

Singapore

Overweight *(no change)*

Highlighted Companies

Marco Polo Marine

ADD, TP S\$0.10, S\$0.079 close

We like Marco Polo Marine for its fleet expansion plans catering to oil & gas and offshore wind markets that should support its long-term growth. We expect 2HFY25F net profit of c.S\$12m (+30% hoh) to be driven by better chartering revenues from 1st Commissioning Service Operation Vessel's (CSOV) full contribution. Reiterate Add with a higher TP of S\$0.10.

Pacific Radiance

ADD, TP S\$0.14, S\$0.105 close

We reiterate our Add call on Pacific Radiance for its sustainable profit turnaround backed by its fully reactivated fleet and expansion plans. Stronger charter rates and potential additions of new vessels provide upside to earnings growth. We reiterate our Add call with a higher TP of S\$0.14.

Summary Valuation Metrics

P/E (x)	Dec-25F	Dec-26F	Dec-27F
Marco Polo Marine	12.06	9.01	
Pacific Radiance	7.17	7.83	7.42
P/BV (x)	Dec-25F	Dec-26F	Dec-27F
Marco Polo Marine	1.38	1.21	
Pacific Radiance	1.17	1.02	0.91
Dividend Yield	Dec-25F	Dec-26F	Dec-27F
Marco Polo Marine	1.27%	1.27%	
Pacific Radiance	0.42%	0.56%	0.56%

Analyst(s)



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Offshore & Marine

Structural tailwinds are intact

- We reiterate our sector Overweight call on offshore & marine given structural factors and attractive valuations.
- Tight vessel supply and financing landscape are keeping charter rates resilient, while utilisation also remains high.
- We see long-term growth for Marco Polo and Pacific Radiance on the back of their fleet expansion plans for both oil & gas and offshore wind.
- We think the sector is bound for further re-rating and raise our TPs for MPM and PACRA to S\$0.10 and S\$0.14 respectively, both based on 10x fwd P/E.

Key takeaways from investor meetings

We hosted small group meetings for Marco Polo Marine (MPM) and Pacific Radiance (PACRA) during 23 – 25 Sep 2025. MPM highlighted its busy yard operations (c.90% utilisation), progress on its offshore wind strategy, including building a 2nd CSOV by 2028F, and preparation for two new vessels for deployment in Thailand and/or Malaysia from 2026F. PACRA emphasised strong fleet utilisation and potential for higher charter rates from 2026F. It is also pushing further into offshore wind through new crew transfer vessels (CTVs) (+3 units by end-2026F) and partnerships in Korea.

Limited new AHTS deliveries through 2027F

We think MPM's recent AHTS additions (partially funded by debt) are testament to its execution capabilities and likelihood of winning charter contracts in Southeast Asia. For PACRA, we think new vessels could be on the line given its strong net cash balance and fully contracted fleet. That said, global anchor handling tug supply (AHTS) fleet supply is still 7% below its 2015 peak. Only 80 newbuild vessels will be delivered globally by 2027F vs. 180 vessels p.a. over 2007-13, as per Clarksons. With construction time for an AHTS at 18-24 months and general tightness in bank financing for oil & gas vessels, we think supply constraints should continue to support high charter rates in the near-term.

Newbuilding cycle is yet to come but repair demand is intact

While we think the newbuilding upcycle for OSVs is yet to come due to tight bank financing and yard availability globally, yard utilisation for MPM and PACRA has been strong amid demand for repairs. Due to limited newbuilds, the usable age of older vessels is being stretched, which drives a greater need for repairs work, in our view. As per data from offshore market intelligence provider Spinergie, the average fleet age of active mid-large sized AHTS has increased by 1-2 years to 15-18 years in 2025 vs. 12-16 years in 2023 (Fig 1). We think this backdrop also underpins MPM's recently announced 3-year ship repair & maintenance agreement with Cyan Renewables (Unlisted), which has an offshore fleet of 33 vessels.

Reiterate sector Overweight

We retain our Overweight rating on the offshore & marine sector driven by structural factors supporting charter rates and fleet utilisation. We like MPM and PACRA for their fleet plans catering to oil & gas and offshore wind projects. Current valuations look attractive to us and we expect both stocks to re-rate upwards to 10x fwd P/E. Key re-rating catalysts: vessel additions, charter announcements. Downside risks: lower-than-expected fleet utilisation, cancellations of offshore wind projects affecting vessel demand.

Figure 1: Average age (years) of active mid to large sized AHTS globally

	Sep-23	Feb-24	Jul-24	Oct-24	Feb-25	Apr-25	Jul-25	2023-2025
>16k BHP AHTS	12.3	12.8	13.4	13.5	14.5	14.5	14.6	+2.2
12 - 16K BHP AHTS	16.4	16.3	16.6	16.6	18.0	17.9	17.7	+1.3
8 - 12K BHP AHTS	14.1	14.5	14.8	14.4	15.3	15.5	15.6	+1.6

