

Toshiba in talks with 10 buyout partners

AFP, Tokyo

Troubled conglomerate Toshiba said Friday it has been approached by 10 potential investors as it weighs going private, a move that would be highly unusual in corporate Japan.

The engineering giant was once a symbol of the country's industrial prowess, producing everything from rice cookers to laptops and nuclear plants.

But more recently it has faced scandals, financial woes and resignations, while management and shareholders have clashed over buyout and spin-off proposals.

Despite the challenges, its earnings are growing, and on Friday Toshiba said annual net profit leapt 70 per cent on-year, continuing a recovery from the painful lows of the 2010s.

Shareholders in March shunned a plan to split the company into two,

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stirring internal turmoil after a shock takeover offer from private equity fund CVC Capital Partners was dropped.

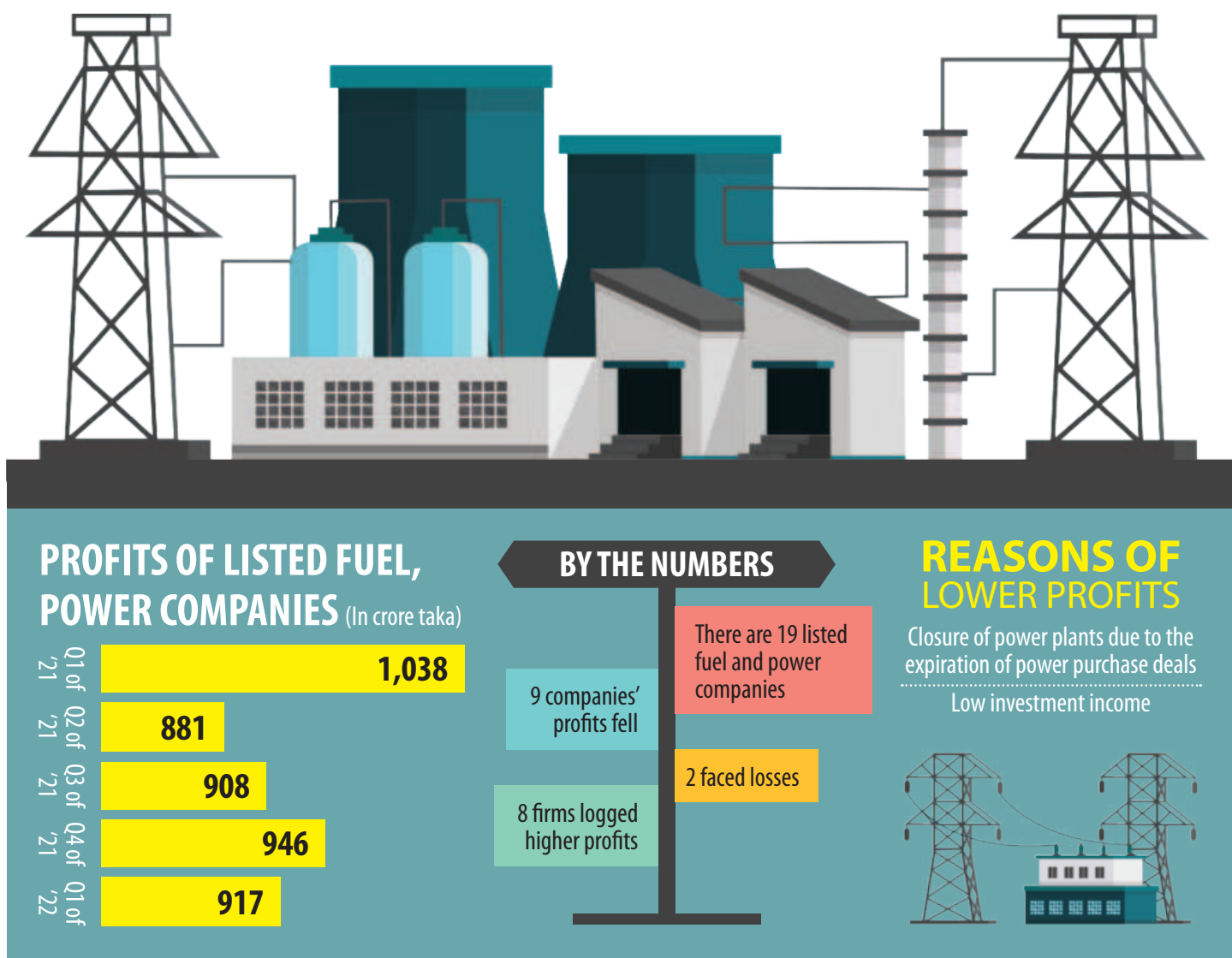
Toshiba said Friday it has been holding confidential, non-binding discussions with 10 "potential partners" who want to suggest "strategic alternatives" for its future.

