



WE'RE
NUMBER



Media & Analyst Briefing 1H2014 Financial Results

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1H2014 Financial Highlights

Six months ended 31 July 2013

1.1 Key Group Highlights



Substantial improvement in delivery sales



Successfully ventured overseas



Key growth driver – Food catering



Effective cost control management



Significant improvement in margins

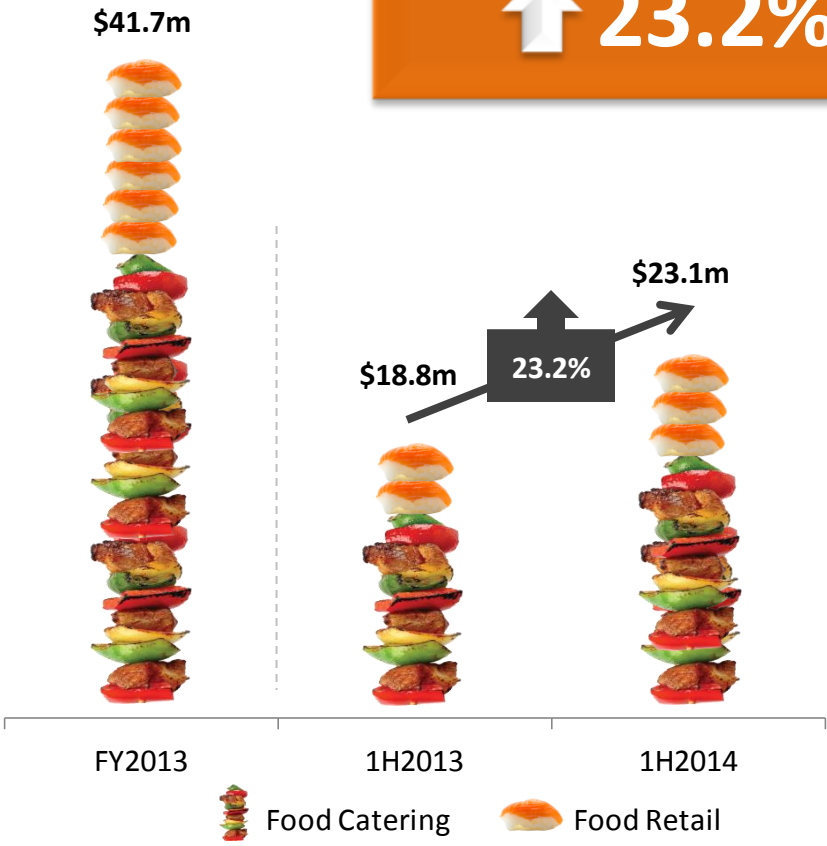


Strong brand recognition



1.2 Revenue

↑ 23.2% to \$23.1m



↑ 28.0% to \$17.2m

Food Catering

- More social catering events during the period
- Growth in market share for corporate and government sectors

↑ 11.0% to \$5.9m

Food Retail

- Significant growth in delivery sales
- Improved same-outlet sales



Note:

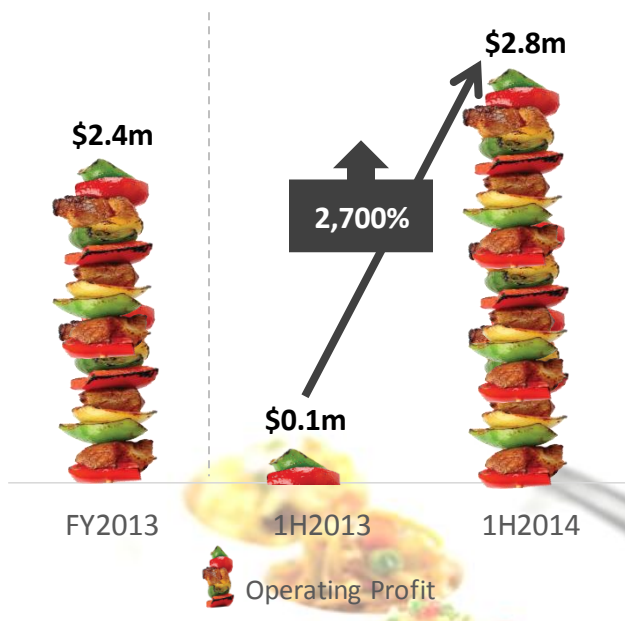
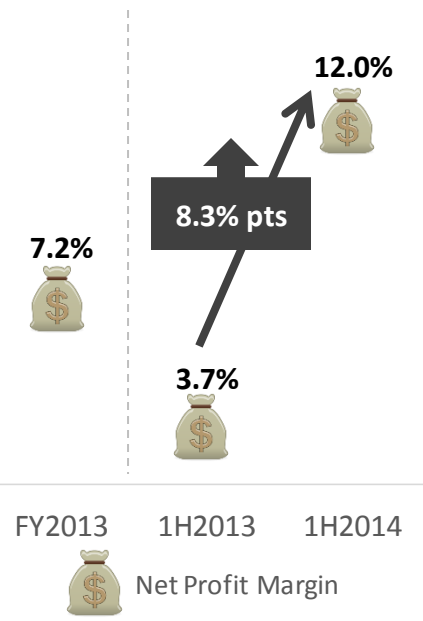
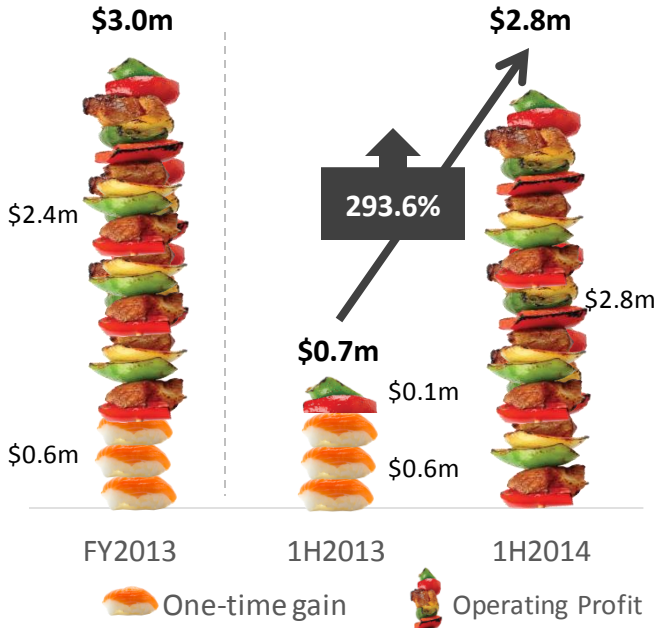
- Our FYE is 31 Jan.
- Revenue from our Food and Catering Supplies Business is not significant.

1.3 Profitability

Net Profit \$2.8m

Net Profit Margin 12.0%

**↑ 28 times
in Operating Profit**



Note: Net profit is defined as profit for the financial year, representing total comprehensive income for the financial year.

