

Samaiden Group Berhad

(0223 | SAMAIDEN MK) Main | Industrial Products

Awarded its First CGPP Project

KEY INVESTMENT HIGHLIGHTS

- **RM52m maiden EPCC job for a 14MW CGPP solar plant in Sungai Petani, Kedah**
- **A related party transaction by virtue of GMD and ED's shareholdings; to seek shareholders' mandate**
- **Outstanding order book has risen to RM365.5m**
- **Maintain BUY with an unchanged TP of RM1.57**

Maiden CGPP contract. As the Corporate Green Power Programme (CGPP) jobs start flowing in, Samaiden has been awarded its maiden EPCC job for the scheme, a RM52.0m contract to build a 14MWac large scale solar photovoltaic (LSSPV) power plant in Sungai Petani, Kedah. The group's wholly owned subsidiary Samaiden Sdn Bhd accepted a letter of award from Legasi Green Power Sdn Bhd (LGP).

Project details. The job scope includes the design, supply, delivery, installation, testing and commissioning for the LSSPV power plant. This is expected to be completed within 12 months by 30th August 2025, in order to achieve the scheduled commercial operation date (COD). We expect between mid to high single digit pretax margin for the project.

Related party transaction. LGP is a consortium comprising Angelaxy Power Sdn Bhd (30%), Asanaga Sdn Bhd (30%) and Greenviro Solutions Sdn Bhd (40%). Angelaxy Power is wholly owned by Datuk Ir Chow Pui Hee while Asanaga Sdn Bhd is wholly-owned by Fong Yeng Foon. Chow and Fong are the group managing director and an executive director respectively, of Samaiden Group. Both are also substantial shareholders of Samaiden Group. As this is regarded a recurrent related party transaction (RRPT), Samaiden will seek its shareholders' mandate at its upcoming 5th AGM.

Strengthening order book. With the new win, Samaiden's outstanding order book has risen to RM365.5m. We understand that Samaiden is eyeing at least 80MW more of EPCC jobs for CGPP, which translates into a potential RM240m-320m incremental orderbook.

Earnings estimates. We are maintaining our earnings estimates unchanged.

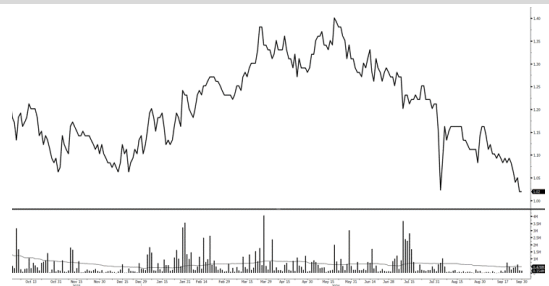
Recommendation. We are positive on Samaiden's first CGPP EPCC win, and we believe that there are more jobs to come, with more announcements expected in 4QCY24. We maintain our SOP-derived **TP** of **RM1.57**. We continue to value the group's EPCC business at 26x PER, at a slight discount to industry leader Solarvest. 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. Balance sheet remains strong with a net cash position of RM122.3m, underpinning near-term growth prospects.

Maintain BUY
Unchanged Target Price: RM1.57

RETURN STATISTICS

Price @ 30 th Sep 2024 (RM)	1.02
Expected share price return (%)	+53.9
Expected dividend yield (%)	+0.0
Expected total return (%)	+53.9

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-11.3	-9.7
3 months	0.0	-22.8
12 months	-17.1	-28.4

INVESTMENT STATISTICS

FYE Jun (RMm)	2023A	2024A	2025F
Revenue	170.8	227.2	374.7
Operating Profit	14.6	23.5	31.8
Profit Before Tax	13.4	21.9	31.1
Core PATAMI	13.0	16.0	22.3
Core EPS (sen)	3.3	4.1	5.7
PER (x)	33.0	26.6	19.3
DPS (sen)	0.50	0.70	0.00
Dividend Yield (%)	0.5%	0.6%	-

KEY STATISTICS

FBM KLCI	1,648.91
Issue shares (m)	418.53
Estimated free float (%)	28.67
Market Capitalisation (RM'm)	427.00
52-wk price range	RM1.00-RM1.42
3-mth average daily volume (m)	0.45
3-mth average daily value (RM'm)	0.54
Top Shareholders (%)	
Ir Chow Pui Hee	31.35
Fong Yeng Foon	20.73
Chudenko Corp	13.93

