

Scientex's Q3 results weighed down by property, MCO issues

PETALING JAYA: Scientex Bhd's net profit fell 4.5% to RM69.63 million for its third quarter ended April 30, against RM72.88 million registered in the corresponding quarter of the previous year mainly attributed to its property division which was affected by the movement control order (MCO).

Revenue for the quarter stood at RM772.23 million, a 6.8% decline from RM828.46 million reported previously.

According to the group's Bursa filing, despite the challenging conditions from the implementation of the MCO, its manufacturing division's operating profits improved to RM59.3 million from RM33.4 million reported previously, mainly due to better sales mix, cost control and production efficiency.

However, its property division's operating profits declined to RM47.2

➤ But manufacturing division's operating profit improved due to better sales mix, cost control and production efficiency

million from RM69.7 million in tandem with lower revenue reported for the quarter, due to disruption of construction activities, the prohibition of site inspections and the ensuing halt in certificate of compliance & completion during the MCO period.

For the nine month period, the group reported a net profit of RM248.06 million, a 23.8% increase from RM200.3 million reported in the same period of the previous year.

Revenue for the period rose 11.1% to RM2.56 billion from RM2.31 billion.

In respect to its financial year ending July 31, Scientex has declared an single tier interim dividend of 10 sen per share payable on July 24, which translates into a dividend payout of RM51.6 million or 20.8% of its 9M'20 net profit.

Scientex's CEO Lim Peng Jin commented that its unique position as an integrated flexible plastic packaging (FPP) provider to diverse industrial and consumer based clients has catalyzed into stable sales orders for its manufacturing segment during this period.

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

The CEO explained that the group remains focused on the affordable housing segment which has continued to demonstrate resilient demand and would benefit from Bank Negara's Overnight Policy Rate cut to 2% as well as other stimulus measures announced by the government to bolster the property industry.

Moving forward, he stated that Scientex's prospects in the manufacturing and property development segments remain positive.