



Annual General Meeting

24 October 2018



IMPORTANT NOTICE

RE&S HOLDINGS LIMITED ANNUAL GENERAL MEETING

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CEO Message



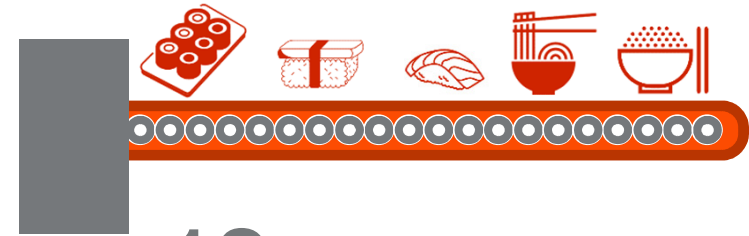
Our Key Milestones



Central kitchen to maintain food consistency and quality and improve productivity



ISO
22000:2005
certified central
kitchen



12
food processing
lines

> rice, sushi, tamago,
salmon, noodles



Reduces food preparation time and manpower
requirements at F&B outlets

Optimises use of space at F&B outlets



Utilise available capacity to manufacture food
items for third party businesses



Our Staff



Staff Party 2018



NIJI Challenge



**A toast to another great
30 years ahead!**



Company Overview



Who Are We?

“A concept owner and operator of F&B Outlets in Singapore and Malaysia that provides customers with authentic Japanese cuisine and dining experiences”



Our Business

42

Full-Service
Restaurants in
Singapore and
Malaysia



40

Quick-Service
Restaurants, Food
Kiosks, Japanese
Bakery and Food
Retail Outlets in
Singapore



ichiban bento



MEN-ICHI
JAPANESE RAMEN



Note: Figures accurate as at 30TH June 2018



Corporate Headquarters

- Corporate Office
- Central Kitchen
- Quality Assurance Food Laboratory
- R&D Kitchen
- Warehousing & Distribution Center



Leading F&B group in Singapore with over 25 years of operating track record



>25

years of F&B
experience in
Singapore



77

F&B Outlets
in Singapore



5

F&B Outlets
in Malaysia

Awards & Accolades



Note: Figures accurate as at 4Q2018

Ability to adapt and innovate to meet evolving consumer preferences



In-house product development team, each chef having their own portfolio of culinary creations and areas of specialty

