

Tan Sue Wen

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Recommendation:	BUY
Current Price:	RM 1.10
Previous Target Price:	RM 1.66
Target Price:	↔ RM 1.66
Upside/Downside:	50.9%

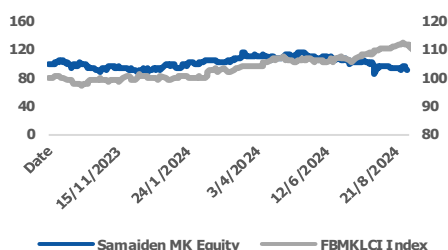
Stock information

Board	MAIN
Sector	Industrial
Bursa / Bloomberg Code	0223 / SAMAIDEN 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)	460.4
52-Week Price Range (RM)	1-1.42
Beta (x)	0.9
Free float (%)	28.7
3M Average Volume (m)	0.5
3M Average Value (RM' m)	0.6

Top 3 Shareholders (%)

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

Share Price Performance



	1M	3M	12M
Absolute (%)	-5.2	-16.0	-11.3
Relative (%)	-7.7	-17.5	-21.3

Samaiden Group Berhad

Post-results briefing takeaways

Summary

- We came away feeling reassured over current operations and future prospects in the post-results briefing yesterday with Samaiden aiming to secure at least 10% of EPCC jobs and 100MW in asset ownership from LSS5.
- Future prospects remain bright, driven by strong order book expansion from CGPP, LSS5, CRESS and NEM programmes.
- We maintain our BUY recommendation with an unchanged target price of RM1.66, based on a SOP valuation.

Company Update

- We attended Samaiden's post-results briefing yesterday and came away feeling reassured over current operations and future prospects. Below are the key takeaways:
 - **LSS5 Details.** Samaiden aims to secure at least 10% (equivalent to 200MW) of EPCC jobs, alongside 100MW in asset ownership from LSS5. We estimate these initiatives could generate c.RM600m in project value, with major contract billings expected to begin in 2HFY25. Historically, Samaiden has captured c.15.0% market share in LSS cycles. Backed by their strong track record in ground-mounted solar, we believe the 10% target for LSS5 is achievable.
 - **CGPP Delays.** We came away with further insights over the delays in finalisation of CGPP contracts. The delays were attributed to i) some offtakers withdrawing from the program due to concerns of economic slowdown, and ii) rising commodity prices, especially copper, that have sharply increased substation construction costs. We believe Samaiden is capable of managing these challenges, given their extensive experience in the field.
 - **Order Book Replenishment Outlook.** Samaiden's current order book stands at RM313.5m (C&I: 30%, Biomass: 30%, with the remainder from other RE sources), equivalent to 1.8x FY23 revenue. Over the near term, we expect new project wins to primarily derive from the 800MW CGPP tender. Combined with CRESS, 450MW NEM quota, and the deflationary trend in solar module prices (currently at a historic low of USD 0.10/watt), we believe these factors will drive further solar investments, keeping Samaiden busy until 2028.
 - **Earnings revision.** No changes to our forecasts, as the key takeaways from the briefing are in line with our expectations.
 - **Valuation.** Maintained **BUY** recommendation for Samaiden with an unchanged target price of RM1.66 based on SOP valuations. We continue to favour Samaiden due to (i) its position as a specialist in ground-mounted solar PV projects, (ii) its lowest gearing ratio (0.05x as at FY24) compared with its listed peers, and (iii) its expertise in bioenergy solutions, differentiating it from other solar EPCC players.

- **Risk.** Reversal in solar module costs. Heavy reliance on government initiatives. Intense market competition.

