

BLUEPRINT FOR SUSTAINABLE GROWTH



THAKRAL
CORPORATION LTD

FY2023 CORPORATE PRESENTATION

6 March 2024

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

SGX-listed since 1995

S\$0.595
Share Price*

S\$76.1m
Market Cap*

Attractive Valuation

6.7%
Dividend Yield[^]

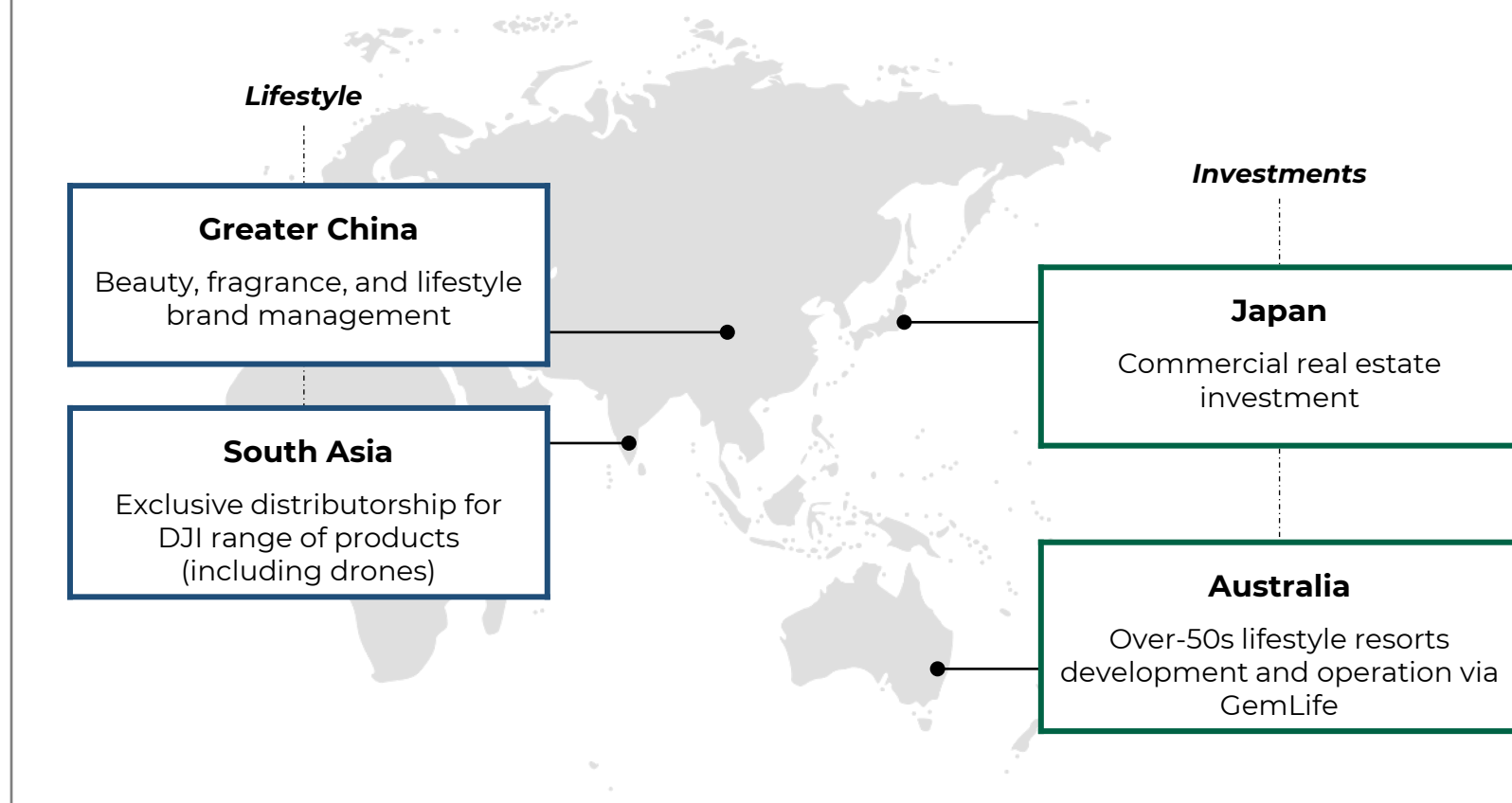
S\$1.17
NAV/Share[#]

Dual Growth Drivers

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

Strategic expansion in **beauty, fragrance, and drones** business

Key Businesses



*as of 28 Feb 2024 [^]FY2023 dividend and share price as of 31 Dec 2023 [#]as of 31 Dec 2023



