



SHENG SIONG
... all for you!



FY2018 Results Presentation



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Financial Highlights for FY2018

Revenue

7.4%
yoy

S\$890.9 million

Gross profit margin

0.6pp*

26.8%

Operating profit margin

0.5pp*

9.4%

Net profit

1.4%**

S\$70.5 million

Retail area

22.8%
yoy

496,200 sq ft***

* pp denotes percentage points

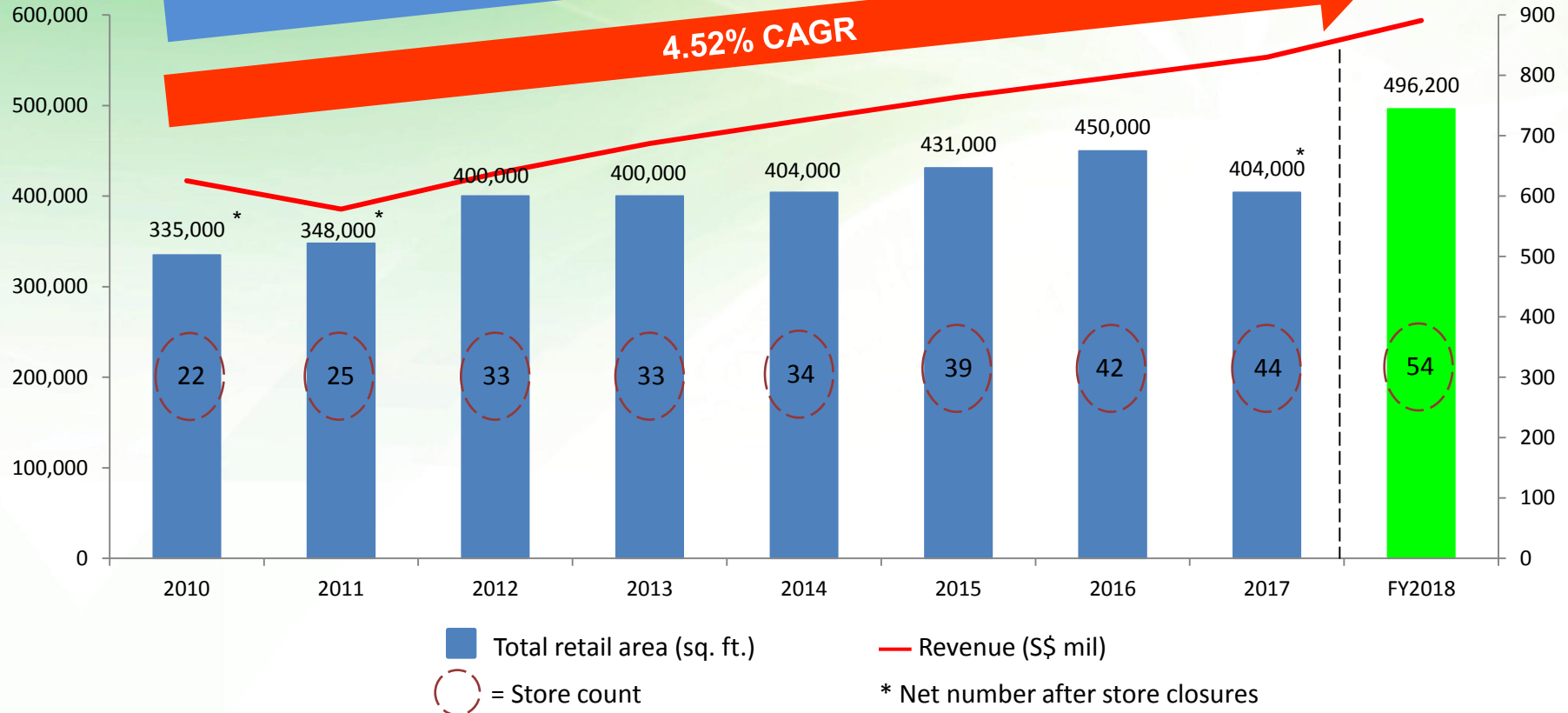
** Increase by 4.6% if tax refund in FY2017 is excluded

