

Daily Mail and General Trust

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Daily Mail shares drop after cuts to guidance for both its information and events businesses

Daily Mail and General Trust PLC (LON:DMGT) saw its shares drop by over 8% this morning, with investors reportedly disappointed by cuts to guidance for both its information and events businesses.

For the six months to March 31, DMGT reported a 5% fall in adjusted pre-tax profit to £105m, as underlying revenues increased by just 1% to £890m, reflecting pressures in its information business and planned investment costs.

The half-results are the first to exclude Euromoney Institutional Investor PLC (LON:ERM) from the consolidated numbers, with DMGT having cut its stake in the publisher to 49% from 67% in early December.

READ: Euromoney shares plunge as Daily Mail owner cuts stake
For the full year, the group said its outlook was largely unchanged, but added that the dmgt information division was now expected to produce a full-year underlying revenue growth rate in the low-single digits, compared with a previous forecast of mid-single digit growth.

The company also surprised by cutting guidance for dmgt events' underlying revenue growth to mid-single digit growth from high-single digit growth.

Guidance cuts likely to be taken negatively
In a note to clients today, analysts at Liberum Capital said "the scaling back of top-line FY guidance for dmgt information and dmgt events is likely to be taken negatively and raise questions about operational performance."

However, Liberum retained its 'buy' rating and 900p price target on DMGT shares

DMGT's first-half print advertising revenue fell by 8%, although that was better than the 12% decline reported for 2016.

The group's MailOnline business which includes the advertising posted around its hugely popular website, saw its underlying revenue jump by 19%, but for the Daily Mail and Mail on Sunday newspapers revenue fell by 3% in the first-half.

Challenging market conditions to persist for some of DMGT's businesses

Paul Zwillenberg, the firm's new chief executive - who took over at the start of 2017 - said: "DMGT's performance in the first half was broadly in line with our expectations."

He added: "We are encouraged by the underlying profit performance at dmgt media, where MailOnline continues to increase its revenue, taking real strides on its path to profitability."

The CEO concluded: "In the second half of the year, although we expect challenging market conditions to persist for some of our businesses, we will continue to focus on improving operational execution and completing our strategic

Price: 848

Market Cap: £1.77 billion

1 Year Share Price Graph



December 2018 June 2019 December 2019

Share Information

Code: DMGT

Listing: LSE

52 week High Low
897 555

Sector: Media

Website: www.dmgt.co.uk

Company Synopsis:

Daily Mail and General Trust PLC is engaged in multiple media business. The Company operates in six operating divisions: national newspapers, local media, business information, Euromoney Institutional Investor (Euromoney), exhibitions and radio.

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portfolio review during this period of transition."

In late morning trading, DMGT shares were down 8.4%, or 63p at 689p.

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