Financial Highlights

Income Statement

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	150.7	170.8	227.2	330.4	469.5
Gross Profit	25.5	25.8	35.5	44.4	65.8
EBITDA	17.4	14.9	24.7	35.4	55.2
Depreciation & Amortisation	-0.2	-0.3	-1.2	-4.4	-9.9
EBIT	17.2	14.6	23.5	31.0	45.3
Net Finance Income/ (Cost)	-0.8	-1.2	-1.6	-3.5	-4.7
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	16.4	13.4	21.9	27.5	40.6
Tax	-4.5	-3.3	-5.8	-7.0	-10.2
Profit After Tax	11.9	10.1	16.0	20.5	30.4
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	11.9	10.1	16.1	20.5	30.4
Exceptionals	-0.9	0.4	0.0	0.0	0.0
Core Net Profit	11.1	10.4	16.0	20.5	30.4

Key Ratios

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
P/E (x)	41.6	44.3	28.8	22.5	15.2
EBITDA margin	11.5%	8.7%	10.9%	10.7%	11.8%
EBIT margin	11.4%	8.6%	10.3%	9.4%	9.6%
PBT margin	10.9%	7.8%	9.6%	8.3%	8.7%
PAT margin	7.9%	5.9%	7.1%	6.2%	6.5%
NP margin	7.9%	5.9%	7.1%	6.2%	6.5%
Core NP margin	7.3%	6.1%	7.0%	6.2%	6.5%
Dividend yield	0.0%	0.0%	0.4%	0.5%	0.7%
ROE	13.8%	10.3%	11.9%	13.4%	16.9%
ROA	7.1%	5.2%	7.8%	7.1%	7.7%
Net gearing	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Valuation

Sum of Parts (SOP)	Equity Value (RM' m)	Key assumptions
EPCC	780.5	30x FY26F PER
Solar assets	45.8	WACC = 6.6%
Proceeds from exercise of warrants/ESOS	101.9	
SOP Value	928.2	
Enlarged share base (m share)	560.0	
Fair Value (RM)	1.66	

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	80.2	108.2	132.2	119.2	130.8
Receivables	35.8	37.2	52.1	56.2	60.7
Inventories	0.7	0.5	0.4	0.3	0.2
Other current assets	47.0	41.9	12.5	49.1	68.4
Total Current Assets	163.7	187.9	197.2	224.8	260.1
PPE	1.8	3.4	5.2	59.8	134.1
Other non-current assets	3.5	3.3	2.7	2.7	2.7
Total Non-current assets	5.4	6.6	7.9	62.5	136.8
Short-term Debt	10.9	4.5	6.6	33.1	70.5
Payables	62.5	70.6	56.8	71.5	100.9
Other Current Liabilities	5.7	17.0	3.5	19.7	26.2
Total Current Liabilities	79.2	92.2	66.9	124.4	197.6
Long-term Debt	0.9	1.9	1.8	8.3	17.6
Other non-current liabilities	2.9	2.4	1.8	1.8	1.8
Total Non-current Liabilities	3.8	4.4	3.6	10.1	19.4
Shareholder's equity	86.0	97.8	134.5	152.7	179.8
Minority interest	0.2	0.1	0.1	0.1	0.1
Total Equity	86.2	97.9	134.6	152.9	179.9

Cash Flow

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	16.4	13.4	21.9	27.5	40.6
Depreciation	0.2	0.3	0.2	4.4	9.9
Changes in working capital	-8.6	24.9	-15.1	-9.7	12.1
Others	-1.6	-5.2	-5.6	-4.5	-6.8
Operating cash flow	6.3	33.4	1.4	17.8	55.9
Net capex	-0.5	-1.8	-2.1	-59.1	-84.2
Others	-3.7	1.4	3.9	1.1	1.2
Investing cash flow	-4.2	-0.4	1.8	-58.0	-83.0
Dividends paid	0.0	0.0	-2.0	-2.3	-3.3
Others	34.1	-5.6	24.1	29.5	42.0
Financing cash flow	34.1	-5.6	22.0	27.2	38.6
Net cash flow	36.2	27.4	25.2	-13.1	11.6
Forex	0.0	0.2	-0.2	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	32.8	69.0	96.6	121.7	108.6
Ending cash	69.0	96.6	121.7	108.6	120.2

APEX SECURITIES BERHAD – CONTACT LIST

APEX SECURITIES BHD	DEALING TEAM	RESEARCH TEAM
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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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