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INVESTMENTS

GEMLIFE - A UNIQUE MODEL

DEVELOPER AND OPERATOR OF OVER-50s LUXURY RESORTS



31.7%
Thakral's stake

11
Communities

9
Occupied Resorts

1,449
Occupied Homes*

**as of 31 Dec 2023*

Benefitting from Two Streams of Revenue

Australia's Manufactured Housing Estate (MHE)/
Land Lease Community Model

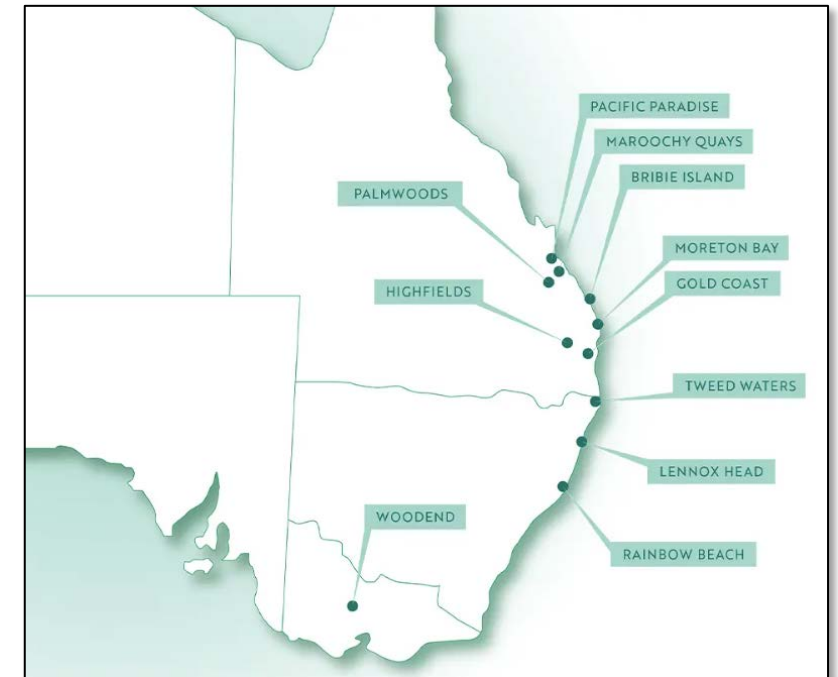
Residents
**purchase and
own the
relocatable
home**

**Revenue from
home sales**

Residents
**lease the
land** which
belongs to the
operator

**Recurring Weekly
Site Fees**

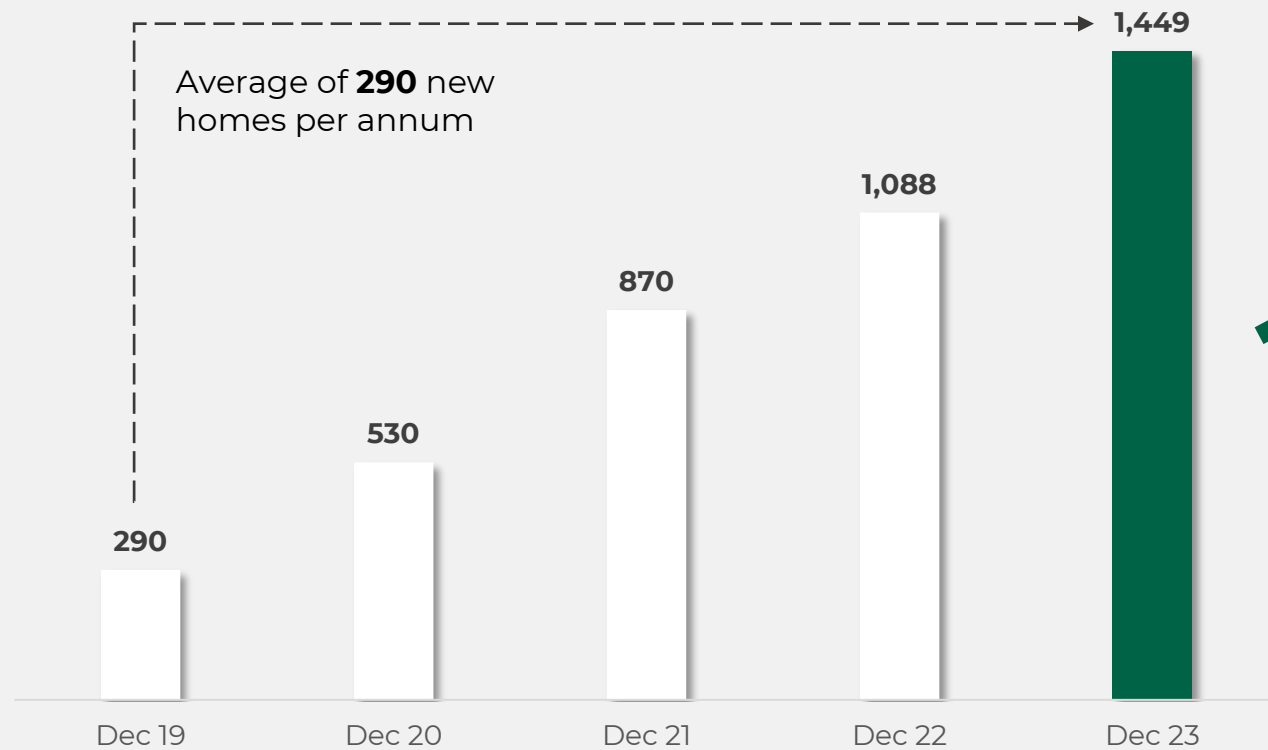
Extensive footprint across East Australia



