



# Catcha Digital Berhad

KLSE:CATCHA

**Investor Deck** *(July 2024)*

Building the leading Digital Group in Southeast Asia

# Catcha Digital Berhad's Vision & Mission

# Building the #1 Digital Group in Southeast Asia

The global digital economy is growing rapidly and Southeast Asia is picking up steam

Digital economy of  
Southeast Asia is  
**HUGE**  
**RM1,500bn**  
in 2025<sup>1</sup>

Digital economy of  
Southeast Asia is  
**GROWING FAST**  
**20% CAGR**  
From 2022-2025<sup>1</sup>

Digital advertising to  
contribute  
**67%**  
of global advertising  
expenditure in 2024<sup>2</sup>

Enterprise software  
spending to grow  
**40-45%**  
across Southeast Asia<sup>3</sup>

# We do it by building, growing and scaling leading digital companies in SEA

## CATCHA DIGITAL

Digital Media

★ We are here now...



### PHASE 1

We build and grow digital companies

### PHASE 2

We invest in, acquire and scale great entrepreneur-led digital and software businesses to benefit from scale and strengthen our product suite

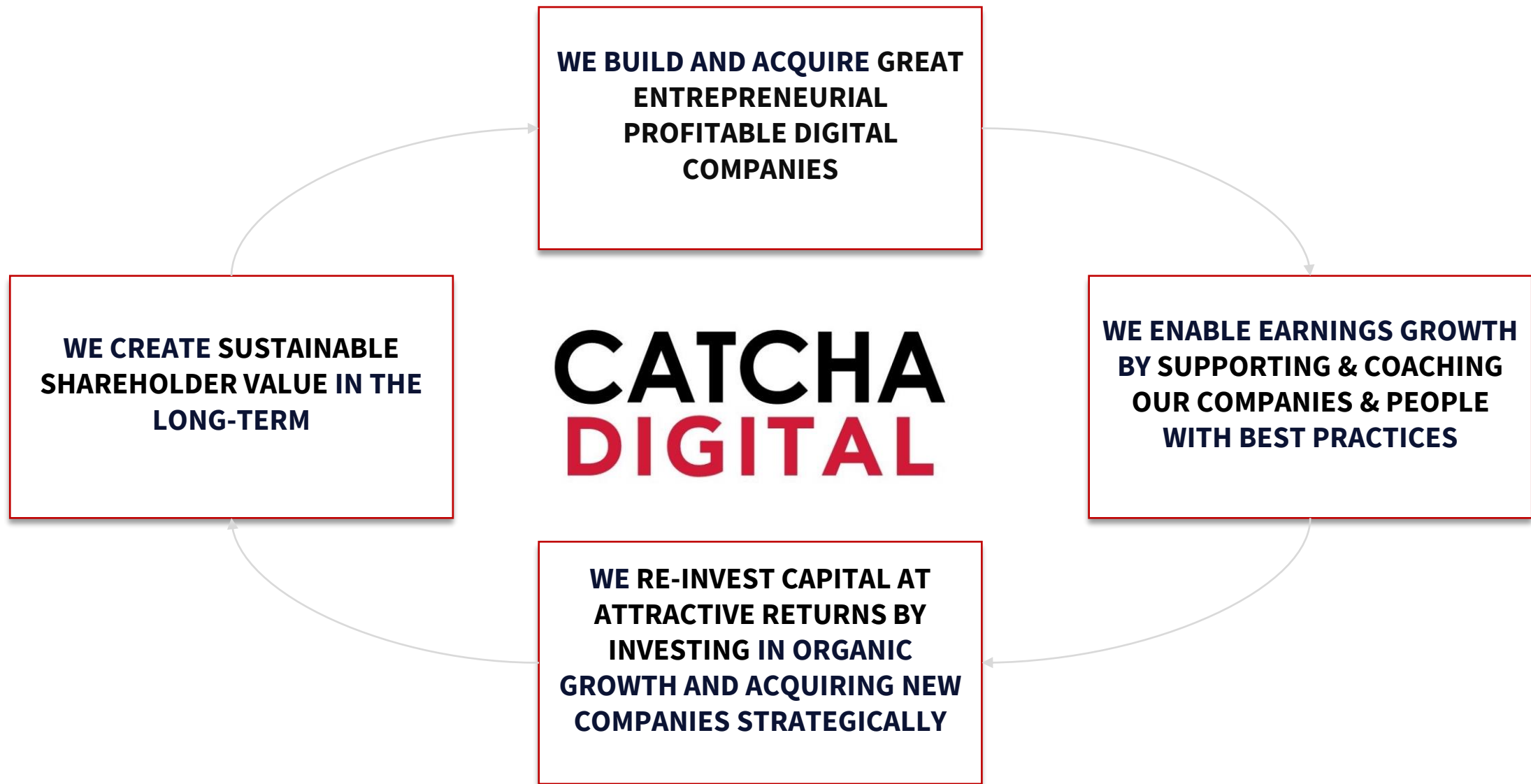
### PHASE 3

To go regional once Malaysian market is dominated, replicating Catcha's success in regional expansion seen in iProperty & iCar Asia

