

GHL SYSTEMS BERHAD

CORPORATE OVERVIEW

February 2024

**4Q23 results review and
Corporate update**



the **ASEAN** Payment People

Property of GHL Systems Berhad



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[4Q23 quarterly results highlights

TPV

RM8.1b

▲ 19%YoY

Revenue

RM128.2m

▲ 13%YoY

Gross Profit

RM40.4m

▲ 2%YoY

EBITDA

RM16.4m

▼ 17%YoY

PATMI

RM9.1m

▼ 8%YoY

FY2023 Highlights

Revenue

RM460.4m

▲ 12%YTD

Gross
profit

RM152.2m

▲ 7%YTD

PATMI

RM28.9m

▲ 2%YTD

TPV

RM28.9b

▲ 10%YTD

Acceptance
touchpoints

480,100

▲ 14%YTD

The Group's Business Pillars



Transaction Payment Acquisitions

- Card Payments
- Mobile e-wallets payments
- Prepaid top ups & bill collection
- Online payments acceptance
- BNPL
- SME e-Lending



Shared Services

- Smart all-in-one payment acceptance devices; sale, rental, maintenance
- MPOS

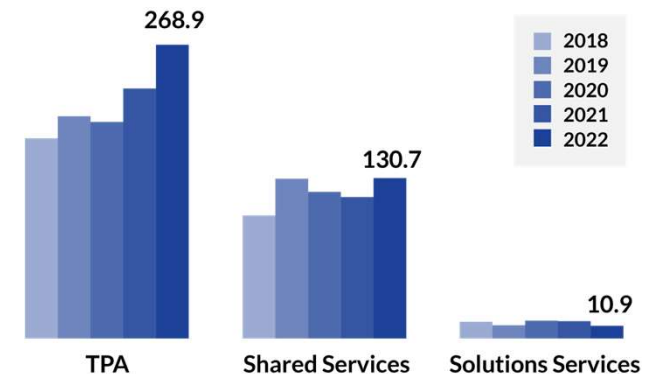
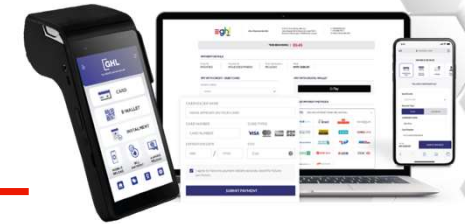


Solution Services

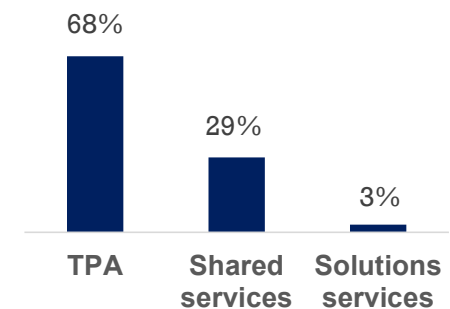
Proprietary payment solutions (hardware and software) for:

- Secure Payment Network Access Controllers (NAC)
- Loyalty platforms
- Loan repayments
- Other client specific solution

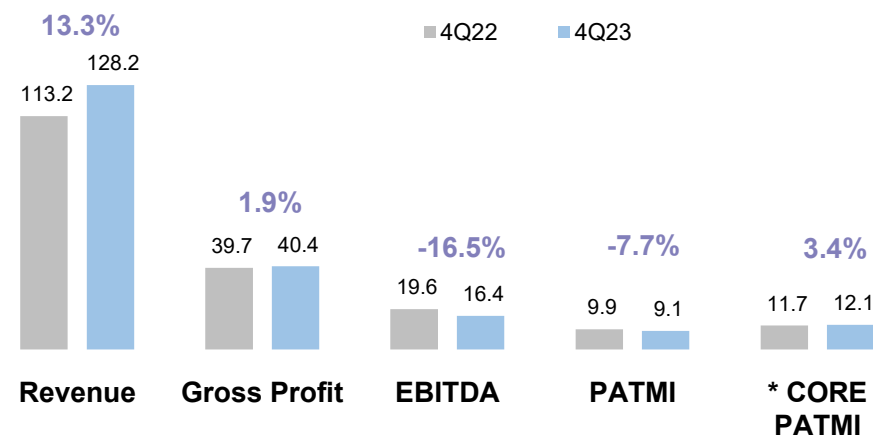
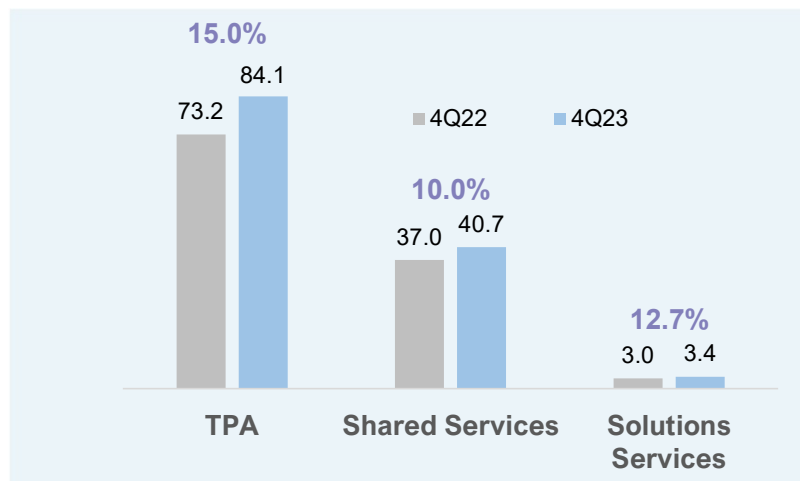
End-to-end paymentTech Solutions



FY 12/23

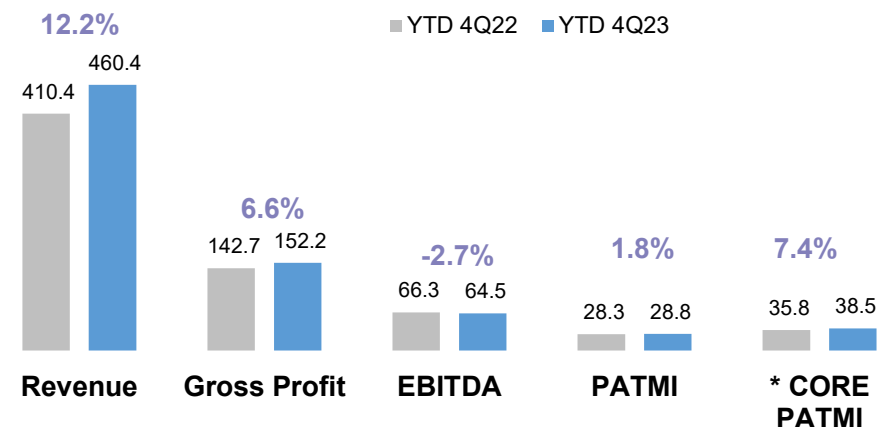
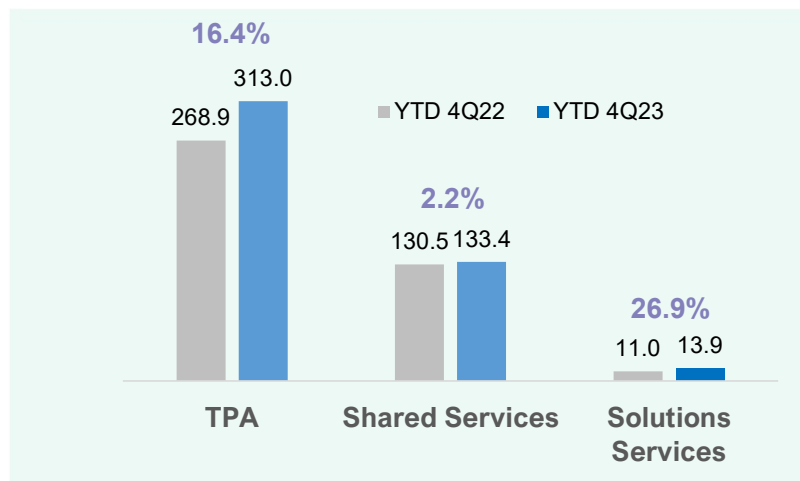


[4Q23 Headline Performance



- 4Q23 Revenues grew 13.3% yoy to RM128.2 million (4Q22 – RM113.2 million) with TPA driving growth at 15.0% YoY with YoY revenue improvements in both Solutions services and Shared services business pillars.
- GP margins were lower but stable at 31.5% (4Q22 – 35.0%) due to i) operational and merchant mix changes. EBITDA, PBT and PATMI margins were lower as a result from higher OPEX resulting from the group's continued investment in growing its merchant footprint, and its technology migration onto the cloud as well as expenses relating to its group's lending portfolio.

