



EG Industries Berhad (222897-W)

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PRESS RELEASE

Better margins drive EG Industries 1H24 net profit by 27.6% to RM23.2 million

- *Higher net profit driven by consumer electronics and 5G wireless access and photonic modular related products*

Sungai Petani, Malaysia, 29 February 2024 - Electronic Manufacturing Services (EMS) provider EG Industries Berhad (EG Industries; EG 工业; Bloomberg: EG MK) recorded net profit of RM23.2 million in the six months ended 31 December 2023 (“1H24”), an increase of 27.6% from the net profit of RM18.2 million achieved in the previous corresponding period.

The higher net profit for 1H24 was achieved despite revenue decreasing 33.4% to RM502.4 million from RM754.7 million previously due to better margins from consumer electronics, and 5G wireless access and photonic modular related products. Better control over the operating cost to counter the rise in interest expenses also contributed to the higher net profit.

“Despite uncertainty in the outlook of the global electronics industry, EG Industries remains resilient and will forge ahead with the strategy of pursuing upstream activities to remain competitive. We anticipate that orders in the pipeline, particularly for 5G-related products, will fuel our growth in the coming years.

Furthermore, the Group’s capabilities will be enhanced by our investment in new and upgraded facilities in line with Industrial Revolution 4.0. These facilities include the upcoming Smart Factory 4.0 in Batu Kawan, which will feature unique Lights-Out technology, as well as Smart Warehouses and an International Procurement Centre in Sungai Petani.

EG Industries is well-equipped for sustainable growth. We aim to raise benchmark standards for the wider manufacturing industry and bring tremendous multiplier effects to the EG community and beyond.”

Dato’ Alex Kang (“江邦健”)

Group Chief Executive Officer and Executive Director of EG Industries Berhad

For the second quarter ended 31 December 2024 (“2Q24”), net profit increased 34.8% to RM12.4 million from RM9.2 million previously although revenue declined 35.2% to RM242.6 million from RM374.4 million previously. Despite the decreased revenue, the higher net profit was achieved mainly due to better margin generated from a favourable sales mix and reduction in foreign exchange loss.

The Smart Factory 4.0., slated to be operational in the second half of 2024, has been earmarked to produce next-generation technologies, including 5G photonics modules and other advanced upstream components. The facility will produce 5G optical modules through a technology transfer by US-based research, development and manufacturing firm CIG.

The Smart Factory 4.0 will also feature automated intelligent Surface Mount Technology production lines developed in collaboration with Yamaha Motor Co. Ltd and Premtronic Sdn Bhd. This will eventually



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open a new stream of revenue for EG to deploy the in-house 5G photonics modules in other Lights-Out factories for other technology players.

EG Industries has also benefited from the trend of multinational corporations diverting investment from China to Southeast Asia as part of the “China Plus One” diversification and business continuation strategy.

Furthermore, the weakening of the Malaysian Ringgit relative to the U.S. Dollar in the past year has made the Group’s services more appealing to global clients.

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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.

Issued for and on behalf of EG INDUSTRIES BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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