Financial Highlights

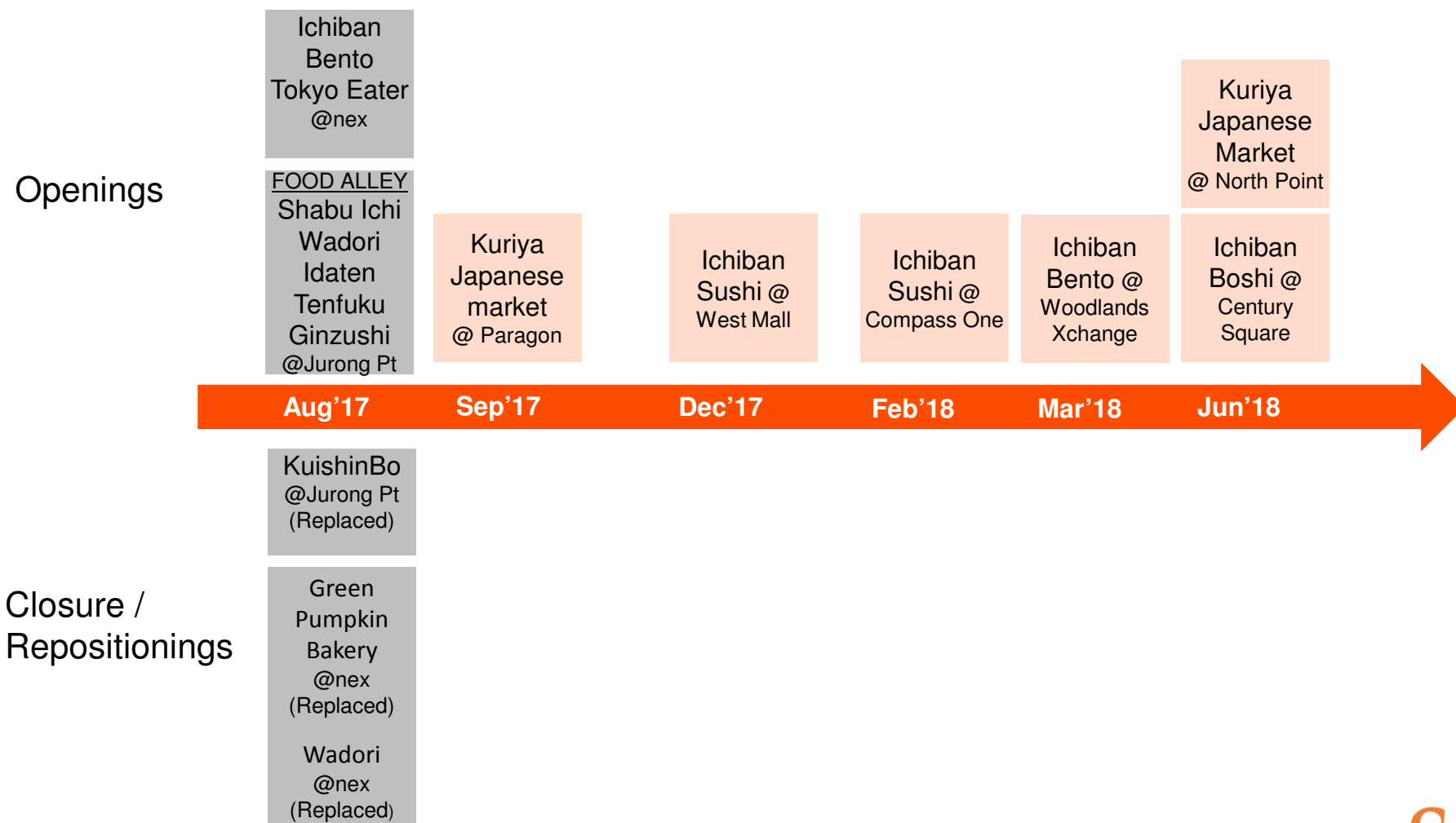
Consolidated Statements of P&L

| | Group | | |
|------------------------------------|--------------|--------------|---------------|
| | FY2018 | FY2017 | YOY |
| | S\$'000 | S\$'000 | |
| Revenue | 142,294 | 140,892 | 1.0% |
| Other operating income | 1,253 | 1,722 | -27.2% |
| Raw materials and consumables used | (39,238) | (39,159) | 0.2% |
| Changes in inventories | 106 | (417) | -125.4% |
| Employee benefits expense | (50,491) | (49,598) | 1.8% |
| Depreciation expense | (8,527) | (8,052) | 5.9% |
| Operating lease expenses | (24,399) | (23,999) | 1.7% |
| Utilities expenses | (4,080) | (3,820) | 6.8% |
| Finance costs | (349) | (315) | 10.8% |
| Other operating expenses | (8,641) | (7,881) | 9.6% |
| Other expenses | (2,637) | (2,051) | 28.6% |
| Profit before income tax | 5,291 | 7,322 | -27.7% |
| Income tax expense | (1,723) | (1,630) | 5.7% |
| Profit net of income tax | 3,568 | 5,692 | -37.3% |

Note: IPO expenses – S\$1.1 mil, depreciation expense S\$0.5mil, difference of Government Grant rec'd– S\$0.6 mil



