



Synergy House Berhad

1QFY2025
ANALYSTS & FUND MANAGERS
BRIEFING

10 JUNE 2025



CORPORATE PRESENTATION

10 JUNE 2025



OPENING REMARKS

INNOVATIVE • CREATIVE • INSPIRING





OPENING REMARKS

04



1 Resilient Revenue Growth

- Revenue grew 5% to RM88.1m, driven mainly BC2 segment - rose 17% to RM51.2m.
- B2B segment impacted by geopolitical and tariff uncertainties, prompted businesses to adopt a 'wait-and-see' approach and slowing down ordering activities. This was the main reason for the decline in 1QFY2025.
- Committed to driving revenue through launch of new SKUs and product categories e.g., dining, sofas, bunk beds and others.

2 Navigating Tariff Headwinds While Unlocking Opportunities

- Despite ongoing tariff-related uncertainties, the situation has created opportunities by enhancing our competitiveness, particularly against key players from China.
- Prepared to seize emerging opportunities swiftly, capitalise on favourable shifts in the competitive landscape, while other players remain uncertain.
- Remain agile and focus on business growth, with a continued emphasis on expansion and strategic partnerships. Re-iterate that growth is in the mindset and vision of Synergy.



OPENING REMARKS

05



3 Driving Operational And Cost Efficiency

- Actively negotiating to optimise major cost components, including freight, storage, fulfilment, and procurement.
- Internal cost rationalisation efforts include controls on new hiring, reduction of non-essential expenses, and transitioning to more cost-effective service providers.
- Ongoing deployment of Robotic Process Automation (RPA) across departments.
- Ongoing integration of AI and digital tools to drive process improvements and operational efficiency.

4 Maintaining Strategic and Unwavering Direction Amid Market Uncertainties`

Our focus and commitment remains intact:

- Accelerate growth in the B2C segment – strengthen our presence in the direct-to-customer channel.
- Deepen engagement on key platforms – continue scaling on Wayfair and explore entry into new e-commerce platforms and marketplaces.
- Reinforce our core capabilities in e-commerce furniture – build on existing strengths to drive product and customer excellence.
- Expand presence in key markets including USA, UK, and Canada.





We are a **cross-border e-commerce seller** and furniture exporter that specializes in beautifully designed and affordable ready-to-assemble (RTA) home furniture





WHEN ART MEETS ENGINEERING

We don't just build furniture. **We engineer beauty.**

Anonymous

Anonymous
Verified Buyer

★★★★★

This was a breeze to put together. Good quality and looks great

05/21/2025

Anita

Rich Square NC
Verified Buyer

★★★★★

The table was beautiful in my space. Very easy to assemble. I'm 65 years old and it took me less than an hour to complete. Highly recommend this.

05/31/2025

Anonymous

Anonymous
Verified Buyer

★★★★★

Good build quality and sturdy when assembled properly! Surprised for the price!

06/03/2025

Anonymous

Anonymous
Verified Buyer

★★★★★

Bought 2 of these and love them, exactly what I was looking for! Came in on time, undamaged, and look exactly like the picture. Quick and easy to put together.

05/23/2025

Anonymous

Anonymous
Verified Buyer

★★★★★

Sturdy, easy to assemble and compliments our decor seamlessly.

06/02/2025



Katharine

Joplin, MO
Verified Business Professional

★★★★★

This nightstand was exactly as described and exceeded my expectations. It arrived on time and was well-packaged. The quality is solid, the finish looks great in my bedroom, and the drawer slides smoothly. It's the perfect size for a lamp, book, and a few essentials.

