



# Higher margins boost EG Industries' Q1 earnings

By [S. BIRRUNTHA](#) - November 29, 2023 @ 7:10pm



Electronic manufacturing services (EMS) provider EG Industries Bhd's net profit grew 20.2 per cent to RM10.8 million in the first quarter ended Sept 30, 2023 (1Q24) from RM8.9 million a year ago.

KUALA LUMPUR: Electronic manufacturing services (EMS) provider EG Industries Bhd's net profit grew 20.2 per cent to RM10.8 million in the first quarter ended Sept 30, 2023 (1Q24) from RM8.9 million a year ago.

This was underpinned by improved margins from favourable product mix and lower unrealised foreign exchange loss compared to a year ago, according to the company's filing to Bursa Malaysia today.

However, EG Industries' revenue dropped 31.7 per cent to RM259.9 million from RM380.3 million previously.

This is mainly attributed to deferment of sales orders from consumer electronics, 5G wireless access, and photonics modular related products, to the forthcoming quarters due to the global economic slowdown and decades-high inflation in multiple markets.

EG Industries registered higher earnings per share of 2.33 sen compared to 2.15 sen in 1Q23.

EG Industries' Smart Factory 4.0 in Batu Kawan, Penang is on track for completion by early 2024 and is expected to commence operations by the second half of 2024 (2H24).

The RM180 million plant, equipped by distinct Lights-Out methodology, is dedicated to the production of next-generation technologies including 5G optical modules and other advanced components for multinational corporations (MNCs).

EG Industries group chief executive officer and executive director Datuk Alex Kang said the higher net profit recorded in 1Q24 was a mark of resilience amid a volatile global economic climate.

The company has invested in vigorous technology adoption, holistic research and development activity, strong design innovation, and high efficiency to generate sustainable growth.