

Scientex posts RM142.7m net profit

by **NUR HAZIQAH A MALEK**

SCIENTEX Bhd's results for the fourth quarter ended July 31, 2021 (4Q21), showed marginal improvement in its net profit by 0.42% year-on-year to RM142.65 million, mainly due to a boost from its property business.

Revenue for the quarter was higher at RM970.36 million compared to RM954.63 million in 4Q20, due to higher revenue in its property segment which saw strong progressive billings from its ongoing projects in Scientex Durian Tunggal in Melaka and Taman Pulai Mutiara in Johor.

Scientex's packaging revenue decreased from the previous year as its consumer flexible plastic packaging segment faced operational efficiency and production delivery challenges as a result of the mandated regulatory Covid-19 containment measures.

However, there were improved sales of its stretch film and other industrial packaging products in both their respective domestic and export markets.

For the year-to-date period, Scientex's net profit increased to RM457.23 million versus RM390.11 million in FY20 whereas

its revenue posted a marginal rise to RM3.66 billion from RM3.52 billion.

The group noted that its performance was steady despite operating under a challenging environment.

Similarly, its packaging segment posted better sales which was contributed by the industrial packaging segment but revenue decreased due to the lower revenue contribution from its consumer packaging segment.

Its property division has also exceeded RM1 billion in revenue for the first time despite facing disruptions in construction activities as well as delays in obtaining permits and approvals from relevant authorities.

The increase in revenue and operating profit were mainly contributed by higher progressive billings attributed by stable construction progress as well as strong take up rates for new project launches in Scientex Tasek Gelugor, Penang, Scientex Kundang Jaya, Selangor, Scientex Durian Tunggal 2, Melaka and Taman Pulai Mutiara, Johor.

In addition, the sales and marketing activities remained robust, and the group continues to leverage on its various and

effective digital channels to reach out to its target markets.

Moving forward, Scientex sees the overall market environment in Malaysia to remain challenging and business activities are still largely restricted despite the implementation of the various phases of the National Recovery Plan across the nation.

For its packaging division, the group foresees it will continue to face enhanced operational challenges including volatility of raw material prices, rising logistic costs and heightened financial market volatility.

"With the continuous streamlining of its operations and activities, the group will continue to strengthen and enhance its operational and supply chain efficiencies, manage rising production and logistics costs, expand capacity in areas of competitive strengths with continued focus on developing innovative, sustainable and value-added products with local and international brand owners," it said in an exchange filing yesterday.

Scientex expects its property segment to benefit from a positive recovery of the domestic economy with the reopening of businesses and economic activities.