[FY23 Headline Performance



- FY23 revenues grew 12.2% yoy to RM460.4 million with TPA driving growth across the 3 key markets of Malaysia, Philippines and Thailand. All 3 business pillars also registered YoY growth..
- In 2023, profitability margins were impacted due to business pillar mix, changes in merchant and payment type mix. Margins were also impacted by higher OPEX incurred in relation to the group's ongoing investment into growing its merchant footprint, spending on IT infrastructure as well as a RM4.8m provision for Expected Credit Loss (ECL) on the group's lending business.

4Q23 Business Pillars Revenue Trend

■ TPA ■ Shared solutions ■ Solutions services

113.1

3.0

37.0

73.1

4Q22

3.1

27.5

73.3

1Q23

4.0

28.4

77.7

2Q23

118.2

3.4

36.8

77.9

3Q23

QoQ

8.5%

-1.2%

10.7%

7.9%

YoY

13.4%

14.8%

10.0%

15.0%

128.2

3.4

40.7

84.1

*4Q23

TPV
4Q23

RM8.1b

4Q22 : RM6.8b

19% YoY

TPA
Acceptance Points

199,400

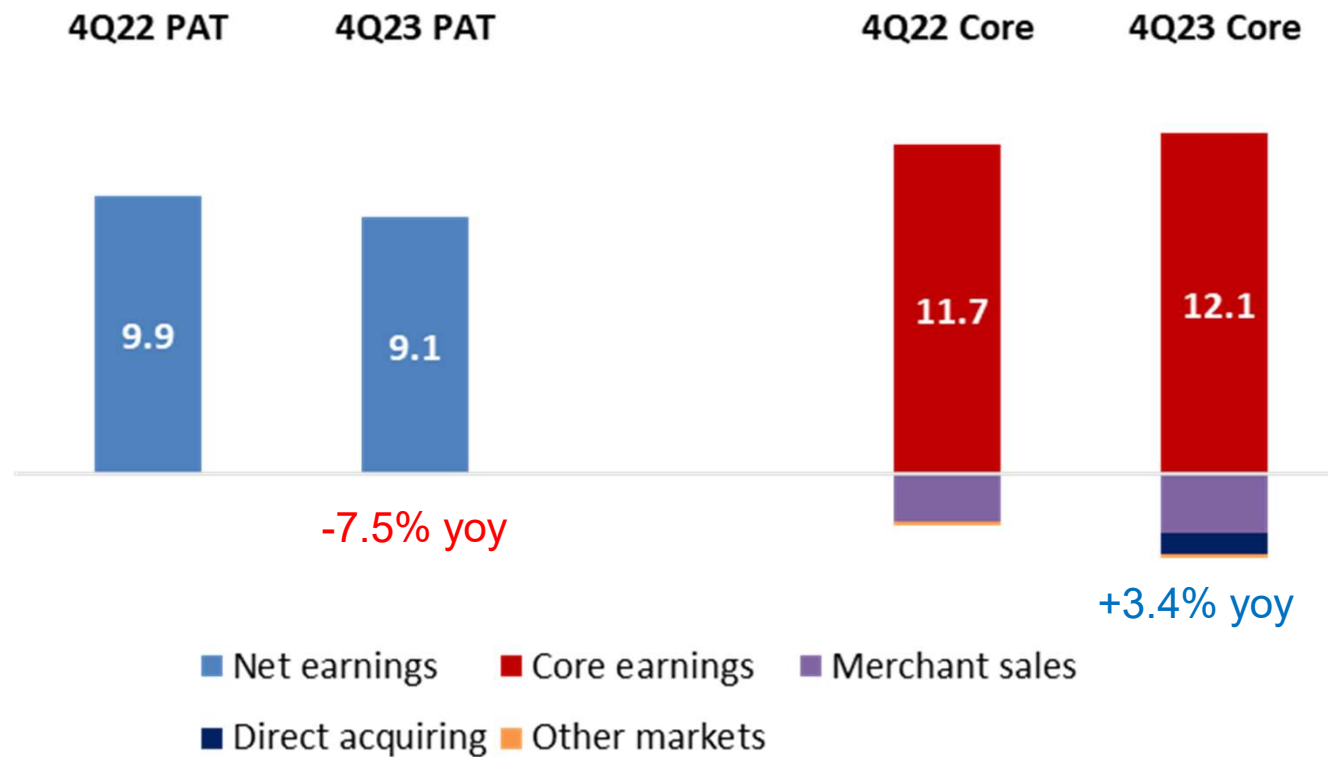
4Q22 : 176,800

13% YoY

[4Q23 Core Earnings

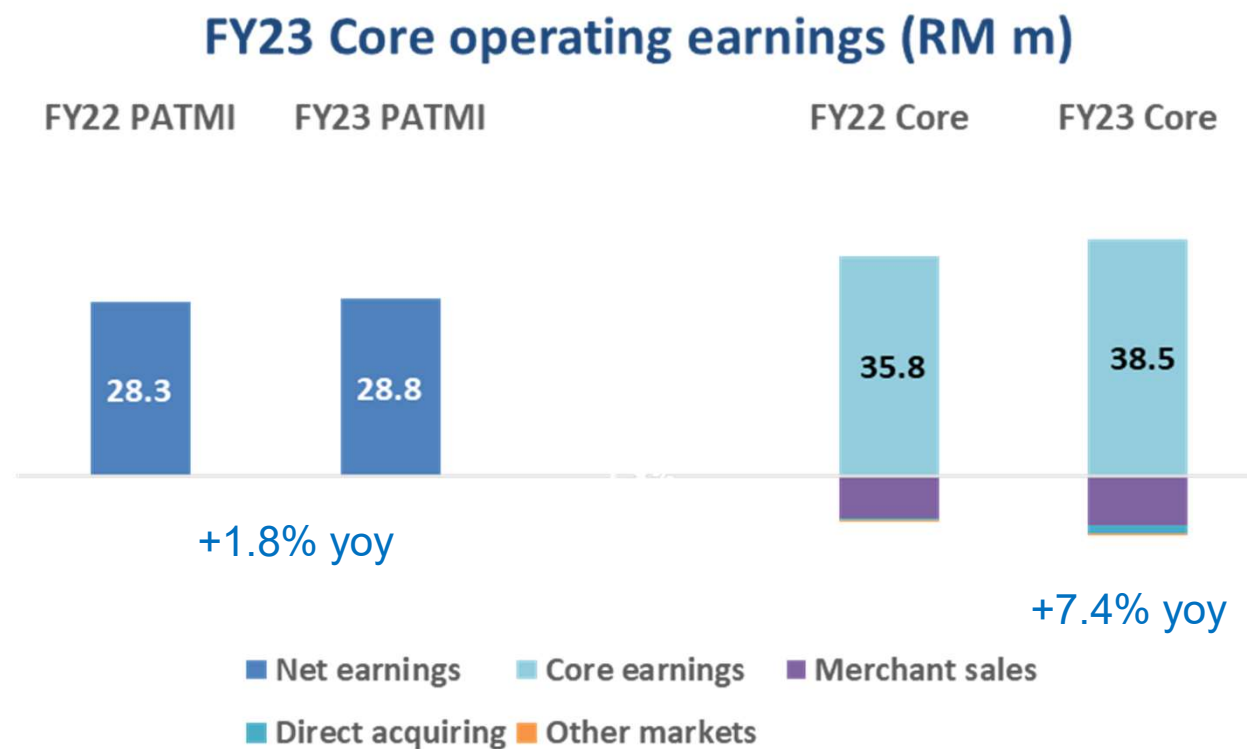
Illustration only

4Q23 Core operating earnings (RM m)



