



*A leader in brand building and management in Southeast Asia*

# FY2017 AGM PRESENTATION

27 OCTOBER 2017



**FJ BENJAMIN**

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# Agenda

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**FY2017 SNAPSHOT**

**FINANCIAL HIGHLIGHTS**

**RETAIL FOOTPRINT**

**GROWTH STRATEGY**

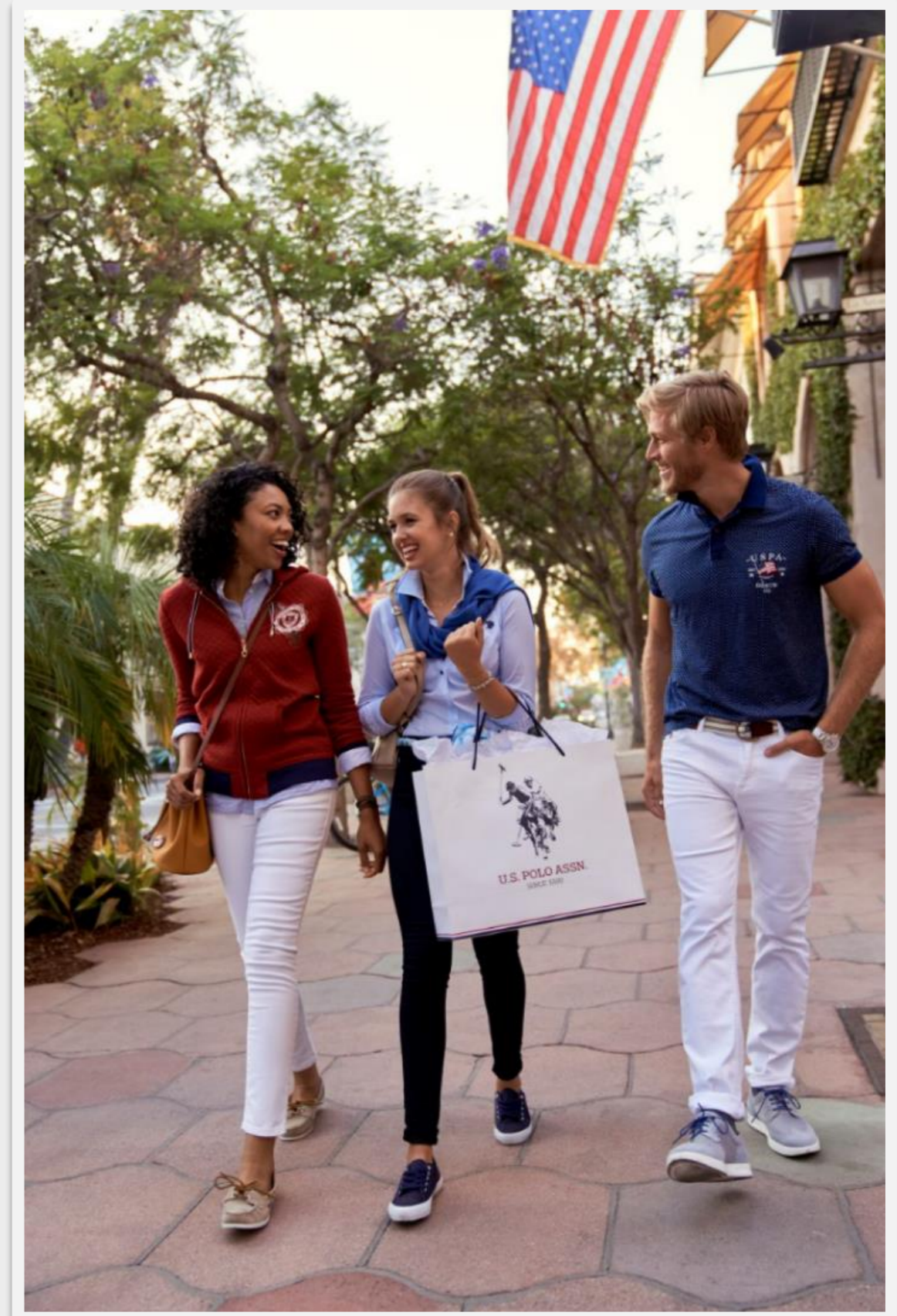
**Q1 FY2018 RESULTS**

**COST MANAGEMENT**

**PROPOSED RIGHTS & WARRANTS ISSUE**

**OUTLOOK**

**GROUP BRANDS**



# FY2017 Snapshot

## Restructuring almost completed

- Terminated underperforming and non-core brands
- Closed 26 non-performing stores and opened 50 new stores, outlets and kiosks
- Reduced inventory holdings by 26% to \$40.6 million
- Streamlined operations and pared selling, general and administrative costs by 13% to \$103.0 million
- Net debt down 28% to \$22.7 million.



