

First Quarter FY2020 Earnings Results

1Q2020 Result Commentary

“We are very pleased to see the non-bank financial businesses growing strongly, as reflected in the performance of Wave Money and Yoma Fleet, and this growth is set to continue as we target the large unbanked population in Myanmar. Property sales in Yoma Land’s City Loft project is also seeing good momentum after its successful launch in November 2018. Yoma F&B has achieved scale with 76 stores restaurants nationwide and our focus now will be to drive profitability. On the whole, we will continue to focus on improving efficiencies in our businesses, while actively working to dispose of certain non-core assets to streamline our balance sheet.”

Mr Melvyn Pun, Chief Executive Officer, Yoma Strategic

“The Myanmar economy is showing signs of accelerating growth backed by the pace of economic reform, renewed infrastructure spending, and the liberalisation of sectors like retail, insurance and banking. This will help to generate economic growth and create jobs in the longer term. For Yoma Strategic, we will have to adapt to these changing market conditions and continue to invest and streamline where necessary, so as to build a resilient and sustainable organisation.”

Mr Serge Pun, Executive Chairman, Yoma Strategic

1Q2020 Key Financial Highlights – Profit and Loss

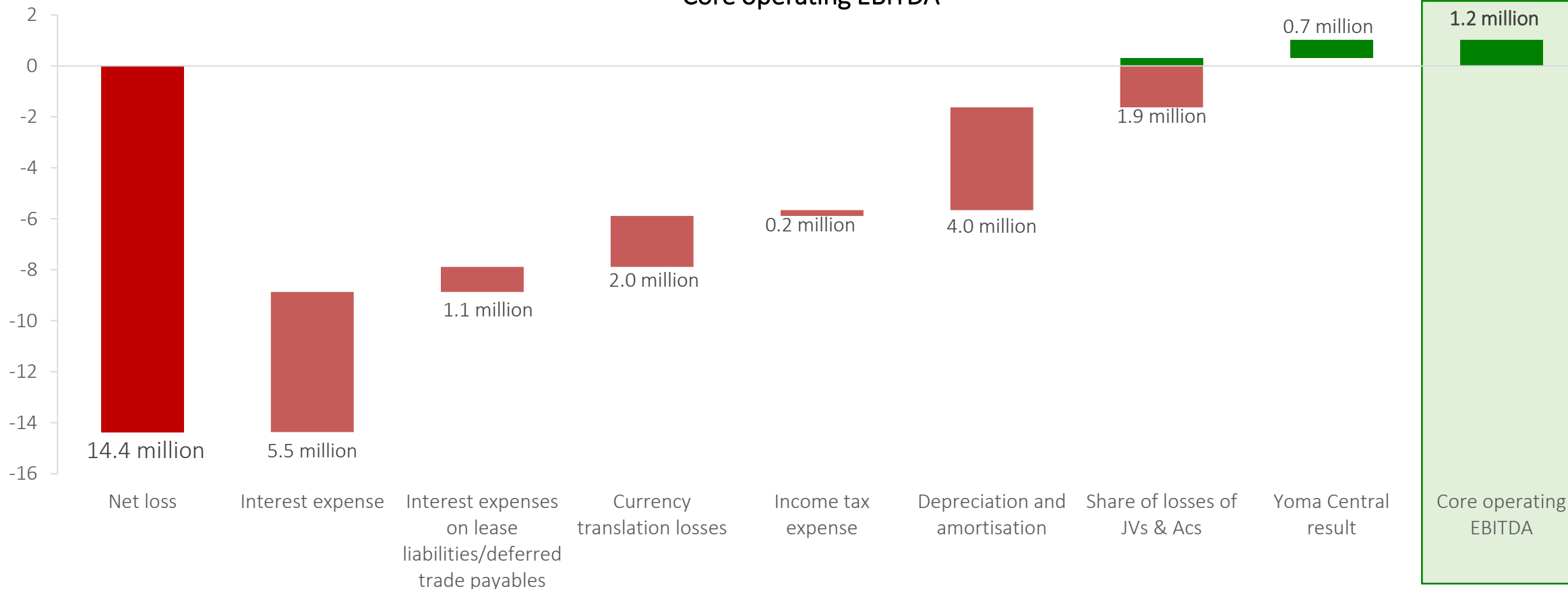
Key Commentaries

- Revenue decreased 11.5% from a year ago to US\$18.6 million.
 - Yoma Financial Services grew by 27.7% due to expansion of Yoma Fleet.
 - Yoma F&B increased by 100.0% driven by new store openings, same store sales growth at KFC and the acquisition of YKKO.
 - Decrease at Yoma Land primarily driven by lower percentage of completion revenues as City Loft @ StarCity only commenced construction in April.
