



KIMLY LIMITED

FY2019 AGM

CORPORATE

PRESENTATION

21 January 2020

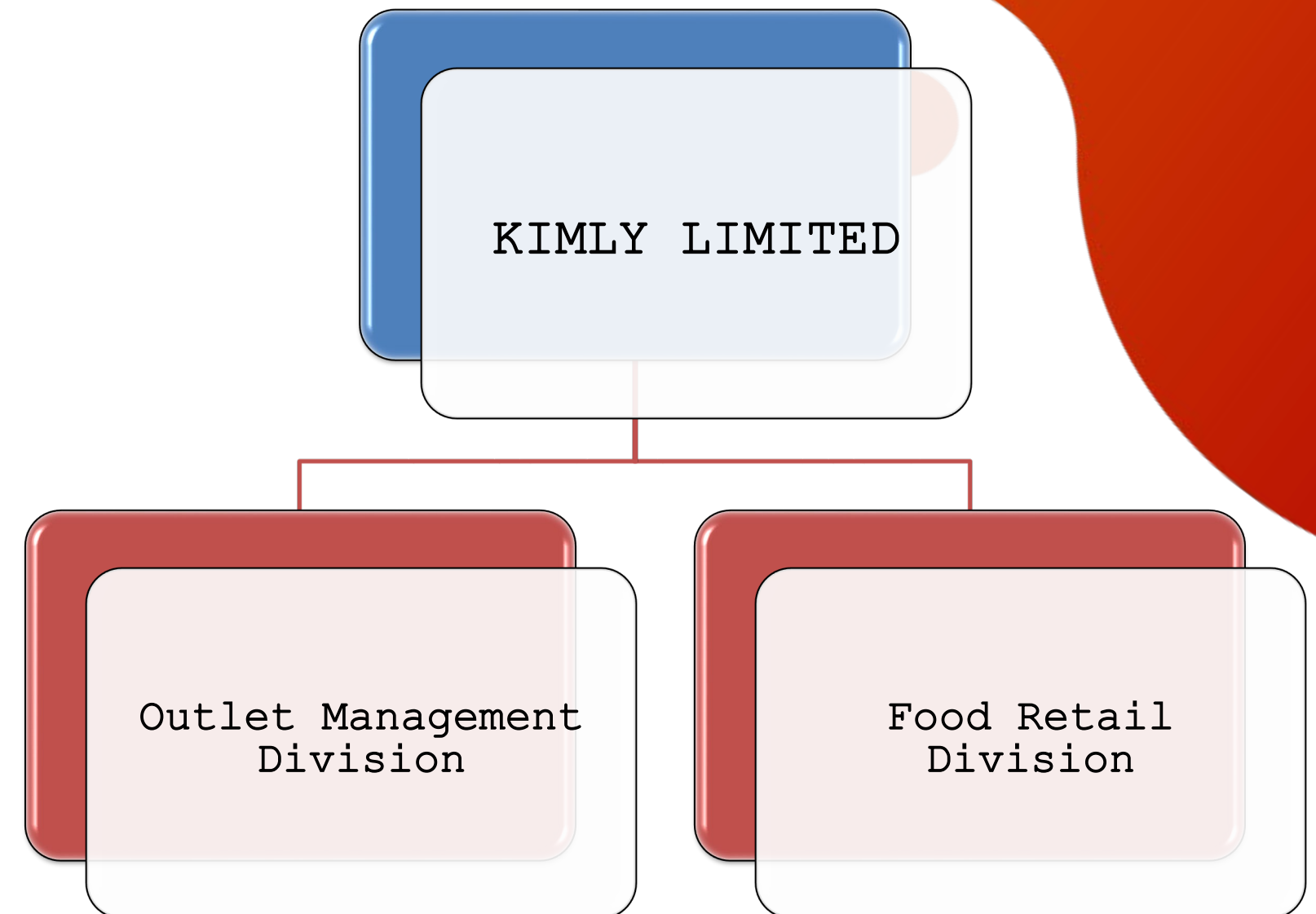
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- Financial Highlights
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CORPORATE PROFILE

Listed on 20th March 2017 on the SGX Catalist Board, Kimly Limited is a leading and established operator of coffeeshops, food courts and other food outlets across Singapore, with a **proven track record of nearly 30 years**.

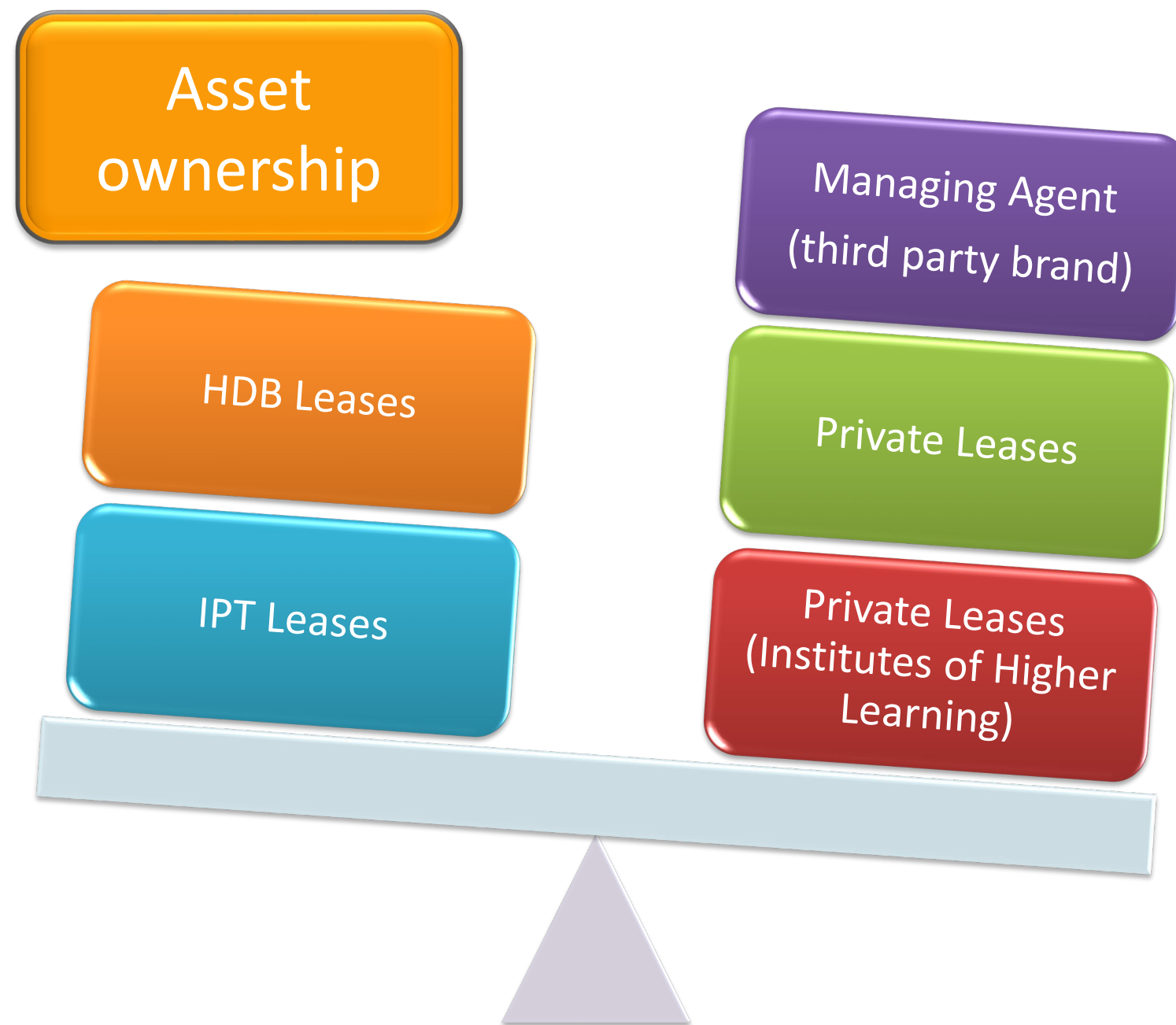
Kimly operates a total of **70 food outlets** under its Outlet Management Division and **135 food stalls** under its Food Retail Division as at 26th November 2019.



