

# 2015 RESULTS PRESENTATION

富貴生命國際有限公司  
**NIRVANA asia** LTD



March 2016

# DISCLAIMER

These materials may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. Readers are cautioned not to place undue reliance on these forward-looking statements, which involve inherent risks, uncertainties and assumptions. No assurance can be given that actual results will be consistent with these forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statements.

These materials are for information purposes only and do not constitute or form part of any invitation or offer to acquire, purchase or subscribe for any securities or the provision of any investment advice, and none of them shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto. These materials do not constitute a recommendation regarding the securities of the Company.

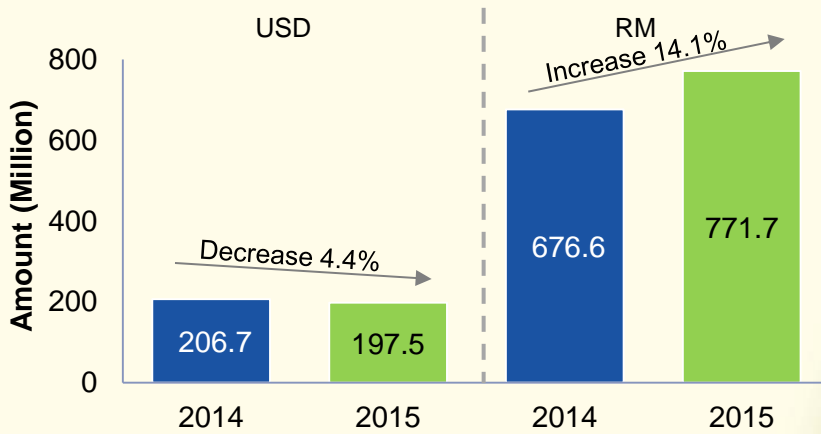
# FINANCIAL HIGHLIGHT

	USD Million <sup>3</sup>			RM Million <sup>3</sup>		
	2015	2014	Change (%)	2015	2014	Change (%)
<b>Revenue</b>	<b>148.6</b>	165.1	(10.0)	<b>580.4</b>	540.3	7.4
<b>EBITDA<sup>1</sup></b>	<b>102.8</b>	56.1	83.2	<b>401.4</b>	183.7	118.5
<b>Adjusted EBITDA<sup>2</sup></b>	<b>61.3</b>	65.0	(5.7)	<b>239.4</b>	212.8	12.5
<b>Profit for the year</b>	<b>87.4</b>	37.8	131.2	<b>341.2</b>	123.8	175.6
<b>Adjusted Profit for the year<sup>2</sup></b>	<b>45.9</b>	46.7	(1.7)	<b>179.2</b>	152.9	17.2
<b>Profit for the year attributable to owners of the Company</b>	<b>86.8</b>	35.8	142.5	<b>339.2</b>	117.1	189.7
<b>Adjusted profit for the year attributable to owners of the Company<sup>2</sup></b>	<b>45.3</b>	44.6	1.6	<b>177.2</b>	146.2	21.2
<b>Contract sales</b>	<b>197.5</b>	206.7	(4.4)	<b>771.7</b>	676.6	14.1

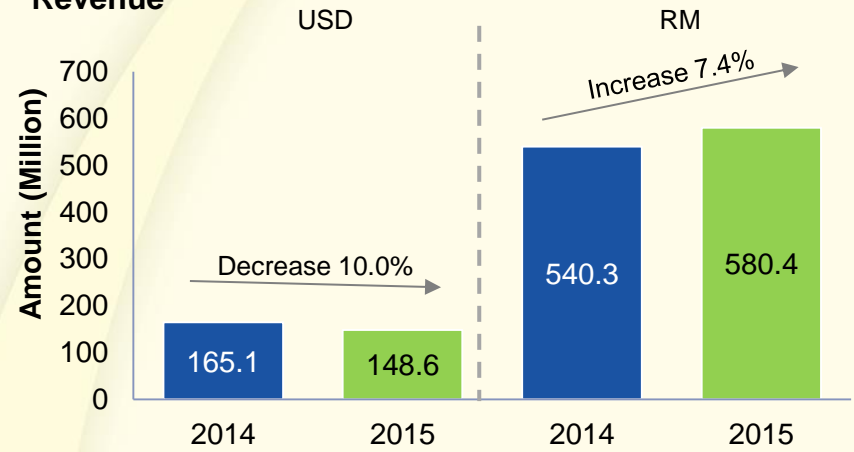
1. EBITDA is calculated by adding finance cost and depreciation and amortization to profit before taxation.
2. Adjusted to exclude (a) USD41.5 million (equivalent to RM162.0 million) of net foreign exchange gain in 2015, (b) USD3.3 million (equivalent to RM10.7 million) in share-based payment expenses in 2014, (c) USD5.3 million (equivalent to RM17.3 million) Listing expenses in 2014, and (d) USD0.3 million (equivalent to RM1.1 million) of other expenses relating to the Listing in 2014.
3. The above amounts denominated in RM have been translated into USD at the exchange rates of 3.9064 and 3.2733 for 2015 and 2014, respectively.

# FINANCIAL HIGHLIGHT

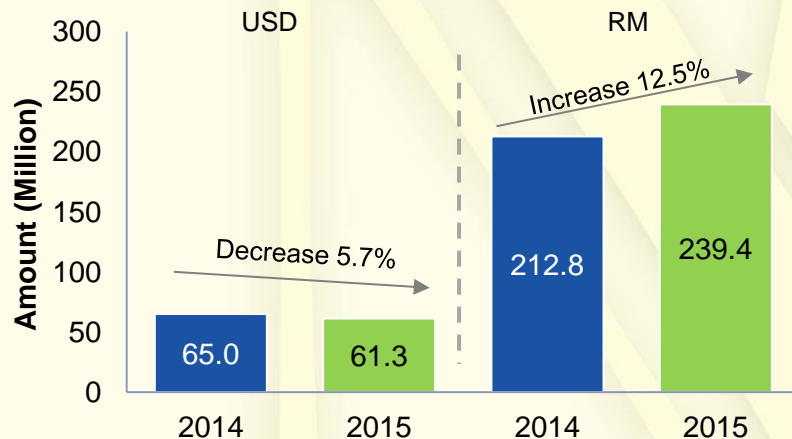
## Contract sales



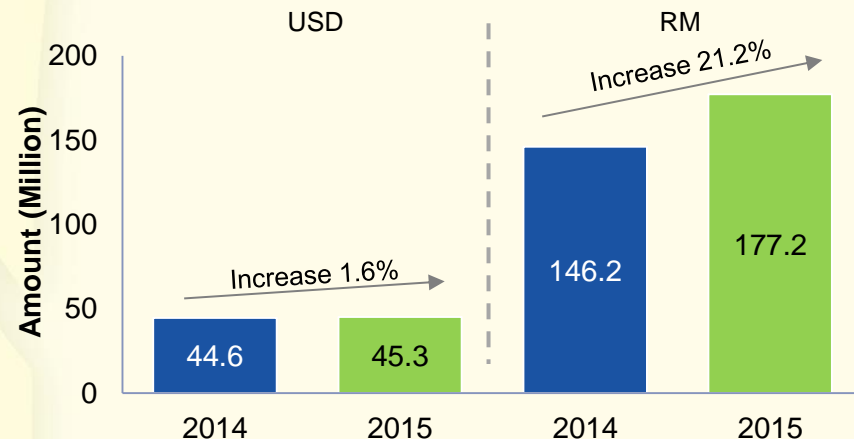
## Revenue



## Adjusted EBITDA



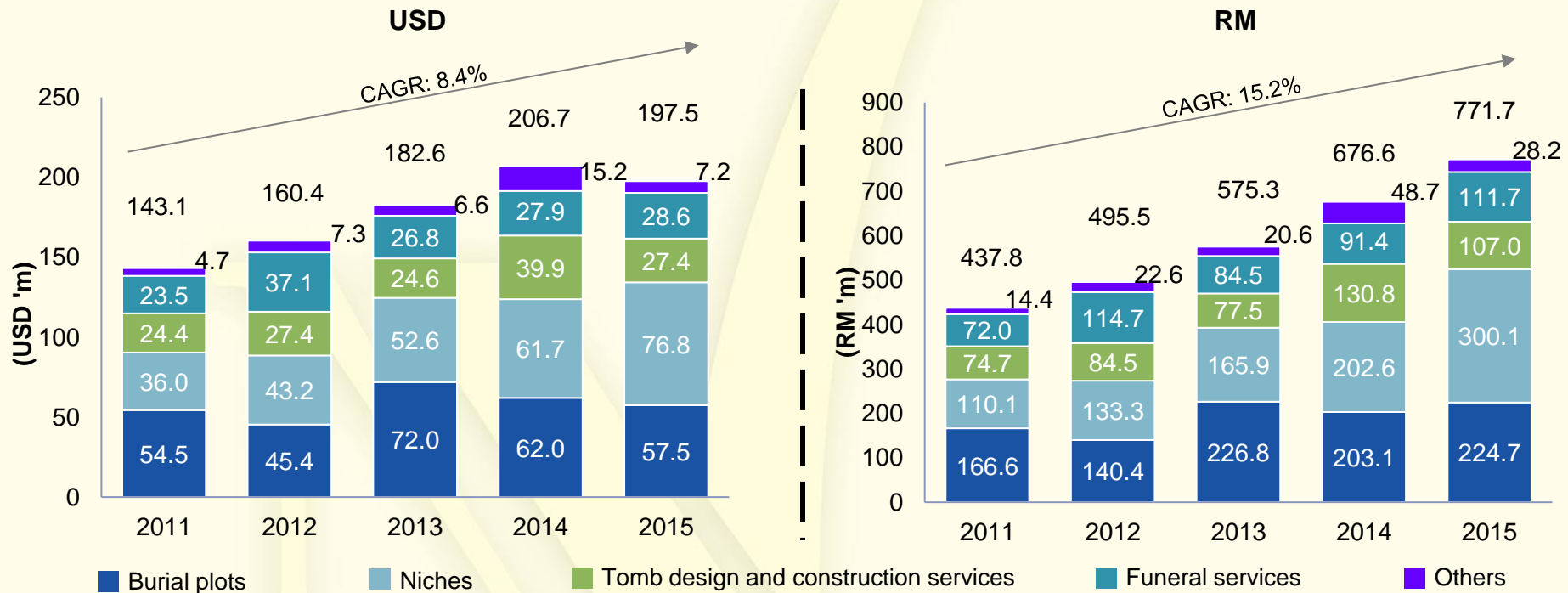
## Adjusted profit for the year attributable to owners of the Company



