

## MEDIA RELEASE

# Yoma Strategic Sees 12% Revenue Growth in 3Q2019 Driven by Yoma Land, Yoma F&B and Yoma Financial Services

- Improved operational performance offset by administrative and higher finance expenses incurred to support the Group's new business growth resulted in a net loss attributable to shareholders of S\$4.9 million for the quarter
- Turnaround of our Real Estate Development business yields robust revenue growth of 348.8% year-on-year and the strong take-up of City Loft @ StarCity is expected to continue this positive momentum
- Yoma F&B's store count to double with the acquisition of YKKO, one of Myanmar's largest restaurant chains, and the launch of Little Sheep Hot Pot and Auntie Anne's™ in the coming weeks
- Yoma Financial Services' core operating EBITDA grew 43.6% year-on-year supported by the expansion of Yoma Fleet
- Issuance of US\$70 million 5-year Thai Baht denominated bonds in January 2019 strengthens our balance sheet

**Singapore, 13 February 2019** – SGX Mainboard listed Yoma Strategic Holdings Ltd. (“祐玛战略控股有限公司”, “Yoma Strategic” or collectively with its subsidiaries, the “Group”) today announced its financial results for the quarter ended 31 December 2018 (“3Q2019”).

In 3Q2019, the Group's revenue increased by 12.1% to S\$27.0 million from S\$24.1 million for the three months ended 31 December 2017 (“3Q2018”). The increase was mainly driven by the turnaround in Yoma Land and the healthy performances of Yoma F&B and Yoma Financial Services, which helped offset a slower performance in Yoma Motors. However, the improved operational performance was offset by the administrative and higher finance expenses incurred to support the Group's new business growth which resulted in a net loss attributable to shareholders of S\$4.9 million for the quarter.

*"We are pleased to see improving operational performance across the Yoma Land, Yoma F&B and Yoma Financial Services businesses. Our F&B platform continues to grow with the expansion of KFC and now the addition of YKKO, and we expect both brands to drive revenue and positively contribute to the earnings of Yoma F&B. Elsewhere, the issuance of our oversubscribed US\$70 million AAA-rated 5-year bonds in the Thai Baht market, the first bond issuance by a Myanmar-focused company, will significantly strengthen our balance sheet."*

**Mr. Melvyn Pun, Yoma Strategic's Chief Executive Officer**

*"Real Estate remains our largest operation and I am excited with the progress we have made with City Loft @ StarCity, our mass market residential product offering, which is enjoying a strong take-up and is expected to drive sales for Yoma Land. We remain optimistic about the business prospects ahead, and Yoma Strategic is well positioned to grow our core business segments, improve the operating performance of our portfolio of businesses and benefit from the expected economic growth."*

**Mr. Serge Pun, Yoma Strategic's Executive Chairman**

## FINANCIAL HIGHLIGHTS

In S\$ million except otherwise stated	3Q2019	3Q2018	Change	9M2019	9M2018	Change
<b>Revenue</b>	27.0	24.1	12.1%	98.2	82.9	18.4%
<b>Gross Profit</b>	9.3	6.5	44.0%	34.4	31.7	8.6%
<b>Net (Loss)/Profit</b>	(5.2)	18.8	(127.9%)	15.9	29.2	(45.5%)
<b>Net (Loss)/ Profit attrib. to Equity Holders</b>	(4.9)	16.8	(129.3%)	5.3	23.2	(76.9%)

### 3Q2019 Income Statement Review

- Revenue increased by 12.1% year-on-year to S\$27.0 million, which was attributed to three of the Group's core businesses – Yoma Land, Yoma F&B and Yoma Financial Services, which helped offset a slower performance in Yoma Motors.
- Gross Profit margin improved by 7.6 percentage points to 34.6% due to higher revenue recognised from Yoma Land where gross margins are generally higher for this segment.
- Other income declined significantly by S\$19.6 million to S\$7.1 million in 3Q2019 as the Group had recorded a one-off net gain of S\$27.7 million from the spin-off of its non-core tourism related businesses in 3Q2018.
- Administrative expenses declined by 7.5% to S\$13.5 million through a series of efficiency improvements and cost control measures.
- Finance expenses rose to S\$7.0 million in 3Q2019 due to a higher amount of borrowings, a rising interest rate environment and currency translation losses.
- Share of losses from joint ventures amounted to S\$1.3 million, which was primarily attributable to BYMA, a joint venture between Dragages Singapore and the Group.
- As a result of the above, the Group recorded a net loss attributable to equity holders of the Company of S\$4.9 million in 3Q2019 as compared to net profit of S\$16.8 million in 3Q2018.

## Balance Statement Review

- The Group borrows from local and foreign financial institutions in the form of short-term and long-term loans and limited recourse project loans. Total borrowings as at 31 December 2018 was S\$369.0 million, compared to S\$313.3 million as at 30 September 2018.
- The Group's financial gearing ratio currently stands at 26.3%<sup>1</sup>. Financial gearing is expected to increase further with the issuance of the US\$70 million Thai Baht denominated bonds in January 2019, but would still be below the Group's maximum targeted gearing ratio of 40.0%.

