

GENERAL ANNOUNCEMENT::1HFY2023 CORPORATE PRESENTATION FOR ANALYST BRIEFING

Issuer & Securities

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THAKRAL CORPORATION LTD

Securities

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Anil Daryanani


Designation

Chief Financial Officer

Description (Please provide a detailed description of the event in the box below)

Please refer to attached 1HFY2023 Corporate Presentation for Analyst Briefing.

Attachments

 [Thakral_1H23_CorpPreso_20230914.pdf](#)

Total size =3450K MB



THAKRAL
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INVESTING FOR
TOMORROW



THAKRAL
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CORPORATE PRESENTATION

14 September 2023



DISCLAIMER

This is a presentation of general information relating to the current activities of Thakral Corporation Ltd. (the “Company”). It is given in summary form and does not purport to be complete.

This presentation may contain forward-looking statements which are subject to risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in these forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses, governmental and public policy changes, and the continued availability of financing.

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THAKRAL AT A GLANCE

Diversified across Industry and Geography

SGX listed since 1995

S\$0.615

Share Price*

S\$78.6 million

Market Capitalisation*

Attractive Value

7.4%

Dividend Yield**

S\$1.18

Net Asset Value Per Share***

Duo-engine of Growth

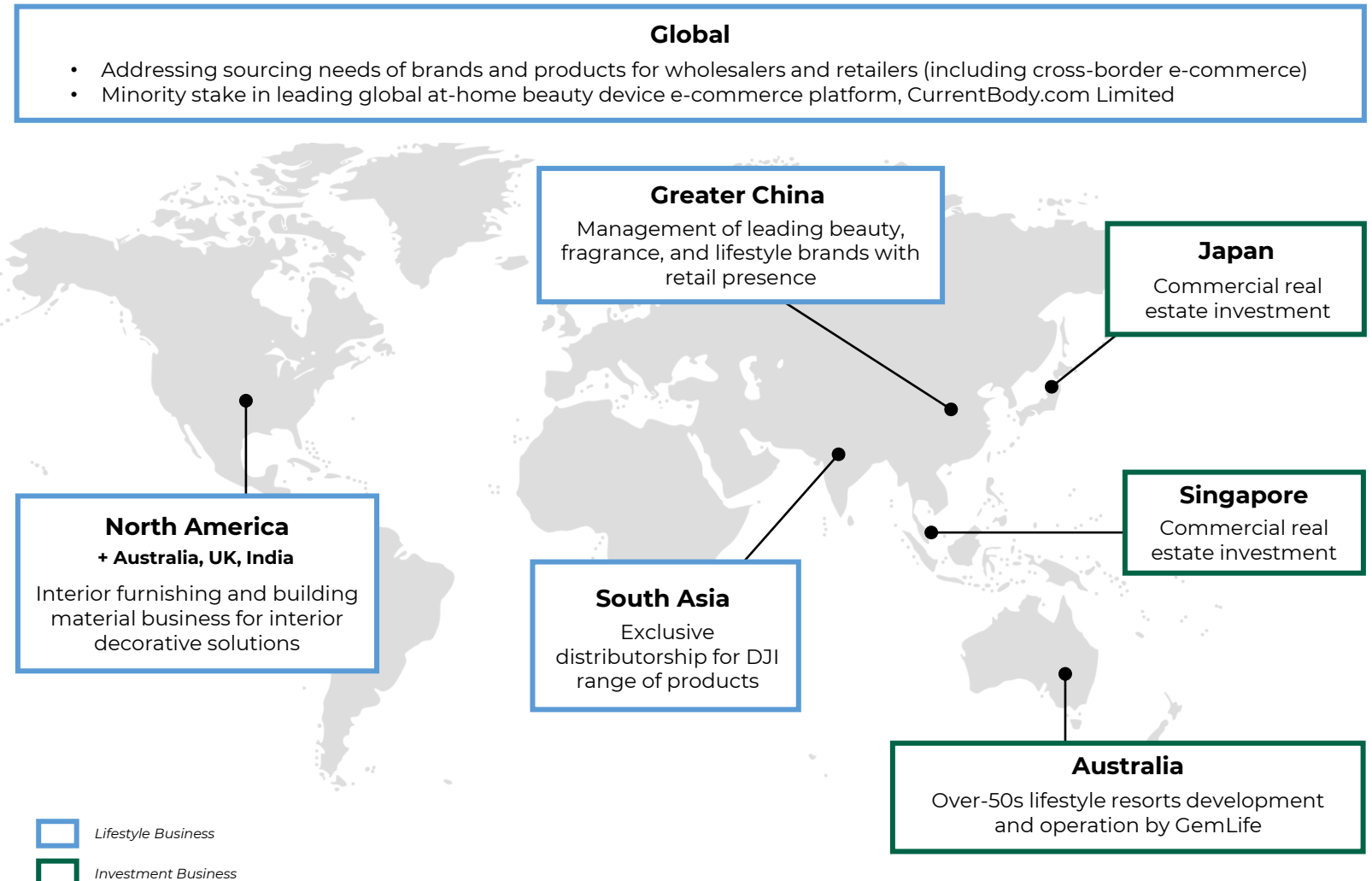
Over-50s Lifestyle Resorts in Australia where demand growth outpaces supply

Continuous expansion in **lifestyle brand management** with a global footprint

*as of 13 Sep 2023

**FY2022 dividend and share price as of 31 Dec 2022

***as of 30 Jun 2023



Note: Only key businesses are shown, excluding New Economy Ventures



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INVESTMENT BUSINESS



INVESTMENT BUSINESS

Primarily involved in over-50s lifestyle resorts in Australia and a portfolio of commercial properties in Japan

Businesses	Geography	Structure
Over-50s lifestyle resorts development and operation	Australia	31.7% associate (Post restructuring)
Commercial real estate investments	Japan	Pooled investment vehicles
Financial backer for residential real estate developments	Australia	100% subsidiary
Commercial real estate investments	Singapore	100% subsidiary
New economy ventures	Global	Minority stakes



Further expanded in the subsequent slides

GEMLIFE – ABOUT US



The Gem Cut | July

<https://www.youtube.com/watch?v=XpVRuSaHFIA>



- **Over-50s luxury resort living** in Australia
- **11 communities across East Australia** with 7 currently occupied
- A total of **1,222 occupied homes** as of 30 June 2023 and a pipeline taking us to about 7,000 homes
- Thakral has a **31.7%-stake** in GemLife Group
- **Fully-integrated value chain** from development to operation of the resorts
- Operates under the **Manufactured Housing Estates (MHE)/Land Lease Community** model in Australia



