

CREDIT BUREAU ASIA LIMITED (SGX: TCU)

1H FY2025 Results Update | 25 August 2025

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Rating: BUY
Last Close: S\$1.340
Target Price: S\$1.650
Upside: 23%

Credit Bureau Asia – Core Engine Healthy Amid Headwinds

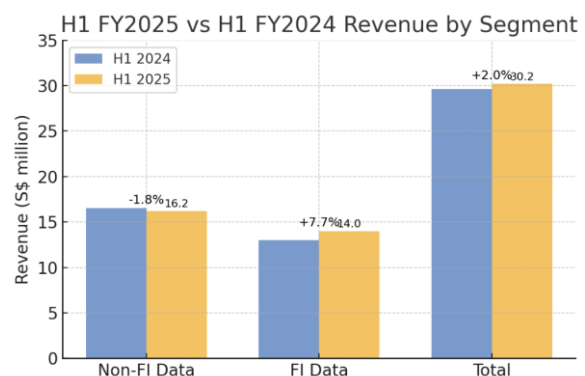
Metrics	Initiation Report Expectations	Actual H1 FY2025
Revenue Growth	Mid-teens YOY	FI Data segment achieved ~8% YoY growth, offsetting a ~2% decline in Non-FI Data revenue, for an overall +2.2% YoY increase
EBITDA Margin	~50%	59% (17.8M / 30.2M)
PATMI Margin	~15%	17.9% (5.4M / 30.2M)
Interim Dividend	Expected, not specified	S\$0.02/share
Qualitative Outcome	High-quality compounder, GARP, net cash, strong margins, undervalued vs peers	Healthy revenue growth with margins exceeding baseline expectations

Financial Results Highlights

- Modest Top-line Growth: CBA reported 1H FY2025 revenue of S\$30.2 million, up +2.2% YoY from S\$29.6 million in 1H FY2024. This tepid overall growth was due to divergent segment trends – robust expansion in the core Financial Institution (FI) Data business offset by a slight decline in the Non-FI Data segment.

- **Core Segment Outperformance:** FI Data segment revenue grew a strong +7.6% YoY to ~S\$14.0 million, driven by higher credit report volumes (new loan applications, portfolio reviews, monitoring services) in Singapore. By contrast, the Non-FI Data segment saw revenue dip ~2% to S\$16.2 million, as demand for business information and marketing data softened. The net result was a modest +2.2% YoY increase in Group revenue (see Figure 1).
- **Stable Margins & Earnings:** Profitability remained high. EBITDA margin was ~59% in 1H FY2025 (vs ~62% in 1H FY2024), reflecting CBA’s lucrative, asset-light model. PATMI (net profit attributable to shareholders) came in at S\$5.4 million, down 8% YoY, yielding a PATMI net margin of ~18% (vs ~20% a year ago). The earnings decline was due in part to increased operating costs and lower joint-venture contributions, but net profit before tax held up at S\$15.4 million (-3% YoY).
- **Interim Dividend Maintained:** The Board declared an interim dividend of 2.0 Singapore cents per share (unchanged YoY), signalling confidence in CBA’s cash flows. With a healthy cash position (>S\$67M on hand) and minimal debt, CBA continues to reward shareholders while funding growth initiatives.

Figure 1: CBA’s revenue by segment in 1H FY2025 vs 1H FY2024. The **FI Data** segment achieved ~8% YoY growth, offsetting a ~2% decline in **Non-FI Data** revenue, for an overall +2.2% YoY increase. This underscores that the core engine (FI credit bureaus) is healthy despite weakness in ancillary non-FI services.



Segment Performance – Core Engine vs. Macro Headwinds

CBA’s FI Data business (consumer and commercial credit bureaus in SG, KH, MM) proved resilient, delivering S\$14.0M revenue in 1H25 vs S\$13.0M in 1H24. Growth was driven by increased credit report volumes – new credit applications (+S\$0.8M YoY) and credit monitoring/review services (+S\$0.3M) – especially in Singapore. Credit Bureau Singapore continued to outperform, benefiting from steady lending activity and new digital bank entrants. Even in regional markets, credit bureau demand remained solid; for instance, Credit Bureau Cambodia grew modestly, though it faces emerging headwinds from US trade policy. (Cambodia is bracing for a potential 19% U.S. tariff, which could dampen consumer credit growth and loan applications.) Overall, the FI segment’s robust +7.6% YoY growth in 1H25 indicates that CBA’s core engine – recurring credit risk data services – is firing on all cylinders despite an uneven economy.