EXPANDING OUR FOOTPRINT

Location	Type	Drink Stall	Mixed Vegetable Rice Stall	Seafood Zi Char Stall	Dim Sum Stall	Kanaaji
Blk 691, Woodlands Drive 73	Awarded under HDB PQM					
Blk 365, Sembawang Crescent	Awarded under HDB PQM					
Blk 322, Sumang Walk	Awarded under HDB PQM					
Blk 143, Teck Whye Lane	Acquisition					
Blk 106, Bidadari Park Drive	Managing Agent	Under 3 rd party brand				
Flavors @ U-Town	Awarded new lease					

STRATEGY RECALIBRATION



Asset Ownership

- **Direct ownership** to enlarge revenue streams.
- **Maximizing Central Kitchen's** capabilities with Food Retail expansion.
- **Stability** of Food Retail businesses through long term leases.

STRATEGY RECALIBRATION

Rationale of Asset Ownership

- To further expand the Group's network of food outlets
- To establish new food outlets and food stalls as and when strategic locations become available
- Enable the Group to mitigate uncertainty surrounding its private leases, which can be influenced by market competition

STRATEGY RECALIBRATION

Newly-acquired coffeeshop: Blk 143, Teck Whye Lane

Acquisition Consideration	S\$14.0 million
Net Floor Area	224 sqm
Opening Date	In Operations
Food Retail Division	Dim Sum Stall and Mixed Vegetable Rice Stall
Characteristics	Densely Populated Matured Housing Estate, Schools and Private residential clusters. Served by 3 LRT stations.



STRATEGY RECALIBRATION

Newly-acquired coffeeshop: Blk 143, Teck Whye Lane



STRATEGY RECALIBRATION

Further enlarging our footprints

***Non-binding term sheet between Jin Wei Holdings Pte. Ltd. and several vendors for the acquisition of a portfolio of coffeeshop leases, coffeeshop units and industrial canteen units**

Target Properties comprises:

- Four long term leasehold coffeeshop properties units, which are HDB commercial units located within mature HDB estates;
- Three freehold industrial canteen units, which are located in mature and populated industrial areas in close proximity to residential areas; and
- Three short term coffeeshop leases, which are HDB direct leases, located within mature and populated HDB residential areas (The acquisition by the Group of interests in the entities holding the HDB leases for the three coffeeshop properties does not constitute an assignment of tenancy).

**Please refer to the Group's announcement released on 22 October 2019 for more information.*

OUTLET MANAGEMENT DIVISION

AWARDED UNDER HDB PQM: Blk 691, Woodlands Drive 73

Opening Date

In Operations

Food Retail Division

Seafood Zi Char Stall and Mixed Vegetable Rice stall.

Characteristics

Matured Housing Estate, established footfall, close proximity to industrial parks. More new housing estates are being constructed in close proximity.