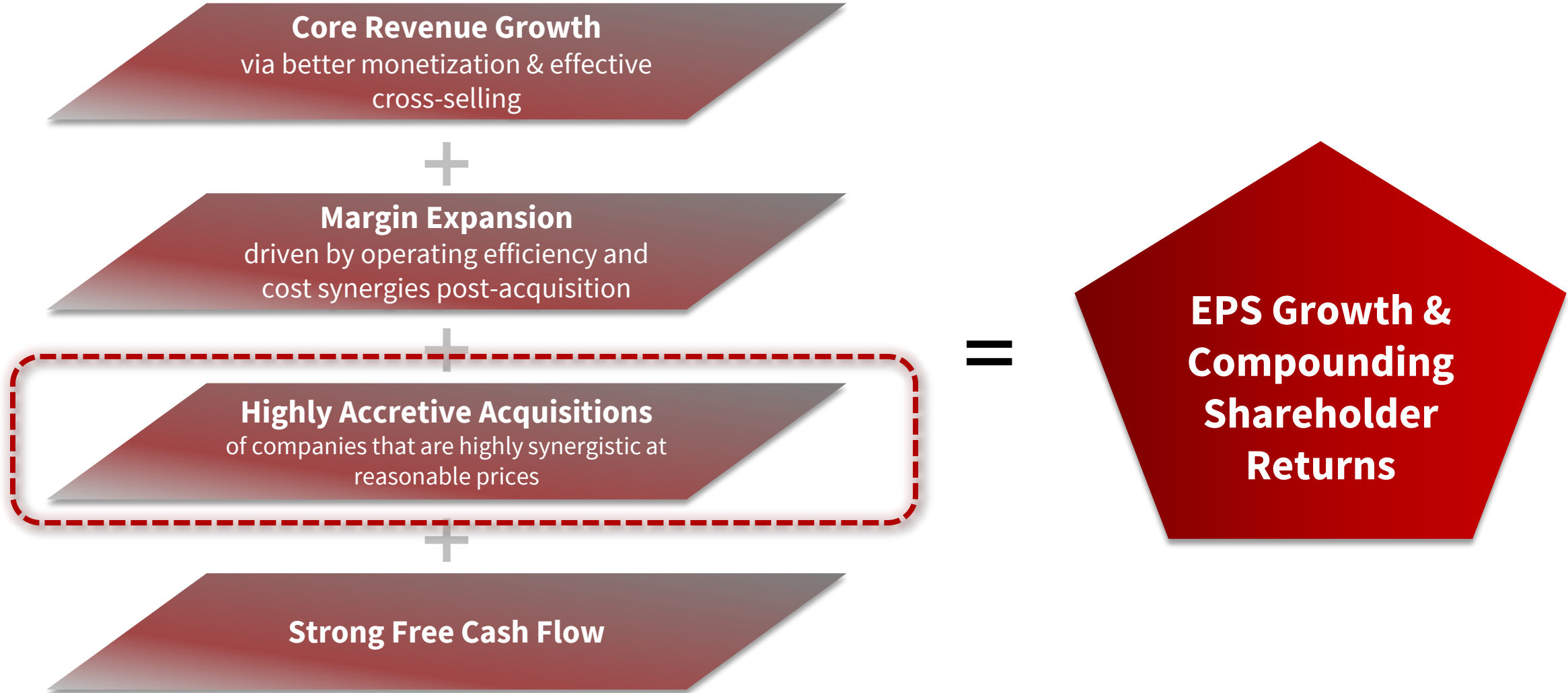
- Scale
- Grow
- Build



# We build and acquire great entrepreneurial digital companies with sustainable profits and cashflow



# With a proven & balanced approach to create long-term shareholder value



# Programmatic M&A

# Programmatic M&A starts with objective-driven acquisitions

## CATCHA DIGITAL

### Platform Acquisitions



**No integration** to existing companies

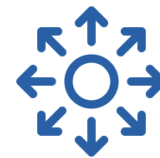


**Sufficient scale** either at acquisition or through focused buy-and-build

### Add-on Acquisitions



**Geographical** or **product** offering expansion



**Vertical** or **horizontal** expansion in the value-chain



**Small** operational add-ons to larger stand-alone acquisitions



**Sub-division** build-ups

# We assign criteria specific based on the objective of our acquisitions

## CATCHA DIGITAL

### Platform Acquisitions

#### Qualitative



Digital Focus



Market Leaders



Established Financial  
Track Record



Entrepreneurial  
Management Team

#### Quantitative



Profit after Tax of  
RM0.5m to RM10m



Predictable  
Revenue of 70%



Growth Rate: >5%



PAT Margin of >10%

### Add-on Acquisitions

#### Qualitative



Strategic Value-Add



Market Leaders



High Profit Potential  
via Synergy



Entrepreneurial  
Management Team

#### Quantitative

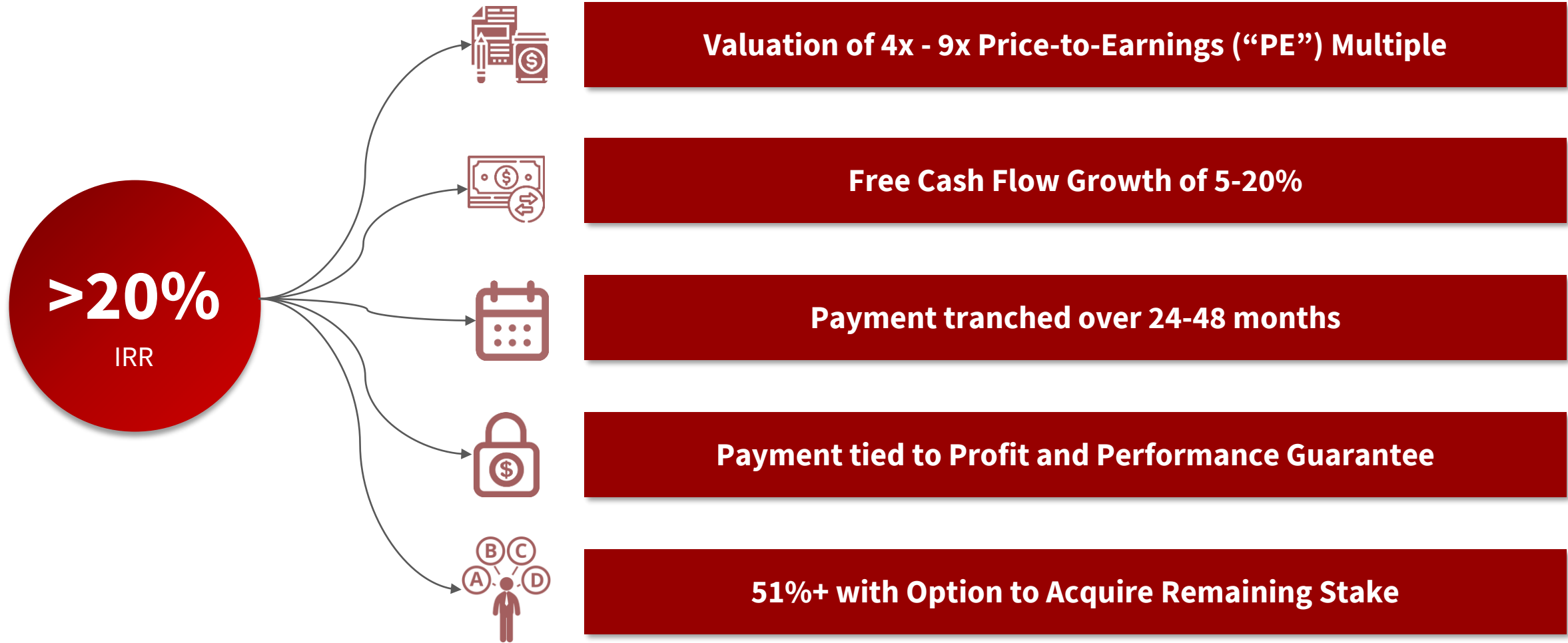


On Track to  
Sustainable Profit  
Margins

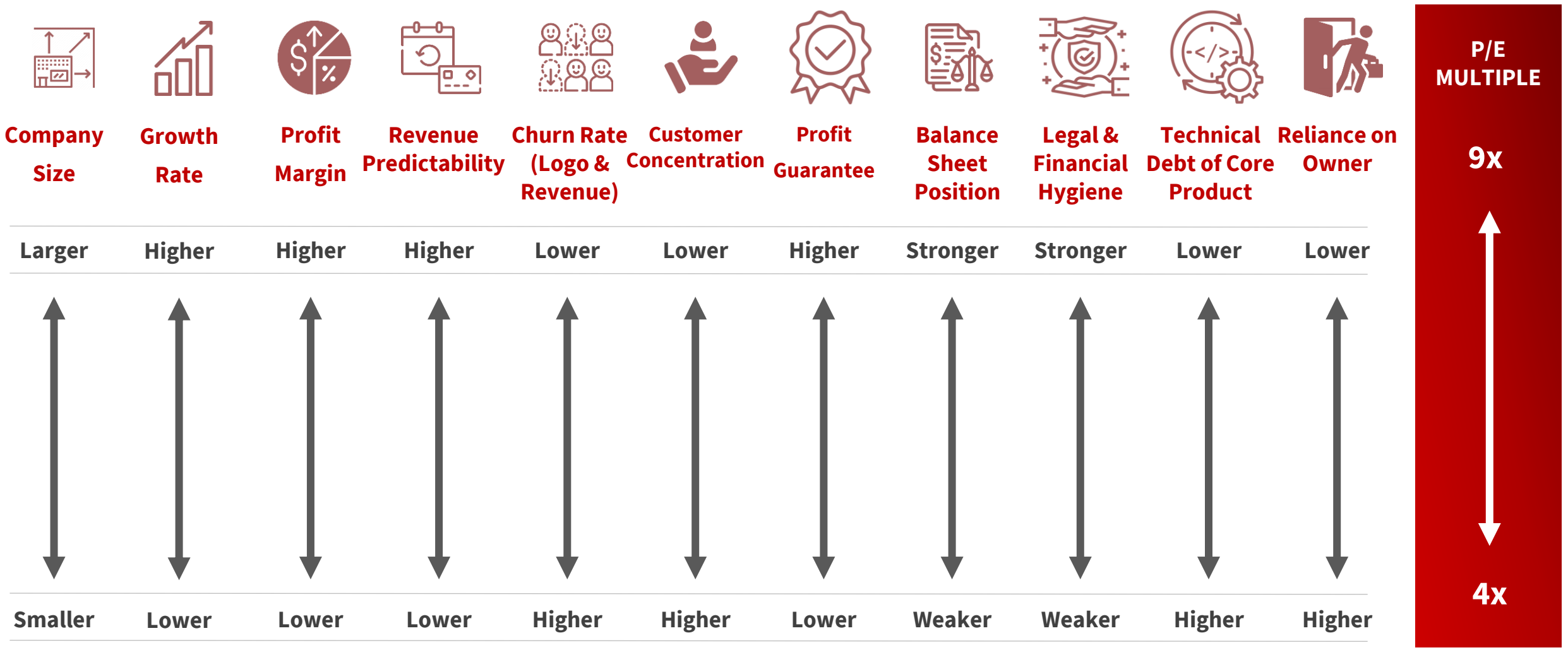


Promising Operating  
Metrics

# Deal structure is guided by 20%+ IRR to create EPS-accretive investment structure that aligns incentives for all parties involved



# Valuation of target companies is informed by a set of business characteristics that determines the quality of the business

