

11 June 2026

Scientex

Packaging Segment Shows Uptick

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SCIENTX's 9MFY26 results met expectations. Core net profit grew 12% YoY largely attributable to a stronger performance from its packaging segment led by higher ASPs from the recent raw material prices hike, benefiting the group from its existing cheaper inventory costs, supported by better market sentiment. Meanwhile, its property segment also showed steady take-up rates and construction progress. As we expect more launches in the following quarter, we also anticipate a positive near-term outlook for its packaging segment on the back of higher ASP, and better margins alongside increased orders. We keep our forecasts unchanged, maintain our SoP-derived TP at RM3.91 and OUTPERFORM call.

Within expectations. SCIENTX's 9MFY26 core net profit of RM419.7m met expectations, making up 68% of our full-year forecast and 72% of consensus estimate. We deem it within expectation as we anticipate a stronger 4QFY26 ahead. A 6 sen dividend was declared in the quarter, on track to meet our 13 sen GDPU forecast for FY26.

YoY, 9MFY26 property segment's turnover and net profit both rose by 5% and 2%, primarily attributable to strong sales and steady construction progress for ongoing projects. Launches in 9MFY26 amounted to RM1.24b GDV comprising 3,448 units, with an average take-up rate of approximately 65% (versus its FY26 launch target of RM3b GDV). On the other hand, while its turnover for the packaging segment was flattish with just 1% increase as the revenue growth was partially offset by the strengthening of the MYR against the USD by about 4% versus the preceding quarter, its operating profit surged by 58%. This was led by higher ASP from the higher resin raw material prices benefiting the group from the drawdown of old existing cheaper cost resin inventory, supported by better market sentiment. All in, these contributed to the increase in the group's revenue by 3% and core net profit by 12%.

QoQ, 3QFY26 top-line was 2% softer but bottom-line increased by 4% as the weaker profit contribution from the property segment was lifted by the stronger performance from its packaging segment on the abovementioned reasons.

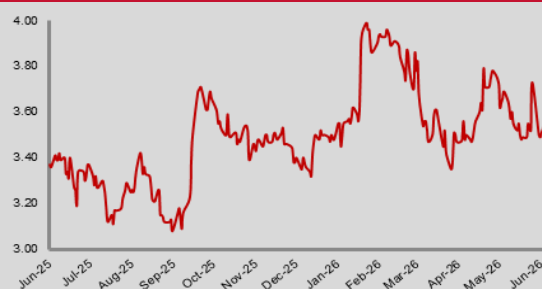
Meanwhile, its current utilisation rate for its packaging segment remained stable at 62%.

Outlook. Surging oil prices arising from Middle East conflicts since late Feb 2026 have resulted in resin prices rising by about 80% on average and a shortage of packaging supplies in the market. Kenanga expects Brent oil prices per barrel to average at USD80 in CY26 and USD74 for CY27, viewing that oil prices are unlikely to fall to pre-conflict levels even if the Middle East conflicts de-escalate. As a result, we anticipate the group's packaging segment to see higher ASPs, improved margins and increased sales orders at least for the upcoming 4QFY26. In addition to that, the completion of the installation of solar PV system at 10 manufacturing plants in Malaysia will reap cost savings of about RM10m per annum starting from FY26. Based on Kenanga's forecast, the MYR is to remain steady between RM3.88 to RM3.95 for CY26, which suggests that SCIENTX will likely not suffer unfavourable forex translation in FY26 as badly as in FY25.

OUTPERFORM ↔

Price: RM3.61
Target Price: RM3.91 ↔

Share Price Performance



KLCI	1,678.96
YTD KLCI chg	-0.1%
YTD stock price chg	3.1%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	SCI MK Equity
Market Cap (RM m)	5,618.2
Shares Outstanding (m)	1,556.3
52-week range (H)	3.99
52-week range (L)	3.08
3-mth avg. daily vol.	359,607
Free Float	34%
Beta	0.95

Major Shareholders

Scientex Holdings SdnBhd	20.9%
Scientex Infinity SdnBhd	12.2%
Scientex Leasing SdnBhd	9.1%

Summary Earnings Table

FYE Jul (RM m)	2025A	2026F	2027F
Turnover	4517.7	5425.7	5383.7
EBIT	742.1	884.4	882.9
PBT	735.3	814.7	812.6
Net Profit (NP)	530.8	613.2	611.7
Core NP	523.9	613.2	610.7
Consensus (NP)		582.7	622.0
Earnings Revision		0%	0%
Core EPS (sen)	33.8	39.5	39.4
Core EPS Growth (%)	-2.6	17.0	-0.4
GDPS (sen)	12.0	13.0	12.6
BVPS (RM)	2.7	2.9	3.2
Core PER (x)	10.3	8.8	8.8
PBV (x)	1.3	1.2	1.1
Net Gearing (x)	0.5	0.4	0.4
Net Div. Yield (%)	3.5	3.8	3.6



