

SINGER ANNOUNCES Q3 2022 RESULTS

Press Release - 20th October 2022, Dhaka

Singer Bangladesh Limited ("Singer" or the "Company"), announced its unaudited results for the quarter that ended September 30, 2022 (Q3). The highlights are:

- Q3 turnover increased by 12.8% to Tk 5.2 billion compared to the same quarter of the previous year. The company continued to implement a number of marketing initiatives during the quarter to improve sales.
- Q3 2022 gross margins decreased from 25.3 % to 20.2%. The Company has lost a 5.1% gross margin compared to the same quarter of last year mainly due to significant cost increases which could not be adjusted with the sales price due to market sensitivity both from consumer and competitors end.
- Financial expenses are higher than last year mainly for the utilization of borrowing at a higher level due to the overall low sales and increase of product cost coupled with higher interest rates as well.
- Singer continued to focus on managing operating expenses, which at 17.5% of revenue for Q3 2022 was reduced from 19.3 % in the prior year.
- Profit after tax decreased from Tk. 595 million to Tk 146 million up to Q3, with earnings per share decreasing from Tk. 5.97 to Tk. 1.46 mainly because of negative EPS (Tk. 0.85) in Q3 and lower profit after tax upto Q2 as well.
- Effective tax rate is higher than last year due to extrapolated lower profitability and contributions from sales against which the advance income tax was paid at the import level as the minimum tax liability.

Board Comments

Negative profit in Q3 resulted in the company's strategy to remain competitive in the market because of sensitivity both from consumers and competitors end. For that strategy, we could not adjust significant cost increases with the sales price.

Singer is strong in the appliances market and will further accelerate our operation in the medium to long term. We will combine our global expertise, scale and knowledge with the strong market position of Singer Bangladesh Limited equipped with its strong brand image.

About Singer Bangladesh

Singer is the largest retailer of consumer durables in Bangladesh, with 437 company-owned stores. Singer commenced operations in the region in 1905, being famous for sewing machines and hire purchase finance. Today Singer sells all categories of consumer durables under the Singer and third-party brands. The Company also has more than 1,000 wholesale dealers. Singer Bangladesh is 57.0% owned by Retail Holdings Bhold B.V. (The Netherlands) and the shares of the company are publicly traded in DSE and CSE.