GEMLIFE – BUSINESS MODEL

Understanding Australia’s Manufactured Housing Estates (MHEs)/Land Lease Community Model

Residents **purchase and owns the relocatable home**

Residents **lease the land** on which the homes sits on

Resident **pays site fees** for leasing the land

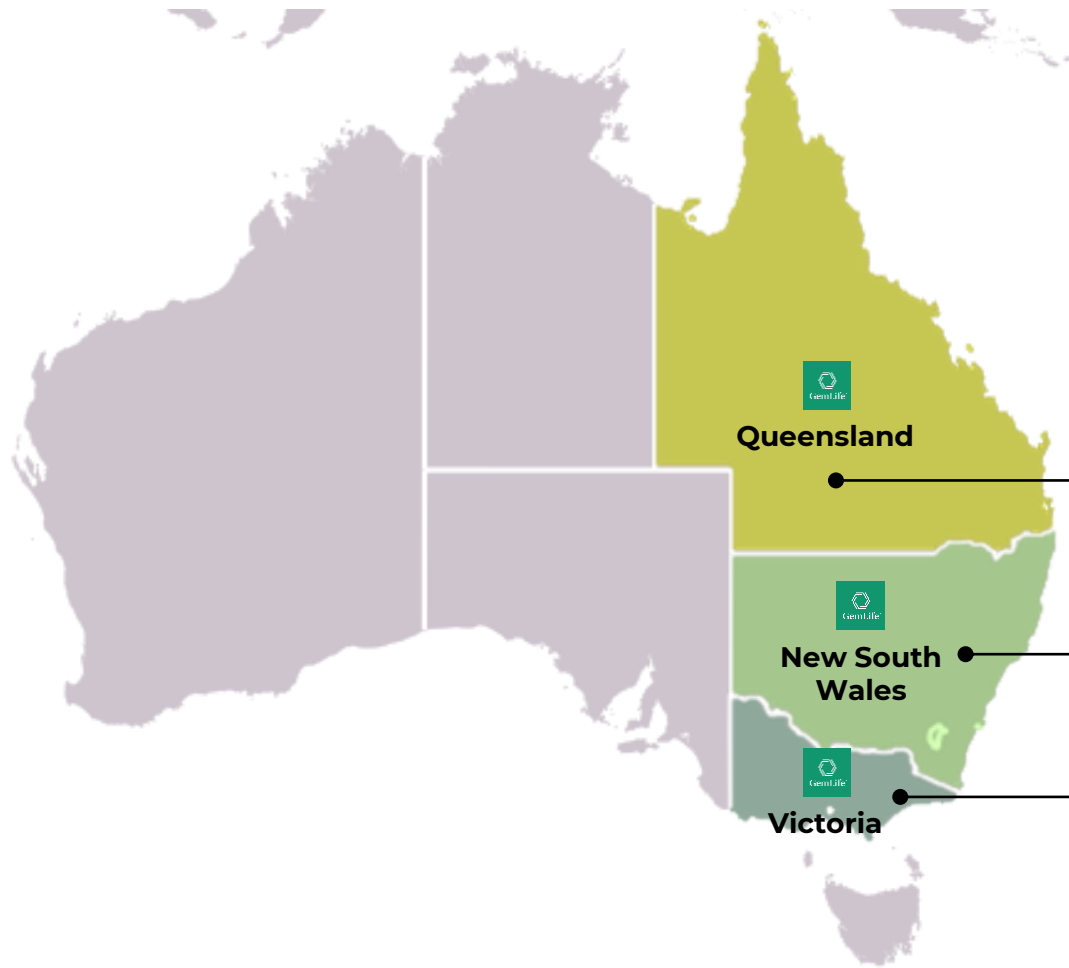
Source: Knight Frank

GemLife’s Business Model, full control across the value chain

	Development	Sales	Construction	Management
Stages :				
Description :	Site acquisition, planning, approvals from authority	Sales and marketing function	Control over costs/timeline with own team of builders	Amenities, maintenance, and administration
Revenue recognition :	N.A.	Upon settlement of home	Resort infrastructure assets are recognised as Investment Properties upon completion (subject to fair value adjustments at end of period)	Recurring revenue from weekly site fees collection

