

Parkson Retail Asia Limited

Financial Results For Q4 and Full Year FY2017

23 August 2017



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Financial Highlights



Same Store Sales Growth (SSSG)

	Quarter ended		Year ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Malaysia	14.7%	21.5%	2.8%	-6.5%
Vietnam	-14.0%	-4.1%	-13.6%	-2.9%
Indonesia	11.0%	7.3%	-1.5%	4.7%
Myanmar	n/a	-25.0%	-26.4%	-7.7%

Malaysia

- SSSG for Q4 FY2017 benefitted from Hari Raya buying following the shift in festive calendar.
- Consumer sentiment index reported by MIER¹ remained below the 100-point confidence threshold for the 12th consecutive quarter.

Vietnam

- Discretionary retail environment continued to be difficult amidst a crowded retail scene.

Indonesia

- SSSG for Q4 FY2017 benefitted from Lebaran buying following the shift in festive calendar.
- Full year performance impacted by uncertainties arising from increased political and religious tensions.

Myanmar

- SSSG for FY2017 represents the results of the store at FMI Centre, Yangon which was closed on 31 January 2017.
- New store at Junction Square, Yangon commenced operation on 17 March 2017.

¹ Malaysia Institute of Economic Research

Financial Overview

S\$'000	Quarter ended			Year ended		
	30.06.2017	30.06.2016	VAR %	30.06.2017	30.06.2016	VAR %
Gross Sales Proceeds ("GSP")	262,917	232,147	13%	982,413	967,746	2%
Revenue	109,600	93,860	17%	412,725	388,417	6%
EBITDA	(26,035)	(8,943)	>-100%	(22,767)	53,479	>-100%
Pre-tax profit / (loss)	(32,494)	(13,431)	>-100%	(48,282)	34,920	>-100%
Net profit / (loss) attributable to owners of the Company	(43,034)	(14,878)	>-100%	(59,542)	30,177	>-100%
Operational Earnings						
EBITDA	7,535	(38,292)	>100%	10,803	24,130	-55%
Pre-tax profit / (loss)	1,076	(42,780)	>100%	(14,712)	5,571	>-100%
Net profit / (loss) attributable to owners of the Company	(9,464)	(44,227)	-79%	(25,972)	828	>-100%

Operational earnings exclude non-operational charges (e.g. impairment and allowance for doubtful debts) and one-off gain.

Financial Overview (Cont'd)

- Quarterly increase in GSP and revenue due to festive buying following the shift in Hari Raya / Lebaran calendar. Full year GSP and revenue was higher thanks to positive SSSG in Malaysia as well as contribution from new stores and new ventures.
- Pre-tax losses recorded in the current financial year mainly due to non-operational impairment on property, plant and equipment of S\$21.4 million (FY2016: S\$5.4 million), and impairment on goodwill of S\$4.3 million (FY2016: Nil).
- In comparison, a gain on partial disposal of a former subsidiary of S\$46.8 million was recorded in FY2016.
- Operationally, the Group's performance was impacted by (i) overall tepid or negative SSSG recorded by the Group's operations; and (ii) gestation period of new stores and new ventures.