# SOLID GROWTH IN CONTRACT SALES

Contract sales growth has continued to be robust

## Contract sales evolution



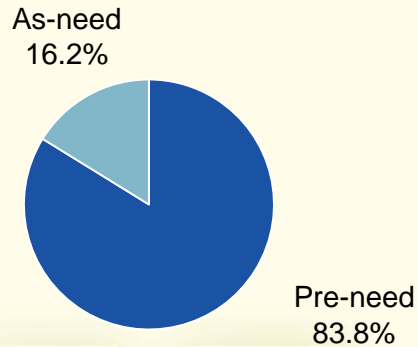
Our contract sales increased at CAGR of 8.4% in USD terms, and 15.2% in RM terms, from 2011 to 2015.

The Group's contract sales decreased by 4.4% in USD terms, but increased by 14.1% in RM terms with growth recorded for all 5 countries that the Group is operating. The increase in RM terms was primarily due to the increase in sales from Singapore, and the newly launched Nirvana Center Kuala Lumpur in Malaysia, Nirvana Memorial Park in Thailand and sales office in Hong Kong, China. Lower contract sales in USD terms was due to the strengthening of USD against RM during 2015.

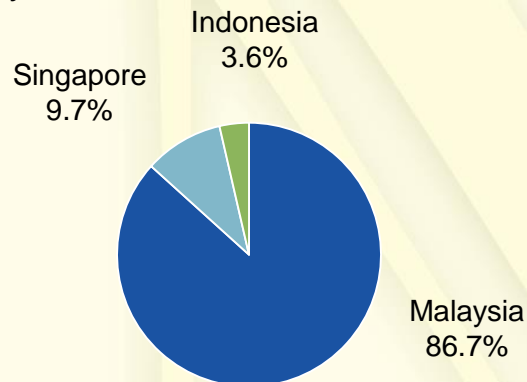
# CONTRACT SALES BREAKDOWN

2014

*By need type*

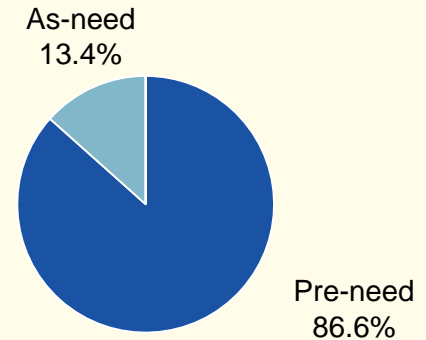


*By geography*

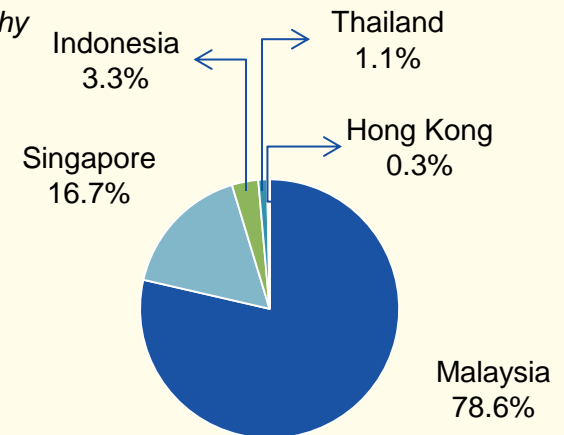


2015

*By need type*



*By geography*



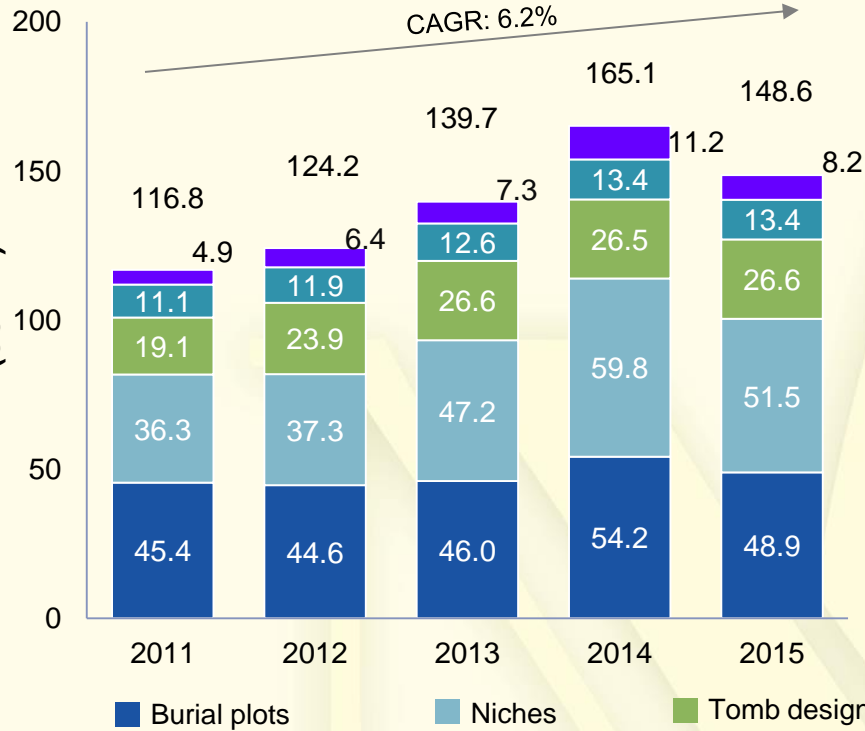
- Ex-Malaysia countries' contribution increased by 8.1 percentage points to 21.4% in 2015.
- Pre-need contract sales increased by 2.8 percentage points to 86.6% in 2015.



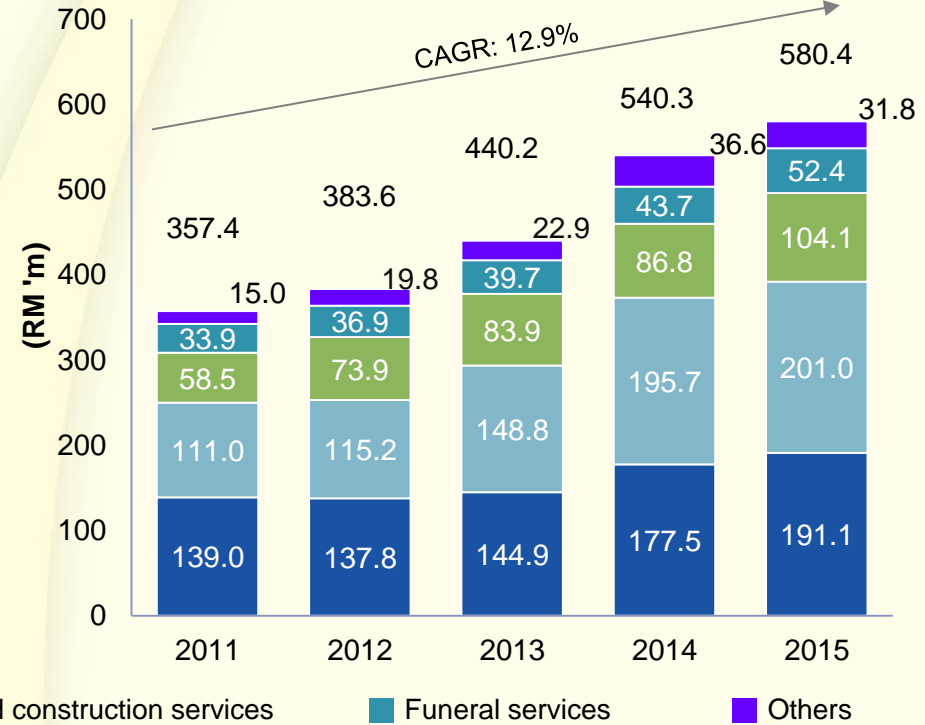
# SOLID GROWTH IN REVENUE

## Revenue evolution

USD



RM



Revenue increased at CAGR of 6.2% in USD terms and 12.9% in RM terms from 2011 to 2015.

