



# 2022 Half-Year

# Results Presentation

29 July 2022

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- 1. Key Highlights**
2. Financial Results
3. Business Updates
4. Business Outlook

# External Factors Continued to Impact Performance

- Total sales increased 1%
- Strong Health and Beauty recovery across all markets
- Positive underlying Grocery profit performance
- IKEA earnings growth despite COVID and supply chain challenges
- Convenience performance adversely affected by government lockdowns
- Significant adverse impact on Group profits from Associates
- Business transformation programmes proving essential
- Investments into digital transformation building competitive advantage

# Agenda

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# Sales and Underlying Profit

(US\$' m)	2022 H1	2021 H1	%Δ
Total Sales			
Including Associates & JVs	<b>14,028</b>	13,950	<b>+1</b>
Subsidiaries	<b>4,483</b>	4,537	<b>-1</b>
Subsidiaries Underlying Operating Profit	<b>76</b>	155	<b>-51</b>
Share of Associates & JVs' Underlying Profit	<b>(60)</b>	(44)	<b>-37</b>
Underlying Profit Attributable to Shareholders	<b>(52)</b>	32	<b>n.m.</b>
Net Non-Trading Items	<b>(6)</b>	(15)	<b>+61</b>
Reported Profit Attributable to Shareholders	<b>(58)</b>	17	<b>n.m.</b>
EPS (US¢)	<b>(3.81)</b>	2.38	<b>n.m.</b>
Total Dividend Per Share (US¢)	<b>1.0</b>	3.0	<b>-67</b>

# Sales Summary

(US\$' m)	2022 H1	2021 H1	%Δ
Food	3,089	3,265	-5
Grocery Retail	2,005	2,191	-8
Convenience Stores	1,084	1,074	+1
Health and Beauty	985	887	+11
IKEA	410	385	+6
<u>Key Associates*</u>			
Maxim's	1,000	1,005	-1
Yonghui	6,920	6,787	+2
RRHI	1,600	1,596	+0

\*Includes 100% of Maxim's, Yonghui (6 months ending 31 March) and RRHI's (6 months ending 31 March) half year sales revenue.

# Subsidiaries Operating Profit

(US\$' m)

	2022 H1	2021 H1	\$Δ	%Δ
Food	47	104	-56	-54
Grocery Retail	47	85	-38	-44
Convenience Stores	(0)	19	-19	n.m.
Health and Beauty	39	21	+19	+91
IKEA	15	12	+4	+32
SG&A	(65)	(31)	-34	n.m.
IFRS16 Adjustment – PBIT	39	50	-11	-22
Operating Profit (after IFRS16)	76	155	-78	-51



# Solid Cash Flow

(US\$' m)

	2022 H1	2021 H1
<b>EBITDAR</b>	<b>514</b>	<b>594</b>
Principal Elements of Lease Payments	(332)	(331)
Interest Elements of Lease Payments	(42)	(47)
ΔWorking Capital	(32)	(19)
Net Financing Costs	(14)	(12)
Dividends Received	11	24
Other Operating Cash Flow	(29)	(112)
<b>Operating Cash Flow</b>	<b>76</b>	<b>97</b>
Normal Capex	(124)	(105)
<b>Free Cash Flow</b>	<b>(48)</b>	<b>(8)</b>
Investments	(11)	36
Dividends Paid	(88)	(156)
Others	(4)	9
<b>Net Cash Flow</b>	<b>(151)</b>	<b>(119)</b>
<b>Net Cash / (Debt)</b>	<b>(995)</b>	<b>(935)</b>

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# Transformation Plan Strengthened Fundamentals

## Strategic Priorities



## Improvement Programmes



惠康 **wellcome**

**MARKET PLACE**



- Good LFL sales growth
- Strong in-store execution in face of significant operational challenges
- Positive customer endorsement on key service metrics
- Market share strength maintained
- New format Wellcome Fresh stores performing well
- c.200 store upgrades planned in 2022
- IT systems transformation initiated
- Ongoing growth in Own Brand volume penetration



