

Scientex ends FY2023 on high note, recommends five sen dividend

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KUALA LUMPUR (Sept 20): Global packaging manufacturer and property developer Scientex Bhd posted a strong finish to its financial year ended July 31, 2023 (FY2023), thanks to better performance from its property division for the year.

The group posted a net profit of RM438.14 million in FY2023, a 6.9% increase from RM409.87 million in the previous year.

Revenue for FY2023 was also up 2.3% to RM4.08 billion from RM3.99 billion in FY2022. Scientex said operating profit also came in higher at RM589.6 million compared with FY2022's RM561 million.

Scientex said for FY2023, its board of directors recommended a final dividend of five sen per share, payable on Jan 26, 2024.

This was despite net profit for its fourth financial quarter ended July 31, 2023 (4QFY2023) coming in lower at RM114.89 million compared with RM124.98 million. Earnings per share for 4QFY2023 was 7.41 sen compared with 8.06 sen in 4QFY2022.

Quarterly revenue stood at RM1.07 billion, down 3.6% from RM1.11 billion a year earlier.

In its bourse filing, Scientex attributed the weaker 4QFY2023 performance to lower packaging revenue of RM619.7

million, compared with RM740.8 million recorded in 4QFY2022, mainly due to an overall softening of market demand across all product segments.

However, this was offset by higher property revenue in 4QFY2023, which came in 21.9% higher at RM451.8 million from RM370.5 million a year earlier, contributed by higher progress billing from its ongoing projects in Bandar Jasin, Kundang and Tasek Gelugor.

On its prospects in FY2024, Scientex said its packaging division continues to face operational challenges amid softer global demand, rising inflation and energy costs, which it seeks to address via improved efficiency via capability expansion and sustainable practices including renewable energy adoption.

Meanwhile it is optimistic on affordable housing demand, adding that its property division will launch new phases of affordable housing in Peninsular Malaysia. The latest land acquisitions were located in Jenjarom in Selangor, Tebrau and Kulai in Johor Bahru, which are expected to be completed in the coming FY2024.

At mid-market break on Wednesday, Scientex shares were up five sen or 1.36% at RM3.73, giving it a market capitalisation of RM5.79 billion. The stock's share price has risen 14.4% so far this year.

