



Parkson Retail Asia Limited
Financial Results Presentation
Q4 FY2015



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Overview

Overview

Business Environment

- Same Store Sales Growth (“SSSG”), by countries:

SSSG	Quarter ended		Year ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Malaysia	-17.0%	-0.8%	-4.5%	-0.1%
Vietnam	-7.2%	-5.4%	-5.1%	-4.2%
Indonesia	+12.0%	+4.3%	+8.4%	+6.0%
Myanmar	+13.6%	n.a.	+21.6%	n.a.

n.a. – not applicable

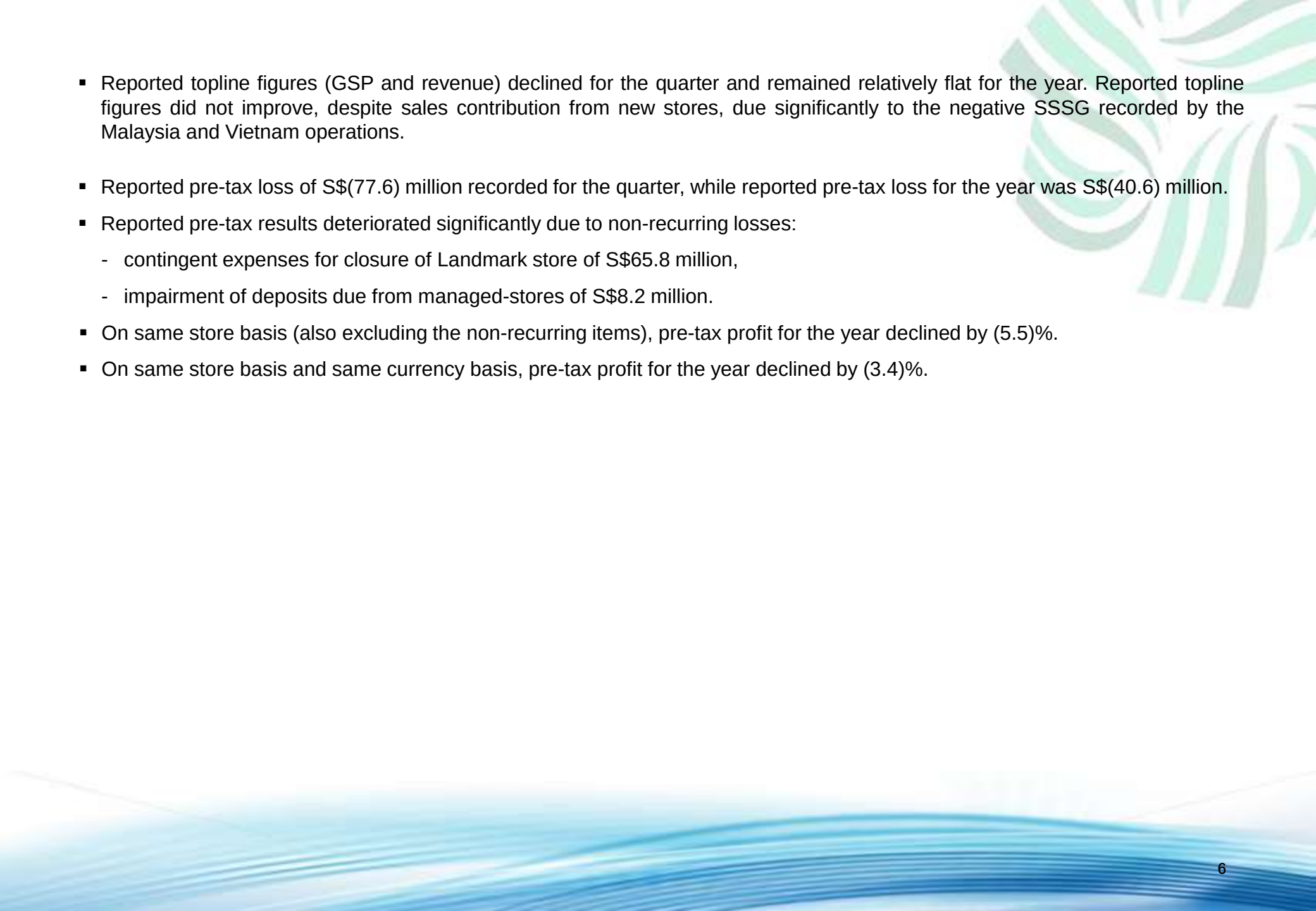
- SSSG for Malaysia :
 - decline in SSSG at -17.0% for the reported quarter.
 - consumer sentiment index reported by MIER remained below the 100-point confidence threshold, with a reading of 71.7.
- SSSG for Vietnam :
 - decline in SSSG at -7.2% for the reported quarter.
 - weak discretionary spending and compounded by entry of competing retailers.
- SSSG for Indonesia :
 - SSSG at +12.0% for the reported quarter.
 - consumer confidence index reported by BI remained above the 100-point confidence threshold at 110.5.

