

Singapore Company Flash Note

Yoma Strategic Holdings

Bloomberg: YOMA SP EQUITY | Reuters: YOMA.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

5 Oct 2015

BUY S\$0.35 STI : 2,793.15

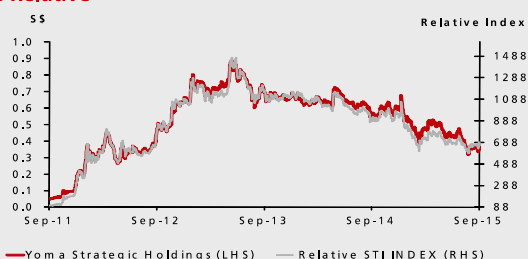
Price Target : S\$ 0.78 (123% upside)

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Price Relative



Forecasts and Valuation

FY Mar (\$ \$ m)	2014A	2015A	2016F	2017F
Revenue	100	111	103	145
EBITDA	23	31	34	53
Pre-tax Profit	26	43	31	49
Net Profit	16	28	21	32
Net Pft (Pre Ex.)	11	12	21	32
EPS (S cts)	1.3	2.0	1.5	2.3
EPS Pre Ex. (S cts)	0.9	0.8	1.5	2.3
EPS Gth (%)	5	51	(24)	50
EPS Gth Pre Ex (%)	(5)	(7)	80	50
Diluted EPS (S cts)	1.3	2.0	1.5	2.3
Net DPS (S cts)	0.0	0.0	0.0	0.0
BV Per Share (S cts)	30.0	47.1	48.6	50.9
PE (X)	26.4	17.5	23.2	15.4
PE Pre Ex. (X)	38.7	41.7	23.2	15.4
P/Cash Flow (X)	nm	nm	6.0	9.3
EV/EBITDA (X)	21.0	18.2	16.5	10.1
Net Div Yield (%)	0.0	0.0	0.0	0.0
P/Book Value (X)	1.2	0.7	0.7	0.7
Net Debt/Equity (X)	CASH	0.0	CASH	CASH
ROAE (%)	4.5	5.4	3.2	4.6

Source of all data: Company, DBS Bank, Bloomberg Finance L.P

Christmas comes early !

- **Axiata Group to acquire Telecommunication Tower Leasing Business from consortium involving Yoma**
- **Potential sale of Yoma's 25% stake in Digicel Asian Holdings Pte Ltd could reap gains of US\$20m**
- **Maintain BUY, TP S\$0.78**

Potential sale of Digicel Asian Holdings Pte Ltd (DAHPL) to Axiata Group Bhd.

Yoma Strategic Holdings (Yoma) announced that its partner, Digicel Group Limited, has entered into a conditional sale and purchase agreement with edotco Group Sdn Bhd (edotco), a wholly owned subsidiary of Axiata Group Bhd to dispose of its 75% interest in DAHPL at an agreed enterprise value of US\$221m.

DAHPL is joint venture company between Digicel Group (75% stake) and Yoma (25% stake). The JV company owns Myanmar Tower Company (MTC) and is involved in development, construction and leasing of telecommunication towers in Myanmar. The conditions of the Proposed Transfer include a written consent from Yoma and approvals from the regulatory authorities in Myanmar.

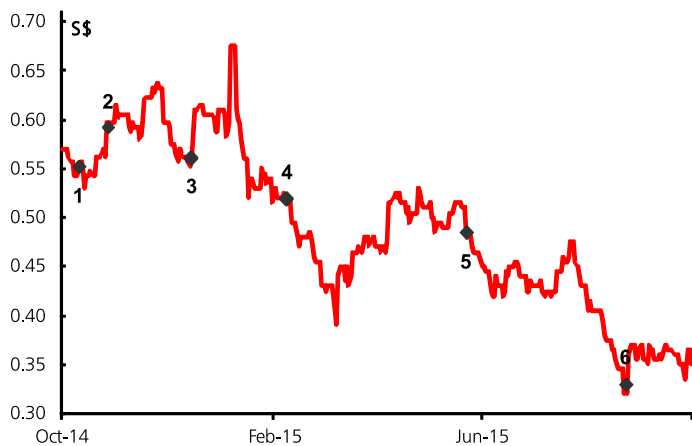
Potential sale of its 25% stake could reap gains of US\$20m.

Based on the agreed sale price, Yoma's equity stake is worth an estimated US\$20m above its book value. We understand that Yoma's management is evaluating its options and is in discussions with edotco. At this point, a sale of its 25% stake in this JV company is uncertain. In our view, a sale will be the optimal outcome as it will further streamline the group's focus towards its core businesses of real estate, consumer and automotive. We have not ascribed a value at this point and if a sale does materialise, Yoma is expected to realise a gain of 1.1 UScts a share

Maintain BUY and S\$0.78 TP. Yoma's stock price performance has been muted lately, which we believe is due to the uncertain political climate (elections are due to be held in mid-Nov-15) resulting in a slowdown in its core real estate business. Yoma is trading at an attractive 0.5x RNAV.

Catalysts hinge on (i) turnaround in the group's real estate business; (ii) better than expected operational results from its consumer (FMCG), tourism and automotive businesses.

Target Price & Ratings History



S.No.	Date	Closing Price	Target Price	Rating
1:	13 Oct 14	0.55	0.78	BUY
2:	30 Oct 14	0.59	0.73	BUY
3:	17 Dec 14	0.56	0.73	BUY
4:	10 Feb 15	0.52	0.82	BUY
5:	25 May 15	0.49	0.93	BUY
6:	25 Aug 15	0.33	0.78	BUY

Note : Share price and Target price are adjusted for corporate actions.

Source: DBS Bank

DBS Bank recommendations are based on Absolute Total Return* Rating system, defined as follows:

STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)

BUY (>15% total return over the next 12 months for small caps, >10% for large caps)

HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)

FULLY VALUED (negative total return i.e. > -10% over the next 12 months)

SELL (negative total return of > -20% over the next 3 months, with identifiable catalysts within this time frame)

Share price appreciation + dividends

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