



Integrated Provider Of Multidisciplinary  
Professional Services

# **FY2016 RESULTS PRESENTATION**

March 2017

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# Presentation Outline

- 1 Corporate Overview
- 2 Financial Review
- 3 Recent Corporate Developments
- 4 Prospects and Outlook
- 5 Growth Plans
- 6 Why Invest in Us



# Corporate Overview

## ZICO Holdings Inc. is a listed integrated provider of multi-disciplinary services in ASEAN



### Cross selling and integrated services

Framework to facilitate referrals and cross-selling of clients incl. public sector entities, government-linked companies, public-listed and private companies, MNCs, SMEs, law firms, and individuals

### Multi-disciplinary practice (MDP)

A holistic suite of services housed under a regional brand synonymous with quality solutions. Resource sharing ensures efficient delivery of comprehensive services to clients

### Strong relationship with ZICOlaw network

ZICOlaw has offices in 16 cities across 9 countries throughout SE Asia. We leverage on ZICOlaw's local market presence to access clients across ASEAN



### Focus on the ASEAN Region

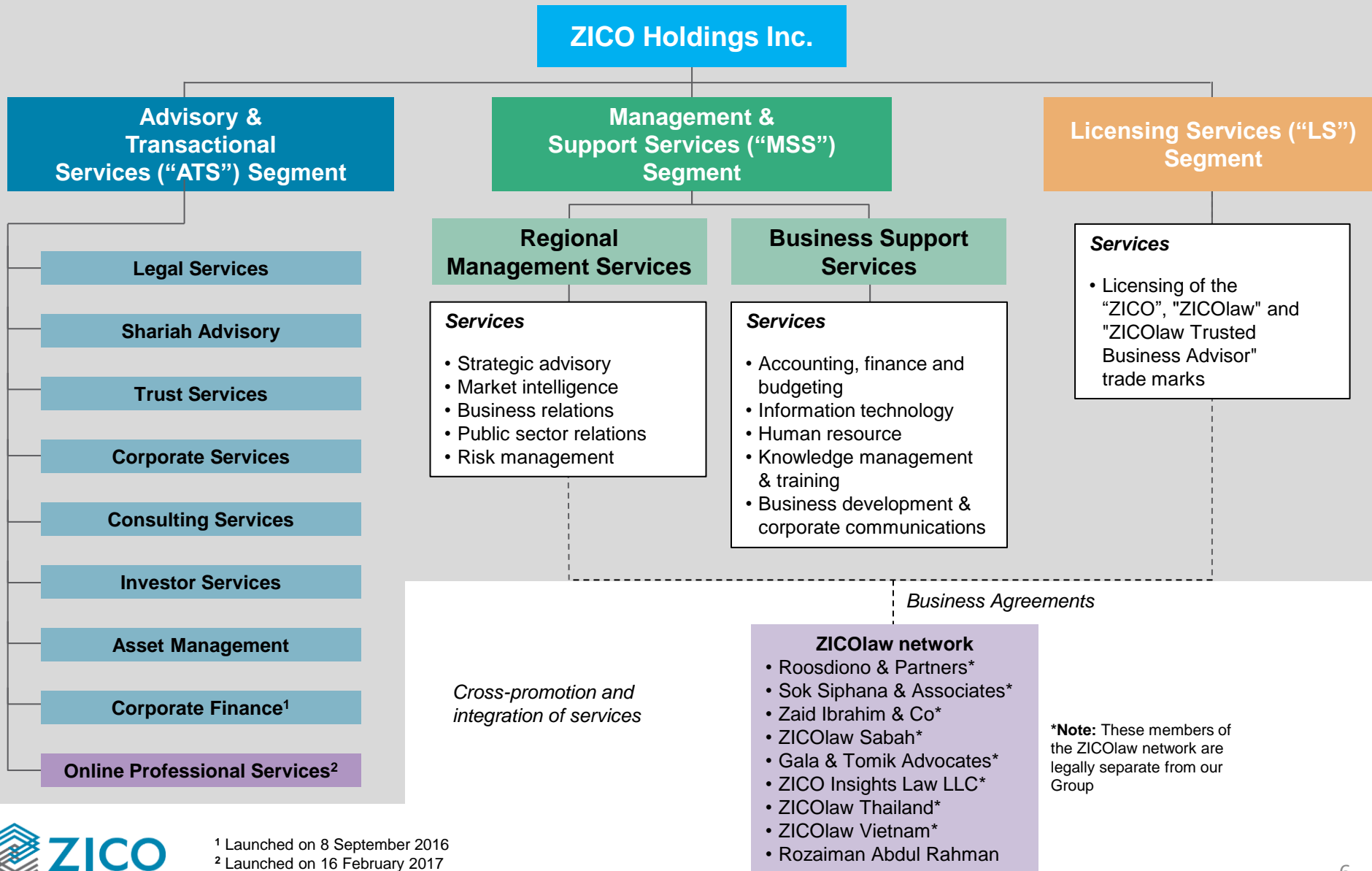
ASEAN-based professional services firms, offering advisory and transactional services, management and support, and licensing services



