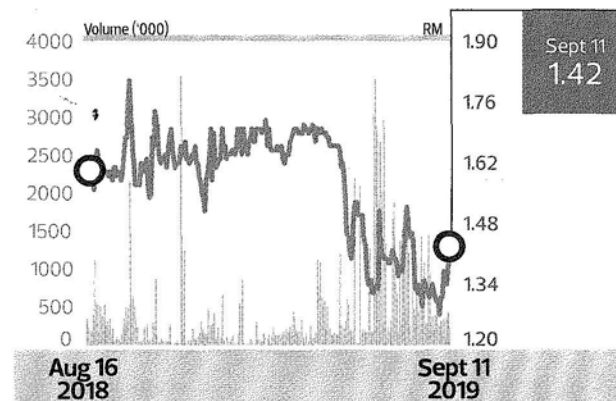


Company Name : GHL Systems Berhad  
 Date : 16 September 2019  
 Source : The Edge Financial Weekly

## GHL Systems Bhd

Target price: **RM1.77 BUY**



**RHB INVESTMENT RESEARCH (SEPT 10):** Results for 1H19 were within our expectation, but below consensus. Revenue grew 35.3%, driven by contributions from the acquisition of Payscale (M) Sdn Bhd in 2018 and transaction payment acquisition (TPA) growth. However, the bottom line grew only 7.5%, dragged by higher administrative and distribution costs.

Management said core earnings would have grown 20% if the direct costs involved in its regional expansion were stripped off. We understand that the targeted RON 95 petrol subsidy system's initial plan remains in place with no new instructions.

GHL is expected to gain traction in the Philippines and Thailand with more terminal deployments — electronic data capture (EDC) and/or mobile point of sale (mPOS) — and cross-border e-wallet acceptances. Offline deployment for Indonesia is still challenging, and the group will instead focus on mPOS solutions and e-wallets for now. The plan in Cambodia is to capture the large Chinese tourist group segment by acquiring e-wallet payments, despite the slow progress there. Management revealed that there are plans to expand into other Asian countries such as South Korea.