

Scientex Q3 net profit affected by Covid-19

KUALA LUMPUR: Scientex Bhd's net profit fell by 4.4% to RM69.62mil in the third quarter ended April 30, from RM72.88mil a year ago amid a challenging economic and operating environment.

Scientex, whose core activities are integrated flexible plastic packaging (FPP) and property, said its revenue declined by 6.7% to RM772.23mil from RM828.45mil.

Earnings per share were 13.50 sen compared with 14.31 sen a year ago. It declared an interim dividend of 10 sen a share with ex-date on July 15 and payment date on July 24. The dividend payout of RM51.6mil amounted to 20.8% of 9M20 net profit.

During the third quarter, its manufacturing segment helped mitigate the temporary inactivity of the property development division due to the movement control order which was imposed on March 18.

Its manufacturing revenue rose to RM614.4mil in 3Q20 from RM602.8mil while property development revenue declined to RM157.8mil from RM225.7mil.

Scientex CEO Lim Peng Jin said despite the challenging economic and operating environment due to

the Covid-19, its FPP manufacturing division was able to provide its products in the third quarter including the industrial and essential food and beverage and fast moving consumer goods.

"Not only were we able to continue fulfilling customers' requirements, we also played a crucial role in ensuring that our customers were able to maintain the supply of essential services to the larger society. While our property development segment faced temporary operational disruptions, we have since recommenced construction activities with strict adherence to SOPs, and are optimistic of improved performance in the coming quarters.

"We remain focused on the affordable housing segment, which has continued to demonstrate resilient demand, and would benefit from Bank Negara's reduction of the Overnight Policy Rate to 2% as well as other stimulus measures announced by the government to bolster the property industry."

"We will continue to closely monitor the latest global economic developments to adapt our strategies and resume our growth trajec-

tory in the long-run."

For the nine months ended April 30, its net profit was up RM23.8% to RM248.06mil from RM200.29mil in the previous corresponding period. Revenue rose to RM2.56bil from RM2.31bil.

The manufacturing division contributed RM1.9bil to 9M20 group revenue, rising 11.7% from RM1.7bil previously, with the increase mainly due to full nine-month contributions from the converting businesses following its acquisition in the third quarter ended April, 30, 2019 (3Q19).

Scientex said the property development segment recorded topline contribution of RM634.3mil in 9M20, which was 9.1% higher than the RM581.1mil recorded in 9M19.

This rise in revenue was mainly attributed to new property launches in Melaka and Johor.

In addition, Lim also mentioned that Scientex's prospects for both its manufacturing and property development segments remain positive.

"Demand for our FPP products was sustained even throughout these challenging times, which underscores our competitive strengths in the industry," he said.