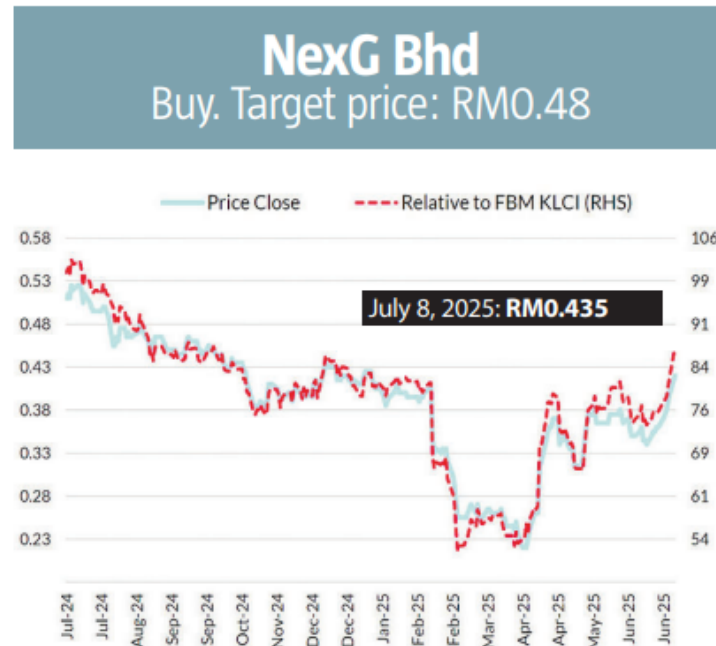


Company Name : NexG Berhad
Date : 09 July 2025
Source : The Sun Daily



Source: Bloomberg

NEXG has secured yet another extension for the supply of MyKad, MyTentera, MyPOCA raw cards, and consumables to the National Registration Department (JPN) for a period of six months commencing from Dec 1, 2025 to May 31, 2026 for an additional third ceiling contract value of RM29.7 million. Additionally, the group is also concurrently being awarded an extension on comprehensive maintenance services of card personalisation centres at JPN for a period of 14 months commencing from Dec 1, 2025 to Jan 31, 2027 – this is for an additional 5th ceiling contract value of RM15.9 million.

These contract wins are within our order replenishment assumption and should support NexG's earnings outlook on the back of sustained strong demand for these government-related solutions. The current share price overhang from the absence of long-term contract extensions for both MyKad and passport-related solutions should ease with yet more contract extensions being secured.

We maintain our forecasts, as the contract wins were within our expectation. Our TP is inclusive of a 4% ESG discount, as NexG's 2.8 ESG score is below the 3.0 country mean. We like the group for its competitive strength in its niche solutions, healthy yields, strong cash flow generation, and potential upside from new project wins at attractive valuations.

Key downside risks: Higher input costs, weaker-than-expected orders, non-renewal of contracts, changes in government policies, and governance concerns.

BUY with RM0.48 TP. – **RHB Research, July 8**