

BLUEPRINT FOR SUSTAINABLE GROWTH



THAKRAL
CORPORATION LTD

FY2023 RESULTS UPDATE

29 February 2024

DISCLAIMER

This is a presentation of general information relating to the current activities of Thakral Corporation Ltd (the “Company”). It is given in summary form and does not purport to be complete.

This presentation may contain forward-looking statements which are subject to risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, governmental and public policy changes, and the continued availability of financing.

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THAKRAL AT A GLANCE

SGX-listed since 1995

S\$0.595
Share Price*

S\$76.1m
Market Cap*

Attractive Valuation

6.7%
Dividend Yield[^]

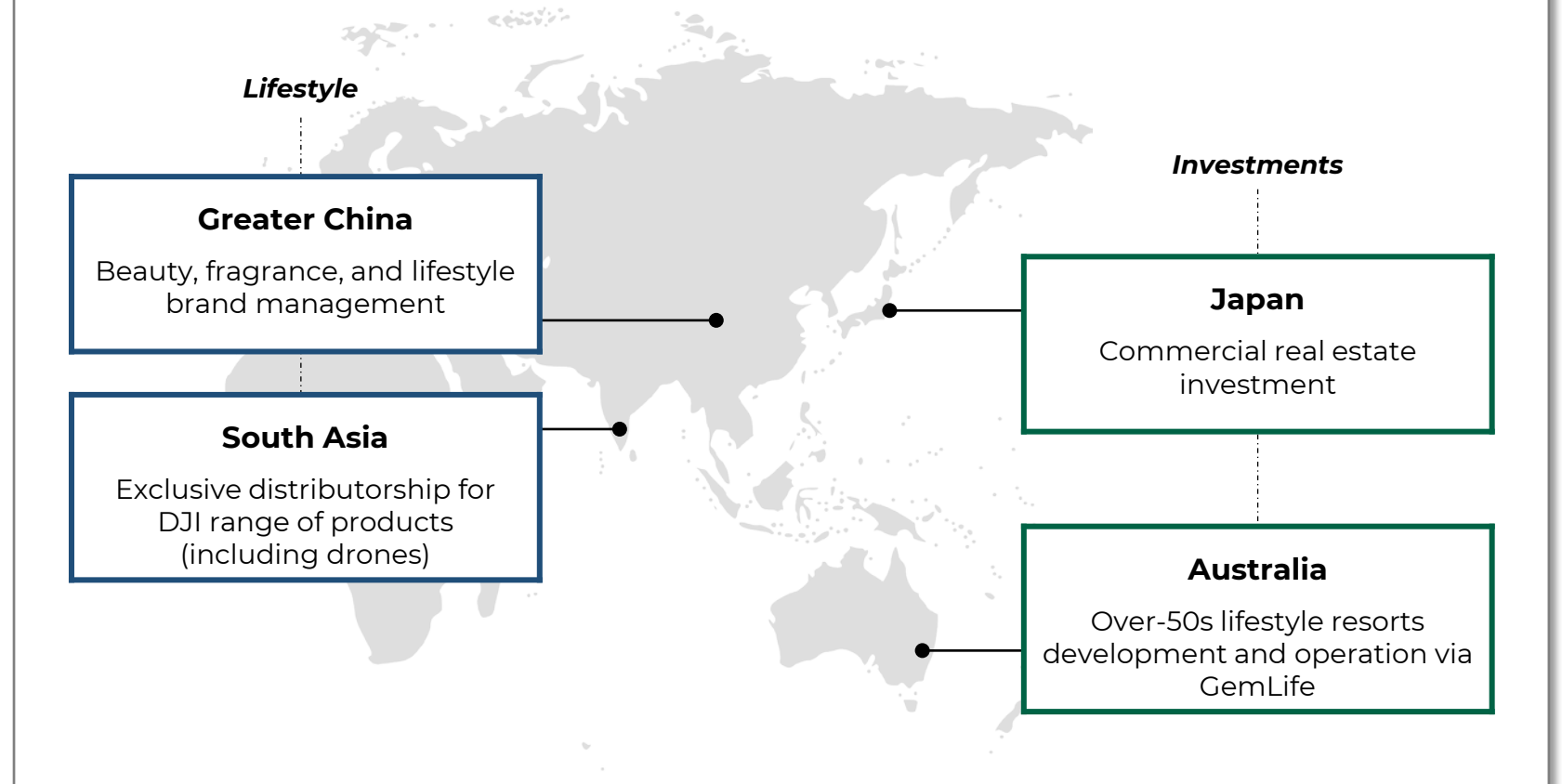
S\$1.17
NAV/Share[#]

