



## **F J BENJAMIN POSTS NET LOSS IN FY20 DUE TO COVID-19**

- *Group reports net loss after tax of \$14.9 million for FY20*
- *Group revenue falls 29% to \$92.9 million as mall closures hurt sales*
- *Gross margins up from 49% to 50%*

**Singapore, 27 August 2020** – F J Benjamin Holdings posted a net loss of \$14.9 million for the financial year ended 30 June 2020 (FY20) against net profit after tax of \$177,000 the year before. This included allowances made for expected credit losses, impairment of fixed assets and right-of-use assets, and write down in value of investment in associate totalling \$4.3 million.

Government-imposed lockdowns and social distancing measures across key markets in Southeast Asia drastically reduced footfalls at retail malls and affected the Group's ability to reach its customers.

Group revenue fell 29% to \$92.9 million from \$131.5 million previously while operating loss totalled \$2.9 million, a reversal from operating profit of \$4.1 million in FY19. Despite the challenging year, gross profit margin improved from 49% to 50% in FY20.

Group operating expenses fell 16% to \$51.1 million, primarily from lower logistics and warehousing costs, lower staff commission paid, Job Support Scheme subsidies and rental rebates given by landlords.

Group CEO Nash Benjamin said: "The Covid-19 pandemic has posed unprecedented challenges for the retail industry globally, and we have not been spared in Southeast Asia. It was most unfortunate as we were already on the path of profitability when it hit and we had to swiftly move to cancel forward purchases and manage our inventory down.

"We are pleased to see an improvement in gross margins but we do not expect a return to normality in the near future. We will continue to build our brick-and-mortar business

whilst reviewing existing leases, and will continue to grow our e-commerce business while stepping up diversification into the health and wellness sector.”

F J Benjamin will be distributing Airfree purifiers/sterilisers, a leading brand from Portugal, soon. “We are planning to add new and unique complementary products as wellness and hygiene will be an important sector of growth in the coming months,” said Mr Benjamin.

In July, the Group announced that it has significantly scaled up its online network, striking agreements with several global brands for the rights to sell online. They included Guess, Casio, Pretty Ballerina and Anti-Social Social Club, Lancel, Axel Arigato, U.S. Polo Association and Rebecca Minkoff.

During the year under review, sales in Singapore (excluding exports to Indonesia) was down 29% while sales in Malaysia declined 25%, which excluded Celine and Loewe stores whose agreements expired in November and were not renewed by the Group.

Sales at the Group’s Indonesian associate fell 29% compared to FY19 due to the closure of stores in Indonesia from 30 March to 15 June, while exports to Indonesia from Singapore were \$5.3 million compared to \$11.0 million last year, mirroring a reduction in purchases.

The Group’s share of losses in associate was \$5.3 million, up from \$1.7 million in the previous financial year.

In February, anticipating the potential effects of Covid-19, the Group cut back on forward purchases, leading to a reduction in inventory at year end to \$29.2 million compared to \$32.4 million the year before.

Net borrowings totalled \$13.0 million, up from \$12.6 million as at 30 June 2019, and gearing was 34%, up from 24% as at 30 June 2019.

For the financial year under review, the Group generated net cash flows of \$12.6 million from operating activities and invested \$1.4 million in shop fittings. The Group obtained additional bank loans of \$7.1 million and repaid bank borrowings and interest expense of \$5.3 million.

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

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