

## Research Team

(603) 7890 8888

[research\\_dept@apexsecurities.com.my](mailto:research_dept@apexsecurities.com.my)

<b>Recommendation:</b>	<b>BUY</b>
Current Price:	RM0.695
Previous Target Price:	RM1.41
Target Price:	↓ RM1.30
Capital Upside/Downside:	60.5%
Dividend Yield (%):	0.0%
<b>Total Upside/Downside:</b>	<b>60.5%</b>

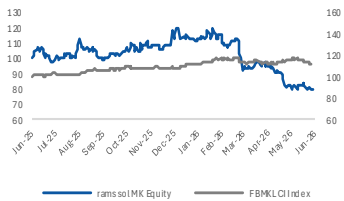
## Stock information

Board	ACE
Sector	Software
Bursa / Bloomberg Code	0236 / RAMSSOL.MK
Syariah Compliant	Yes
ESGRating	★★★
Shares issued (m)	404.2
Market Cap (RM' m)	280.9
52-Week Price Range (RM)	1.09-0.58
Beta (x)	0.6
Free float (%)	53.9
3M Average Volume (m)	6.1
3M Average Value (RM' m)	4.8

## Top 3 Shareholders

	(%)
Tan Chee Seng	19.4
Urusharta Jamaah Sdn Bhd	6.4
Liew Yu Hoe	5.6

## Share Price Performance



	1M	3M	12M
Absolute (%)	-2.1	-16.3	-22.8
Relative (%)	1.8	-15.0	-30.4

## Earnings summary

FYE (Dec)	FY25	FY26F	FY27F
Revenue (RM'm)	77.6	112.1	146.6
PATAMI (RM'm)	19.3	31.0	40.0
CNP (RM'm)	23.0	31.0	40.0
EPS - core (sen)	5.9	7.7	9.9
P/E(x)	11.8	9.1	7.0

Source: Company, Apex Securities

# Ramssol Group Bhd

## Strategic Foray into Integrated Workforce Solutions

- **Ramssol is acquiring a 60% stake in INNIO Holding (parent of IGSB and CariJob) and a 49% stake in Agensi Pekerjaan INNIO (60% profit entitlement) for RM14.4m, backed by a cumulative RM8.0m profit guarantee over FY26-FY27. The deal is priced at an attractive 6.0x average forward P/E.**
- **We raise our FY26F/FY27F/FY28F core PATAMI forecasts by +8.0%/+23.5%/+28.0% to RM31.0m/RM40.0m/RM45.2m, incorporating full consolidation of the Target Group's guaranteed profits with minority interests deducted.**
- **Maintain BUY with a revised TP of RM1.30 (from RM1.41), pegged to 15.42x FY27F diluted core EPS of 8.4 sen. We de-rate the PE multiple applied from 20x to 15.42x which is -1 SD of their 3-year mean to reflect execution risk in scaling AutoTech and PaydayNow.**

**Acquisition Details.** Ramssol, via its indirect wholly-owned subsidiary Rams Fintech Sdn Bhd (RFSB), entered into conditional share sale agreements to acquire (i) a 60% equity interest in INNIO Holding Sdn Bhd (IHSB), the holding company of INNIO Group Sdn Bhd (IGSB) and CariJob Holding Sdn Bhd (CariJob), for RM13.25m, and (ii) a 49% equity interest in Agensi Pekerjaan INNIO Sdn Bhd (API) for RM1.15m. Total purchase consideration of RM14.4m will be satisfied via RM3.6m cash (25%) and the issuance of 15.4m new Ramssol shares (75%) at an issue price of RM0.70 per share. Despite the 49% legal stake in API, RFSB is entitled to 60% of API's dividends/distributions via a contractual distribution waterfall, allowing API to be consolidated as a subsidiary. Completion is targeted for 3Q2026. Post-acquisition net cash remains comfortable at c. RM24m (based on 1QFY26 cash of RM59.9m), preserving ample headroom for further bolt-on M&A.

