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4Q FY2022 Results Briefing



AGENDA

- ① Key Highlights & Business Segments
 - ② Financial Overview
 - ③ Strategies for Sustainable Growth
 - ④ Growth Targets
 - ⑤ ESG
-



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Key Highlights & Business Segments

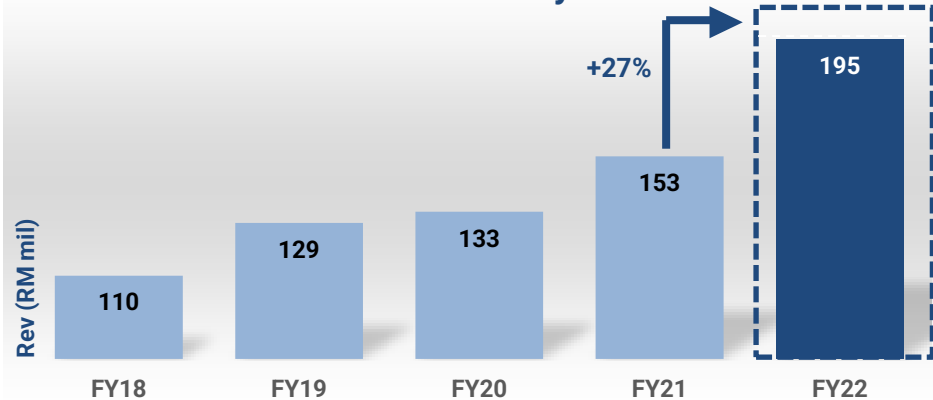


STELLAR PERFORMANCE IN FY2022

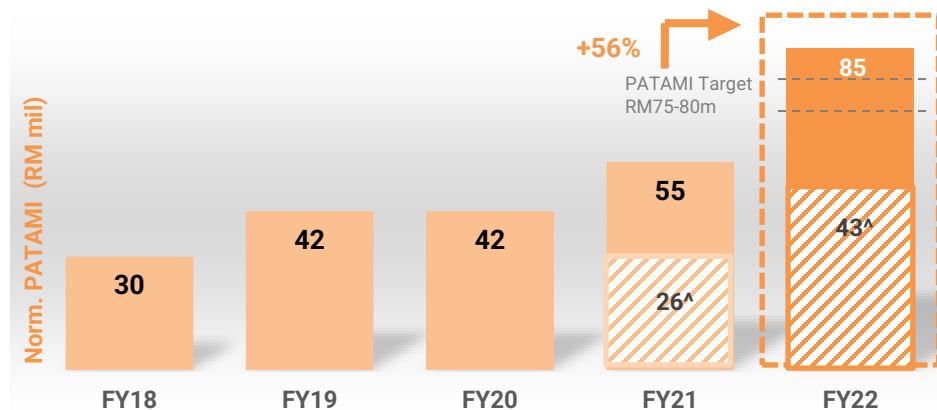
Solid Foundation for the Future

Delivering Strong Growth

+15% Revenue CAGR over last 5 years



+30% Norm. PATAMI CAGR over last 5 years



Dividend pay-out quantum for FY21 & FY22

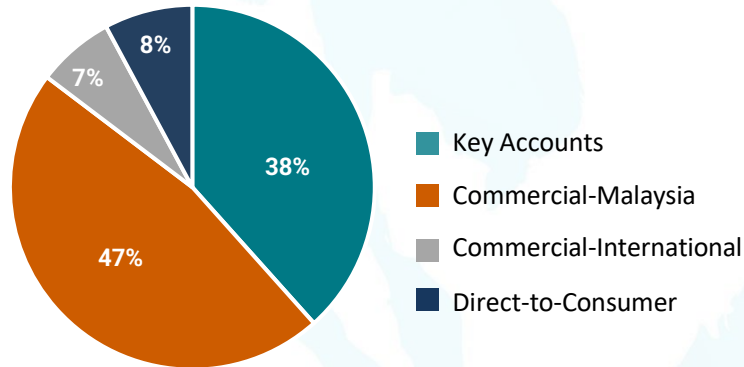
FY2022 Key Highlights

- 1 Customer Acquisition & Key Projects
- 2 Growth in Data Analytics & Digital Solutions
- 3 Synergistic Acquisitions
- 4 New Skilled Hires
- 5 Intensified New Partnerships & Launched New Products
- 6 ESG & FTSE4GOOD
- 7 Approval-in-principle for 5-year pioneer tax status