Dual Growth Drivers

Over-50s Lifestyle Resorts in Australia where demand growth outpaces supply

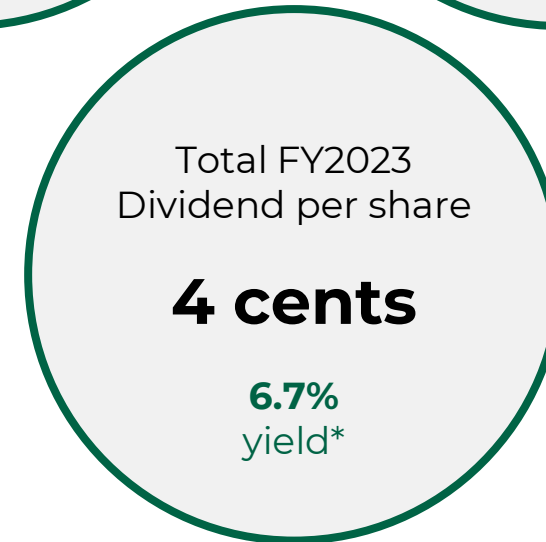
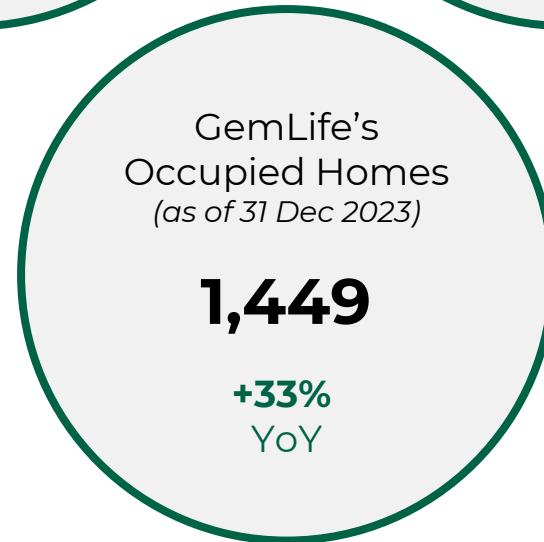
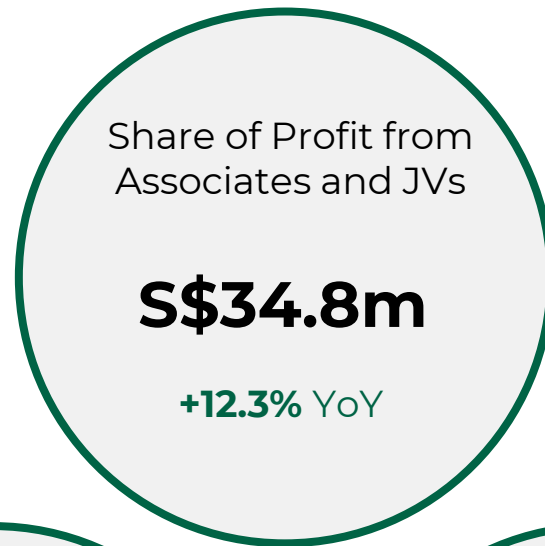
Strategic expansion in **beauty, fragrance, and drones** business

Key Businesses



*as of 28 Feb 2024 [^]FY2023 dividend and share price as of 31 Dec 2023 [#]as of 31 Dec 2023

FY2023 SNAPSHOT



*FY2023 dividend and share price as of 31 Dec 2023

RESTRUCTURING OF THAKRAL CAPITAL HOLDINGS AND ITS GROUP OF COMPANIES

Key Benefits

- 1** Significant cost savings going forward
- 2** Greater focus on GemLife as our core growth strategy in Australia

