

the **NEO** *formula*



**8th ANNUAL
GENERAL
MEETING**

24 SEPTEMBER 2020

AGENDA

Corporate Overview

Financial Highlights

Business Highlights

Growth Strategies



CORPORATE OVERVIEW

#1 EVENTS
CATERER
IN SINGAPORE*

FOR 9 CONSECUTIVE
YEARS SINCE 2011

SINGAPORE'S LEADING CATERING GROUP

- Cultivated through a highly synergistic business and multibrand platform

Food Catering



Food Manufacturing



Supplies & Trading



Food Retail



Other Businesses



FY2020 Segment Revenue:

\$S92.5 m (49.8%)


\$S48.6 m (26.1%)

\$S28.8 m (15.5%)

\$S14.9 m (8.0%)

\$S1.1 m (0.6%)

FOOTPRINT IN SINGAPORE AND MALAYSIA

 Kitchens In-Operation


8A & 8B Admiralty Street
Built-in area: 21,000 sq ft

20 Bukit Batok Cres
Built-in area: 13,000 sq ft

6A Wan Lee Road
Built-in area: 12,300 sq ft

1 Enterprise Road
Built-in area: 72,000 sq ft

1 Kaki Bukit Road 1
Built-in area: 11,000 sq ft

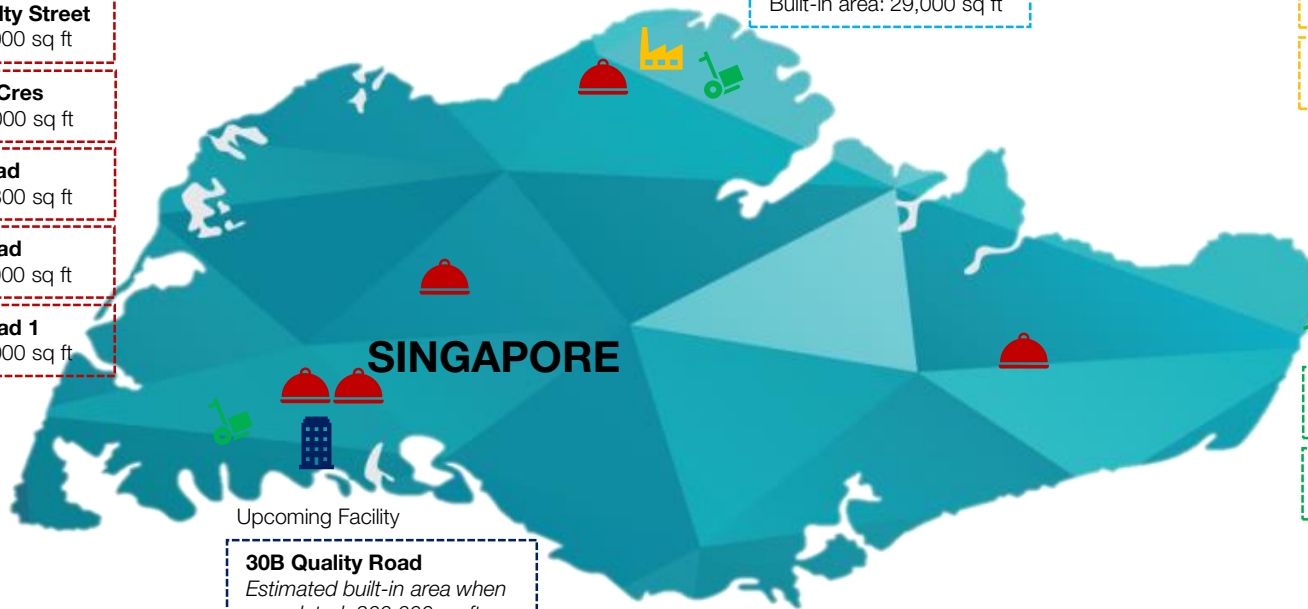
 Hi-Q Global

