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Q3 2021 Results
20 Oct 2021

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- The following presentation contain statements about future events and expectations that are forward-looking statements by the management of CTOS Digital Berhad (“CTOS”) (“Company”), relating to financial trends for future periods, compared to the results for previous periods, characterised by the use of words and phrases such as “might”, “forecast”, “anticipated”, “project”, “may”, “believe”, “predict”, “expect”, “continue”, “will”, “estimate”, “target” and other similar expressions.
- Forward looking information is based on management’s current views and assumptions including, but not limited to, prevailing economic and market conditions. Our business operates in an ever-changing macro environment. As such, any statement in this presentation that is not a statement of historical fact is a forward-looking statement that involves known and unknown risks, uncertainties and other factors which may cause CTOS actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.
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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

Snapshot of CTOS Digital

Leading regional credit bureau in ASEAN

Leading regional credit bureau in ASEAN

with presence in Malaysia and Thailand

Leading CRA in Malaysia

with estimated total market share of **71.2%⁽¹⁾** in 2020, by revenue⁽²⁾

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⁽³⁾**

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

Direct-to-Consumers - **c.1.4 mm⁽⁴⁾** 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**

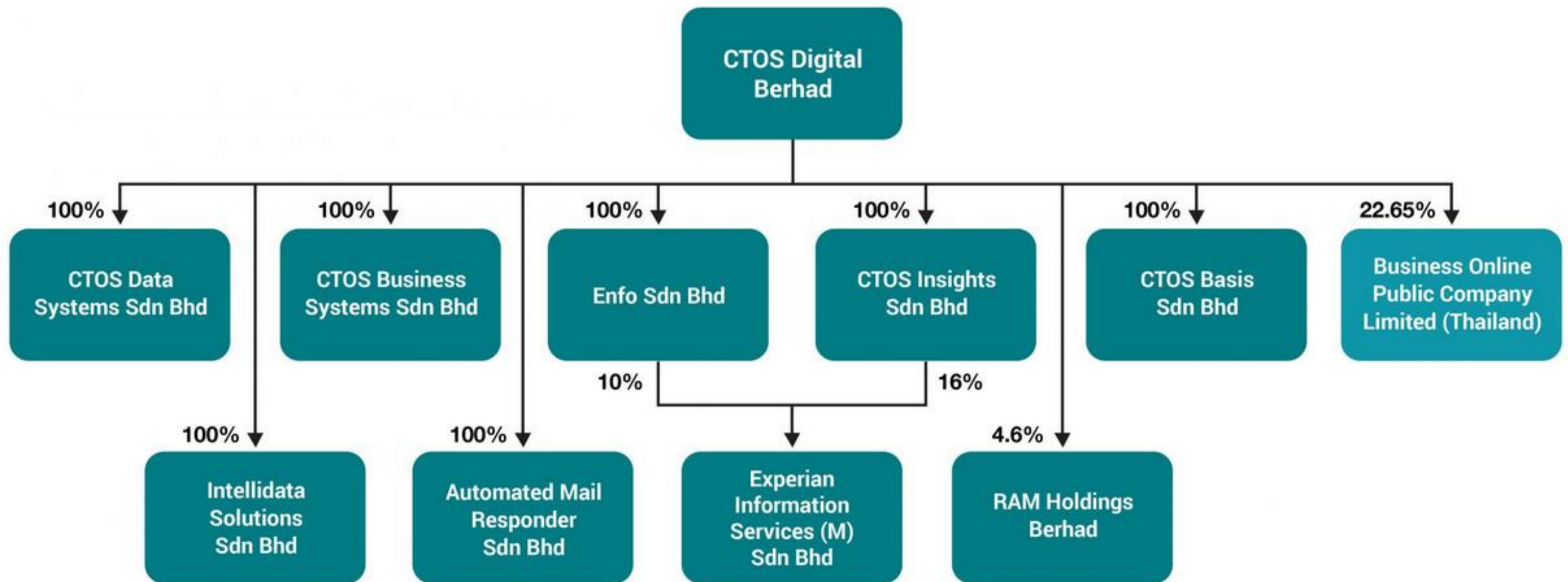
Notes:

(1) Pro-forma Including Basis

(2) Source: IDC Analysis

(4) As at 30 Sept 2021

OUR BUSINESSES





Operations Update

KEY ACCOUNTS SEGMENT

- ▶ Key Accounts remains a strong growth contributor to the group with Q3 average monthly volume exceed Pre-MCO

- 1 Q1 2021 showed similar trend of FY2020 post MCO with transactions recovered 118% in Mar'21
- 2 Despite MCO, volume increased for Jun'21 largely due to continued demand for Comprehensive Portfolio Review
- 3 Prolong MCO the volume dropped in Jul vs Jun especially on Digital reports

