



KOUFU GROUP LIMITED

1H 2021
Corporate Presentation

10 August 2021



Agenda

1. Financial Highlights

2. Impact of COVID-19

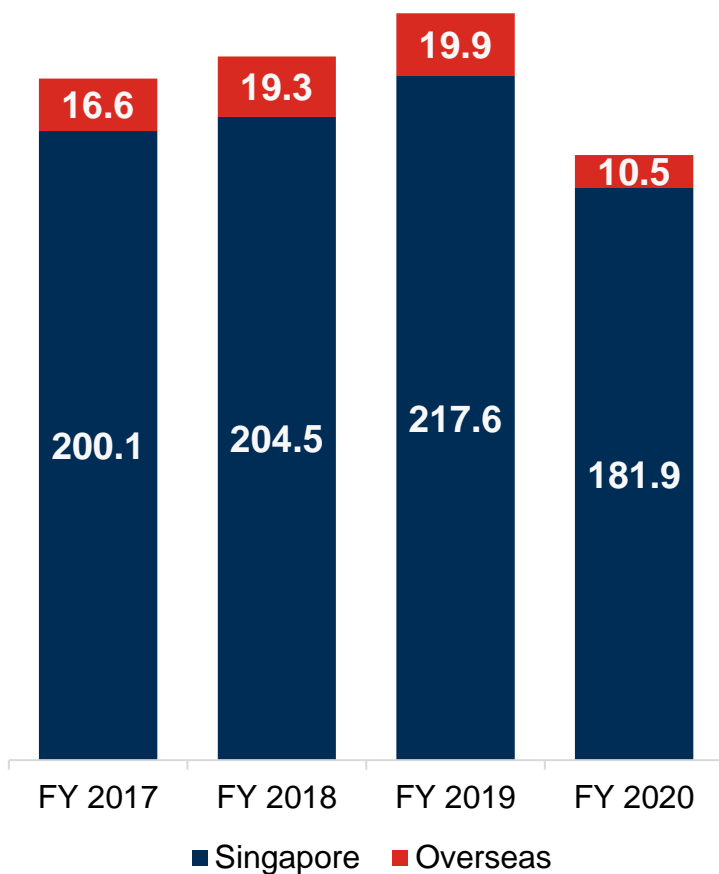
3. Operations Review

4. Transformational Strategies

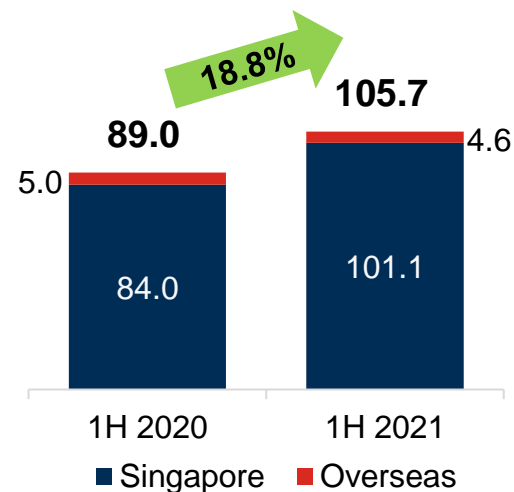


Total Revenue

(S\$m)



(S\$m)



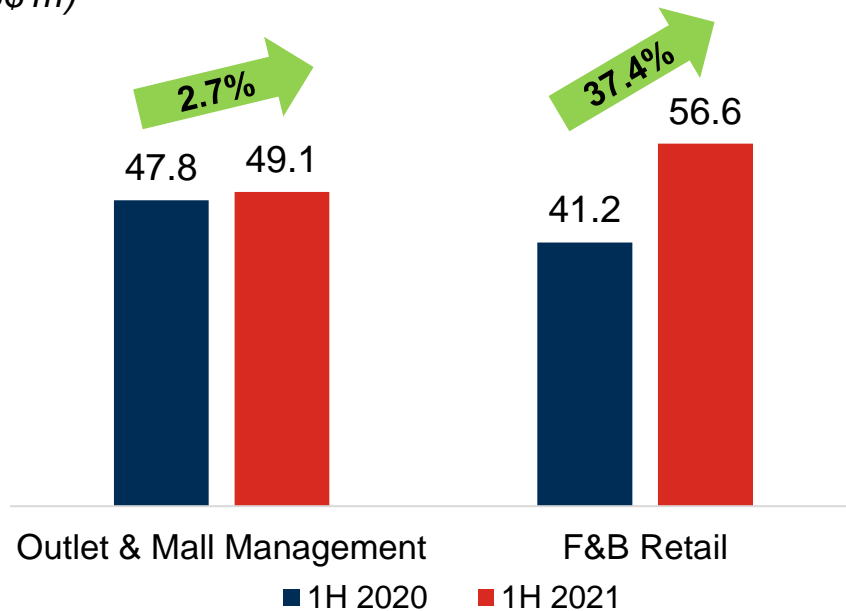
1H 2021 revenue increased 18.8% year-on-year mainly due to:

