



F J BENJAMIN 2Q19 OPERATING PROFIT MORE THAN DOUBLE TO \$2 MILLION

- *Revenue down 26% to \$37.4 million in the absence of loss-making business*
- *Sales up 4% on Group's ongoing business; gross margin improves to 48%*
- *Lower forex gains and Indonesian associate reduces net profit*

Singapore, 31 January 2019 – F J Benjamin Holdings today announced Group operating profit of \$2.0 million from \$956,000 for its second quarter ended 31 December 2018 (2Q19).

Group net profit fell 32% to \$656,000 from \$961,000 in the previous corresponding period. The decline was due mainly to lower foreign exchange gain of \$341,000 compared to \$1.2 million in 2Q18. Higher share of losses of \$704,000 from the Group's Indonesian associate also affected the bottom line.

Group revenue fell 26% to \$37.4 million against \$50.5 million in 2Q18. The \$13.1 million drop was due to an absence of \$12.9 million from discontinued businesses and \$1.5 million from lower sales to its Indonesian associate which is now financing more of their purchases. The decrease is offset by revenue growth from the Group's ongoing business of four per cent.

Group operating profit more than doubled to \$2.0 million while profit before tax fell slightly by three per cent to \$1.4 million.

Gross profit margin improved two percentage points to 48% in 2Q19 due to better inventory management and the cessation of low-yielding brands.

The Group's share of loss from its associated company totalled \$704,000 against \$321,000 previously. Revenue excluding clearance sales rose three per cent compared to 2Q18. Earnings, however, were dragged down by aggressive clearance sales which yielded \$821,000 in cash net of expenses.

Meanwhile, operating expenses fell 28% to \$16.0 million following cost controls and the closure of non-performing stores and brands, which resulted in total savings of \$6.3 million.

Group CEO Nash Benjamin said: “We are seeing a turnaround in our business in most of our major brands. Whilst we have completed our restructuring of businesses and closures of non-performing stores, there will be further substantial savings with the reduction of logistics costs in Singapore.

“Notwithstanding the general soft retail sentiment, I am happy to say most of our stores and brands recorded comparable store growth. We plan to launch a luxury French heritage brand of leather goods in June 2019 as part of our growth strategy and are in discussions with several new exciting brands.”

As at 31 December 2018, inventory increased two per cent to \$32.2 million as more merchandise was ordered for the coming Chinese New Year festive season.

As at 31 December 2018, net borrowings were pared to \$10.8 million from \$12.8 million, bringing down gearing to 21% against 24% previously.

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About F J Benjamin Holdings Ltd (www.fjbenjamin.com) – With a rich heritage dating back to 1959, F J Benjamin Holdings Ltd is a consumer driven leader in brand building and management through distribution and retail. Listed on the Singapore Exchange since 1995 (Ticker: F10), F J Benjamin has a strong footprint in Southeast Asia, with offices in Singapore, Indonesia and Malaysia, and manages over 20 iconic brands and operates 220 stores. The Group’s international brand portfolio includes fashion, lifestyle and timepiece brands.

For media enquiries, please contact:

Catherine Ong Associates

Catherine Ong

Tel: (65) 6327 6088

Email: cath@catherineong.com

Farhan Zohri

Tel: (65) 6327 6089

Email: farhan@catherineong.com