

# BreadTalk Group Limited

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Financial Results

Full Year & Fourth Quarter 2017

22 February 2017

Bakery

Food Atrium

Restaurant

4orth

# FY 2017 BUSINESS UPDATES

Jan 26, 2017

## Divestment of TripleOne Somerset

The Group recorded a gain of S\$9.3 million for the Divestment

Jul 01, 2017

## Appointment of Group Chief Executive Officer



Mr. Chu joined BreadTalk Group as Managing Director on 17 Oct 2016 and was appointed as Group Chief Executive Officer on 1 July 2017. As Group CEO, he oversees the Group's global operations, focusing on the strategic planning of core F & B businesses, investments, business development and expansion into key markets. He was instrumental in leading the team to develop the new division with its key objective to identify new F & B concepts and potential partnership opportunities with renowned brands.

Jul 03, 2017

## Partnership with Song Fa Holdings



BTG-Song Fa, owned by Together Inc. Pte Ltd (90%) and Song Fa (10%) entered into a master franchise to develop and operate the highly popular Teochew Bak Kut Teh brand in Thailand, as well as four major cities in China, comprising Beijing, Shanghai, Shenzhen and Guangzhou.

Sep 26, 2017

## Purchase of 22/22A Lorong Mambong

The Property is a corner freehold shop house located amidst Holland Village. The total land area is approximately 2,350 square feet. The purchase consideration for the Property is S\$16.2 million

Dec 22, 2017

## Partnership with 115-Year-Old Japanese Trader Shinmei



BTG-Shinmei oversees the sourcing, procurement and supply of key raw materials and ingredients, including but not limited to flour, rice, sugar, dairy, seafood, and product packaging to support the F&B operations of BreadTalk's group of companies globally.

Jan 17, 2018

## Issue of S\$100,000,000 Medium Term Note at 4.00%

Jan 18, 2018

## Award of BreadTalk franchise rights to Som Datt Group for Delhi, India

Jan 26, 2018

## Opening of 1<sup>st</sup> Song Fa Outlet in Shanghai Jin An Kerry Centre

## BreadTalk Group's Portfolio of 10 Directly Managed Brands

### Bakery

**BreadTalk**

**bread society**

**TOAST BOX**  
土司工坊

**泰茂棧**  
thye moh chan



### Food Atrium

**food republic**

**FOOD OPERA**

### Restaurant

**鼎泰豐**  
DIN TAI FUNG

4or<sup>th</sup>

**SONG FA**  
bak kut teh

**創**  
Se

### Others

**SANPOTEI RAMEN**  
From Miyagi to Japan - since 1963

**Carls Jr.**

**JUMBO SEAFOOD**

Note: Din Tai Fung and Song Fa are franchised brands

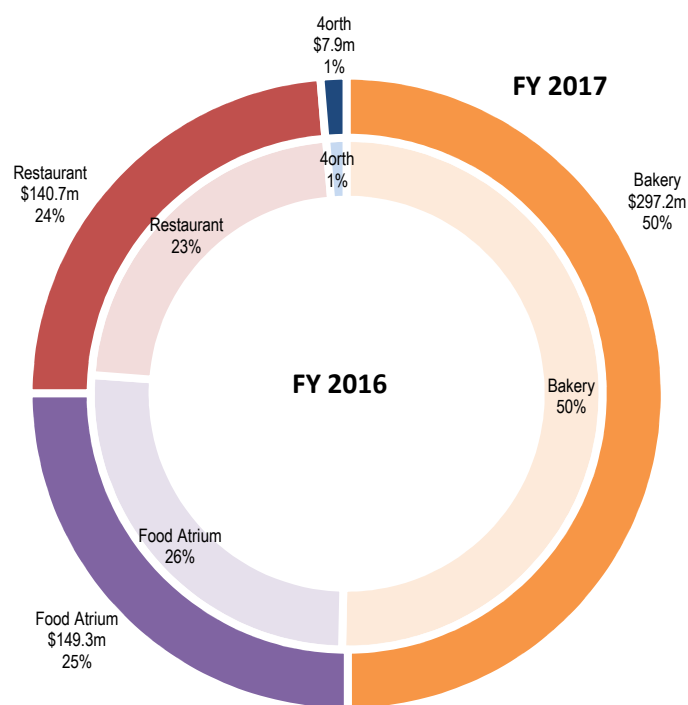
# FY 2017 FINANCIAL HIGHLIGHTS

## Income Statement Highlights

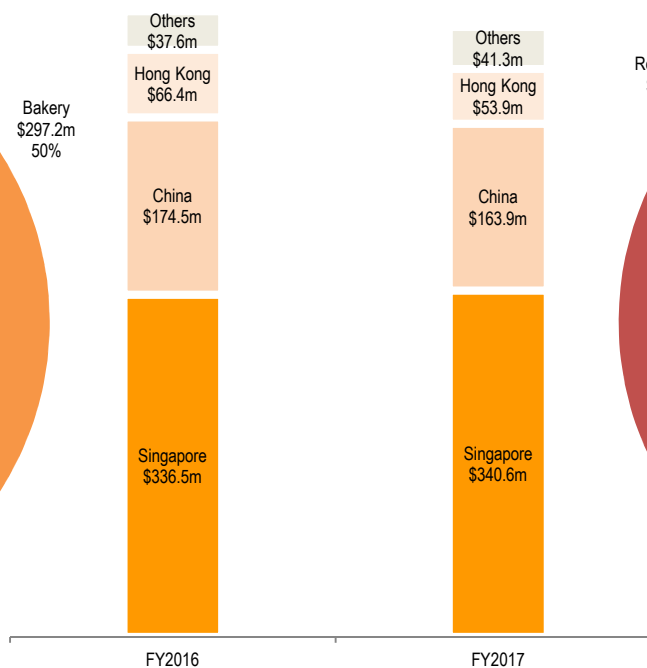
S\$ Million	4Q 2017	4Q 2016	Y/Y	FY 2017	FY 2016	Y/Y
<b>Revenue</b>	<b>150.3</b>	<b>153.3</b>	<b>-2.0%</b>	<b>599.7</b>	<b>615.0</b>	<b>-2.5%</b>
<i>Bakery</i>	74.1	77.6	-4.5%	297.2	306.9	-3.2%
<i>Food Atrium</i>	36.9	37.1	-0.6%	149.3	157.9	-5.4%
<i>Restaurant</i>	35.9	35.4	1.4%	140.7	137.7	2.2%
<i>4orth</i>	2.2	1.9	13.9%	7.9	7.8	0.3%
<i>Others</i>	1.2	1.3	-4.1%	4.6	4.7	-2.3%
<b>EBITDA</b>	<b>19.6</b>	<b>28.1</b>	<b>-30.4%</b>	<b>84.4</b>	<b>87.5</b>	<b>-3.5%</b>
<i>Bakery</i>	4.5	7.6	-41.0%	23.2	29.2	-20.5%
<i>Food Atrium</i>	7.4	8.8	-15.4%	25.1	16.3	53.7%
<i>Restaurant</i>	7.9	8.7	-9.7%	30.1	29.5	2.1%
<i>4orth</i>	0.3	0.1	114.6%	0.5	0.4	19.2%
<i>Others</i>	(0.5)	2.9	117.5%	5.5	12.0	-54.7%
<b>EBITDA Margin</b>	<b>13.0%</b>	<b>18.3%</b>	<b>-5.4 ppt</b>	<b>14.1%</b>	<b>14.2%</b>	<b>-0.1 ppt</b>
<i>Bakery</i>	6.1%	9.8%	-3.8 ppt	7.8%	9.5%	-1.7 ppt
<i>Food Atrium</i>	20.1%	23.6%	-3.6 ppt	16.8%	10.3%	+6.5 ppt
<i>Restaurant</i>	21.9%	24.6%	-2.7 ppt	21.4%	21.4%	+0.0 ppt
<i>4orth</i>	13.0%	6.9%	+6.1 ppt	6.8%	5.7%	+1.1 ppt
<i>Others</i>	-41.8%	228.4%	-270.2 ppt	118.1%	-8.5%	+126.7 ppt
<b>Net Profit</b>	<b>5.1</b>	<b>4.4</b>	<b>14.4%</b>	<b>21.8</b>	<b>11.4</b>	<b>91.0%</b>
<b>Net Margin</b>	<b>3.4%</b>	<b>2.9%</b>	<b>+0.4 ppt</b>	<b>3.6%</b>	<b>1.9%</b>	<b>+1.7 ppt</b>
<b>Core F&amp;B Net Profit</b>	<b>5.6</b>	<b>4.5</b>	<b>23.3%</b>	<b>17.7</b>	<b>7.0</b>	<b>153.3%</b>
<b>Core F&amp;B Net Margin</b>	<b>3.7%</b>	<b>3.0%</b>	<b>+0.8 ppt</b>	<b>2.9%</b>	<b>1.1%</b>	<b>+1.8 ppt</b>
<b>EPS (cents)</b>	<b>1.80</b>	<b>1.57</b>	<b>14.6%</b>	<b>7.75</b>	<b>4.06</b>	<b>90.9%</b>
<b>DPS (cents)</b>	<b>3.00</b>	<b>2.00</b>	<b>N.M</b>	<b>7.00</b>	<b>3.85</b>	<b>81.8%</b>

