Infomina

Mainframe-to-AI Play

By Cheow Ming Liang I Cheowml@kenanga.com.my

OUTPERFORM

Price:	**RM1.42**
Target Price:	**RM1.90**

Infomina is well positioned to ride the hybrid mainframe–cloud modernisation up-cycle, supported by its track record in mission-critical environments and end-to-end "plan–build–operate" delivery model. Order book momentum provides multi-year earnings visibility, with management targeting RM500m–RM600m by FY26, underpinning a 2–3 years execution runway. Additional upside stems from a Japan inflection as Infomina penetrates the Broadcom installed base, and its emerging AI/data platform pillar (AiMod/AiExe and ValuationXchange), which is already gaining early traction (from four enterprise customers and three local banks, respectively) and adds multi-year optionality. We initiate coverage on Infomina Berhad with an OUTPERFORM rating and a target price of RM1.90, based on 25x FY27F PER.

Hybrid mainframe–cloud modernisation tailwinds. Infomina is positioned to benefit from accelerating hybrid mainframe–cloud adoption across ASEAN and North Asia, leveraging its mission-critical delivery track record and mainframe specialisation to act as a go-to execution partner for modernisation and hybrid integration. Its broad partner ecosystem (anchored by Broadcom, Hitachi Vantara, IBM and Software AG, and expanded via Precisely, HPE, H3C and Oracle) further enhances its end-to-end capability in integration, API management and data enrichment, supporting larger and higher-value engagements.

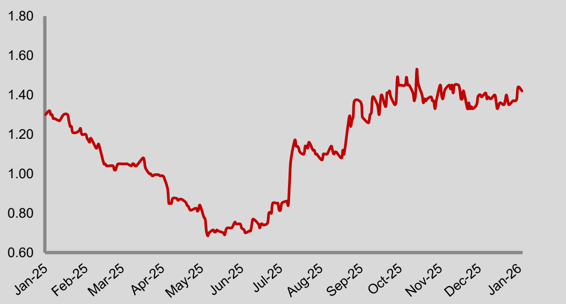
Rising earnings quality via renewals-led mix shift. Despite a historically stable revenue base, Infomina's earnings quality and cash flows visibility have improved structurally as the business continues to tilt towards recurring, higher-margin renewals (renewal mix: 49.7% in FY22 to 87.0% in FY25), lifting group gross margin from 20.8% to 30.4%. While blended margins may ease in FY26 due to a temporary increase in lower-margin turnkey projects, we expect margins to re-expand in FY27 as renewals remain the dominant earnings anchor and regain mix weight. With renewals typically delivering >30% gross margins versus mid-teens for turnkey, the Group's overall margin profile is expected continue to strengthen over time.

Japan inflection opens a meaningful new runway. Infomina is seeing an early inflection in Japan, supported by the conversion of Broadcom mainframe users to renew and/or shift maintenance coverage to Infomina, with management guiding for a meaningful step-up in Japan's contribution through FY26–FY27. With a large installed base and an estimated RM80m–RM100m addressable wallet annually, early customer wins suggest rising penetration potential and a new growth leg as execution scales.

Policy-backed AI adoption strengthens demand backdrop. AI adoption across ASEAN and North Asia is increasingly supported by national strategies, governance frameworks and infrastructure build-outs, improving the environment for compliant, enterprise-grade deployments. Infomina's AiMod proposition is aligned with regulated customers' needs for secure, governed and operationally impactful AI, which should support deeper client penetration and incremental wallet share as enterprises and public agencies accelerate AI-enabled transformation.

Valuations. We value Infomina at RM1.90, based on a 25x FY27F PER. While its mainframe-led exposure is relatively unique, we anchor the target multiple to the historical three-year blended average PER of 25x of selected listed IT/systems integrator peers (Kronologi Asia, Cloudpoint Technology and LGMS). This multiple is also broadly consistent with Infomina's own trading band, sitting near +1 standard deviation above its three-year mean.

Share Price Performance



KLCI	1,712.33
YTD KLCI chg	1.9%
YTD stock price chg	6.8%

Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	INFOM MK EQUITY
Market Cap (RM m)	853.8
Shares Outstanding	601.3
52-week range (H)	1.55
52-week range (L)	0.69
3-mth avg daily vol:	575,385
Free Float	26%
Beta	0.9

Major Shareholders

Infomina Hldg Sdn Bh	51.6%
Yee Chee Meng	6.6%
Leong Ping Lim	5.9%

Summary Earnings Table

FY May (RM m)	2025A	2026F	2027F
Turnover	197	254	295
EBIT	28	41	55
PBT	28	42	56
PATAMI	21	34	46
Consensus	-	37	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)	40.0	25.2	18.7
Price/BV (x)	5.4	4.7	3.9
Net Gearing (x)	N.Cash	N.Cash	N.Cash
Net Div. Yield (%)	0.8	1.0	1.1

Risks to our call include: (i) non-renewal or termination of the Regional Partner Agreement with Broadcom; (ii) an unfavourable outcome from the BPI litigation in the Philippines; and (iii) slower-than-expected traction and scalability of the Group's AI platforms, which could delay meaningful revenue and earnings contribution.

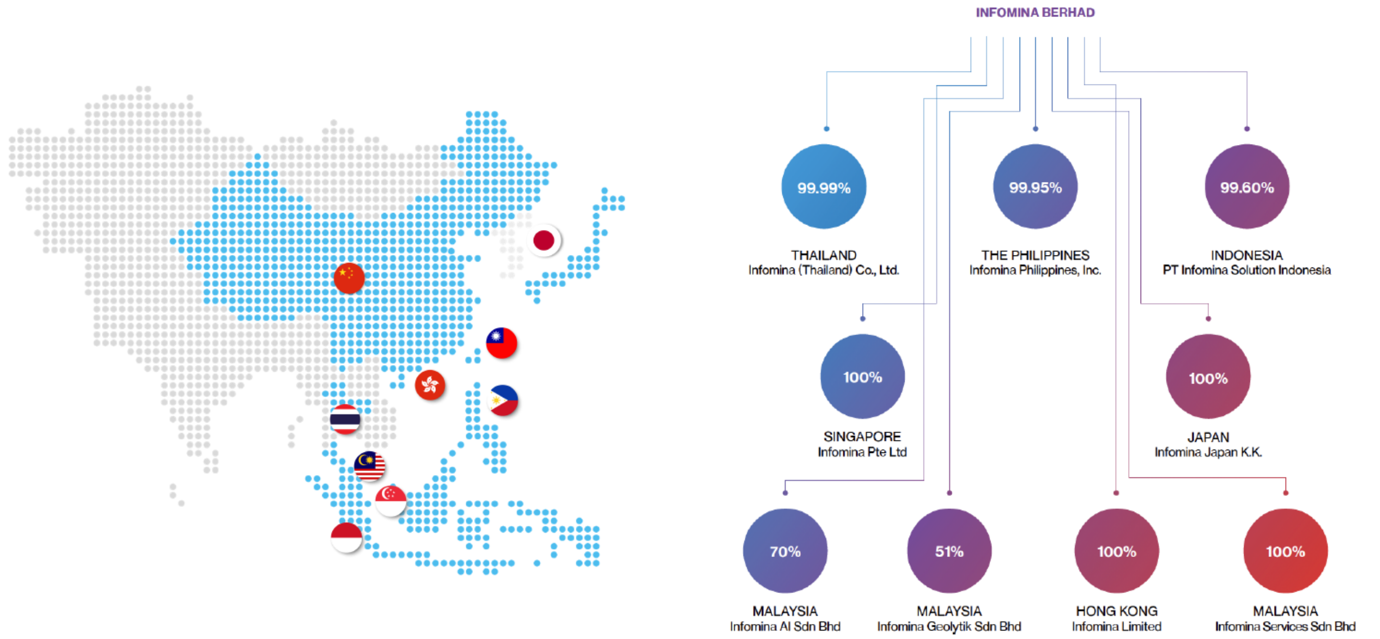
Company Background

Infomina is a regional enterprise technology solutions provider specialising in the design and implementation of technology applications and infrastructure solutions, with clear positioning in mission-critical environments and a stated focus on mainframe technology solutions. The Group was listed on the ACE Market of Bursa Malaysia Securities Berhad on 25 November 2022, raising RM32.4m through the issuance of 81.1m new shares at RM0.40 per share. Infomina is led by Mr Yee Chee Meng, the Managing Director and a substantial shareholder, who brings nearly 30 years' experience in the IT solutions and technology industry.

Infomina's value proposition is service-level centric, prioritising system uptime, operational efficiency and performance reliability in meeting predetermined service-quality benchmarks. This naturally aligns the Group with customers operating high-availability platforms and managing complex legacy-to-modern IT estates.

Structurally, Infomina operates through a listed holding company with operating subsidiaries across Malaysia and selected overseas markets, expanding both its delivery footprint and go-to-market reach. The FY25 annual report discloses subsidiaries spanning key geographies including Thailand (Infomina (Thailand) Co., Ltd.), the Philippines (Infomina Philippines, Inc.), Singapore, Indonesia and Japan, alongside dedicated vehicles for newer growth streams such as Infomina AI (70%-owned) and Infomina Geolytik (51%-owned).

