9 September 2026

AFFIN HWANG
INVESTMENT BANK

Results Note | **RM3.70 @ 9 Sep 2026**

"We continue to like Scientex, with risk-reward looking attractive as both the property and plastics segments continue to perform well"

Share price performance

	1M	6M	12M
Absolute (%)	0.3	4.5	16.4
Rel KLCI (%)	1.5	2.1	7.7

	BUY	HOLD	SELL
Consensus	5	2	0

Source: Bloomberg

Stock Data

Sector	Plastics & Packaging
Issued shares (m)	1,556.3
MCap (RMm/US$m)	5,758/1,417
Avg daily vol (m)	2.4
52-wk range (RM)	3.1-4.0
Est free float	33.2%
Stock Beta	0.62
Net cash/(debt)	(1,958.00)
ROE (CY27E)	12.9
Derivatives	Nil
Shariah Compliant	Yes
FTSE4Good Constituent	Yes
FBM EMAS (Top ESG Rank	Top 26-50

Key Shareholders

Scientex Holdings	20.9%
Scientex Infinity SD	12.5%
Scientex Leasing SD	9.1%

Source: Bloomberg, Affin Hwang, Bursa Malaysia, ESG Risk Rating Powered by Sustainalytics
**Full ESG commentary inside*

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Scientex (SCI MK)

BUY (maintain)
Up/Downside: +22%

Price Target: RM4.50
Previous Target (Rating): RM4.35 (Buy)

Double beat on both plastics and property

- **4QFY26 PATAMI (+29.5% yoy) beat our estimates across both the plastic and property segments on higher-than-expected plastic margins and faster property progress billings**
- **Renewed Middle East tensions and a recovery in plastic resin prices should keep the plastics segment on a strong momentum over the coming quarters, while resilient demand for its affordable housing products underpins steady earnings from the property division**
- **Maintain BUY with a higher TP of RM4.50**

Plastics margins scale record highs on Middle East tension-driven ASPs

SCI reported an exceptionally strong 4Q26 PATAMI (+29.5% yoy), beating both our and consensus estimates on stronger-than-expected plastics margins and faster property progress billings. Plastics revenue was up +18.4% yoy, which we attribute most of the improvement was driven by higher ASPs while the utilization stayed broadly stable at ~61% (4Q25: ~60%). And those same ASP gains were also the main driver behind the plastic margin expansion - EBIT jumped 107% yoy, with EBIT margin hitting an all-time high of 12.1% (FY26: 9.9%). We understand that this has been driven largely by the Middle East tensions which have pushed up higher plastic prices. And the recent renewed tensions in the Middle East should continue to keep the segment on a strong momentum over the near-term. But over the longer term, we think such margins will be hard to sustain once the tensions ease. We therefore model FY27E/28E/29E EBIT margins at 9.5%/8.5%/8.0% - still above the 7% average seen during the FY23-25 downcycle.

Demand remained strong for the property divisions

SCI's property EBIT rose 14% yoy in 4Q26, driven by progress billings from its ongoing projects. Property launches of RM2.83bn GDV (FY25: RM2.55bn) came in slightly below its RM3.0bn target, but we take comfort in the record-high property sales of RM2.5bn achieved in FY26. Unbilled sales of RM2.1bn (0.95x cover) should continue to underpin earnings visibility going forward. Management is targeting a higher GDV launch in FY27, and we project RM3.0bn of launches on the back of its rich landbank. On the property sales, we assume RM2.7bn in FY27, supported by continued strong take-up for its affordable housing products.

Maintain BUY with a higher TP of RM4.50 (from RM4.35 previously)

Overall, we raise our FY27E/28E earnings forecasts by 8.0%/6.1%, reflecting stronger earnings from both the property and plastics segments. We maintain BUY on Scientex with a higher SOTP-based TP of RM4.50 (from RM4.35) following the earnings upgrade. The TP implies a 10.6x forward PER on our CY27E EPS (around its 5-year mean). The stock is trading at 1SD below its 5-year mean PE, which we believe offers an attractive risk-reward profile with limited downside, especially as the plastics segment recovers. Downside risks include higher-than-expected building material costs, and lower-than-expected sales across the packaging and property segments.

Earnings and Valuation Summary

FYE 31 July (RMm)	2025	2026	2027E	2028E	2029E
Revenue	4,517.7	4,813.0	5,165.9	5,353.4	5,465.3
EBITDA	879.9	1,022.3	1,122.7	1,183.1	1,249.2
Pretax profit	735.3	864.8	903.9	940.0	984.6
Net profit	530.8	620.2	645.7	671.6	704.6
EPS (sen)	34.2	39.9	41.7	43.3	45.5
PER (x)	11.0	9.4	9.0	8.7	8.2
Core net profit	530.8	620.2	645.7	671.6	704.6
Core EPS (sen)	34.2	39.9	41.7	43.3	45.5
Core EPS growth (%)	-2.8	16.8	3.4	4.0	4.9
Core PER (x)	11.0	9.4	9.0	8.7	8.2
Net DPS (sen)	12.0	12.0	13.0	14.0	14.0
Dividend Yield (%)	3.2	3.2	3.5	3.7	3.7
EV/EBITDA	7.4	6.2	5.6	5.2	4.7
Chg in EPS (%)			8.0	6.1	new
Affin/Consensus (x)			1.0	1.0	new

