

Yoma Strategic Holdings Ltd

Riding through devaluation and disruptions



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SINGAPORE | REAL ESTATE | 1HFY25 RESULTS

25 November 2024

- 1HFY25 revenue declined 15% YoY to US\$111.6mn due to a 55% depreciation in the Myanmar kyat (MMK). In local currency terms, revenue would have expanded 35% YoY, supported by an 81% jump in Yoma Land revenue.
- Net loss widened to US\$12.5mn primarily from a US\$7mn translation loss from Thai baht and US dollar borrowings. Wave Money's money transfer volumes were mainly impacted by physical cash shortages in July, along with intensified conflicts in Northern Myanmar and severe flooding in August and September.
- MMK depreciated 55% based on the published bank board rates used as Yoma's exchange rates assumptions. Yoma will diversify its funding sources to mitigate currency risk by tapping into local currency bank loans. Other measures include adjusting pricing strategies across various products and services. The aim is to continue to deleverage from the current net debt of US\$142mn to below US\$100mn (excluding the Yoma Central project loan facility). Completing and delivering the Estella housing residential project will also improve operating cash flows. Yoma Central reported a net loss of US\$5mn due to interest expenses. The company's book value is currently S\$0.20 per share.

Not Rated

LAST CLOSE PRICE

SGD 0.066

COMPANY DATA

BLOOMBERG CODE:	YOMA SP Equity
O/S SHARES (MN) :	2,387
MARKET CAP (USD mn / SGD mn) :	117 / 158
52 - WK HI/LO (SGD) :	0.17 / 0.04
3M Average Daily T/O (mn) :	15.72

MAJOR SHAREHOLDERS

Pun Serge	26.4%
Ayala Fernando M Zobel De	13.9%

TOTAL PERFORMANCE (%)

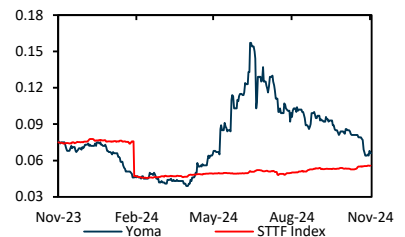
	1MTH	3MTH	YTD
COMPANY	(20.5)	(31.3)	(8.3)
STTF RETURN	4.0	11.5	26.4

Figure 1: Snapshot of 1HFY25 results

31-Mar	1HFY25	1HFY24	YoY	Comment
US\$m				
Core EBITDA				
- Yoma Land	10.5	12.9	-18.5%	Lower margins for Estella.
- Yoma Land Services	2.8	0.4	590.3%	Larger resident population at StarCity.
- Leasing	2.0	2.7	-24.9%	
- Yoma F&B	2.0	2.4	-15.9%	
- Wave Money	1.6	3.3	-51.6%	Operational disruptions in certain regions.
- Yoma Motors	0.4	0.9	-60.3%	
- Yoma Central	(0.4)	(2.2)	-83.3%	
- Others	(4.0)	(4.5)	-11.0%	
Total	14.9	15.9	-6.3%	
PAT				
- Yoma Land	7.4	11.2	-33.6%	Additional US\$2mn in finance cost.
- Yoma Land Services	1.7	(0.3)	n.m.	
- Leasing	1.1	0.6	74.6%	
- Yoma F&B	0.4	0.5	-22.4%	
- Wave Money	0.1	1.6	-90.8%	
- Yoma Motors	(0.2)	(0.2)	n.m.	
- Yoma Central	(5.1)	(4.8)	6.8%	Largely finance costs.
- Others	(17.9)	(9.8)	82.9%	
Total	(12.5)	(1.3)	873.2%	

Source: Company, PSR

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 (S\$ cts)	29.4	31.8	26.9	22.2
P/NAV (x)	0.2	0.2	0.2	0.3
P/E (x)	(5.4)	(7.2)	(2.6)	6.1
ROE	-3.6%	n.a.	-8.5%	4.5%

Source: Company, PSR

**FY21 is 12M-Sept21

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The Positive

+ 81% jump in property development revenue. Yoma Land's development revenue rose 81.2% YoY in MMK terms, but only a 10.4% rise to US\$52.9mn was reported due to the currency depreciation. Revenue recognition was from StarCity, City Loft West, and Estella. The EBITDA margin was lower due to a higher contribution from Estella. Unrecognised revenue is US\$110.7mn (1HFY24: US\$65.2mn)

The Negatives

- **Rise in finance cost.** Interest expenses were stable at US\$10.5mn. The increase in finance cost from US\$8.3mn to US\$18.8mn was due to translation loss from Thai Baht and US dollar borrowings.
- **Disruption in Wave Money transfers.** OTC transaction volumes declined 28.4% YoY, leading to a revenue decline of 16% YoY in MMK terms (-47% YoY US dollar terms). There were conflicts in certain outlying regions and physical cash shortages.

Outlook

Operating conditions have been challenging the past few months, with currency devaluation, a shortage of physical cash, typhoons, and disruptions intensified in certain outlying regions. The focus has been on raising prices and managing costs to cope with inflation and currency pressures.

- **Yoma Land:** The focus is on completing and delivering existing projects from the large US\$110mn backlog. Despite the currency, most of the costs have already been locked in. Historically, property pricing has been tied to movements in the currency. We expect prices for new launches to rise accordingly.
- **Wave Money:** Liquidity constraints have improved, and Wave Money has 9.1mn active users. Whilst OTC volumes were down, digital transactions have doubled YoY as use cases or applications widened and the user base improved.
- **Food and Beverage (36 KFC and 37 YKKO restaurants):** Gross margins have been sustained at 50% from several rounds of price increases. Same-store sales growth is robust at 42.6% YoY, but EBITDA margins are under pressure from diesel or utility costs due to electricity outages.

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)	-0.9	-5.4	-7.2	-2.6	6.1
P/B (x)	0.2	0.2	0.2	0.2	0.3
EV/EBITDA (x)	-25.6	15.8	33.7	10.4	3.2
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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