

Tan Sue Wen

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Recommendation:	BUY
Current Price:	RM 1.03
Previous Target Price:	RM 1.66
Target Price:	↔ RM 1.66
Upside/Downside:	61.2%

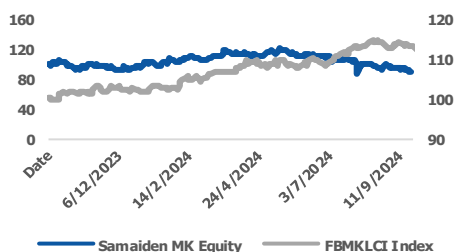
Stock information

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)	431.2
52-Week Price Range (RM)	1-1.42
Beta (x)	1.0
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 (%)	-12.0	-19.5	-13.4
Relative (%)	-10.0	-20.7	-25.0

Samaiden Group Berhad

Another contract win in LSS

Summary

- Secured another new LSS contract for a 10MW solar project from Bahau Power, valued at RM39.2m, which we expect to generate RM2.4m in EBIT over its lifecycle.
- This new contract bumps Samaiden's outstanding order book to RM404.7m, equivalent to 1.8x FY24 revenue of RM227.2m.
- We maintain our BUY recommendation with an unchanged target price of RM1.66, based on an SOP valuation.

Company Update

- **New LSS contract secured.** Samaiden has secured a Letter of Award from Bahau Power Sdn Bhd for the development of a 10MW large-scale solar (LSS) project.
- **LSS project details.** The LSS project, with a capacity of 10MW, is valued at RM39.2m and will be located in Bahau, Negeri Sembilan. The project is expected to be completed within 12 months to meet the COD by Sept 25, corresponding to 1QFY26.
- **Orderbook update.** This contract marks Samaiden's latest win in LSS, raising its outstanding order book to RM404.7m, equivalent to 1.8x FY24 revenue of RM227.2m. We anticipate that revenue recognition will follow a similar pattern to previous projects, with a significant portion likely to be recognised by FY26F. Assuming a similar EBIT margin to the LSS4 average of 6%, the project is expected to generate RM2.4m in EBIT over its lifecycle.
- **Earnings revision.** There are no changes to our earnings forecasts, as this contract win falls within our FY25F order book replenishment assumption of RM1.0bn.
- **Outlook.** After securing two recent contract wins, we maintain our positive stance on Samaiden's prospects. We expect momentum to continue, supported by (i) upcoming CGPP job wins, where we anticipate Samaiden capturing RM350m in orders, and (ii) at least 10% of EPCC jobs from LSS5, aligned with its historical market share in past LSS cycles. Separately, recent strengthening of the MYR is expected to improve project margins, particularly in the sourcing of solar panels, which account for c.20-35% of contract value.
- **Valuations.** We maintain our **BUY** recommendation on Samaiden with an unchanged target price of RM1.66, based on SOP valuation. Current valuations remain undemanding, with stock trading at a PER of 26x, below the industry average of 30x. We remain optimistic about Samaiden's prospects due to its (i) expertise in ground-mounted solar PV projects, (ii) lowest gearing ratio (0.05x as of FY24) among listed peers, and (iii) 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
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)	38.9	41.4	26.9	21.1	14.2
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%	0.5%	0.5%	0.8%
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	101.8	
SOP Value	928.2	
Enlarged share base (m share)	559.9	
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
<p>Head Office: 5th Floor Menara UAC, 12, Jalan PJU 7/5, Mutiara Damansara, 47800 Petaling Jaya, Selangor Darul Ehsan, Malaysia</p> <p>General Line: (603) 7890 8899</p>	<p>Head Office: Kong Ming Ming (ext 2002) Lee Chen Ming (ext 2029) Shirley Chang (ext 2026) Ahmad Mujib (ext 2028) Azfar Bin Abdul Aziz (ext 2031) Aizzat Bin Mohd Daud (ext 2030)</p>	<p>Head Office: Kenneth Leong (ext 2093) Steven Chong (ext 2068) Jayden Tan (ext 2069) Chelsea Chew (ext 2070) Tan Sue Wen (ext 2095) Ong Tze Hern (ext 2113)</p>
<p>Petaling Jaya Office: 16th Floor, Menara Choy Fook Onn, No.1B Jalan Yong Shook Lin, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia</p> <p>General Line: (603) 7620 1118</p>	<p>Institutional Dealing Team: Low Jin Wu (ext 2109)</p>	
	<p>PJ Office: General Line: (603) 7620 1118</p>	

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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