Exhibit 1: Corporate Structure



Source: Infomina, Kenanga Research

Core Business

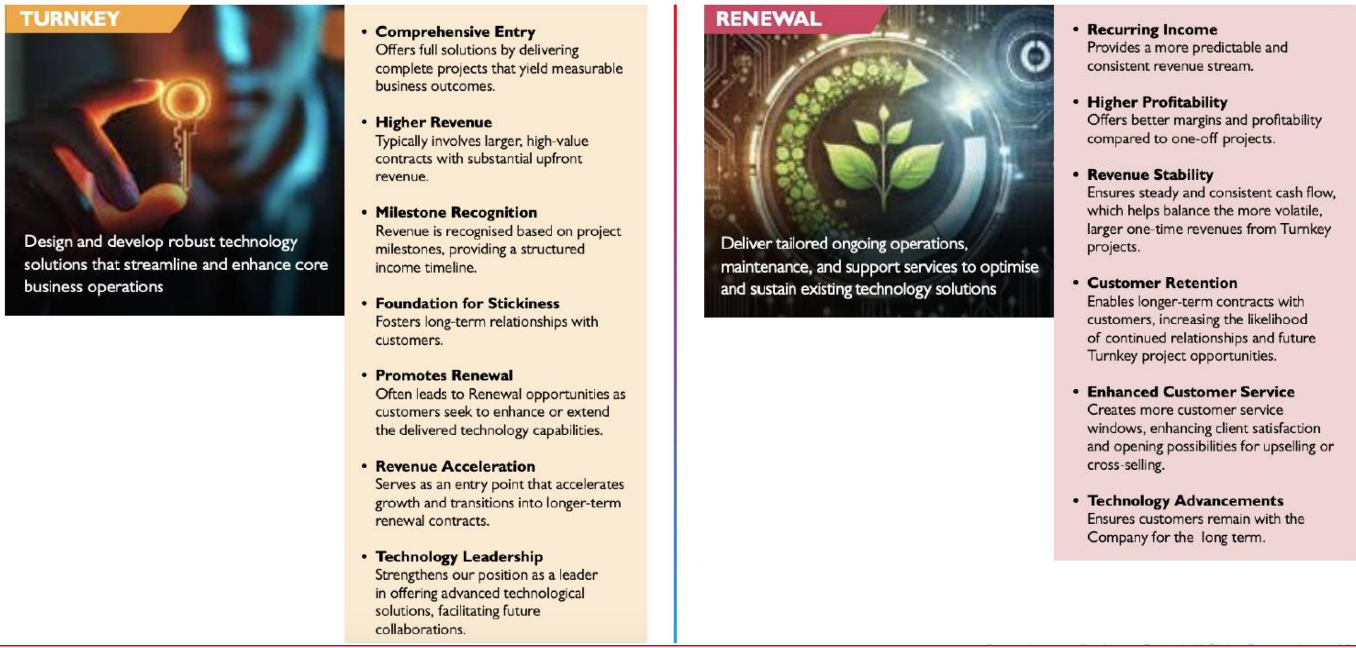
Infomina's core business spans the enterprise IT "plan–build–operate" cycle, where upfront project implementation is typically followed by ongoing operations support and contract renewals. In practice, the Group's earnings are driven by two key engines: **Turnkey**, which covers project-based design, delivery and implementation, and **Renewa**l, which comprises recurring maintenance, support and software renewal contracts. The Renewal stream is the key earnings stabiliser, underpinned by multi-year relationships and higher customer stickiness, which helps smooth revenue visibility beyond one-off project cycles. In addition, Broadcom's increasingly partner-led go-to-market model has widened the serviceable opportunity for capable regional distributors and integrators; as an appointed Broadcom Premier Tier 1 Value-Added Distributor (VAD), Infomina is able to engage end-users more directly for platform upgrades, operations support and renewal management, reinforcing customer lock-in and improving renewal capture.

The **Turnkey** segment (which is more exposed to government-led tender projects) tends to be inherently lumpier, as revenue is tied to project milestones and customised solutions that vary by customer needs, industry requirements and technology upgrades. That said, Turnkey also serves as an effective entry point to onboard new clients and establish the installed base that can subsequently convert into renewal contracts.

Meanwhile, the Renewal segment's revenue contribution expanded from c.50% in FY22 to 87% in FY25. This is unsurprising given the mission-critical nature of the systems supported, high switching costs, and the compounding effect of contract renewals and account expansion (including upgrades, additional modules and ongoing support), which collectively reinforce recurring income and improve the Group's overall earnings resilience.

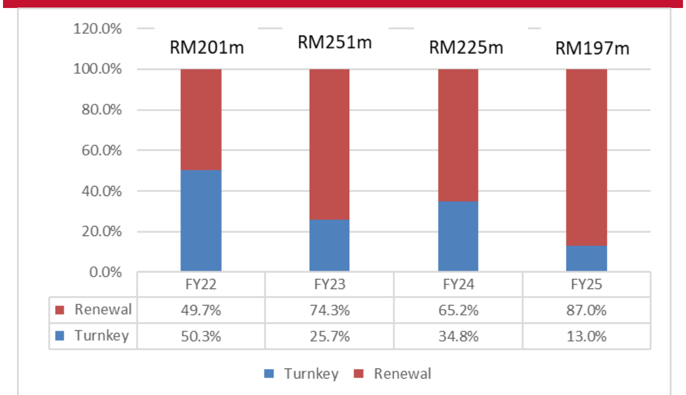
From a margin perspective, Turnkey gross margins have typically ranged between mid-teen over the past four years, while Renewal margins have stayed above 30%, underpinned by recurring contracts and an average 15%–20% price uplift at each 2-3 years renewal (driven by higher software pricing and value-added services). Together, this mix underpins stronger earnings resilience and margin sustainability.

