Samaiden Group Berhad

(0223 | SAMAIDEN MK) MAIN |Energy

SHARIAH Compliant

Corporate Update

Maintain BUY

Unchanged Target Price **RM1.69**

Glowing Prospects Ahead

Maintain BUY. We maintain our BUY recommendation on Samaiden with an unchanged SOP-derived TP of RM1.69, being one of the key beneficiaries of EPCC prospects under the CGPP, LSS5, other upcoming large-scale solar schemes, and the long-term RE growth potential from the National Energy Transition Roadmap. We continue to value the group's EPCC business at 26x PER, at a slight discount to industry leader Solarvest. Balance sheet remains strong with a net cash position of RM124.7m, underpinning near-term growth prospects.

Deemed within. Samaiden's 2QFY25 core net profit grew +50.3%yoy to RM4.8m, on the back of stronger project efficiency and better margins. The cumulative 6MFY25 core net profit grew +53.0%yoy to RM9.4m, making up 43.3% of our and 42.9% of consensus' full-year estimates. We deem the results as within as we expect the group's 2HFY25 to come in stronger on the back of stronger progress for its EPCC projects.

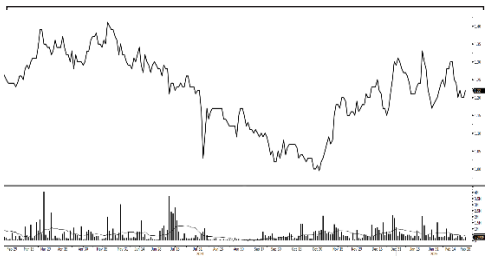
Key takeaways. The group recorded its highest quarterly revenue at RM80.0m (+63.9%yoy), attributable to higher work progress for ongoing projects. Sequentially, revenue grew +62.1%qoq. On top of the stronger work progress for ongoing projects, Samaiden has also commenced certain large-scale solar projects.

Successful LSS5 bidder. Recall that Samaiden is among the successful bidders for LSS5, being shortlisted by the Energy Commission to develop a 99.99MW solar PV plant in Pasir Mas, Kelantan. The development is scheduled to achieve commercial operation date (COD) by 11th October 2027, after which it is expected to sell electricity generated to the power grid. Samaiden will enter into a solar power purchase agreement (PPA) with Tenaga Nasional Bhd (TNB) for 21 years, which will generate recurring income for the group.

Earnings estimates. We keep our earnings estimates unchanged.

RETURN STATISTICS	
Price @ 26th Feb 2025 (RM)	1.22
Expected share price return (%)	+38.5
Expected dividend yield (%)	+1.2
Expected total return (%)	+39.7

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	1.7	-0.2
3months	-5.4	6.2
12 months	-3.2	-5.0

INVESTMENT STATISTICS

FYE Mar	2024A	2025F	2026F
Revenue	227.2	374.7	400.9
Operating Profit	23.5	31.8	33.9
Profit Before Tax	21.9	30.3	32.4
Core PATAMI	16.0	21.7	23.7
Core EPS	4.1	5.5	6.0
DPS	0.7	1.5	1
Dividend Yield	0.6%	1.2%	0.8%

KEY STATISTICS	
FBM KLCI	1,588.71
Issued shares (m)	418.53
Estimated free float (%)	45.21
Market Capitalisation (RM'm)	512.27
52-wk price range	RM0.99 - RM1.42
3-mth average daily volume (m)	0.60
3-mth average daily value (RM'm)	0.74
Top Shareholders (%)	
Ir Chow Pui Hee	31.26
Chudenko Corp	13.89
Oversea-Chinese Banking Corp	2.76

Analyst

Royce Tan Seng Hooi
royce.tan@midf.com.my
03-2173 8461

SAMAIDEN GROUP BERHAD: 2QFY25 RESULTS SUMMARY

FYE Jun (RMm)	2Q24	1Q25	2Q25	QoQ	YoY	6MFY24	6MFY25	YTD
Revenue	48.8	49.4	80.0	62.1%	63.9%	95.0	129.4	36.3%
Gross profit	7.3	7.9	10.0	26.7%	36.5%	14.0	17.9	27.3%
Admin expenses	(3.8)	(4.2)	(4.5)	8.0%	19.7%	(6.9)	(8.7)	25.2%
Other income	1.0	1.1	1.4	30.6%	40.9%	1.8	2.5	43.7%
Operating profit	**4.6**	**4.8**	**6.9**	**43.9%**	**51.3%**	**8.9**	**11.7**	32.2%
Finance cost	(0.4)	(0.4)	(0.3)	-41.0%	-28.9%	(0.7)	(0.7)	-1.7%
PBT	**4.2**	**4.4**	**6.6**	**50.4%**	**56.1%**	**8.2**	**10.9**	34.1%
Tax	(1.0)	(1.0)	(1.8)	76.0%	75.4%	(2.0)	(2.9)	41.2%
PAT	3.2	3.3	4.7	42.4%	49.8%	6.1	8.1	31.7%
MI	(0.0)	(0.0)	(0.0)	55.6%	180.0%	(0.0)	(0.0)	360.0%
Net profit	3.2	3.3	4.8	42.5%	50.0%	6.1	8.1	32.0%
Core net profit	**3.2**	**4.5**	**4.8**	**5.0%**	**50.3%**	**6.1**	**9.4**	53.0%
EPS (sen/share)	0.80	1.15	1.21			1.56	2.38	
DPS (sen/share)	-	1.50				-	1.50	
Margins:				***ppts***	***ppts***			
Gross	15.0%	16.0%	12.5%	*-3.5*	*-2.5*	14.8%	13.8%	
EBIT	9.4%	9.7%	8.6%	*-1.1*	*-0.7*	9.3%	9.0%	
PBT	8.6%	8.8%	8.2%	*-0.6*	*-0.4*	8.6%	8.4%	
Core net profit	6.5%	9.2%	6.0%	*-3.2*	*-0.5*	6.5%	7.2%	
Effective tax rate	-24.7%	-23.7%	-27.8%			-24.8%	-26.1%	
MI ratio	-0.2%	-0.3%	-0.3%			-0.082%	-0.285%	
DPR	0.0%	130.2%	0.0%			0.0%	63.0%	

