

# ctos Digital

Q2 2021 Results



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- “RM” shall mean Ringgit Malaysia being the lawful currency of Malaysia. Any discrepancies between individual amounts and totals are due to rounding



# Agenda

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- 1 **Company overview**
- 2 Recent performance
- 3 Financial performance

# Snapshot of CTOS Digital

Leading regional credit bureau in ASEAN

**Leading regional credit bureau in ASEAN**

with presence in Malaysia and Thailand

**Leading Credit Reporting Agency in Malaysia**

Offers **key digital solutions** across all stages of consumer lifecycle

**Strategic partnerships and investments** to offer and develop innovative digital solutions

Serving **large corporate customer base<sup>(1)</sup>**

- **c. 430** Key Accounts
- **c. 17,000** Commercial

Direct-to-Consumers - **c.1.3<sup>(1)</sup> mm registered users** of CTOS ID

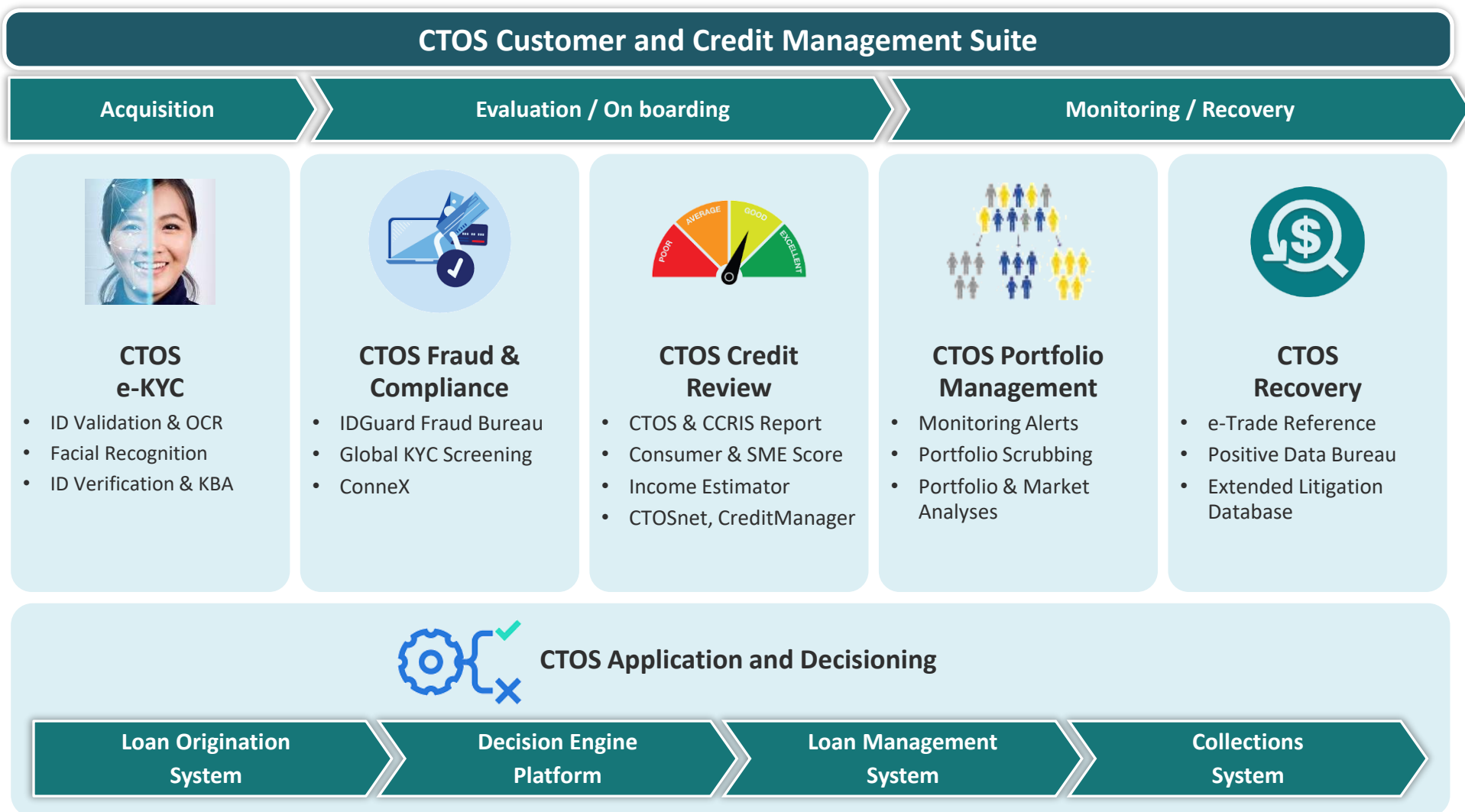
**Strong profitability**  
> **80%** GP margin  
> **25%** PATAMI margin  
> **39%** ROE for FY2018-2020

