

Parkson Retail Asia Limited

# Financial Results for Q2 FY2018

8 February 2018

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# Financial Highlights



# Same Store Sales Growth (SSSG)

|           | Quarter ended |            | 6 Months ended |            |
|-----------|---------------|------------|----------------|------------|
|           | 31.12.2017    | 31.12.2016 | 31.12.2017     | 31.12.2016 |
| Malaysia  | -1.7%         | 4.2%       | -4.0%          | -0.8%      |
| Vietnam   | -2.3%         | -11.3%     | -4.9%          | -10.9%     |
| Indonesia | -2.1%         | -2.2%      | -8.0%          | -7.7%      |
| Myanmar   | n/a           | -29.5%     | n/a            | -28.9%     |

## Malaysia

- Intense competition among retail players amid subdued consumer sentiment.
- Consumer sentiment index for Q4 2017 (calendar year) as reported by MIER<sup>1</sup> remains below the 100-point confidence threshold for the 14<sup>th</sup> consecutive quarter.

## Vietnam

- Reduced quarterly negative SSSG due to aggressive promotional activities and fading of novelty effect arising from new retail players.

## Indonesia

- Quarterly performance mainly impacted by the Bali volcano eruption and downsizing of a store in Jakarta.

## Myanmar

- Comparative SSSG 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.

<sup>1</sup> Malaysia Institute of Economic Research

# Financial Overview

| S\$'000                                        | Quarter ended |            |        | 6 Months ended |            |        |
|------------------------------------------------|---------------|------------|--------|----------------|------------|--------|
|                                                | 31.12.2017    | 31.12.2016 | VAR %  | 31.12.2017     | 31.12.2016 | VAR %  |
| Gross Sales Proceeds ("GSP")                   | 257,354       | 263,356    | -2%    | 459,780        | 484,108    | -5%    |
| Revenue                                        | 112,148       | 111,139    | 1%     | 203,212        | 204,476    | -1%    |
| EBITDA                                         | 5,058         | 5,981      | -15%   | (1,657)        | 5,475      | >-100% |
| Pre-tax loss                                   | (1,554)       | (591)      | >-100% | (14,740)       | (6,900)    | >-100% |
| Net loss attributable to owners of the Company | (3,071)       | (2,236)    | 37%    | (15,997)       | (7,416)    | >-100% |
|                                                |               |            |        |                |            |        |

- Operationally, the Group's performance was impacted by (i) negative SSSG recorded by the Group's operations; and (ii) gestation period of new stores and new ventures.