05/28/2025





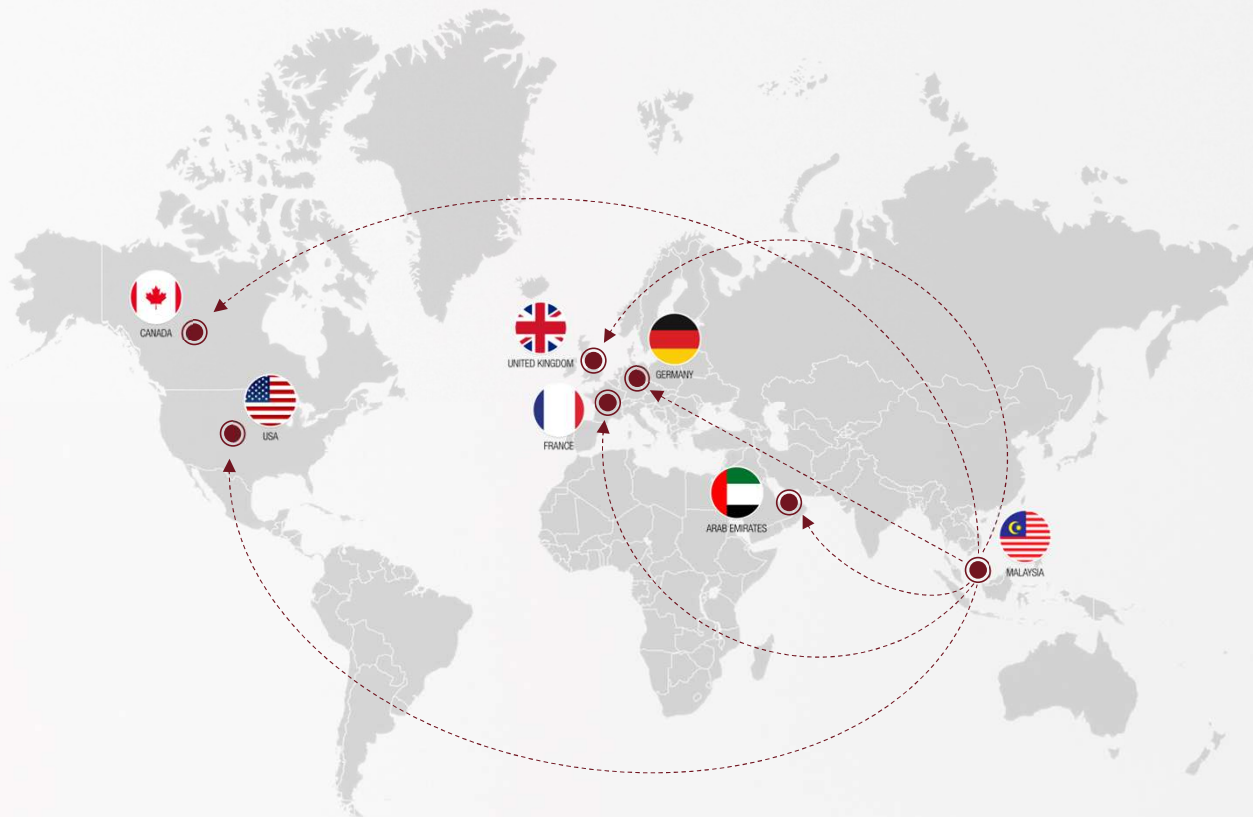
SYNERGY HOUSE SNAPSHOT

As at 31 March 2025

7 Markets

>18 Marketplaces

>2,900 SKUs



RM88.1 million
Revenue



RM2.4 million
PATMI

96.0%
Export Revenue

42% - B2B

58% - B2C

SEGMENTAL BREAKDOWN





FINANCIAL PERFORMANCE

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FINANCIAL PERFORMANCE

Q1FY2025 Financial Review

010

FYE 31 Dec (RM mil)	Q1FY25	Q1FY24	% chg	FY24 (Audited)
Revenue	88.1	83.7	+ 5%	392.4
Other Operating Expenses	(84.7)	(71.4)	+ 19%	(362.6)
PBT	3.4	12.3	- 72%	29.8
PAT	2.4	9.0	- 73%	27.8
Net EPS (sen) ⁽¹⁾	0.49	1.8	- 73%	6.0
PBT margin	3.9%	14.7%		7.6%
PAT margin	2.7%	10.8%		7.1%

⁽¹⁾ EPS is calculated based on the Company's total number of 500.0m ordinary shares as at end-Mar 2025

Q1FY25 Revenue Driven By B2C Segment; Profitability Impacted By Higher Operational Expenses

- Q1FY25 Revenue rose 5.3% to RM88.1m, mainly driven by:
 - **B2C** sales increased to RM51.2m (+17%), quantity sold was approximately 162k pieces (Q1FY24: 120k pieces)
 - **B2B** decreased to RM36.9m (-8%), quantity sold was approximately 156k pieces (Q1FY24: 173k pieces)
 - Export sales accounting for 96.0% of Group total revenue
 - ✓ Key export markets include USA, UK, UAE, Canada, Germany, and France
- Recorded PBT of RM3.4m in Q1FY25 PBT compared to RM12.3m in Q1FY24
 - Recorded net foreign exchange loss of RM0.4m compared to RM1.6m foreign exchange gain in Q1FY24, arising from stronger MYR
 - ✓ Average USD WAFEX of 4.48 in Q1FY25 vs 4.67 in Q1FY24
 - Higher depreciation and employee remunerations costs
 - ✓ Higher operational expenses arising from higher manpower cost and IT capital expenditure on RPA, AI tools and ERP enhancements – aims to improve operational efficiency and support long-term growth
 - ✓ Headcount increased to 250 employees as at end-Mar 2025 compared to 194 employees as at end-Mar 2024

