

UnUsUal Ltd

Growth story; expansion of event company into China to drive earnings - Company Visit Note

We met Mr. Leslie Ong, CEO of UnUsUal Ltd, an Event Management company organizing music concerts and shows, traditionally in Singapore. The company sees substantial growth in North Asian markets and new formats in the next few years. The China business contribution is expected to grow from 4% now to exceed that of Singapore (72% of revenues) in 2-3 years, driving earnings at a “minimum 30%” CAGR for the next 3 years. Events across Chinese/Western/Family Entertainment genres are expected to grow from 60 presently to more than a 100. Moreover, management feels the entry of Ron Sim (OSIM) and the Prince of Brunei as investors at current valuations (Apr’18) adds strategic value.

- Acquisition of Beijing Wish to accelerate top line:** UnUsUal acquired a 49% interest in Beijing Wish, an event and content producer in China, in Jul’18. Management expects the acquisition to expand China operations multifold with ownership, better on-ground execution and easier regulatory interfacing of events. Management highlighted shows in China are 2-3x the size in Singapore and it would double its reach in China (from 5/6 to 10 cities). Moreover, UnUsUal’s distinct advantage to cater for clients in SEA, HK, Korea, Taiwan markets along with China should help it get more mandates, as per management.
- Family Entertainment shows to be a fast-growing new vertical:** UnUsUal has traditionally organized mainly Chinese or Western music events in its traditional markets. Recent associations with Disney (Disney on Ice), BBC associated TV shows (Walking with Dinosaurs) to present family entertainment offerings across Asia is an area of immense potential, as per management. Given the underpenetrated mainland China market, management expects Family Entertainment shows to drive earnings forward.
- Consensus valuation and earnings profile:** UnUsUal stock has outperformed the STI Index by 41% over the past year. The stock trades at 46.4x trailing P/E on FY18 earnings. FY18 net income grew 36% y/y.

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Table 116: UnUsUal Ltd (Reuters: UNUS.SI, Bloomberg: UNU SP), Historical financial data

SG\$, year-end 31 March	31-Dec-15	31-Mar-17	31-Mar-18
Sales	26.1	33.9	46.4
Gross Profit	7.9	11.9	17.9
EBITDA (excl. listing expense)	5.9	9.5	15.4
PATMI	4.1	7.3	10.0
EPS (in SG\$ cents)	NA	NA	1.0
Shareholder Equity	10.3	12.2	39.7
Net Debt/ Equity %	-48.0%	-82.8%	-46.1%
Net Working Capital/ Sales %	-0.5%	-2.7%	8.5%
Return on invested capital %	46.6%	63.4%	37.8%
Return on Equity %	47.5%	65.2%	38.6%
P/E ratio (YE)	NA	NA	47.754
P/B ratio (YE)	NA	NA	12.1
Dividend Yield %	NA	NA	0.0%
EV to EBITDA (YE EV)	NA	NA	29.91

Source: Company reports. Year-end share price: FY18:SG\$0.47

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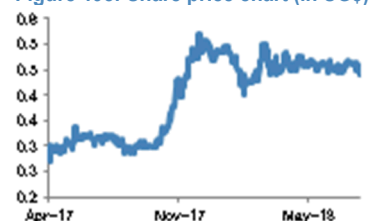
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J.P. Morgan Securities Singapore Private Limited

UNU SP, Not Covered SG\$0.44, August 14, 2018

Figure 198: Share price chart (in SG\$)



Source: Bloomberg.

Table 114: One-year price movement

	1M	3M	12M
Absolute (%)	-3.3%	-6.3%	53.0%
Relative (%)	-2.8%	2.1%	54.5%

Source: Bloomberg.

Table 115: Company Data

52-wk range (SG\$)	0.2844 - 0.54
Mkt cap. (SG\$m)	468
Mkt cap. (US\$m)	339
Shares O/S (mn)	1029
Free float (%)	23%
3-mth avg. daily volume	0.3
3-mth avg. daily value (SG\$m)	0.1
Exchange rate	1.4
STI Index	3234
Year-end	Mar

Source: Bloomberg.

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Business Snapshot

UnUsUal Ltd specializes in the production and promotion of large-scale live events and concerts across Asia. The company has produced and promoted more than 150 concerts and 200 events to date. According to management, UnUsUal has a dominant presence in Singapore and is in the process of expanding its reach in North Asia. Singapore accounted for 71.86% of revenues in FY2018. Operations in Taiwan started in FY18 and were the second-largest contributor to group revenues at 10.42%.

In the past 3 years group revenues have grown at a CAGR of 33.4%, gross profit has grown at a CAGR of 50.2% and net profit at a CAGR of 56.1%.

Meeting Takeaways

Key Points

- **Contributions from China to double group revenues in 3 years:** Management expects China to be the largest contributor of group revenues by 2020. This implies China revenues should grow from S\$1.7mn in 2017 to more than Singapore (S\$33.4mn in 2017) by 2020. This would almost double UnUsUal's revenues in 3 years. UnUsUal's acquisition of 49% of Beijing Wish is expected to make expansion in mainland China easier and faster, as per Management. UnUsUal acquired the stake for Rmb25mn (S\$5mn) in Jul' 18, to leverage Wish's execution capabilities and expand from 5-6 cities to 10 cities in China. Management believes the acquisition will help UnUsUal to expand aggressively its on-ground execution capabilities given Wish's regulatory clearances and production/promotion infrastructure. Moreover, management highlighted that typical China-based events exceed by at least 4-5x those in Singapore in terms of size, scale and earnings potential. UnUsUal organized c60 shows in 2017 which are expected to cross 100 in the next 2-3 years.
- **Greater push to Family Entertainment shows to provide added impetus:** UnUsUal is looking to expand its offering in the Family Entertainment space as a third pillar – apart from Western and Chinese concerts/events. The signing of 'Walking with dinosaurs' (117 shows across 11 cities) and 'Disney on Ice' (48 shows across 3 cities) are steps in this direction. Management feels Family Entertainment shows are still new to the mainland Chinese market and UnUsUal's association with brands like Disney and BBC could help it expand the Family Entertainment offering in mainland China.

