

BreadTalk Group Limited

Financial Results

First Quarter 2018

3 May 2018

Bakery

Food Atrium

Restaurant

4orth

1Q 2018 BUSINESS MILESTONES

January 2018

Issue of S\$100,000,000 Medium Term Note at 4.00%

Award of BreadTalk franchise rights to Som Datt Group for Delhi, India

Opening of 1st Song Fa Outlet in Shanghai Jing An Kerry Centre

Sales topped RMB\$1.5 million in the first month of operations.

March 2018

Signed Joint- Venture Agreement with Wu Pao Chun Bakery

Signed joint venture with Wu Pao Chun (WPC) Bakery on 12 March to operate WPC bakeries in Beijing, Shanghai, Shenzhen and Guangzhou. Subsequent agreement will allow BTG to operate WPC bakeries in Singapore and Hong Kong.



Opening of Food Republic's first Direct Operated Restaurant 'Sergeant Kitchen' in Bangkok

Ms Chua Siew San, Singapore's Ambassador to Thailand officiated the opening of 'Sergeant Kitchen' in Central World



Signed Joint-Venture Agreement with PT. Pura Indah Berkas

Signed joint venture with PT. Pura Indah Berkas (PIB). PIB will operate Toast Box outlets in Indonesia. Under this agreement, the first Toast Box outlet is scheduled to open in central Jakarta in 2018. Currently, PIB manages the highly sought after Toast Box outlet at Soekarno-Hatta International Airport Terminal 3.



BreadTalk Group's Portfolio of 10 Directly Managed Brands

Bakery

BreadTalk

bread**society**

TOAST BOX
士司工坊

泰茂桂
thye moh chan



Food Atrium

food**republic** 大食代

FOOD OPERA

Restaurant

鼎泰豐
DIN TAI FUNG

4orth



SONG FA
bak kut teh
SINCE 1969

創
Sō

Others

SANPOU^{TEI} RAMEN
from Niihata, Japan, since 1967

Carls Jr.
CARLS JR. RESTAURANTS

JUMBO SEAFOOD 珍寶海鮮

Note: Din Tai Fung and Song Fa are franchised brands

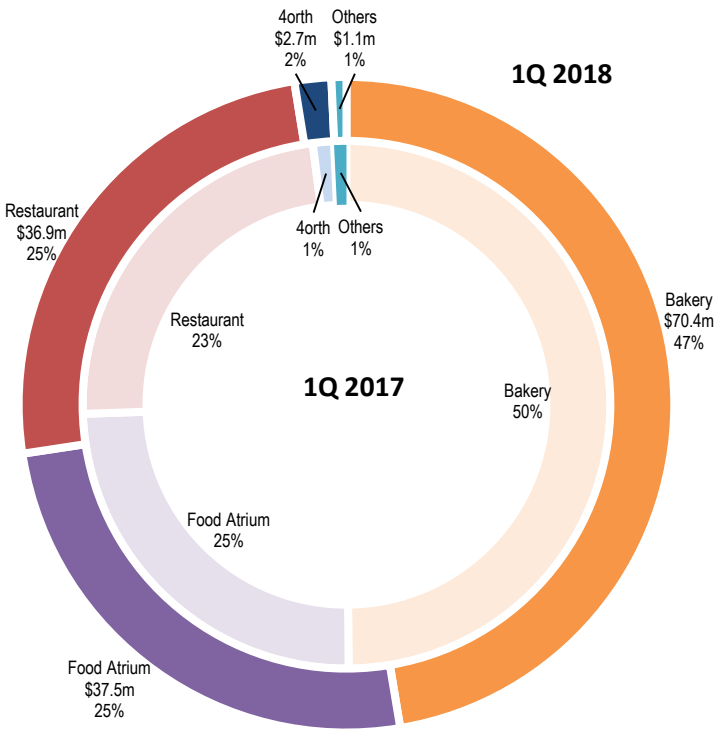
1Q 2018 FINANCIAL HIGHLIGHTS

Income Statement Highlights

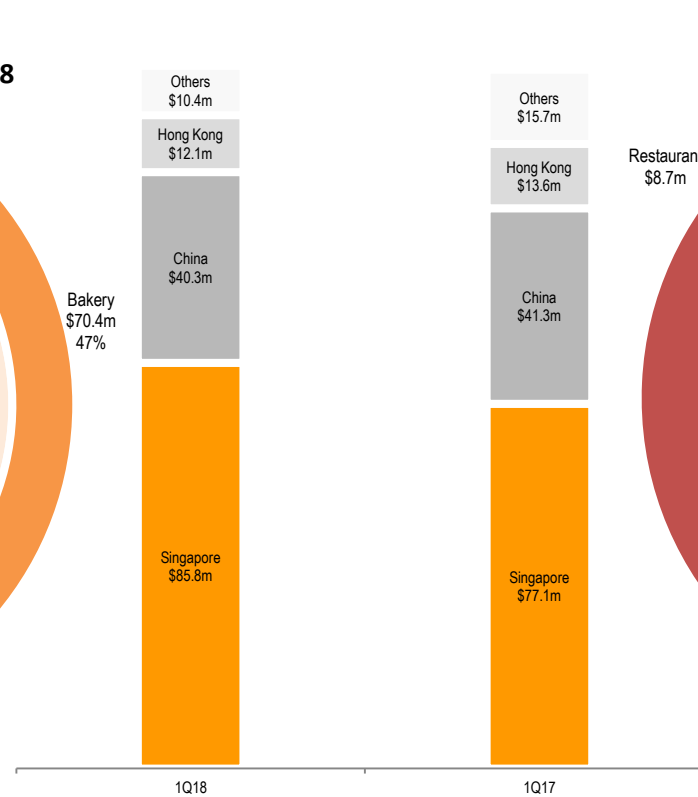
| S\$ Million | 1Q 2018 | 1Q 2017 | Y/Y |
|--------------------------------|--------------|--------------|-----------------|
| Revenue | 148.5 | 147.7 | 0.5% |
| <i>Bakery</i> | <i>70.4</i> | <i>73.7</i> | <i>-4.5%</i> |
| <i>Food Atrium</i> | <i>37.5</i> | <i>36.3</i> | <i>3.3%</i> |
| <i>Restaurant</i> | <i>36.9</i> | <i>34.7</i> | <i>6.2%</i> |
| <i>4orth</i> | <i>2.7</i> | <i>1.9</i> | <i>41.6%</i> |
| <i>Others</i> | <i>1.1</i> | <i>1.1</i> | <i>-2.4%</i> |
| EBITDA | 16.3 | 26.3 | -38.0% |
| <i>Bakery</i> | <i>3.8</i> | <i>5.5</i> | <i>-31.0%</i> |
| <i>Food Atrium</i> | <i>5.3</i> | <i>5.5</i> | <i>-3.7%</i> |
| <i>Restaurant</i> | <i>8.7</i> | <i>7.0</i> | <i>24.4%</i> |
| <i>4orth</i> | <i>(0.1)</i> | <i>0.1</i> | <i>-219.1%</i> |
| <i>Others</i> | <i>(1.3)</i> | <i>8.3</i> | <i>-115.8%</i> |
| EBITDA Margin | 11.0% | 17.8% | -6.8 ppt |
| <i>Bakery</i> | <i>5.4%</i> | <i>7.4%</i> | <i>-2.0 ppt</i> |
| <i>Food Atrium</i> | <i>14.1%</i> | <i>15.1%</i> | <i>-1.0 ppt</i> |
| <i>Restaurant</i> | <i>23.5%</i> | <i>20.1%</i> | <i>+3.4 ppt</i> |
| <i>4orth</i> | <i>-3.9%</i> | <i>4.7%</i> | <i>-8.6 ppt</i> |
| Net Profit | 1.2 | 10.8 | -89.1% |
| Net Margin | 0.8% | 7.3% | -6.5 ppt |
| Core F&B Net Profit | 2.9 | 1.6 | 89.4% |
| Core F&B Net Margin | 2.0% | 1.1% | +0.9 ppt |
| EPS (cents) | 0.42 | 3.84 | -89.1% |
| DPS (cents) | 0.00 | 2.00 | -100.0% |

