

# SENHENG

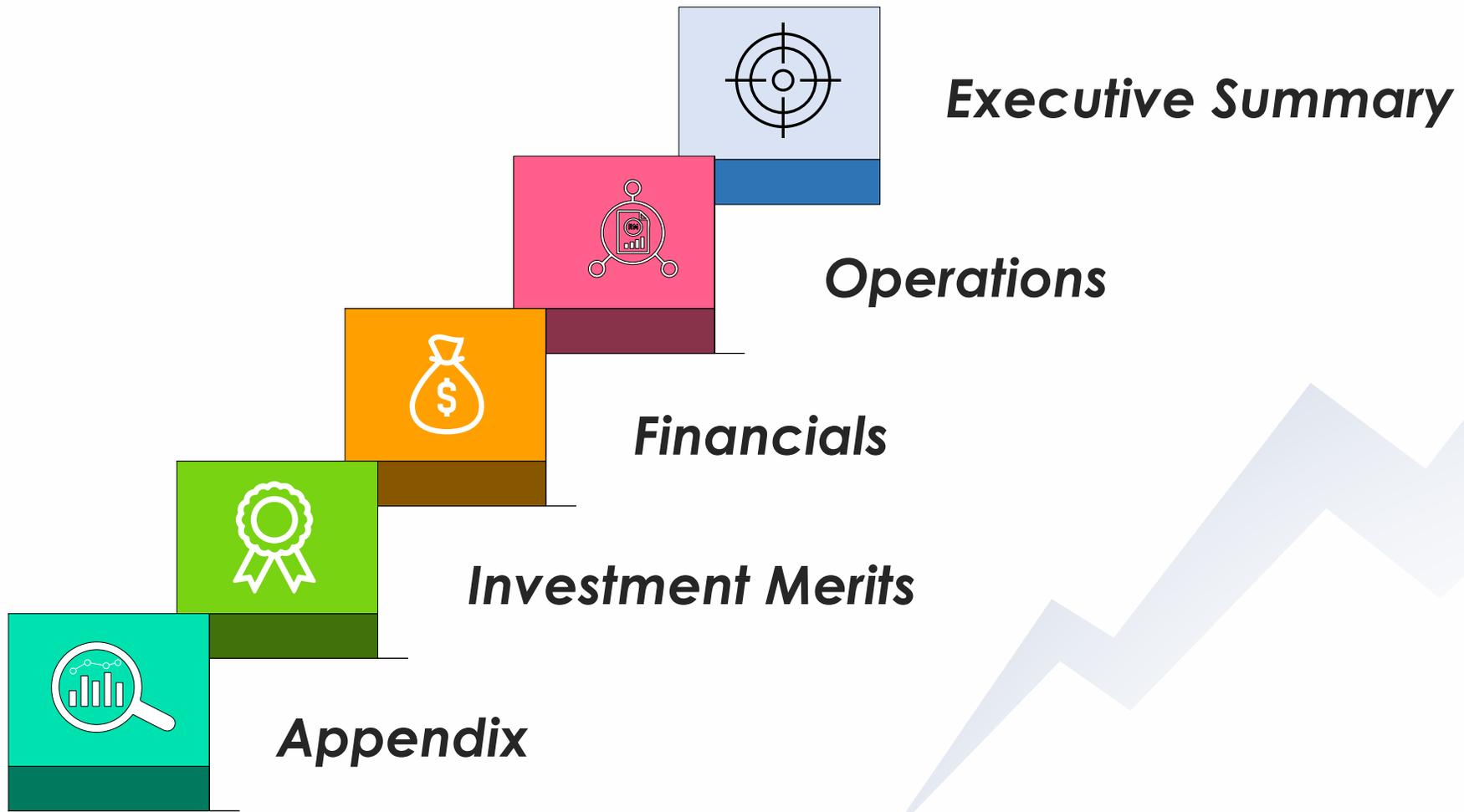
## SENHENG NEW RETAIL BERHAD

### 4Q21 CORPORATE PRESENTATION



IR Adviser:





# **SENHENG**

## **Executive Summary**



**Group achieved record topline and bottomline in FYE 2021... double-digit growth rates driven by strategic store expansion initiatives and use of technology plus data analytics**

**4Q21**

Revenue  
**RM456.4 mil**

**+9.9%**



Net Profit  
**RM31.2 mil**

**+13.3%**



Tech tools & store initiatives help finish the year on a high note

**FYE 2021**

Revenue  
**RM1,444.1 mil**

**+11.5%**



Net Profit  
**RM65.3 mil**

**+17.3%**

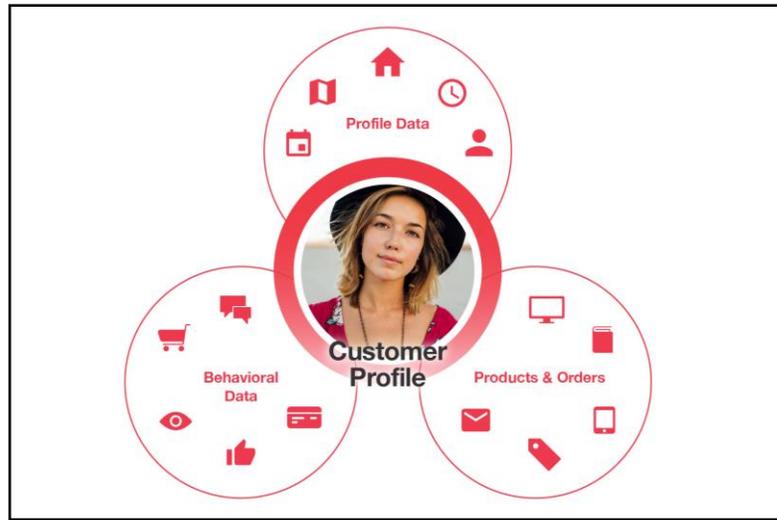
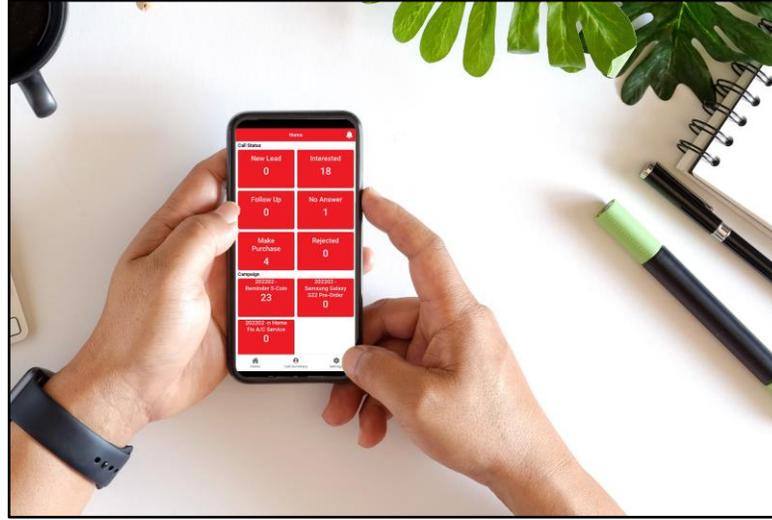


Record revenue achieved even with many months of closure

On sustained GP margin & reduced finance costs

**Tech-savvy Senheng leverages on innovative tools to drive sales expansion... contributed to double-digit growth trajectory despite physical store closures during lockdowns**

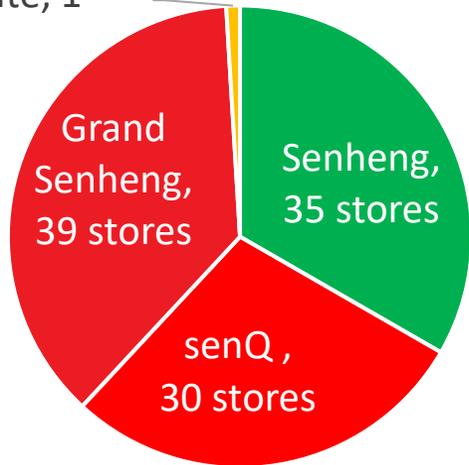
## Adoption of Technology and Data Analytics



# Continue quest to open territory champion stores, with 12 new/upgraded stores in FYE2021... 61 more to come by 2024

No. of stores (FYE 2021) : 105

Grand Senheng Elite, 1



Opened/upgraded

**12**

enhanced stores in FYE 2021, including flagship Grand Senheng Elite



**Grand Senheng Elite**

in SS2, PJ  
(Nov 2021)



**Grand senQ**

in Paradigm Mall, JB  
(Jan 2022)

**3-Year Plan**

To open **61** new and/or upgraded **Territory Champion stores** by 2024

# SENHENG

## Operations



# Entrenched market leadership with 105 stores across major cities in Malaysia... en-route to set up more “territory champions” across Malaysia

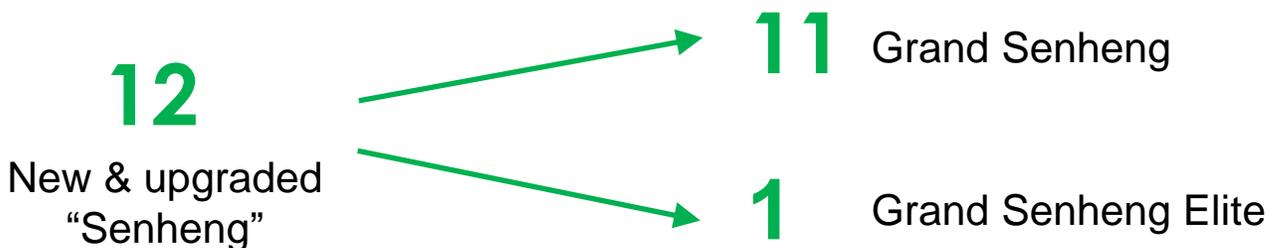
## • Physical outlets

- Upgraded 10 existing stores and opened 2 brand new stores in FY2021
- Total of 105 stores, comprising:
  - 35 Senheng stores
  - 39 Grand Senheng stores
  - 1 Grand Senheng Elite stores
  - 30 senQ digital stations



