

## Company Update

# Info-Tech Systems Ltd

Singapore | Information Technology

**Ada Lim**  
Equity Research

## Leaps and bounds

Rating **BUY** (as at 02 March 2026)  
Last Close SGD 1.12  
Fair Value SGD 1.30

- FY25 earnings per share (EPS) of 5.82 Singapore cents was ahead of our and consensus's expectations
- Policy support from the recently announced Singapore budget and ongoing efforts to expand and develop existing offerings bode well for the company's growth trajectory, in our view
- Increase fair value (FV) estimate from SGD1.00 to SGD1.30

## Investment thesis

Headquartered in Singapore, Info-Tech Systems Ltd (ITL) is a leading provider of cloud-based human resource management software (HRMS) designed for small and medium enterprises (SMEs) in Singapore, Malaysia, Hong Kong, and India. The company primarily offers two product lines, namely cloud-based HRMS and Info-Tech Accounting Software. ITL's HRMS specifically targets the fast-growing SME segment, addressing bottlenecks in digital adoption through its all-in-one software solutions. These are scalable, allowing ITL to expand alongside SME customers' fast-growing businesses, and offered at an accessible price point, which can be particularly attractive to cost-sensitive SMEs that are just embarking on their digitalisation journeys and are first-time users of HRMS. ITL also prides itself on its comprehensive after-sales service and customer support. We think these customer-centric features allow it to differentiate itself from its competitors, positioning it well to benefit from a global movement towards software-as-a-service (SaaS) offerings amidst policy support to transition towards digital economies.

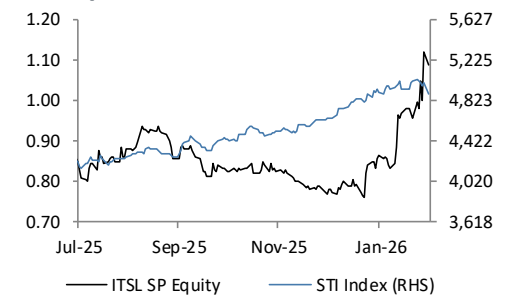
## Investment summary

- **A solid beat, supported by strong take-up of Academy courses** – ITL reported a 29% increase in both FY25 revenue and gross profit to SGD56.5m and SGD48.1m, respectively. This was largely attributed to a surge in Services revenue, which grew nearly threefold to SGD15.0m, supported by strong take-up of ITL's Academy courses due to an enlarged catalogue of offerings, demand for AI-related courses, and the expiry of a one-off SkillsFuture Credit top-up towards the end of 2025. Annual recurring revenue (ARR) rose 18% to SGD25.4m, with the number

## Security information

Ticker	ITSL SP EQUITY
Market Cap (SGD b)	0.28
Daily turnover (SGD m)	0.52
Free Float	26.2%
Shares Outstanding (m)	258
Top Shareholder	Dilip Babu Setin Sub 41.42%

## Price performance chart



## Financial summary

SGD m	FY25	FY26E	FY27E
Revenue	56.5	63.2	69.9
Gross profit	48.1	53.9	59.7
Profit after tax	15.0	18.6	20.6
EPS (S cents)	5.8	7.2	8.0
DPS (S cents)	3.50	4.00	4.40

## Key ratios

	FY25	FY26E	FY27E
Revenue growth	29.2	11.8	10.6
Gross profit margin	85.2	85.4	85.4
Net income margin	26.6	29.4	29.5
EPS growth	N.M.	23.8	10.7
Dividend yield	3.1	3.6	3.9

Source: Bloomberg, Company, OCBC Group Research

of HRMS users and accounting customers growing 23% and 51% to 970k and 1.7k, respectively. Adjusted EBITDA, which excludes one-off listing and relocation expenses totalling around SGD3m, grew 42% to SGD24.2m, while adjusted profit after tax grew 46% to SGD18.0m. The latter implies a 3.7 percentage point expansion in profit margins to 31.9%. ITL's FY25 EPS of 5.82 Singapore cents was 16% above our full year forecast. The company has proposed a final dividend per share (DPS) of 1.95 Singapore cents, which brings total DPS for the year to 3.50 Singapore cents.

