



4Q 2023 Results Briefing

31 January 2024

AGENDA

- 1 Management Team Update
 - 2 FY & 4Q 2023 Key Highlights
 - 3 Performance by Business Segments
 - 4 Financial Review
 - 5 2024 Strategies & Initiatives
-

SENIOR MANAGEMENT TEAM

Solid leadership team to drive the business forward



ERICK HAMBURGER

Group Chief
Executive Officer



CHIAM HSING CHEE

Group Chief
Financial Officer



IVAYLO KOLEV

Group Chief Data &
Product Officer



JAMES MITCHELL

Group Chief
Technology Officer



ERIC CHIN

Chief Executive
Officer, CDS



LEE SHIN MEI

Chief Operating
Officer, CDS



DANNY FONG

Chief Business
Officer, CDS

2023 HIGHLIGHTS & ACHIEVEMENTS

Stellar performance, building a solid foundation for the future



Continuing Growth Momentum

- Achieved high end of internal management target
- FY2023 revenue RM261.4m (+34%) & norm. PATAMI RM104.0m (+22%)



Digital Solutions Adoption

- Increased adoption of Digital Solutions (eKYC, CAD & IDGuard)
- Total 142 clients onboarded in FY2023



Broad-based Organic Growth

- All business units recorded a double-digit growth in FY2023
- Highest growth from Key Accounts (+51%) and Comprehensive Portfolio Review & Analytics (+81%)



Tax Status Approval

- CTOS Data Systems received MOF's approval for a five-year extension of tax exemption period up to 8 Nov 2026



Collaboration Wins

- Jointly secured multi-year key credit transformation + RLOS contracts
- Launched CAD for moneylenders together with JurisTech



Regional Expansion

- Acquisition of Finscore & Prime Analytics
- To build a leading alternative data platform in the region



Sustainability

- CTOS maintains position as a constituent of the FTSE4Good Index Series for FY2024*
- Top 25% amongst Malaysian public listed companies



