

## Press Release

For Immediate Distribution

### VSTECS ACHIEVES 20.3% YOY NET PROFIT GROWTH TO RM15.7 MILLION IN 2Q FY2023

**KUALA LUMPUR, 16 August 2023** - VSTECS Berhad ("VSTECS", 偉仕佳杰, Stock Code:5162), Malaysia's leading Information & Communications Technology ("ICT") distributor, has today released its second quarter financial results for the three (3) months ended 30 June 2023 ("2Q FY2023").

In the first six (6) months of the year ("6M FY2023"), the Group posted a slightly lower revenue of RM1.27 billion as compared to RM1.35 billion in 6M FY2022. However, net profit grew by 22.5% to RM30.5 million driven by Enterprise Systems and ICT Services segments which typically enjoy higher margins. In the first half of this year, revenue from Enterprise Systems grew 10.0% while ICT Services grew 51.1% YoY. The ICT Distribution segment however experienced a revenue decline of 28.7% compared to 6M FY2022, as the consumer spending trend continues to be muted.

In 2Q FY2023, the Group's revenue declined by 14.0% to RM608.8 million but net profit grew 20.3% to RM15.7 million.

<b>Financial Summary (Unaudited Consolidated Results)</b>						
<b>RM'000</b>	<b>2Q FY2023</b>	<b>2Q FY2022</b>	<b>Change</b>	<b>6M FY2023</b>	<b>6M FY2022</b>	<b>Change</b>
	<b>30.06.23</b>	<b>30.06.22</b>	<b>(%)</b>	<b>30.06.23</b>	<b>30.06.22</b>	<b>(%)</b>
Revenue	608,791	708,085	-14.0%	1,273,533	1,351,842	-5.8%
Gross Profit	35,693	37,354	-4.4%	73,605	69,959	5.2%
Profit Before Tax	20,731	17,417	19.0%	40,620	33,601	20.9%
Profit After Tax	15,650	13,011	20.3%	30,497	24,893	22.5%
Basic EPS (sen)	4.4	3.6	20.3%	8.6	7.0	22.7%
Weighted average number of ordinary shares ('000)	356,555	356,693	-	356,555	356,682	-

Chief Executive Officer of VSTECS, Mr. JH Soong commented: "In 2Q FY2023, our performance remained healthy owing to continued momentum in enterprise spending, effectively offsetting the contraction experienced in the ICT Distribution segment. This contraction was attributable to subdued consumer spending, a trend not only observed in Malaysia but also globally. The Enterprise Systems and ICT Services segments, which provide higher margins, played a pivotal role in improving our bottom line despite a decline in revenue. We concluded the quarter with a commendable PATAMI of RM15.7 million.

Over the recent years, Malaysia has witnessed a substantial upswing in data centre (DC) investments, underscored by substantial commitments from hyperscaler DC builders. This burgeoning growth brings forth a spectrum of opportunities for VSTECS' Enterprise Systems and ICT Services segments. The extensive requirements of DCs span from hardware provisions to cybersecurity and power supply systems. We are well-positioned to meet these needs with our extensive portfolio of solutions and services.

A noteworthy testament to our forward-looking strategies is our investment in nurturing an adept ICT Services team several years ago with cloud capabilities. We are now receiving the returns of this investment as the surge in ICT Services revenue was primarily due to demand for cloud-related services. There is still vast potential to be tapped in this segment, especially with the growth in cloud computing among enterprises and we remain optimistic that services revenue growth will remain healthy in the coming quarters", he added.

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#### **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.vstecs.com.my](http://www.vstecs.com.my).

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