

LGMS Berhad

Reinforcing Market Presence

Valuation

We initiate coverage on LGMS Berhad (LGMS) with a **HOLD** Rating and Target price (TP) of RM0.61, based on a P/E of 23x applied to our FY26E EPS of 2.7 sen. We are positive on LGMS's long-term potential driven by (i) its superior profitability relative to peers, (ii) its distinction as the first and only Malaysian cybersecurity company featured in Gartner's *Market Guide for Digital Forensics and Incident Response (DFIR) Retainer Services*, and (iii) its ongoing strategic partnerships that enhance service synergies and market reach mitigated by revenue variability tied to the project.

Investment Merits

Industry Recognition and Trust. LGMS's is the first and only Malaysian company listed in Gartner's Market Guide for DFIR Retainer Services and among few in Southeast Asia. Winning the PIKOM Digital Award 2025 for Best Cybersecurity Advisory further underscores industry trust.

Strategic Synergy Through Key Partnerships. Through ASI, LGMS partners with Bridgenet Solutions to scale StarSentry across SMEs and large enterprises, while collaborations with BDO and CelcomDigi extend international reach. Mitsui's 25% stake, acquired in April 2023, supports expansion into Japan and other overseas markets, which contributed 16% of FY2024 revenue. Collectively, these partnerships are expected to strengthen market access and reinforce LGMS's competitive positioning.

Outperforming Peers' Performance. LGMS outperforms peers with FY2024 EBITDA and PAT margins of 39% and 28% versus 8.0% and 2% for the peer group, reflecting its focus on high-value cybersecurity services and lean operations. While project-based revenue can cause fluctuations, its superior margins underscore a strong competitive position.

Financial Outlook. Revenue grew at a 16% CAGR (FY2021-FY2024), with FY2024 revenue rising 27% YoY, partly supported by increased demand following the National Cyber Security Bill. Looking ahead, revenue is expected to grow in line with industry trends, averaging around c.14% FY2026-FY2027E, while PAT margins is expected to be robust at 25-26% despite to rising employee costs and headcount expansion.

Recommendation. We initiate coverage on LGMS Berhad with a **HOLD** Rating and a Target Price of **RM0.61**, as valuations appear stretched currently. Our cautious stance reflects the project-based nature of contracts, renewal uncertainty on a year-to-year basis, and elevated staff costs tied to specialized cybersecurity talent, alongside a sector, where clients continuously upgrade systems under evolving regulatory requirements.

Key risks; (i) **Competitive pressure**, (ii) **Skilled Labour-intensive business model**, (iii) **High Local Client Exposure**.

Initiate Coverage

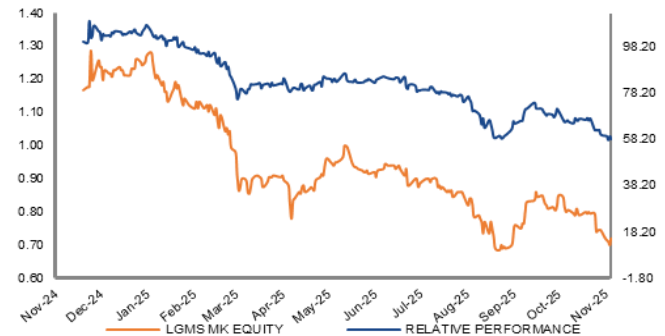
By Ahmad Ramzani Ramli/ ahmadramzani@mersec.com

Tuesday, November 25, 2025

Price: RM0.65

Fair Value: RM0.61

Share Price Performance



Business Overview

LGMS Berhad is a cybersecurity firm offering penetration testing for web and mobile application, IoT, wireless networks, source code, CREST, Intelligence LED, cyber drills and advisory services including governance, SWIFT security, digital forensics, and national cybersecurity compliance.

Return Information

KLCI (pts)	1,618.78
YTD KLCI chg	-1.4%
YTD Stock Price chg	-48.4%

Price Performance	1M	3M	12M
Absolute (%)	-18.9%	-5.8%	-45.2%
Relative to KLCI (%)	-19.2%	-6.9%	-46.6%

Stock Information

Market Cap (RM m)	294.1
Issued Shares (m)	456.0
52-week High (RM)	1.31
52-week Low (RM)	0.64
Estimated Free Float (%)	51.8%
Beta vs FBM KLCI	1.4
3-month Average Vol.(m)	318,300
Shariah Compliant	Yes
Bloomberg Ticker	LGMS MK EQUITY

Top 3 Shareholders	%
Fong Choong Fook	36.5%
Goh Soon Sei	10.8%
Norges Bank	3.0%

FY Dec (RM m)	FY24A	FY25E	FY26E
Revenue	43.6	43.4	49.1
EBITDA	17.1	13.2	15.4
EBIT	16.0	11.5	13.8
PBT	16.5	11.9	16.1
Core Net Profit	12.3	9.0	12.1
Core EPS (sen)	2.71	1.97	2.66
Core EPS Growth (%)	10.4%	-27.2%	34.9%
Net Div. Yield (%)	1.6%	0.8%	1.0%
BVPS (sen)	20.69	21.66	23.65
PER (x)	23.8	32.7	24.3
PBV (x)	3.1	3.0	2.7
Net Gearing (x)	N.Cash	N.Cash	N.Cash

Company Overview

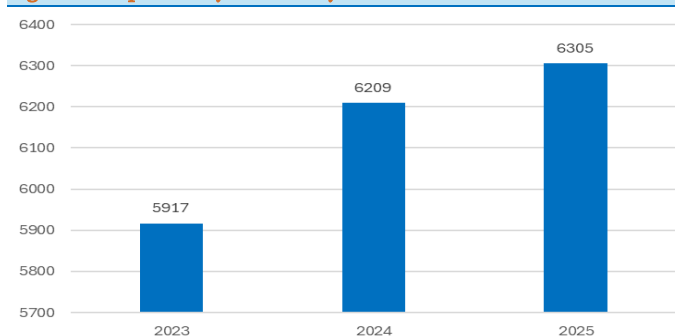
LGMS Berhad is an investment holding company that offers cybersecurity services both in Malaysia and globally. It operates in three segments: cyber risk prevention, cyber risk management and compliance, and cyber threat and incident response. Its Cyber Risk Prevention section provides security vulnerability assessments, penetration testing, training, and risk scoring. The Cyber Risk Management and Compliance category provides cybersecurity advising, certification, and compliance services. Its Cyber Threat and Incident Response segment provides digital forensics and computer criminal investigations, as well as cybersecurity incident response and compromise assessment services.

Industry Overview

Expanding Regional Cybersecurity Market. The Asia-Pacific (APAC) cybersecurity industry continues to demonstrate robust momentum, underpinned by digitalisation and cloud migration across both private and public sectors. According to Mordor Intelligence (2025), the APAC cybersecurity industry is estimated to be worth USD 74.2bn in 2025 and would grow at a CAGR of 13.7% to USD 141.0bn by 2030. Meanwhile, Mordor estimated the Malaysian cybersecurity industry to be worth USD6.2bn in 2025, with a 7.3% CAGR reaching USD8.7bn by 2030. Demand is being fuelled by the accelerated shift toward remote operations, increased reliance on digital infrastructure, and heightened awareness of data protection obligations across regulated industries such as finance, telecommunications, and government.

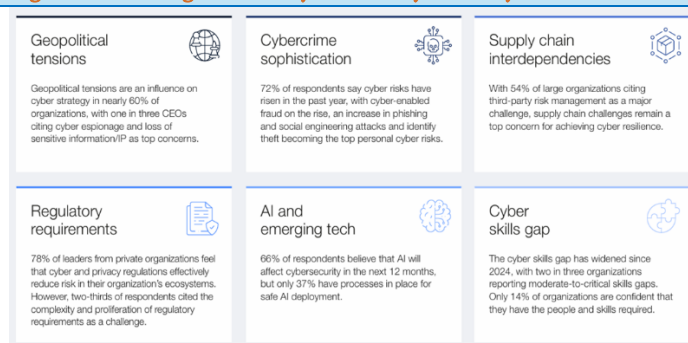
Rising Cyber Threat Landscape. The cybersecurity environment across the region has become more complex and hostile. The CrowdStrike Global Threat Report 2025 notes a 150% surge in China-nexus adversary activity and a 442% increase in voice-phishing (vishing) incidents globally between 1H and 2H 2024, underscoring the growing sophistication of threat actors. Meanwhile, the Simply Data Malaysia Threat Report 2024 highlights that Malaysia experienced a significant uptick in ransomware and phishing campaigns, with over 1,300 major incidents recorded in 2024, primarily targeting financial services, education, and logistics sectors. Alongside that, Malaysia Computer Emergency Response Team (MyCERT) have reported a surge in cybersecurity incidents from 5,917 cases in 2023 to 6,305 cases in 2024. These findings reflect an escalation in both the volume and complexity of cyberattacks across ASEAN, pressuring organisations to adopt stronger preventive and monitoring measures.