GROUP KEY FINANCIAL HIGHLIGHTS

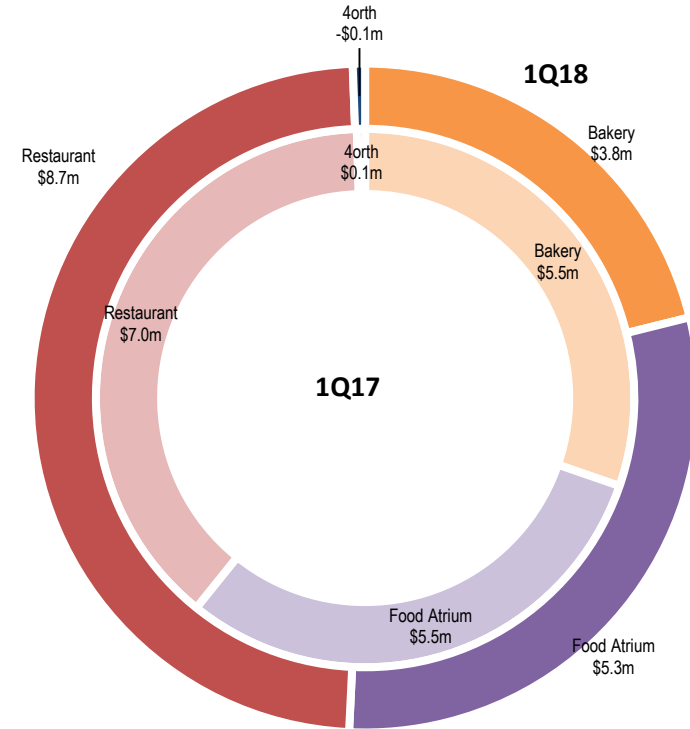
REVENUE BY BUSINESS



REVENUE BY GEOGRAPHY



EBITDA BY BUSINESS



1Q 2018 REVENUE: **\$148.5M**

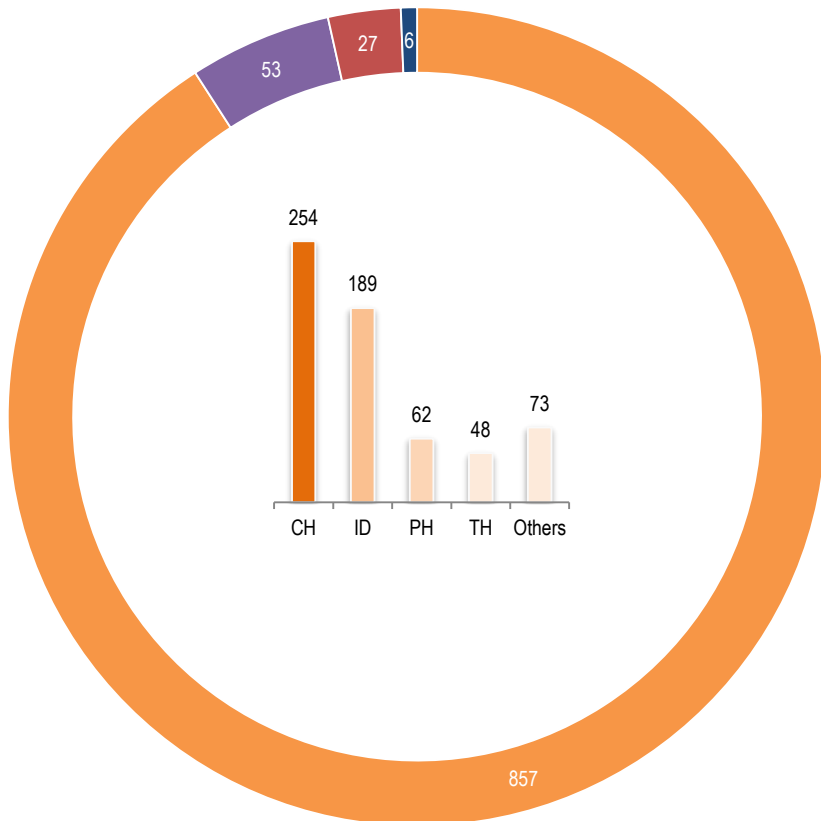
1Q 2018 EBITDA: **\$16.3M**

STRONG PRESENCE ACROSS ASIA

Strong foothold across **17** territories in Asia and Middle East

OUTLET DISTRIBUTION **BY** GEOGRAPHY

■ Bakery ■ Food Atrium ■ Restaurant ■ 4orth



OUTLET DISTRIBUTION **BY** BUSINESS SEGMENT

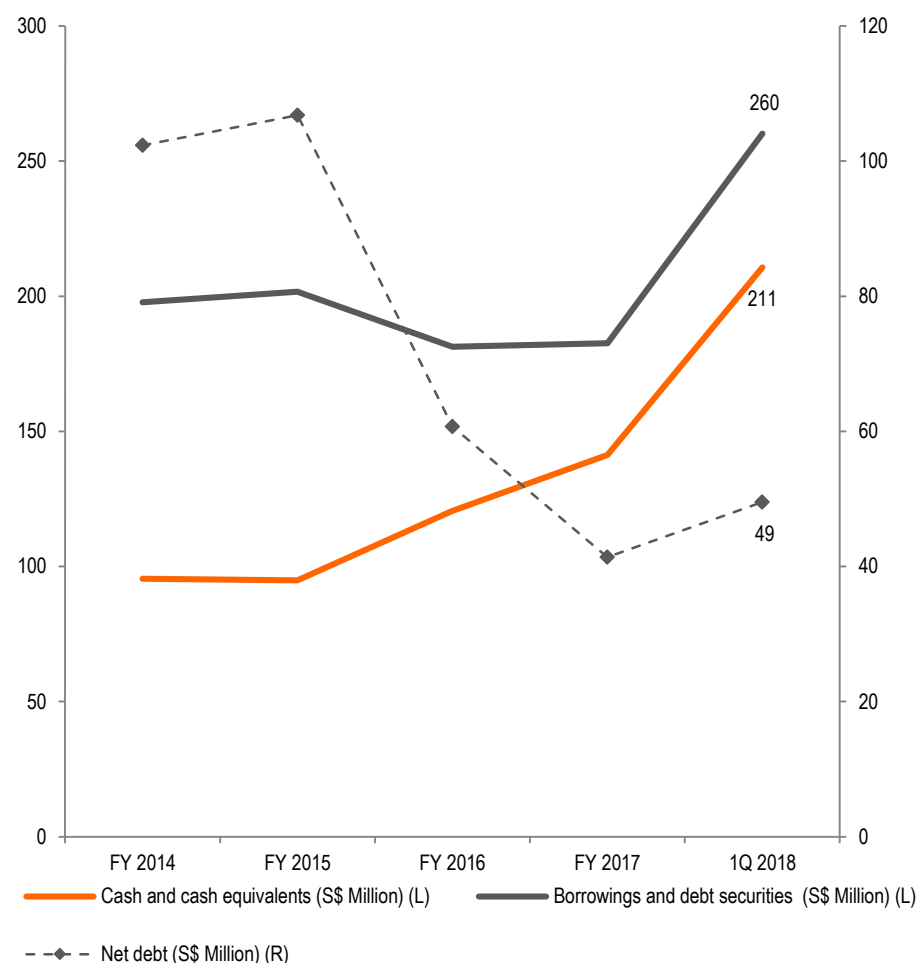
| | FY 2017 | 1Q 2018 | Net Increase/ (Decrease) |
|-------------------------|------------|------------|-----------------------------|
| Bakery | 871 | 857 | (14) |
| <i>Direct Operating</i> | 240 | 231 | (9) |
| <i>Franchise</i> | 631 | 626 | (5) |
| Food Atrium | 53 | 53 | 0 |
| Restaurant | 25 | 27 | 2 |
| <i>Din Tai Fung</i> | 25 | 27 | 2 |
| 4orth | 5 | 6 | 1 |
| <i>Sō</i> | 5 | 5 | 0 |
| <i>Song Fa</i> | 0 | 1 | 1 |
| Total | 954 | 943 | -11 |

1Q 2018 FINANCIAL HIGHLIGHTS

Balance Sheet Highlights

| S\$ Million | 1Q 2018 | FY 2017 |
|---------------------------------------|------------|------------|
| Total assets | 674 | 552 |
| Cash and cash equivalents | 211 | 141 |
