

SENHENG

SENHENG NEW RETAIL BERHAD

2Q22 CORPORATE PRESENTATION



IR Adviser:



Q2.



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Executive Summary



Group benefiting from strong demand for consumer electronics... Territory Champion expansion strategy and technology-oriented operations driving consistent growth

2Q22

Revenue
RM397.7 mil

+32.9% ▲

Net Profit
RM16.1 mil

+43.0% ▲

- Higher per-store sales from Territory Champion expansions; improved retail sector activity

1H22

Revenue
RM765.0 mil

+13.5% ▲

Net Profit
RM25.0* mil

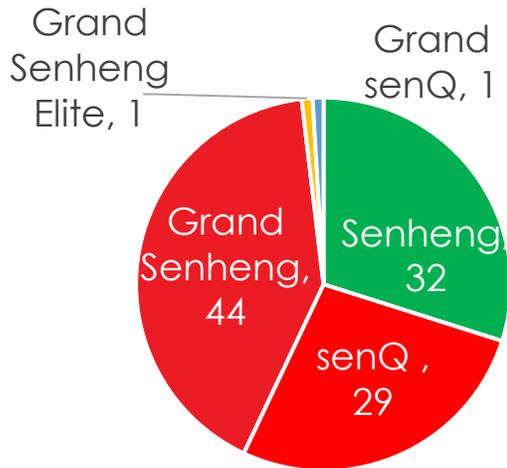
+7.2% ▲

- Use of tech tools, AI, and personalised marketing driving higher sales
- Set up 7 new/upgraded stores in 1H22 in high-traffic locations

*Saw one off-listing expense of RM1.7 million in 1Q22

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 (2Q22): 107



Enhanced stores opened/upgraded

FYE2021: **10**

New stores to be opened/upgraded

FYE2022: **21**



senQ Elite
in Pavilion Bukit Jalil
(June 2022)