GEMLIFE – INDUSTRY TREND

Capitalising on opportunities from the ageing population trend



Population Projections by the Australian Bureau of Statistics

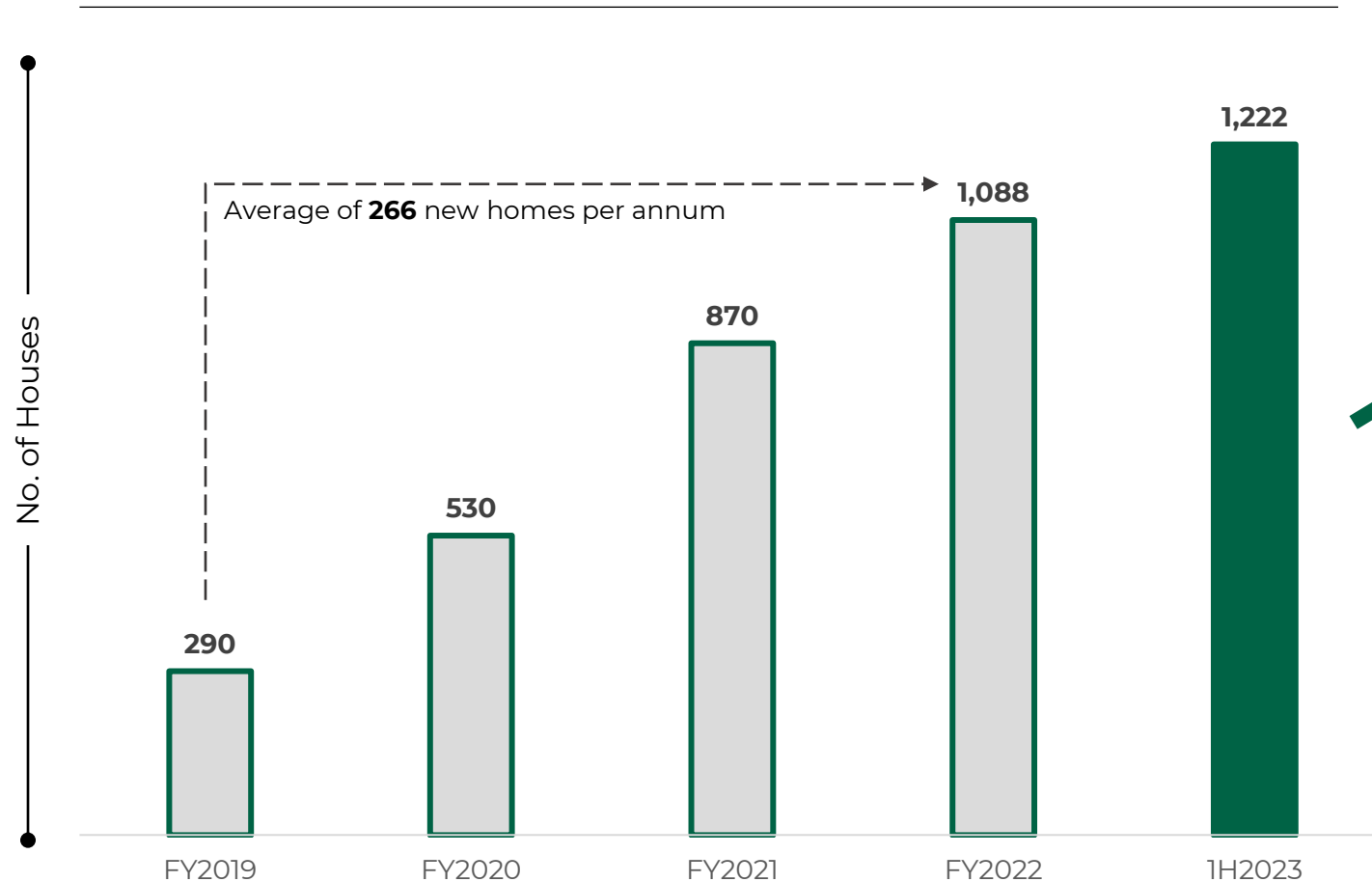
Year	Aged 50 and above		Aged 65 and above	
	2022	2032	2022	2032
% of Population	34.0	34.8	16.3	18.5
Number of People (mil)	1.8	2.1	0.9	1.1
% of Population	34.0	34.4	16.8	18.5
Number of People (mil)	2.9	3.3	1.4	1.8
% of Population	32.6	33.0	15.8	17.2
Number of People (mil)	2.3	2.7	1.1	1.4

Source: Customised projections prepared for the Australian Government Department of Health by the Australian Bureau of Statistics

GEMLIFE – OCCUPANCY

Growing recurring revenue base from weekly site fees

GemLife Cumulative Occupied Homes



Target of
7,000
homes in the next
decade based on
current project
pipeline

Supported by strong
demand based on
ageing population
trend



JAPAN – AN OVERVIEW

Consistent strong returns with strategically located properties in Osaka CBD

Thakral focusses on commercial properties, primarily office buildings

Property	Year Acquired	Land Area (sqm)	Gross Floor Area (sqm)	Effective Ownership	Occupancy
Yotsubashi East Building	2014	525	4,695	50%	100%
Yotsubashi Nakano Building	2014	806	7,925	50%	100%
Yotsubashi Grand Building	2019	881	7,524	55%	100%
Itachibori Square	2018	813	5,618	55%	>92%
Utsubo East Building	2018	762	4,953	55%	>92%
Umeda Pacific Building	2019	861	9,179	56%	>85%
Best Western Osaka Tsukamoto Hotel	2016	525	2,090 (105 Rooms)	50%	100%
Average Occupancy (ex-hotel)					~94%

JAPAN – CAPITAL RECYCLING PLAN

Unlocking long-term asset values

Divestment of Osaka Hotel



Acquired	Nov 2017
Disposed	Aug 2023
Gains After Tax	S\$1.7 million



Further Divestment Plan

Two more office buildings in Osaka to be put on sale by end of September 2023 in light of the favourable market condition



Capital Redeployment

Continuously on the lookout for high-yielding investments



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LIFESTYLE BUSINESS



LIFESTYLE BUSINESS

Brand management of a portfolio of leading beauty, fragrance and lifestyle products

Businesses	Sales Geography	Structure
Management of leading beauty, fragrance and lifestyle brands across e-commerce and offline retail channels, both direct-to-consumer and via key account retailers	Greater China, Global	100% subsidiary
E-commerce platform for at-home beauty devices via CurrentBody	Global	10% stake
Exclusive distribution of DJI enterprise, consumer and agriculture range of products	South Asia	100% subsidiary
Investment in Skylark, a drone management software and services company	India	4.1% stake
Interior furnishing and building materials supplies	North America, UK, Australia, India	100% subsidiary



Further expanded in the subsequent slides

LIFESTYLE BUSINESS - BEAUTY AND FRAGRANCE

Increasing channel footprint in Greater China to capitalise on the growing market

Business Model

- **Brand management** of leading beauty, fragrance and lifestyle brands
- **Sourcing** products for global wholesalers and retailers, including those engaged in cross-border e-commerce

Increasing Channel Footprint

- **Free-standing mono-brand stores and counters** in class A shopping malls and department stores
- **Prestige multi-brand beauty retailers and concept stores** such as Sephora, Cabana and The Beast/Little B
- **E-commerce platforms**

Growth Prospects

- China's fragrance market is projected to grow by 16% per year to US\$3.1 billion in 2025*