Segmental Pre-tax Results

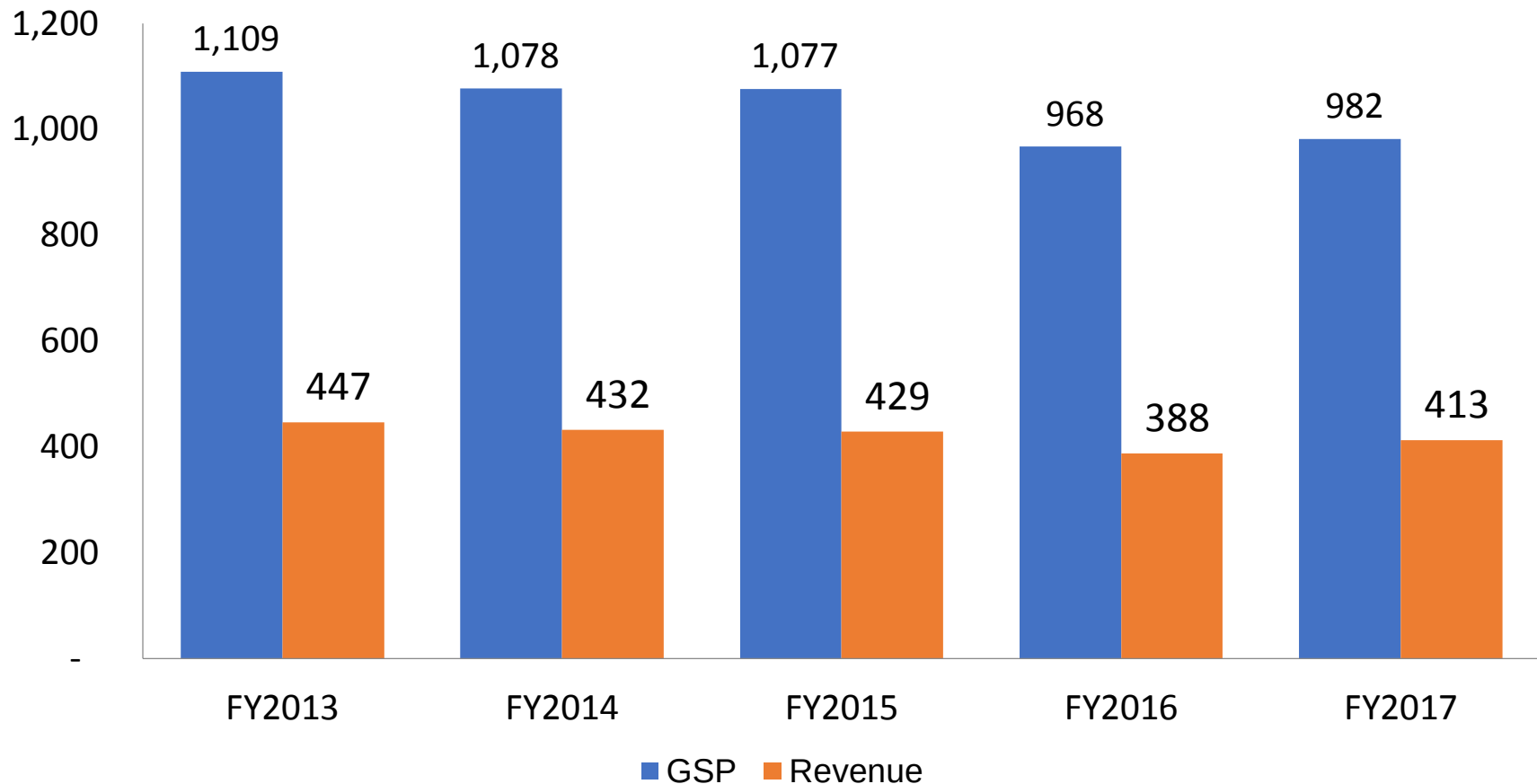
S\$'000	Malaysia	Vietnam	Indonesia	Myanmar	Others	Group
<u>FY2017</u>						
Same store	15,597	(759)	(7,370)	(352)	-	7,116
<i>Variance TY/LY</i>	<i>-20.0%</i>	<i>-8.7%</i>	<i>-71.0%</i>	<i>-78.7%</i>		<i>-50.2%</i>
New stores	(6,461)	-	(1,486)	(110)	-	(8,057)
Closed stores	-	-	-	(6)	-	(6)
Department stores	9,136	(759)	(8,856)	(468)	-	(947)
Other retail stores	(7,559)	-	-	-	-	(7,559)
Retailing	1,577	(759)	(8,856)	(468)	-	(8,506)
Other businesses	-	-	-	-	(5,427)	(5,427)
Investment holding	-	-	-	-	(779)	(779)
Operational pre-tax results	1,577	(759)	(8,856)	(468)	(6,206)	(14,712)
Impairment on property, plant and equipment	(8,673)	(370)	(4,619)	-	(7,718)	(21,380)
Impairment on goodwill	-	-	(4,309)	-	-	(4,309)
Allowance for doubtful debts	-	(2,913)	-	-	(4,968)	(7,881)
As reported	(7,096)	(4,042)	(17,784)	(468)	(18,892)	(48,282)

