

Stronger earnings seen for MyEG

Group's businesses to gain from increase in digital adoption

CORPORATE

KUALA LUMPUR: MyEG Services Bhd should see stronger earnings in 2021 due to an increase in digital adoption rate.

This will benefit its e-government and commercial-based businesses, new revenue stream from Covid-19 health-related services

and the opening of international borders, which will positively contribute to foreign worker business segment, according to BIMB Securities Research.

The research unit said MyEG's fourth-quarter 2020 core profit grew 9% year-on-year and 8% quarter-on-quarter to RM76mil.

This was due to higher contribution from Covid-19 health screening and new revenue

stream from Covid-19 screening and quarantine for inbound travellers, higher transaction volume for Road Transport Department-related services (renewal of motorcycle insurance, road tax and Competent Driving License) as well as improved revenue contribution from online sales of groceries through the "Nak Beli" platform.

The company had declared a final dividend

per share (DPS) of 1.7 sen, implying a dividend payout of 78%.

This brings a total 2020 DPS of 2.2 sen, slightly lower than financial year 2019 DPS of 2.5 sen.

BIMB Securities Research has maintained its "buy" call on MyEG and a RM3 target price, pegged at 30 times price-earnings ratio on its 2021 earnings per share of 10 sen.