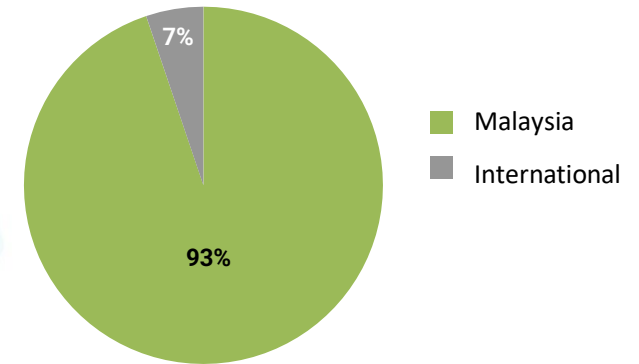
BUSINESS SEGMENTS

Total FY2022 Revenue of RM194.8 mil

Breakdown of 2022 Revenue by Segment



Breakdown of 2022 Revenue by Geography



Key Accounts

- Approximately 470 of CTOS Data Systems' highest revenue- generating customers and selected customers
- Providing digital solutions, including tailored solutions depending on their unique business requirements



Commercial - Malaysia

- Serves c.20k^ customers, including SMEs and other than those in Key Accounts
- Providing easy-to-use yet effective credit risk management tools
- Broad accessibility and affordability for both business-to- business and business-to- consumers

^Including Commercial International



Commercial - International

- Comprised of CTOS Basis revenue from comprehensive commercial credit reports and bulk commercial data sales to international customers



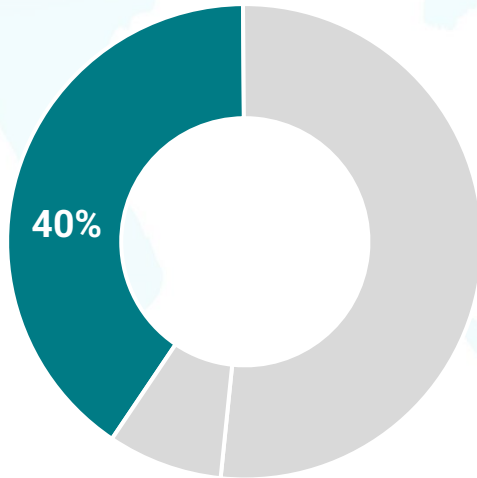
Direct-to-Consumer

- c.2.5 mm registered users for CTOS ID
- Provides credit scores and detailed information including CCRIS
- Promote financial literacy and credit awareness, leading to greater credit access
- Consumer fraud protection and identity protection

