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... all for you!



# BUSINESS UPDATE

3Q FY2023

(Ended 30 Sep 2023)

26 October 2023



# Group Key Highlights

Income Statement Highlights (excludes Other Income)	3Q FY2023 (S\$ Million)	3Q FY2022 (S\$ Million)	Change (%)	9M FY2023 (S\$ Million)	9M FY2022 (S\$ Million)	Change (%)
<b>Revenue</b>	345.8	333.5	3.7	1,036.3	1,010.2	2.6
<b>Gross profit</b>	105.0	98.1	6.9	310.1	297.2	4.3
<b>Gross profit margin</b>	30.3%	29.4%	0.9 ppts <sup>1</sup>	29.9 %	29.4 %	0.5 ppts <sup>1</sup>
<b>Operating expenses</b>	(68.4)	(62.3)	9.7	(201.7)	(184.8)	9.2
<b>Net finance income/(expense)</b>	1.9	0.3	533.2	5.4	(0.4)	N.M. <sup>2</sup>
<b>Net Profit</b>	34.8	32.9	5.7	100.3	100.4	(0.1)
<b>Net Profit Margin</b>	10.1%	9.9%	0.2 ppts <sup>1</sup>	9.7%	9.9%	(0.2) ppts <sup>1</sup>

1. Ppts: Percentage points; 2. N.M: Not Meaningful – Net finance income was attributable to higher interest income due to higher fixed deposit rates during 9M FY2023

YoY Change in Revenue due to	No. of stores	3Q FY2023 (%)
<b>New Stores<sup>3</sup> – Singapore</b>	6	2.2
<b>Comparable same store sales - Singapore</b>	63	1.8
<b>Stores in China</b>	5	(0.1)
<b>Yishun Central store closed in July 2022</b>		(0.2)
<b>Total revenue variances</b>	74	3.7

3. New stores comprise 4 new stores opened in FY2022 at 151 Bedok South Road, 377 Hougang St 32, 31A Margaret Drive and 643 Senja Close, and 2 new stores opened in 9M FY2023 at 91 Jalan Satu and Blk 471B Yishun St 42





