

JAPAN FOODS HOLDING LTD.

Financial Results Presentation November 2016

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JAPAN FOODS HOLDING LTD.



Overview of HY2017

Performance at a Glance

HY2017:

Revenue
S\$33.5 million

Gross Profit
S\$28.4 million

HY2016:

S\$31.7 million

S\$26.6 million

HY2017:

Net Profit
S\$2.7 million

EBITDA
S\$5.6 million

HY2016:

S\$2.4 million

S\$5.3 million

Our Growing Brand Portfolio

10 Franchise Brands from Japan



Ajisen Ramen



Hanamidori



Botejyu



Botejyu San



Keika Ramen



Kazokutei



Menya Musashi



Menzo Butao



Osaka Ohsho



Yonehachi

5 Self-Developed Brands

TOKYO WALKER



New ManLee Bak Kut Teh

Our Network

As at 30 September 2016



The Group, together with its sub-franchisees, operates a total of 57 restaurants and food court outlet under various brands in Singapore, Malaysia and Vietnam. It also has interests in 13 restaurants in Hong Kong and China through associated companies.

51 Self-operated restaurants & food court outlet

13 Restaurants through associated companies

6 Restaurants operated by sub-franchisees

Updates on our Singapore Network

Self-Operated Restaurants	Updates	No. as at 30 Sep 16	No. as at 30 Sep 15
Ajisen Ramen	<ul style="list-style-type: none"> Opened Compass One restaurant in September 2016 Converted Clementi Mall restaurant to New ManLee Bak Kut Teh restaurant in December 2015 Closed Tiong Bahru Plaza restaurant in December 2015 Converted Osaka Ohsho restaurant at Bukit Panjang Plaza to Ajisen Ramen restaurant in October 2015 	16	16
Fruit Paradise	<ul style="list-style-type: none"> Closed Bedok Mall restaurant in May 2016 Opened Waterway Point restaurant in January 2016 	4	4
Hanamidori	<ul style="list-style-type: none"> Unchanged 	1	1
Kazokutei	<ul style="list-style-type: none"> Unchanged 	3	3
Keika Ramen	<ul style="list-style-type: none"> Opened Tiong Bahru Plaza restaurant in April 2016 Opened White Sands restaurant in November 2015 	3	1
Menya Musashi	<ul style="list-style-type: none"> Opened Waterway Point restaurant in January 2016 Closed Thomson Plaza restaurant in October 2015 	8	8
Osaka Ohsho	<ul style="list-style-type: none"> Converted Ang Mo Kio restaurant to New ManLee Bak Kut Teh restaurant in March 2016 Opened Waterway Point restaurant in January 2016 Converted Bukit Panjang Plaza restaurant to Ajisen Ramen restaurant in October 2015 	6	7
New ManLee Bak Kut Teh	<ul style="list-style-type: none"> Opened Bugis+ restaurant in April 2016 Converted Gyoza Bowl restaurant at Ang Mo Kio Hub to New ManLee Bak Kut Teh restaurant in March 2016 Converted Ajisen Ramen restaurant at Clementi Mall to New ManLee Bak Kut Teh in December 2015 	3	-
Ginza Kushi Katsu	<ul style="list-style-type: none"> Opened Paragon restaurant in March 2016 	1	-
Dutch Baby Cafe	<ul style="list-style-type: none"> Opened Paragon restaurant in April 2016 	1	-
Botejyu	<ul style="list-style-type: none"> Unchanged 	1	1
Japanese Gourmet Town	<ul style="list-style-type: none"> Unchanged 	1	1
Menzo Butao	<ul style="list-style-type: none"> Unchanged 	1	1
Yonehachi	<ul style="list-style-type: none"> Unchanged 	1	1
TOTAL		50	44
Food Court Outlets	Updates		
Ajisen Ramen	<ul style="list-style-type: none"> Unchanged 	1	1

Updates on our Overseas Network

Restaurants	Updates	No. of Outlets As at 30 Sep 2016	No. of Outlets As at 30 Sep 2015
Ajisen Ramen¹	▪ Closed 2 restaurants in Johor Bahru, Malaysia	4 in Malaysia	6 in Malaysia
	▪ Closed 1 restaurant in Ho Chi Minh City, Vietnam	2 in Vietnam	3 in Vietnam
Menya Musashi²	▪ Closed 2 restaurants in various locations in Hong Kong	8 in Hong Kong	10 in Hong Kong
	▪ Unchanged	5 in China	5 in China
TOTAL		19	24

