

Kagiso Media earnings up 24.5% to 168.5c

Kagiso Media on Wednesday, 17 September, said that diluted headline earnings per share (HEPS) for the year to June rose by 24.5% to 168.5c, while the final dividend was increased by 33.3% to 40c per share.



Revenue from continuing operations jumped by 39.7% to R1.336bn, while operating profit from continuing operations rose by 9.0% to R283m.

The company said concern over a consumer spending downturn in the fiscal year did not materialise as trading conditions in SA, and in their categories, generally improved. In particular, the radio assets have outperformed the market median in advertising spend.

The introduction of Juta into the portfolio has assisted significantly in driving both top-line and bottom-line growth.

Kagiso Media it was well positioned to take advantage of social, mobile and local media opportunities.

Encouraging performance

In July, with partner Microsoft, the company went live with its East and West African MSN platforms, and Kagiso said the Kenyan and Nigerian portals were quick to show an encouraging performance. The content division, which includes Urban Brew Studios, had a difficult year, with margins under pressure in a competitive market.

Investment in Kagiso's owned content continues with the Home Pictures project, the benefit of which will be seen in future years.

The company said digital would be core to everything it did, and new approaches, innovation and creativity would enable it to grow and compete. "Strategically, this could require a longer-term view of growth-related investments," it said.

Kagiso says it plans to grow market share in the year ahead, driven by organic initiatives and, where appropriate, acquisitions.