**We are innovative entrepreneurs riding on disruptions in legal services**



# Multidisciplinary Services





<sup>1</sup> Launched on 8 September 2016

<sup>2</sup> Launched on 16 February 2017

# ZICO History: 3 Decades of Innovation and Growth

## From inception to #1 Malaysian law firm

1987  
  
Foundation  
Zaid Ibrahim & Co. (ZI)  
Kuala Lumpur

1998  
  
Joined  
Andersen Legal

## From Malaysia to ASEAN

2003  Singapore

2005  Indonesia

2006  Thailand

2011  Vietnam

2011  Launched  
ZICO Law

2012  Cambodia


2012  Myanmar


2014  Laos


2017  Brunei


2017  Philippines


## From law firm to MDP platform


2014  IPO ZICO Holdings Inc. (ZHI)


2015  Launched ZICO Advisory


2015  Acquired Corp. Sec.


2015  Launched ZICO Trust

2015  Acquired B.A.C.S

2016  Launched ZICO Capital

2015  Acquired FINOVA

2015  Launched ZICO Insource

2017  Launched ZICO Asset Management



## Partnership Model

- Focus on core competence of practising law
- Maintain professional independence and autonomy
- Compliant with regulatory rules on law forms

**Integration  
& cross-selling  
of services**

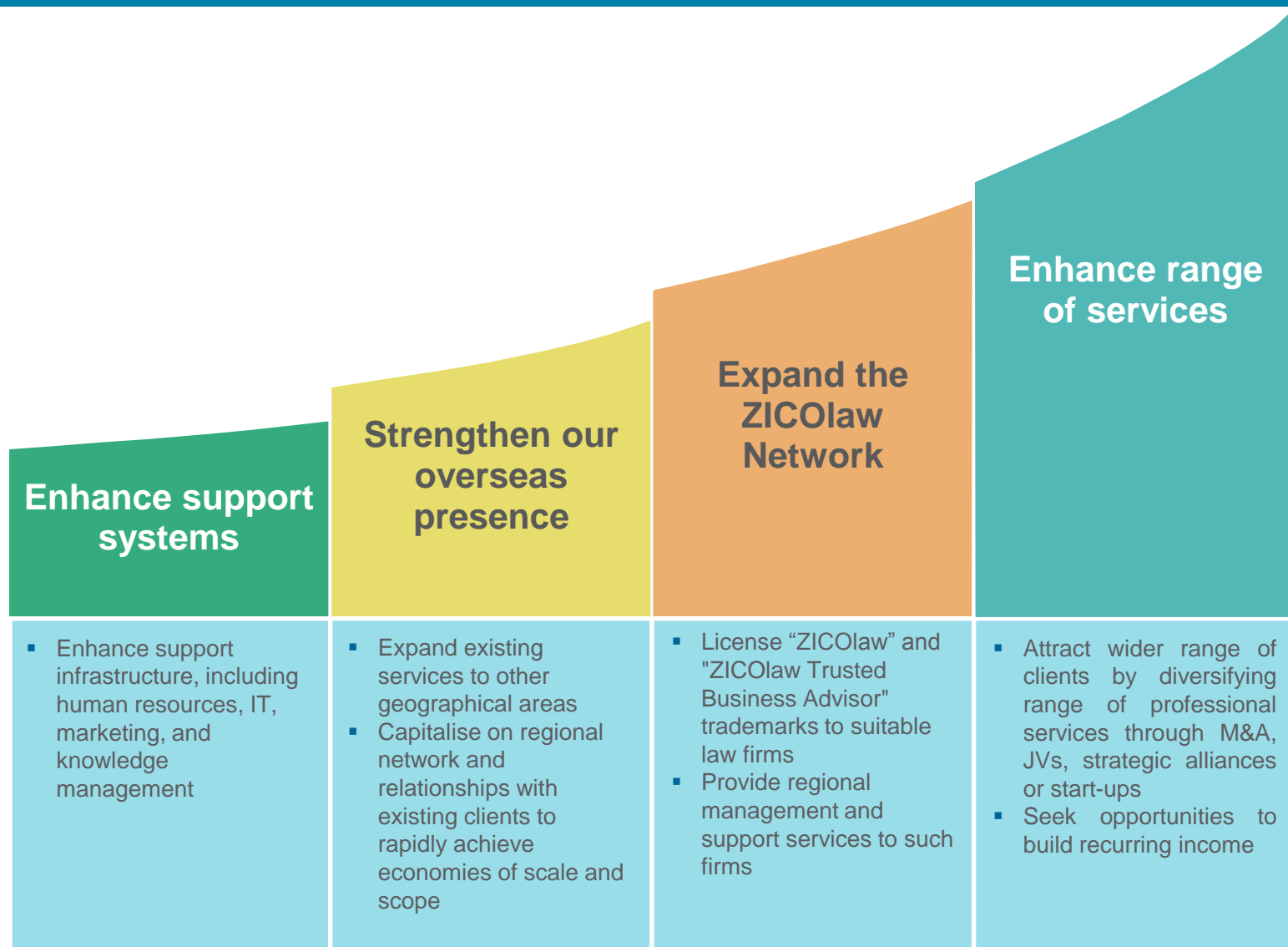


## Corporate Structure

- External capital to fund business expansion
- Incentivise performance and talent retention via share schemes
- Venture into new services
- Centralise management and support functions



# Growth Plans (as stated in OC dd November 2014)





# Update on Expansion

# Full Services Coverage In ASEAN

**ZICO's presence now extends across whole of ASEAN  
with new services in the Philippines and Brunei**



## **ZICO Corporate Services expands to the Philippines**

- Established associated company – ZICO Corporate Services, Inc. – in the Philippines to provide office, business, management, corporate, and consultancy services