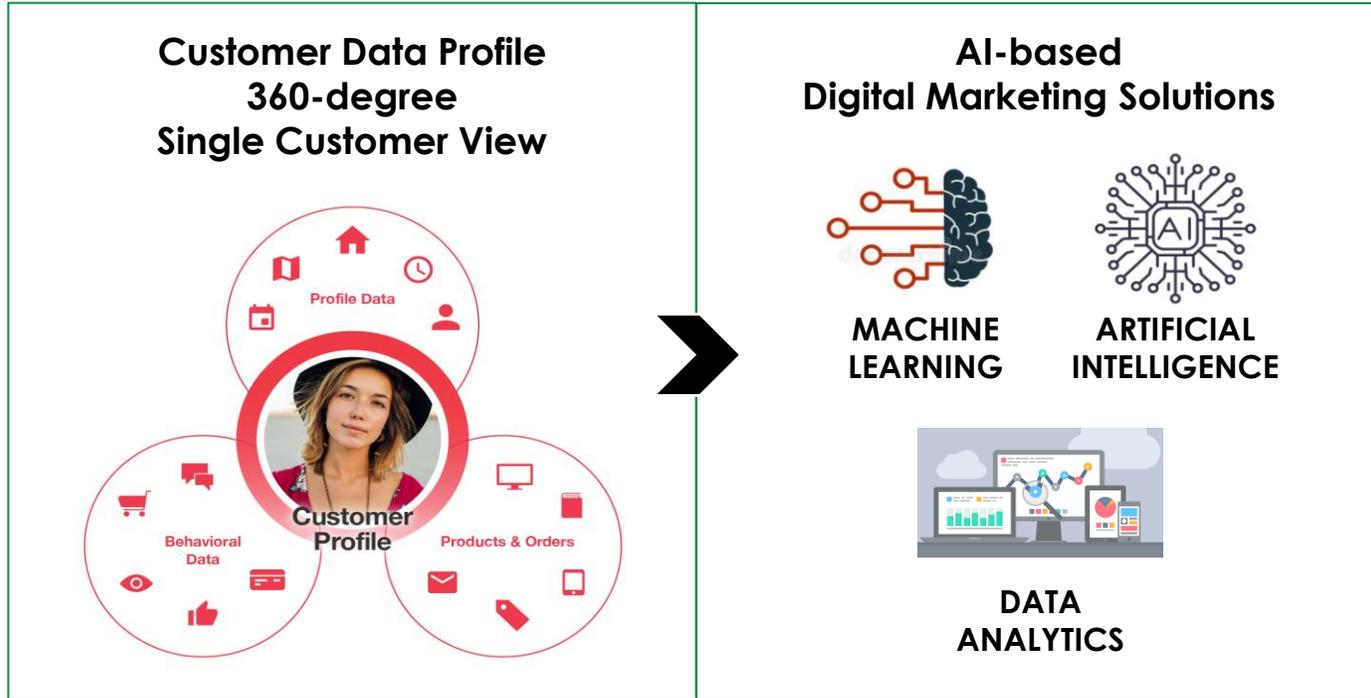


**Senheng x Samsung
Premium Experience Store**
in Four Seasons Place, KL
(June 2022)

**3-Year
Plan**

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

Leveraging on technology and data analytics to target and attract customers... deep insights on customer preferences through omnichannel data sources



Optimized marketing performance & enriched customer experience

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

Collaboration with leading AI & data-analytics solutions providers

- **Conversational Marketing**
 - Cyber salesman provides 24/7 support and interactive marketing and experiences
- **Data Platform**
 - Unified data sources with single view for customer segmentation
- **Data Enrich**
 - Audience interest predictions based on AI & Machine Learning
- **Now AI Ad Optimization**
 - Machine learning AI-powered marketing decisions for ad optimization

Senheng embarking on platform business model with 3rd lifestyle services and launch of S-Rewards Centre... rapidly growing active userbase to spur creation of more S-Coin credits



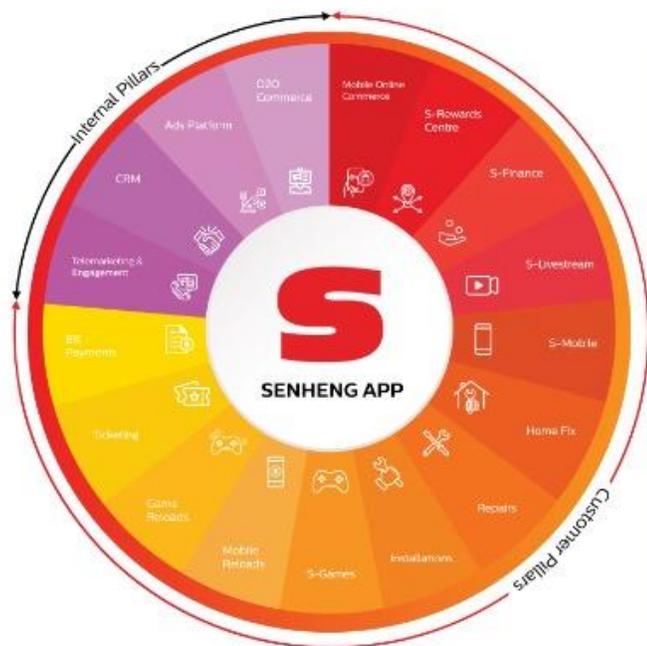
S-Rewards Centre offers wide range of products & services with unbeatable S-Coin cashback

Members will enjoy rewards like never before through a single app for everyday needs

S-Rewards Centre to be a one-stop centre for members' lifestyle needs with attractive rewards...



