



## Company Report

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# INFOMINA

(INFOM MK EQUITY, INFOM.KL)

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*Delivering the goods*

**BUY**

(Maintained)

### Rationale for report: Company Update

Price	RM1.45
Target price	RM1.80
52-week High/Low	RM1.55/RM0.69

#### Key Changes

Target price	↑
EPS	↔

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)	26.6	26.8	20.3	18.4
EV/EBITDA (x)	19.0	18.4	14.1	12.5
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

#### Stock and Financial Data

Shares Outstanding (million)	601.3
Market Cap (RMmil)	871.8
Book Value (RM/Share)	0.25
P/BV (x)	5.8
ROE (%)	14.3
Net Gearing (%)	-
Major Shareholders	INFOMINA HOLDINGS (55.4%) Chee Meng Yee (6.6%) Leong Ping Lim (5.9%)
Free Float	20.4
Avg Daily Value (RMmil)	1.7

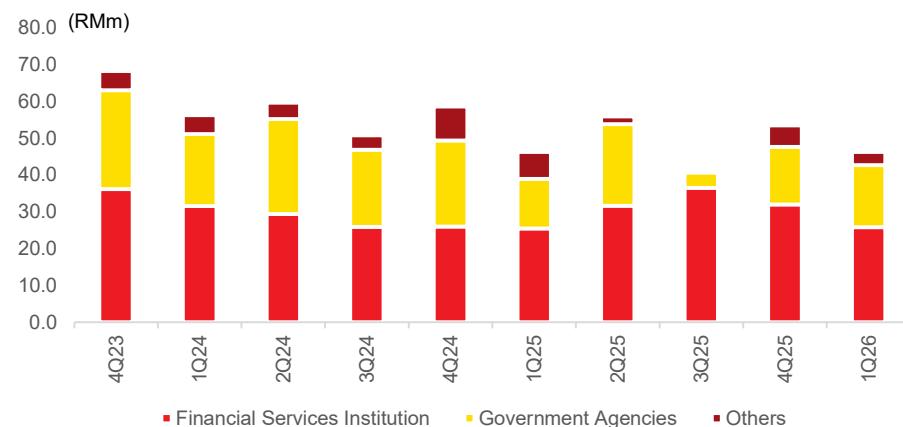
Price performance	3mth	6mth	12mth
Absolute (%)	30.6	105.7	14.2
Relative (%)	29.2	95.3	13.7



#### Investment Highlights

**The thesis is playing out as expected. Order wins point to a doubling of the book by end-FY26, while Japan scaling and upcoming renewals drive our +32% FY27F earnings forecast. We raise TP to RM1.80/share (from RM1.70), rolling forward to CY27 at an unchanged 24x PE. Yet despite strengthening visibility, the stock trades at an implied PE of just 20x – a 20% discount to its historical average. With AI optionality (c.+10% FY27F revenue) still unpriced, the story is only beginning to unfold.**

- Trading at a 20% discount to historical average.** We raise our TP to RM1.80/share (from RM1.70), based on an unchanged target PE of 24x. To capture a 12 month view, we roll forward our valuation base year to CY27. Despite the bullish outlook, the group still trades at an implied PE of 20x vs. its historical average of 24x.
- Order book on track to double to RM500-600mil by end-FY26.** Based on recent contract wins and revenue recognition, we estimate order book would now have grown +41% QoQ to RM411mil. Earlier, the group secured a RM66mil contract from JPN (National Registration Department), followed by an additional RM79mil win from Philippines's Metropolitan Bank, indicating sustained momentum. Looking ahead, a further US\$50mil worth of contracts are due for renewal in Dec–Jan 2026, which should underpin continued growth visibility.
- Projecting FY27F earnings growth of +32% YoY.** Contract renewals aside, key to our assumption is its expansion into Japan. We forecast Japan to contribute to 8% of FY26F and 14% of FY27F revenues. To recap, the country increases its TAM by approximately RM100mil, with a pool of 40+ customers. The group has been making good progress, already successfully onboarding roughly ten customers.
- AI revenues yet to be priced in.** If this fruitions, we estimate it could add an additional 10% to FY27F revenues. Its AI business makes money in three ways – selling data, teaming up with partners and providing AI software. It gathers and sells useful business-related data (currently mainly Companies Commission of Malaysia data) and plans to include more types over time. It also works with firms (such as its recent JV with Geolytik) to help clients automate back-end processes, potentially earning referral fees and monthly income. Lastly, it offers AI tools that help organisations work faster and make sense of large amounts of data, such as for monitoring or improving efficiency.