- SSSG for Myanmar :
 - SSSG at +13.6% for the reported quarter.
 - store at FMI Centre recorded strong ramp-up in sales after the 1st year of operations.

Financial Summary

	Group								
	Reported			Reported			Like-for-Like Comparable*		
	Quarter ended			Year ended			Year ended		
	30.06.2015	30.06.2014	+/(-)	30.06.2015	30.06.2014	+/(-)	30.06.2015	30.06.2014	+/(-)
	S\$'000	S\$'000 (restated)	%	S\$'000	S\$'000 (restated)	%	S\$'000	S\$'000 (restated)	%
Gross Sales Proceeds	211,387	246,048	(14.1)	1,077,567	1,077,891	(0.0)	1,009,532	1,055,262	(4.3)
Revenue	84,663	99,175	(14.6)	428,751	432,037	(0.8)	404,306	422,572	(4.3)
Profit/(Loss) Before Tax	(77,652)	1,901	>(100.0)	(40,590)	45,625	>(100.0)	47,282	50,014	(5.5)
Net Profit/(Loss) attributable to owners of the Company	(59,765)	2,995	>(100.0)	(34,687)	34,382	>(100.0)	33,082	37,609	(12.0)

* 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 non-recurring items for the year FY2015).

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- Reported topline figures (GSP and revenue) declined for the quarter and remained relatively flat for the year. Reported topline figures did not improve, despite sales contribution from new stores, due significantly to the negative SSSG recorded by the Malaysia and Vietnam operations.
 - Reported pre-tax loss of S\$(77.6) million recorded for the quarter, while reported pre-tax loss for the year was S\$(40.6) million.
 - Reported pre-tax results deteriorated significantly due to non-recurring losses:
 - contingent expenses for closure of Landmark store of S\$65.8 million,
 - impairment of deposits due from managed-stores of S\$8.2 million.
 - On same store basis (also excluding the non-recurring items), pre-tax profit for the year declined by (5.5)%.
 - On same store basis and same currency basis, pre-tax profit for the year declined by (3.4)%.

Segmental Profit Before Tax

	Group		
	Year ended		
	30.06.2015	30.06.2014	+/(-)
PBT Summary	S\$'000	S\$'000 (restated)	%
Like-for-like, on same store basis			
Malaysia	41,465	47,521	(12.7)
Vietnam	647	1,080	(40.1)
Indonesia	4,798	2,701	77.6
Myanmar	(448)	(950)	52.8
Share of profits of an associate (Sri Lanka)	37	879	(95.8)
Investment holding / Others	783	(1,217)	>100.0
PBT (same store basis)	47,282	50,014	(5.5)
PBT / (Losses) of new and closed stores			
Malaysia	(1,843)	(346)	>(100.0)
Vietnam	(2,569)	(4,043)	36.5
Indonesia	(8,151)	-	>(100.0)
Non-recurring items			
Gain on disposal of an associate, Odel PLC	1,379	-	>100.0
Store closure costs (under PHCL)			
- contingent expenses	(64,753)	-	>(100.0)
- fixed assets write-down and other costs	(3,724)	-	>(100.0)
Impairment of deposits due from managed-stores	(8,211)	-	>(100.0)
Group PBT	(40,590)	45,625	>(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:

PBT variance	Reported	Same store*	Same store, same currency*
(comparing the year FY2015 vs year FY2014)	+/(-)	+/(-)	+/(-)
	%	%	%
Malaysia	(16.0)	(12.7)	(10.7)
Vietnam	>(100.0)	(40.1)	(44.6)
Indonesia	>(100.0)	77.6	86.9
Myanmar	52.8	52.8	52.1
Group	>(100.0)	(5.5)	(3.4)

* same store variance is also excluding non-recurring items for the year FY2015.

Dividend

The Board of Directors recommends the payment of a final dividend of 2.0 cents per share (tax exempt, one-tier), subject to the approval of shareholders. Including the special interim dividend of 4.0 cents per share paid on 7 January 2015, the total dividend for the financial year FY2015 is 6.0 cents per share.



