



1Q 2024 Results Briefing

7 May 2024



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 - 3 Financial Review
 - 4 Financial Targets
 - 5 Business Outlook
-

1Q 2024 KEY HIGHLIGHTS

Continuous growth track record YoY



Continuing Growth Momentum

- Achieved revenue of RM71.6m (+20% YoY)
- PATAMI rose to RM20.8m (+26% YoY)



Broad-based Organic Growth

- YoY growth across all 4 business segments
- Highest growth from Direct-to-Consumer (+14% YoY)



Digital Reports & Solutions

- Revenue for Digital Reports (+38%) and Digital Solutions (+44%)
- Increased adoption of eKYC, CAD & IDGuard with 143 clients to date



Regional Growth

- FinScore (PH & Ind) revenue jumped to RM8.5m (+54% QoQ)
- Rebranded PT Prime Analytics in Indonesia (Ind) to FinScore



Strategic Partnership

- Partnership to distribute FICO score in ASEAN - onboarded first client in Thailand

UPDATES ON LITIGATION CASE



CASE UPDATES ON SURIATI vs CTOS

- Online case management (e-Review) took place on 2 April 2024
- Hearing date for the appeal has been fixed for 9 July 2024
- CDS has been advised that it has a good chance of success in its appeal



BUSINESS AS USUAL & NO IMPACT TO OPERATIONS

- Reputation management strategy put in place, engaging various stakeholders including regulators, customers, partners, media, etc
- Brand sentiment recovered quickly within a week, moving into POSITIVE territory throughout the rest of March and April

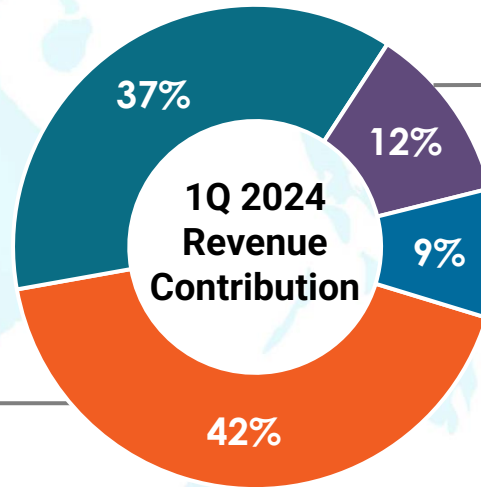


OTHER ON-GOING LITIGATIONS

- As disclosed in our quarterly report, there are five (5) on-going litigation cases
- External counsels advised that we have a fair chance at successfully defending the cases based on legal precedents

REVENUE SHARE BY BUSINESS SEGMENTS

Strength across all segments



KEY ACCOUNTS

- >470 of our high revenue generating customers
- Top contributors are banks, NBFIs and telco
- Digital reports, Comprehensive Portfolio Review & Analytics, Digital Solutions (CAD, eKYC, ID Guard), eTR



COMMERCIAL

- Serves 21.4 k customers
- Top 5 industries include wholesale & retail trade, manufacturing, professional services, construction, finance & insurance
- Credit Manager, Reports, Credit Monitoring and eTR



DIRECT-TO-CONSUMER

- 3.82 mil registered users for CTOS ID
- CTOS Score, CTOS SecureID, Credit Finder, CTOS Tenant Screening, CTOS Vehicle Check and CTOS Car Insurance



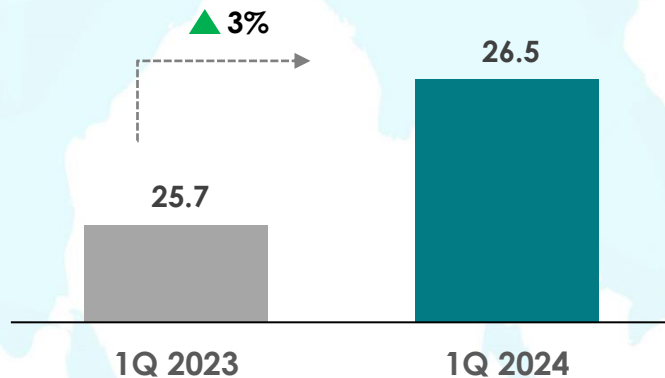
INTERNATIONAL

- Newly acquired subsidiaries in Indonesia and The Philippines
- Alternative score platform as a building block for regional expansion