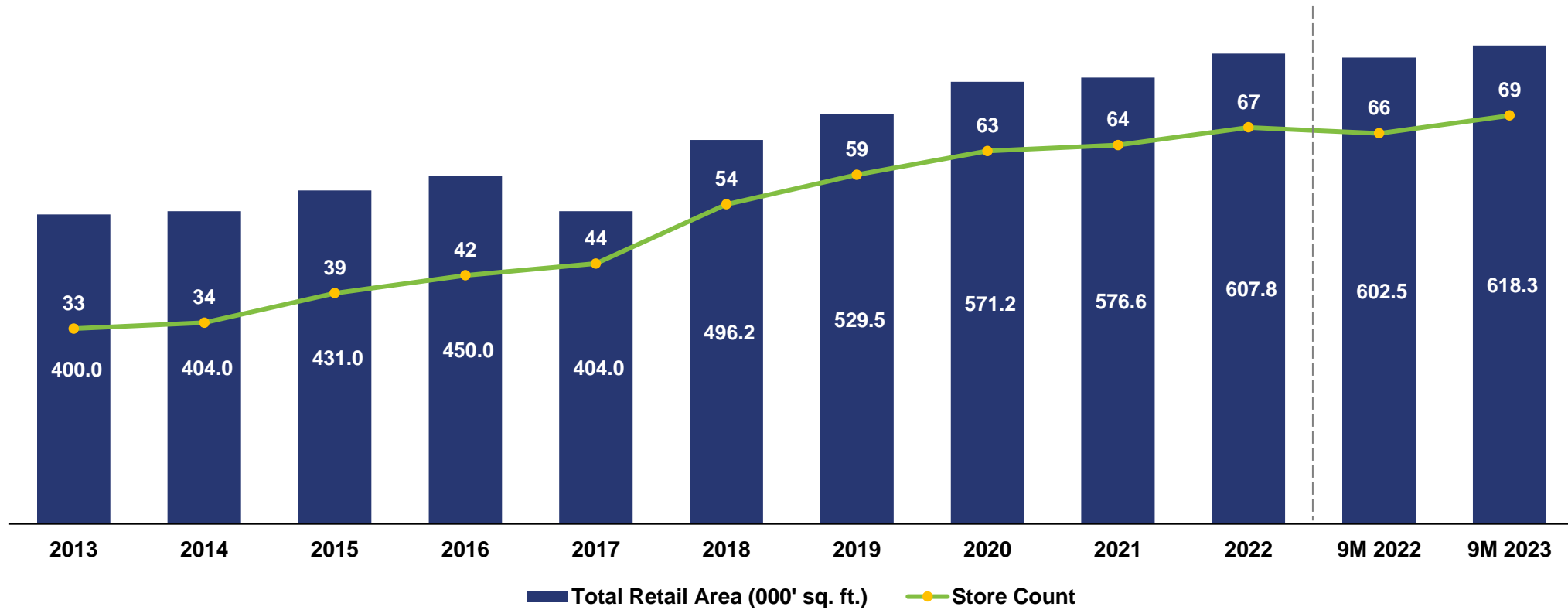
# OPERATIONAL HIGHLIGHTS

## Going the Extra Mile

*We pride ourselves on our service and quality, adding a personal touch to the way we deliver value to our stakeholders.*

# Retail Area and Number of Stores in Singapore

The Group continues to be on the lookout for viable retail space in housing estates in Singapore



- Retail area grew consistently in line with the Group's Singapore expansion plan of opening at least 3 new stores per year.
- 2 new stores were opened in 9M FY2023.

# Revenue Per Square Feet (Singapore Operations)

Growth in retail space is expected to drive sales in the long term

Year	Weighted Average Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
2018	450,960	882,200	1,956	Closure of the Verge and Woodlands Block 6A – full effect and new stores
2019	508,250	974,008	1,916	New stores (mainly stores opened in 2018)
2020	564,943	1,365,051	2,416	Comparable same store sales – elevated demand for COVID-19
2021	571,180	1,337,941	2,342	New stores (1 new store in 2021 and 5 new stores in 2020, with PJ store closed in 2020)
2022	593,240	1,300,623	2,192	New stores (4 new stores in 2022, and 1 new store in 2021, with YC store closed in 2022)
9M FY2022	588,837	980,266	1,665	Comparable same store sales – Gradual decline due to the normalization of sales
9M FY2023	612,152	1,007,703	1,646	Increase in revenue driven by both new stores and comparable same stores





