

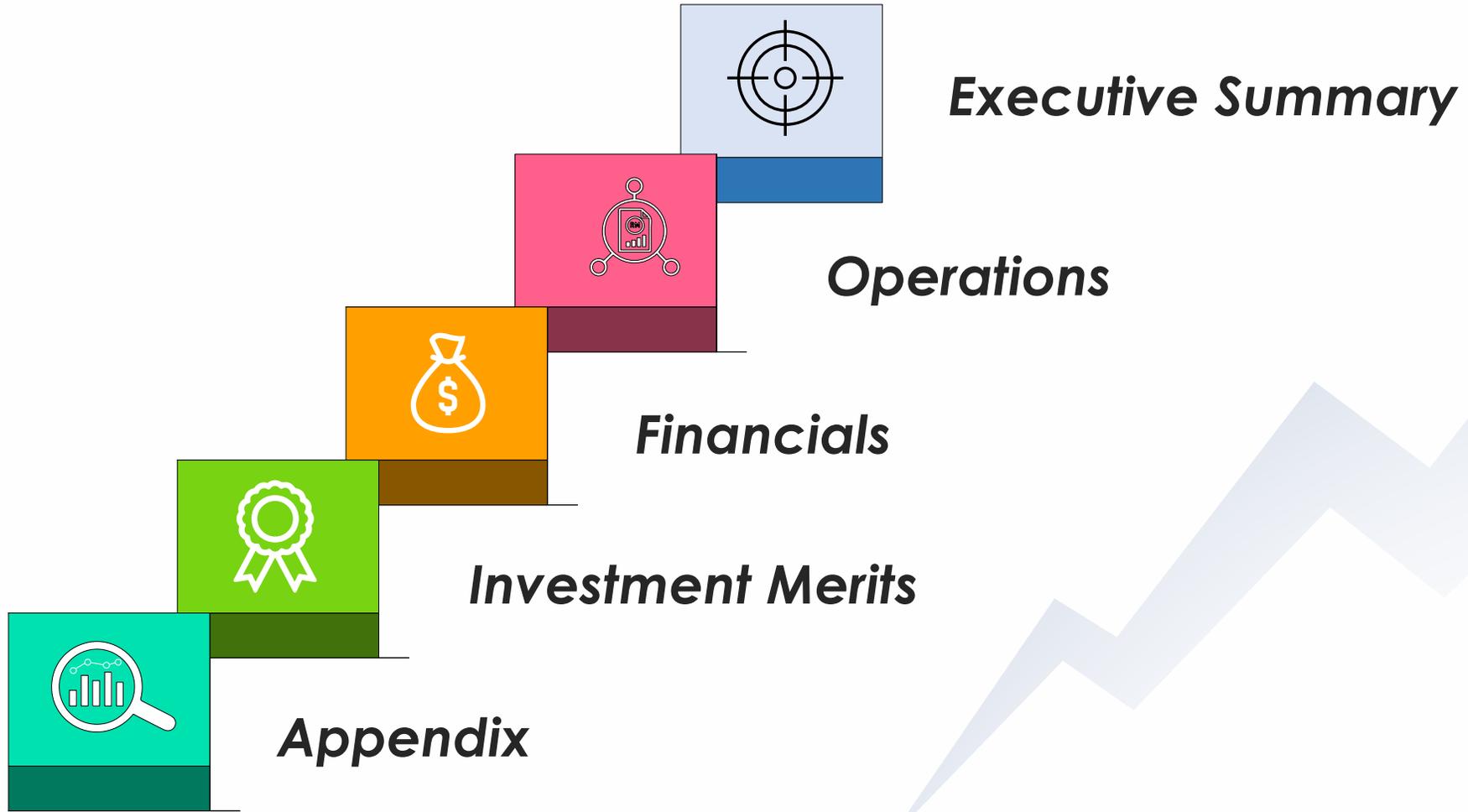
SENHENG

SENHENG NEW RETAIL BERHAD

1Q22 CORPORATE PRESENTATION

IR Adviser:





SENHENG

Executive Summary



Group sustains performance in 1Q22 on continued strong sales of consumer electronics... higher operating costs to be mitigated in coming quarters as topline expands

1Q22

Revenue
RM367.1 mil

-1.9%

Gross Profit
RM77.6 mil

+1.1%

Adjusted Net Profit*
RM10.6 mil

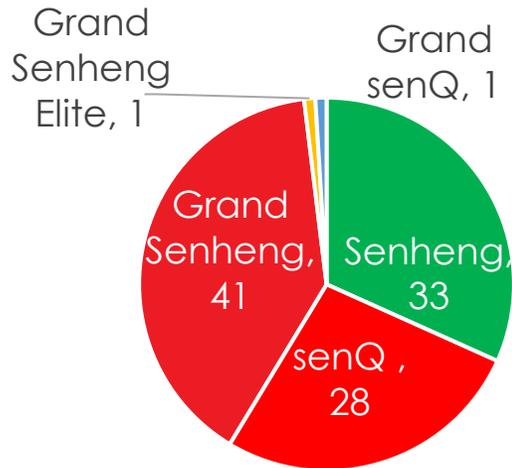
-12.0%

- Revenue maintained firm as economy recovers; slight decline due to 1Q21's exceptionally strong sales on work-from-home & stay-at home trends
- Enhanced gross profit on favourable product mix
- Lower net profit* due to higher operating costs on expanded operations and marketing initiatives

*After excluding one-off listing expense of RM1.7 million

New store expansions and upgrades to provide better consumer experience... Territory Champion strategy to generate higher per store revenue and reinforce market position

No. of stores (1Q22): 104



Enhanced stores opened/upgraded

FYE2021: **10**

New stores to be opened/upgraded

FYE2022: **21**



Grand senQ
in Paradigm Mall, JB
(Jan 2022)



Grand Senheng
in USJ Taipan, Selangor
(Feb 2022)