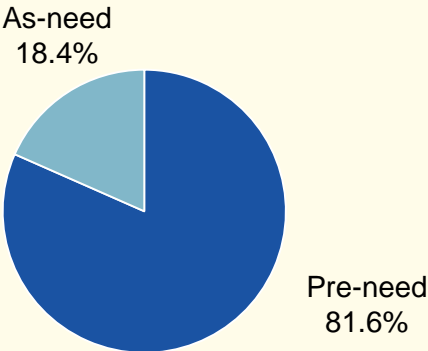
Revenue for 2015 rose by 7.4% despite 14.1% growth in contract sales primarily due to contract sales from Nirvana Center Kuala Lumpur and substantial amount of contract sales from Singapore which have not been recognised as revenue in 2015.

Lower revenue in USD terms was mainly due to the strengthening of USD against RM.

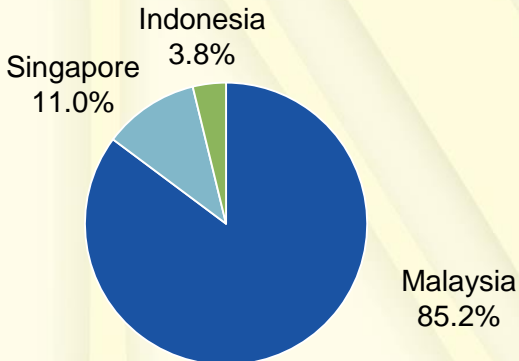
# REVENUE BREAKDOWN

**2014**

*By need type*

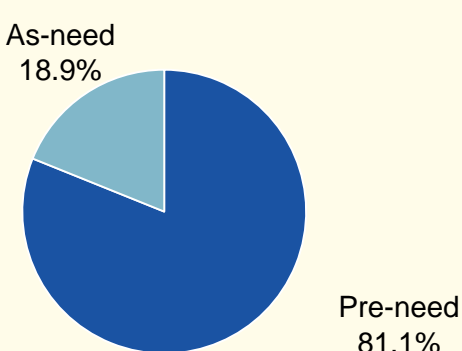


*By geography*

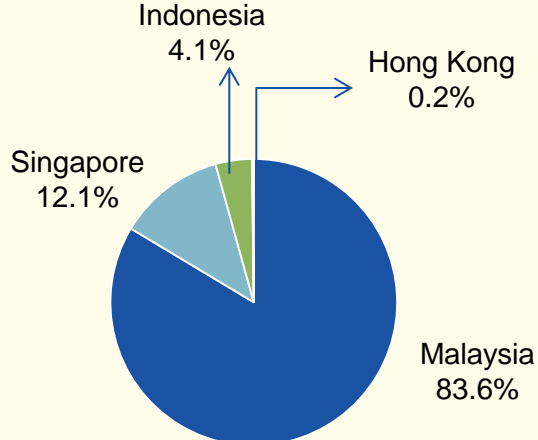


**2015**

*By need type*



*By geography*

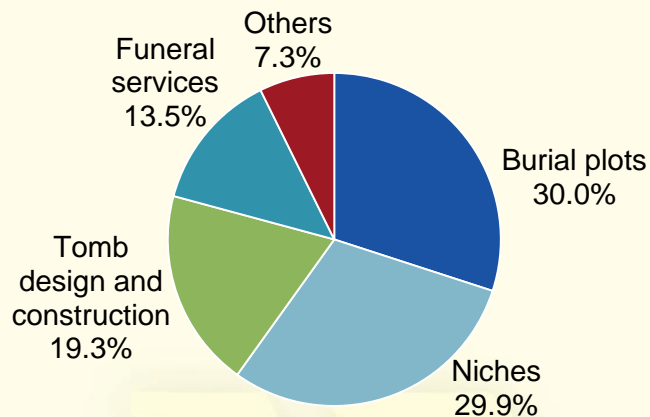




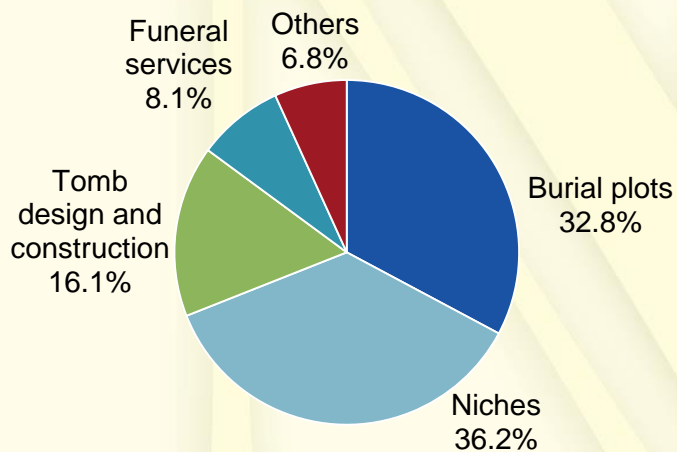
# BUSINESS SEGMENT

2014

By contract sales

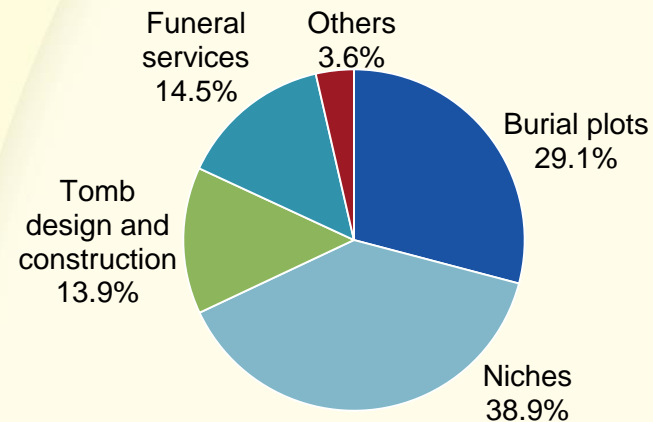


By revenue

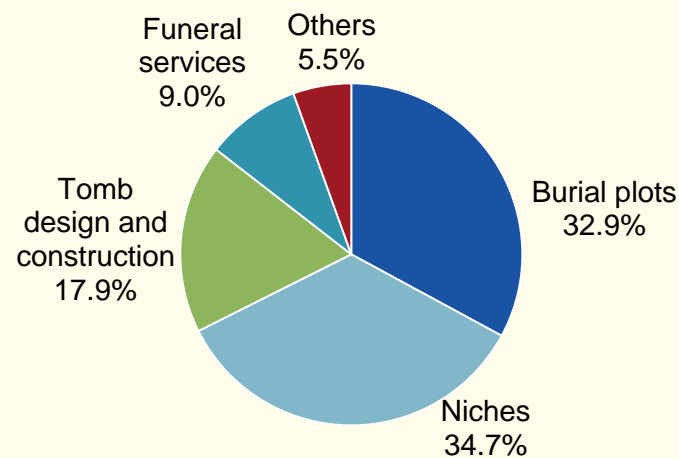


2015

By contract sales

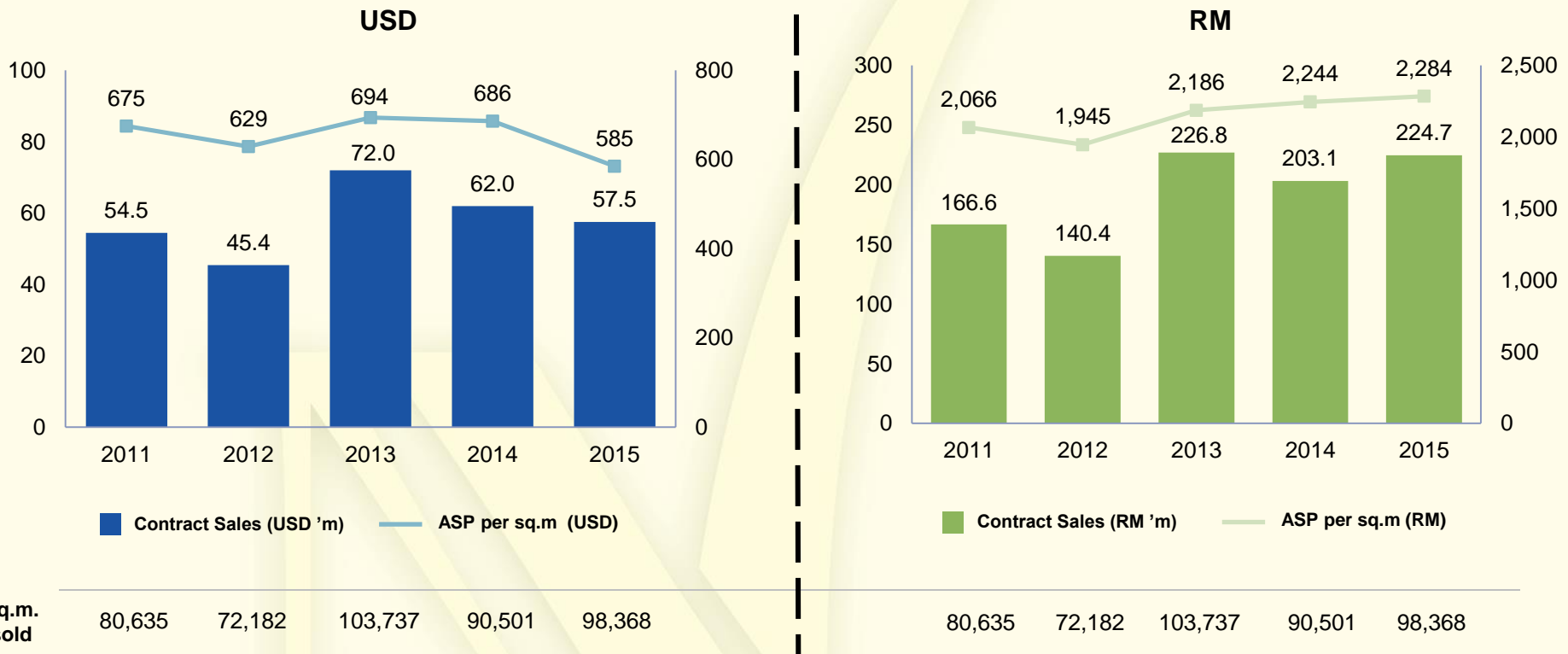


By revenue



# BURIAL SERVICES – BURIAL PLOTS

□ Offer single, double, family-sized and garden lot burial plots in our cemeteries