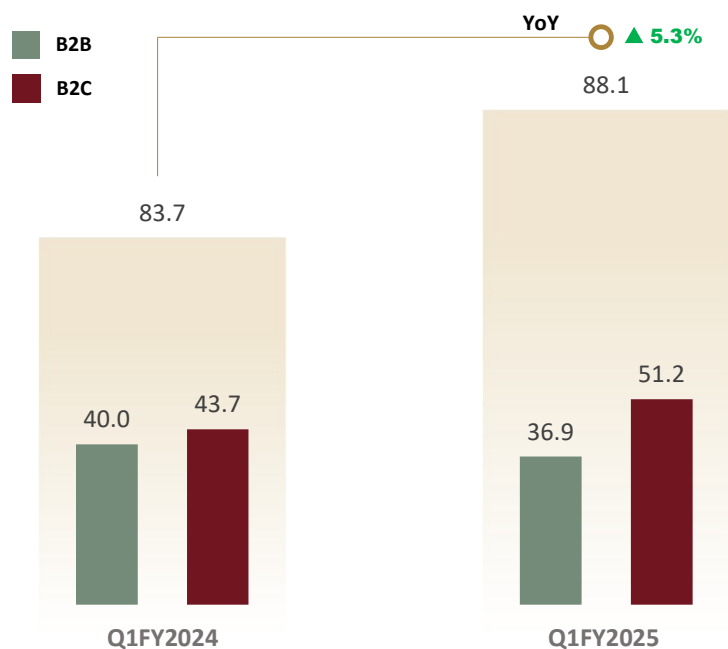


FINANCIAL PERFORMANCE

Q1FY2025 Financial Review

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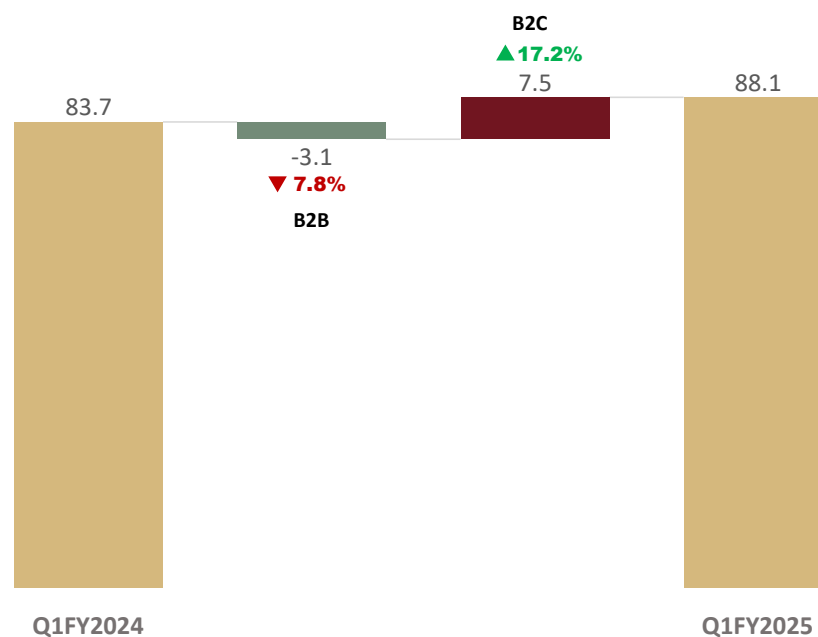
REVENUE (RM mil)



MOVEMENT IN SEGMENTAL REVENUE (RM MIL)

Q1 FY2025: RM88.1 million

(Q1 FY2024: RM83.7 million)





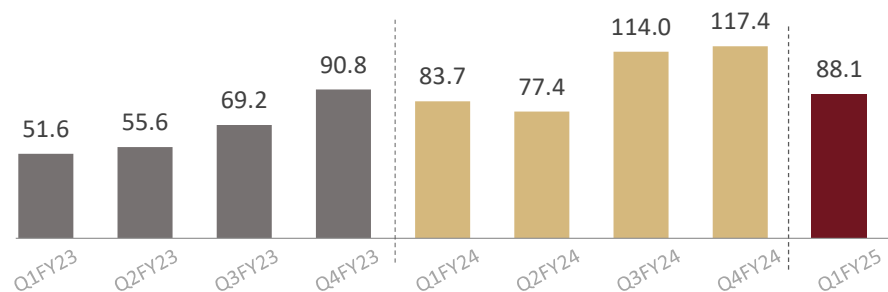
FINANCIAL PERFORMANCE

Quarterly Performance Review

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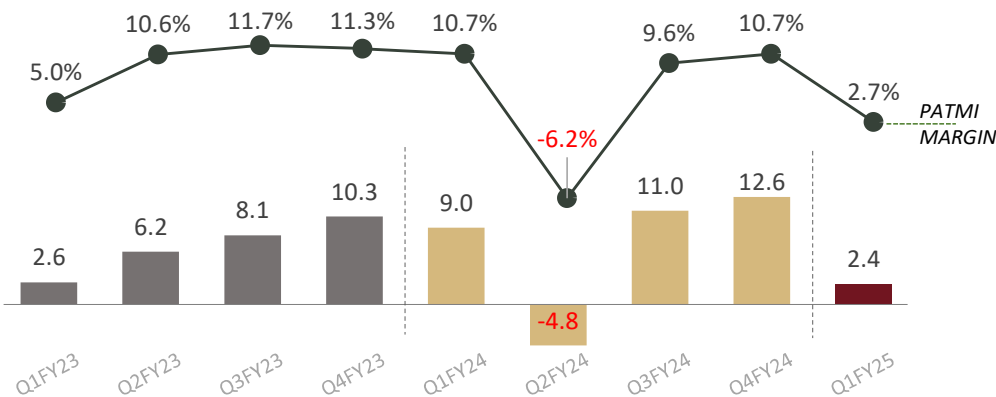
RM mil

