

**BUY**

\$0.98  
+105%  
Target  
\$2.00

# INFO-TECH SYSTEMS | SGX:ITS

## The Next Enterprise SaaS breakout at \$0.5bn mkt cap

**Info-Tech Systems (ITS)** operates a cloud-based HCM platform serving Singapore’s SME segment. **Asset-light SaaS model with structural cash flow advantages.**

The subscription model collects annual revenue upfront, resulting in negative working capital and a debt-free balance sheet. Free cash flow exceeds \$40m (17% FY26F FCF yield), fully funding a 6.6% dividend while retaining capacity for reinvestment.

**Government subsidies structurally lower customer acquisition costs (CAC).** Singapore’s recurring enterprise digitalization grants (PSG) subsidized up to 50% of SaaS adoption costs for SMEs, materially reduces ITS’s CAC & shortening payback periods. This subsidy framework is structural rather than cyclical, underpinning durable demand.

**Corporate training vertical opens a second growth vector complementing core SaaS business.** ITS’s recent expansion into corporate training leverages a separate pool of government funding (SkillsFuture EC, 50-90% subsidy). Early-stage penetration implies long runway for margin-accretive growth.

**Low SME market penetration supports robust organic growth.** ITS has an estimated 7.7% SME market share in Singapore and 1.8% in Malaysia. At current growth trajectories and with government subsidy tailwinds, we estimate organic expansion alone can support a \$0.1bn revenue over the medium term. Rule of 40 is projected to improve from 67% to 90%, signaling an increasingly efficient growth profile.

**Significant valuation discount to SaaS peers and the broader market.** ITS trades at 9.3x FY26F PE (5.9x ex-cash), 0.12x PEG and 4.4x EV/EBITDA vs global SaaS peer average of 12.5x EV/EBITDA and STI PEG of 1.55x. Longer-term re-rating potential exists as ITS scales into the enterprise segment. We estimate FY26F Total Shareholder Return (TSR) of approximately +105%, implying an **Intrinsic Value/Target Price of \$2.00. Initiate coverage on ITS with BUY** recommendation with potential 105% upside.

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Mkt cap: \$253 mil [\$0.98 3May26]

Intrinsic Value: \$2.00

52-week range: \$0.76 – \$1.16

Singapore

Software & Services [4510]

RHTC Forecast	2024	2025	2026F	2027F
Revenue \$mil	44	56	82	102
Consensus Rev			63	67
EBIT \$mil	15	19	33	42
Net Income \$mil	12	15	27	34
EPS (cts)	4.8	5.8	10.5	13.1
Consensus EPS			8.1	8.5
Ex-cash P/E (x)	19.3	13.4	5.9	4.1
P/E (x)	21.7	17.9	9.3	7.5
PEG (x)			0.12	0.30
Rule 40 (%)	38.9	66.7	90.2	66.3
ROAE (%)		68.5	60.2	59.5
Div Yield (%)		3.4%	6.6%	8.2%
Intrinsic Value			<b>2.00</b>	
% upside			<b>105%</b>	

Industry	PE	PEG	BETA	EV/EBITDA
<b>Valuation</b>	<b>2026F</b>	<b>2026F</b>		
ITS	9.3	0.12	0.69	4.4
STI @ 4,900	15.5	1.55	1.0	5.5-15.5 <sup>1</sup>
<u>Global Peers</u>				
Paylocity	21.2	1.4	0.57	11.5
Paycom	11.0	1.6	0.8	6.8
WorkDay	10.8	0.8	1.14	19.2
Salesforce	20.6	1.0	1.21	12.6
<b>Avg ex-ITS</b>	<b>15.9</b>	<b>1.2</b>		<b>12.5</b>
<i>ITS disc/t</i>	<i>-41%</i>	<i>-90%</i>		<i>-65%</i>

1. ex-FI. Source: RHTC est, Mgt, RHTC est, BBG, Yahoo Finance



### Ratios & Valuations

(x)	2024	2025	2026F	2027F
ex-cash PE	18.1	12.4	5.9	4.1
PE	20.5	16.8	9.3	7.5
consensus PE			12.0	11.5
PEG			0.12	0.30
<b>Intrinsic Value \$</b>			<b>2.00</b>	
(potential upside)			105%	
Div Yield		3.6%	6.6%	8.2%
PFCF	14.3	16.0	5.8	5.7
PB	63.5	6.3	5.0	4.0
ex-cash PB	56.0	4.7	3.2	2.2
EV/Sales	5.1	3.3	1.9	1.3
EV/EBITDA	13.1	8.8	4.4	3.1

### Growth & Margins (%)

YoY (%)	25/24	26F/25	27F/26F
Revenue growth	29.2	46.8	22.5
EPS growth	21.7	80.6	24.6
DPS growth	nm	85.7	23.1

(%)	2024	2025	2026F	2027F
Gross margins	85.6	85.2	85.4	85.6
EBITDA margin	38.9	37.5	43.4	43.8
EBIT margins	34.1	33.5	40.3	41.0
PBT margins	34.1	33.7	40.5	41.1
Net margins	28.2	26.6	32.7	33.3
FCF margin	40.3	28.0	52.8	43.8
Rule of 40	38.9	66.7	90.2	66.3

### Income Statement \$mil

\$mil	2024	2025	2026F	2027F
Revenue	44	56	83	102
Subscription	36	39	61	74
Services	5	15	19	25
Hardware	2	2	2	2
COGS	(6)	(8)	(12)	(15)
Gross Profit	37	48	71	87
Total Opex	(23)	(29)	(38)	(46)
<b>EBITDA</b>	<b>17</b>	<b>21</b>	<b>36</b>	<b>44</b>
Depreciation	(2)	(2)	(2)	(2)
Amortization	(0)	(0)	(0)	(0)
<b>EBIT</b>	<b>15</b>	<b>19</b>	<b>33</b>	<b>42</b>
Net Finance costs	(0)	0	0	0
<b>PBT</b>	<b>15</b>	<b>19</b>	<b>34</b>	<b>42</b>
Tax	(3)	(4)	(6)	(8)
tax rate (%)	17	21	19	19
<b>PAT</b>	<b>12</b>	<b>15</b>	<b>27</b>	<b>34</b>
S\$				
EPS	0.048	0.058	0.105	0.131
EPS consensus			0.081	0.085
% RHTC/consensus			29.2%	53.7%
DPS		0.035	0.065	0.080
Consensus Rev			62.45	67.14
% RHTC/cons			32.8%	51.3%

Source: Company data, RHTC estimates

### Top shareholders

#	Beneficial Owner	Total Shares mil	Est o/s
1	Setin Subramanian Dilip Babu	106.875	41.42%
2	Peter Lee Kim Heng	49.6047	19.23%
3	Yeoh Sin Yee	9.6	3.72%
	Free Float	(as 28 Apr 2026)	35.63%

### Balance Sheet \$mil

\$mil	2024	2025	2026F	2027F
Cash & CE	30	67	93	116
Trade receivables	4	9	12	13
Inventories	0	0		
<b>Current Assets</b>	<b>34</b>	<b>77</b>	<b>105</b>	<b>129</b>
PPE	4	5	6	6
Intangible assets	0	0	0	0
Deferred Tax Asset	2	2	2	3
<b>Non-current asset:</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>10</b>
<b>Total Assets</b>	<b>40</b>	<b>84</b>	<b>113</b>	<b>139</b>
Trade payables	4	7	10	12
Contract liabilities	23	27	41	51
Lease liabilities	1	1	1	1
Current tax liabilities	2	3	5	6
<b>Current liabilities</b>	<b>31</b>	<b>38</b>	<b>58</b>	<b>70</b>
Contract liabilities	2	2	4	5
Lease liabilities	2	3	0	0
Provision for reinst:	0	0	0	0
Deferred tax liability	0	0	0	1
<b>LT liabilities</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>
Share capital	0	27	27	27
Retained earnings	4	13	23	36
Reserve	0	0	0	0
<b>Total Equity</b>	<b>4</b>	<b>40</b>	<b>50</b>	<b>63</b>

### CashFlow \$mil

\$mil	2024	2025	2026F	2027F
PBT	14.9	19.1	33.5	41.7
WC changes	4.3	-0.9	15.6	9.2
Cash from ops	21.4	20.2	51.7	53.8
Tax paid	-3.3	-3.4	-4.8	-6.0
<b>Operating CF</b>	<b>18.0</b>	<b>16.8</b>	<b>46.9</b>	<b>47.9</b>
Purchase PPE	-0.4	-1.0	-2.8	-3.1
Others	-2.7	1.1	0.0	0.0
<b>Investing CF</b>	<b>-3.1</b>	<b>0.1</b>	<b>-2.8</b>	<b>-3.1</b>
Payment of lease	-1.1	-1.3	-1.2	-1.2
Dividends paid	-2.0	-5.3	-16.8	-20.6
Interest paid	-0.2	-0.2	-0.2	-0.2
Share issuance		28.7		
Insurance costs		-1.5		
<b>Financing CF</b>	<b>-3.3</b>	<b>20.5</b>	<b>-18.2</b>	<b>-22.1</b>
Net chg in cash	11.6	37.4	25.9	22.7
FX	0.3	0.2		
Cash beg period	17.8	29.7	67.3	93.2
Cash end period	29.7	67.3	93.2	115.9

## EXECUTIVE SUMMARY

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### Management Meeting

We met with CFO Juan Chow Yee and Finance Manager Law Yee Chien ahead of initiating coverage on Info-Tech Systems (ITS), Singapore's first pure-play SaaS listing. Key takeaways from the meeting reinforced our constructive thesis: (i) management is prioritising module attach rate expansion across the existing SME client base, (ii) the corporate training vertical is generating incremental revenue at minimal marginal cost, and (iii) strong CF generation from upfront annual revenue collection meant balance sheet remains unlevered with no near-term need for external capital. The management team's disciplined approach to capital allocation [characterised by robust free cash flow conversion, maintaining development & backend cost centers in India & Malaysia, consistent dividend growth and selective reinvestment] is a distinguishing feature of the investment case.

### SaaS Platform Evolution: Point Solution to Integrated HCM Suite

ITS' human capital management (HCM) strategy characteristics consistent with a successful early-stage SaaS compounder scaling beyond the \$100m revenue threshold (Fig 2-3). The company has evolved from a single-product Windows-based HRMS provider into an award-winning, cloud-native platform offering complementary modules across payroll, leave management, expense claims and workforce analytics. This modular architecture shares a common data model, creating compounding switching costs as clients adopt additional modules; a dynamic analogous to Salesforce's expansion from CRM into a multi-product enterprise platform.

Operational execution has been consistent across all disclosed metrics, reflected in sustained profitability and a Rule of 40 score of 66.7%, which we project will improve to 90.2% by FY26F, approximately double the global SaaS peer group average of 36.9% (Fig 3-1).

### Management Depth & Continuity

The executive team averages 20+ years of tenure, providing institutional continuity across finance, operations and sales functions. This depth materially reduces key-person risk and

supports consistent strategic execution, a critical differentiator for a company at this stage of the SaaS lifecycle (*section 4*).