OUTLET MANAGEMENT DIVISION

AWARDED UNDER HDB PQM: Blk 691, Woodlands Drive 73



OUTLET MANAGEMENT DIVISION

AWARDED UNDER HDB PQM: Blk 365, Sembawang Crescent

Opening Date

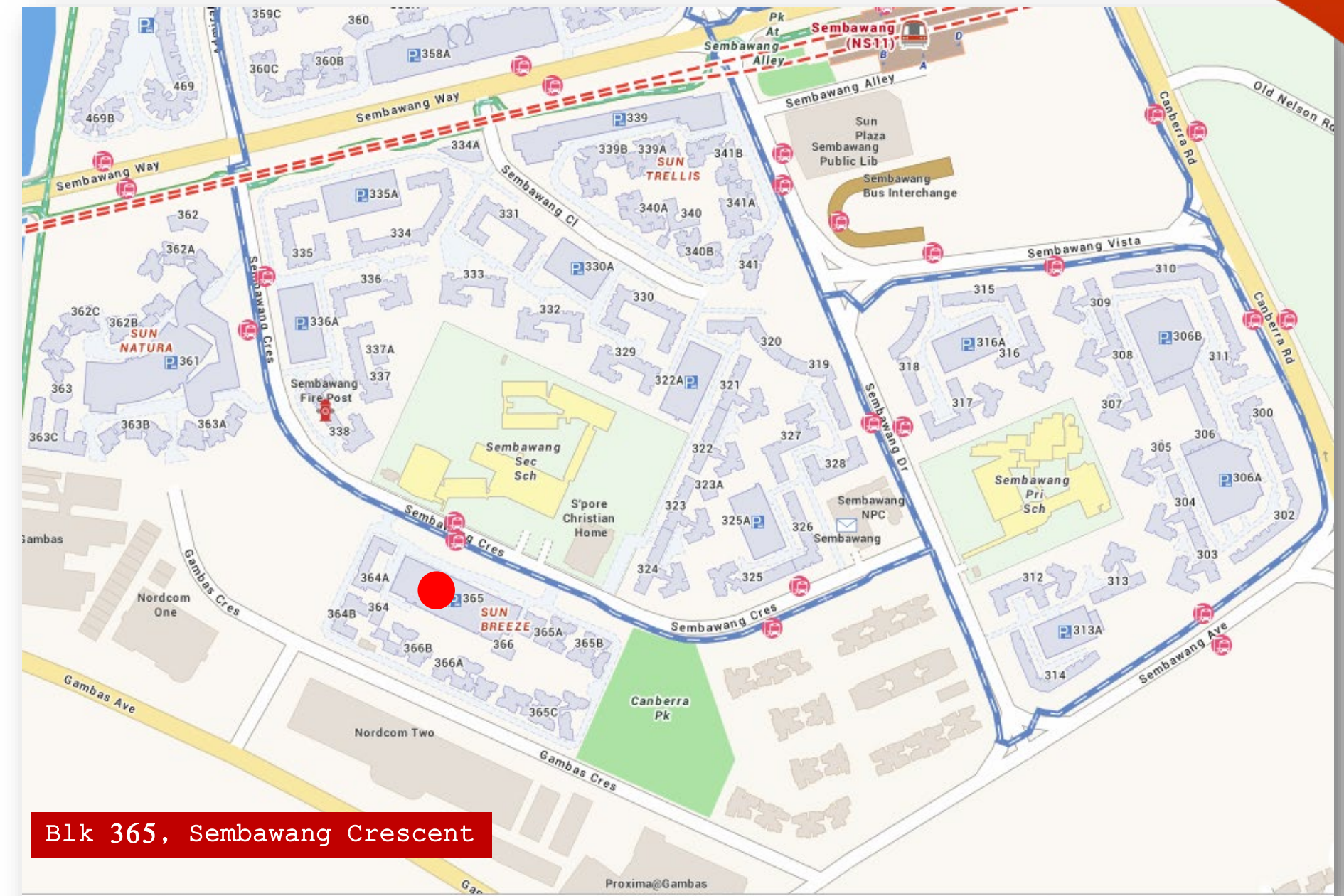
In Operations

Food Retail Division

Dim Sum stall and Mixed Vegetable Rice stall.

Characteristics

Combination of a new and matured Housing Estate, near schools, close proximity to industrial parks.



OUTLET MANAGEMENT DIVISION

AWARDED UNDER HDB PQM: Blk 365, Sembawang Crescent



OUTLET MANAGEMENT DIVISION

AWARDED UNDER HDB PQM: Blk 322, Sumang Walk

Opening Date

In Operations

Food Retail
Division

Dim Sum stall and Mixed Vegetable Rice stall.

Characteristics

Right beside park connector, highly populated Schools and Condominiums. Served by 2 LRT and 1 MRT stations. Limited F&B establishments in Sumang, Punggol estates.



OUTLET MANAGEMENT DIVISION

Progressing with time

Enhancing Tray Return Reward System

- Customers will return used cutlery and crockery to collection device located at a convenient area within the food outlet
- Reward: QR code for discount at food stall (synchronised with POS system to allow monitoring)
- Workload for cleaners and food outlet staff is reduced



Cashless Payment at Bukit Batok Blk 292, U-Town, Jurong West Blk 651

- Convenient alternative cashless payment methods, staying relevant to our younger customers who are more familiar with such cashless payment methods
- More than 50% of transactions are made through cashless payment options at Flavors@U-Town's drinks stall.



OUTLET MANAGEMENT DIVISION

Progressing with time

Launch of New Improved Taste of our Traditional Kopi & Teh Peng!

Cater to consumers' preference



HolLim


KOPI • TEH

Traditional Kopi
and Teh Peng

Can Drinks

OUTLET MANAGEMENT DIVISION

Progressing with time: Flavours @ University Town, NUS

<p>Estimated Opening Date</p>	<p>IN OPERATIONS (Asset enhancement done in 2019)</p>	
<p>Food Retail Division</p>	<p>Drinks stall, Kanaagi Japanese food stall, Mixed Vegetable Rice stall</p>	
<p>Characteristics</p>	<p>Serves a large captive population in University Town. Close proximity to student accommodation. Anchored by heritage hawker, Tian Tian Chicken Rice from Maxwell.</p>	

OUTLET MANAGEMENT DIVISION

Progressing with time: Flavours @ University Town, NUS



FOOD RETAIL DIVISION

Seafood "Zi Char" Stalls

Harnessing the strengths of our Central Kitchen and IT capabilities to improve productivity



Increase number of semi-finished food items prepared at central kitchen



Better consistency in food quality



Tablet ordering + Food pager system + POS system + HQ ERP



Reduced workload for stall workers, reduce reliance on highly-skilled chefs



Central Kitchen increase in productivity with machinery



FOOD RETAIL DIVISION

Mixed Vegetable Rice Stalls

Harnessing the strengths of our Central Kitchen and IT capabilities to improve productivity

- Replacing manual repetitive low value work with the help of food processing machines.
 - ✓ Increased productivity
 - ✓ Improved quality and consistency control
 - ✓ Improve revenue per worker contribution
 - ✓ Cost savings through bulk purchase

 **MEAT
PREPARATION**



FOOD RETAIL DIVISION

Mixed Vegetable Rice Stalls

Harnessing the strengths of our Central Kitchen and IT capabilities to improve productivity

- Implementation of Combi-Oven
 - ✓ Automation of several cooking processes
 - ✓ Freeing up precious time so our frontline staff can do more higher value work, eg: improving customer service and hygiene management
 - ✓ Reduced man-hour requirements for food preparation
 - ✓ Energy-saving and heat reduction capabilities to make work environment more conducive to attract more seniors to join our industry