BHP: Brake Horse Power
SOURCES: CGSI RESEARCH, SPINERGIE, TIDEWATER

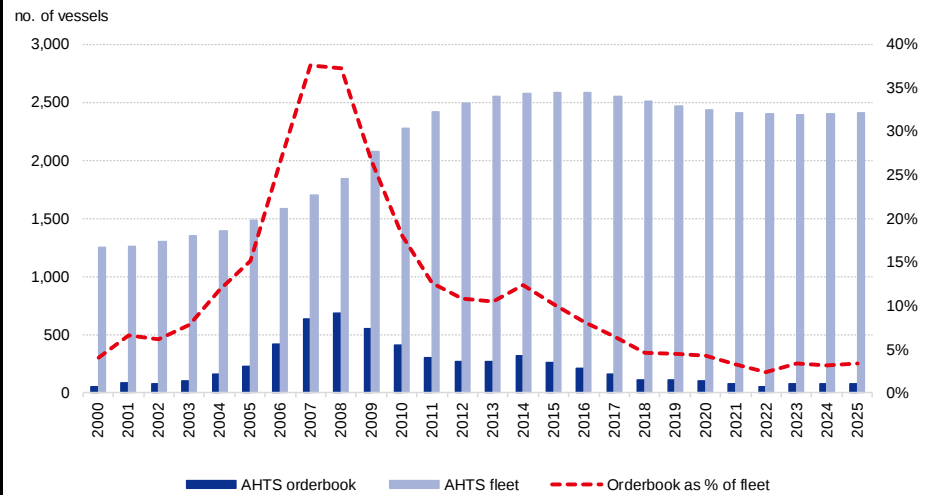
Figure 2: Sector comparison

Company	Bbg Ticker	Recom.	Price (lcl curr)	Target Price (lcl curr)	Market Cap (US\$ m)	CY25F	P/E (x) CY26F	CY27F	2-year EPS CAGR (%)	P/BV (x) CY25F	CY26F	Recurring ROE (%) CY25F	Dividend Yield (%) CY25F
Marco Polo Marine	MPM SP	Add	0.08	0.10	230	12.1	9.0	na	19.1%	1.4	1.2	12.0%	1.3%
Pacific Radiance	PACRA SP	Add	0.11	0.14	118	9.2	8.2	7.8	94.9%	1.2	1.0	13.8%	0.4%
Mermaid Maritime	MMT SP	Add	0.13	0.16	185	9.1	6.5	na	59.3%	0.7	0.6	8.2%	0.0%
Vallianz Holdings Ltd	VALZ SP	NR	0.07	na	65	na	na	na	na	na	na	na	na
ASL Marine Holdings Ltd	ASL SP	NR	0.19	na	144	na	na	na	na	na	na	na	na
Kim Heng Ltd	KHOM SP	NR	0.09	na	49	na	na	na	na	na	na	na	na
Nam Cheong Ltd	NCL SP	NR	0.73	na	222	na	na	na	na	na	na	na	na
Wintermar Offshore Marine Tbk	WINS IJ	NR	426.0	na	115	na	na	na	na	na	na	8.1%	na
Logindo Samudramakmur Tbk PT	LEAD IJ	NR	86.00	na	30	na	na	na	na	na	na	na	na
Sillo Maritime Perdana Tbk PT	SHIP IJ	NR	7,300	na	1,200	na	na	na	na	na	na	na	na
Sealink International Bhd	SELI MK	NR	0.19	na	22	na	na	na	na	na	na	na	na
Marine & General Bhd	MARG MK	NR	0.18	na	34	9.1	na	na	na	na	na	na	na
Lianson Fleet Group Bhd	LFG MK	NR	2.09	na	553	35.4	24.0	20.9	8.5%	1.9	1.8	11.8%	1.9%
Perdana Petroleum Bhd	PETR MK	NR	0.15	na	79	na	na	na	na	na	na	na	na
Sea1 offshore Inc	SEA1 NO	NR	21.85	na	337	3.9	5.6	5.1	-34.0%	0.8	0.7	25.2%	27.8%
Tidewater Inc	TDW US	NR	52.73	na	2,610	14.7	12.3	9.3	11.7%	2.3	1.9	12.4%	4.5%
Helix Energy Solutions Group I	HLX US	NR	6.43	na	945	32.8	16.7	10.5	1.9%	0.6	0.6	na	na
Subsea 7 SA	SUBC NO	NR	210.6	na	6,340	15.1	11.7	10.5	62.6%	1.5	1.5	9.7%	5.2%
SEACOR Marine Holdings Inc	SMHI US	NR	6.15	na	166	na	na	na	1.8%	na	na	na	na
Peers - average						15.7	11.8	10.7	25.1%	1.3	1.2	12.7%	5.9%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG
Estimates for Not rated companies are based on Bloomberg consensus estimates
Data as at 3 Oct 2025