**Grand Senheng Elite in SS2, PJ**  
(Nov 2021)

**FYE 2021**



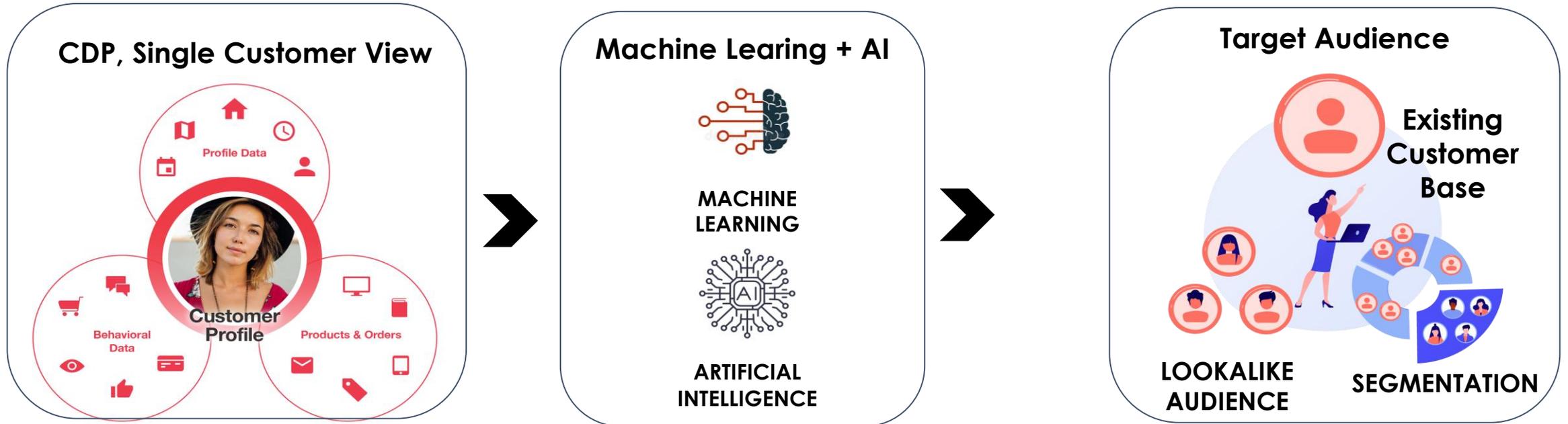
**Grand senQ in Paradigm Mall, JB**  
(Jan 2022)

# Leveraging on technology and data analytics to target and attract customers... no longer reliant on passive and traditional sales activities

- **Fully implemented Customer Data Platform in 2021**

- CDP Marketing automation is a solution that gathers all data into one single record.
- Machine Learning and AI are then used to generate audience segmentation based on interest, demographic & other predictions
- To use AI-powered solutions to predict specific action by pushing right messages at the right time to the right customers

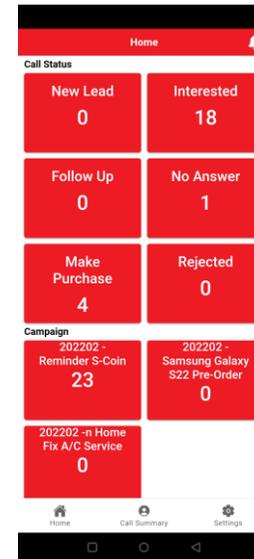
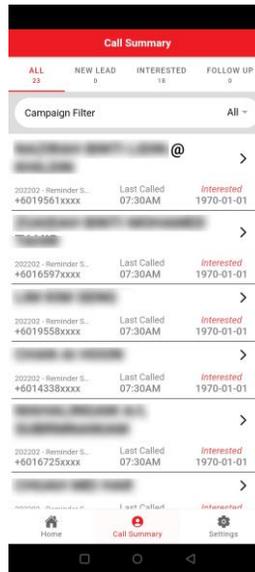
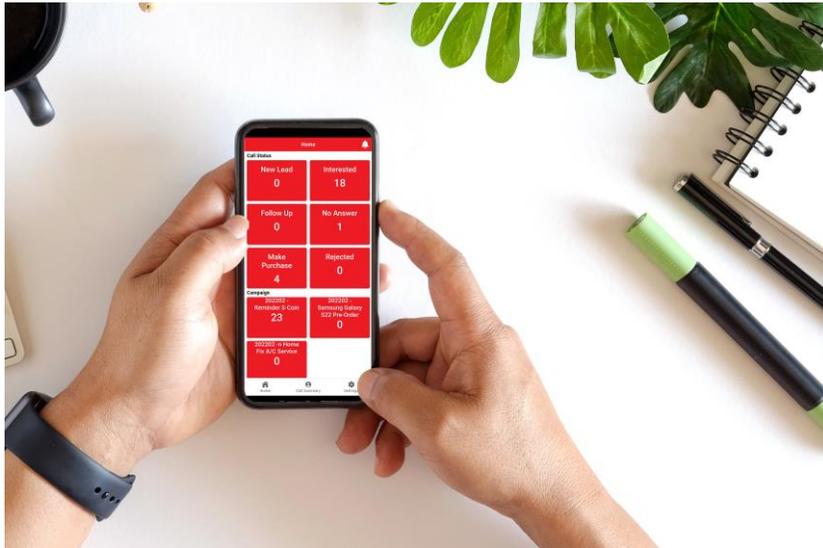
	Non CDP Campaign	CDP Campaign
Return on Ads Spends (ROAS)	23x	48x



# In-house telemarketing app driving higher sales and customer conversion rates even amidst lockdown disruptions...

- **Deploying In-house Telemarketing App to drive sales during lockdown**

- Leveraged on telemarketing app to boost sales, especially during lockdown-affected months in mid-2021
- Enhanced customer engagement and employee productivity led to tremendous improvement in sales metrics



**FYE 2021**

**8.7%**  
**Sales Conversion Rate**

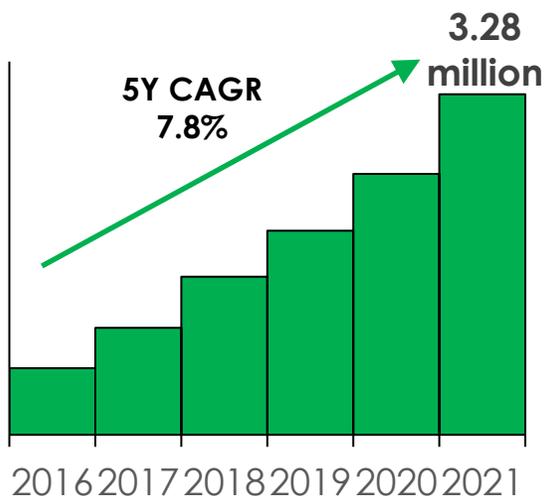
**RM194.0 mil**  
**Sales Generated**

# PlusOne Loyalty members continue to grow... Senheng platform to provide members with added value and convenience in subsequent rollouts

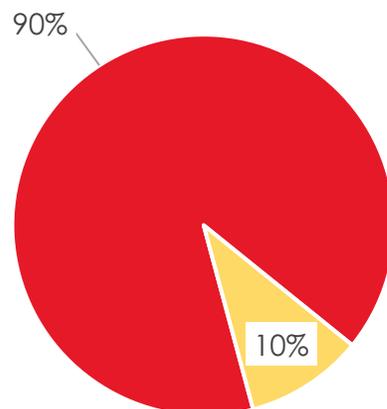
## • PlusOne Loyalty Membership

- Recruited 298k new PlusOne members in FYE 2021, 10.0% growth to 3.28 million members
- PlusOne paid members contributed 90% of Group revenue in FYE 2021

Number of Registered PlusOne Members



FYE 2021 revenue contributed by PlusOne paid members



## • Senheng App

- Total downloads of 1.85 million, with more than 50k downloads every month in FYE 2021
- Monthly Active users (MAU) of >190k, with 65% constituted by PlusOne members
- To launch upcoming S-Livestream & S-Reward Centre in 1H22



## Encouraging growth from Brand Distribution in FYE 2021...aiming for RM60 million sales in the year ahead

### • Brand Distribution

- Brand distribution segment posted RM21.5 million in revenue in FYE 2021
- Plan to introduce more international brands featuring smart home & IOT products in FYE 2022

**Delighto™**



**ROBAM**



**JIMMY**



FYE 2021 Revenue

**RM21.5 million**

(+157.7% yoy)

Target to grow to



FYE 2022 Revenue

**RM60.0 million**

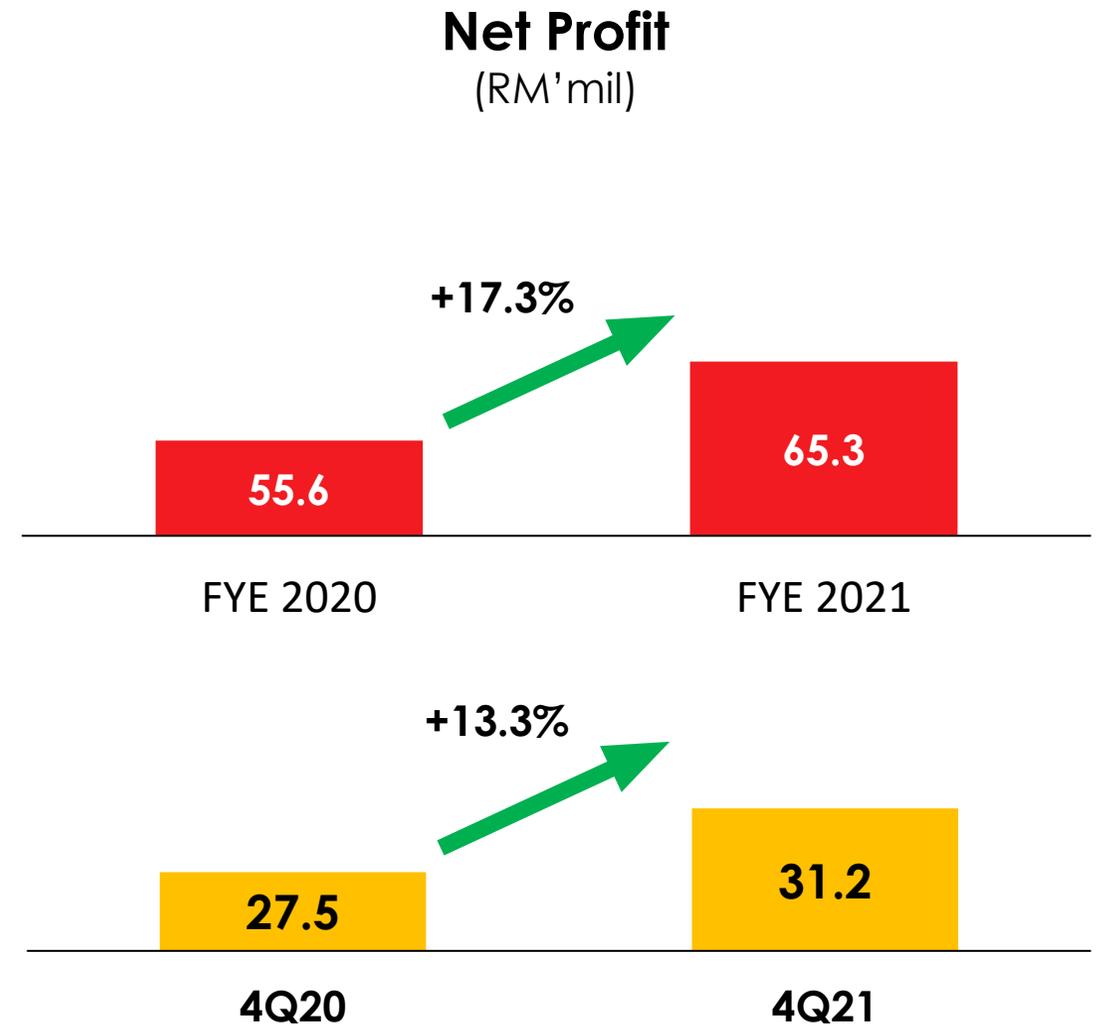
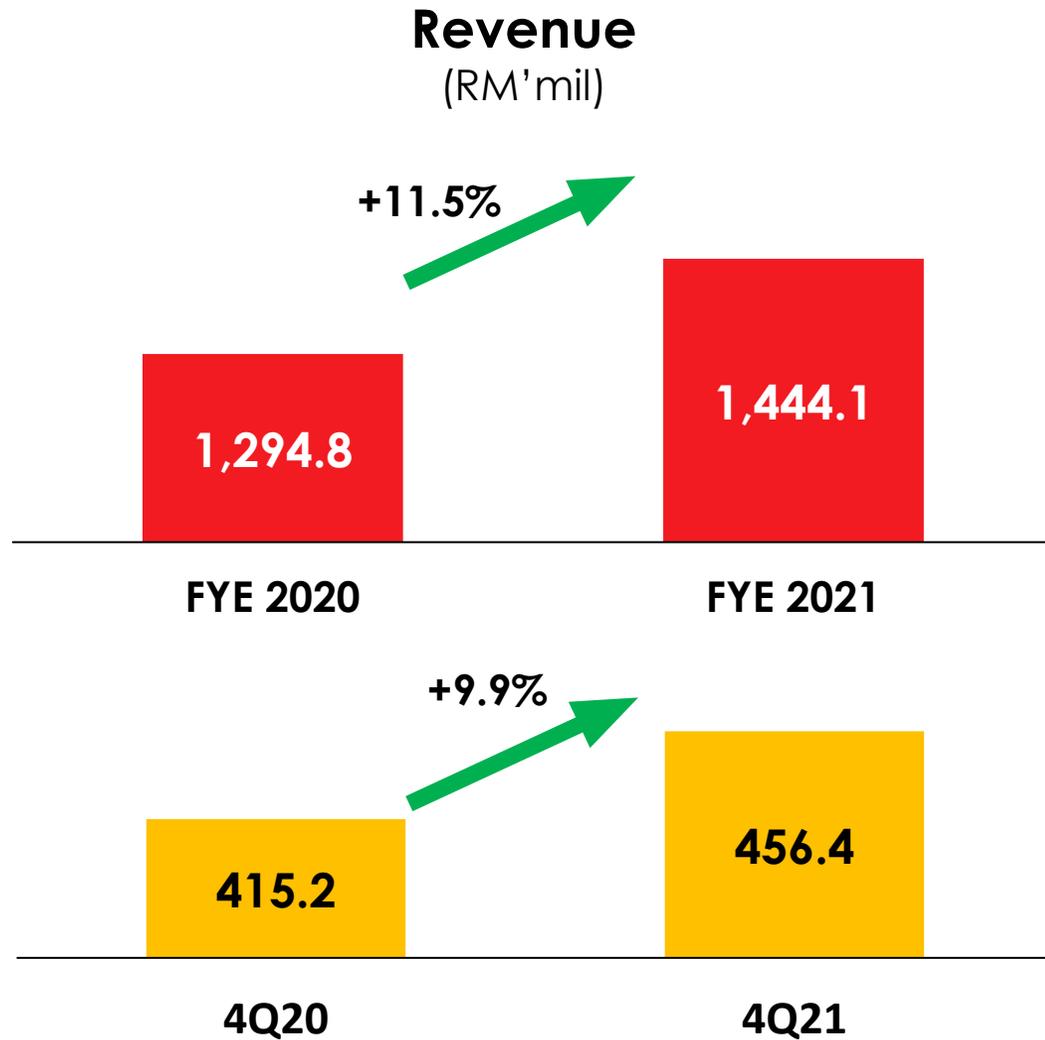
(+279.1% yoy)