Kulai, Johor
Built-in area: 29,000 sq ft

 TS Manufacturing Facility

Ulu Tiram, Johor
Built-in area: 54,000 sq ft

22 Senoko Way
Built-in area: 102,000 sq ft



Upcoming Facility

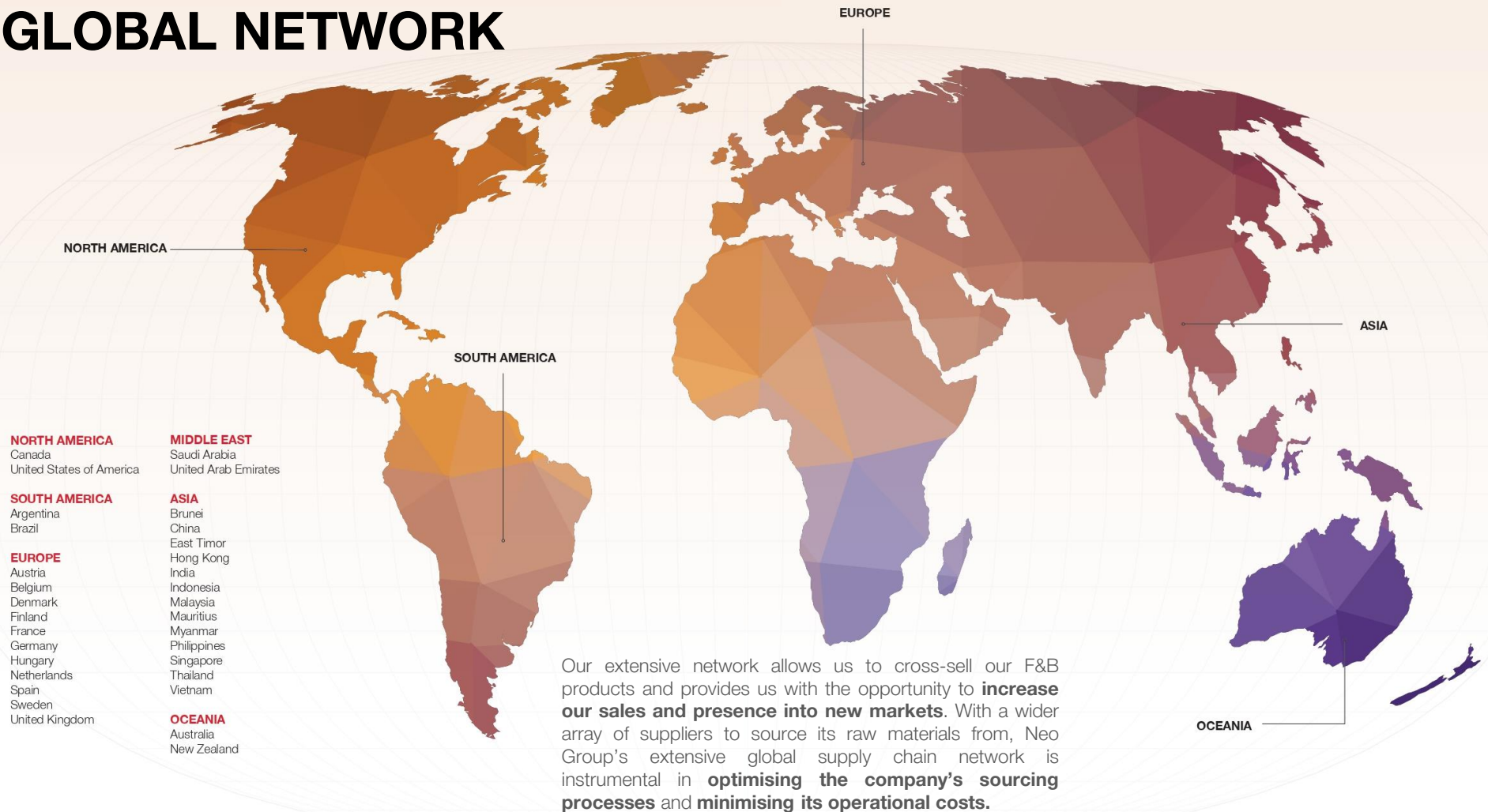
30B Quality Road
Estimated built-in area when completed: 300,000 sq ft

 Warehouse & Cold Room

6A Senoko South Road
Built-in area: 51,000 sq ft

14 Joo Koon Circle
Built-in area: 53,000 sq ft

GLOBAL NETWORK



Our extensive network allows us to cross-sell our F&B products and provides us with the opportunity to **increase our sales and presence into new markets**. With a wider array of suppliers to source its raw materials from, Neo Group's extensive global supply chain network is instrumental in **optimising the company's sourcing processes** and **minimising its operational costs**.

FOOD SAFETY

We adopt market standards and best practices in our operations to ensure quality and safety in our products and services.