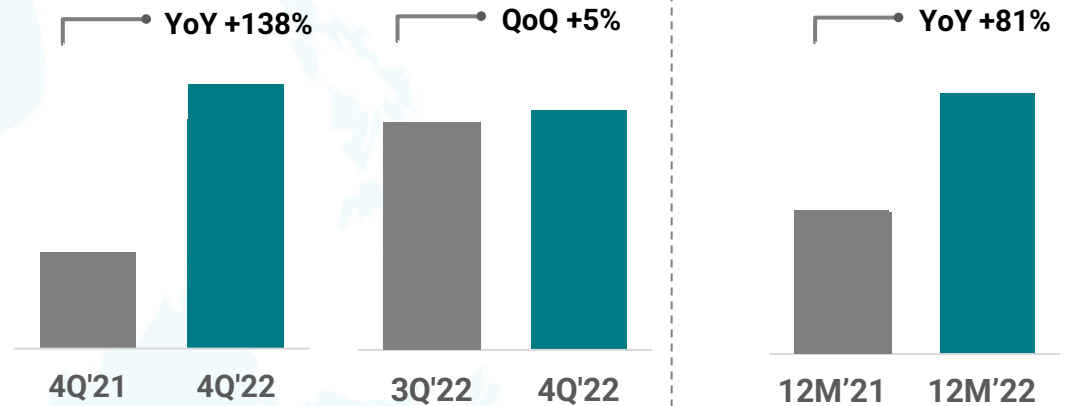
KEY ACCOUNTS SEGMENT

Strong YoY growth through Digital Reports & upselling initiatives

4Q 2022 REVENUE CONTRIBUTION



TRANSACTIONS VOLUME



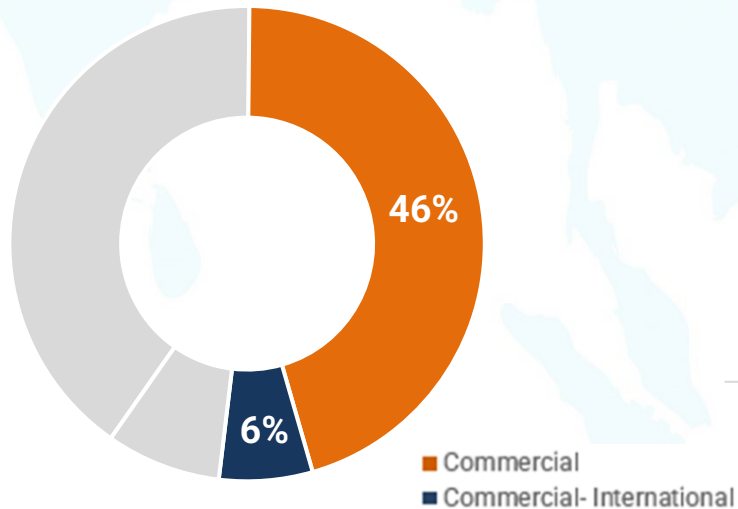
4Q 2022 YoY OPERATIONAL UPDATES

- Strong growth driven by both Digital Reports and Digital Solutions
- Increased adoption of eKYC, CAD and IDGuard
- Secured a key credit transformation project for an FI
- Launched CAD for money lenders in Q4 via collaboration with Juristech
- Officially appointed by a digital bank licensee to implement e-onboarding system in 4Q 2022

