



23 NOV, 2022

OpenSys revenue grows 34.0 per cent in 3Q22

Borneo Post (Kuching), Malaysia



Page 1 of 2

OpenSys revenue grows 34.0 per cent in 3Q22

KUCHING: utilities solutions provider OpenSys (M) Bhd (OpenSys) reported a 34.0 per cent surge in revenue in the third quarter ended September 30, 2022 (3QFY22) to RM19.9 million from RM14.8 million in the previous year, mainly attributable to the solid growth in hardware sales from Cash Recycling Machine (CRM) and increasing demand for maintenance services on CRMs.

The higher rollout of CRMs in banks spurred a five-fold jump in hardware sales to RM4 million in 3QFY22 from RM0.7 million the previous year.

Meanwhile, revenue from the group's largest contributor of solutions and services segment increased 12.7 per cent year-on-year to RM15.9 million from RM14.1 million, driven by the group's maintenance services for CRMs.

These two factors, together with new revenue generated from Smart Cash-In-Transit (SmartCIT) services for Tenaga Nasional Berhad (TNB), led to an improvement of 3QFY22 net profit to RM3.2 million from RM3 million previously.

For the nine-month period ended September 30, 2022 (9MFY22), group revenue and net profit increased 27.6 per cent and 12.2 per cent respectively to RM55.5 million and RM8.6 million, from RM43.5 million and RM7.6 million respectively a year ago.

Opensys chief executive officer Eric Lim, said: "This is yet another outstanding performance from OpenSys, as our CRM rollout remained strong and resilient for four consecutive quarters, with sales reaching a new high this quarter.

"Our healthy orderbook will strengthen OpenSys' financial performance for the remainder of FY22, barring any unforeseen circumstances.

"With the rollout of SmartCIT at TNB's retail outlets now completed, our SmartCIT segment will contribute full-year

earnings in FY2022 and add to the Group's recurring revenue stream from hereon. Overall, our outlook remains positive, thanks to continued progress in our new technology solution segments and increased demand for CRMs."

CRMs are dual-function machines used in banks and financial institutions to replace standalone cash deposit and dispensing machines.

It allows deposited cash to be recycled and re-distributed to customers that withdraw cash, increasing operational efficiency and uptime as well as saving banks up to 30 per cent on operating costs.

Meanwhile, the SmartCIT is a secure logistic solution that revolutionizes and democratizes the traditional Cash-In-Transit (CIT) business.

The platform combines conventional CIT services with cutting-edge IoT-based secure logistics solution that provides a real-time dashboard view of critical management information on collection schedules, balancing, and reconciliation.

In 2021, the group secured its first SmartCIT project with TNB to provide one-stop collections and service management for 114 retail outlets nationwide. OpenSys SmartCIT has been successfully implemented and deployed in all locations to date.

By implementing this solution, TNB is able to gain better insight into cash flow and use analytics-based engines to manage its cash cycles for better liquidity.

Lim added: "We will continue to focus on growing the new revenue streams of SmartCIT, Branch of The Future Solutions, buySolar online marketplace, merchant acquiring services and e-wallet top-up kiosks to further improve the top and bottom lines.

"Barring any unforeseen circumstances, we anticipate that the Group's business performance and operations in the FY2022 to be satisfactory."