

Parkson Retail Asia Limited

Financial Results for Q4 FY2018

23 August 2018

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Financial Highlights



Same Store Sales Growth (SSSG)

SSSG	Quarter ended		Year ended	
	30.06.2018	30.06.2017	30.06.2018	30.06.2017
Malaysia	-2.4%	14.7%	-1.5%	2.8%
Vietnam	-14.6%	-14.0%	-8.3%	-13.6%
Indonesia	1.3%	11.0%	-3.8%	-1.5%
Myanmar	-3.8%	n/a	-3.8%	-26.4%

Malaysia

- Negative quarterly SSSG due to diversion of consumer spending to big ticket items on zero-rating of GST, and high base effect of Q4FY2017's SSSG.

Vietnam

- Challenging operating environment amidst a crowded retail scene.

Indonesia

- Lower quarterly SSSG due to high base effect of Q4FY2017's SSSG.
- Excluding effect of store downsizing in Jakarta and volcano eruption in Bali, FY2018 SSSG would have been -2.4%.

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.

¹ Malaysia Institute of Economic Research

Financial Overview

S\$'000	Quarter ended			Year ended		
	30.06.2018	30.06.2017	VAR %	30.06.2018	30.06.2017	VAR %
Gross Sales Proceeds ("GSP")	252,340	262,926	-4.0%	953,289	982,422	-3.0%
Revenue	106,203	109,609	-3.1%	413,888	412,734	0.3%
EBITDA	(8,566)	(24,740)	65.4%	(11,165)	(21,437)	47.9%
Pre-tax loss	(17,585)	(31,197)	43.6%	(40,104)	(46,986)	14.6%
Attributable net loss	(18,576)	(41,709)	55.5%	(42,390)	(58,218)	27.2%
<u>Operational Earnings¹</u>						
EBITDA	1,121	6,550	-82.9%	(978)	12,553	>-100.0%
Pre-tax loss	(7,898)	93	>-100.0%	(29,917)	(12,996)	>-100.0%

¹ Operational earnings exclude non-operational charges e.g. impairment, allowances for doubtful debts and one-off gain.

Segmental Pre-tax Results

Group	Retailing						Total
	Malaysia	Vietnam	Indonesia	Myanmar	Cambodia	Others	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
12 months ended 30.06.2018							
Pre-tax Results							
Department stores	(53)	(4,307)	(6,339)	(1,431)	(293)	-	(12,423)
Other retail stores	(8,270)	-	-	-	-	-	(8,270)
Discontinued retail stores*	(4,072)	-	-	-	-	-	(4,072)
Retailing	(12,395)	(4,307)	(6,339)	(1,431)	(293)	-	(24,765)
Other businesses							
- food and beverage	-	-	-	-	-	(3,500)	(3,500)
- theme park and education centre (discontinued)	-	-	-	-	-	(213)	(213)
Investment holding	-	-	-	-	-	(1,439)	(1,439)
Operational pre-tax results	(12,395)	(4,307)	(6,339)	(1,431)	(293)	(5,152)	(29,917)
Gain on disposal of a subsidiary	1,153	-	-	-	-	-	1,153
Allowance for doubtful debts							
- amount due from managed stores	-	(283)	-	-	-	-	(283)
Impairment							
- property, plant and equipment ("PPE")	(4,925)	(404)	(3,470)	(1,109)	-	(2,361)	(12,269)
Reversal of impairment of PPE for closed stores	1,212	-	-	-	-	-	1,212
Reported pre-tax results	(14,955)	(4,994)	(9,809)	(2,540)	(293)	(7,513)	(40,104)