1.4 Financial Position

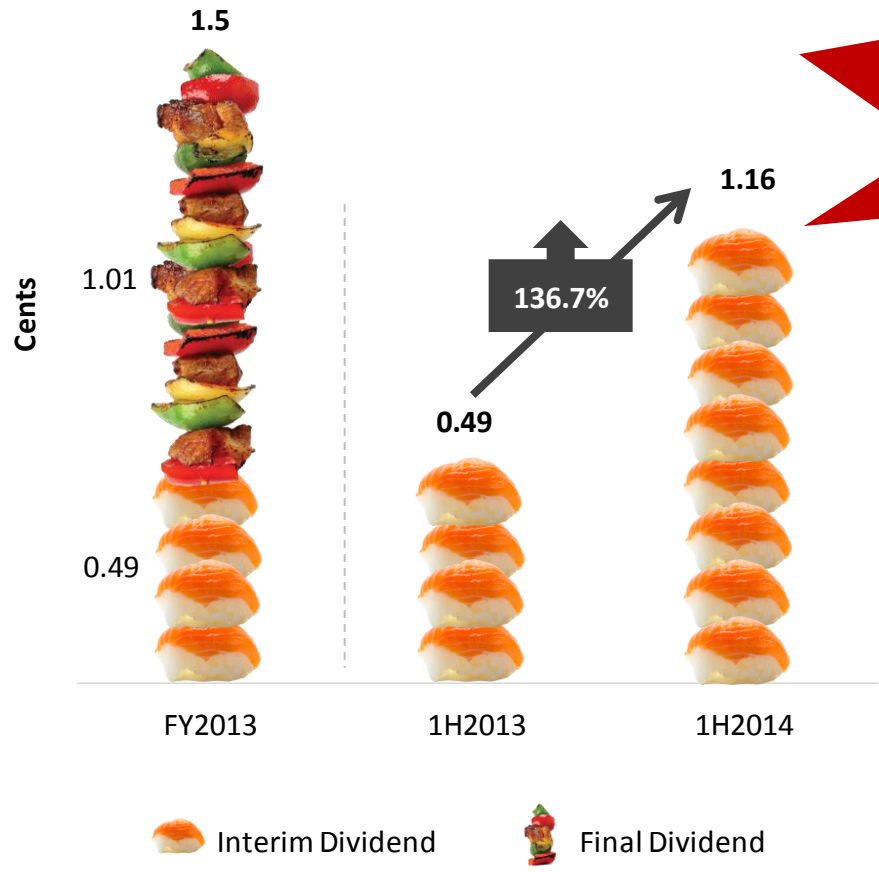
Profitability Ratios	1H2013	1H2014
Earnings Per Share (cents)	1.39	1.92
Return On Assets (%)	2.3	8.7
Return On Equity (%)	4.5	14.8
Financial Position	As at 31 Jan 2013	As at 31 July 2013
Total assets (S\$'m)	30.8	31.8
Total liabilities (S\$'m)	13.3	13.1
Shareholders' equity (S\$'m)	17.4	18.7
Gearing ratio (%) ⁽¹⁾	7.7	16.6
Net Asset Value Per Share (cents)	12.1	13.0
Cash Flow	1H2013	1H2014
Net cash from operating activities (S\$'m)	1.2	1.4
Net cash from/(used in) investing activities (S\$'m)	1.2	(1.4)
Net cash from financing activities (S\$'m)	4.4	(2.1)
Net change in cash and cash equivalents (S\$'m)	6.8	(2.1)
Cash and cash equivalents at the beginning of period (S\$'m)	3.4	11.7
Cash and cash equivalent at end of period (S\$'m)	10.2	9.6
Efficiency Ratios	1H2013	1H2014
Trade receivables turnover days ⁽²⁾	22	16
Trade payables turnover days ⁽³⁾	156	89

1) Gearing ratio is computed by net debt divided by total capital.

2) Trade receivables turnover days is computed by dividing 365 days by the gross trade receivables turnover ratio. The gross trade receivables turnover ratio is calculated by dividing annual sales by gross trade receivables.

3) Trade payables turnover days is computed by dividing 365 days by the trade payables turnover ratio. The trade payables turnover ratio is calculated by dividing annual purchases by trade payables.

1.5 136.7% Increase in Dividend



Dividends of not less than 60% of our net profits attributable to our Shareholders till FY2015



1.6

Update On Use Of IPO Proceeds

Intended Use	Amount Allocated (S\$'000)	Amount Utilised (S\$'000)	Amount Un-utilised (S\$'000)
Expand and develop Food Catering and Food Retail Businesses (which may include acquisitions, JVs and/or strategic alliances)	5,000	-	5,000
IPO expenses	1,600	(1,598)	2
Total	6,600	(1,598)	5,002






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Food Retail



2.1 Highlights for 1H2014

Delivery

- Launched Online Order System (29 Jan 2013)
- Launched Japanese Mini Buffet Catering
- **↑** 61.4% delivery sales
- 12,646 orders (1H2014) vs 8,103 orders (1H2013)

↑ 11.0%
Sales

Retail

- Launched designer sushi workshop
- Live Sushi Stations with Chef for corporate functions
- **↑** 13.5% same-outlet sales
- 19 outlets @ 31 August 2013





2.2 Expanding Locally

2 central kitchens

- East
- West

19 outlets @ 31 Aug 2013

✓ New outlets:

- PoMo Mall
- NTU



5 additional outlets

3Q CY2013:

- NUH
- Rivervale Plaza
- Hougang Mall

1Q CY2014:

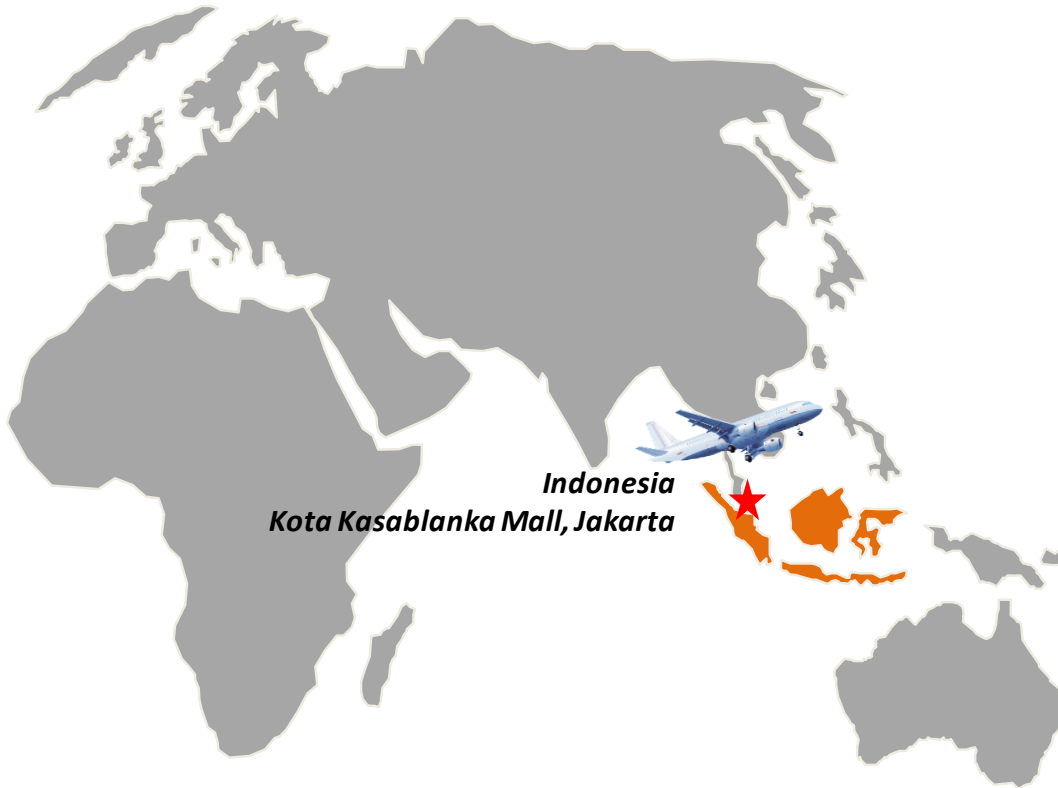
- One Raffles Place (2 units)

30 outlets by 2016





2.3 Expanding Overseas



- ✓ Opened first “umisushi” outlet in Jakarta, Indonesia in July 2013
- ✓ 2 more to follow within the next 2 years





 **NEO[®]**
GARDEN
CATERING
We deliver the restaurant to you



 **ORANGE[®]**
CLOVE



 **Deli**
hub


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3 **Food Catering**

3.1 Highlights for 1H2014



Sales ↑ **23%**
(1H2013 vs 1H2014)



↑ **1,005** orders
@ 1st day of CNY
(2013: 818)

14,346 orders, ↑ **16.3%**
(1H2013: 12,336)



KEY DRIVERS

- Wide media coverage & publicity
- Reader's Digest Trusted Brand Awards 2013 (*Platinum Winner*)
- Singapore Book of Records: "Highest Number of Events Catered by a Company in One Day" (1,005 events serving over 27,000 guests)
- Launch of \$99 Party Pack

NEW DEVELOPMENTS

- Acquired 5 units of properties at Enterprise Road
- Increased in production capacity



3.2 Highlights for 1H2014



Sales **↑ 37.1%**
(1H2013 vs 1H2014)

293,723 guests served
↑ 16.7%
(1H2013: 251,618)

7,833 orders **↑ 28.5%**
(1H2013: 6,095)



KEY DRIVERS

- Increase in corporate customers base
- Cater to larger event size
- Larger sales force

NEW DEVELOPMENTS

- Launched new yacht offering
- Developing new concepts and menus to target high-end corporate customers
- Enlarged culinary team led by a new executive chef
- Promising SME 500 Awards



3.3 Highlights for 1H2014



Sales ↑ 31.9%

58,851 MakanBox Orders ↑ 335.4%
(1H2013: 13,518)

338,713 guests served ↑ 21.4%
(1H2013: 279,054)



Schools



Churches



Community Centres



Government bodies

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Place your orders today! www.delihub.com.sg

Deli-vering
more than smiles

Signature Laksa **\$1.80** per person
Packet meal from **\$2***
Trial Package from **\$10***

\$50 Cash Voucher
FREE Drumlets

Ring us at 6515 0020

Deli hub catering
Place your orders today! www.delihub.com.sg

Deli-ghting
Appetites

Introductory price for laksa @ **\$1.80** per person
Trial Package @ **\$10** onwards
Packet meal available from **\$2.00** onwards

\$50 Cash Voucher
FREE Drumlets

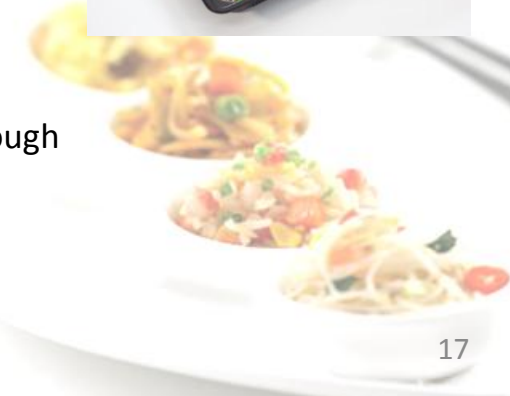
Ring us at 6515 0020

KEY DRIVERS

- Rise in number of repeat customers
- Higher demand for MakanBox
- Substantial growth in last-minute customers

NEW DEVELOPMENTS

- Regular introduction of new dishes
- New customers acquisition strategy through budget menu and promotions
- Launch of classic tea set






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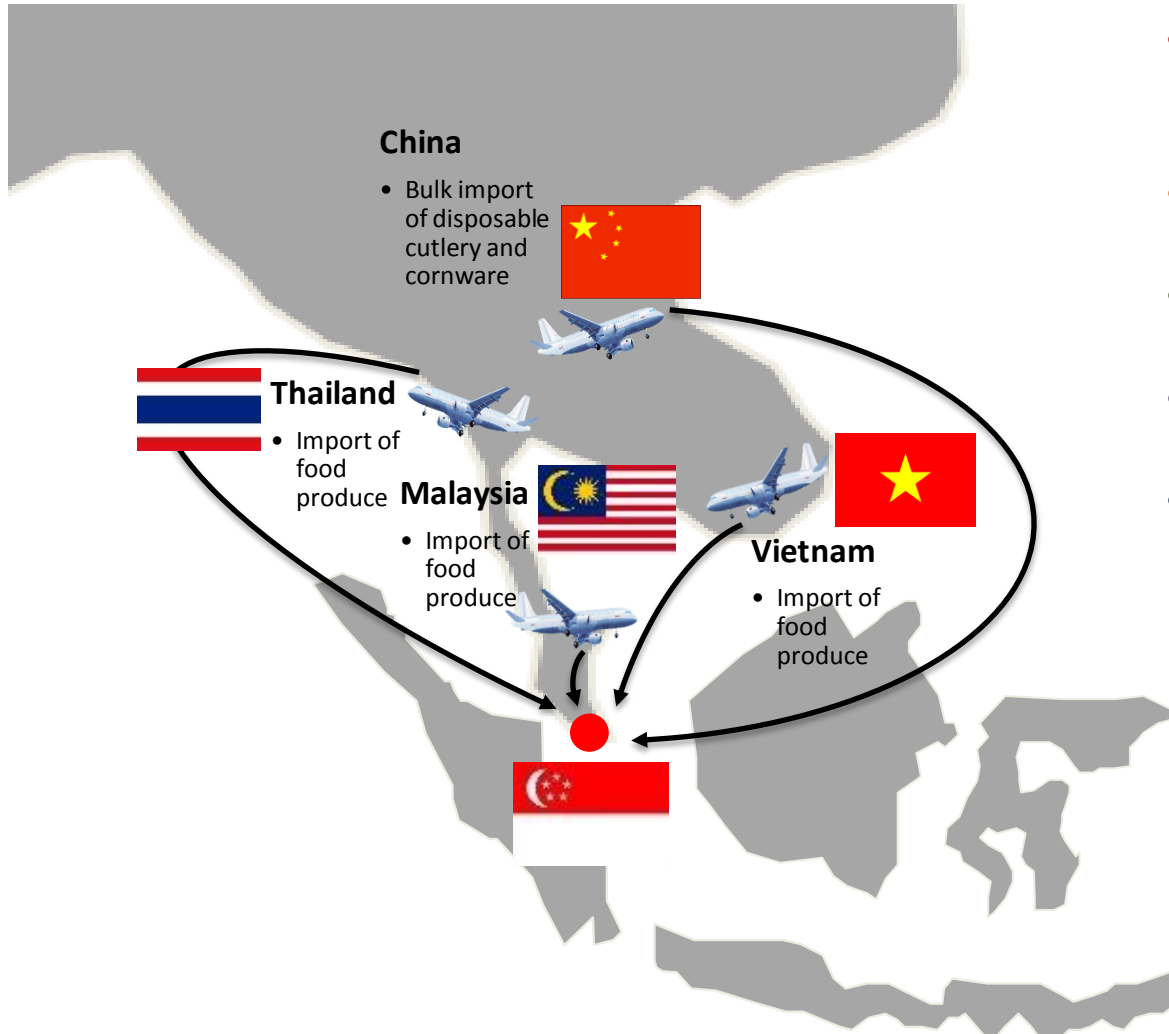
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Food and Catering Supplies



