

A Closer Look at VCI Global's Revenue Growth and Business Model

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ATLANTA, GA, UNITED STATES, September 18, 2024 /EINPresswire.com/ -- VCI Global (NASDAQ: VCIG) is a multi-disciplinary business and consulting firm, specializing in sectors such as listing solutions, strategic consultancy, fintech, AI, robotics, and cybersecurity. Since its Nasdaq listing in April 2023, the company has seen remarkable growth. In 2023, VCI Global's revenue surged to \$19.8 million—marking a 145% rise from \$8.1 million in 2022. Meanwhile, net income grew by 57%, reaching \$7.2 million, up from \$4.6 million.

The key driver of this growth was VCI Global's business strategy consultancy, which generated \$14.7 million—representing 74% of total revenue and a 265% year-over-year increase. This impressive performance was primarily fueled by the firm's IPO services in Malaysia and Singapore. The consultancy's success significantly contributed to the company's overall gross margin of 85%. In addition, the second-largest segment, technology development and consultancy, brought in \$4.5 million (23% of total revenue) with 13% year-over-year growth, boasting a highly profitable 94% gross margin.

Business Model: Niche Consultancy with Regional Focus

In the field of business strategy consultancy, particularly in IPO services, VCI Global's business model focuses on serving mid-sized companies and leveraging its regional expertise to set itself apart. VCI Global strategically targets mid-sized companies instead of large enterprises for several key reasons:

- **Less Competition:** VCI Global avoids direct competition with major banks like Goldman Sachs and JP Morgan by targeting mid-sized companies. These banks dominate large enterprise deals, making it challenging for smaller players. Mid-sized firms often seek the cost-effective, personalized solutions that VCI offers.
- **Personalized Service:** VCI's size allows it to provide tailored advisory services and hands-on support that larger banks may not offer. This level of customization appeals to mid-sized companies needing specialized guidance through the IPO process.
- **Efficiency and Lower Costs:** Mid-sized firms typically have simpler governance structures, enabling quicker decision-making and a more streamlined IPO process. VCI's lower-cost structure

is also attractive compared to the higher fees charged by large investment banks.

Additionally, as a Malaysia-based company, VCI Global offers a unique advantage in understanding the Southeast Asian investment landscape. This regional insight enables the firm to provide tailored solutions and capitalize on emerging opportunities:

- **Local Market Insight:** VCI Global's in-depth knowledge of Southeast Asia's emerging markets allows it to deliver customized solutions to mid-sized companies in the region. This local expertise differentiates VCI from larger international banks that often serve larger firms and may overlook regional specifics.
- **Growth Potential:** As Southeast Asian economies continue to develop, mid-sized firms are increasingly ready for international listings. VCI is well-positioned to leverage this growth by assisting these companies with cross-border IPOs and building a strong portfolio of successful listings, thereby boosting its market presence.

For the technology development and consultancy segment, VCI Global specializes in offering technology solutions such as fintech systems and e-commerce platforms. This focus not only diversifies its portfolio but also enhances its appeal as a comprehensive consulting provider.

Key Revenue Drivers: IPO Advisory

[VCI Global's impressive growth is largely attributed to its successful IPO](#) advisory services. In fiscal year 2023, this segment emerged as a key revenue driver, reflecting the firm's strong position in navigating companies through the IPO process. This strong growth is partly contributed by outstanding IPO services provided to clients in Malaysia and Singapore. Remarkably, on April 22, 2024, YY Group Holding Limited was successfully listed under the symbol "YYGH" on the Nasdaq Capital Market.. VCI Global's other clients are also in the process of getting listed on Nasdaq, which further cements this firm's reputation in such a lucrative market.

The potential for continued growth in IPO advisory is closely linked to the broader economic trends. As global economic development increasingly centers around Asia, particularly Southeast Asia, VCI Global is well-positioned to benefit from this regional focus. The region's growing GDP and economic expansion present substantial opportunities for IPOs.

Moreover, the anticipated easing of U.S. interest rates could enhance the attractiveness of international IPOs. According to CNBC, there is a strong possibility that the Federal Reserve will lower interest rates in September 2024. If inflation continues to moderate and the economy remains stable, the Fed may initiate a series of rate reductions through at least the end of 2025. Current indicators suggest that the U.S. economy is poised for a soft landing, with corporate profits rebounding strongly in Q2 2024 and consumer spending showing solid growth in July. This potential easing of U.S. interest rates could make international IPOs more attractive, facilitating easier access for Southeast Asian companies to global investors. This macroeconomic shift has the potential to further accelerate VCI Global's IPO advisory business and strengthen its position

as a key player in the global market.

Outlook and Market Positioning

VCI Global is well-positioned for continued growth with its focused strategy in Southeast Asia and expertise in IPO advisory. The firm's deep regional knowledge and personalized services for mid-sized companies differentiate it from larger banks, while its technology segment broadens its appeal.

Looking ahead, VCI's strong performance in IPO advisory, fueled by a growing interest in Southeast Asian markets, and the potential easing of U.S. interest rates, will likely drive further success. The company's ability to adapt and capitalize on these trends ensures its solid market positioning and prospects for continued expansion.

About Landon Capital

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Keith Pinder

Landon Capital

+1 404-995-6671

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