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## **Agenda**



- 1. 2020 HY Results Highlights
- 2. Financial Results
- 3. Business Update
- 4. Outlook

## Transformation Strengthening Business Fundamentals



- Total sales (including associates and JVs) up 6%
- Subsidiaries deliver resilient profit despite COVID-19
- Business change and portfolio diversity underpin performance
- Strong sales and profit growth in Grocery Retail including Southeast Asia
- Strong performance in Home Furnishings
- Lockdown restrictions impacted H&B, 7-Eleven and Maxim's
- Strong profit growth for Yonghui and Robinson Retail\*
- Interim dividend US¢5.0 per share

<sup>\*</sup> For three months ended 31 March 2020

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# Sales and Underlying Profit



			5.8 10 2
(US\$' m)	1H20	1H19	%∆
Total Sales			*** \$9.9/3
Including Associates & JVs	14,547	13,781	+6
Subsidiaries	5,240	5,761	-9
Subsidiaries Underlying Profit to Shareholders	101	105	-4
Share of Underlying Results of Associates/JVs	4	72	-94
Underlying Profit Attributable to Shareholders	105	177	-40
Net Non-Trading Items	10	1	+629
Reported Profit Attributable to Shareholders	115	178	-35
Underlying EPS (US¢)	7.77	13.05	-40
Interim Dividend Per Share (US¢)	5.0	6.5	-23

## Sales Growth in Grocery and IKEA



			-	-
Sales (US\$' m)	1H20	1H19	%∆	
Food	3,812	3,758	+1	1
Grocery Retail	2,809	2,677	+5	
Convenience Stores	1,003	1,081	-7	
Health and Beauty	1,038	1,632	-36	
IKEA	389	371	+5	
Key Associates*				
Maxim's	873	1,230	-29	
Yonghui	6,699	5,472	+22	
RRHI	1,716	1,299	+32	

## **Subsidiaries Underlying Operating Profit**

IFRS16 [Separately Identified]



	Underlying Op. Profit			
(US\$' m)	1H20	1H19	\$Δ	%∆
Food	149	59	+90	+151
Grocery Retail	148	26	+122	+471
Convenience Stores	1	33	-33	-98
Health and Beauty	42	171	-128	-75
IKEA	25	19	+6	+31
SG&A	(47)	(68)	+20	+30
Subsidiaries Underlying Operating Profit pre-IFRS16	169	182	-13	-7
IFRS16 Adjustment – PBIT	42	53		
Subsidiaries Underlying Operating Profit post-IFRS16	211	234	-23	-10

## Cash Flow Impacted by COVID-19



(US\$' m)	1H20	1H19
Underlying EBITDAR	708	757
Principal Elements of Lease Payments	(387)	(399)
ΔWorking Capital	SH PR	(27)
Net Financing Costs  The fresh	nest fruits (74)	(84)
Dividends Received	<b>15</b>	24
Other Operating Cash Flow (Inc. Tax)	(71)	2
Operating Cash Flow after Lease Payments	76	273
Normal Capex	(134)	(156)
Free Cash Flow	(58)	117
Investments	(18)	1
Dividends Paid	(196)	(196)
FX and Others	2	2
Net Cash Flow	(270)	25 (76)
Net Cash / (Debt)	(1,091)	(820)