Segmental Pre-tax Results (Cont'd)

S\$'000	Malaysia	Vietnam	Indonesia	Myanmar	Others	Group
<u>FY2016</u>						
Same store	19,494	(698)	(4,310)	(197)	-	14,289
New stores	(778)	-	-	-	-	(778)
Closed stores	(889)	(310)	(124)	(1,537)	-	(2,860)
Department stores	17,827	(1,008)	(4,434)	(1,734)	-	10,651
Other retail stores	(2,462)	-	-	-	-	(2,462)
Retailing	15,365	(1,008)	(4,434)	(1,734)	-	8,189
Other businesses	-	-	-	-	(1,672)	(1,672)
Investment holding	-	-	-	-	(946)	(946)
Operational pre-tax results	15,365	(1,008)	(4,434)	(1,734)	(2,618)	5,571
Impairment of fixed assets	(1,858)	-	(3,541)	-	-	(5,399)
Allowance for doubtful debts	-	(8,780)	-	-	(3,269)	(12,049)
Gain on partial disposal of a former subsidiary	-	46,797	-	-	-	46,797
As reported	13,507	37,009	(7,975)	(1,734)	(5,887)	34,920

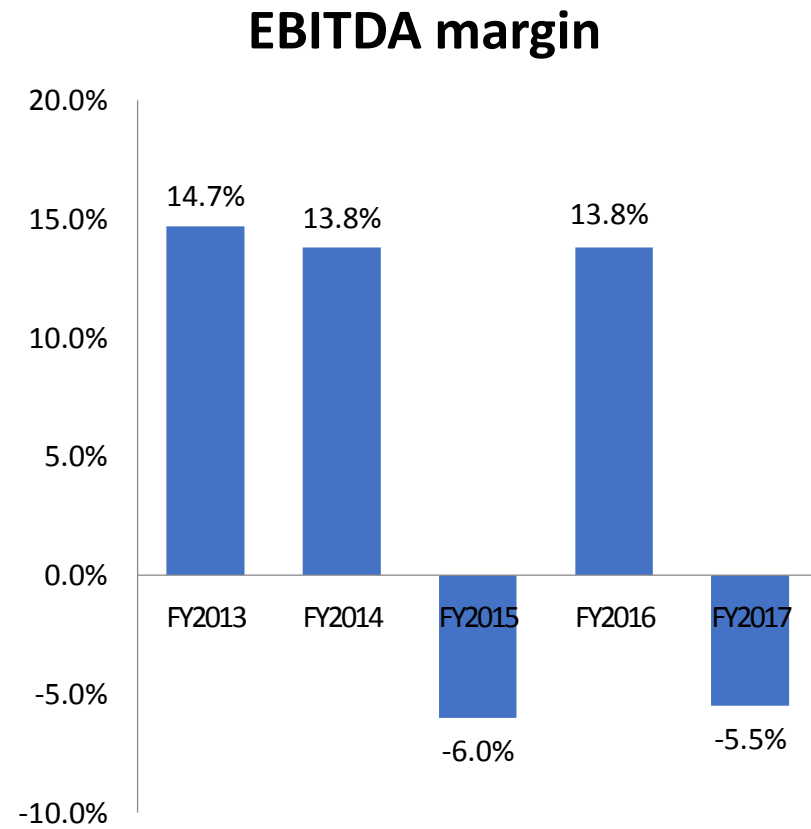
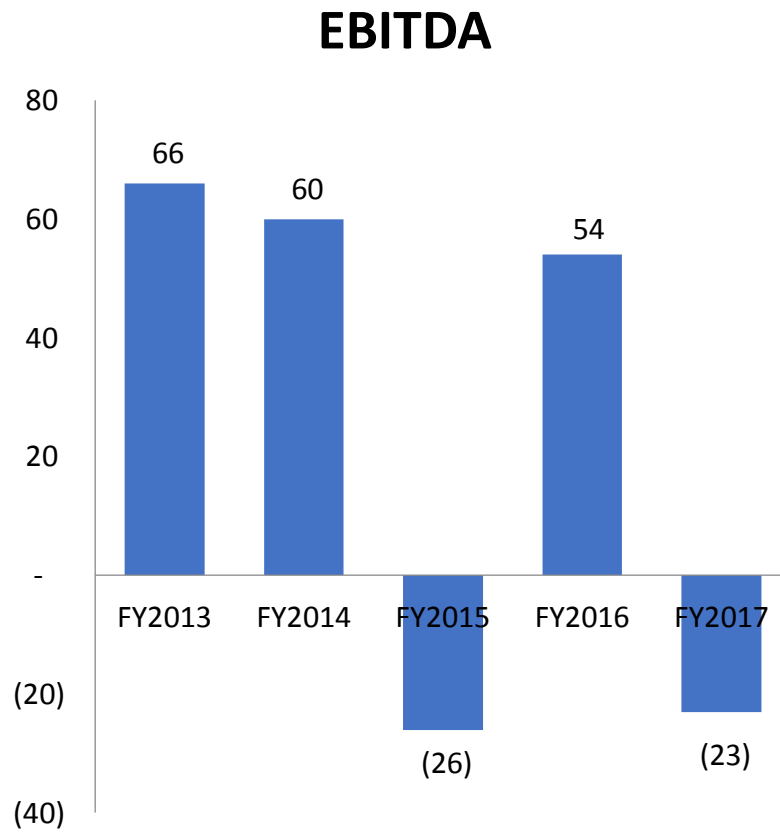
5-Year Gross Sales Proceeds and Revenue