Key Impacts

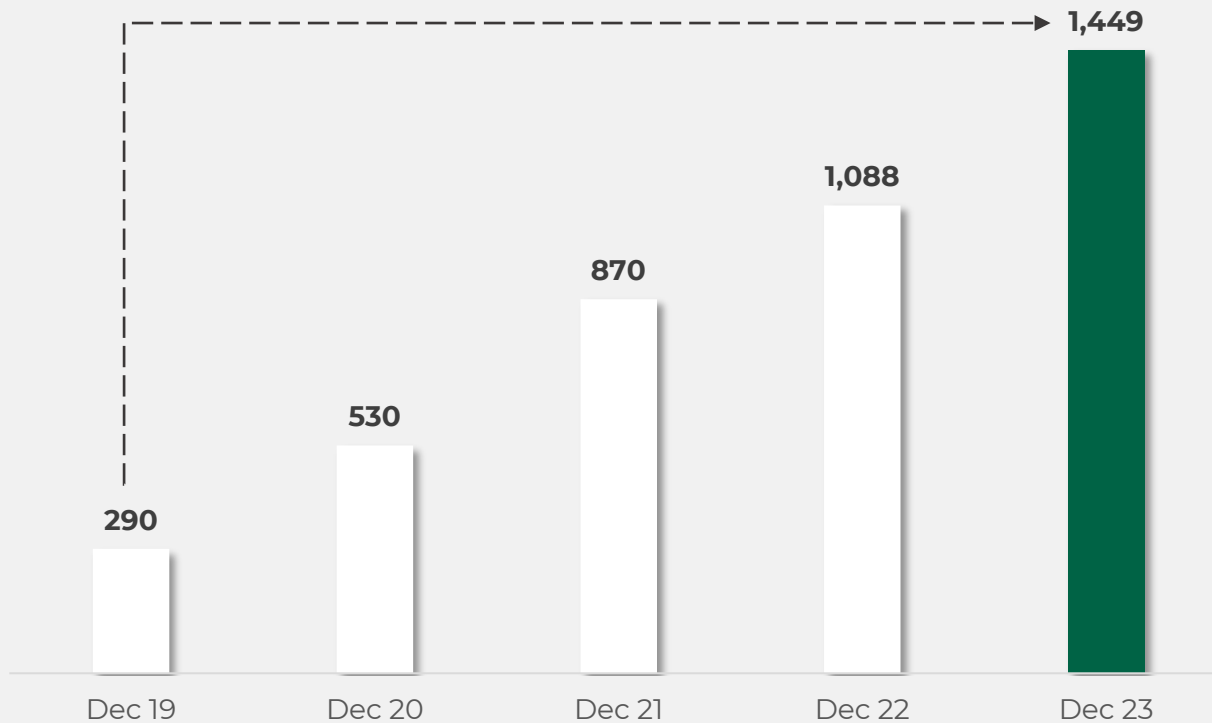
- 1** One-off S\$20.4 million incurred in FY2023
- 2** GemLife stake now at 31.7%
- 3** Reclassification of GemLife from JV to Associate

INVESTMENT: GEMLIFE UPDATES



31.7% Associate

Growing number of occupied homes leading to higher recurring weekly site fees



Extensive footprint across East Australia



INVESTMENT: JAPAN UPDATES

Pooled investment

Full Occupancy in 5 out of 6 offices in Japan

Property	Occupancy
Yotsubashi East Building	100%
Yotsubashi Nakano Building	100%
Yotsubashi Grand Building	100%
Itachibori Square	100%
Utsubo East Building	100%
Umeda Pacific Building	86%

As of 31 December 2023

Divestment of Osaka Hotel



Acquired	Nov 2017
Disposed	Aug 2023
Gains After Tax	S\$1.7 million

Further Divestment Plan

Two office buildings
(Itachibori Square and
Utsubo East Building)
up for sale to capitalise
on market condition



Capital Redeployment

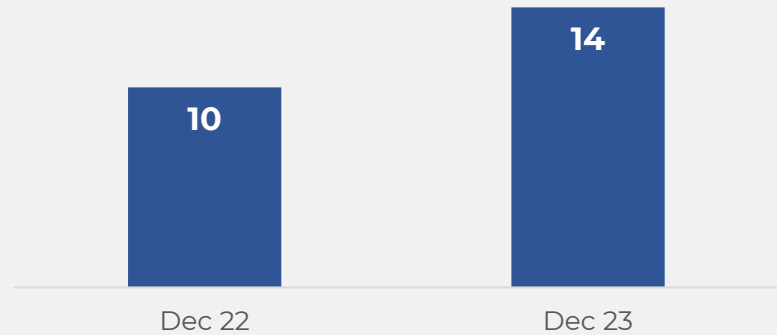
On the lookout for
high-yielding
investments

LIFESTYLE: BEAUTY & FRAGRANCE UPDATES

100% owned

Increasing footprint for fragrance and beauty business

Increasing retail stores in Greater China



*Increased Distribution Channels
(Department Stores, Beauty Stores & E-commerce)*

Minority Investment in CurrentBody

Expanded from China to Global post share swap exercise in June 2023

BEFORE	AFTER
<p>50% stake in Currentbody-Thakral JV China Presence</p>	<p>10% stake in CurrentBody's Parent Entity Global Presence</p> <p>+</p> <p>\$3.1m profit from divestment*</p>

Synergistic Benefits

- Greater alignment of interest with board seats on CurrentBody's parent entity
- Thakral to participate in future growth of CurrentBody capitalising on the **at-home beauty devices** market globally
- CurrentBody to leverage Thakral's extensive network in Asia

*Including the share of profit recognised on the joint venture

LIFESTYLE: DJI DISTRIBUTION UPDATES



100% owned

To boost distribution of DJI products in India and South Asia via latest acquisition

Acquired Thakral Innovations Pvt Ltd in Dec 2023

- Extensive footprint in India with 7 offices in India
- Leverage existing network and infrastructure to boost distribution