| Accounts receivables | 51 | 52 |
| Inventories | 11 | 10 |
| Investment securities | 18 | 13 |
| Other current assets | 8 | 9 |
| Current assets | 298 | 225 |
| Property, plant and equipment | 165 | 169 |
| Investment securities | 124 | 72 |
| Non-current assets | 376 | 327 |
| Total liabilities | 464 | 397 |
| Accounts payables | 88 | 90 |
| Current liabilities | 243 | 257 |
| Non-current liabilities | 221 | 140 |
| Borrowings and debt securities | 260 | 183 |
| Short term | 53 | 57 |
| Long term | 207 | 126 |
| Net debt | 49 | 41 |

CASH & CASH EQUIVALENT VS NET DEBT



1Q 2018 FINANCIAL HIGHLIGHTS

Cash Flow Highlights

| S\$ Million | 1Q 2018 | 1Q 2017 |
|--|-------------|-------------|
| Operating cash flow before working capital changes | 16 | 19 |
| Net cash flow from operating activities | 6 | 16 |
| Less: | | |
| Capital expenditure | (6) | (12) |
| Investment in associate & joint venture | - | (1) |
| Net cash flow used in investing activities | (12) | (10) |
| Free cash flow | - | 4 |
| Net increase/(decrease) in bank borrowings | 77 | (15) |
| Net cash flow used in financing activities | 75 | (17) |
| Net cash flow | 69 | (10) |