KEY ACCOUNTS

1Q 2024 Performance – Secured major projects with spillover for 2Q

Figures RM'mil
(Revenue)



1Q 2024 Key Highlights

- Subdued YoY growth of 3% due to deferment of a few major projects, which the revenue will be recognized in 2Q instead of 1Q.
- Secured new projects for large NBFI clients

First Half Outlook

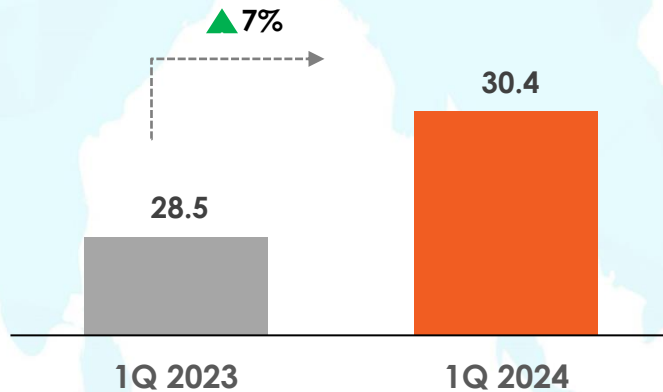
- On track to meet H1 target with the deferred revenue from 1Q and other new projects in the pipeline.
- Ramp-up adoption of Digital Solutions with >40 prospects in the sales pipeline and extend coverage for eKYC multi-face ID
- Expand the usage of Comprehensive Portfolio Review and Analytics with new analytics products.



COMMERCIAL

Q1 2024 Performance – Continued growth despite soft market demands

Figures RM'mil
(Revenue)



1Q 2024 Highlights

- Moderate growth of 7% in line with our expectation due to festive seasons impact.
- Growth was driven by higher BAU consumption and incremental volume for Comprehensive Portfolio Review & Analytics
- Ramped up partnerships & workshops to improve product visibility and empower SMEs with knowledge

First Half Outlook

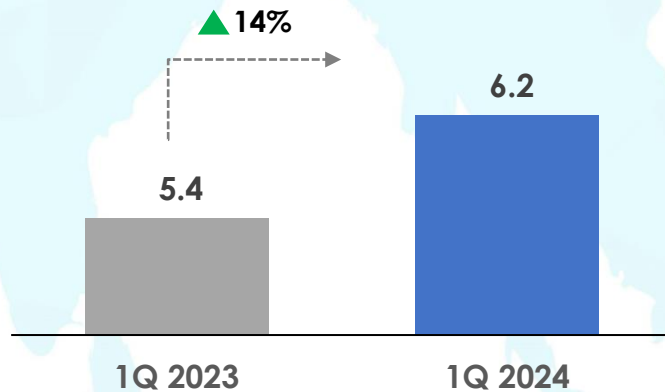
- Acquisition of large commercial clients to improve ARPU
- Enhance service level to improve client loyalty, increase consumption and cross-sell other value-added solutions
- Expand new sales channel



DIRECT-TO-CONSUMER

1Q 2024 Performance - Growth driven by financial literacy and partnership

Figures RM'mil
(Revenue)



1Q 2024 Highlights

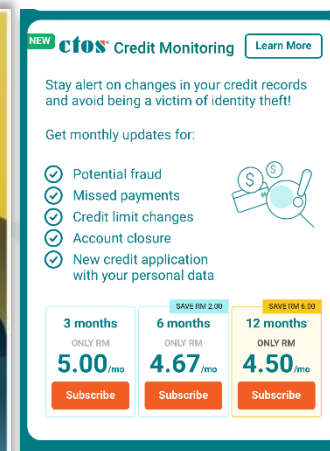
- Achieved double-digit revenue growth YoY driven by financial literacy campaigns and strategic partnership
- Acquired >171K new self-check users in 1Q 2024
- Conducted 13 financial literacy roadshows and webinars in partnership with MOF, AKPK and various government agencies

First Half Outlook

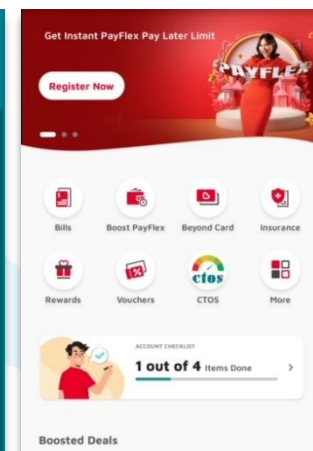
- Ramp up financial literacy via partnerships with fintech and e-wallet companies.
- Run targeted marketing via automation to increase report consumption.
- Promote the new Credit Monitoring product launched on 15th April 2024



