



SILVERLAKE AXIS LTD.

(Company Registration No. 202133173M)
(Registered in Singapore)

PRESS RELEASE - FOR IMMEDIATE RELEASE

On a full year FY2022 basis, Silverlake Axis Ltd. (“SAL” or the “Group”) recorded revenue of RM736.5 million, a growth of 18% over prior year, ***exceeding the previous high achieved in FY2019 by + 8%***.

Earnings for the year saw increases across the board with:

- 11% increase in Gross Profit to RM418.6 million.
- Profit After Tax increased 28% to RM182.7 million.
- Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) increased by 14% to RM268.3 million.

Margins were at comfortable ranges for the full year – Gross Profit Margin at 57%, Net Profit Margin at 25%, EBITDA margin at 36%.

Specifically, for Q4 FY2022, revenue was RM205.2 million, which grew from 19% compared with Q3 FY2022 revenue of RM172.0 million and compared to prior year Q4 FY2021 growth of 16%.

All significant financial metrics trended better compared to the prior year Q4 FY2021:

- Profit Before Tax increased 32% to RM51.8 million.
- Profit After Tax increased by 30% to RM47.9 million.
- EBITDA at RM60.6 million which was a 27% improvement compared to prior year Q4 FY2021.

Singapore, 29 August 2022 – Singapore Exchange Mainboard listed Silverlake Axis Ltd. (“SAL” or the “Group”), a leading enterprise technology, software and services company focusses predominantly in the financial services industry, serving 40% of the top 20 largest banks in South East Asia, today announced its results for the full year ended 30 June 2022.

FY2022 Results Review

In FY2022, the Group recorded revenue of RM736.5 million, an increase of 18% over the prior year of RM626.1 million. The Group achieved EBITDA of RM268.3 million and net profit attributable to shareholders of RM182.7 million in FY2022, an increase of 14% and 28% respectively, as compared to FY2021.

RM95.3 million or 13% of total Group revenue was delivered via cloud computing compared to RM38.2 million or 6% in FY2021, a considerable increase of 149% compared to the same period prior year.

Revenue from Software-as-a-Service (“SaaS”) was RM38.0 million, an increase of 19% compared to RM31.8 million in the prior year. SaaS currently constitute 5% of total Group revenue which is at comparable level to last year.

Project related revenue comprising software licensing and software project services (professional services) increased by 66% from RM105.4 million to RM175.1 million in FY2022.

- Software licensing revenue increased by 110% from RM40.0 million to RM84.2 million in FY2022, largely contributed by the delivery of new software licensing contracts and banking deals secured in Indonesia and Thailand.
- Software project services (professional services) revenue increased 39% to RM90.9 million in FY2022 mainly due to the ongoing implementation of two new MÖBIUS contracts which accounted for 37% of total project services revenue and progressive revenue contributed from other ongoing projects.

Total recurring revenue comprising ***maintenance and enhancement services, insurance ecosystem transactions and services, and retail transactions processing*** increased by 6% from RM510.0 million to RM540.6 million in FY2022. These recurring revenue segments contributed more than 70% of total Group revenue and remain a key revenue driver for the Group.

- Maintenance revenue recorded a growth of 8% to RM245.6 million whilst enhancement services revenue continued its momentum with an increase of 2% to RM253.5 million in FY2022. The increase was from commencement of new maintenance contracts upon completion and cutover of several key implementation projects as well as new enhancement contracts secured from customers.

- Insurance ecosystem transactions and services revenue increased by 15% from RM34.2 million to RM39.4 million in FY2022. Revenue from vehicle claims processing activities has seen a significant recovery and the addition of processing activities from new Hong Kong customers upon completion of system integration contributed positively.

Revenue from retail transactions processing of RM2.1 million in FY2022 was 196% higher than the revenue recorded in the prior year. Adoption of AgoraCloud, our latest cloud-based retail solution offering is showing momentum with strong uptakes in the pharmaceutical industry as well as other retail customers in Malaysia and Singapore.

The Group recorded a gross profit of RM418.6 million in FY2022, 11% higher than the RM376.9 million recorded in the prior year and achieved a gross profit margin of 57% in FY2022 as compared to 60% in prior year.

Selling and distribution costs increased from RM30.5 million to RM42.1 million in FY2022 mainly due to higher expenses incurred for business development, marketing, presales, corporate social responsibility activities and branding initiatives for FERMION – The Insurance Ecosystem.

Administrative expenses of RM156.3 million in FY2022 was 2% lower than RM159.9 million recorded in prior year. In FY2022, the Group incurred costs associated with group initiatives for internal improvement projects, performance incentive payouts and Silverlake Axis Ltd. Performance Share Plan award.

In aggregate, the Group's Profit Before Tax increased by 24% from RM186.7 million to RM231.9 million and achieved a 14% increase in EBITDA from RM235.3 million to RM268.3 million in FY2022.