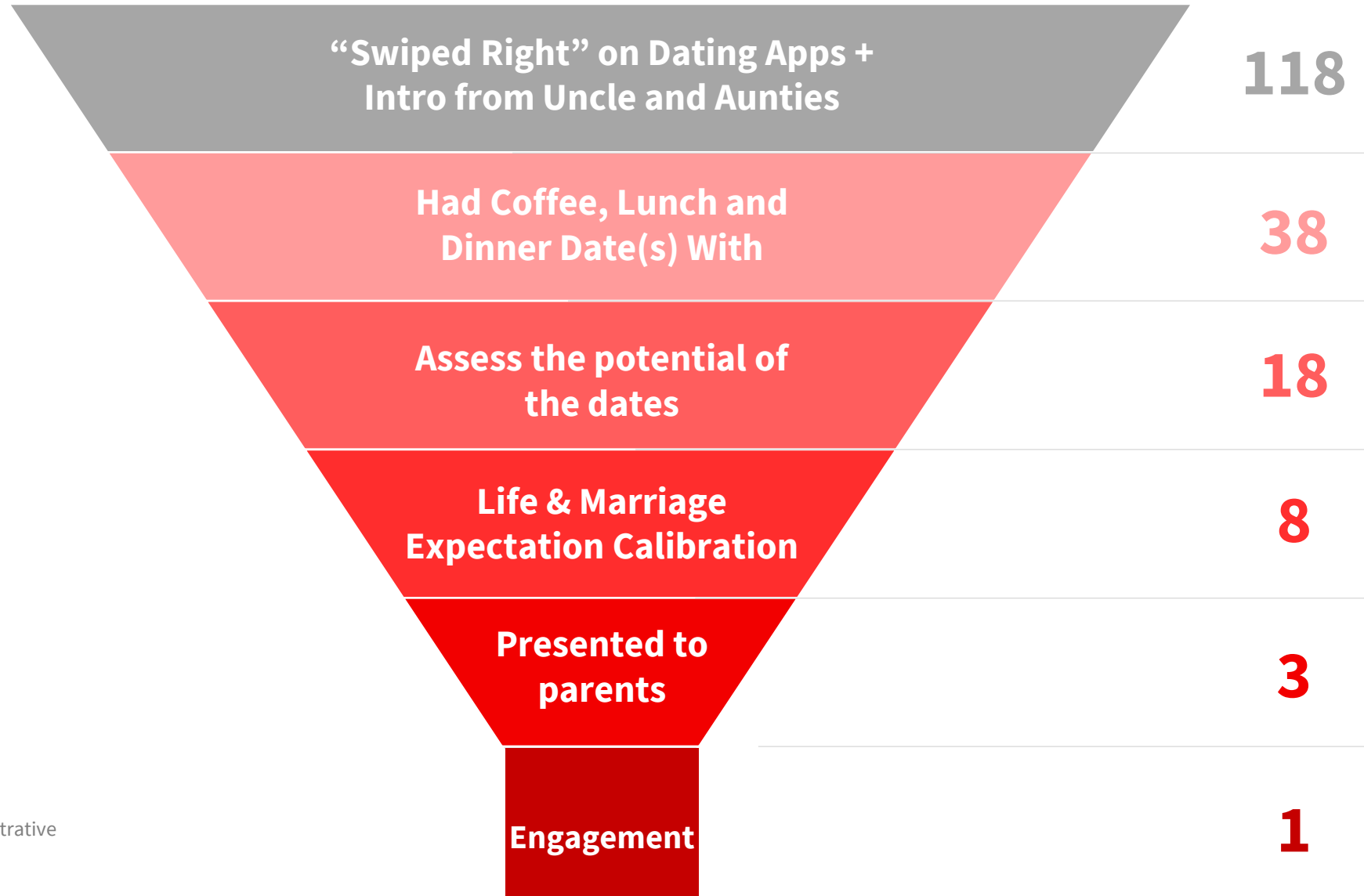


# Our investment team follows a structured 8-step process to maximise effectiveness and efficiency

- 1 Prospect** Formulate Thesis → Build List of target companies via online databases and offline network
- 2 Qualify** Qualify targets based on financials via public sources and market intelligence
- 3 Contact** Reach out to target companies via network or direct outreach to establish first point of contact
- 4 Introduce** Introductory meeting to assess and rate fit based on internal selection criteria both qualitatively and quantitatively
- 5 Analyse** Multiple follow-up meetings to analyse companies in greater details, followed by meetings with management to formulate a win-win investment structure
- 6 Negotiate** Negotiate key deal terms with selected companies based on preset parameters while preparing Investment Memo to begin internal approval process
- 7 Approve** Secure internal approval from Investment Committee (“IC”) comprised of Board of Directors and Management
- 8 Execute** Issue, negotiate and sign Letter of Intent once salient terms are agreed upon by both parties, before proceeding to Due Diligence

# A robust and active Dating Funnel as an analogy to our M&A Funnel

## Dating Funnel

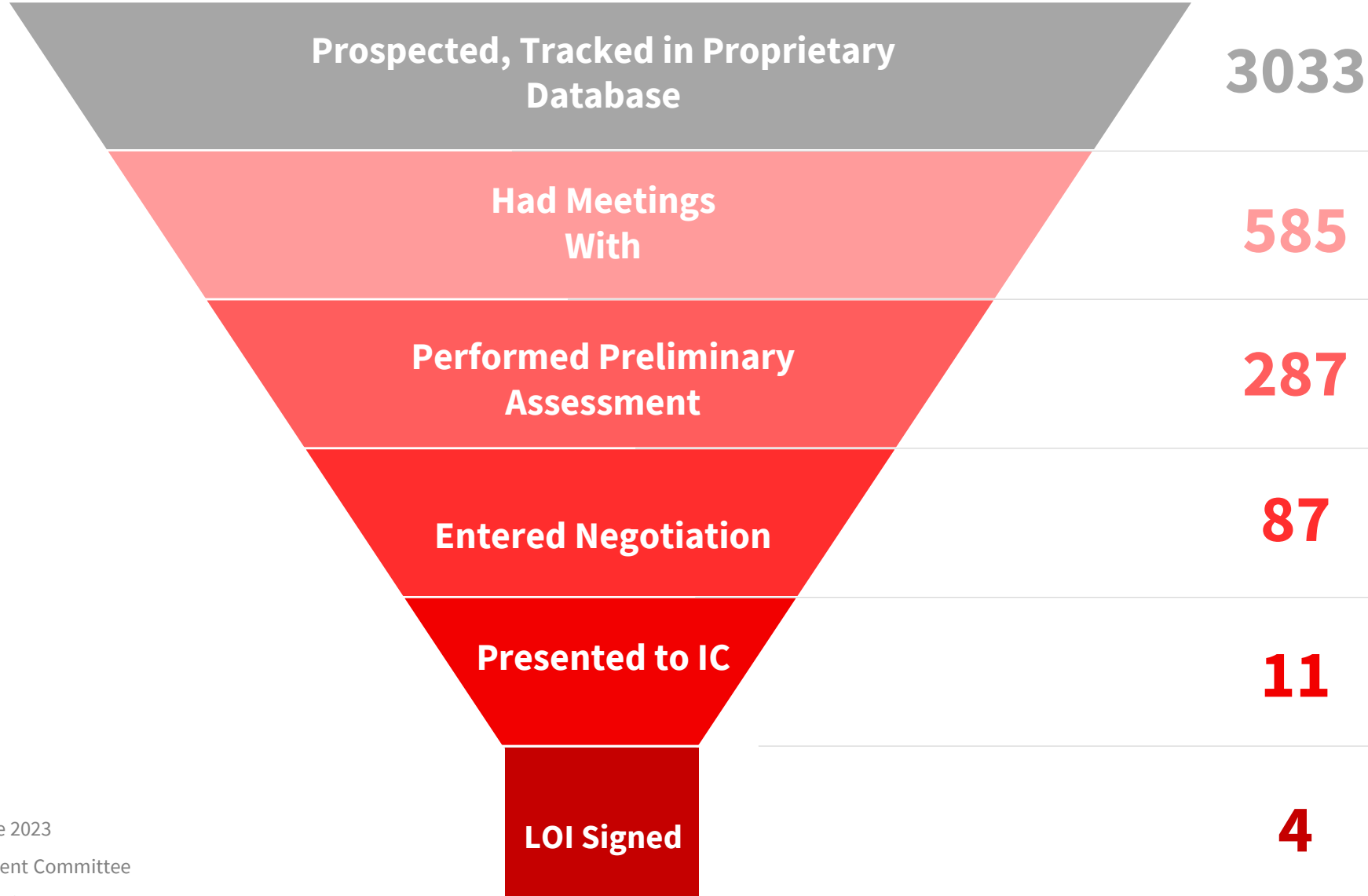


Notes:

- Numbers are illustrative

# A robust and active M&A funnel in the last 12 months

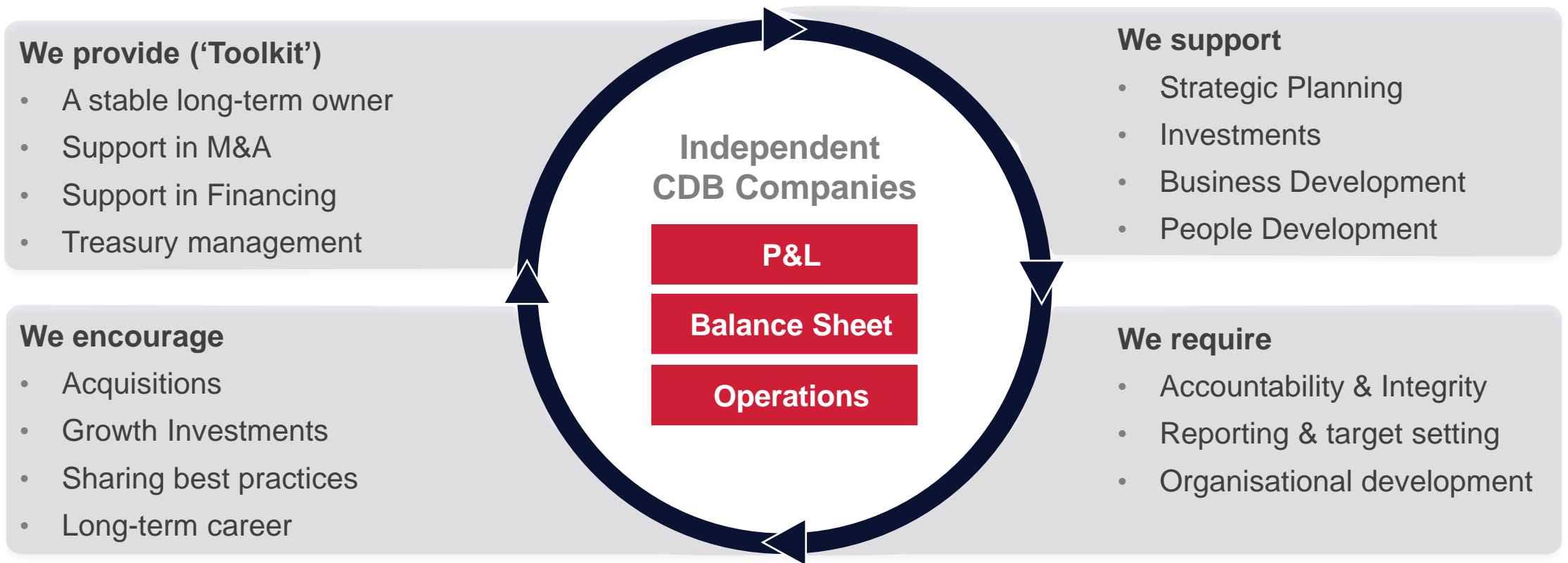
## M&A Funnel



Notes:

- Metrics since June 2023
- IC means Investment Committee
- LOI means Letter of Intent

# A progressive approach to empower companies to stay nimble and grow unencumbered with check-and-balance



# Creating a win-win proposition to both sellers and CDB's shareholders



**We have been there, done that...**

# Dedicated Board and Management Team with Significant Ownership of 65%+

## Board of Directors | 52.6% Ownership



**Patrick Grove**  
Chairman



**Luke Elliott**  
Director



**Dato' Justin Leong**  
Director

## Management Team | 12.5% Ownership



**Eric Tan**  
Group CEO



**Voon Tze Khay**  
CEO, Catcha Digital Media



**Jacky Tee**  
CFO, Catcha Digital Media

- ✓ Helmed by serial entrepreneurs with extensive M&A and operating experience in Digital sectors
- ✓ Majority-backed by Catcha Group, a leading digital group with strong track record in private & public capital markets as well as scaling companies across Southeast Asia, Australia and the US | 6 IPO + 92 M&A over 25 years.
- ✓ Team has significant skin in the game to ensure shareholder-management alignment

# Operating case study: Creating the leading online automotive group in SEA



**CATCHA GROUP**

**Catcha founded iCar Asia IPO on ASX**



- Acquired Carlist (#1 auto classifieds in MY), Mobil123 (#1 auto classifieds in ID) & Autospinn (leading auto content site in TH)

- Acquired Live Life Drive (leading auto content site in MY)
- Acquired ThaiCar (#2 auto classifieds in TH)

- Carsales (ASX: CAR) acquired a 20% strategic stake

**10,000% increase from Mkt. Cap at IPO**

- 7.5m monthly unique visits
- New CEO – Hamish Stone coming from eBay & GumTree

- Acquired one2car (#1 auto classifieds in TH)
- 4.1m monthly unique visits

- 12m monthly unique visits
- Introduced C2B car auction platform

- Acquired Carmudi Indonesia (#2 auto classifieds in ID)

- Non-binding takeover offer from Autohome (NYSE: ATHM), the largest automotive platform in China

- Carsome outbids Autohome and placed a non-binding takeover offer for iCar Asia to create the largest digital automotive group in SE Asia

**Carsome completes the acquisition of iCar Asia for a purchase price of RM890m**



Source: Company filings, Company press release

Note: MY: Malaysia, ID: Indonesia, TH: Thailand; monthly unique visits data include unique visits to all iCar sites; iCar Asia acquired for US\$200m (converted at USD/MYR 4.45)

# Operating case study: Creating the leading online real estate group in SEA



**CATCHA GROUP**

Catcha founded iProperty Group IPO on ASX



**30,000%**  
increase in Mkt. Cap  
from IPO

REA Group acquires iProperty at a valuation of RM2.3bn

- Acquired property portal in Hong Kong

- Acquired property expo in Malaysia/Singapore

- Acquired portals in Singapore & Malaysia

- Acquired property expo business in Hong Kong

- Investment by SeLogger, an Axel Springer subsidiary

**axel springer - SeLogger**

- Mobile focused strategy pivot
- Acquired portal in Macau

- 1.6m monthly unique visits
- Acquired property expo business in Hong Kong

- 3.5m monthly unique visits
- EBITDA profitability in 3/5 countries
- Acquired competitor site in HK
- Investment by REA Group (ASX: REA), a News Corp subsidiary

- 4.0m monthly unique visits
- Acquired 2 portals in Thailand

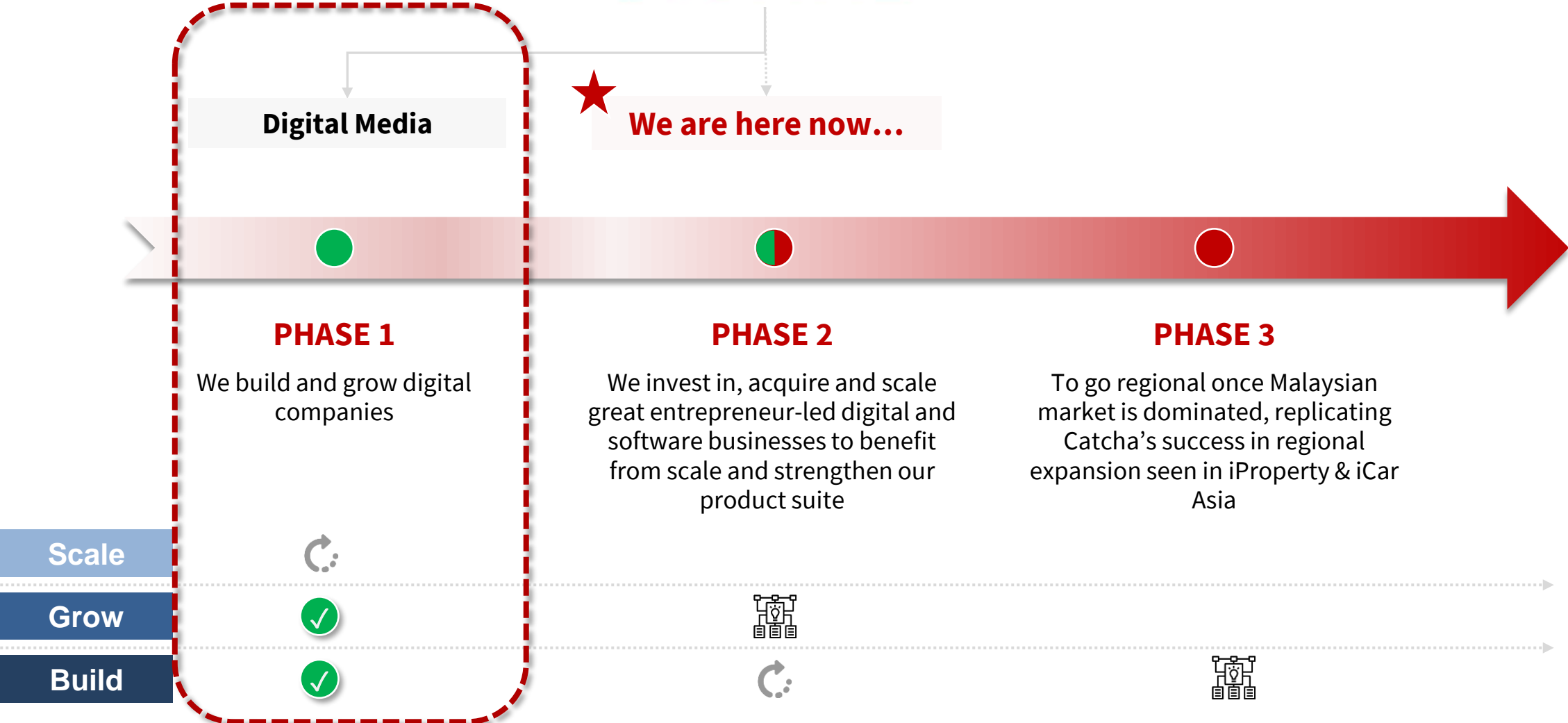


Source: Company filings, Company press release; iProperty Group acquired for A\$751m (converted at AUD/MYR 3.05)

# Case Study of our 1<sup>st</sup> Platform Acquisition

# We do it by building, growing and scaling leading digital companies in SEA

## CATCHA DIGITAL



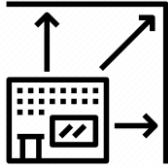
# Programmatic M&A starts with objective-driven acquisitions

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### Platform Acquisitions



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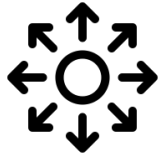


**Sufficient scale** either at acquisition or through focused buy-and-build

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# Programmatic M&A starts with objective-driven acquisitions

## CATCHA DIGITAL

### Platform Acquisitions



### Add-on Acquisitions



# Case Study: iMedia as the Platform acquisition, upon which more accretive add-on acquisitions are added



We acquired the **Platform Company**, iMedia at **RM44m valuation**

At Acquisition  
2021<sup>[1]</sup>

**12.0x**  
P/E ratio<sup>[2]</sup>

**RM3.7m**  
FY21 PATAMI

**RM22.8m**  
FY21 Revenue

**16.2%**  
PATAMI MARGIN



**Driven by**

- *Revenue Growth*
- *Operational & Cost Improvement*
- *Successful M&A*



Implied based  
on latest  
financials

**7.5x**  
P/E ratio<sup>[2]</sup>

**RM5.9m**  
FY23 PATAMI

**RM29.6m**  
FY23 Revenue

**19.9%**  
PATAMI MARGIN

38% reduction in effective valuation after 2 years shows significant value creation

