

## Team Coverage

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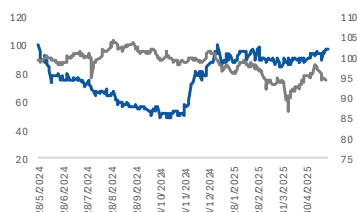
<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM0.335
Previous Target Price:	RM0.50
Target Price:	↓ RM0.43
Capital Upside/Downside:	28.4%
Dividend Yield (%):	0.0%
<b>Total Upside/Downside</b>	<b>28.4%</b>

## Stock information

Board	MAIN
Sector	Telco & Media
Bursa / Bloomberg Code	9431/ SENI.MK
Syariah Compliant	Yes
ESG Rating	★★★
Shares issued (m)	213.5
Market Cap (RM' m)	71.5
52-Week Price Range (RM)	0.35-0.155
Beta (x)	0.5
Free float (%)	36.3
3M Average Volume (m)	0.1
3M Average Value (RM' m)	0.0

<b>Top 3 Shareholders</b>	<b>(%)</b>
Lee Yee Nai	12.0
Kenanga Asnitabond	7.7
Ong Kah Hoe	6.2

## Share Price Performance



	1M	3M	12M
Absolute (%)	6.3	0.0	-2.9
Relative (%)	5.8	3.4	2.3

## Earnings summary

FYE Jun	FY24*	FY25F	FY26F
Revenue (RM'm)	72.5	73.9	81.3
PATAMI (RM'm)	10.9	13.7	11.5
CNP (RM'm)	2.9	8.7	11.5
EPS - core (sen)	1.4	4.1	5.4
P/E(x)	24.6	8.2	6.2

\* Denotes 18 months data due to change in FYE

## Seni Jaya Corporation Berhad

## Missed Expectations

## Executive Summary

- SJC recorded 3QFY25 core net profit of RM2.2m (+4.7% qoq) and recovered from a core net loss of -RM1.7m in the previous corresponding quarter, bringing 9MFY25 core net profit to RM5.8m came below our expectations, accounting for 42.4% of our in-house forecasts.
- 3QFY25 CNP of RM2.2m – remained in the black for the third straight quarter reflects the fruits of labour from the restructuring exercise in recent years as well as improving demand for OOH business solutions.
- Looking ahead, the proposed acquisition of Unilink Outdoor Sdn Bhd and Vision OOH Sdn Bhd is expected to beef up the Group's out of home advertising presence.
- Maintained BUY recommendation on SJC with a target price of RM0.43, based on 8.0x P/E multiple pegged to FY26F EPS of 5.4 sen, and appraised with a three-star ESG rating.

**Results missed expectations.** Excluding fair value loss on investment (-RM0.4m), 3QFY25 core net profit (CNP) came in at RM2.2m, bringing 9MFY25 CNP to RM5.8m (turnaround from a core net loss of -RM3.2m in the previous corresponding period). The results, however, came below expectations, representing 42.4% of our estimates. The earnings miss was primarily attributable to weaker-than-expected revenue growth as well as higher operating expenses.

**qoq.** 3QFY25 CNP climbed 4.7% qoq to RM2.2m, lifted by increased demand for billboards, higher margin projects and efficient overhead management. Consequently, the CNP margin expanded to 12.9%, from 11.0% in 2QFY25, reflecting better operational efficiencies.

**yoy.** 3QFY25 CNP stood at RM2.2m, representing a turnaround from a core net loss of -RM1.7m, on the back of stronger demand in billboard segments, and the absence of operational cost incurred for the B\*Verse Exhibition in the previous corresponding quarter.

**Better Fundamental Standings.** We gathered that SJC continues to operate in the black for the third straight quarter with 9MFY25 CNP stood at RM5.8m, a turnaround as oppose to a core net loss of -RM3.2m recorded in 9MFY24. The improvement reflects the results of recent restructuring efforts, as the Group has been increasingly focused onto out-of-home (OOH) advertising, with a gradual shift toward digital out-of-home formats. We also gather that balance sheet remains healthy with cash position of RM8.7m as at end-3QFY25, while the Group operates in a net operating cash flow.

**Outlook.** SJC will be supported by more than 500 billboards as well as 31 digital billboards to sustain revenue visibility. Several expansions are in pipeline such as installation of (i) digital unipole at MRR2, (ii) digital screen at Bangsar, (iii) fourth gantry by mid-2025, (iv) digital screen at Terengganu, (v) additional advertising space at several PLUS highway sites, (vi) additional digital and static gantries and (vii) continues to tie up with e-hailing players for mobile DOOH.

