

The Standard Group PLC

Unaudited Group Results for the year ended 30 June 2023

The Board of Directors of The Standard Group PLC is pleased to announce the un-audited results for the six month period ended 30 June 2023.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 6 month period ended 30 June 2023

	30 June 2023 (Unaudited) Kshs'000	30 June 2022 (Unaudited) Kshs'000
Revenue	1,260,781	1,371,574
Total operating costs	(1,338,758)	(1,714,797)
Finance costs (net)	(69,031)	(85,688)
Loss before income tax	(147,008)	(428,911)
Income tax credit	44,102	128,674
Total comprehensive loss for the year	(102,906)	(300,237)
Attributable to:		
Non-controlling interests	2,342	(21,736)
Owners of the parent	(105,248)	(278,501)
	(102,906)	(300,237)
Earnings per share Basic and Diluted	(1.29)	(3.41)
Dividend per Share - Kshs	-	-

Consolidated Statement of Financial Position as at 30 June 2023

	30 June 2023 (Unaudited) Kshs'000	31 December 2022 (Unaudited) Kshs'000
ASSETS		
Non Current Assets	2,776,598	2,841,743
Current Assets	2,151,258	1,624,406
Total Assets	4,927,856	4,466,149
EQUITY AND LIABILITIES		
Capital and Reserves		
Share Capital	408,654	408,654
Share Premium	39,380	39,380
Retained Earnings	(517,437)	(412,189)
Capital Redemption Reserve	102	102
	(69,301)	35,947
Minority Interest	147,613	145,271
Total Shareholders Equity	78,312	181,218
Non Current Liabilities	303,383	6,537
Current Liabilities	4,546,161	4,278,394
Total Equity and Liabilities	4,927,856	4,466,149

GROUP RESULTS

The business environment was constrained, against a backdrop of growing global uncertainties, drought, sustained geopolitical tensions, and tightening monetary policies in advanced economies. The cost of business was on an upward trend with inflation averaging 8.5% during the 6-month period against 6.2% during a similar period last year, pushed by food and fuel prices. The Kenyan shilling continued to weaken closing at Kshs.140.52 to the dollar against Kshs.117.83 during a similar period last year, representing a 19% drop. The 6-month period closed with the Finance Act 2023 receiving Presidential assent and taking effect from 1 July 2023.

Total revenue for the Group decreased by 8% to close at Kshs.1.26 billion from Kshs.1.37 billion in the previous 6-month period. This was occasioned by reduced advertising spending as businesses cut back on expenditure to weather the current economic conditions. In response, the Group has undertaken cost rationalization measures on operating expenditure, key amongst them being staff costs. This saw total costs decrease by 22% compared to a similar period in 2022. Consequently, the Group incurred a loss before tax of Kshs.147 million compared to a loss before tax of Kshs.429 million in the prior year.

Outlook

The Group is confident that the current market conditions will continue to improve as the Government undertakes policy changes aimed at strengthening the economy. The Group is undertaking a transformation process to competitively position itself to meet the changing needs of its clients through innovation across our wide range of media products. Further, the Group has cushioned itself through continued cost rationalization in a bid to minimise wastage and operate much more efficiently.

Currently, there is renewed confidence in the resumption of profitability as the team works to grow revenues and reduce operational costs. Additionally, with our commitment to quality journalism and a digital-first approach, the launch of a new look KTN Home, and the revamp of our radio and digital products, we are certain that we are well poised to meet the requirements of our clients and audiences.

BY ORDER OF THE BOARD

Millicent Ng'etich
Company Secretary

25th August, 2023

Condensed Consolidated Statement of Cashflows for the 6 month period ended 30 June 2023

	30 June 2023 (Unaudited) Kshs'000	30 June 2022 (Unaudited) Kshs'000
Cashflow from operating activities		
Cash generated from operations	126,064	165,608
Interest Paid	(69,031)	(85,688)
Net cash generated from operating activities	57,033	79,920
Cashflows: Investing activities	(885)	(11,122)
Cashflows: Financing activities	85,055	(46,939)
Net increase in cash and cash equivalents	141,203	21,859
Cash and cash equivalents at start of the period	(214,134)	(189,827)
Cash and cash equivalents at end of the period	(72,931)	(167,968)

Consolidated Statement of Changes in Equity for the 6 month period ended 30 June 2023

	Share		Capital	Shareholders		Shareholders	
	Share	Share	Redemption	Revenue	equity	Minority	
	Capital	Premium	Reserve	reserve	Group	Interest	
	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000	Kshs'000
As at 1 January 2022	408,654	39,380	102	408,831	856,967	189,455	1,046,422
Loss for the period	-	-	-	(278,501)	(278,501)	(21,736)	(300,237)
At 30 June 2022	408,654	39,380	102	130,330	578,466	167,719	746,185
As at 1 January 2023	408,654	39,380	102	(412,189)	35,947	145,271	181,218
Loss for the period	-	-	-	(105,248)	(105,248)	2,342	(102,906)
At 30 June 2023	408,654	39,380	102	(517,437)	(69,301)	147,613	78,312