



# PARKSON 百盛

## **Financial Results Presentation 6 Months Ended 31 December 2012 (Q2 FY2013)**

**7 February 2013**

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# Overview

# Overview

	Group								
	Reported Quarter ended			Reported 6 months ended			Adjusted Like for Like Comparable*		
	31.12.2012	31.12.2011	+ / (-)	31.12.2012	31.12.2011	+ / (-)	31.12.2012	31.12.2011	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gross Sales Proceeds	296,208	289,178	2.4	579,943	550,875	5.3	579,943	550,875	5.3
Revenue	122,109	119,430	2.2	235,982	225,500	4.6	235,982	225,500	4.6
Profit Before Tax	18,668	20,194	(7.6)	35,319	38,686	(8.7)	39,162 *	41,241 *	(5.0)
Net Profit attributable to owners of the Company	13,188	13,642	(3.3)	24,778	26,888	(7.8)	28,456 *	29,443 *	(3.4)

\* profits adjusted for non-operational items.

- SSS growth YoY

	<u>Q2 FY2013</u> %	<u>YTD 6 months FY2013</u> %
Malaysia	2.8	4.2
Indonesia	4.5	6.7
Vietnam	(8.4)	(7.4)

- The shift in the lunar calendar (i.e. Chinese New Year and Tet calendars) was a drag on SSS growth across all 3 countries.
- The commencement of the lunar new year 18 days later in FY2013 will push the festive retail buying into the next reporting quarter which will benefit Group sales for Q3 FY2013.
- Group reported PBT declined by (8.7)% YoY to S\$35.3 million.
- On a like for like comparable basis (i.e. excluding non-operational items), Group PBT declined by (5.0)% YoY to S\$39.2 million.

	Group		
	6 months ended		
	31.12.2012	31.12.2011	+ / (-)
<u>PBT Summary</u>	S\$'000	S\$'000	%
Malaysia	32,430	33,392	(2.9)
Indonesia	3,974	3,443	15.4
Vietnam	2,095	4,406	(52.5)
Share of profit of an associate (Sri Lanka)	663	-	>100
	39,162	41,241	(5.0)
Less : Non-operational costs **	(3,843)	(2,555)	50.4
PBT	35,319	38,686	(8.7)

\*\* Non-operational costs for YTD 6 months FY2013 comprise of expenses for the e-commerce start-up, brand-building expenses, acquisition-related costs for the equity stake in an associate, unrealised exchange loss on foreign currency deposits and head office corporate / business development expenses.

\*\* Non-operational costs for the comparative YTD 6 months FY2012 comprise of IPO expenses charged to income statement and head office corporate / business development expenses, net of Cambodia-related income.

- Marginal PBT decline for Malaysia of (2.9)% YoY due to lower SSS growth.
- PBT for Indonesia remains strong, increasing 15.4% YoY. In Rupiah term, PBT increase was 25.5%.
- PBT for Vietnam declined by (52.5)% YoY due to the economic slowdown there, compounded by the operating losses of a new store located at Landmark 72, Hanoi.
- Expected strong recovery in revenue growth, especially for the Malaysia and Indonesia operations, in the 2<sup>nd</sup> half of FY2013.



# **Financial Statements**

# Unaudited consolidated Income Statement

For the six months ended 31 December

(S\$'000)	Group					
	Reported Quarter ended			Reported YTD 6 months ended		
	31.12.2012	31.12.2011	+ / (-)	31.12.2012	31.12.2011	+ / (-)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Gross Sales Proceeds</b>	<b>296,208</b>	<b>289,178</b>	<b>2.4</b>	<b>579,943</b>	<b>550,875</b>	<b>5.3</b>
- Direct sales	64,282	61,680	4.2	119,675	113,919	5.1
- Concessionaire sales	229,574	225,133	2.0	455,511	431,780	5.5
- Consultancy & management service fees	323	388	(16.8)	644	752	(14.4)
- Rental income	2,029	1,977	2.6	4,113	4,424	(7.0)
<b>Revenue</b>	<b>122,109</b>	<b>119,430</b>	<b>2.2</b>	<b>235,982</b>	<b>225,500</b>	<b>4.6</b>
<b>Other income</b>	<b>2,708</b>	<b>2,041</b>	<b>32.7</b>	<b>5,320</b>	<b>4,036</b>	<b>31.8</b>
<b>Total expenses</b>	<b>(106,548)</b>	<b>(101,277)</b>	<b>5.2</b>	<b>(206,646)</b>	<b>(190,850)</b>	<b>8.3</b>
- Changes in merchandise inventories and consumables	(51,471)	(48,971)	5.1	(96,440)	(91,155)	5.8
- Employee benefits expense	(10,774)	(11,155)	(3.4)	(22,404)	(21,892)	2.3
- Depreciation & amortisation expenses	(4,797)	(4,407)	8.8	(9,484)	(8,677)	9.3
- Rental expenses	(22,876)	(18,696)	22.4	(45,077)	(36,743)	22.7
- Finance costs	(164)	(133)	23.3	(240)	(257)	(6.6)
- Other expenses	(16,466)	(17,915)	(8.1)	(33,001)	(32,126)	2.7
<b>Share of profit of an associate</b>	<b>399</b>	<b>-</b>	<b>&gt;100</b>	<b>663</b>	<b>-</b>	<b>&gt;100</b>
<b>Profit before tax</b>	<b>18,668</b>	<b>20,194</b>	<b>(7.6)</b>	<b>35,319</b>	<b>38,686</b>	<b>(8.7)</b>
<b>Net profit</b>	<b>12,982</b>	<b>13,733</b>	<b>(5.5)</b>	<b>24,224</b>	<b>27,033</b>	<b>(10.4)</b>
<b>Net profit attributable to owners</b>	<b>13,188</b>	<b>13,642</b>	<b>(3.3)</b>	<b>24,778</b>	<b>26,888</b>	<b>(7.8)</b>



## Unaudited consolidated Statement of Financial Position

(S\$'000)	As at 31 Dec 2012 <i>(a)</i>	As at 30 Jun 2012 <i>(b)</i>	% Change <i>(a)-(b) / (b)</i>
<b>Total Assets</b>	<b>466,410</b>	<b>416,624</b>	<b>+11.9%</b>
- Non-current assets	164,111	135,020	+21.5%
- Current assets	302,299	281,604	+7.3%
<i>Cash and cash equivalents</i>	<i>210,670</i>	<i>190,346</i>	<i>+10.7%</i>
<b>Total Liabilities</b>	<b>224,784</b>	<b>175,848</b>	<b>+27.8%</b>
- Current liabilities	217,782	168,280	+29.4%
- Non-current liabilities	7,002	7,568	-7.5%
<b>Net assets</b>	<b>241,626</b>	<b>240,776</b>	<b>+0.4%</b>
<b>Represented by,</b>	<b>241,626</b>	<b>240,776</b>	<b>+0.4%</b>
- Equity and reserves	239,326	237,824	+0.6%
- Non-controlling interests	2,300	2,952	-22.1%

# Unaudited consolidated Statement of Cash Flows

For six months ended 31 December

(S\$'000)	Q2 FY2013	Q2 FY2012	+/(-) %	YTD 6 months FY2013	YTD 6 months FY2012	+/(-) %
Net cash generated from operating activities	36,724	38,508	-4.6%	78,246	73,704	+6.2%
Net cash used in investing activities	(20,730)	(11,859)	+74.8%	(38,099)	(15,783)	>+100%
Net cash generated from/(used in) financing activities	(20,321)	72,001	>-100%	(20,323)	71,999	>-100%
<b>Net increase in cash and cash equivalents</b>	<b>(4,327)</b>	<b>98,650</b>	<b>&gt;-100%</b>	<b>19,824</b>	<b>129,920</b>	<b>-84.7%</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>214,813</b>	<b>126,326</b>	<b>+70.0%</b>	<b>190,290</b>	<b>95,095</b>	<b>&gt;+100%</b>
<b>Effect of currency translation on cash &amp; cash equivalents</b>	<b>184</b>	<b>348</b>	<b>-47.1%</b>	<b>556</b>	<b>309</b>	<b>+79.9%</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>210,670</b>	<b>225,324</b>	<b>-6.5%</b>	<b>210,670</b>	<b>225,324</b>	<b>-6.5%</b>

# Segment results

For six months ended 31 December

Group	Malaysia	Vietnam	Indonesia	Unallocated	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Period ended 31.12.2012</b>					
<b>Gross Sales Proceeds</b>	429,052	79,834	71,057	-	579,943
<b>Revenue</b>	185,578	23,880	26,524	-	235,982
Profit before tax	32,430	2,095	3,974	-	38,499
Non-operational costs*	(2,627)	-	-	(1,216)	(3,843)
Share of profit of an associate				663	663
<b>Total Profit Before Tax</b>	29,803	2,095	3,974	(553)	35,319
<b>Period ended 31.12.2011</b>					
<b>Gross Sales Proceeds</b>	406,368	78,023	66,484		550,875
<b>Revenue</b>	177,412	21,493	26,595		225,500
Profit before tax	33,392	4,406	3,443	-	41,241
Non-operational costs*	(711)	-	-	(1,844)	(2,555)
<b>Total Profit Before Tax</b>	32,681	4,406	3,443	(1,844)	38,686

\* Non-operational costs for YTD 6 months FY2013 comprise of expenses for the e-commerce start-up, brand-building expenses, acquisition-related costs for the equity stake in an associate, unrealised exchange loss on foreign currency deposits and head office corporate / business development expenses.

\*\* Non-operational costs for the comparative YTD 6 months FY2012 comprise of IPO expenses charged to income statement and head office corporate / business development expenses, net of Cambodia-related income.



# **Operational Highlights**

## Floor Area

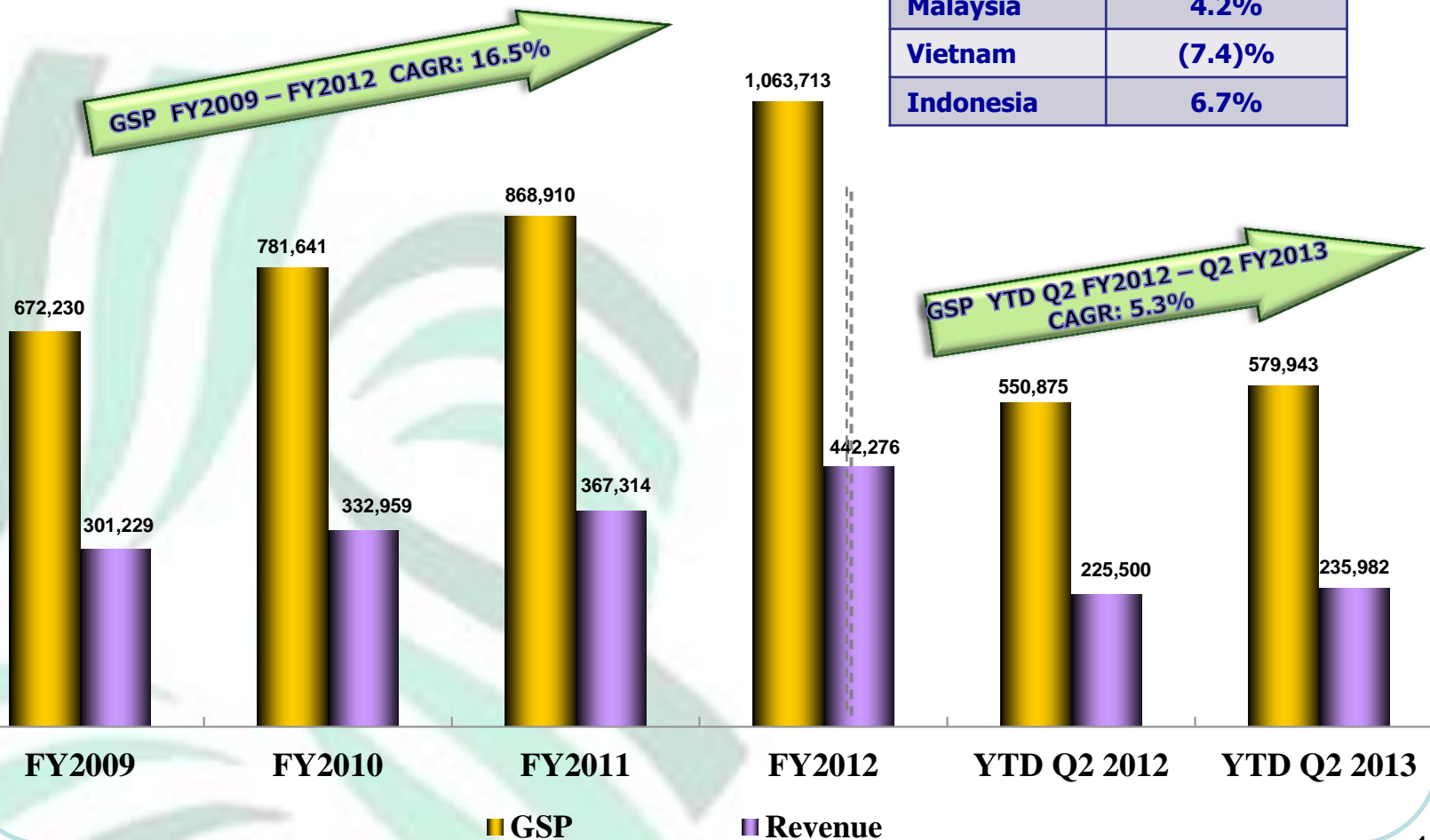
	No. of stores	Approx. GFA (sq.m)	Approx. selling area (sq.m)
Malaysia - Leased properties	39	423K	359K
Vietnam - Leased properties	4	83K	76K
- Owned properties	1	23K	23K
- Managed properties	3	51K	51K
	-----	-----	-----
	8	157K	150K
	-----	-----	-----
Indonesia - Leased properties	9	71K	61K
	-----	-----	-----
Total	56 ===	651K =====	570K =====

# Gross Sales Proceeds, Revenue and SSS Growth

Continuous overall top line growth

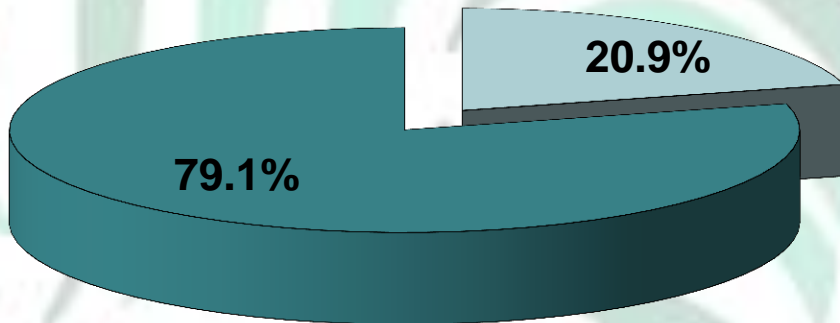
S\$'000

SSS Growth	YTD 6 months FY2013
Malaysia	4.2%
Vietnam	(7.4)%
Indonesia	6.7%



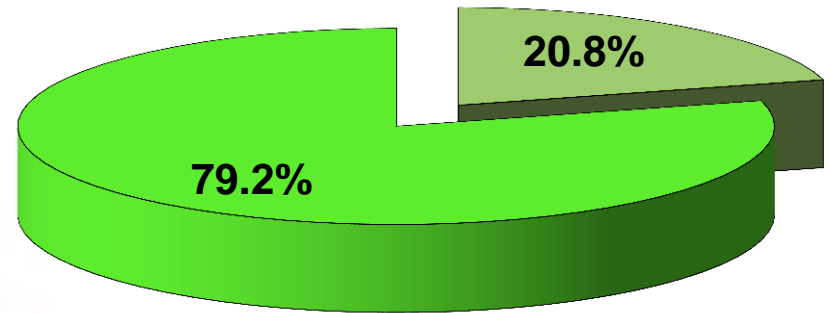
# Merchandise Sales Mix

**YTD Q2 FY2012  
ended 31 Dec 2011**



□ Direct sales    ■ Concessionaire Sales

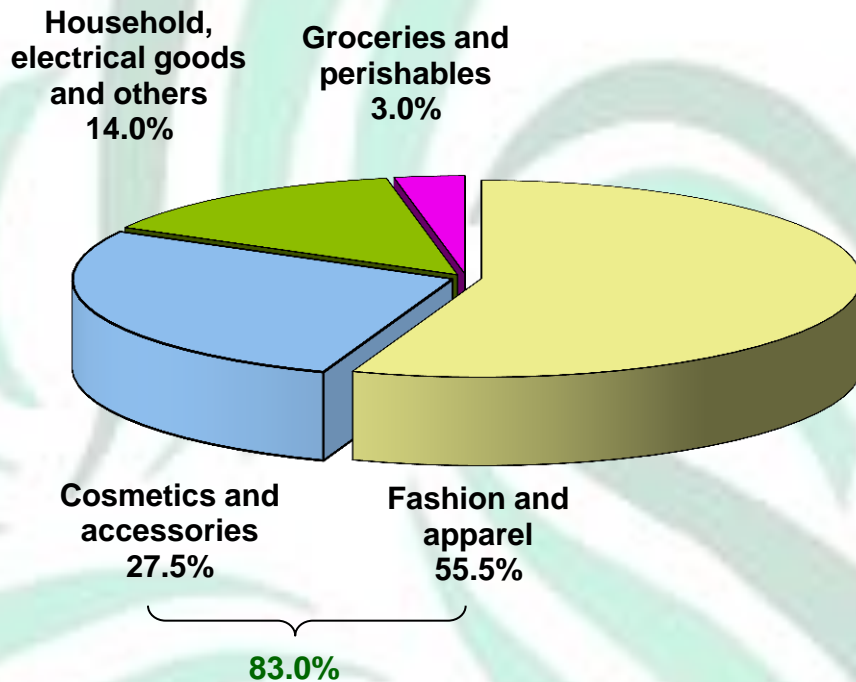
**YTD Q2 FY2013  
ended 31 Dec 2012**



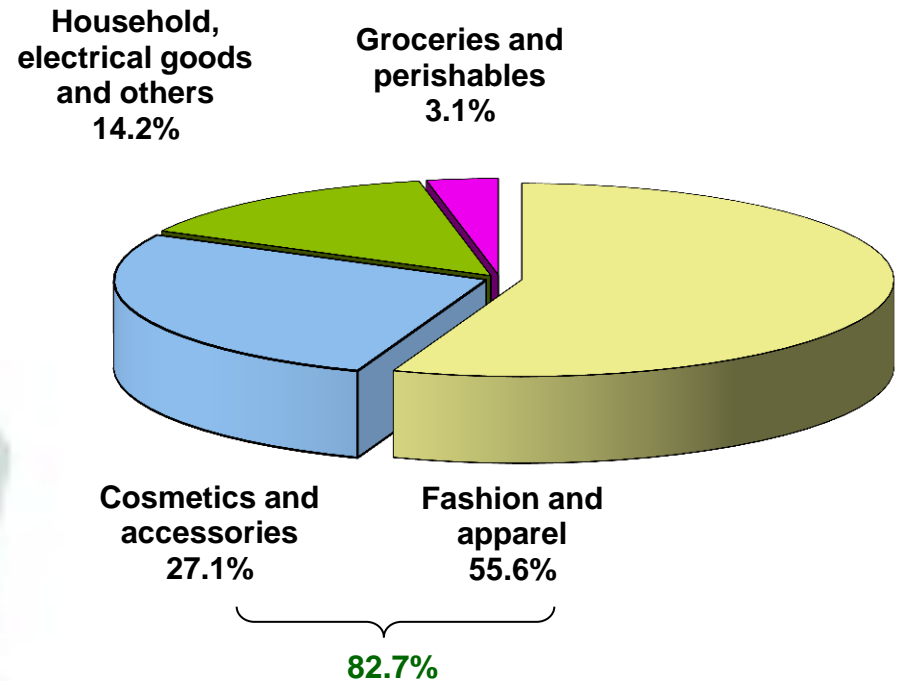
□ Direct sales    ■ Concessionaire Sales