SAMAIDEN GROUP BERHAD: SOTP VALUATION

Units	Equity Value (RMm)	Valuation Method
EPCC business	631.7	*FY26F PER (26x)*
Tangkak Biomass Plant *(Equity Value)*	32.3	*DCF (WACC: 6%)*
Total SOP	**664.1**	
Shares out	394.0	
Value/share (RM)	**1.69**	

Source: Company, MIDFR

FINANCIAL SUMMARY

Profit or Loss (RM'm)	2022A	2023A	2024A	2025F	2026F
Revenue	150.7	170.8	227.2	374.7	400.9
EBIT	16.8	14.6	23.5	31.8	33.9
PBT	16.4	13.4	21.9	30.3	32.4
Taxation	-4.5	-3.3	-5.8	-8.2	-8.7
PAT	11.9	10.1	16.0	21.7	23.7
Core earnings	12.4	13.0	16.0	21.7	23.7
EPS (sen)	3.2	3.3	4.1	5.5	6.0
PER (x)	38.7	36.8	30.0	22.2	20.3
DPS (sen)	-	-	-	-	-
Dividend yield (%)	0.00	0.50	0.70	1.50	1.00
Core earnings	0.0%	0.4%	0.6%	1.2%	0.8%

Cash Flow (RM'm)	2022A	2023A	2024A	2025F	2026F
PBT	16.4	13.4	21.9	30.3	32.4
Depreciation	0.2	1.0	1.0	7.9	8.8
Change in NWC	5.5	9.9	-47.8	94.7	5.9
Operating cash flow	6.0	33.3	1.4	80.3	34.3
Capital expenditure	-0.5	-1.8	-2.1	-20.5	-0.5
Investing cash flow	-4.2	-0.2	1.8	-20.5	-0.5
Debt raised/(repaid)	9.8	-5.4	-0.1	0.4	0.2
Dividends paid	0.0	0.0	-2.0	-5.9	-5.9
Financing cash flow	34.4	-5.6	22.0	-5.5	-5.7
Net cash flow	36.2	27.5	25.2	54.2	28.1
Beginning cash flow	32.8	69.0	96.6	121.7	175.9
Ending cash flow	69.0	96.5	121.9	175.9	204.0

Balance Sheet (RM'm)	2022A	2023A	2024A	2025F	2026F
PPE	1.8	3.3	5.2	26.9	18.6
ROU assets	3.5	3.4	2.7	2.7	2.7
Non-current assets	5.4	6.6	7.9	29.6	21.3
Trade receivables	32.2	30.5	47.5	66.9	71.6
Cash & bank balances	80.2	108.2	132.2	187.6	215.7
Current assets	163.7	187.9	197.2	355.2	394.5
Long-term debt	0.9	1.9	1.8	2.2	2.4
Non-current liabilities	3.8	4.4	3.6	4.0	4.2
Short-term debt	10.9	4.5	6.6	6.6	6.6
Trade payables	61.4	69.5	37.5	152.3	163.0
Current liabilities	79.2	92.2	66.9	216.6	234.9
Share capital	60.9	62.6	85.0	85.0	85.0
Reserves	25.1	35.2	49.4	67.2	91.1
Equity	86.2	97.9	134.6	152.8	176.7

Profitability Ratios (%)	2022A	2023A	2024A	2025F	2026F
EBIT margin	11.1	8.5	10.3	8.5	8.5
PBT margin	10.9	7.8	9.6	8.1	8.1
PATAMI margin	7.9	5.9	7.1	5.8	5.9
Core PATAMI margin	8.2	7.6	7.1	5.8	5.9
ROE	14.4	13.3	11.9	14.2	13.4

Source: Bloomberg, MIDFR

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197501002077 (24878-X).

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MIDF AMANAH INVESTMENT BANK: GUIDE TO RECOMMENDATIONS

STOCK RECOMMENDATIONS

BUY	Total return is expected to be >10% over the next 12 months.
TRADING BUY	The stock price is expected to rise by >10% within 3 months after a Trading Buy rating has been assigned due to positive news flow.
NEUTRAL	Total return is expected to be between -10% and +10% over the next 12 months.
SELL	Total return is expected to be <-10% over the next 12 months.
TRADING SELL	The stock price is expected to fall by >10% within 3 months after a Trading Sell rating has been assigned due to negative news flow.

SECTOR RECOMMENDATIONS

POSITIVE	The sector is expected to outperform the overall market over the next 12 months.
NEUTRAL	The sector is to perform in line with the overall market over the next 12 months.
NEGATIVE	The sector is expected to underperform the overall market over the next 12 months.

ESG RECOMMENDATIONS* - source Bursa Malaysia and FTSE Russell

☆☆☆☆	Top 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆☆	Top 26-50% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆☆	Top 51%- 75% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell
☆	Bottom 25% by ESG Ratings amongst PLCs in FBM EMAS that have been assessed by FTSE Russell

* ESG Ratings of PLCs in FBM EMAS that have been assessed by FTSE Russell in accordance with FTSE Russell ESG Ratings Methodology