



**SHENGSIONG**  
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# 3Q2018 Results Presentation



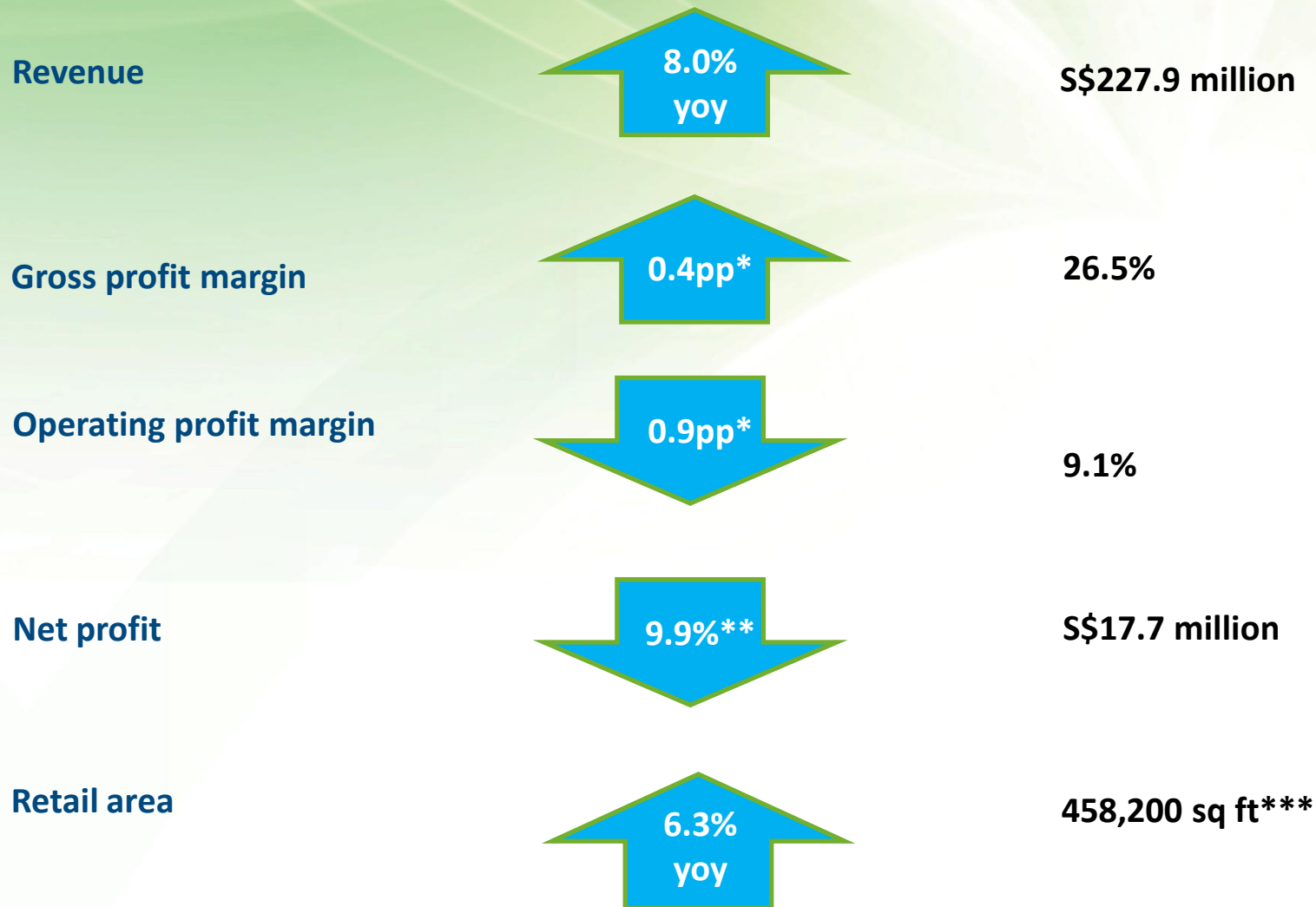
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# Financial Highlights for 3Q2018



