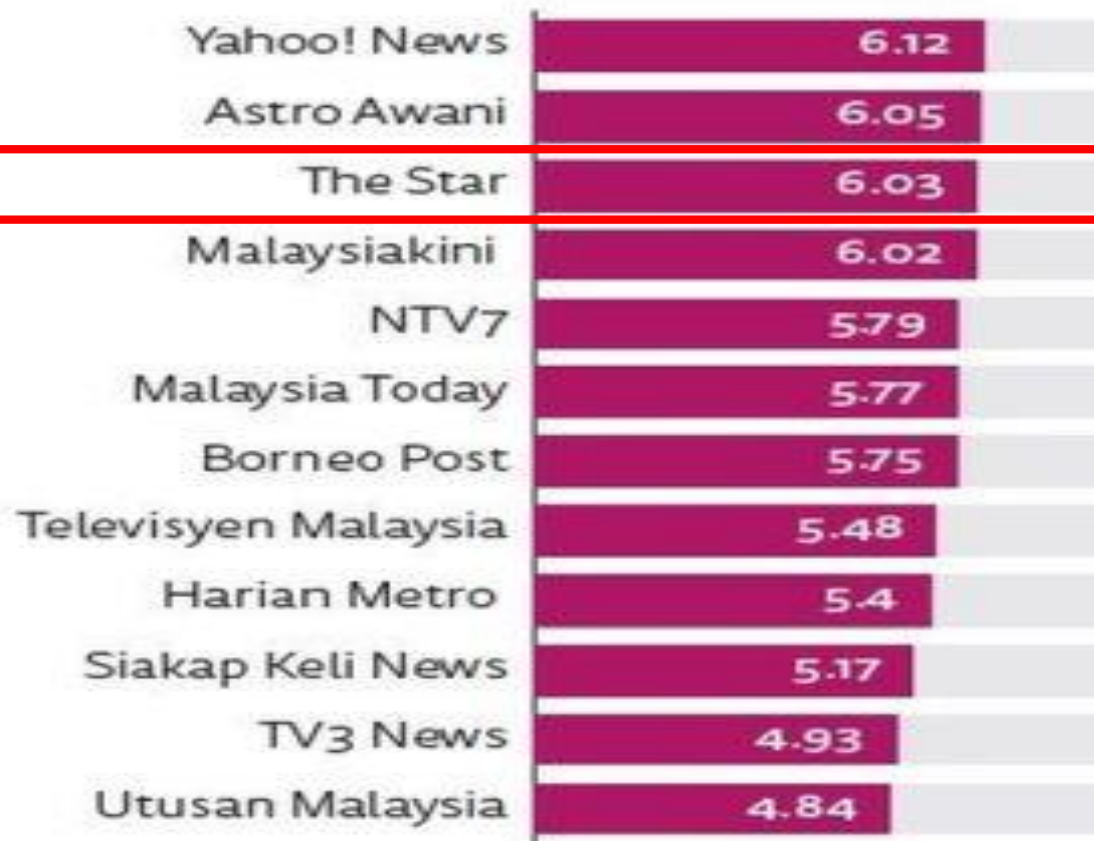
1H 2018 Key Highlights

- Revenue declined by (11.5%) on y-o-y basis due to lower advertising spend post election
- EBITDA increased significantly from RM 16.72 million in 1H17 to RM 23.94 million in 1H18
- Improvement in EBITDA is primarily driven by cost savings arising from impairment of printing assets and higher Digital and Events & Exhibition revenues

Star ranks as top 2 most trusted sites in Malaysia by Reuters Institute Digital News Report 2018

BRAND TRUST SCORES (0-10)