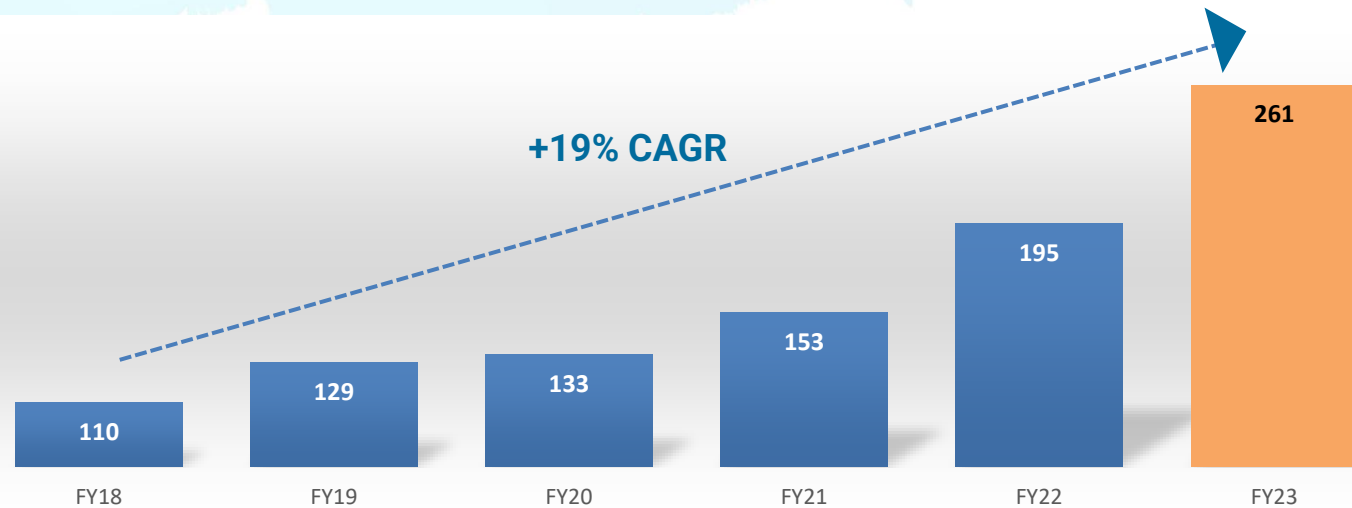
FOUR-STAR RATING

**FTSE4Good Index Series December 2023 review.*

CONTINUOUS GROWTH TRACK RECORD

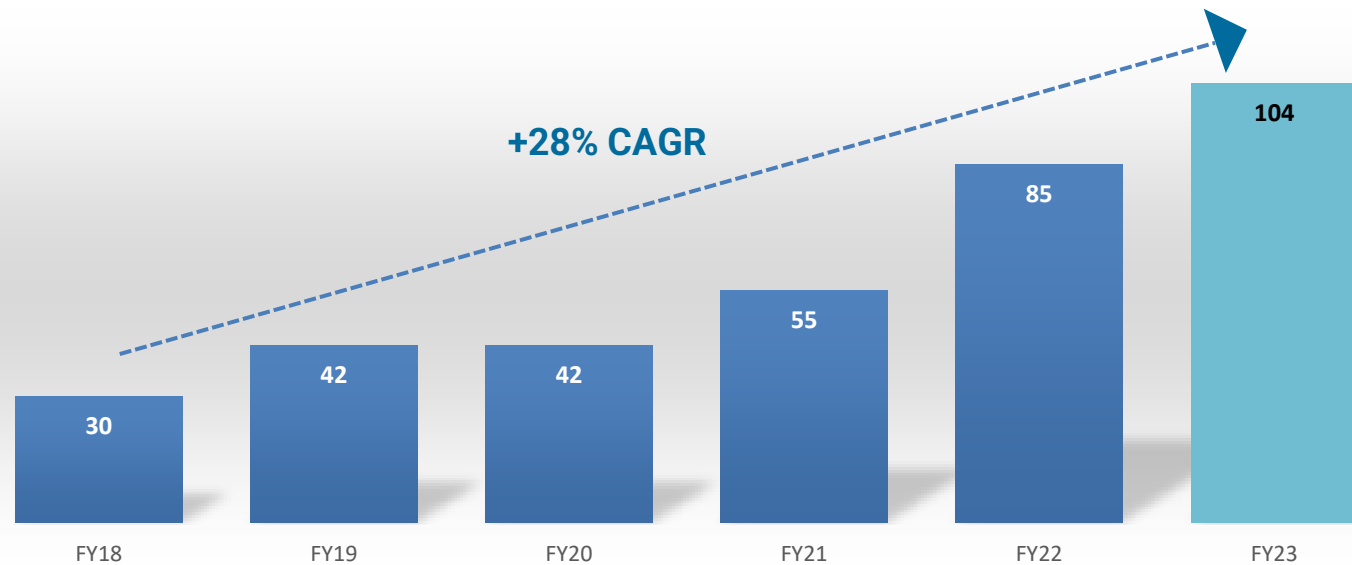
Double-digit CAGR growth in both Revenue & Normalised PATAMI

REVENUE



FY23 Internal
Management Target
RM250-278m

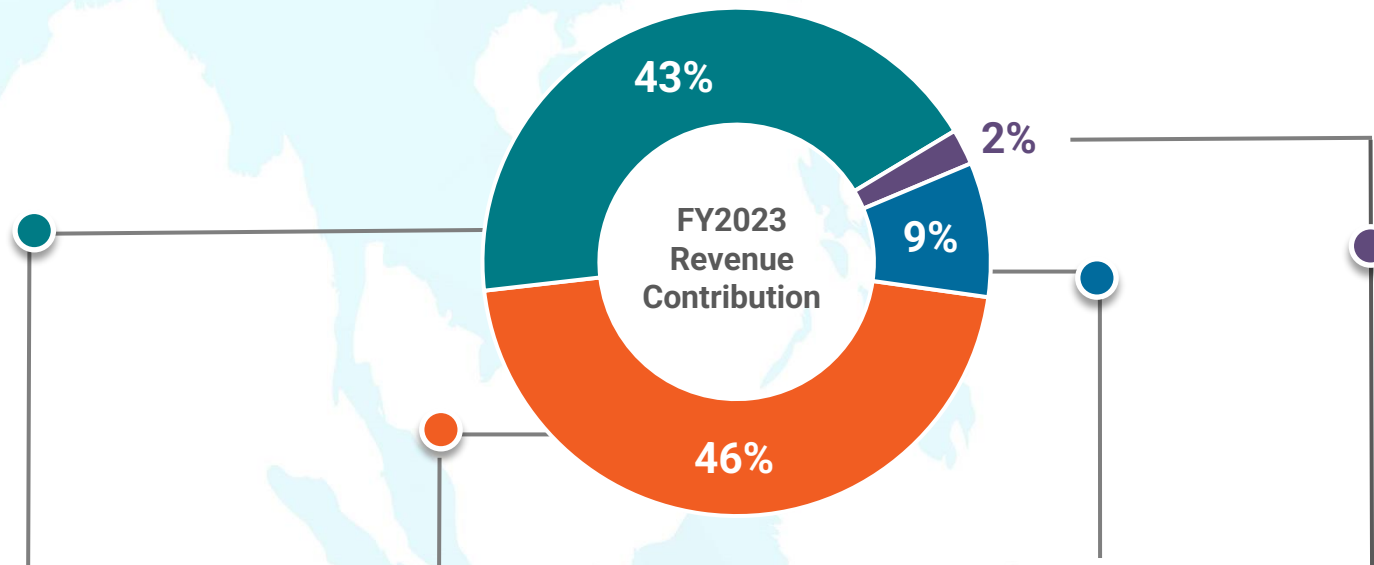
NORM. PATAMI



FY23 Internal
Management Target
RM100-105m

Figures for revenue and norm. PATAMI in RM million

PERFORMANCE BY BUSINESS 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 c.21k customers
- Top 5 industries include wholesale & retail trade, manufacturing, professional services, construction, finance & insurance
- Credit Manager, Reports, Credit Monitoring and eTR



DIRECT-TO-CONSUMER

- c.3.6 mil registered users for CTOS ID
- CTOS Score, CTOS SecureID, Credit Finder, CTOS Tenant Screening, CTOS Vehicle Check and CTOS Car Insurance



