



Business Update

1Q FY2023

(Ended 31 March 2023)

28 April 2023



Financial Highlights

Going the Extra Mile

We pride ourselves on our service and quality, adding a personal touch to the way we deliver value to our stakeholders.

Group Financial Results

Results Highlights (excludes Other Income)	1Q FY2023 (S\$ Million)	1Q FY2022 (S\$ Million)	Change (%)
Revenue	356.5	358.0	(0.4)
Gross profit	102.8	102.7	0.1
Gross profit margin	28.8%	28.7%	0.1ppts ¹
Operating expenses	(66.4)	(62.8)	5.7
Net finance income/(expense)	1.7	(0.4)	Note ²
Net Profit	33.4	35.2	(5.2)

1. Ppts: Percentage points;

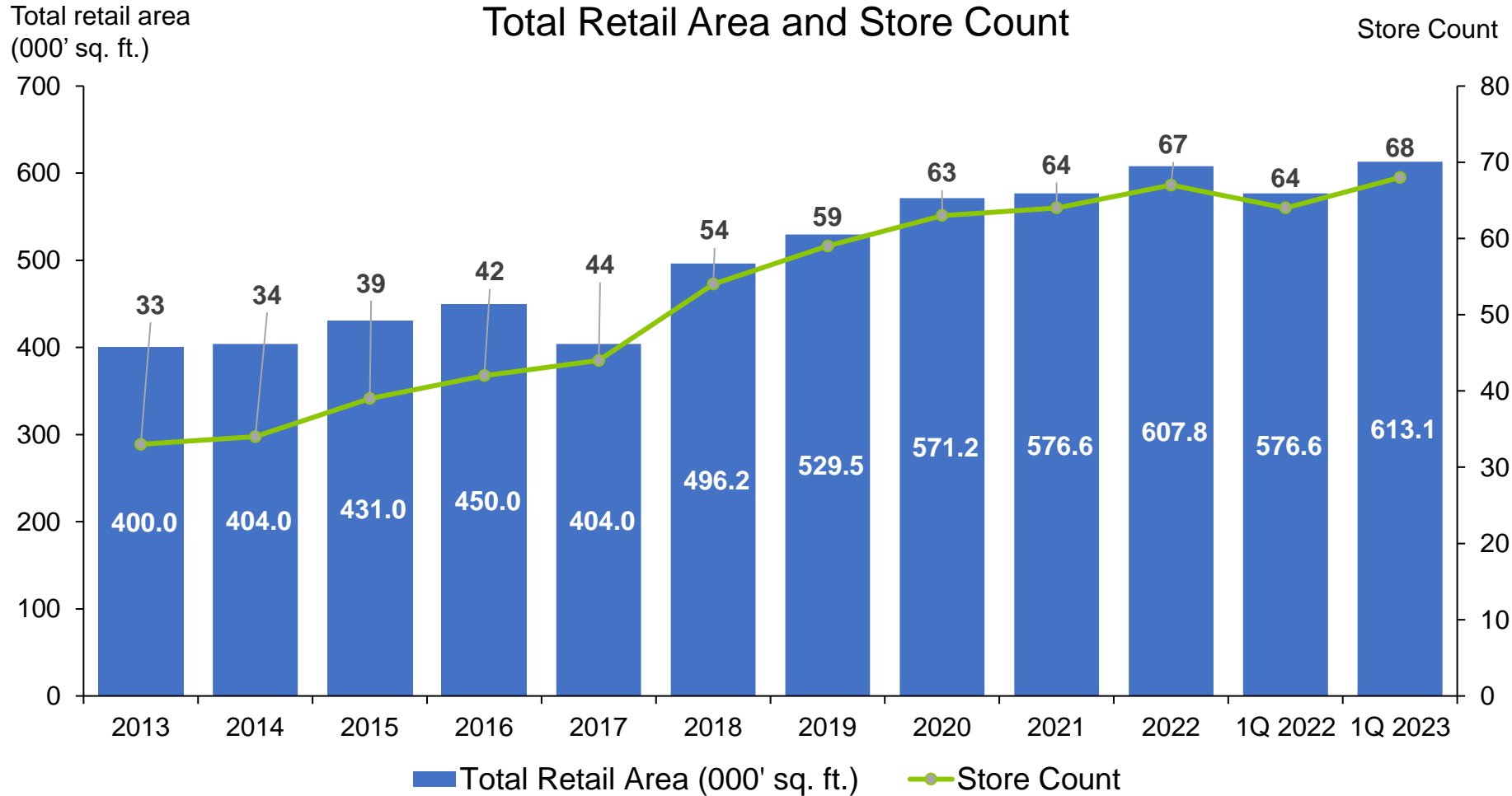
2. Net finance income owing to the higher interest income resulted from higher fixed deposits rate during 1Q FY2023;