# Segmental Pre-tax Results – 6MFY2018

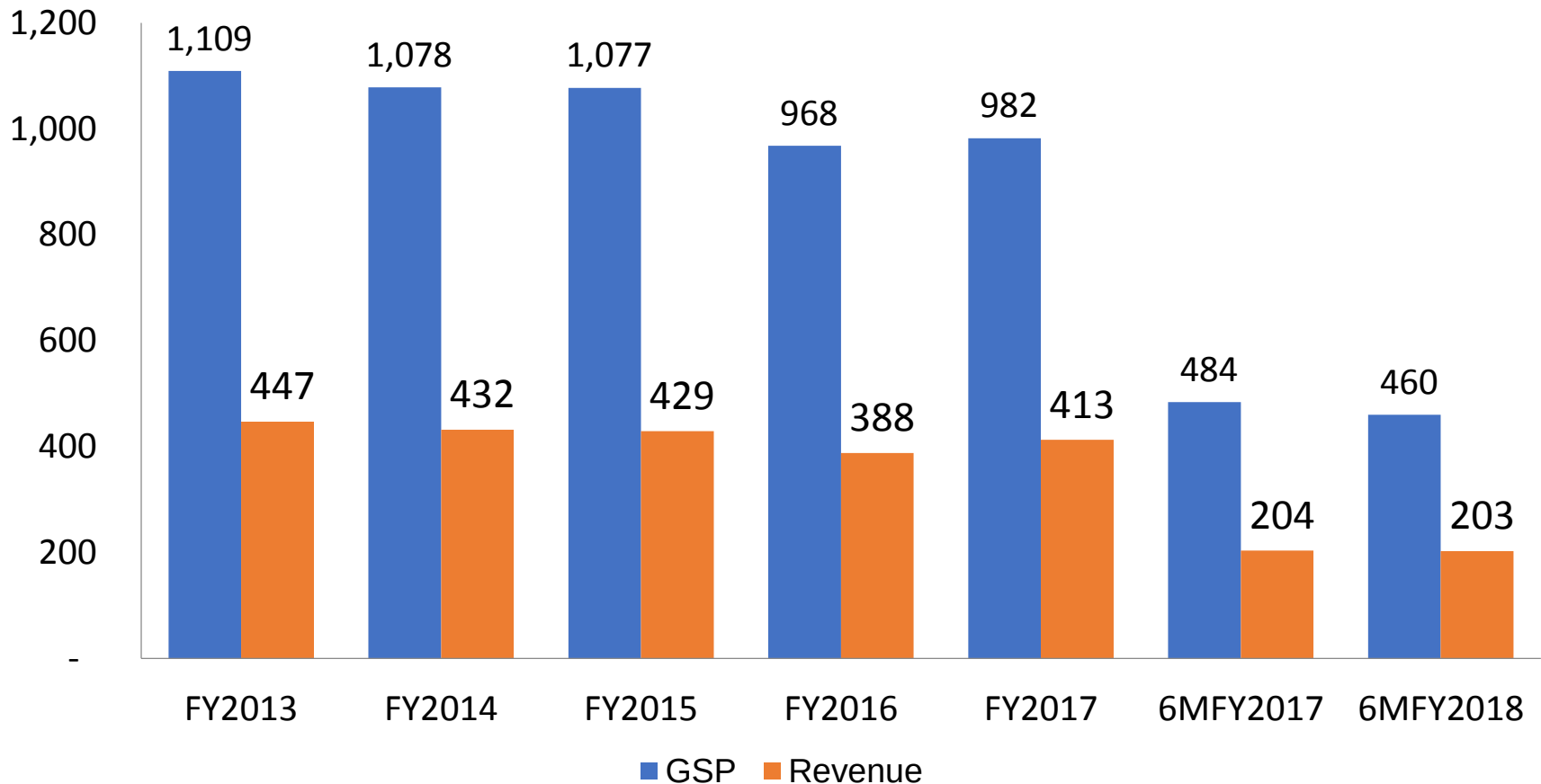
| S\$'000                  | Malaysia           | Vietnam        | Indonesia      | Myanmar            | Others         | Group              |
|--------------------------|--------------------|----------------|----------------|--------------------|----------------|--------------------|
| <b>6MFY2018</b>          |                    |                |                |                    |                |                    |
| Same store               | 1,558              | (1,469)        | (3,746)        | (5)                | -              | (3,662)            |
| <i>Variance TY/LY</i>    | <i>-56.9%</i>      | <i>19.6%</i>   | <i>0.8%</i>    | <i>0.0%</i>        |                | <i>-84.0%</i>      |
| New/closed stores        | (2,167)            | -              | (588)          | (857)              | -              | (3,612)            |
| <b>Department stores</b> | <b>(609)</b>       | <b>(1,469)</b> | <b>(4,334)</b> | <b>(862)</b>       | -              | <b>(7,274)</b>     |
| Other retail stores      | (4,496)            | -              | -              | -                  | -              | (4,496)            |
| <b>Retailing</b>         | <b>(5,105)</b>     | <b>(1,469)</b> | <b>(4,334)</b> | <b>(862)</b>       | -              | <b>(11,770)</b>    |
| Other businesses         | -                  | -              | -              | -                  | (2,172)        | (2,172)            |
| Investment holding       | -                  | -              | -              | -                  | (798)          | (798)              |
| <b>As reported</b>       | <b>(5,105)</b>     | <b>(1,469)</b> | <b>(4,334)</b> | <b>(862)</b>       | <b>(2,970)</b> | <b>(14,740)</b>    |
| <i>Variance TY/LY</i>    | <i>&gt;-100.0%</i> | <i>19.6%</i>   | <i>-9.7%</i>   | <i>&gt;-100.0%</i> | <i>-23.8%</i>  | <i>&gt;-100.0%</i> |

