

Tan Sue Wen

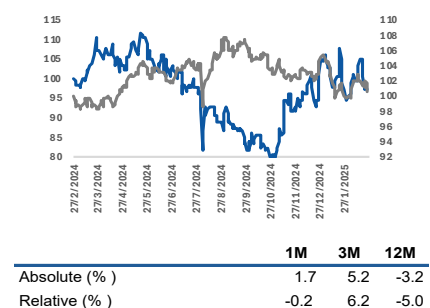
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Recommendation:	BUY
Current Price:	RM 1.22
Previous Target Price:	RM 1.71
Target Price:	↔ RM 1.71
Capital Upside/Downside:	40.2%
Dividend Yield (%):	0.6%
Total Upside/Downside:	40.8%

Stock information	
Board	MAIN
Sector	Industrial
Bursa / Bloomberg Code	0223 / SAMAIEN MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	420.0
Market Cap (RM' m)	512.4
52-Week Price Range (RM)	1.42-0.995
Beta (x)	1.1
Free float (%)	45.2
3M Average Volume (m)	0.6
3M Average Value (RM' m)	0.7

Top 3 Shareholders	(%)
Hee Ir Chow Pui	31.3
Chudenko Corp	13.9
Oversea-Chinese Banking Corp Ltd	2.8

Share Price Performance

Samaiden Group Berhad

Growth Remains On Track

Executive Summary

- Samaiden's 2QFY25 CNP rose 0.9% qoq and 17.1% yoy to RM3.9m, bringing 6MFY25 CNP to RM7.9m (+18.8% yoy). We deem it as within expectations, despite accounting for only 39.6% of our forecast and 36.5% of consensus estimates. We expect a stronger 2HFY25 ahead, driven by higher billings from on-going from EPCC job for CGPP projects.
- Prospects are strong underpinned by clear RE initiatives, for solar farm LSS5, LSS5+ and LSS6, with an estimated RM17bn in EPCC job opportunities over the next two years.
- Maintain BUY recommendation with an unchanged target price of RM1.71, based on a sum-of-parts (SOP) valuation, and appraised with a three-star ESG rating.

Within expectations. Samaiden reported a 2QFY25 CNP of RM3.9m (+0.9% qoq, +17.1% yoy), bringing the 6MFY25 total to RM7.9m (+18.8% yoy), which accounts for 39.6%/36.5% of our/consensus full-year forecasts. We deem the results to be within expectations, as the 2H will see much better earnings from higher contributions of ongoing EPCC jobs for CGPP projects, which are set to meet the tight COD by the end of 2025. Note that CNP has been adjusted for a FV gain of RM0.7m from short-term investments and a forex gain of RM0.1m

qoq. 2QFY25 CNP grew marginally by 0.9% qoq despite a significant 62.1% improvement in revenue driven by EPCC projects. However, margin compression from the lower-margin EPCC projects offset the revenue growth. As a result, the CNP margin declined by 3%-pts to 4.9%.

yoy. 2QFY25 CNP grew by 17.1% yoy, likely due to higher contributions from electricity sales from solar plants (revenue +295.1% from a low base) and increased progress billing from EPCC projects (revenue +63.7%). CNP margin decreased by 2.0%-pts due to higher contribution from lower-margin EPCC projects

Outlook. RE prospects remain bright, supported by clear RE initiatives that have been introduced, including an additional 450MW quota under NEM, an extended rebate of RM4k/kWac under the Solar For Rakyat Incentive Scheme (SolaRIS), LSS5+ with a 2GW quota, CREAM (rooftop lease program), BESS program with a total capacity of 400MW/1,600MWh, and the planned rollout of LSS6. Considering Samaiden's expertise in solar farms, assuming a 2GW capacity allocation for LSS6, the combined impact of LSS5, LSS5+ and LSS6 could translate into an estimated RM17bn in EPCC jobs, putting Samaiden in a strong position to expand its order book over the next two years. Note that Samaiden secured around a 15% market share of EPCC jobs in the past LSS cycles. As of 31 Dec 2024, Samaiden's unbilled order book stood at RM515.7m (59% from solar farm, 18% from biomass, 22% from C&I and remainder from others), equivalent to 2.3x its FY24 revenue of RM227.2m.