- Higher contributions from both Outlet & Mall Management and F&B Retail segments
- Increase in footfall, in comparison with 1H 2020 which was impacted significantly during the circuit breaker and Phase 1 periods
- Contributions from newly acquired snacks and dough products business

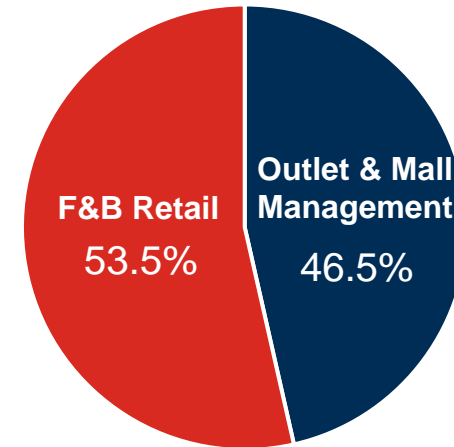
DEFENSIVE BUSINESS NATURE

Revenue Breakdown – By Segment

(S\$m)



1H 2021 Segment Breakdown

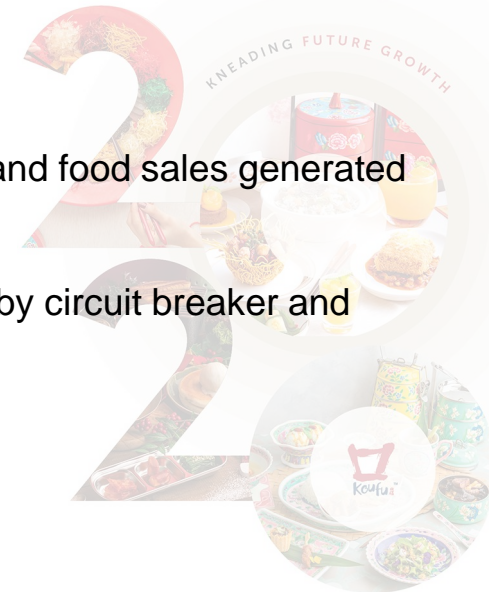


Outlet & Mall Management:

- Increase in rental and related income from stall tenants as a result of higher footfall and food sales generated

