

# **Second Quarter FY2020 Earnings Results**

# 2Q2020 Key Financial Highlights – Profit and Loss

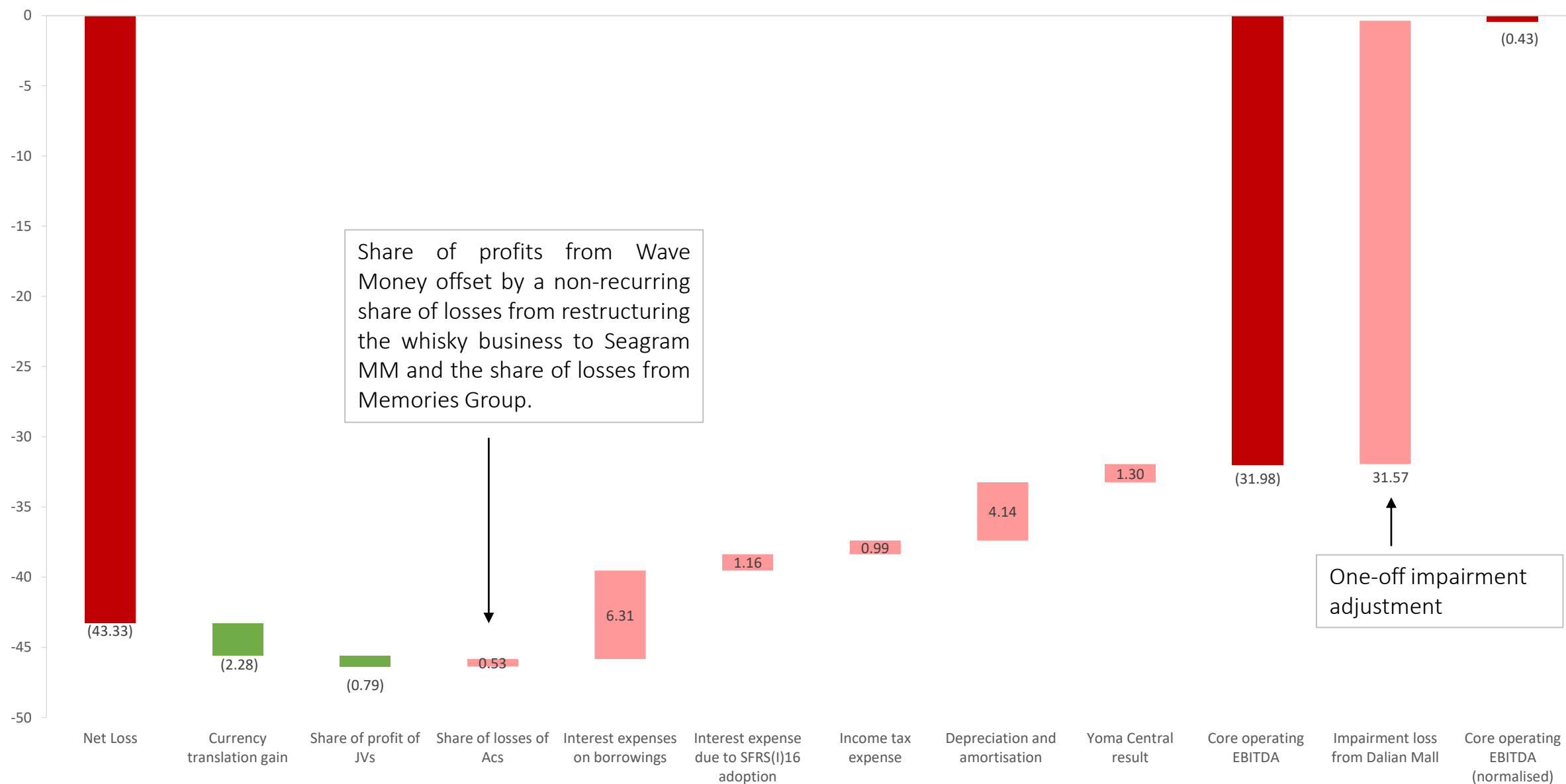
## Key Commentaries

- Revenue decline of 24.6% was mainly due to Yoma Land and Yoma Motors.
  - Yoma Land: low percentage of completion (c.7%-24%) from City Loft @ StarCity even though more than 90% of the 455 launched units have been sold/booked.
  - Yoma Motors: focus on lower volumes at higher gross profit margins.
- Yoma Financial Services and Yoma F&B revenue continued to grow with the addition of new subsidiaries such as YKKO and KOSPA.
- Loss in other income was mainly due to a fair value adjustment of US\$31.6 million in relation to the Grand Central Shopping Mall in Dalian, China.
  - Reclassified from “Investment properties” to “Disposal group classified as held-for-sale”.
- Net loss of US\$43.3 million attributable mainly to:
  - Decrease in revenue and the exceptional other income loss as described above.
