



## The Standard Group PLC

### Audited Group Results for the Year ended 31 December 2019

The Board of Directors of The Standard Group Plc is pleased to announce the audited results for the year ended 31 December 2019. The results below have been extracted from the audited consolidated financial statements of The Standard Group Plc for the year ended 31 December 2019. The financial statements were audited by KPMG Kenya who expressed an unqualified audit opinion.

#### Consolidated Statement of profit or loss and other Comprehensive Income for the year ended 31 December 2019

	31-Dec-2019 Audited Kshs'000	31-Dec-2018 Audited Kshs'000
Revenue	4,074,042	4,836,030
Total Operating Costs	(4,741,806)	(4,391,050)
Other Income	140,650	120,077
Finance Costs (net)	(189,152)	(167,832)
<b>(Loss)/Profit before taxation</b>	<b>(716,266)</b>	<b>397,225</b>
Tax Credit/(expense)	232,199	(135,940)
<b>(Loss)/Profit after taxation</b>	<b>(484,067)</b>	<b>261,285</b>
<b>(Loss)/Earnings per share Basic- Kshs</b>	<b>(5.25)</b>	<b>2.41</b>
<b>(Loss)/Earnings per share Diluted- Kshs</b>	<b>(5.25)</b>	<b>2.41</b>
<b>Dividend per Share - Kshs</b>	<b>-</b>	<b>0.60</b>

#### Consolidated Statement of Financial Position as at 31 December 2019

	31-Dec-2019 Audited Kshs'000	31-Dec-2018 Audited Kshs'000
<b>ASSETS</b>		
Non Current Assets	2,810,667	2,684,536
Current Assets	1,385,279	1,991,597
<b>Total Assets</b>	<b>4,195,946</b>	<b>4,676,133</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and Reserves</b>		
Share Capital	408,654	408,654
Share Premium	39,380	39,380
Revenue Reserve	733,965	1,212,482
Capital Redemption Reserve	102	102
	<b>1,182,101</b>	<b>1,660,618</b>
Non-controlling Interest	239,109	293,698
<b>Total Shareholders' Equity</b>	<b>1,421,210</b>	<b>1,954,316</b>
Non Current Liabilities	454,076	538,136
Current Liabilities	2,320,660	2,183,681
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,195,946</b>	<b>4,676,133</b>

#### GROUP RESULTS

The Macro-economic environment was difficult in the financial year 2019 and the media industry was not spared. Regulatory changes which came in the form of increased taxation in the gaming industry and the review of watershed hours had a particularly significant effect. These regulations had a negative impact on advertisement from the entertainment industry. There was a decline in market liquidity as a result of the slow down in payment of bills and poor economic performance.

Ultimately, the Group had to contend with decreased marketing and advertising spend that resulted in a decline in revenues compared to the prior year 2018.

Despite the challenging environment, the Group invested in new niche products in line with its strategy of creating differentiated and customer centric products. The list of new products includes two new radios stations, Spice FM and Vybez radio; two new TV channels, KTN farmers TV and Burudani TV as well as 2 print products Pulser and Travelog. This was in addition to continued investment in digital platforms and in content improvement as it constantly seeks to align with ever changing customer preferences.

The Group's turnover dropped 14% to close at KShs 4.1 billion in 2019 compared to KShs 4.8 billion in 2018 largely due to the decline in performance across key brands.

The Group costs however, rose as a result of investments in new products that are expected to break even in year two. Direct costs increased 21%,

closing at KShs 1.46 billion from KShs 1.22 billion in 2018 – driven by a rise in newspaper prices due to global supply shortage. Other overheads remained constant at KShs 3.3 billion compared to KShs 3.2 billion in 2018.

The Group closed 2019 at a loss after tax of KShs 484 million compared to a profit after tax of KShs 261 million in 2018.

#### Dividends

The Board does not recommend a dividend for the year.

#### Outlook 2020

The Board is confident that with continued innovation through the creation of new products and revenue streams, the Group is equipped to withstand both existing and future macro and micro economic challenges.

Whilst the current COVID-19 pandemic is impacting the entire global business environment in 2020, in the long term we are confident that we will return to profitability. The Group will therefore continue to implement its strategic plan, deepen its engagement with customers and offer more niche products and services that are responsive to market needs.

#### BY ORDER OF THE BOARD

Millicent Ng'etich  
Company Secretary  
03 April 2020

#### Condensed Consolidated Statement of Cashflow for the year ended 31 December 2019

	31-Dec-2019 Kshs'000	31-Dec-2018 Kshs'000
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>		
<b>Cash generated from operations</b>	<b>837,328</b>	<b>520,013</b>
Interest Paid	(169,242)	(167,832)
Tax paid	(140,453)	(63,774)
<b>Net cash generated from operating activities</b>	<b>527,633</b>	<b>288,407</b>
Cashflows: Investing activities	(172,529)	(335,258)
Cashflows: Financing activities	(255,364)	265,025
	79,740	218,174
Cash and cash equivalents at the beginning of the year	(151,677)	(369,851)
<b>Cash and cash equivalents at the end of the period</b>	<b>(71,937)</b>	<b>(151,677)</b>

#### Consolidated Statement of Changes in Equity for the year ended 31 December 2019

	Share Capital Kshs'000	Share Premium Kshs'000	Capital Redemption Reserve Kshs'000	Retained Earnings Kshs'000	Attributable to equity holders of parent Kshs'000	Minority Interest Kshs'000	Shareholders' equity Total Kshs'000
As at 1 January 2018	408,654	39,380	102	1,156,922	1,605,058	260,198	1,865,256
Accounting policy change ( IFRS 9 )	-	-	-	(201,875)	(201,875)	(44,144)	(246,019)
Tax impact of IFRS 9	-	-	-	60,550	60,550	13,244	73,794
Profit for the period	-	-	-	196,885	196,885	64,400	261,285
At 31 December 2018	408,654	39,380	102	1,212,482	1,660,618	293,698	1,954,316
<b>As at 1 January 2019</b>	<b>408,654</b>	<b>39,380</b>	<b>102</b>	<b>1,212,482</b>	<b>1,660,618</b>	<b>293,698</b>	<b>1,954,316</b>
Loss for the period	-	-	-	(429,478)	(429,478)	(54,589)	(484,067)
Dividend declared	-	-	-	(49,039)	(49,039)	-	(49,039)
<b>At 31 December 2019</b>	<b>408,654</b>	<b>39,380</b>	<b>102</b>	<b>733,965</b>	<b>1,182,101</b>	<b>239,109</b>	<b>1,421,210</b>

*[Handwritten Signature]*  
3/4/20