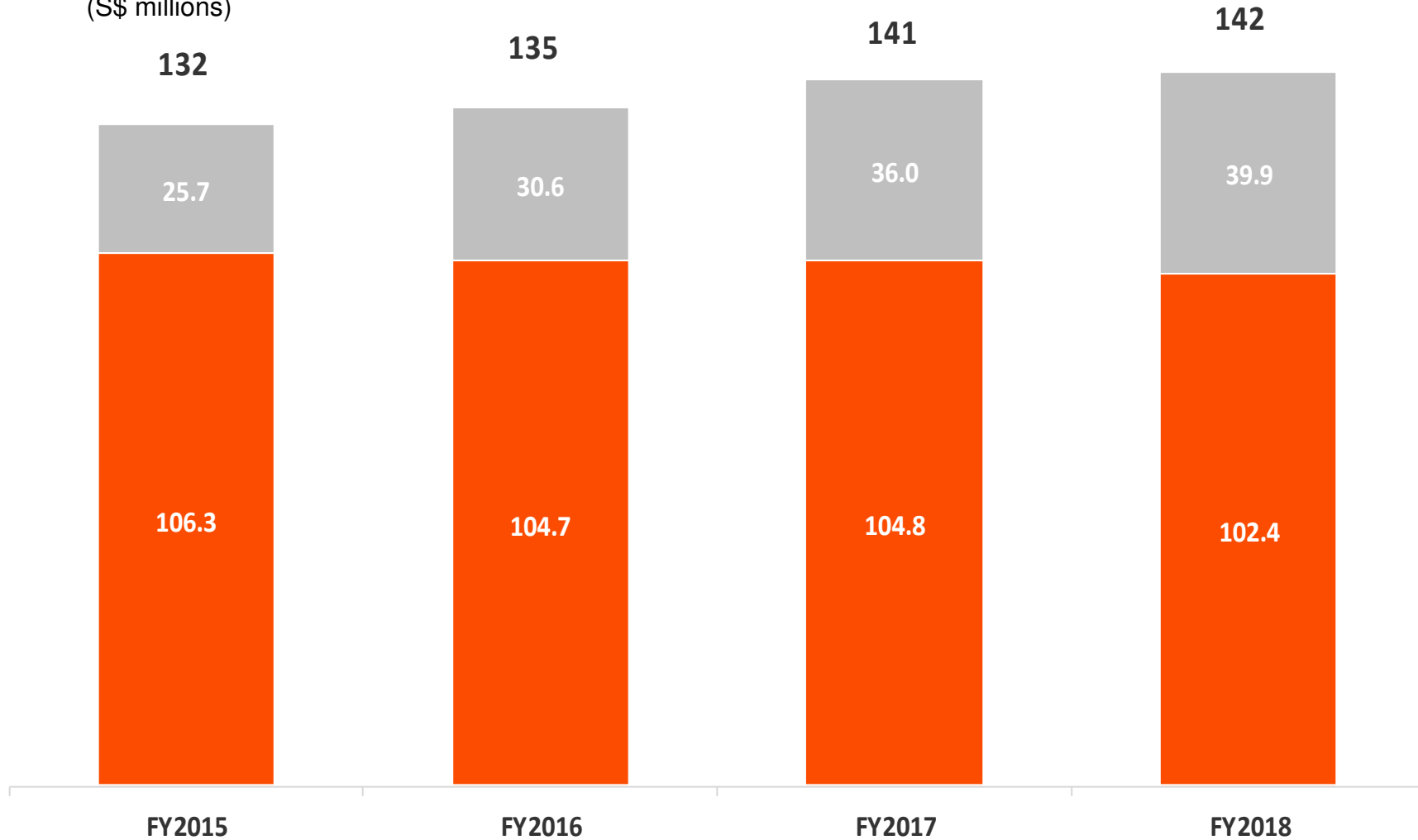
Business Developments in FY2018



Our Revenue Breakdown

Business Segments

(S\$ millions)



