



**VSTECS BERHAD**  
**4Q2023 RESULTS BRIEFING**  
**MARCH 2024**

# NEW RECORD PERFORMANCE IN FY 2023



## REVENUE

RM 2.73 bil  
▼ 1.6% YoY



## PAT

RM 67.4 mil  
▲ 13.0% YoY



## NET ASSETS

RM 1.28 per share  
▲ 11.0% YoY



**New record net profit despite comparable revenue**



**The Enterprise Systems & ICT Services segments drove profitability and margins**



**Balance sheet remains strong with NA per share of RM1.28 and net cash position**



**Healthy ROE of 15.5%**



**Declared 2<sup>nd</sup> interim dividend of 4.1 sen per share, total dividend for FY23 is 6.6 sen per share (35% payout ratio)**

# OUR MAIN SEGMENTS



## ICT DISTRIBUTION

Mass market consumer  
ICT Products



## ENTERPRISE SYSTEMS

Systems & Solutions  
for Enterprises



## ICT SERVICES

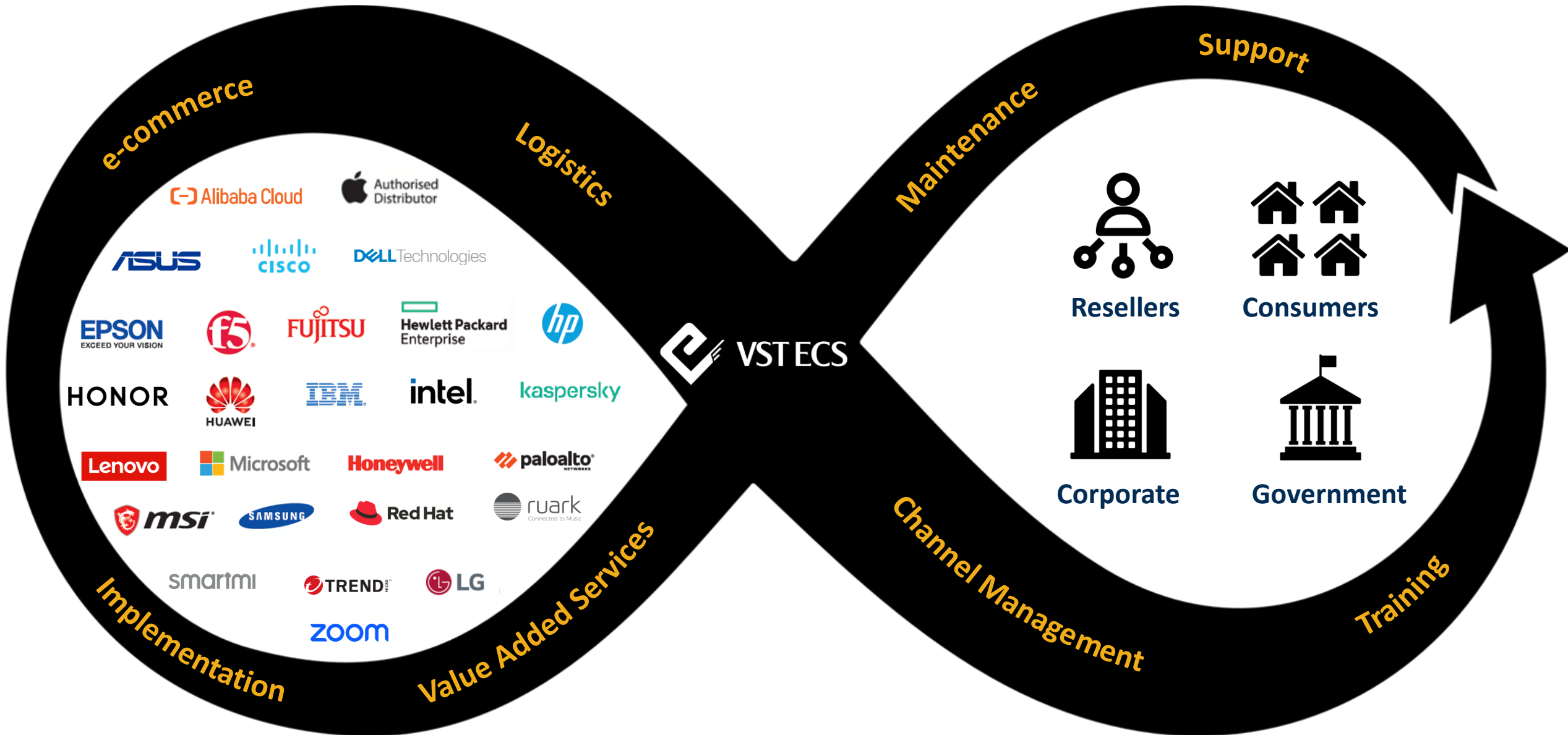
DC Projects &  
Cloud Services



**VSTECS MALAYSIA'S TECHNOLOGY ENABLER & PROVIDER**

# OUR ROLE IN THE VALUE CHAIN

KEY ENABLER AT THE INTERSECTION BETWEEN BRAND PRINCIPALS & THE ICT MARKET