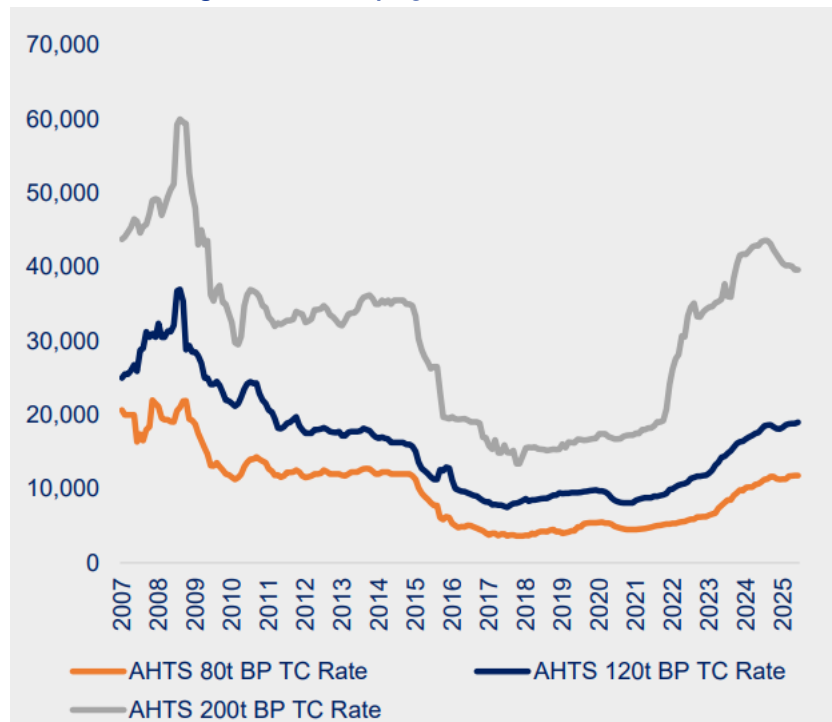
Structural tailwinds are intact

Figure 3: AHTS vessel supply remains tight with current orderbook at only 3% of global fleet, compared to almost 40% during last upcycle...



SOURCES: CGSI RESEARCH, CLARKSONS

Figure 4: ...while strong demand is keeping AHTS charter rates resilient



SOURCES: CLARKSONS, TIDEWATER

Singapore

ADD (no change)

Consensus ratings*: Buy 4 Hold 0 Sell 0

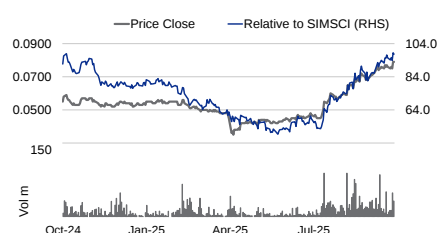
Current price:	S\$0.079
Target price:	S\$0.10
Previous target:	S\$0.08
Up/downside:	26.6%
CGSI / Consensus:	16.6%

Reuters:	MAPM.SI
Bloomberg:	MPM SP
Market cap:	US\$230.2m
	S\$296.5m
Average daily turnover:	US\$1.33m
	S\$1.72m
Current shares o/s:	3,754m
Free float:	51.3%

*Source: Bloomberg

Key changes in this note

- We fine-tuned our FY26F and FY27F EPS estimates by c.1% to factor in impact on revenue and finance costs from new vessels.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	12.9	64.6	43.6
Relative (%)	9.6	52.6	9.5

Major shareholders	% held
Lee Family	22.6
Apricot Capital Pte Ltd	16.5
Penguin International Limited	8.1

Analyst(s)



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Marco Polo Marine

Poised for the next growth phase

- Our recent visit to MPM's shipyard highlighted strong utilisation from repairs demand, with its new drydock 4 already working on a S\$5m contract.
- MPM is targeting charter contracts in Thailand and Malaysia for its 2 new AHTS, which we estimate can add c.S\$7m in revenues p.a.
- In our view, MPM's ability to raise debt amidst a tight financing environment is testament to its strong execution and likelihood to win charter contracts.
- We reiterate Add and roll-forward our TP to S\$0.10 (10x FY27F P/E).

Healthy yard utilisation in Batam

We visited Marco Polo Marine's (MPM) shipyard in Batam, Indonesia with a small group of investors on 25 Sep 2025. We understand from management that the yard had roughly 90% utilisation in 4QFY9/25 thanks to strong repair demand. MPM's newly constructed 4th drydock has been working on its first contract worth S\$5m since Aug 25. However, we think newbuild orders from customers may take time to come through due to tight bank financing climate. While this means lower value work for MPM's yard, continued tight vessel supply means charter rates for MPM's fleet could stay resilient in the near term. MPM plans to use its yard to construct its AHTS 2 (expected completion: Aug 2026F) and 2nd CSOV (expected construction start in mid-2026F).

Targeting Thailand and Malaysia for its two new AHTS

We think MPM's new anchor handling tug supply (AHTS) vessels could start working from 2HFY26F and would likely be chartered in Thailand and/or Malaysia. We estimate these two vessels to add c.S\$7m in revenues p.a. (refer to our [previous note](#) for details). Combined value of both vessels is US\$34m (c.S\$44m). In our view, MPM could secure 50–70% debt funding for newbuilds catering to oil & gas and offshore wind markets.

Expanding its offshore wind playbook

MPM's 2nd CSOV is scheduled to start working from mid-2028F onwards after a 2-year construction period. We estimate this vessel could cost c.S\$100m, also partially funded by external sources. MPM has partnerships in Japan and Korea, which could form key markets for its offshore wind fleet. Our ground checks reveal demand for CSOVs to support oil & gas platforms too, as a cheaper and more flexible alternative to floatels.

Reiterate Add with a higher TP of S\$0.10

We forecast MPM's 2HFY25F net profit at c.S\$12m (+30% hoh) as we expect better chartering revenues (from 1st CSOV's full contribution) to cushion weaker yard revenues (limited newbuild work). We reiterate our Add call on MPM's fleet expansion plans that should support its long-term net profit growth. We roll-forward our TP and raise it to S\$0.10, still based on 10x FY27F P/E, slightly below peers. Re-rating catalysts: contract wins for new vessels and higher-than-expected fleet utilisation. Downside risks: lower-than-expected yard utilisation, and delays in offshore wind projects affecting vessel demand.