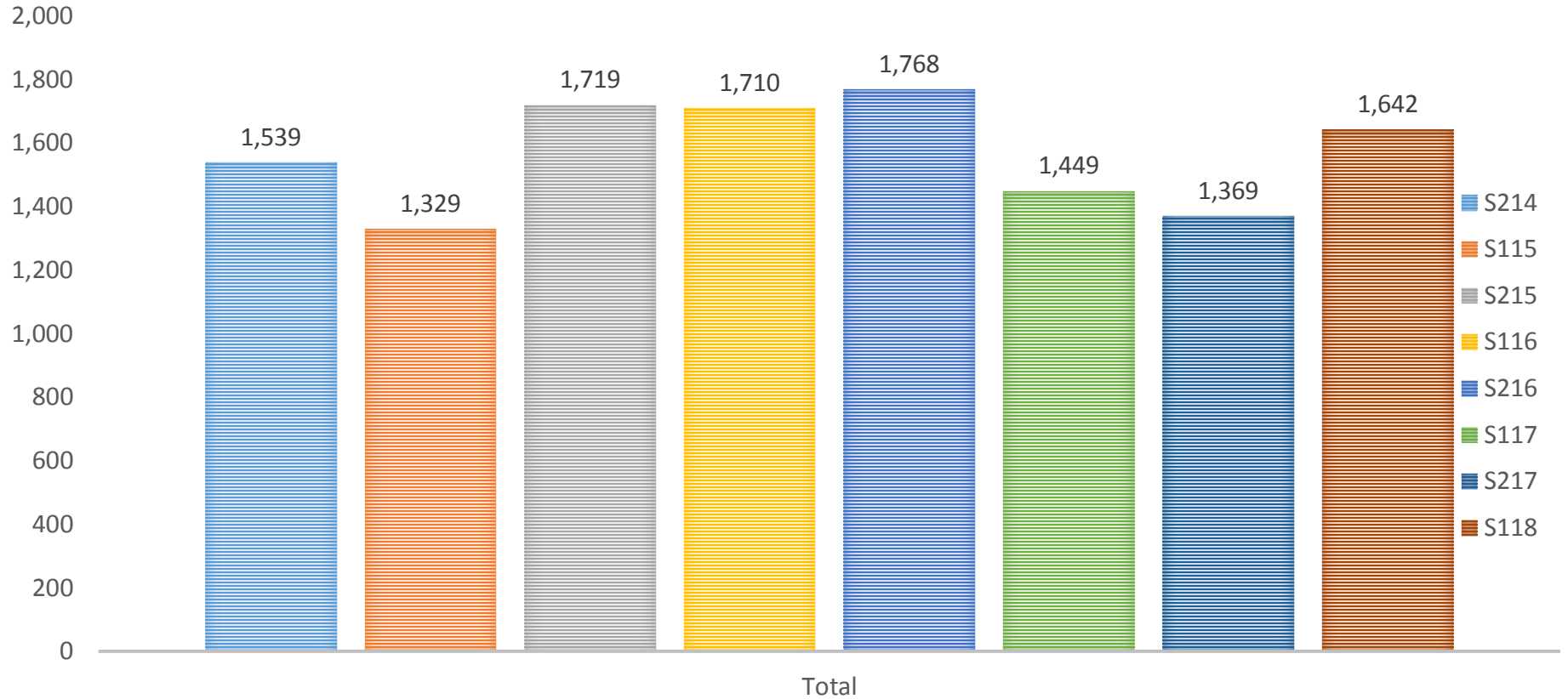
ALL THOSE THAT HAVE HEARD OF BRAND



988 listenership

GfK Sweep Results: Sweep 2 2014 to Sweep 1 2018

988 LISTENERSHIP



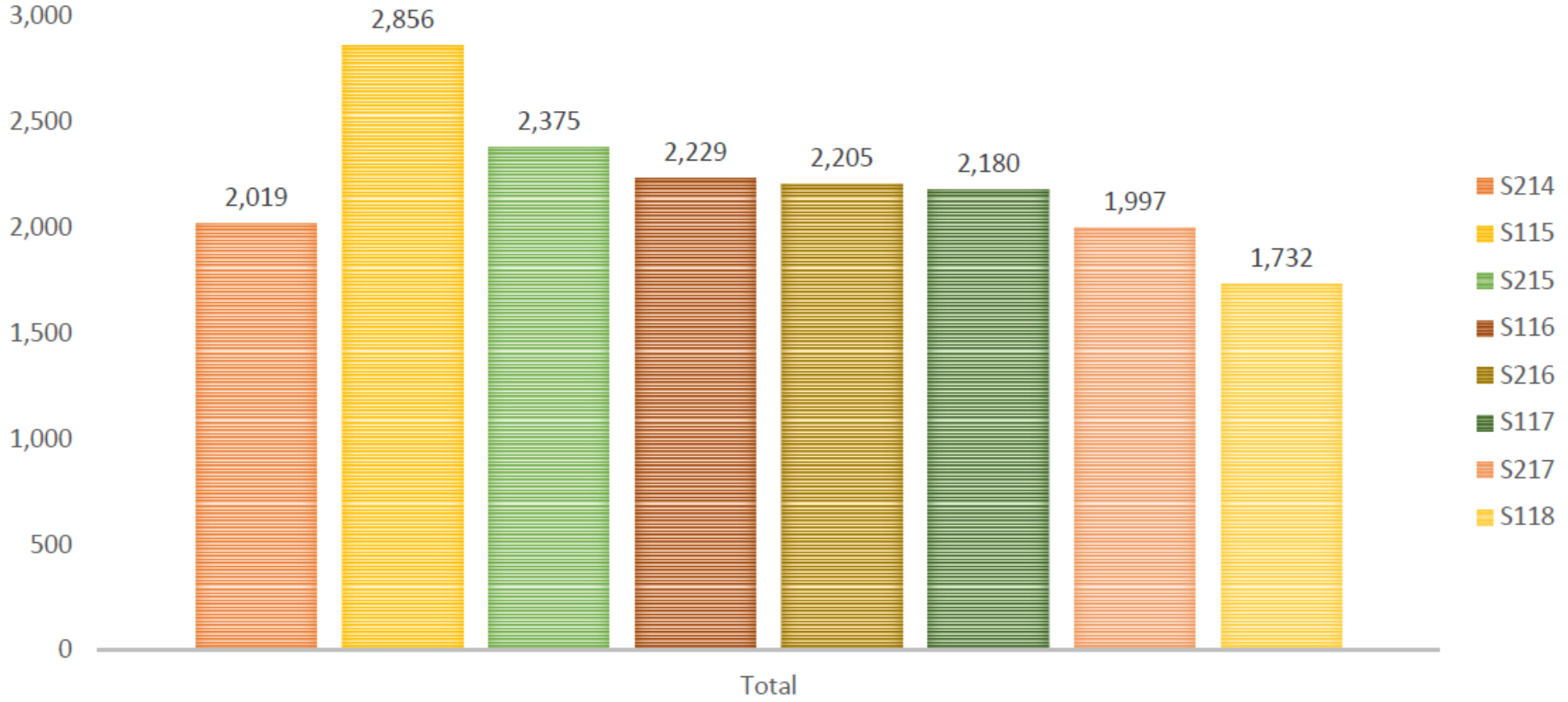
Note:

1. The above statistics are based on weekly listenership.
2. GfK is one of the leading global market research companies.

Suria listenership

GfK Sweep Results: Sweep 2 2014 to Sweep 1 2018

SURIA LISTENERSHIP



Note:

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Agenda

1

**Quarter 2
2018
Highlights**

2

**Quarter 2
2018 Group
Financials**

3

**Business
Segments
financials**

4

**2H18
Outlook &
Strategy**

2Q18's dynamics

1.

