



SILVERLAKE AXIS LTD.

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

PRESS RELEASE - FOR IMMEDIATE RELEASE

For the full year ended 30 June 2024 ("FY2024"), Silverlake Axis Ltd. ("SAL" or the "Group") recorded a +2% increase in revenue to RM783.5 million, compared with the prior year.

Earnings headlines for FY2024 are:

- -9% in Gross Profit to RM410.0 million.
- Earnings Before Interest, Taxes, Depreciation and Amortisation ("EBITDA") of RM191.3 million.
- Profit Before Tax ("PBT") of RM157.6 million, a decrease of 31% compared to FY2023; and Profit After Tax ("PAT") of RM105.2 million, 38% lower than the prior year.

Margins remained within comfortable ranges for the full year – Gross Profit Margin at 52%, Net Profit Margin at 13%, and EBITDA Margin at 24%.

Singapore, 23 August 2024 – Singapore Exchange Mainboard listed Silverlake Axis Ltd. ("SAL") is a leading enterprise technology, software, and services company with focus in the financial services industry and serving 40% of the top 20 largest banks in Southeast Asia. Across the globe, SAL serves more than 400 unique clients in 70 countries across Asia, Europe, the Indian subcontinent, Middle East, Africa, and the Americas. Founded in 1989, SAL is recognised for its consistent delivery track record and client retention and today announced its results for the full year ended 30 June 2024.

FY2024 Results Review

In FY2024, Group revenue grew 2% to RM783.5 million, compared to RM765.9 million recorded in FY2023. The Group achieved EBITDA of RM191.3 million and PAT of RM105.2 million in FY2024, a decrease of 28% and 38% respectively as compared to the previous year.

Total recurring revenue (maintenance and enhancement services, insurance ecosystem transactions and services, and retail transactions processing) achieved 7% growth from RM569.4 million to RM607.6 million in FY2024. Recurring revenue is 78% of total Group revenue and has consistently been a key revenue contributor for the Group.

- Maintenance revenue recorded double-digit growth of 10% from RM257.3 million to RM282.1 million and enhancement services revenue increased 2% from RM255.8 million to RM260.6 million. These two revenue streams grew consistently at a steady pace as new maintenance contracts and support have commenced as projects are completed and successfully deployed or cut over.
- Insurance ecosystem transactions and services revenue increased 14% from RM52.3 million to RM59.8 million in FY2024. A key statistic is the growing non-motor claims contribution to total insurance ecosystem revenue; from 20% 4 years ago to 35% this fiscal year. As we expand our insurance ecosystem portfolio, we observe greater customer adoption of our non-motor claims products. TrueSight continues its upward trajectory by onboarding new clients.
- Retail transactions processing revenue of RM5.1 million was 29% higher as compared to FY2023. Over the years, there have been an increase in the usage and subscriptions to new modules of AgoraCloud from our existing base of six (6) clients particularly pharmacy chains in Malaysia and this has contributed to higher revenue year-on-year. AgoraCloud is also offered as an on-premise product and recently we signed up with one of the largest retail conglomerates in Cambodia and overall, our AgoraCloud pipeline remains strong.

In terms of **total non-recurring revenue** (software licensing, software project services (professional services) and sale of system software and hardware products), this revenue segment contributed RM175.8 million in FY2024, 11% lower compared to RM196.6 million achieved in prior year.

- Software licensing revenue declined 32% to RM50.2 million. Prior year FY2023, we recorded one significant license from a client in Indonesia which was not repeated in this financial year.
- Software project services (professional services) revenue increased 10% to RM111.8 million as a result of strong revenue flow from services contracts closed and delivered. Despite the positive contributions from key core banking implementation projects, we experienced some delays in delivery projects. These projects involve new products launched recently which require more time to complete and also have a steeper learning curve as we enter and develop new markets.

Consequently, the remaining contract revenue will be recognised progressively in the subsequent periods as work progresses towards the revised timelines.

- Sale of system software and hardware products reduced 33% from RM20.6 million to RM13.8 million in FY2024. Hardware sale is seasonal in nature and highly dependent on clients' upgrade plans.

RM107.5 million or 14% of total Group revenue was delivered via cloud computing, 11% higher than RM96.8 million recorded in prior year.

Revenue from Software-as-a-Service ("SaaS") grew 44% to RM75.3 million and now constitutes 10% of our total Group revenue in FY2024. Insurance ecosystem transactions and services, MÖBIUS SaaS contracts and retail transactions processing were the main contributors to the increase in SaaS revenue.

The Group recorded a gross profit of RM410.0 million in FY2024, 9% lower than prior year with an aggregate gross profit margin of 52%, lower than the 59% achieved in FY2023. This was due to a change in revenue mix as well as additional resources in place to support the implementation of new projects and the projects with extended timelines in the current year.

Finance income increased 42% from RM11.7 million to RM16.7 million in FY2024 as a result of higher interest earned from deposits placed with financial institutions.

Other income was 43% higher this year, an increase from RM3.4 million to RM4.8 million in FY2024 as the Group recorded foreign currency exchange gain on the cash reserves due to the fluctuation of foreign currencies in FY2024.

The Group incurred 16% higher operating expenses for the year and the Group's expense over revenue ratio of 35% is at a comfortable range for the business cycle.

In aggregate, the Group achieved PBT of RM157.6 million and EBITDA of RM191.3 million in FY2024.

Prospects

The information technology ("IT") spend in the banking and financial services software industry in Southeast Asia and Asia is at best cautious as these institutions navigate economic uncertainties while positioning itself for future growth. By embracing digital transformation, regulatory alignment, and sustainability, the sector is building a resilient foundation to thrive in a rapidly evolving financial landscape.

Looking ahead, Silverlake plans to deepen our focus on strategic partnerships that foster mutual growth and success. By strengthening collaboration with our clients, we aim to align our goals more closely, ensuring that we continue to meet their evolving needs while delivering strong business outcomes. Our commitment to growing together remains a key priority as we navigate an increasingly dynamic market.

FY2024 is a year filled with many project delivery engagements for a wide variety of clients in the territories we operate in. Presently, we have over 60 active projects that are running concurrently within our business and the reason which accounts for the double-digit growth of revenue in this segment.

We close the full year with RM1.7 billion of transaction value that we are actively pursuing. In FY2024, we had total contract wins of approximately RM447 million. These numbers are indicative of the strength of our brand, our long-term relationships with customers and our regional distribution and scale.

“In FY2025, a key focus and emphasis is that we will put in processes to improve project delivery efficiency and improve margins. Looking into the future, Silverlake will focus on advancing Artificial Intelligence (“AI”) technology as a strategic area of growth and bring to market products that satisfy a broad range of use cases. This ongoing investment is designed to keep our business aligned with industry developments and well-prepared for future challenges.” said Ms. Goh Shiou Ling, SAL’s Group Chief Executive Officer.

This press release should be read in conjunction with SAL’s FY2024 results announcement released on 23 August 2024 to the Singapore Exchange.

About Silverlake Axis

Silverlake Axis Ltd. (“SAL”) is a leading enterprise technology, software, and services company with focus in the financial services industry and serving 40% of the top 20 largest banks in Southeast Asia. Across the globe, we serve more than 400 unique clients in 70 countries across Asia, Europe, the Indian subcontinent, Middle East, Africa, and the Americas. Founded in 1989, SAL is recognised for its consistent delivery track record and client retention. SAL has many use cases and success stories in the delivery of innovative and transformative solutions to its enterprise clients and their ecosystems.

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.

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