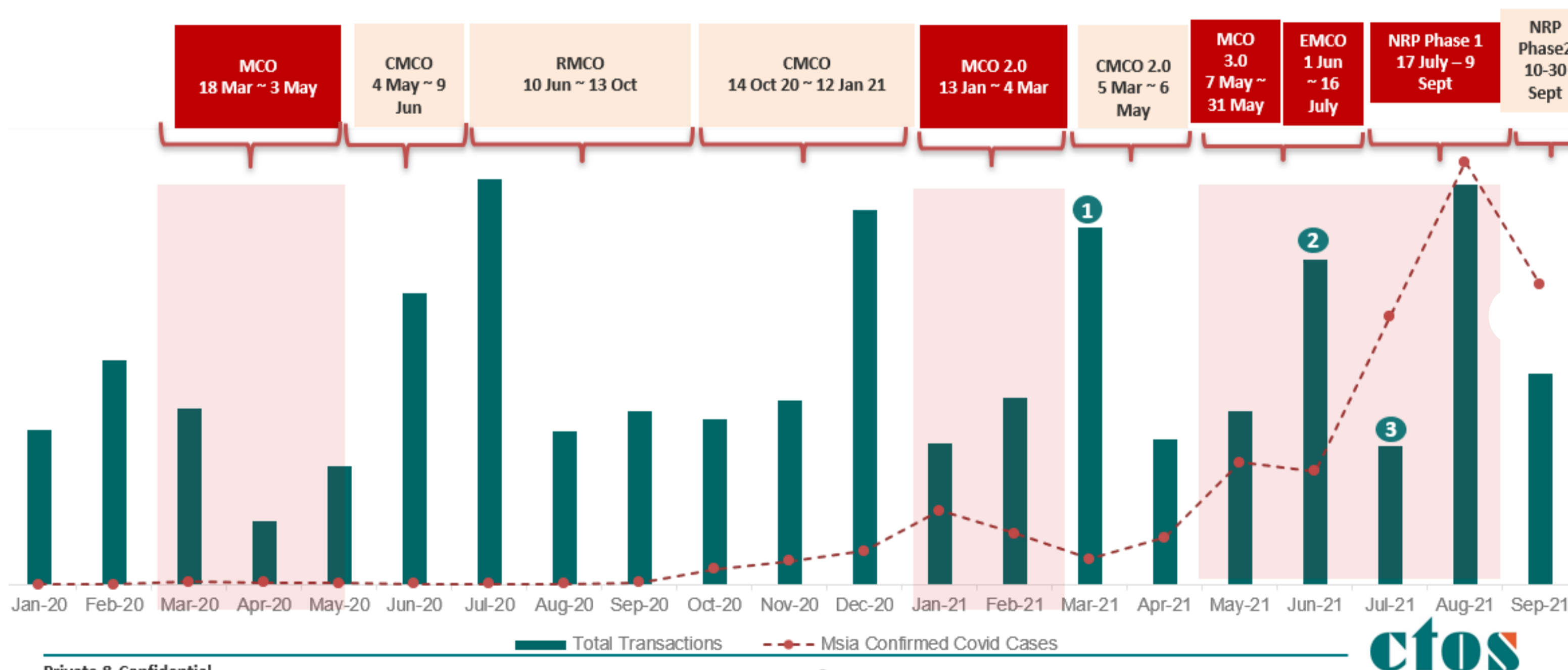
Growth across Products

Comprehensive Portfolio Review

- Strong MoM growth along with the progression of NPR Phases

CTOS eKYC

- e-KYC continues to see strong pickup since deployment
- 6 new e-KYC customers in Q3 21
- 54 clients in total with 28 already gone LIVE and 26 more in progress



COMMERCIAL SEGMENT

Strong 'U' shape recovery end Q3 progressing through the NRP phases with anticipation of acquisition rebound through pent-up demand

- Sales activities continued but with a 19% drop in 2021 as a result of the continuous movement controls
- 4-week window between 5/3 to 6/5 showed an activation recovery before the reinforcement of MCO

- Experienced good recovery as multiples states progress through NRP phases
- 71% increase in activation in Sep as main states move into Phase 2

**Q3 2021 MoM
Progressive growth**

- Customer activation improved by average 29% MoM in Q3 2021
- Transactional volume increased average 12% MoM in Q3 2021