# GROUP KEY FINANCIAL HIGHLIGHTS

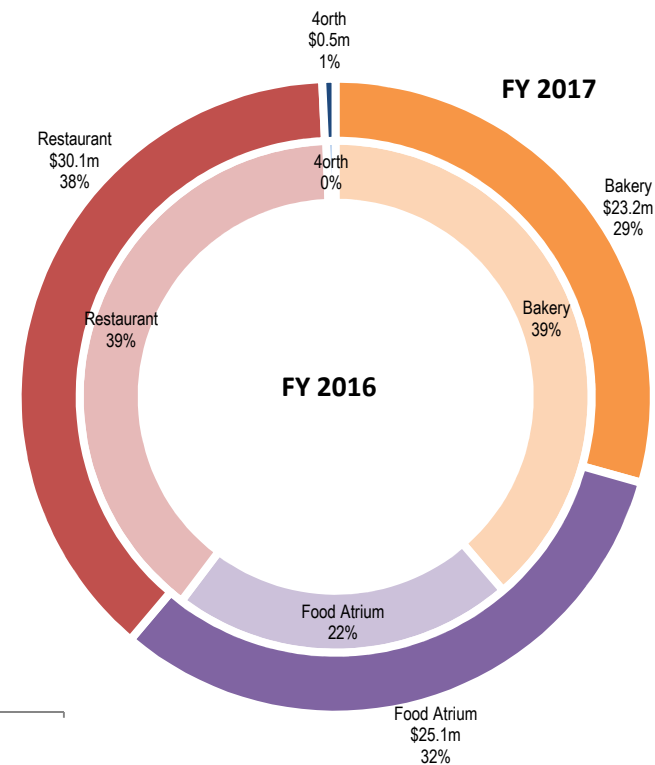
## REVENUE BY BUSINESS



## REVENUE BY GEOGRAPHY



## EBITDA BY BUSINESS



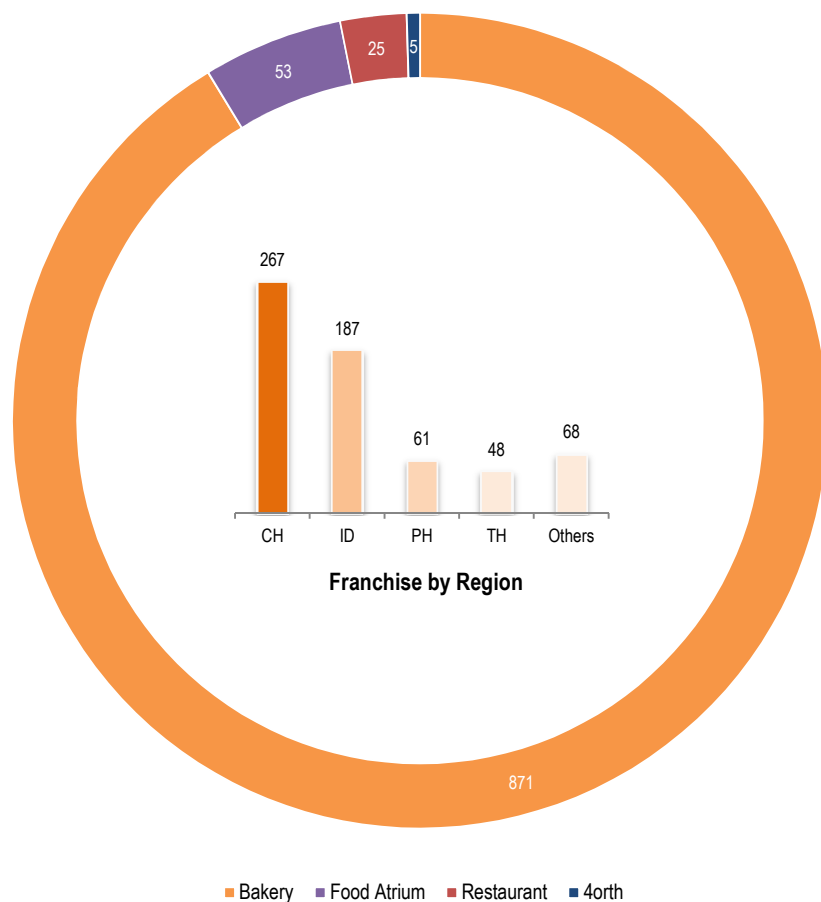
FY 2017 REVENUE: **S\$599.7M**

FY 2017 EBITDA: **S\$84.4M**

# STRONG PRESENCE ACROSS ASIA

Strong foothold across **17** territories in Asia and Middle East

## OUTLET DISTRIBUTION **BY** GEOGRAPHY



## OUTLET DISTRIBUTION **BY** BUSINESS SEGMENT

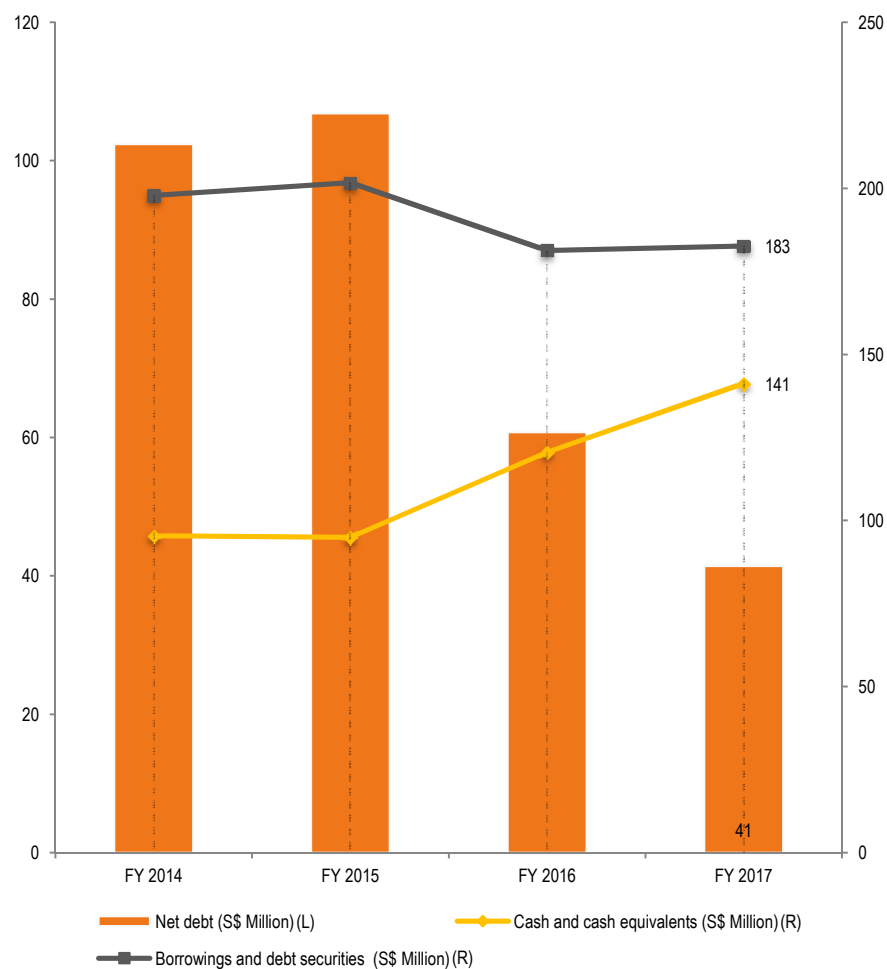
	FY 2016	FY 2017	Net Increase/ (Decrease)
<b>Bakery</b>	862	871	9
<i>Direct Operating</i>	260	240	(20)
<i>Franchise</i>	602	631	29
<b>Food Atrium</b>	57	53	(4)
<b>Restaurant</b>	24	25	1
<i>Din Tai Fung</i>	24	25	1
<b>4orh</b>	6	5	(1)
<i>Ramen Play</i>	6	0	(6)
<i>Sō</i>	0	5	5
<b>Total</b>	949	954	5

# FY 2017 FINANCIAL HIGHLIGHTS

## Balance Sheet Highlights

S\$ Million	FY 2017	FY 2016
<b>Total assets</b>	<b>557</b>	<b>534</b>
Cash and cash equivalents	141	121
Accounts receivables	58	57
Inventories	10	10
Investment securities	13	17
Other current assets	8	6
<b>Current assets</b>	<b>230</b>	<b>212</b>
Property, plant and equipment	169	181
