

SENHENG

SENHENG NEW RETAIL BERHAD

2Q2023

CORPORATE PRESENTATION

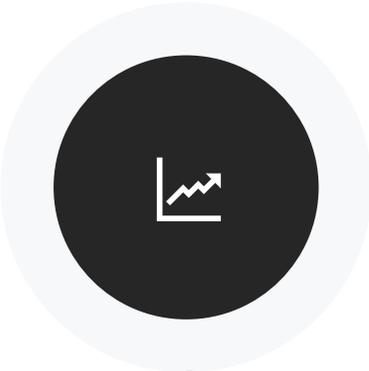


IR Adviser:

**AQUILAS**
Creating Market Value

SENHENG

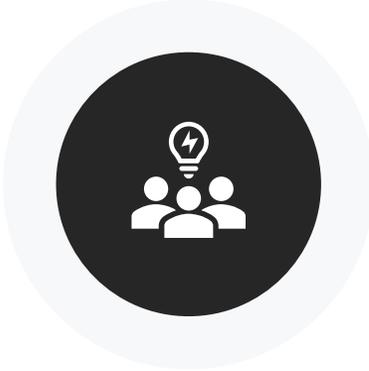
PRESENTATION OUTLINE



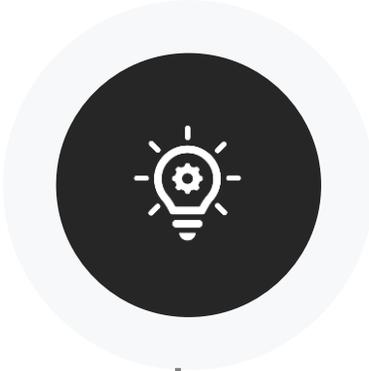
Appendix



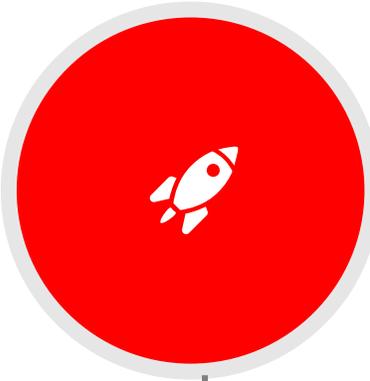
Investment Merits



Financials



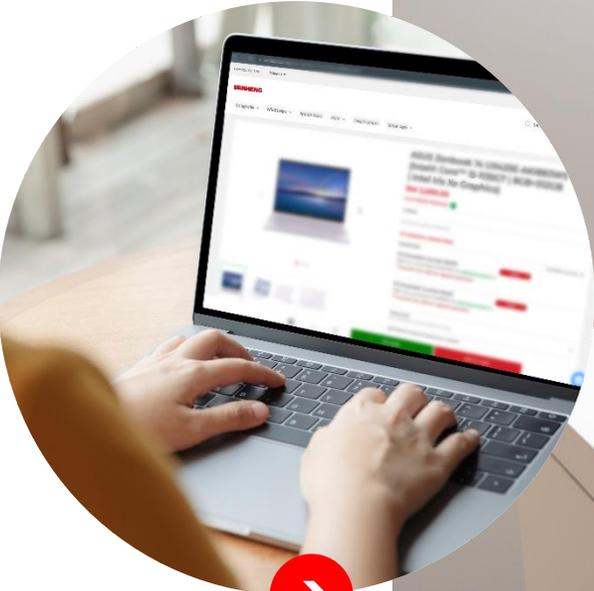
Operations



Executive Summary

SENHENG

EXECUTIVE SUMMARY



2Q23 performance moderated by weaker consumer sentiment... higher operating costs attributed to ongoing Territory Champion expansion strategy for long-term growth

2Q23

Revenue
RM325.3 mil **-18.2%**

Gross Profit
RM69.7 mil **-20.6%**

Net Profit
RM6.5 mil **-59.4%**

- Revenue moderated by weaker consumer sentiment. Gross margin declined slightly in tandem with revenue
- Net profit decreased due to lower revenue and increased operating expenses resulting from ongoing store expansions and upgrades

Macroeconomic uncertainties leading to weaker consumer sentiment and purchase intention...



Economists lower Malaysia's 2023 GDP forecast after weak 2Q2023 numbers

By Sufi Muhamad / theedgmalaysia.com

18 Aug 2023, 10:04 pm

KUALA LUMPUR (Aug 18): Economists have revised downwards Malaysia's growth forecast for this year after gross domestic product (GDP) in the second quarter of 2023 came in lower than consensus expectations for 3.3% growth.