\* pp denotes percentage points

\*\* Increase by 1.5% if tax refund in 3Q2017 is excluded

\*\*\* Singapore only

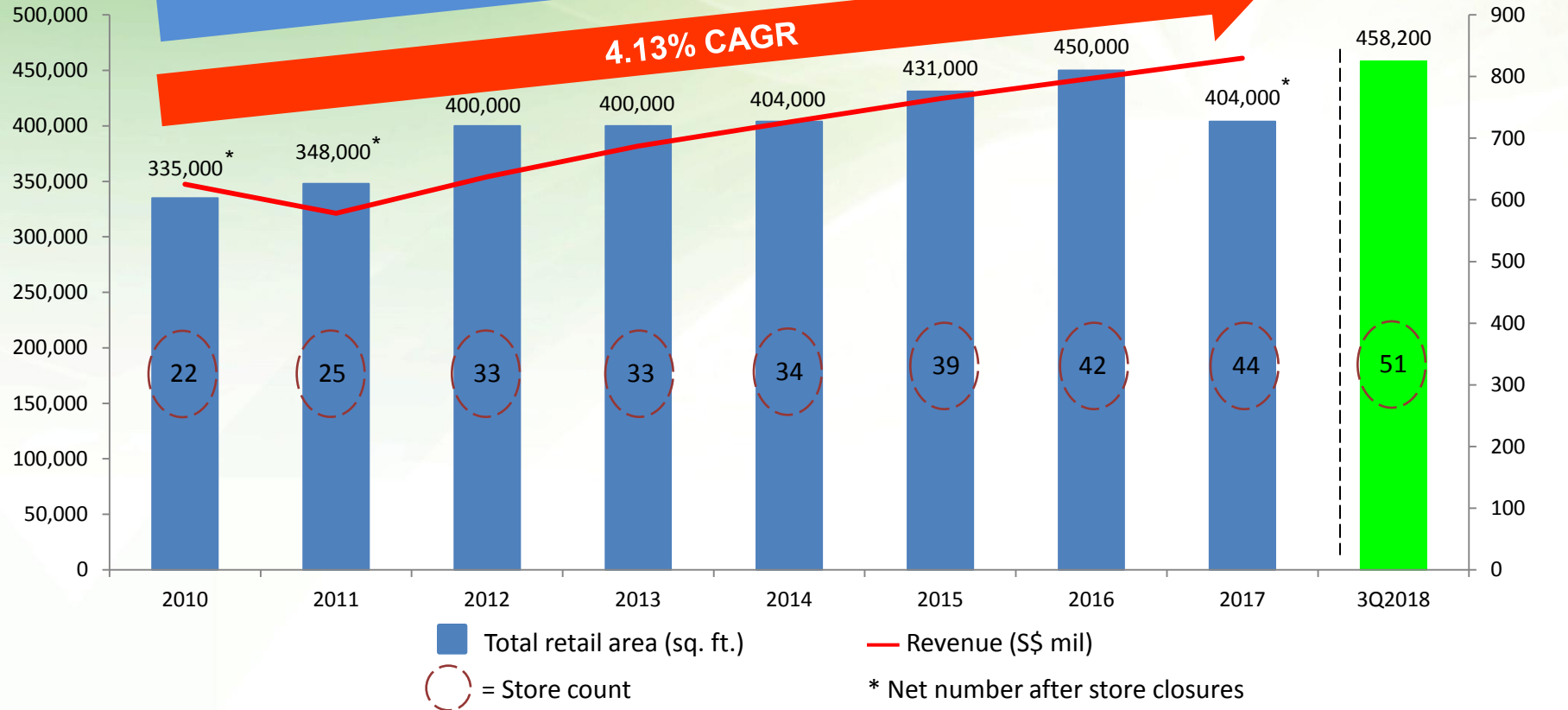


# Retail Area – Singapore Operations

Total retail area (sq. ft.)

2.71% CAGR

4.13% CAGR



- 51 outlets as at 30 September 2018
- 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



(1) The Verge closed

(2) The Verge and Block 6A Woodlands closed

# Breakdown of Revenue Growth

	3Q2018	2Q2018	3Q2017
<b>New stores</b>	10.6%	7.8%	3.9%
<b>Comparable same store sales</b>	0.2%	4.2%	1.7%
<b>Verge and Woodlands Block 6A *</b>	(4.0%)	(7.2%)	(1.4%)
<b>Supermarket in China</b>	1.2%	0.9%	-
<b>Total revenue growth</b>	<u>8.0%</u>	<u>5.7%</u>	<u>4.2%</u>

\*Verge and Woodlands Block 6A were closed in June 2017 and November 2017 respectively