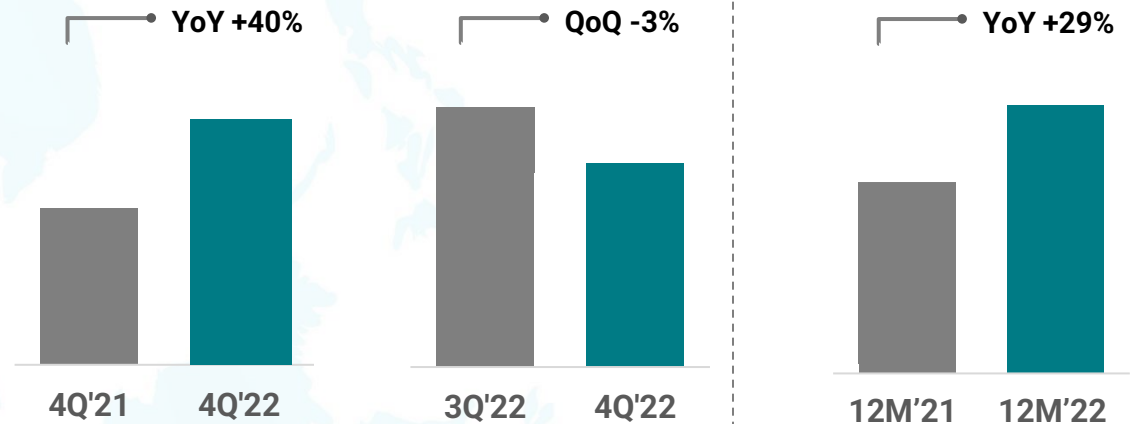
COMMERCIAL SEGMENT

Higher ARPU on the back of higher volume

4Q 2022 REVENUE CONTRIBUTION



TRANSACTIONS VOLUME



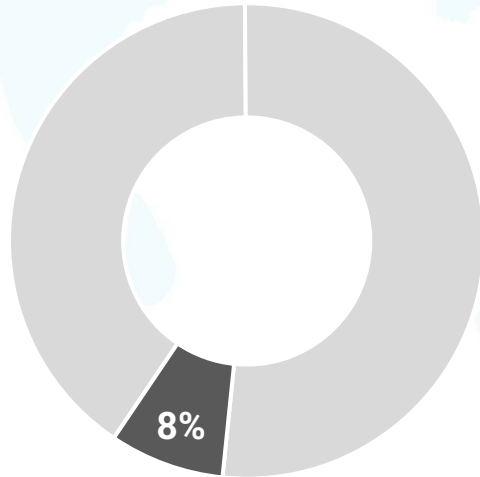
4Q 2022 YoY OPERATIONAL UPDATES

- Revenue grew 16% in 4Q'22 YoY demonstrated by higher transaction volume +40%
- Activation continued to improve +10% 4Q'22 YoY + 28% 12M'22 YoY
- Churn rate continued to improve from an existing low percentage
- Higher ARPU +7% 4Q'22 YoY from upselling campaign on Digital Reports and Digital Solutions
- Commercial-International momentum increased due to new customer acquisition and higher report sales

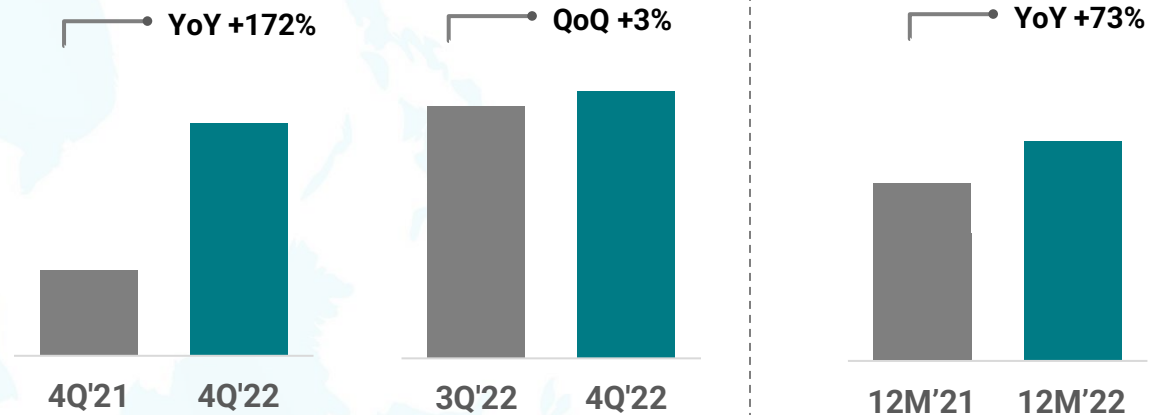
DIRECT-TO-CONSUMER SEGMENT

Increased momentum via strategic partnerships & financial literacy initiatives

4Q 2022 REVENUE CONTRIBUTION



TRANSACTIONS VOLUME



4Q 2022 YoY OPERATIONAL UPDATES

- Dec ending CTOS self-check users base increased to c. 2.5M
- Growth momentum continued in 4Q'22 bolstered by strategic partnerships & marketing campaigns
- Supported by improved awareness via digital channels and various marketing activities including financial literacy programs