Breakdown of Revenue Growth

	No. of stores	1Q FY2023 (%)	1Q FY2022 (%)
# New Stores – Singapore	5	3.6	0.3
Comparable same store sales - Singapore	63	(3.6)	4.7
Stores in China	4	(0.4)	1.0
Total revenue variances	72	(0.4)	6.0

New stores comprise 4 new stores opened in FY2022 at 151 Bedok South Road, 377 Hougang St 32, 31A Margaret Drive and 643 Senja Close, and 1 new store opened in 1Q FY2023 at 91 Jalan Satu.

Retail Area and Number of Stores in Singapore

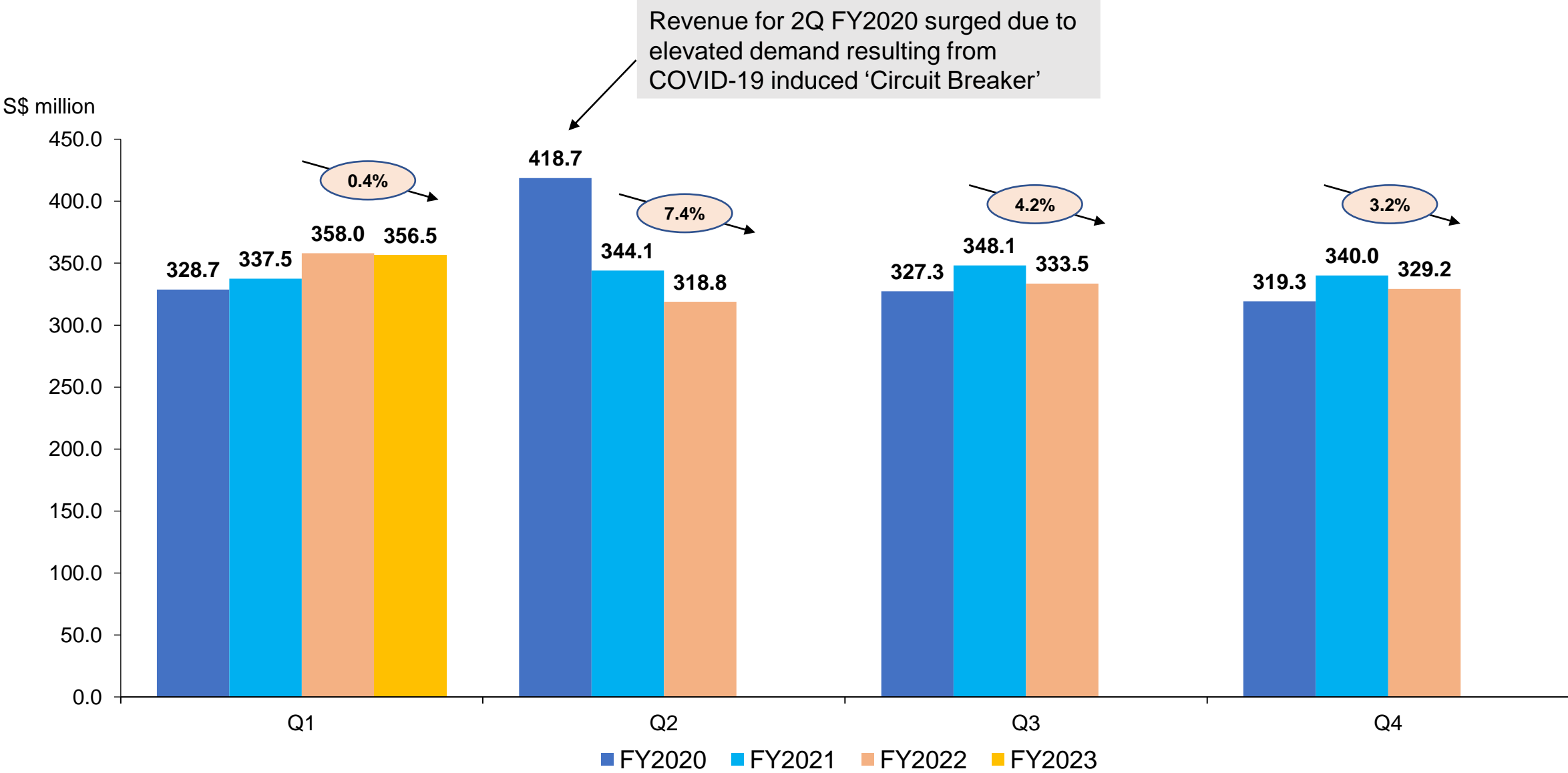


- Retail area grew consistently in line with the Group's expansion plan of opening at least 3 new stores per year.
- The Group opened 1 new store in 1Q FY2023.

