



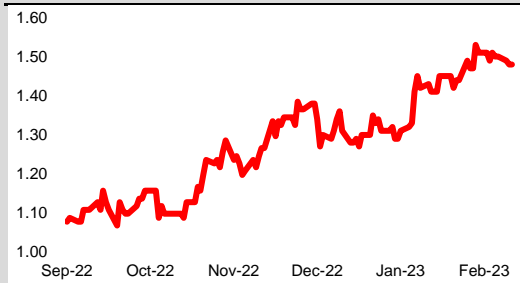
DESCRIPTION

Provider of maintenance and support services within the oil and gas industry.

12-Month Target Price RM1.74
Current Price RM1.55
Expected Return 12.2%

Market Main
Sector Oil & Gas
Bursa Code 5141
Bloomberg Ticker DEHB MK
Shariah-compliant Yes

SHARE PRICE CHART



52 Week Range (RM) 0.8 – 1.55
 3-Month Average Vol ('000) 3,789.6

SHARE PRICE PERFORMANCE

	1M	3M	6M
Absolute Returns	-2.1	4.8	29.6
Relative Returns	-2.1	3.0	34.4

KEY STOCK DATA

Market Capitalisation (RMm)	1,632.5
No. of Shares (m)	1,157.8

MAJOR SHAREHOLDERS

	%
Naim Holdings	24.2
Ling Suk Kiong	7.1
Employees Provident Fund	5.1

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Scoring A Hatrick

Dayang reported that it has secured three contracts for the provision of Accommodation Work Boats (AWB) for Petronas Carigali. Each contract has been assigned to each vessel i.e Dayang Zamrud, Dayang Opal and Dayang Ruby. While the value of the contracts was not disclosed, we are positive on this development as it validates our earlier view on the tight vessel market likely to benefit Dayang, subsequently translating into higher daily charter rate (DCR) and maximising the vessel's utilisation rate. Additionally, the Group's offshore topside maintenance services (TMS) outlook remain robust with the outstanding orderbook currently standing at RM1.4bn. We maintain our FY23 - FY25 forecast, having already accounted for the higher DCR in our recent revision. We re-affirm our **Outperform** call and TP of RM1.74.

§ **The three contracts.** Each contract has been assigned to each vessel i.e Dayang Zamrud, Dayang Opal and Dayang Ruby for the similar period of 214 days effective from 3 Feb 2023 with the option to extend up to 60 days (4 Nov 2023), capitalising on the non-monsoon period. While the value of the contracts have not been disclosed as it based on work orders issued, assuming the DCR is at around RM70,000 to RM90,000, we estimate each contract will be in the range of RM15m to RM25m. This brings the cumulative value of all three contracts to between RM45m and RM75m. Petronas' Activity Outlook (PAO) estimates the requirement of four work boats for FY23. Thus, these three contracts already translate to 75% of its requirements.

§ **Healthy outlook.** In addition to the bright outlook on marine charter services, we are also optimistic on the Group's offshore TMS. The segment's orderbook is currently at RM1.4bn. We expect more contracts will be awarded in the future or will have upward revisions during renewals. This is on the back of higher offshore Maintenance, Construction and Modification (MCM) activities requirement in FY23, higher to 11.9m (+37% YoY) man-hours from just 8.7m man-hours in FY22 based on PAO.

KEY FORECAST TABLE

FYE Dec (RM m)	2021A	2022E	2023F	2024F	2025F	CAGR
Revenue	667.7	984.2	1,106.	1,199.	1,246.	16.9%
Operating Profit	-382.8	219.9	260.1	281.2	291.7	n.m
Pre-tax Profit	-409.7	200.9	194.3	239.7	266.5	n.m
Net Profit	-316.6	124.2	143.7	178.2	198.5	n.m
Core Net Profit	-69.7	133.5	143.7	178.2	198.5	n.m
EPS (Sen)	-6.0	10.7	12.4	15.4	17.1	n.m
P/E (x)	n.m	13.7	11.8	9.6	8.6	
DPS (Sen)	1.5	1.5	3.0	3.0	3.0	
Dividend Yield (%)	1.0	1.0	2.0	2.0	2.0	