Investment securities	72	73
<b>Non-current assets</b>	<b>327</b>	<b>322</b>
<b>Total liabilities</b>	<b>397</b>	<b>382</b>
Accounts payables	88	86
<b>Current liabilities</b>	<b>257</b>	<b>216</b>
<b>Non-current liabilities</b>	<b>140</b>	<b>166</b>
<b>Borrowings and debt securities</b>	<b>182</b>	<b>181</b>
Short term	57	31
Long term	126	150
<b>Net debt</b>	<b>41</b>	<b>61</b>

## CASH & CASH EQUIVALENT VS NET DEBT



# FY 2017 FINANCIAL HIGHLIGHTS

## Cash Flow Highlights

S\$ Million	4Q 2017	4Q 2016	FY 2017	FY 2016
Operating cash flow before working capital changes	21	23	80	87
<b>Net cash flow from operating activities</b>	<b>35</b>	<b>22</b>	<b>84</b>	<b>82</b>
Less:				
Capital expenditure	(14)	(1)	(37)	(32)
Investment in associate & joint venture	-	-	(3)	(3)
<b>Net cash flow used in investing activities</b>	<b>(34)</b>	<b>(2)</b>	<b>(38)</b>	<b>(20)</b>
Free cash flow	22	21	47	50
Net increase/(decrease) in bank borrowings	23	(11)	1	(21)
<b>Net cash flow used in financing activities</b>	<b>15</b>	<b>(13)</b>	<b>(24)</b>	<b>(38)</b>
<b>Net cash flow</b>	<b>16</b>	<b>7</b>	<b>22</b>	<b>26</b>

