

UnUsUaL Limited

16 November 2021

Ceased coverage

BBG	UNU SP
Market cap	S\$149.2 million
Price (15 Nov 2021)	S\$0.145
52-week range	S\$0.117 – S\$0.220
Target Price	Ceased coverage
Shares Outstanding	1,029.2 million
Free Float	18.8%
Major Shareholder	Unusual Management 76.9% Chin Soon Ong 2.7% Ang Wee Chye 1.4%
P/BV (09/21)	3.1x
Net debt to EBITDA (03/21)	NA

Source: Company data, Bloomberg, SAC Capital

Analyst

Lim Li Jun Tracy +65 6232 3239
tljm@saccapital.com.sg

Ceasing coverage

Due to reallocation of resources, we are ceasing coverage on Unusual.

In 1HFY22 (ended 30 Sep), Unusual's net loss halved from S\$3.4m to S\$1.6m, despite a decline in revenue from S\$1.1m to S\$0.4m, and lower government grant of S\$0.2m (1H21:S\$0.3m).

The operating environment remains challenging since March 2020. Authority-mandated COVID tests, restrictions on the size of the audience and border restrictions inhibited the roll-out of large-scale live events and concerts. Border restrictions also limit the movements of performing artistes and foreign audiences that travel cross-border to watch these events.

To overcome the physical limitations, 50%-owned Isotope Productions staged an online concert live-streamed by artiste JJ Lin in July, the first Asian artiste to do so, which reaped S\$0.6m for Unusual.

Many live event contracts have been put on hold since COVID hit. Unusual booked in its balance sheet 1) S\$26.1m costs incurred for these suspended projects, and 2) S\$30m trade and other receivables that relates to milestone receipts. When the suspended projects are staged, the former could be recognized as income and the latter could be collected.

Net debt stood at S\$15.8m as at 30 Sep, an increase from the S\$15.0m in FY21 (Y/E 31 Mar). Net gearing is 32.8%, up from 30.3% in FY21.

The earnings outlook is improving with more economies and borders reopening. Unusual announced an upcoming show Boom Boom Room that runs from 24 Nov to 19 Dec. It is also presenting a series of 54 concerts by Angela Zhang and Kelly Yu in collaboration with IMC Live Global, a small and cautious step towards earnings recovery.

Year ended 31 Mar*	FY2017 (15M)	FY2018	FY2019	FY2020	FY2021
Revenue (S\$m)	33.9	46.4	56.9	61.9	1.3
EBIT (S\$m)	8.4	12.1	16.1	8.0	(9.4)
Net profit (S\$m)	7.3	10.0	13.2	6.1	(9.0)
Basic EPS (S cents)	1.19	0.98	1.28	0.59	(0.87)
Dividend per share (S cents)	-	-	-	-	-
Net cash / (debt)	10.1	18.3	(0.2)	(8.1)	(14.9)
Valuation					
EBIT margin (%)	24.9	26.1	28.3	12.9	(700.5)
ROIC (%)	341.2	45.4	24.3	9.9	(14.0)
EV/EBITDA (x)	14.7	9.7	8.3	15.9	(21.8)
P/E (x)	125.4	152.3	116.4	253.1	NA
Dividend yield (%)	-	-	-	-	-

Unusual changed their Year End Date from 31 December to 31 March in 2016.

DISCLAIMERS AND DISCLOSURES

This report has been prepared and distributed by SAC Capital Private Limited (“**SAC Capital**”) which is a holder of a capital markets services licence and an exempt financial adviser in Singapore.

This report has been prepared for the purpose of general circulation, we have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual person or any specific group of persons and does not purport to be comprehensive or contain all necessary information which a prospective investor may require in arriving at an investment decision. Any prospective purchaser should make his own investigation of the securities and all information provided. Advice should be sought from a financial adviser regarding suitability, taking into account the specific investment objectives, financial situation or particular needs of the person in receipt of the recommendation, before a commitment to purchase is entered into.

This report does not constitute or form part of any offer or solicitation of any offer to buy or sell any securities. This report is confidential and the information in this report shall not be copied or reproduced in part or in whole, and save for the recipient of this report, shall not be disclosed to any other person without the prior written consent of SAC Capital. The distribution of this report outside the jurisdiction of Singapore is also strictly prohibited.

Whereas SAC Capital has not independently verified all the information set out in this report, all reasonable care and effort has been taken to ensure that the facts stated herein are accurate, this report might contain certain forward looking statements and forward looking financial information which are based on certain assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of the subject company to be materially different from those expressed herein. Predictions, projections or forecasts of the economy or market trends are not indicative of the future performance of the subject company. The inclusion of such statements and information should not be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions of the subject company or that the forecast results will or are likely to be achieved.

Our opinion and facts set out in this report are based on the market, economic, industry and other applicable conditions prevailing as at the date of the preparation of this report. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in light of any development subsequent to the publication of this report, that may or may not have affected our opinion contained herein.

This report contains forward-looking statement which are based on assumptions or forecasts and are subject to uncertainties which may result in the actual result or performance to be materially different from the opinion or facts set out herein. Caution should be exercised in placing undue reliance on such statements. such assumptions or forecasts may change over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in light of any development subsequent to the publication of this report.

No representation or warranty, expressed or implied, is made and no responsibility is accepted by the company, SAC Capital, or any of their affiliates, advisers or representatives as to the fairness, accuracy, completeness or adequacy of such information or facts, in this report or any other written or oral information made available to any interested party or its advisers and any liability therefore is hereby expressly disclaimed.

SAC Capital and its associates, directors, and/or employees may have positions in the securities covered in the report and may also perform or seek to perform other corporate finance and/or capital markets related services for the company whose securities are covered in the report. SAC Capital and its related companies may from time to time perform advisory services or solicit such advisory services from the entity mentioned in this report (“**Other Services**”). This report is therefore classified as a non-independent report. However, the research professionals involved in the preparation of this report are independent of those possible or actual business relationships as they have not and will not participate in the solicitation or provision of such business.

As at the date of this report, SAC Capital does not have proprietary positions or interests in the subject company, except for:

Party	Quantum of position
Nil	Nil

As at the date of this report, SAC Capital, has had business relations with the subject company within the past 12 months, as disclosed hereunder:

Nature of Business Relation	Date of Business Relation
Nil	Nil

As at the date of this report, none of the analysts who covered the securities in this report have any proprietary position or material interest in the subject companies covered here in, except for:

Analyst name	Quantum of position
Nil	Nil

ANALYST CERTIFICATION/REGULATION AC

As noted above, research analyst(s) of SAC Capital who produced this report hereby certify that

- (i) The views expressed in this report accurately reflect his/her personal views about the subject corporation(s);
- (ii) The report was produced independently by him/her;
- (iii) He/she does not on behalf of SAC Capital or any other person carry out Other Services involving any of the subject corporation(s) or securities referred to in this report; and
- (iv) He/she has not received and will not receive any compensation directly or indirectly related to the recommendations or views expressed in this report or to any sales, trading, dealing or corporate finance advisory services or transaction in respect of the securities in this report. He/she has not and will not receive any compensation directly or indirectly linked to the performance of the securities of the subject corporation(s) from the time of the publication of this report either.