[FY23 Core Earnings

Illustration only



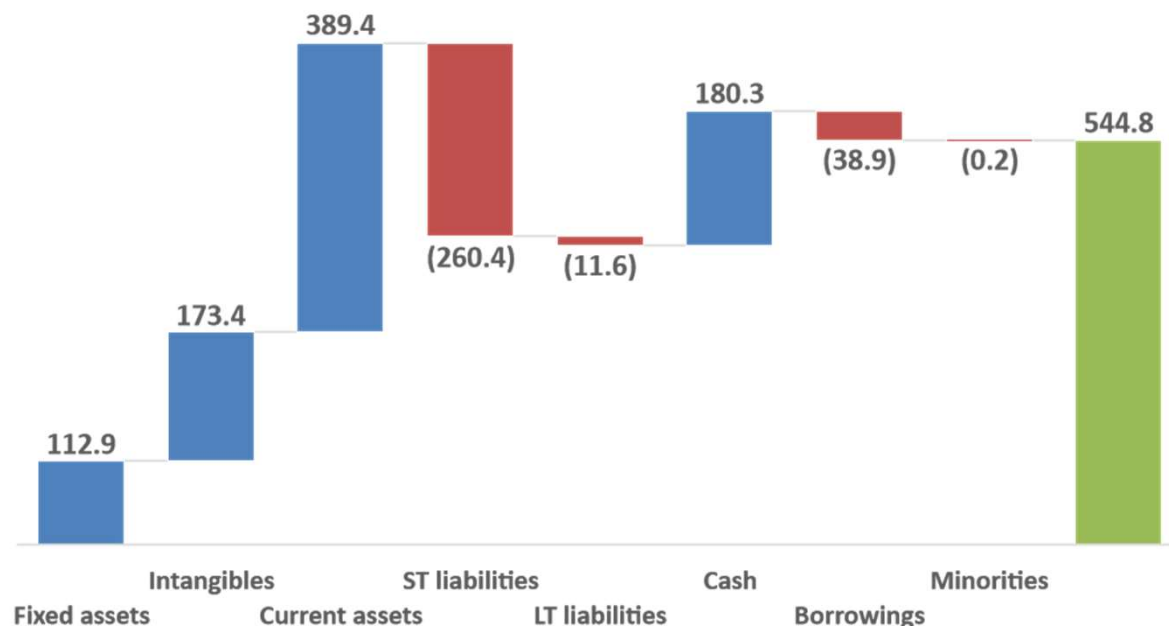
[4Q23 Financial Standing @ 31.12.2023

	YEAR ENDED (Unaudited) 31.12.2023 RM'000
Increase/(Decrease) in working capital	
Inventories	43,847
Trade and other receivables	(65,806)
Trade and other payables	22,318
Advance receipt from contract liabilities	12,425
Employee benefits obligations	292
	13,076
Cash generated from operations	64,342

4Q23 balance sheet remains net cash with growing working capital needs due to higher TPV being processed

Net cash (incl cash funds) – RM132m

Shareholders funds @ 31.12.2023 (RM m)



[4Q23 TPV Performance

**TPV
2023**

RM28.9b

2022 : RM26.2b

10% YoY

**TPV
4Q23**

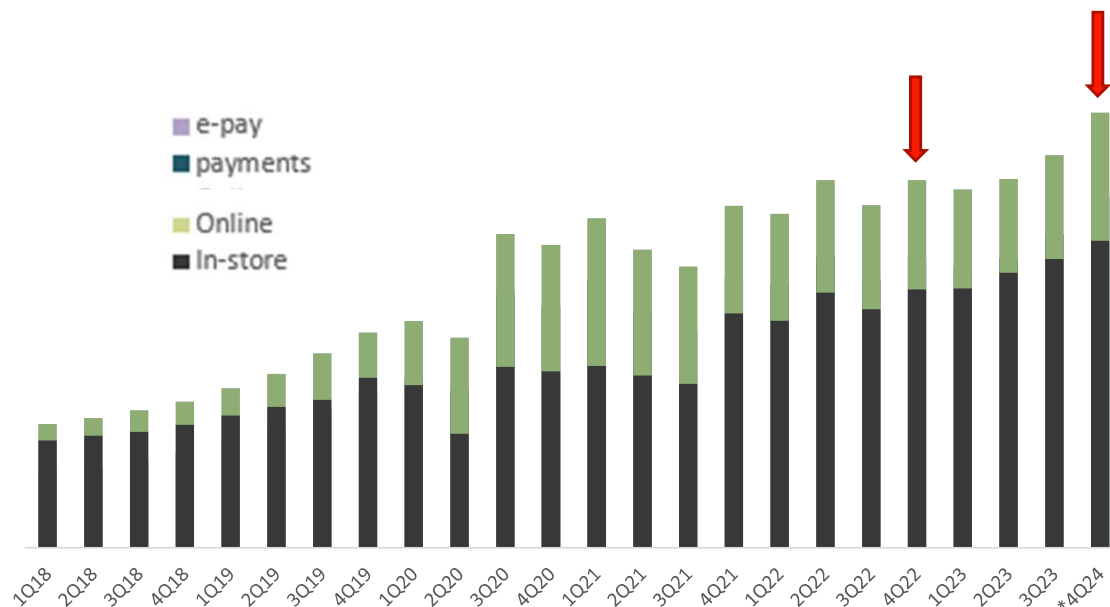
RM8.1b

4Q22 : RM6.8b

19% YoY

- 4Q23 TPV grew +18% yoy and +11% qoq as consumption and the cashless trend remain robust .
- Both payments and epay 4Q23 TPV grew yoy & qoq
- 4Q23 online TPV was up +17% yoy and in-store TPV grew +19% yoy due to continued adoption of cashless payments. Online TPV was up +17% yoy, but excluding one merchant category, other online TPV was up +23% yoy.

TPV trend and segments (RM b)



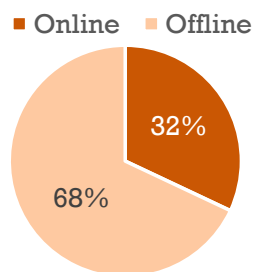
*** TPV (Transaction Payment Value)**

[4Q23 TPV Performance

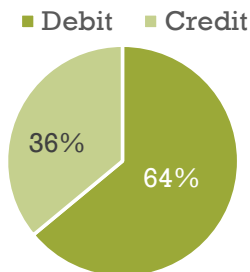
TPV is the measure of the transaction value captured across GHJ's extensive merchant payment touchpoints across ASEAN, both physical and online.



