

Scientex Berhad (SCI MK)

Inline

BUY

Share Price RM3.61
Target Price RM3.91

+8.3%

Packaging Drives Earnings Growth

• **Results within expectations.** Scientex's 3QFY26 core net profit rose 23.8% YoY and 10.1% QoQ to RM143.8mn, driven primarily by a solid recovery in packaging profitability. This brought 9MFY26 core earnings to RM419.2mn (+14.5% YoY), within expectations at 71.1% of our and 71.9% of consensus FY26 forecasts. The group declared a single-tier interim dividend of 6.0 sen/share, in line with our expectation and unchanged from the corresponding period last year.

• **Packaging emerges as the key earnings driver.** Segment-wise, Packaging operating profit surged to RM73.2mn (+112.3% YoY; +57.9% QoQ) despite modest revenue growth of 3.2% YoY, as operating margin expanded significantly to 11.5% (3QFY25: 5.6%; 2QFY26: 8.0%). Management attributed the improvement to a combination of improved market sentiment, better product mix, operational efficiencies and prevailing market conditions. Notably, packaging utilisation remained healthy at 62% in 9MFY26 (9MFY25: 60%), suggesting there remains ample capacity for volume growth without significant capital expenditure. For 9MFY26, packaging operating profit rose 57.9% YoY to RM169.9mn, accounting for approximately 88% of total group operating profit growth.

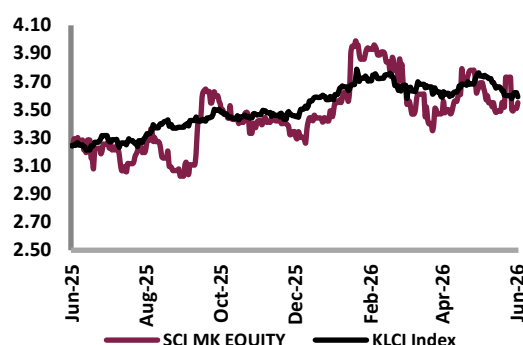
• **Property division takes a breather.** Property operating profit declined to RM129.5mn (-9.4% YoY; -8.9% QoQ) as revenue slipped 2.3% YoY to RM484.4mn. Management attributed the softer performance mainly to the timing of several new project launches, which have been deferred into the upcoming quarter. Nevertheless, underlying demand remains healthy, supported by resilient take-up rates and steady construction progress across ongoing developments. During 9MFY26, Scientex launched projects with a combined GDV of RM1.24bn comprising 3,448 units, achieving an average take-up rate of approximately 65%. The group's unbilled sales stood at RM1.9bn, providing healthy earnings visibility over the next 12–18 months. Despite the temporary slowdown, the property division remained the group's largest earnings contributor, accounting for 71.6% of group operating profit in 9MFY26.

• **Outlook.** While packaging continues to face external uncertainties stemming from geopolitical tensions, elevated resin prices and logistics disruptions, management believes the division's improved operational efficiency and diversified supplier base should help mitigate these pressures. On the property front, demand for affordable housing remains resilient, supported by Scientex's sizeable 11,000-acre landbank (GDV exceeding RM50bn). Management expects launch momentum to accelerate in 4QFY26, with three new townships — Scientex Melaka, Scientex SP Astana and Scientex Bestari Jaya, alongside the maiden phase of its Muar township — scheduled for launch. The combined GDV of these initial phases is estimated at RM600–700mn.

• **Forecast.** We maintain our forecasts unchanged at this juncture.

• **Maintain BUY.** We reiterate our **BUY** call with an unchanged **TP of RM3.91**, based on our SOP framework. Scientex remains an attractive proxy to Malaysia's structural affordable housing demand and sustainable packaging solutions.

Price Chart (RM)



Share Performance (%)	1m	3m	12m
Absolute	(4.3)	(0.8)	7.9
vs FBM KLCI	(0.5)	0.4	(6.0)

Stock Data

ESG Rating	Good
Mkt Cap (RM mn)	5,493.7
Adjusted beta	1.0
Free float (%)	58.3
Issued shares (mn)	1556.3
52w H/L (RM)	4 / 3.06
3m avg daily volume	361,260

Major Shareholders (%)

Scientex Holdings Sdn Bhd	20.9
Scientex Infinity Sdn Bhd	11.7
Scientex Leasing Sdn Bhd	9.1

