



[www.ctosdigital.com](http://www.ctosdigital.com)

**FY 2021 Results**  
25 Jan 2022

# DISCLAIMER

- 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.
- This presentation does not constitute an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in the presentation or on its completeness, accuracy or fairness. None of the Company nor any of its shareholders, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.
- “RM” shall mean Ringgit Malaysia being the lawful currency of Malaysia. Any discrepancies between individual amounts and totals are due to rounding





# AGENDA

- ① **FY2021 Highlights**
  - ② **FY2022 Focus Areas**
  - ③ **Financial Overview**
  - ④ **Key Takeaways**
  - ⑤ **Investment Merits**
-





# 1 FY2021 Highlights

## Key Achievements & Industry Challenges



# KEY HIGHLIGHTS 2021

2021 was a significant “coming of age” year for CTOS Digital



Listed on 19 July 2021



Synergistic Acquisitions



Revenue Growth  
of 15% YoY



Significant Growth in  
Data Analytics  
& Digital Solutions



Attracted  
Skilled Hires

# KEY ACCOUNTS SEGMENT

## Demand and implementation on firm uptrend

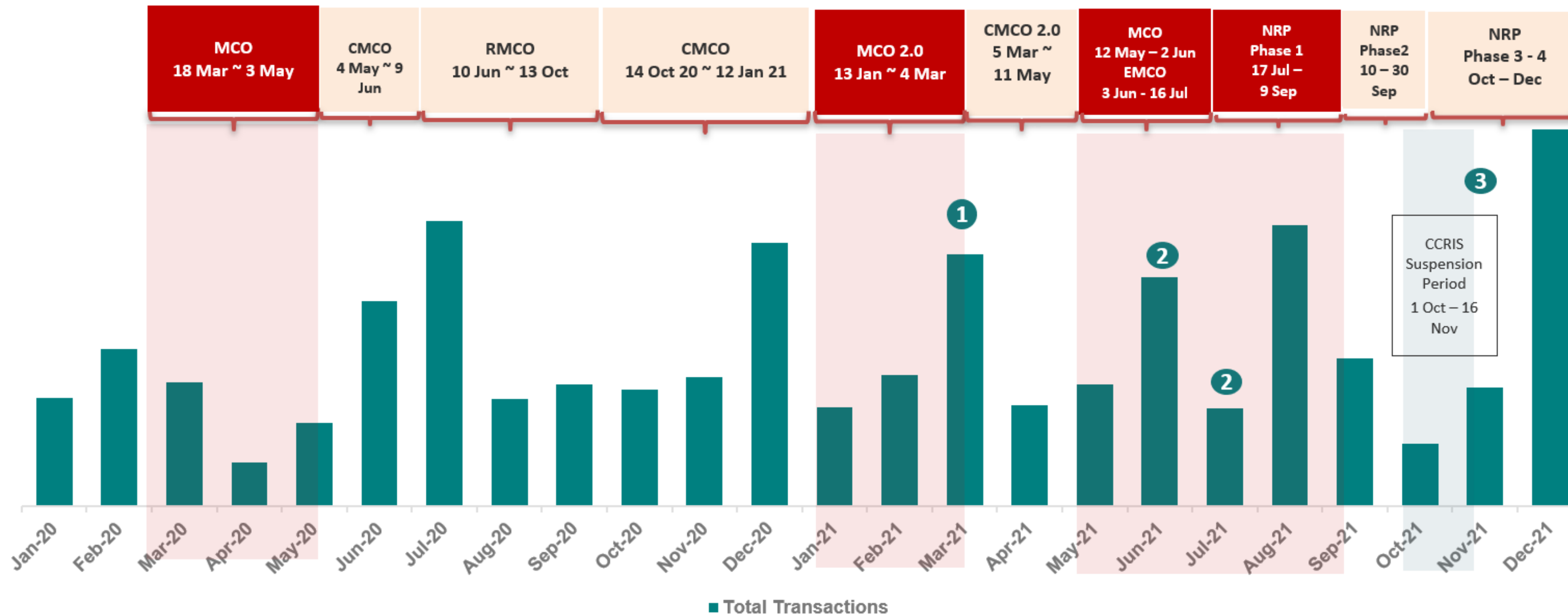
- ▶ Q4 monthly transactions volume hit new record despite CCRIS suspension
- ▶ Solid growth across products (*Comprehensive Portfolio Review, eKYC, CAD & IDGuard*)

1 Q1 2021 - showed **similar trend** of FY2020 post MCO with transactions recovered 118% in Mar'21

2 Q2 & Q3 2021 – Slight drop in BAU due to reinstatement of MCO, mitigated by continued demand for **Comprehensive Portfolio Review**

3 Q4 2021 - volume dipped during CCRIS suspension, however recovered strongly after reinstatement & recorded highest demand for **Comprehensive Portfolio Review (CAD)**

- CAD strong growth of **47%** from corresponding period in 2020 along with the progression of National Recovery Phases (NRP)



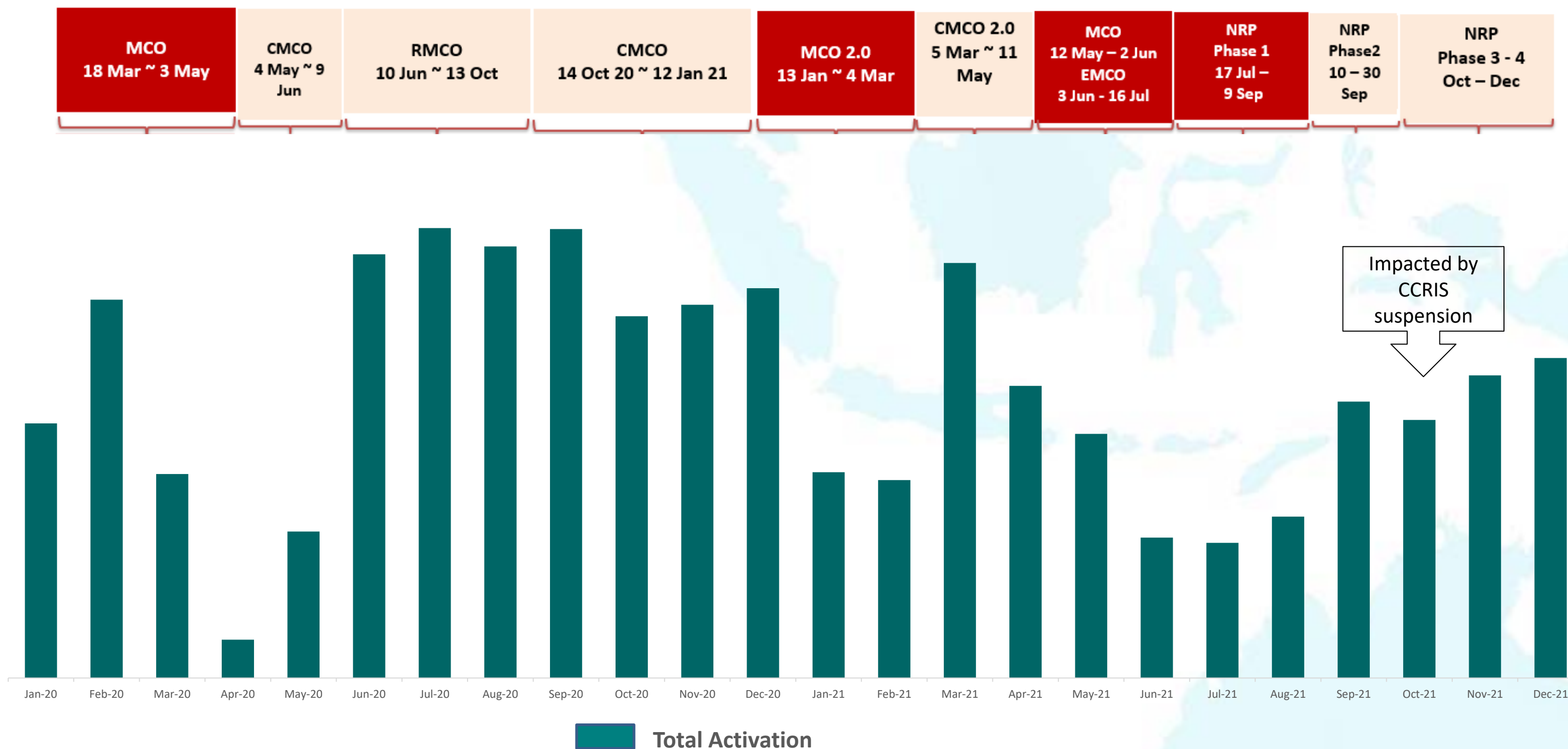


# COMMERCIAL SEGMENT

Strong recovery in Q4 despite MCO & flood. Momentum expected to continue into 2022

- ▶ SME customer activations continued to climb in Q4 2021
- ▶ Achieved better customer retention in 2021, indicating increasing SME awareness on credit management control