### Increased free-float positive for stock

We view the recent vendor sale (28-Apr-26) by Executive Chairman as positive for the stock as it saw increased Institutional participation (fig 5-10). This resulted in free float of Info-Tech System rising from 26.25% to 35.6%.

### Re-Rating Catalyst: Enterprise Segment Expansion

Over the medium term, we see a natural strategic pathway for ITS to move upmarket into the enterprise segment, targeting annual recurring revenue (ARR) per customer above \$200k; consistent with the profile of global HCM peers such as Dayforce. An enterprise-grade offering would warrant a re-rating towards global SaaS peer multiples (fig ES-1) from which ITS currently trades at significant discount.

**Figure ES-1: ITS relative valuation to Global SaaS competitors**

Excerpts from Fig 3-1	ITS FY26F	Global SaaS Avg	Workday
EV/EBITDA	4.4x	12.5x	19.8x
Discount to ITS	—	-65%	-77%
Rule of 40 (FY25)	90.2%	35.8%	42.5%

Source: RHTC Research estimates, company filings, Bloomberg..

### Organic growth to support revenue growth to \$100mil

ITS holds an estimated 7.7% market share in Singapore and 1.8% in Malaysia (Fig 2-7). At current penetration levels, continued SME adoption [supported by structural government digitalisation subsidies] should be sufficient to drive ITS towards a \$100mil revenue bracket (and support \$0.5bn market capitalisation) over the medium term, before any enterprise uplift is factored in.

### Total Shareholder Returns & Intrinsic Value/Target Price estimate

ITS has delivered a total return of +16.7% since listing (fig 5-6), underpinned by strong FCF generation, dividend policy and robust EPS growth. Looking forward, we estimate FY26F Total Shareholder Return (TSR) of approximately +105%, implying an **Intrinsic Value (IV) / Target Price (TP) of S\$2.00** (fig ES-2). On a two-year holding period through FY27F, cumulative TSR reaches an estimated +155%, implying an FY27F IV of S\$2.50.

### Figure ES-2: TSR & Implied IV / TP

Holding Period	Estimated TSR	Implied IV / TP \$
1-Year (FY26F)	<b>+105%</b>	<b>2.00</b>
2-Year (FY27F)	<b>+155%</b>	<b>2.50</b>

Source: RHTC Research estimates. See Fig 5-7 for detailed TSR decomposition.

### Implied Valuation at \$2.00

At IV estimate of \$2.00, ITS still trades at significant discounts to STI & global SaaS valuations (fig ES-3).

### Figure ES-3: ITS IV relative to STI & Global Comps

Valuation comparison	PEG	EV/EBITDA
STI @ 4,900	1.55	<b>10.5<sup>1</sup></b>
Global SaaS Group <sup>2</sup> (as of 26-Apr)	1.19	<b>12.5</b>
ITS @ \$2.00	<b>0.24</b>	<b>11.8</b>

1. Average of STI EV-EBITDA range 5.5-15.5 across industries (Fig 5-8). 2. Refer to Fig 3-1. Source: BBG, RHTC estimates

At our estimated TP of \$2.00, the implied FY26F PEG of 0.24x remains at a substantial discount to both STI FY26F PEG of 1.55x and global SaaS average of 1.19. On EV/EBITDA basis, ITS is at 12% premium to STI mid-point EV/EBITDA range across industries. Compared to Global SaaS group ITS IV valuation is at parity. However, it still lags the large standalone Enterprise SaaS group at 15.9x (fig 3-1) which suggests further re-rating potential beyond our base case, particularly as the enterprise transition gains traction.

**Initiate coverage on Info-Tech Systems with a BUY rating and Target Price of \$2.00 or +105% upside potential based on expected Total Shareholder Return (TSR). Implied market capitalisation at TP: \$517mil.**

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## 2. OVERVIEW

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***Info-Tech Systems Ltd (ITS), Singapore's first pure-play SaaS listing, operates in a total addressable market (TAM) spanning four Asia-Pacific markets with a combined cloud HRMS opportunity estimated at \$4.68bn in 2025 (fig 2-7), growing (CAGR 10.9%) to \$7.1bn by 2029. ITS SaaS strategy has operational leverage premised on PEPM model, front-loads revenue collection and utilises government grants for SMEs (Singapore & Malaysia) which effectively lowers CAC circa 50%. ITS current single digit mkt share (fig 2-7) at 7.7% (Singapore) & 1.8% (Malaysia) suggests tremendous runway to continue tapping on these recurring government grants. The Training division also benefited from substantial nationwide (corporate & individual) re-skilling grants which propelled a 27% portfolio revenue contribution in 2025 (from 12%). Credit to ITS longstanding founders & executive team which shaped organizational discipline to deliver high fidelity strategic execution. ITS sits at the cusp of upscaling its SaaS lifecycle (fig 2-3) to Phase 3 [ $>$ \$100mil revenue target] as it considers elevating its portfolio focus towards the highly profitable (and competitive) Enterprise weight class in the medium term. A successful pivot could unlock significant re-rating potential for ITS with increasing institutional benchmarking against global HCM valuations.***

### Overview

Info-Tech Systems (ITS) was co-founded in 2007 by Mr. Peter Lee and Mr. Babu Dilip. The Group has grown from a local payroll and attendance software provider into an integrated platform spanning HR, workforce management and finance management, delivered under a Software-as-a-Service (SaaS) model. The software architecture allows fast implementation, highly competitive pricing with accommodative user-interface (UI) facilitating SMEs digitizing HR and accounting workflows while complying with regulatory requirements and improving labour productivity.

ITS listed on the Singapore Exchange (SGX) mainboard in July 2025, offering approximately 24.9 mil shares at S\$0.87 per share. The listing, which was SGX's first pure-play SaaS Provider Mainboard Listing, was

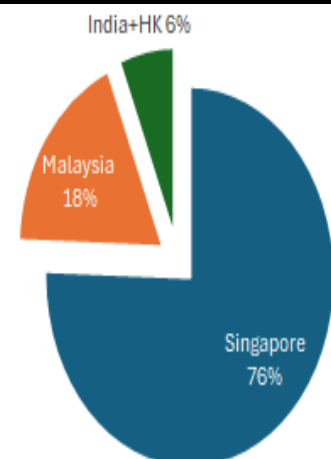
positioned to support Info-Tech’s next phase of growth through product development and regional expansion. IPO raised gross proceeds of approximately \$57.4 mil, providing a substantial capital injection to accelerate regional growth. The firm plans to deploy these funds to enhance sales and marketing, develop new product lines, expand into new markets and pursue potential inorganic acquisitions. To reward shareholders, directors have signalled their intent to distribute at least 50% of net profit after tax as dividends for FY2025 and FY2026. As at the time of listing, Info-Tech’s operations spanned Singapore, Malaysia, Hong Kong and India, with the Group serving more than 27,000<sup>1</sup> organizations & 970,000<sup>1</sup> active HRMS users across these markets.

ITS is supported by an **executive team** (section 4) distinguished by its **exceptional tenure and strategic depth**. Core leaders averaged circa 20 years with the company, providing a foundation of stable, institutional knowledge across finance, operations and sales. This stability has enabled the deliberate cultivation of a strong, succession-ready leadership bench, a process actively overseen by the Board. The result is a resilient organization where strategic execution and cultural continuity are embedded within the leadership structure, effectively mitigating transition risk and ensuring the enduring success of the corporate strategy.

While Singapore remains the core market (76% of FY25 revenues), the firm is aggressively expanding its geographic footprint in Malaysia, Hong Kong and India.

ITS has also positioned itself for new markets, establishing a wholly owned subsidiary, Digisme Technologies, in Dubai, United Arab Emirates (Nov25). While timing is unfortunate with the current Iran conflict and resulting business dislocation in UAE/across wider GCC region, we still like mgt’s risk appetite in seeking shareholder value creation.

**Figure 2-1: FY25 ITS portfolio**



Source: Mgt

## Operating Segments

The group generates revenue through three primary business segments designed to create a cohesive digital ecosystem for SMEs.

1. **Subscription: Representing circa 70% of total revenue**, this core segment provides cloud-based Human Resource Management Software (**HRMS**) and Accounting software through highly predictable, recurring payment models.
2. **Hardware: Accounting for approximately 5% of revenue**, this division supplies and maintains biometric fingerprint readers, RFID scanners, and facial recognition systems that synchronize seamlessly with the firm's HRMS.
3. **Services (25% of revenue)**: This supplementary segment encompasses payroll outsourcing, an AI-driven job portal named JobsLah (database over 0.1mil job seekers and over 7k employers across SG & Msia) and Singapore Workforce Skills Qualifications (WSQ) training courses delivered through the InfoTech Academy (over 18,000 registrations).

**Re-calibrating customer's infrastructure productivity to higher levels.** For over two decades, ITS has expanded alongside its core SME customer base, adding new modules as regulations and client needs evolved. The Group's flagship Human Resource Management Software [HRMS] having migrated from Window-based software, was launched in its current cloud-based SaaS designed for SMEs in Singapore and Malaysia.

NextGen integrated CRM platform aims to unify SME's front-to-backend infrastructure (manage sales pipelines, customer interactions, deal tracking, connecting sales, HR and finance into one seamless system).

- *facial recognition authentication*
- *Cloud Mobile Attendance App*
- *Time Attendance*
- *Payroll, Leaves Claims*
- *Project Costing*
- *Appraisal Software*

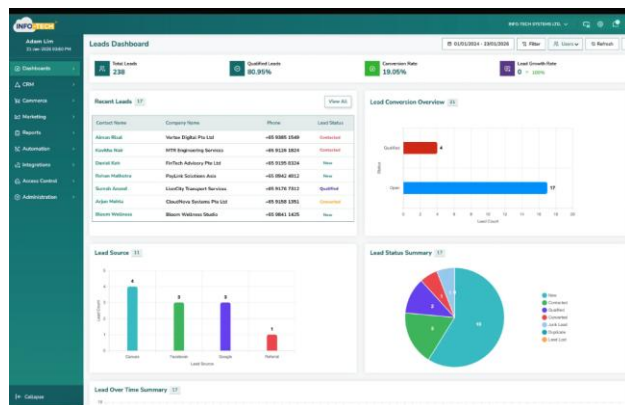
### Info-Tech HRMS (Core Product)

A proprietary, one-stop cloud solution that features nine integrated modules, including applicant tracking, time and attendance, project costing, payroll, leave management, claims management, performance appraisal and e-scheduling. A highly scalable product (used by organisations with over 1,000 employees), first-time SME users benefit from its "plug-&-play", allowing immediate deployment with minimal training.

Software architecture (short implementation & launch period) helps client firm capture leads from

- Digital Leads [Google and Facebook ads], follow up [accelerate],
- Proposals & Admin [generate quotations, send invoices and collect payments]
- Generative Digital Advertising [nurture customers through email and marketing campaigns]

Figure 2-2 ITS CRM system



Source: Mgt, RHTC estimates

## 2.1 Strategies

ITS Human Capital Management (HCM) strategies bore hallmarks of successful SaaS companies as it scales beyond \$100mil revenue. The most durable SaaS companies evolve from point solutions into platforms, like what ITS did, from a Windows based human resource management system to award winning HRMS software solutions provider.