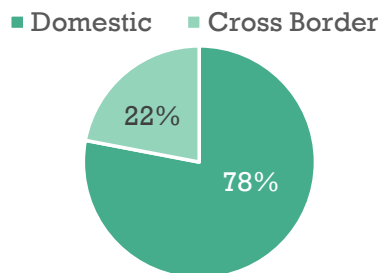
Group TPV



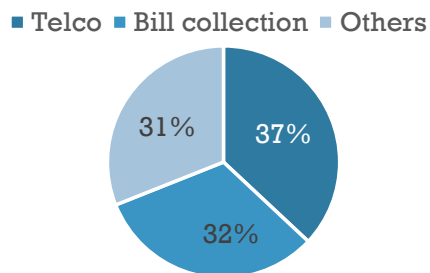
Scheme cards



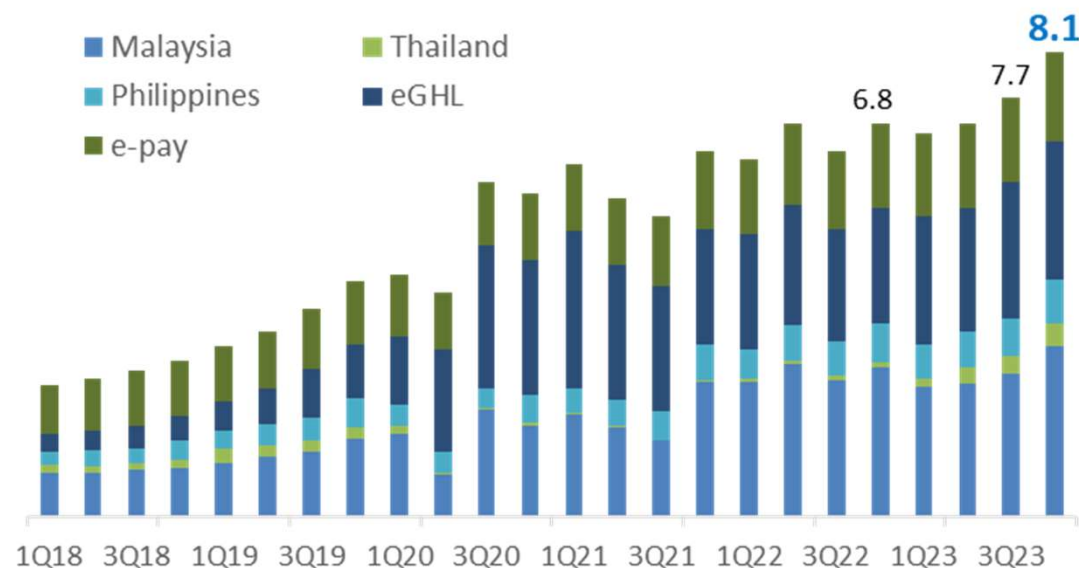
E-wallets



E-pay



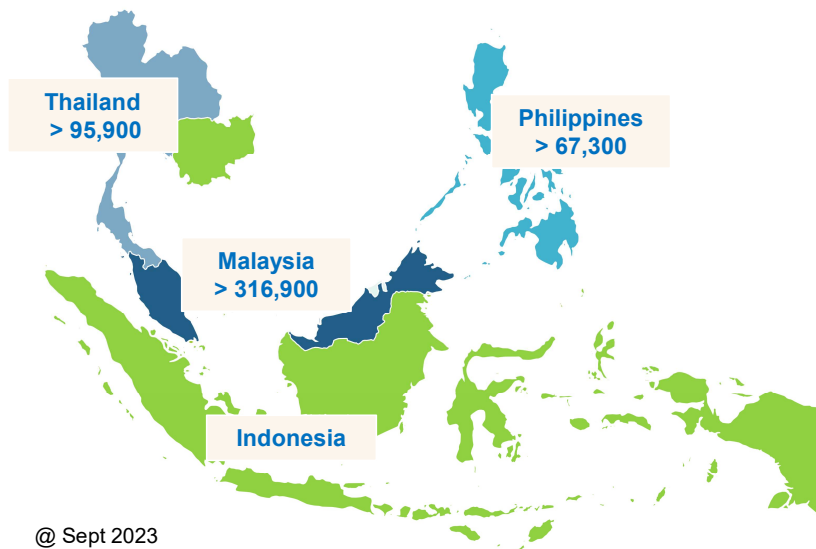
TPV by Geography (RM b)



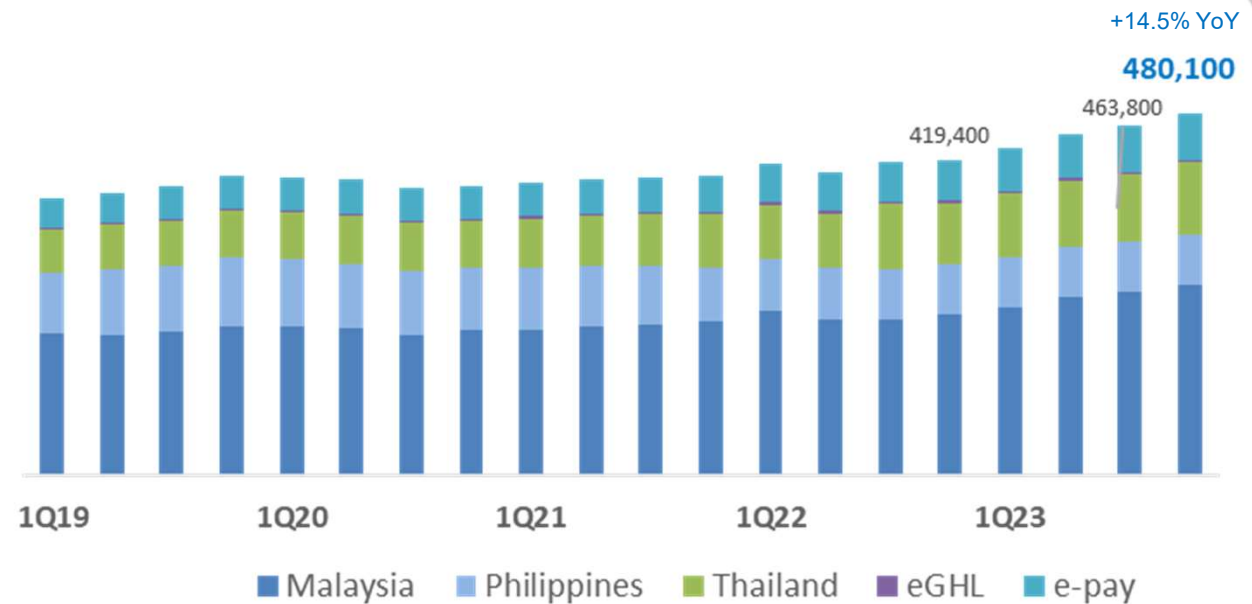
* TPV – Transaction Payment Value

4Q23 Regional Footprint

GHL - ASEAN Presence
950 staff
> 480,100 acceptance points



Total payment points (ASEAN)