String of forecast downgrades for 2023

By GANESHWARAN KANA

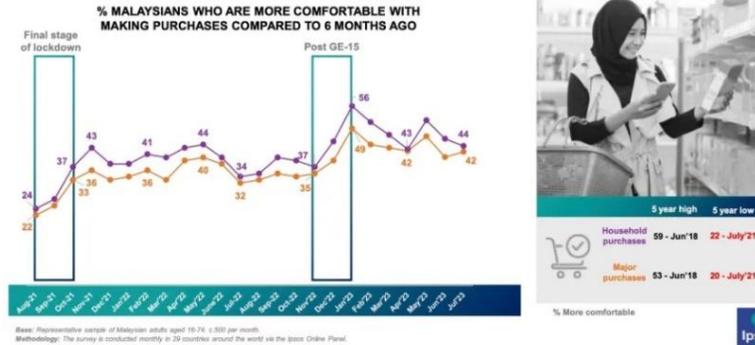


ECONOMY

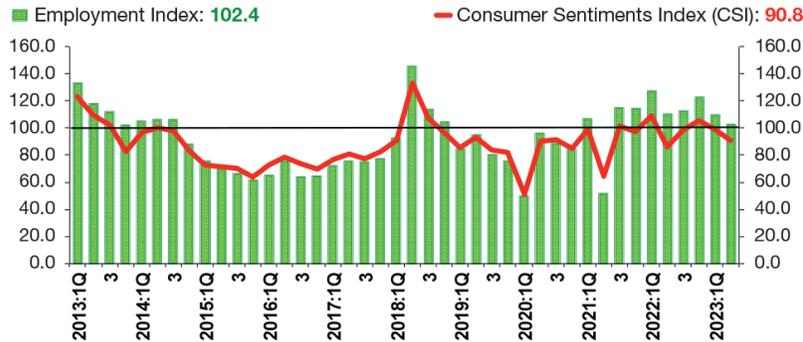
Tuesday, 22 Aug 2023



CONSUMER SPENDING ON A DOWNWARD TREND SINCE JAN 2023



Consumer Sentiments Index



- Macroeconomic uncertainties weakening consumer confidence
- Economists lower Malaysia's 2023 GDP forecast
- Weakened currency slows consumer spending
- Consumer sentiment declined
- Consumer purchase intentions for household and big-ticket items dropped

Increasing digital marketing campaigns and partnerships with buy now pay later providers... leveraging data and tech-driven approach to drive growth and enhance customer engagement

Product launch offers & Promotions



laifen

Launching Offer

Now - 30 Sep 2023

- FREE STORAGE BAG*
- 10% S-COIN CASHBACK*
- TRADE IN REBATE UP TO RM 100*

*Conditional sale. For PlusOne® members only. Terms and conditions apply. While stocks last.

Buy Now Pay Later Options



SPayLater

RM100 CASHBACK

When You Checkout With SPayLater in Senheng Mobile Outlet

*Conditional sale. For PlusOne® members only. Terms and conditions apply.



RM25 OFF (Max spend RM500)

in-store purchases

Use PayLater to pay the next month or in 4 instalments.

PayLater by Grab

*Apply the promo, item will remain on your order. The promo is only valid for the first 4 instalments.

Digital Marketing Campaigns



BRAND FAIR

up to 15%* S-Coin Cashbank

SENHENG 34th Anniversary since 1989

1 Sep - 31 Oct 2023

Strategic Partners: SHARP Haier PENSONIC AEON CREDIT SERVICE

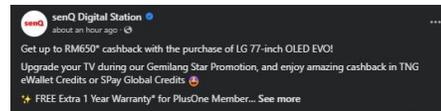
GET

- RM 204* Festive Vouchers
- RM 940* Product Vouchers

GIVEAWAY

Dyson Pure Cool™ Air Purifier x10 units
AEON Credit Easy Payment*

*Conditional sale. For PlusOne® members only. Terms & conditions apply.



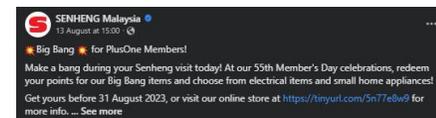
senQ Digital Station

13 August at 15:00

Get up to RM650* cashback with the purchase of LG 77-inch OLED EVO!

Upgrade your TV during our Gemilang Star Promotion, and enjoy amazing cashback in TNG eWallet Credits or SPay Global Credits.

★ FREE Extra 1 Year Warranty* for PlusOne Member... See more



SENHENG Malaysia

13 August at 15:00

★ Big Bang ★ for PlusOne Members!

Make a bang during your Senheng visit today! At our 55th Member's Day celebrations, redeem your points for our Big Bang items and choose from electrical items and small home appliances! Get yours before 31 August 2023, or visit our online store at <https://tinyurl.com/5n77ebw9> for more info... See more