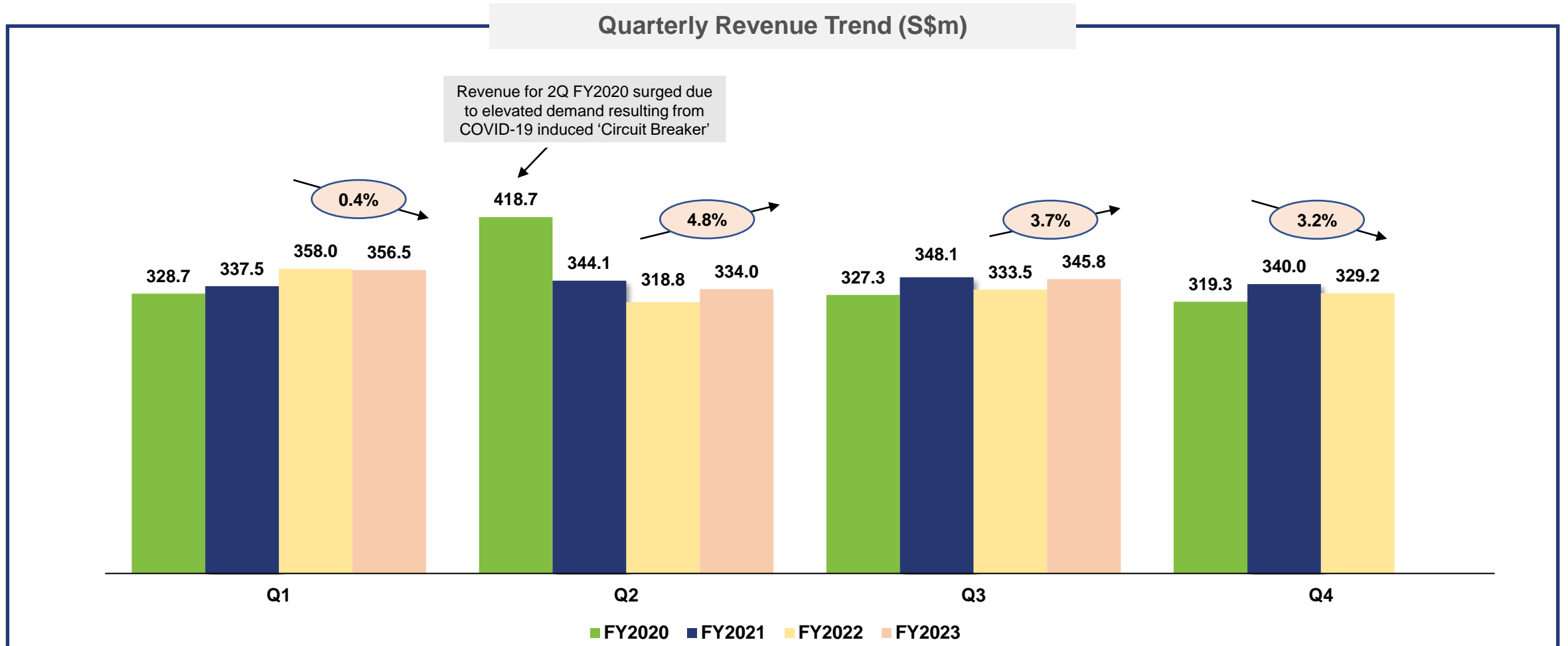
# FINANCIAL HIGHLIGHTS

## Going the Extra Mile

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