

**Tan Sue Wen**

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<b>Recommendation:</b>	<b>BUY</b>
<b>Current Price:</b>	<b>RM 1.02</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>62.7%</b>

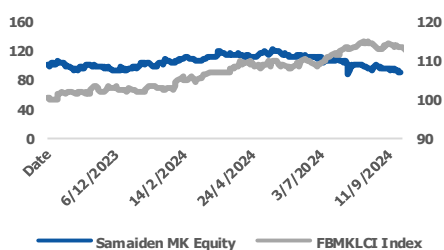
**Stock information**

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)	418.6
Market Cap (RM' m)	427.0
52-Week Price Range (RM)	1-1.42
Beta (x)	1.1
Free float (%)	28.7
3M Average Volume (m)	0.4
3M Average Value (RM' m)	0.5

**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 (%)	-11.3	-20.9	-17.1
Relative (%)	-9.7	-23.8	-28.4

## Samaiden Group Berhad

### Another LSS Job In The Pocket

#### Summary

- Secured a RM52m LSS contract for a 14MW solar project from Legasi Green Power, with the project set to commence within 12 months from the LOA date.
- This new contract win bumps Samaiden’s outstanding order book to RM365.5m, representing an orderbook-to-cover ratio of 1.6x against FY24 revenue of RM227.2m.
- We maintain our BUY recommendation with an unchanged target price of RM1.66, based on a SOP valuation.

#### Company Update

- **New contract secured.** Samaiden has secured a Letter of Award from Legasi Green Power for the development of a 14MW large-scale solar project under the Large Scale Solar Photovoltaic (LSS) programme.
- **Contract details.** The 14MW project, valued at RM52m, will be located in Sungai Petani, Kedah. The project is expected to commence within 12 months from the LOA date, with a target COD by August 2025, assuming no delay. The project also includes a defects liability period of 36 months from the COD, as approved by TNB and ST.
- **Orderbook update.** This latest contract win bumps Samaiden’s outstanding order book to RM365.5m, representing an orderbook-to-cover ratio of 1.6x against FY24 revenue of RM227.2m. We anticipate the revenue will be recognised in phases, with one-third recognised in FY25, and the remaining revenue likely to be recognised gradually through FY26, in line with the expected COD in Q1FY26. Based on an estimated EBIT margin of 6%, the project is expected to contribute RM3.1m in EBIT over its lifecycle.
- **Earnings revision.** No changes have been made to our earnings forecasts, as the contract win falls within our FY25F order book replenishment target of RM1.0bn.
- **Valuation.** We maintain our **BUY** recommendation for Samaiden with an unchanged target price of RM1.66, based on SOP valuations. We remain optimistic about Samaiden’s prospects due to (i) its expertise in ground-mounted solar PV projects, (ii) its lowest gearing ratio (0.05x as of FY24) among listed peers, and (iii) its focus on bioenergy solutions, which differentiates 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
<b>Revenue</b>	<b>150.7</b>	<b>170.8</b>	<b>227.2</b>	<b>330.4</b>	<b>469.5</b>
<b>Gross Profit</b>	<b>25.5</b>	<b>25.8</b>	<b>35.5</b>	<b>44.4</b>	<b>65.8</b>
<b>EBITDA</b>	<b>17.4</b>	<b>14.9</b>	<b>24.7</b>	<b>35.4</b>	<b>55.2</b>
Depreciation & Amortisation	-0.2	-0.3	-1.2	-4.4	-9.9
<b>EBIT</b>	<b>17.2</b>	<b>14.6</b>	<b>23.5</b>	<b>31.0</b>	<b>45.3</b>
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
<b>Pre-tax Profit</b>	<b>16.4</b>	<b>13.4</b>	<b>21.9</b>	<b>27.5</b>	<b>40.6</b>
Tax	-4.5	-3.3	-5.8	-7.0	-10.2
<b>Profit After Tax</b>	<b>11.9</b>	<b>10.1</b>	<b>16.0</b>	<b>20.5</b>	<b>30.4</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>16.1</b>	<b>20.5</b>	<b>30.4</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>16.0</b>	<b>20.5</b>	<b>30.4</b>

**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	
<b>Fair Value (RM)</b>	<b>1.66</b>	

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
<b>Total Current Assets</b>	<b>163.7</b>	<b>187.9</b>	<b>197.2</b>	<b>224.8</b>	<b>260.1</b>
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
<b>Total Non-current assets</b>	<b>5.4</b>	<b>6.6</b>	<b>7.9</b>	<b>62.5</b>	<b>136.8</b>
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
<b>Total Current Liabilities</b>	<b>79.2</b>	<b>92.2</b>	<b>66.9</b>	<b>124.4</b>	<b>197.6</b>
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
<b>Total Non-current Liabilities</b>	<b>3.8</b>	<b>4.4</b>	<b>3.6</b>	<b>10.1</b>	<b>19.4</b>
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
<b>Total Equity</b>	<b>86.2</b>	<b>97.9</b>	<b>134.6</b>	<b>152.9</b>	<b>179.9</b>

**Cash Flow**

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
<b>Pre-tax profit</b>	<b>16.4</b>	<b>13.4</b>	<b>21.9</b>	<b>27.5</b>	<b>40.6</b>
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
<b>Operating cash flow</b>	<b>6.3</b>	<b>33.4</b>	<b>1.4</b>	<b>17.8</b>	<b>55.9</b>
Net capex	-0.5	-1.8	-2.1	-59.1	-84.2
Others	-3.7	1.4	3.9	1.1	1.2
<b>Investing cash flow</b>	<b>-4.2</b>	<b>-0.4</b>	<b>1.8</b>	<b>-58.0</b>	<b>-83.0</b>
Dividends paid	0.0	0.0	-2.0	-2.3	-3.3
Others	34.1	-5.6	24.1	29.5	42.0
<b>Financing cash flow</b>	<b>34.1</b>	<b>-5.6</b>	<b>22.0</b>	<b>27.2</b>	<b>38.6</b>
<b>Net cash flow</b>	<b>36.2</b>	<b>27.4</b>	<b>25.2</b>	<b>-13.1</b>	<b>11.6</b>
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
<b>Ending cash</b>	<b>69.0</b>	<b>96.6</b>	<b>121.7</b>	<b>108.6</b>	<b>120.2</b>

**APEX SECURITIES BERHAD – CONTACT LIST**

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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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