

Scientex sees 4Q17 earnings rise 33.2%

by **NG MIN SHEN**

SCIENTEX Bhd's net profit rose 33.2% to RM72.13 million for the fourth quarter ended July 31, 2017 (4Q17), from RM54.14 million posted a year ago — helped by higher sales from the consumer, industrial packaging and property segments.

Revenue for the quarter expanded 15.2% to RM646.07 million from RM561.06 million registered a year earlier, as the manufacturing and property development delivered the sales.

The company said its venture into consumer packaging since 2013, along with yearly investments into production capabilities and broadening of product range, has paid off.

"Today, our consumer packaging operations contribute 50% or more of total manufacturing revenue, with exports exceeding that of domestic sales," Scientex MD Lim Peng Jin said in a statement yesterday.

The group's manufacturing segment saw top line growth of 16.8% year-on-year (YoY) to RM435.3 million in 4Q17, led by consumer packaging sales which climbed 19.5% YoY to RM224 million on larger clientele and increased exports.

Exports made up 60.8% of consumer packaging revenue during 4Q17 versus 54.5% a year ago. Sales of industrial packaging also grew 14.1% YoY to RM211.3 million in 4Q17.

In August, the company completed the expansion of its consumer packaging polyethylene plant in Ipoh, while its new stretch film facility in Arizona, US, is on track to commence operations in early 2018.

"The new capacities will spur growth in the manufacturing segment and are expected to contribute positively to group performance from the financial year ending July 31, 2018 (FY18), onwards," Lim said.

Revenue from the company's property development segment rose 11.9% YoY to RM210.8 million in 4Q17, driven by strong take-up and higher progress billings for ongoing developments.

FY17 new launches amounted to RM616.9 million in gross development value, while unbilled sales stood at RM500 million as at end-July 2017 to be recognised over two to three years.

The group has proposed a final single-tier dividend of 10 sen per share for FY17, bringing its total dividend for the year to 16 sen per share, or RM77.4 million.

For the full FY17, its net profit increased 6.2% to RM255.87 million from RM240.87 million recorded the year before, while FY17 revenue was 9.1% higher at RM2.4 billion versus RM2.2 billion previously.

According to Lim, the group aims to continue expanding both its manufacturing and property operations in FY18.

"We have been successful in marketing our new consumer packaging products, such as our biaxially oriented polypropylene and cast polypropylene films.

"This would contribute towards accelerated growth in the manufacturing segment as we ramp up production to meet growing demand," he said.