Business Segment	Standards Adopted or Certification Achieved
Food Catering	ISO22000:2018
	Halal Certificate
	SFA Grade "A" and "B"
Food Manufacturing	BRC Certification Grade "AA"
	Hazard Analysis and Critical Control Point System
	Halal Certificate
	SFA Grade "A" (Gold Award)
Food Trading	ISO22000:2018
Food Retail	NEA Food Shop License

The first Singapore manufacturer of surimi-based processed seafood to obtain **the highest-grade "AA" in the BRC global standard for food safety.**



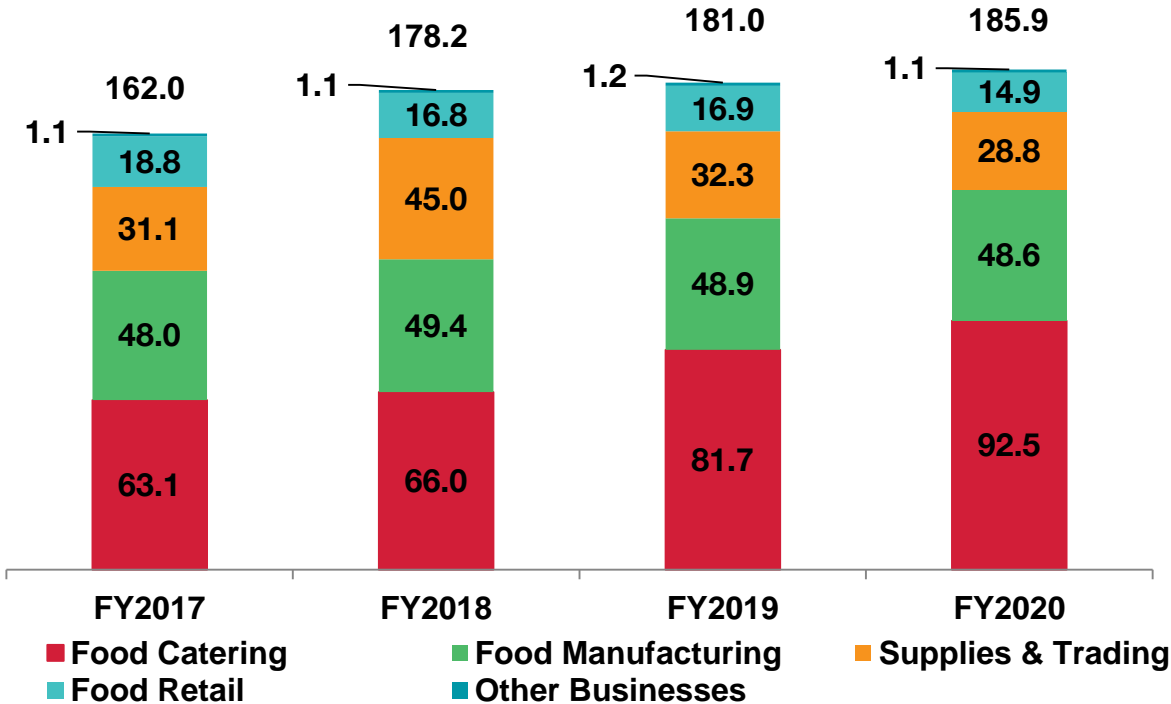
FINANCIAL HIGHLIGHTS

NEO GROUP ACHIEVED
**RECORD REVENUE OF
S\$185.9 MILLION;** AND
**NET PROFIT OF
S\$6.3 MILLION** IN FY2020



REVENUE HIGHLIGHTS

Revenue (S\$m)

