



SHENGSIONG

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1Q2020 Results Presentation

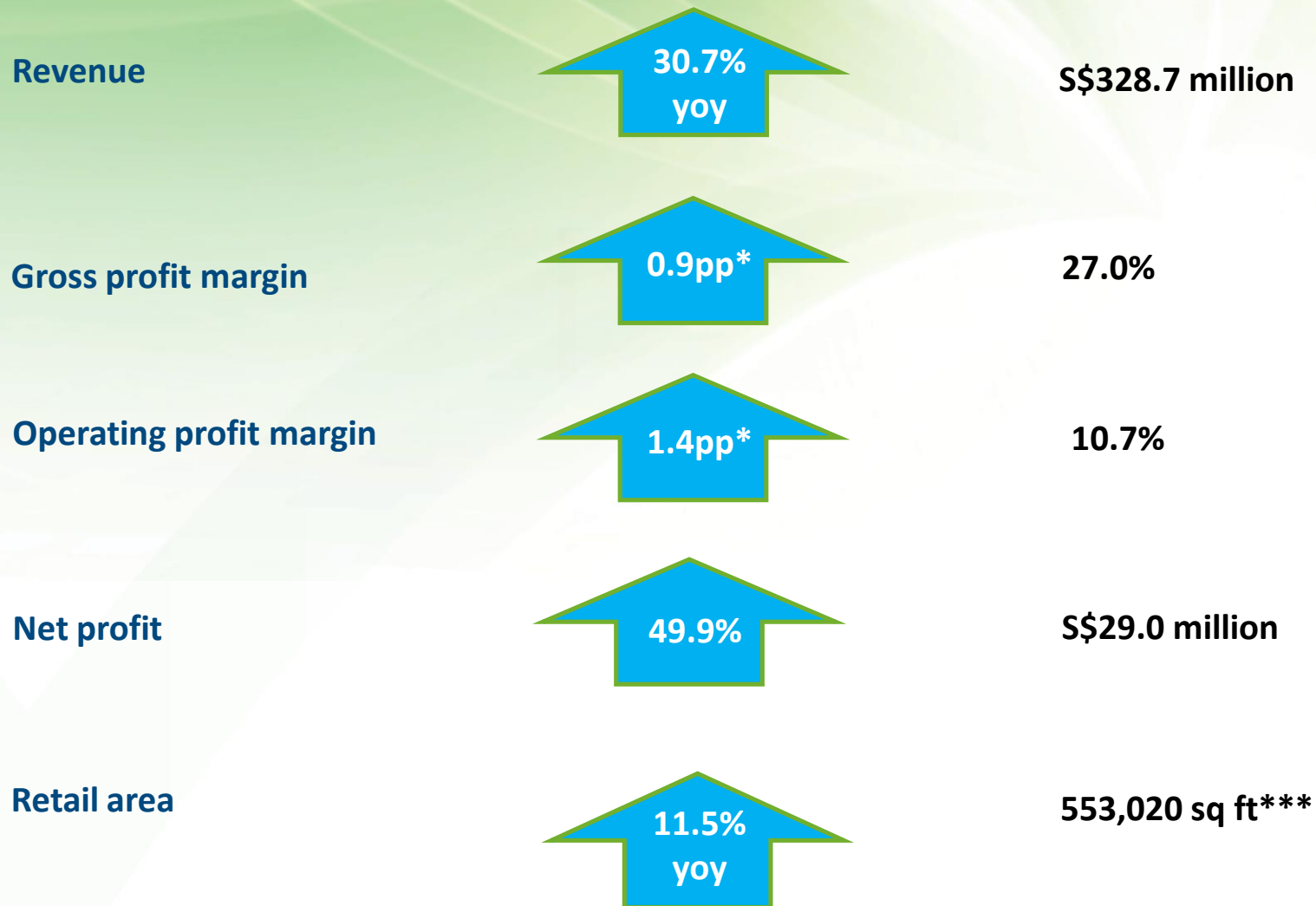
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Financial Highlights for 1Q2020

