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CREDIT BUREAU ASIA LIMITED (SGX: TCU)

Initiation of Coverage | 23 July 2025		**Rating:**	**BUY**
Analyst : Jaimes Chao		**Last Close:**	**S$1.330**
+65 6011 1700 | research@tickrs.com.sg		**Target Price:**	**S$1.650**
		Upside:	**24%**

Credit Bureau Asia – Buy Ahead of the Crowd

Investment Summary

Company Overview: Credit Bureau Asia Ltd ("CBA") is a leading provider of credit and risk information solutions in Southeast Asia, operating consumer credit bureaus and commercial credit data services across Singapore, Cambodia, Myanmar, and Malaysia. CBA's unique, defensive business model benefits from increased credit transaction volumes during economic booms and resilient demand for risk assessments during downturns. The company was listed on SGX Mainboard in Dec 2020 and has since grown revenue and profit every year despite pandemic and macro headwinds.

Sector Classification & Market Cap: CBA falls under Financial Services / Data Analytics. It is the only pure-play credit bureau stock on SGX, comparable to global peers like Experian and Equifax. As of July 2025, CBA's market capitalization is around S$310 million, with a free float of ~25% (founder Kevin Koo holds ~64% stake). The stock trades at ~27× trailing P/E and ~5.1× P/S, broadly in line with regional peers.

Recommendation: BUY – We initiate coverage with a **12-month target price of S$1.65**, implying ~24% upside from the current share price (~S$1.33). Our target is derived from a blended valuation: ~30× FY2025E earnings, ~18× EV/EBITDA, and a DCF analysis. This reflects CBA's high-margin, cash-generative business and strong growth prospects, while acknowledging its smaller scale relative to global peers. CBA's valuation is at a slight discount to global credit bureau players (Experian ~32× forward P/E, Equifax ~22× forward P/E) despite superior ROE and a dominant local market position.

Key Catalysts:

(1) **Regional Expansion –** Entry into new ASEAN markets (e.g. planned Vietnam JV) could unlock significant growth. CBA is actively exploring acquisitions/JVs in Asia Pacific and signed MOUs for Vietnam and cross-border China collaborations.

(2) **Digital Partnerships –** Renewed 5-year alliance with Dun & Bradstreet in 2024 and potential fintech partnerships enable CBA to monetize its extensive data via new analytics, credit scoring and cross-border products.

(3) **Regulatory Tailwinds –** Governments are mandating more credit reporting (e.g. Singapore's new Credit Bureau Act licensing in 2025) and promoting financial inclusion, which expands CBA's

addressable market. All five new digital banks in Singapore joined CBA's bureau by 2022, boosting usage.

(4) **Defensive Upside –** In economic uncertainty, demand for credit reports and monitoring rises as lenders tighten risk management, supporting CBA's revenues even if loan growth slows.

Key Risks:

(1) **Macroeconomic Slowdown –** A GDP growth slowdown in Singapore (official 2025 forecast 0–2%) or region could dampen credit activity. Mitigation: CBA's revenue mix is defensive – risk checks increase in downturns, partially offsetting lower new loan volumes.

(2) **Geopolitical/Trade Risks –** Renewed US-China trade tensions or tariffs could hurt business sentiment. Mitigation: CBA's exposure is primarily domestic/ASEAN and diversified across industries, insulating it from any single trade flow.

(3) **Technological Disruption –** Emergence of alternative data and AI-driven credit scoring platforms may bypass traditional bureaus. Mitigation: CBA is adapting by integrating new data (e.g. rental, telco info) and partnering with fintech/alternative scoring providers, leveraging its trusted brand and regulatory position.

(4) **FX & Frontier Market Risks –** Operations in Cambodia and Myanmar entail currency and political risk. Mitigation: Transactions in these markets are often USD-based and CBA's diversified ASEAN presence limits any single-country impact.

(5) **Small-Cap Liquidity –** ~75% of shares are held by insiders and strategic investors, leaving a limited public float (~25%). This can cause stock illiquidity and volatility. Mitigation: The company's consistent dividends (3.0% yield) and increasing investor awareness (e.g. inclusion in Forbes "Asia's Best Under A Billion" list) help support shareholder interest.

FY2025e Forecasts: We project **FY25 revenue of ~S$66 million** (+11% YoY) and **net profit (attributable) of ~S$13.0 million** (+16% YoY). This equates to **EPS of ~5.7 Singapore cents** (up from 4.88¢ in FY24). We expect CBA to **raise DPS to ~4.4 cents** (from 4.0¢ in FY24) given its ~80% payout policy, which would still leave ample retained cash for expansion. ROE is forecast around **22–24%** (vs ~21% in FY24) on higher earnings leverage and efficient capital use. CBA's net cash position (~S$63M cash, no debt) provides capacity for both continued dividends and bolt-on acquisitions.

Company Overview

History & Evolution: CBA's origins date back to 1995, when founder Kevin Koo established Infocredit, a credit information bureau in Singapore. Over the next two decades, the business expanded regionally through joint ventures and partnerships. Notably, CBA helped set up Credit Bureau Singapore (CBS) in 2002 as a JV between local banks (ABS) and Infocredit/partners, and later launched the first credit bureaus in **Cambodia** (2012) and **Myanmar** (2020) in partnership with those countries' banking associations. CBA was incorporated as a holding company in 2019 to consolidate these ventures and prepare for listing. It went public on SGX mainboard in December 2020. Since listing, CBA has achieved several milestones, including winning a mandate to operate Singapore's Money Lender Credit Bureau in 2020, signing an MoU to explore a Vietnam credit bureau JV in 2021, and being named among Forbes Asia's "Best Under A Billion" companies in 2024.

Business Segments: CBA operates two core segments:

- **Financial Institution Data Business (FI Data):** This segment comprises CBA's **consumer credit bureaus** serving banks and lenders. Through joint ventures, CBA runs the licensed credit bureaus in **Singapore, Cambodia, and Myanmar**, providing member financial institutions with credit reports on individuals and businesses. The bureaus maintain up-to-date credit databases contributed by members (banks, microfinance, leasing firms, etc.) – as of end-2024, CBA's bureaus had over **255 financial institution members** across these three countries. In Singapore, CBS is a dominant bureau (now officially licensed under the new Credit Bureau Act effective Apr 2025). CBA's FI Data segment benefits from quasi-monopoly positions – CBS is the **market leader in Singapore**, and CBA's JVs operate the **sole licensed bureaus in Cambodia and Myanmar**. Beyond raw credit reports, the bureaus offer value-added services like credit scores, portfolio monitoring, and analytics to their member banks.
- **Non-FI Data Business:** This segment provides **commercial credit information and risk management solutions** to corporates and SMEs in Singapore and Malaysia. CBA (via subsidiaries Infocredit and Dun & Bradstreet Singapore/Malaysia) serves over **6,000 corporate customers** as of 2024. Products include business credit reports, financial health scores, customer due diligence (KYC) reports, sales and marketing lead data, and even debt collection and receivables management services. CBA's database covers **580+ million business records globally** through its affiliation with the D&B Worldwide Network. The **D&B Singapore and D&B Malaysia** operations (majority-owned by CBA) give the Group a strong foothold in commercial credit bureau services, leveraging Dun & Bradstreet's international data while tailoring solutions for local clients. This segment also encompasses CBA's **Singapore Commercial Credit Bureau (SCCB)**, a proprietary platform launched in 2005 to provide credit information on local companies.

Geographic Footprint: CBA's core markets are Singapore (HQ), Cambodia, Myanmar, and Malaysia. Singapore and Malaysia contribute mainly via the Non-FI business (corporate data services), while Cambodia and Myanmar bureaus drive FI segment growth. CBA has also laid groundwork in **Vietnam**, signing an MoU with FiinGroup in 2021 to jointly develop credit analytics and potentially a private credit bureau. This indicates CBA's intent to expand into other ASEAN countries as opportunities arise. Additionally, in 2023 CBA entered a partnership to explore **cross-border credit bureau cooperation with China** (Chongqing government initiative), which may pave the way for serving Chinese companies in ASEAN or vice versa. Management has stated that inorganic growth via acquisitions or JVs in Asia Pacific remains a strategic focus.

