Samaiden Group Berhad

(0223 | SAMAIDEN MK) MAIN |Energy

SHARIAH Compliant

Corporate Update

Maintain BUY

Unchanged Target Price **RM1.69**

Pushing for Further Growth

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. In a briefing with analysts yesterday, management reiterated their commitment in expanding across Malaysia and growing through partnerships and business collaborations.

To increase rooftop investment. With an aim to bolster its recurring revenue stream in the long run, Samaiden is setting a target of securing 20MW-30MW in terms of rooftop PPA annually. It is currently working on several deals, which it hopes to finalise by this year. The group currently has 2.12MWp of rooftop solar assets.

Actively tendering for EPCC jobs. The group's outstanding order book currently stands at RM515.7m, out of which about 80% are solar related EPCC projects, with the remaining 20% comprising other renewable energy jobs. Management is actively bidding for jobs, with a tender book of RM1.8b, of which about 80% are solar EPCC projects. We are optimistic on replenishment prospects, with sizeable EPCC jobs coming from LSS5 and the upcoming LSS5+ and LSS6, on top of a strong interest in rooftop solar among commercial and industrial (C&I) and residential segments.

Strategising margin improvement. Management acknowledged that the solar EPCC scene is getting more competitive with more players flooding the market. As far as Samaiden is concerned, it would leverage on the low solar panel prices currently and effective project management to gradually improve their project margins. In 6MFY25 ending Dec-24, the group saw a slight decline in gross profit margins from 14.8% to 13.8%.

Earnings estimates. We keep our earnings estimates unchanged.

RETURN STATISTICS	
Price @ 4th Mar 2025 (RM)	1.08
Expected share price return (%)	+56.5
Expected dividend yield (%)	+1.2
Expected total return (%)	+57.7

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	1,555.66
Issued shares (m)	418.53
Estimated free float (%)	45.22
Market Capitalisation (RM'm)	453.60
52-wk price range	RM0.99 - RM1.42
3-mth average daily volume (m)	0.62
3-mth average daily value (RM'm)	0.77
Top Shareholders (%)	
Ir Chow Pui Hee	31.25
Chudenko Corp	13.89
Oversea-Chinese Banking Corp	2.75

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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