SMC Research

Singapore Equity Explorer

Nam Cheong Ltd

Bloomberg: NCL SP | Reuters: NMCG.SI **Refer to important disclosures at the end of this report**

DBS Group Research . Equity 23 Jul 2025

NOT RATED SGD0.56 STI : 4,208.26

Closing price as of 22 Jul 2025
Return *: 2
Risk: Moderate
Potential Target 12-mth* : 12-Month SGD 1.05 (87% upside)

Analyst
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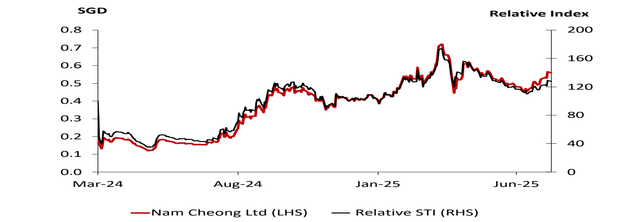
Price Relative



Forecasts and Valuation

FY Dec (MYRmn)	2023A	2024A	2025F	2026F
Revenue	475	685	683	798
EBITDA	157	335	349	405
Pre-tax Profit	204	846	289	346
Net Profit	175	785	227	271
Net Pft (Pre Ex.)	75.5	220	227	271
EPS (S cts)	65.5	60.4	17.4	20.8
EPS Pre Ex. (S cts)	28.3	16.9	17.4	20.8
EPS Gth (%)	190	(8)	(71)	20
EPS Gth Pre Ex (%)	9,971	(40)	3	20
Diluted EPS (S cts)	65.5	60.4	17.4	20.8
Net DPS (S cts)	0.0	0.0	0.0	0.0
BV Per Share (S cts)	(183)	43.1	60.5	81.3
PE (X)	0.9	0.9	3.2	2.7
PE Pre Ex. (X)	2.0	3.3	3.2	2.7
P/Cash Flow (X)	6.0	3.8	2.4	2.3
EV/EBITDA (X)	7.3	3.2	2.6	1.7
Net Div Yield (%)	0.0	0.0	0.0	0.0
P/Book Value (X)	0.0	1.3	0.9	0.7
Net Debt/Equity (X)	CASH	0.6	0.2	CASH
ROAE (%)	(31.4)	2,182.1	33.6	29.4
Other Broker Recs:		B: 0	S: 0	H: 0

ICB Industry : Industrials
ICB Sector: Capital Goods
Principal Business: Nam Cheong Limited operates as a global offshore marine group. The Company specializes in providing Offshore Support Vessels (OSVs), as well as owns and operates ship building yards for OSVs in Malaysia for use in the offshore oil and gas exploration and production and oil services industries.

Source of all data on this page: Company, DBS, Bloomberg

Undervalued OSV gem

- A leading OSV builder-turned-owner with the youngest fleet in Malaysia
- 60%-70% long-term charters provide good earnings visibility while sequential improvement in utilisation and fleet expansion drive double-digit growth from 2H25
- Prime beneficiary of potential revival of OSV newbuild orders, which were minimal over the past decade
- Unwarranted 50%-70% discount to peers; fair value of SGD1.05 (6x PE) yet to factor in potential accretion from OSV newbuilds (+ SGD0.14-1.0/share)

The Business

A leading OSV player with the youngest fleet in Malaysia. Nam Cheong operates a fleet of 38 mid-sized offshore support vessels (OSVs) with an average age of just over eight years. This represents a strong competitive advantage, as peer fleets average 13-15 years of age. The company benefits from strong earnings visibility due to captive demand from Petronas and a strategic shift towards 60%-70% long-term charters. Nam Cheong is also diversifying its geographic presence and product offerings to tap into the buoyant Middle Eastern and Japanese markets, as well as growing demand for green offshore solutions.

Double-digit growth from 2H25; potential revival of OSV newbuild orders adds tailwind. 1H25 utilisation is expected to be weaker y/y due to vessel downtime for preparations related to long-term charters. Utilisation should normalise going into 2H25 and 2026, reaching ~80%, vs. ~60% in 1H25. This will drive sequential revenue growth of 25%-30% h/h in 2H25 and ~10% y/y in 2026, supported by relatively stable charter rates amid tight supply. The OSV industry faces increasing pressure to rejuvenate its ageing fleet, ideally keeping vessels under 20 years old. This revived demand for newbuilds will benefit Nam Cheong's Miri shipyard, potentially generating RM30-200mn in profit.