Source: Company, PublicInvest Research estimates

KEY FINANCIAL DATA

INCOME STATEMENT DATA

FYE Dec (RM m)	2021A	2022E	2023F	2024F	2025F
Revenue	667.7	984.2	1,106.8	1,199.8	1,246.6
Operating Profit	-380.1	219.9	260.1	281.2	291.7
Other Income	7.6	26.7	10.0	10.0	10.0
Administration Expenses	-106.4	-138.3	-121.7	-132.0	-137.1
Pre-tax Profit	-406.9	200.9	194.3	239.7	266.5
Income Tax	-30.0	-72.5	-46.6	-57.5	-64.0
Effective Tax Rate (%)	7.4	0.4	0.2	0.2	0.2
PATAMI	-316.6	124.2	143.7	178.2	198.5
Core Net Profit	-72.0	133.5	143.7	178.2	198.5
Growth (%)					
Revenue	-8.7	47.4	12.5	8.4	3.9
Gross Profit	n.m	n.m	16.9	8.4	3.9
Core Net Profit	n.m	n.m	7.6	24.0	11.4

Source: Company, PublicInvest Research estimates

BALANCE SHEET DATA

FYE Dec (RM m)	2021A	2022E	2023F	2024F	2025F
Property, plant and equipment	1,072.1	1026.3	920.7	813.4	704.4
Inventories	8.2	8.2	9.1	9.8	10.2
Trade receivables	118.7	127.8	151.6	328.7	512.3
Cash and bank balances	418.6	313.3	419.9	396.9	427.2
Total Assets	2,323.3	2,360.1	2,360.8	2,383.3	2,463.6
ST Borrowings	129.5	142.8	95.2	63.5	42.3
LT Borrowings	397.7	259.2	172.8	100.8	67.2
Trade payables	227.3	192.1	213.8	192.6	159.9
Others	85.5	112.6	112.6	112.6	112.6
Total Liabilities	840.0	706.7	594.4	469.5	382.0
Total Equity	1,493.40	1,653.4	1,766.4	1,913.8	2,081.6
Total Equity and Liabilities	2,333.40	2,360.1	2,360.8	2,383.3	2,463.6

Source: Company, PublicInvest Research estimates

PER SHARE DATA & RATIOS

FYE Dec	2021A	2022E	2023F	2024F	2025F
Book Value Per Share	1.2	1.4	1.5	1.6	1.8
NTA Per Share	2.2	2.2	2.2	2.2	2.3
EPS (Sen)	-6.0	10.7	12.4	15.4	17.1
DPS (Sen)	1.5	1.5	3.0	3.0	3.0
Payout Ratio (%)	24.9	14.0	24.2	19.5	17.5
ROA (%)	n.m	5.3	6.1	7.5	8.1
ROE (%)	n.m	8.6	9.2	10.5	10.6

Source: Company, PublicInvest Research estimates

RATING CLASSIFICATION

STOCKS

OUTPERFORM	The stock return is expected to exceed a relevant benchmark's total of 10% or higher over the next 12 months.
NEUTRAL	The stock return is expected to be within +/- 10% of a relevant benchmark's return over the next 12 months.
UNDERPERFORM	The stock return is expected to be below a relevant benchmark's return by -10% over the next 12 months.
TRADING BUY	The stock return is expected to exceed a relevant benchmark's return by 5% or higher over the next 3 months but the underlying fundamentals are not strong enough to warrant an Outperform call.
TRADING SELL	The stock return is expected to be below a relevant benchmark's return by -5% or more over the next 3 months.
NOT RATED	The stock is not within regular research coverage.

SECTOR

OVERWEIGHT	The sector is expected to outperform a relevant benchmark over the next 12 months.
NEUTRAL	The sector is expected to perform in line with a relevant benchmark over the next 12 months.
UNDERWEIGHT	The sector is expected to underperform a relevant benchmark over the next 12 months.

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