

## 7-Eleven earnings double in Q3

KUALA LUMPUR: 7-Eleven Malaysia Holdings Bhd's earnings surged 109% to RM17.12mil in the third quarter ended Sept 30, 2014 from RM8.19mil a year ago, driven mainly by the sales growth and gross profit margin expansion.

Announcing its strong set of earnings on Friday, the convenience store operator reported other factors were growth in other operating income and lower administrative and other operating expenses.

7-Eleven's revenue rose to RM487.28mil – an increase of 11.6% from RM436.37mil. Earnings per share were 1.39 sen compared with 0.78 sen.

"The growth in revenue was driven by the growth in new stores, improved merchandise mix and consumer promotion activity.

"Gross profit improved by RM17.9mil or 14.7% compared to the corresponding quarter in the previous year and this was mainly attributed to the revenue growth of 11.7% and gross profit margin expansion of 0.8% points. Other operating income grew by 5.9% compared to the corresponding quarter in the previous year," it said.

For the nine months, 7-Eleven's earnings increased 34.2% to RM45.16mil from RM33.63mil. Profit before tax rose 31.6% or RM15.3mil mainly due to sales growth, gross profit margin expansion and growth in other operating income. It was partially offset by the increase in selling, distribution, administrative and other operating expenses in line with store expansion.

Revenue rose 12.9% to RM1.412bil from RM1.250bil driven by the growth in new stores (total stores as at Sept 30, 2014: 1,677 stores) and same store sales growth of 4.5%.