

Infomina

Traction Building Up

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We came away from Infomina's post-3QFY26 results briefing reassured on its outlook. Management expects gross margin to recover in 4QFY26 and normalise above 30% in FY27 as more turnkey and data projects mature into higher-margin renewal contracts. Earnings visibility also remains healthy, supported by a RM573.1m order book and RM1.4b tender book. Its Japan operation continues to gain traction, which is now profitable and positioned as a key medium-term growth driver, while the AI and data business is already showing early monetisation. Meanwhile, the Philippines BPI case has progressed favourably, with the counter-suit dismissed and the case moving into pre-trial sooner than expected. We therefore make no changes to our FY26F–FY27F earnings and maintain our TP of RM1.90, based on an unchanged 25x FY27F PER.

GP margin is expected to normalise in FY27. Gross margin eased to 25.6% in 3QFY26 vs. 29.8% a year earlier, which management attributed mainly to revenue mix rather than any structural deterioration. Historically, Infomina's earnings mix was more heavily skewed towards higher-margin overseas renewal contracts. As the group scales up, a greater portion of revenue is now coming from Malaysian turnkey contracts and its still-nascent data business, both of which typically carry lower margins at the initial stage. That said, these projects are expected to become more profitable upon completion, as they transition into the renewal phase. For reference, Infomina's turnkey segment typically delivers low-teen gross margins, while local renewal projects generally generate margins in the mid-20% range and overseas renewal contracts exceed 30%. Management guided that 4Q gross margin should recover to around 28%–30%, with FY27 set to return to historical levels of above 30% as the AI contribution improves and more projects mature into renewal contracts.

Strong order book and tender book provide healthy earnings visibility. As of end-3QFY26, Infomina's order book stood at RM573.1m, while the tender book was approximately RM1.4b (80% turnkey, 16% renewal and 4% data). The order book remains skewed towards recurring revenue, with Renewal accounting for 90% or RM515.6m. By geography, the order book was split 45% Malaysia and 55% overseas, suggesting continued regional diversification. Management emphasised that visibility into FY27 remains healthy, with RM244m of order book scheduled for FY27 recognition. They also noted that the tender pipeline has become stronger, particularly in Malaysian turnkey opportunities as well as overseas renewals, and that there have been meaningful breakthroughs in private-sector opportunities in addition to government work.

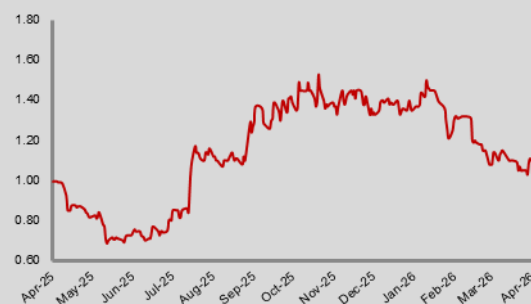
Japan update – traction continues to build. Japan remains one of Infomina's key medium-term growth pillars. Revenue contribution from Japan increased to c.5% (or RM10m–RM11m) of 9MFY26 revenue, up from RM9.5m in FY25, while management also highlighted that the Japan operation has turned profitable on a standalone basis. Infomina currently serves fewer than 10 customers in Japan, out of a potential pool of more than 40 identified customers (with an estimated annual addressable wallet of RM80m–RM100m) and leaving ample room for further expansion. Management disclosed that it is currently negotiating around six contracts in Japan, although it cautioned that a more meaningful revenue acceleration is only likely to materialise in FY27–FY28 rather than in the immediate term.

AI and data business – early monetisation now visible. Management said Infomina has moved beyond just conceptualising AI use cases and is now monetising them via multiple channels. The first channel is proprietary

OUTPERFORM ↔

Price : RM1.15
Target Price : RM1.90 ↔

Share Price Performance



KLCI	1,689.71
YTD KLCI chg	0.6%
YTD stock price chg	-13.5%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	INFOM MK EQUITY
Market Cap (RM m)	691.4
Shares Outstanding	601.3
52-week range (H)	1.55
52-week range (L)	0.69
3-mth avg. daily vol.	632,360
Free Float	26%
Beta	1.0

Major Shareholders

Infomina Hldg Sdn Bhd	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	-	34	44
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)	32.4	20.4	15.1
Price/BV (x)	4.4	3.8	3.2
Net Gearing (x)	N.Cash	N.Cash	N.Cash
Net Div. Yield (%)	1.0	1.2	1.4