# STRONG PRINCIPAL RELATIONSHIPS



# RECENTLY ANNOUNCED DISTRIBUTORSHIP



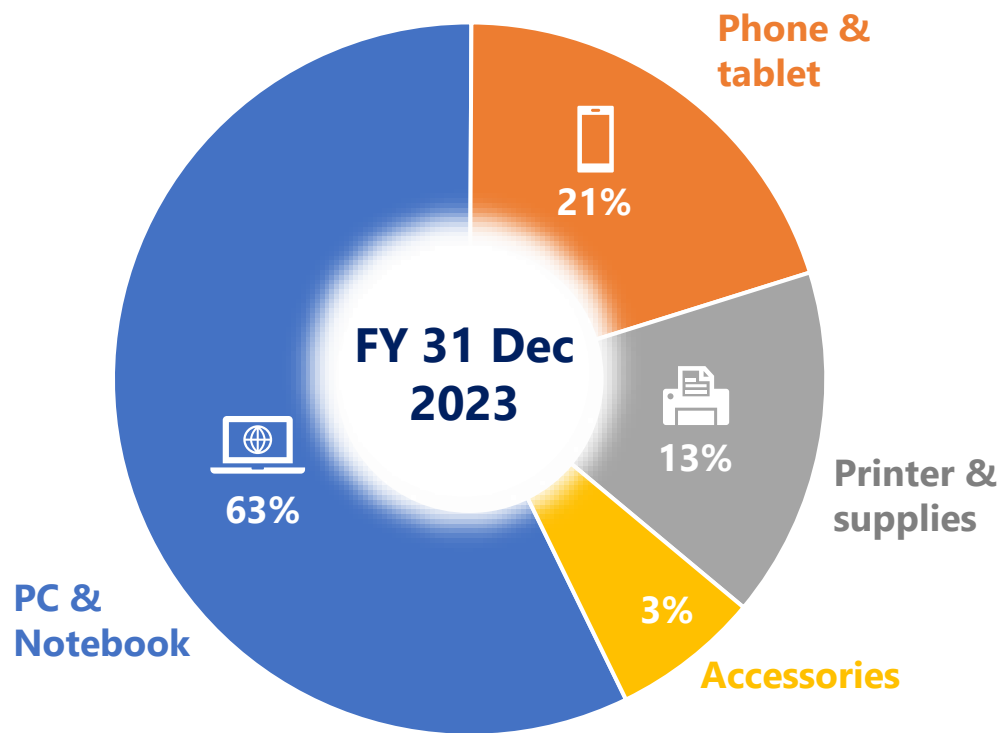
**Elon Musk's SpaceX subsidiary  
which revolutionized internet  
access worldwide**

- 5,289 low earth orbit satellites deployed, total 12,000 satellites planned
- Global coverage, high-speed, low latency internet connection through satellites
- Unlimited data, portability, versatility and affordability
- Basic Hardware - RM2,300; No annual commitment - monthly subscription : RM220 for 200Mbps
- To connect & bridge the digital divide, particularly in remote and underserved areas
- Market potential – 5 million commercial & consumer @ tier 2, 3, 4 cities, rural areas & East Malaysia
- Received many enquiries after our press release
- SpaceX continuous innovation; pushing the boundaries of space exploration & satellite technology
- Future opportunity : global satellite cell phone service & satellite-based communication solutions