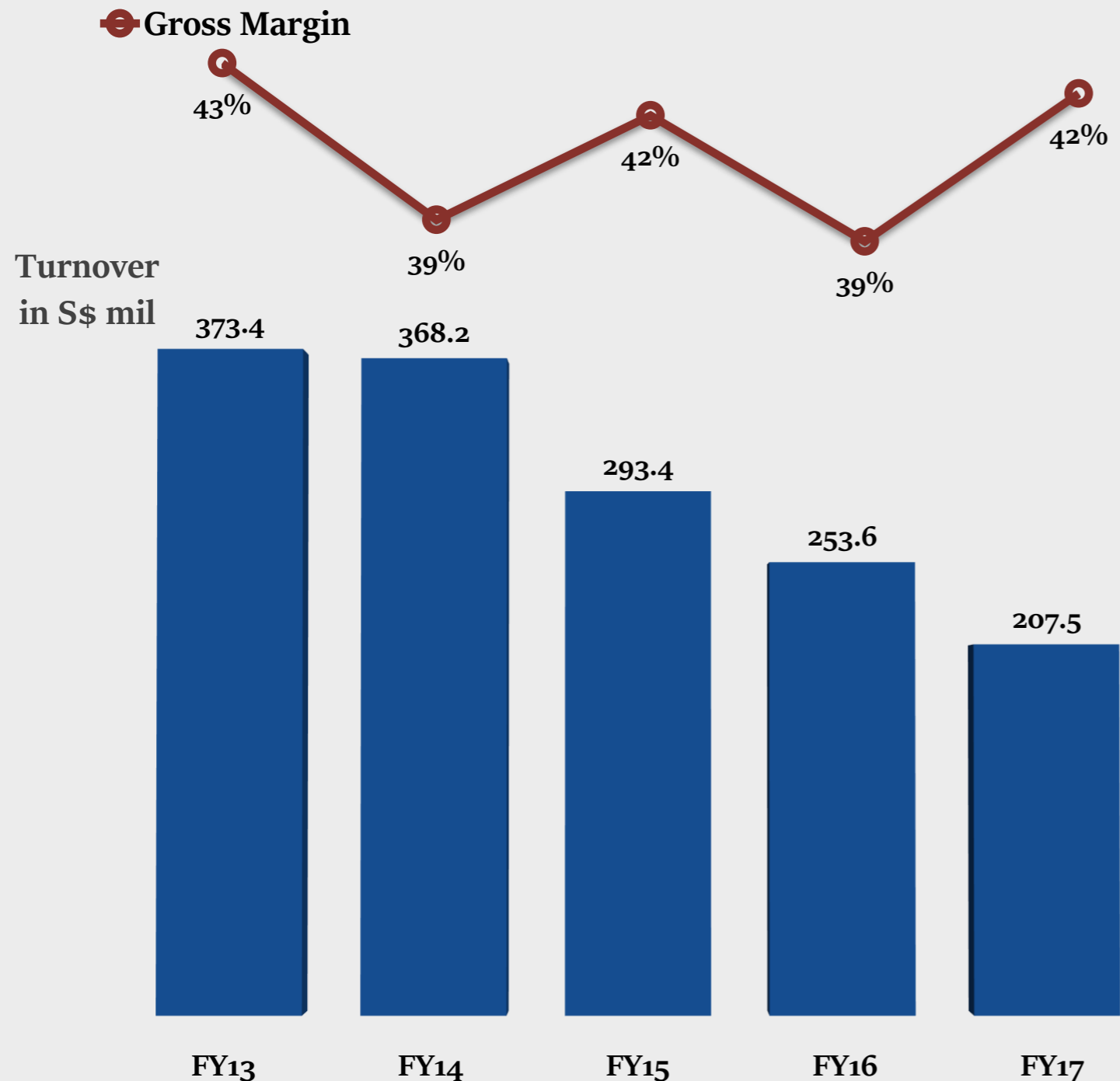
# FY2017 Snapshot

## Rationalising brand portfolio

- Sold eco-friendly paper and tissue business NooTrees
- Terminated distribution rights for Goyard
- Net gains of \$10.8 million from NooTrees and Goyard sales
