

Samaiden Group Berhad

(0223 | SAMAIDEN MK) Main | Industrial Products

Starts the New Year with A Bang

KEY INVESTMENT HIGHLIGHTS

- **Awarded a 50MWac solar project at Kulim Hi-Tech Park**
- **First phase of an ambitious 500MWac project**
- **Further orderbook expansion prospects in the pipeline**
- **Maintain BUY at TP of RM1.54**

What's new? Via a consortium with JS Solar, Samaiden was awarded a solar EPCC contract worth RM100m from NUR Renewables Sdn Bhd (NUR). The project involves the development of a 50MWac solar power plant at Kulim Hi-Tech Park (KHTP) in Kedah, marking the first phase of a 500MWac solar power plant project undertaken by UEM Lestra and NUR. The 50MWac project is expected to commence within 1HCY24 and targeted to be completed by March 2025.

Orderbook impact. The gross project value of RM100m (Samaiden's actual stake in the project has yet to be disclosed) could expand the group's gross orderbook by +27% to an estimated RM476m (2.8x FY23 revenue), which should keep the group busy over the next 2 years. We reckon the bulk of the latest project will be reflected in FY25F (FYE June). For FY24, Samaiden's earnings is expected be driven by the remaining LSS4 projects, estimated to account for 37% of gross enlarged orderbook.

More prospects in the pipeline. We anticipate further news flows of contract wins given prospective EPCC tenders for: (1) The 800MW CGPP projects which were awarded in 2HCY23, (2) The first 500MW of UEM-Itramas' 1GW hybrid solar power project in Johor which was finalised recently. We estimate both the CGPP and UEM-Itramas' 500MW project to entail prospective EPCC jobs worth RM3.9-4.6b, suggesting huge orderbook expansion potential in the next 12 months.

Earnings estimates. We leave our earnings estimates unchanged at this juncture pending further clarity of Samaiden's stake in the latest project. As it stands, we expect Samaiden's FY24F earnings to expand +78%yoy driven mainly by recognition of its 50MWac Kuala Muda LSS4 project as well as on-going C&I projects, which combined, is estimated to account for slightly more than half of the group's latest gross orderbook.

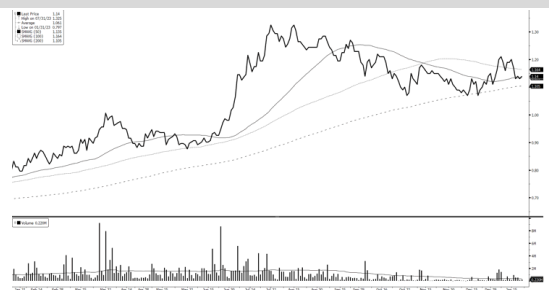
Maintain BUY at unchanged **TP** of **RM1.54**. We continue to peg Samaiden at 26x FY24F PER, at a slight discount to industry leader, Solarvest. We like Samaiden as one of the key beneficiaries of EPCC prospects under CGPP and the long-term RE growth potential from NETR's emphasis on solar. A strong orderbook and balance sheet underpins near-term growth potential.

Maintain BUY
Unchanged Target Price: RM1.54

RETURN STATISTICS

Price @ 22 nd Jan 2024 (RM)	1.14
Expected share price return (%)	+34.7
Expected dividend yield (%)	0.0
Expected total return (%)	+34.7

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	3.6	1.1
3 months	-0.9	-5.2
12 months	42.5	43.4

INVESTMENT STATISTICS

FYE Jun (RMm)	2023A	2024F	2025F
Revenue	170.8	307.7	367.3
Operating Profit	14.6	33.4	39.2
Profit Before Tax	13.4	32.5	38.2
Core PATAMI	11.0	23.3	27.5
Core EPS (sen)	2.8	5.9	7.0
PER (x)	34.4	19.3	16.3
DPS (sen)	0.50	0.00	0.00
Dividend Yield (%)	0.4%	0.0%	0.0%

KEY STATISTICS

FBM KLCI	1491.19
Issue shares (m)	387.39
Estimated free float (%)	27.62
Market Capitalisation (RM'm)	470.27
52-wk price range	RM0.78-RM1.35
3-mth average daily volume (m)	0.39
3-mth average daily value (RM'm)	0.44
Top Shareholders (%)	
Hee Ir Chow Pui	31.82
Foon Fong Yena	21.03
Chudenko Corp	14.14

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Chart 1: Quarterly revenue & margin trend

