

## Tiso focus on media growth, cutting debt

By [Nick Hedley](#)

28 Mar 2018

Tiso Blackstar Group, the owner of Business Day, is focused on offloading noncore assets so that it can reduce debt and invest in its media business, says CEO Andrew Bonamour.



[BusinessLive.co.za](http://BusinessLive.co.za)

The group considers its stakes in investment holding company Kagiso Tiso Holdings (KTH) and steel firms Robor and CSI as noncore.

These divisions weighed on what was otherwise "a good performance from the core results", Tiso Blackstar said in its interim results on Tuesday. Group revenue in the six months to December were flat at R4.5bn, while headline earnings per share rose 570%.

The group wanted to deconsolidate noncore assets by the end of June, Bonamour said. It would do this by reducing its stakes, selling the units entirely or accounting for them as noncurrent assets held for sale.

Tiso Blackstar will sell 3.6% of KTH's shares back to the investment holding company for R198m and plans to sell its remaining 20% stake after an earlier agreement fell through because of adverse market conditions. Tiso Blackstar suspended its interim dividend as a result of the initial sale falling through.

Tiso Blackstar would use the proceeds generated from sales of noncore assets to reduce gearing "so that any capacity can go into our core business, to grow the media business".

"At the core, we've got a very strong business with good cashflows, and it's well positioned."

The company expected consolidation opportunities in SA's media industry, Bonamour said. This would reduce operating costs. Further, the number of titles in SA was likely to shrink.

While the group's media business was affected by a drop-off in advertising spend ahead of the ANC's elective conference in December, the revenue shortfall had been offset by a strong three months to late March. "The next few months are looking solid as well for both our media business and Hirt & Carter [the group's marketing and communications unit]."

Bonamour said Tiso Blackstar wanted to grow its local films business, which produced *The Wound* (Inxeba) " an Oscar contender that was temporarily withdrawn from local cinemas.

"It's been a success - when it was allowed back into cinemas, that weekend it did much more than we'd ever expected". We're hoping ultimately it's got international legs."

Meanwhile, the arrival of Spotify and other music streaming services was a boon for Tiso Blackstar's Gallo Record Company. Nearly 40% of Gallo's turnover now came from digital platforms, Bonamour said.

**Source:** Business Day

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