**SENHENG**

**Financials**

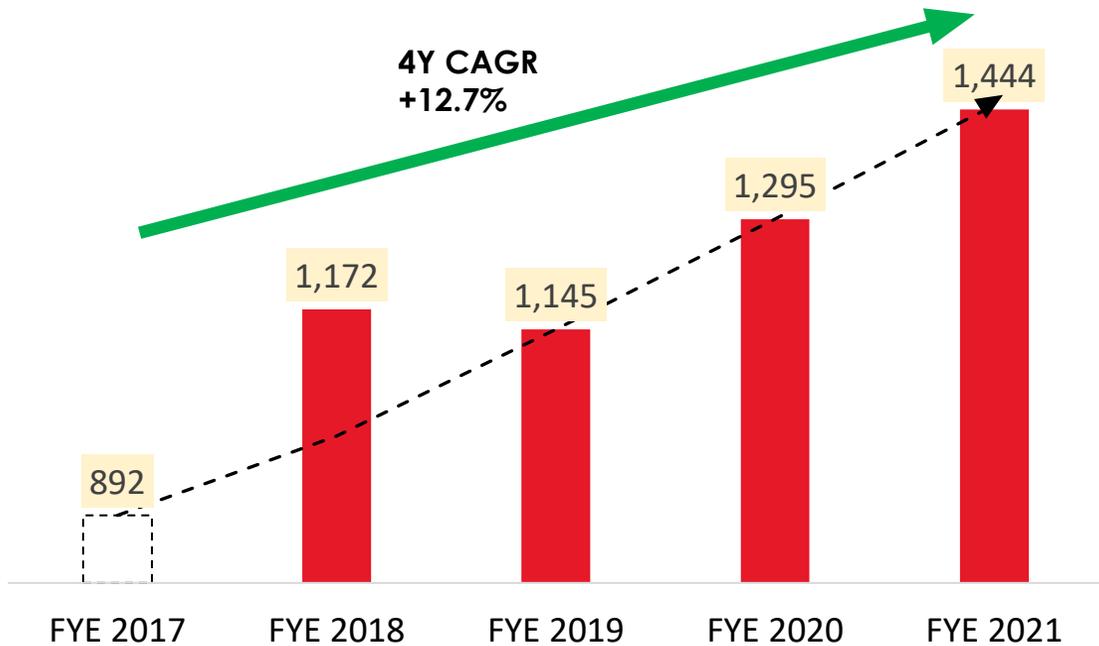


**Group achieved excellent topline and bottomline performance in FYE 2021 & 4Q21... impeccable achievement considering fewer days opening for business during the year**



**Senheng remains on double-digit growth trend in FYE 2021... omnichannel growth strategy continues to drive sales expansion in both physical stores and online channels**

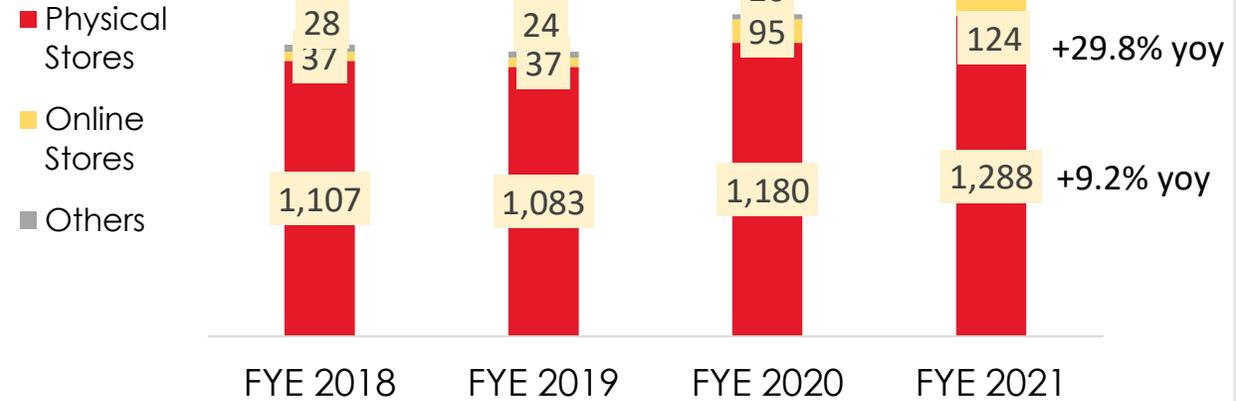
**Revenue Trend**  
(RM'mil)



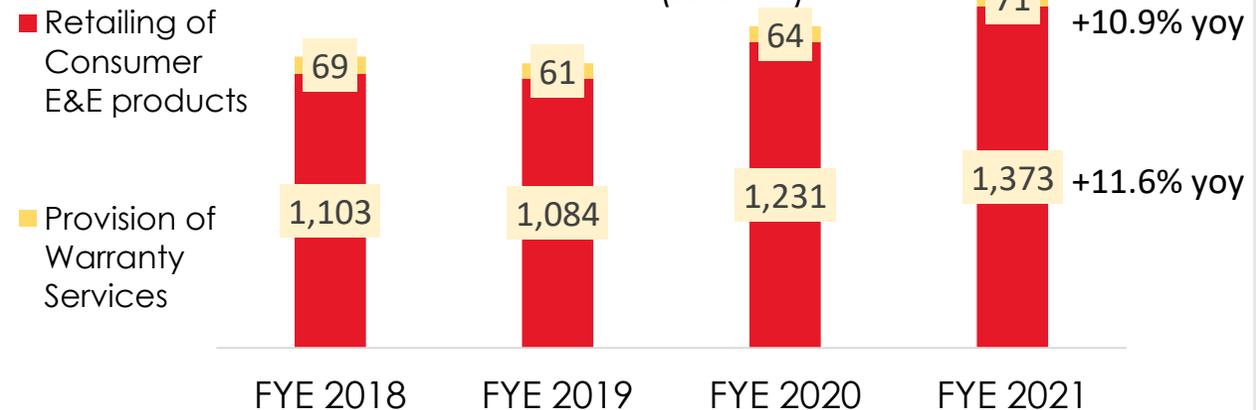
Bumped up by increased purchases due to SST tax holiday

Higher revenue on strategic store expansion, use of technology & data analytics, and targeted digital marketing