 - Yoma Motors witnessed a decrease of 24.9%, albeit with significantly higher gross profit margins.
- Net loss of US\$14.4 million attributable mainly to:
 - Decrease in contribution from Yoma Land as described above.
 - Increase in finance expenses resulting from:
 - Higher interest expenses due to an increase in borrowings and rising interest rates.
 - Accounting changes that reclassified operating leases into financing expenses.
 - Currency translation losses in relation to the recently issued THB denominated bonds.
- Core operating EBITDA, which reflects the underlying performance of the Group's businesses, was positive at US\$1.2 million as many of the Group's Non-Real Estate businesses are emerging from their incubation phase.

Statement of Income	1Q2019 (US\$ million)	1Q2020 (US\$ million)
Revenue	21.0	18.6
Cost of sales	(13.6)	(11.1)
Gross profit	7.4	7.5
Other Income – net	4.3	3.9
Expenses:-		
Administrative	(12.4)	(14.0)
Finance	(5.5)	(9.7)
Share of loss of joint ventures	(0.4)	(0.6)
Share of loss of associated companies	(2.0)	(1.3)
Loss before income tax	(8.6)	(14.2)
Income tax expense	(0.2)	(0.2)
Net loss	(8.8)	(14.4)
Core operating EBITDA	4.7	1.2

1Q2020 Key Financial Highlights – Profit and Loss

Core operating EBITDA



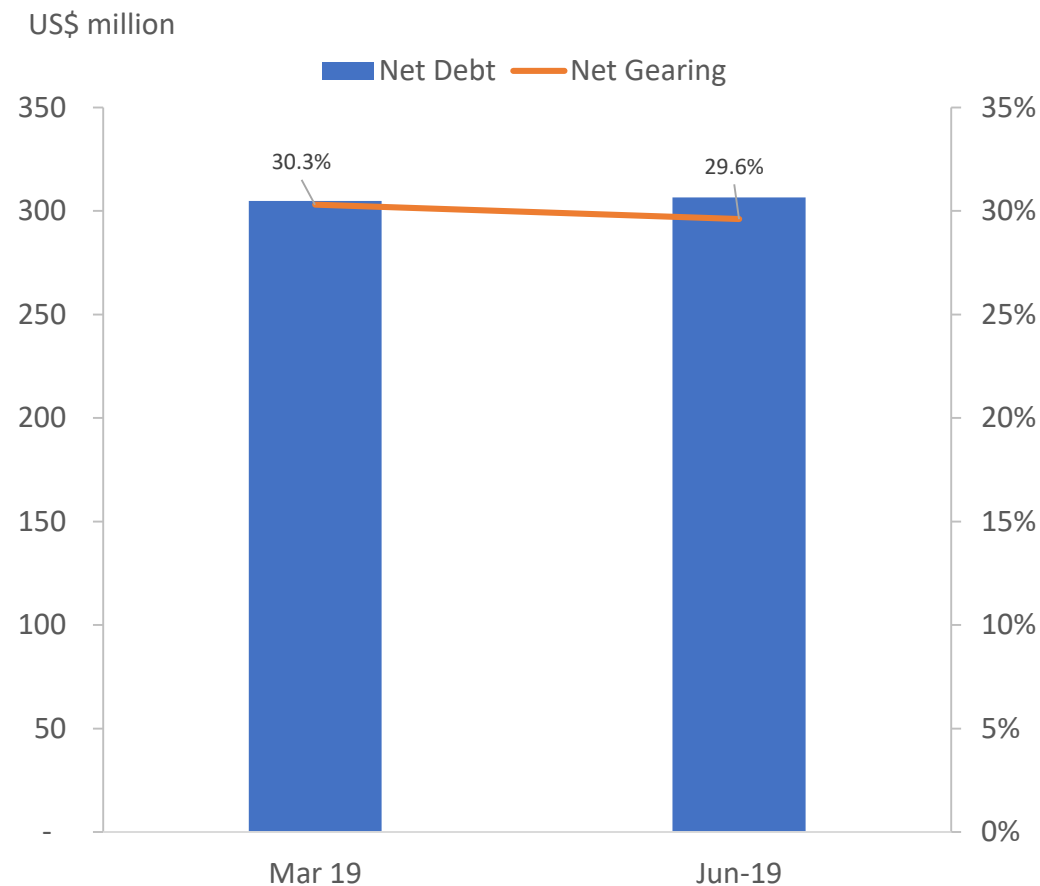
1Q2020 Key Financial Highlights – Balance Sheet

Key Commentaries

- 1Q2020 saw the beginning of the deleveraging process – net gearing ratio decreased to 29.6% from 30.3% at 4Q2019.
- There was a net repayment of debt facilities, although total borrowings increased slightly from US\$334.6 million in 4Q2019 to US\$338.9 million due to the strengthening of THB in the quarter.
- The Group is in active dialogues to dispose of certain non-core assets and further deleveraging is expected in the coming quarters.

