

KUALA LUMPUR (Nov 13). Information and communications technology (ICT) products distributor VSTECS Bhd (KL:VSTECS) has posted a 53.79% year-on-year increase in net profit for the third quarter, driven by a record-high revenue.

Net profit for the three months ended Sept 30, 2024 (3QFY2024) rose to RM19.58 million from RM12.73 million in the same period last year, according to the group's bourse filing on Wednesday. Earnings per share climbed to 5.5 sen from 3.6 sen.

The higher earnings were also attributed to a 66% reduction in financial instrument impairments to RM434,000 from RM1.28 million, as well as a 53% fall in tax expenses to RM6.92 million and a 63% rise in share of associate profit to RM1.3 million.

Quarterly revenue reached a record high of RM841.76 million, up 30.22% from RM646.41 million in 3QFY2023, supported by a recovery in both consumer and enterprise products as well as new product launches.

VSTECS declared a first interim dividend of 2.8 sen per share, compared with 2.5 sen for the same period in FY2023. The ex-date is Dec 12, with payment

# VSTECS's 3Q profit rises 54% on record revenue

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For the first nine months of FY2024, VSTECS' net profit grew 13.67% to RM49.13 million from RM43.23 million in the previous corresponding period, as revenue expanded 8.47% to RM2.08 billion from RM1.92 billion.

VSTECS chief executive officer JH Soong said that in the group's ICT distribution segment, the replacement cycle for devices bought during the pandemic has just begun in the second half of this year, aligning well with the rollout of AI-enabled notebooks.

"This convergence is expected to drive higher demand and sales volumes into next year," Soong said in a statement.

VSTECS witnessed increased orders for AI-related data centre (DC) equipment, which carries a higher value than traditional servers.

"In recent weeks, we have seen major public sector projects revived and are hopeful for more to roll out next year. The AI and DC revolution, along with new public sector projects, provides a strong foundation for our enterprise business, positioning us for a robust performance in 2025," he added.

Soong also highlighted the continued growth of the ICT services segment, supported by rising demand for cloud-based solutions and digital transformation across sectors.

"With opportunities emerging across all segments, VSTECS is well-positioned to capitalize on high-growth areas in the technology sector," he said.

VSTECS said that as of Sept 30, its net cash position was RM111.1 million, positioning the group well to pursue organic and inorganic growth opportunities.



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