

Press Release



AEON CREDIT SERVICE

For Immediate Release

AEON CREDIT REVENUE SURGED BY 14.8% IN Q2FYE25

Announces 41% Payout Ratio, Demonstrating Commitment to Shareholder Value

KUALA LUMPUR, 26 September 2024 – AEON Credit Service (M) Berhad (“AEON Credit” or “the Group”) today announced that it has posted a 14.8% growth in revenue to RM541.43 million for the second quarter ended 31 August 2024 (“**Q2FYE25**”), compared to RM471.73 in the preceding year ended 31 August 2023 (“**Q2FYE24**”).

This was underpinned by a 20.6% increase in transaction and financing volume to RM2.16 billion for Q2FYE25, compared to the preceding year's corresponding quarter, driven by strong growth in personal financing, automobile financing, and credit card business.

Correspondingly, gross financing receivables increased by RM1.63 billion to RM13.20 billion in Q2FYE25 compared to the preceding year, as the Group continues to drive effective marketing strategies and focus on penetrating the middle-income segment. The Non-Performing Loans (NPL) was improved to 2.37% as of 31 August 2024 from 2.98% on 31 August 2023.

For the quarter under review, AEON Credit posted a Profit Before Tax ("PBT") of RM101.14 million and this was offset by a share of losses of RM18.74 million (Q2FYE24: RM0) from AEON Bank (M) Berhad, an associate company of AEON Credit. The results reflect the company's expanded financing activities, with increased new financing receivables and higher operating expenses in line with stronger transaction volumes. Impairment losses on financing receivables stood at RM193.58 million for Q2FYE25, compared to RM120.57 million in Q2FYE24. As a result, AEON Credit recorded Profit After Tax ("PAT") of RM71.16 million in Q2FYE25.

In respect of the financial year ending 28 February 2025, an interim single-tier dividend of 14.25 sen per share has been recommended by the Board to be paid on 7 November 2024, with a dividend payout ratio of 41.0%.

Prospects

Malaysia's Gross Domestic Product increased to 5.9% in the second quarter of 2024 as compared to 4.2% in the first quarter of 2024, driven by resilient domestic expenditure with expansion in exports. Bank Negara Malaysia forecasted the Malaysian economy to grow between 4% to 5% in 2024 driven by continued expansion in domestic expenditure and improvement in external demand.

The Group is maintaining a cautious stance in light of current geopolitical tensions, inflationary pressures, and ongoing volatility in global financial markets. Despite these challenges, the Group remains committed to exercising prudence and caution, with a focus on expanding quality assets and closely monitoring credit risks within its financing portfolios.

Furthermore, AEON Credit is dedicated to enhancing its information technology capabilities to drive operational efficiencies. As part of these efforts, customers can now enjoy an upgraded AEON Wallet App and enhanced credit card features, including the recent launch of a virtual credit card, all designed to provide a more intuitive and user-friendly experience. The Group has recently launched two new flagship branches featuring a new concept with a premium lounge at Setia City Mall and IOI City Mall respectively, aiming to enhance its physical network and elevate the overall customer experience. Additionally, another branch will open in the Golden Triangle of Kuala Lumpur next quarter.

Barring any unforeseen circumstances, the Group anticipates maintaining its business momentum by implementing appropriate measures for the financial year ending 28 February 2025.

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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. Today, the business of the Group has involved in issuance of Credit Cards, Prepaid Cards, AEON Wallet App, Easy Payment Schemes, Hire Purchase Financing for Motor Vehicles, Personal Financing Schemes, Insurance Broker, Digital Islamic Banking, and other related services. The Group currently has 5 Regional Offices, 63 branches and service centres located in the major shopping centres and towns, a network of more than 7,700 participating merchant outlets nationwide.

Issued by Acendus Communications on behalf of AEON Credit Service (M) Berhad

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