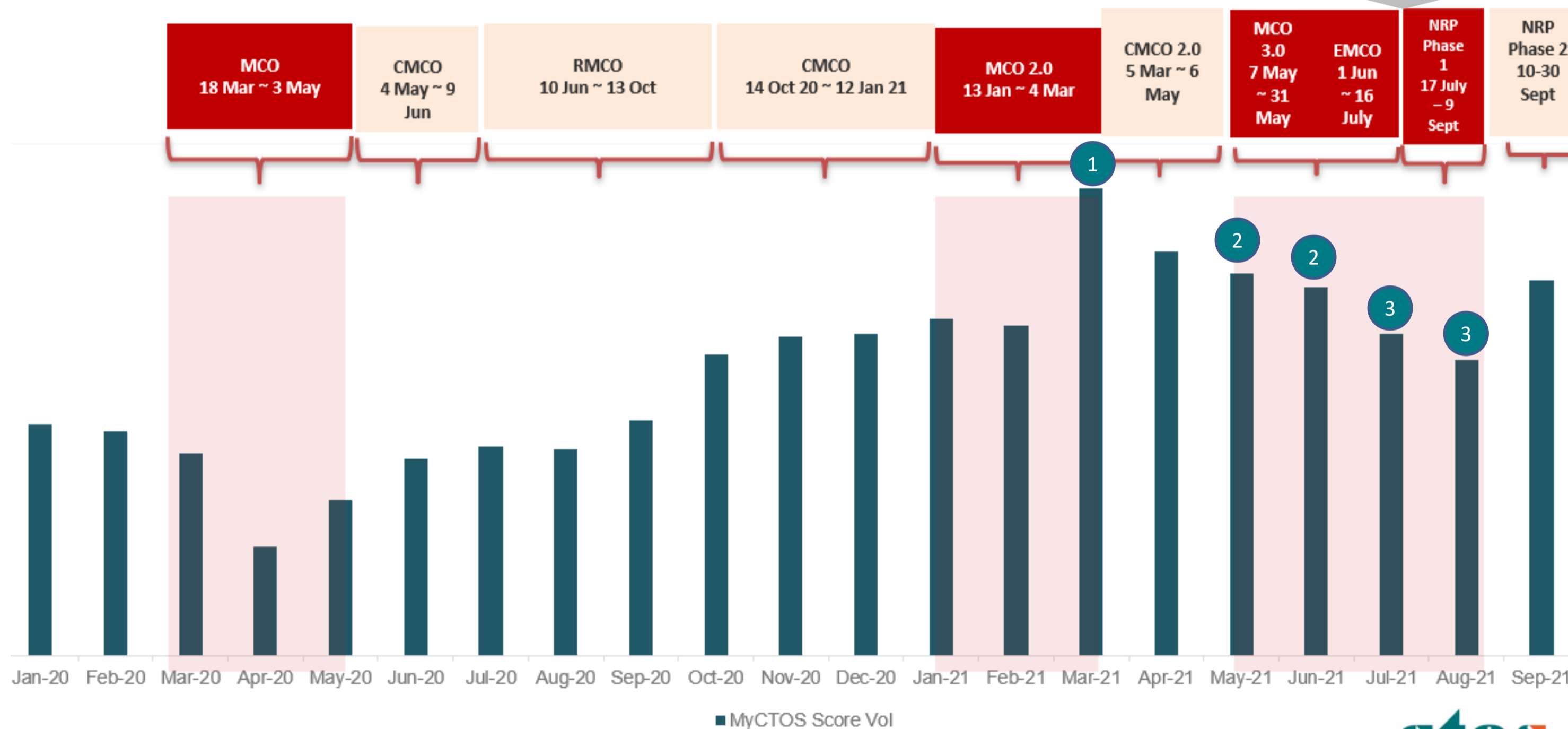
DIRECT-TO-CONSUMER SEGMENT

- ▶ D2C self-check user base grew 100K to 1.4 million in Q3, with potential to convert to CSI subscription model. We will continue to expand on our financial literacy programs in FYE2021
- ▶ Total revenue in Q3'21 up by 58% vs corresponding Q3'20

1 Highest score vol in Mar from pent up demand as the country moved from MCO 2.0 to CMCO

2 MCO 3.0 & total lockdown.

3 FREE CCRIS CSR Campaign. New sign-ups during the campaign was +18% vs BAU



1. Free CCRIS Campaign (28 Jun – 31 Aug 2021)

2. Free CCRIS Campaign with a large subscriber base partners (Nov/Dec)



Free 1-month CTOS SecureID Dark Web Monitoring

- Sign up validity period: 4 Oct – 30 Oct 2021
- Dark Web monitoring feature scans the dark web and sends alert and notification if the information is found

ACQUISITIONS

- ▶ Acquisition of strategic minority stakes in RAM and BOL to improve product and inter-market synergies



Post-IPO Acquisitions

Acquired 4.625% stake in RAM for RM10.1 million

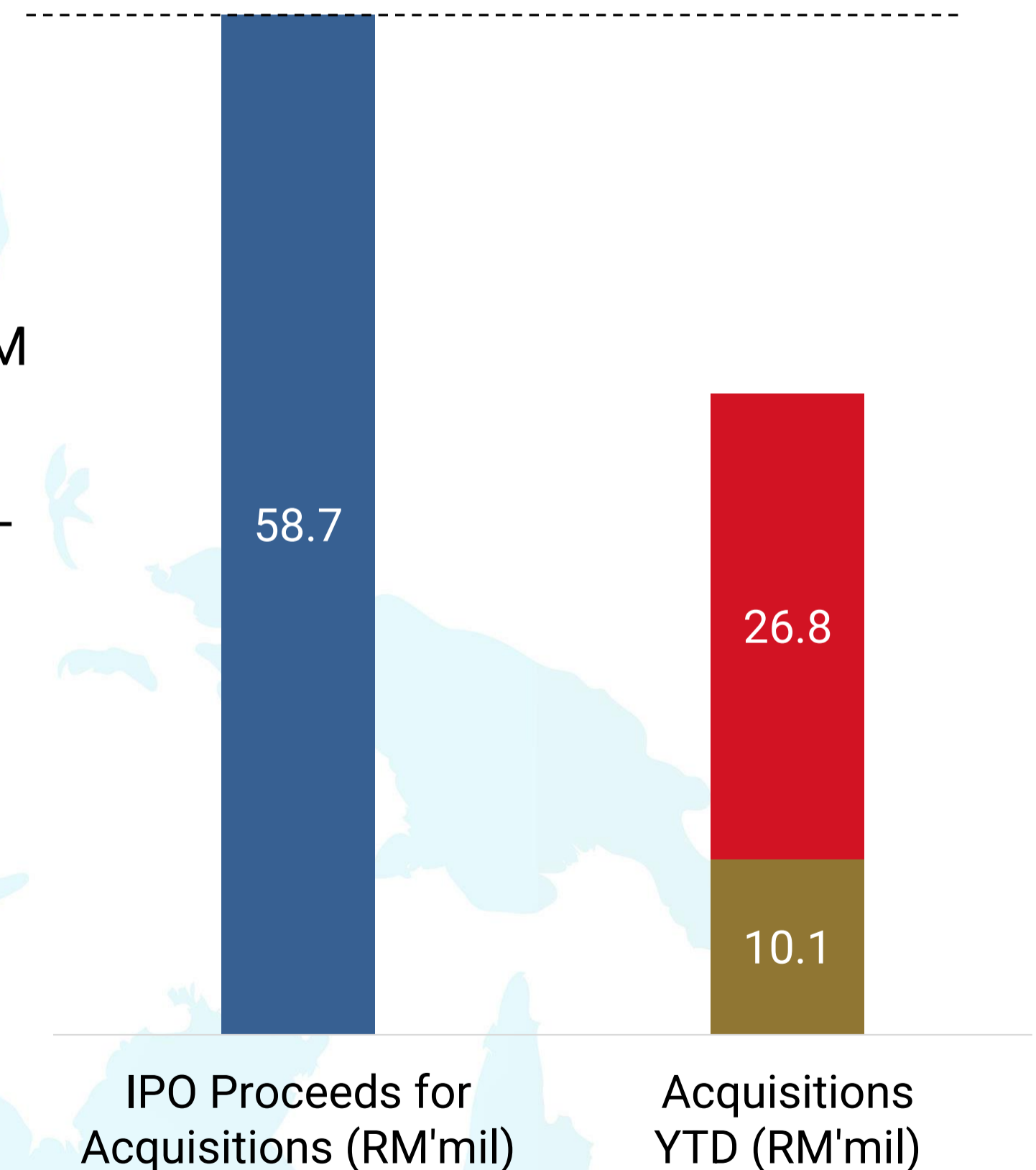
- Acquired 462,500 ordinary shares in RAM Holdings Berhad (RAM) from CIMB Bank Berhad
- Opens new collaborative opportunities (e.g. SME bond ratings, ESG reports)

