

Scientex Berhad

TP: RM4.82 (+33.5%)
On Track to Deliver a Satisfactory FY26

Last Traded: RM3.61

BUY (ESG: ★★★)

Liew Yi Jiet

Tel: +603-2167 9602

yjliew@ta.com.my

www.taonline.com.my

Review

- Scientex Berhad's (Scientex) 3QFY26 results were within expectations. 9MFY26 core earnings of RM424.5mn accounted for 73% of both ours and consensus' full-year estimates.
- 3QFY26 core profit increased 9.3% YoY to RM143.8mn, while revenue remained largely stable at RM1.1bn. The earnings growth was primarily driven by stronger performance from the manufacturing segment, which more than offset the weaker contribution from the property segment. Cumulatively, 9MFY26 core earnings rose 10.1% YoY
- Manufacturing segment:** 3QFY26 EBIT more than doubled YoY to RM73.2mn, supported by higher sales volumes, an improved product mix, and better pricing under prevailing market conditions. As a result, quarterly EBIT margin expanded by 6.0pp YoY to 11.6%. Reflecting the stronger quarterly performance, 9MFY26 EBIT surged 57.9% YoY to RM169.9mn.
- Property segment:** 3QFY26 EBIT declined 9.4% YoY to RM129.5mn, mainly due to the timing of several new project launches, which have been deferred to 4QFY26. Despite the softer quarterly performance, the segment remained resilient on a cumulative basis, with 9MFY26 EBIT edging up 1.8% YoY to RM429.8mn, underpinned by encouraging take-up rates for new launches and steady construction progress across ongoing developments.
- The group declared a first interim dividend of 6.0sen/share, aligned with the 6.0sen/share declared in 3QFY25.

Impact

- No changes to FY26-28 earnings.

Outlook

- We believe Scientex remains on track to deliver earnings growth in FY26, supported by continued resilience across both its property and manufacturing segments. The group's RM2.1bn launch pipeline targeted for 2HFY26, coupled with encouraging take-up rates and RM2.0bn of unbilled sales, should provide earnings visibility.
- Meanwhile, the manufacturing division is expected to remain resilient amid a volatile operating environment. The group's diversified supplier base and dynamic pricing strategies should help safeguard supply continuity while mitigating potential cost pressures in 2HCY26. These measures are expected to support margin sustainability despite ongoing uncertainties surrounding raw material prices and global trade conditions.

Valuation

- Maintain **BUY** with an unchanged TP of **RM4.82/share**, based on SOP valuation.

Share Information

Bloomberg Code	SCI MK
Stock Code	4731
Listing	Main Market
Share Cap (mn)	1,556.3
Market Cap (RMmn)	5,618.2
52-wk Hi/Lo (RM)	4/3.06
12-mth Avg Daily Vol ('000 shrs)	721.9
Estimated Free Float (%)	33.5
Beta	0.9
Major Shareholders (%)	
Scientex Holdings & Related	42.2

Forecast Revision

	FY26	FY27
Forecast Revision (%)	-	-
Net profit (RMm)	581.8	608.6
Consensus	582.7	622.0
TA's / Consensus (%)	99.9	97.8
Previous Rating	Buy (Maintained)	
Consensus Target Price (RM)	4.06	

Financial Indicators

	FY26	FY27
Net debt/ equity (%)	40.8	34.9
ROE (%)	13.4	12.9
ROA (%)	7.0	6.9
NTA/Share (RM)	2.7	3.0
Price/ NTA (x)	1.3	1.2

Scorecard

	% of FY	
vs TA	73	Within
vs Consensus	73	Within

Share Performance (%)

Price Change	SCIENTX	FBM KLCI
1 mth	(2.2)	(3.9)
3 mth	1.4	(1.2)
6 mth	6.2	4.3
12 mth	6.5	10.8

 (12-Mth) **Share Price** relative to the **FBMKLCI**


Source: Bloomberg

Table 1: 3QFY26 Results Analysis

FYE July (RM'mn)	3QFY25	2QFY26	3QFY26	QoQ (%)	YoY (%)	9MFY25	9MFY26	YoY (%)
Revenue	1,110.5	1,135.9	1,117.9	(1.6)	0.7	3,325.1	3,408.9	2.5
~ Manufacturing	614.8	626.9	630.0	0.5	2.5	1,871.2	1,885.4	0.8
~ Property	495.8	509.0	487.8	(4.2)	(1.6)	1,453.9	1,523.4	4.8
Interest Expense	(6.3)	(6.9)	(7.0)	(1.4)	(11.4)	(15.9)	(20.7)	(30.0)
Investing Results	4.9	4.3	3.4	(19.7)	(29.4)	11.4	11.8	3.8
Depreciation	(34.9)	(34.9)	(35.2)	(0.8)	(0.9)	(103.1)	(105.2)	(2.0)
EBITDA	212.4	227.6	238.0	4.6	12.0	632.8	704.9	11.4
Operating Profit	177.5	192.6	202.8	5.3	14.2	529.7	599.7	13.2
~ Manufacturing	34.5	50.4	73.2	45.4	>100	107.6	169.9	57.9
~ Property	143.0	142.3	129.5	(8.9)	(9.4)	422.1	429.8	1.8
EI	(7.7)	(4.6)	(1.6)	65.3	79.4	(9.2)	(4.2)	53.7
Reported PBT	176.1	190.0	199.2	4.8	13.1	525.1	590.8	12.5
Taxation	(42.1)	(45.3)	(48.3)	(6.8)	(14.9)	(123.8)	(141.4)	(14.2)
Minority Interest	(10.1)	(9.5)	(8.7)	9.0	14.5	(24.9)	(29.2)	(17.2)
Reported Profit	123.9	135.2	142.2	5.2	14.8	376.4	420.3	11.6
Adj. Net Profit	131.5	139.8	143.8	2.9	9.3	385.6	424.5	10.1
EPS (sen)	8.0	8.7	9.1	5.2	14.8	24.2	27.0	11.5
Adj EPS (sen)	8.5	9.0	9.2	2.9	9.3	24.8	27.3	9.9
DPS (sen)	6.0	0.0	6.0	nm	0.0	6.0	6.0	0.0
				%-pts	%-pts			%-pts
EBIT Margin (%)	16.0	17.0	18.1	1.2	2.2	15.9	17.6	1.7
~ Manufacturing	5.6	8.0	11.6	3.6	6.0	5.7	9.0	3.3
~ Property	28.9	28.0	26.6	(1.4)	(2.3)	29.0	28.2	(0.8)
PBT Margin (%)	15.9	16.7	17.8	1.1	2.0	15.8	17.3	1.5
Core Net Margin (%)	11.8	12.3	12.9	0.6	1.0	11.6	12.5	0.9
Tax rate (%)	23.9	23.8	24.3	0.4	0.4	23.6	23.9	0.4