Growth plans for drone business

CURRENT

Consumer sector

FUTURE

**Enterprise and
Agriculture sectors**

Exclusive distribution of DJI range of products in 7 countries across South Asia





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FINANCIAL RESULTS

INCOME STATEMENT HIGHLIGHTS

Increase in normalised profits on the back of multi-segmental growth

	FY2023 (S\$'000)	FY2022 (S\$'000)	YoY Change
Revenue	212,269	160,422	+32.3%
Gross profit	45,902	39,222	+17.0%
Gross margin	21.6%	24.4%	(2.8ppts)
Profit from operations	15,312	7,395	+107.1%
Operating margin	7.2%	4.6%	+2.6ppts
Share of profit of associates and joint ventures	34,792	30,972	+12.3%
Profits before restructuring costs	46,535	36,593	+27.2%
Attributable profit	8,168	18,617	(56.1%)
Net margin	3.8%	11.6%	(7.8ppts)
EPS (Diluted)	6.4 cents	14.2 cents	(55.2%)

Key Drivers

Improvement in Lifestyle business which made up over 90% of revenue

Change in revenue mix impacted margins

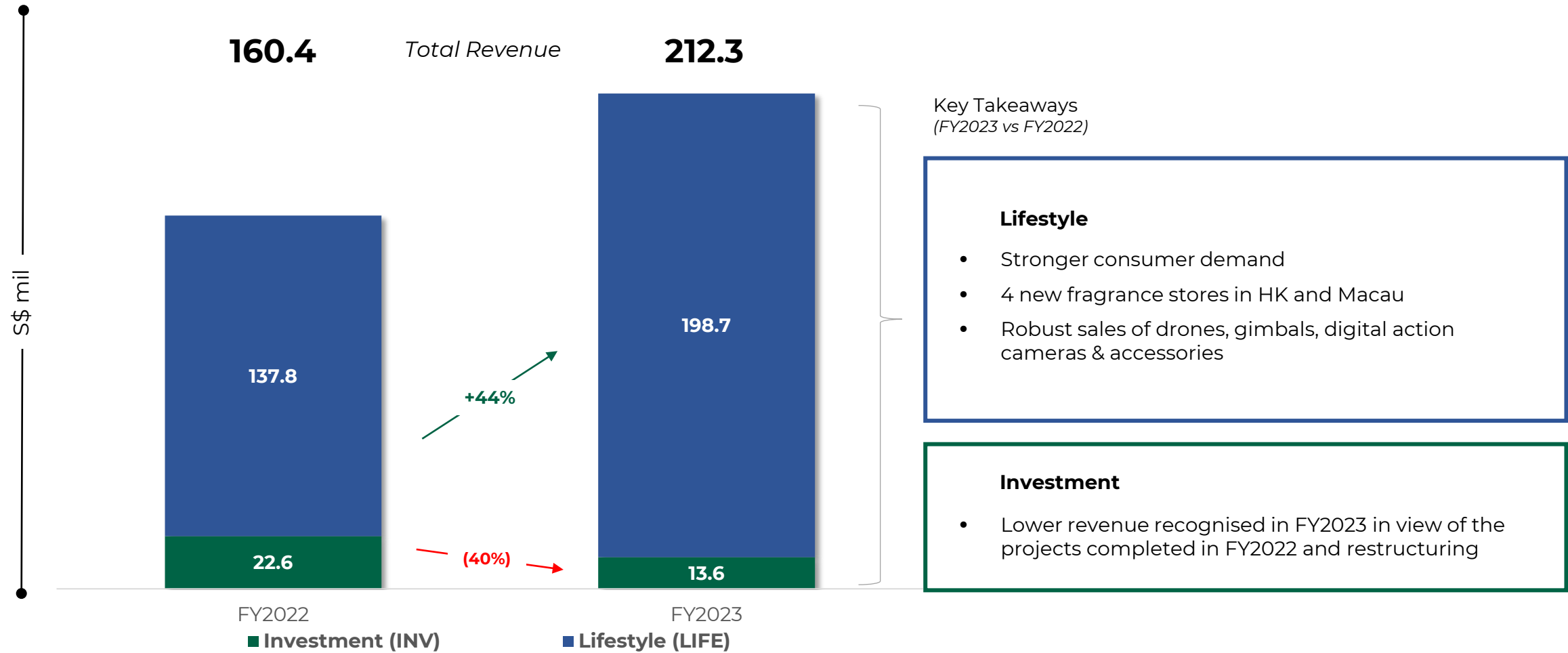
Higher revenue and absence of additional staff costs post restructuring otherwise attributable to the Australia operations