Source: Company, Bloomberg, Affin Hwang forecasts

Fig 1: Results Comparison

FYE Jul (RMm)	4Q25	3Q26	4Q26	QoQ % chg	YoY % chg	FY25	FY26	YoY % chg	Comments
Revenue	1,192.6	1,117.9	1,404.2	*25.6*	*17.7*	4,517.7	4,813.0	*6.5*	Mainly driven by higher ASPs in the plastics segment and steady progress billings in the property segment
Op costs	(945.4)	(879.9)	(1,086.8)	*23.5*	*14.9*	(3,637.8)	(3,790.7)	*4.2*	
EBITDA	**247.2**	**238.0**	**317.4**	***33.4***	***28.4***	**879.9**	**1,022.3**	***16.2***	
EBITDA margin (%)	*20.7*	*21.3*	*22.6*	*1.3 ppt*	*1.9 ppt*	*19.5*	*21.2*	*1.8 ppt*	Margin expansion was mostly driven by higher ASPs in the plastics segment
Depn and amort	(34.8)	(35.2)	(35.6)	*1.2*	*2.5*	(137.9)	(140.8)	*2.1*	
EBIT	*212.4*	*202.8*	*281.8*	*39.0*	*32.7*	*742.1*	*881.5*	*18.8*	
EBIT margin (%)	*17.8*	*18.1*	*20.1*	*1.9 ppt*	*2.3 ppt*	*16.4*	*18.3*	*1.9 ppt*	
Int expense	(6.6)	(7.0)	(7.2)	*2.4*	*9.7*	(22.5)	(27.9)	*24.1*	
Int and other inc	4.3	3.4	(0.6)	*(118.3)*	*(114.6)*	15.7	11.2	*(28.6)*	
EI	-	-	-	-	-	-	-	-	
Pretax profit	**210.2**	**199.2**	**274.0**	***37.6***	***30.4***	**735.3**	**864.8**	***17.6***	
Tax	(46.4)	(48.3)	(65.7)	*36.0*	*41.7*	(170.2)	(207.1)	*21.7*	
Tax rate (%)	22.1	24.3	24.0	*-0.3 ppt*	*1.9 ppt*	*23.1*	*23.9*	*0.8 ppt*	
MI	(9.4)	(8.7)	(8.3)	*(4.0)*	*(11.9)*	(34.4)	(37.5)	*9.2*	
Net profit	**154.3**	**142.2**	**199.9**	***40.6***	***29.5***	**530.8**	**620.2**	***16.8***	
EPS (sen)	9.9	9.1	12.9	*40.6*	*29.5*	34.2	39.9	*16.8*	
Core net profit	**154.3**	**142.2**	**199.9**	***40.6***	***29.5***	**530.8**	**620.2**	***16.8***	Beat expectations. 107%/105% of AHIB/consensus forecasts

Source: Affin Hwang, Company

Fig 2: Property's peer comparison

FY July (RMm)	4QFY25	3QFY26	4QFY26	qoq % chg	yoy % chg	FY25	FY26	yoy % chg
Revenue	**1,192.6**	**1,117.9**	**1,404.2**	***25.6***	***17.7***	**4,517.7**	**4,813.0**	***6.5***
Packaging	612.5	630.0	725.3	*15.1*	***18.4***	2,483.8	2,610.7	*5.1*
Property	580.1	487.8	678.9	*39.2*	***17.0***	2,033.9	2,202.3	*8.3*
EBIT	**212.4**	**202.8**	**281.8**	***39.0***	***32.7***	**742.1**	**881.5**	***18.8***
Packaging	42.2	73.2	87.5	*19.5*	*107.5*	149.8	257.4	*71.9*
Property	170.2	129.5	194.3	*50.0*	*14.1*	592.3	624.1	*5.4*
EBIT margin (%)	*17.8*	*18.1*	*20.1*	*1.9 ppt*	*2.3 ppt*	*16.4*	*18.3*	*1.9 ppt*
Packaging (%)	*6.9*	*11.6*	*12.1*	*0.4 ppt*	*5.2 ppt*	*6.0*	*9.9*	*3.8 ppt*
Property (%)	*29.3*	*26.6*	*28.6*	*2.1 ppt*	*-0.7 ppt*	*29.1*	*28.3*	*-0.8 ppt*

Source: Bloomberg. Affin Hwang forecasts

Fig 3: RNAV and target price

Segment	Value (RMm)	Comment
Manufacturing	**2,392.7**	**10x on CY27E operating profit**
Property	**4,994.9**	**30% discount to RNAV**
Total equity value (RMm)	7,387.6	
Net cash/(debt)	(459.1)	
Share base (m)	1,551.1	
SOP TP (RM)	**4.50**	**Rounded to nearest RM4.50 (actual: RM4.47)**

Source: Affin Hwang estimates

Important Disclosures and Disclaimer

Equity Rating Structure and Definitions

BUY	Total return is expected to exceed +10% over a 12-month period
HOLD	Total return is expected to be between -5% and +10% over a 12-month period
SELL	Total return is expected to be below -5% over a 12-month period
NOT RATED	Affin Hwang Investment Bank Berhad does not provide research coverage or rating for this company. Report is intended as information only and not as a recommendation

The total expected return is defined as the percentage upside/downside to our target price plus the net dividend yield over the next 12 months.

OVERWEIGHT	Industry, as defined by the analyst's coverage universe, is expected to outperform the KLCI benchmark over the next 12 months
NEUTRAL	Industry, as defined by the analyst's coverage universe, is expected to perform inline with the KLCI benchmark over the next 12 months
UNDERWEIGHT	Industry, as defined by the analyst's coverage universe is expected to under-perform the KLCI benchmark over the next 12 months

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