**Revenue Breakdown by Retail Channels**  
(RM'mil)

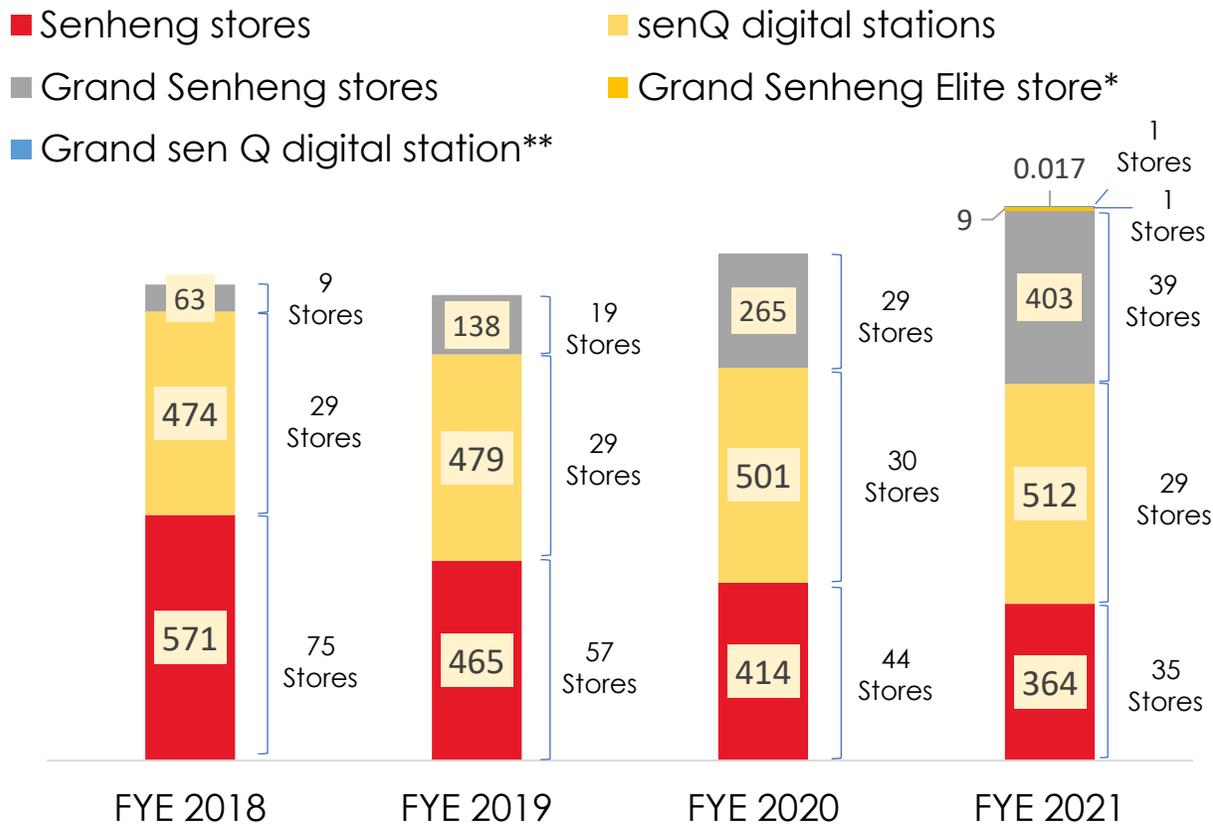


**Revenue Breakdown by Business Segments**  
(RM'mil)

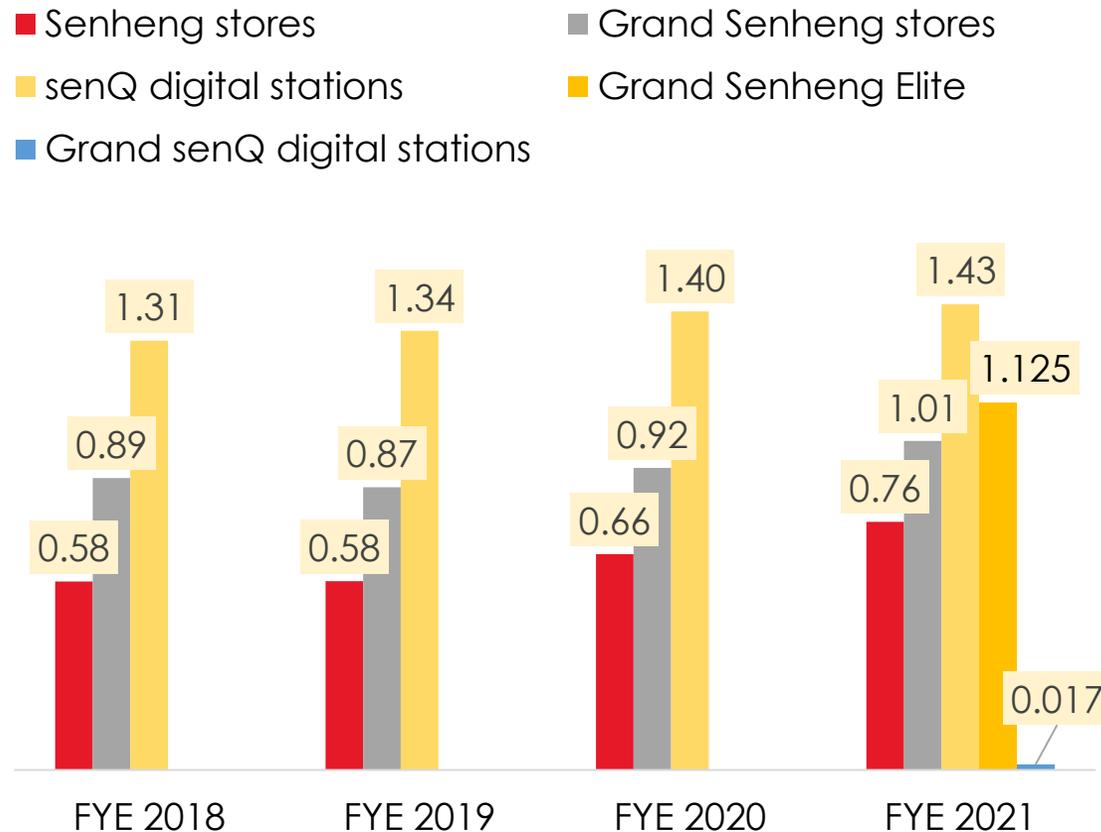


**Strategy to build "Territory Champions" bearing results... enhanced stores contribute 30%-50% higher sales on average compared to typical stores**

**Revenue Breakdown by Physical Store (RM'mil)**



**Average Monthly Revenue per Physical Store (ARPS) (RM'mil/month)**



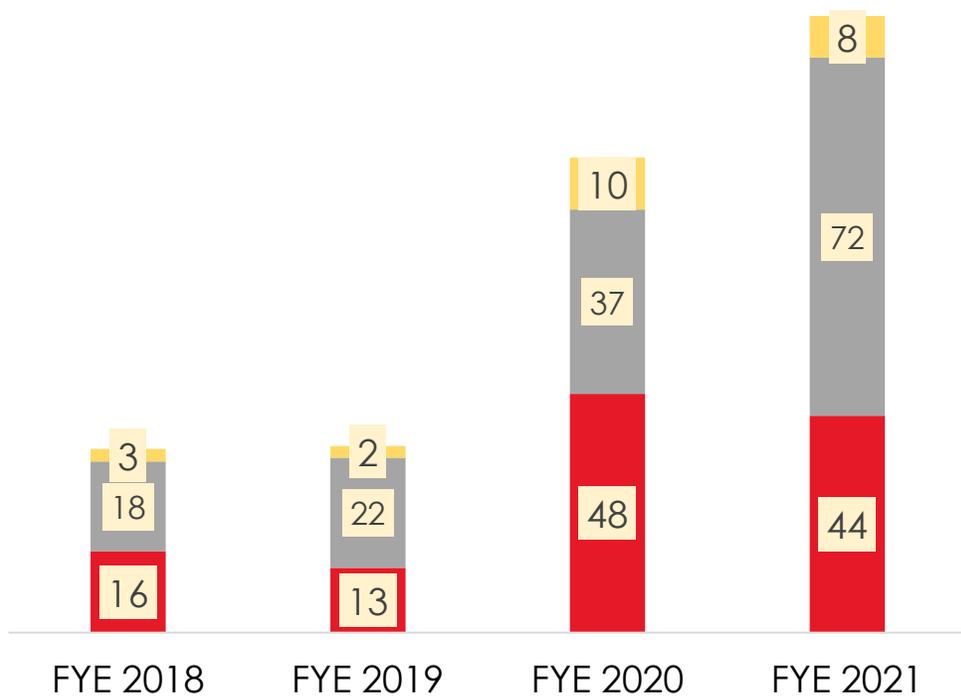
\*Commenced operations in Nov 2021

\*\*Commenced operations in end-Dec 2021, official launch in Jan 2022 (upgraded from senQ digital station)

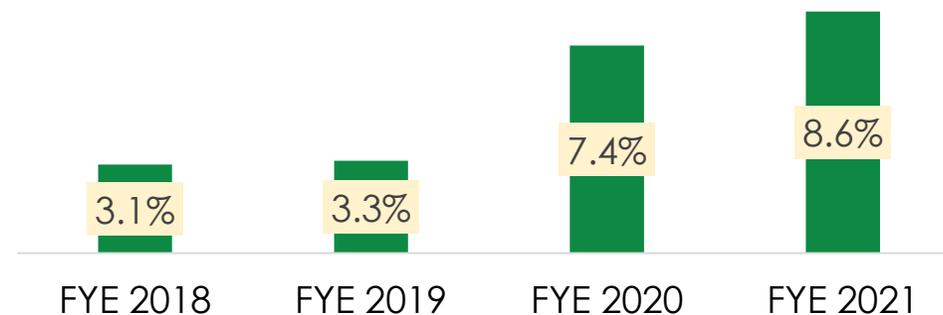
**Online marketing strategies delivering significant growth as Senheng taps into e-commerce boom... all-new Senheng App to further enhance users' online shopping experience**

**Revenue Breakdown from Online Stores (RM'mil)**

- senQ online digital station
- Third-party online marketplaces
- Senheng online store