  - An increase in finance expenses resulting from higher interest expenses due to an increase in borrowings, rising interest rates and SFRS(I)16 adoption.

Statement of Income	2Q2019 (US\$ million)	2Q2020 (US\$ million)
Revenue	29.5	22.3
Cost of sales	(19.2)	(14.6)
<b>Gross profit</b>	<b>10.4</b>	<b>7.7</b>
Other Income – net	39.9	(27.5)
Expenses:-		
Administrative	(11.3)	(14.0)
Finance	(6.2)	(8.9)
Share of profit/losses of joint ventures	(1.4)	0.8
Share of losses of associated companies	(1.1)	(0.5)
<b>Profit/(Loss) before income tax</b>	<b>30.2</b>	<b>(42.4)</b>
Income tax expense	(0.3)	(1.0)
<b>Net profit/(loss)</b>	<b>29.9</b>	<b>(43.3)</b>
<b>Core Operating EBITDA</b>	<b>46.1</b>	<b>(32.0)</b>

Differences in total due to rounding

# 2Q2020 Key Financial Highlights – Profit and Loss



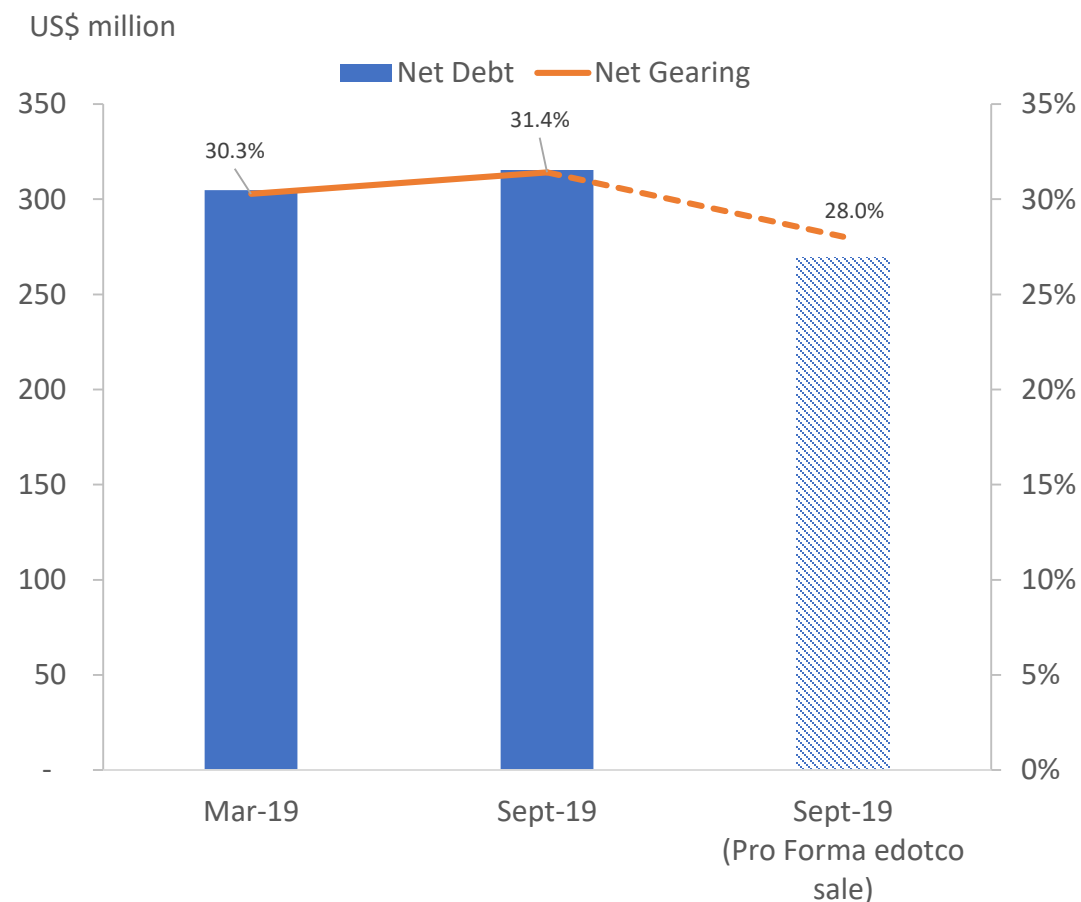
# 2Q2020 Key Financial Highlights – Balance Sheet