CTOS Self-Check in Atome App



Launched Credit Monitoring in TNG App

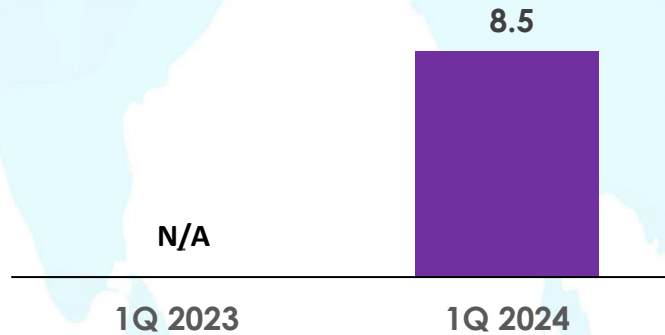


CTOS Self-Check in Boost App

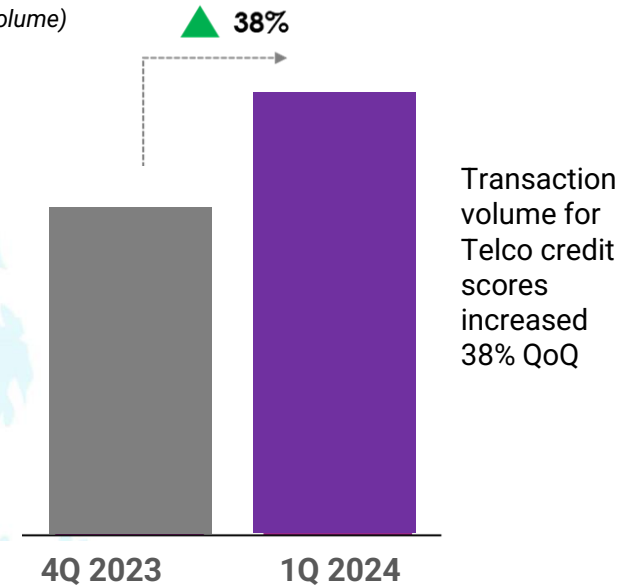
INTERNATIONAL

1Q 2024 Performance – Stellar results driven by increased report consumptions

Figures RM' mil
(Revenue)



Figures 'mil
(Transaction volume)



1Q 2024 Key Highlights

- International operations registered a strong start with higher BAU consumption from existing clients across both the Philippines and Indonesia.
- The growth also supported by active cross-selling of high margin products
- Onboarded 17 new clients in 1Q 2024.

First Half Outlook

- Expect robust performance in coming quarters in view of strong pipeline and customer conversion with targeted revenue of USD10m in FY2024
- Upselling of credit analytics services and other solutions in the regional market



**Alternative Credit Scoring
Can Unlock the Unbanked
Population's Access to Credit**





ctos Digital

Financial Review

FINANCIAL PERFORMANCE - 1Q 2024

Starting the year on solid footing with double-digit growth

(RM' Million)

	1Q 2024	1Q 2023	YoY (%)
Revenue	71.58	59.59	20.1%
GP	52.42	47.42	10.5%
(-)			
Other income/ (expenses)	0.10	-0.25	-140.0%
Selling & Marketing Expenses	-10.38	-8.69	19.4%
Administrative Expenses	-19.62	-17.13	14.5%
Finance Income	0.07	0.10	-34.0%
Finance Cost	-2.12	-1.72	22.9%
Share of Profit of Associates	1.80	2.22	-18.7%
PBT	22.26	21.94	1.5%
(-)Tax Expenses	-1.61	-5.36	-70.1%
PAT	20.66	16.58	24.6%
(-) Non- Controlling Interest	-0.16	-	-
PATAMI	20.82	16.58	25.6%
Normalised PATAMI	21.35	20.77	2.8%

Recorded YoY growth across all customers segments with higher contribution from the International segment

Strong demand for Digital Reports and Digital Solutions resulting in revenue contribution grew 38% and 44% YoY respectively

Selling & marketing expenses and admin expenses quantum increased YoY, however in terms of % to revenue, these expenses are still within the guided range