Earnings revision. No change to our earnings forecasts.

Valuation. We maintain our **BUY** recommendation with an unchanged TP of **RM1.71** based on sum-of-parts (SOP) and appraised with three-star ESG rating. We like Samaiden for its (i) expertise in ground-mounted solar PV projects, (ii) industry-leading low gearing ratio of 0.12x as of 2QFY25, and (iii) strategic focus on bioenergy solutions, which sets it apart from other solar EPCC players.

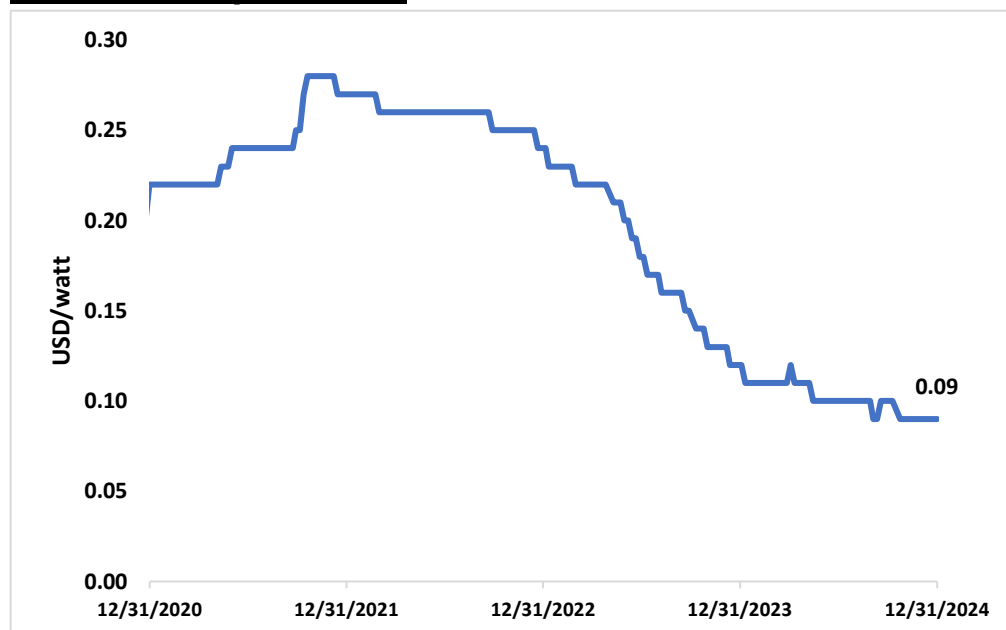
Risk. Increase in solar module costs. Heavy reliance on government initiatives. Intense market competition.

Earnings Summary

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	150.7	170.8	227.2	329.6	470.4
EBITDA	17.7	15.6	24.4	35.7	54.8
Pre-tax profit	16.4	13.4	21.9	26.5	39.1
Net profit	11.9	10.1	16.1	19.8	29.2
Core net profit	12.8	9.7	15.4	19.8	29.2
Core EPS (sen)	3.1	2.3	3.7	4.7	7.0
P/E (x)	39.9	52.6	33.3	25.8	17.5
P/B (x)	5.9	5.2	3.8	3.4	2.9
EV/EBITDA (x)	32.7	39.2	26.0	15.4	8.2
Dividend Yield (%)	0.0%	0.0%	0.4%	0.4%	0.6%
Net Gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	33.0%