Automation of several cooking processes

Reduced man-hour requirements for food preparation



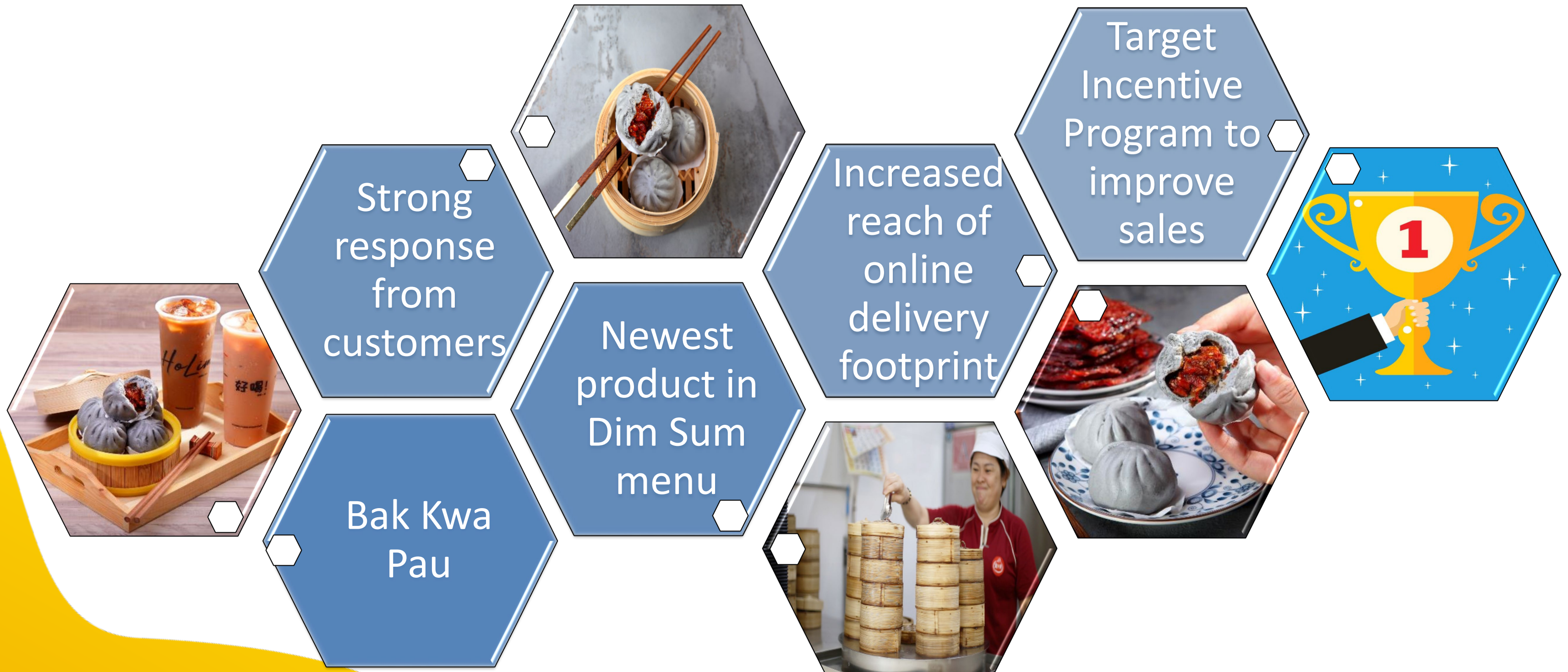
Implementation of Combi-Oven

FOOD RETAIL DIVISION

Dim Sum Stalls

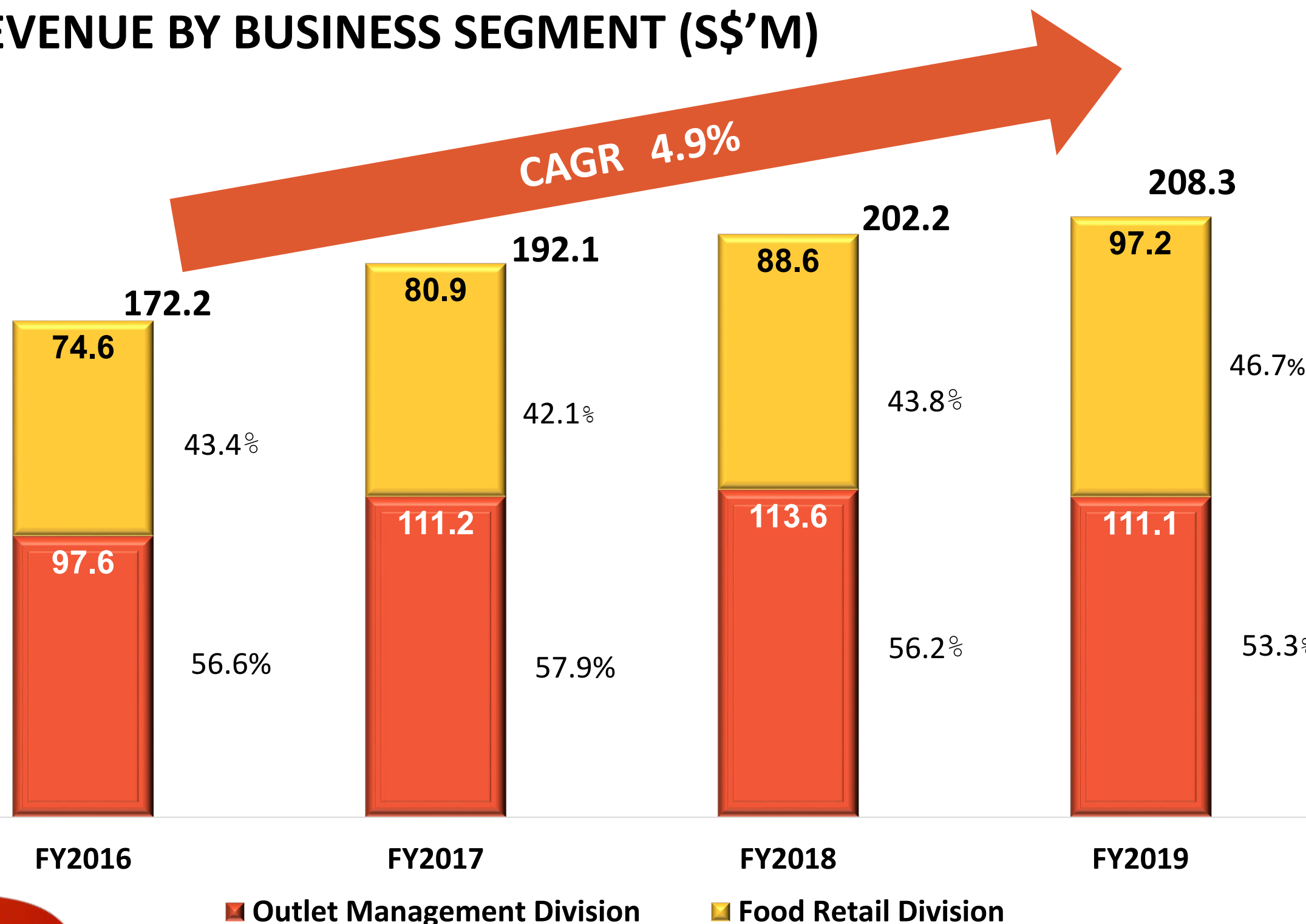
Harnessing the strengths of our Central Kitchen and IT capabilities to improve productivity

- The Group continues to devise new attractive products catering to changing consumer preferences.