## **New member firm of ZICOlaw network in Brunei**

- Extends ZICO's management support services to new Brunei member firm within ZICOlaw network

# ZICO Capital – Corporate Finance Advisory

## ZICO Capital Pte. Ltd. (90% owned subsidiary)

22 July 2016

Granted Capital Markets  
Services license by:



10 August 2016

Approved as accredited issue  
manager and full sponsor by:



Officially launched on 8 September 2016; has begun generating revenue

Expands suite of professional services to include, amongst others:

- Advising on **corporate finance** (including listings on both the Mainboard and Catalist of the SGX-ST)
- **Continuing sponsorship** of Catalist-listed issuers

Management team:

- Mr Alex Tan, Chief Executive Officer and Mrs Karen Soh-Tham, Managing Director
- Each with over 20 years in banking, corporate finance and the capital markets

Key differentiator:

- Leverage on regional network in ASEAN region and pool of clients from integrated services within ZICO group.
- Part of an independent, non-bank-owned and publicly-listed parent company.

# ShakeUp Online – Online Legal Services Platform

## Launch of ShakeUp Online Sdn. Bhd. on 16 February 2017

- New source of revenue from online legal services platform
- Collaboration with Epoq Legal Ltd of the U.K. (“Epoq”) through Licence and Support Agreement to utilize Epoq’s pioneering and proven document automation system.
- ShakeUp Online’s target clients:

### Large companies and institution

- Partnerships to provide innovative products and services to their customers
- Improve quality and cost efficiency of their in-house support services
- Leverage on ZICO’s existing client base of large multi-ASEAN corporations

### Small Medium Enterprises (SMEs)

- Provision of affordable online legal services to SMEs in ASEAN
- Access to high quality legal documents that are easy to understand and simple to use

### About Epoq Legal Ltd



- **One of the world’s largest** providers of online and assisted legal services
- Track record of **over 20 years**
- Trusted by over **60 global brands** and provides over **500,000** legal document services annually
- Pioneer of document automation system – Rapidocs®

## ZICO Asset Management Pte. Ltd.

28 February 2017

Registered as a Fund  
Management Company with:



Expands suite of professional services, in particular, financial services:

- **Wealth Management & Family Office Services**
- **Multi Asset Management Services**

**Officially launched on 6 March 2017**

Management team:

- Mr Lim Khoon Siong, Chief Executive Officer and Ms Elaine Long, Executive Director
- Team with over 20 years of established track record in banking, money management and client development

Key rationale for new services:

- Opportunities to expand pool of clients
- Cross-selling and referral opportunities across ZICO and ZICOLaw network



Our unique MDP platform for integrated services

# ZICO: “Best of All Worlds in a Legal Services Business Model”

- “A high quality, low cost, complete back office based on economies of scope and scale and jurisdiction,
- Stronger corporate, i.e. firm, branding to add to your personal brands and those of your partners,
- Building real equity on your balance sheet and having access to external capital to invest in the future without sacrificing income now,
- Providing a growing list of adjacent services that includes trust, company secretarial, consulting, investor and wealth management services and benefit financially from doing so,
- The Zico model is a perfect example of the hallmarks of a NewLaw firm... ”

*George Beaton, Remaking Law Firms: Why & How  
28 June 2016*



# Succinct Analysis of ZICO Business Model

“ZICO has adopted an innovative business model to capitalise on developments in the Asean region. The ZICO Law Network, supported by ZICO Holdings, listed on SGX Catalist market, operates under a multi-disciplinary structure supported by a shared service company, which facilitates cross-selling of services. This unique platform provides our clients with a dynamic range of integrated services in a more efficient and cost-effective manner, throughout the life cycle of their business.”

*The new spectrum of legal services  
Patrick Dransfield and David Miles  
ASIAN-MENA COUNSEL, October 2016*

Listing	<ul style="list-style-type: none"> <li>▪ Catalist of the SGX-ST on 11 Nov 2014</li> </ul>
Sponsor	<ul style="list-style-type: none"> <li>▪ Stamford Corporate Services Pte. Ltd.<sup>(1)</sup></li> </ul>
Market Capitalisation	<ul style="list-style-type: none"> <li>▪ S\$82.0 million<sup>(2)</sup></li> </ul>
Share Price	<ul style="list-style-type: none"> <li>▪ S\$0.29<sup>(3)</sup> (closing price on 3 March 2017)</li> </ul>
PE Ratio	<ul style="list-style-type: none"> <li>▪ 58 times based on FY2016 EPS of 0.50 Singapore cent<sup>(3)</sup></li> </ul>
Number of outstanding shares	<ul style="list-style-type: none"> <li>▪ 282.8 million</li> </ul>
Public Float	<ul style="list-style-type: none"> <li>▪ 43.8%<sup>(2)</sup></li> </ul>
Use of Listing Proceeds (Other than listing expenses)	<ul style="list-style-type: none"> <li>▪ Expansion of business operations including potential acquisitions</li> <li>▪ Capital expenditure on information technology infrastructure</li> <li>▪ General working capital</li> </ul>

(1) Appointed with effect from 7 September 2016, in place of PrimePartners Corporate Finance Pte. Ltd.

