



## **SILVERLAKE AXIS LTD**

(Incorporated in Bermuda)  
(Company Registration No. 32447)

### **PRESS RELEASE - FOR IMMEDIATE RELEASE**

# **Silverlake Records 44% Revenue Growth to RM179.0 Million in Q2 FY2016**

- *Revenue growth driven by higher contributions from most business activities and maiden contribution from consolidation of Symmetri Group*
- *Recurrent income base grew with more maintenance and enhancement contracts, expansion of insurance processing business as well as consolidation of Symmetri Group's maintenance and enhancement revenue*
- *The Group's statement of financial position remained strong with net cash of RM222.1 million as of 31 December 2015*
- *A second interim dividend of Singapore cent 0.75 per share is proposed*

**Singapore, 11 February 2016** – Singapore Exchange Mainboard listed Silverlake Axis Ltd (“SAL” or the “Group”), a leading provider of Digital Economy Solutions and Services to major organisations in Banking, Insurance, Payments, Retail and Logistics industry, today announced its results for the second quarter and six months ended 31 December 2015.

### **Q2 and 1H FY2016 Results Review**

In Q2 FY2016, the Group registered a 44% increase in revenue to RM179.0 million. The growth was broad-based across all business activities except software licensing which delivered lower value contracts during the quarter. While SAL continued to grow organically with new

maintenance and enhancement contracts and higher progressive revenue recognition from new and ongoing project implementation contracts, business consolidation of newly acquired Symmetri Group (formerly known as SunGard Ambit (Singapore) Pte. Ltd.) expanded the revenue base of maintenance and enhancement services as well as software project services. Insurance processing also contributed to the growth in recurring revenue with new customers in Malaysia and business expansion into Thailand and Vietnam. In addition, the Group benefited from two major sales of hardware products in Q2 FY2016 as well as higher credit and cards processing revenue due to additional enhancement contracts from a major customer and the strengthening of the Japanese Yen against Ringgit Malaysia.

<b>Revenue By Business Activities</b> (RM million)	Q2 FY2016	Q2 FY2015	% Change
Software licensing	28.9	33.3	(13)
Software project services	36.1	14.5	148
Maintenance and enhancement services	92.7	66.9	39
Sale of software and hardware products	9.4	0.8	1023
Credit and cards processing	5.6	3.6	58
Insurance processing	6.3	4.9	27
<b>Total</b>	<b>179.0</b>	<b>124.0</b>	<b>44</b>

Driven by revenue growth, gross profit rose 27% to RM104.4 million. However, gross profit margin was lower at 58% compared with 66% in the previous corresponding period. The decline was mainly attributed to higher contribution from lower margin business activities, such as software project services and sale of hardware products, as well as the consolidation of the Symmetri Group.

The consolidation of Symmetri Group also resulted in additional group operating expenses in Q2 FY2016. During the current business transition, the Symmetri Group will incur a higher cost structure under a Transition Services Agreement which expires in Q4 FY2016. Together with unrealised foreign currency exchange loss, a charge on share award pursuant to the SAL Performance Share Plan and professional fees for a special independent review, the Group's administrative expenses increased from RM10.2 million in Q2 FY2015 to RM26.0 million in Q2 FY2016. In addition, the Group recorded a decline in the share of profit of associates and a joint venture and an increase in income tax expense. In spite of the healthy revenue growth, the lower gross profit margin and higher total expenses led to a 7% decrease in net profit attributable to shareholders to RM66.6 million in Q2 FY2016.

For the six months ended 31 December 2015, group revenue and shareholders profit rose 30% and 3% to RM313.1 million and RM135.2 million respectively.

As an appreciation to shareholders for their continuing support, the Board has proposed a tax-exempt second interim dividend of Singapore cent 0.75 per ordinary share. Taking into account the 1-for-5 bonus share issued last year, the second interim dividend for Q2 FY2016 will be paid on a larger share base compared to Q2 FY2015.

## **Prospects**

“After the completion of SunGard Ambit acquisition, we rebranded the business as Symmetri Group and started work on business consolidation as well as cross-selling of products and services. Although the higher cost structure will continue until the Transition Services Agreement expires in Q4 FY2016, we are streamlining to improve efficiency and reduce costs. With these ongoing efforts, we expect the synergistic benefits from the acquisition to materialise from Q4 FY2016.” commented Dr. Raymond Kwong, Managing Director of the Group.

Backed by an expanding suite of mission critical enterprise software solutions and service offering, SAL is well-positioned to capitalise on business opportunities as the competitive business environment in Asia encourages financial institutions and corporations to invest in digital and mobile technologies in order to protect and grow their market share. “The Group is constantly looking to expand its suite of software products and services. We remain open to selective opportunities that will allow us to broaden our customer base and enhance our geographical presence,” added Dr. Kwong.

This press release should be read in conjunction with SAL’s Q2 FY2016 results announcement released on 11 February 2016 to the Singapore Exchange.

## **About Silverlake Axis**

Silverlake Axis Ltd (SAL) is a leading provider of digital economy solutions and services for major organisations in Banking, Insurance, Payments, Retail and Logistics industry. The Group's Silverlake Axis Software and Services Solutions are delivering operational excellence and enabling business transformations at over 200 organisations across Asia, including 40% of the largest banks in South East Asia.

Under Axis Systems Holdings Limited, the Group was listed on the SGX-SESDAQ on 12 March 2003. It was renamed Silverlake Axis Ltd in 2006 following the acquisition of SAACIS, the company that owns the Silverlake Integrated Banking Solution (SIBS) and the listing was transferred to the Mainboard of the Singapore Exchange on 22 June 2011.

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