



21 AUG, 2025

## SMRT back in the black, set for Main Market transfer

New Straits Times, Malaysia



### RM28.4m CORE NET PROFIT

# SMRT back in the black, set for Main Market transfer

**KUALA LUMPUR:** SMRT Holdings Bhd has returned to positive retained earnings, opening the possibility for a move to the Main Market, Hong Leong Investment Bank Bhd (HLIB Research) said.

HLIB Research said the company's core net profit for financial year 2025 has reached RM28.4 million, in line with expectations at 102 per cent of their full-year forecast.

The research firm added that SMRT is projected to register a substantial increase in earnings for financial year 2026, driven by an expansion in managed sites and steady progress with its key clients, which include Tenaga Nasional Bhd (TNB), Air Selangor and Indonesia's Perusahaan Listrik Negara (PLN).

HLIB Research also noted that the management has reported a reduction in TNB's site backlog from 2,000 to roughly 1,800.

Meanwhile, the tender for PLN Jakarta Phase 2 has restarted, with the award anticipated between the fourth quarter of 2025 and the first quarter of 2026, suggesting a potential rebound in overseas contributions in the latter half of next year.

"TNB's elevated regulatory period 4 capex should support a more consistent rollout pace, while Air Selangor's order vol-

umes are likely to benefit from the early-2024 water tariff hike, which is expected to catalyse greater investment in non-revenue water reduction.

"In the Philippines, the deployment of 1,000 point-of-presence access infrastructure sites will enhance SMRT's recurring income base, with additional upside from connecting the remaining 2,000 automated teller machines," it said.

The research firm noted that, in addition to its core clients, SMRT is aiming to grow its presence in the regional financial services and utility sectors.

It plans to leverage its established business model and pursue mergers and acquisitions to drive long-term expansion.

HLIB Research has reaffirmed its "buy" rating on SMRT, keeping the target price unchanged at RM2.07, which is based on a 30-times earnings per share for financial year 2026.

"We continue to favour SMRT for its earnings potential in the utilities and financial services sectors, supported by a growing recurring income base.

"The rollout of more managed sites is expected to provide greater stability and drive consistent growth in its recurring revenue stream," it added.