4Q23 TPA Acceptance Points

TOTAL Acceptance Points

480,100

4Q22 : 419,400

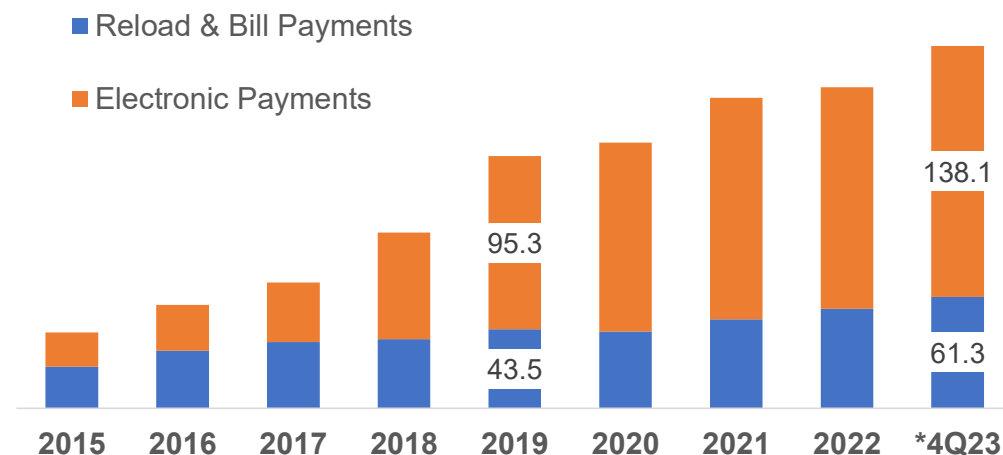
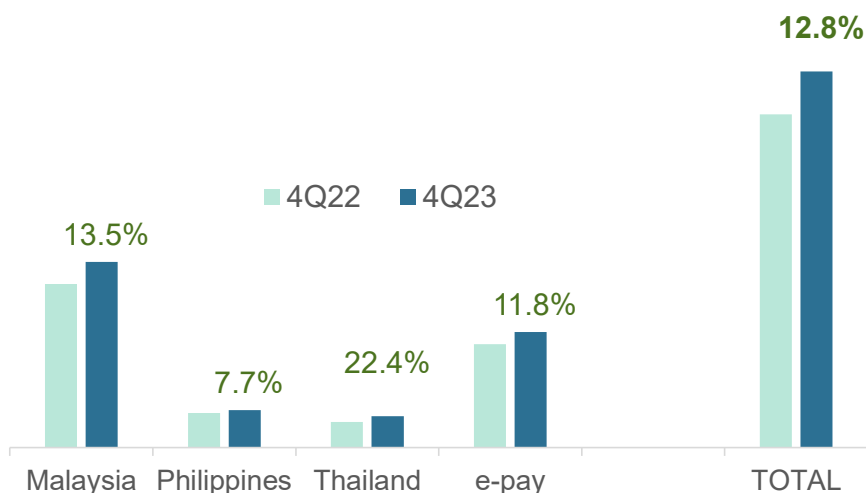
14% YoY

TPA Acceptance Points

199,400

4Q22 : 176,800

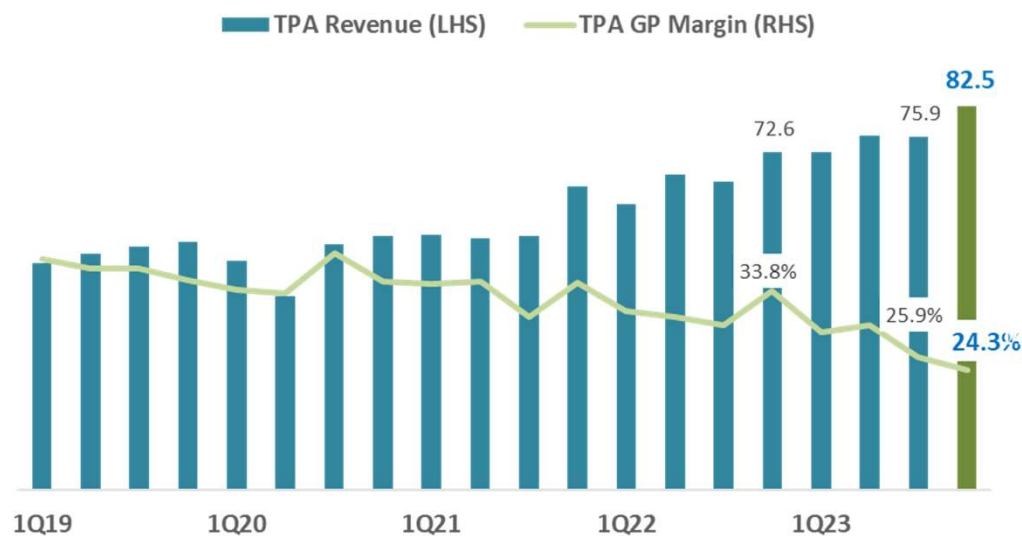
13% YoY



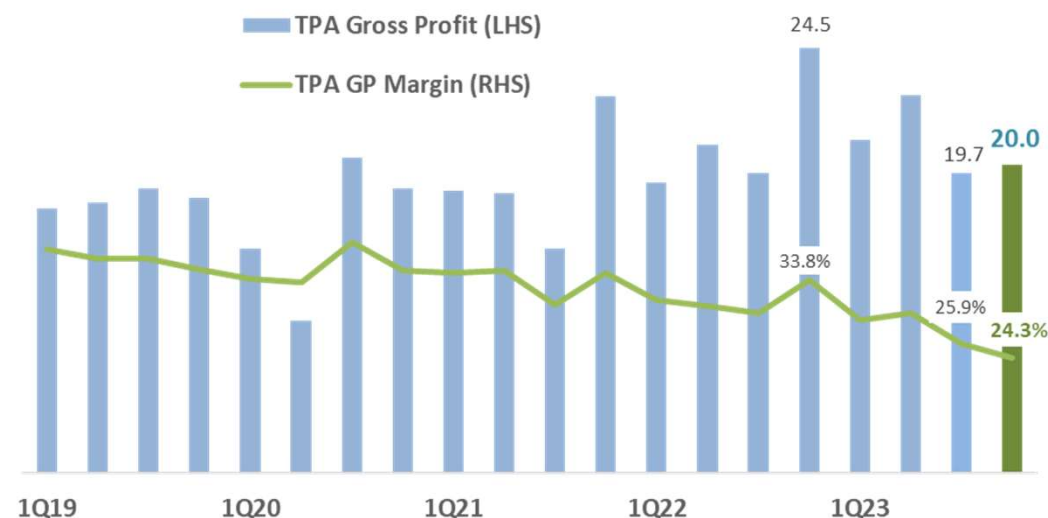
- 4Q23 TPA payment touchpoint growth was up 13% YoY with growth in all three main geographical markets. The reopening of the tourism markets has also seen the group's foreign e-wallets touchpoints grow
- Investment in growing payment touchpoint remained measured but will continue to rise given opportunities in the resilient retail space and the commencement of Direct Acquiring in Philippines and Thailand.

[4Q23 TPA momentum

TPA Revenue (RM m) and GP margins (%)



TPA Gross profit (RM m) and GP margins (%)



- Revenue growth direction is inline with the TPV momentum. Gross profit trend however is dependent on the geographical, merchant type and payment type mix. The switch into cashless is expected to continue.
- 4Q23 GP was down yoy but up qoq due to payment type and merchant mix as well as the inclusion of technology infrastructure enhancement as well as DA costs which was previously in OPEX.