Future Ready **SENHENG Super App**



COMMERCE

- Senheng Official Store
- S-Rewards Centre
- S-Mobile

CONVENIENCE

- Home Fix
- Reloads
- Ticketing
- Repairs
- Installations

INTERNAL & TECHNOLOGY

- Telemarketing & Engagement
- CDP
- Ads Platform
- O2O Commerce
- Mobile Commerce

ENGAGEMENT & COMMUNITY

- S-Livestream
- S-Games
- WeTV

MEMBERSHIP & REWARDS

- PlusOne Loyalty Program
- S-Coin

More than 200 popular merchants to come on board S-Rewards Centre, bringing along 100,000 SKUs within the Senheng App ecosystem

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Operations



Continued to launch new/upgraded stores in four states in 2Q22... including in major shopping malls

2Q22 Store Launches

5 New/
Upgraded
stores

3 **Grand Senheng**

- Kuala Selangor
- Kangar, Perlis
- Kota Kinabalu

1 **senQ**

- Pavilion Bukit Jalil

1 **Senheng**

- Four Seasons Place, KL



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

• Physical outlets as at 2Q22

- Total of 107 stores, comprising:
 - 32 Senheng stores
 - Includes 1 Brand Store (Senheng x Samsung)
 - 44 Grand Senheng stores
 - 1 Grand Senheng Elite store
 - 29 senQ stores
 - 1 Grand senQ store

3Q22 Planned Store Launches

6 New/
Upgraded
stores

- 1 Grand Senheng Elite
 - Putrajaya
- 4 Grand Senheng
 - Kuantan
 - Ipoh Station 18
 - Bandar Puteri Puchong
 - Bandar Baru Nilai
- 1 Grand senQ Elite
 - Cheras Leisure Mall

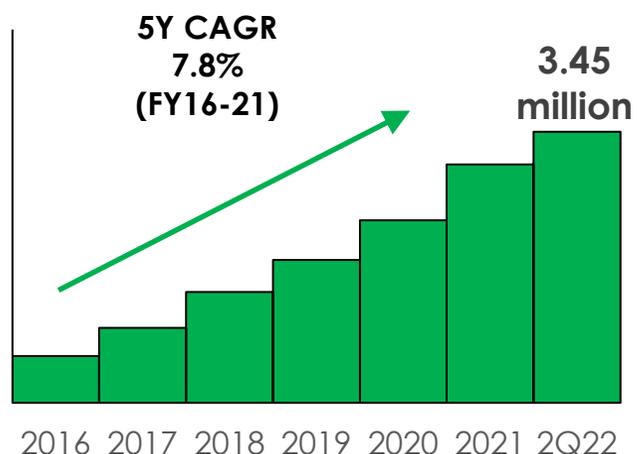


PlusOne Loyalty members continue to grow... Senheng platform to provide members with added value and convenience in subsequent rollouts

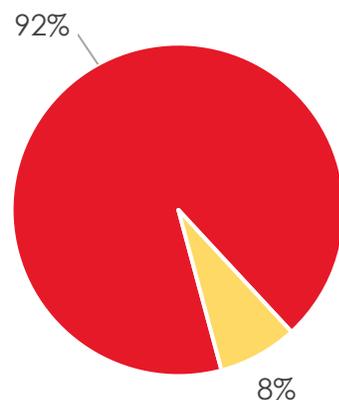
• PlusOne Loyalty Membership

- Recruited 188k new members in 1H22 (FYE 2021: 298k)
- PlusOne paid members contributed approx. 92% of Group revenue in 1H22 (FYE 2021: 90%)

