

# SENHENG

SENHENG NEW RETAIL BERHAD

# 3Q2023

## CORPORATE PRESENTATION



IR Adviser:

 **AQUILAS**  
Creating Market Value

# SENHENG

## PRESENTATION OUTLINE

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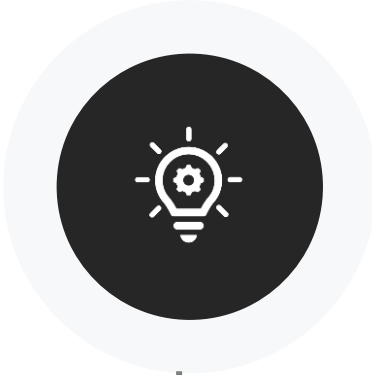
Appendix



Investment Merits



Financials



Operations



Executive Summary

# SENHENG

## EXECUTIVE SUMMARY



**3Q23 performance moderated as weak consumer sentiment impact sales...**

**3Q23**

**Revenue**  
**RM312.8 mil**      **-11.7%**

**Gross Profit**  
**RM67.3 mil**      **-17.9%**

**Net Profit**  
**RM5.2 mil**      **-64.6%**

- Revenue moderated due to weaker consumer sentiment. Gross margin declined in tandem with revenue
- Net profit decreased due to lower revenue

# Consumer sentiment weakness posing challenges to retail industry...



## Malaysia's consumer sentiment, biz confidence continue to fall amid inflation, slowing external demand — MIER

By Chester Tay / theedgemalaysia.com

15 Nov 2023, 06:08 pm

KUALA LUMPUR (Nov 15): Malaysian consumers and businesses have grown more pessimistic in the third quarter of the year as inflationary pressures eat into spending power while slowing external demand weighs on sales amid rising operating costs, according to studies done by the Malaysian Institute of Economic Research (MIER).



## Businesses, consumers turn more cautious

By GANESHWARAN KANA



ECONOMY

Thursday, 16 Nov 2023



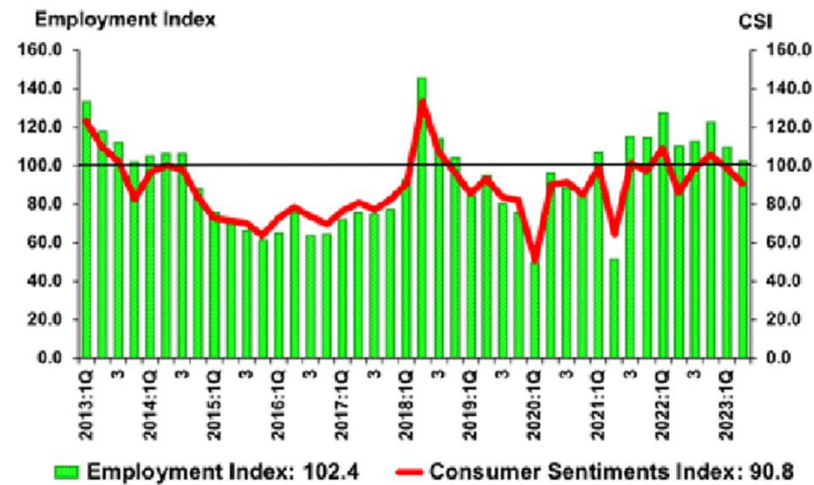
The Malaysian Institute of Economic Research said its Business Conditions Index, which has been on a general downtrend since the fourth quarter of 2021, dropped further to 79.7 points in 3Q23.



## October 2023: Consumer confidence declines sharply across Southeast Asia

Confidence is down in Malaysia, Singapore and Indonesia

Ipsos' Global Consumer Confidence Index is down 0.4 point from last month to 47.2. This marks the fifth consecutive month without a significant month-over-month change for the index. Among 29 economies measured, just four show significant gains in consumer sentiment while nine show a notable decline.



- **Macroeconomic uncertainties weakening consumer confidence**
- **Inflationary pressures weighing on consumer spending**
- **Increasing pessimism towards income growth and inflation**
- **Consumer Sentiment Index declined 3 consecutive quarters from 1Q to 3Q23**

# Increased digital presence and services to reach wider audiences, boost sales as festive season approaches...

## 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, once will max to max only. Only for PlusOne® members who have used Grab PayLater.