¹ operated by sub-franchisees

² interests in restaurants through associated companies

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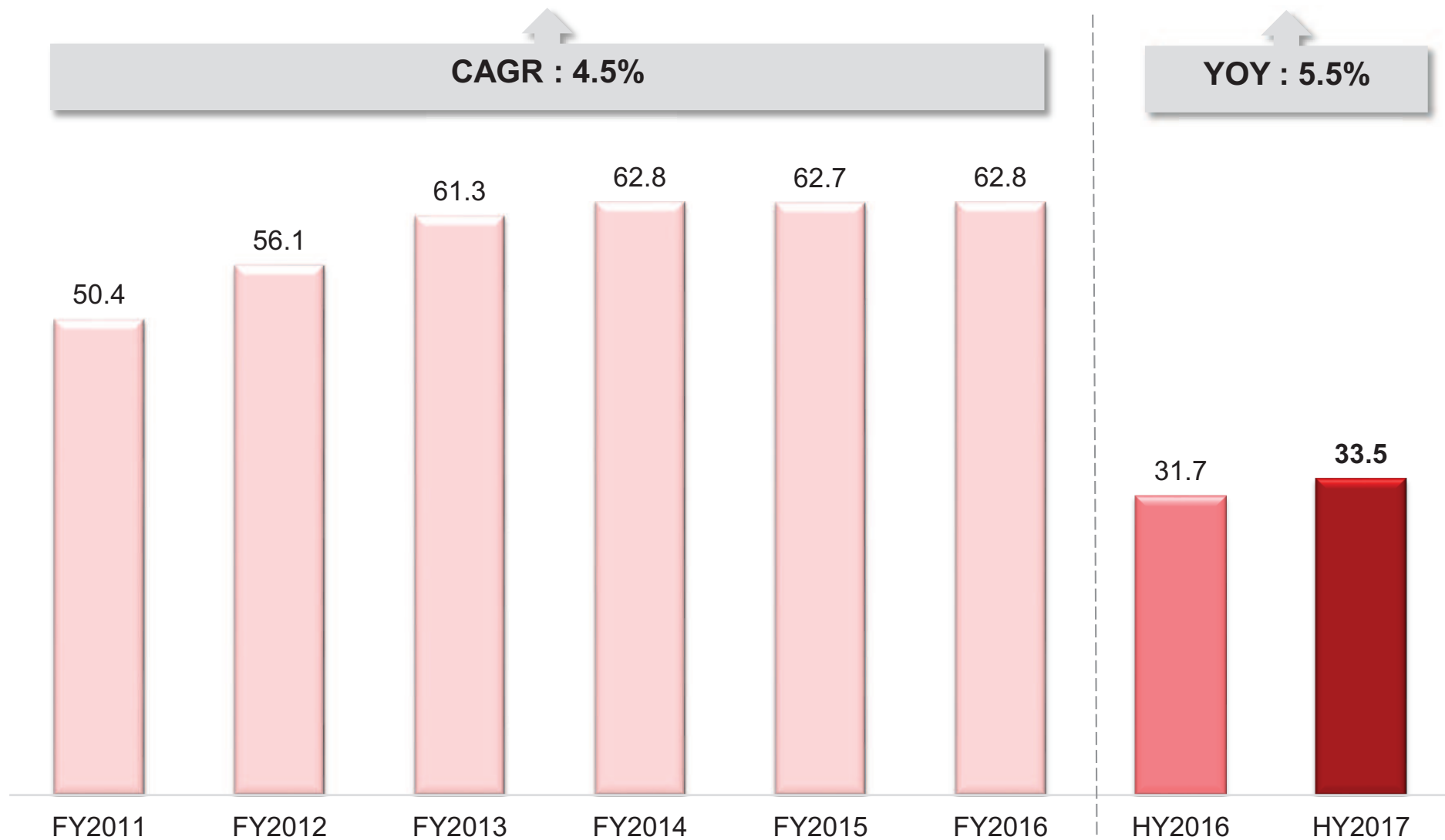
Financial Highlights HY2017

(Six months ended 30 September 2016)

