iFAST Corporation (IFAST SP)

1H26: Earnings Beat; AUA Momentum Continues

BUY (Maintained)	
Share Price	S$9.03
Target Price	S$12.18
Upside	+34.9%
Previous TP	S$11.77

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Highlights

- 1H26 revenue of S$316.5m (+39% yoy) and PATMI of S$57.9m (+41% yoy) came in slightly above our estimates, forming 51%/53% of our forecasts respectively.
- AUA hit a new high of S$36.1b (+33% yoy), with China AUA doubling yoy and strong net inflows of S$2.56b in 1H26 (+15% yoy).
- Maintain BUY with a higher target price of S$12.18, underpinned by better-than-expected earnings and continued momentum in AUA.

1H26 Results

Year to 31 Dec (S$m)	1H26	1H25	yoy%	2Q26	2Q25	qoq%
Revenue	316.5	227.2	39.3	162.0	120.2	34.8
Net revenue	213.3	147.8	44.3	108.3	80.0	35.3
Net revenue margin (%)	67.4	65.0	+2.4ppt	66.9	66.6	+0.3ppt
PATMI	57.9	41.1	40.7	29.8	22.1	35.0
PATMI margin (%)	18.3	18.1	+0.2ppt	18.4	18.4	-

Source: iFAST

Analysis

- **1H26 earnings above expectations.** iFAST Corporation (iFast) delivered 2Q26 revenue of S$162.0m and PATMI of S$29.8m, bringing 1H26 revenue to S$316.5m (+39.3% yoy) and 1H26 PATMI to S$57.9m (+40.7% yoy), forming 51%/53% of our forecasts respectively. Growth was driven by stronger contributions from Hong Kong's ePension division and continued strength in the core wealth management platform. 1H26 opex rose 47.0% yoy to S$143.7m (2Q26: S$72.7m, +36.4% yoy), mainly higher staff costs (+79.5% yoy in 1H26) tied to ePension headcount. However, management also expects staff costs to moderate going forward with fewer headcount contract renewals alongside existing AI efforts.
- **New record-high AUA, broad-based across markets.** Asset under administration (AUA) hit an all-time high of S$36.1b as at end-Jun 26 (+32.8% yoy, +10.7% qoq), driven by net inflows of S$1.31b in 2Q26 (1H26: S$2.56b). All markets posted record AUA: Singapore +30.0% yoy, Hong Kong +36.0% yoy, Malaysia +40.4% yoy, China +100.0% yoy, UK +25.2% yoy. China remains a standout, with AUA doubling yoy to S$990m and its segment loss narrowing 49% qoq to S$0.95m, potentially turning profitable by 2027.

Key Financials

Year to 31 Dec (S$m)	2024	2025	2026F	2027F	2028F
Net turnover	383	515	625	718	830
EBITDA	141	202	193	224	262
Operating profit	114	169	151	172	203
Net profit (rep./act.)	67	100	113	133	154
Net profit (adj.)	67	100	113	133	154
EPS (S$ cent)	21.9	32.8	37.2	43.7	50.4
PE (x)	41.2	27.5	24.3	20.7	17.9
P/B (x)	8.4	6.7	5.5	4.6	3.9
EV/EBITDA (x)	12.1	8.5	8.9	7.6	6.6
Dividend yield (%)	0.7	0.9	1.1	1.3	1.7
Net margin (%)	17.4	19.4	18.1	18.5	18.5
Net debt/(cash) to equity (%)	(183.0)	(168.1)	(218.2)	(198.1)	(182.1)
Interest cover (x)	99.5	66.3	n.a.	n.a.	n.a.
ROE (%)	23.5	28.0	25.7	25.1	24.2
Consensus net profit (S$m)	-	-	131	158	-
UOBKH/Consensus (x)	-	-	0.86	0.84	-