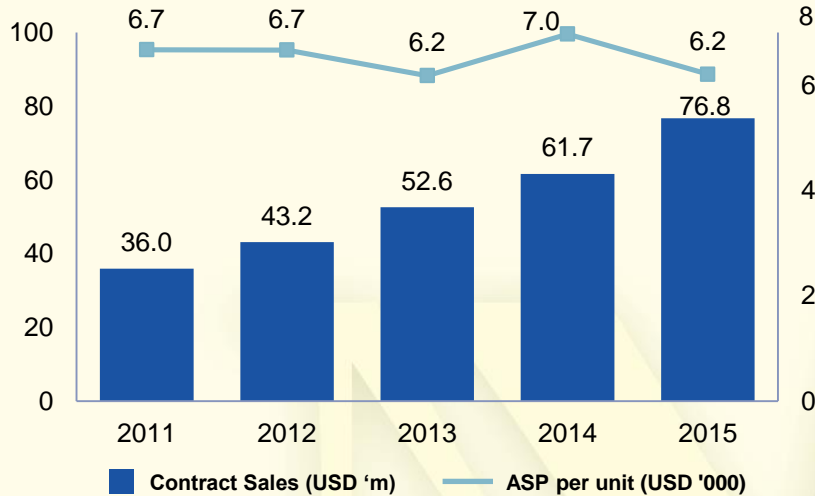
Lower contract sales and ASP in USD terms YoY was primarily due to the strengthening of USD against RM. However, in RM terms:

- (i) Contract sales increased by 10.6% YoY, primarily contributed by (1) higher sales from (a) Bukit Mertajam and Kulai in Malaysia, and (b) Indonesia, and (2) the newly launched (a) Nirvana Memorial Park in Thailand, and (b) sales office in Hong Kong, China.
- (ii) ASP per sq.m increased by 1.8% YoY largely due to increase in ASP from Semenyih in Malaysia and Indonesia, but partly offset by lower ASP in Thailand during the initial product launch before the site is ready for interment. Excluding Thailand, ASP per sq.m would have grown by 3.6% YoY.

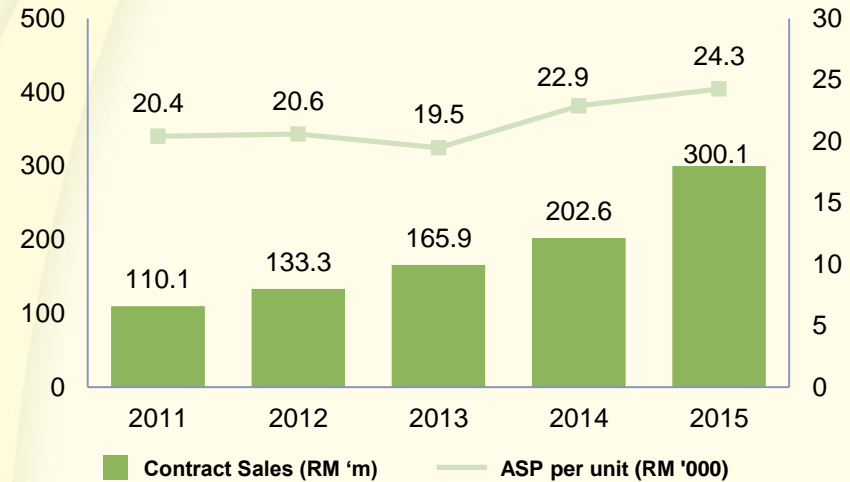
# BURIAL SERVICES - NICHES

Offer single, double and family-sized niches in our columbarium facilities

USD



RM



Unit sold  
5,391    6,471    8,513    8,850    12,365

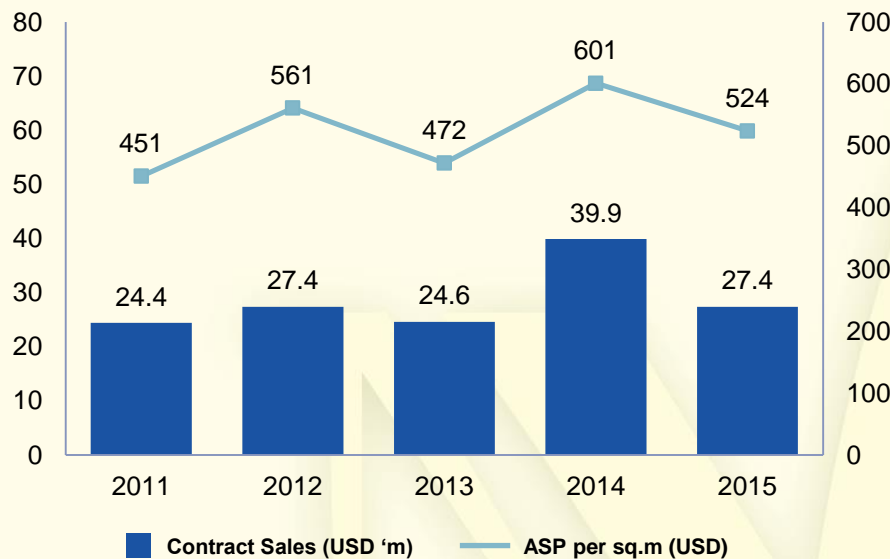
5,391    6,471    8,513    8,850    12,365

- The Group sold 12,365 niches in 2015, an increase of 39.7% YOY.
- Contract sales increased by 24.5% in USD terms and 48.1% in RM terms YoY, largely attributed to sales growth from Singapore and the newly launched Nirvana Center Kuala Lumpur in Malaysia.
- Lower ASP in USD terms YoY was primarily due to the strengthening of USD against RM, however in RM terms, ASP for niches increased by 6.0% YoY primarily due to a higher sales contribution from the Group's columbarium in Singapore which has a higher ASP.