Figure 1: Reported Cybersecurity Incidents



Source: MyCERT, Mercury Securities

Figure 2: Challenges in the Cybersecurity Industry



Source: WEF

Growing Demand for Cybersecurity. Insights from PIKOM (2024) and Gartner Magic Quadrant (2025) reveal a shift in enterprise cybersecurity spending priorities from perimeter defence to integrated, intelligence-driven security architectures such as XDR (Extended Detection and Response), SASE (Secure Access Service Edge), and cloud-native security platforms. Organisations are also increasingly outsourcing parts of their cybersecurity operations to managed security service providers (MSSPs) to address resource limitations and compliance complexity. Across ASEAN, enterprises are prioritising continuous threat assessment, penetration testing, and digital forensics as part of their resilience strategies. Gartner estimates the global end-user cybersecurity spending to ramp up 15.1% YoY from USD183.9bn in 2024 to USD212bn in 2025. Meanwhile, the International Data Corporation (IDC) expects the global security spending to rise 12.2% YoY in 2025.

Regulatory and Strategic Push in Malaysia. Malaysia's Cyber Security Strategy 2020–2024 (MCSS) established a comprehensive roadmap for national cyber resilience, focusing on national critical information infrastructure (NCII) protection, talent development, and public-private collaboration. The strategy has prompted stricter cybersecurity requirements across regulated sectors, particularly in data handling, compliance auditing, and penetration testing. Complementing this, the Cyber Security Act 2024 aims to formalise national cyber governance through the establishment of the National Cyber Security Agency (NACSA) as the central authority. Such frameworks continue to elevate compliance standards and create structural demand for independent security validation and certification services.

Global and National Readiness Levels. The World Economic Forum (WEF) Global Cybersecurity Outlook 2024 identifies cybersecurity as one of the top three global business risks, with over 70% of organisations in Asia citing data breaches and operational disruption as key threats to business continuity. In the International Telecommunications Union (ITU) Global Cybersecurity Index 2024, Malaysia ranks among the top quartile of global performers, reflecting strong institutional readiness, well-defined legal frameworks, and mature technical capacity. However, skills

shortages and limited SME adoption remain key challenges across ASEAN, with the demand for certified cybersecurity professionals outpacing supply.

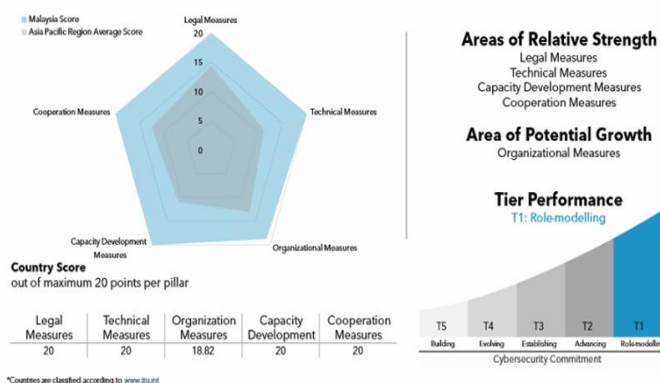
Figure 3: 5th GCI Tier Performance
Tier 1 - Role-modelling (score of 95-100)

Australia	Ghana	Morocco	Singapore
Bahrain	Greece	Netherlands (Kingdom of the)	Slovenia
Bangladesh	Iceland	Norway	Spain
Belgium	India	Oman	Sweden
Brazil	Indonesia	Pakistan	Tanzania
Cyprus	Italy	Portugal	Thailand
Denmark	Japan	Qatar	Türkiye
Egypt	Jordan	Korea (Republic of)	United Arab Emirates
Estonia	Kenya	Rwanda	United Kingdom
Finland	Luxembourg	Saudi Arabia	United States
France	Malaysia	Serbia	Viet Nam
Germany	Mauritius		

Source: ITU

Figure 4: 5th GCI Malaysia Profile
Malaysia

GCI 5th Edition Country Profile



Source: ITU

Sectoral Outlook. Overall, the cybersecurity outlook remains strongly positive. Regulatory enforcement, digital transformation, and rising cyber risk awareness continue to drive sustained demand for security assurance, consulting, and compliance testing services. In Malaysia and the broader ASEAN region, cybersecurity is increasingly viewed as a strategic governance priority rather than a discretionary IT spend, prompting higher budget allocations across enterprises and government agencies. The next phase of growth will centre on deeper automation, AI integration, and regulatory alignment as organisations strengthen their cyber resilience. However, despite this expanding demand pool, vendor engagement may not recur consistently, as companies often reassess and rotate service providers based on evolving requirements and internal procurement policies.

Investment Merits

Global Industry Recognition and Trust. LGMS is the first and only Malaysian cybersecurity company featured in Gartner's Market Guide for Digital Forensics and Incident Response (DFIR) Retainer Services, and one of the few acknowledged in Southeast Asia. Together with its broad portfolio of global certifications and industry awards, this recognition reflects the group's technical depth and consistent delivery of high-assurance cybersecurity services. These collective credentials have strengthened LGMS's reputation and trust among enterprise clients and supported key strategic developments, including the acquisition of AHSB and the entry of Mitsui as a 25% shareholder, reinforcing its position as a leading regional cybersecurity assurance provider.

In addition, LGMS was awarded the PIKOM Digital Award 2025 for Best Cybersecurity Advisory, reinforcing its leadership in cybersecurity consulting and digital forensics. Beyond this, the group has achieved numerous "firsts," including being the "First Publicly Listed Independent Cybersecurity Assessment Firm" and the "First Center for Internet Security (CIS) Member Company" in Malaysia (refer Figure 5), alongside multiple recognitions such as the "2024 PIKOM Digital Excellence Awards – Cybersecurity (Advisory)" and the "2023 Cyber Security Product Innovation of the Year" (refer Figure 6). These accolades collectively underscore LGMS's credibility and sustained leadership in the regional cybersecurity landscape.

Figure 5: Awards and Recognition (First in the Industry)


Source: Company

Figure 6: Awards and Recognition


Source: Company

Strategic Synergy Through Key Partnerships. Through its subsidiary, Applied Security Intelligence (ASI), LGMS has partnered with Bridgenet Solutions to accelerate the rollout of StarSentry among SMEs and large enterprises nationwide. The group also collaborates with BDO Malaysia and CelcomDigi to broaden distribution channels, BDO integrates StarSentry into its managed vulnerability services, while CelcomDigi markets it to enterprise subscribers as part of its cybersecurity bundle. (refer Figure 7 and 8)

Meanwhile, Mitsui & Co. Ltd's 25% equity stake, acquired in April 2023, strengthens LGMS's international expansion strategy. Backed by Mitsui's network and resources, the group is poised to deepen its presence in Japan and other key overseas markets, which contributed 16% of FY2024 revenue. While these partnerships enhance market access, brand visibility, and cross-border opportunities, their near-term earnings and revenue contribution remains to be quantified.

LGMS recently proposed to acquire a 27% equity stake in Antarex Holdings Sdn Bhd (AHSB) for RM22.7m in cash, with completion expected by 4QFY25. AHSB is an investment holding and specialised IT services company, developing AI-driven cybersecurity platforms including Managed XNI, DarkShield, and Managed XOC+. The company collaborates regionally to integrate threat detection and response solutions and is headquartered in Kuala Lumpur, with a regional presence in Malaysia, Singapore, and the Philippines. Incorporated in 2023, AHSB provides LGMS with a strategic platform to expand StarSentry adoption across Southeast Asia while enhancing its cybersecurity offerings through integration with AHSB's solutions. The proposed acquisition aims to unlock synergistic growth, enabling LGMS to leverage AHSB's regional network while AHSB benefits from the integration of StarSentry into its cybersecurity suite, forming a comprehensive and unified cybersecurity ecosystem. Operationally, the Enlarged AHSB Group is synergistic to LGMS, providing cross-selling opportunities, expanded client access, and additional management expertise.

Figure 7: Strategic Partnership with BDO Malaysia


Source: Company

Figure 8: Strategic Partnership with CelcomDigi Malaysia


Source: Company

Outperforming Industry Peers. LGMS maintains stronger profitability compared to domestic peers, supported by its focus on high-value cybersecurity assessment and compliance services. In FY2024, the Group achieved an EBITDA margin of 39.2% and PAT margin of 28.3%, well above the peers' average of 8.0% and 1.8%. The superior margins reflect its asset-light business model, and reliance on skilled technical workforce that allows higher billing rates and tighter cost control. In contrast, most peers operate within lower-margin system integration or hardware distribution segments, which dilute overall profitability, especially for Heitech Padu and Mesiniaga, where the main reason is due to them using third party software compared to LGMS which used their own in-house software.

