

Company Name : GHL Systems Berhad
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GHL Systems Rises 3.94% On Upgrade, Higher Target Price

KUALA LUMPUR (Aug 30): GHL Systems Bhd shares rose 3.94% this morning after the stock was upgraded with a higher target price.

At 10.37am, GHL rose 5 sen to RM1.32 for a market capitalisation of RM988.96 million.

RHB Research Institute Sdn Bhd upgraded GHL to "buy" at RM1.27 with a higher target price (TP) of RM1.77 (from RM1.57) and said GHL's 1H19 results were within house but below consensus expectations.

In a note today, the research house said it expects a stronger 2H in view of the growing Transaction Payment Acquisition touchpoints and contributions from the new collaborations.

"At 25x FY20F P/E (peers: 26x), the current share price weakness is an opportunity to buy into a regional payment service player with growing touchpoints and unmatched ASEAN presence.

"Our TP is based on unchanged 35x FY20F P/E," it said.

The research house lowered its FY19F/20F earnings forecast for GHL by 3% and 4.9% but raised FY21F by 2.9% to account for the delay in the targeted RON95 petrol subsidy system, given indecision from the government on the implementation.

"Risks to our call include weaker consumer sentiment, slower adoption of e-payment solutions, and regulatory risks," it said.