



FY2017 RESULTS BRIEFING

25 May 2017



CORPORATE OVERVIEW

MILESTONES



1992

Neo Garden was set up in a humble 2,000 sq ft shared kitchen in Joo Chiat.



1994

Shifted to a coffee shop in Jurong West Blk 406 (4,000 sq ft).



2004

Shifted to 6A Wan Lee Road (7,600 sq ft), an expanded new premise.

First Halal-certified catering brand was set up.



2007

A Japanese quick and convenient dining concept opened at Eunos MRT station. Today, we have 25 outlets island-wide.



2011

Acquired 30B Quality Road (122,000 sq ft) for further development.



2010

Import & export trading arm was set up to source for ingredients direct from distributors.



2008

An East-West fusion catering brand to cater to the mid-tier markets was set up.



2012

Listed on SGX Catalyst in July.



2013

Consolidated operations at corporate headquarters and central kitchen at 1 Enterprise Road (75,000 sq ft).



2014

Best Catering, NANAMI UDON, issho izakaya, Choz Confectionery and I DO Flowers & Gifts were added.



2017

Hi-Q & U-Market (including Joo Chiat Kim Choo as its brand) joined the Group.



2016



Gourmetz was established as a subsidiary of the Group.



2015

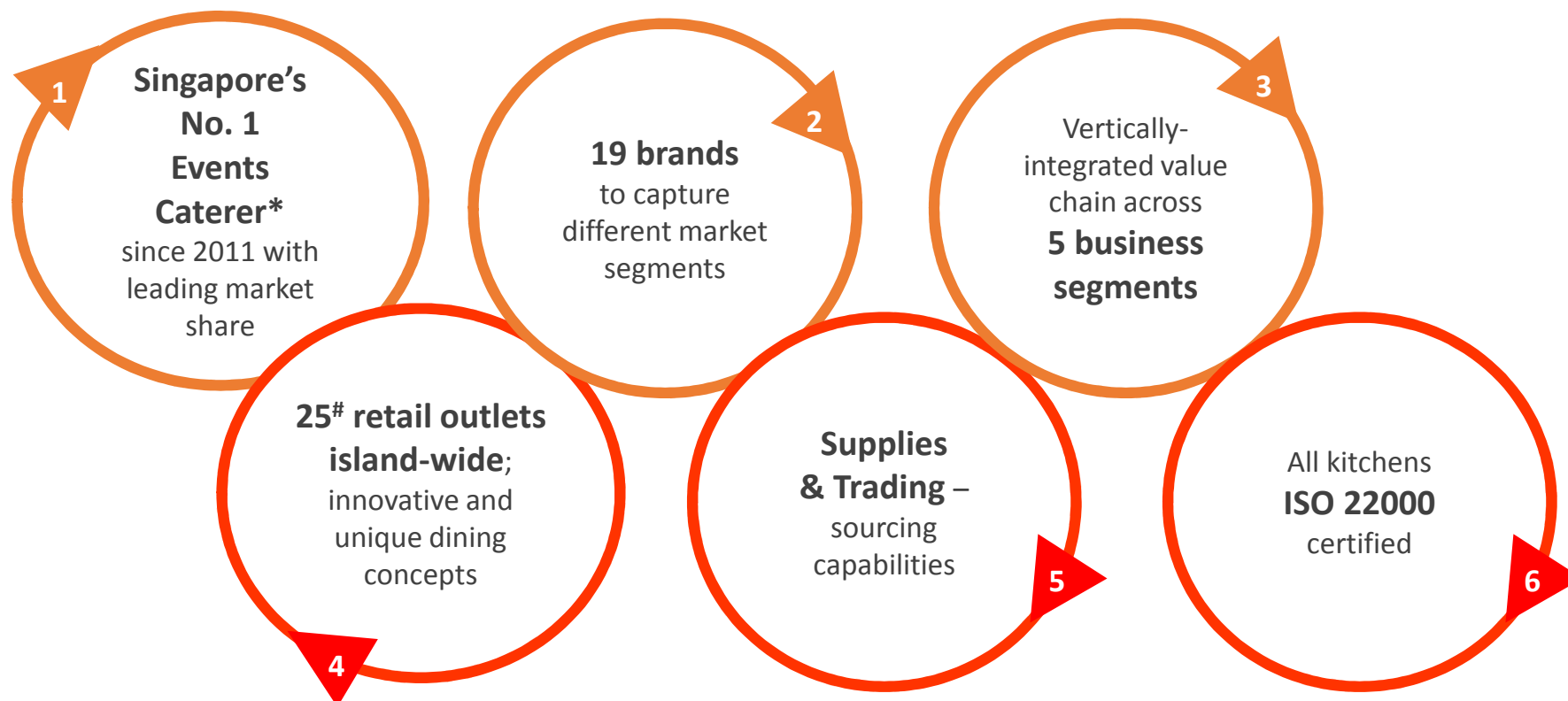
Thong Siek Group and CT Vegetables & Fruits became part of the Group.

Retail outlet LJJ Café was opened.