**3-Year
Plan**

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

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Operations

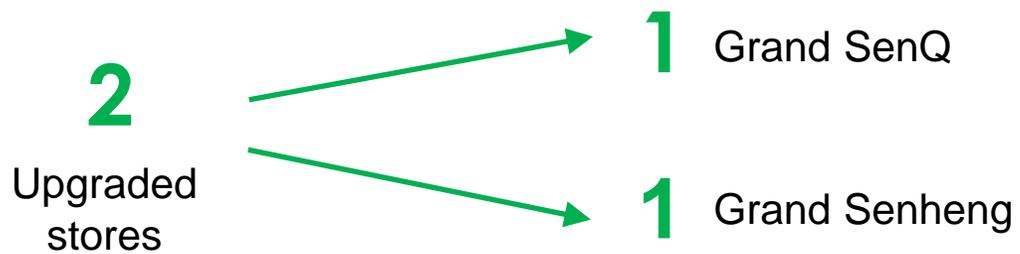


Entrenched market leadership with over 100 stores across major cities in Malaysia... targeting to open/upgrade 21 stores in 2022

• Physical outlets

- Upgraded 2 stores and closed 1 store in 1Q22
- Total of 104 stores in 1Q22, comprising:
 - 33 Senheng stores
 - 41 Grand Senheng stores
 - 1 Grand Senheng Elite stores
 - 28 senQ stores
 - 1 Grand senQ store

1Q22



Grand senQ, Paradigm Mall, JB



Grand Senheng, USJ Taipan

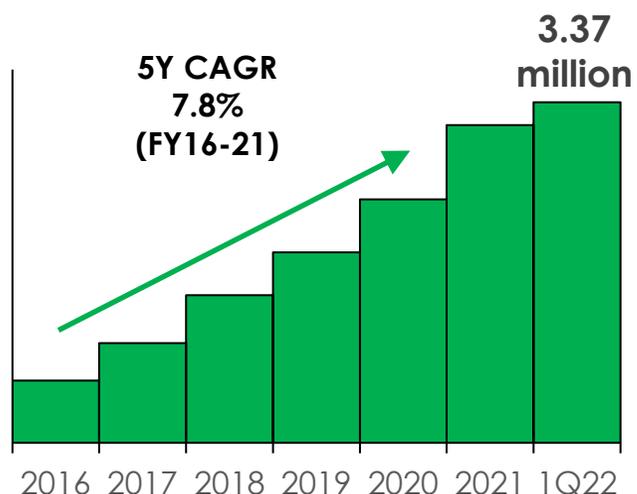


PlusOne Loyalty members continue to grow... Senheng platform to provide members with added value and convenience in subsequent rollouts

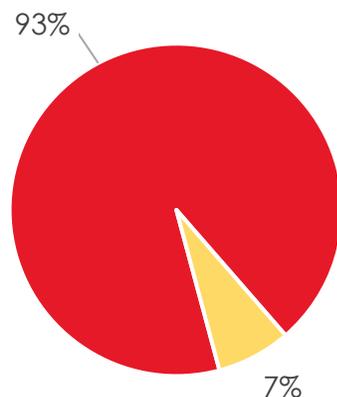
• PlusOne Loyalty Membership

- Recruited 92k new members in 1Q22 (FYE 2021: 298k)
- PlusOne paid members contributed approx. 93% of Group revenue in 1Q22 (FYE 2021: 90%)

Number of Registered PlusOne Members



1Q22 revenue contributed by PlusOne paid members



• Senheng App

- Total downloads of 2.0 million as at 31 March 2022
- Monthly Active users (MAU) of >175k, with >90% constituted by PlusOne members
- To launch upcoming S-Livestream & S-Reward Centre in 2H22

DOWNLOAD NOW!

Check out the all-new Senheng App to enjoy **GREATER REWARDS!**

ANDROID APP ON Google play | Download on the App Store | EXPLORE IT ON AppGallery

New brand distribution business seeing strong potential... leveraging on Group's deep understanding of customer preferences

- **Brand Distribution**

- Plan to introduce more international brands featuring smart home & IOT products in FYE 2022

Delighto™



ROBAM



JIMMY



FYE 2021 Revenue
RM21.5 million

Target to grow to



FYE 2022 Revenue
RM60.0 million
(+179% yoy)

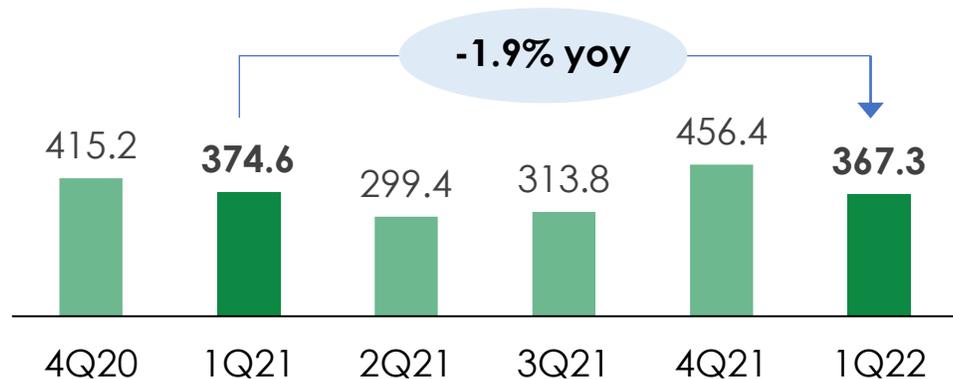
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Financials

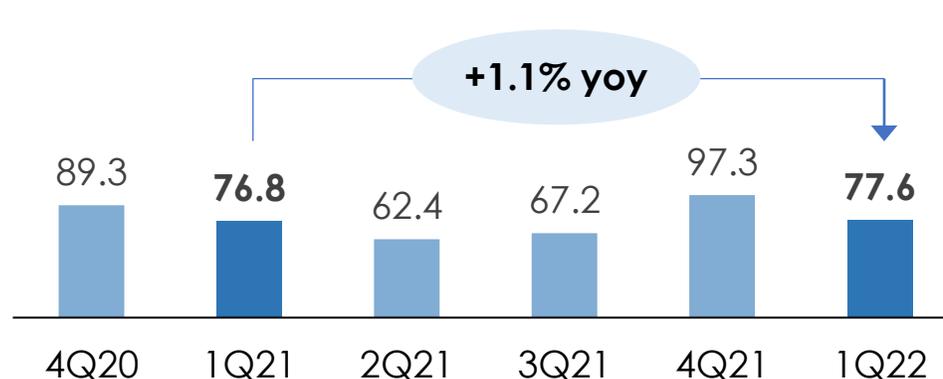


Gross profit improved on favourable product mix... bottomline affected by listing expenses