Exhibit 2: Business Segments



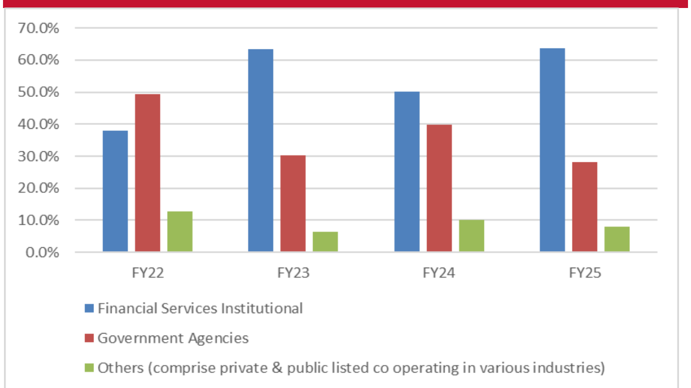
Source: Infomina, Kenanga Research

Exhibit 3: Revenue Breakdown



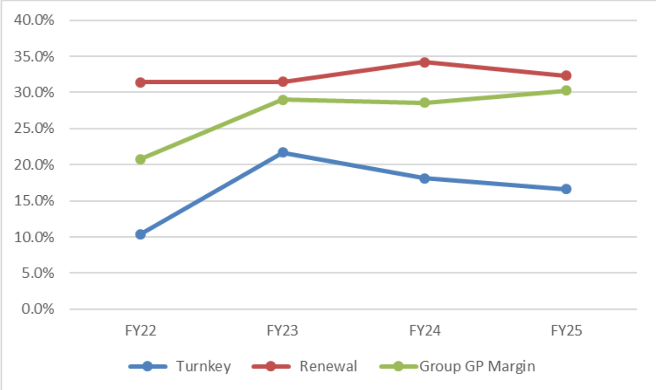
Source: Infomina, Kenanga Research

Exhibit 4: Revenue Breakdown – Industries



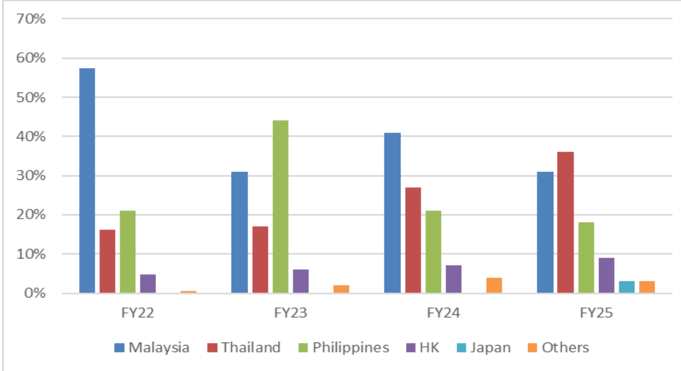
Source: Infomina, Kenanga Research

Exhibit 5: GP Margin



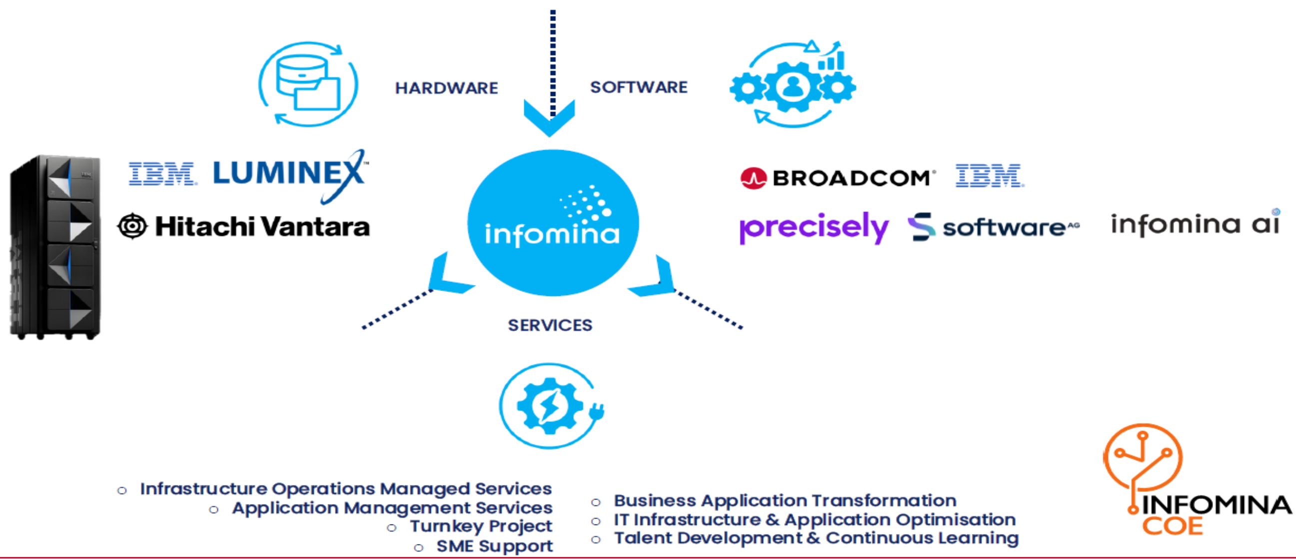
Source: Infomina, Kenanga Research

Exhibit 6: Revenue – Geographical Contribution (%)



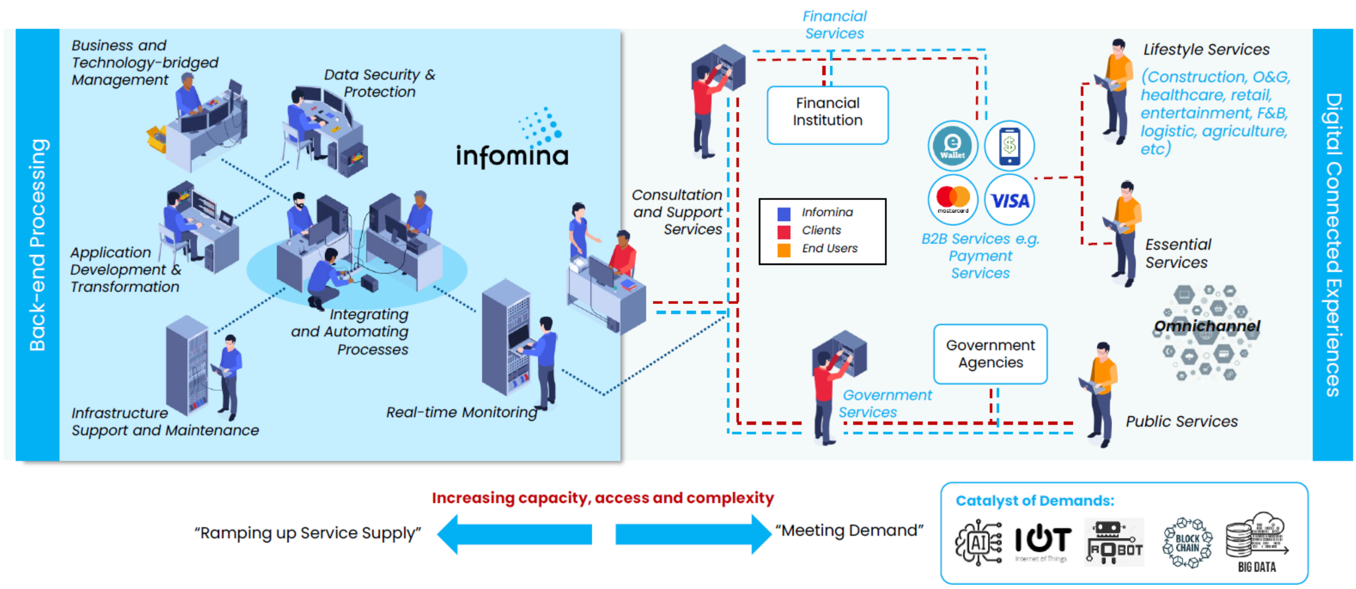
Source: Infomina, Kenanga Research

Exhibit 7: Mainframe Ecosystem Support



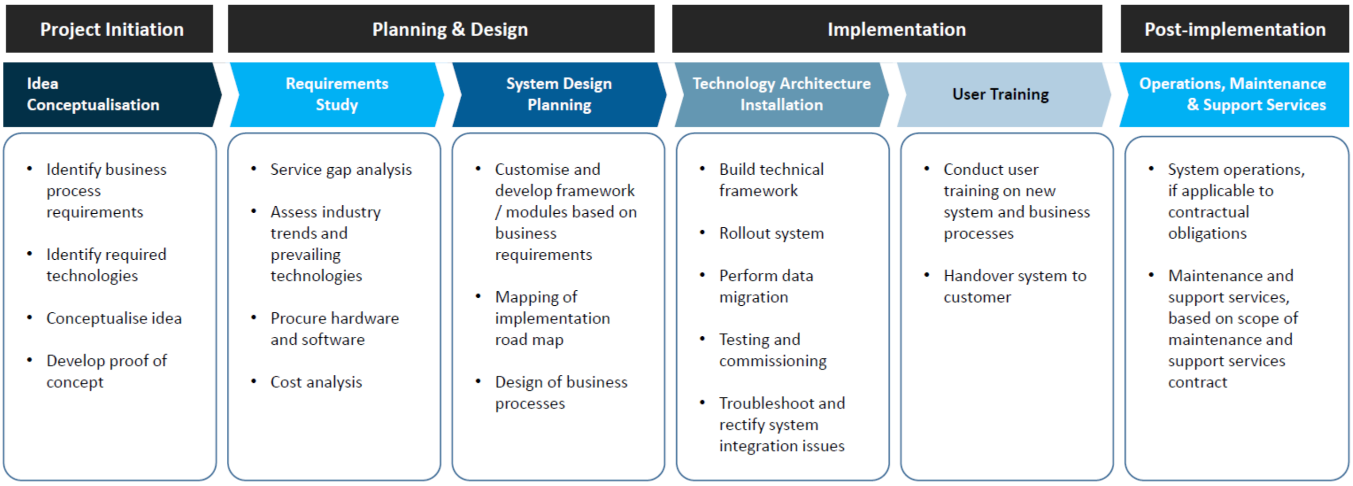
Source: Infomina, Kenanga Research

Exhibit 8: Infomina Food Chain



Source: Infomina, Kenanga Research

Exhibit 9: Business Process: Technology Implementation Methodology



Source: Infomina, Kenanga Research

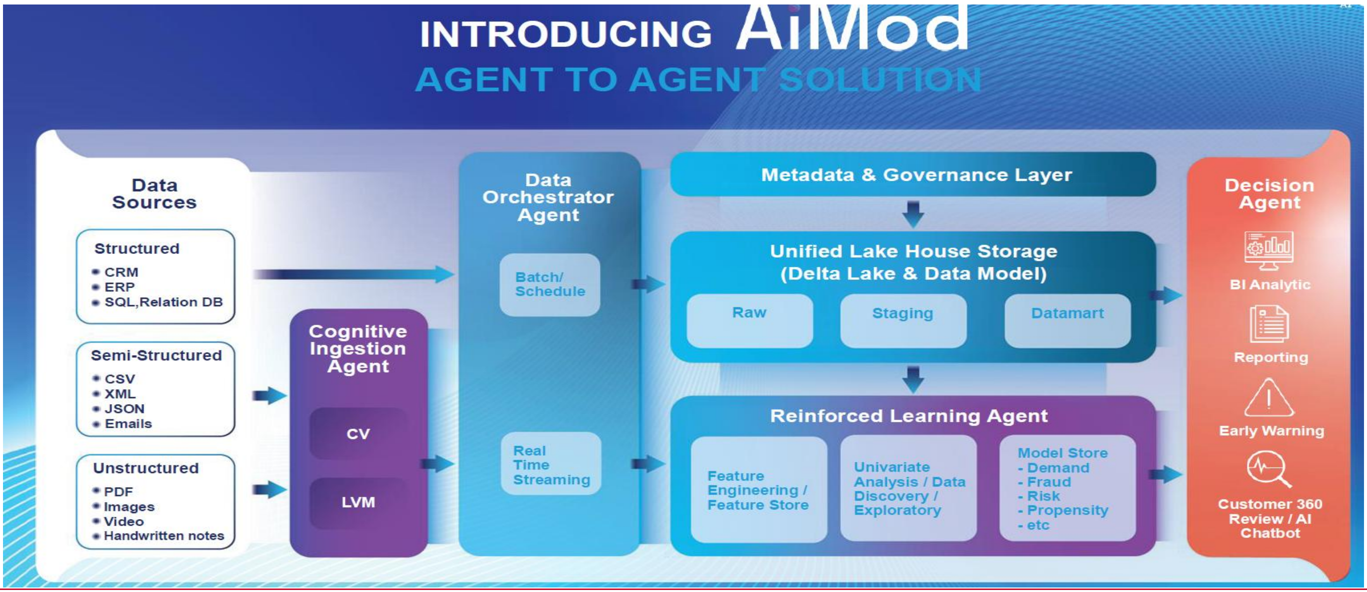
Building a third growth pillar in data and AI-driven platforms