OVERVIEW

NEO GROUP REMAINS

SINGAPORE'S #1 EVENTS CATERER



* As defined in Euromonitor International report, 'Events Catering Services in Singapore', dated April 2017 whereby events catering refers to food catering services provided for social or corporate events only and is based upon customer value sales

[#] As at 1 May 2017

VERTICAL INTEGRATION – ONE-STOP FOOD & CATERING SOLUTION



FOOD CATERING	FOOD RETAIL	SUPPLIES & TRADING	FOOD MANUFACTURING	OTHER BUSINESSES
    	    	    	 	 

VERTICAL INTEGRATION – UPSTREAM ACQUISITIONS



Hi-Q Plastic Industries

- 51%-owned manufacturer and supplier of plastics, resins, moulds and plastic packaging used by manufacturers and businesses in the F&B industry
- Upstream vertical integration to complement Neo Group's existing businesses and operations
- To meet 100% of Neo Group's plastics/packaging needs, Group-wide cost savings



U-Market/Joo Chiat Kim Choo (JCKC)

- 75%-owned U-Market manufactures and retails the famous premium Joo Chiat Kim Choo Dumplings at six locations
- Retailers BBQ and various meat-related ready-to-eat items
- Trading and processing of meat-related items
- To reap synergies with Neo Group's businesses:
 - Global distribution network for possible exports of U-Market products
 - Distribution of JCKC dumplings through Food Retail outlets and its corporate clients
 - Tap on Food Manufacturing expertise to gradually automate processes
- Meets 100% of Neo Group's meat-related needs leading to Group-wide significant cost savings

VERTICAL INTEGRATION – UPSTREAM ACQUISITIONS

TS GROUP



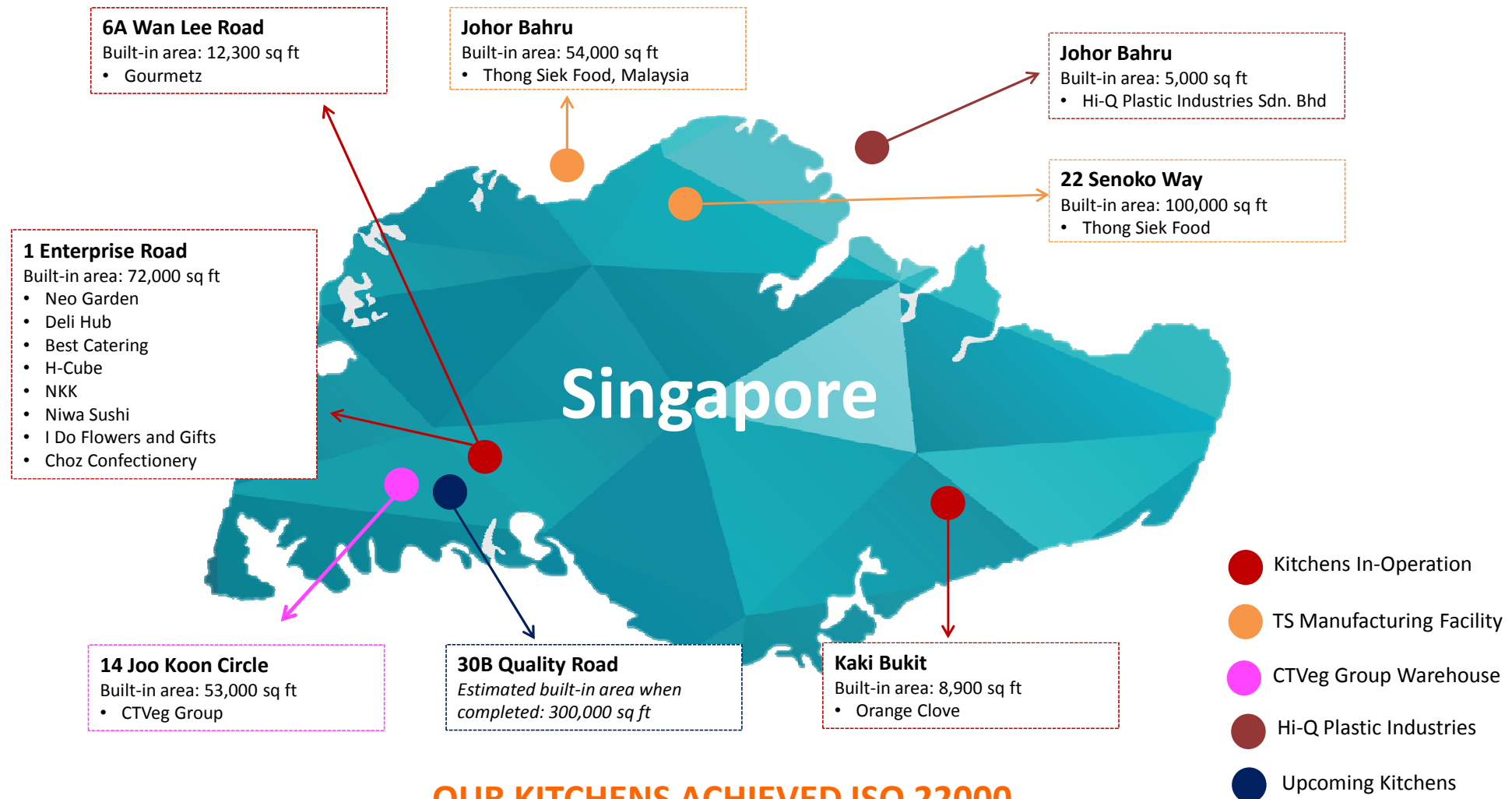
- Singapore's largest fishball manufacturer with strong brand recognition of "DoDo Fishballs"
- Wide global distribution network across 24 countries
- Leverage on TS Group's expertise in food manufacturing to gradually fully automate kitchen processes and produce in-house products
- 22 Senoko Way: New and larger facility with cold room amenities to reap operational synergies and control costs; bigger premises boasting 3x larger capacity allows for greater automation—fully operational in May 2017

