

KUALA LUMPUR (June 20): Scientex Bhd's net profit rose 24.28% to RM109.78 million for the third quarter ended April 30, 2023 (3QFY2023) from RM88.33 million a year earlier, carried by the group's property development business' higher progress billing and robust demand for new launches.

Earnings per share jumped to 7.08 sen as compared to 5.7 sen, according to the packaging maker and property developer's Bursa Malaysia filing on Tuesday (June 20).

However, quarterly revenue was flat at RM997.11 million, a 0.33% increase versus RM993.84 million registered previously, dragged by its packaging division's lower contribution but offset by its property development business' higher contribution.

Scientex declared an interim dividend of five sen per share, with a July 5 ex-date and a July 21 payment date.

The group's property development business posted a 48.12% rise in revenue to RM361.7 million from RM244.2 million a year earlier, thanks to higher progress billings from ongoing projects, as well as robust demand for new launches.

"In tandem with the higher revenue recorded, operating profit increased to RM105.4 million compared to RM66.3 million recorded in [3QFY2022]," it said.

Scientex's 3Q net profit rises 24%, propelled by property business

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It noted that as at end-April, ongoing development projects amounted to RM3.7 billion in gross development value, mainly consisting of affordable landed residential properties.

Meanwhile, its packaging division's revenue dropped 15.25% to RM635.4 million versus RM749.7 million previously, mainly due to softening market demand across all product segments. This dragged the segment's operating profit to RM44.5 million from RM57 million previously.

For the nine-month period ended April 30, 2023 (9MFY2023), Scientex's net profit increased 13.46% to RM323.25 million from RM284.89 million a year earlier, with revenue rising 4.57% to RM3.01 billion versus RM2.87 billion previously.

Touching on its prospects, Scientex

chief executive officer Lim Peng Jin said that amid an increasingly challenging external operating environment, the group is focused on strengthening its fundamentals in its packaging division, enhancing operational efficiency and effectively managing operational costs and wastage.

"While global demand for packaging may continue to be affected in the near term due to operational challenges and uncertainties, we are cautiously optimistic of relatively stable performance for the current financial year," he said in a separate statement.

Meanwhile, on its property development business, Lim said the group anticipates strong demand for its affordable priced properties and will continue to launch new phases of developments.

"Together with the faster processes in obtaining authorities' approval and easing labour shortages, we expect this division's growth pace to remain robust.

"We will maintain our strategy to optimise land use, mitigate higher costs, and enhance efficiency," he said, adding that leveraging its bulk purchases of construction materials, the group continues to ensure the cost-effectiveness of its projects.

At the noon break, Scientex shares were a sen or 0.3% lower at RM3.28, giving the group a market capitalisation of RM5.09 billion.