



# 1H FY2021

## Results Presentation

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# 1H FY2021 Highlights



**SHENG SIONG**

**24**  
Hours

*..... all for you!*

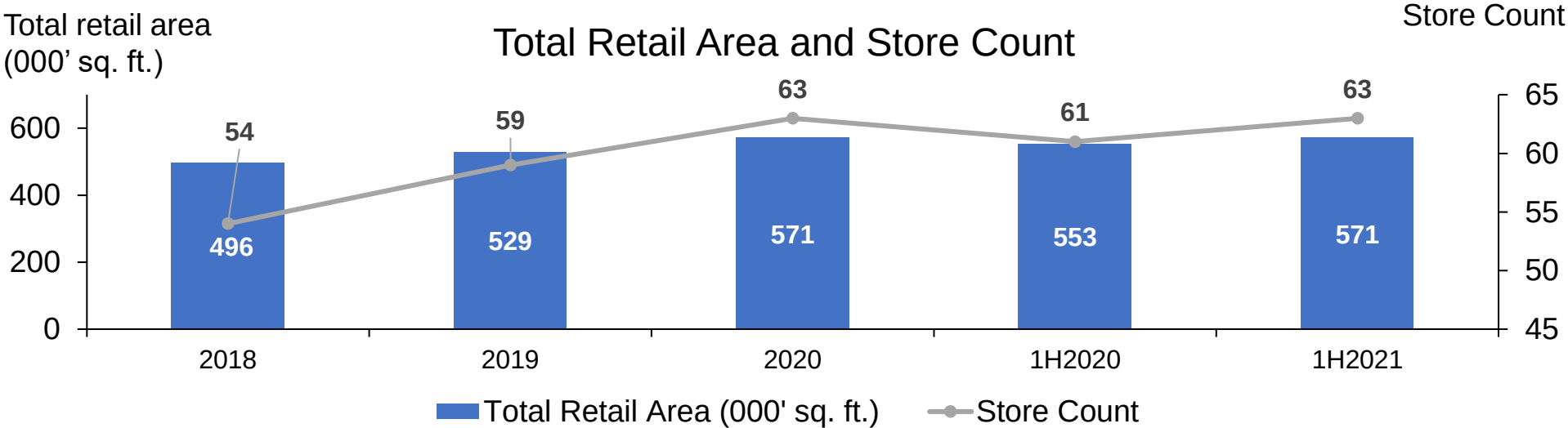
*全是为了你!*

# Results Highlights – Income Statement

| Results Highlights             | 1H FY2021<br>(S\$ 'million) | 1H FY2020<br>(S\$ 'million) | Change<br>(%) | Notes                                                                                                                                                                |
|--------------------------------|-----------------------------|-----------------------------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Revenue</b>                 | 681.7                       | 747.4                       | (8.8)         | Revenue declined from a high base in 1H FY2020 due to elevated demand arising from the 'Circuit Breaker' amid the Covid-19 pandemic.                                 |
| <b>Gross profit</b>            | 192.5                       | 206.3                       | (6.7)         | Due to a decline in revenue, partially offset by higher gross margins.                                                                                               |
| <b>Gross profit margin</b>     | 28.2%                       | 27.6%                       | 0.6ppts       | Gross margin improved due to change in sales mix.                                                                                                                    |
| <b>Administrative Expenses</b> | (113.4)                     | (129.2)                     | (12.3)        | Reduction in staff costs of S\$15.23 million in 1H FY2021 as higher bonuses and additional one-month salary (for all staffs except directors) were paid in 2QFY2020. |
| <b>Operating profit</b>        | 80.4                        | 90.1                        | (10.8)        | Lower government grants in 1H FY2021 as the pandemic situation stabilises amidst national effort to increase vaccination rate.                                       |
| <b>Operating profit margin</b> | 11.8%                       | 12.1%                       | -0.3ppts      |                                                                                                                                                                      |