The Stock

Potential multi-bagger. Nam Cheong is trading at only 3x FY25 PE, an unwarranted, steep discount of 50%-70% to closest peers such as Singapore-based Macro Polo (6x PE) and Malaysia-based Lianson (10x PE). We believe Nam Cheong's fair value should be SGD1.05, based on 6x FY25 PE. This does not reflect the potential valuation of its Miri Shipyard, which could add SGD0.14-1.00/share when OSV newbuilds make a comeback.

At A Glance

Issued Capital (mn shrs)	392
Mkt. Cap (SGDmn/USDmn)	220 / 172
Major Shareholders (%)	
Tiong Su Kuok	25.4
DBS Group Holdings Ltd	12.1
Malayan Banking	5.9
Free Float (%)	56.6
3m Avg. Daily Val (USDmn)	0.7

*This Equity Explorer report represents a preliminary assessment of the subject company, and does not represent initiation into DBSV's coverage universe. As such DBSV does not commit to regular updates on an ongoing basis. The rating system is distinct from stocks in our regular coverage universe and is explained further on the back page of this report.

YOUNGEST FLEET IN MALAYSIA

A leading OSV player with the youngest fleet in Malaysia, and seemingly globally. Nam Cheong operates a fleet of 38 mid-sized OSVs with an average age of just over eight years. This positions the company favourably against the global industry average fleet age of 13-15 years, providing a strong competitive advantage. Younger vessels are generally preferred due to enhanced safety and lower operating costs. Nam Cheong's fleet comprises 20 Anchor Handling Tug Supply (AHTS) vessels, 5 Platform Supply Vessels (PSVs), and a mix of Accommodation Work Barges (AWBs), Maintenance Work Vessels (MWVs), Safety Standby Vessels (SSVs), Landing Craft (LCs), and Fast Crew Boats (FCBs). AHTS, PSV, and other workboats each contribute approximately one-third of the company's revenue.

Captive OSV demand from Petronas with steady capex plan. The bulk of Nam Cheong's vessels are chartered to Petronas, Malaysia's national oil company. With energy security a core focus, Petronas is expected to spend RM50-60bn annually during 2025-2027 to maintain current production levels and implement decarbonisation strategies. 2025 appears to be a transitional year, with capital expenditure projected to decline 21% y/y (vs. RM54bn in 2024), as guided in end-May 2025, partly due to the transfer of Sarawak's gas aggregation role to Petros and moderating oil prices. Capex is expected to normalise to RM50-60bn in 2026-2027. Correspondingly, demand for support vessels is anticipated to dip by ~9% before rising 4% in 2026. This underpins steadier demand and charter rates for Nam Cheong's vessels.

Capitalising on buoyant O&G activity in the Middle East. While some national oil companies (NOCs) – such as Petronas, Petrobras, Sinopec – and independent oil companies (IOCs) – such as BP, Chevron, and ConocoPhillips – have adopted a more prudent approach to capex this year amid macroeconomic uncertainty and moderating oil prices, the Middle East continues to invest heavily in the oil and gas sector. Middle Eastern NOCs are expected to account for 20% of global upstream investment in 2025, an all-time high. This is led by Saudi Aramco, ADNOC, and Qatar (which focuses more on gas), with a strong emphasis on upstream projects, particularly gas production and oil output maintenance. The robust OSV demand in the Middle East offers Nam Cheong excellent diversification and growth opportunities.

Geography and product diversifications into green offshore. Nam Cheong recently expanded into the Middle Eastern and Japanese markets with new charter contracts worth RM204mn (or USD47.5mn) signed in late June. These two-year contracts, for AHTS and FCBs, represent a strategic move to diversify geographically and reduce concentration risk. Two of the three vessels will be chartered to Marine Operations for Environmental Services (SAIL) in the Middle East to support environmental preservation efforts, while the third will serve an offshore wind farm contractor in Japan.

Nam Cheong's fleet

Type	Number
AHTS <80T	18
AHTS >80T	2
PSV	5
Workboat/Barge	6
Bigger Assets	31
Smaller Assets	7
Total	38

