



Parkson Retail Asia Limited
Financial Results Presentation
Q1 FY2016

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Overview



Overview

Business Environment

- Same Store Sales Growth, by countries:

SSSG	Quarter ended	
	Q1 FY2016	Q1 FY2015
Malaysia	-15.2%	-4.4%
Vietnam	-3.6%	-5.5%
Indonesia	+9.6%	+5.7%
Myanmar	+6.1%	+33.2%

- SSSG for Malaysia :
 - decline in SSSG at -15.2% for the reported quarter.
 - consumer sentiment index reported by MIER remained below the 100-point confidence threshold for the 5th consecutive quarter, at 70.2.
- SSSG for Vietnam :
 - decline in SSSG at -3.6% for the reported quarter.
 - the discretionary retail environment continued to be difficult despite signs of economic recovery.
- SSSG for Indonesia :
 - SSSG at +9.6% for the reported quarter.
 - consumer confidence index reported by BI remained above the 100-point confidence threshold at 106.7.

- SSSG for Myanmar :
 - SSSG at +6.1% for the reported quarter.
 - store in FMI Centre recorded robust sales growth in its 3rd year of operations.

Financial Summary

	Group					
	Reported			Like for Like Comparable *		
	Quarter ended			Quarter ended		
	30.09.2015	30.09.2014	+/(-)	30.09.2015	30.09.2014	+/(-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Sales Proceeds	236,717	280,701	(15.7)	213,853	261,704	(18.3)
Revenue	92,690	109,991	(15.7)	82,066	102,154	(19.7)
Profit Before Tax	51,161	10,451	>100.0	6,218	11,329	(45.1)
Net Profit Attributable to Owners	49,461	6,869	>100.0	4,283	7,504	(42.9)

- * The like-for-like comparable figures are provided for comparison purpose only, and do not form part of the financial statements prepared under the accounting standards nor under the disclosure requirements of the Singapore Exchange. These like-for-like comparable figures are computed on same store basis (also excluding the non-recurring item for Q1 FY2016).

- Reported topline figures (GSP and revenue) declined for the quarter. Reported topline figures declined, despite sales contribution from new stores, due significantly to (i) negative SSSG recorded by the Malaysia and Vietnam operations and (ii) local currency weakness of the Malaysian Ringgit.
- Reported pre-tax profit increased substantially to S\$51.2 million for the quarter due to gain recognised on partial disposal of equity interest in a former subsidiary of S\$46.0 million.
- On same store basis (also excluding the non-recurring item), pre-tax profit for the quarter declined by (45.1)%.
- On same store basis and same currency basis, pre-tax profit for the quarter declined by (37.7)%.

Segmental Profit Before Tax

	Group		
	Quarter ended		
PBT Summary	30.09.2015	30.09.2014	+/(-)
	S\$'000	S\$'000	%
Like-for-like, on same store basis			
Malaysia	5,894	11,274	(47.7)
Vietnam	(412)	412	>(100.0)
Indonesia	(62)	276	>(100.0)
Myanmar	(218)	(209)	(4.3)
Share of profits of an associate (Sri Lanka)	-	18	(100.0)
Investment holding / Others	1,016	(442)	>100.0
PBT (same store basis)	6,218	11,329	(45.1)
PBT / (Losses) of new / closed / renovated stores			
Malaysia	(797)	430	>(100.0)
Vietnam	(220)	(1,308)	83.2
Non-recurring item			
Gain on partial disposal of equity interests in a former subsidiary, Parkson Hanoi Co Ltd	45,960	-	>100.0
Group PBT	51,161	10,451	>100.0

