



Jiu Mao Jiu 2019 Annual Results Presentation



March 30, 2020

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Contents

Chapter 1

Company Overview

P. 03

Chapter 2

2019 Business Review

P. 06

Chapter 3

2019 Financial Review

P. 11

Chapter 4

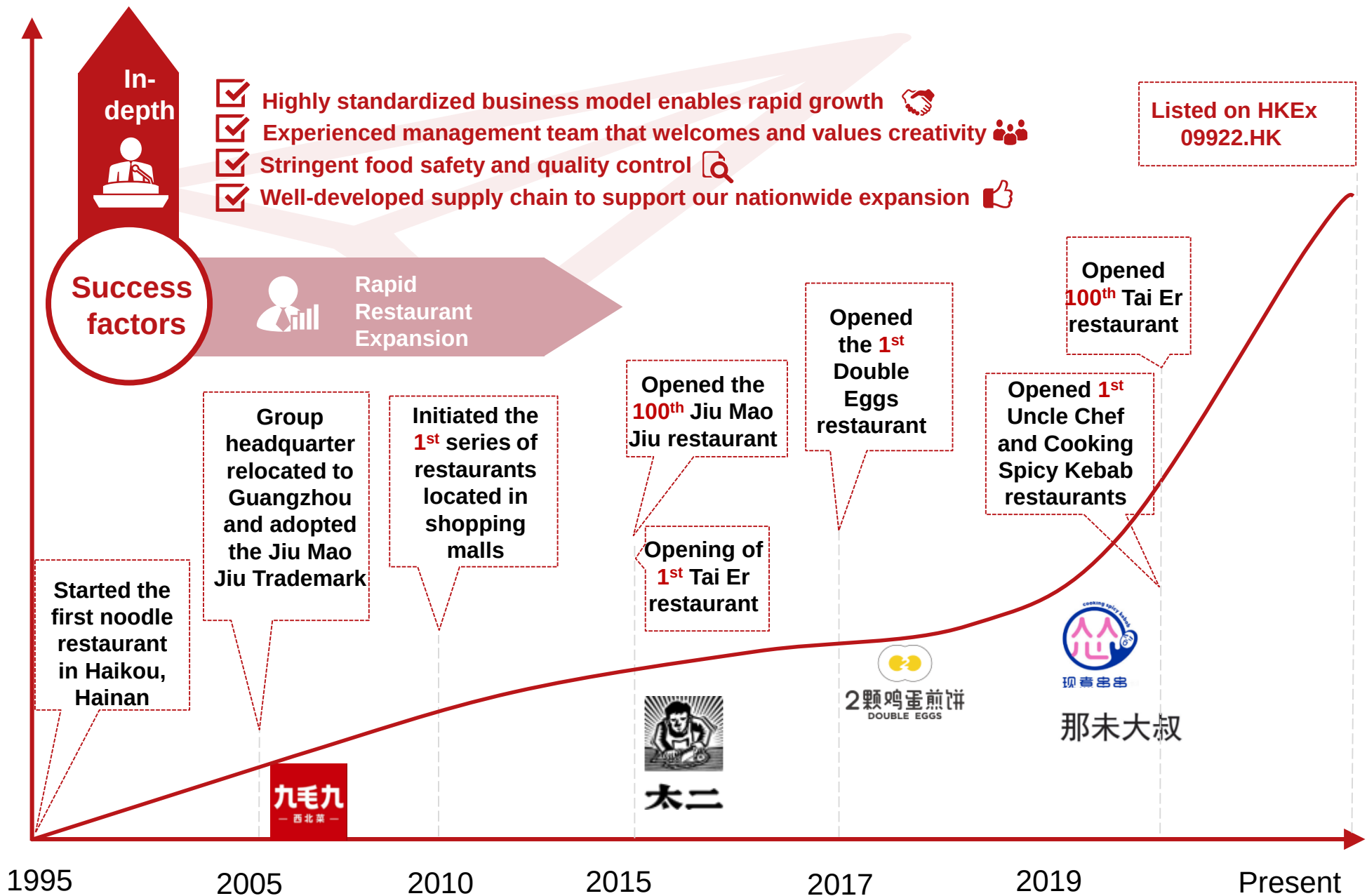
Future Development Strategies

P. 20

Chapter 1

Company Overview

The Group's Key Milestones



Leading Chinese cuisine restaurant brand manager and operator

九毛九·集团

Jiu Mao Jiu Group



Jiumaojiu International Holdings Limited ("Our Group" or "Company") is a leading Chinese cuisine restaurant brand manager and operator in China, fully devoted to offer high quality food and dining experience, in different sub-segments within the Chinese cuisine industry.

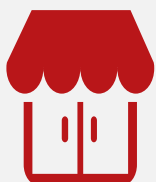


太二



那未大叔

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



292+44 Restaurants

As of December 31st, 2019, our Group operated **292** restaurants and managed **44** franchised restaurants.



102 Shopping Malls

As of December 31st, 2019, our Group has partnered with **102** shopping malls for over three years.



40 Cities

As of December 31st, 2019, our restaurant network covered 40 cities in 16 provinces and 4 municipalities in China.



9.41 Million Fans

As of December 31st 2019, the number of subscribers of "Jiu Mao Jiu" and "Tai Er"s official WeChat accounts reached over **9.41 million**.

