

Scientex 4Q17 net profit leaps 33.2% to record high of RM72.1 million

- *Consumer packaging leads manufacturing segment growth as newly expanded capacity sees increasing uptake*
- *Property development segment posts stronger performance on resilient demand for affordable homes*
- *Proposes final dividend of 10 sen per share in respect of FY2017*

Shah Alam, Selangor, Malaysia, 19 September 2017 - Global packaging manufacturer and leading property developer **Scientex Berhad** (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) saw net profit for the fourth quarter ended 31 July 2017 (4Q17) leap 33.2% to RM72.1 million from RM54.1 million in the previous year, effectively posting the best ever quarterly performance in its corporate history.

This comes on the back of a 15.2% increase in 4Q17 group revenue to RM646.1 million compared to RM561.1 million previously, attributed to stronger contribution from both core businesses of manufacturing and property development.

“Scientex’s venture into consumer packaging since 2013, accompanied by yearly investments into production capabilities and broadening of product range, has paid off tremendously. Today, our consumer packaging operations contribute 50% or more of total manufacturing revenue, with exports exceeding that of domestic sales.

Furthermore, we have just completed the expansion of our consumer packaging polyethylene (PE) plant in Ipoh in August 2017, while our new stretch film facility in Arizona, United States is on track to commence operations in early 2018.

These new capacities would spur the growth trajectory in the manufacturing segment, and we look forward to their positive contribution to group performance in the financial year ending 31 July 2018 (FY2018) onwards.”

Mr. Lim Peng Jin (林炳仁)
Managing Director of Scientex Berhad

Of total 4Q17 revenue, the Group’s manufacturing segment contributed RM435.3 million, rising 16.8% from RM372.7 million previously. The segment’s growth was led by higher consumer packaging sales, climbing 19.5% to RM224.0 million from RM187.5 million earlier, attributed to larger clientele and increased exports. Exports made up 60.8% of consumer packaging revenue in 4Q17 versus 54.5% in 4Q16.

In the same quarter, sales of industrial packaging grew 14.1% to RM211.3 million from RM185.2 million previously.

The Group's property development segment contributed the remaining revenue of RM210.8 million, growing 11.9% from RM188.4 million a year ago, attributed to strong take-up and higher progress billings for ongoing developments. FY2017 new launches amounted to RM616.9 million in gross development value (GDV), while unbilled sales stood at RM500.0 million as at 31 July 2017 to be recognized over two to three years.

For the full year ended 31 July 2017 (FY2017), group net profit rose 6.2% to RM255.9 million, while revenue expanded 9.2% to RM2.4 billion.

In respect of FY2017, the Group proposed a final single-tier dividend of 10 sen per share, subject to approval at the upcoming Annual General Meeting. Together with the earlier paid single-tier interim dividend of 6 sen per share, total dividends in respect of FY2017 amount to 16 sen per share or RM77.4 million, making up 30.2% of FY2017 net profit. Scientex has a policy to pay out at least 30% of annual net profit to shareholders.

On prospects for the near term, Lim said that the Group is eyeing continued growth in both its manufacturing and property operations in FY2018.

“We have made successful inroads in marketing our new products in the consumer packaging business, such as our biaxially oriented polypropylene (BOPP) and cast polypropylene (CPP) films. This would contribute towards accelerated growth in the manufacturing segment as we ramp up production to meet growing demand.”

“In our property segment, we continue to target new opportunities in the resilient affordable housing sector. In light of the encouraging prospects, we have continued to expand across Peninsular Malaysia beyond our stronghold in Southern Peninsular, such as into the Klang Valley region, and are targeting to launch approximately RM800 million worth of new developments in FY2018,” Lim concluded.

Financial Summary (Unaudited Consolidated Results)						
	4Q17	4Q16		FY17	FY16	
RM'000	31.7.17	31.7.16	Change	31.7.17	31.7.16	Change
Revenue	646,065	561,057	15.2%	2,403,151	2,200,980	9.2%
Operating profit (EBIT)	85,502	74,094	15.4%	325,069	312,560	4.0%
Profit before tax	84,283	69,908	20.6%	317,968	306,332	3.8%
Net profit to shareholders	72,127	54,135	33.2%	255,873	240,865	6.2%
Basic EPS (sen)	15.02	11.77	27.6%	54.83	52.94	3.6%



About Scientex Berhad (森德公司, www.scientex.com.my)

Scientex Berhad (Scientex) is a leading industrial packaging manufacturer and a reputable property developer in South Malaysia. Scientex is also the largest stretch film producer in Asia, and among the world's largest producers.

Established in 1968 as a PVC cloth and leather manufacturer, Scientex today produces stretch film, consumer packaging (blown film, BOPP film, and CPP film), PP strapping bands, form-fill-seal (FFS) bags, polypropylene (PP) and polyethylene (PE) woven and laminated bags, raffia tapes, flexible intermediate bulk containers (FIBC), polyurethane (PU) adhesives and polymer materials such as laminated products, TPO and PVC sheets for automotive interior parts and solar encapsulant films.

To date, Scientex has manufacturing facilities in Malaysia and Vietnam; as well as sales and marketing arms in Japan, Indonesia, and Singapore. Approximately 75% of its manufacturing products are exported to over 60 countries worldwide.

Scientex's property arm has township development projects in Pasir Gudang, Kulai, Skudai, Senai, and Pulai, all in Johor, and in Ayer Keroh, Melaka. Its township developments are the 1,100-acre Taman Scientex Pasir Gudang, the 250-acre Taman Scientex Kulai I, the 48.4-acre Taman Scientex Kulai II, the 150-acre Taman Mutiara Mas, Skudai, the 250-acre Taman Scientex Senai, the 326-acre Taman Pulai Mutiara in Johor, the 137-acre Taman Muzaffar Heights in Ayer Keroh, and the 80-acre mixed development in Ipoh. To date, Scientex has delivered more than RM3.2 billion worth of properties and has projects-in-hand of RM1.5 billion.

For more information, please log on to www.scientex.com.my

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