

PRESS RELEASE

Senheng registers strong online sales growth in 1H24

- *Enhanced digital marketing strategies help grow online customer base, mitigating retail sector challenges*
- *Online sales contribution rises to 10% of group revenue in 1H24 compared to 5.5% in 1H23*

Kuala Lumpur, Malaysia, 29 August 2024 - Senheng New Retail Berhad (Senheng or the Group; Bloomberg: SENHENG MK; 新兴集团) demonstrated robust online sales performance in the first half ended 30 June 2024 (1H24) with 76% year-on-year growth, which helped mitigate a challenging retail environment due to weaker consumer sentiment.

For the six-month period ended 30 June 2024 (1H24), the Group recorded RM629.6 million in revenue, compared to RM643.7 million in the previous year. 1H24 group net profit stood at RM9.9 million, down from RM12.8 million in the same period last year. While the first half results reflect weaker consumer sentiment, the outstanding performance of online sales, now contributing 10% of group revenue compared to 5.5% in the same period last year, underscores the resilience of Senheng's business model and the effectiveness of its strategic initiatives.

The improved online sales performance, despite the challenging market landscape, attributed to enhanced e-commerce platforms and increased digital marketing programs, including collaborations with major brands and suppliers, targeted social media initiatives, and innovative livestreaming events, significantly boosting online traffic and customer engagement.

“The significant growth in our online sales in 1H24 demonstrates the effectiveness of our omnichannel retail strategy and its attractiveness to consumers. We continue to focus on delivering the best customer satisfaction, offering consumers a seamless shopping experience both online and at our physical retail stores.

Our comprehensive digital marketing efforts include innovative initiatives like livestreaming to engage customers in new and exciting ways, leading to growth in new member registrations and our customer base. This also helps us navigate the current environment of weaker consumer sentiment while reinforcing our market leadership position.”

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

The ongoing weakness in consumer sentiment, leading to lower sales, resulted in a decrease in group revenue of 5.4% to RM307.6 million in 2Q24, from RM325.3 million in the previous quarter, while net profit declined to RM3.6 million in 2Q24 from RM6.5 million previously.

As part of its growth strategy, the Group is enhancing its digital ecosystem, including strengthening its online presence, e-commerce platforms, and social media engagements. These efforts are part of its Online-Merge-Offline (OMO) retail strategy, designed to deliver seamless and personalised consumer experiences that drive customer acquisition and loyalty.

In addition, Senheng is committed to expanding its physical retail store footprint, with a revised timeline extending to 2026 for balanced cost allocation and expansion.

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.

Issued for and on behalf of SENHENG NEW RETAIL BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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