*Euromonitor International

Extensive Portfolio of Well-Known Global Brands

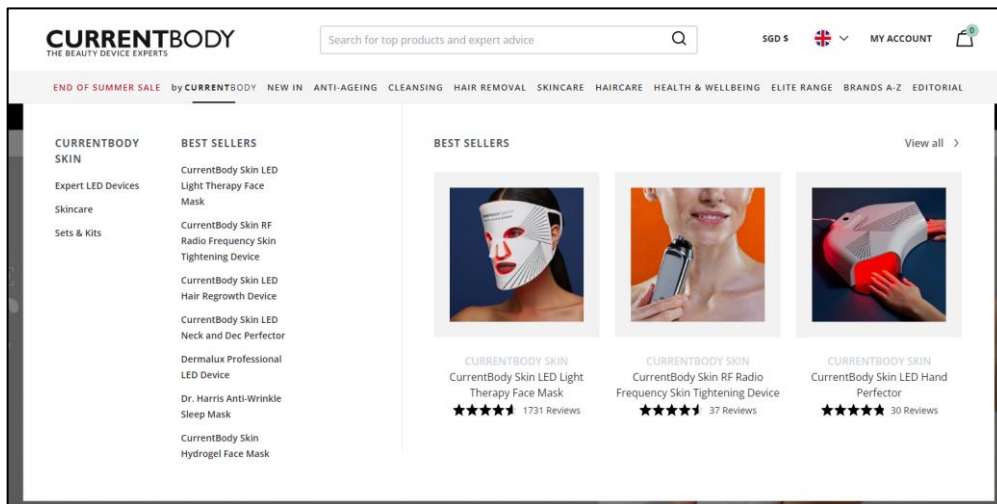


LIFESTYLE BUSINESS - CURRENTBODY

Expanding footprint globally

About CurrentBody

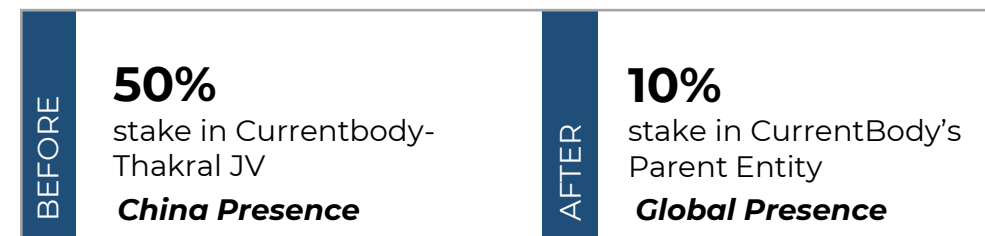
- Global leading platform for at-home beauty devices with a strong portfolio of own label products under the CB Skin brand
- Over 20 in-country e-commerce retail stores and over 100 brands on the platform
- Successfully launched and grew CurrentBody-Thakral China JV from zero in China, as a pure-play e-commerce business on Tmall and Douyin



CurrentBody website

Corporate Exercise

Share Swap Exercise in June 2023



Synergistic Benefits

- Greater alignment of interest with board seats on CurrentBody's parent entity
- Thakral to participate in future growth of CurrentBody on a global scale
- CurrentBody to leverage Thakral's extensive network in Asia

LIFESTYLE BUSINESS - DJI



Venturing into the enterprise & agriculture sector

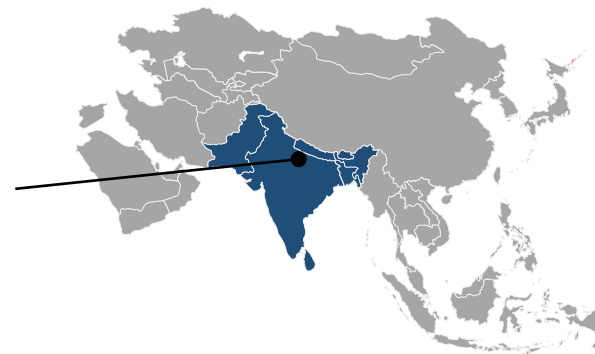
About DJI

- The **world's largest drone manufacturer** with over 70% of global drone market share*
- Products include drones, action cameras, professional gimbals & photographic accessories



Thakral's Involvement

Exclusive distribution of DJI enterprise, consumer and agriculture range of products in **7 countries across South Asia**



Growth Prospects

- **Industry:** Global drone market size is expected to grow from \$30.6 billion in 2022 to \$55.8 billion by 2030**
- **Company:** Bundling of analytical software to penetrate the enterprise sector including agriculture sector

*CNBC
**Drone Industry Insights



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FINANCIAL RESULTS



INCOME STATEMENT HIGHLIGHTS

Attributable profit doubled on the back of multi-segmental growth

	1H2023 (S\$'000)	1H2022 (S\$'000)	YoY Change
Revenue	104,196	64,375	61.9%
Gross profit	23,165	14,211	63.0%
Gross margin	22.2%	22.1%	0.1ppts
Profit from operations	6,597	5,950	10.9%
Operating margin	6.3%	9.2%	(2.9ppts)
Share of profit (loss) of associates and joint ventures	10,052	(805)	N.M.
Attributable profit	7,443	3,744	98.8%
Net margin	7.1%	5.8%	1.3ppts
EPS (Diluted)	5.8 cents	2.9 cents	103.5%

Growth was driven by improvement in Lifestyle business which made up over 90% of revenue

Steady gross margin trend as Lifestyle business operates under a distribution model

Operating margin declined due to expanded headcount, higher staff costs, including provisions made for ex-gratia retirement payments

