# Maybank IB expects ITMAX's turnover to increase by RM23.6 mil for FY2024-FY2025

Bernama

KUALA LUMPUR (Feb 13): ITMAX System Bhd's recent Variation Order No 7 (VO7) contract secured from Kuala Lumpur City Hall (DBKL) is expected to increase the group's turnover by approximately RM23.6 million for the financial year ending Dec 31, 2024 (FY2024) to FY2025, said Maybank Investment Bank (Maybank IB).

In a note on Tuesday, the research house said the contract came as a positive surprise last week, as there had been no prior indication of additional scope of work for the existing contract.

"We maintain our FY2023 earnings [forecast], but raise FY2024 by 14% and FY2025 by 12%. Our target price (TP) is also nudged 30 sen higher to RM2.40 (+14%).

"We peg our TP to an unchanged 24.4 times FY2024 price-earnings ratio (PER), a 20% premium to the simple PER average of its comparable peers," it said.

Maybank IB also said that it continues to like ITMAX for its cost, security, and technical advantages over its peers.

It said the latest VO7 contract secured on Feb 6 will cover the replacement cost of roughly 18,000 street light units that were either broken, malfunctioned, or had expired warranties.

ITMAX initially secured its first DBKL street lighting contract in July 2016, which lasted for five years, and the contract has been renewed twice, first in August 2021 and again in August 2023.

The latest extension is for three years, until July 2026, with a contract value of RM52.8 million.

ITMAX shares closed three sen or 1.46% lower at RM2.03, giving it a market captialisation of RM2.12 billion. The counter is up 13.4% this year.