Increased due to new borrowings to fund acquisitions

Impacted by lower contribution from JurisTech

Lower effective tax rate due to tax incentives received by CDS subsequent to the 2nd 5-year income tax exemption (Nov'21- Nov-26) approval

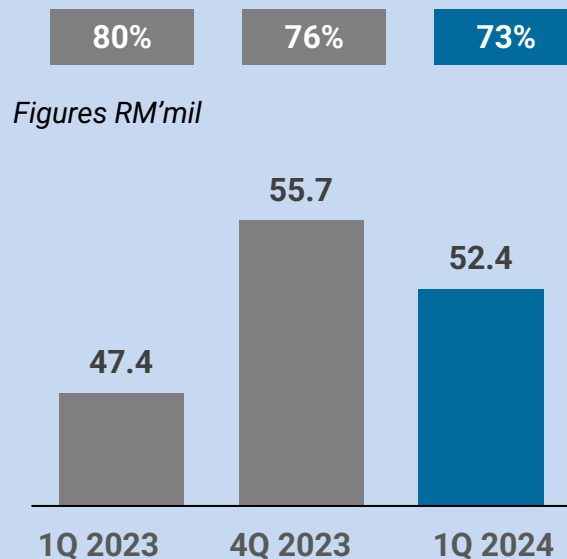
PATAMI increased stemming from higher PBT and lower tax expenses

Excludes share-based payment expenses (ESOS)

PROFITABILITY TRENDS

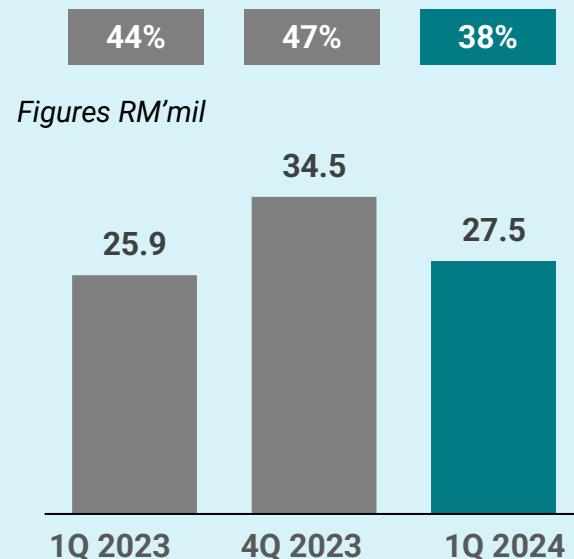
Healthy margin despite fluctuations

GP (RM' MIL) & MARGIN (%)



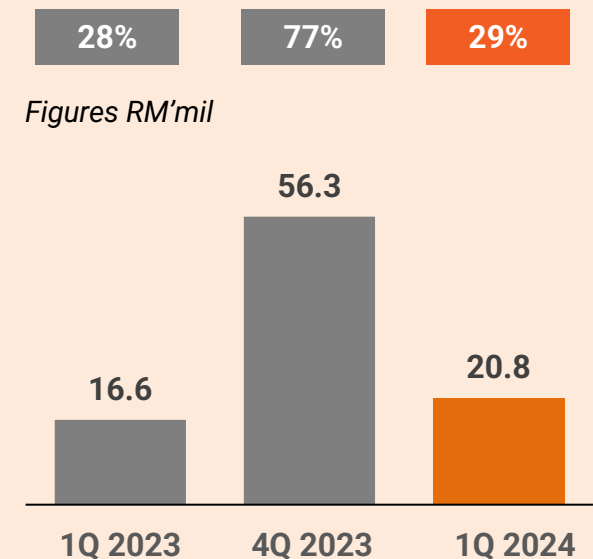
- ◆ GPM margin reduced QoQ due to lower margin from international segment and product mix.

EBITDA (RM' MIL) & MARGIN (%)



- ◆ EBITDA margin was lower QoQ in 1Q2024 due to lower associate's contribution and expenses relating to ESOS

PATAMI (RM' MIL) & MARGIN (%)