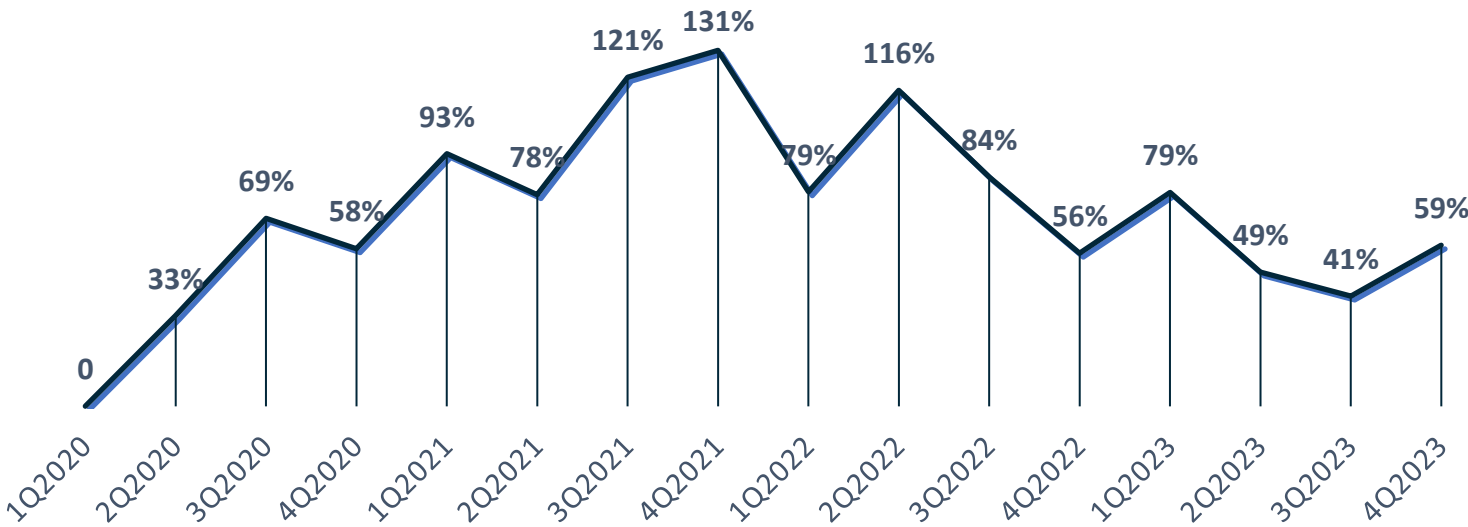


**MORE LEADING GLOBAL BRANDS ON THE WAY**

# OPERATIONAL UPDATES: SHIPMENT VOLUMES











Shipment volume  
breakdown



- Shipments for tablets, notebooks and PC this quarter were 59% above pre-pandemic volume, channel partners' inventory still healthy with no overstocking
- Expect the soft demand on ICT consumer products to continue in 1H2024, SST hike may dampen consumer sentiments
- The new AI chipset notebooks and the replacement cycles of endpoint devices shall begin in 2nd half of 2024 to boost our overall consumer sales
- IDC has also forecasted that global PC shipments will increase in 2024 after the 2023 slump
- Enhance consumer brand portfolio – connectivity, IoT, end-point devices with AI rich features
- Broaden nationwide coverage

# OPERATIONAL UPDATES

INDUSTRIES		%	SCOPE
	Financial Services	22%	Cloud, Enterprise Software, Cybersecurity
	Telco	20%	Telco Equipment, DC & Network Infra
	Public sector	18%	DC, Network Infra & Cybersecurity
	Education	12%	Client Computing
	Energy	10%	Enterprise Software, Client Computing
	Healthcare	8%	DC, hyperconverged computing
	Transportation	5%	DC & Network Infra & Cybersecurity
	Others	5%	Various