*** Singapore only

Retail Area – Singapore Operations

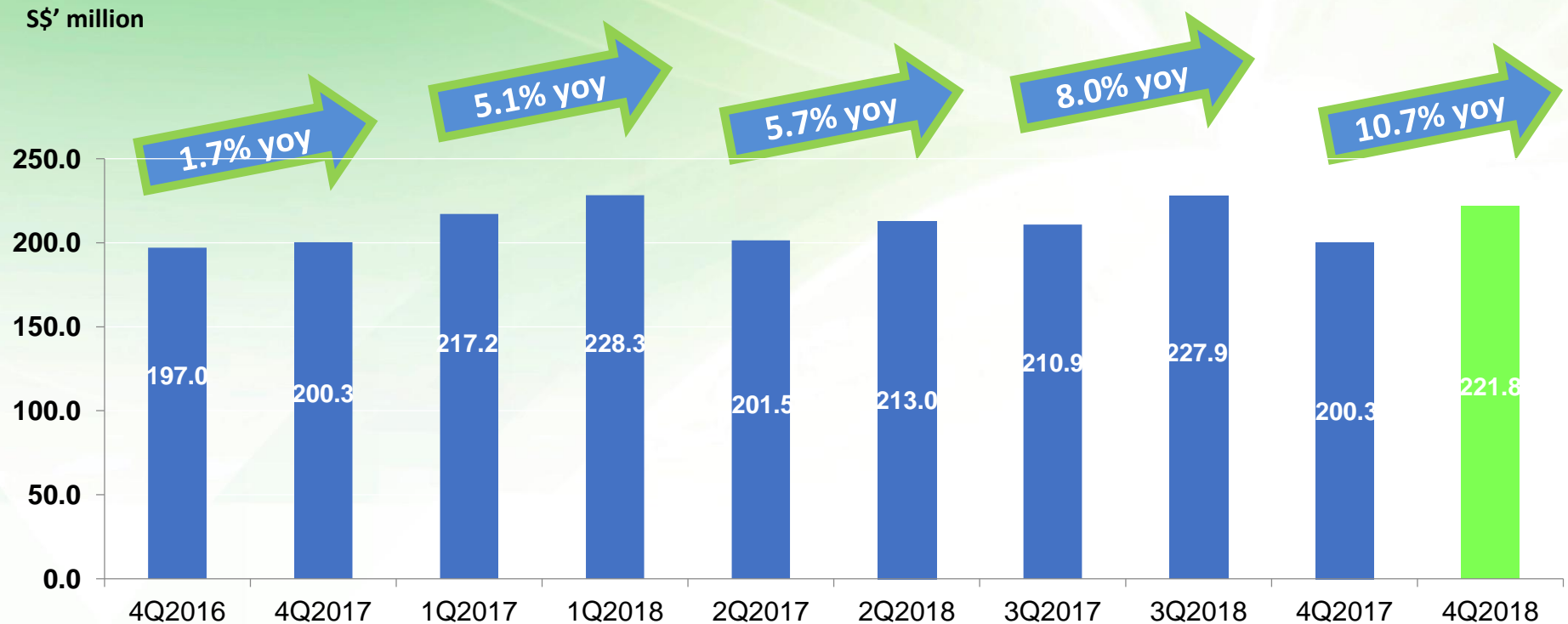
Total retail area (sq. ft.)

Revenue
(S\$ mil)



- 54 outlets as at 31 December 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



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

Breakdown of Revenue Growth

	4Q2018	4Q2017	FY2018	FY2017
New stores	14.7%	2.7%	10.1%	4.5%
Comparable same store sales	(2.7%)	3.2%	1.7%	2.1%
Verge and Woodlands Block 6A *	(2.1%)	(4.2%)	(5.4%)	(2.4%)
Supermarket in China	0.8%	-	1.0%	-
Total revenue growth	<u>10.7%</u>	<u>1.7%</u>	<u>7.4%</u>	<u>4.2%</u>