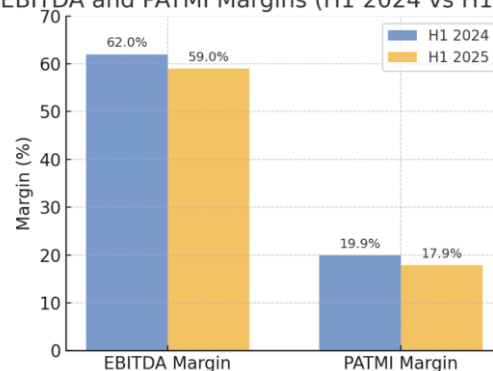
In contrast, the Non-FI Data segment (corporate credit information, D&B data services in SG/MY) saw revenue slip from S\$16.5M to S\$16.2M (-2.1% YoY). This slight contraction was mainly due to softer demand for sales & marketing data solutions amid a cautious business climate. Management noted a

subdued economic outlook (partly from global trade uncertainties) led clients to rein in spending on marketing and analytics services. Notably, revenue from sales/marketing solutions fell by ~S\$0.4M, although this was partially offset by a pickup in receivables management services. Encouragingly, core commercial credit report volumes under Singapore Commercial Credit Bureau held stable, implying that the decline was concentrated in discretionary areas. Recent trade deals between the US and key partners have also fostered hopes of improving business sentiment ahead. Management is cautiously optimistic that Non-FI demand will recover as global conditions stabilize – a view supported by slight improvements in late-2Q order inquiries. In sum, while Non-FI segment headwinds dragged overall growth in H1, these appear temporary and tied to macro cycles. CBA’s dominant position in credit data means it should benefit quickly when business confidence returns.

Profitability and Margins

Figure 2: EBITDA and PATMI margins for CBA in 1H FY2024 vs 1H FY2025. Despite a slight dip, margins remain exceptionally high – 59% EBITDA margin and 18% PATMI margin in the latest half – reflecting CBA’s defensive, high-margin business model.

EBITDA and PATMI Margins (H1 2024 vs H1 2025)



CBA maintained **exceptionally strong margins** in 1H FY2025, underscoring the quality of its earnings. The Group’s EBITDA margin was ~59% in 1H25 (versus ~62% in 1H24), remaining around the **60% level** that is far above most data/financial services peers. This slight margin dip was expected given slower top-line growth and inflationary cost pressures. Total operating expenses rose to S\$16.1M (+6% YoY), mainly due to higher staff costs and some one-off items. Notably, **other operating expenses** increased ~10.9% YoY to S\$6.85M, driven by forex losses and increased selling and admin expenses in the Non-FI subsidiaries. These cost upticks, along with a lower share of profit from the Cambodian JV (H1 JV profit fell ~57% to S\$0.27M), led to a modest erosion in net margins.

Nevertheless, CBA’s profitability remains **very robust**. Net profit (PATMI) margin came in at ~17.9% for 1H25 – a slight decline from ~19.9% a year ago, but still healthy. Importantly, the **net profit before minority interests** (which includes earnings from joint ventures) was S\$12.86M, representing an impressive ~43% **net margin** on revenue. In effect, CBA continues to convert nearly half of its revenue into net profit (before sharing with JV partners), highlighting its efficient operations. The Group also remains debt-free with net cash, which kept finance costs low at S\$0.17M. Overall, CBA managed to **largely maintain its profit margins** above 50% at the pretax level, despite macro headwinds. This margin resilience affirms the defensive nature of CBA’s business – even when growth slows, the company’s high recurring revenue mix and cost discipline protect its earnings base.

Looking ahead, management will monitor expenses closely, but no significant cost escalations are anticipated in H2. Barring unforeseen forex volatility, EBITDA margins are expected to stay ~55–60% for FY2025, in line with historical trends. CBA's ability to sustain such margins – roughly double that of global peers (Experian, Equifax at ~30–40% EBITDA margin) – underscores its **strong competitive moat and pricing power** in its niche.

