

Crown Asia Chemicals 9-month 2016 Earnings Grow by 37.36%

Crown Asia Chemicals Corporation (Crown) announces an earnings growth of 37.36% to P96.84 million for the first nine months ended September 30, 2016 from P70.50 million for the same period of the previous year.

The Pipe Group's sales increase of 40.50% to P400.12 million from P284.78 million in the previous year owing to the strong growth in both project and trade sales segments. PVC Pipes sales on its own grew by 29.54% to P355.24 million from P274.23 million. It accounted 88.78% of the Pipe Group's sales. PPR/HDPE sales on the other hand surged by 325.20% to P44.88 million from P10.56 million in the same period last year. It accounted for 11.22% of the Pipe Group's sales.

The Compounds division sales decreased by 14.02% to P442.30 million from P514.45 million in the period given the pricing pressures from both export and local markets. Moving forward, the Compounds division is expected to see improvements in sales as it continues to grow its sales of IC tubes, and films and sheets application.

The growth of the Pipe Group in the 9-months of 2016 helped it account for the 47.50% of consolidated revenues from 35.63% in the same period of 2015. Overall, margins have improved with gross profit margin rising 29.16% from 23.40% and net profit margin improving to 11.49% from 8.82%. Return on equity also rose to 10.97% from 10.20% in the period in review. The company's liquidity ratios remain healthy and its debt ratios remain at very manageable levels.

As per CROWN'S Chairman, Walter H. Villanueva, "The company remains on track for a banner year. The product diversification that began with the ENDURO pipe line to serve the mid-cost and mass housing sectors is expected to contribute within the whole 2nd half of the year. Our sales thrusts and product diversification is beginning to show its results with the Pipe Group this year. We are confident that as we continue to develop new products for both the Pipes and Compounds divisions, we will be able to sustain our growth trajectory well into 2017."

Crown Asia Chemicals Corporation registered net income of P100.2 million in 2015. On May 27, 2016, the Company paid cash dividends amounting to P31.5 million representing cash dividend of P0.05 per share. The P0.05 cash dividend consisted on regular dividend of P0.018 per share PLUS special dividend of P0.032 per share. The resulting dividend yield of more than 2.40% is above the current market's average dividend yield.