PIPELINE TO REACH 6,500 HOMES

GROWING RECURRING REVENUE BASE FROM WEEKLY SITE FEES

Growing number of occupied homes leading to higher recurring weekly site fees



Target of
6,500
homes within the decade based on current project pipeline

Supported by strong demand based on ageing population trend

JAPAN COMMERCIAL BUILDINGS

FULL OCCUPANCY IN FIVE OUT OF SIX OFFICES IN JAPAN

Business	Land Area (sqm)	Effective Ownership	Occupancy
Yotsubashi East Building	525	50%	100%
Yotsubashi Nakano Building	806	50%	100%
Yotsubashi Grand Building	881	55%	100%
Itachibori Square	813	55%	100%
Utsubo East Building	762	55%	100%
Umeda Pacific Building	861	56%	86%
Average Occupancy			~97%

Divestment Plans



Disposed Osaka Hotel in August 2023 with gains after tax of **\$1.7 million**

Itachibori Square and **Utsubo East Building** up for sale to capitalise on market uptrend



Capital Redeployment

On the lookout for high-yielding investments

Maison Margiela PARIS



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LIFESTYLE

BEAUTY & FRAGRANCE

INCREASING CHANNEL FOOTPRINT IN GREATER CHINA TO CAPITALISE ON THE GROWING MARKET

Management of Leading Beauty, Fragrance, and Lifestyle Brands with Multi-channel Sales Strategy

Multi-brand beauty retailers and concept stores



Mono-brand stores and counters



E-commerce platforms



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

*Euromonitor International

EXPOSURE TO BEAUTY TECH VIA CURRENTBODY

GLOBAL FOOTPRINT IN THE AT-HOME BEAUTY DEVICES SEGMENT

10%
Thakral's Stake

> 20
In-country e-commerce
retail stores

> 100
Third-party brands

Own label products under
CB Skin brand

Expanded our Role from a China Accelerator to a Global Shareholder

Share Swap Exercise in June 2023

BEFORE : **CHINA**

50%
stake in Currentbody-
Thakral JV

Share of profit

AFTER : **GLOBAL**

10%
stake in CurrentBody's
Parent Entity **+** Profit from
divestment*

Various income streams**

*S\$ 3.1 profit from divestment including the share of profit recognised on the joint venture in FY23

**Dividends and interest from preference shares, ordinary shares and loan to parent entity



EXCLUSIVE DISTRIBUTOR OF DJI

VENTURING INTO THE ENTERPRISE & AGRICULTURE SECTOR



DJI is the World's Largest Drone Manufacturer with >70% Market Share*

Thakral is the exclusive distributor in 7 countries across South Asia



*CNBC

Expanding our regional and sector footprint via acquisition of Thakral Innovations Pvt Ltd in India

+7

Offices in India



Existing network and infrastructure

Consumer
+ Enterprise
+ Agriculture

Well positioned for product expansion



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FINANCIAL RESULTS

INCOME STATEMENT HIGHLIGHTS

Increase in profits on the back of multi-segmental growth

	FY2023 (S\$'000)	FY2022 (S\$'000)	YoY Change
Revenue	212,269	160,422	+32.3%
Gross profit	45,902	39,222	+17.0%
Gross margin	21.6%	24.4%	(2.8ppts)
Profit from operations	15,312	7,395	+107.1%
Operating margin	7.2%	4.6%	+2.6ppts
Share of profit of associates and joint ventures	34,792	30,972	+12.3%
Profits before restructuring costs	46,535	36,593	+27.2%
Attributable profit	8,168	18,617	(56.1%)
Net margin	3.8%	11.6%	(7.8ppts)
EPS (Diluted)	6.4 cents	14.2 cents	(55.2%)