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For its property division, sales of its affordable properties should continue to be resilient, given encouraging take-up rates from recent launches. However, the rising construction costs due to the energy price hikes is expected to pressure property development margins in general should the Middle-East geopolitical tensions prolong. The group's unbilled sales stood at RM1.9b as of 3QFY26 (versus RM2.0b as of 1QFY25). On that note, since 2025, we observe continuous demand for affordable houses priced below the RM500k mark (accounts for 70% of its property projects) while we saw rising appetite for units in the range of RM500k – RM1m, signaling improving affordability. The group is targeting RM3b in GDV launches with multiple new developments lined up for FY26 such as Scientex Muar, Scientex Pulai 4, and Scientex Bestari Jaya. SCIENTX is also poised to capitalize on the ongoing progress of Johor-Singapore SEZ with its remaining 1,100 acres of land bank and new launches in southern Johor. In the previous quarter, the group also guided a possible plan in exploring East Malaysia as part of its affordable housing footprint expansion, particularly Sarawak.

Forecasts. Unchanged.

Valuations. We maintain our SoP-derived valuation with a TP of RM3.91 on an unchanged 8x FY27F PER for its plastic packaging business, a discount to the SCIENTX's 10-year historical average forward PER of 11x amidst challenging global economy and persistent regional competition. On the property development segment, we keep our discount to RNAV at 50% (in-line with the average of Kenanga's property coverage). There is no ESG-based adjustment to our TP given its 3-star rating as appraised by us (see Page 5).

Investment case. We like SCIENTX for its competitiveness in the global plastic packaging industry thanks to its scale advantage, low-cost structure (especially, when compared to its overseas rivals), and continuous strong traction in the affordable housing segment, notably in the Southern region. Maintain **OUTPERFORM**.

Risks to our call include: (i) volatile resin prices, (ii) weak consumer demand for packaging materials due to prolonged global economic downturn, and (iii) aggressive roll-out of affordable housing schemes by the government which may raise competition.

Results Highlights								
FYE July (RM m)	3Q26	2Q26	QoQ Chg	3Q25	YoY Chg	9M26	9M25	YoY Chg
Revenue	1117.9	1135.9	-2%	1110.5	1%	3408.9	3325.1	3%
EBIT	201.7	193.3	4%	175.6	15%	599.2	527.6	14%
Interest Income	3.4	4.3	-20%	4.9	-29%	11.8	11.4	4%
Finance Costs	-7.0	-6.9	1%	-6.3	11%	-20.7	-15.9	30%
Exceptional Items	1.0	-0.7	-243%	1.9	-45%	0.5	2.1	-75%
PBT	199.2	190.0	5%	176.1	13%	590.8	525.1	13%
Taxation	-48.3	-45.3	7%	-42.1	15%	-141.4	-123.8	14%
Minority Interest	-8.7	-9.5	-9%	-10.1	-14%	-29.2	-24.9	17%
Net Profit	142.2	135.2	5%	123.9	15%	420.3	376.4	12%
Core Net Profit	141.1	135.9	4%	122.0	16%	419.7	374.4	12%
Effective Tax Rate (%)	24.3	23.8		23.9		23.9	23.6	
EBIT Margin (%)	18.0	17.0		15.8		17.6	15.9	
PBT Margin (%)	17.8	16.7		15.9		17.3	15.8	
CNP Margin (%)	12.6	12.0		11.0		12.3	11.3	

Source: Company, Kenanga Research

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Segmental Breakdown								
FYE July (RM m)	3Q26	2Q26	QoQ Chg	3Q25	YoY Chg	9M26	9M25	YoY Chg
Turnover								
Packaging	630.0	626.9	0%	614.7	2%	1885.4	1871.2	1%
Property	487.8	509.0	-4%	495.8	-2%	1523.4	1453.9	5%
Group Turnover	1117.9	1135.9	-2%	1110.5	1%	3408.9	3325.1	3%
EBIT								
Packaging	73.2	50.4	45%	34.5	112%	169.9	107.6	58%
Property	129.5	142.3	-9%	143.1	-9%	429.8	422.1	2%
Group EBIT	202.8	192.6	5%	177.6	14%	599.7	529.7	13%
EBIT Margin								
Packaging	11.6%	8.0%		5.6%		9.0%	5.7%	
Property	26.6%	28.0%		28.9%		28.2%	29.0%	
Group EBIT Margin	18.1%	17.0%		16.0%		17.6%	15.9%	

Source: Company, Kenanga Research

SCIENTX's Sum-of-Parts Valuation		
Segment	Valuation (RM m)	Valuation Basis
Packaging	1,468	8x FY27 PER
Property	4,598	50% discount to RNAV (see the following table)
Total	6,066	
Paid-up Capital (m shares)	1,551	
SoP per share / TP (RM)	3.91	