Number of Registered PlusOne Members

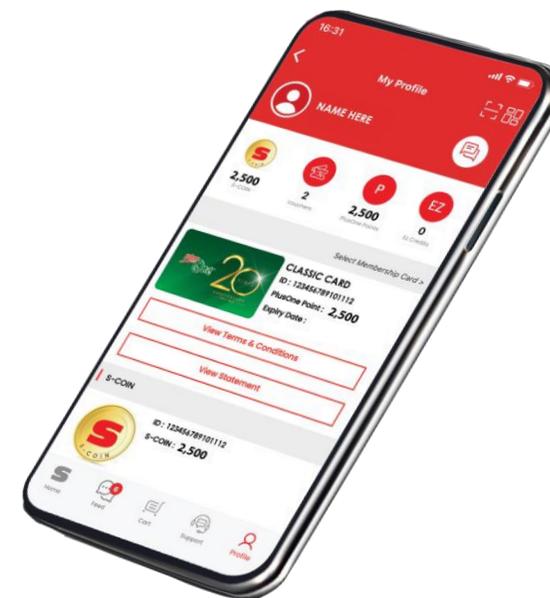


2Q22 revenue contributed by PlusOne paid members



• Senheng App

- Total downloads of >2 million as at 30 June 2022
- Featuring 23 services & product categories pillars
- To officially launch S-Livestream and S-Rewards Centre (powered by Alibaba Cloud's B2B2C technology) in 2H22