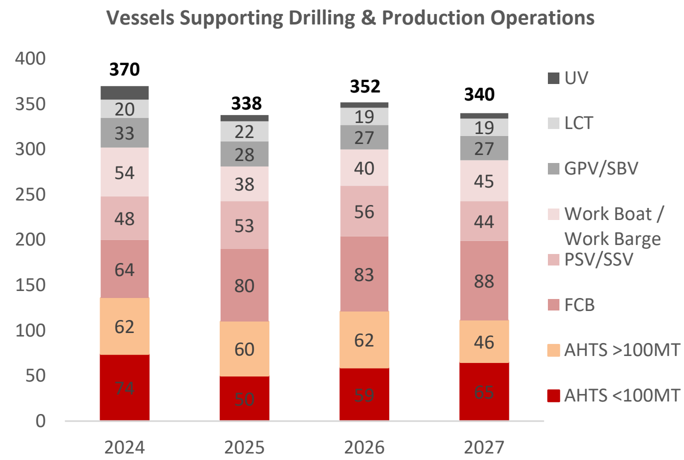
Source: Company

Average fleet agee for OSVs

Company	Average Fleet Age (Yrs)	Remark
Nam Cheong	8	One of the youngest fleet in Malaysia
Britoil Offshore Services	11	Among the youngest globally
Other Malaysian Operators	13-15	Icon Offshore (13), Perdana (14)
China OSV Operators	9-13	CNOOC (12)

Source: Various companies

Petronas' demand for support vessels



**UV = Utility Vessel, LCT = Landing Craft Tank, GPV = General Purpose Vessel, SBV = Standby Vessel, SSV = Straight Supply Vessel, FCB = Fast Crew Boat*
Source: Petronas, DBS

MULTIPLE RERATING CATALYSTS

I. Stronger earnings visibility and growth

Prudent approach: Enhances earnings visibility with 70% fleet on long-term charters. Nam Cheong's orderbook stood at RM1.7bn (approx. USD410mn) as of end-Jun 2025, representing 2.3 years of revenue coverage. Currently, 24 of its 38 vessels (c.63% of its fleet) are under long-term charters (two to three years with options), progressing well toward management's target of 70%. This provides strong earnings visibility for the next two to three years. Maintaining 30% of the fleet on spot charters offers balance, mitigating risks such as crew cost increases (generally stable and manageable except in overheated market) and allowing the company to capitalise on upward trends in charter rates.

Sequential increase in utilisation from 2Q25. Owing to vessel downtime for preparations related to long-term charters, Nam Cheong's 1Q25 fleet utilisation was lower than expected, at only 50%, compared to 70% in both 1Q24 and 4Q24. A sequential rebound in utilisation is anticipated in 2Q25, though it may still be slightly lower than the same period last year. We expect utilisation to normalise in 2H25 and 2026, reaching ~80%, vs. 60% in 1H25. With over 60% of the fleet now on long-term charters that commenced in 2025, there is potential upside to utilisation exceeding 80% due to reduced downtime. This increased utilisation should drive sequential revenue growth of 25%-30% h/h in 2H25 and ~10% y/y in 2026, supported by relatively stable charter rates.

Fleet expansion – two more subsea vessels to come online. In addition to improving utilisation, incremental growth is also expected from fleet expansion. Nam Cheong added a FCB in 1Q25, bringing its fleet to 38 vessels. It is expected to take delivery of two subsea vessels by 4Q25. These vessels, which can be deployed to support pipe-laying for the offshore market as well as subsea cable installation for telco companies, are expected to command day rates of ~RM80k (~USD20k), contributing to 6%-8% to revenue growth in 2026. While management has not yet committed to a fleet expansion plan for next year due to macro uncertainties, we assume one more vessel will be added towards the end of 2026.

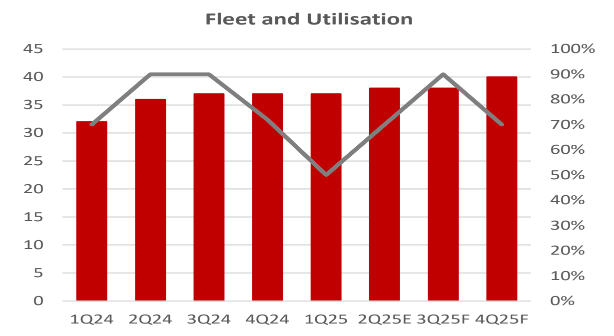
Double-digit growth in 2026. OSV day rates should remain firm given the relatively tight supply. This is due to ageing fleets and a lack of newbuild supply, particularly in Malaysia, where cabotage rules and a shortage of modern vessels underpin strong demand for younger fleets with good safety records. Consequently, Nam Cheong will likely be able to sustain current gross margin of above 50%. Overall, 2025 core earnings are expected to be flat, similar to 2024 levels. However, 15%-20% growth in revenue and net profit is expected in 2026, driven by utilisation improvements (+10% revenue) and fleet expansion (+7% revenue).

