



F J BENJAMIN 3Q19 OPERATING PROFIT UP 47% TO \$1.2 MILLION

- *Group net profit down 19% to \$302,000 due to lower forex gains*
- *Revenue down 22% to \$32.7 million with shorter festive period and absence of loss-making brands*
- *Gross margin improves to 50% with less discounting, cessation of low-yielding brands and better inventory management*

Singapore, 2 May 2019 – F J Benjamin Holdings (FJB) today reported a 47% increase in Group operating profit at \$1.2 million for its third quarter ended 31 March 2019 (3Q19) with improved gross margins.

Group net profit after tax, however, declined 19% to \$302,000, from \$371,000 in the previous corresponding period due mainly to lower foreign exchange gain of \$494,000 compared to \$1.4 million previously.

Overall, Group revenue fell 22% to \$32.7 million compared to \$41.8 million in 3Q18. The \$9.1 million decline in revenue was made up of \$5.6 million from loss-making brands which were discontinued after the previous corresponding period and a \$1.9 million drop in sales to our Indonesian associate which is now directly financing more of their purchases. The revenue from the Group's on-going business declined five per cent to \$30.0 million from \$31.6 million in 3Q18 as Chinese New Year fell in early February this year, resulting in a shorter festive spending period between Christmas and Chinese New Year.

Gross profit margin improved from 44% to 50% in 3Q19 due to less discounting in stores, the discontinuance of low-yielding brands and more targeted inventory management.

Revenue from the Group's associate company excluding clearance sales declined by six per cent year-on-year due to slower spending ahead of the Indonesian elections in April. Gross margins however, improved by two percentage points. The share of loss was \$430,000 down from \$856,000 previously.

Group operating expenses fell 15% to \$15.5 million following cost controls and the closure of non-performing stores and brands, resulting in total savings of \$2.7 million.

Group CEO, Nash Benjamin, said “We continued to make progress in our underlying business with further growth of our operating profit.

During the quarter we signed two established brands, Faure Le Page, a heritage handbag and accessory label from France which will open in July 2019, and luxury watch label, Baume & Mercier which began its distribution in April 2019.

The Group is in the process of reviewing several new brands to strengthen our brand portfolio, and will make appropriate announcements in due course.”

As at 31 March 2019, inventory increased two per cent to \$32.4 million as the Group maintained higher levels of stock for certain brands which performed above expectations.

As at 31 March 2019, net borrowings was \$12.8 million with gearing at 24%.

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

For media enquiries, please contact:

Catherine Ong Associates

Catherine Ong

Tel: (65) 9697 0007

Email: cath@catherineong.com

Jaslin Tan

Tel: (65) 9060 7644

Email: jaslin@catherineong.com