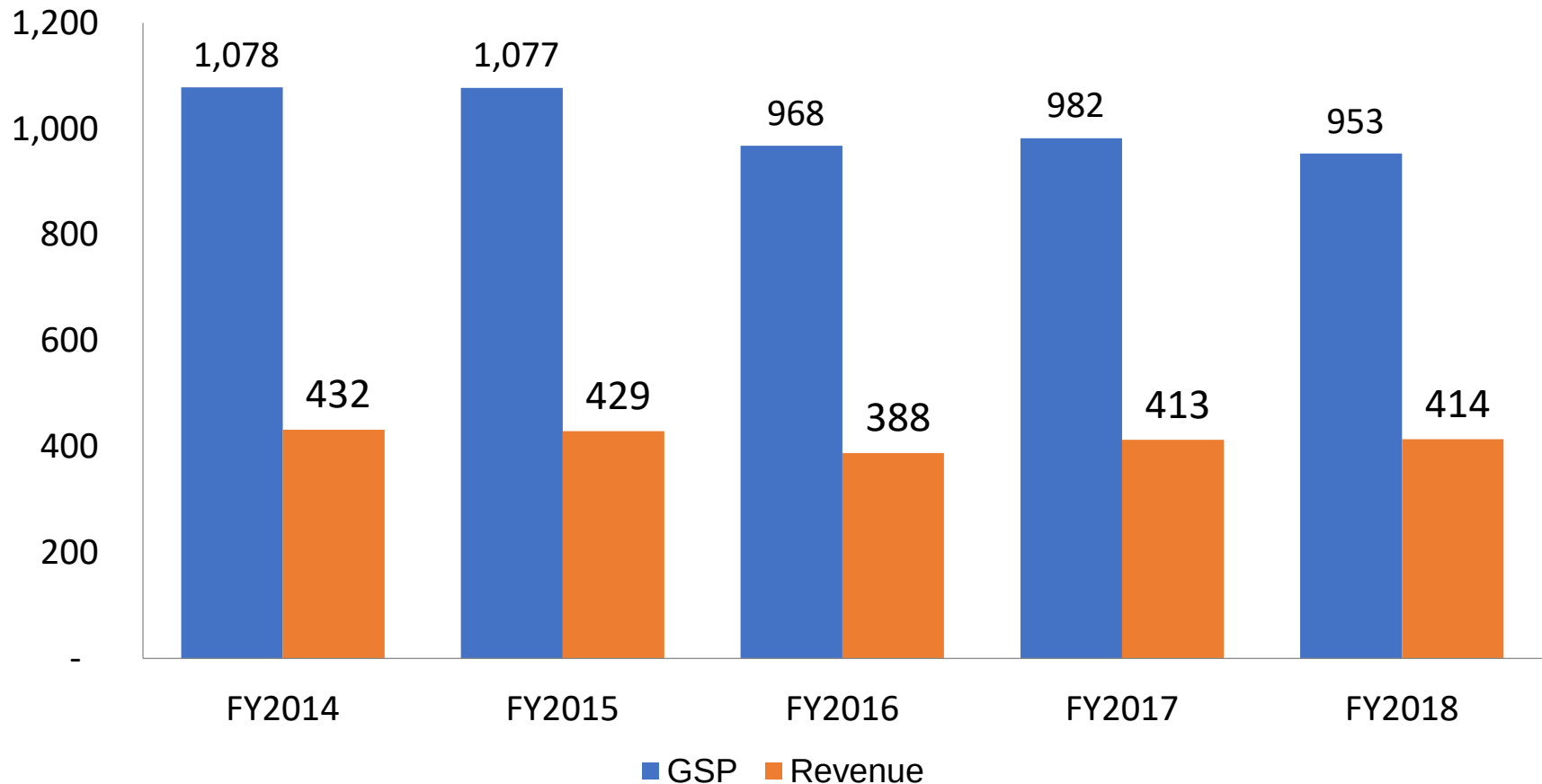
* refers to LOL-branded retail stores which was disposed on 22 June 2018

Segmental Pre-tax Results (Cont'd)

