



SHENG SIONG
... all for you!



3Q2020 Results Presentation

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Financial Highlights for 3Q2020

Revenue

28.9%
yoy

S\$327.3 million

Gross profit margin

0.1pp*

27.0%

Operating profit margin

1.8pp*

11.7%

Net profit

54.4%

S\$31.8 million

Retail area

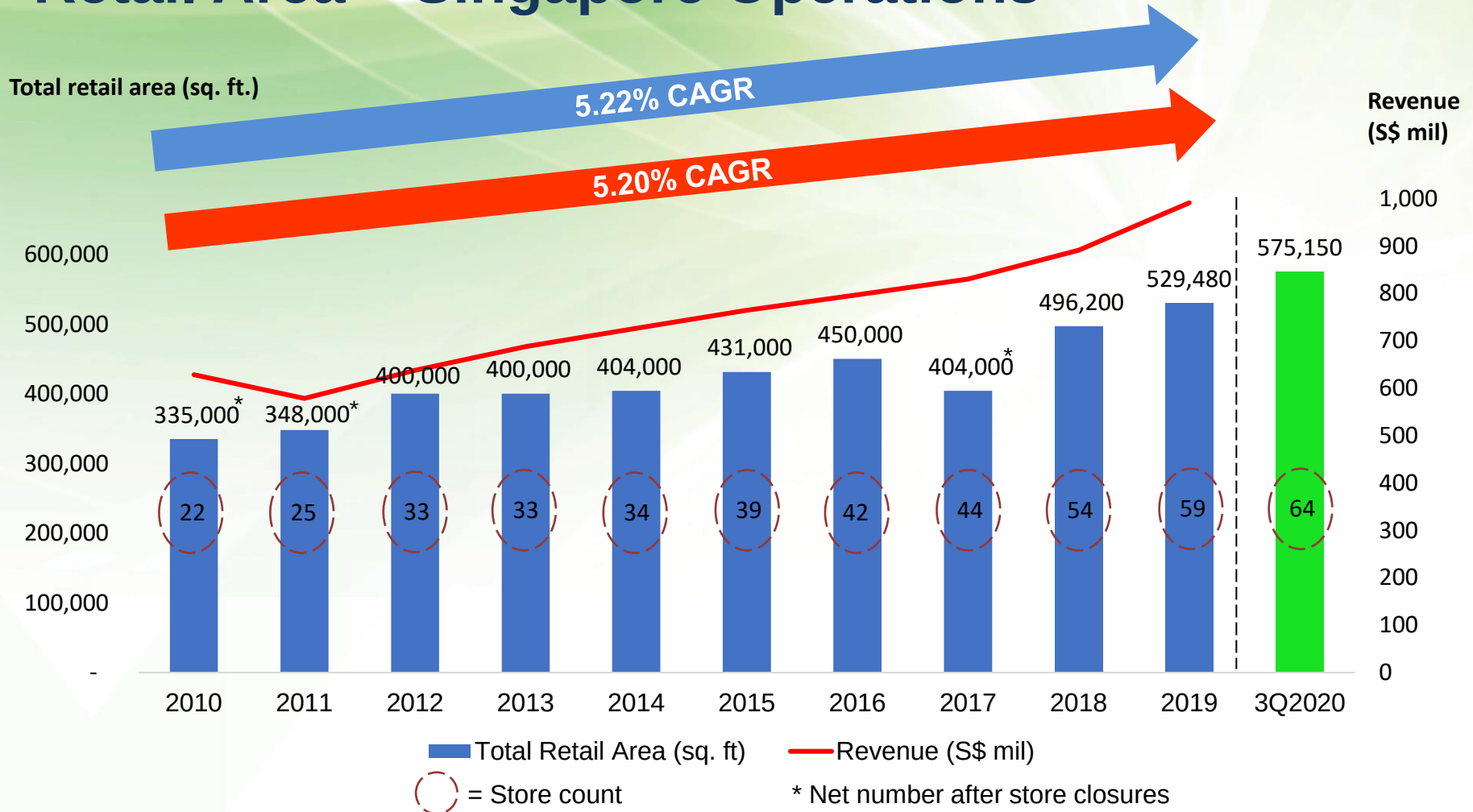