Increased stake in BOL from 20.00% to 22.65%

- Acquired 21.74 million ordinary shares via direct business transfer on the Thai stock exchange for THB208.7 or RM26.8 million

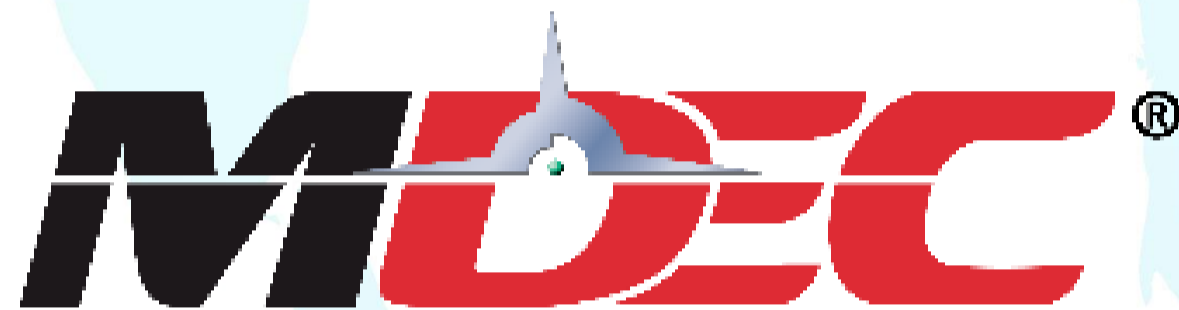
■ RAM

■ BOL



PIONEER STATUS

- ▶ MDEC processing Pioneer Status renewal; anticipate update in 4Q21



Renewal of Pioneer Status*

- Application has been made for MDEC's renewal of CTOS Data Systems' Pioneer Status for an extended relief period of five years
- Anticipating outcome in 4Q21
- FY2021 quarterly announcements YTD have assumed normalised corporate tax rate as prudence measure

*Notes:

- Wholly-owned subsidiary CTOS Data Systems has been awarded pioneer status incentives under the PIA 1986 for MSC Malaysia Qualifying Activities
- The tax relief period under CTOS Data Systems' MSC Pioneer Certificate is from 9 November 2016 until 30 June 2021, which will also continue from 1 July 2021 until 8 November 2021.

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

- ▶ We have started embarking on Sustainability ESG Journey to create long term value for both shareholders and stakeholders



Target to be listed on BURSA FTSE4Good by June 2022

The FTSE4Good Bursa Malaysia Index is designed to identify Malaysian companies with **recognized corporate responsibility practices**. It also measures the performance of companies demonstrating **strong Environmental, Social and Governance (ESG) practices**

Why ESG matters?

Sustainability is important in order to remain successful.

- ✓ To do *business without negatively impacting the environment, community, or society as a whole*
- ✓ To exist and develop without depleting natural resources for the future
- ✓ To create long term value for shareholders and stakeholders



Financial Overview

FINANCIAL PERFORMANCE – Q3'21

- ▶ All customer types recorded revenue growth despite prolonged lockdown; stable financial performance testament of resilient business model

Figures are in RM million	Q3 2021	Q3 2020	YoY
Revenue	38.6	34.0	13.4%
Key Accounts	14.1	12.3	14.8%
Commercial	20.6	20.3	1.6%
Direct to Consumer	2.3	1.5	58.1%
Commercial – International	1.6	-	-
Gross profit	33.5	29.9	12.1%
Margin	86.8%	87.8%	
EBITDA	16.4	14.1	16.2%
Margin	42.6%	41.5%	
PAT	11.7	10.3	13.3%
Margin	30.3%	30.3%	
PATAMI	11.7	10.7	9.3%
Margin	30.3%	31.4%	
Normalised PATAMI	15.2	13.0	17.1%
Margin	39.4%	38.2%	

• Excluding RM3.3 mil in Q3'21 & RM3.0 mil in Q3'20 CCRIS fee waiver for like-for-like growth

