



MR. D.I.Y.: ALL TIME RECORD QUARTERLY PROFIT

Net Profit up 11.2% Y-O-Y To RM150.3 million

Declares 2QFY2023 dividend of RM75.5 million equivalent to 50.2% payout ratio

SELANGOR, **9 AUGUST 2023** – Malaysia’s largest home improvement retailer MR D.I.Y. Group Berhad (“MR D.I.Y.”) continues its growth trajectory, reporting steady progression on all key metrics in 2QFY2023 when compared to the corresponding period in 2022.

The Group delivered RM1.1 billion in revenue in 2QFY2023, a 4.9% increase compared to 2QFY2022, primarily attributed to positive contributions from new stores. In tandem with this, total transactions rose 13.1% y-o-y to 40.9 million transactions in 2QFY2023.

Gross profit (“GP”) margin for 2QFY2023 rose a significant 5.3 percentage points (“p.p.”) y-o-y to 46.3%. This notable improvement is due to a significant decline in freight costs, which has normalised to pre-pandemic levels, as well as the impact of the price adjustment exercise carried out in FY2022. GP increased 18.5% y-o-y to RM509.0 million, primarily driven by the increase in revenue and higher GP margin.

Profit before tax for the period rose 9.8% y-o-y to RM201.3 million, partially offset by higher operating expenses, particularly from higher employee cost incurred following a 25% increase in the minimum wage rate, which came into effect on 1st May 2022. Consequently, net earnings rose 11.2% y-o-y to RM150.3 million in 2QFY2023, while net earnings margin increased 0.8 p.p. to 13.7% compared to 12.9%.

The Group opened 43 net new stores during the quarter across its four brands – MR D.I.Y, MR TOY, MR DOLLAR and EMTOP, bringing the total store count to 1,168 in 1HFY2023 - a 17.6% y-o-y increase compared to the corresponding period in FY2022.

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The improved results and strong operating cash flows led the Group to declare a dividend of RM75.5 million for 2QFY2023 versus RM56.6 million for 2QFY2022 and is equivalent to a dividend payout of 50.2% of net earnings. As of the 1HFY2023, the Group is in a net cash position of RM4.5 million.

Commenting on the results, MR. D.I.Y.'s Chief Executive Officer Adrian Ong said, "In today's inflationary environment, value is the driving force of retail decision-making, as can be seen not just in the home improvement sector, but also in other key retail sectors like groceries, stationery and home appliances. Our steady growth in 2QFY2023 is a strong signal that MR DIY's value for money proposition is relevant and resonates with today's value-conscious shopper.

This makes it imperative that we continue to penetrate wider and deeper into both market centres and smaller towns to meet the needs of the underserved value shopper – our expansion plans will meet their needs while driving our growth. We are also highly encouraged by the significant progress in the recovery of our profit margins despite current operating challenges, which is a convincing indicator of the strength and resiliency of the business.

He added that the Group had made good progress on new store growth, putting the Group well on track to exceed its full-year target of opening 180 new stores.

This, coupled with our strict data discipline, stringent cost management, underpinned by lower freight costs and the stabilising of the impact of increased wages, allows us to manage our bottom line, consistently delivering steady returns to shareholders," he concluded.

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About MR D.I.Y. Group (M) Berhad

MR D.I.Y. Group (M) Berhad (“MR D.I.Y.” or the “Company”) is a home-grown enterprise with 1,168 stores in Malaysia and Brunei. The home improvement retailer has dedicated to make a positive difference in the lives of its valued customers by offering convenience at all its stores nationwide and online at www.mrdiy.com.my

All MR. D.I.Y stores are directly managed by the Group. The retailer often works in collaboration with owners of malls and shopping centres to drive customer traffic to the stores. MR. D.I.Y. stores offer a wide selection of SKUs across five major categories, namely hardware; household and furnishing; electrical; stationery and sports equipment products; and others (comprising toys, car accessories, jewellery, cosmetics and food and beverage).

The Company strives to put its customers first by operating an innovative business that is flexible when it comes to providing a wide variety of products, good quality and value-for-money, holding true to the Company’s motto of “Always Low Prices”.

For more information on MR D.I.Y., please log on to www.mrdiy.com

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