# Revenue Per Sq Ft (Singapore Operation)

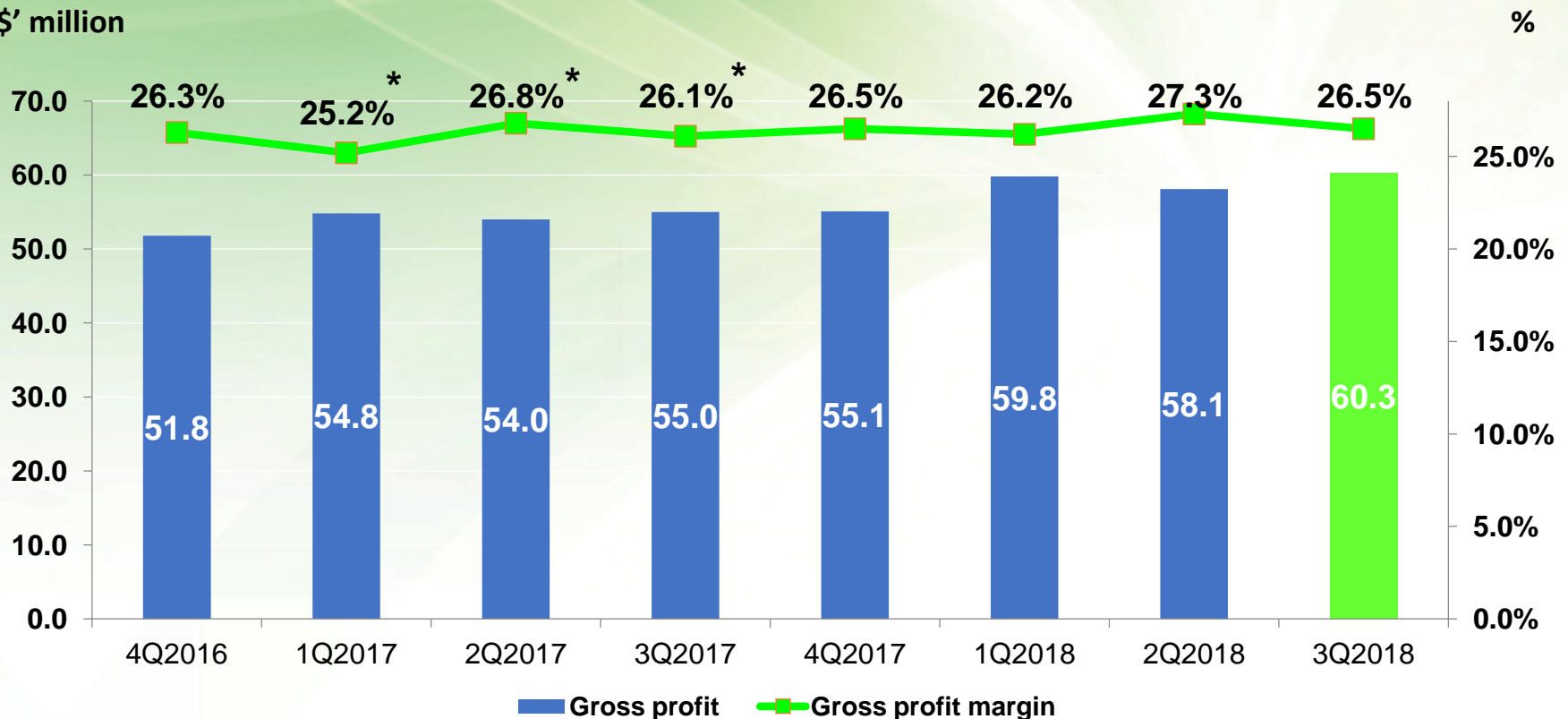
Year	Area (square feet)	Revenue (S\$'000)	Revenue per square foot (S\$)	Remarks
2011	353,000 <sup>(1)</sup>	578,443	1,638	Closure of Tanjong Katong store and negative same store sales
2012	369,000 <sup>(1)</sup>	637,317	1,727	New store sales, positive same store sales offset by closure of Tanjong Katong
2013	400,000	687,390	1,718	New store sales offset by renovation works affecting Bedok Central and Verge stores
2014	400,000	725,987	1,815	Positive same store sales
2015	422,000 <sup>(1)</sup>	764,433	1,810	Turnover at new stores require time to reach optimum
2016	436,000 <sup>(1)</sup>	796,683	1,826	More smaller stores
2017	435,700 <sup>(1)</sup>	829,827	1,905	Closure of the Verge and Woodlands Block 6A – partial effect
9M2018	430,500 <sup>(1)</sup>	662,900 <sup>(2)</sup>	1,718	Closure of the Verge and Woodlands Block 6A – full effect and new stores

<sup>(1)</sup> Weighted average area

<sup>(2)</sup> Excluded China

# Gross Profit Trend

S\$' million



\* After an adjustment re-classifying from cost of sales to administrative expenses

- Gross margin increased to 26.5% in 3Q2018 compared with 26.1% in 3Q2017, mainly due to higher sales mix of fresh products which command a higher gross margin versus non-fresh products, suppliers' rebates and improvement in efficiency in the central distribution centre.



# Balance Sheet Highlights

S\$' Million	As at 30 Sep 2018	As at 31 Dec 2017	Remarks
<b>Inventories</b>	57.9	60.8	Goods which were purchased for Chinese New Year were sold
<b>Trade and other payables</b>	111.7	111.3	An increase in trade payable arising from purchases of inventory for the new stores, which was offset by a reduction in other payables and accruals
<b>Property, plant and equipment (PPE)</b>	261.8	254.7	Purchase of property, plant and equipment amounting to \$19.6 million
<b>Cash and cash equivalents</b>	67.2	73.4	

# Outlook

## Business Outlook

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

### Retail space:

- **New stores opened/opening in 4Q2018**

Oct 2018	Woodlands Block 573	+10,730 square feet
Oct 2018	1 Woodlands Road, Junction 10	+20,370 square feet
Nov 2018	Bukit Batok Block 451	+6,880 square feet

### Growth strategy

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