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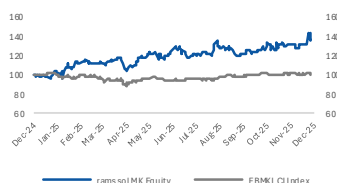
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Recommendation:	BUY
Current Price:	RM 1.060
Previous Target Price:	N.A.
Target Price:	1.45
Capital Upside/Downside:	36.9%
Dividend Yield (%):	0.5%
Total Upside/Downside:	37.4%

Stock information	
Board	ACE
Sector	Software
Bursa / Bloomberg Code	0236 / RAMSSOL MK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	389.4
Market Cap (RM' m)	412.7
52-Week Price Range (RM)	1.09-0.67
Beta(x)	0.7
Free float (%)	59.0
3M Average Volume (m)	4.0
3M Average Value (RM' m)	3.8

Top 3 Shareholders	(%)
Tan Chee Seng	19.9
Liew Yu Hoe	5.3
Lim Wee Chai	4.9

Share Price Performance

	1M	3M	12M
Absolute (%)	10.4	19.1	43.2
Relative (%)	11.3	17.4	42.8

Earnings summary

FYE (Dec)	FY24	FY25F	FY26F
Revenue (RM'm)	62.8	96.8	120.5
PATAMI (RM'm)	13.6	22.0	32.2
CNP (RM'm)	13.4	22.0	32.2
EPS - core (sen)	4.1	5.7	8.3
P/E(x)	25.9	18.8	12.8

Source: Company, Apex Securities

Ramssol Group Bhd

Firing on all cylinders

- **Ramssol is a multi-vertical DXaaS provider. PeopleTech is the core contributor (~60% of PAT), with robust growth supported by HCM solutions like DarwinBox, HONO AI and the upcoming “Pay Day Now” earned wage access platform.**
- **A.I.Tech contributes about 36% of revenue to the group and is poised to deliver promising growth as more enterprises adopt AI to drive efficiency and productivity, positioning Ramssol to benefit from the widespread implementation of application-level AI solutions.**
- **Rider Gate provides a digital used motorcycle ecosystem with revenue from transaction and service fees. Integration with RTD’s MySikap platform positions AutoTech for accelerated growth with market share grab and gain of ownership transfer fee.**
- **We forecast Ramssol’s FY25/26/27F core earnings to grow 65%/46%/12% to RM22m/RM32m/RM36m, implying a CAGR of 39% over our forecast period. We reinstate coverage on Ramssol with a BUY rating and a target price of RM1.45, derived from applying 20x partially diluted FY26F EPS of 7.3 sen.**

A diversified DXaaS provider. Listed on the ACE market since 2021, Ramssol Group is a technology-driven “people solutions” and enterprise-software group that delivers Human Capital Management (HCM), AI & cloud-enabled digital solutions, and a range of related services with presence across Southeast Asia. Over the years, the group has repositioned itself from a pure HR management solutions firm into a diversified Digital Transformation-as-a-Service (DXaaS) provider with multiple verticals, including (i) PeopleTech, (ii) A.I.Tech, (iii) EduTech, (iv) MarTech and AutoTech.

PeopleTech: bread and butter. Anchored by the provision of HR and workforce management solutions, PeopleTech represents the core contributor to the group at c.60% of the group’s PAT. According to [Grand View Research](#), the Southeast Asia’s human resource software market size is poised to grow from an estimated USD578.4m in 2024 to USD1.3bn in 2030, representing a CAGR of 15%. The HR digitisation trend is driven by rising corporate adoption of digital tools to streamline recruitment, payroll, performance tracking and talent development. With a diverse HCM portfolio, spanning Oracle HRMS, Darwinbox, HONO, ZingHR, among others, Ramssol is well positioned to tap on a wide range of clientele ranging from large corporations to SMEs, while simultaneously capturing the region’s expanding wallet share for HRMS solutions.

