

## TRADING UPDATES 3M-Jun2023

“We are pleased to see growth across much of our businesses, reflecting the improvement in business activities in Myanmar and the Group’s competitive positioning. Despite that, the inflationary environment and regulatory developments continue to present significant challenges to our operations, and we will actively manage them. We remain cautiously optimistic and committed to sustainable growth .”

Melvyn Pun, CEO

### Revenue Breakdown

<b>US\$(Million)</b>	<b>3M-Jun2022</b>	<b>3M-Jun2023</b>	<b>YoY% change</b>
Yoma Land	9.2	16.4	78.3%
<i>Real Estate Development*</i>	6.4	14.3	123.4%
<i>Real Estate Services</i>	2.8	2.1	(25.0%)
<i>Yoma Central</i>	-	-	-
Mobile Financial Services – Wave Money**	-	13.6	N.M
Leasing – Yoma Fleet	1.3	1.8	38.5%
Yoma F&B	5.5	7.9	43.6%
Yoma Motors	3.5	3.0	(14.3%)
Investment and Corporate	1.5	1.4	(6.7%)
<b>Group Revenue</b>	<b>21.0</b>	<b>44.1</b>	<b>110.0%</b>

\*Revenue from Real Estate Development are attributed to StarCity and Pun Hlaing Estate.

\*\*Wave Money became a subsidiary of the Group in December 2022 following the acquisition of its additional interest in Wave Money.

### Core Segment Commentary

#### Yoma Land

- Significant increase in Real Estate Development revenue mainly driven by the sales and construction progress of the City Villas at StarCity and The Hills at Pun Hlaing Estate contributing US\$10.8 million and US\$0.6 million, respectively, to revenue.
- Sales across all projects remained healthy, driven by the demand for hard assets and the competitive positioning of the Group’s estates and product offerings. Reflecting this trend was the successful launch of an additional 77 units of City Villas Phase X and an initial launch of 247 units of City Loft West, the Group’s expansion of the

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affordable housing product to the west of Yangon. As at 30 June 2023, 62 City Villas and 190 units of City Loft West units were booked and sold from these new product launches.

- Unrecognised revenue increased to US\$40.5 million as at 30 June 2023 as compared to US\$33.8 million as at 31 March 2023 for sold units at StarCity and Pun Hlaing Estate. This revenue is expected to be realised over the next 12-18 months as construction progresses. As at 30 June 2023:
  - City Loft @ StarCity: 1,051 of the 1,071 launched units were booked and sold.
  - Star Villas: All of the 43 launched units (including Phases 1 and 2) were booked and sold.
  - City Villas Phases 1, 2 and X: 191 of the 207 launched units were booked and sold.
  - The Hills: 7 of the 9 launched units were booked and sold.
- In the previous financial period, the Group sold the converted office space (formerly the Dulwich College Yangon StarCity campus) and the A5 Aurora serviced apartments at StarCity which drove an overall decline in Real Estate Services revenue year-over-year due to the reduction in the number of properties available for lease. The decline was partly offset by higher estate management fees and facilities usage from an enlarged population at StarCity.

#### **Mobile Financial Services - Wave Money**

- Revenue was only reflected in 3M-Jun2023 as Wave Money became a subsidiary of the Group in December 2022 following the acquisition of its additional interest in Wave Money.

Commentary on standalone Wave Money year-on-year performances:

- Wave Money's revenue for 3M-Jun2023 grew by 2.3% year-on-year with OTC and Digital transaction volumes growing by 45.4% and 75.6%, respectively, and facilitating the transfer of approximately US\$2.4 billion of remittances and payments.
- In August 2022, the Central Bank of Myanmar announced new regulatory requirements on customer KYC and transaction monitoring for mobile financial services. As such, Wave Money terminated its Level 1 account<sup>1</sup> offering and prioritised the enhancement of its Know Your Customer ("KYC") policies and procedures. With these changes, as of June 2023, Wave Money's total monthly active user base stood at 4.2 million.
- Core EBITDA remained positive as the scale of the business and the continued focus on cost efficiency covered any increases in operational expenses due to the additional regulatory requirements.