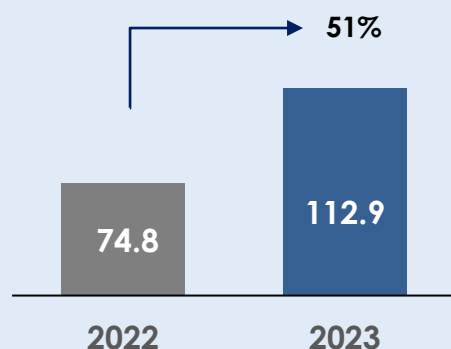
INTERNATIONAL

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

YoY REVENUE TRENDS BY BUSINESS SEGMENTS

KEY ACCOUNTS

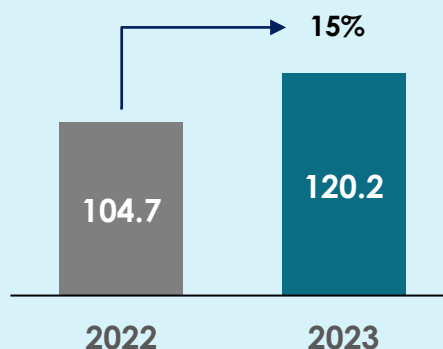
Figures RM'mil



- Growth was driven by rising adoption of our digital solutions, in-depth analytical insights, and compounded by organic growth from core businesses.
- Acquired new clients with large volumes, secured multi-year contracts, and increased product penetration and wallet share by upselling and cross selling to existing and new customers.

COMMERCIAL

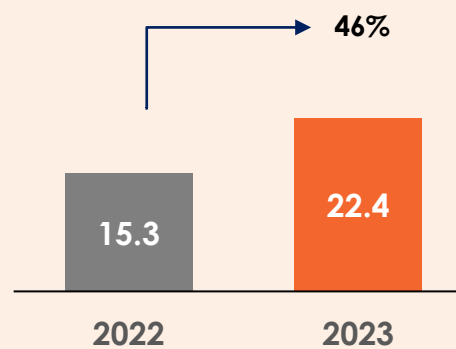
Figures RM'mil



- Commercial Malaysia growth was fueled by higher activation as well as higher usage of our digital reports and services.
- Commercial International continues growth trend on the back of higher BAU consumption, cross selling of new products to existing top customers as well as acquisition of new clients.

DIRECT-TO-CONSUMER

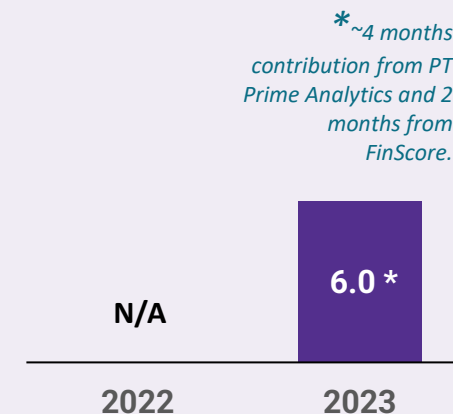
Figures RM'mil



- Growth momentum continued to be bolstered by strategic partnership, digital marketing, tactical campaigns & financial literacy drives.
- Growth supported by increasing awareness on credit scoring as evident by the rapid expansion of CTOS ID users which grew to c.3.6 million in FY2023 vs c2.5m in FY2022.

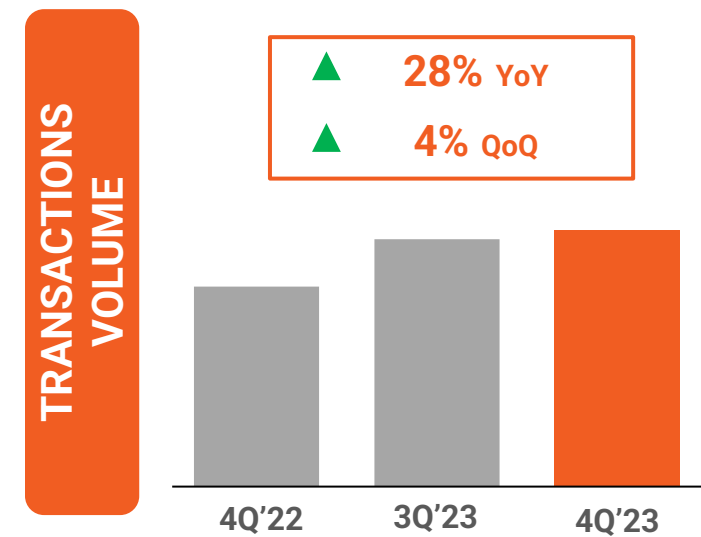
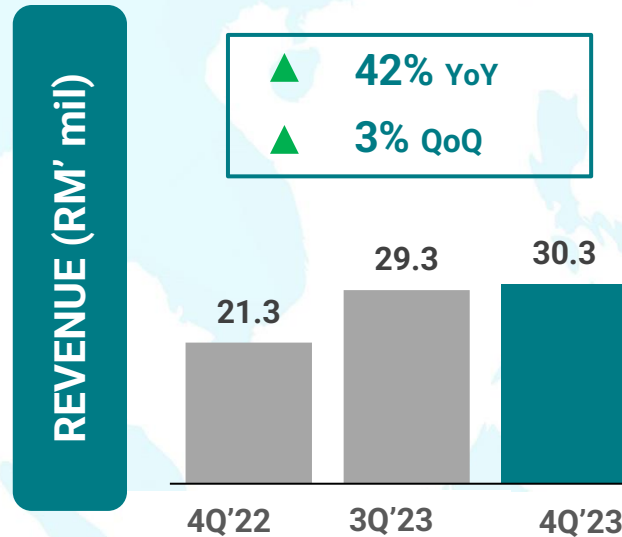
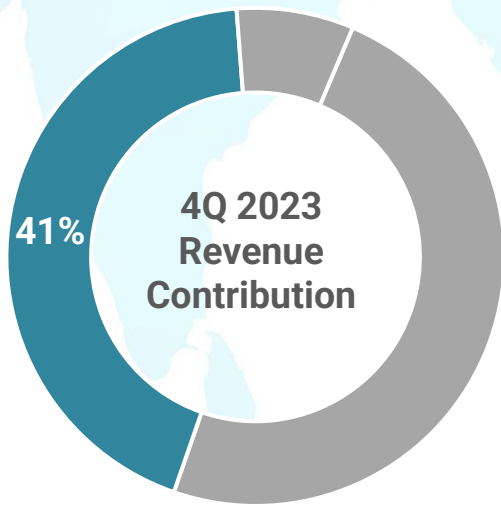
INTERNATIONAL

