

03 October 2024

## Samaiden Group Secures RM39m CGPP Job

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SAMAIDEN has bagged a RM39.17m EPCC contract for a 10MWac solar power plant under the Corporate Green Power Programme (CGPP) in Negeri Sembilan. This marks its second major contract in FY25, bringing its YTD job wins to RM91.17m and lifting its outstanding order book to RM404.67m, which should keep the company busy for at least the next 18 months. We maintain our forecasts, TP of RM1.51 and **OUTPERFORM** call.

SAMAIDEN has bagged a RM39.17m EPCC contract from Bahau Power Sdn Bhd for a large-scale solar power plant in Bahau, Negeri Sembilan. The contract is set for a 12-month duration, starting from the site possession date on 2 October 2024.

This is SAMADEN's second key contract secured in FY25, boosting its FY25 YTD job wins to RM91.17m (vs. our full-year assumption of RM210m) and outstanding order book to RM404.67m which can keep it busy for at least over the next 18 months. We anticipate a gross profit margin of 15%-16% from this job.

In the immediate term, we expect a strong influx of job opportunities driven by the 800MW CGPP with an end-2025 completion deadline, having already seen ~RM690m contract awards under this programme announced by listed firms over the past three months, as well as an additional 500MW quota under the NEM initiative. Based on our estimates, we expect SAMAIDEN to stand a strong chance to secure around 10%, translating to RM240m of the total PV system EPCC jobs under CGPP which we estimate at RM2.4b.

**Forecasts.** Maintained.

**Valuations.** We also maintain our TP of RM1.51 based on SoP valuation, valuing its EPCC segment at 30x fully-diluted FY25F EPS of 4.9 sen, in line with the average forward PER of peers such as **SVLEST (OP; TP: RM1.91)** and **SUNVIEW (Not Rated)** and DCF for its CGPP and biomass assets. Our TP imputes a 5% premium given its 4-star ESG rating as appraised by us (see page 4).

**Investment case.** We continue to like SAMAIDEN for: (i) the bright outlook of the RE sector in Malaysia, underpinned by the government's goal of RE making up 70% of total generation mix by 2050, (ii) the increased commercial viability of solar power projects on falling solar panel prices and the export potential of RE, (iii) its position as one of the top players in the local solar EPCC market, (iv) its ability to provide end-to-end solutions, including financing, and (v) its proven track record in delivering projects on time and within budget. Maintain **OUTPERFORM**.

**Risks to our call include:** (i) the government dials back on RE policy, (ii) influx of new players in the EPCC space, intensifying competition, (iii) project execution risks including cost overrun and project delays, and (iv) escalating cost of solar panels although unlikely amid US slapping tariffs on Southeast Asian manufactured solar panels.

## OUTPERFORM ↔

**Price:** RM1.03  
**Target Price:** RM1.51 ↔

**Expected Capital Gain:** +RM0.48 +46.6%  
**Expected Div. Yield:** +RM0.00 +0.0%  
**Expected Total Gain:** +RM0.48 +46.6%

**KLCI Index** 1,639.31

### Stock Information

Bloomberg Ticker	SAMAIDEN MK Equity
Bursa Code	0223
Listing Market	Main Market
Shariah Compliant	Yes
Shares Outstanding	418.6
Market Cap (RM m)	431.2
Par value per share (RM)	N.A.
52-week range (H)	1.42
52-week range (L)	1.00
Free Float	29%
Beta	1.0
3-mth avg. daily vol.	448,355

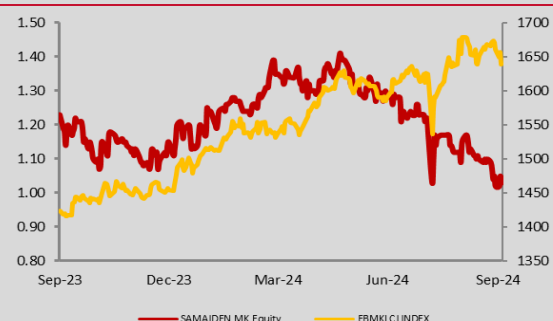
### Major Shareholders

Pui Hee Chow	31.4%
Yeng Foon Fong	20.7%
Chudenko Corp	13.9%

### Summary Earnings Table

FY June (RM m)	2024A	2025F	2026F
Revenue	227.2	353.4	433.9
EBIT	23.5	33.7	37.5
PBT	21.9	32.0	35.4
<b>Net Profit (NP)</b>	<b>16.0</b>	<b>24.0</b>	<b>26.5</b>
<b>Core NP (CNP)</b>	<b>16.0</b>	<b>24.0</b>	<b>26.5</b>
Consensus CNP	-	22.6	29.3
Earnings Revision (%)	-	-	-
Core EPS (sen)	3.4	5.1	5.7
Core EPS Growth (%)	32.8	49.4	10.7
DPS (sen)	0.7	0.0	0.0
BV/Share (RM)	0.3	0.3	0.4
Core PER (x)	29.8	20.0	18.0
Price/BV (x)	3.8	3.0	2.5
Net Gearing (x)	N.Cash	N.Cash	N.Cash
Dividend Yield (%)	-	-	-