Financial Statements

Unaudited consolidated Income Statement

For the financial year ended 30 June

	Group					
	Reported Quarter ended			Reported Year ended		
	30.06.2015	30.06.2014	+/(-)	30.06.2015	30.06.2014	+/(-)
	S\$'000	S\$'000 (restated)	%	S\$'000	S\$'000 (restated)	%
Gross Sales Proceeds	211,387	246,048	(14.1)	1,077,567	1,077,891	(0.0)
- Direct sales	35,523	48,366	(26.6)	198,771	210,298	(5.5)
- Concessionaire sales	170,438	193,170	(11.8)	860,709	851,306	1.1
- Consultancy & management service fees	210	209	0.5	952	1,044	(8.8)
- Rental income	5,216	4,303	21.2	17,135	15,243	12.4
Revenue	84,663	99,175	(14.6)	428,751	432,037	(0.8)
Other income	2,319	4,108	(43.5)	15,951	13,987	14.0
Total expenses	(164,634)	(101,367)	62.4	(485,329)	(401,278)	20.9
- Changes in merchandise inventories and consumables	(27,630)	(38,749)	(28.7)	(158,014)	(167,449)	(5.6)
- Employee benefits expense	(13,342)	(12,451)	7.2	(52,586)	(49,525)	6.2
- Depreciation & amortisation expenses	(5,254)	(5,231)	0.4	(20,475)	(20,365)	0.5
- Rental expenses	(27,413)	(28,230)	(2.9)	(114,420)	(103,903)	10.1
- Finance costs	(237)	(328)	(27.7)	(601)	(674)	(10.8)
- Other expenses	(90,758)	(16,378)	>100.0	(139,233)	(59,362)	>100.0
Share of profits of an associate	-	(15)	(100.0)	37	879	(95.8)
Profit/(loss) before tax	(77,652)	1,901	>(100.0)	(40,590)	45,625	>(100.0)
Net profit/(loss)	(75,817)	1,936	>(100.0)	(52,794)	32,058	>(100.0)
Net profit/(loss) attributable to owners	(59,765)	2,995	>(100.0)	(34,687)	34,382	>(100.0)

Unaudited consolidated Statement of Financial Position

(S\$'000)	As at 30 Jun 2015	As at 30 Jun 2014	+/(-) %
Total Assets	374,408	419,866	(10.8)
- Non-current assets	148,393	173,202	(14.3)
- Current assets	226,015	246,664	(8.3)
<i>Cash and cash equivalents</i> <i>(including AFS financial assets)</i>	138,578	150,881	(8.2)
Total Liabilities	244,361	185,814	31.5
- Current liabilities	237,412	175,613	35.2
- Non-current liabilities	6,949	10,201	(31.9)
Net assets	130,047	234,052	(44.4)
Represented by,	130,047	234,052	(20.1)
- Equity and reserves	148,006	233,898	(36.7)
- Non-controlling interests	(17,959)	154	>(100.0)

Unaudited consolidated Statement of Cash Flows

For Year ended 30 June

(S\$'000)	Q4 FY2015	Q4 FY2014	+ / (-) %	Year FY2015	Year FY2014	+ / (-) %
		(restated)			(restated)	
Net cash generated from / (used in) operating activities	(25,428)	12,451	>(100.0)	44,814	55,356	(19.0)
Net cash generated from / (used in) investing activities	6,412	(7,079)	>100.0	3,785	(36,893)	>100.0
Net cash used in financing activities	-	(20,319)	>100.0	(44,025)	(38,606)	(14.0)
Net increase / (decrease) in cash and cash equivalents	(19,016)	(14,947)	(27.3)	4,574	(20,143)	>100.0
Cash and cash equivalents at beginning of financial period	148,427	143,165	3.7	129,204	153,873	(16.0)
Effect of currency translation on cash & cash equivalents	(3,435)	986	>(100.0)	(7,802)	(4,526)	(72.4)
Cash and cash equivalents at end of financial period	125,976	129,204	(2.5)	125,976	129,204	(2.5)

Segment results

For Year ended 30 June

Group	Malaysia	Vietnam	Indonesia	Myanmar	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 30.06.2015						
Gross Sales Proceeds	751,123	157,133	163,749	5,562	-	1,077,567
Revenue	322,250	45,175	59,422	1,904	-	428,751
Operating pre-tax profit/(loss)	39,622	(1,922)	(3,353)	(448)	-	33,899
Investment holding / Others	-	-	-	-	783	783
Share of profits of an associate	-	-	-	-	37	37
<i>Non-recurring items:</i>						
- Gain on disposal of Odel PLC	-	-	-	-	1,379	1,379
- Store closure costs:						
- contingent expenses	-	(64,753)	-	-	-	(64,753)
- fixed assets write-down and other costs	-	(3,724)	-	-	-	(3,724)
- Impairment of deposits due from managed-stores	-	(8,211)	-	-	-	(8,211)
Total Profit / (Loss) Before Tax	39,622	(78,610)	(3,353)	(448)	2,199	(40,590)
Year ended 30.06.2014 (restated)						
Gross Sales Proceeds	771,698	158,351	143,241	4,601	-	1,077,891
Revenue	333,741	42,761	53,748	1,787	-	432,037
Operating pre-tax profit/(loss)	47,175	(2,963)	2,701	(950)	-	45,963
Investment holding / Others	-	-	-	-	(1,217)	(1,217)
Share of profits of an associate	-	-	-	-	879	879
Total Profit / (Loss) Before Tax	47,175	(2,963)	2,701	(950)	(338)	45,625