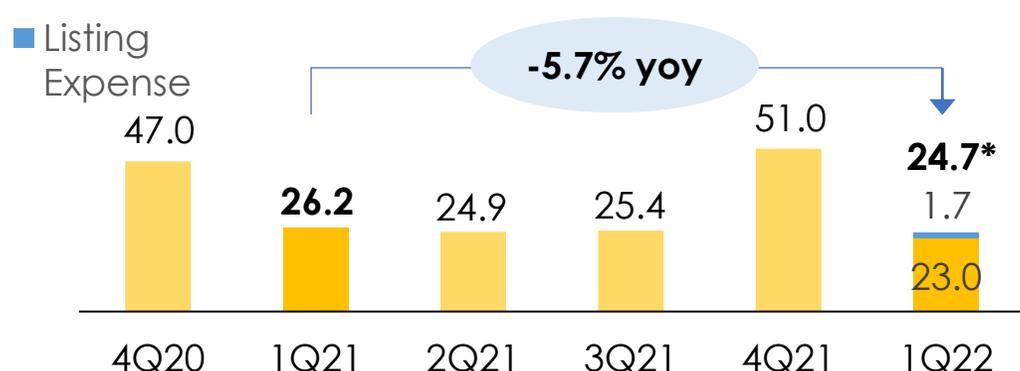
Revenue (RM'mil)



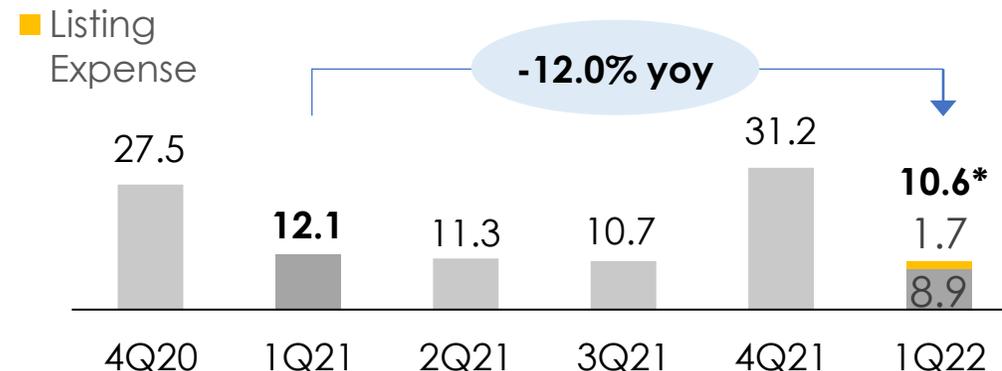
Gross Profit (RM'mil)



EBITDA (RM'mil)



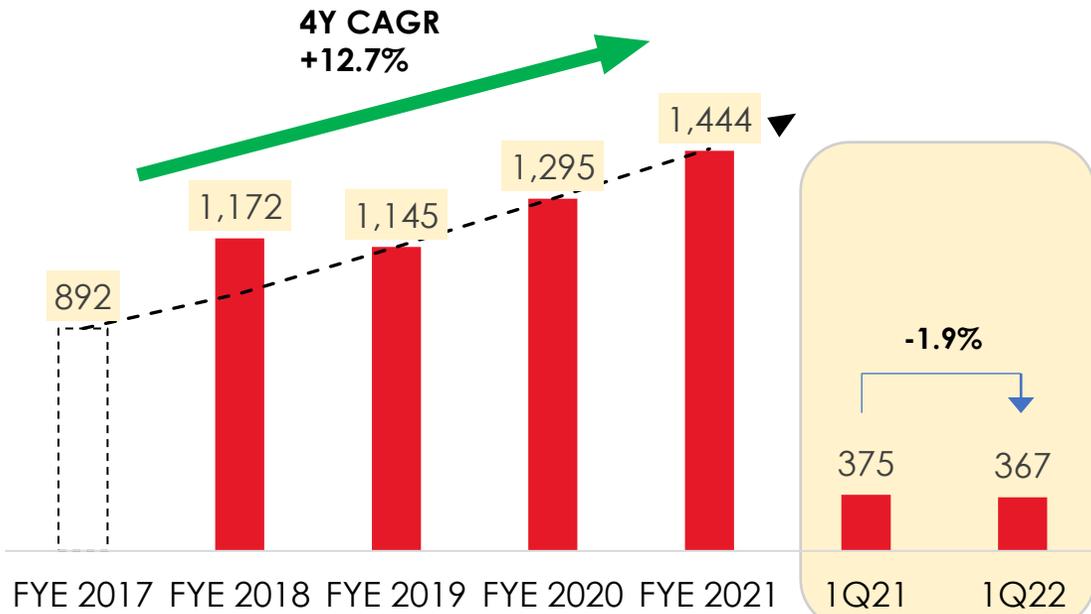
Net Profit (RM'mil)



*1Q22 adjusted EBITDA and net profit excludes listing expenses of RM1.7 million

Seeing higher revenue contribution from new and enlarged stores such as Grand Senheng... online channels play important role in enhancing customers' overall shopping experience

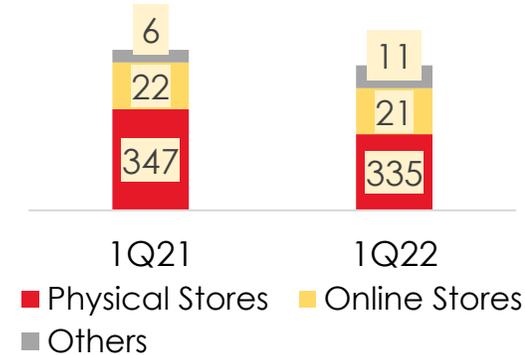
Revenue Trend
(RM'mil)



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

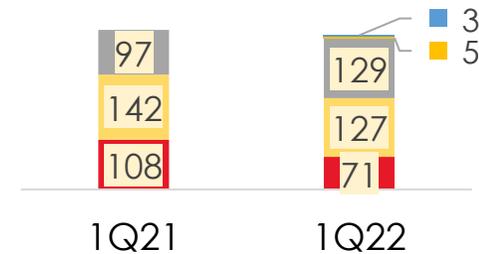
Revenue by Retail Channel



Online Stores Contribution to Group Revenue



Revenue by Physical Store



Same Store Sales Growth



Healthy financial and net cash position...