Much like Salesforce entering the market via CRM then cross-selling host of other products, ITS has built a product architecture where modules are complementary and share a common data model, creating switching costs that deepen with every additional module adopted.

**Platform strategy and ecosystem lock-in.** Salesforce's AppExchange, Workday's integration ecosystem and the way Paycom built a single-database HCM platform all reflect this. As customers build workflows, integrations and institutional knowledge around ITS platform, switching costs increases because of operational dependency.

**Vertical depth (Paycom and Paylocity) vs. horizontal breadth (Salesforce and Workday).** ITS targets SMEs (predominantly under 200 employees) in Southeast Asia with an affordable, modular, cloud-based HRMS (Accounting and CRM). Its go-to-market relies heavily on government digitalization subsidies (Singapore's PSG grants), channel partnerships and a low-friction onboarding model. The product is less functionally deep than any of the US peers, but it's calibrated for a market segment that doesn't need (and likely cannot afford) Workday-level configurability. ITS competes on price accessibility, local regulatory compliance (CPF, IRAS, Malaysia's statutory requirements) and ease of use for businesses that might otherwise use manual spreadsheets.

**ITS Academy and Hardware (RFID, biometric, facial recognition devices ) offers Vertical depth with a horizontal revenue kicker.** The Academy drove a 184% surge in Services revenue in FY2025 through AI-related training. As a complementary offshoot, ITS Academy deepens the relationship with existing HRMS customers by making them more proficient via training [vertical depth reinforcing the core

product's stickiness]. As a standalone revenue stream, the training department also attracts non-customers and positions ITS as a thought leader in SME digital transformation. Overall, its strategic value lies in reducing churn and increasing customer engagement, with revenue being an added bonus.

Hardware devices integrate directly with the HRMS time-and-attendance module, making the core HRMS stickier and more embedded in the customer's physical operations. Once a company installs ITS biometric terminals across its office, the switching cost to a competitor's HRMS rises meaningfully because the hardware is tightly coupled.

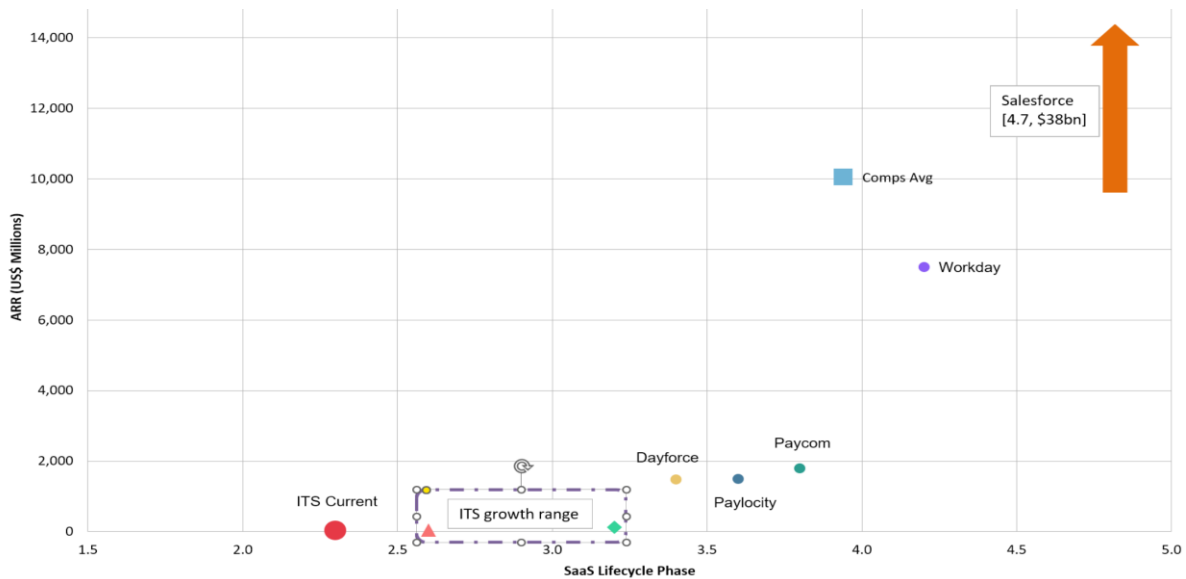
**Platform expansion strategy (across the back office, mirrors Paycom and Paylocity growth experience).** (fig 2.2) expansion into CRM software, potentially POS systems and Field Service Management, while cross-selling to its existing base of over 27,000<sup>1</sup> organizations.

### **How It Compares to US HCM Peers**

**Scale gap.** Info-Tech's S\$56.5mil (US\$42mil) revenue is roughly 1/40th of Paycom (US\$1.8bn), 1/37th of Paylocity (US\$1.6bn) and 1/46th of Dayforce (US\$1.9bn). **Dayforce** alone had 6,984 customers live on its platform as of mid-2025, with **recurring revenue per customer of US\$171,075** per annum. Compare with ITS 27,000<sup>1</sup> organizations (implied S\$2,093 or US\$2k revenue per client).

**Structural advantage in Margins.** ITS' relatively high margins partly reflect its low cost base (developers and back office support situated in Malaysia and India), substantial government grant subsidies and a less mature SME SaaS market in Southeast Asia (less expensive enterprise sales infrastructure than the US market).

**Figure 2-3: Strategic Positioning-ITS relative position on the SaaS Lifecycle [ARR vs SaaS Life Cycle Phase]**



Source: Company disclosures, Mgt, RHTC estimates

- Phase 1: Product-market fit (0→US\$10mil ARR)
- **Phase 2: Scaling (US\$10mil→US\$100mil ARR):** Expanding the TAM through geographic or product adjacency. **ITS on the verge of breakout towards \$100mil ARR over the next 3 years.**
- **Phase 3: Platform dominance (→US\$1bn+ ARR):** Building ecosystem lock-in, moving upmarket and becoming the system of record. Paycom, Paylocity and Dayforce currently sit.
- Phase 4 — Mature compounder (US\$1bn+ ARR): Salesforce and Workday territory with massive installed bases, deep moats and margin optimization.

Fig 2-3 shows that ITS' journey (to Phase 4) is the longest/still in infancy. The distance between ITS' current position (Phase 2.3 with circa US\$30mil) and its bullish case (Phase 3.2 circa US\$120mil) is enormous relative to the incremental movements of the mature players, but highly achievable in our view. Potential upside multiple is far higher but the execution distance is the greatest.

The Phase 2→3 transition has substantial execution risks as crossing beyond US\$100mil to platform dominance may require fundamentally different organizational capabilities; enterprise-grade sales, multi-geography operations, deeper product architecture. As illustrated under

Singapore government's AI budget (section 2-2 TAM), there is sufficient tailwind assistance to encourage ITS foray into the higher weight Enterprise class.

The bear case is essentially stagnation. At circa US\$50mil ARR and stuck in Phase 2, ITS would still be highly profitable with substantial dividend-capacity, but it would be valued as a small-cap dividend stock rather than a growth compounder. The valuation re-rating that comes with Phase 3 entry (where P/E multiples could expand from 17x to 30-50x) is unlikely to materialize.

**BUSINESS MODEL: highly defensive moat leveraged to the upside**

Bulk of Info-Tech's business model is currently **SaaS, which** accounts for 70% of total revenue. Its proprietary cloud-based HRMS solution leverages on (structural) **Singapore government grants for SMEs** (50-70% subsidy for clients), operational leverage premise on **Per Employee Per Month (PEPM)** model and front-load revenue collection (eliminates payment collection risks).

The "staff model" aspect implies ITS' PEPM scales with headcount, so the company's revenue grows organically as its clients hire more staff. Because billing is tied to per employee, costs will increase if a client adds seasonal staff or runs frequent off-cycle modules. This creates a built-in operating leverage for ITS as its revenue base expands without incremental sales effort as client workforces grow.

**High Switching Costs and Retention Dynamics** The integrated nature of the HRMS, Accounting and CRM modules embeds Info-Tech deeply into the daily operational workflows of its SME clients. Once a company synchronizes its physical hardware, payroll and invoicing processes through Info-Tech, displacing the software becomes highly disruptive. This stickiness is empirically proven by the company's gross customer retention rate, which reached 94% in 1H2025 before moderating to 90%<sup>1</sup> for the full year, significantly outperforming the broader industry average of 70% to 85%.

Furthermore targeting the SME market meant avoiding competition with global peers at the Enterprise level. (Fig 2-5 corporate classification).

## ITS Academy

ITS launched its Academy for Singapore Workforce Skills Qualifications (WSQ) training courses in 2023 and as of its IPO prospectus, had over 4,000 registrations. The courses are WSQ-certified, classroom-based at Info-Tech's facilities and eligible for SkillsFuture Credits and various government subsidies (up to 70% off). The Academy covers HR, HRMS integration, accounting, essential office skills & AI courses. Info-Tech's Academy provides classroom training.

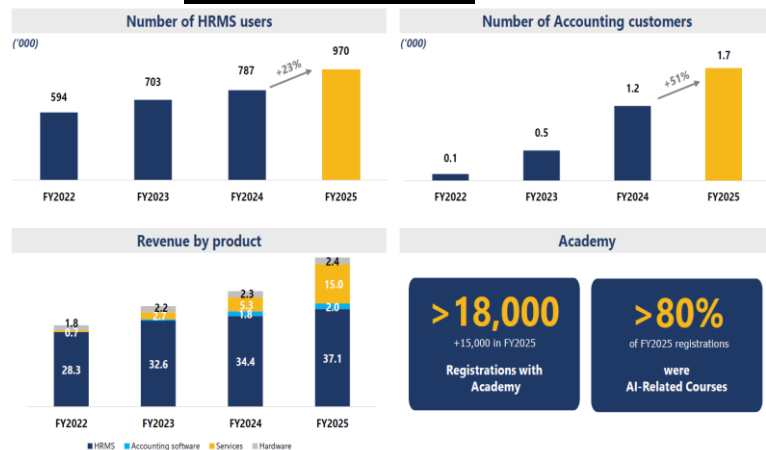
ITS's Academy "**Training-as-a-Lead-Gen**" (TaaLG) or **Professional Services / Education vertical** functions as a customer acquisition funnel for the core SaaS product. Since July23, ITS has offered 12 WSQ courses (Singapore), attracting over 18,000 registrants, serving as a complementary lead-generation tool. The Academy trains users on ITS' own HRMS platform, creating product familiarity that converts trainees into paying SaaS subscribers. The Academy generates one-time course fees (50-70% offset by government grants) & its primary economic value is in the conversion funnel to SaaS subscriptions.

The Academy revenue has lower margins (instructor costs, facilities), lower recurrence and government grant dependency. Still, the Academy revenue is anticipated to maintain its 25% portfolio contribution, effectively reducing CAC on the SaaS business. As of 2025, Info-Tech is serving more than 27,000 customers, manages more than 0.97mil employees' payroll and has a team of more than 500 employees.