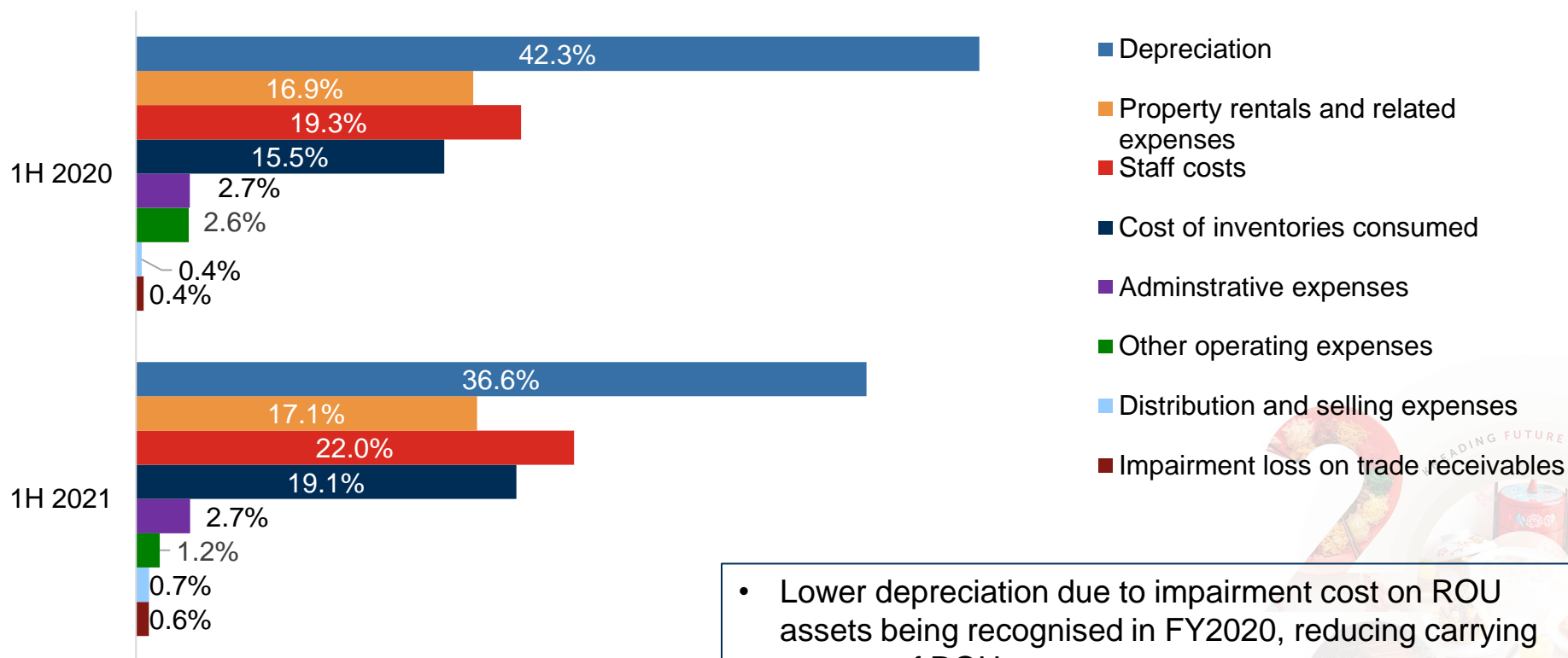
F&B Retail:

- Improvement in footfall as compared to previous year where revenue was impacted by circuit breaker and Phase 1 periods
- Contributions from the newly acquired snacks and dough products business