Shareholding & Corporate Structure: Founder-chairman Kevin Koo (via his holding company) owns ~64% of CBA's shares, and Executive Director William Lim about 6%. The high insider ownership underpins long-term commitment but results in a smaller free float (~25%). CBA's operating structure features several joint-venture entities: **Credit Bureau Singapore (CBS)** is a JV between CBA's subsidiary

(Infocredit) and the Association of Banks in Singapore, with Equifax as a minority shareholder in Infocredit. **Credit Bureau Cambodia (CBC)** and **Myanmar Credit Bureau (MMCB)** are operated via JVs with local banking associations and strategic partners (Equifax also holds an indirect stake in the Cambodia JV). Meanwhile, **D&B Singapore and D&B Malaysia** are held through Infocredit and wholly-owned subsidiaries, making them part of CBA's consolidated operations. Overall, CBA typically holds majority or significant stakes (40–81%) in its operating entities, partnering with institutions (banks, Equifax, etc.) that provide local market access or technical expertise. This JV model has enabled CBA to become the entrenched bureau operator in multiple countries with relatively modest capital outlay. A trade-off is that a substantial portion of profits is shared with JV partners – in FY2024, **56% of net profit was attributable to non-controlling interests** (partners), reflecting the profit split in these joint ventures.

Investment Thesis

1. Dominant Niche Player with High Barriers to Entry: CBA enjoys *market-leading positions* in its operating markets, effectively functioning as the default credit bureau infrastructure in those countries. Its long-standing relationships with regulators and banks (e.g. backed by ABS in Singapore, central bank licenses in Cambodia/Myanmar) create formidable entry barriers. New entrants would face challenges in data access, regulatory approval, and network effects – lenders prefer a single centralized bureau. CBA's partnership with global giants (Equifax owns 49% of its Singapore JV, Dun & Bradstreet is a long-term collaborator) further discourages competition, as those major players have chosen to partner with CBA rather than compete locally. This entrenched position gives CBA a *wide moat* and pricing power in a niche segment. The company's credit databases – accumulating **decades of historical credit info** – are valuable and hard to replicate, ensuring customers remain locked in to CBA's platforms. Crucially, credit bureau services are often mandated by regulators or industry practice, meaning CBA's services are *non-discretionary* for banks (a structural "must-have"). These factors yield a recurring revenue model with high customer retention.

2. Defensive Growth with Sector Tailwinds: The credit information industry is benefitting from several macro trends. **Financial deepening in ASEAN** – as economies mature, consumer and SME lending grows, boosting demand for credit reports and scores. Many Southeast Asian markets are still underpenetrated: e.g., credit bureau coverage in frontier markets like Cambodia/Myanmar has room to expand as more institutions join (CBA had 255 FI members by 2024, up from ~200 in 2019). **Digitalization & fintech** are further tailwinds – the rise of digital banks, P2P lending, and BNPL means more lenders who require credit checks. In Singapore, the launch of digital banks in 2022 immediately translated into new membership for CBA's bureau. At the same time, **alternative data** and AI-driven credit scoring – initially seen as disrupters – are proving complementary. According to the World Bank, alternative data can *complement* traditional bureaus and even expand the credit market by including "thin-file" customers. CBA is well-positioned to incorporate such data (utility payments, e-commerce data, etc.) into its offerings, which can increase its value proposition to clients. Overall, the **global credit bureau industry is growing ~13.6% CAGR, reaching $140B** in size, reflecting robust demand for credit information. CBA's home markets should see steady bureau usage growth in the high-single to double digits, supported by new credit products (e.g. unsecured digital loans) and regulatory pushes for broader credit inclusion.

Importantly, CBA's business has a *defensive resilience*: During economic booms, more loans and credit accounts translate to more credit report pulls (transaction-driven revenue). During downturns, lenders intensify credit monitoring and risk reviews, *also driving bureau activity*. CBA notes that its revenue mix enables it to "benefit from increasing volume of credit transactions in a boom, whilst maintaining resilient streams during downturns as customers purchase more reports for risk mitigation". This counter-cyclical aspect was proven during COVID-19 and recent slowdowns – CBA's revenue and profit still grew each year. Therefore, investors get both **growth and defensiveness**, a rare combination.

3. Scalable Model with High Margins and Cash Flow: CBA operates an asset-light model with strong operating leverage. Once credit databases and IT systems are in place, serving additional report requests has low incremental cost. This yields **high EBITDA and profit margins**. In FY2024, CBA's consolidated profit before tax margin was ~51%, and EBITDA margin (ex-JVs) is estimated around 57%. Even after profit-sharing with JV partners, CBA's net margin to shareholders was ~19% of revenue – still healthy and improving with scale. The company converts most of its earnings into free cash (low capex needs, as the main "asset" is data). Cash conversion is aided by negative working capital (customers often prepay or pay promptly for subscriptions). As a result, CBA has amassed **S$63M net cash** by end-2024, equivalent to ~20% of its market cap, despite paying generous dividends. This strong cash position and ongoing cash generation provide *optionality* – CBA can fund expansion (new bureau ventures or tech upgrades) internally, while continuing to reward shareholders. The high-margin profile is sustainable given CBA's near-monopoly status in its niches and the value of its data (credit reports are critical information, for which clients are willing to pay recurring fees). Going forward, any new markets or products CBA enters can ride on the existing infrastructure and know-how, supporting *operational momentum*. We forecast mid-teens EPS growth through 2025-2027, underpinned by steady top-line gains and stable cost structure, with potential upside if new ventures scale up.

In summary, CBA offers a **unique value proposition** as a small-cap that combines *monopoly-like market control, secular growth tailwinds, and robust financials*. It is a proxy for ASEAN's rising credit economy, with downside protection from its defensive usage patterns. These strengths form the basis of our **BUY** thesis, as we expect CBA to deliver consistent earnings growth (~12–15% p.a.) and high returns on equity (~20%+) over the forecast period, justifying a premium valuation.

Business Segment Analysis

CBA's revenue streams can be broadly divided into its **core credit bureau services (FI Data)** and **ancillary data services (Non-FI Data)**, roughly a 45/55 revenue split in FY2024. Below we analyze each segment's performance, composition, and outlook:

- **Financial Institution (FI) Data Business:** This segment (45% of FY24 revenue) covers *consumer credit bureau* operations and related products for financial institutions. Key revenue drivers here include: fees from member institutions for pulling credit reports, subscription fees for portfolio monitoring services, credit scoring fees, and membership dues. In Singapore, CBS charges banks per inquiry or via packages, and also earns from the Moneylender Credit Bureau contract (Ministry of Law) since mid-2021. In Cambodia and Myanmar, the credit bureaus earn from similar report fees paid by banks, MFIs, leasing firms, etc., often in local currency or USD. FY2024 saw *strong growth* in FI Data revenues – the segment's revenue increased ~10% to S$27.2M (estimated) on a broad-based rise in credit inquiry volumes across Singapore, Cambodia, and Myanmar. Notably, as economies reopened post-pandemic, bank lending activity picked up, leading to more credit checks. Additionally, **new members** joining the bureaus contributed: e.g. all 5 new digital banks in Singapore became CBS members by end-2022, and new rural credit operators joined in Cambodia. The FI segment's **profit before tax** grew ~10% in FY24 to S$15.1M, implying a high ~55% PBT margin. This reflects the fixed-cost leverage in bureau operations – major costs are IT systems (largely fixed) and staff, while revenue growth flows through to profit.

Within FI Data, **Singapore's CBS** remains the largest contributor to revenue and profit, given the higher number of banks and loan volume in Singapore. Singapore also offers expansion opportunities: from April 2025, CBS is formally licensed under the Credit Bureau Act, which solidifies its legal mandate and could allow introduction of new regulated products (e.g. credit score sharing with consumers). Meanwhile, **Cambodia's CBC** and **Myanmar's MMCB** are smaller but fast-growing: these bureaus are sole providers in nascent credit markets with double-digit growth in borrowers and loans. For instance, Cambodia's bureau membership expanded to ~170 institutions (including MFIs and rural lenders) by 2024, driving more report sales. One point to note is the **JV profit structure**: CBA owns 40% effective stake in CBC and ~51% in CBS (through Infocredit with Equifax), so a significant portion of FI segment earnings is attributed to partners (as reflected in the high non-controlling interest). Nonetheless, these JVs generate steady dividends to CBA (e.g. CBS and CBC regularly upstream profits, as indicated by dividend payables to NCI of S$3.1M in 2024). Looking ahead, the FI Data segment should continue mid-teens growth, fuelled by rising credit penetration and potential **new bureaus**: Vietnam is the prime candidate, where CBA's planned JV could tap a large unserved population. Any progress in Vietnam (pending regulatory approvals) would be a *significant upside* to FI segment growth beyond our base forecasts.

