

Jiumaojiu International Holdings Limited
九毛九国际控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 9922

2020 Interim Results Presentation



August 25, 2020

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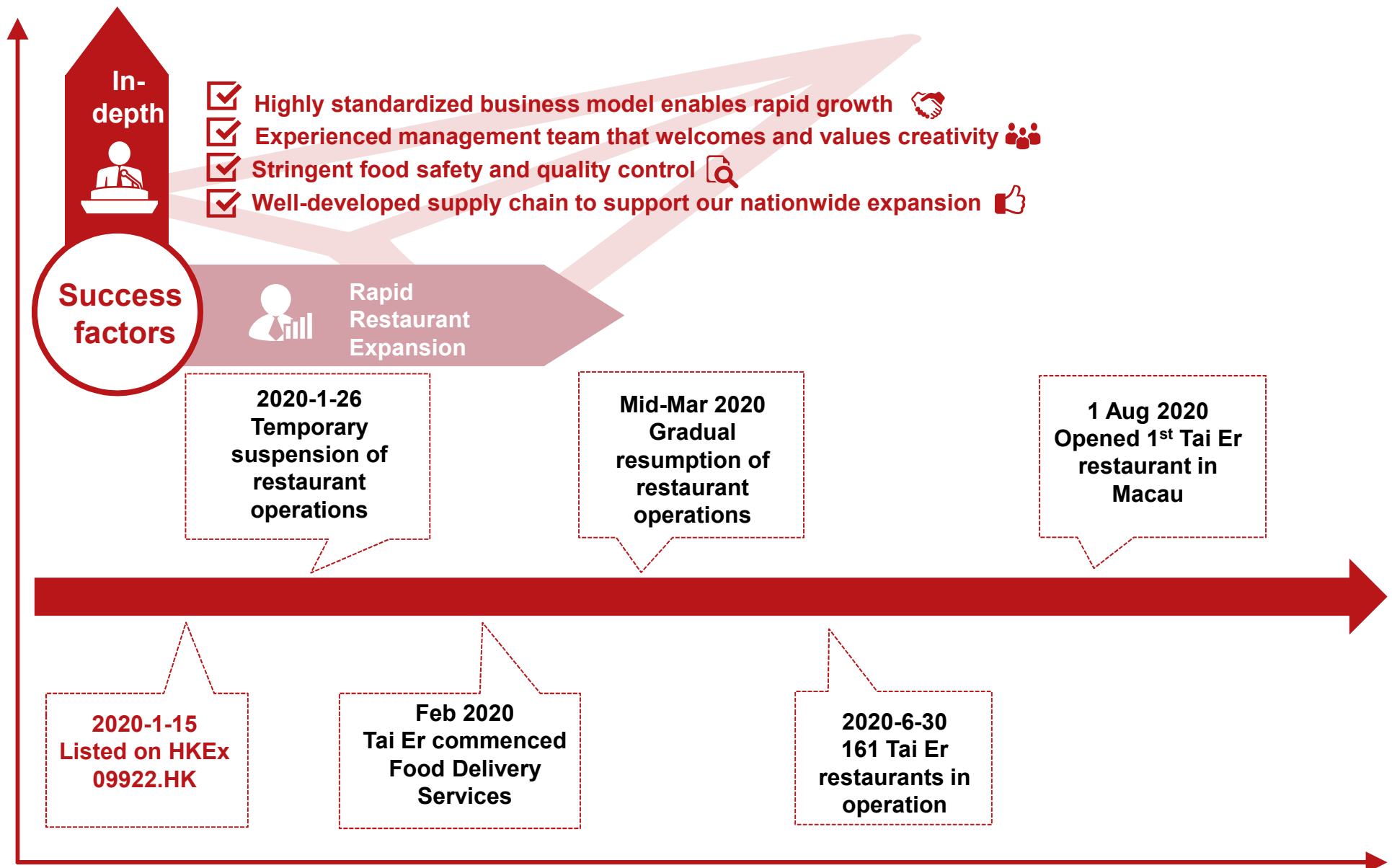
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Chapter 1

Company Overview

The Group's Key Milestones



The Group's General Introduction



- ✓ Unique and authentic brand positioning
- ✓ Reducing internal competition between brands
- ✓ Outperformed in sub-segments through differentiation
- ✓ Embrace innovation through trial and error



288+33 Restaurants

As of June 30th, 2020, our Group operated **288** restaurants and managed **33** franchised restaurants.