■ Full-Service Restaurants

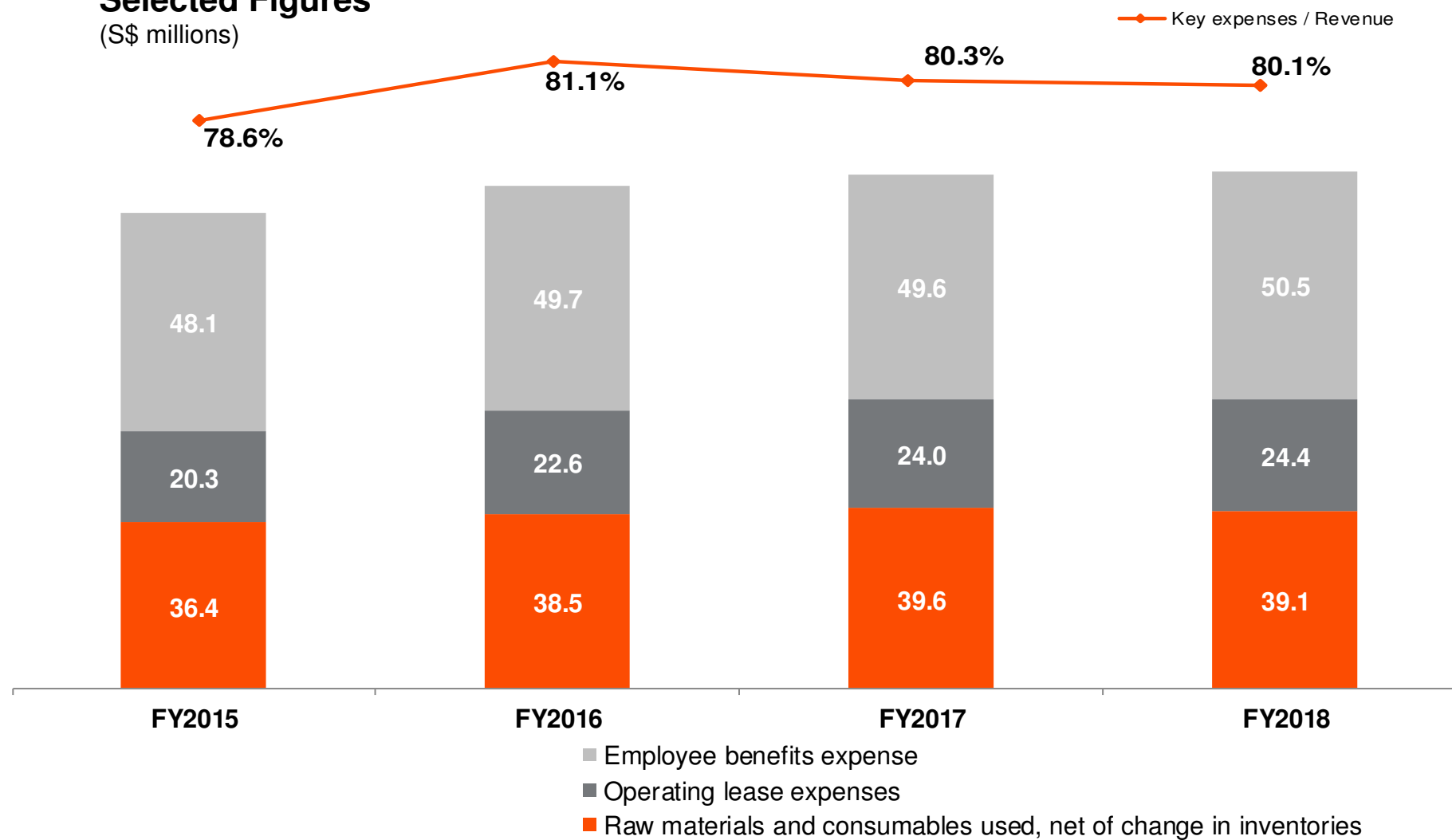
■ Quick-Service Restaurants, Convenience and Others



