

Press Release

For Immediate Distribution

VSTECS BERHAD'S 3Q FY2024 NET PROFIT SOARS 54% TO REACH RM19.6 MILLION

Declares Interim Dividend of 2.8 sen per share

KUALA LUMPUR, 13 NOVEMBER 2024 - VSTECS Berhad ("VSTECS", 偉仕佳杰, Stock Code:5162), Malaysia's leading Information & Communications Technology ("ICT") distributor announced an impressive performance for the three (3) months ended 30 September 2024 ("**3Q FY2024**"), achieving record quarterly revenue of RM841.8 million representing a 30% increase compared to the same quarter of last year. All business segments (ICT Distribution, Enterprise Systems and ICT Services) reported robust double-digit growth, both on a year-on-year ("**YoY**") and quarter-on-quarter ("**QoQ**") basis.

Revenue from the ICT Distribution segment, which serves the consumer market, grew 31% YoY, driven by higher smartphone volumes from new brand launches and rising demand for notebooks as AI-enabled models gain traction among consumers seeking greater efficiency and productivity. The Enterprise Systems segment saw a revenue surge of 32% YoY, propelled by order fulfilment of AI-related equipment for data centres ("**DCs**"), despite a temporary slowdown in public sector projects. The ICT Services segment also maintained its upward trajectory, growing by 22% YoY, supported by increasing demand for Cloud Services. The Group also reported a 53% increase in contributions from its 40%-owned associate, ISATEC Sdn Bhd ("**ISATEC**"). With broad-based growth across all segments and rising contribution from ISATEC, net profit for 3Q FY2024 reached RM19.6 million, up 54% from RM12.7 million in 3Q FY2023.

For the nine (9) months ended 30 September 2024 ("**9M FY2024**"), the Group posted revenue of RM2.1 billion as compared to RM1.9 billion in 9M FY2023. Net profit increased to RM49.1 million versus RM43.2 million in 9M FY2023. As of 30 September 2024, the net cash position stood at RM111.1 million, positioning VSTECS well to pursue organic and inorganic growth opportunities with a solid financial foundation. Reflecting our commitment to reward shareholders, VSTECS has declared a first interim dividend of 2.8 sen per share, payable on 9 January 2025.

Chief Executive Officer of VSTECS, **Mr. JH Soong <宋昭雄>**, commented: "We are pleased with the strong performance this quarter, and the remarkable growth across all segments demonstrates the successful alignment of our offerings with the evolving needs of both consumer and enterprise markets.

In the **ICT Distribution** segment, the replacement cycle for devices purchased during the start of 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 moving into next year. We have an exciting lineup of new products set for launch later this year and early 2025, offering innovative features designed to further enhance consumers' digital experiences and internet connectivity.

In our **Enterprise Systems** segment, we are witnessing a rise in orders for AI-related DC equipment, which has significantly higher value when compared to traditional servers. This demand reflects a shift towards advanced infrastructure capable of handling AI workloads and supporting Malaysia's digital ambitions. The government's recent statement to restructure DC investment incentives aims to generate broader economic impacts and further strengthen the local DC supply chain. This initiative will benefit the local ICT ecosystem, including VSTECS. In recent weeks, we have seen major public sector projects being revived and are hopeful for more projects rolling out next year. The AI & DC revolution and oncoming public sector projects create a solid foundation for growth in our enterprise business, setting the stage for a strong performance in 2025.

The continued growth of our **ICT Services** segment is supported by an increasing demand for cloud-based solutions and ongoing digital transformation across sectors. We remain focused on expanding our capabilities to serve this market as organisations look to the cloud for efficiency, scalability and security.

With ongoing opportunities across all our segments, VSTECS is well-positioned to capitalise on high-growth areas within the technology sector. Over the past few years, we have implemented various strategic initiatives to strengthen our market position, anticipating emerging trends and technologies that will shape the future and ensuring that VSTECS maintains its position at the forefront of Malaysia's ICT distribution industry. These efforts are now delivering results, reinforcing our robust outlook for sustained performance in the years ahead," he added.

END

ABOUT VSTECS BERHAD

VSTECS Berhad ("VSTECS") and its subsidiaries are 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 and a nationwide channel network of more than 3,600 resellers comprising retailers, system integrators and corporate dealers. For more information, please visit www.vsteecs.com.my.

For general enquiries, please contact:

Eva Loh

Tel: +603 6286 8201

E-Mail: syloh@vsteecs.com.my

For media enquiries, please contact:

Sandy Yap

Tel: +603 2712 1862

E-Mail: ir@ibes-advisory.com
