

SENHENG

SENHENG NEW RETAIL BERHAD

4Q2023

CORPORATE PRESENTATION

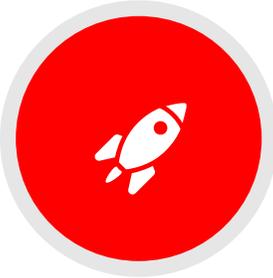


IR Adviser:



SENHENG

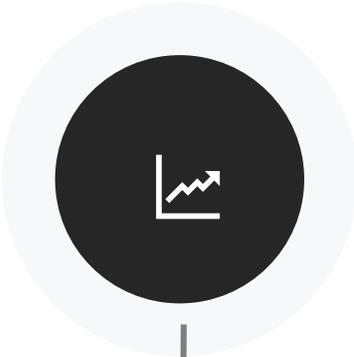
PRESENTATION OUTLINE



Executive Summary



Operations



Financials



Investment Merits



Appendix

SENHENG

EXECUTIVE SUMMARY



BUY ONLINE
WE SERVE YOU LIKE OFFLINE

4Q23 performance moderated as weak consumer sentiment impact sales...

4Q23

Revenue
RM358.6 mil -19.1%

Gross Profit
RM71.8 mil -23.2%

Net Profit
RM7.6 mil -64.0%

- Revenue moderated due to weaker consumer sentiment
- Gross profit declined in tandem with revenue and product mix changes
- 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



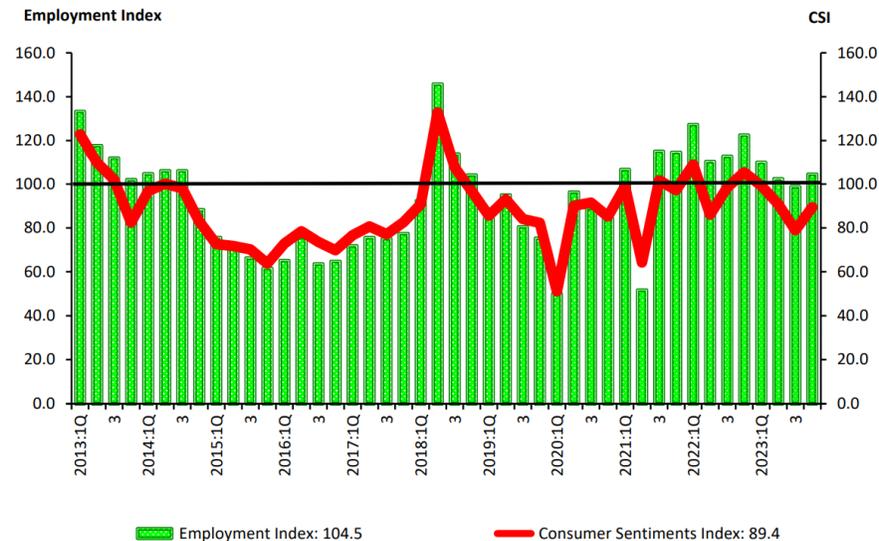
The Malaysian Institute of Economic Research said its Business Conditions Index, which has been on a general downtrend since the fourth quarter of 2021, dropped further to 79.7 points in 3Q23.



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
- Pessimism towards income growth and inflation

Transforming omnichannel retail experiences for unparalleled customer loyalty... establishing as a brand marketing powerhouse with integration of new social media



New User Acquisition



E-Commerce



Online-Merge-Offline (OMO)



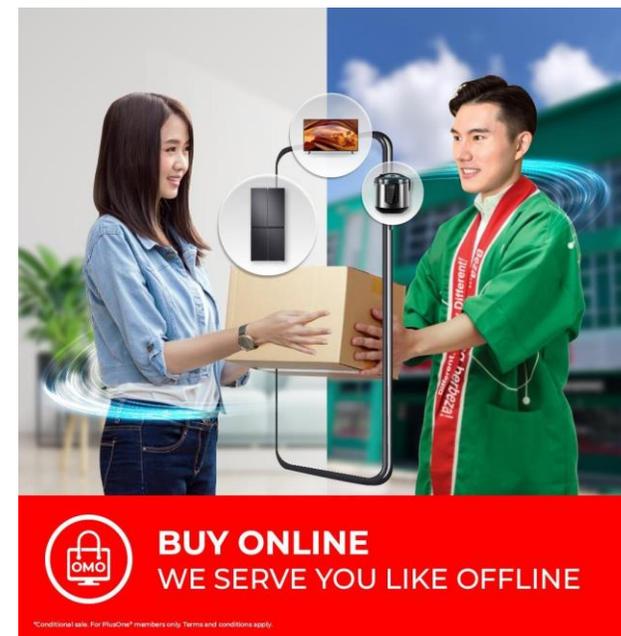
Territory Champion



Brand Marketing



Brand Distribution



SENHENG

OPERATIONS

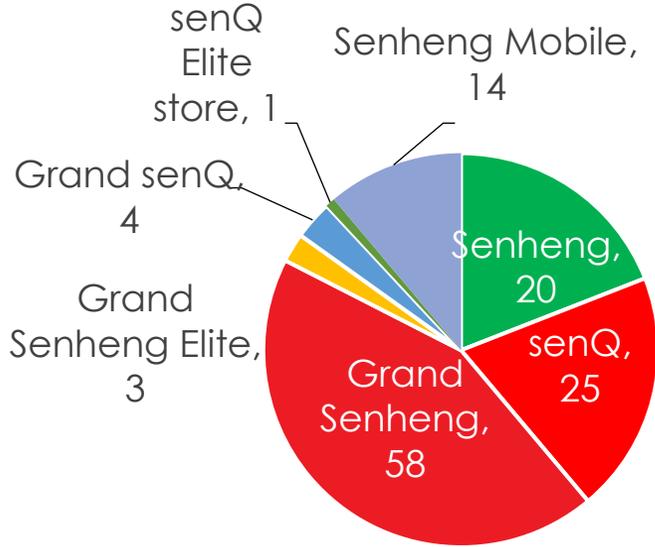


Territory Champion expansion strategy extended till 2026 due to market conditions... continuing to upgrade and enhance nationwide store network