Group	Retailing						Total
	Malaysia	Vietnam	Indonesia	Myanmar	Cambodia	Others	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
12 months ended 30.06.2017							
Pre-tax Results							
Department stores	11,239	(758)	(8,856)	(468)	(599)	-	558
Other retail stores	(5,195)	-	-	-	-	-	(5,195)
Discontinued retail stores*	(2,707)	-	-	-	-	-	(2,707)
Retailing	3,337	(758)	(8,856)	(468)	(599)	-	(7,344)
Other businesses							
- food and beverage	-	-	-	-	-	(2,134)	(2,134)
- theme park and education centre (discontinued)	-	-	-	-	-	(3,038)	(3,038)
Investment holding	-	-	-	-	-	(480)	(480)
Operational pre-tax results	3,337	(758)	(8,856)	(468)	(599)	(5,652)	(12,996)
Allowances for doubtful debts							
- amount due from managed stores	-	(1,358)	-	-	-	-	(1,358)
- amount due from an associate	-	(1,555)	-	-	-	-	(1,555)
- deposits for a planned store	-	-	-	-	(3,231)	-	(3,231)
Impairment							
- PPE	(10,475)	(371)	(4,619)	-	(3,372)	(4,346)	(23,183)
- intangible assets	-	-	(4,309)	-	-	(376)	(4,685)
Reversal of impairment of PPE for closed stores	22	-	-	-	-	-	22
Reported pre-tax results	(7,116)	(4,042)	(17,784)	(468)	(7,202)	(10,374)	(46,986)

5-Year Gross Sales Proceeds and Revenue

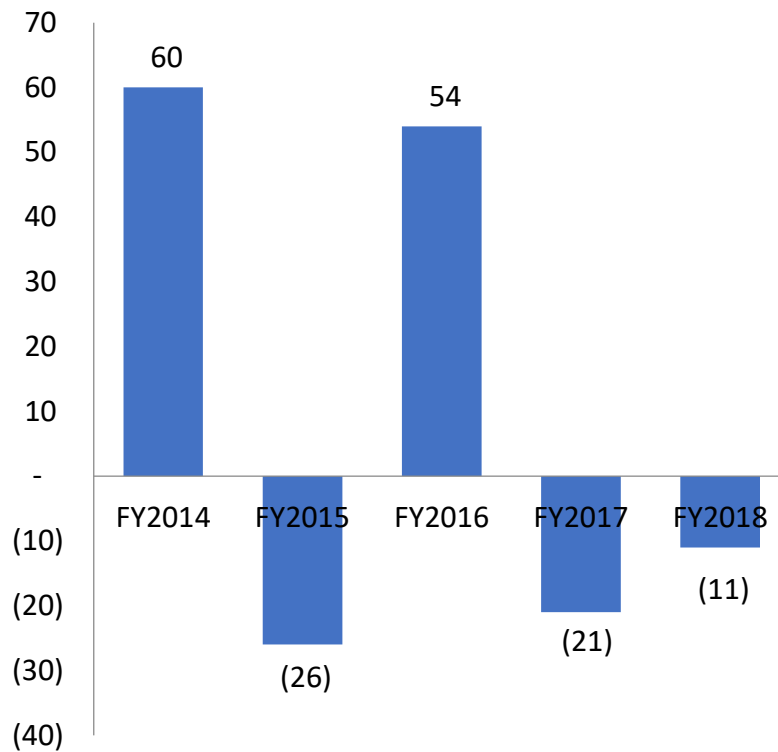
Overall top line growth (\$ million)