FINANCIAL HIGHLIGHTS

REVENUE BY BUSINESS SEGMENT (S\$'M)



FY2019 Revenue

S\$208.3 m

↑ 3.0% / S\$6.1 m y-o-y

Outlet Management

S\$111.1 m

↓ 2.2% / S\$2.5 m y-o-y
 - Due mainly to cessation of operation of a coffeeshop

Food Retail

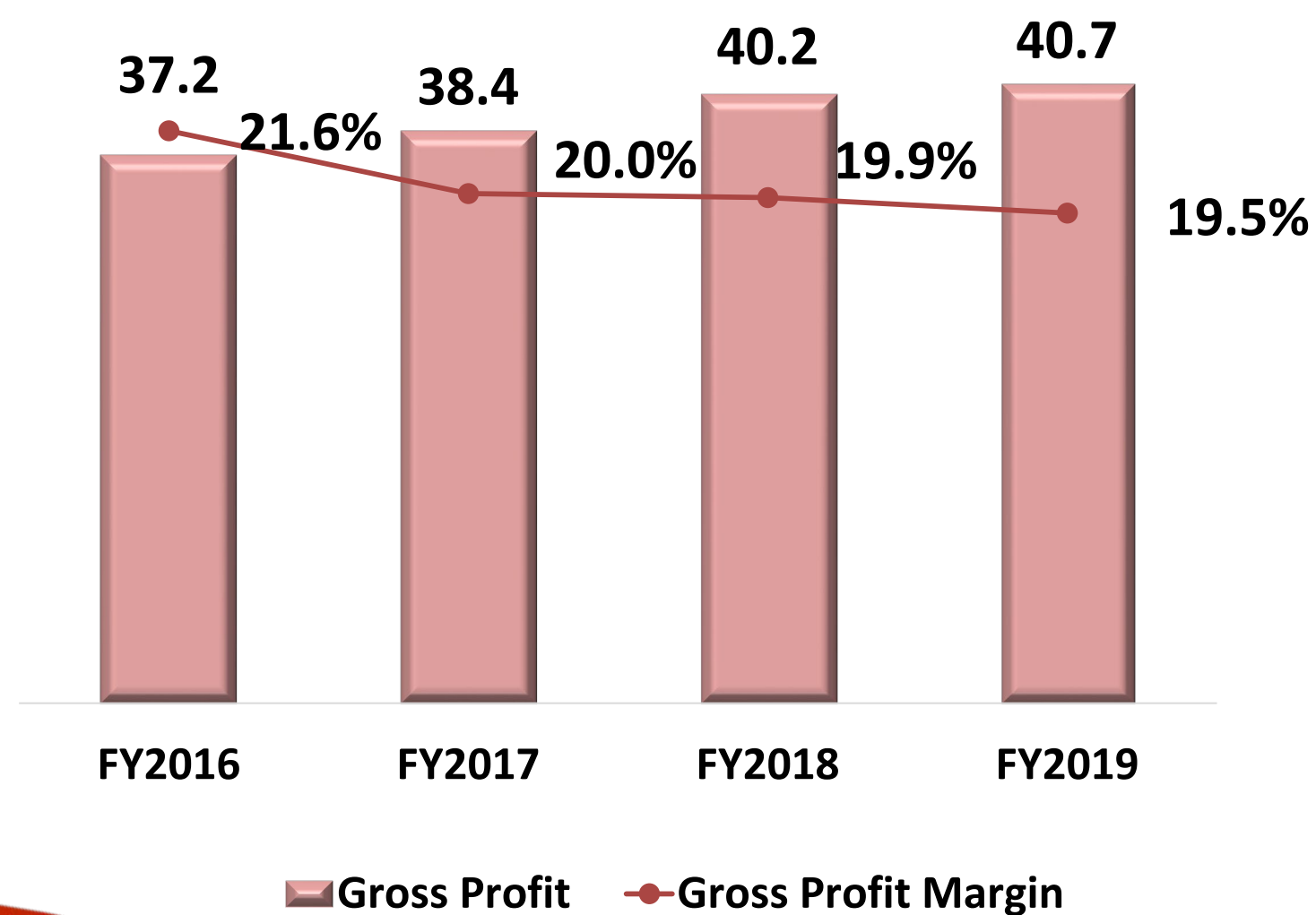
S\$97.2 m

↑ 8.8% / S\$8.6 m y-o-y
 - Due mainly to revenue contribution from new businesses (Tonkichi and Rive Gauche) and delivery sales

