

PRESS RELEASE

## RE&S Registers a Profit Before Tax (PBT) of S\$11.3 million for FY2022

- Revenue increased by S\$27.0 million largely due to the opening of new outlets as well as the relaxation of Safe Management Measures from November 2021
- The Group proposes a final cash dividend of 0.85 Singapore cent per share, bringing the total dividend for FY2022 to 1.7 cents per share
- FY2022 PBT increases as compared to FY2021 PBT despite approximately S\$2 million reduction in Job Support Scheme (JSS)

**Singapore, 29 August 2022 – RE&S Holdings Limited (“RE&S” or the “Company” and, together with its subsidiaries, the “Group”), a Japanese multi-brand food and beverage (“F&B”) operator, announced today its financial results for the full year ended 30 June 2022 (“FY2022”).**

### Financial Highlights

S\$'000	FY2022	FY2021	Change (%)
Revenue	154,835	127,833	21.1
Other operating income	7,205	9,388	(23.3)
Operating expenses <sup>(1)</sup>	(101,247)	(87,600)	15.6
Other expenses – Non-Operating	(2,964)	(1,367)	116.8
Profit before tax	11,303	10,877	3.9
Profit, net of tax	9,451	9,490	(0.4)

(1) Operating expenses as the summation of the Group’s employee benefits expense, operating lease expenses, utilities expenses, depreciation expenses and other operating expenses

### Revenue by Segment

S\$'000	FY2022	FY2021	Change (%)
Full-Service Restaurants	81,216	76,769	5.8
Quick-Service Restaurants, Convenience & Others	73,619	51,064	44.2
<b>Total Revenue</b>	<b>154,835</b>	<b>127,833</b>	<b>21.1</b>

The Group recorded a revenue growth of 21.1% year-on-year (“yoy”) for FY2022 to S\$154.8 million from S\$127.8 million in FY2021, largely due to higher revenue contribution as social distancing restrictions were removed, resulting in more seats available for dine-in customers. Revenue from Full-Service Restaurants (FSR) increased by 5.8% from S\$76.8 million in FY2021 to S\$81.2 million in FY2022. The growth in Quick-Service Restaurants, Convenience & Others (QSR) segment continues to gain traction with a revenue registered of S\$73.6 million in FY2022, marking an increase of 44.2%. This was largely attributable to the opening of new Yakiniku-GO, Kuriya Japanese Market and Gokoku Japanese Bakery outlets in 1HFY2022. In addition, there was also an increase in food delivery sales with customers becoming more accustomed to food delivery service and its convenience amid the pandemic.

The cost of raw materials and consumables net of changes in inventories increased by 26.6% to S\$43.5 million. The cost of raw materials and consumables taking into consideration of changes in inventories were 28.1% and 26.9% of total revenue for FY2022 and FY2021 respectively. This was mainly due to a general increase in the average prices of raw materials and consumables, arising from the disruption in global supply and higher inflation.

Other operating income for FY2022 decreased by S\$2.2 million largely due to lower direct rental support from landlords and Jobs Support Scheme (JSS) grant in relation to the COVID-19 pandemic.

Operating expenses increased by 15.6% to S\$101.2 million largely attributable to the opening of new outlets. Employee benefit expenses increased by S\$7.2 million, and is primarily attributed to the increase in headcounts which was in line with the opening of new outlets. However, employee benefits expense represented 33.3% and 34.8% of total revenue for FY2022 and FY2021 respectively. The decrease was mainly due to removal of social distancing restrictions in relation to COVID-19, which led to labour optimization as existing staff can now serve the increased capacity. Increase in utilities expenses, operating lease expenses and depreciation expenses have also contributed to the rise in operating expenses.

Other expenses – non-operating increased by 116.8% to S\$3.0 million in FY2022, mainly due to unrealised markdowns on investments at fair value through profit or loss (“FVTPL”) and loss on disposal of financial assets at FVTPL amounting to S\$0.8 million and S\$0.3 million respectively, arising from the uncertainties in the macroeconomic environment.

As a result of the above, the Group registered a profit after tax of S\$9.5 million in FY2022.

The Group has proposed a final dividend of 0.85 cent per share subject to shareholders’ approval at the forthcoming annual general meeting to show our appreciation for the long-term support rendered by our valued shareholders. Together with the interim dividends of 0.85 cent per share declared in February 2022, the total dividend distribution for FY2022 stands at 1.7 Singapore cents per share, representing about 63.7% payout of profit after tax with a dividend yield of 9.0% based on the closing share price of S\$0.188 as at 30 June 2022.

**RE&S Executive Director and Chief Executive Officer, Mr. Fenton Foo says,** “We are pleased to deliver an encouraging performance in FY2022. With Singapore taking steps towards normalcy and the further easing of social restrictions, we are delighted to welcome back more customers. During the year, we have re-invented our existing cluster of restaurant and retail outlets at NEX into an exciting new food street, and have also opened more QSR concepts like Yakniku-GO, Gokoku Japanese Bakery and Kuriya Japanese Market. These have been met with good responses from the public. We will continue to upgrade our outlets to further enhance customers’ dining experience and strive to serve them better. We remain mindful of the rising cost of labour, raw materials and operations, and will stay vigilant in a rapidly evolving landscape while continuing to look for new business opportunities.”

## Outlook

The Food & Beverage (**F&B**) industry in Singapore is enjoying improved customer traffic from the relaxation of COVID-19 restrictions. However, the operating environment of F&B industry is increasingly challenging. Besides facing challenges from supply chain disruptions, F&B players have to deal with surging raw material and operating costs due to rising inflation. Manpower shortages and high labour costs will continue to persist which are expected to plague the F&B sector.

The Group will continue to monitor the rapidly evolving business landscapes and deliver on its growth strategies and productivity initiatives. Barring unforeseen circumstances, the Group is cautiously optimistic of achieving satisfactory financial performance for FY2023.

## About RE&S Holdings Limited

Established in 1988, RE&S is a multi-concept owner and operator of F&B outlets in Singapore and Malaysia that provides customers with authentic Japanese cuisine and dining experience. Since its incorporation, RE&S has grown from a single Fiesta restaurant into a network comprising its Corporate Headquarters which houses more than 1,600 employees across the corporate office, a central kitchen in Tai Seng, a procurement office in Japan, and more than 70 F&B outlets. Staying true to the RE&S brand promise of “Food for Life”, its diverse portfolio comprising 20 distinct brands covers the full spectrum of varied market segments today; ranging from fine dining (Kuriya Dining) to family-style (Ichiban Boshi) and convenience (Kuriya Japanese Market). Supported by its ISO 22000:2005-certified Central Kitchen, RE&S is committed to maintaining a high standard of food consistency and quality for its customers alongside constant efforts in strategic innovation.

For more information, please visit <http://www.res.com.sg>

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