

INFOMINA

(INFOM MK EQUITY, INFOM.KL)

18 Sep 2025

Unlocking new engines

Company Report

BUY

(Upgraded)

Paul Yap Ee Xing, CFA

paul.ee-xing@ambankgroup.com

+603 2036 2281

Rationale for report: Company Result

Price RM1.36
Fair Value RM1.70
52-week High/Low RM1.50/RM0.69

Key Changes

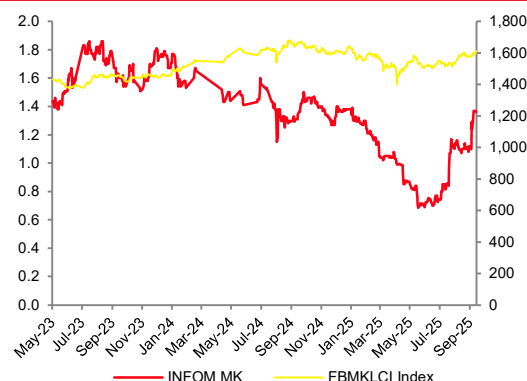
Fair value 
EPS 

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)	24.9	25.1	19.0	17.2
EV/EBITDA (x)	17.7	17.1	13.1	11.6
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)	817.7
Book Value (RM/Share)	0.25
P/BV (x)	5.4
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)	1.3

Price performance	3mth	6mth	12mth
Absolute (%)	87.6	29.5	3.8
Relative (%)	75.9	22.8	7.2



Investment Highlights

Infomina looks to be on a decline, but the story beneath is far steadier than headline numbers suggest. Stripping out one-offs, its core renewal business remains sticky and recurring, keeping it a key proxy to regional mainframe spend. The big swing comes in FY27F, where contract renewals and a push into Japan could drive record profits (+32% YoY) and spark a PE rerating. Beyond this, new AI ventures open fresh lanes of growth outside financial services and government clients. We reassume coverage with a BUY (from HOLD) and TP RM1.70/share, a 25% upside catalyst waiting for recognition.

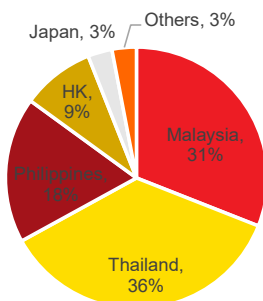
- **Reassume coverage with BUY (from HOLD) and TP of RM1.70.** This is following a change in analyst coverage. Our TP is derived from a target PE of 24.0x and FY27F EPS, to capture a 12-month forward view. The target PE represents the group's 5-year average. We expect the stock to rerate upwards back to its mean, on the back of expectations of record earnings and upside potential from its new data & AI ventures.
- **Sticky and recurring business.** Its higher margin renewal business has compounded at a FY20-25 revenue CAGR of +36% YoY. Mainframes may sound old school, but are mission critical for financial services and government agencies. These systems run core functions like payments, ledgers, ID databases and track records, workloads that demand reliability, security and processing power. When embedded, mainframes are costly and risky to detach, making clients stick to long term service and renewal contracts.
- **FY27F shaping up to be breakout year.** We forecast earnings to surge +32% YoY to a record RM43mil, fuelled by two major contract renewals (~35% of its renewal base) and a fast-moving expansion into Japan. Renewal fees typically step up ~5% annually, providing a built-in earnings lift. In Japan, momentum is clear, where 10 customers have onboarded out of a 40+ pool, already delivering RM6mil in FY25 revenues. We estimate Japan to contribute 8% of FY26F and 14% of FY27F revenues, cementing its role as the group's near term growth engine.
- **Upside optionality from new AI ventures.** Its push into AI and data analytics marks a natural extension beyond its mainframe core, opening a pathway to higher-value recurring revenues. Through its AI-powered portal, the group enables clients to draw predictive insights across credit risk, collections, fraud detection and cybersecurity, while its self-build modelling tools allow businesses to customise solutions to their needs. A recent announced partnership with Geolytik further strengthens this ambition. ValuationXchange digitises the valuation process, linking banks to panel valuers, automating workflows and curbing manipulation. This helps banks reduce credit risk, accelerates loan approvals and strengthens compliance.

Sticky and recurring business

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.

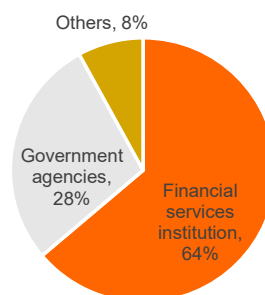
Mainframes are mission critical for banks and government agencies, which forms more than 90% of group revenues. These systems run core functions like payments, ledgers, ID databases and track records, workloads that demand reliability, security and processing power. When embedded, mainframes are costly and risky to detach, making clients stick to long term service and renewal contracts. The average length of each typical contract is three years.