Source: iFAST, Bloomberg, UOB Kay Hian

Stock Data

GICS Sector	Financials
Bloomberg ticker	IFAST SP
Shares issued (m)	306.6
Market cap (S$m)	2,768.3
Market cap (US$m)	2,145.5
3-mth avg daily t'over (US$m)	7.5

Price Performance (%)

52-week high/low: S$ 11.06/S$ 7.79

1mth	3mth	6mth	1yr	YTD
1.6	1.7	(17.6)	21.7	(5.1)

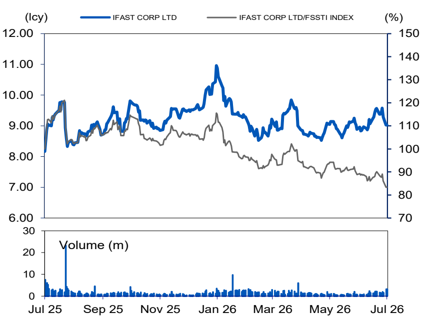
Major Shareholders

	%
Lim Chung Chun (CEO)	13.05
Lim Wee Kian	5.78

Balance Sheet Metrics

FY26 NAV/Share (S$)	1.63
FY26 Net Cash/ Share (S$)	3.56

Price Chart



Source: Bloomberg

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.

- **Second interim dividend raised, FY26 guidance lifted.** A second interim dividend of 3.00 S cents/share was declared (+50.0% yoy), following a first interim dividend of 2.50 S cents/share. Management also raised 2026 total dividend guidance to 12.00 S cents/share or higher (+43.0% yoy), up from 10.50 cents guided in Apr 26. This is supported by a healthy ROE of 27.2% in 1H26 and a payout ratio of 28.9% (1H25: 26.3%). Longer term, management sees scope to raise the payout ratio to 40.0% as shareholders' equity nears S$1.00b.
- **Staff costs expected to moderate by 2028, improving profitability.** While the group has ramped up its headcount to support the Hong Kong ePension business, management highlighted that headcount has peaked in mid-26, and is expected to slightly taper off till 2028. This would be done through fewer renewals of contract staff, alongside the natural resignation of employees. iFast also continues to focus on AI adoption across the group to improve its efficiency. These initiatives are expected to slightly improve the group's profitability from 2027-28F.

Stock Impact

- **iGB profitability rebounds; Ant partnership confirmed live.** iGB reported record PBT of S$1.92m in 2Q26 (+174.5% yoy; 1H26: S$2.61m, +53.5% yoy), reversing the 1Q26 qoq dip. Deposits reached S$1.81b (+25.2% yoy). iGB opex was marginally lower yoy at S$8.55m in 2Q26 and S$16.83m in 1H26, partly aided by forex revaluation gains. The Ant International "Worldwide Scan & Pay" partnership, alongside SEPA capability, launched in May 26 as planned.
- **Strong Hong Kong net revenue surge.** Hong Kong contributed S$35.9m to 1H26 PBT (+27.7% yoy), the group's largest single-market contributor (Singapore: S$27.8m). Hong Kong net revenue rose 66.4% yoy in 1H26 to S$114.9m, implying an approximately 31% PBT margin. All 12 trustees and 24 schemes also are now onboarded to the Hong Kong Pension platform as at end-Apr 26, and this is expected to contribute positively to revenue through 2030. Occupational Retirement Schemes Ordinance (ORSO) pension administration is expected to contribute from 2H26 onwards through a S$3b AUM partner, while the Macau ePension business is also poised for growth. Management guides for double-digit Hong Kong revenue and profit growth for the full year.
- **Strategic roadmap: Vision 2030 and AI Integration.** iFAST reaffirmed its Vision 2030 target of S$100b AUA (25.6% CAGR), with growth skewing more toward the UK and Hong Kong. Headcount is expected to peak mid-26 and taper through 2028 via lower contract renewals, natural attrition, and AI adoption, supporting margin expansion from 2027. Management sees net revenue potentially reaching S$600m at a 60bp margin as AUA scales. The "FSM Global" rebrand aims to reinforce Singapore's position as a hub for global investors.