CTVEG GROUP



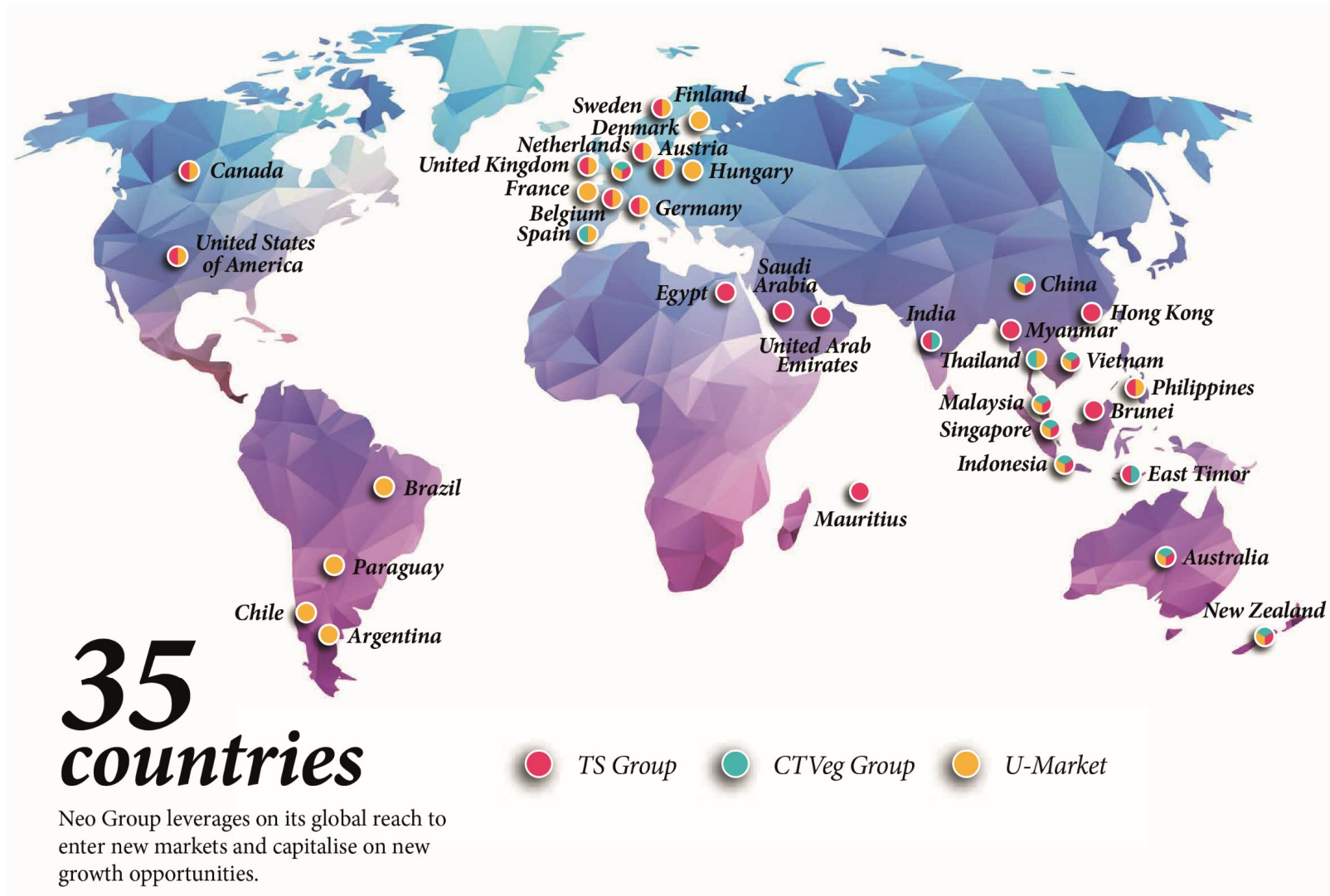
- One of Singapore's largest fruits and vegetables supplier to ship chandlers
- Wide customer base including cruises and ships
- Direct sourcing through global distribution network of 10 countries
- Meets 100% of Neo Group's fruits and vegetables needs, Group-wide cost savings

KITCHENS & FACILITIES



**OUR KITCHENS ACHIEVED ISO 22000
IN MARCH 2016**

NEO GROUP'S GLOBAL FOOTPRINT

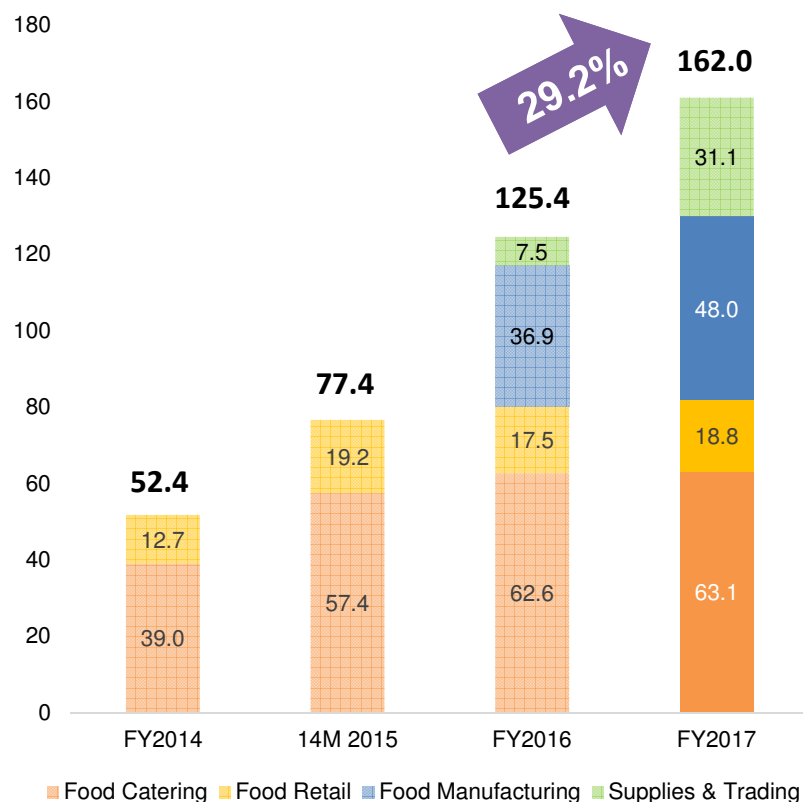


FY2017
FINANCIAL HIGHLIGHTS

FY2017 REVENUE HIGHLIGHTS

REVENUE GROWS 29.2%

Revenue (\$'m)



