

## Samaiden Group Berhad

**Maintain BUY**

(0223 | SAMAIDEN MK) Main | Industrial Produces &amp; Services


### Samaiden to Collaborate with Gruppe Lighting Solution

**Unchanged Target Price: RM1.57**

#### DEVELOPMENT

- Samaiden inked a business collaboration agreement (BCA) with Gruppe Lightning Solution Sdn Bhd to explore opportunities surrounding solar street lighting, efficiency and other renewable energy related services and solutions in the Southeast Asia region.
- Collaboration also extends to smart city projects that integrate solar streetlights with Internet of Things (IoT) capabilities
- BCA is effective for three years starting 26<sup>th</sup> June.

#### OUR VIEW

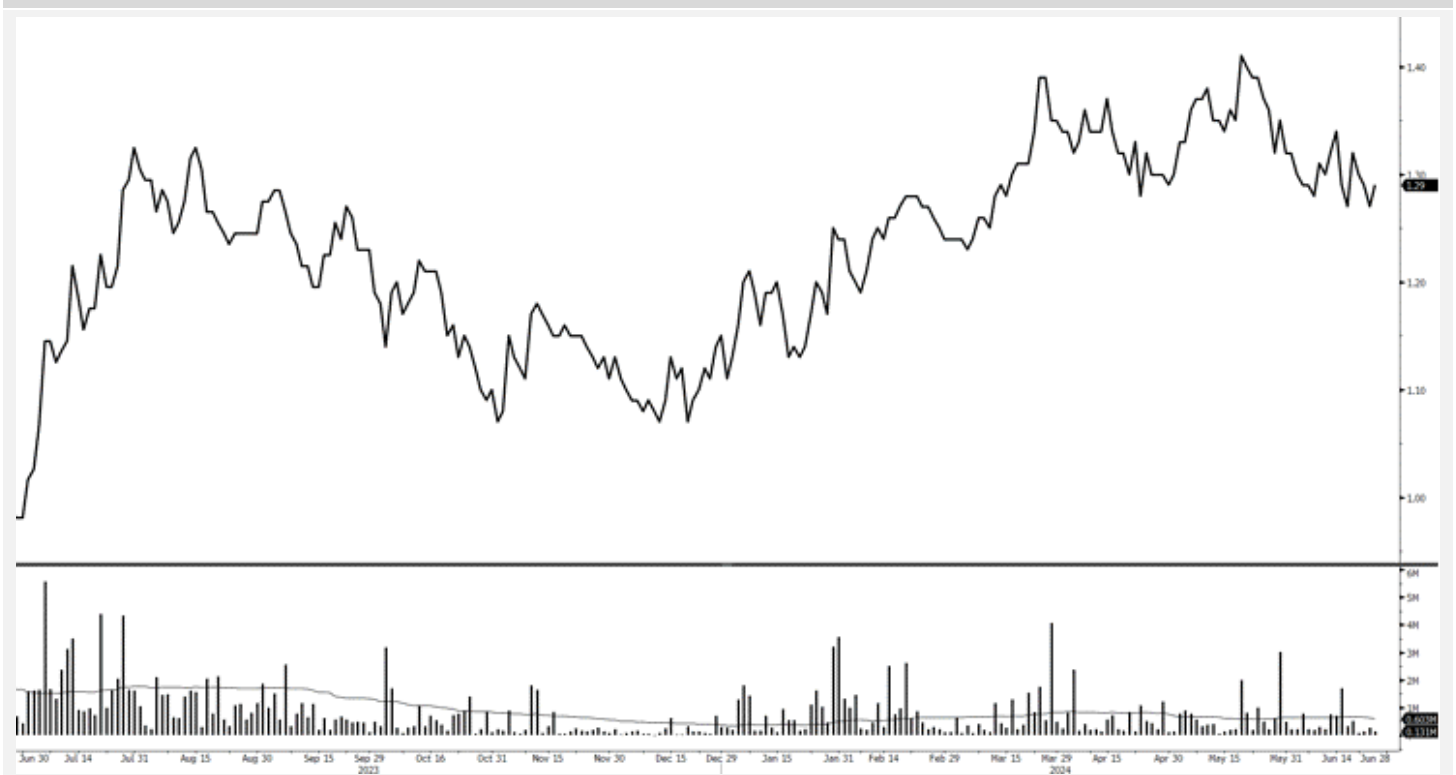
- **Avenue to expand portfolio.** The collaboration with Gruppe opens the avenue for Samaiden to expand its capabilities into advanced lighting solutions driven by solar, hence providing the group with opportunities to replenish its order book and expand its renewable energy initiatives.
- **Strong order book.** Outstanding orderbook stood at RM354m as at end-March 2024 which will keep the group busy over the next three years. Samaiden is eyeing at least 100MW of EPCC jobs for the Corporate Green Power Programme (CGPP), which translates into potential RM300-400m incremental orderbook. Further out, the upcoming 2GW LSS5 (bidding opened in April 2024) and 400MW additional Net Energy Metering quota for CY24 (offered from 5th February 2024) cements future orderbook replenishment outlook.
- **Earnings estimate and TP.** We are making no changes to our forecasts.
- **Reiterate BUY.** We maintain our **BUY** call on Samaiden being one of the key beneficiaries of EPCC prospects under the CGPP and the long-term RE growth potential from the National Energy Transition Roadmap. 

## INVESTMENT STATISTICS

| Income Statement        | FY21        | FY22         | FY23         | FY24F        | FY25F        |
|-------------------------|-------------|--------------|--------------|--------------|--------------|
| <b>Revenue</b>          | <b>53.4</b> | <b>150.7</b> | <b>170.8</b> | <b>235.7</b> | <b>375.3</b> |
| Operating expenses      | -45.4       | -133.9       | -156.2       | -214.8       | -342.9       |
| <b>Operating profit</b> | <b>8.1</b>  | <b>16.8</b>  | <b>14.6</b>  | <b>20.9</b>  | <b>32.4</b>  |
| Net interest expense    | -0.0        | -0.4         | -1.2         | -1.0         | -0.9         |
| Associates              | 0.0         | 0.0          | 0.0          | 0.0          | 0.0          |
| <b>PBT</b>              | <b>8.1</b>  | <b>16.4</b>  | <b>13.4</b>  | <b>20.0</b>  | <b>31.5</b>  |
| Taxation                | -2.1        | -4.5         | -3.3         | -5.4         | -8.5         |
| Minority Interest       | -0.0        | -0.0         | -0.0         | 0.4          | 0.4          |
| Net profit              | 5.9         | 11.9         | 10.1         | 14.2         | 22.6         |
| <b>Core net profit</b>  | <b>5.8</b>  | <b>12.4</b>  | <b>13.0</b>  | <b>14.2</b>  | <b>22.6</b>  |

Source: Company, MIDFR

## SHARE PRICE CHART



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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