Financial Summary	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Revenue (\$m)	127.1	123.5	118.3	143.6	159.7
Operating EBITDA (\$m)	43.30	42.70	40.85	54.81	62.53
Net Profit (\$m)	22.58	21.70	22.15	31.83	36.08
Core EPS (\$)	0.006	0.007	0.006	0.008	0.010
Core EPS Growth	60.9%	4.5%	(10.0%)	43.7%	13.4%
FD Core P/E (x)	12.59	12.05	13.39	9.32	8.22
DPS (\$)	0.001	0.001	0.001	0.001	0.001
Dividend Yield	1.27%	1.27%	1.27%	1.27%	1.27%
EV/EBITDA (x)	5.69	6.48	7.04	5.43	4.86
P/FCFE (x)	67.72	23.95	NA	61.07	31.80
Net Gearing	(33.1%)	(17.8%)	(11.8%)	(7.3%)	(5.1%)
P/BV (x)	1.73	1.60	1.44	1.25	1.10
ROE	15.1%	14.0%	11.3%	14.4%	14.2%
% Change In Core EPS Estimates			0.00%	(0.56%)	0.86%
EPS/Consensus EPS (x)			0.74	0.94	0.96

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Poised for the next growth phase

Figure 1: Construction of AHTS 2 at MPM's Batam yard



SOURCES: CGSI RESEARCH

Figure 2: Drydock 4 is working on its first S\$5m repair contract



SOURCES: CGSI RESEARCH

Figure 3: MPM's yards busy with repair jobs



SOURCES: CGSI RESEARCH

Figure 4: Overview of MPM's Batam shipyard



SOURCES: CGSI RESEARCH

Figure 5: Changes to earnings estimates

FYE 31 Sep (S\$m)	New			Old			% change		
	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F	FY25F	FY26F	FY27F
Revenue	118.3	143.6	159.7	118.3	142.4	152.7	0.0%	0.8%	4.6%
Gross profit	50.3	61.7	69.5	50.3	61.2	66.4	0.0%	0.8%	4.6%
% Gross margin	42.5%	43.0%	43.5%	42.5%	43.0%	43.5%			
Core PATMI	22.1	31.8	36.1	22.1	32.0	35.8	0.0%	-0.6%	0.9%
Core EPS (Scts)	0.59	0.85	0.96	0.59	0.85	0.95	0.0%	-0.6%	0.9%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 6: Revenue by segment

FYE 30 Sep (S\$ m)	FY23	FY24	FY25F	FY26F	FY27F	%yoy change		
						FY25F	FY26F	FY27F
Ship chartering	65.9	71.9	78.0	93.1	100.3	8.4%	19.4%	7.7%
Shipyard	61.2	51.6	40.3	50.5	59.4	-21.9%	25.2%	17.8%
Total revenues	127.1	123.5	118.3	143.6	159.7	-4.3%	21.4%	11.2%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 7: Peers comparison

	Bbg		Price	Target	Market				2-year			Recurring	Dividend
	Ticker	Recom.	(lcl curr)	Price	Cap		P/E (x)		EPS	P/BV (x)		ROE (%)	Yield (%)
Company				(lcl curr)	(US\$ m)	CY25F	CY26F	CY27F	CAGR (%)	CY25F	CY26F	CY25F	CY25F
Marco Polo Marine	MPM SP	Add	0.08	0.10	230	12.1	9.0	na	19.1%	1.4	1.2	12.0%	1.3%
Pacific Radiance	PACRA SP	Add	0.11	0.14	118	9.2	8.2	7.8	94.9%	1.2	1.0	13.8%	0.4%
Mermaid Maritime	MMT SP	Add	0.13	0.16	185	9.1	6.5	na	59.3%	0.7	0.6	8.2%	0.0%
Vallianz Holdings Ltd	VALZ SP	NR	0.07	na	65	na	na	na	na	na	na	na	na
ASL Marine Holdings Ltd	ASL SP	NR	0.19	na	144	na	na	na	na	na	na	na	na
Kim Heng Ltd	KHOM SP	NR	0.09	na	49	na	na	na	na	na	na	na	na
Nam Cheong Ltd	NCL SP	NR	0.73	na	222	na	na	na	na	na	na	na	na
Wintermar Offshore Marine Tbk	WINS IJ	NR	426.0	na	115	na	na	na	na	na	na	8.1%	na
Logindo Samudramakmur Tbk PT	LEAD IJ	NR	86.00	na	30	na	na	na	na	na	na	na	na
Sillo Maritime Perdana Tbk PT	SHIP IJ	NR	7,300	na	1,200	na	na	na	na	na	na	na	na
Sealink International Bhd	SELI MK	NR	0.19	na	22	na	na	na	na	na	na	na	na
Marine & General Bhd	MARG MK	NR	0.18	na	34	9.1	na	na	na	na	na	na	na
Lianson Fleet Group Bhd	LFG MK	NR	2.09	na	553	35.4	24.0	20.9	8.5%	1.9	1.8	11.8%	1.9%
Perdana Petroleum Bhd	PETR MK	NR	0.15	na	79	na	na	na	na	na	na	na	na
Sea1 offshore Inc	SEA1 NO	NR	21.85	na	337	3.9	5.6	5.1	-34.0%	0.8	0.7	25.2%	27.8%
Tidewater Inc	TDW US	NR	52.73	na	2,610	14.7	12.3	9.3	11.7%	2.3	1.9	12.4%	4.5%
Helix Energy Solutions Group I	HLX US	NR	6.43	na	945	32.8	16.7	10.5	1.9%	0.6	0.6	na	na
Subsea 7 SA	SUBC NO	NR	210.6	na	6,340	15.1	11.7	10.5	62.6%	1.5	1.5	9.7%	5.2%
SEACOR Marine Holdings Inc	SMHI US	NR	6.15	na	166	na	na	na	1.8%	na	na	na	na
Peers - average (excl. MPM)						16.2	12.1	10.7	25.8%	1.3	1.2	12.7%	6.6%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Estimates for Not rated companies are based on Bloomberg consensus estimates

Data as at 3 Oct 2025



ESG in a nutshell

In our view, Marco Polo Marine (MPM) has demonstrated progress in aligning its operations with environmental sustainability and social responsibility. The adoption of hybrid energy systems, green ship recycling, and reduced emissions reflect improvements in its environmental performance. However, a rise in workplace safety incidents and increased energy consumption in certain areas highlight operational challenges. Upcoming initiatives, such as the hybrid-powered offshore wind service vessel and the ammonia-to-power collaboration with Amogy (Unlisted) are key for the company's ESG trajectory, in our view.