### Enterprise Capabilities:



**Datacentre**



**Enterprise Network Infra & Cybersecurity**



**Cloud computing & Services**



**Managed Services**



**Client Computing**



# DATA CENTRE (DC) OPPORTUNITIES

- Last 3 years, Malaysia attracted RM76 billion worth of investments in DC development
- Currently more than 40 DCs operating in Malaysia, with capacities btw 100mw and 150mw
- Expected additional capacity of 1,400mw over the next 5-10 years (not including global hyper scaler's digital infrastructure company - Equinix, Microsoft & AWS)
- 14x the current capacity, which took almost 20 years to build

## KEY INDUSTRY TRENDS



Amplified demand for effective Internet of Things and cloud computing solutions



Intelligent and energy efficient DC with deep learning / AI capabilities to predict and pre-empt problems



Hyperconverged infrastructure (HCI) to optimise scalability and performance and ease sharing of resources across applications



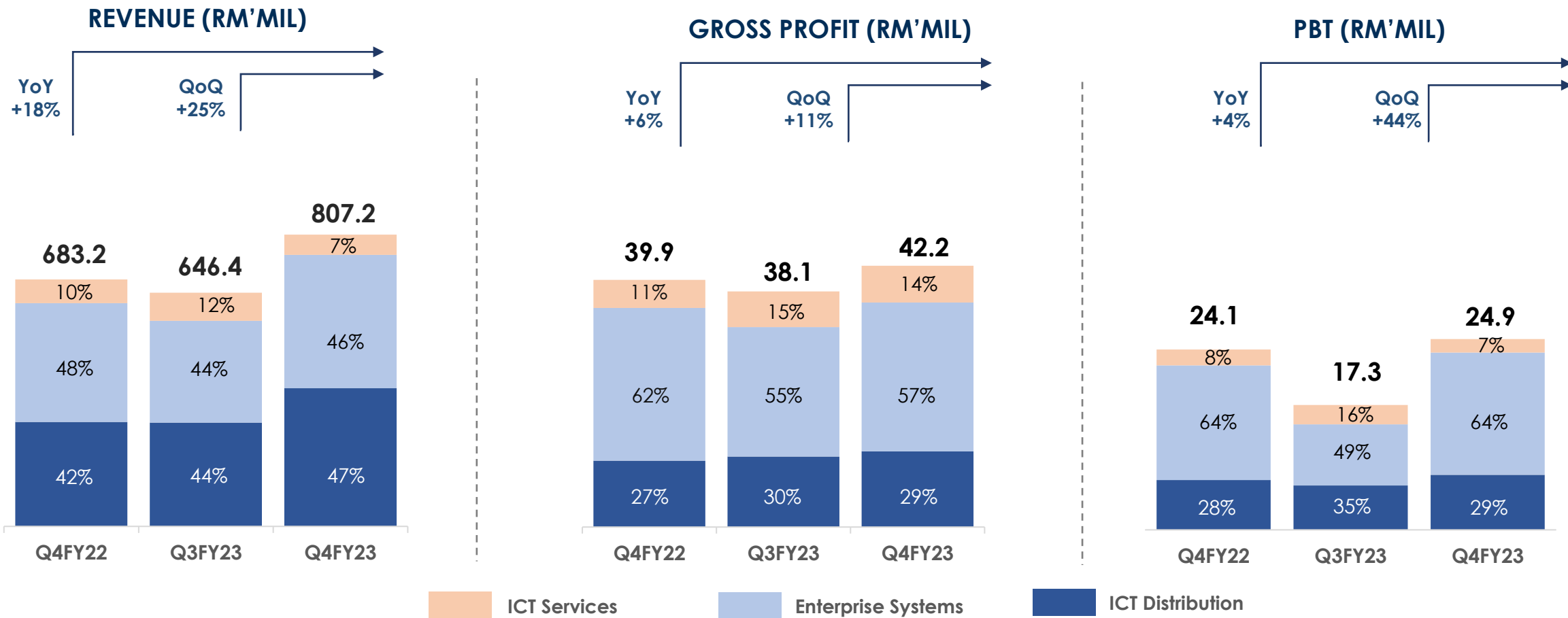
Hyperscale cloud vendors are entering and expanding their infrastructure availability in Malaysia, partnering with distributors

