

COMPANY RESULTS

iFAST Corporation (IFAST SP)

1Q25: Solid Growth In AUA And iGB Profit; Upgrade To BUY

iFAST's 1Q25 earnings of S\$19m (+31% yoy) slightly missed expectations, forming 19% of our full-year forecast. Revenue rose 24% yoy, driven by growth in its core wealth management platform business and iGB's profit turnaround. AUA continues to break its record, reaching S\$25.7b (+3% qoq). iFAST lowered its 2025 PBT guidance for its Hong Kong operations by 24% due to resource ramp-up. A higher interim DPS of 1.6 S cents was proposed. Upgrade to BUY with a reduced target price of S\$7.28.

1Q25 RESULTS

Year to 31 Dec (S\$m)	1Q25	1Q24	yoy % chg	4Q24	qoq % chg
Revenue	106.9	86.0	24.4	104.1	2.7
Net revenue	67.7	58.1	16.5	64.8	4.5
Net revenue margin (%)	63.3	67.6	(4.3ppt)	65.8	(2.5ppt)
PATMI	19.0	14.5	31.2	19.0	n.a.
PATMI margin (%)	17.8	16.9	0.9ppt	21.8	(4.0ppt)

Source: iFAST

RESULTS

- **Slightly below expectations.** iFAST Corporation's (iFAST) PATMI jumped 31% yoy (flat qoq) to S\$19m, buoyed by a 24% yoy increase (+3% qoq) in gross revenue to S\$107m. The yoy profit growth was mainly driven by its UK-based iFAST Global Bank (iGB), which posted a second consecutive quarter of profits, and the continued growth in its core wealth management platform business. 1Q25 revenue and PATMI accounted for 18% and 19% of our forecasts respectively, slightly below expectations from higher-than-expected operating expenses from the Hong Kong (HK) ePension division on resource ramp-up.
- **Higher interim dividend proposed.** iFAST proposed a higher interim DPS of 1.6 S cents vs 1.3 S cents for 1Q24, representing a 25% payout ratio (1Q24: 27%).
- **Record after record AUA.** iFAST's assets under administration (AUA) continued to grow to S\$25.7b as of end-Mar 25 (+22% yoy; +3% qoq), supported by net inflows of S\$938m (+36% yoy; -6% qoq). Singapore continues to remain a key growth driver for AUA, reaching a record S\$18.1b (+19% yoy; +3% qoq) or 70% of group AUA.
- **iGB's turnaround drove profit growth.** iGB achieved a S\$1m net profit (vs a S\$2.3m loss in 1Q24), more than doubling its S\$0.4m profit in 4Q24. Gross revenue surged 105% yoy to S\$20m (+13% qoq), from a strong 124% yoy growth in customer deposits to S\$1.15b (+14% qoq). The bank continues to launch new products like a debit card for multi-currency accounts to engage more local customers. The EzRemit division has also hit a record-high transaction volume, contributing 74% yoy growth in non-interest commission and fee income in 1Q25.

KEY FINANCIALS

Year to 31 Dec (S\$m)	2023	2024	2025F	2026F	2027F
Net turnover	257	383	524	610	698
EBITDA	66	141	129	152	180
Operating profit	42	114	92	106	125
Net profit (rep./act.)	28	67	85	99	117
Net profit (adj.)	28	67	85	99	117
EPS (S\$ cents)	9.3	21.9	32.2	37.4	44.3
PE (x)	68.1	29.0	19.7	17.0	14.3
P/B (x)	7.5	5.9	4.9	4.0	3.3
EV/EBITDA (x)	19.4	9.0	9.9	8.4	7.1
Dividend yield (%)	0.8	0.9	1.6	1.8	2.2
Net margin (%)	11.1	17.4	16.2	16.2	16.7
Net debt/(cash) to equity (%)	(130.0)	(160.0)	(167.5)	(149.8)	(131.1)
Interest cover (x)	82.9	99.5	n.a.	n.a.	n.a.
ROE (%)	12.0	23.5	24.2	23.2	22.8
Consensus net profit	-	-	105	121	139
UOBKH/Consensus (x)	-	-	0.81	0.82	0.84