# FY 2017 FINANCIAL HIGHLIGHTS

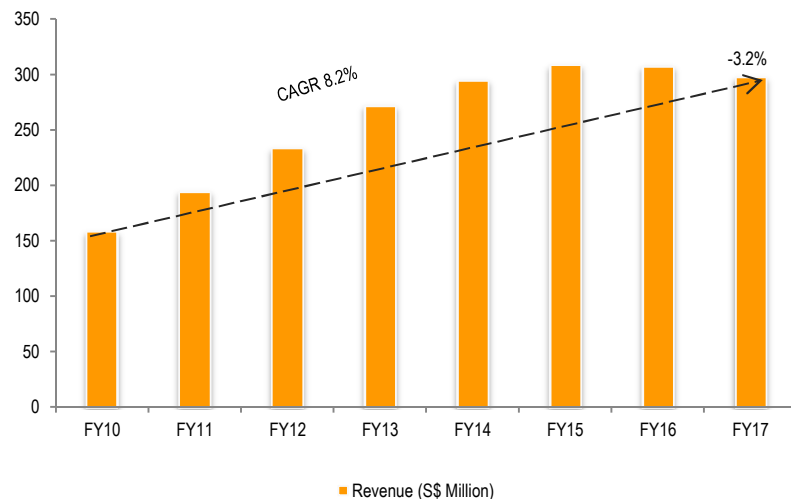
## Financial Ratios

	FY 2017	FY 2016
<b><u>Turnover Ratios</u></b>		
Trade Receivables Turnover (days) - Franchisee	83.3	90.0
Trade Receivables Turnover (days) - Non Franchisee	2.6	2.0
<b>Total Receivables Turnover (days)</b>	<b>7.6</b>	<b>7.6</b>
<b>Inventory Turnover (days)</b>	<b>25.0</b>	<b>26.4</b>
<b>Trade Payables Turnover (days)</b>	<b>31.6</b>	<b>29.3</b>
<b><u>Liquidity Ratios</u></b>		
<b>Current Ratio</b>	<b>0.90x</b>	<b>0.98x</b>
<b>Quick Ratio</b>	<b>0.86x</b>	<b>0.93x</b>
<b>Cash Conversion Cycle (days)</b>	<b>1.0</b>	<b>4.7</b>
<b><u>Debt Ratios</u></b>		
<b>Net Debt/Shareholder's Equity</b>	<b>0.31x</b>	<b>0.46x</b>
<b>Net Debt/EBITDA</b>	<b>0.49x</b>	<b>0.69x</b>
<b>EBITDA/Interest expense</b>	<b>15.58x</b>	<b>14.76x</b>

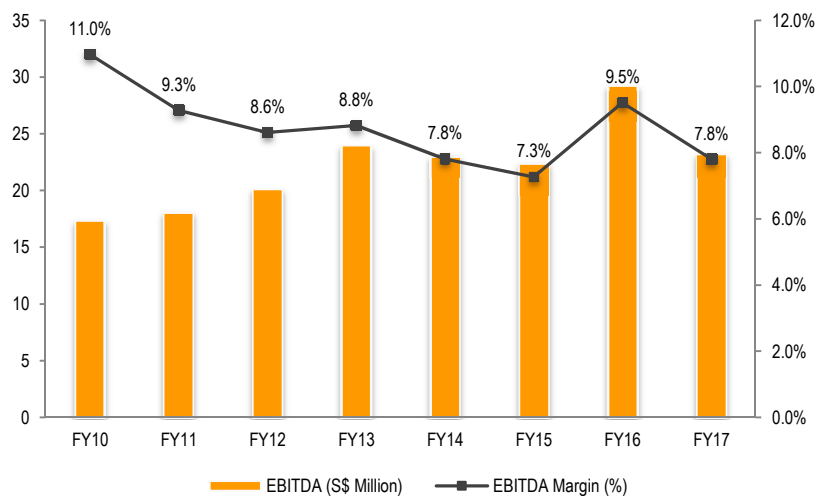


# BAKERY DIVISION

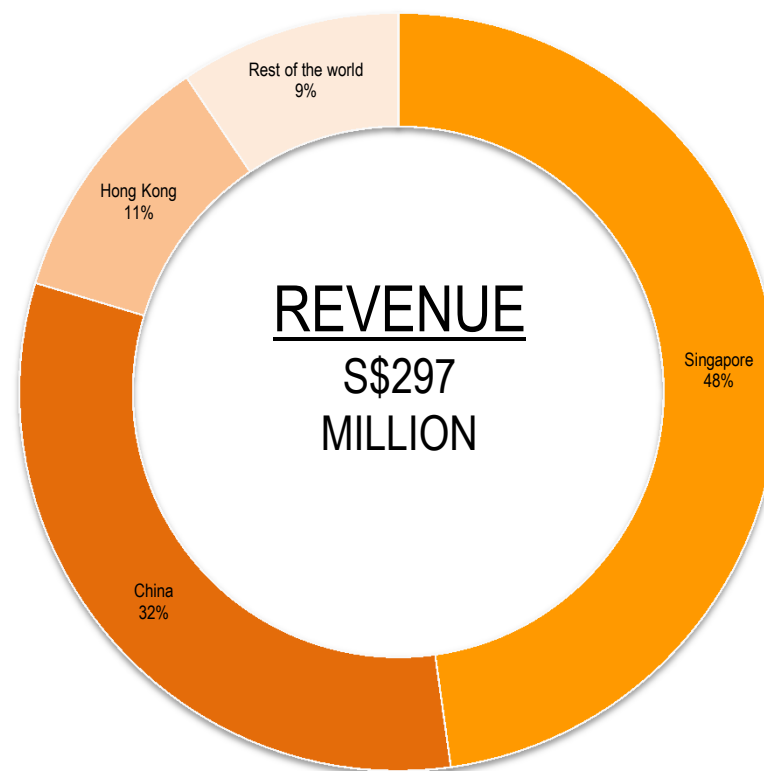
## REVENUE



## EBITDA VS EBITDA MARGIN



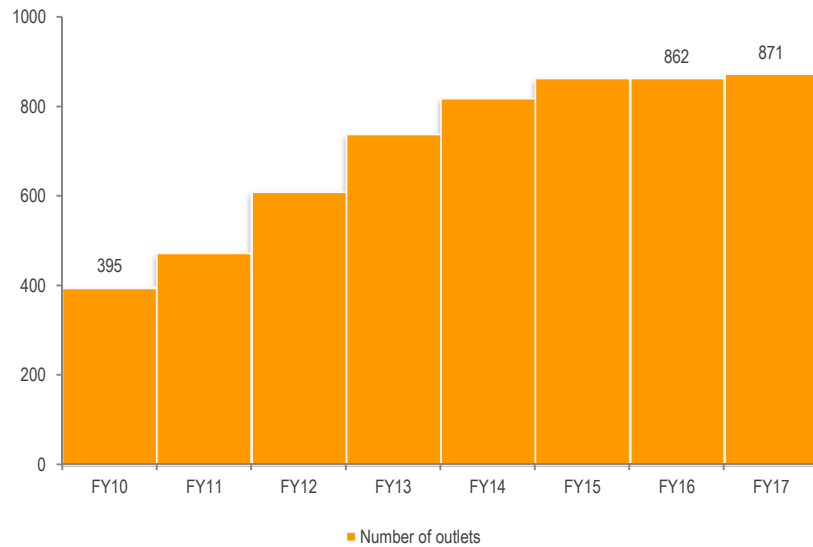
## FY 2017 REVENUE BY GEOGRAPHY



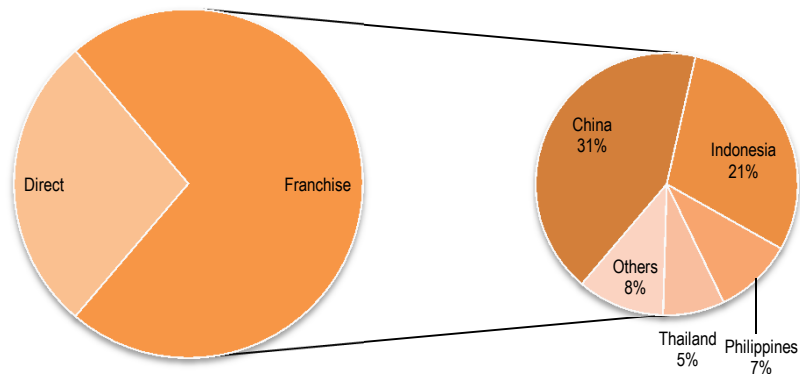
Rest of the world: Malaysia, Thailand, Philippines, Indonesia, Vietnam, Myanmar, Cambodia, Taiwan, Kuwait, Sri Lanka, Bahrain, Oman, Saudi Arabia & Qatar

