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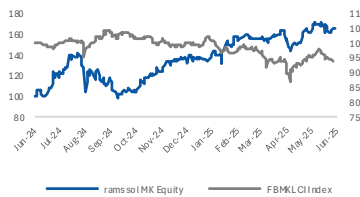
<b>Recommendation:</b>	<b>HOLD</b>
Current Price:	RM0.89
Previous Target Price:	RM0.78
Target Price:	↑ RM0.93
Capital Upside/ Downside:	4.5%
Dividend Yield (%):	0.8%
<b>Total Upside/ Downside:</b>	<b>5.3%</b>

**Stock information**

Board	ACE
Sector	Technology
Bursa/ Bloomberg Code	0236/ RAMSSOLMK
Syariah Compliant	Yes
ESGRating	★★★
Shares Issued (m)	375.6
Market Cap (RM' m)	334.3
52-Week Price Range (RM)	0.93-0.505
Beta (x)	0.5
Free float (%)	53.2
3M Average Volume (m)	3.1
3M Average Value (RM' m)	2.6

**Top 3 Shareholders**

	(%)
Tan Chee Seng	21.9
Liew Yu Hoe	5.5
Lim Wee Chai	5.1

**Share Price Performance**

	1M	3M	12M
Absolute (%)	3.5	7.2	66.4
Relative (%)	6.2	11.0	78.8

**Earnings summary**

FYE (Dec)	FY24	FY25F	FY26F
Revenue (RM'm)	61.7	80.9	85.4
PATAMI (RM'm)	13.5	17.6	20.8
CNP (RM'm)	13.5	17.6	20.8
EPS - core (sen)	3.8	5.0	5.9
P/E(x)	21.5	16.5	13.9

Source: Company, Apex Securities

# Ramssol Group Bhd

## Partnership Agreement with Synlan Technology

- **Ramssol has partnered with Synlan Technology to distribute and resell AI software solutions via the iFLYTEK Open Platform across Asia, covering speech recognition, real-time translation, and NLP. Ramssol will handle sales, support, and technical advisory.**
- **We view the move as strategically positive, enhancing Ramssol's AI-related product offerings and client value proposition. However, we do not expect material near-term earnings impact given the absence of hardware and lower-margin nature of software solutions.**
- **No change to earnings forecasts. Maintain HOLD with a higher TP of RM0.93 (from RM0.78), based on 21x FY26F diluted EPS of 4.4 sen, following valuation base rollover.**

**Partnership Overview.** Ramssol has entered into a partnership agreement with Synlan Technology to become a distributor and reseller of Synlan's AI software solutions via the iFLYTEK Open Platform across Asia. These AI solutions, ranging from speech recognition and synthesis to real-time translation and natural language processing, allow clients to integrate advanced AI capabilities into their operations. Under the arrangement, Ramssol will be responsible for customer support, sales, and technical advisory, while Synlan will provide marketing materials, training, and technical support.

**Our Take.** We view this partnership as a positive strategic move that enhances Ramssol's solution offerings and strengthens its overall value proposition to existing and prospective clients. However, we do not anticipate a material earnings contribution from this agreement, given the lack of hardware involvement and the highly competitive nature of the software segment, which typically carries lower margins.

**Earnings Revision.** As the partnership is not expected to generate immediate earnings impact and does not affect Ramssol's net assets, gearing, or earnings, we maintain our current earnings forecasts.

**Valuation.** We maintain our **HOLD** recommendation on Ramssol with a higher target price of **RM0.93** (from RM0.78) following the rollover of our valuation base to FY26F diluted EPS of 4.4 sen, applying an unchanged P/E multiple of 21.0x. This valuation also incorporates a three-star ESG rating. At current levels, we believe the stock is fairly valued, having priced in its robust financial growth trajectory.

**Risks.** Key risks include cybersecurity threats, potential data breaches, and heightened competition in the AI software market that could hinder adoption and margins.

