

Epicon Ends First Half of 2024 with 32.5% Growth in Profit After Tax Year-Over-Year

Kuala Lumpur, 22 August 2024 – Epicon Berhad today posted its financial results for the second quarter ended 30 June 2024. The Group concluded the first half of the year with an increase in revenue from RM52.4 million to RM104.1 million, or 98.66%, driven primarily by construction work. The Group's outstanding order book increased from RM644 million to RM891 million, or 38.35%, when compared to 4QFY23. Despite this, the quarterly results reflect a slower quarter compared to the previous quarter.

Key highlights:

- The revenue increased by 98.7%, rising from RM52.4 million to RM104.1 million on a year-to-date basis (1H24 vs 1H23).
- The Profit Before Tax (PBT) increased by 40.5%, rising from RM6.44 million to RM9.0 million on a year-to-date basis (1H24 vs 1H23).
- The revenue decreased by 14.6%, declining from RM56.2 million to RM47.9 million on a QoQ basis (2QFY24 vs 1QFY24).
- The Profit Before Tax (PBT) decreased by 27.4% in 2QFY2024 compared to 1QFY2024, from RM5.2mil to RM3.8mil, which aligns with the overall revenue reduction, impacting profitability on a QoQ basis (2QFY24 vs 1QFY24).
- The Group has an outstanding order book amounting to RM891 million, which is RM247 million, or 38.3%, more than in 4Q23.

EPICON's Group Chief Executive Officer, Clement Toh commented, "Our company's year-on-year growth has been solid, reflecting the consistent efforts and expertise of our team. We've made steady progress both in financial performance and in expanding our project portfolio, as well as strengthening client relationships. To date, we have secured four contract awards amounting to RM337.3 million, which has already surpassed the total contract wins of RM330.4 million compared to 2023. This growth highlights our strategic direction and the team's ongoing commitment to maintaining quality in the projects we deliver."

He further stated, "Despite the slowdown in our 2QFY24 progress, I remain confident in our ability to generate long-term value for our shareholders. With a tender book of RM1.5 billion, we are actively bidding for new projects that will significantly bolster our outstanding order book and subsequently our revenue streams in the coming quarters. These opportunities are aligned with our strategy to focus on more work, which will help us offset the slowdown of the current projects and drive sustainable growth."

“In addition to organic growth, we are also exploring strategic opportunities through mergers and acquisitions. I am pleased to share that we are in the advanced stage of negotiation for a deal that I believe would enhance our market position and provide new avenue for growth. Further details of the deal will be immediately announced to Bursa Malaysia upon the terms being finalised.”, Clement added.

“Furthermore, the recent government policy to increase the salary of public servants is a positive development for our Group, particularly as we focus on the construction of affordable housing in Malaysia. Higher disposable incomes among public servants are likely to drive demand in this segment, and we are well-positioned to capitalize on this opportunity. This policy aligns with our commitment to contributing to the nation's housing needs while also benefiting from the increased economic activity it will generate.”, he concluded.

About EPICON BERHAD (“EPICON”)

Epicon Berhad (“EPICON”) is one of the largest operators of public bus transportation comprising stage and express bus services in Malaysia predominantly covering routes in several states, servicing major cities and towns in Peninsular Malaysia. In 2021, we diversified into the construction industry to reverse the revenue decline through Transnational Builder Sdn Bhd (“TBSB”), a wholly owned subsidiary of EPICON. Under the regularisation plan, completed in August 2023, Epicon disposed of its express bus business. The Group's current focus is on the construction of affordable residential housing and commercial properties. We aim to establish ourselves as a reputable and reliable turnkey contractor that delivers high-quality results at an affordable price while adhering to strict safety standards and timelines.

Issued by: Turing Alpha on behalf of **Epicon Berhad**

Date: 22 August 2024



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