Valuation/Recommendation

- **Maintain BUY with a higher PE-based target price of S$12.18.** We lower our PE multiple to 27x 2027F PE (0.5SD below its historical mean), compared to 32x previously, due to a reduced PE-band. We also roll over our valuation base to 2027F to better reflect iFast's continued AUA momentum and earnings growth.
- The higher target price reflects iFAST's strong execution, growing earnings visibility and scalable monetisation across its wealth, pension and banking segments as it progresses toward its long-term AUA target of S$100b by 2030.

Earnings Revision/Risk

- We adjust our 2026-28 earnings forecasts by 3.1%/8.5%/9.5% respectively as we expect improving profitability arising from a slightly reduced headcount going forward, alongside higher business efficiencies coming from its AI initiatives.

Share Price Catalyst

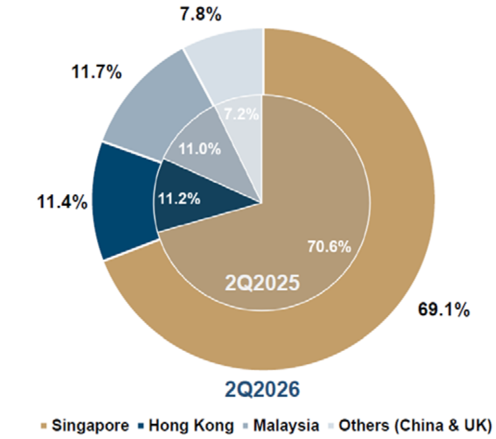
- Higher-than-expected growth in AUA and net inflows.
- Higher profitability coming from lower staff costs and more AI initiatives.
- Lower-than-expected costs incurred for the eMPF platform.

2030's S$100b AUA Target By Market

	2025 AUA (S$b)	2030 AUA (S$b)	2025-30F CAGR
Singapore	22.5	62.1	22.5%
Hong Kong	3.6	11.6	26.2%
iFAST Global Bank	1.6	15.0	56.9%
Others	4.3	11.3	21.6%
Total	32.0	100.0	25.6%

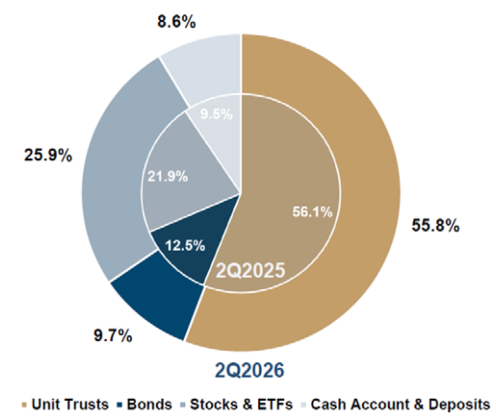
Source: iFAST

AUA By Markets As At 30 Jun 26



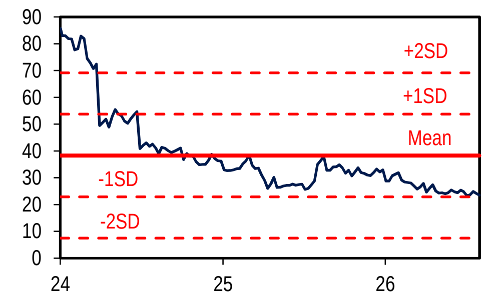
Source: iFAST

AUA By Products As At 30 Jun 26



Source: iFAST

Historical PE Band (2-Years)