## FY25 Performance Review

ITS HRMS is used by over 27,000 organisations spanning various industries and has 970k (+23% YoY) active users by end 2025 (fig 2-4), translating to +29% revenue growth (fig 5-1) and +46% PAT growth

**Figure 2-4: FY25**



Source: Mgt

## 2-2 Total Addressable Market

The \$4.68bn SME HRMS software market across Singapore, Malaysia, Hong Kong and India is projected to reach \$7.1bn by 2029 at 10.9% blended CAGR (fig 2-7), driven by government digitalization initiatives and ongoing cloud adoption. Info-Tech Systems, with its cost-efficient offshore development centers in India and Malaysia, dominates profitability with net margin averaging 27.4% (Fig 5-3, FY24-25) net margins compared to larger listed global peers' average 10.7%. Government subsidies (fig 2-5) are a powerful demand catalyst, with Singapore's grants covering up to 50% of qualifying HR/finance software costs and Malaysia assistance allows similar 50% subsidies for its clients. ITS business model delivers exceptional stickiness with 90% customer retention rates<sup>1</sup> and >87% recurring revenue, creating predictable cash flows in a largely non-discretionary spending category. The SaaS market structure is "moderately competitive" with high switching costs protecting incumbents; Info-Tech's \$2.5 per employee/month pricing versus peers' circa \$6.2 average creates a compelling value proposition for cost-sensitive SMEs. Geographic expansion presents significant runway with Malaysia & India posting double-digit growth rates and contributing most new customer additions, while Indonesia represents a potentially new SEA frontier.

HRMS/accounting software revenue streams are largely non-discretionary, with retention rates at ITS climbing from 87 % (2022) to 90 % (2025), underlining the segment's defensive cash-flow profile.

**Grant-Assisted Growth is a Singapore + Malaysia Story.** ITS's government-grant-assisted customer acquisition flywheel operates effectively only in Singapore (PSG at 50%) and Malaysia (HRDF at up to 100% training subsidy). Hong Kong lost its TVP tailwind at end-2024 and India has no comparable direct-subsidy mechanism for SaaS adoption. Lack of grant leverage implies sub-SG/M'sia growth outlook in Hong Kong and India.

**Figure 2-5 Government subsidies for SMEs**

Market	Grant Programme	Subsidy Rate	Cap per SME	Status	ITS Leveraging?
<b>Singapore</b>	PSG (EnterpriseSG / IMDA)	50%	S\$30,000/yr	Active (until EDGE framework H2 2026)	Yes — pre-approved vendor under IMDA SMEs Go Digital
<b>Singapore</b>	SkillsFuture Enterprise Credit (SFEC)	Up to 90% of out-of-pocket	S\$10,000 one-off per entity	Active; extended to H2 2026; redesigned EWTP from H2 2026	Yes — stackable on top of PSG; up to \$7K for enterprise transformation (incl. PSG solutions)
<b>Singapore</b>	SkillsFuture Credit (Individual) + SSG Course Fee Subsidies	Up to 70% course fee subsidy (up to 90% for aged 40+)	\$500 base (no expiry) + \$4,000 mid-career for aged 40+ (no expiry). Max \$4.5k–\$4.7k	Active; base & mid-career credits have no expiry. 2020 one-off \$500 top-up expired 31 Dec 2025.	Yes — ITS Academy offers 12 WSQ courses eligible for SkillsFuture Credits & up to 70% SSG subsidy
<b>Malaysia</b>	HRDF / HRD Corp	Up to 100% (training)	Levy-based (1% payroll)	Active	Yes — pre-approved; free Year 1 HRMS bundled with training
<b>Malaysia</b>	MSME Digital Grant MADANI (MDEC/BSN)	50% matching	RM5,000 one-off (≈S\$1,500)	Active (RM500M total allocation)	Potentially — HRMS qualifies but quantum is small
<b>Malaysia (Selangor)</b>	Selangor SME Digitalisation Matching Grant	50% matching	RM5,000 one-off	Active (state-level; stackable with federal)	Potentially stackable with MSME Digital Grant for up to RM10,000
<b>Hong Kong</b>	Technology Voucher Programme (TVP)	75%	HK\$600,000 (≈S\$105K)	<b>CLOSED — ceased new applications 31 Dec 2024</b>	No longer available; no grant referenced on ITS HK website
<b>Hong Kong</b>	ITF Enterprise Support Scheme	50% (1:1 match)	HK\$10M	Active but oriented toward R&D projects	Not applicable — targets R&D, not SaaS adoption by SMEs
<b>India</b>	CLCSS / MSME Champions / State schemes	Varies (mostly credit subsidies)	Varies; fragmented	Active but no centralised SaaS adoption grant	No evidence of linkage; India operates via DigiSME at low price points

Sources: Mgt, Enterprise Singapore, GoBusiness Gov, SkillsFuture Singapore, CorporateTrainingMY, nnovation and Technology Commission (HK), Ministry of MSME (India)

**Singapore PSG Historical Context.** PSG was previously at 70% subsidy (and 80% for Food Services & Retail) during COVID-era enhancements from 1 April 2022 to 31 March 2023. It was stepped down to 50% from 1 April 2023. ITS Academy launched in July 2023, just three months after the step-down, meaning its rapid customer acquisition has been achieved almost entirely under the lower 50% regime, which is a positive sustainability signal.

**SFEC Stacking Significantly Reduces Net Cost.** Eligible Singapore SMEs can stack the SkillsFuture Enterprise Credit (SFEC) on top of PSG. SFEC provides SMEs with a one-off S\$10,000 credit covering up to 90% of out-of-pocket expenses after PSG subsidy. For example, if a PSG-approved HRMS solution costs S\$20,000, PSG covers 50% (S\$10,000), leaving S\$10,000 out-of-pocket. SFEC can then reimburse up to 90% of that remainder (S\$9,000), reducing the SME's net cash outlay to just S\$1,000: a 95% effective subsidy. This stacking mechanism is a powerful adoption catalyst. SFEC is being extended until H2 2026 and will be redesigned as a digital wallet under the Enterprise Workforce Transformation Package (EWTP) with a fresh S\$10,000 credit for qualifying companies.

**Singapore Budget 2026 AI grants (section 2-2-1) are a direct catalyst:** The PSG expansion, 400% AI tax deduction and NAIP collectively reduce the effective cost of AI-enabled HRMS adoption by 50–68% for SMEs.

**Malaysia's HRDF Model is Structurally Different.** Unlike Singapore where the grant directly subsidises software cost, Malaysia's HRDF subsidises training cost (up to 100% claimable). ITS bundles a free Year 1 complete HRMS as part of the training package. From Year 2 onwards, subscription kicks in at circa RM3 per employee/module/month.

**Hong Kong and India Growth Quality.** ITS reported double-digit revenue growth of 25% from Malaysia and 33% from Others (Hong Kong and India) in FY2025. The Hong Kong/India growth is noteworthy precisely because it is being achieved without grant support, suggesting genuine product-market fit.

## 2-2-1 Singapore

Singapore had 345,100 enterprises (fig 2-7) of which approximately 340,000 (99%) qualify as SMEs (fig 2-6: Enterprise and SME definitions).

**Figure 2-6: Enterprise and SME definitions**

Market	SME Definition	Enterprise Definition
Singapore	Revenue ≤S\$100M or ≤200 workers (SingStat)	Revenue >S\$100M & >200 workers
Malaysia	96.1% of establishments (DOSM 2024)	Large enterprises >RM50M revenue
Hong Kong	<100 employees (mfg) or <50 (non-mfg) (SUCCESS/TID Dec 2025)	≥100 employees (mfg) or ≥50 (non-mfg)
India	~40M registered MSMEs on Udyam (Feb24, 97% micro)	Large enterprises

Source: SingStat Enterprise Landscape 2023; MarketDataForecast APAC HR Tech 2025, DOSM Economic Census 2023; SME Corp Malaysia 2024; MarketDataForecast, HK SUCCESS/TID Dec 2025; MarketDataForecast APAC HR Tech, India Brand Equity Foundation/Udyam Feb 2024; MarketDataForecast.

For context on the enterprise segment boundary: Workday typically targets organisations with 500+ employees, with pricing at approximately US\$34–42 per employee per month (PEPM). Salesforce CRM starts from as few as 10 users but its enterprise HCM suite (via acquisitions) targets mid-to-large enterprises. In Singapore’s context, there is estimated 5,100 enterprises (fig 2-7) in the corporate weight class, whereby global peer group include the likes of Workday, SAP SuccessFactors and Oracle HCM.

Info-Tech currently serves over 27,000 organisations (fig 2-4) or 6.8% market share by company count (7.7% in revenue terms fig 2-7 column H) of the SME base.

**Figure 2-7: ITS est. SME market share**

Market	A Enterprises Total (mil)	B # SMEs (mil)	C = A-B ENT Count	D HRMS 2025E \$mil	E CAGR 2025-29	F HRMS 29E \$mil	G ITS FY25 Svr Rev \$mil	H = G/D ITS FY25E Mkt shr
Singapore	0.345	0.34	5,100	443	7.20%	585	26.6	7.68%
Malaysia	1.131	1.09	44,614	678	9.20%	964	9.3	1.76%
HongKong	0.367	0.36	7,000	501	10.00%	734	0.45 <sup>A</sup>	0.11%
India	40.500	40	500,000	3,058	11.90%	4,795	2.69 <sup>A</sup>	0.11%
<b>TOTAL</b>	<b>42</b>	<b>41.79</b>	<b>556,714</b>	<b>4,680</b>	<b>10.86%</b>	<b>7,078</b>	<b>39.0</b>	<b>1.07%</b>

A: RHTC estimates. Source: SingStat, Enterprise Landscape 2023 (updated Mar 2025); Info-Tech IPO Prospectus Jun 2025; MarketDataForecast APAC HR Technology Market Jan 2026, ITS IPO prospectus.

**Combined four-market HRMS TAM approximates \$4.68bn (fig 2-7 column D) in 2025, growing to \$7.1bn (F) by 2029 at blended CAGR of**

10.86% (E). ITS' current revenue represents approximately 1% market share (H) of this TAM, implying significant runway.

**Skills training is a TAM multiplier:** Government-funded training subsidies (SkillsFuture + HRD Corp) create an adjacent revenue stream through Info-Tech Academy and reduce customer friction for HRMS adoption. Malaysia's per-capita skills spending (~US\$20) has the most room to grow toward Singapore level.

### Singapore Budget 2026: Significant AI Grants ...

Singapore Budget 2026 (delivered 12-Feb-26, total spending S\$154.7 bn) represents the most AI-forward budget in the nation's history. Total earmarked AI investment includes S\$1 bn for national AI R&D under the NAIRD plan (2025–2030), an expanded PSG for AI-enabled solutions and the landmark 400% tax deduction for AI expenditure. The National AI Council, chaired by PM Wong, signals that AI is now a top-level strategic priority.