Our Expenses Breakdown

Breakdown of expenses

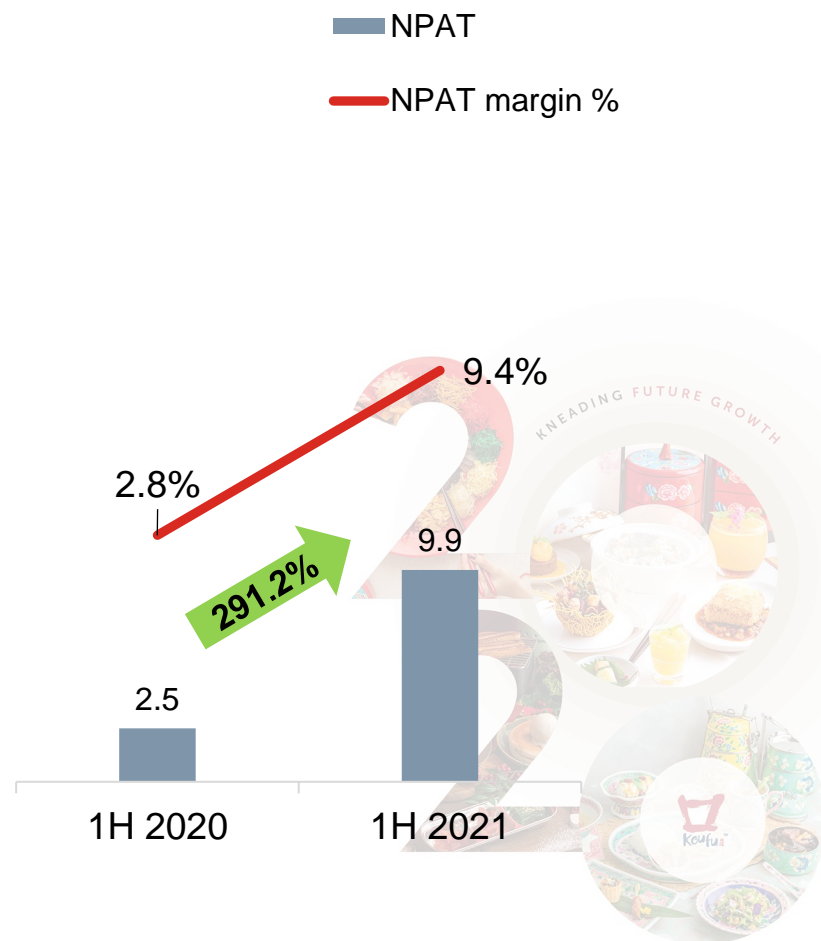
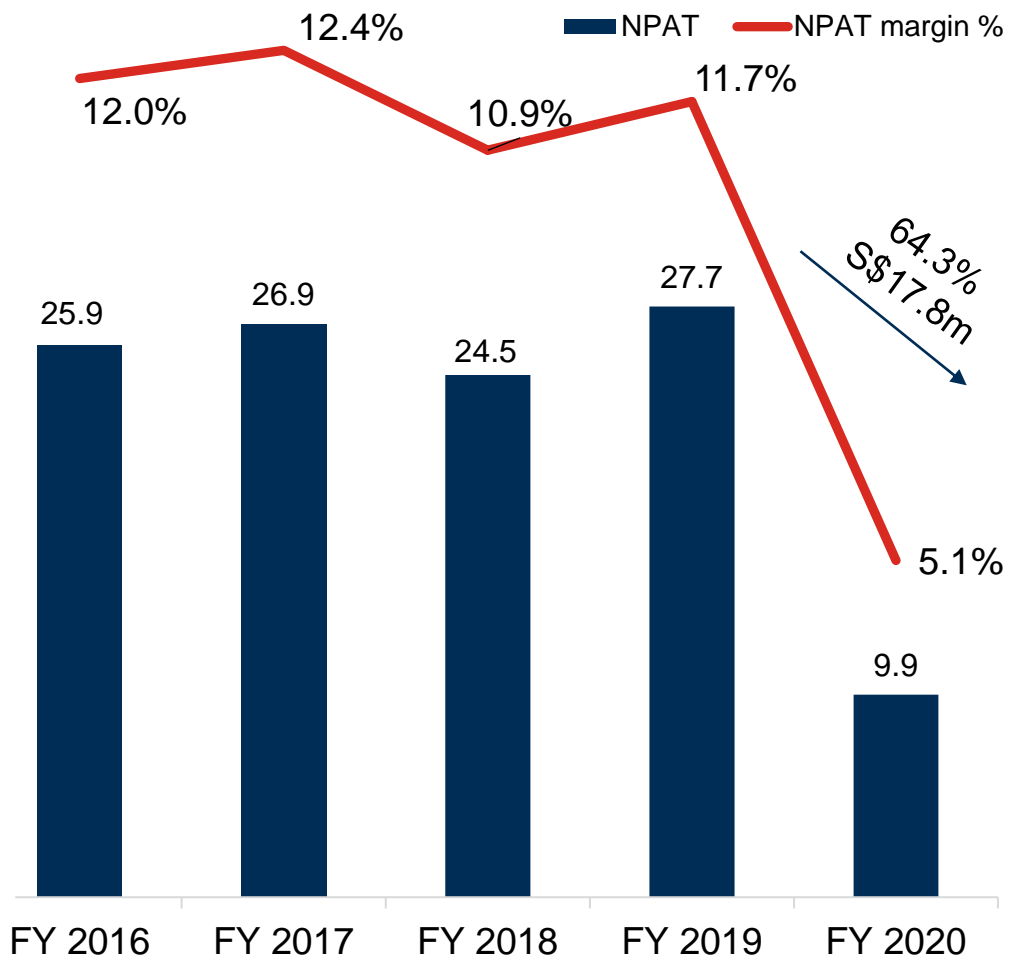


- Lower depreciation due to impairment cost on ROU assets being recognised in FY2020, reducing carrying amount of ROU assets
- Higher staff costs due to newly acquired business and staff incentives/welfare and profit sharing as a result of higher profits generated in 1H 2021

Net Profit After Tax

Net Profit After Tax (attributable to Owners of the Company)