Q4 FY2022 Results Review

Group revenue of RM205.2 million in Q4 FY2022 was 16% higher compared with RM176.6 million recorded in Q4 FY2021 mainly due to higher contributions from project related revenue segments as well as a resurgence in insurance ecosystem transactions and services. The ongoing delivery of 2 large contracts in Thailand and Indonesia contributed to this result and projects are ongoing with additional revenue to be recognised in the next financial year.

Recurring revenue segments comprising *maintenance and enhancement services, insurance ecosystem transactions and services, and retail transactions processing* rose 7% to RM143.1 million, and account for 70% of group revenue in Q4 FY2022 with additional contributions from new maintenance contracts that have become operational. Revenue from *insurance ecosystem transactions and services* increased by 46% from RM7.7 million in Q4 FY2021 to RM11.2 million in Q4

FY2022. Insurance processing activities and volumes have rebounded to pre-COVID levels and we are optimistic of the outlook for FY2023.

Project related revenue comprising software licensing and software project services (professional services) increased 36% to RM47.8 million in Q4 FY2022 from RM35.2 million in Q4 FY2021. Higher progressive revenue recognised from major ongoing licensing and implementation contracts secured in Indonesia and Thailand led to the overall increase in project related revenue in Q4 FY2022 as compared with Q4 FY2021.

The Group's gross profit was RM102.5 million in Q4 FY2022 as compared to RM108.5 million in Q4 FY2021. Overall expenses decreased by 17% to RM58.8 million from RM70.6 million in Q4 FY2021; there was a >100% increase in selling and distribution costs from RM6.8 million to RM14.7 million in Q4 FY2022 and a 31% decrease in administrative expenses to RM43.6 million in Q4 FY2022 mainly due to non-operating losses recognised in Q4 FY2021 in relation to remeasurement of put liability and derivative asset for the acquisition of the remaining 20% equity interest in SIA X Infotech Group.

As a result of the above, the Group's Profit Before Tax increased from RM39.2 million to RM51.8 million in Q4 FY2022 with an increase in EBITDA from RM47.7 million to RM60.6 million in Q4 FY2022. As a consequence of the above, the Group reported a Profit After Tax of RM47.9 million, an increase of 30% from RM36.8 million in Q4 FY2021.

Prospects

Following a strong close to FY2022, our key markets continue to exhibit strong growth and the pace of economic recovery and digital transformation continues to accelerate. The financial services sector despite the pandemic has shown a remarkable resilience and this resilience is powered by the solutions we provide. Market sentiment as evidenced by our order book and our "boots on the ground" approach to customer and market intelligence indicates that the expansion is in early stages and there is more growth to come.

We continue to execute our strategy and bring at scale a suite of innovative solutions that form the critical infrastructure base of the financial services industry. We also continue to invest in cloud, AI and other technologies to expand our suite of solutions and to ensure we have a strong future pipeline of products to excite our customers.

Based on the above positive metrics, we are moving into our FY2023 with momentum and purpose. The market continues to provide us with ample opportunity in growth of markets, customer segments and new entrants to digital financial services.

We close the financial year with RM1.9 billion of transaction value that we are actively pursuing, in FY2022 we had total contract wins of over RM500 million and this is 54% more than the previous financial year. These numbers are indicative of the strength of our brand, our long-term relationships with customers and our regional distribution and scale.

“We are confident of our prospects going into the new financial year having delivered to our FY2022 plan and while there are multiple headwinds that potentially can affect our continued growth, we are prepared and have the right mix of products and project delivery to meet any challenges. Our financial position remains strong and we are progressing well on the execution of our strategic plans.” said Mr. Andrew Tan, SAL’s Group Managing Director.

This press release should be read in conjunction with SAL’s FY2022 results announcement released on 29 August 2022 to the Singapore Exchange.

About Silverlake Axis

Silverlake Axis Ltd. (SAL) is a leading enterprise technology, software and services company focusses predominantly in the financial services industry, serving 40% of the top 20 largest banks in South East Asia. Founded in 1989, SAL has an impeccable track record of client retention and successful delivery of innovative and transformative solutions to its enterprise customers and their ecosystems. The Group has more than 370 enterprise customers in over 80 countries across Asia, Europe, Middle East, Africa, and Americas.

Under Axis Systems Holdings Limited, SAL was listed on the SGX-SESDAQ on 12 March 2003. It was renamed Silverlake Axis Ltd in 2006 and the listing was transferred to the Mainboard of the Singapore Exchange on 22 June 2011. For more information about SAL, please visit www.silverlakeaxis.com.

Contact

Email: investor.relations@silverlakeaxis.com

Mr. Anil Singh Gill - Senior EVP, Strategic Finance; Head of Investor Relations

Mr. Lee Teong Sang - Principal Consultant