Key Drivers

Improvement in Lifestyle business which made up over 90% of revenue

Change in revenue mix impacted margins

Higher revenue and absence of additional staff costs post restructuring otherwise attributable to the Australia operations

Impacted by one-off restructuring charge of S\$20.4 million recorded in FY2023

ppts = Percentage Points

RESTRUCTURING OF THAKRAL CAPITAL HOLDINGS AND ITS GROUP OF COMPANIES

Key Benefits

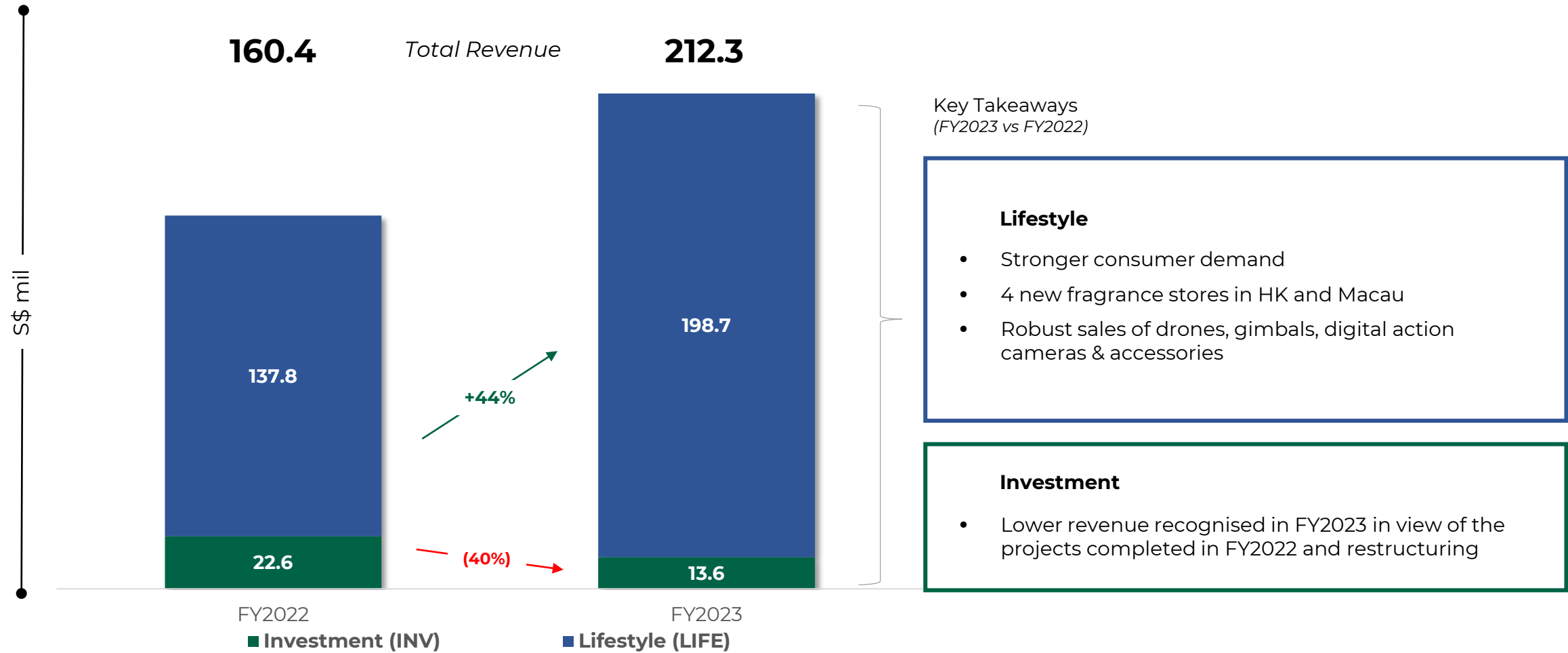
- 1** Significant cost savings going forward
- 2** Greater focus on GemLife as our core growth strategy in Australia

Key Impacts

- 1** One-off S\$20.4 million incurred in FY2023
- 2** GemLife stake now at 31.7%
- 3** Reclassification of GemLife from JV to Associate