- Positive growth trajectory underpinned by policy support and other tailwinds** – ITL's share price has performed well since we initiated coverage in late Aug 2025, gaining 30.2% to touch a high of SGD1.12 as at 27 Feb 2026. Going forward, we see positive tailwinds from the recently announced Singapore budget: (i) The expansion of the Productivity Solutions Grant (PSG) to support all firms, regardless of size, to access artificial intelligence (AI) tools to work smarter and compete more effectively will likely support the continued adoption of ITL's product offerings. (ii) Singaporeans who undergo selected training courses will get six months of free access to premium AI tools – and we believe ITL's course offerings have a good chance of qualifying for this as it doubles down on digital skills and AI training demand. Additional engines of growth include an integrated customer relationship management (CRM) software which was launched in Feb 2026, for which take-up has generally been positive; as well as the company's entry into Dubai in late 2025, with operational ramp-up expected over 1H26, barring any disruptions due to ongoing geopolitical uncertainty. We account for the FY25 results in our model and finetune our assumptions, lifting our FY26 and FY27 EPS projections by 12.5% and 14%, respectively. As a result, our FV estimate is increased from SGD1.00 to SGD1.30. This remains pegged to 16x FY27E price-to-earnings (P/E). Maintain BUY.

## Results highlights

SGD m	FY24	FY25	% Chg
Revenue	43.7	56.5	29.2%
Cost of sales	-6.3	-8.4	32.8%
Gross profit	37.4	48.1	28.6%
Adjusted EBITDA	17.01	24.16	42.0%
Adjusted operating profit	14.8	21.7	46.9%
Adjusted profit after tax	12.34	18.02	46.0%
EPS (S cents)	4.8	5.8	21.8%

Source: Company, OCBC Group Research

## Potential catalysts

- Higher than expected growth in number of customers and/or stronger than expected pricing power
- Expansion of solutions suite in line with customers' needs, spurring new customer wins or improving customer stickiness
- Entry into a new geographic market and/or accretive acquisitions or partnerships

## Investment risks

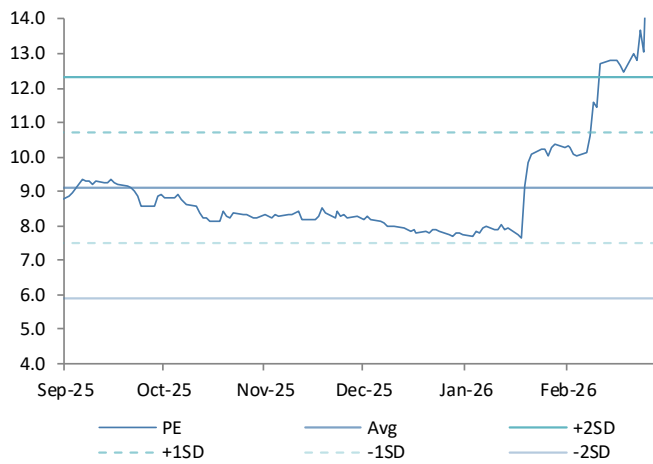
- Failure to retain existing customers due to inability to respond to changing customer preferences or deteriorating macroeconomic conditions
- Data security and/or cloud computing infrastructure downtime could impact operations and result in regulatory fines
- Failed expansion plans into new geographies and/or product lines

## Valuation analysis

	Price/Earnings (x)		Price/Book (x)		EV/EBITDA (x)		Dividend Yield (%)		ROE (%)	
	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E	FY26E	FY27E
<b>INFO-TECH SYSTEMS INTEGRATOR (ITSL SP Equity)</b>	15.8	14.5	10.9	8.0	13.9	10.7	2.1	2.4	87.0	49.3
<b>HUMANICA PCL (HUMAN TB Equity)</b>	11.3	10.0	1.2	1.2	NA	NA	6.7	7.7	10.8	11.8
<b>HRNETGROUP LTD (HRNET SP Equity)</b>	14.1	12.8	1.8	1.7	7.7	6.8	5.6	5.8	12.5	13.1
<b>WORKDAY INC-CLASS A (WDAY US Equity)</b>	12.7	10.8	3.9	3.0	8.6	6.7	0.0	0.0	20.8	20.3
<b>PAYLOCITY HOLDING CORP (PCTY US Equity)</b>	13.7	12.7	4.3	3.3	10.0	9.6	0.0	0.0	33.4	30.3

