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PETALING JAYA: SMRT Holdings Bhd is in advanced stages of finalising two merger and acquisition deals to broaden its product suite and deepen customer stickiness. The first involves an intellectual property-related company, where SMRT plans to leverage the target's proprietary technology and integrate it into its current solutions for existing clients, said Hong Leong Investment Bank (HLIB) Research.

The second involves an floor space index (FSI)-focused player, which would allow SMRT to move beyond Internet of Things solutions for automated teller machines and provide a more comprehensive suite to financial services customers, a timely move, given the more accretive pricing in this sector. While the group has yet to guide on the deal sizes, it has reassured that no share

issuance will be required to fund these acquisitions. Apart from the potential tax drag, HLIB Research believes three key factors will drive SMRT's operational earnings growth in financial year 2026. It is the pace of Tenaga Nasional Bhd's site provisioning, the timing of the PLN Jakarta Phase 2 contract award, and deployment orders from FSI customers in Indonesia and the Philippines.