(2) Source: Bloomberg, 3 March 2017

(3) Based on 1.50 sens using average exchange rate of S\$1.00 to RM3.0007 from 1 January 2016 to 31 December 2016 (Source: Bloomberg)

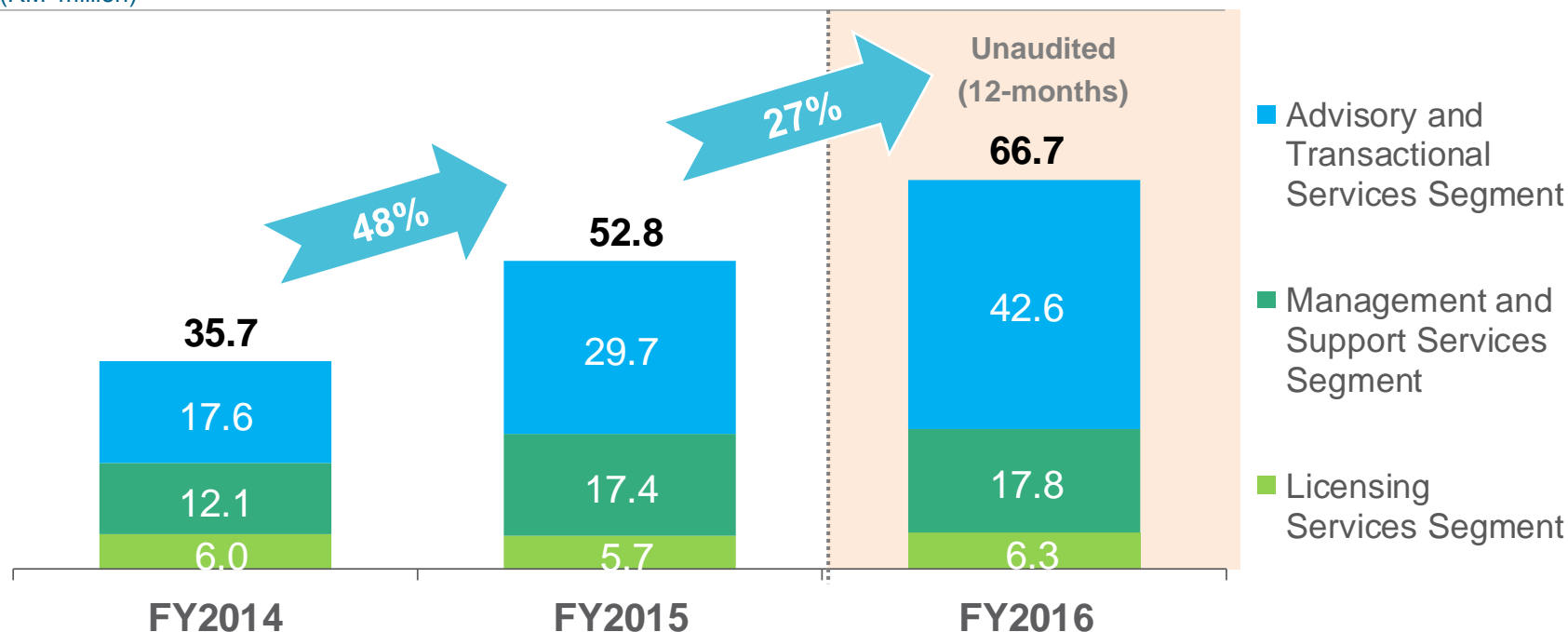


# Financial Review

# Financial Review – Revenue

## Revenue

(RM 'million)