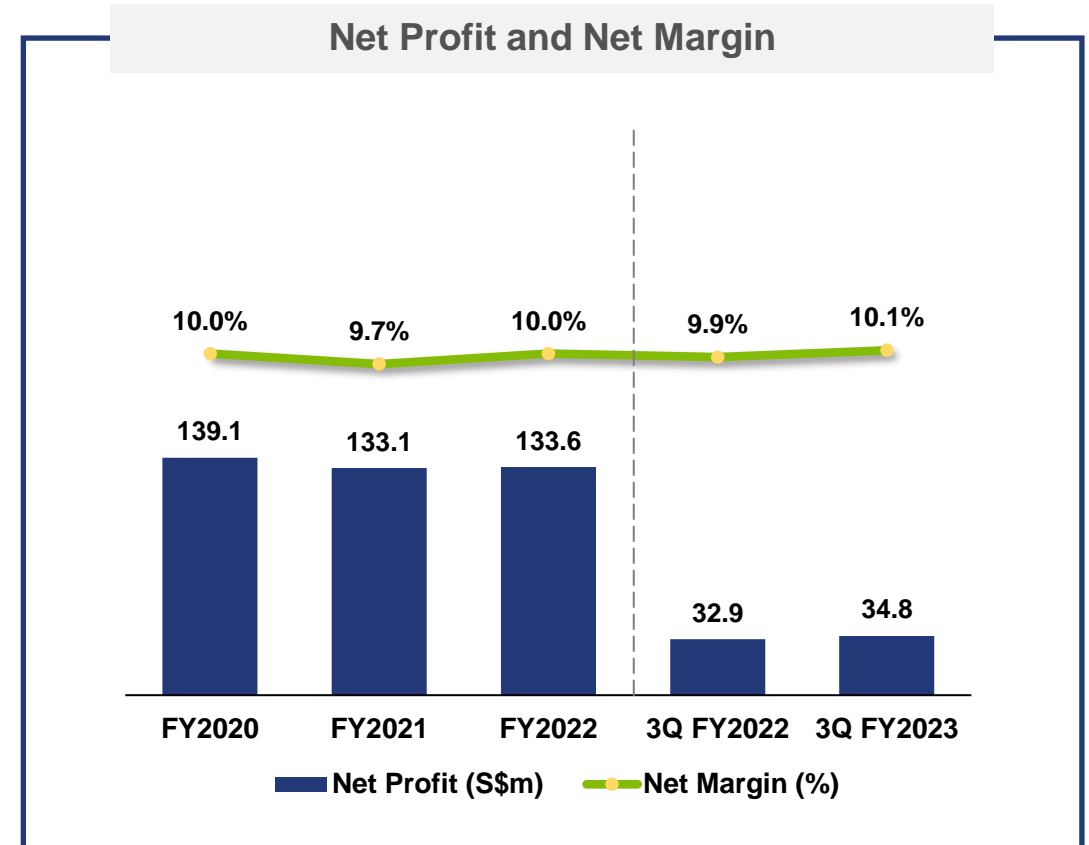
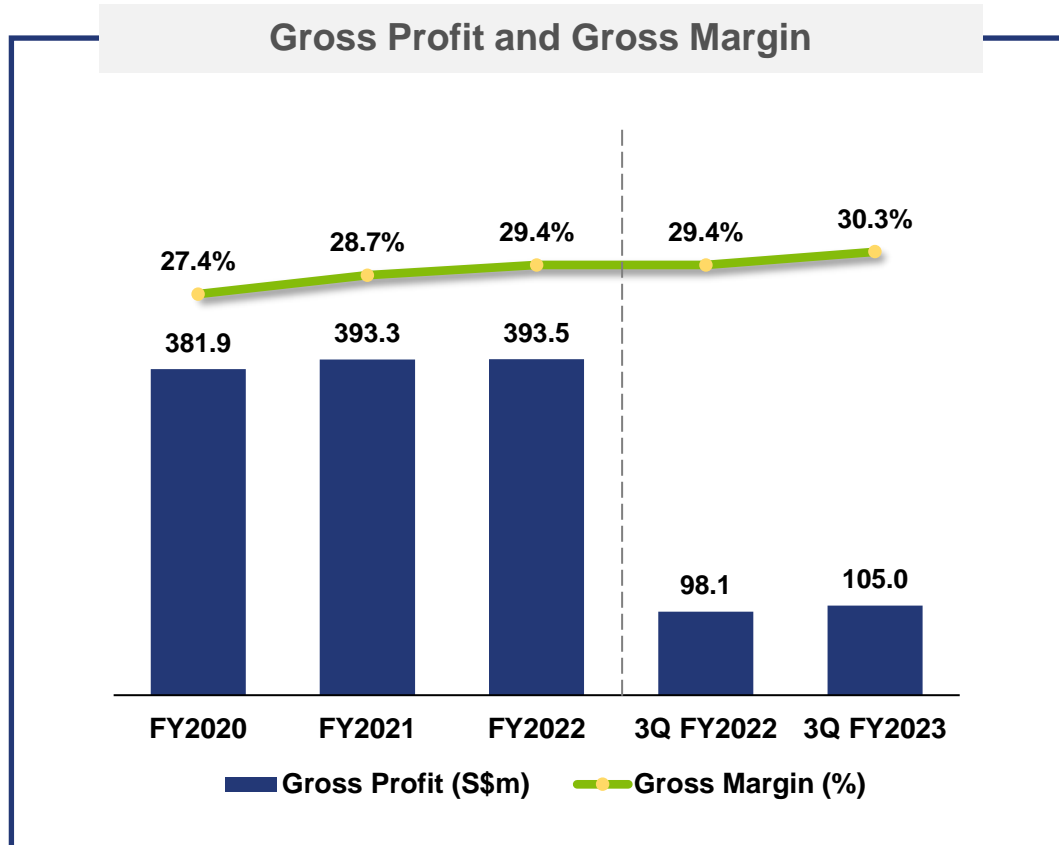
# Revenue Trend

