



# السوق الحرة البحرين BAHRAIN DUTY FREE

**Bahrain Duty Free announces BD 7.5 Million in Net Profits for 2018**

**Release Date:** Tuesday 12<sup>th</sup> February 2019

Bahrain Duty Free Shop Complex (DUTYF) announced at a meeting of its board of directors on Tuesday 12<sup>th</sup> February 2019, financial results for the year ended 31<sup>st</sup> December 2018.

For the full year 2018, The Company achieved a net profit of BD 7,469,566 compared to BD 7,091,297 in the previous year representing an increase of 5.3%. The company also achieved an operating profit of BD 6,099,755 compared to BD 5,391,522 in the previous year representing an increase of 13.1%. Total Operating expenses BD 13,461,506 compared to BD 11,845,130 in the previous year representing an increase of 13.6% during the year and within this the main driver was Royalty expense of BD 5,947,940 compared to BD 4,934,029 in the previous year which was up 20.5%.

Total comprehensive income BD 7,869,074 compared to BD 5,993,266 in the previous year representing an increase of 31.3% mainly due to other comprehensive Income for the year was BD 399,508 compared to a negative BD1,137,275 last year, the improvement as a result of positive gains on our Securities held during 2018. Revenue of BD 36,402,364 were achieved compared to BD 31,975,377 in the previous year representing an increase of 13.8%. Total Investment income BD 1,369,811 compared to BD 1,699,773 in the previous year representing an decrease of 19.4% due primarily to Impairments taken in the year on our Property Investment Portfolio.

Total shareholders' equity for the year was BD 51,247,415 compared to BD 49,950,527 last year, up by 2.6%. Total assets are 59,128,446 compared to BD 56,746,790 in the previous year, an increase of 4.2%. Basic earnings per share rose 6% to 53 fils per share compared with 50 fils in 2017.

## Fourth Quarter

Revenues of BD 9,297,460 were achieved during the fourth quarter compared to BD 8,508,156 in the same quarter the previous year representing an increase of 9.3%. Operating profits were BD 1,525,896 compared to BD 1,253,766 last year, an increase of 21.7% helped by strong sales growth in the quarter. Net profits were BD 779,472 compared to BD 1,231,239 in the previous year's corresponding quarter representing a decrease of 36.7% due to impairment charges of BD 692,038 taken during the quarter on Investments. Total comprehensive income was BD 824,980 compared to BD 265,609 in the same period of last year, an increase of 210.6%.

Commenting on the results, the Chairman Mr. Farouk Al Moayyed, said that 2018 had produced excellent results with double digit growth in Revenues and Operating Profits. He went on to say that the Company has made important strategic progress to ensure continued success for the Company in the future.



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Managing Director Mr. Abdulla Buhindi added that, sales growth had surpassed budget and prior year expectations. He went on to say that the Company's excellent growth in sales and operating profits were a testament to the Company's decision in 2016 to make a significant capital investment in renovating the shops at the Airport. Many new brands and initiatives were introduced in the Perfumery & Cosmetics area as well as a new Premium Watch boutique all contributing to the overall performance of the shop. He added, by stating that the Company remains focused on delivering first class customer service and unique shopping experience for all our customers. Meanwhile, Mr. Buhindi tapped on the Bahrain International Airport Development Program by which includes several projects, including the expansion of the Duty Free Zone and explained that the business model will be operated by Bahrain Duty Free Company, which was a new company established in January 2018 as a joint venture between Bahrain Duty Free Shop Complex and Gulf Air Holding Company in which will contribute a lot of important achievements to achieve continuous growth and profitability in the coming years. The project is expected to be completed in the fourth quarter of 2019. Mr. Buhindi concluded, the Company has succeeded in achieving outstanding financial results during the year, and thanked the executive management and all the employees of the company for their hard work and continuous efforts. He also expressed his confidence in the executive management continuing to achieve further growth.

The full set financial statements and the press release are available on Bahrain Bourse's website.



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