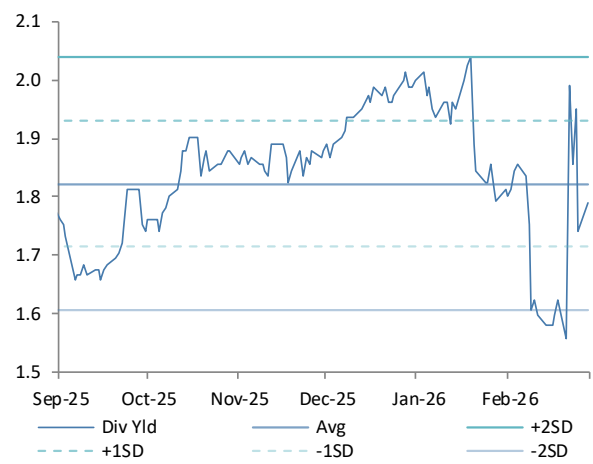
Source: Bloomberg

### Price/Earnings chart (x)



Source: Bloomberg

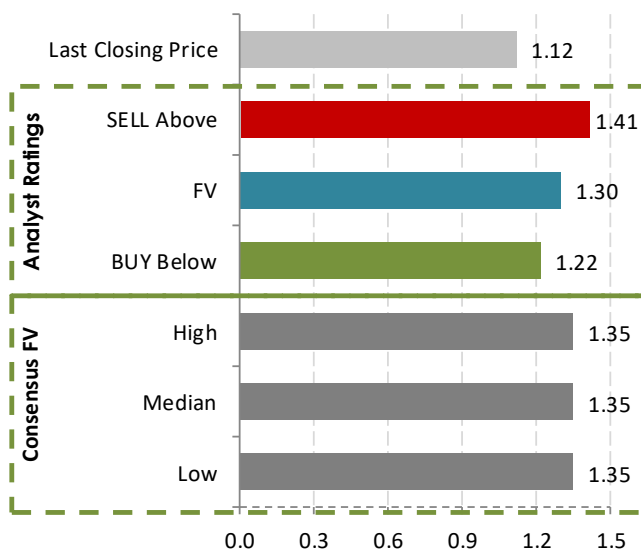
### Dividend Yield chart (%)



Source: Bloomberg

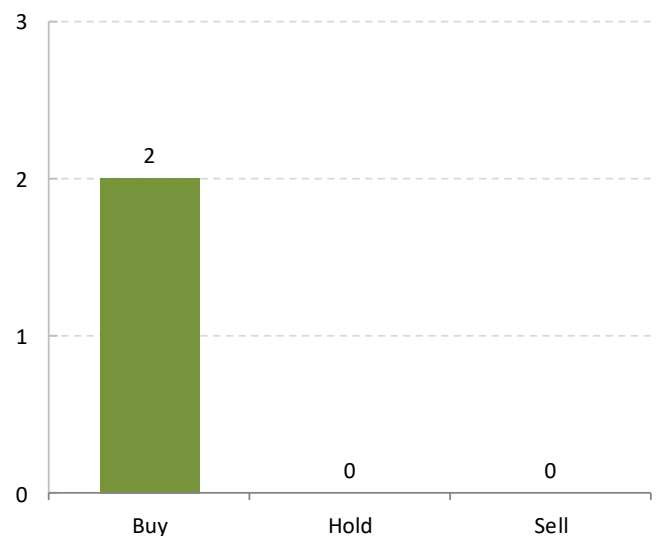
## Analyst ratings vs street ratings

### Prices in (SGD)



Source: Bloomberg, OCBC Group Research

### No. of analyst(s)



## Company overview (as of 2 March 2026)

### Company description

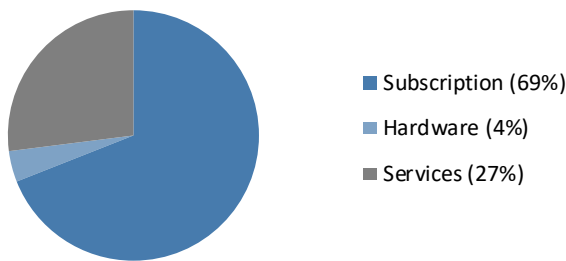
Info-Tech Systems Ltd (ITL) was co-founded by Mr Peter Lee and Mr Babu Dilip in 2007. Since then, the Singapore-headquartered company has grown into a leading provider of cloud-based human resource management system (HRMS) software designed for small and medium enterprises (SMEs) in Singapore, Malaysia, Hong Kong, and India.

ITL primarily offers two product lines, namely cloud-based HRMS and Info-Tech Accounting Software. These are deployed via a software-as-a-service (SaaS) model that generates high levels of recurring subscription revenues. The company also offers complementary services such as access control, data collection hardware systems, and payroll outsourcing services. Its latest products and services include the Academy and Jobs Lah.

