Scientex acquires two consumer packaging plants from Mondi Group

- Acquisition to expand clientele, enhance downstream consumer packaging portfolio and accord the Group larger market share in Asia Pacific
- Expands consumer packaging manufacturing capacity by 30% immediately, with addition of two new plants in Ipoh, Perak

Shah Alam, Selangor, Malaysia, 5 August 2015 – Global packaging manufacturer and leading property developer Scientex Berhad (Scientex, 森德公司, Bloomberg: SCI MK; Reuters: STIK.KL) has through its subsidiary signed a share purchase agreement to acquire packaging player Mondi Ipoh Sdn Bhd (MISB) for a purchase consideration of RM58.0 million to expand its consumer packaging division.

The purchase will see Scientex’s wholly-owned subsidiary Scientex Packaging Film Sdn Bhd acquire a 100% stake in MISB from Mondi Consumer Packaging International GmbH, a wholly-owned subsidiary of international packaging and paper group Mondi. Mondi has a dual listed company structure, with a primary listing on the Johannesburg Securities Exchange for Mondi Limited and a premium listing on the London Stock Exchange for Mondi plc.

“The successful acquisition of MISB would immediately allow the enlarged Scientex Group to expand our clientele to include leading international brands in the food and beverage (F&B) and fast moving consumer goods (FMCG) sectors. Additionally, approximately 70% of MISB’s revenue comprises exports to Asia Pacific, thus giving us a larger market share in the regional packaging industry.

Furthermore, we stand to benefit from the increased production capacity of the Group’s downstream consumer packaging products, particularly functional films. This allows us to serve a broader set of requirements from new and existing clientele, especially large multinationals with diverse packaging needs.”

Mr. Lim Peng Jin (林炳仁)
Managing Director of Scientex Berhad

The proposed acquisition of MISB would also provide the enlarged Scientex Group with synergistic benefits on the back of its expanded production and clientele. These include economies of scale from the larger scale of raw material procurement, enhanced operational efficiency, and increased effectiveness of its marketing and distribution channels.

MISB’s principal activity is the production of downstream specialty consumer packaging films and film-based components including form-fill-seal (FFS) bags. It has two manufacturing plants situated in Sungai Siput and Chemor in Ipoh, Perak, with a total production capacity of 16,800 metric tonnes (MT) per annum (p.a.).
Post-acquisition of MISB, Scientex’s consumer packaging production capacity would immediately be boosted by about 30% to 76,800 MT p.a., from 60,000 MT p.a. currently.

For the twelve months period ended 31 December 2014 (FY2014), MISB posted revenue of RM141.9 million and normalised EBITDA (earnings before interest, tax, depreciation, and amortisation) of RM13.1 million.

The purchase consideration is at an enterprise value over normalised EBITDA (EV/normalised EBITDA) of 6.44 times, while the acquisition price to book value stands at 1.56 times based on MISB’s audited net assets of RM37.2 million for FY2014.

The proposed acquisition of MISB would be funded via internally generated funds.

Barring any unforeseen circumstances, the proposed acquisition is estimated to be completed by 11 August 2015. Upon completion, it is expected to contribute positively towards Scientex’s earnings for the current financial year ending 31 July 2016 (FY2016) onwards.

On the Group’s future prospects, Mr Lim commented:

“The regional consumer packaging markets, comprising not only the lucrative but also resilient F&B and FMCG industries, offers us much opportunity for growth. This would draw on our existing capabilities and experience in manufacturing quality-centric and innovative flexible packaging products at competitive rates, to support industry players across the Asia Pacific region.”


Scientex Berhad (Scientex) is a leading industrial packaging manufacturer and a reputable property developer in South Malaysia. Scientex is also the largest stretch film producer in Asia and among the top three globally with a production capacity of 150,000 MT annually.

Established in 1968 as a PVC cloth and leather manufacturer, Scientex today produces stretch film, consumer packaging (blown film and BOPP film), PP strapping bands, polypropylene (PP) and polyethylene (PE) woven and laminated bags, raffia tapes, flexible intermediate bulk containers (FIBC), polyurethane (PU) adhesives and polymer materials such as laminated products, TPO and PVC sheets for automotive interior parts and solar encapsulant films.

To date, Scientex has manufacturing facilities in Malaysia and Vietnam; as well as sales and marketing arms in Japan, Indonesia, and Singapore. Approximately 75% of its manufacturing products are exported to over 60 countries worldwide.

Scientex’s property arm has township development projects in Pasir Gudang, Kulai, Skudai and Senai, all in Johor, and in Ayer Keroh, Melaka. Its township developments are the 1,100-acre Taman Scientex Pasir Gudang, the 250-acre Taman Scientex Kulai I, the 48.4 acre Taman Scientex Kulai II, the 150-acre Taman Mutiara Mas, Skudai; the 250-acre mixed development of Taman Scientex Senai in Johor and the 137-acre Taman Muzaffar Heights in Ayer Keroh. To date, Scientex has delivered more than RM1.5 billion worth of properties and has projects-in-hand of RM1.5 billion.
About Mondi Consumer Packaging

Mondi’s consumer packaging business offers quality consumer packaging, hygiene components and release liner. Core competencies include manufacturing, printing, coating, as well as refining or processing of high-quality films. As a leader in innovation and technology, the products manufactured by Mondi’s consumer packaging business are used in a wide variety of areas with the main focus being fast moving consumer goods (FMCG). Mondi’s R&D centres provide highly qualified teams that develop innovative packaging solutions and consider new raw materials, processing and refining technologies.

About Mondi Group

Mondi is an international packaging and paper Group, employing around 25,000 people across more than 30 countries. Mondi’s key operations are located in central Europe, Russia, North America and South Africa. Mondi offers over 100 packaging and paper products, customised into more than 100,000 different solutions for customers and end consumers.

The Mondi Group is fully integrated across the packaging and paper value chain - from managing forests and producing pulp, paper and compound plastics, to developing effective and innovative industrial and consumer packaging solutions. Mondi’s innovative technologies and products can be found in a variety of applications including hygiene components, stand-up pouches, super-strong cement bags, clever retail boxes and office paper. Mondi’s key customers are in industries such as automotive; building and construction; chemicals; food and beverage; home and personal care; medical and pharmaceutical; packaging and paper converting; pet care; and office and professional printing.

Mondi has a dual listed company structure, with a primary listing on the JSE Limited for Mondi Limited and a premium listing on the London Stock Exchange for Mondi plc.

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