### ... providing near term upside risks for ITS

#### Key AI Initiatives & Info-Tech Relevance

- 400% AI Tax Deduction (EIS Enhancement):** Businesses can claim 400% tax deductions on up to S\$50,000 of AI-related spending per year (effective from YA 2027/FY2026). For ITS, this is a dual benefit: (a) Info-Tech's own AI R&D spend qualifies; and (b) SME customers adopting Info-Tech's AI-enabled HRMS can claim the deduction, reducing their effective cost by up to est. 68% (assuming 17% corporate tax rate).
- Expanded Productivity Solutions Grant (PSG):** The PSG now covers a wider range of AI-enabled solutions with co-funding up to 50% (capped at \$30,000). ITS' "Next Generation HRMS AI" is a natural candidate for PSG pre-approval listing. If approved, SMEs adopting ITS' HRMS would pay as little as 50% of the subscription cost upfront, dramatically lowering the customer acquisition cost (CAC) for Info-Tech.
- National AI Impact Programme (NAIIP):** Targets 10,000 enterprises and 100,000 workers over three years with grants, leadership bootcamps, and sector-specific AI training. Info-Tech Academy could serve as a delivery partner for AI-for-HR training under NAIIP, creating a new government-funded revenue stream.

**Champions of AI Programme:** Jointly led by EnterpriseSG and Digital Industry Singapore, this programme supports enterprise-wide AI transformation. While initially targeting larger firms, the approved solution providers and frameworks will filter down to the SME segment [ITS' core market].

**SkillsFuture-WSG Merger:** The consolidation into a single statutory board streamlines the grant application process for training providers like Info-Tech Academy, reducing administrative overhead and potentially accelerating approval timelines for WSQ course listings.

### **Scaling to Enterprise Level?**

While ITS management has consistently earmarked SMEs as core demand market for its SaaS products, a potential foray into the higher Enterprise weight class suggests an incipient revenue of \$5-10mil at 1% of NAIP target (assuming average contract value at half of Dayforce's ARR of US\$170k or implied \$50–100k per local enterprise).

With the impending (Iran-conflict) risks of wide-spread economic slowdown affecting SMEs & Enterprise businesses, ITS Academy could benefit from increased training demand (corporate and individual Skills Future credits).

## **2-2-2 Malaysia**

Malaysia's Micro, Small, and Medium Enterprises (MSME) count reached 1,086,386 firms in 2024 according to the Department of Statistics Malaysia (DOSM), representing 96.1% of all business establishments. The services sector accounts for 84.4% of MSMEs. Info-Tech's Malaysia revenue grew at 28.9% CAGR from FY2022 to FY2024, with recent FY2025 registering 25% YoY growth to \$10.3mil. The DigitalSME matching grant (up to 50% co-funding for cloud solutions) has accelerated onboarding, with over 50,000 SMEs adopting digital tools in 2024. The cloud HRMS market is estimated at \$964 mil by 2029F (fig 2-7), growing at 9.2% CAGR.

**Malaysia also has its own SME PSG-like grant version:** ITS' HRMS System is a Pre-approved Digital Solution under HRDF (Human Resources Development Fund) qualified to claim up to 100% of training

course fee for HRMS System. Info-Tech offers complimentary Complete Cloud HRMS System for 1 year which covers Staff Time Attendance, Payroll Management, Leave Management, Claims Management & Appraisal modules. Subsequent subscription fee of RM3 per employee/module/month kicks in from 2nd year onwards.

### **2-2-3 Hong Kong**

As of December 2025, Hong Kong had approximately 360,000 SMEs accounting for over 98% of total business units and 45% of private sector employment, per the Trade and Industry Department's SUCCESS portal. The cloud HRMS market is estimated at \$501 mil with 10% CAGR to 2029. The estimated ITS current market share stands at 0.11%. ITS Hong Kong and India combined revenue grew at 53% CAGR from FY2022 to FY2025 but overall still accounting for only 6% of FY25 revenue.

### **2-2-4 India**

India represents the largest MSME population globally, with approximately 40 million enterprises registered on the Udyam portal as of February 2024 (India Brand Equity Foundation). Approximately 97% are micro-enterprises. The cloud HRMS market is estimated at \$3.1bn, the largest in APAC after China, growing at 11.9% CAGR; the fastest among Info-Tech's four markets. Info-Tech's India operations remain early-stage with estimated market share at 0.11% but the addressable opportunity is substantial.

### 3. GLOBAL HCM INDUSTRY

Comparing with leading global SaaS benchmarks (fig 3-1), ITS is well above the Rule of 40 threshold (FY25 at 67%, RHTC forecasts average 76% over next 2 years) but trades at substantial PEG and EV/EBITDA discounts.

**Figure 3-1 Relative global comps**

#	Company Name	a	b	c	D	e
		Forward P/E(x)	PEG Ratio	EV/EBITDA (x)	P/CF (x)	Rule of 40 (%)
A	Info-Tech System (ITS)	9.3	0.12	4.44	5.8	<b>90.2</b>
B	Paycom (PAYC)	11.0	1.64	6.82	8.5	32.5
C	Paylocity (PCTY)	21.2	1.38	11.52	10.2	32.5
D = Avg(B,C)	<b>HCM SME avg excl ITS</b>	<b>16.1</b>	<b>1.5</b>	<b>9.2</b>	<b>9.3</b>	<b>32.5</b>
E = A/D - 1	<b>ITS disc/t HCM-SME</b>	<b>-42</b>	<b>-92%</b>	<b>-52%</b>	<b>-38%</b>	
F	Workday (WDAY)	10.8	0.75	19.15	9.3	42.5
G=Avg(D,F)	<b>Global HCM Avg excl ITS</b>	14.3	1.26	12.5	9.4	35.8
H	Salesforce (CRM)	20.6	1.03	12.61	9.1	40
J=Avg(F,H)	<b>Enterprise Avg excl ITS</b>	15.7	0.9	15.9	9.2	<b>41.3</b>
K = Avg E, J	<b>Global Avg excl ITS</b>	<b>15.9</b>	<b>1.26</b>	<b>12.53</b>	<b>9.3</b>	<b>36.9</b>
L = A/K -1	<b>ITS disc/t to Global</b>	<b>-41%</b>	<b>-90%</b>	<b>-65%</b>	<b>-38%</b>	
M	<b>S&amp;P 500</b>	<b>20.8</b>	<b>1.29</b>			
N = K/M	<b>Global avg/S&amp;P</b>	<b>-24%</b>	<b>-7.6%</b>			

Source: BBG as at 22-Apr-26, RHTC estimates

We stratified the above peers into 2 distinct groups; SME [rows A to D] and Enterprise focus [F to H]. Despite ITS Rule of 40 [column e] orbit at 90.2% (average 78.2% over next 2 years), double peer group average of 35.8% (row G), ITS trades at significant discount largely because of its relatively smaller mkt cap \$253mil or US\$200mil vs average mkt cap US\$6bn Paycom & Paylocity and Workday at US\$32bn.

Row E shows the relative valuation of similar SME focused CRM-SaaS peers (Paycom and Paylocity) having average EV/EBITDA of 9.2x [column c, row D] while ITS trades at 4.4x (52% discount). ITS PEG of 0.12 represents 92% discount to average of 1.5x, despite ITS EPS growth of 80.6% outpaced the average SME group implied EPS growth of 11%.

If we include SaaS Enterprise (row J) focused group, the global average (row K) shows 12.5x EV/EBITDA with Rule of 40 averaging 37% (vs

86% for ITS) and EPS growth of 18% (vs ITS 68%). On Net Margin basis, ITS at 26.6% (fig 5-3, FY25) is almost double the Global Peer average at 15.3%. Row M shows the relative valuations of the SaaS industry vs S&P, trading at a 24% on PE basis and only -7.6% discount on PEG basis.

### 3-1 Peer group synopsis

**Paycom** built its moat around a single-database architecture and radical employee self-service. Its signature product, Beti, pushes payroll processing to the employees themselves: they verify their own data, reducing errors and eliminating the HR department as a bottleneck. Paycom's strategy is "do it all on one platform, automate everything, eliminate the middleman." It targets the US mid-market (50–10,000 employees) with a direct sales force and deliberately avoids channel partners, maintaining control of the customer relationship. Revenue is circa US\$1.8bn with EBITDA margins in the mid-40s%.

**Paylocity** differentiated through modern User Experience (UX) and community/social features embedded within its HCM platform: things like internal social feeds, surveys, peer recognition and video. The thesis is that HR software should feel consumer-grade and drive employee engagement, not just process transactions. Paylocity also invested heavily in its channel/broker network, which gives it a distribution advantage in the benefits-adjacent mid-market. It runs similar scale to Paycom with adjusted EBITDA margins ~43%.

**Dayforce** (formerly Ceridian) pursued a global, large-enterprise HCM strategy. Its differentiator is continuous pay calculation; payroll is computed in real time rather than in batch runs, which reduces errors and enables on-demand pay. Dayforce targets larger enterprises (its average recurring revenue per customer is circa US\$171k) and has a significant international footprint, including Canada, UK and APAC. It's still in margin expansion mode, with adjusted EBITDA margins around 32% and growing.

**Workday** operates at the top of the market, large enterprises and government, with a unified HCM + Finance platform. Its moat is depth of configurability, enterprise-grade compliance and the fact that replacing Workday once installed is an extraordinarily painful multi-year project. Revenue exceeds US\$7bn.

## 4. EXECUTIVE MANAGEMENT TEAM

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***ITS' founder-led culture is a competitive advantage, emphasizing quality service, transparency and purposeful innovation. Succession planning is a medium-term risk as it must ensure continuity of vision and operational rigor. The leadership bench boasts of succession-ready executive teams, features several long-tenured executives with deep industry expertise providing investors with confidence in ITS' ability to maintain market leadership across multiple business cycles and opportunistic M&As. ITS maintains a lean 7-member board with 57% independence and 14% gender diversity, led by co-founders with ~20years of company tenure, contrasting with the larger 9-13 member boards and tenure-capped governance structures of multinational peers. Amongst the Independent Directors, it is worth highlighting Lead Independent Director Wan Kum Tho for his deep experience and familiarity with successful startups and venture capital investments over the last 15 years with notable PE funds like Heliconia (subsidiary of Temasek) and Innov8 (subsidiary of SingTel).***

**The best-performing SaaS companies in the HCM space have been founder-led through their critical scaling phases.** Chad Richison founded Paycom in 1998 and remains CEO (over 26 years of continuous leadership). His singular obsession with the single-database architecture and his refusal to pursue acquisitions (Paycom has made zero acquisitions) is unusual but has created extraordinary product coherence. Steve Beauchamp co-founded Paylocity and led it as CEO through its entire growth phase before transitioning to Executive Chairman. David Ossip founded what became Dayforce (originally Ceridian's Dayforce product) and drives the company's strategic vision. Aneel Bhusri co-founded Workday after leaving PeopleSoft and led it through its entire growth trajectory.

**Founders with deep domain expertise who stay through the scaling phase create more durable competitive advantages than rotating professional CEOs.** This is because SaaS product strategy requires a decade-long vision that professional managers (with limited 3-5 year tenure incentives) often won't commit to/not aligned.