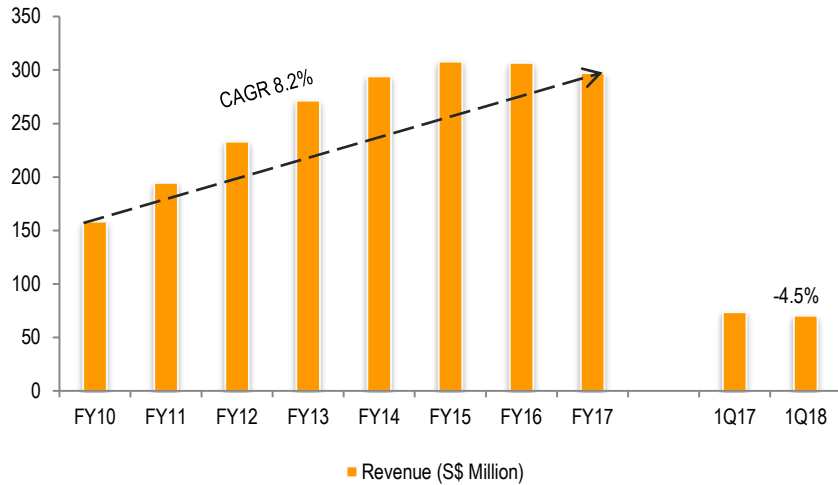
1Q 2018 FINANCIAL HIGHLIGHTS

Financial Ratios

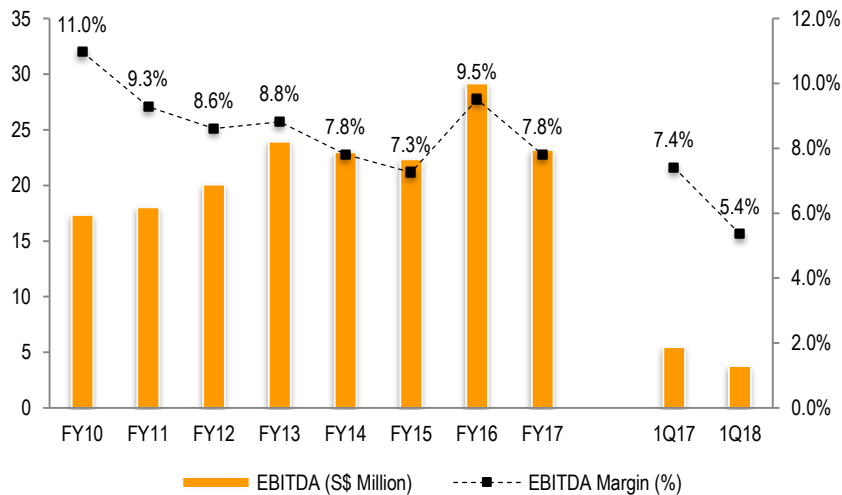
| | 1Q 2018 | FY 2017 |
|--|------------|------------|
| <u>Turnover Ratios</u> | | |
| Trade Receivables Turnover (days) - Franchisee | 82.5 | 83.3 |
| Trade Receivables Turnover (days) - Non Franchisee | 1.9 | 2.6 |
| Total Receivables Turnover (days) | 6.7 | 7.6 |
| Inventory Turnover (days) | 26.4 | 25.0 |
| Trade Payables Turnover (days) | 27.8 | 31.6 |
| <u>Liquidity Ratios</u> | | |
| Current Ratio | 1.22x | 0.90x |
| Quick Ratio | 1.18x | 0.86x |
| Cash Conversion Cycle (days) | 5.3 | 1.0 |
| <u>Debt Ratios</u> | | |
| Net Debt/Shareholder's Equity | 0.27x | 0.31x |
| Net Debt/EBITDA | 0.28x | 0.49x |
| EBITDA/Interest expense | 6.56x | 15.58x |

BAKERY DIVISION

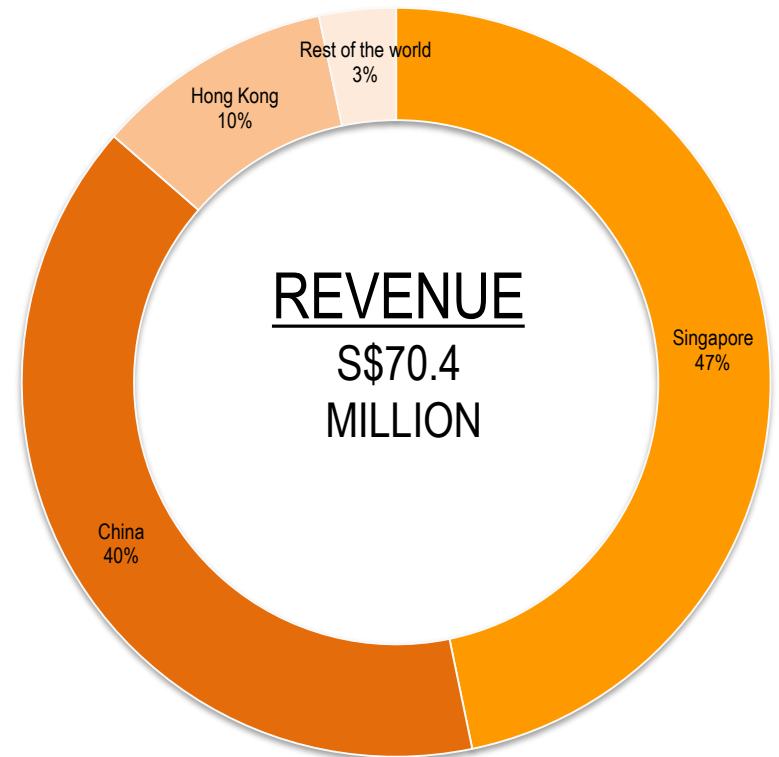
REVENUE



EBITDA VS EBITDA MARGIN



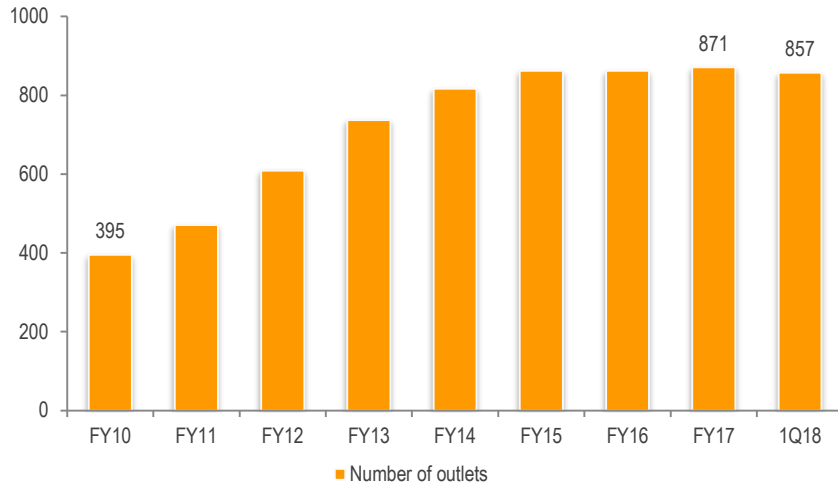
1Q 2018 REVENUE BY GEOGRAPHY



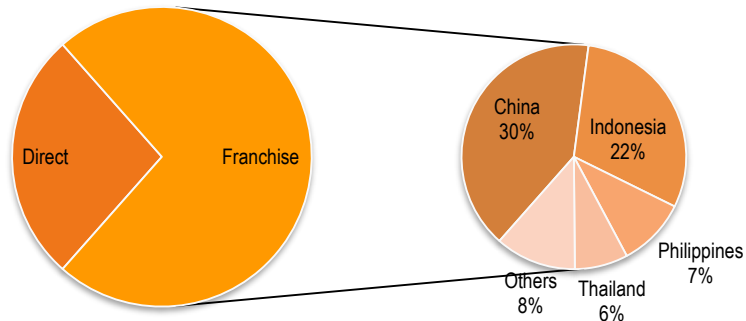
Rest of the world: Malaysia, Thailand, Philippines, Indonesia, Vietnam, Myanmar, Cambodia, Taiwan, Kuwait, Sri Lanka, Bahrain, Oman, Saudi Arabia & Qatar