# DATA CENTRE (DC) OPPORTUNITIES



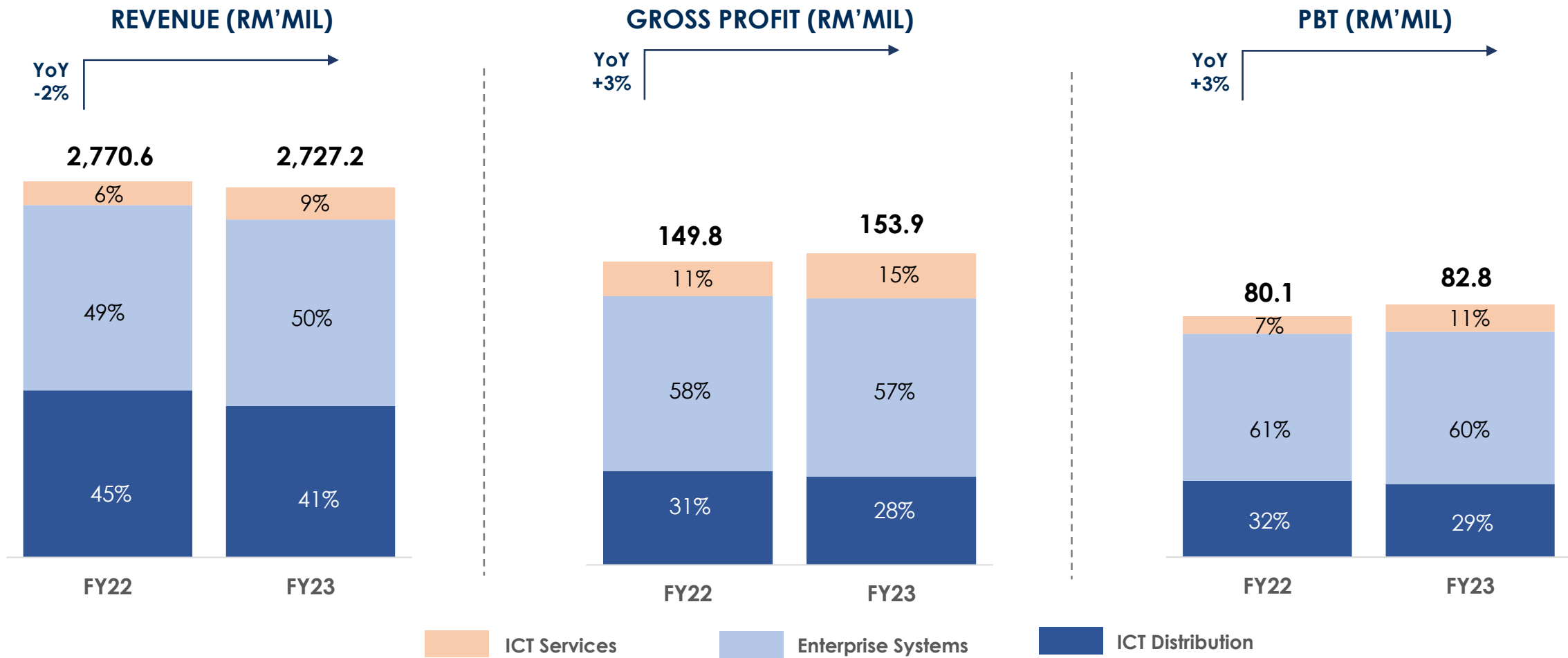
- **Huge potential & opportunities in the next 5-8 years**
- **Focus areas: Renewable energy, power management , server, storage, software & network infrastructure**
- **New business development team : power management, energy on DC**
- **Developing new DC channel : construction, engineering, power, cable consultant & contractor**
- **Current products : UPS, server, storage, software, networking, cybersecurity, hybrid cloud services, implementation, support and maintenance**