Infomina expanded beyond its core mainframe-led franchise in FY25 into higher-growth verticals spanning AI and API integration across fintech, proptech and enterprise automation. Management framed these initiatives as building a potential "third pillar" anchored on data-driven solutions, broadening revenue streams and aligning the Group with customers' rising focus on compliant data intelligence across ASEAN and North Asia. Key platforms under this strategy include **SSM Search, Infomina AI** and **Infomina Geolytik**, each designed to embed Infomina deeper into customers' operating workflows rather than remaining purely project-led.

SSM Search is positioned as a scalable data platform, with Infomina noted as one of only four authorised service providers for SSM data. The platform has expanded distribution through partnerships with **CTOS** and **YYC taxPOD**, integrating corporate information into credit assessment and digital tax compliance workflows—particularly for SMEs—while laying a pathway for future AI-enabled compliance and risk solutions.

Meanwhile, **Infomina AI** (set up in 2024 and awarded Malaysian Digital status) anchors the Group's AI push. It launched **AiMod** in August 2025, a locally developed enterprise AI analytics/modelling platform designed for data localisation and governance requirements, monetised via a subscription-based, sector-specific deployment model; Infomina has secured two AiMod contracts (financial services and a government-linked agency). Complementing this, **AiExe** is positioned as an AI-driven data intelligence exchange that integrates AI into SSM company reports, automating due diligence outputs such as executive summaries, key ratios and ownership/stakeholder mapping, with potential regional expansion via partnerships.

Exhibit 10: AiMod

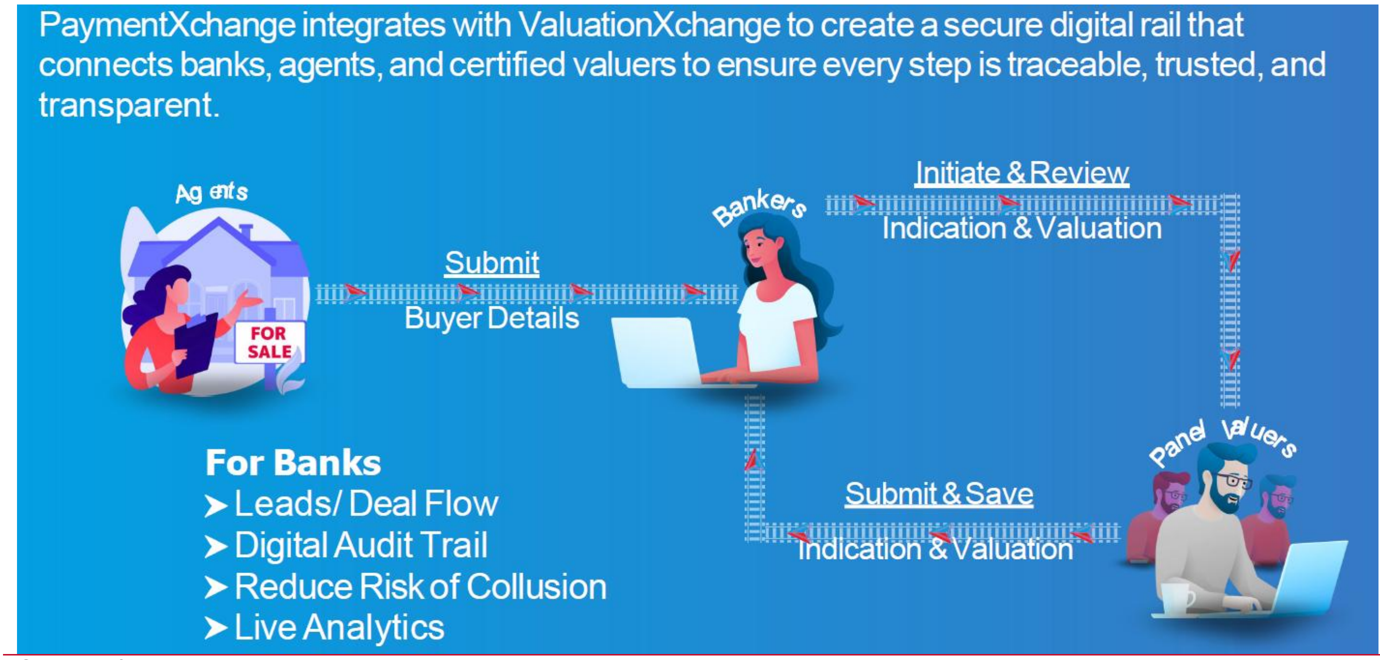


Source: Infomina, Kenanga Research

Infomina's AI solution is built around three key "agents" that work together. The **cognitive ingestion agent** is like a smart intake robot – it reads information from many sources (such as PDFs, scanned documents, images, emails and spreadsheets) and converts all that messy content into clean, structured data the system can actually use. The **data orchestrator agent** then acts as a traffic controller, moving and organising this data from different systems into one pipeline, applying cleaning and business rules so that the right data arrives in the right place, in the right format, at the right time. Finally, the **reinforced learning agent** focuses on the AI models themselves: it helps build, test and deploy models (for example, for fraud, risk or demand), keeps an eye on their performance and can automatically retrain or fine-tune them when accuracy starts to drift, so the models keep improving over time with minimal manual intervention.

Separately, Infomina established **Infomina Geolytik** (51%-owned) in May 2025 and launched **Valuation Xchange**, a property valuation digital workflow platform developed with Geolytik Tech and endorsed by PEPS (the commercial arm of the Association of Valuers, Property Managers, Estate Agents and Property Consultants in the Private Sector) Ventures. The platform aims to digitise and standardize valuation workflows in line with Malaysian Valuation Standards, improve transparency, and support faster, more compliant loan approvals by connecting valuers, real estate agencies and financial institutions on a secure, banking-grade infrastructure. A key feature is enabling agencies to pre-validate buyer credentials before submission to banks, which is intended to reduce rejection rates and improve processing efficiency as ecosystem adoption scales.

Exhibit 11: PaymentXchange



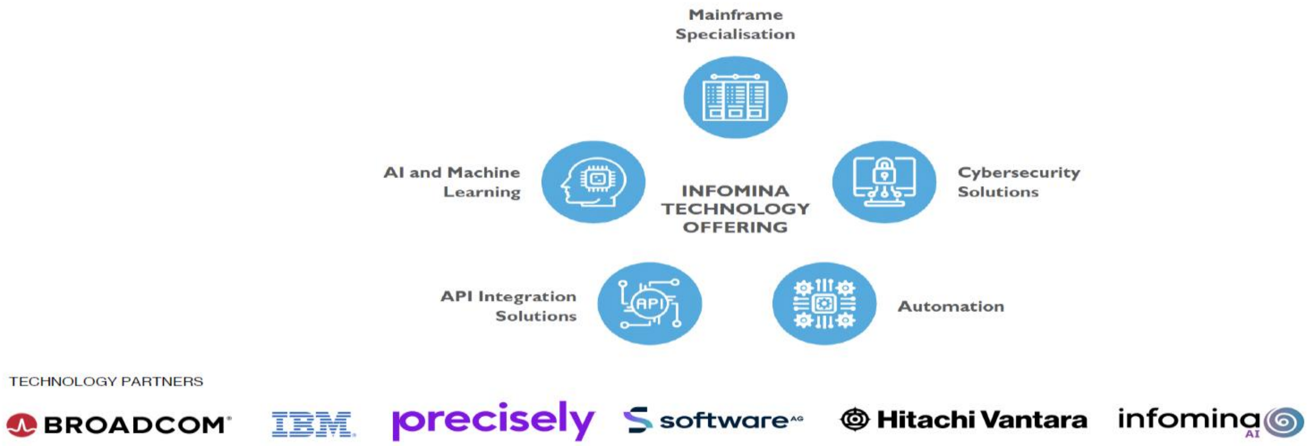
Source: Infomina, Kenanga Research

Investment Merits

1) Leveraged to the hybrid mainframe–cloud modernisation upcycles

Across ASEAN and North Asia, enterprises and public-sector agencies are accelerating adoption of hybrid mainframe–cloud architectures to improve scalability, flexibility and cost efficiency, while keeping mission-critical workloads on mainframes. IDC expects c.95% of companies to operate in hybrid-cloud environments by 2026, while the mainframe cloud services migration market is projected to expand 13.5% CAGR from USD10.5b in 2024 to USD25.7b in 2033. In this environment, Infomina is well placed to be a "go-to" execution partner for mainframe modernisation and hybrid integration, leveraging its strengths in platform upgrades, automation and API-driven interoperability to extend clients' core systems and connect seamlessly to cloud-native, AI and analytics stacks. Importantly, its deep partner ecosystem—anchored by Broadcom, Hitachi Vantara, IBM and Software AG, and broadened in FY25 via Precisely, HPE, H3C and Oracle—further strengthens its ability to deliver end-to-end solutions and capture a larger share of customer IT spend.