• Strong recovery in 2H & is expected to continue into 2022



## Growth Metrics

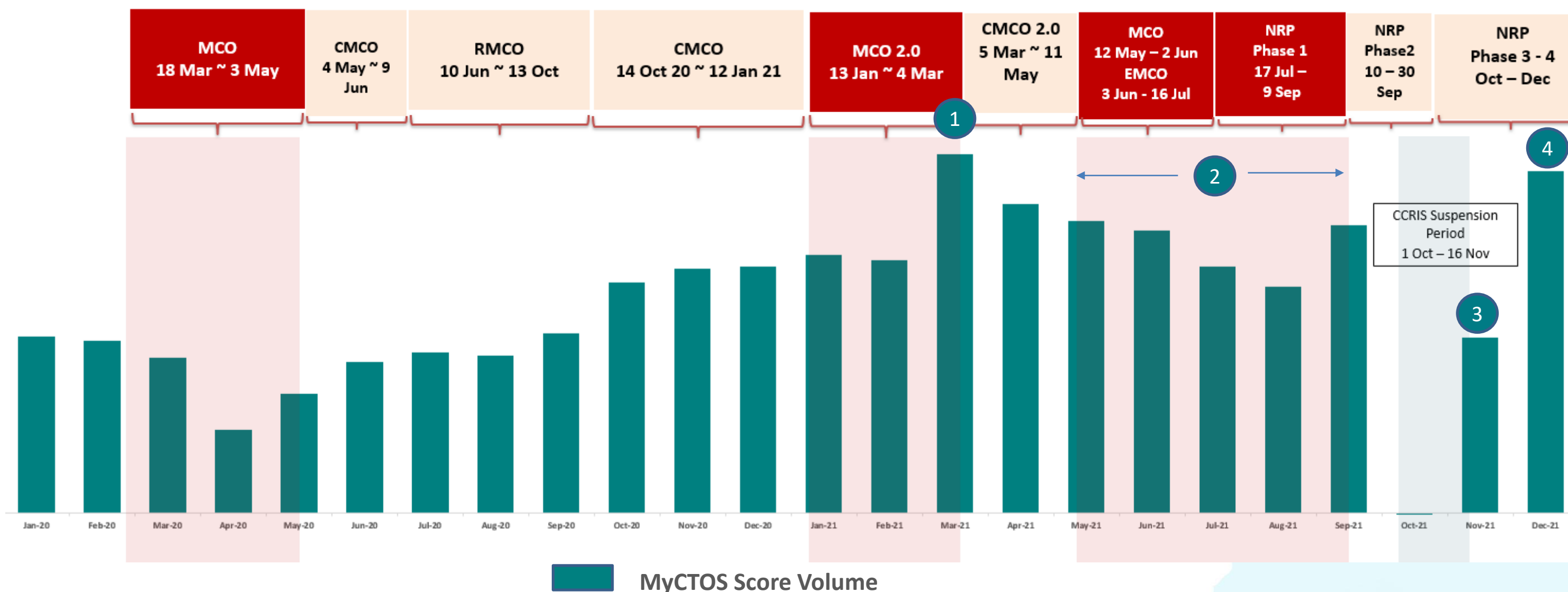
- Customer churn improved **0.2 percentage point**
- Transactional volume increased by **3% YoY**
- Service level grew by 1.66% YoY to **97.8%**

# DIRECT-TO-CONSUMER SEGMENT

Massive growth in Q4 by 3.6X vs previous quarters for new sign-ups

- ▶ Total D2C base increased 31% from 1.3Mil in FY2020 to 1.7mil in FY2021, driven by financial literacy programs (Free CCRIS Reports + Free Dark Web Monitoring)
- ▶ Q4 Score vol impacted by CCRIS suspension in Oct & Nov but bounced back strongly after reinstatement.
- ▶ FY2021 D2C revenue increased by 45% YoY

- 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 affected Score volume
- 3 Score volume resumed 70% when CCRIS reinstated on 17 Nov
- 4 Score volume improved 95% MoM in Dec thru digital campaigns & partnership



E-WALLETS PERSONAL FINANCE MGT (PFM)

Touch 'n Go eWallet Offers Free CTOS Credit Report to Users





# STRATEGIC ACQUISITIONS

Enhance end-to-end product coverage and inter-market synergies



## RAM Holdings

**Leading provider of credit ratings, risk analysis, ESG analytics, bond pricing and valuation data**

- Acquired 4.63% stake in July 2021
- Acquired 3.50% stake in Dec 2021
- Existing plans to increase stake further

**Opens new collaborative opportunities**  
(e.g. SME bond ratings, ESG reports)



## BOL

**Leading business information provider in Thailand**

- Acquired 20.00% stake in Oct 2019
- Acquired 2.65% stake in Aug 2021
- Potential to acquire up to 2.25% in 2022

Target shareholding of 24.90%

**Opportunity for synergistic product partnerships for both organizations**



## JurisTech

**Leading provider of credit enterprise software in Msia with a strong position with banks and FIs**

- Largest ever acquisition of RM206 million for 49% of JurisTech
- Subject to shareholders approval in the upcoming EGM

**To build world-class end-to-end digital lending solution**

# Powered through FY2021 despite various challenges

## Expect to receive pioneer status early-FY2022



### Temporary suspension of CCRIS access for all CRAs

- 1 Oct 2021, BNM suspended CCRIS access to all CRAs
- CTOS completed detailed review of CCRIS-related data assets and infrastructure as required by BNM
- BNM restored CTOS' access to CCRIS on **17 Nov 2021**
- We will **continue to make significant investments** to ensure all data and information is protected with world-class certified data security technology

### Prolonged MCO and COVID in Malaysia

- In FY2021, the country was under various movement restriction orders
- The prolonged lockdown affected businesses (especially SMEs), which led to lower BAU sales for CTOS
- Nevertheless, CTOS bounced back in Q4 as restrictions loosened, and **anticipates greater recovery in FY2022**

### Renewal of Pioneer Status

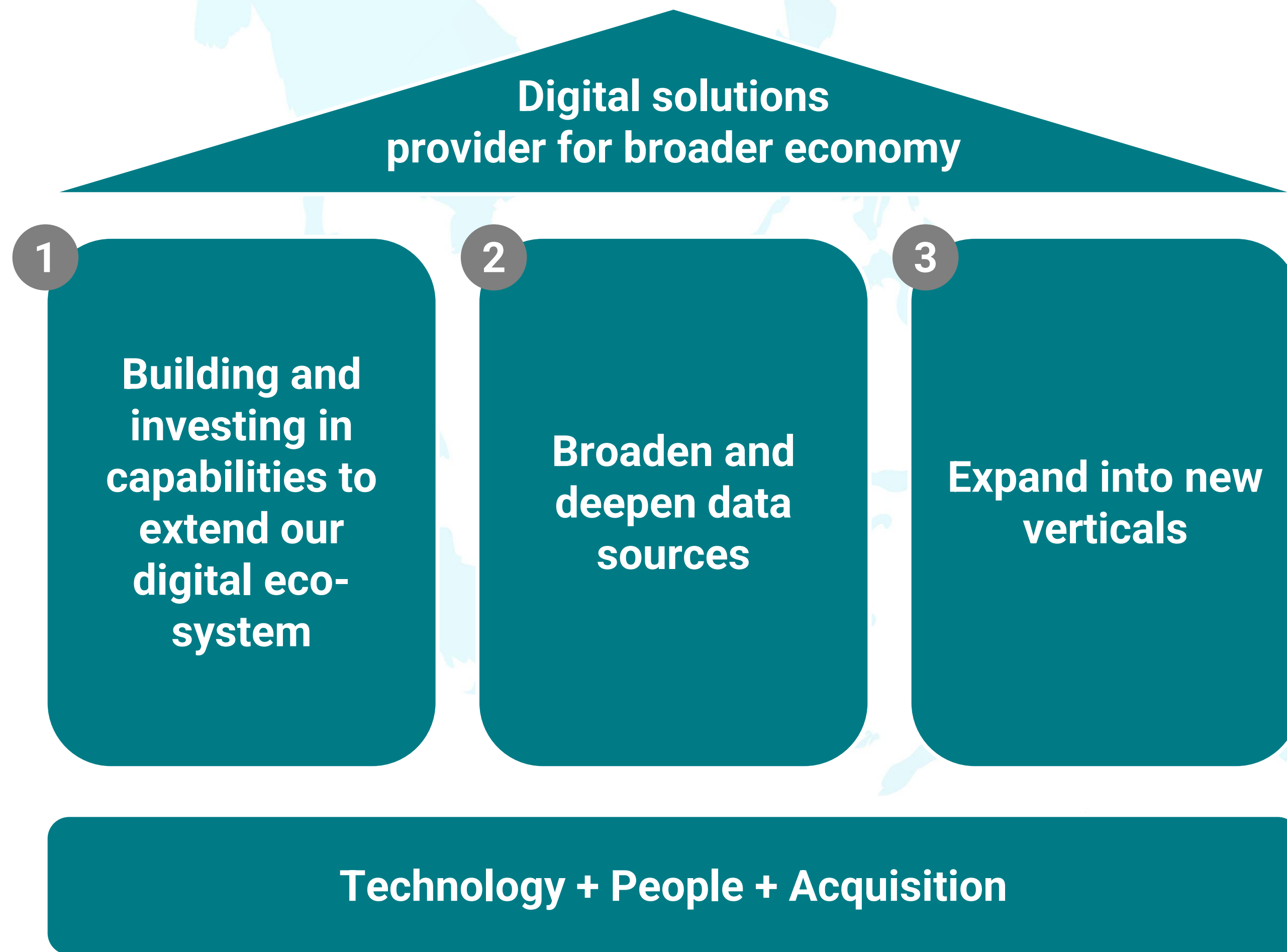
- Application has been made for MDEC's renewal of CTOS Data Systems' Pioneer Status for an extended relief period of five years
- **Anticipating outcome in 1Q22**
- FY2021 have assumed normalised effective tax rate as prudence measure





