

Insights Analytics Berhad (0376)

Leveraging Digital Shift

By Tan Jia Hui / jiahui@tradeviewcapital.my

Subscribe

Target Price: RM 0.480 (+33%)

Current Share Price: RM 0.36

Valuation

Our target price is based on:

FY27F PE of 10.4x, -1.0 standard deviation below Ranhill Utilities 5-year historical average PE of 33.8x, justified by IAB’s smaller market capitalisation and limited geographical presence.

IPO Note

Growth

Investment Horizon : 12 months

We recommend a Subscribe rating for Insights Analytics Berhad (IAB), with a target price of RM0.480, representing a 33% upside. IAB is an integrated water technology and intelligent asset management solutions provider, specialising in non-revenue water (NRW) reduction and AI-driven asset management systems for clients in various industries. We favour IAB for its (i) strong market leadership in Sarawak, (ii) high margin & growth from intelligent asset management solution segment, and (iii) West Malaysia expansion.

Strengthening Sarawak’s Water Infrastructure Through Digital NRW Management



IAB is the sole NRW solution provider in Sarawak with over 13 years of experience serving JBALB and Sibu Water Board through its proprietary Intelli Water System (IWS). Supported by government-led initiatives, IAB actively acts as a subcontractor providing consultancy and pipe detection using its proprietary soundwave technology, which is the only non-intrusive solution in Sarawak, earning 10–15% of total project value. With a RM45.2mn tender book and a 30% win rate, mostly tied to Sarawak Water’s Command Center Project, IAB remains well positioned. Despite its high government exposure (>90% of segment revenue), the group’s exclusive position and long-standing client relationships mitigate risks. We project revenue from the water technology segment to surge 149.5% to RM39.2mn in FY26F, due to potential key Sarawak projects wins, before normalising to RM28.7mn in FY28F, with further upside potential from the nationwide NRW initiative or IWS adoption by other states.

Explosive Growth in Intelligent Asset Management Segment Supported by Digitalisation Initiatives



Building on its success in water solutions, IAB has diversified into intelligent asset management, offering customised AI- and IoT-enabled systems to enhance operational efficiency across several sectors. Revenue jumped from RM10.2mn in FY24 to RM33.9mn in FY25 (+232.5%), driven by 30 IntelliConstruct projects worth RM25.2mn aligned with the national Smart City and digitalisation agendas. IPO proceeds will fund nine IT hires and a mini data centre to enhance capacity, cybersecurity, and innovation, while a new server-hosting service (2026) is expected to expand its client base. We expect revenue for this segment to grow by 104.4% in 3 years, from RM33.9mn in FY25 to RM69.4mn in FY28F by winning new contracts in Peninsular Malaysia. With gross margins of 70–77% versus 18.8–25.9% in water technology, we expect overall margins to improve to 48-60% over FY26F-FY28F, positioning this segment as IAB’s key long-term growth driver.

Strengthening West Malaysia Presence Through Strategic Expansion



IAB plans to expand into West Malaysia using IPO proceeds to open a Puchong branch and recruit nine new personnel to capture opportunities for both water technology solutions and intelligent asset management solutions in Peninsular Malaysia. The branch will support sales, implementation, and client servicing, while part of the proceeds is reserved for potential M&A, though no targets have been identified. Currently serving three Selangor clients and having completed Air Kelantan’s IWS in 2023, IAB is exploring Kedah and Perlis while engaging Air Selangor for proof-of-concept projects. These regions face high NRW rates, and together with several key government water initiatives, offers a sizable addressable market. However, given stiffer competition, we do not expect an Air Selangor order to materialise within three years.

Investment Thesis

Frontline Water Technology Partner Driving Sarawak’s Path Toward Zero NRW

IAB is the sole NRW solution provider in Sarawak and has been delivering various water technology solutions for Jabatan Bekalan Air Luar Bandar (JBALB) and Sibu Water Board (recently integrated with Kuching Water and LAKU Management to form Sarawak Water). IAB has over 13 years of experience serving JBALB and Sibu Water Board, primarily focusing on NRW management and the overall operation of water supply systems. This is achieved through its proprietary Intelli Water System (IWS), a customised integrated water management platform that leverages IoT and data analytics to optimise water operations and ensure efficient distribution. IWS has been implemented by JBALB (since 2021) , Sibu Water Board (since 2022) , and Air Kelantan (since 2023) . Among them, IAB continues to provide technical support and maintenance services to JBALB, with the service contract renewed annually, creating a recurring revenue stream. Meanwhile, it sold the IWS digital mapping system (GIS) module to Sibu Water Board and Air Kelantan, which do not require continuous maintenance services. IWS integrates smart IoT devices such as flow meters, sensors, data loggers, and water quality analysers to automate data collection and monitoring. It works with GIS and supervisory control and data acquisition (SCADA) systems to provide real-time visibility across networks, while AI-powered analytics detect anomalies, predict maintenance needs, and optimise resource allocation. For instance, when a pipe leakage or water quality issue occurs, IWS immediately detects the problem and alerts the relevant personnel, enabling faster response and effectively reducing NRW levels. Key IoT instruments that enhance efficiency include advanced pilot valves, data loggers, and controllers, which work in pairs to analyse consumer water usage patterns. These tools lower water pressure during low-demand periods, extend pipe lifespan, and reduce NRW.

In 2024, Malaysia’s NRW stood at 37.1%, representing a daily loss of 7,195mn litres of treated water worth over RM2.0bn annually. Furthermore, the rising data centre developments presents a new demand catalyst, as efficient water management and lower NRW rates will be crucial for supporting industrial and infrastructure needs. To address these, the Government has approved several water-related initiatives, particularly in Sarawak, where IAB is geographically focused. While most projects involve pipe replacement, IAB plays an active role as a subcontractor, providing consultancy based on its proprietary technology and technical capability to identify damaged pipes requiring replacement. Its pricing depends on the amount of cost savings achieved for clients, typically 10–15% of total project value. According to management, IAB’s soundwave pipe detection technology which is used to identify corroded metal pipes without invasive methods has impressed local water agencies. More importantly, IAB is the only provider in Sarawak capable of offering such non-intrusive solutions, which prevent water contamination and enhance consumer safety. IAB has a tender book amounting to RM45.2mn with a 30% win rate, with a large portion linked to Sarawak Water’s Command Center Project. Having previously participated in the Command Center Projects of JBALB and Sibu Water Board, where it installed its IWS, IAB is in a strong position as Sarawak Water is expected to adopt IWS for better system integration. Worth noting that, from FY22-FY25, over 90% of IAB revenue from its water technology segment are Government projects related to water agencies. However, as the monopoly water technology solutions provider in Sarawak with a 13-year relationship with local water agencies, we see this risk as manageable. We project revenue from the water technology solutions segment to surge 149.5% to RM39.2mn in FY26F, supported by potential wins in key Sarawak projects, including IWS implementation and water treatment facility construction, before normalising to RM32.7mn in FY27F and RM28.7mn in FY28F. Any acceleration in nationwide NRW initiatives or IWS adoption by other states could provide further upside to our forecasts.

