



'Proxy to ICT growth...'

# Corporate Factsheet

**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 distribution hub in Malaysia, with more than RM1 billion in revenue. ECS distributes ICT products through an efficient infrastructure of more than 2,500 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 from over 30 global ICT brand names & offers >2,900 Stock Keeping Units (SKUs) of volume ICT Products & value Enterprise Systems.

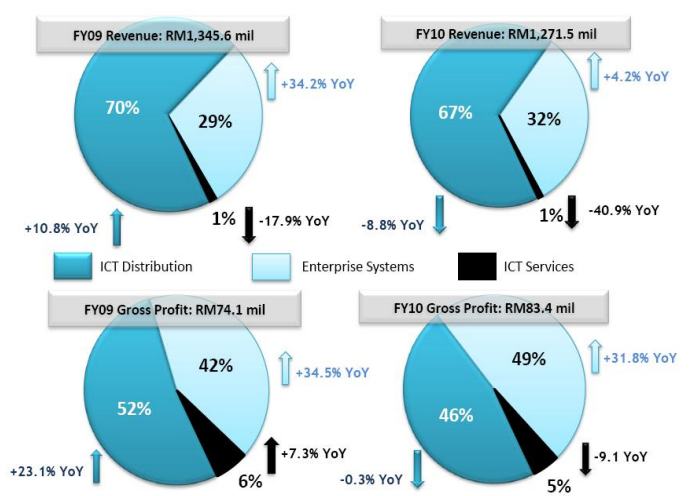
## PRODUCTS & SERVICES

- | ICT Products  | Enterprise Systems  | ICT Services  |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Notebooks</li> <li>• Personal Computers</li> <li>• Printers</li> <li>• Software</li> <li>• LCD Monitors</li> </ul> | <ul style="list-style-type: none"> <li>• Servers</li> <li>• Network Systems</li> <li>• Data Centers</li> <li>• Enterprise Software</li> </ul> | <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



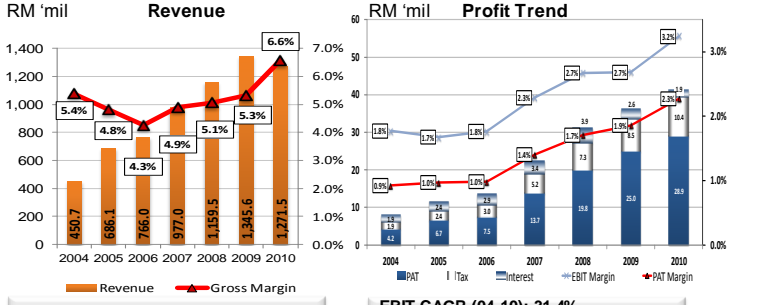
## REVENUE SEGMENTATION



## COMPETITIVE ADVANTAGES

- **Established brandname:** >25 years in ICT business
- **Entrenched partnership:** >30 global brands
- **Extensive product range:** >2.9k stock keeping units (SKU)
- **Expert technical support:** >30 certified personnel
- **Efficient distribution infrastructure:** >2.5k resellers
- **Effective financial management:** innovative accounts receivable collections and optimum stock level

## FINANCIAL PERFORMANCE



FYE 31 Dec, RM'mil	FY09	FY10	Change
<b>Revenue</b>	1,345.6	1,271.5	(5.5%)
<b>EBIT</b>	36.1	41.2	14.3%
<b>PBT</b>	33.5	39.4	17.6%
<b>PAT</b>	25.0	28.9	15.6%
<b>EPS (sen) #</b>	20.9	24.1	15.3%
<b>EBIT margin</b>	2.7%	3.2%	0.5pts
<b>PBT margin</b>	2.5%	3.1%	0.6pts

# Based on 120.0 million shares

FY10 revenues fell slightly by 5.5% to RM1,271.5 mil due largely to lower sales in ICT distribution segment. However, increased sales of higher-margin enterprise systems segment boosted the Group's profit margins.

## RECENT DEVELOPMENTS

- **ECS signed distributorship with Samsung**
  - Signed on 25 Jan 2011, ECS to distribute the entire range of Samsung notebooks and Galaxy Tab in Malaysia
- **Updates on YES**
  - Signed an agreement with YTL Communications to distribute exclusively the latter's 4G devices on 22 Oct 2010.
  - Shipped out 6,500 units of 4G devices to 50 authorised retailers in the Klang Valley in Nov and Dec 2010.

## BUSINESS STRATEGIES

- **Increasing product range, particularly in Enterprise Systems**
  - Cases in point include official distributor of Fujitsu's enterprise systems, APC's UPS systems and YTL's 4G infrastructure
- **Geographical and channel expansion**
  - Channel expansion by appointing more resellers
  - Employing more sales staff at branches
- **Enhancing operational efficiency**
  - Continually improving operations and logistics management

## INVESTMENT MERITS

- A leading player in ICT distribution, with long track record
- Solid distribution infrastructure and effective financial management
- Industry growth from increased PC ownership and internet broadband penetration
- Attractive valuation compared to peers
- Dividend Policy: 30% payout

## INVESTMENT VALUATION

Based on price (11.2.11): RM1.26, No of Shares: 120.000 mil shares

Market Capitalization (RM'mil)	151.2
PE Ratio (FY10)	5.2x
Price/Book Ratio (NTA per share of RM1.23)	1.0x
Dividend Yield (FY10) (8 sen dividend)	6.3%