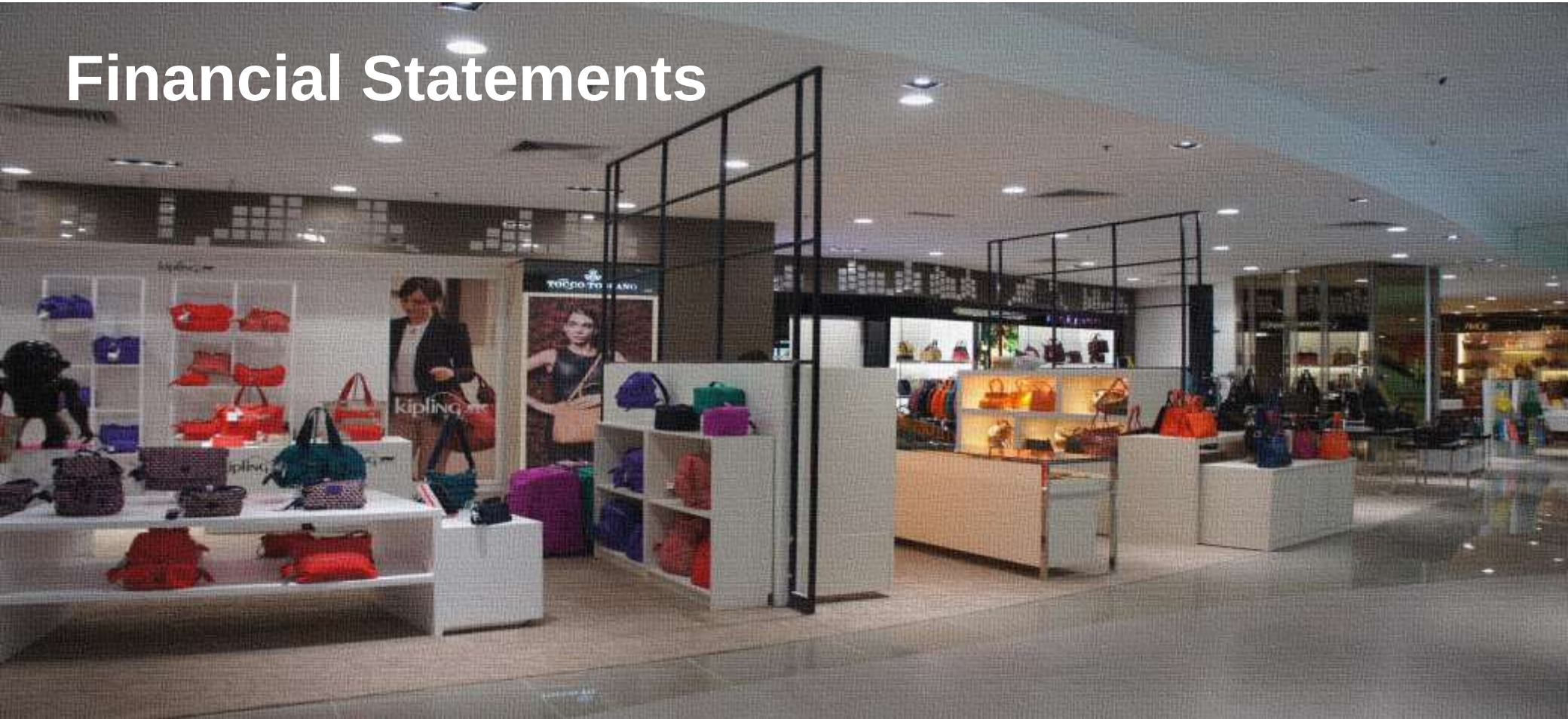
PBT Variance (percentage terms)

Comparing the pre-tax profit variances for the (i) reported numbers, (ii) same store numbers and (iii) same store, same currency numbers across the Group's 4 markets:

			Same store,
PBT variance	Reported	Same store*	same currency*
(comparing Q1 FY2016 vs Q1 FY2015)	+ / (-)	+ / (-)	+ / (-)
	%	%	%
Malaysia	(56.4)	(47.7)	(40.4)
Vietnam	>100.0	>(100.0)	>(100.0)
Indonesia	>(100.0)	>(100.0)	>(100.0)
Myanmar	(4.3)	(4.3)	(18.5)
Group	>100.0	(45.1)	(37.7)

* same store variance is also excluding the non-recurring item in Q1 FY2016.

Financial Statements



Unaudited consolidated Income Statement

For the three months ended 30 September

(S\$'000)	Group		
	Reported		
	Quarter ended		
	30.09.2015	30.09.2014	+I(-)
	S\$'000	S\$'000	%
Gross Sales Proceeds	236,717	280,701	(15.7)
- Direct sales	42,368	49,874	(15.0)
- Concessionaire sales	190,525	226,901	(16.0)
- Consultancy & management service fees	170	228	(25.4)
- Rental income	3,654	3,698	(1.2)
Revenue	92,690	109,991	(15.7)
Other income	50,148	3,199	>100.0
Total expenses	(91,677)	(102,757)	(10.8)
- Changes in merchandise inventories and consumables	(33,759)	(40,259)	(16.1)
- Employee benefits expense	(12,966)	(13,122)	(1.2)
- Depreciation & amortisation expenses	(5,429)	(5,179)	4.8
- Rental expenses	(26,285)	(29,011)	(9.4)
- Finance costs	(58)	(137)	(57.7)
- Other expenses	(13,180)	(15,049)	(12.4)
Share of profits of an associate	-	18	(100.0)
Profit before tax	51,161	10,451	>100.0
Net profit	49,242	6,188	>100.0
Net profit attributable to owners	49,461	6,869	>100.0

Unaudited consolidated Statement of Financial Position

(S\$'000)	As at 30 Sep 2015 (a)	As at 30 Jun 2015 (b)	% Change (a)-(b) / (b)	As at 30 Sep 2014 (c)	% Change (a)-(c) / (c)
Total Assets	369,476	374,407	-1.3%	436,450	-15.3%
- Non-current assets	157,742	148,393	+6.3%	174,626	-9.7%
- Current assets	211,734	226,014	-6.3%	261,824	-19.1%
<i>Cash and cash equivalents</i> <i>(including AFS financial assets)</i>	124,932	138,578	-9.8%	163,775	-23.7%
Total Liabilities	181,345	244,361	-25.8%	189,618	-4.4%
- Current liabilities	174,382	237,412	-26.5%	178,814	-2.5%
- Non-current liabilities	6,963	6,949	+0.2%	10,804	-35.6%
Net assets	188,131	130,046	+44.7%	246,832	-23.8%
Represented by,	188,131	130,046	+44.7%	246,832	-23.8%
- Equity and reserves	187,480	148,005	+26.7%	247,384	-24.2%
- Non-controlling interests	651	(17,959)	>100.0%	(552)	>100.0%

