



SHENG SIONG
... all for you!



2Q2020 Results Presentation



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Financial Highlights for 2Q2020

Revenue

75.8%
yoy

S\$418.7 million

Gross profit margin

0.7pp*

28.1%

Operating profit margin

3.7pp*

13.1%

Net profit

150.7%

S\$46.2 million

Retail area

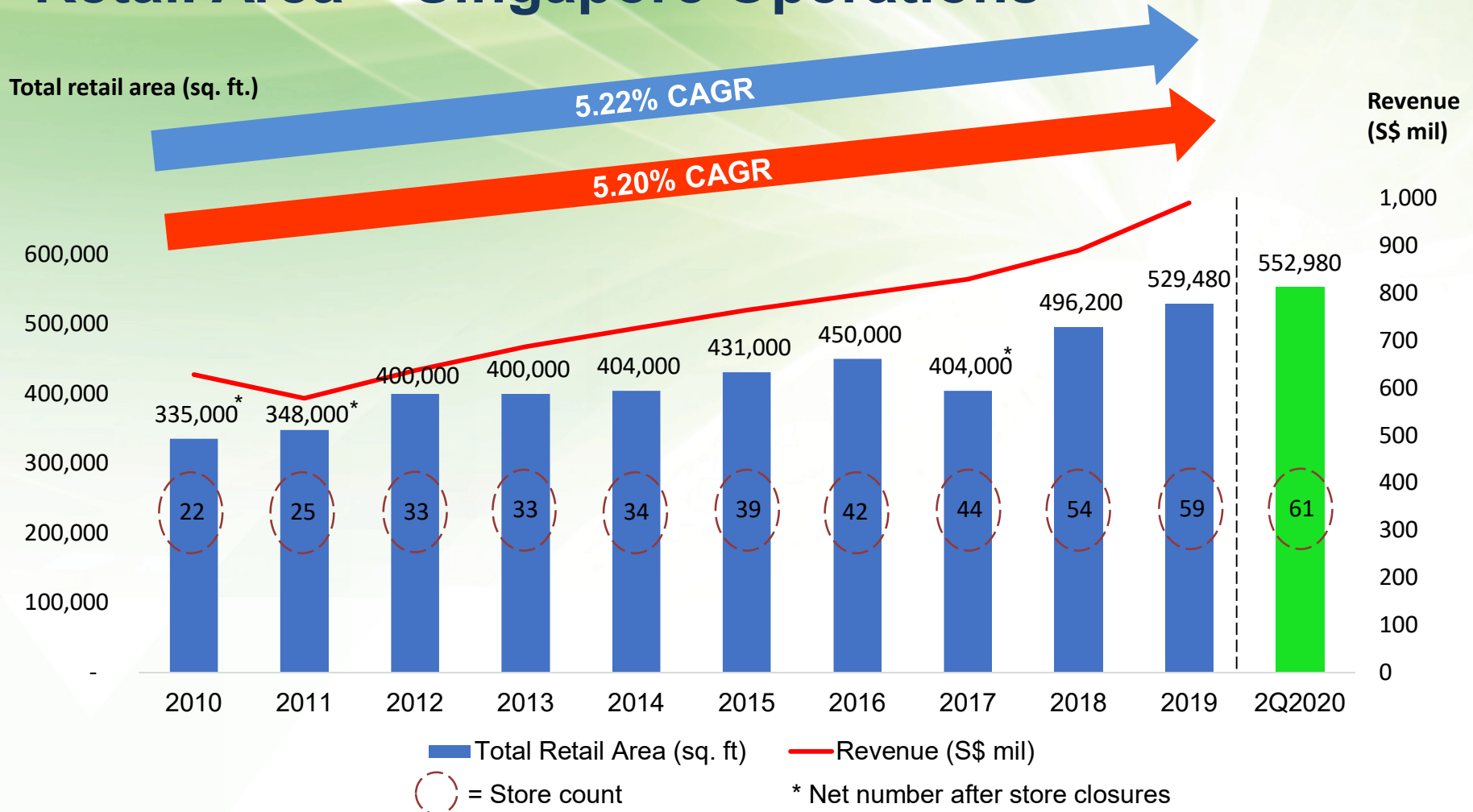
8.0%
yoy

552,980 sq ft***

**pp denotes percentage points*

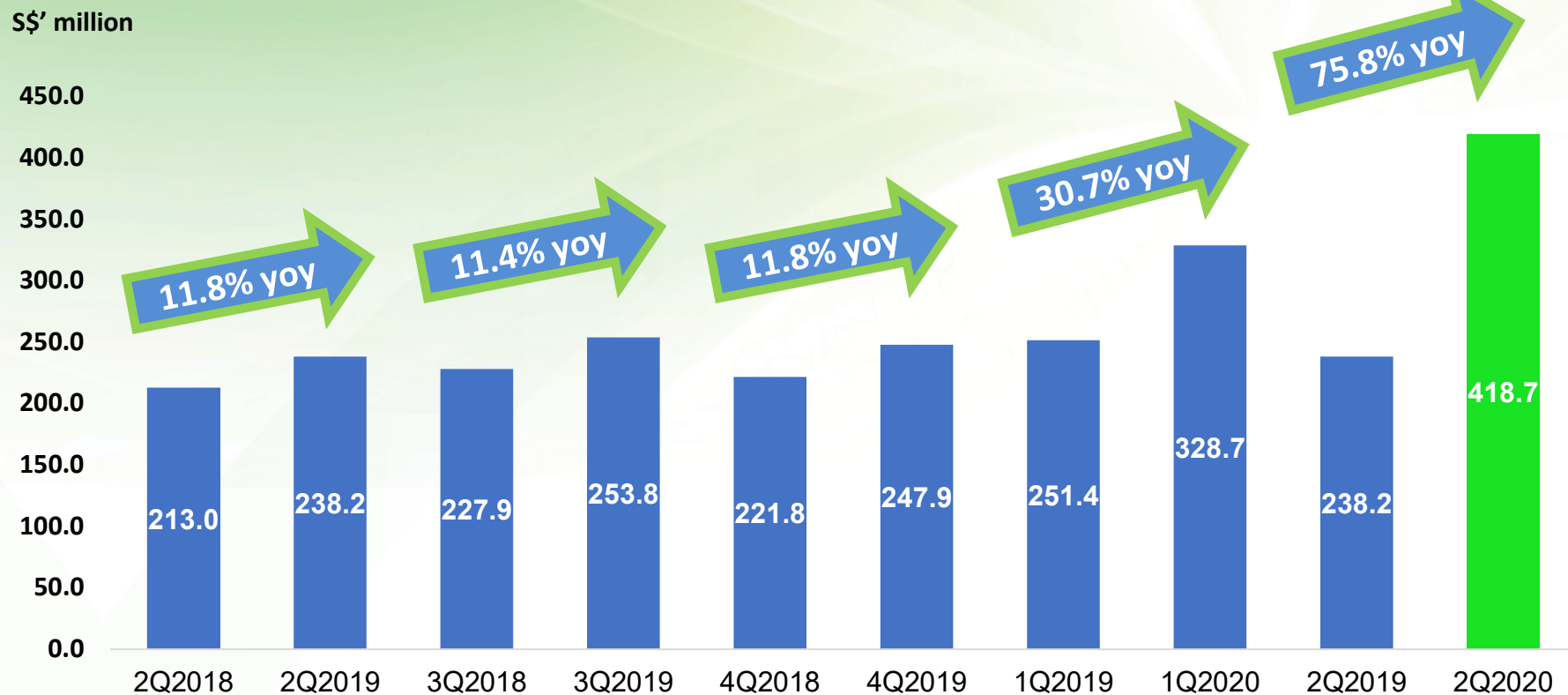
**** Singapore only*

Retail Area – Singapore Operations



- 61 outlets as at 30 June 2020
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.

