



BUSINESS UPDATE

FY2023

(Ended 31 Dec 2023)

27 February 2024



Group Key Highlights

Income Statement Highlights (excludes Other Income)	2H FY2023 (S\$ Million)	2H FY2022 (S\$ Million)	Change (%)	FY2023 (S\$ Million)	FY2022 (S\$ Million)	Change (%)
Revenue	677.2	662.7	2.2	1,367.7	1,339.5	2.1
Gross profit	205.4	194.4	5.6	410.5	393.5	4.3
Gross profit margin	30.3%	29.3%	1.0 ppts ¹	30.0%	29.4%	0.6 ppts ¹
Operating expenses	(136.9)	(127.1)	7.7	(271.0)	(250.1)	8.4
Net finance income	4.3	1.6	168.8	7.7	0.9	755.6
Net Profit	68.5	66.1	3.5	134.0	133.6	0.3
Net Profit Margin	10.1%	10.0%	0.1 ppts ¹	9.8%	10.0%	(0.2) ppts ¹

1. Ppts: Percentage points

YoY Change in Revenue due to	No. of stores	2H FY2023 (%)	FY2023 (%)
New Stores² – Singapore	6	1.9	2.5
Comparable same store sales - Singapore	63	0.4	-
Stores in China	5	-	(0.1)
Yishun Central store closed in July 2022	-	(0.1)	(0.3)
Total revenue variances	74	2.2	2.1

2. 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 FY2023 at 91 Jalan Satu and Blk 471B Yishun St 42



