



BUSINESS UPDATE

1H FY2024

(Ended 30 June 2024)

29 July 2024



Group Key Highlights

Income Statement Highlights (excludes Other Income)	1H FY2024 (S\$ Million)	1H FY2023 (S\$ Million)	Change (%)
Revenue	714.2	690.5	3.4
Gross profit	215.0	205.1	4.8
Gross profit margin	30.1%	29.7%	0.4 ppts ¹
Operating expenses	(141.4)	(134.1)	5.4
Net finance income/(expense)	4.1	3.4	20.6
Net Profit	70.0	65.5	6.8
Net Profit Margin	9.8%	9.5%	0.3 ppts ¹

1. ppts: Percentage points

YoY Change in Revenue due to	No. of stores		Revenue
	1H FY2024	1H FY2023	1H FY2024 vs 1H FY2023 (%)
New Stores² – Singapore	4	5	(2.9)
Comparable same store sales - Singapore	67	63	6.4
Stores in China	6	5	(0.1)
Total revenue variances	77	73	3.4

2. New stores consist of 2 that opened in FY2023 at Blk 91 Jalan Satu and Blk 471B Yishun St 42 and 2 new stores that opened in 1H FY2024 at Blk 209A Clementi Ave 6 and Blk 212 Bidadari Park Drive.



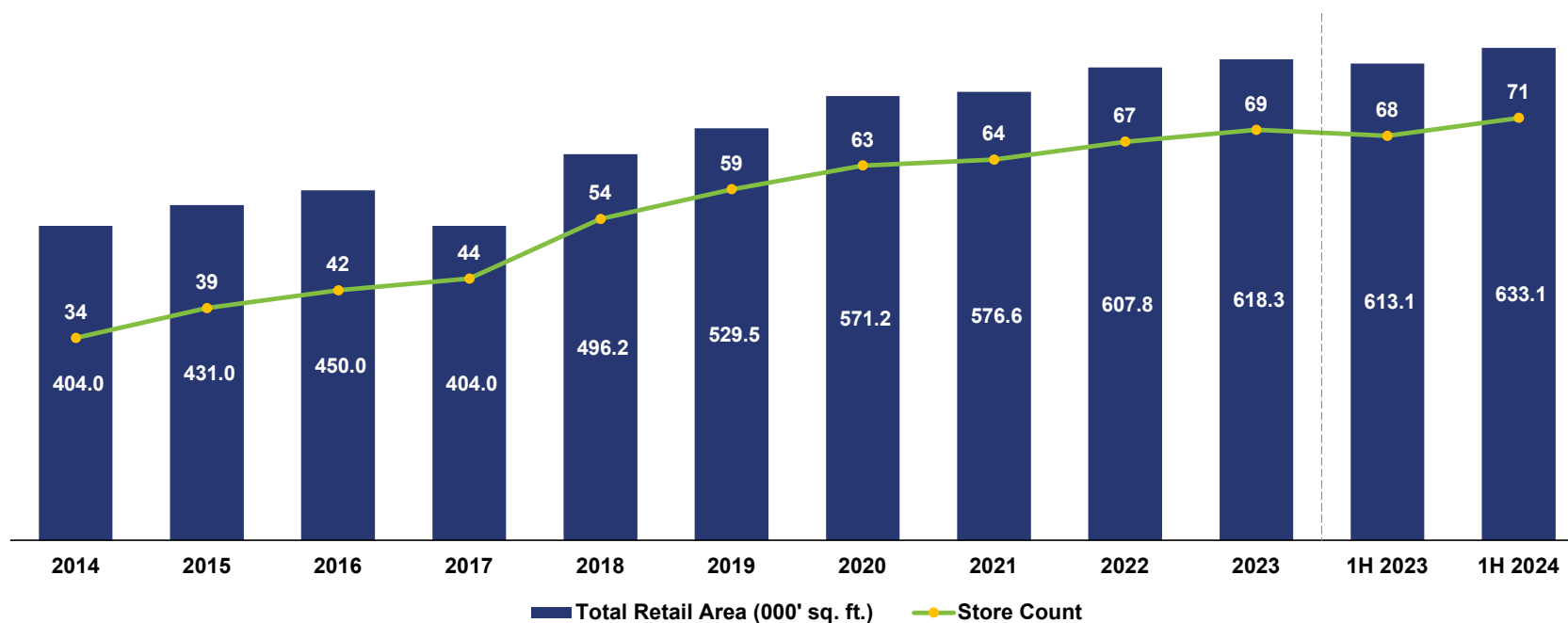
OPERATIONAL HIGHLIGHTS

Going the Extra Mile

We pride ourselves on our service and quality, adding a personal touch to the way we deliver value to our stakeholders.