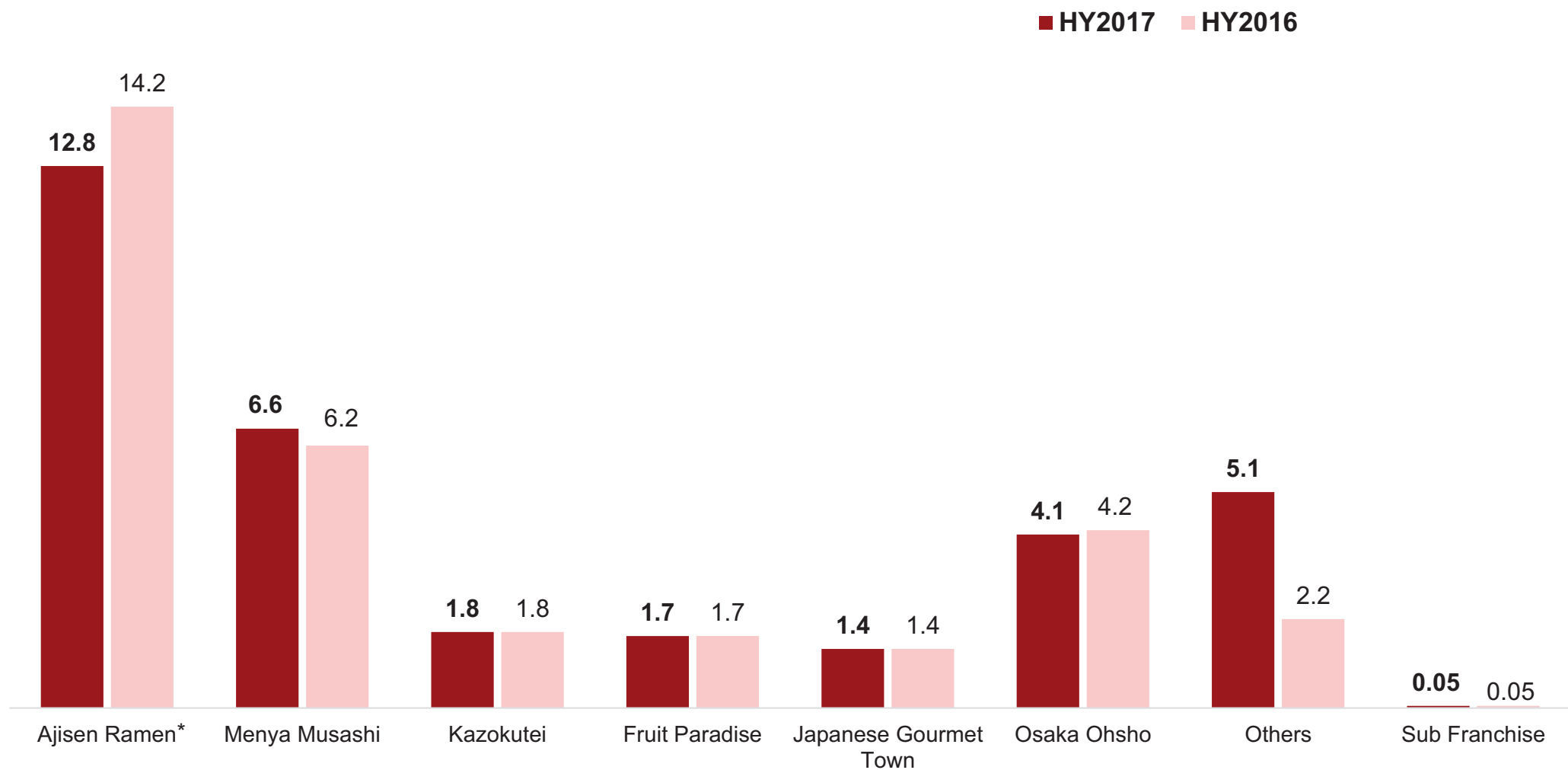
Financial Highlights – HY2017/2016

S\$' m (Six months ended 30 Sep 2016)	HY2017	HY2016	Change (%)
Revenue	33.5	31.7	↑ 5.5
Gross Profit	28.4	26.6	↑ 6.7
Gross Profit Margin (%)	84.8	83.9	↑ 0.9 pts
EBIT	3.0	2.6	↑ 7.7
EBIT margin (%)	8.8	8.2	↑ 0.6 pts
EBITDA	5.6	5.3	↑ 5.7
EBITDA margin (%)	16.8	16.6	↑ 0.2 pts
Net Profit After Tax (NPAT)	2.7	2.4	↑ 10.8
NPAT Margin (%)	7.9	7.6	↑ 0.3 pts
Earnings Per Share (S'pore cents)	0.78	0.77	↑ 1.3
Return on Equity (%)	8.4	7.7	↑ 0.7 pts

Revenue (S\$' m)



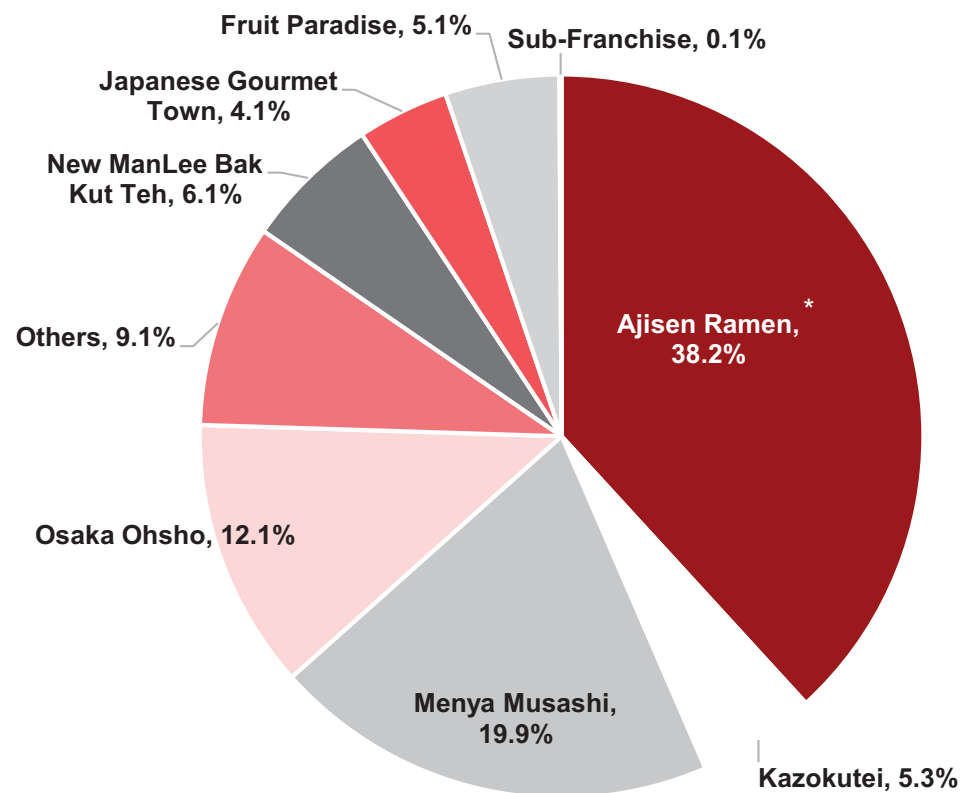
Revenue Mix by Brands (S\$' m)