REVENUE



RM mil

PATMI



Record Quarterly Revenue of RM88.1m; PATMI RM2.4m in Q1FY25

- Q1FY25 revenue rose 5.3% YoY, driven B2C segment
 - **B2B**: Revenue decreased 7.8% YoY – Contributions from Europe and certain Asian markets were generally softer, aided by stronger performance in North America
 - ✓ This was primarily attributed to geopolitical and tariff uncertainties, which prompted businesses to adopt a 'wait-and-see' approach and temporarily suspend ordering activities
 - **B2C**: Revenue increased 17.3% YoY – Attributed to higher sales from North America, Europe and Malaysia
- For QoQ comparison, overall revenue declined 25%
 - **B2B**: Revenue declined 34.2% QoQ due to softer contributions from Europe, Middle East and certain Asian markets.
 - **B2C**: Revenue declined 16.5% QoQ due to post-holidays slowdown, particularly in North America and Europe. Traditionally, B2C segment records its highest sales towards the end of the calendar year
- PAT and PAT margin mainly impacted by lower sales volume in B2B, foreign exchange impact and higher operational expenses. We expect stabilization of operational expenses in Q2 onwards.



FINANCIAL PERFORMANCE

Financial Position

013

RM MIL	31 Mar 2024 (Unaudited)	31 Dec 2024 (Audited)	% chg
Non-Current Assets	66.3	66.2	+ 0.2%
Current Assets	179.8	215.0	- 16%
Total Assets	246.1	281.2	- 12%
Non-Current Liabilities	24.7	25.5	- 3%
Current Liabilities	95.2	128.3	- 26%
Total Liabilities	119.9	153.8	- 22%
Total Equity	126.2	127.4	- 0.9%
Total Equity & Liabilities	246.1	281.2	- 12%

Net Gearing (x)	0.10	0.10	
Net Asset / Share (RM) ⁽¹⁾	0.25	0.25	-

⁽¹⁾Net assets per share is calculated based on the Company's total number of 500m ordinary shares as at end-Mar 2025

Balance sheet remains healthy

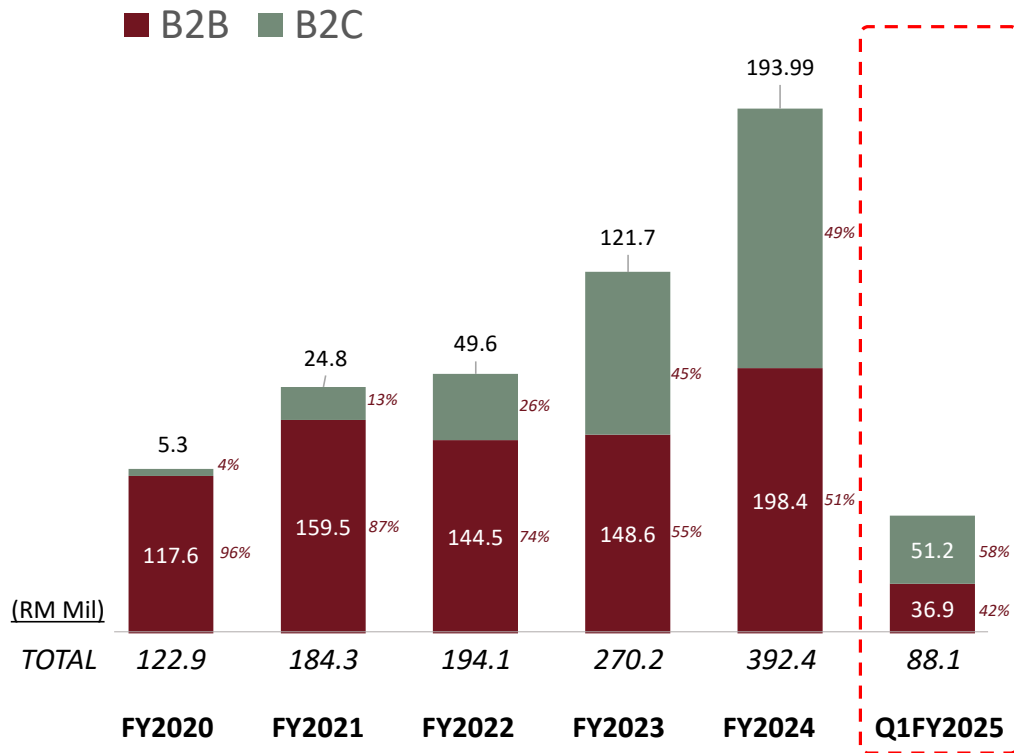
- **Net gearing** remained steady at 0.10x as at end-March 2025
 - Cash & bank balances and liquid short-term investments stood at RM59.9m as at 31 Mar 2025 (RM75.9m in end-Dec 2024)
- **Current ratio** stood at 1.9x as at end-Mar 2025
- **Net asset per share** stood at 25 sen as at end-Mar 2025
- **Dividend**
 - Declared first interim single-tier dividend of 0.9sen per share in respect of FY24
 - ✓ Amounting to RM4.5m
 - ✓ Duly paid on 19 Dec 2024
 - Declared second interim single-tier dividend of 0.74sen per share in respect of FY24
 - ✓ Amounting to RM3.7m
 - ✓ Duly paid on 27 Mar 2025
 - Translates to a total dividend of 1.64sen per share for FY24, representing a payout ratio of approximately 29% of the Group's earnings



