

# SUN ART

*Retail Group Limited*

高鑫零售有限公司

Stock code: 6808

## 2017 Third Quarter Results Announcement



*Retail Group Ltd.*

 Auchan 欧尚



## SUN ART Retail Group Limited

### Mortar Stores

 **Auchan**



 **大润发**  
RT-Mart

**LLABEAU 莱碧**  
进口化妆品专营门店

**RH lavia** 

### E-Commerce

  
feiniu.com

 **欧尚酒窖**  
ines  
auchanwines.com

 **FIELDS**  
A Taste of Quality

 **飞牛急速达**

 **大润发优鲜**  
RT-Fresh

# SUN ART

Retail Group Limited

高鑫零售有限公司



1

Operating Environment

2

Financial Review

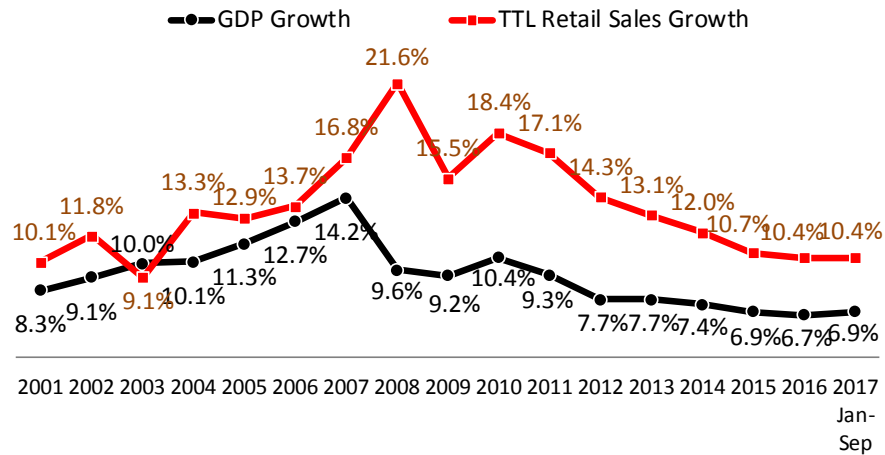
3

Business Review

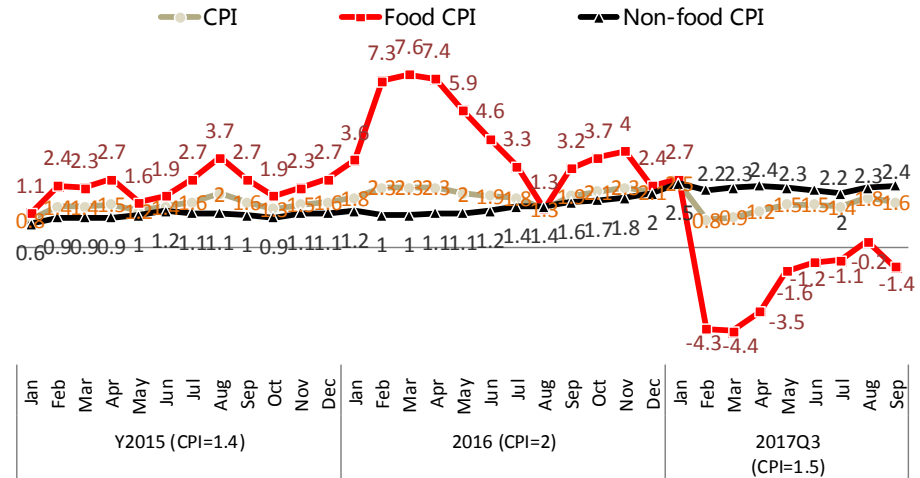


# Operating Environment

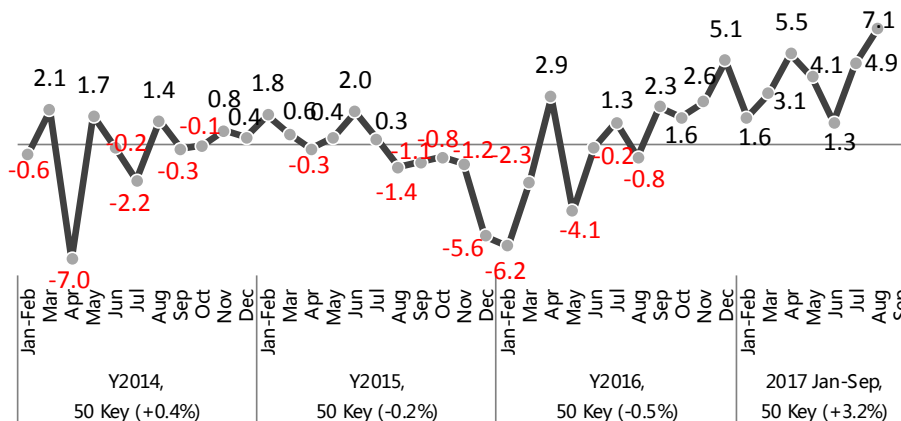
(1) Growth of GDP & Total Retail Sales of Consumer Goods



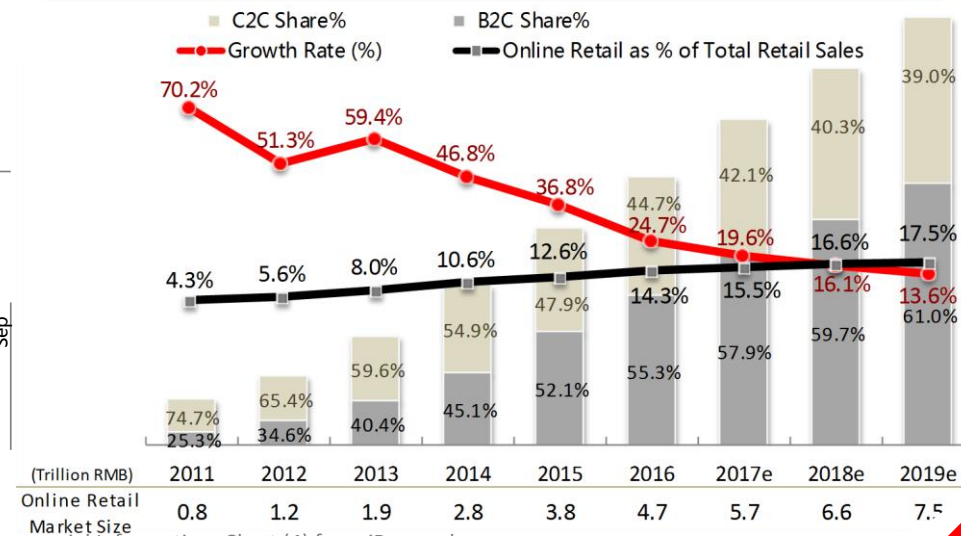
(2) 2017Q3: CPI 1.5%  
(Food CPI -1.7%, Non Food CPI 2.3%)



(3) 2017Q3: 50 Key Retailers Sales Growth was +3.2%



(4) Online physical products sales accounted for 14.0% of total retail sales in 2017Q3, up by 29.1%

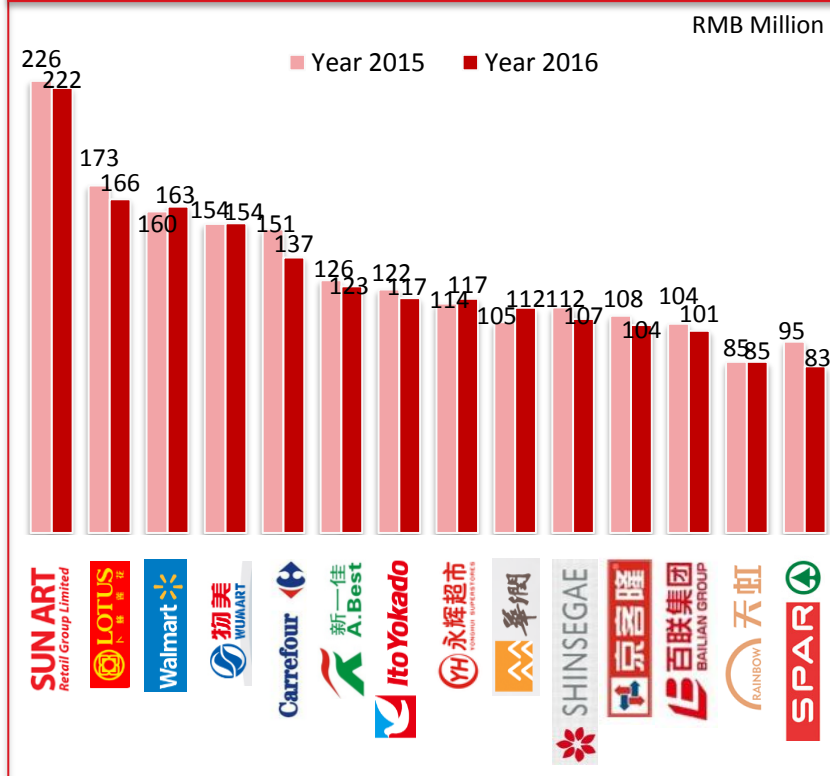


Source:

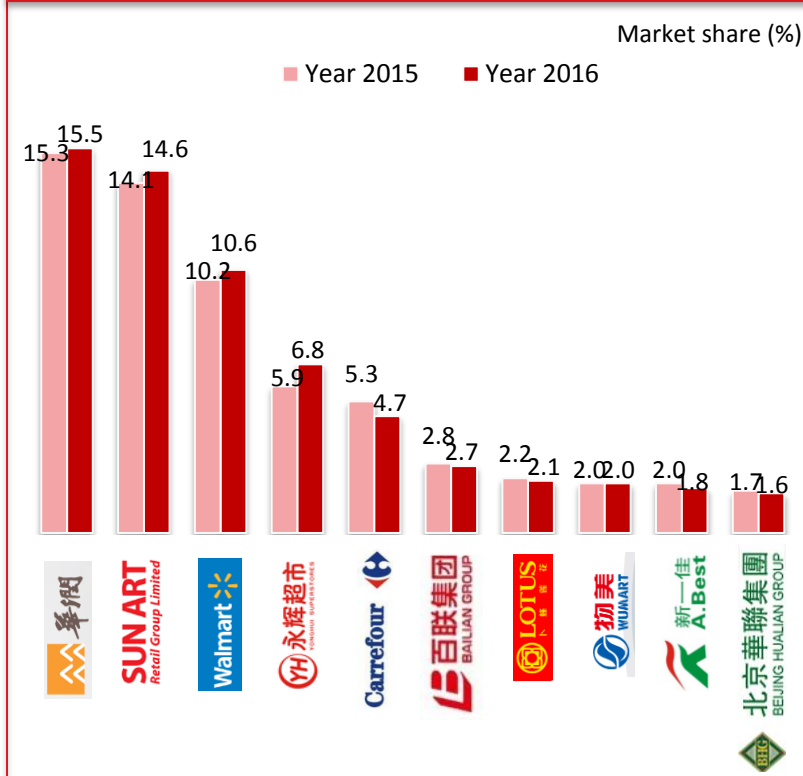
Chart(1),(2) from the National Bureau of Statistics of China; Chart (3) from China Nation Commercial Information; Chart (4) from iResearch

# Leading Retailer in China

Average Sales (Excluding Sales Tax) Per Store in 2015 and 2016 in the Hypermarkets Industry



Market Share in the Hypermarkets industry 2015 and 2016



Source: Euromonitor

- (1) All 2015 numbers are the historical actual performance data and 2016 numbers are estimated based on the first half year actual performance of 2016.
- (2) The definition of Hypermarkets from Euromonitor is retail outlets with a selling space of over **2,500 square meters** and with a primary focus on selling food / beverages / tobacco and other groceries.
- (3) In the hypermarkets of Euromonitor data:  
Walmart including “Wal-Mart (China) Investment Co. Ltd.” and “Trust-Mart Co. Ltd.”;  
Bailian Group including “Lianhua Supermarket Holdings Co. Ltd.” and “Hualian GMS Shopping Center Co. Ltd.”.

# Leading Retailer in China

## Top 10 China Retailers Market Share in 2015 and 2016

	2015 Market Share (%)	2016 Market Share (%)
Alibaba Group Holding Ltd	6.3	7.5
JD.com Inc	2.3	3.5
Suning Commerce Group Co Ltd	1.0	1.2
China Resources Holdings Co Ltd	1.2	1.1
GOME Electrical Appliances Holding Ltd	0.9	0.9
Sun Art Retail Group Ltd	0.7	0.7
Wal-Mart Stores Inc	0.7	0.5
Vipshop Holdings Ltd	0.4	0.5
Bailian Group Co Ltd	0.4	0.4
Yonghui Superstores Group	0.3	0.3
<b>Top 10 Aggregated</b>	<b>14.2</b>	<b>16.6</b>

Source: Euromonitor

- (1) All 2015 numbers are the historical actual performance data and 2016 numbers are estimated based on the first half year actual performance of 2016.
- (2) The definition of Retailing from Euromonitor is retail sales of new and used goods to the general public for personal or household consumption. Excludes specialist retailers of motor vehicles, motorcycles, vehicle parts, fuel. Also excludes foodservice, rental and hire and wholesale industries (Cash and Carry).
- (3) For Alibaba Group, Euromonitor data just including T-mall. For “JD.com Inc.” 2016 data including “YHD.com”. Walmart including “Wal-Mart (China) Investment Co Ltd” and “Trust-Mart Co. Ltd.”. Bailian Group including “Lianhua Supermarket Holdings Co. Ltd.”, “Hualian GMS Shopping Center Co. Ltd.”, “Shanghai Bailian Group Co. Ltd.”, “Hualian Supermarket Co. Ltd.”, “Shanghai Friendship Group Inc. Co.” and “Shanghai Sanlian Group”.

# SUN ART

Retail Group Limited

高鑫零售有限公司



1

Operating Environment

2

Financial Review

3

Business Review



# Financial Highlights

As of 30 September (RMB in million)	2017	2016	Change
Revenue	79,030	77,319	+2.2%
Gross Profit	18,689	18,058	+3.5%
Gross Profit Margin	23.6%	23.4%	+0.2ppt
EBIT	3,843	3,133	+22.7%
EBIT Margin	4.9%	4.1%	+0.8ppt
Profit for the year	2,501	2,080	+20.2%
Net Profit Margin	3.2%	2.7%	+0.5ppt
Profit attributable to Equity Shareholders	2,315	2,031	+14.0%
Earnings per Share -Basic and diluted (RMB) <sup>(1)</sup>	0.24	0.21	

(1) The calculation of basic and diluted EPS for the years ended 30 September 2017 and 2016 is based on the weighted average number of 9,539,704,700 ordinary shares in issue during the year.

# SUN ART

Retail Group Limited

高鑫零售有限公司



1

Operating Environment

2

Financial Review

3

Business Review



# Business Review – Mortar Stores

Hypermarket Complexes

Supermarkets

Auchan 欧尚

大润发  
RT-Mart



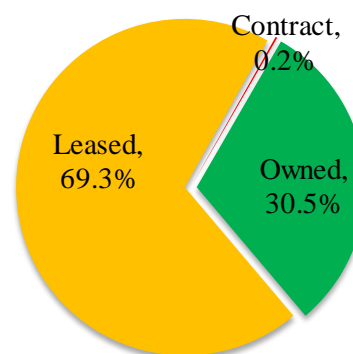
RH lavia

- A total of **454** hypermarkets and supermarkets across China as at 30 September 2017, covering **226** cities cross **29** Provinces, autonomous regions and municipalities.
- Secured 69 sites to open hypermarket complexes in next 3 years, of which 66 were under construction.

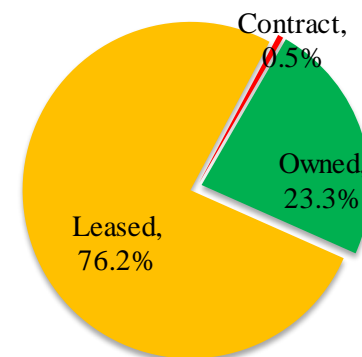


Region	No. of stores (30 September 2017)			GFA (sqm) (30 September 2017)		
			Total			Total
Eastern China	51	133	184	2,067,785	3,231,716	5,299,501
Northern China	5	42	47	151,064	1,045,298	1,196,362
N-Eastern China	2	46	48	55,939	1,283,376	1,339,315
Southern China	5	77	82	124,523	1,882,442	2,006,965
Central China	10	62	72	293,766	1,553,858	1,847,624
Western China	5	16	21	223,839	377,795	601,634
<b>Total</b>	<b>78</b>	<b>376</b>	<b>454</b>	<b>2,916,916</b>	<b>9,374,485</b>	<b>12,291,401</b>

GFA breakdown



Store no. breakdown



# Thank You!