That could include privatisation "to enhance the company's corporate value", the company said in a statement.

Potential investors must express interest this month, and Toshiba said it will announce the total number of interested parties before its next annual general meeting, which will be held by the end of June.

The situation is being closely watched in business circles for clues on what the future may hold for other huge, diversified conglomerates in Japan and elsewhere.

Any move by a foreign equity fund to take Toshiba private would likely face regulatory hurdles, because the company handles sensitive sectors such as nuclear power generation and defence equipment.



Most listed power companies' profits down

AHSAN HABIB

Profits of listed fuel and power generation companies altogether dropped in the January-March period of the current financial year of 2021-22 due to some power plants shutting down, an increase in the price of raw materials and a decrease in investment income.

Profits of 19 companies altogether dropped 11.6 per cent year-on-year to Tk 917 crore, according to data compiled by the Sandhani Asset Management Company.

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recorded higher profits. The profits went down for some due to several plants shutting down on expiry of their power purchase agreements with the government, said Mir Ariful Islam, managing director



and CEO of Sandhani Asset Management.

The company is a fund manager that conducts analysis on fuel and power companies to make investments.

Although some companies inked agreements afresh, their conditions are different, he said citing examples of Summit Power International and Khulna Power Company.

Profits of Summit Power Internal plunged almost 30 per cent to Tk 154 crore in the three-month period, according to the company's financial report.

The profit fell because there

were no operations at three power plants for several months due to the expiry of power purchase agreements, the company said.

Meanwhile, the government renewed the agreements for two years on the condition of "no electricity, no payment".

Khulna Power Company incurred a loss of Tk 2.21 crore in the third quarter of 2021-22 whereas it logged profits of Tk 41 crore in the same period the previous year, according to the financial report.

Its profits dropped mainly due to the commercial operations of both its plants

shutting down.

Some of the companies logged higher profits for the inclusion of new power plants in their portfolios, Islam said, citing the example of United Power Generation Distribution Company and Shahjibazar Power Company.

Raw material prices rose for some of the companies, which impacted their profits. Some listed energy companies saw lower profits due to low income generated by other investments.

Profits of MJL Bangladesh went down as the cost if its raw materials were higher than its turnover.

Its profits dropped to Tk 46 crore in the January-March quarter of 2022 while it was Tk 58 crore in the same period the previous year, according to the company's financial report.

Its consolidated revenue increased by 21 per cent in the quarter but consolidated cost of goods sold rose even more, by 28 per cent, and that was a reason for the fall in profits, the company said in its report.

Most of the state-run energy companies' profits were battered by lower income from investments and this happened due to the low interest rates prevailing in the banking sector.

For instance, "other income" of Jamuna Oil dropped 26 per cent to Tk 38 crore.

More youths needed in ad industry

Says Mediacom COO as it celebrates 25th anniversary

Mediacom has carved out a niche in the Bangladesh advertising industry with their standard and quality work. **Ajoy Kumar Kunda**, chief operating officer of Mediacom, recently shared the company's success story in an exclusive interview with The Daily Star's **Md Abu Talha Sarker**.

It was the mid-90s when different organisations in Bangladesh were frequently making advertisements to promote their products. But the process was not a smooth one.

