



SHENG SIONG

... all for you!



FY2016 Results Presentation

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Financial Highlights for FY2016

Revenue

4.2%
yoy

S\$796.7 million

Gross profit margin

1.0 pp*

25.7%

Operating profit margin

0.8 pp*

9.5%

Net profit

10.4%
yoy

S\$62.7million

Retail area

4.4%
yoy

450,000 sqft

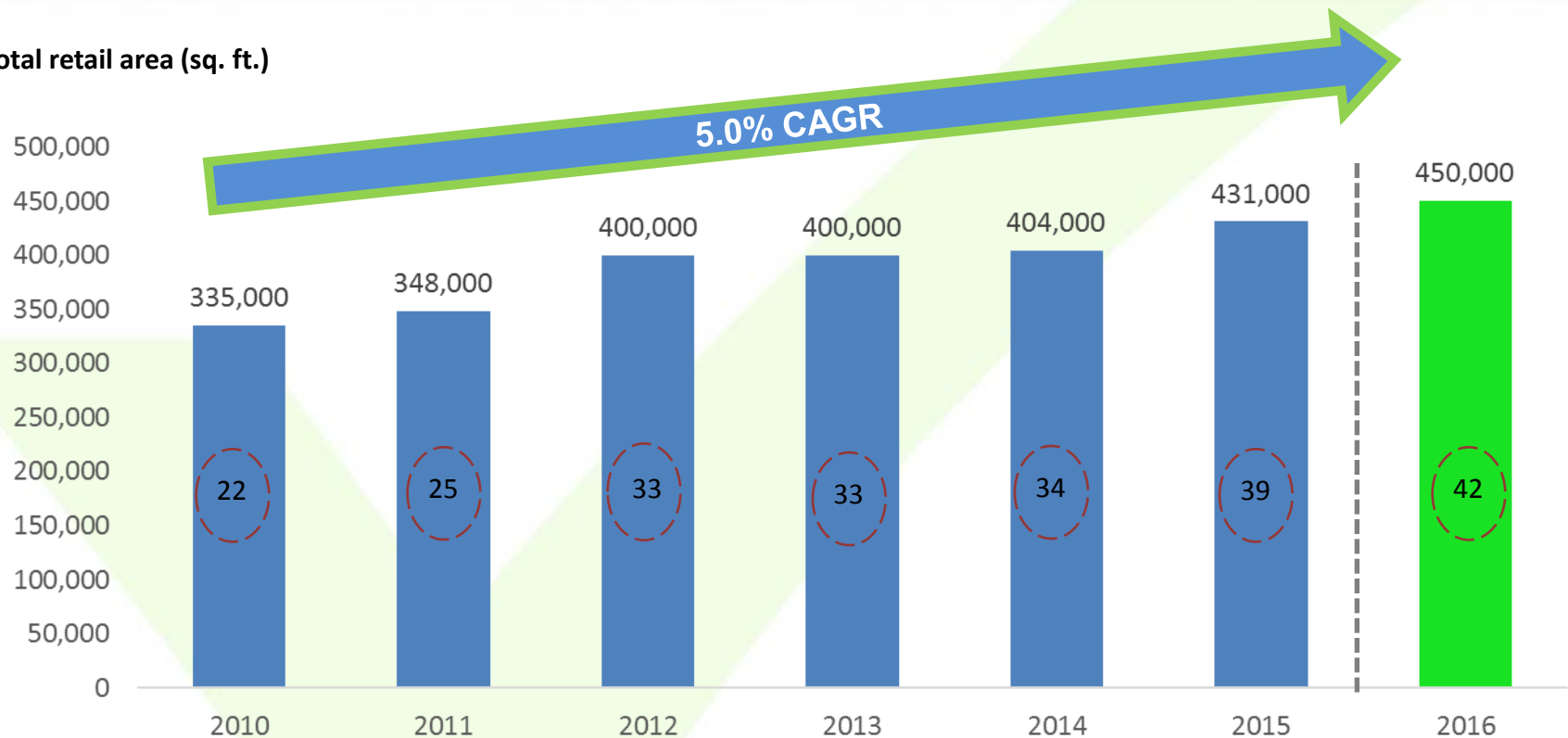
* pp denotes percentage points



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Retail Area

Total retail area (sq. ft.)



 = Store count

- Total outlets increased to 42 as at 31 December 2016 (excluding the Loyang store), with the opening of the Circuit Road, Upper Boon Keng Road, Fernvale Street and Yishun Junction 9 stores in FY2016.
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.