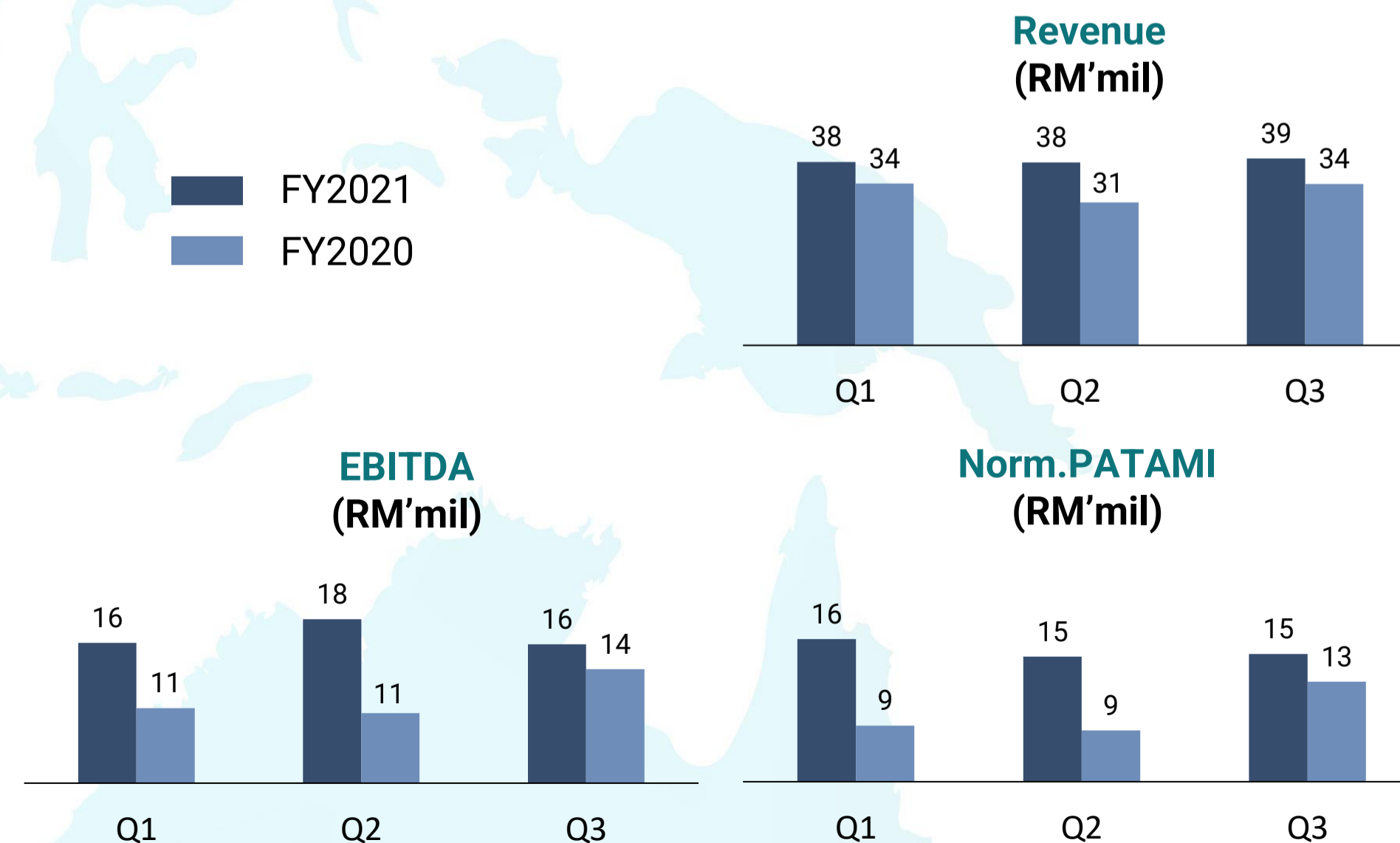
• Group YoY 13.0%

❖ KA YoY 13.4%

❖ Comm YoY 1.5%

❖ D2C YoY 57.9%

• Share of Profit RM2.2 mil in Q3'21 vs RM0.5 mil in Q3'20



FINANCIAL PERFORMANCE - 9M21

- ▶ Growth driven by steady contribution from all customer types; highest contribution from Key Accounts on like-for-like growth

Figures are in RM million	9M 2021	9M 2020	YoY
Revenue	114.4	98.8	15.8%
Key accounts	39.4	35.8	10.0%
Commercial	62.6	58.8	6.5%
Direct to Consumer	7.5	4.2	78.9%
Commercial – International	4.9	-	-
Gross profit	100.0	84.9	17.8%
Margin	87.4%	86.0%	
EBITDA	50.7	35.7	41.8%
Margin	44.3%	36.2%	
PAT	30.6	25.9	18.2%
Margin	26.8%	26.2%	
PATAMI	31.2	26.3	18.6%
Margin	27.3%	26.6%	
Normalised PATAMI	46.6	31.4	48.1%
Margin	40.7%	31.8%	

- Excluding RM9.5 mil in 9M'21 & RM4.4 mil in Q3'20 CCRIS fee waiver for like-for-like growth