[1] Year when deal was agreed with vendors

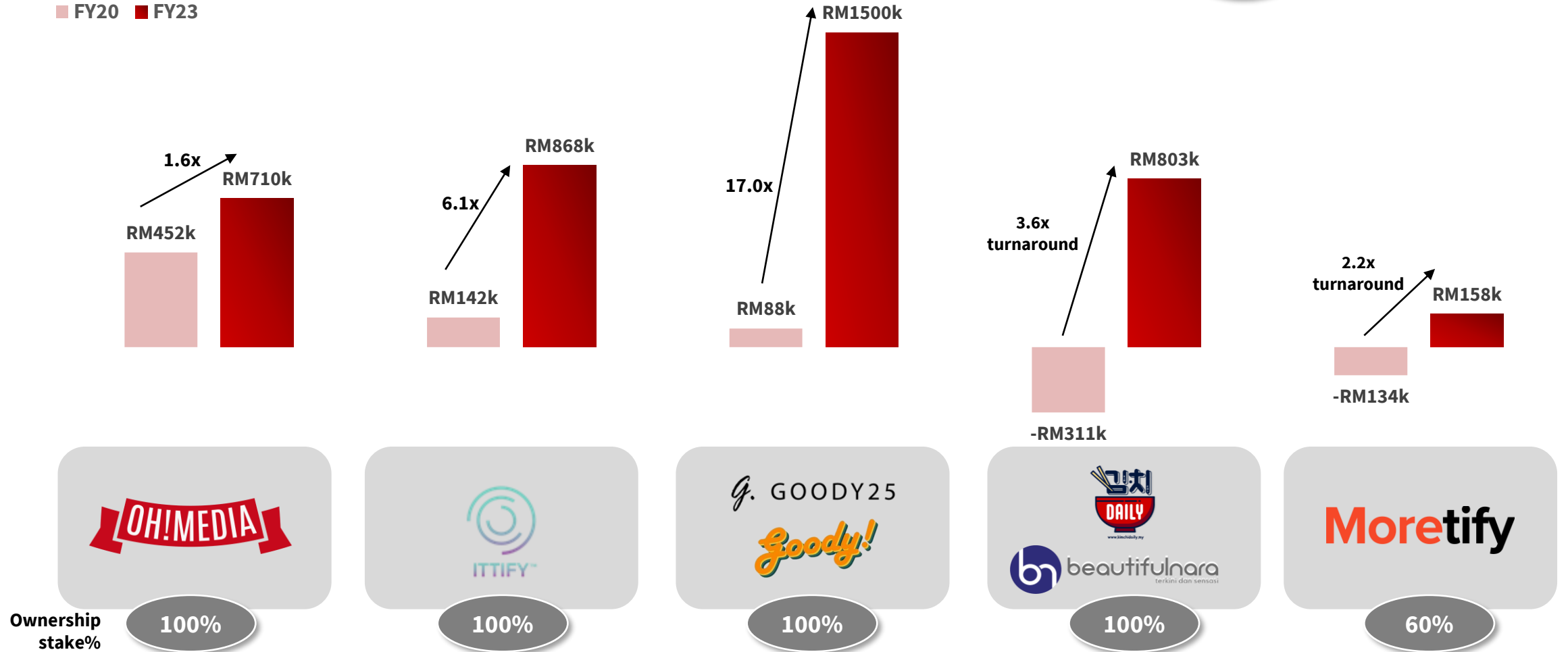
[2] Based on Profit After Tax and Minority Interest (PATAMI)

# Validated by tremendous value creation for add-on acquisitions

- ✓ Profit After Tax (PAT) saw significant uplift after acquisition, some experienced complete turnaround
- ✓ Evidence of successful value creation and synergy extraction

■ FY20 ■ FY23



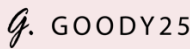



○ Ownership stake%



FY20 represents the year of acquisition for all the brands listed

Goody25 and Goody! are sister brands under the same entity; KimchiDaily & BeautifulNara are sister brands under the same entity





# Summary of Add-on Acquisitions

Company	Brands	Acquisition Year	Current Shareholding (%)	Total Consideration Paid (RM)	Transaction(s) Involved	P/E at Initial Acquisition (x) <sup>[1]</sup>	Blended P/E based on FY23 PAT <sup>[2]</sup>
Oh Media Sdn Bhd		2020	100%	2,800,000	Acquired initial stake of 80% and exercised call option to acquire balance 20% stake	<b>4.4x</b>	<b>3.9x</b>
Ittify Sdn Bhd		2020	100%	5,470,000	Acquired initial stake of 51% and exercised call option to acquire balance 49% stake	<b>28.2x</b>	<b>6.3x</b>
Goody Technologies Sdn Bhd	 	2020	100%	4,788,000	Acquired initial stake of 60% and exercised call option to acquire balance 40% stake	<b>35.0x</b>	<b>3.2x</b>
Nara Media Sdn Bhd	 	2021	100%	5,445,000	Acquired initial stake of 90% and exercised call option to acquire balance 10% stake	<b>Loss-making</b>	<b>6.8x</b>

[1] Based on PAT of acquisition year

[2] Calculated as total consideration paid divided by PAT of FY23

# Summary of Add-on Acquisitions (Cont'd)

Company	Brands	Acquisition Year	Current Shareholding (%)	Total Consideration Paid (RM)	Transaction(s) Involved	P/E at Initial Acquisition (x) <sup>[1]</sup>	Blended P/E based on FY23 PAT <sup>[2]</sup>
Moretify Sdn Bhd		2021	60%	1,950,000	Acquired initial stake of 60%; still holding call option for balance 40% stake	Loss-making	<b>12.4x</b>
Headline Media Sdn Bhd	 	2023	30%	1,235,000	Acquired initial stake of 30%; still holding call option for 50% stake	68.6x	-
TR Media Bytes Sdn Bhd		2024	70%	665,000	Acquired initial stake of 70%; still holding call option for balance 30% stake	Not meaningful, newly incorporated entity	-

[1] Based on PAT of acquisition year

[2] Calculated as total consideration paid divided by PAT of FY23

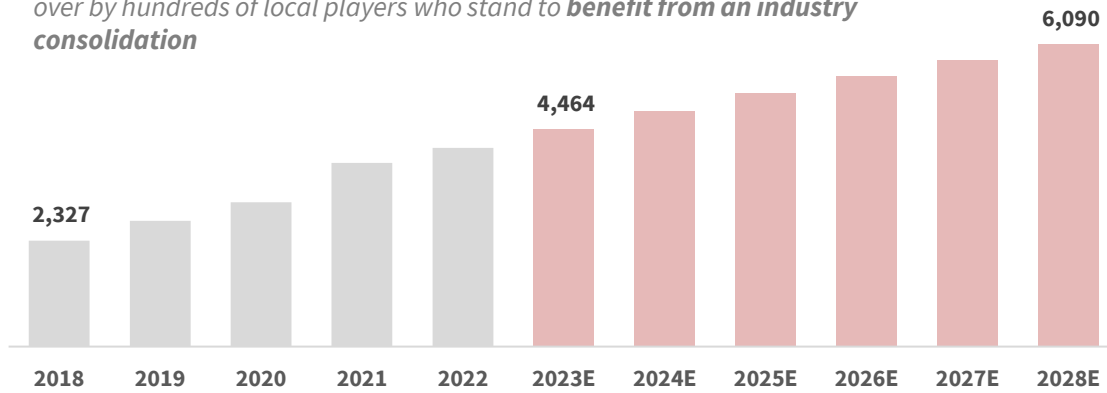
**Looking Ahead...**

# DIGITAL MEDIA

# Digital media advertising has been growing rapidly while traditional media companies struggle to perform in the fast-changing media landscape

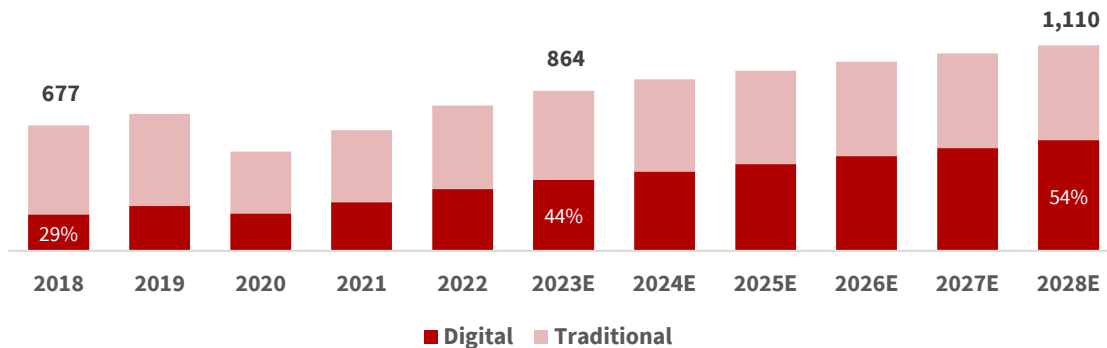
## Malaysia Digital ADEX 2018-2028E<sup>1</sup> (RM m)

Yet more than half of ad spend goes to Meta & Google, while the balance is fought over by hundreds of local players who stand to **benefit from an industry consolidation**



## Malaysia Out-of-Home ADEX 2018-2027E<sup>2</sup> (RM m)

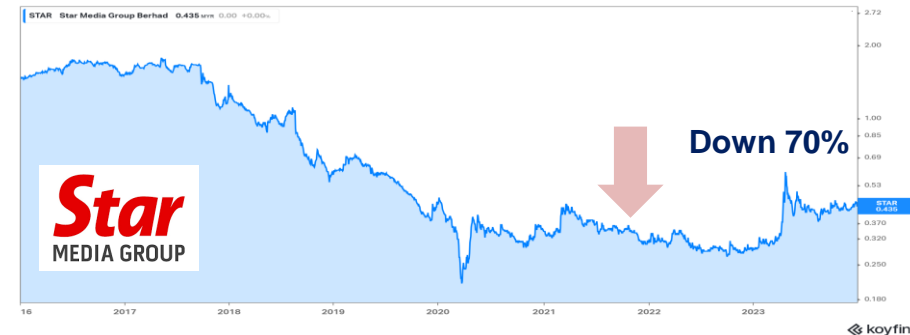
We estimate top 5 players to control 40% of industry revenue, while the remainder are spread across hundreds of smaller players who are mostly sub-scale