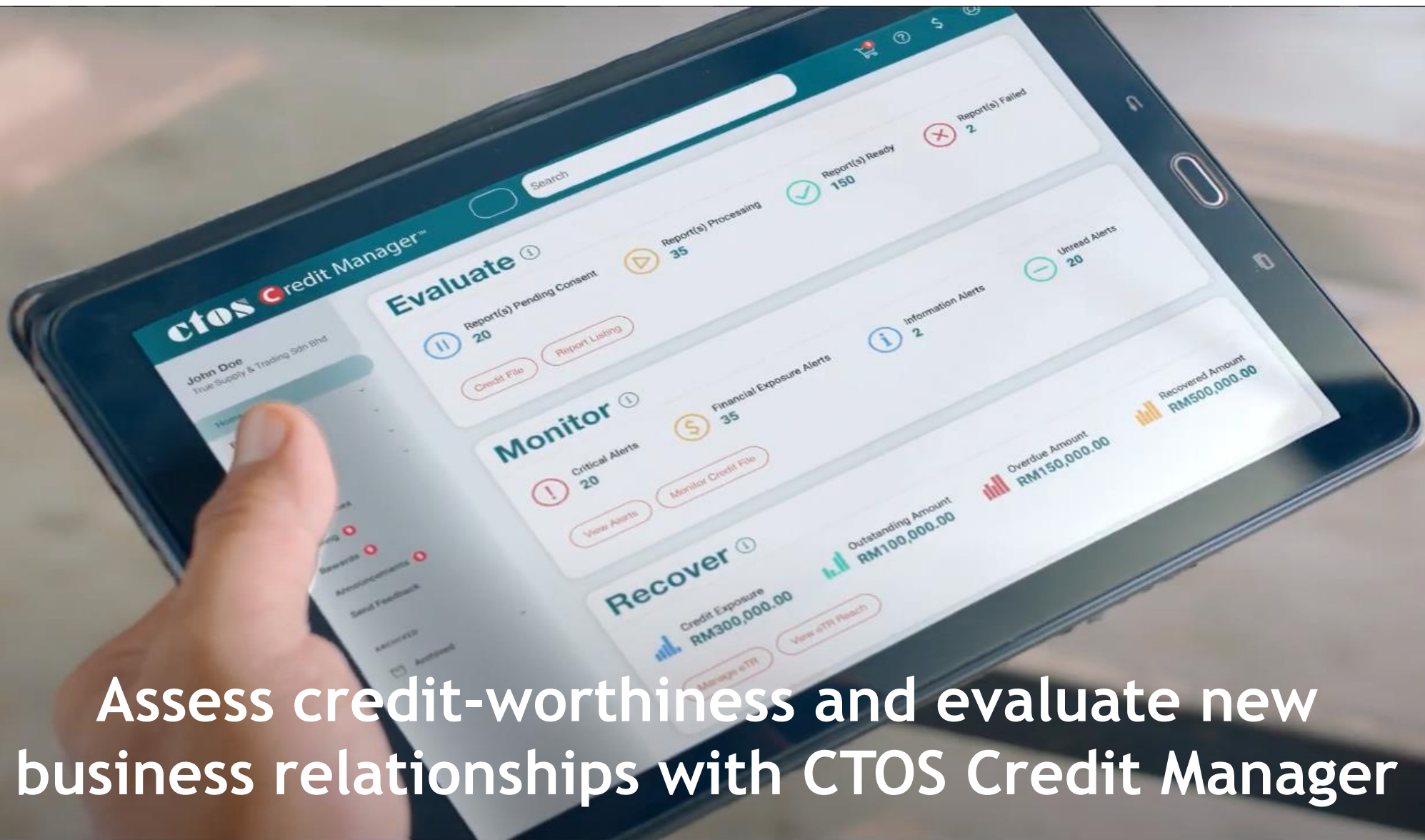
Target dividend pay-out ratio of **60% of PATAMI**

Notes:

(1) As at 31 March 2021, being the LPD for the prospectus

# Building an ecosystem of products and services to cater throughout the customer's lifecycle stages





Assess credit-worthiness and evaluate new business relationships with CTOS Credit Manager