- Capital structure comfortable to fund expansion:** UnUsUal has S\$18mn in net cash on the balance sheet. Management expressed comfort in terms of capital adequacy to fund the future expansion. The focus would be to finance growth through debt or bonds and share issuance would not be preferred, as per management. Most of the capital needs would be to fund working capital where some expenses precede income from ticketing post events. These working capital needs include upfront deposits to artists, logistics costs and expenditure to secure venues. UnUsUal receives the cash from ticket sales 2-3 weeks after the show. It pays its suppliers and production crew 30-60 days post the event. Recent investments by Ron Sim, founder of OSIM, and the Prince of Brunei (at \$0.465/share) boost the credibility of the business given the entry of long-term shareholders, as per management. UnUsUal Management (holding company of UnUsUal majority owned by MM2) sold 5.39% of its stake to Ron Sim and the Prince for S\$25.8mn in April 2018.

SWOT

Figure 199: SWOT Analysis



Source: Discussions with management. J.P. Morgan

China: Driver of Growth

Acquisition of Beijing Wish to propel the growth of the company in China. (Note a)

- a. Management feels the Singapore entertainment scene is largely saturated. China is expected to drive future growth in revenues. Revenues from China were largely flat (+6%) in FY18 at S\$1.7mn. Management believes growth from China would be materially larger going forward. The catalyst for this would be the Beijing Wish acquisition. This would enable the company to expand much faster in China. UnUsUal previously worked with Wish as a local partner; however, the acquisition of 49% of the entity should help management gain more confidence in the China business going forward. Earlier shows were managed on a partnership model. Post acquisition, Wish would just take a management fee and UnUsUal would own the show.

20x growth in China in the next 2-3 years to drive earnings of the company. (Note b)

- b. Longer term, management sees revenues from China overtaking Singapore. This would translate into more than 20x growth in the China business in the next 2-3 years. This would largely drive earnings for the Group. UnUsUal's presence is expected from 5 cities in China now to 10 by 2020. Management plans to enter into Tier 2 cities which they feel are currently underpenetrated. This would help them gain market share in Beijing and Shanghai eventually – once they can offer a broader array of cities to the artistes and producers. Moreover, China boasts of larger capacities – 3-4x of that of Singapore. Even scope for growth is larger given the number of cities and increasing affluence, as per management. Budget for production and margins of the business are almost the same in comparison to Singapore, as per management.

Expansion into Family Entertainment shows through existing and future IP acquisitions. (Note c)

- c. Family Entertainment is still a nascent market in China as per management. Since the scope for western concerts are limited to the larger cities, UnUsUal expects Family Entertainment shows to drive growth within China. 'Walking with Dinosaurs' is expected to tour 5 cities. UnUsUal has plans to bring in more such Intellectual Property (IP) experiences to China. UnUsUal's branding, past multi-country experience and being based out of Singapore play to its advantage over Chinese peers when negotiating contracts with global brands.

Family Entertainment Shows: Key Future Pillar of Growth

Family Entertainment is the smallest contributor to UnUsUal's revenues at present – the larger being Chinese pop (70%) and Western Pop. This is expected to change going forward with the Family Entertainment vertical expanding its share of the portfolio. 'Disney on Ice' (Disney promoted), 'Walking with Dinosaurs' (BBC documentary based show) and recent 'Apollo' (based on Apollo 11 mission) announcement are steps in acquiring IPs of popular family entertainment shows. Apollo also marked UnUsUal's entry into the North American market.

UnUsUal is looking to work with global brands to acquire more IPs and bring shows and events into Asia. This would help to expand earnings profile from traditional Chinese pop and western flagship concerts. Per week, family entertainment shows can run 7-8 times, while concerts last for 1-2 nights. Average ticket prices are lower for Family entertainment shows (S\$100) vs. Concerts (S\$200). However, given larger revenue, contribution to bottom-line is similar on a per contract basis.

UnUsUal is also looking to take up space in the tour based experiential entertainment scene in Asia. They see a large scope for growth into this segment, given existing players are still smaller and regional in their approach.

Business Model and Outlook

UnUsUal earns its revenue from production and promotion of events. Within Promotion, it earns from ticket sales during events along with sale of merchandise and sponsorship rights. Merchandise sales are a larger portion in Family Entertainment shows. UnUsUal is also looking to directly handle ticketing instead of leasing it to third parties (ex. Sistic) in the future. This would enhance security and give UnUsUal access to a captive database. Typically UnUsUal earns 30% (gross margin) of gross proceeds on average from each event. Overheads are limited to head office and general management expense. UnUsUal is paid around 2 weeks after the show when the ticketing agency finalizes all the sales. From the current production schedule, about 30-40% revenues/shows are annually recurring.

Key costs for UnUsUal include Concert and Event hosting expenses and Artiste fees. Concert and event hosting expenses are about 40% of cost of sales while c30% is the fee paid to artistes. Rest is composed of Manpower and production costs, equipment rental and logistics. Security expenses are by far the largest expense under concert and event hosting spends, as per Management. 80-90% of events are insured against unforeseen events or cancellations. Some of the costs like logistics, artist fees (30-50% of full amount) are incurred upfront. These costs may be incurred as far back as 6 months from the actual date of the event. Other costs like production, artist fees and event hosting expenses are incurred during the show. Third party sub-contractors and other suppliers are paid 30-60 days after the show.

UnUsUal expects to grow the bottom-line by “minimum 30%” over the next 3 years. Management highlights that growth can be higher given the potential they see in China. Show pipeline is expected to increase from 60 shows/year now to easily 100 in the next 2 years.

Table 117: Peer Valuations

Company	Ticker	Price (LC)	ADV 3M	Market Cap (USD mn)	EBIT margin LFY	P/E (x)		EV/EBIT (x)		ROE (%)		ROCE		Net debt/EBITDA LFY
						1FY	2FY	1FY	2FY	1FY	LFY	LFY		
UNUSUAL LTD	UNU SP	0.4	119	344	26	47.8	NA	38	NA	NA	38.2		(1.4)	
<u>Peers engaged in Events and Entertainment production</u>														
TOKYO DOME CORP	9681 JP	916	326,392	779	13	13.7	13.2	NA	NA	6.0	3.4		7.1	
MISONOZA THEATRI	9664 JP	505	5,479	227	(27)	NA	NA	NA	NA	NA	(1.7)		NA	
SME	041510 KS	41,250	12,256,970	804	5	25.9	22.2	18.1	14.7	9.9	3.2		(3.7)	
JYP ENTERTAINMEN	035900 KS	23,750	15,851,100	706	16	33.6	22.9	26.9	18.8	24.6	19.2		(2.2)	
LIVE NATION ENTE	LYV US	49	60,807	10,229	1	NA	141.4	37.5	30.1	3.4	2.6		0.9	
CTS EVENTIM AG &	EVD GR	39	3,993	4,313	16	30.0	27.1	15.8	14.3	29.3	23.2		(2.9)	
MADISON SQUARE-A	MSG US	313	63,746	7,325	(2)	79.1	197.5	403.8	117.9	4.8	4.0		(10.6)	

Source: Bloomberg. UnUsUal's 1FY P/E and EV/EBIT are based on last financial year actuals. As at 14 August 2018.