FINANCIAL PERFORMANCE

Revenue Performance by Segment (FY20 – Q1FY25)

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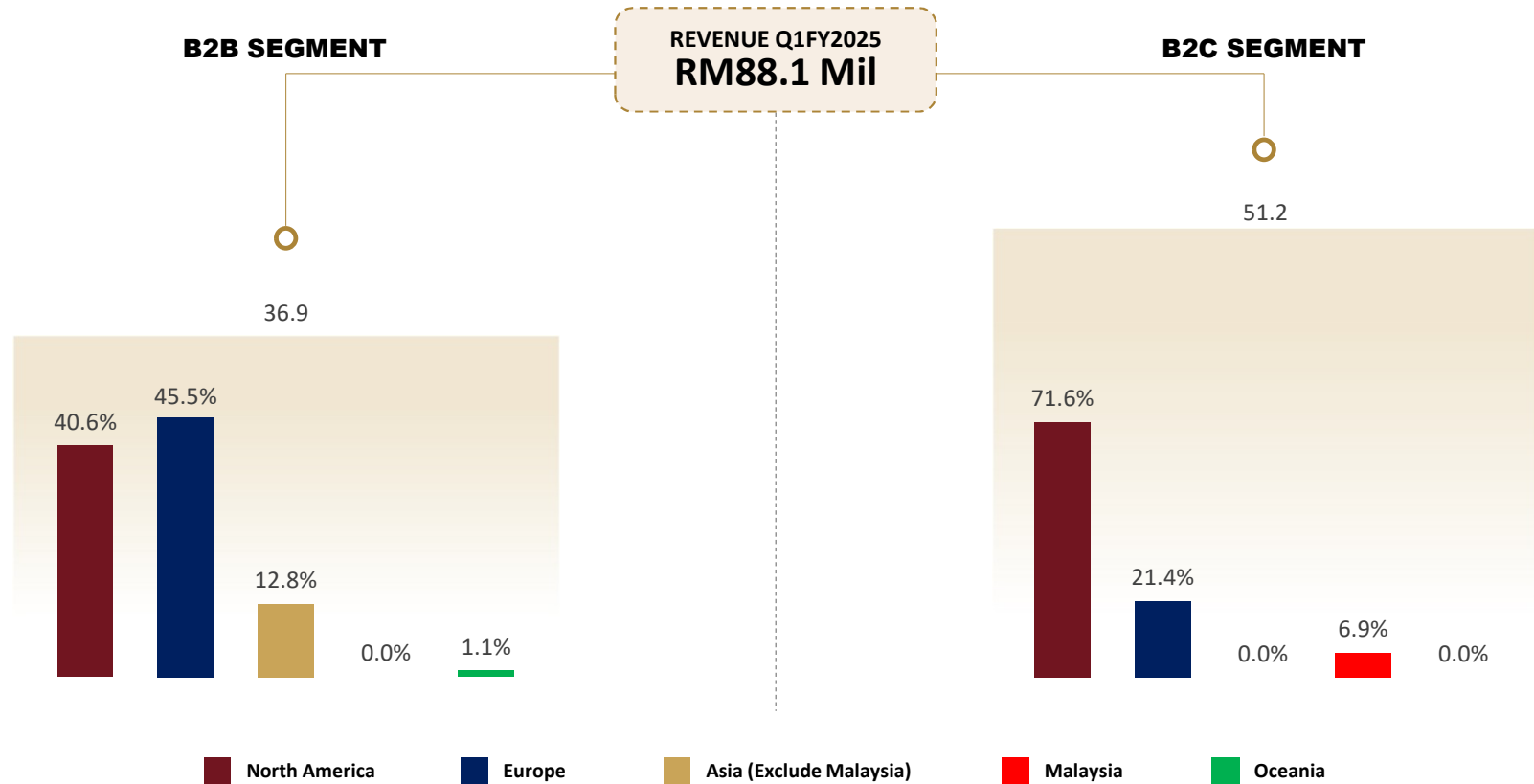
- **ROBUST B2C GROWTH:** B2C contribution to Group revenue surged from 4% in FY20 to 58% in Q1FY25, reflecting the Group's focused efforts in expanding direct-to-consumer sales channel.
- **STRATEGIC FOCUS ON B2C:** While we continue to drive growth across both B2B and B2C segments, the Group continues its effort with added emphasis on scaling B2C as the its primary growth driver.
- **EXPANDING REACH:** We are broadening our product range to include new categories such as dining, sofas, bunk beds, while also introducing higher-end options within existing lines. This expansion supports the brand's commitment to offering greater variety and elevated design for every home.
- **FUTURE GROWTH POTENTIAL:** With continued investment in market expansion, product positioning, and digital sales strategies, we expect B2C sales to further increase as a share of total revenue moving forward.