Orderbook for long-term charter contracts

Announced	Vessels (Duration)	Contract Value (RM mn)	Region / Customers
Nov-24	12 vessels (3-years)	1,220	Regional and International oil majors (mainly Petronas and other SEA)
Apr-25	9 vessels (Up to 2-years)	317	Malaysia, Thailand
Jun-25	3 vessels (Up to 2-years)	204	Middle East, Japan
Total	28 vessels	1,741	

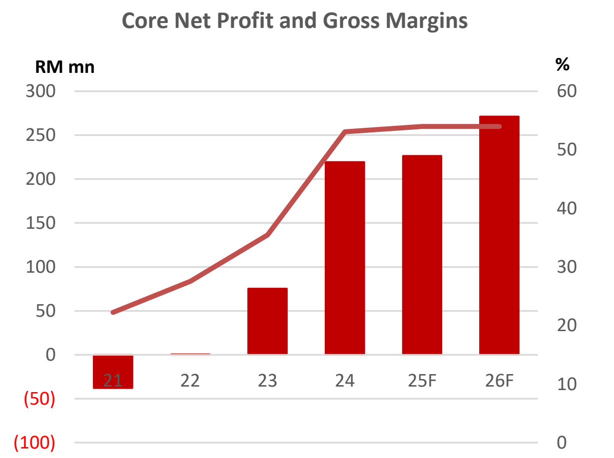
Source: Company

Fleet and utilisation; 1Q and 4Q typically seasonally weaker



Source: Company, DBS

Core net profit and gross margin



Source: Company, DBS

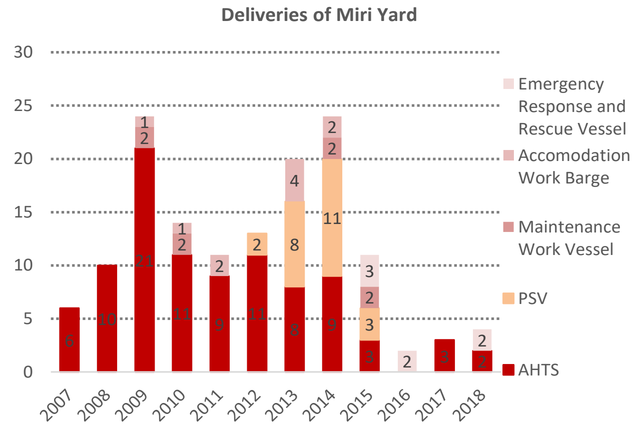
II. Revival of OSV newbuild orders

Petronas cautions on ageing OSV fleet. In its 2025-2027 Activity Outlook report, Petronas anticipates steady demand for OSVs but cautions that the current high number of ageing vessels servicing production operations is a concern if insufficient newbuilds enter the market within the next three years. According to data from the Malaysia OSV Owners' Association, 80% of Malaysian vessels will be older than 12 years this year. A significant percentage will soon reach 20 years of age – the age ceiling of Petronas' OSV tender requirement (extended from 15 years in 2022) – at which point they are deemed obsolete. Petronas also encourages OSV owners undertaking fleet renewal to consider fuel-efficient technologies including diesel electric vessels, to reduce total operating costs for petroleum arrangement contractors (PACs).

Petronas launches Safina newbuild programme to rejuvenate OSV fleet. To address ageing fleet concerns, Petronas launched the Safina newbuild programme in 2023. This a multi-phase initiative aims to rejuvenate Malaysia's OSV fleet by replacing older tonnage approaching the 15-year operational age limit. The programme targets up to 100 domestically built OSVs, to be delivered over four to five years. Phase 1 resulted in the tender and commissioning of 16 modern OSVs, 11 of which were completed and delivered by early 2024. Petronas continues to pursue further fleet renewal, though Phase 2 contract awards has been delayed from 3Q2024 due to challenges such as higher newbuild prices, uncertain alternative fuel options, financing difficulties, etc.

Nam Cheong's shipyard poised to benefit from revival of OSV newbuild interest. Before restructuring during the OSV downturn, Nam Cheong was a leading OSV builder in the region. Its 12.6-hectare Miri shipyard located in Kuala Baram, Sarawak, Malaysia has a production capacity of up to 12 vessels annually, depending on size and complexity. During the peak OSV cycle in 2012-2014, the company delivered 24 vessels, including those built by partner yards.

Delivery of Nam Cheong's Miri yard during 2007-2018



Source: Company, DBS

Nam Cheong's former key customers for OSV newbuilds

Source: Company, DBS

Potential earnings accretion of RM30-200mn from Miri yard. In recent years, the Miri yard has primarily handled ship repairs and newbuild OSVs for Nam Cheong's chartering business, generating no direct earnings contribution. Assuming a gradual return of newbuild demand, four deliveries of mid-sized OSVs at USD18mn each, with a 10% net margin, could generate net profit of RM30mn, equivalent to 13% of FY25E earnings. This could increase to over RM200mn at peak delivery of 24 vessels with a 12% margin. At a 6x PE ratio, this translates to an incremental fair value of SGD0.14-1.0/share.

