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(Updated)

Star Media Group widens net loss in 2Q to RM37.85 mil on higher operating expenses

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KUALA LUMPUR (Aug 26): Star Media Group's net loss widened to RM37.85 million for the second quarter ended June 30, 2021 (2QFY21), from RM26.95 million a year ago.

Despite lower finance cost, the group's net loss expanded due to higher operating expenses as a result of impairment on property, plant and equipment and intangible assets amounting to RM32.66 million.

This translates into 5.22 sen loss per share from 3.7 sen loss per share a year earlier.

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Its 2QFY21 revenue was 48.34% higher year-on-year at RM46.74 million from RM31.51 million previously.

The publisher of *The Star* newspaper explained that the improved revenue was mainly driven by its digital and radio segment, which had turned profitable in the quarter under review.

It also pointed out that the group's loss before tax would have been substantially narrower at RM5.1 million in 2QFY21 versus RM27.25 million a year ago, if one-off impairment is excluded.

Star Media's radio segment generated higher revenue of RM6.89 million



2020 mainly due to higher commercial airtime and sponsorship revenue.

Star Media also saw growth in digital revenue of 17% against the last corresponding quarter, which was attributable to the increase in digital advertorial, growth marketing and paywall subscription revenue.

“This segment recorded a better performance with a lower loss before tax of RM6.49 million in 2Q 2021 compared with RM25.41 million in 2QFY20, which was attributable to the savings in operating expenses arising from the cost rationalisation exercise carried out by the group in 2H2020,” said the group.

On a quarterly basis, Star Media also widened its net loss from RM14.1 million in 1QFY21 to RM37.85 million despite higher revenue. Revenue increased 9.69% from RM42.61 million in the immediate preceding quarter to RM46.74 million mainly due to higher revenue from the print, digital and radio segments.

For the first half of 2021 ended June 30 (1HFY21), Star Media posted a net loss of RM51.95 million compared with a net loss of RM30.93 million as revenue also decreased 8.13% to RM89.35 million from RM97.26 million the prior year due to the impact of the nationwide lockdown to curb the spread of Covid-19 pandemic.

On prospects, the group said it will remain focused on its digital transformation initiatives and strategies across all media platforms, adding that it will continue to improve its operational efficiencies.

Furthermore amid the challenging media industry landscape, the group also said that it is on the lookout for merger and acquisition opportunities as well as to penetrate into new businesses that have a promising outlook.

As at June 30, 2021, Star Media is sitting on RM346.25 million net cash.

Star Media closed at 36 sen with some 167,600 shares traded. It has a market capitalisation of RM265.88 million.

Edited by Joyce Goh



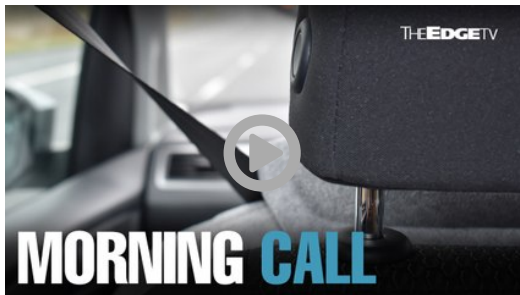
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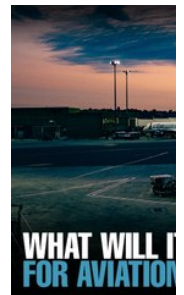
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