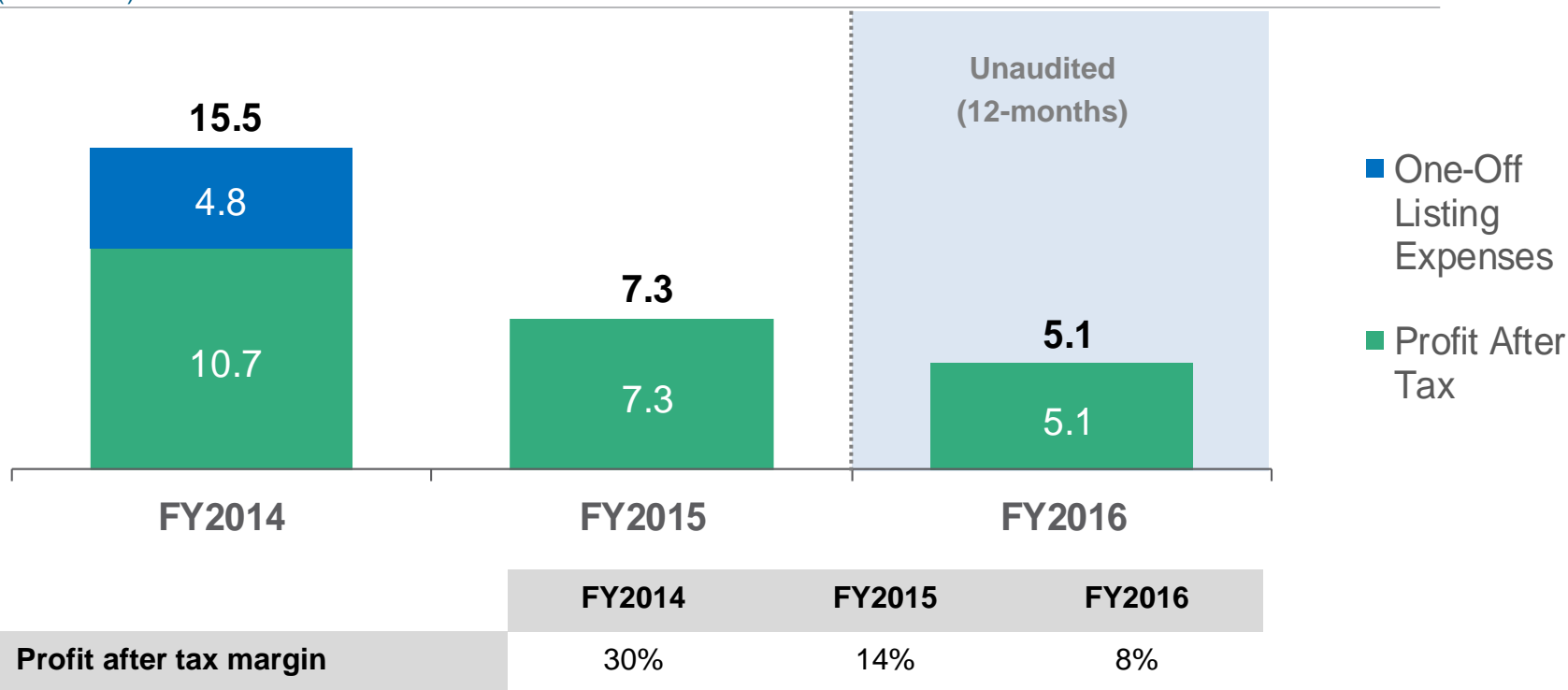


- ATS segment revenue growth boosted by:
  - New corporate finance advisory services (ZICO Capital Pte. Ltd.)
  - Additional contributions from corporate secretarial business under Finova Singapore Pte Ltd and accounting services under ZICO BPO Pte Ltd
  - Growth of investor services (B.A.C.S. Pte Ltd), and business advisory services (ZICO Labuan LLP) in Malaysia
- MSS segment grew from higher fees from provision of support services
- LS segment revenue higher due to royalty fees arising from growth of licensees' net revenue.

# Financial Review – Profit After Tax

## Profit After Tax (“PAT”)

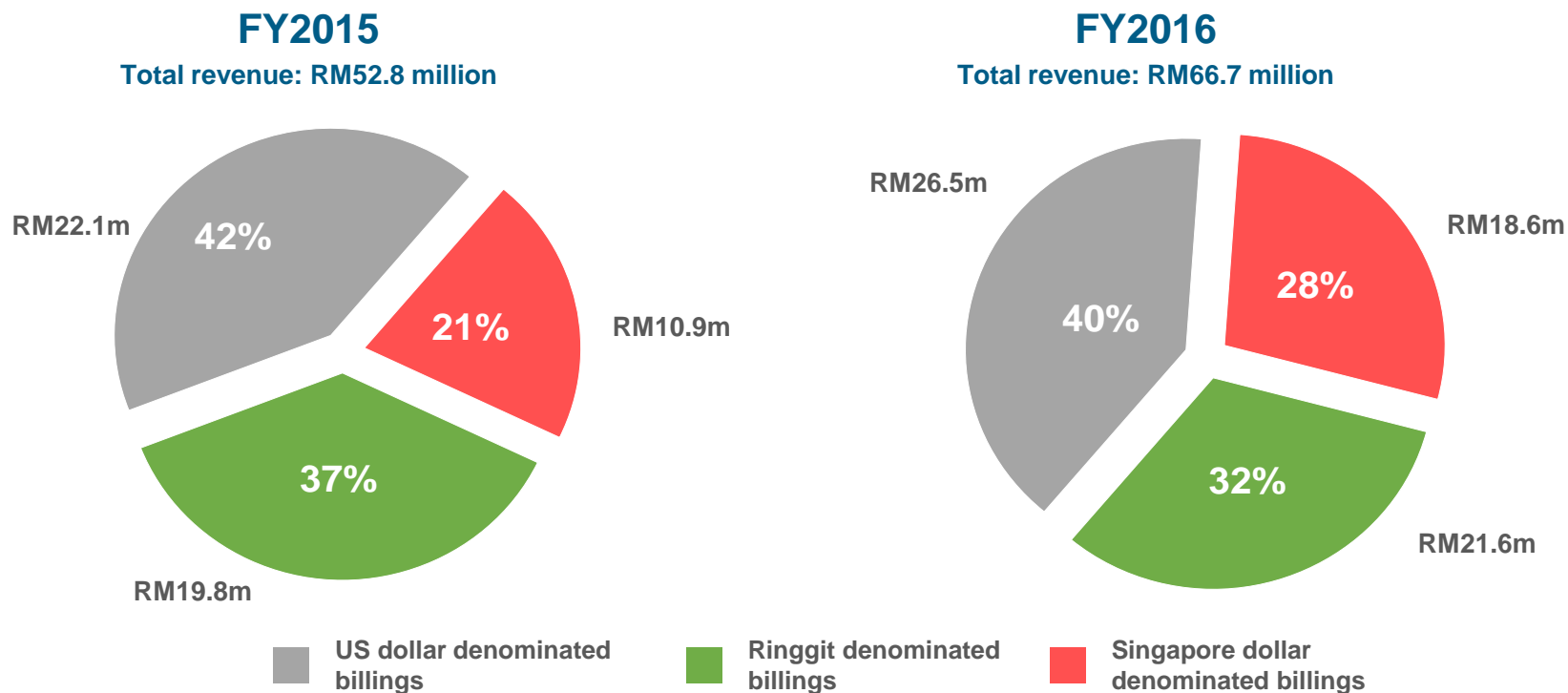
(RM 'million)



