

# SENHENG

## SENHENG NEW RETAIL BERHAD

### 3Q22 CORPORATE PRESENTATION



IR Adviser:





# SENHENG

## Executive Summary



**Group continues to see strong demand in 3Q22 on improved retail activity... supported by Territory Champion store expansion strategy and digital marketing initiatives**

**3Q22**

Revenue  
**RM354.1 mil**

**+12.8%** ▲

Net Profit  
**RM14.5 mil**

**+35.5%** ▲

- Topline driven higher by store expansion and upgrading
- Territory Champion expansion strategy proven to yield at least 50% higher per-store sales

**9m22**

Revenue  
**RM1.1 bil**

**+13.5%** ▲

Net Profit  
**RM39.5\* mil**

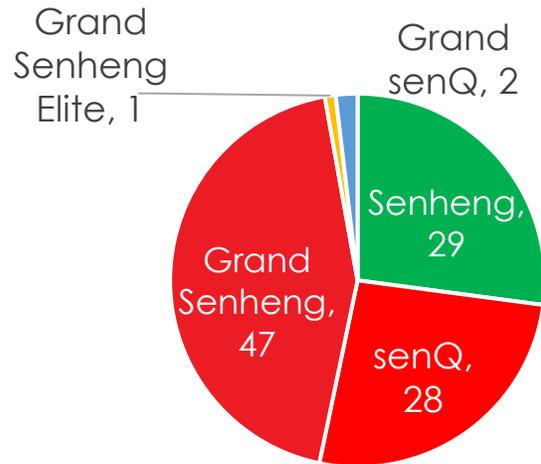
**+16.1%** ▲

- Digital marketing automation and AI-optimized campaigns helping sales growth
- Set up 11 new/upgraded stores in 9m22 (3Q22: 4 stores)

\* One off-listing expense of RM1.7 million in 1Q22

# New store expansions and upgrading in popular locations... enhances consumer experience and boosts sales on wider floor space and product selection

No. of stores (3Q22): 107



Enhanced stores opened/upgraded

FYE2021: **10**

New stores to be opened/upgraded

FYE2022: **16**



**Grand Senheng**  
in Station 18, Ipoh  
(Aug 2022)



**Grand senQ**  
in Cheras Leisure Mall  
(Sep 2022)

**3-Year  
Plan**

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

**Attractive rewards and extensive range of lifestyle products and services to drive user growth of platform business model... leading to more PlusOne member registrations**

A promotional graphic for the Senheng App. It features a central smartphone displaying the app's interface with a large 'S' logo. Surrounding the phone are various lifestyle icons: a wrench and hammer, a fork and knife, a game controller, a house, a gift box, a shopping bag, a sale tag, a speech bubble, a gift card, a smartphone with a dollar sign, and a shopping cart. The background is a vibrant red with a white circular pattern. The text 'Senheng App' is prominently displayed in white, followed by 'Super App Super Cashback'. Below this, it says 'Download now' and provides links to the App Store and Google Play.

**Senheng App**  
Super App Super Cashback

Download now

Available on the iPhone  
App Store

GET IT ON  
Google play

**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 a one-stop centre for members' everyday lifestyle needs... providing attractive cashback rewards for all in-app spending

## Future Ready **SENHENG** Super App



- |  |  |  |
|--|--|--|
| <b>COMMERCE</b>  | <b>CONVENIENCE</b>   | <b>INTERNAL &amp; TECHNOLOGY</b>   |
| <ul style="list-style-type: none"> <li>⊗ Senheng Official Store</li> <li>⊗ S-Rewards Centre</li> <li>⊗ S-Mobile</li> </ul> | <ul style="list-style-type: none"> <li>⊗ Home Fix</li> <li>⊗ Reloads</li> <li>⊗ Ticketing</li> <li>⊗ Repairs</li> <li>⊗ Installations</li> </ul> | <ul style="list-style-type: none"> <li>⊗ Telemarketing &amp; Engagement</li> <li>⊗ CDP</li> <li>⊗ Ads Platform</li> <li>⊗ O2O Commerce</li> <li>⊗ Mobile Commerce</li> </ul> |
| <b>MEMBERSHIP &amp; REWARDS</b>  |  |  |
| <ul style="list-style-type: none"> <li>⊗ S-Livestream</li> <li>⊗ S-Games</li> <li>⊗ WeTV</li> </ul>                        | <ul style="list-style-type: none"> <li>⊗ PlusOne Loyalty Program</li> <li>⊗ S-Coin</li> </ul>  |  |

More than 200 popular merchants on S-Rewards Centre,  
To see over 100,000 SKUs within the Senheng App ecosystem