Source: Kenanga Research

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RNAV of SCIENTX's Property Development Projects		
Project	Outstanding GDV (RM m)	NPV of profits (effective)
Scientex Tasek Gelugor	154	29
Scientex Ipoh	932	165
Scientex Rawang	463	82
Scientex Kundang Jaya	1,055	187
Scientex Seremban	794	140
Taman Muzaffar Heights	701	124
Scientex Durian Tunggal	404	76
Scientex Jasin & Scientex Bandar Jasin	4,714	729
Taman Scientex Pasir Gudang	227	42
Taman Scientex Kulai	3,582	670
Taman Mutiara Mas	787	122
Taman Scientex Senai	1,536	237
Scientex Pulai	4,666	721
Scientex Kota Tinggi	62	12
Scientex Sg Petani	236	42
Scientex Sungai Dua	1,633	252
Scientex Jenjarom	1,800	278
Scientex Cheras	1,630	252
Scientex Jawi	3,400	371
Scientex Kulai	1,999	309
Scientex Muar	1,333	206
Scientex Bestari Jaya	2,238	346
Scientex Seberang Perai Selatan	3,083	477
Scientex Pulai 4	2,543	393
Scientex Paya Rumput Melaka	2,225	344
Sub-total	42,197	6,605
Unbilled Sales (as of Jul-24)	2,000	385
Property Shareholders Fund		2,206
Total RNAV (RM m)		9,196
Discount to RNAV (%)		50%
Discounted RNAV		4,598

Source: Kenanga Research, Company

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Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen)	Net Div. Yld.
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
Stocks Under Coverage																	
ANCOM NYLEX BHD	OP	0.870	1.50	72.4%	919.1	Y	05/2026	7.7	9.4	20.0%	22.9%	11.4	9.2	1.3	11.9%	5.0	5.7%
BM GREENTECH BHD	UP	1.70	1.72	1.2%	1,169.3	Y	03/2027	11.3	12.2	11.5%	7.5%	15.0	14.0	3.3	22.5%	1.8	1.1%
BP PLASTICS HOLDINGS BHD	MP	0.765	0.870	13.7%	215.3	Y	12/2026	9.1	8.7	100.2%	-4.5%	8.4	8.8	0.8	9.2%	4.3	5.6%
HPP HOLDINGS BHD	MP	0.320	0.300	-6.3%	124.4	Y	05/2026	2.0	2.3	146.9%	12.7%	15.7	14.0	1.0	6.3%	2.0	6.3%
KUMPULAN PERANGSANG SELANGOR BHD	UP	0.515	0.480	-6.8%	276.8	Y	12/2026	4.4	4.8	143.9%	8.4%	11.6	10.7	0.3	2.2%	2.0	3.9%
SCIENTEX BHD	OP	3.61	3.91	8.3%	5,618.2	Y	07/2026	39.5	39.4	17.0%	-0.4%	9.1	9.2	1.2	13.4%	13.0	3.6%
SOUTHERN CABLE GROUP BHD	OP	2.06	2.68	30.1%	2,352.4	Y	12/2026	12.4	15.0	15.3%	21.7%	16.7	13.7	3.4	20.9%	3.5	1.7%
SLP RESOURCES BHD	MP	0.830	0.900	8.4%	263.1	Y	12/2026	6.0	6.5	11.7%	8.4%	13.8	12.7	1.1	9.1%	1.3	1.5%
TECHBOND GROUP BHD	OP	0.270	0.470	74.1%	204.8	N	06/2026	4.1	4.5	37.5%	9.1%	6.5	6.0	0.7	10.4%	1.0	3.7%
THONG GUAN INDUSTRIES BHD	OP	1.52	1.73	13.8%	594.5	Y	12/2026	26.1	22.9	45.9%	-12.3%	5.8	6.6	0.6	10.8%	6.0	3.9%
SECTOR AGGREGATE					11,737.8					22.2%	4.3%	10.5	10.0	1.2	11.8%		3.7%

Source: Kenanga Research

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Stock ESG Ratings:

	Criterion	Rating			
GENERAL	Earnings Sustainability & Quality	★	★	★	★
	Community Investment	★	★	★	★
	Workers Safety & Wellbeing	★	★	★	
	Corporate Governance	★	★	★	
	Anti-Corruption Policy	★	★	★	
	Emissions Management	★	★	★	☆
SPECIFIC	Product Quality & Safety	★	★	★	
	Digitalisation & Innovation	★	★	★	★
	Effluent & Waste Management	★	★	★	
	Resource Management	★	★	★	★
	Supply Chain Management	★	★	★	
	Energy Efficiency	★	★	★	
OVERALL		★	★	★	

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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