Valuation and Recommendation

CBA's After incorporating the 1H FY2025 results, we **reiterate our BUY rating and S\$1.65 target price** for Credit Bureau Asia. The investment thesis outlined in our initiation ("Buy Ahead of the Crowd") remains intact: CBA's core business is **sound and growing**, and the company offers a rare combination of defensive earnings with additional growth levers. While first-half revenue growth (2.2%) lagged our initial full-year forecast (~10% YoY for FY25), this was largely due to short-term macro softness in the Non-FI segment. We expect momentum to improve in 2H 2025 as global trade headwinds abate and new growth drivers kick in. Management's commentary suggests a pickup in credit bureau usage in recent months, and any progress on strategic initiatives – e.g. the planned **Vietnam credit bureau JV** or new fintech partnerships – would provide further upside. CBA also continues to explore bolt-on acquisitions/JVs in other ASEAN markets, which could accelerate growth beyond the current base. Our view is that CBA's long-term growth trajectory (high single-digit to low teens revenue growth, mid-teens PATMI growth) is unchanged, supported by secular demand for credit data and CBA's expansion into new markets/products.

Valuation: CBA's stock price (S\$1.33–1.34 range recently) equates to roughly **23× FY2025E P/E** and ~15× EV/EBITDA. This is an undemanding valuation given CBA's superior profitability and market position. By comparison, Malaysia's **CTOS Digital** – a close regional peer – trades around 21× forward P/E and ~17× EV/EBITDA, despite having a much lower EBITDA margin (~35%). Global credit bureau giants (Experian, Equifax, TransUnion) trade at ~25–32× forward earnings, yet CBA matches or exceeds them on growth and returns (CBA's ROE ~23% vs Experian ~15%). We see room for CBA's valuation to **re-rate upward** as it delivers consistent results and expands its investor following. The stock's year-to-date rise (+13.5% in 2025) suggests the market is beginning to appreciate CBA's strengths, but at 23× forward P/E it still sits at a meaningful discount to global peers.

Our **target price of S\$1.65** is based on a blended methodology, unchanged from initiation. This equals ~30× FY2025 earnings per share and ~18× EV/EBITDA, in line with high-quality data/analytics businesses. We also cross-check via DCF, which yields an intrinsic value around S\$1.70 (WACC ~9%, g = 3%). The target implies ~28.5× FY25E P/E – a valuation we consider justified given CBA's ~15% earnings CAGR and dominant niche franchise. **Key catalysts** ahead include potential news on the Vietnam JV (a successful entry could add materially to FY2026–27 revenue) and continued momentum from digital banks and fintech partnerships. CBA has also just received its full consumer credit bureau license under Singapore's new regulation (affirming its leadership in a regulated market). These factors could crystallize investor confidence further.

Conclusion: Despite a mixed macro backdrop, CBA's latest results underscore the **resilience of its core business**. The FI Data segment – the growth engine – is powering ahead, supporting our view that CBA

can weather short-term headwinds and continue compounding its earnings. The slight dip in Non-FI revenue is not structural and should recover with the economy. We are encouraged by management's steady execution (e.g. maintaining margins, steady dividends) in H1. With one of the highest EBITDA margins in the industry and ample net cash, CBA is well-positioned to both sustain dividends and pursue growth opportunities. We maintain our **BUY** rating and S\$1.65 TP, and would accumulate the stock on any weakness. In our view, CBA offers a compelling GARP profile – a defensive earnings base with **upside optionality** from new markets – at a valuation that remains reasonable. The **core engine is healthy**, and patient investors can buy ahead of the crowd for a potential re-rating as the growth story plays out.

