



24 MAY, 2022

Sports Toto earnings up on principal subsidiary

The Star, Malaysia



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Group cautiously optimistic on prospects

CORPORATE

PETALING JAYA: Sports Toto Bhd (formerly known as Berjaya Sports Toto Bhd) says it is “cautiously optimistic” on its prospects after reporting a higher net profit of RM79.6mil for its third quarter ended March 31, 2022.

This is compared with a net profit of RM18.7mil for the same period a year earlier.

It also reported an increase of 54% in revenue to RM1.73bil from RM1.12bil in the corresponding quarter of the previous year.

The higher revenue and profit were primarily attributed to improved results reported by its principal subsidiary, STM Lottery Sdn Bhd (formerly known as Sports Toto Malaysia Sdn Bhd), as well as from its motor retailing business, H.R. Owen Plc, the gaming company said.

It said STM Lottery registered a revenue growth of 70.3% despite having a lower number of draws in the quarter under review.

This was mainly due to better sales from its lotto games resulting from higher accumulated jackpot prizes, coupled with stronger sales during the festive period in February 2022.

“Furthermore, the previous year’s corresponding quarter was also impacted by the second movement control order, which was in effect from Jan 13, 2021 to Feb 18, 2021 in all states in Malaysia whereby all outlets were closed except for those in Sarawak,” it said in a statement.

The group’s pre-tax profit rose by 262% in

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Sports Toto Bhd

the current quarter under review in line with the higher revenue achieved, coupled with a lower prize payout.

H.R. Owen recorded a revenue growth of 41.6% in the current quarter to RM895.1mil from RM632.1mil reported in the corresponding quarter of the previous year, while its pre-tax profit increased by 64.3%.

The improved results were attributed to the higher sales from both the new and used car sectors in the current quarter whereby business had resumed full operations.

The company’s operations in the previous year’s corresponding quarter were negatively impacted by the third national lockdown in the United Kingdom, Sports Toto said.

“The directors are cautiously optimistic that the group’s businesses will gradually recover with the resilient nature of the number forecast operator (NFO) business as noted in the past economic crises and turbulent periods.”

It said barring any unforeseen circumstances, the directors are confident that the group will continue to lead in terms of market

share in the NFO business for the financial year ending June 30, in line with the recovery of the NFO industry when the overall economy improves.

Sports Toto’s board has declared a third interim dividend of two sen per share in respect of the financial year ending June 30 and payable on July 22. The entitlement date has been fixed on June 30.

“As Malaysia transitions towards endemicity along with the reopening of international borders and further relaxation of Covid-19 standard operating procedures from May 1, the pace of the overall economic growth is expected to accelerate.

“However, the Russia-Ukraine war and certain supply chain disruptions following China’s strict Covid-19 policy may continue to impact the global and domestic economies.

“The management of Sports Toto will remain vigilant and continue to monitor the development of domestic and global economic issues and its resultant impact on the group’s operations.”



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