- 29.2% increase in topline to S\$162.0m from S\$125.4m in FY2016
- Stronger performance across all four business segments:
 - 0.8% rise in Food Catering revenue to S\$63.1m
 - 7.5% growth in Food Retail revenue to S\$18.8m
 - 29.9% higher Food Manufacturing revenue to S\$48.0m
 - 317.7% surge in Supplies & Trading revenue to S\$31.1m
- Maiden contribution from U-Market – new frozen meat trading subsidiary

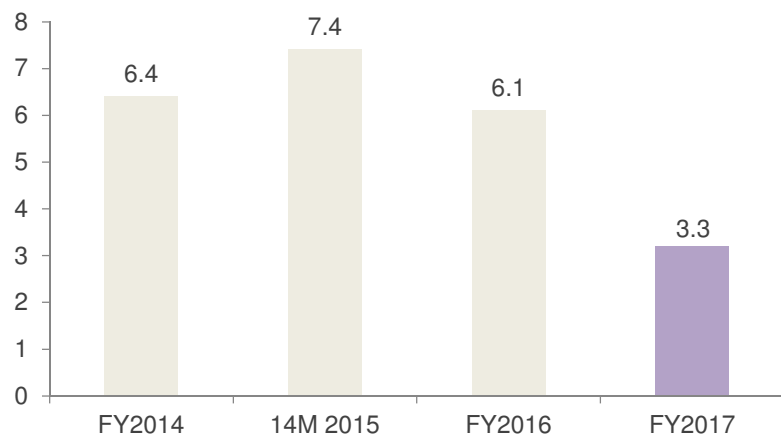
** Absence of revenue contribution in April and May 2015; the acquisition was only completed in June 2015*

PROFIT HIGHLIGHTS

FY2017 NET PROFIT

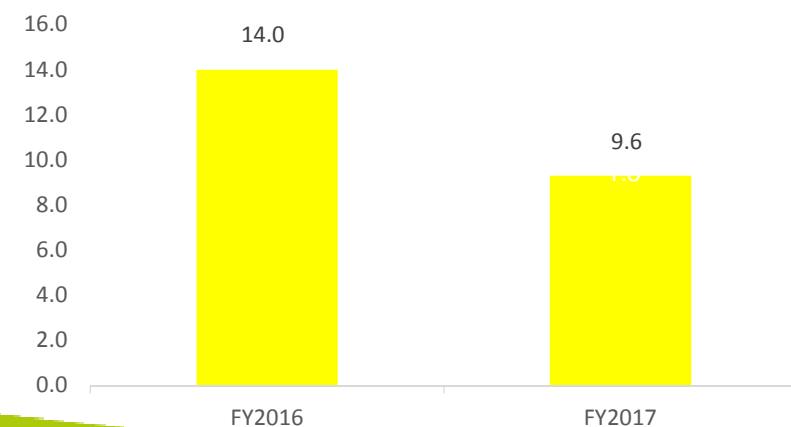
Profit attributable to owners of the parent

(\$'m)



EBITDA for the financial quarter

(\$'m)



- FY2017 profit attributable to owners of the parent (“PATMI”) decreased 46.2% to S\$3.3m from S\$6.1m in FY2016
- Bottomline impacted by one-off items:
 - Absence of a one-off provisional gain from bargain purchase on acquisition in FY2016
 - Loss on disposal of property (14 Senoko Way)
- Strong operating cash flows generated from EBITDA

FINANCIAL HIGHLIGHTS

S\$'m	FY2017	FY2016
Earnings Per Share (SGD cents)	2.24	4.18
Net cash from operating activities	3.3	2.9
Cash and cash equivalents at end of period	10.5	12.2
S\$'m	As at 31 Mar 2017 (Unaudited)	As at 31 Mar 2016 (Audited)
Equity attributable to owners of the parent	33.1	30.6
Net Asset Value Per Share (SGD cents)	22.73	20.97
Net Gearing (times) ⁽¹⁾	1.92	1.77

(1) Net Gearing is computed by dividing the net debts by equity attributable to owners of the parent