Keep your eye on

MPM's rising workplace safety incidents, with a fourfold increase from FY9/21 to FY9/23, expose potential deficiencies in its safety protocols amid growing business activity.

Implications

Increased accidents could lead to regulatory penalties, operational delays and strained relationships with unions. Investments in safety training and stricter adherence to standards will be critical to reversing this trend, in our view.

ESG highlights

MPM noted in its FY23 Annual Report that the implementation of hybrid energy storage systems in its commissioning service operation vessels (CSOV) could cut fuel consumption and emissions by up to 15-20% compared to traditional non-diesel electric hybrid vessels. It also signed an MoU with Brooklyn-based Amogy to install the latter's proprietary ammonia-to-power system on its existing or newly built wind vessels.

In addition, MPM is venturing into the green ship recycling business to help shipowners recycle their end-of-life ships. MPM's shipyard in Indonesia is the first in the country to be awarded the ISO 30000:2009 certificate, as per MPM's annual report.

Implications

In our view, MPM's environmental initiatives position it well in terms of emissions management and resource efficiency.

Trends

According to its FY23 Annual Report, MPM reduced its Scope 1 and 2 emissions by 12% yoy and energy intensity by over 50% yoy in FY23, driven by its transition to LED lighting and hybrid technologies. However, electricity consumption increased by 15% yoy due to the growing scale of operations.

Its total number of workplace accidents increased from 8 in FY21 to 32 in FY23, underscoring the need for stricter safety management.

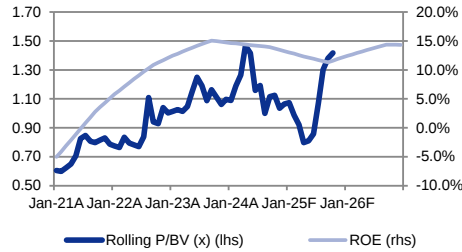
Implications

The downward trend in MPM's emissions and energy intensity is encouraging but requires continued investment in operational efficiencies to sustain progress. Addressing safety issues will be critical in ensuring that the company's social practices keep pace with its growth, in our view.

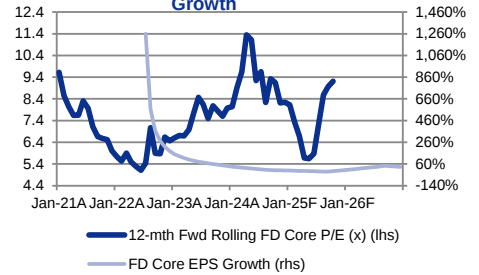
SOURCES: CGSI RESEARCH, LSEG

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(\$m)	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Total Net Revenues	127.1	123.5	118.3	143.6	159.7
Gross Profit	45.7	48.5	50.3	61.7	69.5
Operating EBITDA	43.3	42.7	40.9	54.8	62.5
Depreciation And Amortisation	(12.1)	(12.4)	(14.0)	(16.1)	(18.4)
Operating EBIT	31.2	30.3	26.8	38.7	44.1
Financial Income/(Expense)	(0.3)	(1.6)	(1.5)	(1.7)	(2.1)
Pretax Income/(Loss) from Assoc.	0.2	0.2	0.2	0.2	0.2
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
Profit Before Tax (pre-EI)	31.1	28.8	25.5	37.2	42.1
Exceptional Items	(0.6)	(3.1)	0.0	0.0	0.0
Pre-tax Profit	30.5	25.7	25.5	37.2	42.1
Taxation	(4.7)	(1.8)	(2.0)	(3.0)	(3.4)
Exceptional Income - post-tax					
Profit After Tax	25.8	23.9	23.4	34.2	38.8
Minority Interests	(3.2)	(2.2)	(1.3)	(2.4)	(2.7)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	22.6	21.7	22.1	31.8	36.1
Recurring Net Profit	23.1	24.6	22.1	31.8	36.1
Fully Diluted Recurring Net Profit	23.1	24.6	22.1	31.8	36.1