**1QFY26 results reaffirm growth trajectory.** The acquisition comes against the backdrop of a strong 1QFY26 print, core net profit of RM6.5m (+11% YoY, +64% QoQ) on revenue of RM22.2m (+23% YoY), representing 23% of our pre-acquisition FY26F forecast. Growth was broad-based across all three core pillars: PeopleTech (RM11.5m revenue, driven by sustained HCM demand for Darwinbox and HONO), A.I.Tech (RM7.5m, with RM3.3m attributed to Indonesia expansion) and a maiden contribution from AutoTech following the deployment of 500 electric motorcycles for a leading Indonesian superapp. The Group's pre-acquisition orderbook stood at RM170.9m as at end-FY25, which will now be enlarged by the Target Group's RM39.3m outstanding orderbook to over RM210m post-completion.

**Completing the human capital value chain.** The acquisitions mark Ramssol's pivot from a pure PeopleTech / HCM SaaS vendor into a fully integrated workforce solutions platform. Through the 60% stake in IHSB, Ramssol gains indirect control of two subsidiaries: IGSB, which provides hostel management, transportation and foreign worker permit services; and CariJob, an AI-powered cross-border manpower platform that uses AI-driven job-matching to connect workers with employers across Southeast Asia. The separate 49% stake in API adds a licensed private employment agency. We see immediate cross-sell potential in both directions: the Target Group's sizeable outsourced workforce base (underpinned by a RM39.3m orderbook) becomes a captive distribution channel for Ramssol's PaydayNow (earned wage access) and EnGo (upskilling and compliance), while Ramssol's existing enterprise client base using HCM solutions such as Darwinbox and HONO provides an outbound channel for the Target Group's recruitment and manpower outsourcing services. The combined offering should also drive a structural shift in revenue mix from one-off project implementation fees toward more recurring placement, outsourcing and subscription-based income.

**Attractive valuation backed by profit guarantee.** The vendors have provided a cumulative two-year profit guarantee of RM8.0m, comprising RM3.0m for FYE26 and RM5.0m for FYE27, implying a strong 67% YoY profit growth trajectory. Based on the total purchase consideration of RM14.4m against Ramssol's 60% economic share of the guaranteed PAT (RM1.8m for FY26F, RM3.0m for FY27F), this translates into an implied forward P/E of 8.0x/4.8x for FY26F/FY27F, or 6.0x on the

average profit guarantee (RM14.4m / RM2.4m average annual PAT entitlement), at a meaningful discount to the peer average of 8.7x (range: 2.6x for PEOPLElogy to 14.7x for Manforce Group).

**Outlook.** Ramssol's growth outlook is supported by multi-pronged drivers across all verticals. On PeopleTech, the AmBank EWA collaboration ("Pay Day Now") is slated for MOU-to-MOA conversion by 3Q2026; if executed, this unlocks a highly scalable, high-margin recurring revenue stream that can now be distributed across the enlarged INNIO/CariJob workforce base, significantly shortening time-to-market. The Tencent Cloud distributorship also adds a complementary revenue vertical to both PeopleTech and A.I.Tech. On A.I.Tech, Indonesia operations are gaining traction with RM3.3m revenue recognised in 1QFY26, alongside ongoing enterprise AI projects in Thailand. On AutoTech, Indonesia operations have commenced with 500 EV motorcycles deployed, while Rider Gate's integration with RTD's MySikap platform should drive transaction volumes in the used motorcycle segment. Macro tailwinds remain supportive as Malaysia's labour market reforms under Budget 2026 (multi-tiered foreign worker levy, Progressive Wage Policy) should drive structural demand for licensed recruitment and digital HR services, with labour force participation healthy at 70.9% in 1Q2026.

**Earnings Revision.** Following the 1QFY26 results in May where we maintained FY26F/FY27F core PATAMI forecasts at RM28.7m/RM32.4m, we now raise our FY26F/FY27F/FY28F estimates by +8.0%/+23.5%/+28.0% to RM31.0m/RM40.0m/RM45.2m. For FY26F, **we apportion the Target Group's RM3.0m profit guarantee to RM1.5m to reflect a partial-year contribution following completion in 3Q2026, with Ramssol's 60% economic share of RM0.9m accounting for 3.1% of our pre-acquisition forecast of RM28.7m.** For FY27F onwards, we incorporate the full-year profit guarantee of RM5.0m. The revisions incorporate the full consolidation of the Target Group's guaranteed profits at the PAT line, with the 40% minority interest share subsequently deducted. After accounting for the share dilution from the 15.4m Consideration Shares, FY26F/FY27F/FY28F core EPS is revised to 7.7/9.9/11.2 sen.