# SENHENG

## Operations



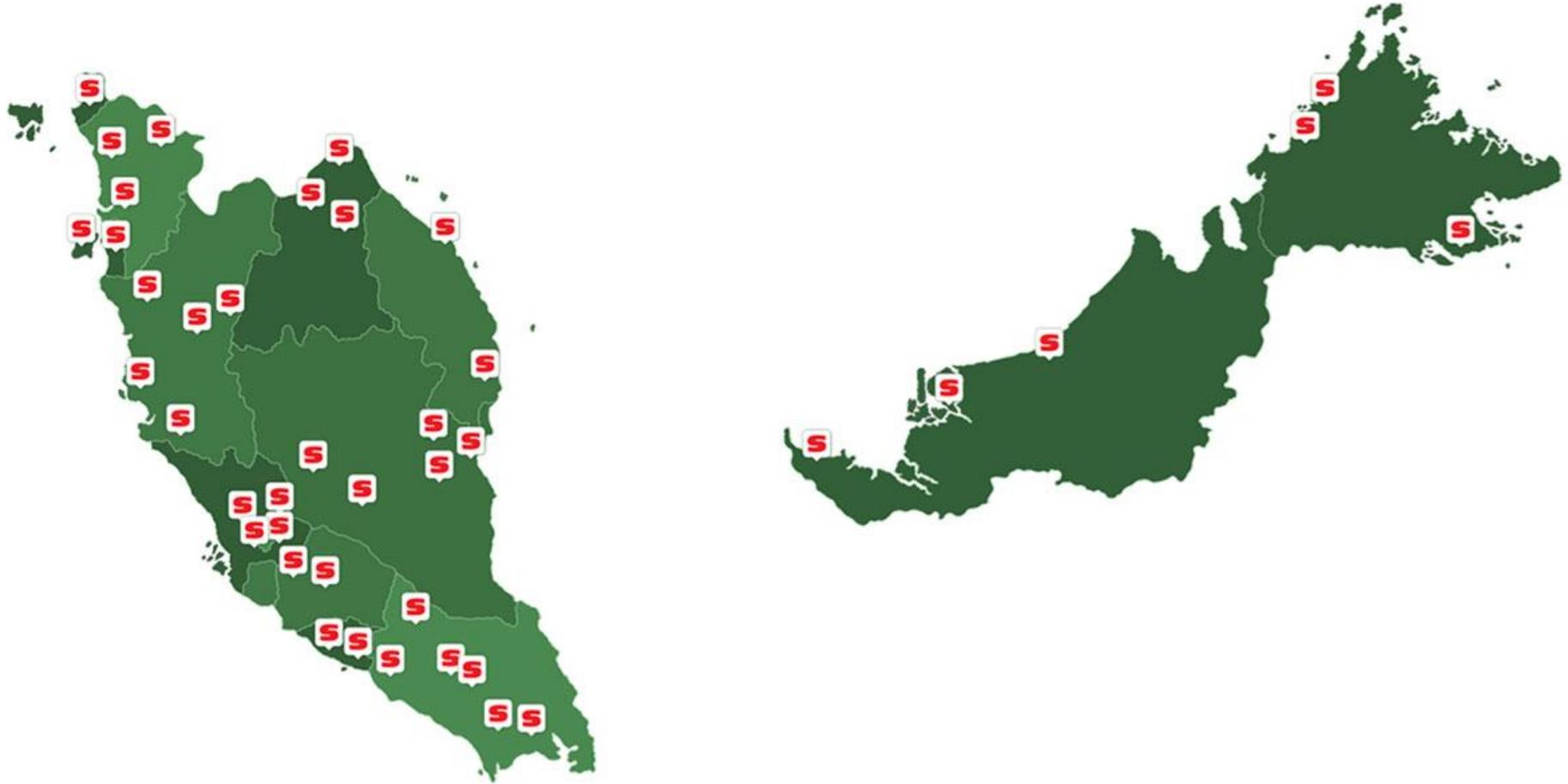
# TERRITORY CHAMPION

Competitive edge



# NATIONWIDE Retail Presence

Over 100 outlets, operating in strategic locations, wide exposure on brand presence, accessibility to customers.



Continued to launch new/upgraded stores in high-population locations in 3Q22...

## 3Q22 Store Launches

4 New/  
Upgraded  
stores

- 3 **Grand Senheng**
- Station 18, Ipoh
  - Bandar Baru Nilai
  - Bandar Puteri Puchong

- 1 **Grand senQ**
- Cheras Leisure Mall



## Entrenched market leadership with over 100 stores across major cities in Malaysia...

### • Physical outlets as at 3Q22

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

### 4Q22 Planned Store Launches

5 New/  
Upgraded  
stores

- 1 **Grand Senheng Elite**
  - Putrajaya
- 4 **Grand Senheng**
  - Taman Sri Rampai, KL
  - Kuchai Lama, KL
  - Kuantan, Pahang
  - Kuching, Sarawak

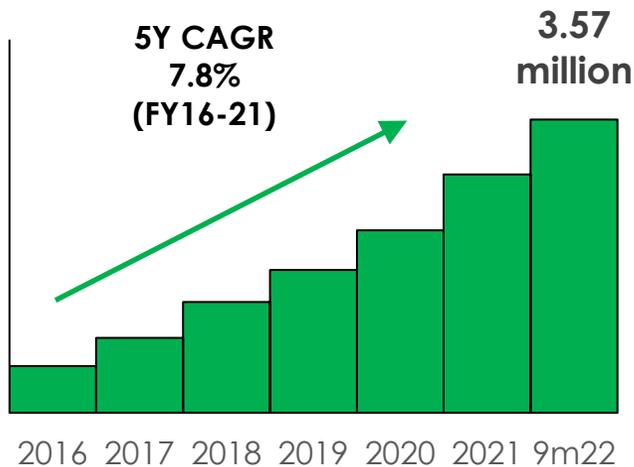


# PlusOne Loyalty members continue to grow... Senheng platform to provide members with added value and convenience in subsequent rollouts