BUSINESS HIGHLIGHTS

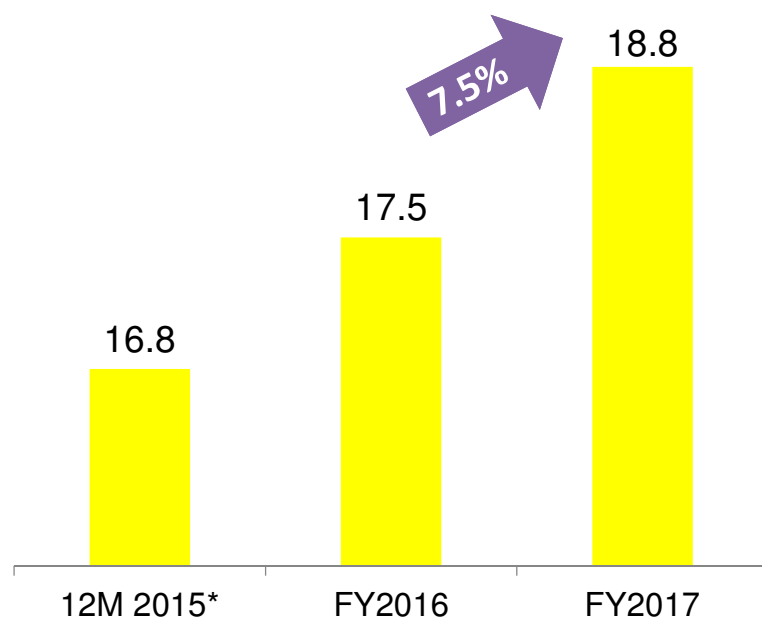
FOOD RETAIL

FOOD RETAIL – HIGHLIGHTS FOR FY2017

PERFORMANCE REVIEW

Food Retail Revenue

(S\$m)



**12-month annualised basis, from April 2014 to March 2015*

- Improved FY2017 Food Retail performance due mainly to non-renewal of leases upon expiry and market initiatives and promotions launched during the year
- On track for turnaround: narrowed segment losses to S\$0.8m in FY2017 compared to S\$1.4m in FY2016
 - Testament of strategic review of Food Retail business model
- To strengthen in-house delivery capabilities
 - Capitalise on growing delivery demand
 - Reduce reliance on third-party delivery service providers

EXTENSIVE RETAIL NETWORK*

Retail Concept



*As of 1 May 2017

FOOD RETAIL HIGHLIGHTS DEVELOPMENTS & STRATEGIES



Review Of Business Model

- **Store Locations/Concepts:**
Review merits of each store location, tailor concepts for unique demographics
- **Review Strategies:**
Pricing, product mix, retail concepts – optimise margins
- **Delivery:**
Boost topline growth

Keeping Customers Engaged

- **Pursue Corporate Clients:**
Build sustainable income stream
(e.g. partnership with SAFRA, banks, suppliers, etc)
- **Refresh offerings:**
Innovative new retail concepts in the pipeline & refresh menu items
- **Collaboration with strategic partners:**
Cross sell and branding for higher visibility

Optimising Operations; Driving Efficiency

- **Improved systems:**
Proprietary technology
(e.g. cash recycling machine /display top up/inventory management /delivery tracking systems)
- **Streamlined menus:**
Reduced menu items for greater efficiency
- **Greater Automation:**
Reduce manpower reliance

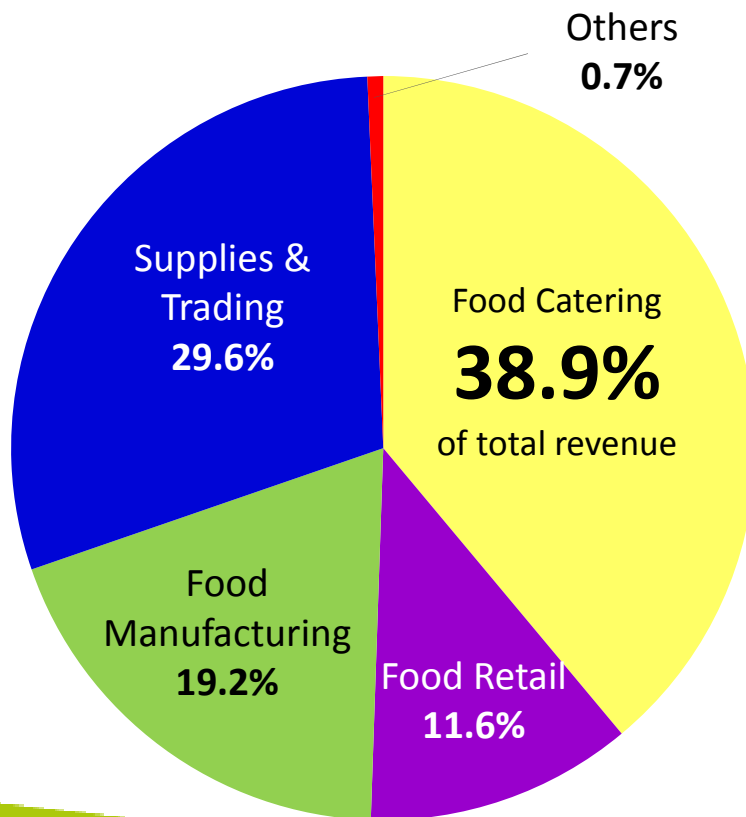
BUSINESS HIGHLIGHTS

FOOD CATERING

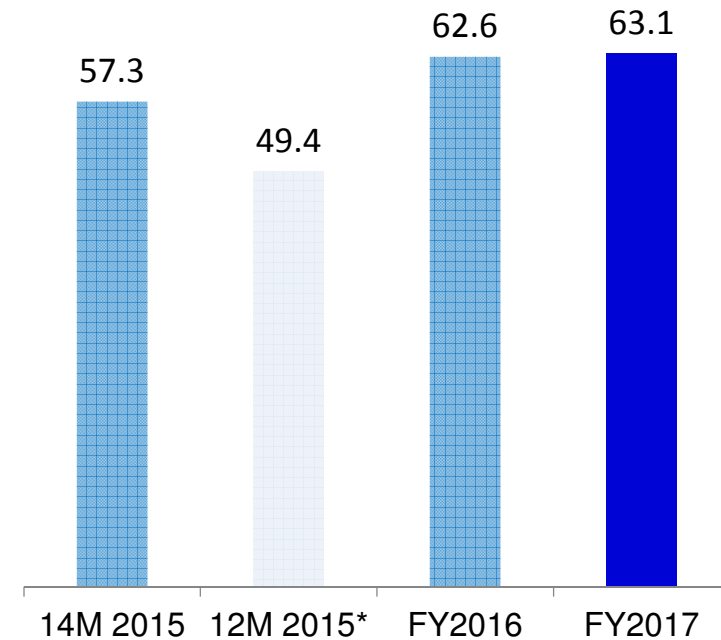
FOOD CATERING – HIGHLIGHTS FOR FY2017

GROWING BEYOND CATERING

FY2017 Revenue
\$162.0 Million



Food Catering
Revenue (\$\$'m)