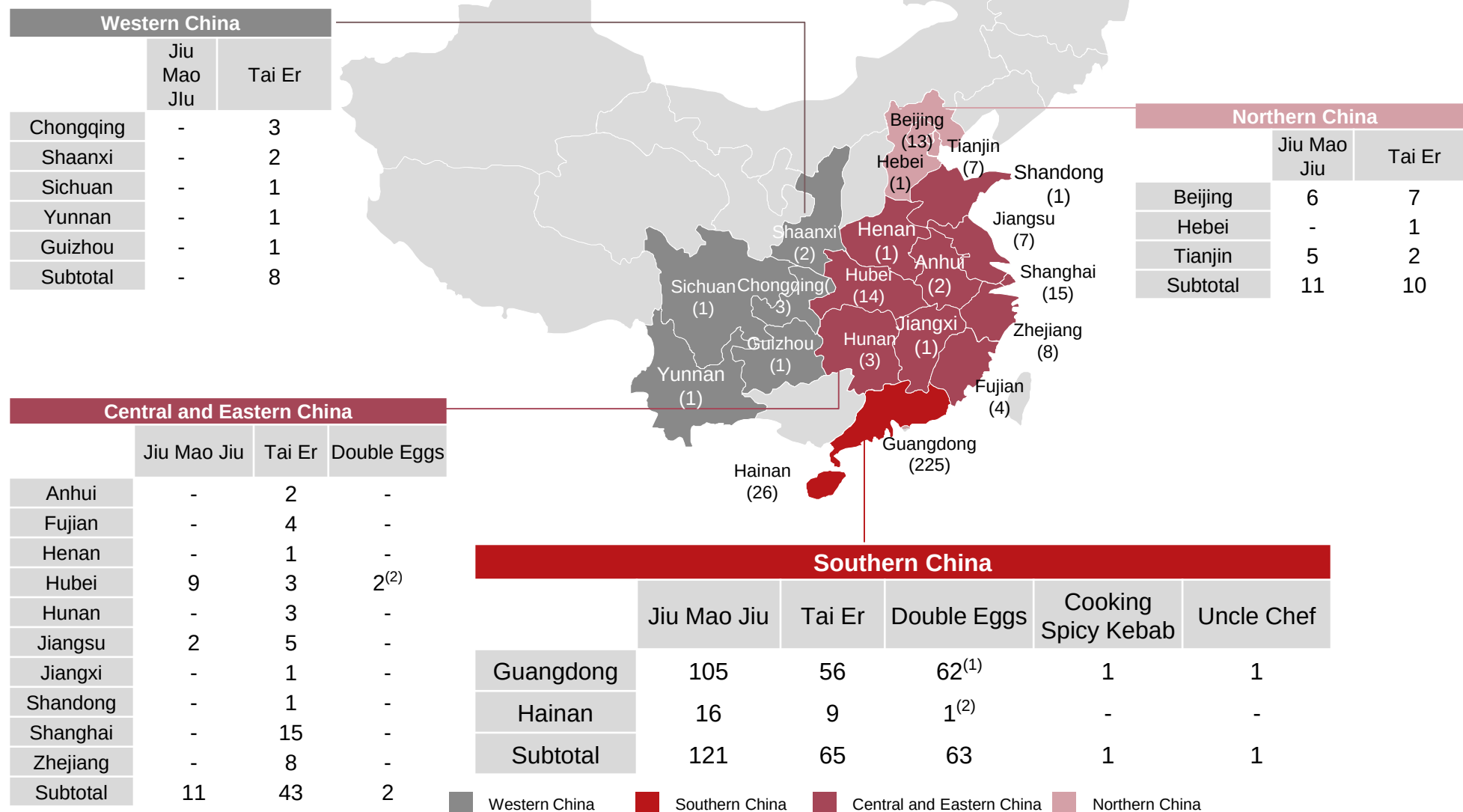
Chapter 2

2019 Business Review

Restaurant Network



As of December 31st, 2019, we had **336** restaurants covering **40** cities in **16** provinces and **4** municipalities in the PRC



Note:
 (1) The 62 Double Eggs restaurants comprise 21 self-operated and 41 franchised Double Eggs restaurants
 (2) All of these Double Eggs restaurants are franchised restaurants

Tai Er – from Regional Brand to Nationwide Brand

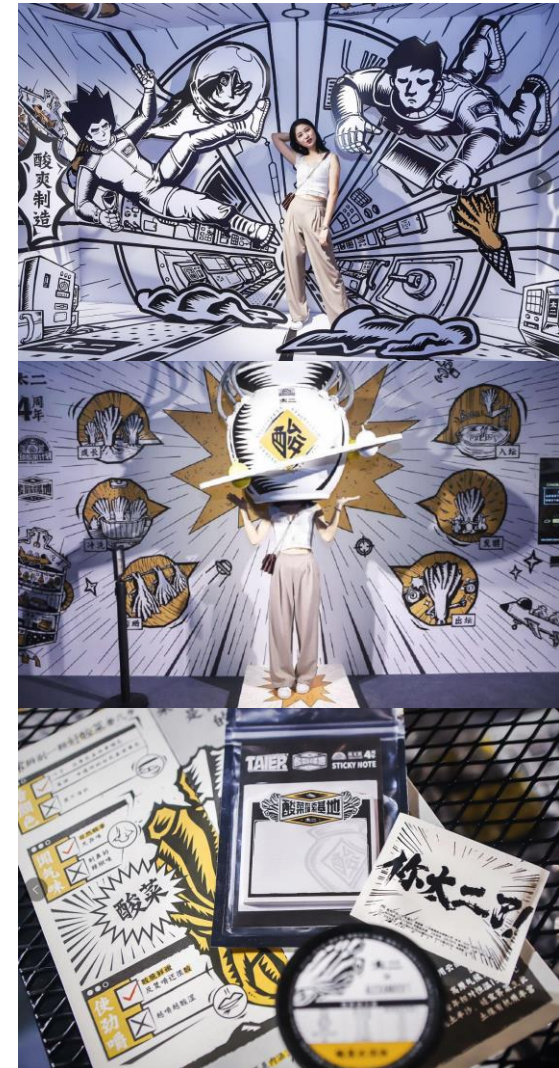
九毛九·集团

Jiu Mao Jiu Group

We targeted the spicy foods industry because of its addictive nature. Tai Er achieved nationwide popularity and expanded into more provinces.



- Provinces entered into from commencement to 2017
- Provinces entered into during 2018
- Provinces entered into during 2019

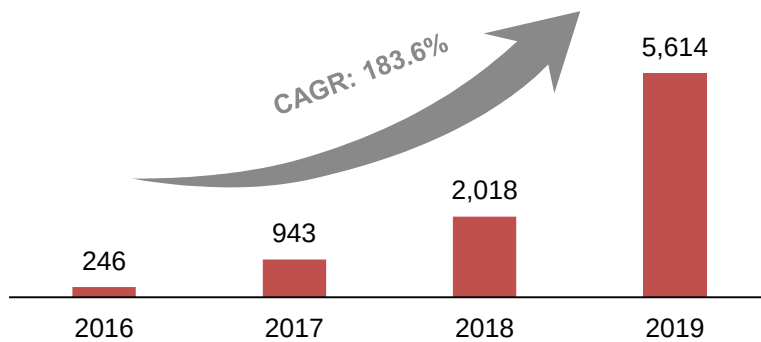


Tai Er's Brand Image

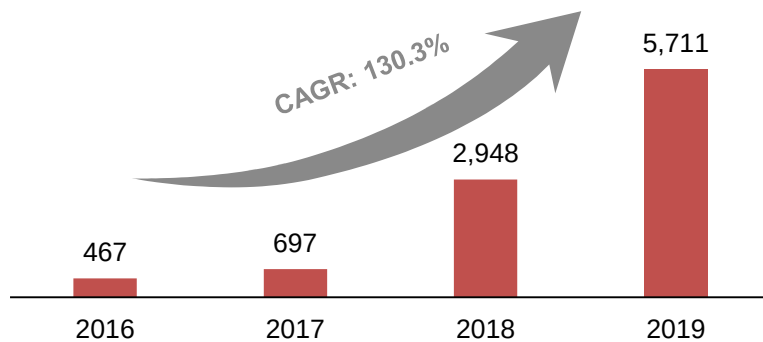
We strive our best to stay relevant and maintain our Trendy Brand image, by interacting with younger customers and speaking their languages.