Operational Highlights

Geographic footprint



Malaysia

- Number of stores: 42
- Approx. GFA (leased): 464,000 sqm



Indonesia

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



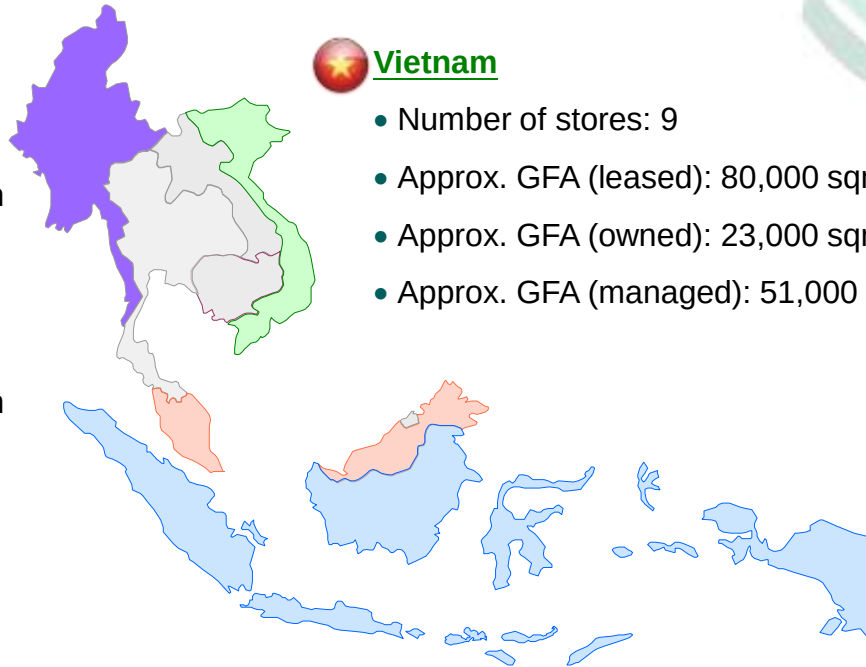
Myanmar

- 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 66 stores in Malaysia, Vietnam, Indonesia and Myanmar, spanning approx. 758,000 sqm of gross floor area⁽¹⁾

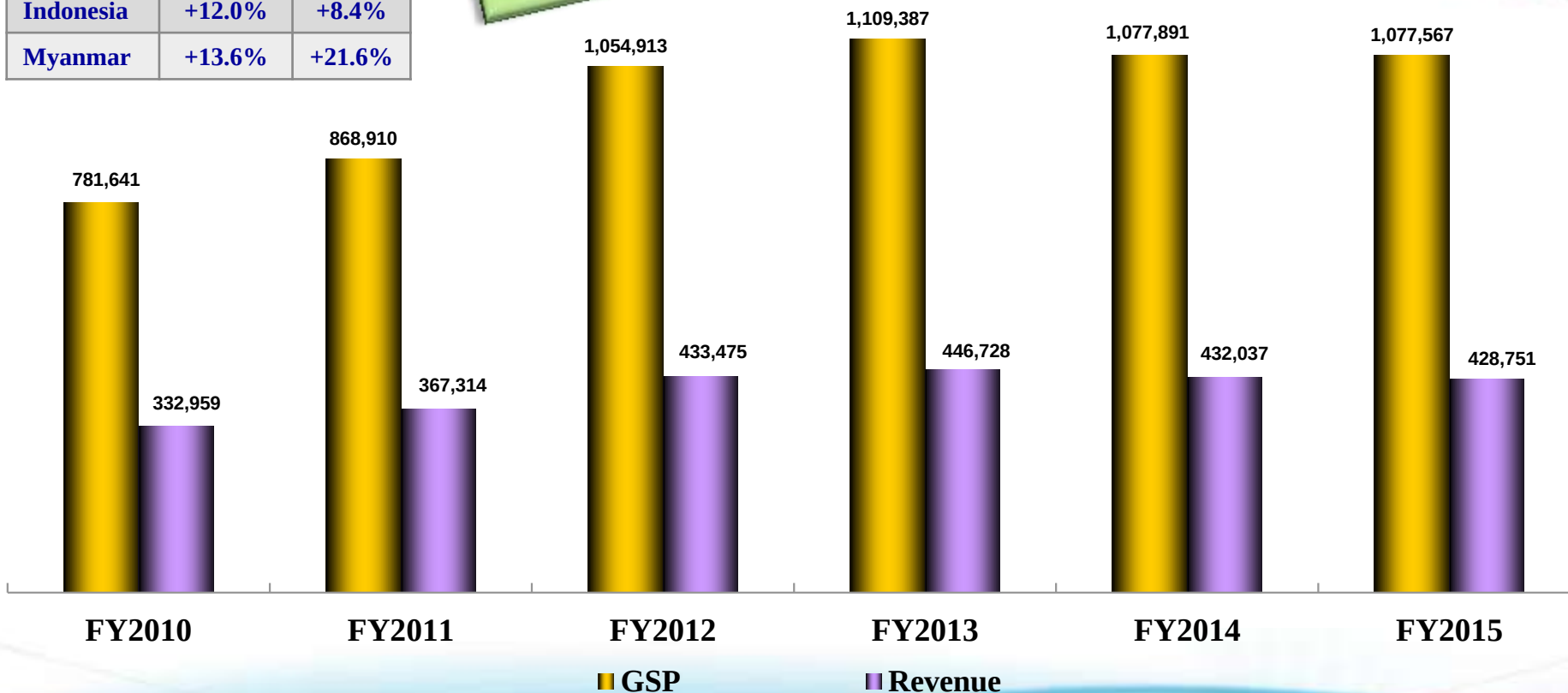
1. Figures as at 30 June 2015.