- **Non-FI Data Business:** This segment (approximately 55% of FY24 revenue) encompasses **commercial credit information, business intelligence, and other data services** sold to corporates. Under this umbrella, CBA (via **D&B Singapore, D&B Malaysia, and SCCB**) provides a wide array of products: *credit reports on companies*, international business background checks (leveraging D&B's 580M record database), credit ratings for SMEs, custom risk analytics, fraud detection data, compliance (KYC/AML) screening, and even marketing data services (e.g. lead generation lists). The segment also includes smaller services like debt collection for clients, and organizing credit seminars/training. Non-FI Data is a stable, mature segment in Singapore/Malaysia, but still delivered about 10% revenue growth in FY2024, reaching roughly S$32–33M. Growth drivers included increased demand for *credit risk solutions* from businesses navigating economic uncertainty – e.g. more companies purchased credit reports on their customers or suppliers to guard against defaults (a trend seen during

COVID and continuing amid global volatility). As CBA noted, customers perform more risk assessments and financial health checks in downturn periods, supporting this segment's sales.

A highlight in 2024 was the **renewal of the Dun & Bradstreet partnership** for another 5 years. This ensures CBA retains exclusive access to D&B's global data in Singapore and Malaysia, a key differentiator for its Non-FI services (multinational clients rely on D&B reports for overseas counterparties). The renewal likely came with updated terms or expanded scope to include new analytics tools from D&B. The Non-FI segment's profitability is also robust: we infer an EBITDA margin ~30-40%, though PBT margin is lower than FI segment because D&B units pay franchise fees to D&B and have higher operating costs. In FY2024, Non-FI Data segment PBT was reported around S$13.7M (FY23) rising to S$15.1M (FY24) (figures may include some inter-segment items). This segment contributes the majority of CBA's *consolidated* profit because CBA fully owns D&B Singapore/Malaysia (no minority leakage on those earnings).

Going forward, Non-FI growth might moderate to high single digits organically, but CBA is pursuing new *product adjacencies*: e.g. **data analytics consulting** for clients (custom scorecards, etc.), and a **Payment Bureau** in Singapore where businesses contribute trade payment data (mentioned in AR). The trend of digitalization and open data could allow CBA to incorporate more alternative data (e.g. telco bill payment histories) into its commercial credit reports, enhancing their value. Also, if regional trade picks up, demand for cross-border credit reports (via D&B network) will increase. We see this segment as a steady cash cow with modest growth and high cash generation, funding expansion of the FI segment.

Segment	FY2022 Revenue	FY2023 Revenue	FY2024 Revenue	FY2024 PBT Margin (approx)
FI Data Business	S$21.7M	S$24.7M	S$27.2M	~55% (PBT ~$15.1M)
Non-FI Data Business	S$26.9M	S$29.5M	S$32.5M	~46% (PBT ~$15.0M)
Total Revenue	**S$48.6M**	**S$54.2M**	**S$59.7M**	**51%** (Group PBT margin)

Table 1: Contribution of FI & Non-FI Business

JV Structures & Contributions: CBA's reliance on joint ventures in the FI segment means that not all revenue appears on CBA's consolidated topline. For example, **CBC (Cambodia)** and **MMCB (Myanmar)** are equity-accounted (only CBA's share of profit is recorded, not full revenue), whereas **CBS (Singapore)** is fully consolidated (through Infocredit) but with ~49% minority interest (Equifax + ABS). This accounting makes the FI segment's true scale larger than reported. In FY2024, if we include 100% of JV revenues, CBA's "economic revenue" would be higher by an estimated S$10+ million. The **JV model** has the advantage of local buy-in – regulators and banks prefer a bureau co-owned by local stakeholders. It also spreads risk and capital requirement. However, it means CBA's **attributable profit margin** is lower than the underlying business margins (since ~56% of FY24 net profit belonged to partners). Management has indicated they will maintain the JV approach for new markets like Vietnam (likely partnering with a local agency or consortium). Over time, CBA may **increase stakes** in some ventures if opportunities arise (for instance, if a partner divests, CBA could acquire more – much like Equifax's stake in Singapore was via acquiring prior partners). For now, we model the minority interest proportion to remain around 50% of FI segment profit.

The **outlook by segment**: FI Data should outpace Non-FI in growth (we estimate ~12–15% CAGR for FI vs ~5–8% for Non-FI next 3 years), shifting the mix slightly more toward FI. By FY2027, FI Data could be ~50% of group revenue, especially if Vietnam or other ASEAN ventures come online (a potential upside to forecasts). Non-FI will remain a crucial contributor to cash flow and provide diversification (its performance correlates more with number of registered businesses and compliance needs, rather than consumer lending). We also consider **adjacent revenues**: CBA has small revenue streams like *seminars, publications, and software licensing*. These are non-core (together likely <5% of revenue) and not material to valuation, so we have not detailed them – but they serve to enhance client engagement and branding.

In summary, CBA's two business pillars are both solid: the **FI Data bureau business** offers high growth and deep competitive moats in each country, while the **Non-FI commercial data business** offers stability, global reach (via D&B), and incremental growth. This balanced portfolio underpins CBA's resilient financial performance.

Financial Overview

Top-Line Growth: CBA has delivered consistent revenue growth over the past three years. Revenue rose from S$48.6 million in FY2021 to S$54.2 million in FY2023 and further to **S$59.7 million in FY2024**. This represents a 3-year CAGR of ~7.1%, with growth accelerating to 10% in 2024. Growth was **broad-based**, driven by increased credit report volumes in the **FI Data segment** — particularly as **lending activity rebounded post-COVID** — and steady demand in **Non-FI services** across corporate compliance and credit monitoring. While detailed geographic breakdowns are not fully disclosed, **Singapore and Malaysia collectively remain the core markets**, supported by meaningful contributions from **Cambodia and Myanmar**, which recovered strongly in FY2024 as their economies normalized.

Looking ahead, we forecast revenue of **S$66.0M for FY2025** (+10% YoY), **S$72.5M for FY2026** (+10%), and **S$79.8M for FY2027** (+10%). These assume steady high-single/low-double-digit growth in both segments, without yet factoring any major new market entry. Upside to these forecasts exists if Vietnam comes online by 2026 or if an acquisition is made. Each additional new bureau (of comparable size to Cambodia's, for example) could add S$3–5M annual revenue by year 2 of operations.

Profitability & Margins: CBA's profit has grown even faster than revenue, thanks to operational leverage. **EBITDA** (excluding JV share) in FY2024 is estimated at ~S$34M (57% margin). **Profit before tax (PBT)** was S$30.54M in 2024, up 14.5% from S$26.68M in 2023. The *PBT margin* expanded to 51.1% in 2024 from 49.3% in 2023. This is an exceptionally high margin, reflecting the data business economics. Even on a "economic PBT" basis (including 100% of JVs), margins are ~45-50%.

After taxes and minority interests, **net profit attributable to shareholders** (PATMI) came in at **S$11.24M for FY2024**, a 14.2% increase from S$9.84M in FY2023. (Note: The annual report shows "PATMI" of S$15.4M, which actually includes minority portions; the profit attributable to *owners* is S$11.24M). CBA's **effective tax rate** is around 16.5% (the mix of Singapore's 17% and lower rates in Cambodia, plus some JV profits taxed at source).