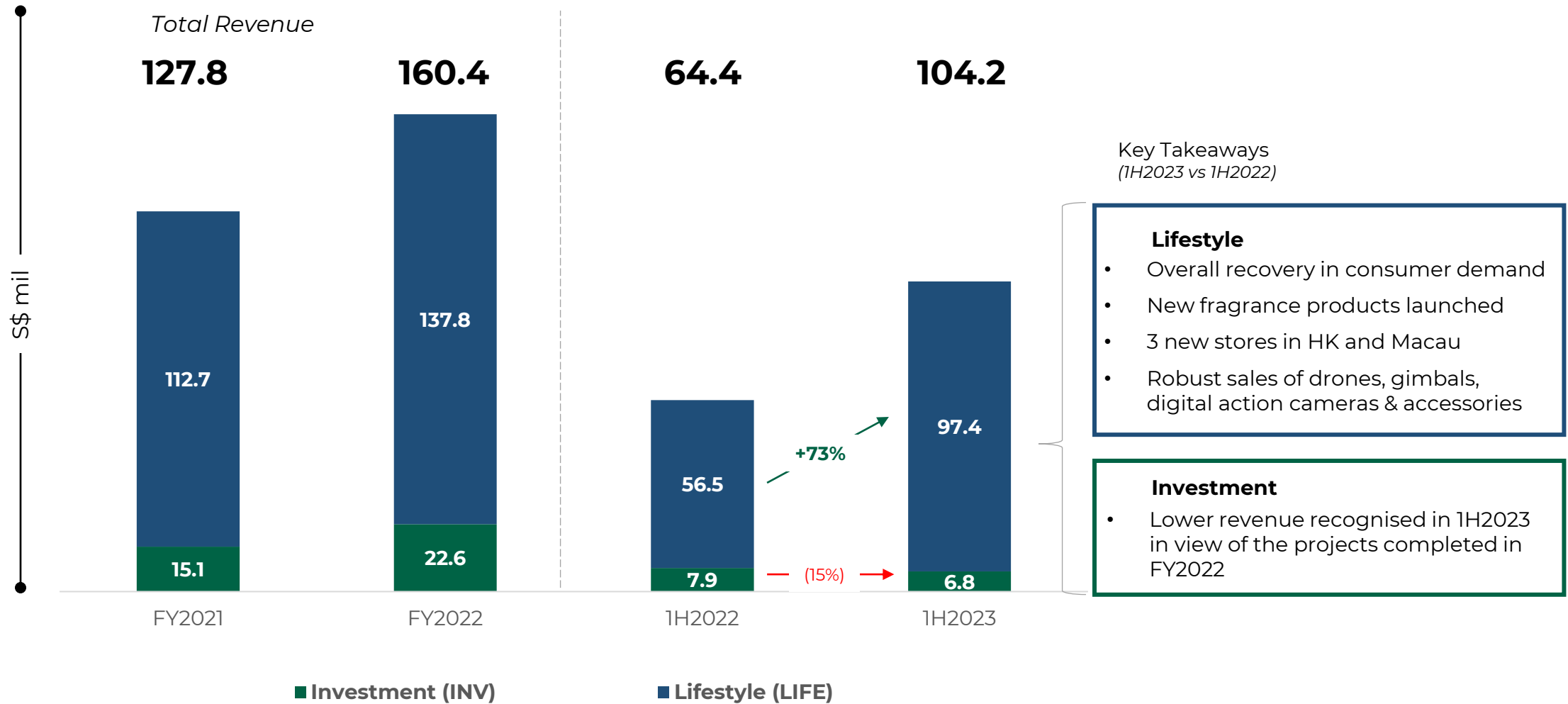
Turnaround due to stronger operating profit from GemLife (Investment business)

