

Scientex 3Q net profit up 8.6%, declares 6 sen dividend

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KUALA LUMPUR (June 20): Scientex Bhd's net profit for the third quarter ended April 30, 2017 rose 8.6% year-on-year (y-o-y) to RM66.5 million from RM61.26 million, driven mainly by stronger exports in the group's manufacturing segment and higher progress billings for ongoing property development projects.

Earnings per share rose to 14.34 sen from 13.43 sen a year earlier, according to its bourse filing today.

Revenue for the quarter rose 17% y-o-y to RM636.15 million from RM543.9 million.

Scientex declared an interim dividend of 6 sen per share in respect of FY17, with ex-date on July 5 and payment date on July 21.

The estimated payout would stand at RM29 million or 15.8% of the cumulative nine months ended April 30 (9MFY17) net profit.

For 9MFY17, the group's net profit dipped to RM183.95 million or 39.77 sen per share from RM186.73 million or 41.2 sen per share. Its 9MFY17 revenue, however, rose to RM1.76 billion from RM1.64 billion.

In a statement today, Scientex managing director Lim Peng Jin said the company's consumer packaging division reported growth in adoption from export customers, especially for cast-polypropylene (CPP) and biaxially-oriented polypropylene (BOPP) films, which started in early and end-2016 respectively.

Meanwhile, he said the ongoing expansion at its consumer packaging plant in Ipoh to double up annual capacity to 24,000 metric tonnes is expected to be completed by August 2017.

"The increased capacity, particularly for form-fill-seal (FFS) bags, hygiene bags, and label films, would allow for additional growth in our consumer packaging division.

"Additionally, our new stretch film plant in Arizona, United States, is seeing good progress in factory renovations. We have also acquired five stretch film rewinders that are set to commence in October 2017, and two cast film production lines to be installed in December 2017 and early-2018 respectively," he said.

Furthermore, Lim said Scientex's property development segment continued to achieve commendable sales, with average take-up rate above 75% across ongoing projects as at 3QFY17.

He said Scientex would continue to focus on reasonably priced and quality houses to the masses.

Going forward, Lim said the expansion plans for Scientex's consumer packaging segment were en route for completion by end-2017, rendering it able to focus on maximising its capacity in the near term.

"Meanwhile, we continue to replenish our landbank, and have recently completed the acquisition of 197.4 acres of land in Melaka.

"We also expect to complete the purchase of another 121.2 acres of land situated in Senai, Johor, in the second half of 2017," he said.