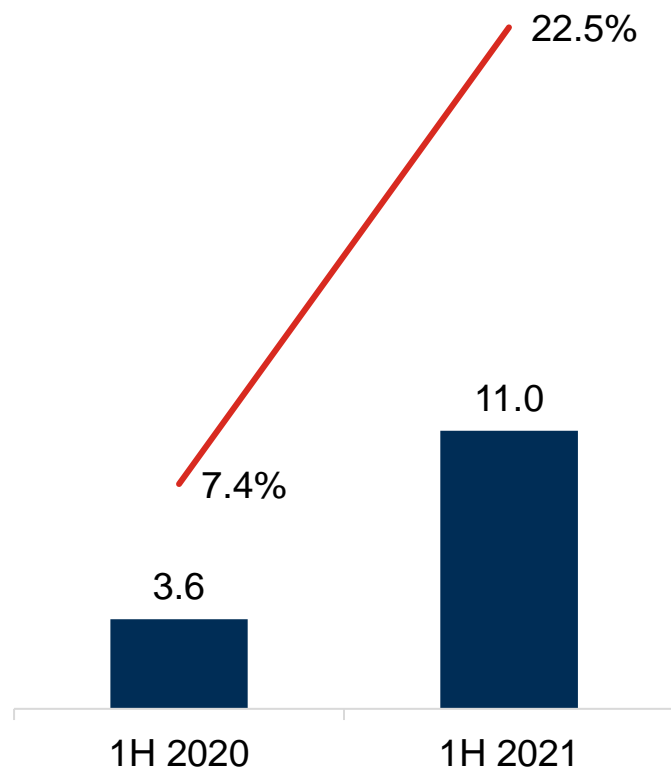
(S\$m)



Segment Profit and Segment Profit Margin

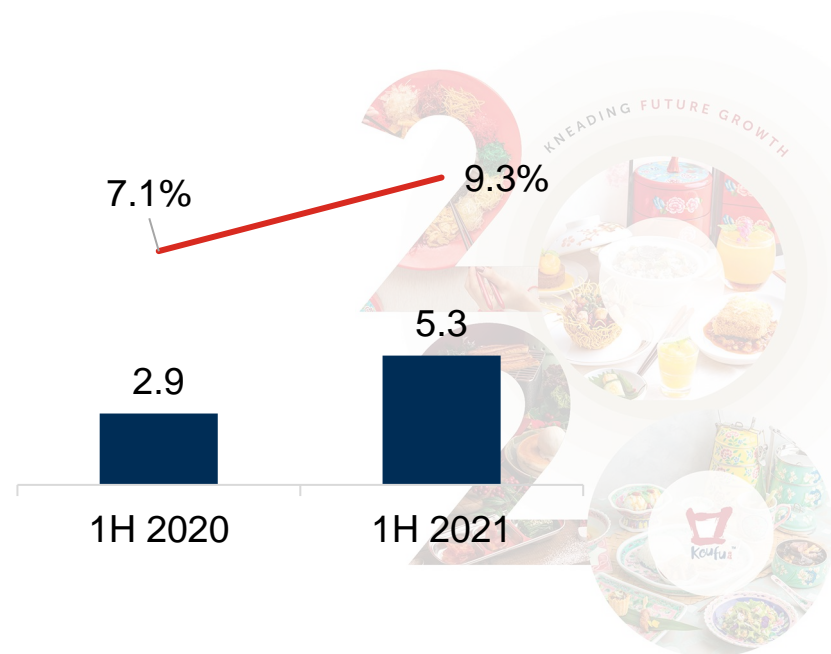
Outlet & Mall Management (S\$m)

■ Profit Before Tax — Profit Margin %



F&B Retail (S\$m)