Exhibit 12: Infomina Technology Offerings



Source: Infomina, Kenanga Research

2) Earnings quality uplift driven by a structural mix shift into high-margin renewals

While group revenue has remained within the RM200m–RM250m band over the past four financial years, Infomina's earnings profile has strengthened meaningfully as the business pivots towards higher-margin, recurring renewals. Renewal contribution rose from 49.7% (FY22) to 87.0% (FY25), reducing reliance on lumpier turnkey execution. With renewal gross margins of >30% versus mid-teens for turnkey, this mix shift lifted group gross margin from 20.8% (FY22) to 30.4% (FY25)—a clear signal of improving profitability, stronger cash flows visibility and a more resilient business model.

Looking ahead, we expect renewals to remain the dominant earnings anchor at >80% of group turnover in FY26–FY27, although the turnkey segment is projected to spike 56% YoY to RM40m in FY26 on lumpy, government-related project roll-outs before normalising to RM35m in FY27. The higher turnkey mix is likely to dilute blended margins, with group gross margin forecast expected to moderate to 28.9% in FY26, but we expect a recovery to 31.5% in FY27 as the higher-margin renewal base continues to expand and reasserts its weight in the revenue mix.

3) Targeting RM500m-RM600m order book by end-FY26

Infomina has strengthened its forward earnings visibility through sustained contract wins over the past few years. Its order book surged from RM289m in FY25 to RM555m in 1HFY26, following the award of two notable contracts totalling RM145m in 2QFY26. Separately, the Group secured a RM137m renewal contract from Siam Commercial Bank (Thailand) in December 2025, and management is guiding for another meaningful contract win in the coming months. With most contracts typically executed over 2–3 years, this provides solid revenue visibility and a stronger order book base. Coupled with improving traction in its data and AI platforms, we see a credible pathway for Infomina to meet its RM500m–RM600m order book ambition by end-FY26. Our forecasts assume the order book reaches RM573m in FY26 and RM613m in FY27.

4) Major breakthrough in Japan; scaling into an RM80m–RM100m addressable market

Infomina is gaining tangible traction in Japan, with revenue contribution rising to RM6m in 1HFY26 (FY25: RM5m), supported by successful conversion of existing Broadcom mainframe users to renew and/or shift maintenance coverage to Infomina. Management now guides Japan to contribute RM10m–RM15m in FY26 and >RM20m in FY27, underpinned by a sole distributorship positioning that improves access to the installed base and enhances renewal economics. This is further supported by Broadcom's published mainframe pricing announcements, which indicate a 6% calendar-year list-price increase —a constructive structural backdrop for renewal billings, albeit with net uplift still dependent on individual contract terms. Management estimates the addressable Broadcom mainframe wallet in Japan at c.RM80m–RM100m across 46 direct-contract customers, with Infomina having already secured eight customers following contract expiries and/or a switch of maintenance services—highlighting an early but encouraging capture of a sizeable renewal opportunity set.

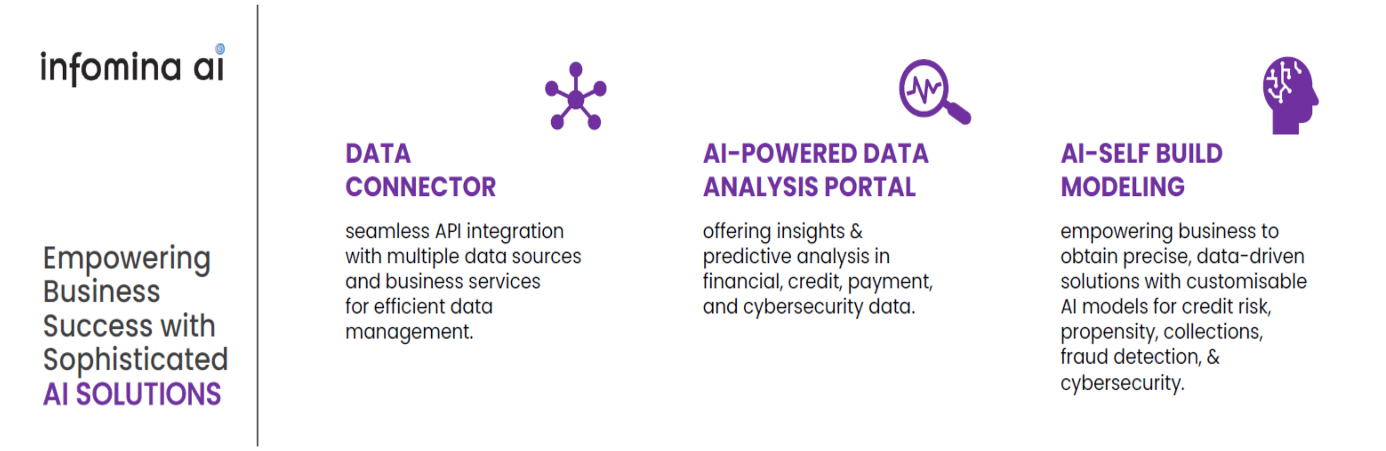
5) Strong positioning to ride accelerating AI adoption across ASEAN and North Asia

AI adoption across the region is becoming increasingly policy-backed and infrastructure-enabled. In Malaysia, the forthcoming Technology Action Plan 2026–2030 and the National Guidelines on AI Governance and Ethics (2024) provide regulatory clarity for responsible deployment, while Malaysia's leadership role following the ASEAN Digital Ministers' meeting supports the development of common standards and governance frameworks across Southeast Asia. Against this backdrop, Infomina is operating in a supportive environment to scale its AI proposition, and its AiMod (agent-to-agent solution) is well aligned with enterprise needs for compliant, secure and operationally impactful AI. We expect this to enhance the Group's competitive edge, deepen client penetration and position Infomina to capture rising AI-driven demand from both enterprises and public-sector agencies.

6) Emerging "third pillar" in data and AI platforms adds multi-year upside optionality

Infomina is building a scalable data and AI platform layer alongside its core infrastructure and renewals franchise. Through SSM Search (one of only four authorised SSM data providers) and distribution partnerships with CTOS, YYC and PEPS Ventures, the Group is embedding corporate and property data into credit, tax and valuation workflows—supporting more recurring, platform-like revenue streams. Infomina AI (via AiMod and AiExe) strengthens this strategy with sovereign, enterprise-grade analytics and an AI-powered data intelligence exchange tailored for regulated customers, while Infomina Geolytik's ValuationXchange addresses a structurally under-digitised loan valuation workflow in collaboration with PEPS. While data and AI earnings were still immaterial in FY25 given the ramp-up only began in 2HFY25, early traction is encouraging—AiMod/AiExe have secured four enterprise customers and ValuationXchange has onboarded three local banks—and we expect contributions to scale as AI adoption and compliance-driven use cases expand, with the segment projected to deliver RM8m revenue in FY26 and RM17m in FY27.

Exhibit 13: New Business Initiative – AI Business



Source: Infomina, Kenanga Research

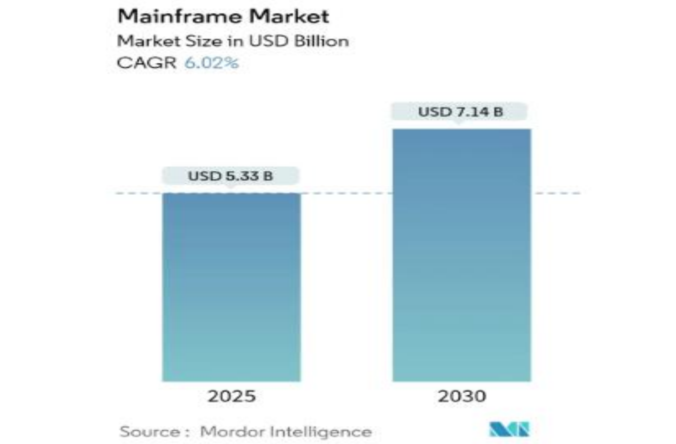
Mainframe Market Outlook

According to Mordor Intelligence, the global mainframe market is projected to grow from USD5.33b in 2025 to USD7.14b by 2030, implying a 6% CAGR over 2025–2030. Demand is increasingly underpinned by modernisation for AI, hybrid cloud and enhanced security. Banks are beginning to run AI models directly on the mainframe, enabling real-time fraud and risk scoring without moving sensitive data off-platform. Technology upgrades – including quantum-safe encryption on IBM's z16 and on-chip AI inference engines (with z17 to follow) – further strengthen the value proposition by boosting security and reducing latency for analytics-heavy workloads. Collectively, these AI and security enhancements give large enterprises strong incentives to upgrade rather than retire existing frames.