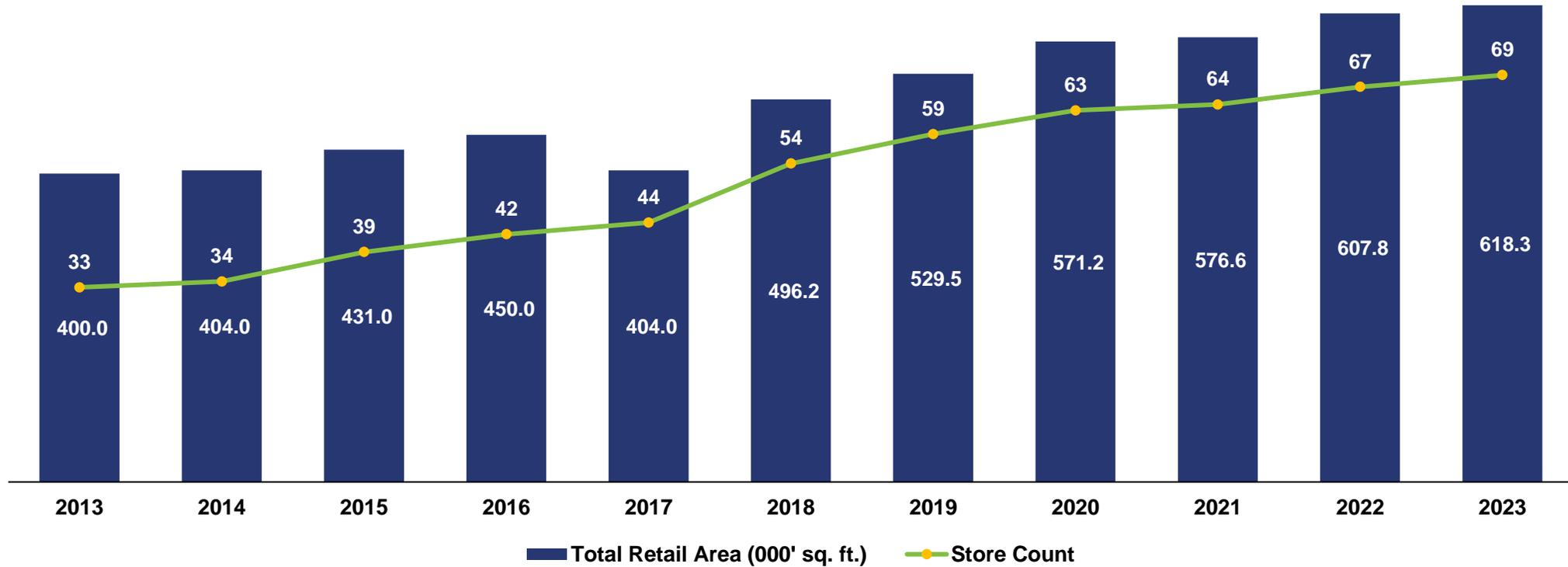
OPERATIONAL HIGHLIGHTS

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



- The Group aims to open at least 3 new stores per year.
- While only 2 new stores were opened in FY2023, supply pipeline of new stores is robust, with HDB releasing 4 stores for tender in January 2024.

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)
2023	613,714	1,331,316	2,169	New stores (2 new stores in 2023, and 4 new stores in 2022)