## ctos® Score

Credit Report & Score



Take control of your credit &  
increase your chances of  
getting a loan

Providing greater access to Consumers to take charge of their credit and financial health

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## Q2 2021 Results Key Takeaways



**Resilient operations** despite impact from CMCO / MCO restrictions throughout Q2 2021



**Strong growth momentum** from Key Accounts of **26%\*** driven by rollout of **new digital products**



Direct to Consumer segment delivering **~144%\* YoY revenue growth**



**Discontinued of loss making** CIBI business in Q2 2021



Q2 2021 Norm. PATMI of **RM15.0m (65% YoY growth)**  
1H 2021 Norm. PATMI of **RM31.4m (70% YoY growth)**

\*Like for like growth including CCRIS revenue

# CTOS eKYC Updates

24 Rolled out

>30 in the pipeline

Leadership position of being the preferred partner with banks



# Continued strong traction from CTOS eKYC



TERKINI

Kosmo!

## AmOnline guna penyelesaian CTOS eKYC



Published 17 hours ago on 15 July 2021  
By KOSMO!



#DUDUKRUMAH  
and Make Money!



PETALING JAYA – AmBank telah melancarkan ciri yang dinaik taraf bagi aplikasi perbankan secara online, AmOnline, bagi membolehkan pelanggan membuka akaun bank dengan pantas daripada peranti mudah alih, CTOS eKYC (Electronic Know-Your-Customer).

Ketua Pegawai Operasi Kumpulan AmBank, Datuk Iswara Suppiah berkata, melalui penyelesaian tersebut, pelanggan boleh membuka dan mengendalikan akaun bank, mendaftar untuk perbankan secara online dan mengakses pelbagai perkhidmatan...

[Klik untuk baca artikel penuh.](#)



News | Scale Up

## CTOS becomes first credit reporting agency to take its eKYC to an online subscription platform

By Fadly Khasimi | January 6, 2021



unsplash.com

Malaysia's largest credit reporting agency, CTOS Data Systems Sdn Bhd, lifted new grounds with its market leading CTOS eKYC solution to be utilised for a new subscription sale in the online retail business.

SUBPLACE, Asia's first online subscription platform, chose CTOS to give document verification and facial recognition through the solution above. Enabling their business partners to authenticate their customers confident and fast.

The subscription plan aims to help consumers achieve their lifestyle aspirations



# In June, a campaign to offer free CTOS credit reports to individuals interested to learn more about their financial health especially during the pandemic

**Free CTOS credit reports available nationwide**

By [mynewscompas](#) — June 23, 2021 31-60 seconds News



KUALA LUMPUR – CTOS Data Systems Sdn Bhd, Malaysia's leading credit reporting agency, today announced the offering of free MyCTOS reports with CCRIS for consumers as part of a nationwide financial empowerment campaign.

CTOS has revealed that over the past 12 months, there has been a 52% increase in consumers accessing their CTOS credit report, and a recent survey showed that 57% of consumers checked their credit due to financial issues caused by the pandemic.

"COVID-19 and the uncertainties that came with it has highlighted the urgent need for Malaysians to get on top of their financial health. However, based on CTOS data, currently only around 1.3 million out of the approximately 18 million working population in Malaysia perform self-checks to access and manage their personal credit information.

"To encourage more people to take the first step towards managing their financial health, CTOS is launching the free MyCTOS reports with CCRIS for consumers campaign, as part of a nationwide financial empowerment effort," explained Eric Chin, CEO of CTOS Data Systems Sdn Bhd.

A CTOS personal credit report contains detailed information about a person's debt, account histories for credit cards and loans such as payment history, including any late payments, credit limits or loan amounts, account balances and credit inquiries. Legal cases and bankruptcies are also listed in a separate section of the credit report as well as directorships and business interests.

Banks and other lenders use this information as part of the credit evaluation process before approving any credit applications like credit cards and loans. The importance of having a good credit report isn't limited to financial products only.

Potential landlords may also review an applicant's credit report to decide whether to rent their property or not. Some employers even check credit reports as part of the job application process.

"As CTOS, we aim to empower as many people as possible with the right tools and knowledge to make good financial decisions, especially in times like these when it matters most. It's about having the clarity and understanding of your financial position to work towards your financial goals.

"Checking your MyCTOS credit report is the first step of that journey," said Chin.

The free MyCTOS Report with CCRIS campaign is available through [www.ctoscredit.com.my](http://www.ctoscredit.com.my) as part of the CTOSCARES initiative until 31st July 2021.

