

Press Release

For Immediate Release



AEON CREDIT SERVICE

AEON CREDIT REVENUE SURGES BY 18.2% IN Q2FYE24

Underpinned by the increase in demand for Personal Financing, Automobile Financing and Credit Card Acquisitions

KUALA LUMPUR, 26 September 2023 – AEON Credit Service (M) Berhad (“AEON Credit” or the “Group”) today announced that it has posted an 18.2% growth in revenue to RM471.73 million for the second quarter ended 31 August 2024 (“**Q2FYE24**”), compared to RM399.17 million in the preceding year ended 31 August 2023 (“**Q2FYE23**”).

This was underpinned by an 11% increase in transaction and financing volume to RM1.79 billion for Q2FYE24, compared to RM1.61 billion recorded in Q2FYE23, driven by higher demand for personal financing, automobile financing and credit card acquisitions.

Correspondingly, the gross financing receivables increased by RM1.19 billion or 11.4% to RM11.57 billion in Q2FYE24 from RM10.38 billion in Q2FYE23. A lower impairment loss on financing receivables of RM120.57 million was recorded for Q2FYE24 as compared to RM149.95 million in Q2FYE23. On the other hand, Non-Performing Loans (“**NPL**”) stood at 2.98% as of 31 August 2023 compared to 2.91% as of 31 August 2022.

For the quarter under review, AEON Credit registered a profit before tax (“**PBT**”) of RM159.23 million compared to RM100.05 million recorded in the preceding year corresponding quarter on the back of the marked increase in revenue which was partially offset by higher operating and interest expenses. The Group also recorded a profit after tax (“**PAT**”) of RM120.19 million as compared to RM75.65 million in Q2FYE23.

In respect of the financial year ending 29 February 2024, an interim single-tier dividend of 28.50 sen per share has been recommended by the Board to be paid on 2 November 2023, with a dividend payout ratio of 33.1%.

Prospects

Supported by strong domestic demand, the Malaysia's economy grew 2.9% year-on-year in the second quarter of 2023, as compared to 5.6% recorded in the previous quarter. According to Bank Negara Malaysia, the Malaysian economy is projected to expand by a modest 4.0% to 5.0% range in 2023 amid the challenging global macroeconomic backdrop. This growth shall be underpinned by firm domestic demand, improving labour market conditions as well as continued implementation of multi-year projects would support consumption and investment activity.

For the remainder of 2H FYE24, AEON Credit is cautiously optimistic of the outlook in view of the prevailing economic headwinds both on the locally and abroad. Nevertheless, The Group remains committed to closely monitoring and assessing inherent credit risks in its financing portfolios and focus on growing quality receivables with the adoption of risk-based collection scoring using Artificial Intelligence (“AI”) tools, which enables them to prioritise high risk account. The Group will also enhance collaboration with merchants to improve customer portfolios through good-scoring customers’ acquisition.

Moreover, AEON Credit Group remains proactive in building its long-term business sustainability. The Group is steadfast in enhancing its information technology capabilities to support its growth initiatives. Customers can now complete their entire application journey in just 15 minutes through Easy Payment digital on-boarding process with pre-assessment and instant conditional approval which backed by e-KYC solutions and scoring models. The Group has reached out to over 1,100 merchants to promote this initiative and aim to continue scaling up its digital acquisition share and elevate customer experience to drive the growth in take-up rate.

Looking ahead, AEON Credit is focused on building its long-term business sustainability and growth agenda. The Group will continue to invest in initiatives to enhance its information technology capabilities to augment its operations. Barring any unforeseen circumstances, the Group expects to be able to maintain its financial performance by putting in place the appropriate measures for FYE24.

ABOUT AEON CREDIT SERVICE (M) BERHAD

AEON Credit Service (M) Berhad (“AEON Credit”) was incorporated on 6 December 1996 and converted into a public limited company on 9 February 2007 and subsequently listed on the Main Market at Bursa Malaysia Securities Berhad on 12 December 2007. AEON Credit commenced operations in 1997 by providing Easy Payment schemes for the purchase of consumer durables through appointed retail merchants and chain stores.

In the end of September 2021, AEON Credit completed the acquisition of 100% equity interest in an insurance broking firm, AEON Insurance Brokers (M) Sdn. Bhd. (formerly known as Insurepro Sdn Bhd) which allows AEON Credit and its subsidiary (“the Group”) to distribute both conventional and takaful insurance products, including life insurance products by leveraging on the AEON Group Retail network and ecosystem.

Today, the business of the Group has expanded to include issuance of Credit Cards & Prepaid Cards, provision of AEON Wallet app, Easy Payment schemes, Hire Purchase Financing for Motor Vehicles, Personal Financing schemes, insurance brokerage and other related services. The Group currently has five Regional Offices, 64 branches and service centres located in the major shopping centres and towns, a network of more than 8,100 participating merchant outlets nationwide, as well as a subsidiary company in Kuala Lumpur.

Issued by Esente Advisory Sdn Bhd on behalf of AEON Credit Service (M) Berhad

For more information, please contact:

Ms. Lim Sim Hui

Tel : +603 2772 9113

Email : corp_affairs@aeoncredit.com.my

Mark Ong

Tel : +603 6419 9501

Email : markong@esente.com.my