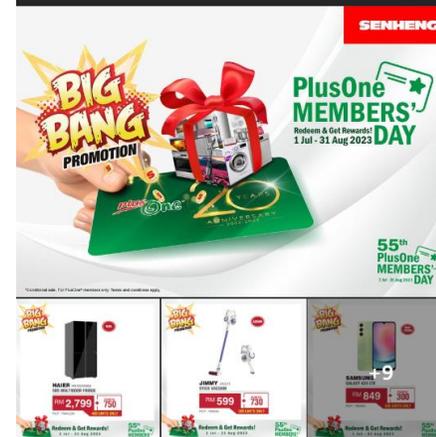


15 AUG 2023 - 30 SEP 2023

GEMILANG STAR PROMOTION

LG OLED 77" Gallery Edition RM28,999

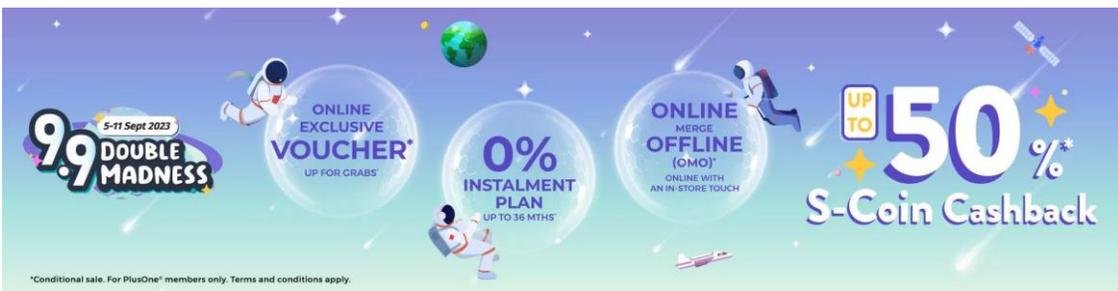
LG QNED 65" RM15,999



PlusOne MEMBERS' DAY

Redeem & Get Rewards! 1 Jul - 31 Aug 2023

55th PlusOne MEMBERS' DAY



9.9 DOUBLE MADNESS 5-11 Sept 2023

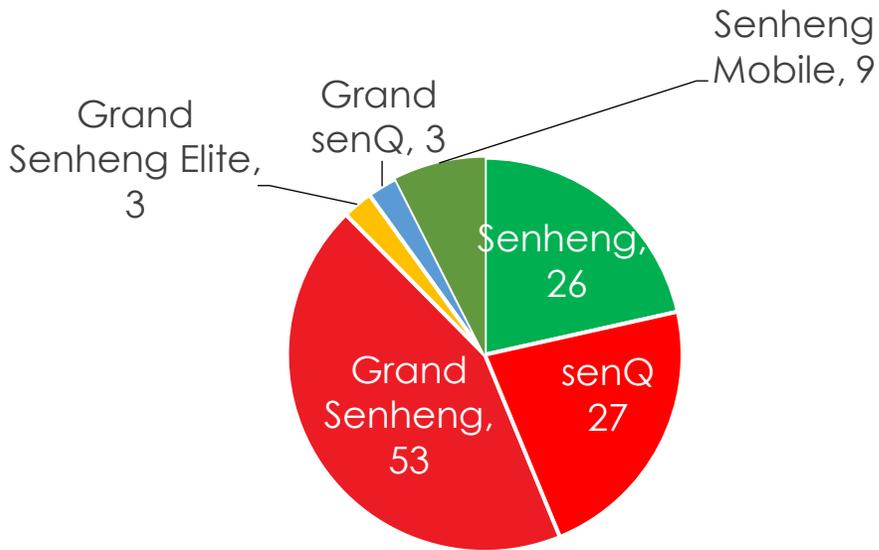
- ONLINE EXCLUSIVE VOUCHER* UP FOR GRABS
- 0% INSTALMENT PLAN UP TO 36 MTHS*
- ONLINE MERGE OFFLINE (OMO)* ONLINE WITH AN IN-STORE TOUCH
- UP TO 50%* S-Coin Cashback

*Conditional sale. For PlusOne® members only. Terms and conditions apply.

Continue to add new and upgraded stores as part of Territory Champion expansion strategy... new Senheng Mobile retail concept complementing the approach

No. of stores (2Q23):

121 stores



Senheng Mobile
in Butterworth, Penang
(August 2023)



Senheng Mobile
in Kulim, Kedah
(August 2023)

**3-Year
Plan**

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

Empowering growth through transforming retail experiences... seamless omnichannel shopping, nationwide upgrades, and enhanced technology platforms



Territory Champion



Senheng Mobile



Online Merge Offline



**AI-enabled
Customer Data Platform**



Private Traffic Project



SENHENG

OPERATIONS



Established market leader in Malaysia with over 100 stores across major cities... launched 8 new/upgraded stores in 2Q23

Physical outlets as at 2Q23

- Total of 121 stores, comprising:
 - 26 Senheng stores
 - Includes 1 Brand Store (Senheng x Samsung)
 - 53 Grand Senheng stores
 - 3 Grand Senheng Elite store
 - 26 senQ stores
 - 3 Grand senQ store
 - 9 Senheng Mobile store

2Q23 Store Launches

8 New/
Upgraded
stores

- 2** **Grand Senheng**
 - Alor Setar
 - Tanjung Tokong, Penang
- 1** **Grand Senheng Elite**
 - Setia Alam, Selangor
- 1** **Grand senQ**
 - Datum Jelatek, Kuala Lumpur
- 4** **Senheng Mobile**
 - Kota Laksamana, Melaka
 - Tuaran, Sabah
 - Damai, Kota Kinabalu
 - Pines Square, Kuching



Established market leader in Malaysia with over 100 stores across major cities... new Senheng Mobile stores to accelerate brand presence

3Q23 Planned Store Launches

6 New/
Upgraded
stores

5 Senheng Mobile

- Mahkota Cheras, Selangor
- Desa Cemerlang, Johor
- Butterworth, Penang
- Kulim, Kedah
- Taman Universiti

1 Grand Senheng

- Parit Buntar, Perak

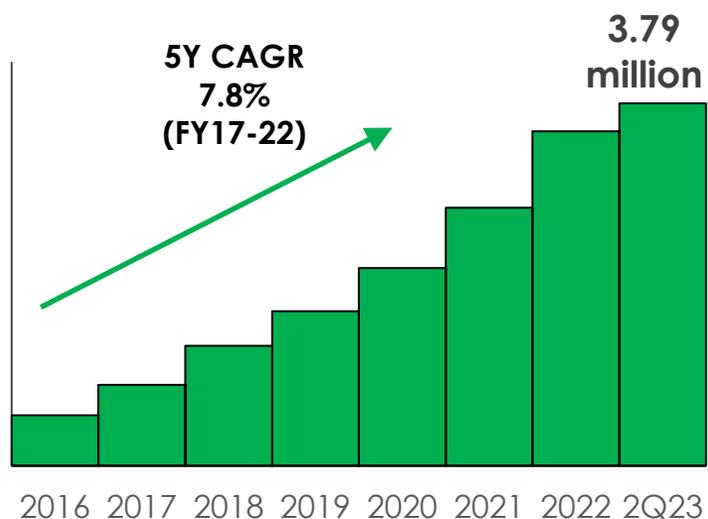


PlusOne Loyalty members continue to rise... highlighting strong customer loyalty and appreciation for superior experience, value, and convenience of Senheng ecosystem