### Share Price Performance



	1 mth	3 mths	12 mths
Absolute (%)	-12.0%	-19.5%	-13.4%
Relative (%)	-9.6%	-22.1%	-29.0%

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**Exhibit 1: Sum-of-Parts (SoP) Valuation**

<b>Business/Asset</b>	<b>Value (RM m)</b>	<b>Basis</b>
EPCC	719.9	30x FY25F PER
CGPP	28.3	DCF with a discount rate of 5.5%
Biomass	9.9	DCF with a discount rate of 5.6%
<b>Asset Valuation</b>	<b>758.1</b>	
Proceeds from warrant conversion	107.5	
	865.5	
Enlarged share base (m shares)	603.4	
Fully-diluted TP before ESG (RM/share)	1.43	
ESG premium (RM/share)	0.07	5% based on a 4-star rating
<b>TP after ESG (RM/share)</b>	<b>1.51</b>	

Source: Kenanga Research

Income Statement						Financial Data & Ratios					
FY June (RM m)	2022A	2023A	2024A	2025F	2026F	FY June	2022A	2023A	2024A	2025F	2026F
Revenue	150.7	170.8	227.2	353.4	433.9	<b>Growth (%)</b>					
EBIT	17.3	15.1	23.5	33.7	37.5	Revenue	182.0	13.3	33.0	55.5	22.7
PBT	16.4	13.4	21.9	32.0	35.4	EBIT	115.7	-12.8	55.6	43.7	11.1
Taxation	-4.5	-3.3	-5.8	-8.0	-8.8	PBT	103.6	-18.3	63.2	46.2	10.7
<b>Net Profit</b>	<b>11.9</b>	<b>10.1</b>	<b>16.0</b>	<b>24.0</b>	<b>26.5</b>	Net Profit	101.4	-15.7	59.6	49.4	10.7
<b>Core Net Profit</b>	<b>11.9</b>	<b>12.1</b>	<b>16.0</b>	<b>24.0</b>	<b>26.5</b>	Core Net Profit	101.3	1.2	32.8	49.4	10.7
<b>Balance Sheet</b>						<b>Profitability (%)</b>					
<b>FY June (RM m)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025F</b>	<b>2026F</b>	EBIT Margin	11.5	8.8	10.3	9.5	8.6
Fixed Assets	1.8	3.4	5.2	6.3	9.3	PBT Margin	10.9	7.8	9.6	9.0	8.2
Other FA	3.5	3.3	2.9	2.9	2.9	Core Net Margin	7.9	7.1	7.1	6.8	6.1
Inventories	0.7	0.5	2.7	3.4	29.5	Effective Tax Rate	27.3	25.0	26.6	25.0	25.0
Receivables	32.2	30.5	30.4	62.0	70.6	ROE	7.1	6.2	7.4	8.2	7.8
Other CA	109.0	115.8	160.3	180.0	180.0	ROA	13.8	12.3	12.7	15.2	13.7
Cash	21.8	41.1	16.9	37.6	48.1	<b>DuPont Analysis</b>					
<b>Total Assets</b>	<b>169.1</b>	<b>194.5</b>	<b>218.3</b>	<b>292.2</b>	<b>340.4</b>	Net Margin (%)	7.9	7.1	7.1	6.8	6.1
Payables	61.4	69.5	77.3	137.3	166.1	Assets Turnover (x)	0.9	0.9	1.0	1.2	1.3
ST Borrowings	10.9	4.5	2.1	2.1	2.1	Leverage Factor (x)	1.96	1.99	1.73	1.85	1.76
Other ST Liability	6.8	18.2	9.1	9.1	9.1	ROE (%)	13.8	12.3	12.7	15.2	13.7
LT Borrowings	0.9	1.9	1.8	-16.2	-32.2	<b>Leverage</b>					
Other LT Liability	2.9	2.4	1.9	1.9	1.9	Debt/Asset (x)	0.1	0.0	0.0	0.0	-0.1
NCI	0.2	0.1	0.1	0.0	0.0	Debt/Equity (x)	0.1	0.1	0.0	-0.1	-0.2
<b>Net Assets</b>	<b>86.2</b>	<b>97.9</b>	<b>126.0</b>	<b>158.0</b>	<b>193.3</b>	Net (Cash)/Debt	-10	-35	-13	-52	-78
Share Capital	60.9	62.6	82.5	82.5	82.5	Net Debt/Equity (x)	-0.12	-0.35	-0.10	-0.33	-0.40
Other Reserves	25.1	35.2	43.4	75.5	110.8	<b>Valuations</b>					
<b>Total Equity</b>	<b>86.2</b>	<b>97.9</b>	<b>126.0</b>	<b>158.0</b>	<b>193.3</b>	Core EPS (sen)	3.2	3.1	3.4	5.1	5.7
<b>Cashflow Statement</b>						DPS (sen)	0.0	0.0	0.5	0.0	1.0
<b>FY June (RM m)</b>	<b>2022A</b>	<b>2023A</b>	<b>2024A</b>	<b>2025F</b>	<b>2026F</b>	BVPS (RM)	0.2	0.3	0.3	0.3	0.4
Operating CF	6.3	33.3	21.2	42.5	32.6	Core PER (x)	31.8	32.6	29.8	20.0	18.0
Investing CF	-4.2	-0.2	-0.2	-2.0	-4.0	Net Dividend Yield (%)	0.0	0.0	0.7	0.0	0.0
Financing CF	34.1	-5.6	-4.1	-19.8	-18.1	PBV (x)	4.4	4.0	3.8	3.0	2.5

