

Star Biz

Scientex posts record net profit and revenue

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PETALING JAYA: Scientex Bhd has recorded the strongest performance in its corporate history for both its fourth quarter and full year ended July 31, 2018.

The packaging manufacturer and property developer saw net profit for the quarter coming in at RM88.3mil and revenue at RM733.2mil, representing a 22.4% and 13.5% increase, respectively.

The improved performance for the quarter was attributed to a higher sales volume in the manufacturing segment, in addition to maiden contributions from Klang Hock Plastics Industries (KHPI).

It said this was complemented by increased profit from the property

development segment on greater efficiency and better product mix, despite a slight decrease in revenue.

For the full year, the group saw net profit rising 13.3% to RM289.8mil, while revenue rose 9.3% to RM2.63bil.

In a statement, the group said the performance was mainly driven by higher sales volume in the manufacturing segment, on account of higher utilisation in its Malaysia plants, as well as expanded total annual output capacity from 356,000 tonnes in financial year 2017 (FY17) to 450,000 tonnes in FY18.

It said the expansions undertaken throughout FY18 comprised the establishment of a new stretch film plant in the US and the acquisition of regional flexible plastic packag-

ing (FPP) player KHPI.

The group's manufacturing segment remained the major revenue contributor at RM1.9bil, a 14.1% increase from a year ago.

Growth in the manufacturing segment was led by higher sales in exports and domestic markets, up 15.1% and 11.1%, respectively, with 75% of manufacturing revenue for the period derived from exports.

The property development segment contributed the remaining RM722.2mil to group revenue.

"On top of our strongest financial performance in our 50-year history, FY18 was a momentous milestone year, as we consolidated revenue not only from our existing and acquired capacities in Malaysia, but also from our first plant in the US.

"These manufacturing facilities

give us geographically diverse exposure across key customer markets in Asia and the Americas," said Scientex managing director Lim Peng Jin.

He added that the expanded production capacity also lent significant support to the group's long-term growth aspirations, as it strived to capture a larger share of the FPP market globally.

The group also noted another milestone, with new launches in FY18 reaching a record high of RM1.2bil in gross development value (GDV), bringing the GDV of ongoing and future developments to RM13.5bil.

For FY18, the group has proposed a final single-tier dividend of 10 sen per share, subject to approval at its upcoming shareholders' meeting.