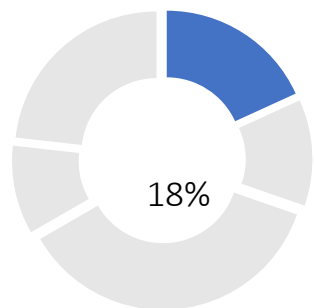
Statement of Financial Position	March 2019 (US\$ million)	June 2019 (US\$ million)
Total Assets	1,201.9	1,258.8
Total Liabilities	500.3	530.1
Total Equity	701.6	728.7
Equity Attributable to Equity Holders	554.5	556.3

Net Debt & Net Gearing Ratio



Segment Results - Yoma Land Development

Revenue Contribution:



Revenue:

US\$3.3 million
-56.6% y-o-y

Core operating EBITDA losses:

(US\$0.2 million)
+110.0% y-o-y

Earning Highlights (US\$ million)	1Q2019	1Q2020
Revenue	7.6	3.3
Cost of sales	(4.9)	(2.3)
Gross Profit	2.7	1.0
Other income - net	(1.7)	0.2
Expenses:-		
Administrative	(3.5)	(2.1)
Finance	(0.5)	(1.7)
Loss before income tax	(3.0)	(2.6)
Core Operating EBITDA	2.0	(0.2)

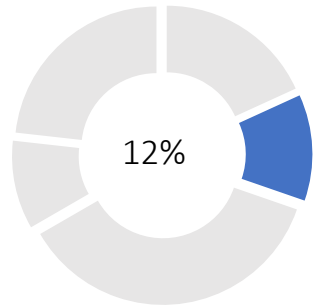
Key Commentaries

- Revenue in 1Q2020 was contributed mainly by the residual revenue from previously recorded sales at Galaxy Towers at StarCity and Pun Hlaing Estate:
 - Lower percentage of completion revenues as both projects are nearing completion.
 - Minimal remaining inventory for sale at Galaxy Towers.
- Yoma Central sold 1 unit in the quarter for a total of 14 sold and 1 booked.
- Sales activities and efforts were centered around City Loft @ StarCity:
 - Minimal revenue recognition in 1Q2020 as construction only commenced in April 2019.
 - Launched a further 98 units launched in 1Q2020, bringing the total number of units launched to 455 units.
 - Core operating EBITDA is expected to grow in line with the growth of City Loft and the scaling up of the project itself.

For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences. In the case of Real Estate Development, core operating EBITDA excludes EBITDA of the Yoma Central project as administrative expenses form part of the overall project budget and have been funded according to the shareholders' agreement.

Segment Results - Yoma Land Services

Revenue Contribution:



Revenue:

US\$2.3 million
-14.8% y-o-y

Core operating EBITDA:

US\$0.7 million
-58.8% y-o-y

Earning Highlights (US\$ million)	1Q2019	1Q2020
Revenue	2.7	2.3
Cost of sales	(1.1)	(1.2)
Gross Profit	1.6	1.1
Other income - net	0.9	0.1
Expenses:-		
Administrative	(0.8)	(0.8)
Finance	(1.1)	(0.4)
Share of profits/(losses) of joint ventures	0.5	(0.1)
Profit/(loss) before income tax	1.1	(0.1)
Core Operating EBITDA	1.7	0.7

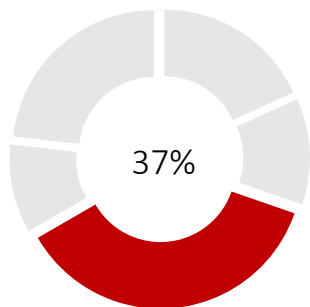
Key Commentaries

- Decline in revenue mainly due to lower leasing revenues from Star Residences at StarCity:
 - Number of units available for lease reduced as refurbishment plans commenced.
 - Consistent with the Group's strategy to maintain its product quality offering with Galaxy Towers that will become available for lease in the coming quarters.
- Decrease in core operating EBITDA as a result of:
 - Reduction in leasing revenues as described above.
 - Writeback of staff bonus provision recorded in other income in 1Q2019

For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences.