**Online Stores Contribution to Group Revenue**



**SENHENG**

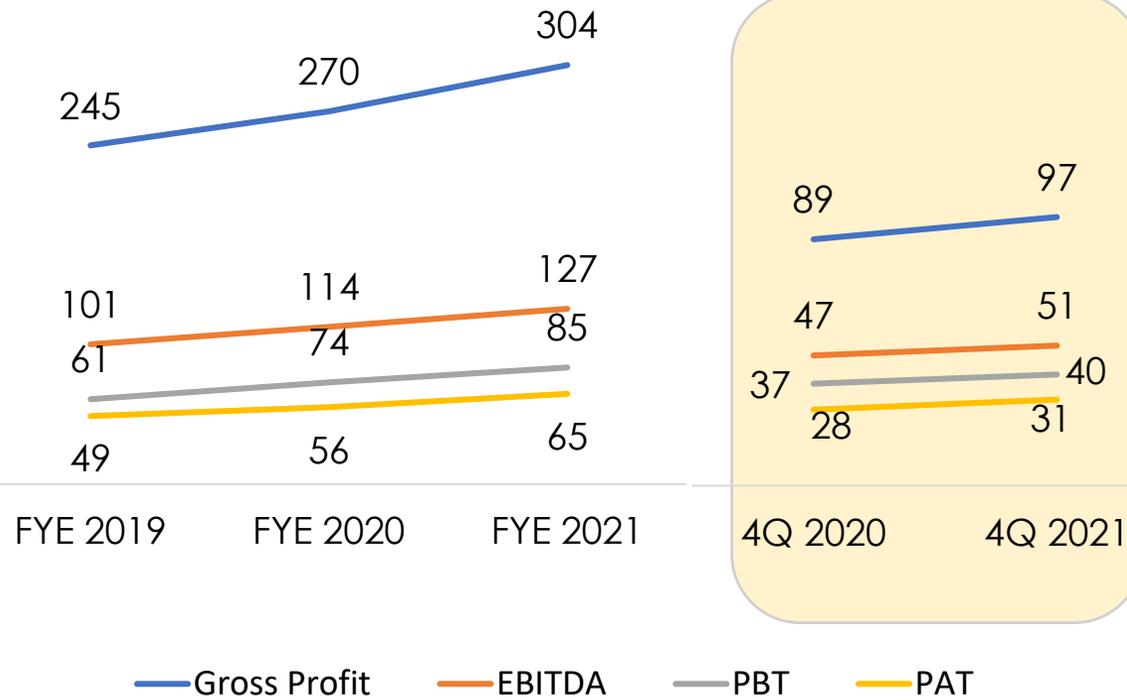
**sen**

**Lazada**

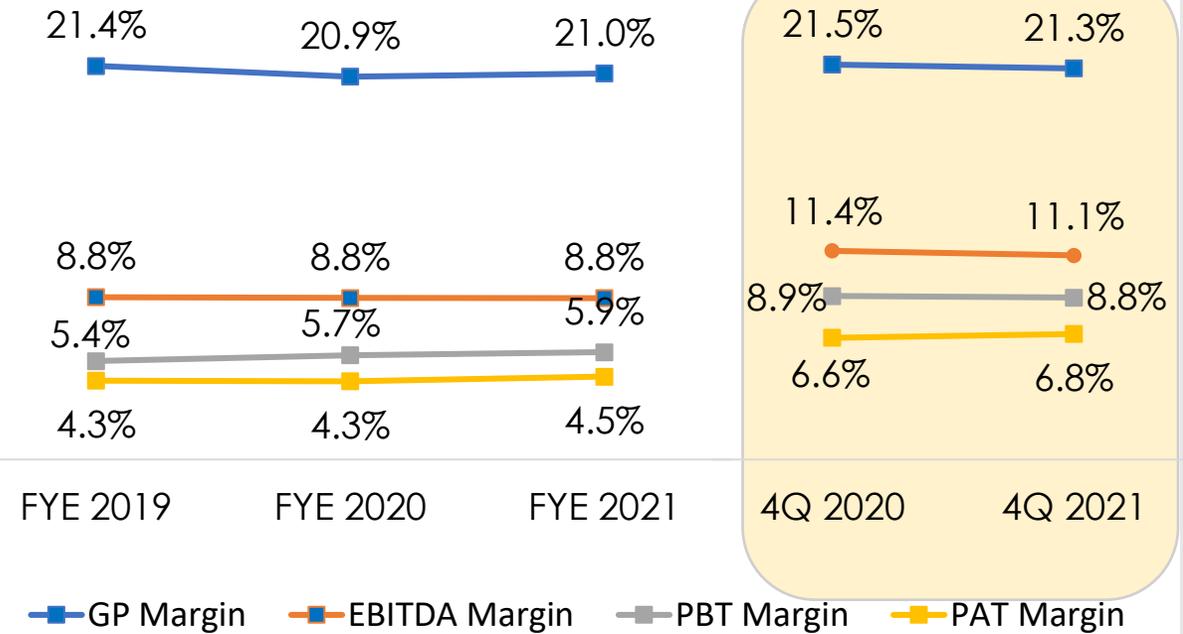
**Shopee**

**Resilient profitability over the years... profit margins indicating continued strength**

**GP, EBITDA, PBT, PAT (RM'mil)**

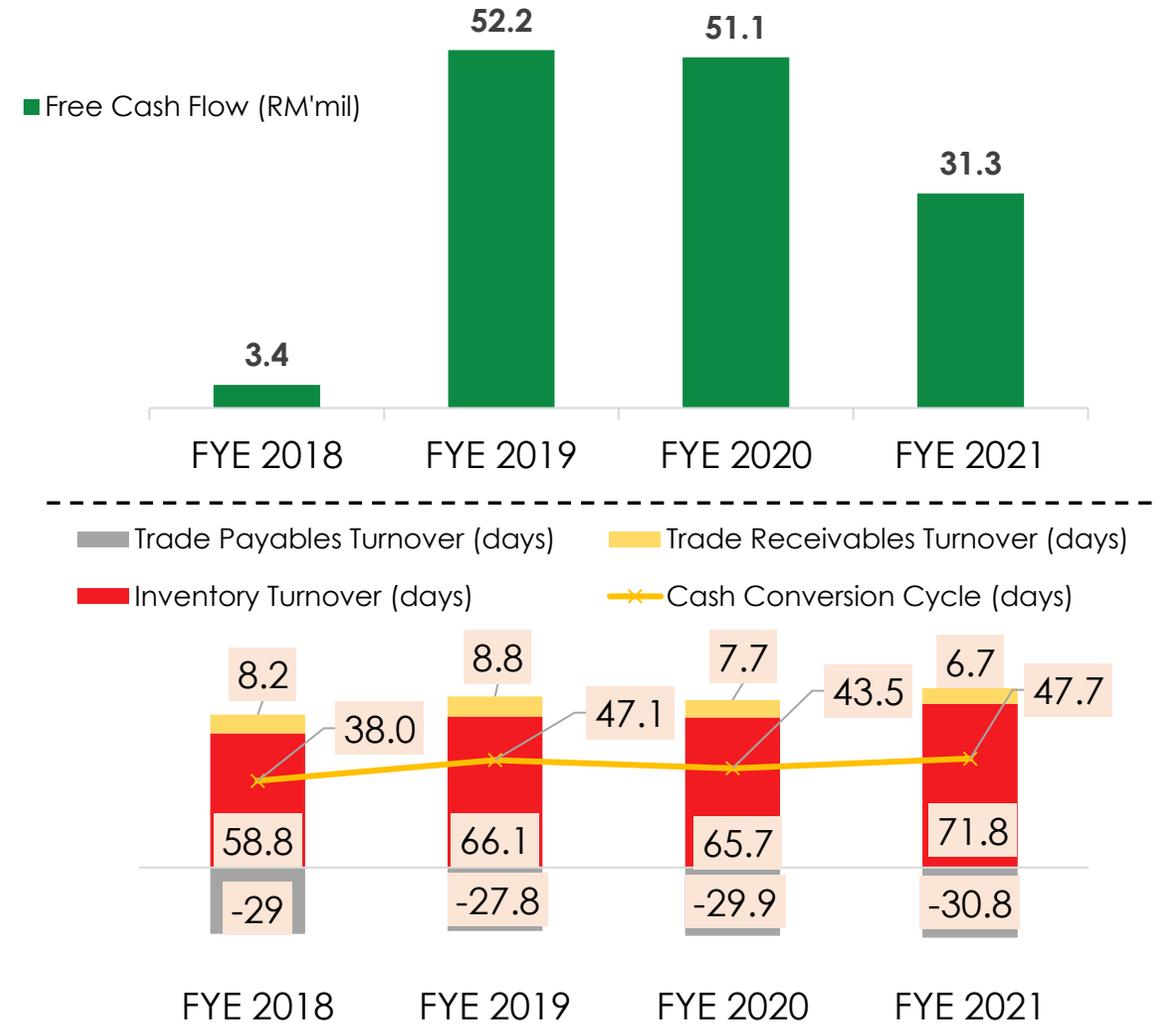
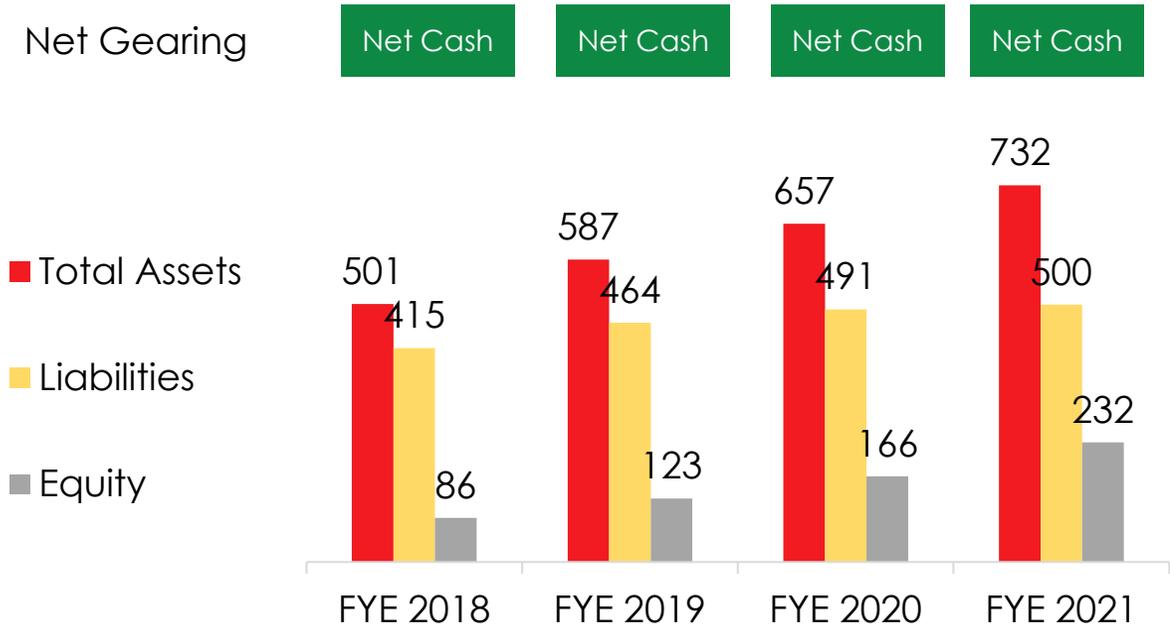


**GP, EBITDA, PBT, PAT Margins**



**Healthy financial and net cash position...**

**Balance Sheet**  
(RM'mil)



**Maiden dividend of 1.3 sen per share... translates to 30% of net profit, in line with target dividend payout ratio to reward shareholders**

**Dividend Payout**

RM'mil

30.0%



19.6

FYE 2021

**Dividend Per Share**

sen

1.3

FYE 2021

**Target Dividend Payout of up to  
30% of Net Profit**

**In respect of FY2021**

- Interim single-tier dividend of 1.3 sen/share (Payable on 29 April 2022)

**IPO Proceeds to be used to upgrade technology infrastructure, existing stores & operations...**

<b>Purposes</b>	<b>Planned (RM'mil)</b>	<b>Estimated time frame</b>
Enhance customer experience via upgrading and expanding our chain of retail stores	160.5	Within 36 months of listing
Repayment of bank borrowings	46.0	Within 6 months of listing
Develop new brand distribution business	22.0	Within 36 months of listing
Expand and upgrade our warehouse and logistics network	20.0	Within 36 months of listing
Boost our digital infrastructure <ul style="list-style-type: none"> <li>• Establish a data lake and upgrading existing technology platform</li> <li>• Cloud-based disaster recovery system</li> <li>• Maintenance of our digital infrastructure</li> </ul>	9.7	Within 36 months of listing
Listing Expenses	9.3	Within 3 months of listing
<b>Total</b>	<b>267.5</b>	

# **SENHENG**

## Investment Merits



**Market yet to appreciate Senheng's leading position in consumer E&E retailing and resilient growth proposition... tech-enabling tools remain its trump card**