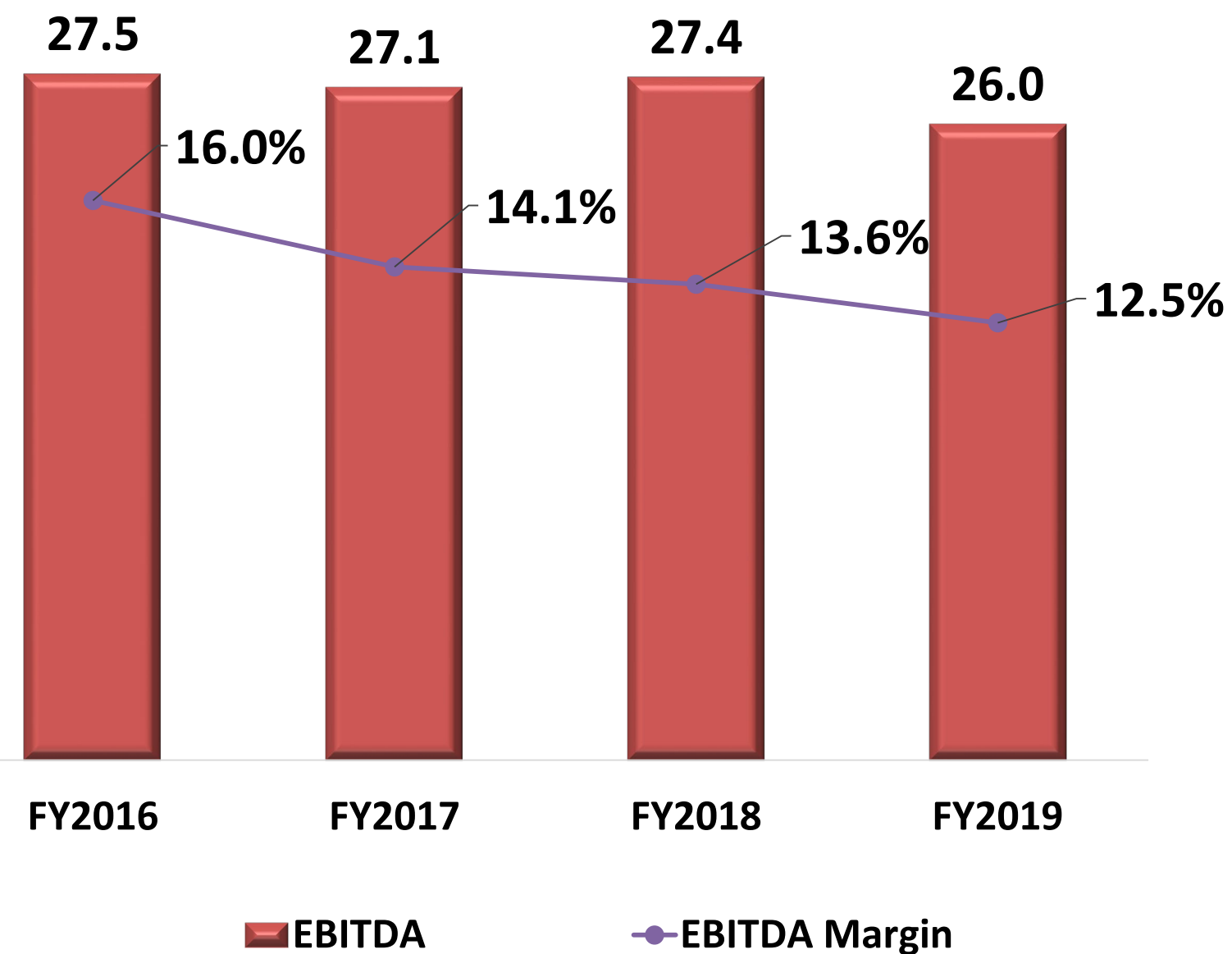
FINANCIAL HIGHLIGHTS

PROFITABILITY

Gross Profit (S\$'m) & Gross Profit Margin (%)

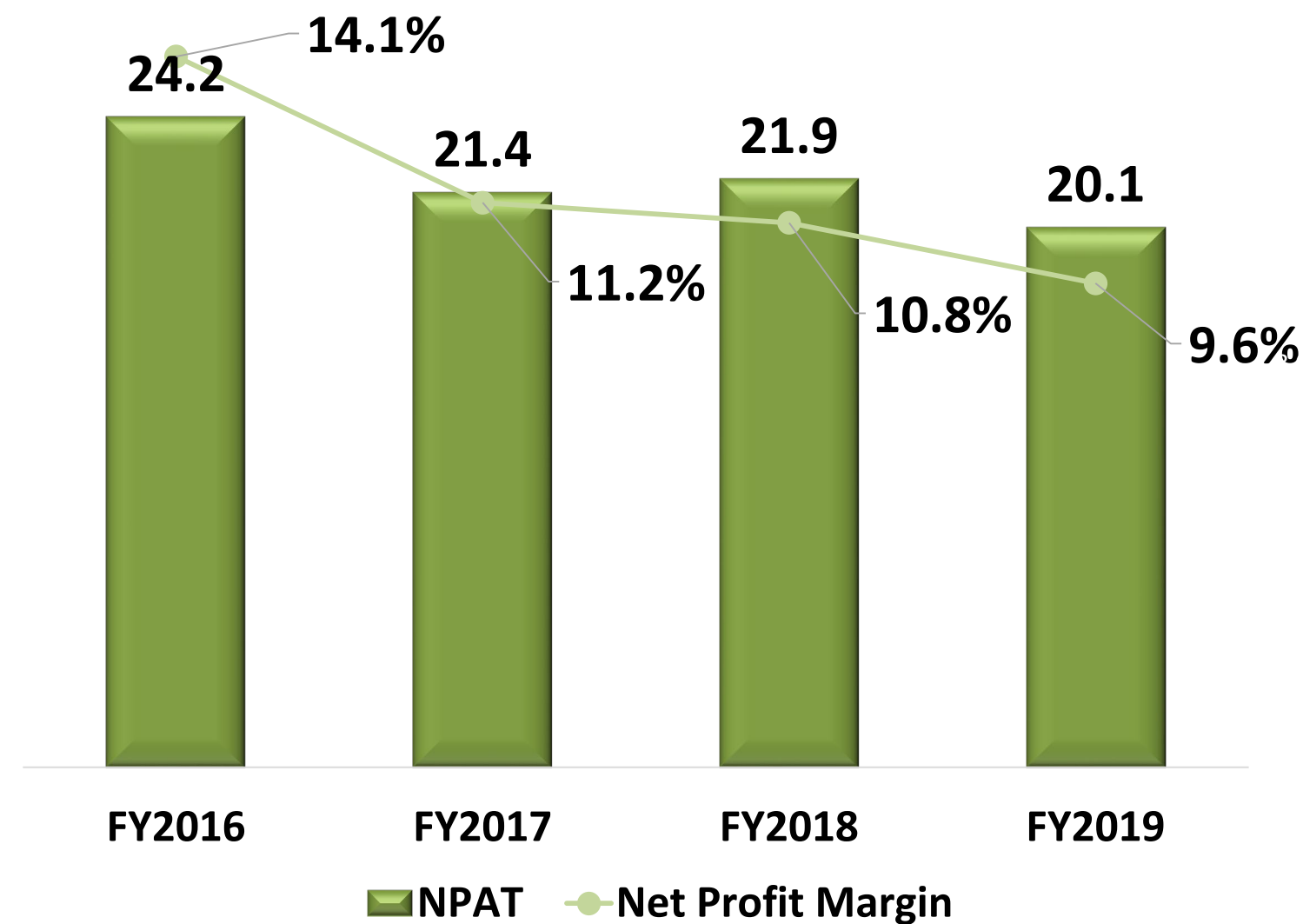


EBITDA (S\$'M) & EBITDA MARGIN (%)



FINANCIAL HIGHLIGHTS

NET PROFIT AFTER TAX (S\$'M)