## Key Commentaries

- 2Q2020 gearing ratio stood at 31.4% in anticipation of the disposal of certain non-core assets.
- Sale of edotco announced on 8 November 2019 will reduce gearing through the repayment of certain borrowings.

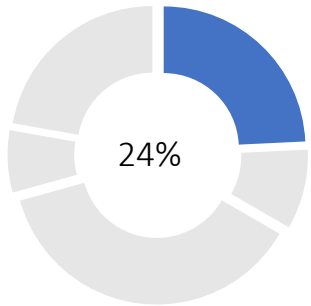
Statement of Financial Position	Mar 2019 (US\$ million)	Sept 2019 (US\$ million)
Total Assets	1,201.9	1,223.9
Total Liabilities	500.3	535.5
Total Equity	701.6	688.4
Equity Attributable to Equity Holders	554.5	505.6

## Net Debt & Net Gearing Ratio



# Segment Results - Yoma Land Development

## Revenue Contribution:



### Revenue:

US\$5.3 million  
-68.1% y-o-y

### Core operating EBITDA losses:

US\$0.1 million  
-97.7% y-o-y

Earning Highlights (US\$ million)	2Q2019	2Q2020
Revenue	16.6	5.3
Cost of sales	(10.6)	(3.6)
Gross Profit	<b>5.9</b>	<b>1.7</b>
Other income - net	(3.4)	3.0
Expenses:-		
Administrative	(1.7)	(3.2)
Finance	(0.3)	(2.0)
Profit/(loss) before income tax	<b>0.5</b>	<b>(0.6)</b>
<b>Core Operating EBITDA</b>	<b>4.4</b>	<b>0.1</b>

Differences in total due to rounding

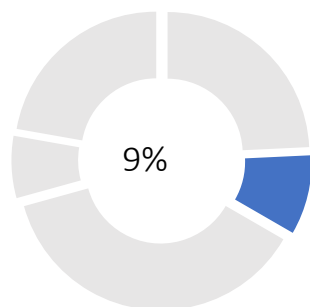
## Key Commentaries

- Revenue in 2Q2020 was driven by sales in City Loft @ StarCity, where construction only started in April 2019.
  - Percentage of completion ranged from c.7%-24% and is expected to pick up in the 2H dry season.
  - As at 30 September 2019, the unrecognized revenue in relation to the sales of City Loft amounted to more than US\$15.0 million.
  - Revenue in 2Q2019 came from the final sales effort to reduce inventory at Galaxy Towers in anticipation of the launch of City Loft.
- Sales at City Loft @ StarCity remain healthy
  - A further 98 units were launched in 3Q2020
  - Total number of launched units increased from 455 to 553.
- Increased finance expenses from SFRS(I)16 adoption.
- Decrease in core operating EBITDA as a result of reduction in revenue as described above.