\*Ppts: Percentage points

# Retail Area – Singapore Operations

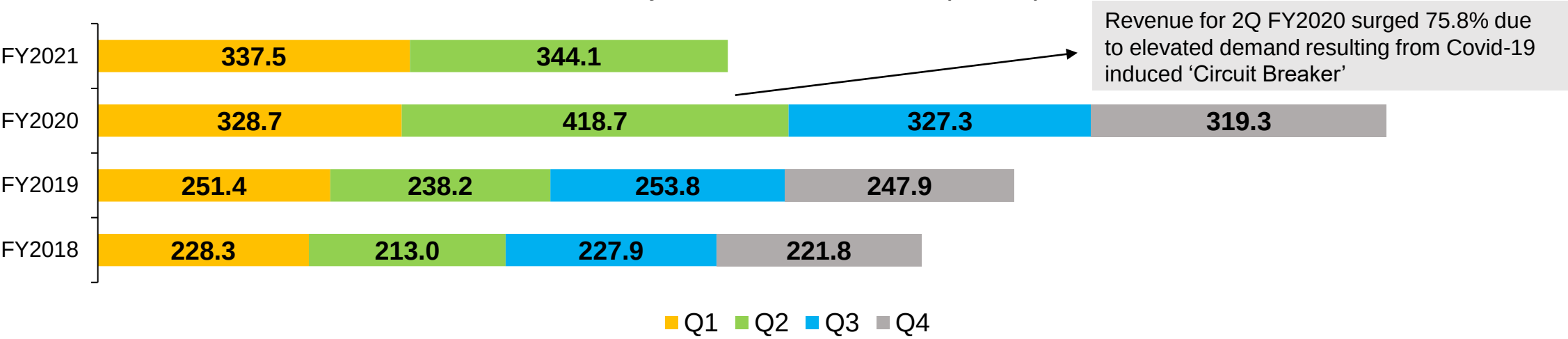


- Retail area grew at a CAGR of 7.3% from 2018 to 2020
- The Group did not open new stores in 1H FY2021, opened two new stores in 1H FY2020.