Revenue Trend



Breakdown of Revenue Growth

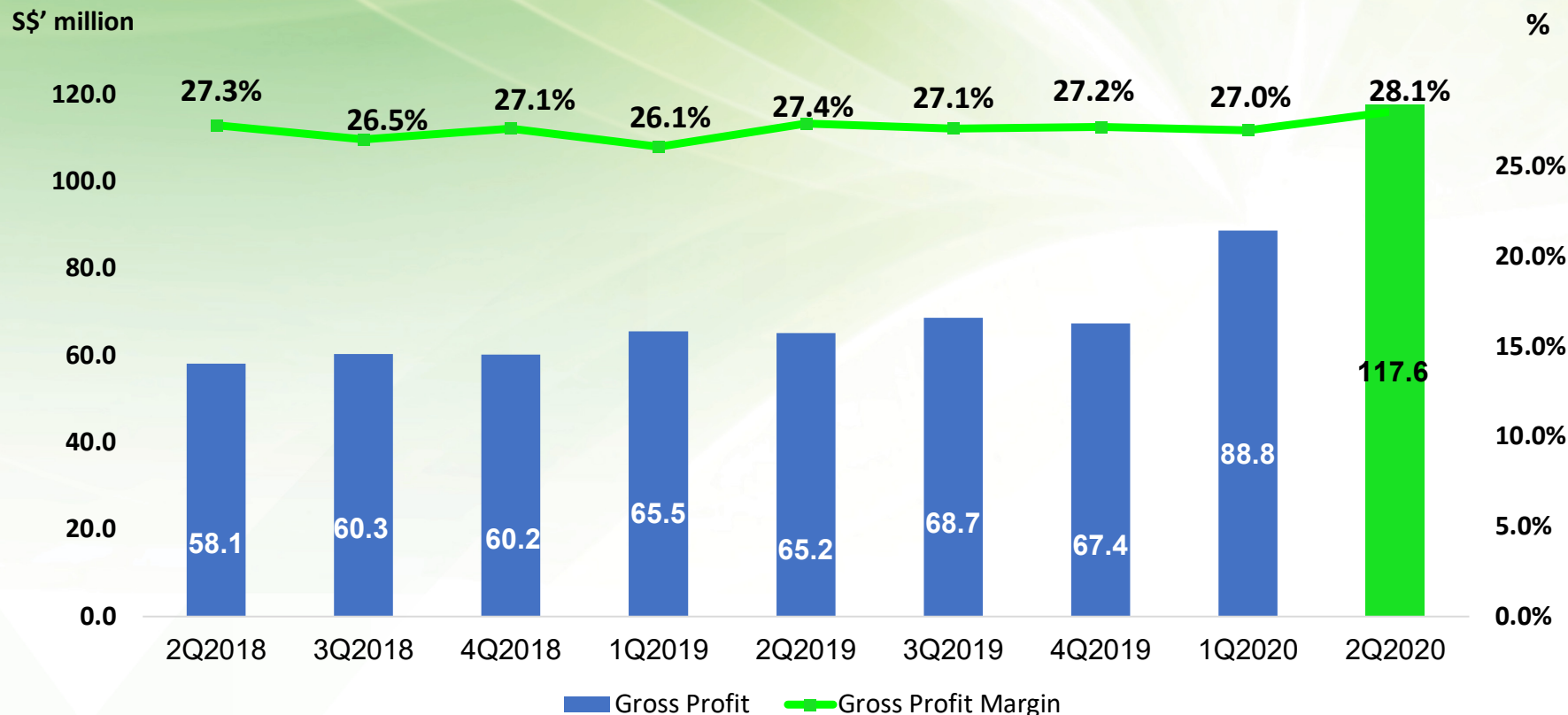
	2Q2020	2Q2019
New stores	13.3%	11.3%
Comparable same store sales	61.2%	(0.3%)
Supermarkets in China	1.3%	0.8%
Total revenue growth	<u>75.8%</u>	<u>11.8%</u>

Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (\$\$'000)	Revenue per square feet (\$\$)	Remarks
2013	400,000	687,390	1,718	New store sales offset by renovation works affecting Bedok Central and Verge stores
2014	400,000	725,987	1,815	Positive same store sales
2015	422,000 ⁽¹⁾	764,433	1,810	Turnover at new stores require time to reach optimum
2016	436,000 ⁽¹⁾	796,683	1,826	More smaller stores
2017	435,700 ⁽¹⁾	829,827	1,905	Closure of the Verge and Woodlands Block 6A – partial effect
2018	450,960 ⁽¹⁾	882,200	1,956	Closure of the Verge and Woodlands Block 6A – full effect and new stores
2019	508,250 ⁽¹⁾	974,008	1,916	New stores (mainly stores opened in 2018)
1H2019	498,461 ⁽¹⁾	482,936	969	New stores
1H2020	552,980	732,652	1,325	Comparable same store sales – elevated demand from COVID-19

⁽¹⁾ Weighted average area

Gross Profit Trend



- Gross margin improved from 27.4% in 2Q2019 to 28.1% in 2Q2020. This was largely due to selling prices being underpinned by the strong demand, the improvement in sales mix to a higher proportion of fresh and generally stable input prices arising from diversification in sourcing and particularly in 1Q2020 the increase in the volume of house-brands which command a higher gross margin.

Balance Sheet Highlights

S\$' Million	As at 30 Jun 2020	As at 31 Dec 2019	Remarks
Inventories	94.0	82.2	Higher volume and increased inventory stockholding as a hedge against the risks of disruption to the supply chain because of COVID-19
Trade and other payables	204.4	140.8	Higher volume of purchases and increase in accruals for bonuses
Property, plant and equipment (PPE)	348.7	356.2	Purchase of property, plant and equipment, new leases capitalised offset by depreciation
Cash and cash equivalents	252.2	76.4	Strong operating cash flow

Outlook

Business Outlook

- Coronavirus may affect supply chain, 2020 Budget measures will provide some relief.
- Hold higher level of inventory
- Diversify sourcing

Retail Space:

▪ New stores opened/opening

8 July 2020	Blk 455 Sengkang West	+9,040 square feet
3Q2020	Potong Pasir Ave 2	+4,600 square feet
3Q2020	Blk 872C Tampines Street 86	+5,300 square feet

Growth strategy

- Continue expanding network of outlets in Singapore, especially in areas with no presence
- Nurture growth of new stores
- Improve comparable same store sales
- Nurture growth of Kunming supermarket (China) and build Sheng Siong's brand in China

Continue margin enhancement initiatives

- Improve sales mix of higher margin products
- Increase selection and types of house brand products

Operational efficiencies

- Remain vigilant on operating costs
- Continue to automate work processes



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Questions & Answers



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