- Not renewing agreements for Gap and Banana Republic expiring February 2018; will close 20 stores in the region which incurred operating losses of \$6.0 million in FY2017.



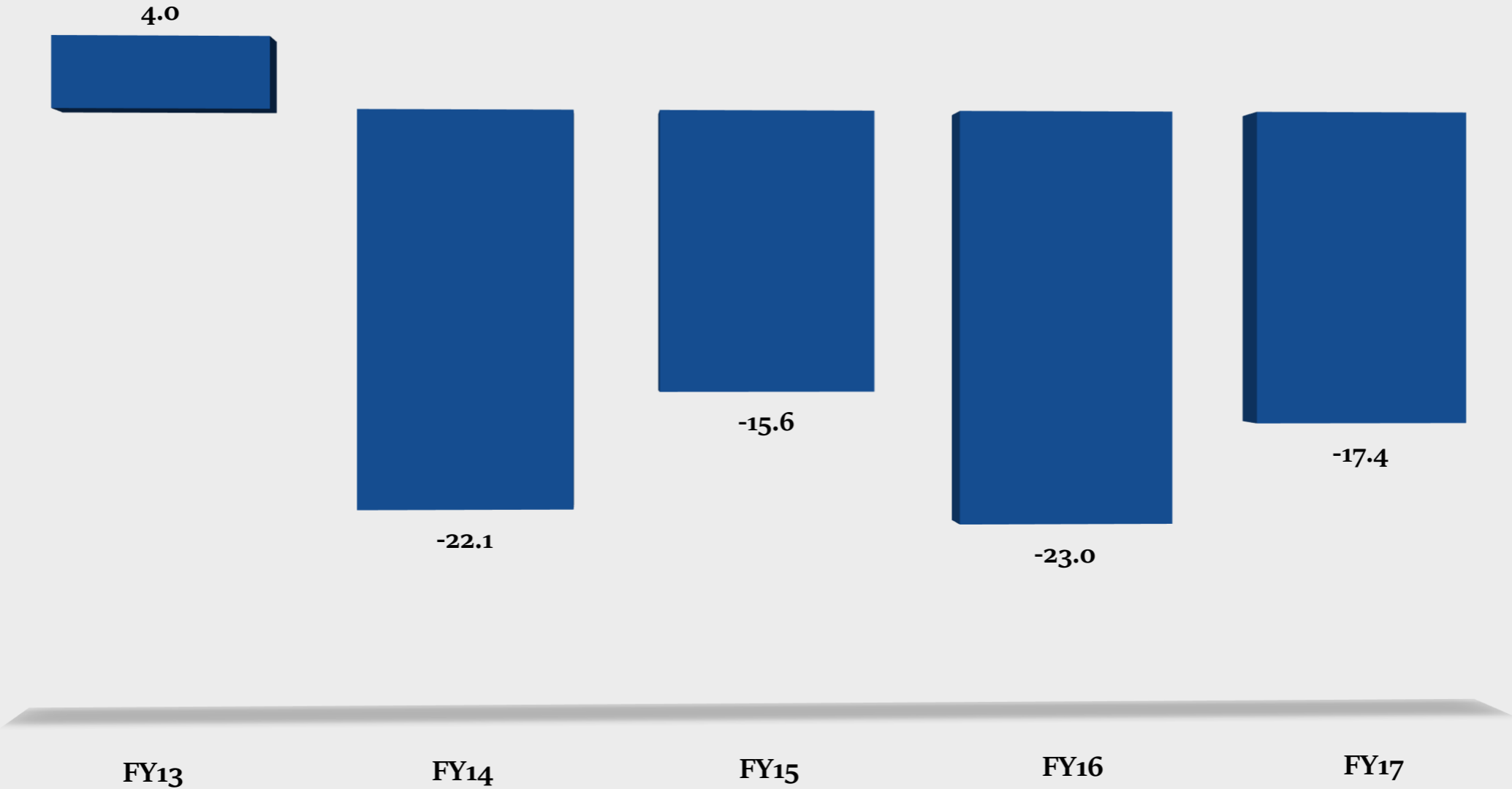
# Financial Highlights: Revenue & Gross Margin