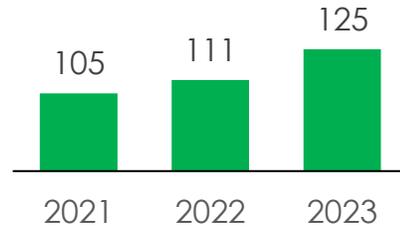


Territory Champion

125 stores



Total Stores



Year/Store Change	No. of Stores
2021	105
New	+ 25 [^]
Upgraded	↔ 16
Closed	(5)
2023	125

[^] includes 14 new Senheng Mobile stores



Grand Senheng
in Bakri Muar, Johor
(Oct 2023)



Grand Senheng
in Benoni, Sabah
(Nov 2023)

**5-Year
Plan**

To open **61** new and/or upgraded **Territory Champion stores** by 2026

Established market leader in Malaysia with over 100 stores across major cities...

4Q23 Store Launches

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

1Q24 Store Launches

- 1 Grand Senheng**
 - Solaris Tuaran, Sabah
- 1 Senheng Mobile**
 - Taman Flora Utama, Johor

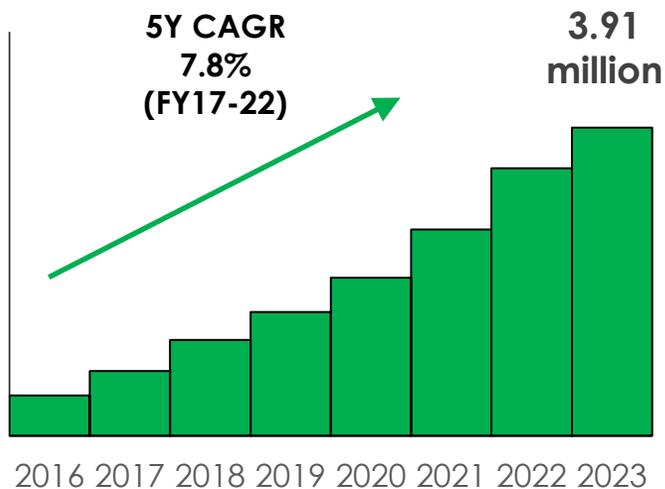


Paying PlusOne Loyalty members continue to rise... highlighting strong customer loyalty and appreciation for superior experience, value, and convenience of Senheng ecosystem

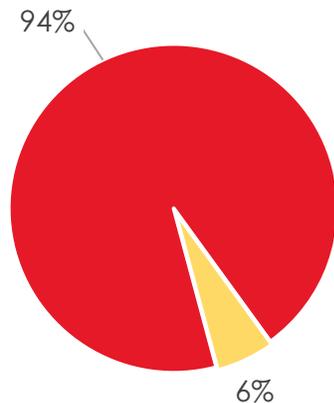
• PlusOne Loyalty Membership

- Recruited 271k new members in FY23 (FYE 2022: 333k)
- PlusOne paid members contributed approx. 94.2% of Group revenue in FY23 (FYE 2022: **95%**)

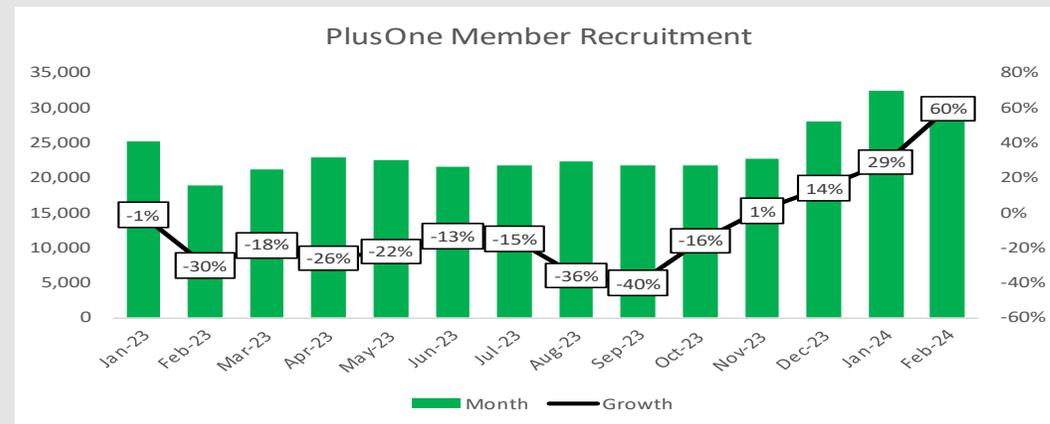
Number of Registered PlusOne Members



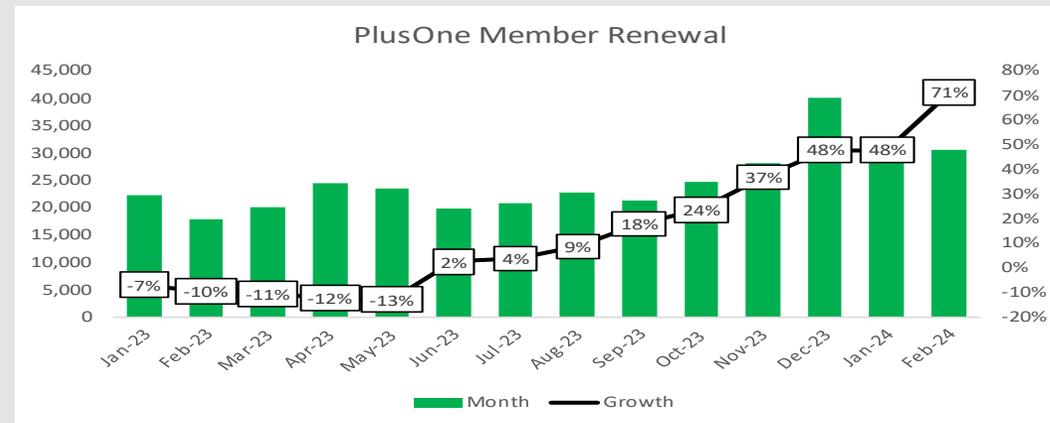
FY23 revenue contributed by PlusOne paid members



