



EG Industries 2Q23 net profit jumps 16.3% on favourable mix

- ***RM9.2 million net profit on 4.4% revenue rise to RM374.4 million in 2Q23; 1H23 earnings boosted by 84.4% to RM18.2 million year-on-year***

Sungai Petani, Kedah, Malaysia, 20 February 2023 - Electronic Manufacturing Services (EMS) provider **EG Industries Berhad** (EG Industries; EG 工业; Bloomberg: EG:MK) reported 16.3% jump in net profit to RM9.2 million in the second quarter ended 31 December 2022 (2Q23) from RM7.9 million in the previous corresponding quarter on favourable product mix.

The net profit growth outpaced the 4.4% group revenue rise to RM374.4 million in 2Q23 from RM358.5 million a year earlier, driven by higher sales orders from existing key customers for consumer electronic products, 5G wireless access and photonics modular related products.

For the first half ended 31 December 2022 (1H2023), group net profit boosted 84.4% to RM18.2 million on 35.9% higher revenue of RM754.7 million. This compares positively to RM9.9 million net profit on RM555.5 million revenue in the previous corresponding period.

“The stellar performance in spite of continued external challenges speaks volumes of our resilience and focus on enhancing operational efficiency to place the Group onto a strong growth trajectory for the long run.

Given this, we are continuing with efforts to increase our product and customer portfolio, while boosting our production capacity to accommodate the larger clientele. Beyond expanding our quantifiable capacity, we are very excited to scale up the technological roadmap to serve companies who will propel the next generation of advanced technologies globally.

We will stay on course of our expansion plans, particularly the building of our new Smart 4.0 manufacturing plant in Batu Kawan, Penang which is currently underway. When it begins operations in 2024, we will be well-positioned to reinforce our reputation as one of the world’s largest EMS providers.”

Dato’ Alex Kang (“江邦健”)

Group Chief Executive Officer and Executive Director of EG Industries Berhad

EG Industries’ upcoming new plant in Batu Kawan, Penang complements the Group’s existing facilities in Sg Petani, Kedah. Slated to be the Group’s first fully-automated Lights-Out Smart Factory 4.0 with a built-up area of more than 22,500 sq m for production floor area, office building and warehousing capacity, it is expected to increase EG Industries’ total built-up area of its production, warehousing and offices, including its facilities in Sg Petani, Kedah, by 45% from 55,000 sq m to 80,000 sq m.

The Lights-Out methodology creates a completely networked environment that digitises material flow for autonomous manufacturing, controlled by a remote team of highly-specialised experts to manage data, production planning and quality.

The upcoming Smart Factory 4.0 had recently attracted the attention of a few notable local and foreign customers.



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Among them are US-based Cambridge Industries Group (CIG), where EG Industries had signed a Letter of Intent to produce Advanced High Speed Optical Signal Transmitter and Receiver for 5G wireless network (Optical Modules) using the photonics and semiconductor technologies for their global customers. This would be CIG's first-ever pioneer technology transfer to South East Asia.

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About EG Industries Berhad (“EG 工业”, www.eg.com.my)

EG Industries is a leading Electronic Manufacturing Services (EMS) and Vertical Integration provider for world-renowned brand names of electrical and electronic products for several industries including consumer electronics, ICT, medical, automotive and telecommunications.

Listed as one of the top 50 EMS players in the world, EG Industries provides services in original equipment manufacturing and original design manufacturing with full turnkey solutions for completed final products assembly (box-build), printed circuit board assembly and modular components assembly.

The Group has a workforce of approximately 3,000 employees in its manufacturing plants in Kedah, Malaysia and Prachinburi, Thailand.

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