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Kogan hails data strategy

RUSLAN Kogan says his online retail empire's focus on big data analytics has led to wise product decisions that are driving better than expected profit growth. Kogan.com's own brand of air conditioners, LED TVs, bed sheets and kitchen knives were among its top selling items in the first half of the 2016-17 financial year. The retailer has been expanding its profitable private label products across a broad range of categories — from camping goods to pet care — with the proceeds from its share market float in July. The success of those products contributed to Kogan.com's net profit of $3.7 million in the six months to December 31, excluding costs related to the share market listing, well above its $2.5 million forecast for the full year.

Dreamworld guests return

VISITORS are slowly returning to Dreamworld in the wake of last year's tragedy and the park will soon launch an advertising blitz to lure people back ahead of the Easter holidays. Dreamworld's parent company Ardent Leisure made a loss of $49 million in the first half of the financial year after slashing the theme park's value by more than $90 million. Its theme parks business, which also includes the adjacent WhiteWater World, recorded a $16.6 million slump in revenue to $41.8 million following the death of four people on the Thunder River Rapids ride in October. Ardent shares plunged more than 21 per cent on the news, which came alongside a sharp cut in the company's interim dividend. The shares were down 45c at $1.71 yesterday afternoon.

Crown CEO walks away

CROWN Resorts chief executive Rowen Craigie is stepping down following a decade in charge after the casino operator comprehensively overhauled its strategy in response to the challenges facing its high-roller business. Executive chairman John Alexander will assume Mr Craigie's duties next week and will lead a company that yesterday cancelled plans for a partial float of its Australian hotels and retail property, launched a $500 million share buyback, flagged a buyback of up to $530 million in subordinated notes and declared an 83c special dividend. With a new dividend policy also in place, Crown's strategy has transformed in the four months since 15 employees were detained in China amid a crackdown on gambling marketing.

Qantas 'flying high'

LILLY VITOROVICH

QANTAS boss Alan Joyce has defended the airline's financial performance, saying it is outperforming its peers across Asia amid fierce competition on international routes due to lower oil prices.

Australia's biggest airline made more money than Air New Zealand, Singapore Airlines, Etihad Airways, Virgin and Cathay Pacific combined, Mr Joyce said yesterday as Qantas reported a 7.5 per cent drop in underlying profit to $852 million for the six months to December 31.

That underlying result exceeded Qantas's guidance and market expectations, sending shares in the airline higher.

Qantas booked a 25 per cent drop in statutory first-half net profit to $515 million as costs from laying off staff and restructuring weighed on the bottom line, as gains from asset sales inflated the previous year's result.

Mr Joyce said the result was the third-best on record, thanks largely to Qantas's $2.1 billion restructuring program, which included thousands of staff being laid off.

Qantas was outperforming its peers, he said.

"Everybody in the region is having bigger drops, 50 per cent to 80 per cent drops in the profitability," Mr Joyce said.

"The resilience of Qantas in this space is absolutely amazing because of the structure of our business and what we've done in transformation has given us that big advantage," he said.

Qantas's margin on international operations was 7.3 per cent, compared to 4 per cent or less for regional competitors, he said.

The stronger-than-expected underlying result was well received, with Citi analysts Anthony Moulder and Amit Kanwatia saying the airline's result highlighted its strength relative to other airlines.

Qantas said its restructuring program was on track to deliver $2.1 billion in benefits by June 30, with $1.9 billion delivered to date.

The company's international business reported a 23 per cent drop in underlying earnings before interest and tax (EBIT) to $208 million due to increased capacity, while its freight unit posted a 29 per cent drop to $27 million.

Qantas expects international capacity to moderate to about 6 per cent in the second half to June 30 from 11 per cent in the first half, Mr Joyce said.

Qantas' budget airline, Jetstar, and loyalty program reported underlying EBIT growth of 5 and 3 per cent respectively.

Globetrotting surgeon happy to be home

BACK IN TOWN: Townsville orthopedic surgeon Dr Levi Morse who has established a private practice in the city.

FORMER Kirwan State High School dux Levi Morse has returned to the city to set up private practice as an orthopedic surgeon.

Dr Morse has established the practice opposite the Mater Hospital and recently returned from eight months living and working in the United Kingdom where he undertook a fellowship in advanced training for upper limb surgery and arthroplasty.

"I had the opportunity to be involved as one of the surgeons in an international trial into the use of smaller, less invasive implants for use in shoulder replacement operations," Dr Morse said.

"This is one thing which I've decided to adopt in my practice here in Townsville."

He also travelled and worked throughout Europe and the United States learning from internationally renowned surgeons.

Insights gained included observing hip and knee replacement surgery in New York and shoulder surgery in Italy and Sweden.

"I believe constantly challenging yourself in your field is important, along with being aware of advances which may improve your practice," Dr Morse said. The proud North Queenslander and father of four said nothing quite compared to the Townsville way of life.

"We are certainly very lucky here in Australia and especially in Townsville," he said.

"To be able to open the back door and let the kids run in the yard is something I probably took for granted in the past.

"We're very happy to be home."

Nine loses $237m in first half but flags ratings rise

STUART CONDIE

NINE Entertainment has slipped to a first-half loss of $236.9 million after falling revenue prompted another big writedown against its free-to-air TV network.

Nine yesterday said it was making the $260 million non-cash impairment after revenue from its TV business for the six months to December 31 fell 5.3 per cent.

But Nine said its ratings performance improved after a drop in advertising and viewer share during the Olympics and that the momentum had continued into 2017. The broadcaster expects second-half revenue share to be up on the first half and on the prior corresponding period.

"We are very pleased with the progress we have made in the past six months and have delivered on our commitment to compete more effectively in free-to-air television at the start of the 2017 ratings year," chief executive Hugh Marks said.

The Rio Olympics on rival Seven had hit both the size of the advertising market and Nine's share of it, Nine said.

Mr Marks said recent audiences were up 13 per cent, with commercial audience share up 3.9 percentage points.

Nine said the improved ratings should translate to fourth-quarter revenue and positive momentum heading into the 2017-18 financial year. The outlook helped push Nine shares to be 7.8 per cent higher yesterday afternoon, although at $1.04 they were still about 60 per cent lower than in April 2015. CMC Markets chief markets strategist Michael McCarthy said the results looked reasonable.

"They're talking a strong game and, once you strip out the impairment charges, the underlying EBITDA looks OK," he said.