

22 November 2022

GDEX SEES RED FOR THIRD CONSECUTIVE QUARTER ON WEAKER EARNINGS FROM COURIER, LOGISTICS SERVICES SEGMENTS



KUALA LUMPUR (Nov 22): GDEX Bhd posted a net loss of RM6.57 million for the third quarter ended Sept 30, 2022 (3QFY22) — its third consecutive quarter of losses — compared to a net profit of RM9.47 million in the same quarter last year (3QFY21), on weaker earnings contributions from both its courier and logistic services segments.

As such, the logistics and express carrier provider saw a loss per share of 0.12 sen, compared to an earnings per share of 0.17 sen, its bourse filing with Bursa Malaysia showed on Tuesday (Nov 22).

Quarterly revenue dropped 7.37% to RM95.28 million, from RM102.86 million in the same period a year earlier.

The group blamed the decline in its courier services segment on stiff competition, weak market sentiment and low demand conditions in its online business activities, which had impacted the express delivery services, as well as an increase in information technology (IT) operating expenses to enhance its IT cybersecurity systems.

Additionally, GDEX attributed the drop in its logistic services segment mainly to low demand in warehousing and logistics services, as a result of weak market sentiment and low demand conditions in its online business activities, after the resumption of business operations in various retail businesses.

The group also attributed the losses to an increase in manpower cost, caused by the implementation of statutory minimum wage rates.

For the first nine months (9MFY22), GDEX slipped into a RM12.02 million net loss, compared to a RM21.44 million net profit in the same period earlier, on the back of a 10.99% lower revenue at RM280.7 million.

Looking ahead, GDEX foresees that the challenges from competitive pricing, weak market sentiment, and low demand in the courier services and logistics industry to continue until the first half of next year.

As such, the group will focus on driving greater cost optimisation and operational efficiency, as well as products and services differentiation to grow its business activities.

“The group will [also] expand its product offerings to enhance its GDEX 2.0 ecosystem via digital platforms for customers, as well as strengthen its IT infrastructure and intra-Asean delivery network,” it said.

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As for business expansion plans, GDEX said it continues to explore potential business opportunities in the last mile and warehouse fulfillment space.

GDEX's share price finished 3.85% or half a sen lower at 12.5 sen on Tuesday, bringing the group a market capitalisation of RM705.2 million.

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