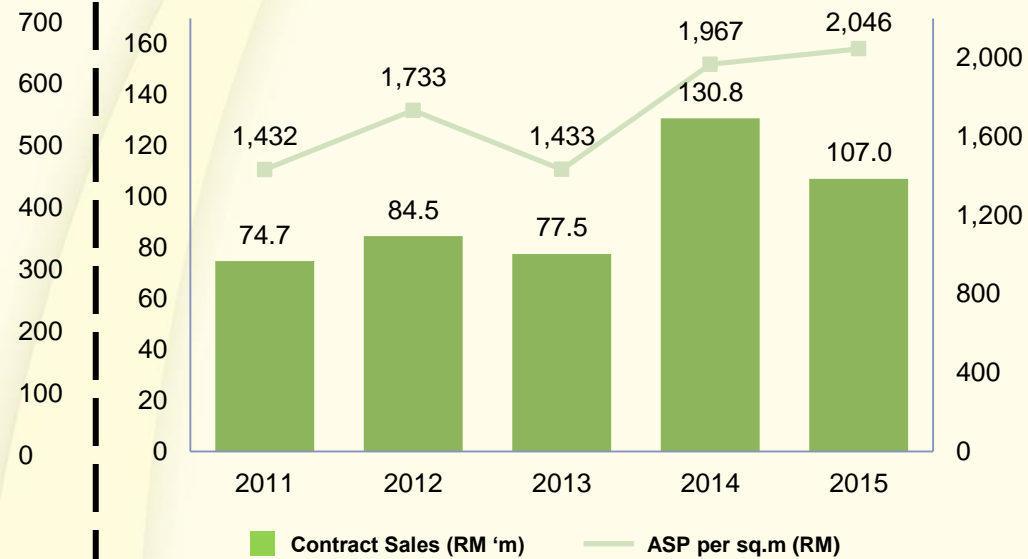
# BURIAL SERVICES – TOMB DESIGN AND CONSTRUCTION

□ Offer standard and personalized tomb design and construction packages

USD



RM



Sq.m. sold	2011	2012	2013	2014	2015
	54,125	48,771	52,118	66,474	52,299

Sq.m. sold	2011	2012	2013	2014	2015
	54,125	48,771	52,118	66,474	52,299

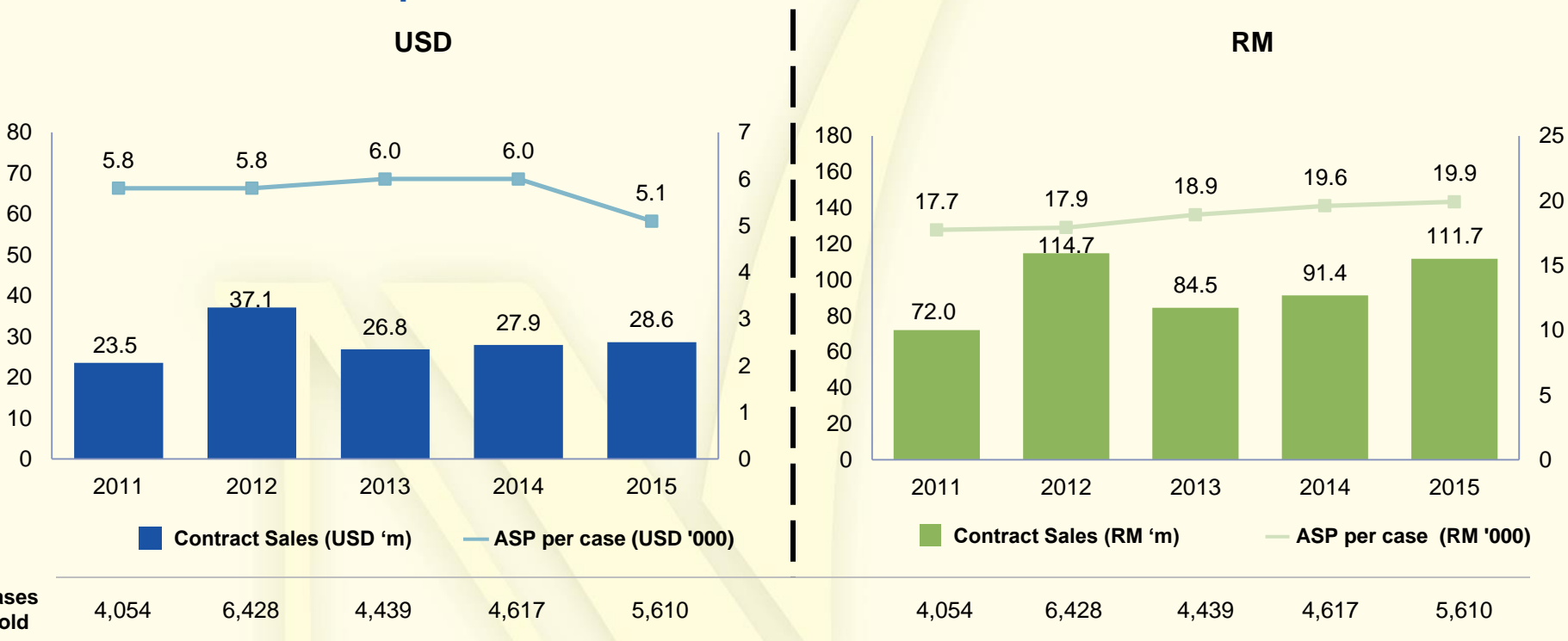
- Lower contract sales primarily due to higher promotion activities for pre-need tomb construction in 2014 in conjunction with the auspicious Chinese Lunar Year in 2014.
- ASP per sq.m increased by 4.0% YoY primarily due to higher ASP per sq.m from Semenyih in Malaysia.

# FUNERAL SERVICES

## Funeral services

We provide integrated premium funeral services that include funeral consultation and planning, transportation, embalming, cosmetology and preparation for viewing, cremation and funeral ceremonies

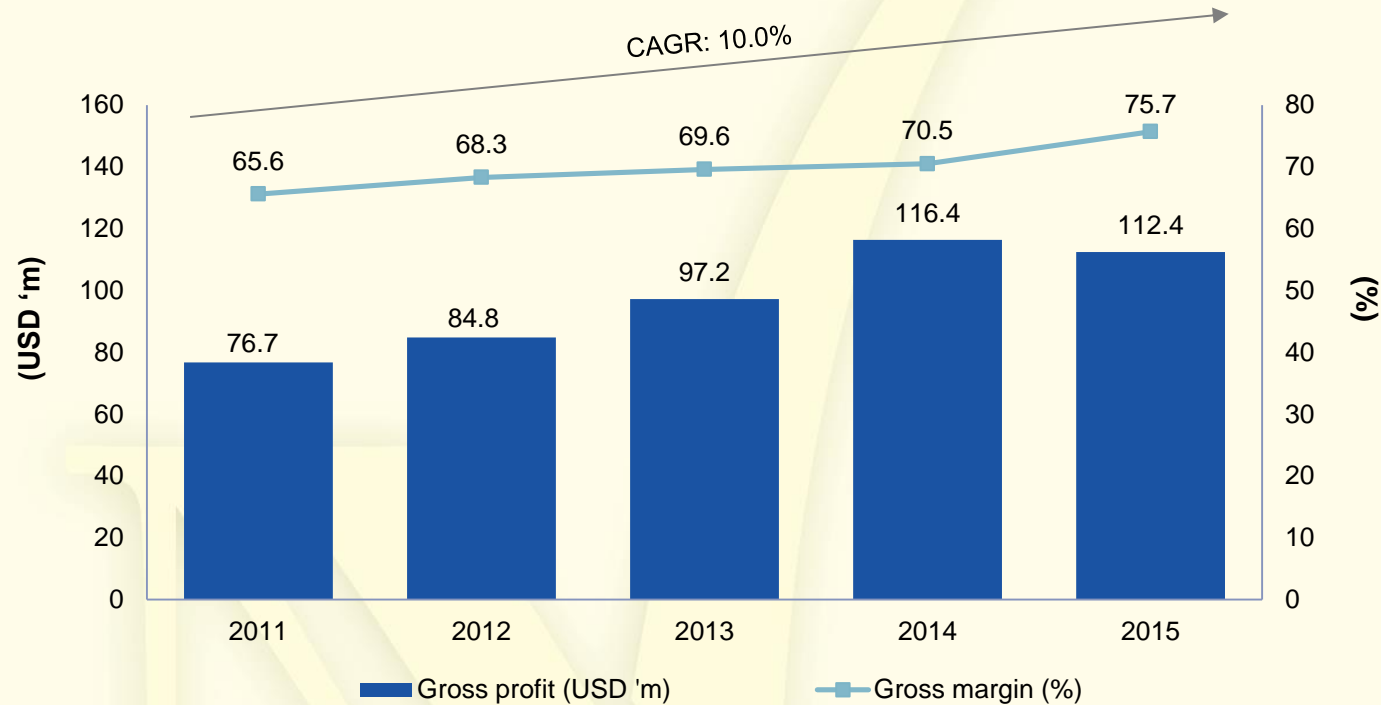
### Contract sales & ASP per funeral services



- The Group sold 5,610 funeral services packages in 2015, an increase of 21.5% YOY.
- Contract sales from funeral services increased by 22.2% YoY mainly due to higher sales from as-need funeral services.
- Higher ASP by 1.4% YoY primarily due to increase in ASP of as-need funeral service.

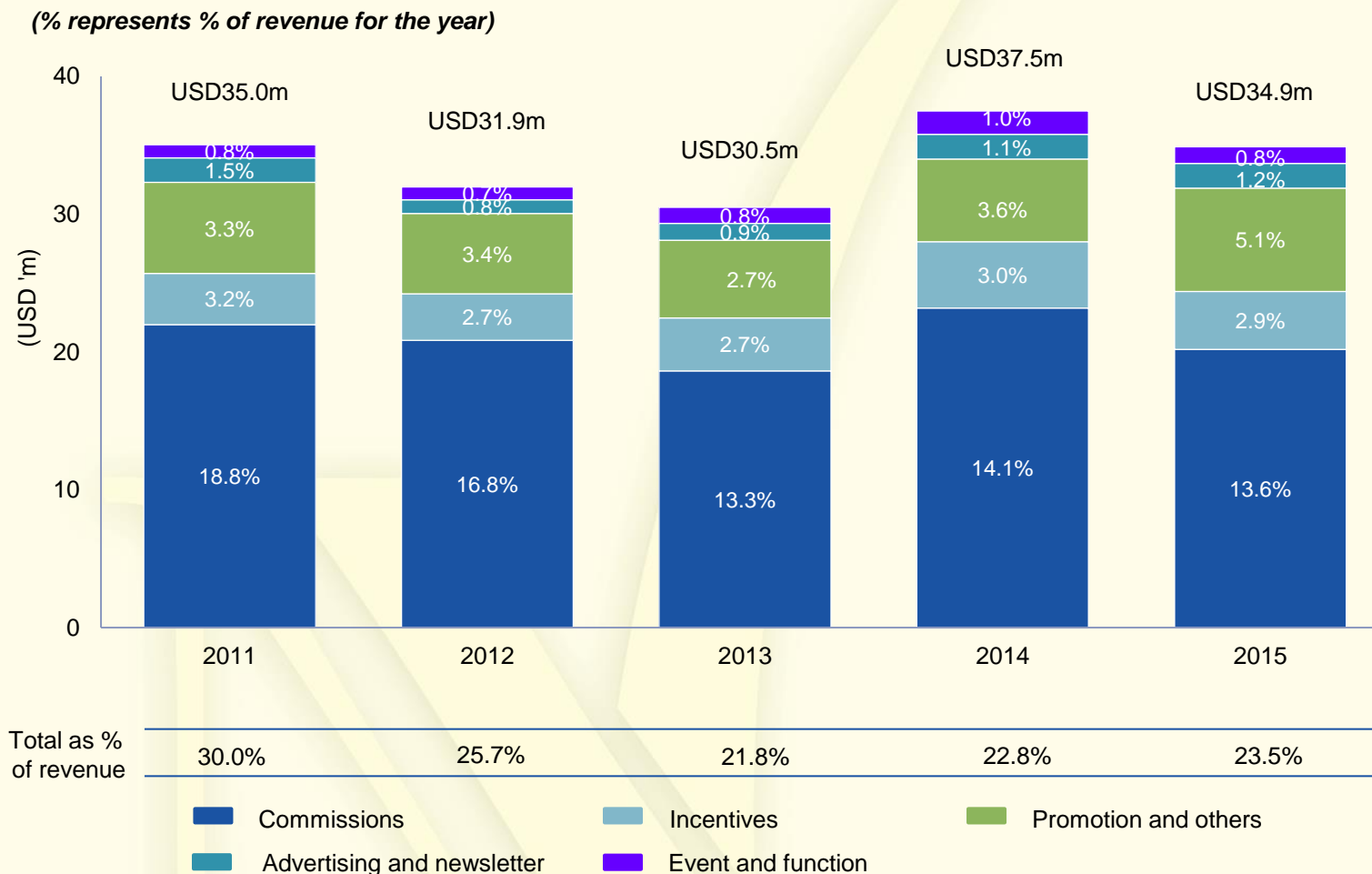
# EXPANDING GROSS PROFIT MARGINS

We enjoy premium pricing for our products and services through a combination of market leadership, recognized brand and quality services