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Table 1: Quarterly Review

Scientex Berhad FYE 31 July (RM mn)	Quarterly			Change (%)		Cumulative		YTD	BIMB	
	3QFY25	2QFY26	3QFY26	QoQ Chg	YoYChg	9MFY25	9MFY26	YTD Chg	BIMB	9M/F
Revenue	1,110.5	1,135.9	1,117.9	-1.6%	0.7%	3,325.1	3,408.9	2.5%	4,698.4	72.6%
EBITDA	202.9	221.4	234.5	5.9%	15.6%	617.7	695.4	12.6%	869.2	80.0%
Pretax profit	176.1	190.0	199.2	4.8%	13.1%	525.1	590.8	12.5%	775.7	76.2%
Taxation	(42.1)	(45.3)	(48.3)	6.8%	14.9%	(123.8)	(141.4)	14.2%	(186.2)	75.9%
Core Net Profit	116.1	130.6	143.8	10.1%	23.8%	366.2	419.2	14.5%	589.5	71.1%
Core EPS (sen)	7.5	8.4	9.2	10.1%	23.8%	23.6	26.9	14.3%	37.9	71.1%
				chg (ppts)				ppts		
EBITDA margin (%)	18.3%	19.5%	21.0%	1.5%	2.7%	18.6%	20.4%	1.8%	18.5%	
PBT margin (%)	15.9%	16.7%	17.8%	1.1%	2.0%	15.8%	17.3%	1.5%	16.5%	
Core Net profit margin (%)	10.5%	11.5%	12.9%	1.4%	2.4%	11.0%	12.3%	1.3%	12.5%	
Effective tax rate (%)	23.9%	23.8%	24.3%	0.4%	0.4%	23.6%	23.9%	0.4%	24.0%	

Source: Company, BIMB Securities

Table 2: Segmental Breakdown

Scientex Berhad FYE 31 July (RM mn)	Quarterly			Change (%)		Cumulative		YTD
	3QFY25	2QFY26	3QFY26	QoQ Chg	YoYChg	9MFY25	9MFY26	YTD Chg
Revenue	1110.5	1135.9	1119.0	-1.5%	0.8%	3325.1	3410.0	2.6%
Packaging	614.8	626.9	634.6	1.2%	3.2%	1871.2	1890.0	1.0%
Property	495.8	509.0	484.4	-4.8%	-2.3%	1453.9	1520.0	4.5%
Operating Profit	177.3	192.7	203.2	5.4%	14.6%	529.3	600.3	13.4%
Packaging	34.5	46.3	73.2	57.9%	112.3%	107.6	169.9	57.9%
Property	143.0	142.3	129.5	-8.9%	-9.4%	422.1	429.8	1.8%
				chg (ppts)				chg (ppts)
Operating Margin (%)	16.0%	17.0%	18.2%	1.2%	2.2%	15.9%	17.6%	1.7%
Packaging (%)	5.6%	8.0%	11.5%	3.5%	5.9%	5.7%	9.0%	3.2%
Property (%)	28.9%	28.0%	26.7%	-1.2%	-2.1%	29.0%	28.3%	-0.8%

Source: Company, BIMB Securities

Table 3: Earnings Forecasts

FYE July (RM mn)	FY24	FY25	FY26F	FY27F	FY28F
Turnover	4,475.6	4,517.7	4,698.4	4,933.3	5,170.1
EBITDA	868.6	742.1	869.2	976.8	1,023.7
Pretax Profit	728.9	735.3	775.7	876.3	904.8
Core Net Profit	535.7	529.7	589.5	666.0	687.6
Consensus NP			582.7	622.0	649.4
Core EPS (sen)	34.5	34.1	37.9	42.8	44.2
EPS Growth (%)	15.8%	-1.4%	11.2%	13.0%	3.2%
PER (x)	10.4	10.6	9.5	8.4	8.1
P/B (x)	1.3	1.2	1.4	1.3	1.3
DPS (sen)	6.0	12.0	13.0	14.0	15.0
D. Yield (%)	1.7%	3.3%	3.6%	3.9%	4.2%
		Key Ratios (%)			
ROE	14.2	12.8	14.9	16.2	16.1
EBITDA margin	19.4	16.4	18.5	19.8	19.8
Pretax margin	16.3	16.3	16.5	17.8	17.5
Core PATAMI margin	12.2	11.7	12.5	13.5	13.3

Source: Company, BIMB Securities

DEFINITION OF RATINGS

BIMB Securities uses the following rating system:

STOCK RECOMMENDATION

BUY	Total return (price appreciation plus dividend yield) is expected to exceed 10% in the next 12 months.
TRADING BUY	Share price may exceed 15% over the next 3 months, however longer-term outlook remains uncertain.
HOLD	Share price may fall within the range of +/- 10% over the next 12 months
TAKE PROFIT	Target price has been attained. Fundamentals remain intact. Look to accumulate at lower levels.
TRADING SELL	Share price may fall by more than 15% in the next 3 months.
SELL	Share price may fall by more than 10% over the next 12 months.
NOT RATED	Stock is not within regular research coverage.

SECTOR RECOMMENDATION

OVERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to outperform the relevant primary market index over the next 12 months
NEUTRAL	The Industry as defined by the analyst's coverage universe, is expected to perform in line with the relevant primary market index over the next 12 months
UNDERWEIGHT	The Industry as defined by the analyst's coverage universe, is expected to underperform the relevant primary market index over the next 12 months

Applicability of ratings

The respective analyst maintains a coverage universe of stocks, the list of which may be adjusted according to needs. Investment ratings are only applicable to the stocks which form part of the coverage universe. Reports on companies which are not part of the coverage do not carry investment ratings as we do not actively follow developments in these companies.

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