- Profit mainly affected by increase in employee benefits expense, arising from higher headcount for ATS from new businesses such as ZICO Capital, hiring of experienced management personnel and share based payments

# Financial Review – Currency Denomination

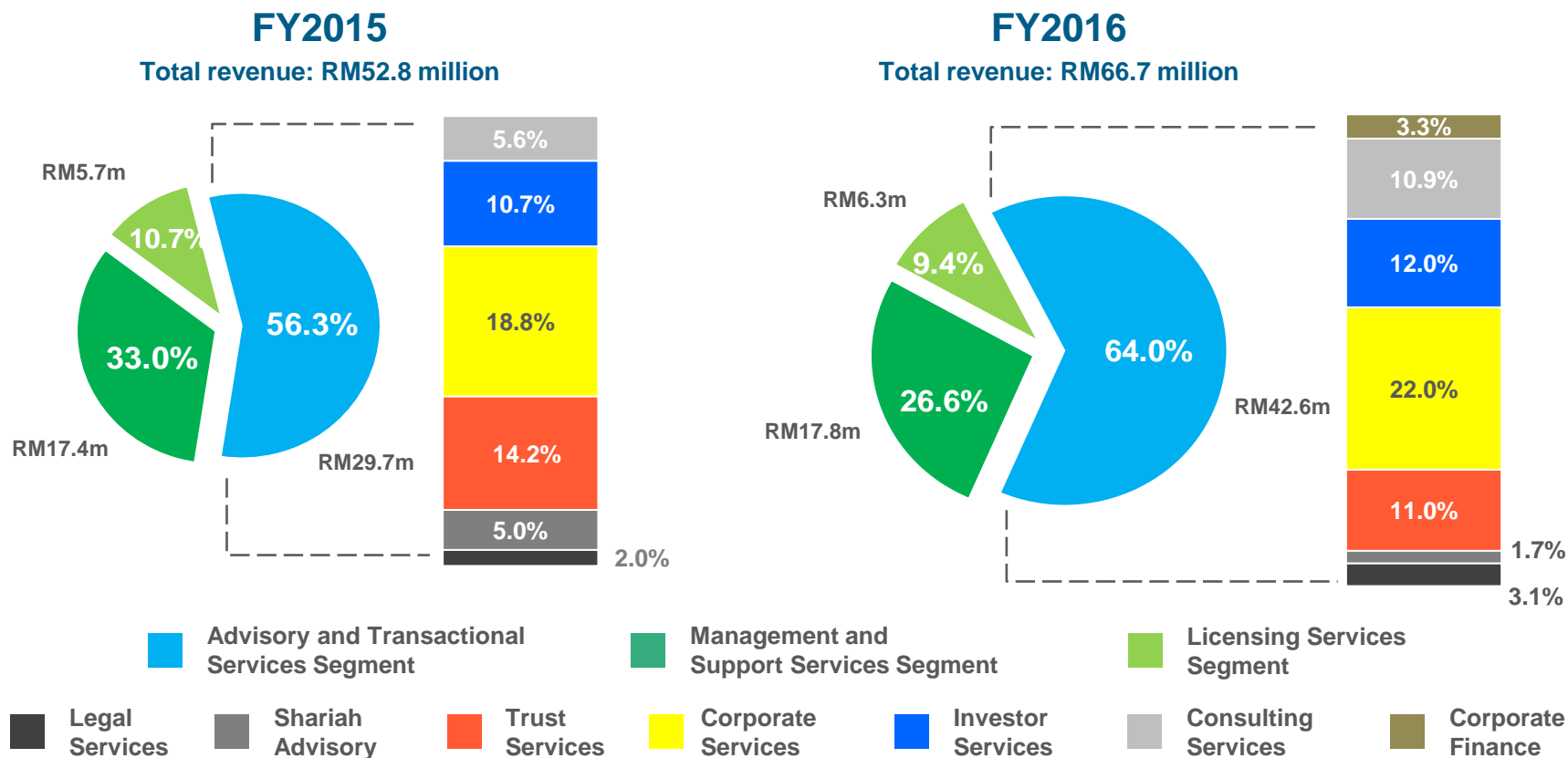
## Revenue breakdown by currency denomination



- Continued reduction in exposure to Ringgit, with growth (absolute-terms) experienced in SGD and USD-denominated billings
- Diversified currency denomination mitigates effects of Ringgit fluctuations against other major currencies