## Digital Marketing Campaigns

**BRAND FAIR**

**up to 15%\* S-Coin Cashback**

**SENHENG 34<sup>th</sup> 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/5n7tebw9> for more info... See more

**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.

15 AUG 2023 - 30 SEP 2023

**GEMILANG STAR PROMOTION**

LG OLED 77" Gallery Edition RM28,999

LG QNED 65" RM15,999

**SENHENG**

**BIG BANG PROMOTION**

**PlusOne MEMBERS' DAY**  
Redeem & Get Rewards!  
1 Jul - 31 Aug 2023 DAY

**55<sup>th</sup> PlusOne MEMBERS' DAY**

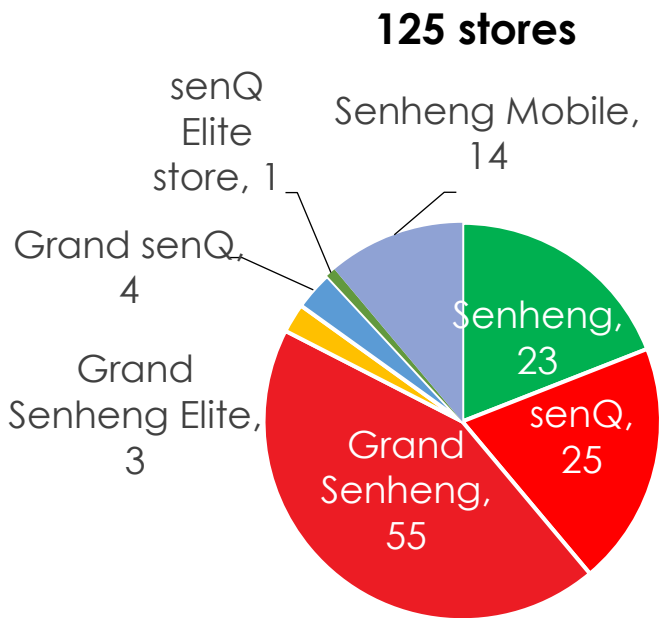
50% OFF on selected items

50% OFF on selected items

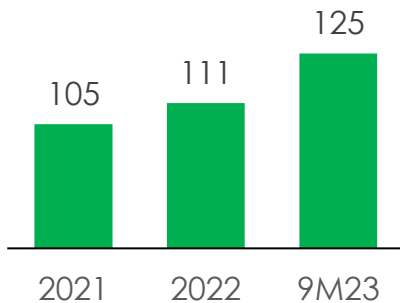
50% OFF on selected items

**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 (3Q23):**



**Total Stores**



Year/ Store Change	No. of Stores
<b>2021</b>	<b>105</b>
New	+ 23 <sup>^</sup>
Upgraded	↔ 15
Closed	(3)
<b>9M23</b>	<b>125</b>

<sup>^</sup> includes 14 new Senheng Mobile stores



**Senheng Mobile**  
in Kulim, Kedah  
(July 2023)



**Grand SenQ**  
in Miri, Sarawak  
(September 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**



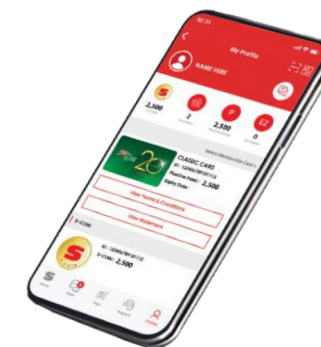
**Online Merge Offline**



**AI-enabled  
Customer Data Platform**



**Private Traffic Project**





# SENHENG

## OPERATIONS

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## Physical outlets as at 3Q23

- Total of 125 stores, comprising:
  - 23 Senheng stores
    - Includes 1 Brand Store (Senheng x Samsung)
  - 55 Grand Senheng stores
  - 3 Grand Senheng Elite store
  - 25 senQ stores
  - 4 Grand senQ store
  - 1 senQ Elite store
  - 14 Senheng Mobile store

## 3Q23 Store Launches

**8** New/  
Upgraded  
stores

- 2** **Grand Senheng**
  - Parit Buntar, Perak
  - Teluk Intan, Perak
- 1** **Grand senQ**
  - Bintang Megamall, Miri
- 5** **Senheng Mobile**
  - Butterworth, Penang
  - Kulim, Kedah
  - Taman Universiti, Johor
  - Makhota Cheras, Selangor
  - Desa Cemerlang, Johor



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

## 4Q23 Planned Store Launches

**3** New/  
Upgraded  
stores

- 3 Grand Senheng**
- Bakri, Muar
  - Sarikei, Sarawak
  - Parklane Benoni, Sabah