Cash Flow

(\$m)	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
EBITDA	43.30	42.70	40.85	54.81	62.53
Cash Flow from Invt. & Assoc.					
Change In Working Capital	-14.20	2.94	-0.92	0.23	-2.63
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense	-0.63	-3.13	0.00	0.00	0.00
Other Operating Cashflow	0.93	-1.69	1.81	-0.49	-0.12
Net Interest (Paid)/Received	-0.31	-1.63	-1.53	-1.74	-2.11
Tax Paid	-0.98	-1.51	-2.04	-2.96	-3.35
Cashflow From Operations	28.11	37.68	38.17	49.86	54.33
Capex	-13.30	-50.75	-45.00	-55.00	-55.00
Disposals Of FAs/subsidiaries	6.67	3.15	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	0.00	0.00	0.00	0.00	0.00
Other Investing Cashflow	-16.20	-8.42	0.00	0.00	0.00
Cash Flow From Investing	-22.82	-56.02	-45.00	-55.00	-55.00
Debt Raised/(repaid)	-0.99	30.73	-10.00	10.00	10.00
Proceeds From Issue Of Shares	0.00	0.00	0.00	0.00	0.00
Shares Repurchased	0.00	0.00	0.00	0.00	0.00
Dividends Paid	0.00	-3.75	-3.75	-3.75	-3.75
Preferred Dividends					
Other Financing Cashflow	7.04	-1.75	2.50	2.50	2.50
Cash Flow From Financing	6.05	25.22	-11.25	8.75	8.75
Total Cash Generated	11.34	6.88	-18.09	3.60	8.07
Free Cashflow To Equity	4.30	12.38	-16.83	4.86	9.33
Free Cashflow To Firm	5.60	-16.71	-5.30	-3.41	1.43

SOURCES: CGSI RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(\$m)	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Total Cash And Equivalents	63.1	68.8	50.7	54.3	62.4
Total Debtors	48.1	39.2	38.6	40.7	41.4
Inventories	8.4	3.7	2.8	2.2	4.9
Total Other Current Assets	0.0	0.0	0.0	0.0	0.0
Total Current Assets	119.5	111.6	92.0	97.3	108.7
Fixed Assets	92.8	148.1	181.1	221.5	259.1
Total Investments	0.0	0.0	0.0	0.0	0.0
Intangible Assets	6.3	6.9	4.8	3.4	2.4
Total Other Non-Current Assets	10.5	7.8	7.8	7.8	7.8
Total Non-current Assets	109.5	162.8	193.8	232.7	269.3
Short-term Debt	1.0	25.1	0.0	0.0	0.0
Current Portion of Long-Term Debt					
Total Creditors	28.0	27.0	24.6	26.5	27.2
Other Current Liabilities	7.0	4.8	4.3	3.9	3.6
Total Current Liabilities	36.0	56.9	28.9	30.3	30.8
Total Long-term Debt	1.3	7.9	24.2	35.7	47.5
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	7.5	8.2	8.8	7.7	6.9
Total Non-current Liabilities	8.8	16.1	33.0	43.4	54.5
Total Provisions	0.4	0.3	0.3	0.3	0.3
Total Liabilities	45.2	73.3	62.2	74.1	85.6
Shareholders' Equity	167.8	185.0	206.6	236.5	270.6
Minority Interests	16.1	16.1	17.4	19.8	22.5
Total Equity	183.9	201.1	224.0	256.3	293.1

Key Ratios

	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Revenue Growth	47.7%	(2.8%)	(4.3%)	21.4%	11.2%
Operating EBITDA Growth	78.9%	(1.4%)	(4.3%)	34.1%	14.1%
Operating EBITDA Margin	34.1%	34.6%	34.5%	38.2%	39.2%
Net Cash Per Share (\$)	0.017	0.010	0.007	0.005	0.004
BVPS (\$)	0.046	0.049	0.055	0.063	0.072
Gross Interest Cover	102.1	18.6	17.5	22.3	20.9
Effective Tax Rate	15.4%	7.0%	8.0%	8.0%	8.0%
Net Dividend Payout Ratio	16.2%	15.1%	16.9%	11.8%	10.4%
Accounts Receivables Days	57.71	64.24	61.67	54.71	56.97
Inventory Days	22.42	29.36	17.35	11.23	14.54
Accounts Payables Days	60.59	74.12	78.70	68.66	71.52
ROIC (%)	25.2%	21.5%	14.2%	17.3%	16.5%
ROCE (%)	18.3%	14.4%	11.1%	14.3%	13.9%
Return On Average Assets	12.8%	11.3%	8.9%	11.6%	11.5%

Key Drivers

	Sep-23A	Sep-24A	Sep-25F	Sep-26F	Sep-27F
Fleet utilisation (%)	79.8%	68.5%	69.3%	71.8%	71.7%
Yard utilisation (%)	85.0%	91.0%	81.0%	83.0%	85.0%

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Singapore

ADD (no change)

Consensus ratings*: Buy 2 Hold 0 Sell 0

Current price: S\$0.105
Target price:  S\$0.14
Previous target: S\$0.09
Up/downside: 33.3%
CGSI / Consensus: 48.9%

Reuters: PACI.SI
Bloomberg: PACRA SP
Market cap: US\$118.1m
S\$152.1m
Average daily turnover: US\$0.57m
S\$0.74m
Current shares o/s: 1,449m
Free float: 31.7%

*Source: Bloomberg

Key changes in this note

 No changes.


Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	26.5	169.2	105.9
Relative (%)	23.2	157.2	71.8

Major shareholders	% held
Pang Yoke Min	62.8
Pang Wei Kuan	3.1
Pang Wei Meng	1.2

Analyst(s)



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Pacific Radiance

Still more upside to go

- We reiterate our Add call on PACRA with a higher TP of S\$0.14, now based on 10x FY27F P/E (previously 7x).
- PACRA is focused on offshore wind fleet expansion with 3 more CTVs to be added by 2026F; on track to build capacity for 4 newbuild CTVs p.a.
- Given its net cash balance and fully chartered fleet, we think PACRA can also add an AHTS vessel for the Middle East market.

Positive takeaways from NDR

We left our non-deal roadshow for Pacific Radiance (PACRA) on 23 Sep 2025 with renewed confidence in PACRA's execution and fleet plans. Management is prioritising CTV construction for offshore wind demand in Taiwan and Korea. We think vessel additions to cater to oil & gas players may be a possibility due to PACRA's improved financial position.