Table 2: Earnings Summary

FYE July (RM'mn)	FY24	FY25	FY26E	FY27F	FY28F
Revenue	4,475.6	4,517.7	4,798.1	5,259.3	5,420.7
Gross Profit	1,008.9	1,056.4	1,136.2	1,293.8	1,326.8
EBITDA	868.6	879.9	940.3	1,000.5	1,034.3
EBIT	736.5	742.1	822.4	860.3	898.1
Reported PBT	728.9	735.3	795.7	830.6	870.3
Adj. PBT	720.1	735.3	795.7	830.6	870.3
Reported Net Profit	545.2	530.8	581.8	608.6	635.7
Adj. Net profit	536.4	530.8	581.8	608.6	635.7
Basic/Diluted EPS (sen)	35.0	34.1	37.4	39.1	40.8
Adj. EPS (sen)	34.5	34.1	37.4	39.1	40.8
PER (x)	10.3	10.6	9.7	9.2	8.8
Net Dividend (sen)	12.0	12.0	13.0	15.5	15.5
Dividend Yield (%)	3.3	3.3	3.6	4.3	4.3

Table 3: Sum-of-Parts Valuation

Segment	Valuation Method	Equity Value (RM mn)
Manufacturing	CY27 EPS PER 13x	1,729.7
Property	CY27 EPS PER 11x	5,771.0
Equity value (RM mn)		7,500.8
Enlarged Share Cap (mn)		1,556.3
Fair value exc. ESG (RM/share)		4.82
+ ESG Premium		-
Fair Value/Share (RM)		4.82

Sector Recommendation Guideline

OVERWEIGHT: The total return of the sector, as per our coverage universe, exceeds 12%.

NEUTRAL: The total return of the sector, as per our coverage universe, is within the range of 7% to 12%.

UNDERWEIGHT: The total return of the sector, as per our coverage universe, is lower than 7%.

Stock Recommendation Guideline

BUY : Total return of the stock exceeds 12%.

HOLD : Total return of the stock is within the range of 7% to 12%.

SELL : Total return of the stock is lower than 7%.

Not Rated: The company is not under coverage. The report is for information only.

Total Return of the stock includes expected share price appreciation, adjustment for ESG rating and gross dividend. Gross dividend is excluded from total return if dividend discount model valuation is used to avoid double counting.

Total Return of the sector is market capitalisation weighted average of total return of the stocks in the sector.

ESG Scoring & Guideline

	Environmental	Social	Governance	Average
Scoring	★★★	★★★★	★★★	★★★
Remark	Visible efforts in tracking and managing alongside promoting recycling awareness. However, score is muted due to often association of plastic packaging towards environmental pollution.	Notable initiatives to spearhead innovation over sustainable packaging materials and developing affordable housing. Besides, community enrichments programmes and employees' trainings are performed regularly.	The board is represented by 50% independent directors yet only has 1 female director. Scientex has targeted dividend payout of 30%.	

★★★★★ (≥80%)	: Displayed market leading capabilities in integrating ESG factors in all aspects of operations, management and future directions.	+5% premium to target price
★★★★ (60-79%)	: Above adequate integration of ESG factors into most aspects of operations, management and future directions.	+3% premium to target price
★★★ (40-59%)	: Adequate integration of ESG factors into operations, management and future directions.	No changes to target price
★★ (20-39%)	: Have some integration of ESG factors in operations and management but are insufficient.	-3% discount to target price
★ (<20%)	: Minimal or no integration of ESG factors in operations and management.	-5% discount to target price

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As of Thursday, June 11, 2026, the analyst, Liew Yi Jiet, who prepared this report, has interest in the following securities covered in this report:
(a) nil

Kaladher Govindan – Head of Research

TA SECURITIES HOLDINGS BERHAD 197301001467 (14948-M)
A Participating Organisation of Bursa Malaysia Securities Berhad

Menara TA One | 22 Jalan P. Ramlee | 50250 Kuala Lumpur | Malaysia | Tel: 603 – 2072 1277 | Fax: 603 – 2032 5048
www.ta.com.my