43 Cities

As of June 30th, 2020, our Group's restaurant network covered **43** cities (At December 31st, 2019: **40** cities) in 16 provinces and 4 municipalities in China.



10 Million+ Fans

As of June 30th, 2020, the number of followers of “Jiu Mao Jiu” and “Tai Er” official WeChat accounts reached over **10 million**.

Chapter 2

2020 Interim Business Review

Tai Er – Focus on Our Original Intention - PRODUCTS

Continue to focus on Quality Products while expanding rapidly



Restaurant Network

As of June 30th, 2020, we had **321** restaurants covering **43** cities, in **16** provinces and **4** municipalities in the PRC.

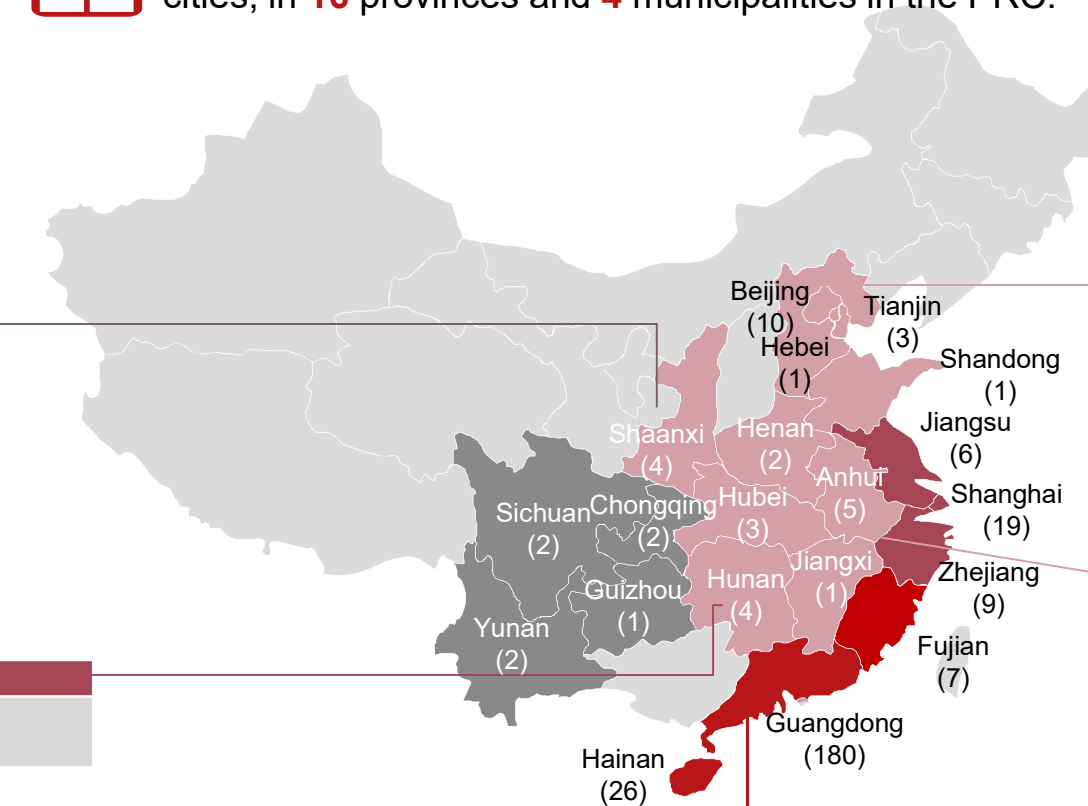
Western China	
	Tai Er
Sichuan	2
Chongqing	2
Yunnan	2
Guizhou	1
Subtotal	7

Eastern China	
	Tai Er
Shanghai	19
Zhejiang	9
Jiangsu	6
Subtotal	34

Southern China					
	Jiu Mao Jiu	Tai Er	Double Eggs	Song	Uncle Chef
Guangdong	90	68	49 ⁽¹⁾	1	1
Hainan	15	11	1 ⁽²⁾	-	-
Fujian	-	7	-	-	-
Subtotal	105	86	20	1	1

Northern China	
	Tai Er
Beijing	10
Tianjin	3
Hebei	1
Shandong	1
Henan	2
Shaanxi	4
Subtotal	21

Central China		
	Tai Er	Double Eggs
Anhui	5	-
Hubei	3	3 ⁽²⁾
Hunan	4	-
Jiangxi	1	-
Subtotal	13	-



Western China Southern China Eastern China Central and Northern China

Note:

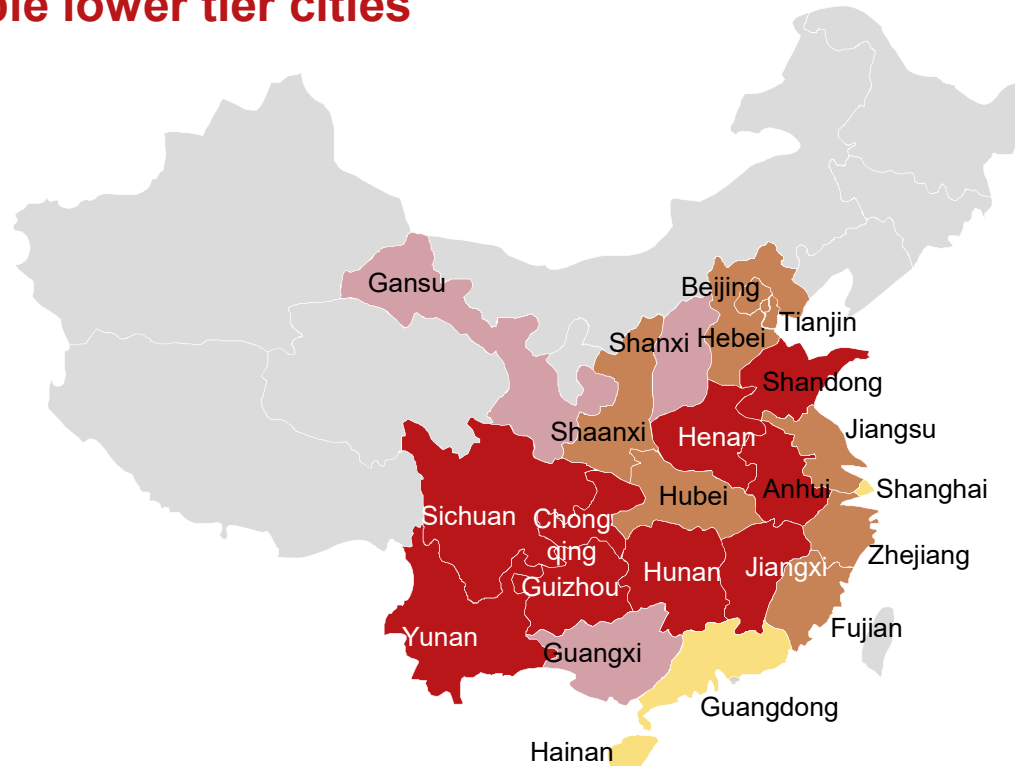
(1) The 49 Double Eggs restaurants comprise 20 self-operated and 29 franchised Double Eggs restaurants
 (2) All of these Double Eggs restaurants are franchised restaurants

Tai Er Continues Nationwide Expansion

九毛九·集团

Jiu Mao Jiu Group

Continue opening restaurants in strategic locations while tapping into suitable lower tier cities



- Provinces entered into from commencement to 2017
- Provinces entered into during 2018
- Provinces entered into during 2019
- Provinces planned to enter in 2020



Jiu Mao Jiu, Double Eggs, Song, Uncle Chef

九毛九·集团
Jiu Mao Jiu Group



Continue to improve respective business models



Chapter 3

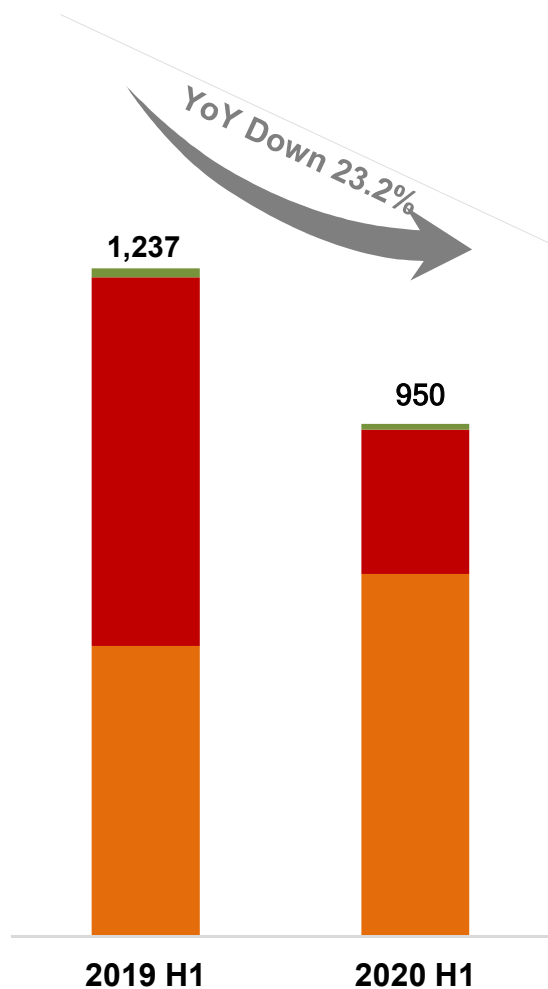
2020 Interim

Financial Review

Financial Overview

Revenue and Revenue Growth

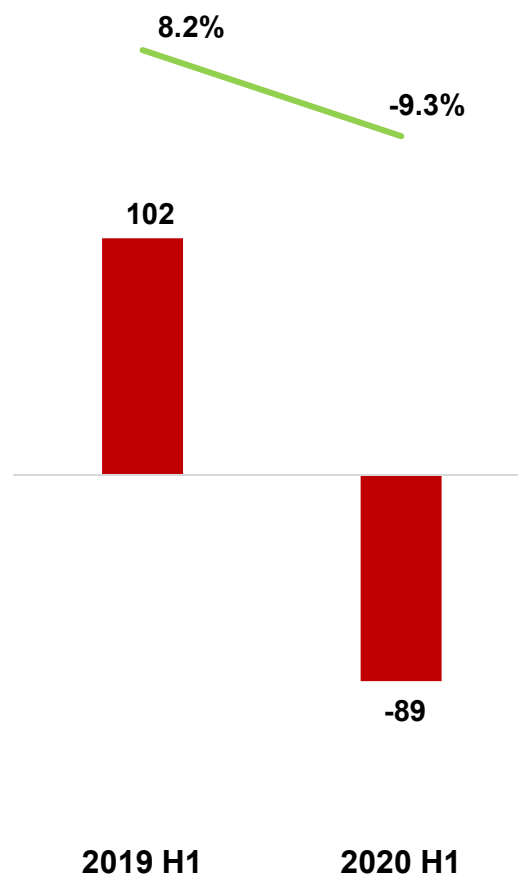
(RMB in million)



■ Tai Er ■ Jiu Mao Jiu ■ Others

Net Profit and Net Profit Margin

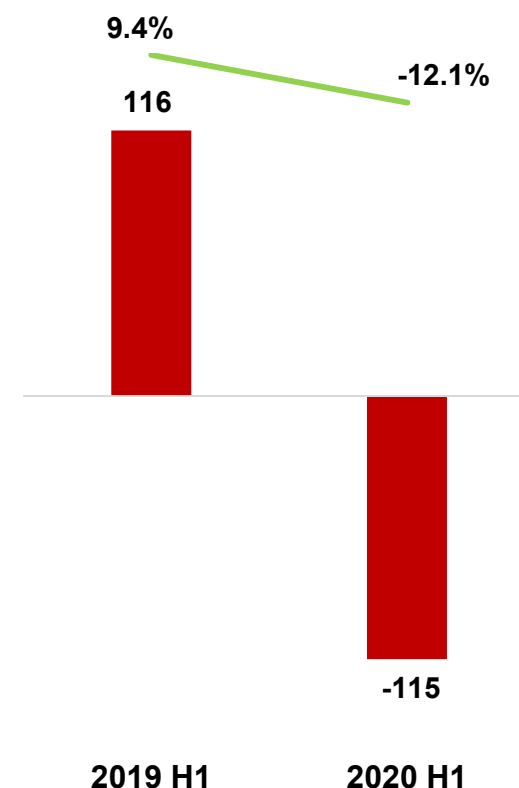
(RMB in million)



■ Net Profit ■ Net Profit Margin

Adjusted Net Profit ⁽¹⁾ and Adjusted Net Profit Margin

(RMB in million)

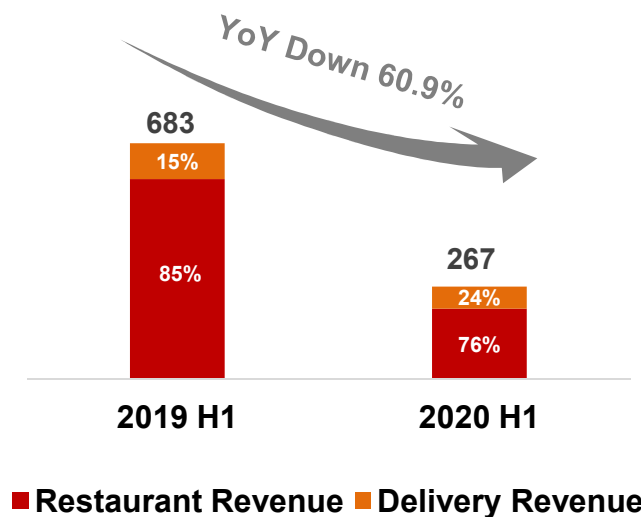


■ Adjusted Net Profit
■ Adjusted Net Profit Margin

Note: (1) adjusted net profit = Net Profit + equity settled share-based payment expenses + listing expenses - interest income on subscription monies received from initial public offering

Revenue

(RMB in million)

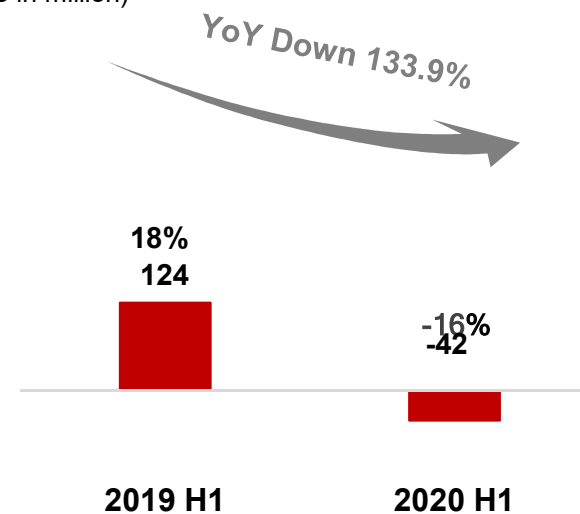


Seat turnover rate

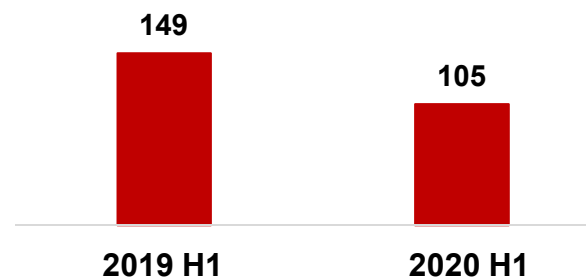


Operating profit and operating profit margin

(RMB in million)



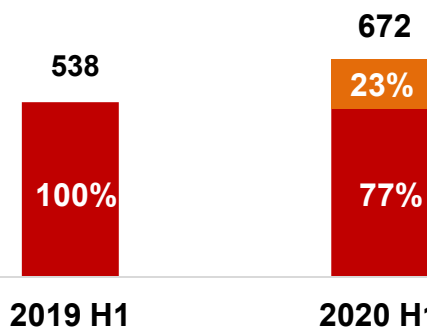
Number of restaurants



Revenue

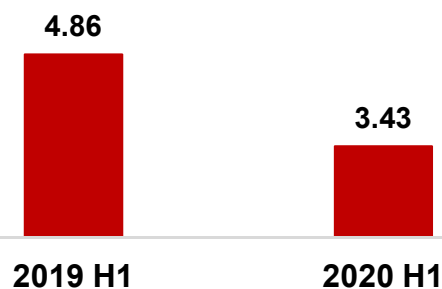
(RMB in million)

YoY Growth 24.8%



■ Restaurant Revenue ■ Delivery Revenue

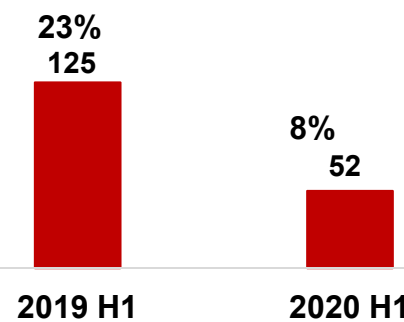
Seat turnover rate



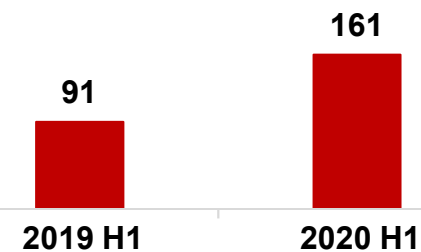
Operating profit and operating profit margin

((RMB in million))

YoY Down 58.5%



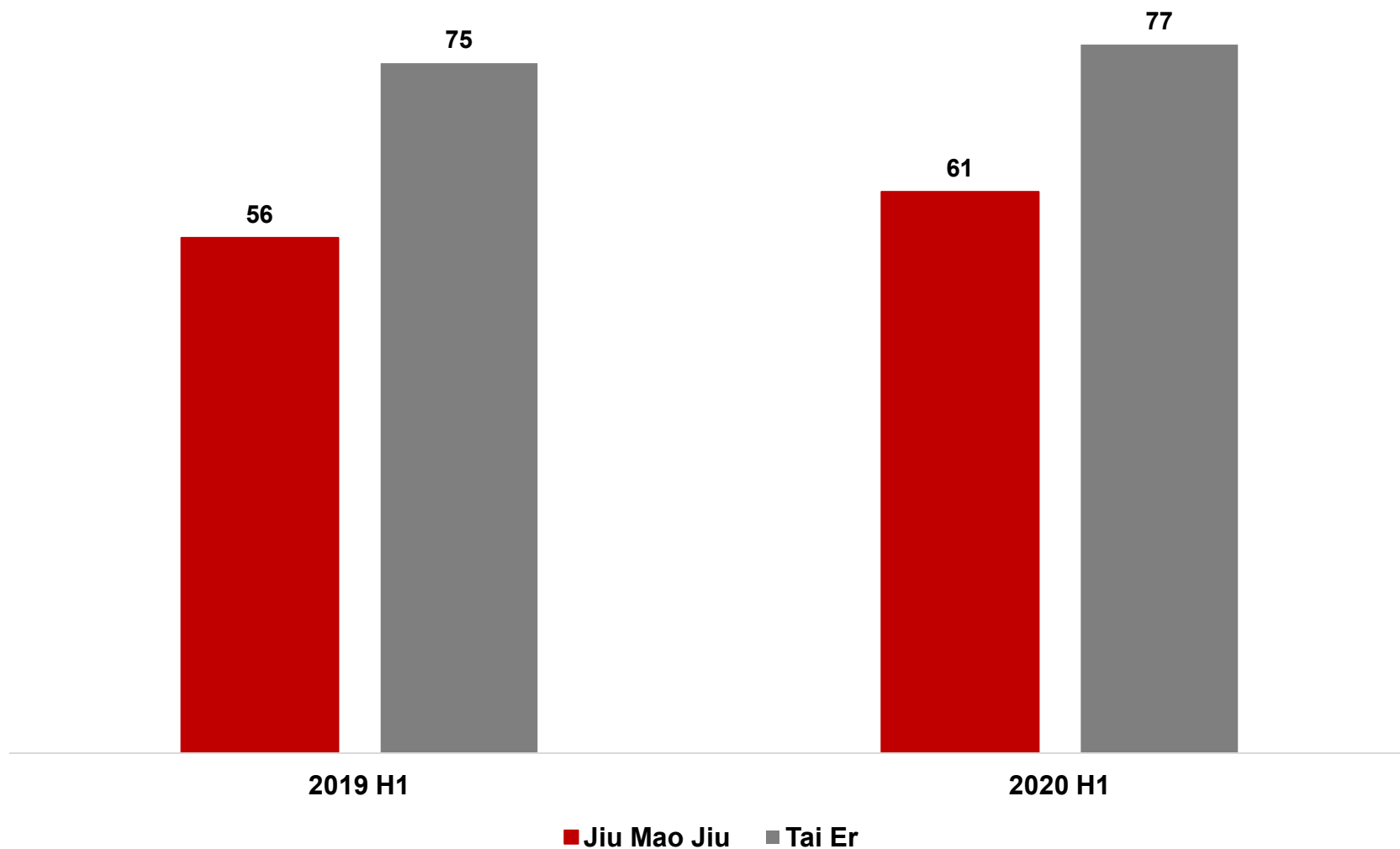
Number of restaurants



Business Overview

Steady average spending per customer

(RMB)



Breakdown of Operating Expenses

Raw materials and consumables used

35.2%
39.2%

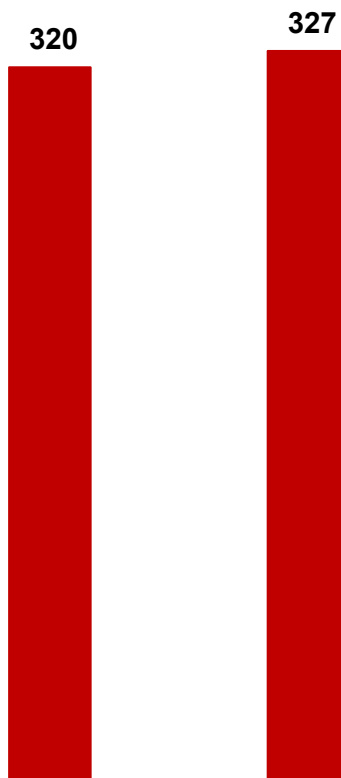


2019 H1

2020 H1

Staff costs

25.9%
34.5%

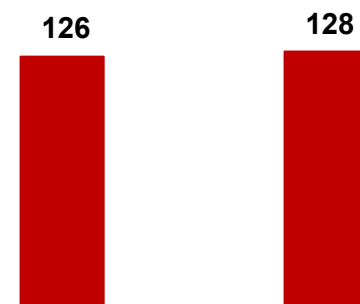


2019 H1

2020 H1

Rental and related expenses ⁽¹⁾

10.2%
13.5%



2019 H1

2020 H1

Note: (1) Depreciation of right-of-use assets + Other rentals and related expenses

Turnover Days Analysis

Inventory turnover days

(Days)

16.7

29.7

2019 H1

2020 H1

Trade debtors turnover days

(Days)

3.2

2.8

2019 H1

2020 H1

Trade payables turnover days

(Days)

32.5

46.4

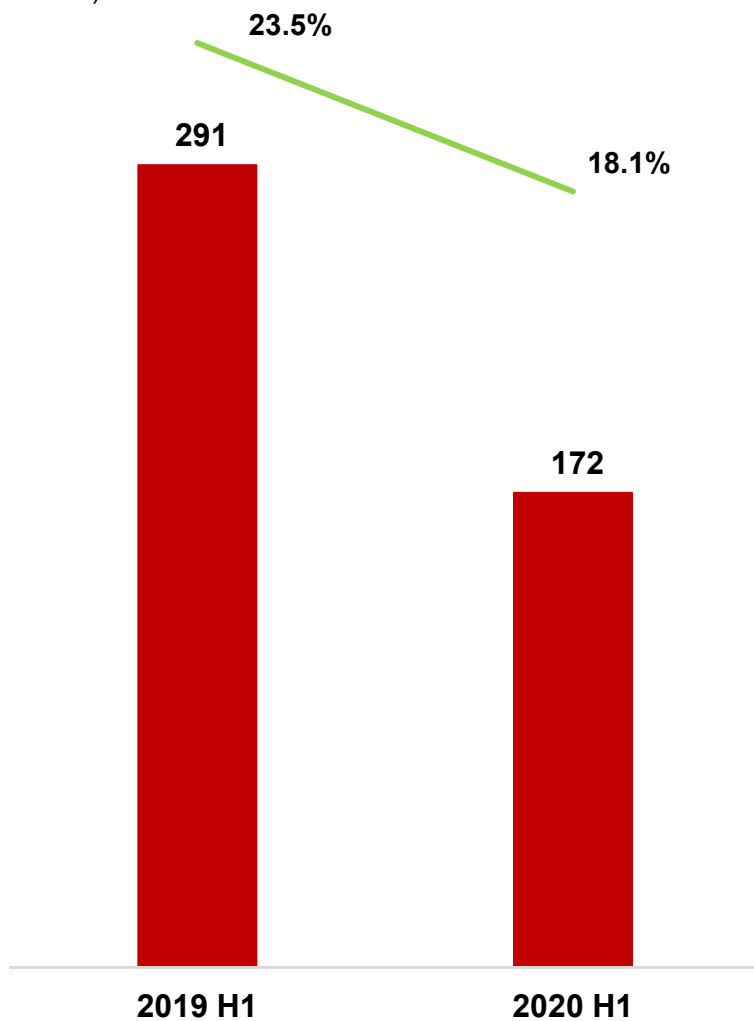
2019 H1

2020 H1

Cash Flow Analysis

Operating Cash Flow

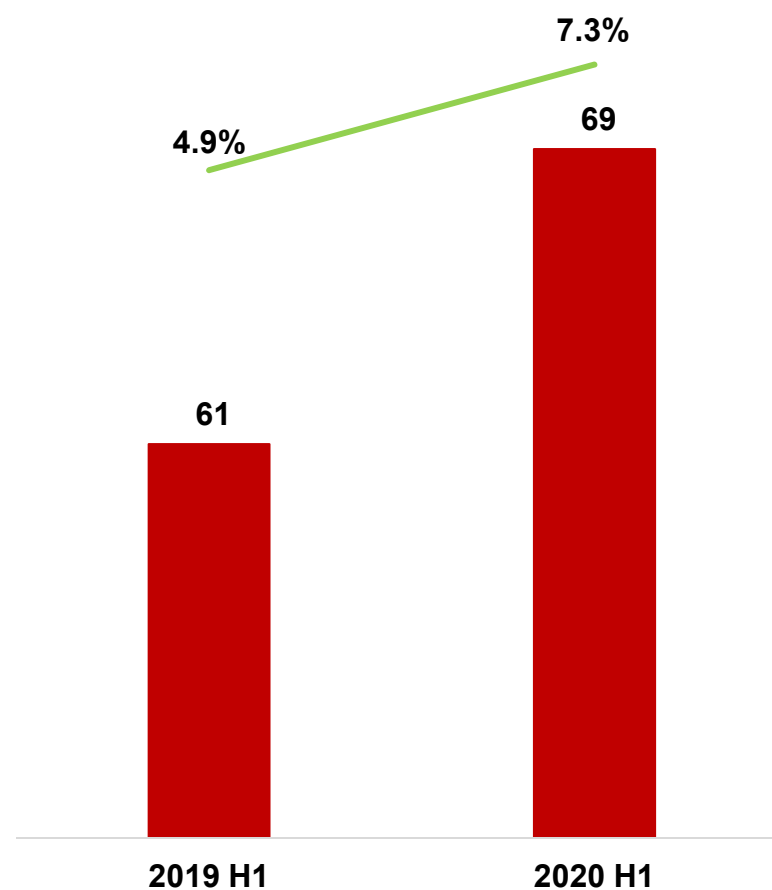
(RMB in million)



Operating Cash Flow % of Revenue

Capital Expenditure

(RMB in million)



Capital Expenditure % of Revenue

Chapter 4

Future Development Strategies

Future Development Strategies

Through the following strategies, we aim to lead the future development of Chinese cuisine restaurant industry. And by focusing on our competitive advantages, we are determined to strengthen our leadership in China.

Continue to expand by replicating our past success



Expansion plan: We will continue our restaurant network expansion. But the actual numbers, the location and the timing may be actively and responsibly adjusted, subject to a number of controllable and non-controllable factors.



Jiu Mao Jiu: Continue to focus in the Southern China region, and further strengthen our leading position through iterative transformation.

Tai Er: Continue our focus in the tier one and two cities, and expand to surrounding cities when appropriate.

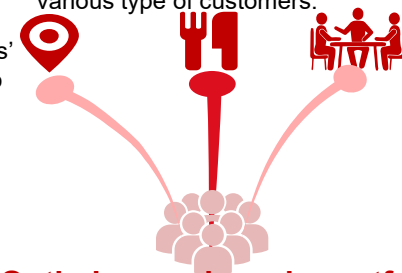
Other brands: continue to develop and cultivate.

Continue to expand into more sub-segments, by leveraging our multi-brand and multi-concept strategy

Shopping malls will remain our major channel, but may be more selective in locations based on different brands' image and positioning, to achieve more regional coverage.

Offering wide range of food (Noodles, Sauerkraut fish, Hot pot, Cantonese cuisine, etc), in order to fulfill the needs by various type of customers.

Building the business surrounding a precise target group for each brand, such as families, youngster, mid to high-end spenders, etc.



Optimize our brands portfolio to increase our market share



Supply Chain

Further strengthen our investment in our IT system, boost digitization.

Vertical integration: Cooperate with suppliers of key raw materials; Horizontal integration: Cooperate with other food catering companies.

Emphasizing the importance of standardization in food and services, in order achieve top class food safety and quality.

Continue to strengthen our supply and support capabilities



Warehouse logistics



Open new restaurants in overseas market with high growth potential, such as Hong Kong, Macau, Singapore, Los Angeles, San Francisco and Vancouver, to attract not only overseas Chinese, but also foreign customers.



Team and talents with vast industry experience



Highly standardized business model



Overseas expansion

Expand into the global markets to gain international presence

Chapter 5

