Headline	PESTECH 2Q20 Bottom Line Halves Despite Better Operating Profit
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KUALA LUMPUR (Feb 21): Pestech International Bhd's net profit in the second quarter ended Dec 31, 2019 (2QFY20) fell 43.78% to RM8.13 million from RM14.47 million the year before, as its increase in operating profit was muted by higher finance costs and taxes paid in the quarter.

Quarterly earnings per share fell to 1.06 sen, from 1.89 sen in 2QFY19.

Operating profit in the quarter rose 20.12% to RM21.07 million, as revenue climbed 6.84% to RM190.86 million from RM178.64 million, in line with the planned progress of ongoing transmission, distribution and rail electrification projects.

For the six months ended Dec 31, 2019 (6MFY20), Pestech's net profit rose 12.43% to RM27.45 million from RM24.42 million previously, as the higher operating profit more than offset higher net finance costs and tax expenses in the period under review.

Operating profit rose 54.9% to RM46.79 million, on the back of a 24.94% jump in half-year revenue to RM378. 22 million, from RM302.72 million before.

On prospects, Pestech said its order book balance stood at RM1.6 billion as at end-2019, which will be realised progressively over the contract periods.

"We are also exploring various sustainable power generation and distribution projects in Malaysia, Myanmar and Cambodia through the introduction of revolutionary technology that is clean, green and commercially viable for off-grid electrification projects," it added.

Pestech shares closed two sen or 1.59% higher at RM1.28 apiece, giving the engineering and utility group a market capitalisation of RM978.3 million.

Link: https://www.theedgemarkets.com/article/pestech-2q20-bottom-line-halves-despite-better-operating-profit