Growth was driven by both revenue expansion and turnaround from JV



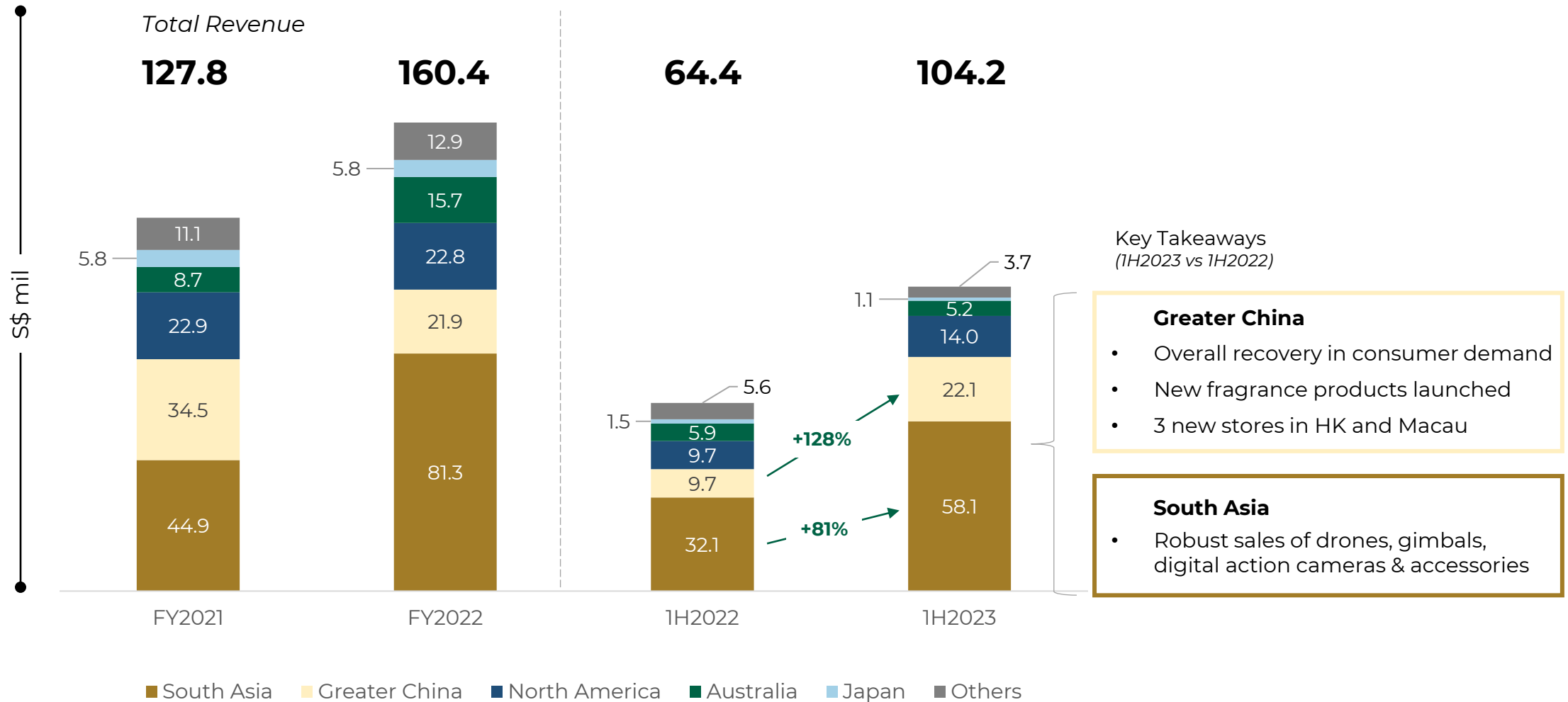
REVENUE BREAKDOWN BY SEGMENT

~94% of 1H2023 revenue was contributed by Lifestyle business



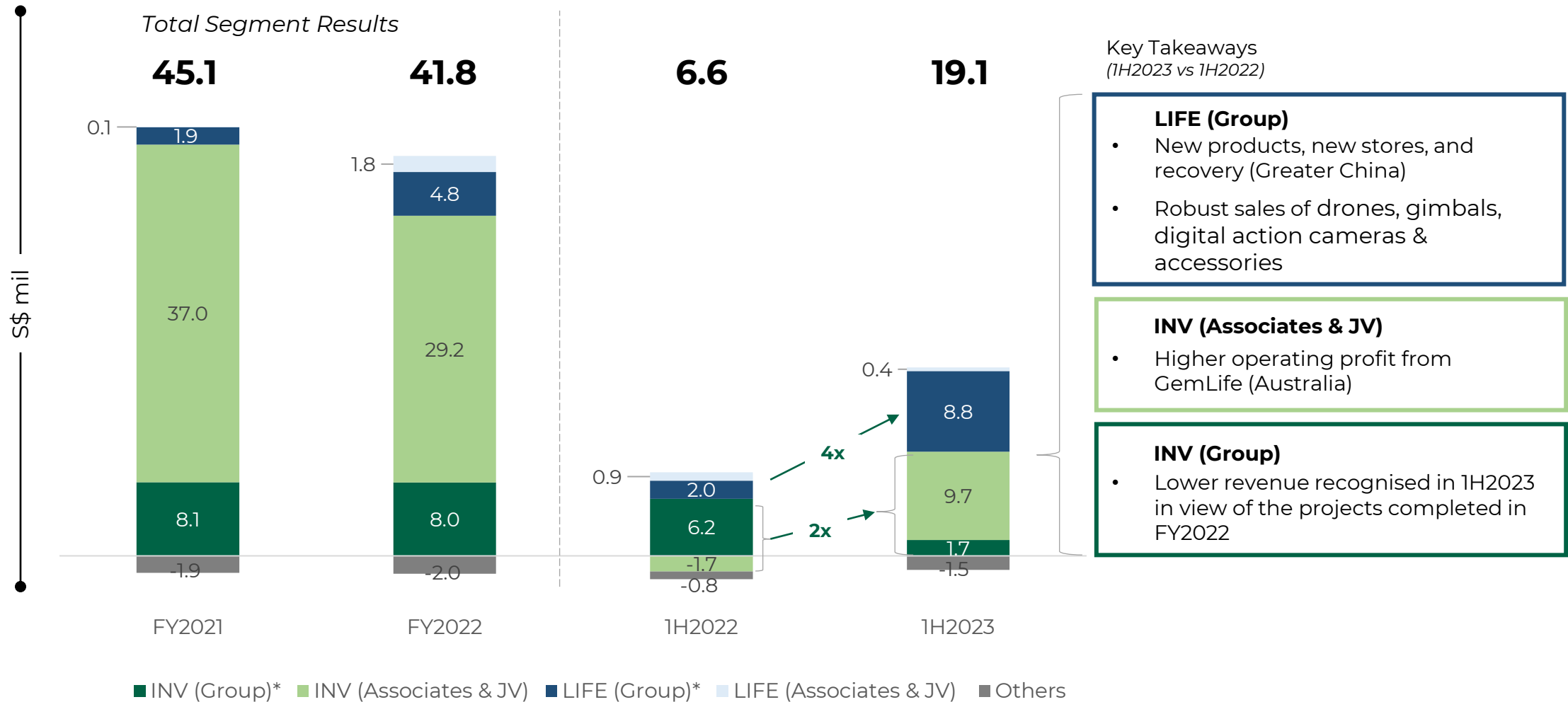
REVENUE BREAKDOWN BY GEOGRAPHY

Growth in key geographies as consumer demand recovered in 1H2023



SEGMENTAL RESULTS BREAKDOWN

Dual impact: 2-fold increase in Investment business and 4-fold increase in Lifestyle business



*Inclusive of valuation adjustments on investment properties and/or fair value adjustment on derivative financial instruments



BALANCE SHEET HIGHLIGHTS

Healthy financial position with net assets of S\$225.7 million as at 30 Jun 2023

Assets	As at 30 Jun 2023 (S\$'000)	As at 31 Dec 2022 (S\$'000)
Current Assets	92,499	84,894
Cash and bank balances	15,008	20,058
Non-Current Assets	274,673	263,978
Total Assets	367,172	348,872

Reduced due to new investments and dividend payments to shareholders

Liabilities	As at 30 Jun 2023 (S\$'000)	As at 31 Dec 2022 (S\$'000)
Current Liabilities	88,961	78,765
Bank and other borrowings*	46,308	42,758
Non-Current Liabilities	52,467	41,807
Bank and other borrowings*	12,197	8,601
Total Liabilities	141,428	120,572

Aggregate borrowings increased mainly due to the new leases entered into in Hong Kong for the new office, warehouse and retail stores (including in Macau)

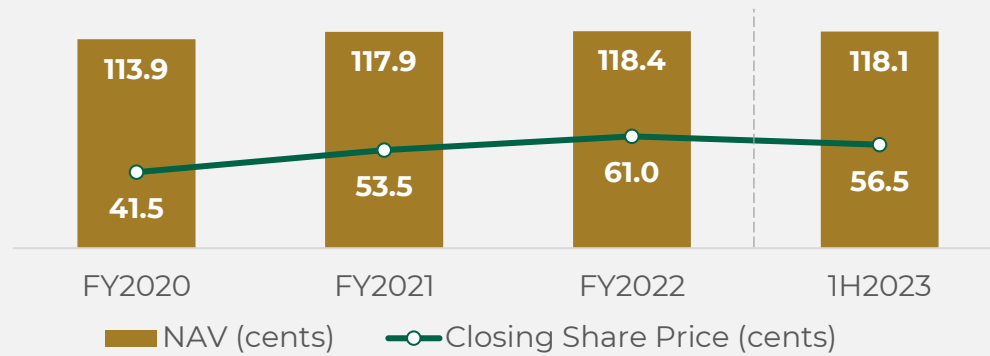
*Includes lease liabilities and trust receipts



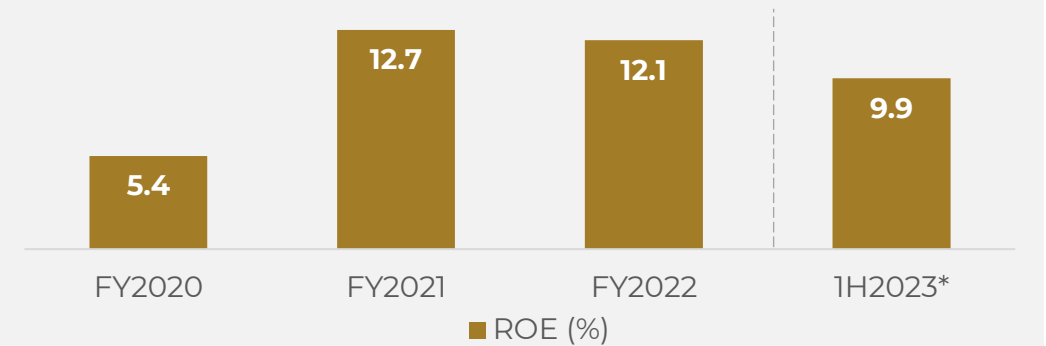
KEY RATIOS

EPS improved significantly on the back of improved profitability

Net Asset Value Per Share (NAV)