At the workload level, mainframes remain central to the global payments and banking stack, processing an estimated 90% of credit-card transactions and sustaining up to one million transactions per second, an advantage that becomes more compelling as real-time digital commerce and B2B e-commerce volumes swell towards the USD 20trn mark. Case studies such as a Central European bank achieving c.99.99% availability on a hybrid mainframe architecture underscore the platform's resilience at scale. At the same time, new regulatory regimes – including the EU Digital Operational Resilience Act (DORA) – are tightening expectations around uptime, auditability and cyber resilience. As compliance intensity and outage penalties rise, risk-averse financial institutions are deepening on-platform modernisation rather than re-platforming, supporting a steady upgrade cycle and reinforcing the mainframe market's long-term growth outlook.

According to Mordor Intelligence, the global mainframe market is dominated by five major players: IBM, Broadcom, BMC, Fujitsu and Unisys. Among these, IBM, Fujitsu and Unisys are primarily platform vendors (hardware plus operating system), while Broadcom and BMC are software-focused specialists. Broadcom's key advantage is that it builds on the dominant IBM Z ecosystem with a market-leading, end-to-end mainframe software stack and an estimated c.37% share of the global mainframe software market (according to a 2020 Gartner report), underpinned by deep penetration into Tier-1 financial institutions and high switching costs in security, automation and data-management tools. This combination of scale, breadth and stickiness affords Broadcom greater pricing power and earnings visibility than niche hardware-centric peers (Fujitsu, Unisys), while its broader product footprint gives it an edge over BMC, which typically competes more narrowly in workload automation and DevOps.

Exhibit 14: Mainframe Market



Source: Mordor Intelligence, Kenanga Research

Exhibit 15: Mainframe Market Overview

Market Size (2025)	USD 5.33 Billion
Market Size (2030)	USD 7.14 Billion
Growth Rate (2025 - 2030)	6.02% CAGR
Fastest Growing Market	Asia Pacific
Largest Market	North America
Market Concentration	Medium
Major Players	IBM, BROADCOM, bmc, FUJITSU, unisys

*Disclaimer: Major Players sorted in no particular order

Source: Mordor Intelligence, Kenanga Research

According to Mordor Intelligence, the mainframe market is segmented **by type, offering, deployment, enterprise size, end-user industry and geography.**

By type, IBM's Z Systems remain the default platform for high-throughput banking and national government workloads, holding c.64% market share in 2024, supported by the z16's post-quantum encryption and higher IOPS-per-watt efficiency. However, Fujitsu's GS Series is gaining ground, with its addressable market projected to grow at c.10.8% CAGR on a favourable price–performance mix that appeals to retailers and manufacturers seeking sub-second response times for logistics and planning. PCIe (Peripheral Component Interconnect Express) and data-processing enhancements across both Z and GS families are easing hybrid-cloud integration, and modernisation roadmaps increasingly converge on these two platforms, further concentrating vendor focus.

By offering, hardware still accounts for around 48% of market value on the back of ongoing refresh cycles and AI-ready chips, underpinned by IBM's USD30b capital commitment to mainframe and quantum hardware. Services are the fastest-growing layer (c.9.5% CAGR) as enterprises outsource administration and modernisation to providers such as DXC, while software remains critical for DevOps plug-ins and code-conversion utilities that enable tighter cloud adjacency, keeping the mainframe positioned as a full-stack proposition rather than a hardware niche.

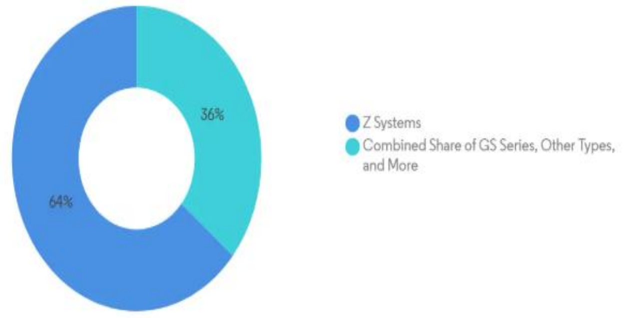
From a deployment perspective, on-premise installations contributed roughly 71% of mainframe spending in 2024, reflecting regulatory constraints around data sovereignty and physical control in banking, defence and the public sector, particularly in regions enacting sovereign-hosting rules. At the same time, cloud-based Mainframe-as-a-Service is expanding rapidly (c.12.3% CAGR), offering subscription-based access that lowers capex and accelerates onboarding, with around 96% of enterprises now following hybrid models (retaining mission-critical cores on-host while pushing ~36% of workloads off-host).

By enterprise size, large corporates generated about 83% of 2024 revenue, driven by transaction volumes that require sustained throughput and sub-second latency, with mainframes supporting roughly half of annual revenue streams at some global banks. SMEs, however, represent a faster-growing segment (c.8.9% CAGR) as pay-per-use models and simpler consoles lower barriers to entry; regional retailers and fintechs are adopting smaller, bundled configurations, with features such as quantum-safe encryption increasingly seen as a differentiator in the face of rising cyber threats.

By industry, BFSI remains the core driver of mainframe demand. In 2024, BFSI contributed about 46% of mainframe revenue, with ~80% of banks preferring AI-assisted COBOL refactoring over migration to x86, preserving mainframes as systems-of-record while lowering integration risk. Outside BFSI, growth is led by retail and e-commerce (c.11.2% CAGR), where flash sales and peak events require elastic but resilient compute. Governments, healthcare, manufacturing and telecoms add steady demand via citizen services, claims processing, supply-chain scheduling and network management, keeping the market sectoral diversified.

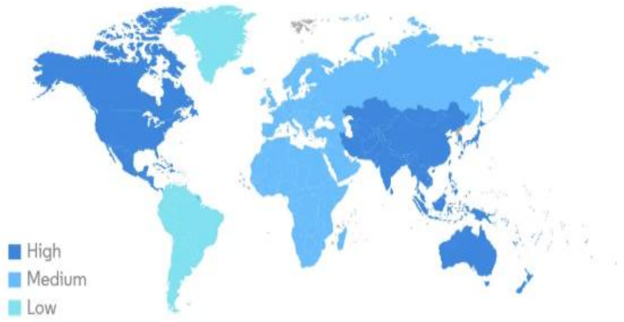
Geographically, North America leads, while Asia Pacific drives growth. North America held roughly 41% of the market in 2024, supported by large payment networks, federal workloads and IBM's USD150b US investment plan (including USD30b for mainframe hardware), alongside clear quantum-safe regulatory roadmaps. Asia Pacific is the fastest-growing region (c.9.8% CAGR to 2030) as Japanese megabanks move to z16 and emerging markets like India and Indonesia drive higher transaction volumes via digital public infrastructure and open banking. Europe is seeing stable renewals despite macro headwinds, with hybrids linking z/OS to Kubernetes, a widening skills gap pushing more work to MSPs, and an EU green-compute agenda encouraging upgrades to more energy-efficient z16 systems.

Exhibit 16: Mainframe Market Share by Type, 2024



Source: Mordor Intelligence, Kenanga Research

Exhibit 17: Mainframe Market CAGR Growth Rate by Region, 2025-2030



Source: Mordor Intelligence, Kenanga Research

Risks Factors

1) Dependence on Broadcom as a key supplier

Infomina is dependent on Broadcom Inc. (via CA Singapore, its subsidiary), as its principal supplier of Broadcom Enterprise Software and Broadcom Mainframe Software under a Regional Partner Agreement. Under this arrangement, Infomina has been appointed as a Premier Tier 1 Value-Added Distributor (VAD) for marketing Broadcom software technologies in Malaysia, Singapore, Thailand, Indonesia, the Philippines, Hong Kong, Taiwan, China and Japan. While the appointment (effective 24 June 2019) is non-exclusive and subject to annual renewal at CA Singapore's discretion, Infomina's partnership standing is underpinned by execution credibility—evidenced by its Broadcom Mainframe Partner of the Year 2024 award for the fourth consecutive year (awarded in 2025)—which reinforces the Group's track record in mission-critical infrastructure enablement.

In the event the agreement is not renewed or is terminated, Infomina may still be able to procure Broadcom software directly from CA Singapore but without the benefits associated with recognised Premier Tier 1 VAD status. In a more adverse scenario where the business relationship is discontinued, the Group's competitiveness could be affected as it would need time to familiarise itself with alternative principals' hardware and software, integration requirements and commercial terms. The Group may also be unable to secure comparable mainframe technologies at competitive rates, or may incur additional costs to redesign solutions around other brands. Given the learning curve and cost implications, customers are typically reluctant to switch mainframe technology platforms frequently; accordingly, while the Group could lose customers that are averse to migrating to another mainframe brand, management assesses this risk as relatively limited.