# BAKERY DIVISION

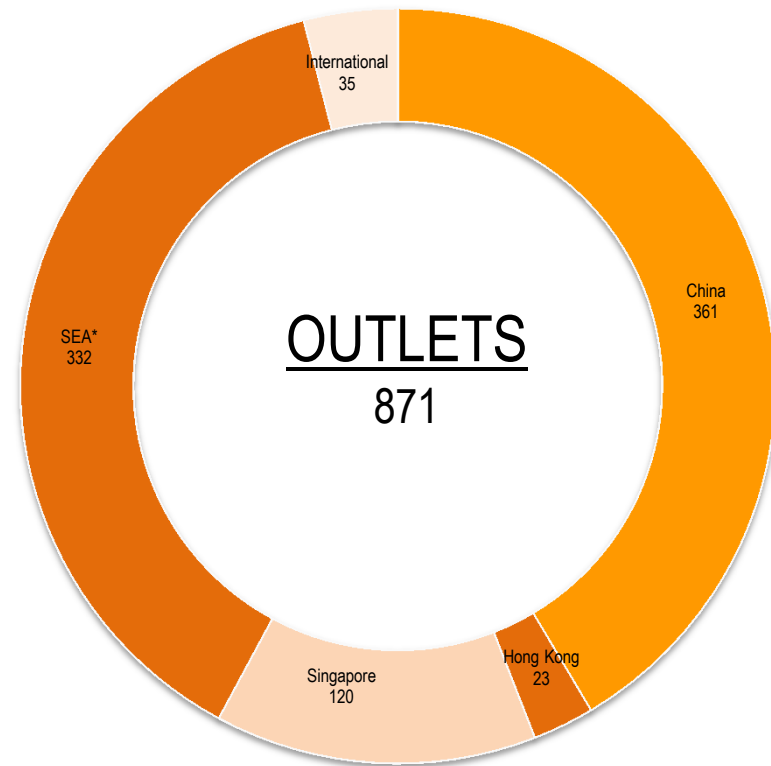
## NUMBER OF BAKERY OUTLETS



## DOS VS FRANCHISE



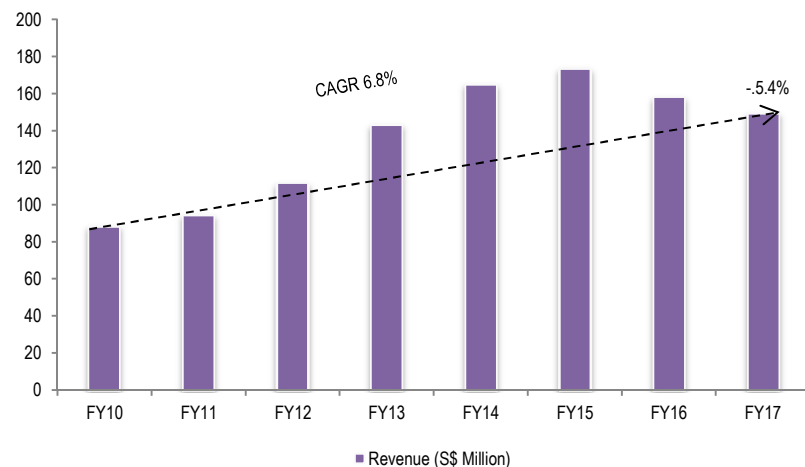
## FY 2017 OUTLET DISTRIBUTION BY GEOGRAPHY



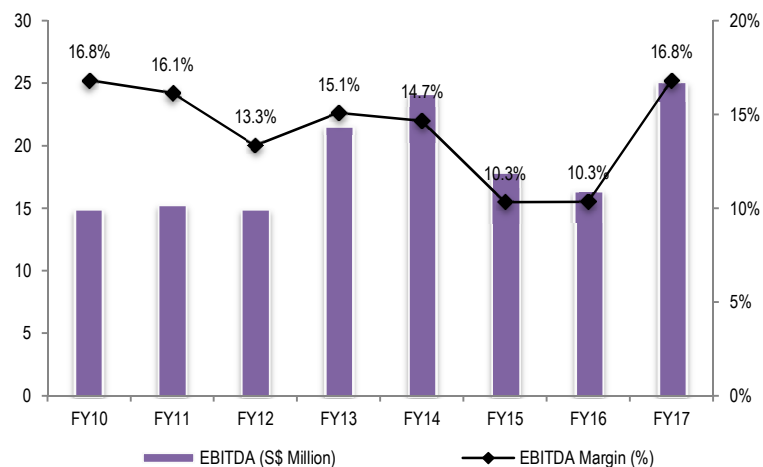
SEA: Malaysia, Thailand, Philippines, Indonesia, Vietnam, Myanmar & Cambodia  
 International: Taiwan, Kuwait, Sri Lanka, Bahrain, Oman, Saudi Arabia & Qatar