## 2 FY2022 Focus Areas Digital Solutions & ESG

# 3-pronged strategies for the Digital Economy





# Growth strategies enabled via Technology + People + Acquisition



## Technology

Continue to invest further in:

### Scalable Infrastructure

- Enable consolidation across data assets
- Improve operating leverage
- Reduced maintenance complexity

### IT & Data Security

- Compliance to latest security standards
- Business continuity assurance

### Automation & Tools

- Eliminate manual intervention, maximise efficiency, reduce errors and TaT
- Service level assurance



## People

Continue to strengthen the organisation:

### Data Analytics

- Data acquisition and partnerships
- Analytics & data modelling

### Solutions Sales and Delivery

- Delivery and Project management
- Solutions specialists

### Technology Resources

- Developers
- Cybersecurity



## Acquisition

Accelerate growth via selective acquisition:

### Product Synergies

- ID and fraud solutions
- Credit management & workflow solutions

### Capability Extension

- Analytics capabilities
- Delivery and tech capabilities

### Regional Expansion

- Increasing stake & presence in established markets
- New entry in other SEA markets

# Prioritizing Environmental, Social and Governance (ESG)

Towards creating long-term value for all stakeholders



## 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*

**Milestone 1** : CTOS Qualified for FBM EMAS Index in Dec'21

**Milestone 2** : Board reviewed & acknowledged CTOS ESG Blueprint & Roadmap

## In Progress:

- Developing Sustainability Statement to be published on CTOS Public website & Annual Report
- Target to be listed in FTSE4Good Index by 2022





**ctos Digital**

## **3 Financial Overview**

# FINANCIAL PERFORMANCE – Q4'21

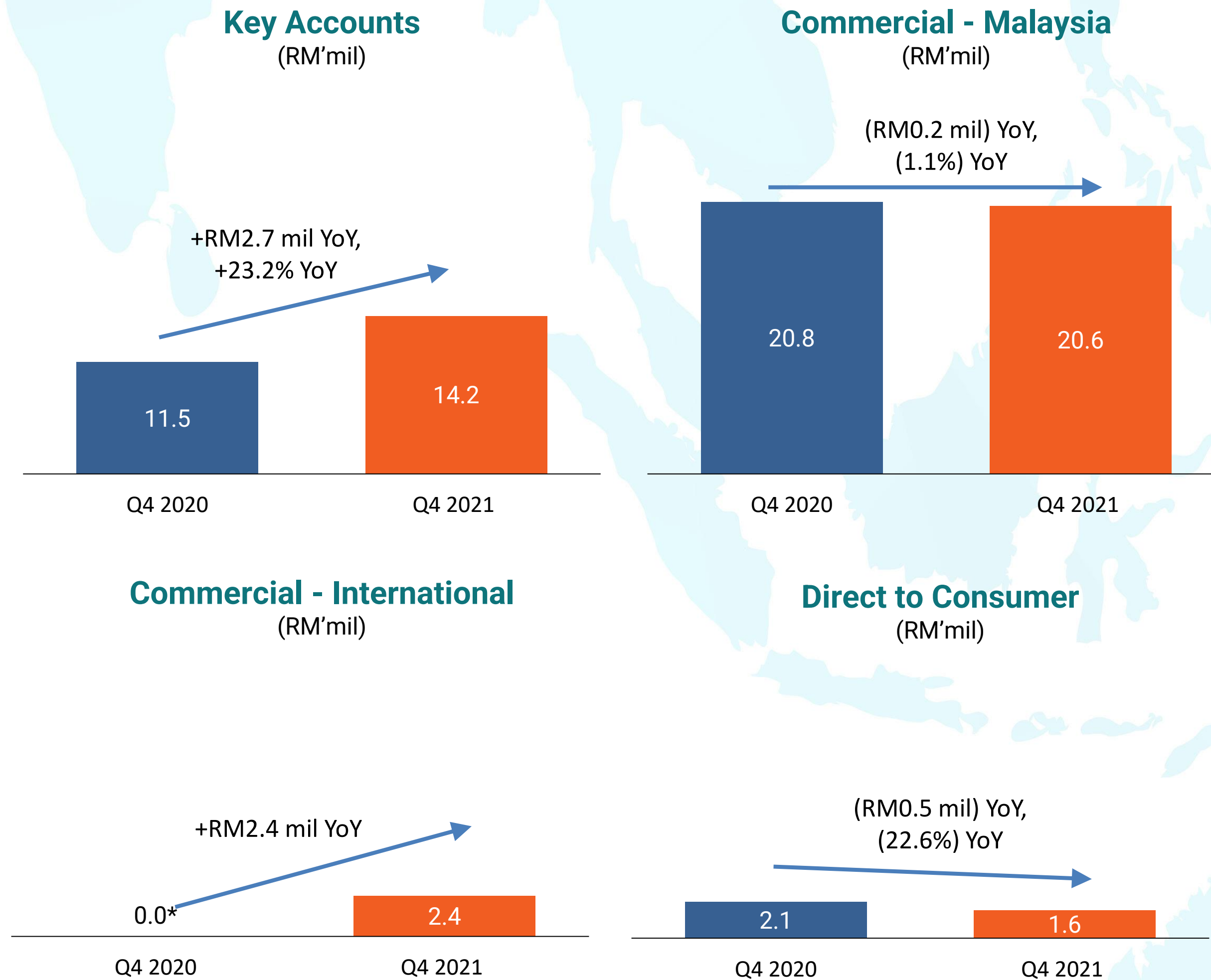
► Strong customer demand and activations in 4Q21 drove topline growth despite multiple challenges

RM mil	Q4 2021	Q4 2020	YoY Chg (RM)	YoY Chg (%)	
<b>Revenue</b>	<b>38.8</b>	<b>34.5</b>	4.3	12.5%	① • Double-digit revenue growth in Q4 despite CCRIS suspension for 6 weeks
<b>GP</b>	<b>34.0</b>	<b>30.8</b>	3.2	10.2%	
(-)					
Other Income/(Expenses)	0.5	(0.1)	(0.5)	(855.6%)	② • Due to professional fees, IT support expenses. FX gains/loss, staff costs & etc
Selling & Marketing Expenses	(6.8)	(6.4)	0.4	5.5%	
Administrative Expenses	(15.7)	(9.1)	6.6	72.1%	
Finance Income	0.2	0.0	0.1	294.7%	
Finance Costs	(0.0)	(1.9)	(1.9)	(99.0%)	③ • Share of associates profit doubled, mainly from BOL.
Share of Profits of Associates	1.6	0.8	0.8	95.4%	
<b>PBT</b>	<b>13.8</b>	<b>14.2</b>	(0.4)	(3.1%)	④ • Recognized 2 months share of profits from BOL in 2020 (acquired in Oct 2020) vs 3 mths in 2021.
(-)Tax Expenses	(2.0)	(0.4)	1.6	398.2%	
<b>PAT from continuing Ops</b>	<b>11.8</b>	<b>13.8</b>	(2.0)	(14.7%)	Higher effective tax rate of 14.4%, incorporated the delayed approval effects from MSC tax incentives
(-)Loss from discontinued operations less MI	-	(0.9)	0.9	100.0%	
<b>PATAMI</b>	<b>11.8</b>	<b>12.9</b>	(1.1)	(8.6%)	
<b>Normalised PATAMI</b>	<b>13.5</b>	<b>14.0</b>	(0.6)	(4.0%)	



# REVENUE BY CUSTOMER TYPE – Q4'21

▶ **Group revenue increased in Q4 YoY attributable to Key Accounts and Commercial International**



- Q4 Key Accounts grew by 23.2% or RM2.7 million due to new customers and stronger volumes from existing customers, digital solutions and Comprehensive Portfolio Review
- Commercial-Malaysia segment revenue impacted by CCRIS suspension and pro-longed COVID-19
- Direct to Consumer segments revenue impacted by CCRIS suspension with zero sales on MyCTOS score report for 6 weeks. Dec sales vol per day picked up significantly with 35% higher than Dec 2020 vol.