Source: Company, Apex Securities

Solar module price trend



Source: Bloomberg, Apex Securities

Results Note

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Results Comparison

FYE Jun (RM m)	2QFY25	2QFY24	yoy (%)	1QFY25	qoq (%)	6MFY25	6MFY24	yoy (%)	Comments
Revenue	80.0	48.8	63.9	49.4	62.1	129.4	95.0	36.3	
EBITDA	7.0	4.6	52.2	4.9	43.5	11.9	8.9	33.2	
Pre-tax profit	6.6	4.2	56.1	4.4	50.4	10.9	8.2	34.1	
Net profit	4.7	3.2	49.8	3.3	42.4	8.1	6.1	31.7	
Core net profit	3.9	3.4	17.1	3.9	0.9	7.9	6.6	18.8	Higher execution from low-margin EPCC
Core EPS (sen)	1.0	0.8	17.1	1.0	0.9	1.9	1.6	18.8	projects
EBITDA margin (%)	8.8	9.4		9.9		9.2	9.4		
PBT margin (%)	8.2	8.6		8.8		8.4	8.6		
Core PATMI margin (%)	4.9	6.9		7.9		6.1	7.0		

Source: Company, Apex Securities

Segmental Breakdown

FYE Jun (RM m)	2QFY25	2QFY24	yoy (%)	1QFY25	qoq (%)	6MFY25	6MFY24	yoy (%)	Comments
Revenue									
EPCC	79.9	48.8	63.7	49.2	62.3	129.1	94.9	36.1	Higher project billings from CGPP
Power Supply	0.2	0.0	295.1	0.2	1.9	0.3	0.1	264.8	projects
Others	-	-	-	-	-	-	-	-	
Total	80.0	48.8	63.9	49.4	62.1	129.4	95.0	36.3	

Source: Company, Apex Securities

Results Note

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Financial Highlights

Income Statement

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Revenue	150.7	170.8	227.2	329.6	470.4
Gross Profit	25.5	25.8	35.5	44.8	65.3
EBITDA	17.7	15.6	24.4	35.7	54.8
Depreciation & Amortisation	-0.6	-1.0	-1.0	-4.3	-10.0
EBIT	17.2	14.6	23.5	31.5	44.7
Net Finance Income/ (Cost)	-0.8	-1.2	-1.6	-4.9	-5.7
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	16.4	13.4	21.9	26.5	39.1
Tax	-4.5	-3.3	-5.8	-6.7	-9.8
Profit After Tax	11.9	10.1	16.0	19.8	29.2
Minority Interest	0.0	0.0	0.0	0.0	0.0
Net Profit	11.9	10.1	16.1	19.8	29.2
Exceptionals	-0.9	0.4	0.7	0.0	0.0
Core Net Profit	12.8	9.7	15.4	19.8	29.2

Key Ratios

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
EPS (sen)	3.1	2.3	3.7	4.7	7.0
P/E (x)	39.9	52.6	33.3	25.8	17.5
P/B (x)	5.9	5.2	3.8	3.4	2.9
EV/EBITDA (x)	32.7	39.2	26.0	15.4	8.2
DPS (sen)	0.0	0.0	0.5	0.5	0.8
Dividend Yield (%)	0.0%	0.0%	0.4%	0.4%	0.6%
EBITDA margin (%)	11.8%	9.1%	10.7%	10.8%	11.6%
EBIT margin (%)	11.4%	8.6%	10.3%	9.5%	9.5%
PBT margin (%)	10.9%	7.8%	9.6%	8.1%	8.3%
PAT margin (%)	7.9%	5.9%	7.1%	6.0%	6.2%
NP margin (%)	7.9%	5.9%	7.1%	6.0%	6.2%
CNP margin (%)	8.5%	5.7%	6.8%	6.0%	6.2%
ROE (%)	14.8%	9.9%	11.4%	13.0%	16.4%
ROA (%)	7.6%	5.0%	7.5%	6.5%	6.5%
Gearing (%)	13.8%	6.6%	6.3%	38.0%	79.7%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	33.0%

Valuations	Value (RM' m)	Valuation methodology
EPCC	809.57	30x FY26F PER
Solar assets	45.82	Ke = 12.0%
Proceeds from warrants/ESOS	101.79	
SOP Value	957.18	
Enlarged share base (m share)	559.90	
Fair Value (RM)	1.71	
ESG premium/discount	0.0%	
Implied Fair Value (RM)	1.71	