- Group YoY 20.1%

- ❖ KA YoY 20.2%

- ❖ Comm YoY 6.9%

- ❖ D2C YoY 87.2%

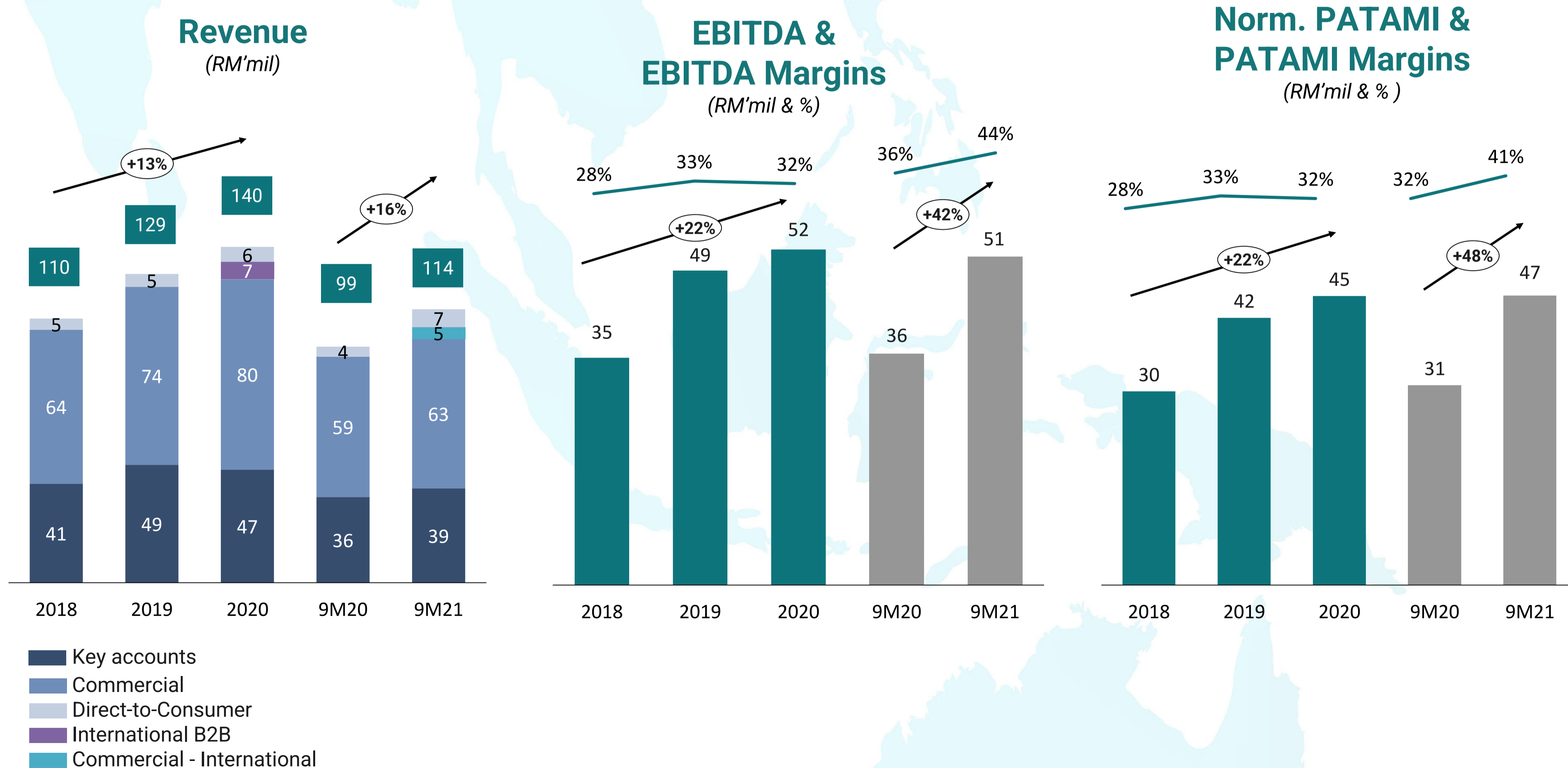
- Share of Profit RM5.6 mil in 9M 2021 vs RM1.0 mil in 9M 2020

- Discontinued operations (CIBI) RM1.1 mil in 9M2021 vs RM0.8 mil in 9M2020 loss after tax

Normalisation items	9M 2021	9M 2020
Losses from CIBI	0.6	0.4
Acquisition related cost	0.2	0.1
Share based payment expense	-	1.9
Interest expense on bank borrowings	5.6	2.1
Unrealised loss on forex	4.4	0.0
Tax expense	4.6	0.6
Total normalisation	15.4	5.1

INCOME STATEMENT

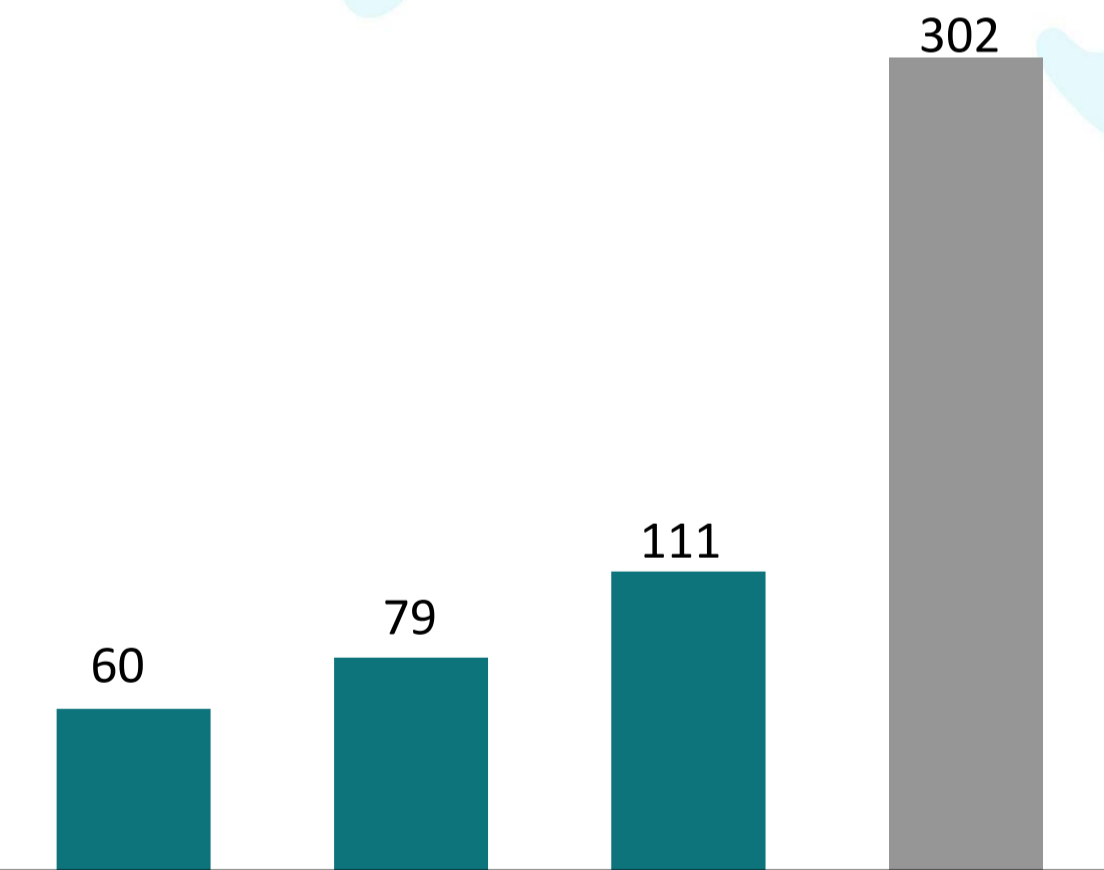
▶ Revenue growth of 16% out-performed last 2Y CAGR and posted steady margins despite prolonged lockdown