Retail Area and Number of Stores in Singapore

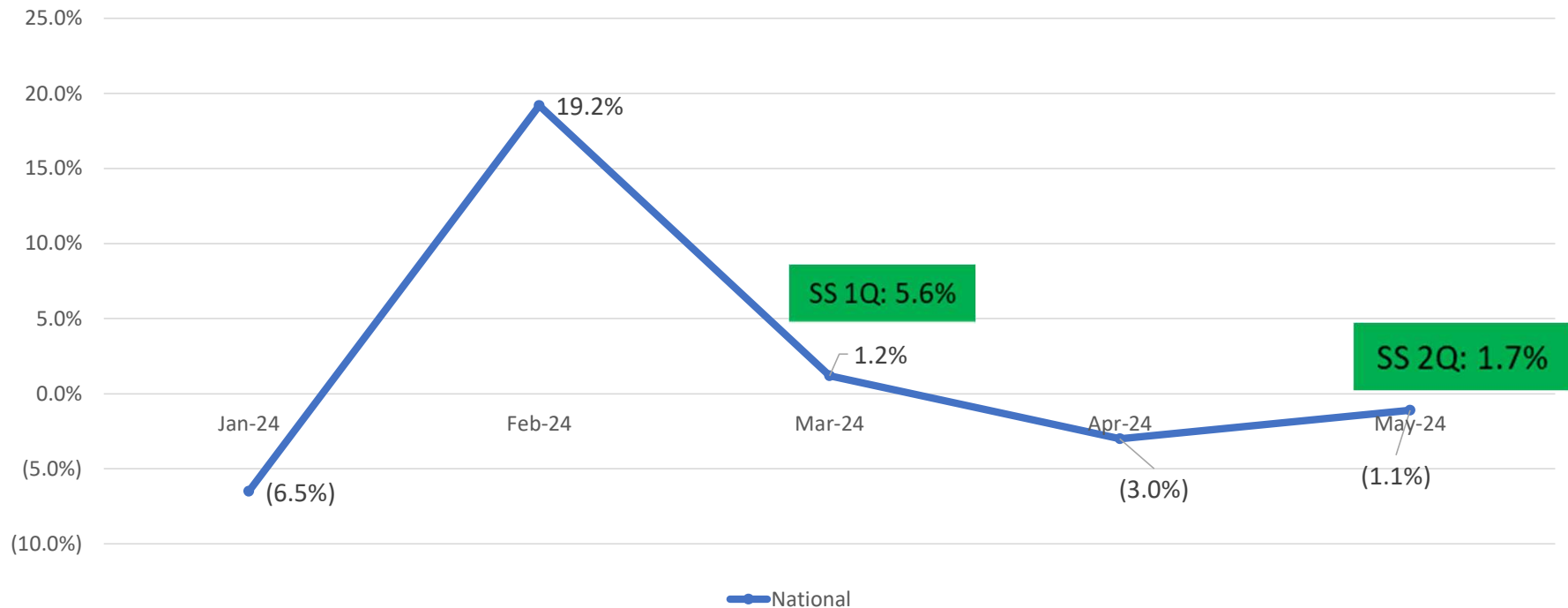
The Group continues to be on the lookout for viable retail space in housing estates in Singapore



- The Group aims to open at least 3 new stores per year.
- The Group opened 2 new stores in FY2023 and 2 new stores in 1H FY2024

1H 2024 Revenue Growth: Sheng Siong (SS) vs National

Sheng Siong's growth in 1Q and 2Q out beats National Growth



- Source: Department of Statistics, Singapore.
- National data for June 24 is not available yet.

