

Senheng 3Q22 net profit rises 35.5% to RM14.5 million on higher sales driven by store expansions

- *Strengthening online presence to enhance seamless omnichannel model; first party data strategy for robust consumer insights and personalised customer experiences*
- *Sees better sales performance in fourth quarter of 2022 on seasonally higher demand for consumer electronics amid festive and holiday season*

Kuala Lumpur, Malaysia, 24 November 2022 - Senheng New Retail Berhad (Senheng or the Group; Bloomberg: SENHENG MK; 新兴集团) recorded 35.5% higher net profit of RM14.5 million for the third quarter ended 30 September 2022 (3Q22) from RM10.7 million previously, attributed to its store upgrading and expansion programme, as well as higher per-store sales.

Group revenue grew 12.8% to RM354.1 million in 3Q22 from RM313.8 million previously, supported by improved retail sector activity, as well as marketing campaigns such as Senheng 33rd Anniversary, PlusOne Member's Day, and Buy Now Pay Later programmes. Additionally, gross margins rose to 23.1% in 3Q22 versus 21.4% previously due to favourable product mix.

“The ongoing upgrading and expansion of our Senheng and senQ stores with enhanced store formats nationwide has consistently generated stronger per-store sales, as consumers appreciate the superior shopping experience and wider products selection.

We are also strengthening our digital marketing and online shopping channels by integrating more AI and analytics solutions from leading solutions providers, while leveraging on insights of data from more than 3 million PlusOne members. This enables us to provide a more personalised experience to our customers for greater omnichannel experience.

With our ongoing expansion and technology enhancements, we are optimistic of recording a strong performance in the fourth quarter of 2022, supported by seasonally higher purchases of consumer electronics amid the year-end holidays and festive season.”

Mr Lim Kim Heng (“林金兴”)
Executive Chairman, Senheng New Retail Berhad

Senheng is transforming its retail store network nationwide into Territory Champions - leaders by floor space and consumer electronics product range within a 5-kilometre store radius. The expansion and upgrading programme, spanning a three-year period from 2022 to 2024, involves the expansion and upgrading of 61 new/upgraded stores nationwide.

The Group's latest store formats such as Grand Senheng, Grand Senheng Elite, and Grand senQ, have registered at least 50% higher per-store sales compared to typical Senheng stores.

The store expansions and upgrading are complemented with technology enhancement initiatives such as increased use of AI and data analytics, innovative digital marketing campaigns, as well as logistics upgrades to provide a seamless omnichannel shopping experience to customers.

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For the nine months ended 30 September 2022 (9M22), group revenue rose 13.3% to RM1.1 billion from RM987.7 million previously, on higher demand for consumer electronics across its retail stores, while net profit improved 16.1% to RM39.5 million from RM34.1 million last year. In 9M22, the Group set up 11 new/upgraded stores which also contributed to higher improved sales.

On prospects, Mr Lim commented: “The enhancements to our online channels aim to complement our nationwide store expansions. Our customers’ online journey will be made even more satisfying by our experienced sales teams, as we bring the same high-quality in-store customer service and personalised after-sales services to online customers. Additionally, our innovative Senheng super app provides another layer of convenience and lifestyle rewards.”

“In our technology infrastructure, a key project is our first-party data strategy, where we are building robust customer insights to provide more personalised marketing tailored to individual preferences. This will give us a competitive edge, as we engage on a more personal level with our customers, as well as rapidly adapt our range of services to their needs.”

“These tech-driven initiatives, alongside the Buy Now Pay Later programme, will help boost our sales going forward and effectively navigate the inflationary environment.”

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About Senheng New Retail Berhad

Senheng is Malaysia’s leading consumer electrical and electronics retailer. Founded in 1989, the Group has grown its retail network to over 100 physical stores across Peninsular and East Malaysia, and is supported by various online retail platforms.

The Group’s stores carry more than 280 renowned consumer E&E brands, featuring a comprehensive range of digital gadgets, audio visuals, home appliances and related products.

An early adopter of digitalisation and business transformation, Senheng continues to deliver excellent customer satisfaction via its seamless New Retail Model. The Group has a growing customer base, with over 3 million PlusOne loyalty members to-date.

**Issued for and on behalf of SENHENG NEW RETAIL BERHAD by
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