

Headline	PESTECH Suffers 62% Drop in 3Q Net Profit, Achieves Record Revenue in 9M
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## PESTECH SUFFERS 62% DROP IN 3Q NET PROFIT, ACHIEVES RECORD REVENUE IN 9M

KUALA LUMPUR (May 25): Pestech International Bhd suffered a 61.9% drop in net profit for the third quarter ended March 31, 2018 (3QFY18), affected by projects on early-stage civil works and higher finance costs.

The group said in a bourse filing today net profit for the quarter under review came in at RM9.21 million, compared with RM24.14 million in the corresponding quarter a year ago.

This brought its earnings per share down to 1.21 sen from 3.23 sen previously.

Revenue, meanwhile, grew 52.7% to RM260.92 million from RM170.83 million in the same quarter last year, reflecting the execution of the group's ongoing projects.

In the filing, Pestech said profit for the quarter was affected by stages of certain projects which are at an early stage of civil works, besides incurring higher finance costs due to the completion of a build-operate-transfer project in Cambodia.

For the cumulative nine-month period (9MFY18), net profit stood at RM42.48 million, down 13.7% compared with RM49.24 million last year.

Cumulative revenue increased by 83.9% on year to a record high of RM723.75 million, from RM393.6 million in 9MFY17, due to more projects and higher progressive construction revenue completed and recognised.

Moving forward, Pestech said besides banking on its order book of RM1.67 billion to sustain growth, the group will seek out opportunities which relate to power infrastructure sector development locally through potential collaboration.

"As at third financial quarter, the group had achieved record revenue and will go on to close the full financial year with an encouraging note," read the filing. In FY17, Pestech registered a full-year revenue of RM498.32 million, down from RM517.55 million in FY16.

The stock closed two sen or 1.25% higher today at RM1.62, for a market capitalisation of RM1.22 billion.

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