Company Background

UnUsUal Limited is in the entertainment industry specializing in the production and promotion of large-scale live events and concerts in Singapore and regionally. UnUsUal group was founded in 1997 as an equipment rental business and soon expanded to provide a full range of production and promotion services for concerts and events.

Under the production segment, UnUsUal manages the creative and technical aspects of the entire event including conceptualization, set design and creation, renting and installation of sound, light and video equipment and providing other technical and creative solutions. It receives revenue from the renting of stage and equipment and providing technical and creative services.

The promotion segment looks after the planning and managing of the events and concerts. This includes venue and date selection, coordinating ticketing matters and the marketing and promotion for the event/concert. The revenue is in the form of admission fees and sponsorships. This segment works closely with SISTIC in Singapore to execute ticket sales.

The company has produced and promoted more than 150 concerts and 200 events. As per management, it has an edge over its competitors given that it is involved in both production and promotion. It expects the annual number of shows to increase from 20 currently to 100 in a year.

Table 118: Services Provided

Production
Creative Input: Conceptualize and develop concert/event themes
Consultancy services for management and organization of event
Design solutions: set creation and set design
Technical solutions: stage, wounds, lights, visual requirements
Manage and oversee the entire production set-up
Promotion
Working with artiste managers to coordinate timings and venues
Handling ticketing
Marketing and promotion of concerts/ events
Coordinating with third party suppliers/ service providers

Source: Company data.

UnUsUal has collaborated with SingEx Ventures Group for use of The Max Pavilion @ Singapore Expo (TMP). Under this arrangement event holders at TMP can use the sound, light and video equipment which are pre-installed and UnUsUal receives a portion of the rental for this.

UnUsUal Limited listed on the Catalist board of the Singapore Stock Exchange on 10 April 2017.

Regional Operations

UnUsUal Ltd runs its South East Asia division from Singapore through its 100% owned subsidiaries, UnUsUal Entertainment, UnUsUal Productions and UnUsUal Development. Honk Kong is the central office for Hong Kong and Macau and is run by UnUsUal Entertainment International, a 100% subsidiary of UnUsUal Ltd.

Figure 200: UnUsUal Limited Subsidiaries

Name of subsidiary	Equity Stake	Country of business/ incorporation	Principal Activity
UnUsUal Productions Pte Ltd	100%	Singapore	Rental of stage lighting, sound systems, audio equipment and light system installation and its related services
UnUsUal Entertainment Pte Ltd	100%	Singapore	Organizing and promoting all kinds of shows, entertainment acts and other related services
UnUsUal Development Pte Ltd	100%	Singapore	Organizing large scale events and providing related services. Co-manager of The Max Pavilion at Singapore Expo.
UnUsUal Productions(M) Sdn. Bhd.	100%	Malaysia	Organizing and management of events
UnUsUal Entertainment International Limited	100%	Hong Kong	Provision of concert production services, provision of artiste services, lease of stage equipment and investment in concert production

Source: Company reports.

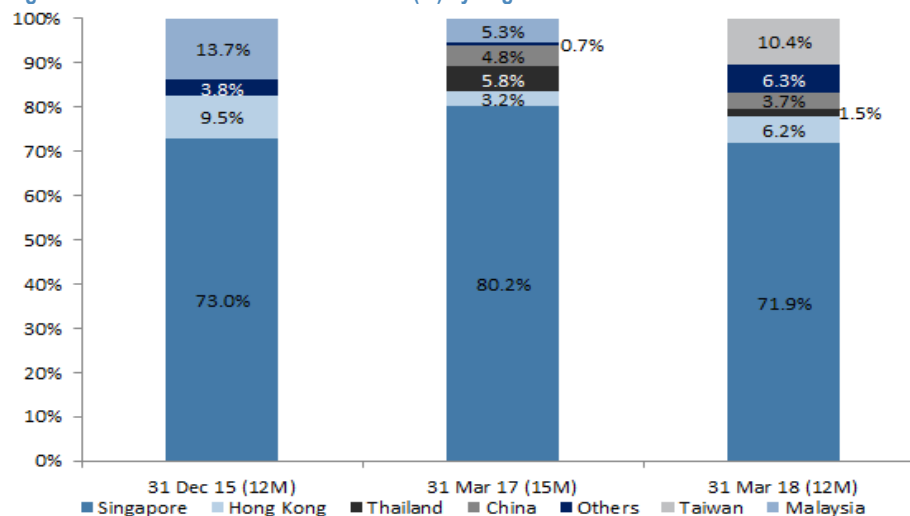
As per management, the company runs its operations in other regions through joint ventures. It is in 50-50 joint ventures with local partners in Manila, Taipei, China and South Korea. In China, UnUsUal acquired a 49% equity interest in Beijing Wish in March 2018. Beijing Wish is a film production and distribution business and is in the commercial performance and concert brokerage business. This was done to increase the company's footprint in China.

Revenue Analysis

Regional

As per management, the company is a kingpin of Chinese artist concerts in Singapore and Malaysia and is expanding its footprint in China, Taiwan and Korea. Singapore has always been the largest contributor to the revenues and accounted for 71.86% of revenues in FY2018. Operations in Taiwan started in FY18 and Taipei was the second-largest contributor to the group's revenue at 10.42%.

Figure 201: Historical Revenue Breakdown (%) by Segment



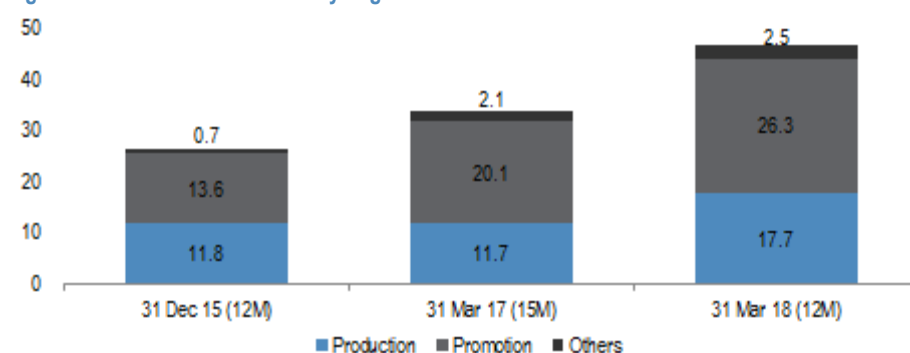
Source: Company data.

