

Datasonic Group Bhd

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Passport renewals to drive recovery

- Regarded as one of the largest security-based ICT solution providers, including the smart card personalisation in Malaysia.
- Demand for passport chips renewals will shift into higher gear as travel relaxations took take precedence after countries re-open their borders overtime.
- Equipped with a healthy balance sheet with a net cash position of RM99.4m, translating to net cash per share of RM0.03 (c.7.6% of share price).
- Technically, price has formed a hammer candle and traders may anticipate for a technical rebound to take place after the recovery above RM0.45 to target the next resistances at RM0.475-0.49 with long term target at RM0.52.

DSO NIC daily: Hammer candle



M+ Wiz

DATASONIC GROUP BHD

Last Price (RM)	0.815
5 Day Change (%)	2.5
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	87.5
52Week Range Percentile (%)	45.3
Volatility 30D	36.9
EMA9, EMA20, EMA60 Trend	Downtrend
Price vs. EMA20 (%)	1.0
DMI DI+	20.6
DMI DI-	15.0
ADX	29.2
Price Skew	UP
RSI 14D	51.8
RSI OB/OS	Positive
Price vs. Bollinger Band (%)	56.6

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Trading Catalyst

- Datasonic Group Bhd (DSO NIC) is regarded as one of the largest security-based ICT solution providers, including the smart card personalisation in Malaysia. DSONIC is the only ICT vendor involved in 3 major smart card programs in the country, namely the (i) GMPC, (ii) ATM chip-based card known as PMPC and (iii) EMV chip-based credit card migration in the country.
- Moving forward, we reckon that demand for passport chips renewals will shift into higher gear as travel relaxations took take precedence after countries re-open their borders overtime. We note that DSONIC would be able to tap onto approximately 4.0m of Malaysian passports have currently expired and not renewed.
- Recently, DSONIC has also secured a RM50.1m contract from Ministry of Home Affairs (KDN) for the supply of MyKad, MyTentera and MyPoca raw cards and consumables over a period of 12 months till 14th February 2023. As of 3QFY22, DSONIC is also equipped with a healthy balance sheet with a net cash position of

Financial snapshot

FYE Mar	FY21	FY22f	FY23f
Revenue (RM m)	138.4	150.7	268.3
Net profit (RM m)	7.3	18.6	73.6
Shares (m)	2962.0	2962.0	2962.0
EPS (sen)	0.2	0.6	2.5
DPS (sen)	1.0	1.0	2.0
P/E (x)	177.7	69.4	17.5
DY (%)	2.3	2.3	4.6

Bloomberg

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RM99.4m, translating to net cash per share of RM0.03 (c.7.6% of share price).

Technical Outlook

- Technically, share price is attempting to find stability after attempting to recover since early 2022. Coming closer, price has staged a pullback in February and we think that a rebound might be due. For now, price has formed a hammer candle and traders may anticipate for a technical rebound to take place after the recovery above RM0.45 to target the next resistances at RM0.475-0.49 with long term target at RM0.52. Support is pegged at RM0.40 and cut loss is located at RM0.395.

Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage.
EMA9, EMA20, EMA60 Trend	If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
Price vs. EMA20 (%)	Position of the price away from the EMA20 level
DMI DI+	Positive directional movement.
DMI DI-	Negative directional movement.
ADX	ADX is a moving average of the directional movement index.
Price Skew	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up. If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition. If RSI 14 days is greater or equal to 70, it will be stated Overbought.
RSI OB/OS	If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive. If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative. If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage