



Yoma Strategic Holdings Ltd

Deleveraging and growing

SINGAPORE | REAL ESTATE | FY24 RESULTS

03 June 2024

- Yoma reported FY24 revenue growth of 80% YoY to US\$221mn and EBITDA jumped 160% to US\$46mn. Growth was driven by property development sales and Wave Money.
- Excluding fair value gains, currency impact, and impairments, we estimate adjusted net loss in FY24 of around US\$15mn (FY23: US\$26mn). Yoma has further deleveraged with net debt dropping to US\$36mn (FY23: US\$73mn). This is a huge decline from the net debt of US\$284mn two years ago.
- We expect Yoma to report further earnings growth in FY25 led by property development, Wave Money and F&B. Property division has a revenue backlog of US\$147mn (FY23: ~US\$34mn), representing 1.5 years of FY24 revenue. Sales will be further supported by new launches at City Loft West. Wave Money will benefit from the rise in digital transactions and stable transfer volumes. F&B margins are expected to recover from price increases after the recent fuel and utility costs spike. Yoma remains committed to deleveraging through the disposal of non-core assets and generating operating cash flows. Currency depreciation is the largest challenge. Translation losses dragged down the book value by around US\$90mn in FY24. The share price is currently trading at a 62% discount to its book value of US\$0.164.

Not Rated

LAST CLOSE PRICE

SGD 0.085

COMPANY DATA

BLOOMBERG CODE:	YOMA SP Equity
O/S SHARES (MN):	2,247
MARKET CAP (USD mn / SGD mn):	141 / 191
52 - WK HI/LO (SGD):	0.11 / 0.04
3M Average Daily T/O (mn):	13.88

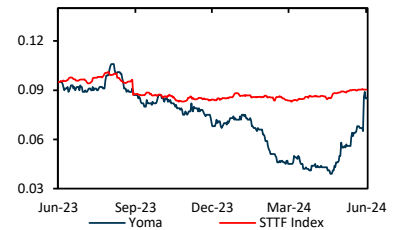
MAJOR SHAREHOLDERS

Pun Serge	28.0%
Ayala Fernando M Zobel De	14.8%

PRICE PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	70.0	88.9	18.1
STTF RETURN	1.9	7.6	9.6

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Mar(US\$ mn)	FY21**	FY22	FY23	FY24
Revenue	87.3	81.6	123.6	220.8
EBITDA	27.6	11.7	17.6	45.8
PATMI	(15.7)	(12.1)	(63.3)	21.2
BVPS (\$\$ cts)	29.4	31.8	26.9	22.2
P/NAV (x)	0.3	0.3	0.3	0.4
P/E (x)	(6.9)	(9.3)	(3.4)	7.9
ROE	-3.6%	n.a.	-8.5%	4.5%

Source: Company, PSR

**FY21 is 12M-Sept21

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Figure 1: Snapshot of FY24 results

31-Mar	FY24	FY23	YoY	Comment
US\$m				
Core EBITDA				
- Yoma Land	30.5	9.6	217.7%	
- Yoma Land Services	9.0	3.5	157.1%	
- Wave Money	7.6	2.7	181.5%	
- Leasing	5.0	3.8	31.6%	
- Yoma F&B	3.8	3.3	15.2%	Margins affected by high utilities.
- Yoma Motors	1.4	1.3	7.7%	
- Yoma Central	(1.5)	(2.2)	-31.8%	
- Others	(10.0)	(4.5)	122.2%	
Total	45.8	17.5	161.7%	
Net profit				
- Yoma Land	22.9	1.8	1172.2%	
- Yoma Land Services	53.8	3.3	1530.3%	US\$45mn FV gain.
- Wave Money	3.7	2.2	68.2%	
- Leasing	(2.6)	(1.2)	116.7%	
- Yoma F&B	(0.6)	(1.5)	-60.0%	
- Yoma Motors	(0.8)	0.9	n.m.	
- Yoma Central	(23.0)	(46.6)	-50.6%	Finance cost of S\$9mn.
- Others	(32.2)	(22.1)	45.7%	
Total	21.2	(63.2)	-133.5%	

Source: Company, PSR

The Positive

+ 10-fold spike in property development profitability. Property sales jumped 105% to US\$94mn in FY24. The profitability of the property division spiked 10-fold to S\$22.9mn. Many projects launched enjoyed stellar responses and were fully sold out. The strategy towards a more affordable and differentiated offering has supported City Loft @ StarCity and Estella sales. Unrecognised revenue is US\$147.1mn (FY23: US\$33.8mn), which will be realized over the next 12-18 months.

The Negative

- **Currency devaluation and Yoma Central losses.** The decline in Myanmar kyat has impacted FY24 results at multiple levels. There are currency losses from trade payables in US dollar terms and translation losses on US dollar loans. On the flip side, there was a fair value gain on investment properties of US\$45mn at Yoma Land Services. The subsidiary reports in kyat and weakness in the currency caused a fair value gain despite stable property value in US dollar terms. Yoma Central registered a net loss of US\$23mn in FY24.

Outlook

We do not expect any major recovery in the Myanmar economy. ABD estimates Myanmar's GDP growth to be 1.2% in 2024 (2023: 0.8%).

The following are our expectations in FY25 for the 3 key divisions:

- **Yoma Land:** Unrecognised revenue of US\$147.1mn will support earnings in FY25. The priority in FY25 will be to complete the record project sales. There will still be new launches namely 2 buildings in City Loft West. We believe both towers could generate sales of almost US\$40mn if fully sold. Demand has been supported by affordable pricing and differentiation (such as solar power at Estella).
- **Wave Money:** Money transfers (or OTC revenue) are the key earnings contributors. In 2H24, money transfers were US\$5.9bn. We expect the value transferred in FY25 to be stable. The economy's general health is dependent on this. The majority of the growth will come from digital payments and float as Wavemoney builds a stronger ecosystem of merchants and customers around its platform.
- **Food and Beverage (36 KFC and 37 YKKO restaurants):** EBITDA in 2H24 fell 26% YoY to US\$1.4mn due to one-time settlements and rising utilities. A fuel shortage late last year spiked diesel prices to power the restaurants' generators. Margins were temporarily pulled down as Yoma raised their menu prices to recover margins. There are also plans to open 2 to 4 new restaurants.

Financials

Income Statement

Y/E Mar, (USD '000)	FY20 *	FY21**	FY22	FY23	FY24
Revenue	103,358	87,328	81,584	123,625	220,834
Other gains	-11,619	31,235	5,969	7,314	7,314
Core EBITDA	-16,201	27,560	11,700	17,583	45,803
Finance expenses	-24,055	-23,285	-18,746	-27,371	-29,129
Depreciation and amortisation	-17,945	-17,280	-13,683	-12,214	-13,607
Currency gain/(loss)	4,925	3,113	2,418	-5,244	-1,172
Joint ventures and associates	-7,282	-1,369	-3,378	-3,726	-4,814
Fair value changes			37,008	-20,841	41,890
Disposal gain/(loss)			-4,868	3,774	1,470
Impairments and write-offs			-15,131	-10,489	-3,450
Others	-2,008	-1,587	-4,948	-249	-9,774
PBT	-62,566	-12,848	-9,628	-58,777	27,217
Income Tax expense	-3,172	-2,832	-2,452	-4,476	-6,016
Net Profit	-65,738	-15,680	-12,080	-63,253	21,201
Minority interests	-5,206	4,024	2,502	-22,063	2,771
Profit attributable to owners	-60,532	-19,704	-14,582	-41,190	18,430

Note# FY20 and FY21 EBITDA includes fair value gains and impairments

Per share data (USD cents)

Y/E Mar	FY20 *	FY21**	FY22	FY23	FY24
BVPS	26.8	21.8	23.5	19.9	16.4
BVPS (S\$ cts)	36.2	29.4	31.8	26.9	22.2
DPS	-	-	-	-	-
EPS	(5.67)	(0.91)	(0.68)	(1.87)	0.80

Cash Flow

Y/E Mar, (USD '000)	FY20 *	FY21**	FY22	FY23	FY24
CFO					
Pretax profit	(65,738)	(15,680)	(12,080)	(63,253)	21,201
Adjustments	73,095	3,065	(1,025)	45,403	24,249
WC changes	40,028	17,203	27,364	28,749	56,612
Interest and tax	1,046	(394)	(224)	432	2,468
Cashflow from ops	48,431	4,194	14,035	11,331	104,530
CFI					
CAPEX, net	(25,300)	(14,858)	1,018	(7,993)	(20,303)
Investment and dev. Prop.	(68,404)	(25,615)	(9,538)	51,242	37,208
Others	(45,125)	-	470	18,886	(47,921)
Cashflow from investments	(138,829)	(40,473)	(8,050)	62,135	(31,016)
CFF					
Interest paid	(19,605)	(13,438)	(15,604)	(22,805)	(14,919)
Share issuance	108,573	-	-	-	-
Borrowings	(6,529)	20,757	(18,612)	(77,182)	(34,477)
Others	25,754	25,234	13,139	60,928	(1,803)
Cashflow from financing	108,193	32,553	(21,077)	(39,059)	(51,199)
Net change in cash	17,795	(3,726)	(15,092)	34,407	22,315
Cash at the start of the period	15,835	34,712	36,453	26,939	26,939
Currency translation	1,082	(4,047)	(2,287)	(2,251)	(2,251)
Ending cash	34,712	26,939	19,074	59,095	47,003

*FY20 is 12M-Sep20 **FY21 is 12M-Sept21

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Mar, (USD '000)	FY20 *	FY21**	FY22	FY23	FY24
ASSETS					
PPE & Investment Properties	455,813	388,597	385,583	490,167	468,019
Others	302,151	287,505	283,008	267,592	257,185
Total non-current assets	757,964	676,102	668,591	757,759	725,204
Cash and cash equivalents	46,418	27,180	19,502	138,811	123,788
Development properties	304,761	320,133	324,428	110,081	161,833
Trade and other receivables	114,474	109,220	110,079	99,756	70,251
Asset held for sale	32,665	32,795	37,750	30,866	26,583
Others	85,835	63,971	64,440	71,234	49,765
Total current assets	584,153	553,299	556,199	450,748	432,220
Total assets	1,342,117	1,229,401	1,224,790	1,208,507	1,157,424
LIABILITIES					
Trade and other payables	85,004	91,895	92,336	193,320	202,805
ST borrowings	77,201	90,094	85,921	121,619	51,256
Others	10,469	9,290	8,252	13,587	8,654
Total current liabilities	172,674	191,279	186,509	328,526	262,715
Trade and other payables	1,884	1,918	1,934	1,968	29,544
LT borrowings	274,612	262,957	217,884	90,014	109,386
Others	99,013	91,844	94,163	91,329	79,341
Total non-current liabilities	375,509	356,719	313,981	183,311	218,271
Total liabilities	548,183	547,998	500,490	511,837	480,986
Net assets	793,934	681,403	724,300	696,670	676,438
EQUITY					
Share Capital	624,890	624,890	624,890	625,181	625,699
Retained profits	(9,919)	(29,999)	(45,098)	(85,389)	(67,122)
Others	(15,662)	(107,639)	(51,458)	(93,362)	(190,109)
	599,309	487,252	528,334	446,430	368,468
Minority interests	194,625	194,151	195,966	250,240	307,970
Total equity	793,934	681,403	724,300	696,670	676,438
Valuation Ratios					
Y/E Mar	FY20 *	FY21**	FY22	FY23	FY24
P/E (x)	-1.1	-6.9	-9.3	-3.4	7.9
P/B (x)	0.2	0.3	0.3	0.3	0.4
EV/EBITDA (x)	-27.5	16.9	36.4	12.2	3.9
Dividend yield	-	-	-	-	-
Growth & Margins					
Growth					
Revenue	n.a.	-15.5%	n.a.	51.5%	78.6%
EBITDA	n.a.	n.a.	n.a.	510.5%	-146.3%
PATMI	n.a.	-76.1%	n.a.	423.6%	-133.5%
Margins					
EBITDA margin	-15.7%	31.6%	14.3%	14.2%	20.7%
Net profit margin	-63.6%	-18.0%	-14.8%	-51.2%	9.6%
Key Ratios					
ROE	n.a.	-3.6%	n.a.	-8.5%	4.5%
ROA	n.a.	-3.5%	n.a.	-8.2%	4.2%
Net Gearing	38.5%	47.8%	39.3%	10.5%	5.4%

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