Overall top line growth (\$ million)



5-Year Profit Margins

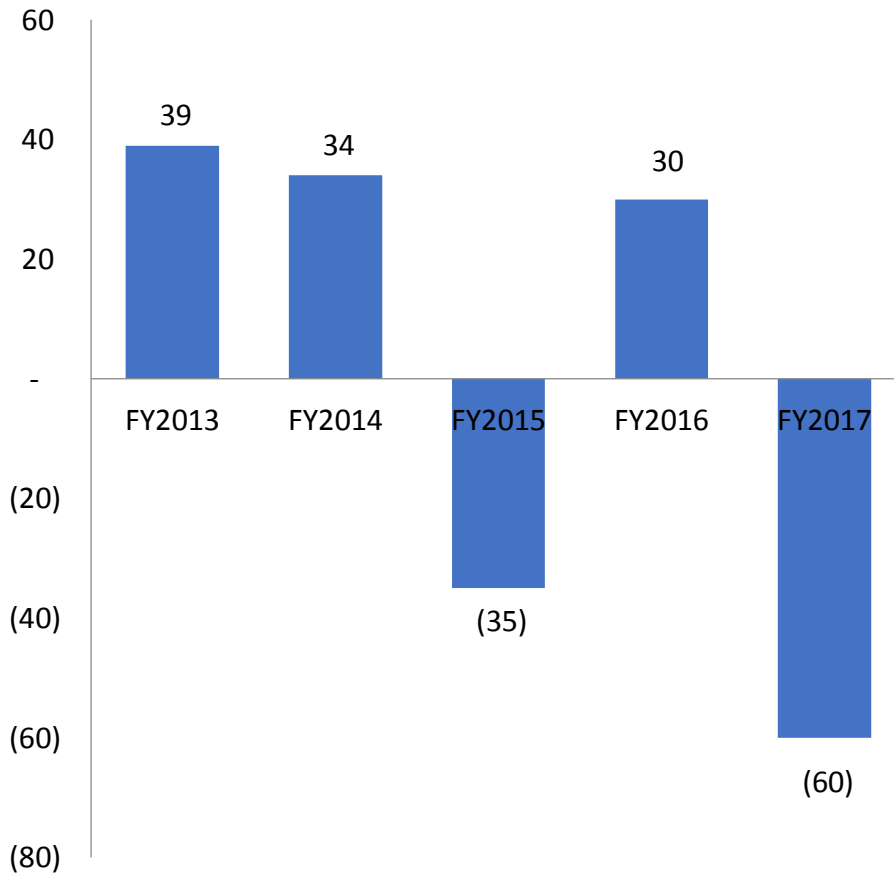
- EBITDA



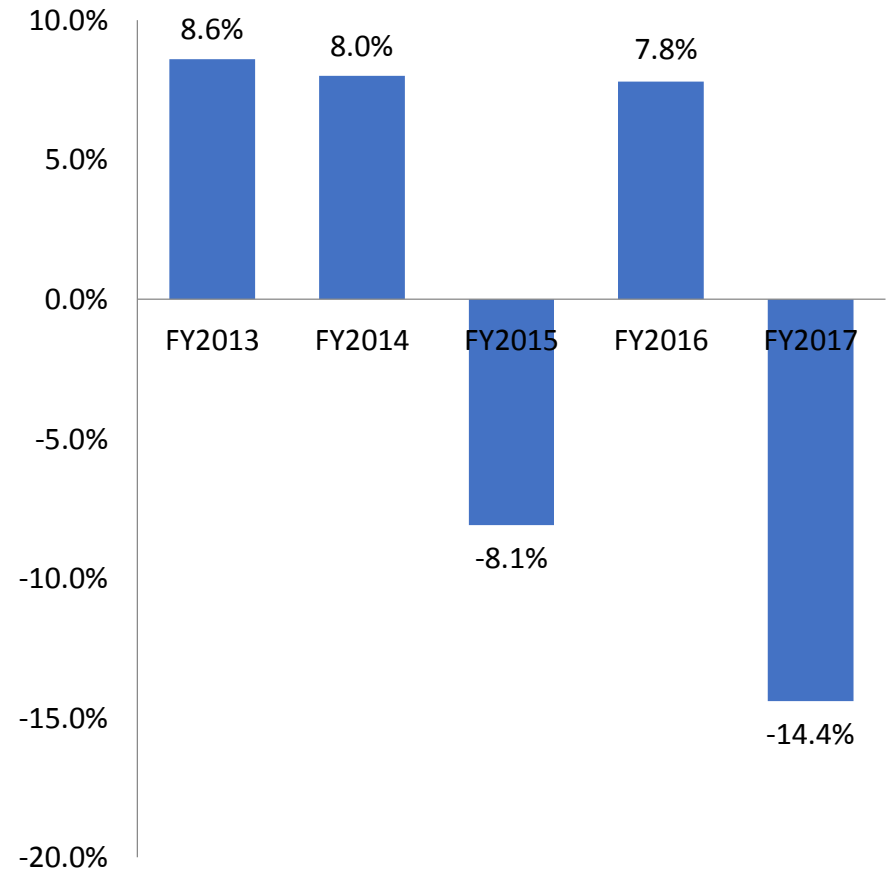
5-Year Profit Margins