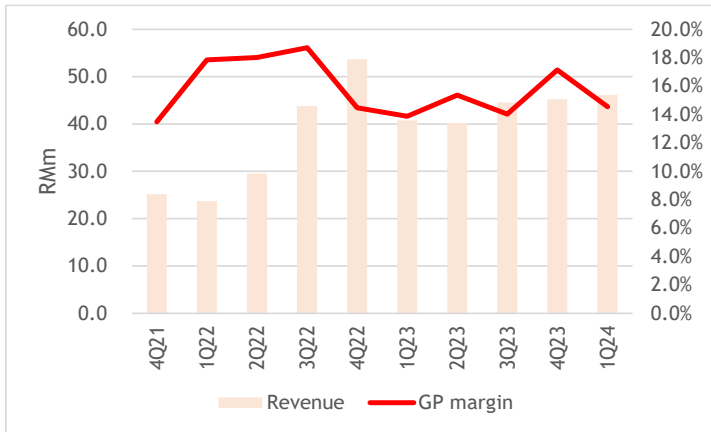
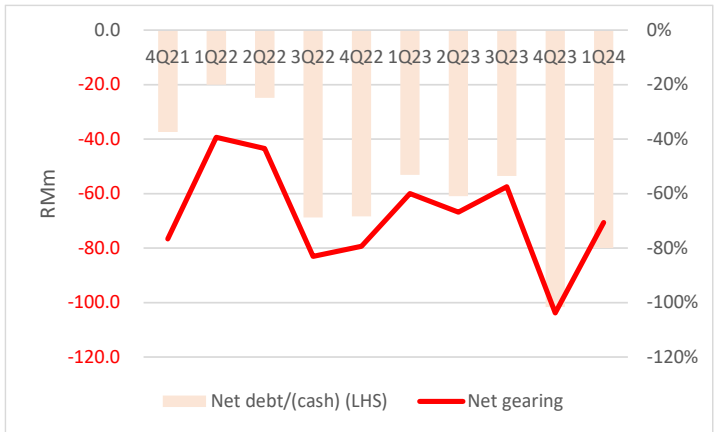


Chart 2: Net debt/(cash) and gearing trend



Source: Company, MIDFR

FINANCIAL SUMMARY

Income Statement	FY21	FY22	FY23	FY24F	FY25F
Revenue	53.4	150.7	170.8	307.7	367.3
Operating expenses	-45.4	-133.9	-156.2	-274.3	-328.2
Operating profit	8.1	16.8	14.6	33.4	39.2
Net interest expense	-0.0	-0.4	-1.2	-1.0	-0.9
Associates	0.0	0.0	0.0	0.0	0.0
PBT	8.1	16.4	13.4	32.5	38.2
Taxation	-2.1	-4.5	-3.3	-8.8	-10.3
Minority Interest	-0.0	-0.0	-0.0	0.4	0.4
Net profit	5.9	11.9	10.1	23.3	27.5
Core net profit	5.8	12.4	11.0	23.3	27.5
Balance Sheet	FY21	FY22	FY23	FY24F	FY25F
PPE	1.9	1.8	3.3	12.3	25.5
Others	0.1	3.5	3.4	3.4	3.4
Non-current assets	2.0	5.4	6.6	15.6	28.9
Inventories	0.3	0.7	0.5	0.9	1.1
Receivables	4.8	32.2	30.5	54.9	65.6
Others	32.1	50.7	48.7	82.2	96.8
Cash & equivalent	39.4	80.2	108.2	136.6	149.1
Current assets	76.7	163.7	187.9	274.7	312.6
Share capital	35.6	60.9	62.6	62.6	62.6
Minority Interest	-0.0	0.2	0.1	0.6	1.0
Reserves	13.2	25.1	35.2	56.5	84.0
Total Equity	48.7	86.2	97.9	119.7	147.6
Long-term borrowings	1.0	0.9	1.9	7.6	1.0
Others	0.2	2.9	2.4	2.4	2.4
Non-current liabilities	1.2	3.8	4.4	10.0	3.4
Short-term borrowings	1.1	10.9	4.5	4.5	4.5
Payables	26.7	61.4	69.5	125.1	149.4
Others	0.9	6.8	18.2	31.0	36.6
Current liabilities	28.7	79.2	92.2	160.6	190.5

Cash Flow Statement	FY21	FY22	FY23	FY24F	FY25F
PBT	8.1	16.4	13.4	32.5	38.2
Depreciation & Amortization	0.2	0.2	1.0	3.0	7.3
Chgs in working capital	16.4	5.5	9.9	30.8	13.4
Others	-36.3	-16.1	9.0	-29.5	-19.4
Operating cash flow	-11.7	6.0	33.3	36.7	39.6
Capex	-0.2	-0.5	-1.8	-12.0	-20.5
Others	-5.5	-3.7	1.6	0.0	0.0
Investing cash flow	-5.7	-4.2	-0.2	-12.0	-20.5
Dividends paid	0.0	0.0	0.0	-2.0	0.0
Movement in borrowings	1.0	9.8	-5.4	5.7	-6.6
Others	28.0	24.6	-0.2	0.0	0.0
Financing cash flow	29.1	34.4	-5.6	3.7	-6.6
Net changes in cash	11.6	36.2	27.5	28.4	12.4
Beginning cash	21.2	32.8	69.0	96.7	125.1
Overdrafts, Deposits & Forex	0.0	0.0	0.0	0.0	0.0
Ending cash	32.8	69.0	96.5	125.1	137.6

Key Ratios	FY21	FY22	FY23	FY24F	FY25F
Operating profit margin	15.2%	11.1%	8.5%	10.9%	10.7%
Core net profit margin	10.9%	8.2%	6.5%	7.6%	7.5%
ROE	12.0%	14.4%	11.3%	19.5%	18.7%
ROA	7.4%	7.3%	5.7%	8.0%	8.0%
Net gearing	-77%	-79%	-104%	-104%	-97%
Book value/share (RM)	0.12	0.22	0.25	0.30	0.37
PBV (x)	9.2	5.2	4.6	3.8	3.1
PER (x)	77.0	36.2	34.4	19.3	16.3

Source: Company, MIDFR

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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	Stock price is expected to <i>rise</i> by >10% within 3-months after a Trading Buy rating has been assigned due to positive newsflow.
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	Stock price is expected to <i>fall</i> by >10% within 3-months after a Trading Sell rating has been assigned due to negative newsflow.

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