17 April 2026

IP, especially AiMod, which is positioned as a customisable AI model builder for client-specific applications, with subscription-style licensing revenue. The second is implementation and project services that sit on top of these software tools. The third is monetisation of data pipelines and third-party data sources, where Infomina helps customers integrate enterprise data and, where needed, layers in external or industry data. The fourth is ecosystem-based monetisation through platforms such as ValuationXchange and PaymentXchange. Encouragingly, management indicated that the broader AI/data business is already contributing around RM20m–RM30m in sales at this early stage, which it views as meaningful evidence of commercial traction rather than merely pilot-stage experimentation.

Philippines BPI dispute updates. Management highlighted that the BPI (Bank of the Philippine Islands) case has progressed to the pre-trial stage earlier than expected. Importantly, the defendant's counter-suit has been dismissed back in February and was viewed favourably. Following the completion of the pre-trial stage, the trial is expected to take a further six months. To recap, Infomina Philippines has commenced legal action seeking PHP1.65b (c.RM133m), comprising roughly RM91m invoiced claims and RM42m in late-payment interest accrued up to 23 July 2025, with interest continuing to accrue until final judgement and payment (management estimates c.RM16m per annum).

Forecasts. We make no changes to our FY26F–FY27F earnings post the results briefing as our GP assumption is broadly reflective of management guidance.

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.

Malaysian Technology Peers Comparison

Name	Rating	Last Price @ 16 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	0.510	0.470	-7.8%	632.1	Y	12/2026	2.1	2.3
FRONTKEN BHD	OP	4.40	4.70	6.8%	7,276.5	Y	12/2026	11.7	13.6	21.0%	16.0%	37.5	32.4	6.3	17.6%	4.0	0.9%
INARI AMERTRON BHD	OP	1.65	1.80	9.1%	6,278.5	Y	06/2026	5.7	7.5	-14.6%	30.6%	28.7	22.0	2.2	7.2%	5.0	3.0%
KELINGTON GROUP BHD	OP	5.63	6.15	9.2%	4,796.3	Y	12/2026	20.5	21.9	23.4%	6.8%	27.5	25.7	6.3	26.1%	13.0	2.3%
LGMS BHD	OP	0.540	0.580	7.4%	246.2	Y	12/2026	2.9	3.6	30.4%	21.8%	18.5	15.2	1.9	10.5%	2.0	3.7%
M'SIAN PACIFIC INDUSTRIES BHD	MP	33.98	31.30	-7.9%	6,775.5	Y	06/2026	104.4	120.3	35.2%	15.2%	32.5	28.2	3.0	9.7%	35.0	1.0%
NATIONGATE HOLDINGS BHD	MP	0.760	0.660	-13.2%	1,719.6	Y	12/2026	4.7	5.7	7.8%	21.1%	16.1	13.3	1.6	10.2%	2.0	2.6%
OPPSTAR BHD	MP	0.275	0.230	-16.4%	176.4	Y	03/2026	(1.6)	1.0	-184.7%	-40.0%	N.A.	28.0	1.4	-8.0%	0.0	0.0%
P.I.E. INDUSTRIAL BHD	MP	1.57	1.28	-18.5%	602.9	Y	12/2026	8.1	8.8	37.6%	8.0%	19.4	17.9	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	3.05	1.97	-35.4%	4,919.9	Y	12/2026	7.6	9.2	94.1%	21.8%	40.3	33.1	2.3	5.8%	6.0	2.0%
UWC BHD	OP	4.52	4.70	4.0%	4,986.2	Y	07/2026	9.0	14.3	143.3%	59.0%	50.4	31.7	8.6	18.7%	0.0	0.0%
PENTAMASTER CORP BHD	OP	3.77	3.65	-3.2%	2,681.7	Y	12/2026	12.1	13.1	39.0%	8.1%	31.1	28.8	3.1	10.4%	2.0	0.5%
INFOMINA BHD	OP	1.15	1.90	65.2%	691.4	Y	05/2026	5.6	7.6	60.7%	34.8%	20.4	15.1	3.5	18.3%	1.0	0.9%
Simple Average					42,392.5					21.5%	20.0%	30.2	25.2	3.0	10.2%		1.4%

Source: Kenanga Research

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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