- Net profit/(loss) attributable to owners of the Company

Net profit



Net profit margin

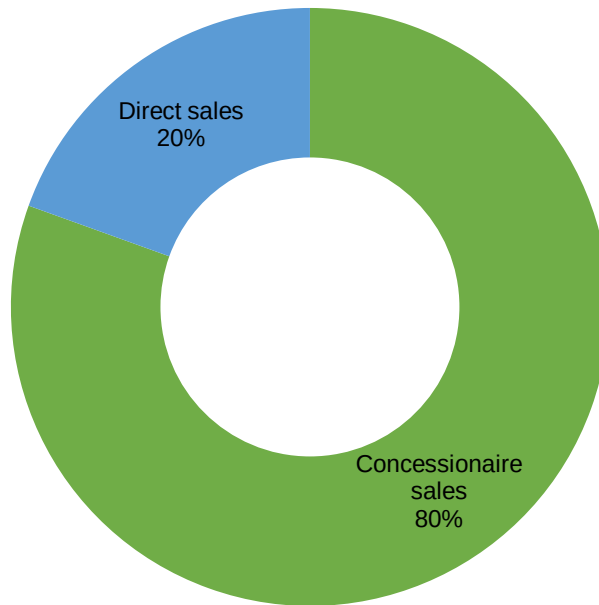


Operational Highlights

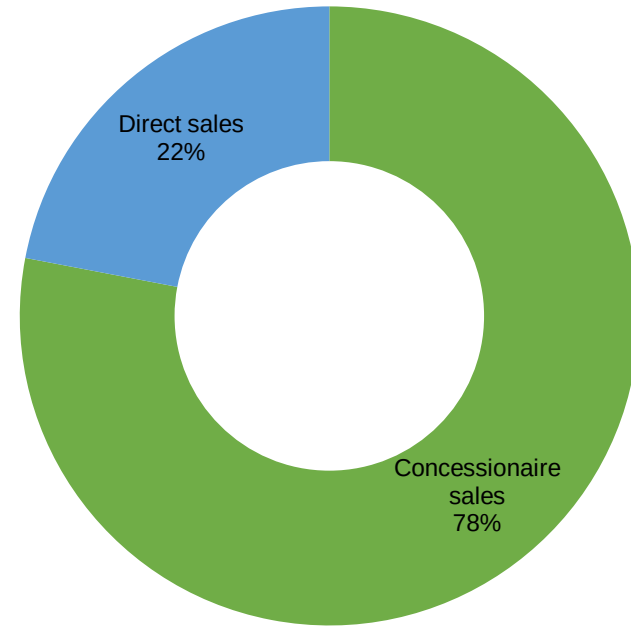