## CTOS offers free credit reports with CCRIS

Tuesday, 29 Jun 2021

**Related News**

- BUSINESS** 10h ago  
Fed's Rosengren says 2022 rate hike in play as job market heats
- ECONOMY** 10h ago  
No interest rate drop expected amid extended lockdown
- SABAH & SARAWAK** 18h ago  
Sabah SMEs hoping for wage subsidy extension, better promotion of...

In a statement yesterday, CTOS Data Systems Sdn Bhd said over the past 12 months, there has been a 52% increase in consumers accessing their CTOS credit report.

KUALA LUMPUR: CTOS Data Systems Sdn Bhd is offering free MyCTOS reports with Bank Negara's Central Credit Reference Information (CCRIS) for consumers as part of a nationwide financial empowerment campaign.

In a statement yesterday, CTOS Data Systems Sdn Bhd said over the past 12 months, there has been a 52% increase in consumers accessing their CTOS credit report.

The free MyCTOS Report with CCRIS campaign is available through [https://ctoscredit.com.my/](http://https://ctoscredit.com.my/) as part of the CTOSCARES initiative until July 31.

Join our [Telegram](#) channel to get our Evening Alerts and breaking news highlights

TAGS / KEYWORDS:  
CTOS , Credit Reports , CCRIS , MyCTOS ,

ariff shah

About Archives

## Laporan Kredit Peribadi Percuma Daripada MyCTOS

**Do you know what the banks know about you?**

Claim your **FREE** MyCTOS Report with CCRIS to find out

Sign up to claim yours



Pandemik covid-19 telah banyak menyebabkan masalah kewangan kepada orang ramai akibat daripada kehilangan pekerjaan, kehilangan bagi pemilikan untuk beroperasi akibat lockdown, kekurangan permintaan barangan dan macam-macam lagi ketidakpastian yang berlanjutan sejak setahun yang lalu.

Walaupun berdepan dengan kesukaran, ini bukanlah alasan untuk kita mengabaikan terus tahap kesihatan kewangan kerana pandemik ini tetap akan berakhir. Oleh itu, adalah perlu untuk kita peka terhadap tahap kesihatan dan laporan kredit peribadi pada masa ini supaya kita boleh mengambil langkah-langkah awal dan memperbaiki sekiranya terdapat sebarang masalah. Laporan kredit yang baik akan meningkatkan peluang kelulusan pinjaman apabila kita membuat permohonan nanti.

Selain itu, maklumat daripada laporan kredit peribadi ini juga memudahkan kita untuk merancang dan mengurus kewangan dengan lebih baik, misalnya mengenal moratorium, sama ada untuk mengambinya ataupun tidak. Disebabkan keadaan kewangan setiap individu adalah berbeza, adalah penting untuk membuat apa-apa keputusan kewangan berdasarkan situasi sendiri dan tidak terikut-ikut dengan apa yang dilakukan oleh orang lain.

**ctos**

# CTOS Digital Q2 results

Strong Segment Revenue Growth for All Customer Types ; Posted 71% EBITDA Growth  
admist MCO and CCRIS Fee Waiver

Figures are in RM million	Q2 2020	Q2 2021	YoY
<b>Revenue</b>	<b>30.7</b>	<b>37.8</b>	<b>23%</b>
Key accounts	10.8	12.8	19%
Commercial	18.7	21.1	13%
Direct to Consumer	1.2	2.6	128%
Commercial – International	0.0	1.4	
<b>Gross profit</b>	<b>26.4</b>	<b>33.0</b>	<b>25%</b>
Margin	86%	87%	
<b>EBITDA</b>	<b>10.6</b>	<b>18.1</b>	<b>71%</b>
Margin	35%	48%	
<b>PAT</b>	<b>7.5</b>	<b>11.7</b>	<b>56%</b>
Margin	24%	31%	
<b>PATAMI</b>	<b>7.5</b>	<b>11.8</b>	<b>58%</b>
Margin	24%	31%	
<b>Normalised PAT</b>	<b>9.1</b>	<b>15.0</b>	<b>65%</b>
Margin	30%	40%	
<b>Normalised PATAMI</b>	<b>9.1</b>	<b>15.0</b>	<b>65%</b>
Margin	30%	40%	

Excluding RM2.6 mil CCRIS fee waiver for like for like growth  
Group YoY +27%

- KA YoY +26%
- Comm YoY +14%
- D2C YoY +144%

Share of Profit RM1.7 mil vs RM0.3 mil in 2020

Discontinued operations (CIBI) RM0.35m loss after tax

Normalisation items	Q2 2020	Q2 2021
Losses from CIBI	0.0	0.2
Acquisition related cost	0.1	(0.0)
Share based payment expense	0.6	0.0
Interest expense on bank borrowings	0.8	1.6
Unrealised loss on forex	0.0	(0.2)
Tax expense	0.0	1.5
<b>Total normalisation</b>	<b>1.6</b>	<b>3.2</b>