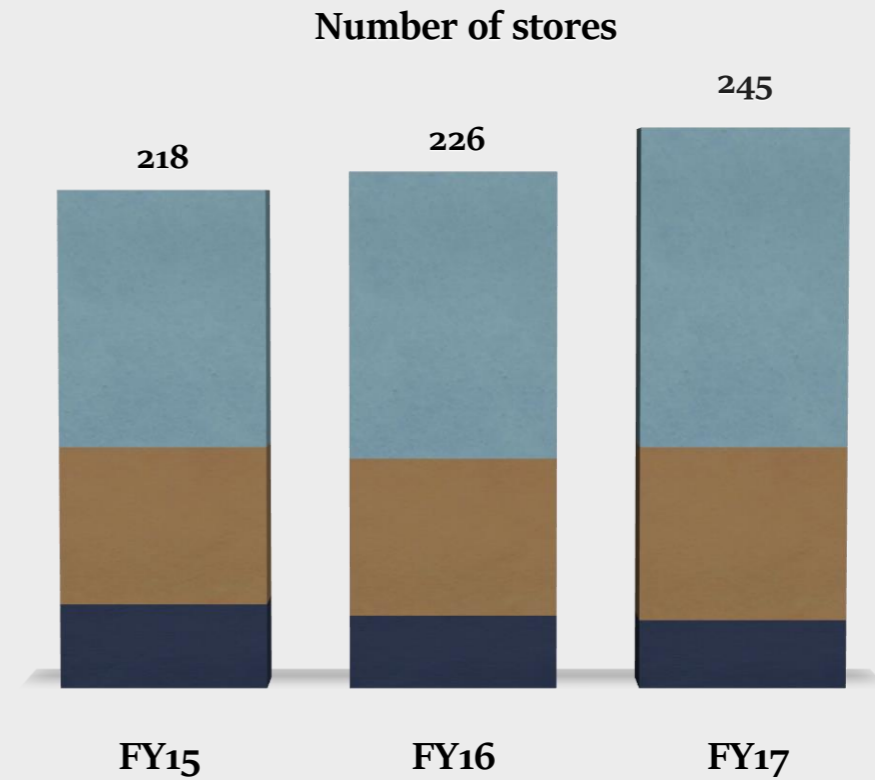
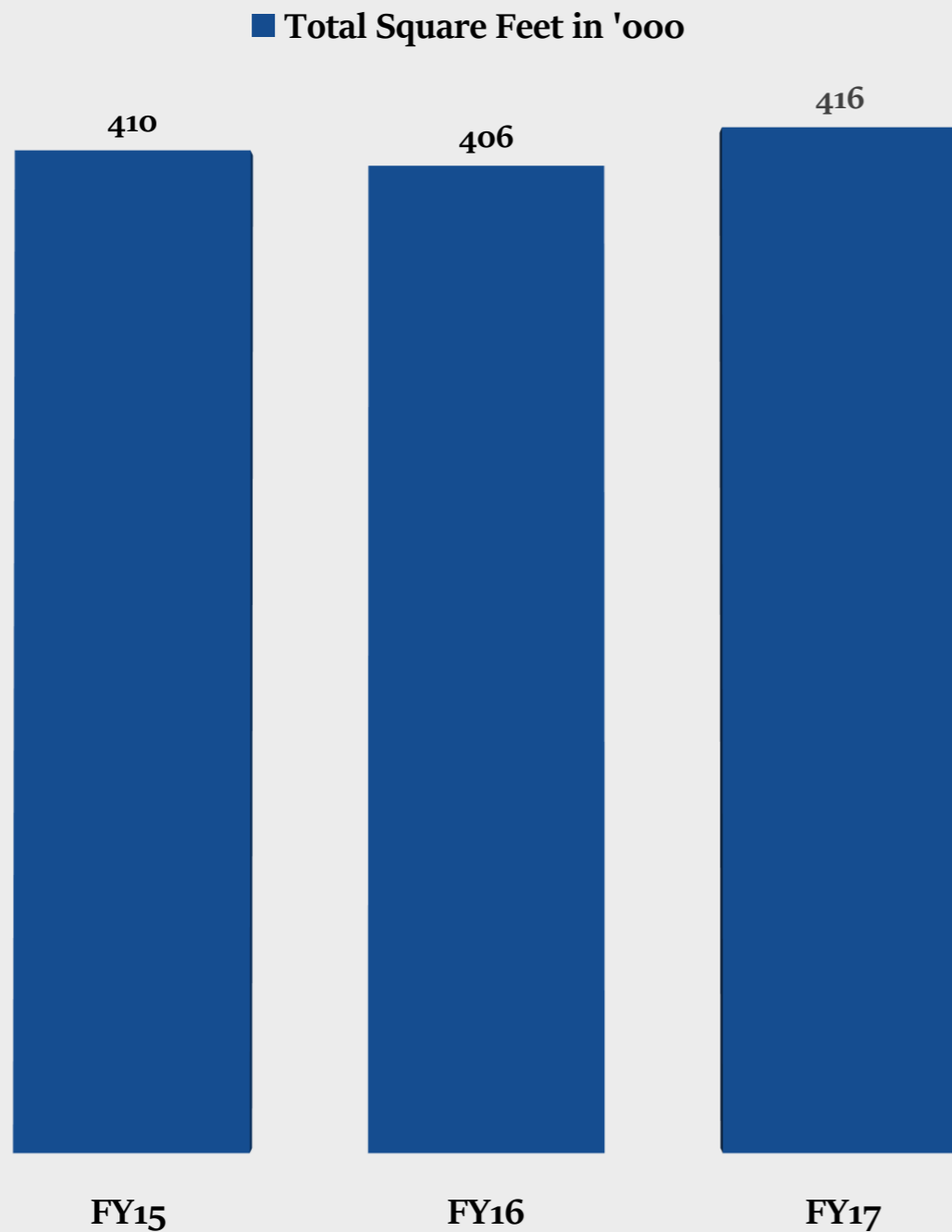
- Group turnover fell \$46.1 million, or 18%, from FY2016
- Decline in turnover due to discontinued businesses and lower sales to Indonesian associate, which previously contributed a total of \$43.2 million
- Gross margin rose three percentage points; benefited from tighter inventory management and improved sell throughs
- Currency translation losses totaled \$2.5 million.