- The quarter revenue was impacted due to lower advertising spend post election

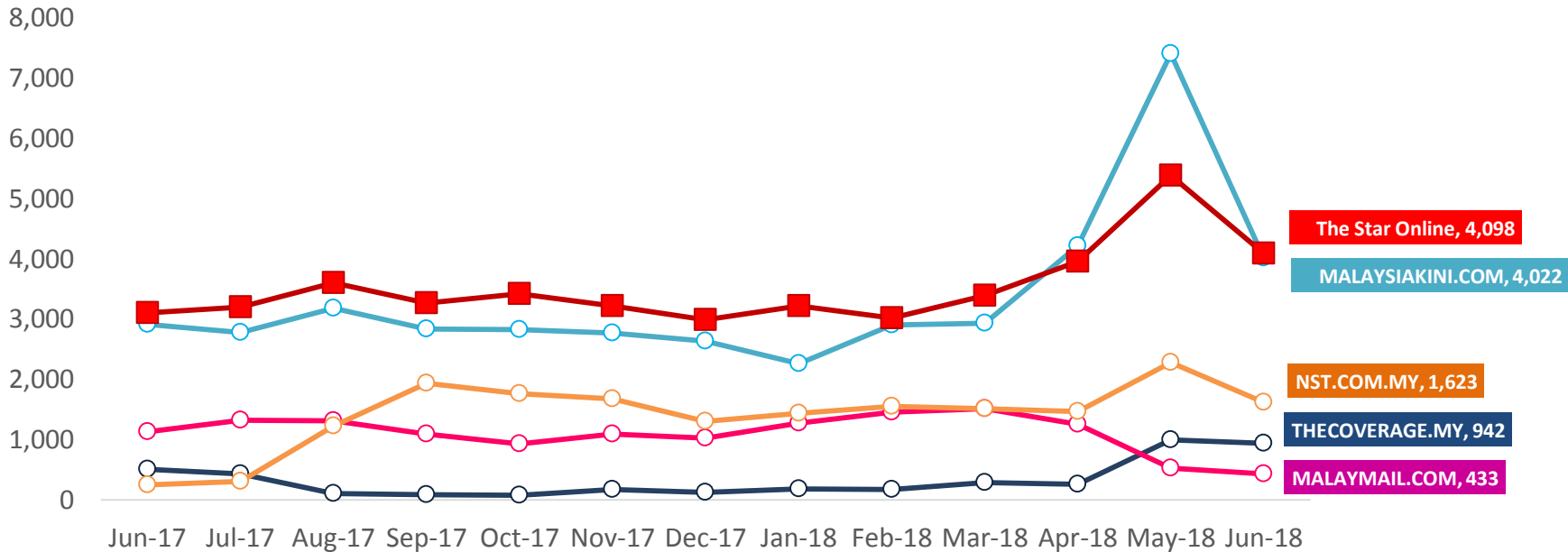
2.

- Better cost management and lower depreciation from Print segment

TSOL June' 17 – June' 18

English News Portals Performance June'17 - June'18 (Combined PC & Mobile)

Total Unique Visitors ('000)



The Star Online UV ('000)

Jun'17	Jul'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18
3,111	3,206	3,603	3,270	3,429	3,222	2,997	3,221	3,023	3,397	3,960	5,393	4,098