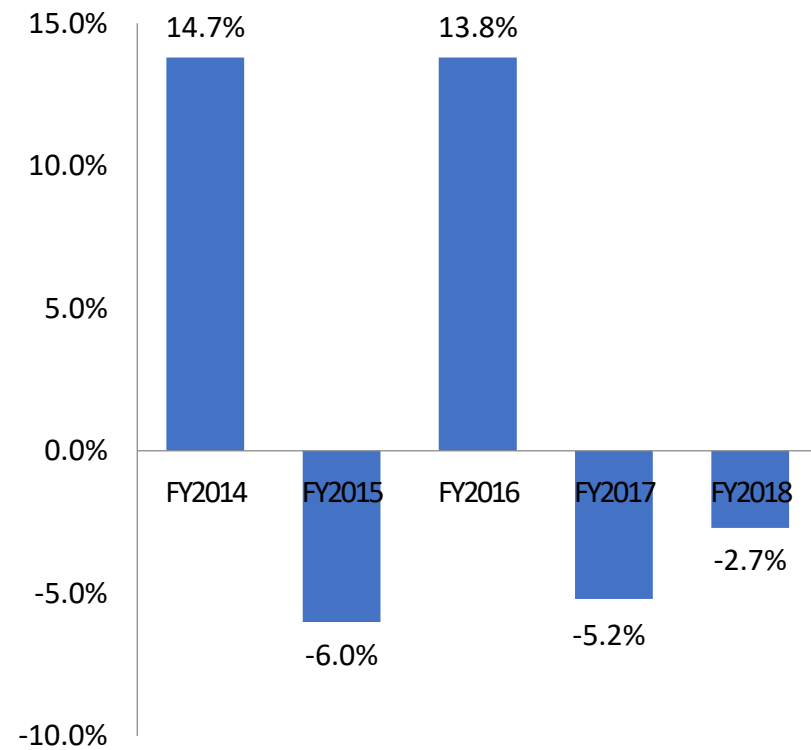
5-Year Profit Margins

- EBITDA

EBITDA



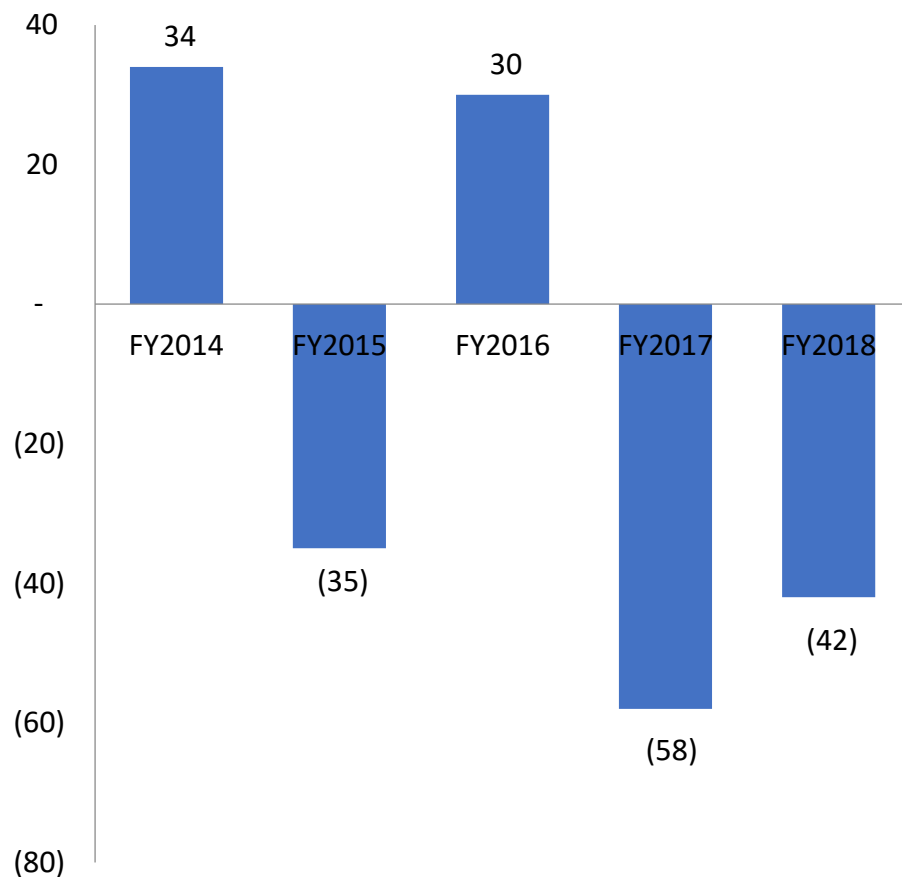
EBITDA margin



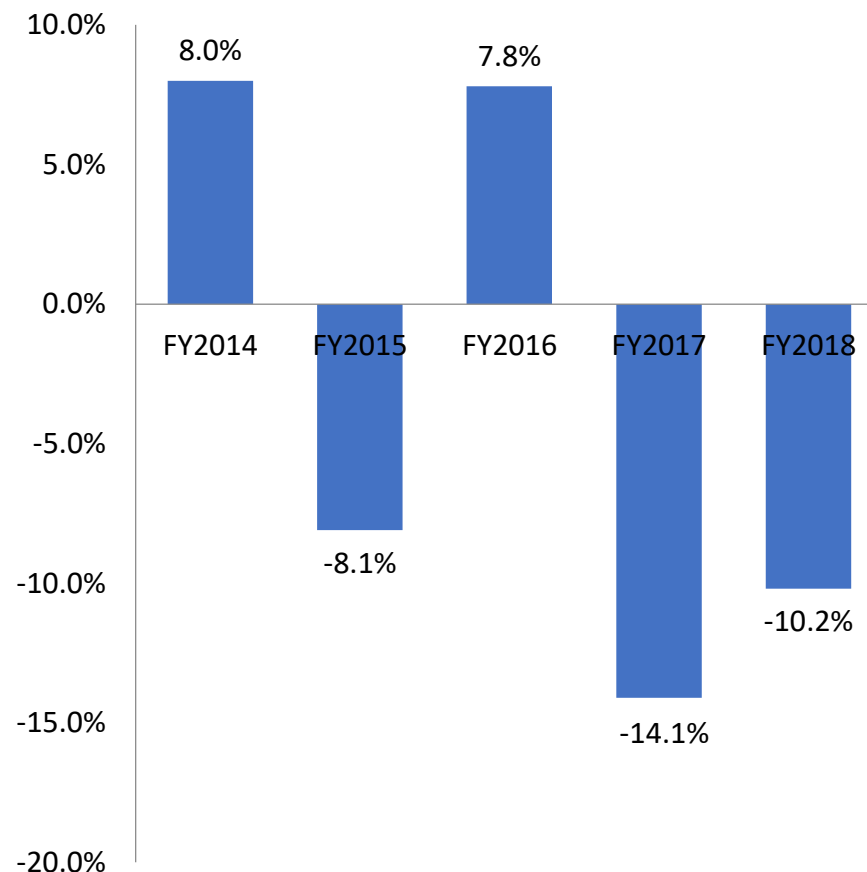
5-Year Profit Margins

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

Net profit



Net profit margin

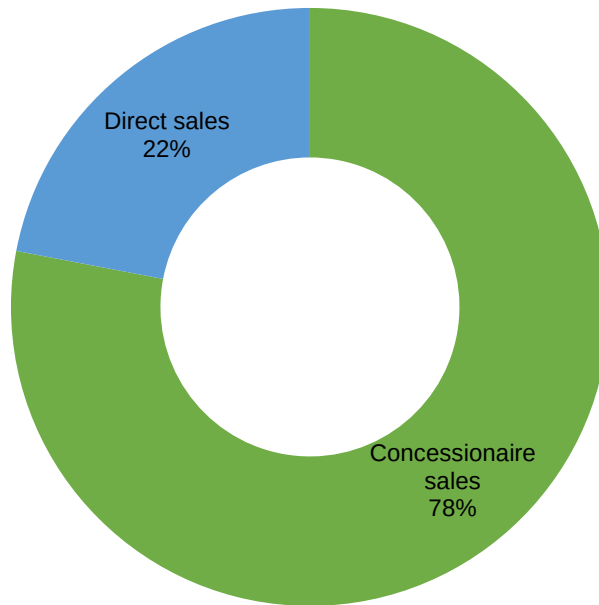


Operational Highlights

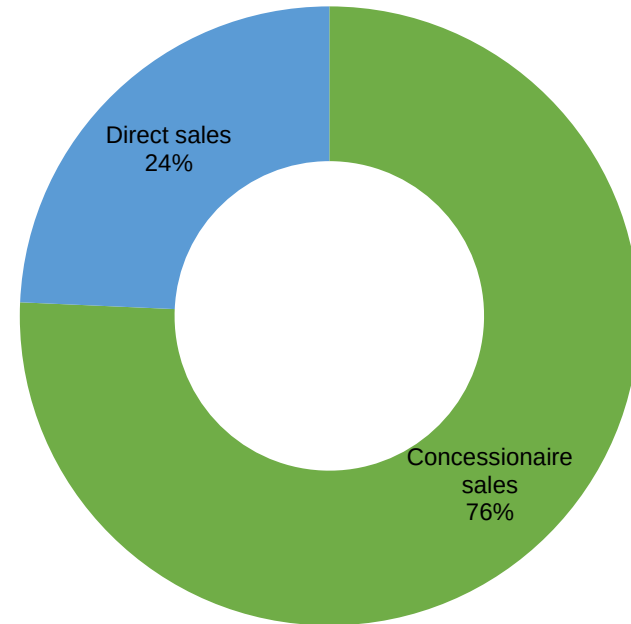


Merchandise sales mix