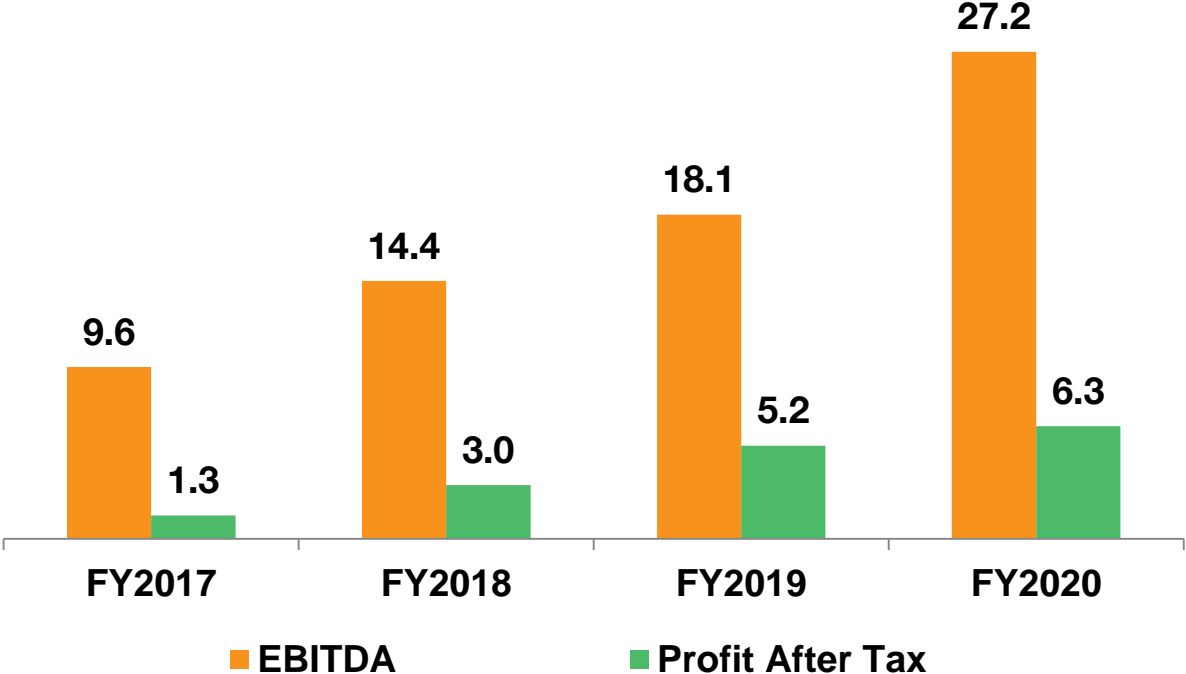


Revenue reached a **new record of S\$185.9 million**, a 2.7% increase as compared to S\$181.0 million over the previous corresponding period.

Stronger performance driven by the Group's core Catering business which recorded a 13.1% increase in revenue to S\$92.5 million.

PROFIT HIGHLIGHTS

Profit (S\$m)



Neo Group continues to generate **strong operating cashflows** with an EBITDA growth of 50.3% to S\$27.2 million.

FY2020 profit after tax increased by 21.2% on the back of the Group's revenue growth.



FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE (S\$'M)	FY2020 (Audited)	FY2019 (Audited)	FY2018 (Audited)	FY2017 (Audited)
Revenue	185.9	181.0	178.2	162.0
Earnings before interest, tax, depreciation and amortisation (EBITDA)	27.2	18.1	14.4	9.6
Earnings before interest and tax (EBIT)	12.0	8.8	5.6	0.9
Profit/(Loss) before income tax	7.4	6.2	3.3	(1.1)
Profit after income tax	6.3	5.2	3.0	1.3
Net profit attributable to owners of the parent (PATMI)	6.3	5.4	3.6	3.3

FINANCIAL HIGHLIGHTS

FINANCIAL POSITION (S\$'M)	FY2020 (Audited)	FY2019 (Audited)	FY2018 (Audited)	FY2017 (Audited)
Total shareholders' equity	41.6	38.5	35.3	33.2
Non-controlling interests	4.0	3.3	4.1	4.3
Total Equity	45.6	41.8	39.4	37.5
Property, plant and equipment	90.0	81.2	81.5	75.2
Investment properties	0.5	1.1	1.2	1.2
Other non-current assets	58.0	24.3	18.0	17.2
Cash and bank balances	18.1	19.0	13.7	10.5
Other current assets	37.1	37.5	32.9	35.0
Total Assets	203.7	163.1	147.3	139.1
Non-current liabilities	79.2	53.8	48.9	40.0
Current liabilities	78.9	67.5	59.0	61.6
Total Liabilities	158.1	121.3	107.9	101.6
Net Assets	45.6	41.8	39.4	37.5

FINANCIAL HIGHLIGHTS

FINANCIAL RATIOS	FY2020 (Audited)	FY2019 (Audited)	FY2018 (Audited)	FY2017 (Audited)
Revenue growth (%)	2.7	1.6	10.0	29.2
Net profit growth/(decline) (%)	21.2	71.6	132.4	(46.2)
Net margin (%)	3.4	2.9	1.7	0.8
Return on shareholders' equity (%)	15.2	14.0	10.3	9.8
Return on total assets (%)	3.1	3.3	2.5	2.3
Net gearing (times) ¹	1.67	1.65	1.81	1.91

¹ Net Gearing is computed by dividing net debt by equity attributable to owners of the parent.

