

Scientex ends FY19 with record profit, pays 10 sen dividend

BY SURIN MURUGIAH

KUALA LUMPUR: Scientex Bhd closed its financial year ended July 31, 2019 (FY19) with record-high quarterly and annual net profits, on the back of better sales performance at both its manufacturing and property segments.

Its final quarter's net profit jumped 61% year-on-year (y-o-y) to RM133.4 million from RM82.99 million, as revenue rose 30% y-o-y to RM938.77 million from RM720.72 million.

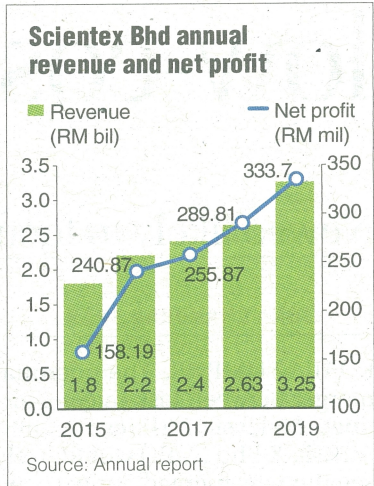
For the whole of FY19, Scientex's net profit grew 17% y-o-y to RM333.7 million from RM284.51 million previously, on the back of a 25% y-o-y rise in revenue to RM3.25 billion from RM2.6 billion.

The packaging manufacturer and property developer declared a final dividend of 10 sen per share, to be paid on Jan 10, 2020.

Scientex managing director Lim Peng Jin said Scientex had bucked prevailing market doldrums to report record-breaking performance, propelled by a double-digit expansion arising from the group's organic growth initiatives and strategic, inorganic measures.

"Our manufacturing segment has grown from strength to strength, driven by our 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," he said.

The group's manufacturing segment posted a 23.8% jump in revenue to RM2.4 billion in FY19 from RM1.9 billion a year ago. Its prop-



erty development segment, meanwhile, saw a 27.4% revenue growth, underpinned by resilient demand for affordable homes in Peninsular Malaysia.

"We are heartened by recent nationwide efforts to accelerate home-ownership and ease affordability, which would spur demand for affordable homes. All said, Scientex is well geared towards achieving our vision of delivering 50,000 affordable homes by 2028," he said.

On Scientex's prospects for FY20, Lim said both the manufacturing and property development segments are expected to perform resiliently.

Under the manufacturing segment, the group is targeting higher sales to both export and domestic markets for FPP, and enhanced efficiency at Daibochi. As for property development, following the strong take-up rates of its launches, it is targeting a larger-scale launch worth RM1.3 billion in gross development value in FY20, versus RM1.1 billion in FY19, Lim said.

Scientex shares closed 3.01% higher at RM8.89 yesterday, valuing the group at RM4.58 billion.