RESULTS UPDATE

Thursday, September 10, 2026

FBMKLCI: 1,714.34

Sector: Consumer

THIS REPORT IS STRICTLY FOR INTERNAL CIRCULATION ONLY*

Scientex Berhad

TP: RM4.95 (+33.8%)

A Record Year Fuelled by Dual Engines

Last Traded: RM3.70

BUY (ESG: ★★★)

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Review

- Scientex Berhad's (Scientex) 4QFY26 results were broadly in line with expectations. FY26 core profit of RM612.6mn accounted for 105% of our full-year forecas and 104% of consensus estimates.
- 4QFY26 core profit surged 29.6% YoY to RM188.1mn, while revenue grew 17.7% YoY to RM1.4bn. The stronger performance reflected broad-based improvements across both the packaging and property segments, with packaging contributing most of the earnings growth.
- For FY26, core profit rose 15.4% YoY, underpinned by higher revenue from both packaging (+5.1% YoY) and property (+8.3% YoY), alongside a 3.8pp YoY expansion in the packaging EBIT margin to 9.9%.
- **Manufacturing segment:** 4QFY26 segmental EBIT more than doubled YoY to RM87.5mn, outpacing the 18.4% YoY revenue growth to RM725.3mn. The stronger earnings were driven by higher selling prices, better product margins and product-mix optimisation, with contributions from both consumer and industrial packaging. Consequently, FY26 EBIT jumped 71.9% YoY to RM257.4mn, despite a more moderate 5.1% YoY increase in revenue to RM2.61bn.
- **Property segment:** 4QFY26 revenue rose 17.0% YoY to RM678.9mn, while EBIT increased 14.1% YoY to RM194.3mn, supported by steady progressive revenue recognition from ongoing projects and sales from new launches in the Central and Melaka regions. For FY26, EBIT rose 5.4% YoY to RM624.1mn, driven by record unit sales and steady construction progress.
- A final dividend of 6.0sen/share was declared in this quarter, aligned with the 6.0sen/share declared in 4QFY25.

Impact

- We raise our FY27-28 core earnings forecasts by 4.7%, following the incorporation of FY26 results. We also introduce our FY29 core earnings forecast at RM677.6mn (+1.8% YoY).

Outlook

- **Manufacturing Segment**. We expect the segment to sustain its momentum in FY27, supported by stable demand for both consumer and industrial packaging. Scientex's ability to provide timely product delivery amid industry-wide supply shortages, coupled with consistent product quality, should support customer retention and further market share gains as smaller industry players exit the market. This is reflected in the group's average utilisation rate, which improved by 1.0pp YoY to 61% in FY26 alongside stronger sales volumes.

Share Information	
Bloomberg Code	SCI MK
Stock Code	4731
Listing	Main Market
Share Cap (mn)	1,556.3
Market Cap (RMmn)	5,758.2
52-wk Hi/Lo (RM)	4/3.06
12-mth Avg Daily Vol ('000 shrs)	806.8
Estimated Free Float (%)	33.2
Beta	0.8
Major Shareholders (%)	
Scientex Holdings & Related	42.5

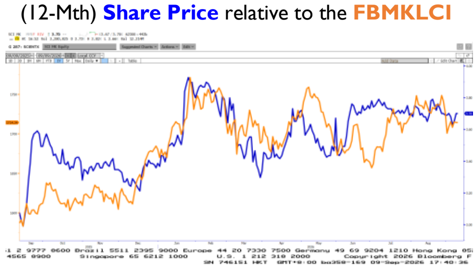
Forecast Revision	FY27	FY28
Forecast Revision (%)	4.7	4.7
Net profit (RMm)	637.2	665.7
Consensus	667.6	637.5
TA's / Consensus (%)	95.5	104.4
Previous Rating		Buy (Maintained)
Consensus Target Price (RM)	4.16	

Financial Indicators	FY27	FY28
Net debt/ equity (%)	31.9	25.5
ROE (%)	13.5	12.9
ROA (%)	7.6	7.6
NTA/Share (RM)	3.0	3.3
Price/ NTA (x)	1.2	1.1

Scorecard	% of FY	
vs TA	105	Within
vs Consensus	104	Within

Share Performance (%)		
Price Change	SCIENTX	FBM KLCI
1 mth	0.3	(1.2)
3 mth	4.2	2.3
6 mth	4.5	2.4
12 mth	16.4	8.0

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



Source: Bloomberg

- As of September 2026, polyethylene prices remained volatile at CNY8,383/tonne amid elevated oil prices and lingering geopolitical tensions, although prices have eased from the March 2026 peak of CNY9,248/tonne. Looking ahead, management is expected to mitigate cost pressures through timely cost pass-throughs, increased sourcing of competitively priced raw materials from China, and a higher contribution from value-added consumer packaging, which generally commands better margins.