Gross Sales Proceeds, Revenue and SSS Growth

Overall top line growth

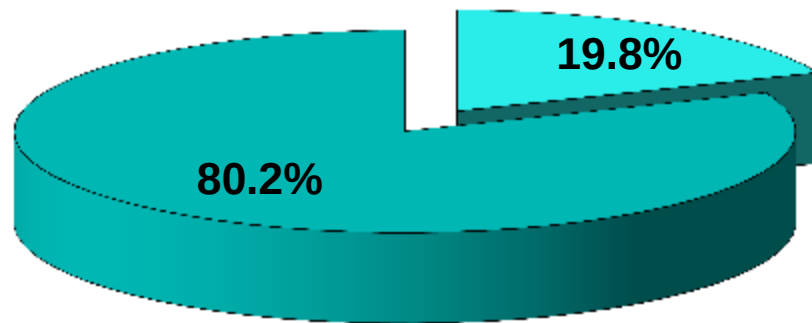
SSSG	Q4 FY2015	FY2015
Malaysia	-17.0%	-4.5%
Vietnam	-7.2%	-5.1%
Indonesia	+12.0%	+8.4%
Myanmar	+13.6%	+21.6%

GSP FY2010 – FY2015 CAGR: 6.6%



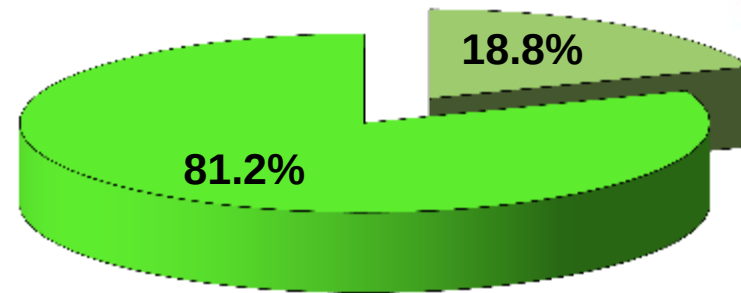
Merchandise Sales Mix

FY2014



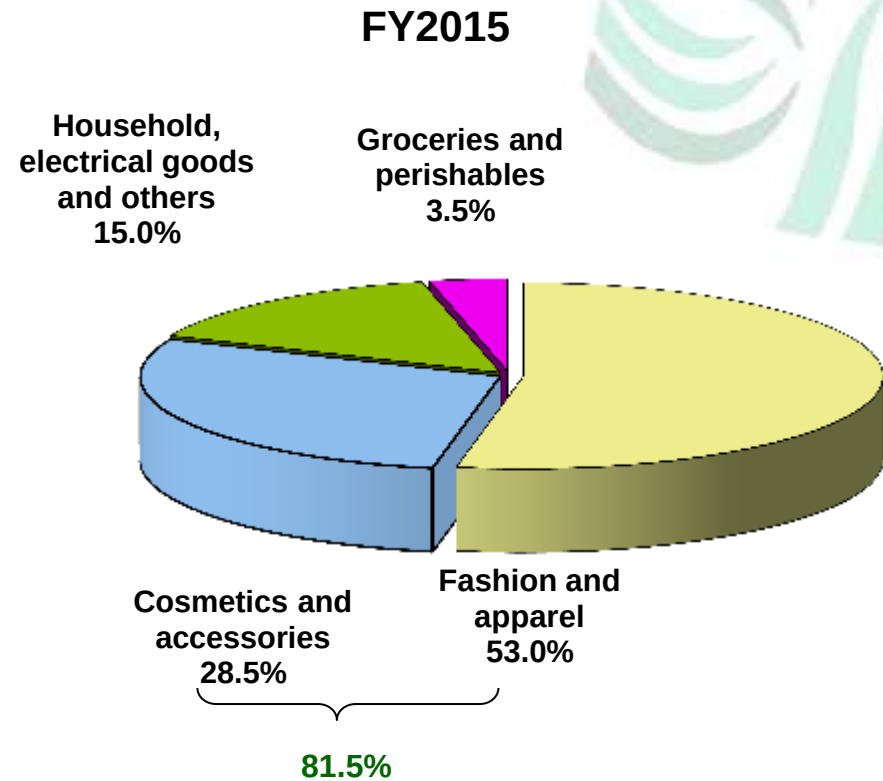
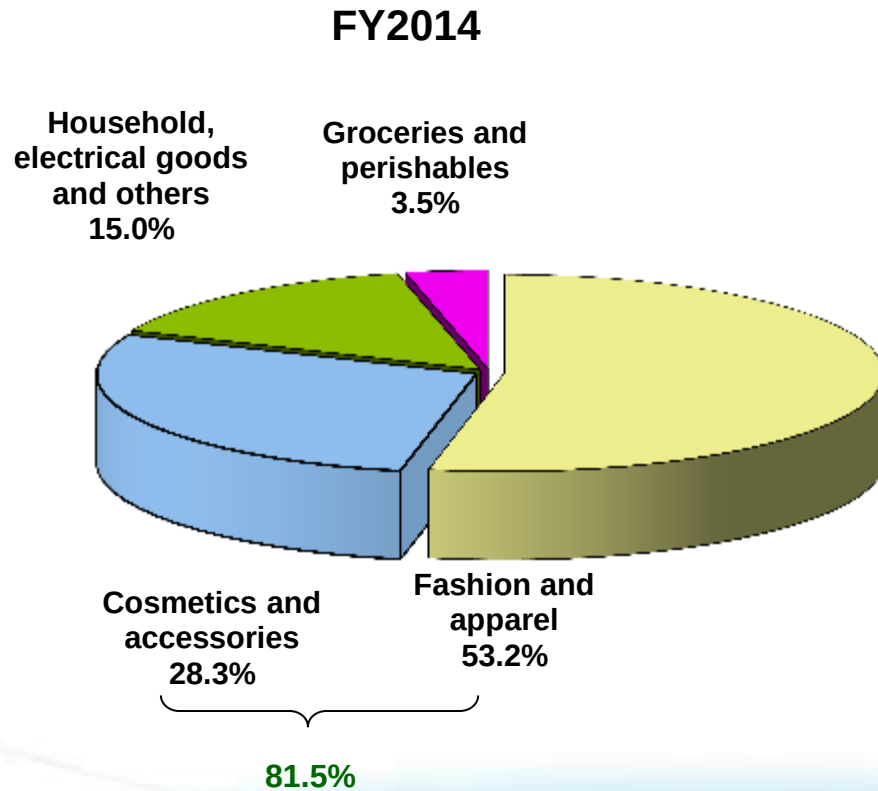
■ Direct sales ■ Concessionaire Sales