Source: Bloomberg, UOB Kay Hian

Profit & Loss

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Net turnover	514.7	625.3	717.9	830.4
EBITDA	201.7	193.2	224.4	261.6
Deprec. & amort.	33.1	42.6	52.0	58.6
EBIT	168.6	150.5	172.4	203.0
Total other non-operating income	(47.4)	(47.4)	(47.4)	(47.4)
Associate contributions	0.0	0.0	0.0	0.0
Net interest income/(expense)	(3.0)	32.2	33.2	26.0
Pre-tax profit	118.2	135.4	158.2	181.6
Tax	(18.3)	(22.3)	(25.3)	(28.1)
Minorities	0.1	0.1	0.2	0.2
Net profit	100.0	113.2	133.1	153.7
Net profit (adj.)	100.0	113.2	133.1	153.7

Balance Sheet

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Fixed assets	71.5	67.7	64.6	57.2
Other LT assets	400.7	370.4	385.5	400.1
Cash/ST investment	724.3	1,093.6	1,182.8	1,279.6
Other current assets	1,235.1	1,034.4	1,069.4	1,125.3
Total assets	2,431.6	2,566.2	2,702.3	2,862.1
ST debt	12.3	12.3	12.3	12.3
Other current liabilities	1,815.4	1,879.1	1,925.8	1,984.4
LT debt	42.8	30.0	21.0	14.7
Other LT liabilities	163.1	163.1	163.1	163.1
Shareholders' equity	398.0	481.7	580.2	687.8
Minority interest	(0.1)	(0.1)	(0.1)	(0.1)
Total liabilities & equity	2,431.6	2,566.2	2,702.3	2,862.1

Cash Flow

Year to 31 Dec (S$m)	2025	2026F	2027F	2028F
Operating	586.8	223.7	225.7	245.6
Pre-tax profit	118.2	135.4	158.2	181.6
Tax	0.0	0.0	0.0	0.0
Deprec. & amort.	33.1	42.6	52.0	58.6
Associates	(0.0)	(0.0)	(0.0)	(0.0)
Working capital changes	422.6	(16.5)	(46.8)	(56.8)
Non-cash items	12.6	12.6	12.6	12.6
Other operating cashflows	0.3	49.7	49.7	49.7
Investing	(415.7)	(55.5)	(63.8)	(65.6)
Capex (growth)	(31.1)	(55.5)	(63.8)	(65.6)
Investment	(384.6)	0.0	0.0	0.0
Proceeds from sale of assets	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0
Financing	(40.0)	(40.3)	(47.4)	(55.1)
Dividend payments	(22.7)	(29.4)	(34.6)	(46.1)
Proceeds from borrowings	27.4	0.0	0.0	0.0
Loan repayment	(30.1)	0.0	0.0	0.0
Others/interest paid	(14.6)	(10.9)	(12.8)	(9.0)
Net cash inflow (outflow)	131.0	127.9	114.5	124.9
Beginning cash & cash equivalent	622.8	724.3	829.9	919.1
Changes due to forex impact	5.5	0.0	0.0	0.0
Ending cash & cash equivalent	759.3	852.2	944.4	1,044.0

Key Metrics

Year to 31 Dec (%)	2025	2026F	2027F	2028F
Profitability				
EBITDA margin	39.2	30.9	31.3	31.5
Pre-tax margin	23.0	21.7	22.0	21.9
Net margin	19.4	18.1	18.5	18.5
ROA	4.8	4.5	5.1	5.5
ROE	28.0	25.7	25.1	24.2
Growth				
Turnover	34.4	21.5	14.8	15.7
EBITDA	42.7	(4.2)	16.2	16.5
Pre-tax profit	42.0	14.6	16.9	14.8
Net profit	49.9	13.2	17.6	15.5
Net profit (adj.)	49.9	13.2	17.6	15.5
EPS	49.9	13.2	17.6	15.5
Leverage				
Debt to total capital	12.2	8.1	5.4	3.8
Debt to equity	13.9	8.8	5.7	3.9
Net debt/(cash) to equity	(168.1)	(218.2)	(198.1)	(182.1)
Interest cover (x)	66.3	n.a.	n.a.	n.a.