PlusOne New Member Registrations



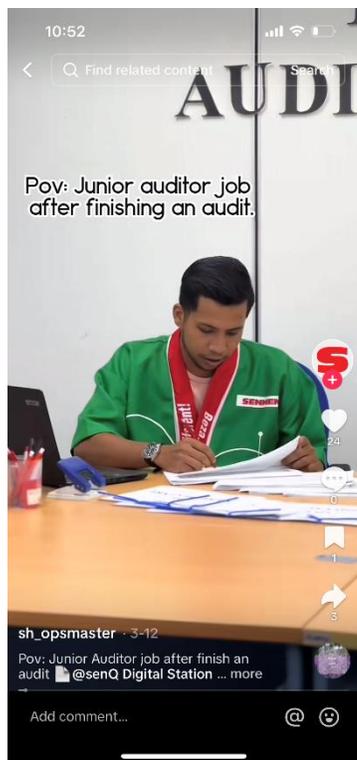
PlusOne Membership Renewals



Capturing new user bases by expanding campaigns across latest social media platforms... leveraging employee and customer-generated content to become content powerhouse



New User Acquisition

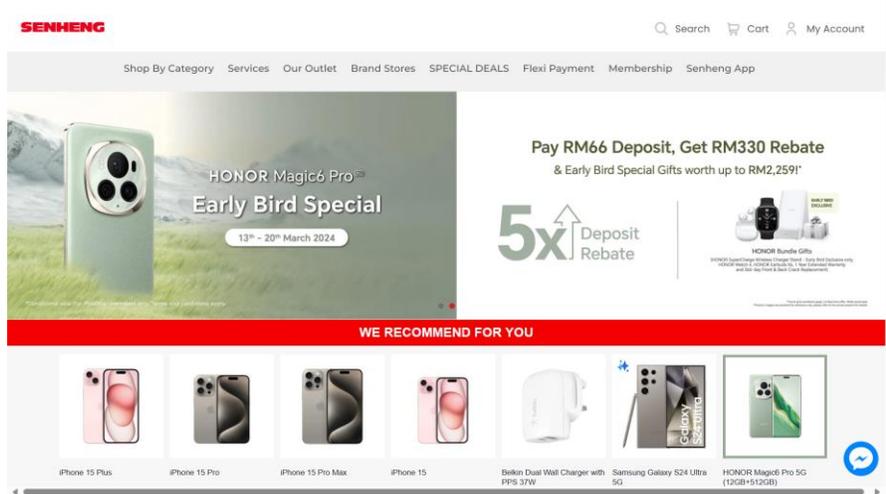


Improved online shopping experiences for customers... also integrating AI solutions for improved ad targeting and creative creation for efficiency and sales optimization

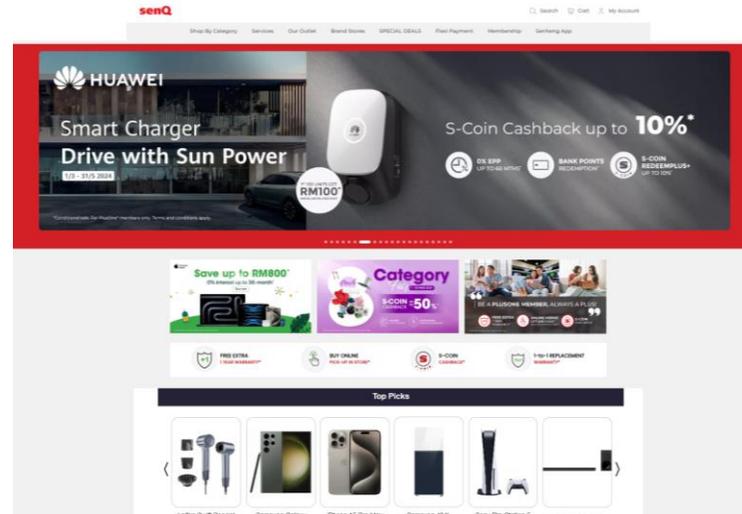


E-Commerce

Senheng store



senQ store



Lifestyle App



- Seamless Experience
- Automated Retargeting
- Improved User Interface
- AI driven advertisements

Increased digital campaigns and promotions to reach wider audiences...

Brand Fair & Category Fair

senQ

S-COIN CASHBACK UP TO **50%***

BRAND FAIR
1 Nov - 31 Dec 2023

GIVEAWAY
Total of **RM150,000***
KFC e-Vouchers to be given away
*RM50 for each AEON Credit Easy Payment customer

SWIPE & WIN
Samsung Galaxy Tab A9+
x10 units
Exclusive for Maybank Customers

Strategic Partner: SONY SHARP KHIND senQ AEON CREDIT SERVICE Maybank

senQ

CATEGORY FAIR

GET
VOUCHERS UP TO RM1,144*

Strategic Partner: Maybank AEON CREDIT SERVICE

34th Anniversary Giveaways

SENHENG
34th
Anniversary
since 1989

SHOP & GET VOUCHERS
with min spend of RM1,500 in a single receipt
1 Sep - 31 Oct 2023

RM34^{*} Christmas Voucher
RM34^{*} Chinese New Year Voucher
RM90^{*} Discount Voucher
RM90^{*} Discount Voucher
RM90^{*} Discount Voucher
RM180^{*} Discount Voucher
RM400^{*} Discount Voucher

Strategic Partner: Maybank AEON CREDIT SERVICE

SENHENG
34th
Anniversary
since 1989

x10 UNITS

SHOP & WIN
Dyson Pure Cool™ Air Purifier
AEON Credit Easy Payment Exclusive*

Strategic Partner: AEON AEON CREDIT SERVICE

BigOne Campaign (10.10, 11.11, 12.12)

senQ

12.12
2023
8-14 DEC
BigONE

UP TO 50%*
S-COIN CASHBACK

FREE EXTRA 1 YEAR WARRANTY*

IN-STORE PICK UP OPTION AT YOUR CONVENIENCE*

0% INSTALLMENT PLAN UP TO 36 MTHS*

*Conditional sale. For Product/Member only. Terms and conditions apply.

