



FJ BENJAMIN

## F J BENJAMIN REPORTS BETTER 1Q19 OPERATING RESULTS

- *Group pre-tax profit of \$77,000 against net loss of \$764,000 in 1Q18*
- *Turnover down 23% to \$31.7 million mainly due to discontinued businesses; most fashion brands report comparable store growth*
- *Gross margins at a high of 49%, up from 44%*

**Singapore, 8 November 2018** – F J Benjamin Holdings today announced an improved set of results for its first quarter ended 30 September 2018 (1Q19). Group pre-tax profit staged a turnaround of \$77,000 compared to a loss of \$764,000 in the previous corresponding period.

After accounting for tax, the Group narrowed its net loss after tax to \$180,000 from a loss of \$942,000 in the same period last year. The latest results included a foreign exchange loss of \$92,000 against a gain of \$820,000 in 1Q18.

Group turnover declined 23% to \$31.7 million due mainly to an absence of \$9.3 million from discontinued businesses and \$1.3 million of foregone sales to the Group's Indonesian associate which started to purchase directly from its principals in April 2017 and a \$0.8 million currency translation gain from the appreciation of the Malaysia ringgit against the Singapore dollar. Sales in Singapore and Malaysia grew six per cent or \$1.7 million during the period under review with the fashion business up 12% while the timepiece business declined 30%.

Most of the Group's fashion brands registered comparable store growth while stores opened during 1Q18 contributed full three month sales to the latest results.

Gross profit margin improved five percentage points from 44% to 49% in 1Q19 due to better inventory management and the cessation of low-yielding labels.

Group operating expenses fell 21% to \$15.6 million, helped by cost controls and the closure of non-performing stores and brands, which yielded total savings of \$4.2 million.

Group CEO Nash Benjamin said: “We are heartened that our business performance has trended positively for the past seven quarters. This is the result of a combination of our restructuring efforts bearing fruits and better sales in our key markets. Management will be focused on growing our sales organically as well as accelerate our digital marketing activities.

“We plan to optimise growth and profitability of our popular brands as well as expand Casio’s distribution points-of-sales across Indonesia.”

As at 30 September 2018, inventory increased one per cent to \$31.8 million as the Group began to stock up for the coming peak seasons.

During the quarter under review, net borrowings totalled \$14.2 million compared to \$12.8 million as at 30 June 2018 with gearing at 27% compared to 24% previously.

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**About F J Benjamin Holdings Ltd** ([www.fjbenjamin.com](http://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.

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