

Improved fourth quarter for Celcom Axiata

PETALING JAYA: Celcom Axiata Bhd recorded an improved fourth quarter, with a quarter-on-quarter (q-o-q) growth of 10.9% and 1.8% in normalised earnings before interest, taxes, depreciation and amortisation of RM635mil and normalised net profits of RM281mil, respectively.

The company, a unit of the listed Axiata Group Bhd, said in a statement that its mobile service revenue rose by 1.4% to RM1.52bil.

It said that data revenue was a driver of its growth with an increase

of 10% year-on-year (y-o-y) to RM2.26bil in the financial year ended Dec 31, 2016 (FY16).

"Data revenue of RM611mil in the fourth quarter accounted for 34.1% of the total revenue RM1.65bil, while smartphone penetration was at 64%," it said.

Celcom chief executive officer Michael Kuehner said factors leading to the stabilisation were the company's investments in network modernisation and LTE rollouts, a digitised customer-centric approach, as well as attractive and

simplified product bundling.

Notably, the company said that there was positive take-up on enhanced postpaid offerings such as First Gold 80 and First Platinum, which saw a subscriber growth of 3.2% q-o-q, and a higher average revenue per user of RM80 from RM76 in the third quarter.

"We are focused on delivering higher value and superior customer experience to our customers. We will continuously enhance our network quality and diversify our products and services to comple-

ment their evolving lifestyles.

"Solid productivity improvement initiatives and efficient marketing tools will further contribute to a highly commendable revenue growth, moving forward," he said.

Kuehner said that in an increasingly mature market, customer experience would be a key focus area for Celcom.

"A new organisational set-up and a broader portfolio of initiatives will help Celcom to drive improvements in these areas with the ambition to lead the market, latest two

years from now," he said.

Celcom said its product bundling emphasises simplification and offers clear and precise messaging to its customers.

"Similarly, the FIRST Gold, FIRST Gold Plus and FIRST Platinum have more data allocation flexibility with the AnydayGB add-on feature.

"Customers can enjoy total Internet allocation with this feature, any day, anytime by combining their weekday and weekend Internet allocations into a single independent allocation," he said.

MIFF expects record sales of RM4.46bil this year

Weaker ringgit to boost the value of Malaysian furniture exports

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KUALA LUMPUR: The four-day Malaysian International Furniture Fair (MIFF) 2017 is expected to generate record sales of US\$1bil (RM4.46bil), compared with US\$908mil (RM4.05bil) last year.

MIFF founder and chairman Datuk Dr Tan Chin Huat said response for the exhibition has been encouraging, adding that the weaker ringgit is also expected to boost sales.

"We hope to achieve RM1bil and it will be a new high for the exhibition. Registered customers in the past two days alone has been 20% higher," he told *StarBiz* after the launch of the 23rd MIFF yesterday.

He added that the weaker ringgit would boost the value of Malaysian furniture exports and drive sales this year.

Meanwhile, Plantation Industries and Commodities Minister Datuk Seri Mah Siew Keong said MIFF provided a valuable platform for furniture buyers and producers to interact and connect them with the global markets.

"The furniture industry in Malaysia is an important component of the timber sector. In 2016, Malaysia's exports of furniture products increased by 4.2% to RM9.53bil, compared with RM9.14bil in 2015.

"We're convinced exports will improve. This year's exports will exceed 4%, even though the world economy has been facing a lot of challenges. Our products are competitively priced and the quality has also improved."

Mah said companies from middle eastern countries have expressed interest in Malaysian furniture.

He added that Malaysia is the eighth largest furniture exporter in the world and has the potential to



Major event: Mah (centre) hitting gong to launch the 23rd MIFF. With him are (from left) Federation of Johor Furniture Manufacturers and Traders Association president Neo Chee Kiat, Plantation Industries and Commodities Ministry deputy secretary-general Zurinah Pawanteh, Tan and UBM Asia Asean business MD M. Gandhi.

"climb up the ranks."

"We're hopeful that within the next five years, we'll become among the top five exporters in the world. But we'll have to work hard to achieve it.

On a separate matter, Mah said the Netherlands' recognition of the Malaysian Timber Certification Scheme (MTCS) last month was a significant milestone for Malaysia.

"The timber certificate is important to us, as the Dutch government is strict. The Netherlands is a big importer. But more than that, the

certification gives us the status to go to other countries."

The Dutch market currently accounts for about 30% of the total export of the Programme for the Endorsement of Forest Certification (PEFC)/MTCS-certified timber products from Malaysia, which was valued at RM202mil in 2015.

Meanwhile, Tan said this year's MIFF had attracted a record 543 exhibitors, which was a 12% increase from last year's turnout.

He said the exhibition would continue to enhance its position as the

leading furniture industry event in South-East Asia.

"Our exhibitors are also moving with the times. They are investing more in research and development to come up with their own design and new products, creating more value for their business and potential customers."

This year's MIFF will be held from March 8 to 11 at the Putra World Trade Centre and Matrade Exhibition & Convention Centre.

Star Media Group is the media partner of the event.

VSI rally supported by strong earnings visibility

PETALING JAYA: V.S. Industry Bhd's (VSI) share price rally is supported by strong earnings visibility in the coming quarters, said AmInvestment Bank (AB) Research.

This is following the ramp-up in orders for a "customer X" and notably, a convincing turnaround of its China operations.

"Opportunities for higher box-build orders from 'customer X' would provide fresh catalyst for earnings upgrade."

"Its share price has risen 12% since our initiation end-January 2017, yet we think the rally still has legs," AB Research said in its report yesterday.

The research house has maintained its "buy" call on VSI with a higher sum-of-parts based target price of RM1.90.

This is premised on higher target price-to-earnings ratio of 13 times (from 12 times) on forecast earnings per share for financial year 2018 (FY18) to reflect its better growth prospects, going forward.

AB Research said the premium valuation over its peers is justified by its higher earnings compounded annual growth rate of 24% (versus peers' average of 12.8%) and earnings revision of +2% for FY18 forecast, as it tweaks its box-build sales volume assumption higher by 7%.

"We expect VSI's upcoming second-quarter core profit to be stronger year-on-year, mainly driven by higher revenue contribution from 'customer X' and China.

"On a sequential basis, we think core profit should be rather flattish as the higher contribution from the mentioned customers would be offset by seasonally weaker orders from Keurig after peak delivery in the fourth quarter and first quarter of FY17 for the holiday seasons," the report said.

The research house also noted that VSI's 43.6%-owned subsidiary VS International Group (VSIG) has recently announced that it is expected to record 10 times increase in net profit for the first half of FY17.

"This suggests that China operations have turned a corner in the second quarter of FY17 (first quarter FY17: pre-tax loss of RM4.9mil).

"And based on our back-of-the-envelope estimates, this would translate to about RM3mil in net profit to VSI in the first half of FY17," AB Research said.

Maybank Ageas posts higher pre-tax profit of RM810mil

PETALING JAYA: Maybank Ageas Holdings Bhd, the parent company of Etiqa Insurance Bhd, Etiqa Takaful Bhd and Etiqa Insurance Pte Ltd, made a record pre-tax profit of RM810.3mil for the financial year ended Dec 31, 2016.

This represents a 34% increase from the RM604.4mil pre-tax profit achieved in the previous corresponding year.

Its total assets stand at RM31.9bil while total combined gross premium and contribution is at RM5.3bil, investment income at RM1.1bil and gross benefits and claims payout at RM4bil, the company said in a statement.

"Etiqa Takaful continues to command a market share of 49% in general takaful and 16.3% in family takaful new business," it said.

Etiqa's bancassurance channel, meanwhile, has a market share of 18% in regular premium sales while its online business has a 89.7% market share in general insurance and general takaful online sales, it added.

"We have enjoyed success in 2016 because we recognise the importance of an exceptional experience to customers, especially in customer service and in the digital space,"

chief executive officer Kamaludin Ahmad said.

He said given the ever evolving needs of the company's customers, it would continue to innovate its business to improve customer experience.

"We are excited about our strength and depth within all our business lines, and look forward to another successful year in 2017," he added.