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



TESVOR



1H22 Revenue
RM14.9 million

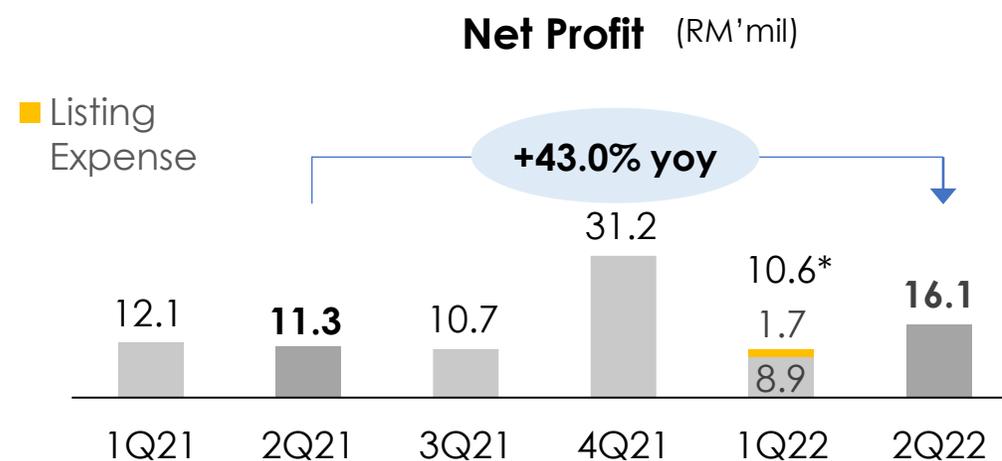
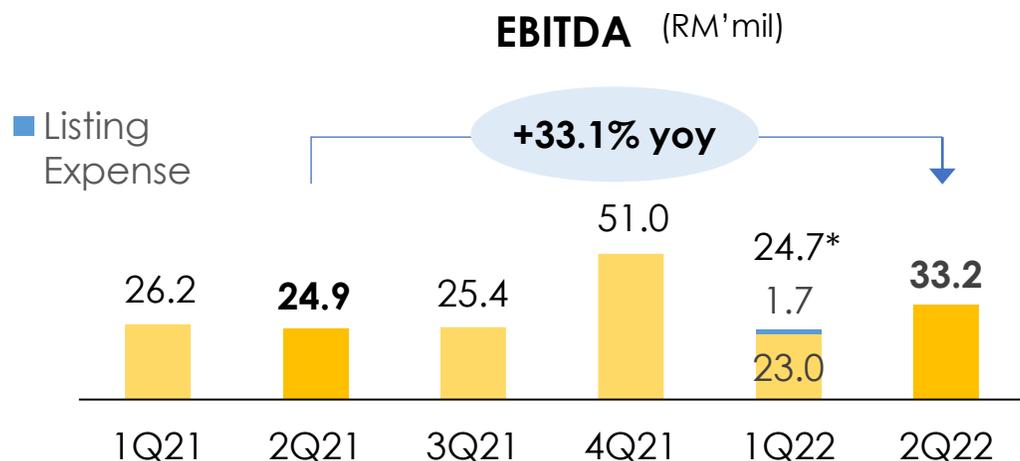
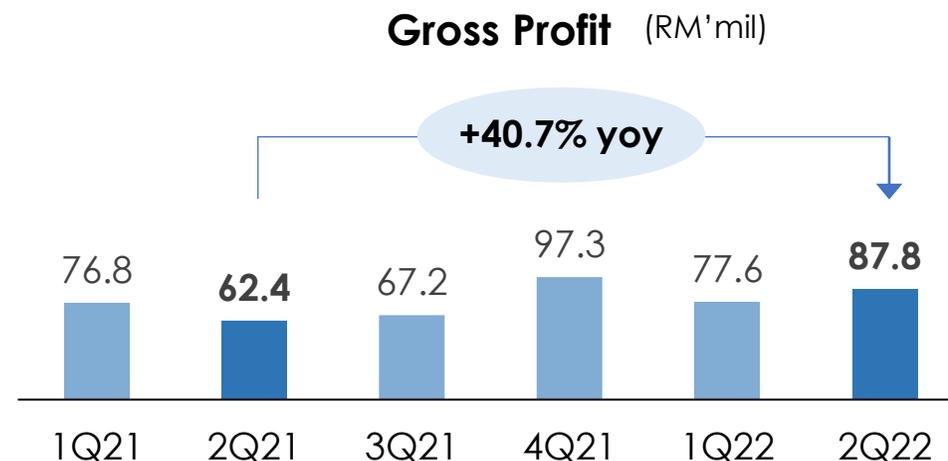
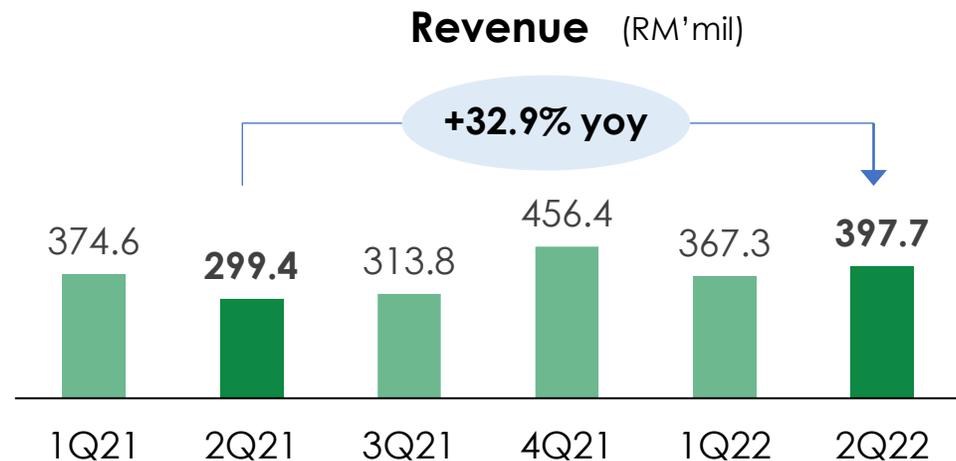
Target to grow to
FYE 2022 Revenue
RM60.0 million
(+179% yoy)