# Financial Highlights: Net Profit/Loss After Tax

In S\$ mil



# Retail Footprint



	FY15	FY16	FY17
Singapore	37	32	30
Malaysia	69	69	76
Indonesia	112	125	139
<b>Total</b>	<b>218</b>	<b>226</b>	<b>245</b>



# Growth Strategy

- New growth drivers will come from existing brands which are expanding, factory outlet strategy, diversification into high-growth beauty and skincare category, and executing an omnichannel strategy
- Opened four Marc Jacobs stores and looking for new locations in the region
- Introduced eight outlet mall stores in Malaysia to clear merchandise and capture new customer segment
- Launching US Polo Association with five stores in next 12 months
- Distribution of Casio G-Shock in Indonesia.





# Growth Strategy

## Timepieces

- Continue to focus on mass market timepieces in Southeast Asia
- Rapid growth seen in Casio retail and distributorship in Indonesia; received fresh injection of funds
- Growing multi-brand retail stores WatchZone and WatchEngine.



# Q1 FY2018 Results

- Net attributable loss narrowed by 74% to \$942,000 for Q1 ended 30 September 2017 against \$3.6 million loss previously
- Revenue totaled \$41.4 million against \$51.3 million in previous corresponding quarter
- After currency effects and excluding discontinued brands, revenue in Singapore and Malaysia rose \$4.9 million (18%)
- Revenue from fashion and timepiece business in Southeast Asia increased 18% and 17% respectively.



# Cost Management

- 70% pay cut for Benjamin family management and redesignation of Executive Chairman resulting in \$1.6 million savings. Including non-replacement of two country heads, total savings of \$2.2 million
- Relocation of Singapore HQ in December 2017 to smaller premises with annualised cost savings of \$1.2 million
- Significant savings expected from right-sizing Singapore distribution centre.



