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Excel Force Eyes New Markets Overseas



Excel Force managing director Andy Wong

Excel Force MSC Bhd is looking to replicate its business model and products to other markets overseas, particularly in less developed countries.

Excel Force has delivered two years of revenue growth from its business domestically.

It develops software solutions for the financial services industry such as stockbroking companies and investment banks.

The financial year (FY) ended Dec 31, 2020 and FY21 saw a growth in revenue as it benefited from the Covid-19 pandemic which saw higher trading volume from retailers on Bursa Malaysia.

Net profit for FY20 and FY21 had also risen to RM10.77mil and RM12.64mil respectively.

“We are looking at less developed markets such as Bangladesh. We have been invited a number of times to participate in tenders,” managing director Andy Wong tells StarBizWeek.

“We are also looking at Vietnam, which is growing fast, as well as Indonesia,” he adds.

Wong says the groundwork for expansion started late last year.

“We would probably need another year or so to see something substantial.

“We are in talks with the broking houses in Bangladesh. There are about 250 broking houses there,” he says.

In Malaysia, Excel Force counts Malayan Banking Bhd, Public Bank Bhd, Hong Leong Bhd, RHB Bank Bhd and Kenanga Investment Bank Bhd as its major clients. “We have a standard trading platform but each client usually wants its own uniqueness. About 30% of the platform is customised to its needs.

“The market in Malaysia is mature and the end users are familiar with the systems. The number of brokers here are shrinking due to consolidation,” he adds.

Last December Alliance Bank Malaysia Bhd said it would be selling its stockbroking business to Philip Futures Sdn Bhd.

In 2017, CIMB Group Holdings Bhd had acquired stockbroker Jupiter Securities Sdn Bhd.

On Excel Force’s plans to venture into Bangladesh Wong says: “Our experience has shown that each country has very different approaches to systems, even though it is the same price feed and order management. It is the way the retailers look at the system which differs.

“When we went to Indonesia, Thailand, Singapore and Vietnam some years back, we realised that a lot of customisation is needed to cater for the preferences and tastes of retail investors there.

“We think we will see some inflows with these expansion plans into our revenues from next year. But exactly how much I can’t tell at the moment,” he says.

Excel Force is also present in Singapore where it provides its services to DBS Bank Ltd.

The company derives most or 95% of its revenue from Malaysia with net profit margins at a around 30%.

“We have to manage costs tightly to obtain such margins.

“We are allocating about RM1.5mil to RM2mil for capital expenditure in FY22,” he says.

The company is targeting to grow its overseas business to about 10% to 15% of its revenue in the medium to long term.

It also hopes that its own business to consumer investing platform Xifu will gain more traction.