



## **FJ BENJAMIN REPORTS NET LOSS OF \$2.1 MILLION ON LOWER FESTIVE SALES**

- *Group revenue records 13% drop; weak consumer sentiment and inflation dampen sales*
- *Gross profit margin down to 49.5% from 52.6%*
- *Management to manage costs and seek new opportunities to expand portfolio of fashion and wellness brands*

**Singapore, 8 February 2023** – F J Benjamin Holdings (FJB) today announced a net loss of \$2.1 million for its financial half year ended 31 Dec 2023 (1H24), down from a net profit of \$1.7 million in the previous corresponding period (1H23).

The drop reflected a slower-than-expected recovery in tourist arrivals and lower retail spending during the year-end festive period.

Group turnover fell 13% to \$39.6 million in 1H24 from \$45.7 million in 1H23 with sales in Singapore and Malaysia down 23% and 13% respectively. Inflationary pressures continue to weigh on the retail industry at large and economies in our key Southeast Asian markets are expected to remain muted, FJB said.

Turnover for the Group's Indonesian associate increased by eight per cent in 1H24 from 1H23. However, the Indonesian associate also sustained lower gross profit margins and higher operating expenses as it had to launch more promotions to drive sales especially from October to December. Exports from Singapore to the Group's Indonesian associate rose by \$1.2 million as backlogs of goods ordered were delivered.

During the period under review, gross profit margin dropped to 49.5% from 52.6% in 1H23 mainly on account of the numerous promotional sales initiated amid

weaker consumer demand. Inventories rose by \$5.2 million as at end December 2023 as sales were slower than projected.

Group operating expenses for 1H24 declined by \$1.0 million from \$22.3 million in 1H23 arising from a \$0.6 million reduction in rental expenses from store closures, a \$0.3 million decrease in ad spend and a \$0.1 million reduction in depreciation of furniture, fixtures and fittings.

Group Chief Executive Officer Douglas Benjamin said: “It has been a tougher festive period than we had expected. Many residents, supported by the strong Singapore dollar, had travelled overseas for their year-end holidays while tourist arrivals had been lower than anticipated. Inflationary pressures, consumers tightening their belts and other factors continued to weigh on the retail industry.

“We will continue to work hard to drive sales, keep an eye on our costs as well as look for ways to broaden our portfolio of fashion and wellness brands.”

Online sales contributed to three per cent of total sales as in the same period last year.

Net borrowings totalled \$9.6 million as at 31 December 2023, up from \$7.3 million as at 30 June 2023 mainly from higher utilisation of invoice financing for increased purchases. Gearing ratio stood at 25% as at 31 December 2023 against 18% as at 30 June 2023.

During 1H24, the Group generated net cash flows of \$4.0 million from operating activities, saw an increase in net drawdown of bank borrowings of \$2.2 million, invested \$1.7 million in capital expenditure and repaid lease liabilities and interest of \$4.5 million. This resulted in a net cash outflow of \$26,000 for 1H24.

**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 1996 (Ticker: F10), F J Benjamin has a strong footprint in Southeast Asia, with office in four cities, manages over 20 iconic brands and operates 148 stores. The Group’s international brand portfolio includes fashion, lifestyle and timepiece brands.

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*This press release has been prepared by F J Benjamin Holdings Ltd (the “**Company**”) and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.*

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