# Q4FY23 FINANCIAL RESULTS



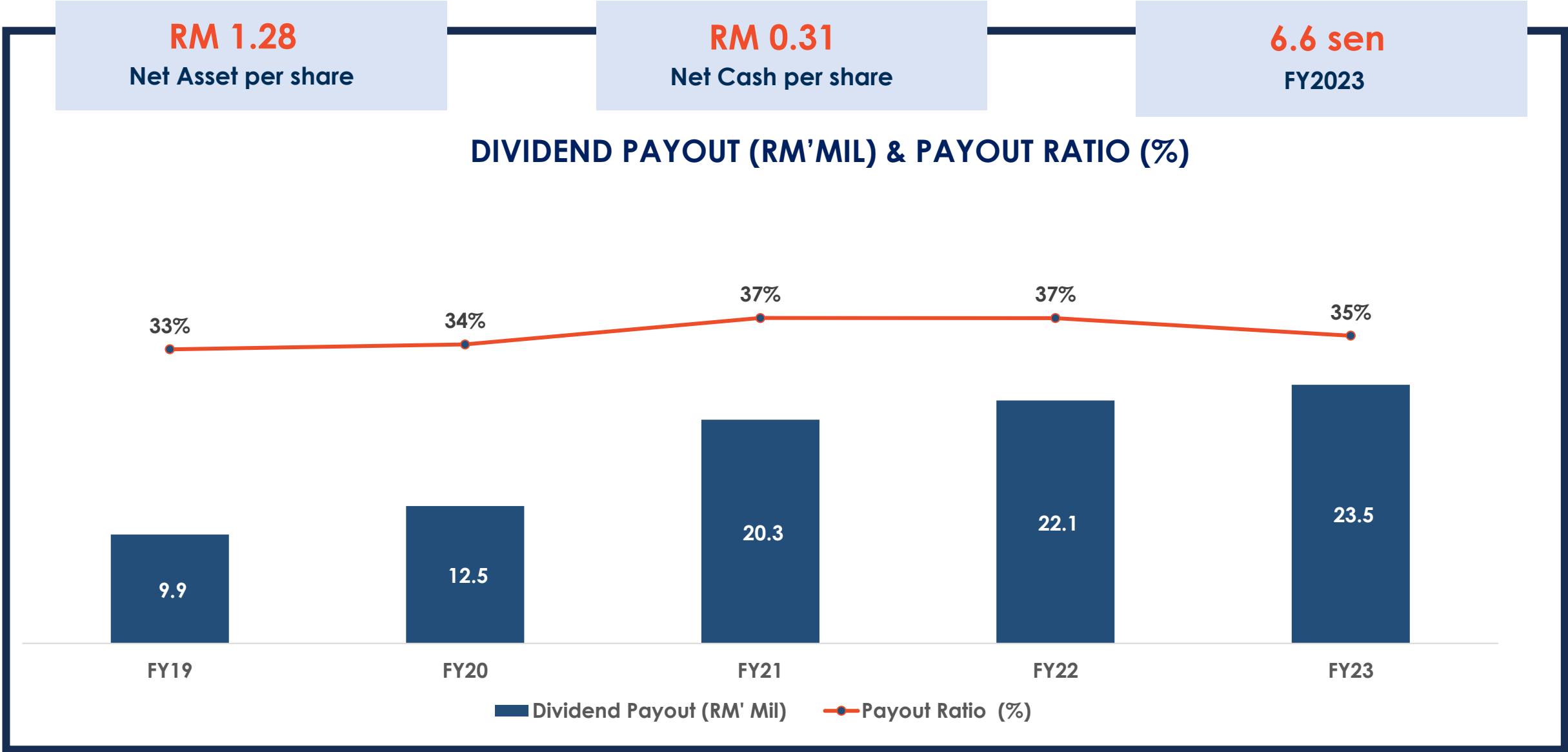
- Segmental revenue movements 4Q2023 Vs 4Q2022: ICT Distribution +32.5% YoY, Enterprise Systems +12.2% YoY, ICT Services -15% YoY