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### Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<b>Stocks Under Coverage</b>																	
GAS MALAYSIA BHD	MP	3.79	3.61	-4.7%	4,866.4	Y	12/2024	30.7	27.5	2.7%	-10.1%	12.4	13.8	3.3	27.8%	24.5	6.5%
MALAKOFF CORP BHD	MP	0.915	0.820	-10.4%	4,471.6	Y	12/2024	5.7	6.5	-65.7%	12.9%	15.9	14.1	1.0	6.3%	4.6	5.0%
PETRONAS GAS BHD	MP	18.00	17.87	-0.7%	35,617.2	Y	12/2024	98.4	100.7	5.2%	2.4%	18.3	17.9	2.6	14.2%	72.0	4.0%
SAMAIDEN GROUP BHD	OP	1.03	1.51	46.6%	431.2	Y	06/2025	5.3	5.9	50.0%	12.5%	19.5	17.3	4.1	22.7%	0.0	0.0%
SOLARVEST HOLDINGS BHD	OP	1.57	1.91	21.7%	1,108.7	Y	03/2025	6.8	8.5	62.5%	24.2%	22.9	18.5	4.0	19.5%	0.0	0.0%
TENAGA NASIONAL BHD	OP	14.30	17.00	18.9%	83,125.2	Y	12/2024	76.9	85.2	43.2%	10.9%	18.6	16.8	1.3	7.3%	38.0	2.7%
YTL POWER INTERNATIONAL BHD	OP	3.63	5.20	43.3%	29,796.1	N	06/2025	39.5	35.8	-3.5%	-9.3%	9.2	10.1	1.3	15.1%	7.0	1.9%
<b>Sector Aggregate</b>					<b>159,416.2</b>					<b>31.3%</b>	<b>2.3%</b>	<b>15.4</b>	<b>15.1</b>	<b>2.5</b>	<b>16.1%</b>		<b>2.9%</b>

Source: Kenanga Research

**Stock ESG Ratings:**

	Criterion	Rating				
<b>GENERAL</b>	Earnings Sustainability & Quality	★	★	★	☆	
	Community Investment	★	★	★		
	Workers Safety & Wellbeing	★	★	★	★	
	Corporate Governance	★	★	★	★	
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	★	★	
<b>SPECIFIC</b>	Transition to Renewables	★	★	★	★	
	Reliable Energy & Fair Tariff	★	★	★	☆	
	Effluent/Waste Management	★	★	★	★	
	Ethical Practices	★	★	★		
	Supply Chain Management	★	★	★	☆	
	Customer Satisfaction	★	★	★	★	
<b>OVERALL</b>		★	★	★	★	

☆ denotes half-star  
 ★ -10% discount to TP  
 ★★ -5% discount to TP  
 ★★★ TP unchanged  
 ★★★★ +5% premium to TP  
 ★★★★★ +10% premium to TP

**Stock Ratings are defined as follows:**

**Stock Recommendations\*\***

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%  
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%  
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

**\*\* The Expected Total Return might contain rounding discrepancy**

**\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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