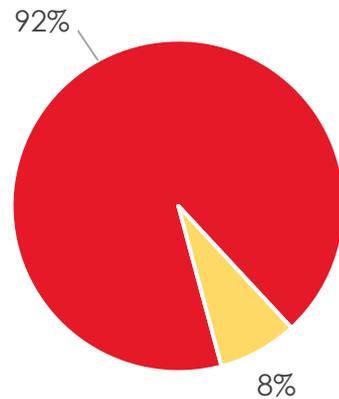
## • PlusOne Loyalty Membership

- Recruited 202k new members in 9m22 (FYE 2021: 298k)
- PlusOne paid members contributed approx. 92% of Group revenue in 9m22 (FYE 2021: 90%)

Number of Registered PlusOne Members

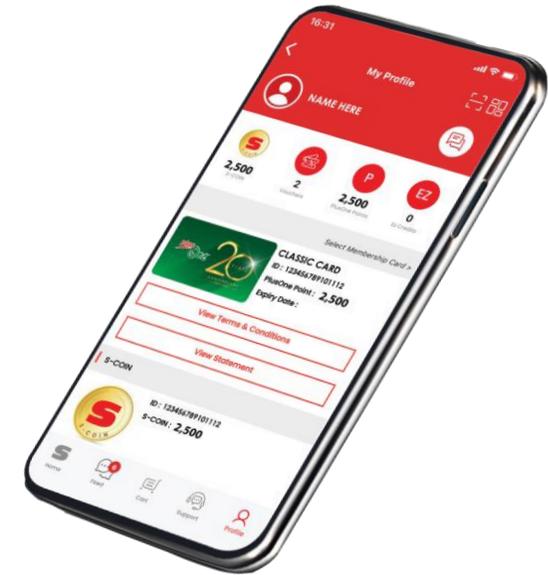


3Q22 revenue contributed by PlusOne paid members



## • Senheng App

- Total downloads of >2 million as at 31 October 2022
- >200k Monthly Active Users (MAU)
- Featuring 23 services & product categories pillars
- Launched S-Livestream and S-Rewards Centre (powered by Alibaba Cloud's B2B2C technology) in 3Q22



