



**Full Year & Fourth Quarter 2018  
Financial Results**

19 February 2019

# BUSINESS MILESTONES

Jan

- Issued **S\$100m Medium Term Note** at **4.0%**
- Opened 1<sup>st</sup> **Song Fa Bak Kut Teh** outlet in Shanghai, Jing An Kerry Centre

Mar

- Joint venture with **Wu Pao Chun** (“WPC”) Bakery to operate WPC bakeries in Beijing, Shanghai, Shenzhen and Guangzhou
- Opening of **Food Republic’s** first Direct Operated Restaurant ‘**Sergeant Kitchen**’ in **Bangkok**
- Joint venture with PT. Pura Indah Berkas (“PIB”). PIB will operate **Toast Box outlets in Indonesia**

May

- Share Split** of Every One (1) Ordinary Share into Two (2) Ordinary Shares
- Partnership with **Shenzhen Pindao Food & Beverage Management Co Ltd** to operate and manage the popular tea beverage brands **Nayuki (奈雪)** and **TaiGai (台盖)** in **Singapore and Thailand**

Jun

- New Strategic Partnership with Mr Ge Ying (“GY”) to operate the **BreadTalk** brand of bakeries in **Chongqing, China**, and potentially expand across the South-western market

Jul

- Tripartite alliance of **BreadTalk Group-Pindao Venture** and **Song Fa Holdings** for Song Fa Bak Kut Teh in Shenzhen and Guangzhou

Sep

- BreadTalk Group leads Singapore’s tea craze with the official opening of **TaiGai (台盖)** in **Singapore NEX Serangoon shopping mall**
- Joint venture with **Wu Pao Chun** (“WPC”) Bakery to operate WPC bakeries in Singapore and Hong Kong

Dec

- Opened the first **Nayuki (奈雪)** outlet in VivoCity, Singapore
- Opened the first **WPC Bakery** in Shanghai

## Portfolio of Directly Managed BRANDS



### Bakery

**BreadTalk**<sup>®</sup>  
breadsociety

**TOAST BOX**  
土司工坊

the icing room  
蛋糕细语  
**泰茂棧**  
thye moh chan



### Restaurant

**鼎泰豐**  
DIN TAI FUNG



### 4orth

**創**  
Sō

T台盖  
TG



### Food Atrium



**奈雪の茶**  
NAYUKI

**foodrepublic** 大食代

**FOOD OPERA** 食代館

**SONG FA** **NAYUKI**

*Note: Din Tai Fung, Song Fa Bak Kut Teh, Wu Pao Chun Bakery, Tai Gai and Nayuki are franchised brands.*

Jan  
2019

- Proposed Disposal of Interest in **Carl Karcher Enterprises (Cayman) Ltd**
- Proposed Acquisition of 25% Interest in **Food Republic Guangzhou F&B Management Co Ltd**
- Opened 1<sup>st</sup> **Song Fa Bak Kut Teh** outlet in APM Mall, Beijing

4Q 2018

# FINANCIAL HIGHLIGHTS

	REVENUE	EBITDA	NET PROFIT	CORE F&B NET PROFIT
<b>4Q</b> <b>2018</b>	<b>154.8</b> million 3.1 % ▲	<b>25.6</b> million 32.3 % ▲	<b>8.9</b> million 82.5 % ▲	<b>6.4</b> million 26.9 % ▲
<b>FY</b> <b>2018</b>	<b>609.8</b> million 1.7 % ▲	<b>80.3</b> million - 4.7 % ▼	<b>15.2</b> million - 29.9 % ▼	<b>12.7</b> million 1.1 % ▲



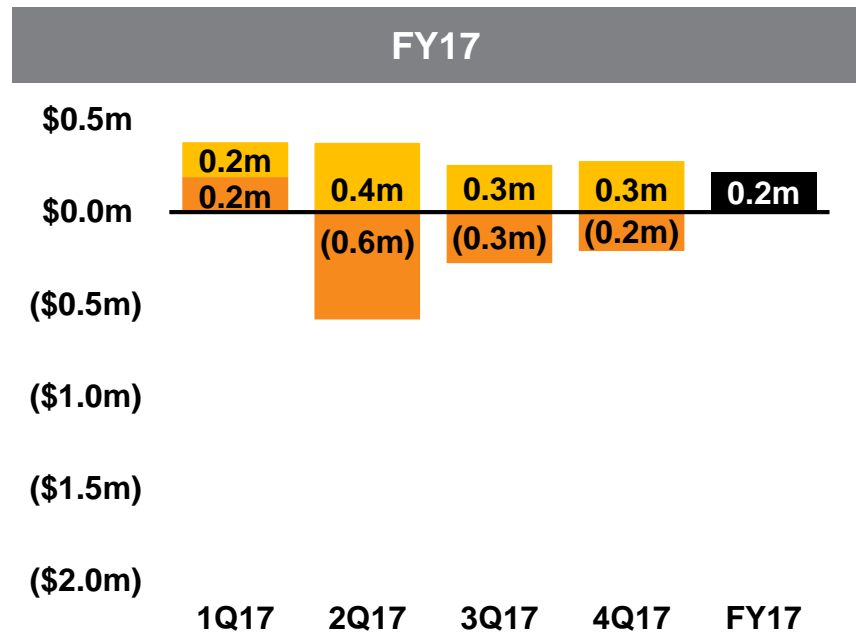
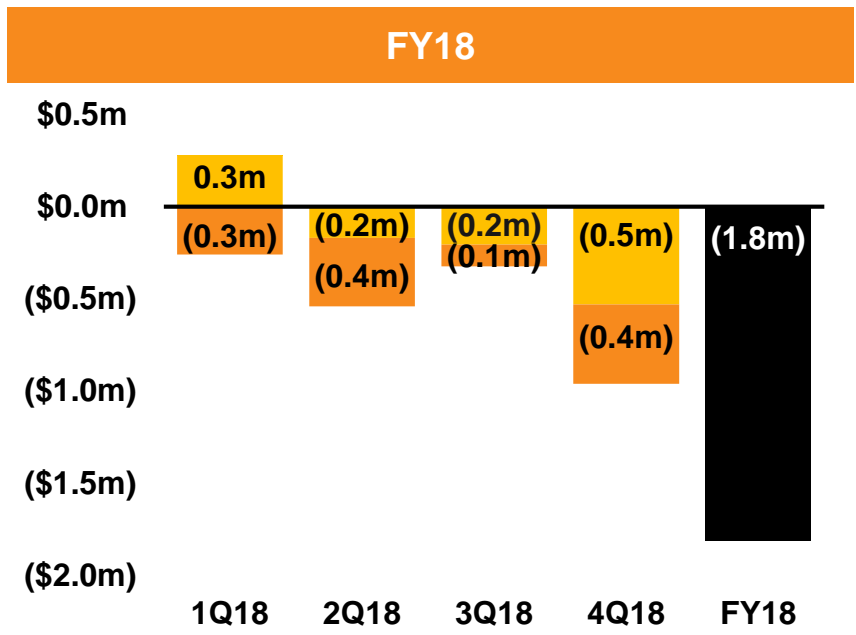
## 4Q 2018 Financial Highlights