# CTOS Digital 1H results

Robust YoY Norm. Revenue Growth +24% and Norm. PATAMI +70%  
admit MCO and CCRIS Fee Waiver

Figures are in RM million	1H 2020	1H 2021	YoY
<b>Revenue</b>	<b>64.7</b>	<b>75.8</b>	<b>17%</b>
Key accounts	23.5	25.3	8%
Commercial	38.5	42.0	9%
Direct to Consumer	2.7	5.2	90%
Commercial – International	0.0	3.4	
<b>Gross profit</b>	<b>54.9</b>	<b>66.5</b>	<b>21%</b>
Margin	85%	88%	
<b>EBITDA</b>	<b>21.6</b>	<b>34.3</b>	<b>59%</b>
Margin	33%	45%	
<b>PAT</b>	<b>15.6</b>	<b>19.0</b>	<b>21%</b>
Margin	24%	25%	
<b>PATAMI</b>	<b>15.6</b>	<b>19.5</b>	<b>25%</b>
Margin	24%	26%	
<b>Normalised PAT</b>	<b>18.5</b>	<b>31.4</b>	<b>70%</b>
Margin	29%	41%	
<b>Normalised PATAMI</b>	<b>18.5</b>	<b>31.4</b>	<b>70%</b>
Margin	29%	41%	

Excluding RM6.2 mil CCRIS fee waiver for like for like growth  
Group YoY +24%

- KA YoY +24%
- Comm YoY +10%
- D2C YoY +104%

Share of Profit RM3.4 mil vs RM0.5 mil in 2020

Discontinued operations (CIBI) RM1.1m loss after tax

Normalisation items	1H 2020	1H 2021
Losses from CIBI	0.0	0.6
Acquisition related cost	0.1	0.1
Share based payment expense	1.2	0.0
Interest expense on bank borrowings	1.5	5.2
Unrealised loss on forex	0.0	2.9
Tax expense	0.0	3.1
<b>Total normalisation</b>	<b>2.8</b>	<b>11.8</b>