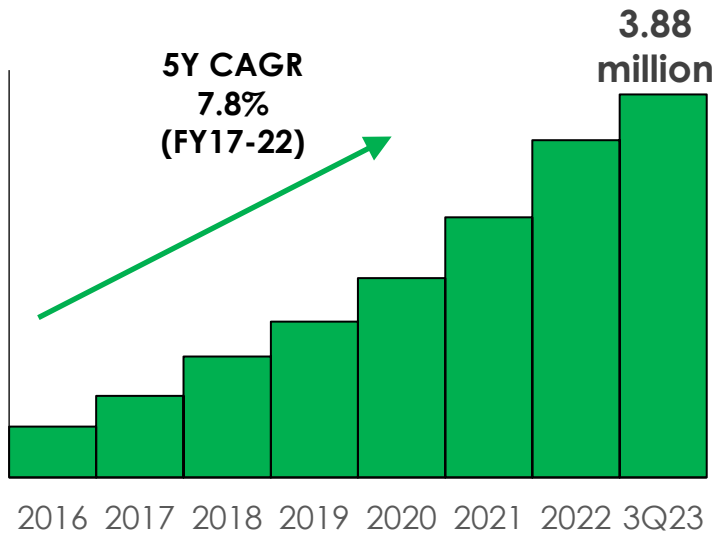


# Paying PlusOne Loyalty members continue to rise... highlighting strong customer loyalty and appreciation for superior experience, value, and convenience of Senheng ecosystem

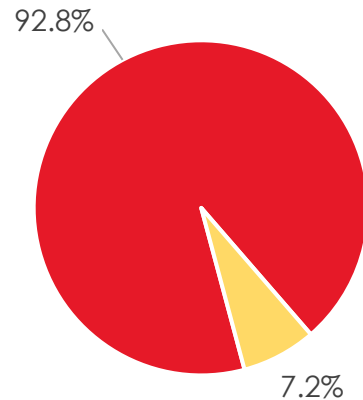
## • PlusOne Loyalty Membership

- Recruited 198k new members in 9M23 (FYE 2022: 388k)
- PlusOne paid members contributed approx. 92.8% of Group revenue in 3Q23 (FYE 2022: 91%)

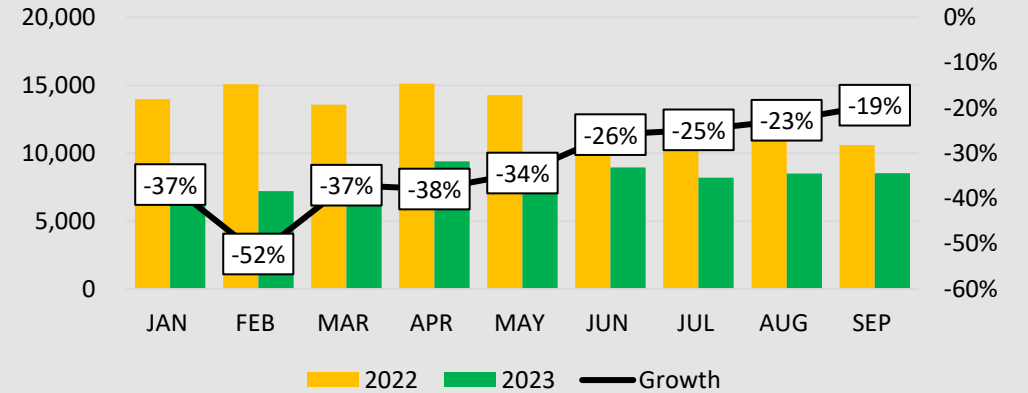
Number of Registered PlusOne Members



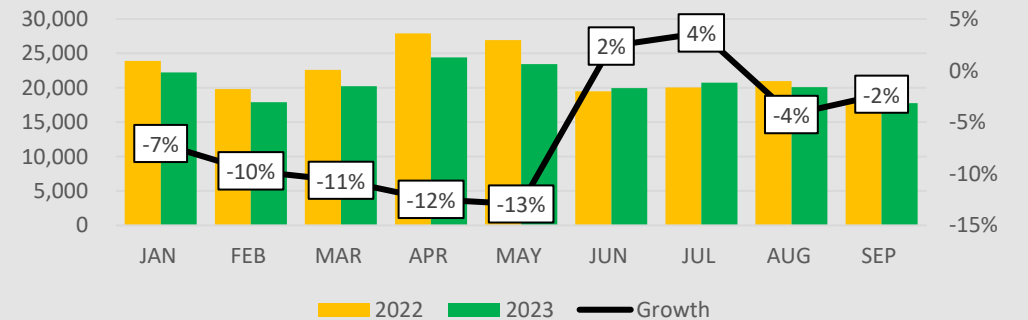
3Q23 revenue contributed by PlusOne paid members



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

3Q23 Revenue  
**RM9.8 million**  
(+41.7% yoy)

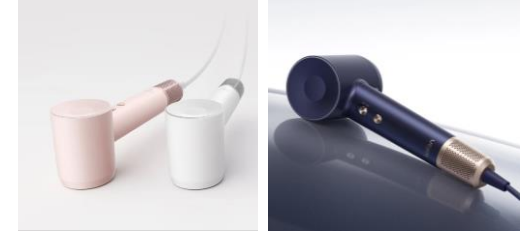
**Delighto™**



**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.



- **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 REDEMPTION CENTRE**

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!

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

**S-REWARDS CENTRE 1<sup>ST</sup> 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**

**1,568,645**  
Cumulative unique users  
+11.85% QoQ

**19,412**  
Total transactions  
+50.14% QoQ

**RM2.1 million**  
GMV generated  
+210.58% QoQ

**169.5k**  
New downloads  
+8.9% QoQ

**206**  
merchants onboard  
+114.6% QoQ

**34,949**  
Total SKUs  
+282.3% QoQ

**SENHENG**

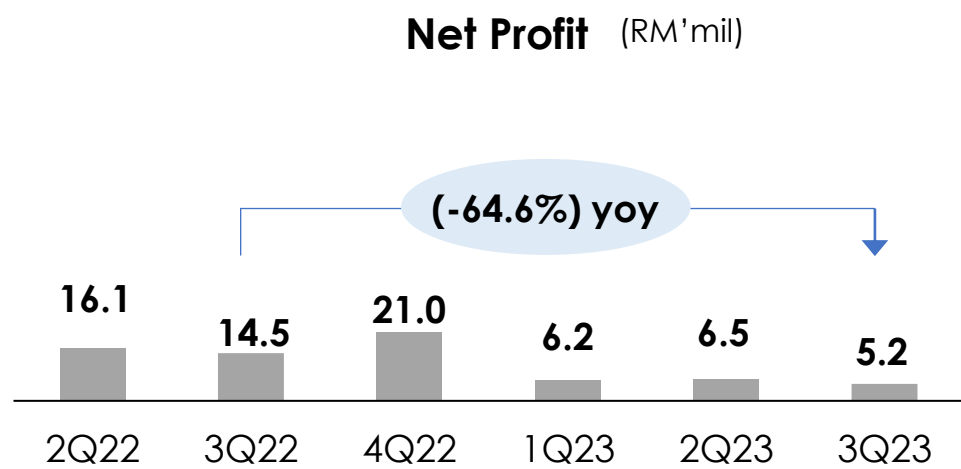
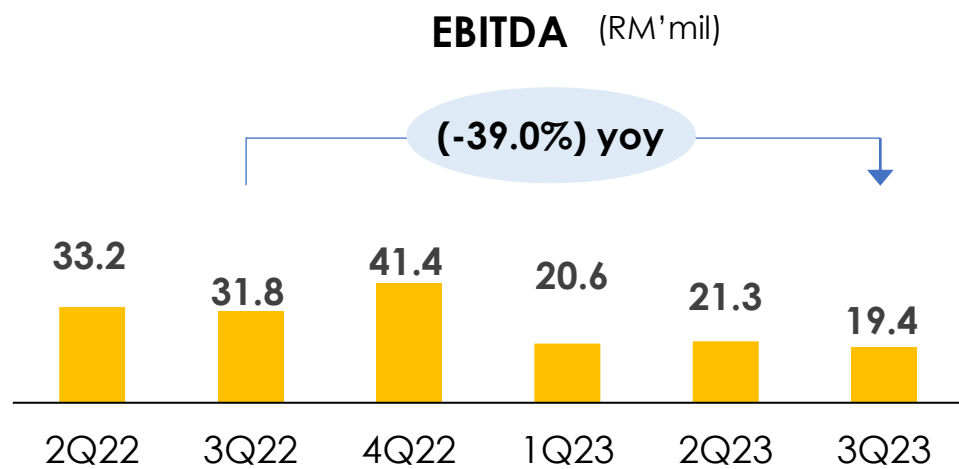
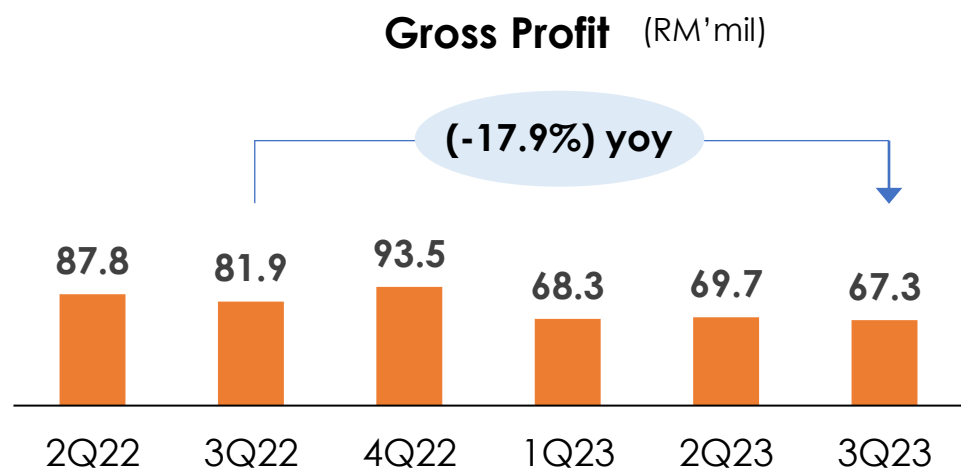
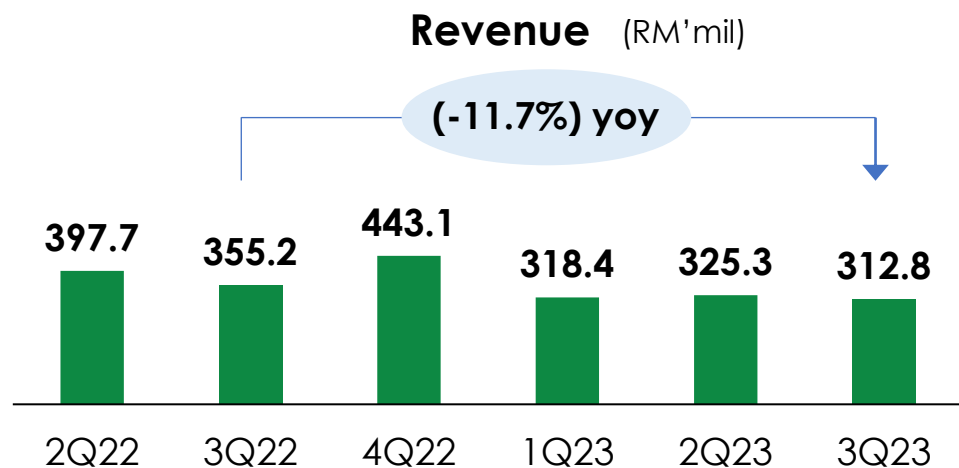
FINANCIALS

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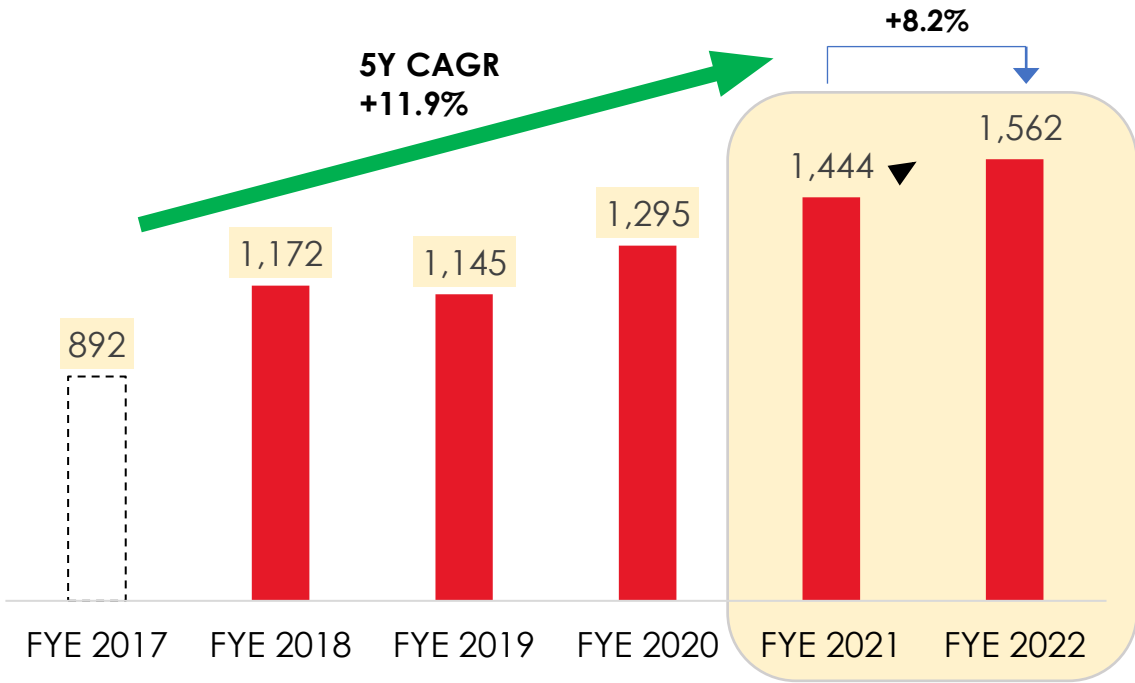


3Q23 performance reflects impact of lower sales...