Balance Sheet
(RM'mil)

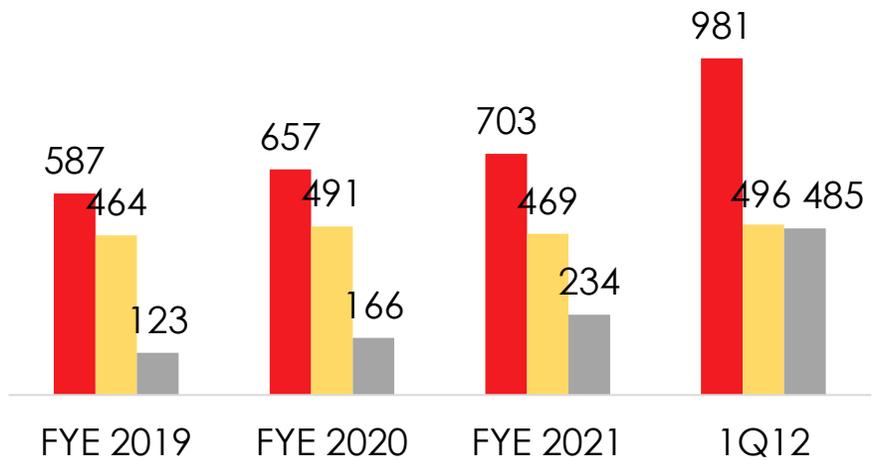
Net Gearing



Total Assets

Liabilities

Equity

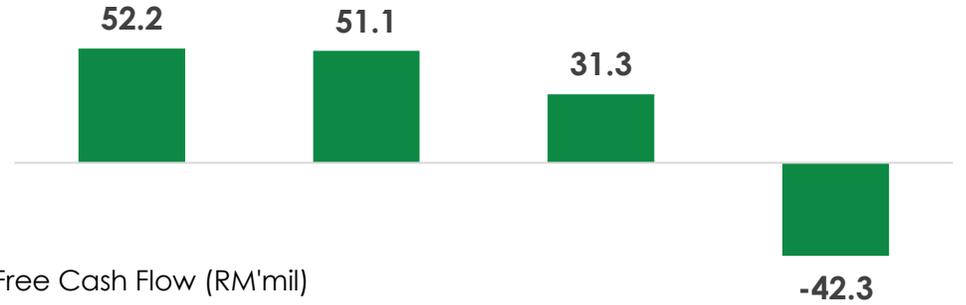


FYE 2019

FYE 2020

FYE 2021

1Q22



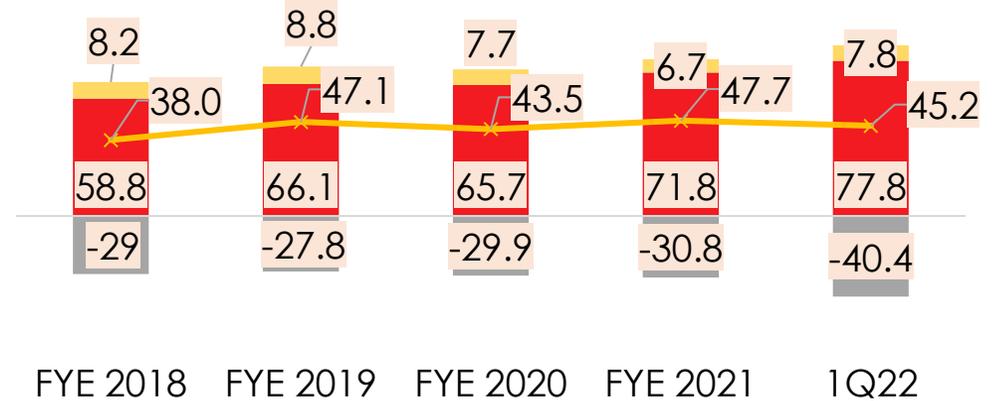
Free Cash Flow (RM'mil)

Trade Payables Turnover (days)

Trade Receivables Turnover (days)

Inventory Turnover (days)

Cash Conversion Cycle (days)



Maiden dividend of 1.3 sen per share paid in respect of FY2021... 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 (Paid on 29 April 2022)

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

Purposes	Planned (RM 'mil)	Actual (RM 'mil)	Balance (RM 'mil)	Estimated time frame
Enhance customer experience via upgrading and expanding our chain of retail stores	160.5	1.9	158.6	Within 36 months of listing
Repayment of bank borrowings	46.0	-	46.0	Within 6 months of listing
Develop new brand distribution business	22.0	2.8	19.2	Within 36 months of listing
Expand and upgrade our warehouse and logistics network	20.0	3.8	16.2	Within 36 months of listing
Boost our digital infrastructure <ul style="list-style-type: none"> • Establish a data lake and upgrading existing technology platform • Cloud-based disaster recovery system • Maintenance of our digital infrastructure 	9.7	1.0	8.7	Within 36 months of listing
Listing Expenses	9.3	9.2	0.1	Within 3 months of listing
Total	267.5	18.7	248.8	

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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