# Financial Review – Business Segments

## Breakdown of Revenue by Business Segments

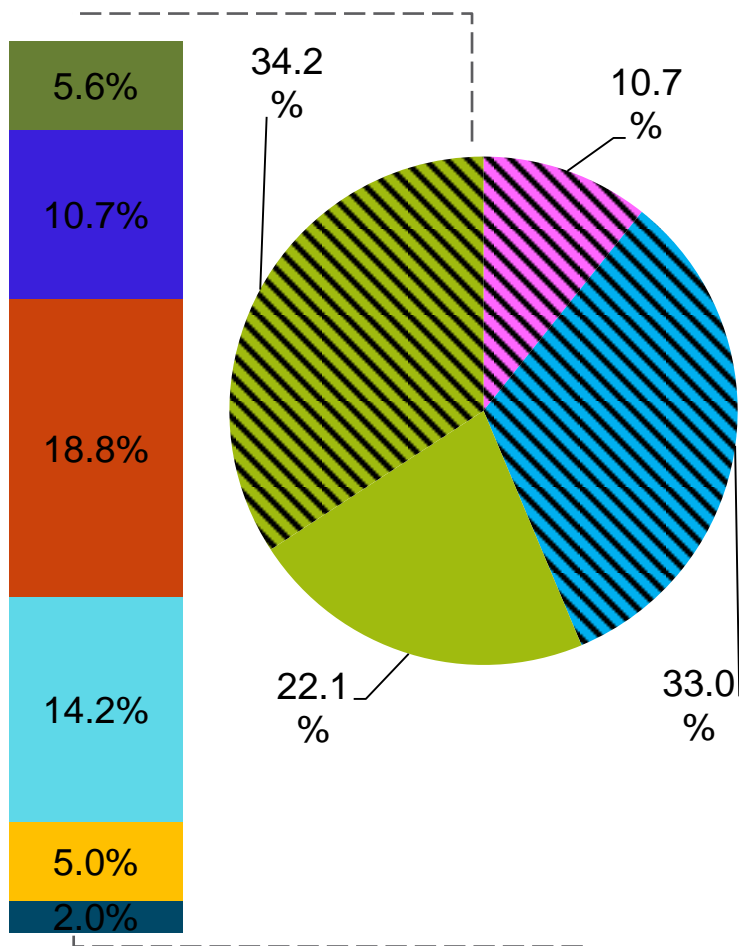


- Newly established division – Corporate Finance services – contributes to ATS segment
- Increase in proportion of largely recurring income coming from Corporate Services and Investor Services within ATS segment