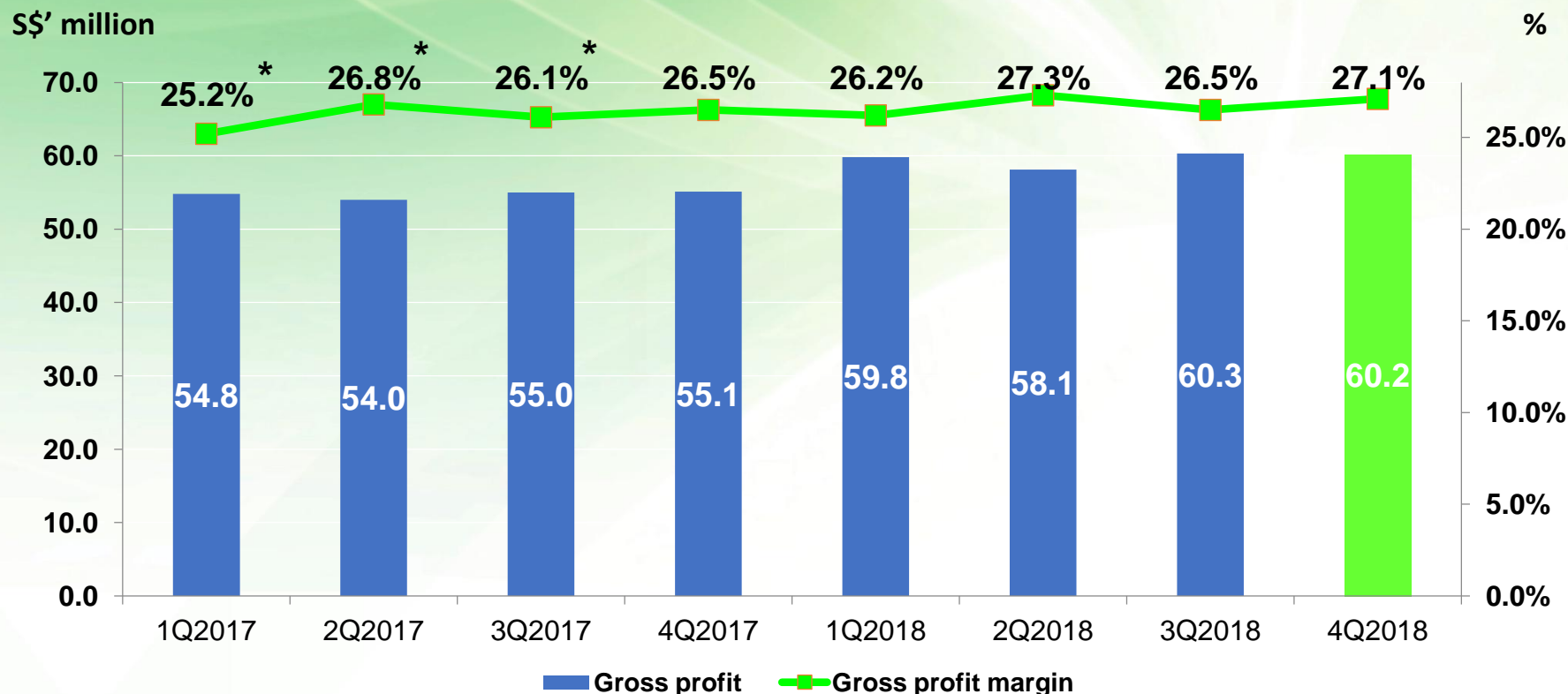
*Verge and Woodlands Block 6A were closed in June 2017 and November 2017 respectively

Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
2011	353,000 ⁽¹⁾	578,443	1,638	Closure of Tanjong Katong store and negative same store sales
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	447,600 ⁽¹⁾	882,126	1,971	Closure of the Verge and Woodlands Block 6A – full effect and new stores

⁽¹⁾ Weighted average area

Gross Profit Trend



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

- Gross margin increased to 26.8% in FY2018 compared with 26.2% in FY2017, mainly due to better buying prices, higher rebates from suppliers for special promotions and volume discounts, improvement in efficiency in the central distribution centre and higher mix of fresh versus non-fresh offerings.

Balance Sheet Highlights

S\$' Million	As at 30 Dec 2018	As at 31 Dec 2017	Remarks
Inventories	69.9	60.8	Higher store counts and stocking up for Chinese New Year sales in 2019
Trade and other payables	125.7	111.3	An increase in trade payable arising from higher stocking and a net increase in accruals and other payables
Property, plant and equipment (PPE)	266.2	254.7	Purchase of property, plant and equipment amounting to \$28.2 million
Cash and cash equivalents	87.2	73.4	

Outlook

Business Outlook

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

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



Financial PR

Investor Relations Point-of-Contact:

Yit Sung NGO / Jing Wen YONG

Tel: (65) 6438 2990

Fax: (65) 6438 0064

Email: yitsung@financialpr.com.sg
jingwen@financialpr.com.sg

