

Press Release

For Immediate Distribution

VSTECS Achieves 31.6% YoY Jump in 2Q2022 Net Profit to RM13.0 million

KUALA LUMPUR, 23 August 2022 - VSTECS Berhad (“VSTECS”, 偉仕佳杰, Stock Code:5162), Malaysia’s leading Information & Communications Technology (“ICT”) distributor has today released its second quarter financial results for the three (3) months ended 30 June 2022 (“**2Q FY2022**”).

For 2Q FY2022, VSTECS registered revenue of RM708.1 million, representing a growth of 25.6% as compared to revenue of RM563.9 million achieved in the corresponding period of the preceding year (“**2Q FY2021**”). Revenue from the Enterprise Systems Segment and ICT Services Segment increased by 56.6% and 93.2% respectively, as enterprises continue to ramp up digitalisation efforts. Revenue from the ICT Distribution segment declined marginally by 2.1% as compared to 2Q FY2021. Corresponding to the increase in revenue, gross profit grew by 28.0% to RM37.4 million. Profit after tax (“**PAT**”) closed at RM13.0 million, an increase of 31.6% as compared to 2Q FY2021.

In the first six (6) months of the year (“**6M FY2022**”), the Group’s revenue and profit after tax (“**PAT**”) increased by 9.6% and 10.0% to RM1.35 billion and RM24.9 million as compared to RM1.23 billion and RM22.6 million recorded in 6M FY2021, respectively.

Financial Summary (Unaudited Consolidated Results)						
RM'000	2Q FY2022	2Q FY2021	Change	6M FY2022	6M FY2021	Change
	30.06.22	30.06.21	(%)	30.06.22	30.06.21	(%)
Revenue	708,085	563,899	25.6%	1,351,842	1,232,876	9.6%
GP	37,354	29,177	28.0%	69,959	61,792	13.2%
PBT	17,417	13,074	33.2%	33,601	30,107	11.6%
PAT	13,011	9,887	31.6%	24,893	22,620	10.0%
Basic EPS (sen)	3.6	2.8	28.6%	7.0	6.3	11.1%
Weighted average number of ordinary shares ('000)	356,693	357,002	-	356,682	357,002	-

Comparative figures for the weighted average number of ordinary shares and basic earnings per share have been restated to reflect the adjustment arising from the additional 180,000,000 bonus shares issued on 4 August 2021.

Chief Executive Officer of VSTECS, Mr. JH Soong commented: "We delivered another strong quarterly performance, driven by growth in both the Enterprise Systems and ICT Services segments. The combined revenue of these two segments reached a record level this quarter as enterprises of all sizes are scaling up on IT systems and services to drive intelligent transformation. This trend is expected to continue moving forward as both public and private sectors are looking for data-driven, automated, and secure solutions in a cloud environment. We have been laying the foundation for these segments since 2016, and we are now reaping the fruits of our labour. We expect to see a continuous acceleration in enterprise business based on orders in hand and a strong inquiry pipeline.

The ICT Distribution segment has moderated this quarter due to more conservative spending in the consumer IT space. However, a shorter replacement cycle for devices should continue to bolster this segment moving forward. Aside from traditional channels, we are on the verge of launching several new and exciting digital platforms to enhance our distribution coverage and deepen our reach to consumers," he added.

ABOUT VSTECS BERHAD

VSTECS Berhad ("VSTECS"), and its subsidiaries, is a leading distribution hub for Information & Communications Technology ("ICT") products, enterprise systems and provides ICT support and technical services in Malaysia. Listed on the Main Market of Bursa Malaysia Securities Berhad, VSTECS is an associate company of VSTECS Holdings (Singapore) Limited which is in turn held by VSTECS Holdings Limited, a company listed on the Hong Kong Stock Exchange.

VSTECS distributes a comprehensive range of ICT products with over 40 leading principals with a nationwide channel network of more than 4,600 resellers comprising retailers, system integrators and corporate dealers. For more information, please visit www.vstecs.com.my.

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