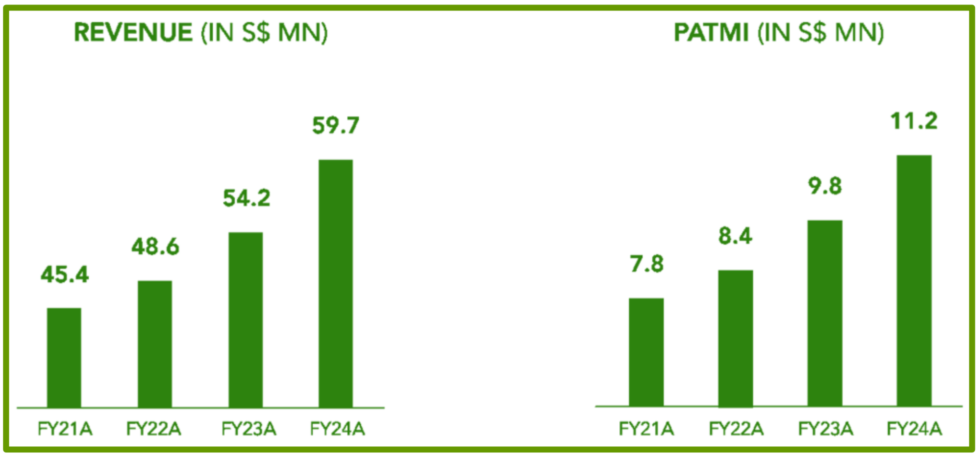

Figure 1: Revenue and PATMI Growth from 2021 to 2024

Key expense items: **Staff costs** were S$14.54M in 2024 (24% of revenue). CBA employs ~200 staff across the region, and while personnel expense grows with business, it has been well-controlled (headcount growth < revenue growth). **IT and data costs** (part of other operating expenses of S$13.0M) include software maintenance, D&B franchise fees, data security, etc., roughly 22% of revenue. **Depreciation & amortization** was S$4.71M – mainly amortization of capitalized software (CBA's proprietary bureau system) and some right-of-use asset depreciation (office leases). With capex modest, D&A is expected to remain around S$5M/year. There were negligible credit losses (write-back of $1k in 2024), indicating strong receivables quality (clients are largely financial institutions and corporates who pay reliably). **Finance income** of S$1.33M from cash holdings actually exceeded finance costs of S$0.20M, thanks to higher interest rates on deposits – CBA essentially has net interest income, boosting profit.

For FY2025e, we project PATMI of **S$13.0M** (+15.7% YoY), driven by revenue growth and a slight uptick in net margin. We expect **EBITDA margin** to stay ~57%, as any increase in costs (IT investments, new hires) will be proportional to revenue. **Net margin to owners** is projected ~19.7% (versus 18.8% in FY24), assuming minority interest continues to take ~50-55% of total net profits. **ROE** (return on equity) has been ~20-21% in recent years (FY2024: ~21.7% by our calc). With improved earnings, ROE should rise to ~23% in FY2025e. Notably, CBA's ROE is achieved with zero debt and a cash-heavy balance sheet – a sign of a high-quality business. On an **ROIC** (return on invested capital) basis, it would be even higher, since the business requires little incremental capital.

Cash Flow & Balance Sheet: CBA generates strong operating cash flows. FY2024 operating cash flow (before working capital) was ~S$19M, and free cash flow was ~S$15M (after ~S$4M capex, mainly software development). Cash conversion is high; for instance, FY2024 PATMI of S$11.24M translated to S$11.2M net cash added (after paying S$9M in dividends). Cash at end-2024 was **S$63.3M**, up from S$51.8M a year prior. CBA carries **no bank debt**, only lease liabilities (~S$2.7M). The strong cash position gives CBA financial flexibility. It has, for example, capacity to deploy ~$20–30M on acquisitions without external funding, if a strategic opportunity arises.

The **capital structure** is conservative: equity of S$51.76M attributable to owners (and S$20.93M NCI) as of Dec 2024. This equity base has grown mainly from retained earnings, as CBA raised only ~S$18M net in its IPO. The company's **dividend policy** is not formally stated as a fixed payout ratio, but it has consistently distributed a large portion of earnings. In FY2024, total dividends were 4.0 cents/share (S$9.2M), which was ~82% of earnings. This is slightly up from 3.7 cents in FY2023. We expect CBA to maintain a high payout (70-80% range), given its cash surplus and lack of debt. The board seems committed to gradually increasing absolute DPS – the FY2024 dividend was up 8.1% YoY, in line with earnings growth. Even with high payouts, CBA's cash pile is growing, highlighting how cash-generative the model is.

Financial Soundness: With net cash > S$60M and stable recurring income, CBA's balance sheet risk is minimal. Current ratio is strong (2.8x), and it has **no goodwill or intangibles** from acquisitions – the bureau software (acquired internally) is already amortized on books. Trade receivables are low (~S$7M) and generally collect within 30-60 days. Deferred income (~S$8M) on the balance sheet represents advance billings (e.g. prepaid subscription fees by customers), which is effectively a healthy "float" financing the business.

Revenue & Profit Drivers: The key revenue drivers include: **number of credit report transactions** (tied to credit applications and portfolio reviews), **number of members/customers** (e.g. new banks joining increases subscription fees), **pricing adjustments** (CBA occasionally can raise report fees, though typically moderate given regulatory oversight), and **new product uptake** (e.g. selling more analytics or monitoring services per client). On the cost side, **margins** are driven by operating leverage – incremental revenue comes at high margin. However, one driver to watch is **minority interest impact**: if, say, Cambodia's profit grows faster (where CBA owns 40%), the share to NCI will increase slightly; conversely, if more growth comes from fully-owned D&B units, PATMI will grow faster than total net profit. In our model, we see PATMI growing at a ~15% CAGR (FY24-27) vs total net profit ~12% CAGR, assuming a greater contribution from wholly-owned business lines.

Valuation & Peer Comparison

We value CBA using a **blended approach** incorporating **P/E multiples, EV/EBITDA multiples, and DCF**. This triangulation is appropriate given CBA's high cash flow but also its unique minority-interest structure (EV/EBITDA considers enterprise value, while P/E captures post-MI earnings). Our blended fair value yields a **Target Price of S$1.65**.

Peer Benchmarking: We compare CBA against global credit bureau peers and selected regional data companies:

- *Global Peers:* **Experian plc** (LSE: EXPN), **Equifax Inc** (NYSE: EFX), **TransUnion** (NYSE: TRU), and **Dun & Bradstreet Holdings** (NYSE: DNB). These are billion-dollar market cap companies dominating credit data in US/EU. They trade at substantially higher market caps (Experian ~$36B, Equifax ~$30B, TRU ~$18B; DNB ~$4B). In terms of valuation, global peers currently have an average **forward P/E ~25x** (Experian ~32x; Equifax ~32x; TransUnion ~22x on 12-month forward earnings). Their **EV/EBITDA** multiples range ~14× to 20×; for instance, Experian is ~23× EV/EBITDA, Equifax ~15–16×, TransUnion ~14×, and D&B (which has slower growth) around ~9× EV/EBITDA. The global peers also have higher leverage (net debt), which influences EV-based multiples. CBA, by contrast, has net cash and operates in smaller markets, but enjoys similar business economics.

- *Regional Peers:* The closest regional comp is **CTOS Digital** (KLSE: 5301), the main credit bureau in Malaysia. CTOS is a mid-cap (~US$474M market cap) growing in the Malaysian and ASEAN credit data space. CTOS trades around **21× forward P/E** and ~17× EV/EBITDA, with a ~7× EV/Sales (its valuation has moderated after an initial IPO premium). Another data peer could be **Business Online (BOL)** in Thailand – a smaller listed company offering business info – which trades around 20× P/E. However, BOL's business model is more narrow (only commercial data in one country). We also note that one of CBA's JVs, Vietnam's FiinGroup, is private (no direct comp).

Current Valuation: At ~S$1.33, CBA trades at **27.1× trailing P/E** (FY24 EPS) and roughly **23× forward FY25E P/E**. Its EV/EBITDA is a bit tricky due to cash and minority interest – on a consolidated basis, EV/EBITDA (FY24) is ~7.2× if using consolidated EBITDA and net cash, but if we adjust for proportionate EBITDA, the effective multiple is higher (~15× by our estimate). On a **price-to-sales** basis, CBA is ~5.1× TTM sales, which is higher than D&B's ~1.7× but that reflects CBA's much stronger margins. Considering its ~50% EBITDA margin, the EV/EBITDA metric is more meaningful. We view CBA's valuation as **reasonable**: it is roughly in line with CTOS and at a discount to the global giants. The PEG ratio further supports the valuation case: CBA's PEG of ~1.5–1.8 (based on ~15% growth) compares favourably to Experian's PEG of ~2.3 (P/E ~32 for ~13% growth). On an EV/EBIT basis, CBA trades at ~18× — in line with CTOS and below the 20×+ levels typically seen for Experian and Equifax.