senQ

S-Coin Cashback UP TO 50%*

11.11 BigONE
7-13 NOV 2023

ONLINE EXCLUSIVE VOUCHER UP FOR GRAB*

0% INSTALLMENT PLAN UP TO 36 MTHS*

ONLINE MERGE OFFLINE (OMO) SEAMLESS EXPERIENCE*

*Conditional sale. For Product/Member only. Terms and conditions apply.

senQ

Swipe & Win

RISING TOGETHER

STEP 1 Purchase
Visit any senQ, Grand senQ, senQ Elite and swipecoin store

STEP 2 Swipe
Swipe with Maybank 0% EzyPay

STEP 3 Win
Stand a chance to be one of our 10 lucky winners!

1 Sep - 31 Oct 2023

Strategic Partner: Maybank

SENHENG
34th
Anniversary
since 1989

RM400^H Discount Voucher

Tesvor AI Robot Vacuum

Tesvor AI Robot Vacuum

Member Price : RM 1,099
Price After Discount Voucher : **RM 699**

Strategic Partner: Maybank AEON CREDIT SERVICE

Online shopping customers receive personalized service by 1,200 trained sales professionals nationwide... one-of-a-kind premium experience



ONLINE-MERGE OFFLINE



Online sales supported
by 1200 professional
salespeople nationwide

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



Brand Distribution

Introducing more international brands featuring smart home & IOT products

4Q23 Revenue
RM11.9 million
(+55.0% yoy)



Launched popular hairdryer brand through exciting events...



Distributing leading brands in EV charging and satellite-based internet...



Creating emotional and value-driven connection with customers via engaging brand stories... delivered via social media platforms



BRAND MARKETING

SENHENG

S-COIN Cashback*

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

senQ Digital Station
February 19 at 11:32 PM

From bustling cities to serene kampung roads, senQ bridges the distance. Even in the most unexpected places, we deliver the products you love, right to you. To us, every delivery is a promise kept.

Far & Wide
We deliver!
Nationwide Delivery.

SENHENG

FREE Extra One Year Warranty

senQ Digital Station
February 9

Celebrate the paling OOMPH CNY with the best Yee Sang!

Yee Sang always left unfinished? Too many fruits during CNY, don't know how to "sittle"? Let's reduce food waste together and DIY your own Fruit YeeSang! It's vegan friendly and tasty!

Dealin... See more

SAY NO to Food Waste!
Ingredients: Pok Dui, Grape, Doriako, Pineapple, Strawberry, Purple Cabbage, Mandarin Orange.
Dressing: Passion Fruit, Honey.

SAY NO to e-Waste!
How? Dispose of electronic appliances in any condition at senQ! (Earn up to 8,000 S-Coin)

SENHENG | senQ

Don't let it say "Bye-bye!"
REDEEM YOUR S-COIN NOW!

SENHENG | senQ

Attention! S-Coin Left Over!
REDEEM NOW & SAVE!

SENHENG Malaysia
24

Flexibility meets affordability at Senheng!
Choose from our multi-payment schemes to make your purchase easy and manageable.
#SenhengMY

SENHENG

Everyone can own!

Affordable scheme*

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

SENHENG Malaysia
30

Glam-Nya Raya!

This Hari Raya, let's make every moment unforgettable with new additions to your festive celebrations!

- Capture Beautiful Family Moments
- Whip up your favorite Kuih Raya effortlessly
- Blast your Raya playlist with crystal-clear sound quality
- Look and feel your best for friends and relatives

Celebrate with style and convenience this Raya. Shop now at Senheng!
#SenhengMY

Glam-Nya Raya!
Make your Raya better with New Things!

Capture Beautiful Moments
Perfect for Preparing Kuih Raya
Blast Your Hari Raya Playlist

Creating emotional and value-driven connection with customers via engaging brand stories... delivered via social media platforms

SENHENG Malaysia • 3d •
Gear up for a time-travelling experience with Senheng Malaysia! 🎉 Our "Time For Prosperity & Rewards" campaign unveils the journey of transformation – on how things change and how some remain. Join us in the evolution of convenience and prosperity, with the full video coming up soon!
Learn More: <https://www.senheng.com.my/>



0:09 / 0:10
SENHENG.COM.MY
Time For Prosperity & Rewards 🔥 Learn more

SENHENG Malaysia •
January 20 at 12:45 PM •
🎉 Dive into the River of Time with Senheng Malaysia! 🌊 Curious about our transformation? Stay tuned for a journey like no other, brought to you by Senheng as part of our "Time For Prosperity & Rewards" campaign. 📺
Learn More: <https://www.senheng.com.my/>
#SenhengMY



0:03 / 0:12
SENHENG.COM.MY
Time For Prosperity & Rewards! 🔥 Learn more



时光飞逝 你跟上了吗?
SENHENG Malaysia ❤️ 4



senQ Digital Station •
Published by Lee Jia Ern • 20 January at 12:43 •
🎉 Ready to Embrace the New with senQ Malaysia? 🌟 While some things change, our unwavering cultures and traditions remain. Get ready to welcome the upcoming year with us, courtesy of senQ and our "Time For Prosperity & Rewards" campaign! 📺
Learn More: <https://www.senq.com.my/>