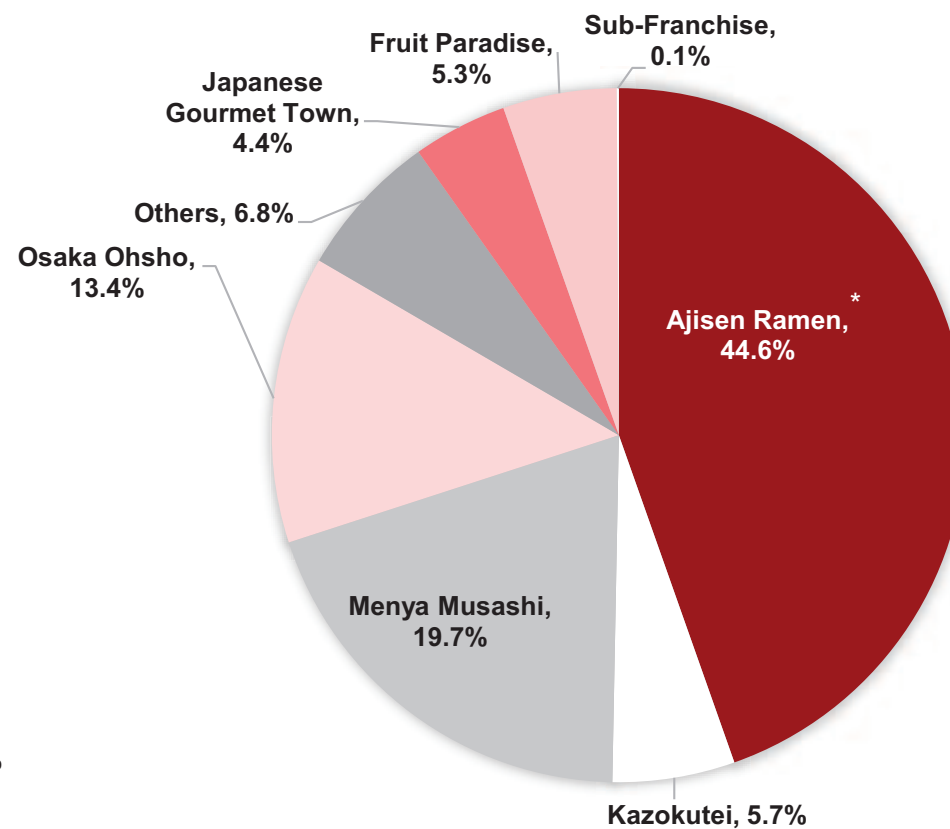
* Includes Keika Ramen

Revenue Breakdown

HY2017



HY2016



* Includes Keika Ramen

Performance of Flagship Brands

AJISEN RAMEN

19 outlets
contributed
S\$14.1m

18 outlets*
contributed
S\$14.2m

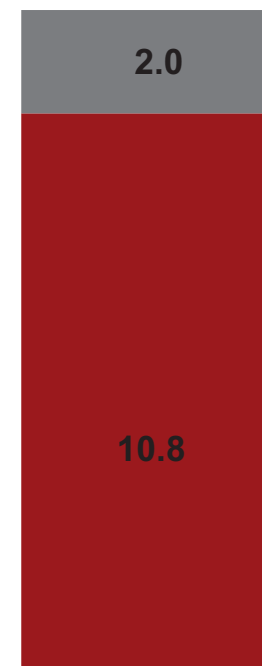
20 outlets**
contributed
S\$12.8m



HY2015



HY2016



HY2017

*include 1 Keika outlet

** include 2 Keika outlets

■ Existing Outlets