**Earnings Revision.** Cut our earnings forecast by -21.1%/-14.8%/-13.0% for FY25F/FY26F/FY27F mainly to account for higher operational cost incurred for the on-going OOH expansion plans and slower-than-expected take-up in digital and static billboard occupancy rate.

**Valuation.** Re-iterate **BUY** recommendation with lower a target price of **RM0.43** (from RM0.50) based on assigned P/E multiple 8.0x to revised FY26F EPS of 5.4 sen and three-star ESG rating. We continue to favour SJC for their (i) solid turnaround plan that was justified recovery in fundamentals in recent quarters, (ii) efforts to cement their position in the OOH advertising space via strategic expansionary plans in addition of new assets/sites, (iii) leveraging onto exponential growth of DOOH in recent years and (iv) higher corporate adex spending.

**Risk.** Slower-than-expected roll-out in expansion plan and weaker-than-expected occupancy rate.

# Results Note

Thursday, 29 May, 2025

## Results Comparison

FYE Sep (RM m)	3QFY25	3QFY24	yoy (%)	2QFY25	qoq (%)	9MFY25	9MFY24	yoy (%)	Comments
Revenue	17.1	13.8	24.4	19.2	(10.6)	53.9	39.1	38.0	Driven by increased demand for billboards, margin improvements and efficient overhead management
EBITDA	4.9	(1.6)	nm	9.0	(45.2)	19.4	6.5	199.0	
Pre-tax profit	2.1	(3.3)	nm	6.3	(67.2)	11.1	2.8	298.0	
Net profit	1.8	(1.7)	nm	6.6	(72.3)	11.1	4.9	129.3	
Core net profit	2.2	(1.7)	nm	2.1	4.7	5.8	(3.2)	nm	Returned to the black for the third straight quarte
Core EPS (sen)	0.3	(0.2)	nm	0.3	4.7	0.7	(0.4)	nm	
EBITDA margin (%)	28.8	(11.5)		47.0		35.9	16.6		
PBT margin (%)	12.0	(24.1)		32.8		20.5	7.1		
Core net profit margin (%)	12.9	(12.6)		11.0		10.7	(8.1)		

Source: Company, Apex Securities

## Financial Highlights

### Income Statement

FYE Jun (RM m)	FY22	FY24*	FY25F	FY26F	FY27F
Revenue	37.9	72.5	73.9	81.3	89.4
Gross Profit	12.8	17.0	29.6	32.5	35.8
EBITDA	11.4	21.6	27.3	24.4	26.8
Depreciation & Amortisation	-4.2	-10.0	-12.0	-12.0	-13.1
EBIT	7.2	11.6	15.4	12.4	13.8
Net Finance Income/ (Cost)	-0.2	-1.2	-1.4	-1.5	-1.6
Associates & JV	-0.3	0.0	0.0	0.0	0.0
Pre-tax Profit	6.7	10.4	14.0	10.9	12.1
Tax	0.2	-1.9	-2.8	-2.2	-2.4
Profit After Tax	7.0	8.4	11.2	8.7	9.7
Minority Interest	0.3	-2.5	-2.6	-2.8	-3.1
Net Profit	6.6	10.9	13.7	11.5	12.8
Exceptionals	3.4	8.0	5.0	0.0	0.0
Core Net Profit	3.2	2.9	8.7	11.5	12.8

### Key Ratios

FYE Jun	FY22	FY24*	FY25F	FY26F	FY27F
EPS (sen)	1.5	1.4	4.1	5.4	6.0
P/E (x)	22.5	24.6	8.2	6.2	5.6
P/B (x)	1.4	1.0	0.8	0.7	0.7
EV/EBITDA (x)	6.8	2.9	2.3	2.8	2.7
DPS (sen)	0.0	0.0	0.0	0.0	0.0
Dividend Yield (%)	0.0%	0.0%	0.0%	0.0%	0.0%
EBITDA margin (%)	30.0%	29.7%	37.0%	30.0%	30.0%
EBIT margin (%)	18.9%	15.9%	20.8%	15.2%	15.4%
PBT margin (%)	17.8%	14.3%	18.9%	13.4%	13.6%
PAT margin (%)	18.3%	11.6%	15.1%	10.7%	10.9%
NP margin (%)	17.4%	15.1%	18.6%	14.2%	14.3%
CNP margin (%)	8.4%	4.0%	11.8%	14.2%	14.3%
ROE (%)	6.2%	4.1%	10.3%	12.0%	11.8%
ROA (%)	4.4%	2.4%	6.5%	7.7%	7.7%
Gearing (%)	6.1%	39.1%	35.7%	34.2%	32.9%
Net gearing (%)	Net Cash	12.8%	8.6%	3.5%	6.5%