Appendix

Summary Financials:

Balance Sheet Highlights (S\$ '000):

- Cash: S\$67,004 (FY24) → **S\$67,265 (H1FY25)**
- Total Assets: S\$103,488 (FY24) → **S\$105,114 (H1FY25)**
- Total Liabilities: S\$30,796 (FY24) → **S\$30,867 (H1FY25)**
- Shareholders' Equity: S\$51,761 (FY24) → **S\$52,123 (H1FY25)** (attributable)
- Non-Controlling Interests: S\$20,931(FY24) → **S\$22,123 (H1FY25)**
- Total Equity: S\$72,692 (FY24) → **S\$74,246 (H1FY25)**
- Net Cash: ~S\$59M (H1FY24) → **~S\$67M (H1FY25)**

Financial Position (as at 30 Jun 2025)

	Group			
	Note	30 Jun 2025 \$	31 Dec 2024 \$	
Assets				
Current assets				
Cash and bank balances		67,265,013	67,004,305	
Trade receivables		7,140,565	6,463,239	
Other receivables and deposits		496,784	360,748	
Prepayments		1,717,317	1,234,186	
Investments in financial assets		2,311,216	982,872	
Tax recoverable		-	82,244	
Total current assets		78,930,895	76,127,594	
Non-current assets				
Other receivables and deposits		367,541	414,597	
Prepayments		538,695	379,949	
Property, plant and equipment	8	3,118,389	3,634,944	
Right-of-use assets		6,035,321	5,618,359	
Intangible assets	9	2,239,385	2,107,063	
Club membership	9	305,472	315,326	
Goodwill	10	7,715,050	7,715,050	
Investments in subsidiaries		-	-	
Investment in joint ventures		5,863,415	7,175,220	
Total non-current assets		26,183,268	27,360,508	
Total assets		105,114,163	103,488,102	
Liabilities & Equity				
Current liabilities				
Trade and other payables		6,162,596	7,897,168	
Dividend payable		3,521,400	3,110,570	
Lease liabilities		2,454,282	2,052,618	
Deferred income		9,229,058	8,277,474	
Income tax payable		4,776,807	4,916,302	
Total current liabilities		26,144,143	26,054,132	
Non-current liabilities				
Lease liabilities		4,065,169	4,039,683	
Deferred income		94,795	137,908	
Deferred tax liabilities		563,424	564,264	
Total non-current liabilities		4,723,388	4,741,855	
Capital and reserves				
Share capital	11	35,051,183	35,051,183	
Treasury shares	12	(180,417)	-	
Merger reserves		(442,221)	(442,221)	
Other reserves		(1,871,361)	(1,871,361)	
Translation reserves		(743,396)	(477,176)	
Retained earnings		20,309,675	19,500,765	
Equity attributable to owners of the Company		52,123,463	51,761,190	
Non-controlling interests		22,123,169	20,930,925	
Total equity		74,246,632	72,692,115	
Total liabilities and equity		105,114,163	103,488,102	

Profit and Loss (as at 30 Jun 2025)

	Note	Group		
		H1 2025	H1 2024	Change
		\$	\$	%
Revenue	4	30,205,349	29,565,484	2.2
Other operating income		1,113,659	964,193	15.5
Employee benefits expense		(6,911,478)	(6,640,798)	4.1
Depreciation and amortisation expense		(2,289,297)	(2,402,364)	(4.7)
Other operating expenses		(6,854,461)	(6,178,881)	10.9
Finance costs		(168,664)	(79,799)	111.4
Share of result of joint ventures		273,353	633,767	(56.9)
Profit before tax	5	15,368,461	15,861,602	(3.1)
Income tax expense	6	(2,503,658)	(2,622,958)	(4.5)
Profit for the period		12,864,803	13,238,644	(2.8)
Other comprehensive loss:				
<i>Item that may be reclassified subsequently to profit or loss</i>				
Exchange differences on translation of foreign operations		(260,429)	(88,463)	194.4
Total comprehensive income for the period		12,604,374	13,150,181	(4.2)
Profit attributable to:				
Owners of the Company		5,414,950	5,887,342	(8.0)
Non-controlling interests		7,449,853	7,351,302	1.3
		12,864,803	13,238,644	(2.8)
Total comprehensive income attributable to:				
Owners of the Company		5,148,730	5,794,639	(11.1)
Non-controlling interests		7,455,644	7,355,542	1.4
		12,604,374	13,150,181	(4.2)
Basic and diluted earnings per share (cents)		2.35	2.56	

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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