4.1

Importing from around Asia



- Improved cost control through bulk purchases
- Effective pricing strategy
- Better manage cost fluctuations
- Quality assurance
- Self-supporting efficiency






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Outlook & Plans

5.1 Expansion Plans

Ongoing efforts to consolidate business operations



Capacity: 10,000 to 15,000 guests/day

● **Current Phase @ 6A Wan Lee Road**

Built-in floor area:
12, 346 sq ft

Capacity: 15,000 to 20,000 guests/day

● **Phase 2 @ 1 Enterprise Road**

5 units | Total land area: approx. 75,018 sq ft
Built-in area: approx. 57,111 sq ft

Use: Corporate headquarters + consolidated base for most of our central kitchens, offices, warehouses and logistics operations

Key Advantages:

- Significant cost savings
- Operational synergies
- Capture the growth opportunities and higher yielding business areas that will utilise the full value chain of our business

Capacity: 20,000 to 30,000 guests/day

● **Phase 3 @ 30B Quality Road**

Land area: approx. 122,150 sq ft
Proposed Built-in area: approx. 200,000 sq ft
Status: Pending approval for a 30-year lease term



5.2 Strategies Ahead

FOOD CATERING

- Innovate
 - New catering brands
 - New catering concepts
- Expand sales force
- Increase number of delivery vehicles
- Explore opportunities for M&As locally
- Explore joint ventures with overseas caterers
- Explore possibility to be a venue operator/caterer
- More media exposure

FOOD RETAIL

- Open more outlets
- Explore franchise opportunities for “umisushi” in Singapore and overseas
- Develop and launch of new concepts
- Increase fleet of motorbikes

FOOD & CATERING SUPPLIES

- Extend Food & Catering Supplies trading services to external parties

- **Positive and confident about industry outlook**
 - **Stay profitable for the rest of the FY2014**






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Why Invest in Neo Group?

6.1 Why Invest in Neo Group?

1. Singapore's **largest** catering group; **9%** market share*
2. A **S\$300-million** catering industry*
3. **12.0%** net profit margin in 1H2014
4. **28-time growth** in operating profit in 1H2014
5. Highly **effective cost management**
6. A **strong brand** presence
7. **IT-driven** operational efficiencies
9. Dividends of **not less than 60%** of our net profits till FY2015



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Thank You

Q&A