Revenue for 3Q FY2023 grew by 3.7% year-on-year



# Profitability Trend

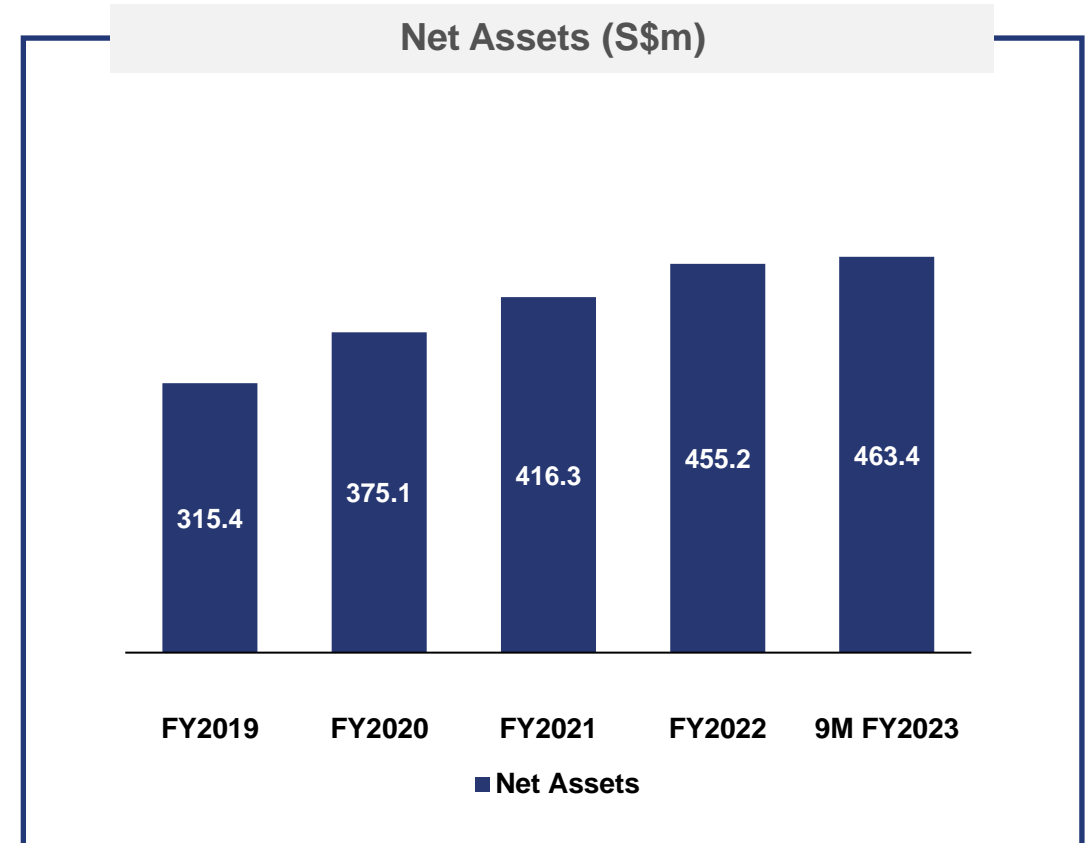
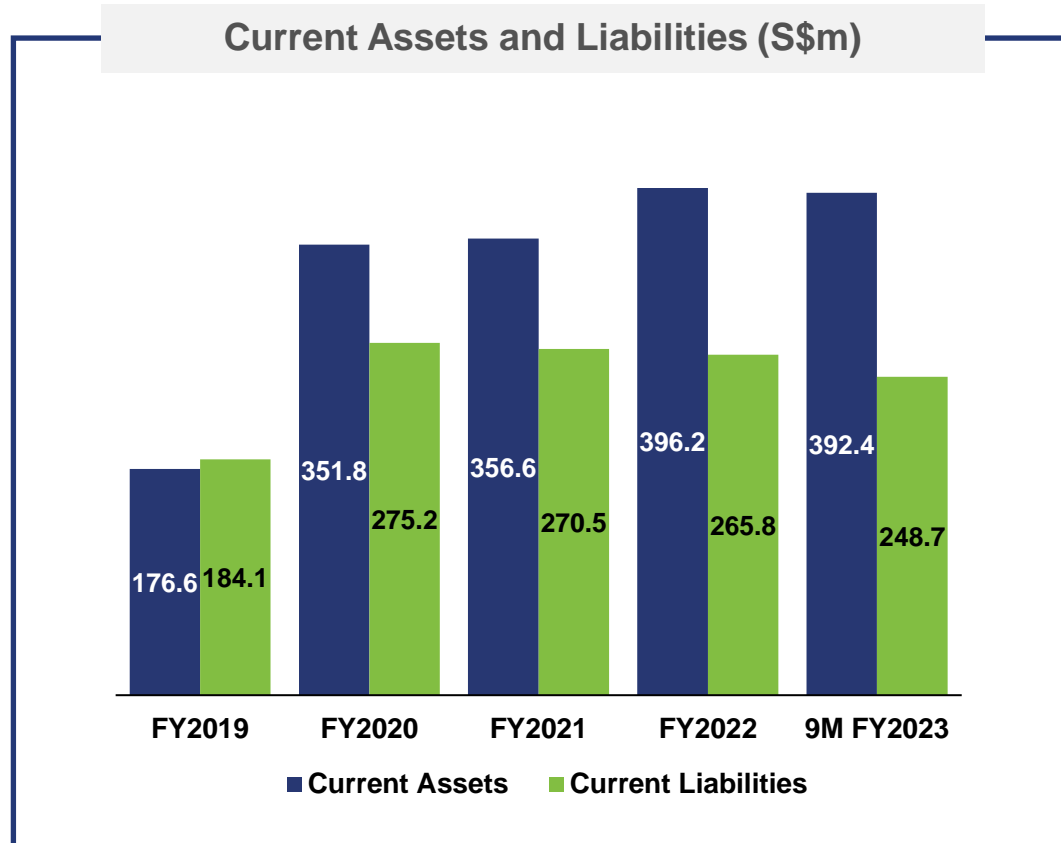
Margins have remained relatively stable across the period under review





