

CIA FIRST International School Co., Ltd.

Credit Rating		Bond 1 Information		Bond 2 Information	
Issuer Credit Rating	khBB	Bond Credit Rating	khAAA	Bond Credit Rating	khAAA
Outlook	Stable	Size	USD 10 million	Size	USD 10 million
Credit Rating History		Issuing Date	December 15, 2023	Issuing Date	March 07, 2025
Issuer Credit Rating	khBB	Maturity Date	December 15, 2028	Maturity Date	March 07, 2030
Outlook	Negative	Type	Unsecured, Guaranteed	Type	Unsecured, Unsubordinated, Guaranteed
Bond Credit Rating	khAAA				
Issuing Date	Mar 18, 2025	Coupon Rate	6.3% p.a.	Coupon Rate	5.6% p.a.
		Guarantor	Credit Guarantee & Investment Facility (CGIF)	Guarantor	Credit Guarantee & Investment Facility (CGIF)

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Key Rating Rationale

We maintain the Issuer Credit Rating (ICR) and the Bond Credit Rating (BCR) of CIA FIRST International School Co., Ltd ("CIA" or "the Company") at "khBB" and "khAAA" (National Scale) respectively, but we upgrade the outlook from "Negative" to "Stable".

CIA's performance remained stable in FY25, driven by continued revenue growth. This growth can be attributed to the increase in student enrolments and tuition fees. However, compared to the previous period (FY24), revenue growth slowed as CIA achieved a high utilization rate at 88.0%. At the same time, operating profit increased by 4.5%; while the net profit achieved an impressive 20.4% increase. Going forward, CIA's expansion plan may drive higher revenue growth while the high gearing may put pressure on the profitability.

In our view, CIA's current operational performance, strategic plan for its fourth campus, and experienced management team, position it well to capitalize on opportunities created by the expanding middle class in the country. This is expected to drive steady revenue growth, allowing CIA to remain competitive in this mid-market segment.

Outlook

We expect CIA to maintain revenue growth in FY26 with the opening of Phase Two of its fourth campus in August 2026. As of year-end 2025, Phase One of Campus four is fully operational with 360 students in the first academic year; while Phase Two is on schedule with 75% completion. However, we anticipated a rise in operating expenses, interest expenses, and leverage due to the expansion plans that could pressure profitability which we expect to be mitigated by the increase in performance and operating cash flow from the successful expansion plan. Additionally, the absence of dividend payment in FY26 will ease the pressure on CIA's liquidity and improve financial flexibility. Hence, we upgrade the outlook to "Stable".

Rating Sensitivity

On the upside, sustained profitability growth, a strong positive impact from the forth Campus's operations and future new expansion plans, and improvement in liquidity would lead us to review our rating. On the downside, a drastic worsening of the financial risk profile could trigger a rating change. Moreover, the BCR is pegged to CGIF's global rating (AA by S&P Global Ratings). Thus, we may consider a BCR downgrade if CGIF's global rating is downgraded.



Issues to Monitor

CIA's gearing, dividend distribution plan, progress on Phase Two of the fourth campus and future new expansion plans that might increase operating and interest expenses, student enrolments, and capacity utilization will be closely monitored.

CIA First International School Co., Ltd. Summary

Overview

In 2025, CIA reported a record-high revenue, driven by a 5.5% yoy increase in student enrolments and an 8.0% yoy rise in tuition fees. Positive economic projections for Cambodia by ADB and IMF, coupled with the continued increase in student enrolments in private schools in Phnom Penh over the last four years (2022-2025), indicate additional growth opportunities for CIA. However, the company is facing some challenges, including a surge in operating expenses that surpassed revenue growth and an increasing leverage that impacted its credit scores, leaving CIA's ICR at khBB.

Performance

In FY25, CIA's revenue reached USD 31.7mn, marking a 12.0% yoy increase driven by tuition and enrollment growth. The operation expense increased by 15.0% yoy, primarily driven largely by higher personnel costs and depreciation expenses. Despite the increase in operating expense, CIA managed to achieve a 21.6% operating profit margin. Additionally, CIA's net profit grew impressively by 20.4% yoy, achieving 18.7% net profit margin, thanks to the 43.9% yoy decline in finance cost. Unfortunately, the rise in operating expenses and higher leverage weakened CIA's financial performance in FY25, as indicated by a decline in monthly days' cash on hand and worsening leverage metrics; however, the decrease in finance cost improved the coverage ratios.

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RAC website

Rating Definition

Issuer Credit Rating – National Scale			
National Rating	Definition		
khAAA	Extremely Strong Capacity to meet financial commitments	1	Very low risk
khAA	Very strong capacity to meet financial commitments	2	
khA	Strong capacity to meet financial commitments but somewhat susceptible to adverse changes in circumstances and economic environment	3	Low risk
khBBB	Adequate capacity to meet financial commitments but more susceptible to adverse changes in circumstances and economic environment	4	
khBB	Adequate capacity to meet financial commitment but more vulnerable to adverse changes in circumstances and economic environment	5	Moderate risk
khB	Adequate capacity to meet financial commitments but more likely to be affected by adverse changes in circumstances and economic environment	6	
khCCC	Capacity to meet financial commitments dependent on favorable business, financial and economic conditions	7	High risk
khCC	Weak capacity to meet financial commitments	8	
khC	Unlikely to be able to meet financial commitments	9	Very high risk
khD	In default partially or for all financial commitments	10	

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