■ Profit Before Tax — Profit Margin %



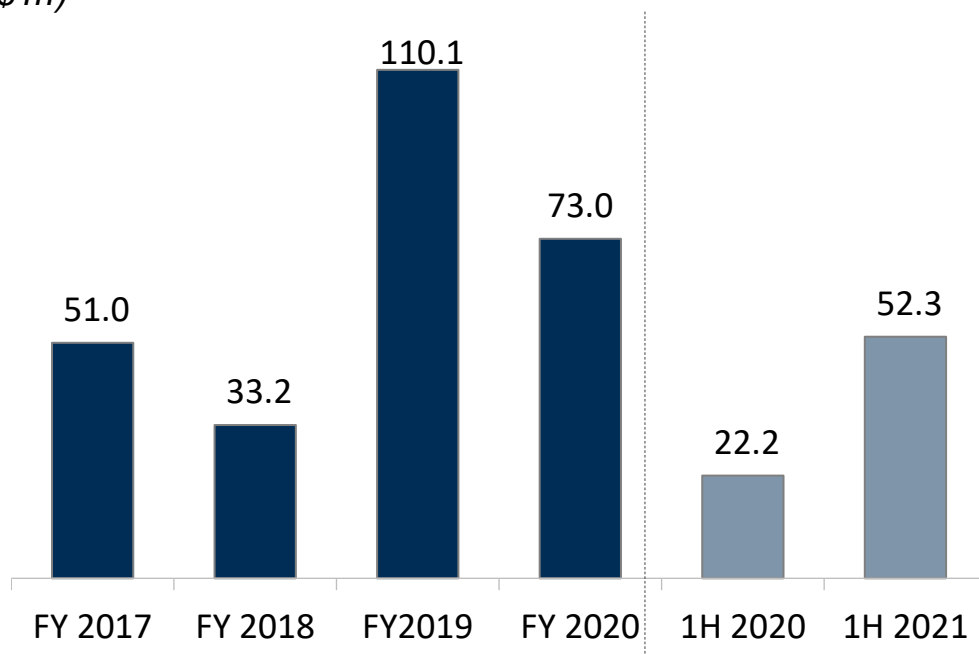
Healthy Cashflow & Strong Balance Sheet

Business is Resilient Through Economic Cycles

Cash-generative
Healthy cash flow
Strong balance sheet

Net Cash Generated from Operating Activities

(S\$m)



S\$81.2m

Cash and cash equivalent
as at 30 June 2021

S\$68.8m

Net Cash as at
30 June 2021

N.B. The Group adopted the SFRS (I)16 effective 1 January 2019

Interim Dividend

S\$0.010

1H 2021 Proposed Interim Dividend

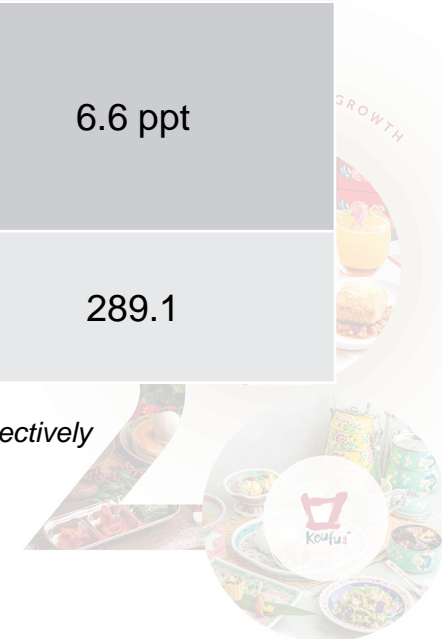
Dividends represent approximately
56.0% of the NPAT attributable to
Owners for 1H 2021



At a Glance – P&L

(S\$m)	1H 2020	1H 2021	Change (%)
Revenue	89.0	105.7	18.8
Profit after Tax <i>Attributable to Owners of the Company</i>	2.5	9.9	291.2
Profit After Tax Margin (%) <i>Attributable to Owners of the Company</i>	2.8	9.4	6.6 ppt
Earnings per Share <i>(SGD Cents)</i>	0.46 ⁽¹⁾	1.79 ⁽¹⁾	289.1

⁽¹⁾ Calculated based on 554,712,986 and 554,078,404 weighted average number of shares in 1H 2020 and 1H 2021 respectively



Robust Balance Sheet and Healthy Cash Flows

(S\$m)	31 December			30 June 2021
	2018	2019	2020	
Total Assets	159.7	348.9 ⁽¹⁾	341.6 ⁽¹⁾	342.8 ⁽¹⁾
Total Liabilities	68.2	245.9 ⁽¹⁾	240.3 ⁽¹⁾	236.7 ⁽¹⁾
Total Shareholder's Equity	91.5	102.3	101.0	106.0
Cash and Cash Equivalents	61.0	90.4	76.4	81.2
Time Deposits	35.0	4.6	3.1	-
Net Asset Value Per Share (S\$)	0.16	0.18	0.18	0.19
Net cash generated from operating activities	33.2	110.1	73.0	52.3