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Financial Overview



FINANCIAL PERFORMANCE - 4Q 2022

Norm.PATAMI growth of 51% YoY

(RM' Million)	4Q 2022	4Q 2021	YoY (%)														
Continuing Operations																	
Revenue	52.74	38.79	36%	▶	Growth in all business segments. Malaysia and International operations continue to register revenue growth of 36% and 42% YoY, respectively												
GP	43.91	33.97	29%														
(-)																	
Other income/ (expenses)	-2.44	0.47	-618%	▶	Increased mainly due to one-off earned-out payment for Basis acquisition												
Selling & Marketing Expenses	-8.94	-6.60	35%														
Administrative Expenses	-20.80	-15.69	33%	▶	Selling & Marketing expenses and Admin expenses increased due to typically higher planned marketing campaigns and staff costs in 4Q												
Finance Income	0.15	0.16	-5%														
Finance Cost	-1.90	-0.02	9,884%	▶	Increased due to new borrowings to fund acquisitions												
Share of Profit of Associates	8.45	1.63	419%	▶	Higher share of associates contribution from RAM and JurisTech												
PBT	18.44	13.91	33%														
(-)Tax Expenses	-4.71	-1.99	137%	▶	Higher tax pending gazettment of Income Tax Exemption Order												
PAT from Continuing Operations	13.73	11.93	15%														
PAT	13.73	11.93	15%														
PATAMI	13.73	11.93	15%	▶	Higher PATAMI from higher revenue, as well as increased contribution from associates												
Normalised PATAMI	20.62	13.64	51%	▶													
Before adding back interest expense related to acquisitions																	
					<table><tr><th>(RM' Million)</th><th>Q4 2022</th><th>Q4 2021</th></tr><tr><td>Costs related to acquisition</td><td>3.34</td><td>0.88</td></tr><tr><td>Incremental income tax expense</td><td>3.55</td><td>0.83</td></tr><tr><td>Total</td><td>6.89</td><td>1.71</td></tr></table>	(RM' Million)	Q4 2022	Q4 2021	Costs related to acquisition	3.34	0.88	Incremental income tax expense	3.55	0.83	Total	6.89	1.71
(RM' Million)	Q4 2022	Q4 2021															
Costs related to acquisition	3.34	0.88															
Incremental income tax expense	3.55	0.83															
Total	6.89	1.71															

FINANCIAL PERFORMANCE - 12M 2022

Norm.PATAMI growth of 56% YoY

(RM' Million)	12M 2022	12M 2021	YoY (%)
Continuing Operations			
Revenue	194.78	153.17	27%
GP	164.54	133.98	23%
(-)			
Other income/ (expenses)	-1.51	0.38	503%
Selling & Marketing Expenses	-33.12	-29.24	13%
Administrative Expenses	-63.18	-54.02	17%
Finance Income	0.52	0.41	26%
Finance Cost	-4.35	-5.68	-23%
Share of Profit of Associates	22.51	7.22	212%
PBT	85.41	53.04	61%
(-)Tax Expenses	-13.96	-9.34	50%
PAT from Continuing Operations	71.45	43.71	63%
PAT	71.45	42.57	68%
PATAMI	71.45	43.12	66%
Normalised PATAMI	85.09	54.60	56%
Before adding back interest expense related to acquisitions			

Growth in all business segments. Malaysia revenue grew at 24% while International revenue grew at 83% YoY

The cumulative increase in Sales & Marketing expenses and Admin expenses to revenue was lower YoY

Higher share of associates partly due to acquisitions of additional stake in RAM and JurisTech

Higher PATAMI due to higher contribution from associates, zero forex losses from USD borrowings, lower finance costs and dividend income from RAM

(RM' Million)	12M 2022	12M 2021
Losses from CIBI Holdings and CIBI	-	0.58
Costs related to acquisition	4.40	1.06
Forex losses on USD borrowings	-	4.44
Incremental income tax expense	14.31	5.40
Over accrual of prior year tax	-5.07	-
Total	13.64	11.48

REVENUE BREAKDOWN BY BUSINESS SEGMENTS

YoY growth in all segments driven by improving demand & economic conditions

Key Accounts

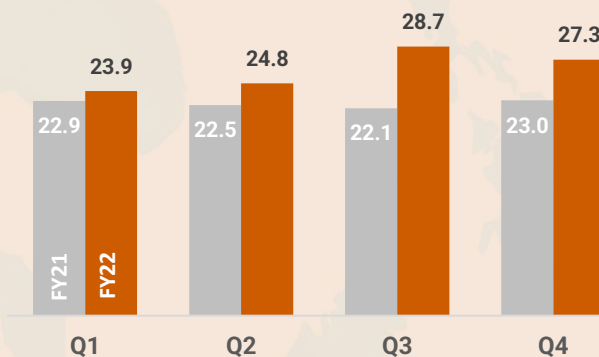
Figures RM'mill



4Q YoY %	4Q QoQ %	12M YoY %
50%	6%	40%

- ◆ Higher revenue driven by strong demand for CTOS Digital Reports, Digital Solutions as well as subscriptions and monitoring services
- ◆ Increase in the adoption of eKYC, CAD and IDGuard