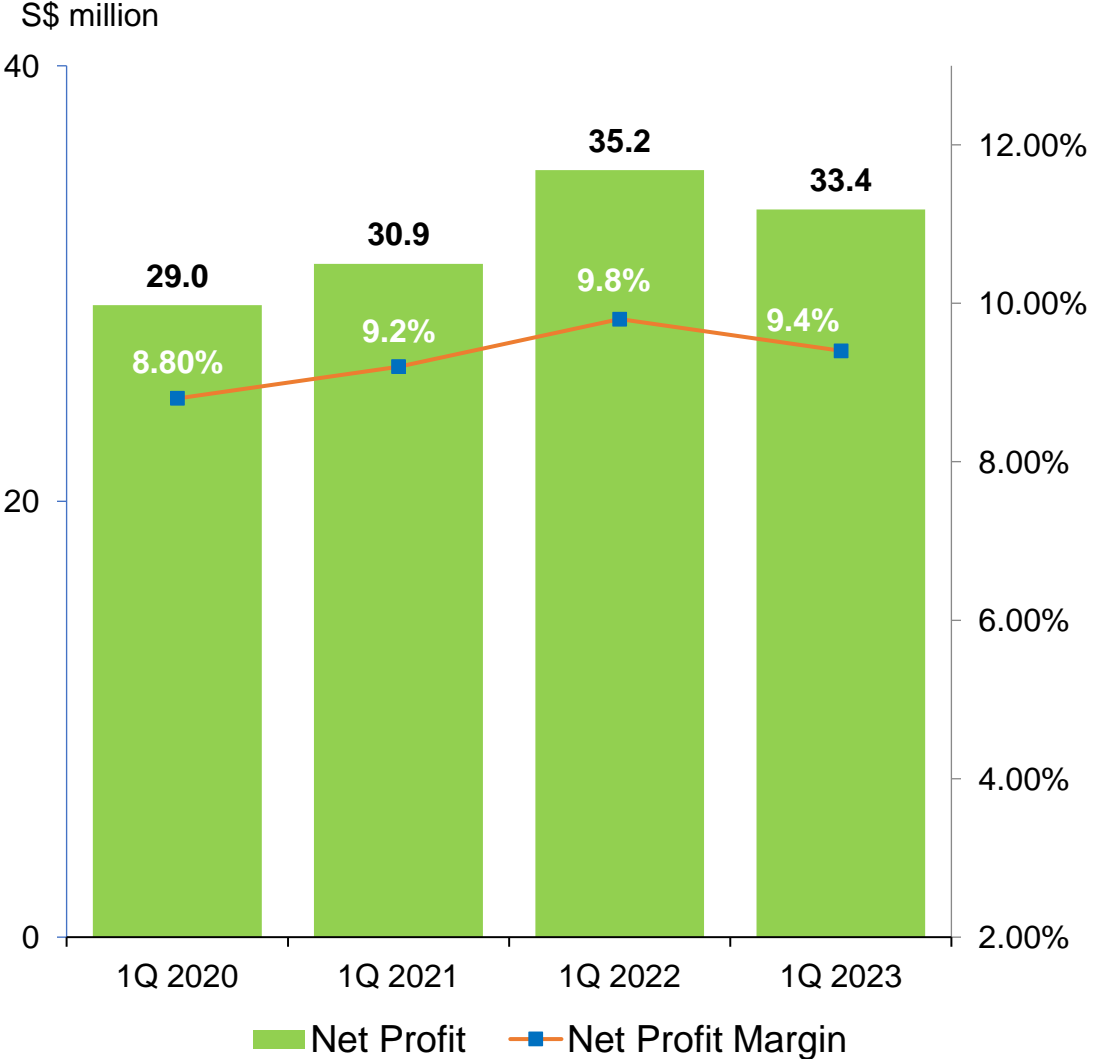
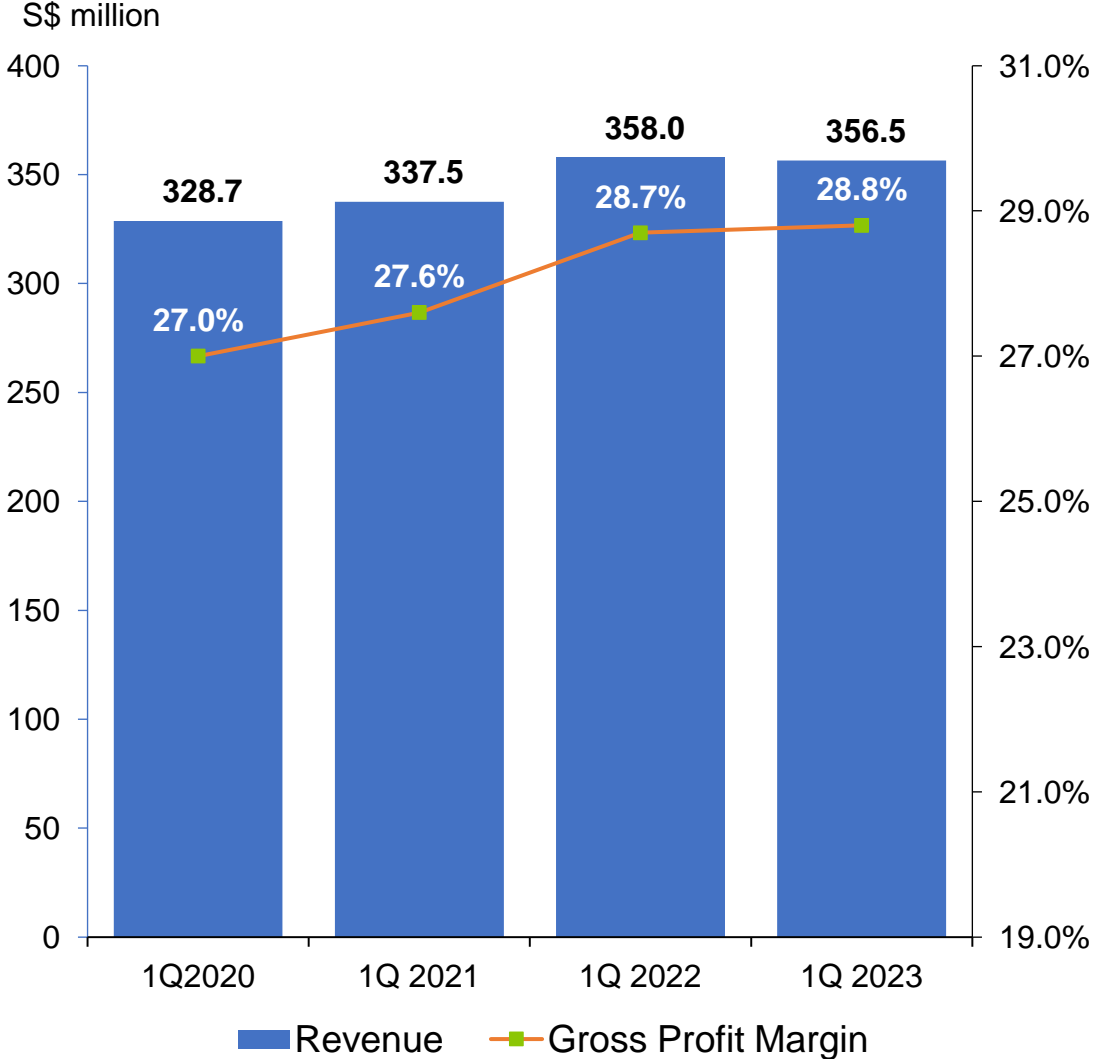
Revenue Per Square Feet (Singapore Operations)