“Pay Day Now” a new monetisation layer for PeopleTech. In Sep 2024, Ramssol inked a strategic collaboration with AmBank Group to offer earned wage access (EWA) to its customers’ employees via RAMS Fintech’s online platform, “Pay Day Now”. After a lengthy regulatory approval process, the platform is slated for launch in 1Q26. Under the EWA scheme, employees of AmBank’s eligible corporate customers can access a portion of their earned wages before the regular payday (i.e. on pro-rated wages), with the advance financed by AmBank at no interest charge. Ramssol earns a fixed processing fee of RM2–5 per withdrawal. Assuming a workforce base of 500k employees with a 20% adoption rate and one withdrawal per month, around 100k active users would generate roughly RM200k in monthly revenue for Ramssol based on an RM2 fee per transaction. Given its low operating cost, highly scalable model and superior GP margin of over 90%, we believe this initiative will strengthen the growth trajectory of the PeopleTech segment and unlock significant untapped potential. We do not rule out the possibility of Ramssol securing similar partnerships with other banks to further scale the business.

Distributing Tencent Cloud adds a new strategic revenue vertical. In October 2025, Ramssol announced that it had been appointed by Tencent Cloud as the distributor of its cloud services in Southeast Asia. Ramssol is currently the sole distributor of its cloud services in the region, with all resellers required to transact through the company. Ramssol also aims to become Tencent Cloud’s first managed service partner (MSP) outside China, competing against other cloud platforms such as AWS, Azure and GCP. The company generates revenue by taking a cut from licence distribution to resellers and maintenance services, as well as one-off fees from migration

and integration services. While we are uncertain about its full revenue potential, we reckon this segment adds a new revenue stream for PeopleTech, expanding its offerings from mainly HCM software to a comprehensive suite of cloud solutions.

A.I.Tech: provision of AI analytics and solutions. Ramssol's A.I. Tech segment was established through a 51%-stake acquisition of Thailand-based generative AI consulting software company GeekStart Co. Ltd. in June 2024. Powered by Nvidia's CUDA and OpenAI, GeekStart delivers custom AI software solutions for enterprises, leveraging AI for data training and IoT solutions to optimise business productivity. It has proven its capability to enhance operational efficiency across various industries. A.I. Tech currently contributes about 36% of revenue to the group and is poised to deliver promising growth as more enterprises adopt AI to drive efficiency and productivity, positioning Ramssol to benefit from the widespread implementation of application-level AI solutions.

AutoTech: Rider Gate building traction. Launched in Jan-25, Rider Gate is an online platform offering a digital ecosystem for used motorcycle trading, supported by services such as financing, insurance, inspection, accessories and repair. The platform has onboarded over 25k users and 300 dealers, underpinned by key differentiated functions including MMSTA-certified inspection services and a tender feature that allows inspected motorcycles to be bid among dealers. Rider Gate generates revenue through platform fees (RM50) and processing fees (RM50) per successful transaction, along with a 10% cut from service (c.RM20) and insurance (c.RM15), translating into approximately RM100–130 per completed transaction.

RTD's MySikap integration platform a game changer. Rider Gate now primarily serves dealer-to-dealer (B2B) and C2B transactions. However, we believe Rider Gate's growth trajectory is set to be propelled by the integration of Road Transport Department (RTD)'s MySikap platform with its application for ownership transfer and name changes. In our view, this will boost Rider Gate's revenue on two fronts, (i) market share grab from its competitors due to increased credibility and convenience of ownership transfer and (ii) gain of ownership transfer fee of c.RM45 per transaction on top of the existing RM100-130 fee. Assuming 10% market share of c.1.5m used motorcycle per year, our back-of-the envelope calculation (RM180 per transaction and 150k unit) indicates that Rider Gate could generate an annual revenue of RM27m per annum. Management guided that AutoTech should be on track to achieve breakeven by end-2025 and profitability in 2026.

9MFY25 in review; anticipating a seasonally tepid 4Q25. Ramssol's 9MFY25 core earnings surged 48% to RM19.0m, driven by stronger contributions from its PeopleTech's HCM licence distribution business, particularly the positive traction of DarwinBox and HONO AI, and improved performance from A.I.Tech, supported by projects performed in Thailand following the completion of several major AI solution projects. However, earnings in the coming quarter may be tempered by seasonally softer year-end demand and lumpy staff bonus expenses.