2) Exposure to project delays and interruptions beyond the Group's control

Infomina's technology applications and infrastructure solution projects are exposed to delays and interruptions arising from factors beyond the Group's control. These include, for example, customers postponing project activities due to the unavailability of key personnel at their sites, or unexpected constraints in accessing their infrastructure as a result of system breakdowns or unscheduled maintenance. When such customer-related delays occur, they can disrupt Infomina's delivery schedule, which in turn may defer revenue recognition and slow the collection of payments, potentially adversely affecting the Group's financial performance. Timely project execution is therefore dependent on the availability, readiness and cooperation of customers to minimise disruptions to the Group's deliverables.

3) Exposure to cost overruns on turnkey projects

Infomina also undertakes technology applications and infrastructure solution projects on a turnkey, fixed-price basis, often secured via competitive tenders where time and costs are estimated upfront. Actual delivery, however, may be affected by technical challenges, integration issues with third-party products, additional hardware requirements and other unforeseen factors, which can lead to cost overruns or schedule slippages. Such variances may compress project margins or result in losses, thereby weighing on the Group's overall profitability.

4) Litigation overhang – Philippine BPI dispute

Background. Infomina's Philippine dispute with Bank of the Philippine Islands (BPI) stems from a mainframe software purchase and maintenance agreement signed in October 2021, which BPI purportedly terminated in September 2022. Infomina Philippines' position is that the termination was wrongful and that there was also unreported/under-declared software usage, which it claims should have been billed under the contract terms. As a result, Infomina Philippines has commenced legal action seeking PHP1.65b (c.RM133m), comprising roughly RM91m in invoiced claims and RM42m in late-payment interest accrued up to 23 July 2025, with interest continuing to accrue until final judgment and payment (management estimates c.RM16m per annum). In 4QFY25, the Group has taken a prudent step by booking a RM10m provision for doubtful debts relating to this exposure, based on an assumption of 50% recovery of total claims-to-date (c.RM66m) and RM76m of trade receivables outstanding from the customer as at 4QFY25.

Counterclaim. In response, BPI has filed a compulsory counterclaim totalling about RM225.7m, comprising PHP173.5m (c.RM12.3m) as partial refund of fees, PHP10m (c.RM0.7m) for legal costs and PHP3b (c.RM212.7m) in exemplary damages – an unusually large punitive component for a commercial contract dispute.

Latest status. As at the latest Bursa update (28 Nov 2025), the Makati Regional Trial Court has granted Infomina Philippines a 30-day extension (to mid-Dec 2025) to answer BPI's counterclaim and rejected BPI's attempt to implead Infomina Berhad, its directors and a former CTO as additional defendants, as well as denying BPI's ex parte written interrogatories. Infomina PH has subsequently filed its answer related to the counterclaims and the court has set the next hearing date on 20 January 2026. The matter remains at the pleadings/pre-trial stage with no ruling yet on the merits, and thus continues to be a sentiment and valuation overhang. That said, a favourable settlement or judgment could crystallise meaningful recoveries (including accumulated interest), and we do not rule out the possibility of a potential special dividend should proceeds ultimately materialise.

Historical Financial Performance

Infomina was listed on the ACE Market of Bursa Malaysia Securities Berhad on 25 November 2022. The listing was well received, with its IPO raising RM32.4m through the issuance of 81.1m new shares at RM0.40 per share. Investor demand was strong, with the IPO oversubscribed by 21.3x, reflecting robust participation from both institutional and retail investors.

- FY23. Revenue came in at RM251.3m with PBT of RM49.4m. Earnings were anchored by the renewal segment, which contributed RM186.7m (74.3% of group revenue), mainly from recurring contracts supporting technology infrastructure solutions for financial services customers in the Group's key markets (the Philippines and Thailand) and the broader region. PBT was achieved after accounting for costs, with administrative expenses of RM24.0m the key cost line, largely comprising employee-related costs, professional fees and depreciation, alongside one-off IPO listing expenses.

- FY24. Revenue eased 10.4% YoY to RM225.2m, mainly due to the absence of a one-off overage fee that was billed in the corresponding period for higher-than-expected customer utilisation. PBT declined 13.6% YoY to RM42.3m, largely reflecting the softer revenue base.

- FY25. Revenue declined 12.6% YoY to RM196.7m, mainly due to weaker turnkey contributions (-67% YoY to RM25.6m) following the completion of several turnkey projects in the prior year. PBT fell 34.8% YoY to RM27.4m, reflecting the softer infrastructure solutions base and a RM10m doubtful debt provision related to a Philippine customer. That said, group margin improved to 30.4% (FY24: 28.6%) on a more favourable revenue mix, with the higher-margin renewal segment accounting for 87% of revenue (FY24: 65.2%).

- 1HFY26. Revenue rose 27% YoY to RM117.5m (vs. RM92.8m), driven mainly by stronger contributions from the turnkey segment (+82% to RM10.7m and accounted for 19% of the Group revenue vs. 13% a year ago), alongside higher revenue from the Group's new data solutions ventures. Its GP, meanwhile, increased 14% to RM32.7m while margin lowered to 27.8% (vs. 30.8% a year ago) due to less favourable segmental revenue mix. PBT inched up 6% YoY to RM20.3m (vs. RM19.1m), supported by the same factors.

Outlook and forecasts

We forecast the Group's net profit to grow 61% YoY to RM34m in FY26, followed by a further 35% YoY to RM46m in FY27. The earnings uplift is underpinned by: (i) a 22% two-year revenue CAGR, driven by a resilient renewal stream that continues to anchor the business and account for c.84%–88% of total turnover; (ii) a scaling AI contribution, with the AI-related segment projected to deliver RM8m in FY26 and to double in FY27; (iii) steady-to-improving segmental margins, with turnkey/renewal GP margins seen at 13%/32% in FY26 and 13%/33% in FY27 (from 16.6%/32.3%); and (iv) strengthening earnings visibility as the order book expands to RM573m in FY26 (vs. RM289m in FY25) and RM613m in FY27. The balance sheet remains robust with net cash of RM96m (2QFY26) and a stronger current ratio of 2.2x (vs. 2.1x in the prior quarter), while capex remains structurally light at <RM3m p.a. historically, which we expect to persist—supporting cash generation and funding flexibility.

Valuations

OUTPERFORM rating with target price of RM1.90. We initiate coverage on Infomina with an OUTPERFORM rating and a target price of RM1.90, derived using a 25x FY27F PER. 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.

Exhibit 13: Infomina's 3-year Historical PER Band

Source: Bloomberg, Kenanga Research

ESG

Following the establishment of its sustainability framework in 2024, the Group turned its attention to the implementation of its sustainability initiatives, with the focus on enhancing data collection capabilities for a more transparent and meaningful reporting that aligns with the relevant guidelines and principles.

Earnings sustainability

We forecast Infomina's net profit to rise 61% YoY to RM34m in FY26 and a further 35% YoY to RM46m in FY27, supported by: (i) a 22% two-year revenue CAGR anchored by the resilient renewal stream (c.84%–88% of turnover), (ii) a scaling AI contribution (RM8m in FY26, set to double in FY27), (iii) broadly stable segment economics with turnkey/renewal GP margins projected at 13%/32% in FY26 and 13%/33% in FY27 (vs. 16.6%/32.3%), and (iv) stronger earnings visibility as the order book expands to RM573m in FY26 (FY25: RM289m) and RM613m in FY27. Separately, we understand that Infomina's proportion of spending on local suppliers in FY25 dropped to 63% from nearly 80% in FY24.

Environment

Scope 3 emission (business commute and employee travel) made up almost 80% of Infomina's 188.51 tonnes CO_2e total GHG emissions in FY25. Scope 3 rose slightly while Scope 2 (-8.75%) fell due to lower electricity usage (-10.65%) driven by energy-saving initiatives, resulting in total emissions dipping 2.56%.

In FY25, Infomina began implementing "Green Office" initiatives, integrating eco-conscious habits into daily operations to minimise its environmental footprint. Underpinned by the "Reduce, Reuse and Recycle" movement, the Group prioritized digital-first practices, optimised energy consumption to lower GHG emission, and introduced reusable water bottles and mugs to reduce single-use plastics.

The Group embarked on e-waste recycling where 15kg of materials consisting of old peripherals, charging cables, remote controls, batteries and other items that would usually be discarded into landfills were collected and handed to certified recycling partners for safe processing and disposal.

Social

Infomina's priority is to ensure that all its programmes and practices are carried out responsibly with emphasis on upholding human rights, maintaining employees' well-being while nurturing talent, promoting health and safety, supporting education, and advancing social inclusion. The Group's priority on digital-first environment has resulted in the adoption of hybrid working arrangements with flexible work arrangements that include working from home, flexible hours, and part-time options to support work-life balance. This approach, which creates a a supportive work environment, is reflected in its low turnover rate of 9.3% in FY25, significantly below Southeast Asia's technology sector benchmarks of 15%−22%. The low rate also demonstrated its success in retaining talent. In terms of employment, 63% of its workforce comprises permanent staff with 37% on a temporary or contractual basis.