REVENUE BREAKDOWN BY SEGMENT

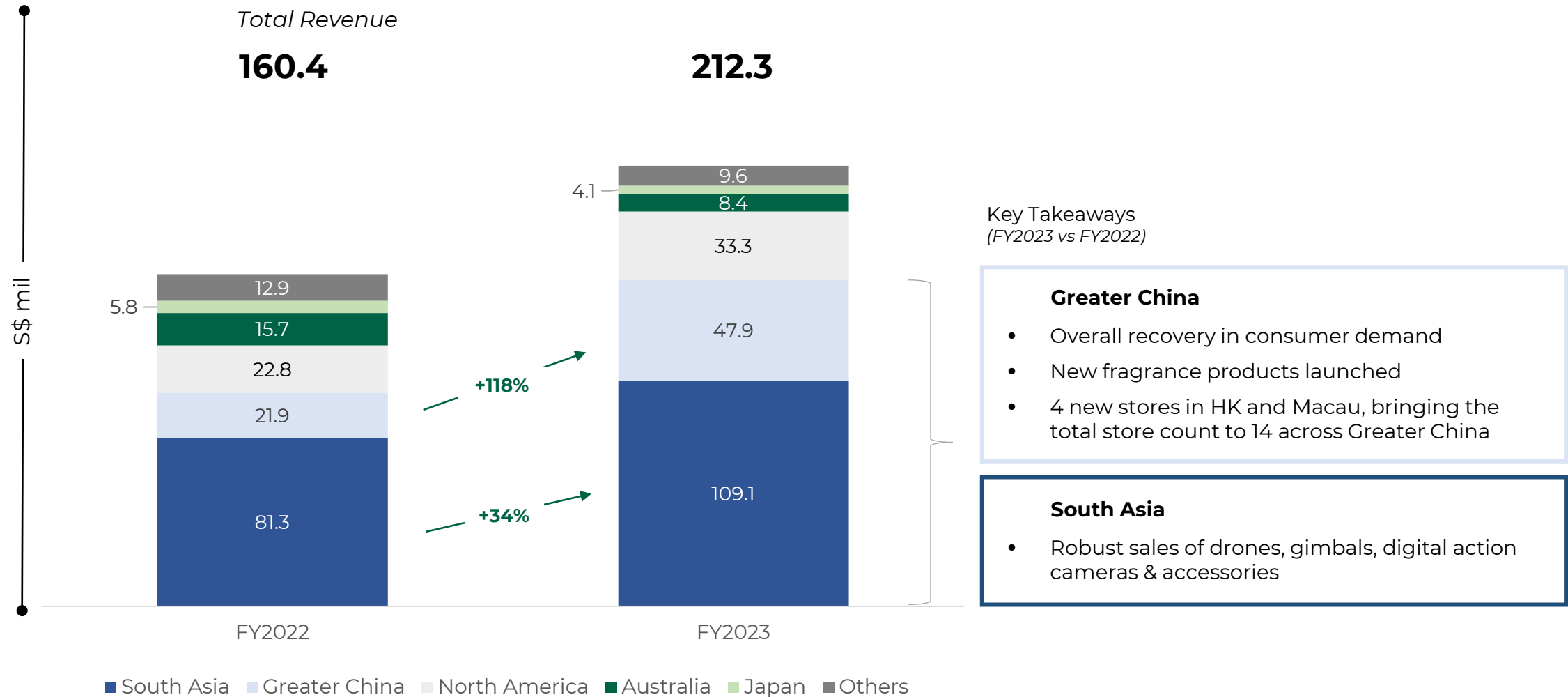
~94% of FY2023 revenue was contributed by Lifestyle business



Note: Revenue from the Investment Segment does not include business activities from its associates and joint ventures

