

Company Name : MyEG Services Berhad
Date : 09 October 2020
Source : The Edge Markets

CGS-CIMB: MoH's Covid-19 Test Screening Provides Healthy Outlook For MyEG

KUALA LUMPUR (Oct 9): The Ministry of Health's (MoH) Covid-19 test screening will provide multiple monetisation opportunities to My EG Services Bhd (MyEG), according to CGS-CIMB Research.

In a note today, the research house's analyst Mohd Shanaz Noor Azam said there will be three monetisation opportunities from the project, namely Covid-19 test screening fee (which ranges from RM30 to RM150 for Malaysian nationals and RM60-250 for foreigners, depending on the type of Covid-19 detection test), service fee for mandatory quarantine at a private facility, and a "meet and greet" service to assist travellers throughout the processes.

"We understand that the Covid-19 test screening will be done twice, once on arrival and again on the 14th day after arrival," he added.

MyEG announced yesterday it had received a letter of acceptance from the MoH to undertake the provision of an online payment system for inbound travellers to pay for Covid-19 test screening and quarantine charges, prior to their arrival in the country.

While no fixed value for the project has been given by management, CGS-CIMB sees room for higher Covid-19 test screening demand with the potential recovery in tourist arrivals beyond 2020.

"The latest passenger traffic data published by Malaysia Airports Holdings Bhd indicated a total of 85,000 international travellers in August 2020. Assuming a 50-50 mix between arriving and departing passengers, we estimate an average of 1,300 international arrivals daily," said Mohd Shanaz.

CGS-CIMB also projected a recovery in international passenger traffic from 10 million in 2020, to 18.6 million in 2021 and 39.9 million in 2022.

CGS-CIMB reiterates its "add" call on MyEG, with an unchanged target price of RM1.96.

MyEG shares rose 3 sen or 2.24% to RM1.37 at 10.13am.