[4Q23 TPA performance

Stable spread margins

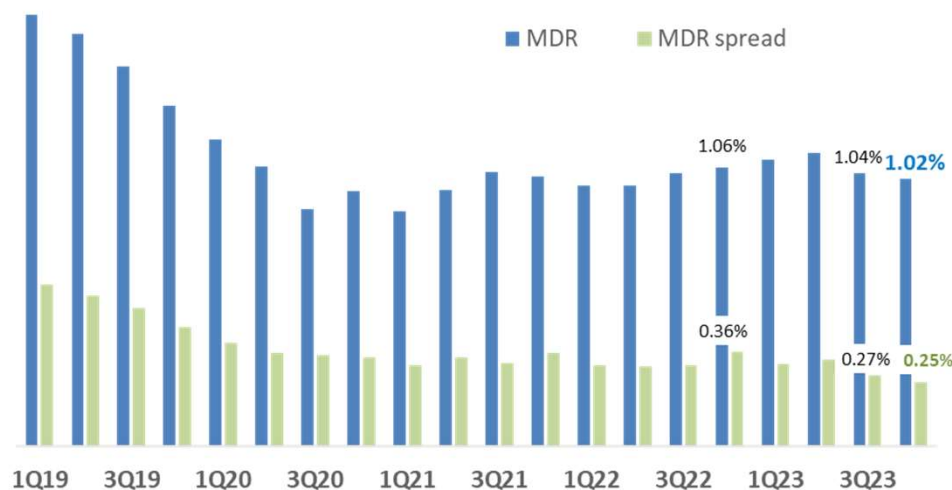
TPA performance and profitability is driven by

- *TPV (Transaction payment value - volume)*
- *MDR (Merchant Discount Rate – rate paid by merchants)*
- *Merchant payment touchpoints*

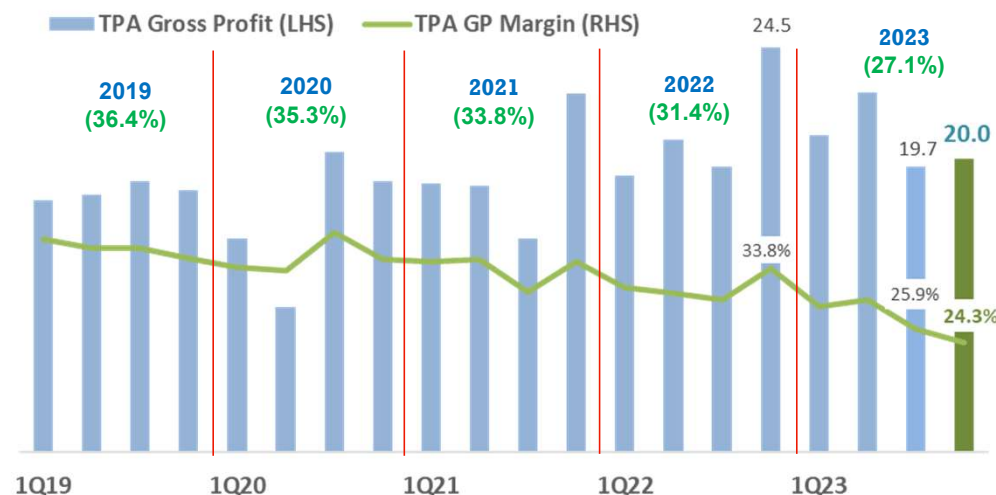
MDR rate and GP % spread is dependent on several factors such as

- *Geography (different markets are priced differently)*
- *Payment mix (online vs offline; credit vs debit vs e-wallets)*
- *Merchant tier (large merchants vs small vs micro enterprises)*
- *Revenue sharing with partners*

TPA Gross MDR and spread (2019-4Q23)

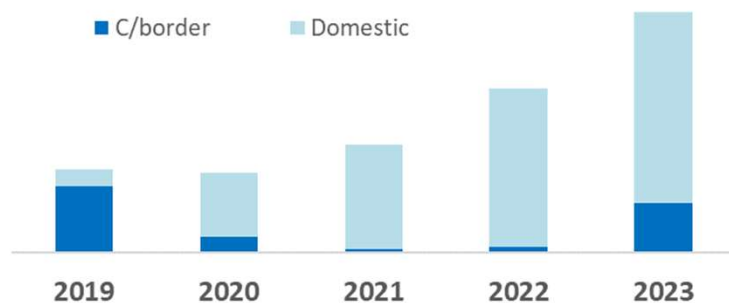


TPA Gross profit (RM m) and GP margins (%)

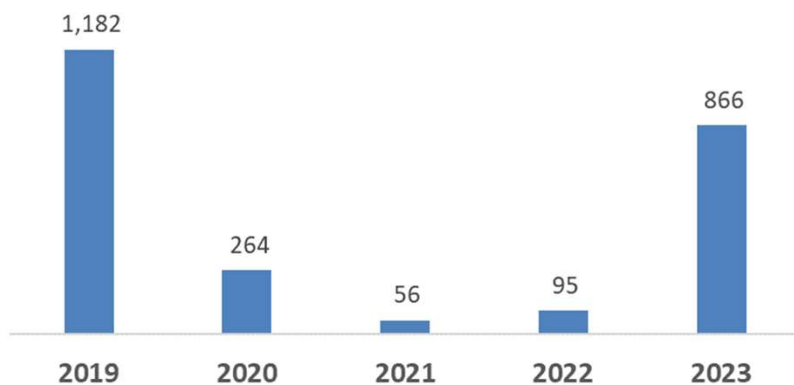


TPA e-wallet Performance

GHL e-wallets (RM m)



C/border ewallets (RM m)



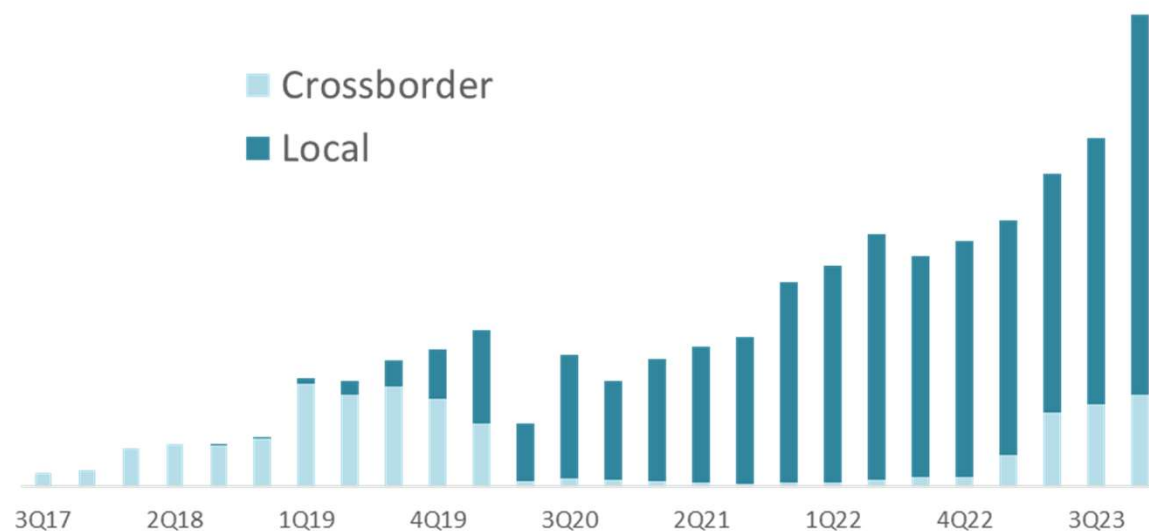
E-wallet TPV 2023

RM4.31b

2022 : RM 2.92b

+48% YoY

Crossborder
Local





Fast growing online transactions

TPV
2023

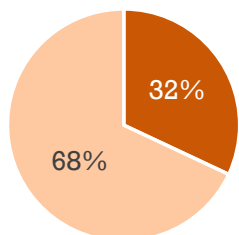
RM9.1b

2022 : RM8.0b

14% YoY

Group TPV

■ Online ■ Offline



TPA
Acceptance Points

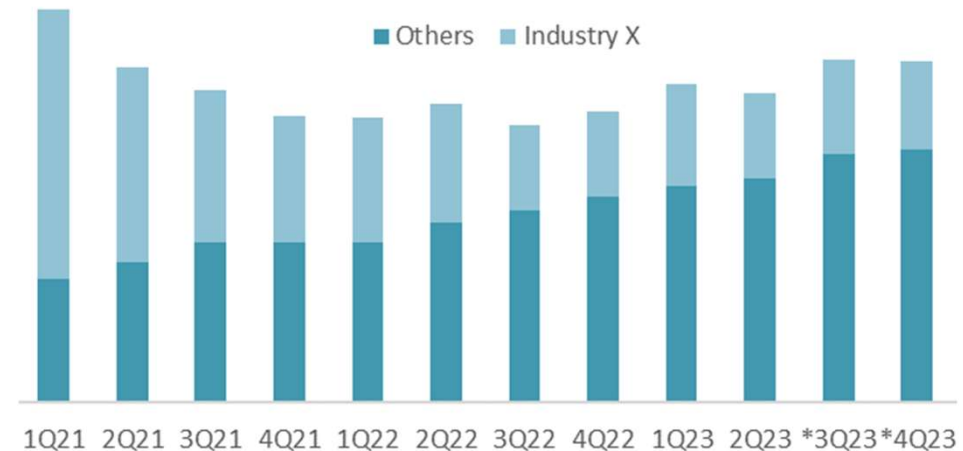
3,051

4Q22 : 3,040

0% YoY

Serving Online businesses such as stockbroking, ecommerce platforms, fast-food delivery, education, hospitality, leisure, cinemas, airlines, state and municipality websites and many more.....