BALANCE SHEET & CASHFLOW

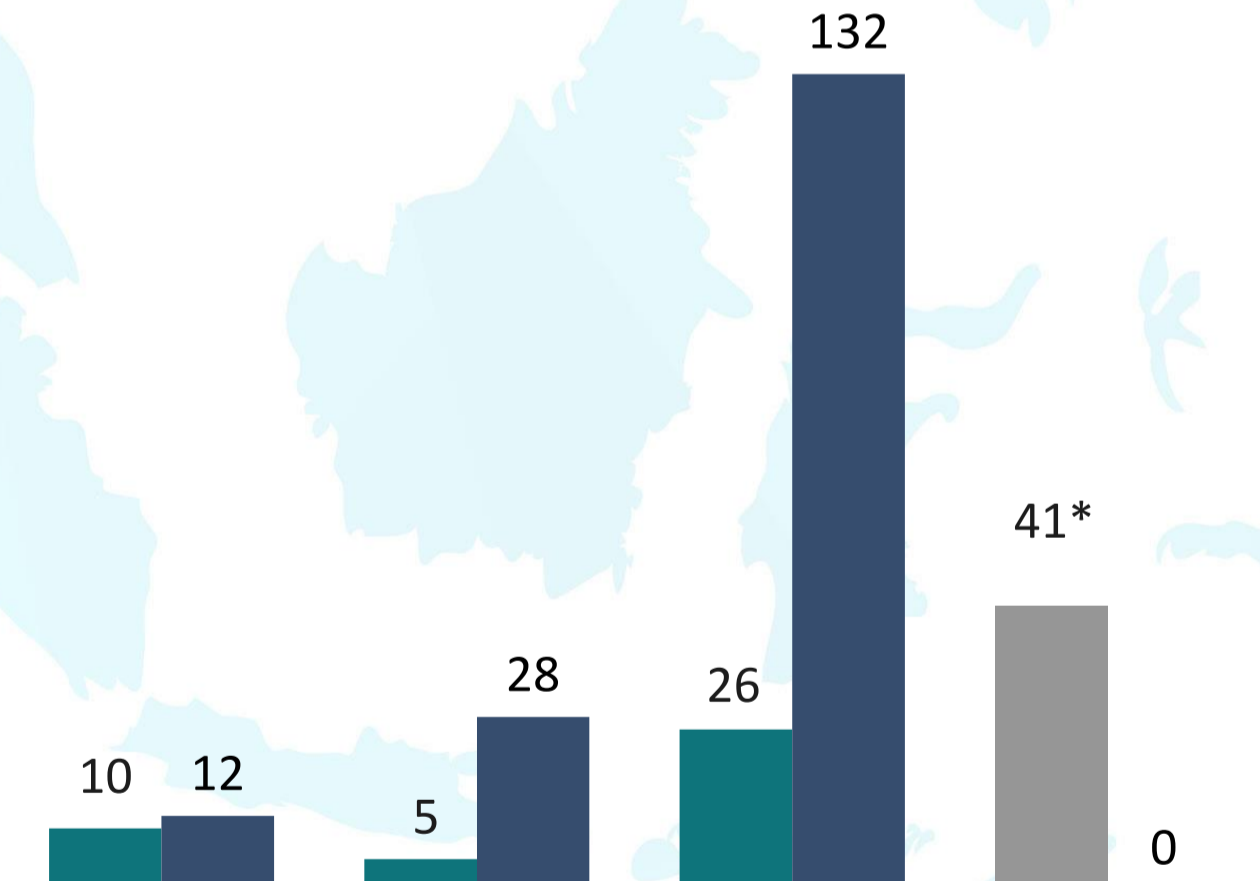
▶ Continues to record healthy balance sheet with inorganic growth

Shareholder Equity & ROE (RM'mil)

