

**Tan Sue Wen**

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<b>Recommendation:</b>	<b>BUY</b>
<b>Current Price:</b>	<b>RM 1.29</b>
<b>Previous Target Price:</b>	<b>RM 1.66</b>
<b>Target Price:</b>	↔ <b>RM 1.66</b>
<b>Upside/Downside:</b>	<b>28.7%</b>

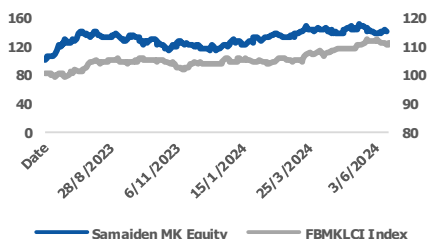
**Stock information**

Board	MAIN
Sector	Industrial
Bursa / Bloomberg Code	0223 / SAMAI DEN MK
Syariah Compliant	Yes
FTSE4Good Index	No
FTSE ESG Rating	N/A
Bloomberg ESG Rating	N/A
Shares issued (m)	418.5
Market Cap (RM' m)	539.9
52-Week Price Range (RM)	0.93-1.42
Beta (x)	1.0
Free float (%)	28.7
3M Average Volume (m)	0.6
3M Average Value (RM' m)	0.8

**Top 3 Shareholders (%)**

Ir Chow Pui Hee	31.4
Fong Yeng Foon	20.7
Chudenko Corp	13.9

**Share Price Performance**



	<b>1M</b>	<b>3M</b>	<b>12M</b>
Absolute (%)	-7.2	-7.2	32.3
Relative (%)	-5.6	-10.7	15.3

## Samaiden Group Berhad

### Marking Footprint in Lighting Industry

#### Summary

- **Samaiden sign BCA with Gruppe Lighting Solution to Advance renewable energy initiatives.**
- **Collaboration entails Samaiden’s maiden venture into lighting industry, focusing onto solar street lighting and smart city projects.**
- **We maintain our BUY recommendation with an unchanged target price of RM1.66 derived by Sum-of-Parts (SOP) valuation.**

#### Company Update

- **Collaboration details.** Samaiden announced a three-year Business Collaboration Agreement (BCA) with Gruppe Lighting Solution (Gruppe) to develop and implement comprehensive solar street lighting systems. The collaboration will encompass smart city projects, integrating solar street lights with IoT capabilities to improve energy management and urban services.
- **Gruppe Lighting Solution.** Established in 1987 in Malaysia, Gruppe is a lighting specialist with expertise in public lighting, port and airport lighting, industrial and commercial lighting, sports lighting, architectural lighting, and solar lighting. Gruppe offer one-stop solutions from design to delivery and have an in-house photometric test laboratory to meet demanding technical requirements. Gruppe has a strong track record both locally and overseas, having delivered notable projects such as the Hong Kong Stadium, Marina Bay Sands in Singapore, MRT Line 2 Tunnel, and PNB Tunnel in Kuala Lumpur, showcasing commitment to quality assurance.
- **Our view.** We see this collaboration as a significant milestone for Samaiden in entering the lighting industry, specifically targeting the implementation of solar street lighting systems. Leveraging onto Gruppe's expertise in lighting and IoT capabilities will enhance Samaiden's technological offerings, especially in Battery Energy Storage Systems (BESS), thereby enhancing competitiveness of offering solutions. The collaboration aligns with Malaysia’s renewable energy goals by working on smart city projects that aim to reduce carbon emissions and provide guidance for green solutions in cities and townships.
- **Valuation.** While the collaboration aligns with long-term goals, we have kept our earnings forecast unchanged as we anticipate the development will not affect our projected figures over the immediate future. We maintain our **BUY** recommendation Samaiden with an unchanged target price of RM1.66 derived by SOP valuations.
- **Risk.** Fluctuation in solar module costs, heavily rely or dependable onto government initiatives and low barriers of entry into the industry.

**Financial Highlights**
**Income Statement**

FYE Jun (RM m)	FY22	FY23	FY24E	FY25F	FY26F
<b>Revenue</b>	<b>150.7</b>	<b>170.8</b>	<b>233.8</b>	<b>330.4</b>	<b>469.5</b>
<b>Gross Profit</b>	<b>25.5</b>	<b>25.8</b>	<b>31.6</b>	<b>44.4</b>	<b>65.8</b>
<b>EBITDA</b>	<b>17.4</b>	<b>14.9</b>	<b>21.4</b>	<b>34.2</b>	<b>53.5</b>
Depreciation & Amortisation	-0.2	-0.3	-0.5	-4.5	-10.0
<b>EBIT</b>	<b>17.2</b>	<b>14.6</b>	<b>20.9</b>	<b>29.7</b>	<b>43.5</b>
Net Finance Income/ (Cost)	-0.8	-1.2	-1.5	-2.2	-3.1
Associates & JV	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>16.4</b>	<b>13.4</b>	<b>19.4</b>	<b>27.6</b>	<b>40.4</b>
Tax	-4.5	-3.3	-5.0	-7.0	-10.2
<b>Profit After Tax</b>	<b>11.9</b>	<b>10.1</b>	<b>14.5</b>	<b>20.6</b>	<b>30.2</b>
Minority Interest	0.0	0.0	0.0	0.0	0.0
<b>Net Profit</b>	<b>11.9</b>	<b>10.1</b>	<b>14.5</b>	<b>20.6</b>	<b>30.2</b>
Exceptionals	-0.9	0.4	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>11.1</b>	<b>10.4</b>	<b>14.5</b>	<b>20.6</b>	<b>30.2</b>