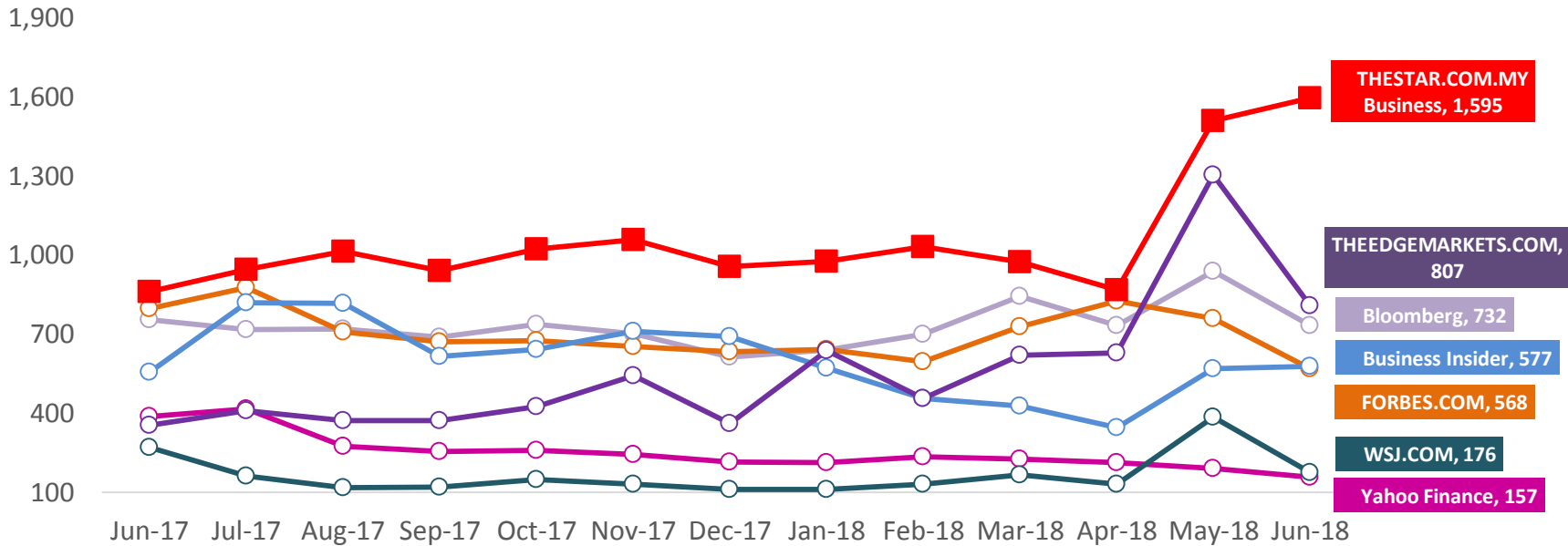
• **The Star Online** remained at top position in June 2018

Source: comScore Media Metrix / Mobile Metrix

Star Biz June '17 – June '18

The Star Online Business versus Competitors; June'17- June'18 (Combined PC & Mobile)

Total Unique Visitors (000)



thestar.com.my business UV ('000)

Jun'17	Jul'17	Aug'17	Sep'17	Oct'17	Nov'17	Dec'17	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18
860	944	1,013	940	1,023	1,057	956	975	1,032	975	867	1,510	1,595

- StarBiz's UV continued its leadership as Malaysia's No. 1 business site

Source: comScore Media Metrix / Mobile Metrix

Agenda

1

Quarter 2
2018
Highlights

2

Quarter 2
2018 Group
Financials

3

Business
Segments
financials

4

2H18
Outlook &
Strategy

Performance of Star Media Group

(RM Million)	2Q18	2Q17	Variance (%)	1Q18	1H18	1H17	Variance (%)
Revenue	99.49	117.16	(15.1%)	109.03	208.52	235.76	(11.6%)
EBITDA	4.67	6.82	(31.5%)	19.27	23.94	16.72	43.2%
EBITDA Margin	4.7%	5.8%	-	17.7%	11.5%	7.1%	-
PBT (continuing operations)	2.25	0.57	>100%	17.59	19.84	7.00	>100%
PBT Margin	2.3%	0.5%	-	16.1%	9.5%	3.0%	-
PBT (discontinued operations)	-	19.86	-	-	-	27.19	-
Total PBT (all operations)	2.25	20.43	(89.0%)	17.59	19.84	34.19	(42.0%)

Higher PBT due to right sizing & rationalization measures

Agenda

1

Quarter 2
2018
Highlights

2

Quarter 2
2018 Group
Financials

3

**Business
Segments
financials**

4

2H18
Outlook &
Strategy

1H18 Business Segments

1.

- **Print and Digital**

2.

- Events & Exhibition

3.