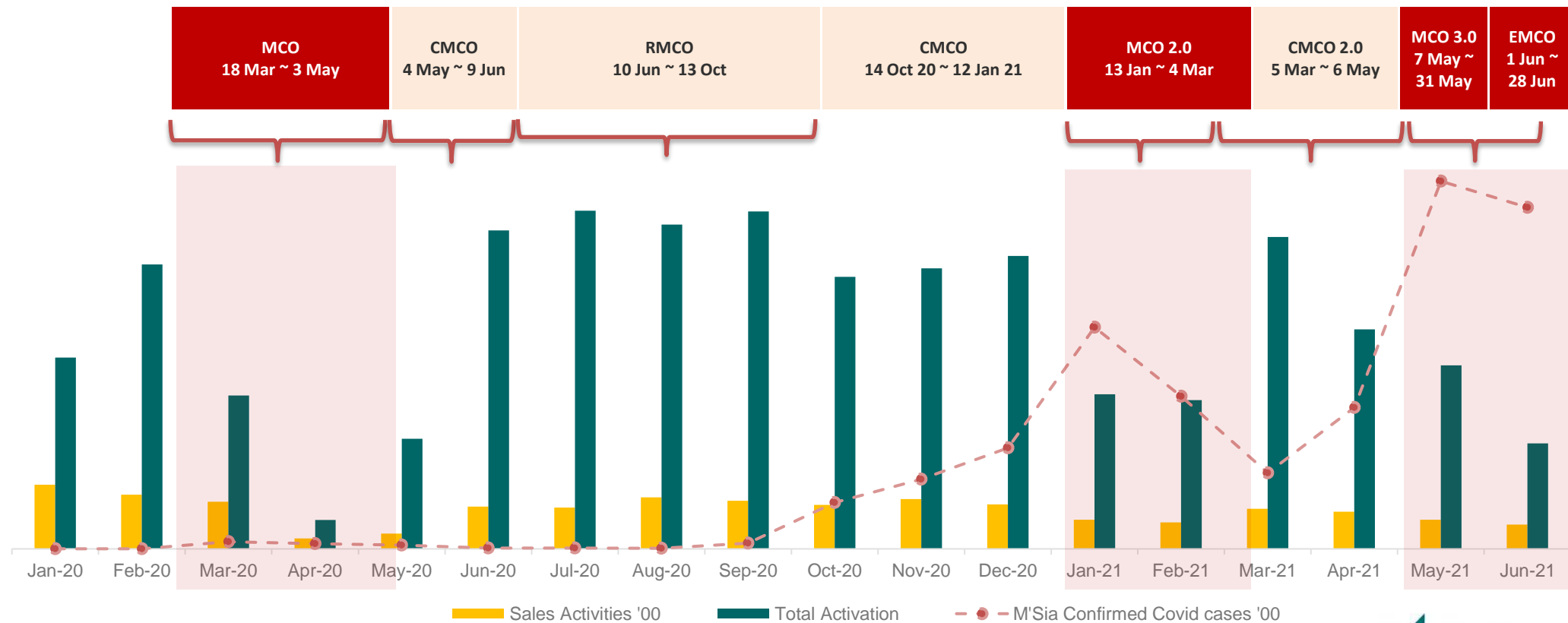


# COVID Impact – Commercial Segment

## Pent-up Activations are Expected Post Lockdown

A 'V' shape recovery with a 236% increase in monthly activation after the lockdown was lifted

- Mar 2021 recorded a 106% increase in activation after MCO 2.0 was lifted
- Sales activities continued but with a 19% drop in 2021 due to various forms of MCOs



# COVID Impact - Key Account Transactions Volume

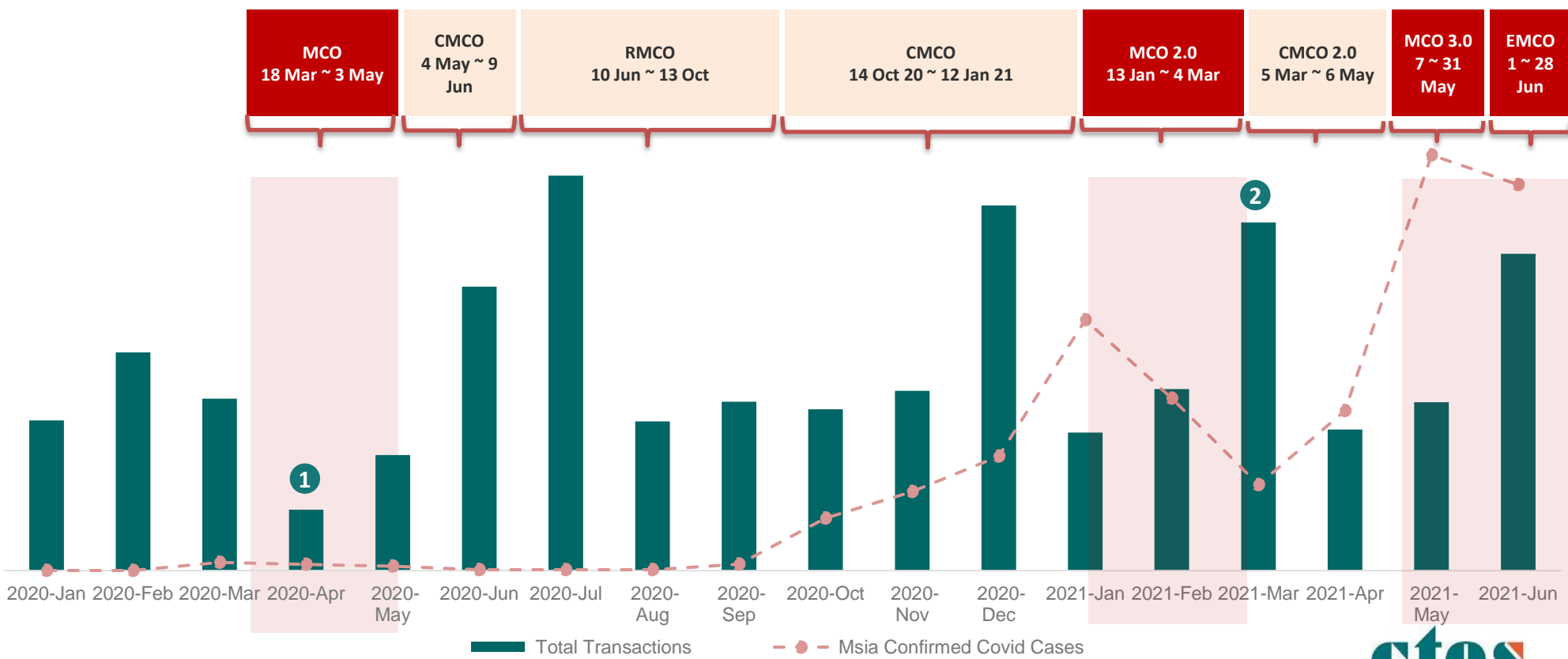
## Impact to Volumes Mitigated by Demand for Portfolio Reviews, Growth Expected Post Lockdown