#### **Leasing - Yoma Fleet**

- As at 30 June 2023, third-party assets under management (AUM) were US\$42.0 million with fleet size shrinking by 11.0% year-on-year to 1,042 vehicles.
- Revenue grew by 38.5% year-on-year due to an increase in operating leases, a significant increase in daily rental demand from corporates and individuals as domestic travel continued its momentum, and a shift in the portfolio mix away from finance leases.

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<sup>1</sup> Level 1 accounts are those accounts without KYC verification.

### **Yoma F&B**

- The restaurants business continued to see significant revenue growth year-over-year driven by continued healthy customer demand, a larger operating platform and successful marketing campaigns. In particular, KFC set monthly sales records consecutively in April and May.
- Both KFC and YKKO also implemented pricing increases during 3M-Jun2023 to counter inflationary cost pressures.
- As at 30 June 2023, the Group operates 35 KFC and 35 YKKO restaurants.

### **Yoma Motors**

#### **Heavy Equipment**

- Revenue was flat at US\$2.7 million as the revenue generated from Hino trucks following the Group's acquisition of Sumitomo's 76.8% stake in the Hino business in February 2023 offset lower revenue at the New Holland tractors business.
  - 32 New Holland tractors were sold during 3M-Jun2023 vs. 61 tractors during 3M-Jun2022.
  - On a standalone basis, 7 Hino trucks were sold during 3M-Jun2023 vs. 7 trucks during 3M-Jun2022.

#### **Passenger Vehicles**

- The Passenger Vehicles business continues to be significantly impacted by import restrictions and challenges with customs clearance for vehicles and spare parts.
  - No Volkswagen vehicles were sold in 3M-Jun2023 as there is no longer any stock available vs. 12 vehicles in 3M-Jun2022.
  - Ducati sold 5 motorbikes in 3M-Jun2023 vs. 7 motorbikes in 3M-Jun2022.
  - No Mitsubishi Motors vehicles were sold in 3M-Jun2023 as there is no longer any stock available vs. 73 vehicles in 3M-Jun2022.

### **Investment and Corporate**

- Revenue from investments was primarily led by KOPSA, which experienced higher utilisation and an expansion of warehouse space. However, revenue recorded a 4.6% year-on-year decline due to currency depreciation.

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### **Strategic Updates**

- The Group continued to work to strengthen its balance sheet and overall financial position including actively managing its US dollar exposures and reducing its net debt by a further US\$15-25 million in this current financial year.

Dated 27 July 2023

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## **Cautionary Statement**

Statements made in this Trading Update may contain some forward-looking statements that express management's beliefs, expectations or estimates regarding future occurrences and prospects. These statements are not undertakings as to the future performance of the Company. Although the Company considers that such statements are based on reasonable expectations and assumptions on the date of release of this Trading Update, they are subject to various risks and uncertainties, including changes and volatility in political, economic or industry conditions, slowdowns or global outbreaks of pandemics or contagious diseases or fear of such outbreaks, which could cause actual performance to differ from those indicated or implied in such statements and/or could change over time. The Company does not have the obligation and undertakes no obligation to update or revise any of the forward-looking statements.

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## **About Yoma Strategic Holdings Ltd. ([www.yomastrategic.com](http://www.yomastrategic.com))**

Listed on the Main Board of the Singapore Securities Exchange Trading Limited (SGX-ST), Yoma Strategic Holdings Ltd. is a leading business corporation with a diversified portfolio of businesses in Real Estate, Mobile Financial Services, Leasing, F&B, Automotive & Heavy Equipment and Investments in Myanmar. Together with its partner, the SPA Group, the Group is taking a conglomerate approach to build a diversified portfolio of businesses in Myanmar. The Company was ranked in the top 5% of the Governance and Transparency Index 2022, ranked 15th out of top 100 largest Singapore companies in the ASEAN Corporate Governance Scorecard 2017 and won the Best Annual Report (Silver Award) in 2022 and the Best Managed Board (Gold) Award in 2016 at the Singapore Corporate Awards.

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