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
<b>Revenue</b>	<b>27.9</b>	<b>30.4</b>	<b>61.7</b>	<b>80.9</b>	<b>85.4</b>
<b>Gross Profit</b>	<b>15.4</b>	<b>22.2</b>	<b>43.2</b>	<b>60.7</b>	<b>64.1</b>
<b>EBITDA</b>	<b>4.4</b>	<b>9.4</b>	<b>20.6</b>	<b>24.3</b>	<b>26.5</b>
Depreciation & Amortisation	-0.7	-10	-3.0	-0.8	-10
<b>EBIT</b>	<b>3.7</b>	<b>8.4</b>	<b>17.6</b>	<b>23.5</b>	<b>25.5</b>
Net Finance Income/ (Cost)	-0.4	-13	-1.8	-1.4	-12
Associates & JV	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>3.4</b>	<b>7.2</b>	<b>15.8</b>	<b>22.2</b>	<b>24.3</b>
Tax	0.3	12	12	2.7	2.9
<b>Profit After Tax</b>	<b>3.1</b>	<b>6.0</b>	<b>14.6</b>	<b>19.5</b>	<b>21.4</b>
Minority Interest	-0.7	-0.3	1.1	19	0.6
<b>Net Profit</b>	<b>3.8</b>	<b>6.3</b>	<b>13.5</b>	<b>17.6</b>	<b>20.8</b>
Exceptionals	0.0	0.0	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>3.8</b>	<b>6.3</b>	<b>13.5</b>	<b>17.6</b>	<b>20.8</b>

### Key Ratios

FYE Dec	FY22	FY23	FY24	FY25F	FY26F
EPS (sen)	1.1	1.8	3.8	5.0	5.9
P/E (x)	76.6	46.4	21.5	16.5	13.9
P/B (x)	5.7	3.6	2.6	2.6	2.2
EV/EBITDA (x)	65.1	29.8	14.2	12.4	12.2
DPS (sen)	0.0	0.0	0.5	0.8	0.8
Dividend Yield (%)	0.0%	0.0%	0.6%	0.9%	0.9%
EBITDA margin (%)	15.8%	31.0%	33.3%	30.0%	31.0%
EBIT margin (%)	13.4%	27.8%	28.5%	29.1%	29.9%
PBT margin (%)	12.0%	23.7%	25.7%	27.4%	28.5%
PAT margin (%)	11.1%	19.8%	23.8%	24.1%	25.0%
NP margin (%)	13.6%	20.6%	21.9%	21.7%	24.4%
CNP margin (%)	13.6%	20.6%	21.9%	21.7%	24.4%
ROE (%)	6.9%	7.3%	11.8%	14.8%	15.2%
ROA (%)	5.9%	6.2%	8.7%	12.9%	13.7%
Gearing (%)	14.7%	17.3%	24.8%	14.6%	11.4%
Net gearing (%)	Net Cash	7.0%	Net Cash	Net Cash	Net Cash

### Valuations

	FY25F
Core Diluted EPS (RM)	0.044
P/E multiple (x)	210
<b>Fair Value (RM)</b>	<b>0.93</b>
ESG premium/discount	0.0%
<b>Implied Fair Value (RM)</b>	<b>0.93</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
<b>Cash</b>	<b>8.4</b>	<b>8.3</b>	<b>30.7</b>	<b>33.0</b>	<b>54.5</b>
Receivables	22.7	16.6	22.4	24.4	29.3
Inventories	0.0	0.0	0.0	0.0	0.0
Other current assets	8.9	22.9	42.3	17.7	6.3
<b>Total Current Assets</b>	<b>40.0</b>	<b>47.8</b>	<b>95.4</b>	<b>75.1</b>	<b>90.0</b>
Fixed Assets	3.5	3.3	3.0	3.9	5.0
Intangibles	15.1	43.5	48.6	48.6	48.6
Other non-current assets	5.6	6.2	9.0	9.0	9.0
<b>Total Non-Current Assets</b>	<b>24.2</b>	<b>53.1</b>	<b>60.5</b>	<b>61.4</b>	<b>62.6</b>
Short-term debt	15	9.2	14.4	9.9	8.9
Payables	12	0.6	4.1	1.1	1.2
Other current liabilities	4.0	4.8	10.0	6.1	6.4
<b>Total Current Liabilities</b>	<b>6.7</b>	<b>14.6</b>	<b>28.5</b>	<b>17.0</b>	<b>16.5</b>
Long-term debt	6.1	4.8	13.7	6.6	5.9
Other non-current liabilities	0.2	0.1	0.4	0.1	0.1
<b>Total Non-Current Liabilities</b>	<b>6.3</b>	<b>4.9</b>	<b>14.2</b>	<b>6.7</b>	<b>6.0</b>
Shareholder's equity	55.1	85.2	114.7	118.8	137.0
Minority interest	-3.9	-3.9	-1.4	-5.9	-6.8
<b>Total Equity</b>	<b>51.3</b>	<b>81.3</b>	<b>113.2</b>	<b>112.8</b>	<b>130.1</b>

