

Scientex chalks up 43% higher net profit for Q3

SHAH ALAM: Global packaging manufacturer and property developer Scientex Bhd's third quarter net profit jumped to RM61.3mil from RM43mil a year ago.

Group revenue for the period rose 19.5% to RM543.9mil from RM455.3mil previously. In a statement to Bursa Malaysia yesterday, the company said Q3 manufacturing sales increased 20.1% to RM382.8mil from RM318.8mil previously as it expanded its customer coverage in the Asia-Pacific region.

The property segment, meanwhile, chalked up 18% higher revenue of RM161.1mil compared with RM136.5mil a year ago on the back of progress billings and steady take-up rates for properties in Malacca as well as Pasir Gudang, Skudai, Kulai and Senai in Johor.

Out of the total manufacturing revenue, consumer packaging sales contributed RM183.9mil, growing 44.6% year-on-year from RM127.1mil. Industrial packaging revenue amounted to RM198.9mil, 3.8% higher than RM191.6mil a year ago.

Managing director Lim Peng Jin said: "Scientex is clearly benefiting from the expansion of our consumer packaging operations. Serving the recession-proof food and beverage and fast moving consumer goods sectors also work to our advantage in terms of sales stability and growth.

"Our technical development team is spearheading new product development in line with the changing form of packaging. "For instance, the prevalence of e-commerce has resulted in higher demand for protective packaging, while packaging for the health-care sector has to adhere to higher standards of hygiene. In this respect, we are actively engaging with customers to introduce new innovations to hone our competitive edge.

"Similarly, our property division has fared well with steady take-up rates, and has total unbilled sales of RM652.7mil to be recognised until 2018. We intend to maintain the strategy of offering affordable homes below RM500,000 to meet market demand."

For the nine months, group revenue rose 21.5% to RM1.6bil from RM1.3bil previously, driven largely by increased contribution from consumer packaging.

Net profit grew at a faster pace of 70.9% to RM186.7mil from RM109.3mil a year ago, enhanced by favourable sales mix within and across segments, and reduced effective tax rate due to reinvestment allowances.

The company has proposed an interim single-tier dividend of 12 sen per share, with ex-dividend and payment dates of July 14 and Aug 5.