Government Water Sector Initiatives	Details
National NRW program	Involves a cost of RM2.5bn, commence from 2025-2030, focusing on replacement of critical pipes and holistic NRW solutions in Pahang, Kelantan, Perlis, Sabah, Sarawak, and Labuan; while offering prorated reimbursement incentives to encourage participation from other state water operators
Sarawak Alternative Water Supply (SAWAS) Initiative	Introduced in 2017 to provide access to clean and treated water in remote rural areas not connected to the main pipeline network, where current coverage at 85.6%, over RM20.0bn needed to reach 100% by 2030
PETRA Projects under the 12th Malaysia Plan	Comprising 46 approved projects valued at RM6.0bn, including 33 pipeline extension works and 13 new developments involving water treatment plant upgrades, sewerage, and sewage system expansion across multiple states
Sarawak Budget 2025 Allocations	RM452.0mn was allocated for clean and treated water supply projects (including SAWAS) and RM352.0mn for water projects under the 12MP, covering construction of new pipelines, treatment plant upgrades, and water infrastructure expansion
Water Pipe Replacement Plan in Sarawak	Allocates RM1.1bn to replace approximately 2,740 km of aged pipelines with smart-connected pipe systems by 2030
Sarawak Water Supply Master Plan	Construction of 20 new water treatment plants and a comprehensive water grid, with an estimated total investment of RM20.0bn to achieve full coverage by 2030

Investment Thesis

Emerging as IAB's Next Growth Engine

Leveraging on its expertise in the water technology solution segment, IAB supplies customised intelligent asset management solutions for customers from various industries. These solutions enable predictive analytics, automated reporting, and proactive alerts to enhance operational efficiency and cost savings. The venture began through a collaboration with Place2Stay, a third-party software provider, under a MOU to assess and customise the base system according to customers' requirements. In FY24, IAB via its wholly-owned subsidiary Exxor Technologies, acquired the 4 customised solution for RM13.4mn after its successful implementation. With full ownership of the software, including its source code and intellectual property, IAB can now rebrand, enhance, and commercialise it independently. We were surprised by the success of this expansion, as IAB's intelligent asset management segment recorded RM10.2mn revenue in FY24 during its first year and surged 232.5% to RM33.9mn in FY25 where this is achieved by serving mostly to Sarawak client only. This strong growth was underpinned by the solution's proven effectiveness and the government's strong Smart City and digitalisation agenda especially in the construction industry, which collectively contributed RM25.2mn through the completion of 30 new projects related to the implementation of the IntelliConstruct System. We expect national initiatives such as the Smart City Framework, National AI Roadmap, and AI Technology Action Plan to further drive the adoption of AI, IoT, and analytics, creating a conducive environment for IAB's technology offerings.

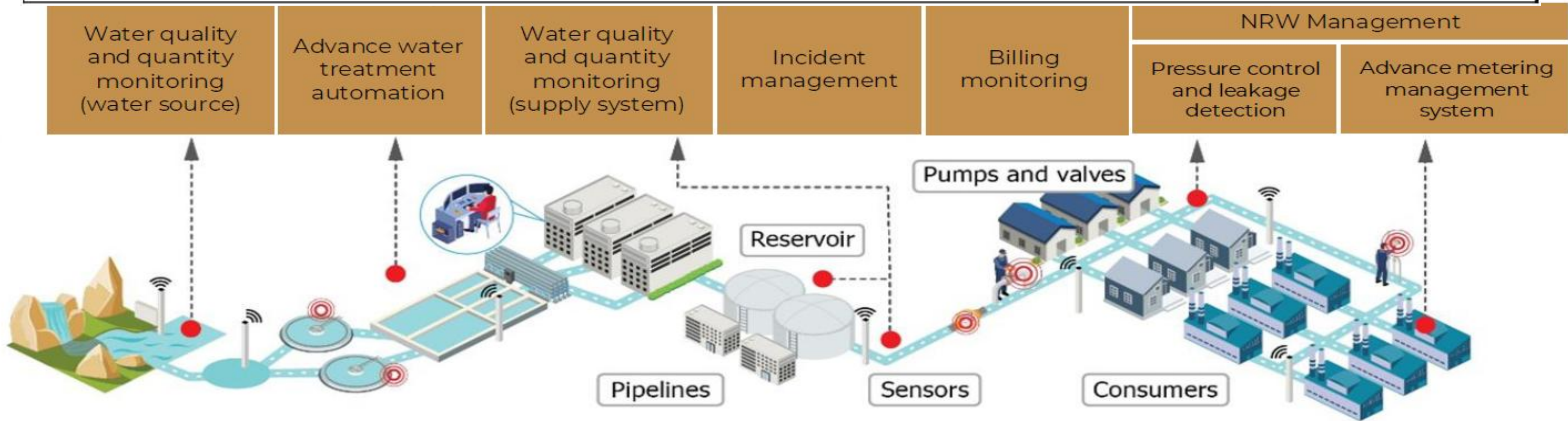
As noted by the management, they see huge potential upside for its intelligent asset management system segment even if they focus on Sarawak only because the TAM is big enough, driven by ongoing digital initiatives such as the Kuching Smart City Master Plan, Sarawak Integrated Operations Centre (SIOC), and hydrogen transport projects which all provide new deployment opportunities for IAB. Therefore, IAB plans to recruit nine additional IT operations employees and build a mini data centre for internal use, funded by IPO proceeds. These initiatives will enhance data processing capacity and accelerate innovation by leveraging new hires skilled in AI, machine learning, data analytics, and cloud-based systems. Management also noted plans to release a new service on server hosting in 2026, addressing customer hesitation to build and manage their own servers, which will further expand IAB's customer base. Overall, we believe IAB's presence in transport, logistics, utilities, healthcare, and construction sectors is well aligned with government priorities under the Smart City agenda. Therefore, we forecast IAB's revenue from its intelligent asset management solutions segment to reach RM37.6mn in FY26F, RM42.7mn in FY27F, and increase by 62.6% in FY28F to RM69.4mn, driven by its geographical expansion into West Malaysia. Furthermore, with gross margins of 70–77% in the intelligent asset management segment (vs. 18.8–25.9% in water technology), we forecast IAB's overall gross profit margin to improve to 48.4% in FY26, 52.4% in FY27, and 59.8% in FY28, supported by higher contribution from this high-margin segment. While management remains committed to expanding the water technology segment across other states, we believe the intelligent asset management segment will be the key long-term growth driver, given its large TAM and superior margin profile.

Capturing West Malaysia's Water and Asset Management Opportunities

IAB sees significant expansion opportunities in West Malaysia's water infrastructure and intelligent asset management markets, where its current exposure remains largely concentrated in Sarawak. To strengthen its presence, IAB plans to utilise part of its IPO proceeds to expand branch operations and establish a permanent team in Puchong, Selangor, including the recruitment of up to nine business development and technical personnel within 24 months after listing. The new branch will promote IAB's solutions, engage prospective clients, and support project implementation and maintenance. Additionally, IAB also plans to utilise part of its IPO proceeds for potential M&A to strengthen its water and intelligent asset management businesses, although no targets have been identified yet. Currently, IAB serves three customers in Selangor and has completed the IWS implementation for Air Kelantan in February 2023. Leveraging its proven track record and proprietary technology that allows full customisation without reliance on third-party vendors, IAB is now seeking to expand into other states such as Kedah and Perlis, while discussions and proof-of-concept exercises with Air Selangor are ongoing for potential data analytics and water management solutions. These decisions are made due to high NRW rates in Kelantan, Kedah, and Perlis, and large absolute NRW volumes in Selangor. With over RM1.0bn needed annually for pipe replacement, PAAB plans to invest RM13.0bn over five years in several water treatment projects and allocate RM3.0bn to replace 820km of ageing pipes across several states in West Malaysia under the National NRW programme, making the addressable market in West Malaysia highly attractive. However, given the more intense competition in the region, we do not expect IAB to secure IWS orders from Air Selangor over the next three years. We forecast a more conservative revenue of RM76.8mn in FY26F, a slight normalisation to RM75.4mn in FY27F following the completion of Sarawak Water's projects, and a recovery to RM98.1mn in FY28F once the new Selangor branch is established and accelerates client acquisition and project wins, particularly within the intelligent asset management solution segment.