# Q4FY23 FINANCIAL RESULTS



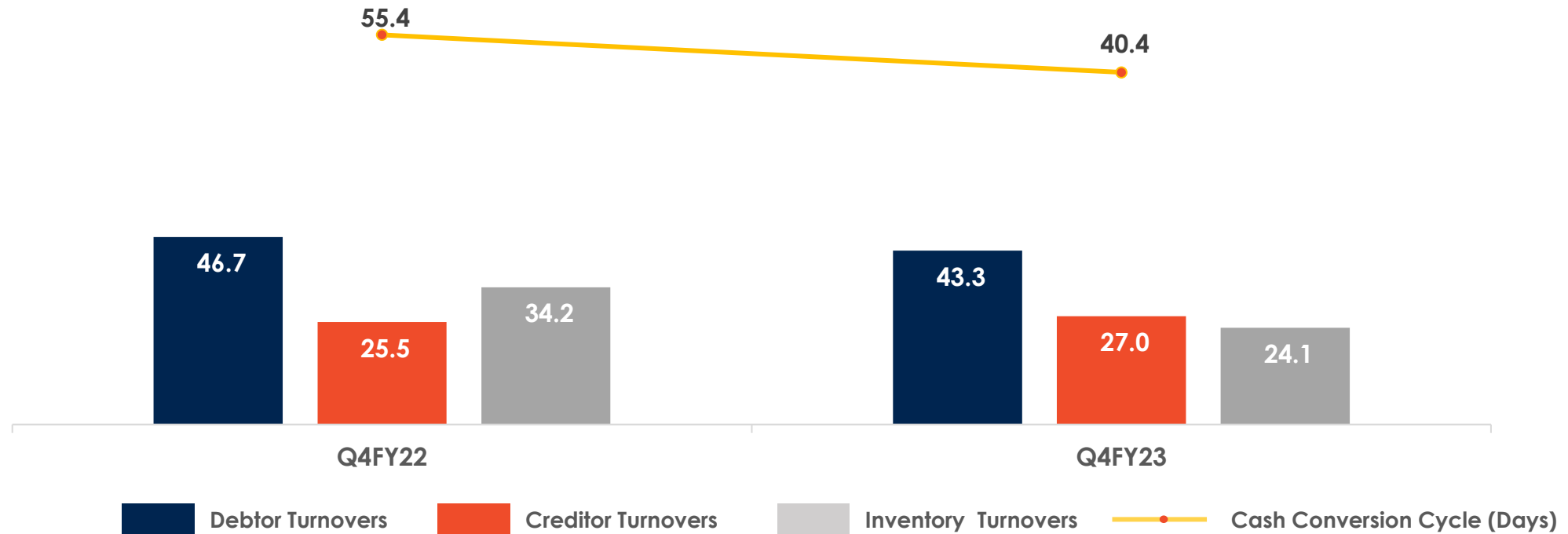
- Segmental revenue movements FY23 Vs FY22 : ICT Distribution -9.4%, Enterprise Systems +0.7% YoY, ICT Services +35.8%

# HEALTHY BALANCE SHEET & CONSISTENT PAYOUT



# LIQUIDITY RATIOS

## EFFICIENT WORKING CAPITAL MANAGEMENT



### Commentaries

- Debtors' turnover reduced as collection for a few major projects were completed by year-end
- Inventory turnover days reduced mainly due to efficient inventory management and ES project's completion timing





## NEW PRINCIPALS

New distributorships with leading global brand(s) in end point devices further enhance & strengthen our market positioning



## PORTFOLIO GROWTH

Diversify our portfolio in the DC and renewables sector, encompassing both enterprise and consumer products



## CLOUD & DC EXPANSION

New distributorship with hyperscalers to fortify our cloud offering, which is gaining significant traction in terms of adoption



## PROCESS AUTOMATION & AI

Automated portal for software & cloud subscriptions for increased efficiency and ease

# THANK YOU

*These presentation materials (the "Materials") have been prepared by VSTECS Berhad and are solely for the information of intended recipients. The Materials are confidential and are being delivered to you solely for your internal use.*

***The Materials shall not be reproduced, altered in any way, transmitted to, copied or distributed to any other party in whole or in part in any form or manner without the prior written consent of VSTECS Berhad.***

*Information and opinions contained in the Materials have been compiled or arrived at from sources believed to be reliable. No representation or warranty can be given with respect to the accuracy, completeness or reliability of the information contained herein. Certain assumptions may have been made in the analysis which resulted in any information and returns/results detailed herein. No representation is made that any returns/results indicated will be achieved or that all assumptions in achieving these returns have been considered or stated. Changes to assumptions may have a material impact on any results/returns detailed.*

*The information contained in the Materials may be subject to change and VSTECS Berhad has no obligation to update any information given in the Materials.*