F J BENJAMIN RETURNS TO PROFITABILITY

- *Group reports net profit after tax of $177,000 for FY19*
- *Group operating 33% higher at $4.1 million, turnover down 21% to $131.5 million due to closure of loss-making brands*
- *Gross margins up from 46% to 49%; latest new brand Fauré Le Page initial response is good*

Singapore, 28 August 2019 – F J Benjamin Holdings has returned to profitability. It announced today a healthier set of financials with higher earnings and margins for the financial year ended 30 June 2019 (FY19) after closing stores and business which were not profitable these last few years.

Group net profit after tax stood at $177,000 against a net loss of $1.2 million the year before. Group operating profit was 33% higher at $4.1 million from $3.1 million previously.

Lower share of loss from the Group's associate company in Indonesia also helped improve Group pre-tax profit to $2.1 million, up 124% from $939,000 in FY18. This was despite a lower foreign exchange gain of $651,000 compared to $2.3 million in FY18.

Group turnover fell 21% to $131.5 million. In FY18, the Group closed loss-making businesses which accounted for $29.3 million of the $34.5 million decline in revenue. The smaller revenue base also resulted from a $4.4 million reduction in sales to the Group's Indonesian associate which had slowed down purchases.

During the year under review, revenue from the Group's on-going business declined marginally by one per cent to $119.6 million from $120.4 million in FY18. This was because Chinese New Year fell in early February this year, resulting in a shorter festive spending period from Christmas. The 2019 Great Singapore Sale (GSS) was launched in the third week of June instead of at the start of the month. This resulted in slower sales in June compared to previous years.

Gross profit margin improved from 46% to 49%, underscoring a healthier business following the discontinuance of low-yielding brands, more targeted inventory management and an absence of rampant industry discounting.

Group operating expenses fell 19% to $60.7 million following cost controls and closure of non-performing stores and brands, resulting in total savings of $13.9 million.

Group CEO Nash Benjamin said: “We are pleased to return to profitability after the restructuring of our business, and believe that we have today a much healthier portfolio of brands. We have launched our Omni Channel Superdry platform in July to be followed simultaneously in Malaysia Q2 FY20 where the results have been encouraging.

The Fauré Le Page handbags and accessories store has just been opened in early August in Ngee Ann City and the response has been good.

Due to the present global uncertainties, the Group will be vigilant in managing costs and inventory. The Management is of the opinion that barring unforeseen circumstances and following the actions taken these last few years, the Group’s present pace of recovery could be maintained.”

As at 30 June 2019, the Group’s inventory increased marginally by two per cent to $32.4 million, partly due to stocks received for Fauré Le Page at the end of the year.

During the year, the Group generated net cash flows of $4.3 million from operating activities, invested $3.1 million in shop fittings and repaid bank borrowings and interest expense of $1.2 million.

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

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