Orderbook. The group's total orderbook stood at RM148.4m as of 3Q25 (vs RM118m in 2Q25), largely comprised of outstanding orders from PeopleTech (54%) and A.I.Tech 43%. Coupled with a healthy tenderbook pipeline of RM542m, its core contributor PeopleTech and A.I.Tech should continue driving the group's top line growth in FY26.

Forecast. We project Ramssol's FY25/26/27F core earnings to grow 65%/46%/12% to RM22m/RM32m/RM36m, implying a CAGR of 39% over our forecast period. The stellar growth is mainly driven by: (i) steady sales in PeopleTech, supported by sustained traction for HCM solutions and new initiatives such as Pay Day Now; (ii) rising contributions from A.I. Tech as more enterprises deploy AI analytics to enhance productivity and operational efficiency; and (iii) increasing contribution from AutoTech as Rider Gate scales its user and dealer base, further aided by its integration with RTD's MySikap platform.

Notably, our forecasts have not factored in the potential contributions from new initiatives such as Tencent Cloud's distributorship, the partnership with China-based iFLYTEK as an authorised

distributor and reseller of its AI software solutions, and Rider Gate's EV bike leasing venture in Indonesia; all of which present upside risks to our forecasts.

Special issue shares. The group is undertaking a special issue of up to 12.5% of its enlarged share base to Bumiputera investors identified and/or approved by MITI. Based on the current outstanding share base of 389.4m, this translates into c.48.7m new shares, implying an estimated ~13% EPS dilution for FY26–27F. The gross proceeds of up to c.RM46m (under the maximum scenario) will be utilised for working capital and repayment of bank borrowings. We believe the exercise is intended to facilitate Ramssol's migration to the Main Market. Supported by a strong balance sheet and a net cash position of RM18.4m as at 30 Sep 2025, the additional funds should enhance the group's financial flexibility for business expansion and potential share buybacks/dividends to support shareholder returns. We also highlight that the additional shares have not been incorporated into our financial model pending the finalisation of the special issue.

Valuation. We reinstate coverage on Ramssol with a **BUY** rating and a **target price of RM1.45**, derived from applying 20x partially diluted FY26F EPS of 7.3 sen. Our target multiple is at parity to +1.5SD of its 2-year historical mean P/E of 18x. For the share base, we partially factor in warrant dilution, assuming 50% exercise of outstanding warrants (expiring in Mar-28) by end-FY26. This results in a partially diluted EPS of 7.3 sen, forming the basis of our RM1.45 fair value.

We believe the stock is poised for a re-rating, backed by its (i) strong double-digit earnings growth trajectory over our forecast period, (ii) its strategic positioning to benefit from the region's accelerating digital transformation by leveraging on its core offerings, including HCM solutions and AI analytics and (iii) emerging growth catalysts from AutoTech, particularly the scaling of Rider Gate following its integration with the MySikap platform.

Reinstating Coverage

Wednesday, 10 Dec, 2025

Financial Highlights

Income Statement

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	30.4	62.8	96.8	120.5	136.7
Gross Profit	20.9	37.5	58.1	75.6	86.1
EBITDA	9.9	21.0	36.4	50.2	57.0
Depreciation & Amortisation	1.4	3.4	2.6	3.1	3.4
EBIT	8.5	17.6	33.8	47.1	53.6
Net Finance Income/ (Cost)	-1.3	-1.8	-1.9	-2.1	-2.3
Associates & JV	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	7.2	15.8	31.8	45.0	51.3
Tax	-1.2	-1.2	-6.7	-8.8	-10.3
Profit After Tax	6.0	14.7	25.2	36.3	41.0
Minority Interest	-0.3	1.0	3.2	4.1	4.9
Net Profit	6.3	13.6	22.0	32.2	36.2
Exceptionals	0.4	-0.3	0.0	0.0	0.0
Core Net Profit	6.6	13.4	22.0	32.2	36.2