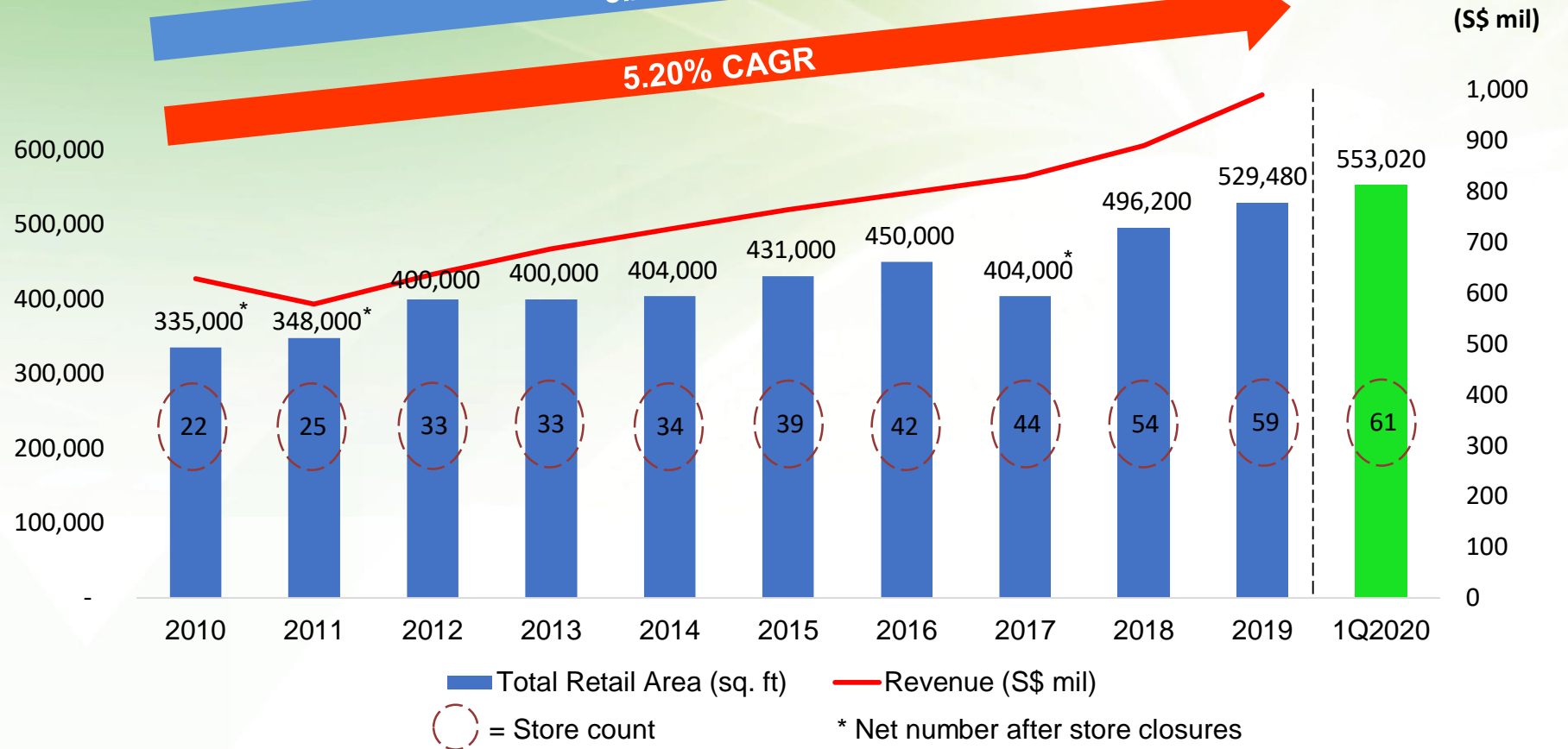


**pp denotes percentage points*

**** Singapore only*

Retail Area – Singapore Operations

Total retail area (sq. ft.)



- 61 outlets as at 31 March 2020
- 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



Breakdown of Revenue Growth

	1Q2020	1Q2019
New stores	9.0%	10.6%
Comparable same store sales	19.7%	(1.0%)
Supermarkets in China	2.0%	0.5%
Total revenue growth	<u>30.7%</u>	<u>10.1%</u>