EXHIBIT 1: FY25 REVENUE BREAKDOWN BY COUNTRY



Source: Infomina, AmlInvestment Bank

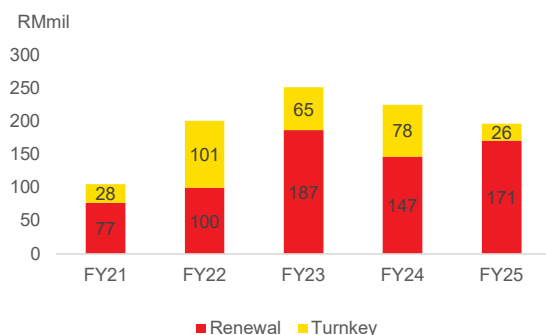
EXHIBIT 2: FY25 REVENUE BREAKDOWN BY CLIENTS



Source: Infomina, AmlInvestment Bank

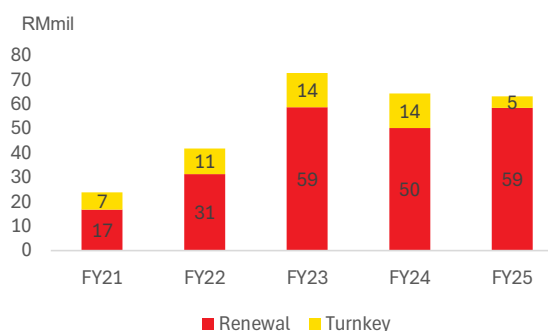
While turnkey revenues can be lumpy, its renewal business is sticky and recurring. Between FY20-25, revenues for its renewal business compounded at a CAGR of +36% YoY. Gross margins are also higher for its renewal business at 32% in FY25 vs. its turnkey margins of 17%. We estimate its renewal business contributed to 91% of group's FY25 gross profits. Although renewal revenues was higher in FY23, this was partly due to overages, which are extra charges customers have to pay, when they use more than what was originally allocated.