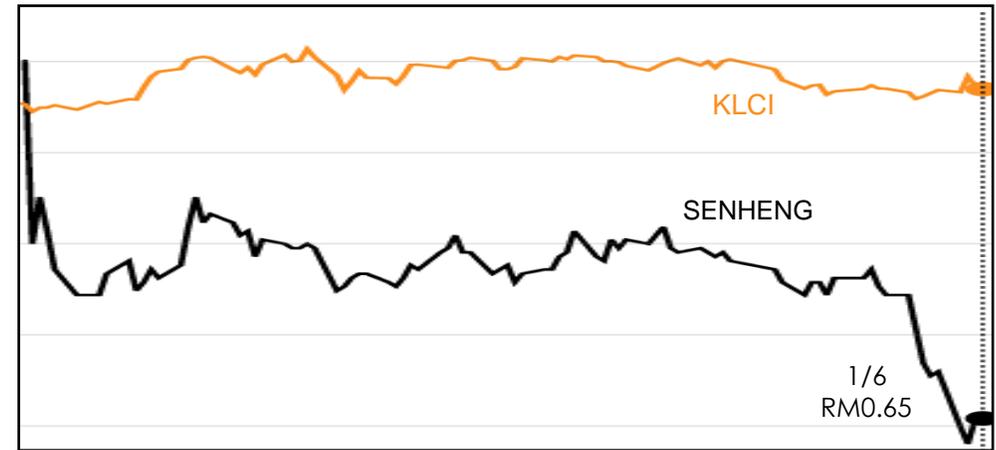
Loyal customer base of >3.0 million a competitive edge against peers

Enticing valuation compared to industry peers

Share Price (@ 1 Jun 2022)	RM0.65
Market Cap ('mil) (@ 1 Jun 2022)	RM975.0
PE (ttm)	15.7
EV/EBITDA (ttm)	6.1