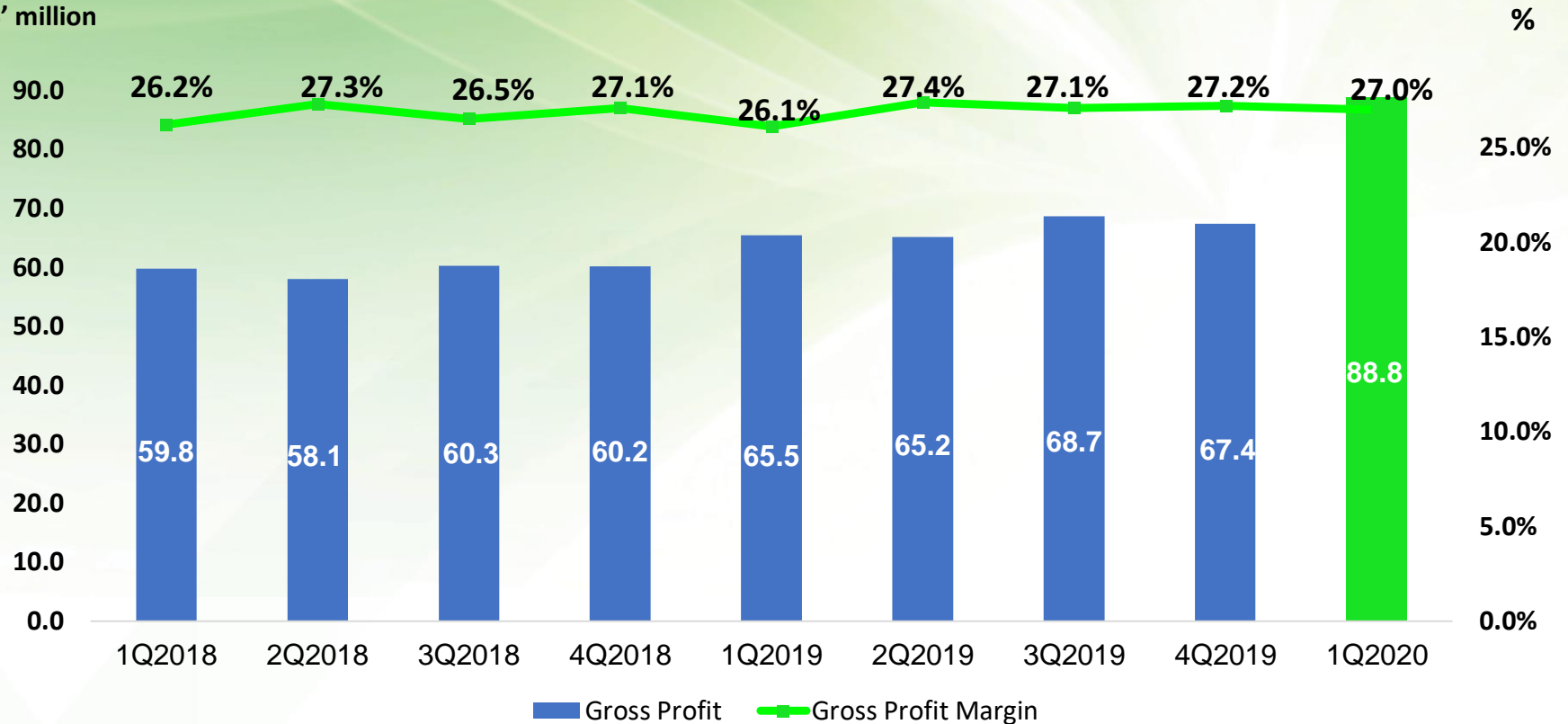
Revenue Per Sq Ft (Singapore Operation)

Year	Area (square feet)	Revenue (S\$'000)	Revenue per square feet (S\$)	Remarks
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	450,960 ⁽¹⁾	882,200	1,956	Closure of the Verge and Woodlands Block 6A – full effect and new stores
2019	508,250 ⁽¹⁾	974,008	1,916	New stores (mainly stores opened in 2018)
1Q2019	496,000	248,284	500	New stores
1Q2020	553,020	330,499	580	Comparable same stores sales – elevated demand from COVID-19

⁽¹⁾ Weighted average area

Gross Profit Trend

S\$' million



- Gross margin improved slightly to 27.0% in 1Q2020 compared with 26.1% in 1Q2019, with the gains coming mainly from increased sales of house brands which command a higher gross margin and slightly lower input prices across a majority of other categories of offerings.

Balance Sheet Highlights

S\$' Million	As at 31 Mar 2020	As at 31 Dec 2019	Remarks
Inventories	70.6	82.2	High seasonal sales during Chinese New Year offset by inventory stocking up at the end of 1Q2020
Trade and other payables	151.0	140.8	Changes in inventory
Property, plant and equipment (PPE)	351.6	356.2	Purchase of property, plant and equipment amounting to \$7.2 million offset by depreciation
Cash and cash equivalents	133.7	76.4	Strong operating cash flow

Outlook

Business Outlook

- Elevated demand will taper off post COVID-19
- Covid-19 will increase operating cost and may affect supply chain. 2020 Budget measures will provide relief.
- Hold higher level of inventory

Retail Space

- Secured 2 new HDB stores in Block 872C Tampines Street 86 and Block 455 Sengkang West Avenue
- Won a tender for a shop in Potong Pasir Community Club, Potong Pasir Ave 2

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 supermarkets 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



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