# Merchandise sales mostly from fashion and cosmetics segments

## YTD Q2 FY2012



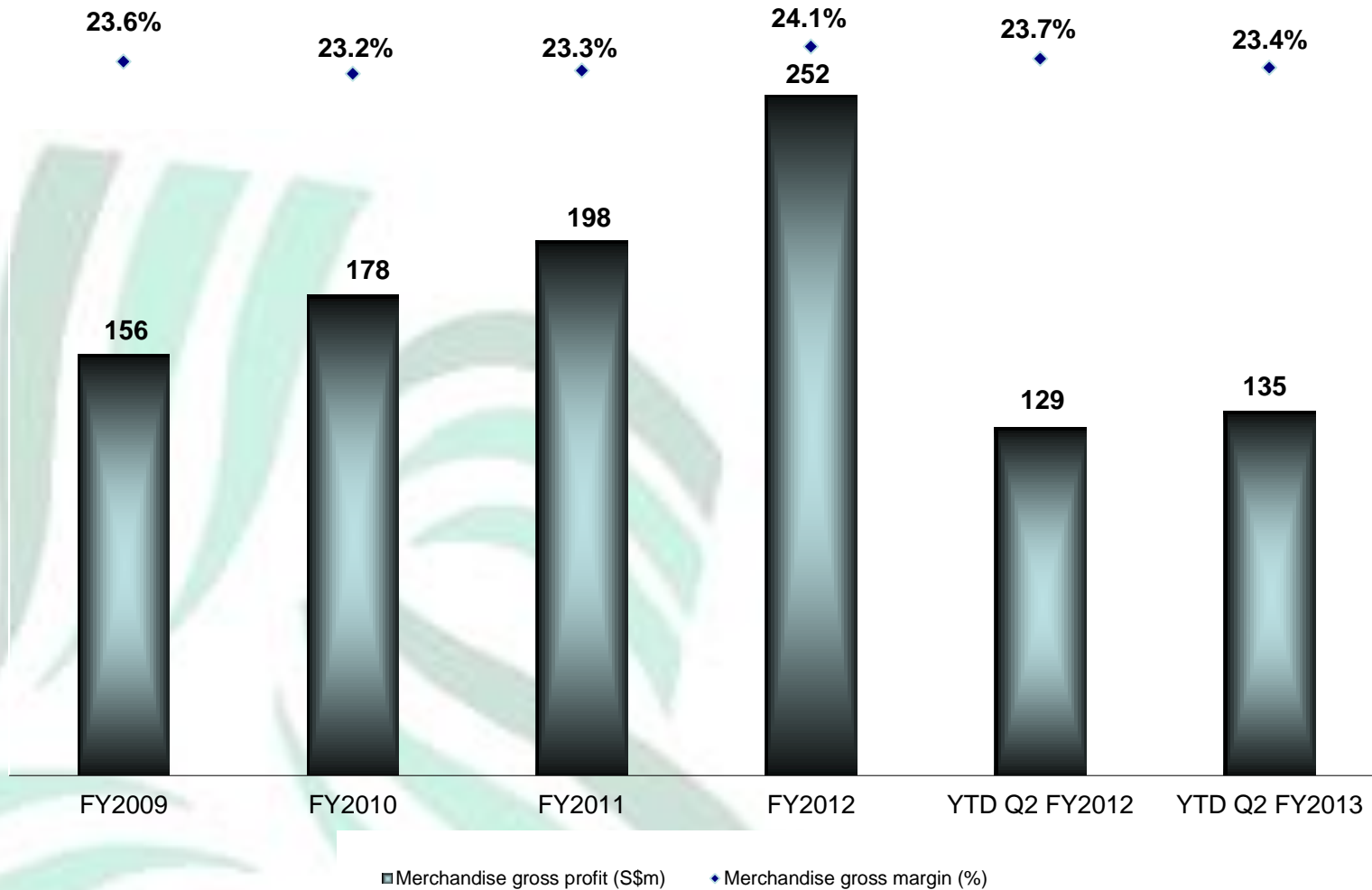