Peer EBITDA and PAT Margin (as at 12th November 2025)

Company	Bloomberg Ticker	EBITDA MARGIN (%)		PAT Margin (%)	
		2023	2024	2023	2024
Heitech Padu Bhd	HEIT MK EQUITY	9.8	7.6	2.6	2.1
Mesiniaga Bhd	MESI MK EQUITY	1.7	(2.8)	1.5	(2.2)
Simple Average		5.8	2.4	2.1	(0.1)
LGMS Bhd	LGMS MK EQUITY	46.3	39.2	32.8	28.3

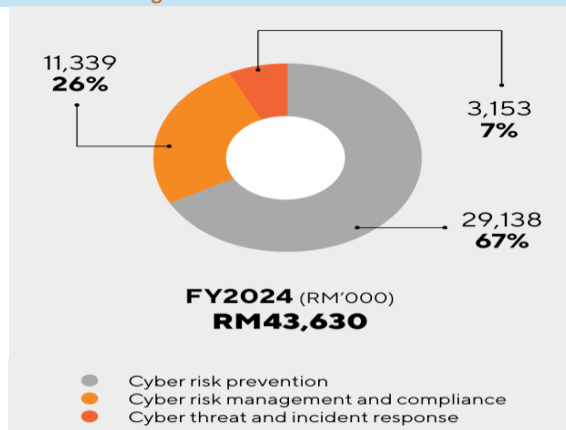
Source: Bloomberg, Company, Mercury

Financial Highlights

Revenue Performance & Mix. LGMS recorded a revenue growth of 27.4% YoY in FY2024 (FY2023: +4.4%, FY2022: +16.0%), underscoring the group's overall upward trajectory while reflecting earnings volatility tied to project-based revenue recognition and contract cycles. The strong FY2024 performance was supported by improved project delivery and higher adoption of managed security offerings, particularly the *StarSentry* managed security service.

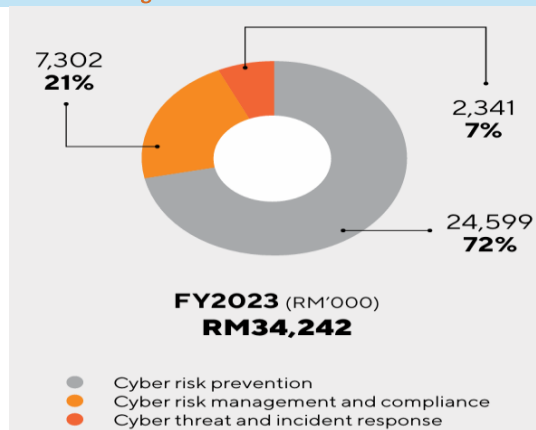
Revenue is primarily derived from cyber risk prevention, which remains the largest segment, followed by cyber risk management and compliance and cyber threat and incident response.

Figure 10: Business Segments Revenue Breakdown FY2024



Source: Company

Figure 11: Business Segments Revenue Breakdown FY2023



Source: Company

The growth in the “Cyber Risk Management & Compliance” segment reflects rising demand linked to the Cyber Security Act 2024, which mandates risk assessments, audits, and incident-reporting for critical sectors. Meanwhile, *StarSentry* and other managed services contribute to the “Cyber Threat & Incident Response” segment, which remains modest in size, indicating that recurring revenue streams are still a small portion of total revenue.

Overall, LGMS continues to record solid growth, supported by rising compliance-related revenue, although project- and contract-driven income (Cyber risk prevention) remains the dominant contributor. As such, the timing and renewal of engagements can be unpredictable, reflecting the absence of clear order visibility or longer-term contractual commitments. This contributes to inherent earnings volatility, with quarterly performance often influenced by project scheduling and client renewal cycles, while recurring managed-services income is still building up. Despite these fluctuations, LGMS's strong margin profile highlights its operational efficiency and established market positioning, forming the basis for our neutral stance relative to peers.

Employee Cost Intensity & Productivity. LGMS's employee benefits expenses rose to RM18.4m in FY2024 (FY2021: RM8.3m), consistent with its four-year revenue CAGR of 30.2%. Personnel costs now account for 42.1% of total revenue (FY2021: 29.5%), highlighting the company's reliance on highly skilled cybersecurity professionals. The increase also reflects intensifying industry competition for qualified talent and the group's continued investments in strengthening its consulting and incident response capabilities.

Between FY2023 and FY2024, employee benefits expenses rose 37.6%, outpacing revenue growth (+27.4%) and the prior year's cost increase (+25.7%). This corresponded to a 26.3% rise in headcount (FY2024: 149 vs. FY2023: 118). However, revenue per employee improved marginally by 0.9% YoY to RM292,819 (FY2023: RM290,186), suggesting that productivity gains have yet to fully offset higher manpower costs.

While this may reflect capacity expansion in anticipation of getting a larger project pipelines and the growing demand for premium clients and managed services, this also indicates potential near-term pressure on operating margins should the revenue growth fall short of expectations. Over the medium term, if revenue scalability improves with stronger overseas penetration and higher adoption of recurring services such as *StarSentry*, margins may gradually normalise.

Quarterly results. For 3QFY25, LGMS reported revenue of RM10.6m, representing an increase of 5.8% QoQ and 3.3% YoY (3QFY24: RM10.3m). The quarter-on-quarter improvement was mainly supported by (i) higher contributions from the Cyber Risk Prevention segment and (ii) Stronger performance in Cyber Threat & Incident Response, while the year-on-year growth similarly reflected higher activity within the prevention and threat response segment. The uplift during the quarter was driven by the timely progression of ongoing projects across both core service lines, coupled with several higher-value engagements secured during the period.



EBITDA margin improved by 1.3ppts in 3QFY25 to 31.0% (3QFY24: 29.7%). The margin expansion was mainly attributable to better operating leverage, as higher project completions during the quarter helped absorb fixed staff-related and overhead costs more effectively. In addition, a more favourable service mix, with a larger proportion of higher-margin cybersecurity assessment and incident-response work, contributed positively to the EBITDA margin.

Meanwhile, the Group recorded PBT of RM3.0m and PAT of RM2.4m (2QFY25: RM2.8m and RM2.0m, respectively), translating to PBT and PAT margins of 28.4% and 22.5%. The marginal improvement in profitability was supported by the higher revenue base and lower employee benefits expense margin (3QFY25: 50.5% against 2QFY25: 53.5%).

Overall, 3QFY25 reflected modest sequential improvement, although revenue and margins remain susceptible to variability given the project-driven and contract-based nature of LGMS's business model, which naturally introduces fluctuations in QoQ performance.

Balance Sheet and Cash Flows. LGMS's has been on a net cash basis since FY23. The company generated positive operating cash flow of RM12.8m (FY2023: RM10.9m), reflecting ongoing cash generation from its core cybersecurity services. Average cash from operating activities is at RM12.0m. (FY21-24)

Cash outflows for investing activities (RM15.3 m, primarily for a one-off acquisition of building) and financing activities (RM5.5 m, mainly dividends paid) exceeded operating cash, resulting in a slightly negative free cash flow of RM2.5m for FY24. Stripping of the one-spending, Free cash flow averages around RM11m (FY21-FY23). Given LGMS's substantial cash reserves (RM68m as at FY24) and absence of term loans, these outflows are comfortably funded, with liquidity remaining sufficient to support both operational needs and strategic investments.

Moving Forward. We expect LGMS to sustain a stable growth trajectory over the next three years, supported by (i) rising cybersecurity spending both globally and domestically, (ii) Profit contributions backed by the profit guarantee tied to its upcoming 27% stake in Antarex, (iii) long-standing relationships with key enterprise clients, and (iv) its global and industry reputation as a trusted specialist with deep technical capability in security assessment and assurance services.

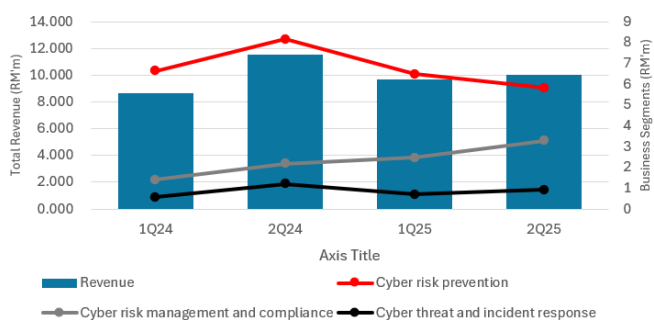
Revenue for FY2025 is estimated at RM43.4m (-0.4% YoY) as the slight decline is partly attributable to clients delaying contract renewals or phasing cybersecurity initiatives as they adjusted to the new Cyber Security Act, which came into effect in August 2024, and aligned engagements with licensed service providers. For the subsequent years (FY2026E–FY2027E), we estimate growth c.+13%, in line with double-digit projected cybersecurity spending growth for enterprises, as forecast by IDC and Gartner.