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Breakdown of Revenue Growth

	3Q2016	4Q2016	FY2016
New stores	5.3%	8.0%	6.2%
Comparable same store sales	(1.15%)	0.2%	0.2%
Loyang Point (temporarily closed on 15 April 2016)	(2.95%)	(2.9%)	(2.2%)
Total revenue growth	<u>1.2%</u>	<u>5.3%</u>	<u>4.2%</u>



Revenue Per Square Feet

Year	Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
2011	353,000 ⁽¹⁾	578,443	1,638	Closure of Tanjong Katong store and negative same store sales
2012	369,000 ⁽¹⁾	637,317	1,727	New store sales, positive same store sales offset by closure of Tanjong Katong
2013	400,000	687,390	1,718	New store sales offset by renovation works affecting Bedok Central and Tekka stores
2014	400,000 ⁽²⁾	725,987	1,815	New stores and positive same store sales
2015	422,000 ⁽¹⁾	764,433	1,810	Turnover at new stores require time to reach optimum
2016	436,000 ⁽¹⁾	796,683	1,826	More smaller stores

⁽¹⁾ Average weighted area

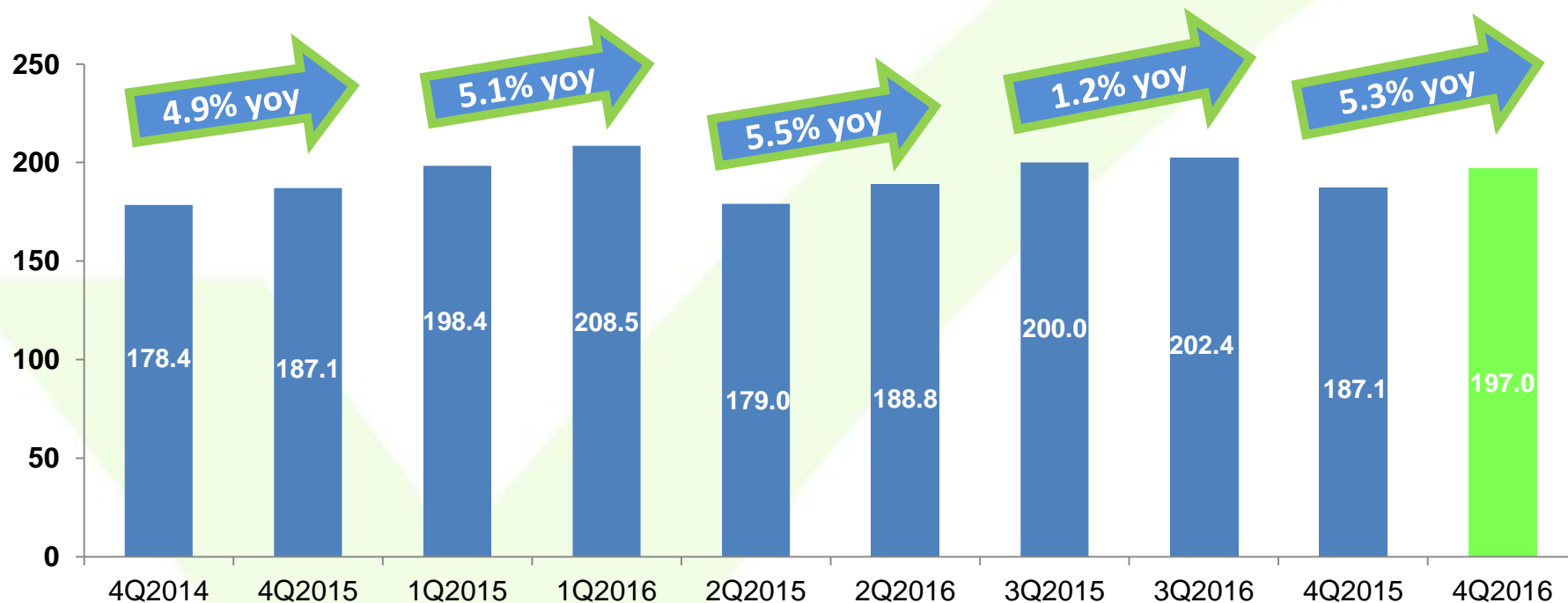
⁽²⁾ Excluding Penjuru (4,000 square feet) store opened in December 2014