Target Multiples: For our price target, we apply **30× P/E** on FY2025E EPS of 5.7¢, yielding S$1.71. We also apply **18× EV/EBITDA** on FY2025E EBITDA (~S$36M); adding cash and subtracting minority value, this yields ~S$1.60 per share (assuming enterprise value covers only the portion attributable to CBA). Our **DCF valuation** (see Appendix) using a 9% WACC and 3% terminal growth yields ~S$1.75 per share for the base case. We weight these approaches equally, arriving at a blended **fair value ~S$1.65**.

This target implies **~24% upside** and values CBA at about 28.5× FY25E P/E, which we deem justified by its ~15% earnings CAGR and strong competitive moat. In comparison, CTOS Digital is trading ~25× FY25E and Experian ~30×; hence our target multiple is not aggressive. One could argue for an even higher multiple given CBA's net cash and dividend payout – on a **total yield** basis (earnings yield + growth), CBA offers 4.3% + 15% ≈ 19.3%, which is attractive.

	Credit Bureau Asia (SG)	Experian (UK)	Equifax (US)	TransUnion (US)	Dun & Bradstreet (US)	CTOS Digital (MY)
Market Cap (US$)	~$242 m	~$36 b	~$30 b	~$18 b	~$4 b	~474 m
Revenue Growth (FY24)	10%	6%	4%	2%	1%	17%
EBITDA Margin	~57%	~35%	~33%	~40%	~30%	~35%
P/E (TTM)	~27×	~31×	~32×	~22×	~9x	~21x
EV/EBITDA (TTM)	~15×	~23×	~16×	~14×	~9×	~17x
Dividend Yield	~3.1%	~1.3%	~0.7%	~0.5%	~2.5%	~3.4%

Table 2: CBA vs Global and Regional Peers (financial matrices)

Implied Upside: At our TP of $1.65, the stock would trade at ~28× FY25E and ~5.8× P/S – still below the valuations of early-stage high-growth fintechs, yet appropriate for a steady compounding business. The implied enterprise value (~S$380M) equates to ~12× 2025e EBITDA – not demanding for a quasi-monopolistic data business. We also note that including net cash, CBA's **enterprise value at TP is only ~S$317M**, which is ~10.5× "economic EBITDA" (after adjusting for partner shares). This remains attractive versus global takeout multiples; indeed, major credit bureaus have historically been acquired at 12–15× EBITDA. The upside scenario (discussed next) could justify valuations north of S$1.80 if expansion plans bear fruit.

Sensitivity: Every 1x change in P/E multiple affects the valuation by ~S$0.06/share. Every +/-1% change in WACC alters DCF value by ~S$0.15. Given the nature of CBA's business, interest rates and market sentiment on tech/data stocks could impact the justified multiple. However, even at a more conservative 25× P/E, the stock would be worth ~$1.43 (around current levels), suggesting a decent margin of safety. Our base case assumes no major adverse changes in regulatory frameworks or competitive landscape.

In summary, our valuation finds CBA to be **undervalued relative to its quality** – the current price does not fully price in its growth prospects and fortress balance sheet. Our target price of S$1.65 offers a favourable risk/reward, and we would expect gradual multiple expansion as the company continues to execute and possibly attracts more institutional coverage.

Catalysts and Upside Scenarios

Beyond organic growth, several **catalysts** could drive CBA's share price higher in the next 12-24 months:

- **Regional Expansion Wins:** The most significant catalyst would be **securing a new credit bureau license in an ASEAN market**. The top candidate is **Vietnam** – a populous market with rising credit demand and currently underserved by formal credit bureaus. CBA's 2021 MoU with Vietnam's FiinGroup to form a JV indicates serious intent. If CBA successfully establishes a bureau in Vietnam (perhaps in partnership with FiinGroup and local regulators), it could add a sizeable new revenue stream. Vietnam's population (~98 million) and banking sector growth could even rival CBA's existing markets combined. We have not included Vietnam in our base forecast; thus, any concrete progress (such as obtaining a provisional license) would likely lead us to raise estimates and the market to re-rate the stock. Similarly, **Indonesia** and **Philippines** are large markets with potential liberalization in credit data – while CBA has no announced plans there, the ASEAN footprint concept could extend in the long term.

- **Digital Transformation & Product Innovation:** CBA has opportunities to deepen its digital offerings. For example, it could develop a **direct-to-consumer credit report platform** or credit monitoring app in Singapore (if allowed by regulators). Currently, individuals can obtain their credit score via CBS, but a more engaged consumer product (like what Credit Karma did in the US) could unlock a new user base. Another angle is **alternative data partnerships** – e.g., tie-ups with telcos or e-commerce platforms to incorporate non-traditional credit signals. If CBA announces a partnership with, say, a fintech lender or a Big Tech company to share data (within legal bounds), it could open new revenue streams. Moreover, CBA's renewal with Dun & Bradstreet opens the door to leveraging D&B's new analytics tools (perhaps offering *predictive analytics* or *ESG scores* to corporates). Any such new product initiative that gains traction could accelerate growth beyond our forecast ~10% rate.

- **Cross-Border Data & ASEAN Integration:** As ASEAN economies integrate financially, cross-border credit information sharing could be catalyzed. CBA's MoU with China's Chongqing bureau initiative in 2023 hints at a future where businesses and banks in different countries access each other's credit data. If CBA can position itself as a **hub for ASEAN credit data** exchange, it could attract business from multinational banks and trade finance providers. An early example is Singapore's push to allow credit bureaus to share certain data with counterparts in other countries under agreements – CBA's proactive step with Chongqing shows it is at the forefront. Successful implementation (even a pilot program enabling Chinese banks to check ASEAN credit histories through CBA) would be a big validation of CBA's regional strategy.
- **Regulatory Changes Benefiting Bureaus:** Sometimes, policy changes can directly boost bureau usage. For instance, if **Singapore mandates more credit checks** (the way it mandated moneylenders to use the bureau from 2021), that's immediate volume uptick. Singapore's Credit Bureau Act coming into full force in 2025 might bring such mandates. In Cambodia/Myanmar, regulations requiring all licensed lenders to join the bureau (and contribute data) will increase CBA's member count and data coverage – typically leading to more inquiries. Additionally, **data privacy laws** that still permit credit bureaus to operate (with consumer consent frameworks) ensure bureaus remain central. If any country expands the scope of permissible data for credit bureaus (e.g. allowing telco/utilities data to be included), CBA stands to benefit by offering richer reports.
- **M&A or Partnerships:** CBA could be involved in industry consolidation or strategic investments. While CBA itself could be an attractive acquisition target for a larger player (though Kevin Koo's majority stake means any deal would need his agreement), we consider the more likely scenario is CBA *acquiring smaller players*. For instance, CBA might acquire a fintech analytics firm to bolster its tech stack, or purchase a smaller bureau in a new market. Such moves could quickly add capabilities or new markets. Even a strategic partnership – e.g., if CBA were to partner with a major bank consortium for a new service – can be a catalyst by signalling growth initiatives.

Upside Scenarios: In a **Bull Case**, assume CBA secures the Vietnam JV by 2025 and achieves faster growth (say 20% CAGR for a few years). Under this scenario, FY2026-27 earnings could be ~20% higher than our base case. Our bull DCF (with higher growth and a slightly lower 8.5% WACC, reflecting scale) yields a share value around **S$2.00-2.10**. We also consider an upside P/E re-rating: if the market starts valuing CBA more like a high-growth fintech data company, it could command 35× P/E on forward earnings, which on FY25e ~5.7¢ EPS gives **~S$2.00**. So bull case price target ~S$2.00 (approximately +50% from current) is conceivable with successful ASEAN expansion and sustained high growth.

In a **Blue Sky scenario** (longer term), if CBA were to operate in 5-6 countries and double its earnings, it could potentially be worth >S$3.00 (this is beyond our 12-month view, but indicates the multiyear runway).

CBA's management is actively pursuing these catalysts – the company *"continues to pursue inorganic growth opportunities in Asia Pacific"*, as stated by the CEO, and is in discussions for acquisitions. While timing is uncertain, the pipeline exists. Successful execution on any of these catalysts would likely prompt earnings upgrades and a stock re-rating.

We believe the upcoming H1 FY2025 results, expected on **7 August 2025**, could serve as a near-term catalyst for Credit Bureau Asia's share price. Based on historical seasonality, continued digital credit adoption in Southeast Asia, and the group's lean cost structure, we expect CBA to report **solid topline and earnings momentum**. In our view, these results could provide confirmation of the company's robust earnings quality and recurring cash flows, supporting potential re-rating toward our fair value. Publishing ahead of results allows investors to position early before consensus revises upward or valuation multiples expand.