\*Note: Basis acquired in Jan 2021

# FINANCIAL PERFORMANCE – FY2021

- FY2021 saw double digit growth in revenue and PATAMI boosted by higher share of profits from accretive investment; normalised PATAMI grew more than 30%

RM mil	FY2021	FY2020	YoY Chg (RM)	YoY Chg (%)
Revenue	153.2	133.2	19.9	15.0%
GP	134.0	115.7	18.3	15.8%
(-)				
Other Income/(Expenses)	0.4	(0.1)	(0.5)	(527.0%)
Selling & Marketing Expenses	(29.4)	(30.3)	(0.9)	(2.8%)
Administrative Expenses	(54.0)	(40.4)	(13.6)	33.7%
Finance Income	0.4	0.2	0.2	83.5%
Finance Costs	(5.7)	(4.2)	1.5	35.3%
Share of Profits of Associates	7.2	1.8	5.4	304.3%
<b>PBT</b>	<b>52.9</b>	<b>42.8</b>	<b>10.1</b>	<b>23.6%</b>
(-)Tax Expenses	(9.3)	(2.3)	7.1	310.6%
<b>PAT from continuing Ops</b>	<b>43.6</b>	<b>40.5</b>	<b>3.0</b>	<b>7.5%</b>
(-)Loss from discontinued operations less MI	(0.6)	(1.3)	0.7	56.3%
<b>PATAMI</b>	<b>43.0</b>	<b>39.2</b>	<b>3.8</b>	<b>9.7%</b>
<b>Normalised PATAMI</b>	<b>60.1</b>	<b>45.5</b>	<b>14.6</b>	<b>32.0%</b>

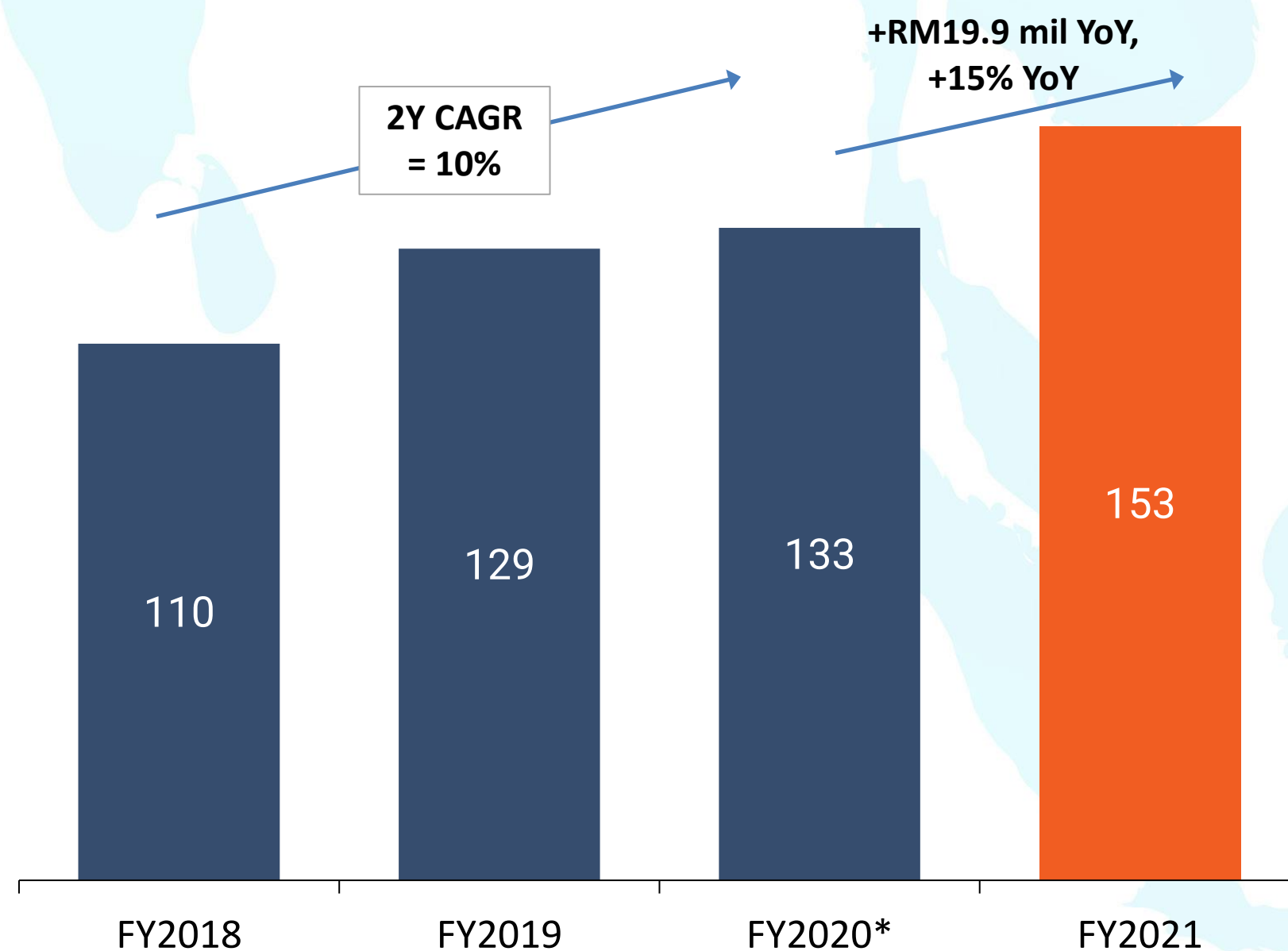
Normalisation items	FY2021	FY2020
Losses from CIBI	0.6	1.3
Acquisition related cost	1.1	0.9
Share based payment expense	-	3.3
Interest expense on bank borrowings	5.6	4.0
Realised and unrealised loss/(gain) on forex	4.4	(3.3)
Tax expense	5.4	-
<b>Total normalisation</b>	<b>17.1</b>	<b>6.3</b>



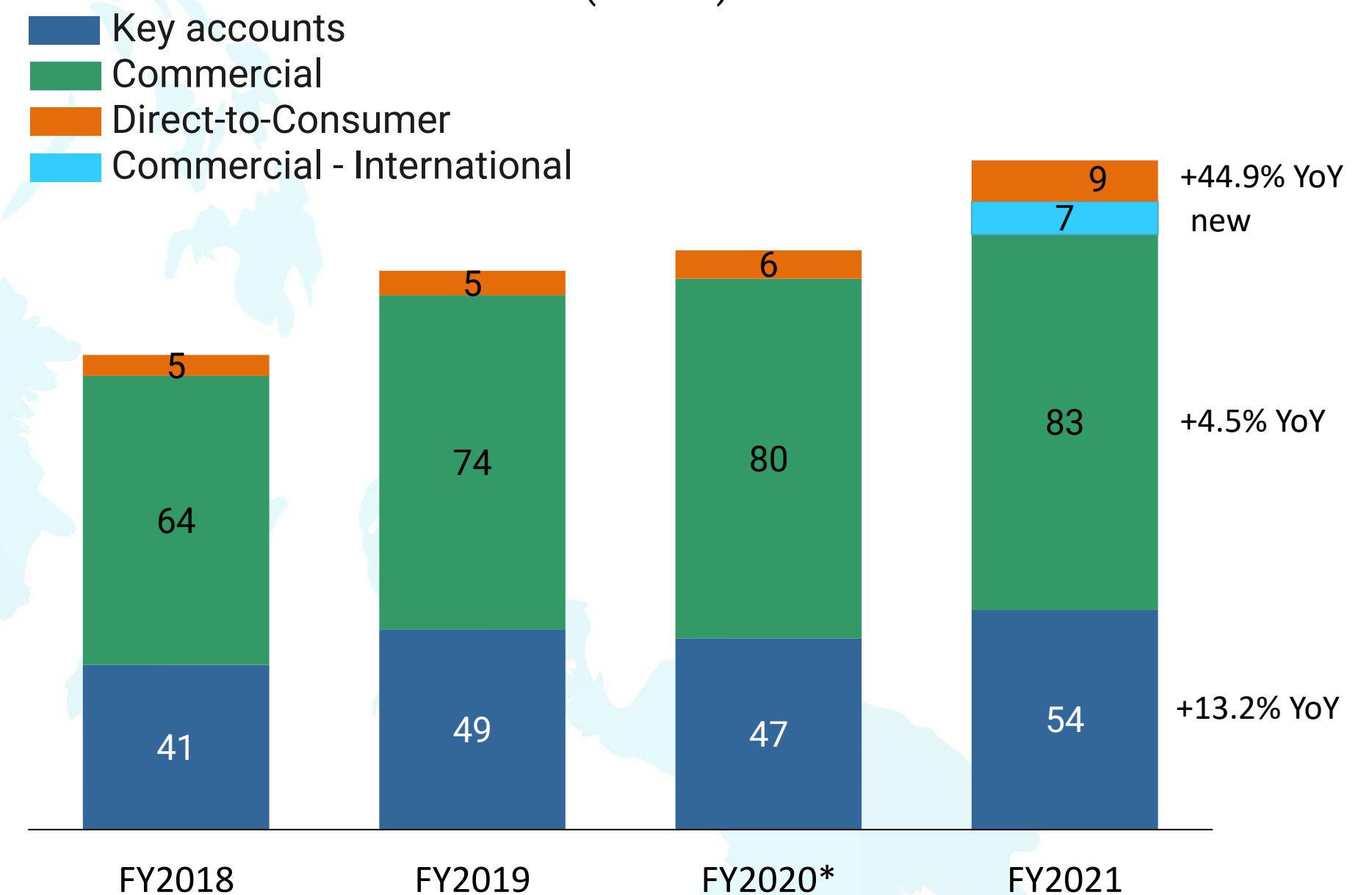
# REVENUE TREND

▶ **Key Accounts growth continues to balance our revenue contribution by segment, while D2C starts to gain strong traction**