As per management, revenue growth in the coming few years would be the strongest in China followed by Singapore and Taipei. Revenue contribution from China would be more than the contribution from Singapore by 2020. South Korea should take over Taipei in terms of revenue contribution in the coming few years. Management expects the company to increase its presence in China to 10 cities in 2020 from 5-6 cities currently.

Business Segment

The promotion segment has been the largest contributor to revenues and accounted for 56.6% of the total revenues in FY18. The production business accounted for 38% of the total revenue.

Figure 202: Revenue Breakdown by Segment



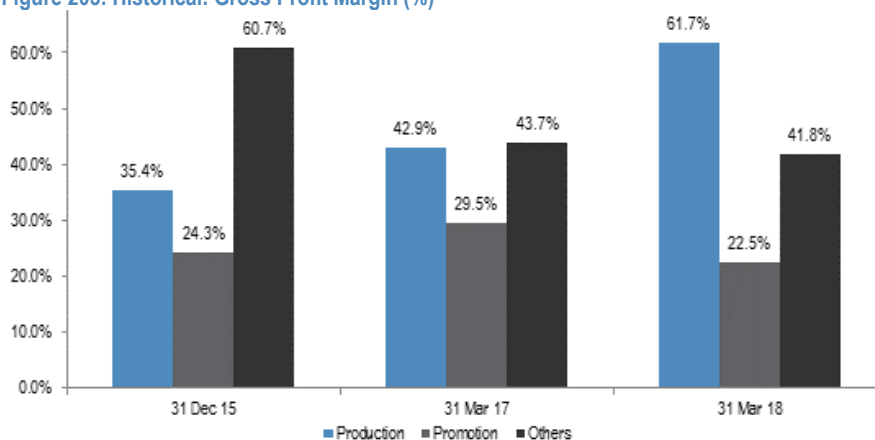
Source: Company data

As per management, 30-40% of revenues are recurring, derived from artists who perform annually. Of these revenues, 10-20% come from staging and providing related technical support for events like F1, National Day Parade. As per management, 60-70% of the company's total revenues come from Chinese pop concerts. The company has a strong focus in this segment and has built solid networks and relationships over the past 20 years. This is followed by the Family Entertainment segment comprising shows like Disney on Ice and Walking with Dinosaurs tours. Management believes that there is good potential for this segment in China and its business in it is expanding. The company gets a gross profit margin of approximately 30% for the shows across cities. The Western pop concerts form the third-largest source of revenues for the company.

On 2 August 2018, the company announced that it had entered into a binding Heads of Agreement with Nick Grace Management Ltd to develop and produce Apollo under a joint venture. The show marks the 50th anniversary of man's first steps on the moon and retells the story of the Apollo 11 moon landing. It is expected to tour from mid-2019 for 3 years around North America.

For the promotion segment, gross profit is calculated after paying out for venue rentals, logistics, marketing, artist fees, GST and charges on ticketing. UnUsUal has to pay approximately 50% of the deposit to the artist while signing them for a show. All the costs that are related to the event are then paid for by UnUsUal. It pays 6-7% of the revenue to SISTIC for using their ticketing platform. Suppliers give UnUsUal a period of 30-60 days to pay. UnUsUal gets its revenue 2 weeks after the show.

Figure 203: Historical: Gross Profit Margin (%)



Source: Company data.

The company had a net income margin of 21.6% for FY2018. Management expects net income to grow by 30% in the next few years.

Table 119: Services provided at notable events & concerts

Year	Service	Event
2001	Production	Air Supply: Silver Year World Tour 2001 Live in Singapore Andy Lau: Andy Lau Summer Fiesta 2001 Concert Westlife: Coast to Coast World Tour 2001
2002	Production	A-Mei: A-Class Entertainment World Tour Anita Mui: Anita Mui Fantasy Gig Tour 2002 Emil Chau: Emil Chau World Tour 2002 F4: F4 In Concert Meteor Rain 2002 Jacky Cheung: Jacky Cheung Music Odyssey 2002 Jay Chou: Jay Concert 2002 Welcome to Jay's Fantasy World Sammi Cheng: Sammi Cheng Shocking Colour Concert 2002 Stefanie Sun: Yanzi Start World Tour 2002
2003	Co-organization and promotion	5566: 5566 "Serious" 2003 Debut Concert Alan Tam & Hacken Lee: Alan Tam & Hacken Lee World Tour 2003 David Tao: David Tao Soul Power Asia Tour 2003 Fei Yu Qing: Fei Yu Qing World Tour 2003 Jay Chou: Jay Chou The One in Concert 2003
	Production	Avril Lavigne: Avril Lavigne Try To Shut Me Up Tour Rolling Stones: Rolling Stones Licks World Tour 2003 Ronan Keating: Destination Singapore
2004	Production & Promotion	Jay Chou: Incomparable to Jay World Tour 2004 Sammi Cheng: Sammi vs Sammi World Tour 2004 Tsai Chin: Tsai Chin Love Me Once More 2004
2005	Organisation and promotion Promotion	Jacky Cheung: Snow, Wolf, Lake Jacky Cheung's Musical Extravaganza Engelbert Humperdinck: Engelbert Humperdinck World Tour 2005 Mayday: Mayday Final Home Singapore Concert S.H.E.: S.H.E. Magical Wonderland World Tour 2005 Tsai Chin: Tsai Chin Under The Moonlight World Tour 2005
2006	Organisation Promotion	Shinhwa 2006 Tour State of the Art in Singapore JJ Lin: Just JJ World Tour 2006 Jenny Tseng: Jenny Tseng Forever Singapore Concert Sandy Lam: Sandy Lam World Tour 2006 Wakin Chau: Wakin 20 World Tour Live in Singapore
	Production	Coldplay: Twisted Logic Tour 2006
2007	Organisation and promotion	Jacky Cheung: The Year of Jacky Cheung World Tour 2007 A-Mei: A-Mei Star Tour 2007 Alan Tam: Alan Tam 30th Anniversary Concert Engelbert Humperdinck: Engelbert Humperdinck 40th Anniversary Tour Mayday: Jump! The World Tour 2007 Sammi Cheng: Show Mi 2007 Concert S.H.E.: Perfect 3 Concert 2007 Show Lo: Show On Stage Singapore 2007
	Production & Promotion Production	Rain: Rain's Coming 06/07 Rain World Tour in Singapore 2007 Il Divo: Il Divo in Concert 2007 Christina Aguilera: Back To Basic Tour Gwen Stefani: Gwen Stefani The Sweet Escape Tour Linkin Park: Linkin Park Live in Singapore
2008-2015	Production	Formula One Singtel Singapore Grand Prix
2009	Organisation and promotion	Air Supply: Air Supply Live In Asia 2009 JJ Lin: JJ World Tour 2009 Joey Yung: Starlight Joey Yung Live 2009 Lee Min Ho: Minoz The First Asia Fan Meeting, First Love with Singapore Stefanie Sun: "The Answer Is ..." Stefanie Sun World Tour 2009 Wakin Chau: One Wakin Live in Singapore