**ITS parallels here are encouraging.** Dilip Babu co-founded the company in 2007 and remains CEO, 19 years of continuous leadership. Peter Lee serves as Executive Chairman. This founder continuity mirrors the Paycom/Paylocity model and suggests strategic consistency. With Singapore contributing 76% of portfolio revenue, there may be skeptics whether the management team has the *international scaling* experience needed for the Phase 2→3 transition. We are confident the team can deliver & exceed expectations.

**Board composition matters for different reasons at different stages.** Early-stage SaaS boards need domain expertise and operational guidance. Post-IPO boards need institutional investor credibility, governance rigor and M&A experience. For ITS specifically, lead independent director Wan KT fits the bill with his experience in scaling technology businesses across multiple ASEAN markets with enterprise SaaS exposure at scale.

**Tenure and incentive alignment.** At Paycom, Richison owns a significant equity stake, which aligns his incentives with long-term value creation. At Workday, Bhusri similarly retained significant ownership. For ITS, the post-IPO ownership structure of Dilip Babu, Sin Yee and Peter Lee (and their ongoing equity incentives) will be important indicators of alignment. Founders who cash out heavily at IPO signal differently from founders who retain and reinvest.

**Management quality shows up in the numbers.** Manifest itself across several observable metrics as shown in recent FY25 financials: consistency of margin trajectory, capital allocation discipline [eagerly awaiting the next (value-accretive) M&A] and product roadmap execution.

**Figure 4-1: ITS' executive officers as of 31-Dec-2025**

Officer Name	Position	Year First Became Officer
Peter Lee Kim Heng	Executive Chairman	2007
Setin Subramanian Dilip Babu	Executive Director & Chief Executive Officer	2007
Ms Torrance Yeoh Sin Yee	Executive Director & Chief Operating Officer	2025
Wan Kum Tho	Lead Independent Director	2025
Raymond Tong Wei Min	Independent Director	2025
Lee Ooi Keong	Independent Director	2025
Lek Ken Vin	Independent Director	2025

Source: ITS 2025 AR

## 4-1. Leadership Depth – deep bench

RHTC believes the ITS' Board of Directors actively oversees a comprehensive planning process for key executive roles (cue recent CFO hire). Its executive team reflects a deliberate balance of seasoned tenure and evolving leadership. The long tenured executive appointments and recent infusion of independent directors are part of a strategic, long-term plan to develop internal talent and ensure a seamless transition of responsibilities, underpinning the Company's future stability and continued execution of its strategic objectives.

**Mr Peter Lee** is the **Executive Chairman** and Co-founder of Info-Tech, and a respected figure in the tech industry known for his innovation, strategic foresight, and deep business acumen. Since founding the Group in 2007, Mr Lee has been instrumental in guiding its evolution from a start-up into one of the leading providers of HRMS solutions in the region. Mr Lee provides strategic leadership, oversees executive management, ensures financial stewardship, drives product development initiatives, and fosters strong relationships with stakeholders. In September 2022, he also took on the role of Executive Chairman of SG Jobs Lah Pte. Ltd., a subsidiary of Info-Tech, and further expanding his leadership impact.

Prior to co-founding Info-Tech, Mr Lee gained valuable experience in both product and sales management. He began his career as a product manager at Dicklin Corporation (Pte.) Ltd. (1986–1993) and later served as sales and marketing manager at Time Access International (1994–1995). Between 1996 and 2007, he was actively involved in developing and selling Microsoft Windows-based HR solutions with Info-Tech Systems International and its related entities, laying the groundwork for what would become Info-Tech Systems Integrators and eventually the Group today. A strong advocate for innovation and leadership development, Mr Lee is passionate about mentoring the next generation of leaders and believes in technology's transformative power to reshape industries. Under his stewardship, Info-Tech remains committed to excellence, continuous improvement, and pushing the boundaries of HR technology. Mr Lee holds a Diploma in Sales and Marketing from the Marketing Institute of Singapore.

**Setin Subramanian Dilip Babu** is the visionary leader and Co-founder of Info-Tech, having established the Company in 2007 as a five-person software firm in Singapore. As **CEO**, he oversees Info-Tech's core

business functions, including profit and loss management, marketing strategy, and the innovation and expansion of new products. Under his leadership, Info-Tech successfully transitioned from Windows-based systems to a cloud-based architecture. In 2016, the Company launched its flagship cloud-based HRMS, which has become its primary revenue driver. Mr Babu has spearheaded the Company's geographic and product expansion, entering markets such as Malaysia, Hong Kong, and India, while also introducing the Info-Tech Accounting Software and the Jobs Lah recruitment portal. His leadership also led to major upgrades in software development infrastructure, reinforcing data security and earning the Company prestigious accreditations like the Data Protection Trust Mark & the Multi-Tier Cloud Security Certification.

Beyond business, Mr Babu is equally passionate about philanthropy. He is an active supporter of educational and social causes, contributing regularly to Singapore-based initiatives such as the School Pocket Money Fund, SINDA, and Bizlink. He has also funded the construction of schools, community centres, and a temple in his hometown in India, showcasing a strong sense of social responsibility. Prior to founding Info-Tech, Mr Babu held roles at companies including Nivetha Software Services & Consultants, EPS Computer Systems Pte. Ltd., and Info-Tech Systems International Pte. Ltd. from 1996 to 2006. He holds a Bachelor of Engineering (Agriculture) from the Tamil Nadu Agricultural University.

**Ms Torrance Yeoh is the Chief Operating Officer (COO)**, a role she has held since February 2020. Her journey with the Group is a remarkable story of growth, resilience, and leadership [beginning in January 2003 when she joined the Group as an administrative executive]. She has steadily climbed the ranks, taking on progressively senior roles including office manager in 2004, general manager in 2007 and now COO. Ms Yeoh's career progression within Info-Tech stands as a powerful testament to perseverance, adaptability, and the impact of dedicated leadership. From her early days managing administrative functions and supporting HR operations, Ms Yeoh demonstrated exceptional organisational skills and leadership potential. As Office Manager, she took charge of daily operations and workflow optimisation, laying the foundation for her eventual role as General Manager, where she began overseeing cross-functional teams spanning marketing, sales, support, and product development; responsibilities she continues to manage in her current role as COO.

Her commitment to foster a culture of innovation, mentorship and collaboration has cemented her reputation as a transformative leader. Ms Yeoh plays a critical role in guiding Info-Tech's internal growth and operational success, serving as a driving force behind the Group's expansion and service excellence. Ms Yeoh holds a professional diploma in Accounting and Business Finance from the Kaplan Higher Education Institute.

**Other Key Appointment holders:**

**Dinesh Kamal Somanchi (Chief Technology Officer)**, is a results-driven and accomplished technology executive with a distinguished career spanning over 15 years, focused on propelling organisational growth through expert alignment of talent and technology strategies. Adept at conceptualising, planning, and implementing transformative initiatives powered by the Microsoft Technology Stack and Cloud Solutions, he has brought extensive technical knowledge and expertise to Info-Tech's product development journey. He played a pivotal role in the Group's transition from on premise HR systems to a cloud based SaaS model, delivered substantial benefits to customers, ushering in an era of greater efficiency and cost savings. Dinesh holds a Master's Degree in Enterprise Systems from Sheffield Hallam University, UK.

**Juan Chow Yee** joined Info-Tech in February 2026 as **Chief Financial Officer**, bringing with him more than 35 years of experience in finance and corporate leadership. He oversees the Group's finance, treasury, compliance, and investor relations functions, ensuring disciplined financial management and strong governance standards. He works closely with the Executive Leadership team to align financial strategy with the Group's long-term growth ambitions. His focus includes disciplined capital allocation, strengthening governance and compliance frameworks, and enhancing transparency in reporting to shareholders and stakeholders. He is also responsible for building scalable financial systems and processes to support operational expansion across regional markets. Juan holds a Master of Business Administration (MBA) and professional accounting qualifications. He brings extensive experience in financial leadership within public-listed and regulated environments, having led finance teams through complex reporting cycles, strengthened internal control frameworks, and supported strategic corporate initiatives. He adopts a structured, data-driven approach to financial management, reinforcing fiscal discipline while enabling sustainable growth.

## 5. FINANCIALS, TSR

**ITS' FY25 financials continue to show a trend of robust cash flow and shareholder-value maximization as an established SaaS business provider in key markets of Singapore and Malaysia. ITS displays several characteristics of a well-run, early-stage SaaS compounder. In FY25 it maintained a high customer retention rate of 90%, while order book grew 13% to S\$29.0 mil (35% of our FY26F). ITS growth forecasts are predicated on leveraging existing structural government grants (fig 2-5) for SMEs, macro industry growth projection and incremental market share gains (25bps p.a. for key markets in SG & Msia and 10bps others). ITS Academy is expected to maintain its growth momentum albeit at more sustainable rate and overall business margins to remain stable. As a result, we are able to forecast higher dividends in FY26F (Mgt guidance of at least 50% payout in FY26). The expected TSR (fig 5-7) yields an implied Intrinsic Value/Target Price for ITS at \$2.00.**

**Figure 5-1 Profit & Loss Statement**

\$mil Dec-yr end	2024	2025	2026F	2027F	25/24	26F/25	27F/26F
<b>Revenue</b>	44	56	83	102	29.2%	46.8%	22.5%
<b>Subscription</b>	36	39	61	74	8.1%	56.0%	21.0%
<b>Services</b>	5	15	19	23	184%	29.8%	29.8%
<b>Hardware</b>	2	2	2	2	4.7%	2.0%	2.0%
<b>COGS</b>	(6)	(8)	(12)	(15)	32.8%	44.7%	20.8%
<b>Gross Profit</b>	37	48	71	87	28.6%	47.1%	22.8%
<b>R&amp;D</b>	(4)	(4)	(7)	(8)	13.4%	57.0%	22.5%
<b>Selling &amp; Distri.</b>	(9)	(10)	(12)	(15)	5.4%	20.2%	22.5%
<b>Admin exp</b>	(9)	(11)	(15)	(18)	27.7%	30.0%	22.5%
<b>Other Opex</b>	(1)	(4)	(4)	(5)	638%	10.0%	10.0%
<b>Total Opex</b>	(23)	(29)	(38)	(46)	29.9%	27.9%	21.1%
<b>EBITDA</b>	17	21	36	44	24.3%	70.1%	23.5%
<b>Depreciation</b>	(2)	(2)	(2)	(2)	16.7%	10.7%	10.0%
<b>Amortization</b>	(0)	(0)	(0)	(0)	-51.4%	82.6%	10.0%
<b>EBIT</b>	15	19	33	42	27.0%	76.4%	24.5%
<b>Net Finance costs</b>	(0)	0	0	0	-1054%	3.0%	3.0%
<b>PBT</b>	15	19	34	42	28.0%	75.9%	24.5%
<b>Tax</b>	(3)	(4)	(6)	(8)	58.0%	58.4%	23.9%
<b>tax rate (%)</b>	17.2	21.2	19.1	19.0			
<b>PAT</b>	12	15	27	34	21.7%	80.6%	24.6%

Source: Mgt, RHTC estimates

Revenue grew from \$30.8mil in FY2022 to \$56.5mil (FY25), a CAGR of 22%, and PAT expanded from \$7.2mil to \$15mil at a CAGR of 28%. Info-Tech is already well above the Rule of 40 threshold (FY25 at 66.7% and RHTC forecasts average 78% over next 2 years). Core subscription revenue was \$39.1mil, representing 69% of total revenue. The company operates primarily on a 12-month subscription model, with customers paying annually in advance, which creates deferred revenue and strong operating cash flow visibility.