The acquisition of 27% stake in Antarex in FY2025 is expected to strengthen synergies and expand LGMS's regional presence, while the integration of StarSentry enhances recurring revenue potential. The stake is projected to contribute share of profit of RM1.9m, RM2.3m, and RM2.4m to LGMS for FY2026E, FY2027E, and FY2028E, respectively. Looking ahead, LGMS may pursue similar minority investments to further complement its regional expansion, though timing and scale remain uncertain.

Profitability-wise, EBITDA margins are expected to ease from 39.2% in FY2024 to 32.2% by FY2027E, with PAT margins moderating from 28.3% to 26.1%. This reflects the increasing costs of skilled workforce and employee expansion. The balance sheet remains resilient, with net cash between over the period, supported by strong cash reserves and no long-term borrowings.

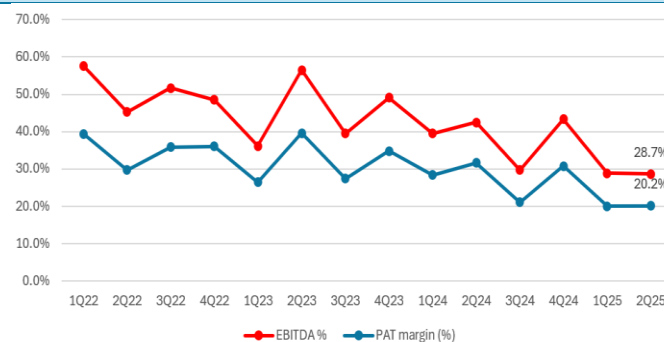
Overall, while short-term earnings may soften due to expansion costs and integration spending, LGMS's fundamentals remain sound. Its shift toward recurring services and regional partnerships supports a stable medium-term outlook.

Figure 12: LGMS Revenue (RM'm) and QoQ Growth Rate (%)



Source: Company, Mercury Securities

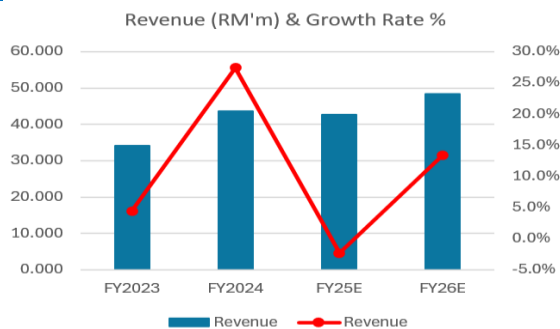
Figure 13: LGMS EBITDA and PAT Margin (%)



Source: Company, Mercury Securities

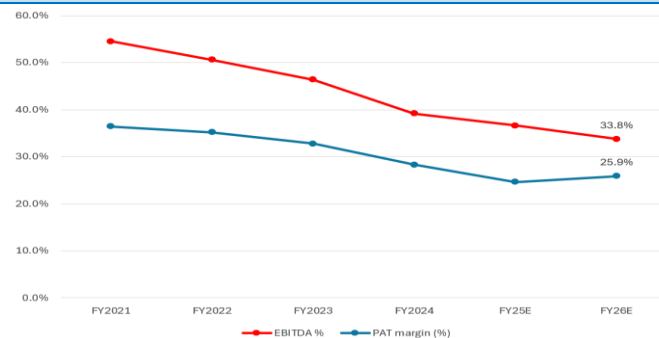


Figure 14: LGMS Revenue (RM'm) and YoY Growth Rate (%)



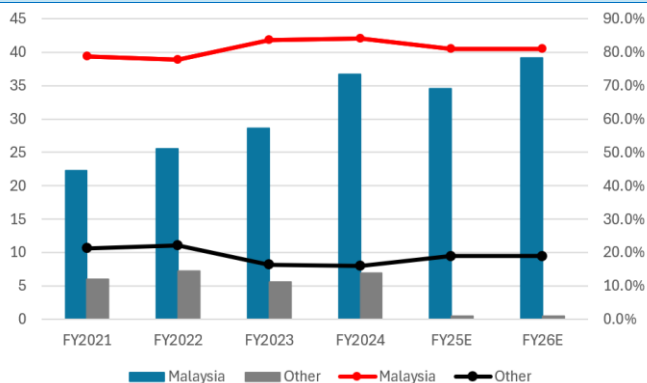
Source: Company, Mercury Securities

Figure 15: LGMS EBITDA and PAT Margin (%)



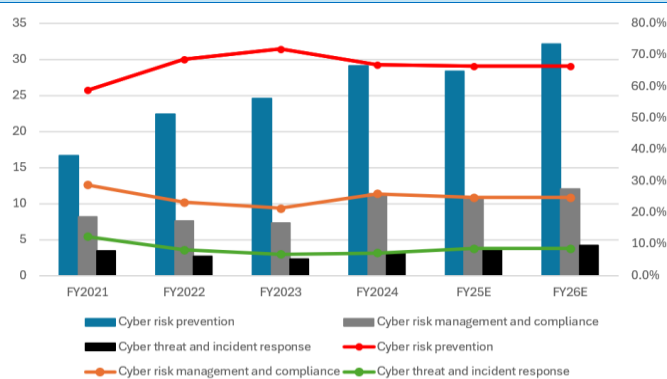
Source: Company, Mercury Securities

Figure 16: Geographical Revenue Breakdown (RM'm, %)



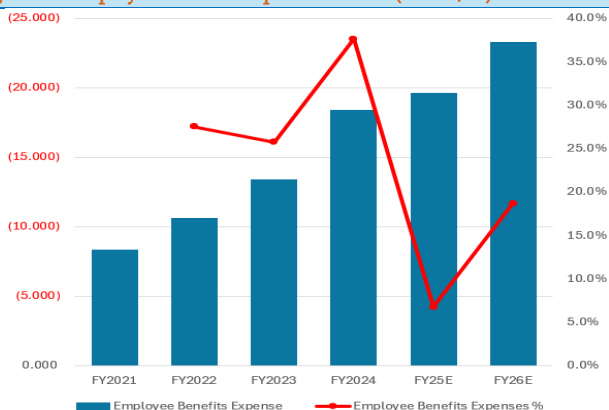
Source: Company, Mercury Securities

Figure 17: Segmental Revenue Breakdown (RM m, %)



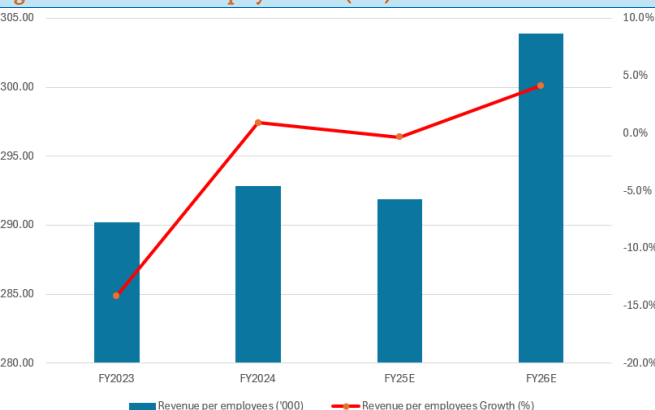
Source: Company, Mercury Securities

Figure 18: Employee Benefits Expense Growth (RM'm, %)



Source: Company, Mercury Securities

Figure 19: Revenue to Employee Ratio (RM)



Source: Company

Valuation. We derive a Target Price (TP) of **RM0.61** for **LGMS Berhad**, based on a target P/E multiple of **23x** applied to its **FY2026E EPS of 2.7 sen**. The target multiple is benchmarked against the 3-year average historical P/E of domestic peers with comparable operations. We believe it is justified given LGMS's solid business model of being a pure play cybersecurity firms with strong fundamentals.

Recommendation. We initiate coverage with a **HOLD** call. Valuations appear demanding given (i) margin pressure arising from workforce expansion, (ii) the group's exposure to constantly evolving regulatory requirements and industry standards, and (iii) revenue variability tied to the project- and contract-based nature of its key engagements, which limits long-term visibility. Nevertheless, we recognise LGMS's long-term potential driven by (i) its superior profitability relative to peers, (ii) its distinction as the first and only Malaysian cybersecurity company featured in Gartner's *Market Guide for Digital Forensics and Incident Response (DFIR) Retainer Services*, and (iii) its ongoing strategic partnerships that enhance service synergies and market reach.