# Balance Sheet Highlights

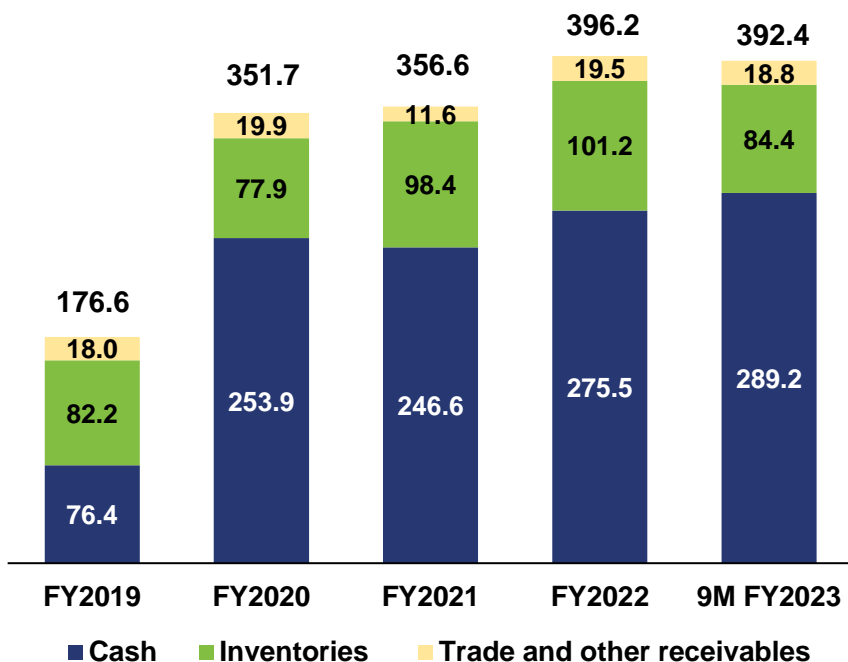
Strong financial position supported by a high cash balance and no borrowings