**Visionary Leadership by Retail Maverick**

**Supplier Magnet**, forming long-term partnership with renowned brands

**Market leader in consumer E&E products in Malaysia**

Adopter of **Innovative Marketing strategies**

**Tech-driven operations**, aided by BI and Data Analytics

**ESG-focused and brand affinity builder**

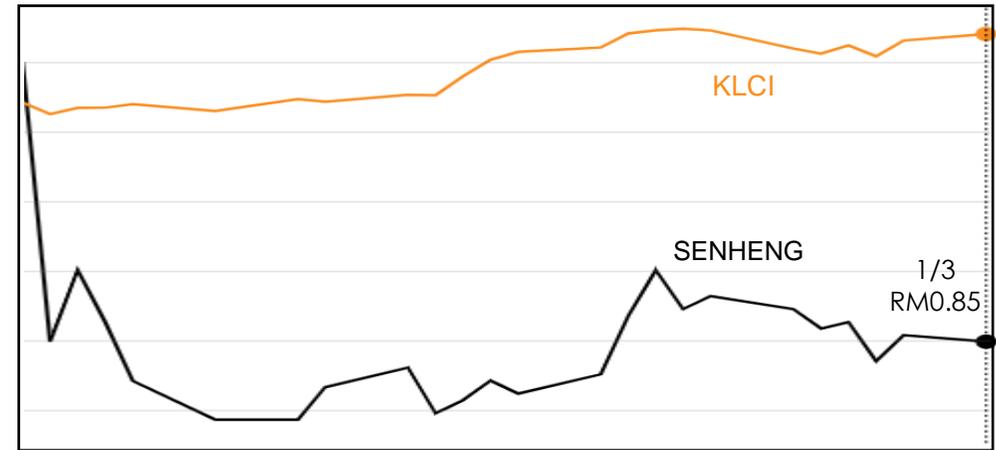
**Loyal customer base of >3.0 million** a competitive edge against peers

**Enticing valuation** compared to industry peers

Share Price (@ 1 Mar 2022)	RM0.85
Market Cap ('mil) (@ 1 Mar 2022)	RM1,275.0
FY2021 PE Ratio (x)	19.5
FY2021 EV/EBITDA (x)	9.9

Valuations based on 1.5 billion shares

**Price Movement since IPO**



# SENHENG

## Thank You

Investor Relations Contact

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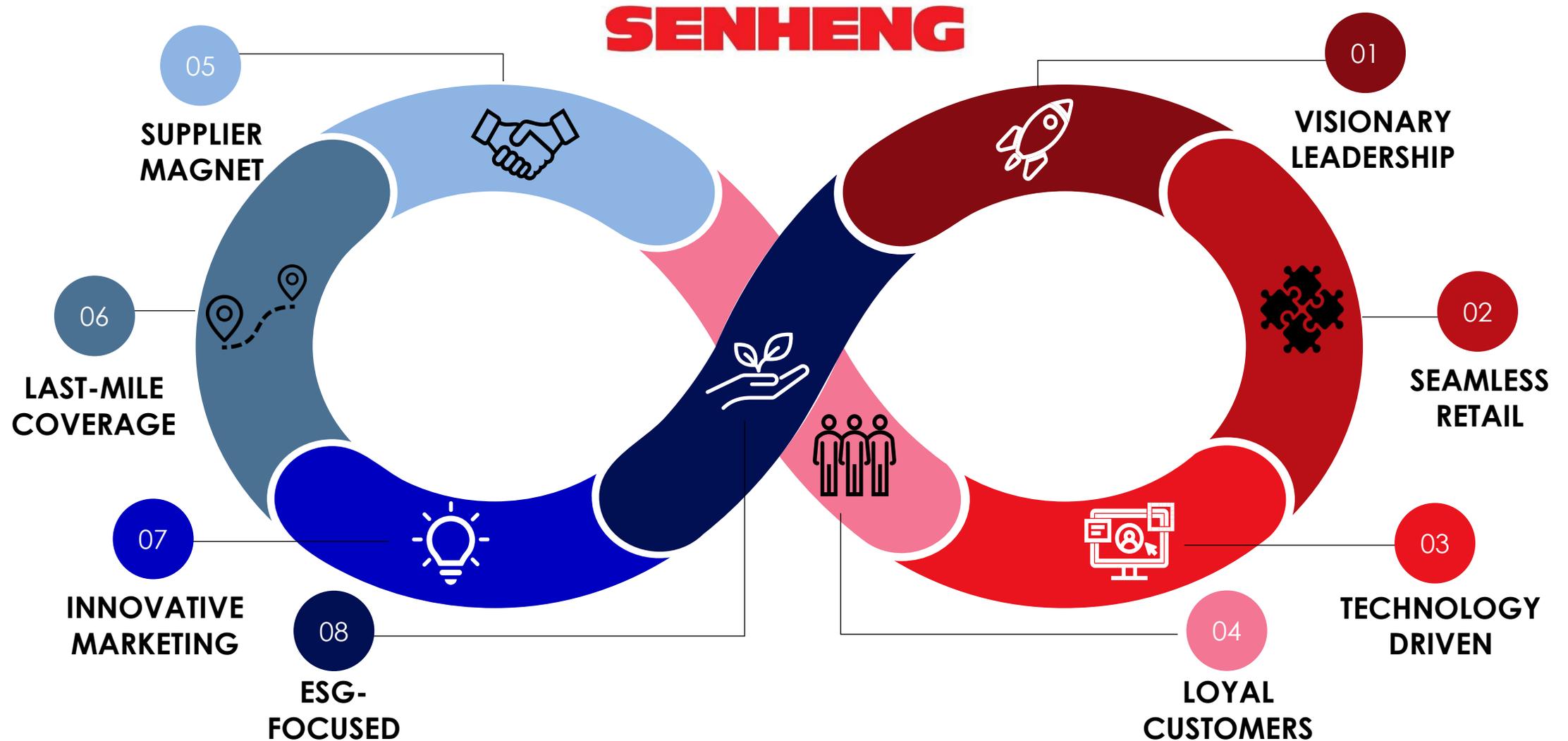


# SENHENG

## Appendix



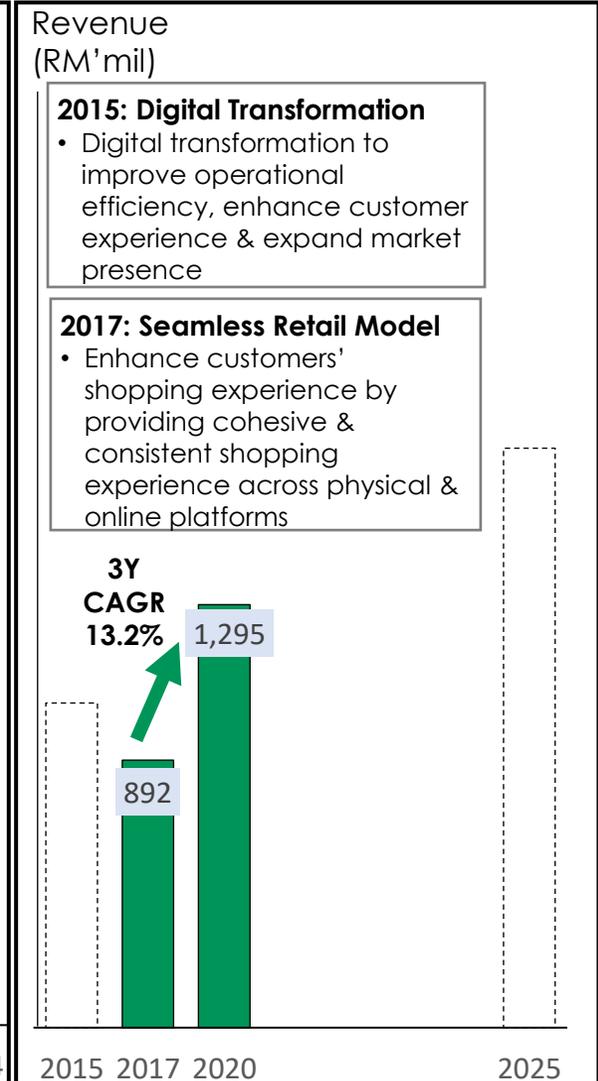
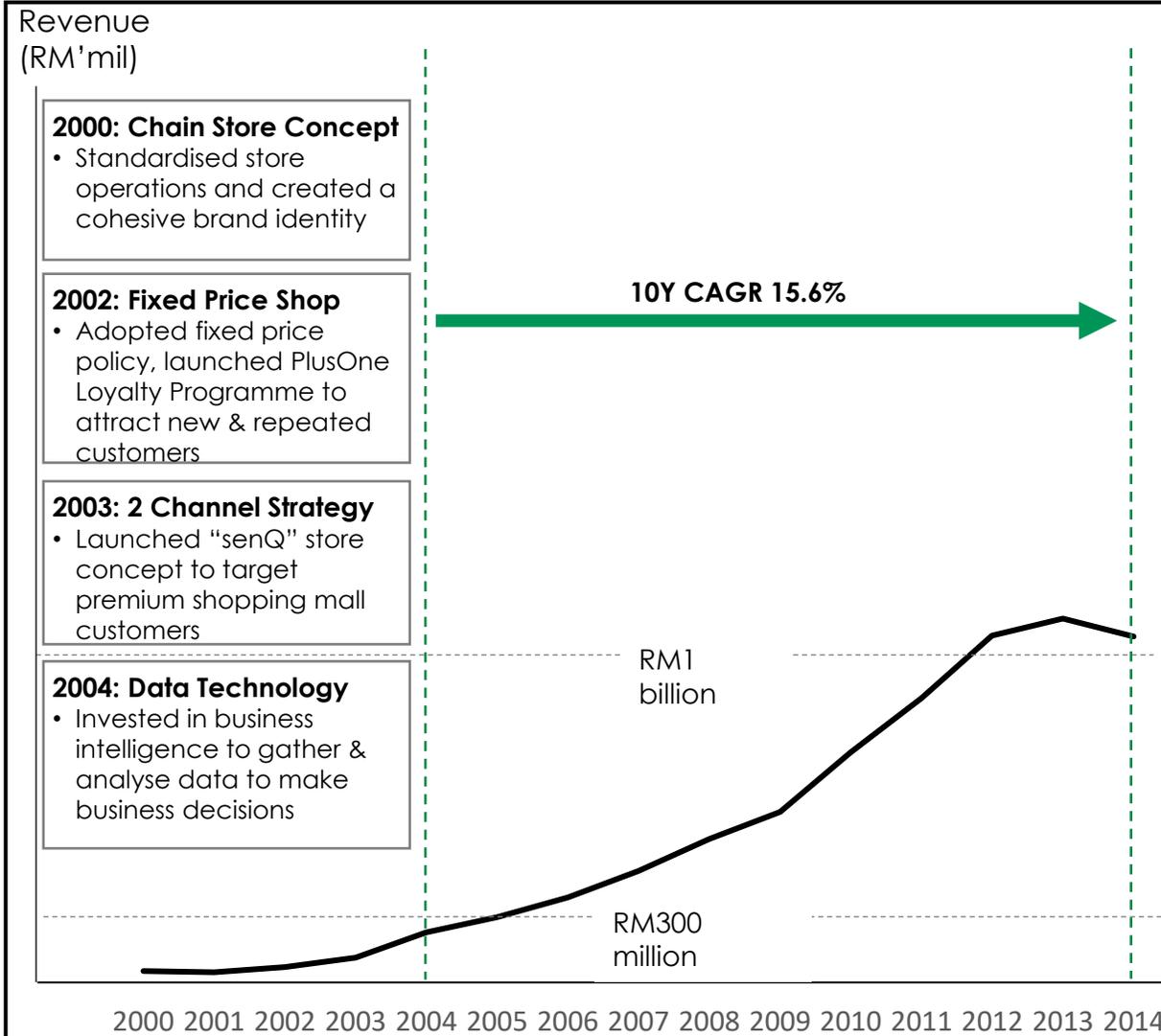
**Senheng**, a leading retail brand with more than 100 chain stores nationwide...