- Radio

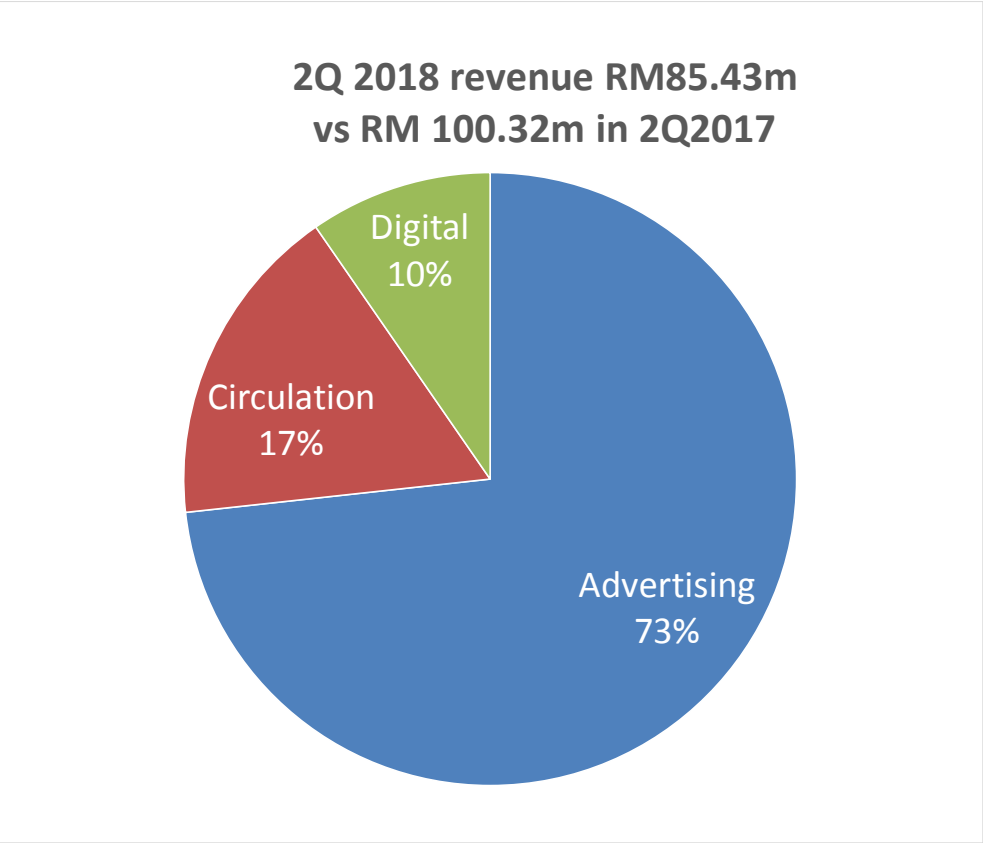
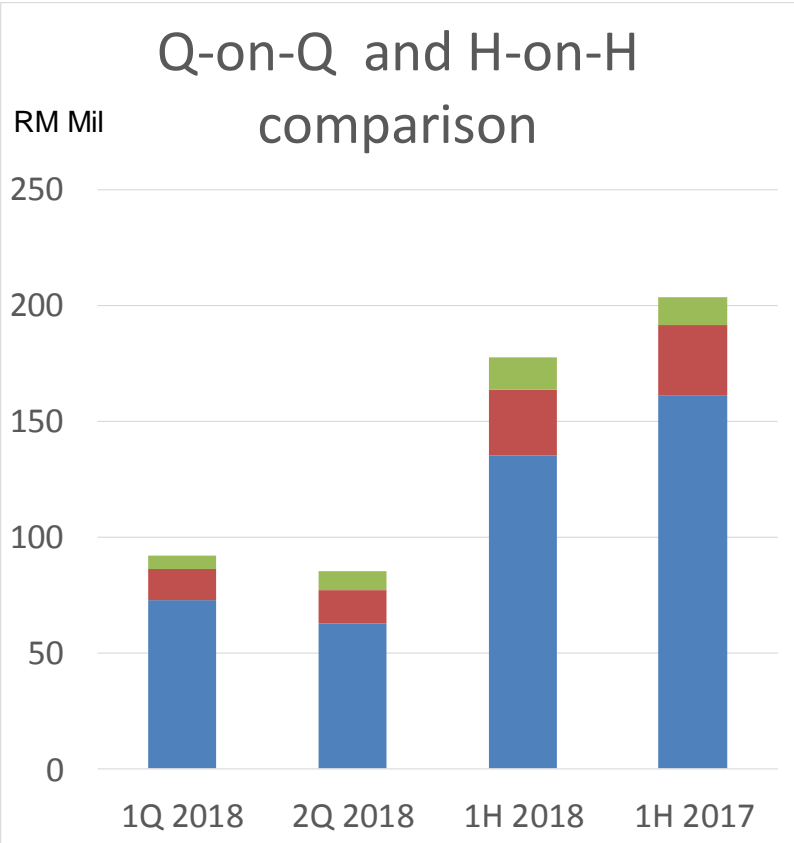
Performance of Star Media Group