**12-month annualised basis, from April 2014 to March 2015*

FOOD CATERING HIGHLIGHTS DEVELOPMENTS & STRATEGIES



Building Sustainable Income Streams

- **New Market Segment:**
Gourmetz (elderly & childcare segments)
- **Corporate Clients/Venue Partnerships:**
Official/preferred caterer for 19 venues and organisations
- **Institutional Catering:**
Recurring income

Keeping Customers Engaged

- **New Menus & Products:**
Healthier offerings, innovative products/ services
- **Strong Brand Portfolio:**
Different brands catering to various market segments
- **Effective Marketing:**
Strengthen brand & drive business growth

Driving Productivity & Efficiency

- **Increased Automation:**
New machineries to gradually fully-automate processes
- **Embracing Technology:**
Proprietary systems for smarter business decisions
- **Streamlined Operations:**
Driving efficiency and accuracy

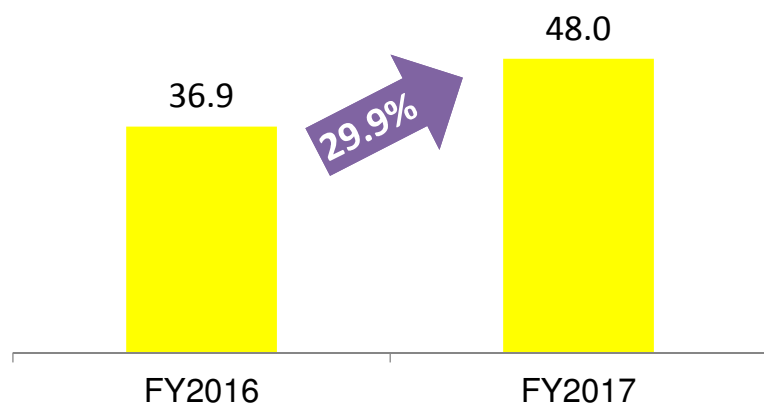
BUSINESS HIGHLIGHTS

FOOD MANUFACTURING

FOOD MANUFACTURING HIGHLIGHTS

ON TRACK TO TURNAROUND

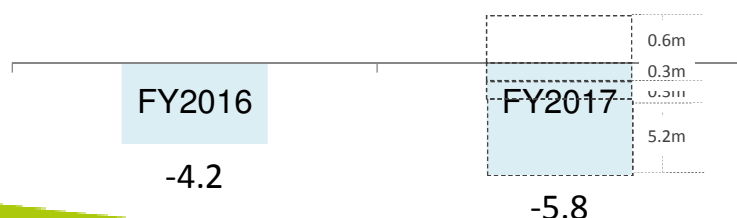
Food Manufacturing Revenue* (S\$m)



- 29.9% higher revenue of S\$48.0 million compared to S\$36.9 million last financial year
 - Due mainly to an absence of two-month revenue in FY2016 as the acquisition was completed in June 2015
- On track for turnaround – S\$600,000 operational profit excluding one-off items:
 - S\$5.2m loss on disposal of property
 - S\$0.3m plant and equipment write-off
 - S\$0.3m additional provision for reinstatement costs for 14 Senoko Way due to the relocation to the larger 22 Senoko Way facility
 - S\$0.6m unrealised Forex loss

Food Manufacturing Profit Before Tax (S\$m)

Operational profit of S\$0.6 million
excluding One-Off Items



* FY2016 consists 10 months revenue while FY2017 consists 12 months revenue

FOOD MANUFACTURING HIGHLIGHTS

ON TRACK TO TURNAROUND

TOPLINE

Expand overseas distribution network to drive exports – less competition, higher margin

Strengthen branding/marketing

Develop new market segments (e.g. hotel/corporates/ restaurants, etc)

BOTTOMLINE

Continue to refine pricing strategies to optimise margins

NKK to source for surimi – substantial cost savings; economies of scale

New 22 Senoko Way facility:

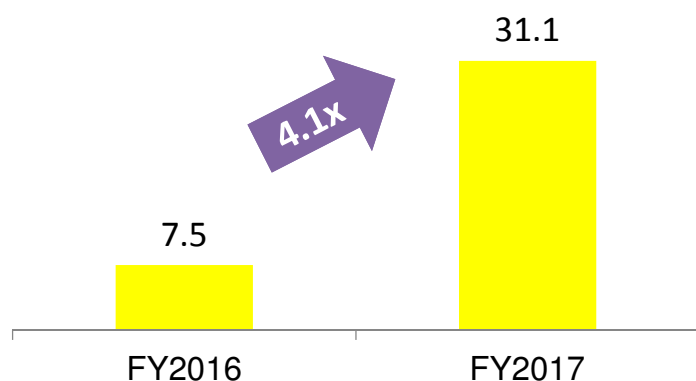
- Fully operational in May 2017
- Significant cost savings (e.g. cold room/rental, utilities)
- Greater capacity & automation
- Reap operational synergies
- Cease rental fees for 14 Senoko Way from July 2017

