

**Company Name** : NexG Berhad  
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## **NexG Contract Wins Within Expectations**



PETALING JAYA: Analysts are positive on technology company NexG Bhd's passport and MyKad-related contract extensions and comprehensive maintenance services contracts, but have maintained their targets as the wins are within expectations.

In a report to clients, RHB Research said it was positive on NexG's contracts from the Home Ministry which are worth more than RM45.5mil.

"These wins were within expectations and are testament to the group's ability to deliver public services in various mission-critical projects," it told clients.

It said the contract were within its order replenishment assumption and should support NexG's earnings outlook on the back of sustained strong demand for such government-related solutions.

The current share price overhang from the absence of long-term contract extensions for both MyKad and passport-related solutions should ease with yet more contract extensions being secured, it said.

At the time of writing, NexG was trading at 43 sen, up one sen yesterday.

RHB Research said it was maintaining its forecasts, as the contract wins were within its expectations.

"Our target price is maintained at 48 sen, which is based on an unchanged 20 times financial year ended March 31, 2026 (FY26) price to earnings (at the five-year mean)."

It said its target price was inclusive of a 4% environmental, social and governance (ESG) discount, as NexG's 2.8 ESG score is below the 3.0 country mean.

"We like the group for its competitive strength in its niche solutions, healthy yields, strong cash flow generation, and potential upside from new project wins at attractive valuations, the research house added.

NexG, formerly known as Datasonic Group Bhd, said it had secured four contract extensions from the Home Ministry – two of which carry a combined value of RM45.54mil, while the other two are time-only extensions with no additional contract value.

It said in a filing with Bursa Malaysia that the group's wholly-owned subsidiary, Datasonic Technologies Sdn Bhd, accepted letters of extension dated July 2, involving continued supply and maintenance services for the National Registration Department (JPN) and the Immigration Department.

A six-month extension until May 31, 2026, was awarded for the supply of MyKad, MyTentera and MyPOCA raw cards and consumables to JPN, with a third ceiling contract value of RM29.68mil.

Higher input costs, weaker-than-expected orders, non renewal of contracts, changes in policies and governance concerns were among the key downside risks.