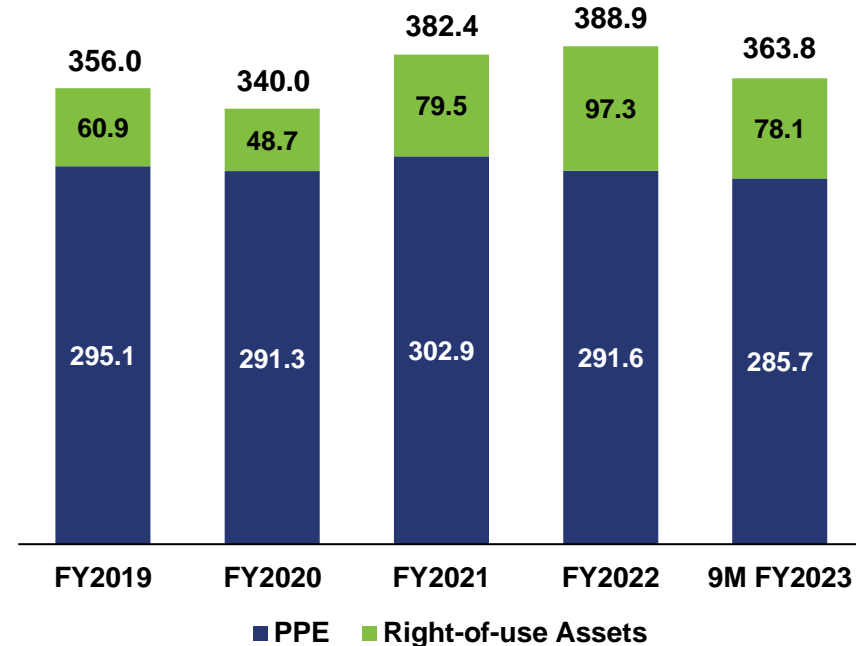
# Balance Sheet Highlights

Strong financial position supported by a high cash balance and no borrowings

### Breakdown of Current Assets (\$m)



### Breakdown of Fixed Assets (\$m)





# LOOKING AHEAD

## Going the Extra Mile

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# Outlook

The Group remains focused on bringing value-for-money offerings to its consumers

## Business Outlook

- As governments adopt tightening of monetary policies to curb inflation, consumers are expected to reduce non-essential spending to save costs. Consequently, they are expected to increase their spending on groceries and fresh food.
- Competition remains fierce in the supermarket industry. Aggressive promotions coupled with higher input costs such as energy expenses put pressure on margins.
- Focus on building core capabilities to navigate through this environment of macroeconomic and geo-political uncertainty.
- Seek growth through continuous expansion of network of stores in Singapore, especially in areas without presence, supported by the ramp in supply of HDB projects through 2023.
  - HDB released 5 shops for tendering
    - Action: Sheng Siong tendered for all
    - Outcome: 1 awarded, 3 pending result,
    - Outlook: 5 more expected to be put out for tender in next 6 months.

## China Operations

- The China subsidiary continues to be profitable supported positively by all 4 of the older stores.
- A new lease agreement was signed in Sept 2023. The 6th store is expected to be operational before end of 2Q2024.
- Nurture growth of supermarket operations in Kunming, China and build Sheng Siong's brand.

## Operational Efficiency and Margin Enhancement

- Ensure diversified sources of supply to mitigate potential disruptions
- Remain vigilant on performance of existing stores and operating costs
- On-going initiatives to automate work processes to improve operational efficiency
- Improve sales mix of higher margin products
- Increase selection and types of house brand products
- Derive efficiency gains from the supply chain





**THANK YOU!**

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