BAKERY DIVISION

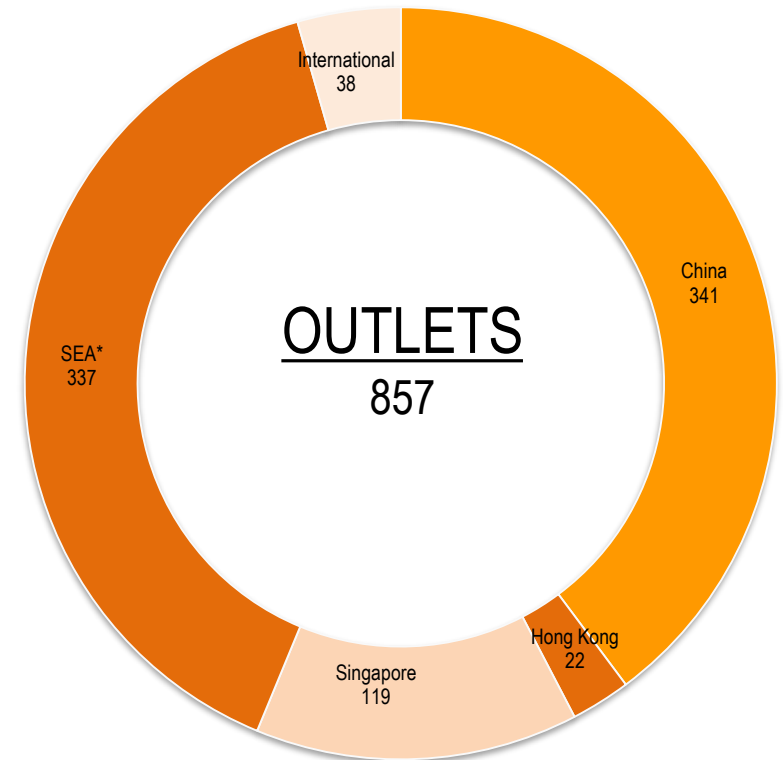
NUMBER OF BAKERY OUTLETS



DOS VS FRANCHISE



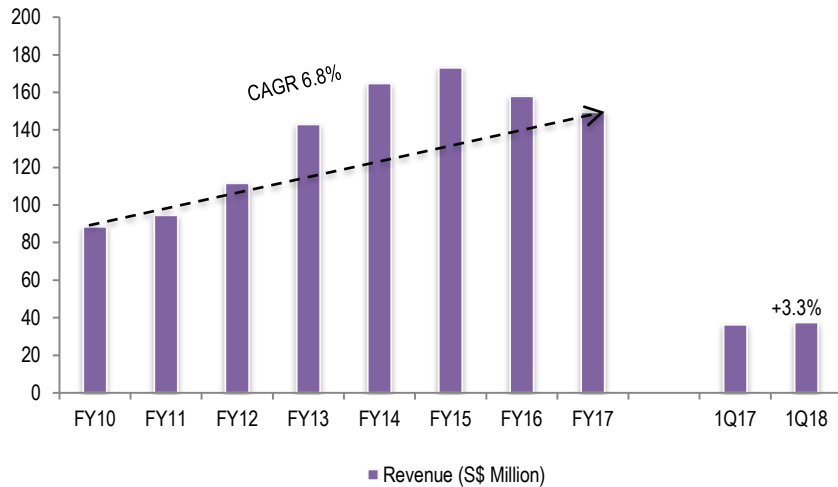
1Q 2018 OUTLET DISTRIBUTION BY GEOGRAPHY



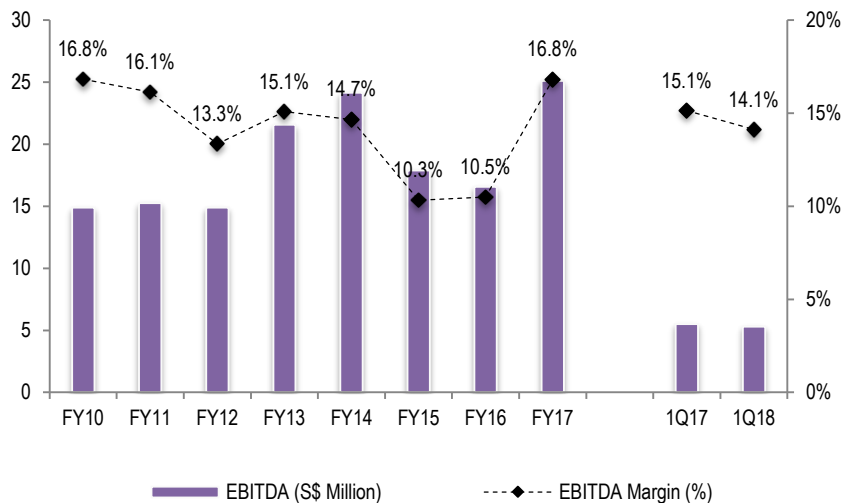
SEA: Malaysia, Thailand, Philippines, Indonesia, Vietnam, Myanmar & Cambodia
 International: Taiwan, Kuwait, Sri Lanka, Bahrain, Oman, Saudi Arabia & Qatar