Source: Bloomberg, UOB Kay Hian

BUY

(Upgraded)

Share Price	S\$6.35
Target Price	S\$7.28
Upside	+14.6%
(Previous TP)	S\$8.30)

COMPANY DESCRIPTION

iFAST is a wealth management fintech platform headquartered in Singapore. It provides a comprehensive range of investment products and services to financial advisory firms, financial institutions, banks, internet companies, multinational companies, as well as retail and high net worth investors in Asia.

STOCK DATA

GICS sector	Financials
Bloomberg ticker:	IFAST SP
Shares issued (m):	302.8
Market cap (S\$ m):	1,922.9
Market cap (US\$m):	1,463.6
3-mth avg daily t'over (US\$m):	7.4

Price Performance (%)

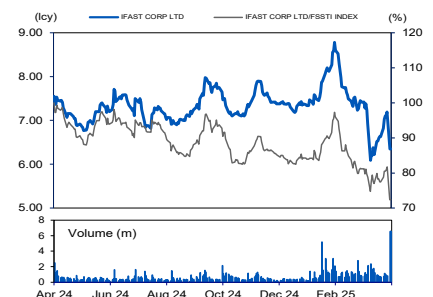
52-week high/low		S\$ 8.83/S\$ 6.02		
1mth	3mth	6mth	1yr	YTD
(14.4)	(14.0)	(18.1)	(10.6)	(14.3)

Major Shareholders

	%
Lim Chung Chun (CEO)	20.0
Singapore Press Holdings	11.9
Lim Wee Kian	6.6

FY25 NAV/Share (S\$)	1.31
FY25 Net Cash/Share (S\$)	2.19

PRICE CHART



Source: Bloomberg

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- **HK contribution lower qoq due to ePension division expenses.** For 1Q25, gross revenue from iFAST's HK business grew 13% yoy to S\$35m (flat qoq), while net revenue rose 5% yoy to S\$29m (+3% qoq). This is in line with the rise in HK's AUA to S\$3.1b (+24% yoy; +1% qoq). However, profit before tax (PBT) fell 7% yoy to S\$12m (-6% qoq), due to higher operating expenses for the ePension division from a ramp-up in resources. Management expects the top- and bottom lines of the ePension division to be higher in 2H25, from increased onboarding of the eMPF platform.

STOCK IMPACT

- **Overall HK operations' target for 2025 revised downwards.** Management has lowered its PBT guidance for the HK operations by 24% yoy, from >HK\$500m to >HK\$380m, citing higher-than-expected operating expenses. Revenue guidance remains unchanged at >HK\$1.2b. This reduces expected PBT margin from 41% to 32%, but still records a substantial 23% yoy growth in 2025 PBT due to the scheduled full onboarding of schemes by end-25. The group has also provided a promising 2026 outlook of double-digit yoy growth in both revenue and PBT from HK operations. We are of the view that there is room for margin expansion in 2026 as efficiency improves.
- **Making foray into Thailand with new partnership.** In Mar 25, iFAST partnered with TSFC Securities, a government-linked securities financing firm in Thailand, to expand its geographical presence. By leveraging on TSFC Securities' extensive financial network and iFAST's expertise in developing a global bond marketplace, they will create a co-branded fintech platform for Thai brokers and asset managers to trade offshore bonds. This will offer features uncommon in traditional bond markets, such as immediate executable pricing and full price transparency. This aligns with iFAST's three-year plan (2025-27) to build a "Truly Global Business Model", particularly with the scaling of its AUA to S\$100b by 2028-30.