# 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**



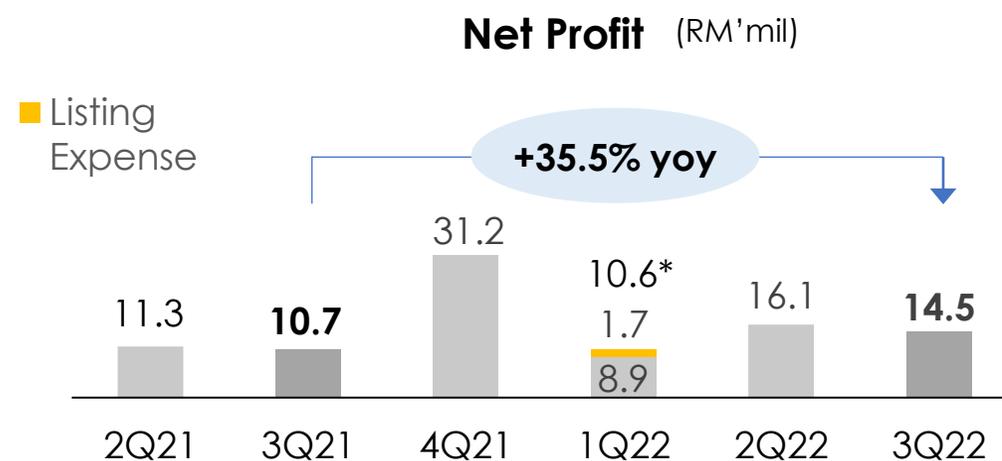
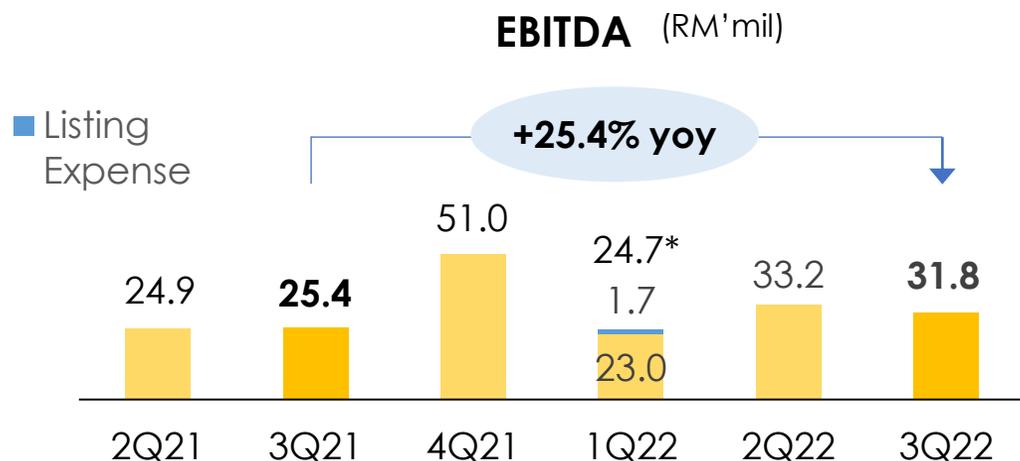
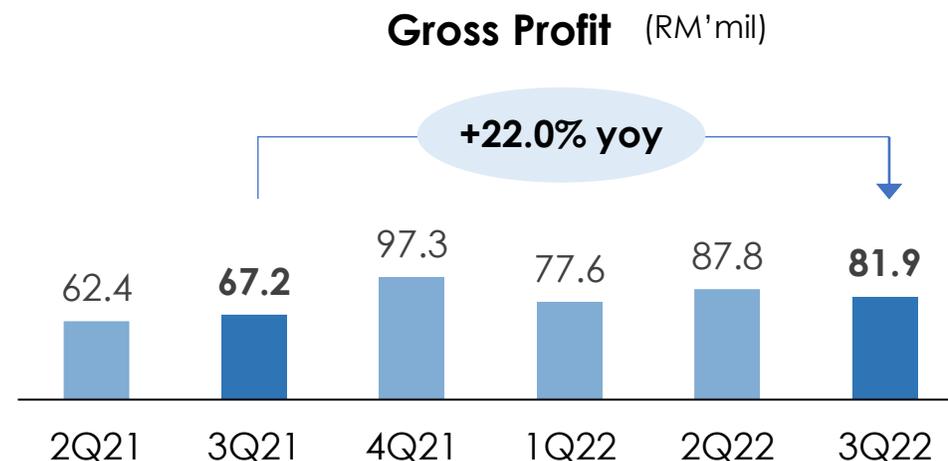
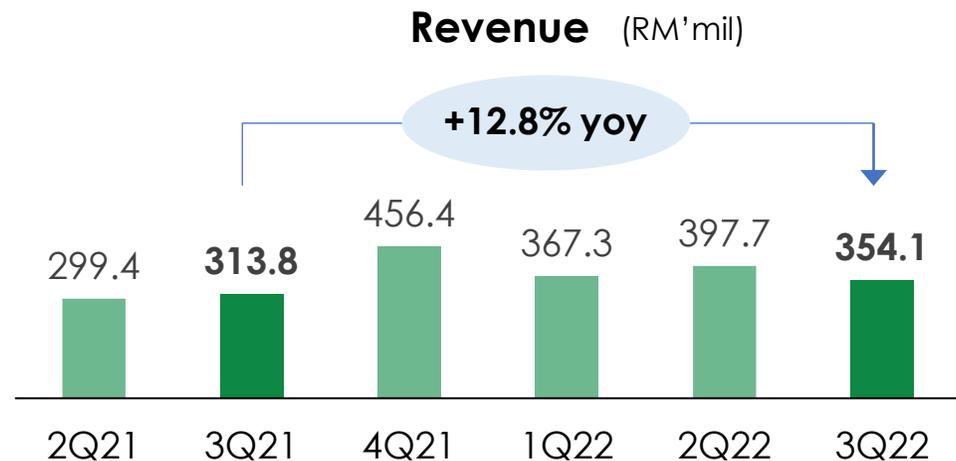
9m22 Revenue  
**RM21.6 million**  
(+67.8% yoy)

# SENHENG

## Financials



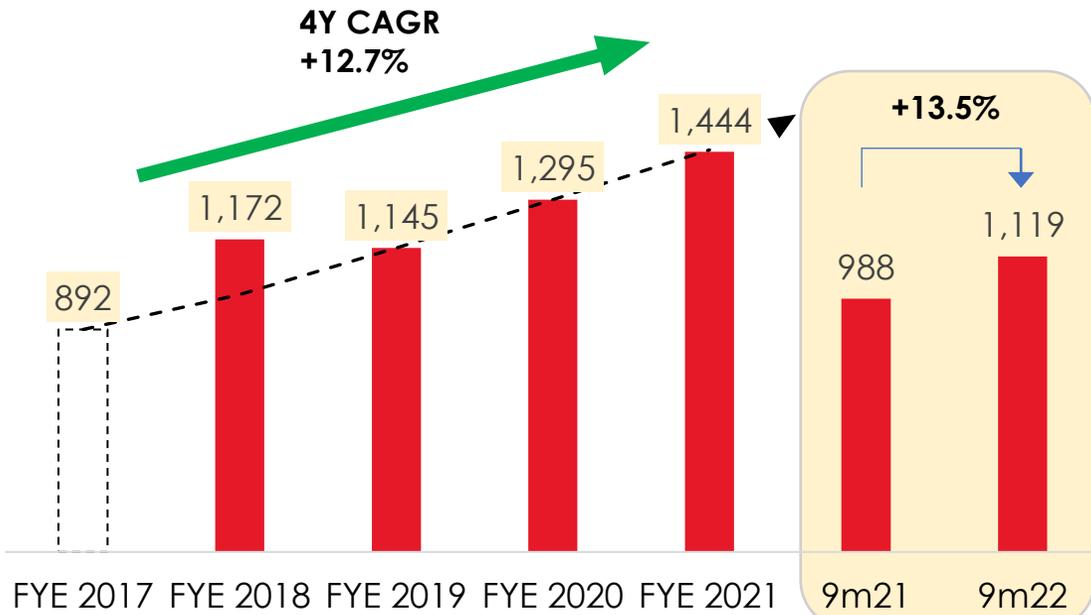
**Delivering consistent double-digit revenue and profit growth...**