Figures RM'mil



- International operations growth was driven by increased product penetration in the banking sector in the Philippines and further expansion into Fintech sector in Indonesia.
- Higher transactions from existing clients, as well as cross selling of new products in the Philippines also contributed to the growth.

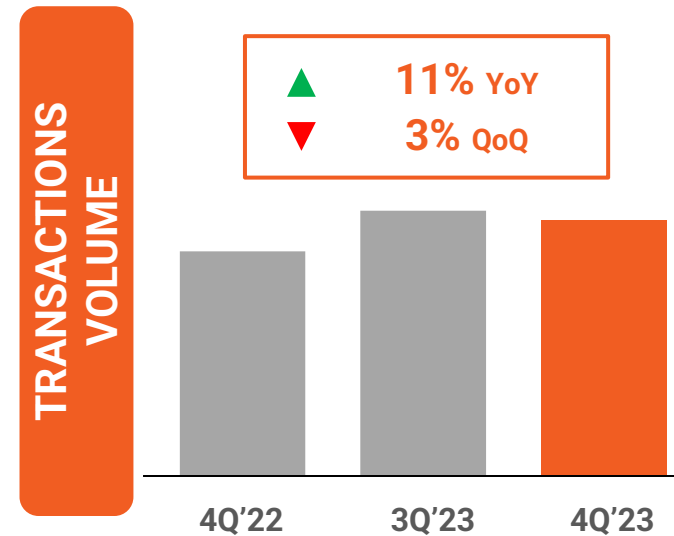
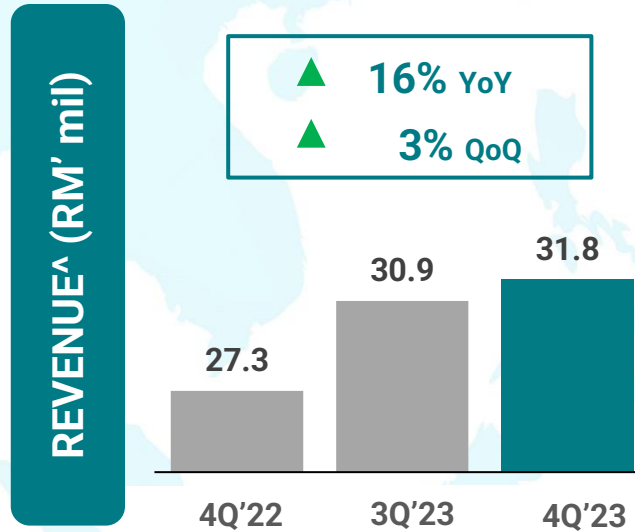
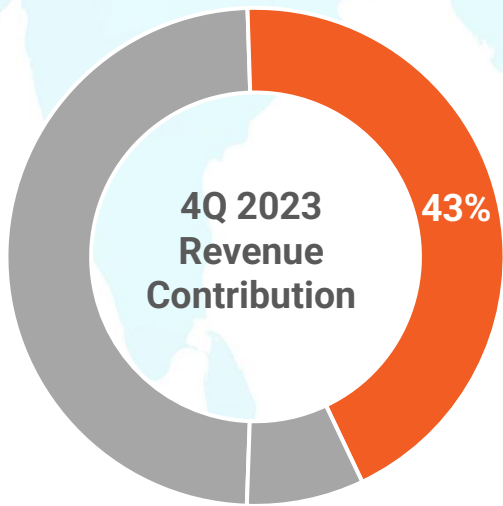
KEY ACCOUNTS



4Q 2023 HIGHLIGHTS

- Continued QoQ revenue growth driven by increased demand for Digital Reports, Digital Solutions and Comprehensive Portfolio Review & Analytics
- New usage from the FSI sector where Data Analytics are used for their loan origination systems.
- Increased adoption of Digital Solutions (eKYC, CAD & IDGuard) with total 142 onboarded as at 4Q 2023.
- Fully onboarded 2 new Telcos for handset financing.