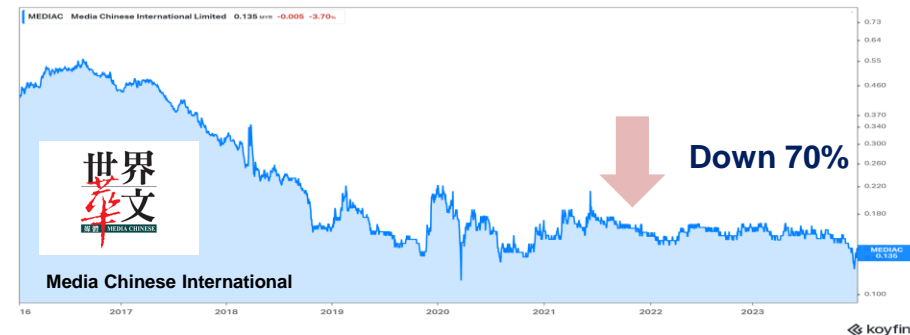
## Traditional media players are seeing massive shrink in value in the past 6 years due to the shift to digital



**Market Cap**  
2016: RM1,460m  
2023: RM516m



**Market Cap**  
2016: RM1,710m  
2023: RM315m



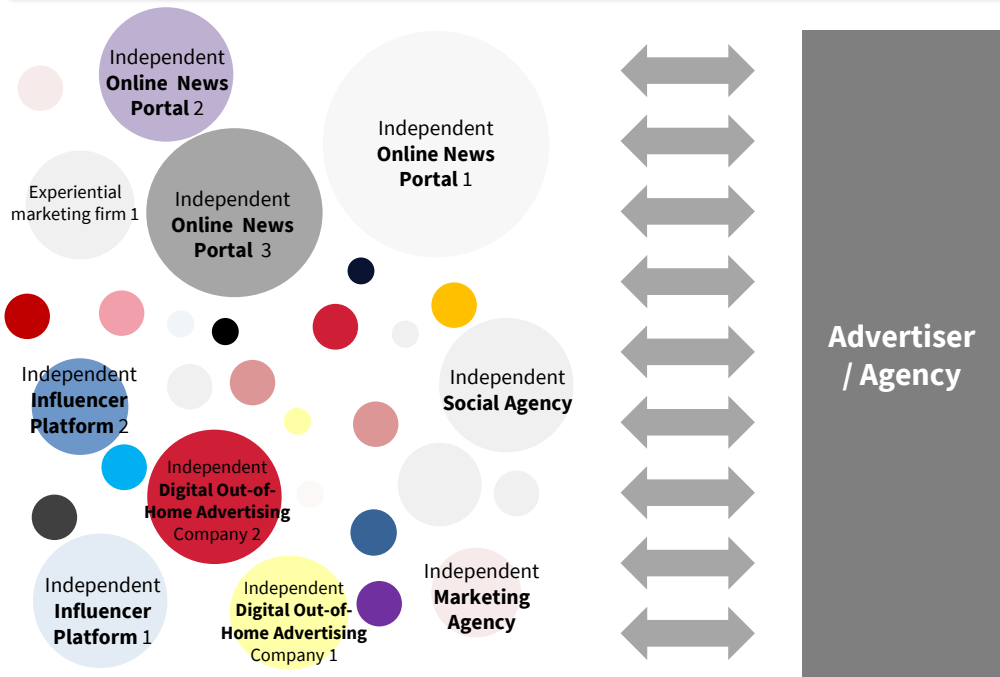
**Market Cap**  
2016: RM1,372m  
2023: RM227m

Note: (a) Facebook & Google ad spend are based on estimate of global digital advertising expenditure (ADEX) market share (b) Market capitalisation as at 4 Jan 2016 and 29 Dec 2023, extracted from Koyfin & Capital IQ

Sources: [1] Statista [2] Statista

# Catcha Digital Media to be the LARGEST digital media group by consolidating the highly fragmented sector

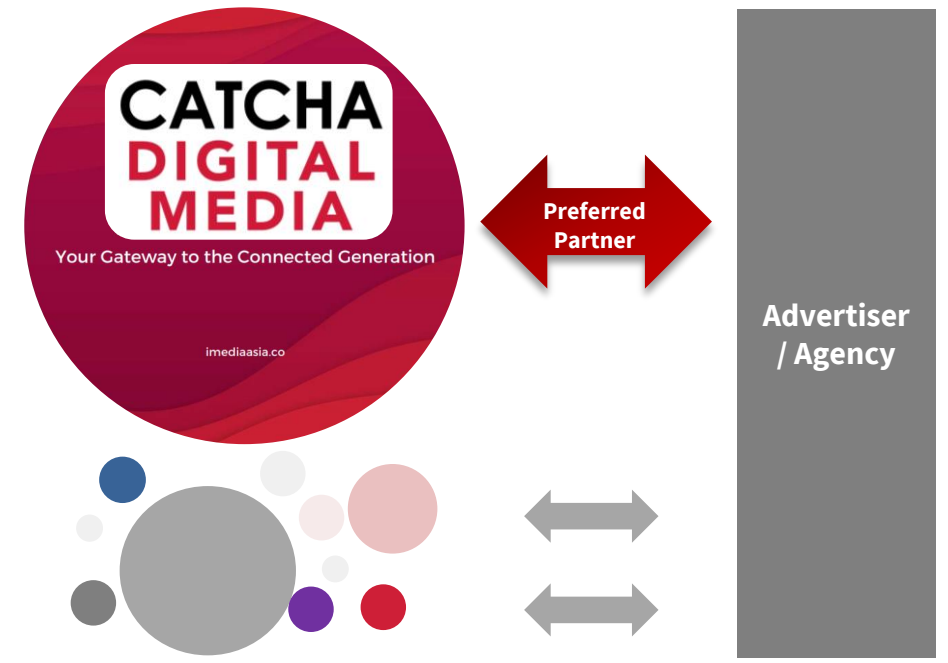
## Highly Fragmented Sector










Each circle represents a different independent player, size of circle denotes company size



## To benefit significantly from consolidation



-  Many independent players that are **founder-led, sub-scale and under-funded**; they have great product and content but unable to monetise effectively
-  **Struggle to monetise** as advertisers/agencies do not like dealing with multiple parties; small players lack the benefit of selling as a bundle / cannot afford effective sales team
-  All competing for the “small pie” untouched by the global tech giants

-  Catcha Digital Media to be the a “**one-stop shop**” by being the leading offline-to-online integrated digital media player
-  **Significant bundling/upselling opportunities** (multiple languages, products and services) as relationships deepen; to grab a greater share of the advertising budget
-  Centralization to enable resource capital allocation and **cost synergies**
-  Product-focused and content-focused founders can focus on what they are best at

# Catcha Digital Media Overview Today

## Brand Owners (Customers)

and many more...

Customer deals with only one party

## CATCHA DIGITAL MEDIA

To enjoy a comprehensive and integrated suite of digital media solutions

## Digital Media Publishers

Acquired these 14 digital media brands

Sales representation for leading news and lifestyle sites

### Influencer Marketing

### Digital Agency (Creative + Performance)

Incubated in-house in 2022

LOI Signed - due diligence

## Online-to-Offline ("O2O")

### Experiential Marketing

Partnerships with

### Digital Out-Of-Home

**Build** - 1<sup>st</sup> screen live (Jalan Tun Razak)  
**Partner** - Glenmarie, Federal Highway, LDP, Penang Autocity