Year	Weighted Average Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
2018	450,960	882,200	1,956	Closure of the Verge and Woodlands Block 6A – full effect and new stores
2019	508,250	974,008	1,916	New stores (mainly stores opened in 2018)
2020	564,943	1,365,051	2,416	Comparable same store sales – elevated demand for COVID-19
2021	571,180	1,337,941	2,342	New stores (1 new store in 2021 and 5 new stores in 2020. with PJ store closed in 2020)
2022	593,240	1,300,623	2,192	New stores (4 new stores in 2022, and 1 new store in 2021, with YC store closed in 2022)
1Q 2022	576,640	347,026	602	Comparable same store sales – Continued elevated demand due to Covid-19 restrictions
1Q 2023	609,339	347,187	570	Increase in revenue by new stores offset by similar decrease in revenue by comparable same stores

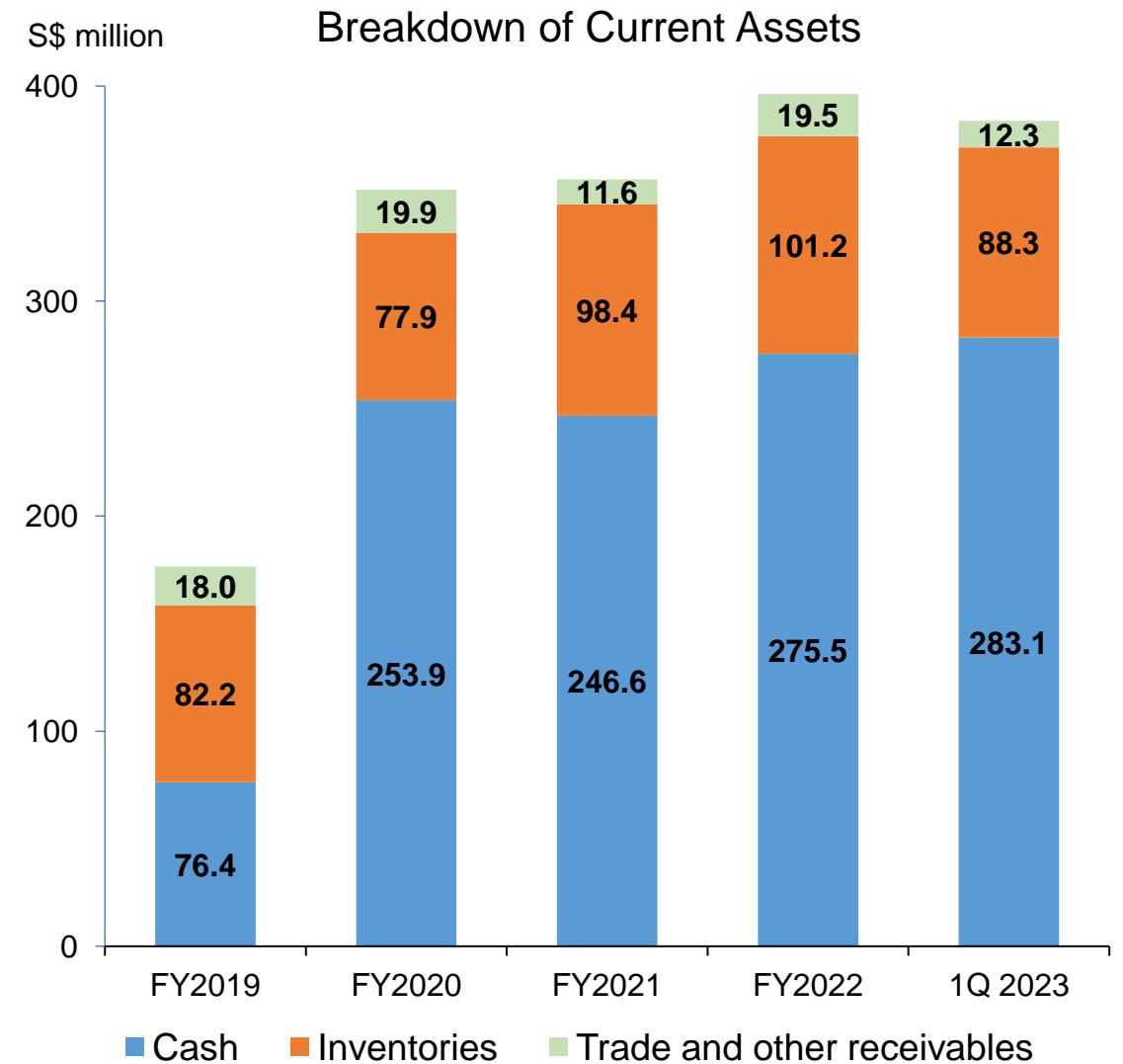
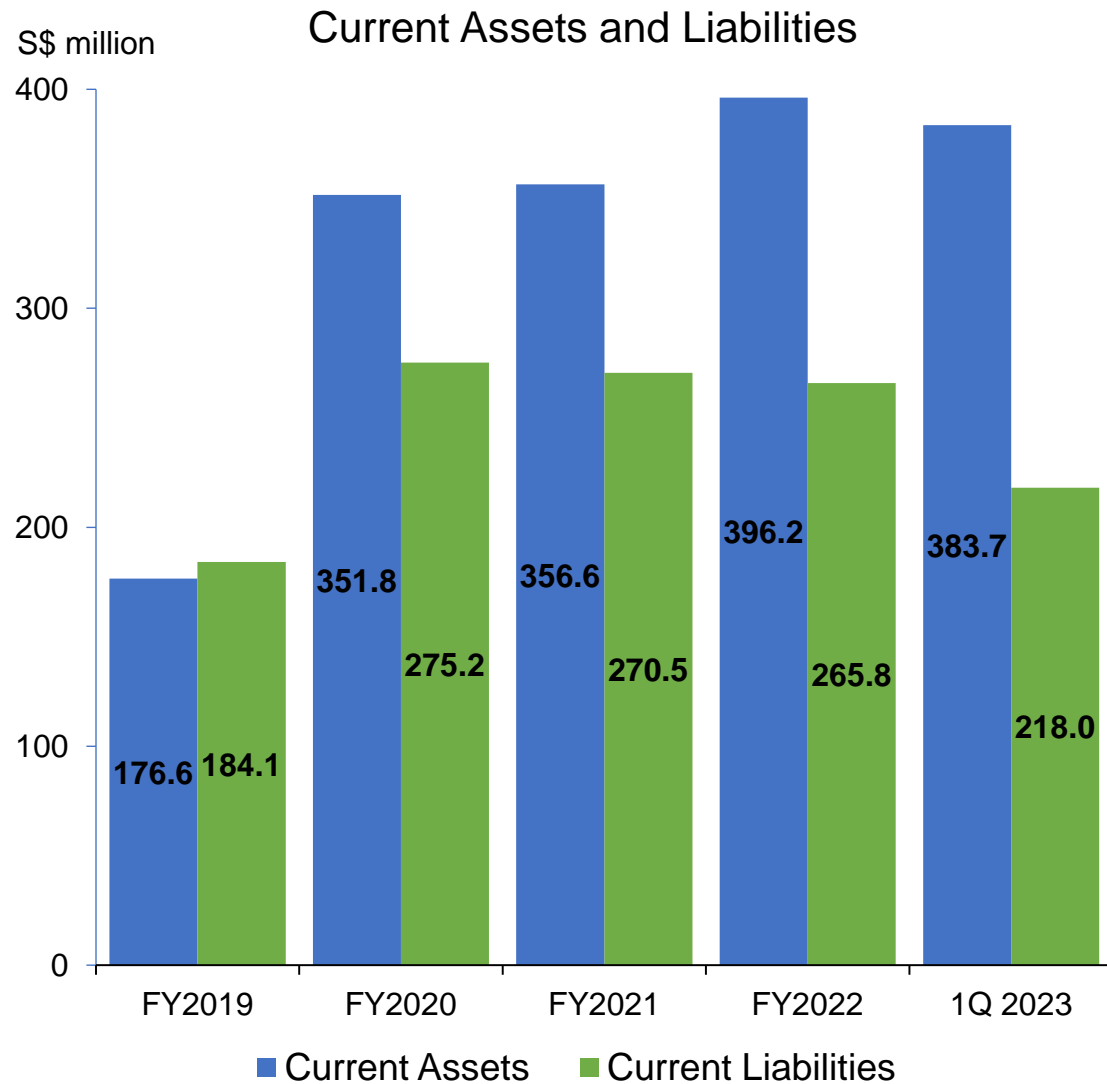
Quarterly Revenue Trend



