

Scientex 4Q earnings rise on higher sales

by FARA AISYAH

SCIENTEX Bhd's earnings for the fourth quarter ended July 31, 2019 (4Q19), rose 60.74% year-on-year (YoY) to RM133.4 million in line with the higher sales recorded during the period.

Earnings per share for the quarter was also higher at 25.89 sen. Quarterly revenue increased 30.25% YoY to RM938.77 million in the same quarter last year.

Scientex MD Lim Peng Jin said the manufacturing segment has grown from strength to strength, driven by the group's prowess in product innovation and manufacturing efficiency.

"Our comprehensive range of flexible plastic packaging (FPP) solutions was further strengthened by the recent acquisition of our 61.9%-subsidiary, Daibochi Bhd, followed promptly by its acquisition of Mega Printing & Packaging Sdn Bhd, reaffirming our growth

path as we aim to stake a larger claim in the global and regional arenas.

"At the same time, our property development segment continues to shine, underpinned by resilient demand for affordable homes in Peninsular Malaysia," he said in a statement yesterday.

He added that Scientex is well geared towards achieving its vision of delivering 50,000 affordable homes by 2028.

Its manufacturing segment's operating profit increased from RM26.3 million to RM67.1 million during the quarter mainly contributed by sales mix and better product margins as a result of the softening of raw material prices.

The segment's revenue for 4Q financial year 2019 (4QFY19) was RM630.3 million, an increase of 19.6% compared to RM527 million in the preceding year corresponding quarter, mainly due to the higher utilisation rate of the manu-

facturing plants, as well as the contribution from newly acquired subsidiaries.

The property segment's operating profit increased from RM74.9 million to RM112.1 million, while revenue improved to RM308.5 million from RM193.8 million in 4QFY18.

Scientex said the segment's better performance in revenue and operating profit were mainly contributed by the progressive billings from our new development projects, namely Taman Scientex Utama in Senai, Johor, Scientex Durian Tunggal in Melaka and Taman Scientex in Rawang, Selangor.

The completion of projects in Taman Pulau Mutiara in Pulau and Taman Scientex Pasir Gudang, Johor, have further increased the revenue and profit during the financial quarter under review.

For the full year, Scientex's net profit rose 17.29% YoY to RM333.7 million, while revenue jumped 25% YoY to RM3.25 billion.

Scientex has recommended a single tier final dividend of 10 sen to be paid on Jan 10, 2020.

Lim said both the manufacturing and property development segments are expected to perform resiliently in FY20.

"In our manufacturing segment, we are targeting higher sales to both the domestic and export markets for FPP, as well as expecting enhanced efficiency at our subsidiary, Daibochi, in the upcoming quarters.

"In line with rising demand for affordable homes in Peninsular Malaysia and the strong take up rates of our launches, we are targeting a larger scale of launch worth RM1.3 billion in gross development value in FY20, from RM1.1 billion in the previous year," Lim added.

Scientex closed 26 sen or 3.01% higher at RM8.89, giving it a RM4.58 billion market capitalisation.



Lim says the company is geared towards achieving its vision of delivering 50,000 affordable homes by 2028