FINANCIAL HIGHLIGHTS

PER SHARE INFORMATION (CENTS)	FY2020 (Audited)	FY2019 (Audited)	FY2018 (Audited)	FY2017 (Audited)
Earnings per share	4.30 ¹	3.68 ²	2.49 ³	2.24 ³
Net asset value per share	28.23	26.12	24.22	22.73
DIVIDEND	FY2020 (Audited)	FY2019 (Audited)	FY2018 (Audited)	FY2017 (Audited)
Final dividend per share (cents)	0.5	0.5	1.0	1.0
Dividend cover (times) ⁴	8.6	7.4	2.5	2.2
Dividend payout (%) ⁵	11.6	13.6	40.2	44.6

¹ Based on 147,350,959 actual number of ordinary shares.

² Based on 146,659,654 weighted average number of ordinary shares.

³ Based on 145,907,100 actual number of ordinary shares.

⁴ Dividend cover is derived by dividing profit attributable to owners of the parent by total dividend.

⁵ Dividend payout ratio is derived by dividing total dividend by profit attributable to owners of the parent.

FINANCIAL HIGHLIGHTS

CASHFLOWS (S\$'M)	FY2020 (Audited)	FY2019 (Audited)	FY2018 (Audited)	FY2017 (Audited)
Net cash from operating activities	27.8	18.2	17.6	6.7
Free cash flow ¹	5.7	13.8	3.2	(17.1)
Capital expenditure	(22.1)	(4.4)	(14.4)	(23.8)

¹ Free cash flow comprises net cash from operating activities less cash purchases of capital expenditure.

BUSINESS HIGHLIGHTS



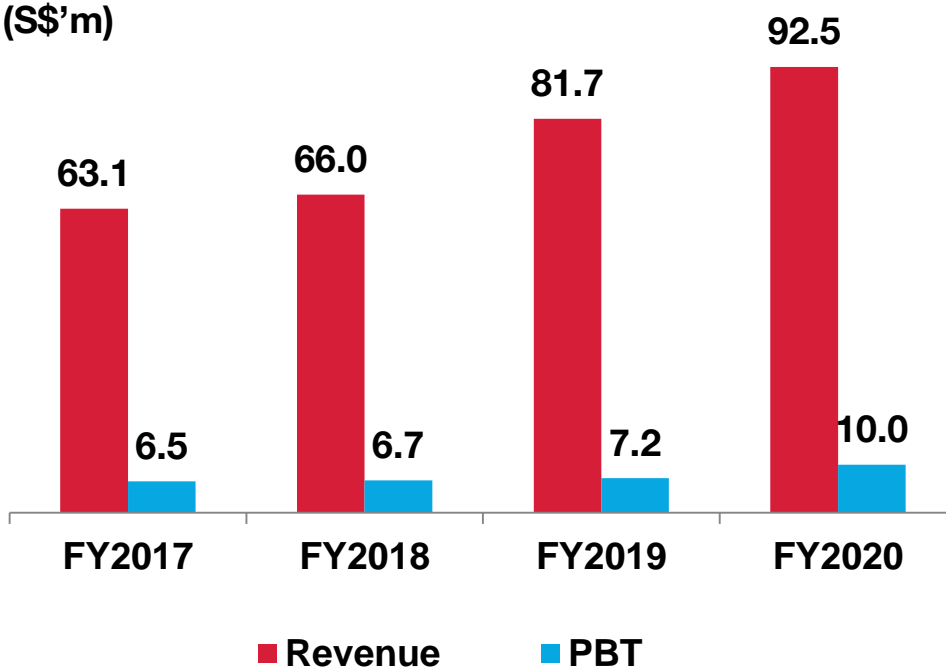
FOCUS ON A **LEAN STRUCTURE**
THROUGH **TECHNOLOGY** AND
AUTOMATION ENHANCEMENTS AND
FREQUENT WORKFLOW REVIEWS



FOOD CATERING

- Performance Review

(S\$'m)