Recognising that talent is crucial to the company's growth in a fast-evolving technology industry, Infomina has invested over 2,400 hours in training programmes in FY25, equipping employees will skills to adapt to industry trends and deliver real value to clients. In terms of safety and integrity at the workplace, there were zero reported cases of fatality, corruption and breaches of customer privacy and data in FY25.

Infomina takes pride in promoting diversity with women representing 41% of its workforce and holding 31% of senior leadership positions. Notably, 68% of employees were below the age of 40, bringing fresh perspectives into the organisation.

Governance

Infomina adheres to Bursa Sustainability Reporting Guide, focusing on three areas—people (training to improve processes, data collection and awareness), process (better reporting framework for credible data collection and analysis) and technology (to ensure safe data storage and distribution).

Key measures to strengthen internal controls and uphold ethical conduct are also in place such as the Anti-Bribery and Anti-Corruption Policy & Guidelines and Whistleblowing Policy & Guidelines. We ascribe 3 stars to Infomina's ESG score as it continues to step up measures to improve its business sustainability.

The dispute between Infomina and Bank of Philippine Islands (BPI) remains at the pleading/pre-trial stage with no ruling yet on the merits. Notably this dispute stems from a mainframe software purchase and maintenance agreement signed in October 2021 and subsequently purportedly terminated by BPI in September 2022. As the details of this agreement were not made public, there was no certainty if the dispute over the termination was due to a failure to meet the stated responsibilities and/or requirements or a gap in due diligence by either party.

Nevertheless, Infomina has taken a prudent step of booking a RM10m provision for doubtful debts relating to this exposure. A favourable settlement or judgment could crystallise meaningful recoveries (including accumulated interest), and we do not rule out the possibility of a potential special dividend should proceeds ultimately materialise. We maintain our ESG rating of 3 stars for now pending the outcome of the court case.

Income Statement

FY May (RM m)	2023A	2024A	2025A	2026F	2027F
Revenue	251	225	197	254	295
EBITDA	51	44	30	46	61
Depreciation	2	2	2	5	6
Operating Profit	49	42	28	41	55
Interest Expense	1	2	1	2	2
Interest Income	0	0	1	0	0
Associate	-0	0	0	-0	-0
Exceptional Items	0	0	0	0	0
PBT	49	42	28	42	56
Taxation	-9	-9	-6	-8	-10
Minority Interest	0	0	0	0	0
Net Profit	40	33	21	34	46
PATAMI	40	33	21	34	46

Balance Sheet

FY May (RM m)	2023A	2024A	2025A	2026F	2027F
Fixed Assets	5	6	4	5	6
Intangible Assets	-	1	11	9	8
Other FA	4	5	6	6	6
Inventories	-	-	-	-	-
Receivables	168	172	142	153	153
Other CA	6	8	18	18	18
Cash	80	70	98	122	167
Total Assets	263	263	278	313	358
Payables	78	39	41	54	60
ST Borrowings	65	70	65	65	65
Other ST Liability	2	4	9	4	5
LT Borrowings	3	3	2	2	2
Other LT Liability	2	4	5	5	7
Minorities Int.	0	0	0	0	0
Net Assets	**113**	**143**	**157**	**183**	**219**
Share Capital	42	42	42	42	42
Reserves	75	108	130	156	192
Equity	**117**	**150**	**172**	**198**	**234**

Cashflow Statement

FY May (RM m)	2023A	2024A	2025A	2026F	2027F
Operating CF	-23	-8	36	42	60
Investing CF	-0	-3	4	-1	-1
Financing CF	30	2	-11	-14	-10
Change In Cash	7	-10	29	27	49
Free CF	-23	-10	36	41	59

Financial Data & Ratios

FY May	2023A	2024A	2025A	2026F	2027F
Growth (%)					
Turnover	25.0	-10.4	-12.6	29.2	16.1
EBITDA	117.7	-13.1	-32.0	52.6	32.6
Operating Profit	123.3	-14.1	-34.0	46.5	34.8
PBT	122.2	-14.1	-34.3	51.0	33.9
PATAMI	133.3	-17.0	-36.2	60.8	34.6
Profitability (%)					
EBITDA Margin	20.2	19.6	15.2	18.0	20.6
Operating Margin	19.6	18.7	14.2	16.0	18.6
PBT Margin	19.5	18.7	14.1	16.4	19.0
Net Margin	15.9	14.7	10.7	13.4	15.5
Effective Tax Rate	-18.7	-21.2	-22.9	-18.3	-18.0
ROA	15.2	12.6	7.6	10.9	12.8
ROE	35.2	23.1	13.5	18.6	20.9
DuPont Analysis					
Net Margin (%)	15.9%	14.7%	10.7%	13.4%	15.5%
Assets Turnover (x)	1.0x	0.9x	0.7x	0.8x	0.8x
Leverage Factor (x)	2.3x	1.8x	1.8x	1.7x	1.6x
ROE (%)	35.2	23.1	13.5	18.6	20.9
Leverage					
Debt/Asset (x)	0.3	0.3	0.3	0.2	0.2
Debt/Equity (x)	0.6	0.5	0.5	0.4	0.3
Net Cash/(Debt)	12	-6	25	55	100
Net Debt/Equity (x)	0.1	0.0	0.2	0.3	0.5
Valuations					
EPS (sen)	6.6	5.5	3.6	5.6	7.6
NDPS (sen)	0.0	0.0	1.2	1.4	1.6
BV/Share (RM)	0.19	0.24	0.26	0.30	0.36
PER (x)	21.4	25.7	40.0	25.2	18.7
Net Div. Yield (%)	0.0%	0.0%	0.8%	1.0%	1.1%
P/NTA (x)	7.6	6.0	5.4	4.7	3.9
EV/EBITDA (x)	17.1	19.2	29.3	19.9	15.7

Source: Kenanga Research

Malaysian Technology Peers Comparison

Name	Rating	Last Price @ 19 Jan (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	0.735	0.810	10.2%	911.0	Y	12/2025	1.1	2.7	-66.1%	149.3%	68.0	27.3	1.2	-19.5%	1.0	1.4%
INARI AMERTRON BHD	MP	1.88	2.45	30.3%	7,153.6	Y	06/2026	6.8	7.6	1.5%	10.9%	27.5	24.8	2.6	9.3%	7.0	3.7%
KELINGTON GROUP BHD	OP	5.50	6.15	11.8%	4,308.0	Y	12/2025	20.4	20.4	25.3%	21.4%	27.0	26.9	6.3	27.1%	13.0	2.4%
LGMS BHD	MP	0.505	0.730	44.6%	230.3	Y	12/2025	2.2	2.7	-18.7%	23.0%	23.0	18.7	2.3	10.3%	2.0	4.0%
M'SIAN PACIFIC INDUSTRIES BHD	MP	33.72	31.70	-6.0%	6,723.7	Y	06/2026	100.8	115.3	30.5%	14.4%	33.5	29.2	3.0	9.4%	35.0	1.0%
NATIONGATE HOLDINGS BHD	OP	1.01	1.80	78.2%	2,285.3	Y	12/2025	6.7	6.4	-13.7%	-4.3%	15.2	15.8	2.2	15.9%	2.0	2.0%
OPPSTAR BHD	MP	0.290	0.400	37.9%	186.0	Y	03/2026	(1.3)	1.1	-166.9%	-12.0%	N.A.	25.4	1.5	-6.3%	0.0	0.0%
P.I.E. INDUSTRIAL BHD	MP	2.57	2.80	8.9%	987.0	Y	12/2025	7.9	14.8	-42.7%	86.5%	32.5	17.4	1.5	4.7%	0.0	0.0%
SKP RESOURCES BHD	OP	0.655	1.18	80.2%	1,023.3	Y	03/2026	7.2	8.2	-4.2%	14.5%	9.1	8.0	0.9	10.1%	0.0	0.0%
UNISEM (M) BHD	UP	3.44	1.90	-44.8%	5,549.0	Y	12/2025	3.6	6.5	-3.6%	78.1%	94.9	53.3	2.5	2.6%	8.0	2.3%
UWC BHD	OP	4.47	4.38	-2.0%	4,929.9	Y	07/2026	10.0	13.9	172.6%	38.8%	44.6	32.2	8.2	22.6%	0.0	0.0%
PENTAMASTER CORP BHD	OP	3.80	4.25	11.8%	2,703.0	Y	12/2025	8.7	12.1	-4.9%	38.9%	43.6	31.4	3.4	8.0%	2.0	0.5%
INFOMINA BHD	OP	1.42	1.90	33.8%	853.8	Y	05/2026	5.6	7.6	60.7%	34.8%	25.2	18.7	4.3	18.3%	1.0	0.7%
Simple Average					**37,843.9**					**7.5%**	**24.3%**	**31.9**	**25.6**	**3.1**	**8.7%**		**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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