Risks & Mitigations

While our outlook on CBA is positive, investors should be aware of key **risks** that could impact the investment thesis, along with how CBA mitigates them:

- **Macroeconomic & Credit Cycle Risk:** A sharp economic downturn in CBA's markets could reduce lending activity, thereby reducing the number of credit reports requested. Singapore's GDP growth is projected at only 0–2% in 2025, reflecting headwinds like higher interest rates and external demand weakness. Slower loan growth or a credit contraction would hit volume growth in the FI Data segment. **Mitigation:** As noted, CBA's business has counter-cyclical elements – in a recession, banks typically increase credit monitoring and conduct more frequent checks on existing borrowers (to manage risk), which can partly offset lower new loan inquiries. Also, CBA's diversified regional exposure means not all markets downturn at once. For instance, Cambodia's economy might still grow even if Singapore stalls. Additionally, CBA's fixed costs are low, so even if revenue dipped, the company would likely remain profitable and cash-generative, just with lower growth.

- **Regulatory and Political Risk:** CBA operates in regulated arenas. Changes in regulations could affect its operations – e.g., if a government decided to nationalize credit bureaus or cap prices. Data privacy laws (like stricter personal data protection) could also restrict the type of data collected. Another aspect is **political instability** in markets like Myanmar, which experienced a coup in 2021 and ongoing unrest. This can disrupt business and economic activity (the Myanmar bureau saw delays in onboarding some banks post-coup). **Mitigation:** CBA works closely with regulators and often the regulators are stakeholders in the JV (for example, central banks supervise the bureaus). This alignment (public-private partnership model) makes abrupt adverse regulatory changes less likely – the authorities see CBA's bureaus as supporting financial stability and inclusion. On privacy, CBA complies fully with laws and uses consent-based data sharing; any industry-wide change would affect all players similarly. In Myanmar's case, the bureau is operational and needed by banks regardless of political regime, so while new credit growth slowed, banks still use the bureau for risk management. CBA also holds its Myanmar operations as a JV, limiting direct exposure. In extreme cases, CBA's downside is capped to its investment (not very large). Meanwhile, Cambodia and others have stable regulatory frameworks under which CBA has long-term licenses (often 10+ year terms or open-ended).

- **Competitive/Technological Disruption:** The rise of **alternative credit scoring** firms and big tech in finance poses a potential threat. Fintech lenders might use their own proprietary algorithms using alternative data (social media, e-commerce records) to assess credit, bypassing traditional credit bureaus. Additionally, new entrants like regional start-ups could attempt to offer competing credit info services. **Mitigation:** Thus far, rather than displacing bureaus, many fintechs still rely on bureau data as a core component. CBA has been proactive in embracing collaboration – e.g., exploring ways to integrate alternative data into its reports. The industry view (as per World Bank) is that alternative data should *complement* bureau data, not replace it. CBA's response includes broadening its data sources (like the Payment Bureau for SME trade data) and possibly offering APIs for fintechs to easily pull bureau data. Also, barriers to entry remain high due to the trust and neutrality required in credit reporting. It is unlikely, for example, for major banks to rely solely on an unregulated fintech for credit risk info while a robust bureau exists. As for big tech: they tend to partner with bureaus (e.g., Experian has partnerships with fintechs) rather than create a bureau from scratch. We see CBA continuing to partner (the Vietnam MOU is exactly a partnership with a fintech analytics firm to jointly build a bureau) – this turns potential disruptors into allies.
- **Foreign Exchange Risk:** CBA earns revenue in multiple currencies – notably Cambodian Riel (KHR, though much of it effectively USD-based), Myanmar Kyat, and Malaysian Ringgit – but reports in Singapore dollars. Any sharp currency depreciation in those countries could reduce translated earnings. For instance, the Myanmar Kyat has seen volatility; if it weakens, the value of MMCB's earnings in SGD falls. **Mitigation:** A good portion of CBA's overseas bureau fees are effectively pegged to USD (Cambodia is highly dollarized; Myanmar's bureau may price in kyat but indirectly track USD for stability). Also, costs in those countries are in local currency, providing a natural hedge (e.g., if KHR depreciates, local expenses also drop in SGD terms). CBA doesn't currently hedge FX, but keeps some cash in local units for expenses. The net exposure is not huge – combined Cambodia/Myanmar profit to CBA is a few million SGD, so even a 10% FX swing would be a few hundred thousand impact. Meanwhile, majority of cash is held in SGD, and Singapore revenue (30%+ of total) is SGD, eliminating FX risk there.
- **Liquidity and Small-Cap Risk:** With a public float under 25% and many shares held by insiders, trading liquidity in CBA stock is relatively low. This can lead to higher volatility, wider bid-ask spreads, and the stock being more susceptible to sentiment swings or forced selling by a single investor. Furthermore, as a small-cap, it may be under the radar of large institutional investors, limiting immediate valuation realization. **Mitigation:** Over time, consistent performance and dividends can attract more investors (e.g., income funds may like the ~3% yield). CBA has been included in some small-cap indices and got media recognition (Forbes Asia list), which helps

visibility. Insiders have also thus far shown no intent to sell down significantly – Kevin Koo and William Lim retaining their stakes aligns them with shareholders and provides confidence in long-term value focus. If liquidity remains a concern, the company could consider a secondary placement to bring in strategic investors and increase float (though no indication of that yet). For now, investors should size positions accordingly and be aware of potential short-term price swings unrelated to fundamentals.

- **Execution Risk in Expansion:** Our thesis partly banks on growth from new markets or products. If management fails to execute (e.g., Vietnam JV falls through, or an acquisition destroys value), growth may disappoint. CBA has a limited management bandwidth given its size – stretching into too many new projects could strain resources. **Mitigation:** So far, management has been disciplined – they have not overpaid for acquisitions (the last big buy was their own software arm in 2020 for internal integration). They pursue new markets via JVs which limit upfront cost. Also, core operations in existing markets are managed by experienced local teams, freeing top management to focus on expansion planning. We take comfort in Kevin Koo's 30-year industry experience and the team's methodical approach (e.g., an MOU stage first to study Vietnam). Nonetheless, this is a risk we monitor – any sign of overexpansion or large capex on new initiatives would warrant a re-evaluation.

In conclusion, while CBA faces the typical risks of operating in multiple emerging markets and an evolving fintech landscape, it has demonstrated resilience and adaptability. Many risks (macro, tech disruption) are mitigated by the inherent strengths of the credit bureau model and CBA's strategic partnerships. We believe the risk/reward remains favourable, but investors should keep an eye on macro trends and regulatory developments as primary risk factors for this stock.

Management & Governance

CBA is led by a stable and experienced management team, with leadership that has deep domain expertise in the credit information industry. The company's governance structure follows Singapore's corporate governance code, with a majority-independent board providing oversight.

Key Management Profiles:

- **Kevin Koo (Executive Chairman & CEO):** The founder of CBA, Mr. Koo has over 30 years of experience in the credit information field. He started the business in 1993 and has been the visionary driving CBA's expansion from a single-country bureau into a regional player. As Executive Chairman and CEO, he sets strategic direction and oversees overall performance. Under his leadership, the Group has achieved continuous growth and entered new markets. Mr. Koo is also the Executive Chairman of D&B Singapore and sits on the boards of most subsidiaries, ensuring integrated leadership. He holds a degree from Germany and had a stint in public service early in his career. Importantly, Kevin Koo is the largest shareholder (64% stake), aligning his interests strongly with shareholders. His long-term commitment provides continuity, though it also means he exerts significant control over major decisions.