FY2017

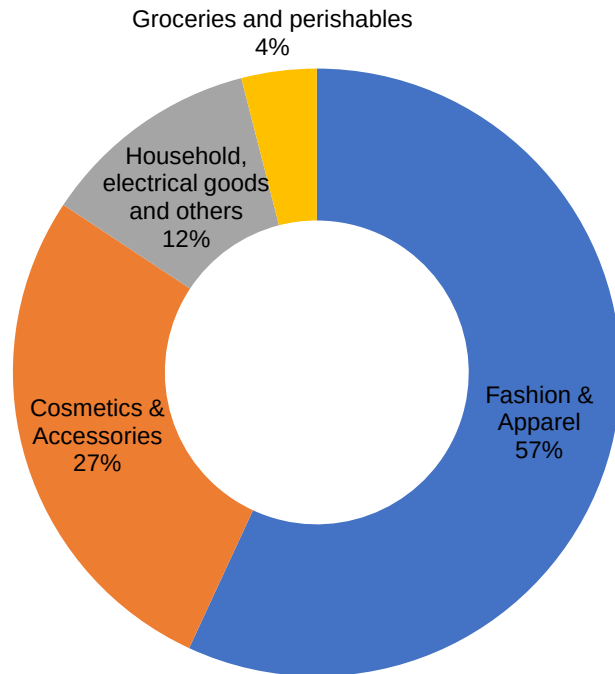


FY2018

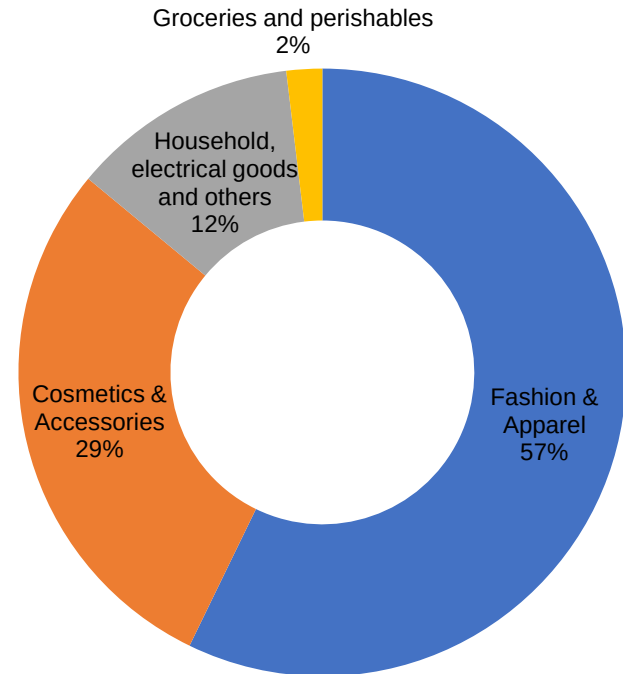


Merchandise sales by segment

FY2017

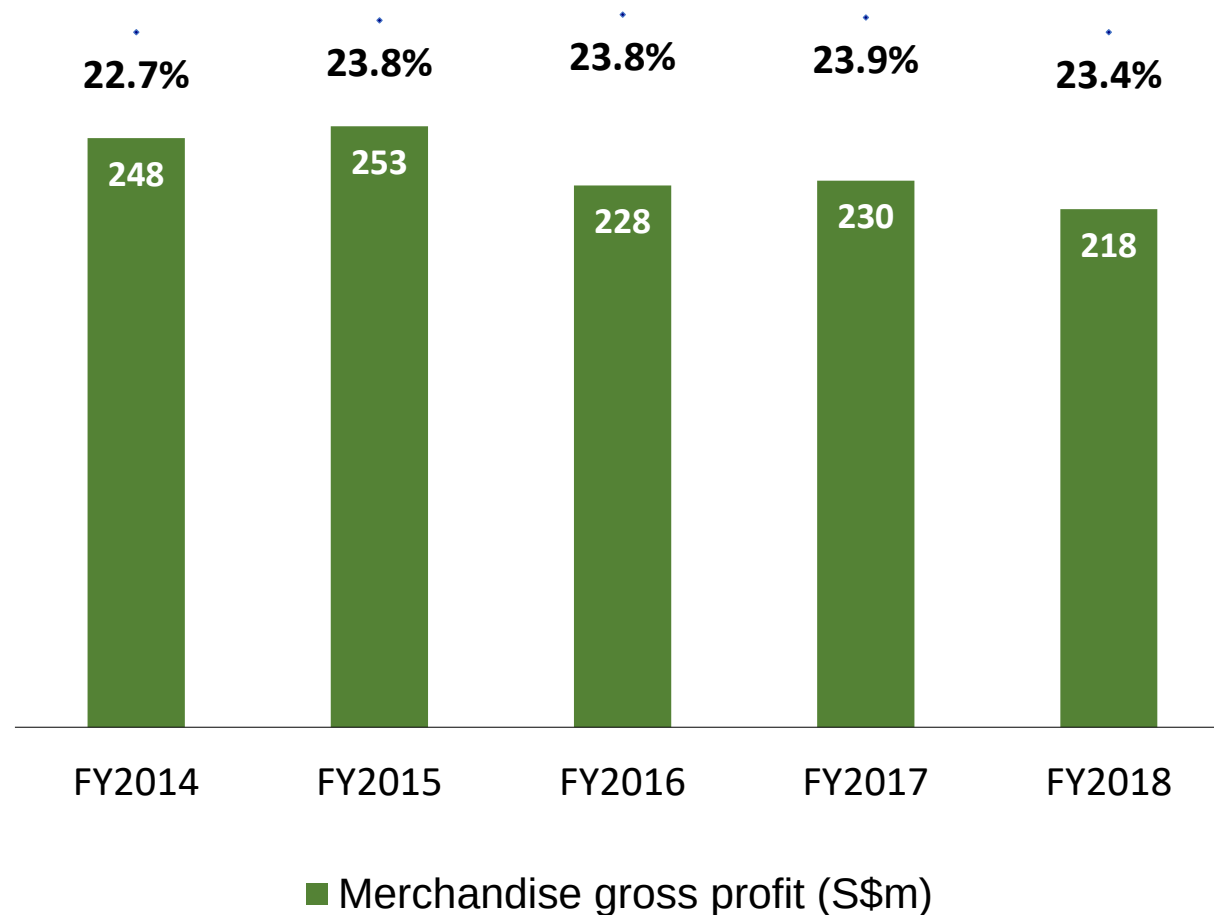


FY2018



5-Year Merchandise Gross Margin

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



Geographic Footprint

- department stores



Malaysia

Number of stores: 44
GFA: 538,000 sqm



Vietnam

Number of stores: 6
GFA: 103,000 sqm



