

**Company Name** : My EG Services Berhad  
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## UOB Kay Hian Research Retains Buy On My EG

KUALA LUMPUR: UOB Kay Hian Malaysia Research is maintaining its Buy call on My E.G. Services with an unchanged target price of RM1.62, implying 20 times 2019F price-to-earnings.

It said on Wednesday the stock has fallen 30% from its recent high of RM1.79.

“The approval of first tranche of application of foreign worker recruitment service serves as a catalyst to the company as it shows that My EG still remains relevant in the foreign worker-related space,” it said.

To recap, UOB Kay Hian Research understands that the Immigration Department has approved the first batch of recruitment applications submitted by My EG since the repeal of the middleman system in the foreign worker hiring space post GE-14.

“We view it positively. While the approval volume remains low at approximately 1,000, which mainly consists of Myanmar workers, at this juncture, we remain upbeat on the potential contribution of the new venture.

“Note that some 300,000-500,000 new foreign workers are recruited annually in Malaysia and My EG intends to achieve a minimum 30% market share (taking reference from its insurance take-up rate when it was initially rolled-out).

“This would translate into a potential PBT of RM90mil-RM150mil, assuming revenue of RM2,000 and a PBT margin of 50%.

"Meanwhile, we expect volume to gain further momentum once the government reopens the application approval for Bangladesh and Nepal foreign workers by end-18, which had been frozen since the downfall of Bestinet," it said.