

INFOMINA

(INFOM MK EQUITY, INFOM.KL)

BUY

(MAINTAINED)

Price: RM1.14

Target Price (% return): RM1.80 (+57%)

52-week High/Low: RM1.55/RM0.69

Technology

Rationale for report: Company Result

Where certainty still exists

What keeps us positive on Infomina is not a blue-sky story, but the simple fact that demand is already in hand. With a RM573mil order book, the group has two to three years of earnings visibility, giving investors something increasingly valuable in this market: predictability. That visibility is also translating into growth, supporting our FY27F earnings forecast of +32% YoY, backed by contract renewals and a widening regional footprint. AI-related ventures provide further upside, but importantly, they sit on top of an already visible and defensible earnings base.

- Retain BUY at TP of RM1.80/share.** This is based on a target PE of 24x and CY27 EPS. Trading at a forward PE of 16x, we view valuations inexpensive, given its strong earnings visibility of 2-3 years, plus growth optionalities from Japan and its AI ventures.
- Within expectations.** Infomina's 9MFY26 core profit rose 7% YoY to RM26mil, broadly in line at 79% of Am's full-year estimate. While margins came in lower, this was largely due to Japan-related costs now being expensed rather than capitalised as before. Over time, profitability should improve as the Japan business gains scale. Japan revenue increased to 5% of 9MFY26 sales, from 3% a year ago. The quarter also included lumpy license revenues of RM10mil, which carries lower margins.
- Visibility remains intact.** Order book grew 3% QoQ to RM573mil, providing earnings visibility for the next two to three years. This supports our FY27F earnings growth forecast of 32% YoY, driven by contract renewals and expansion into Japan. Recent sizeable wins include a RM69mil contract from the Home Affairs Ministry and RM23mil from the Inland Revenue Board. We also understand a potentially meaningful contract win from Thailand could come through in the upcoming quarter.
- AI as a complementary tool.** Concerns have emerged that genAI could accelerate legacy COBOL and mainframe upgrades, but we do not see this as a threat to the group. Rather, AI should be viewed as a productivity tool that helps engineers work faster, not a replacement for experienced system integrators. Someone still needs

Analyst (s)

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Key Changes

Target Price: ⇄
 EPS: ⇄

Stock and Financial Data

Shares Outstanding (million)	601.3
Market Cap (RMmil)	685.4
Book Value (RM/Share)	0.25
P/BV (x)	4.5
ROE (%)	14.3
Net Gearing (%)	-
Free Float	25.9
Avg Daily Value (RMmil)	0.8

Major Shareholders

INFOMINA HOLDINGS	(51.6%)
Chee Meng Yee	(6.7%)
Leong Ping Lim	(5.9%)

Price performance 3mth 6mth 12mth

Absolute(%)	(17.4)	(23.5)	15.2
Relative(%)	(15.8)	(26.8)	1.7

Source: Infomina, AmInvestment Bank Bhd.

YE to May	FY25	FY26F	FY27F	FY28F
Revenue (RM mil)	196.7	208.7	265.8	292.9
Core net profit (RM mil)	32.8	32.5	42.9	47.4
FD Core EPS (sen)	5.5	5.4	7.1	7.9
FD Core EPS growth (%)	(0.8)	(0.8)	32.0	10.5
Consensus Net Profit (RM mil)	-	-	-	-
DPS (sen)	1.2	1.4	1.8	2.0
PE (x)	20.9	21.1	16.0	14.4
EV/EBITDA (x)	14.5	13.9	10.7	9.4
Div yield (%)	1.1	1.2	1.6	1.8
ROE (%)	14.3	19.8	22.2	20.8
Net Gearing (%)	nm	nm	nm	nm

Source: Infomina, AmInvestment Bank Bhd.