Group eGHL



4Q23

Industry X
+5% yoy

Others
+23% yoy

Industry leading standards

- 99.999% uptime with real time admin & dashboard
- 3DS 2.0
- Visa Instalment Service (VIS)
- Single API integration to multiple payment channels, email Payment Link, simple API & easy plugin integration, SDK support for mobile apps
- BNPL payment channels



Largest touchpoint for reload and bill payments in Malaysia

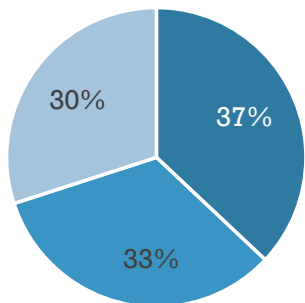
TPV
2023

RM5.93b

2022 : RM5.52b

7% YoY

■ Telco ■ Bill collection ■ Others



TPA
Acceptance Points

61,300

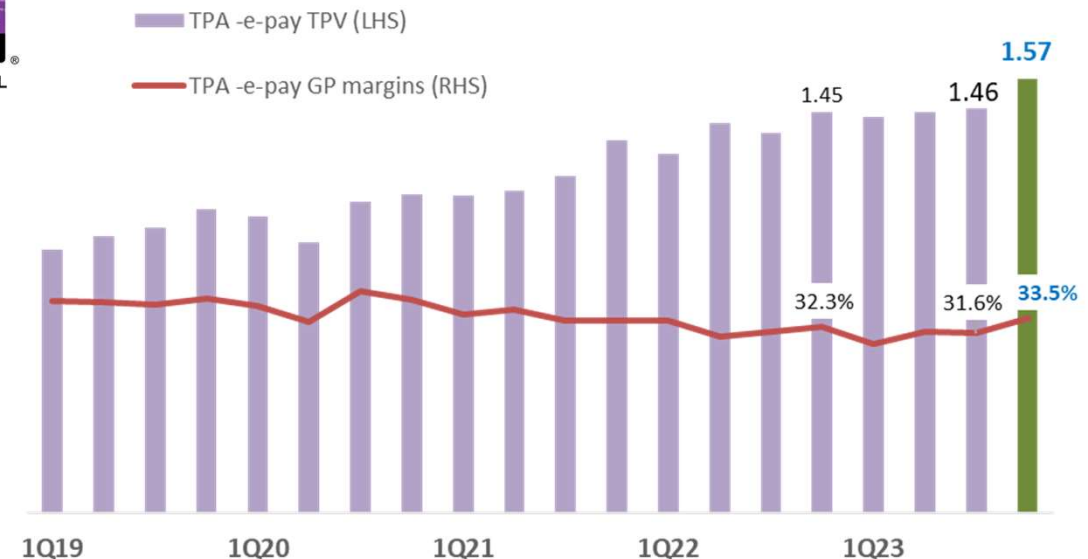
4Q22 : 54,900

12% YoY

Convenience stores, supermarkets, pharmacies, petrol stations, retail shops, ATMs, internet banking, e-wallet apps, stand-alone kiosks and others



e-pay TPV (RMm) vs GP margins (%)



**Mobile
Reload**



**Bill
Payments**



**Online
Games**



**E-wallet
Reload**

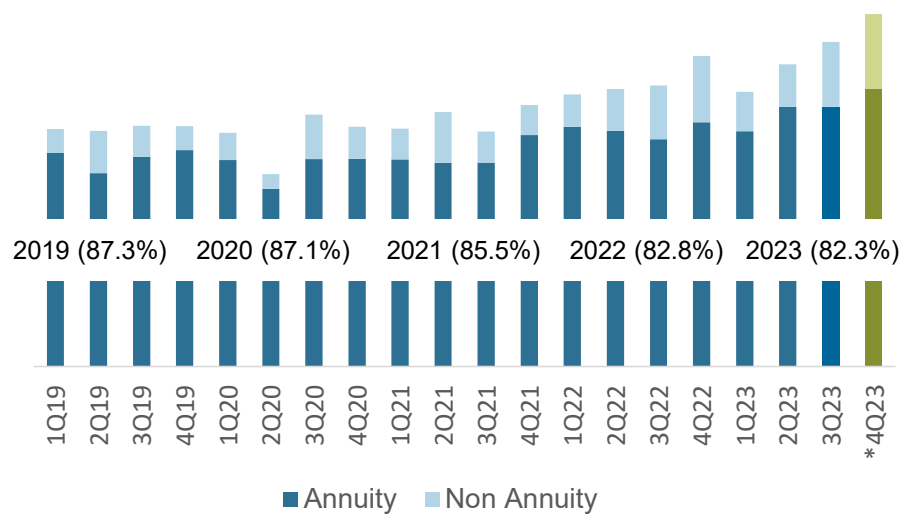


**Loan
Repayment**

[Resilience and Recurring

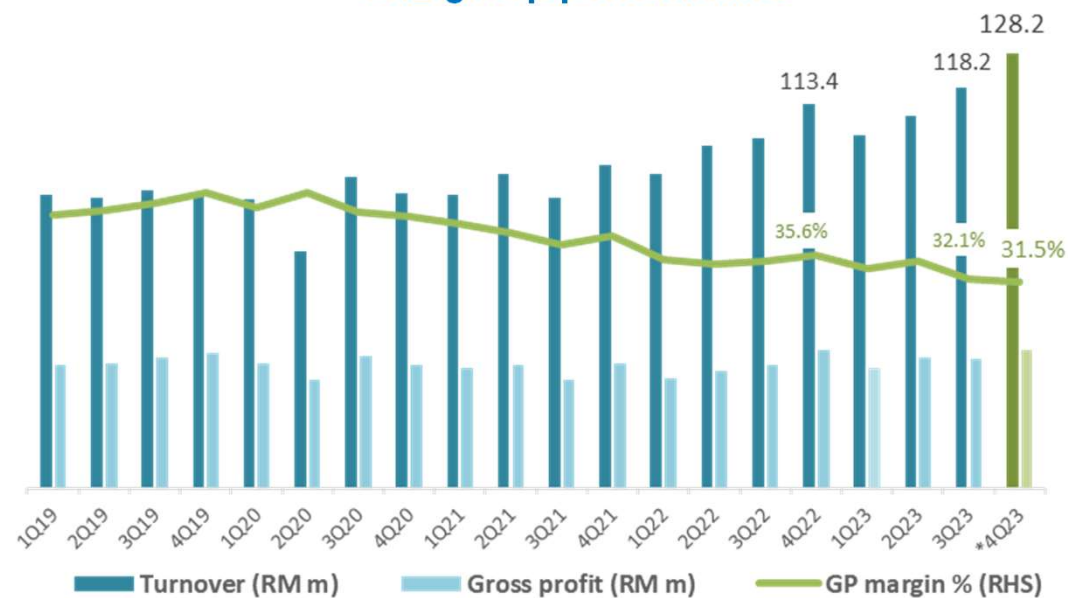
Revenue growth and margin stabilising

Strong Recurring Group Revenue (RM m)