Valuations based on 1.5 billion shares

Price Movement since IPO



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Thank You

Investor Relations Contact

Tay Tze Yi, IR Consultant
E: tayty@aquilas.com.my
M: +6016-3380 555

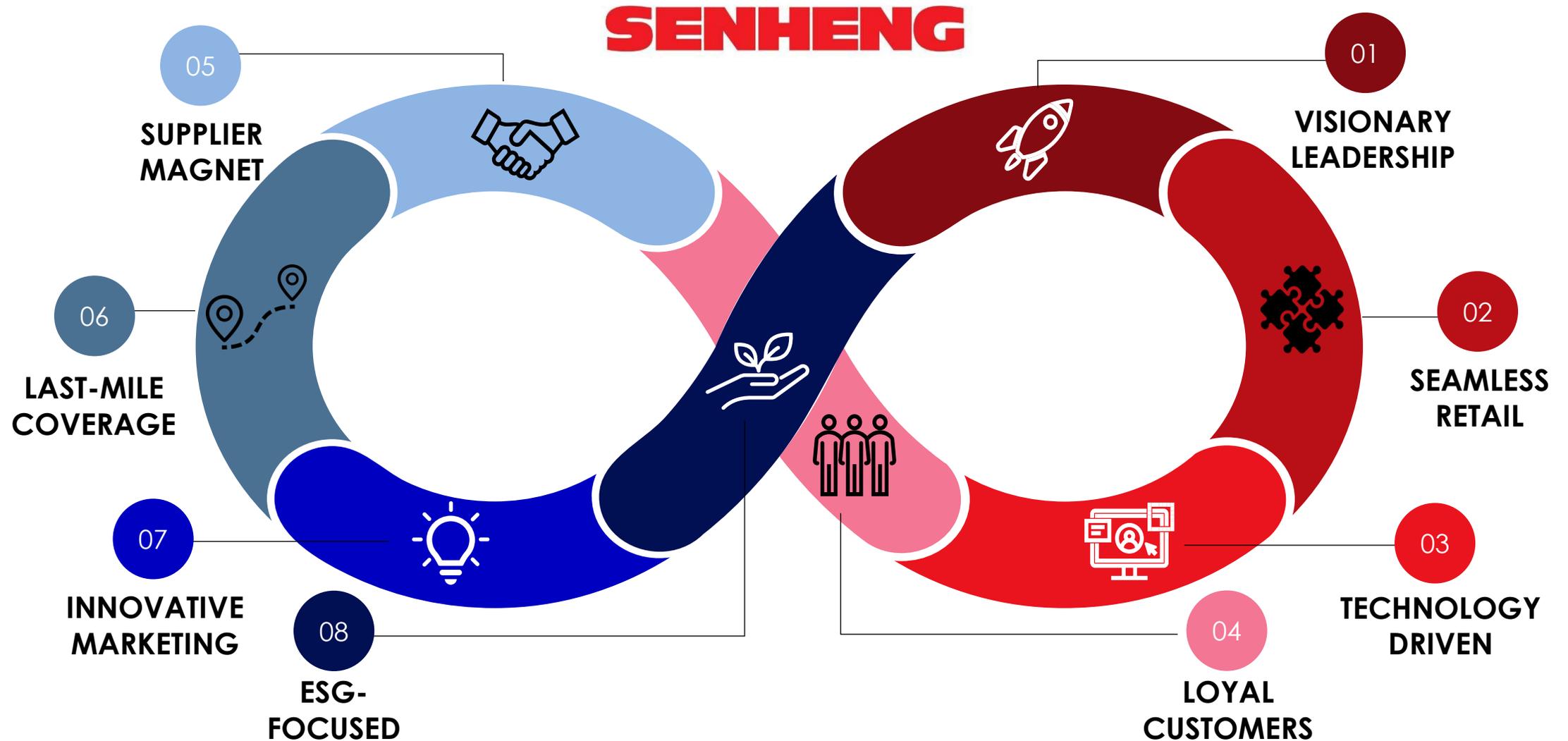


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Appendix



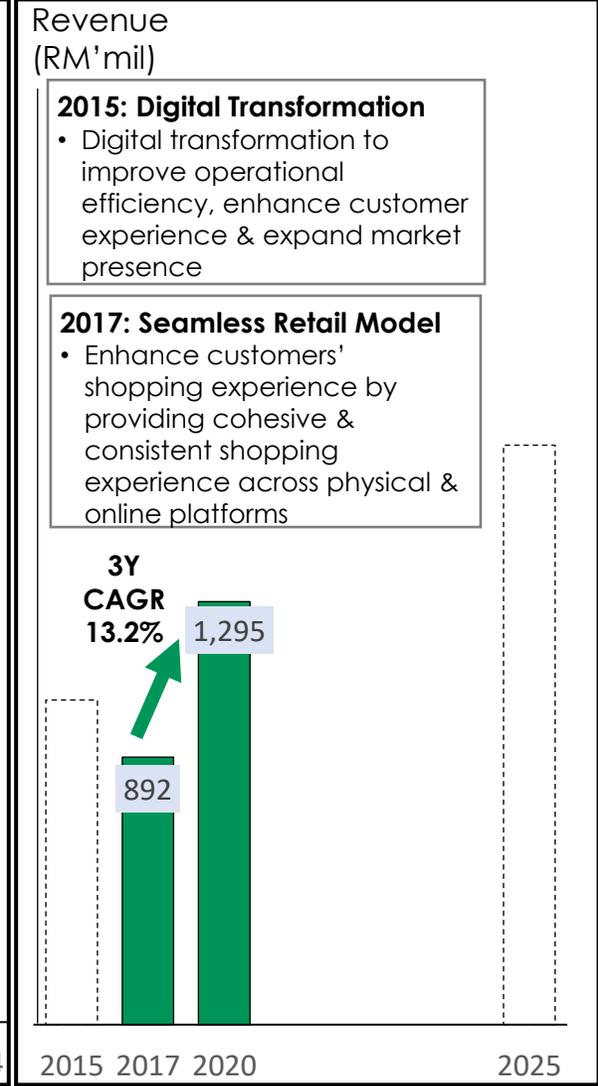
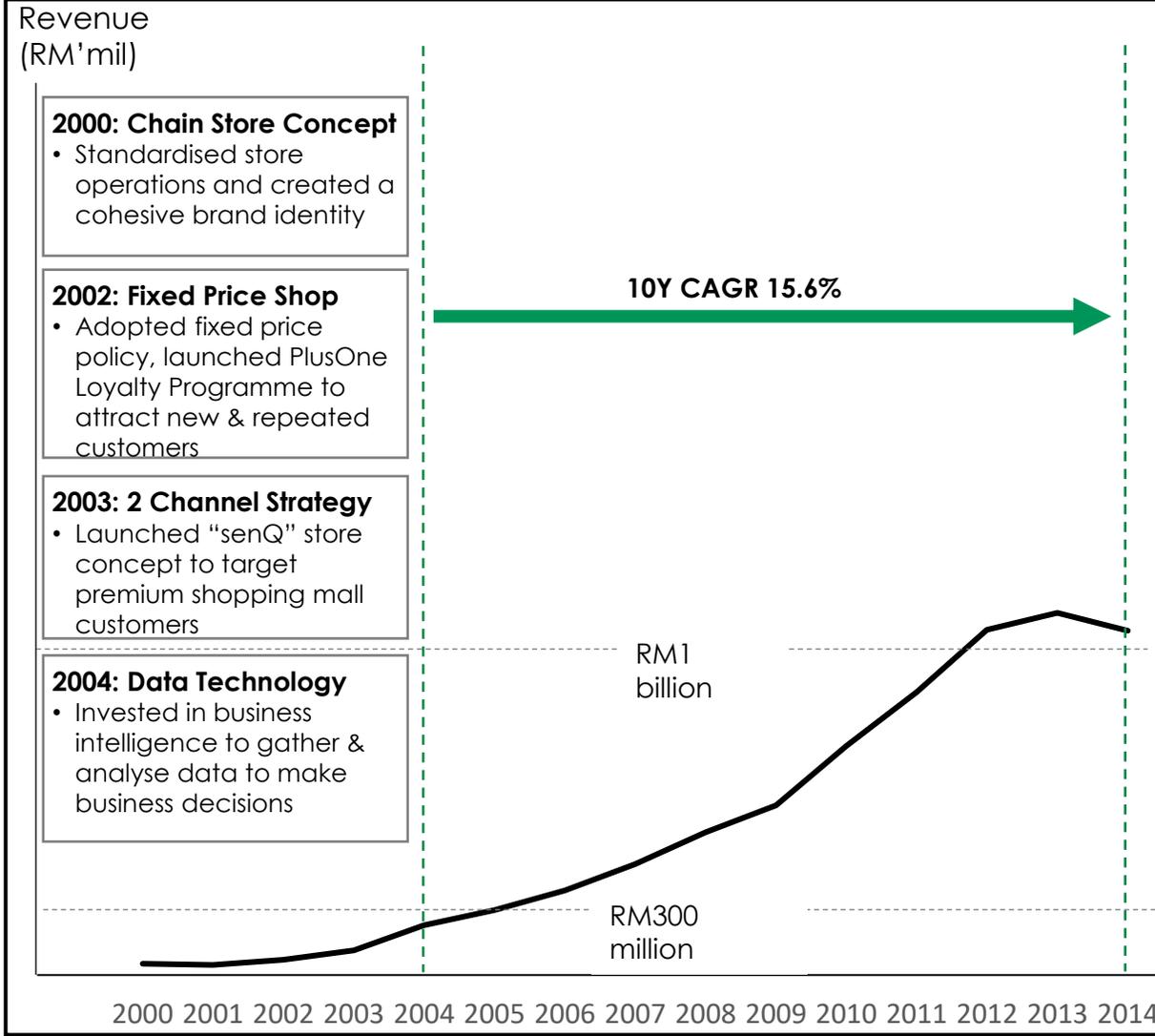
Senheng, a leading retail brand with more than 100 chain stores nationwide...



