
TRADING UPDATES 3M-Dec2021

“The Group’s core operating EBITDA and profitability grew year-on-year as a result of the stringent financial management measures implemented over the past twelve months and a heightened focus on profitability and cashflow. It is pleasing that the improved profitability came despite the sharp drop in Myanmar’s GDP over the past year, which resulted in the drop in revenue for the Group.

Looking forward, consumer activity had begun to recover in certain operating areas, notwithstanding the recent surge of COVID-19 cases in the country. Nonetheless, the Group remains cautious in its business planning for the foreseeable future as a matter of prudence and will focus on deleveraging its balance sheet and managing its costs.”

Melvyn Pun, CEO

Revenue Breakdown

<i>US\$(Million)</i>	3M-Dec2020	3M-Dec2021	YoY% change
Yoma Land	11.1	10.7	(3.6%)
<i>Real Estate Development</i>	9.1	8.5	(6.6%)
<i>Real Estate Services</i>	2.0	2.2	10.0%
Yoma Financial Services	1.7	1.4	(17.7%)
Yoma F&B	6.3	5.2	(17.5%)
Yoma Motors	5.3	2.8	(47.2%)
Investment and Corporate	0.4	0.3	(25.0%)
Group Revenue	24.8	20.4	(17.7%)

Core Segment Commentary

Yoma Land

- Revenue from Real Estate Development declined in 3M-Dec2021 as a result of the temporary suspension of Yoma Central, and consequently, there was no revenue recognition in relation to that project. As at 31 December 2021, 19 units of the 30 launched units remain booked and sold at Yoma Central.
- Revenue increased in 3M-Dec2021 at both StarCity and Pun Hlaing Estate. Buyers who are increasingly looking to store their wealth in real estate remain attracted by the amenities and security provided by the Group’s estates.

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The Group continued to see good sales momentum for City Loft and Star Villas at StarCity. In addition, the Group was able to take advantage of this sentiment by conducting opportune land sales at Pun Hlaing Estate.

- Future revenue of US\$9.7 million for the sold units at StarCity and Pun Hlaing Estate is expected to be realised as construction progresses:
 - City Loft @ StarCity: As at 31 December 2021, 931 units were launched for sale, of which 797 units were booked and sold.
 - Star Villas: As at 31 December 2021, 30 units of the 32 launched units were booked and sold.
 - The Hills: As at 31 December 2021, 2 units of the 9 launched units were booked and sold.
- Overall leasing revenue improved year-over-year as the Group began recognising rental revenue for the new office space in StarCity (formerly the Dulwich College Yangon campus). Furthermore, the Group was also able to achieve better rental rates for the commercial spaces at StarCity due to its enlarged resident population and the increasing daily footfall from the office tenant.

Yoma Financial Services

Yoma Fleet

- As at 31 December 2021, the fleet size stood at 1,315 vehicles with third-party assets under management of US\$41.6 million.
- Growth in the finance lease segment will continue to be impacted in the near-term until additional funding lines can be secured from banks. The operating lease segment will be dependent on the business sentiment of the number of multinational corporations operating in Myanmar.
- Yoma Fleet continues to maintain its focus on collections and improving fleet efficiency. It has been able to reduce its finance expenses by decreasing leverage through operating cashflow and the disposal of underutilised fleet.

Wave Money

- EBITDA remained positive and margins recovered to pre-pandemic levels, despite an overall decline in both revenue and transaction volumes, which continue to be affected by the broader slowdown in economic activities, as a result of the stringent cost control measures.
- Digital transaction volumes and digital monthly active users (MAUs) have continued to recover with digital MAUs as at 31 December 2021 standing at 1.7 million, which was higher than the 1.5 million in December 2020.

Yoma F&B

- Consumer activity in Yangon and Mandalay has largely resumed. Both KFC and YKKO experienced strong same-store-sales growth as compared to the prior year.
- The Group underwent a rightsizing of the Restaurants platform which resulted in the closure of c.30% of restaurant locations and a significant reduction in overheads. Core operating EBITDA for both brands returned to being positive during 3M-Dec 2021.

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- As at 31 December 2021, the Group operates 35 KFC restaurants and 33 YKKO restaurants.
- Revenue from the Logistics business was lower year-on-year due to the termination of certain contracts and an overall decline in transportation and warehousing demand from lower economic activity.

Yoma Motors

Heavy Equipment

- The Heavy Equipment business continued to be affected by the availability of credit for its customers. The Group has reinstated selective in-house financing arrangements and continues to explore other flexible payment methods to cover the gap in hire purchasing from banks.
- 8 New Holland tractors and 7 JCB machines were sold in the current quarter (vs. 54 tractors and 18 machines in 3M-Dec2020).

Automotive

- The importation of all motor vehicles was suspended in October 2021. Consequently, the Group sold 16 Volkswagen vehicles and 15 Ducati motorbikes in the current quarter (vs. 27 vehicles and 22 motorbikes in 3M-Dec2020).
- Mitsubishi Motors sold 173 vehicles in the current quarter (vs. 253 vehicles in 3M-Dec2020).

Myanmar Updates

- The Group has observed that Omicron cases in Myanmar are relatively low at present. The Group will prioritise the health and wellbeing of its employees and customers. 99% of the Group's employees have been vaccinated against COVID-19 as at 31 December 2021.
- Although banking operations have resumed, economic activities continue to be constrained by the supply of cash and the limited availability of credit.
- The World Bank forecasts Myanmar's economy to grow by 1% in 2022.¹

Dated 14 February 2022

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

¹ World Bank World Economic Monitor January 2022



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.

About Yoma Strategic Holdings Ltd. (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 2021, ranked 15th 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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