# Zetrix AI Berhad

(0138 | ZETRIX MK) Main | Technology

SHARIAH Compliant | ESG 4 Stars | FTSE4Good

Corporate Update

## Sustained Earnings Growth

**BUY**

Revised Target Price **RM1.24**
(from RM1.25)

**Healhty margin from the offering of innovative services.** We are keeping our Buy recommendation on Zetrix as we fine tune our target price of RM1.24 post the 4QFY25 quarterly results announcement. As seen in the 4QFY25 results performance, we view that the group's outlook remains promising. The contribution from the provision of e-government services serve as a stable revenue base while the Zetrix platform serve as the group's growth avenue. We anticipate contribution from Zetrix platform to outperform the former once the Ztrade takes centerstage. Due to growing contribution from the Zetrix platform, the profit margin as improved towards the 70% level. At current price point, dividend yield is also attractive at more than 5%.

**Double-digit earnings gwowth.** Zetrix's 4QFY25 normalised earnings came in at RM291.1M, an improvement of +41.4%yoy. This was mainly led by the improvement in revenue to RM385.7m (+31.4%yoy).

High revenue contribution was a result of: I) contribution from web3 application service fees on the Zetrix blockchain platform ("Zetrix") such as the Malaysia Blockchain Infrastructure ("MBI"), ZTrade, ZCert, global voting applications and Digital ID registrations and transactions; and ii) contribution from the sale of Zetrix layer-1 nodes.

**Exceed expectations.** On a cumulative basis, the FY25 normalised earnings amounted to RM901.6m, an increase of +23.1.0%yoy due to the aforementioned reasons. All in, Zetrix's FY25 financial performance came in above ours expectations, making up 113.6% of full year FY25 earnings estimates.

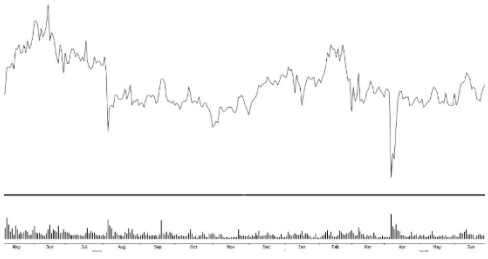
**Consistent dividend.** The group also announced 4QFY25 dividend of 2.89sen which was higher than 4QFY24 dividend of 2.49sen, backed by the higher results achieved. This led to full year FY25 dividend of 3.14sen (vs FY24: 2.74). Nonetheless, this is in-line with our FY25 dividend expectations of 3.2sen.

**Upward earnings revision.** Taking cue from the 4QFY25 financial performance, we revise upwards our earnings estimates for FY26 and FY27 by +38.5% and 39.8%.

Note that we reduce our target PER to 8.7x from 10.0x to reflect the volatile Zetrix token price as well delay in the commencement of Ztrade between Malaysia and China. This also led to adjusted target price of RM1.24.

| RETURN STATISTICS | |
|---|---|
| Price @ 26th February 2026 (RM) | 0.80 |
| Expected share price return (%) | +39.7 |
| Expected dividend yield (%) | +5.4 |
| Expected total return (%) | +43.8 |

**SHARE PRICE CHART**



| Price performance (%) | Absolute | Relative |
|---|---|---|
| 1 month | 3.1 | 1.0 |
| 3months | 3.7 | -4.5 |
| 12 months | -19.2 | -26.8 |

**INVESTMENT STATISTICS**

| FYE Dec | 2026E | 2027F | 2028F |
|---|---|---|---|
| Revenue | 1,555.2 | 1,780.3 | 2,043.6 |
| Operating Profit | 1,148.7 | 1,328.2 | 1,534.1 |
| Profit Before Tax | 1,133.1 | 1,313.3 | 1,520.3 |
| Core PATAMI | 1,098.8 | 1,260.7 | 1,474.4 |
| Core EPS | 14.3 | 16.4 | 19.1 |
| DPS | 4.3 | 4.9 | 5.7 |
| Dividend Yield | 5.4 | 6.1 | 7.2 |

| KEY STATISTICS | |
|---|---|
| FBM KLCI | 1,740.94 |
| Issue shares (m) | 7,530.40 |
| Estimated free float (%) | 64.69 |
| Market Capitalisation (RM'm) | 6,547.35 |
| 52-wk price range | RM0.63 – RM1.05 |
| 3-mth average daily volume (m) | 76.08 |
| 3-mth average daily value (RM'm) | 61.17 |
| **Top Shareholders (%)** | |
| Wong Thean Soon | 14.61 |
| Asia Internet Holdings Sdn Bhd | 14.04 |
| Kumpulan Wang Persaraan Diperbadan | 5.00 |