Tai Er WeChat Official Account Fans Base ('000s)



WeChat Official Account Articles Reach ('000 times)



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Jiu Mao Jiu – Change For Better

九毛九·集团

Jiu Mao Jiu Group



九毛九
— 西北菜 —

- Enhance our Product Standardization
- Remodel the Chinese Northwestern Cuisine
- Become THE number 1 choice for families, provide reliable and hygienic dining
- Super Slogan: A Harmonious Family Cultivates Prosperity

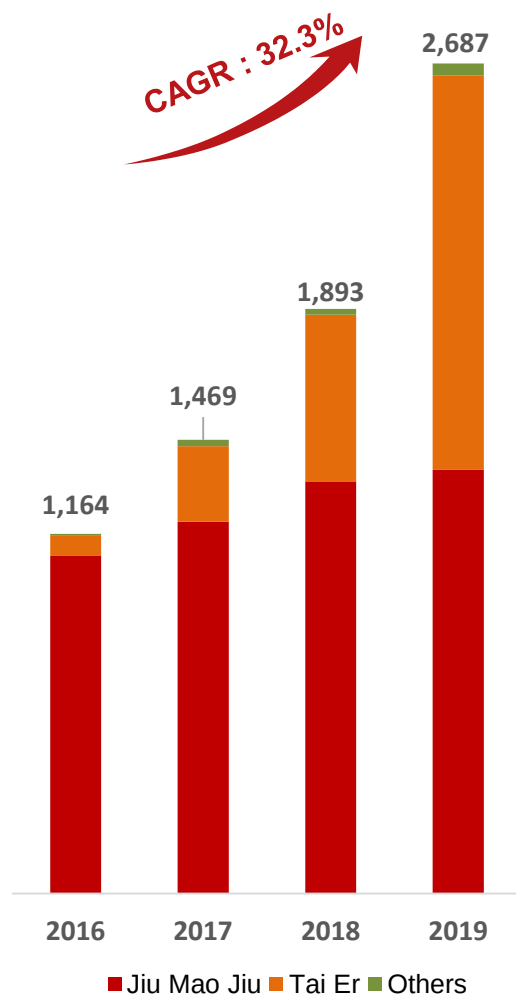
Chapter 3

2019 Financial Review

Financial Overview

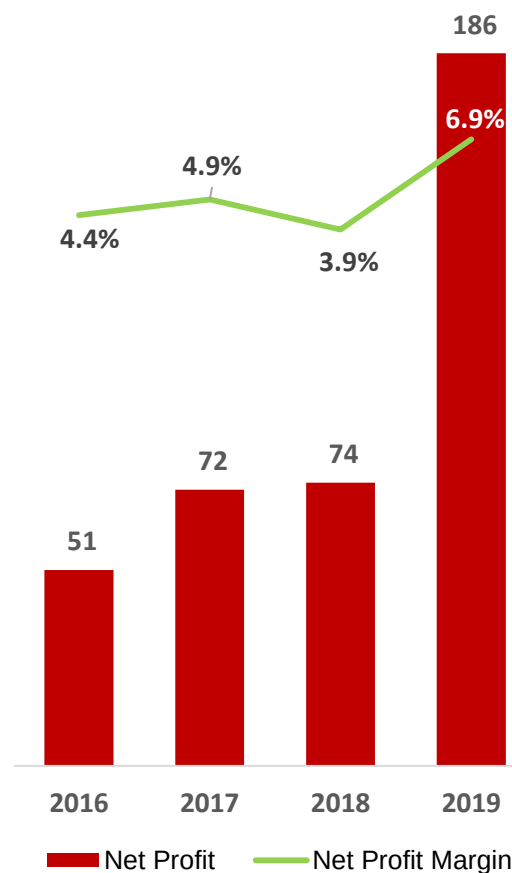
Revenue and Revenue Growth

(RMB in million)



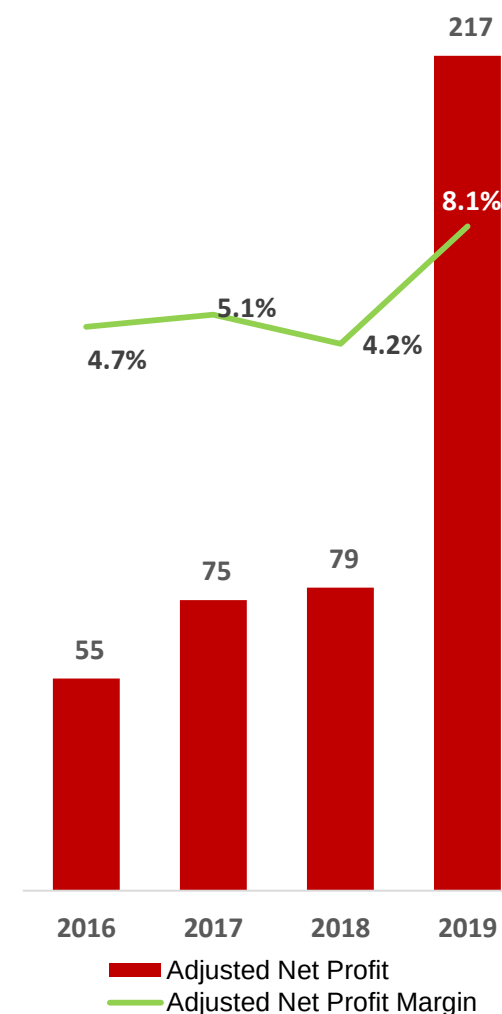
Net Profit and Net Profit Margin

(RMB in million)



Adjusted Net Profit ⁽¹⁾ and Adjusted Net Profit Margin

(RMB in million)

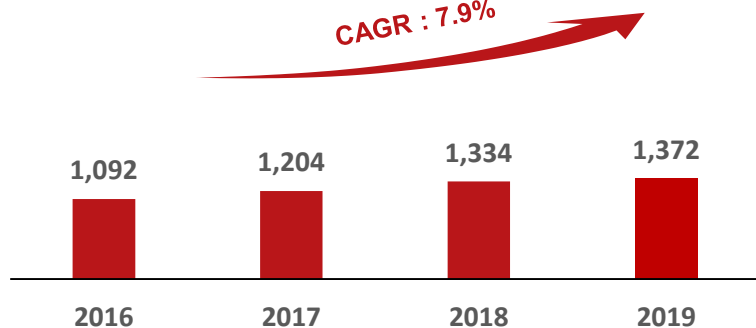


Note: (1) adjusted net profit = Net Profit + equity settled share-based payment expenses + listing expenses

Revenue

(RMB in million)

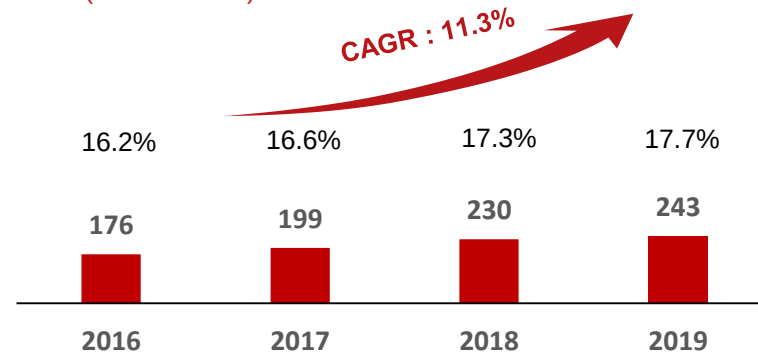
CAGR : 7.9%



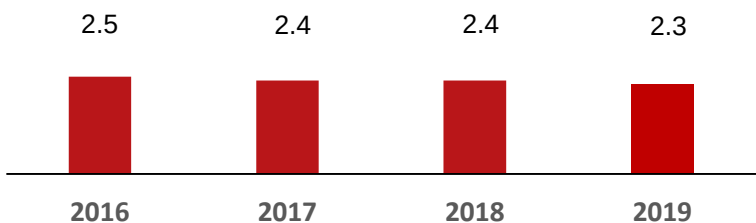
Operating profit and operating profit margin

(RMB in million)

CAGR : 11.3%

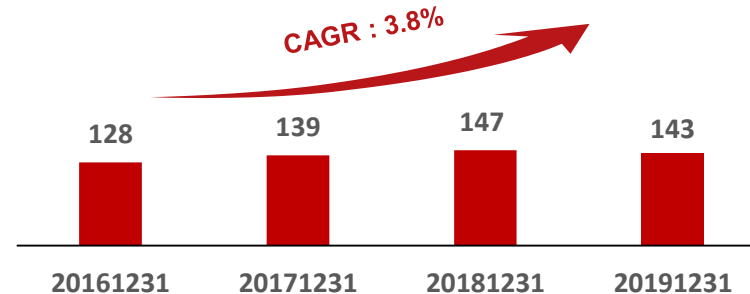


Seat turnover rate



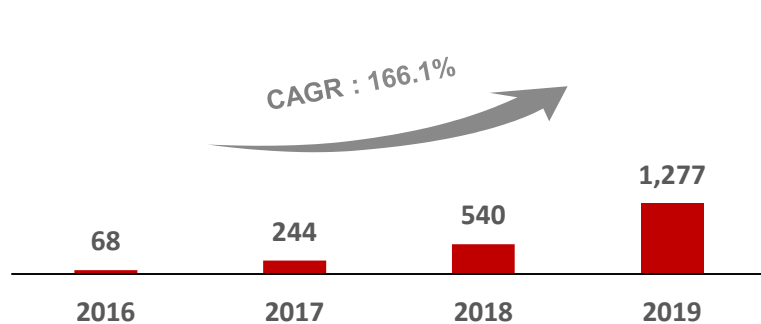
Number of restaurants

CAGR : 3.8%



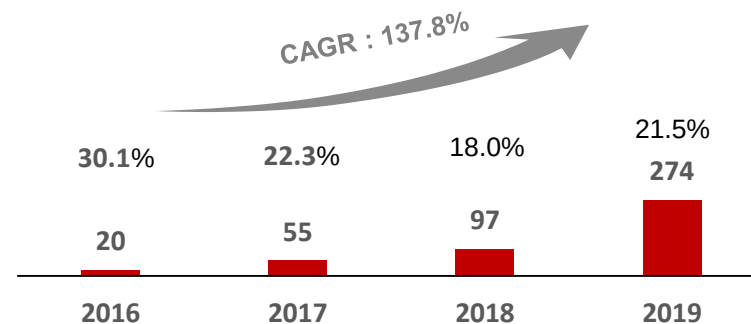
Revenue

(RMB in million)

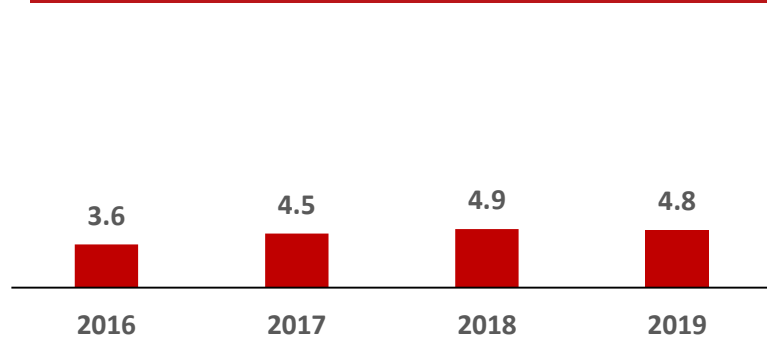


Operating profit and operating profit margin

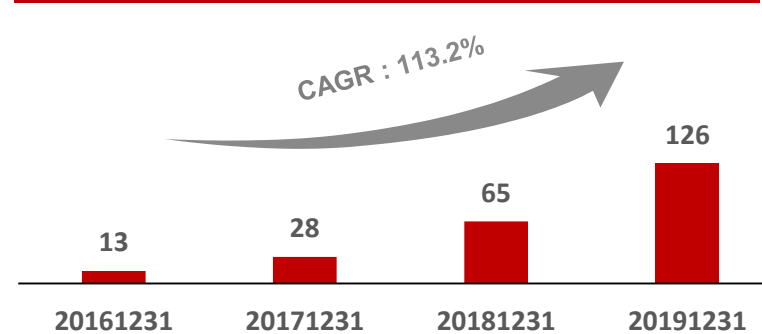
(RMB in million)



Seat turnover rate



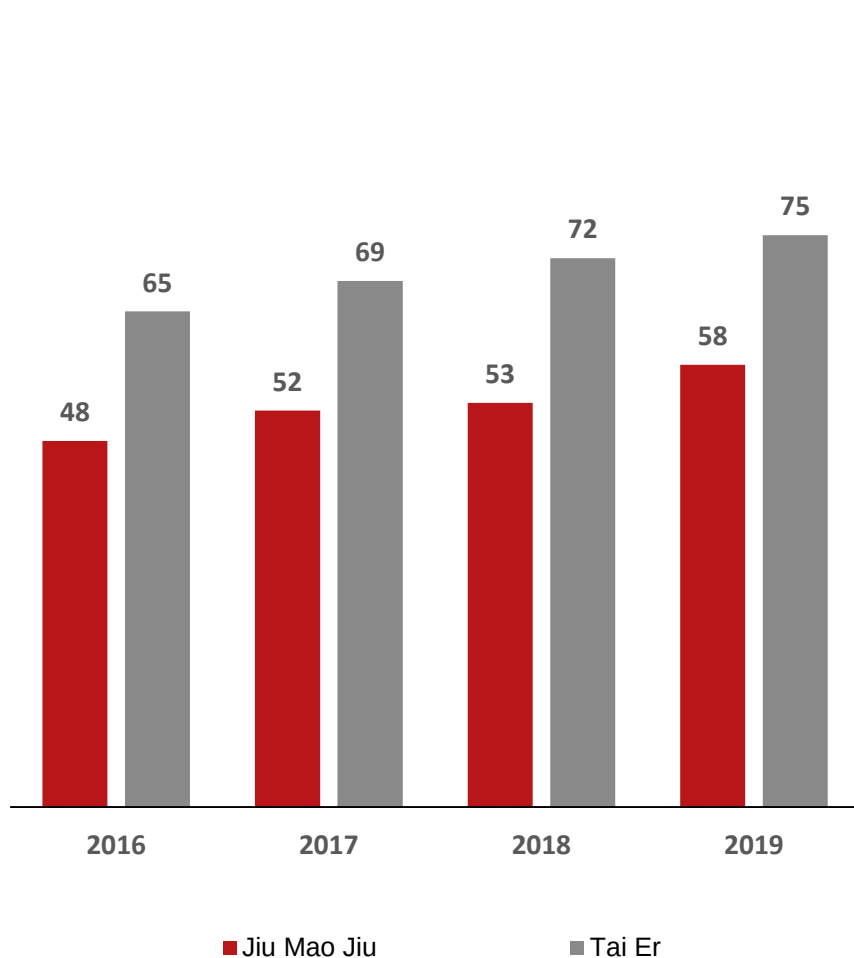
Number of restaurants



Business Overview

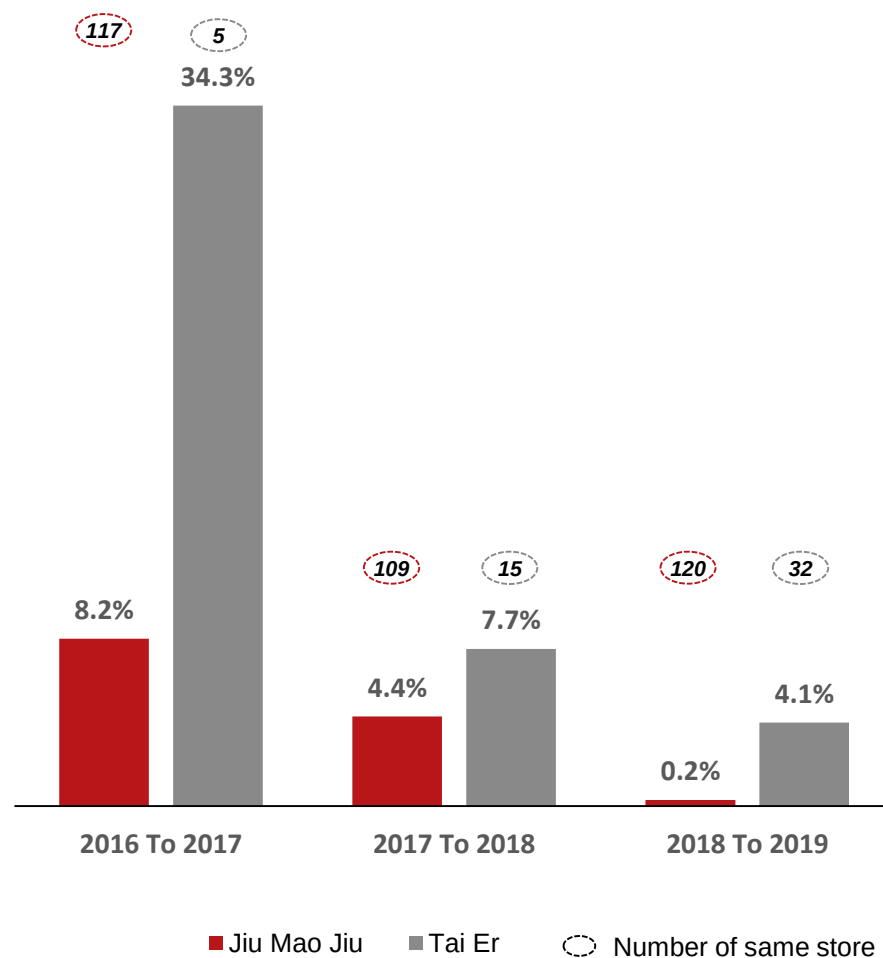
Steady average spending per customer

(RMB)



Increased in the same store sales of different brands

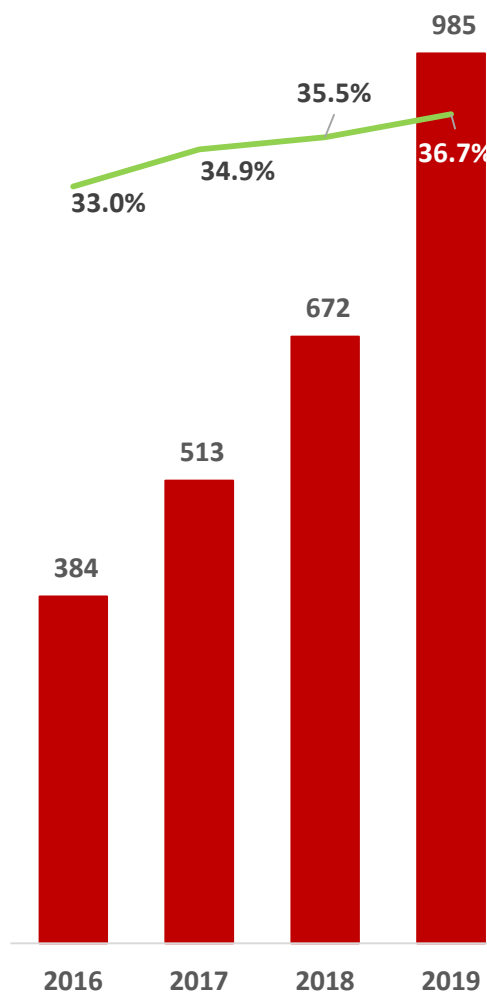
(%)



Breakdown of Operating Expenses

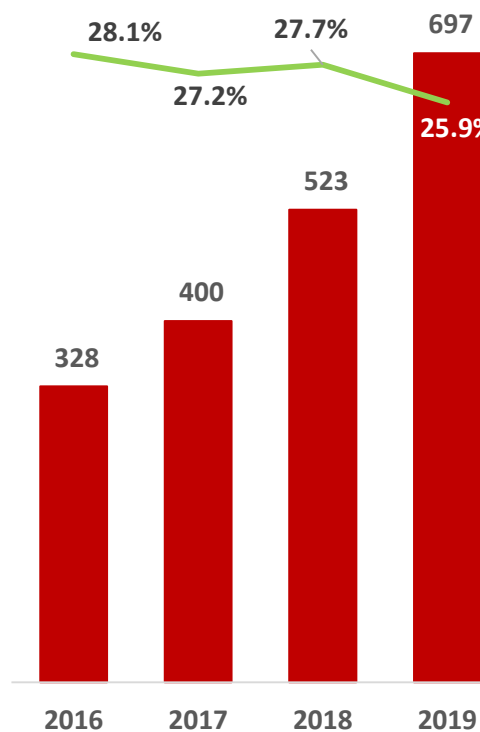
Raw materials and consumables used

(RMB in million)



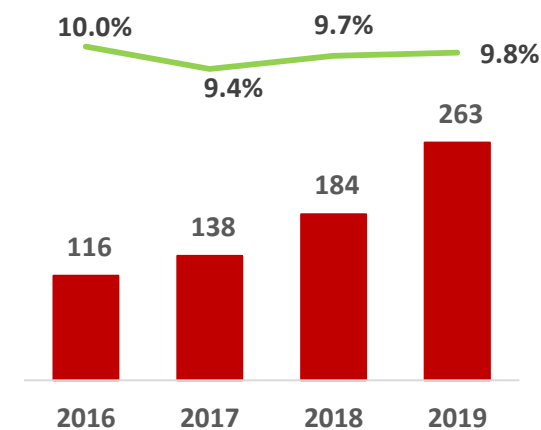
Staff costs

(RMB in million)



Rental and related expenses ⁽¹⁾

(RMB in million)

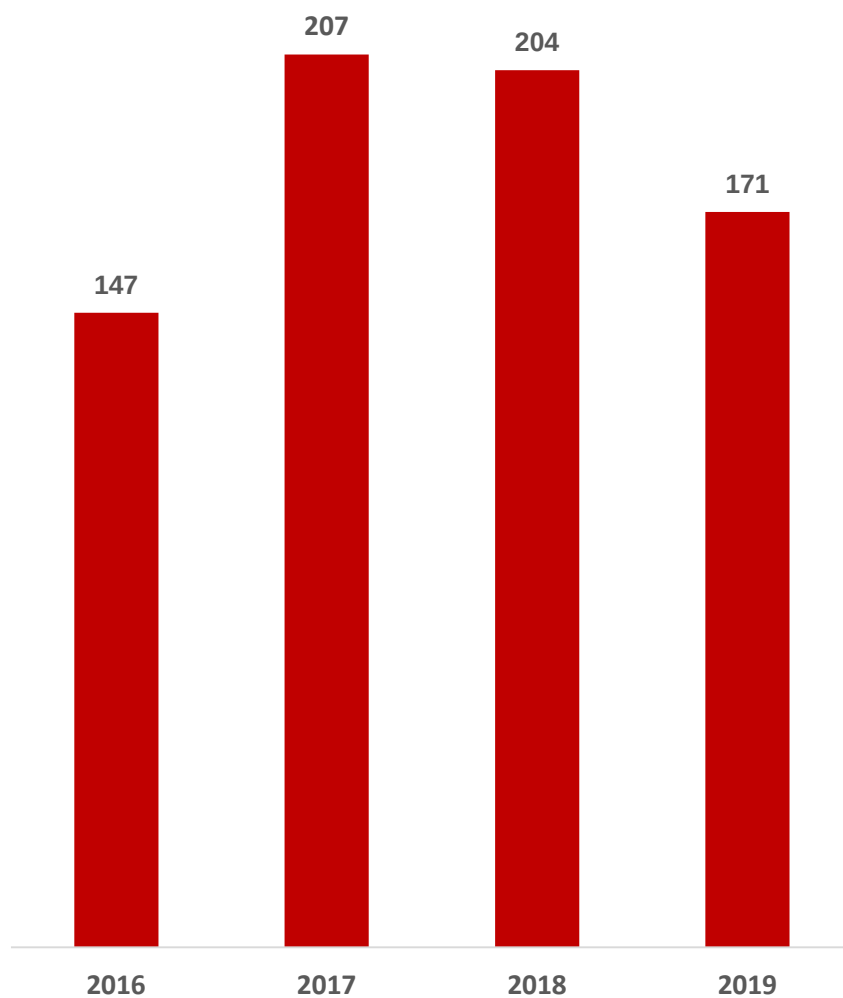


Note: (1) Depreciation of right-of-use assets + Other rentals and related expenses

Net assets and return on net assets

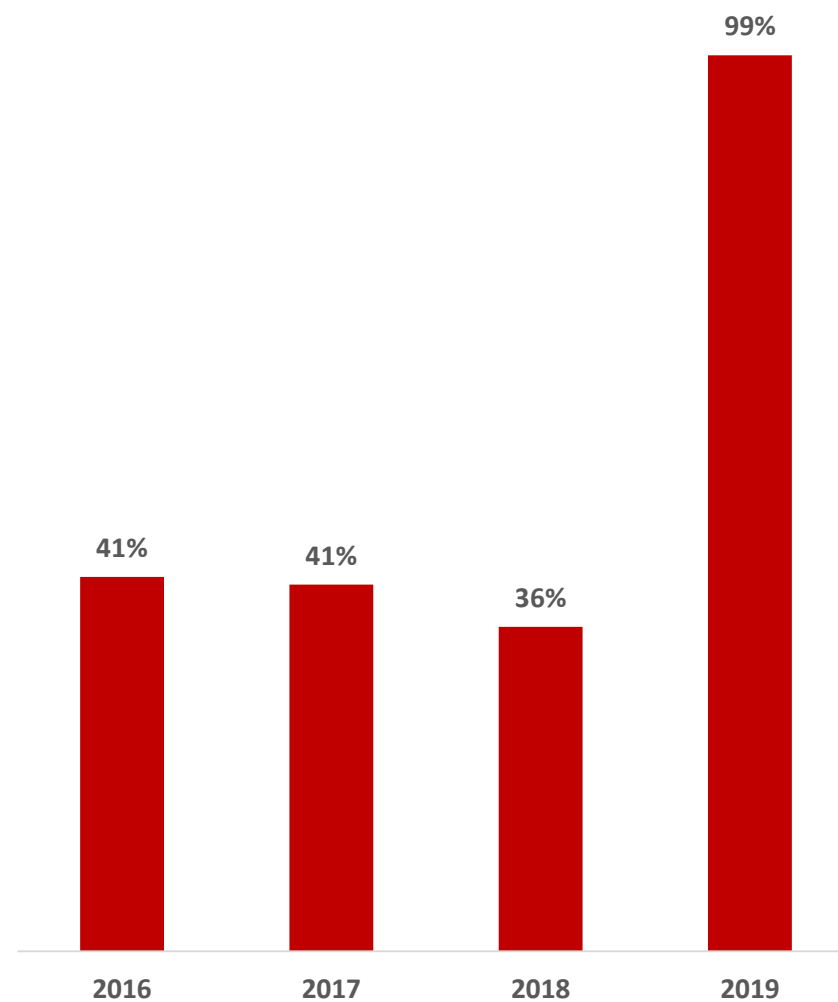
Net assets

(RMB in million)



Return on net assets

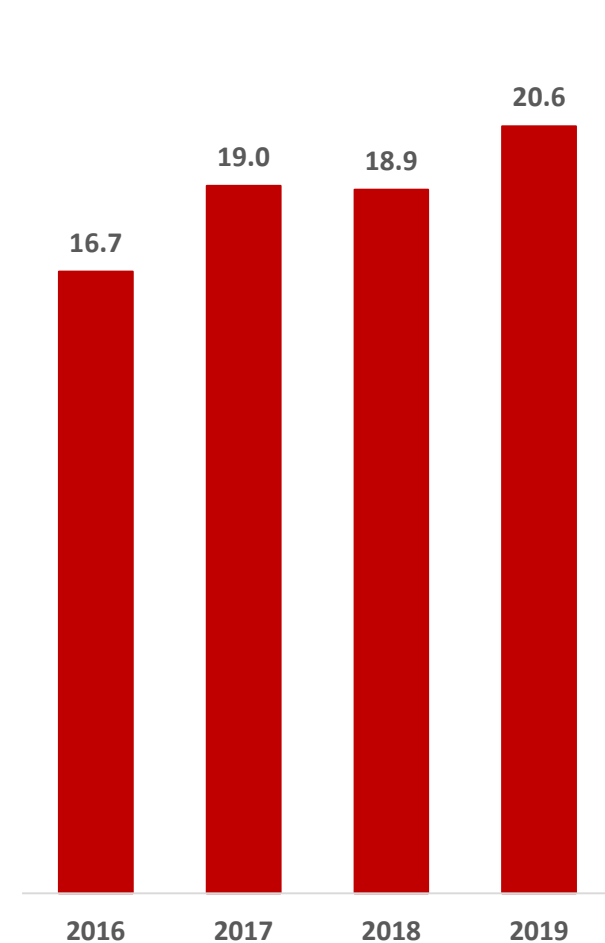
(%)



Turnover Days Analysis

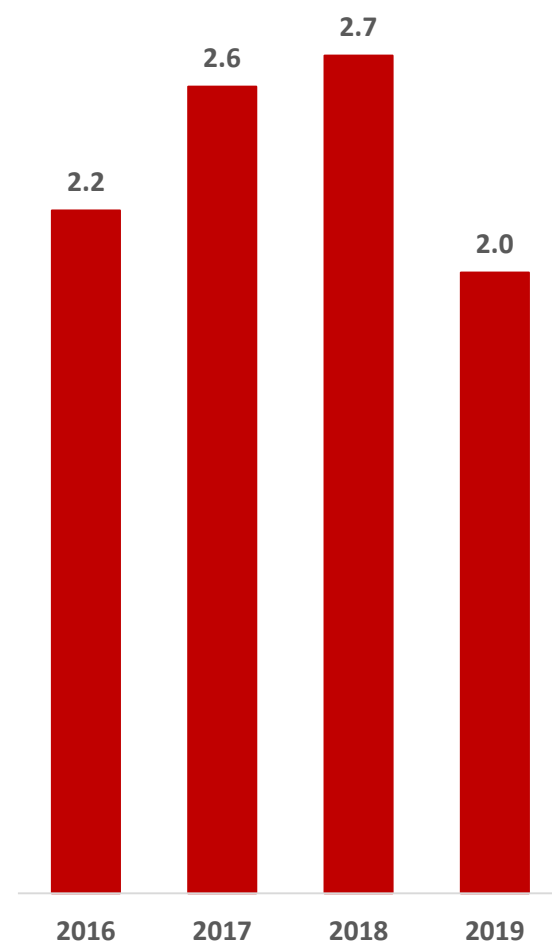
Inventory turnover days

(Days)



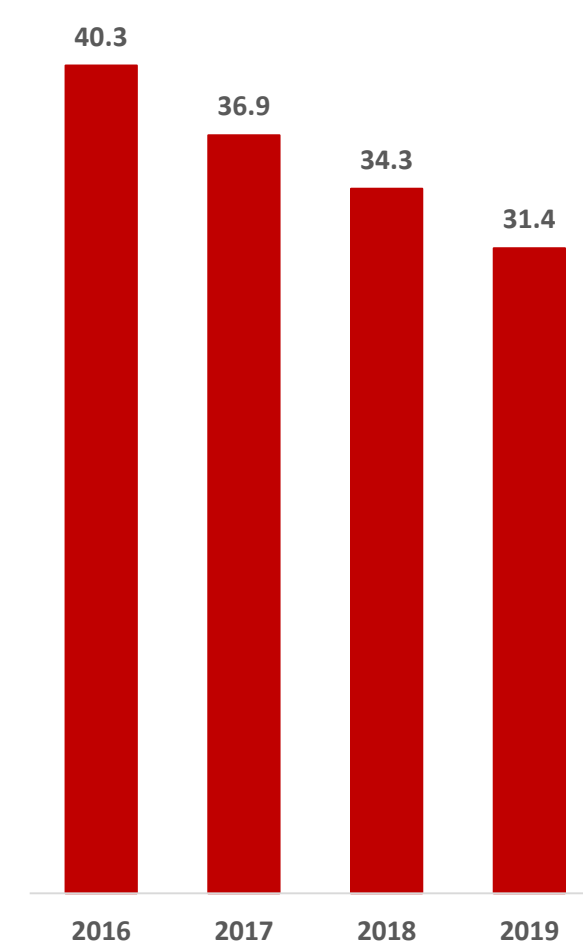
Trade debtors turnover days

(Days)



Trade payables turnover days

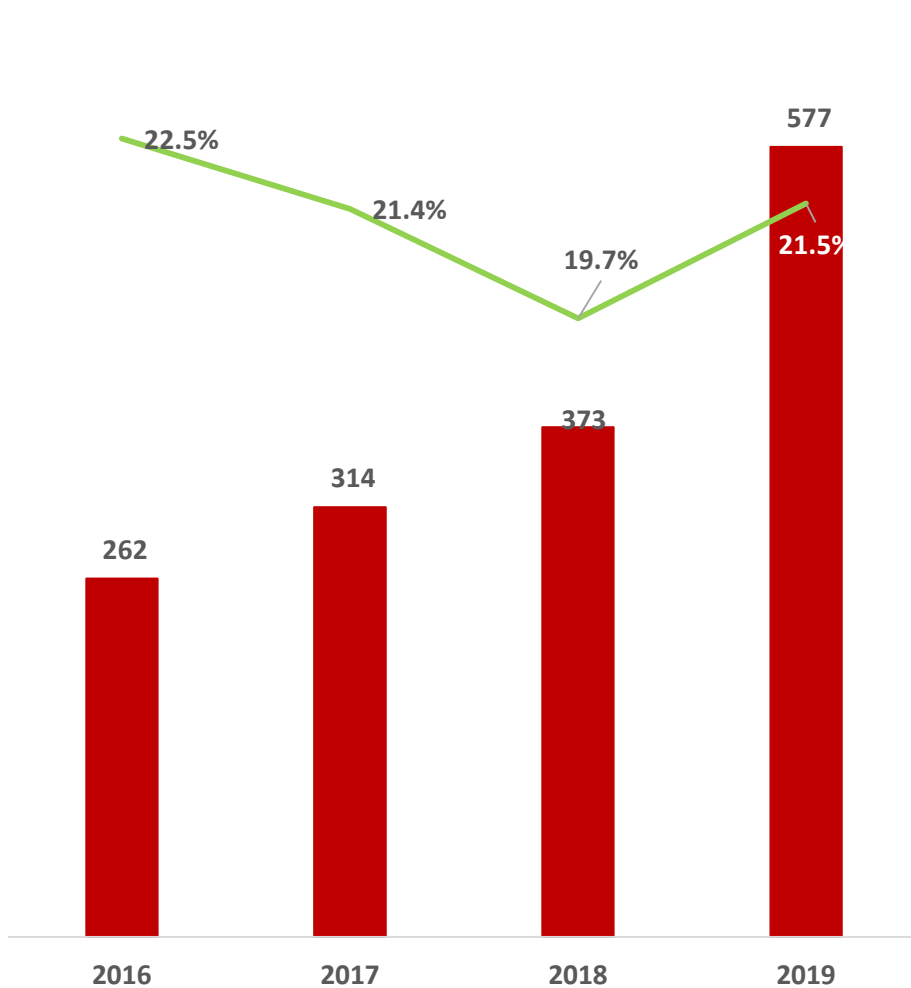
(Days)



Cash Flow Analysis

Operating Cash Flow

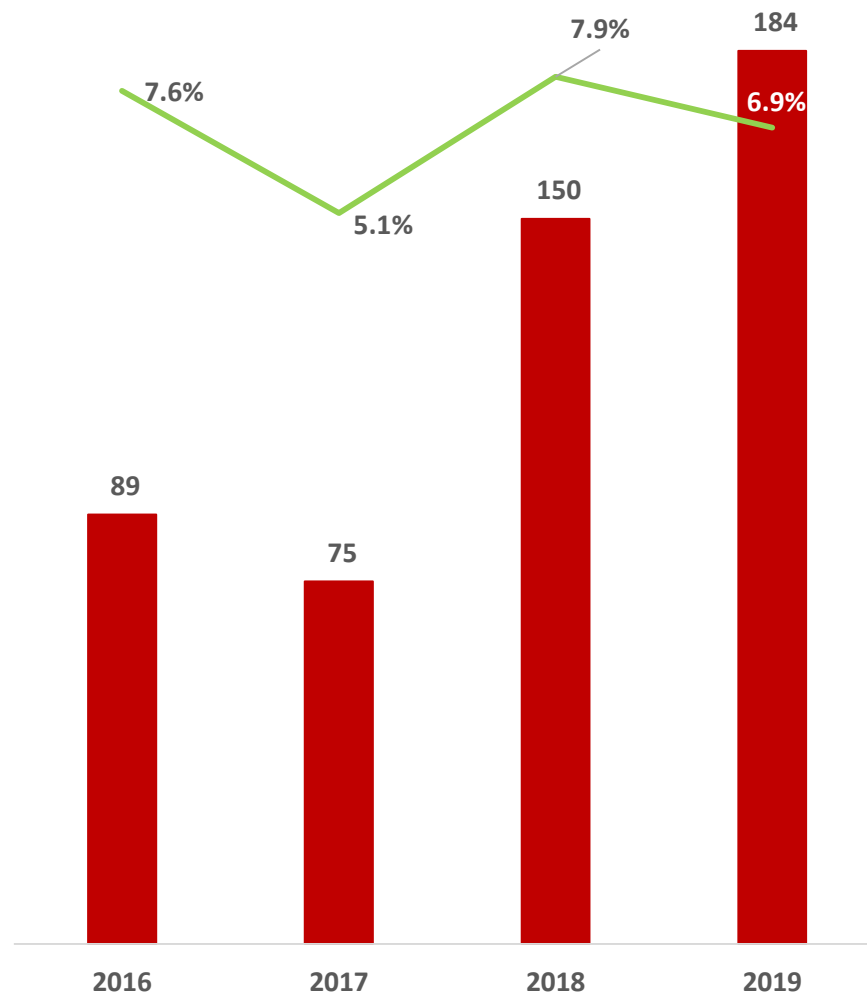
(RMB in million)



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.

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

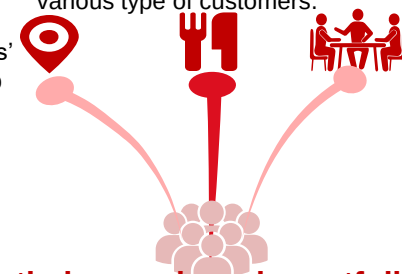
Other brands: continue to develop and cultivate.

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, cold pot skewers, 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 centralized procurement system and set up more advanced logistic centres to support our network expansions.

Reduce the sourcing costs and boost the profitability of our self-operated and franchised restaurants, through greater economies of scale.

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

Thank You!