- **William Lim (Executive Director):** Mr. Lim has been with the Group for over 20 years and is effectively the second-in-command. He has served as Managing Director of Infocredit Holdings (CBA's JV holding arm) since 2001 and as an Executive Director of CBS (Singapore Bureau) since 2003. He was instrumental in expanding CBA's presence to Malaysia, Cambodia, and Myanmar. With a background as a lawyer (former Singapore legal service officer and partner at a law firm), William brings legal and regulatory acumen to the team. He oversees day-to-day operations across the group, including regulatory compliance and IT. William Lim owns about 6.2% of CBA's shares. His long tenure and equity stake reflect his importance to CBA's success. He is known as a key driver for execution of strategic plans.
- **Audrey Chia (Chief Operations Officer):** Ms. Chia has been with CBA since 1996. She leads the **Non-FI Data Business**, being directly responsible for operations of D&B Singapore and D&B Malaysia. Audrey was appointed CEO of D&B Singapore and has been pivotal in building out the Singapore Commercial Credit Bureau and introducing innovative solutions in the commercial segment. With 25+ years at the company, she has deep operational know-how. Under her leadership, the D&B units have fostered a cross-functional culture and launched new products. She holds a Bachelor of Commerce and is considered the right-hand person in all things related to the commercial bureau operations. Audrey's long experience and continuity ensure that the Non-FI segment is run efficiently even as the FI segment garners more attention.
- **Frankie Fan (Chief Financial Officer):** Mr. Fan oversees all finance and accounting functions for the Group. He joined CBA in 2003 as a GM and became CFO, bringing experience from credit and receivables management companies in Hong Kong. Frankie handles financial planning, budgeting, reporting, tax, treasury etc. He's been crucial in maintaining CBA's strong financial discipline (e.g., keeping costs in check and managing cash). Under his watch, CBA has a clean audit record and transparent financials. Frankie's background in credit management companies since 1989 means he understands the business drivers, not just the numbers. The CFO's prudence is seen in CBA's net cash position and wise capital allocation (high ROE without over-leveraging).
- **Yun Kok Siong (Chief Corporate Officer):** Mr. Yun is responsible for corporate affairs and special projects. He first joined CBA in 2006 and had stints as CEO of D&B Singapore (2008-2012) and CEO of Credit Bureau Malaysia (2010-2011). After a few years outside (in a Singapore-China JV project), he rejoined in 2017 as President of D&B Singapore and now serves as CCO. His role includes strategy execution, partnerships (he likely was involved in the Chongqing MOU given his China experience), and internal controls. Yun's prior work at the Singapore Economic Development Board and multinational tech/manufacturing firms gives him broad perspective. At CBA, he complements the team with project management and international business development skills. He also often interfaces with media/investors (his name appears as a contact for media queries).

This senior team has been remarkably stable – most have 20+ year tenures. This institutional knowledge is a strength, ensuring continuity of client and regulator relationships. The flip side is succession risk: the business heavily revolves around the founder and a few key execs. However, CBA has a second layer of management (country heads, IT heads) and has implemented an Employee Share Option Scheme and Performance Share Plan to retain talent.

Board Composition & Governance Practices: CBA's Board of Directors comprises 8 members, including the executive directors (Kevin Koo and William Lim) and non-executives. There are at least **3 independent directors**, satisfying SGX's requirements for a majority independent board given the Chairman is also CEO. Notable independents:

- *Mr. Tan Hup Foi* – Independent Director, Chairman of the Audit Committee. He is a seasoned corporate executive (background in engineering and business) and has been on the board since 2020. Mr. Tan is 75, bringing wisdom and also serving on multiple boards (e.g., Intraco Ltd). His role as Audit Chair is crucial for oversight of financial reporting and risk management.
- *Mr. Low Seow Juan* – Independent Director, Chairman of the Nominating Committee and member of Audit and Remuneration Committees. He is 73, with a background in law and business (MBA). Mr. Low's experience likely complements in ensuring good governance, board renewal, and executive compensation oversight.
- There is also *Mr. Foo Boon Ping* (Independent, Remuneration Committee Chair) – not excerpted above but likely on board. And possibly one more independent given the board size.

CBA's governance includes the usual committees (Audit, Nominating, Remuneration) each led by an independent director. The company asserts compliance with most provisions of the Corporate Governance Code. One area of deviation noted in the AR2022 was not disclosing exact remuneration of top executives (citing competitive reasons), though they provide ranges and breakdown by salary/bonus. They have committed to full disclosure from FY2024 onwards as per SGX rules. This shows an increasing transparency.

Management's interests are aligned with shareholders through large equity stakes and the share-based incentive plans implemented from IPO. No major governance red flags are observed – the controlling shareholder, Kevin Koo, does not have other conflicting businesses; there are no family members in management besides him (his son is not involved, as far as known). The board's independent directors have no relationships with substantial shareholders or management (confirmed by disclosures).

The company has also demonstrated commitment to **ESG** aspects: its sustainability report (in AR2024) highlights data privacy and security as material issues. As a data company, CBA invests in cybersecurity and has strict access controls to protect consumer information (essential for maintaining its license and reputation). No significant data breaches have been reported – a testament to management's vigilance.

In summary, **CBA's management team** is highly experienced and deeply invested in the company's success, and the **board governance** framework appears solid for a company of its size. The presence of seasoned independent directors and the separation of Chairman/CEO (though same person, which is allowed given Mr. Koo's majority ownership) are balanced by strong independent committee oversight. We take comfort in management's track record of prudent growth and shareholder-friendly policies (like high dividends). Investors should monitor succession planning as a long-term consideration (e.g., identifying potential future leaders), but at present, the team in place is steering the company confidently through its growth phase.

Conclusion & Recommendation

Investment Thesis Recap: Credit Bureau Asia is a unique fintech-data play that offers investors exposure to the growing demand for credit information in ASEAN, underpinned by dominant market positions and a resilient business model. The company's defensive growth profile – expanding steadily even in mixed economic conditions – sets it apart from typical cyclical financial stocks. CBA benefits from high entry barriers and has long-term partnerships (with banks and global bureaus) that entrench its role in the financial system. Financially, it boasts high margins, strong cash flow, and a debt-free balance sheet, enabling both generous dividends and growth investments. We expect CBA to continue delivering mid-teens earnings growth, driven by organic expansion in existing markets and potential new ventures in the region.

Base Case Valuation: Our blended valuation approach yields a **12-month Target Price of S$1.65**, which we reiterate as our fair value estimate for CBA. This is anchored by a P/E of ~28.5× on FY2025e earnings – a premium to the broader market, justified by CBA's superior ROE (~23% for FY25e) and recurring revenue model. It also equates to an EV/EBITDA of ~12× (on a proportionate basis), which is reasonable compared to peers. At S$1.65, the stock would still provide a ~2.7% dividend yield (based on our FY25e 4.4¢ DPS), indicating income support. We note that our TP does not yet factor any major M&A or new market, which are upside options. The risk-reward profile is attractive: downside appears limited by the defensive nature of earnings and net cash (~S$0.28/share in cash, or ~20% of current market cap, provides a floor). In a downside scenario where growth halts, a 20× P/E on current earnings plus cash would imply ~S$1.10–1.20, which is ~15-20% below current – a manageable risk. Upside, as discussed, could be significantly higher with successful expansions.

Recommendation: BUY. We recommend investors **BUY** CBA for a 12-month total return potential of ~27% (24% price upside + ~3% dividend yield). The stock offers a rare combination of growth and yield, with a dominant franchise in its niche. Additionally, CBA could attract strategic interest if it continues to scale (for instance, a larger industry player might find CBA an easy way to get into ASEAN markets – though again, any takeover would likely require founder agreement). For now, organic growth and rerating should drive returns.

Dividend Outlook: We expect CBA to maintain its progressive dividend trajectory. Given the expected earnings increase, we forecast DPS of 4.4¢ for FY2025e (up 10%) and 4.8¢ for FY2026e. This implies yields of ~3.3% and ~3.6% at the current price, or ~2.7% at our target price – still decent in a low-rate environment and with growth on top. The payout ratio would hover ~75%, leaving some retention for growth. CBA's dividend is well-supported by cash flows (FY24 free cash ~S$15M vs dividends ~S$9M). Investors can thus look forward to a growing income stream alongside capital appreciation.

Competitive Positioning: In conclusion, CBA is strongly positioned competitively – effectively the "Experian of Southeast Asia (ex-Malaysia)" on a much smaller scale. It has carved out a leadership in markets that larger players have not directly entered, and in doing so, has made itself an indispensable part of those financial ecosystems. Its partnership with the likes of Equifax and D&B actually enhances its competitive moat (rather than threatening it). Local alternatives are few; any new entrant would face uphill battles to dislodge CBA's bureau relationships. We see the competitive landscape remaining favourable, with possibly cooperative competition (fintechs, etc.) rather than head-to-head wars.