Unaudited consolidated Statement of Cash Flows

For three months ended 30 September

(S\$'000)	Q1 FY2016	Q1 FY2015	+/(-) %
Net cash generated from operating activities	9,668	17,866	-45.9%
Net cash used in investing activities	(12,808)	(5,731)	>(100.0)%
Net increase / (decrease) in cash and cash equivalents	(3,140)	12,135	>(100.0)%
Cash and cash equivalents at beginning of financial period	125,976	129,204	-2.5%
Effect of currency translation on cash & cash equivalents	(8,607)	438	>(100.0)%
Cash and cash equivalents at end of financial period	114,229	141,777	-19.4%

Segment results

For three months ended 30 September

Group	Malaysia	Vietnam	Indonesia	Myanmar	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Period ended 30.09.2015						
Gross Sales Proceeds	158,750	32,525	44,239	1,203	-	236,717
Revenue	68,145	8,375	15,700	470	-	92,690
Profit/(Loss) before tax	5,097	(632)	(62)	(218)	-	4,185
Gain on partial disposal of a former subsidiary	-	45,960	-	-	-	45,960
Investment holding/Others					1,016	1,016
Total Profit/(Loss) Before Tax	5,097	45,328	(62)	(218)	1,016	51,161
Period ended 30.09.2014						
Gross Sales Proceeds	198,822	37,090	43,494	1,295	-	280,701
Revenue	82,762	10,614	16,187	428	-	109,991
Profit/(Loss) before tax	11,704	(896)	276	(209)	-	10,875
Investment holding/Others					(442)	(442)
Share of profits of an associate					18	18
Total Profit/(Loss) Before Tax	11,704	(896)	276	(209)	(424)	10,451

Operational Highlights



Geographic footprint



Malaysia

- Number of stores: 43
- Approx. GFA (leased): 499,000 sqm



Indonesia

- Number of stores: 14
- Approx. GFA (leased): 136,000 sqm



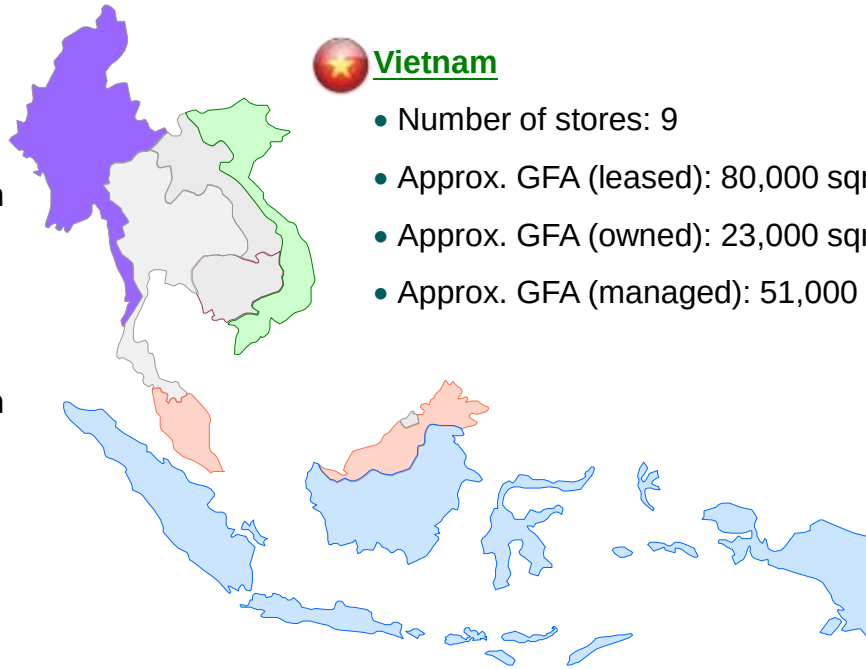
Myanmar

- Number of store: 1
- Approx. GFA (leased): 4,000 sqm



Vietnam

- Number of stores: 9
- Approx. GFA (leased): 80,000 sqm
- Approx. GFA (owned): 23,000 sqm
- Approx. GFA (managed): 51,000 sqm