# Reaching half of Malaysians across all demographics

**17.6m**  
people

Visit our websites on a monthly basis

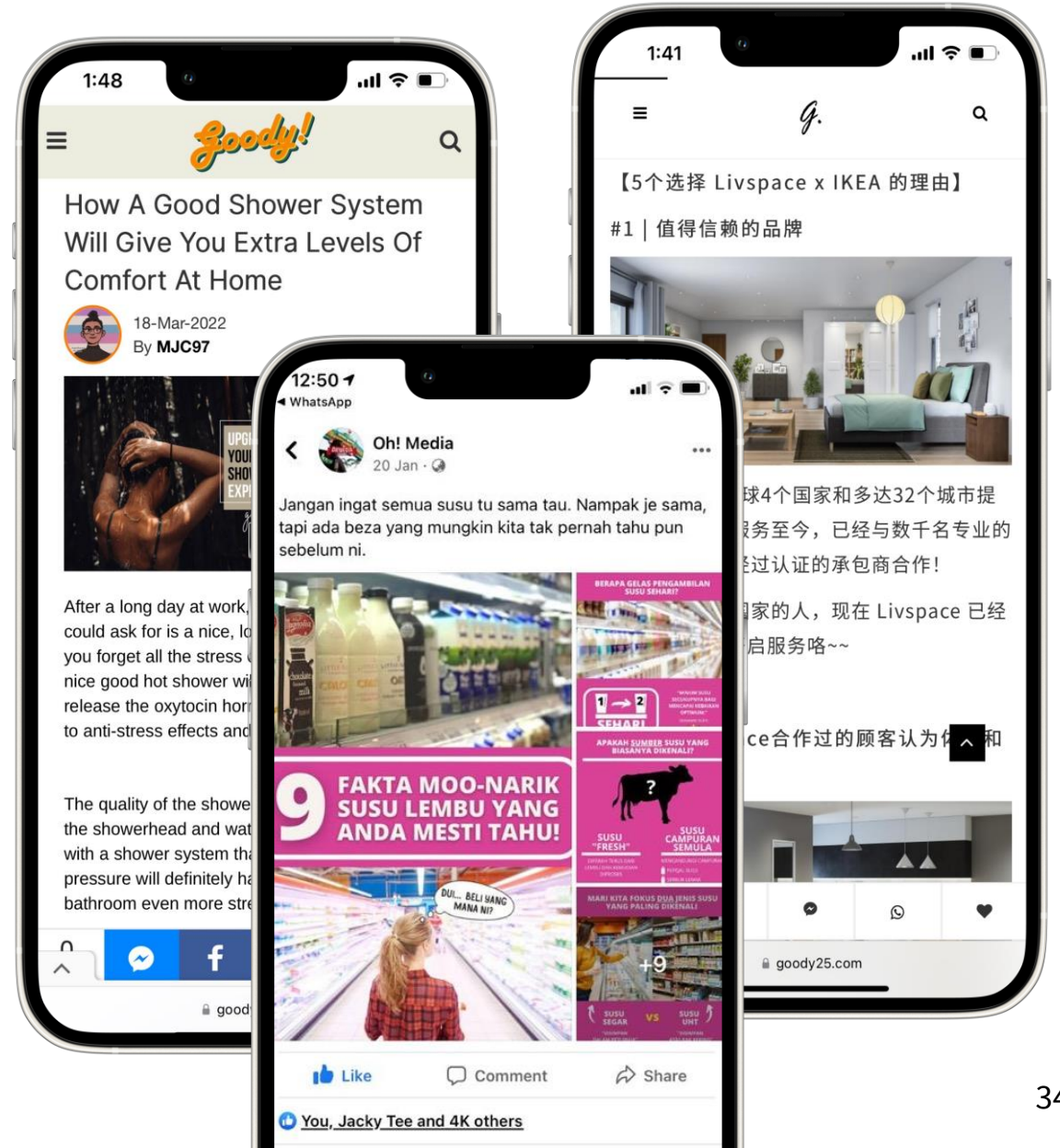
**14.6m**  
followers

Social audience on Facebook, Instagram and Tiktok combined

**3**  
Languages  
(Malay, English, Chinese)

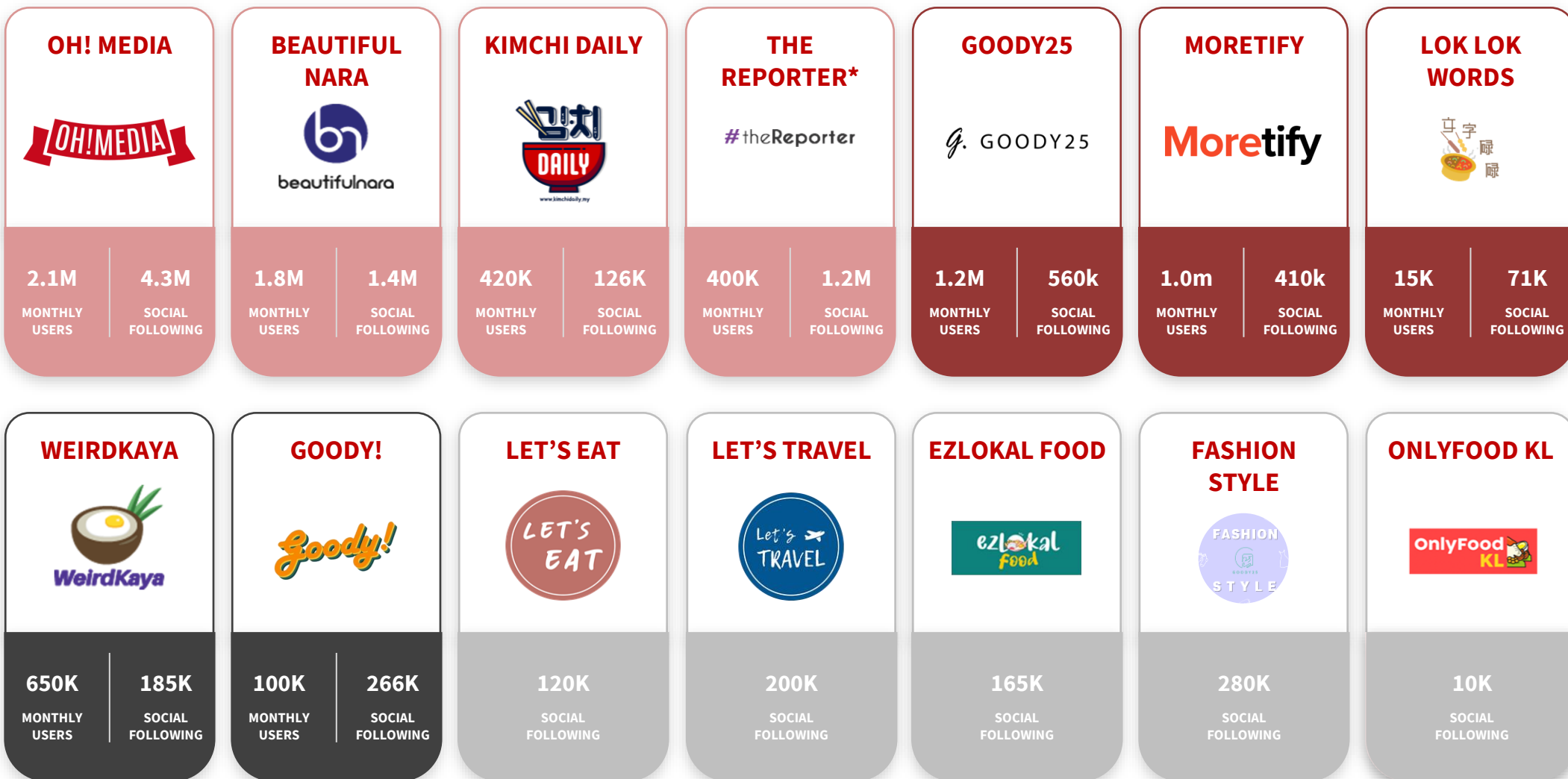
Wide audience coverage split by language, age and gender

Includes brands represented but not owned by iMedia

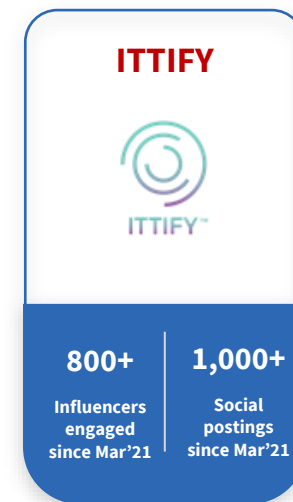


# Our wholly or majority-owned online news portals and influencer marketing platform are highly synergistic with significant reach

