



AmInvestment Bank

STOCK IDEA

Retail Research

Lew Chee Hao, CMT

lew.chee-hao@ambankgroup.com

+603-2036 2300

27 August 2025

VSTECs (VSTECs | 5162)

Last Price: RM3.75 | Technical Call: BUY | Target Price: RM4.50

VSTECs BERHAD, D, KL
EMA (21, close, 0)
EMA (50, close, 0)
Volume (20)



Bursa Code: VSTECs, 5162	Support 1: RM3.70	Entry: RM3.70–3.75
Sector: Technology	Support 2: RM3.47	Target: RM4.10, RM4.50
Market Cap: RM1,350mil	Resistance 1: RM4.10	Exit: RM3.45
Shariah Compliant: Yes	Resistance 2: RM4.50	

Company Profile. VSTECs is a leading distributor of Information and Communication Technology (ICT) in Malaysia, serving consumers and enterprises through 3 segments: (i) ICT distribution, (ii) enterprise systems, and (iii) ICT services. Its portfolio includes notebooks, smartphones, software, network infrastructure, servers, and enterprise solutions from over 40 top brands. As an associate of VSTECs Holdings (Singapore), one of Asia Pacific's top ICT distributors, the group connects with more than 25,000 channel partners across China, Thailand, Malaysia, and Singapore.

Growth Strategies. (i) ICT Distribution: Growth is anchored in expanding its portfolio in AI, cybersecurity, and automation, capitalising on the AI-driven device replacement cycle while extending nationwide coverage into underserved towns. (ii) Enterprise Systems: This segment is set to rebound in 2025 with public sector project rollouts, backed by a strong order book and integrated ICT services. Rising investments in data centers, AI infrastructure, and digital transformation are expected to drive further growth. (iii) ICT Services: Expansion will be driven by growing demand for cloud solutions, cybersecurity, and IT services, with hyperscaler and co-location data center launches in Malaysia acting as key catalysts for faster cloud adoption and new growth opportunities.

Financial Performance. In 1HFY25, VSTECs posted higher revenue of RM1.51bil (+21.7% YoY) and a PAT of RM37.9mil (+28.2% YoY). The improvement was mainly driven by higher sales across all three business segments, a higher gross profit margin, lower operating costs and expenses, and a better product mix.

Valuation. VSTECs is trading at an FY26F P/E of 12.8x, below the Bursa Technology Index's 25.5x. By comparison, SNS Network Technology, which provides ICT solutions—including products, services, repairs, upgrades, and broadband—trades at a higher FY26F P/E of 21x.

Technical Analysis. We expect further upside for VSTECs after it broke above the RM3.70 resistance and surged close to its 52-week high a few sessions ago. In view of the bullish upside gap formed on 14 Aug, together with its rising EMAs, the upward momentum is likely to pick up further. A bullish bias may emerge above the RM3.70 level, with stop-loss set at RM3.45, below the 21-day EMA. Towards the upside, near-term resistance level is seen at RM4.10, followed by RM4.50.

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only and it is issued by AmInvestment Bank Berhad ("AmInvestment") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation, or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures, investment or other products. AmInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal, or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete, or up-to-date and they should not be relied upon as such. All information included in this report constitute AmInvestment's views as of this date and are subject to change without notice. Notwithstanding that, AmInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmInvestment's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmInvestment's prior written consent. AmInvestment, AmBank Group and its respective directors, officers, employees, and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect, or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.