Making an advertisement meant a lot of complications. This

is because most of the top artists of an advertisement, such as creative director, media director and art director, would have been imported. From their availability, timings to airing the advertisement, all were a matter of concern.

Square Toiletries went through many such complications while running advertisements for its brand. As a result, the company's Managing Director Anjan Chowdhury decided to establish an advertising agency under the name "Mediacom".

Mediacom started its journey in the second week of July 1997 with just more than four persons on board. The organisation went ahead with small steps, according to the Mediacom COO.

It got enlisted with Bangladesh Television (BTV) within a few days and then started getting clients outside of Square and Electro Mart, its first clients, followed by Anchor, SMC and so on.

"That changed the landscape of Mediacom in the advertising industry. We shifted to a new office space in Gulshan with a setup of 50 employees as the business got bigger," Kunda said.

In the advertising sector, you cannot get stuck in only one place. Upgradation is needed all the time in order to survive with the changing landscape of the industry

Apart from media buying, other departments of advertising also started operating under its roof. From the year 2000 onwards, Mediacom started operating as a fully functioning agency.

"From the very beginning, we maintained one thing very strictly: the dream of Samson H Chowdhury, founder of Square Group. Chowdhury often spoke about his dream of wanting Square Group to always be run by local people," he added.

Through considerable successes and achievements, Mediacom has come a long way and stepped into its 25th year this year.

"That instruction is being followed strictly even in 2022. Marking its silver jubilee, this year the company developed a new payoff line that resonates with Chowdhury's dream," the Mediacom COO said.

"Now, the company is a fully 'Made in Bangladesh' agency," he added.

The advertising agency has been doing brand consultancy, marketing communication, social communication, media planning, public relations, TV and newspaper advertisements, event management and so on for Bangladeshi

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Gas poker game between Russia and Europe

AFP, Paris

The drop in Russian gas flows to the European Union has had no major effect on supplies, but it raises pressure on the region to wean itself from Moscow's energy.

Here is a look at the issue: The EU relies heavily on Russian gas, raising concerns that Moscow could use its export to blackmail the 27 nation bloc.

Last year, the EU received around 155 billion cubic metres of Russian gas, accounting for 45 per cent of its imports of the fossil fuel.

While the EU is discussing an embargo on Russian oil, a gas ban is less likely for now as some countries such as Germany, the EU's economic engine, are heavily reliant on the energy source.

"Of course, the Europeans have been quite bad in this poker game -- they showed too openly how scared they were to lose the Russian gas that now, Russia is gaining the upper hand," said Ipek Ozkardeska, analyst at Swissquote Bank.

Ukraine has pleaded with the EU to ban Russian gas, pointing out that it gives Moscow the financial means to press on with its war against its neighbour.

In the first two months following the February 24 invasion, Russia has raked in 63 billion euros (\$65.5 billion) in gas exports, including 44 billion euros from the EU, according to the Centre for Research on Energy and Clean Air.

Russian gas flows via Ukraine fell this week.

Ukraine's pipeline operator GTSOU said it halted

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An employee walks near pipelines at the Bulgartransgaz gas compressor station in Ihtiman on May 5, a week after the halt of Russian gas supply to Bulgaria. The halt of Russian gas has left companies -- big and small -- scrambling as they fear insecure deliveries and rising prices.

PHOTO: AFP/FILE

Saudi Aramco net profit soars 82pc in first quarter

REUTERS, Dubai

State-owned oil producer Saudi Aramco on Sunday reported an almost 82 per cent rise in first-quarter net profit, broadly in line with analyst forecasts, helped by strong oil prices.

Aramco, which is at par with Apple Inc as the world's most valuable company, reported a net income of \$39.5 billion for the quarter to March 31 from \$21.7 billion a year earlier. The world's top oil exporter was forecast to post a net income of \$38.5 billion, according to a median estimate from 12 analysts provided by the company.

Aramco, which listed in 2019 with the sale of a 1.7 per cent stake mainly to the Saudi public and regional institutions, said its earnings were the highest in any quarter since it went public, boosted by crude prices, volumes sold and improved downstream margins.