Source: Company, Apex Securities

Balance Sheet

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Cash	80.2	108.2	132.2	95.5	83.2
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	49.3	70.4
Total Current Assets	163.7	187.9	197.2	201.3	214.6
Fixed Assets	1.8	3.4	5.2	98.8	232.9
Intangibles	3.4	3.0	2.4	2.4	2.4
Other non-current assets	0.1	0.3	0.3	0.3	0.3
Total Non-Current Assets	5.4	6.6	7.9	101.5	235.6
Short-term debt	10.9	4.5	6.6	46.3	113.7
Payables	62.5	70.6	56.8	71.2	101.3
Other current liabilities	5.7	17.0	3.5	19.8	26.9
Total Current Liabilities	79.2	92.2	66.9	137.3	241.8
Long-term debt	0.9	1.9	1.8	11.6	28.4
Other non-current liabilities	2.9	2.4	1.8	1.8	1.8
Total Non-Current Liabilities	3.8	4.4	3.6	13.3	30.2
Shareholder's equity	86.0	97.8	134.5	152.1	178.1
Minority interest	0.2	0.1	0.1	0.1	0.1
Total Equity	86.2	97.9	134.6	152.2	178.2

Cash Flow

FYE Jun (RM m)	FY22	FY23	FY24	FY25F	FY26F
Pre-tax profit	16.4	13.4	21.9	26.5	39.1
Depreciation & amortisation	0.6	1.0	1.0	4.3	10.0
Changes in working capital	-8.6	24.9	-15.1	-10.2	11.6
Others	-2.0	-5.9	-6.3	-2.9	-5.3
Operating cash flow	6.3	33.4	1.4	17.8	55.4
Capex	-0.5	-1.9	-2.1	-97.9	-144.2
Others	-3.7	1.5	3.9	1.1	1.2
Investing cash flow	-4.2	-0.4	1.8	-96.8	-143.0
Dividends paid	0.0	0.0	-2.0	-2.2	-3.2
Others	34.1	-5.6	24.1	44.5	78.6
Financing cash flow	34.1	-5.6	22.0	42.3	75.4
Net cash flow	36.2	27.4	25.2	-36.8	-12.3
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	84.9
Ending cash	69.0	96.6	121.7	84.9	72.6

Results Note

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ESG Matrix Framework:

Environment

Parameters	Rating	Comments
Climate	★★★	Emission intensity ratios were reduced to 0.60x from 0.64x in 2024 for Scope 1, and to 0.43x from 0.65x for Scope 2.
Waste & Effluent	★★★	3R (Reduce, Reuse, Recycle) initiative was implemented, with 3R bins placed in each office.
Energy	★★	Energy consumption increased by 27% in fuel for FY24, while electricity consumption was reduced by 11.6%.
Water	★★★	Water consumption intensity decreased by 43.8%, from 0.0064m ³ in the previous year to 0.0036m ³ .
Compliance	★★★	The Group complies with all local and international environmental regulations.

Social

Diversity	★★★	Female representation stands at 19.7% in the workforce and 30% at the management level, meeting the MCGG's recommendation of 30% female directors on the Board.
Human Rights	★★★	Enforces strict policies against human trafficking, forced labor, and child labor.
Occupational Safety and Health	★★★	A total of 6,474 hours of training have been conducted. No fatalities, with a reduction in the total recordable incident rate (TRIR) to 0, from 1 case last year.
Labour Practices	★★★	Adheres to all relevant labor laws.

Governance

CSR Strategy	★★★	Actively engaged with communities, contributing RM58,494 to various initiatives.
Management	★★★	Among the board members, 30% (2 out of 6) were female, while 60% (6 out of 10) were independent directors.
Stakeholders	★★★	Regularly organizes corporate events and holds an annual general meeting (AGM) for investors.

Overall ESG Scoring: ★★★

Recommendation Framework:

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

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.

ESG Rating Framework:

★★★★★ : Appraised with 3% premium to fundamental fair value

★★★★ : Appraised with 1% premium to fundamental fair value

★★★ : Appraised with 0% premium/discount to fundamental fair value

★★ : Appraised with -1% discount to fundamental fair value

★ : Appraised with -5% discount to fundamental fair value

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(a) nil.