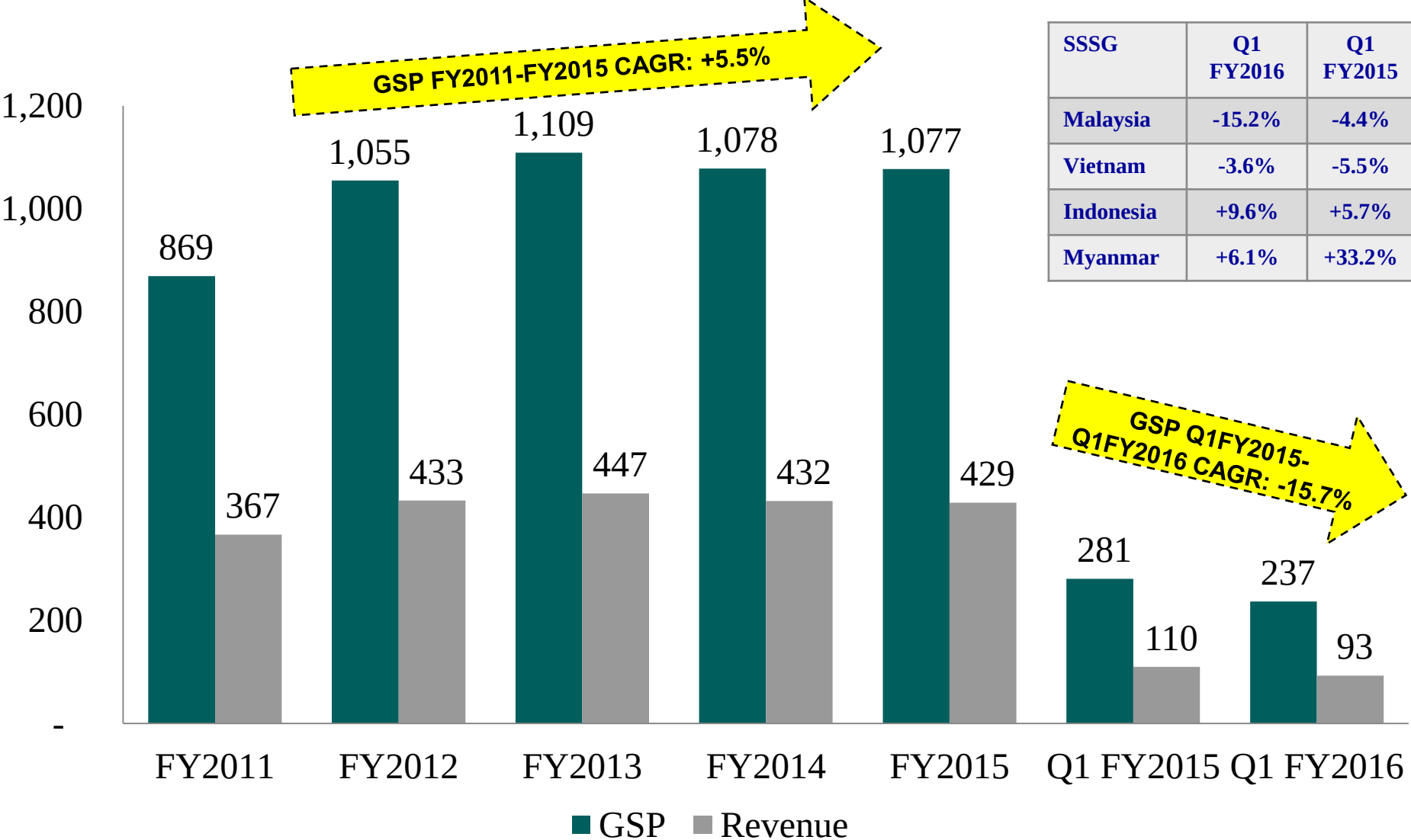


PRA's department store network comprised 67 stores in Malaysia, Vietnam, Indonesia and Myanmar, spanning approx. 793,000 sqm of gross floor area⁽¹⁾

1. Figures current as at 30 September 2015.

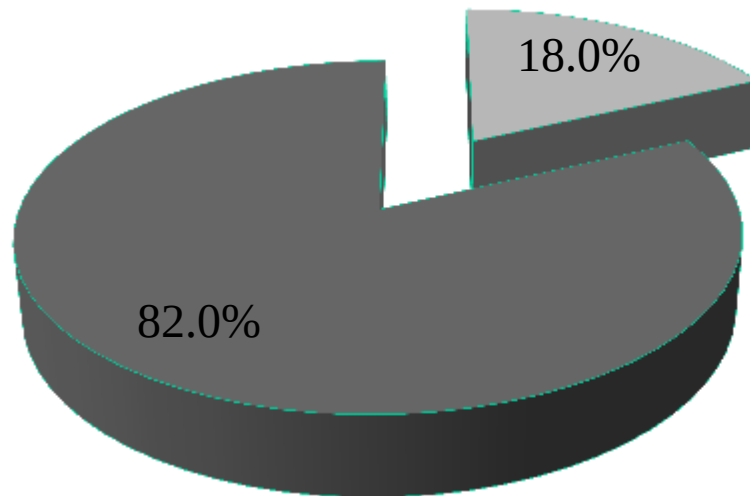
Gross Sales Proceeds, Revenue and SSS Growth

Overall top line growth (\$ million)