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

**Expanding store types with Senheng and senQ brands to capture larger market share and enhance customers convenience... online channels play crucial role in omnichannel experience**

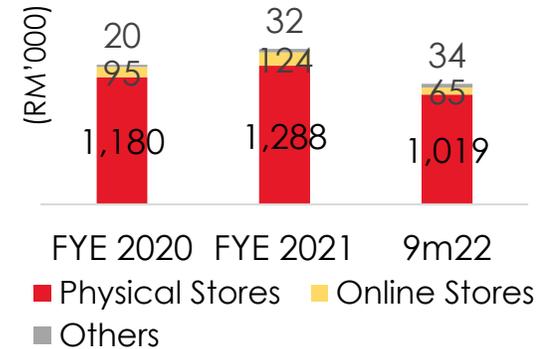
**Revenue Trend**  
(RM'mil)



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**



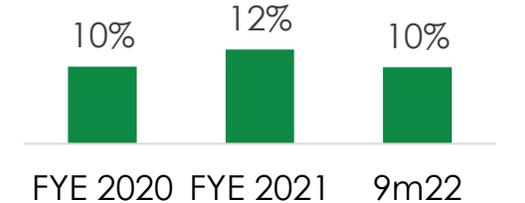
**Online Stores Contribution to Group Revenue**



**Revenue by Physical Store**



**Same Store Sales Growth**



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

**Balance Sheet**  
(RM'mil)

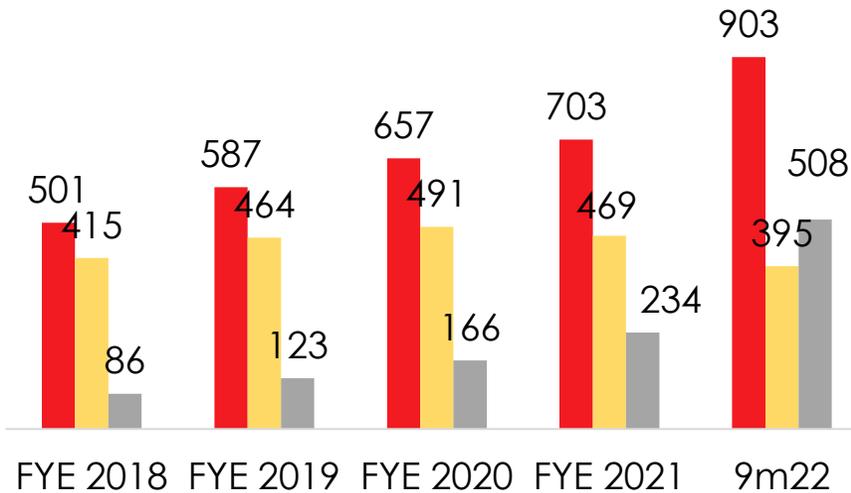
Net Gearing



Total Assets

Liabilities

Equity

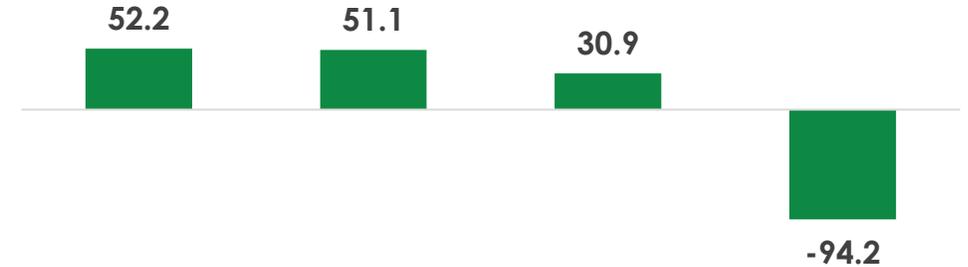


FYE 2019

FYE 2020

FYE 2021

9m22



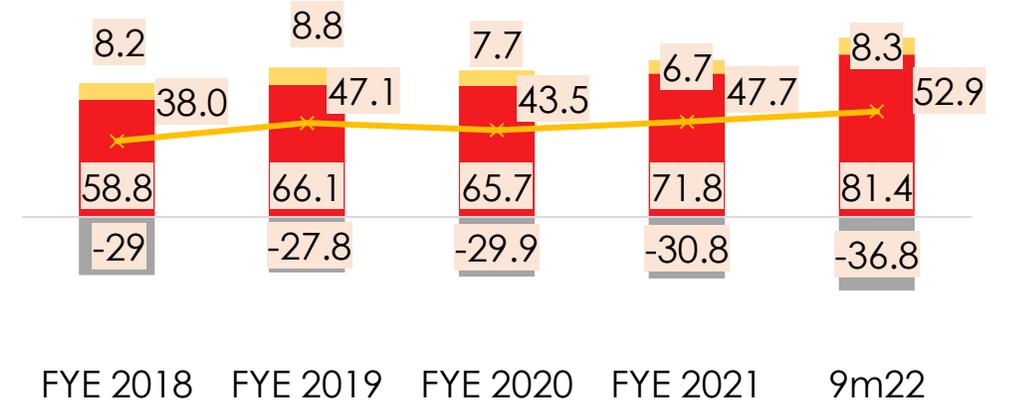
Free Cash Flow (RM'mil)

