



SHENG SIONG
... all for you!



FY2019 Results Presentation



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Financial Highlights for FY2019

Revenue

11.3%
yoy

S\$991.3 million

Gross profit margin

0.1pp*

26.9%

Operating profit margin

0.1pp*

9.3%

Net profit

7.4%**

S\$75.8 million

Retail area

6.7%
yoy

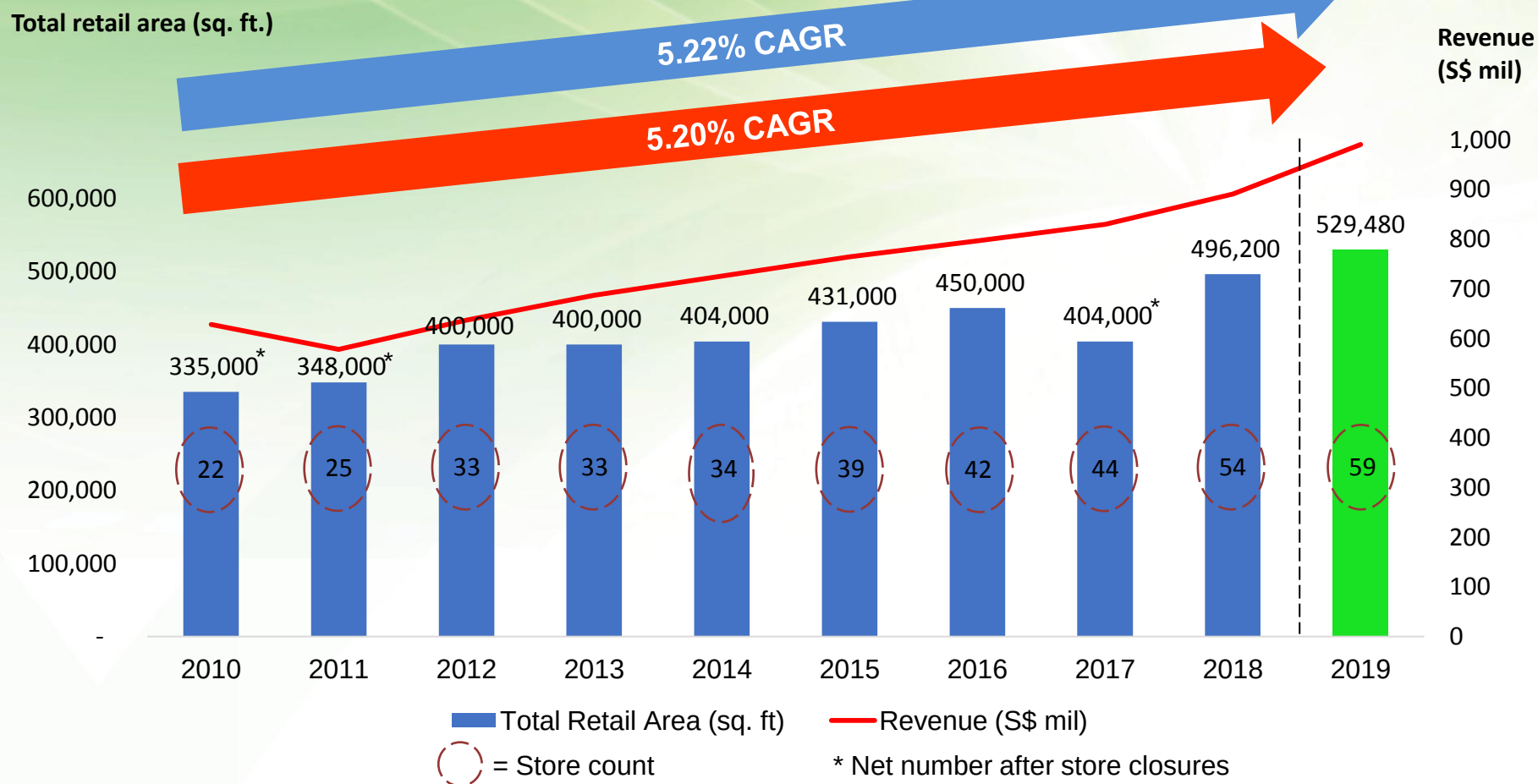
529,480 sq ft***

**pp denotes percentage points*

*** Up 9.7% to S\$77.4 million without SFRS(I) 16*

**** Singapore only*

Retail Area – Singapore Operations



- 59 outlets as at 31 December 2019
- 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



Breakdown of Revenue Growth

	4Q2019	4Q2018	FY2019	FY2018
New stores	8.6%	14.7%	10.2%	10.1%
Comparable same store sales	1.8%	(2.7%)	0.1%	1.7%
Verge and Woodlands Block 6A *	-	(2.1%)	-	(5.4%)
Supermarkets in China	1.4%	0.8%	1.0%	1.0%
Total revenue growth	<u>11.8%</u>	<u>10.7%</u>	<u>11.3%</u>	<u>7.4%</u>