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



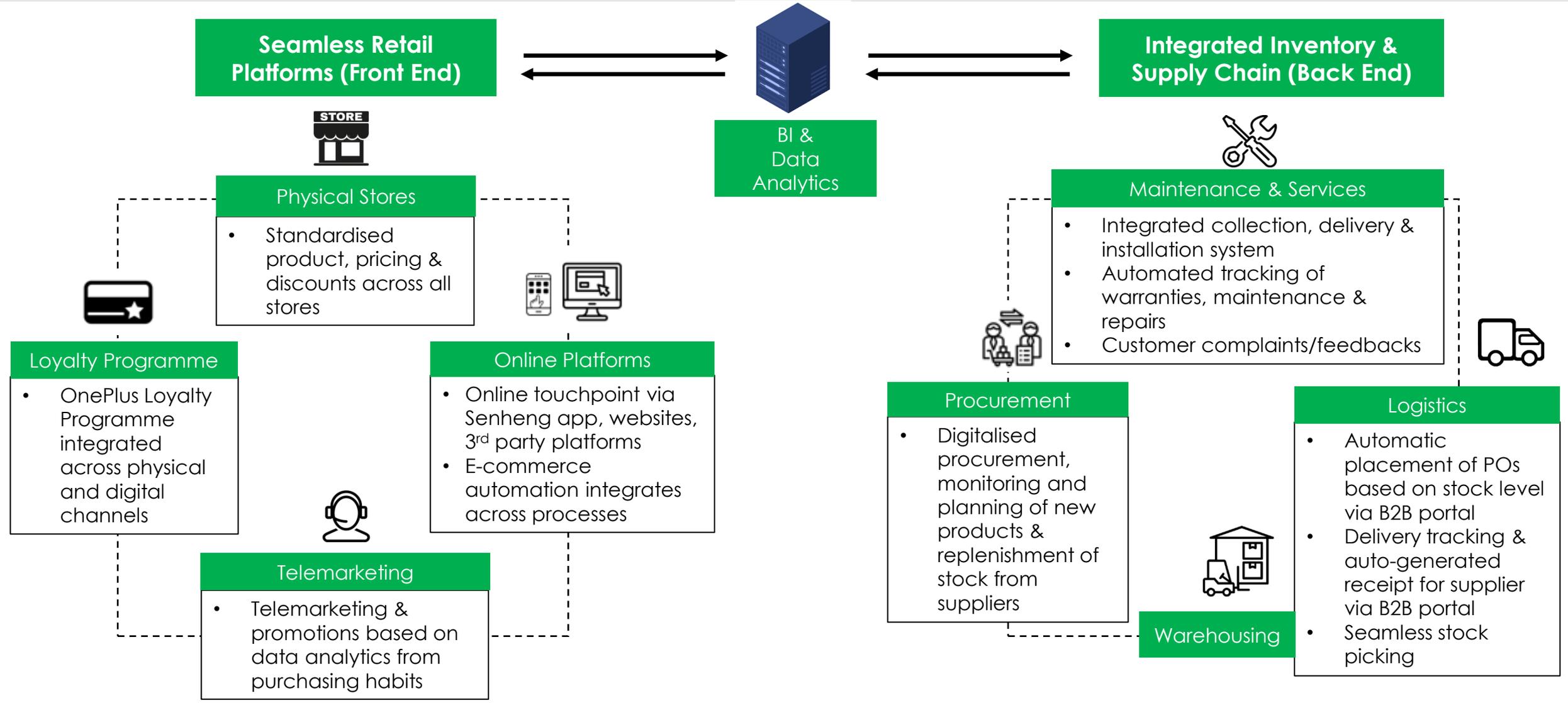
- Offers repair & services for all all consumer E&E products sold

- 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 (>90% paying members)
- 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.

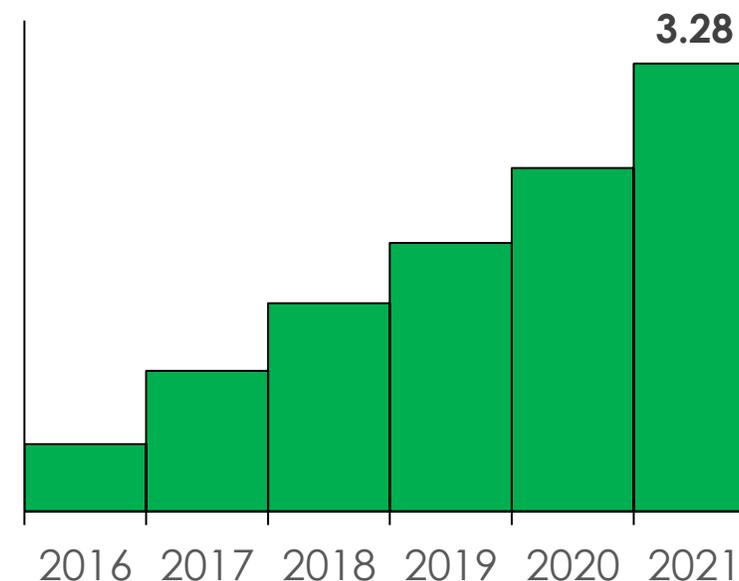
CONVENIENCE

- 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 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 & Repair Service</p>	 <p>Other Products</p>	

- Provision of warranty services

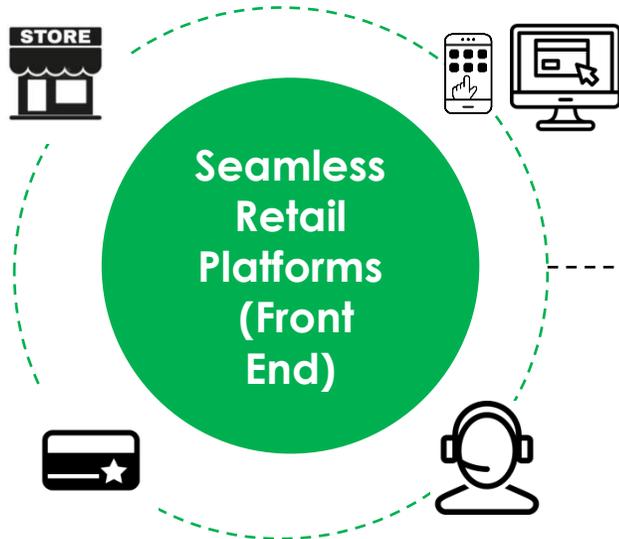
10,000
SKUs

280
Brands

Notable Brands

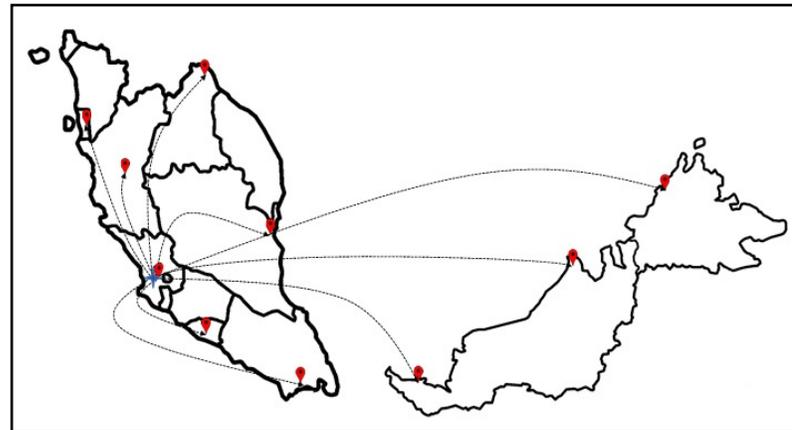


Extensive **Last-mile Coverage**, with 105 retail outlets nationwide & online platforms, backed by efficient logistics to support Senheng's omnichannel strategy....