■ Closed Outlets

■ New Outlets

Performance of Flagship Brands

MENYA MUSASHI

9 outlets
contributed
S\$6.4m



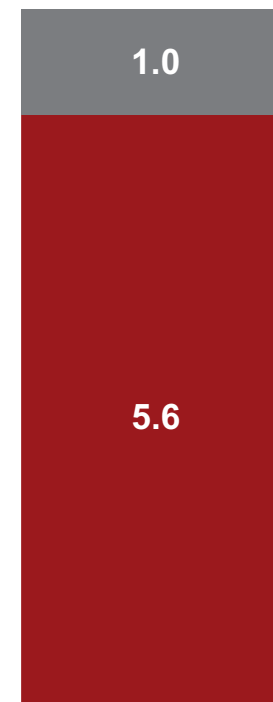
HY2015

8 outlets
contributed
S\$6.2m



HY2016

8 outlets
contributed
S\$6.6m

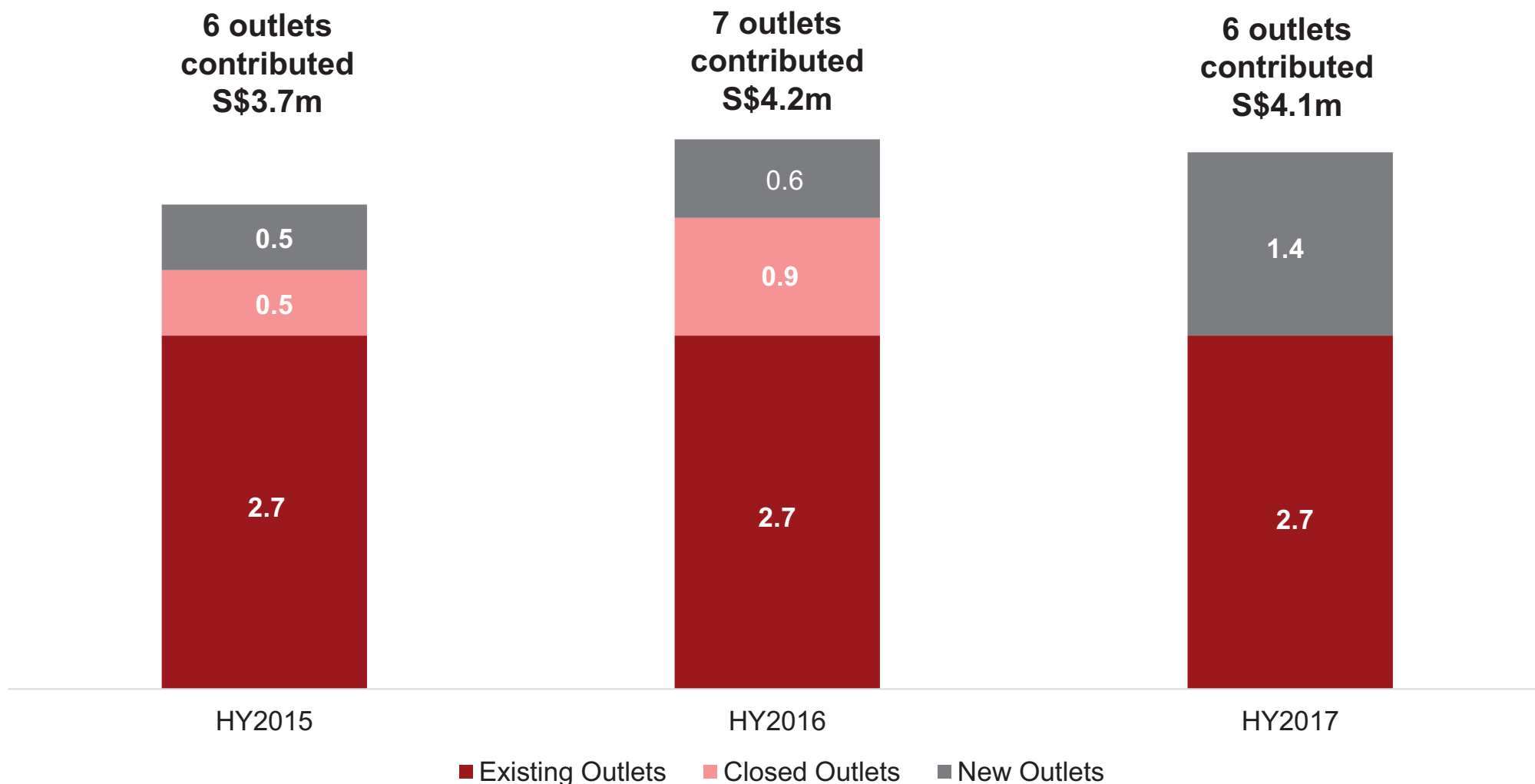


HY2017

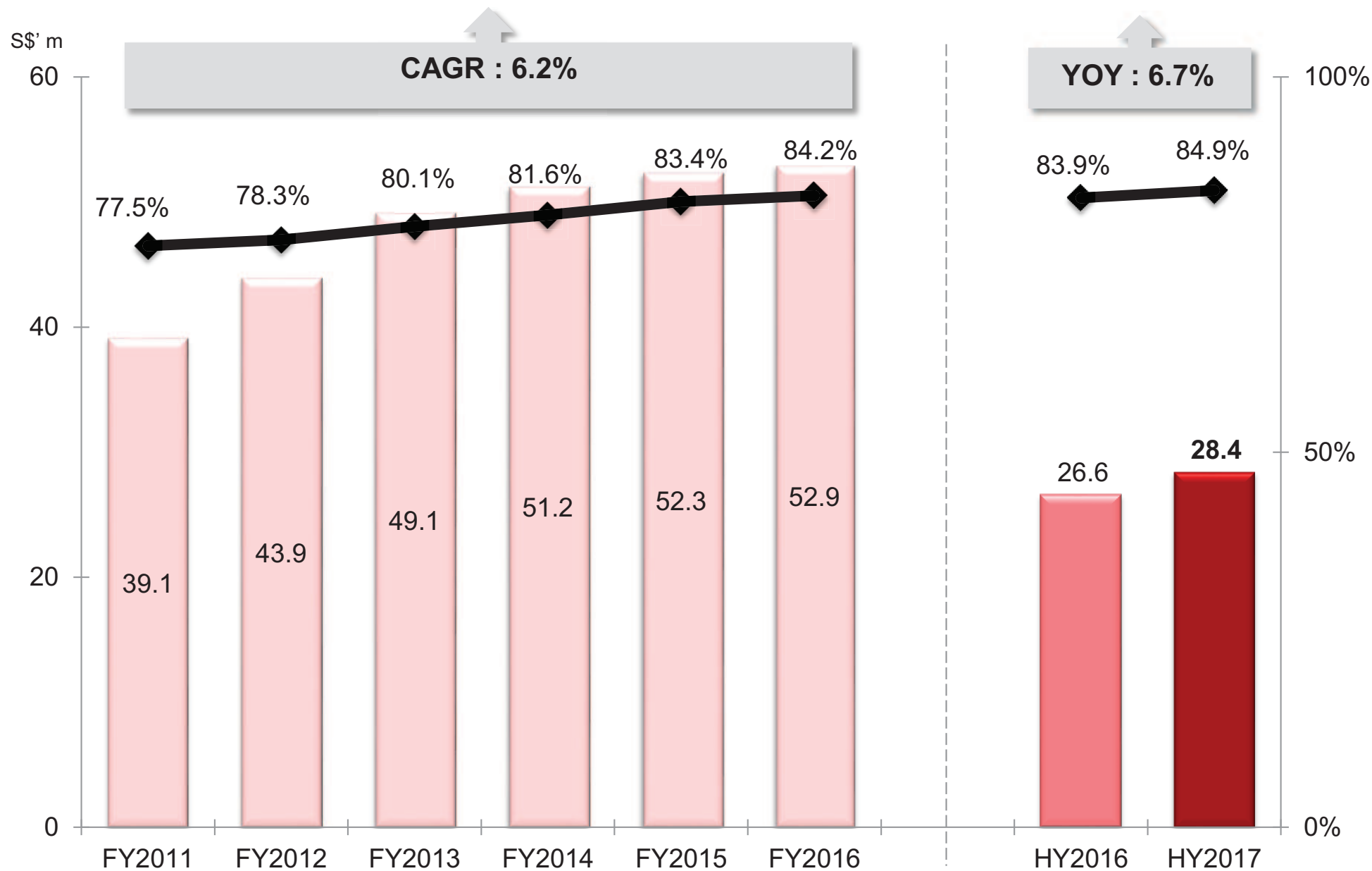
■ Existing Outlets ■ Closed Outlets ■ New Outlets