Price Chart

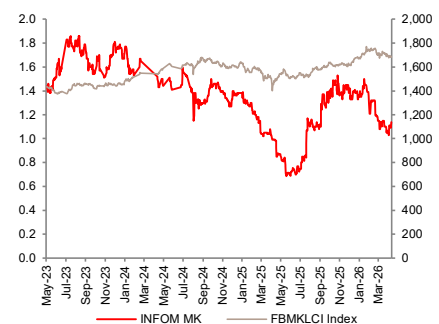
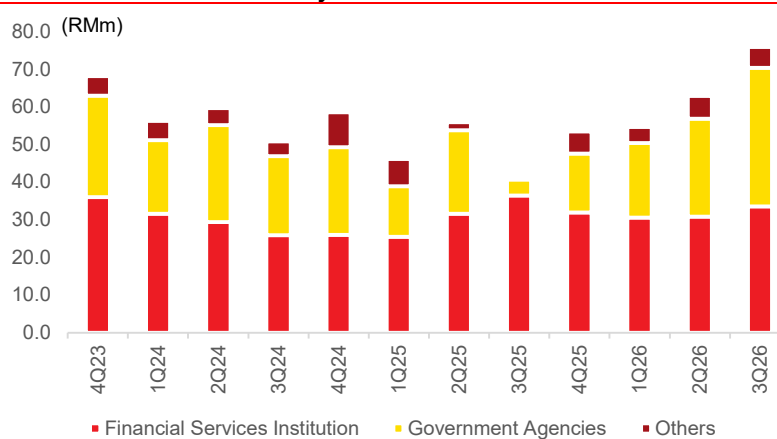


EXHIBIT 1. 3QFY26 Results Summary

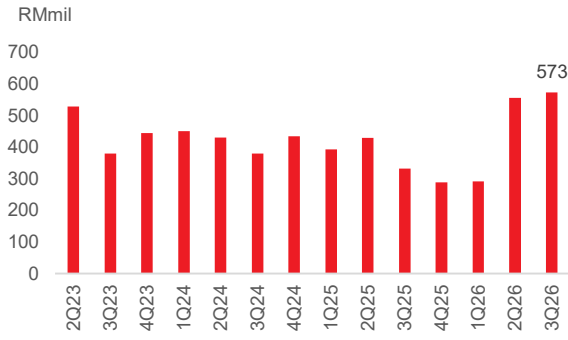
FYE July (RMmil)	3QFY26	3QFY25	YoY (%)	2QFY26	QoQ (%)	9MFY26	9MFY25	YoY (%)
Revenue	75.9	50.4	50.4	62.9	20.6	193.4	143.2	35.0
Ebitda	12.2	10.2	20.2	11.0	11.4	33.0	30.4	8.6
Depreciation & amortisation	-0.9	-0.5	-76.4	-1.0	5.1	-2.4	-1.6	-51.0
Ebit	11.3	9.6	17.1	10.0	13.0	30.6	28.8	6.3
Finance income	0.3	0.1	>100	0.3	-3.7	1.0	0.4	>100
Finance cost	-0.1	-0.1	18.6	-0.1	-5.1	-0.3	-0.5	48.0
JV/Associates	0.0	0.0	nm	0.0	nm	0.0	0.0	nm
El	-1.0	0.3	nm	0.1	nm	-0.6	0.3	nm
Pbt	10.5	9.9	6.1	10.3	1.2	30.7	29.0	5.9
Taxation	-1.7	-1.6	-1.5	-2.0	17.5	-5.4	-4.7	-16.6
MI	0.0	0.0	nm	0.0	0.0	-0.1	0.0	-4,266.7
Patami	8.8	8.2	6.5	8.3	5.7	25.1	24.3	3.4
Core Patami	9.8	8.0	22.9	8.2	19.9	25.7	24.0	7.3
EPS (sen)	1.5	1.4	7.4	1.4	>100	4.2	4.0	3.7
DPS (sen)	0.0	0.0	nm	1.4	nm	1.4	1.2	12.5
Profitability ratio (%)								
Ebitda margin	16.1	20.1	-4.0	17.4	-7.7	17.1	21.2	-4.1
Ebit margin	14.9	19.1	-4.2	15.9	-6.3	15.8	20.1	-4.3
Pbt margin	13.8	19.5	-5.8	16.4	-16.1	15.9	20.2	-4.4
Tax rate	15.9	16.6	-0.7	19.4	nm	17.7	16.1	1.6
Patami margin	12.9	15.8	-2.9	13.0	-0.6	13.3	16.7	-3.4
Revenue breakdown ('mil)								
Renewal	64	45	43.8	51	25.3	160	125	27.3
Turnkey	12	6	>100	12	-0.9	34	18	88.8
Orderbook ('mil)								
Renewal	516	286	80.3	475	8.6			
Turnkey	58	47	23.7	81	-28.7			
Tenderbook ('mil)	1,400	850	64.7	955	46.6			

Source: Infomina, AmInvestment Bank Bhd.