### Valuations FY26F aluation methodolog

EPS (RM)	0.05	8x P/E
Fair Value (RM)	0.43	

\*Denotes 18 months data due to change in FYE

Source: Company, Apex Securities

### Balance Sheet

FYE Jun (RM m)	FY22	FY24*	FY25F	FY26F	FY27F
Cash	6.4	18.5	22.9	29.5	28.8
Receivables	19.9	26.4	30.4	31.2	34.3
Inventories	0.0	4.4	6.1	7.4	8.1
Other current assets	5.3	2.7	3.0	3.3	3.6
Total Current Assets	31.6	52.0	62.3	71.3	74.7
Fixed Assets	21.3	38.6	38.6	41.4	45.7
Intangibles	0.0	0.0	0.0	0.0	0.0
Other non-current assets	18.9	31.2	33.8	36.6	46.0
Total Non-Current Assets	40.2	69.8	72.4	78.0	91.6
Short-term debt	2.0	5.3	5.6	5.9	6.2
Payables	13.6	16.5	11.7	12.4	13.8
Other current liabilities	2.8	6.5	6.5	6.5	6.5
Total Current Liabilities	18.4	28.3	23.8	24.7	26.4
Long-term debt	1.1	22.3	24.5	27.0	29.7
Other non-current liabilities	0.6	0.5	1.9	1.6	1.4
Total Non-Current Liabilities	1.7	22.8	26.4	28.6	31.1
Shareholder's equity	49.5	71.0	84.7	96.3	109.1
Minority interest	2.2	-0.3	-0.3	-0.3	-0.3
Total Equity	51.7	70.7	84.5	96.0	108.8

### Cash Flow

FYE Jun (RM m)	FY22	FY24*	FY25F	FY26F	FY27F
Pre-tax profit	6.7	10.4	14.0	10.9	12.1
Depreciation & amortisation	4.2	10.0	12.0	12.0	13.1
Changes in working capital	3.5	-7.4	1.1	10.8	1.7
Others	-4.3	-13.2	-11.9	-11.9	-11.9
Operating cash flow	10.2	-0.2	15.1	21.7	15.0
Net capex	-2.2	-3.2	-0.2	3.0	3.8
Others	-11.6	-10.1	-14.8	-16.3	-17.9
Investing cash flow	-13.8	-13.4	-15.0	-13.2	-14.1
Dividends paid	0.0	0.0	0.0	0.0	0.0
Others	-2.2	15.8	4.2	-1.8	-1.6
Financing cash flow	-2.2	15.8	4.2	-1.8	-1.6
Net cash flow	-5.8	2.3	4.3	6.6	-0.7
Forex	0.0	0.0	0.0	0.0	0.0
Others	1.5	9.8	0.0	0.0	0.0
Beginning cash	10.8	6.4	18.5	22.9	29.5
Ending cash	6.4	18.5	22.9	29.5	28.8

## ESG Matrix Framework:

## Environment

Parameters	Rating	Comments
Climate	★★★	Committed to ongoing efforts aimed at enhancing energy utilisation and efficiency at office and project sites such as investing in energy-efficient LED screens
Waste & Effluent	★★★	Committed to implementing water conservation initiatives and raising employees' awareness on proper water management at all premises
Energy	★★★	Total electricity consumption from the grid recorded was 5,365 megawatt hour
Water	★★★	Water consumption stood at 1.37 megalitres
Compliance	★★★	In compliance with environmental regulations

## Social

Diversity	★★★	Committed to provide competitive wages that are equitable and free from any form of gender discrimination with male-to-female employee ratio at 56%-to-44% in FY24
Human Rights	★★★	Aligns business practices with the Employment (Amendment) Act 2022
Occupational Safety and Health	★★★	Adheres to occupational Safety and Health Act 1994 and Malaysia Employment Act 1955
Labour Practices	★★★	Practices are in strict accordance with regulations governing working hours as stipulated by the Employment (Amendment) Act 2022

## Governance

CSR Strategy	★★	Nil
Management	★★	2/6 female board composition, 2/6 Independent Directors
Stakeholders	★★★	Regularly engage with key internal and external stakeholders identified to understand needs and expectations with reference to material matters

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 + 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.

## 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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As of **Thursday, 29 May, 2025**, the analyst(s), whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.