SENQ.COM.MY
Time For Prosperity & Rewards! 🔥 Learn more

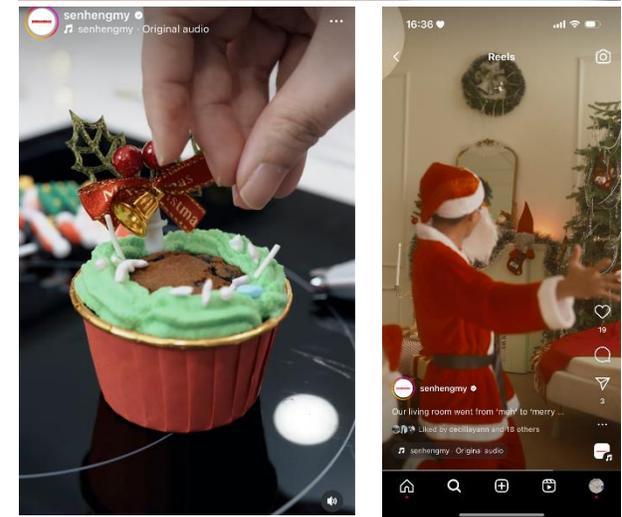
senQ Digital Station •
Published by Lee Jia Ern • 26 January at 14:45 •
From vintage vibes to futuristic feels, brought to you by senQ Malaysia! 🌟 Catch a glimpse of our "Time For Prosperity & Rewards" campaign video as we showcase the enchanting shift from old-school appliances to sleek, modern marvels. Stay tuned for the full video, coming soon!
Learn More: <https://www.senq.com.my/>



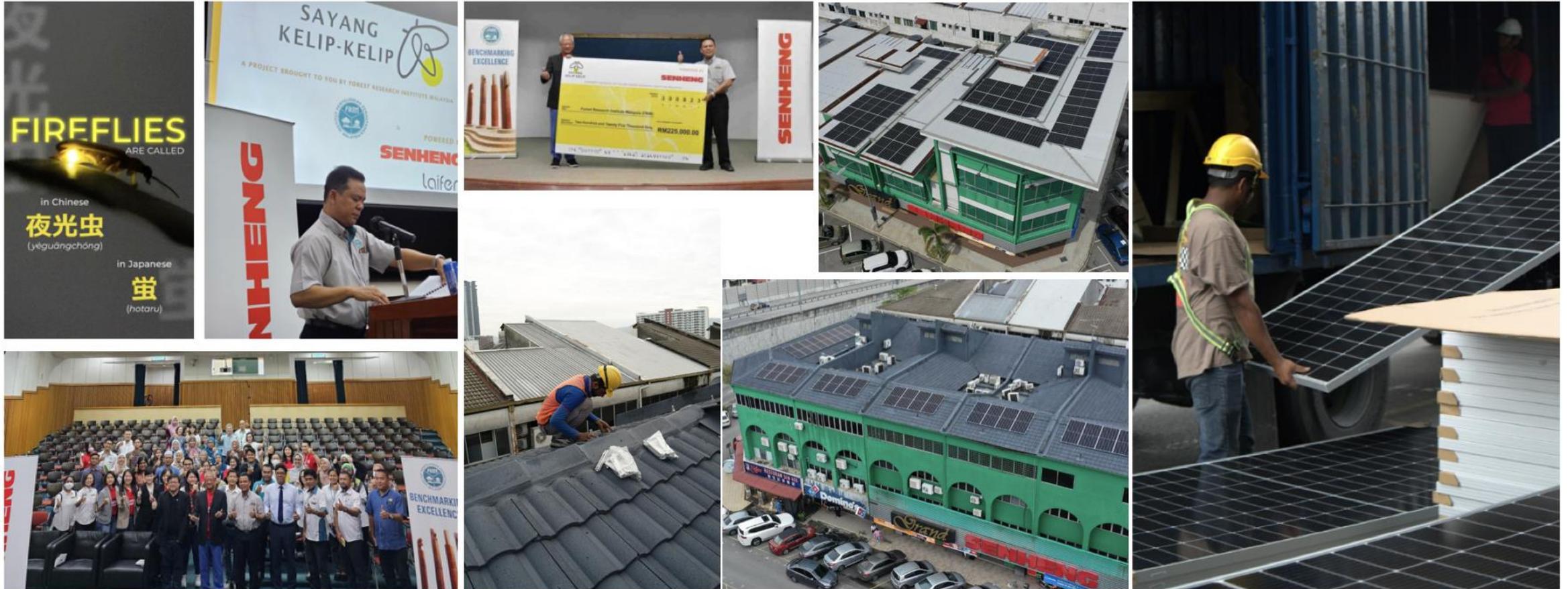
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Time For Prosperity & Rewards 🔥 Learn more



新而怀旧, 老电器成为了时光的见证? !
senQ Digital Station ❤️ 4



Investing in environmental sustainability and community digital penetration... solar installations and ecology conservation



Building next generation of leaders...

Inspiring Innovation: TAR UMT Students at Senheng! We welcomed Computer Science & Software Engineering students from TAR UMT, showcasing Senheng's entrepreneurial journey.