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Financials



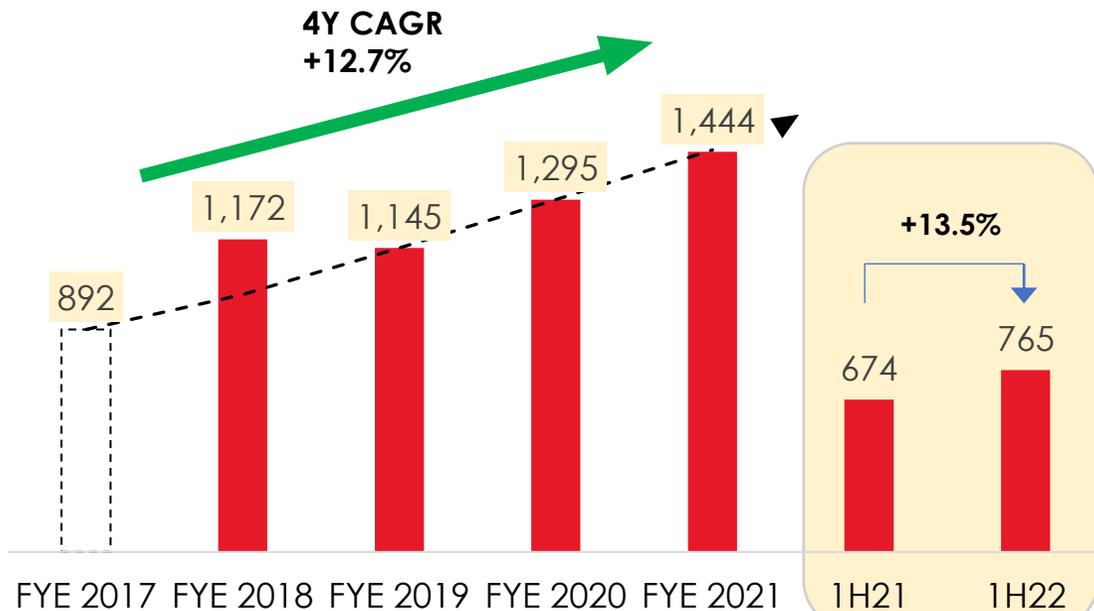
Top and bottomline performance improving on higher per-store sales and favourable product mix...



*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

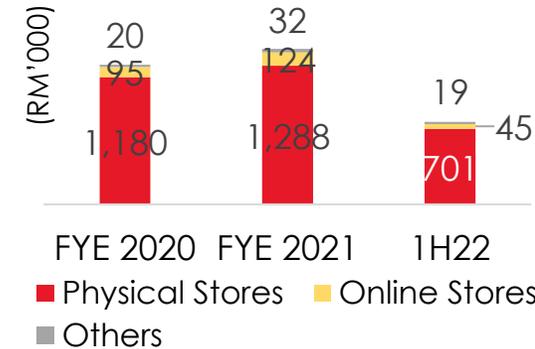
Revenue Trend
(RM'mil)



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

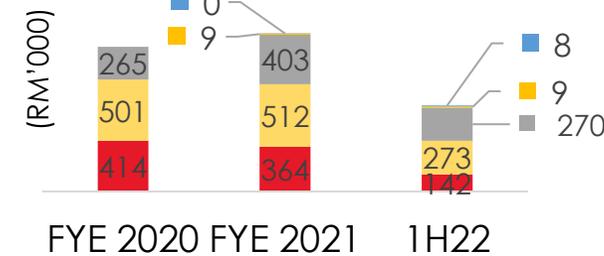
Revenue by Retail Channel



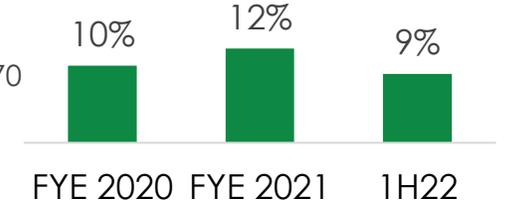
Online Stores Contribution to Group Revenue



Revenue by Physical Store



Same Store Sales Growth



Healthy financial and net cash position...