Revenue Per Square Feet (Singapore Operations)

Growth in retail space is expected to drive sales in the long term

Year	Weighted Average Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
2019	508,250	974,008	1,916	New stores (mainly stores opened in 2018)
2020	564,943	1,365,051	2,416	Comparable same store sales – elevated demand for COVID-19
2021	571,180	1,337,941	2,342	New stores (1 new store in 2021 and 5 new stores in 2020. with PJ store closed in 2020)
2022	593,240	1,300,623	2,192	New stores (4 new stores in 2022, and 1 new store in 2021, with YC store closed in 2022)
2023	613,714	1,331,316	2,169	New stores (2 new stores in 2023, and 4 new stores in 2022)
1H 2023	611,217	671,495	1,099	Increase in revenue by new stores offset by similar decrease in revenue by comparable same stores
1H 2024	623,336	696,337	1,117	Comparable same store sales – longer sales period before lunar year



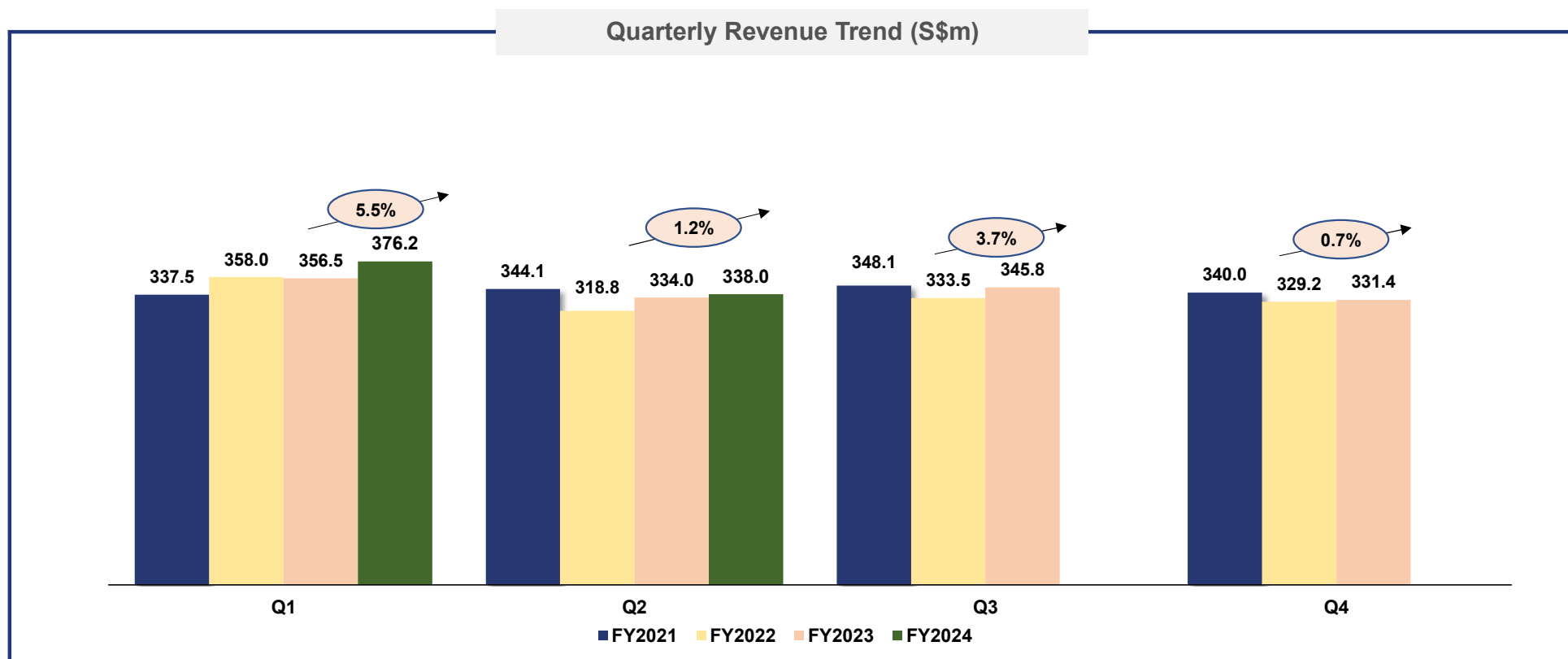
FINANCIAL HIGHLIGHTS

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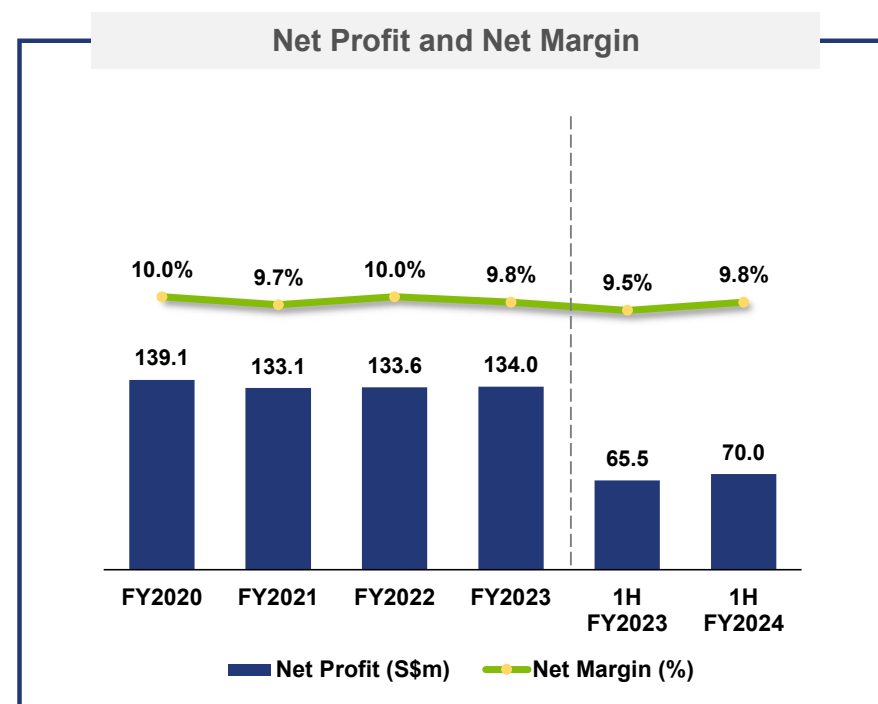
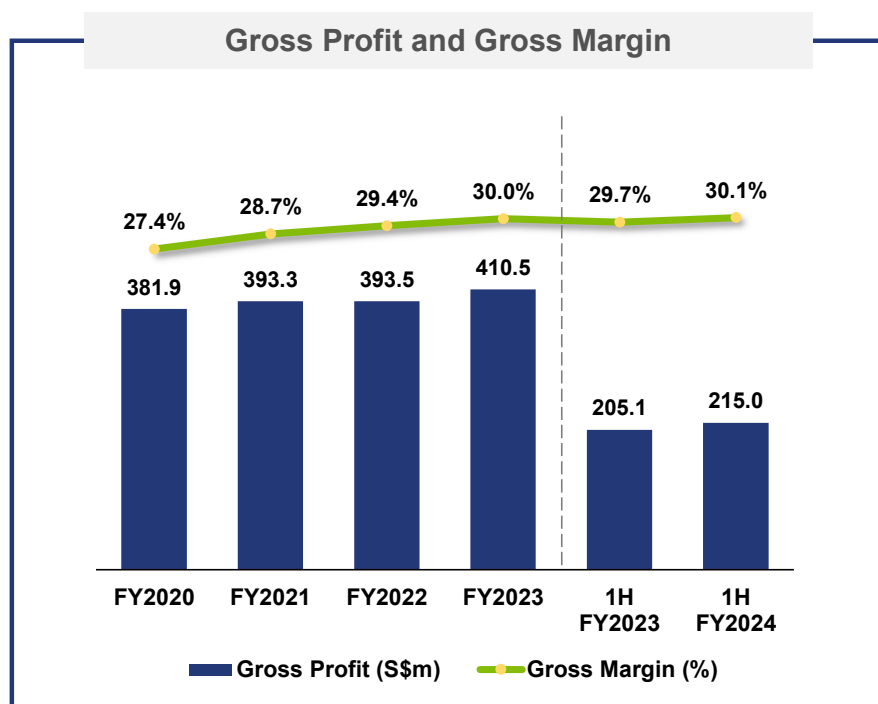
Revenue Trend