# Segmental Pre-tax Results – 6MFY2017

| S\$'000                  | Malaysia     | Vietnam        | Indonesia      | Myanmar      | Others         | Group          |
|--------------------------|--------------|----------------|----------------|--------------|----------------|----------------|
| <b><u>6MFY2017</u></b>   |              |                |                |              |                |                |
| Same store               | 3,619        | (1,826)        | (3,778)        | (5)          | -              | (1,990)        |
| New/closed stores        | 5            | -              | (171)          | (236)        | -              | (402)          |
| <b>Department stores</b> | <b>3,624</b> | <b>(1,826)</b> | <b>(3,949)</b> | <b>(241)</b> | -              | <b>(2,392)</b> |
| Other retail stores      | (2,107)      | -              | -              | -            | -              | (2,107)        |
| <b>Retailing</b>         | <b>1,517</b> | <b>(1,826)</b> | <b>(3,949)</b> | <b>(241)</b> | -              | <b>(4,499)</b> |
| Other businesses         | -            | -              | -              | -            | (2,174)        | (2,174)        |
| Investment holding       | -            | -              | -              | -            | (227)          | (227)          |
| <b>As reported</b>       | <b>1,517</b> | <b>(1,826)</b> | <b>(3,949)</b> | <b>(241)</b> | <b>(2,401)</b> | <b>(6,900)</b> |
|                          |              |                |                |              |                |                |

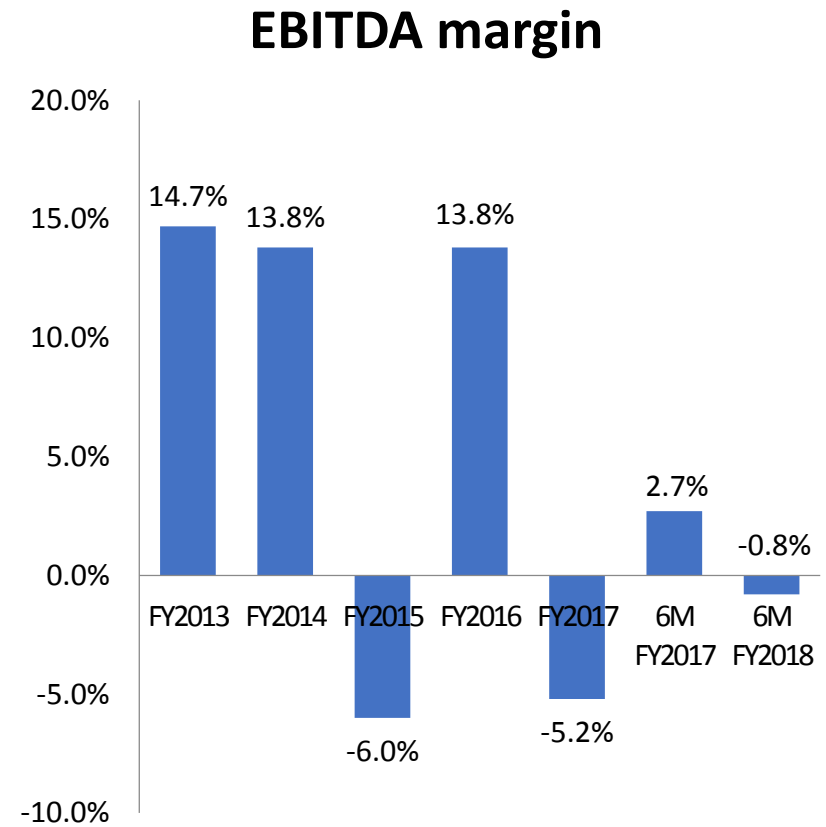
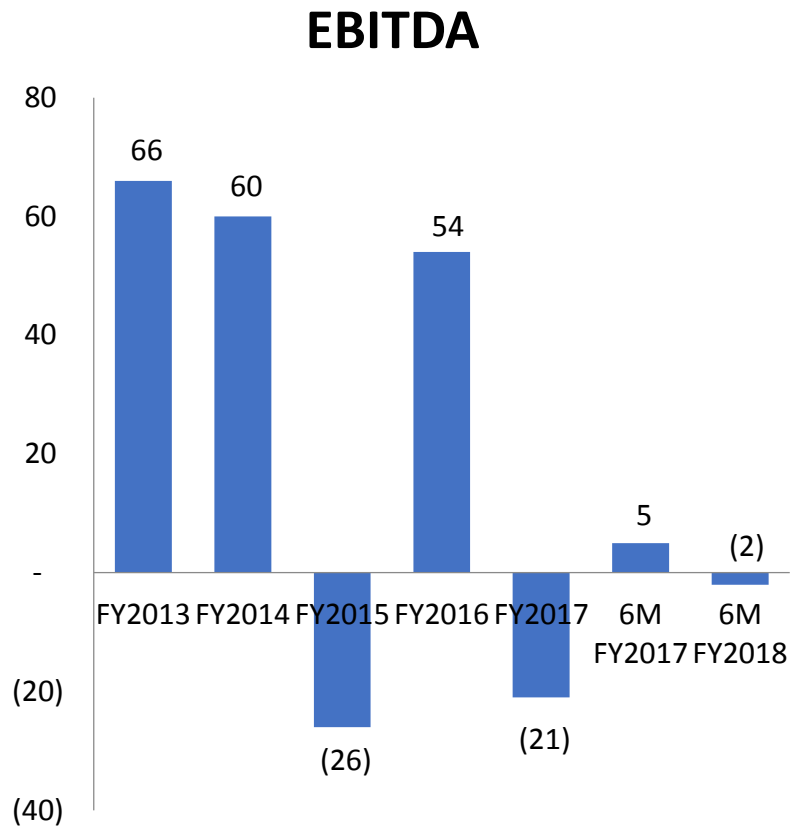
# 5-Year Gross Sales Proceeds and Revenue