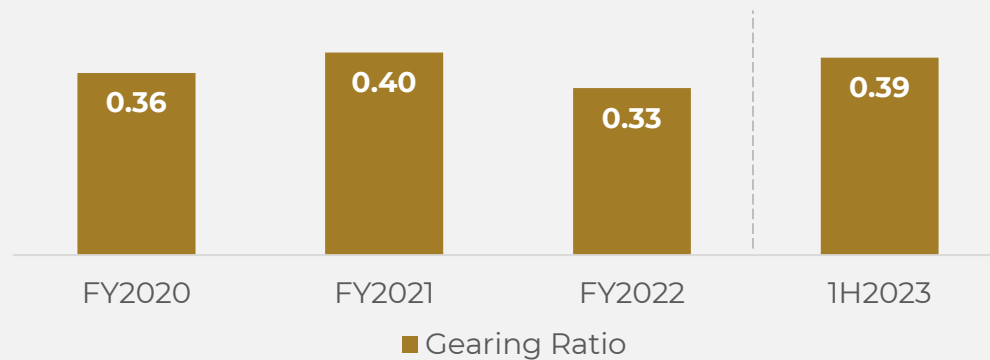


Return on Equity (ROE)

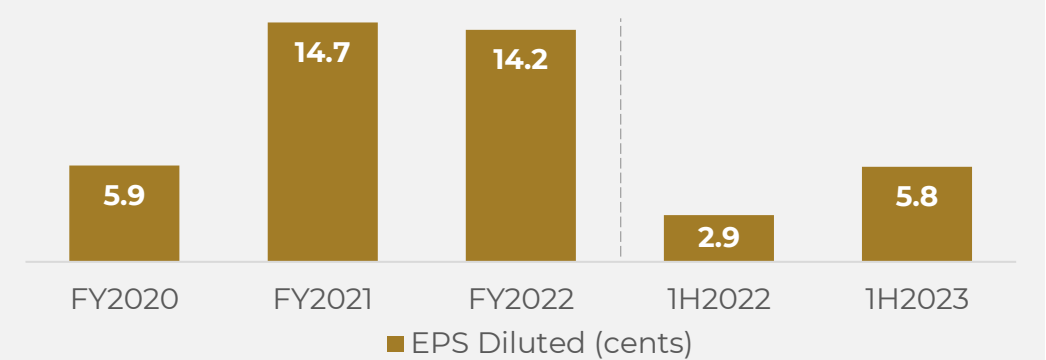


*Annualised ROE

Gearing Ratio



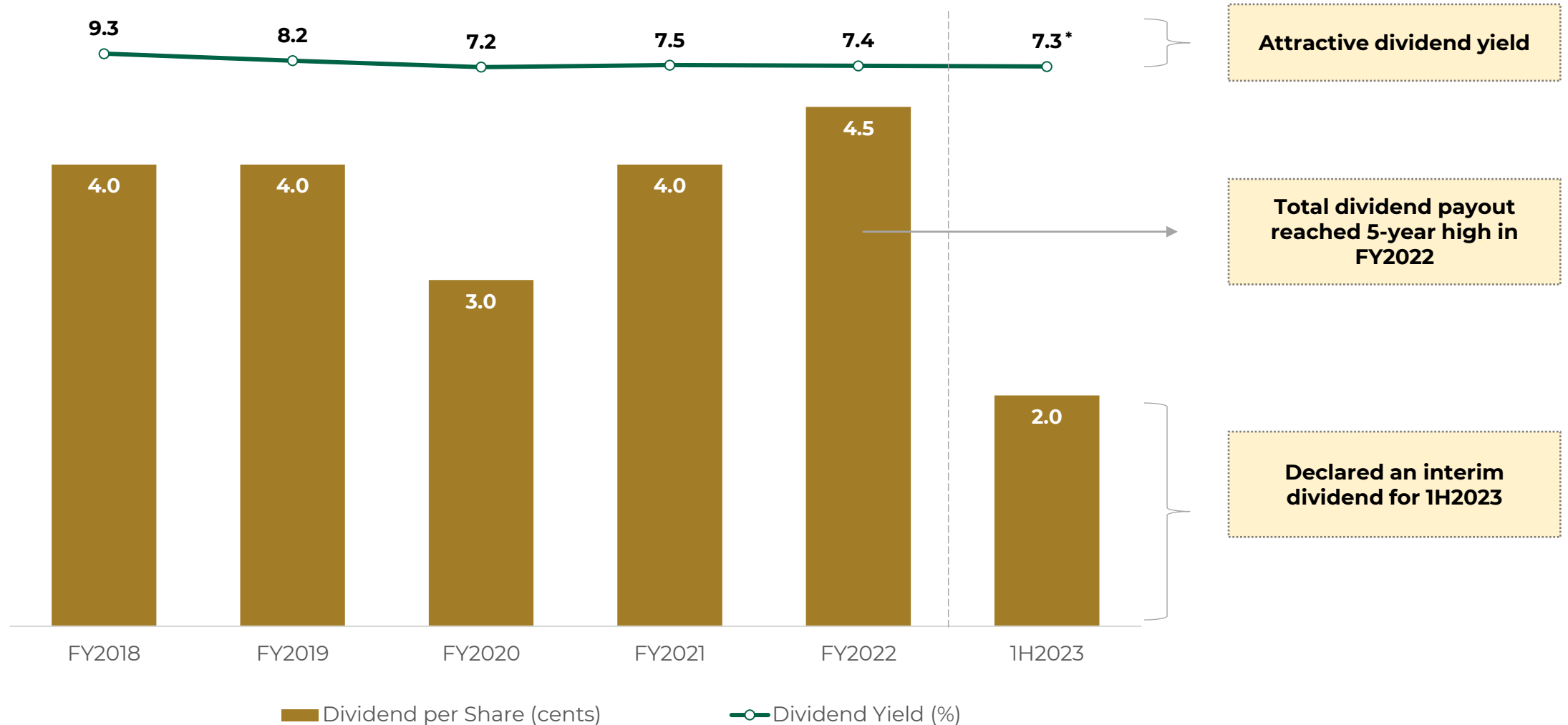
Earnings Per Share (EPS)