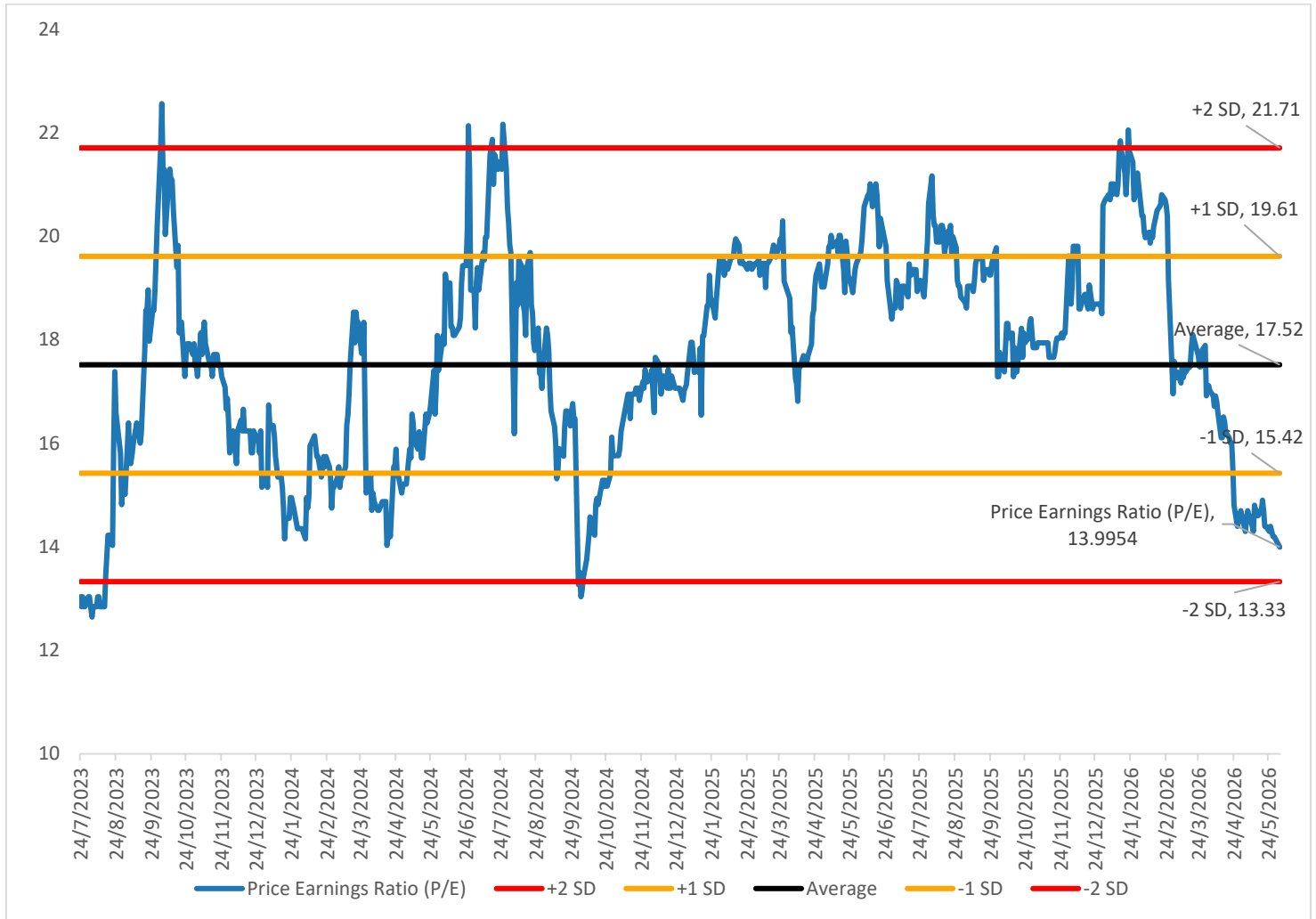
**Valuation.** We maintain our **BUY** call with a revised **TP of RM1.30** (from RM1.41), pegged to 15.42x FY27F diluted core EPS of 8.4 sen. We have de-rated our target multiple from 20x to the -1 SD of its 3-year historical mean of c.15.42x to make more conservative adjustments reflecting execution risk in scaling the AutoTech vertical and the EWA platform (PaydayNow), both of which remain in early commercialisation stages. The stock currently trades at just 9.1x FY26F P/E, implying meaningful re-rating upside as these growth drivers gain traction and cross-sell synergies from the INNIO/CariJob acquisition materialise.