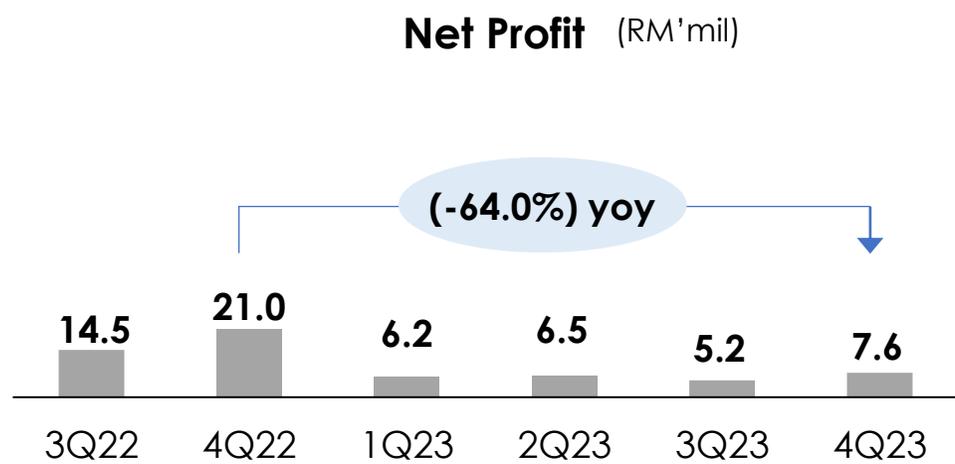
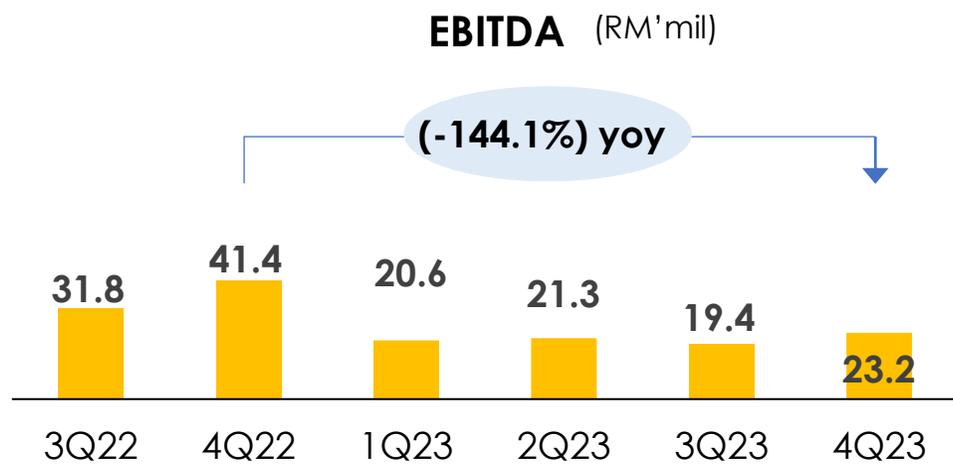
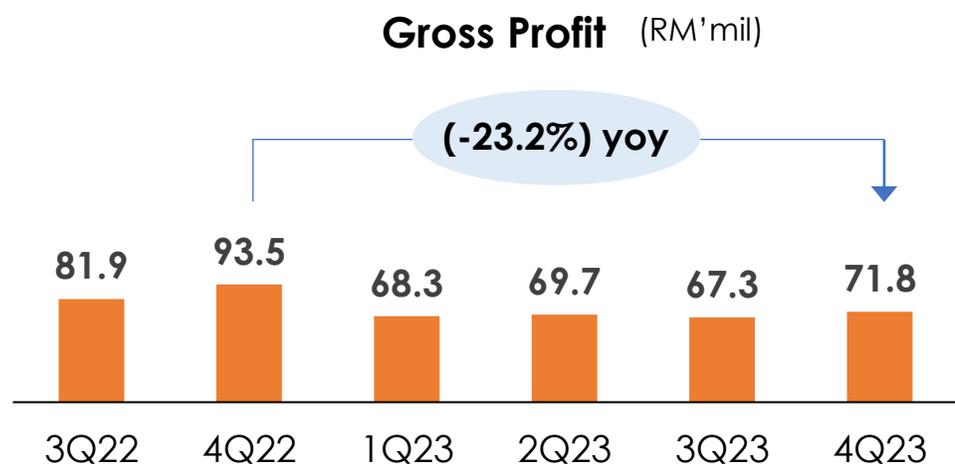
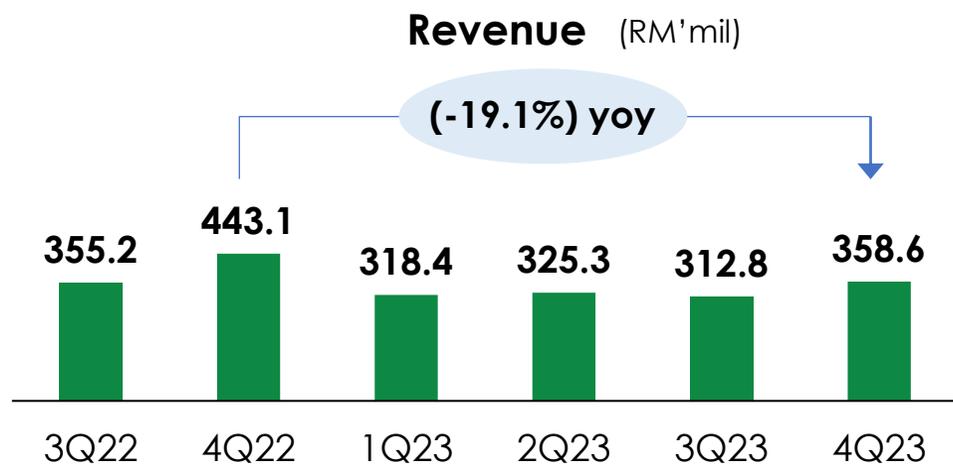