Overall top line growth (\$ million)



# 5-Year Profit Margins

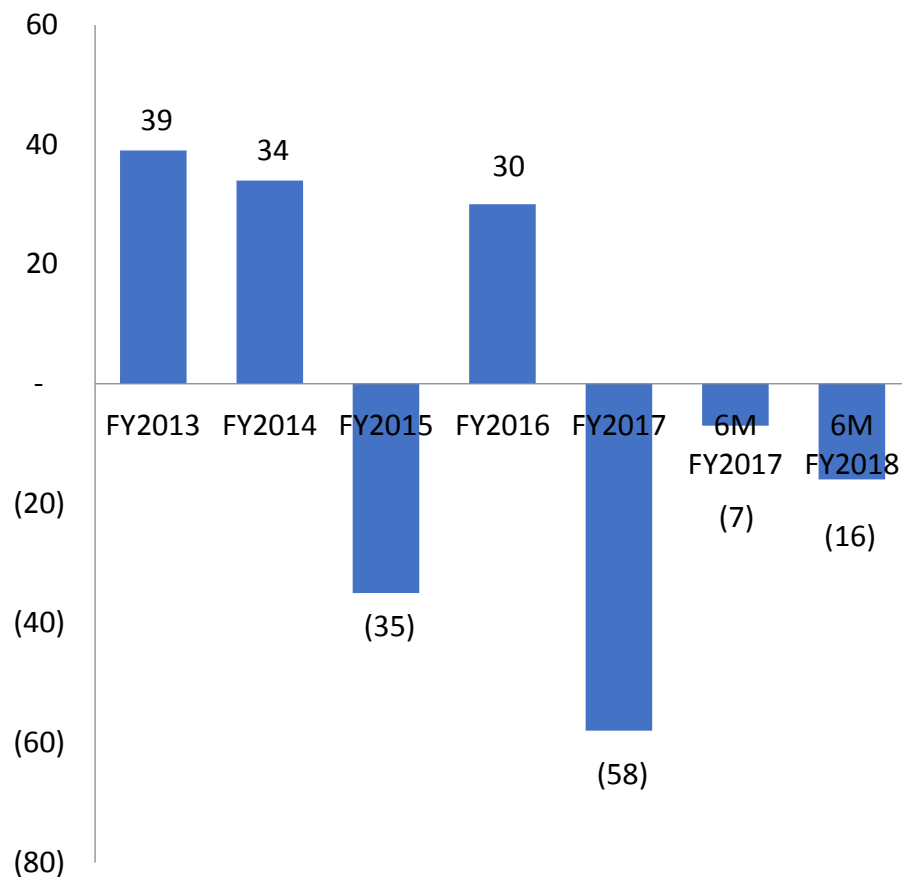
## - EBITDA



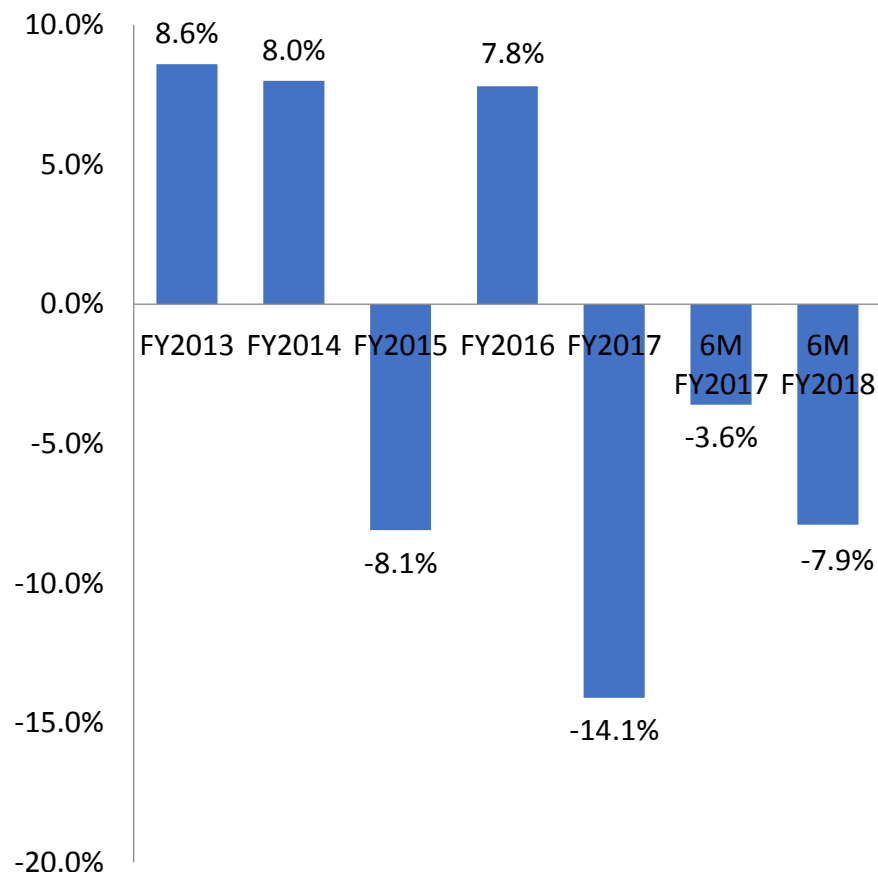
# 5-Year Profit Margins

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

## Net profit



## Net profit margin

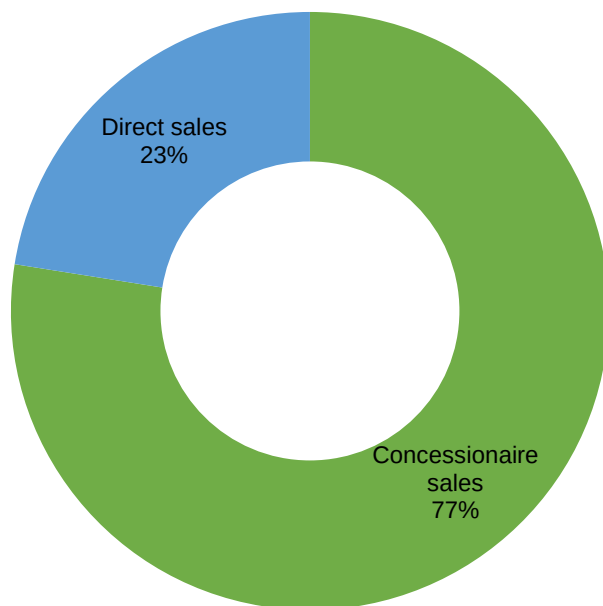


# Operational Highlights

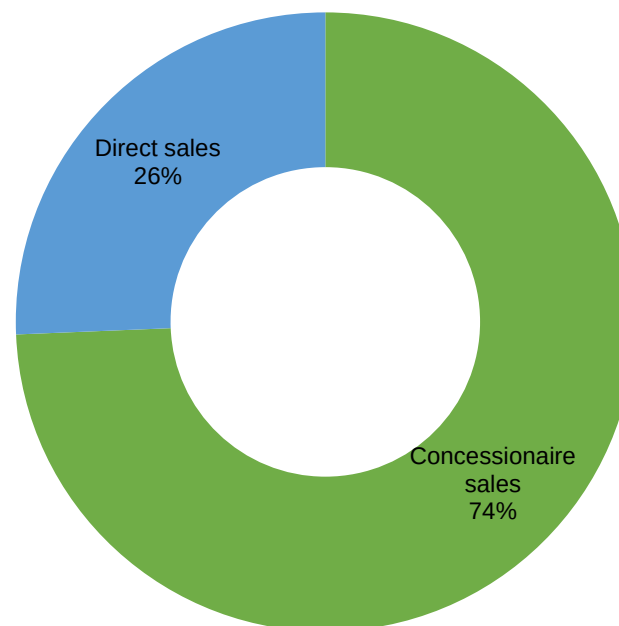


# Merchandise sales mix

6MFY2017

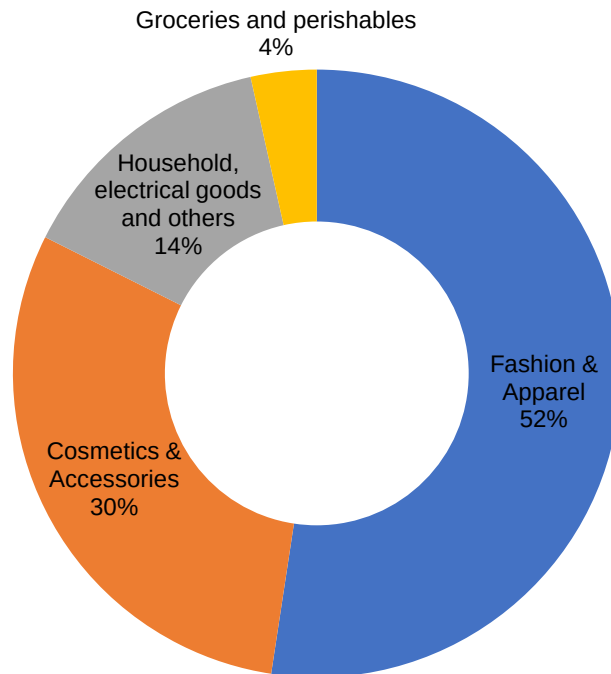


6MFY2018

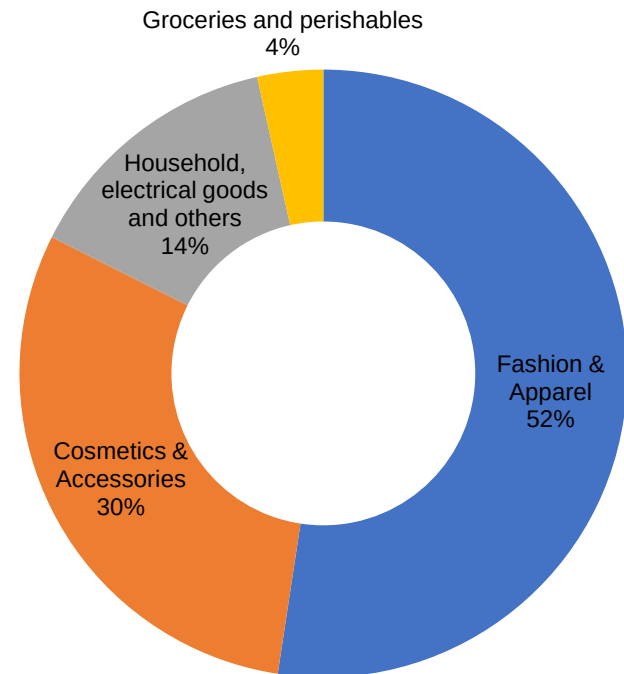


# Merchandise sales by segment

## 6MFY2017

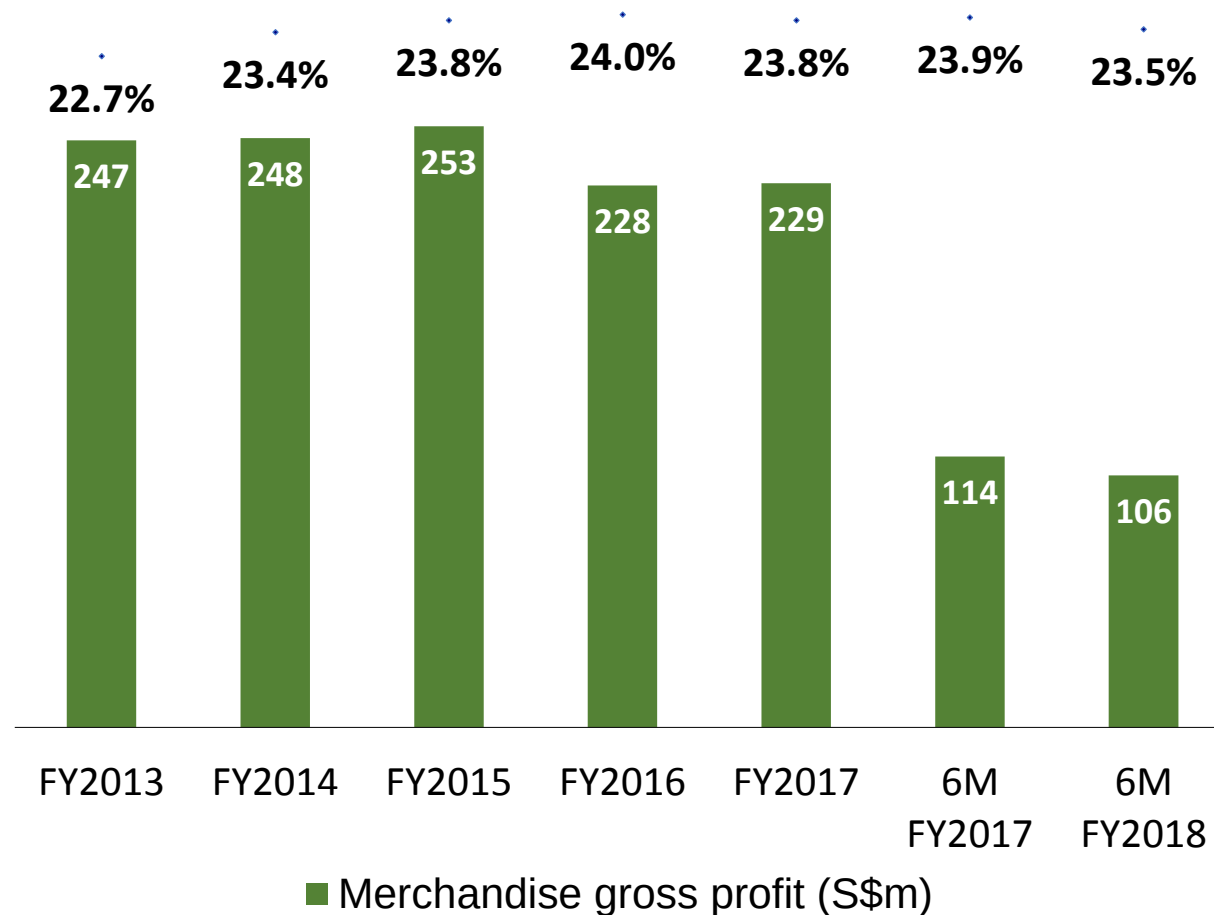


## 6MFY2018



# 5-Year Merchandise Gross Margin

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



# Geographic Footprint

- department stores



## Malaysia

Number of stores: 45  
GFA: 532,000 sqm



## Vietnam

Number of stores: 7  