Print and Digital Segment

(RM Million)	2Q18	2Q17	Variance (%)	1Q18	1H18	1H17	Variance (%)
Revenue	85.43	100.33	(14.9%)	92.04	177.47	203.37	(12.7%)
EBITDA	4.99	9.01	(44.6%)	18.6	23.60	20.54	14.9%
EBITDA Margin	5.8%	9.0%	-	20.2%	13.3%	10.1%	-
PBT	2.36	3.05	(22.6%)	16.97	19.33	11.06	74.8%
PBT Margin	2.8%	3.0%	-	18.4%	10.9%	5.4%	-

Higher PBT due to lower staff cost and depreciation expenses

Breakdown of revenue 2Q18



■ Advertising ■ Circulation ■ Digital

1H18 Business Segments

1.

- Print and Digital

2.

- **Events & Exhibition**

3.

- Radio

Performance of Star Media Group

Events & Exhibition

(RM Million)	2Q18	2Q17	Variance (%)	1Q18	1H18	1H17	Variance (%)
Revenue	3.56	3.59	(0.8%)	6.01	9.57	5.75	66.4%
EBITDA	0.21	(0.18)	>100%	2.71	2.92	(0.19)	>100%
EBITDA Margin	5.9%	(5.0%)	-	45.1%	30.5%	(3.3%)	-
PBT	0.20	0.06	>100%	2.69	2.89	0.01	>100%
PBT Margin	5.6%	1.7%	-	44.8%	30.2%	0.2%	-

Higher revenue and PBT from more events held

1H18 Business Segments

1.

- Print and Digital

2.

- Events & Exhibition

3.

- **Radio**

Performance of Star Media Group

Star Media Radio Group



Broadcasting (RM Million)	2Q18	2Q17	Variance (%)	1Q18	1H18	1H17	Variance (%)
Revenue	7.12	8.80	(19.1%)	8.25	15.37	17.35	(11.4%)
EBITDA	0.23	0.69	(66.7%)	1.44	1.67	2.15	(22.3%)
EBITDA Margin	3.2%	7.8%	-	17.5%	10.9%	12.4%	-
PBT	0.23	0.72	(68.1%)	1.40	1.63	2.12	(23.1%)
PBT Margin	3.2%	8.2%	-	17.0%	10.6%	12.2%	-

Radio business impacted due to lower advertising spend post election

Agenda

1

Quarter 2
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2

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Business
Segments
financials

4

2H18
Outlook
& Strategy

Updates post 2Q18 results

1.

- Completed the disposal of Leaderonomics on 13 August 2018

2.

- Penang plant cessation expected to take effect in September 2018

2018 and Ahead

- Ongoing transformation
 - Continue to be lean & economically sustainable,
 - Restructuring of the organization:- content, revenue, product & marketing, technology and analytics.
 - Investing and building capabilities in analytics and technology to enhance advertising effectiveness
- Unlocking value of our properties
- Continue to look for new investments in both the media and non-media sectors which will complement and enhance our existing assets

In conclusion

- Change in content policy, growth in readership for online and Biz readers
- 1H18 signs of print adex rate of decline decelerating vs 1H17
- Opex reduction greater than revenue decline
- Digital revenue gaining traction
 - with digital segment 42% up (Programmatic is 10% of digital share and growing)
 - Radio digital segment 107% up
- Radio sweep – data analytics indicate positive and rising trend for 988

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