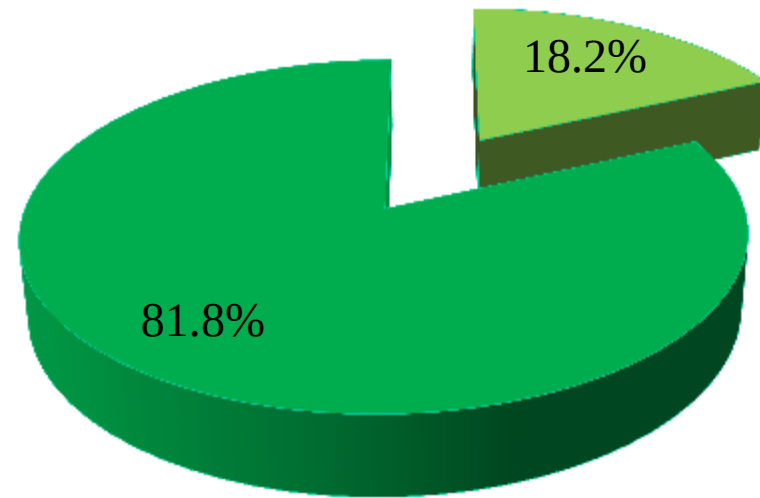
Merchandise Sales Mix

Q1 FY2015



■ Direct sales ■ Concessionaire sales

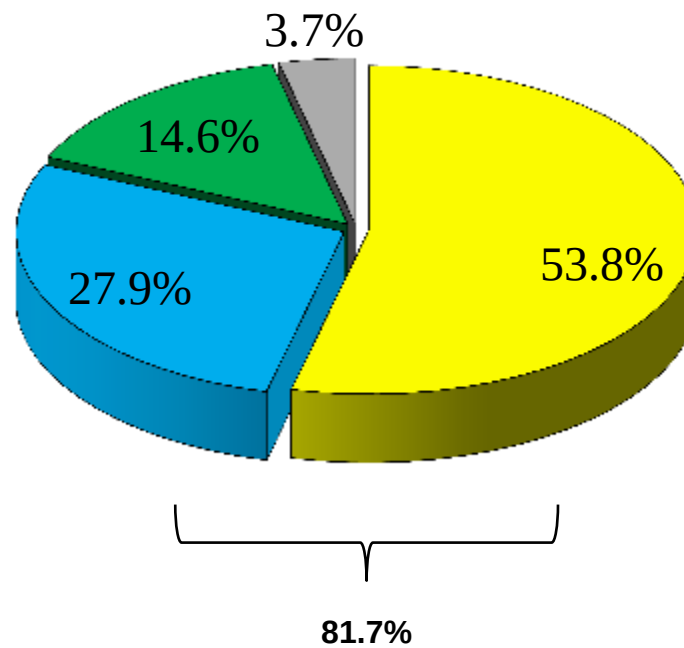
Q1 FY2016



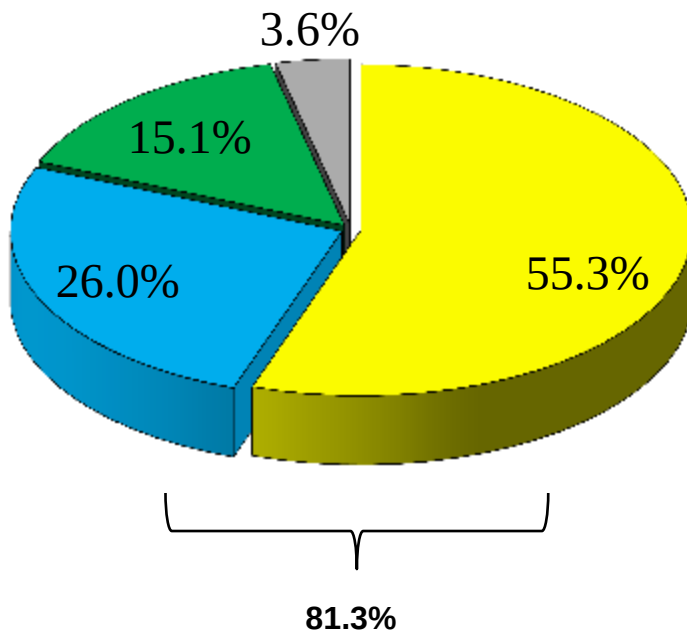