Revenue for 2Q FY2024 grew by 1.2% year-on-year



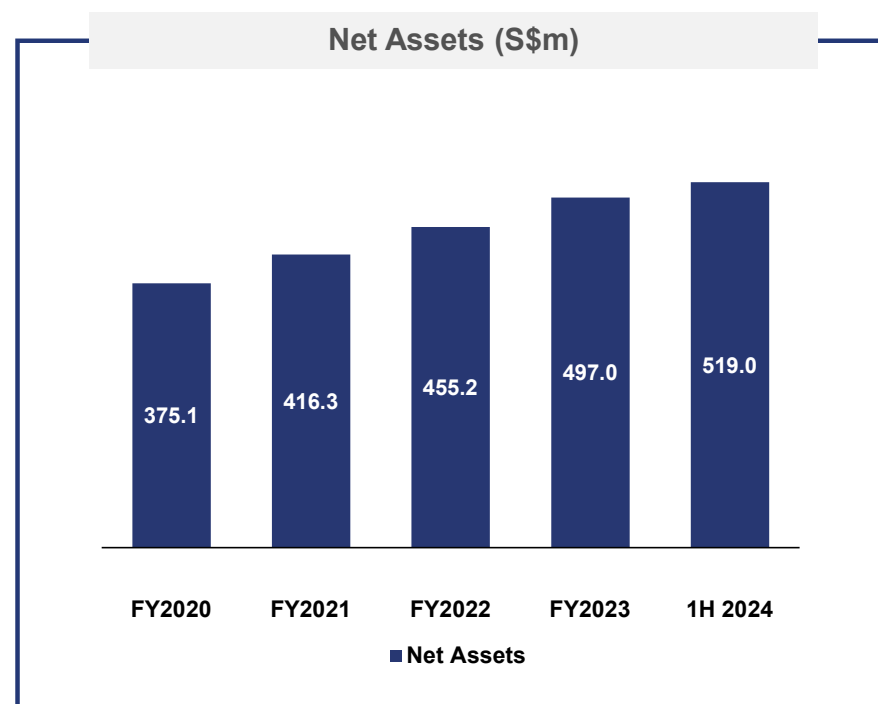
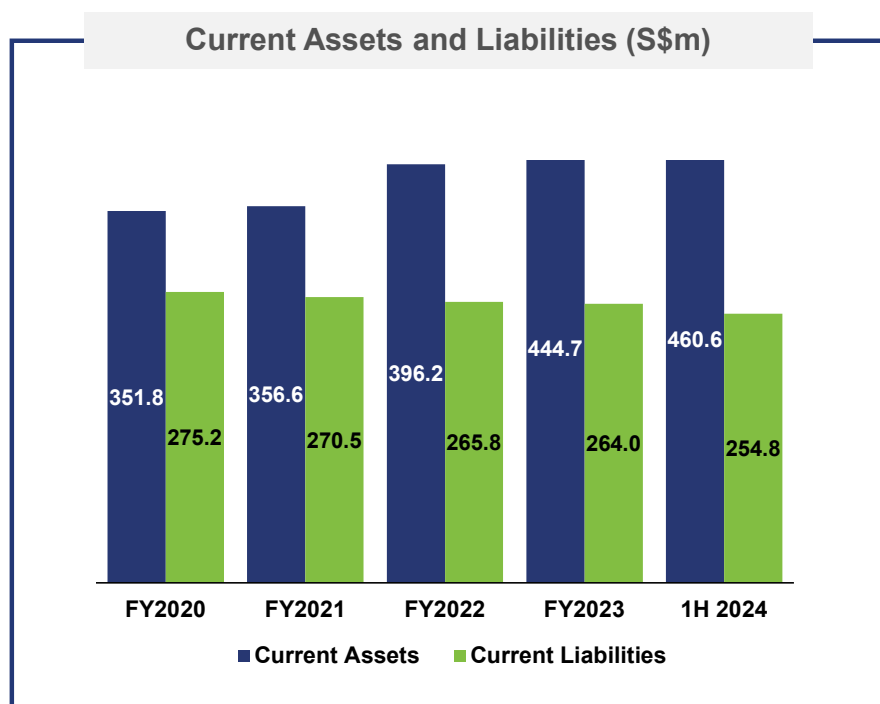
Profitability Trend