3-Year Historical P/E Peer Comparison

Company	Bloomberg Ticker	3-Year Historical P/E (x)			3- Years Average
		2022	2023	2024	
Heitech Padu Bhd	HEIT MK EQUITY	11.4	12.4	52.0	25.3
Mesiniaga Bhd	MESI MK EQUITY	14.1	21.0	25.5	20.2
Average		12.8	16.7	38.8	22.8

Source: Bloomberg, Company, Mercury

Peer Comparison (as at 17th November 2025)

Company	Bloomberg Ticker	Share price	Mkt Cap	EPS Growth (%)		P/E (x)		P/B		ROE (%)		Net Dividend Yield (%)	
		(RM)	(RM m)	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Heitech Padu Bhd	HEIT MK EQUITY	1.88	306.4	37.5	(14.9)	12.4	52.0	0.6	2.0	6.2	4.2	0.0	0.0
Mesiniaga Bhd	MESI MK EQUITY	1.19	71.9	(40.0)	(40.0)	21.0	25.5	0.7	0.9	3.5	(3.1)	3.7	1.5
LGMS Bhd	LGMS MK EQUITY	0.70	314.6	(-11.2)	10.2	36.9	45.9	4.8	6.0	13.2	13.6	0.6	0.4

Source: Bloomberg, Company, Mercury

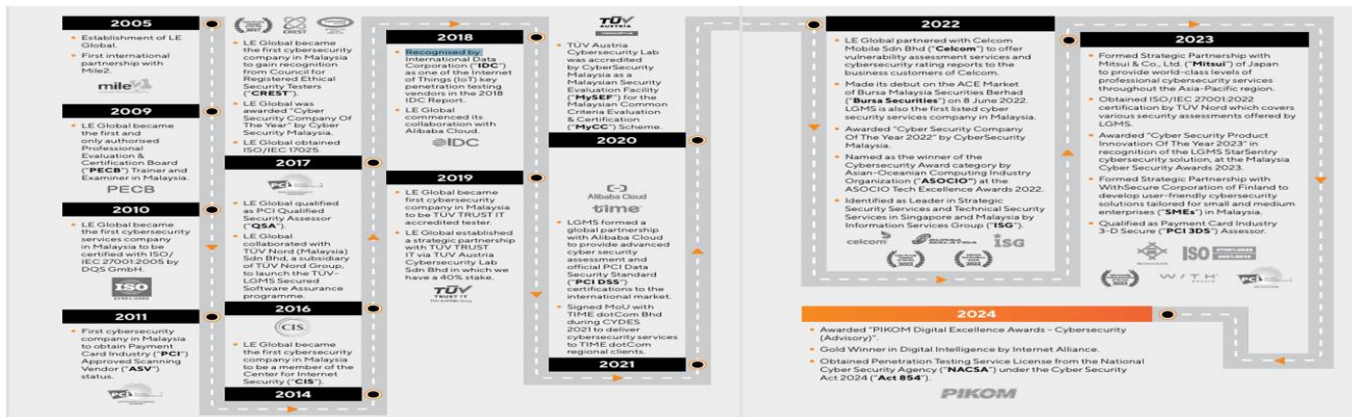
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Company Background

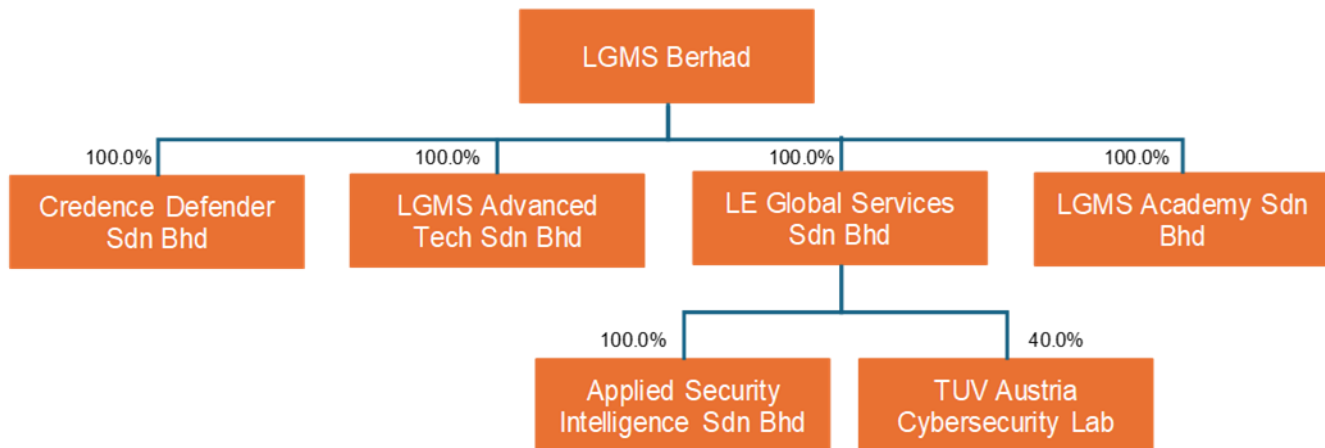
LGMS Berhad (“LGMS” or “the Group”) is an independent cybersecurity service provider based in Malaysia, specialising in professional assurance, assessment, and compliance services. Incorporated in 2020 and listed on the ACE Market of Bursa Malaysia in June 2022, the Group provides a comprehensive range of cybersecurity solutions, including penetration testing, digital forensics, vulnerability assessment, risk and compliance audits, and cybersecurity training. LGMS operates primarily through its main subsidiary, LE Global Services Sdn. Bhd., which has been active in the cybersecurity sector since 2005. The Group differentiates itself as a pure-play cybersecurity assurance company, focusing exclusively on independent testing and advisory services without affiliation to specific technology vendors. This independence positions LGMS as a trusted partner for both government and enterprise clients seeking unbiased cybersecurity validation. Its clientele spans key industries such as financial services, telecommunications, energy, and critical national infrastructure. In recent years, LGMS has expanded into managed and recurring solutions through the launch of StarSentry, an AI-enabled security monitoring platform targeted at small and medium enterprises. The Group has also sought to extend its regional presence through partnerships with Alibaba Cloud, TÜV Austria Group, and Mitsui Bussan Secure Directions (MBSD) of Japan, aimed at enhancing its technological capabilities and regional reach.

Figure 20: Company Milestone (2005-2024)



Source: Company

Figure 21: Corporate Structure

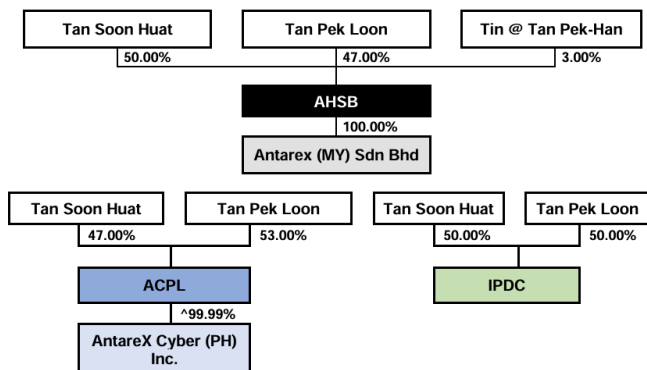


Source: Company, Mercury Securities



Figure 22: Shareholding Structure (As at 3 July 2025)

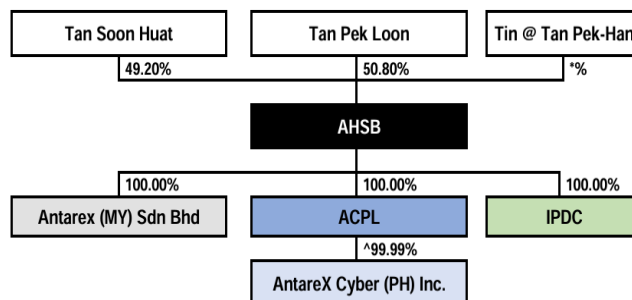
As at the LPD



Source: Company

Figure 23: Shareholding Structure (After the Pre-Acquisition)

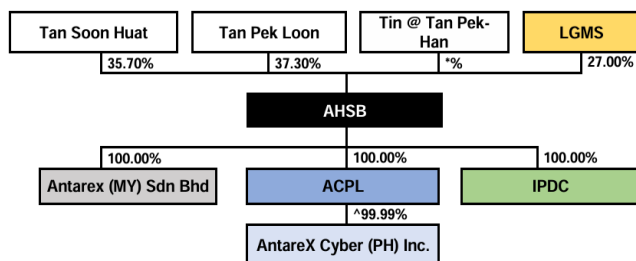
After the Pre-Acquisition Restructuring



Source: Company

Figure 24: Shareholding Structure (After the Proposed Acquisition)

After the Proposed Acquisition



Source: Company

Figure 25: Mitsui, the second largest shareholder of LGMS

Analysis of Shareholdings

As at 25 March 2025

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of Shareholders	No. of Shares	%
1	FONG CHOONG FOOK	166,036,040	36.41
2	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR SUMITOMO MITSUI TRUST BANK (U.S.A.) LIMITED (MITSUI CO)	114,000,000	25.00
3	GOH SOON SEI	49,268,960	10.81
4	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR PRINCIPAL ISLAMIC SMALL CAP OPPORTUNITIES FUND	11,025,200	2.42

Source: Company

Figure 26: Business Segments

Cyber Risk Prevention:	Cyber Risk Management & Compliance:	Cyber Threat & Incident Response:
(i) Vulnerability assessment and penetration testing, (ii) cybersecurity risk scoring and monitoring, and (iii) cybersecurity training.	(i) Compliance and certification services including for PCI DSS, ISO/IEC 27001, SWIFT security assessment and national cybersecurity standards.	(i) Digital forensics and computer crime investigations, (ii) cybersecurity incident response, and (iii) compromise assessment.