Segment Results - Yoma F&B

Revenue Contribution:



Revenue:

US\$6.8 million
+100% y-o-y

Core operating EBITDA:

US\$0.8 million
+367%

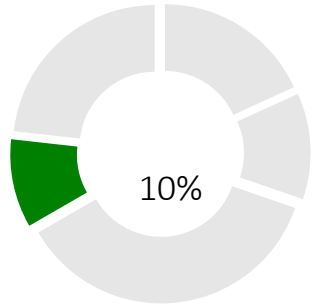
Earning Highlights (US\$ million)	1Q2019	1Q2020
Revenue	3.4	6.8
Cost of sales	(1.7)	(2.9)
Gross Profit	1.7	3.9
Other income - net	(0.1)	0.1
Expenses:-		
Administrative	(2.5)	(4.6)
Finance	-	(0.3)
Share of loss of Joint Ventures	(0.5)	(0.1)
Share of loss of Associated Companies	(0.7)	(1.2)
Loss before income tax	(2.1)	(2.2)
Core Operating EBITDA	(0.3)	0.8

Key Commentaries

- Revenue increase was driven by:
 - Increase in the number of KFC stores and same store sales growth of more than 1%. Revenue grew by 22.3% on local currency terms.
 - YKKO contributing US\$3.0 million following the completion of the acquisition in March 2019.
- Gross margins improved to 57.4% due to an improvement in KFC's margins and the consolidation of YKKO's higher margin.
- Positive core operating EBITDA contributed by KFC, YKKO and Auntie Anne's™.
- Two KFC stores and an additional unit for each of Auntie Anne's™ and YKKO opened in 1Q2020 – total of 76 restaurants across four international and domestic brands.
- 1Q2020 core operating EBITDA recorded a US\$0.4 million benefit from the SFRS (1) 16 adoption.

Segment Results - Yoma Financial Services

Revenue Contribution:



Revenue:

US\$1.8 million
+28.6% y-o-y

Core operating EBITDA:

US\$1.1 million
+22.2% y-o-y

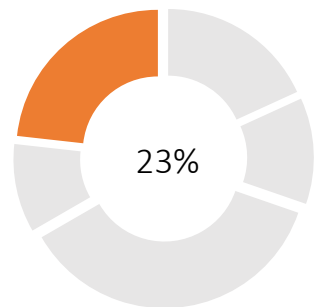
Earning Highlights (US\$ million)	1Q2019	1Q2020
Revenue	1.4	1.8
Cost of sales	(0.8)	(1.2)
Gross Profit	0.6	0.6
Other income - net	-	0.1
Expenses:-		
Administrative	(0.4)	(0.6)
Finance	(0.2)	(0.3)
Share of (losses)/profits of Associated Companies	(0.5)	0.7
(Loss)/profit before income tax	(0.5)	0.5
Core Operating EBITDA	0.9	1.1

Key Commentaries

- Yoma Fleet:
 - Vehicle numbers grew by 42.8% to 1,245 vehicles.
 - Assets under management grew by 82.2% to US\$54.1 million.
 - Gross margins declined to 33.3% partly due to the lower utilisation rate of its daily rental business and industry specific commercial vehicles.
- Wave Money:
 - Healthy growth in revenue and transaction numbers by 19.0% and 17.0% from the previous quarter, respectively.
 - Business became profitable in 3Q2019 and has remained so ever since.
 - Note: share of profits in Associated Companies reflects the Group's 34% stake in Wave Money.

Segment Results - Yoma Motors

Revenue Contribution:



Revenue:

US\$4.2 million
-25.0% y-o-y

Core operating EBITDA:
(US\$0.3 million)

Earning Highlights (US\$ million)	1Q2019	1Q2020
Revenue	5.6	4.2
Cost of sales	(5.0)	(3.4)
Gross Profit	0.6	0.8
Other income - net	(0.1)	-
Expenses:-		
Administrative	(1.6)	(1.6)
Finance	(0.3)	(0.1)
Share of losses of joint ventures	(0.3)	(0.1)
Share of profits of associated companies	-	0.3
Loss before income tax	(1.7)	(0.7)
Core Operating EBITDA	(0.4)	(0.3)

Key Commentaries

- Decline in revenue largely due to fewer tractors and implements sold under the New Holland business.
- Gross margins improved significantly to 19.0% mainly due to New Holland's strategy of targeting corporate customers and improved pricing of larger agricultural machineries which resulted higher gross profit margins.
- Net core operating EBITDA improvement reflected the cost control measures implemented at the Heavy Equipment business which were somewhat offset by the operating expenses incurred by the two Volkswagen showrooms that commenced operations in May 2019.

For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translation differences.

Note: This news release should be read in conjunction with the results announcement released on the SGXNet on the same date.

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