Company Overview

Founded in May 2003 with the incorporation of Exxor Technologies, Insights Analytics Berhad began as a provider of water technology solutions, supplying and installing equipment and consumables for water treatment plants. The Group expanded in 2011 by introducing advanced water pressure management systems through an exclusive distributorship with i2O Water Malaysia, securing its first project with Sibu Water Board. Two years later, the Group broadened its capabilities into Non-Revenue Water (NRW) reduction solutions and in 2014 ventured into SCADA-based water distribution monitoring systems. Building on its technical experience, the Group co-developed its proprietary Intelli Water System in 2019, which is a smart water management platform integrating IoT, data analytics, and automation to optimise water operations. Leveraging its water management expertise, the Group diversified beyond the utility sector in 2022 into intelligent asset management solutions for industries such as hospitality, transportation, construction, and road management through the launch of IntelliHotel, IntelliTrack, IntelliRoad, and IntelliConstruct systems. Today, Insights Analytics stands as a technology solutions provider specialising in intelligent water and asset management systems, serving primarily water agencies and enterprise clients across Malaysia, with ongoing collaborations with partners such as UNIMAS, TeamSolve, and 51WORLD to further enhance AI and digital twin applications.



Water Source	Water Treatment Facility	Water Supply Network
Water Supply Chain :		
Production	Distribution	Consumption

Utilisation of Proceeds

Purposes	RM'mn	%	Estimated timeframe for utilisation from the listing date
Expansion of corporate office in Sarawak with a mini data centre	4.4	10.1	18 months
Expansion of IT operations	1.9	4.3	24 months
Expansion of West Malaysia branch office	1.2	2.8	24 month
General working capital	22.2	50.9	24 months
Expansion through strategic investments, mergers and acquisition opportunities	9.0	20.7	24 months
Estimated listing expenses	4.9	11.2	Immediately

Source: Company Prospectus, Tradeview Research

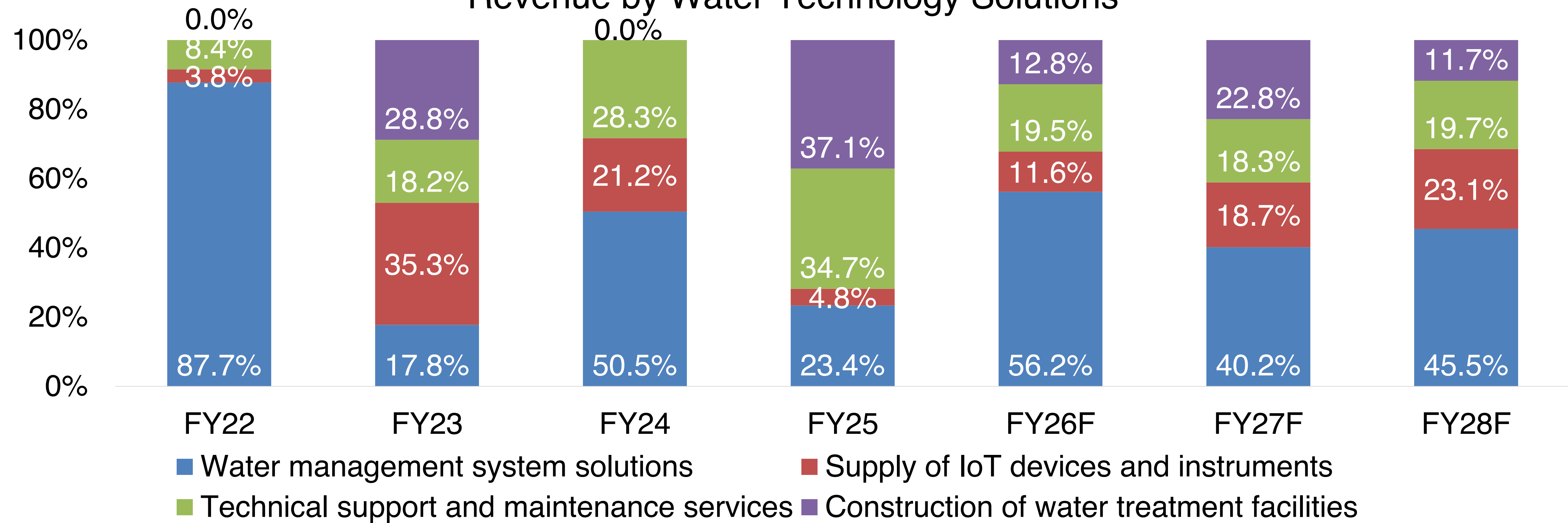
Company Overview

Business Segment

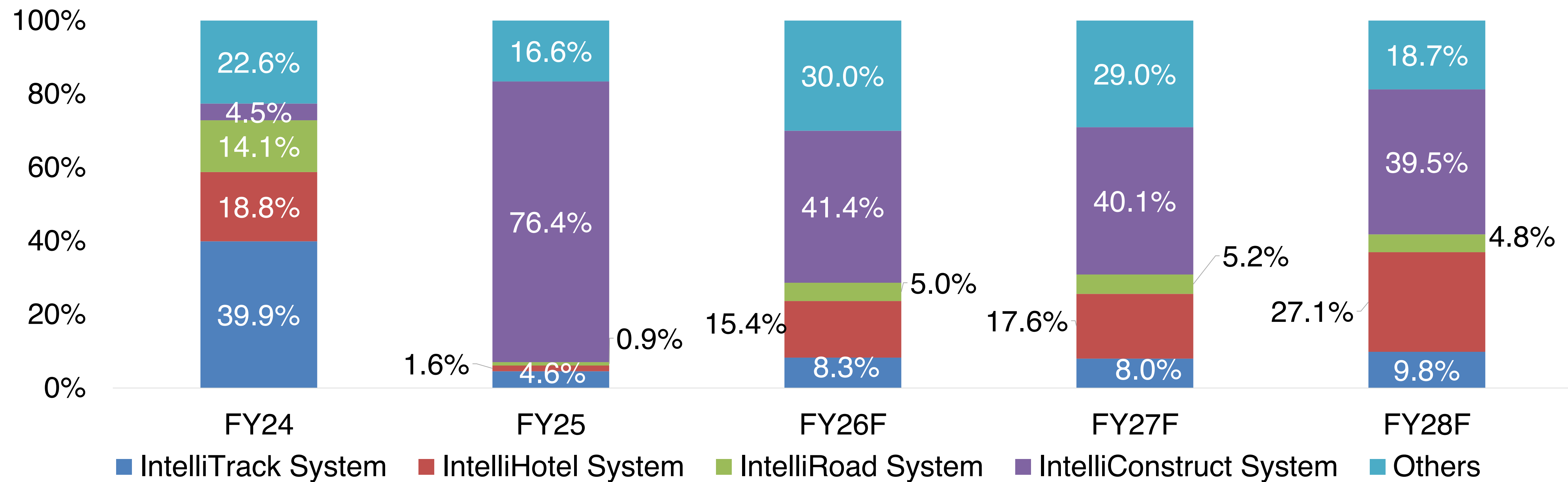
Segments	Description	Visualization / Services
Water Technology Solutions	Supply water technology solutions for water management across the water utility supply chain from water treatment to distribution, based on project requirements	- Provision of water management system solutions - Supply of IoT devices and instruments - Technical support and maintenance services - Construction of water treatment facilities
Intelligent Asset Management Solutions	Source and supply intelligent asset management solutions for various industries such as hospitality, transportation and construction. The solutions are customised to our customers' requirements.	- Integrated Smart Hotel Operations, Management and Reservation System - Centralised Smart Transport Management System - Integrated Smart Road Maintenance and Management System - Integrated Construction Site Resources Information Management System