Helmed by Malaysia's retail maverick **Lim Kim Heng**, whose **Visionary Leadership** took the Group through multiple phases of transformation... backed by an impeccable team



**Mr Lim Kim Heng** Executive Chairman  
**Mr Lim Kim Chieng** President/Executive Director



# Implemented and finetuned **Seamless Retail** model over the years... aligning 9 key aspects of new retail concept to ensure seamless operational efficiency & customer experience



- All products are made available across online and retail stores

- All products are priced the same across online and retail stores
- Daily monitoring on competitors to ensure price competitiveness

- CDC as main hub for inventory storage, and is integrated across our seamless retail platform
- Applies 80-20 long tail concept to ensure efficient inventory management

- Centralised logistics model since 2018
- Integrated & efficient inventory logistics to & fro Central Distribution Center and regional hubs

- In progress of extending various modes of payments across online and physical stores



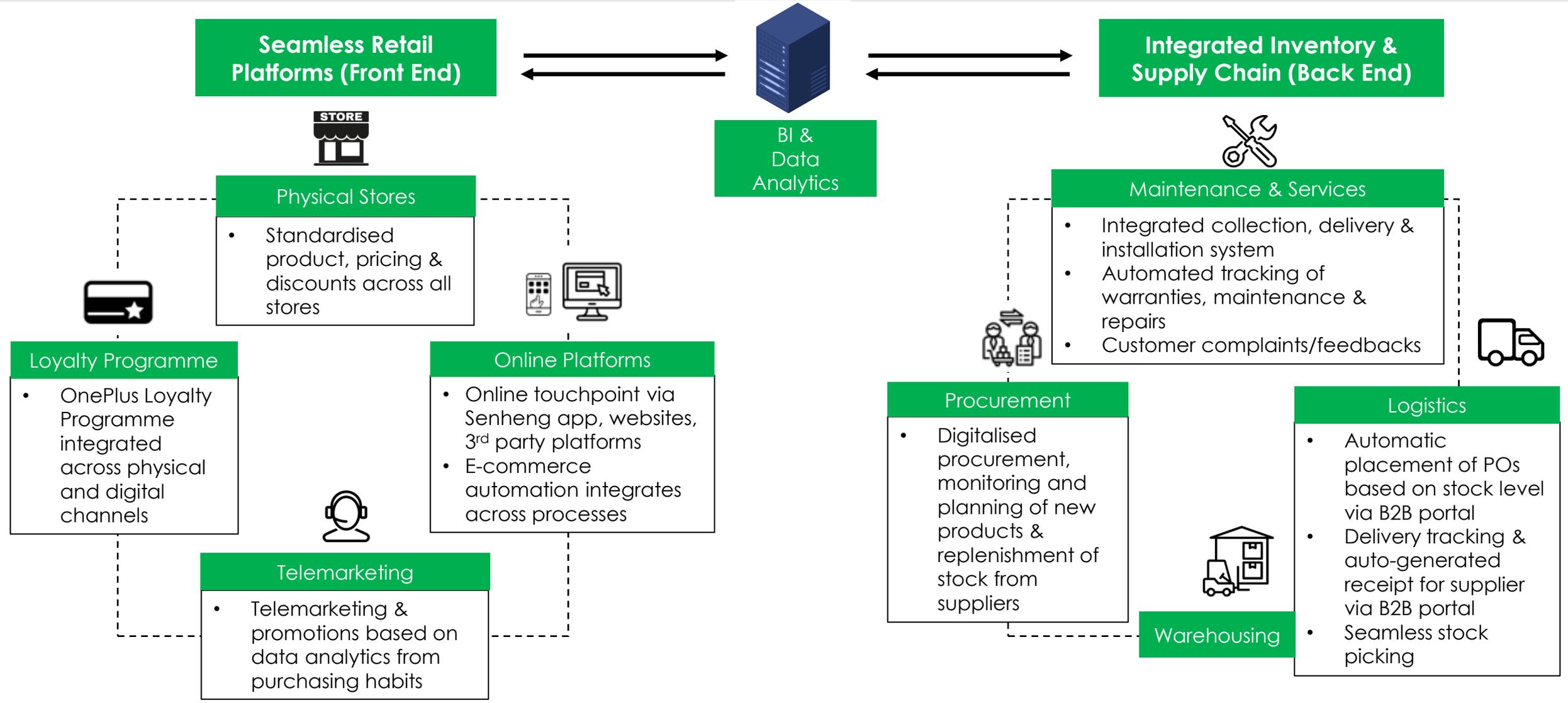
- Offers repair & services for all all consumer E&E products sold

- PlusOne loyalty programme administered through Senheng App
- Members can enjoy additional warranty coverage and other exclusive benefits

- The same promotions and discounts are offered across all physical & online stores

- Sales personnel are incentivised for sales closed across physical store, outbound telemarketing and online platforms to ensure consistent customer services

Entire operations are **Technology Driven**, incorporating business intelligence (BI) and data analytics to support seamless retail model...



# **Loyal Customer** base a competitive edge over peers to drive repeat purchases... growing number of paying members in PlusOne Loyalty Programme says as much of the privileged membership

- **Strong customer base from PlusOne Loyalty Programme**

- More than 3 million registered PlusOne members to-date
- Sales generated from members contributed 94.2%, 96.6%, 97.3% & 97.5% of annual revenue for FYE 2018, FYE 2019, FYE 2020 & FYE 2021
- **PlusOne Loyalty Programme**
  - Offering 8 categories to suit the needs and preferences of members
  - Benefits & privileges such as PlusOne extended warranty coverage, member prices, free delivery and rewards & points collection and redemption



**THE NEW PLUSONE LOYALTY PROGRAM**  
The value propositions are fortified via few key pillars – Reward, Service Assurance & Convenience.

**REWARDS**

- PURCHASE AND GET CASHBACK**  
Earn points with every purchase\* and enjoy rebates with cashback earned.
- DOUBLE CASHBACK EXCLUSIVE**  
Enjoy Double cashback which can be used to redeem ANY of our electrical products, across our showrooms nationwide!
- PURCHASE WITH CREDIT CARD POINT**  
Instant redemption of credit card point\* with products.

**SERVICE ASSURANCE**

- EXTRA ONE (1) YEAR WARRANTY\***  
Get additional one year coverage on top of manufacturer's warranty with every purchase.

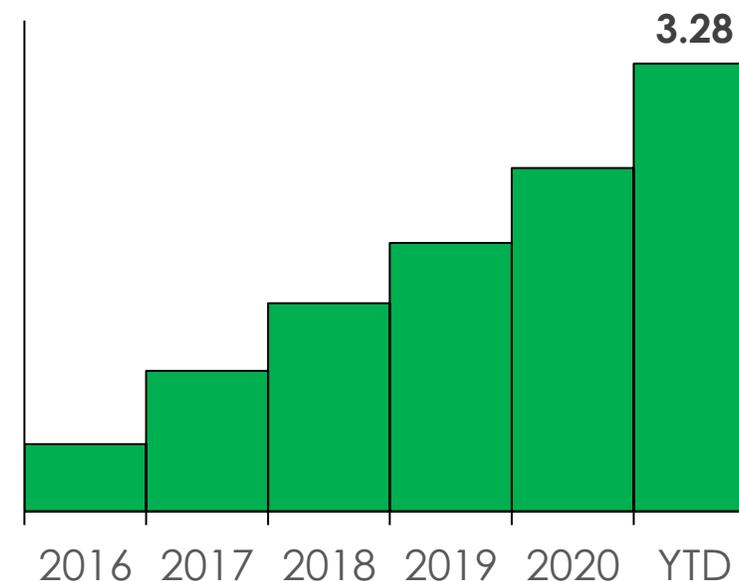
**CONVENIENCE**

- NEW FACE NEW EXPERIENCE WITH SENHENG APP\*\***  
Everything is at your fingertips! Check PlusOne\* points, check out promo & deals, retrieve e-voucher, e-booklet and many more. [Click here](#) for more information.

## **“Different... Truly Different”**

Number of Registered PlusOne Members

million



# Unparalleled Loyal Customers leading to Senheng becoming a **Supplier Magnet**, carrying a wide range of products from notable brands and suppliers...

- Senheng's offerings are broadly categorised as

- Retailing of consumer electrical & electronics

 <p>Digital Gadgets</p>	 <p>Home Appliances</p>	 <p>Audio Visuals</p>
 <p>Provision of Delivery, Installation, Maintenance &amp; Repair Service</p>	 <p>Other Products</p>	

- Provision of warranty services

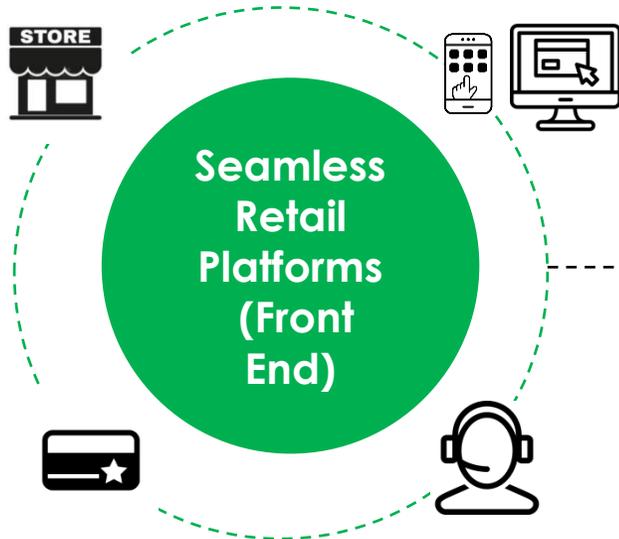
10,000  
SKUs

280  
Brands

### Notable Brands

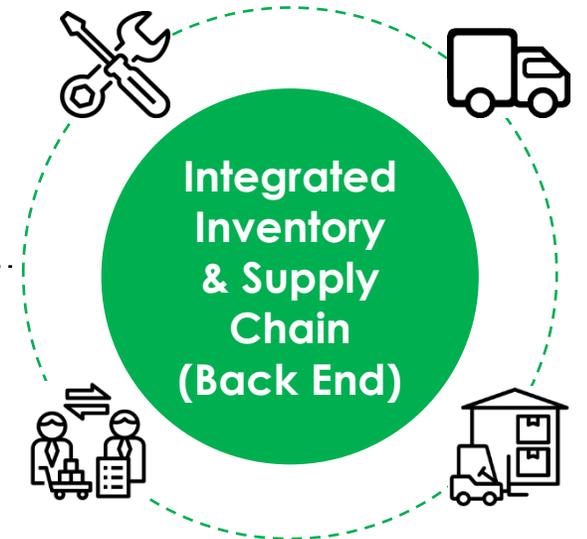
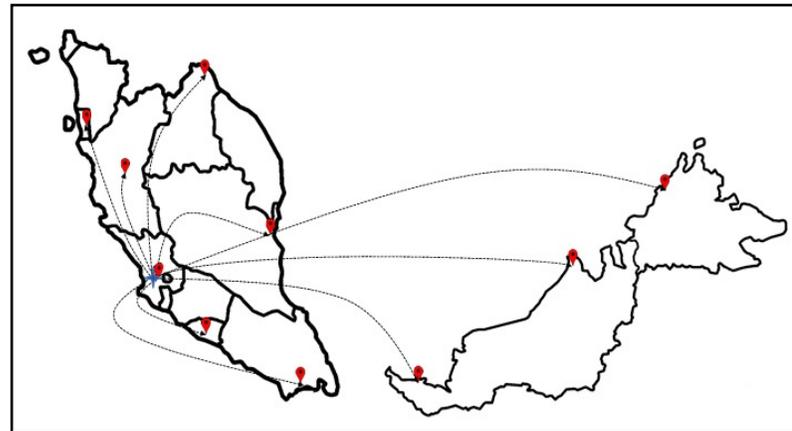