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\$2.1 million

-8.7% y-o-y

### Core operating EBITDA:

US\$0.7 million

-98.4% y-o-y

Earning Highlights (US\$ million)	2Q2019	2Q2020
Revenue	2.3	2.1
Cost of sales	(0.8)	(1.1)
Gross Profit	1.5	1.0
Other income - net	43.3	N.M
Expenses:-		
Administrative	(1.0)	(0.6)
Finance	(1.7)	(0.5)
Share of profit of joint ventures	0.3	0.1
Profit before income tax	42.4	0.1
<b>Core Operating EBITDA</b>	<b>44.6</b>	<b>0.7</b>

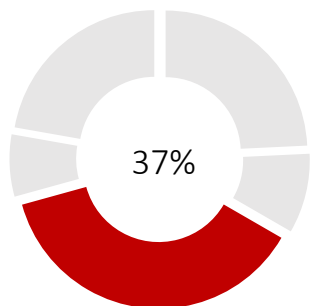
Differences in total due to rounding

## Key Commentaries

- Marginal 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.
- Other income in 2Q2019 was mainly due to the fair value gains from the transfer of units in Galaxy Towers 2 and 4 and rest of StarCity Zone C from development properties to investments properties.
- Positive core operating EBITDA achieved, despite lower revenue and the absence of fair value gains, mainly due to operating efficiency measures.

# Segment Results - Yoma F&B

Revenue Contribution:



Revenue:

US\$8.2 million  
+148.5% y-o-y

Core operating EBITDA:

US\$0.7 million  
+333.3% y-o-y

## Key Commentaries

- Substantial revenue growth this quarter:
  - Consolidation of KOSPA as a subsidiary<sup>1</sup>
  - YKKO contribution<sup>2</sup>
  - KFC net sales growth

Earning Highlights (US\$ million)	2Q2019	2Q2020
Revenue	3.3	8.2
Cost of Sales	(1.7)	(4.5)
Gross Profit	1.7	3.7
Other income - net	(0.1)	0.4
Expenses:-		
Administrative	(2.5)	(5.0)
Finance	-	(0.4)
Share of losses/profit of Joint Ventures	(0.8)	1.0
Share of losses of Associated Companies	(0.2)	(0.4)
Loss before income tax	(1.8)	(0.7)
<b>Core Operating EBITDA</b>	<b>(0.3)</b>	<b>0.7</b>

	2Q2020	
	Logistics	Restaurants
Revenue	1.5	6.7
Cost of sales	(1.5)	(3.0)
Gross Profit	N.M <sup>3</sup>	3.7

Restaurants gross margins improved to 54.9% due to an improvement in KFC's margins and the consolidation of YKKO's higher margin.

- Operates 78 restaurants as at 2Q2020 comprising 38 YKKO restaurants, 37 KFC restaurants, 2 Auntie Anne's™ kiosks and 1 Little Sheep Hot Pot restaurant.
- Increase in administrative expenses is due to the consolidation of YKKO and KOSPA as subsidiaries.

Differences in total due to rounding  
N.M: Not meaningful

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.

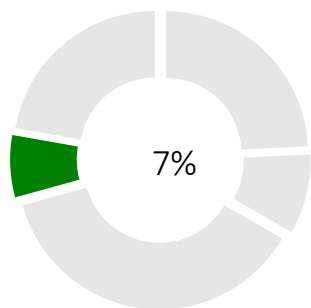
(1) SF Holding acquired a 25% stake in KOSPA in March 2019. Post the completion transaction, KOSPA has become a subsidiary of Yoma Strategic retaining 50% stake in KOSPA with SF Holding and Kokubu each holding 25%.