GFA: 128,000 sqm



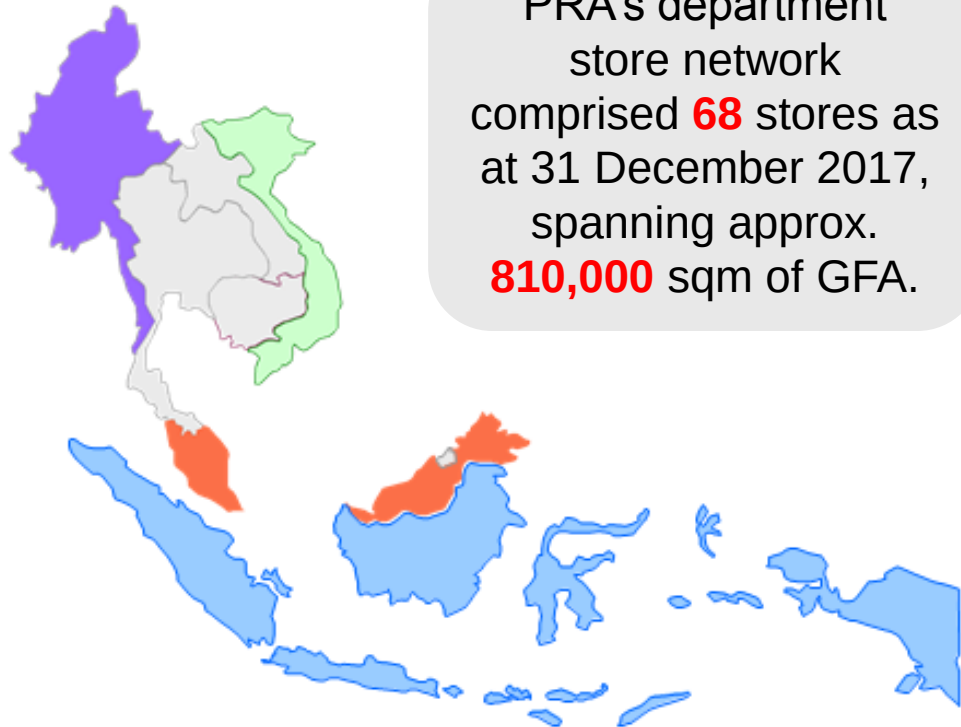
## Indonesia

Number of stores: 15  
GFA: 146,000 sqm



## Myanmar

Number of store: 1  
GFA: 4,000 sqm



# Expansion Plan



# Expansion Plan

## - department store openings in FY2018

| Location                                                 | FY2018 GFA    |
|----------------------------------------------------------|---------------|
| <b><u>Malaysia</u></b>                                   | (sq.m)        |
| 1. Kuantan City Mall, Kuantan (opened in October 2017)   | 12,261        |
| 2. Paradigm Mall, Johor Bahru (opened in November 2017)* | 19,212        |
| 3. M Square, Puchong (opened in January 2018)            | 35,316        |
| 4. Evo Shopping Mall, Bangi (Q3FY2018)^                  | 7,726         |
| Sub-total                                                | 74,515        |