NPAT

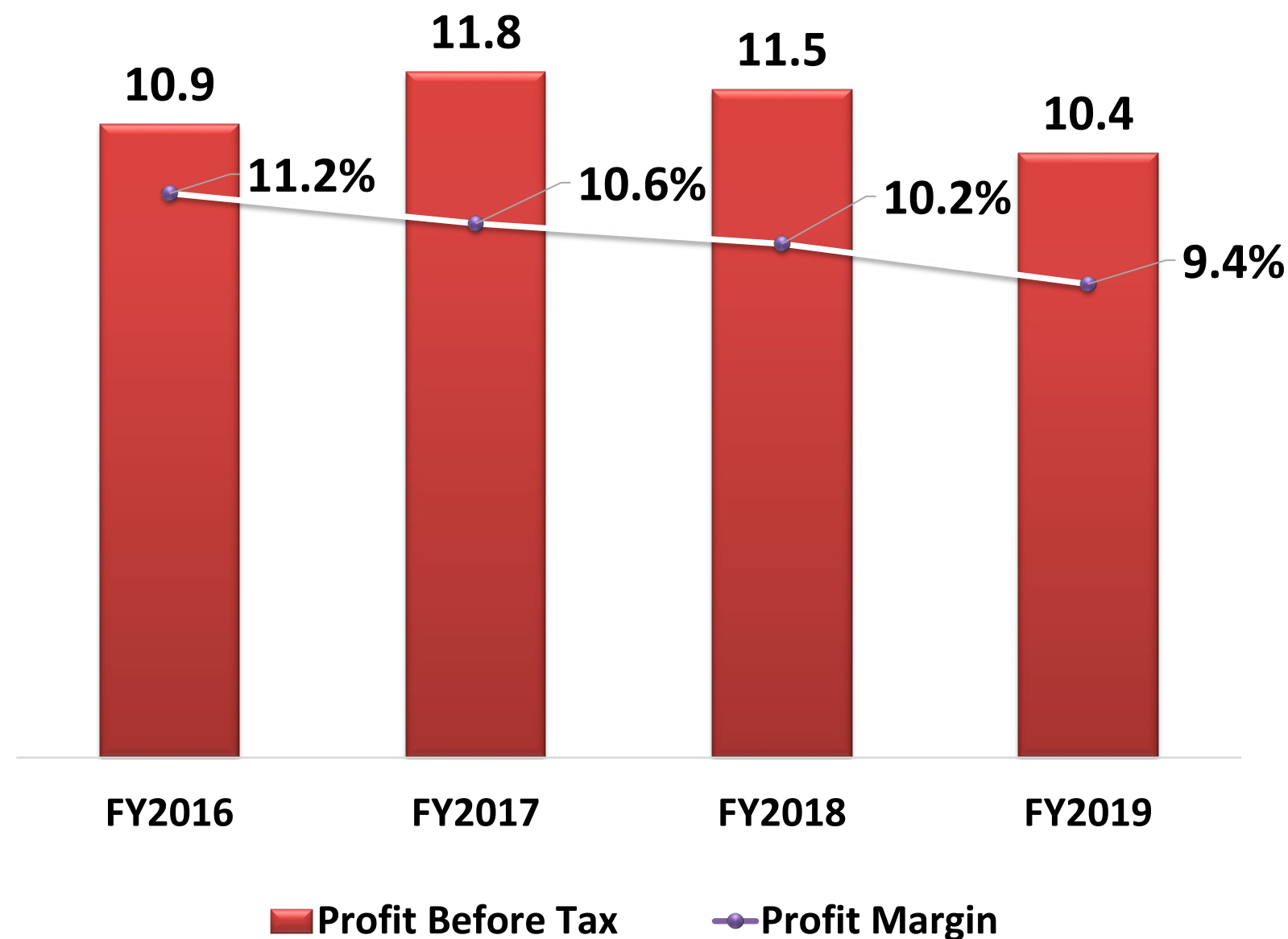
S\$20.1 m

↓ 8.4% / S\$1.8 m y-o-y

- The increase in gross profit of \$0.5 mil was affected by higher selling and distribution expense, administrative expense and income tax expense.

FINANCIAL HIGHLIGHTS

PBT (S\$'M) & PROFIT MARGIN (%) BY BUSINESS SEGMENT



Outlet Management

S\$10.4 m



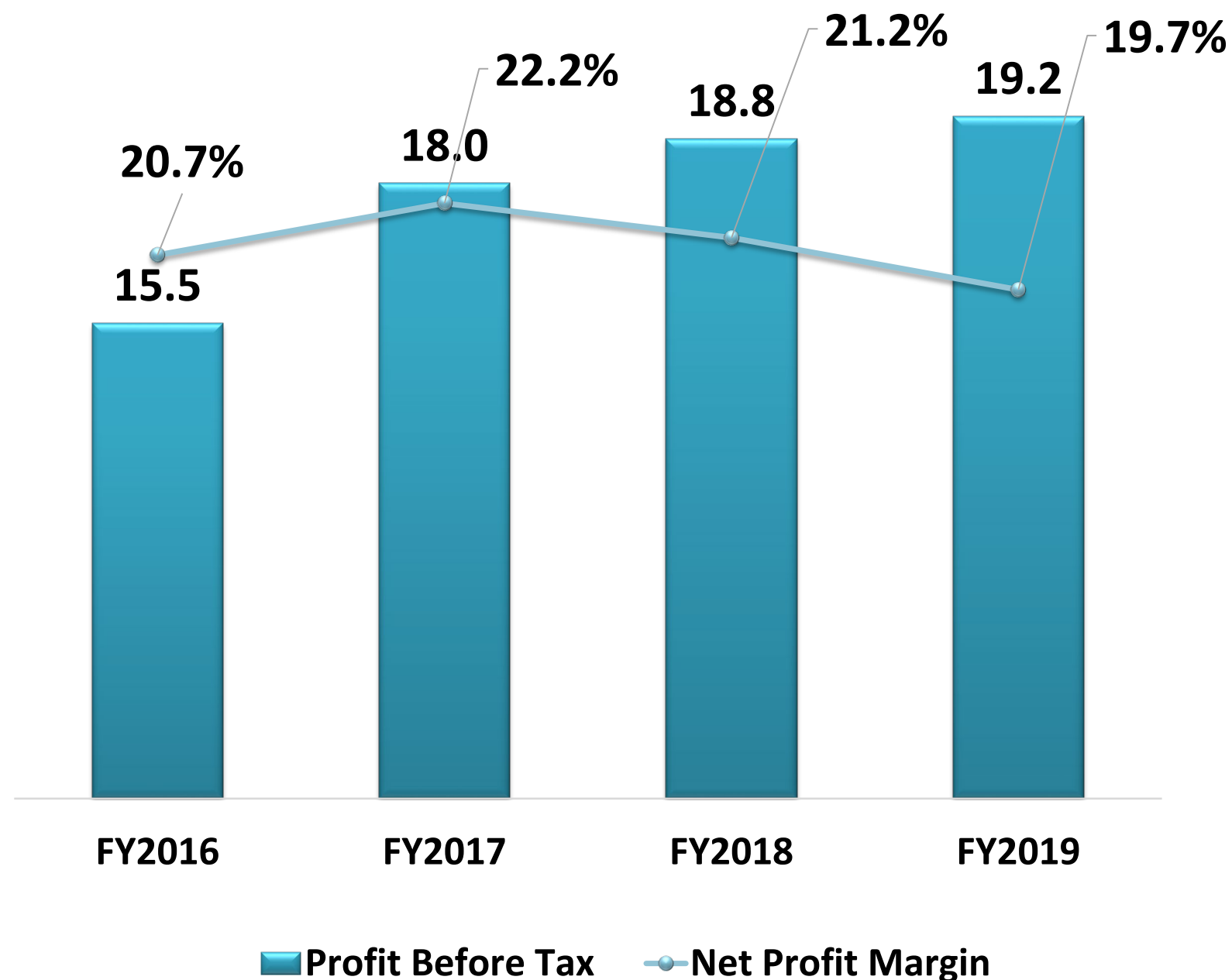
11.0% / S\$1.1 m y-o-y

- Due mainly to

- continued pressure on rents and payroll costs
- gestation period for new outlets located in new precincts.