# FOOD ATRIUM DIVISION

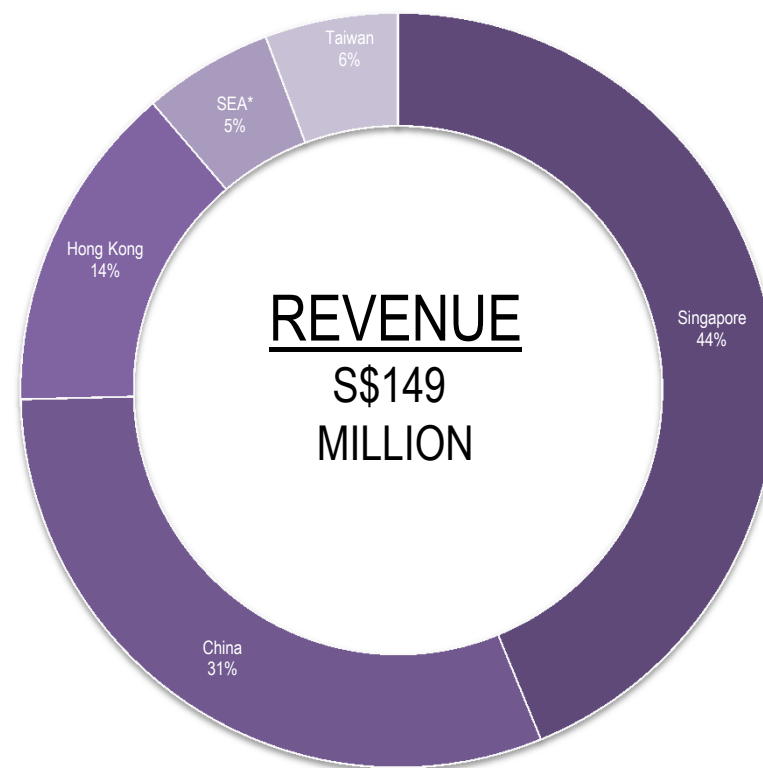
## REVENUE



## EBITDA VS EBITDA MARGIN



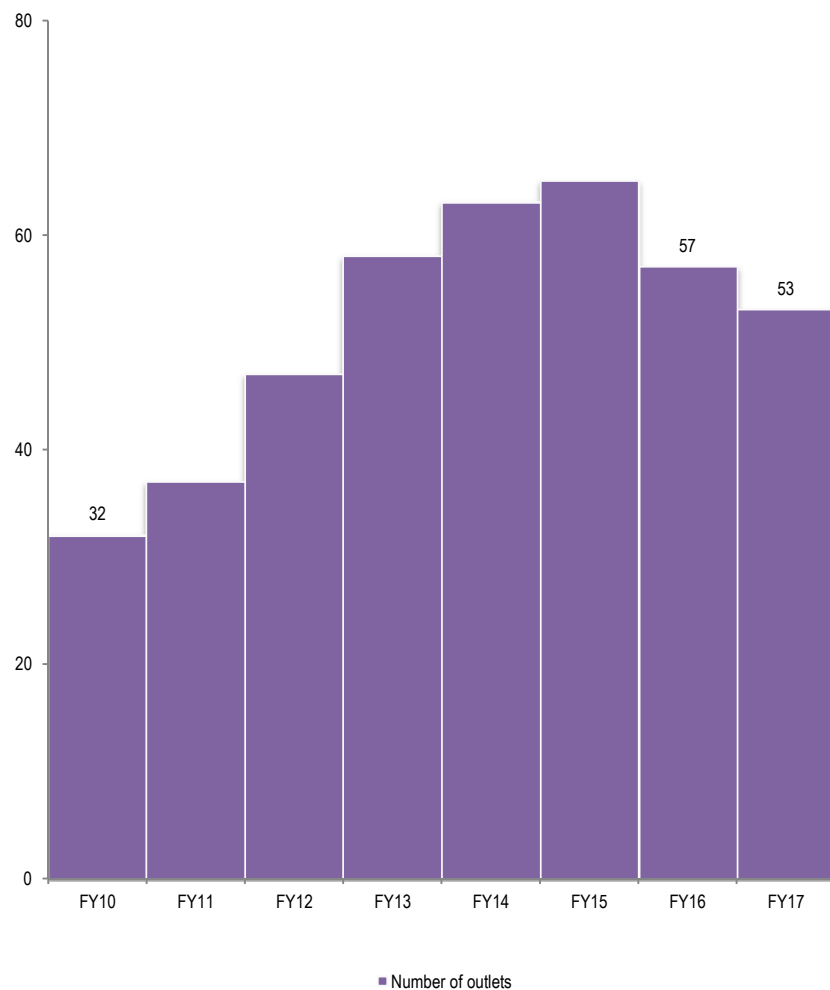
## FY 2017 REVENUE BY GEOGRAPHY



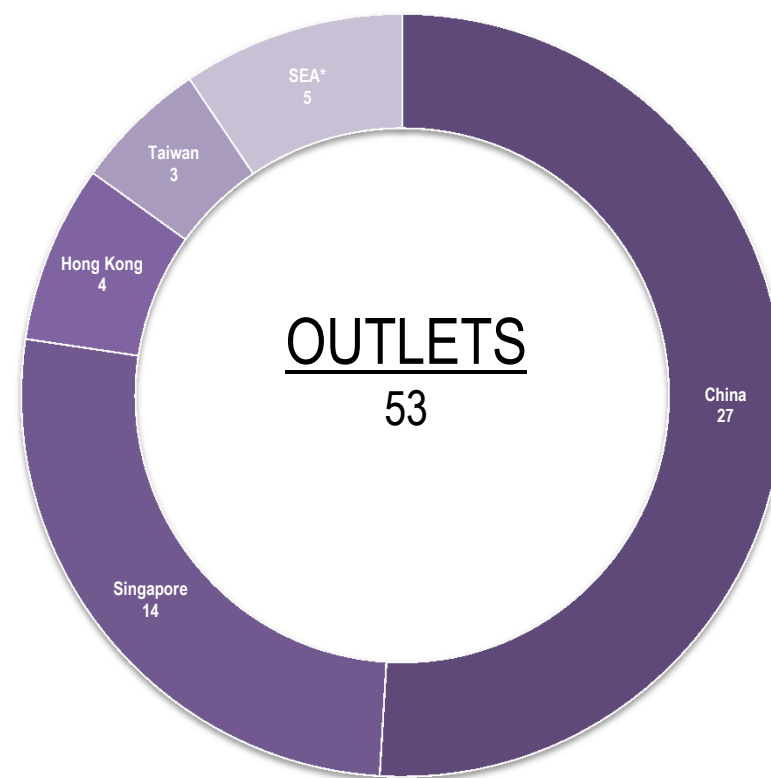
SEA: Malaysia & Thailand

# FOOD ATRIUM DIVISION

## NUMBER OF FOOD ATRIUM OUTLETS



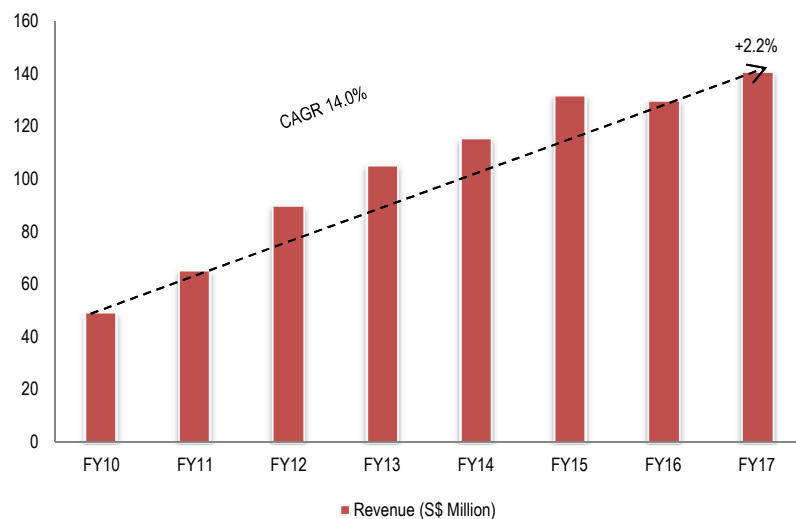
## FY 2017 OUTLET DISTRIBUTION BY GEOGRAPHY