Merchandise sales mix

FY2016

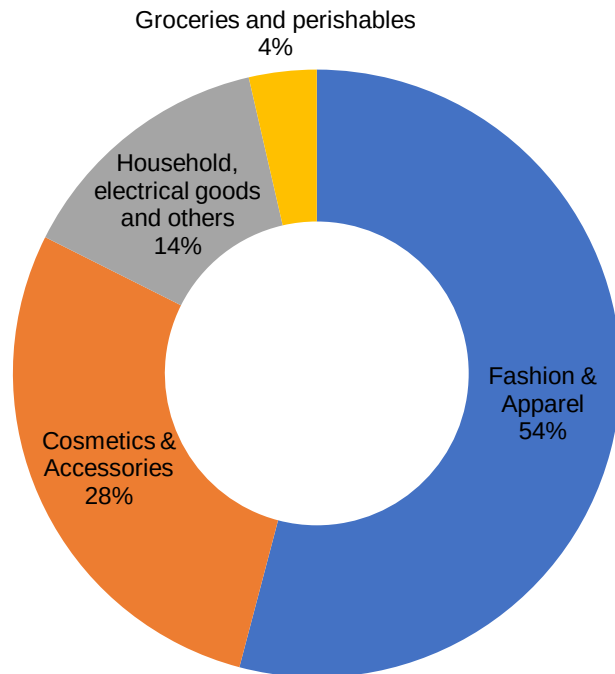


FY2017

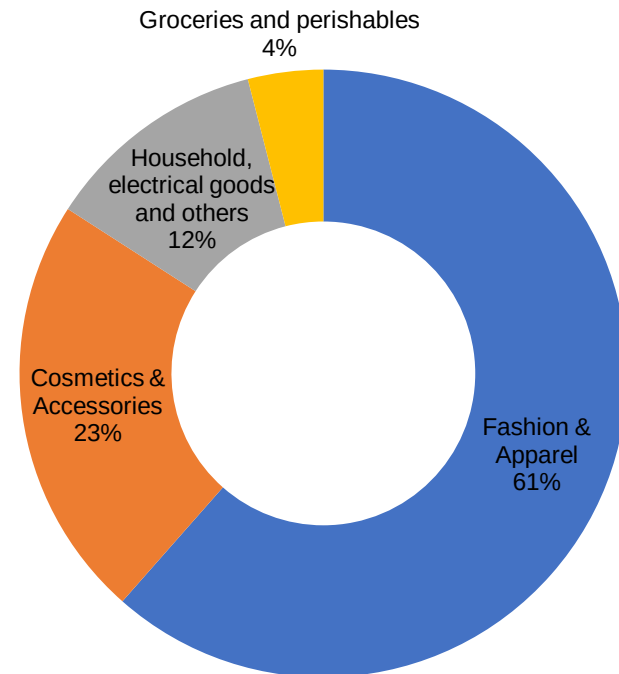


Merchandise sales by segment

FY2016

