

Samaiden Group Berhad

(0223 | SAMAIDEN MK) Main | Industrial Products

Second CGPP Project in the Bag

KEY INVESTMENT HIGHLIGHTS

- **RM39.2m EPCC job for a 10MW CGPP solar plant in Bahau, Negri Sembilan**
- **Another related party transaction by virtue of GMD's shareholdings**
- **Outstanding order book has risen to RM404.7m**
- **Maintain BUY with an unchanged TP of RM1.57**


Second CGPP contract. Samaiden has secured its second Corporate Green Power Programme (CGPP). Its wholly owned subsidiary Samaiden Sdn Bhd was awarded a RM39.2m contract from Bahau Power Sdn Bhd (BP) to develop a 10MWac large scale solar photovoltaic (LSSPV) power plant in Bahau, Negri Sembilan.

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 15th September 2025, in order to achieve the scheduled commercial operation date (COD). Similarly, we expect between mid to high single digit pretax margin for the project.

Related party transaction. Like its previously secured CGPP project from Legasi Green Power Sdn Bhd, this contract from BP is also a related party transaction. The shareholders of BP are Angelaxy Power Sdn Bhd (51%) and Uzma Enviroenergy Sdn Bhd (49%). Angelaxy Power is wholly owned by Datuk Ir Chow Pui Hee, who is the managing director and substantial shareholder of Samaiden.

Strengthening order book. With the new win, Samaiden's outstanding order book has risen to RM404.7m. We understand that Samaiden is eyeing at least 70MW more of EPCC jobs for CGPP, which translates into a potential RM200m-280m incremental orderbook.

Earnings estimates. We are maintaining our earnings estimates unchanged.

Recommendation. We are positive on Samaiden's prospects, with more CGPP jobs expected. 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. 

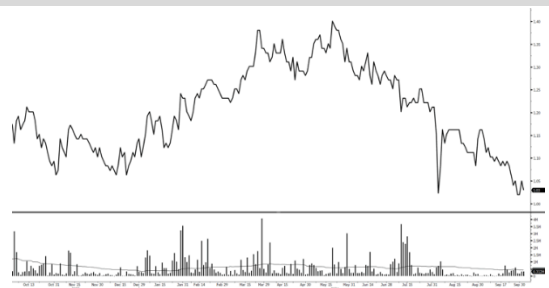
Maintain BUY

Unchanged Target Price: RM1.57

RETURN STATISTICS

Price @ 2 nd Oct 2024 (RM)	1.03
Expected share price return (%)	+52.4
Expected dividend yield (%)	+0.0
Expected total return (%)	+52.4

SHARE PRICE CHART



Price performance (%)	Absolute	Relative
1 month	-12.0	-10.0
3 months	1.0	-20.7
12 months	-13.4	-25.0

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)	31.2	25.1	18.1
DPS (sen)	0.50	0.70	0.00
Dividend Yield (%)	0.5%	0.6%	-

KEY STATISTICS

FBM KLCI	1,639.31
Issue shares (m)	418.53
Estimated free float (%)	28.67
Market Capitalisation (RM'm)	431.18
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
Fona Yena Foon	20.73
Chudenko Corp	13.93

Analyst

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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)	8.3	4.7	4.1	3.0	2.6
PER (x)	69.5	32.7	31.2	25.1	18.1

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