FY2015



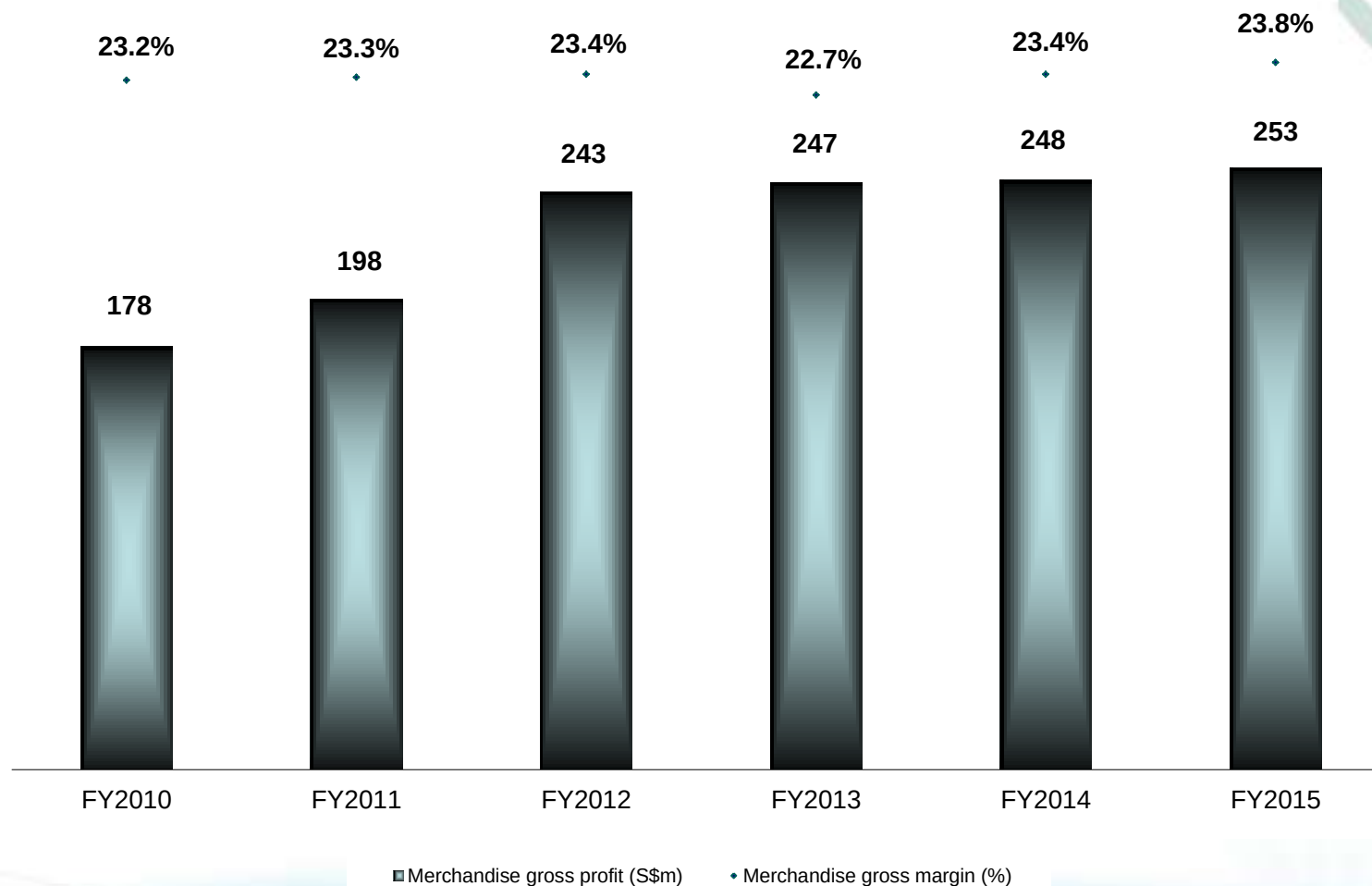
■ Direct sales ■ Concessionaire Sales

Merchandise sales mostly from fashion and cosmetics segments



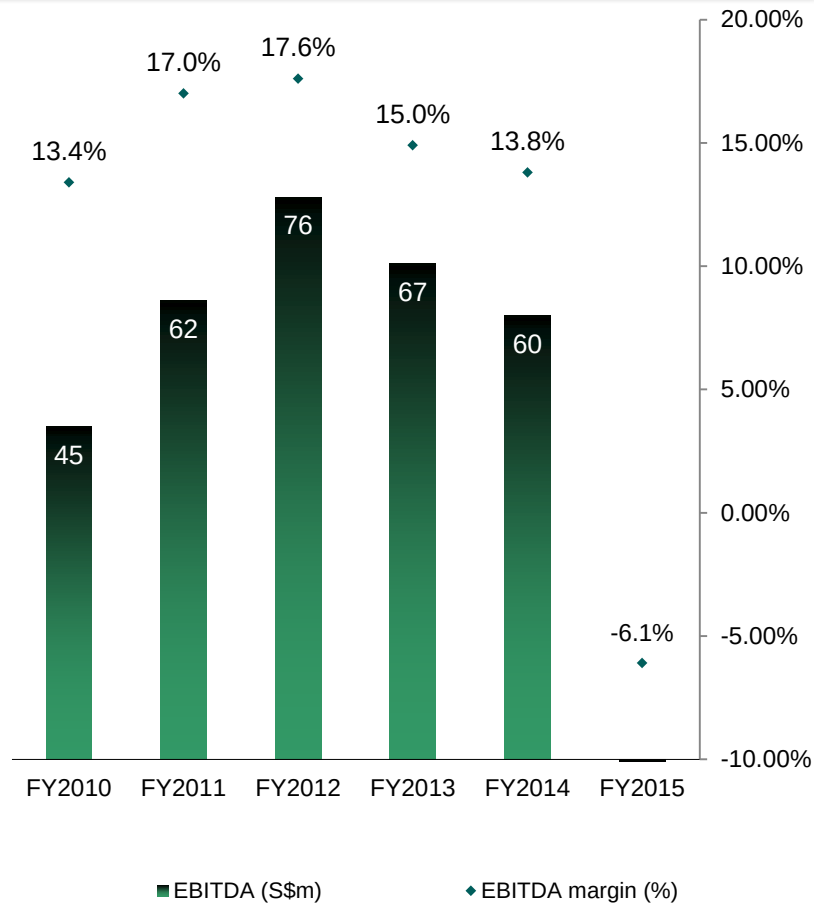
Blended gross margins

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

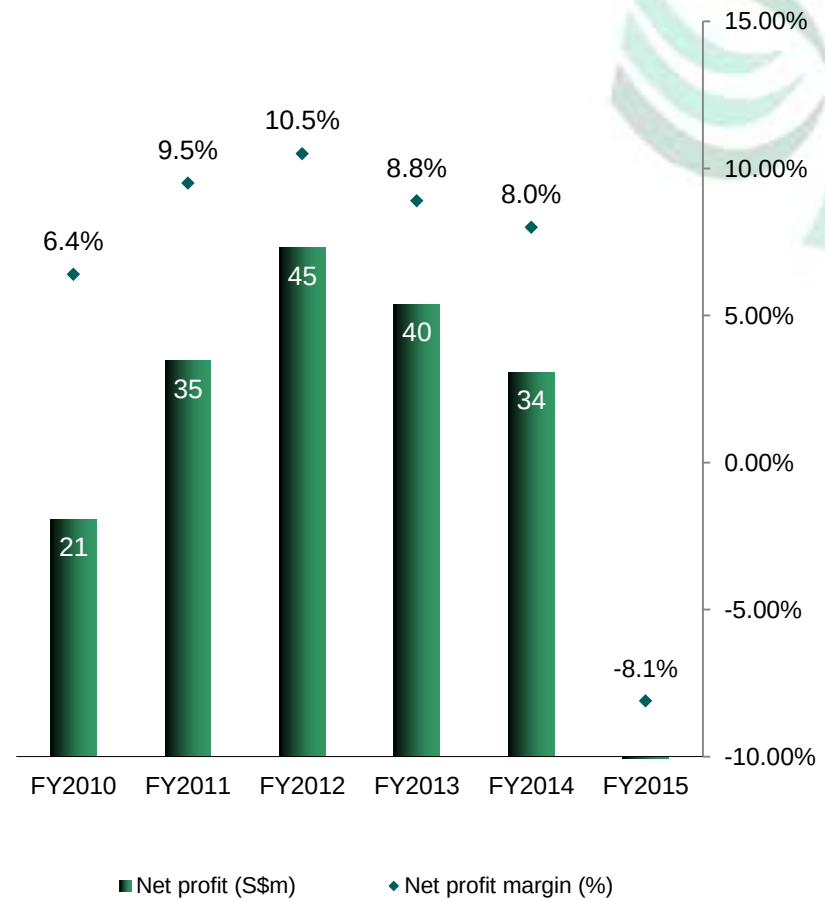


Profit margins

EBITDA⁽¹⁾



Net profit attributable to Owners of the Company



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



Going Forward

Expansion Plan (confirmed sites)

Location	FY2015 Approx. GFA (sq.m)		FY2016 Approx. GFA (sq.m)
<u>Malaysia</u>		<u>Malaysia</u>	
1. Imago, Kota Kinabalu (Opened Mar 2015)	12,875	1. Aman Central, Alor Setar (Q1FY2016)^	12,546
2. IOI City Mall, Putrajaya (opened Nov 2014)	20,665	2. Viva City, Kuching (Q2FY2016)^	12,795
3. Perda City Mall, Seberang Prai (opened Jan 2015)	13,018	3. Empire City, Damansara (Q3FY2016)^	9,737
4. Maju Junction, Kuala Lumpur (opened July 2015)	35,954	4. M Square, Puchong (Q2FY2016)^	35,316
	82,512		70,394
		<u>Indonesia</u>	
<u>Vietnam</u>		5. Hartono Lifestyle, Yogyakarta (Q2FY2016)^	11,650
5. Parkson Vinh Trung, Danang (opened Jan 2015)	10,000	6. Manado Town Square, Manado (Q2FY2016)^	10,000
		7. U City Mall, Medan (Q4FY2016)^	10,427
			32,077
		<u>Cambodia</u>	
		8. Parkson Cambodia, Phnom Penh (Q3FY2016)^	36,500
Total	92,512	Total	138,971
Balance opening GFA*	700,089		792,601
% Increase	13.2%		17.5%
Closing GFA	792,601		931,572

* opening GFA excludes a store closed in Hanoi, Vietnam in January 2015

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

THANK YOU

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