■ Direct sales ■ Concessionaire sales

Merchandise sales mostly from fashion and cosmetics segments

Q1 FY2016



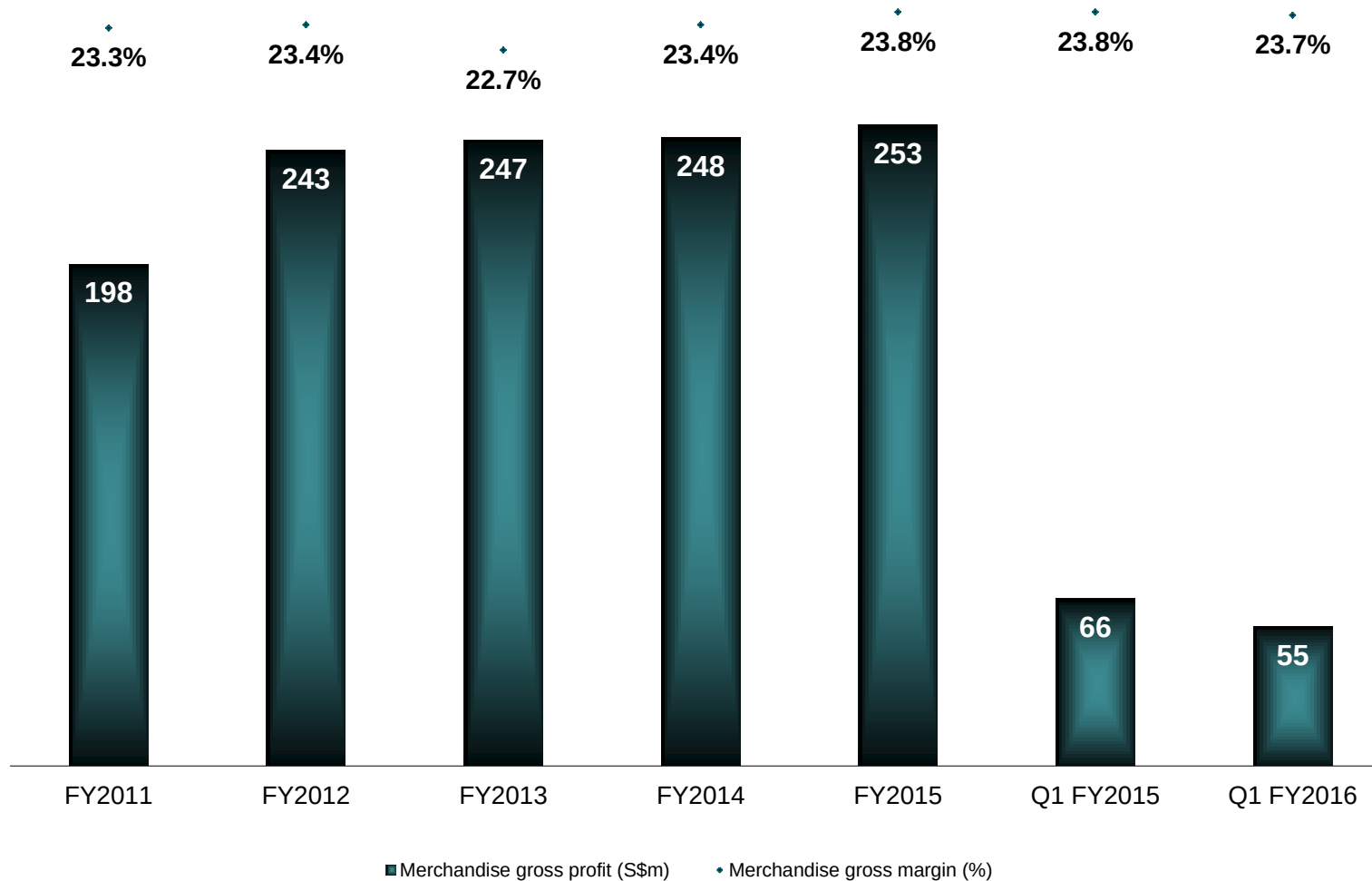
Q1 FY2015



- Fashion and apparel