Year	Service	Event
2010	Production	National Day Parade: Celebrations at the Heartlands
	Organisation and promotion	Air Supply: The 35th Anniversary Concert Elva Hsiao: 2010 Elva Hsiao WOW World Tour Engelbert Humperdinck: The 2010 Legacy of Love World Tour Jam Hsiao: Mr. Rock World Tour 2010 Jeff Chang: Happiness Choice World Tour Liu Qian: World Magical Tour 2010 S.H.E: S.H.E Is The One World Tour Concert Singapore 2010
	Organisation and promotion	Hong Kong A-Mei: A-Mei 2010 World Tour Concert Jay Chou: 2010 Hong Kong The Era Concert Jenny Tseng: Love Show Farewell World Tour
2011	Organisation and promotion	Jacky Cheung: Jacky Cheung ½ Century Tour – Singapore JJ Lin: JJ I AM World Tour 2011 John Ford Coley: Timeless Love Asian Tour 2 Wakin Chau: Diva Wakin Chau 2011 Live Concert Wynners: Wynners 38th Great Leap Forward Concert Yanni Chryssomallis: Yanni in Concert
	Organisation and promotion	Malaysia Francis Yip: Screen Gems Concert 2011 Jacky Cheung: Jacky Cheung ½ Century Tour – Malaysia
2012	Organisation and promotion	Air Supply: Air Supply Asia Tour 2012 Dan Hill: Greatest Hits Tour 2012 Kenny Rogers: An Evening with Kenny Rogers Masters of Illusion – Live! Wonder Girls: Wonder World Tour in Singapore Yoga Lin: Yoga Lin Fugue Concert Tour Chingay Parade
	Production	Malaysia
2013	Organisation and promotion	Jacky Cheung: ½ Century Tour – Malaysia (Return)
	Organisation and promotion	Julio Iglesias: Julio Iglesias 1 World Tour Pet Shop Boys: Electric Pet Shop Boys Live Pitbull: Global Warming Tour Rainie Yang: Love Voyage. Singapore Sally Yeh: Intimately Yours Concert 2013
	Organisation and promotion	Malaysia Beast, 4Minute, G.Na: AIA K POP Live in Kuala Lumpur Eason Chan's: "Eason's Life" Concert 2013 Jay Chou: Opus Jay Chou 2013 World Tour in Malaysia JJ Lin: Timeline World Tour Concert Live in Malaysia Sandy Lam: Sandy Lam Live in Penang
		Hong Kong Beast, 4Minute, A-Pink: AIA K POP Live in Hong Kong Chingay Parade
2014	Production	Mariah Carey: "The Elusive Chanteuse Show" at the National Stadium
	Organisation	Stefanie Sun: The 2014 Kepler World Tour in Singapore and Malaysia
	Production and promotion	Singapore Chinese Orchestra's Our People, Our Music 2014 mega concert
	Production	Kim Soo Hyun: 2014 Kim Soo Hyun Asia Tour – 1st Memories in Singapore
2014	Organisation and promotion	Lionel Richie: All The Hits All Night Long in Genting Michael Learns To Rock: Michael Learns To Rock – Live Pet Shop Boys: Electric Pet Shop Boys Live Hillsong United: Welcome 'Zion'
	Production	Malaysia
	Organisation and promotion	Stefanie Sun: The 2014 Kepler World Tour in Singapore and Malaysia Lionel Richie: All The Hits All Night Long in Genting

Year	Service	Event
2015	Production	Chingay Parade 28th SEA Games Carnival Youth Celebrate! Sing50 event at the National Stadium
	Organisation and promotion	Michael Bublé Live in Malaysia, Hong Kong and the PRC Air Supply 40th Anniversary Tour in Singapore, Kuala Lumpur, Shanghai and Taipei Cesar Millan Live - Love Your Dogs Tour 2015 in Singapore and Taipei Hillsong Worship No Other Name Tour in Singapore, Hong Kong and Kuala Lumpur Yanni One Man's Dream World Tour 2015 in Beijing, Shanghai and Guangzhou
2016	Organisation and promotion	A-mei: AMIT UTOPIA World Tour George Lam: 40th Anniversary Concert Hebe Tian: "IF" World Tour iKON: iKONCERT 2016 Showtime Tour in Singapore Hacken Lee and Joey Yung: Live Around the World Singapore Hillsong Young & Free: "Youth Revival" in Singapore and Kuala Lumpur Karen Mok: "REGARDEZ" World Tour Kenny Rogers: Kenny Rogers' Final World Tour - The Gambler's Last Deal with Special Guest Linda Davis Kit Chan: Spellbound Homecoming Concert 2016 Kool & The Gang: Kool & The Gang Live in Singapore

Source: Company data.