### Forecast assumptions

For ITS subscription revenue growth forecasts, we assumed blended CAGR 10.9% (Fig 2.7) and incremental 25bps market share gain p.a (and stabilize thereafter) for SG & Msia and 10bps in HK & India respectively. Our assumption for Services to grow at 30% (FY26F-27F) on the back of higher SFEC training revenue.

The resulting EPS growth circa +80.6% affords mgt flexibility to declare higher dividends (guidance of minimum 50% payout). We forecast dividends of 6.5cts (61.8% payout, +85.7% yoy) and 8.0cts (61.1% payout, +23.1% yoy) in the absence of substantial corporate events.

### Figure 5-2 Per share data

\$	2024	2025	2026F	2027F	25/24	26F/25	27F/26F
<b>o/s shrs (mil)</b>	258	258	258	258			
<b>EPS</b>	0.048	0.058	0.105	0.131	21.7%	80.6%	24.6%
<b>EPS consensus</b>			0.081	0.085		39.8%	4.8%
<b>% RHTC/cons</b>			29.2%	53.7%			
<b>DPS</b>		0.035	0.065	0.08		85.7%	23.1%
<b>payout ratio (%)</b>		60.1	61.8	61.1			
<b>Consensus Rev</b>			62.45	67.14			7.5%
<b>% RHTC/cons</b>			32.8%	51.3%			
<b>BVPS</b>	0.015	0.155	0.195	0.246	902%	26.0%	26.2%
<b>CFPS</b>	0.045	0.145	0.101	0.088	222%	-30.7%	-12.5%
<b>FCF</b>	0.068	0.061	0.170	0.172	-10.1%	176%	1.6%
<b>Cash per shr</b>	0.115	0.261	0.361	0.449	126%	38.5%	24.3%

Source: Mgt, RHTC estimates

Our bottom-up revenue estimates are 32.8% (FY26F) and 51.3% (FY27F) higher than consensus estimates, translating to 29.2% and 53.7% higher EPS, likely due to our bottom-up framework, incremental ITS market share gains and anticipated increase from Singapore government's latest AI-push 2026 budget.

### Figure 5-3 Growth and Margins

YoY (%)		25/24	26F/25	27F/26F
Revenue growth		29.2	46.8	22.5
EPS growth		21.7	80.6	24.6
DPS growth		nm	85.7	23.1
(%)	<b>2024</b>	<b>2025</b>	<b>2026F</b>	<b>2027F</b>
Gross margins	85.6	85.2	85.4	85.6
EBITDA margin	38.9	37.5	43.4	43.8
EBIT margins	34.1	33.5	40.3	41.0
PBT margins	34.1	33.7	40.5	41.1
Net margins	28.2	26.6	32.7	33.3
FCF margin	40.3	28.0	52.8	43.8
<b>Rule of 40</b>	<b>38.9</b>	<b>66.7</b>	<b>90.2</b>	<b>66.3</b>

*Source: Mgt, RHTC estimates*

Lean cost structure and pricing power supports EBITDA margins that rival best-in-class.

EBITDA margin at 37.5% and forecasted to grow to average of 43+% (FY26F-27F) vs global peers at mid30s (section 3).

The quality of ITS' earnings is heavily supported by its persistently expanding margin profile. In FY25, the Group generated \$21mil in EBITDA, maintaining a highly lucrative EBITDA margin of 37.5%. Net profit margin also remains above 26% and is expected to record above 30% over next 2 years.

This margin expansion is fundamentally driven by structural cost advantages and economies of scale. Management actively leverages its overseas operations in India and Malaysia to tap into lower-cost, highly skilled talent pools, driving exceptional long-term operating efficiency. Furthermore, selling and distribution expenses as a percentage of revenue declined notably from 21.7% (FY24) to 17.7% (FY25). This reduction occurred because marketing spend on historically newer products was successfully scaled back as those solutions passed their capital-intensive incubation phases.

ITS Rule of 40 is expected to exceed 65% over next 2 years (90.2% and 66.3%) as it continues its growth without sacrificing margins.

**Figure 5-4: Balance Sheet**

\$mil Dec-yr end	2024	2025	2026F	2027F	25/24	26F/25	27F/26F
Cash & CE	30	67	93	116	126%	39%	24%
Trade receivables	4	9	12	13	143%	25%	13%
Inventories	0	0			17%	-100%	na
<b>Current Assets</b>	<b>34</b>	<b>77</b>	<b>105</b>	<b>129</b>	<b>128%</b>	<b>37%</b>	<b>23%</b>
PPE	4	5	6	6	18%	10%	10%
Intangible assets	0	0	0	0	13%	10%	10%
Deferred Tax Assets	2	2	2	3	28%	20%	36%
Non-current assets	6	7	8	10	21%	13%	18%
<b>Total Assets</b>	<b>40</b>	<b>84</b>	<b>113</b>	<b>139</b>	<b>112%</b>	<b>35%</b>	<b>23%</b>
Trade payables	4	7	10	12	82%	39%	13%
Contract liabilities	23	27	41	51	13%	56%	23%
Lease liabilities	1	1	1	1	6%	5%	5%
Current tax liabilities	2	3	5	6	42%	50%	18%
<b>Current liabilities</b>	<b>31</b>	<b>38</b>	<b>58</b>	<b>70</b>	<b>24%</b>	<b>51%</b>	<b>20%</b>
Contract liabilities	2	2	4	5	17%	52%	23%
Lease liabilities	2	3	0	0	16%	-95%	5%
Deferred tax liabilities	0	0	0	1	612%	265%	22%
<b>LT liabilities</b>	<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>19%</b>	<b>-16%</b>	<b>18%</b>
Share capital	0	27	27	27	nm	0%	0%
Retained earnings	4	13	23	36	213%	83%	58%
Reserve	0	0	0	0	-107%	0%	0%
<b>Total Equity</b>	<b>4</b>	<b>40</b>	<b>50</b>	<b>63</b>	<b>902%</b>	<b>26%</b>	<b>26%</b>

Source: Mgt, RHTC estimates

The company sits on a net cash position of \$67.3mil or 80% of total assets (forecasted to grow \$116mil FY27F or 84% of TA). Current cash on balance sheet is equivalent to 27% of market cap, giving mgt significant optionality for M&A, dividends or organic investment.

**Figure 5-5: Cashflow Statement**

\$mil	2024	2025	2026F	2027F	25/24	26F/25	27F/26F
PBT	14.9	19.1	33.5	41.7	28.0%	75.9%	24.5%
Depreciation	1.8	2.1	2.3	2.5	16.7%	10.7%	10.0%
Amortization	0.3	0.2	0.3	0.3	-51.4%	82.6%	10.0%
Working capital changes	4.3	-0.9	15.6	9.2	-120%	-1918%	-40.6%
Cash from operations	21.4	20.2	51.7	53.8	-5.6%	156%	4.1%
Tax paid	-3.3	-3.4	-4.8	-6.0	0.3%	42.9%	23.9%
<b>CF from Ops</b>	<b>18.0</b>	<b>16.8</b>	<b>46.9</b>	<b>47.9</b>	<b>-6.6%</b>	<b>179%</b>	<b>2.1%</b>
Purchase PPE	-0.4	-1.0	-2.8	-3.1	152%	188%	10.0%
Purchase intangible assets	0.0	0.0	-0.3	-0.4	60.0%	1278%	10.0%
Dev capitalisation		-0.2	-0.2	-0.2		10.0%	10.0%
Interest Income	0.3	0.5	0.5	0.5	46.5%	5.0%	5.0%
Loan repayment from SH		0.8					
Loan to SH	-3.0						
<b>CF from investing</b>	<b>-3.1</b>	<b>0.1</b>	<b>-2.8</b>	<b>-3.1</b>	<b>-103%</b>	<b>-3137%</b>	<b>10.9%</b>
Payment of lease liabilities	-1.1	-1.3	-1.2	-1.2	15.4%	-8.2%	5.0%
Dividends paid	-2.0	-5.3	-16.8	-20.6	164%	216%	23.1%
Interest paid	-0.2	-0.2	-0.2	-0.2	-2.6%	5.0%	5.0%
Share issuance proceeds		28.7					
Share insurance expense		-1.5					
<b>CF from financing</b>	<b>-3.3</b>	<b>20.5</b>	<b>-18.2</b>	<b>-22.1</b>	<b>-716%</b>	<b>-189%</b>	<b>21.7%</b>
<b>Net change in cash</b>	<b>11.6</b>	<b>37.4</b>	<b>25.9</b>	<b>22.7</b>	<b>221%</b>	<b>-30.7%</b>	<b>-12.5%</b>
FX	0.3	0.2					
<b>Cash beg of period</b>	<b>17.8</b>	<b>29.7</b>	<b>67.3</b>	<b>93.2</b>			
<b>Cash end of period</b>	<b>29.7</b>	<b>67.3</b>	<b>93.2</b>	<b>115.9</b>	<b>126%</b>	<b>38.5%</b>	<b>24.3%</b>

Source: Mgt, RHTC estimates

Info-Tech Systems' operating and financial performance is unequivocally strong, resilient, and continuously improving. ITS revenue model allows robust CF monetization that is expected to generate above \$40mil in Operating CF, resulting in sizable cash holdings on balance sheet (FY27F \$116mil or 84% of total assets).

## 5-1 TSR | Intrinsic Value / Target Price

**Figure 5-6: ITS share price performance since listing**

Period	Share price close est	% chg since IPO	
July-25	0.87 [IPO-subscription pr]		<ul style="list-style-type: none"> <li>• Total dividends paid since listing; 3.5cts per shr or 4.02%</li> <li>• Total Return (as of 30-Apr) +16.7% including dividends</li> </ul>
Dec-25	0.77	-11.5% -7.48% (incl div)	
30-Apr	0.98	+16.7%	

Source: CNBC, RHTC estimates

Since ITS was listed in July 2025, its share performance has posted +12.6% relative to its IPO price. Including dividends, the total returns was +16.7% (fig 5-6) return for investors.

**Figure 5-7: ITS TSR & Implied Intrinsic Value / Target Price**

	FY26F	FY27F	2 yrs cumulative
FCF yield	17.3%	17.6%	34.9%
Dividend yield	6.6%	8.2%	14.8%
EPS growth	80.6%	24.6%	105.2%
Total Shareholder Return	104.6%	50.3%	154.9%
<b>Implied ITS Intrinsic Value / Target Price \$</b>	<b>2.00</b>		<b>2.50</b>

Source: RHTC estimates

Based on our assumed forecasts for FY26F and FY27F (fig 5-1), we apply our bespoke Total Shareholder Return (TSR) framework to estimate the implied Intrinsic Value / Target Price for ITS over the next 24 months (fig 5-7).