- 1 Monthly volume **decreased by 65% upon enforcement of MCO** and had a **“V” shape recovery after MCO uplifted**

  - Volume spikes were attributed to new demand for **Comprehensive Portfolio Review** that provides deeper insight for optimal customer management. This further **mitigated the decreased** in volumes cause by MCO

2 FY2021 shows **similar trend** of FY2020 during MCO and rebounded at 118% in Mar’21

  - Despite MCO reinforcement, volume increased for Jun’21 largely due to continued demand for **Comprehensive Portfolio Review**
  - Overall Key Account’s revenue has shown an increase with addition from Digital Solutions adoption

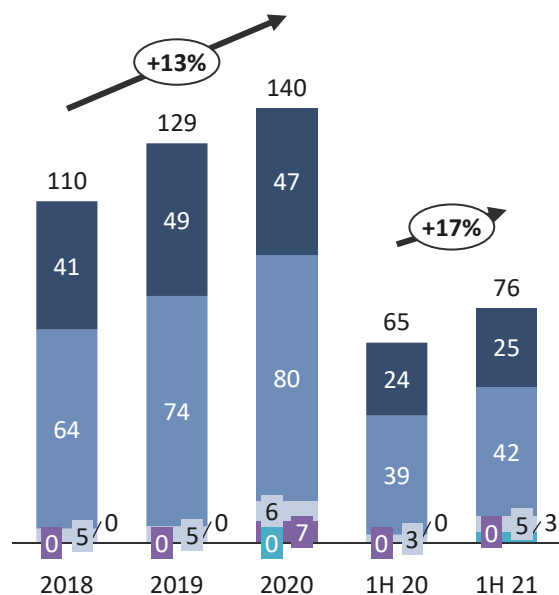


# 1H21 Financial Update

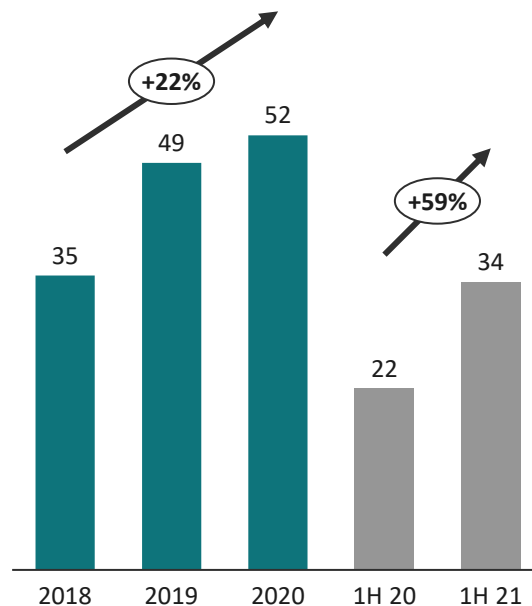
## YoY Growth Exceeded the 2 Year CAGR Underpinned by Strong Revenue Growth

Significantly Stronger EBITDA Margin 45% and Norm. PATMI Margin 41%

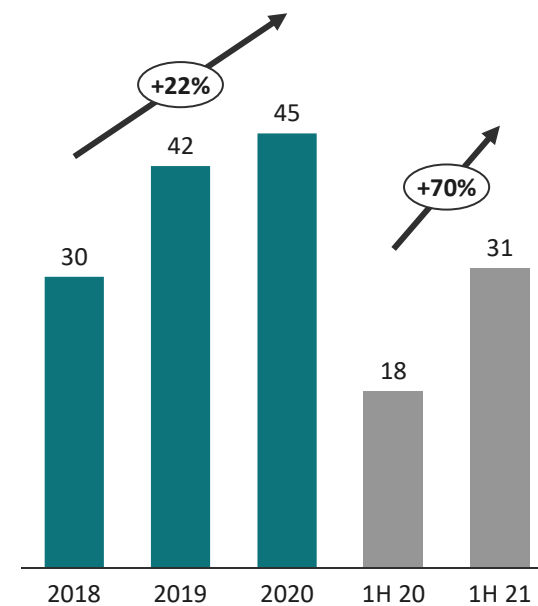
**Revenue**  
(RM m)



**EBITDA**  
(RM m)



**Norm. PATMI**  
(RM m)



- Key accounts
- Commercial
- Direct-to-Consumer
- International B2B
- Commercial - International

