

Press Release

For Immediate Distribution

VSTECS Reports Profit Before Tax of RM16.2 million for 1QFY2022

KUALA LUMPUR, 18 May 2022 - VSTECS Berhad (“VSTECS”, 偉仕佳杰, Stock Code:5162), Malaysia’s leading Information & Communications Technology (“ICT”) distributor has today released its first quarter financial results for the three (3) months ended 31 March 2022 (“**1Q FY2022**”).

For 1Q FY2022, VSTECS registered revenue of RM643.8 million which was slightly lower as compared to revenue of RM669.0 million achieved in the corresponding period of the preceding year (“**1Q FY2021**”). Revenue from the Enterprise Systems Segment and ICT Services Segment increased by 26.5% and 89.7% respectively, as enterprises are pushing for digital transformation to remain relevant and for business continuity with improved resiliency. Revenue from the ICT Distribution segment declined by 24.1% as compared to 1Q FY2021 owing to unusual demand in the preceding year.

Despite lower revenue, gross profit was similar to 1Q FY2021 at RM32.6 million due to higher contribution from the Enterprise Systems and ICT Services segments which yielded higher margins. Profit after tax (“**PAT**”) closed at RM11.9 million, a slight decrease of 6.7% as compared to 1Q FY2021.

Financial Summary (Unaudited Consolidated Results)			
RM'000	1Q FY2022	1Q FY2021	Change (%)
	31.03.22	31.03.21	
Revenue	643,757	668,977	-3.8%
GP	32,605	32,615	0.0%
PBT	16,184	17,033	-5.0%
PAT	11,882	12,733	-6.7%
Basic EPS (sen)	3.3	3.5	-5.9%
Weighted average number of ordinary shares ('000)	356,932	357,002	-

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

Chief Executive Officer of VSTECS, Mr. JH Soong commented: “Our results were commendable in 1Q FY2022, providing a solid start to the financial year. The marginal decline in revenue by 3.8% as compared to the similar quarter of the preceding year was due to heightened revenue last year, in 1Q FY2021, when consumers snapped up ICT devices such as laptops, tablets and printers due to increased work-from-home requirements. With technology being increasingly integrated into our daily lives, we expect demand for end point devices to continue being above pre-pandemic levels. In 1Q FY2022, shipment for end point devices such as personal computers, laptops, tablets, smartphones and smartwatches were 58% above 1Q FY2020.

The Enterprise Systems segment and ICT Services segment grew in 1Q FY2022 as both the public sector and commercial enterprises are pushing for digital transformation. We are witnessing stronger uptake in cloud services and cybersecurity deployment which increased by multiple folds as compared to the similar period in the preceding year and is set to grow further. We are continuously on the look-out for new distributorships to complement our existing range of products and services to better serve our enterprise customers. Both public and private sectors are looking for solutions which are data-driven, automated, and secure across private and hybrid-cloud environments. We have positioned ourselves well to address these requirements. We expect to see higher combined revenue from Enterprise Systems segment and ICT Service segments this year, which augurs well for our overall margins”, 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.vsteecs.com.my.

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