

Scientex 3Q net profit dips 4.5% to RM69.62m, declares 10 sen interim dividend

KUALA LUMPUR (June 23): Scientex Bhd's net profit for the third quarter ended April 30, 2020 (3QFY20) dipped 4.5% to RM69.62 million from RM72.88 million a year earlier, due mainly to the property division which was impacted by the Movement Control Order.

In a bourse filing, Scientex said revenue for the quarter slipped 6.8% to RM772.23 million versus RM828.46 million previously.

Earnings per share were lower at 13.5 sen against 14.31 sen a year earlier.

Scientex declared an interim dividend of 10 sen in respect of the financial year ending July 31, 2020 (FY20) to be paid on July 24.

It said the dividend payout of RM51.6 million amounted to 20.8% of its net profit for the cumulative first nine months of FY20 (9MFY20) ended April 30, 2020.

For 9MFY20, Scientex said its net profit rose 23.8% to RM248.06 million from RM200.29 million on the back of an 11.1% increase in revenue to RM2.56 billion versus RM2.31 billion earlier.

In a separate statement, the packaging manufacturer and property developer's chief executive officer Lim Peng Jin said its unique position as an integrated flexible plastic packaging (FPP) provider to diverse industrial and consumer-based clients, including the essential F&B and FMCG sectors, catalysed the stable sales orders in its manufacturing segment during this period.

"Not only were we able to continue fulfilling customers' requirements, we also played a crucial role in ensuring that our customers were able to maintain the supply of essential services to the larger society.

"While our property development segment faced temporary operational disruptions, we have since recommenced construction activities with strict adherence to SOPs, and are optimistic about improved performance in the coming quarters.

"We remain focused on the affordable housing segment, which has continued to demonstrate resilient demand, and would benefit from Bank Negara's reduction of the overnight policy rate to 2% as well as other stimulus measures announced by the government to bolster the property industry," he said.

On its outlook, Lim said that Scientex's prospects for both its manufacturing and property development segments remain positive.

"Demand for our FPP products was sustained even throughout these challenging times, which underscores our competitive strengths in the industry.

"We would look towards further enhancing capacities, capabilities and efficiency in producing more sustainable and value-added products to meet increasing demand," he said.

On the property development segment, Lim said Scientex has ensured that all its construction workers have undergone Covid-19 screening to protect their health and safety, and the segment has now resumed normal operations.

"We are also committed to building more affordable homes for the masses, and strengthening our position such as through adopting digital platforms to complement conventional face-to-face transactions," he said.

At the midday break, Scientex shed 0.35% or three sen to RM8.59, valuing it at RM4.43 billion.