



'Leading industry player ...'

# Corporate Fact Sheet

**ECS ICT Berhad** (Company No.: 351038-H)

Lot 3, Jalan Teknologi 3/5, Taman Sains Selangor,  
Kota Damansara, 47810, Petaling Jaya, Selangor, Malaysia  
Tel: +603 6286 8222 Fax: +603 6140 0030

Corporate Website: [www.ecsm.com.my](http://www.ecsm.com.my)

Bloomberg: ECS:MK  
Reuters: ECSI.KL

## BUSINESS OVERVIEW

Established in 1985, ECS is a leading ICT distributor in Malaysia. ECS distributes ICT products through an efficient network of more than 3,000 resellers nationwide, consisting of retailers, system integrators and corporate dealers, backed by advanced logistics management system and warehouses in Kota Damansara, Penang, Kuching, and Kota Kinabalu. ECS also has sales offices in Kuantan & Johor Bahru. Currently, ECS has authorized distributorships of more than 30 global ICT brand names & offers about 3.0k Stock Keeping Units (SKUs) of volume ICT Products & value Enterprise Systems.

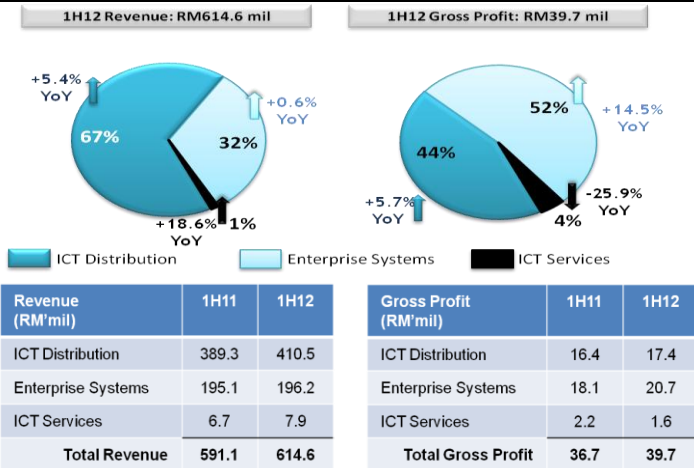
## PRODUCTS & SERVICES

- |   |   |   |
|---|---|---|
| <b>ICT Products</b> <ul style="list-style-type: none"> <li>• Notebooks</li> <li>• Tablets</li> <li>• Desktop Computers</li> <li>• Printers</li> <li>• Software</li> <li>• LCD Monitors</li> </ul> | <b>Enterprise Systems</b> <ul style="list-style-type: none"> <li>• Servers</li> <li>• Network Systems</li> <li>• Data Centers</li> <li>• Enterprise Software</li> </ul> | <b>ICT Services</b> <ul style="list-style-type: none"> <li>• More than 30 engineering personnel providing support for ICT products</li> <li>• Over 100 certifications from 13 principals</li> </ul> |
|---|---|---|

## PRINCIPALS



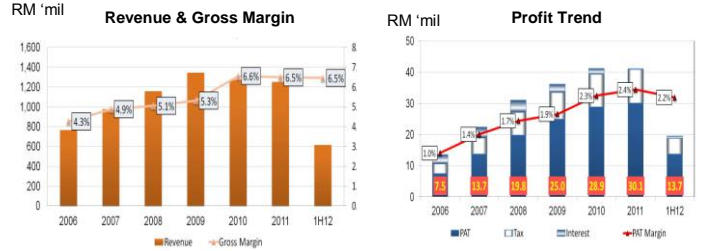
## REVENUE MODEL



## COMPETITIVE ADVANTAGES

- **Established brandname:** >25 years in ICT business
- **Entrenched partnership:** More than 30 global brands
- **Extensive product range:** about 3.0k stock keeping units (SKU)
- **Expert technical support:** >30 certified personnel
- **Efficient distribution network:** >3.0k resellers
- **Effective financial management:** Innovative and efficient accounts receivable collections and optimum stock level

## FINANCIAL PERFORMANCE



FYE 31 Dec, RM'mil	2Q12	2Q11	Change	1H12	1H11	Change
Revenue	309.3	312.1	-0.9%	614.6	591.1	4.0%
Gross Profit	17.9	18.2	-1.5%	39.7	36.7	8.1%
PBT	7.5	8.0	-6.2%	18.8	17.3	8.9%
PATMI	5.6	5.6	0.2%	13.7	12.6	8.6%
EPS (sen) #	4.7	4.7	0.2%	11.4	10.5	8.6%
GP margin (%)	5.8	5.8	0.0pts	6.5	6.2	0.3pts
PBT margin (%)	2.4	2.6	-0.2pts	3.1	2.9	0.2pts

# Based on 120.0 million shares

Group revenue for 1H12 rose by 4.0% to RM614.6 mil as compared to RM591.1 mil previously.

This was on the back of the Group's growing ICT Distribution segment as it contributed RM410.5 mil, a 5.4% increase from RM389.3 mil previously. The Group's Enterprise Systems segment recorded revenue of RM196.2 mil as compared to RM195.1 mil, whereas the ICT services grew 18.6% to RM7.9 mil from RM6.7 mil previously.

Net profit for 1H12 rose 8.6% to RM13.7 mil from RM12.6 mil previously.

Earnings per share for 1H12 was at 11.4 sen, a 8.6% increase from 10.5 sen previously.

## GROWTH STRATEGIES

- **Expanding product portfolio in ICT Distribution segment**
  - Recently began distributing ASUS PadFone; other ASUS products in the pipeline
- **Establishing new smartphone distribution channel**
  - Smartphone channel to complement ICT channel in line with increasing convergence between computers and phones
  - On track to launch smartphone distribution in 3Q2012
- **Enhancing market share in Enterprise Systems segment**
  - Continue to play strategic role with vendors
  - To add more products and brands, and boost solution options for enterprise clients; Technology Centre being case in point

## INVESTMENT MERITS

- Largest player in ICT distribution in Malaysia
- Long-term growth prospects of ICT industry still intact
- Growth catalysts from new distributorships and expanding Enterprise Systems
- Net-cash balance sheet offering flexibility to gear up for growth
- Dividend policy of 30%, giving high dividend yield at current price
- Single digit PE valuation

## INVESTMENT VALUATION

Based on price (6.8.12): RM1.60, No. of Shares: 120.0 mil shares  
NA per share: RM1.47

Market Capitalization (RM'mil)	192.0
FY11 PE Ratio	6.4x
Annualized FY12 PE Ratio	7.0x
EV/EBITDA	3.6x
Price/Book Ratio	1.1x
Net Dividend Yield (based on FY11's dividend)	5.0%

For more information, please contact:

Mr. Foo Sen Chin, ECS ICT Berhad, T: +603-6286 8222 E: scfoo@ecsm.com.my

Mr. Terence Loo, Aquilas Advisory (M) Sdn Bhd, HP: +6012-6295618 E: terence@aquilas.com.my