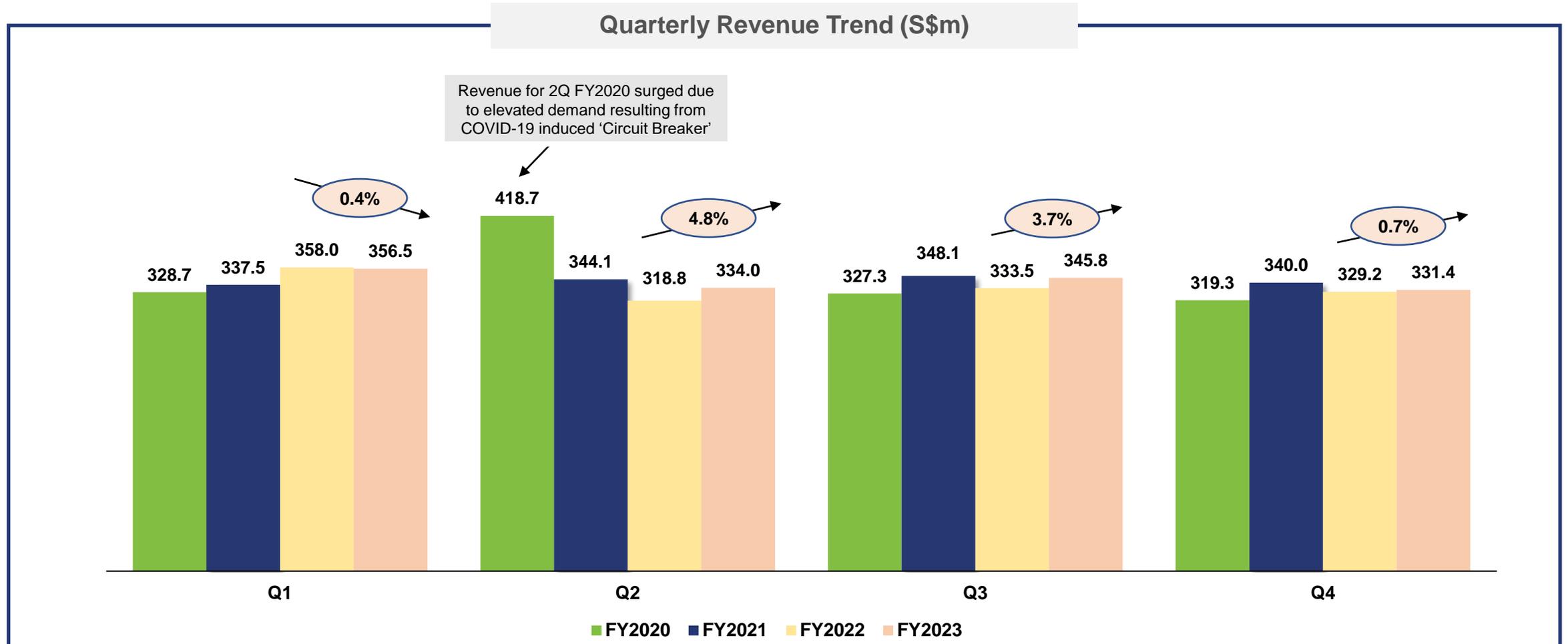
FINANCIAL HIGHLIGHTS

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