



**GFM SERVICES BERHAD (1033141-H)**

## **Press Release**

For Immediate Release

### **GFM Services announces full year results**

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*Revenue hits record high, buoyed by new contract wins  
and strong contract renewals.*

**Kuala Lumpur, 27 February 2018** – Integrated facilities management service provider, GFM Services Berhad (“GFM” or “The Group”) has announced its financial results for the fourth quarter (“4Q2017”) and full year ended 31 December 2017 (“FY2017”).

For the full year, the Group posted its highest ever revenue of RM104.5 million, an increase of 13% from RM92.1 million in FY2016. The rise is attributed to the Group’s success in clinching new contracts as well as renewal of contracts at higher rates. The year also saw the commencement of works of one of the major contracts, namely the Lembaga Kemajuan Ikan Malaysia (“LKIM”) Fishery Complex in Sarawak.

As a result of the Group’s effective cost management, FY2017 gross profit margins grew to 29%, from 28% in the previous year. Gross profit grew by 15% to RM30.0 million, however was offset by higher corporate expenses relating to the Group’s listing exercise and proposed acquisition of KP Mukah Development Sdn Bhd (“KP Mukah”).

Net profit for the year stood at RM10.0 million from RM13.0 million previously, mainly due to the absence of bad debt recovered of RM6.0 million in FY2016. Excluding the one-off debt write-back, net profit for FY2017 would have essentially surpassed last year’s earnings.



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On balance sheet strength, GFM continues to be in a net cash position with a cash balance of RM28.3 million exceeding total borrowings of RM17.5 million as at 31 December 2017.

**Encik Ruslan Nordin, Managing Director of GFM said,** “The Group remains in a good position for growth, anchored by our growing portfolio of new contracts and strong contract renewal rates. As at 31 December 2017, GFM’s outstanding order book stood at RM261.7 million.”

“While we have a healthy outstanding order book to sustain us, we still remain on the look out for opportunities which represent strategic growth to the Group. In January 2018, we announced the proposed acquisition of our first concessionaire, KP Mukah to broaden our scope and further strengthen our position in the market. We are confident that this acquisition will provide a platform for us to bid for similar earnings-accretive concessionaires moving forward.”

KP Mukah holds a 23-year concession for the provision of facilities management services for UiTM Mukah, which ends in 2035. As GFM is the current facilities management service provider, the acquisition presents synergistic benefits to the Group in addition to providing long-term earnings visibility.

“The outlook for the facilities management industry looks promising with growing awareness and acceptance of outsourcing non-core activities to players like us, especially in the public sector. We believe 2018 will be an exciting year as we continue our growth momentum and focus on creating value for our clients and shareholders.”

In 4Q2017, GFM’s revenue grew 17% year-on-year to RM29.4 million. Gross profit margin expanded to 32% from 26% in 4Q2016 due to higher variation orders received during the quarter. Consequently, net profit improved to RM3.6 million from RM2.4 million previously.



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### About GFM Services Berhad

GFM Services Berhad (“GFM”) was established to provide a one stop integrated facilities management solution. GFM offers companies the opportunity to focus on their core business through outsourcing of their non-core business activities. The company currently employs upwards of 520 personnel and is supplemented by more than 300 associates.

The company’s effective and consistent service delivery is primarily guided by their well-established Business Process Manual that comprises of proven work processes and industry best practices. Coupled with the experience and expertise of the top management, GFM has been able to achieve service delivery consistency regardless of facility types, size, complexity, and geographical locations.

GFM is a certified company in ISO 9001:2008 Management System, ISO 14001:2004 Environmental Management System, and OHSAS 18011:2007 Occupational, Health and Safety Management System. Over the years, GFM had also won various international awards namely Frost & Sullivan Best Practice Award 2012, NBO Group Achievement Award 2011 and Frost & Sullivan Industrial Technologies Award 2007.

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Released on behalf of GFM Services Berhad by Capital Front Investor Relations

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