

Infomina

Renewals Drive Visibility

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Infomina's 9MFY26 results came in within expectations. Looking ahead, we remain positive on the group's outlook, supported by continued contract renewal wins that should enhance earnings visibility over the next two to three years, steady progress in its AI and data platform initiatives, and encouraging traction in Japan. We make no changes to our FY26–FY27 forecasts following the results review and reiterate our TP of RM1.90, based on an unchanged FY27F PER of 25x.

Infomina's 9MFY26 net profit of RM25.1m (+3.6% YoY) was in line with expectations, making up 74% of our full-year forecast and 75% of consensus estimate. No dividend was declared during the quarter, as anticipated, and we continue to expect the group to declare a total FY26 dividend of 1.4 sen.

YoY, revenue for 9MFY26 grew an impressive 35% to RM193m, supported by strong momentum across both its Turnkey (+89%) and Renewal (+27%) businesses. Gross profit expanded 19% to RM52m, while margin came in at 26.9% vs. 30.5% a year ago, mainly reflecting a less favourable geographical revenue mix. Even so, the group maintained positive earnings growth, with net profit rising 3.6% to RM25.1m, demonstrating resilience despite a lower net margin of 13.0% compared with 16.9% a year ago.

QoQ, 3QFY26 revenue advanced 21% to RM76m, underpinned by stronger Renewal segment turnover (+25%) on higher domestic market contribution, while the Turnkey segment continued to show resilience. Gross profit increased 9% to RM19.4m, though margins were affected by the larger domestic revenue mix, which generally commands lower margins than overseas markets. Even so, the group still posted solid bottom-line growth, with net profit rising 5.7% to RM8.8m.

Outlook. The group continues to strengthen its recurring income base through the renewal of key contracts with local and regional customers, particularly in Malaysia and Thailand, with total renewals reaching c.RM224.4m YTD. These contract wins have further enhanced order book visibility and are expected to underpin earnings over the next two to three years. On the innovation front, Infomina is making steady progress via Infomina Geolytik and its AI-related initiatives, with platforms such as PaymentXchange, ValuationXchange, AiMod and AiExe expanding its capabilities in data analytics, automation and decision intelligence. The group also continues to reinforce its position as a trusted technology partner to key national institutions in Malaysia, while its regional expansion into Japan is gaining encouraging traction. Overall, we remain positive on its growth prospects, supported by disciplined execution and sustained demand from both public and enterprise customers.

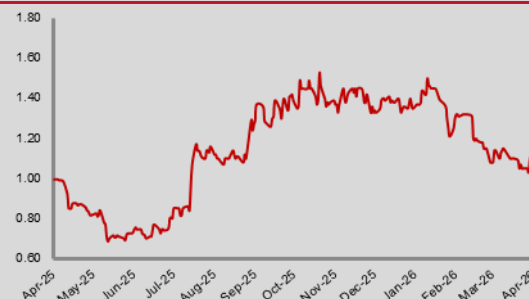
Forecasts. We maintain our FY26-FY27 forecasts, as the results came in within expectations.

OUTPERFORM ↔

Price: **RM1.14**

Target Price: **RM1.90** ↔

Share Price Performance



KLCI	1,683.42
YTD KLCI chg	0.2%
YTD stock price chg	-14.3%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	INFOM MK EQUITY
Market Cap (RM m)	685.4
Shares Outstanding	601.3
52-week range (H)	1.55
52-week range (L)	0.69
3-mth avg. daily vol.	631,983
Free Float	26%
Beta	1.0

Major Shareholders

Infomina Hldg Sdn Bh	51.6%
Yee Chee Meng	6.7%
Leong Ping Lim	5.9%

Summary Earnings Table

FYE May (RM m)	2025A	2026F	2027F
Turnover	197	263	295
EBIT	28	40	54
PBT	28	41	55
PATAMI	21	34	46
Consensus	-	36	45
Earnings Revision	-	-	-
EPS (sen)	3.6	5.6	7.6
EPS growth (%)	-36	59	35
NDPS (sen)	1.2	1.4	1.6
BVPS (RM)	0.26	0.30	0.36
Core PER (x)	32.1	20.2	15.0
Price/BV (x)	4.4	3.8	3.1
Net Gearing (x)	N.Cash	N.Cash	N.Cash
Net Div. Yield (%)	1.1	1.2	1.4

