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MMCS rides on cybersecurity solutions for growth

The Edge, Malaysia

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BY KAMARUL AZHAR

ACE Market-bound MM Computer Systems Bhd (KL:MMCS) is expected to leverage its cybersecurity business as a meaningful growth catalyst, supporting its top-line growth and margin expansion.

The enterprise IT solutions provider's revenue of RM16.4 million from its cybersecurity business in the financial year ended Dec 31, 2025 (FY2025) gave the segment a remarkable three-year compound annual growth rate (CAGR) of 46% and contributed 16.6% to the total group revenue of RM98.68 million. This is considered an impressive performance as the segment contributed only 6.9% to the total group revenue in FY2022.

It should be noted that the cybersecurity business is among the company's segments with higher margins. The segment recorded a gross profit margin of 20.7% in FY2025.

"This growth was primarily driven by new cybersecurity projects across GLCs (government-linked companies), enterprises and resellers, including the design, implementation and configuration of network security appliances for advanced threat detection and renewal of antivirus licences," Mercury Securities says in a May 25 report.

MMCS' other business segments include IT infrastructure and networking solutions, maintenance services, IT hardware and software sales, technical support services and the leasing of IT hardware and software.

Its upcoming initial public offering (IPO) will comprise a public issue of 119 million new ordinary shares and an offer for sale of 47.34 million existing shares at an IPO price of 22 sen per share. The public issue is expected to raise gross proceeds of about RM26.18 million.

Of the proceeds raised, RM16.93 million has been earmarked for the procurement of IT hardware and software, RM3.1 million for workforce expansion and capability development, RM1.5 million for partial repayment of bank borrowings and RM4.65 million for estimated listing expenses.

Upon listing, MMCS will have an enlarged issued share capital of 567 million shares, with an indicative market capitalisation of about RM124.74 million based on the IPO price.

The public portion of MMCS' IPO has been oversubscribed by 42.12 times. Of that, the bumiputera and non-bumiputera portions saw oversubscription rates of 24.81 times and 59.44 times respectively.

MMCS recently obtained the Cyber Security Service Provider Licence from the National Cybersecurity Agency, which unlocks the ability to offer managed security operation centre monitoring services, a higher-value recurring revenue stream.

The group plans to strengthen its capability through workforce expansion, together with structured training and certification in IT infrastructure, cybersecurity and project management, thereby enhancing its capacity to execute more complex, large-scale IT solution projects in line with evolving technological trends.

To enhance efficiency, it plans to develop an integrated paperless system in collaboration with a third-party vendor to enable real-time data sharing across departments and automate processes such as ticket assignment, ticket closure and subscription renewal alerts, while allowing mobile-based updates by technical staff. The system is expected to be implemented in phases from 2QFY2026 and fully completed by end-FY2027.

IPO details	
Issue price	22 sen
Enlarged share base	567 million
IPO valuation (PER)	12.29 times
Controlling shareholder	Young Yoon Chang (33.02%), Lee Choon Weng (14.08%), Quah Soo Keat (14.08%)
Subscription rate (public portion)	43.12 times
Fair values	TA Securities (24 sen), PublicInvest Research (26 sen), Mercury Securities (26.6 sen)
Market	ACE Market
Listing date	June 11

According to an independent market research report prepared by Providence Strategic Partners, as disclosed in the IPO prospectus, MMCS is expected to benefit from broad-based growth in the IT industry, especially in IT infrastructure and networking solutions, cloud services and cybersecurity. The IT infrastructure and networking solutions segment in Malaysia is projected to expand at a CAGR of 18.5% between 2026 and 2028, according to the research and consulting firm.

Meanwhile, the cloud services industry is forecast to grow at a CAGR of 20% over the same period, while the cybersecurity solutions market is expected to record a CAGR of 15.9%.

Financial highlights			
	FY2023	FY2024	FY2025
Revenue (RM mil)	56.84	73.71	96.68
Profit after tax (RM mil)	3.59	8.69	10.12
Earnings per share (sen)	0.63	1.53	1.79
Dividend paid (RM mil)	1.26	1.50	1.50
Dividend payout (%)	35.10	17.26	14.80

Note: FY ended Dec 31

MMCS' earnings visibility is supported by an unbilled order book of RM80.8 million as at April 13.

Its FY2025 revenue grew 33.9% to RM98.7 million from RM73.7 million in FY2024, supported by new project wins and stronger demand across all core segments. Core profit increased 12.7% to RM10 million in FY2025 from RM8.9 million in FY2024.

Its gross profit margin expanded significantly to 23.1% in FY2024 from 10.4% in FY2022, reflecting a gradual shift towards higher-value design, implementation and configuration IT solutions (notably infrastructure upgrades and cybersecurity) and recurring maintenance services. While gross profit margin moderated slightly to 21.3% in

FY2025 due to margin compression in outsourcing services, product sales and leasing segments, it remained materially above the FY2022 level.