| <b><u>Indonesia</u></b>                                  |               |
| 5. Icon Mall, Gresik (Q4FY2018)^                         | 6,682         |
| <b>Total</b>                                             | <b>81,197</b> |

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

\* managed store

# Appendix: Store Count and Gross Floor Area

# Store Count and Gross Floor Area (“GFA”)

## - department stores

|                       | 31.12.2017 | 30.06.2017 | Openings | Closures | Change |
|-----------------------|------------|------------|----------|----------|--------|
| Malaysia <sup>1</sup> | 45         | 45         | 2        | (2)      | -      |
| GFA (sqm)             | 532,000    | 527,000    |          |          |        |
| Vietnam <sup>2</sup>  | 7          | 7          | -        | -        | -      |
| GFA (sqm)             | 128,000    | 128,000    |          |          |        |
| Indonesia             | 15         | 17         | -        | (2)      | (2)    |
| GFA (sqm)             | 146,000    | 150,000    |          |          |        |
| Myanmar               | 1          | 1          | -        | -        | -      |
| GFA (sqm)             | 4,000      | 4,000      |          |          |        |
| GROUP                 | 68         | 70         | 2        | (4)      | (2)    |
| GFA (sqm)             | 810,000    | 809,000    |          |          |        |

<sup>1</sup> Includes 1 managed store

<sup>2</sup> Includes 2 managed stores

# Store Count and Gross Floor Area (“GFA”)

## - department stores (cont’d)

| Summary of department store openings / closures | Country   | Commenced / ceased operation |
|-------------------------------------------------|-----------|------------------------------|
| Openings                                        |           |                              |
| - Kuantan City Mall, Kuantan                    | Malaysia  | October 2017                 |
| - Paradigm Mall, Johor Bahru (managed store)    | Malaysia  | November 2017                |
| Closures                                        |           |                              |
| - Berjaya Megamall, Kuantan                     | Malaysia  | September 2017               |
| - Kem Chicks Pacific Place, Jakarta             | Indonesia | September 2017               |
| - Melaka Mall, Ayer Keroh                       | Malaysia  | December 2017                |
| - Parkson Gourmet Mart, Jakarta                 | Indonesia | December 2017                |

**THANK YOU**