Source: Company Prospectus, Tradeview Research

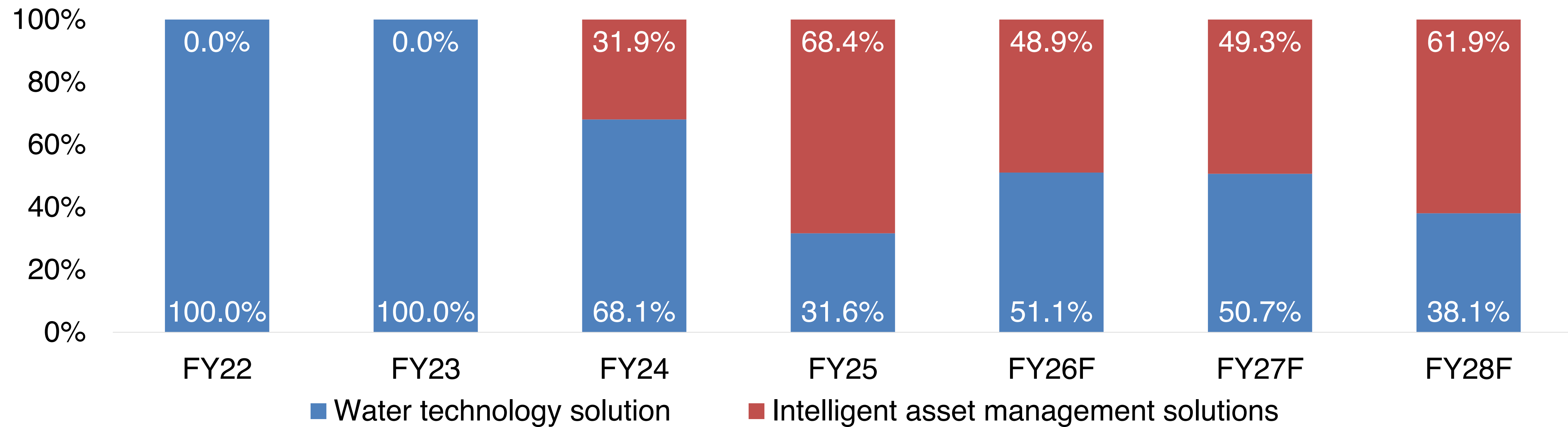
Revenue by Water Technology Solutions



Revenue by Intelligent Asset Management Solutions



Revenue by Business Segments

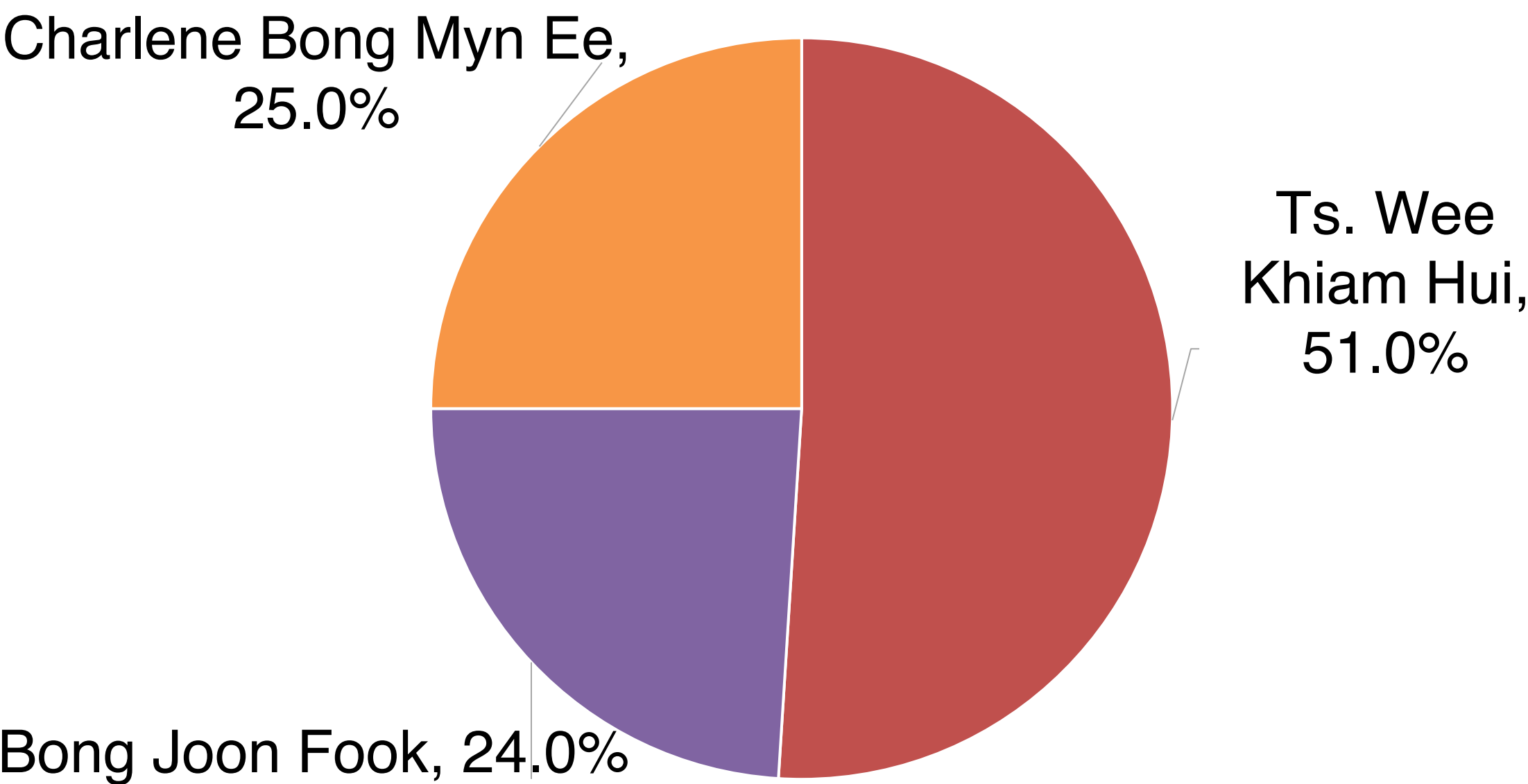


Source: Company Prospectus, Tradeview Research

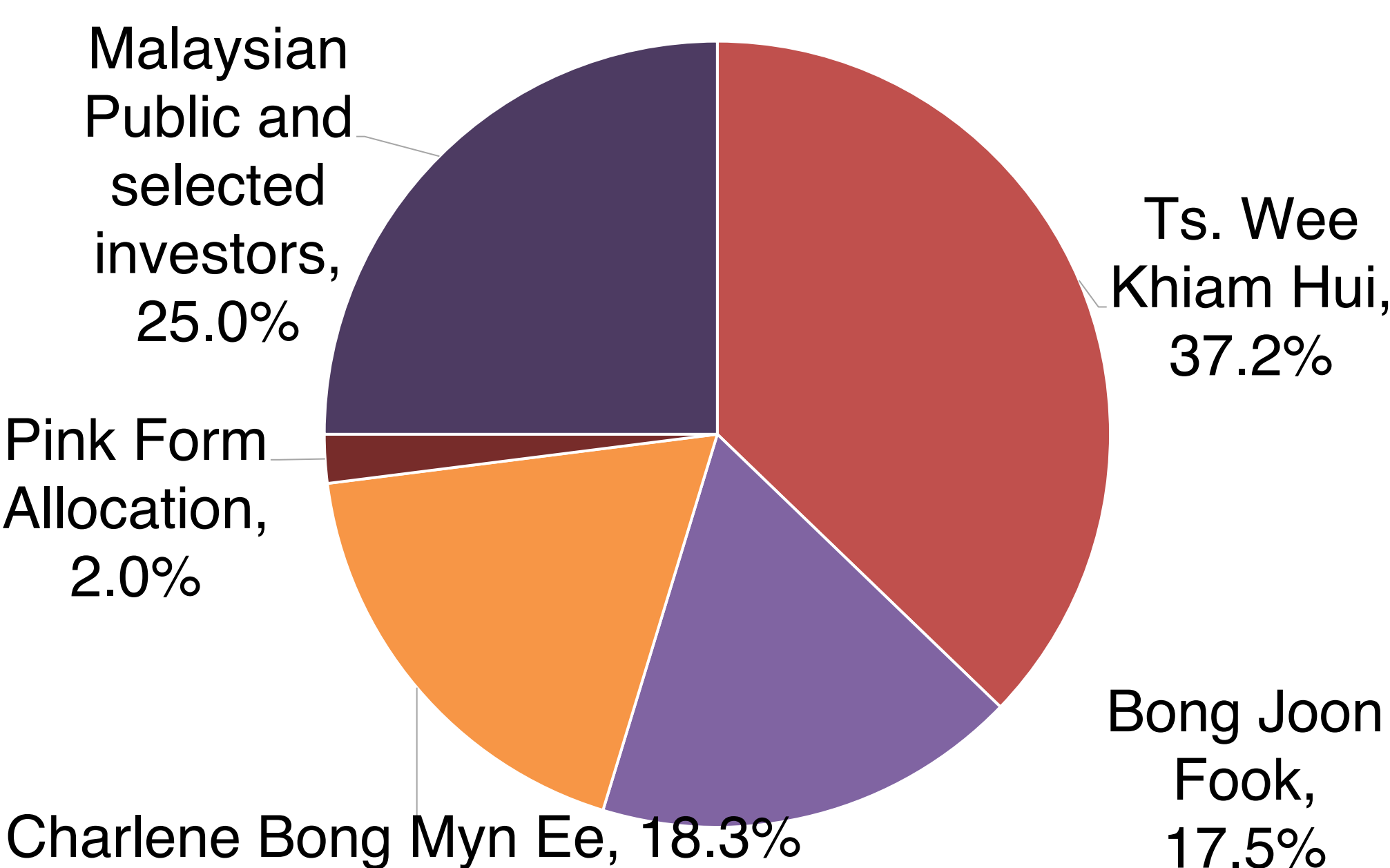
Management Team

- Ts. Wee Khiam Hui is the Promoter, substantial shareholder and Managing Director of the Group. Appointed to the Board on 27 August 2024, he is responsible for steering the Group’s strategic direction and growth. He holds a Bachelor of Science (Mathematical & Information Sciences) from La Trobe University (1993) and is a member of the International Water Association, Malaysian Water Association, Smart Water Network Forum and the Australian Water Association; he was registered as a Professional Technologist with the Malaysian Board of Technologists in September 2025. His career spans roles in systems development at SAINS, banking roles with Maybank, managing family water-works projects, founding Definitive Systems (2001) and co-founding Exxor Technologies (2003) and Intelli Technologies (2019), where he has led operations and business development.
- Bong Joon Fook is the Promoter, substantial shareholder and Executive Director, appointed on 27 August 2024 and responsible for the Group’s finance, human resource and administrative functions. He holds a Bachelor of Arts in Economics and Administrative Studies from the University of Winnipeg (1982). Bong’s early career included marketing and credit control roles at UMW (Sarawak) and Seabanc/Seabanc GE Capital (1983–1993), followed by senior commercial roles at Asprogress and directorships in trading and engineering firms; since 2014 he has been a director of Exxor Technologies and in 2019 co-founded Intelli Technologies. He is the father of Charlene Bong (COO) and Aelred Bong (Chief Project Officer).