TA Securities estimates that MMCS will record earnings growth of 6.8%, 7% and 9.4% to RM10.7 million, RM11.5 million and RM12.5 million for FY2026, FY2027 and FY2028 respectively. "We also expect the domestic market to remain the group's primary revenue contributor," the research house says in a May 22 report, while assigning a target price of 24 sen per share and a price-earnings ratio (PER) of 12 times, based on the company's forecast earnings for FY2027.

Public Investment Bank ascribed a fair value of 26 sen per share and a PER of 10.5 times, based on the company's FY2027 estimated earnings per share (EPS). Meanwhile, Mercury Securities assigned a fair value of 26.6 sen and a target PER of 13 times, based on an estimated EPS of 2.04 sen for FY2027.

Malacca Securities is the principal adviser, sponsor, underwriter and placement agent of MMCS' IPO.

IPO performance on Bursa Malaysia in the past six months

COMPANY	LISTING DATE	IPO PRICE (RM)	FIRST-DAY CLOSING PRICE (RM)	FIRST-DAY SHARE PRICE PERFORMANCE (%)	CLOSING PRICE AS AT JUNE 4 (RM)	PRICE CHANGE SINCE IPO (%)	PER AT IPO (TIMES)	MARKET CAPITALISATION (RM MIL)
MAIN MARKET								
Geohan Co	Dec 5, 2025	0.55	0.54	-1.82	0.295	-46.36	15.11	129.80
Orkim	Dec 9, 2025	0.92	0.93	1.09	0.875	-4.89	9.90	875.00
Lac Med	Dec 10, 2025	0.75	0.77	2.00	0.730	-2.67	14.70	292.00
Wasco Greenergy	Dec 11, 2025	1.00	0.88	-12.00	0.470	-53.00	12.80	235.00
Hock Soon Capital	Feb 13, 2026	0.60	0.56	-6.67	0.360	-40.00	7.10	180.00
Sunway Healthcare Holdings	March 18, 2026	1.45	1.85	27.59	1.730	19.31	64.80	19,895.29
Empire Premium Food	April 17, 2026	0.70	1.04	48.57	1.010	44.29	20.30	1,111.00
MTT Shipping and Logistics	April 21, 2026	1.03	1.00	-2.91	0.905	-12.14	10.30	2,262.50
SkyeChip	May 20, 2026	0.88	2.21	151.14	2.920	231.82	44.00	5,244.32
ACE MARKET								
BMS Holdings	Dec 8, 2025	0.220	0.175	-20.45	0.150	-31.82	15.83	231.00
Semico Capital	Jan 13, 2026	0.250	0.375	50.00	0.550	120.00	14.88	198.00
SBS Nexus	Jan 20, 2026	0.250	0.240	-4.00	0.120	-52.00	16.10	58.80
Guan Huat Seng Holdings	Jan 22, 2026	0.250	0.245	-2.00	0.185	-26.00	13.02	87.60
One Gasmaster Holdings	Jan 27, 2026	0.250	0.200	-20.00	0.125	-50.00	13.93	38.75
ISF Group	Jan 28, 2026	0.330	0.480	45.45	0.590	78.79	12.69	545.00
Ambest Group	Feb 6, 2026	0.250	0.345	38.00	0.695	178.00	18.38	369.75
Kee Ming Group	Feb 12, 2026	0.380	0.870	128.95	1.120	194.74	15.20	347.75
Teamstar	Feb 25, 2026	0.260	0.235	-9.62	0.250	-3.85	13.00	208.00
OGX Group	March 12, 2026	0.350	0.345	-1.43	0.460	31.43	17.16	315.00
Adnex Group	March 17, 2026	0.200	0.250	25.00	0.300	50.00	11.56	155.00
SE Resources Holdings	April 15, 2026	0.260	0.270	3.85	0.260	0.00	18.44	385.00
Golden Destinations Group	April 16, 2026	0.450	0.400	-11.11	0.350	-22.22	15.85	345.00
AMS Advanced Material	April 23, 2026	0.290	0.305	5.17	0.410	41.38	20.71	238.68
Manforce Group	May 6, 2026	0.380	0.375	-1.32	0.300	-21.05	14.91	94.39
Inscape Creation	May 8, 2026	0.250	0.255	2.00	0.230	-8.00	11.36	84.94
Gold LI Holdings	May 18, 2026	0.130	0.105	-19.23	0.115	-11.54	10.00	66.00
EI Power	May 21, 2026	0.480	0.555	15.63	0.595	23.96	17.37	406.00
Bus Cap	June 3, 2026	0.230	0.315	36.96	0.300	30.43	8.98	115.01



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SUMMARIES

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