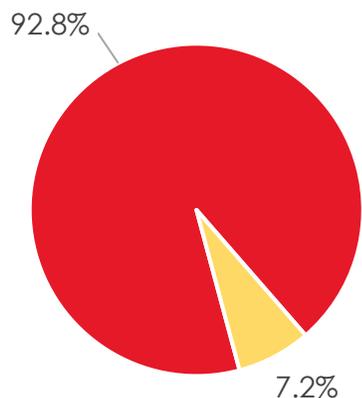
• PlusOne Loyalty Membership

- Recruited **133k** new members in 1H23 (FYE 2022: 388k)
- PlusOne paid members contributed approx. **92.8%** of Group revenue in 2Q23 (FYE 2022: **91%**)

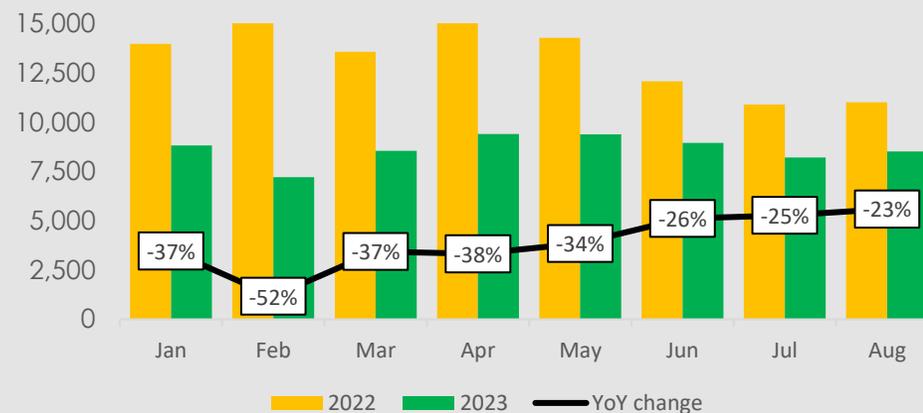
Number of Registered PlusOne Members



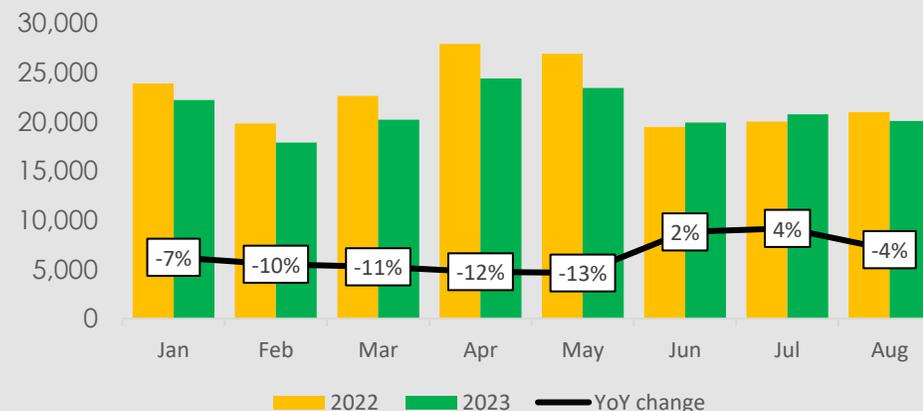
2Q23 revenue contributed by PlusOne paid members



Paid PlusOne New Member Registrations



Paid PlusOne Membership Renewals



Expanding brand distribution business with new brands... leveraging the Group's deep understanding of consumer electronics and customer preferences

- **Brand Distribution**

- To introduce more international brands featuring smart home & IOT products

2Q23 Revenue
RM8.2 million
(+12.8% yoy)

Delighto™



ROBAM



laifen



JIMMY



TESVOR



Rheem



Senheng App's S-Rewards Centre offers satisfying shopping experiences to PlusOne members with attractive cashback rewards... driving membership growth and heightened ecosystem activity

BUILDING THE SENHENG ECOSYSTEM EXPERIENCE

Our goal: To enhance the Senheng brand experience, by creating an ecosystem with different verticals that makes being part of the Senheng brand worthwhile. With the app, Senheng customers get a holistic online and offline experience.



- Total NEW Senheng App downloads of 1.5 million as of August 2023
- Growing community of 300k Monthly Active Users (MAU)
- Users can earn valuable S-coins at any merchant on the Senheng App and S-Rewards Centre, bringing more value for users across the ecosystem
- Enhanced rewards and user experience driving traffic and user numbers, boosting Senheng membership ecosystem
- S-Livestream pillar in redevelopment to fuel organic user-generated content and community building

Expanding campaigns and diverse merchants providing ultimate rewards experience to PlusOne members...