Balance Sheet
(RM'mil)

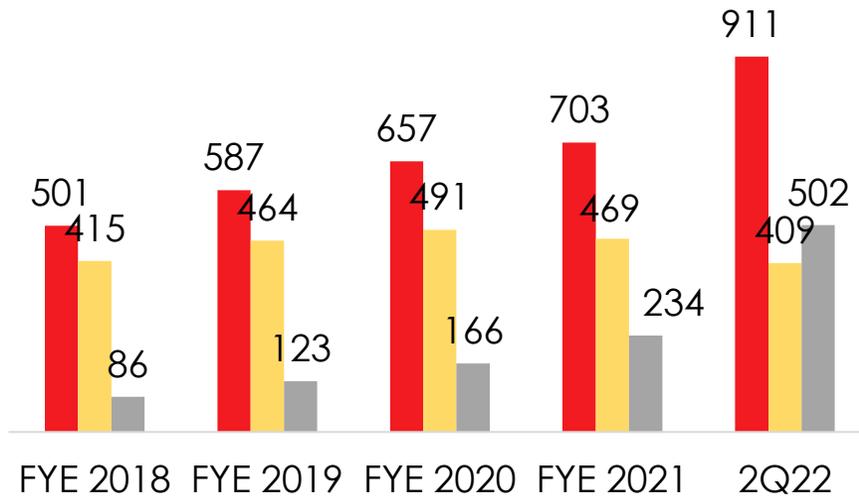
Net Gearing



Total Assets

Liabilities

Equity

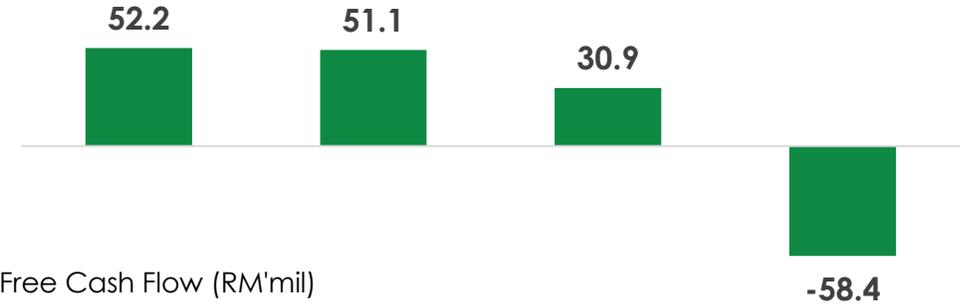


FYE 2019

FYE 2020

FYE 2021

1H22



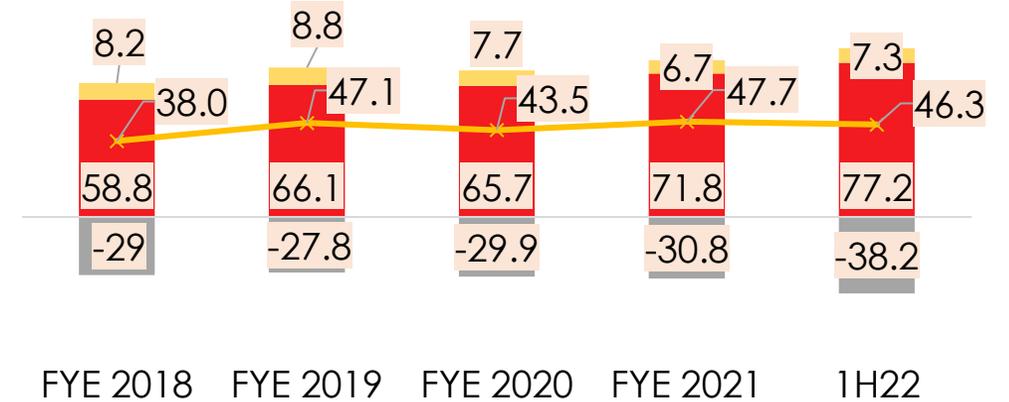
Free Cash Flow (RM'mil)

Trade Payables Turnover (days)