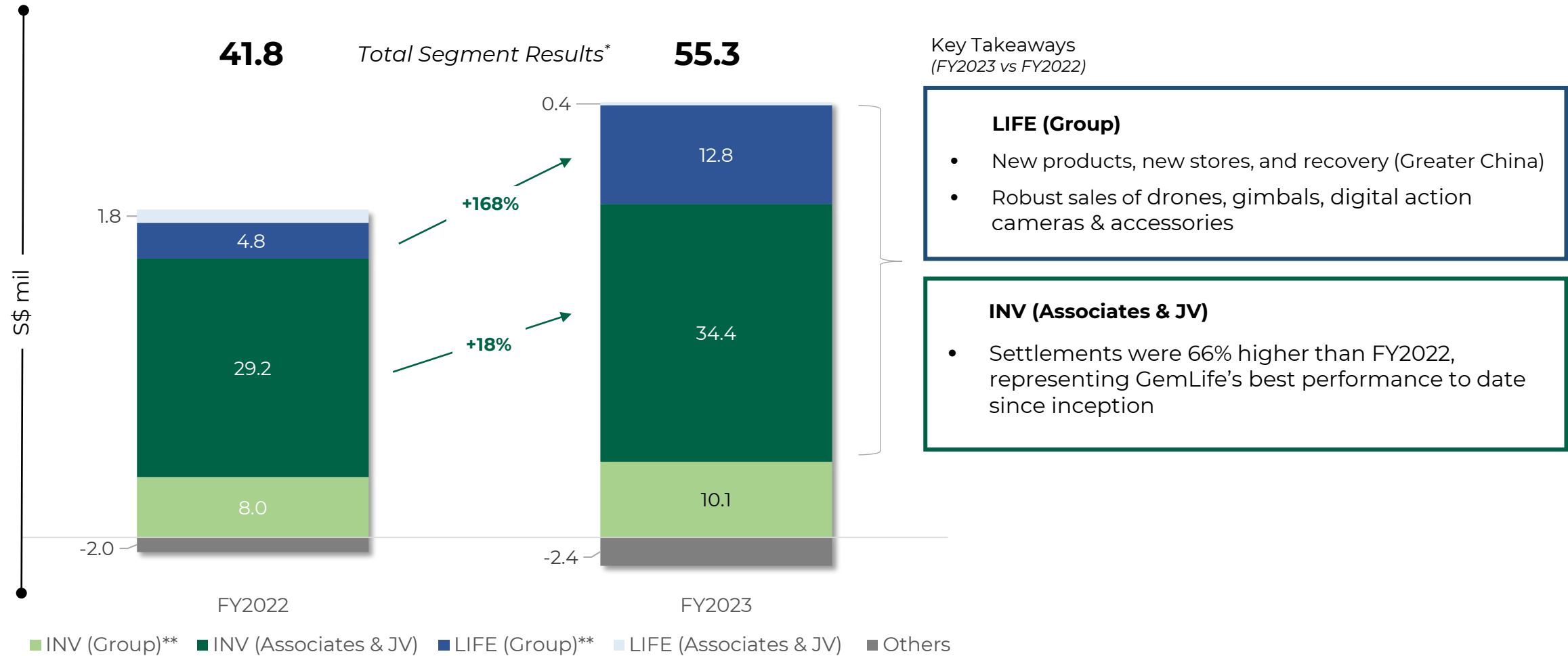
REVENUE BREAKDOWN BY GEOGRAPHY

Growth in key geographies on the back of stronger consumer demand in FY2023



SEGMENTAL RESULTS BREAKDOWN

Dual factor: Significant growth in both Investment business and Lifestyle business



* One-off restructuring cost of S\$20.4 million under the INV segment has been excluded to reflect segmental results