COMMERCIAL

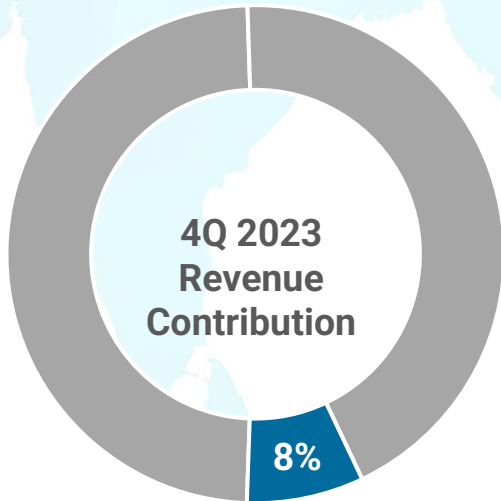


4Q 2023 HIGHLIGHTS

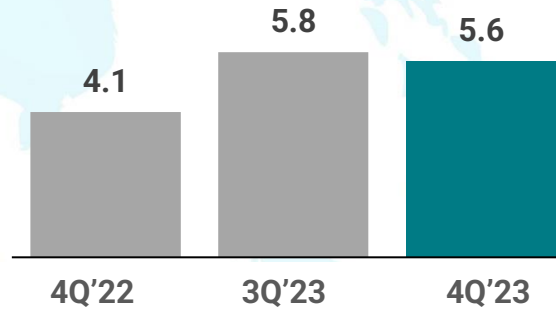
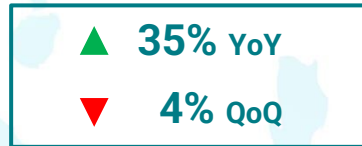
- Revenue increased 3% despite lower volume, driven by higher monitoring usage & improved sales from CTOS Basis
- Conducted 2 SME networking events in Kuching and KL in 4Q and participated as the Official CRA for Platinum Business Awards and SME100 Awards to create awareness and generate business leads.
- Strong double digit revenue growth for CTOS Basis in 4Q 2023, driven by improved BAU consumption and acquisition of a large global client.



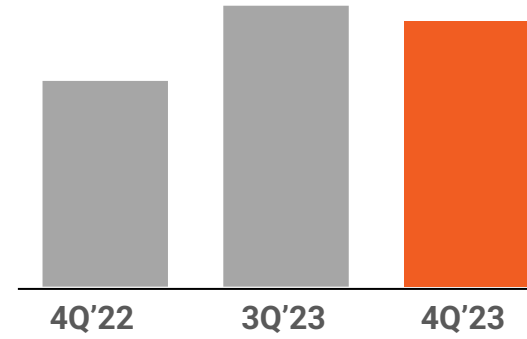
DIRECT-TO-CONSUMER



REVENUE (RM' mil)

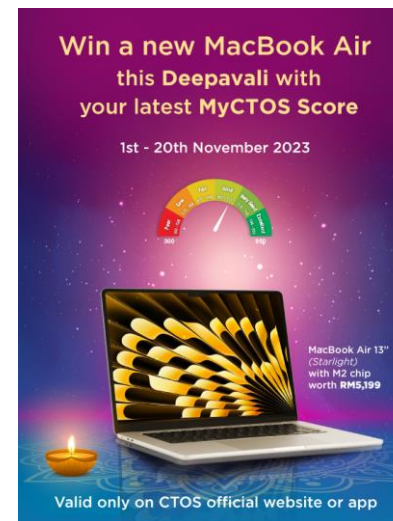


TRANSACTIONS VOLUME



4Q 2023 HIGHLIGHTS

- Growth in 4Q 2023 was marginally lower than previous quarter due to lower performance from strategic partners but it was boosted by tactical campaigns and contests.
- Acquired >365K new self-check users in 4Q 2023, increased by 2% QoQ and 147% YoY
- Conducted 14 financial literacy roadshows and webinars in 3Q 2023, in partnership with MOF, EPF, MDI, Sabah Credit Corporation, Future Lab and others.





ctos Digital

Financial Review

FINANCIAL PERFORMANCE - 4Q 2023

| (RM' Million) | 4Q 2023 | 4Q 2022 | YoY (%) |
|-------------------------------|--------------|--------------|---------------|
| Revenue | 73.15 | 52.74 | 38.7% |
| GP | 55.70 | 44.00 | 26.6% |
| (-) | | | |
| Other income/ (expenses) | -0.03 | -2.44 | -98.9% |
| Selling & Marketing Expenses | -9.27 | -9.00 | 3.0% |
| Administrative Expenses | -23.24 | -21.32 | 9.0% |
| Finance Income | 0.22 | 0.15 | 42.2% |
| Finance Cost | -1.81 | -1.90 | -4.8% |
| Share of Profit of Associates | 8.58 | 9.21 | -6.8% |
| PBT | 30.15 | 18.71 | 61.2% |
| (-)Tax Expenses | 26.03 | -4.71 | 653.2% |
| PAT | 56.18 | 14.00 | 301.2% |

Double digit YoY growth across all customers segments. Revenue was partially aided by contribution from newly acquired subsidiary, Prime Analytics in Indonesia and Finscore in the Philippines

Selling and marketing expenses as a percentage of revenue have decreased YoY; however, admin expenses have increased YoY both in absolute terms and as a percentage, primarily due to bonus provisions during this quarter