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Valuations. TP is maintained at RM1.90, based on an unchanged targeted FY27F PER of 25x. The target multiple is anchored to the historical three-year blended average PER of selected listed peers—Kronologi Asia, Cloudpoint Technology and LGMS—and is also broadly in line with Infomina’s own valuation range, sitting near its +1 standard deviation above its 3-year mean. There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4)

Investment case. We like Infomina for: (i) it is positioned to ride the hybrid mainframe-cloud modernisation upcycle, supported by its proven track record in mission-critical environments and its end-to-end “plan-build-operate” delivery model, (ii) its expanding presence in Japan opening up a meaningful growth runway, underpinned by an estimated annual addressable wallet of RM80m–RM100m, and (iii) strong positioning to ride accelerating AI adoption across ASEAN and North Asia. Maintain **OUTPERFORM**.

Risks to our call include: (i) an unfavourable outcome in the Philippine BPI dispute, (ii) non-renewal or termination of its arrangement with Broadcom, which could result in Infomina losing benefits associated with its recognised Premier Tier 1 VAD status, and (iii) potential cost overruns on turnkey projects.

Results Highlights								
FYE May (RM m)	3Q26	2Q26	QoQ Chg	3Q25	YoY Chg	9M26	9M25	YoY Chg
Turnover	75.9	62.9	20.6%	50.4	50.4%	193.4	143.2	35.0%
Gross Profit	19.4	17.8	9.1%	15.0	29.1%	52.1	43.7	19.4%
EBIT	10.2	10.1	1.3%	9.9	3.6%	30.0	29.3	2.4%
Interest Exp.	(0.1)	(0.1)	5.1%	(0.1)	-18.6%	(0.3)	(0.5)	-48.0%
PBT/(LPT)	10.5	10.3	1.2%	9.8	7.1%	30.7	28.9	6.2%
Taxation	(1.7)	(2.0)	-17.5%	(1.6)	1.5%	(5.4)	(4.7)	16.6%
Net Profit	8.8	8.3	5.7%	8.1	7.5%	25.1	24.2	3.6%
Core EPS (sen)	1.5	1.4	5.7%	1.4	7.5%	4.2	4.0	3.6%
DPS (sen)	0.0	1.4	-100.0%	0.0	NA	1.4	1.2	12.5%
Gross Margin	25.6%	28.3%		29.8%		26.9%	30.5%	
EBIT Margin	13.5%	16.1%		19.6%		15.5%	20.4%	
PBT Margin	13.8%	16.4%		19.4%		15.9%	20.2%	
NP Margin	11.5%	13.2%		16.1%		13.0%	16.9%	
Tax Rate	-15.9%	-19.4%		-16.7%		-17.7%	-16.2%	

Source: Kenanga Research

Segmental Breakdown								
FYE: May (RM m)	3Q26	2Q26	QoQ Chg	3Q25	YoY Chg	9M26	9M25	YoY Chg
Turnkey	11.5	11.6	-0.5%	5.7	101.9%	33.8	18.0	88.5%
Renewal	64.3	51.3	25.4%	44.7	43.8%	159.6	125.3	27.4%
Total Rev	75.9	62.9	20.6%	50.4	50.4%	193.4	143.2	35.0%
Turnkey	1.2	1.3	-3.4%	1.0	22.7%	4.7	2.7	71.4%
Renewal	18.2	16.5	10.0%	14.0	29.6%	47.4	40.9	15.9%
Total GP	19.4	17.8	9.1%	15.0	29.1%	52.1	43.7	19.4%
Turnkey	10.6%	10.9%		17.4%		13.8%	15.2%	
Renewal	28.3%	32.2%		31.4%		29.7%	32.7%	
Total GP Margin	25.6%	28.3%		29.8%		26.9%	30.5%	

Source: Kenanga Research

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Malaysian Technology Peers Comparison

