

GFM's 1Q net profit soars 95% to RM5.53m on higher revenue

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KUALA LUMPUR (May 23): GFM Services Bhd's net profit for the first quarter ended March 31 (1QFY19) almost doubled to a record high of RM5.53 million for the company, thanks to revenue contribution from a recent acquisition, new contracts secured and renewals and extensions of contracts with better rates, it said in an announcement today.

The integrated facilities management service provider's net profit soared by 95% from RM2.83 million a year ago while earnings per share rose to 1.17 sen from 0.66 sen previously, it said in a Bursa filing.

The group also reported its best-ever quarterly revenue of RM42.44 million – up 33.04% year-on-year from RM31.9 million.

In a statement today, the group said its newly-acquired university asset concessionaire, KP Mukah Development Sdn Bhd, contributed RM12 million, or 28% of revenue this quarter.

Meanwhile, the remaining 72% or RM30.4 million revenue was derived from its facility management (FM) business.

New contracts secured include those for the Bank Negara Malaysia buildings in addition to renewal and extension of new contracts with improved rates. GFM's managing director Ruslan Nordin said the group remains focused on strengthening its core business by tendering for more jobs across the private and public sector.

“As at end-March 2019, we have an orderbook of RM1.38 billion to keep us occupied over the medium term and contribute positively to the group's bottom line,” said Ruslan.

He added that the group is now providing FM consultancy services for the Bukit Bintang City Centre (BBCC) integrated development in Kuala Lumpur and aims to secure the subsequent full-scale contract for the provision of FM services for BBCC.

“We aim to bid for similar type jobs in the future which will add to our capabilities and track record.

“Internally, we continue to enhance our cost and operational efficiencies through the on-going vendor rationalisation programme. At the same time, we are also working to improve our service delivery to clients by adopting more innovative technology-based solutions such as Internet of Things at our sites. The use of IoT will lead to potential cost savings with enhanced building performance efficiency,” he said.

GFM's shares closed unchanged at 44.5 sen, for a market capitalisation of RM209.56 million.

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