SENHENG

FINANCIALS

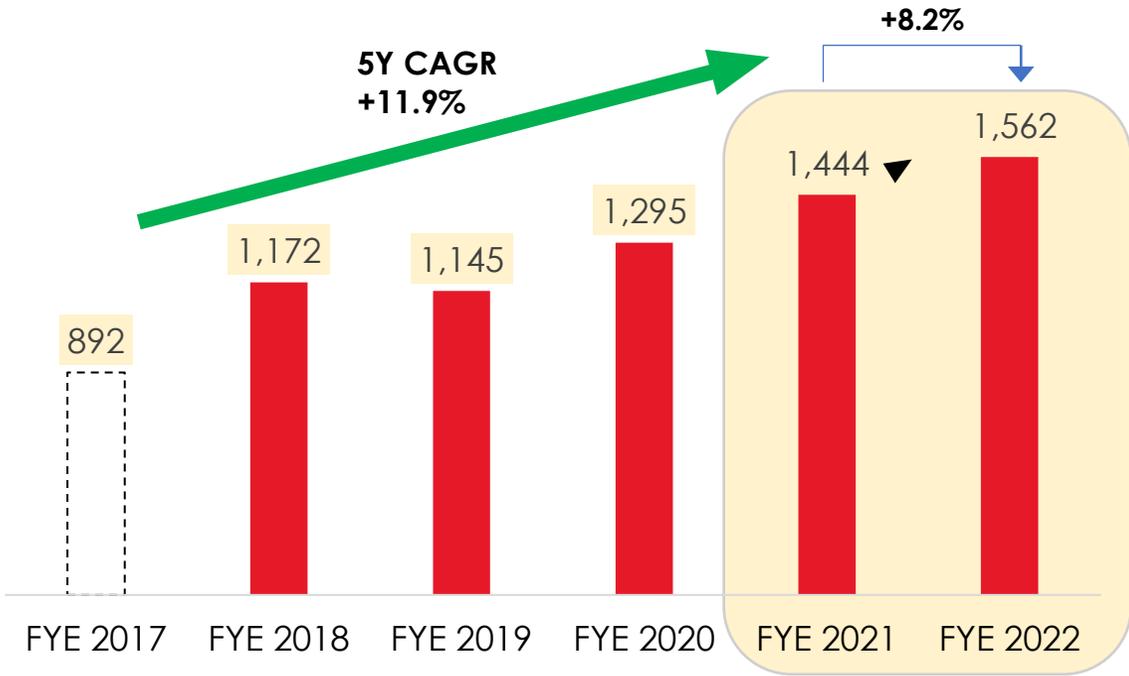


4Q23 performance reflects impact of lower sales...



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

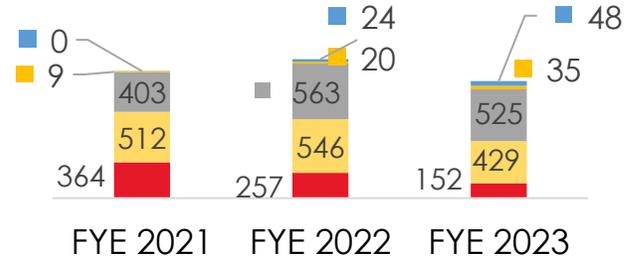
Revenue by Retail Channel (RM'mil)



Online Stores Contribution to Group Revenue



Revenue by Physical Store (RM'mil)

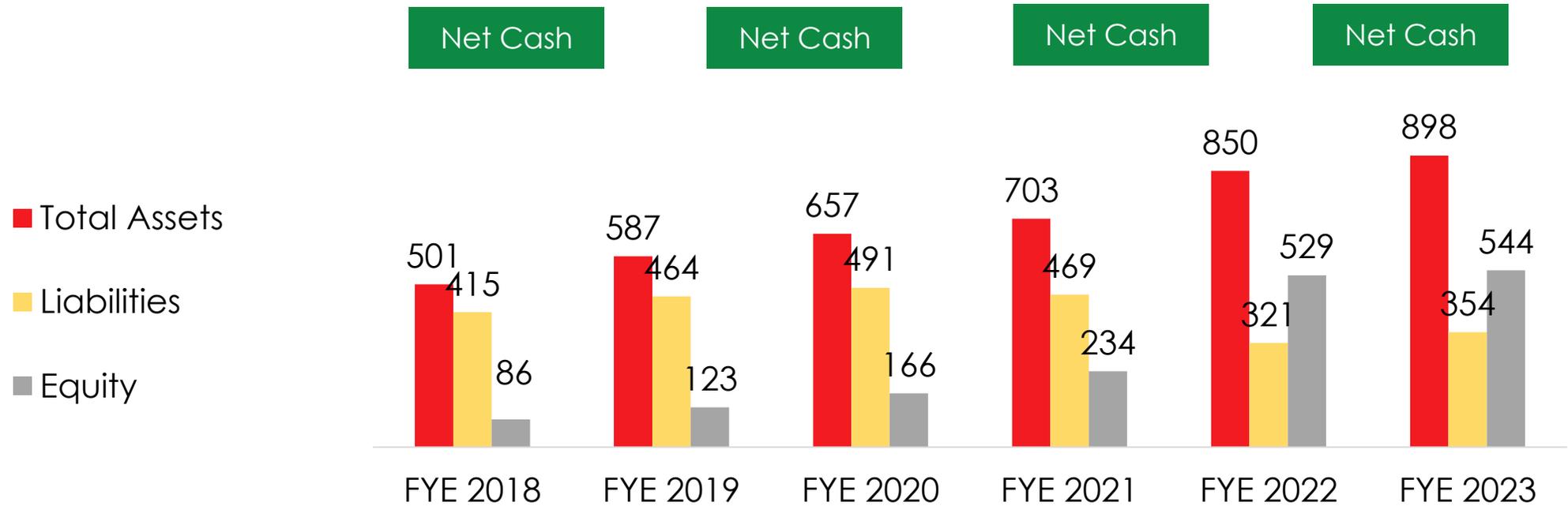


Same Store Sales Growth



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***

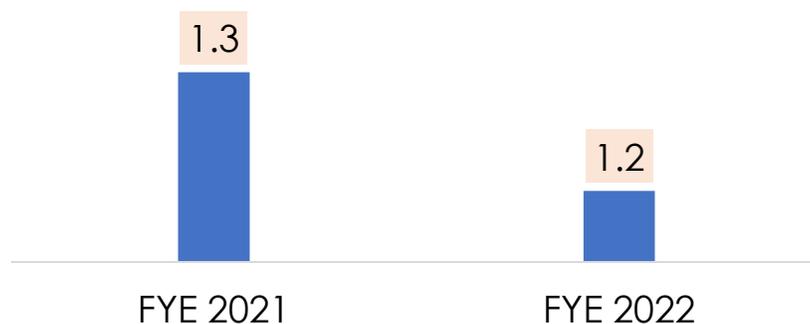
Dividend Payout

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	(59.3)	(30.0)	71.2	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	(6.4)	-	3.3	Within 36 months of listing
Listing Expenses	9.3	(9.2)	(0.1)	-	Within 3 months of listing
Acquisition of warehouse	-	(30.0)	30.0	-	Within 3 months of listing
Total	267.5	(193.0)	-	74.5	