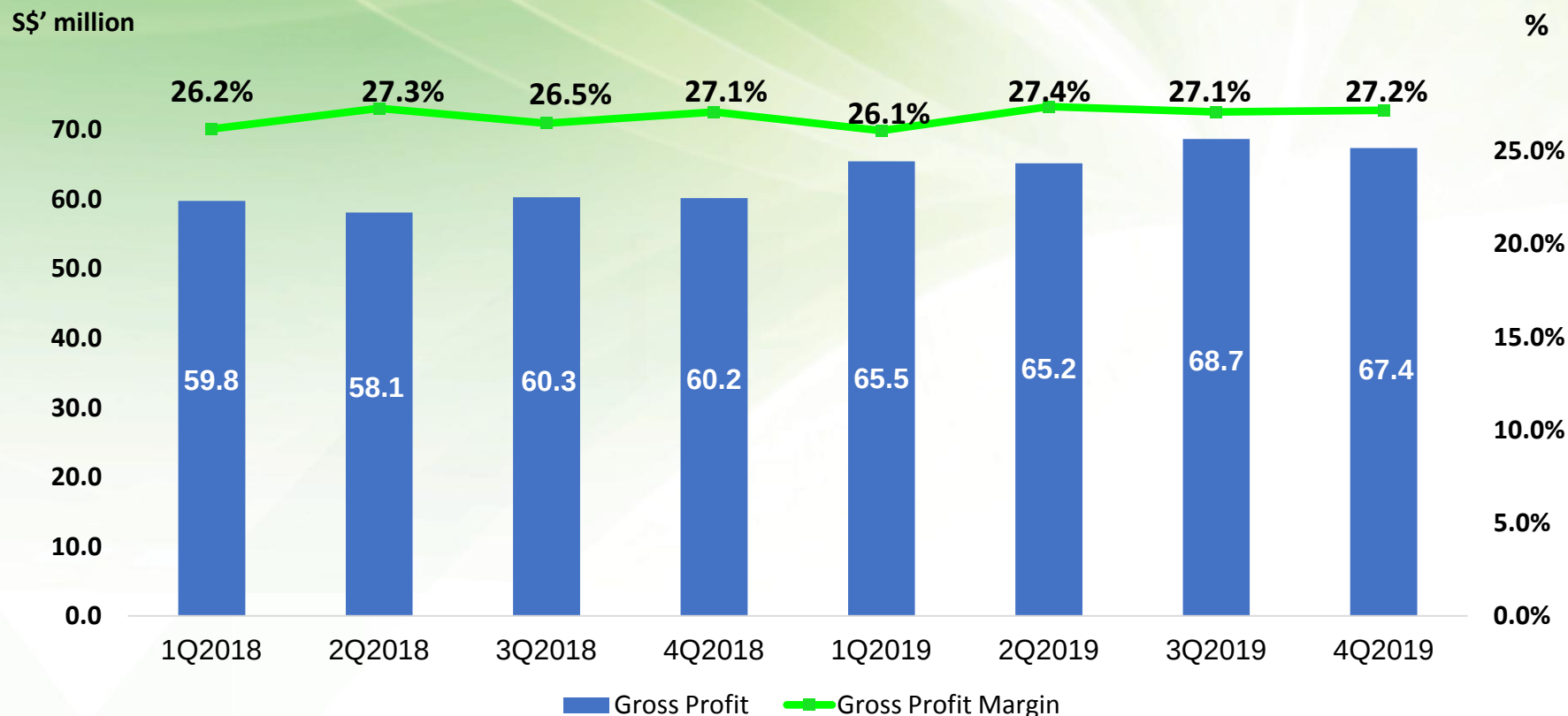
*Verge and Woodlands Block 6A were closed in June 2017 and November 2017 respectively

Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
2012	369,000 ⁽¹⁾	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 ⁽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)

⁽¹⁾ Weighted average area

Gross Profit Trend



- Gross margin improved slightly to 26.9% in FY2019 compared with 26.8% in FY2018, mainly because of higher suppliers' rebates and improvement in sales mix but this was offset by higher input prices of pork brought about by the swine flu.

Balance Sheet Highlights

S\$' Million	As at 31 Dec 2019	As at 31 Dec 2018	Remarks
Inventories	82.2	69.9	Stocking up for Chinese New Year sales in January 2020 and the higher store count
Trade and other payables	140.8	125.7	Higher purchases for stocking up for the coming Chinese New Year's sale
Property, plant and equipment (PPE)	295.3	266.2	Purchase of property, plant and equipment amounting to \$53.6 million
Right-of-use assets (leases)	60.9	-	Adoption of SFRS (I) 16
Lease liabilities	57.0	-	Adoption of SFRS (I) 16
Cash and cash equivalents	76.4	87.2	

Outlook

Business Outlook

- Competition in the supermarket industry is likely to remain keen.
- Coronavirus is affecting supply chain, 2020 Budget measures will provide some relief.

Retail Space:

▪ New stores opened:

1 January 2020	Aljunied Avenue 2 Blk 118	+18,000 square feet
11 January 2020	Marsiling Drive Blk 202	+5,540 square feet

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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