# Omnichannel retail model catering to latest consumer preferences...

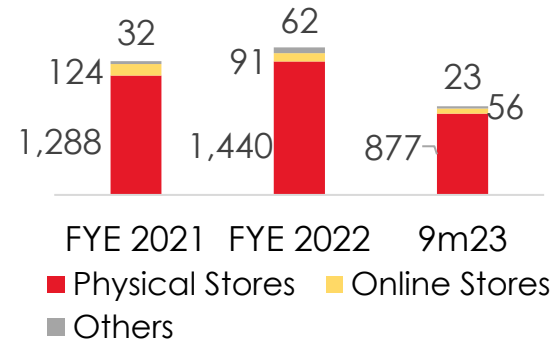
### Revenue Trend (RM'mil)



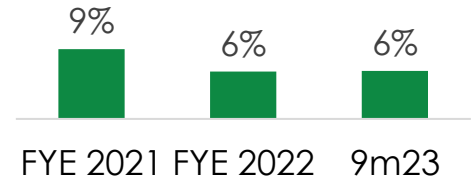
Bumped up by increased purchases due to SST tax holiday

Higher revenue on strategic store expansion, use of technology & data analytics, and targeted digital marketing

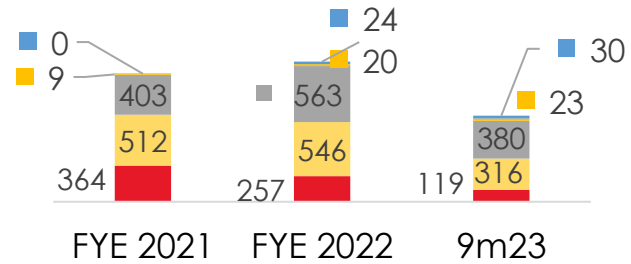
### Revenue by Retail Channel (RM'mil)



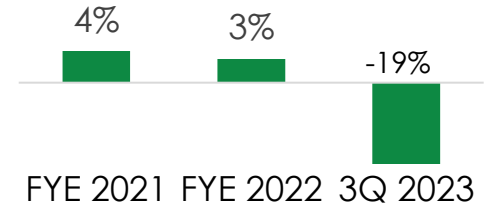
### Online Stores Contribution to Group Revenue



### Revenue by Physical Store (RM'mil)



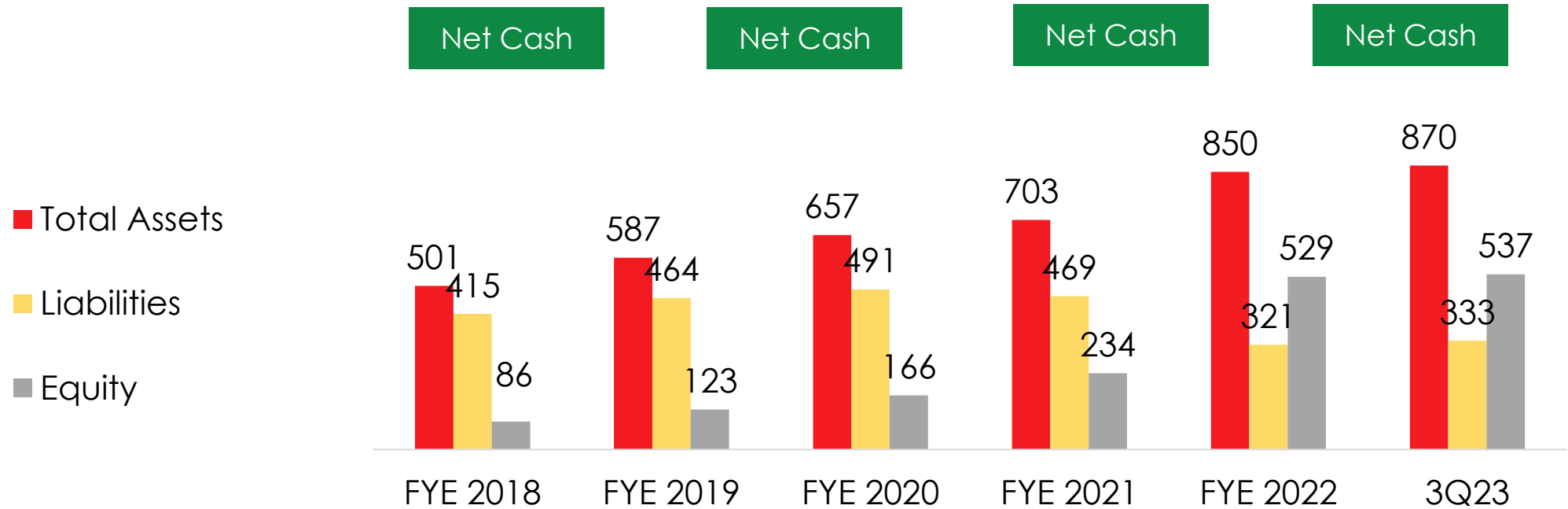
### Same Store Sales Growth



■ Senheng  
■ Grand Senheng  
■ Grand senQ  
■ senQ  
■ Grand Senheng Elite

Healthy financial and net cash position...

