

Press Release

For Immediate Distribution

VSTECS Records 47.1% Increase in 9M FY2021 Profit to RM35.2 million Amid Accelerated Digitalisation

KUALA LUMPUR, 11 November 2021 - VSTECS Berhad (“VSTECS”, 偉仕佳杰, Stock Code:5162), Malaysia’s leading Information & Communications Technology (“ICT”) distributor has today released its third quarter financial results for the three (3) months ended 30 September 2021 (“**3Q FY2021**”).

In the first nine (9) months of the year (“**9M FY2021**”), the Group’s revenue and profit after tax (“**PAT**”) increased by 37.2% and 47.1% to RM1.86 billion and RM35.2 million as compared to RM1.36 billion and RM23.9 million recorded in 9M FY2020, respectively.

In 3Q FY2021, VSTECS registered revenue of RM629.6 million which was 17.4% above revenue of RM536.4 million achieved in the corresponding period of the preceding year (“**3Q FY2020**”). There was an increase in revenue contribution from all business segments. The ICT Distribution segment posted a 15.3% increase in revenue to RM341.3 million driven by continuously strong consumer buying trends. The Enterprise Systems segment saw revenue of RM250.3 million, an increase of 14.3% while the Group’s ICT Services segment grew by an impressive 77.6% to RM38.0 million. Profit after tax increased by 24.4% to RM12.6 million as compared to RM10.1 million 3Q FY2020.

Financial Summary (Unaudited Consolidated Results)						
RM'000	3Q FY2021	3Q FY2020	Change	9M FY2021	9M FY2020	Change
	30.09.21	30.09.20	(%)	30.09.21	30.09.20	(%)
Revenue	629,567	536,368	17.4	1,862,443	1,357,862	37.2
GP	33,654	27,962	20.4	95,446	72,663	31.4
PBT	16,982	13,515	25.7	47,089	31,605	49.0
PATMI	12,556	10,095	24.4	35,176	23,907	47.1
Basic EPS (sen)	3.5	2.8	24.4	9.9	6.7	47.7
Weighted average number of ordinary shares ('000)	357,002	357,002	-	357,002	357,344	-

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. Soong Jan Hsung said: “In the third quarter, consumer spending on ICT products continued to do well. Despite widespread and persistent industry supply challenges, we are shipping almost double the quantity of notebooks and tablets, as compared with pre-pandemic volumes. Accelerated digitalisation has driven for a multi-PC home environment. The RM2,500 tax relief for purchases of handphones, computers and tablets will provide further impetus for the ICT Distribution segment. Judging from the current penetration of technology into our daily lives, we believe that the elevated demand for end-point devices will continue well into 2022 and beyond.

The anticipated infrastructure for 5G, cyber security and intelligent transformation will drive growth in the Enterprise Systems segment. In this quarter, telecommunication service providers commenced their 5G initiatives with hardware acquisition projects and this will garner further momentum in the coming months. Enterprises of all sizes are scaling up on IT systems and services and the RM200 million earmarked for SME Digitalisation Grant Scheme will further encourage SMEs to embrace the new normal to remain competitive in today’s business world.

The ICT Services segment which supports the Enterprise Systems segment is expected to grow in tandem. In the last few quarters, we have been building our internal infrastructure and invested into cloud business opportunities to drive cloud adoption. Our ICT Services segment grew by an impressive 77.6% in 3Q2021 which forebears exciting opportunities ahead. Amid a backdrop of continuous strong demand across all our business segments backed by favourable policies, we are optimistic about our prospects in the coming quarters”, 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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