EARNINGS REVISION/RISK

- **Lowering HK's ePension division's PBT estimates.** While the HK ePension division has contributed significantly, only six out of 24 schemes under the MPF System have been onboarded in ascending order of AUM. Given the technical and operational risks for schemes with larger AUMs as well as the ongoing ramp-up in staff headcount, we maintain a conservative outlook. Despite the stronger-than-expected performance in 2023/24, we forecast the division's PBT contribution at a 10% discount to the guidance.
- **We revise our 2025-27 earnings forecasts downward by 13-14%,** after factoring in the cut in profit guidance for the overall HK operations. As for AUA outlook, iFAST has continued to hit record highs, and we project around a 20% yoy growth for 2025-27.

VALUATION/RECOMMENDATION

- **Upgrade to BUY with a 12% lower PE-based target price of S\$7.28 (S\$8.30 previously),** based on 25x 2025 EPS valuation or 0.5SD below its historical mean. We are sanguine about the prospects of iFAST, supported by a three-year earnings CAGR of 26.4% from 2025-27. The stock is also trading at 19.7x 2025F PE, at around a 20% discount to its peers' average of 24.9x 2025F PE.

SHARE PRICE CATALYST

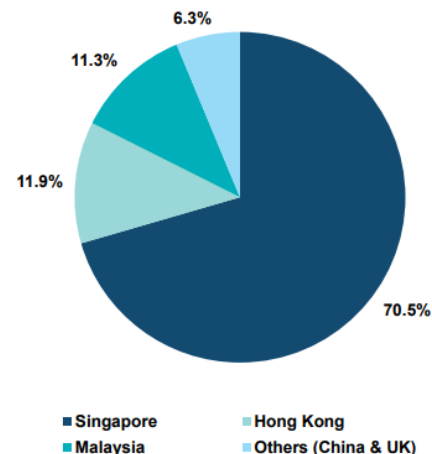
- Higher-than-expected growth in AUA.
- Faster onboarding of trustees to the eMPF platform.
- Lower-than-expected costs incurred for the eMPF platform.

HK OPERATIONS' ACTUAL AND TARGET PERFORMANCE

	2023A	2024A	2025F	2026F
Gross revenue	HK\$406m	HK\$866m	>HK\$1.2b	Double digit yoy growth
Net revenue	HK\$306m	HK\$656m	>HK\$1b	Double digit yoy growth
PBT	HK\$139m	HK\$309m	>HK\$380m	n.a.
PBT margin (%)	34.2%	35.7%	31.7%	n.a.

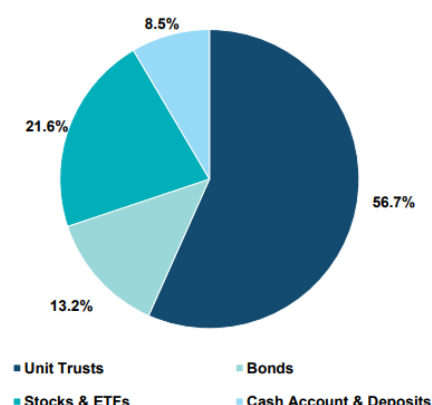
Source: iFAST

AUA BREAKDOWN BY MARKET AS AT 31 MAR 25



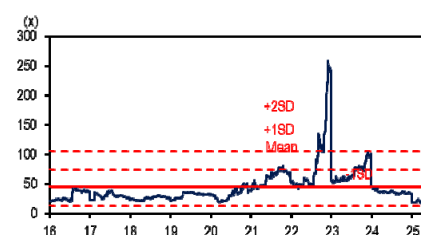
Source: iFAST

AUA BREAKDOWN BY PRODUCT AS AT 31 MAR 25



Source: iFAST

FORWARD PE BAND



Source: Bloomberg, UOB Kay Hian

PROFIT & LOSS

Year to 31 Dec (\$m)	2024	2025F	2026F	2027F
Net turnover	383.0	524.0	610.5	698.5
EBITDA	141.4	128.7	151.9	179.6
Deprec. & amort.	27.8	36.6	45.7	54.6
EBIT	113.6	92.0	106.2	125.0
Total other non-operating income	(28.9)	(28.9)	(28.9)	(28.9)
Associate contributions	(0.0)	(0.0)	(0.0)	(0.0)
Net interest income/(expense)	(1.4)	42.9	45.9	49.9
Pre-tax profit	83.2	106.0	123.1	145.9
Tax	(17.2)	(21.9)	(25.4)	(30.2)
Minorities	0.7	0.9	1.0	1.2
Net profit	66.7	84.9	98.7	116.9
Net profit (adj.)	66.7	84.9	98.7	116.9