12.3%
yoy

575,150 sq ft***

**pp denotes percentage points*

**** Singapore only*

Retail Area – Singapore Operations

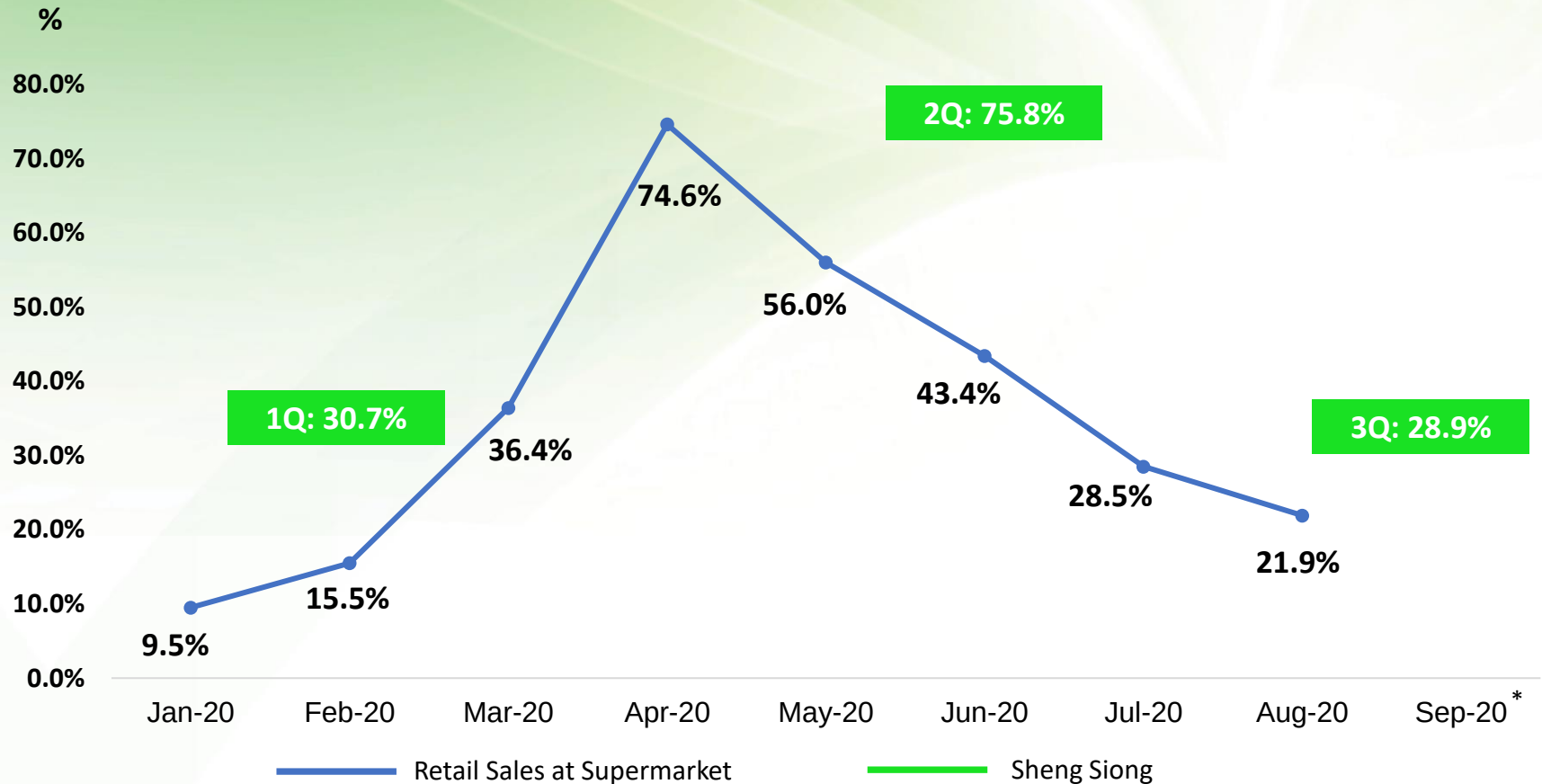


- 64 outlets as at 30 September 2020
- The key driver of our strategy will be to expand retail space in Singapore, particularly in areas where our potential customers are residing in.