### Cash Flow

FYE Dec (RM m)	FY22	FY23	FY24	FY25F	FY26F
<b>Pre-tax profit</b>	<b>3.4</b>	<b>7.2</b>	<b>15.8</b>	<b>22.2</b>	<b>24.3</b>
Depreciation & amortisation	0.7	10	3.0	0.8	10
Changes in working capital	2.5	-7.8	-7.5	-4.7	-5.9
Others	0.6	0.8	-4.0	1.5	1.5
<b>Operating cash flow</b>	<b>7.1</b>	<b>1.1</b>	<b>7.3</b>	<b>19.7</b>	<b>20.9</b>
Net capex	-19	-0.2	-0.1	-1.6	-2.1
Others	-15.4	-30.3	-7.6	0.0	0.0
<b>Investing cash flow</b>	<b>-17.4</b>	<b>-30.5</b>	<b>-7.7</b>	<b>-1.6</b>	<b>-2.1</b>
Dividends paid	0.0	0.0	0.0	-2.7	-2.7
Others	10.4	19.5	21.1	-1.8	5.4
<b>Financing cash flow</b>	<b>10.4</b>	<b>19.5</b>	<b>21.1</b>	<b>-4.5</b>	<b>2.7</b>
<b>Net cash flow</b>	<b>0.2</b>	<b>-9.9</b>	<b>20.7</b>	<b>13.6</b>	<b>21.4</b>
Forex	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0
Beginning cash	7.6	7.8	-2.0	18.6	32.2
<b>Ending cash</b>	<b>7.8</b>	<b>-2.0</b>	<b>18.6</b>	<b>32.2</b>	<b>53.7</b>

## ESG Matrix Framework:

### Environment

Parameters	Rating	Comments
Climate	★★★	Actively supports paperless operations and cloud-based platforms to reduce carbon footprint across business operations.
Waste & Effluent	★★★	Promotes digitalisation to minimise physical waste generation through its core HR and enterprise solutions.
Energy	★★★	Operates primarily in digital and office environments with emphasis on energy-conscious operations; no renewable energy usage reported, energy consumption stood at 175,749 Kilowatt hours.
Water	★★★	Water usage is minimal due to business nature; no 0.475 mega -liters of usage
Compliance	★★★	Fully complies with local environmental regulations and ISO 9001 standards; no violations reported.

### Social

Diversity	★★★	Maintains a gender-balanced workforce with at least 40% representation from each gender across Group executive and management level.
Human Rights	★★★	Enforces Code of Conduct that prohibits discrimination and supports equal opportunity employment.
Occupational Safety and Health	★★★	No workplace incidents reported; maintains ISO 45001:2018 certification
Labour Practices	★★★	Nil.

### Governance

CSR Strategy	★★★	Established Ramssol Foundation; CSR activities include donations, education partnerships, and social initiatives.
Management	★★★	ESG matters led by Executive Committee and Group MD; board includes mix of executive and independent directors.
Stakeholders	★★★	Regular engagements apart from 4x analyst briefings per annum, 1x AGM per annum

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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(a) nil.