Impacted due to lower contribution from Juris

Recognised tax credit amounting to **RM27.8m** pertaining to overprovision of prior year and 9M 2023 taxes upon the approval of CDS' tax incentives in the current quarter

| | | | |
|--------------------------|-------|-------|--------|
| PATAMI | 56.28 | 14.00 | 301.9% |
| Normalised PATAMI | 28.49 | 20.90 | 36.3% |

| (RM' Million) | Q4 2023 | Q4 2022 |
|--------------------------------|----------------|-------------|
| Costs related to acquisition | 0.08 | 3.35 |
| Incremental income tax expense | (13.23) | 3.55 |
| Write back of prior year tax | (14.64) | 0.00 |
| Total | (27.79) | 6.89 |

FINANCIAL PERFORMANCE - 12M 2023

(RM' Million)

| | 12M 2023 | 12M 2022 | YoY (%) |
|-------------------------------|---------------|--------------|--------------|
| Revenue | 261.44 | 194.78 | 34.2% |
| GP | 201.67 | 164.63 | 22.5% |
| (-) | | | |
| Other income/ (expenses) | -0.01 | -1.51 | -99.2% |
| Selling & Marketing Expenses | -38.22 | -33.19 | 15.2% |
| Administrative Expenses | -74.70 | -63.70 | 17.3% |
| Finance Income | 0.60 | 0.52 | 16.2% |
| Finance Cost | -6.73 | -4.35 | 54.9% |
| Share of Profit of Associates | 25.98 | 23.27 | 11.6% |
| PBT | 108.59 | 85.68 | 26.7% |
| (-)Tax Expenses | 9.65 | -13.96 | -169.1% |
| PAT | 118.24 | 71.72 | 64.9% |

YoY growth across all types of services especially Comprehensive Portfolio Review and Analytics, Digital Reports as well as Digital Solutions

In FY2023, Selling & Marketing Expenses and Admin Expenses increased YoY in terms of quantum; nevertheless, as a percentage of revenue, they remain within the guided range

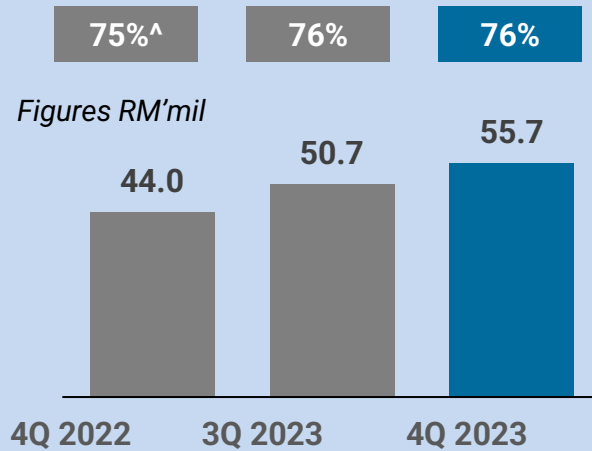
Increased due to new borrowings to fund acquisitions

| | | | |
|--------------------------|--------|-------|-------|
| PATAMI | 118.37 | 71.72 | 65.1% |
| Normalised PATAMI | 104.01 | 85.36 | 21.8% |

| (RM' Million) | 12M 2023 | 12M 2022 |
|--------------------------------|----------------|--------------|
| Costs related to acquisition | 0.28 | 4.40 |
| Incremental income tax expense | - | 14.31 |
| Write back of prior year tax | (14.64) | (5.07) |
| Total | (14.36) | 13.64 |

PROFITABILITY TRENDS

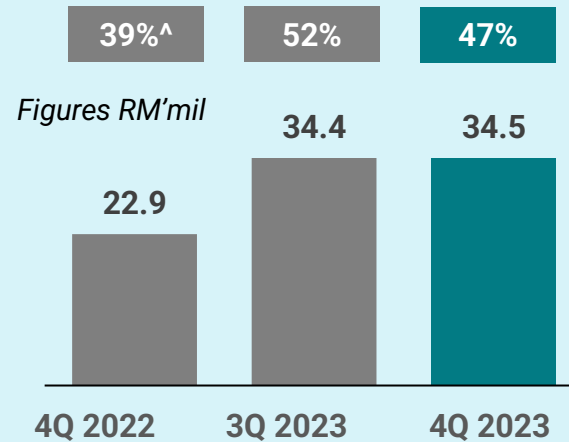
GP (RM' MIL) & MARGIN (%)



- ◆ GPM in 4Q2023 was consistent QoQ and comparable YoY
- ◆ For FY23, GP of RM201.7 million translates to GPM of 77%

| | FY 2022 | FY 2023 |
|--------|---------|---------|
| GP RM | 164.7 | 201.7 |
| Margin | 77%^ | 77% |