- Charlene Bong Myn Ee is the Promoter, substantial shareholder and Chief Operating Officer, responsible for group operations, business development, stakeholder relations and sales pipeline management. She graduated with a BA in Mass Communication from the University of Sunderland (2014) and has been a member of the Malaysian Water Association and the Australian Water Association since 2024 and 2025 respectively. Her background includes hotel marketing roles and founding an events sole proprietorship; she joined Exxor in 2020 as Project Executive, became a Director in 2021, was Operations Manager in 2022 and was redesignated COO in 2024. She is the daughter of Bong Joon Fook and sister of Aelred Bong.
- Datuk Haji Abdul Wahab bin Aziz is the Independent Non-Executive Chairman, appointed on 24 October 2024. He holds a Diploma in Sciences Management (INTAN, 1979) and a Master of Science in Public Sector Management from the University of Aston (1981), and served in senior public service and political roles for several decades — including Sarawak Administrative Officer, District Officer of Belaga, Secretary roles in the State Financial Secretary’s Office, Sarawak State Legislative Assembly Representative (1991–2021), Chairman of the Public Accounts Committee (1998–2004), Chairman of Sarawak Housing Development Corporation (from 2005), Assistant Minister posts (2009–2016) and Chairman of the Sarawak Tourism Board (2016–2020). He retired from politics in 2021 and currently serves as Pro-Chancellor of Universiti Teknologi MARA (since April 2023) and holds longstanding leadership roles in alumni and charitable boards.
- Ts. Dr. Peggy Loh Yee Wey is the Chief Technology Officer, responsible for the Group’s IT operations, technology strategy and leadership of IT and engineering teams. She holds a Bachelor of Computer Science (Multimedia) (UNIMAS, 2009), a Corporate MBA (UNIMAS, 2011) and a PhD (UNIMAS, 2016), and has been a Professional Technologist since November 2020. Her career includes project and operations management roles at UNIMAS/UNIMAS Holdings working on ERP, GIS, DSS, IoT and digitalisation projects, a Project Manager role at UGlobal Solutions in 2024, and appointment as CTO of Exxor Technologies in August 2024. For transparency, she is the sister of Derick Loh (Place2Stay) but was not involved in the development of the Place2Stay app and there is no identified conflict of interest.