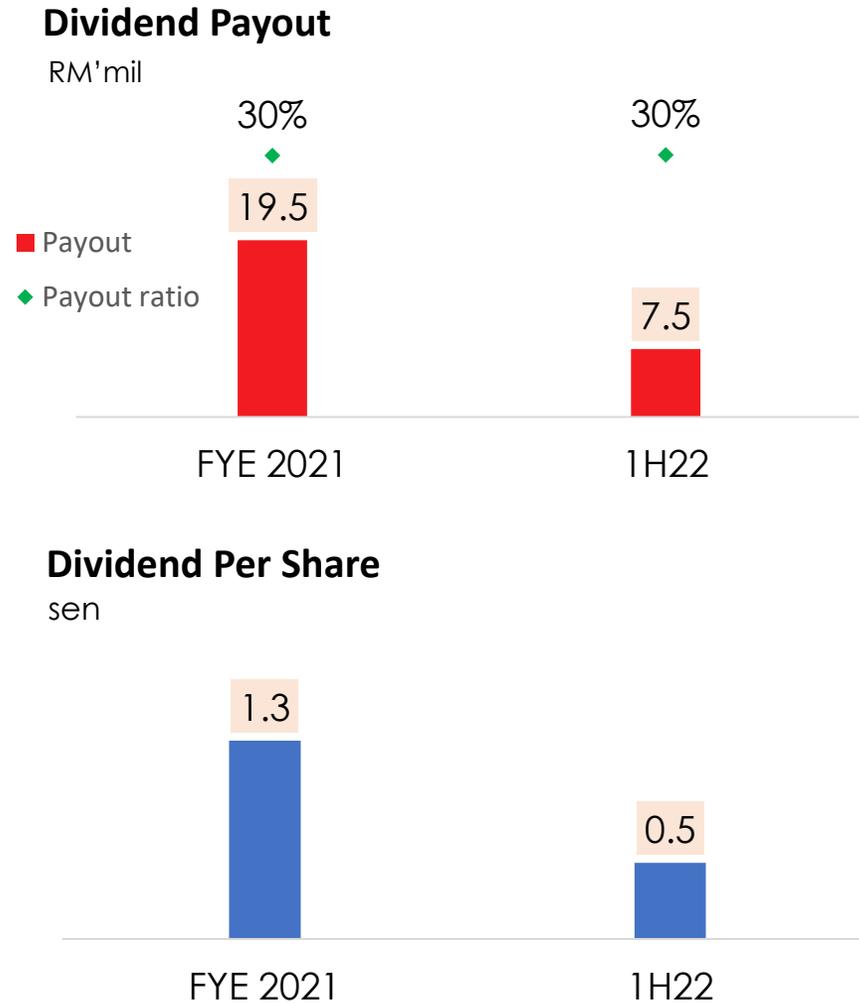
Trade Receivables Turnover (days)

Inventory Turnover (days)

Cash Conversion Cycle (days)



Declares 0.5 sen interim dividend per share in 1H22... translates to 30% of net profit, in line with target dividend payout ratio to reward shareholders



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)

In respect of FY2022

- Interim single-tier dividend of 0.5 sen/share (Payable on 14 October 2022)

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

Purposes	Planned (RM 'mil)	Actual (RM 'mil)	Re-allocation (RM 'mil)	Balance (RM 'mil)	Estimated time frame
Enhance customer experience via upgrading and expanding our chain of retail stores	160.5	7.3	-	153.2	Within 36 months of listing
Repayment of bank borrowings	46.0	36.1	-	9.9	Within 6 months of listing
Develop new brand distribution business	22.0	10.7	-	11.3	Within 36 months of listing
Expand and upgrade our warehouse and logistics network	20.0	20.1	0.1	-	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	1.3	-	8.4	Within 36 months of listing
Listing Expenses	9.3	9.2	(0.1)	-	Within 3 months of listing
Total	267.5	84.7	-	182.8	

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Thank You

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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 (@ 26 Aug 2022)	RM0.765
Market Cap ('mil) (@ 26 Aug 2022)	RM1,147.5
PE (ttm)	17.1
EV/EBITDA (ttm)	7.1

Valuations based on 1.5 billion shares

Price Movement since IPO