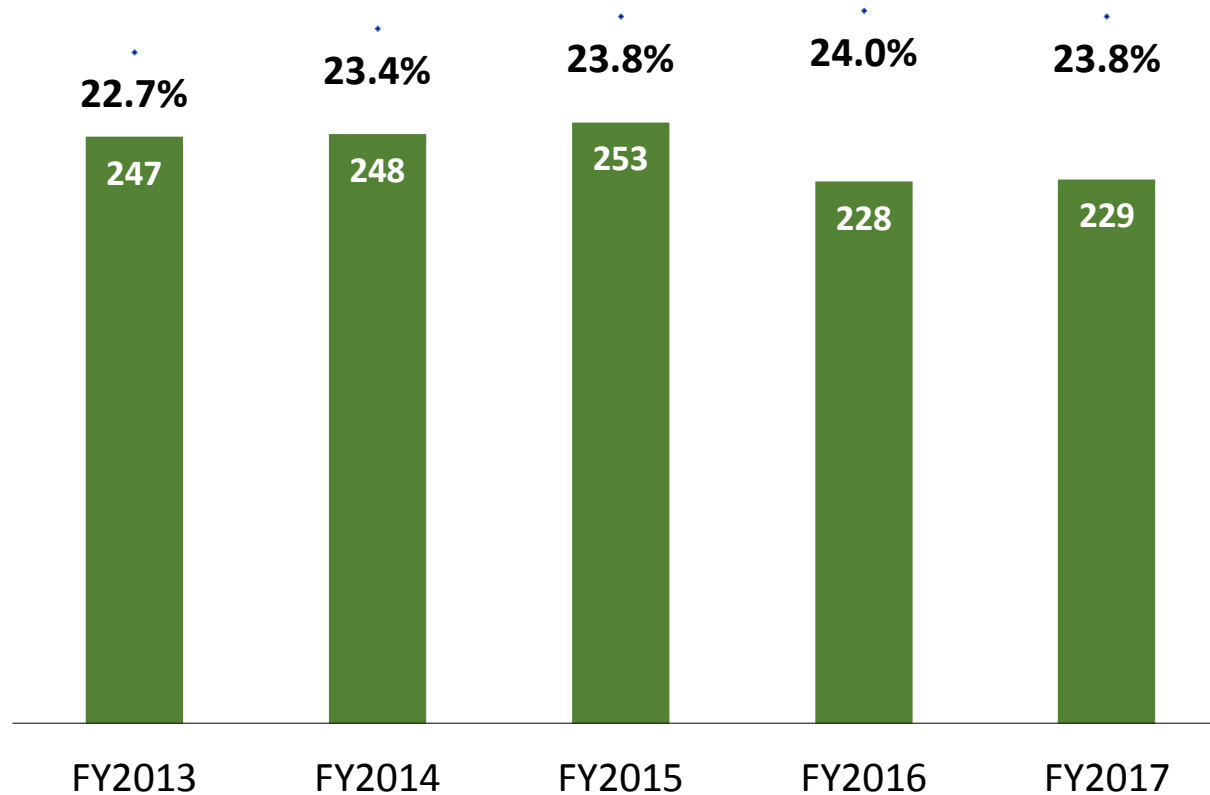


FY2017



5-Year Merchandise Gross Margin

Merchandise gross margin (including both direct sales and concessionaire sales)



■ Merchandise gross profit (S\$m)