- Cosmetic and accessories
- Household, electrical goods and others
- Groceries and perishables

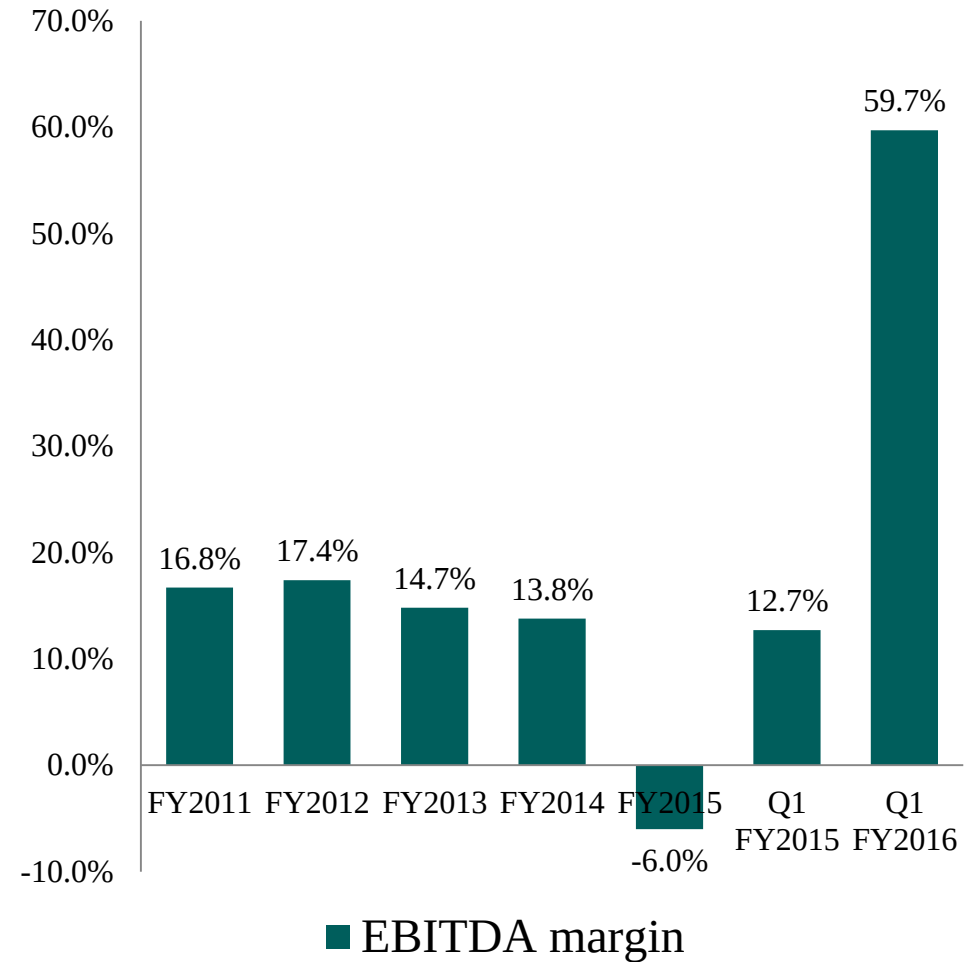
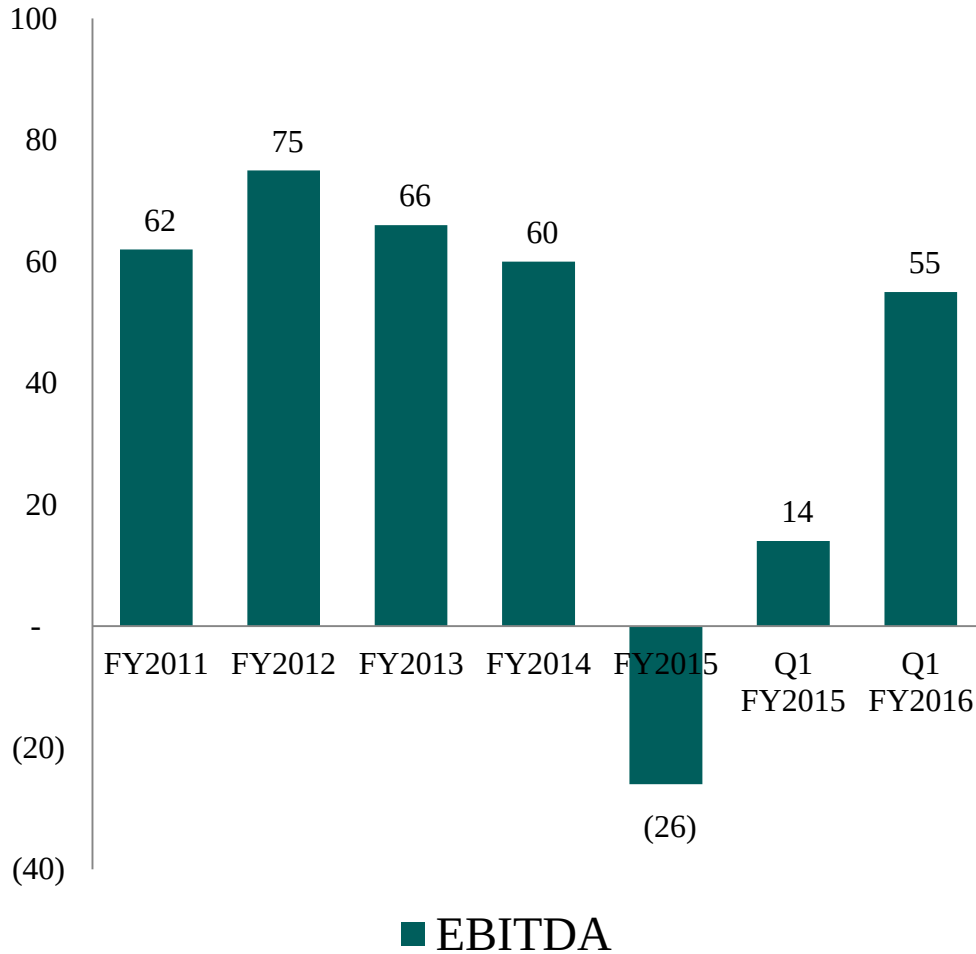
Blended gross margins