Shareholding Structure
Pre-IPO



Post-IPO

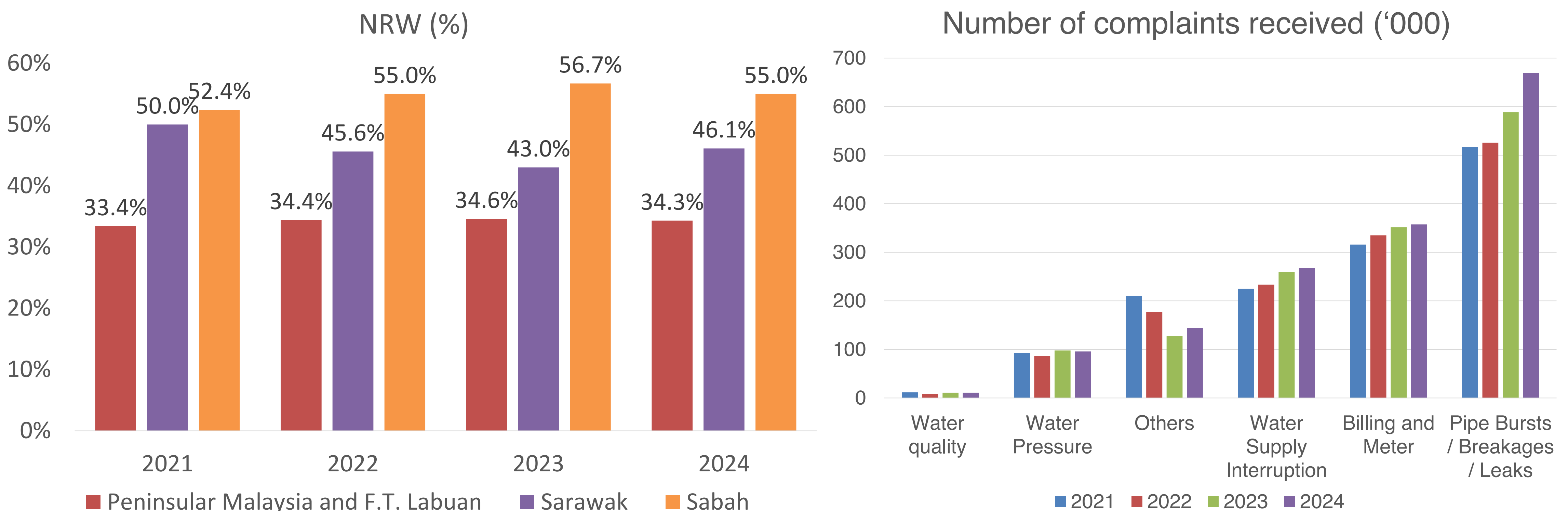


Source: Company Prospectus

Industry outlook

The WST2040 will drive the adoption of technology in water management

The Water Sector Transformation 2040 (WST2040), launched under the 12th Malaysia Plan, establishes a national, long-horizon policy framework designed to reposition Malaysia’s water sector as a strategic infrastructure and economic priority. Spanning four phases from the 12th through the 15th Malaysia Plans, WST2040 comprises eighty-seven detailed strategies and six hundred and one targets, each with specific performance indicators extending to 2040. The government’s objectives include strengthening operational efficiency, enhancing water security, creating employment, and stimulating commercialisation and domestic technology development. By explicitly linking these aims to broader governmental goals, WST2040 moves beyond piecemeal projects and signals that demand for digital engineering and water management technology will be consistent and policy-driven over the medium to long term. Among the key technology domains highlighted in recent planning and implementation documents are integrated water resources management, smart metering, supervisory control and data acquisition systems (SCADA), geographic information systems (GIS), data analytics, artificial intelligence (AI), and digital twin applications. Across water treatment, transmission, and distribution networks, these technologies are intended to support centralized data aggregation, near real-time monitoring, predictive analytics, and data-driven decision making. For technology vendors and systems integrators, WST2040’s implementation architecture implies a predictable pipeline of procurement tenders and pilot programmes backed by both federal and state agencies. At the same time, the emphasis on homegrown capability through research, development, commercialisation, and innovation elevates the role of local partnerships with universities, research institutes, and technology houses, and increases the likelihood of government co-funding, grants, and preferential support for indigenous solutions. This policy environment substantially increases the probability of multi-year contract awards, recurring operation and maintenance engagements, and expanded opportunity for software subscription and analytics monetization, provided vendors can demonstrate compliance with mandated interoperability standards and proven outcomes.



Source: IMR Report

Source: IMR Report

Urgency to address the growing challenges of NRW amplifies demand for water management solutions

Non-revenue water remains a major challenge, rising nationally from 33.4% in 2021 to 34.3% in 2024, while Sarawak’s NRW fell from over 50% to 46.1%, still above average. Persistent NRW results in significant fiscal losses due to wasted treated water, higher energy and chemical costs, and forgone economic value, potentially totalling several billion ringgit. The national target aims to cut NRW to 28.8% by 2030, and Sarawak targets 25%. Public spending on NRW remediation rose sharply from RM132.6mn in 2021 to RM441.8mn in 2023, before moderating to RM154.0mn in 2024 and rebounding to RM260.2mn in 2025 with new initiatives. Key drivers include ageing pipelines, climate risks, and pollution, creating demand for pressure management, acoustic leak detection, smart metering, telemetry, and analytics. Utilities increasingly seek integrated offerings combining capital works and multi-year O&M to achieve measurable performance gains. This positions technology vendors with field-proven, scalable, and cost-efficient solutions to secure recurring contracts as governments continue to prioritise NRW reduction.

Government initiatives to accelerate digitalisation across industries

National and state digitalisation policies are expanding the adoption of cloud, AI, IoT, and digital twin technologies across utilities and other sectors. Frameworks such as the Malaysia National AI Roadmap, MyDIGITAL catalytic projects, and the Sarawak Digital Economy Blueprint to 2030 provide funding mechanisms, technical standards, and skills development to reduce deployment barriers. These initiatives mitigate key adoption challenges by offering co-financing, clearer interoperability requirements, and workforce certification. For technology providers, they broaden the total addressable market for intelligent asset management solutions across transportation, hospitality, and construction sectors. They also encourage business models that pair hardware deployment with software subscriptions and analytics services. Going forward, vendors demonstrating integration with national digital platforms, cybersecurity readiness, measurable ROI, and replicable pilot results will be best positioned to win tenders and secure multi-year recurring contracts.

Valuation

Recommending a **Subscribe** rating and a target price of RM0.48 based on FY27F PE of 10.4x, which is -1.0 standard deviation **below** Ranhill Utilities’s 5-year historical average PE of 33.8x and representing a 55.4% discount to the simple average of its foreign water Infrastructure & utilities peers’ forward PE of 23.3x, as well as a 59.7% discount to the simple average of its domestic smart infrastructure & digital technology peers’ forward PE of 25.8x. This is justified by IAB’s much lower market capitalization and its current limited geographical presence, which is mainly concentrated in Sarawak.