Key Expenses

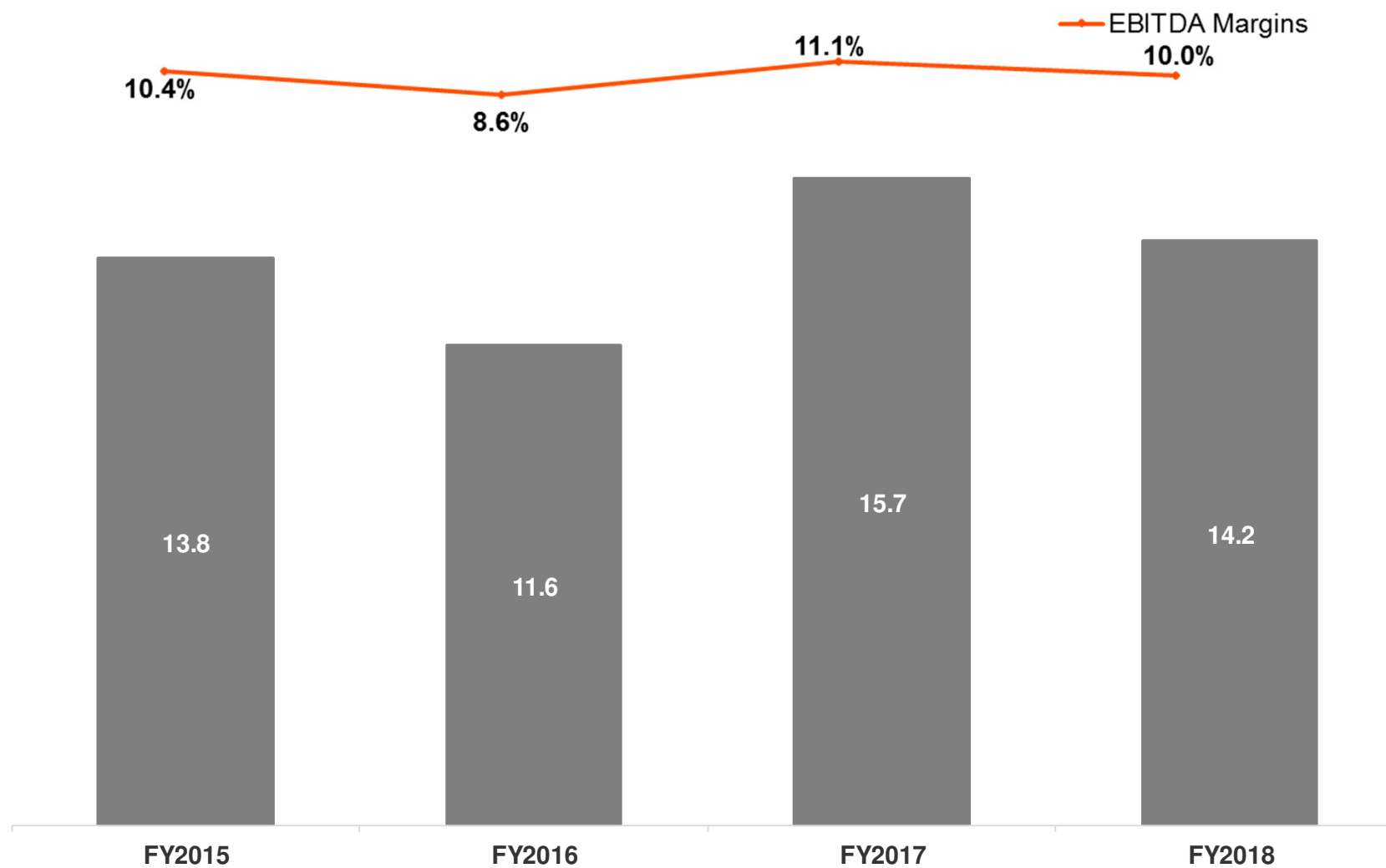
Selected Figures

(S\$ millions)



Our Profitability

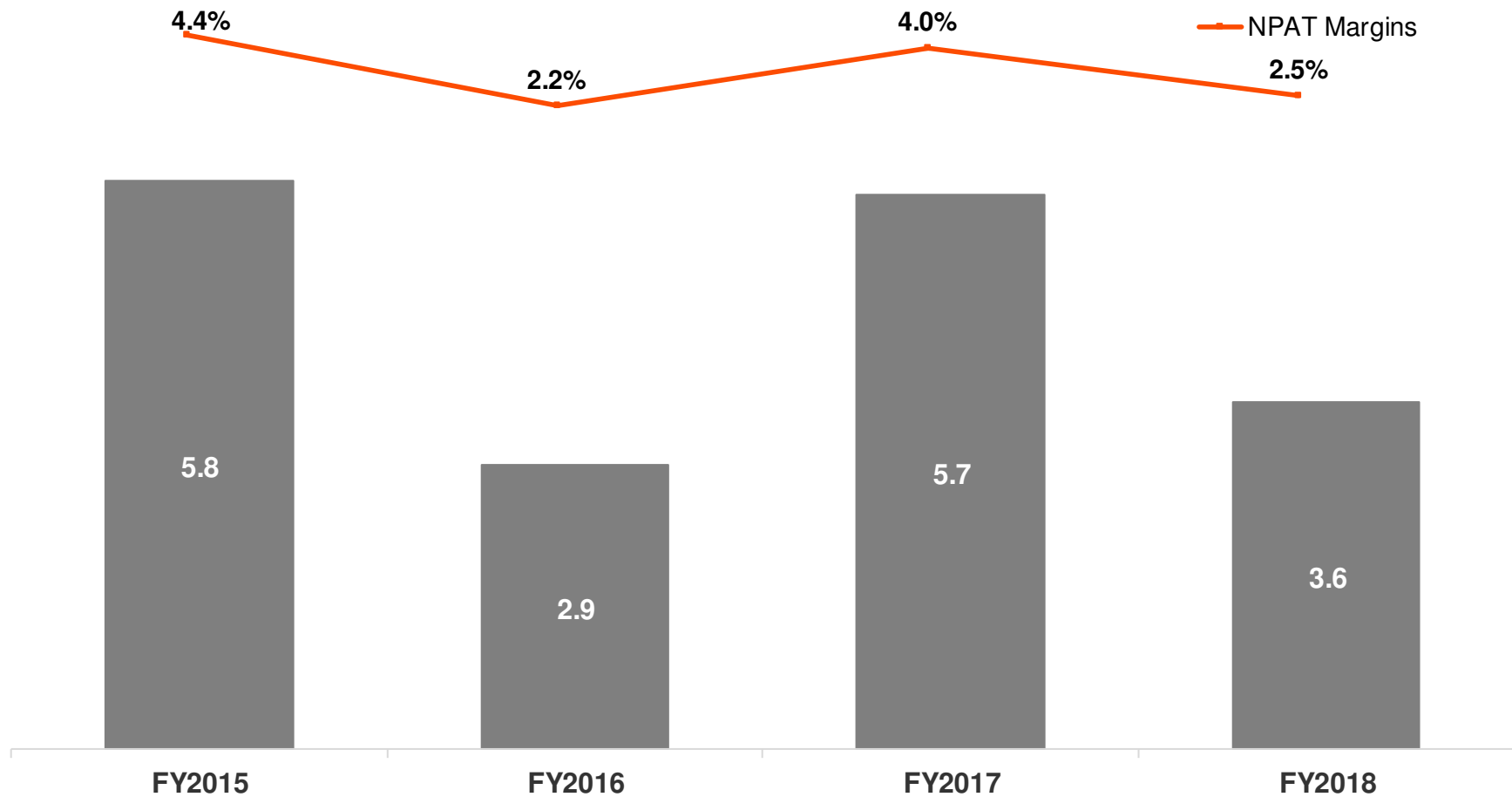
EBITDA (S\$ millions)



Our Profitability

NPAT

(S\$ millions)



Statement of Financial Position

| | As at 30 Jun 2018 S\$'000 | | As at 30 Jun 2018 S\$'000 |
|--|---------------------------------|--|---------------------------------|
| ASSETS | | EQUITY & LIABILITIES | |
| Non-Current Assets | | Equity attributable to owners of the parent | |
| Property, Plant and Equipment, total | 39,937 | Share capital | 32,307 |
| Investment in Subsidiaries | - | Merger Reserve | (18,149) |
| Deferred tax assets | - | Retained earnings | 21,490 |
| Goodwill | - | Foreign currency translation reserve | (48) |
| Other assets, non current | 3,980 | Equity attributable to owners of the parent | 35,600 |
| Total non-current assets | 43,917 | Non-controlling interest | - |
| | | Total equity | 35,600 |
| Current Assets | | Non Current Liabilities | |
| Inventories | 2,676 | Deferred taxation | 1,608 |
| Trade debtors & Other Receivables, current | 1,503 | Provision, non-current | 1,799 |
| Other financial assets, current | - | Other financial liabilities, non-current | 10,971 |
| Other assets, current | 2,878 | Total non-current liabilities | 14,378 |
| Cash and bank balances | 13,525 | | |
| Total current assets | 20,582 | Current Liabilities | |
| Total Assets | 64,499 | Income tax payable | 1,734 |
| | | Trade and other payables, current | 10,951 |
| | | Other financial liabilities, current | 1,735 |
| | | Other liabilities | 101 |
| | | Total current liabilities | 14,521 |
| | | Total Liabilities | 28,899 |
| | | Total equity & liabilities | 64,499 |
| Gearing / Leverage | | | |
| Debt-to-equity | 0.4 x | | |



Cash Flows

S\$'000

| | <u>12 months ended</u> <u>30 June 2018</u> | <u>12 months ended</u> <u>30 June 2017</u> |
|---|---|---|
| Operating cash flows before changes in working capital | 15,533 | 16,180 |
| Working capital changes | (2,065) | 976 |
| <i>Inventories</i> | 106 | 417 |
| <i>Trade and other receivables, current</i> | (448) | 65 |
| <i>Other assets, current</i> | (807) | 2,496 |
| <i>Reinstatement cost utilized</i> | (94) | (189) |
| <i>Trade and other payables, current</i> | (808) | (1,928) |
| <i>Other liabilities</i> | (14) | 115 |
| Net cash flows from operations | 13,468 | 17,156 |
| Income taxes paid | (1,524) | (10) |
| Net cash flows from operating activities | 11,944 | 17,146 |
| Net cash used in investing activities | (4,062) | (7,419) |
| Net cash flows used in financing activities | (15) | (12,503) |
| Net increase (decrease) in cash and cash equivalents | 7,867 | (2,776) |
| Cash and cash equivalents at beginning of financial year | 3,998 | 6,774 |
| Cash and cash equivalents at end of financial year | 11,865 | 3,998 |



Working Capital & Dividends

Selected Figures

(Days)

3

FY2017 average
trade
receivables
turnover days

54

FY2017 average
trade payables
turnover days

39.6%

FY2018 Dividend
Payout Ratio

3

FY2018 average
trade receivables
turnover days

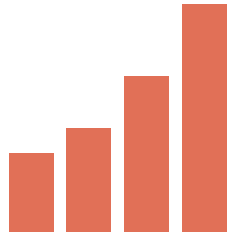
44

FY2018 average
trade payables
turnover days

Growth Plans



Growth Strategies



Expanding our presence through establishing new F&B outlets

- To increase number of F&B outlets under our Quick-Service Restaurants, Convenience and Others segment
- Further tap into the ready-to-eat market through *Kuriya Japanese Market*



Expanding through acquisitions, joint ventures and strategic alliances

- To expand in Singapore or overseas where suitable opportunities arise with parties which have potential to value-add to our existing business or can facilitate our entry into a complementary new business area (e.g. *Gokoku Japanese Bakery*)



Refurbishing and improving production processes at our existing F&B outlets

- Refurbishment typically happens once every three to five years for each outlet
- To further streamline the F&B outlets' production process with support from our central kitchen



Growth Strategies – New F&B Outlets (upcoming)



We have committed to open two new outlets at AMK Hub and IMM Building. We shall continue to expand new F&B outlets in both QSR and FSR segments in Singapore.

Kuriya Japanese Market @ AMK Hub

- Opening: November 2018
- Retail Space: 407sf



Idaten Udon @ IMM Building

- Opening: Q1'2019
- Retail Space: 969sf



Growth Strategies – Overseas Markets

- Potential joint venture and/or franchise opportunities in overseas markets;
- In preliminary discussions with established F&B operators in Indonesia, Vietnam and China; and
- Plans to expand in Malaysia.



GWC outlets - Interim Closure & Reopening in Nov 2019 after Mall Revamp



Phase I

Closure date : November 2018

- 3 Restaurant Space: 5,500 sf
- (Ami Ami / Shimbashi Soba / Men-ichi)

Phase II

Closure date : April 2019

- Restaurant and retail Space: 4,915 sf
- (Kuriya Japanese Market & Ichiban Boshi)

Reopen in Nov 2019

Total Space: 8,959 sf



GWC outlets - Interim Closure & Reopening in Nov 2019 after Mall Revamp (Cont'd)

- Great World City is undergoing major enhancement works to add new vibrancy.
- In connection with this, some of our outlets located there will be closed in phases for an interim period; Kuriya Dining will remain in operation.
- We have entered into new lease agreement to reopen our outlets in Nov 2019, in anticipation of the mall's projected completion of enhancement by Q3 2020 and target opening of Great World MRT Station in 2021.
- We have received support from the landlord in relation to the fixed assets write off for the affected outlets and the Management has also taken necessary actions to deal with this matter.
- We expect a decline in revenue in connection with these interim closures but do not expect the impact to be material.



RE&S

Thank You