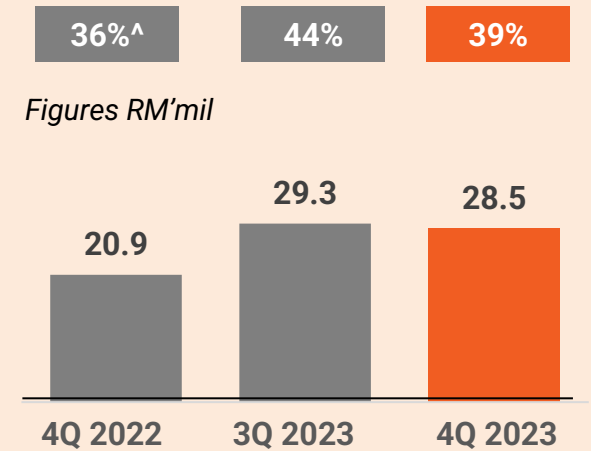
EBITDA (RM' MIL) & MARGIN (%)



- ◆ EBITDA margin was lower QoQ in 4Q2023 due to higher admin expenses and consolidation of the international operations
- ◆ For FY23, EBITDA of RM125.2 million translates to EBITDA margin of 48%

| | FY 2022 | FY 2023 |
|--------|---------|---------|
| RM | 98.0 | 125.2 |
| Margin | 46%^ | 48% |

NORM. PATAMI (RM' MIL) & MARGIN (%)



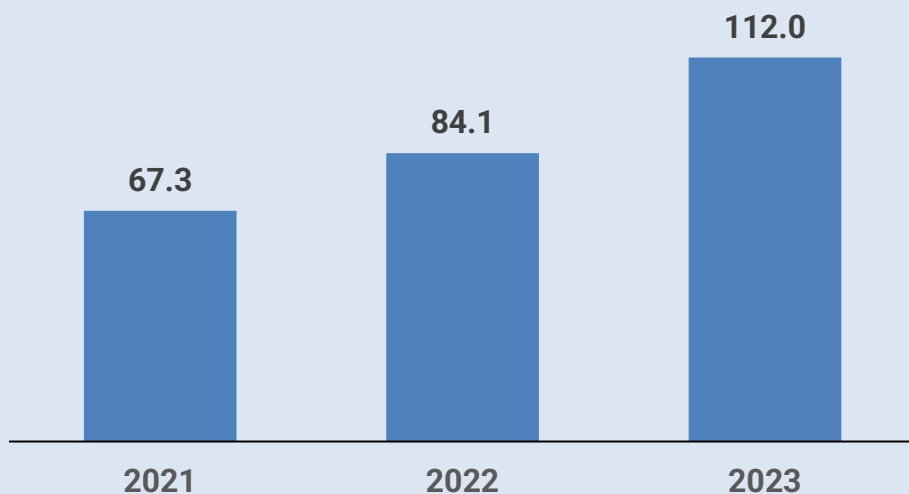
- ◆ Stemming from lower EBITDA margin, norm. PATAMI margin was lower QoQ
- ◆ For FY23, norm. PATAMI of RM104.0 million translates to margin of 40%

| | FY 2022 | FY 2023 |
|--------|---------|---------|
| RM | 85.4 | 104 |
| Margin | 40%^ | 40% |

^ After normalising for CCRIS cost

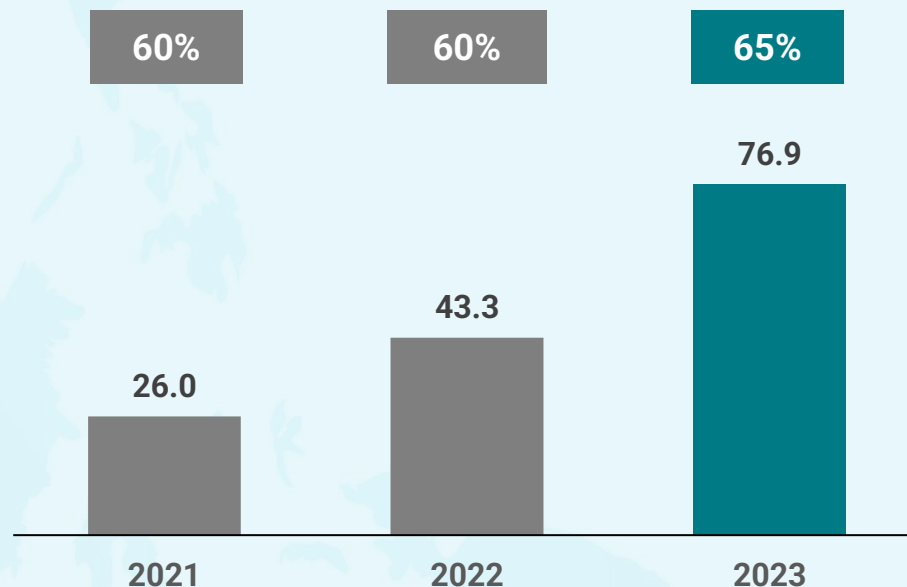
OPERATIONAL CASH FLOW & DIVIDEND PAYOUT

CASH FLOW FROM OPERATIONS (RM'MIL)



- ◆ In 2023, CFO growth trajectory continued mainly due to strong cash generation from operations as well as dividend received from associates during the period.

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



- ◆ 4th interim dividend of 1.706 sen per share translates to 70% payout ratio.
- ◆ Total dividend declared for FY2023 amounts to RM76.9 million or 3.33 sen per share.