Financial Summary

Income Statement

Table 120: Income Statement

(SG\$m)	2016	2017	2018	y-o-y	y-o-y
YE: 31 March	31-Dec-15	31-Mar-17	31-Mar-18	16-17	17-18
Period	12 months	15 months	12 months		
Revenue	26.1	33.9	46.4	30%	37%
Cost of sales	(18.2)	(22.0)	(28.6)	21%	30%
Gross profit	7.9	11.9	17.9	50%	50%
Other income	0.2	0.1	0.4	-30%	179%
Other (losses) / gains - net	0.5	1.5	(0.0)	203%	-103%
Administrative expenses	(3.8)	(5.1)	(6.0)	32%	17%
Finance expenses	(0.0)	(0.0)	(0.0)	272%	-75%
Profit before income tax	4.8	8.4	12.2	77%	45%
Income tax expense	(0.7)	(1.1)	(2.2)	67%	101%
Net profit for the financial year/period	4.1	7.3	10.0		
	1,029.2	1,029.2	1,029.2	78%	37%
No. of shares outstanding	0.4	0.7	1.0	na	na
EPS (in Cents)	1.1	1.0	1.4	-7%	38%
	5.9	9.5	15.4	61%	63%
D&A	4.8	8.4	14.0	77%	66%
EBITDA	-	0.8	-	na	na
EBIT	-	8.4	-	na	na
	26.1	33.9	46.4	30%	37%
Dividend Per Share (SG\$)	(18.2)	(22.0)	(28.6)	21%	30%
Total Dividend Declared	7.9	11.9	17.9	50%	50%

Source: Company data.

Table 121: Income Statement: Quarterly

	Q1 2018	Q1 2019	y/y change
YE: 31 March			
Income Statement (SG\$m)			
Revenue	6.2	6.0	-3%
Cost of sales	(3.4)	(2.2)	-36%
Gross profit	2.8	3.9	37%
Other income	0.2	0.0	-80%
Other (losses) / gains - net	(0.2)	0.1	-176%
Administrative expenses	(1.1)	(1.2)	2%
Finance expenses	(0.0)	-	-100%
Profit before income tax	1.8	2.9	64%
Income tax expense	(0.2)	(0.5)	142%
Net profit for the financial year/period	1.5	2.4	53%
No. of shares outstanding	1,029.2	1,029.2	0%
EPS (in cents)	0.1	0.2	53%
D&A	0.4	0.4	-11%
EBITDA	2.2	3.2	49%
EBIT	1.8	2.9	64%

Source: Company data.

Segment Analysis

Table 122: Segment Analysis

(SG\$mn)	2016	2017	2018	16-17 change	17-18 change
	31-Dec-15	31-Mar-17	31-Mar-18		
Period	12 months	15 months	12 months		
Revenue breakdown by segment	26.1	33.9	46.4	30%	37%
Production	11.8	11.7	17.7	-1%	51%
Promotion	13.6	20.1	26.3	48%	31%
Others	0.7	2.1	2.5	194%	17%
Revenue breakdown by region	26.1	33.9	46.4	30%	37%
Singapore	19.1	27.2	33.4	43%	23%
Malaysia	3.6	1.8	-	-50%	-100%
Hong Kong	2.5	1.1	2.9	-56%	166%
Thailand	-	1.9	0.7	na	-64%
Taiwan	-	-	4.8	na	na
China	-	1.6	1.7	na	6%
Others	1.0	0.2	2.9	-76%	1120%
Gross Profit breakdown by segment	7.9	11.9	17.9	50%	50%
Production	4.2	5.0	10.9	20%	117%
Promotion	3.3	5.9	5.9	80%	0%
Others	0.4	0.9	1.1	112%	12%

Source: Company data.

Balance Sheet

Table 123: Balance Sheet

(SG\$m) - as at	31-Dec-15	31-Mar-17	31-Mar-18
ASSETS			
Cash and bank balances	5.1	10.7	18.3
Inventories	-	0.1	0.1
Trade and other receivables	10.9	5.6	20.6
Income tax recoverable	0.0	0.0	0.1
Current assets	16.0	16.4	39.1
Property, plant and equipment	4.0	6.9	9.6
Investment in subsidiary corporations	-	-	-
Intangible asset -Investment in project	-	-	2.6
Non-current assets	4.0	6.9	12.2
Total assets	20.0	23.3	51.3
LIABILITIES			
Trade and other payables	9.2	9.3	9.1
Borrowings	0.1	0.6	0.0
Income tax payables	0.2	1.2	1.9
Current liabilities	9.5	11.1	11.1
Borrowings	0.1	0.0	-
Deferred income tax liabilities	0.1	0.1	0.5
Non-current liabilities	0.2	0.1	0.5
Total liabilities	9.7	11.1	11.5
Net assets	10.3	12.2	39.7
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	0.6	3.0	20.5
Other reserves	(0.0)	0.6	0.5
Retained profits / (Accumulated losses)	9.7	8.6	18.7
Total equity	10.3	12.2	39.7

Source: Company data.

Cash Flow Statement

Table 124: Cash Flow Statement

Cash Flow Statement (SG\$m)	31-Dec-15	31-Mar-17	31-Mar-18
Cash Flow Statement (SG\$m)			
Cash flows from operating activities			
Net profit	4.1	7.3	10.0
Adjustments for:			
Income tax expenses	0.7	1.1	2.2
Depreciation of property, plant & equipment	1.1	1.0	1.3
Amortisation of intangible asset - Investment in project	-	-	0.1
Interest Income	(0.0)	(0.0)	(0.1)
Gain on disposal of property, plant & equipment	(0.1)	(1.2)	-
Interest expense	0.0	0.0	0.0
Unrealised currency translation gains	-	-	(0.0)
Operating cash flow before working capital changes	5.7	8.2	13.5
Change in working capital			
Trade and other receivables	(1.2)	0.7	(15.0)
Trade and other payables	(2.8)	0.4	(0.2)
Inventories	-	(0.1)	0.1
Cash (used in) / generated from operations	-	-	-
Interest received	0.0	0.0	0.1
Income tax paid	(0.1)	(0.2)	(1.1)
Net cash (used in) / generated from operating activities	1.7	9.2	(2.6)
Cash flows from investing activities			
Purchase of property, plant and equipment	(2.2)	(5.5)	(4.0)
Proceeds from disposal of property, plant and equipment	0.0	2.9	-
Intangible asset -Investment in project	-	-	(2.7)
Net cash used in investing activities	(2.2)	(2.6)	(6.7)
Cash flows from financing activities			
Bank deposits released from the bank	0.1	0.1	0.4
Repayment of finance lease liabilities	(0.1)	(0.2)	(0.1)
Proceed from issuance of new shares	-	-	19.4
Share issue expenses	-	-	(1.9)
Proceed from issuance of convertible notes	-	3.0	-
(Repayment of) /Proceed from bank borrowings	-	0.5	(0.5)
Dividend paid to equity holders	(0.5)	(4.2)	-
Interest paid	(0.0)	(0.0)	(0.0)
Net cash generated from / (used in) financing activities	(0.4)	(0.8)	17.4
Cash and cash equivalents			
Net increase in cash and cash equivalents	(0.9)	5.7	8.1
Effect on currency translation on cash & cash equivalents	(0.0)	(0.0)	(0.0)
Cash and cash equivalents at beginning	5.5	4.5	10.3
Cash and cash equivalents at end	4.5	10.3	18.3
Capex (incl. acquisitions)	(2.2)	(5.5)	(6.7)
Acquisitions	-	-	-
FCFF	(0.5)	3.6	(9.4)

Source: Company data.