BALANCE SHEET

Year to 31 Dec (\$m)	2024	2025F	2026F	2027F
Fixed assets	49.9	62.6	71.3	69.3
Other LT assets	222.1	191.2	205.9	223.5
Cash/ST investment	622.8	761.5	812.3	849.5
Other current assets	808.4	845.6	903.0	1,027.7
Total assets	1,703.3	1,861.0	1,992.5	2,170.1
ST debt	16.8	16.8	16.8	16.8
Other current liabilities	1,244.1	1,340.6	1,397.6	1,484.4
LT debt	99.1	99.1	99.1	99.1
Other LT liabilities	28.3	21.0	15.8	12.2
Shareholders' equity	316.8	385.3	465.0	559.4
Minority interest	(1.8)	(1.8)	(1.8)	(1.8)
Total liabilities & equity	1,703.3	1,861.0	1,992.5	2,170.1

CASH FLOW

Year to 31 Dec (\$m)	2024	2025F	2026F	2027F
Operating	671.3	76.8	149.5	154.0
Pre-tax profit	83.2	122.2	142.1	168.2
Tax	(4.6)	(25.3)	(29.4)	(34.8)
Deprec. & amort.	21.3	36.7	46.1	56.0
Associates	0.0	0.0	0.0	0.0
Working capital changes	560.5	(100.3)	(52.8)	(78.9)
Non-cash items	14.3	12.5	12.5	12.5
Other operating cashflows	(3.3)	30.9	30.9	30.9
Investing	(465.4)	(47.8)	(57.2)	(71.2)
Capex (growth)	(25.6)	(47.8)	(57.2)	(71.2)
Investments	(439.6)	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	(0.2)	0.0	0.0	0.0
Financing	51.3	(41.5)	(41.5)	(45.6)
Dividend payments	(17.0)	(29.4)	(34.2)	(40.4)
Proceeds from borrowings	46.4	0.0	0.0	0.0
Loan repayment	(64.2)	0.0	0.0	0.0
Others/interest paid	86.1	(12.2)	(7.3)	(5.1)
Net cash inflow (outflow)	257.2	(12.5)	50.8	37.2
Beginning cash & cash equivalent	359.8	622.8	610.3	661.1
Changes due to forex impact	5.8	0.0	0.0	0.0
Ending cash & cash equivalent	622.8	610.3	661.1	698.3

KEY METRICS

Year to 31 Dec (%)	2024	2025F	2026F	2027F
Profitability				
EBITDA margin	36.9	24.6	24.9	25.7
Pre-tax margin	21.7	20.2	20.2	20.9
Net margin	17.4	16.2	16.2	16.7
ROA	5.3	4.8	5.1	5.6
ROE	23.5	24.2	23.2	22.8
Growth				
Turnover	49.3	36.8	16.5	14.4
EBITDA	115.1	(9.0)	18.1	18.3
Pre-tax profit	126.8	27.3	16.2	18.5
Net profit	134.9	27.3	16.2	18.5
Net profit (adj.)	134.9	27.3	16.2	18.5
EPS	134.9	46.9	16.3	18.4
Leverage				
Debt to total capital	26.9	23.2	20.0	17.2
Debt to equity	36.6	30.1	24.9	20.7
Net debt/(cash) to equity	(160.0)	(167.5)	(149.8)	(131.1)
Interest cover (x)	99.5	n.a.	n.a.	n.a.

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