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Scientex's 2Q net profit sees slight improvement on increased revenue

By Yimie Yong / theedgemarkets.com | March 22, 2017 : 3:35 PM MYT

KUALA LUMPUR (March 22): Stretch film maker Scientex Bhd's net profit grew 1% to RM65.19 million in the second quarter ended Jan 31, 2017 (2QFY17), from RM64.62 million a year ago, as the company recorded higher revenue from its manufacturing and property business.

A filing with Bursa Malaysia showed its quarterly revenue rose 7% to RM586.25 million, from RM545.43 million.

Scientex said its property business registered higher profit, consistent with higher sales, though its manufacturing business profit slipped, mainly due to lower product margins from both industrial and consumer packaging segments.

For the six-month period ended Jan 31, 2017 (6MFY17), Scientex's net profit slid 7% to RM117.25 million, from RM125.48 million a year ago, though revenue grew 2% to RM1.12 billion, from RM1.1 billion.

Going forward, Scientex said the group will continue to maintain a proactive stance in its manufacturing segment, and develop operational policies in response to changes in the external environment.

“Barring unforeseen circumstances, the group remains cautiously optimistic that the strategies and action plans put in place will yield satisfactory performance for the current financial year,” it added.

As for its property development segment, Scientex said it remains confident that demand for its affordable homes will remain resilient and continue to lead to a satisfactory performance for the segment.

At 2.47pm, shares of Scientex was trading 3 sen or 0.4% lower at RM7.44, with 94,500 shares traded, for a market capitalisation of RM3.45 billion.