Credit Bureau Asia (CBA) presents a **compelling GARP** (Growth at a Reasonable Price) opportunity — combining a high-quality, defensive earnings profile with robust growth prospects. Anchored by dominant market positions in Singapore and Southeast Asia, strong EBITDA margins, and a net cash balance sheet, CBA stands out among regional peers. Yet, its shares continue to trade at a meaningful discount to global credit bureaus and regional data players. Our blended valuation approach yields a **fair value of S$1.65, representing ~24% upside** from current levels. With a healthy dividend yield, secular tailwinds in credit data monetization, and **expectations of strong upcoming H1 FY2025 results** (due 7 August 2025), we believe this is an opportune moment for investors to initiate or add exposure. We initiate coverage with a **BUY rating**, underpinned by confidence in the company's fundamentals, capable owner-operator leadership, and its ability to deliver consistent, compounding returns.

Appendix

Forecast Model (Base, Bull, Bear):

- **Base Case:** Assumes ~10% revenue CAGR (FY24-27) and stable margins. FY2025e revenue S$66M, PATMI S$13.0M; FY2026e revenue S$72.5M, PATMI S$14.7M. Terminal growth 3%. DCF (9% WACC) -> Equity value ~S$1.65/share (matches blended TP).
- **Bull Case:** Assumes accelerated growth 15%+ (e.g., new Vietnam JV contributing from 2H2025, faster uptake of new products). FY2025e revenue ~S$68M, PATMI ~$13.5M (+20% YoY), and continuing at mid-teens growth. Also assume slight multiple expansion (P/E 35x). Implied valuation ~S$2.00+. DCF (8.5% WACC, higher mid-term growth) -> ~$2.05/share.
- **Bear Case:** Assumes macro slowdown with 0–5% revenue growth 2025, margin pressure from lower volumes. FY2025e revenue ~S$61–62M (+2-4% YoY), PATMI ~$10M (down ~10%). Apply a lower P/E of ~20x for risk. Implied valuation ~S$1.10–1.20. DCF (10.5% WACC, lower growth) -> ~$1.20. This scenario also accounts for potential regulatory hurdles or one-off issues impacting earnings.

Valuation Build-up:

- **Peer Multiples:** Experian ~23x EV/EBITDA, ~32x P/E; Equifax ~16x EV/EBITDA, ~22x forward P/E; TransUnion ~14x EV/EBITDA, ~22x forward P/E; D&B ~9x EV/EBITDA, ~15x P/E. CTOS Digital ~17x EV/EBITDA, ~25x P/E. CBA's current ~15x adj. EV/EBITDA and ~23x forward P/E are in line with peers on growth-adjusted basis.
- **DCF Assumptions:** WACC ~9.0% (Cost of equity ~9.5% given small-cap risk premium, after risk-free 3%, beta ~0.8, equity risk premium ~6%; CBA essentially debt-free so WACC ~CoE), Terminal growth 3% (slightly above SG long-term inflation given ASEAN growth potential). We model explicit cash flows through 2030 with revenue growth tapering from 10% to 5%, and

maintain ~50% payout (so FCF roughly equal to earnings in our model because depreciation ~ capex). Terminal value uses Gordon Growth on 2031 cash flow. DCF outcome: Base case NPV ≈ S$380M equity (S$1.65/share). Sensitivity: at 8% WACC, value ~S$1.90; at 10% WACC, ~S$1.45.

- **Target Price Derivation:** We equally weight: P/E method (S$1.71), EV/EBITDA method (S$1.60), DCF (S$1.75). Average ≈ **S$1.69**, rounded to **S$1.65** for a bit of conservatism given liquidity risk.

The target price implies 12-month forward valuations of ~28× P/E, 11× EV/EBITDA, 4.5× EV/Sales, PEG ~1.9 – all reasonable for the sector and CBA's growth profile.

Summary Financials:

Balance Sheet Highlights (S$ '000):

- Cash: S$51,834 (FY22) → **S$63,305** (FY24)
- Total Assets: S$93,723 (FY23) → **S$103,488** (FY24)
- Total Liabilities: S$25,693 (FY23) → **S$30,796** (FY24) [implied from equity]
- Shareholders' Equity: S$49,517 (FY23) → **S$51,761** (FY24) (attributable)
- Non-Controlling Interests: S$18,513 (FY23) → **S$20,931** (FY24)
- Total Equity: S$68,030 (FY23) → **S$72,692** (FY24)
- Net Cash: ~S$52M (FY23) → **~S$63M** (FY24).

Financial Position (as at 31 Dec 2024)

	Group	
	2024	2023
	$	$
ASSETS		
Current assets		
Cash and bank balances	67,004,305	57,337,262
Trade receivables	6,463,239	6,435,769
Other receivables and deposits	360,748	749,599
Prepayment	1,234,186	936,738
Investments in financial assets	982,872	3,671,982
Tax recoverable	82,244	60,861
Total current assets	76,127,594	69,192,211
Non-current assets		
Other receivables and deposits	414,597	-
Prepayment	379,949	-
Property, plant and equipment	3,634,944	4,555,939
Right-of-use assets	5,618,359	3,114,503
Intangible assets	2,107,063	2,315,433
Club membership	315,326	335,034
Goodwill	7,715,050	7,715,050
Investments in subsidiaries	-	-
Investments in joint ventures	7,175,220	6,495,185
Total non-current assets	27,360,508	24,531,144
Total assets	103,488,102	93,723,355

	Group	
	2024	2023
	$	$
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	7,697,168	5,877,727
Dividend payable to non-controlling interests	3,110,570	2,641,050
Lease liabilities	2,052,618	1,929,095
Deferred income	8,277,474	9,177,775
Income tax payable	4,916,302	4,100,453
Total current liabilities	26,054,132	23,726,100
Non-current liabilities		
Lease liabilities	4,039,683	1,346,101
Deferred income	137,908	-
Deferred tax liabilities	564,264	621,056
Total non-current liabilities	4,741,855	1,967,157
Capital and reserves		
Share capital	35,051,183	35,051,183
Merger reserves	(442,221)	(442,221)
Other reserves	(1,871,361)	(1,871,361)
Translation reserves	(477,176)	(698,434)
Retained earnings	19,500,765	17,477,619
Equity attributable to owners of the Company	51,761,190	49,516,786
Non-controlling interests	20,930,925	18,513,312
Total equity	72,692,115	68,030,098
Total liabilities and equity	103,488,102	93,723,355

Profit & Loss (Summary) (S$ '000):

	FY2022A	FY2023A	FY2024A	FY2025E
Revenue	48,616	54,170	59,706	66,000
PBT	22,852	26,683	30,539	33,500
Net Profit (Total)	19,286	22,016	25,478	27,500
Net Profit (Owners)	8,404	9,842	11,239	13,000
EPS (SGD cents)	3.65	4.27	4.88	5.7
DPS (SGD cents)	3.0	3.3	3.7	4.0
PATMI Margin	17.30%	18.20%	18.80%	19.70%

Profit and Loss (as at 31 Dec 2024)

	Group 2024 $	Group 2023 $
Revenue	59,706,445	54,169,834
Other operating income	664,554	156,666
Interest income	1,333,344	1,439,167
Employee benefits expense	(14,536,243)	(13,900,870)
(Recognition of) Write back for loss allowance on trade receivables	(1,068)	2,109
Depreciation and amortisation expense	(4,714,607)	(4,356,293)
Other operating expenses	(13,015,718)	(12,201,255)
Finance costs	(198,919)	(127,532)
Share of result of joint ventures	1,301,025	1,500,889
Profit before tax	30,538,813	26,682,715
Income tax expense	(5,061,065)	(4,666,468)
Profit for the year	25,477,748	22,016,247
Other comprehensive income (loss):		
Item that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	259,139	(51,890)
Total comprehensive income for the year	25,736,887	21,964,357
Profit attributable to:		
Owners of the Company	11,238,746	9,841,731
Non-controlling interests	14,239,002	12,174,516
	25,477,748	22,016,247
Total comprehensive income attributable to:		
Owners of the Company	11,460,004	9,812,394
Non-controlling interests	14,276,883	12,151,963
	25,736,887	21,964,357
Basic and diluted earnings per share (cents)	4.88	4.27

Sources & References: Publicly available information including websites of Credit Bureau Asia Ltd, SGX Announcements & Filings; Monetary Authority of Singapore (MAS); News & Media Articles

Analyst Assumptions & Projections: Internal financial modelling based on public filings and historical trend analysis. Forecasts based on normalized growth, margin trends, and sectoral catalysts.

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