REDEEM YOUR

S-COIN

Only on the Senheng App!

Download on the App Store | GET IT ON Google Play | EXPLORE IT ON AppGallery

UP TO 100% OFF
by redeeming your S-Coin

Only on the Senheng App!

Download on the App Store | GET IT ON Google Play | EXPLORE IT ON AppGallery

S-REWARDS CENTRE 1ST ANNIVERSARY

1,000,000 S-COIN BONUS*

1-30 SEPT 2023

SHIPPING DISCOUNT

UP TO 100% S-COIN CASHBACK*

UP TO 100% S-COIN REDEMPTION*

S-REWARDS CENTRE

192,474
Visits
+29% QoQ

2.62 mil
Page Views
+41% QoQ

96
Merchants On Board
+16% QoQ

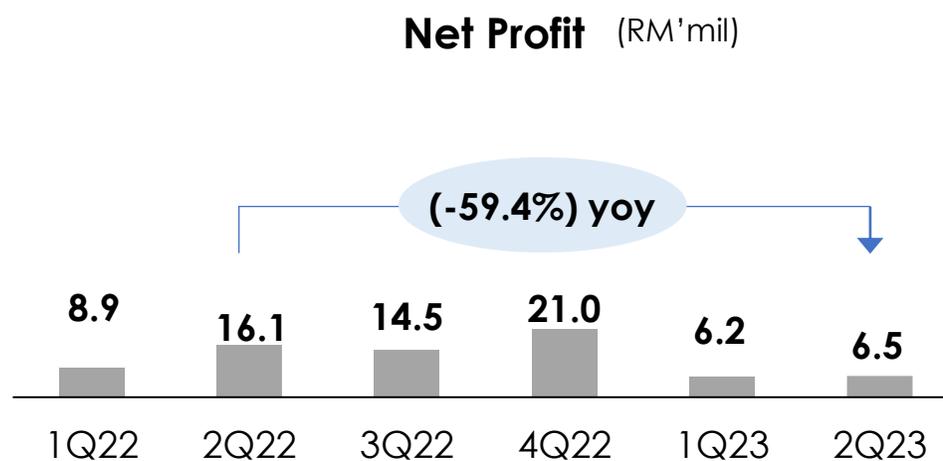
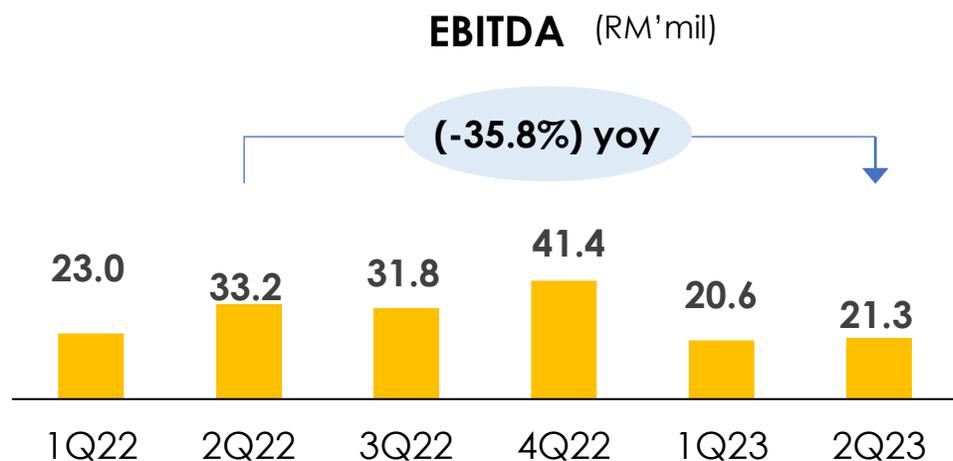
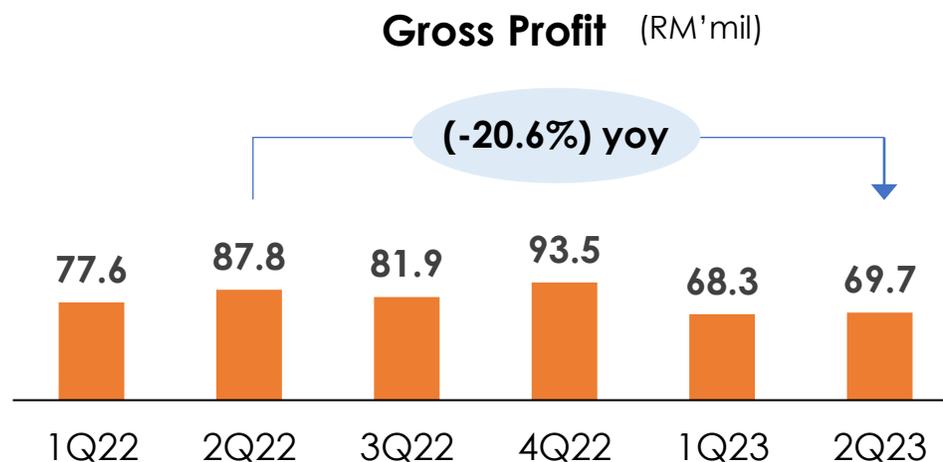
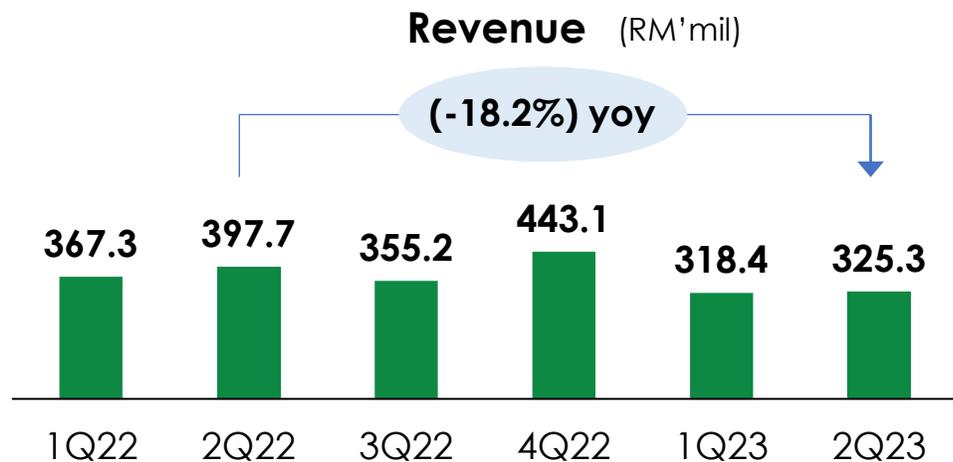
12,378
Total SKU Quantity
+32% QoQ