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



Profit margins

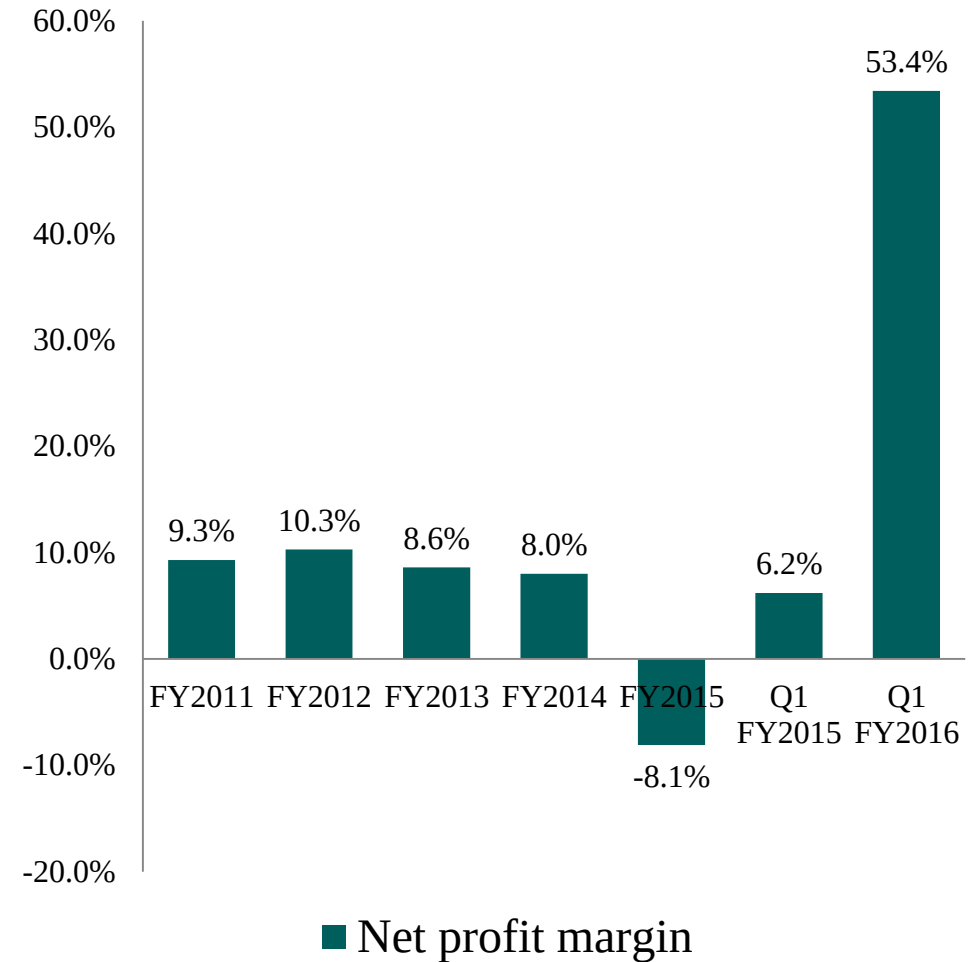
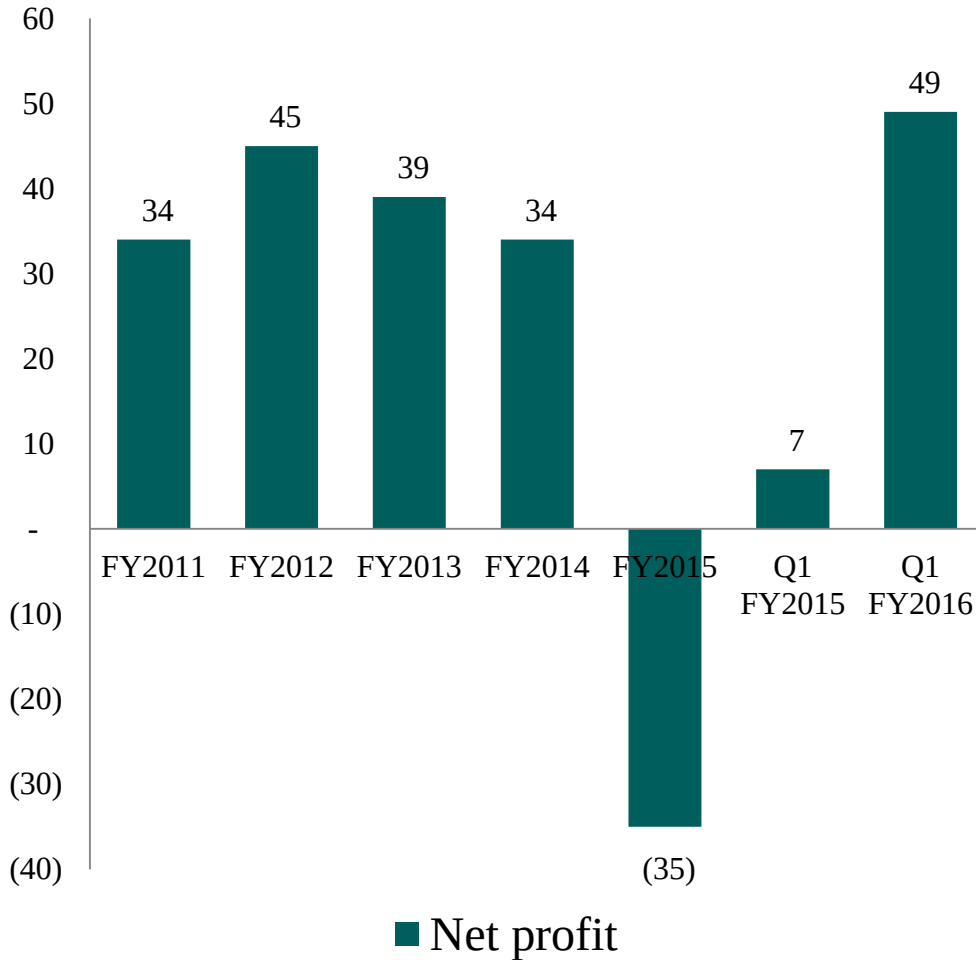
EBITDA⁽¹⁾



1. EBITDA is defined as profit before tax less finance costs and income, and depreciation and amortisation expenses

Profit margins

Net profit attributable to Owners of the Company



Going Forward



Expansion Plan (confirmed sites)

Location	FY2016 Approx. GFA (sq.m)		FY2017 Approx. GFA (sq.m)
<u>Malaysia</u>		<u>Malaysia</u>	
1. Maju Junction, Kuala Lumpur (opened July 2015)	35,954	1. MyTown, Kuala Lumpur (Q2FY2017)^	13,952
2. Aman Central, Alor Setar (opened October 2015)	12,546	2.. Lion City Mall, Melaka (Q4FY2017)^	13,941
3. Viva City, Kuching (Q2FY2016)^	12,795	3.. The Spring, Bintulu (Q4FY2017)^	11,152
4. Empire City, Damansara (Q4FY2016)^	9,737		39,045
5. M Square, Puchong (Q4FY2016)^	35,316	<u>Indonesia</u>	
	106,348	4. Balikpapan Supermall, Balikpapan (Q2FY2017)^	5,982
<u>Indonesia</u>		5. Pesona Khayangan Mall, Depok (Q4FY2017)^	7,841
6. Hartono Lifestyle, Yogyakarta (Q2FY2016)^	11,650	6. Borneo Mall, Pontianak (Q4FY2017)^	10,303
7. Manado Town Square, Manado (Q2FY2016)^	10,000	7. U City Mall, Medan (Q2FY2017)^	10,427
	21,650		34,553
<u>Cambodia</u>		<u>Cambodia</u>	
8. Parkson Cambodia, Phnom Penh (Q4FY2016)^	36,500	8. Lion Mall, Phnom Penh (Q4FY2017)^	48,084
Total	164,498	Total	121,682
Balance opening GFA	756,647		921,145
% Increase	21.7%		13.2%
Closing GFA	921,145		1,042,827

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

THANK YOU

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