## Segment Commentaries of the Group's Four Core Businesses

Set out below are the summarised financial performance of the Group's core businesses. For the purpose of this section, core operating EBITDA refers to earnings before interest, taxes, depreciation and amortisation of operating subsidiaries excluding currency translations 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.

### YOMA LAND

#### Real Estate Development

Operational Review	3Q2019 S\$'000	3Q2018 S\$'000
Revenue	6,216	1,385
Gross Profit	2,304	260
Core Operating EBITDA	1,120	(890) <sup>2</sup>

Revenue from the Real Estate Development business continued to improve, increasing by 348.8% year-on-year to S\$6.2 million in 3Q2019. The increase was mainly driven by the progressive revenue recognition from sold units at StarCity Galaxy Tower 2 and Tower 4, Pun Hlaing Estate and Yoma Central. At the Peninsula Residences Yangon, the Group has sold 11 out of 30 units launched with another 6 being reserved as at 31 December 2018.

<sup>1</sup> The financial gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings (excluding loans from non-controlling interests) less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

<sup>2</sup> Excludes the write back of administrative expenses related to Meeyatha International Hotel Limited ("MIHL") which holds the land lease of Yoma Central.

Meanwhile, City Loft @ StarCity continues to enjoy a positive reception among homeowners, with approximately 90% of the 357 units launched having been sold. As the construction of this project commences in the coming months and revenue begins to be recognised, the performance of our Real Estate Development business is expected to continue to improve meaningfully in line with the growth of the mass market housing segment and the scale up of the project itself.

#### Real Estate Services

<b>Operational Review</b>	<b>3Q2019 S\$'000</b>	<b>3Q2018 S\$'000</b>
Revenue	4,624	4,532
Gross Profit	2,535	2,339
Core Operating EBITDA	2,177	993

Rental revenue continues to be stable as the Group's two Dulwich international schools and its new office building, the Campus in Pun Hlaing Estate, helped to offset the loss of rental revenue from FMI Centre which was demolished to make way for the development of Yoma Central.

#### YOMA F&B

<b>Operational Review</b>	<b>3Q2019 S\$'000</b>	<b>3Q2018 S\$'000</b>
Revenue	4,590	3,871
Gross Profit	2,265	1,846
Core Operating EBITDA	(304)	(264)

Revenue of Yoma F&B came exclusively from the KFC business which grew by 18.6% to S\$4.6 million in 3Q2019. Same store sales and same store transactions for stores opened for at least 12 months both increased modestly in 3Q2019. During the quarter, the Group also opened a further seven KFC stores, bringing the nationwide total to 33 as at 31 December 2018. The expansion comes ahead of schedule with the previous target of 32 stores by March 2019. In-line with the Group's target of building a nation-wide F&B platform, 11 of the 33 KFC stores are outside of Yangon.

The gross profit margin had also improved to 49.3% in 3Q2019 from 47.7% in 3Q2018 through greater store efficiencies. Therefore, KFC improved its core operating EBITDA performance, although there was an overall decline in Yoma F&B's EBITDA performance due to the pre-opening expenses related to the Group's first Little Sheep Hot Pot Restaurant and Auntie Anne's™ locations to be opened in Yangon in the coming weeks.

## YOMA MOTORS

<b>Operational Review</b>	<b>3Q2019</b>	<b>3Q2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Revenue	9,144	12,127
Gross Profit	986	1,234
Core Operating EBITDA	(1,023)	(766)

Revenue from Yoma Motors is mainly contributed by the New Holland tractors business. Business started to pick up in 3Q2019 as compared to 2Q2019 as the monsoon season ended and New Holland was able to fulfil tractor deliveries to farmers. In 3Q2019, the Group sold 142 tractors and 263 implements.

## YOMA FINANCIAL SERVICES

<b>Operational Review</b>	<b>3Q2019</b>	<b>3Q2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Revenue	2,095	1,788
Gross Profit	1,054	504
Core Operating EBITDA	1,445	1,006

Revenue generated from the Financial Services business was exclusively from Yoma Fleet, the Group's vehicle leasing business, which grew by 17.2% year-on-year to S\$2.1 million. Its fleet size increased to 1,003 vehicles and its total assets stood at S\$38.3 million as at 31 December 2018.

Meanwhile, core operating EBITDA sustained high growth, increasing by 43.6% year-on-year and the Group expects this growth to continue with the fast expansion of Yoma Fleet.

Wave Money is not included in core operating EBITDA in the Operational Review above as it is an associated company of the Group. However, Wave Money continues to build on its leading position in the Myanmar mobile financial services sector with its nationwide network of 40,000 agents. In 3Q2019, revenue and transaction numbers grew strongly by over 48.9% and 47.4% quarter-on-quarter respectively, and the business continued to record a positive EBITDA.

End.

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

**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, Consumer, Automotive & Heavy Equipment, Financial Services 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 2018, ranked 26th out of top 100 largest Singapore companies in the ASEAN Corporate Governance Scorecard 2017 and won the Best Managed Board (Gold) Award at the Singapore Corporate Awards in 2016.

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