LEVERAGE & PEER COMPARABLE

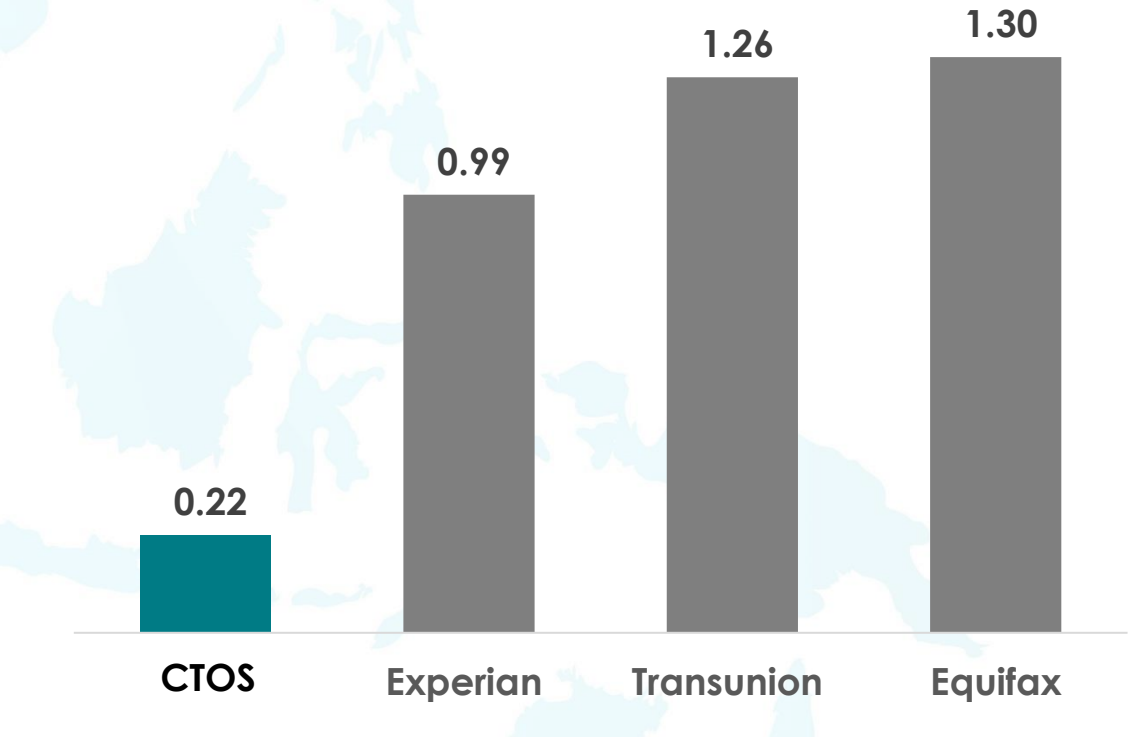
4Q 2023 FINANCIAL POSITION

NET BORROWINGS
RM131 million

SHAREHOLDERS EQUITY
RM592 million

NET GEARING
0.22x

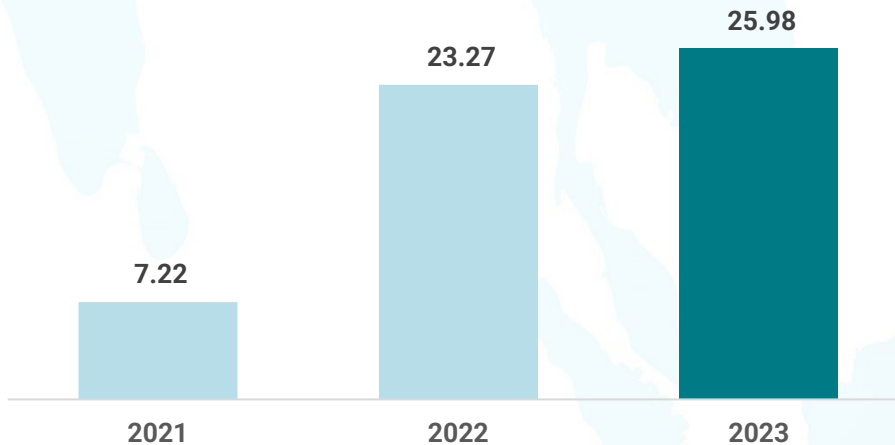
PEERS' NET GEARING COMPARISON (x)



ASSOCIATE COMPANIES

SHARE OF ASSOCIATES (RM' MIL)

YoY Higher Contribution Across All Associates



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

24.825%

49%

57.675%

ONGOING INITIATIVES

JURISTECH

- Launched digital lending platform for moneylenders. Acquired 12 clients as at 4Q 2023
- Successfully won major projects with FIs, jointly secured with JurisTech, including the latest RLOS upgrade with a major bank

RAM

- Ongoing quarterly publication of RAM-CTOS BCI Index
- To launch Digital Issuer Platform, a JV between RAM and Bursa Malaysia
- Working on ESG Ratings & SME Credit Ratings
- Product expansion (corporates and SMEs)

FINANCIAL TARGETS FOR THE NEXT 2 YEARS

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

CTOS 2024 STRATEGIES

Proliferation of growth forward

Business Growth

Continue to
Grow Core
Business

Expand
International
Operations

Strengthen
Customer
Journey &
Lifetime Value

Continue to
Innovate on
Advanced
Analytics,
Digital & Fraud ID

Enhance Sustainability

ESG

Cybersecurity
& IT
Transformation

AI Adoption

Regulatory
Compliance
Enhancement



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