Revenue Trend



Revenue Growth: Sheng Siong vs National



*Figures for retails sales in September is not available

Source: Department of Statistics, Singapore

Breakdown of Revenue Growth

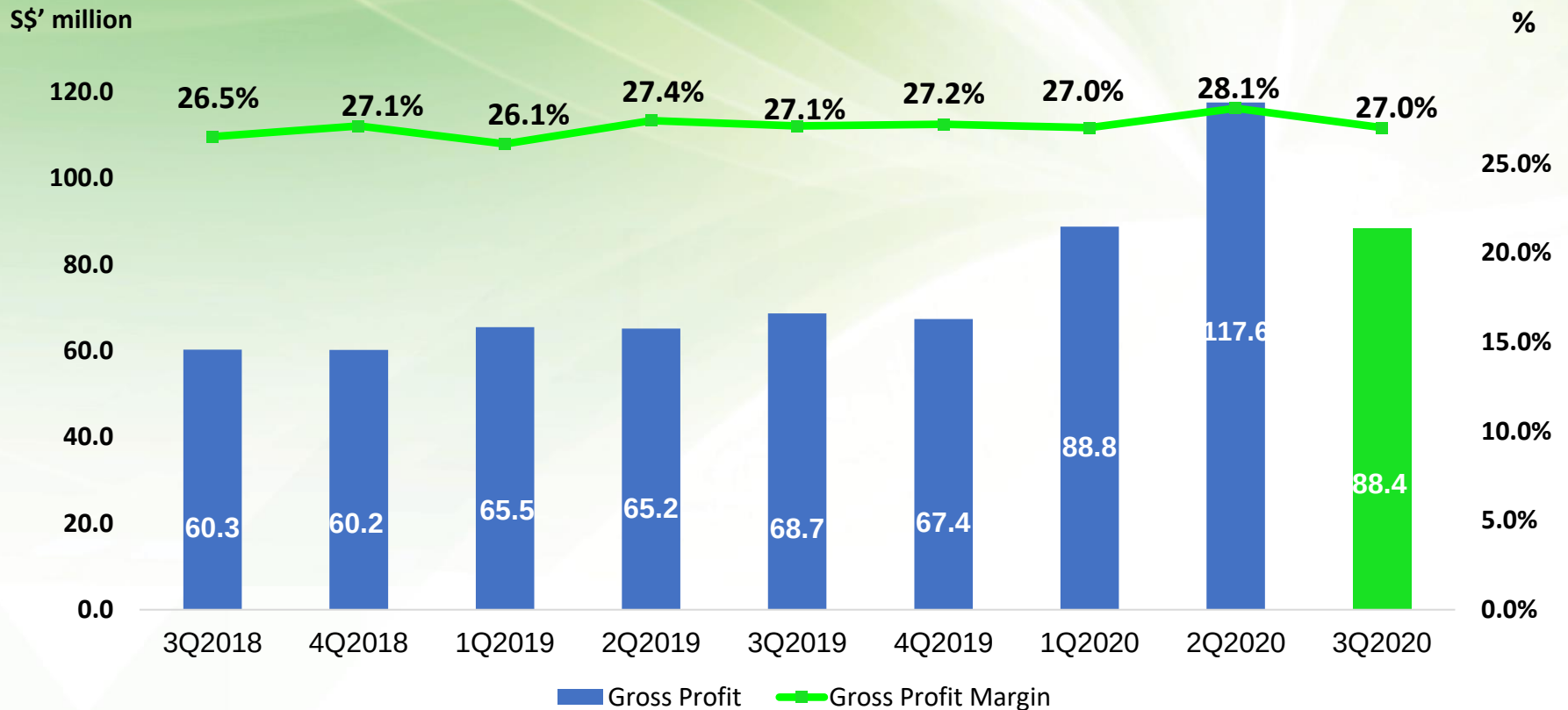
	1Q2020	2Q2020	3Q2020	3Q2019
New stores	9.0%	13.3%	9.5%	10.4%
Comparable same store sales	19.7%	61.2%	19.1%	(0.3%)
Supermarkets in China	2.0%	1.3%	0.3%	1.3%
Total revenue growth	<u>30.7%</u>	<u>75.8%</u>	<u>28.9%</u>	<u>11.4%</u>

Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
2013	400,000	687,390	1,718	New store sales offset by renovation works affecting Bedok Central and Verge stores
2014	400,000	725,987	1,815	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
2017	435,700 ⁽¹⁾	829,827	1,905	Closure of the Verge and Woodlands Block 6A – partial effect
2018	450,960 ⁽¹⁾	882,200	1,956	Closure of the Verge and Woodlands Block 6A – full effect and new stores
2019	508,250 ⁽¹⁾	974,008	1,916	New stores (mainly stores opened in 2018)
9M2019	502,500 ⁽¹⁾	662,900	1,540	New stores
9M2020	564,898 ⁽¹⁾	1,054,274	1,866	Comparable same store sales – elevated demand from COVID-19

⁽¹⁾ Weighted average area

Gross Profit Trend



- Gross margin remained flattish at 27.0% in 3Q2020 as sales promotions in the industry returned gradually to pre-COVID-19 levels after the lifting of the circuit breaker.

Balance Sheet Highlights

S\$' Million	As at 30 Sep 2020	As at 31 Dec 2019	Remarks
Inventories	82.1	82.2	Reducing inventory which was built up in the second quarter 2020 as a hedge against probable supply chain disruptions arising from COVID-19
Trade and other payables	191.2	140.8	Higher level of purchases and increase in accruals for bonuses
Property, plant and equipment (PPE)	345.7	356.2	Purchase of property, plant and equipment, new leases capitalised offset by depreciation
Cash and cash equivalents	209.8	76.4	Strong operating cash flow

Outlook

Business Outlook

- Demand may be affected post COVID-19
- Competition remains keen
- Hold higher level of inventory (lower than 2Q2020 level)

Growth strategy

- Continue expanding network of outlets in Singapore, especially in areas with no presence
- Nurture growth of new stores
- Improve comparable same store sales
- Nurture growth of Kunming supermarket (China) and build Sheng Siong's brand in China

Continue margin enhancement initiatives

- Improve sales mix of higher margin products
- Increase selection and types of house brand products

Operational efficiencies

- Remain vigilant on operating costs
- Continue to automate work processes



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Questions & Answers



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