- **Property Segment**. Scientex launched 33 projects comprising 8,317 units across Peninsular Malaysia in FY26, with total GDV of RM2.83bn (FY25: RM2.55bn). We expect the segment to remain supportive of group earnings in FY27, underpinned by resilient demand for affordable housing, a RM2.1bn in unbilled sales and a sizeable 11,049-acre land bank with potential future GDV of RM40.7bn. With a healthy take-up rate in FY26, management remains confident of achieving higher GDV launches in FY27 and surpassing its target of building 50,000 affordable housing units by early November 2026, well ahead of the original 2028 timeline.

Valuation

- Following the earnings revision, we maintain **BUY** with a higher TP of **RM4.95/share** *(previously: RM4.82/share)*, based on SOP valuation.

Table 1: 4QFY26 Results Analysis

FYE July (RM'mn)	4QFY25	3QFY26	4QFY26	QoQ (%)	YoY (%)	FY25	FY26	YoY (%)
Revenue	1,192.6	1,117.9	1,404.2	25.6	17.7	4,517.7	4,813.0	6.5
~ Manufacturing	*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*
Interest Expense	(6.6)	(7.0)	(7.2)	(2.4)	(9.7)	(22.5)	(27.9)	(24.1)
Investing Results	4.3	3.4	(0.6)	nm	nm	15.7	11.2	(28.6)
Depreciation	(34.8)	(35.2)	(35.6)	(1.2)	(2.5)	(137.9)	(140.8)	(2.1)
EBITDA	247.2	238.0	317.4	33.4	28.4	879.9	1,022.3	16.2
Operating Profit	212.4	202.8	281.8	39.0	32.7	742.1	881.5	18.8
~ Manufacturing	*42.2*	*73.2*	*87.5*	*19.5*	*>100*	*149.8*	*257.4*	*71.9*
~ Property	*170.2*	*129.5*	*194.3*	*50.0*	*14.1*	*592.3*	*624.1*	*5.4*
EI	9.1	(1.6)	11.8	nm	29.3	(0.0)	7.6	nm
Reported PBT	210.2	199.2	274.0	37.6	30.4	735.3	864.8	17.6
Taxation	(46.4)	(48.3)	(65.7)	(36.0)	(41.7)	(170.2)	(207.1)	(21.7)
Minority Interest	(9.4)	(8.7)	(8.3)	4.0	11.9	(34.4)	(37.5)	(9.2)
Reported Profit	154.3	142.2	199.9	40.6	29.5	530.8	620.2	16.8
Adj. Net Profit	145.2	143.8	188.1	30.9	29.6	530.8	612.6	15.4
EPS (sen)	9.9	9.1	12.8	40.6	29.5	34.1	39.8	16.7
Adj EPS (sen)	9.3	9.2	12.1	30.9	29.5	34.1	39.4	15.3
DPS (sen)	6.0	6.0	6.0	-	-	12.0	12.0	-
				%-pts	%-pts			%-pts
EBIT Margin (%)	17.8	18.1	20.1	1.9	2.3	16.4	18.3	1.9
~ Manufacturing	*6.9*	*11.6*	*12.1*	*0.4*	*5.2*	*6.0*	*9.9*	*3.8*
~ Property	*29.3*	*26.6*	*28.6*	*2.1*	*(0.7)*	*29.1*	*28.3*	*(0.8)*
PBT Margin (%)	17.6	17.8	19.5	1.7	1.9	16.3	18.0	1.7
Core Net Margin (%)	12.2	12.9	13.4	0.5	1.2	11.7	12.7	1.0
Tax rate (%)	22.1	24.3	24.0	(0.3)	1.9	23.1	23.9	0.8

Table 2: Earnings Summary

FYE July (RM'mn)		FY25	FY26	FY27F	FY28F	FY29F
Revenue		4,517.7	4,813.0	4,886.2	5,045.4	5,195.3
EBITDA		879.9	1,022.3	981.0	1,017.3	1,033.3
EBIT		742.1	881.5	859.7	893.8	907.8
Reported PBT		735.3	864.8	837.8	873.8	889.9
Adj. PBT		735.3	857.2	837.8	873.8	889.9
Reported Net Profit		530.8	620.2	637.2	665.7	677.6
Adj. Net profit		530.8	612.6	637.2	665.7	677.6
Basic/Diluted EPS	(sen)	34.1	39.8	40.9	42.8	43.5
Adj. EPS	(sen)	34.1	39.4	40.9	42.8	43.5
PER	(x)	10.8	9.3	9.0	8.6	8.5
Net Dividend	(sen)	12.0	12.0	15.5	15.5	15.5
Dividend Yield	(%)	3.2	3.2	4.2	4.2	4.2

Table 3: Sum-of-Parts Valuation

Segment	Valuation Method	Equity Value (RM mn)
Manufacturing	CY27 EPS PER 13x	2,316.8
Property	CY27 EPS PER 11x	5,387.0
Equity value (RM mn)		7,703.9
Enlarged Share Cap (mn)		1,556.3
Fair value exc. ESG (RM/share)		4.95
+ ESG Premium		-
Fair Value/Share (RM)		**4.95**

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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% to12%.

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% to12%.
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

Disclaimer

As of Thursday, September 10, 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

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