

Scientex's stretch film facility in Phoenix, Arizona.  
 – **SCIENTEX WEBSITE**



## Scientex earnings up 19% in Q3, declares 10 sen dividend

**PETALING JAYA:** Scientex Bhd's net profit for the third quarter ended April 30, 2019 jumped 19.2% to RM72.88 million from RM61.14 million a year ago, in line with the higher sales recorded in the quarter.

The group achieved revenue of RM828.46 million, an increase of 38.9% compared with RM596.42 million recorded in the preceding year corresponding quarter, underpinned by better sales performance for both manufacturing and property divisions.

Scientex has proposed to declare an interim dividend of 10 sen per share for the quarter under review.

For the nine-month period, its net profit fell 0.6% to RM200.3 million from RM201.52 million a year ago, while revenue grew 22.7% to RM2.31 billion from

RM1.88 billion.

In manufacturing, Scientex said the North American market offers huge untapped market potential and the group is gradually ramping up production at its Phoenix, Arizona stretch film facility to gain market share in this territory.

To increase productivity, the group is investing in automation as part of its overall long-term strategy to enhance production efficiency, reduce costs and wastage whilst reducing dependency on manual workers.

"These efforts are expected to yield higher productivity and increase the production capability of its Arizona based plant to produce better quality yet competitively priced products in a timely manner and to meet the demands of its US based customers."

Scientex also noted that the

inclusion of Daiboichi into the group since March has further expanded its market base for a diverse range of flexible plastic packaging products.

Despite the challenging external environment caused by the trade tensions between China and US, the group said the manufacturing division strives to make itself more competitive in the global arena by leveraging on its volume-based model.

In property, the group continues to expand its landbank at strategic locations with a view to provide more affordable homes. With lower interest rates and affordably priced products, it remains cautiously optimistic that demand particularly for its affordable housing products is expected to remain strong and resilient for the current financial year.