Impacted by one-off restructuring charge of S\$20.4 million recorded in FY2023

ppts = Percentage Points

REVENUE BREAKDOWN BY SEGMENT

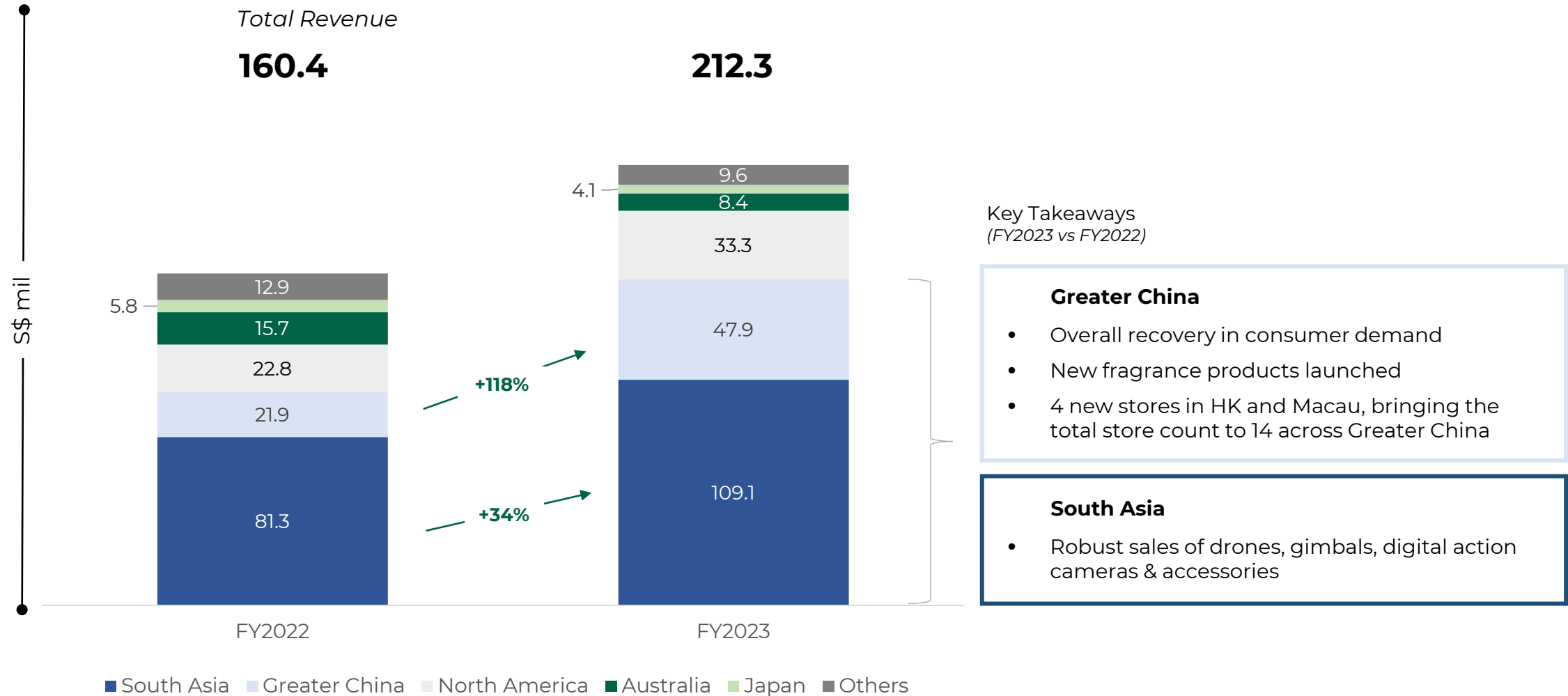
~94% of FY2023 revenue was contributed by Lifestyle business



Note: Revenue from the Investment Segment does not include business activities from its associates and joint ventures