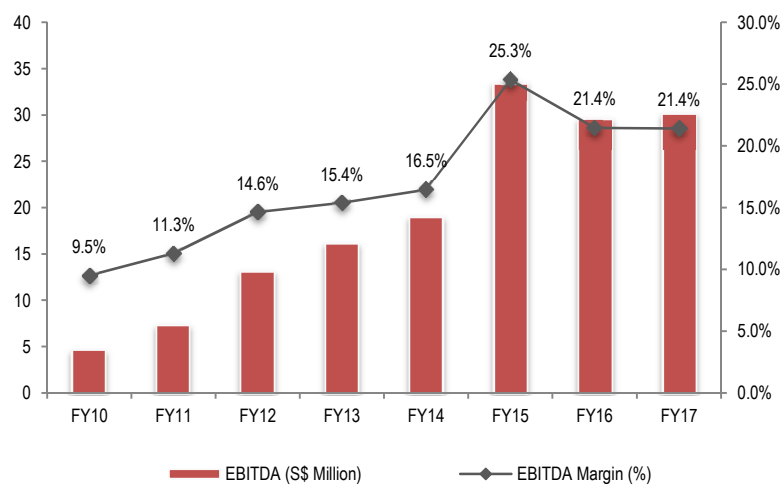
SEA: Malaysia & Thailand

# RESTAURANT DIVISION

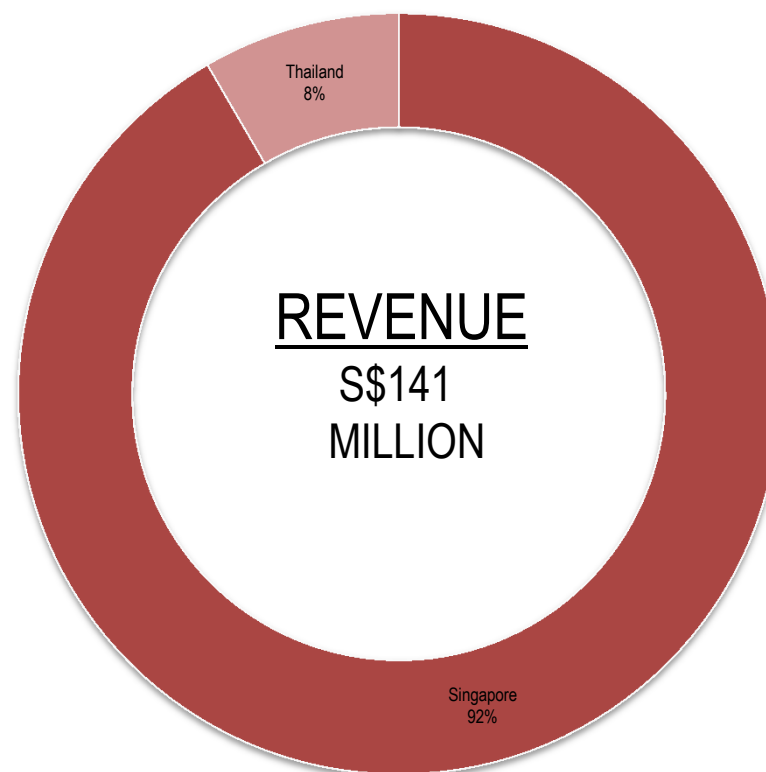
## REVENUE



## EBITDA VS EBITDA MARGIN

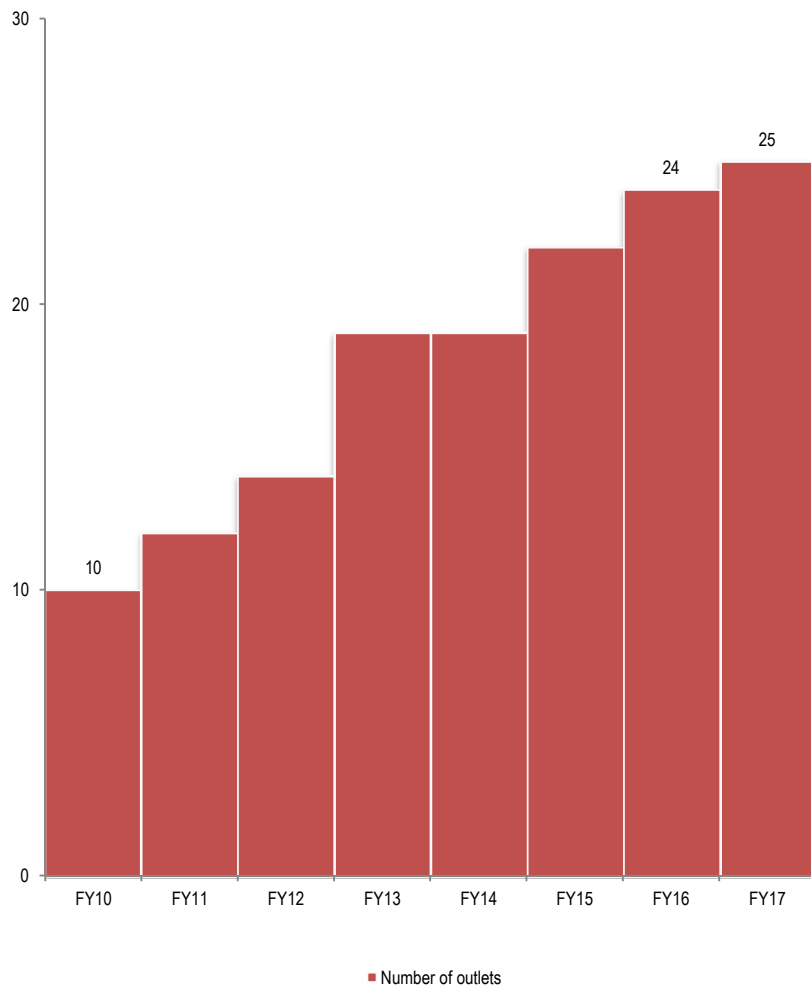


## FY 2017 REVENUE BY GEOGRAPHY

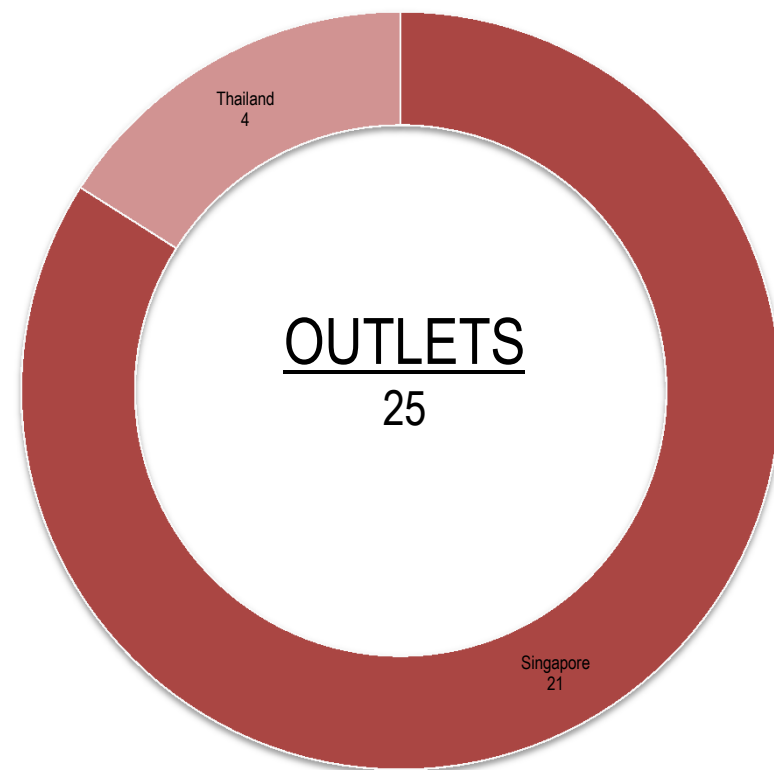