**EXHIBIT 1: REVENUE BREAKDOWN BY CLIENTS**

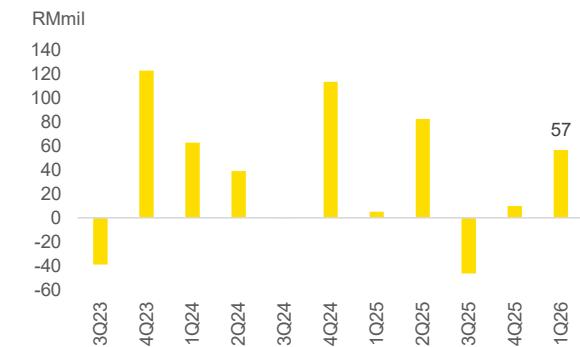
Source: Infomina, AmlInvestment Bank

**EXHIBIT 2: ORDER BOOK**

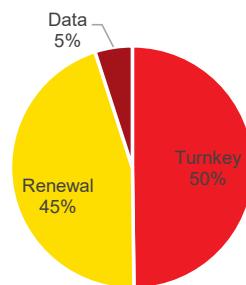
Source: Infomina, AmlInvestment Bank

**EXHIBIT 4: TENDERBOOK**

Source: Infomina, AmlInvestment Bank

**EXHIBIT 3: NEW ORDERS SECURED**

Source: Infomina, AmlInvestment Bank

**EXHIBIT 5: TENDER BOOK BREAKDOWN**

Source: Infomina, AmlInvestment Bank

**EXHIBIT 6: VALUATIONS**

Target PE (x)	24.0x
CY27 EPS	7.6sen (from 7.1sen)
ESG premium	-
12-month target price	RM1.80/share (from RM1.70)

*Source: AmlInvestment Bank***EXHIBIT 7: 5-YEAR FORWARD PE***Source: Infomina, AmlInvestment Bank*

### Company profile

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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

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**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 forecast 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

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We value Infomina based on a target PE of 24.0x and FY27F 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 optionality from its new AI venture, will help rerate valuations back to its mean.

## EXHIBIT 8: FINANCIAL DATA

Income Statement (RMmil, YE 31 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)	-	-	-
<b>Pretax profit</b>	<b>42.0</b>	<b>27.4</b>	<b>40.7</b>	<b>53.7</b>	<b>59.3</b>
Taxation	(8.9)	(6.3)	(8.1)	(10.7)	(11.9)
Minorities/pref dividends	-	-	-	-	-
<b>Net profit</b>	<b>33.1</b>	<b>21.1</b>	<b>32.5</b>	<b>42.9</b>	<b>47.4</b>
Core net profit	33.1	32.8	32.5	42.9	47.4
Balance Sheet (RMmil, YE 31 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
<b>Total non-current assets</b>	<b>12.2</b>	<b>11.0</b>	<b>11.5</b>	<b>12.2</b>	<b>13.0</b>
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
<b>Total current assets</b>	<b>250.4</b>	<b>270.1</b>	<b>296.6</b>	<b>339.3</b>	<b>379.4</b>
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
<b>Total current liabilities</b>	<b>112.7</b>	<b>123.7</b>	<b>126.3</b>	<b>136.6</b>	<b>141.5</b>
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
<b>Total long-term liabilities</b>	<b>7.0</b>	<b>6.0</b>	<b>5.5</b>	<b>5.2</b>	<b>4.9</b>
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 31 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)
<b>Cash flow from operations</b>	<b>(8.5)</b>	<b>36.4</b>	<b>25.3</b>	<b>4.6</b>	<b>29.9</b>
Capital expenditure	(2.0)	-	(2.1)	(2.7)	(2.9)
Net investments & sale of fixed assets	0.1	-	-	-	-
Others	(2.1)	2.7	-	-	-
<b>Cash flow from investing</b>	<b>(4.0)</b>	<b>2.7</b>	<b>(2.1)</b>	<b>(2.7)</b>	<b>(2.9)</b>
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
<b>Cash flow from financing</b>	<b>2.5</b>	<b>(9.9)</b>	<b>(7.2)</b>	<b>(8.8)</b>	<b>(10.5)</b>
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 31 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, AmlInvestment Bank Bhd estimates

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