- Gross profit margin increased by 5.2 percentage points from 70.5% for 2014 to 75.7% for 2015 was primarily due to :
  - (i) higher margin following the acquisition of tomb construction and design business in March 2015
  - (ii) economies of scale achieved from higher land utilization, and
  - (iii) better cost management for the funeral services segment.
- Lower gross profit YoY in USD terms was primarily due to the strengthening of USD against RM.

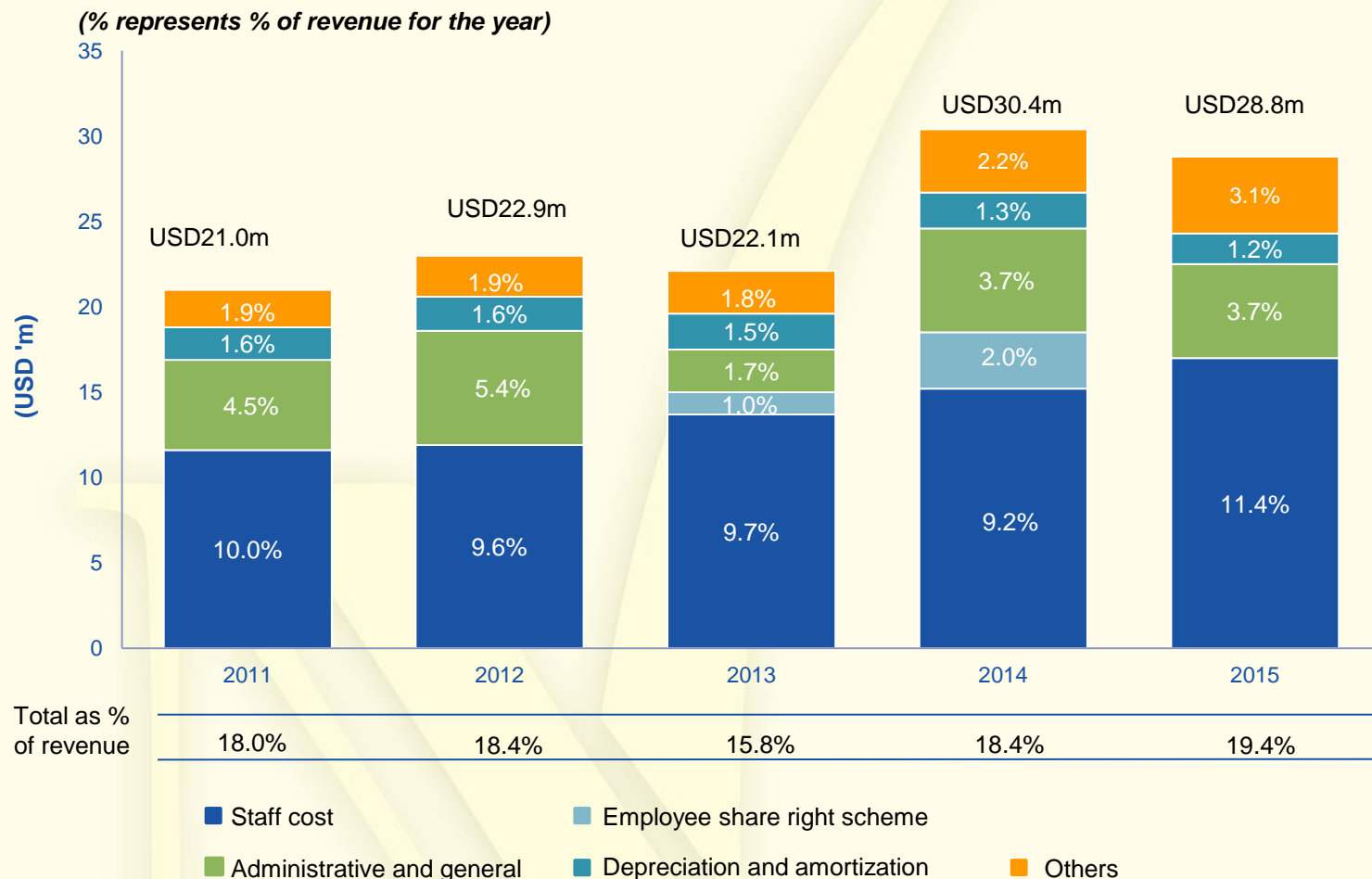
# SELLING & DISTRIBUTION EXPENSES BREAKDOWN



The selling and distribution expenses to revenue increased by 0.7 percentage point from 22.8% for 2014 to 23.5% for 2015. The increase in promotion expenses to revenue is primarily due to certain expenses in connection with the newly-launched cemeteries in Thailand and Nirvana Center Kuala Lumpur in Malaysia which cannot be deferred in proportion to contract sales not recognized as revenue during the year.



# ADMINISTRATIVE EXPENSES BREAKDOWN

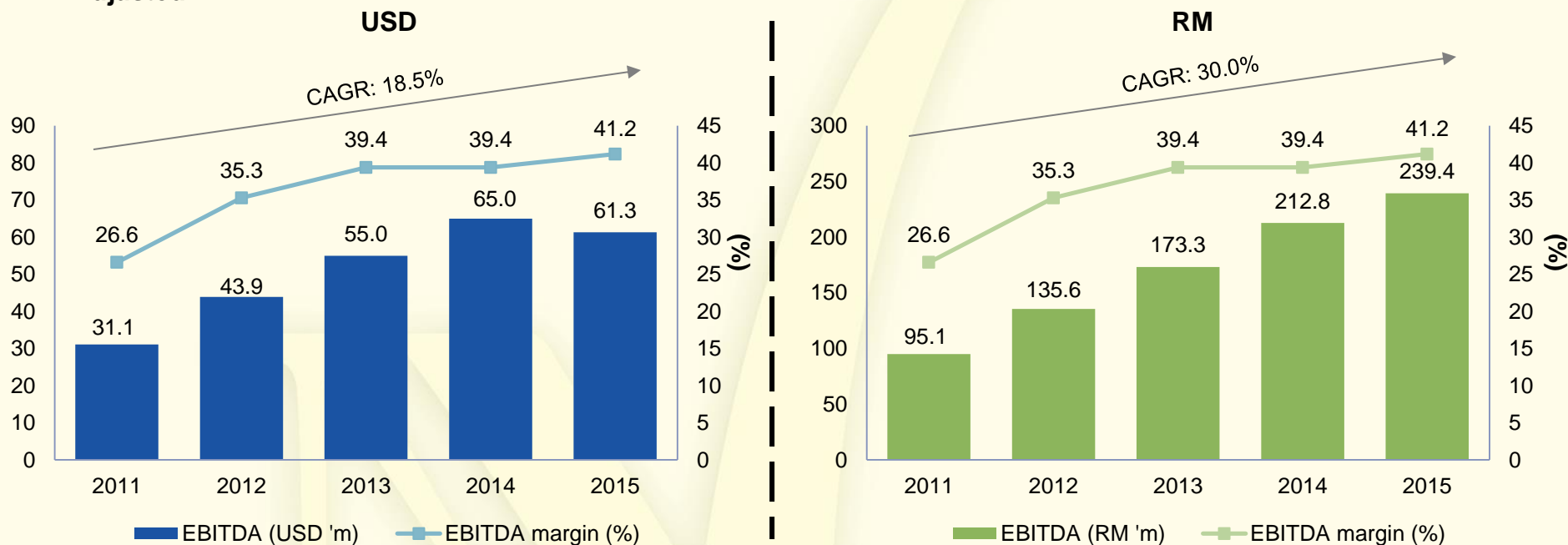


Administrative expenses reduced by USD1.6 million, or 5.4%, from USD30.4 million for 2014 to USD28.8 million for 2015, primarily due to one-off share-based payment expenses of USD3.3 million in relation to pre-Listing employees share rights scheme, which were fully vested in 2014. The increase in staff cost in 2015 was mainly due to the integration of work force from the newly acquired tomb design and construction business in March 2015.