Potential earnings accretion (RM mn) from Miri Shipyard

Net margin \ Deliveries	2	4	8	12	16	20	24
4%	6.0	12.1	24.2	36.3	48.4	60.5	72.6
6%	9.1	18.1	36.3	54.4	72.6	90.7	108.9
8%	12.1	24.2	48.4	72.6	96.8	121.0	145.2
10%	15.1	30.2	60.5	90.7	121.0	151.2	181.4
12%	18.1	36.3	72.6	108.9	145.2	181.4	217.7

Source: Company, DBS

III. Potential dividend payout?

Augmented balance sheet and strong cash flow generation; sufficient cash flow to pay dividends. Following the debt restructuring completed in mid-Jun 2024, Nam Cheong's total debt has been reduced to c.RM450mn, at competitive interest rates of 3%-6%. This debt is to be repaid over the next seven years, requiring annual payments of RM60-70mn. Net debt/EBITDA is fairly low at 1-1.5x. Net gearing decreased significantly to 0.58x as of end-2024 and is projected to potentially reach 0.25x this year, possibly even turning net cash positive in 2026 due to operating cash flow exceeding RM300mn annually. After debt repayments of RM100mn and estimated capex of RM100mn a year, the company likely has sufficient cash flow to pay dividends of at least 15% of net profit (half of the 30% payout ratio prior to 2015). This equates to RM35-42mn in dividends, or 2.7-3.2 Scts/share, representing a 5%-6% yield.

Limitations on dividend payments under scheme clauses. However, we understand that one of the Restructuring Scheme clauses requires Nam Cheong to prioritise debt repayment over dividend payouts. While often a soft rule that may be relaxed upon reaching certain milestones, another potential hurdle is management's preference for cash conservation to fund future expansion. The company should also consider options such as refinancing or equity fundraising to further strengthen its position as a leading OSV builder and capitalise on the next newbuild wave after 10 years of downturn.

POTENTIAL MULTI-BAGGER OSV GEM

Unwarranted 50%-70% discount to peers. Nam Cheong is trading at only 3x FY25 PE, at an unwarranted, steep discount of 50%-70% to its closest peers, such as Singapore-based Macro Polo (6x PE) and Malaysia-based Lianson (10x PE). We believe Nam Cheong's fair value should be SGD1.05, based on 6x FY25 PE. This does not reflect the potential valuation of its Mira Shipyard, which could add SGD0.14-1.00/share when OSV newbuilds make a comeback.

What is holding back the re-rating? What are the risks? We believe the share price underperformance is due to a generally cautious stance on the O&G sector amid an uncertain macroeconomic outlook, moderating oil prices and capex this year, and a potential peak in the charter rate uptrend. In addition, Nam Cheong recently emerged from restructuring in mid-2024, and 1H25 utilisation was affected by downtime as half the fleet transitioned to long-term charters. We believe the tide will turn starting 3Q25 as utilisation normalises, leading to a 20%-30% sequential increase in earnings. The prudent approach of securing 60%-70% of the fleet on long-term charters should be increasingly welcomed by the market. The revival of newbuild orders, currently not reflected in the share price due to zero contribution, could be another strong rerating catalyst.

In terms of risks, as an OSV player, Nam Cheong's performance is highly correlated with O&G sector sentiment and oil price movements. While the shift toward long-term charters provides stability, an unexpected spike in operating costs, particularly crew costs, could adversely affect profitability. However, this risk is mitigated by maintaining 30% spot charter exposure, which allows the company to benefit from higher day rates in such as scenario.