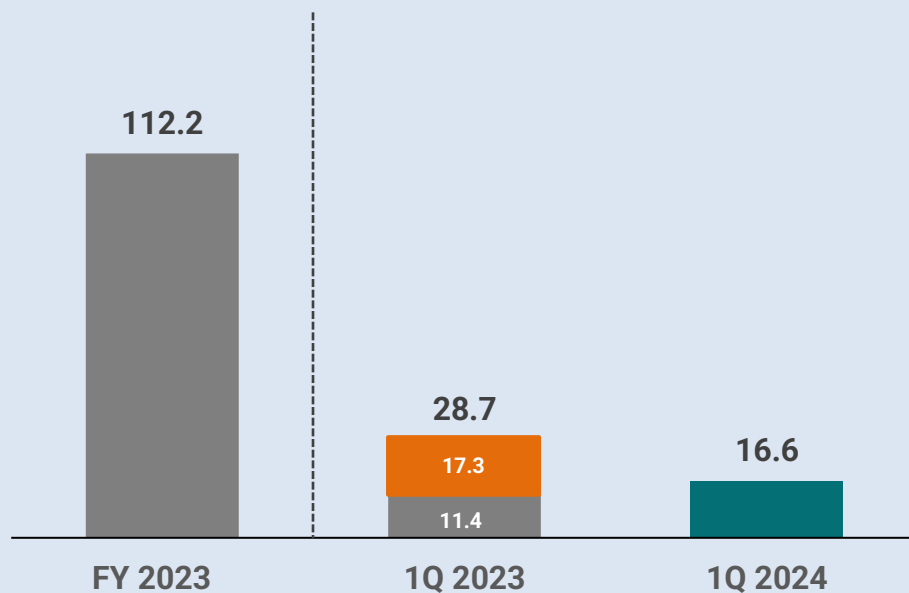


- ◆ QoQ lower reported PATAMI mainly due to the recognition of tax credit amounting to RM27.8m in 4Q 2023 coupled with higher depreciation and finance cost

OPERATIONAL CASH FLOW & DIVIDEND PAYOUT

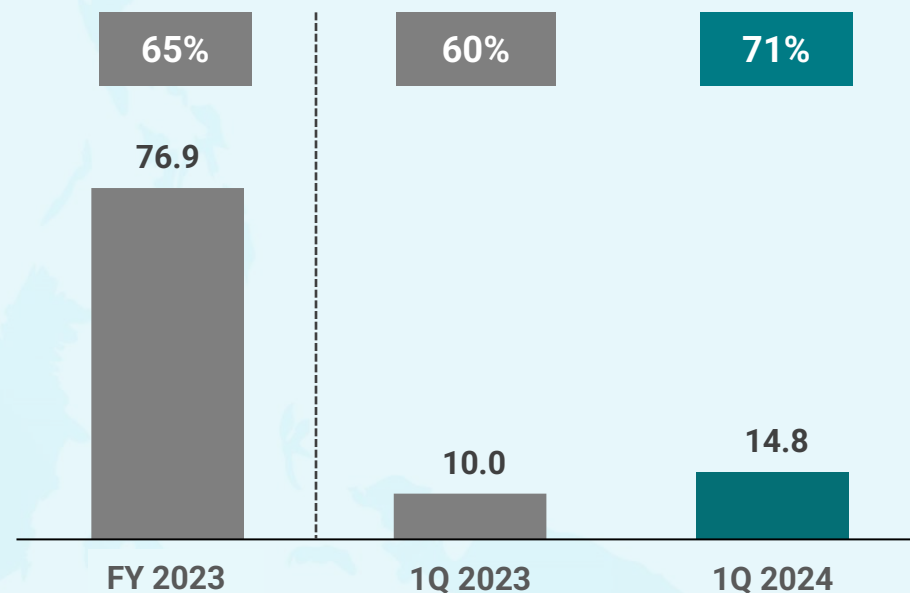
Positive cashflow & increased payout ratio

CASH FLOW FROM OPERATIONS (RM'MIL)



- ◆ CFO in 1Q 2024 lower compared to 1Q 2023 mainly due to lower dividend received from associates
- ◆ Dividend income from associates fell to RM1.7m from RM17.9m in 1Q 2023, mainly due to the non-recurrence of RAM's RM17.3 million special dividend

DIVIDEND PAYOUT (RM'MIL) & PAYOUT RATIO (%)



- ◆ 1st interim dividend of 0.64 sen per share, payable on 2 July 2024
- ◆ 1Q 2024 dividend payout ratio of 71%