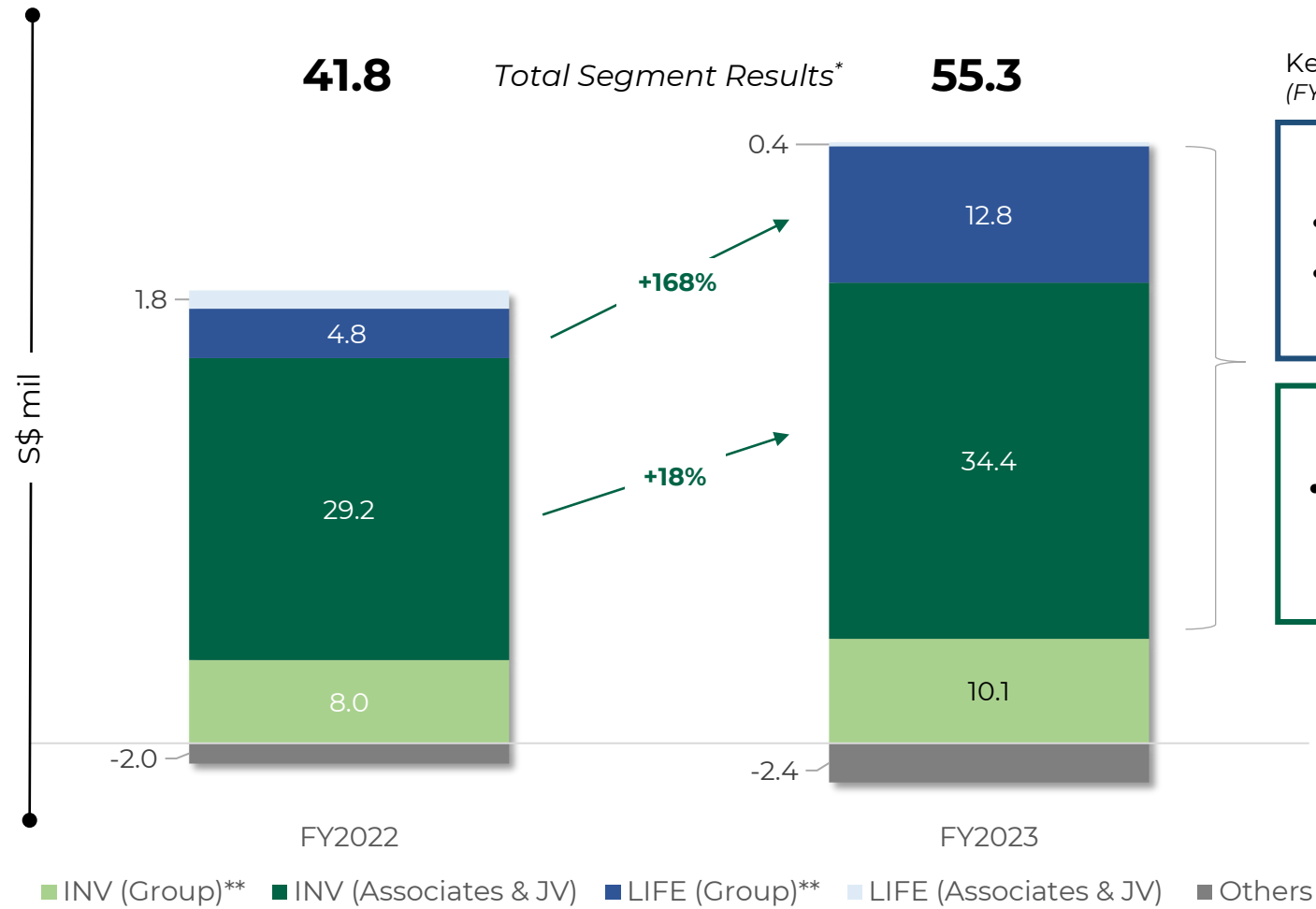
REVENUE BREAKDOWN BY GEOGRAPHY

Growth in key geographies on the back of stronger consumer demand in FY2023



SEGMENTAL RESULTS BREAKDOWN

Dual factor: Significant growth in both Investment business and Lifestyle business



Key Takeaways
(FY2023 vs FY2022)

LIFE (Group)

- New products, new stores, and recovery (Greater China)
- Robust sales of drones, gimbals, digital action cameras & accessories

INV (Associates & JV)

- Settlements were 66% higher than FY2022, representing GemLife's best performance to date since inception

* One-off restructuring cost of S\$20.4 million under the INV segment has been excluded to reflect segmental results
 ** Inclusive of valuation adjustments on investment properties and/or fair value adjustment on derivative financial instruments

BALANCE SHEET HIGHLIGHTS

<i>Selected Items Only</i>	31 DEC 2023 (S\$'000)	31 DEC 2022 (S\$'000)	YoY Change
Cash and bank balances	11,257	20,058	(43.9%)
Joint ventures	-	67,678	N.M.
Associates	124,058	60,776	+104.1%
Total Assets	328,985	348,872	(5.7%)
Total Short-Term Debt	49,203	42,416	+16.0%
Total Long-Term Debt	6,887	8,466	(18.6%)
Total Liabilities	128,234	120,572	+6.4%