**Revenue Trend (FY2018 – FY2021)**  
(RM'mil)



**Revenue Segmentation (FY2018 – FY2021)**  
(RM'mil)



- The Group's revenue grew by 15% YoY in FY2021, outpacing 2Y CAGR seen between FY2018 to FY2020

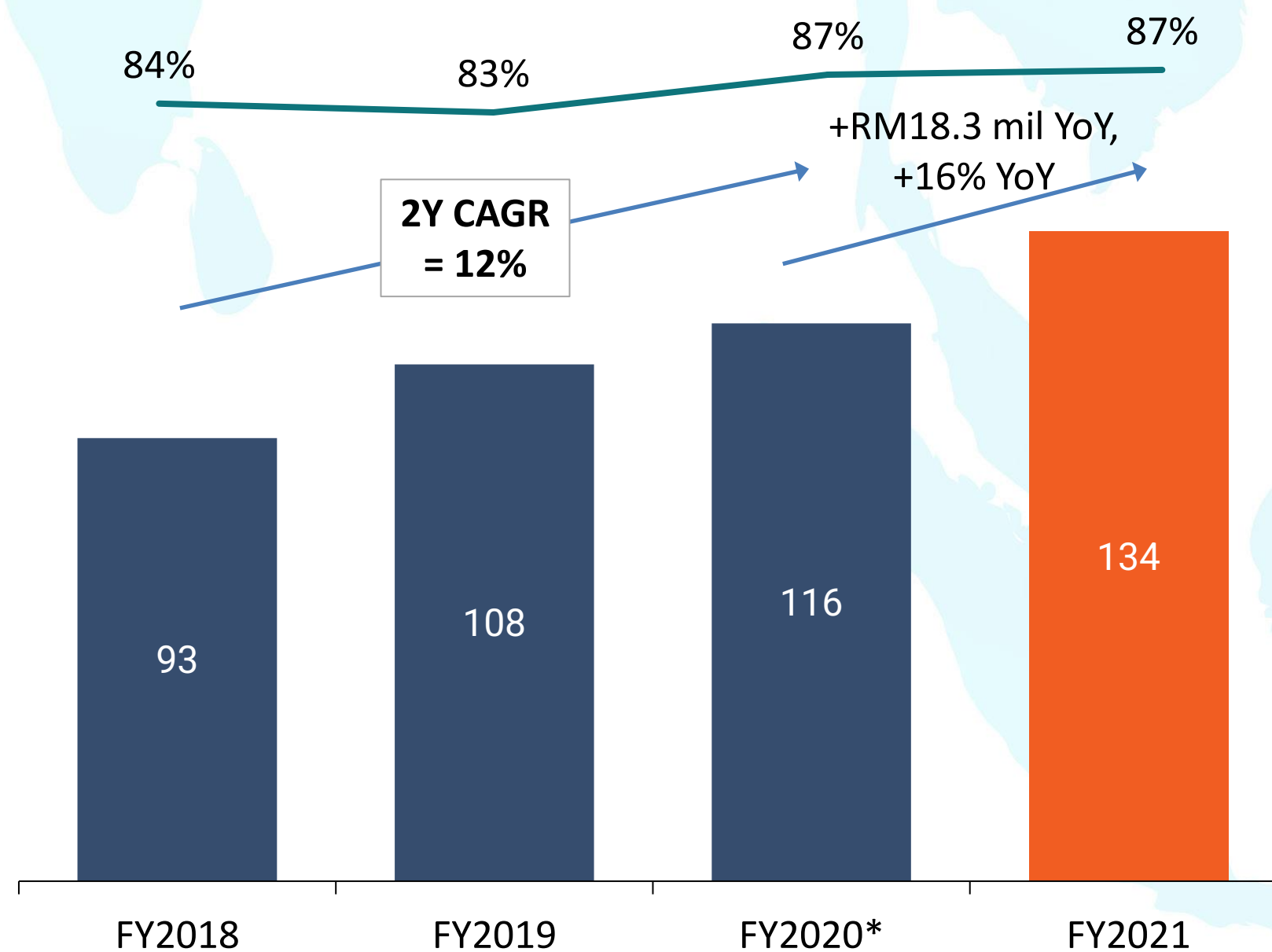
- Commercial segment still the largest contributor
- Key Accounts posted 13.2% growth YoY while Direct-to-consumer delivered significant growth of 44.9% YoY
- New contribution from Commercial-International through Basis

\*Note: FY2020 excluded CIBI-discontinued ops

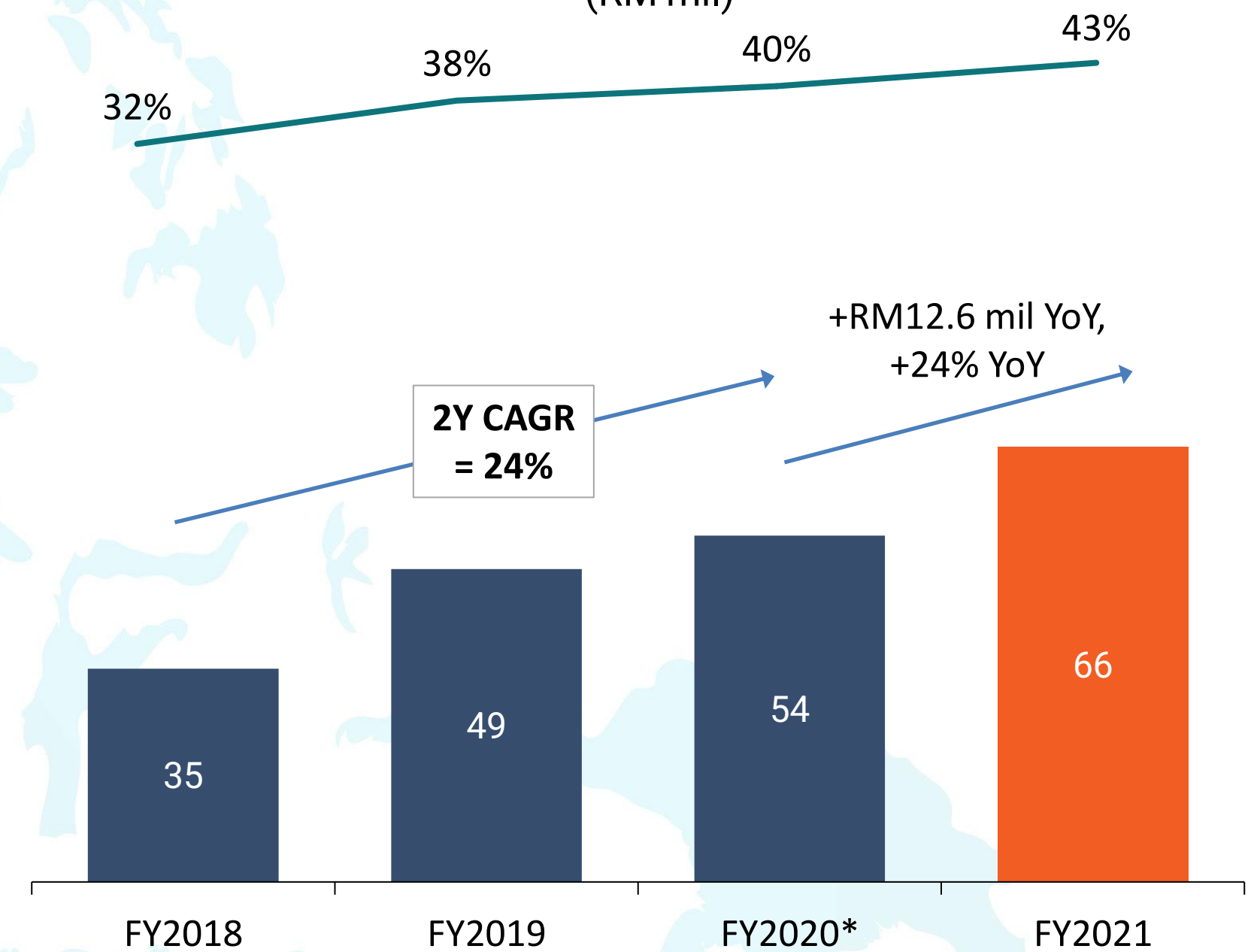
# GP AND EBITDA TREND

Significant improvement in EBITDA margin and firm GM% indicates operation efficiencies; provides headroom to capitalize on new opportunities and revenue streams moving forward