Name	Last price	Market Cap	FYE	Earnings Growth		Hist.	PE (x)		Div. Yield	ROE
	(RM)	(RM'mn)		1-yr Fwd	2-yr Fwd		1-yr Fwd	2-yr Fwd	1-yr Fwd	Hist.
Domestic Water Infrastructure & Utilities										
RANHILL UTILITIES BHD	2.00	2,591.9	06/2025	N.A	N.A	3.4	N.A	N.A	N.A	N.A
SALCON BHD	0.26	289.6	12/2024	N.A	N.A	14.6	N.A	N.A	N.A	N.A
COSMOS TECHNOLOGY INTERNATIONAL BHD	0.36	91.1	04/2025	N.A	N.A	N/A	N.A	N.A	N.A	N.A
Simple Avg				N.A	N.A	9.0	N.A	N.A	N.A	N.A
Foreign Water Infrastructure & Utilities										
XYLEM INC/NY	144.32	148,366.8	12/2024	10	11.4	32.4	27.1	24.4	1.2	9.2
INTRON INC	122.20	23,595.6	12/2024	4.2	10.3	20.7	19.5	17.6	N.A	17.9
Simple Avg				7.1	10.9	26.6	23.3	21.0	1.2	13.6
Smart Infrastructure & Digital Technology										
GO HUB CAPITAL BHD	0.82	328.0	12/2024	N.A	N.A	58.2	N.A	N.A	N.A	N.A
SMRT HOLDINGS BHD	0.74	334.7	06/2025	10.9	N.A	11.8	10.1	N.A	N.A	29.8
ITMAX SYSTEM BHD	4.69	4,842.9	12/2024	32.9	8.8	56.0	41.5	38.1	0.5	18.8
Simple Avg				21.9	8.8	42.0	25.8	38.1	0.5	24.3
INSIGHTS ANALYTICS BHD	0.36	198.0	03/2025	30.5	2.7	10.4	8.0	7.8	1.5	48.8
As 10 th October 2025										

As 10th October 2025

SWOT Analysis

Strengths

- Market leader in Sarawak’s NRW and water technology solutions
- Full ownership of intelligent asset management software, including source code and IP rights
- Stable recurring income base from maintenance contracts and technical support services

Weakness

- Dependence on government-led water projects and budget allocations for growth
- Small technical team requiring capacity build-up to scale operations
- Limited penetration in West Malaysia with early-stage market presence

Opportunities

- Strong alignment with national Smart City, AI, and digitalisation initiatives
- Large untapped market in West Malaysia
- Potential strategic M&A to enhance capacity, integrate value chain, and accelerate growth

Threat

- Dependence on government project approvals and procurement cycles.
- Potential economic slowdown or budget cuts affecting infrastructure spending.
- Rapid technological evolution requiring continuous R&D investment to stay competitive.

Investment Risk

1. Project-based revenue and timing risk. IAB’s revenue is largely project-based and recognised on milestones or over time (projects typically run 12–36 months), while device sales are often ad hoc. Therefore, billing and delivery timing can cause material fluctuations in revenue, profit and operating cash flow. While delays in securing new projects or in project delivery would materially affect financial performance.
2. Revenue concentration risk. IAB’s performance is closely tied to the budgets, capex and initiatives of Malaysian water agencies. Revenue from the water sector accounted for 100.0%, 100.0%, 68.1% and 31.6% of Group revenue in FYE 2022–2025 respectively. Therefore, any cutbacks, policy changes or adverse economic conditions that reduce water agencies’ spending would materially reduce demand for IAB’s solutions and harm results.
3. Technology and obsolescence risk. Continued growth depends on market acceptance IAB’s software and its ability to upgrade and adapt to new technologies. Disruptive technologies or failure to develop or implement timely, cost-effective upgrades may make current solutions less competitive or obsolete, potentially requiring significant investment and adversely affecting competitiveness and financial performance.

Financial Overview

Financial review

IAB's revenue saw a 10.5% CAGR from FY23 to FY25, mainly driven by the rapid expansion of its intelligent asset management solutions segment, although partially offset by negative growth in the water technology segment during both FY24 and FY25. In FY25 specifically, the group’s revenue surged by 55.4%, supported by a 232.5% increase in revenue from the intelligent asset management solution segment. Meanwhile, FY25 earnings jumped 175.1% YoY, primarily due to a higher gross profit margin of 59.8%, compared to 40.0% in FY24, as contributions from the higher-margin intelligent asset management solutions segment exceeded those from the lower-margin water technology solution segment.

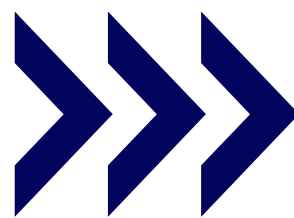
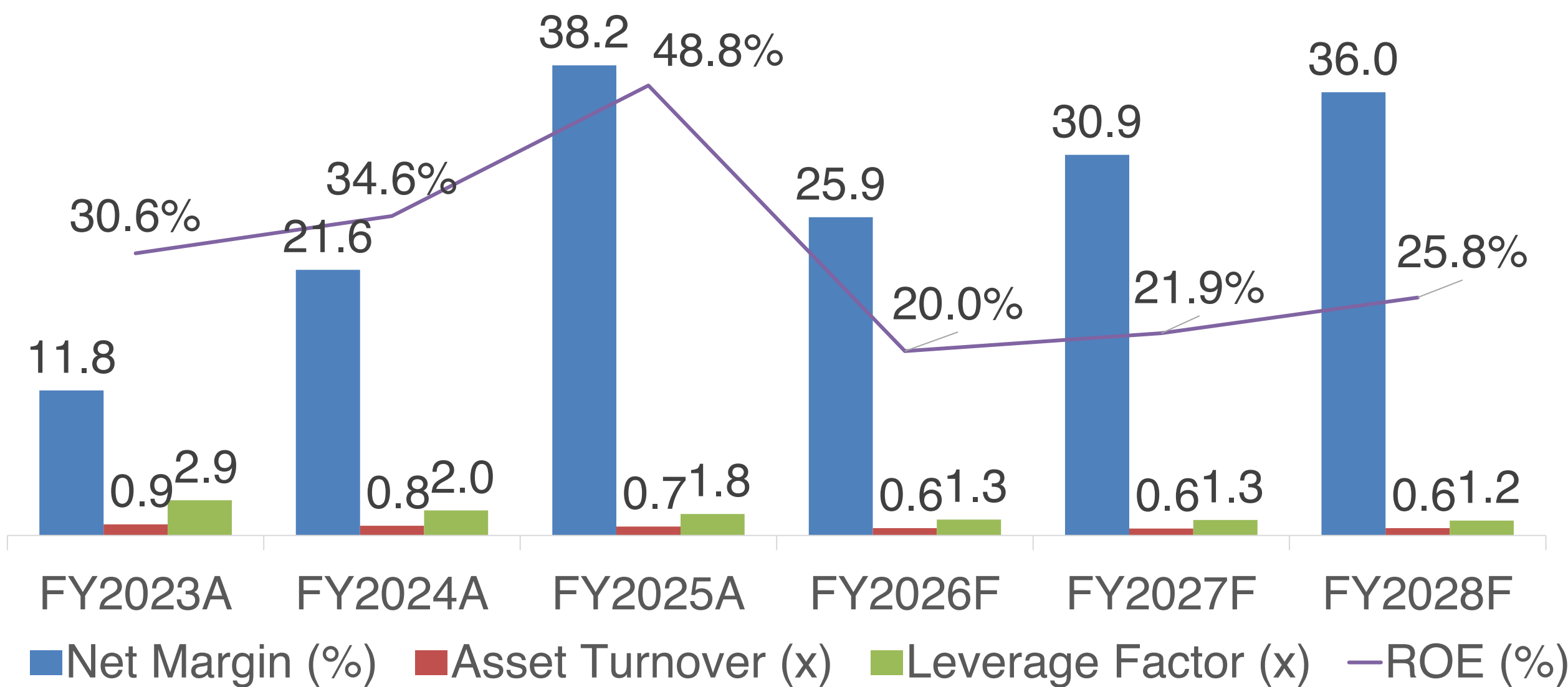
Financial forecast

We're projecting IAB’s core earnings to be RM24.8mn in FY26F and RM25.4mn in FY27F, driven by (i) sustained demand under the government’s water infrastructure and digitalisation initiatives, (ii) continued expansion of its high-margin intelligent asset management solutions segment, and (iii) strategic geographical expansion into West Malaysia. The 149.5% surge in FY26F Water Technology Solution Segment revenue is due to potential key Sarawak projects wins; While the 62.6% surge in FY28F Intelligent Asset Management Solutions Segment revenue is due to expectation on securing more contracts after the commencement of new branch in Selangor.