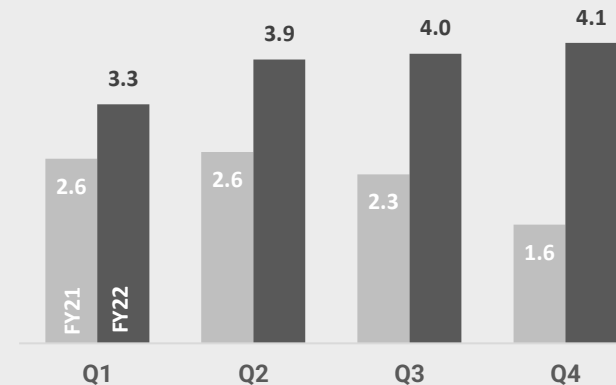
Commercial



4Q YoY %	4Q QoQ %	12M YoY %
19%	-5%	16%

- ◆ **Commercial Malaysia** - Higher 4Q'22 YoY growth on the back of activation of new CTOS Credit Manager subscribers, higher demand for CTOS Digital Reports supported by minimal churn rate
- ◆ **Commercial International** - Driven by higher bulk data sales and new customers acquisition

Direct-to-Consumer

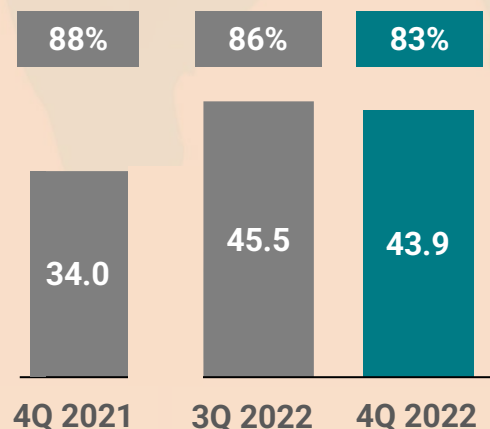


4Q YoY %	4Q QoQ %	12M YoY %
153%	4%	68%

- ◆ Higher YoY transaction volume with increased client base
- ◆ Supported by improved awareness via digital channels and various marketing activities

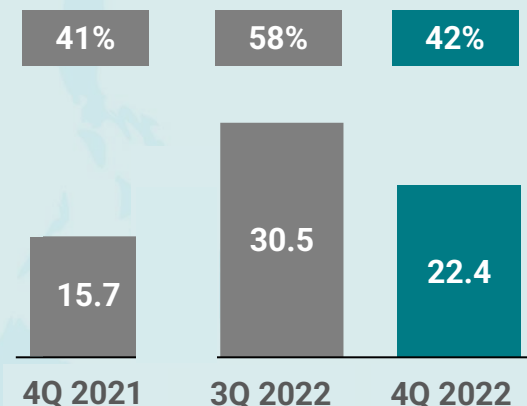
PROFITABILITY TREND

GP (RM' Mil) & Margin (%)



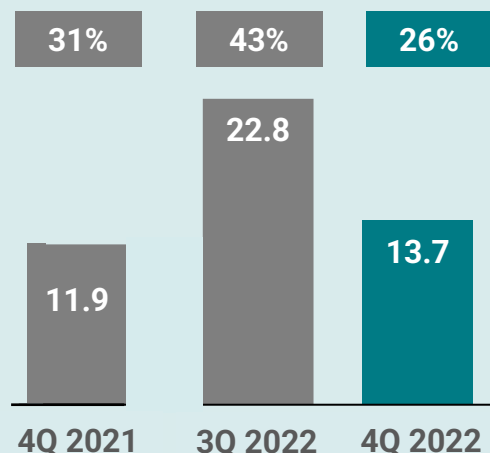
GP margin decreased slightly in 4Q'22 mainly due to change in product mix

EBITDA (RM' Mil) & Margin (%)