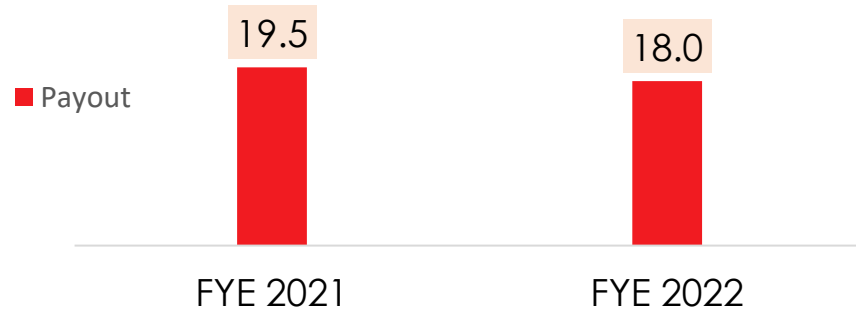
### Balance Sheet Highlights (RM'mil)



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

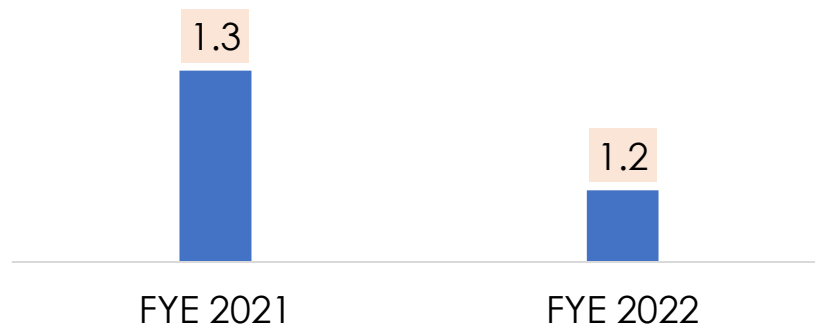
**Dividend Payout**

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, allocated RM30 million for purchase of Central Distribution Centre logistics hub...***

<b>Purposes</b>	<b>Planned (RM 'mil)</b>	<b>Actual (RM 'mil)</b>	<b>Re-allocation (RM 'mil)</b>	<b>Balance (RM 'mil)</b>	<b>Estimated time frame</b>
Enhance customer experience via upgrading and expanding our chain of retail stores	160.5	(49.6)	(30.0)	80.9	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"> <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	(4.9)	-	4.8	Within 36 months of listing
Listing Expenses	9.3	(9.2)	(0.1)	-	Within 3 months of listing
Acquisition of warehouse	-	(10.6)	30.0	19.4	Within 3 months of listing
<b>Total</b>	<b>267.5</b>	<b>(162.5)</b>	<b>-</b>	<b>105.0</b>	

# SENHENG

THANK YOU

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## INVESTOR RELATIONS CONTACT