# RESTAURANT DIVISION

## NUMBER OF RESTAURANT OUTLETS

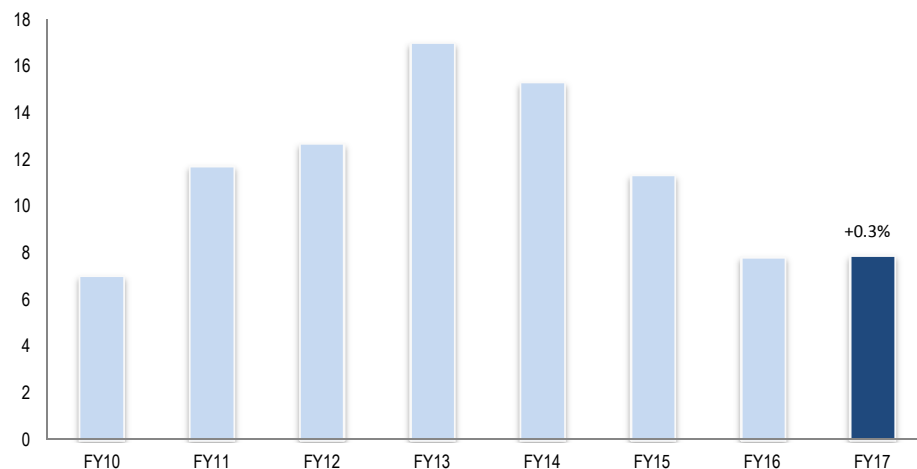


## FY 2017 OUTLET DISTRIBUTION BY GEOGRAPHY

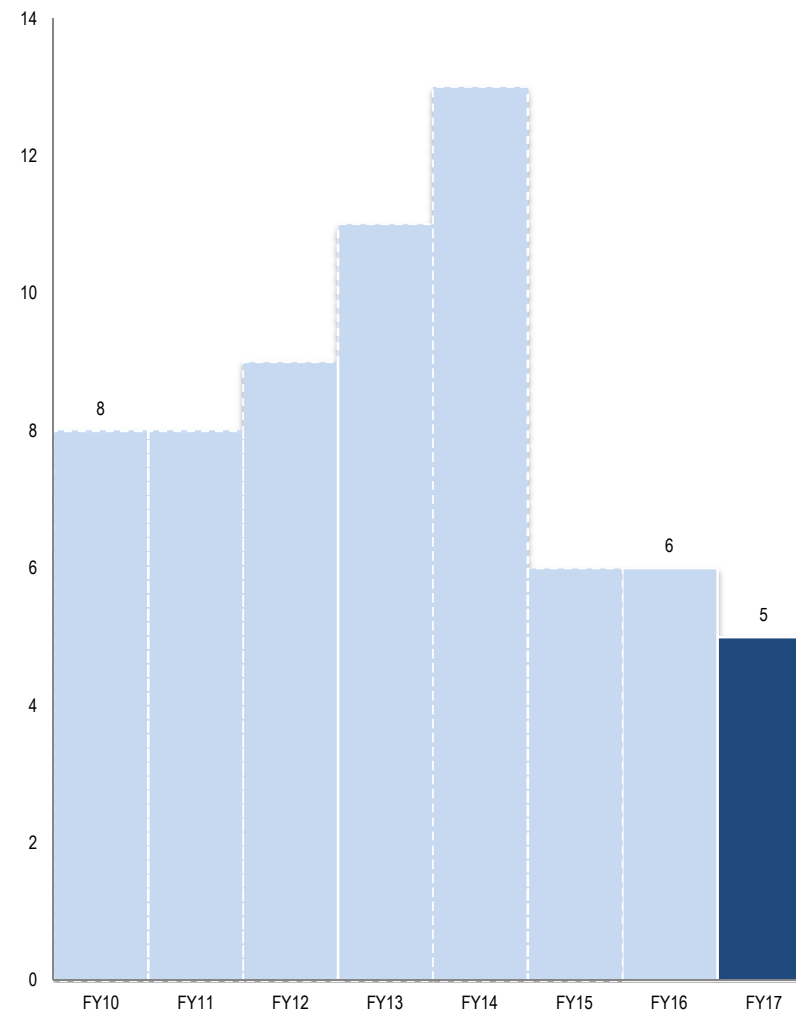


# 40RTH DIVISION

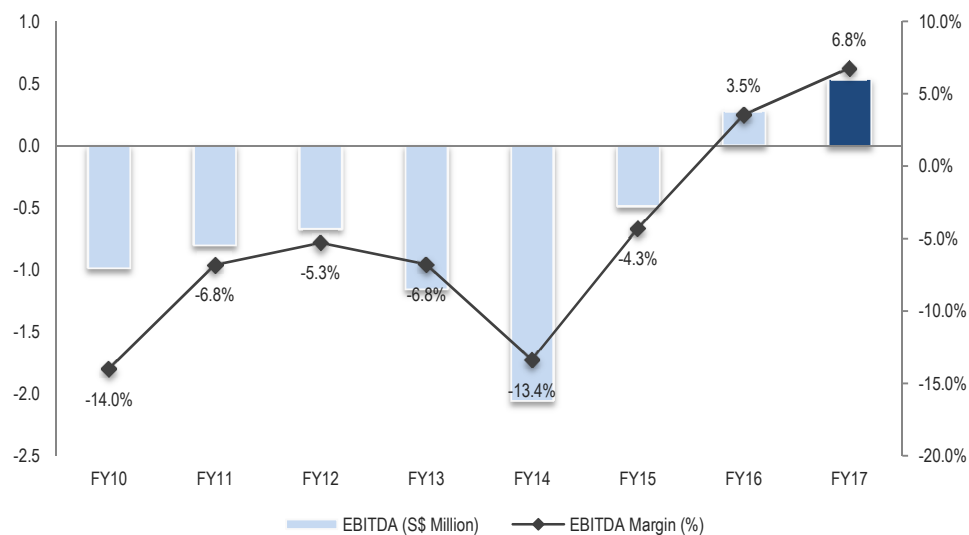
## REVENUE



## NUMBER OF 40RTH OUTLETS



## EBITDA VS EBITDA MARGIN



# CONTACT US

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