EXHIBIT 2. Revenue breakdown by clients

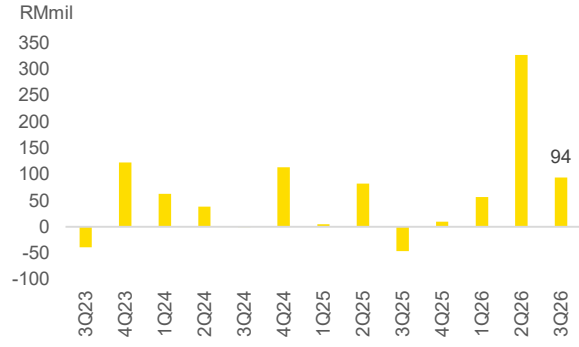
Source: Infomina, AmInvestment Bank Bhd.

EXHIBIT 3. Order Book



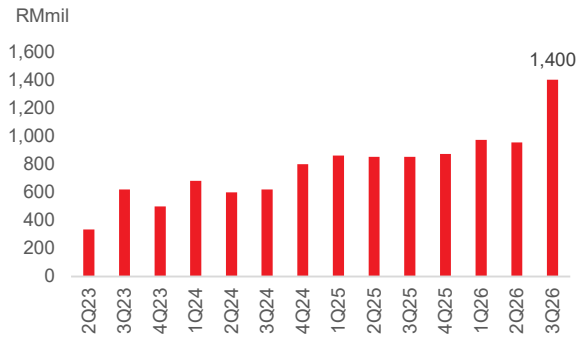
Source: Infomina, AmInvestment Bank Bhd.

EXHIBIT 4. New Orders Secured



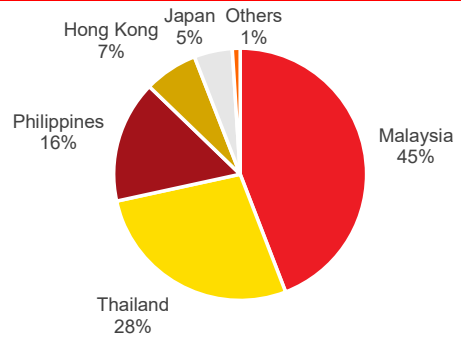
Source: Infomina, AmInvestment Bank Bhd.

EXHIBIT 5. Tender Book



Source: Infomina, AmInvestment Bank Bhd.

EXHIBIT 6. Tender Book Breakdown



Source: Infomina, AmInvestment Bank Bhd.

EXHIBIT 7. Valuations

Target PE (x)	24.0x
CY27 EPS	7.6sen
ESG premium	-
12-month target price	RM1.80/share

Source: AmInvestment Bank Bhd.

EXHIBIT 8. 5-Year Forward PE



Source: AmInvestment Bank Bhd., Bloomberg

Company profile

Infomina is a tech company that specialises in mainframe systems, which are powerful and reliable computers that handle huge volumes of transactions and data in real time. The group excels in the full lifecycle of mainframe solutions, from design and implementation (turnkey projects) to ongoing operations, maintenance, support and consulting services (renewal contracts). Its expertise span across multiple countries in Asia, which includes Malaysia, Thailand, HK, Philippines and Japan.

Investment thesis and catalysts

Sticky revenues. Renewal income has grown at a 36% YoY CAGR since FY20. Mainframes may sound dated but they power critical functions like payments and ID databases. Once embedded, they are expensive and risky to replace, ensuring long term contracts and steady renewals.

Breakout year in FY27. Earnings are forecasted to surge 32% YoY to RM43mil, supported by two major contract renewals and strong traction in Japan. Already 10 clients have come onboard from a pool of 40+, and Japan could contribute 14% of FY27F revenues.

AI growth option. The group is extending into artificial intelligence and data analytics, targeting recurring income from credit risk, fraud and cybersecurity solutions. Its partnership with Geolytik adds geospatial capabilities, helping enterprises optimise site selection and customer targeting.

Valuation methodology

We value Infomina based on a target PE of 24.0x and CY27 EPS, to capture a 12-month view. Our target PE is in line with the group's 5-year average. Although PE has derated in recent times, we believe expectations of record FY27F earnings and upside optionalities from its new AI venture, will help rerate valuations back to its mean.