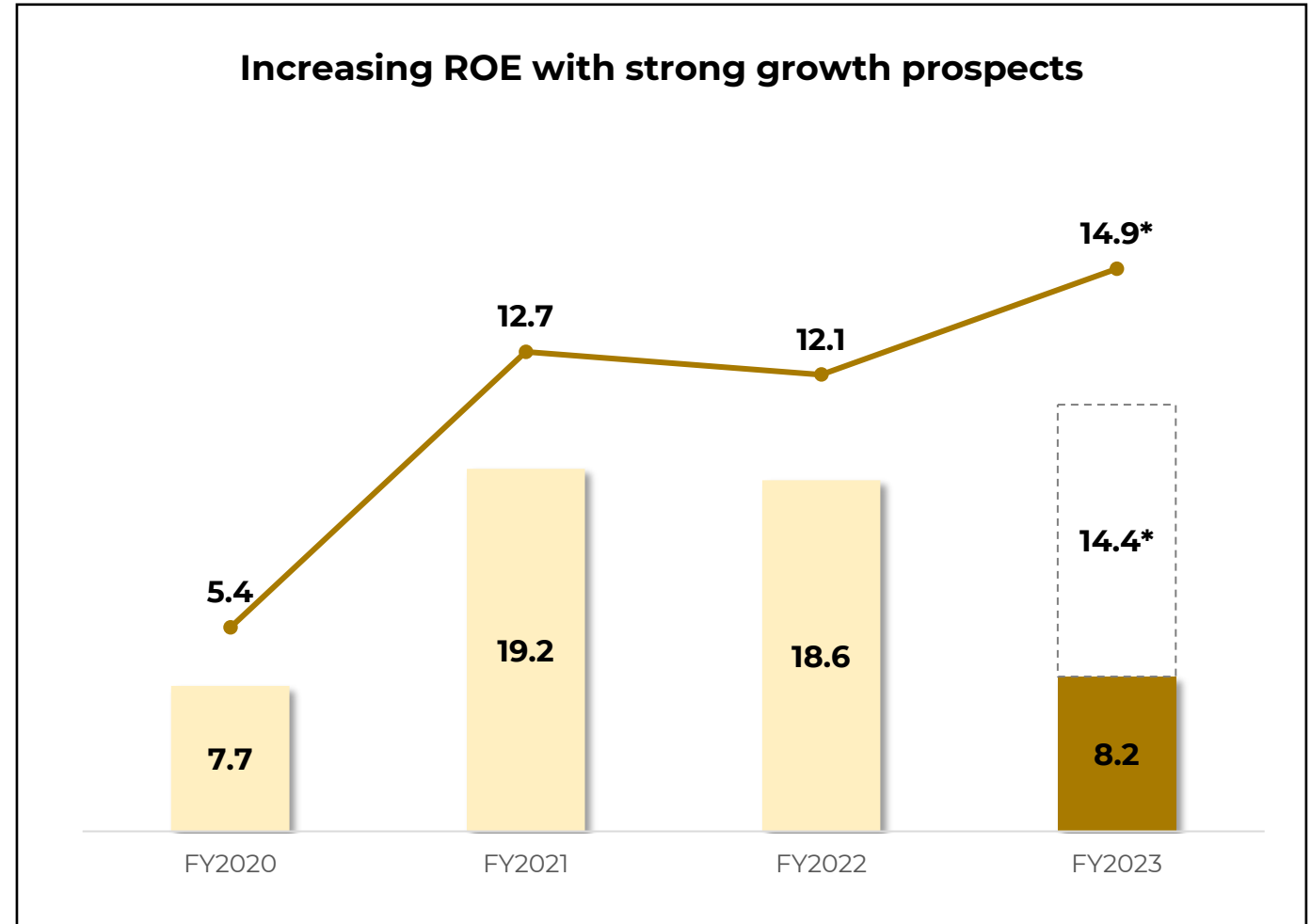
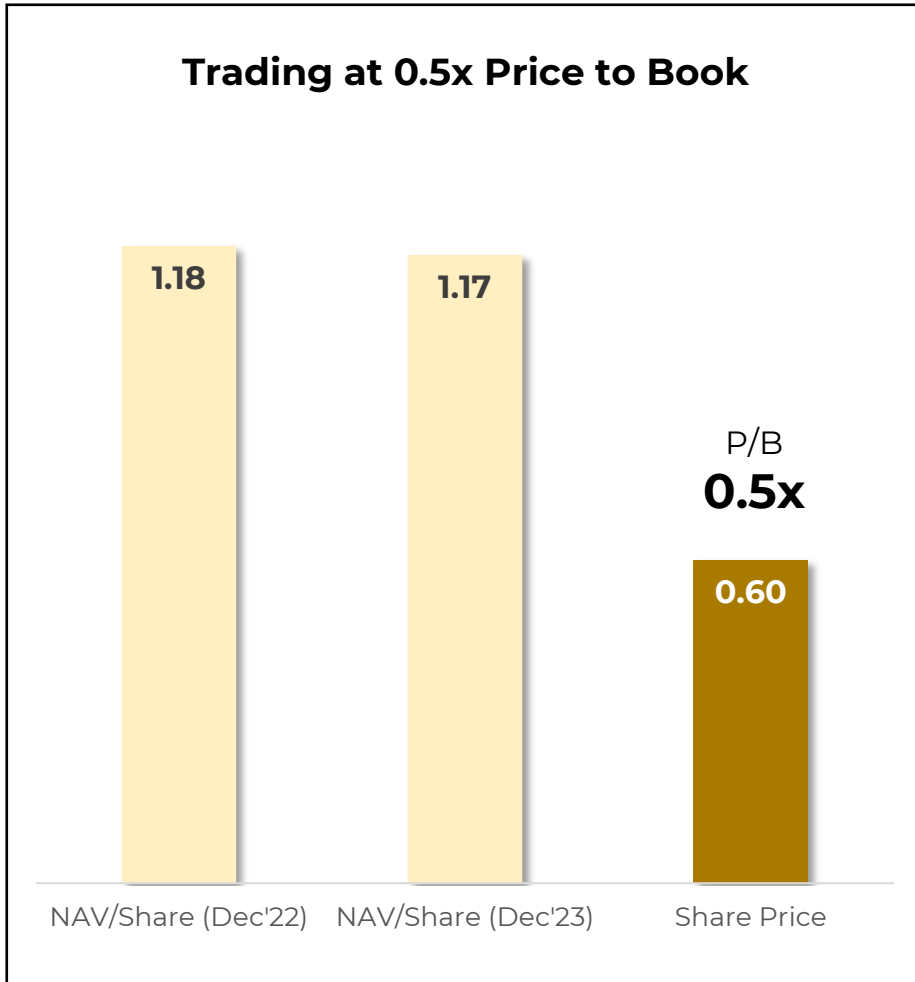
** Inclusive of valuation adjustments on investment properties and/or fair value adjustment on derivative financial instruments