## Digital Media



## Influencer Marketing Platform

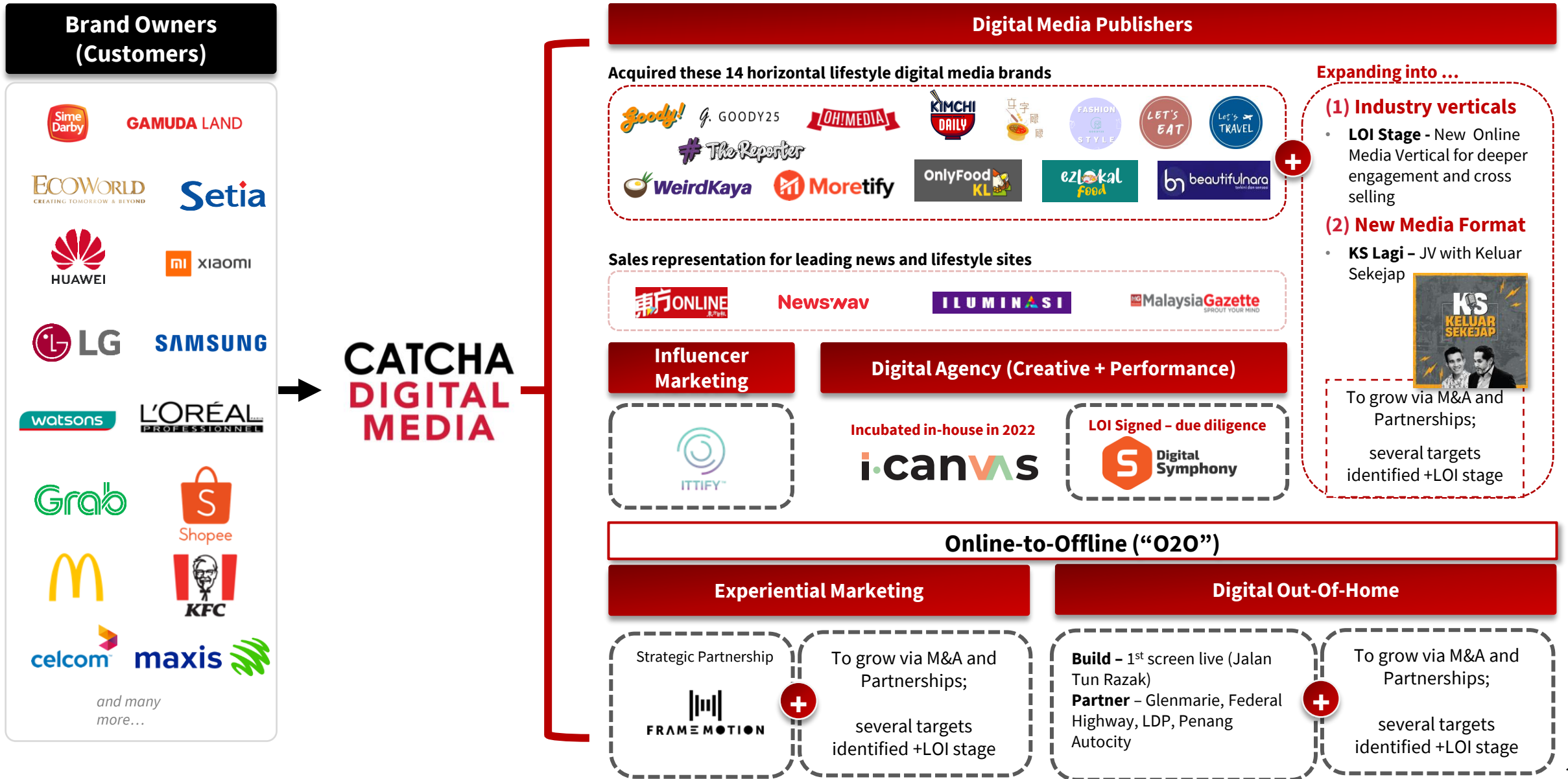


Target audience:

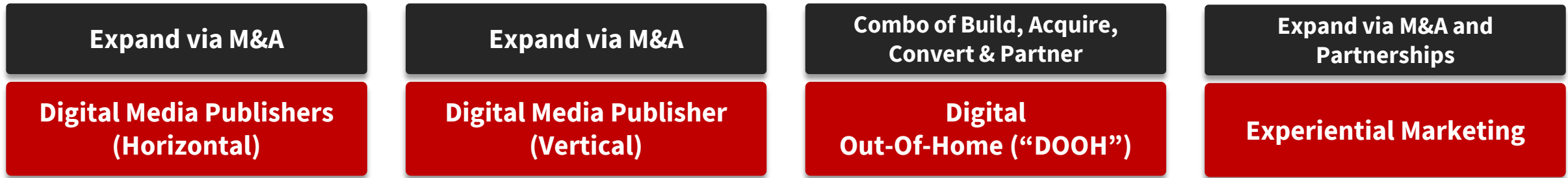
- Malay
- Chinese
- English
- Niche Verticals

\*Note: LOI for acquisition of a 70% equity in TR Media Bytes Sdn Bhd ("The Reporter") has been announced, due diligence is ongoing

# Doubling down to offer a one-stop online-to-offline digital media solutions offers better value and convenience to customers



# Digital Media M&A Approach: Accretive M&As and partnerships to broaden our advantage as the leading one-stop digital media solutions provider



## Rationale

- |   |   |  |  |
|---|---|--|--|
| <ul style="list-style-type: none"><li>• Acquiring brands with minimal overlap w/ existing brands to strengthen product suite and improve bundling potential</li><li>• Many independent players with poor sales network, hence great upside from consolidation</li></ul> | <ul style="list-style-type: none"><li>• Massive cross-selling potential with existing and new clients with more engagement and reach</li><li>• Strengthen product suite</li></ul> | <ul style="list-style-type: none"><li>• Massive cross-selling potential due to high customer overlap</li><li>• Strengthen product suite</li><li>• Provide online-to-offline integration to advertisers</li><li>• Many independent players with poor sales network, hence great upside from consolidation</li></ul> | <ul style="list-style-type: none"><li>• Massive cross-selling potential with existing and new clients with more engagement and reach</li><li>• Provide online-to-offline integration to advertisers</li><li>• Strengthen product suite</li></ul> |
|---|---|--|--|

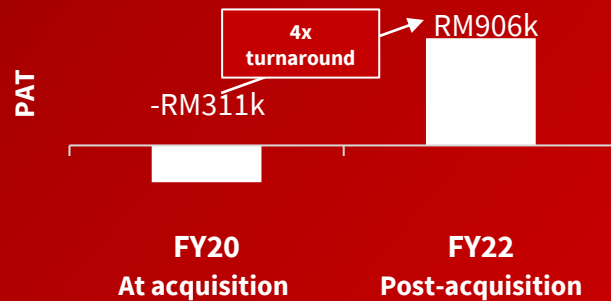
**Broaden CDB’s advantage as the leading one-stop O2O digital media solutions provider**

# Former Owner's Testimonials: Tremendous value creation from consolidation



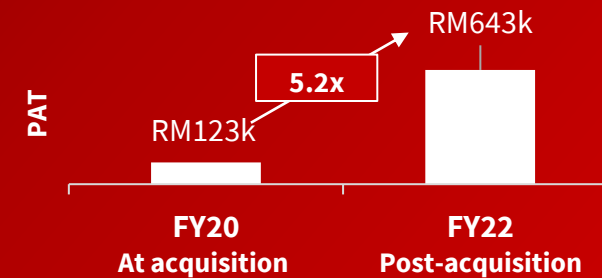
## Shahzeeq Shahren CEO & Co-Founder of Nara Media

“In 2020, iMedia acquired a majority stake in Nara Media Sdn Bhd. The company has seen **tremendous growth** post-investment, financially and from a resource perspective. We now have access to **iMedia’s fleet of sales team, ad operations, finance and other talented people** where we share and exchange key learnings of the industry. While acquisitions may just sound like a monetary agenda, in this case it is beyond that. My ambition prior to this acquisition was to see the company transcend towards greater things in the digital space, and I know we are definitely on the right track.”



## Tan Guan Sheng CEO & Co-Founder of ITTIFY

“ITTIFY has grown and benefitted under the consolidation of iMedia Asia. ITTIFY was able to gain **access to huge clientele** who otherwise wouldn't have been available as an independent company. This consolidation has helped ITTIFY **gain economies of scale, cost savings** that come from increased revenue while lowering cost of sales. As part of the media empire, ITTIFY was able to bundle its services with the other companies within the group to provide game-changing and comprehensive media services. ITTIFY also gained access to high calibre talents and technology within the iMedia, allowing the younger colleagues to learn from and grow.”



# CATCHA DIGITAL

Digital Media



We are here now...



## PHASE 1

We build and grow digital companies

## PHASE 2

We invest in, acquire and scale great entrepreneur-led digital and software businesses to benefit from scale and strengthen our product suite

## PHASE 3

To go regional once Malaysian market is dominated, replicating Catcha's success in regional expansion seen in iProperty & iCar Asia

Scale



Grow



Build



**SOFTWARE**

# Software: Asset-light B2B software businesses with proven financial track record and a management fit



## Business Characteristic

- Business-to-Business offering
- Niche solutions with small TAM in a large industry
- Mission critical
- High switching cost

## Financial Characteristic

- High cash conversion
- Asset-light business model
- Proven profitability track record
- Predictability

## Investment Characteristic

- Solid margins
- Reasonable valuation
- Performance guarantee from seller

## Organisational Characteristic

- Strong management
- Fit with CDB Culture
- Committed entrepreneur or credible succession plan

# In talks to acquire a controlling stake banking loan software

## Profile of TargetCo



- Provides **end-to-end loan origination software** on a single integrated platform to financial institutions across the world
- Clients use its software to power its day-to-day loan operations and automate their workflow from prospecting, KYC screening, underwriting, fulfilment to funding.



- Established in 1999 in Malaysia



- Clientele spans **leading financial institutions** across Asia, Europe and North America

## Investment Highlights



- Strong product with **loyal global client base** (Made in Malaysia)



- Seasoned management team



- **Mission-critical software** with predictable revenue stream



- Favorable sector tailwind



- Attractive financials and cash generation



# **Appendix: Financial Performance (Q1'FY2024)**

# Catcha Digital Berhad Financial Performance

Catcha Digital Berhad ("CDB")	Q1FY23	Q2FY23	Q3FY23	Q4FY23	Q1FY24
	RM'000	RM'000	RM'000	RM'000	RM'000
Net Revenue	2,926	6,957	7,190	6,500	<b>8,783</b>
Cost of Sales	(816)	(1,970)	(2,439)	(2,144)	(3,013)
Gross Profit	2,110	4,987	4,752	4,356	<b>5,770</b>
Net Operating Expense	(1,367)	(3,432)	(3,942)	(3,896)	(3,671)
Profit before Tax	723	1,565	805	487	<b>2,100</b>
Tax Expense	(203)	(684)	(255)	(376)	(585)
Profit after Tax	520	880	550	110	<b>1,515</b>
Non-controlling Interests	(121)	(243)	(224)	(9)	(49)
Profit after Tax and Minority Interest	399	637	326	101	<b>1,466</b>
Gross Profit Margin	72%	72%	66%	67%	66%
PBT Margin	25%	22%	11%	7%	24%
PAT Margin	18%	13%	8%	2%	17%
PATAMI Margin	14%	9%	5%	2%	17%

# Thank you

Catcha Digital Berhad  
Co-Labs Coworking The Starling Plus, Lot PT297, Level 4 Uptown 7, Jalan SS 21/39,  
Damansara Utama, 47400 Petaling Jaya, Selangor

For enquiries, please email [eric@catchadigital.com](mailto:eric@catchadigital.com)

**CATCHA**  
**DIGITAL**