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Table 1: Samaiden SOP Valuation

Units	Equity Value (RMm)	Valuation Method
EPCC business	586.44	FY25F PER (26x)
Tangkak Biomass Plant (<i>Equity Value</i>)	32.35	DCF (WACC: 6%)
Total SOP	618.79	
Shares out	394.0	
Value/share (RM)	1.57	

Source: Company, MIDFR

FINANCIAL SUMMARY

Income Statement	FY21A	FY22A	FY23A	FY24A	FY25F
Revenue	53.4	150.7	170.8	227.2	374.7
Operating expenses	-45.4	-133.9	-156.2	-203.8	-342.9
Operating profit	8.1	16.8	14.6	23.5	31.8
Net interest expense	-0.0	-0.4	-1.2	-1.6	-0.6
Associates	0.0	0.0	0.0	0.0	0.0
PBT	8.1	16.4	13.4	21.9	31.1
Taxation	-2.1	-4.5	-3.3	-5.8	-8.4
Minority Interest	-0.0	-0.0	-0.0	-0.0	0.4
Net profit	5.9	11.9	10.1	16.0	22.3
Core net profit	5.8	12.4	13.0	16.0	22.3
Balance Sheet	FY21A	FY22A	FY23A	FY24A	FY25F
PPE	1.9	1.8	3.3	5.2	26.9
Others	0.1	3.5	3.4	2.7	2.7
Non-current assets	2.0	5.4	6.6	7.9	29.6
Inventories	0.3	0.7	0.5	0.4	1.1
Receivables	4.8	32.2	30.5	47.5	66.9
Others	32.1	50.7	48.7	17.0	99.5
Cash & equivalent	39.4	80.2	108.2	132.2	189.2
Current assets	76.7	163.7	187.9	197.2	356.7
Share capital	35.6	60.9	62.6	85.0	85.0
Minority Interest	-0.0	0.2	0.1	0.1	0.6
Reserves	13.2	25.1	35.2	49.4	73.8
Total Equity	48.7	86.2	97.9	134.6	159.4
Long-term borrowings	1.0	0.9	1.9	1.8	-2.8
Others	0.2	2.9	2.4	1.8	1.8
Non-current liabilities	1.2	3.8	4.4	3.6	-1.0
Short-term borrowings	1.1	10.9	4.5	6.6	6.6
Payables	26.7	61.4	69.5	37.5	152.3
Others	0.9	6.8	18.2	22.7	57.7
Current liabilities	28.7	79.2	92.2	66.9	216.6
Cash Flow Statement	FY21A	FY22A	FY23A	FY24A	FY25F
PBT	8.1	16.4	13.4	21.9	31.1
Depreciation & Amortization	0.2	0.2	1.0	1.0	7.9

Chgs in working capital	16.4	5.5	9.9	-47.8	94.7
Others	-36.3	-16.1	9.0	26.4	-52.9
Operating cash flow	-11.7	6.0	33.3	1.4	80.9
Capex	-0.2	-0.5	-1.8	-2.1	-20.5
Others	-5.5	-3.7	1.6	3.9	0.0
Investing cash flow	-5.7	-4.2	-0.2	1.8	-20.5
Dividends paid	0.0	0.0	0.0	-2.0	0.0
Movement in borrowings	1.0	9.8	-5.4	-0.1	-4.6
Others	28.0	24.6	-0.2	24.1	0.0
Financing cash flow	29.1	34.4	-5.6	22.0	-4.6
Net changes in cash	11.6	36.2	27.5	25.2	55.7
Beginning cash	21.2	32.8	69.0	96.6	121.7
Overdrafts, Deposits & Forex	0.0	0.0	0.0	0.0	0.0
Ending cash	32.8	69.0	96.5	121.9	177.4

Key Ratios	FY21A	FY22A	FY23A	FY24A	FY25F
Operating profit margin	15.2%	11.1%	8.5%	10.3%	8.5%
Core net profit margin	10.9%	8.2%	7.6%	7.1%	5.9%
ROE	12.0%	14.4%	13.3%	11.9%	14.0%
ROA	7.4%	7.3%	6.7%	7.8%	5.8%
Net gearing	-77%	-79%	-104%	-92%	-116%
Book value/share (RM)	0.12	0.22	0.25	0.34	0.40
PBV (x)	8.8	5.0	4.4	3.2	2.7
PER (x)	73.6	34.6	32.9	26.8	19.3

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