LEVERAGE & PEER COMPARABLE

Healthy balance sheet & low gearing position

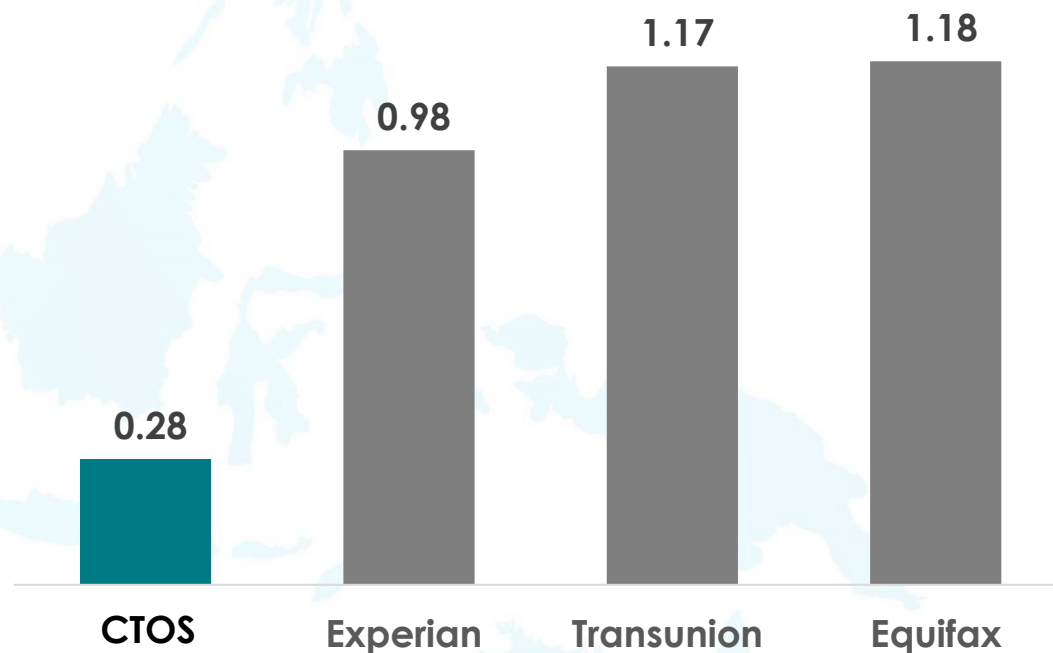
1Q 2024 FINANCIAL POSITION

NET BORROWINGS
RM163 million

SHAREHOLDERS EQUITY
RM572 million

NET GEARING
0.28x

PEERS' NET GEARING COMPARISON (x)



ASSOCIATE COMPANIES

Momentum to increase in coming quarters

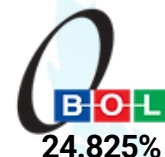
SHARE OF ASSOCIATES

1Q 2023

RM2.2 mil

1Q 2024

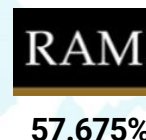
RM1.8 mil



Market leader in business information in Thailand



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



Market leader in bond credit ratings in Malaysia

ONGOING INITIATIVES

JURISTECH

- Launched digital platform for moneylenders, with 12 clients of which 3 have gone live.
- Won major projects with FIs, jointly secured with JurisTech, including the RLOS upgrade with a major bank.

RAM

- Ongoing quarterly publication of RAM-CTOS BCI Index
- Launched Digital Issuer Platform
- Ramping up on ESG Ratings & SME Credit Ratings
- Product expansion (corporates and SMEs)

FINANCIAL TARGETS FOR FY2024-FY2025

Internal Management Targets

FY2023

FY2024

FY2025



Revenue

Actual : RM261m

Target : RM250-278m

RM340-360m

30-38%

RM415-435m

19-24%



EBITDA

Actual : RM125m

Target : RM120-130m

RM145-155m

16-24%

RM180-190m

23-30%



**Normalized
PAT**

Actual : RM104m

Target : RM100-105m

RM125-130m

20-25%

RM150-160m

18-25%

Note: Figures are for internal management targets and for simulation purposes only
% indicates YoY growth from mid-point

SOLID FUNDAMENTALS & OUTLOOK

Driving sustainable growth with attractive investment merits

High Scalability

Buy / build once, sell multiple times



Regional relevance

Replicable regionally with centralised service centre



Strong value proposition

Proven return on investment for our clients



High barriers

Data and client penetration builds barriers to entry



Captive Demand

Regulated industry, service needed by banks & lenders



Reinforcing ecosystem

Incumbent market leader continuous to grow



Highly Cash Generative

Robust cashflow & low cash conversion cycle



High client retention

Multi-year contracts with high recurring revenue





- Q&A -