# FINANCIAL PERFORMANCE

<b>S\$ Million</b>	<b>4Q18</b>	<b>4Q17</b>	<b>Y-o-Y</b>	<b>FY18</b>	<b>FY17</b>	<b>Y-o-Y</b>
<b>Revenue</b>	<b>154.8</b>	<b>150.1</b>	<b>3.1%</b>	<b>609.8</b>	<b>599.6</b>	<b>1.7%</b>
Bakery	70.0	73.9	- 5.3%	282.0	297.0	- 5.1%
Food Atrium	39.7	36.9	7.5%	156.9	149.3	5.1%
Restaurant	39.5	35.9	9.8%	152.3	140.7	8.2%
4orth	4.5	2.2	109.7%	14.2	7.9	80.3%
Others	1.1	1.2	- 7.6%	4.4	4.6	- 4.6%
<b>EBITDA</b>	<b>25.6</b>	<b>19.4</b>	<b>32.3%</b>	<b>80.3</b>	<b>84.3</b>	<b>- 4.7%</b>
Bakery	6.9	4.3	60.3%	22.6	23.0	- 1.8%
Food Atrium	10.1	7.4	36.6%	31.2	25.1	24.3%
Restaurant	6.0	7.9	- 23.4%	28.1	30.1	- 6.6%
4orth	(2.1)	0.3	n.m.	(2.9)	0.5	n.m.
Others	4.7	(0.5)	n.m.	1.2	5.5	- 78.1%
<b>EBITDA Margin (%)</b>	<b>16.6%</b>	<b>12.9%</b>	<b>+ 3.6 ppt</b>	<b>13.2%</b>	<b>14.1%</b>	<b>- 0.8 ppt</b>
Bakery	9.8%	5.8%	+ 4.0 ppt	8.0%	7.8%	+ 0.3 ppt
Food Atrium	25.6%	20.1%	+ 5.5 ppt	19.9%	16.8%	+ 3.1 ppt
Restaurant	15.3%	21.9%	- 6.6 ppt	18.5%	21.4%	- 2.9 ppt
4orth	- 46.4%	13.0%	n.m.	- 20.4%	6.8%	n.m.
<b>Net Profit</b>	<b>8.9</b>	<b>4.9</b>	<b>82.5%</b>	<b>15.2</b>	<b>21.7</b>	<b>- 29.9%</b>
<b>Net Margin (%)</b>	<b>5.7%</b>	<b>3.2%</b>	<b>+ 2.5 ppt</b>	<b>2.5%</b>	<b>3.6%</b>	<b>- 1.1 ppt</b>
<b>Core F&amp;B Net Profit</b>	<b>6.4</b>	<b>5.1</b>	<b>26.9%</b>	<b>12.7</b>	<b>12.6</b>	<b>1.1%</b>
<b>Core F&amp;B Net Margin (%)</b>	<b>4.2%</b>	<b>3.4%</b>	<b>+ 0.8 ppt</b>	<b>2.1%</b>	<b>2.1%</b>	<b>- 0.0 ppt</b>
<b>EPS (cents) #</b>	<b>1.58</b>	<b>0.86</b>	<b>83.7%</b>	<b>2.70</b>	<b>3.85</b>	<b>- 29.9%</b>
<b>DPS (cents) #</b>	<b>1.00</b>	<b>1.50</b>	<b>- 33.3%</b>	<b>1.50</b>	<b>3.50</b>	<b>- 57.1%</b>

# For comparison purpose, 2017 EPS and DPS have been adjusted for share-split

## SHARE OF ASSOC. & JV RESULTS



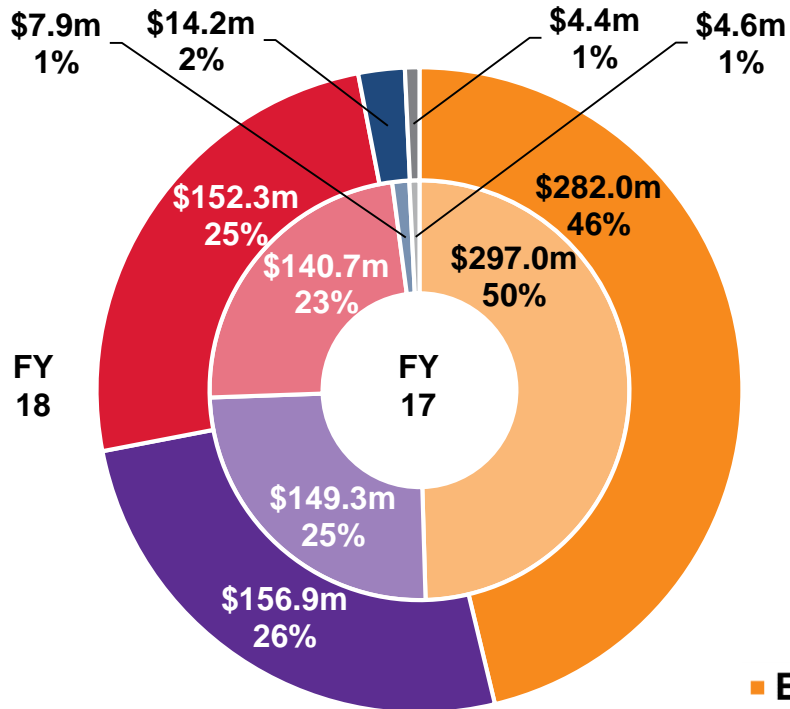
**Legend**  
 Share of Results of Joint Ventures (S\$m)  
 Share of Results of Associates (S\$m)  
 Total Share of Results (S\$m)

S\$ Million	4Q18	4Q17	Y-o-Y	FY18	FY17	Y-o-Y
Share of Results	(1.0)	0.1	n.m.	(1.8)	0.2	n.m.
Share of Assoc. Results	(0.4)	(0.2)	97.2%	(1.2)	(0.9)	31.9%
Share of JV Results	(0.5)	0.3	n.m.	(0.6)	1.1	n.m.

# 4Q 2018 Financial Highlights

## By BUSINESS

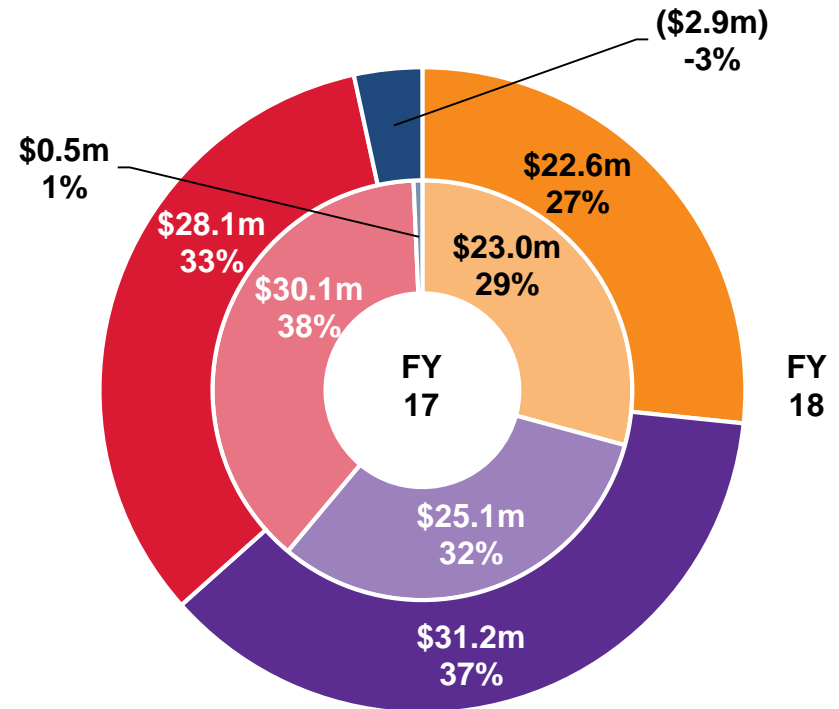
### REVENUE by BUSINESS



**FY18 REVENUE**  
**609.8 million**

- Bakery
- Food Atrium
- Restaurant
- 4orth
- Others

### F&B EBITDA by BUSINESS



**FY18 F&B EBITDA**  
**79.0 million**

# 4Q 2018 Financial Highlights

## By OUTLETS and GEOGRAPHY

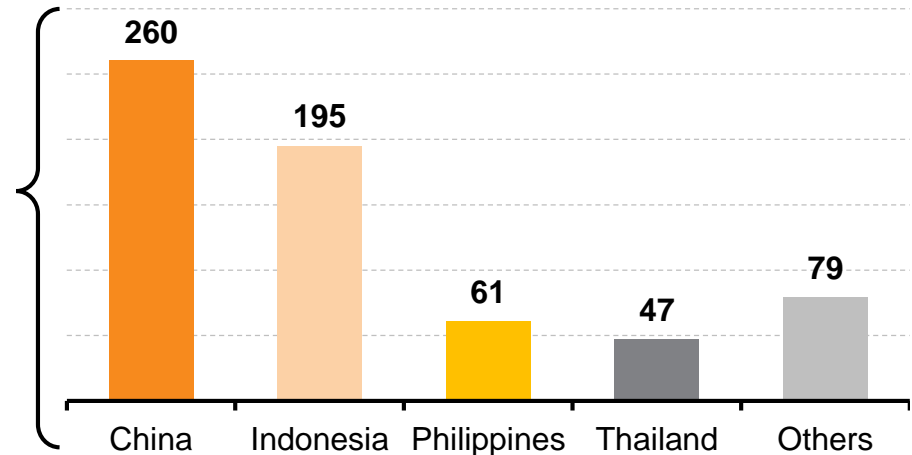
### OUTLET Distribution by BUSINESS

Segment	FY18	FY17	Net ▲/▼
<b>Bakery</b>	<b>863</b>	871	<b>(8)</b>
Direct Operated Stores	221	240	(19)
Franchise	642	631	11
<b>Food Atrium</b>	<b>60</b>	55	<b>5</b>
Food Courts	55	53	2
Direct Operated Restaurants	5	2	3
<b>Restaurant</b>	<b>28</b>	25	<b>3</b>
Din Tai Fung	28	25	3
<b>4or<sup>th</sup></b>	<b>12</b>	5	<b>7</b>
Sō <sup>#</sup>	5	5	0
TaiGai	1	0	1
Nayuki	1	0	1
Song Fa	4	0	4
Wu Pao Chun	1	0	1
<b>Total</b>	<b>963</b>	956	<b>7</b>

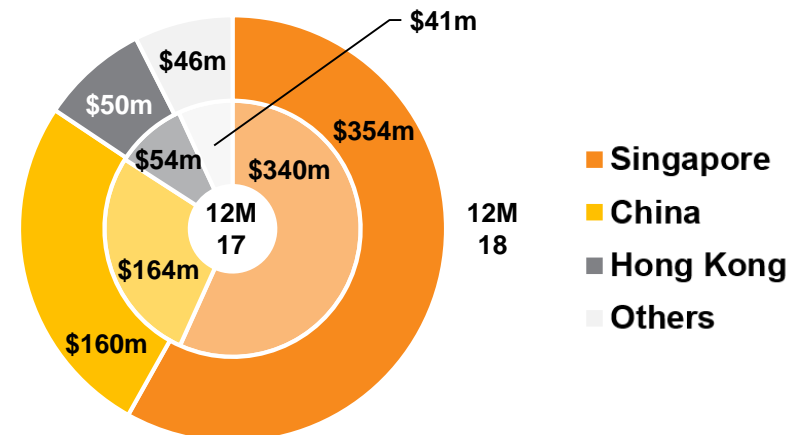
# Rebranded from Ramen Play in 1Q17



### FRANCHISE OUTLETS by GEOGRAPHY



### REVENUE by GEOGRAPHY

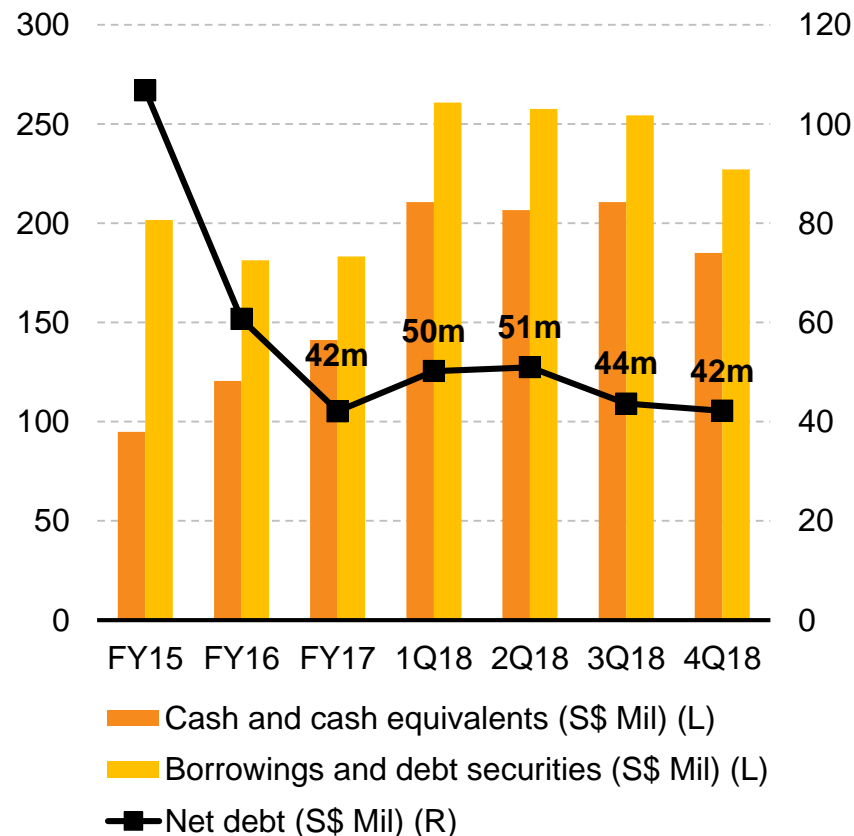


## FINANCIAL POSITION

### BALANCE SHEET Highlights

S\$ Million	FY18	FY17
<b>Total assets</b>	<b>608</b>	<b>552</b>
Cash and cash equivalents	185	141
Trade and other receivables	57	52
Inventories	11	10
Investment securities	5	13
Other current assets	10	9
<b>Current assets</b>	<b>268</b>	<b>225</b>
Property, plant and equipment	173	169
Investment securities	83	72
<b>Non-current assets</b>	<b>341</b>	<b>327</b>
<b>Total liabilities</b>	<b>446</b>	<b>397</b>
Trade and other payables	97	90
<b>Current liabilities</b>	<b>304</b>	<b>257</b>
<b>Non-current liabilities</b>	<b>141</b>	<b>140</b>
<b>Borrowings and debt securities</b>	<b>227</b>	<b>183</b>
Short term	98	57
Long term	129	126
<b>Net debt</b>	<b>42</b>	<b>42</b>

### NET DEBT Position





# CASH FLOWS and KEY INDICATORS

## CASH FLOWS

S\$ Million	FY18	FY17
Operating cash flow before working capital changes	82	79
<b>Net cash flow from operating activities</b>	<b>66</b>	<b>78</b>
Capital expenditure	(48)	(30)
Investment in associate & joint venture	-	(3)
<b>Net cash flow used in investing activities</b>	<b>(52)</b>	<b>(31)</b>
Free cash flow	17	47
Net increase / (decrease) in bank borrowings	44	1
<b>Net cash flow used in financing activities</b>	<b>30</b>	<b>(24)</b>
<b>Net cash flow</b>	<b>44</b>	<b>22</b>

## FINANCIAL INDICATORS

Ratios	FY18	FY17
<b>Turnover Days</b>		
Trade Receivables Turnover		
- Franchisee	90.8	91.5
- Non Franchisee	2.5	2.3
Total Receivables Turnover	7.3	8.3
Inventory Turnover	28.1	25.3
Trade Payables Turnover	29.3	29.7
Cash Conversion Cycle	6.0	3.9
<b>Liquidity Ratios</b>		
Current Ratio	0.88 x	0.87 x
Quick Ratio	0.84 x	0.84 x
<b>Debt Ratios</b>		
Net Debt / Shareholder's Equity	0.31 x	0.33 x
Total Debt / Shareholder's Equity	1.70 x	1.42 x
EBITDA / Interest expense	8.72 x	15.54 x

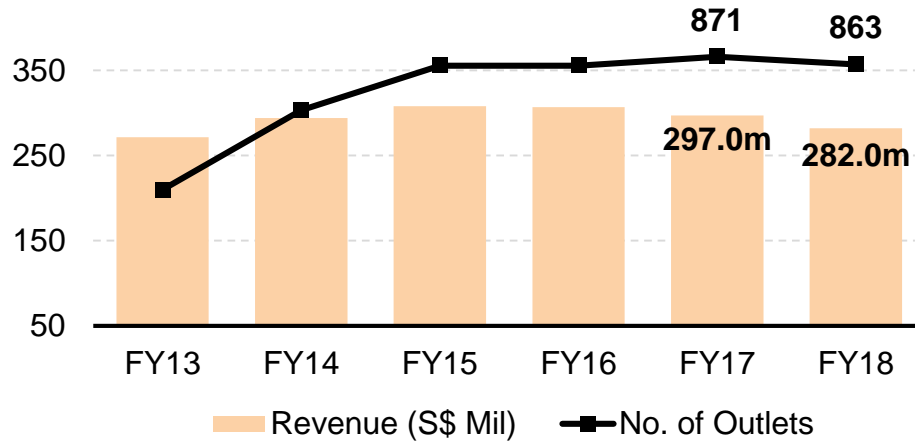


# Business Overview

## BAKERY DIVISION

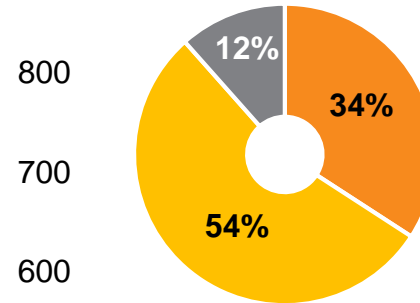


### REVENUE and OUTLET Growth

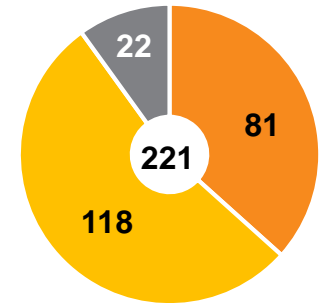


### FY18 REVENUE

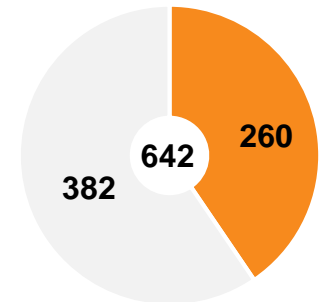
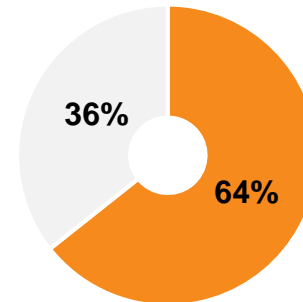
#### Direct Operated Stores



### FY18 OUTLETS



#### Franchise



China

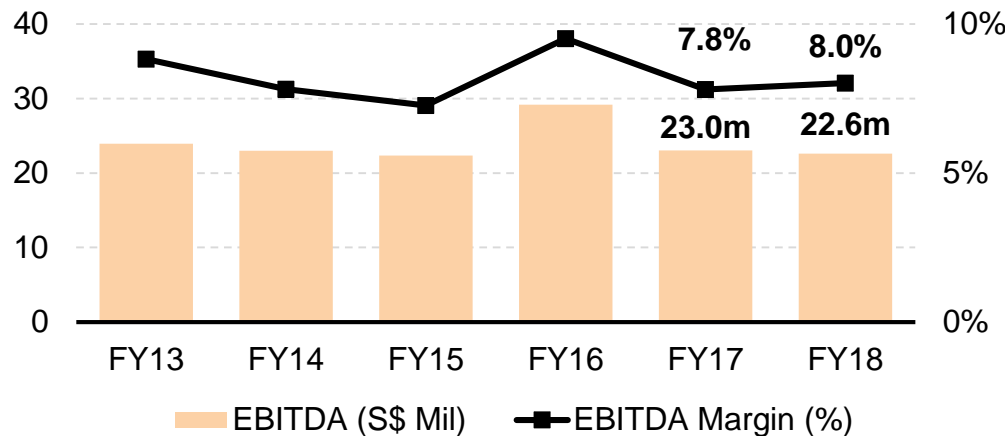
Singapore

Hong Kong

SEA and International\*

\* SEA and International: Indonesia, Philippines, Thailand, Vietnam, Sri Lanka, Cambodia, KSA West, Kuwait, Oman, Bahrain, Myanmar, Malaysia and India.

### EBITDA and EBITDA Margin

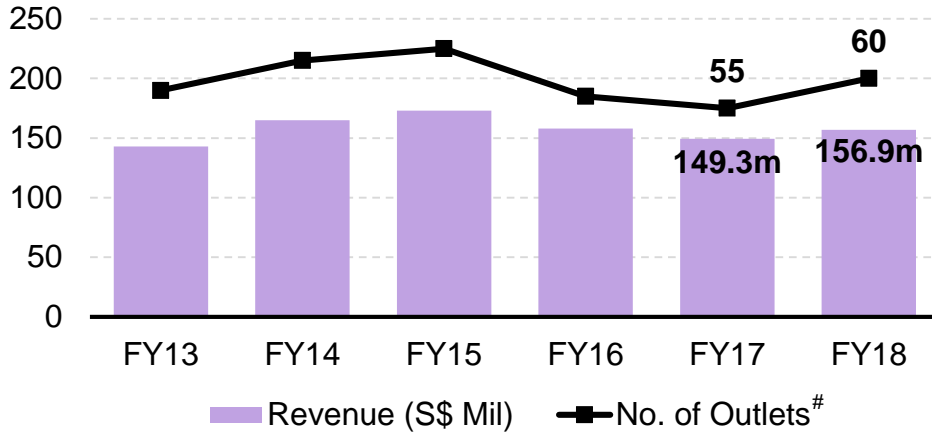


# Business Overview

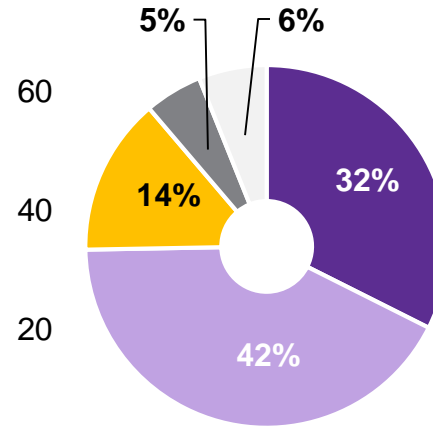
## FOOD ATRIUM DIVISION



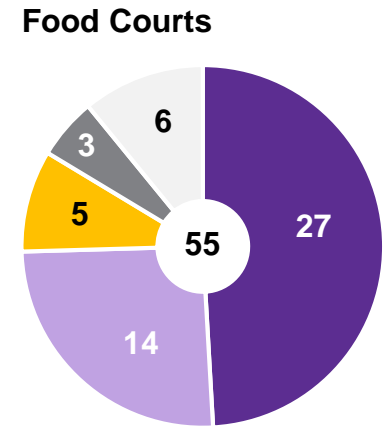
### REVENUE and OUTLET Growth



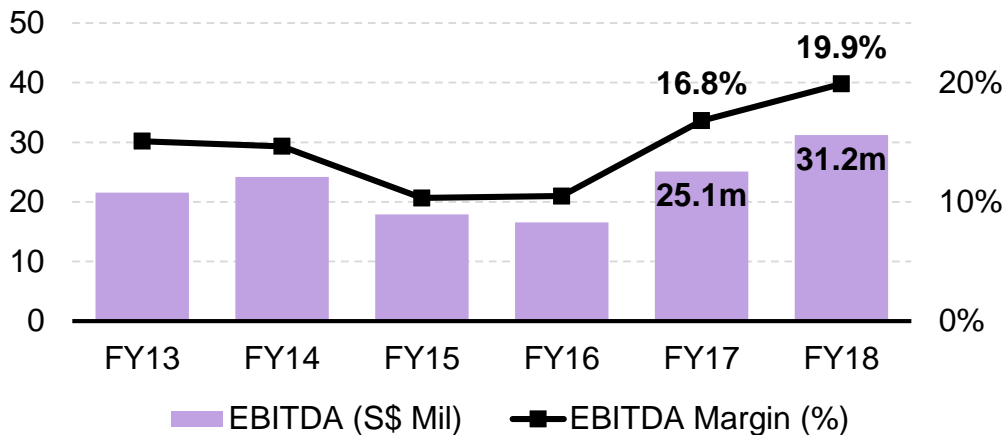
### FY18 REVENUE



### FY18 OUTLETS

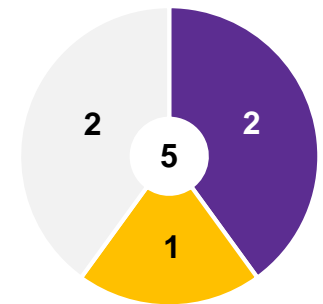


### EBITDA and EBITDA Margin



### Direct Operated Restaurants

- China
- Singapore
- Hong Kong
- Taiwan
- SEA\*



\* SEA: Thailand, Malaysia and Cambodia

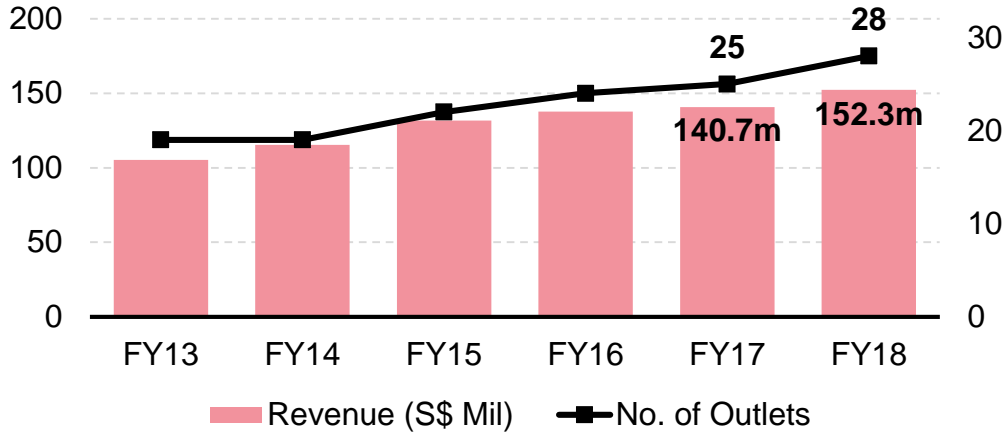
# Comprise Food Courts and Direct Operated Restaurants

# Business Overview

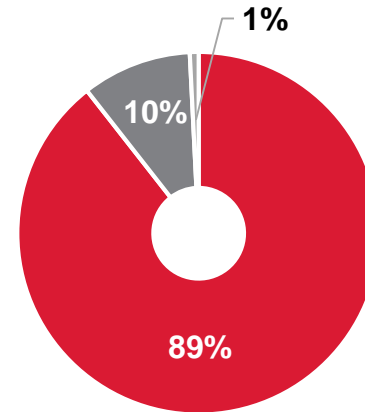
## RESTAURANT DIVISION



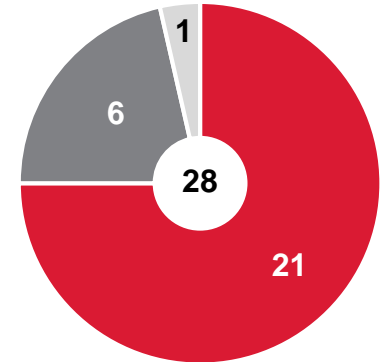
### REVENUE and OUTLET Growth



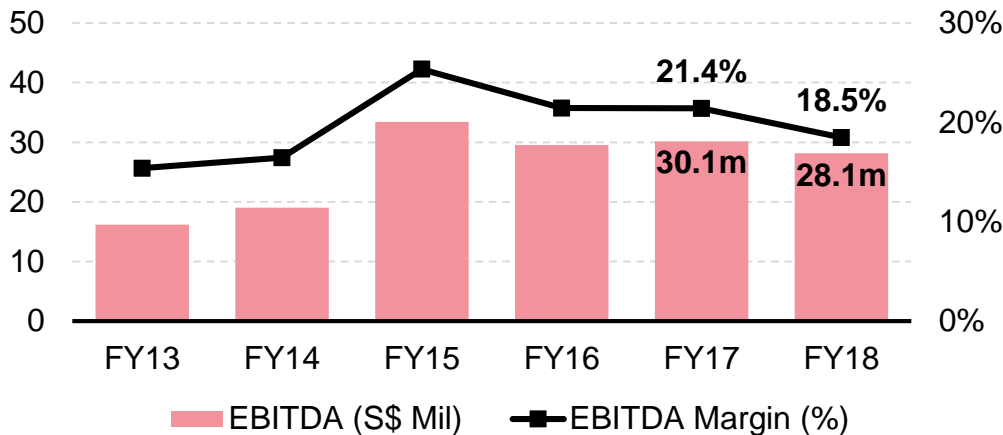
### FY18 REVENUE



### FY18 OUTLETS



### EBITDA and EBITDA Margin



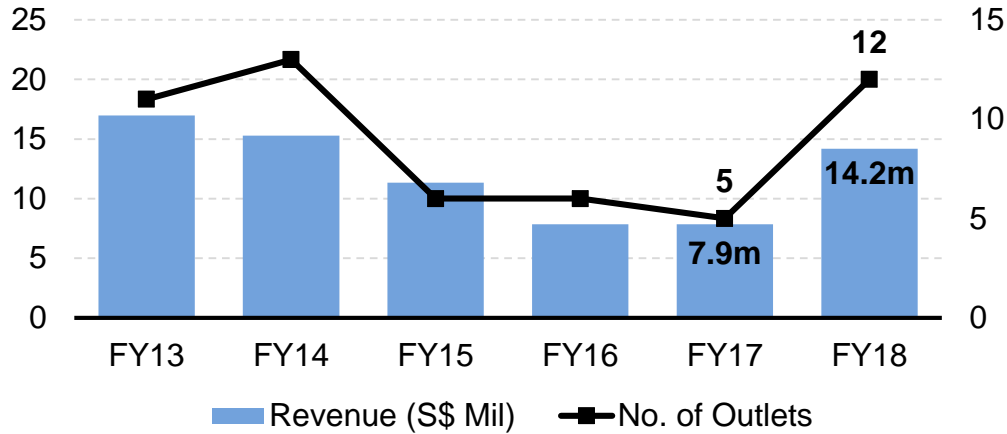
- Singapore
- Thailand
- London

# Business Overview

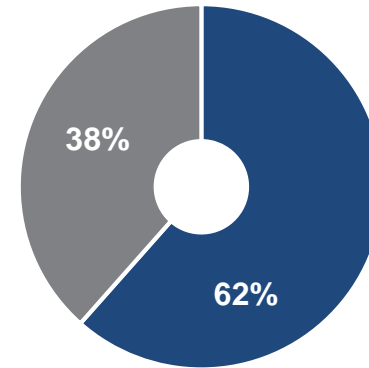
## 4<sup>OR</sup>TH DIVISION



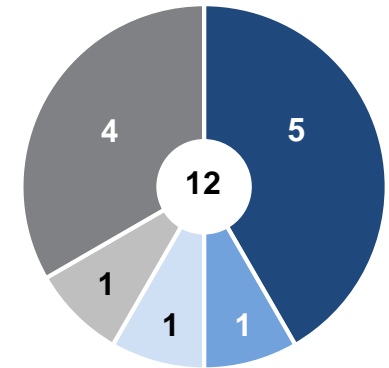
### REVENUE and OUTLET Growth



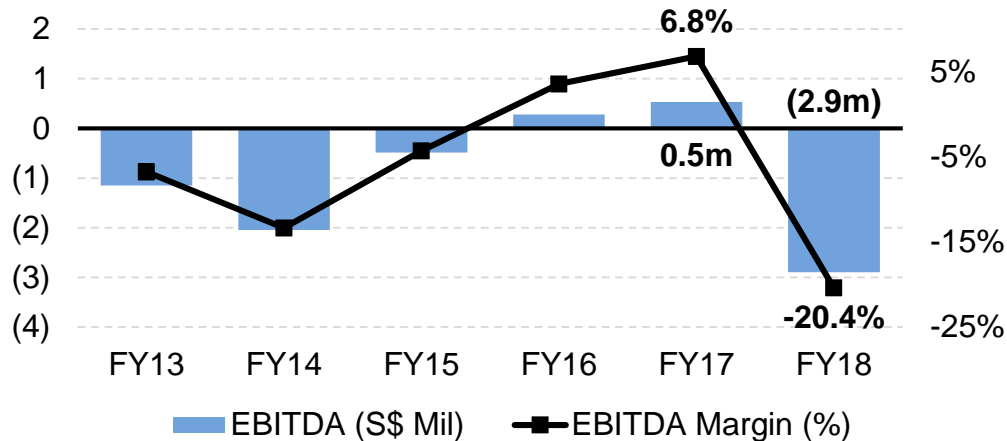
### FY18 REVENUE



### FY18 OUTLETS



### EBITDA and EBITDA Margin



■ Singapore

■ China

■ Singapore - Sō Ramen

■ Singapore - TaiGai

■ Singapore - Nayuki

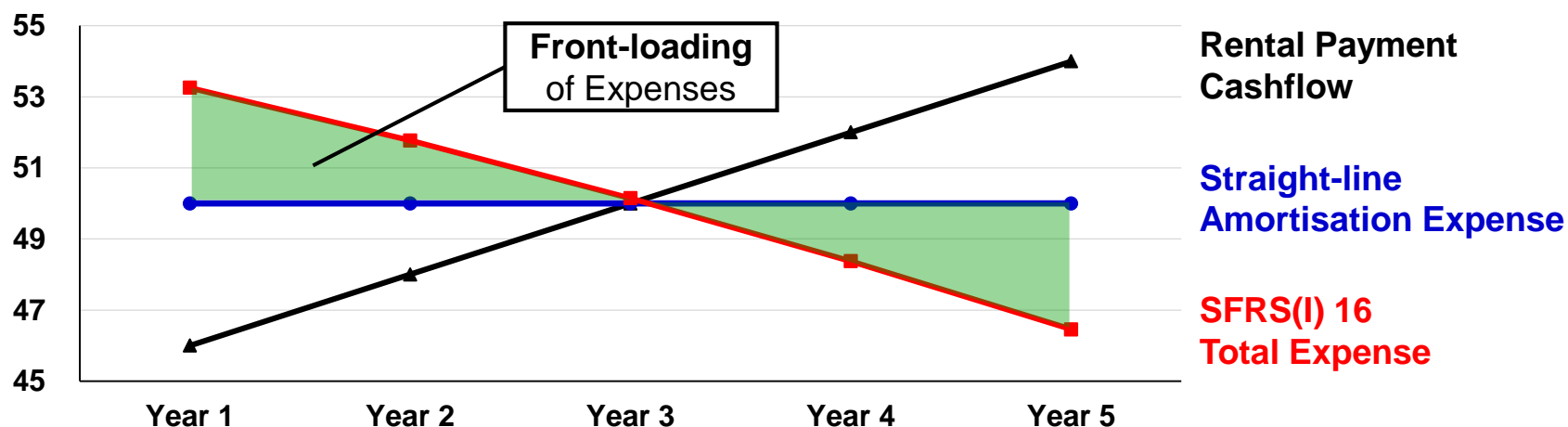
■ China - Wu Pao Chun

■ China - Song Fa

# SFRS(I) 16 Leases Illustration

S\$ '000	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Rental Payment Cashflows</b>						
Rental Payments	46.0	48.0	50.0	52.0	54.0	<b>250.0</b>
<b>Straight-line Rental Amortisation [ FRS 17 ]</b>						
Rental Expense (a)	50.0	50.0	50.0	50.0	50.0	<b>250.0</b>
<b>NEW Rental Expense [ SFRS(I) 16 ]</b>						
Depreciation	44.4	44.4	44.4	44.4	44.4	221.9
Interest Expense	8.9	7.4	5.8	4.0	2.1	28.1
<b>Total Expense (b)</b>	<b>53.3</b>	<b>51.8</b>	<b>50.1</b>	<b>48.4</b>	<b>46.5</b>	<b>250.0</b>
<b>Impact to Profit or Loss (b - a)</b>	<b>(3.3)</b>	<b>(1.8)</b>	<b>(0.1)</b>	<b>1.6</b>	<b>3.5</b>	<b>-</b>

## Expenses (S\$ '000)



# THANK YOU

**For enquiries, please contact:**

**CHAN Ying Jian**  
Group Chief Financial Officer

**POH Kah Hwee**  
Investor Relations

**T : +65 6285 6116**  
**E : [ir@breadtalk.com](mailto:ir@breadtalk.com)**