**GP and GP Margins (FY2018 – FY2021)**  
(RM'mil)



**EBITDA and EBITDA Margins (FY2018 – FY2021)**  
(RM'mil)



- Group GP grew 16% YoY to RM134.0 million in FY2021, higher than the 2Y CAGR of 12% in the past three years.
- GP Margin was maintained at 87% in FY2021 on efficient operations

- Both EBITDA and EBITDA margins expanded firmly to RM66.3 million and 43% , attributable to the strong performance from Malaysia operations and contributions from international operations/ Thailand associate (BOL)

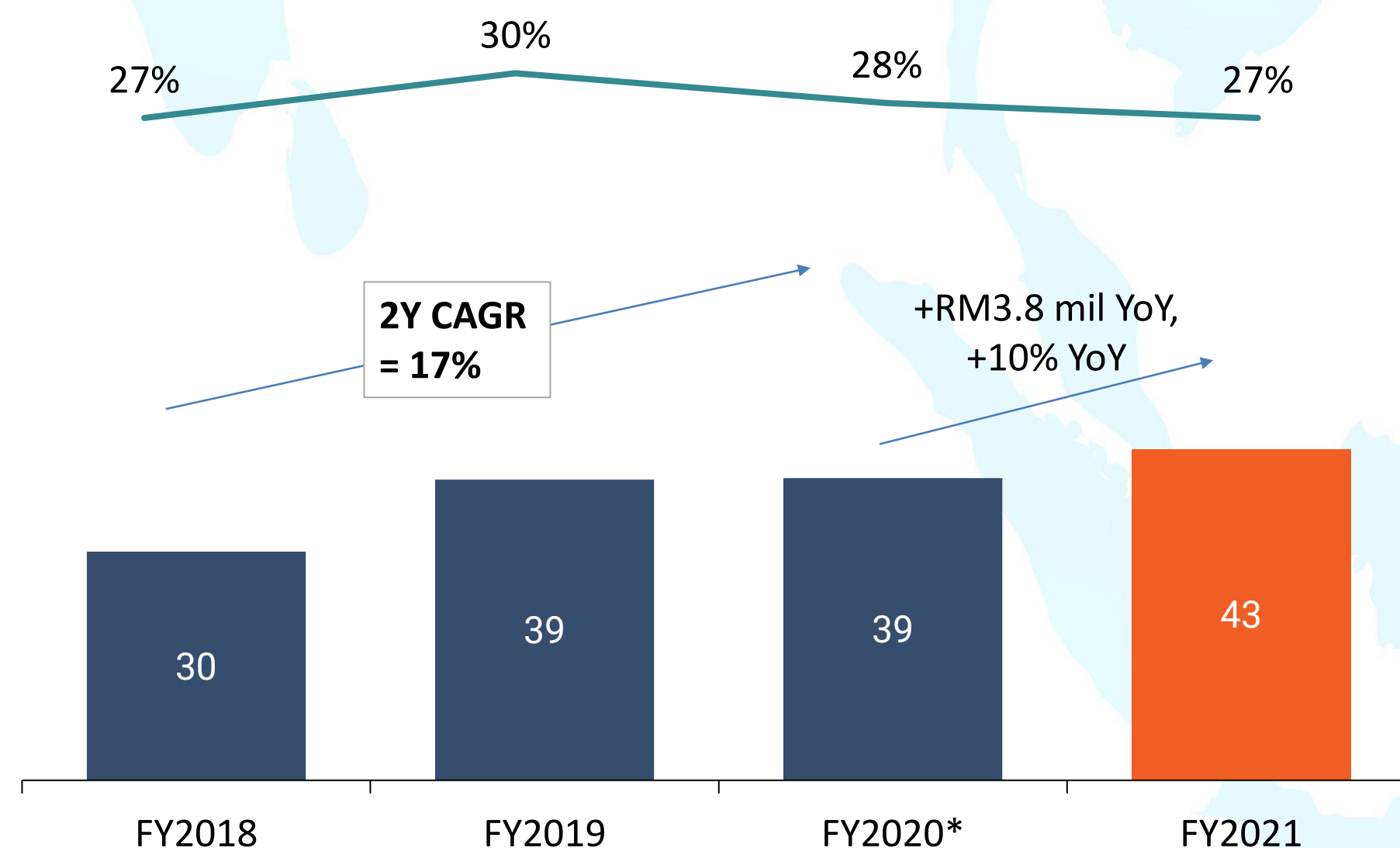
\*Note: FY2020 excluded CIBI-discontinued ops



# PATAMI AND NORM.PATAMI TREND

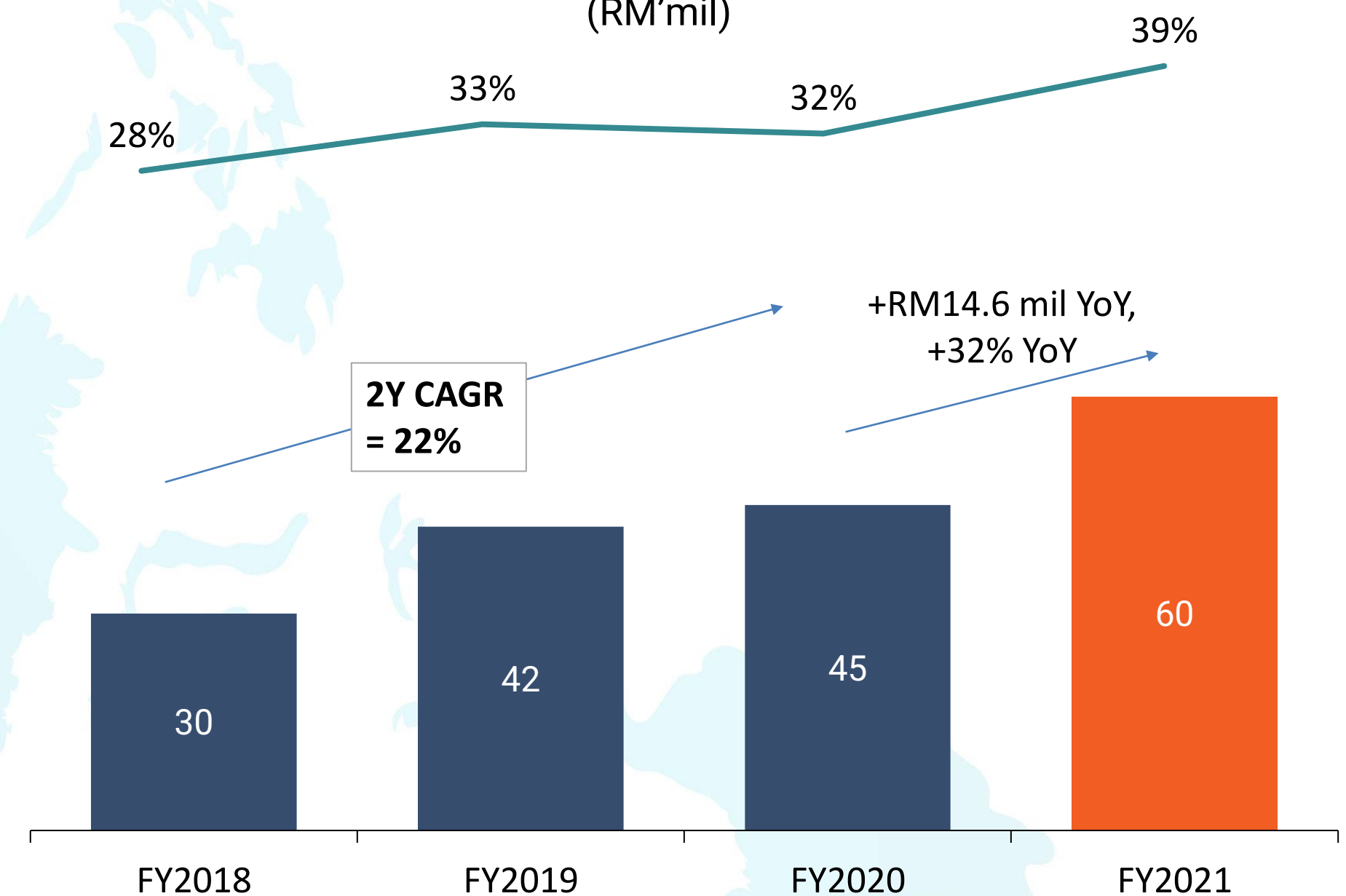
## ▶ Normalised PATAMI out-performed the 2Y CAGR

**PATAMI & PATAMI Margins (FY2018 – FY2021)**  
(RM'mil)



- FY2021 PATAMI grew by 10% YoY to RM43 million, after incorporating higher tax expenses, losses from CIBI Holdings which was classified as discontinued operations, acquisition related costs, etc