Key Ratios

FYE Dec	FY23	FY24	FY25F	FY26F	FY27F
Core EPS (sen)	2.6	4.1	5.7	8.3	9.3
P/E(x)	41.0	25.9	18.8	12.8	11.4
BVPS	0.21	0.29	0.35	0.44	0.54
P/B(x)	5.1	3.7	3.0	2.4	2.0
EV/EBITDA(x)	42.4	19.9	11.5	8.3	7.3
DPS (sen)	0.0	0.3	0.0	0.5	0.5
Dividend Yield (%)	0.0%	0.3%	0.0%	0.5%	0.5%
EBITDA margin (%)	32.5%	33.5%	37.6%	41.7%	41.7%
EBIT margin (%)	27.9%	28.0%	34.9%	39.1%	39.2%
PBT margin (%)	23.7%	25.2%	32.9%	37.4%	37.5%
PAT margin (%)	19.8%	23.3%	26.0%	30.1%	30.0%
NP margin (%)	20.6%	21.7%	22.7%	26.7%	26.4%
CNP margin (%)	21.9%	21.3%	22.7%	26.7%	26.4%
ROE (%)	7.8%	11.8%	16.4%	19.6%	18.2%
ROA (%)	6.6%	8.7%	12.3%	14.7%	13.7%
Gearing (%)	17.3%	25.2%	22.2%	20.7%	19.2%
Net gearing (%)	7.0%	Net Cash	Net Cash	Net Cash	Net Cash

Valuations

	FY26F
Outstanding shares(m)	389.4
Assumed partial (50%) warrant dilution (m)	54.2
Number of diluted shares	443.5
Diluted core EPS (sen)	7.3
P/E multiple(x)	20.0
Fair Value (RM)	1.45
ESG premium/discount	0.0%
Implied Fair Value (RM)	1.45

Source: Company, Apex Securities

Balance Sheet

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Cash	8.3	30.1	33.2	65.1	93.4
Receivables	16.6	33.7	47.7	49.5	59.9
Other current assets	22.9	29.3	29.3	29.3	29.3
Total Current Assets	47.8	93.2	110.2	143.9	182.7
Fixed Assets	3.3	3.0	4.1	5.0	5.7
Intangibles	43.5	54.8	61.1	67.2	73.0
Other non-current assets	6.2	3.2	3.2	3.2	3.2
Total Non-Current Assets	53.1	61.1	68.4	75.4	81.9
Short-term debt	9.2	14.4	15.4	17.9	20.4
Payables	4.5	10.1	8.5	9.8	11.1
Other current liabilities	0.9	3.3	3.3	3.3	3.3
Total Current Liabilities	14.6	27.8	27.2	31.0	34.8
Long-term debt	4.8	13.7	14.7	17.2	19.7
Other non-current liabilities	0.1	1.1	1.1	1.1	1.1
Total Non-Current Liabilities	4.9	14.8	15.8	18.3	20.8
Shareholder's equity	85.2	112.9	133.8	164.1	198.3
Minority interest	-3.9	-1.4	1.8	5.8	10.7
Total Equity	81.3	111.5	135.6	169.9	209.0

Cash Flow

FYE Dec (RM m)	FY23	FY24	FY25F	FY26F	FY27F
Pre-tax profit	7.2	15.8	31.8	45.0	51.3
Depreciation & amortisation	1.4	3.4	2.6	3.1	3.4
Changes in working capital	-7.8	-16.0	-15.7	-0.4	-9.2
Others	0.3	3.9	-6.7	-8.8	-10.3
Operating cash flow	1.1	7.1	12.1	38.9	35.3
Net capex	-30.6	-8.0	-10.0	-10.0	-10.0
Others	0.1	0.0	0.0	0.0	0.0
Investing cash flow	-30.5	-8.0	-10.0	-10.0	-10.0
Borrowings	-2.2	6.3	2.0	5.0	5.0
Dividends paid	0.0	0.0	-1.1	-1.9	-1.9
Others	21.7	14.6	0.0	0.0	0.0
Financing cash flow	19.5	21.0	0.9	3.1	3.1
Net cash flow	-9.9	20.0	3.0	31.9	28.3
Beginning cash and cash equivalent	7.8	-2.0	18.0	21.0	52.9
Forex	0.04	-0.03	0.00	0.00	0.00
Ending cash and cash equivalent	-2.0	18.0	21.0	52.9	81.3
Bank overdraft and fixed deposits	10.4	12.2	12.2	12.2	12.2
Cash and bank balances	8.3	30.1	33.2	65.1	93.4

Reinstating Coverage

Wednesday, 10 Dec, 2025

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.