Geographic Footprint

- department stores



Malaysia

Number of stores¹: 45
GFA: 527,000 sqm



Vietnam

Number of stores¹: 7
GFA: 128,000 sqm



Indonesia

Number of stores¹: 17
GFA: 150,000 sqm



Myanmar

Number of stores¹: 1
GFA: 4,000 sqm



¹ Number of stores as at 30 June 2017

Expansion Plan



Expansion Plan

- department store openings in FY2017/2018

Location	FY2017 GFA	Location	FY2018 Approx. GFA
<u>Malaysia</u>	(sq.m)	<u>Malaysia</u>	(sq.m)
1. MyTown, Kuala Lumpur*	13,952	1. Kuantan City Mall, Kuantan (Q2FY2018)^	12,261
2. Sunway Velocity, Kuala Lumpur*	12,441	2. Evo Shopping Mall, Bangi (Q2FY2018)^	7,726
		3. M Square, Puchong +	35,316
Sub-total	26,393	Sub-total	55,303
<u>Indonesia</u>		<u>Indonesia</u>	
3. Parkson Gourmet Mart*	1,457		
4. Resinda Park Mall, Karawang*	8,266	4. Gresik Icon Mall, Gresik (Q3FY2018)^	6,682
Sub-total	9,723		
<u>Myanmar</u>		<u>Cambodia</u>	
5. Junction Square, Yangon*	3,667	5. Parkson Cambodia, Phnom Penh +	36,500
Total	39,783	Total	98,485

* opened

^ opening dates shown are indicative only based on dates provided by mall owners

+ opening dates to be advised by mall owners

Appendix: Store Count and Gross Floor Area

Store Count and Gross Floor Area (“GFA”)

- department stores

	30.06.2017	30.06.2016	Openings	Closures	Change
Malaysia	45	44	2	(1)	1
GFA (sqm)	527,000	518,000			
Vietnam ¹	7	8	-	(1)	(1)
GFA (sqm)	128,000	141,000			
Indonesia ²	17	16	2	(1)	1
GFA (sqm) ³	150,000	158,000			
Myanmar	1	1	1	(1)	-
GFA (sqm)	4,000	4,000			
GROUP	70	69	5	(4)	1
GFA (sqm)	809,000	821,000			

¹ Includes 2 managed stores as at 30 June 2017

² Includes 2 supermarkets as at 30 June 2017

³ Lower GFA despite net increase in store count due to downsizing of a store

Store Count and Gross Floor Area (“GFA”)

- department stores (cont’d)

Summary of department store openings / closures	Country	Commenced / ceased operation
Openings		
- Sunway Velocity, Kuala Lumpur	Malaysia	Dec 2016
- MyTown, Kuala Lumpur	Malaysia	Mar 2017
- Parkson Gourmet Mart, Jakarta	Indonesia	Oct 2016
- Centro Resinda Park Mall, Karawang	Indonesia	Mar 2017
- Junction Square, Yangon	Myanmar	Mar 2017
Closures		
- Perda City Mall, Butterworth	Malaysia	Aug 2016
- Viet Tower, Hanoi (managed store)	Vietnam	Dec 2016
- Centro Grage Mall, Cirebon	Indonesia	Mar 2017
- FMI Centre, Yangon	Myanmar	Jan 2017

Store Count and Gross Floor Area (“GFA”)

- other retail outlets

Malaysia	30.06.2017	30.06.2016	Openings	Closures	Change
Shoes Gallery / Homes	3	2	1	-	1
GFA (sqm)	15,000	12,000			
LOL outlets ¹	13	5	8	-	8
GFA (sqm)	9,700	4,400			
Korean brands outlets ²	3	-	3	-	3
GFA (sqm)	3,400	-			
MDS outlet	1	-	1	-	1
GFA (sqm)	100	-			
7Dayz outlet	2	-	2	-	2
GFA (sqm)	600				
TOTAL	22	7	15	-	15
GFA (sqm)	28,800	16,400			

¹ Includes 4 outlets inside Parkson department store

² Comprises SPAO, MIXXO, WHO.A.U, SHOOPEN

THANK YOU