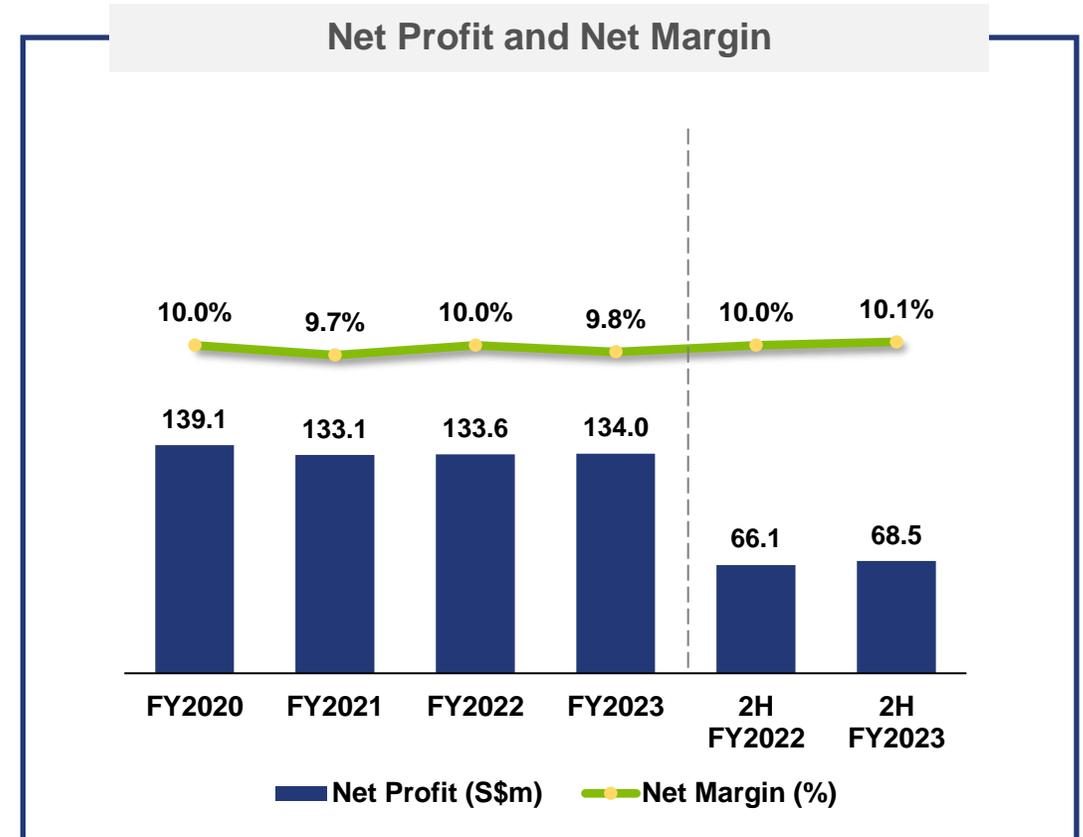
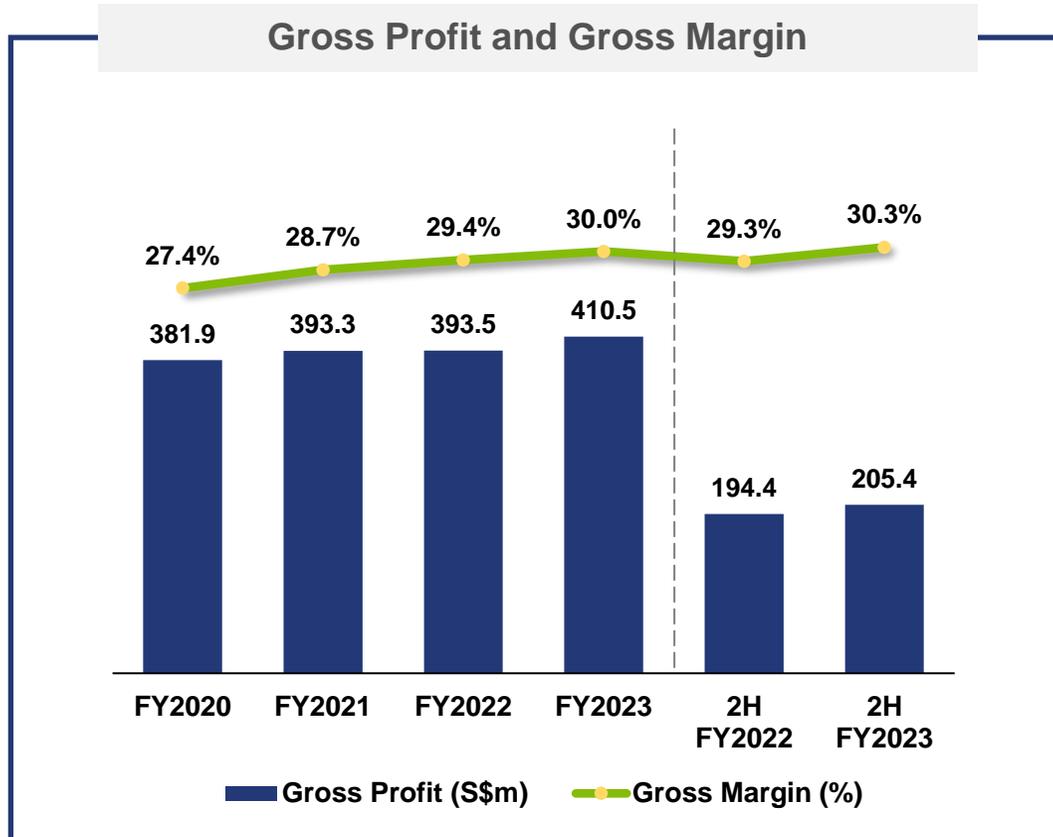
Revenue Trend