BUSINESS HIGHLIGHTS

SUPPLIES & TRADING

SUPPLIES & TRADING HIGHLIGHTS

Supplies & Trading Revenue (S\$'m)



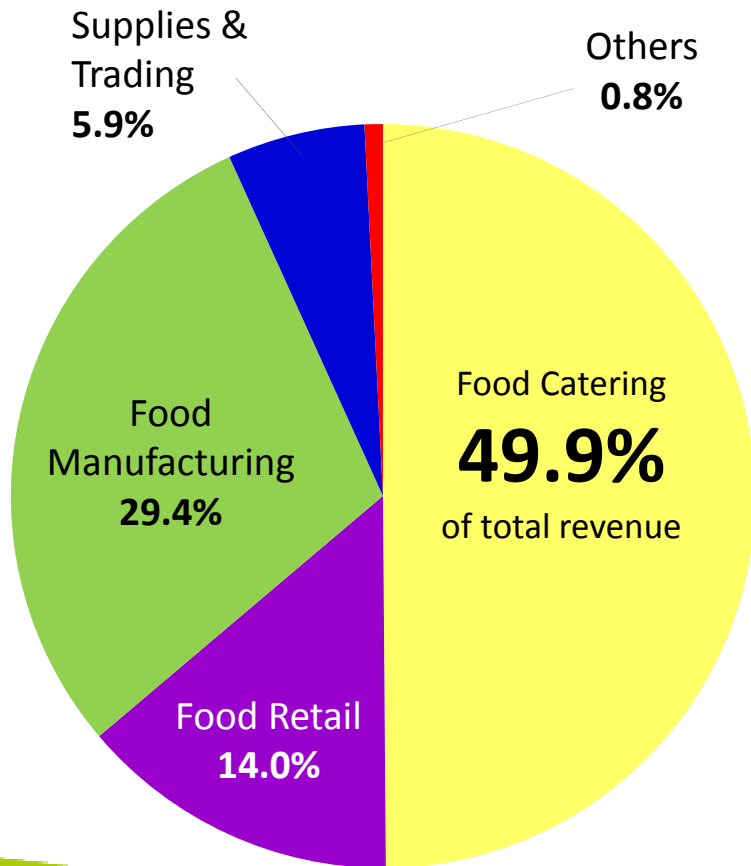
- Strong segment revenue growth due to:
 - U-Market's maiden revenue contribution
 - 5-month maiden revenue from CTVeg Group in FY2016 (acquisition completed Nov 2015)
- Lower bottomline due to absence of a S\$3.5m one-off gain from bargain purchase on acquisition in FY2016
- CTVeg Group continues to contribute positive top- and bottomline
- U-Market bottomline impacted by one-time allowance for impairment loss on receivables for accounting prudence
 - Expected to reap greater economies of scale from bulk purchase
 - Potential significant cost savings from leveraging on the Group's cold room facility
- Newly-acquired 51%-owned manufacturer and supplier of plastic products, Hi-Q, expected to contribute positively to segment from April 2017