# EXPANDING EBITDA MARGINS

We enjoy premium pricing for our products & services through a combination of market leadership, recognized brand and quality services

## Adjusted EBITDA<sup>1,2</sup>



- As a result of the foregoing, EBITDA margin improved to 41.2% from 39.4% YoY, and registered a CAGR of 18.5% and 30.0% in USD and RM terms respectively between 2011 and 2015

### Notes:

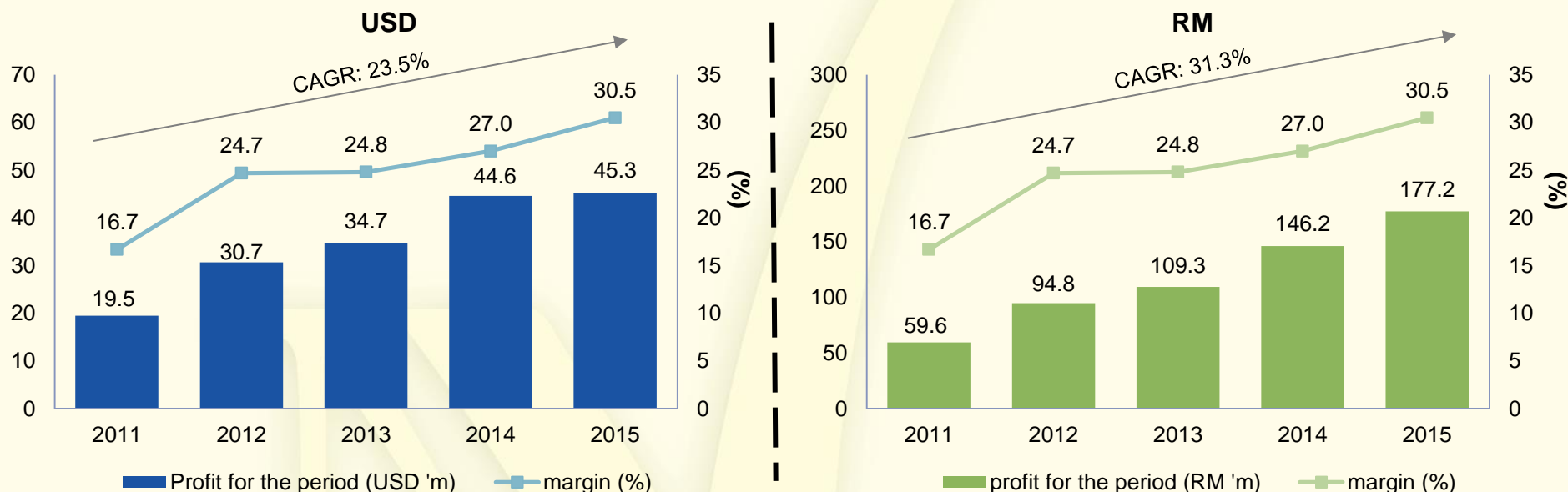
1 Adjusted to exclude (a) USD41.5 million (equivalent to RM162.0 million) of net foreign exchange gain in 2015, (b) USD3.3 million (equivalent to RM10.7 million) in share-based payment expenses in 2014, (c) USD5.3million (equivalent to RM17.3 million) Listing expenses in 2014, (d) USD0.3million (equivalent to RM1.1 million) of other expenses relating to the Listing in 2014.

2 EBITDA is calculated by adding finance cost and depreciation and amortisation to profit before taxation.

# EXPANDING NET PROFIT MARGINS

We enjoy premium pricing for our products and services through a combination of market leadership, recognized brand and quality services

## Adjusted profit for the period attributable to owners of the Company<sup>1</sup> (“Adjusted Profit”)



- The Adjusted Profit margin increased by 3.5 percentage points to 30.5% in 2015, primarily due to (i) improved gross profit margin, (ii) lower effective income tax rate<sup>2</sup>, and (iii) lower non-controlling interest in Singapore pursuant to the take-over of the remaining shareholding in September 2014.
- Lower growth in Adjusted Profit in USD terms was mainly due to the strengthening of USD against RM.

### Notes:

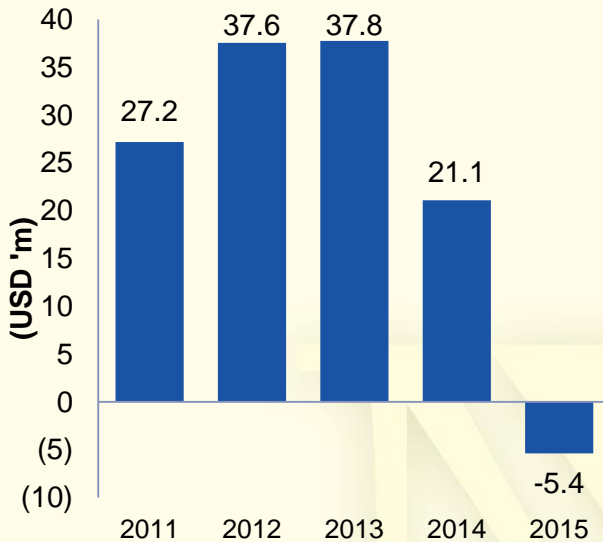
1 Adjusted to exclude (a) USD41.5 million (equivalent to RM162.0 million) of net foreign exchange gain in 2015, (b) USD3.3 million (equivalent to RM10.7 million) in share-based payment expenses in 2014, (c) USD5.3million (equivalent to RM17.3 million) Listing expenses in 2014, (d) USD0.3million (equivalent to RM1.1 million) of other expenses relating to the Listing in 2014.

2 Income tax expenses divided by adjusted PBT<sup>1</sup>

# PRUDENT CASH FLOW MANAGEMENT AND SOLID FINANCIAL PROFILE

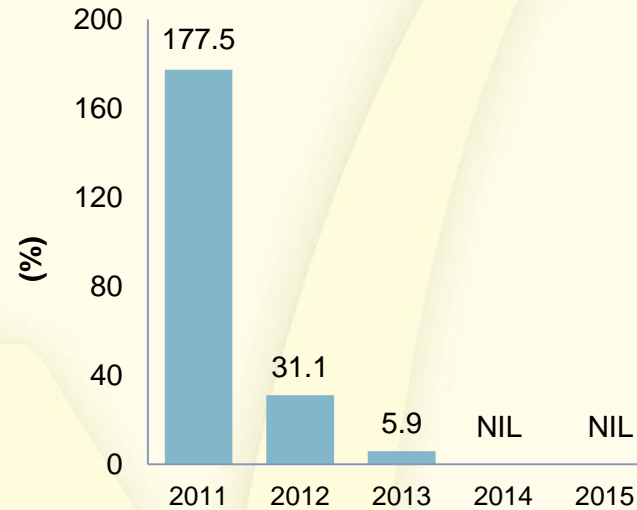
Solid cash flow generation & a strong balance sheet provides flexibility for debt financing in the future

Net cash from operating activities



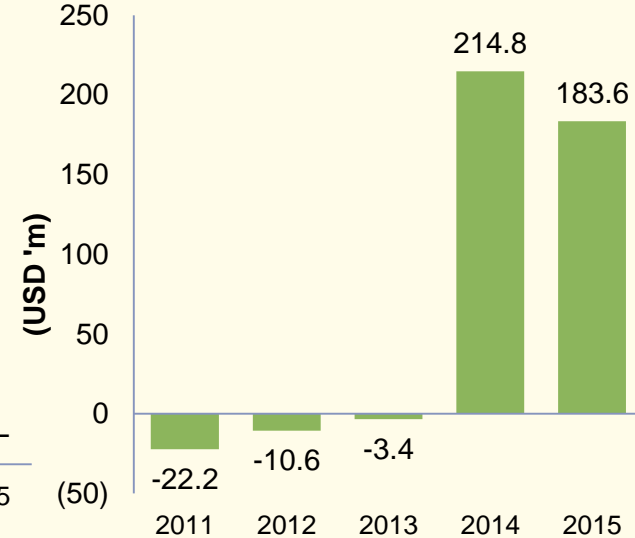
In 2015, higher net cash used in operating activities was primarily attributable to payment for land acquisitions and premium in relation to increase in built-up capacity in Singapore totalling USD28.5 million.

Gearing ratio<sup>1</sup>



As at December 31, 2015, excluding the restricted cash amount of USD5.6 million held under the pre-need funeral service contract and maintenance service contract's trust account, the Group had total fixed deposits, bank balances and cash, and financial instruments classified under financial assets through P&L of USD235.0 million and a bank borrowing of USD46.0 million.

Net cash/(debt)<sup>2</sup>



Net cash decreased from 2014 to 2015 primarily due to the payment for land acquisition and premium in relation to increase in built-up capacity in Singapore.

