

SOUTHERN CABLE GROUP BERHAD

201901011439 (1320767-M)

INCORPORATED IN MALAYSIA

PRESS RELEASE

Southern Cable capitalises on strong demand as 3Q24 net profit leaps to RM18.5 million

- *3Q24 revenue rises 40.1% to RM383.6 million on higher sales volume*
- *Current orders in hand stands RM699.3 million to be recognised by 2026*
- *Declares first-interim dividend of 0.75 sen per share in respect of FY2024*

Kedah, Malaysia, 26 November 2024 - Cable and wire manufacturer Southern Cable Group Berhad (Southern Cable, the Group, 南方电缆集团, Bloomberg: SCGBHD MK) has once again delivered an exceptional financial performance, fueled by rising demand for cables and wires amid Malaysia's expanding infrastructure developments. The Group's net profit more than doubled to RM18.5 million in the third quarter ended 30 September 2024 (3Q24), compared to RM6.5 million in the corresponding quarter last year.

The higher profit was driven by a 40.1% increase in revenue to RM383.6 million in 3Q24, from RM273.7 million previously. The growth was fueled by stronger sales volume of power cables and wires. Additionally, the greater performance was due to improved margins from economies of scale due to increased production volume and a better product mix.

Additionally, the growth was bolstered by an expanded annual production capacity of 46,980 km in the current financial year ending 31 December 2024, compared to 40,780 km in the previous financial year.

Notably, the Group's 3Q24 overseas revenue surged more than quadruple to RM32.4 million, from RM6.5 million previously, driven by robust sales of power cables and wires to the United States (US) amid the increasing construction activities.

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“The latest financial result marks our strongest achievement in a single quarter to date. Significant contributions came not only from Peninsular Malaysia but also from East Malaysia and the United States. With the promising demand outlook for power cables and wires, we remain confident in our potential for continued growth.

Besides that, the local construction sector has been particularly active over the past year, driven by increasing investments in data centres, industrial buildings, and upgrades to the national grid to meet rising power demands.

To sustain our growth momentum, we plan to expand our cable and wire product offerings for both the local and US markets. Additionally, construction of a new production facility in 2025 on the recently acquired industrial land is expected to expand our revenue once completed. These initiatives are poised to elevate Southern Cable to the next stage of growth in the coming years.”

*Mr. Tung Eng Hai (“陈永海”),
Managing Director of Southern Cable Group Berhad*

The Group’s orders in hand stood at RM699.3 million as at 30 September 2024 and are expected to be fulfilled by 2026. These orders include supplying underground cables and conductors to power utility companies, rectifier and battery systems to a major telecommunications company, and purchasing orders from Engineering, Procurement, Construction, and Commissioning (EPCC) contractors.

In the nine months ended 30 September 2024 (9M24), the Group’s net profit more than doubled to RM47.1 million, from RM17.0 million in the same period last year, attributed to improved margins from economies of scale and better product mix. The rise was on the back of a 35.4% higher revenue of RM1.0 billion compared to RM746.5 million previously, resulting from increased sales volume of power cables and wires.

Meanwhile, the Group has declared a first interim dividend of 0.75 sen per share in respect of the financial year ending 31 December 2024, with the dividend ex-date on 11 December 2024 and payment date on 18 December 2024. The dividend payout amounts to RM6.6 million.

Mr. Tung added: “The robust results underscore Southern Cable’s dedication and the resilience of our operations in meeting market demands and driving profitability. With the dividend declared to our shareholders, we aim to reaffirm our commitment to creating value and sustaining positive momentum.”

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About Southern Cable Group Berhad (南方电缆集团)

Founded in 1993, Southern Cable is principally a manufacturer of cables and wires that are used for power distribution and transmission, communications as well as control and instrumentation applications. The key supporting activities for the cable and wire manufacturing operations include furnace and casting operations, and manufacturing of plastic compounds and wooden cable drums.

Through its factories in Kuala Ketil and Sungai Petani, Kedah, the Group has an annual production capacity of 20,400 tonnes and 18,000 tonnes for aluminium and copper rods, respectively, 46,980 km for cables and wires, and 7,800 tonnes for plastic compounds.

The Group's cables and wires are used in various industry sectors including power distribution and transmission, telecommunications, building and construction, infrastructure, manufacturing and processing industries including oil and gas processing and petrochemical plants.

Additionally, the Group holds certifications for product compliance to local and international standards for its cables and wires. These certifications include Malaysian Standards (MS), IEC standards or British Standards, Energy Commissions of Malaysia, Fire and Rescue Department of Malaysia, SIRIM QAS International, TÜV SÜD, and UL Standards.

Southern Cable is the registered supplier of cables and wires to Tenaga Nasional Berhad, Telekom Malaysia Berhad, Sabah Electricity Sdn Bhd, and Petroliam Nasional Berhad, as well as supplies to Sarawak Energy Berhad.

Issued for and on behalf of SOUTHERN CABLE GROUP BERHAD by Aquilas Advisory (Malaysia) Sdn Bhd

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