

Glomac's Q1 profit ease, balance sheet still healthy



Glomac Bhd's net profit dropped 20 per cent to RM2.8 million in the first quarter (Q1) ended July 31, 2020 from RM 3.5 million a year ago.

KUALA LUMPUR: Glomac Bhd's net profit dropped 20 per cent to RM2.8 million in the first quarter (Q1) ended July 31, 2020 from RM 3.5 million a year ago.

In its filing with Bursa Malaysia today, Glomac said this was dragged by lower contribution from its property development division.

Its Q1 revenue fell 9.6 per cent to RM46.9 million from RM51.9 million due to the suspension of construction work during the Movement Control Order period.

However, the property developer said the shortfall in earnings was offset by its cost savings from construction for Saujana KLIA, resulting in improved margins and profitability during the quarter.

As at July 31 this year, Glomac's balance sheet remained healthy with a cash of RM171.2 million, while net gearing stood at 0.28 times against shareholders' funds of RM1.1 billion.

During the quarter, Glomac said new sales doubled to RM50 million driven by sustained demand for residential phases at Saujana Perdana in Sungai Buloh and serviced apartments at 121 Residences.

The company's unbilled sales stood at RM660 million with strong sales performance achieved due to the favourable product mix and strength of its development projects and a keen emphasis on digital marketing strategies.

Glomac said its sales and financial performance was expected to sustain, backed by unbilled sales of RM660 million and the resumption of construction activities post-Movement Control Order.

The company plans to launch more new projects in the financial year ending April 30, 2021.

New launches will comprise mid-market and affordable landed residential projects at Saujana Perdana in Sungai Buloh, Saujana KLIA in Sepang and Saujana Jaya in Johor.

"We will continue to pace its new launches strategically, leveraging on a strong development portfolio with a potential estimated gross development value of RM8 billion that will sustain the group for the coming years," it said.