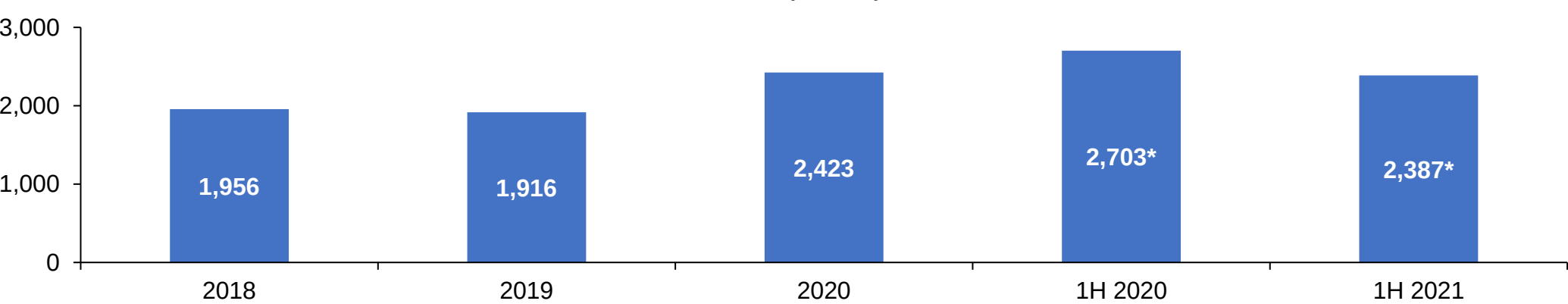
# Revenue Trend



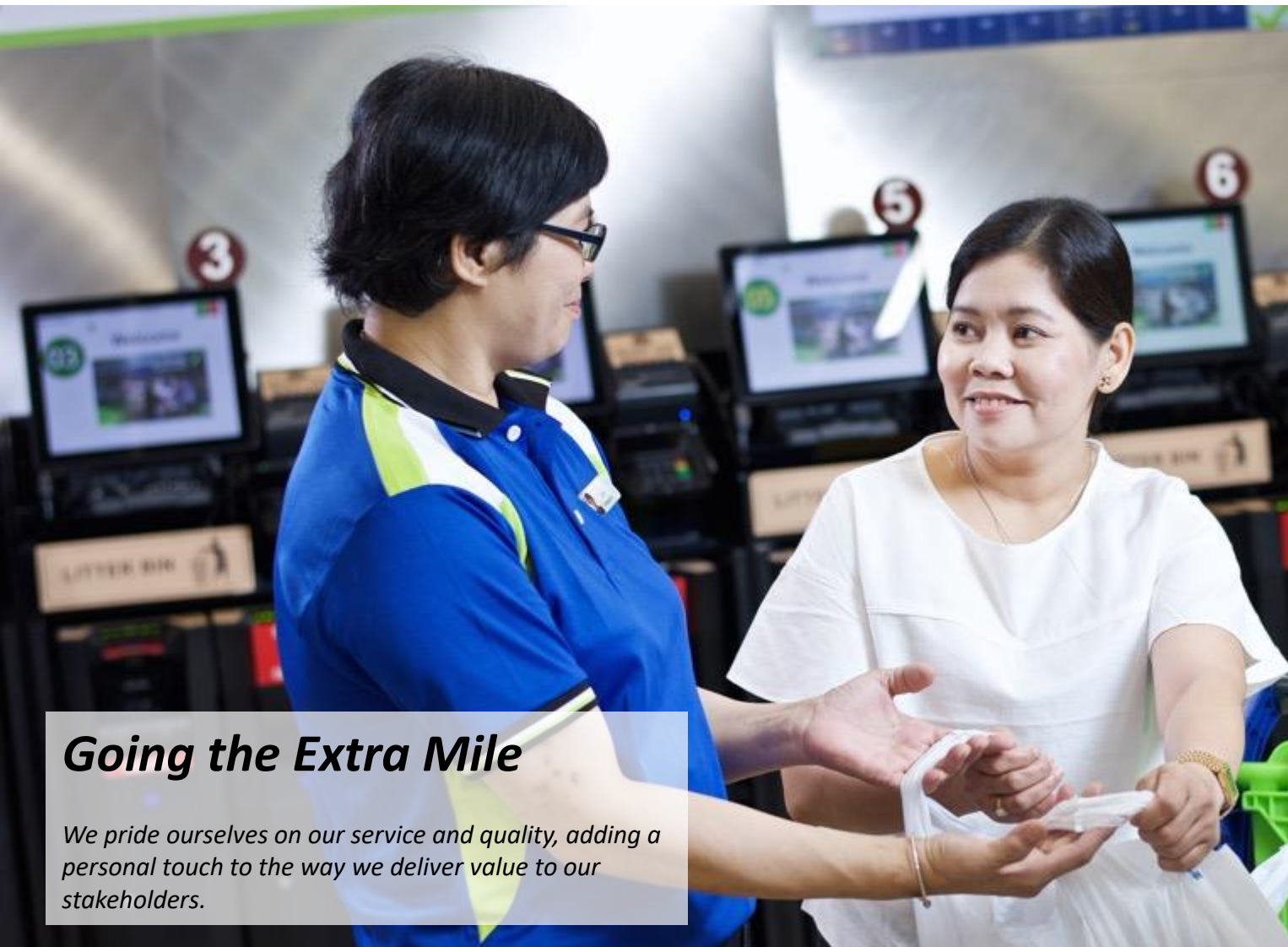
Quarterly revenue breakdown (S\$ mil)



Revenue per sq. ft.



