

Kimly Doubles FY2019 Interim Dividend To 0.56 Singapore Cent, Highest Since IPO

- Revenue up 4.7% to S\$51.5 million in 2Q FY2019 compared to S\$49.2 million in 2Q FY2018
- Interim dividend of 0.56 Singapore cent, up from 0.28 Singapore cent for 1H FY2018
- EBITDA of S\$6.6 million for 2Q FY2019 compared to S\$6.9 million in 2Q FY2018

S\$'million	2Q FY2019	2Q FY2018	+ / (-) %
Revenue	51.5	49.2	4.7
Gross Profit	9.8	9.6	1.8
Profit Before Tax	5.6	6.3	(10.1)
EBITDA	6.6	6.9	(4.0)
Profit Attributable to Shareholders	4.7	5.5	(13.2)

SINGAPORE, 7 May 2019 – Kimly Limited (“**金味有限公司**”) (“**Kimly**” or the “**Company**” and together with its subsidiaries, the “**Group**”) proposed today an interim dividend of 0.56 Singapore cent for the first half of the financial year ending 30 September 2019 (“**1H FY2019**”), double the distribution of 1H FY2018. The interim dividend represents a payout ratio of 64.6% of net profits of 1H FY2019 compared to 28.9% in 1H FY2018 and 50.7% for the whole of FY2018.

The homegrown traditional coffee shop operator, one of the largest in Singapore, said revenue for the quarter ended 31 March 2019 (“**2Q FY2019**”) grew 4.7% to S\$51.5 million from S\$49.2 million a year earlier. The increase was mainly due to contribution from Japanese restaurant chain *Tonkichi* and Japanese-French confectioner *Rive Gauche*, both acquired in July 2018.

In line with higher revenue, gross profit in 2Q FY2019 increased to S\$9.8 million from \$9.6 million in 2Q FY2018. This was offset, however, by higher selling and distribution, administrative expenses which lowered net attributable profit to S\$4.7 million in 2Q FY2019 from S\$5.5 million in 2Q FY2018. EBITDA (earnings before interest, taxes, depreciation and amortisation) for 2Q FY2019 was S\$6.6 million (2Q FY2018: S\$6.9 million).

For 1H FY2019, Kimly recorded NPAT of S\$10.0 million (1H FY2018: S\$11.2 million) and EBITDA of S\$13.4 million (1H FY2018: S\$14.2 million) on revenue of S\$104.1 million (1H FY2018: S\$99.3 million). The Group operates 68 food outlets and 130 food stalls across the heartlands of Singapore.

Net cash from operations rose to S\$3.7 million in 2Q FY2019 from S\$2.9 million a year earlier, mainly as a result of operating cash flows before changes in working capital of S\$6.3 million and interest income received of S\$0.3 million, offset by net working capital outflows of S\$1.2 million and income taxes paid of S\$1.7 million. As at 31 March 2019, the Group had S\$86.5 million in cash and cash equivalents and no borrowings.

The interim dividend of 0.56 cent and payout ratio of 64.6% of net profit for 1H FY2019 is the highest since the Company was listed on the Catalist Board of the Singapore Exchange on 20 March 2017. For the whole of FY2018, the Company distributed a total of 0.96 Singapore cent, representing 50.7% of net profits for that year.

“Despite the challenging local F&B environment, the Group remains profitable for 1H FY2019 and in a healthy net cash position. Therefore, the Group wishes to reward shareholders for their continued loyalty and support,” the Directors of Kimly said. The Group is fully committed to carrying out the growth initiatives set out in its corporate and business update released on 18 December 2018. These include expanding its portfolio of coffee shops and product offerings, streamlining outlet operations and optimising its central kitchens.

The upgrading of Kimly's three central kitchens has been completed as at the end of 2Q FY2019. Out of the S\$5.0 million set aside from IPO proceeds for this purpose, the Group has utilised approximately S\$2.0 million.

With the completion, the Group will continue to direct its efforts in using technology to further strengthen the synergy between its outlets and central kitchens. It will also seek to improve productivity while improving working conditions at the individual food outlets/stalls. The Group will be relocating the Rive Gauche central kitchen to its headquarters in Woodlands.

The Group continues to grow its online delivery sales which accounted for approximately 2.0% of total revenue for 1H FY2019, compared to approximately 1.0% for the whole of FY2018.

The Group is in the midst of developing its own brand of iced Kopi and iced Teh to cater to the growing preference for healthier F&B options including lower sugar content. The product is expected to be ready for launch in 3Q FY2019.

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About Kimly Limited

Kimly Limited (“金味有限公司”) is one of the largest traditional coffee shop operators in Singapore with more than 25 years of experience. The Group operates and manages an extensive network of 68 food outlets and 130 food stalls across the heartlands of Singapore. It also operates a Central Kitchen that supplies sauces, marinades and semi-finished food products to its food stalls, which enables it to have better control over its business processes and generate cost savings.

For its Outlet Management Division, the Group operates and manages 60 coffee shops and four industrial canteens under the Kimly and third party brands and three food courts, located mainly in tertiary institutions, are managed and operated under the “foodclique” brand. Its Food Retail Division comprises Mixed Vegetable Rice, Teochew Porridge, Dim Sum, Seafood “Zi Char” food stalls and a Live Seafood Restaurant. The Group recently acquired a chain of Japanese restaurants, *Tonkichi*, and a confectionery business, *Rive Gauche*.

In tandem with the growing demand for online food ordering and delivery services due to changing consumer trends, Kimly Group started to offer its Dim Sum and Seafood “Zi Char” products for online ordering through Deliveroo, Food Panda, GrabFood and Honestbee.

Issued for and on behalf of Kimly Limited

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This press release has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this press release.

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