Revenue for 4Q FY2023 grew by 0.7% year-on-year



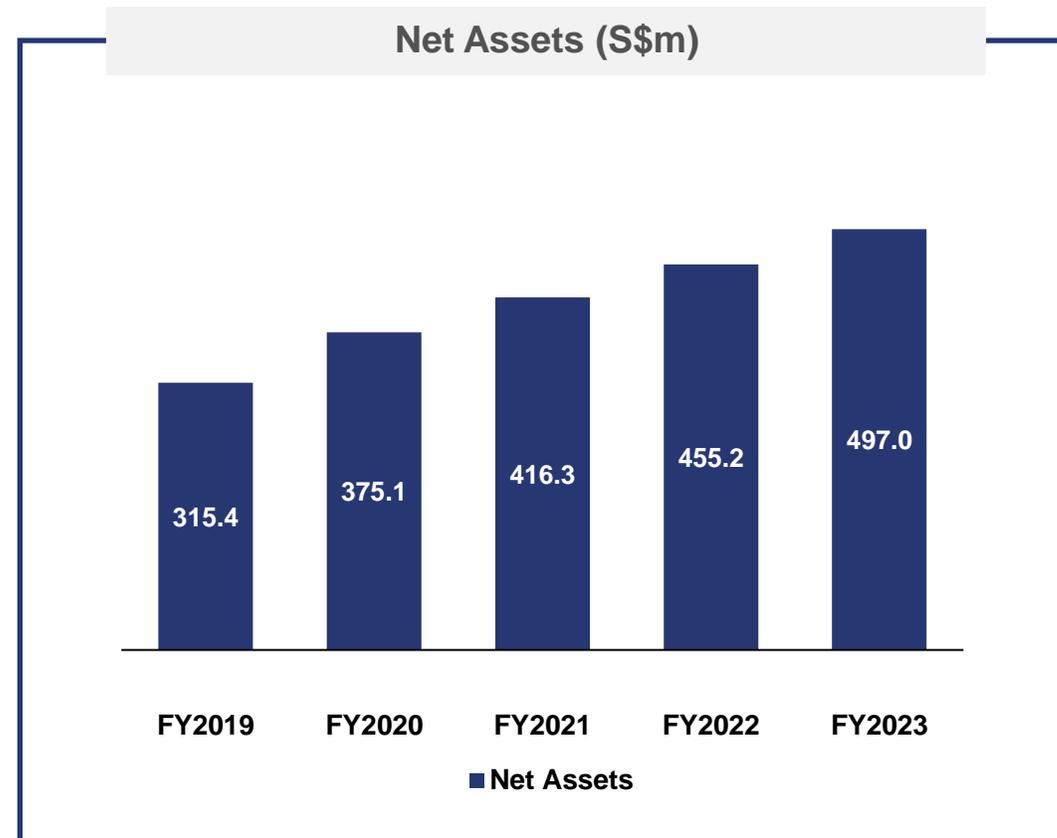
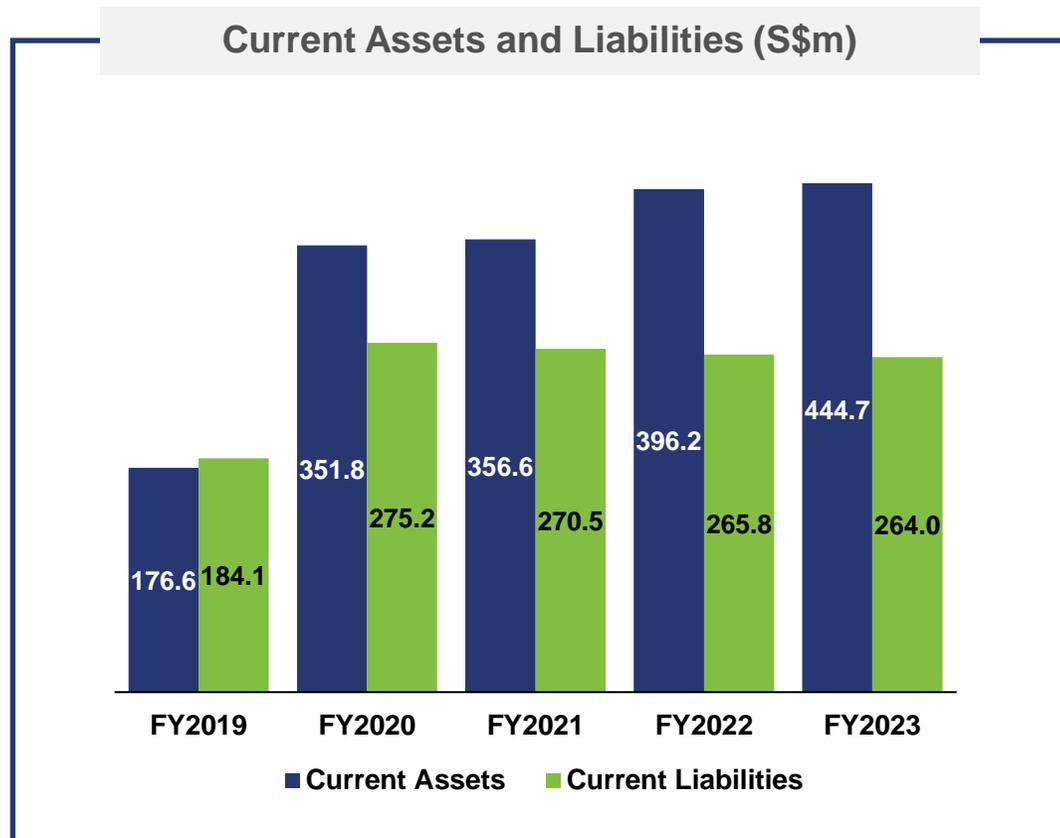
Profitability Trend