SENHENG

THANK YOU

INVESTOR RELATIONS CONTACT

Tay Tze Yi | IR Consultant



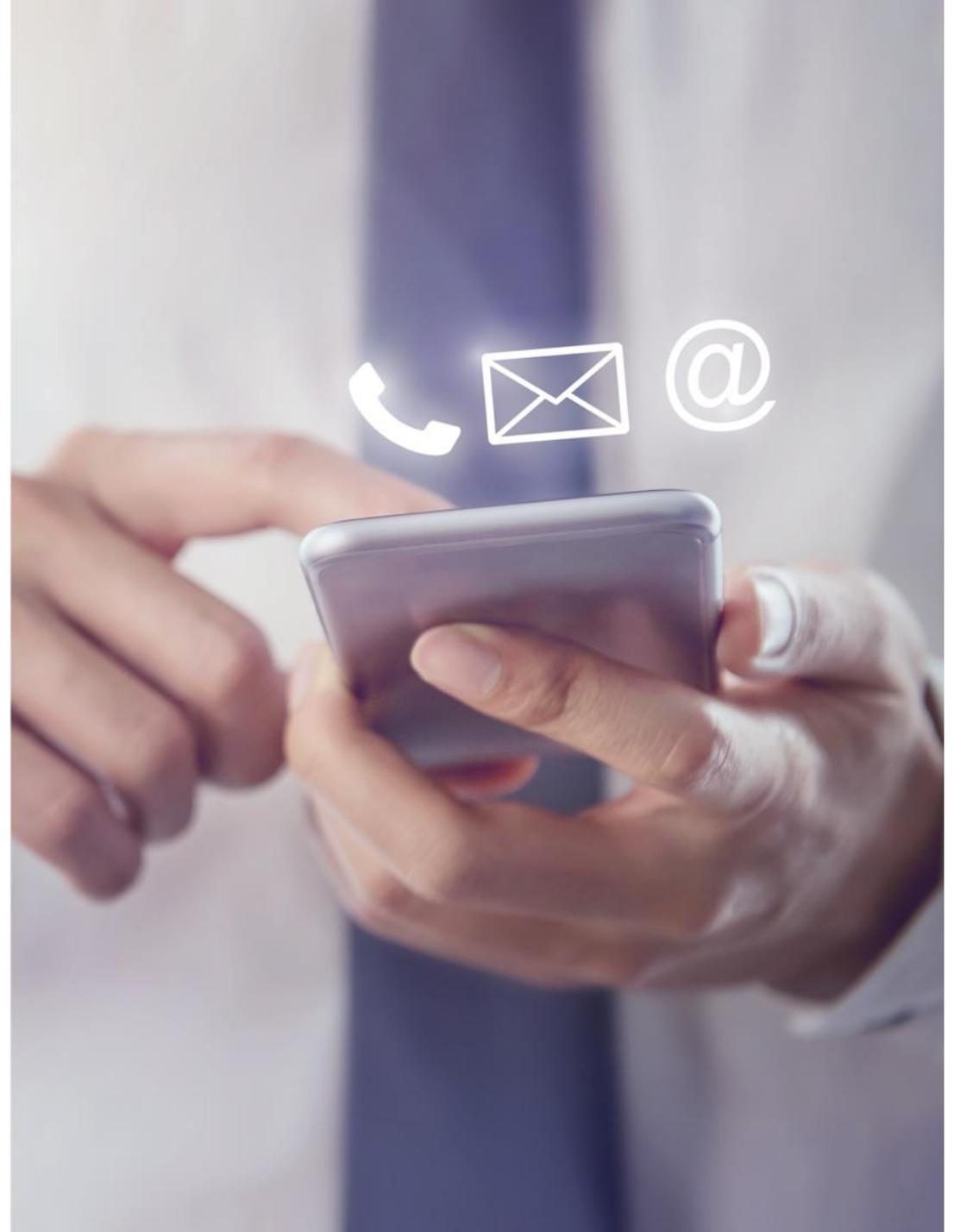
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tayty@aquilas.com.my



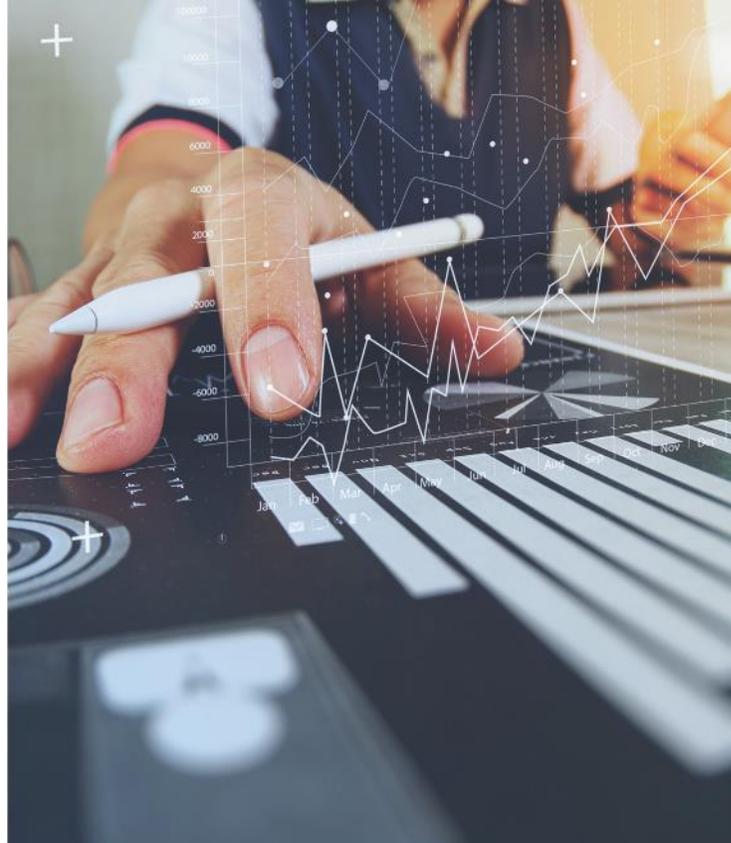
MOBILE PHONE

+6016-3380 555



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 (@ 2 Apr 2024)	RM0.315
Market Cap ('mil)	RM472.5
PE (ttm)	18.6
Price to Book* (x)	0.9

Valuations based on 1.5 billion shares

Price Movement since IPO

