



GFM Services' net profit rises 46% YoY to RM3.09 million in 1QFY23, declared first interim dividend of 0.22 sen per share



24-05-2023 07:25 PM

KUALA LUMPUR: Integrated Facilities Management service provider, GFM Services Berhad today announced its financial results for the first quarter ended March 31, 2023 (1QFY23).

For the quarter under review, revenue climbed 7% year-on-year (YoY) to RM30.8 million from RM28.8 million in the previous year's corresponding quarter (1QFY22).

The growth was driven by contribution from a contract awarded by Jabatan Kerja Raya (JKR) which commenced in July 2022, partially offset by the completion of several facilities management projects.

The Group's Facilities Management (FM) business remained as the major revenue contributor, generating RM21.8 million or 71% of Group revenue in 1QFY23. The remaining 29% was contributed by GFM's Concession Arrangements segment, with RM9.0 million after consolidation adjustment.

In tandem with higher revenue, GFM's gross profit (GP) grew by 28.0% YoY to RM14.1 million, from RM11.0 million in 1QFY22. GP margin also expanded to 45.8% (1QFY22: 38.3%), on the back of the Group's cost optimisation measures.

Based on the aforementioned factors, GFM's profit attributable to equity holders of the parent (net profit) increased by 46.1% YoY to RM3.9 million in 1QFY23.

GFM Group managing director Ruslan Nordin said, "We are encouraged by the positive results we have achieved in this quarter. Despite the completion of several FM projects, the contribution from the JKR contract has driven our revenue growth, when compared with the same quarter last year. As we progress, our focus remains on strengthening our facilities management business, and exploring other growth avenues that are synergistic to our FM operations."

“We are actively bidding for FM contracts to bolster our project pipeline. The Group’s outstanding orderbook as at March 31, 2023 stands at RM1.29 billion, with a majority (RM866.6 million, until 2035) contributed by our university asset concessionaire, KP Mukah Development Sdn. Bhd. (KP Mukah) and JKR FM contract (RM323.2 million, until 2027). KP Mukah holds the concession for UiTM Mukah campus in Sarawak until 2035. This provides the Group with long-term earnings visibility and stability,” he added.

He said they are also working on other value-accretive ventures that can provide recurring income and complementary to their FM business. One area they are exploring is the Highway Rest and Service Area (RSA) business, particularly located in Bemban, along the North-South Expressway, as well as along the Kuala Lumpur-Karak Highway. Besides that, they are also exploring opportunities to extend their FM services in the workforce lodging space.

“In conclusion, we remain positive on the prospects of our businesses for the year ahead. Moving forward, we are committed to enhancing our value proposition, focusing on delivering reliable FM services that meet the evolving need of our customers. By leveraging our expertise, and seizing strategic opportunities, we aim to strengthen our competitive position and deliver value to our shareholders,” said Ruslan.

GFM has declared a first interim dividend of 0.22 sen per share, amounting to a dividend payout of RM1.55 million for the quarter under review. This represents a total dividend payout ratio of 40% of 1QFY23 net profit, in line with the Group’s dividend policy.