Profitability Trend

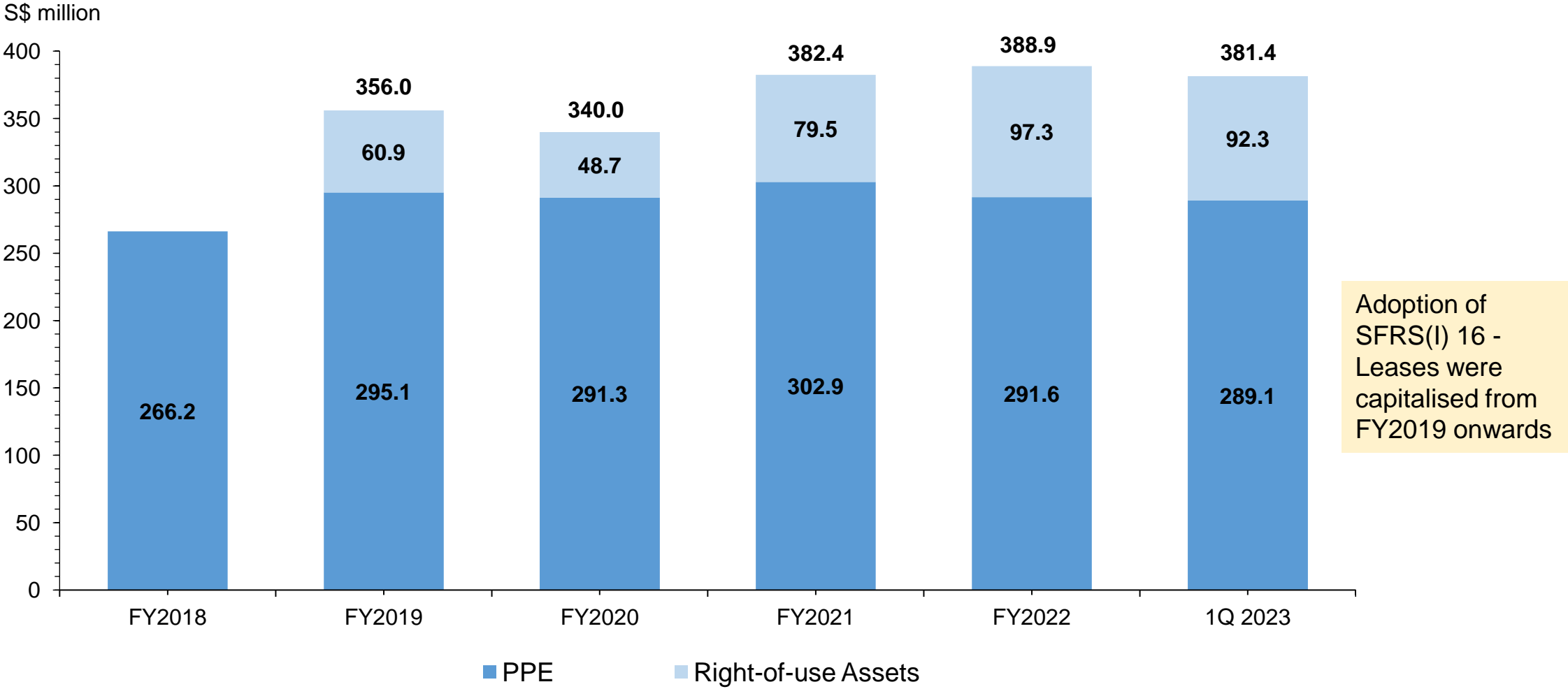


Balance Sheet Highlights



Balance Sheet Highlights

Fixed Assets and Right-of-use Assets





Outlook



Delivering Value

We will take a two-pronged approach in delivering value, seeking growth through organic and inorganic means.

Growth Strategies

Business Outlook

- As governments adopt tightening of monetary policies to curb inflation, consumers are expected to reduce non-essential spending to save costs. Consequently, they are expected to increase their spending on groceries and fresh food.
- Competition remains keen in the supermarket industry. Excessive promotions coupled with higher input costs such as energy expenses put pressure on margins.
- Focus on building core capabilities to navigate through this environment of macroeconomic and geo-political uncertainty.
- Seek growth through continuous expansion of network of stores in Singapore, especially in areas without presence, supported by the ramp in supply of HDB and BTO estates through 2023.

Operational efficiencies

- Ensure diversified source of supply to mitigate any potential disruptions
- Remain vigilant on performance of existing stores and to focus on core competencies
- On-going initiatives to automate work processes whenever possible with the ultimate aim of improving operational efficiency and increasing gross margin

Continue margin enhancement initiatives

- Improve sales mix of higher margin products
- Increase selection and types of house brand products
- Derive efficiency gains from the supply chain

China Operations

- The China subsidiary continues to be profitable
- Due to open a 5th store in Kunming
- Nurture growth of supermarket operations in Kunming, China and build Sheng Siong's brand

Thank You



Investor Relations Point-of-Contact:
Financial PR Pte Ltd
Kamal SAMUEL / Urvija DIWAN
Tel: (65) 6438 2990
Fax: (65) 6438 0064

Email: kamal@financialpr.com.sg
urvija@financialpr.com.sg

Disclaimer

- The presentation is prepared by Sheng Siong Group Ltd. (the “Company”) and is intended solely for your personal reference and is strictly confidential. The information contained in this presentation is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. Neither the Company nor any of its affiliates, advisors or representatives make any representation regarding, and assumes no responsibility or liability whatsoever (in negligence or otherwise) for, the accuracy or completeness of, or any errors or omissions in, any information contained herein nor for any loss howsoever arising from any use of these materials. By attending this presentation, you are agreeing to be bound by the restrictions set out below. Any failure to comply with these restrictions may constitute a violation of applicable securities laws. The information contained in these materials 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 herein. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. The information and opinions contained in these materials are provided as at the date of this presentation and are subject to change without notice. None of the underwriters nor any of their respective affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of these materials.
- In addition, the information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on a number of estimates and current assumptions which are subject to business, economic and competitive uncertainties and contingencies as well as various risks and these may change over time and in many cases are outside the control of the Company and its directors. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those forecast and projected.
- This presentation and such materials is not and does not constitute or form part of any offer, invitation or recommendation to purchase or subscribe for any securities and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto. This document may not be used or relied upon by any other party, or for any other purpose, and may not be reproduced, disseminated or quoted without the prior written consent of the Company.