SENHENG

FINANCIALS

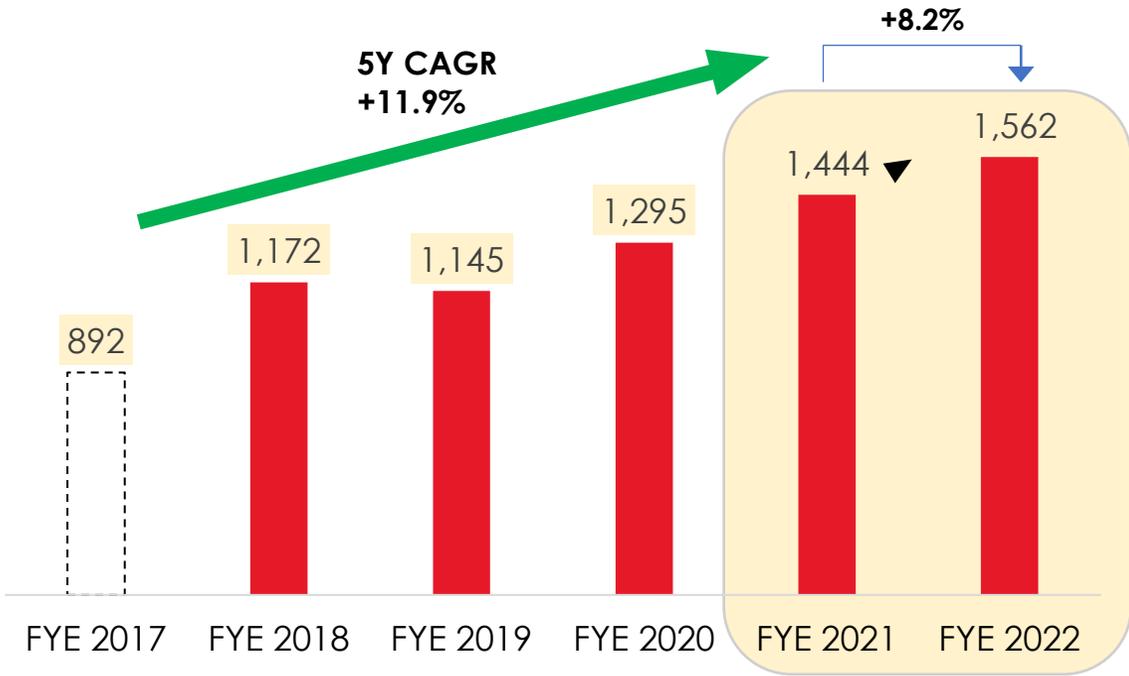


2Q23 topline moderated by weaker sales... profit margins reflect higher costs from expansions



Omnichannel retail model catering to latest consumer preferences...

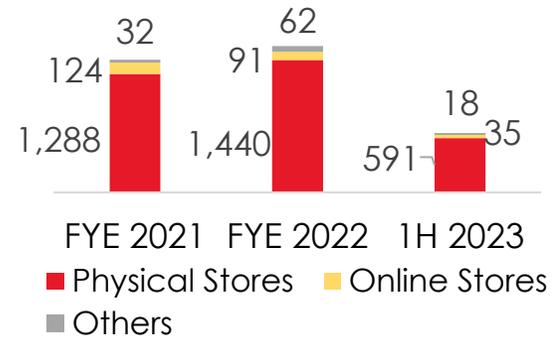
Revenue Trend (RM'mil)



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

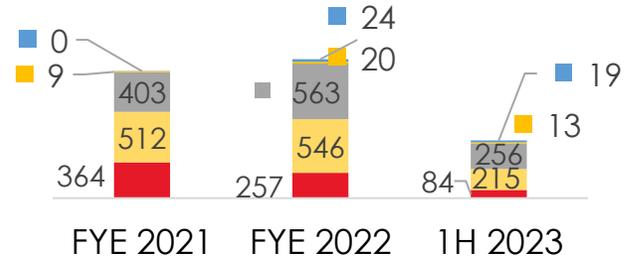
Revenue by Retail Channel (RM'mil)