(2) The Group completed YKKO acquisition in March 2019.

(3) Cash gross profit of US\$0.2 million

# Segment Results - Yoma Financial Services

Revenue Contribution:



Revenue:

US\$1.6 million

+6.7% y-o-y

Core operating EBITDA:

US\$0.9 million

-10.0% y-o-y

Earning Highlights (US\$ million)	2Q2019	2Q2020
Revenue	1.5	1.6
Cost of sales	(0.9)	(1.1)
Gross Profit	0.7	0.6
Other income – net	N.M	N.M
Expenses:-		
Administrative	(0.4)	(0.6)
Finance	(0.1)	(0.1)
Share of (losses)/profit of Associated Companies	(0.1)	1.1
(Loss)/profit before income tax	(0.1)	1.0
<b>Core Operating EBITDA</b>	<b>1.0</b>	<b>0.9</b>

Differences in total due to rounding

N.M: Not meaningful

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.

## Key Commentaries

### Yoma Fleet:

- Vehicle numbers grew by 31.3% to 1,207 vehicles and assets under management grew by 81.0% to US\$53.2 million<sup>1</sup>.
- Revenue grew at a slower pace of 6%
  - Finance lease
- Gross margins declined to 34.6% partly due to the continued lower utilisation rate of its daily rental business.
  - Accordingly, the Group has decided to shrink the daily rental fleet

### Wave Money:

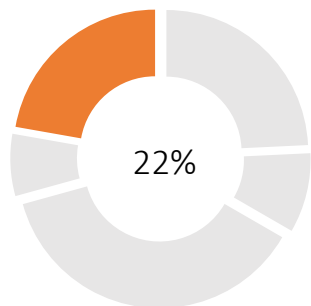
- Healthy growth in revenue and transaction numbers by 23.5% and 32.7% respectively from the previous quarter.
  - Moved approximately 3.1 trillion Myanmar Kyat (US\$2.0 billion) in remittance in 1H2020 vs 2.9 trillion Myanmar Kyat (US\$1.9 Billion) in all of FY2019
  - Network of 50,000 agents as at 2Q2020
  - Steady increase in active users (over 50%) from growing digital customer base
- Business has remained profitable since 3Q2019
- Share of profits in Associated Companies reflects the Group's 34% stake in the business

(1) Fleet size was 1,178 in 1Q2020



# Segment Results - Yoma Motors

## Revenue Contribution:



## Revenue:

US\$4.9 million  
-12.5% y-o-y

## Core operating EBITDA:

(US\$0.6 million)  
+14.3% y-o-y

Earning Highlights (US\$ million)	2Q2019	2Q2020
Revenue	5.6	4.9
Cost of sales	(5.1)	(4.3)
Gross Profit	<b>0.5</b>	<b>0.6</b>
Other income - net	(0.6)	N.M
Expenses:-		
Administrative	(1.5)	(1.7)
Finance	N.M	(0.1)
Share of losses of joint ventures	(0.4)	(0.1)
Share of losses of associated companies	N.M	(0.2)
Loss before income tax	<b>(2.1)</b>	<b>(1.5)</b>
<b>Core Operating EBITDA</b>	<b>(0.7)</b>	<b>(0.6)</b>

Differences in total due to rounding

N.M: Not meaningful

## Key Commentaries

- Decline in revenue largely due to fewer tractors and implements sold under the New Holland business partially offset by revenue from Volkswagen vehicles sales.
  - Volkswagen business sold 23 vehicles in 2Q2020.
- Gross margins improved to 12.4% mainly due to improving margins for its New Holland business and the sale of Volkswagen passenger vehicles which carry higher gross margins.
- Core operating EBITDA improved in line with better gross profit margins.

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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