Trade Payables Turnover (days)

Trade Receivables Turnover (days)

Inventory Turnover (days)

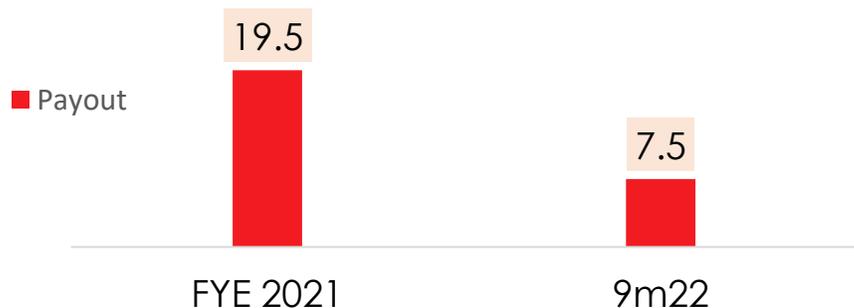
Cash Conversion Cycle (days)



# Declared 0.5 sen interim dividend per share to date... target dividend payout ratio of at least 30% to reward shareholders

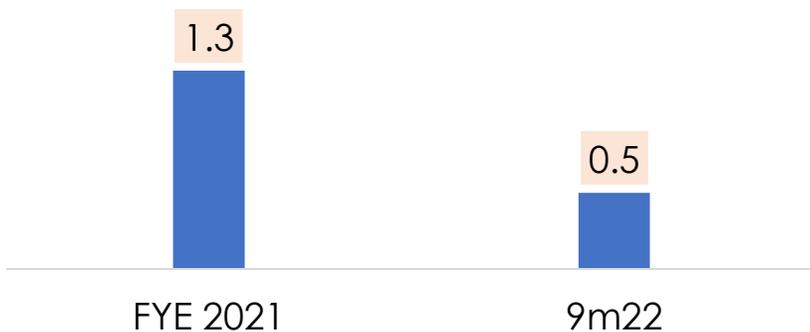
## Dividend Payout

RM'mil



## Dividend Per Share

sen



**Target Dividend Payout of at least 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 (Paid on 14 October 2022)

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

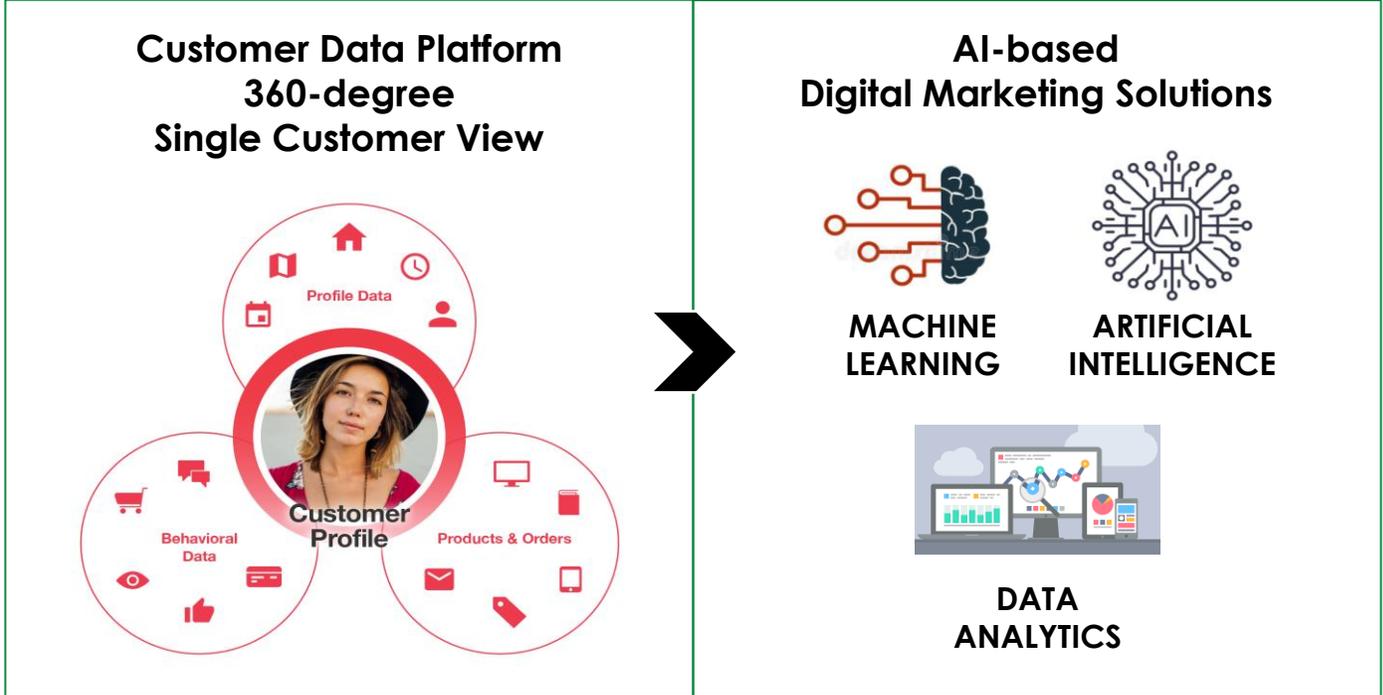
Purposes	Planned (RM 'mil)	Actual (RM 'mil)	Re-allocation (RM 'mil)	Balance (RM 'mil)	Estimated time frame
Enhance customer experience via upgrading and expanding our chain of retail stores	160.5	25.7	-	134.8	Within 36 months of listing
Repayment of bank borrowings	46.0	46.0	-	-	Within 6 months of listing
Develop new brand distribution business	22.0	14.8	-	7.0	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"> <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	1.5	-	8.2	Within 36 months of listing
Listing Expenses	9.3	9.2	(0.1)	-	Within 3 months of listing
<b>Total</b>	<b>267.5</b>	<b>117.5</b>	<b>-</b>	<b>150.0</b>	