Essentially shareholders can expect Free Cash Flow yield of 17.3%, receive estimated Dividends worth 6.6% and to enjoy (EPS) growth of 80.6% for FY26F. For a 1-year holding period, the expected **Total Shareholder Return of +105%**, implies **Intrinsic Value / Price Target of ITS at \$2.00**.

Assuming holding period of 2 years, the cumulative TSR based on the above expected returns would yield +155% or implies ITS exit price of \$2.50.

## 5-1-1 Relative valuations to STI

Fig 5-8 shows ITS relative valuations to STI Index where ITS is currently trading at substantial valuation discount (row C) to the index, ITS at 0.12x PEG (to account for ITS high growth business model) implies a 92% discount to STI's 1.55x while its EV/EBITDA of 5x is at 55% discount to STI's mid-point 10.5x.

**Figure 5-8: ITS IV relative to STI**

		FY26F PE	FY26F growth	PEG	FY26F PB	Implied ROE	Div Yield	EV/EBITDA
<b>A</b>	<b>STI @4,900</b>	15.5	10%	1.55	1.59	10.25%	4.70%	5.5-15.5 <sup>1</sup>
								(ex-FI)
<b>B</b>	ITS@ \$0.98	9.32	80.6%	0.12	5.03	54%	6.63%	4.44
<b>C = B/A-1</b>	<b>(Discount) / Premium</b>	- 39.9%		-92.5%	216.5%	426.8%	41.1%	-59.7%
	<b>ITS IV/TP</b>							
<b>D</b>	<b>2.00</b>	19.06		0.24	10.29	54.00%	3.24%	11.8
<b>E = D/A-1</b>	<b>(Discount) / Premium</b>	23.0%	81%	-84.7%	547.4%		- 31.0%	12.2%

1. Average range for other sectors in STI ex-Financials; Telco average 5.7x, Offshore Marine Engineering sector 5.5x, Aerospace avg 12.7x, Fund Mgt industry 15.5x. Source: BBG, RHTC estimates

At estimated Intrinsic Value/Target Price of \$2.00 (fig 5-7), ITS implied PEG at 0.24x (row D) is still at a massive 85% discount (row E) to STI. However, on a EV/EBITDA basis at 11.8x, it trades at 12% above the STI mid-point range average at 10.5x.

## 5-1-2 Relative valuations to Global industry peers

**Fig 5-9: ITS Intrinsic Valuation relative to Global peers**

Company	Forward P/E(FY1)	PEG	Growth	EV/EBITDA	Rule of 40	
A	<b>ITS @ \$0.98</b>	9.3	0.12	80.6%	4.44	90.2%
B	Paycom (PAYC)	11.0	1.64	6.7%	6.82	32.5%
C	Paylocity (PCTY)	21.2	1.38	15.4%	11.52	32.5%
<b>D=Avg(B,C)</b>	<b>SME avg ex-ITS</b>	<b>16.1</b>	<b>1.51</b>	<b>10.7%</b>	<b>9.17</b>	<b>32.5%</b>
E	Workday (WDAY)	10.8	0.75	14.3%	19.15	42.5%
F	Salesforce (CRM)	20.6	1.00	20.6%	12.61	40.0%
<b>G=Avg(E,F)</b>	<b>Enterprise avg</b>	<b>15.7</b>	<b>0.88</b>	<b>17.5%</b>	<b>15.88</b>	<b>41.3%</b>
<b>H=Avg(D,G)</b>	<b>Global Avg ex-ITS</b>	<b>15.9</b>	<b>1.19</b>	<b>14.1%</b>	<b>12.53</b>	<b>36.9%</b>
J	<b>ITS IV @ \$2.00</b>	19.1	0.24	80.6%	11.78	90.2%
K=J/H-1	<b>ITS IV discount to Global Average</b>		<b>-80.2%</b>		<b>-5.9%</b>	
L=J/G-1	<b>ITS IV discount to Enterprise Average</b>		<b>-73.0%</b>		<b>-25.8%</b>	

Source: BBG, RHTC estimates

At ITS Intrinsic Value of \$2.00 (row J), the implied PEG is still a substantial 80% discount to global average (row K) but EV/EBITDA multiple at narrower 6% discount (due to absence of gearing and higher margins at ITS).

However, it still lags the large standalone Enterprise SaaS group at 15.9x EV/EBITDA (row G) which suggests further re-rating potential particularly as the enterprise transition gains traction.

Compared to Enterprise Averages of Workday and Salesforce, ITS at its Intrinsic Value comes in at 73% discount on PEG basis and 26% discount on EV/EBITDA (row L).

## 5-1-3 ITS Shareholding

On 28 April 2026, Mr. Lee Kim Heng Peter, the Executive Chairman of the Company (the “**Vendor**”) that the Vendor has undertaken a sale of 24,338,800 ordinary shares (“**Sale Shares**”) by way of a block trade (“**Vendor Share Sale**”).

**Figure 5-10: ITS Major shareholders**

Date (as of)		11-Mar-26		28-Apr-26	
#	Beneficial Owner	Total Shares mil	Est o/s	Total Shares mil	Est o/s
1	Setin Subramanian Dilip Babu	106.88	41.42%	106.875	41.42%
2	Peter Lee Kim Heng	73.94	28.66%	49.605	19.23%
3	Yeoh Sin Yee	9.6	3.72%	9.600	3.72%
	sub-total	190.42	73.81%	166.08	64.37%
	<b>Free Float</b>		<b>26.20%</b>		<b>35.63%</b>

Source: Mgt

The vendor share sale was strategically undertaken to strengthen, diversify and the Company’s shareholder base, with participation from long-only institutional investors, including Avanda Investment Management Pte Ltd, Ginko-AGT Global Growth Fund, ICH Synergrowth Fund, JPMorgan Asset Management (Singapore) Limited and Lion Global Investors Limited. RHTC view this as a positive development with the resulting free float of the company increasing from 26.2% to 35.63%.

As a result of the share sale (fig 5-10) the Executive Chairman’s stake stands at 19.23% (vs 28.66%).

## 5-2 Valuation Key Risks

### **Risks to RHT Capital views and intrinsic value/price target:**

1. Better/worse execution in pursuing new market shares that would pose an upside/downside risk to our estimates and valuation.
2. Faster/slower-than-expected organic growth would pose an upside/downside risk to our estimates and valuation.

A better/worse-than-expected macro/trade environment that may provide upside/downside risk to growth across business lines.

### **Valuation Method and Risk Statement**

Investing in the technology sector entails above-average risk given low sales visibility, rapid pace of innovation and technological change, intense competition, frequent M&A, and low barriers to entry in many markets.

ITS price target based on 2026E PEG & EV/EBITDA. Risks include pace of macro, competition [incumbent SaaS], growth initiative traction, and potential float income contraction.

Growth would be curtailed by a slowdown in employment on the SaaS portfolio given ITS' employee-based PEPM pricing model and the general HCM market's exposure to macroeconomic conditions. Additionally, larger HCM providers could become more competitive down market and constrain ITS' growth.

Intrinsic Value is based on 2026E forecasts. We view the derived intrinsic value/target price as fair given macro + geopolitical uncertainty potentially fuel further downward estimate revisions.

Our Intrinsic Value/Price target is based on Total Shareholder Return framework with 1-year holding period premised on our FY26 estimates.

### **Risks:**

- Greater than expected public sector tailwind
- improving macro environment
- reliance on government grants
- SME cyclicalities
- data security exposure

## 5.3 Sustainability / ESG

ITS has said it will continue to invest strategically in strengthening its technology infrastructure, data governance and cybersecurity<sup>1</sup>. These efforts ensure the platforms remain robust, scalable, secure and relevant to the needs of their customers and users.

### **Technology and Cybersecurity Risk<sup>1</sup>**

As a provider of cloud-based software solutions, the Group stores and processes customers' confidential and proprietary information. The Group is therefore exposed to risks relating to cyberattacks, unauthorised access, data breaches and system disruptions. To mitigate these risks, the Group has implemented various information technology security controls and policies, including access controls, system monitoring, cybersecurity awareness initiatives and periodic vulnerability assessment and penetration testing conducted by external specialists.

### **Sustainability Report<sup>1</sup>**

The Company was listed on 4 July 2025. In accordance with Rule 711A and Practice Note 7.6 of the SGX-ST, the Company will issue its first Sustainability Report in respect of FY2026, being its first full financial year after listing.

## APPENDIX A1 – SWOT ANALYSES

SWOTs	Description
<b>Strengths</b>	<ul style="list-style-type: none"> <li>• 90% customer retention rate (well above 70-85% industry avg).</li> <li>• Fully integrated ecosystemspanning HR, Accounting, and CRM.</li> <li>• Dual-agent dedicated customer support with 4-hour SLA.</li> <li>• Debt-free balance sheet with robust 42.3% adjusted EBITDA margins.</li> <li>• Highly localized compliance engines</li> </ul>
<b>Weakness</b>	<ul style="list-style-type: none"> <li>• Heavy concentration of revenue generated from a single geography (Singapore).</li> <li>• Asset-lightmodel and SME focus may lead to heightened vulnerability during severe economic downturnthat disproportionately impact small businesses.</li> </ul>
<b>Opportunities</b>	<ul style="list-style-type: none"> <li>• Cross-selling potential from the newly launched 2026 CRM product</li> <li>• Conversion of micro-SMEs from the simplified DigiSME tier to full enterprise suites.</li> <li>• M&amp;A expansion targeting localized software providers or adjacent technologies.</li> <li>• Large runway in geographically expanding markets (India, Hong Kong, Middle East).</li> </ul>
<b>Threats</b>	<ul style="list-style-type: none"> <li>• Wage inflation impacting the cost of skilled IT/development staff in its India/Malaysia hubs.</li> <li>• Persistent risk of cyberattacks and data breaches handling sensitive financial/HR data.</li> <li>• Emergence of disruptors or aggressive pricing from global enterprise players pivoting down-market.</li> </ul>

## A-2 Tables & Charts, Source reference

pg	Fig #	Description
4	ES-1	ITS relative valuation to Global SaaS competitors
5	ES-2	TSR & Implied IV / TP
5	ES-3	ITS IV relative to STI & Global Comps
8	2-1	FY25 ITS portfolio
10	2-2	ITS CRM system
13	2-3	Strategic Positioning-ITS relative position on the SaaS Lifecycle [ARR vs SaaS Life Cycle Phase]
15	2-4	FY25 Performance Review
17	2-5	Government subsidies for SMEs
19	2-6	Enterprise and SME definitions
19	2-7	ITS est. SME market share
23	3-1	Relative global comps
26	4-1	ITS' executive officers as of 31-Dec-2025
30	5-1	Profit & Loss Statement
31	5-2	Per share data
32	5-3	Growth and Margins
33	5-4	Balance Sheet
34	5-5	Cashflow Statement
35	5-6	ITS share price performance since listing
35	5-7	ITS TSR & Implied IV / TP
36	5-8	ITS IV relative to STI
37	5-9	ITS IV relative to Global Peers
38	5-10	ITS Major shareholders
	<b>#</b>	<b>Sources</b>
	[1]	Info-Tech Annual Report 2025

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