

Scientex's Q2 net profit surges

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PETALING JAYA: Scientex Bhd saw its second quarter net profit surge 79.2% to RM64.6 million, from RM36.05 million a year ago, driven by higher contribution from its consumer packaging operations and demand for its affordable properties in Johor.

Revenue for the quarter ended Jan 31, 2016 (Q2FY16) was up 17.8% to RM545.4 million, against RM462.9 million a year ago.

In a statement yesterday, the group said its manufacturing segment remained the larger contributor at RM402 million, rising 22.9% from RM327 million a year ago, due to higher contribution from consumer packaging products in local and export markets, including contribution from the newly acquired Scientex Great Wall (Ipoh) Sdn Bhd (SGW Ipoh).

Its profit from operations increased 147% to RM42.1 million, from RM17.4 million previously, as a result of better profit margins achieved from both industrial and consumer packaging products, as well as contribution from SGW Ipoh.

Meanwhile, its property revenue recorded a marginal increase of 5.6% to RM143.4 million, from RM135.9 million previously, of which profit from operations remained marginally the same at RM36.4 million, from RM40.3 million last year.

"Our aggressive focus on affordable property sales and continuous expansion of consumer packaging operations has enabled us to sustain the group's earnings in Q2FY16, amidst ongoing challenges in the property and consumer sectors in the domestic and regional markets."

"We aim to build upon this commendable performance in the second half of FY2016, in view of the recent commencement of our cast polypropylene (CPP) plant early this year, and ongoing success in enlarging our clientele in Asia Pacific," its managing director Lim Peng Jin said in a statement yesterday.

For the first six months period, its net profit grew 89.3% to RM125.5 million, from RM66.3 million a year ago, while revenue up 23% to RM1.1 billion against RM894 million last year.

The group has earmarked RM30 million in capital expenditure (capex) to expand the production capacity of Scientex Great Wall (Ipoh) Sdn Bhd (SGW Ipoh) by 50% to 18,000 metric tonnes per annum, in which the new machines are expected to be commissioned in end-2016.

In a separate announcement, Scientex said it is proposing a one-for-one bonus issue which would entail the issuance of up to 230 million new shares of 50 sen par, to be approved by shareholders at its upcoming EGM. The bonus issue is expected to be completed in the third quarter of this year.