DIVIDEND TRACK RECORD

- Consistent dividend pay-out to shareholders
- Enhanced shareholder value via share buybacks (S\$1.76m between Dec 2022 to Jun 2023)



*Annualized dividend based on closing price of 10 August 2023



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SUSTAINABILITY HIGHLIGHTS



SUSTAINABILITY HIGHLIGHTS

Four Key Pillars & Key Achievements FY2022

INNOVATE

Opportunities for long-term partnerships and investments in sustainable solutions

KEY HIGHLIGHT

12.5% increase in dividend



COLLABORATE

To reduce our impact on environment by working together with our partners

KEY HIGHLIGHT

Maiden Foray into Impact Investing (BillionBricks)



EMPOWER

Our business communities to thrive in ever-changing outlook

KEY HIGHLIGHT

Merit Award
People's Association
Community Spirit Awards 2022



UPHOLD

A culture of trust and integrity in all our business activities

KEY HIGHLIGHT

Winner
Most Transparent Company Award
(Consumer Discretionary) under the
SIAS Investors' Choice Awards 2022

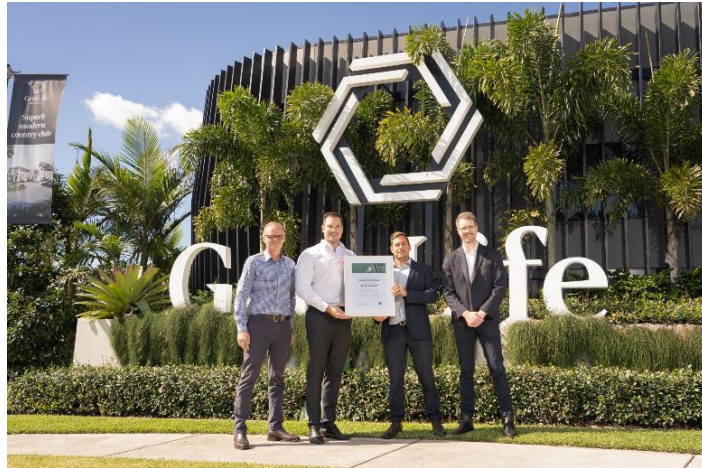




SUSTAINABILITY HIGHLIGHTS

GemLife

- Every GemLife home and clubhouse is fitted with solar panels with central, community batteries installed or to be installed, to operate renewable energy virtual power plants (“VPPs”)
- Gold Coast resort achieved certification under the Urban Development Institute of Australia’s EnviroDevelopment program
- VPPs program launched for rollout at Maroochy Quays resort in June 2023
- To invest more than A\$75 million over six years in developing VPPs across its portfolio of 11 existing and new communities



*GemLife Gold Coast
EnviroDevelopment program certification*

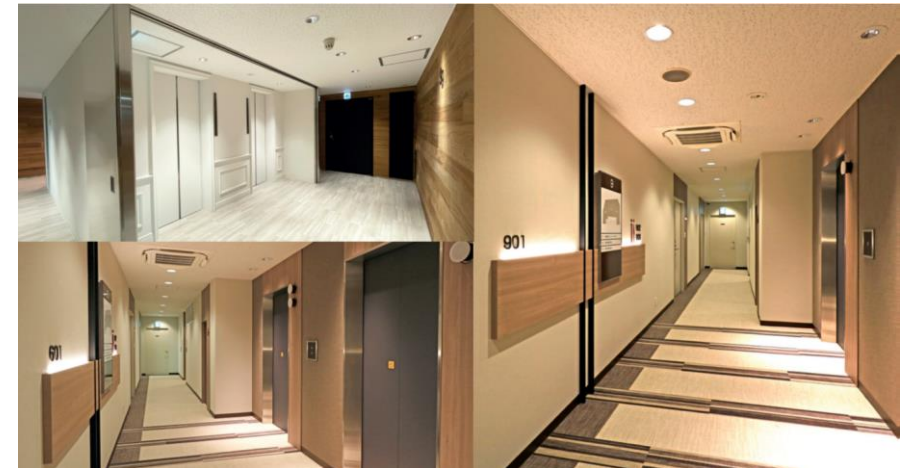


*GemLife Maroochy Quays
Launch of VPPs program*

(Photos credit: GemLife)

Japan Office Properties

- On-going efforts to reduce energy consumption and carbon footprint through installation of energy efficient air-conditioning systems and LED lighting during renovation of properties where circumstances permit



*Retrofitting common areas with energy efficient air-cons and LED lighting
and replacement of elevator in 2022*



SUSTAINABILITY HIGHLIGHTS

Impact Investing

- Maiden foray into impact investing under BillionBricks, a community of net-zero homes embedded in sustainable innovative technologies to reduce energy consumption without compromising on safety and quality



A BillionBricks' Net-Zero Home: Solving Global Housing and Climate Crises through Innovative Design & System

(Image credit: BillionBricks)

Empowering Local Communities

- North East Growth Fund – Milk and Diaper Support - Commenced support in 2019 and last renewed for another 3-years in 2022. Supported around 875 children through this initiative from 2019 to 2022
- Merit Award under People’s Association Community Spirit (“PACS”) Awards 2023
- Wheelchair and Walker donations
- One of the key donors for Sree Narayana Mission (Singapore)’s (“SNM”) 75th Anniversary Fund Raising to support services/programmes for residents/clients under their nursing homes and senior care centres
- Donation to support the flood victims in Punjab through United Sikhs in July 2023



PACS Awards 2023 Ceremony
Photo credit: People’s Association



SNM 75th Anniversary Charity Dinner
Photo credit: SNM



Donation of wheelchairs to
Ren Ci Nursing Home
Photo credit: Ren Ci

THANK YOU!



www.thakralcorp.com

For further enquiries, please contact:

Financial PR

Kamal SAMUEL / Shivam SARAF / Hong Ee TANG / Urvija DIWAN

kamal@financialpr.com.sg

shivam@financialpr.com.sg

hongee@financialpr.com.sg

urvija@financialpr.com.sg