Online Stores Contribution to Group Revenue



Revenue by Physical Store (RM'mil)

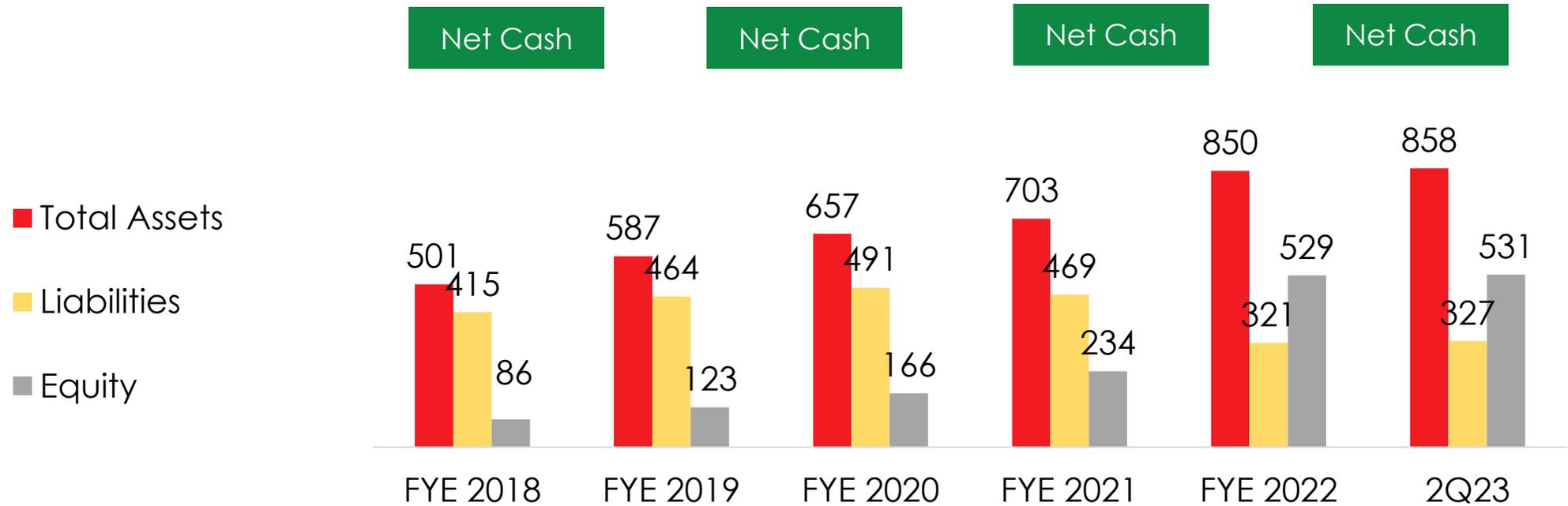


Same Store Sales Growth



Healthy financial and net cash position...

Balance Sheet Highlights (RM'mil)



Paid dividends of 1.2 sen per share in FY2022... in line with policy of at least 30% to reward shareholders

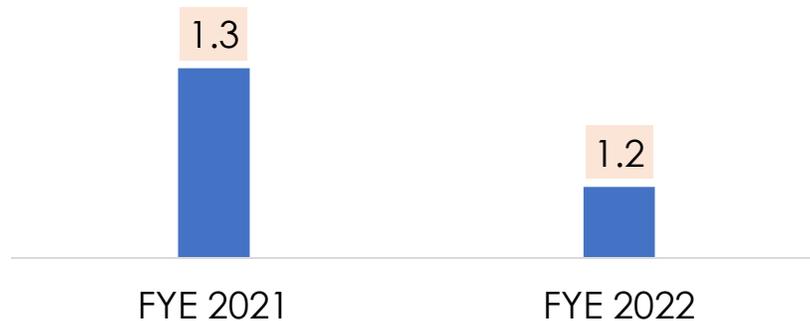
Dividend Payout

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)
- Interim single-tier dividend of 0.7 sen/share (Paid on 16 June 2023)

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	(42.8)	-	117.7	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	(22.0)	-	-	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"> • Establish a data lake and upgrading existing technology platform • Cloud-based disaster recovery system • Maintenance of our digital infrastructure 	9.7	(4.3)	-	5.4	Within 36 months of listing
Listing Expenses	9.3	(9.2)	(0.1)	-	Within 3 months of listing
Total	267.5	(144.4)	-	123.1	