Source: Company



Figure 27: Company & Professional Certifications



Source: Company

Figure 28: Operational Process



Source: Company, Mercury Securities

Figure 29: Geographical Footprint



Source: Company



SWOT Analysis

S STRENGTHS	W WEAKNESS
Market Leadership in Cybersecurity Assurance: Recognised as one of Malaysia's leading pure-play cybersecurity assurance providers, specialising in penetration testing, digital forensics, and compliance audits. Strong Reputation & Certifications: Holds international accreditations including CREST, and ISO/IEC 27001 reinforcing technical credibility and trust among clients. Strategic Partnerships: Collaborations with TÜV Austria and Mitsui Bussan Secure Directions enhance regional credibility and technical capabilities.	Domestic Revenue Dependence: Malaysia accounts for 84.0% of FY2024 revenue, with overseas operations still nascent. Skilled Talent Dependence: The business depends on certified cybersecurity experts, and industry-wide skill shortages (19% attrition in FY2024) may limit scaling capacity. Narrow Product Diversification: Although LGMS has launched its SaaS solution (<i>StarSentry</i>) for continuous security monitoring, most of its revenue still originates from project-based assurance services.
T THREATS	O OPPORTUNITIES
Intensifying Competition: Global consulting firms and local players are expanding cybersecurity offerings, pressuring margins and client retention. Evolving Cyber Threats: Rapid technological shifts such as AI-driven attacks and ransomware require cybersecurity methodologies to concurrently evolve to stay relevant. Talent Retention Risks: Regional competition for skilled cybersecurity professionals could increase wage costs and strain profitability.	Recurring Income Growth: The launch of StarSentry, an AI-driven subscription platform for SMEs, marks LGMS's shift toward recurring and scalable income streams. Regulatory Tailwinds: New Cyber Security Act 2024 and stricter PDPA enforcement drive compliance services demand. Regional Expansion: Offices in Singapore, Vietnam, and Cambodia, coupled with global partnerships, open access to fast-growing ASEAN markets with rising cybersecurity needs.

Figure 25: Key Management Team

Name and Designation	Age	Profile
Fong Choong Fook Executive Chairman, Founder	49	Appointed to the Board on 1 September 2021. He has over 20 years of experience in cybersecurity, including penetration testing, advisory work, and digital forensics, and has previously served as Nomination Chairman of the (ISC) ² Malaysia Chapter and as a proctor for CISSP and SSCP exams in Malaysia and Indonesia. He holds certifications including CISSP, CISA, CISM, PCI SSC, and ISO Auditor, and has received awards such as Cyber Security Professional of the Year (2016, 2022) and the PIKOM Tech Entrepreneur (Cybersecurity) Award (2024). He oversees the Group's strategic direction, business development, and governance, and is a member of the Risk Management Committee.
Goh Soon Sei Executive Director	51	Appointed to the Board on 1 September 2021. She is also a co-founder of LE Global Services Sdn Bhd. With over 20 years of experience in IT security governance, PCI DSS compliance, and risk assessment, she oversees the Group's cyber risk management and compliance operations, focusing on governance, IT audit, and enterprise compliance frameworks. She holds certifications including ISO/IEC 27001 Lead Auditor, PCI QSA, and PCI 3DS Assessor, and previously served at BAT GSD, Unisys (MyKad project), and Neural Technologies.
Dr. Teh Chee Ghee Independent Non-Executive Director	59	Appointed to the Board on 1 September 2021. He holds a Doctor of Philosophy in Credit Management from the University of Malaya and has over 30 years of experience across audit, academia, and corporate management, including serving as Chief Operating Officer of Engtex Group and as a Senior Lecturer at Monash University Malaysia. A Fellow of ACCA and a member of MIA and CTIM, he is Chairman of the Remuneration and Risk Management Committees, and also sits on the Audit and Nomination Committees, while holding Independent Director roles at ACO Group Berhad and Flexidynamic Holdings Berhad.
Chan Kam Chiew Independent Non-Executive Director	60	Appointed to the Board on 1 September 2021. He is a former Partner at KPMG Malaysia with 36 years of audit and advisory experience and has served two terms as a board member of the Malaysian Accounting Standards Board (MASB). A member of MIA, MICPA, and ICDM, he currently serves as Group Finance Director at Can-One Berhad and Box-Pak (Malaysia) Berhad, holds Independent Director roles at Kerjaya Prospek Group, Well Chip Group, and Panda Eco System Berhad, is Chairman of both the Audit Committee and the Nomination Committee, and also sits on the Remuneration Committee and the Risk Management Committee.



Toshio Kanki Non-Independent, Non-Executive Director	64	Appointed to the Board on 17 February 2025. He currently serves as Chief Strategy Officer of Mitsui Bussan Secure Directions, Inc. (MBSD) in Tokyo, Japan, and is a member of Mitsui's Cybersecurity Business Department. He was previously CEO of MBSD from 2010 to 2021 and has over 30 years of experience in cybersecurity, ICT, and corporate strategy across Mitsui's global operations. He specialises in red team operations, SIEM/EDR deployment, and advanced cybersecurity technologies, and advises Mitsui on strategic overseas investments in cybersecurity service companies.
Ts. Lim Mei Shyan Independent Non-Executive Director	50	Appointed to the Board on 1 September 2021. She holds a Master of Science in Computing and Information Systems from the University of Greenwich, United Kingdom, and has over 20 years of experience in education and cybersecurity academia, including serving as Dean of the Faculty of Computing and IT at Tunku Abdul Rahman University of Management and Technology (TAR UMT). A registered Professional Technologist with the Malaysia Board of Technologists (MBOT), she focuses on computer networking, cybersecurity education, and curriculum development, and is a member of the Audit, Nomination, and Remuneration Committees.
Gilbert Chu Chief Operating Officer	39	Appointed in November 2016. He oversees the Group's day-to-day operations, including the technical teams responsible for cyber risk prevention, cybersecurity management and compliance, as well as cyber threat and incident response, and also manages business development, marketing, and the commercial teams. He has over 15 years of experience in cybersecurity operations and compliance management, beginning his career at Genting Berhad as an IT Security Executive in 2009 before joining LGMS in 2010. He holds certifications including CISM, PCI QSA, and ISO/IEC 27001 Lead Auditor, and specialises in cybersecurity risk management, compliance, and governance.
Fow Chee Kang Senior Director, Professional Services	37	Appointed in November 2019. He leads the technical teams responsible for cyber risk prevention and cyber threat and incident response, supervises and implements the Group's technological strategies, and oversees research and development activities. He has over 10 years of experience in cybersecurity assessment and consultancy, holds a Bachelor of Science in Internet Technology from Campbell University (Magna Cum Laude), and certifications including OSCP, ISO/IEC 27001 and 27005, and Mile2 CPT. He specialises in penetration testing, digital forensics, and incident response.
Lum Pui Yee Financial Controller	37	Appointed in December 2020. She has over 10 years of experience in accounting and auditing and is a member of CPA Australia and the Malaysian Institute of Accountants (MIA). She holds a Bachelor of Arts (Hons) in Accounting and Finance from the University of East London, United Kingdom, and previously served as Audit Manager with Baker Tilly Monteiro Heng PLT and RSM Singapore. She oversees the Group's finance, treasury, human resources, taxation, and internal control functions.

Major Customers

LGMS Berhad's customer base comprises primarily regulated and enterprise clients that require independent cybersecurity assurance and compliance testing. The Group's reputation as a vendor-neutral service provider and one of Malaysia's few CREST and ISO/IEC 27001-certified cybersecurity assessors has enabled it to serve a diverse range of industries with stringent security requirements. In FY2023, Customer A was the sole contributor equal to or more than 10% of the Group's total revenue. In FY2024, there is no single customer that contributed equal to or more than 10% of the Group's total revenue.