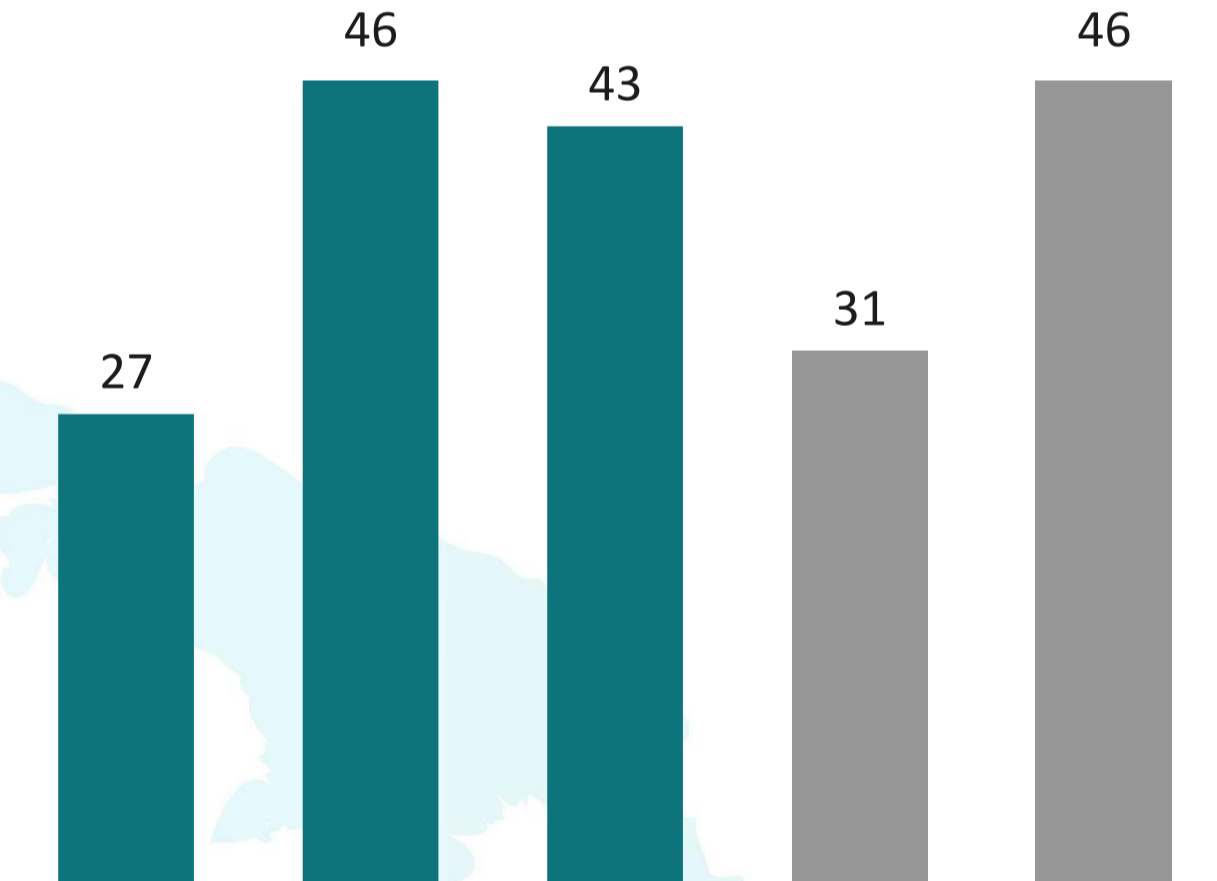


Cash & Borrowings (RM'mil)

Cash
Borrowings



Free Cash Flow (RM'mil)



ROE

47% 56% 41% 22%

NA per
share
(RM)

0.03 0.04 0.06 0.15

Gearing

0.2x 0.3x 1.1x

Net
cash

*Note: Includes RM27 million in Unit Trust

DIVIDEND TREND

▶ Dividend payout of RM18.8 million for 9M21; in line with policy

Targets a Payout Ratio of 60% of PATAMI

1st Interim dividend of 0.533 sen/share

Ex Date: 5 Aug 2021

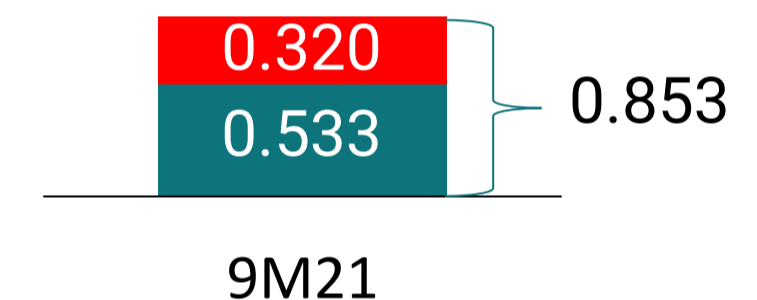
Payment Date: 3 Sep 2021

2nd Interim dividend of 0.32 sen/share

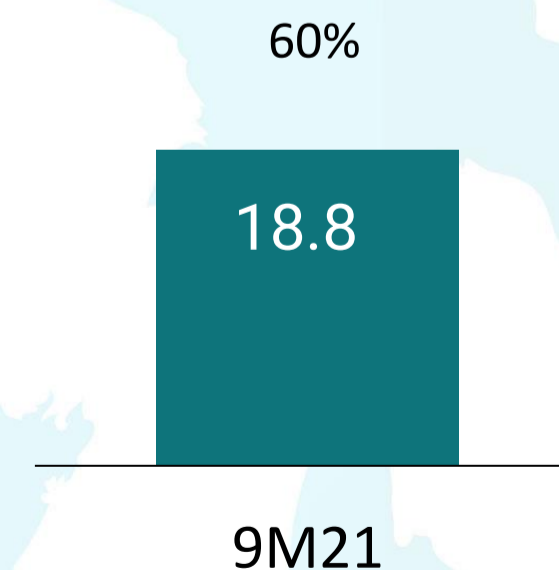
Ex Date: 11 Nov 2021

Payment Date: 10 Dec 2021

Net Dividend per Share
(sen)



Dividend Payout
(RM'mil)



KEY TAKEAWAYS IN 3Q21



**Digital products
continue to gain
traction**



**Stable financial
performance
across quarters
despite lockdowns**



**Q3 2021 Norm.
PATAMI of
RM15.2 mil**

**9M 2021 Norm.
PATAMI of
RM46.6 mil**



**Anticipating
rebound through
pent up demand
in Q4 once
restrictions are
loosened**



ctos Digital

Thank You