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**the bermuda press [holdings] limited**

**To: All Shareholders**

**From: The Board of Directors**

**Date: June 30, 2023**

**Interim Report**

The Board of Directors is reporting on unaudited financial matters relating to the first six months of your Company's financial year ending 30 September 2023 in accordance with the BSX listing regulations (Section II A, chapter 6.9(2)).

<b><u>Six Months ended 31st March</u></b> (in 000's of Bermuda dollars)	<b><u>2023</u></b>	<b><u>2022</u></b>
Operating revenue	<b><u>\$9,542</u></b>	<b><u>\$10,138</u></b>
Profit attributable to Equity holders of the company	<b>\$33</b>	\$190
Dividends paid per share	<b>\$0.31</b>	\$0.14
Earnings per share:		
Profit attributable to common shareholders	<b>\$33</b>	\$190
Average number of common shares outstanding	<b>1,425</b>	1,425
Basic and fully diluted earnings per share	<b>2 cents</b>	13 cents

Your Company's operating revenue decreased 5.9% to \$9,542,000 for the six months ended 31 March 2023, as compared to \$10,138,000 for the same period in 2022. Management continues to navigate the Company through the challenging economic environment faced by Bermuda, which includes a strained and diminished local economy as well as soaring inflation. As a service provider, the squeeze felt by our customers ultimately affects our own businesses.

Management has continued to make changes within your Company's operating business units to maintain profitability through the first 6 months. Profitability for the six months ended 31 March 2023 was \$33,000, compared to \$190,000 for the same period in 2022, a decrease of \$157,000. This decrease is mainly due to the decline in revenues that were partially offset by a reduction in expenses. The Company has continued to experience an increase in the cost of doing business in Bermuda due to the rising cost of materials, supply chain disruptions, as well as staffing and recruitment related costs.

In addition, the Royal Gazette has continued to incur significant legal costs in its ongoing defense of the public's right to know and the media's ability to report on information in the public domain. These legal costs mainly relate to a lawsuit by Evatt Tamine seeking to suppress the Royal Gazette's reporting on his involvement in billionaire Robert Brockman's alleged tax evasion case in the United States. Through the first six months of 2023 the Company incurred \$85,000 in legal fees, with additional costs to be incurred in the second half of FY23. While it is painful to bear these costs during this economic downturn, the Board feels it is an important obligation to protect the free media in Bermuda.

Your Company's management has worked relentlessly to find operating efficiencies and to reduce operating costs in its effort to minimize the impact of global and local inflation. Your Company's management and Board continue to strategically review operations of all divisions to ensure that actions are taken toward loss-making businesses within the group, so that they are not being funded at the expense of our shareholders. Key financial highlights for the first six months include:

- Publishing revenues for the first six months decreased 5.2% or \$290,000 over the prior period. The publishing unit continues to be affected by the decline in demand for print advertising. Most segments of the local economy, excluding international business, have struggled to recover financially from the effects of the pandemic. In response to declining print revenues the publishing unit continues to expand its digital product offering and to enhance customer and reader engagement.
- Retail and office equipment revenues for the first six months decreased 14.5% or \$249,000 over the prior period. Challenges with inventory procurement and rising costs, remote work reducing the need for office equipment, and increasing overseas purchases by residents that compete with local retailers.
- Commercial printing decreased 2% or \$29,000 over the prior year. The commercial printing division continues to be significantly impacted by the ailing Bermuda retail and hospitality sectors, as well as corporate sustainable initiatives which have decreased demand for printed materials.
- The Company's local real estate holdings remain the most profitable segment with an overall occupancy rate of 95% at 31 March 2023, of which 54% is occupied by third party tenants.

Other key highlights since the annual report include:

- The Royal Gazette continues to evolve with its "Digital First" initiative, investing in the people and systems required to meet the Digital First challenge. The success of this remains a top priority to ensure the Royal Gazette maintains its place as the leader of independent journalism in Bermuda in an increasing digital world.
- The Royal Gazette is in the final stages of releasing a new subscriber system for its digital content, as it transitions from a traditional advertiser newspaper model to a journalism supporter model.

- The Christmas retail season at Stationery Store Plus exceeded management expectations as it continues to expand its STEAM product offering. A customer loyalty program will be rolled out in the second half of 2023 to further enhance the store's customer engagement. A new tenant for one of the retail spaces will be sought once the demand for local retail space improves.
- Bermuda.com continues its re-launch and enhancing its digital offering, to assist the tourism industry to market its products and offerings in an affordable and scalable way.
- Print operations continue to be restructured, with a focus on digital printing and signage. Management has begun the process of transitioning its printing services produced on island to a digital only model.
- The company is in the final stages of securing two additional tenants for vacant spaces in its real estate portfolio.

Basic earnings per share decreased to \$0.02 for the six months ended 31 March 2023, down from \$0.13 in the previous year. The market price for BPHL's shares was \$8.00 up from \$4.50 at 31 March 2022. During the first half of the year the Board decided to increase the shareholders dividend payment to \$0.10 for the quarter ended 31 March 2023 given the improved financial position of the company as a result of restructuring efforts on the Company's business operations over the past few years. The Board reviews the Company's performance and its ability to make dividend payments to shareholders on a quarterly basis.

The total number of shares owned or influenced by Directors and Officers of the Company at 31 March 2023 amounts to 118,058. No rights to subscribe for shares in the Company have been granted to or exercised by any Director or Officer.

The Board of Directors would like to acknowledge and thank our employees for their commitment, hard work, and dedication in serving the people of Bermuda.