The financial services sector remains the company's largest revenue contributor, driven by demand from banks, payment processors, and fintech firms that must comply with international cybersecurity frameworks such as PCI DSS and ISO/IEC 27001. These clients engage LGMS regularly for penetration testing, vulnerability assessments, and certification audits to maintain compliance with both Bank Negara Malaysia (BNM) and global standards.

Beyond financial institutions, LGMS also serves telecommunication and technology providers, supporting them with network security validation, cloud infrastructure testing, and regulatory compliance. The public sector and government-linked agencies constitute another significant client group, particularly under Malaysia's National Critical Information Infrastructure (NCII) initiatives, where LGMS provides vulnerability assessment and assurance services to ministries and statutory bodies.

The Group's clientele further extends to large corporates and conglomerates across industries such as manufacturing, healthcare, logistics, and utilities, which require independent verification of their cybersecurity posture to meet customer or international compliance expectations. This sectoral diversification provides recurring engagement opportunities across various regulatory frameworks.

In FY2024, 84% of the Group's revenue was derived from Malaysia, while the remaining 16% came from regional markets including Singapore, Vietnam, Cambodia, and Hong Kong. LGMS is also gradually expanding its customer reach to small and medium enterprises (SMEs) through its newly launched StarSentry platform—an AI-enabled, subscription-based cybersecurity monitoring solution that offers affordable and continuous protection. This initiative marks an important step in broadening the company's customer base beyond enterprise clients toward recurring SME engagements.



Key Risks

Skilled Labour-Intensive Business Model. As a professional services firm, LGMS's revenue generation remains closely tied to the number of projects it can deliver and the capacity of its technical workforce. Each engagement requires manual testing, reporting, and validation, limiting economies of scale compared to software-driven cybersecurity firms. While the Group has introduced StarSentry, an AI-enabled subscription platform, to diversify its income base, professional assurance services still account for the bulk of revenue. Sustained growth and margin expansion will require the company to gradually automate routine processes while maintaining service quality and compliance accuracy.

High Local Client Exposure. 84% of LGMS's FY2024 revenue was derived from Malaysian clients, exposing the Group to domestic market and policy changes. Any slowdown in local corporate spending, shifts in national cybersecurity regulations, or budgetary constraints in the public sector could weigh on near-term performance. While the company has expanded into Singapore, Vietnam, and Cambodia, these markets are still in early development stages. Achieving sustainable regional growth will depend on building local brand awareness, compliance readiness, and efficient cost structures in new jurisdictions.

Competitive Pressure. The cybersecurity assurance market has been an intense competition due to the growing market pulling in new entrants and industry innovation. LGMS's competitive advantage lies in its vendor-neutral position and multiple international accreditations, but continued differentiation will be critical to maintaining its market share and pricing power.

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Sustainability Review

Figure 29: Stakeholder Engagement

Stakeholder Group	Area of Interest	Engagement Approach
Board 	- Business sustainability and growth - Financial and operational performance - Risk management and internal controls - Corporate governance	- Board meetings - Board Circular papers
Shareholders and Investors 	- Group's business performance and prospects - Sustainable business profitability - Strategic plans - Shareholder's value	- Annual General Meeting - Company Announcements - Quarterly Financial Results - Annual report - Corporate Website
Employees 	- Career development and job satisfaction - Competitive remuneration and benefits - Occupational Health and Safety capacity building and talent management - Continuous training and development - Monthly team meeting	- Review Human Resources policies from time to time - Capacity-building programmes - Performance Appraisal - Newsletter, email blast and social media - Training and development programme - Company events and activities - Formal and informal meetings/discussion
Customers 	- Service quality and timely delivery - Customer service and satisfaction - Sustaining long term relationship	- Reputation, trust and confidence - Quality and timely delivery of projects and compliance with standards
Suppliers and Vendors 	- Sustainable procurement practices - Transparency - Strategic partnership - Credit terms and timely payment	- Vendor survey - Vendor quality & performance review - Virtual and/or physical communications
Government/Regulatory Bodies/Accreditation Bodies 	- Compliance with policies and procedures of relevant certification and accreditation bodies - Compliance with requirements of local authorities and government bodies - Corporate governance	- Compliance audit - Industry memberships (eg. PCI, CREST, CIS and PIKOM)
Communities and Public 	- Collaboration with universities - Socio-economic issues - Environmental impacts	- Internship opportunities for university students - Community programmes - Social media

Source: Company

The LGMS Group's materiality assessment is currently conducted internally, focusing on identifying, prioritizing, and confirming the most material Environmental, Social, and Governance (ESG) issues relevant to the group's business and industry. The process aims to align sustainability efforts with key material issues that could significantly influence stakeholder perceptions and enable informed decision-making to prevent or minimize potential impacts on the organization. Going forward, LGMS plans to expand this assessment by incorporating insights and perspectives from a broader range of external stakeholders.

The Group continues to strengthen its sustainability journey, focusing on reducing its carbon footprint and enhancing operational efficiency through structured environmental, social and governance (ESG) initiatives:

Environmental (E)

1. Climate Change and Emissions

- Electricity consumption rose 10.2% to 145.1 MWh in FY2024 from 131.7 MWh in FY2023.
- Scope 2 emissions increased by 9.9%, reaching 79.8 tonnes in FY2024 (FY2023: 72.6 tonnes) CO₂ equivalent due to a 26.3% increase in workforce.
- The Group's emissions are mainly indirect (Scope 2) from electricity purchased for high-performance computing.
- LGMS aims to implement energy efficiency measures, promote employee behaviours like turning off unused equipment, and explore renewable energy options to reduce carbon footprint.

2. Waste Management and Recycling

- Proper disposal of obsolete electrical equipment is enforced according to regulations.



- Partnerships with recycling companies are being explored for sustainable waste handling systems.
- Moving forward, LGMS plans to develop comprehensive waste management programs to enhance environmental stewardship.

Social (S)

1. Occupational Safety & Health (OSH)

- No work-related fatalities or lost-time incidents reported for FY2023 and FY2024.
- Commitment to safe work environment for employees, suppliers and any other relevant stakeholders upheld.
- Looking forward, LGMS stives to maintain and improve occupational safety protocols to ensure employee wellbeing

2. Workforce Diversity

- Total employees increased 26.3% to 149 in FY2024 from 118 in FY2023.
- Gender diversity maintained: 36% female, 64% male.
- Ethnic diversity includes Malays, Chinese, Indians, and others; recruitment and pay are merit-based without discrimination.
- New hires rose to 57 in FY2024 (FY2023: 32); attrition increased slightly to 19% (FY2023: 10%).
- Looking ahead, LGMS targets to expand recruitment pipelines, enhance mentorship and staff training programs, and maintain a diverse and inclusive workforce.

3. Talent Management

- LGMS prioritizes talent attraction, development and retention as the Group relies on high-calibre professionals for its services.
- A Training Needs Analysis (TNA) is conducted to identify tailored training requirements that complements each employee.
- Employees are also encouraged to pursue additional training to upskill, as LGMS sponsors any associated costs with subject to approval from both each respective direct manager and senior management.
- Considering supporting growth of its workforce, LGMS also actively encourages its employees to obtain internationally accredited certifications including:

Figure 30: Essential Certifications

- Certified MyCC Evaluator (CME)
- Computer Hacking Forensic Investigator (CHFI) Mile2 Certified
- Digital Forensic Examiner (CDFE)
- SANS GIAC Certified Forensic Analyst (GCFA)
- SANS GIAC Certified Forensic Examiner (GCFE)
- Certificate of Cloud Security Knowledge (CCSK) V4 from CSA
- ISACA Certified Information Systems Auditor (CISA)
- Offensive Security Certified Professional (OSCP)
- Offensive Security Experienced Penetration Tester (OSEP)
- Offensive Security Certified Expert (OSCE)
- OffSec Wireless Professional (OSWP)
- PCI Security Standards Council QSA (PCI QSA)
- PCI Security Standards Council ASV (PCI ASV)

- (ISC)² Certified Information Systems Security Professional (CISSP)
- IRCA Information Security Management Systems Auditor
- ACFE Certified Fraud Examiner (CFE)
- PECB Certified ISO/IEC 27001 Senior Lead Auditor
- PECB Certified ISO/IEC 27032 Senior Lead Cybersecurity Manager
- PECB Certified ISO/IEC 27001 Lead Implementer
- PECB Certified ISO/IEC 27001 Senior Lead Implementer
- PECB Certified ISO/IEC 27001 Lead Auditor
- PECB Certified Trainer
- PECB Certified ISO/IEC 27005 Lead Risk Manager
- Cellebrite Certified Logical Operator (CCLO)
- Cellebrite Certified Physical Analyst (CCPA)
- ISACA Certified Information Security Manager (CISM)
- PCI 3DS Core Security Standard (3DS) Assessor

Source: Company

Governance (G)

In line with its commitment to strong governance standards, the Board remains focused on achieving high levels of transparency, accountability, and ethical conduct across the organisation. To support these objectives, the Group aligns its governance framework with the principles and recommended practices of the Malaysian Code on Corporate Governance (MCCG) 2021, as required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This proactive approach reflects the Board's ambition to uphold best-in-class governance practices, strengthen organisational integrity, and reinforce stakeholder confidence in the Group's long-term stewardship.