Margins have remained relatively stable across the period under review



Balance Sheet Highlights

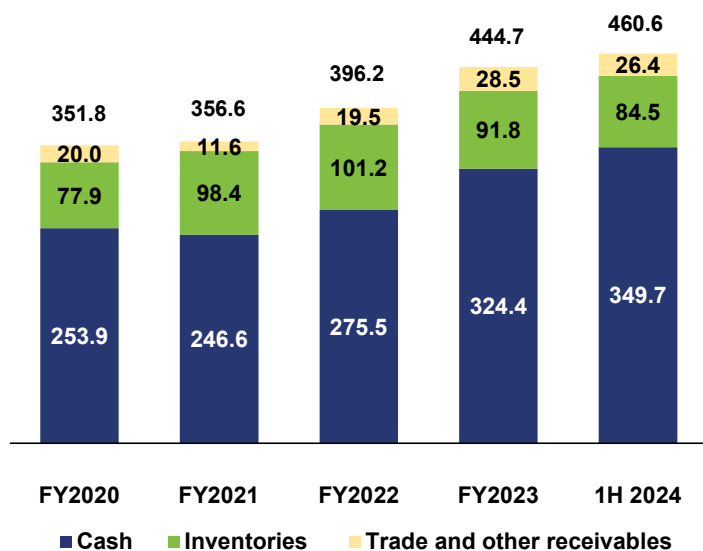
Strong financial position supported by a high cash balance and no borrowings



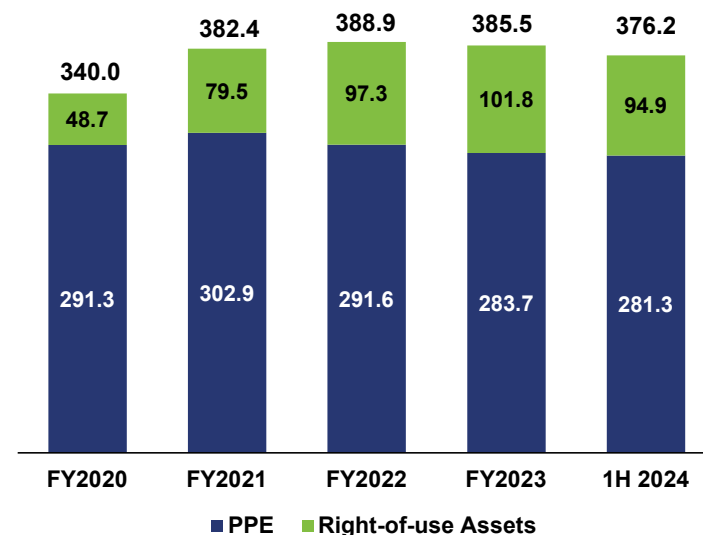
Balance Sheet Highlights

Strong financial position supported by a high cash balance and no borrowings

Breakdown of Current Assets (\$m)



Breakdown of Non-current Assets (\$m)





LOOKING AHEAD

Going the Extra Mile

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Outlook

The Group remains focused on bringing value-for-money offerings to its consumers

Business Outlook

- In an inflationary environment, consumers are expected to reduce non-essential spending to save costs. Consequently, they are expected to increase their spending on groceries and fresh food.
- Competition remains keen in the supermarket industry. Aggressive promotions coupled with higher input costs such as energy expenses and labour costs put pressure on margins.
- Focus on building core capabilities to navigate through this environment of macroeconomic and geo-political uncertainty.
- Seek growth through continuous expansion of network of stores in Singapore, especially in areas lacking presence, supported by the ramp in supply of HDB projects.
 - In 1H FY2024, HDB released 10 shops for tender.
 - 3 awarded, 3 awaiting for tender results.
 - Outlook: 7 more tenders to be put up in 2H FY2024.

China Operations

- The China subsidiary continues to be profitable supported positively by all 5 of the older stores.
- The 6th store opened in June FY2024.
- Nurture growth of supermarket operations in Kunming, China and build Sheng Siong's brand.

Operational Efficiency and Margin Enhancement

- Ensure diversified sources of supply to mitigate potential disruptions
- Remain vigilant on performance of existing stores and operating costs
- On-going initiatives to automate work processes to improve operational efficiency
- Improve sales mix of higher margin products
- Increase selection and types of house brand products
- Derive efficiency gains from the supply chain



THANK YOU!

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