BALANCE SHEET HIGHLIGHTS

<i>Selected Items Only</i>	31 DEC 2023 (S\$'000)	31 DEC 2022 (S\$'000)	YoY Change	Key Drivers
Cash and bank balances	11,257	20,058	(43.9%)	Decreased due to costs for restructuring, dividends, etc
Joint ventures	-	67,678	N.M.	Reclassification of <i>GemLife</i> as an associate post-restructuring
Associates	124,058	60,776	+104.1%	
Total Assets	328,985	348,872	(5.7%)	
Total Short-Term Debt	49,203	42,416	+16.0%	Total debt increased due to additional trade finance funding by Lifestyle Division to support higher level of operations
Total Long-Term Debt	6,887	8,466	(18.6%)	
Total Liabilities	128,234	120,572	+6.4%	

N.M. = Not Meaningful

ATTRACTIVE VALUATION WITH STRONG GROWTH

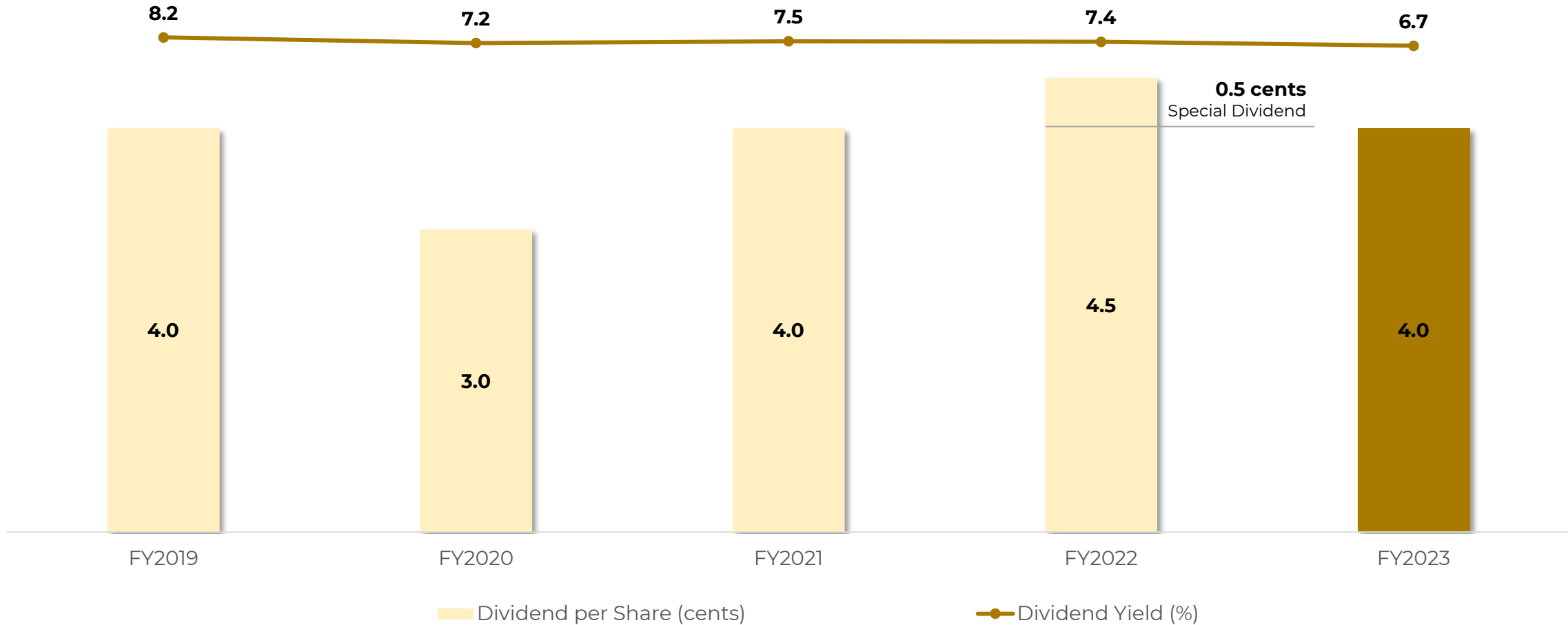


*Assuming pro-forma after-tax profit of S\$22.6 million (S\$8.2 million + S\$14.4 million post-tax** impact if restructuring costs weren't incurred)

**Assuming a tax rate of 29.5% (based on FY2023 effective tax rate)

HIGH DIVIDEND YIELD

Stable dividend track record and share buyback exercise amounting to S\$1 million in FY2023





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INVESTMENT BUSINESS - OVERVIEW

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

LIFESTYLE BUSINESS - OVERVIEW

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