Extensive **Last-mile Coverage**, with 105 retail outlets nationwide & online platforms, backed by efficient logistics to support Senheng's omnichannel strategy....



### Extensive last-mile coverage nationwide

- Providing last mile delivery services
  - Home deliveries
  - Click & pick up option
  - Monitored by Delivery Management System
- Vast touchpoints with 105 retail stores of total 797,000 sq. ft. across all states of Malaysia, as well as online platforms



# Leveraging on automation, digitalisation and data analytics for all Senheng's **Innovative Marketing** strategies to enhance customer experience... ultimately aiming to make customers feel "loved"



Data Analytics



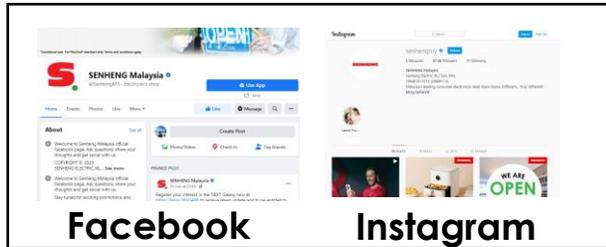
Automation



Digitalisation

## Omnichannel Marketing

### Social Media Platforms



Facebook

Instagram

### Senheng App



Senheng mobile application

### Online Platforms



Senheng online store

[www.senheng.com.my](http://www.senheng.com.my)

senQ online digital station

[www.senq.com.my](http://www.senq.com.my)

Lazada Store Page

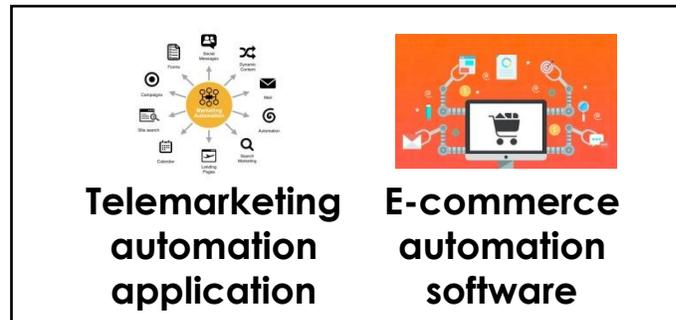
Shopee Store Page

### Omnichannel Call Centre



Centralised promotional & telemarketing hub

### Automation Platform



Telemarketing automation application

E-commerce automation software

# ESG-focused initiatives... not only a responsible social development steward and environmental champion, but also a brand affinity builder



Senheng/Samsung Malaysia Purple League



SH Retail Academy



Tree Planting Project



E-waste Recycling Program



New Senheng Education Assistance (SEA) Programme



Air Purifier Contributions to Local Hospitals amidst COVID-19



Paperless Initiatives



Adoption of Bio-Degradable Plastic

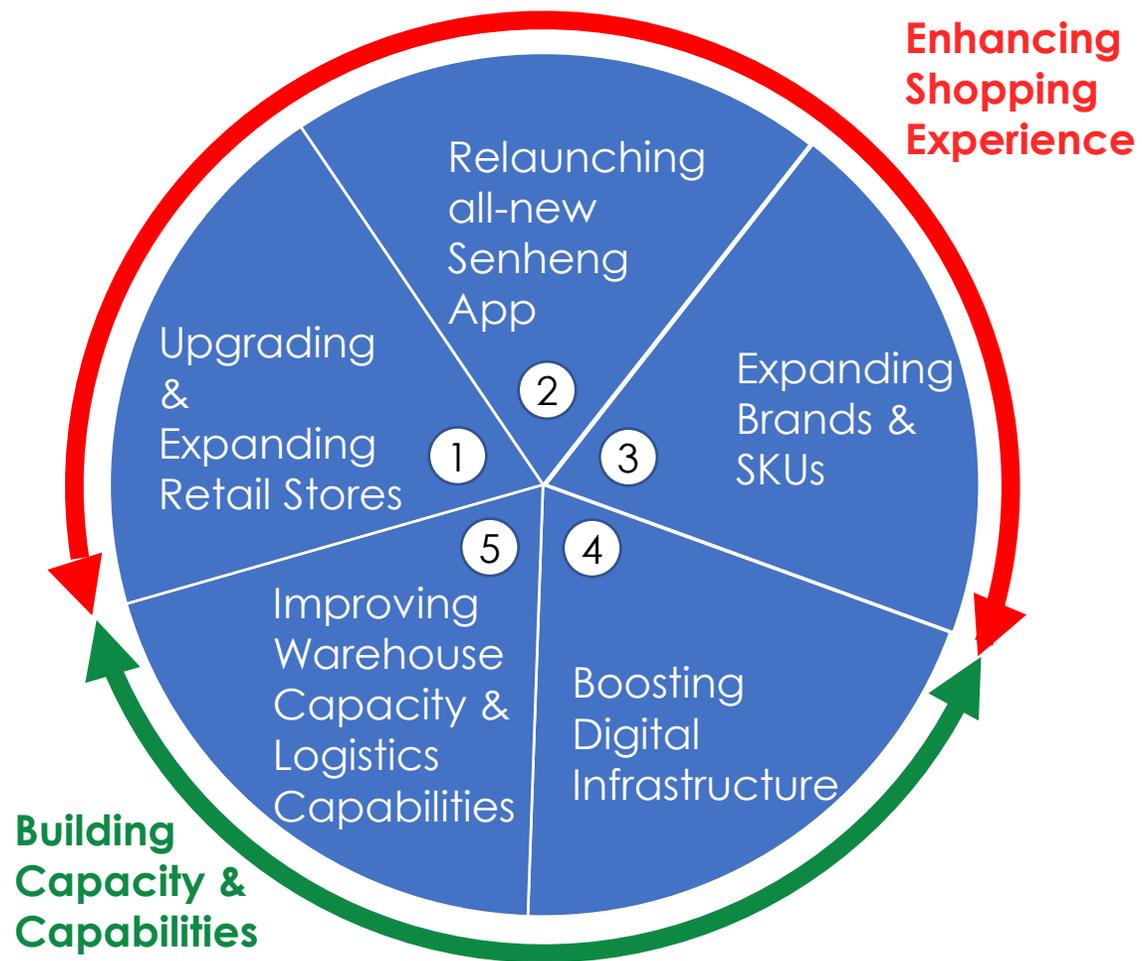
# SENHENG

## Growth Strategies



# Reimagining Retail towards building ultimate seamless ecosystem... objective to expand capacity and capabilities so as to enhance shopping experience

## Growth Strategies



## Market Trends - Seamless Retail Experiences

- ❖ Retail stores are not looked as main driver of sales, but as physical destination for experience
- ❖ Emphasising on in-store engaging customer experience, coupled by the seamless, convenient online processes enabled by digitalisation, 5G, AI and IoT



# Physical Stores to continue evolving for new trends in experiential retail... aiming to become territory champions across 5-km of all stores nationwide

## • Upgrading Chain of Physical Stores

- Enhancing customer's in-store experience
- To open/upgrade existing Senheng and senQ stores to:
  - Grand Senheng ] 50%
  - Grand Senheng Elite ] 200%
  - Grand senQ ] 200-300%
- To be territory champion within 5-kilometre radius of stores in terms of floor space & range of products; one-stop shop

larger on average compared to existing Senheng/senQ stores

Physical stores to be opened/upgraded:

	2022	2023	2024
Grand Senheng Elite	4	4	3
Grand Senheng	12	12	11
Grand senQ digital stations	3	2	3
senQ digital stations	2	3	2



Senheng



Grand Senheng



Grand Senheng Elite



senQ



Grand senQ

## Next-Generation Senheng App to enable expansion beyond consumer E&E... newly-introduced S-Coin to serve as ecosystem's digital currency

- **Relaunching all-new Senheng mobile application (“Senheng App”)**

- Initial phase:

- Members can earn S-Coin through purchases of goods and services on the platform, which can be redeemed for future purchases

- Subsequent phase:

- To leverage on Senheng's over 3 million membership base to entice 3rd party merchants (e.g. F&B, leisure services, health, pet fashion, sportswear) onto the platform

- Long term plan:

- To build a whole ecosystem to provide services & convenience to PlusOne members



**S-Coin  
reward credit  
token**



## More renowned brands and SKUs in the pipeline... also building in-house consumer brands

- **Expanding Product Range and Brands as distributor**

- Exclusive distributor of “JIMMY”, vacuum cleaner brand, and “ROBAM” kitchen appliances brand in Malaysia since 2020
- “Delighto” cookware in-house brand
- To add new international and in-house brands into existing portfolio
  - Provides a bigger range of appliances for customers
- Moving up the value chain to generate greater margins

**Delighto™**



**ROBAM**



**JIMMY**



## Digital Infrastructure Upgrades to support seamless processes and data analytics... enhancing Last-Mile Capabilities in East Malaysia to strengthens supply chain and reduces delivery time

### • Boosting Digital Infrastructure

- Over the next 3 years:
  - To establish a **data lake** and **upgrade existing technology platforms** (customer data platform, marketing automation platform, business intelligence system, headless microservice technology)
  - Upgrade cloud-based disaster recovery system
  - Maintenance of digital infrastructure

### • Improving Warehousing Capacity and Logistics Network in East Malaysia

- In progress, targeted completion in 1H22:
  - Expansion of **Kota Kinabalu regional hub**
  - Relocation of **Kuching regional hub** to a larger warehouse
- In the pipeline:
  - To construct a **Bintulu regional hub** for physical stores & customers in Bintulu, Sibul and Miri