- Annualisation of movement restrictions impacted LFL growth
- Significant operating expense inflation impacting profitability
- Aggressive upgrade at Cold Storage continues
- Price investment campaigns improving value perception
- New store opening programme now in place
- Small format expansion in Malaysia and Cambodia
- Strong growth in Own Brand volume penetration

# Significant Performance Improvement Year-on-Year

**mannings**

**DF**  
RETAIL GROUP

- Strong price position driving Hong Kong sales growth
- Market share gains achieved, particularly in health care
- Effective operational recovery following panic buy spikes
- Proactive management of supply chain constraints
- Double-digit Own Brand sales growth
- Overall profitability still severely compromised by border restrictions

# Strong Guardian Performance across Southeast Asia

guardian

DF  
RETAIL GROUP

- Easing of restrictions supporting business recovery
- Double-digit LFL growth across all key markets
- Surging demand for COVID related items supporting sales
- Profit more than doubled
- Continued expansion of store network
- c.200 Own Brand SKUs launched with No.1 position across key categories
- E-commerce capability in place across each market

supports  
**Mindset**  
is the Jardine Matheson Group's philanthropic initiative and registered charity, designed to make a difference in the area of mental health.

# 7-Eleven Adversely Impacted by Lockdown Restrictions

- H1 performance significantly impacted by COVID restrictions in North Asia
- 50% Hong Kong stores forced to close or shorten trading hours in Q1
- c.300 stores in South China closed at peak in 2022
- Second quarter recovery post lockdowns
- Strong LFL recovery in Singapore
- Over 100 new stores opened, 75 of which in South China
- Supply chain upgrade to support RTE quality in Hong Kong
- Mini-market pilots initiated in Singapore



- Supply chain disruptions significantly impacting availability
- Overall stock availability c.80-85% vs. pre COVID >95%
- Government restrictions forced loss of 400+ trading hours during first half
- Profit growth due to strong cost control
- Double-digit e-commerce growth
- Now 40 touchpoints with c.4.3 million square feet trading space
- New upgraded Taiwan fulfillment centre expected to be operational in H2

# Digital Investments to Drive Long-Term Value



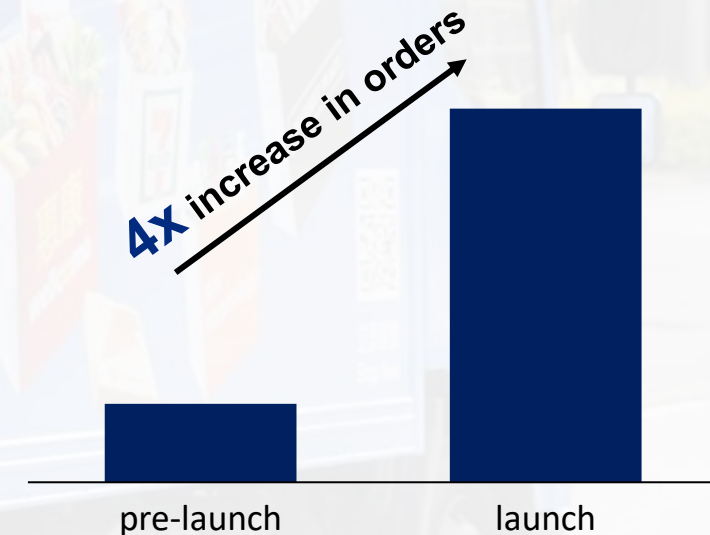
- Over 4 million *yuu* members
- Over 800k personalised offers
- *yuu* app now extended to include *yuu-to-me* functionality
- One-stop platform across multiple banners
- Across scheduled delivery and quick commerce
- Significant growth in users and orders
- Improving operating efficiency metrics
- CART multi-banner pilot in place in Southeast Asia

\*Includes Wellcome, Mannings and 7-Eleven HK orders through *yuu-to-me* platform

*yuu-to-me* launch



*yuu-to-me* daily orders\*



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- Uncertainty remains given COVID restrictions
- China border closure having most material impact
- 2022 profitability likely to be lower than 2021
- Supply chain challenges to continue
- Inflationary pressures on operating costs impact short-term profitability
- Management balancing short-time imperatives and long-term investments
- Investments in offline and online will continue
- Confidence in material profit improvement in medium-term



# Q&A session

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