\*Annualised

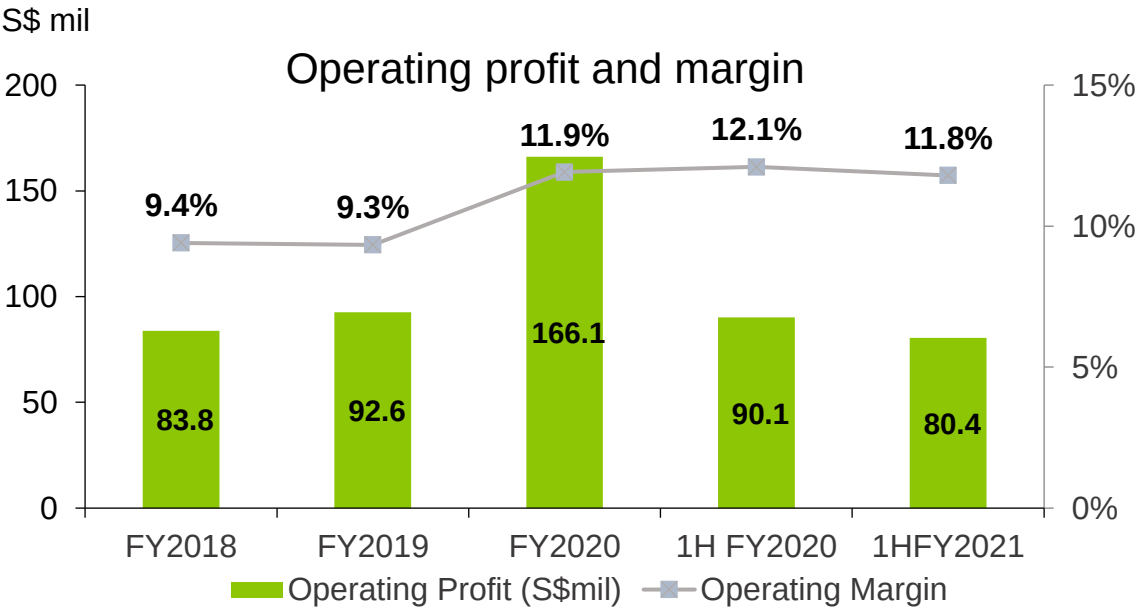
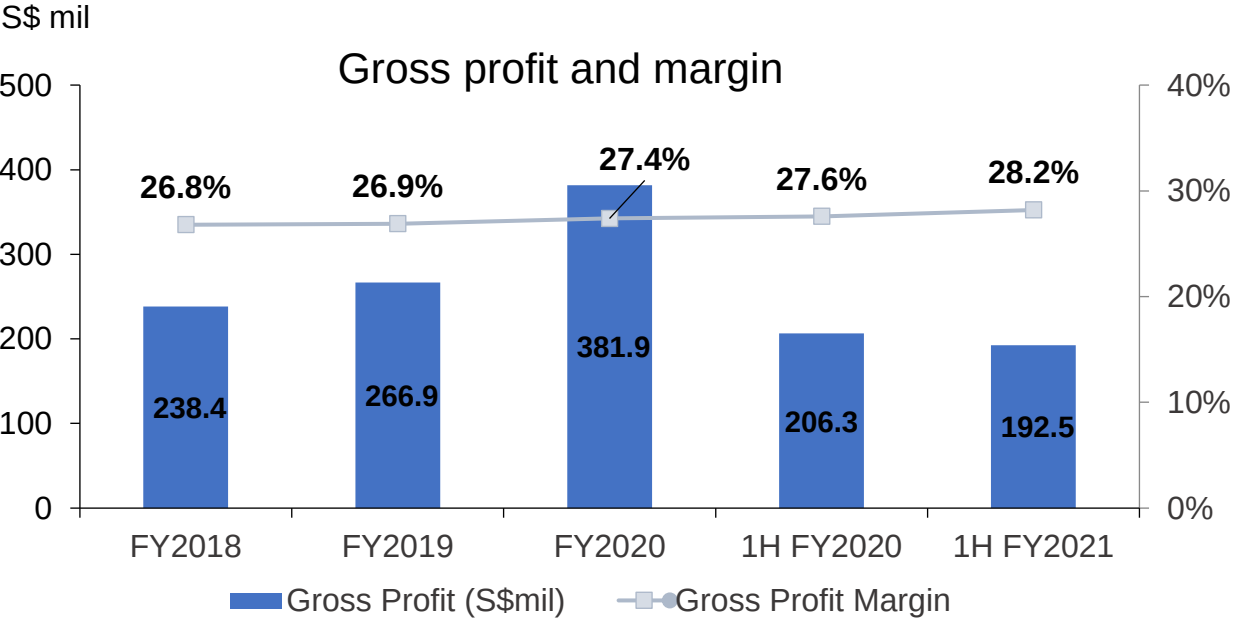