Key Drivers

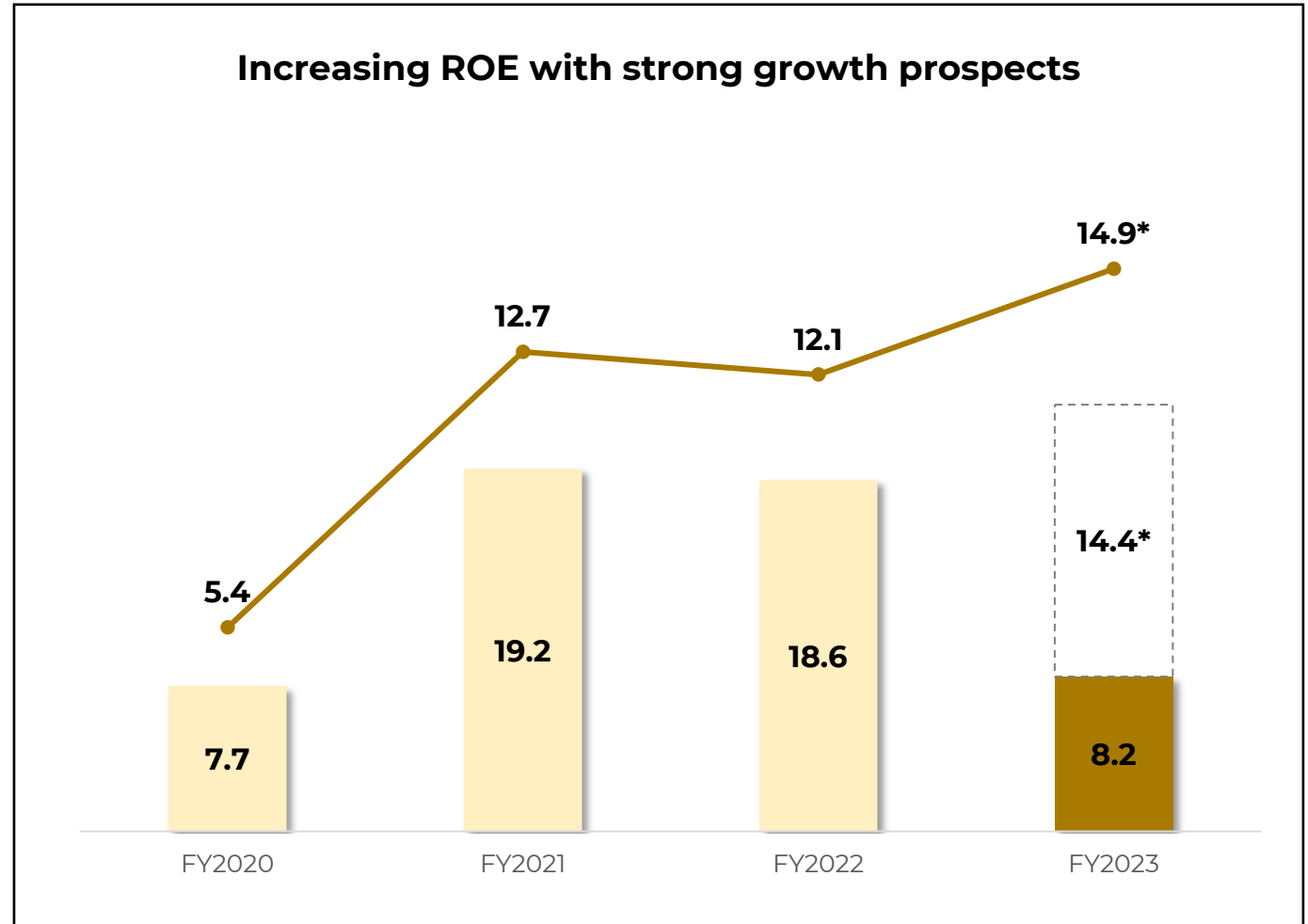
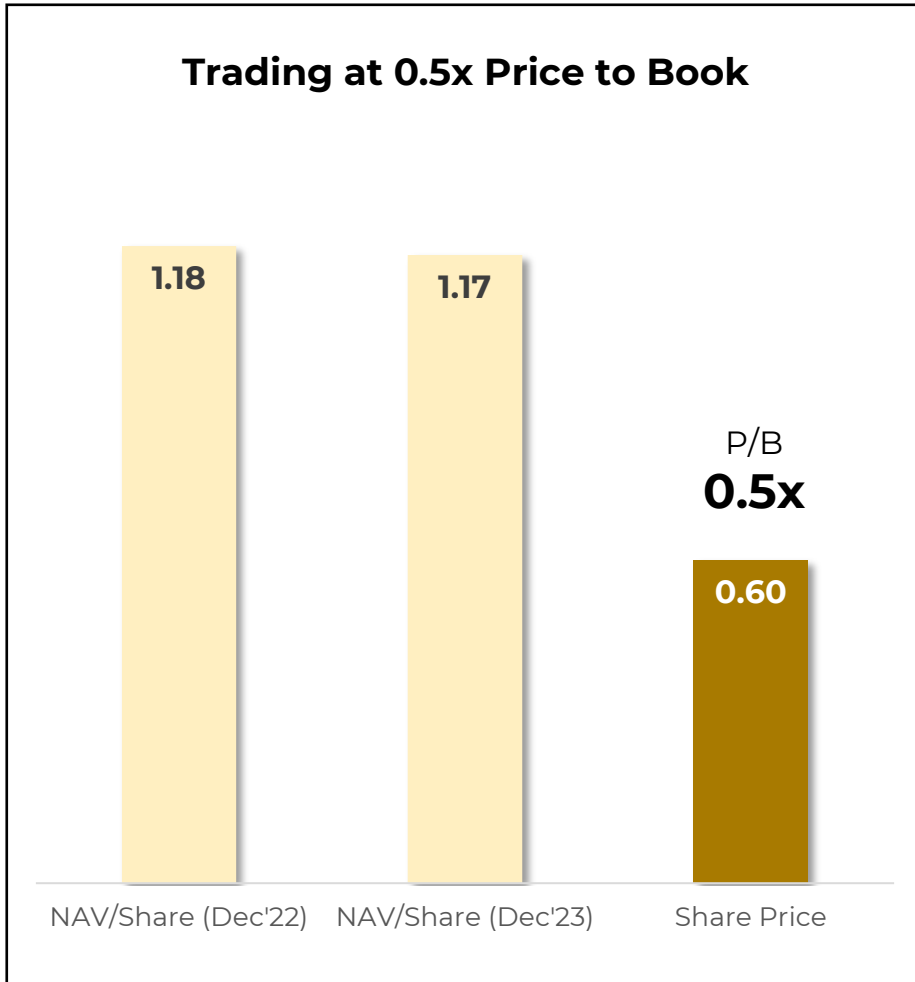
Decreased due to costs for restructuring, dividends, etc