**Norm.PATAMI Margins (FY2018 – FY2021)**  
(RM'mil)



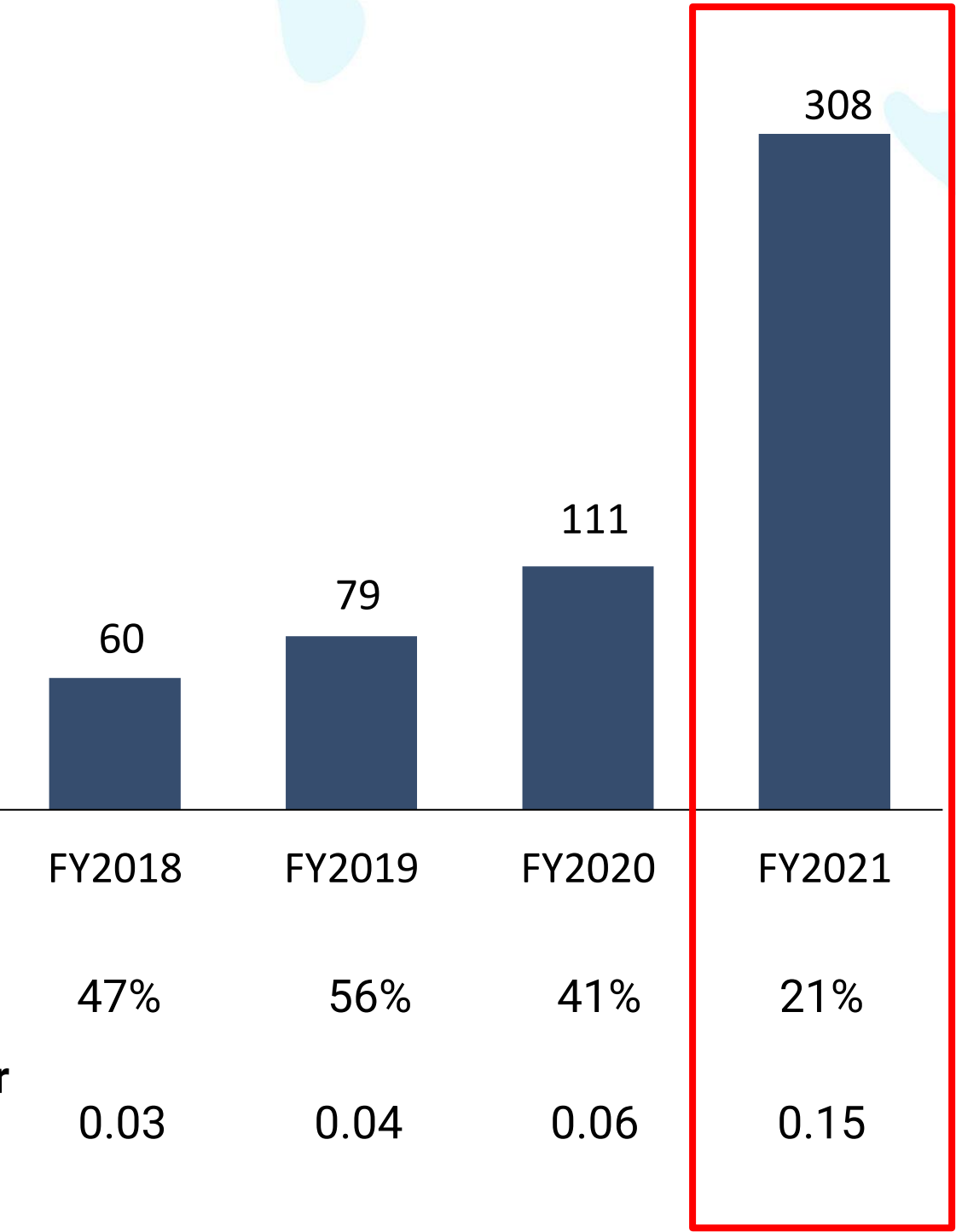
- For FY2021, normalised PATAMI in fact grew by 32% YoY to RM60.1 million in FY2021, attributable to the strong performance from Malaysia operations and contribution from international operations/ Thailand associate (BOL)

\*Note: FY2020 included CIBI-discontinued ops

# BALANCE SHEET & CASHFLOW

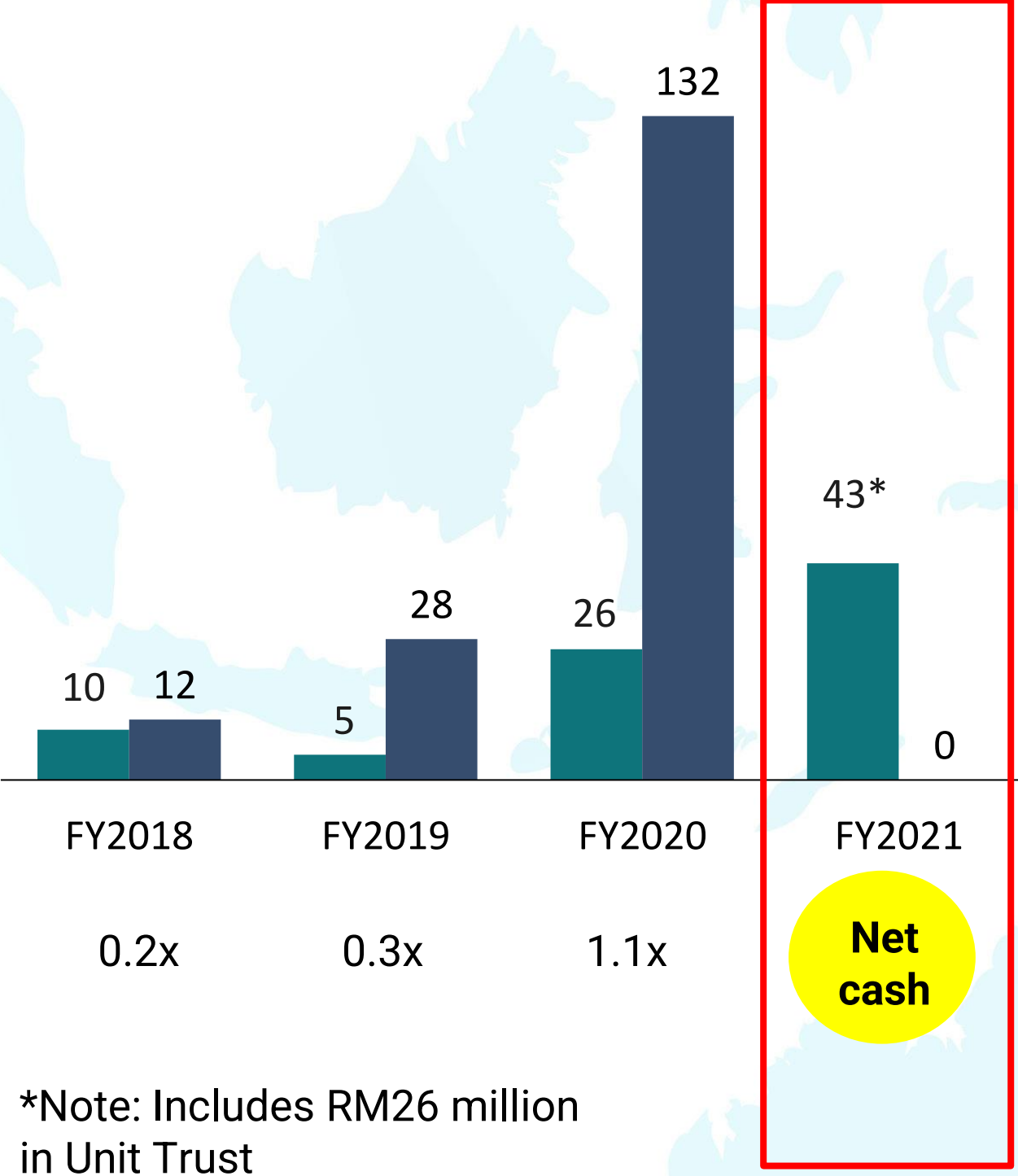
▶ Pared down bank borrowings from IPO proceeds, Group in favourable capital position to pursue other strategic acquisitions/expansions