GROWTH STRATEGIES

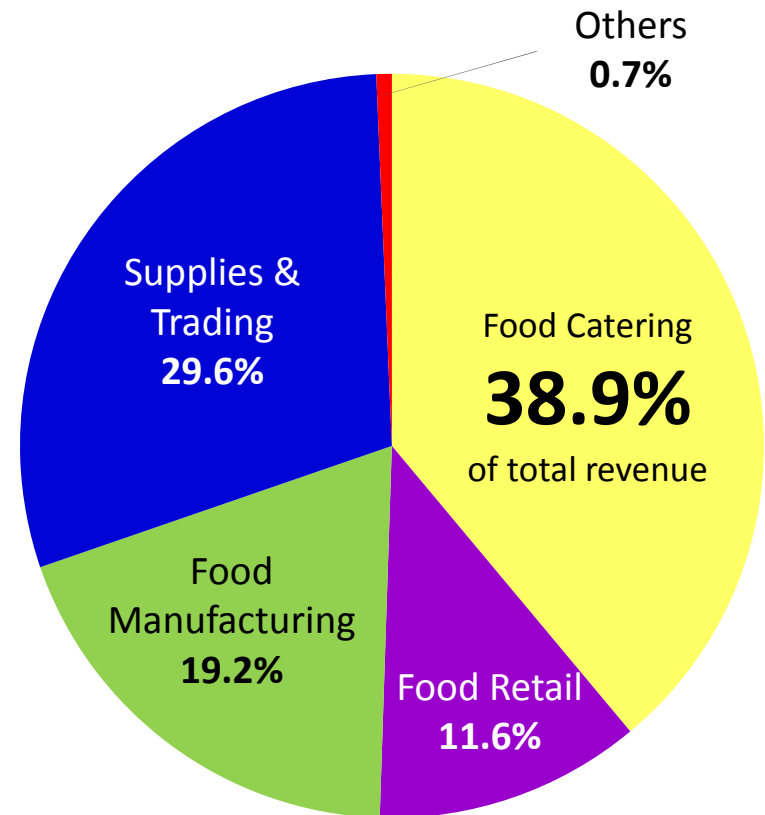
GROWTH STRATEGIES BEYOND CATERING



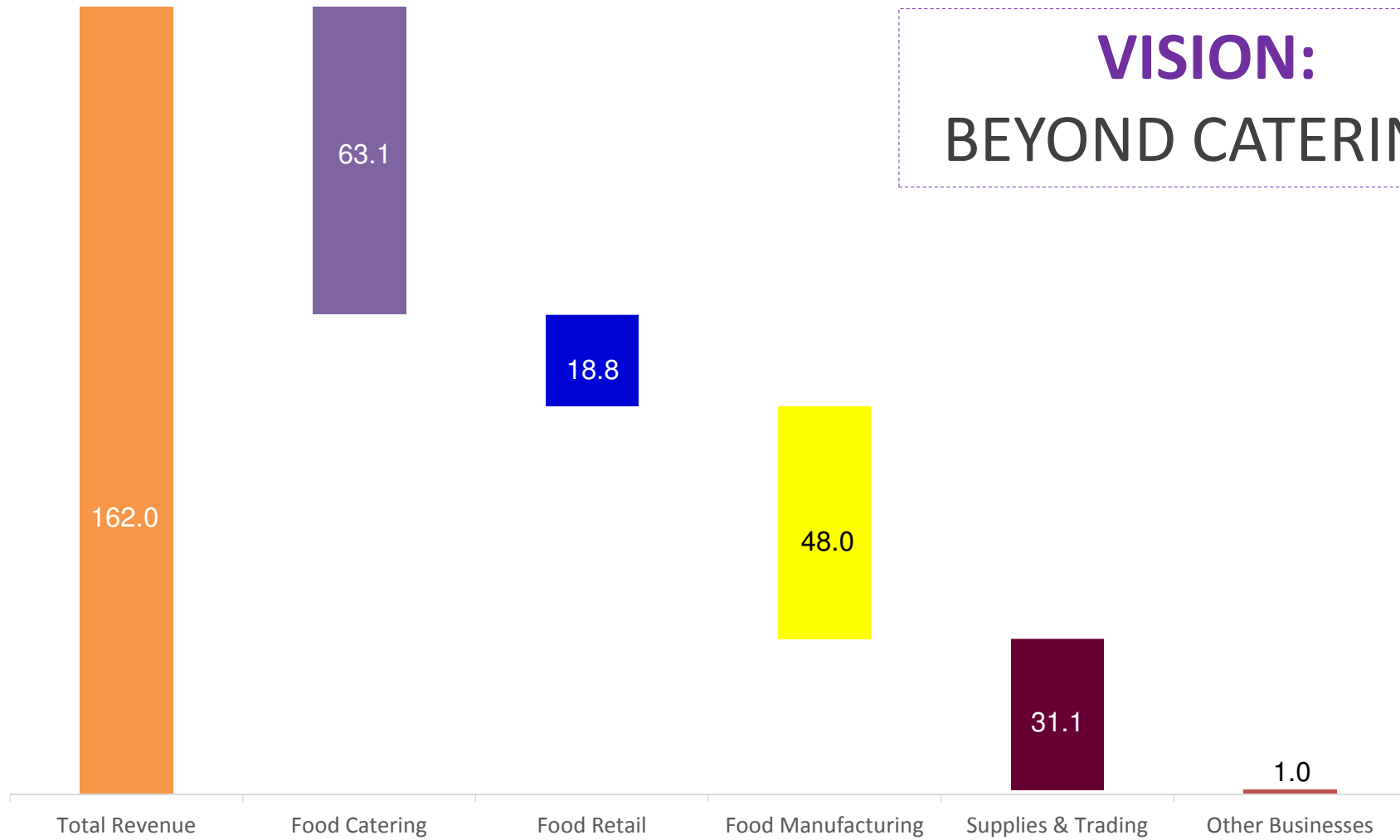
FY2016 Revenue
S\$125.4 Million



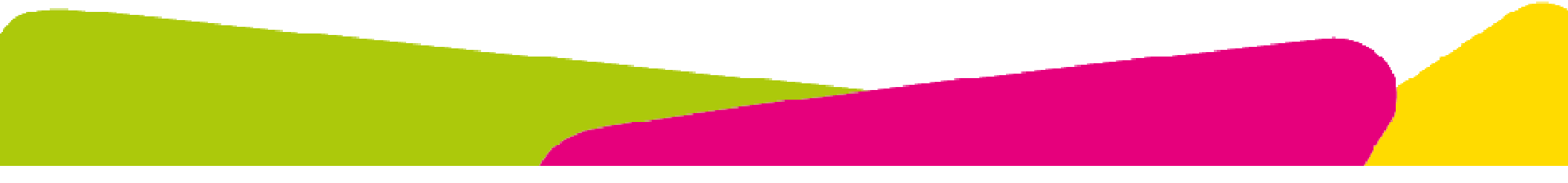
FY2017 Revenue
S\$162.0 Million



GROWTH STRATEGIES



VISION:
BEYOND CATERING



WHY INVEST IN NEO GROUP?

1 Strong Brand Recognition

- Singapore's No. 1 events caterer* since 2011
- Singapore's largest fishball manufacturer, Dodo Fishballs
- Most popular Joo Chiat Kim Choo rice dumpling

2 Strong Revenue Growth

- Pursuit of both organic and inorganic growth (through strategic revenue-accretive M&A opportunities)

3 Integrated Value Chain

- Central Kitchen + Manufacturing Facilities + Food Trading + Supplies & Trading to support our Group
- Reap synergies and economies of scale
- Greater control of costs & quality


4 Clear Growth Strategies

- Vertical integration through upstream M&A with food-related businesses
- Leverage on TS Group's international presence to expand into 25 countries
- Explore opportunities to create new recurring income streams

5 Multiple Product Lines to Capture Various Market Segments

- Food Catering brands to capture mass to high-end market segment
- Food Retail brands to offer unique concepts
- TS Group to have multiple product line to meet the needs of varying market segments
- To explore distributing Joo Chiat Kim Choo rice dumpling to overseas markets

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THANK YOU

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