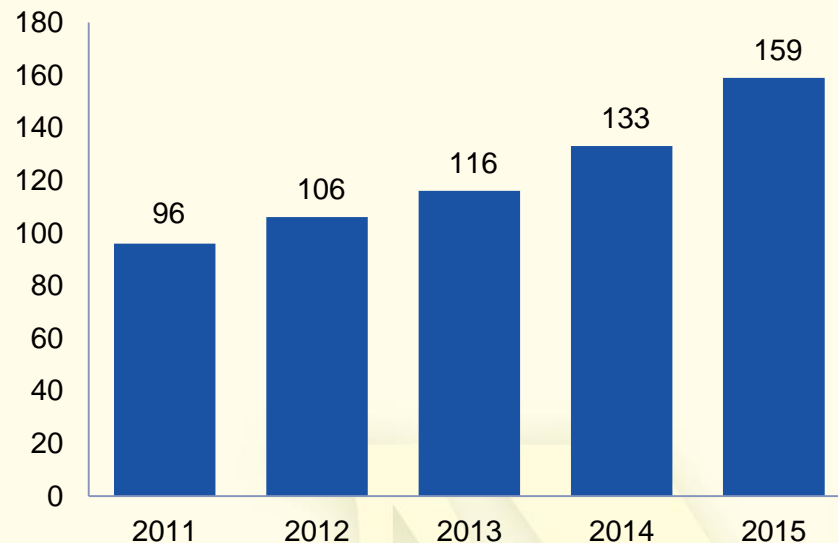
Notes:

1 Gearing Ratio = Net Debt/Total Equity

2 Net Debt = Total bank borrowings – Bank Balances and Cash and cash equivalents

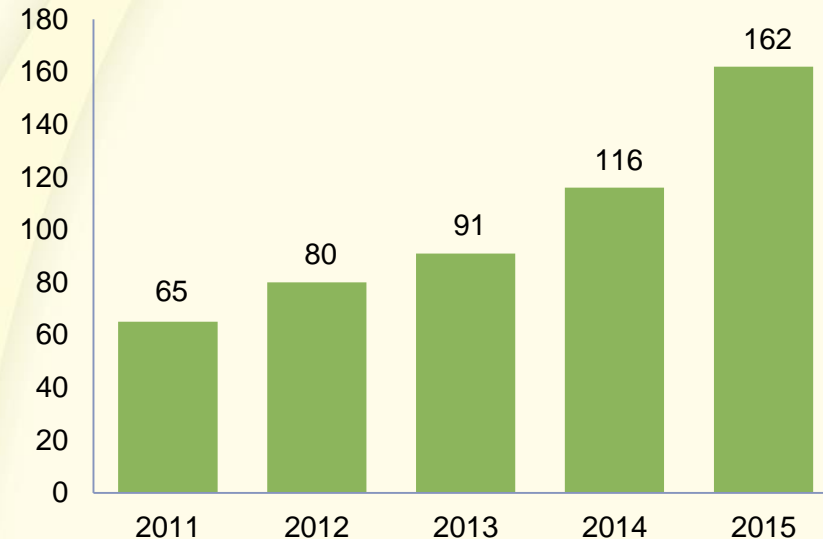
# WORKING CAPITAL OVERVIEW

Trade receivables turnover days<sup>1</sup>



- The increase was primarily due to an increasing number of clients electing for longer installment payment periods.
- To manage the increasing trade receivables, the Company has further incentivized sales agents to promote shorter installment periods to customers.
- As a result of installment payment, revenue is discounted at an effective interest rate ranging 6.8% to 13.5% (2014: 8.5%) per annum.

Trade payables turnover days<sup>2</sup>




- The increase was in line with the increase in trade receivables turnover period as payment to certain land owners of cemeteries in Malaysia were made after the Group collected payments from customers.

Notes:

- 1 Trade receivables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade receivables for the period by revenue in that period and then multiplying by the number of days within the period.
- 2 Trade payables turnover days are calculated by dividing the arithmetic mean of the opening and ending balance of trade payables for the period by cost of sales and services in that period and then multiplying by the number of days within the period.

# DEVELOPMENT UPDATE

<b>1</b>	<b>Malaysia</b>
<b>a</b>	<b>Nirvana Center Kuala Lumpur</b>
	<ul style="list-style-type: none"> <li>□ In February 2015, the Group commenced construction of a funeral parlour cum columbarium complex</li> <li>□ Approximately 100,000 double niches equivalent</li> <li>□ Sales commenced in April 2015</li> <li>□ Estimated completion by end of 2017.</li> </ul>
<b>b</b>	<b>Kuala Selangor</b>
	<ul style="list-style-type: none"> <li>□ In October 2015, the Group acquired approximately 66.8 hectares of land, adding the total land banks owned by the Group in the same district to 100 hectares.</li> <li>□ We target to commence sale in the second half of 2016.</li> </ul>
<b>c</b>	<b>Klang</b>
	<ul style="list-style-type: none"> <li>□ In November 2015, the Group entered into a JV agreement with Klang Kwong Tung Association to develop a columbarium cum funeral homes in Klang city centre.</li> <li>□ This project is targeted to commence sale in the second half of 2016.</li> </ul>
<b>d</b>	<b>Others</b>
	<ul style="list-style-type: none"> <li>□ In March 2015, the Group acquired the downstream business of tomb design and construction from its tomb contractor.</li> </ul>

<b>2</b>	<b>Singapore</b>
	<ul style="list-style-type: none"> <li>□ In May 2015, the approved capacity of our columbarium has increased from 11,000 sq.m to 43,000 sq.m</li> <li>□ In January 2016, the lease expiry date of our columbarium was extended from August 2029 to August 2098</li> </ul>



- ★ Sites under development
- Existing cemeteries and columbarium facilities
- ▲ Future new site

**In addition to strengthening our market leadership in home markets, we are also actively pursuing expansion opportunities in China, Vietnam, Thailand and Indonesia.**



# DEVELOPMENT UPDATE

## 3 Banbueng, Thailand

- In May 2015, started selling burial plots on a pre-need basis at our cemetery near Bangkok
- Acquired additional lands measuring 2.7 hectares adjacent to existing site
- **Total Area:** approximately 39.4 hectares

## 4 Hui Zhou, China/ Hong Kong

- In November 2015, we commenced sales of Huizhou's cemetery product and services via our sales office in Hong Kong

## 5 Dong Nai Province, Vietnam

- In July 2015, we entered into an agreement with a local land owner to develop a parcel of land at Dong Nai Province
- We target to commence sales in the first half of 2017
- **Total Area:** approximately 40.5 hectares

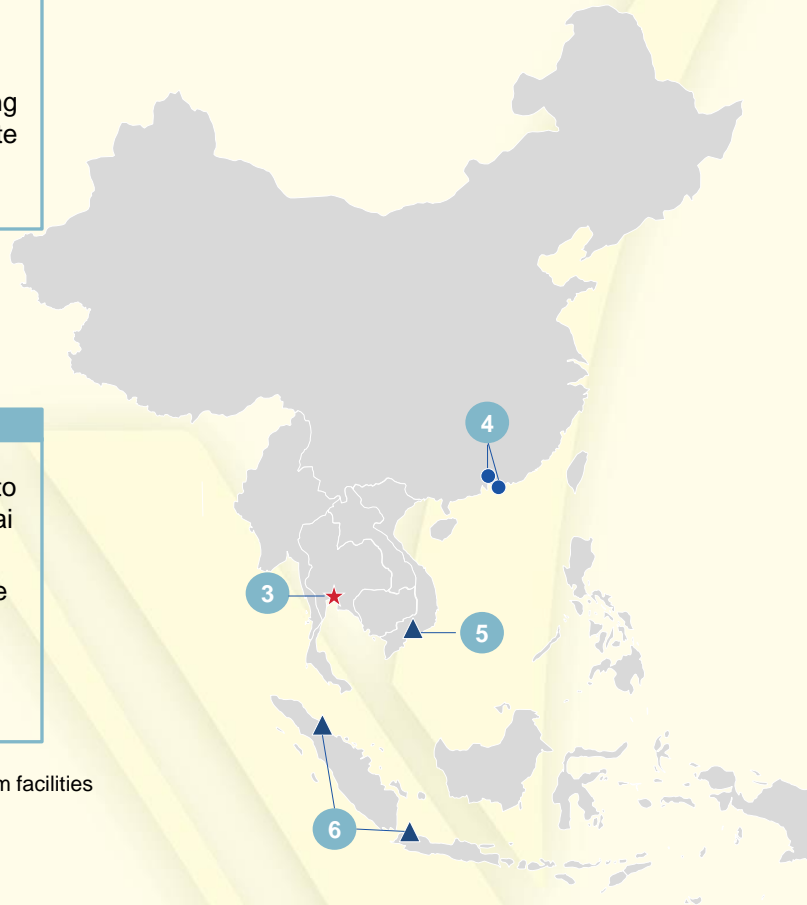
## 6 Indonesia

### a Tangerang, Jakarta

- Acquired 27 hectares of land and in the process of acquiring further 23 hectares of land and obtaining approval to commence selling

### b Medan

- In September 2015, our Group entered into a conditional sale and purchase agreement to acquire 63 parcels of lands measuring approximately 75.2 hectares in Medan to develop a cemetery with a local partner
- Target to commence sales in 2Q of 2016



● Existing cemeteries and columbarium facilities

★ Sites under development

▲ Future new sites

Note

1 Absolute numbers represent double burial plots equivalent and double niches equivalent



# OUR CEMETERIES AND COLUMBARIUM

As of December 31, 2015:

- The Group had approximately 3.0 million sq.m of net saleable burial land available for sale as burial plots and available for future development (excluding cemetery land of 400,000 sq.m in Vietnam), and approximately 400,000 units of niches for sales.
- For the year under review, the Group acquired approximately 2.0 million sq.m of land for cemetery development and has received formal approval from the relevant authority to expand the built-up capacity of its columbarium in Singapore from 11,000 sq.m to 43,000 sq.m. As a result, Nirvana Singapore will have an unsold niches capacity of approximately 70,000 units.



# Q & A