Peer comparison

Company		P/E ratio (x)			P/B (x)			Core ROE (%)			Net Debt-to-Equity	Net Debt-to-EBITDA	Dividend Yield	
	(US$m)	CY24	CY25F	CY26F	CY24	CY25F	CY26F	CY24	CY25F	CY26F	(x)	(x)	CY25F	CY26F
Rigs														
NOBLE CORP PLC	4,352	11.7x	18.7x	17.4x	1.1x	1.0x	1.0x	10.5%	5.0%	5.3%	0.4x	1.4x	7.3%	7.2%
WEATHERFORD INTE	3,895	10.1x	11.4x	8.9x	4.0x	2.4x	2.0x	45.8%	24.5%	29.1%	0.5x	0.7x	1.8%	1.7%
VALARIS LTD	3,316	8.4x	14.9x	10.8x	1.4x	1.4x	1.2x	17.7%	9.2%	10.4%	0.4x	1.1x	0.0%	0.4%
TRANSOCEAN LTD	2,332	na	na	34.7x	0.3x	0.2x	0.2x	-4.9%	0.0%	0.9%	0.7x	15.7x	0.0%	0.0%
SEADRILL LIMITED	1,790	5.9x	27.7x	14.5x	0.8x	0.6x	0.6x	15.1%	2.7%	3.4%	0.0x	0.2x	0.0%	5.6%
BORR DRILLING LT	516	11.8x	13.3x	38.8x	1.0x	0.5x	0.5x	8.3%	3.9%	-0.2%	2.1x	4.0x	0.8%	0.0%
ADES HOLDING CO	3,983	23.7x	15.9x	13.6x	2.9x	2.2x	2.0x	13.1%	14.4%	16.4%	1.8x	3.8x	3.7%	4.4%
ADNOC DRILLING C	24,961	17.9x	17.5x	16.1x	6.1x	5.8x	3.5x	36.9%	34.2%	32.5%	0.5x	1.0x	3.3%	3.9%
SHELF DRILLING	203	2.3x	5.0x	3.3x	0.5x	0.5x	0.4x	21.4%	5.4%	9.1%	2.8x	2.7x	na	0.0%
CHINA OILFIELD-H	7,210	10.1x	7.4x	6.6x	0.7x	0.6x	0.6x	7.3%	8.6%	9.0%	0.1x	na	4.5%	5.0%
OSV														
TIDEWATER INC	2,408	17.3x	14.5x	9.8x	2.5x	2.1x	1.8x	16.8%	16.4%	21.4%	0.3x	0.5x	4.5%	8.7%
SOLSTAD OFFSHORE	411	2.6x	3.3x	2.2x	1.0x	1.0x	0.8x	50.5%	38.7%	40.9%	1.4x	2.6x	3.0%	11.7%
NAM CHEONG LTD	163	0.6x	na	na	1.0x	na	na	na	na	na	0.6x	0.8x	na	na
VALLIANZ HOLDING	38	1.7x	na	na	0.3x	na	na	na	na	na	1.5x	4.2x	na	na
KIM HENG LTD	48	215.0x	na	na	1.2x	na	na	0.5%	na	na	1.2x	4.1x	na	na
MARCO POLO MARIN	137	na	5.9x	5.2x	na	0.9x	0.8x	na	13%	13%	-0.1x	-0.3x	2.1%	2.1%
LIANSON FLEET GR	193	13.7x	10.1x	8.7x	1.4x	na	na	11.2%	17%	17%	0.2x	0.5x	2.1%	2.1%
Average		**23.5x**	**12.7x**	**13.6x**	**1.6x**	**1.5x**	**1.2x**	**17.9%**	**13.8%**	**14.9%**	**0.8x**	**2.7x**	**2.5%**	**3.8%**
RIG		11.3x	14.6x	16.5x	1.9x	1.5x	1.2x	17.1%	10.8%	11.6%	0.9x	3.4x	2.4%	2.8%
OSV		41.8x	8.4x	6.5x	1.2x	1.3x	1.1x	19.8%	21.3%	23.1%	0.7x	1.8x	2.9%	6.1%

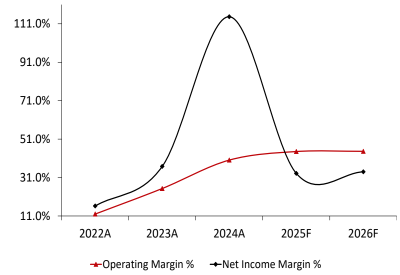
Source: Bloomberg, DBS

Income Statement (MYRmn)