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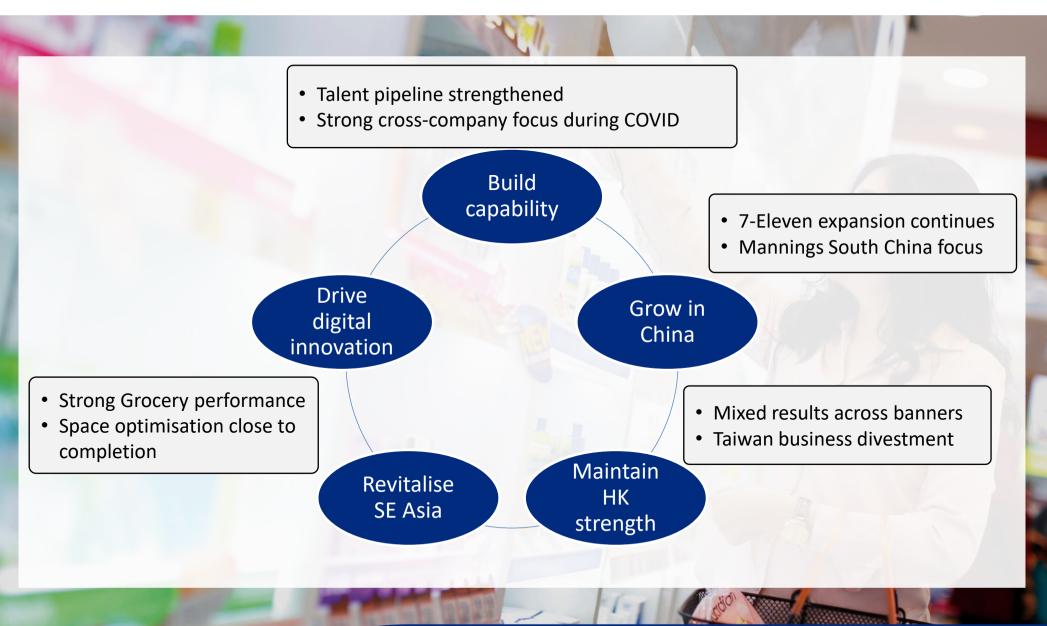
## Strategic Priorities and Improvement Programmes





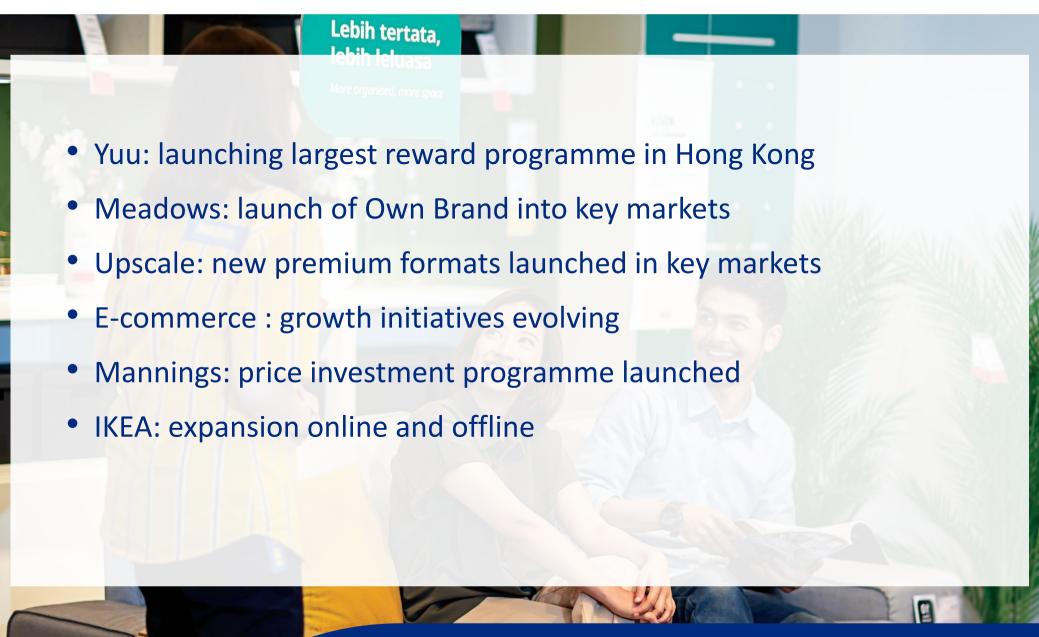
## **Strategic Priorities**





## **Customer Facing Transformation Plans Now Landing**





#### Yuu - Driving Digital Transformation



Most compelling affiliate programme across Hong Kong

and Club EVEL

More than 10 household brand names across 2,000+ locations

en oy

**Enjoy Card points multiplier benefit** 

Points based "earn and burn" common currency

**Unlocks powerful CRM personalisation capability** 

## Yuu - Driving Digital Transformation





#### Meadows – Leveraging Scale







# NO.1 Brand in Saltine

NO.1 Brand in Butter & Margarine

NO.1 Brand in Frozen Vegetables

NO.1 Brand in Nuts across 3 banners

700% increase in Potato Chips sales

#### **Giant Refresh**





## New Upscale Formats Landed with Encouraging Results





#### Mercato





#### **CS Fresh**





## Market Place Hong Kong Relaunch





## Mannings Price Reinvestment





#### **Customers Driving E-Commerce Sales Growth**





## **IKEA Update**





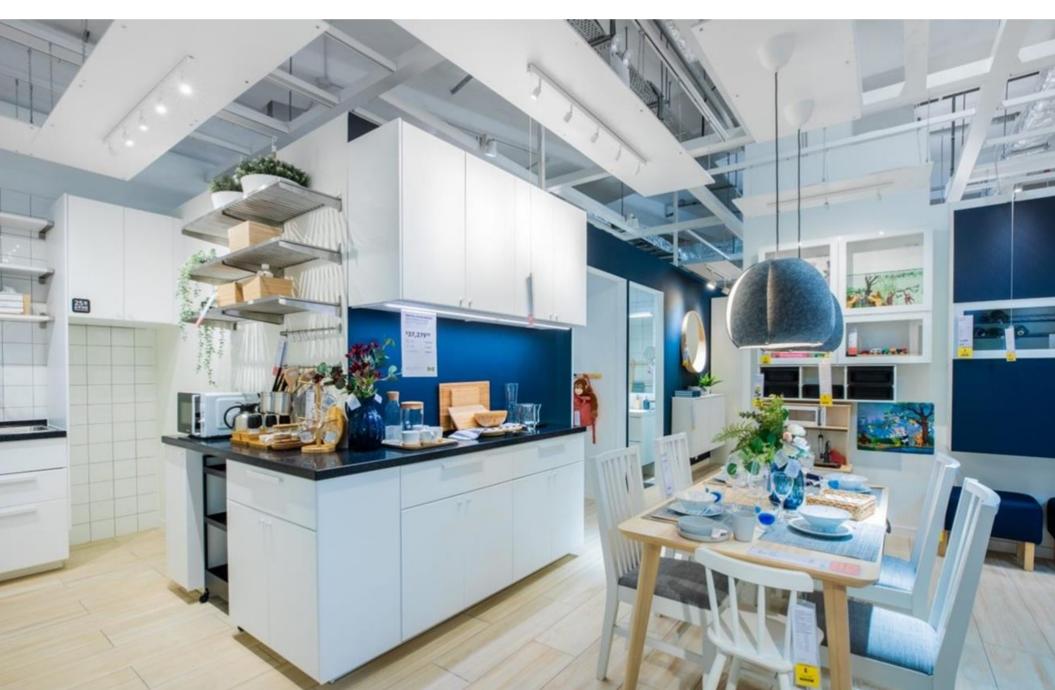
## IKEA Macau opening – April 2020





## IKEA Macau opening – April 2020





## IKEA Macau opening – April 2020





## IKEA Taoyuan opened in July





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#### **Confidence in Transformation Remains Strong**



- Duration and extent of COVID impact remains uncertain
- Transformation progress now provides solid business foundation
- Improvement initiatives continue
- Macro and micro business change taking place
- Disciplined online and offline investment will continue
- Mannings improving but tourist dynamics key

# **Q&A Session**



**2020 Half-yearly Results Presentation**