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Headline: **PUC Berhad Announces Q4 2018 Financial Results**

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## PUC Berhad Announces Q4 2018 Financial Results

ACE Market-listed company, PUC Berhad on February 28 announced its financial results for the fourth quarter of 2018 (Q4FY2018) recording revenue of RM12.3 million for the period; and revenue of RM52.5 million for the full financial year ended December 31 2018 (FY2018).

This signalled a 21.9 per cent improvement in revenue for FY2018 as compared to last year (FY2017), which posted revenue of RM43 million for the financial year ended December 31 2017.

In Q4FY18, revenue reached RM12.3 million, up by 50.5 per cent from the immediate preceding quarter (Q3FY18) of RM8.1 million.

This was driven by the higher demand for advertising and media services during the year-end festive seasons and the recovered renewable energy contribution from downtime that caused a lower revenue base in Q3FY18.

Together with the net share of contribution from associated companies, profit before taxation improved by 270.7 per cent in the current quarter.

"2018 was a challenging one as PUC focused on driving a realisation of value from the various core businesses that we already owned, and the strategic acquisitions that we had made, but despite this, we realised an improvement of revenue of 21.9 per cent as compared to FY2017 for the Group.

"Contributions from our associated companies, like Pictureworks have begun to be realised, demonstrating the importance of acquiring strategic assets in our related industries; and we continue to forge strong alliances with leading organisations like Adwhere Limited, Revenue Monster Sdn Bhd, REVENUE Group Berhad, and Axiata Digital Advertising Sdn Bhd.

"This, coupled with our growth in profit in the short term, is a clear indicator that we are on the right path towards a stronger, more vibrant, and eminently better positioned organisation for competition in a fast-growing digital world," said PUC Berhad's Group managing director and chief executive officer, Cheong Chia Chou.

The improvements in performance are mainly attributed to contributions from the Advertising and Media segment of the business (RM34.6 million); and a significant increase in revenue contribution by the Technology segment (RM13.3 million) through commercialisation of technologies sourced from the Shenzhen Institute of Advanced Technology.

Although contribution from PUC's Financial Services segment remained minor in the current period, its prospect is promising with the approval from Bank Negara for the Group's electronic wallet and the corresponding soft launch in Q42018 expected to be key element in the upcoming FY2019's performance.

On the back of the Group's strong revenue growth, a modest profit after tax of RM1.6 million was accomplished; compared to FY2017's RM0.9 million, if the share of results of associated companies and the RM20.2 million impairment loss made in FY2017 are excluded.

Accordingly, normalised net profit margin marked 3 per cent in FY2018 compared with 2 per cent in FY2017.

This is largely attributed to higher staff costs, marketing expenses, consultancy and advisory expenses; all part of the on-going alignment of strategic acquisitions and enhancements of technology that are part of the Group's positioning towards gaining a stronger financial result in the coming year.

The Group's total equity marked RM245.2 million as at December 31 2018, which was 38.2 per cent higher than RM177.5 million as at December 31 2017.

The Group's gearing ratio also improved and recorded 0.02 times as at December 31 2018.

"FY2019 will be a year of opportunity for us as we continue to forge strategic partnerships in the public and private sectors; work towards enhancing the integration of our various businesses under a streamlined and agile corporate structure; and continue to realise the untapped opportunities within PUC.

"The careful acquisition of strategic technology platforms, talent, and assets over the past 12 months, and the integration of these into our business, has proven to be a catalyst for growth and will prove to be the deciding factor in our coming financial years.

"All of this will continue to build on our existing and proven foundation towards the Group being one of Malaysia's most significant digital platforms," added Cheong.

The prospects for the Group are focused on continuing growth towards a satisfactory FY2019 through contributions from the streamlined OmniChannel, FinTech, eCommerce businesses as these three areas are the result of the ongoing internal reorganisation of business units for greater synergy, transparency, and efficacy.

When completed, the business will be aligned for growth starting with OmniChannel Business, which will include all existing and growing media, advertising businesses; imaging services business under Pictureworks Holdings Sdn Bhd which represents a clear and growing opportunity for the Group and is expected to continue being the largest contributor to revenue in FY2019.

Next is in FinTech Business, which will include the Group's electronic wallet and payment services, and its technology businesses which include enterprise software solutions, mobile applications, research and development of advanced artificial intelligence and Internet-of-Things technologies.

The key highlights for FY2019 will include the ongoing growth of Presto and the marketing partnerships around it; and strategic partnerships with leading brands like Revenue Monster and REVENUE Group, and upcoming business collaborations with organisations like Yayasan Pekerja Malaysia for micro loans.

As for eCommerce Business, which includes the investment in one of Malaysia's fastest growing and top three online marketplaces, 11street; and the Group's proprietary online-to-offline platform, Presto Deals.

The expected integration of the two platforms is an exciting future contributor to the Group's long term objective of developing a digital lifestyle platform that will integrate many of the technologies and services already present within it.