# **SENHENG**

## **New Retail Technologies**



**Leveraging on technology and data science to target and attract customers... group embarking on first party data strategy to enhance customer insights**



Customer Data Platform (CDP)

**The customer data science platform that unifies and enriches 1st party data**

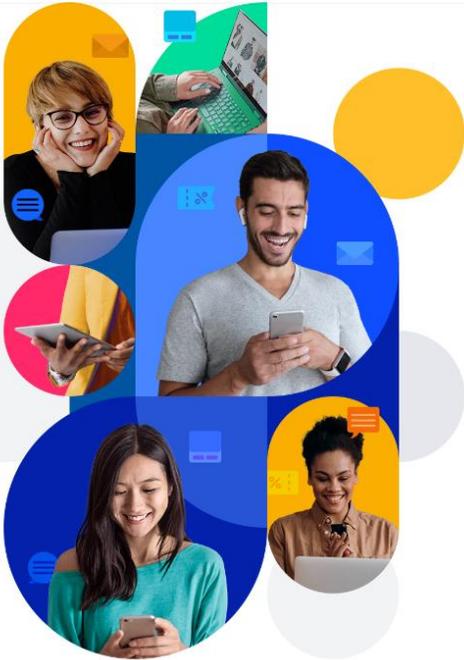
<p><b>Optimized marketing performance &amp; enriched customer experience</b></p>	<p><b>Non CDP Campaign</b></p>	<p><b>CDP Campaign</b></p>
	<p>Return on Investment (ROI)</p>	<p>23x</p>

# Enriching customer data with AI-predictions... ability to target new customers with greater precision

## AI Predictive Attributes – Data Enriched Enrich data with AI-predicted user affinity

Smart Ad Group Builder

Ads Optimization Platform



### 1 Enriched User Interest

Enrich your customer data with AI predicted interests and external interest

- Onsite behavioral combined with expanded and external keywords
- More AI predictive attributes



### 2 Smart Ad Group Builder

Explore your existing customer data and provide suggestions to target new customers on ad platforms

- AI suggestion on interest-clusters
- AI suggestion on new target audience
- Automate Ad group building on Facebook



### 3 Automated Ad Optimization

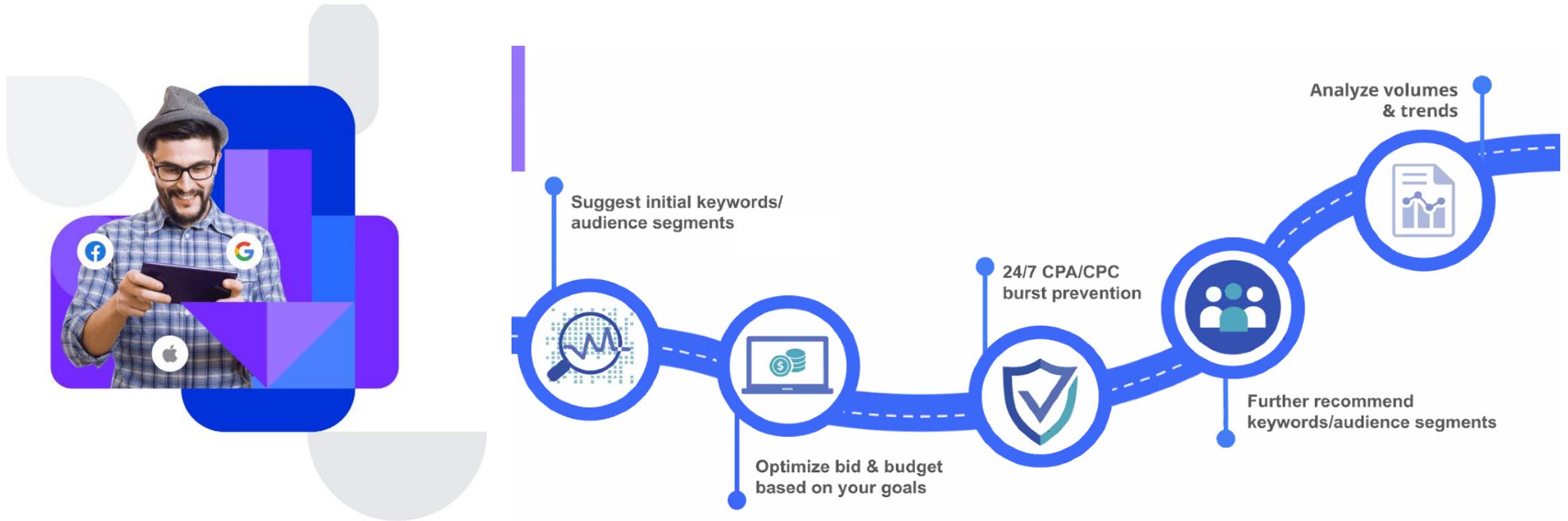
Automate campaign testing and optimization, justifying every decision with less time and effort