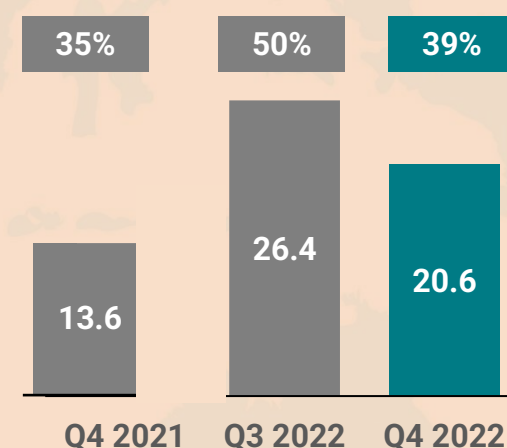
QoQ EBITDA margin impacted due to higher planned staff cost and one-off acquisition-related costs but partially mitigated by higher associates' contribution

PATAMI (RM' Mil) & Margin (%)



QoQ lower PATAMI margin mainly due to higher planned costs coupled with higher effective tax rate

NORM. PATAMI* (RM' Mil) & Margin (%)

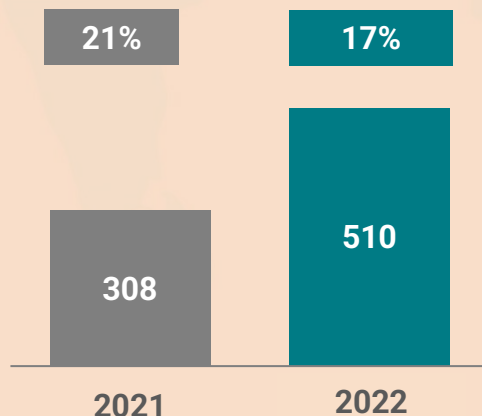


QoQ normalised PATAMI margin is lower due to higher planned costs for the quarter

*Normalised PATAMI, before interest expense

KEY FINANCIAL RATIOS & MATRICES

Shareholder Equity (RM' Mil) & ROE (%)



Shareholder equity base increased as a result of the private placement of new 110 million shares on 3rd of March 2022

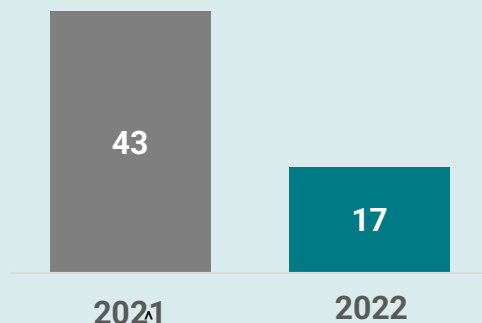
Net Borrowings (RM' Mil) & Net Gearing (x)



Borrowings increased to fund acquisitions

Net Gearing remains at a manageable level

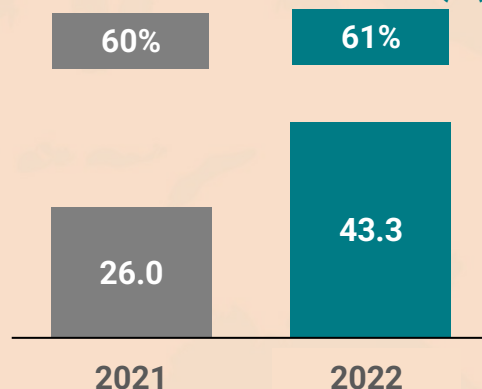
Cash (RM' Mil)



Cash on hand reduced to fund the acquisitions of RAM Holdings Berhad

[^] inclusive of investment in money market funds of RM26m in 2021 and RM5m in 4Q 2022.

