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Sheng Siong Group Achieves 7.1% revenue growth and 6.1% net profit increase in 1Q FY2025

- Revenue increased to S\$403.0 million, mainly supported by contributions from new store openings since FY2024 and festive sales during Hari Raya.
- Gross profit increased 10.2% to S\$122.0 million with an improvement in sales mix and to combat rising business costs
- 2 new stores were opened in 1Q FY2025 with 6 new stores secured ; pending results of 4 additional tenders.

Singapore, 29 April 2025 – Sheng Siong Group Ltd. (“Sheng Siong”, together with its subsidiaries, the “Group” or “昇菘集团”), one of the largest supermarket chains in Singapore, reported a net profit of S\$38.5 million for three months (“1Q FY2025”) ended 31 March 2025, an increase of 6.1% year-on-year (“yoy”).

Financial Highlights

Financial Highlights	1Q FY2025 (S\$ 'million)	1Q FY2024 (S\$ 'million)	Change (%)
Revenue	403.0	376.2	7.1
Gross profit	122.0	110.7	10.2
Gross profit margin	30.3%	29.4%	0.9 <i>ppts</i> *
Other Income	4.7	4.0	18.1
Net profit	38.5	36.3	6.1
Net profit margin	9.6%	9.7%	(0.1 <i>ppts</i> *)
EPS (S\$ cents)	2.57	2.42	6.2

**ppts denote percentage points*

Revenue for 1Q FY2025 increased by 7.1% yoy to S\$403.0 million, up from S\$376.2 million in the same period last year. The increase was mainly driven by contributions from 8 new store openings in 1Q FY2025 and FY2024, as well as higher festive sales during Hari Raya in March. Gross profit grew by 10.2% yoy to S\$122.0 million in 1Q FY2025, while gross profit margin improved by 0.9 percentage points yoy to 30.3%, supported by continued enhancements in our sales mix, which helped offset higher operating costs.

Other income increased by 18.1% yoy to S\$4.7 million in 1Q FY2025 as compared to 1Q FY2024. The growth was mainly driven by higher rental income from expanded leased space and the receipt of government grants under the Progressive Wage Credit Scheme (“**PWCS**”).

In 1Q FY2025, the Group’s operating costs increased due to an 8.8% yoy increase in administrative expenses to S\$15.8 million and a 13.3% increase in selling and distribution expenses to S\$65.8 million.

These were mainly due to higher staff costs from higher variable bonuses resulting from better financial performance, enhanced employment benefits and more employees hired to support new stores.

Cash flow from operating activities in 1Q FY2025 declined by S\$10.1 million compared to the same period last year, primarily due to a higher amount due from banks related to non-cash and digital payments in March. The decrease was also attributed to higher payments made to vendors during the quarter. By the end of March, the Group's cash and cash equivalents balance increased by 3.8% yoy and stood at S\$366.9 million.

Looking Forward

Singapore's economic outlook for 2025 has turned more cautious amid external macroeconomic headwinds. The Ministry of Trade and Industry ("MTI") has revised the country's GDP growth forecast to 0.0%–2.0%¹, while the Monetary Authority of Singapore ("MAS") expects core inflation to ease to 0.5%–1.5%, down from an earlier forecast of 1.0%–2.0% in January². In response to moderating inflation and rising risks to economic growth from the US's tariffs, MAS reduced the pace of the Singapore dollar's trade-weighted appreciation in its second policy adjustment this year³.

Geopolitical tensions, particularly recent changes in US tariff policy, continue to weigh on global sentiment, adding pressure on global trade flows and disrupted supply chain stability⁴, increasing the risk of port congestion, rerouted shipping lanes, and greater volatility in freight costs.

These developments present downside risks to the global economy making consumers more cautious in their spending decisions. With growing uncertainty around prices and income stability, many households are likely to prefer value-driven supermarkets and shifting their focus towards essential items that offer greater value. In response, the Singapore government has continued to roll out support measures such as the CDC vouchers, which aim to help households cope with the rising cost of living and provide targeted relief for daily essentials⁵.

Against this backdrop, we believe Sheng Siong's strong value-for-money proposition, supported by competitively priced goods and house brand offerings, positions us well to meet evolving consumer needs, especially as more households seek quality essentials at affordable prices.

¹ <https://www.straitstimes.com/business/economy/spore-downgrades-gdp-forecast-for-2025-to-0-2-as-us-china-tariff-war-weighs-on-global-growth>

² <https://www.mas.gov.sg/news/monetary-policy-statements/2025/mas-monetary-policy-statement-14apr25#:~:text=For%202025%20as%20a%20whole,%25%20from%204.4%25%20last%20year.>

³ <https://www.straitstimes.com/business/economy/mas-eases-singapore-dollar-policy-to-help-economy-weather-trumps-tariff-storm>

⁴ <https://www.thomsonreuters.com/en-us/posts/corporates/supply-chains-reaction-tariffs/>

⁵ <https://www.straitstimes.com/singapore/sporean-households-to-get-500-in-cdc-vouchers-from-may-13-valid-until-dec-31>

To navigate the current uncertain environment, the Group is actively refining its sales mix and focusing on building its core competencies. At the same time, we continue to diversify our supplier base to enhance supply chain resilience, while investing in automation and AI technology to improve operational efficiency and mitigate rising labour costs.

Mr Lim Hock Chee, the Group's Chief Executive Officer, said, "Despite a more uncertain start to 2025, the Group remained focused and delivered steady performance in the first quarter, reflecting our operational strength and solid fundamentals.

By staying focused on meeting the needs of our customers and creating long-term value for our shareholders, we have continued to build resilience and consistency in our operations. As a homegrown retailer, we remain committed to providing quality essentials at affordable prices and staying close to the everyday needs of our communities.

Looking ahead, we are maintaining a disciplined approach to growth. In the first quarter of 2025, we opened 2 new stores and recently secured 6 additional retail locations⁶ which we expect to open by Q3 FY2025. We are currently awaiting another 4 tender results. We continue to monitor suitable opportunities to expand our network, which aligns with our long-term strategy. Despite the external challenges, we remain confident in our ability to grow and strengthen our presence in the years ahead."

– End –

About Sheng Siong Group Ltd.

Sheng Siong Group Ltd. is one of the largest supermarket chains in Singapore. Principally engaged in operating the Sheng Siong Groceries Chain, consisting of 77 outlets all across the island, the Group's outlets are primarily located in the heartlands of Singapore. The outlets are designed to provide its customers with both "wet and dry" shopping options, including a wide assortment of live, fresh and chilled produce, such as seafood, meat and vegetables, in addition to processed, packaged and/or preserved food products as well as general merchandise such as toiletries and essential household products.

Sheng Siong has developed a selection of house brands to offer customers quality alternatives to national brands at substantial savings. Sheng Siong offers over 1,750 products under its 25 house brands, ranging from food products to paper goods.

For more information, please refer to: <http://corporate.shengsiong.com.sg>

Issued for and on behalf of Sheng Siong Group Ltd.

by Financial PR

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⁶ 1. Blk 240 Tengah Garden Walk #01-02

2. Blk 218 Sumang Walk #01-01

3. Blk 622D Punggol Central #01-06

4. Blk 658 Punggol East #01-01

5. KINEX, 11 Tanjong Katong Road

6. CATHAY Building, 2 Handy Road