FOOD ATRIUM DIVISION

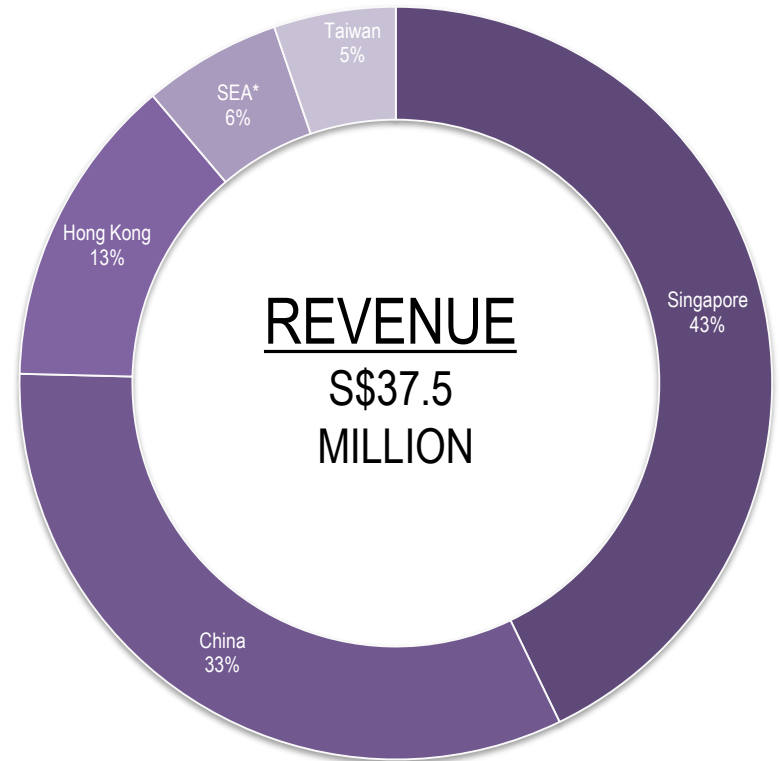
REVENUE



EBITDA VS EBITDA MARGIN



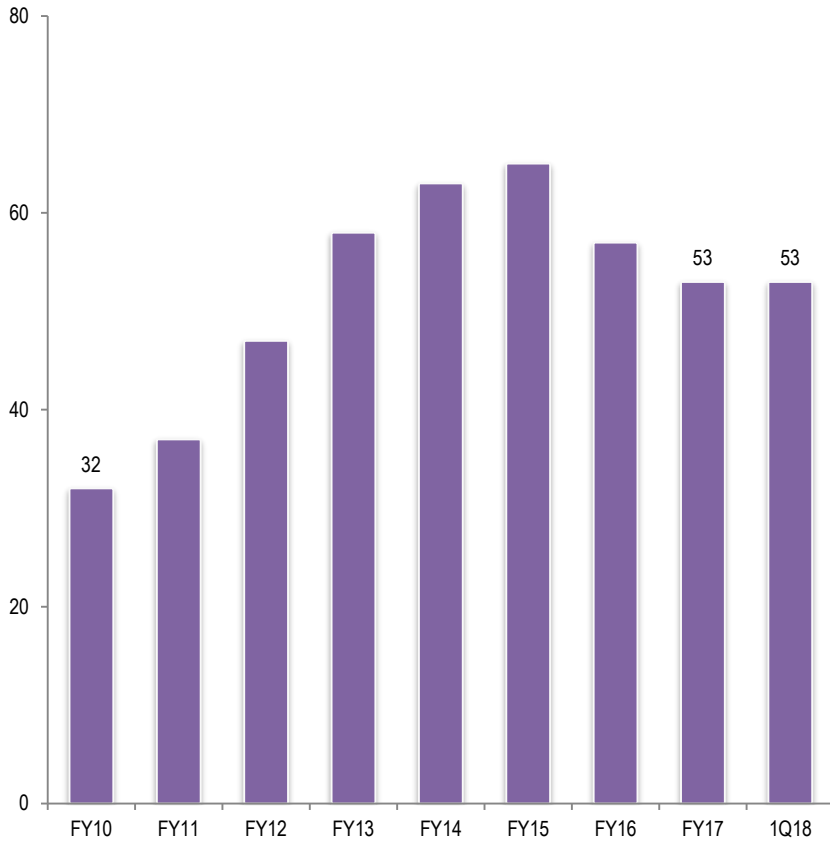
1Q 2018 REVENUE BY GEOGRAPHY



SEA: Malaysia & Thailand

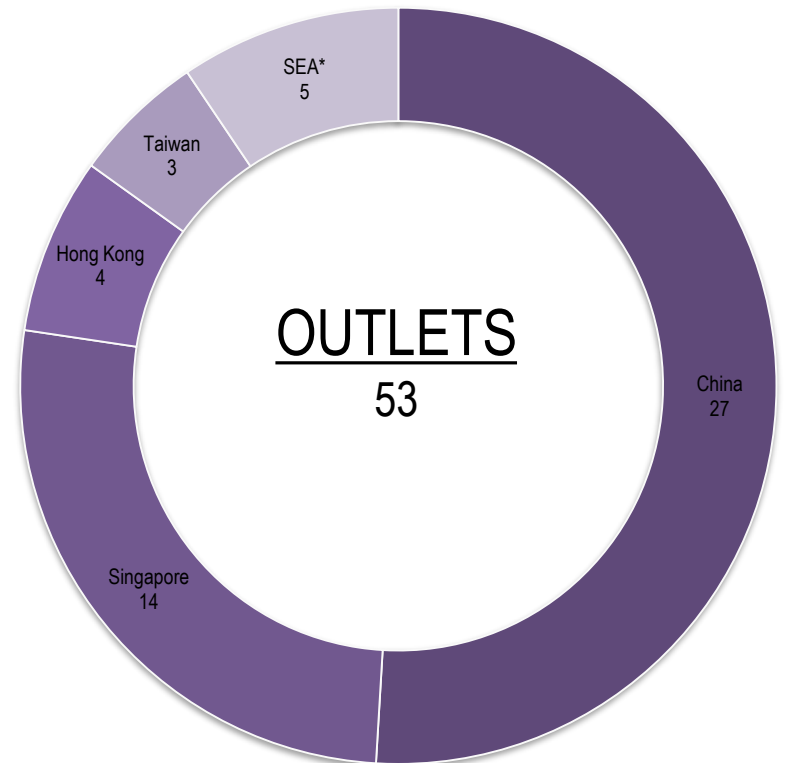
FOOD ATRIUM DIVISION

NUMBER OF FOOD ATRIUM OUTLETS



■ Number of outlets

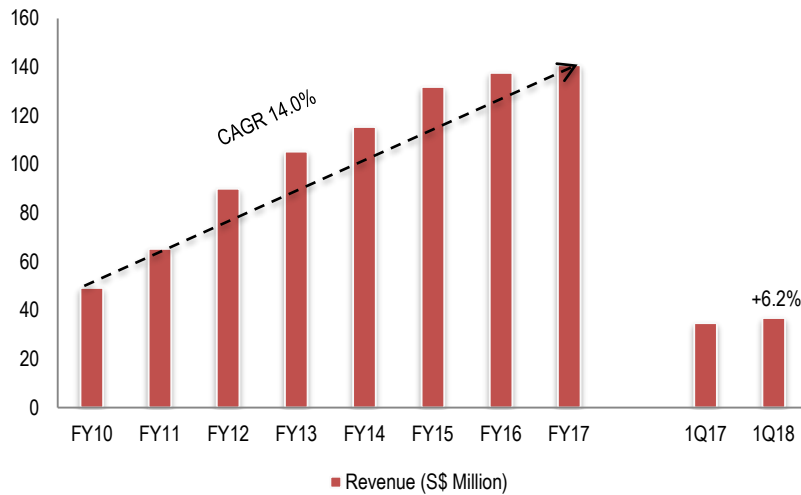
1Q 2018 OUTLET DISTRIBUTION BY GEOGRAPHY



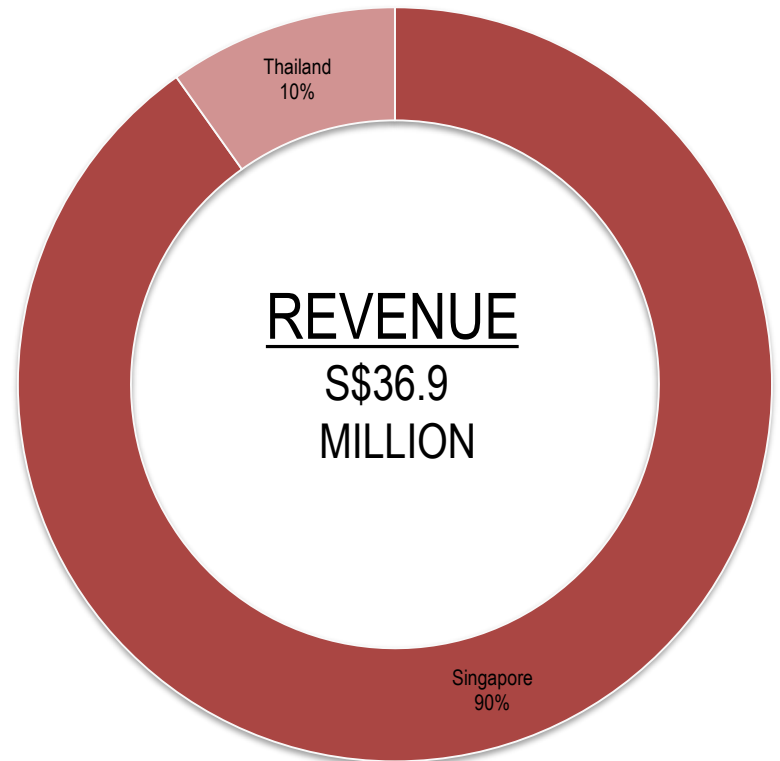
SEA: Malaysia & Thailand

RESTAURANT DIVISION

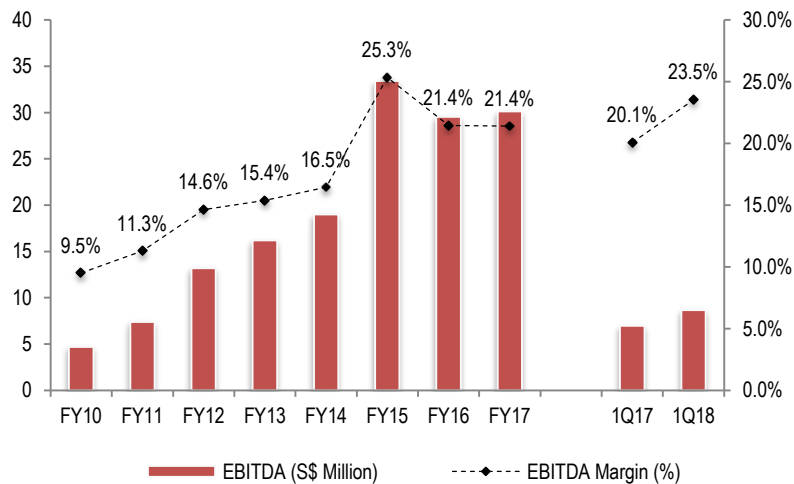
REVENUE



1Q 2018 REVENUE BY GEOGRAPHY

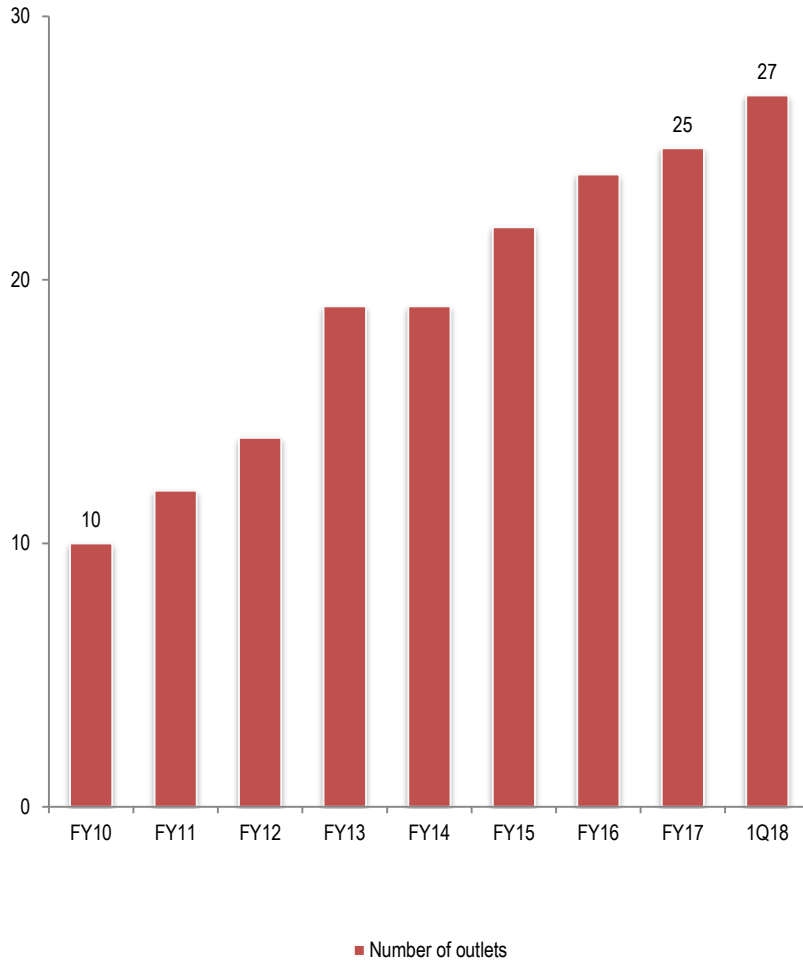


EBITDA VS EBITDA MARGIN

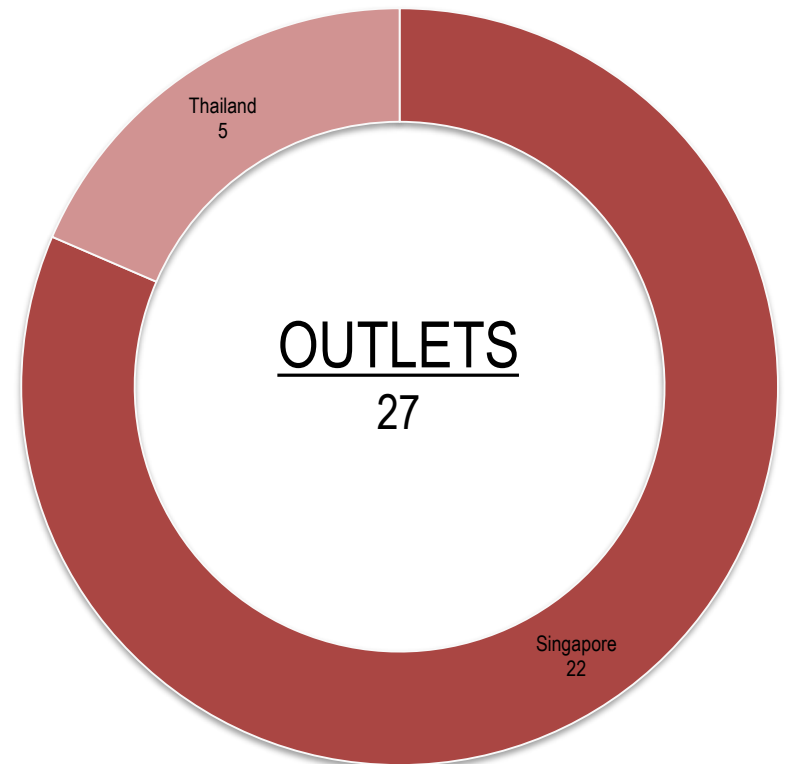


RESTAURANT DIVISION

NUMBER OF RESTAURANT OUTLETS

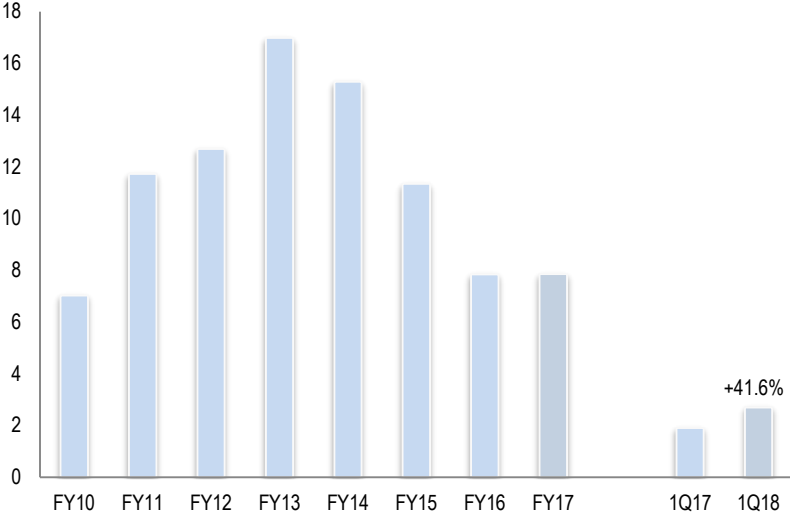


1Q 2018 OUTLET DISTRIBUTION BY GEOGRAPHY

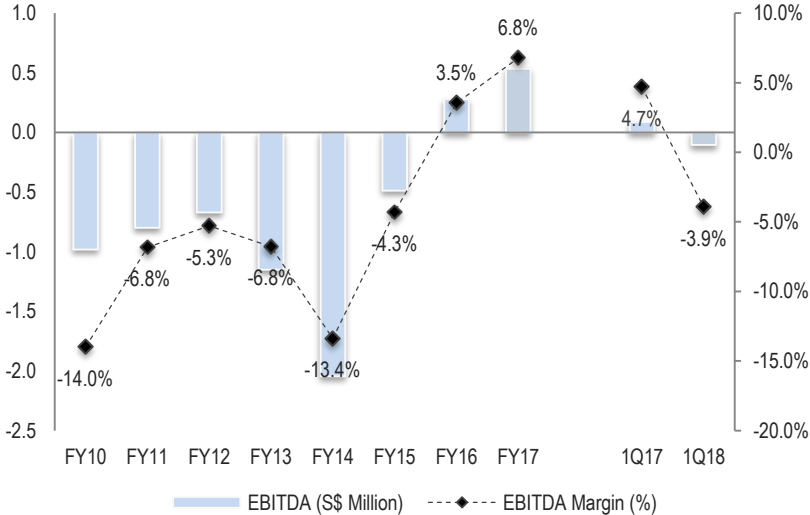


4OROTH DIVISION

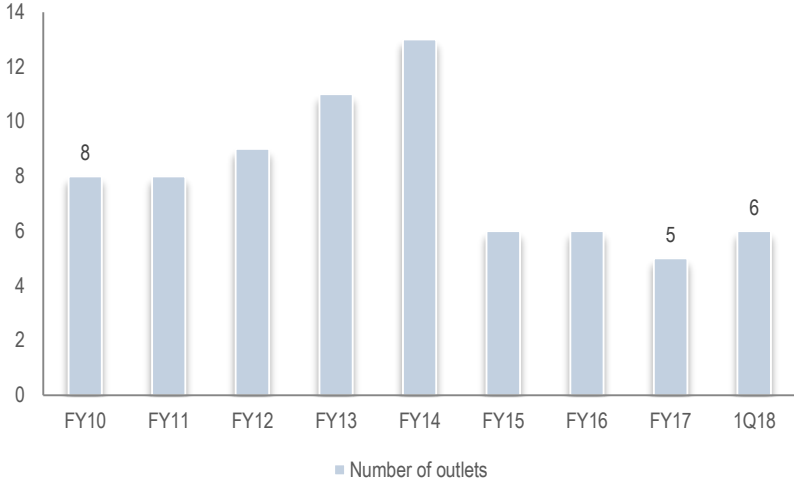
REVENUE



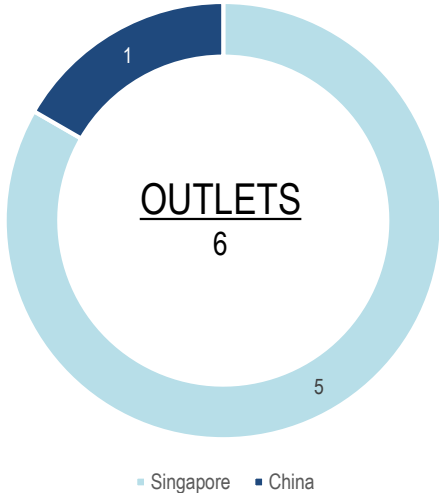
EBITDA VS EBITDA MARGIN



NUMBER OF 4OROTH OUTLETS



1Q 2018 OUTLET DISTRIBUTION BY GEOGRAPHY



CONTACT US

Mr. Chan Ying Jian

Group Chief Financial Officer

Mr. Benjamin Tay

Investor Relations

Tel - (65) 6285 6116

Email - ir@breadtalk.com