## ***Going the Extra Mile***

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

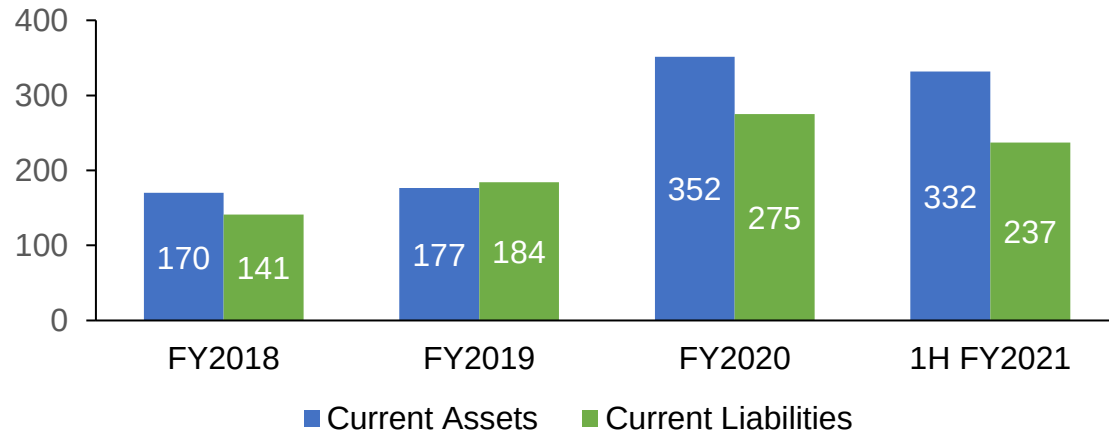
# **Financial Highlights**

# Profitability Trend

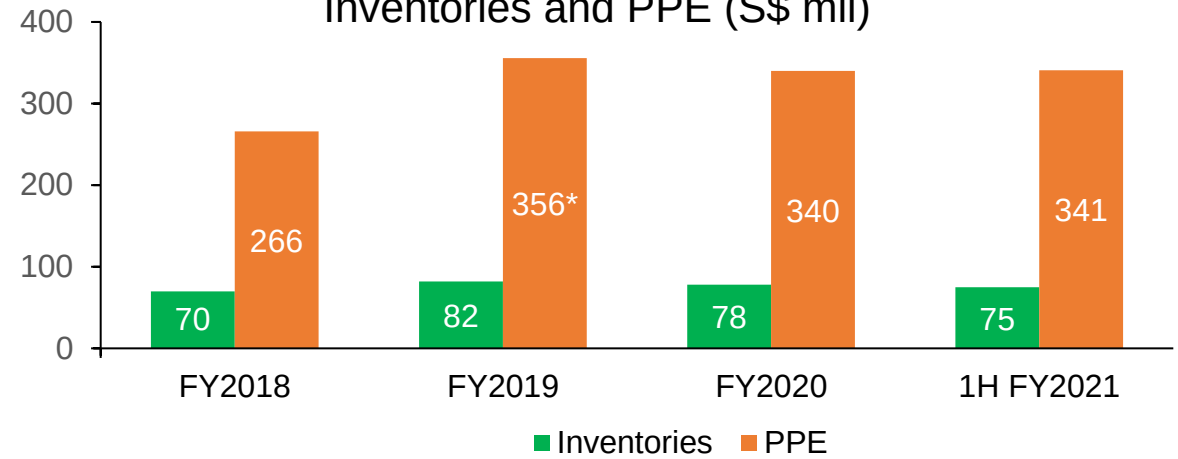


# Balance Sheet Highlights

## Current Assets and Liabilities (S\$ mil)

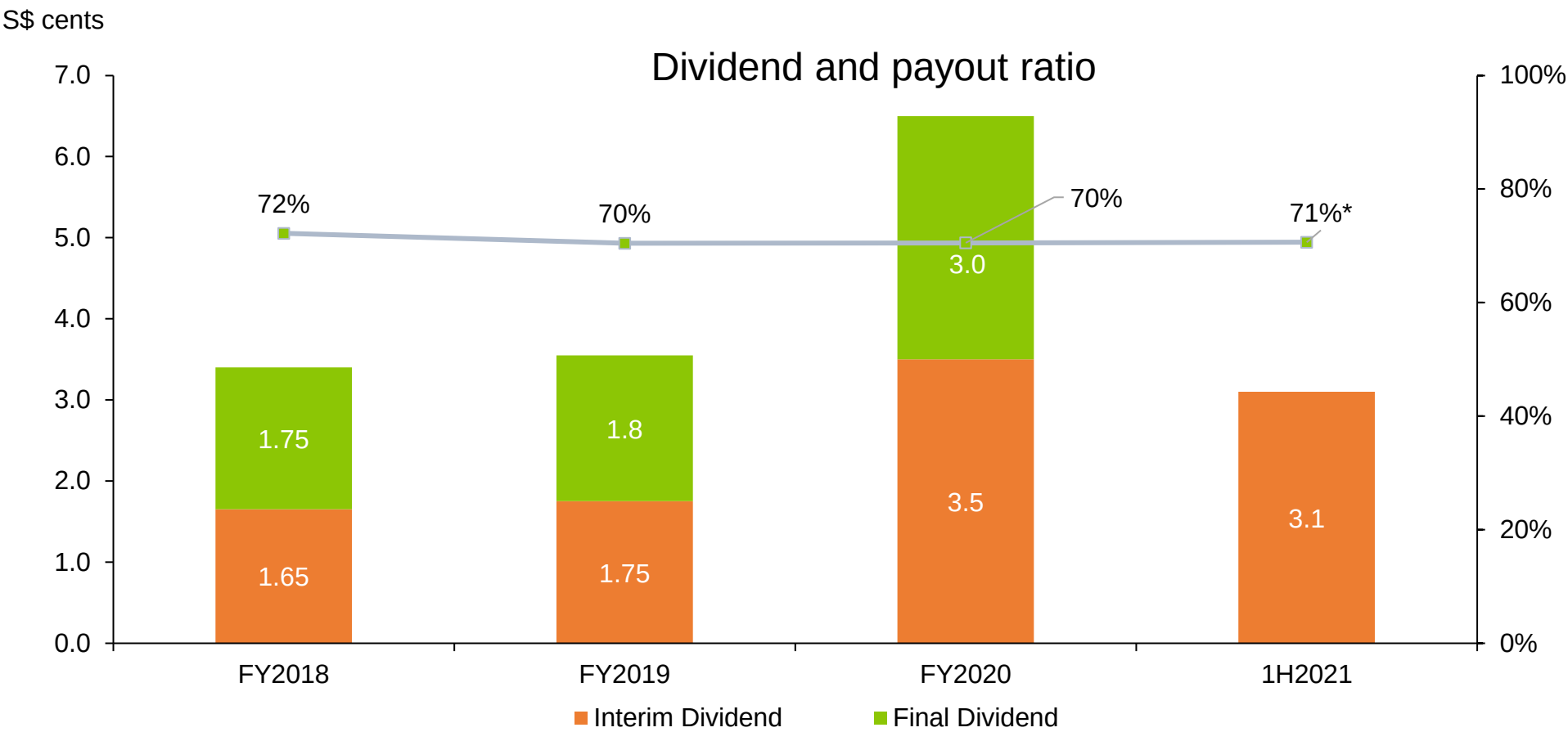


## Inventories and PPE (S\$ mil)



\* Leases capitalised – adoption of SFRS(I) 16

# Dividend Summary



\*Annualised

Declares interim dividend for 1HFY2021 of S\$0.031 per share



# Outlook



## ***Delivering Value***

*We will take a two-pronged approach in delivering value, seeking growth through organic and inorganic means.*

# Growth Strategy



- The China subsidiary is profitable
- To nurture growth of supermarket operations in Kunming, China and build Sheng Siong's brand
- **Network expansion:** The Group will be opening two more stores in 2H 2021 with total retail space of about 68,572 sq ft.

- Pandemic had affected supply of HDB shops
- Two tenders in 2021 of which outcomes have not been announced
- **Two-pronged approach:** Seeking growth organically through improvement in same store sales and enhancing margins as well as inorganically through continuous expansion of network of outlets in Singapore, especially in areas without presence



## Business Outlook

- Demand could taper and begin to normalise in 2H FY2021 as Singapore pivots from pandemic to endemic
- As Singapore reverts to Phase 2 (Heightened Alert) from 22 July 2021 to 18 August 2021, could see higher demand from the corresponding period last year
- Competition remains keen among brick and mortar and online marketplace
- Take a measured approach in the expansion of network in China given stiff competition



## Continue margin enhancement initiatives

- Improve sales mix of higher margin products
- Increase selection and types of house brand products
- Derive efficiency gains from the supply chain



## Operational efficiencies

- Remain vigilant on operating expenses
- On-going initiatives to automate work processes whenever possible with the ultimate aim of improving operational efficiency

# Thank You



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