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## ZETRIX AI BHD: 4QFY25 RESULTS SUMMARY

| Financial year ending 31st Dec | Quarterly | | | Cumulative | | |
|---|---|---|---|---|---|---|
| (in RM'm, unless otherwise stated) | 4Q25 | YoY (%) | QoQ (%) | FY25 | FY24 | YoY (%) |
| Revenue | 385.7 | 31.4 | 12.9 | 1,335.3 | 1,016.9 | 31.3 |
| | | | | | | |
| EBITDA | 330.1 | 42.7 | 26.3 | 1,031.5 | 838.5 | 23.0 |
| Depreciation and amortisation | -24.5 | 73.4 | 53.8 | -65.7 | -54.7 | 20.0 |
| EBIT | 305.7 | 40.7 | 24.5 | 965.8 | 783.8 | 23.2 |
| Interest expense | -23.2 | 22.0 | -6.5 | -83.2 | -66.8 | 24.6 |
| Interest income | 0.2 | -55.8 | 58.4 | 0.6 | 1.6 | -64.8 |
| Share of results of JV and associates | 0.1 | -199.3 | -54.4 | 1.2 | 0.7 | 69.0 |
| PBT | 282.8 | 42.5 | 27.9 | 884.3 | 719.2 | 22.9 |
| Taxation | -0.5 | -93.6 | -50.3 | -1.9 | -11.2 | -83.2 |
| NCI | -0.4 | -829.2 | 78.6 | -1.4 | 0.4 | -498.6 |
| PATANCI | 282.7 | 47.8 | 28.3 | 883.9 | 707.7 | 24.9 |
| Normalised PATANCI | 291.1 | 41.4 | 45.1 | 901.65 | 732.7 | 23.1 |
| | | | | | | |
| Normalised EPS (sen) | 3.78 | 37.3 | 43.0 | 11.71 | 9.80 | 19.5 |
| | | +/- ppts | +/- ppts | | | +/- ppts |
| EBITDA margin (%) | 85.6 | 6.8 | 9.1 | 77.2 | 82.5 | -6.3 |
| EBIT margin (%) | 79.2 | 5.2 | 7.4 | 72.3 | 77.1 | -6.2 |
| Normalised PATANCI margin (%) | 75.5 | 5.3 | 16.8 | 67.5 | 72.0 | -6.3 |
| Effective tax rate (%) | 0.2 | -3.4 | -0.3 | 0.2 | 1.6 | -86.3 |

*Source: Company, MBSBR*

## FINANCIAL SUMMARY

| Income Statement (RM'm) | 2024A | 2025A | 2026E | 2027F | 2028F |
|---|---|---|---|---|---|
| Revenue | 1,016.9 | 1,335.3 | 1,555.2 | 1,780.3 | 2,043.6 |
| EBITDA | 821.8 | 1,031.5 | 1,231.2 | 1,419.3 | 1,641.4 |
| EBIT | 767.0 | 965.8 | 1,148.7 | 1,328.2 | 1,534.1 |
| PBT | 702.2 | 884.3 | 1,133.1 | 1,313.3 | 1,520.3 |
| PATANCI | 697.5 | 883.9 | 1,098.8 | 1,260.7 | 1,474.4 |
| Normalised PATANCI | 707.1 | 901.6 | 1,098.8 | 1,260.7 | 1,474.4 |
| Normalised EPS (sen) | 9.5 | 11.7 | 14.3 | 16.4 | 19.1 |
| Normalised EPS Growth (%) | 41.1 | 23.8 | 21.9 | 14.7 | 16.9 |
| PER (x) | 8.5 | 6.8 | 5.6 | 4.9 | 4.2 |
| Dividend Per Share (sen) | 2.7 | 3.1 | 4.3 | 4.9 | 5.7 |
| Dividend yield (%) | 3.4 | 3.9 | 5.4 | 6.1 | 7.2 |

*Source: Company, MBSBR*

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### MBSB INVESTMENT BANK (formerly known as MIDF Amanah Investment Bank): GUIDE TO RECOMMENDATIONS

**STOCK RECOMMENDATIONS**

| | |
|---|---|
| BUY | Total return is expected to be >10% over the next 12 months. |
| TRADING BUY | The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow. |
| NEUTRAL | Total return is expected to be between -10% and +10% over the next 12 months. |
| SELL | Total return is expected to be <-10% over the next 12 months. |
| TRADING SELL | The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow. |

**SECTOR RECOMMENDATIONS**

| | |
|---|---|
| POSITIVE | The sector is expected to outperform the overall market over the next 12 months. |
| NEUTRAL | The sector is to perform in line with the overall market over the next 12 months. |
| NEGATIVE | The sector is expected to underperform the overall market over the next 12 months. |

**ESG RECOMMENDATIONS*** - source Bursa Malaysia and FTSE Russell

| | |
|---|---|
| ☆☆☆☆ | Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆☆ | Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆☆ | Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |
| ☆ | Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell |

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology