

Senheng reaches RM1.6 billion revenue in FY2022

- *4Q22 net profit impacted by higher OPEX and consumer sentiment, but still ends the year with RM60.6 million net profit*
- *Embarks on accelerated plan to launch 40 Senheng Mobile stores, and 26 new/upgraded Senheng and senQ stores in 2023*
- *Adopting “Online First Initiative” to enhance omnichannel shopping journey*

Kuala Lumpur, Malaysia, 27 February 2023 - Senheng New Retail Berhad (Senheng or the Group; Bloomberg: SENHENG MK; 新兴集团) reached RM1.6 billion revenue in the financial year ended 31 December 2022 (FY2022), 8.3% higher than RM1.4 billion previously, backed by higher demand for consumer electronics across its retail stores.

Group net profit however declined 7.2% to RM60.6 million for the year under review compared to RM65.3 million a year ago on higher operating expenses for the Group’s ongoing expansions, as well as increased deferred taxation for the year.

For the fourth quarter ended 31 December 2022 (4Q22), group net profit dipped 32.6% to RM21.0 million from RM31.2 million previously, as consumer sentiment impacted retail sales and the Group noted higher operating and administrative expenses.

During the quarter, consumer spending in the country slowed down as interest rates continued to increase, affecting Senheng’s group revenue in 4Q22 to drop marginally by 2.7% year-on-year to RM444.2 million, from RM456.4 million previously.

The higher operating expenses during the quarter was also attributed to the increased costs associated with the growth in the Group’s new and enhanced stores nationwide, in order to capture more market share in consumer electronics sector under its Territory Champion strategy.

The Group will continue with its accelerated expansion plan in 2023, and will launch a total of 66 new/upgraded stores in 2023, a significant increase from 16 new/upgraded stores in 2022.

The planned new/upgraded stores for 2023 includes 40 Senheng Mobile stores, the Group’s new retail channel comprising digital gadgets stores to ride on burgeoning demand in the segment. In addition, the Group’s Territory Champion strategy from 2022-2024 aims to launch 26 new/upgraded Senheng and senQ stores in 2023.

“Despite the negative consumer sentiment during the quarter, we continue to register encouraging sales, proving the resilience and the entrenched position of our business as the largest consumer electronics retailer in the country.

We recognize vast opportunities still in the consumer electronics and mobile gadgets space, and we are embarking on a two-pronged expansion strategy in 2023 to boost our market share and sales; firstly upgrading existing store network, and secondly creating new retail store concept of *Senheng Mobile* to capture the mobile gadgets market.

We are confident that these efforts will boost our performance in 2023, as we leverage on our market leading brand position in Malaysia to draw even more consumers onto our ecosystem.”

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

In addition to opening more physical stores, Senheng continues to upgrade its online shopping channels, which will draw upon data insights from Senheng’s more than three million PlusOne loyalty members to build an omnichannel experience for the consumers at large. Combining the best of Senheng’s online and offline personalised customer services, the Group aims to be ahead of the curve in the consumer electronics retail sector.

On its online strategy, Lim said: “We are enhancing our online channels to offer the best customer experience and position us as the country’s leading innovative retailer. This is executed via our “Online First Initiative” to increase traffic to our online channels, aimed at boosting our sales in the online marketplace through innovative digital marketing strategies.

“Online patrons will also have the convenience of choice of courier deliveries, or to pick up purchases from nearby stores within 30 minutes of ordering. All orders will be processed by our trained sales assistants for personalised engagement, where they can attend to any enquiries as well as provide product recommendations and assistance. This ensures our online customers receive the same valuable customer service experience that our retail store patrons enjoy.”

The Online First Initiative complements Senheng’s ongoing Territory Champion strategy, where the Group intends to transform its existing Senheng and senQ retail store network nationwide to be leaders by floor space and consumer electronics product range within a 5-kilometre store radius. The Group’s latest store formats such as Grand Senheng, Grand Senheng Elite, and Grand senQ, have registered on average at least 50% higher per-store sales productivity compared to typical Senheng stores, due to their enhanced appeal and refreshed shopping experience.

On prospects, Lim commented: “Our aggressive expansion strategy in 2023 is guided by our belief in opportunities of capturing increased market share even as the market faces headwinds. We also believe in our strong brand equity amongst consumers.”



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.

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