Note:

⁽¹⁾ The Group adopted the SFRS(i)16 (Leases) effective 1 January 2019



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Update on COVID-19 Impact

Business Operations

Singapore

- Under current Phase 2 Heightened Alert, dine-in is prohibited and WFH is the default
- Group's business operations in food courts, coffee shops and restaurants have been impacted with lower footfalls in the malls, offices and tertiary institutions
- Outlets remain open for takeaways and deliveries
- Increase in business at takeaway kiosks such as *Dough Culture* and *R&B Tea* as both in-store takeaway and delivery sales increase
- JSS enhanced to 50% and government providing two-month rental relief for outlets leased under government agencies
- Group expects business to improve as restrictions are eased and COVID-19 becomes an endemic disease

Macau

- Improvement in footfall to Londoner Macao during labour day holidays in May 2021 due to increase in number of Chinese visitors to Macau
- Group expects business to improve as more Mainland Chinese visitors visit Macau under the quarantine-free travel arrangements, notwithstanding any further flare-ups of COVID-19 in China or Macau



- Actively looking to increase delivery coverage of *Koufu Eat* app to include more parts of Singapore
- Negative impact mitigated to an extent by government grants and rental waivers or rebates
- Expect business to improve as restrictions are eased along with higher percentage of population getting vaccinated
- Strong balance sheet and cash position to capitalise on any opportunities that arise
- Remain competitive with prudent expansion plans



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Multi-brand Strategy

14 Complementary brands at differentiated price points to expand market share

Food Courts



F&B Stalls, Franchised F&B Stalls, Kiosks, QSRs and Full-Service Restaurants



Coffee Shops



At a Glance – Outlets by Country

As at 30 June 2021

Outlet & Mall Management



Food Courts



Coffee Shops



Commercial Mall

Notes:

1. Including eight newly added Dough Culture kiosks from the recent Deli Asia group acquisition
2. R&B Tea is available at 122 of the Shakey's and Peri Peri stores, through a co-branding strategy with the Master Franchisee, Shakey's Pizza Asia Ventures Inc.
3. Authorised/licensed F&B Stalls/Kiosks/Stores refer to Delisnacks F&B stalls in Singapore and R&B Tea kiosks/stores in Indonesia/the Philippines

F&B Retail



F&B Stalls



F&B Kiosks



Full-Service Restaurants



Quick-Service Restaurants ("QSR")



Authorised/licensed F&B Stalls/Kiosks/Stores³

At a Glance – New Openings in 1H 2021

Outlet & Mall Management



Singapore

Month	Brand	Location	F&B Outlets
May 2021	Koufu	Sun Plaza	Food Court



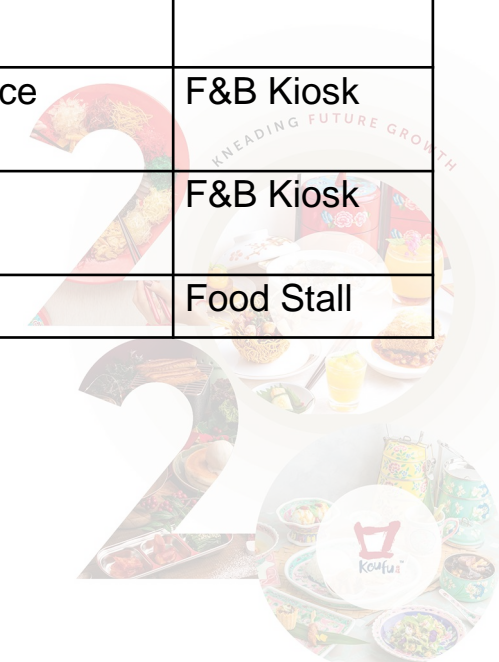
At a Glance – New Openings in 1H 2021

F&B Retail (Self-operated only)