Income Statement (RMmil)

YE to May	FY24	FY25	FY26F	FY27F	FY28F
Revenue	225.2	196.7	208.7	265.8	292.9
EBITDA	43.5	41.0	41.4	54.6	60.5
Depreciation/Amortisation	(1.9)	(2.1)	(1.7)	(1.9)	(2.2)
Operating income (EBIT)	41.6	38.9	39.8	52.7	58.3
Other income & associates	-	-	-	-	-
Net interest	0.4	0.3	0.9	1.0	1.0
Exceptional items	-	(11.7)	-	-	-
Pretax profit	42.0	27.4	40.7	53.7	59.3
Taxation	(8.9)	(6.3)	(8.1)	(10.7)	(11.9)
Minorities/pref dividends	-	-	-	-	-
Net profit	33.1	21.1	32.5	42.9	47.4
Core net profit	33.1	32.8	32.5	42.9	47.4

Balance Sheet (RMmil)

YE to May	FY24	FY25	FY26F	FY27F	FY28F
Fixed assets	5.9	4.0	4.4	5.2	5.9
Intangible assets	1.4	1.3	1.3	1.3	1.3
Other long-term assets	5.0	5.8	5.8	5.8	5.8
Total non-current assets	12.2	11.0	11.5	12.2	13.0
Cash & equivalent	70.0	94.7	110.7	103.8	120.3
Stock	-	-	-	-	-
Trade debtors	172.0	171.0	181.4	231.0	254.6
Other current assets	8.4	4.4	4.4	4.4	4.4
Total current assets	250.4	270.1	296.6	339.3	379.4
Trade creditors	38.5	37.3	40.0	50.5	55.6
Short-term borrowings	3.3	1.0	0.8	0.6	0.5
Other current liabilities	70.8	85.5	85.5	85.5	85.5
Total current liabilities	112.7	123.7	126.3	136.6	141.5
Long-term borrowings	2.8	2.1	1.6	1.2	0.9
Other long-term liabilities	4.2	3.9	3.9	3.9	3.9
Total long-term liabilities	7.0	6.0	5.5	5.2	4.9
Shareholders' funds	142.9	151.5	176.3	209.8	246.0
Minority interests	-	-	-	-	-
BV/share (RM)	0.24	0.25	0.29	0.35	0.41

Cash Flow (RMmil)

YE to May	FY24	FY25	FY26F	FY27F	FY28F
Pretax profit	42.0	27.4	40.7	53.7	59.3
Depreciation/Amortisation	1.9	2.1	1.7	1.9	2.2
Net change in working capital	(43.7)	(1.1)	(7.7)	(39.1)	(18.5)
Others	(8.6)	8.0	(9.3)	(11.9)	(13.1)
Cash flow from operations	(8.5)	36.4	25.3	4.6	29.9
Capital expenditure	(2.0)	-	(2.1)	(2.7)	(2.9)
Net investments & sale of fixed assets	0.1	-	-	-	-
Others	(2.1)	2.7	-	-	-
Cash flow from investing	(4.0)	2.7	(2.1)	(2.7)	(2.9)
Debt raised/(repaid)	(0.7)	(0.7)	(0.7)	(0.5)	(0.4)
Equity raised/(repaid)	-	-	-	-	-
Dividends paid	-	(7.2)	(7.7)	(9.4)	(11.3)
Others	3.2	(2.0)	1.2	1.2	1.2
Cash flow from financing	2.5	(9.9)	(7.2)	(8.8)	(10.5)
Net cash flow	(9.9)	29.2	16.0	(6.9)	16.5
Net cash/(debt) b/f	73.4	63.0	90.5	106.5	99.6
Net cash/(debt) c/f	63.0	90.5	106.5	99.6	116.1

Key Ratios

YE to May	FY24	FY25	FY26F	FY27F	FY28F
Revenue growth (%)	(10.4)	(12.6)	6.1	27.3	10.2
EBITDA growth (%)	(13.7)	(5.8)	1.1	31.8	10.7
Pretax margin (%)	18.6	13.9	19.5	20.2	20.2
Net profit margin (%)	14.7	10.7	15.6	16.2	16.2
Interest cover (x)	nm	nm	nm	nm	nm
Effective tax rate (%)	21.3	23.1	20.0	20.0	20.0
Dividend payout (%)	-	-	-	-	-

Debtors turnover (days)	275	318	308	283	303
Stock turnover (days)	-	-	-	-	-
Creditors turnover (days)	95	70	68	62	66

Source: Company, AmInvestment Bank Bhd.

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