## YTD Q2 FY2013



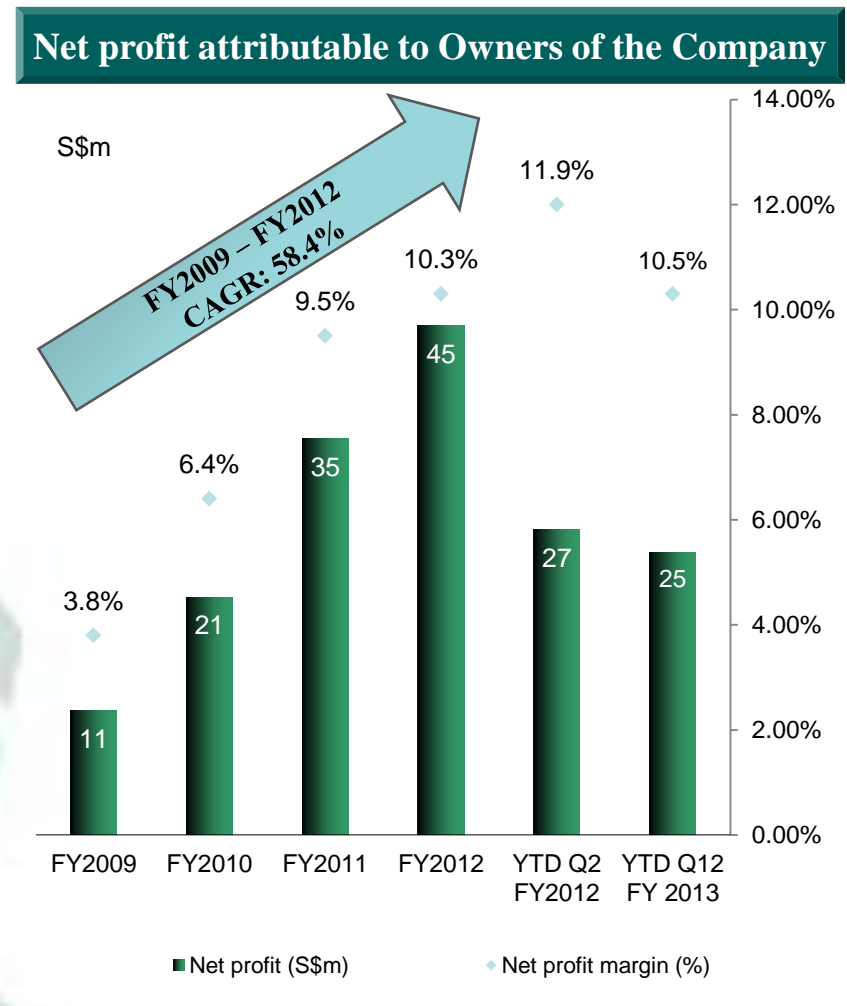
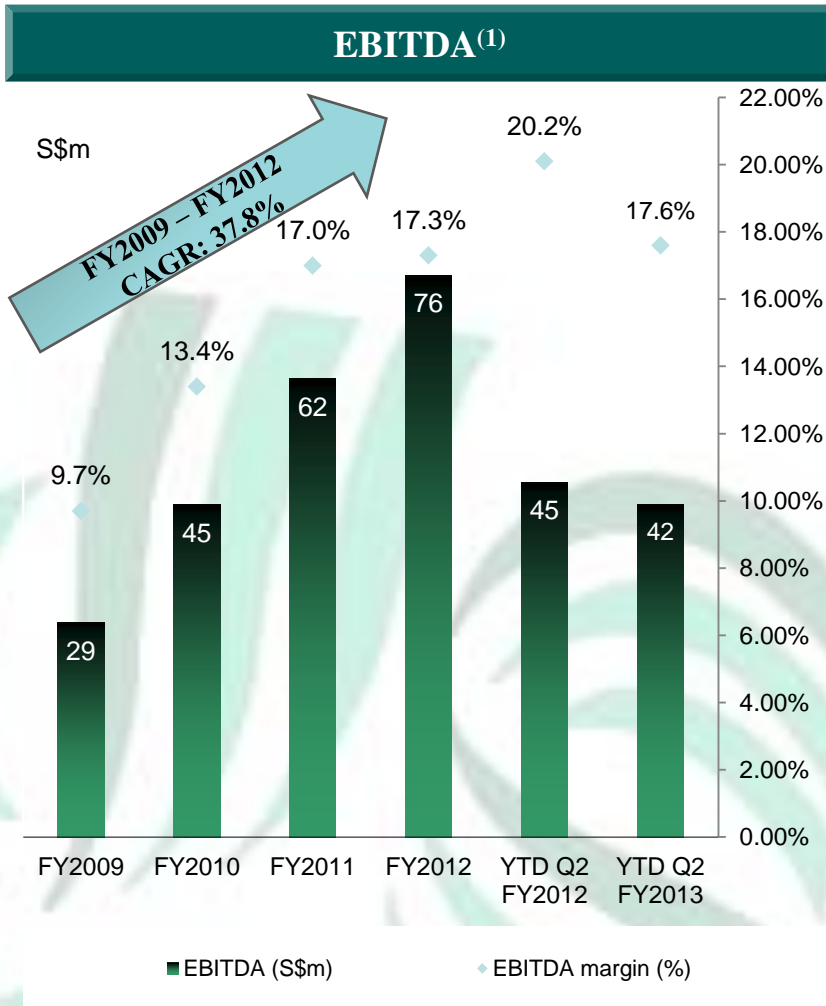