Singapore

Month	Brand	Location	F&B Outlets
Jan 2021	R&B Tea	Fusionopolis	F&B Kiosk
Jan 2021	Dough Culture	Sing Post Centre	F&B Kiosk
Mar 2021	Dough Culture	Sun Plaza	QSR
April 2021	Dough Culture	Oasis Terrace	F&B Kiosk
April 2021	R&B Tea	Sun Plaza	F&B Kiosk
May 2021	Koufu	Sun Plaza	Food Stall



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Outlet & Mall Management

Reinforcing our foothold in Singapore

- Opened three new food courts at Marina Square, NTU and Koufu HQ subsequent to end of period under review
- Secured lease for a new food court at Outram Community Hospital to be opened in 3Q 2021
- To expand in Singapore with a focus on new housing estates, hospitals, commercial malls and tertiary educational institutions
- Notwithstanding further challenges amidst the COVID-19 outbreak, the Group expects to remain competitive with its productivity efforts and expansion plans

Extending our network further abroad

- To expand overseas with an initial focus in Macau, currently operating three food courts



F&B Retail – Increasing our Multi-Brand Recognition

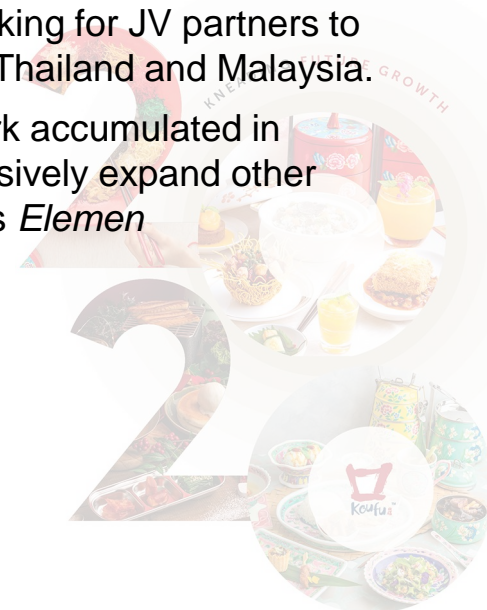
Network Expansion in Singapore

- *R&B Tea*: Secured one lease at Sinopec Petrol Station in Woodlands Ave 5 to be opened in 3Q 2021. Will be consolidating the outlets to improve the profit margins
- *Dough Culture*: Secured a lease at Jurong East MRT Station to be opened in 4Q 2021. Expects to expand to at least 20 outlets by FY 2023
- *Grove*: Secured one new lease at Northshore Plaza to be opened in 4Q 2021. To expand the brand further



Widening Footprint Overseas

- **Indonesia**: Sold off 55% stake in Supertea Indonesia to PT Berkah, while continuing master licensing agreement with Supertea Indonesia, in a strategic move to streamline operations
- **Philippines**: Entered into Master Franchise Agreement with Shakey's Pizza Asia Ventures Inc., for expansion of *R&B Tea*; plans to open first stand-alone outlet in Sept 2021
- **New markets**: Actively looking for JV partners to expand *R&B Tea* brand to Thailand and Malaysia.
- Tap experience and network accumulated in various markets to progressively expand other F&B Retail brands, such as *Elemen*



Game Changing Integrated Facility to Drive and Support Growth

Koufu Headquarters at 1 Woodlands Height



Achieved TOP in **April 2021**

Expects to commence operations progressively in **2H 2021**

S\$43.0 million

Estimated total construction including renovation cost, capital expenditure for equipment and machinery (excluded S\$3.9m land premium paid upfront for 30 years lease)

GFA of **20,000 sqm**, more than 5 times larger than current central kitchens and corporate headquarters

Group to occupy 75% of total GFA, of which includes for tenancy:

- 24 cloud kitchen units
- 9 stalls in food court
- 132 beds in staff dormitory

Achieved full tenancy for balance 25% GFA (19 central kitchen units)

- To cater to the expansion of our F&B Outlets with the increased production capability; enter new markets through the supply of frozen or par-fried dimsum snacks and dough products to third party businesses, including supermarkets and exports to overseas markets
- To combine and commence production of bakery products, dim sum snacks and dough products, to support revenue diversification and network expansion
- Strengthens Koufu's supply chain with the broadening and consolidation production, manufacturing and logistics capabilities to achieve higher operating efficiency and margins

KNEADING FUTURE GROWTH



THANK YOU

For enquiries, please contact:

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