



FJ BENJAMIN

## F J BENJAMIN REPORTS BUSINESS TURNAROUND IN FY18

- *Group pre-tax profit of \$939,000 against a net loss of \$16.5 million in FY17*
- *Turnover down 20% to \$166.0 million due to loss-making brands which have since ceased; gross margins up from 42% to 46%*
- *Group expects to drive productivity on a more cost-effective platform*

**Singapore, 28 August 2018** – F J Benjamin Holdings today announced a business turnaround for the financial year ended 30 June 2018 (FY18) with Group pre-tax profit of \$939,000, compared to a net loss of \$16.5 million the year before. This is the first time in four years that the Group has returned to profitability.

The Group registered a net loss after tax of \$1.2 million, down significantly from \$17.4 million in FY17. The results included an operating loss of \$1.1 million from a discontinued brand.

Sales in Singapore and Malaysia grew by \$16.2 million. In addition, there was a currency translation gain of \$0.8 million from the appreciation of the Malaysia ringgit against the Singapore dollar. Arising from the discontinued business, the Group recorded \$39.9 million decline in revenue. There was also \$18.6 million reduction of direct sales to the Group's Indonesian associate as it has started to finance part of its purchases.

Gross profit margin improved from 42% to 46% due to higher margins from existing brands and the cessation of low-yielding brands.

Group CEO Nash Benjamin said: "We are encouraged by our FY18 operating results which have returned to the black after four years. With improved consumer sentiment, we witnessed comparable store growth in most of our brands as well as full-year contributions from new stores opened during FY17.

"Our focus is to grow the business organically with improved merchandise assortments, implementation of a new CRM (Customer Relationship Management)

software together with its digital marketing program. The Group continues to evaluate prospects for introducing new brands into its portfolio.”

Whilst sentiment remains positive, an escalation of the trade war between the US and China could threaten economic growth in the region and dampen consumer confidence. The Group will monitor its business and investments carefully while driving productivity on a more cost-effective platform.

Geographically, revenue from the fashion business in Southeast Asia grew 16% after excluding purchases by the Indonesian associate, discontinued brands and translation gain from the strengthening of the ringgit. Most of the Group’s fashion brands registered comparable store growth while stores opened during FY17 contributed 12-month sales to the latest results. Revenue from timepiece business declined by two per cent.

As at 30 June 2018, inventory reduced 22% to \$31.6 million with improved sell through and discontinuance of some brands during the financial year.

During the year, the Group generated positive cash flow of \$7.6 million from operating activities and invested primarily in shop fittings. It also received \$8.1 million of net proceeds from the rights cum warrants issue, which was completed in early April 2018. Net borrowings totalled \$12.8 million compared to \$22.7 million as at 30 June 2017 with gearing at 24% compared to 53% the year before.

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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 226 stores. The Group's international brand portfolio includes fashion, lifestyle and timepiece brands.

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