FINANCIAL PERFORMANCE

Group Revenue Performance by Region (B2B & B2C) – Q1FY2025

015

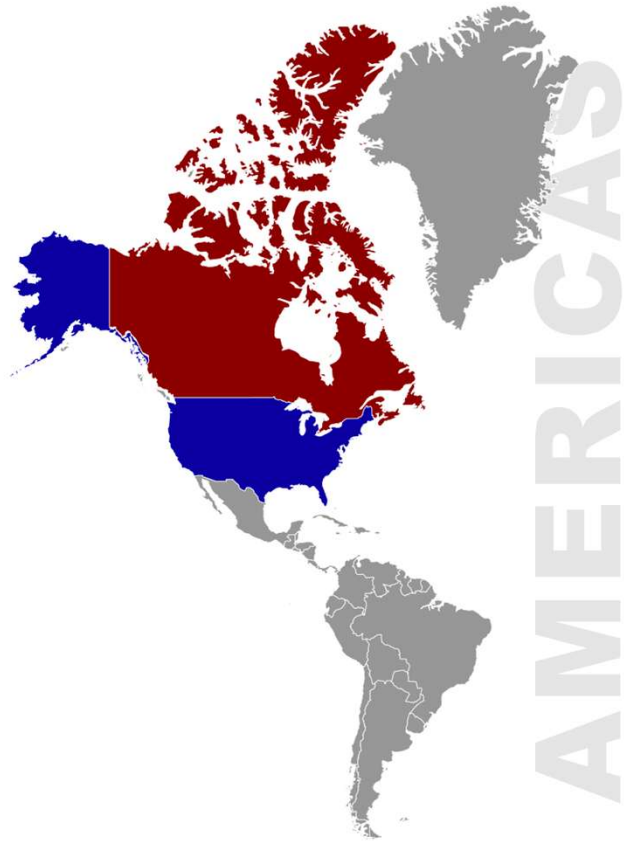




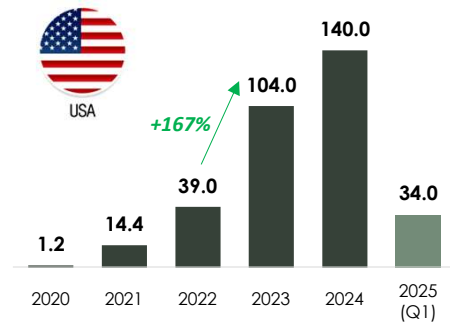
FINANCIAL PERFORMANCE

Group Performance by Region (B2C)

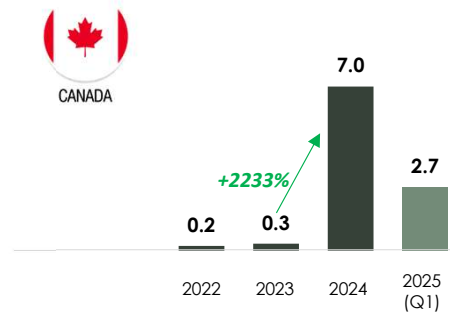
016



REVENUE (RM mil)



- Commenced selling in 2020 through Wayfair
- Largest market for furniture e-commerce globally
- CAGR 228.65% over 4 years