Ratio Analysis

Table 125: Ratio Analysis

Ratios	31-Dec-15	31-Mar-17	31-Mar-18
(SG\$mn)			
Total assets	20.0	23.3	51.3
Total assets -CL (ex-Bank Debt)	10.6	12.8	40.2
Net assets	10.3	12.2	39.7
Total equity	10.3	12.2	39.7
Total Debt	0.1	0.6	0.0
Net Debt	(4.9)	(10.1)	(18.3)
Capital Employed (Total Assets - Current Liabilities)	10.5	12.3	40.2
Avg. Capital Employed	8.8	11.4	26.2
Average (Total assets -CL (ex-Bank Debt))	8.9	11.7	26.5
Invested Capital (Total Equity+ Total Debt)	10.4	12.8	39.7
Average invested capital	8.8	11.6	26.2
Margins (%)			
Gross Margin	30.3%	35.0%	38.5%
EBITDA margins	22.5%	27.9%	29.1%
EBIT margins	18.2%	24.9%	26.1%
PBT margins	18.2%	24.9%	26.3%
PAT margins	15.7%	21.6%	21.6%
PATMI margins	15.7%	21.6%	21.6%
Working Capital Ratios			
Net Working Capital (Receivables + Inventory - Payables)	1.7	(3.6)	11.5
Average Net Working Capital	(0.1)	(0.9)	4.0
Net Working Capital/ Sales %	-0.5%	-2.7%	8.5%
Receivable Days	146.6	88.9	102.9
Payable Days	212.84	153.19	117.57
Inventory Days	-	0.9	1.0
Cash Conversion Cycle	(66.2)	(63.4)	(13.6)
Profitability Ratios			
RoA (%) - PAT / Average (Total Assets-CL (ex Bank Debt))	46.2%	62.7%	37.8%
RoCE (%) -- (EBIT - tax)/ Average CE	46.5%	64.5%	37.8%
RoC (%) -- (EBIT - tax)/ Average IC	46.6%	63.4%	37.8%
ROE (%) - total (PATMI/ Average Shareholders Equity)	47.5%	65.2%	38.6%
Leverage Ratios			
Net debt/equity (%)	-48.0%	-82.8%	-46.1%
EBITDA/ Interest expense (x)	912.1	395.5	2,272.7
Liquidity Ratios			
Current ratio (x)	1.7	1.5	3.5
Quick Ratio (x) (Current Assets - Inventory - Prepayments)/ CL	1.7	1.5	3.5
Du-Pont Decomposition			
PATMI margin	15.7%	21.6%	21.6%
Revenue/Assets	1.3	1.6	1.2
Assets/Equity	2.3	1.9	1.4
ROE (Du-pont)	47.5%	65.2%	38.6%

Source: Company data.

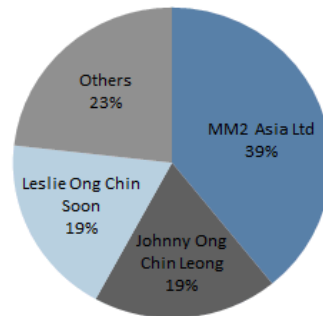
Management & Shareholding Structure

UnUsUal Limited listed on the Catalist board of the Singapore Stock Exchange on 10 April 2017. The company raised gross proceeds of S\$19.4mn. The IPO proceeds were planned to be used to invest in promotion and production pipeline, for acquisitions joint ventures and strategic alliance and for general working capital needs.

As at 23 June 2017, the free float per cent of the company was 17.82%. UnUsUal Management Pte Ltd was the largest shareholder with a holding of 82.18%. On 16 April 2018, UnUsUal Management sold 0.63% and 4.76% of its stake in UnUsUal Pte Ltd to R3 Asian Gems and to Prince Abdul Qawi of Brunei respectively. R3

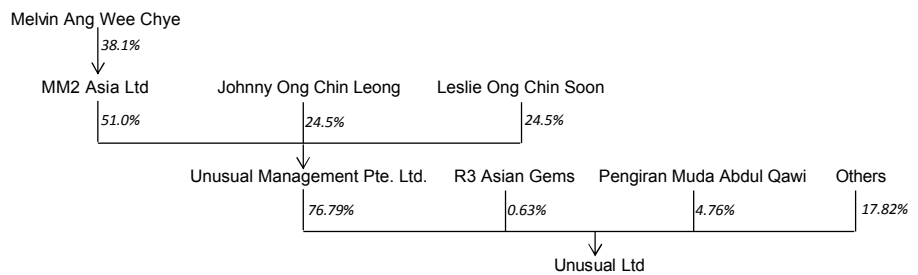
Asian Gems is a fund created by OSIM founder Ron Sim. UnUsUal Management is owned by MM2 Asia Ltd, Johnny Ong and Leslie Ong in the stakes of 51%, 24.5% and 24.5% respectively. MM2 Asia Ltd is owned 38.1% by Melvin Ang Wee Chee. As at 16 April 2018, the effective stakes of Melvin Ang Wee Chye, Johnny Ong and Leslie Ong in UnUsUal Ltd. are 14.92%, 18.81% and 18.81% respectively.

Figure 204: Shareholding Structure (as at 16 April 2018)



Source: Company data.

Figure 205: Shareholding Structure (as at 16 April 2018)



Source: Company data.