1. Corporate Governance & Regulatory Compliance

- LGMS continues to uphold the highest standards of corporate governance and ethical conduct.
- The Group maintained full compliance with the Malaysian Code on Corporate Governance (MCCG), supported by the implementation of anti-corruption, whistleblowing, ethics and fit & proper policies.
- In FY2024 and FY2023, there were zero confirmed cases of corruption.
- Moving forward, LGMS aims to further reinforce sustainability practices into its operations.



2. Compliance with Established Standards

- LGMS continues to comply with global industry standards through obtaining various certifications and licenses as below:

Figure 31: Obtained Certifications as of FY2024

No.	Certification	Approving Authority/ Issuer/ Partner
1	ISO/IEC 27001:2022 Information Security Management System (ISMS) Certified Company	TÜV NORD CERT GmbH
2	ISO 9001:2015 Quality Management System (QMS) Certified Company	TÜV NORD CERT GmbH
3	CREST Accredited Company for Penetration Testing	CREST (International)
4	PCI SSC Approved Scanning Vendor (ASV)	PCI Security Standards Council
5	PCI DSS Qualified Security Assessor (QSA)	PCI Security Standards Council
6	PCI 3DS Core Security Standard (3DS) Assessor	PCI Security Standards Council
7	SWIFT Customer Security Programme (CSP) Assessment Provider	SWIFT
8	Cybersecurity Service Provider License	Cybersecurity Agency Singapore
9	Cyber Security Malaysia Penetration Test Service Provider (PTSP)	Cybersecurity Malaysia
10	Center for Internet Security (CIS) Member	Center for Internet Security
11	PECB Authorised Trainer and Examiner	PECB
12	ISACA Training Provider and Channel Partner	ISACA
13	Mile2 Authorised Training Center	Mile2
14	Cloud Security Alliance Training Partner	Cloud Security Alliance

Source: Company

LGMS demonstrates its commitment to sound corporate governance through adherence to the Malaysian Code on Corporate Governance (MCCG) and ongoing stakeholder engagement under its sustainability framework. The Group regularly assesses material ESG matters with a top-down approach as the Board provides strategic oversight on key ESG matters. Meanwhile, Senior Management is responsible for developing, implementing and monitoring sustainability initiative across the Group to ensure alignment with the Group's vision and stakeholder expectations.

As at the latest practicable date (LPD), the Group has adopted key MCCG recommendations, with strong board independence and gender diversity:

Key MCCG Governance Indicators

MCCG Governance Application	Practices Fully Applied except departures for Practice 1.4
Independent Directors	3 out of 6 (50% of the Board)
Women Directors	2 out of 6 (33% of the Board)
Compliance with 30% women target	Achieved and Exceeded

Source: Company, Mercury Securities

The composition of the Board reflects the Group's emphasis on diversity and independence in decision-making. The Group continues to enhance its governance practices through structured stakeholder engagement, ESG integration and alignment with MCCG principles.

Overall ESG Performance. LGMS demonstrated adequate ESG performance through its commitment towards responsible and sustainable business practices. Environmentally, LGMS focused on managing its energy use and promoting responsible waste practices, reflecting efforts to minimise its operational footprint. Socially, the company maintained a diverse and expanding workforce, emphasising talent development, equal opportunity, and a safe working environment. On governance, LGMS upheld high ethical standards through robust compliance policies, transparent board practices, and zero tolerance for corruption. Overall, the Group's ESG performance demonstrates steady progress toward aligning sustainable growth with long-term stakeholder value creation.

Income Statement						Financial Data & Ratios					
FY Dec (RM m)	2023A	2024A	2025E	2026E	2027E	FY Dec	2023A	2024A	2025E	2026E	2027E
Revenue	34.2	43.6	43.4	49.1	55.5	Growth					
EBITDA	15.9	17.1	13.2	15.4	17.9	Turnover	4.4%	27.4%	-0.4%	13.0%	13.0%
Depreciation & Amortz	(1.4)	(1.1)	(1.7)	(1.6)	(1.5)	EBITDA	-4.4%	7.6%	-22.5%	16.2%	16.4%
Operating Profit	14.5	16.0	11.5	13.8	16.4	Operating Profit	-5.5%	10.5%	-28.3%	20.0%	18.9%
Interest Inc/(Exp)	0.7	0.5	0.4	0.4	0.4	PBT	-2.4%	8.5%	-28.0%	34.9%	19.2%
Assoc Earnings	-	-	-	1.9	2.3	Core Net Profit	-2.9%	10.4%	-27.2%	34.9%	19.2%
Profit Before Tax	15.2	16.5	11.9	16.1	19.1						
Taxation	(4.0)	(4.2)	(2.9)	(3.9)	(4.7)	Profitability					
Net Profit	11.2	12.3	9.0	12.1	14.5	EBITDA Margin	46.3%	39.2%	30.5%	31.3%	32.2%
Core PATAMI	11.2	12.3	9.0	12.1	14.5	Operating Margin	42.3%	36.7%	26.4%	28.1%	29.6%
						PBT Margin	44.5%	37.9%	27.4%	32.7%	34.5%
Balance Sheet						Core Net Margin	32.6%	28.3%	20.7%	24.7%	26.1%
Fixed Assets	9.3	24.2	45.1	44.1	43.0	Effective Tax Rate	26.3%	25.3%	24.5%	24.5%	24.5%
Intangible Assets	0.1	0.1	22.8	22.8	22.8	ROE	13.0%	13.1%	9.1%	11.2%	12.2%
ROU Assets	0.3	0.1	0.2	0.3	0.4	ROA	11.7%	11.6%	8.0%	10.0%	11.0%
Other Fixed Assets	4.9	4.9	4.9	4.9	4.9						
Contract Assets	1.6	2.0	2.0	2.0	2.0						
Receivables	9.6	11.5	14.3	16.1	18.2	Leverage					
Other Current Assets	11.8	14.1	16.9	18.7	20.8	Debt/Asset (x)	0.46%	0.62%	0.56%	0.49%	0.42%
Cash	73.6	68.1	50.4	58.1	67.3	Debt/Equity (x)	0.51%	0.70%	0.64%	0.55%	0.47%
Total Assets	95.7	106.4	112.3	120.8	131.1	Net (Cash)/Debt	(73.2)	(67.4)	(49.7)	(57.6)	(67.3)
						Net Debt/Equity (x)	N.Cash	N.Cash	N.Cash	N.Cash	N.Cash
Payables	3.7	5.0	5.0	5.0	5.0						
ST Borrowings	0.2	0.2	0.2	0.2	0.2	Valuations					
Other ST Liability	8.4	11.2	12.7	12.2	11.7	Core EPS (sen)	2.5	2.7	2.0	2.7	3.2
LT Borrowings	0.2	0.5	0.5	0.5	0.5	NDPS (sen)	0.0	0.0	0.0	0.0	0.0
Other LT Liability	0.3	0.2	0.2	0.2	0.2	BV/sh (RM)	0.19	0.21	0.22	0.24	0.26
Net Assets	86.6	94.4	98.8	107.8	118.6	PER (x)	26.3	23.8	32.7	24.3	20.4
						Div. Yield (%)	2.8%	1.6%	0.8%	1.0%	1.2%
Shareholders' Equity	86.6	94.4	98.8	107.8	118.6	PBV (x)	3.4	3.1	3.0	2.7	2.5
Minority Interests	0.0	-	-	-	-						
Total Equity	86.6	94.4	98.8	107.8	118.6						
Cashflow Statement											
FY Mar (RM m)											
Operating CF	10.9	12.8	7.2	11.1	13.2						
Investing CF	3.2	(12.8)	(22.5)	(0.3)	(0.3)						
Financing CF	(9.7)	(5.5)	(2.3)	(3.1)	(3.7)						
Change In Cash	4.4	(5.6)	(17.6)	7.7	9.2						
Free CF	10.1	(2.5)	6.6	10.6	12.6						

Source: Mercury Securities



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