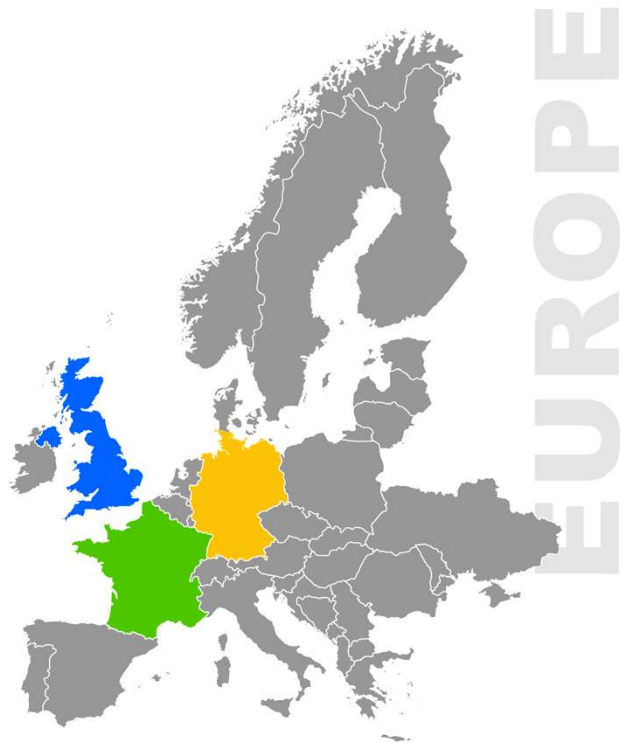
- Commenced selling in 2022
- Relatively simpler market to expand as designs are similar to USA demand.
- CAGR 491.61% over 2 years



FINANCIAL PERFORMANCE

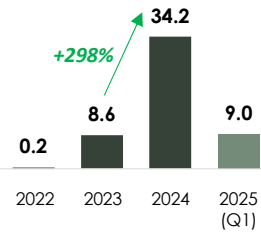
Group Performance by Region (B2C)

017



UNITED KINGDOM

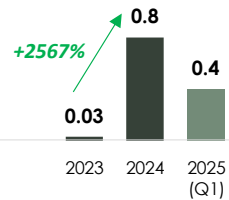
REVENUE (RM mil)



- Commenced selling in 2022
- FY24 sales has been increased by 298% as compared to FY23
- CAGR 1,207.67% over 2 years



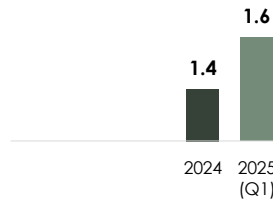
GERMANY



- Commenced selling in 2023
- FY24 sales has been increased by 2,567% as compared to FY23
- Continue to build Germany market with other platforms with the withdrawal of Wayfair in Germany



FRANCE



- Commenced selling in 2024

CONTINUE SCALING UP WITH WAYFAIR

018

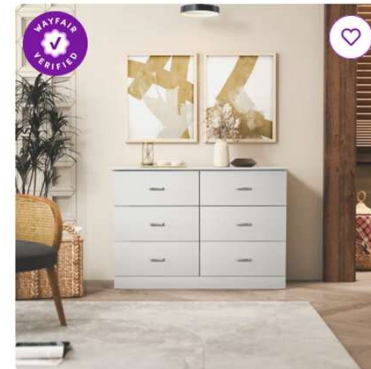
"Wayfair Verified"

*A New Standard of
Confidence in Home Shopping*

The Wayfair Verified program showcases top-performing products, Premium Brand Strategic Items (PBSIs), selected by merchant teams and validated for quality and value through the Product Value Program (PVP).



Allysyn 22.7\" 2 Drawer Nightstand
By Wade Logan®
Knotty Oak
★★★★★ (3434)
\$139.99 ~~\$277.67~~



Allyannah 47.0\" W 6 - Drawer Dresser
By Wade Logan®
White
★★★★★ (2572)
\$229.99 ~~\$662.67~~

Wayfair Verified Stamp Benefits:



Builds customer trust and confidence, driving higher conversion rates



Increases product visibility, improving discoverability through search and carousels