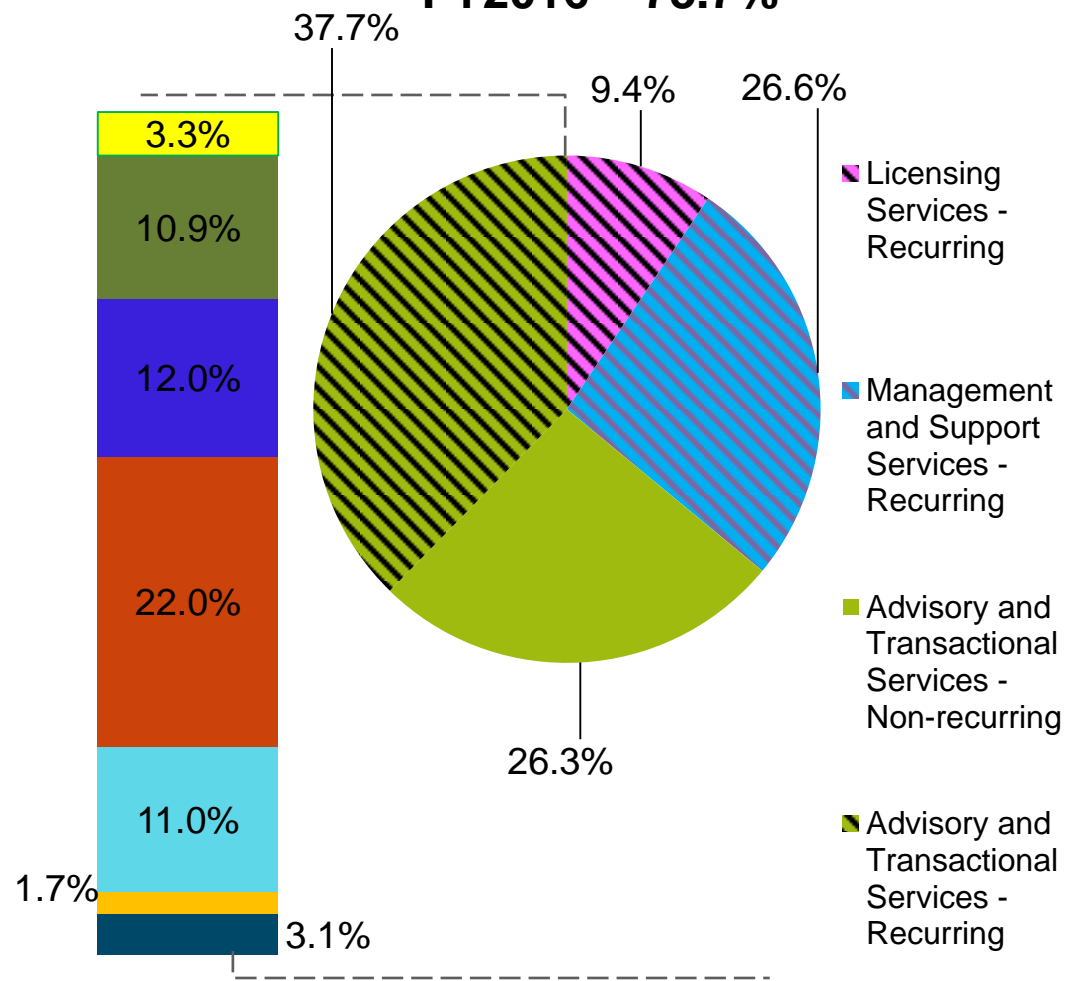
# Financial Review – Business Segments

## Breakdown of Revenue by Business Segments

**FY2015 – 77.9%**



**FY2016 – 73.7%**



Legal services

Shariah advisory

Trust advisory

Corporate services

Investor services

Consulting services

Corporate finance



# Financial Review – Key Financial Indicators

## Profitability Ratios

	FY2016	FY2015
Earnings Per Share (“EPS”) (sens) <sup>(1)</sup>	1.5	2.4
Return On Assets (%)	2.5	4.3
Return On Equity (%)	4.5	7.5

## Financial Position

	31 December 2016	31 December 2015
Net Asset Value (“NAV”) Per Share (sens) <sup>(2)</sup>	33.8	31.3
Cash and cash equivalent at end of period (RM' m)	19.6	26.5
Current Ratio	1.4	1.3
Gearing (ratio)	0.43	0.37

(1) The EPS has been computed based on profit attributable to our Shareholders and the existing total issued share capital of 282,754,063 and 282,089,177 shares for 31 December 2016 and 31 December 2015 respectively.

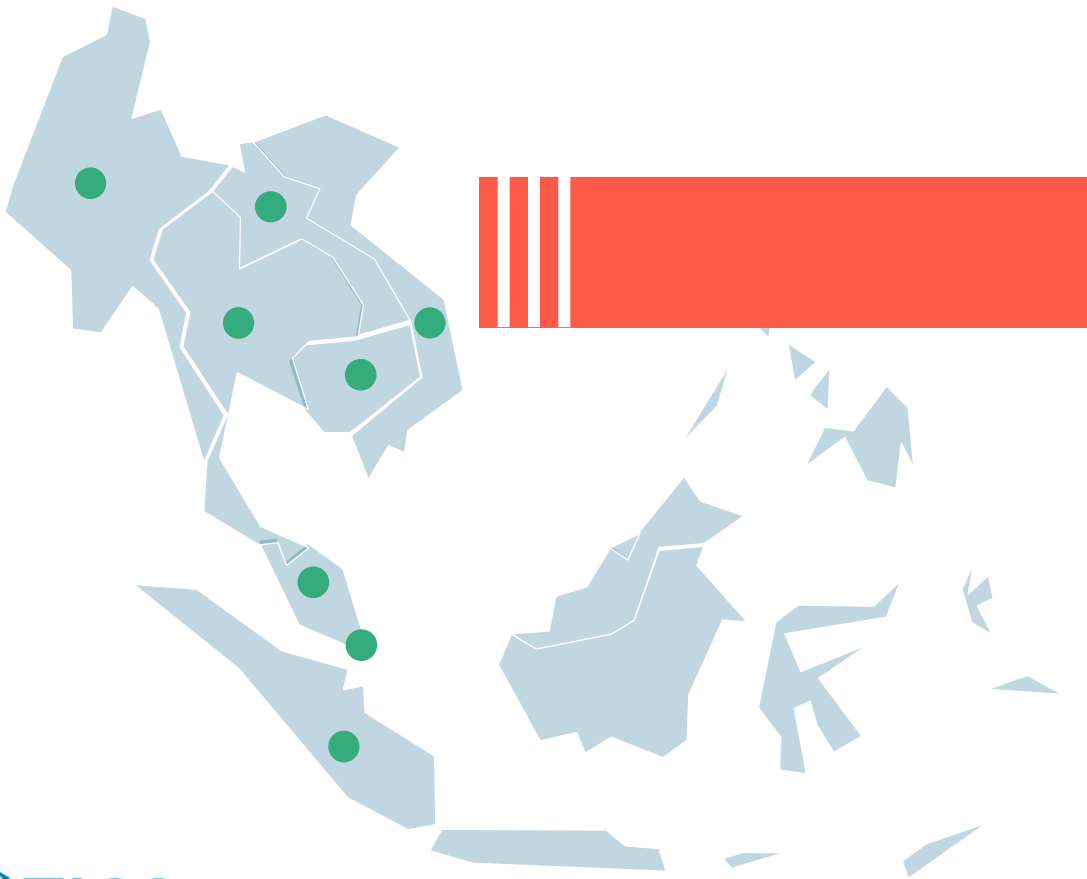
(2) NAV per share has been computed based on the existing total share capital of 282,754,063 shares and 282,089,177 shares for 31 December 2016 and 31 December 2015 respectively.

# Update On The Use Of IPO Proceeds

Use of IPO net proceeds	Amount allocated (S\$ '000)	Amount Utilised (S\$ '000)	Balance (S\$ '000)
Expansion of business operations including potential acquisitions	8,000	7,209	791
Capital expenditure on information technology infrastructure	1,000	1,000	-
General working capital	3,521	3,521 <sup>(1)</sup>	-
Listing expenses	1,879	1,879	-
<b>Total</b>	<b>14,400</b>	<b>13,609</b>	<b>791</b>

As at 3 March 2017

(1) The amount of working capital was used for payment of salaries and wages.



**Thank You**