Performance of Flagship Brands

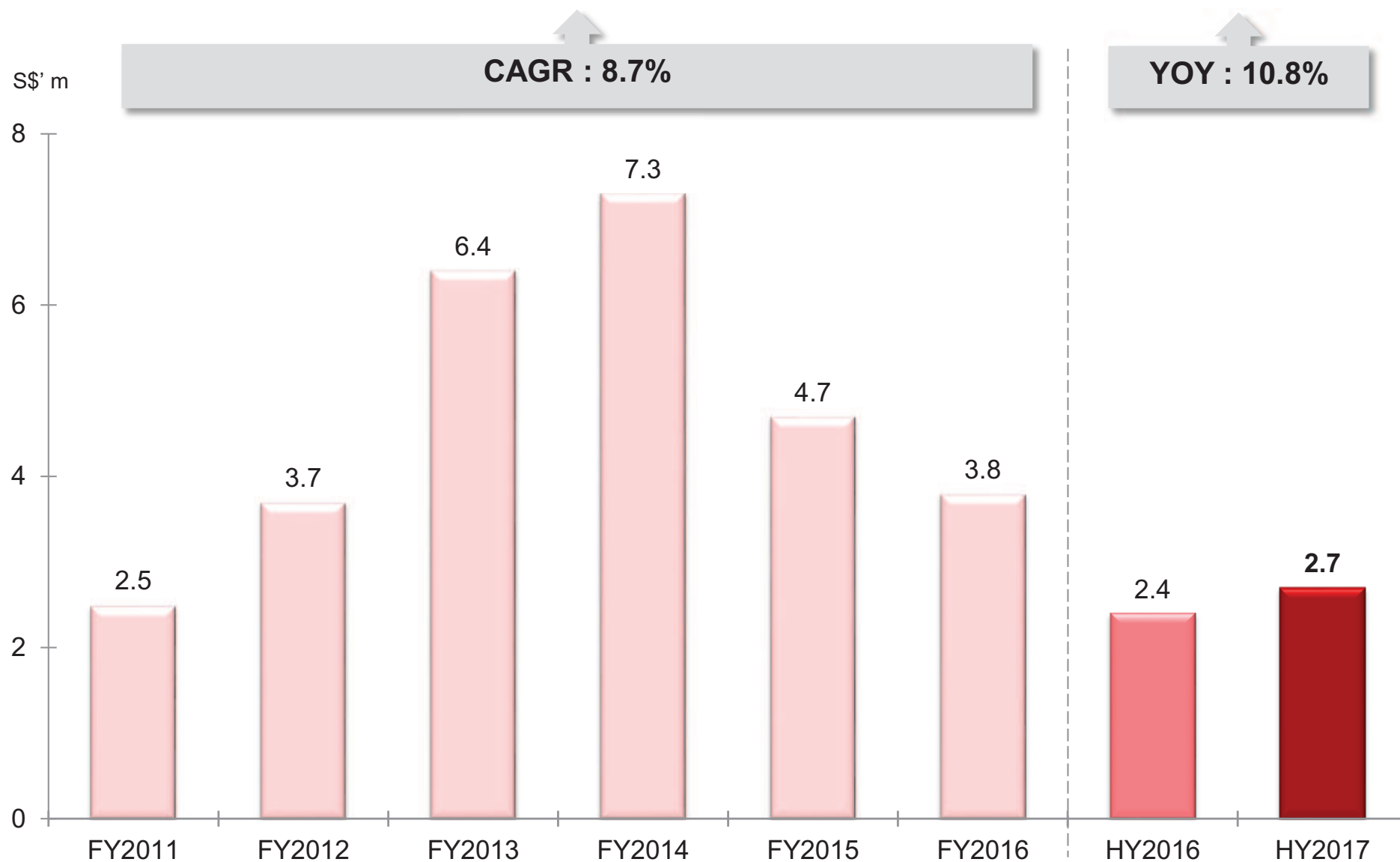
OSAKA OHSHO



Gross Profit and Gross Profit Margin



Net Profit



Cash Flow

S\$ 'm	6 months ended 30 Sep 2016	6 months ended 30 Sep 2015	Change (%)
Net cash provided by operating activities	7.0	5.5	↑ 27.3
Net cash used in investing activities	(2.7)	(1.4)	↑ 92.9
Net cash used in financing activities	(2.5)	(2.3)	↑ 8.7
Net increase in cash and cash equivalents	1.9	1.8	↑ 5.6
Cash and cash equivalents at beginning of financial year	15.0	14.2	↑ 5.6
Cash and cash equivalents at end of financial year	16.9	16.0	↑ 5.6

Key Financial Ratios

	As at 30 Sep 2016	As at 31 Mar 2016	Change (%)
Cash and cash equivalents (S\$'m)	19.0	16.9	↑ 12.4
Total assets (S\$'m)	40.9	38.9	↑ 5.1
Total equity (S\$'m)	31.5	30.9	↑ 1.9
Net cash ratio (%)	60.3	54.7	↑ 5.6pts
Net asset value per share (S'pore cents) ⁽¹⁾	18.07	17.74	↑ 1.9
Net cash per share (S'pore cents) ⁽¹⁾	10.9	9.7	↑ 12.3

(1) Computed based on 174,426,000 shares as at 30 September 2016 and 173,936,000 shares as at 31 March 2016.

Interim Dividend



Name of dividend	Interim
Dividend type	Cash
Dividend amount per share (Singapore cents)	0.75 cents per ordinary share
Tax rate	Tax exempt (one-tier)
Date payable	29 November 2016

JAPAN FOODS HOLDING LTD.

Investment Highlights

Peer Comparison