Tay Tze Yi | IR Consultant



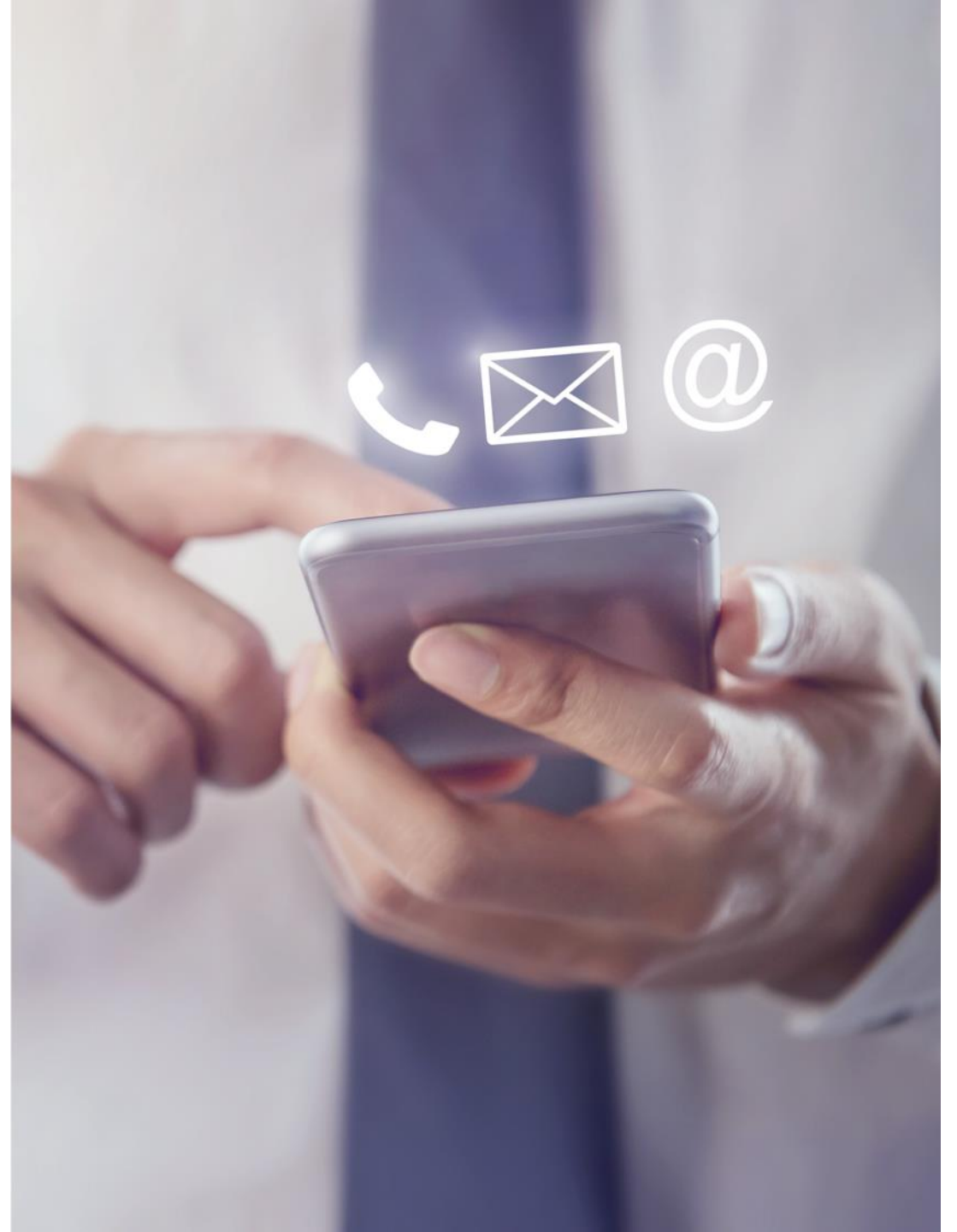
MAIL

[tayty@aquilas.com.my](mailto:tayty@aquilas.com.my)



MOBILE PHONE

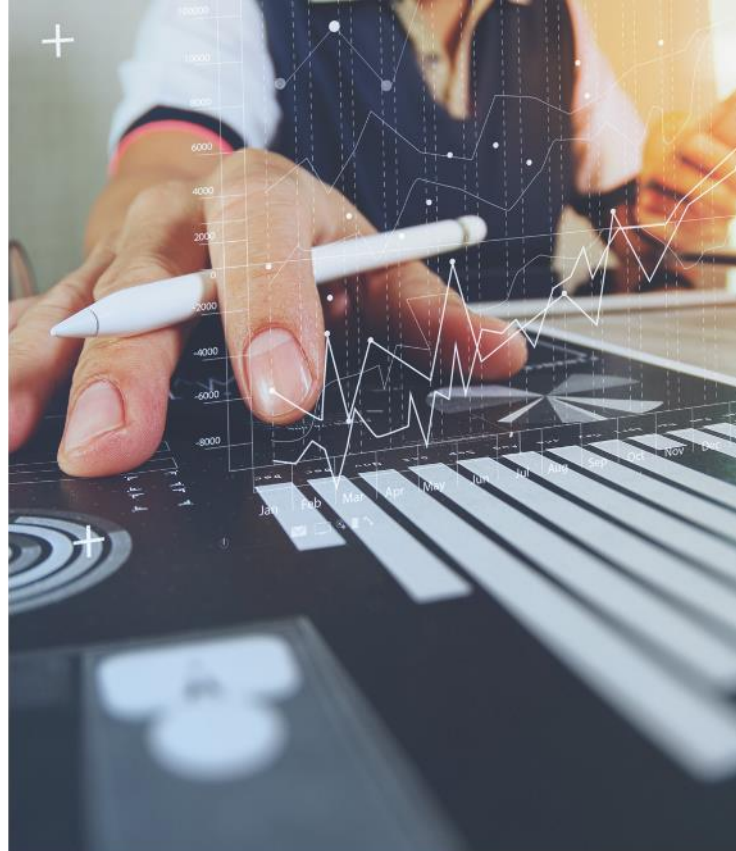
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**SENHENG**

INVESTMENT MERITS

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**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 (@ 12 Dec 2023)	RM0.330
Market Cap ('mil) (@ 12 Dec 2023)	RM495.0
PE (ttm)	12.7
Price to Book* (x)	0.9

Valuations based on 1.5 billion shares

**Price Movement since IPO**