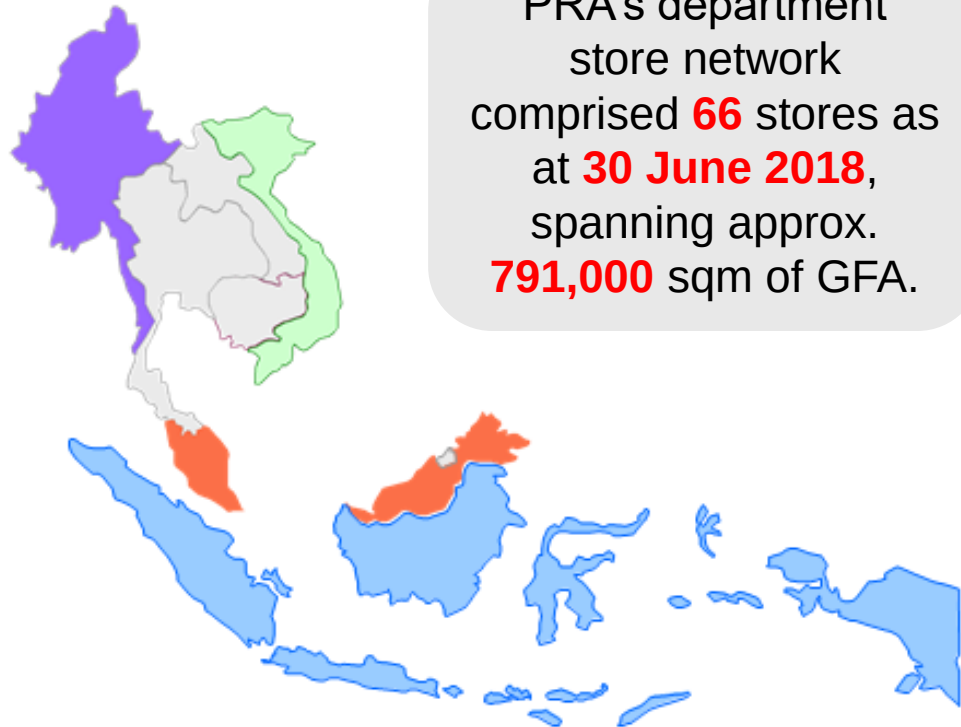
Indonesia

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
<u>Malaysia</u>	(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 (opened in May 2018)	7,726
Total	74,515

* managed store

Appendix: Store Count and Gross Floor Area

Store Count and Gross Floor Area (“GFA”)

- department stores

	30.06.2018	30.06.2017	Openings	Closures	Change
Malaysia ¹	44	45	4	(5)	(1)
GFA (sqm)	538,000	527,000			
Vietnam ¹	6	7	-	(1)	(1)
GFA (sqm)	103,000	128,000			
Indonesia	15	17	-	(2)	(2)
GFA (sqm)	146,000	150,000			
Myanmar	1	1	-	-	-
GFA (sqm)	4,000	4,000			
GROUP	66	70	4	(8)	(4)
GFA (sqm)	791,000	809,000			

¹ Includes 1 managed store

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
- M Square, Puchong	Malaysia	January 2018
- Evo Mall, Bangi	Malaysia	May 2018

Store Count and Gross Floor Area (“GFA”)

- department stores (cont’d)

Summary of department store openings / closures	Country	Commenced / ceased operation
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
- Maju Junction Mall, Kuala Lumpur	Malaysia	January 2018
- Sungei Wang Plaza, Kuala Lumpur	Malaysia	February 2018
- Flemington, Ho Chi Minh City (managed store)	Vietnam	February 2018
- Wawasan Plaza, Kota Kinabalu	Malaysia	April 2018

THANK YOU