FYE 31 Mar	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue (RMm)	32.0	49.6	76.8	75.4	98.1
EBITDA (RMm)	10.4	25.9	32.5	35.5	52.6
Pretax profit (RMm)	9.7	25.6	26.1	33.5	50.9
Net profit (RMm)	6.9	19.0	19.9	25.4	38.7
EPS (sen)	1.3	3.5	3.6	4.6	7.0
PER (x)	28.7	10.4	8.0	7.8	5.1
Core net profit (RMm)	6.9	19.0	24.8	25.4	38.7
Core EPS (sen)	1.3	3.5	4.5	4.6	7.0
Core EPS growth (%)	44.1	175.1	30.5	2.7	52.1
Core PER (x)	28.7	10.4	8.0	7.8	5.1
Net DPS (sen)	0.5	0.0	0.5	0.7	1.1
Dividend Yield (%)	1.3	0.0	1.5	1.9	2.9
ROE (%)	34.6	48.8	20.0	21.0	25.2
P/BV (x)	9.9	5.1	2.0	1.6	1.3

EPS and DPS are divided by the enlarged issued share of 550,000,000 upon listing

Return on Equity



We project healthy ROE from FY26F to FY28F, as the company continues to generate good profits. The dip in FY26F is mainly attributed to a lower net margin arising from one-off listing expenses, and an increase in shareholders’ equity following the IPO exercise.

Key Assumptions



Revenue growth	FY2026F	FY2027F	FY2028F
Water Technology Solution Segment	RM39.2mn	RM32.7mn	RM28.7mn
Water Technology Solution Segment Growth	149.5%	-16.5%	-12.3%
Intelligent Asset Management Solutions Segment	RM37.6mn	RM42.7mn	RM69.4mn
Intelligent Asset Management Solutions Segment Growth	10.7%	13.6%	62.6%

Sensitivity Analysis

Case 1 : Changes in Water Technology Solution Segment Growth Rate against Intelligent Asset Management Solutions Segment Growth Rate to derive core earnings

Water Technology Solution Growth Rate in FY27F: -16.5%

Intelligent Asset Management Solutions Growth Rate in FY27F: 13.6%

Water Technology Solution Segment Growth Rate (%) / Intelligent Asset Management Solutions Segment Growth Rate (%)						
	-26.5%	-21.5%	-16.5%	-11.5%	-6.5%	-1.5%
-2.6%	22.0	22.7	23.4	24.0	24.7	25.4
3.6%	22.8	23.5	24.2	24.8	25.5	26.2
8.6%	23.5	24.1	24.8	25.5	26.1	26.8
13.6%	24.1	24.8	25.4	26.1	26.8	27.5
18.6%	24.7	25.4	26.1	26.8	27.4	28.1
23.6%	25.4	26.1	26.7	27.4	28.1	28.7

Case 2 : Changes in net profit against PE to derive target price

Core Net Profit in FY27F: RM25.4mn

Net profit (RM mn) / PE (x)						
	21.4	23.4	25.4	27.4	29.4	31.4
7.4	0.29	0.31	0.34	0.37	0.40	0.42
8.4	0.33	0.36	0.39	0.42	0.45	0.48
9.4	0.37	0.40	0.43	0.47	0.50	0.54
10.4	0.40	0.44	0.48	0.52	0.56	0.59
11.4	0.44	0.49	0.53	0.57	0.61	0.65
12.4	0.48	0.53	0.57	0.62	0.66	0.71

Financial Exhibits

Income Statement

FYE 31 March (RM mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Revenue	32.0	49.6	76.8	75.4	98.1
Operating expenses	(21.5)	(23.7)	(44.2)	(39.9)	(45.5)
EBITDA	10.4	25.9	32.5	35.5	52.6
Depreciation	0.6	0.5	1.0	1.5	1.1
EBIT	9.9	24.7	26.1	33.5	50.9
Net int income/(expense)	(0.2)	0.9	(0.5)	(0.5)	(0.5)
Exceptional gains / (losses)	0.0	0.0	(4.9)	0.0	0.0
Associates' contribution	0.0	0.0	0.0	0.0	0.0
Pretax profit	9.7	25.6	26.1	33.5	50.9
Tax	(2.8)	(6.7)	(6.3)	(8.0)	(12.2)
Minority interest	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Net profit	6.9	19.0	19.9	25.4	38.7
Core net profit	6.9	19.0	24.8	25.4	38.7

Balance Sheet Statement

FYE 31 March (RM mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Fixed assets	1.4	14.2	19.0	17.7	16.6
Other long term assets	0.6	0.3	0.3	0.3	0.3
Total non-current assets	2.0	14.5	19.3	17.9	16.9
Cash and equivalents	5.9	9.8	57.6	80.4	101.6
Inventories	0.1	0.5	0.3	0.3	0.3
Receivables	30.2	39.2	47.4	46.6	60.2
Other current assets	2.4	4.3	4.3	4.3	4.3
Total current assets	38.5	53.8	109.5	131.5	166.4
Payables	16.3	18.5	18.6	17.6	18.6
Short term borrowings	0.6	0.2	0.2	0.2	0.2
Other current liabilities	2.6	3.3	3.3	3.3	3.3
Total current liabilities	19.4	22.0	22.1	21.1	22.1
Long term borrowings	1.1	0.8	0.8	0.8	0.8
Other long term liabilities	0.0	6.6	6.6	6.6	6.6
Total long term liab.	1.1	7.4	7.4	7.4	7.4
Shareholders' Funds	19.9	38.9	99.3	121.0	153.9
Minority Interest	0.0	0.0	0.0	0.0	0.0

Cash Flow Statement

FYE 31 March (RM mn)	FY2024A	FY2025A	FY2026F	FY2027F	FY2028F
Pretax Profit	9.7	25.6	26.1	33.5	50.9
Depreciation & amortisation	0.6	1.2	1.0	1.5	1.1
Working capital changes	(7.4)	(11.0)	(7.8)	(0.2)	(12.7)
Cash tax paid	(1.1)	(5.4)	(6.3)	(8.0)	(12.2)
Others	9.1	(3.2)	0.0	0.0	0.0
C/F from operation	10.8	7.2	13.0	26.7	27.2
Capex	(0.0)	(0.1)	(5.8)	(0.1)	(0.1)
Others	0.5	(2.4)	0.0	0.0	0.0
C/F from investing	0.5	(2.5)	(5.8)	(0.1)	(0.1)
Debt raised/(repaid)	(0.5)	(0.6)	0.0	0.0	0.0
Dividends paid	0.0	0.0	(3.0)	(3.8)	(5.8)
Others	(4.5)	(0.1)	43.6	0.0	0.0
C/F from financing	(5.0)	(0.8)	40.6	(3.8)	(5.8)
Net change in cash flow	6.2	4.0	47.8	22.8	21.3
Free Cash Flow	10.8	7.2	7.2	26.6	27.1



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