#### Earnings Summary

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F	FY28F
Revenue	62.8	77.6	112.1	146.6	168.0	0.0
EBITDA	21.0	29.6	49.3	64.0	73.0	0.0
Pre-tax profit	15.8	25.0	44.1	58.3	66.6	0.0
Net profit	13.6	19.3	31.0	40.0	45.2	0.0
Core net profit	13.4	23.0	31.0	40.0	45.2	0.0
Core EPS (sen)	4.1	5.9	7.7	9.9	11.2	0.0
P/E (x)	17.0	11.8	9.1	7.0	6.2	0.0
P/B (x)	2.5	2.2	1.7	1.4	1.1	0.0
EV/EBITDA (x)	13.3	9.4	5.7	4.4	3.8	0.0
Dividend Yield (%)	0.4%	0.0%	0.7%	0.7%	0.7%	0.0%
Net Gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

Source: Company, Apex Securities

Figure 1: 3-Year PE Band



Source: Bloomberg, Apex Securities

# Results Note

Thursday, 04 Jun, 2026

## Financial Highlights

### Income Statement

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Revenue</b>	<b>62.8</b>	<b>77.6</b>	<b>112.1</b>	<b>146.6</b>	<b>168.0</b>
<b>Gross Profit</b>	<b>37.5</b>	<b>50.8</b>	<b>72.9</b>	<b>95.3</b>	<b>109.2</b>
<b>EBITDA</b>	<b>21.0</b>	<b>29.6</b>	<b>49.3</b>	<b>64.0</b>	<b>73.0</b>
Depreciation & Amortisation	3.4	2.6	3.1	3.4	3.8
<b>EBIT</b>	<b>17.6</b>	<b>27.0</b>	<b>46.2</b>	<b>60.5</b>	<b>69.3</b>
Net Finance Income/ (Cost)	-1.8	-2.0	-2.1	-2.3	-2.6
Associates & JV	0.0	0.0	0.0	0.0	0.0
<b>Pre-tax Profit</b>	<b>15.8</b>	<b>25.0</b>	<b>44.1</b>	<b>58.3</b>	<b>66.6</b>
Tax	-1.2	-5.7	-8.6	-11.7	-13.3
<b>Profit After Tax</b>	<b>14.7</b>	<b>19.3</b>	<b>35.5</b>	<b>46.6</b>	<b>53.3</b>
Minority Interest	1.0	0.0	4.5	6.7	8.2
<b>Net Profit</b>	<b>13.6</b>	<b>19.3</b>	<b>31.0</b>	<b>40.0</b>	<b>45.2</b>
Exceptionals	-0.3	3.6	0.0	0.0	0.0
<b>Core Net Profit</b>	<b>13.4</b>	<b>23.0</b>	<b>31.0</b>	<b>40.0</b>	<b>45.2</b>

### Key Ratios

FYE Dec	FY24	FY25	FY26F	FY27F	FY28F
Core EPS (sen)	4.1	5.9	7.7	9.9	11.2
P/E (x)	17.0	11.8	9.1	7.0	6.2
BVPS	0.28	0.32	0.40	0.51	0.64
P/B (x)	2.5	2.2	1.7	1.4	1.1
EV/EBITDA (x)	13.3	9.4	5.7	4.4	3.8
DPS (sen)	0.3	0.0	0.5	0.5	0.5
Dividend Yield (%)	0.4%	0.0%	0.7%	0.7%	0.7%
EBITDA margin (%)	33.5%	38.2%	43.9%	43.6%	43.5%
EBIT margin (%)	28.0%	34.8%	41.2%	41.3%	41.2%
PBT margin (%)	25.2%	32.2%	39.3%	39.7%	39.7%
PAT margin (%)	23.3%	24.9%	31.7%	31.8%	31.7%
NP margin (%)	21.7%	24.9%	27.6%	27.2%	26.9%
CNP margin (%)	21.3%	29.6%	27.6%	27.2%	26.9%
ROE (%)	11.8%	17.5%	19.4%	20.2%	18.7%
ROA (%)	8.7%	13.5%	14.7%	15.2%	14.0%
Gearing (%)	25.2%	23.2%	21.5%	19.3%	17.4%
Net gearing (%)	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

