

Press Release

For Immediate Distribution

VSTECS Achieves 54% Growth to Record Profit Before Tax of RM74.4 million in FY2021

Declares Second Interim Dividend of 3.7 sen per share & Special Dividend of 0.5 sen per share

KUALA LUMPUR, 22 February 2022 - VSTECS Berhad (“VSTECS”, 偉仕佳杰, Stock Code:5162), Malaysia’s leading Information & Communications Technology (“ICT”) distributor has today released its fourth quarter financial results for the three (3) months ended 31 December 2021 (“**4Q FY2021**”).

For the full year ended 31 December 2021 (“**FY2021**”), the Group’s revenue and profit after tax (“**PAT**”) increased by 30.2% and 49.5% to RM2.63 billion and RM55.0 million as compared to RM2.02 billion and RM36.8 million recorded in FY2020, respectively.

In 4Q FY2021, VSTECS registered a revenue of RM763.4 million which was 15.7% above revenue of RM659.6 million achieved in the corresponding period of the preceding year (“**4Q FY2020**”). There was an increase in revenue contribution across all business segments. The ICT Distribution segment posted a 11.9% increase in revenue to RM432.1 million driven by continuous digitalisation of daily activities and social interaction. The Enterprise Systems segment recorded a revenue of RM297.2 million, an increase of 19.0% while the Group’s ICT Services segment grew substantially by 42.9% to RM34.1 million. Profit after tax increased by 53.9% to RM19.8 million as compared to RM12.9 million 4Q FY2020.

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q FY2021	4Q FY2020	Change	FY2021	FY2020	Change
	31.12.21	31.12.20	(%)	31.12.21	31.12.20	(%)
Revenue	763,375	659,627	15.7	2,625,818	2,017,489	30.2
GP	43,925	33,340	31.7	139,371	106,003	31.5
PBT	27,339	16,873	62.0	74,428	48,478	53.5
PATAMI	19,816	12,874	53.9	54,992	36,781	49.5
Basic EPS (sen)	5.6	3.6	56.7	15.4	10.3	49.5
Weighted average number of ordinary shares ('000)	357,001	357,002	-	357,001	357,258	-

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: “We delivered outstanding performance this quarter driven by strong growth across all three business segments as consumers and businesses accelerated their IT spending in the fourth quarter. Our ICT Distribution segment distributed new consumer products in 4Q FY2021. With the re-opening of schools and offices nationwide, supply shortages have abated as demand for notebooks and tablets normalised. We shall strive to continue growing the ICT Distribution segment by gaining more market share and serving new market segments.

The Enterprise Systems segment continues to be the pillar for future growth as demand for cloud computing and cybersecurity will surge from the pandemic aftermath and we are well positioned to benefit from such opportunities. Both the public sector and commercial enterprises are pushing for digital transformation to remain relevant and for better resiliency and business continuity. We are currently facing a temporary setback as global chip shortages delay our enterprise project deployment and we are working with our suppliers to resolve this. Despite such delays, we are seeing continued growth in the enterprise segment.

The ICT Services segment is another bright spot for us. During the past year, we have been building our internal infrastructure and invested into cloud business opportunities to drive cloud adoption and the results thus far are promising. The spike in ICT Services revenue was mainly from deployment of cloud services and we expect this to accelerate moving forward.

Aside from traditional channels, we are on the verge of launching several new and exciting channels to enhance our distribution strength and to drive growth momentum. We will be unveiling these new initiatives in the near future to enhance our reach as one of the leading ICT distributors in Malaysia”, 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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