FY Dec	2021A	2022A	2023A	2024A	2025F	2026F
Revenue	286	366	475	685	683	798
Cost of Goods Sold	(222)	(265)	(307)	(321)	(314)	(367)
Gross Profit	63.7	101	169	363	369	431
Other Opng (Exp)/Inc	(65.6)	(56.7)	(48.3)	(88.7)	(64.4)	(74.5)
Operating Profit	(1.9)	44.0	120	275	304	356
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	(0.4)	5.89	9.83	22.7	4.00	4.00
Net Interest (Exp)/Inc	(31.3)	(28.9)	(25.6)	(17.1)	(19.3)	(14.5)
Exceptional Gain/(Loss)	125	58.6	99.5	566	0.0	0.0
Pre-tax Profit	91.1	79.5	204	846	289	346
Tax	(7.1)	(18.0)	(23.4)	(45.7)	(57.8)	(69.2)
Minority Interest	2.77	(2.2)	(5.6)	(15.0)	(4.6)	(5.5)
Preference Dividend	0.0	0.0	0.0	0.0	0.0	0.0
Net Profit	86.8	59.3	175	785	227	271
Net Profit before Except.	(37.9)	0.74	75.5	220	227	271
EBITDA	25.6	78.9	157	335	349	405
Growth						
Revenue Gth (%)	nm	27.8	30.0	44.1	(0.3)	16.9
EBITDA Gth (%)	nm	207.9	98.5	113.9	4.1	16.2
Opg Profit Gth (%)	nm	(2,384.2)	173.5	128.2	10.8	17.1
Net Profit Gth (Pre-ex) (%)	nm	nm	10,132.1	190.8	3.2	19.7
Margins & Ratio						
Gross Margins (%)	22.3	27.5	35.5	53.1	54.0	54.0
Opg Profit Margin (%)	(0.7)	12.0	25.3	40.1	44.6	44.7
Net Profit Margin (%)	30.3	16.2	36.8	114.7	33.2	34.0
ROAE (%)	(26.2)	(9.2)	(31.4)	2,182.1	33.6	29.4
ROA (%)	28.6	9.1	21.6	71.4	16.5	17.2
ROCE (%)	(46.2)	(8.4)	10.3	24.2	18.2	19.8
Div Payout Ratio (%)	0.0	0.0	0.0	0.0	0.0	0.0
Net Interest Cover (x)	(0.1)	1.5	4.7	16.1	15.8	24.6

Source: Company, DBS

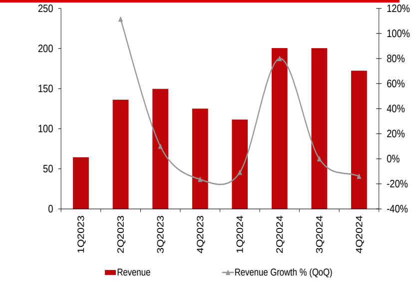
Margin Trend



Quarterly Income Statement (MYRmn)

FY Dec	3Q2023	4Q2023	1Q2024	2Q2024	3Q2024	4Q2024
Revenue	150	125	111	201	200	172
Cost of Goods Sold	(103)	(81.3)	(61.8)	(104)	(85.0)	(70.5)
Gross Profit	46.6	43.8	49.7	96.4	115	102
Other Oper. (Exp)/Inc	30.0	46.5	489	13.1	(32.6)	7.26
Operating Profit	76.5	90.2	539	109	82.8	109
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	3.92	4.66	28.1	1.61	(2.9)	(4.0)
Net Interest (Exp)/Inc	(6.7)	(6.1)	(1.7)	(7.1)	(5.0)	(3.3)
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	73.8	88.8	565	104	74.8	102
Tax	(11.0)	(2.6)	(10.7)	(22.8)	(24.0)	11.8
Minority Interest	(2.9)	(2.2)	(2.0)	(7.2)	(3.8)	(1.9)
Net Profit	59.8	84.0	553	74.1	47.1	112
Net profit bef Except.	59.8	84.0	553	74.1	47.1	112
EBITDA	86.1	103	574	120	90.3	116
Growth						
Revenue Gth (%)	10.0	(16.5)	(10.9)	79.9	(0.1)	(14.0)
EBITDA Gth (%)	72.9	20.2	454.8	(79.1)	(24.9)	28.5
Opg Profit Gth (%)	77.1	17.9	497.3	(79.7)	(24.4)	31.7
Net Profit Gth (%)	107.3	40.4	558.1	(86.6)	(36.5)	137.1
Margins						
Gross Margins (%)	31.1	35.0	44.5	48.1	57.6	59.1
Opg Profit Margins (%)	51.1	72.1	483.5	54.6	41.3	63.3
Net Profit Margins (%)	39.9	67.1	495.7	36.9	23.5	64.8

Revenue Trend

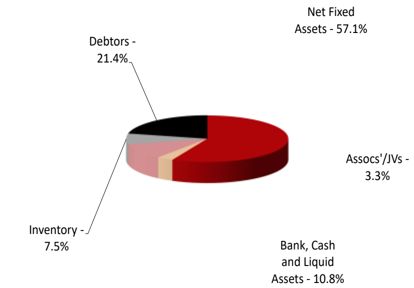


Balance Sheet (MYRmn)