**Key Ratios**

FYE Jun (RM m)	FY22	FY23	FY24E	FY25F	FY26F
EBITDA margin	11.5%	8.7%	9.2%	10.4%	11.4%
EBIT margin	11.4%	8.6%	9.0%	9.0%	9.3%
PBT margin	10.9%	7.8%	8.3%	8.3%	8.6%
PAT margin	7.9%	5.9%	6.2%	6.2%	6.4%
NP margin	7.9%	5.9%	6.2%	6.2%	6.4%
Core NP margin	7.3%	6.1%	6.2%	6.2%	6.4%
Dividend yield	0.0%	0.0%	0.0%	0.0%	0.0%
ROE	13.8%	10.3%	11.1%	13.6%	16.7%
ROA	7.1%	5.2%	7.4%	7.7%	8.8%
Net gearing	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

**Valuation**

Sum of Parts (SOP)	Equity Value (RM' m)	Key assumptions
EPCC	776.7	30x FY26F PER
Solar assets	45.8	WACC = 6.6%
Proceeds from exercise of w arrants/ESOS	101.9	
SOP Value	924.4	
Enlarged share base (m share)	560.0	
<b>Fair Value (RM)</b>	<b>1.66</b>	

Source: Company, Apex Securities

**Balance Sheet**

FYE Jun (RM m)	FY22	FY23	FY24E	FY25F	FY26F
Cash	80.2	108.2	123.6	106.4	81.7
Receivables	35.8	37.2	40.2	46.2	53.2
Inventories	0.7	0.5	0.4	0.4	0.5
Other current assets	47.0	41.9	21.7	49.1	68.4
<b>Total Current Assets</b>	<b>163.7</b>	<b>187.9</b>	<b>185.8</b>	<b>202.1</b>	<b>203.8</b>
PPE	1.8	3.4	6.2	60.8	134.9
Other non-current assets	3.5	3.3	3.3	3.3	3.3
<b>Total Non-current assets</b>	<b>5.4</b>	<b>6.6</b>	<b>9.5</b>	<b>64.1</b>	<b>138.2</b>
Short-term Debt	10.9	4.5	5.3	7.6	10.8
Payables	62.5	70.6	48.5	71.5	100.9
Other Current Liabilities	5.7	17.0	6.4	30.5	42.1
<b>Total Current Liabilities</b>	<b>79.2</b>	<b>92.2</b>	<b>60.3</b>	<b>109.6</b>	<b>153.8</b>
Long-term Debt	0.9	1.9	2.3	3.2	4.6
Other non-current liabilities	2.9	2.4	2.4	2.4	2.4
<b>Total Non-current Liabilities</b>	<b>3.8</b>	<b>4.4</b>	<b>4.7</b>	<b>5.7</b>	<b>7.1</b>
Shareholder's equity	86.0	97.8	130.2	150.8	181.0
Minority interest	0.2	0.1	0.1	0.1	0.1
<b>Total Equity</b>	<b>86.2</b>	<b>97.9</b>	<b>130.3</b>	<b>150.9</b>	<b>181.1</b>

**Cash Flow**

FYE Jun (RM m)	FY22	FY23	FY24E	FY25F	FY26F
<b>Pre-tax profit</b>	<b>16.4</b>	<b>13.4</b>	<b>19.4</b>	<b>27.6</b>	<b>40.4</b>
Depreciation	0.2	0.3	0.5	4.5	10.0
Changes in working capital	-8.6	24.9	-15.3	13.6	14.7
Others	-1.6	-5.2	-4.4	-5.9	-8.3
<b>Operating cash flow</b>	<b>6.3</b>	<b>33.4</b>	<b>0.2</b>	<b>39.8</b>	<b>56.8</b>
Net capex	-0.5	-1.8	-3.3	-59.1	-84.2
Others	-3.7	1.4	0.9	1.1	1.2
<b>Investing cash flow</b>	<b>-4.2</b>	<b>-0.4</b>	<b>-2.4</b>	<b>-58.0</b>	<b>-83.0</b>
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	34.1	-5.6	17.5	1.1	1.5
<b>Financing cash flow</b>	<b>34.1</b>	<b>-5.6</b>	<b>17.5</b>	<b>1.1</b>	<b>1.5</b>
<b>Net cash flow</b>	<b>36.2</b>	<b>27.4</b>	<b>15.4</b>	<b>-17.2</b>	<b>-24.7</b>
Forex	0.0	0.2	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	32.8	69.0	96.6	112.0	94.8
<b>Ending cash</b>	<b>69.0</b>	<b>96.6</b>	<b>112.0</b>	<b>94.8</b>	<b>70.2</b>

**APEX SECURITIES BERHAD – CONTACT LIST**

<b>APEX SECURITIES BHD</b>	<b>DEALING TEAM</b>	<b>RESEARCH TEAM</b>
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**RESEARCH RECOMMENDATION FRAMEWORK**

**STOCK RECOMMENDATIONS**

**BUY:** Total returns\* are expected to exceed 10% within the next 12 months.  
**HOLD:** Total returns\* are expected to be within +10% to – 10% within the next 12 months.  
**SELL:** Total returns\* are expected to be below -10% within the next 12 months.  
**TRADING BUY:** Total returns\* are expected to exceed 10% within the next 3 months.  
**TRADING SELL:** Total returns\* are expected to be below -10% within the next 3 months.  
 \*Capital gain + dividend yield

**SECTOR RECOMMENDATIONS**

**OVERWEIGHT:** The industry defined by the analyst is expected to exceed 10% within the next 12 months.  
**NEUTRAL:** The industry defined by the analyst is expected to be within +10% to – 10% within the next 12 months.  
**UNDERWEIGHT:** The industry defined by the analyst, is expected to be below -10% within the next 12 months.

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