



KIMLY LIMITED

Corporate & Business Update

18 December 2018

One of the leading and established operators of coffee shops and food courts in Singapore with a proven track record of nearly 30 years



KIMLY LIMITED

**Outlet
Management
Division**

**Food Retail
Division**



1

OUTLET MANAGEMENT DIVISION

Operates and manages 67 food outlets:



60 coffee shops and 4 industrial canteens



3 food courts under **foodclique**[™]
By Kimly

As master leaseholder, we

- lease food stalls to tenants
- operate drinks stalls
- provide cleaning services



FOOD RETAIL DIVISION

Sells cooked food through nearly 130 self-managed food stalls, 3 *Tonkichi* chain restaurants and 10 *Rive Gauche* confectionery retail stores



Teochew Porridge



Our Central Kitchen supplies sauces, marinades and semi-finished products to all our food stalls









Financial Highlights



ZI CHAR™



DIMSUM™



MIXED RICE™

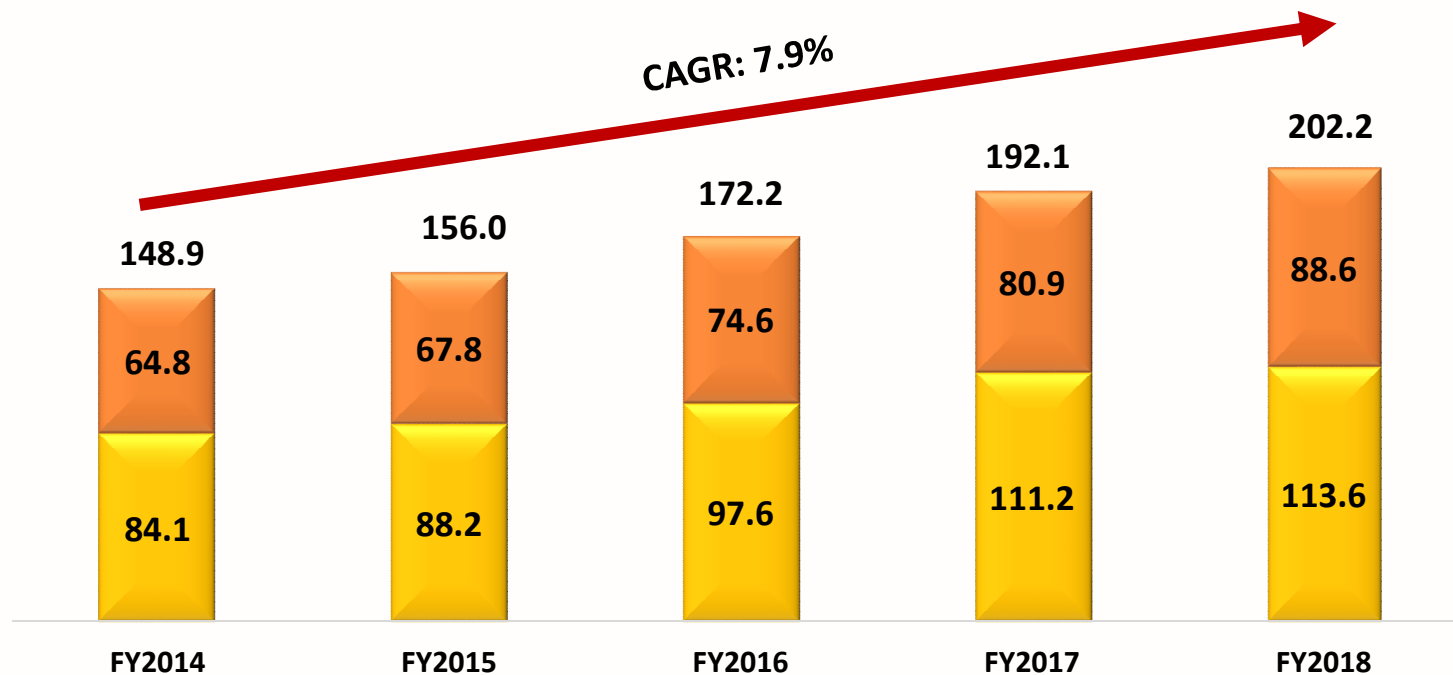
foodclique™
by Kimly



Revenue Growth

Unaudited results for financial year ended
30 September 2018

Revenue by Business Segment (S\$'m)

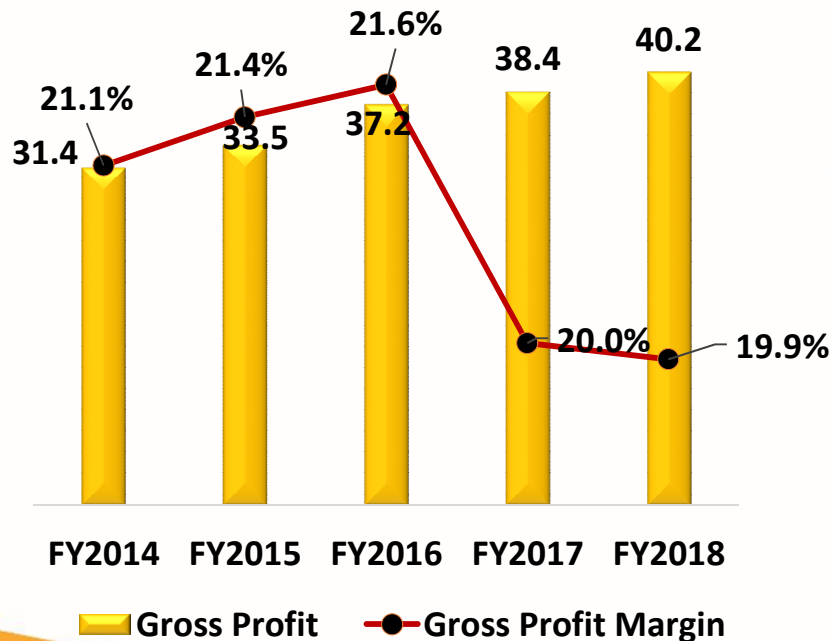


■ Outlet Management Division
 ■ Food Retail Division

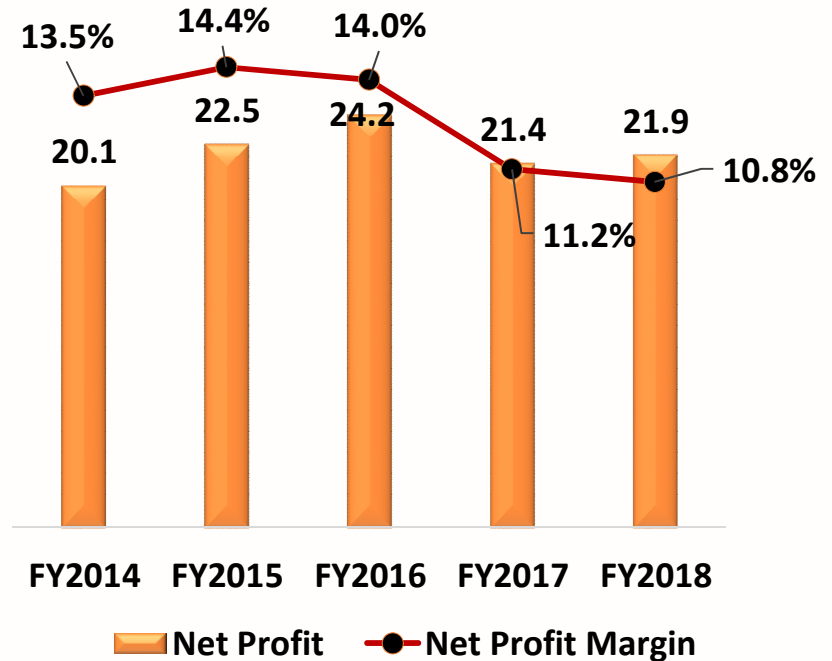
Profitability

Unaudited results for financial year ended
30 September 2018

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



Profit after Tax (S\$'m)



Cash Flow and Balance Sheet

Unaudited results for financial year ended
30 September 2018

S\$M	FY2014	FY2015	FY2016	FY2017	FY2018
Net cash from operations	21.8	24.6	28.4	29.0	7.2
Cash and bank balances	26.5	29.3	29.4 ⁽¹⁾	85.1 ⁽²⁾	71.7
Total Assets	39.6	41.9	43.4	106.2	115.8
Total Liabilities	19.8	19.2	25.1	32.5	32.2
Total Equity	19.8	22.6	18.3	73.7	83.6

**No
Borrowings**

¹ Before taking into consideration of conditional dividends of S\$11.0 million (recorded as contingent liability as at 30 September 2016)

² Inclusive of net proceeds from issuance of new shares pursuant to IPO of S\$40.3 million

FY2018 Final Dividend

0.68 Singapore cent per share, subject to approval at upcoming AGM

FY2018 Interim Dividend

0.28 Singapore cent per share, paid in May 2018


Total Dividend for FY2018

0.96 Singapore cent per share – 50.7% of net profit for FY2018

**To declare dividends of not less than 50% of net profits
attributable to shareholders each year***

**Investors should note that this is merely a statement of the Company's present intention and shall not constitute a legally binding statement in respect of its future dividend, which is subject to certain Dividend Factors (as described in the Offer Document) and which may be subjected to modifications (including reduction or non-declaration thereof) at our Directors' sole and absolute discretion. Please refer to the section entitled "Dividend Policy" of the Offer Document for further details.*

Peer Comparison

	Mkt Cap (S\$ 'm)	Price (S\$)	Net Profit Margin (%)	ROE (%)	Net Debt/Equity	P/E	Div yield (%)
 Kimly	288.8	0.250	10.82	26.18	Net Cash	13.2	3.8
Koufu	335.9	0.605	10.75	27.01	Net Cash	12.4	1.7
Japan Foods	76.4	0.440	7.37	14.98	Net Cash	14.8	4.8
BreadTalk	478.8	0.850	1.87	5.32	Net Cash	43.5	1.8
Sakae Holdings	18.1	0.130	5.65	7.45	Net Cash	5.6	0.0
No Signboard	61.0	0.132	(8.72)	(10.47)	Net Cash	-	2.0
Tung Lok Restaurant	40.1	0.146	(0.38)	(2.33)	Net Cash	-	0.0
Katrina	46.3	0.200	1.16	5.23	Net Cash	66.8	1.3
Jumbo	250.1	0.390	7.20	15.85	Net Cash	23.4	3.1

Source: <https://www2.sgx.com/securities/stock-screener?page=1&code=1D0&lang=en-us>

Kimly, No Signboard – FYE 30 Sep
Japan Foods, Tung Lok – FYE 31 Mar
Rest of peers – FYE 31 Dec



Strategic Initiatives



ZI CHAR™



DIMSUM™



MIXED RICE™

foodclique™
by Kimly





Strategic Initiatives

- Expanding Footprint & Diversifying Product Offerings
- Driving Innovation & Streamlining Outlet Operations
- Synergising Central Kitchen operations
- Supporting Entrepreneurship & Grooming Next Generation of Business Owners

1 Expanding Footprint and Diversifying Product Offerings

- **Leveraging sizable portfolio of food outlets and customer base for economies of scale**
 - 3 to 5 new outlet locations secured each year
 - Expects to operate approximately 70 coffee shops by end of the FY ending 30 Sept 2019
- **HDB's new Price-Quality Method (PQM) tender system to help support portfolio expansion**
 - HDB will consider not only tender price but also other factors, such as affordability of food options, productivity initiatives and operating processes
 - More than 30 sites being built by HDB, all of which are due for completion in next 5 years, will be released through PQM system

1

Expanding Footprint and Diversifying Product Offerings

- **Diversifying product offerings through acquisition of *Tonkichi* and *Rive Gauche***
 - *Tonkichi* has been in Singapore since 1991 while *Rive Gauche* has been here since 1992
 - Plans are underway to build *Rive Gauche's* online business
- **Developing Kimly's own brand of Iced Kopi and Iced Teh**
 - Growing preference among customers for well-brewed iced coffee and iced tea across Kimly's entire chain of outlets
 - To launch Kimly's own brand of Iced Kopi and Iced Teh for sale at drinks stalls between January and March 2019

2

Driving Innovation and Streamlining Outlet Operations



- **Cashless payment system and handheld tablet ordering at several outlets**
 - Helps lower daily operating costs by boosting productivity and increasing table turnover rates
- **Point-of-Sale system integrated with Enterprise Resource Planning software**
 - Streamlines ordering process
 - Offers real-time access to sales, inventory and consumer data such as dining patterns

2 Driving Innovation and Streamlining Outlet Operations



- **Customer rewards programme**
 - To be rolled out at all outlets to promote repeat patronage
- **Conveyor belt tray return system at Bukit Batok and payment through QR codes**
 - To cut queueing time and reduce food-preparation staff's physical contact with cash
- **Online food delivery**



3

Synergising Central Kitchen Operations

- Floor space of Central Kitchen at Woodlands to be expanded from 20,000 sq ft to 36,000 sq ft to accommodate larger kitchens for each of Kimly's food-stall segments
- To relocate 2,000 sq ft central kitchen of *Rive Gauche* from Tuas to Woodlands by 2H FY2019
- Implementing Central Kitchen ordering system to improve consistency, quality and reduce manpower requirements





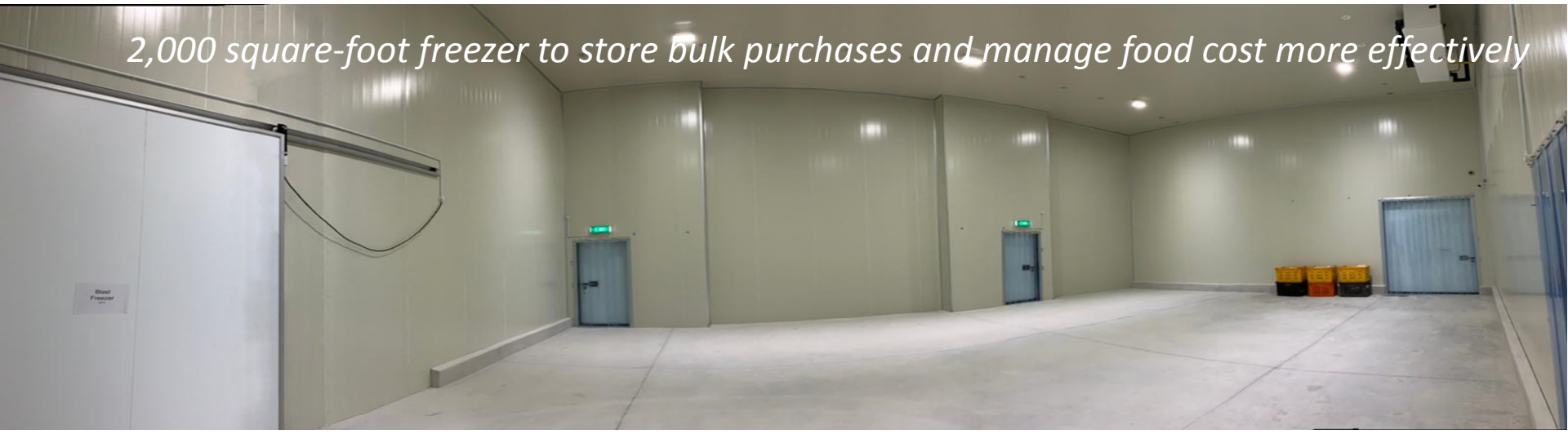
Central Kitchen

Dim Sum Division expanded from 5,000 to 9,000 square feet



Larger floor space combined with energy-saving equipment and industry-leading technology improves rate of production, consistency and reduces manpower requirements

2,000 square-foot freezer to store bulk purchases and manage food cost more effectively



4

Supporting Entrepreneurship and Grooming the Next Generation of Business Owners

- Working closely with budding F&B entrepreneurs by equipping them to operate optimally
- Making stall space at strategic outlet locations available for these new food-stall operators
- Providing advice on operations
- Mentorship helps foster tenant loyalty and increases business retention



Outlook



ZI CHAR™



DIMSUM™



MIXED RICE™

foodclique™
by Kimly



In view of the strategic initiatives outlined and barring unforeseen circumstances, the Group expects to continue growing its business. In particular, it expects:

- The number of Kimly outlets and food stalls to increase steadily
- Higher revenue contributions from *Tonkichi* and *Rive Gauche*
- Improved productivity and lower cost of sales with first phase of Central Kitchen expansion
- Online sales to increase further with inclusion of *Rive Gauche*



Q&A Session



ZI CHAR™



DIMSUM™



MIXED RICE™

foodclique™
by Kimly





Disclaimer

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events. The information contained in this presentation has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither Kimly Limited (“Company”) or any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation. The past performance of the Company is not indicative of the future performance of the Company. This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities.

Kimly Limited (the “Company”) was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 20 March 2017. The initial public offering of the Company (the “IPO”) was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the “Sponsor” or “PPCF”). This presentation has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this presentation. This presentation has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this presentation including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this presentation. The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).