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



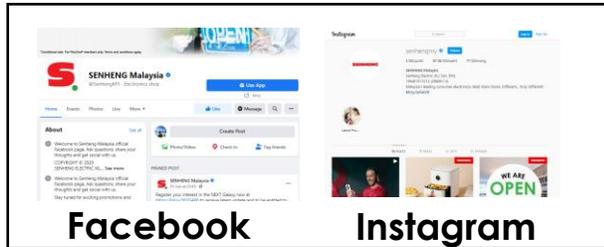
Automation



Digitalisation

Omnichannel Marketing

Social Media Platforms



Facebook

Instagram

Senheng App



Senheng mobile application

Online Platforms



Senheng online store

www.senheng.com.my

senQ online digital station

www.senq.com.my

Lazada Store Page

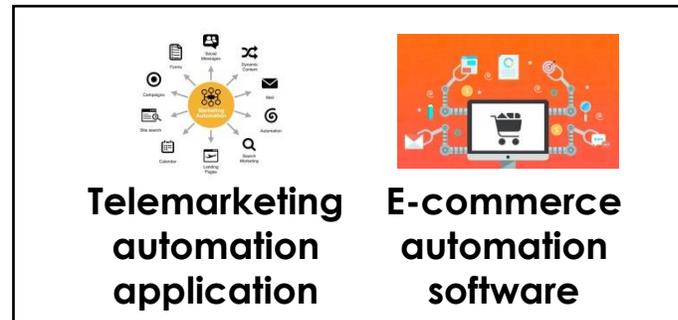
Shopee Store Page

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

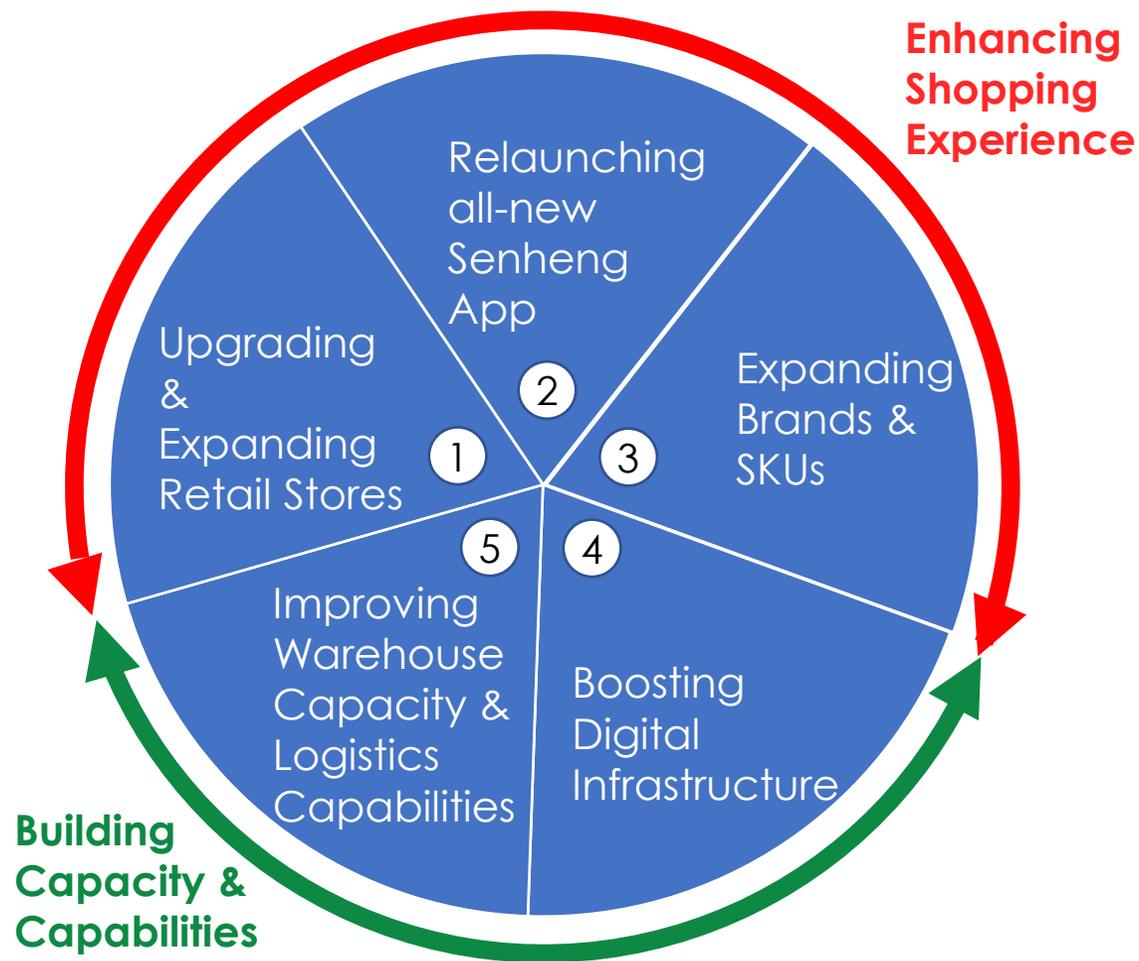
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Growth Strategies



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 provides access to products and services beyond consumer E&E... newly-introduced S-Coin to serve as ecosystem's digital currency

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

- 1st phase:

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

- 2nd 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