EXHIBIT 3: REVENUE BREAKDOWN BY SEGMENT



Source: Infomina, AmlInvestment Bank

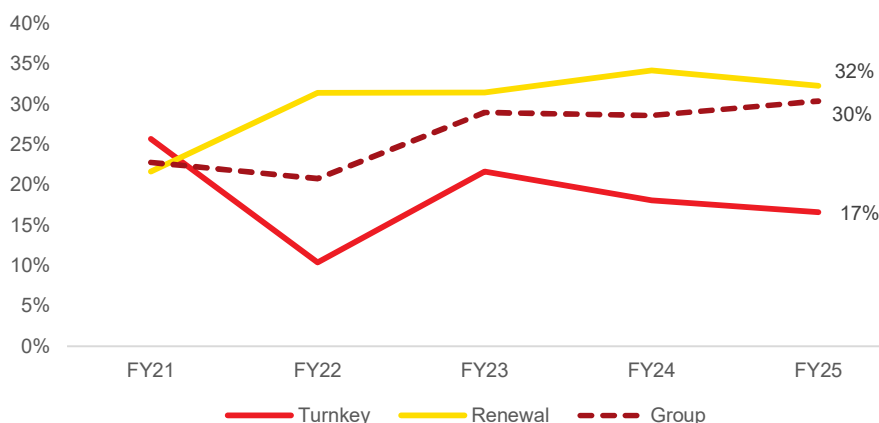
EXHIBIT 4: GROSS PROFIT BREAKDOWN BY SEGMENT



Source: Infomina, AmlInvestment Bank

EXHIBIT 5: GROSS MARGINS BY BUSINESS SEGMENT

Renewal gross margins are higher than turnkey business



Source: Infomina, AmlInvestment Bank

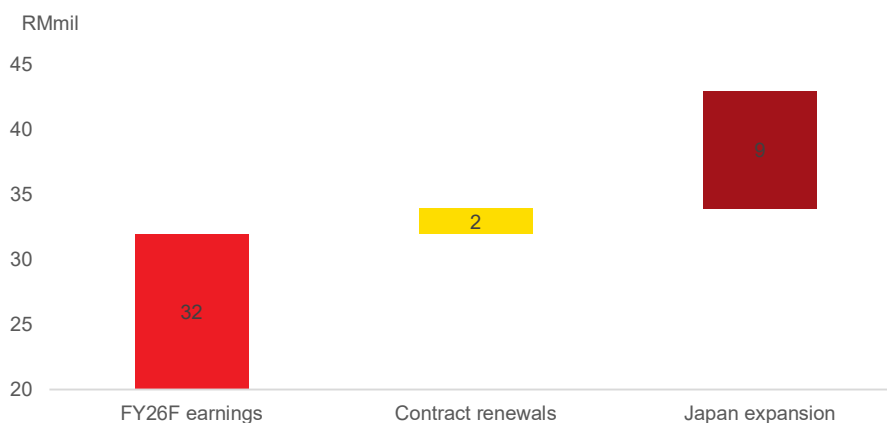
FY27F shaping up to be breakout year

We expect FY27F to mark a breakout year for the group, with earnings projected to surge by +32% YoY. Contract terms typically lock in fees for the agreed tenure, providing earnings visibility. Upon renewal, contracts incorporate built-in annual price escalations, translating into steady growth of around ~5% YoY. Two of the group's major contracts will be up for renewal, equivalent to ~35% of its renewal business. This drives 18% of our increase earnings growth for FY27F.

The other factor lies in its geographical expansion into Japan. This increases its TAM by about RM100mil, with a pool of 40+ customers. Having penetrated Japan, via a new subsidiary in 2023, the group is starting to see the fruits of its labour. In FY25, Japan delivered revenues of RM6mil or 3% of group revenues. We expect this to grow to 8% and 14% of FY26F and FY27F group revenues. The group has currently onboarded roughly 10 customers. Rather than waiting for existing contracts to lapse, it is proactively accelerating customer conversion by encouraging contract modifications, backed by cost savings.

EXHIBIT 6: DRIVER FOR FY27F EARNINGS GROWTH

FY27F earnings growth of +32% YoY driven by contract renewals and Japan expansion



Source: AmlInvestment Bank

Upside optionality from new AI ventures

Not factored into our estimates are its new AI venture. The group's AI business helps companies use their data in smarter ways. It builds tools that can connect to different data sources and analyse them to spot things like fraud, payment risks, or cybersecurity threats. Businesses can also create their own customised AI models without needing deep technical know-how.

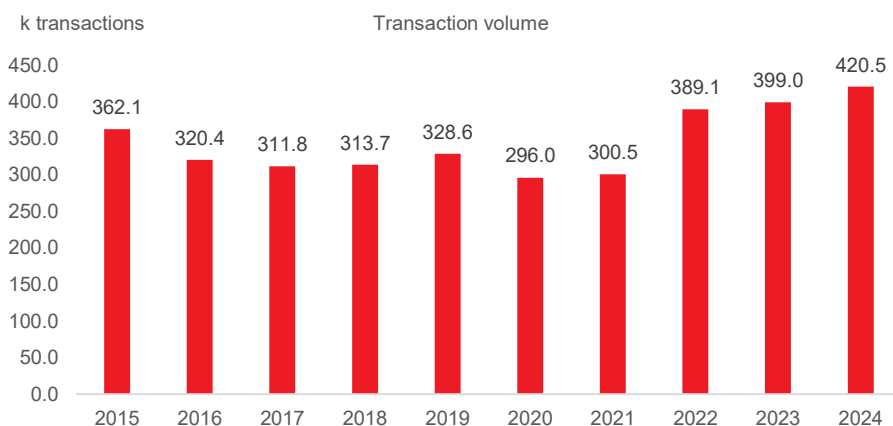
Infomina's partnership with Geolytik through a 51% owned JV has created ValuationXchange, Malaysia's first industry-recognised digital property valuation platform endorsed by PEPS Ventures, the wholly owned commercial arm of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector Malaysia. The platform digitises the entire property valuation process, linking banks directly with panel valuers, automating workflows, and ensuring compliance with the Malaysian Valuation Standards (MVS). Its tamper resistant environment curbs risks of manipulation such as hidden rebates or inflated valuations.

For banks, the main value add is a reduction in credit risk. By strengthening valuation integrity and providing pre validated buyer information, ValuationXchange lowers the likelihood of over financing and future impaired loans. At the same time, it improves operational efficiency, accelerates loan approvals, and enhances compliance with Bank Negara's Risk Management in Technology (RMiT) framework. Built on Infomina's secure, banking grade information technology infrastructure, the platform provides banks with safer and more reliable insights for property backed lending.

Although earnings contribution is not yet visible, the upside is compelling. With 421k property transactions in 2024, this has the potential to become a high volume and recurring business. The venture is led by Joe Thor, who previously co founded MyProperty Data which was later acquired by PropertyGuru. MyProperty Data is used daily by over 1,300 property valuation professionals including major banks and developers.