Recurring transactional driven earnings

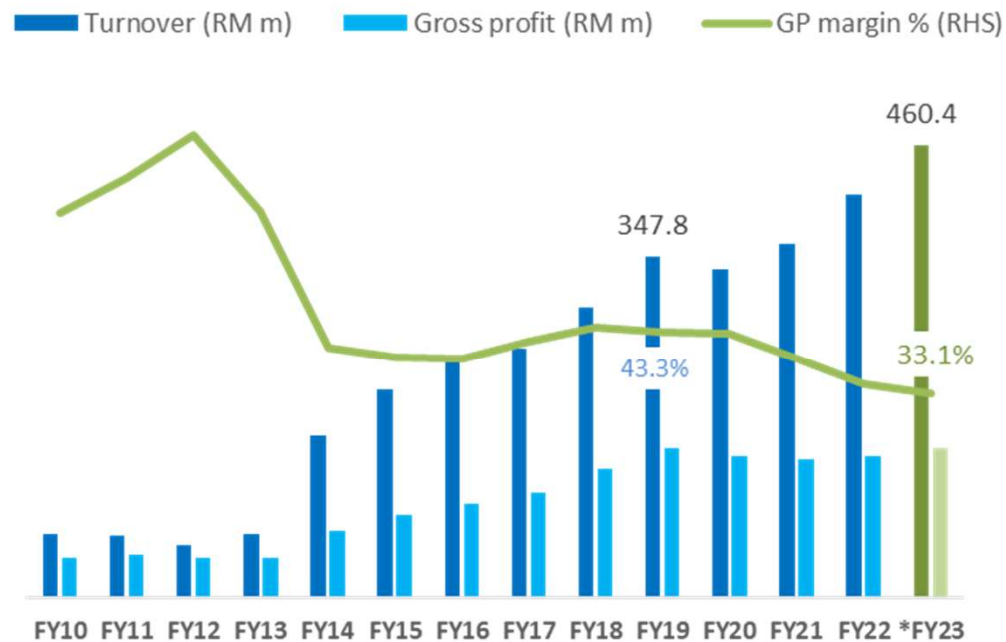
GHL group performance



























Stable robust GP margins

[TPV and Revenue trend

GHL Group TPV (RM million)



[GH L ASEAN Coverage

TPA Map		Malaysia	Thailand	Philippines	Indonesia, and others
Scheme	CREDIT	    			
	DEBIT	      	   	  	
e-Wallets	Cross border	  			
	Domestic	      	      	  	  
e-commerce		              			
BNPL partners		    			
TPA partners		        	  	  	

Thank You

| Sean Hesh (Group CEO)

| Dennis Saw (Group IR)

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[4Q23 financials



Quarter ended - 31 December	Malaysia		Philippines		Thailand		Others		Adjustment and Elimination		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE												
<u>External Sales</u>												
Transaction Payment Acquisition	68,452	60,981	11,538	11,483	6,329	1,737	54	-	(2,237)	(1,036)	84,136	73,165
Shared Services	31,777	28,923	4,281	3,484	4,899	5,578	-	-	(245)	(963)	40,712	37,022
Solution Services	1,772	1,319	495	760	689	607	443	329	-	-	3,399	3,015
Inter-segment sales	4,615	6,051	-	-	-	-	-	-	(4,615)	(6,051)	-	-
	106,616	97,274	16,314	15,727	11,917	7,922	497	329	(7,097)	(8,050)	128,247	113,202
RESULTS												
EBITDA	27,080	60,188	4,810	5,448	1,972	2,059	111	49	(17,604)	(48,140)	16,369	19,604
Interest income	1,438	928	15	11	8	2	1	-	(909)	(350)	553	591
Interest expense	(1,460)	(760)	-	(1)	(80)	(7)	-	-	909	350	(631)	(418)
Depreciation	(3,955)	(4,078)	(1,266)	(1,348)	(968)	(868)	(2)	(6)	(13)	(13)	(6,204)	(6,313)
Amortisation of intangible assets	(66)	(66)	(13)	-	-	-	-	-	-	-	(79)	(66)
Profit before taxation	23,037	56,212	3,546	4,110	932	1,186	110	43	(17,617)	(48,153)	10,008	13,398
Taxation	1,008	(1,353)	(1,795)	(1,126)	(9)	(510)	(84)	(42)	-	(495)	(880)	(3,526)
Non-controlling interest	-	-	-	-	-	-	-	-	(26)	(13)	(26)	(13)
Segment profit for the financial period after non-controlling interest	24,045	54,859	1,751	2,984	923	676	26	1	(17,643)	(48,661)	9,102	9,859
Segmental assets	1,029,790	941,261	100,107	72,019	48,995	34,042	3,826	2,688	(326,808)	(270,927)	855,910	779,083
Segmental liabilities	552,364	485,318	32,678	17,773	24,886	14,256	1,058	694	(300,061)	(250,785)	310,925	267,256

FY12/23 financials



Year ended - 31 December	Malaysia		Philippines		Thailand		Others		Adjustment and Elimination		Consolidated	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
REVENUE												
External Sales												
Transaction Payment Acquisition	254,928	231,750	47,906	38,064	17,360	5,290	290	-	(7,440)	(6,155)	313,044	268,949
Shared Services	103,142	94,666	15,287	15,725	17,233	21,374	-	-	(2,282)	(1,279)	133,380	130,486
Solution Services	7,199	5,788	2,892	2,048	2,197	1,814	1,654	1,338	-	-	13,942	10,988
Inter-segment sales	24,390	28,305	-	-	-	-	-	-	(24,390)	(28,305)	-	-
	389,659	360,509	66,085	55,837	36,790	28,478	1,944	1,338	(34,112)	(35,739)	460,366	410,423
RESULTS												
EBITDA	56,644	93,582	19,101	15,723	7,520	5,823	522	220	(19,240)	(49,027)	64,547	66,321
Interest income	4,847	2,928	44	32	14	4	2	-	(3,256)	(783)	1,651	2,181
Interest expense	(5,122)	(2,301)	(2)	(36)	(123)	(27)	-	-	3,256	783	(1,991)	(1,581)
Depreciation	(15,475)	(16,241)	(4,505)	(6,548)	(3,713)	(3,225)	(18)	(25)	(52)	(52)	(23,763)	(26,091)
Amortisation of intangible assets	(265)	(265)	(16)	-	-	-	-	-	-	-	(281)	(265)
Profit before taxation	40,629	77,703	14,622	9,171	3,698	2,575	506	195	(19,292)	(49,079)	40,163	40,565
Taxation	(5,611)	(9,718)	(5,858)	(2,919)	(559)	(502)	(220)	(189)	905	1,088	(11,343)	(12,240)
Non-controlling interest	-	-	-	-	-	-	-	-	(12)	(20)	(12)	(20)
Segment profit for the financial year after non-controlling interest	35,018	67,985	8,764	6,252	3,139	2,073	286	6	(18,399)	(48,011)	28,808	28,305
Segmental assets	1,029,790	941,261	100,107	72,019	48,995	34,042	3,826	2,688	(326,808)	(270,927)	855,910	779,083
Segmental liabilities	552,364	485,318	32,678	17,773	24,886	14,256	1,058	694	(300,061)	(250,785)	310,925	267,256