# Proposed Rights & Warrants Issue

## Rights

To raise up to \$12 million

341,225,914 new shares

\$0.035 per share

Three rights shares for every  
five existing shares

## Warrants

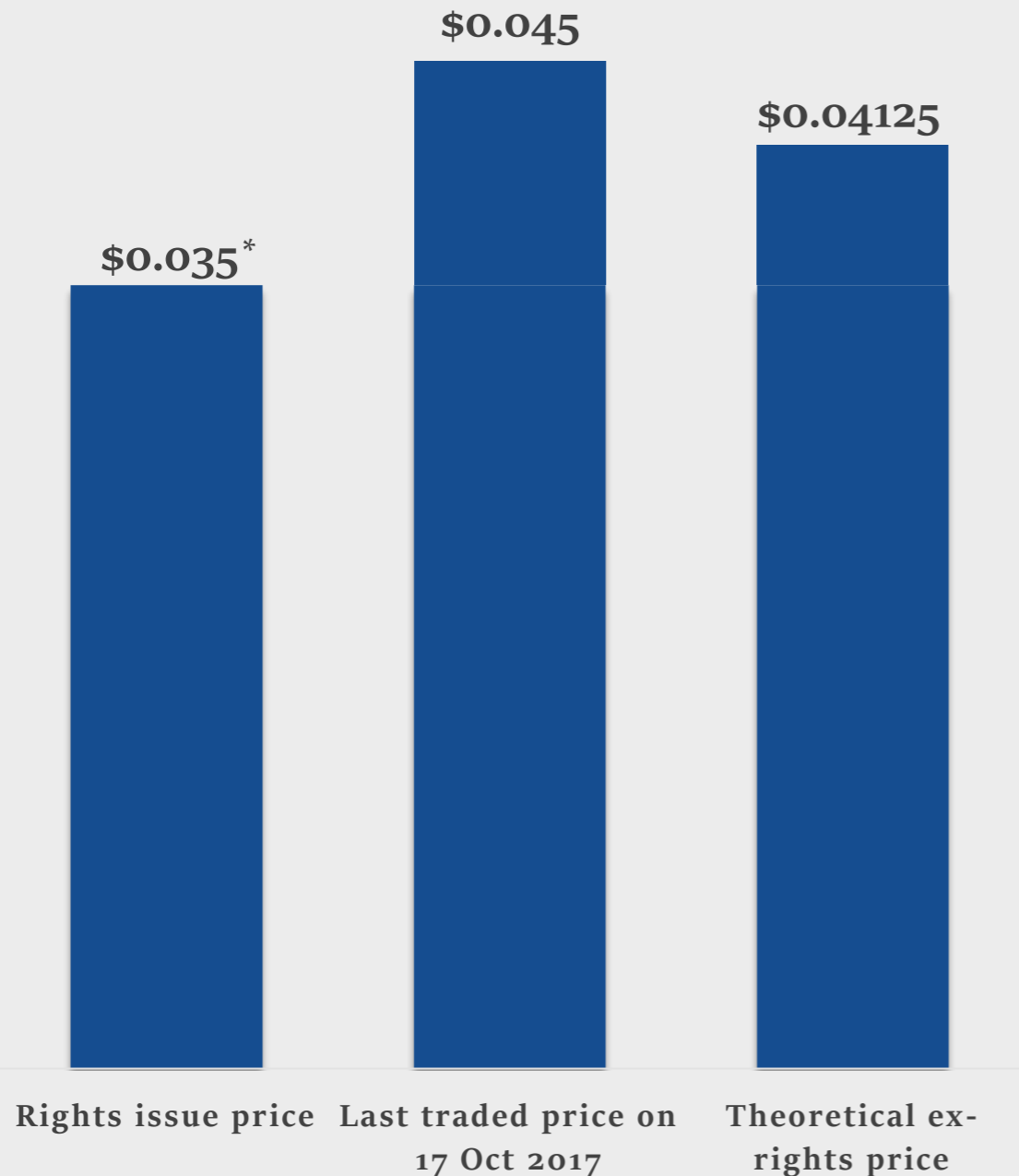
To raise up to \$27 million

682,451,828 warrants

\$0.04 per warrant; exercise  
period of three years

Two free warrants for each  
rights share

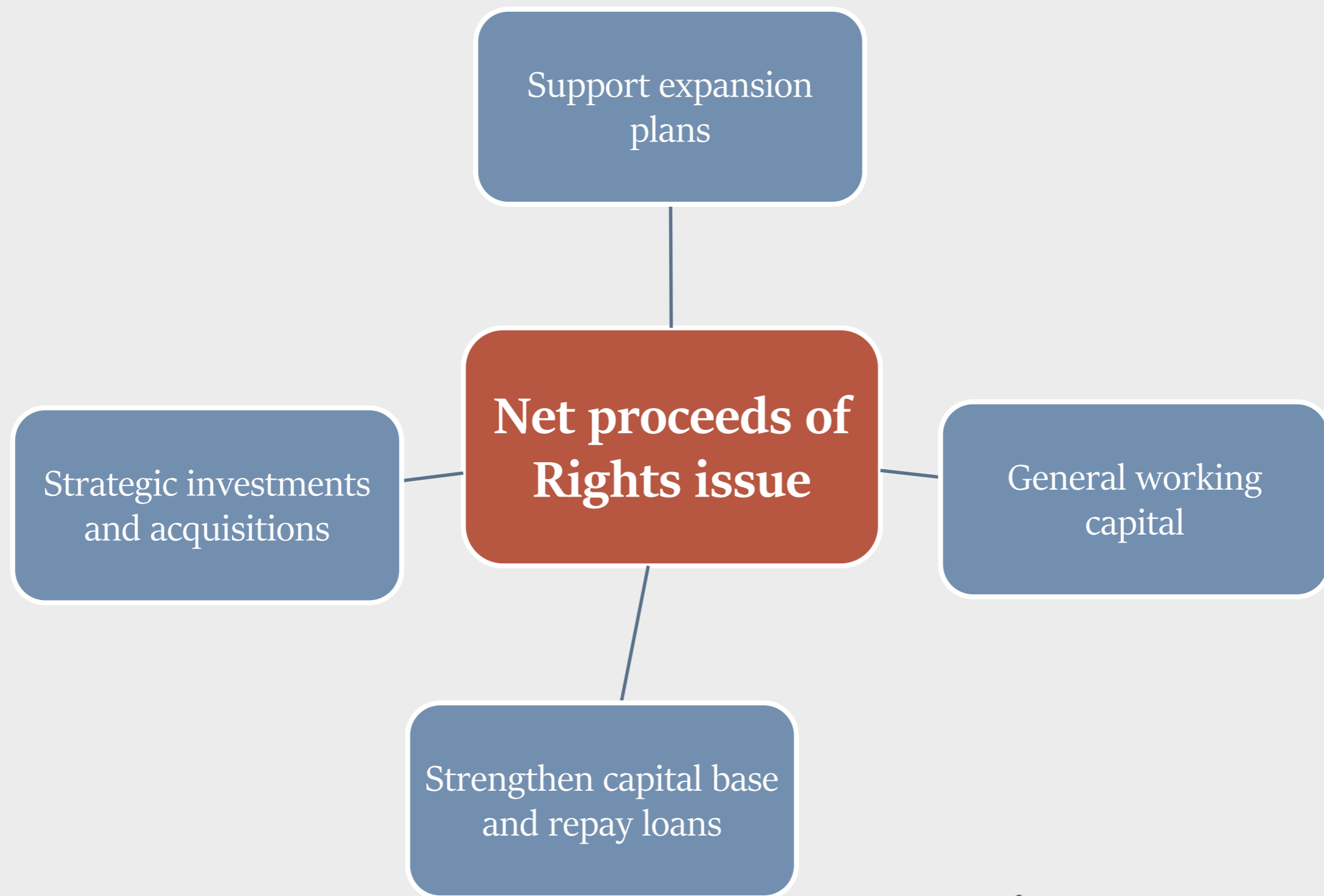
# Proposed Rights & Warrants Issue



- Benjamin family, Peter Lim and Raffles Investments Limited have agreed to subscribe to their entitlements in full
- Benjamin family and Peter Lim to take up excess rights
- Subject to regulatory and shareholder approvals.

\* 22.2% discount to last traded price on 17 Oct 2017 and 15.15% discount to theoretical ex-rights price

# Proposed Rights & Warrants Issue



# Outlook

- With restructuring almost completed, Group is on the verge of a turnaround
- Exploring opportunities in skincare and cosmetics
- Negotiating with potential e-commerce platform operators for omnichannel services
- Ongoing talks with international investor to enhance shareholder value
- Rights and warrants issue to support growth plans and other strategic opportunities.



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# Group Luxury Brands

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**CÉLINE**

**GIVENCHY**

**LOEWE**

**TOM FORD**

**MARC JACOBS**





# Group Lifestyle Brands

BAIBIZEN



La SENZA

極度乾燥(しなさい)  
**Superdry.**

REBECCAMINKOFF

**SHERIDAN**  
EST. 1967

VINCCI

*Alpina*   
1883 GENEVE

Bell  Ross

Calvin Klein  
watches  
swiss made

**CASIO**®



  
FREDERIQUE CONSTANT  
GENEVE

 G U E S S WATCHES

**GC**  
SWISS MADE

NAUTICA

極度乾燥(しなさい)  
**Superdry.**  
watches

**RADO**  
SWITZERLAND

  
**TISSOT**

  
VICTORINOX

WATCH **en**  **ine**

WATCH **ZONE**





FJ BENJAMIN

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Thank You

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