

# 7-Eleven 4Q profit jumps 71% on sales growth, margin expansion

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KUALA LUMPUR (Feb 27): [7-Eleven Malaysia Holdings Bhd](#) saw its net profit jumped 71.1% to RM17.92 million or 1.45 sen a share in the fourth quarter ended Dec 31, 2014 (4QFY14), while revenue rose 14% to RM481.1 million.

In a statement, the convenience chain stores operator said the improvement in revenue was driven by the growth in new stores, improved merchandise mix and consumer promotion activity.

Meanwhile, the much sharper growth in earnings was attributed to gross profit margin expansion of 1.9% points, as well as substantial decrease in selling and distribution expenses by 17.2%.

For the full year, 7-Eleven saw its net profit increased to RM63.07 million or 5.44 sen a share, from RM44.1 million previously. Revenue meanwhile, grew to RM1.89 billion during the financial year, from RM1.67 billion previously.

The group has declared an interim single-tier dividend of 2.5 sen per share (previous year corresponding quarter: nil) and a special single-tier dividend of 2.6 sen per share (previous year corresponding quarter: nil) in respect of FY14, which will be paid on March 31, 2015. The entitlement date is on March 17, 2015.

"Total dividend declared in respect of FY14 was 5.1 sen per share, including the above-mentioned dividend declarations, which are payable subsequent to the current financial year end," said 7-Eleven.

"The total dividend declared for FY14 is approximately RM62.9 million, representing approximately 100% of the attributable profit of the group for FY14," it added.

On prospect, 7-Eleven said it remains positive on its outlook for 2015, despite some softness in consumer sentiment and in the overall retail market.

"The continuing roll-out of new stores to increase the existing network, as well as the on-going store refurbishment program, will have a positive impact. In addition to this, increased promotional and merchandising activities, along with the expansion of in-store services and a further expansion of the group's food and beverage offerings at store level, will help drive revenue and profit growth," it explained.

7-Eleven (fundamental: 1.55; valuation: 0) closed 1 sen lower at RM1.56, with a market capitalisation of RM1.94 billion.

*(Note: The Edge Research's fundamental score reflects a company's profitability and balance sheet strength, calculated based on historical numbers. The valuation score determines if a stock is attractively valued or not, also based on historical numbers. A score of 3 suggests strong fundamentals and attractive valuations.)*