**Japan
Foods**

One of the
highest
margins

One of the
highest
ROEs

Net cash
position

Lowest
P/E

Highest
yield

	Market Cap (S\$ 'm)	Price (S\$)	Net profit margin (%)	ROE (%)	Net Debt / Equity	P/E	Div yield (%)
Japan Foods	71.5	0.410	6.3	12.5	Net Cash	17.8	4.9
BreadTalk	279.4	0.995	1.0	5.1	0.7	43.2	1.5
ABR Holdings	138.7	0.690	7.4	7.7	-	18.3	3.6
Sakae Holdings	41.8	0.300	(11.6)	-	0.8	-	-
Soup Restaurant	58.8	0.210	2.8	11.2	-	53.2	1.6
Tung Lok Restaurant	25.5	0.093	0.7	3.6	-	41.8	-
Katrina	59.0	0.255	8.1	-	-	-	-
Jumbo	391.2	0.610	8.6	18.6	-	36.9	-

Source: ShareInvestor.com, data as at 31 Oct 2016

Japan Foods, Tung Lok – FYE 31 Mar

Rest of peers – FYE 31 Dec

Excellence in Corporate Governance



17th SIAS Investor's Choice Awards 2016

Most Transparent Company

Overall Winner (Catalist)



Singapore Governance and Transparency Index 2016 – the full rankings

RANK 2016	COMPANY NAME	BASE SGTI 2016 SCORE	ADJUSTMENTS FOR BONUSES / PENALTIES	OVERALL SGTI2016 SCORE	OVERALL GTI2015 SCORE	RANK 2015
61	CHINA SUNSINE CHEMICAL HLDGS	68	5	73	45	330
61	DYNAMIC COLOURS	63	10	73	71	43
61	LIBRA GROUP	65	8	73	65	76
64	BIOSENSORS INTERNATIONAL GROUP	64	8	72	71	43
64	CNMC GOLDMINE HLDGS	64	8	72	52	212
64	JAPAN FOODS HLDG	61	11	72	56	157
64	MTQ CORP	66	6	72	62	98
64	PERENNIAL REAL ESTATE HLDGS	64	8	72	58	136