SENHENG

THANK YOU

INVESTOR RELATIONS CONTACT

Tay Tze Yi | IR Consultant



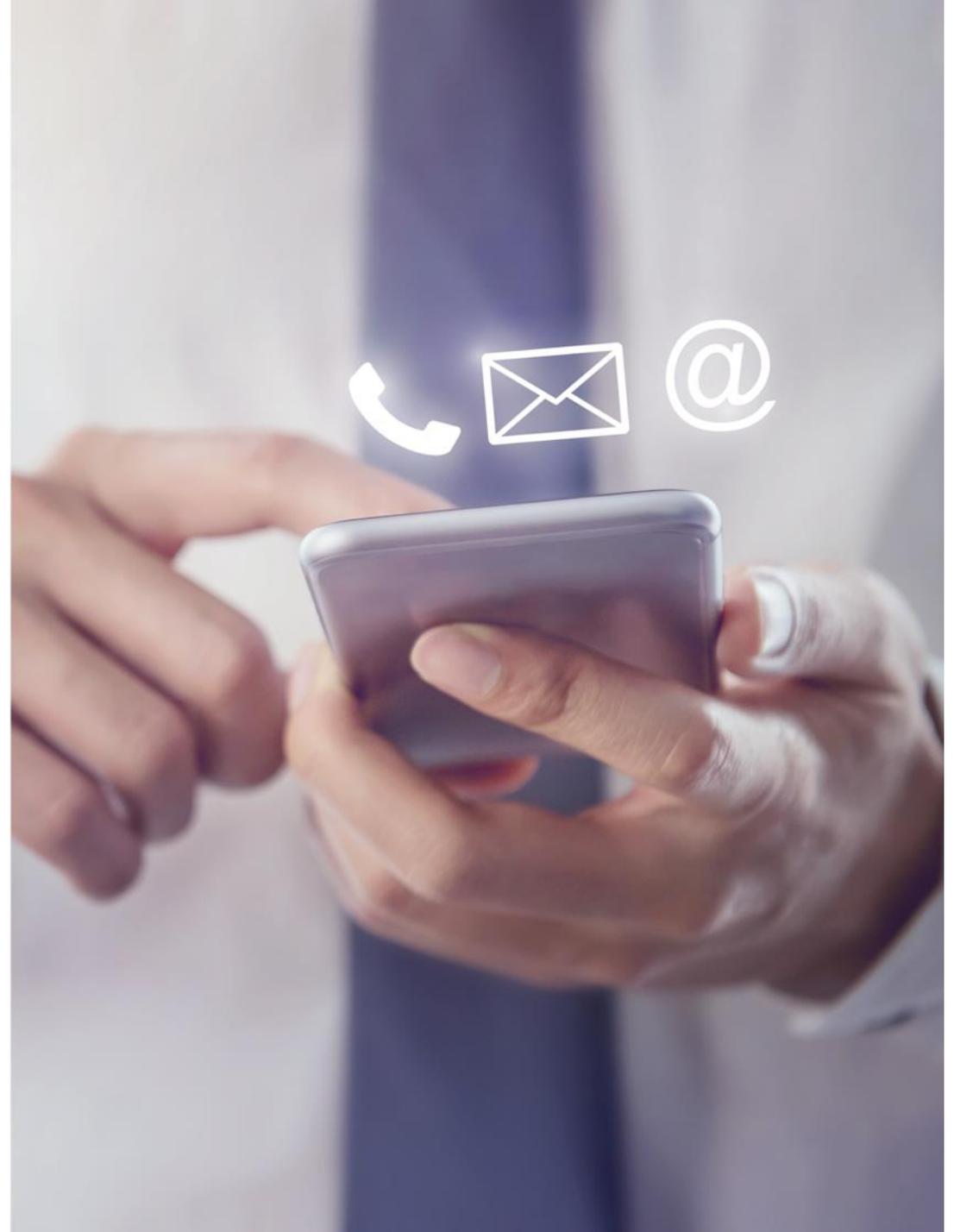
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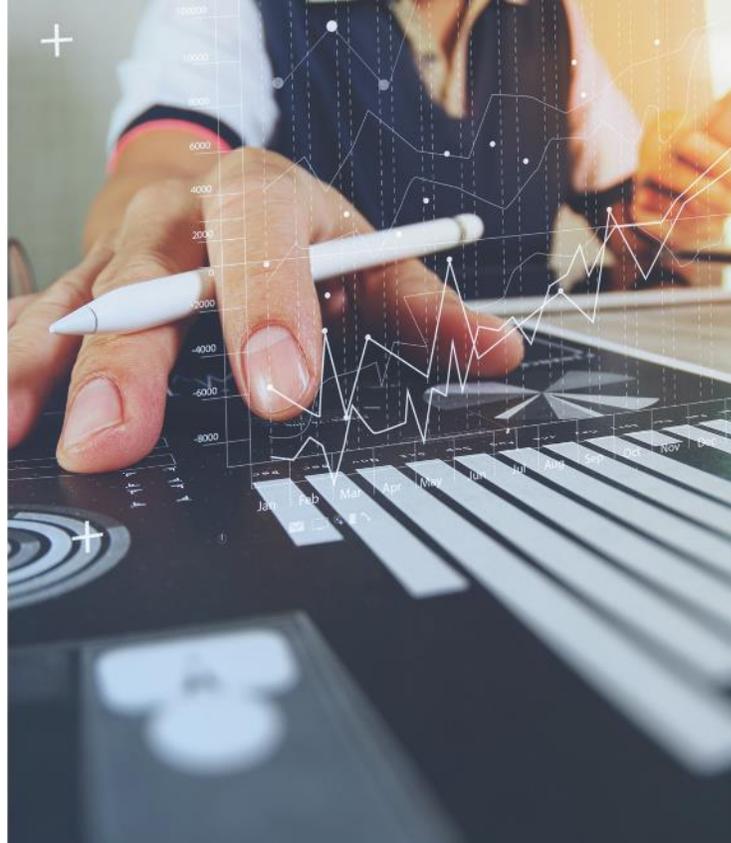
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SENHENG

INVESTMENT MERITS



**Market yet to appreciate Senheng's leading position in consumer E&E retailing and resilient 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 Sep 2023)	RM0.330
Market Cap ('mil) (@ 1 Sep 2023)	RM495.0
PE (ttm)	10.3
Price to Book* (x)	0.9

Valuations based on 1.5 billion shares

Price Movement since IPO