Revenue increased 13.1% to S\$92.5 million for FY2020

- Strengthened recurring income base from the childcare and eldercare market segments, and organic growth in the Group's "tingkat" business

Profit before tax increased 39.6% to S\$10.0 million for FY2020

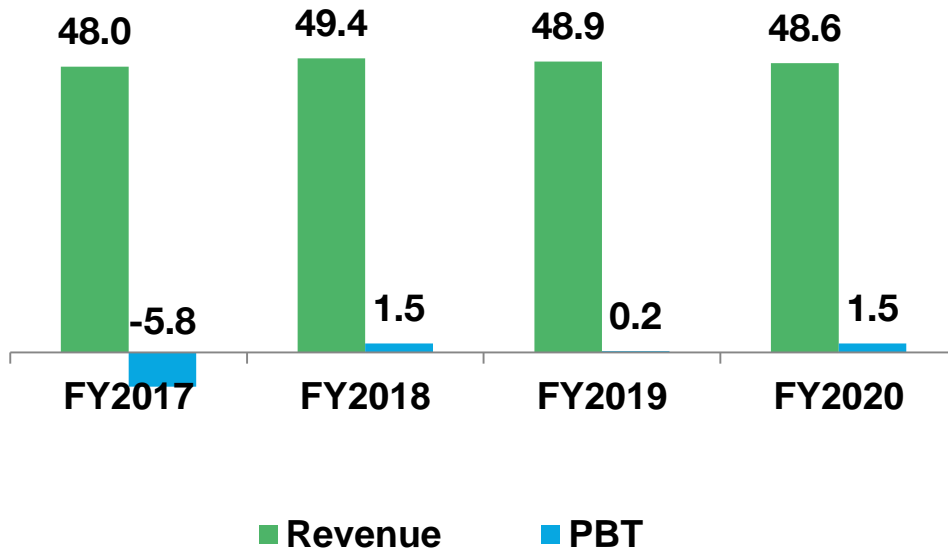
- Supported by additional income streams from different catering brands and economies of scale



FOOD MANUFACTURING

- Performance Review

(S\$m)



Revenue held steady at S\$48.6 million for FY2020

- Products continue to be well-received both locally and abroad

Profit before tax increased 543.6% to S\$1.5 million for FY2020

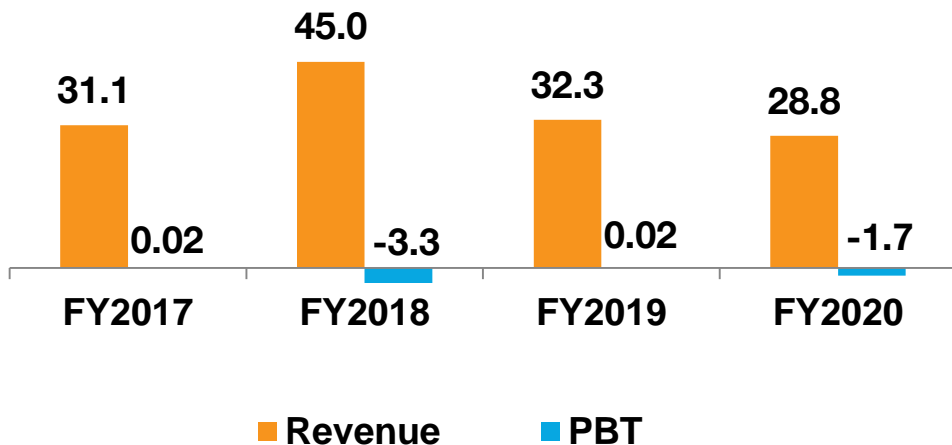
- Driven by higher production efficiencies and automation enhancements



SUPPLIES & TRADING

- Performance Review

(S\$m)



Revenue decreased 11.0% to S\$28.8 million for FY2020

- Ongoing strategy to reduce low margin trading transactions amidst the Group's business transformation