# Blended gross margins

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



# Profit margins



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



# Going Forward

# Strategies

- Improving productivity and enhancing market share.
- Target a healthy SSS growth through more targeted promotional activities and improving productivity of the floor space.
- Continue to increase operating area by opening new stores, with 15 new stores confirmed for FY2013 and FY2014.
- Continue to remodel and refurbish the existing outlets.
- Continue to upgrade brand mix in line with each individual market to increase ticket value and transaction size.
- Enhance cost rationalisation to improve operating efficiency.
- Build economies of scale in the Indonesian operations.
- Expand the Sri Lanka operations through store openings and development of own floor space.

## Expansion Plan (confirmed sites)

Location	FY2013 Approx. GFA (sq.m)		FY2014 Approx. GFA (sq.m)
<b>Malaysia</b>			
1. Plaza Merdeka, Kuching (opened Nov 2012)	12,554	1. Nu Sentral, Kuala Lumpur	12,833
2. Paya Bungah, Kuala Terengganu	9,796	2. Aman Central, Alor Setar	12,720
	<u>22,350</u>		<u>25,553</u>
<b>Vietnam</b>			
3. Parkson Cantavil, HCMC	15,293	3. TD Plaza Saigon, HCMC	30,000
4. Parkson Emperor, HCMC	11,400	4. Parkson Vinacapital, Danang	18,791
	<u>26,693</u>		<u>48,791</u>
<b>Indonesia</b>			
5. Solo Paragon, Surakarta (opened Nov 2012)	7,709	5. St. Moritz 2, Jakarta	17,101
6. Metropolitan Grand, Bekasi	11,370	6. Green City, Pekanbaru	7,300
	<u>19,079</u>	7. Bintaro Jaya Xchange, Tangerang	9,500
			<u>33,901</u>
<b>Myanmar</b>		<b>Cambodia</b>	
7. Parkson FMI Centre, Yangon	4,000	8. Parkson Cambodia, Phnom Penh	36,500
Total	<u>72,122</u>	Total	<u>144,745</u>
Opening GFA	630,000		702,122
% Increase	11.4%		20.6%
Closing GFA	<u>702,122</u>		<u>846,867</u>

# THANK YOU

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