### Valuations

	FY27F
Outstanding shares (m)	404.2
Share Issue for Acquisition of IHSB	15.4
Assumed partial (50%) warrant dilution (m)	54.2
<b>Number of diluted shares</b>	<b>473.8</b>
Diluted core EPS (sen)	8.4
P/E multiple (x)	15.4
<b>Fair Value (RM)</b>	<b>1.30</b>
ESG premium/discount	0.0%
<b>Implied Fair Value (RM)</b>	<b>1.30</b>

Source: Company, Apex Securities

### Balance Sheet

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
Cash	30.1	34.2	60.6	88.1	130.4
Receivables	33.7	38.3	46.1	64.3	73.7
Other current assets	29.3	29.3	29.3	29.3	29.3
<b>Total Current Assets</b>	<b>93.2</b>	<b>101.8</b>	<b>136.0</b>	<b>181.7</b>	<b>233.4</b>
Fixed Assets	3.0	4.1	5.0	5.7	6.4
Intangibles	54.8	61.1	67.2	73.0	78.5
Other non-current assets	3.2	3.2	3.2	3.2	3.2
<b>Total Non-Current Assets</b>	<b>61.1</b>	<b>68.4</b>	<b>75.4</b>	<b>81.9</b>	<b>88.1</b>
Short-term debt	14.4	15.4	17.9	20.4	22.9
Payables	10.1	5.9	8.6	11.2	12.9
Other current liabilities	3.3	3.3	3.3	3.3	3.3
<b>Total Current Liabilities</b>	<b>27.8</b>	<b>24.6</b>	<b>29.8</b>	<b>35.0</b>	<b>39.1</b>
Long-term debt	13.7	14.7	17.2	19.7	22.2
Other non-current liabilities	1.1	1.1	1.1	1.1	1.1
<b>Total Non-Current Liabilities</b>	<b>14.8</b>	<b>15.8</b>	<b>18.3</b>	<b>20.8</b>	<b>23.3</b>
Shareholder's equity	112.9	131.1	160.1	198.1	241.2
Minority interest	-1.4	-1.4	3.1	9.8	17.9
<b>Total Equity</b>	<b>111.5</b>	<b>129.8</b>	<b>163.2</b>	<b>207.8</b>	<b>259.1</b>

### Cash Flow

FYE Dec (RM m)	FY24	FY25	FY26F	FY27F	FY28F
<b>Pre-tax profit</b>	<b>15.8</b>	<b>25.0</b>	<b>44.1</b>	<b>58.3</b>	<b>66.6</b>
Depreciation & amortisation	3.4	2.6	3.1	3.4	3.8
Changes in working capital	-16.0	-8.8	-5.1	-15.5	-7.7
Others	3.9	-5.7	-8.6	-11.7	-13.3
<b>Operating cash flow</b>	<b>7.1</b>	<b>13.1</b>	<b>33.5</b>	<b>34.5</b>	<b>49.4</b>
Net capex	-8.0	-10.0	-10.0	-10.0	-10.0
Others	0.0	0.0	0.0	0.0	0.0
<b>Investing cash flow</b>	<b>-8.0</b>	<b>-10.0</b>	<b>-10.0</b>	<b>-10.0</b>	<b>-10.0</b>
Borrowings	6.3	2.0	5.0	5.0	5.0
Dividends paid	0.0	-1.1	-2.0	-2.0	-2.0
Others	14.6	0.0	0.0	0.0	0.0
<b>Financing cash flow</b>	<b>21.0</b>	<b>0.9</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>
<b>Net cash flow</b>	<b>20.0</b>	<b>4.0</b>	<b>26.5</b>	<b>27.5</b>	<b>42.3</b>
Beginning cash and cash equivalent	-2.0	18.0	22.0	48.5	75.9
Forex	-0.03	0.00	0.00	0.00	0.00
<b>Ending cash and cash equivalent</b>	<b>18.0</b>	<b>22.0</b>	<b>48.5</b>	<b>75.9</b>	<b>118.3</b>
Bank overdraft and fixed deposits	12.2	12.2	12.2	12.2	12.2
<b>Cash and bank balances</b>	<b>30.1</b>	<b>34.2</b>	<b>60.6</b>	<b>88.1</b>	<b>130.4</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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As of **Thursday, 04 Jun, 2026**, 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.