## Shareholder Equity & ROE (RM'mil)

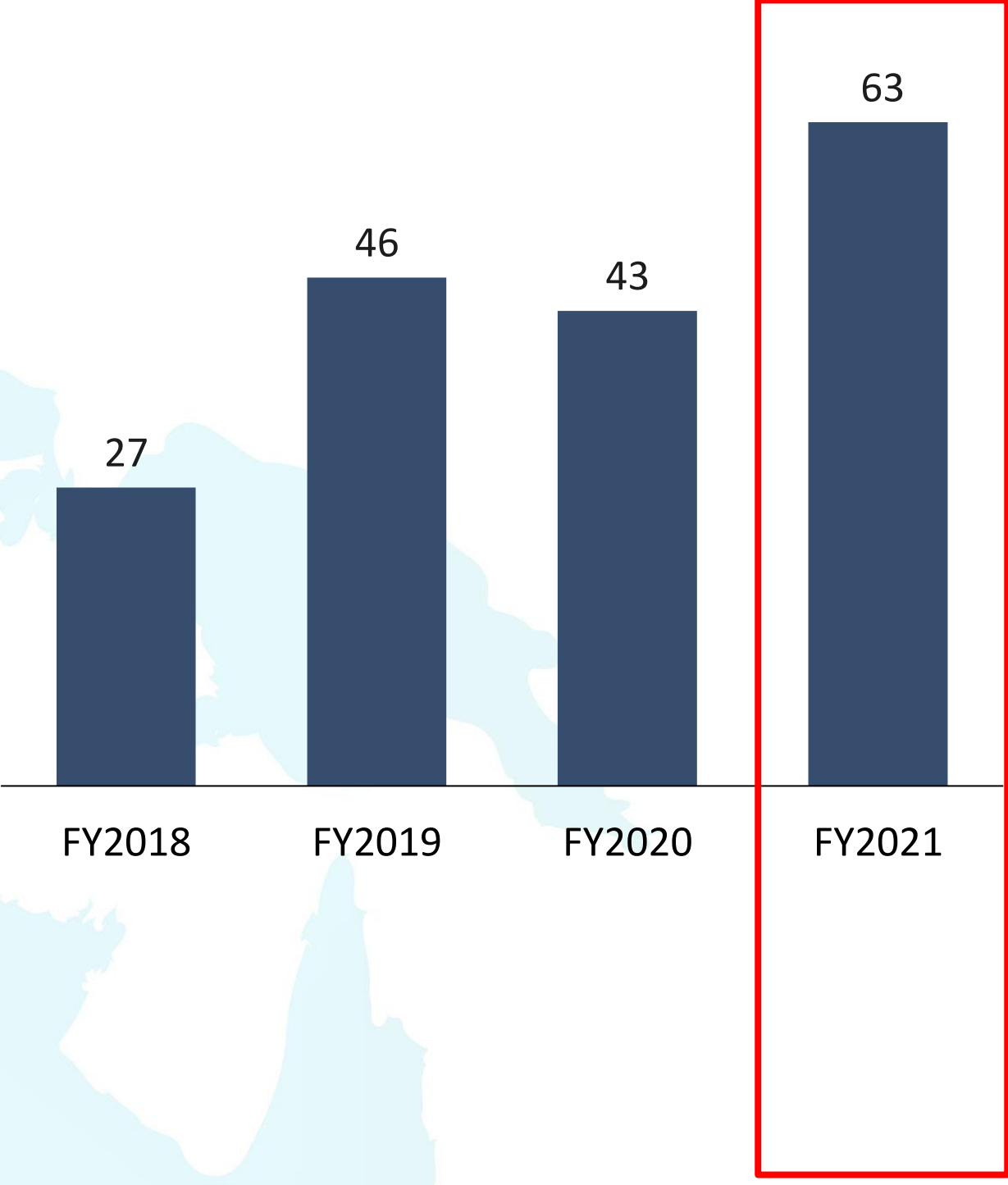


## Cash & Borrowings, Gearing (RM'mil)

Cash  
Borrowings



## Free Cash Flow (RM'mil)

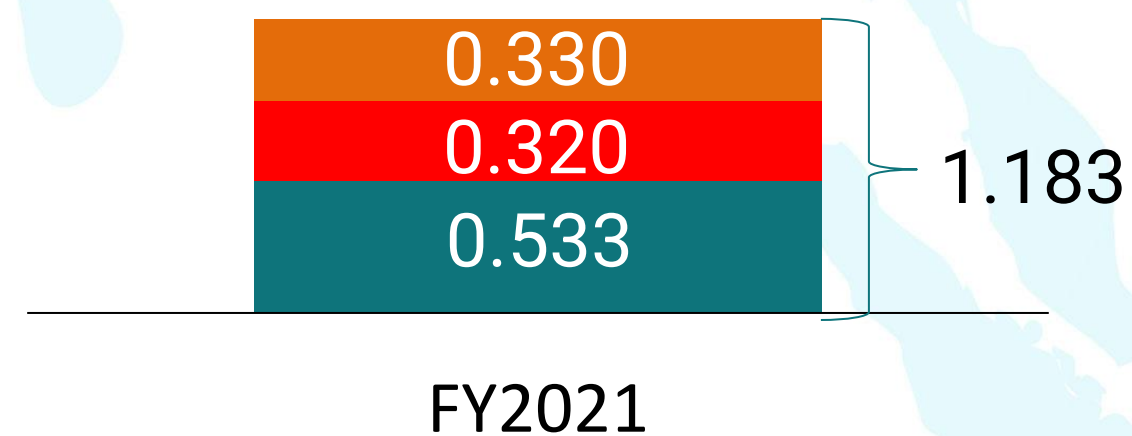




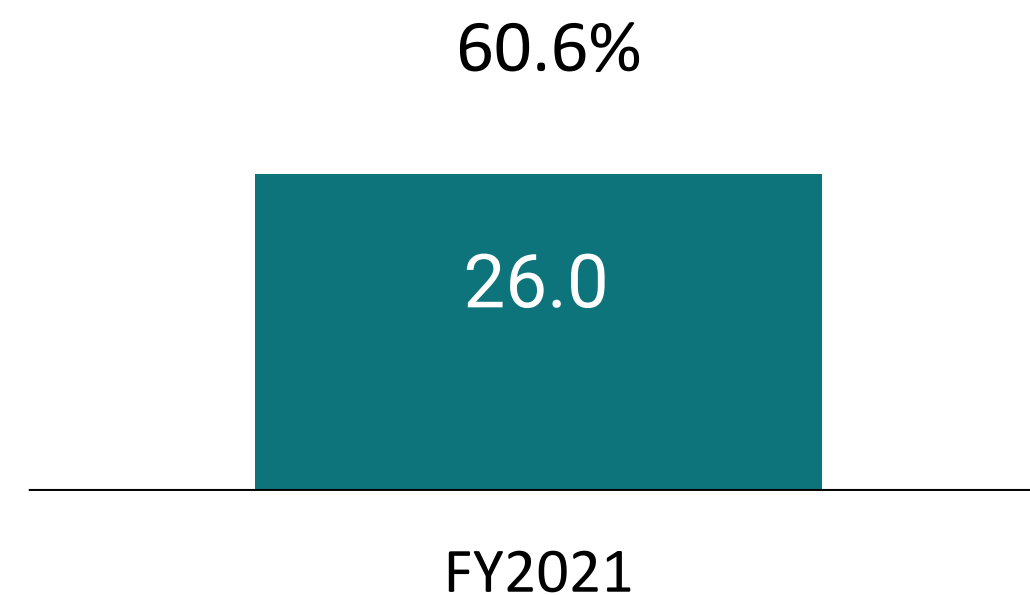
# DIVIDEND TREND

- ▶ Declared 0.33 sen dividend per share in Q4; total dividend payout of RM26.0 million for FY2021 in line with minimum 60% of PATAMI policy

## Net Dividend per Share (sen)



## Dividend Payout (RM'mil)



## Target Payout Ratio of 60% of PATAMI

1<sup>st</sup> Interim dividend of 0.533 sen/share

Ex Date: 5 Aug 2021  
Payment Date: 3 Sep 2021

2<sup>nd</sup> Interim dividend of 0.32 sen/share

Ex Date: 11 Nov 2021  
Payment Date: 10 Dec 2021

3<sup>rd</sup> Interim dividend of 0.33 sen/share

Ex Date: 9 Feb 2022  
Payment Date: 25 Feb 2022



## 4 Key Takeaways



# KEY TAKEAWAYS IN FY2021



Recorded **double-digit revenue growth** in Q4 despite all the challenges



**Stable financial performance** across quarters in **FY2021**



Q4 2021 Norm.  
PATAMI of  
**RM13.5 mil**

FY2021 Norm.  
PATAMI of  
**RM60.1 mil**



To reap the harvest of **synergistic acquisitions** in FY2022 and beyond

Extraordinary General Meeting



To hold EGM in Feb 2022 to get approval on 3 proposals:

- *Acquisition of 49.0% in JurisTech*
- *Acquisition of additional 2.25% in BOL*
- *Authority to issue and allot new ordinary shares*





**ctos Digital**

**5 Investment Merits**



# INVESTMENT MERITS

**Fully Digital Platform  
for end-to-end  
Credit Management**

**Visible Growth  
Upside of CRA  
Industry in Malaysia  
and ASEAN Markets**

**Market Share  
Leadership in  
Malaysia**

**Extensive  
Distribution Network  
and Sales Force**

**Large Credit Database  
with Extensive Access to  
Key Financial Databases**

**Well-Diversified and  
Growing Customer  
Base**

**Strong Financial  
Profile**

**Experienced  
Management Team,  
Backed by Malaysian  
Mid-market Private  
Equity Fund**

Share Price (@ 21 Jan 2022)	RM1.75
Market Cap ('mil) (@ 21 Jan 2022)	RM3,850.0
FY2021 PE Ratio (x)*	64.1
FY2021 EV/EBITDA (x)	57.4
Price to Book** (x)	11.7

*Valuations based on 2.2 billion shares*

\*Based on FY2021 normalised PATAMI of RM60.1 million

\*\*Based on adjusted NTA per share: RM0.15 @ 31 December 2021

## CTOS Digital Berhad Price Trend







**ctos Digital**

**Thank You**