Four-Pronged Strategy



Development of New Concepts

Launch new franchised and self-developed brands



Overseas Expansion

Via strategic investments such as acquisitions, joint ventures or through a franchise / sub-franchise model



Cost & Quality Control

Via central kitchen, bulk purchase and economies of scale



Network Expansion & Consolidation

Grow network prudently and close/convert underperforming outlets

Four-Pronged Strategy

Investment Highlights



Established market presence and brand recognition

Continuously innovating and introducing new quality cuisine

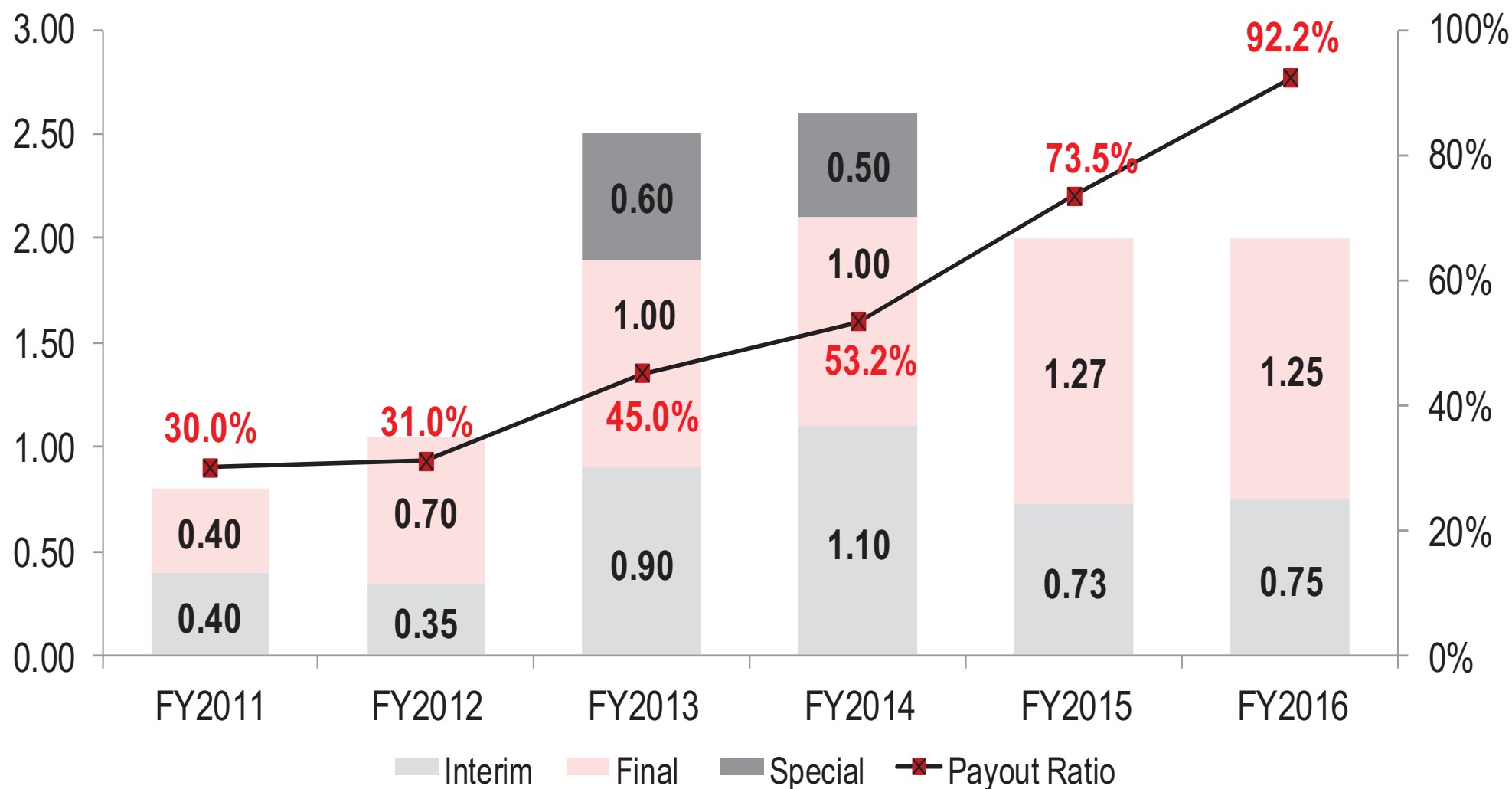
Scalable business model in Singapore. Intends to seek opportunities to expand its presence in the ASEAN region

Target annual dividend payout ratio of not less than 40%

Dividend History

Dividend Per Share
(Singapore cents)

Dividend Payout
Ratio (%)



Exploring Regional Opportunities



The Group will continue its efforts to seek opportunities to expand its presence in the ASEAN region by way of joint ventures, acquisitions and/or sub-franchising of its brands.

JAPAN FOODS HOLDING LTD.



Thank You