Scientex posts higher profit for the first quarter

PETALING JAYA: Global packaging manufacturer and property developer Scientex Bhd registered a 50.9% year-on-year (y-o-y) increase in net profit to RM81mil in the first quarter of the financial year ending July 31, 2020 (FY20).

This was achieved on the back of an enlarged operations base and favourable product mix in the manufacturing segment, as well as higher progress billings in the property development division.

Meanwhile, the group's revenue for the quarter grew 23% y-o-y to RM877.4mil, which was mainly contributed by the manufacturing segment at RM655.9mil.

This was due to higher utilisation rates across its manufacturing plants, as well as contributions from the acquired businesses of Daibochi Bhd and Mega Printing & Packaging Sdn Bhd (MPP).

Scientex had acquired a 61.9% stake in Daibochi in April 2019. In turn, Daibochi completed the acquisition of MPP in August 2019.

In a press release yesterday, Scientex managing director Lim Peng Jin said the group's growth in the first quarter of FY20 has established a firm foundation to sustain its performance in FY20.

"In the manufacturing segment, the consolidation of the converting business through the acquisitions of Daibochi and MPP catapults Scientex's progress to become an integrated producer of customised and niche flexible plastic packaging products.

"On top of the higher margin product mix, these end-to-end capabilities enhance our ability to fulfill increasing demand for sustainable packaging agenda," he said.

As for Scientex's property development segment, Lim added that Scientex aims to launch RM1.1bil worth of new properties in FY20.

"The segment is headed for steady growth backed by our continuous land banking exercise, the most recent being the new land bank in Tasek Gelugor, Penang; Kundang, Selangor and Kota Tinggi, Johor, which bring our total land bank in Peninsular Malaysia to be close to 4,000 acres and will last for more than 10 years," he said.

The group, which specialises in building affordable homes, has land bank in Johor, Melaka, Selangor, Perak, and Penang.

To date, Scientex has built more than 18,500 of its targeted 50,000 units to be completed by 2028.

Separately, Scientex has proposed to acquire 18 parcels of 989-year leasehold agriculture land in Kota Tinggi, measuring 85.7 acres for RM39.2mil.