

Vitrox expects double-digit revenue growth this year

Tuesday, 13 September 2016

GEORGE TOWN: Manufacturer Vitrox Corp Bhd expects to close the financial year ending Dec 31, 2016 with a double-digit percentage growth in revenue and bottom line compared with 2015, which saw the company posting RM44mil in net profit on the back of RM160mil turnover.



Group chief executive officer Chu Jenn Weng (pic) told StarBiz that the company had already shipped out inspection equipment with an estimated value of more than RM150mil.

Group chief executive officer Chu Jenn Weng (pic) told StarBiz that the company had already shipped out inspection equipment with an estimated value of more than RM150mil.

"Over the next two months, we have shipments of inspection equipment with an approximate value of about RM35mil to deliver.

"The purchasing order received to-date since January 2016 is RM185mil.

"We are still getting orders in before the year ends in December," he said.

The orders for Vitrox's machine vision system, advanced optical inspection (AOI) machine and advanced X-ray inspection (AXI) equipment come from North and South America (30%), Asia-Pacific (60%) and the rest of the world (10%).

"There is an increase in orders from existing and new customers.

"Our inspection equipment is also used in new growth areas such as the solid state data storage, wafer and automotive industries," Chu added.

The price of the inspection equipment ranges between US\$5,000 and US\$10,000 for the machine vision system, US\$100,000 and US\$250,000 for AOI, and US\$300,000 and US\$500,000 for AXI.

Chu added that although the ringgit had strengthened compared with last year, the surge in orders would offset the impact.

"Some 85% of our earnings are in US dollars, while we import 30% of the raw materials used," he added.

On the company's new plant in Batu Kawan, Chu said the new manufacturing facility would be ready for operations by the second half of 2017.

"The 450,000-sq-ft plant would triple the present production capacity.

"The work for the second phase of the plant is expected to start in 2020, according to our expansion plan," he said.

For the first-half of the financial year, Vitrox posted RM30mil in net profit on the back of an RM112.6mil turnover.

According to a Credence Research report published in April 2016, the machine vision and inspection market may reach US\$14.85bil by 2022, with the rising need to reduce production cost and increasing demand for high-quality products.

According to a report by Credence Research, manufacturers have focused on reducing labour costs and production errors particularly related to quality, and this has also influenced the demand for machine vision and inspection systems.

<http://www.thestar.com.my/business/business-news/2016/09/13/vitrox-expects-doubledigit-revenue-growth-this-year/>