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Revenue Trend

S\$' million

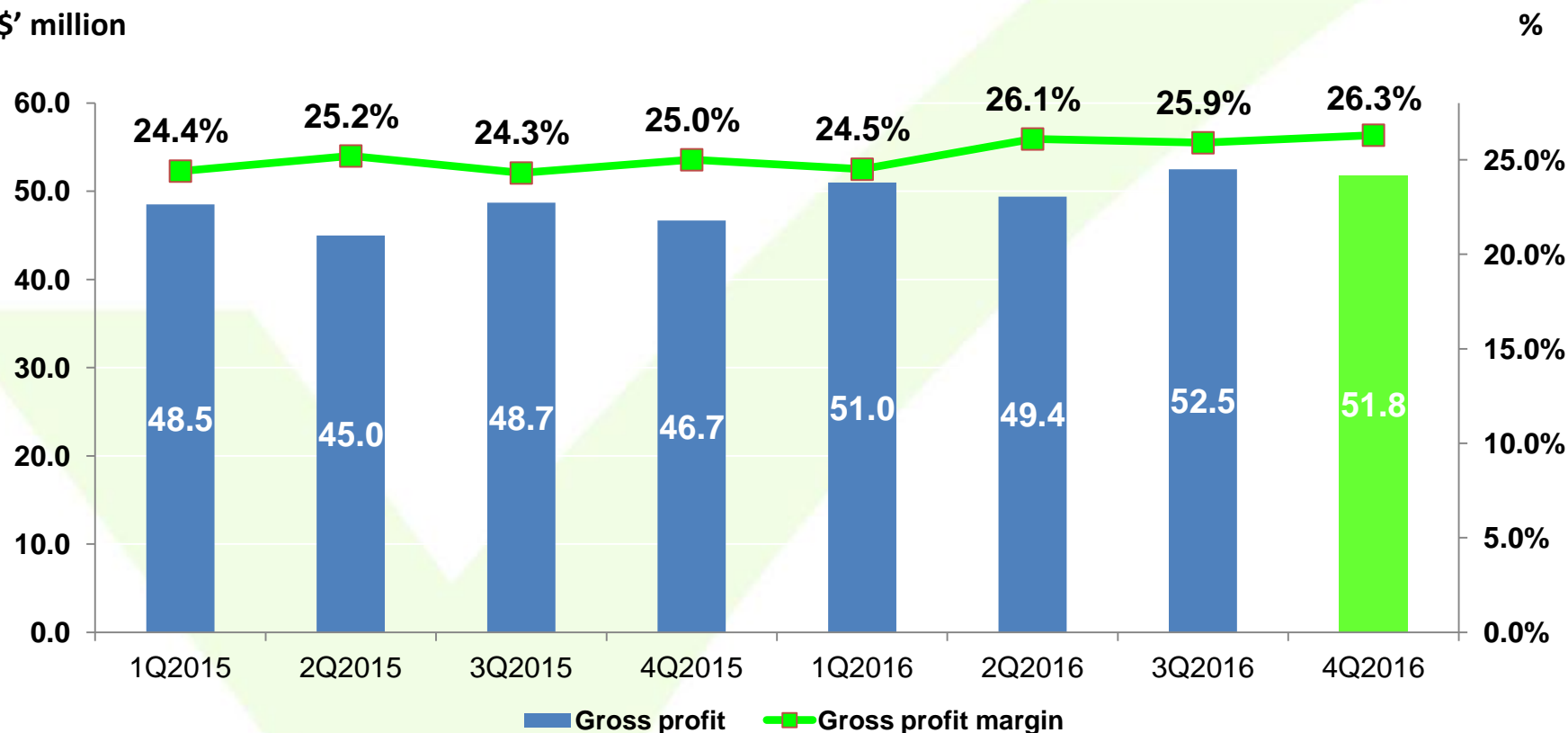


- Revenue increased by 4.2% in FY2016 of which 6.2% was contributed by the new stores, 0.2% by comparable same store sales from the old stores, but was offset by a reduction of 2.2% arising from the temporary closure of the Loyang store.



Gross Profit Trend

S\$' million



- Gross margin increased to 25.7% in FY2016 compared with 24.7% in FY2015, mainly because of higher rebates from suppliers.
- These rebates were given for special promotions, volume, display and for providing bulk handling services on behalf of the suppliers.



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Balance Sheet Highlights

S\$' Million	As at 31 Dec 2016	As at 31 Dec 2015	Remarks
Inventories	61.9	52.4	Stocking for new year
Trade and other payables	117.5	108.7	Purchases for new year
Property, plant and equipment (PPE)	252.0	177.6	Purchase of Bedok store – S\$55.1 million & progress payment for Yishun Junction 9 – S\$19.2 million
Cash and cash equivalents	63.5	125.9	Payment for capex – S\$89.9 million



Outlook

Business Outlook

- Competition in the supermarket industry is likely to remain keen.

- Retail space:

Feb 2017	Loyang (re-open)	+7,200 square feet
May 2017	Tampines Central (Expanded)	+15,000 square feet
May 2017	The Verge (closed)	- 45,036 square feet
Aug 2017	Woodlands (closed)	- 41,500 square feet

Growth strategy

- Continue expanding network of outlets in Singapore, especially in areas with no presence
- Nurture growth of new stores

Continue margin enhancement initiatives

- Increase direct sourcing and bulk handling
- Improve sales mix of higher margin products
- Increase selection and types of house brand products
- Reduce overheads as a percentage of revenue

E-commerce initiatives

- Continue learning from the pilot project



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Questions & Answers