- AI suggestion and 24x7 safeguard on campaign optimization
- Uncover hidden segment
- More sampling from day 1 to maximize learning phase

## AI assistant enabling automated ad campaign optimization...

### AI Optimized Campaign

*AI assistant that makes smart campaign decisions, around the clock*



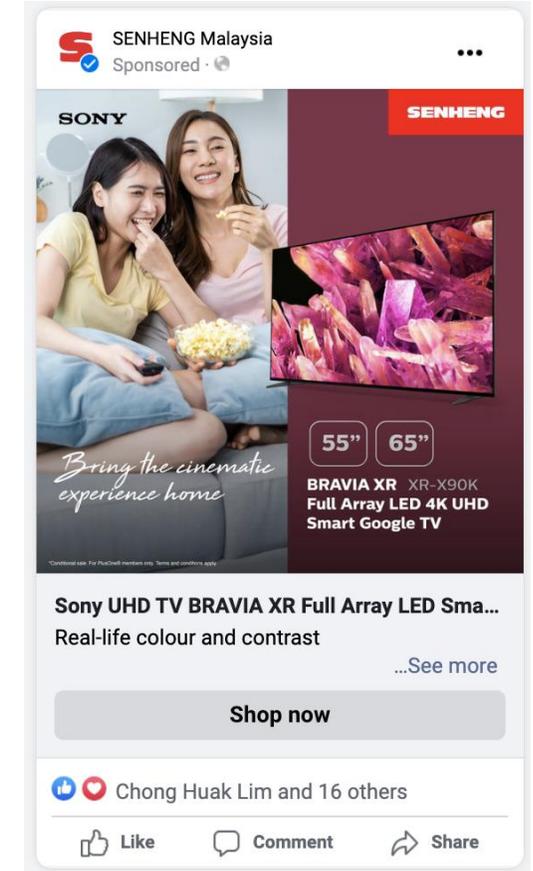
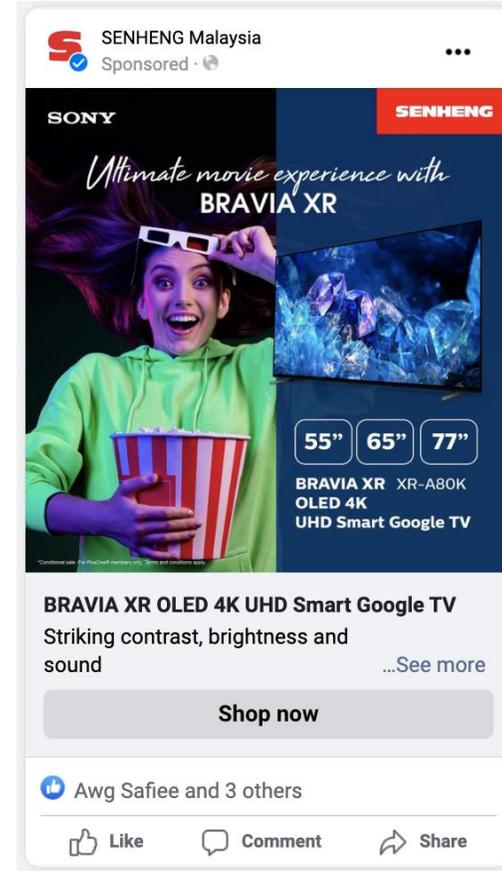
# CASE STUDY: CDP for TV product category

This CDP focuses on TV category run across both channels in one and half month

## Ad formats

- Videos
- Carousel Ads (with TV trade-in message + location map)
- Single product images
- Slideshows

TV Categories		
Metrics	Without CDP	With CDP
Uplift Traffic		<b>+696%</b>
Sales Uplift (On-offline)		<b>+68%</b>



# SENHENG

## Thank You

Investor Relations Contact

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# **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 (@ 25 Nov 2022)	RM0.615
Market Cap ('mil) (@ 25 Nov 2022)	RM922.5
PE (ttm)	13.0
Price to Book* (x)	1.8

Valuations based on 1.5 billion shares

**Price Movement since IPO**