EBITDA  
margin

32% 38% 37% 33% 45%

Norm.  
PATMI  
margin

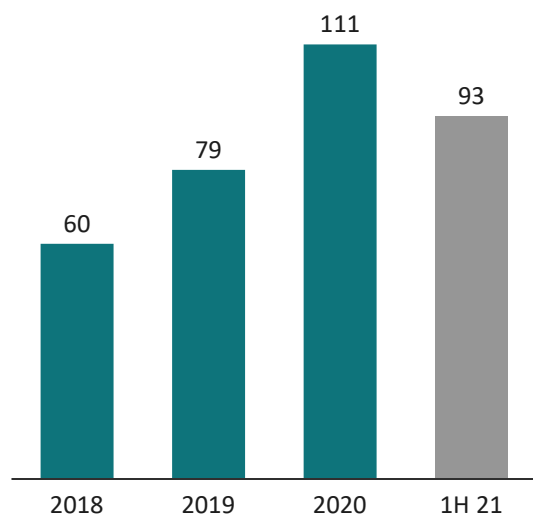
28% 33% 32% 29% 41%

# Balance Sheet and Cashflow Highlights

Strong ROE and FCF. Declared 60% dividend Payout Ratio in 1H 2021 in line with Policy

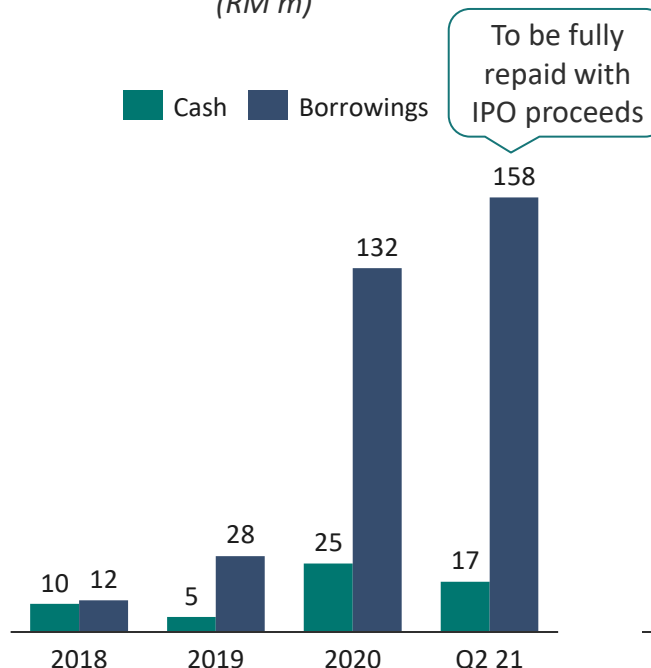
## Shareholder Equity & ROE

(RM m)



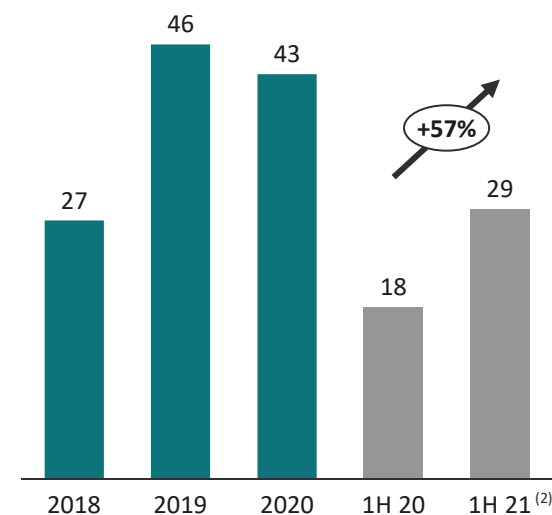
## Cash and Borrowings

(RM m)



## Free Cash Flow & Payout Ratio

(RM m)



Gearing 0.2x 0.3x 1.1x 1.7x

Declared 60% dividend payout ratio for 1H 2021 profits (in line with policy)

ROE	47%	56%	41%	46% <sup>(1)</sup>
NA per share (RM)	0.03	0.04	0.06	0.05

Notes:

1. Based on LTM reported profits
2. Included dividends received from Associates

# Summary and outlook

- Good first-half momentum
  - Strong key accounts performance
  - Strong direct to consumer growth
- Expect a “V” shape recovery and stronger performance once lockdown is lifted
- Strong outlook for remainder of FY21
  - Rollout of digital solutions
  - Continued PATMI growth