ITL was listed on the Mainboard of the Singapore Exchange (SGX) in July 2025.

### FY25 revenue breakdown

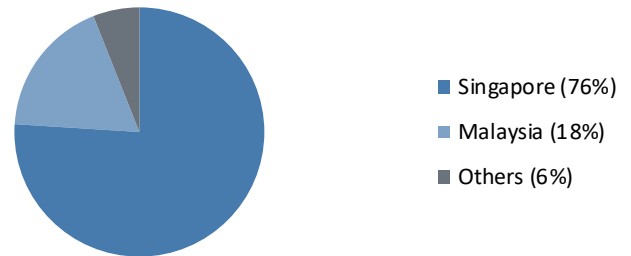
By segment



Source: Company

### FY25 revenue breakdown

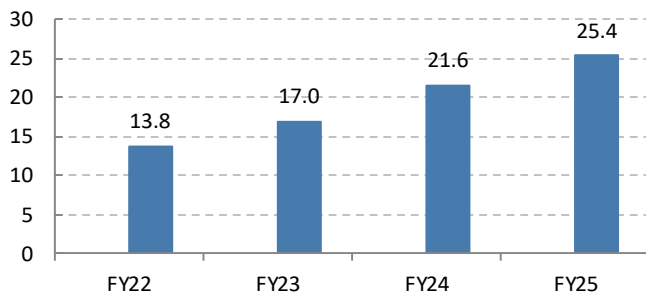
By geography



Source: Company

### Annual recurring revenue

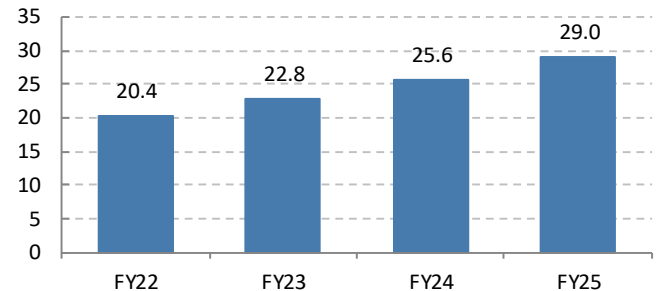
SGD m



Source: Company

### Orderbook

SGD m



Source: Company

## Company financials

### Income statement

Year Ended 31 Dec (SGD m)	FY24	FY25	FY26E	FY27E
Revenue	43.7	56.5	63.2	69.9
Cost of sales	-6.3	-8.4	-9.2	-10.2
Gross profit	37.4	48.1	53.9	59.7
EBITDA	17.0	21.2	25.6	27.5
Operating profit	14.9	18.9	23.2	25.6
Net finance costs	0.0	0.1	0.1	0.1
Profit before tax	14.9	19.1	23.2	25.7
Tax expenses	-2.6	-4.0	-4.6	-5.1
Profit after tax	12.3	15.0	18.6	20.6
PATMI	12.3	15.0	18.6	20.6

### Balance sheet

As at 31 Dec (SGD m)	FY24	FY25	FY26E	FY27E
Plant, property and equipment	4.3	5.0	4.0	3.2
Total non-current assets	6.1	7.3	6.3	5.4
Cash	29.7	67.3	74.5	87.3
Total current assets	33.6	76.6	90.2	104.6
Total assets	39.7	83.9	96.5	110.0
Current liabilities ex debt	31.0	38.5	45.2	49.5
Debt	0.0	1.0	2.0	3.0
Total liabilities	35.7	44.0	48.3	52.7
Unitholders' funds	4.0	39.9	48.2	57.3
Total equity and liabilities	39.7	83.9	96.5	110.0

### Key rates & ratios

	FY24	FY25	FY26E	FY27E
Revenue growth (%)	14.8	29.2	11.8	10.6
EBITDA growth (%)	12.4	24.3	20.8	7.8
PATMI growth (%)	17.7	21.7	23.8	10.7
Rule of 40	43.1	55.8	41.3	40.1
Earnings per share (S cents)	4.78	5.82	7.20	7.98
Dividend per share (S cents)	-	3.50	4.00	4.40
Dividend yield (%)	-	3.1	3.6	3.9
ROE (%)	-	68.5	42.2	39.0
ROA (%)	32.6	24.3	20.6	19.9

Sources: Company, OCBC Group Research

Note: Rule of 40 refers to the sum of revenue growth and profit margin.

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