Reclassification of *GemLife* as an associate post-restructuring

Total debt increased due to additional trade finance funding by Lifestyle Division to support higher level of operations

N.M. = Not Meaningful

ATTRACTIVE VALUATION WITH STRONG GROWTH

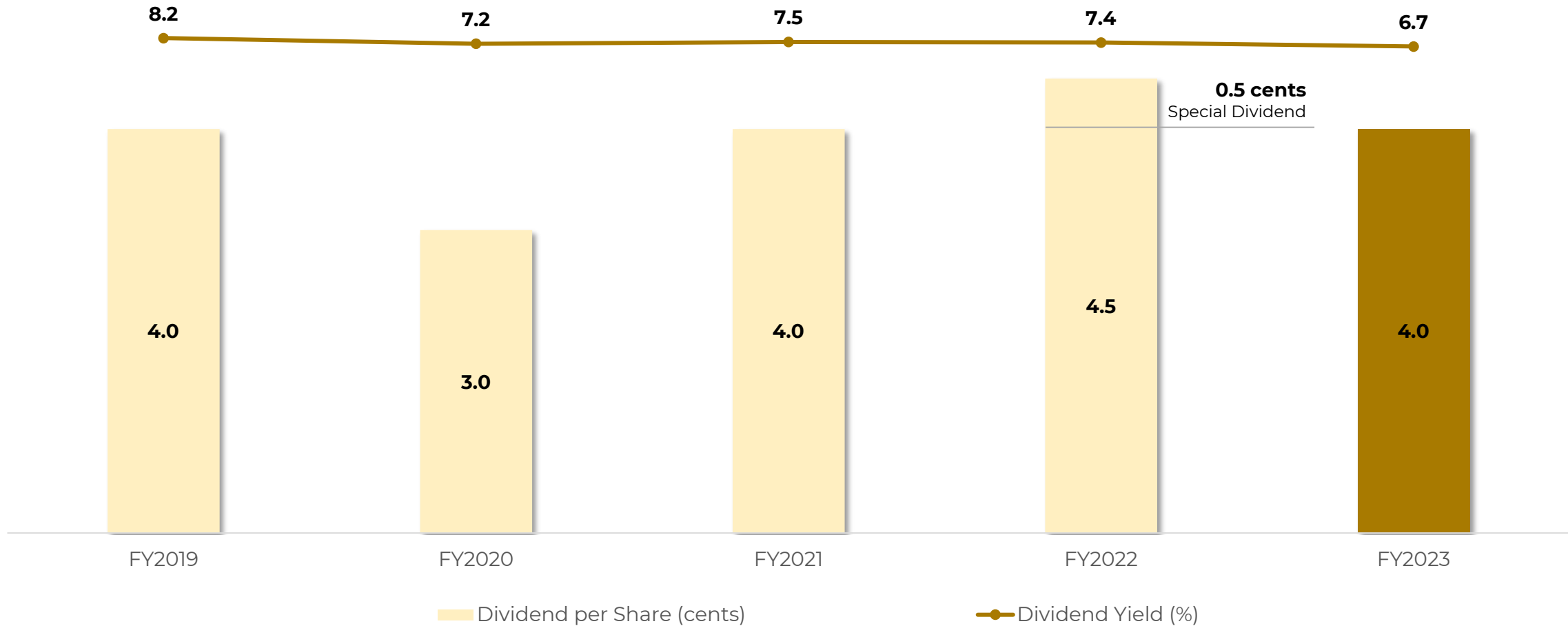


*Assuming pro-forma after-tax profit of S\$22.6 million (S\$8.2 million + S\$14.4 million post-tax** impact if restructuring costs weren't incurred)

**Assuming a tax rate of 29.5% (based on FY2023 effective tax rate)

HIGH DIVIDEND YIELD

Stable dividend track record and share buyback exercise amounting to S\$1 million in FY2023





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