Dividend Payout (RM Mil) & Payout Ratio (%)



Annual dividend pay-out policy with at least 60% of PATAMI

4TH interim dividend: 0.36 sen / share
2022 dividend declared : 1.875 sen /share

ASSOCIATE COMPANIES

Share of profit increased YoY by 419% in 4Q 2022 to RM8.5 million

Company / Equity Holdings (%)

Thesis / Synergies



Business Online PLC (BOL): 24.825%

Market leader in business information in Thailand

- Market leader in business information in Thailand
- Geographical expansion in Thailand
- Cross fertilization of products
- Reported PAT of THB228m in 9M 2022



Juris Technologies: 49%

Market leader in credit related enterprise-class software solutions in Malaysia

- Joint account planning
- Launched digital lending platform for moneylenders
- Integrated core offering on JurisTech's platform
- Targeting 15-20% CAGR profit growth



RAM Holdings: 57.675%

Market leader in bond credit ratings in Malaysia

- Launched RAM-CTOS BCI Index
- To launch Digital Issuer Platform, a collaboration by RAM & Bursa as announced on 22 Dec
- Working on ESG Ratings & SME Credit Ratings
- Product expansion (corporates and SMEs)

Plans to put on hold further acquisitions in the next 1-2 years. During this time, we will digest our acquisitions to realise each company's growth potential and maximize synergies

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Strategies for Sustainable
Growth



STRATEGIC FOCUS AREAS 2023

Maintain high revenue and profit growth while strengthening business sustainability

GROWTH STRATEGIES

1

BAU Growth

Large addressable market in our key business segments with upselling and cross selling opportunities

2

Digital Ecosystem

Deep insights and automation through fortifying data analytics, fraud & ID and platform capabilities

3

Proprietary Databases

Enhance coverage of alternative proprietary databases for more comprehensive resources & improved quality of reports

4

New Verticals

Expanding into new industries such as Automotive, Fintech, Insurance, Real Estate with refined products and services

5

Harnessing Synergies

To digest our acquisitions to realise each company's growth potential and maximize synergies

SUSTAINABILITY STRATEGIES

1

Enhance Cybersecurity Maturity

Heighten regulatory requirements to enhance customer confidence

2

Implement IT Transformation

Faster speed to market, higher flexibility and better services

3

Evolving Company Culture

Improve talent attraction, innovation, customer focus and business sustainability

4

Implement ESG Roadmap

Emission targets, financial education objectives, increase in credit coverage

5

Improve Compliance, Risk Environment & Processes

Ensure highest standards and improve efficiencies

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Growth Targets



FINANCIAL TARGETS FOR THE NEXT 3 YEARS

Growth strategy positions us well to achieving >20% CAGR growth

		Internal Management Target		
	FY2022	FY2023	FY2024	FY2025
Revenue (YoY Growth)	RM195m (27%)	RM250-270m (28-39%)	RM300-320m (15-23%)	RM360-380m (16-23%)
EBITDA (YoY Growth)	RM97m (46%)	RM120-130m (23-33%)	RM140-150m (12-20%)	RM170-180m (17-24%)
Normalized PATAMI (YoY Growth)	RM85m (56%)	RM100-105m (18-24%)	RM125-130m (22-27%)	RM145-150m (14-18%)

Note: Figures are for simulation purposes only and mgmt. internal targets; Indicated YoY growth % assumes average of previous year figures

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ESG



SUSTAINABILITY

OUR ESG EFFORTS HAVE BEEN RECOGNISED WITH FTSE4GOOD INCLUSION



FOUR-STAR RATING

Top 25% amongst Malaysian public listed companies by virtue of their ESG performance

TheStar

CTOS Digital rewarded for ESG mission

CORPORATE NEWS

Wednesday, 21 Dec 2022

Related News



MARKETS 21h ago
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NEW STRAITS TIMES

CTOS Digital included in Bursa Malaysia's FTSE4GOOD index

By NST Business - December 21, 2022 @ 9:30am



FMT

CTOS Digital makes it onto FTSE4Good Bursa Index

FMT Business - December 20, 2022 10:15 PM

21 Shares   14  



KEY TAKEAWAYS



Solid Growth Track Record

2018- 2022 Revenue CAGR c.15% and Norm. PATAMI c.30%



Sustainable Trajectory

Expecting continuous growth over the coming years from BAU growth and product innovation



Potential Share Buyback

To explore share buyback to enhance shareholders' value and optimise capital structure



Investments

Focusing on harnessing acquisition synergies



Riding On New Opportunities

Leveraging on Digital Economy and New Verticals



DISCLAIMER

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Thank You