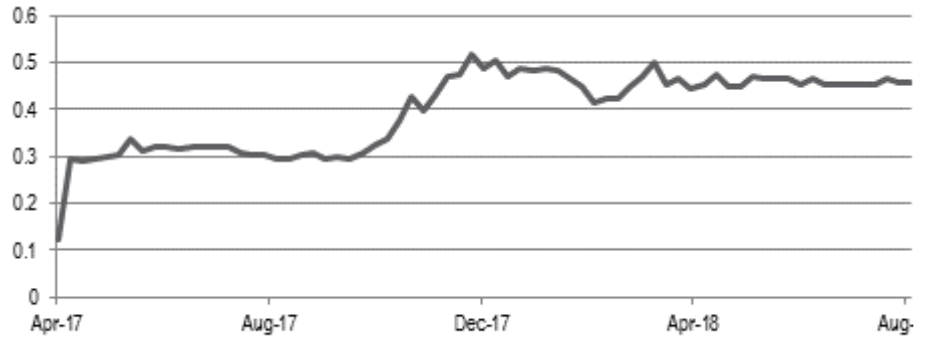
Table 126: Key Management

Leslie Ong Chin Soon	Executive Director & CEO	Obtained diploma in Electronic Engineering in 1988 from Ngee Ann Polytechnic. He has been with the Group since its inception in 1997 and has nearly 20 years of experience in the Production and Promotion business. He is responsible for the overall management operations, strategic planning and business development of the Group.
Johnny Ong Chin Leong	Executive Director & COO	Together with Mr. Leslie Ong, Mr. Johnny Ong has been with the Group since its inception in 1997 and has nearly 20 years of experience in the Production and Promotion business. He is responsible for the day-to-day operations of the Group, including managing the Group's overall business development and operations.
Tay Joo Heng	CFO	He joined the group on 18 April 2016. Prior to joining UnUsUal, he held the position of the Chief Financial Officer of mm2 Asia Ltd. From 1994 to 1996, he worked as a Lecturer with Nanyang Polytechnic's School of Business Management. He joined the SPH Group in 1997 and served in the Finance Department. In 2004, he joined Scorpio East Pte Ltd primarily to work on Scorpio East's IPO preparation. From 2006 he had a Business Planning position with Mediacorp Studios Pte Ltd, till 2007. Subsequently, he joined Leeden Limited as Assistant General Manager and thereafter was General Manager of National Industrial Gases Pte Ltd, a subsidiary of Leeden Limited.
Meng Why Yin	Director of Sales and Operations	Graduated with an International Diploma in Computer Studies awarded by the National Centre for Information Technology, UK in 1991. He is responsible for building the market position by locating, developing, negotiating and closing business relationships and opportunities. He has been with the group since 2004 and has over 20 years of experience in the production and venue management industries. From 1993 to 1999, he worked at Pico Art International Pte. Ltd. as their Customer Service Manager. From 2000 to 2003, he joined Rendition Design and Communications Pte Ltd as a Senior Customer Service Manager.

Source: Company reports.

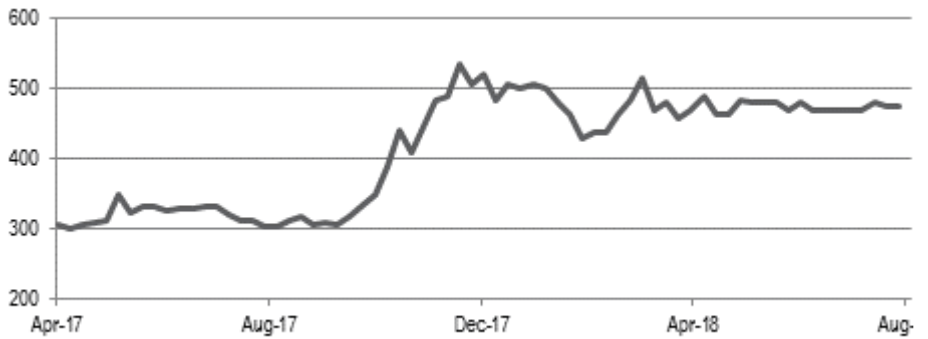
Share Price & Key Events

Figure 206: Share Price Chart (in S\$)



Source: Bloomberg.

Figure 207: Market Capitalization Chart (S\$mn)



Source: Bloomberg.

Table 127: Key Events

May-16	The Company was incorporated on 3 May 2016 in Singapore. The principal activity of the Company is that of investment holding.
May-16	On 12 May 2016, the Company acquired the respective shareholdings of Ong Chin Soon and Ong Chin Leong in UnUsUal Productions Pte Ltd, UnUsUal Development Pte. Ltd., UnUsUal Entertainment Pte. Ltd., UnUsUal Entertainment International Limited and UnUsUal Productions (M) Sdn. Bhd. for a total purchase consideration of \$33,496 and they became wholly owned subsidiary of the Company.
Aug-16	On 11 August 2016, MM2 acquired 51% stake in the UnUsUal Group for S\$26mn
Apr-17	The company listed on the Catalist board of the Singapore Stock Exchange on 10 April 2017
Oct-17	Signed letters of intent to jointly present 48 Disney On Ice shows in South Korea and Taiwan on 26 October 2017. The deal was signed with Rinling Bros and Barnum & Bailey International, a unit of U.S.-based live show production company Feld Entertainment Inc.
Nov-17	On 27 November 2017, UnUsUal Productions Pte Ltd entered into a non-binding memorandum of Understanding with Imperium Crown Limited to commence discussions on possible collaborations in relation to, amongst others, Wonder Stone Park in the Shandong province, People's Republic of China.
Dec-17	385,942,233 Bonus Shares allotted and issued on 7 December 2017 (3 bonus shares for every 5 existing ordinary shares)
Mar-18	UnUsUal entered into a term sheet for a 49% equity interest in Beijing Wish on 19 March 2018 for a purchase consideration of RMB 25,186,000. Beijing Wish is a film production and distribution business and is in the commercial performance and concert brokerage business.
Apr-18	UnUsUal Management sold its 5.39% stake in UnUsUal Limited for approximately S\$25.8mn reducing its stake to 76.8% from 82.2% on 16 April 2018. It sold its stake at S\$0.465 per share, to Brunei's Prince Abdul Qawi and a fund started by OSIM founder Ron Sim.
Jun-18	UnUsUal Entertainment announced a partnership with Sliding Door Entertainment Pte Ltd to present "Walking with Dinosaurs - The Arena Spectacular" Asia tour. The tour will comprise of 117 shows across 11 cities.
Jul-18	Signed the Sale and Purchase Agreement on 9 July 2018 for the acquisition of the 49% equity stake in Beijing Wish.
August-18	On 2 August 2018, the company announced that it had entered into a binding Heads of Agreement with Nick Grace Management Ltd to develop and produce Apollo under a Joint Venture.

Source: Company data.