Provides exclusive promotional support, boosting sales and customer engagement

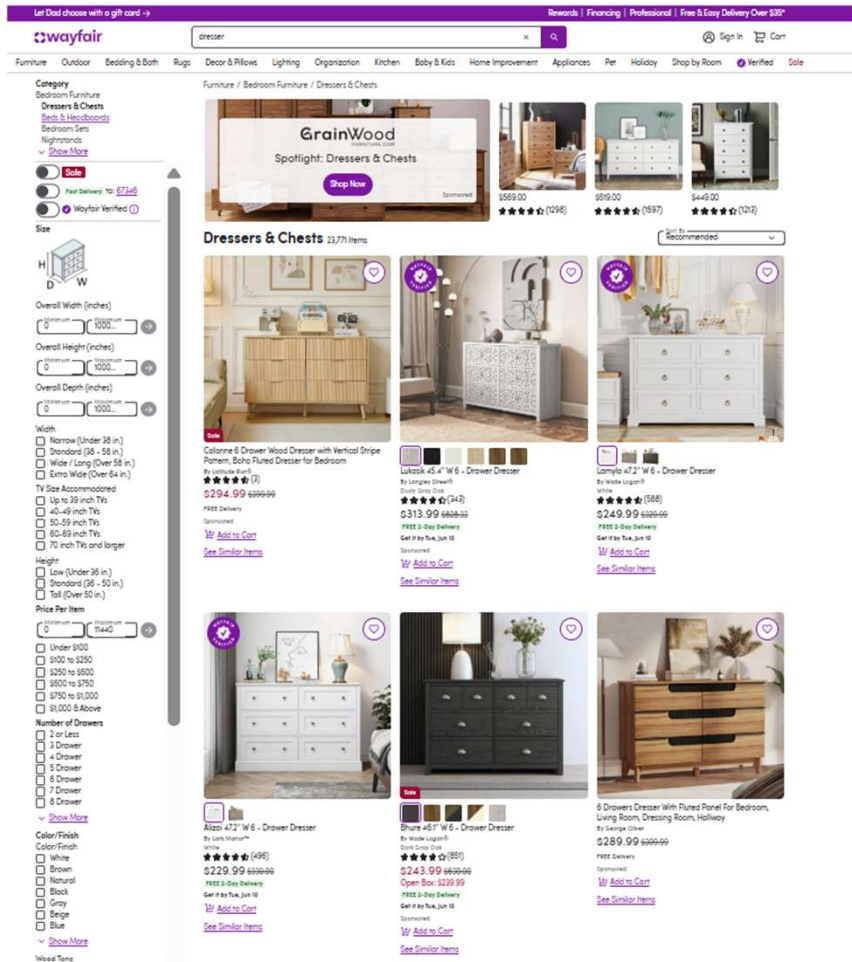
WAYFAIR  VERIFIED

your shortcut to the good stuff.

verified by us. valued just right. loved by you.

To earn Wayfair Verified status, a product must be chosen as a Premium Brand Strategic Item (PBSI) and pass a strict quality audit, packaging and assembly assessment, meeting high standards in pricing, returns, reviews, value, and imagery. Verified status is closely monitored and revoked if criteria are not met for three consecutive months.

CONTINUE SCALING UP WITH WAYFAIR



Enhanced visibility

Target specific

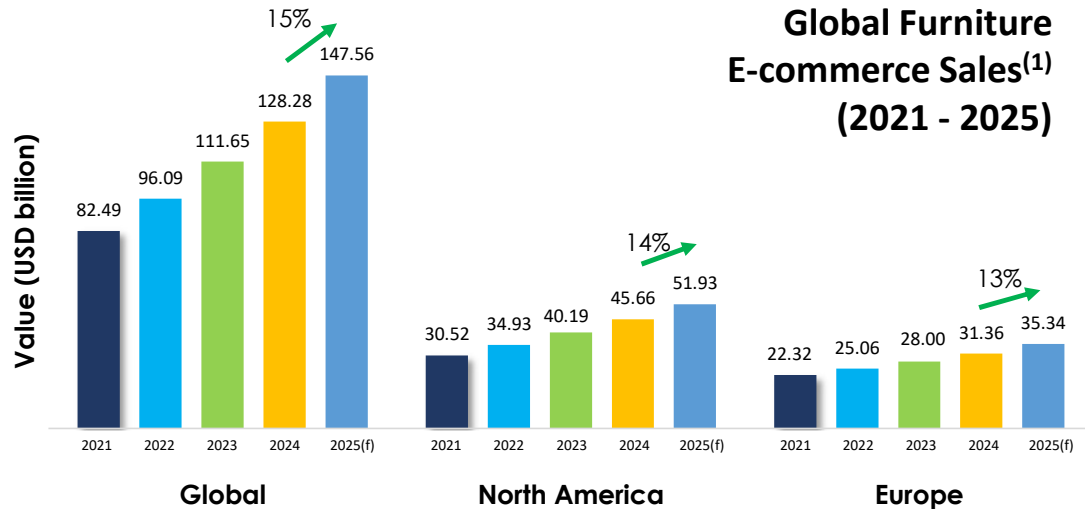
Others:

1) Continue ensuring high product ratings and improve on customer reviews and feedback.

MARKET OPPORTUNITIES AND PROSPECTS

020

Global furniture e-commerce sales projected to grow to **USD147.6 billion** in 2025 from **USD128.3 billion** in 2024



(1) Information extracted from a research by QY Research

(2) 2025 is based on forecast

(3) North America & Europe only

**All data stated above is based on pre-tariff impact

BOUNDLESS GROWTH AHEAD: TAPPING INTO A USD 87 BILLION⁽³⁾ MARKET

*Furniture e-commerce
market for USA and
Europe in 2024:*

USD 77 billion

*Synergy House total
B2C sales for FY2024:*

USD 43 million

Commanding less than **0.06%** of the furniture e-commerce market share in the USA and Europe, there is much potential for Synergy House to benefit from the overall market share which is still growing.



KEY TAKEAWAYS

INNOVATIVE • CREATIVE • INSPIRING



KEY TAKEAWAYS

022



1 **Resilient Revenue Growth**

2 **Navigating Tariff Headwinds While Unlocking Opportunities**

3 **Driving Operational And Cost Efficiency**

4 **Maintaining Strategic and Unwavering Direction Amid Market Uncertainties`**

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Q&A SESSION

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THANK YOU

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