

Crown Asia posts 26.20% top-line growth in first half of 2015

Consolidated sales revenues from Compounds and Pipe divisions increased 26.20 percent to P499.27 million for the six months ended June 30, 2015, from P395.62 million in the same period last year.

Sales from Compounds rose 26.18 percent to P316.73 million for the first half of 2015 from P251 million year-on-year, boosted by a 58.73 percent increase in export sales to P166.51 million for P104.90 million for the first six months of 2014.

Eugene Lee Villanueva, President and General Manager of the Compounds Group noted: "The perceived better value of our premium PVC compounds have helped us earn the trust of our customers. We are happy with the demand that we have been receiving for our products."

Sales from Pipes grew 26.22 percent to P182.54 million for the first six months of 2015 from P144.62 million over the same period last year. Projects sales went up 58.08 percent to P109.38 million as of June 2015 from P69.20 million in June 2014, with bigger order volumes and supply agreements with various developers and contractors driving this topline growth.

Derrick P. Villanueva, General Manager of the Pipe Division, which manufactures CROWN pipes, said: "Our proven track record in the industry has made us a preferred choice as we have gained headway into government infrastructure projects, including among others the NAIA, the NAIA expressway, NHA projects as well as several horizontal developments with 8990 Luzon Housing Development Corporation."

Profitability boosted by improved operational efficiency

Costs of goods sold increased 21.36 percent to P380.78 million for first semester 2015 from P313.75 million in first semester 2014. Gross profit margin expanded to 44.73 percent due to lower raw material costs and operational efficiencies. As a result, gross profit rate improved to 23.73 percent from 20.69 percent in the same period last year.

Recurring operating expense decreased 1.62 percent due to cost management initiatives implemented across the business. Non-recurring expenses amounting to P4.21 million was booked for the period related to the company's recently concluded IPO (initial public offering).

Net profit grew to P41.28 million as of June 30, 2015 from P17.04 million as of the same date last year. Quarter on quarter performance was likewise strong, with the company's net profit increasing by P24.10 million for the 2nd quarter.

New products to drive further revenue growth

The company continues to operate with healthy financial indices and gearing levels resulting from higher liquidity

Crown Asia shares were last traded at P3.20 per share as of August 10, 2015, translating to a market capitalization of P2.02 billion

Among the company's growth drivers is the introduction of its PPR (polypropylene random copolymer) and HDPE (high-density polyethylene) pipes and fittings, which will start production at its newly-constructed manufacturing plant and warehouse in Guiguinto, Bulacan.

According to Walter H. Villanueva, chairman of Crown Asia and Head of the company's Pipe group: "We are optimistic about sustaining our growth trajectory with the roll out of our PPR and HDPE operations. The level of interest in the market for our new products and the initial reception we have received has been very encouraging."