FINANCIAL HIGHLIGHTS

PBT (S\$'M) & PROFIT MARGIN (%) BY BUSINESS SEGMENT



Food Retail

S\$19.2 m

↑ **2.2% / S\$0.4 m y-o-y**

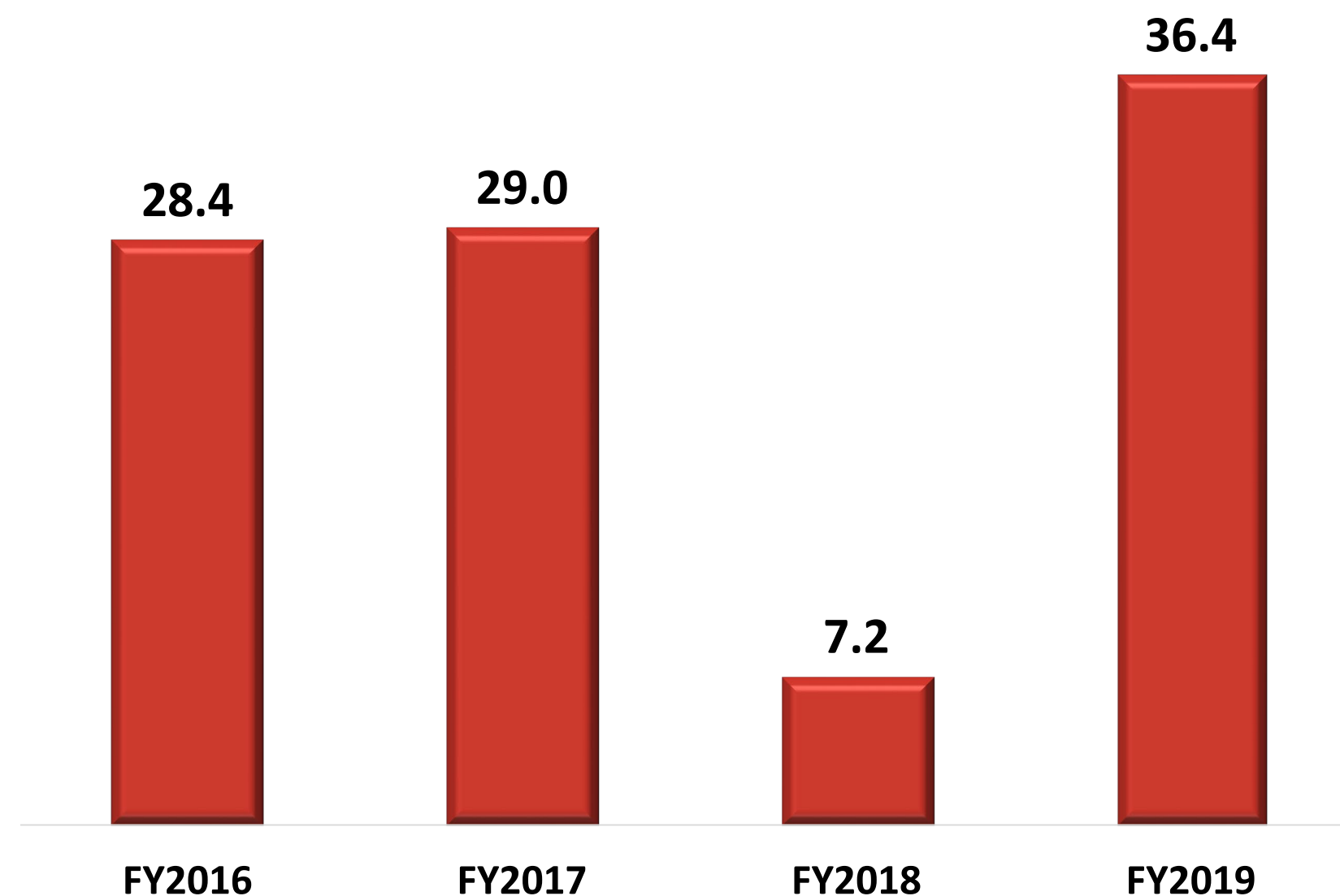
Lower profit margin due to:

- Continued pressure on ingredients and payroll costs
- restaurant and confectionery business have a lower profit margin

FINANCIAL HIGHLIGHTS

CASH GENERATIVE BUSINESS LEADING TO STRONG OPERATING CASH FLOW

Net Cash Generated From Operating Activities (S\$'M)



Sep 2019 Cash and cash equivalents

S\$87.2 m

Sep 2019 Net cash

S\$53.9 m

FY2019 net cash generated from operating activities

S\$36.4 m

Lower net cash generated from operating activities in FY2018 due to consideration receivable of \$16.0 m pursuant to the Rescission.

FINANCIAL HIGHLIGHTS

DIVIDENDS FY2018

Total of 0.96 SG cent
per ordinary share

50.7% payout ratio
4.36% dividend yield

Interim
Dividend

0.28
Singapore cent
per share, paid
in May 2018

Final Dividend

0.68
Singapore cent
per share, paid in
February 2018

DIVIDENDS FY2019

Total of 1.40 SG cents per
ordinary share

80.2% payout ratio
6.0% dividend yield

Interim
Dividend

0.56
Singapore cent
per share,
paid in July
2019

Final Dividend
(subject to approval)

0.84
Singapore cent per share,
payment date TBA

OUTLOOK

Recalibration of corporate strategy and leveraging on improved central kitchen and supply chain functions to pursue asset ownership

Expansion of footprint in mature and populated estates with established footfalls, growing of market presence and standing as one of the leading F&B operators in Singapore

Barring unforeseen circumstances, the Group expects to continue to be profitable in the financial year ahead