Samaiden Group Berhad

(0223 | SAMAIDEN MK) Main | Utilities

SHARIAH Compliant | ESG 3 Stars | FTSE4Good

Corporate Update

RM1.0b Order Book Target

Maintain BUY

Revised Target Price **RM2.45**
(from RM1.88)

Maintain BUY. We maintain our BUY recommendation on Samaiden with a revised SOTP-derived **TP** of **RM2.45** from RM1.88 previously. We expect FY27 to be a stronger year for the group, premised on its strong order book and cost efficiencies. Samaiden is among the key beneficiaries of EPCC prospects under LSS5+ and the upcoming LSS6, other upcoming large-scale solar schemes, and the long-term RE growth potential from the National Energy Transition Roadmap (NETR).

Stronger margins in the near term. In a post-results briefing yesterday, management indicated that margins are expected to remain elevated over the next two to three quarters on the back of lower-priced solar modules that the group stockpiled earlier. This will gradually normalise, as recent quotations for solar modules have risen around 5-10%.

Aggressive RM1.0b order book target intact. Management reiterated its target for RM1.0b of outstanding order book, with LSS5+ and CRESS projects being potential contributors, ahead of the upcoming LSS6. Samaiden's active RM3.5b tender book comprises some 80% of utility-scale projects, with CRESS making up a significant component. The group's outstanding order book currently stands at RM435.8m, the bulk of which will be recognised over FY27.

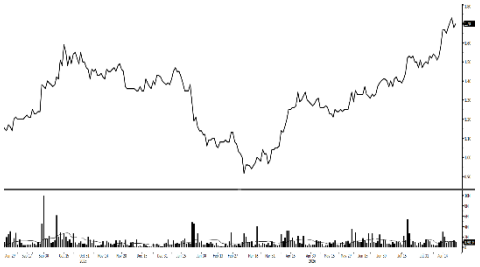
Targeting up to 20% of LSS6 opportunities. The group has set a target to secure about 20% of EPCC opportunities under the recently announced LSS6. We estimate that this may come up to about RM2.6b in terms of total EPCC project size. Samaiden also intends to participate selectively as an asset owner, apart from its focus in the EPCC space. Management has carried out preliminary studies on suitable plots of land in the southern region.

Growing recurring income assets. Contributions from Samaiden's existing owned RE assets remain relatively small for now, but management continues to target a larger recurring-income base as its CGPP, LSS and other clean energy assets progressively achieve COD. Longer term, management believes revenue from owned assets could contribute around 10% of Group revenue, providing a more stable earnings stream alongside the core EPCC business.

Earnings estimates and TP. We raise our FY27E/FY28F earnings estimates by +22.1%/16.2% as we account for stronger margins over the immediate term before it gradually normalise. As such, we are also upgrading our sum-of-the-parts (SOTP) derived **TP** to **RM2.45** as we roll forward our valuation base year from FY27E to FY28F.

RETURN STATISTICS	
Price @ 27th Aug 2026 (RM)	1.77
Expected share price return (%)	+38.4
Expected dividend yield (%)	+1.7
Expected total return (%)	+40.1

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	18.0	16.1
3months	26.4	39.2
12 months	55.3	41.6

INVESTMENT STATISTICS

FYE Jun	2026A	2027F	2028F
Revenue	364.5	463.7	519.3
Operating Profit	61.8	55.9	52.4
Profit Before Tax	53.5	65.2	75.6
Core PATAMI	34.2	46.9	53.7
Core EPS	5.7	8.3	9.6
DPS	2.4	3.0	3.0
Dividend Yield	1.4%	1.7%	1.7%

KEY STATISTICS	
FBM KLCI	1,741.72
Issue shares (m)	560.79
Estimated free float (%)	35.16
Market Capitalisation (RM'm)	990.35
52-wk price range	RM0.89 - RM1.82
3-mth average daily volume (m)	1.25
3-mth average daily value (RM'm)	1.80
Top Shareholders (%)	
Datuk Chow Pui Hee	26.39
Foon Fong Yeng	19.41
Chudenko Corp	14.89

