

SENHENG NEW RETAIL BERHAD (5305)

SENHENG

MAIN MARKET | 25 JANUARY 2022

IPO STATISTICS

IPO Price (RM)	1.07
Fund Raised (RM million)	267.5 from new issue 149.3 from offer for sale Total: 416.8
Enlarged issued share capital upon listing (million shares)	1,500.0
IPO Market Capitalisation (RM million)	1,605.0
Price Earnings Ratio	28.8x

Use of Proceed (RM267.5 million from new issue)

- Enhance customer experience via upgrading and expanding chain of retail stores (60.0%)
- Repayment of bank borrowings (17.2%)
- Develop new brand distribution business (8.22%)
- Expand and upgrade warehouse and logistics network (7.48%)
- Boost digital infrastructure (3.63%)
- Estimated listing expenses (3.47%)

BUSINESS OVERVIEW

Business Activities

Senheng is the largest consumer electrical and electronic chain retailer in Malaysia. The Group retails consumer electrical and electronic products through a chain of 105 physical stores which are located throughout Malaysia and online platforms.

Senheng stores carry about 10,000 SKUs from over 280 different brands. The Group operate under four store concepts namely, "Grand Senheng Elite", "Grand Senheng", "Senheng" and "senQ" and intends to introduce a new concept under "Grand senQ".

Senheng has own loyalty program known as PlusOne, which has 3.24 million registered members, of which 2.94 million have signed up for a paid membership tier and the sales generated by PlusOne members contributed over 90% of annual revenue.

Competitive Strength

- Largest chain retailer of consumer electrical and electronic products in Malaysia.
- Seamless retail model enables offering of a wide range of products.
- Strong PlusOne loyalty program with a large base of customers
- Experienced founders-led management team and a motivated workforce.
- Centralised logistics model and established logistics network enable efficient cost management.
- Established relationship with major suppliers.
- Digital infrastructure optimizes data driven marketing, operational workflow and enhances customer's shopping experience.

Mode of Marketing and Sales

- Telemarketing
- Marketing campaigns
- PlusOne loyalty programme
- Digital and print advertising
- Livestream marketing

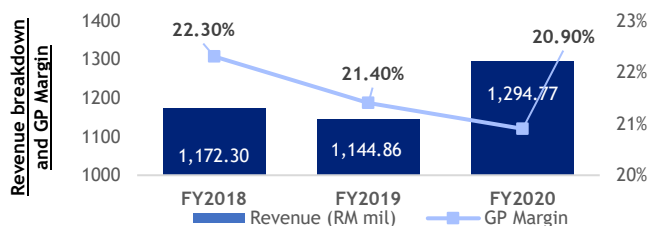
Industry Prospect

- As set out in the Independent Market Research report:
- E&E retail sales in Malaysia grew from RM50.45 billion in 2018 to RM54.56 billion in 2020, at a compound annual growth rate of 3.99%.
 - YTD Sept 2021, E&E retail sales was recorded at RM43.76 billion, whereby the average monthly sales during the 9M period of RM4.86 billion improved by 6.81% from average monthly sales in 2020 of RM4.55 billion.

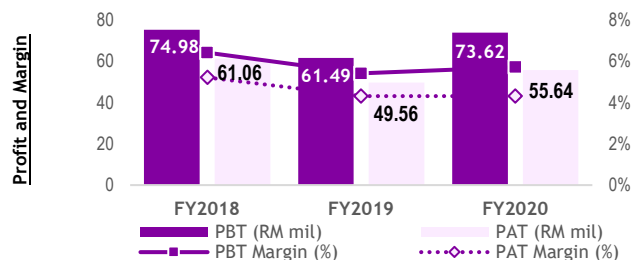
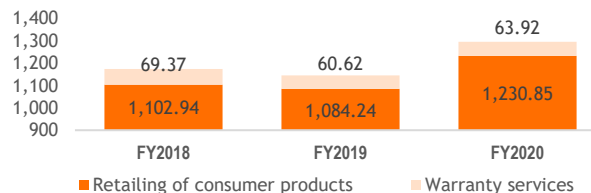
GROWTH STRATEGIES AND FUTURE PLANS

- Enhance customer's shopping experience and strengthen market presence by upgrading chain of physical stores.
- Expand product portfolio through development of new brand distribution business which includes international brands and own house brand.
- Increase warehouse storage space and strengthen logistics network in East Malaysia.
- Boost digital infrastructure
- Enhance PlusOne loyalty programme

FINANCIAL PERFORMANCE & PEER ANALYSIS



Revenue Segmentation



Peer Analysis

No known public listed companies as comparable peer

PROMOTERS & SUBSTANTIAL SHAREHOLDERS

Promoter/ Substantial Shareholder	Designation	Shareholding after IPO	
		Direct	Indirect
SQ Digital Sdn Bhd	Investment holding	57.97%	
Lim Kim Heng	Promoter and Non-Independent Executive Chairman	5.35%	58.01%
Lim Kim Chieng	Promoter and President/Non-Independent Executive Director	5.35%	58.01%
Lim Kim Yew	Promoter and Non-Independent Non-Executive Director	5.35%	57.97%

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