EXHIBIT 7: ANNUAL PROPERTY TRANSACTIONS

ValuationXchange has potential to be high volume and recurring business



Source: National Property Information Centre, AmlInvestment Bank

Reassume coverage with BUY and TP of RM1.70/share

We reassume coverage on Infomina with a BUY (from HOLD) and TP of RM1.70/share (from RM1.39/share). Given the change in analyst coverage, we introduce a new set of earnings estimates. This is based on a target PE of 24.0x and FY27F EPS, to capture a 12-month view.

Our target PE is pegged to the group's 5-year average. At its current market price, the group is trading at 1sd below its 5-year average. However, with the expectations of record FY27F earnings, we expect valuations to rerate back towards its mean. There are also upside optionalities from its new AI venture.

EXHIBIT 8: CHANGE IN EARNINGS

RMmil	FY26F			FY27F		
	Old	New	%	Old	New	%
Revenue	298	209	-30.0%	321	266	-17.2%
Earnings	42	33	-22.5%	45	43	-4.6%
Revenue breakdown						
Turnkey Revenue	-	41	-	-	41	-
Renewal Revenue	-	168	-	-	225	-

Source: AmlInvestment Bank

EXHIBIT 9: VALUATIONS

Target PE (x)	24.0x (from 20x)
FY27 EPS	7.1sen (from 6.9sen)
ESG premium	-
12-month target price	RM1.70/share (from RM1.39)

Source: AmlInvestment Bank

EXHIBIT 10: 5-YEAR FORWARD PE



Source: Bloomberg, AmlInvestment

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 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

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 optionalities from its new AI venture, will help rerate valuations back to its mean.

Risk factors

Dependence on mainframe renewals. Infomina's core revenues remain heavily reliant on long term renewal contracts tied to mainframe systems. A structural decline in mainframe demand or a shift to cloud-native alternatives could erode renewal growth over time. Any delay or non-renewal of large contracts would also create earnings volatility, given the high concentration of revenue in a relatively small client base. That said, mainframes remain deeply entrenched in running critical functions, making them costly and risky to replace. This ensures renewals stay sticky, with built-in annual fee escalations.

Counterparty and overage risks. Non-payment is a potential risk, especially in relation to overages, where customers are billed for usage beyond their contracted limits. If clients dispute or delay payment of these additional charges, it could affect cash flows. That said, the risk is relatively low given Infomina's clientele of banks and government agencies with strong credit profiles, and the fact that overages are contractually defined, leaving limited room for disputes.

EXHIBIT 11: 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)	-	-	-
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 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
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 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)
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 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

DISCLOSURE AND DISCLAIMER

This report is prepared for information purposes only and it is issued by AmlInvestment Bank Berhad ("AmlInvestment") without regard to your individual financial circumstances and objectives. Nothing in this report shall constitute an offer to sell, warranty, representation, recommendation, legal, accounting or tax advice, solicitation or expression of views to influence any one to buy or sell any real estate, securities, stocks, foreign exchange, futures or investment products. AmlInvestment recommends that you evaluate a particular investment or strategy based on your individual circumstances and objectives and/or seek financial, legal or other advice on the appropriateness of the particular investment or strategy.

The information in this report was obtained or derived from sources that AmlInvestment believes are reliable and correct at the time of issue. While all reasonable care has been taken to ensure that the stated facts are accurate and views are fair and reasonable, AmlInvestment has not independently verified the information and does not warrant or represent that they are accurate, adequate, complete or up-to-date and they should not be relied upon as such. All information included in this report constitute AmlInvestment's views as of this date and are subject to change without notice. Notwithstanding that, AmlInvestment has no obligation to update its opinion or information in this report. Facts and views presented in this report may not reflect the views of or information known to other business units of AmlInvestment's affiliates and/or related corporations (collectively, "AmBank Group").

This report is prepared for the clients of AmBank Group and it cannot be altered, copied, reproduced, distributed or republished for any purpose without AmlInvestment's prior written consent. AmlInvestment, AmBank Group and its respective directors, officers, employees and agents ("Relevant Person") accept no liability whatsoever for any direct, indirect or consequential losses, loss of profits and/or damages arising from the use or reliance of this report and/or further communications given in relation to this report. Any such responsibility is hereby expressly disclaimed.

AmlInvestment is not acting as your advisor and does not owe you any fiduciary duties in connection with this report. The Relevant Person may provide services to any company and affiliates of such companies in or related to the securities or products and/or may trade or otherwise effect transactions for their own account or the accounts of their customers which may give rise to real or potential conflicts of interest.

This report is not directed to or intended for distribution or publication outside Malaysia. If you are outside Malaysia, you should have regard to the laws of the jurisdiction in which you are located.

If any provision of this disclosure and disclaimer is held to be invalid in whole or in part, such provision will be deemed not to form part of this disclosure and disclaimer. The validity and enforceability of the remainder of this disclosure and disclaimer will not be affected.