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Sum-of-the-parts valuation

Units	Equity Value	Basis
EPCC business	1,127.8	PER (21x PER)
FiT- Bachok	6.5	*DCF (WACC: 6%)*
FiT - Kemaman	24.5	*DCF (WACC: 6%)*
FiT - Tangkak	22.8	*DCF (WACC: 6%)*
LSS5	137.7	*DCF (WACC: 6%)*
CGPP	61.1	*DCF (WACC: 6%)*
Total SOP	**1,380.4**	
Shares out	562.3	
Value/share (RM)	**2.45**	

Source: MBSBR

Financial Summary

Profit or Loss (RM'm)	2024A	2025A	2026A	2027F	2028F
Revenue	227.2	353.6	364.5	463.7	519.3
EBIT	23.5	28.4	61.8	55.9	52.4
PBT	21.9	25.9	53.5	65.2	75.6
Taxation	-5.8	-5.7	-14.5	-17.3	-19.9
PAT	16.0	20.1	39.0	46.9	53.7
Core earnings	16.0	19.0	34.2	46.9	53.7
EPS (sen)	2.9	3.9	5.7	8.3	9.6
PER (x)	62.0	45.9	31.2	21.2	18.5
DPS (sen)	0.70	1.50	3.00	3.00	3.00
Dividend yield (%)	0.4%	0.8%	1.7%	1.7%	1.7%

Cash Flow (RM'm)	2024A	2025A	2026A	2027F	2028F
PBT	21.9	25.9	53.5	65.2	75.6
Depreciation	1.0	1.5	13.0	18.3	24.4
Change in NWC	-47.8	-34.9	8.9	10.7	10.9
Operating cash flow	**2.4**	**-16.4**	47.9	60.3	74.2
Capital expenditure	-2.1	-20.5	-26.9	-40.7	-61.7
Investing cash flow	**2.2**	**-41.1**	**-26.9**	**-40.7**	**-61.7**
Debt raised/(repaid)	-0.1	97.7	0.2	1.1	1.5
Dividends paid	-2.0	-9.2	-5.9	-5.9	-5.9
Financing cash flow	**20.0**	**113.1**	**-5.7**	**-4.8**	**-4.4**
Net cash flow	24.6	55.6	4.8	6.1	2.3
Beginning cash flow	**96.6**	**121.4**	**175.9**	**180.7**	**187.8**
Ending cash flow	**121.3**	**176.9**	191.2	196.4	197.9

Balance Sheet (RM'm)	2024A	2025A	2026A	2027F	2028F
PPE	5.2	17.6	40.7	63.1	100.4
ROU assets	2.7	8.7	2.7	2.7	2.7
Non-current assets	**7.9**	**26.3**	**43.4**	**65.8**	**103.1**
Trade receivables	47.5	299.6	74.3	82.8	91.5
Cash & bank balances	132.2	212.4	196.8	203.1	205.6
Current assets	197.2	567.5	382.0	408.7	431.9
Long-term debt	1.8	2.3	2.4	3.4	4.9
Non-current liabilities	**3.6**	**8.2**	**4.2**	**5.2**	**6.7**
Short-term debt	6.6	105.0	6.6	6.6	6.6
Trade payables	37.5	182.6	169.1	188.5	208.3
Current liabilities	**66.9**	**391.6**	**242.4**	**266.3**	**290.6**
Share capital	85.0	106.5	106.5	107.5	108.5
Reserves	49.4	0.6	71.8	94.8	128.5
Equity	**134.6**	**167.7**	**178.9**	**202.9**	**237.6**

Profitability Ratios (%)	2024A	2025A	2026A	2027F	2028F
EBIT margin	10.3%	8.0%	17.0%	12.0%	10.3%
PBT margin	9.6%	7.3%	14.7%	14.1%	14.8%
PATAMI margin	7.1%	5.7%	10.7%	10.3%	10.9%
Core PATAMI margin	7.1%	5.4%	9.4%	10.1%	10.5%
ROE	11.9%	11.4%	18.5%	20.8%	19.9%

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MBSB INVESTMENT BANK BERHAD: 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