Segment recorded loss before tax of S\$1.7 million for FY2020

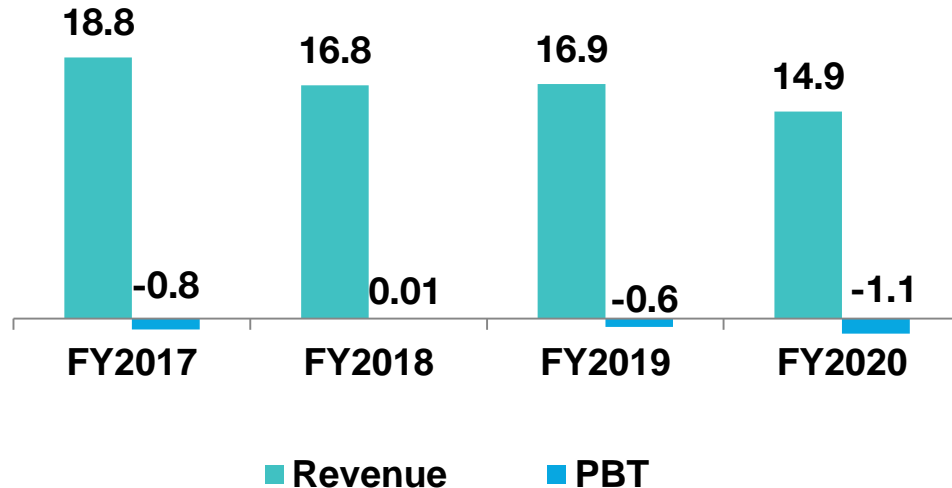
- The Group performed an impairment review on goodwill, trade receivables and inventories



FOOD RETAIL

- Performance Review

(S\$m)



Revenue decreased 11.4% to S\$14.9 million for FY2020

- The Group continues to close non-performing outlets as part of its strategic business review
- Precautionary safe distancing measures implemented as a result of COVID-19 resulted in a significant decrease in physical footfall in retail outlets and malls, impacting outlet sales

Segment recorded loss before tax of S\$1.1 million for FY2020

- Mainly due to the impairment review with the impact of ongoing safe distancing measures

GROWTH STRATEGIES

**MERGER AND
ACQUISITIONS** WILL
CONTINUE TO BE
NEO GROUP'S
'OXYGEN'



GROWTH STRATEGIES

- Core Businesses

Food Catering:

- Expand market share by growing number of brands and building upon our strong market recognition
- Digitalisation of workflows and leverage on Artificial Intelligence across sales and marketing functions
- Consolidate majority of our catering brands at our state-of-the-art headquarters (30B Quality Road), featuring a well-designed '8th Generation' central kitchen

Food Manufacturing:

- Increase product variety through R&D, as well as working with overseas partners
- Continuous development of our global footprint and expansion of our production capacity to capture a bigger market share
- Streamline and expedite the automation and digitalisation processes

Supplies and Trading:

- Transform division to equip it with both Supply and Processing capabilities
- Consolidation of ER Group, ERS and CTVeg Group
- Achieve profitability through a lean structure, with shared resources that maximise usage

Food Retail:

- Grow more retail concepts and expand our presence with the creation of new and innovative offerings

DIVERSIFICATION: PROPERTY BUSINESS

- Forward Strategy to Grow Beyond Catering

Proposed Diversification

- a) **Property development activities** including acquisition, development and/or disposal of various types of properties¹ (“**Property Related Assets**”), including but not limited to redeveloping existing buildings and undertaking asset enhancement works to add value to the properties acquired for the purposes of increasing capital value and realising such increased capital value with the objective of achieving the sale of the properties;
- (b) **Invest in or purchase** or otherwise acquire or dispose of:-
- (i) any Property Related Assets; and/or
 - (ii) investments, shares and/or other interests in any entity that holds Property Related Assets and/or is in the business of property development, property investment and property management, including but not limited to holding of Property Related Assets as long term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities; and
- (c) **Management of Property Related Assets.**

¹ Including but not limited to residential, hospitality, commercial (retail and office), industrial and any other types of properties (including but not limited to mixed development properties and boutique hotels).

DIVERSIFICATION: PROPERTY BUSINESS

- Forward Strategy to Grow Beyond Catering

Additional and recurring revenue streams

- Rental fees and management fees

Potential and beneficial synergies

- Leasing of Property Related Assets to our existing businesses
- Reduce potential rental disruption with third-party landlords

Provision of the full suite of services in the broader service industry

- Cater to a wider range of customers including venue partners and tenants in the Property Related Assets

Diversified business and income base for future growth

- Reduce our reliance on the existing business
- Diversified returns and long term growth

Diversification can offer new business opportunities

- Unlock new revenue streams and improve our prospects
- Enhance shareholders' value

the **NEO** *formula*



THANK YOU!

This document has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST"), Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this document.

The document has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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