Margins have remained relatively stable across the period under review



Balance Sheet Highlights

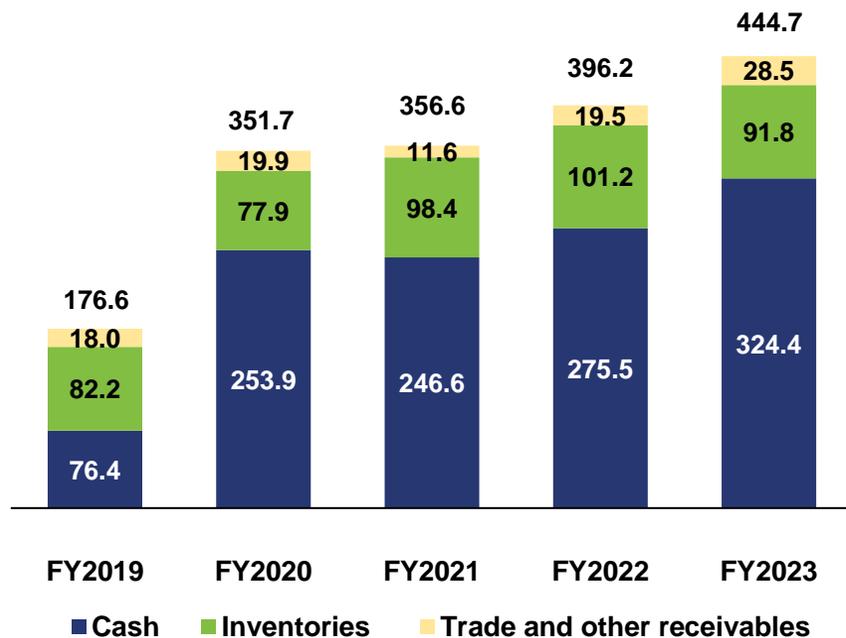
Strong financial position supported by a high cash balance and no borrowings



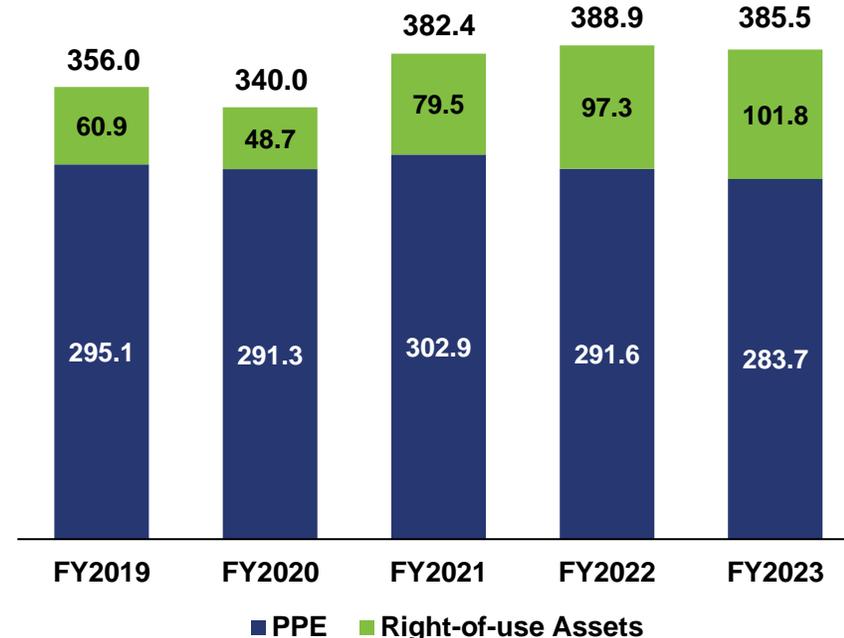
Balance Sheet Highlights

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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 labour and 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.
 - HDB released 5 shops for tendering in FY2023
 - Action: Sheng Siong tendered for all.
 - Outcome: 1 awarded in FY2023, 2 awarded in early 2024.
 - Outlook: Tendered for all 4 stores released in Jan 2024. Expecting 6 more to be put up in FY2024.

China Operations

- The China subsidiary of 5 stores continues to be profitable.
- A new lease agreement was signed in Sep 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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