Name	Rating	Last Price @ 15 Apr (RM)	Target Price (RM)	Upside	Mkt Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) – Core Earnings		PBV (x)	ROE	Net. Div. (sen)	Net. Div. Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
								D&O GREEN TECHNOLOGIES BHD	MP	0.495	0.470	-5.1%	613.5	Y	12/2026	2.1	2.3
FRONTKEN BHD	OP	4.19	4.70	12.2%	6,929.2	Y	12/2026	11.7	13.6	21.0%	16.0%	35.7	30.8	6.0	17.6%	4.0	1.0%
INARI AMERTRON BHD	OP	1.53	1.80	17.6%	5,821.8	Y	06/2026	5.7	7.5	-14.6%	30.6%	26.6	20.4	2.1	7.2%	5.0	3.3%
KELINGTON GROUP BHD	OP	5.44	6.15	13.1%	4,634.3	Y	12/2026	20.5	21.9	23.4%	6.8%	26.6	24.9	6.1	26.1%	13.0	2.4%
LGMS BHD	OP	0.520	0.580	11.5%	237.1	Y	12/2026	2.9	3.6	30.4%	21.8%	17.8	14.6	1.8	10.5%	2.0	3.8%
M'SIAN PACIFIC INDUSTRIES BHD	MP	33.00	31.30	-5.2%	6,580.1	Y	06/2026	104.4	120.3	35.2%	15.2%	31.6	27.4	3.0	9.7%	35.0	1.1%
NATIONGATE HOLDINGS BHD	MP	0.770	0.660	-14.3%	1,742.2	Y	12/2026	4.7	5.7	7.8%	21.1%	16.3	13.5	1.6	10.2%	2.0	2.6%
OPPSTAR BHD	MP	0.250	0.230	-8.0%	160.3	Y	03/2026	(1.6)	1.0	-184.7%	-40.0%	N.A.	25.4	1.3	-8.0%	0.0	0.0%
P.I.E. INDUSTRIAL BHD	MP	1.61	1.28	-20.5%	618.3	Y	12/2026	8.1	8.8	37.6%	8.0%	19.9	18.4	0.9	4.8%	0.0	0.0%
SKP RESOURCES BHD	MP	0.390	0.500	28.2%	609.3	Y	03/2026	5.7	4.4	-24.4%	-22.5%	6.9	8.9	0.5	8.0%	0.0	0.0%
UNISEM (M) BHD	UP	3.04	1.97	-35.2%	4,903.8	Y	12/2026	7.6	9.2	94.1%	21.8%	40.2	33.0	2.3	5.8%	6.0	2.0%
UWC BHD	OP	4.50	4.70	4.4%	4,964.1	Y	07/2026	9.0	14.3	143.3%	59.0%	50.2	31.6	8.6	18.7%	0.0	0.0%
PENTAMASTER CORP BHD	OP	3.56	3.65	2.5%	2,532.3	Y	12/2026	12.1	13.1	39.0%	8.1%	29.4	27.2	2.9	10.4%	2.0	0.6%
INFOMINA BHD	OP	1.14	1.90	66.7%	685.4	Y	05/2026	5.6	7.6	60.7%	34.8%	20.2	15.0	3.5	18.3%	1.0	0.9%
Simple Average					41,031.9					21.5%	20.0%	29.3	24.4	3.0	10.2%		1.4%

Source: Kenanga Research

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Stock ESG Ratings:

	Criterion	Rating		
GENERAL	Earnings Sustainability & Quality	★	★	★
	Community Investment	★	★	★
	Workers Safety & Wellbeing	★	★	★
	Corporate Governance	★	★	★
	Anti-Corruption Policy	★	★	★
	Emissions Management	★	★	★
SPECIFIC	Technology & Innovation	★	★	★
	Waste & Water Management	★	★	★
	Product Quality & IP	★	★	★
	Green Building	★	★	
	Biodiversity & Conservation	★	★	
	Supply Chain Management	★	★	★
OVERALL		★	★	★

☆ denotes half-star
 ★ -10% discount to TP
 ★★ -5% discount to TP
 ★★★ TP unchanged
 ★★★★ +5% premium to TP
 ★★★★★ +10% premium to TP

Stock Ratings are defined as follows:

Stock Recommendations

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

Sector Recommendations***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

*****Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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