FY Dec	2021A	2022A	2023A	2024A	2025F	2026F
Net Fixed Assets	390	427	544	712	792	827
Invts in Associates & JVs	2.68	8.53	18.4	40.7	64.7	88.7
Other LT Assets	0.0	2.50	2.59	0.61	0.61	0.61
Cash & ST Invts	26.7	62.9	64.2	137	205	321
Inventory	24.0	13.6	29.6	93.3	103	111
Debtors	157	180	254	267	281	306
Other Current Assets	5.85	2.60	6.70	28.0	28.0	28.0
Total Assets	606	697	920	1,279	1,473	1,682
ST Debt	947	990	1,043	35.2	35.2	35.2
Creditor	260	269	267	171	181	201
Other Current Liab	46.8	53.2	54.5	34.1	88.1	99.5
LT Debt	9.87	1.10	0.26	423	323	223
Other LT Liabilities	2.84	6.37	36.2	40.6	40.6	40.6
Shareholder's Equity	(661)	(625)	(489)	561	787	1,058
Minority Interests	0.92	3.13	6.99	13.8	18.4	23.9
Total Cap. & Liab.	606	697	920	1,279	1,473	1,682
Non-Cash Wkg. Capital	(120)	(126)	(31.1)	183	143	144
Net Cash/(Debt)	(930)	(928)	(979)	(321)	(154)	62.9
Debtors Turn (avg days)	100.0	168.1	166.8	138.9	146.4	134.2
Creditors Turn (avg days)	243.7	408.9	349.1	281.9	235.0	216.5
Inventory Turn (avg days)	22.5	29.1	28.1	79.0	131.2	121.3
Asset Turnover (x)	0.9	0.6	0.6	0.6	0.5	0.5
Current Ratio (x)	0.2	0.2	0.3	2.2	2.0	2.3
Quick Ratio (x)	0.1	0.2	0.2	1.7	1.6	1.9
Net Debt/Equity (X)	CASH	CASH	CASH	0.6	0.2	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	0.6	0.2	CASH
Capex to Debt (%)	10.1	1.6	1.6	12.9	33.5	31.0

Source: Company, DBS

Asset Breakdown (2024)

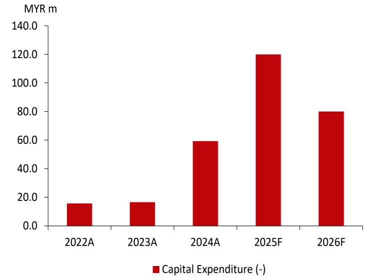


Cash Flow Statement (MYRmn)

FY Dec	2021A	2022A	2023A	2024A	2025F	2026F
Pre-Tax Profit	91.1	79.5	204	846	289	346
Dep. & Amort.	27.9	29.0	26.4	37.6	40.6	45.1
Tax Paid	(7.4)	(12.8)	(21.9)	(34.6)	(3.7)	(57.8)
Assoc. & JV Inc/(loss)	0.37	(5.9)	(9.8)	(22.7)	(4.0)	(4.0)
Chg in Wkg.Cap.	18.1	9.64	(96.3)	(124)	(14.1)	(12.4)
Other Operating CF	(70.9)	(35.3)	(77.6)	(511)	0.0	0.0
Net Operating CF	59.2	64.2	24.8	191	308	317
Capital Exp.(net)	(97.0)	(15.7)	(16.6)	(59.3)	(120)	(80.0)
Other Invts.(net)	0.0	0.0	0.0	0.0	0.0	0.0
Invts in Assoc. & JV	(23.7)	(0.5)	(4.9)	(45.9)	(20.0)	(20.0)
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0	0.0
Other Investing CF	2.50	1.10	1.76	1.32	0.0	0.0
Net Investing CF	(118)	(15.1)	(19.8)	(104)	(140)	(100.0)
Div Paid	0.0	0.0	0.0	0.0	0.0	0.0
Chg in Gross Debt	(6.4)	(12.5)	(1.7)	(38.5)	(100.0)	(100.0)
Capital Issues	0.0	0.0	0.0	30.0	0.0	0.0
Other Financing CF	0.49	0.0	(1.4)	(8.2)	0.0	0.0
Net Financing CF	(5.9)	(12.5)	(3.2)	(16.6)	(100.0)	(100.0)
Currency Adjustments	(4.4)	(0.5)	(0.5)	0.38	0.0	0.0
Chg in Cash	(69.4)	36.2	1.36	70.9	67.6	117
Opg CFPS (S cts)	15.9	20.8	45.3	24.2	24.7	25.3
Free CFPS (S cts)	(14.6)	18.5	3.06	10.1	14.4	18.2

Source: Company, DBS

Capital Expenditure



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