Offshore wind: 1 CTV added, 3 more to come

PACRA successfully delivered its 1st newbuild crew transfer vessel (CTV) in Aug 2025. The 2nd unit is likely to be completed by end-2025F with full contribution kicking in from FY26F. Given the successful execution on its maiden newbuild CTVs, we think PACRA can add 2 more CTVs by late 2026F, bringing its total CTV fleet to 8 units. Management also plans to expand workshop capacity to build 4 CTVs p.a. (from current 2), which it may charter through its Taiwanese JV, Mainprize Asia, or sell to other vessel owners. We estimate each CTV contributes c.S\$0.2m to PACRA's annual net profit (excluding potential one-time gains on sale), when chartered through its own JV.

Oil & gas: better charter rates and a new AHTS?

PACRA charters 4 offshore vessels to a key client in the Middle East. With the contract for its anchor, handling, tug, supply vessel (AHTS) ending by end-2025F, we think this vessel could be rechartered at 5-10% higher dayrates, on the back of resilient OSV demand from upstream players in the Middle East. We think vessel additions could be on the line given PACRA's US\$15m net cash and an active, contracted fleet. Based on current charter rates, we estimate a medium-sized AHTS (6,000-8,000 BHP) could add about US\$4m-6m in annual revenues, depending on utilisation rates. Management also noted that bank financing options in the Middle East are slightly improving but overall landscape is tight.

Reiterate Add with a higher TP of S\$0.14

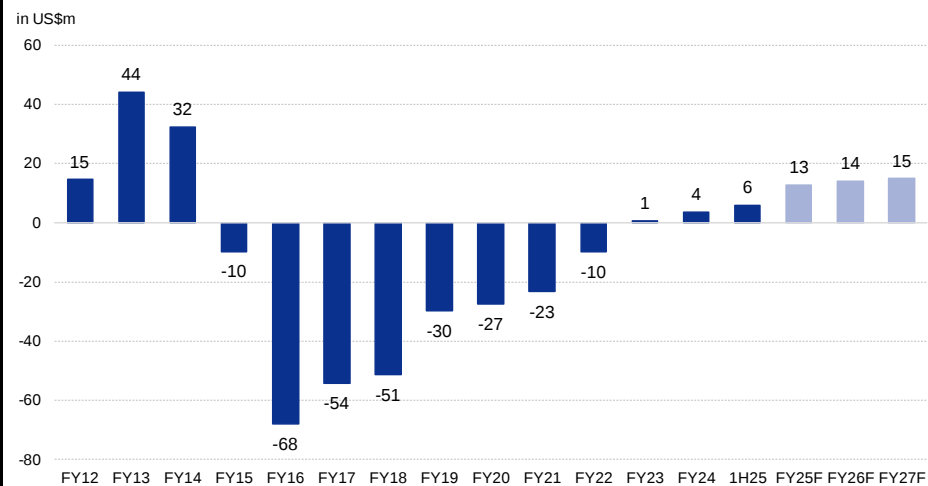
We keep our Add call for PACRA's sustainable profit turnaround backed by its fully reactivated fleet and expansion plans. We raise our TP to S\$0.14, based on 10x FY27F P/E, slightly below peers' average, compared to previous 7x FY26F P/E. We think this is justified by visibility on PACRA's fleet charters and potential earnings upside from new vessels. Re-rating catalysts: vessel additions, charter announcements, and higher-than-expected vessel charter rates. Downside risks: weak ship repair demand for yard and lower-than-expected fleet utilisation affecting revenues.

Financial Summary	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue (US\$m)	31.41	43.84	49.43	53.47	55.05
Operating EBITDA (US\$m)	19.38	28.07	18.10	18.51	19.09
Net Profit (US\$m)	14.52	25.85	15.51	14.21	14.98
Core EPS (US\$)	0.002	0.003	0.009	0.010	0.011
Core EPS Growth		59%	238%	12%	5%
FD Core P/E (x)	52.20	31.17	9.21	8.20	7.78
DPS (US\$)	-	0.000	0.000	0.000	0.000
Dividend Yield	0.00%	0.46%	0.42%	0.56%	0.56%
EV/EBITDA (x)	2.08	3.09	4.37	3.40	2.49
P/FCFE (x)	9.89	NA	13.54	6.83	7.06
Net Gearing	9.7%	(22.3%)	(26.9%)	(38.5%)	(46.5%)
P/BV (x)	0.97	1.39	1.17	1.02	0.91
ROE	2.5%	6.3%	14.5%	14.0%	13.0%
% Change In Core EPS Estimates			0%	0%	0%
EPS/Consensus EPS (x)			0.26	0.23	1.00

SOURCES: CGSI RESEARCH, COMPANY REPORTS

Still more upside to go

Figure 1: Core PATMI turnaround since FY23



SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: Revenue by segment

FYE 31 Dec (US\$m)	FY23	FY24	FY25F	FY26F	FY27F	%yoy change		
						FY25F	FY26F	FY27F
Lease and other ancillary time charter revenue	11.4	17.2	17.8	19.1	19.3	3.4%	7.7%	0.7%
Ship management fee	6.2	8.1	10.9	11.1	12.0	34.7%	2.0%	8.2%
Ship management	17.5	25.3	28.7	30.3	31.3	13.4%	5.5%	3.4%
Shipyard	13.9	18.5	20.7	23.2	23.7	11.8%	11.9%	2.3%
Total revenues	31.4	43.8	49.4	53.5	55.1	12.7%	8.2%	3.0%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS

Figure 3: Peers comparison

				Target	Market				2-year			Recurring	Dividend
	Bbg		Price	Price	Cap		P/E (x)		EPS	P/BV (x)		ROE (%)	Yield (%)
Company	Ticker	Recom.	(lcl curr)	(lcl curr)	(US\$ m)	CY25F	CY26F	CY27F	CAGR (%)	CY25F	CY26F	CY25F	CY25F
Pacific Radiance	PACRA SP	Add	0.11	0.14	118	9.2	8.2	7.8	94.9%	1.2	1.0	13.8%	0.4%
Marco Polo Marine	MPM SP	Add	0.08	0.10	230	12.1	9.0	na	19.1%	1.4	1.2	12.0%	1.3%
Mermaid Maritime	MMT SP	Add	0.13	0.16	185	9.1	6.5	na	59.3%	0.7	0.6	8.2%	0.0%
Vallianz Holdings Ltd	VALZ SP	NR	0.07	na	65	na	na	na	na	na	na	na	na
ASL Marine Holdings Ltd	ASL SP	NR	0.19	na	144	na	na	na	na	na	na	na	na
Kim Heng Ltd	KHOM SP	NR	0.09	na	49	na	na	na	na	na	na	na	na
Nam Cheong Ltd	NCL SP	NR	0.73	na	222	na	na	na	na	na	na	na	na
Wintermar Offshore Marine Tbk	WINS IJ	NR	426.0	na	115	na	na	na	na	na	na	8.1%	na
Logindo Samudramakmur Tbk PT	LEAD IJ	NR	86.00	na	30	na	na	na	na	na	na	na	na
Sillo Maritime Perdana Tbk PT	SHIP IJ	NR	7,300	na	1,200	na	na	na	na	na	na	na	na
Sealink International Bhd	SELI MK	NR	0.19	na	22	na	na	na	na	na	na	na	na
Marine & General Bhd	MARG MK	NR	0.18	na	34	9.1	na	na	na	na	na	na	na
Lianson Fleet Group Bhd	LFG MK	NR	2.09	na	553	35.4	24.0	20.9	8.5%	1.9	1.8	11.8%	1.9%
Perdana Petroleum Bhd	PETR MK	NR	0.15	na	79	na	na	na	na	na	na	na	na
Sea1 offshore Inc	SEA1 NO	NR	21.85	na	337	3.9	5.6	5.1	-34.0%	0.8	0.7	25.2%	27.8%
Tidewater Inc	TDW US	NR	52.73	na	2,610	14.7	12.3	9.3	11.7%	2.3	1.9	12.4%	4.5%
Helix Energy Solutions Group I	HLX US	NR	6.43	na	945	32.8	16.7	10.5	1.9%	0.6	0.6	na	na
Subsea 7 SA	SUBC NO	NR	210.6	na	6,340	15.1	11.7	10.5	62.6%	1.5	1.5	9.7%	5.2%
SEACOR Marine Holdings Inc	SMHI US	NR	6.15	na	166	na	na	na	1.8%	na	na	na	na
Peers - average (excl. PACRA)						16.5	12.3	11.3	16.4%	1.3	1.2	12.5%	6.8%

SOURCES: CGSI RESEARCH ESTIMATES, COMPANY REPORTS, BLOOMBERG

Estimates for Not rated companies are based on Bloomberg consensus estimates

Data as at 3 Oct 2025



ESG in a nutshell

In our view, Pacific Radiance (PACRA) has demonstrated a commitment to sustainability with goals aligned with global and national environmental targets. Its most notable achievement is the consistent improvement in its emission management, particularly in reducing its Scope 1 and 2 emissions by over 56% in FY23 vs. FY22. However, the company's progress in emissions intensity and energy efficiency indicates a need for enhanced operational measures to meet its targets. In FY22, the company noted its targets to reduce its net emission intensity by 30%, derive 50% of its revenue from low-carbon or renewable energy activities, and lower energy consumption intensity by 50% by 2030, from the base year of 2022. The upcoming potential inflection points include its shift to low-carbon and renewable energy activities, a critical factor in navigating the energy transition landscape.

Keep your eye on

The major driver for PACRA's ESG performance is its gradual transition from fossil fuel-based operations to renewable and low-carbon activities while maintaining financial sustainability. This will determine its long-term success in a decarbonising world.

Implications

We believe increasing its exposure to the renewable sector could significantly unlock new revenue streams. Over the long term, failure to adapt could bring risks in terms of regulatory compliance costs, such as carbon taxes, and reputational risks in the sustainability-conscious market, in our view.

ESG highlights

We believe PACRA ranks as a proactive player within the offshore services sector in Singapore, adhering to ISO 14001 and International Maritime Organization (IMO) environmental standards. However, its emission intensity of 0.0026 in FY23 remains an area for improvement.

Implications

Its efforts towards emissions reductions position the company as a responsible environmental steward, enhancing stakeholder trust, in our view. However, weaker-than-peers energy intensity may affect its competitiveness, necessitating a stronger focus on operational efficiency measures, in our view.

Trends

According to its 2023 annual report, in FY23, the company's Scope 1 and 2 emissions dropped from 3,356.86 to 1,457.52 metric tonnes, down 56% yoy, but its emission intensity increased from 0.0024 in FY22 to 0.0026 due to revenue declines or higher operational inefficiencies. Its energy consumption also fell 8% yoy. The company has invested in safety training and incident management, reinforcing workplace safety standards amid increasing risks from climate-related disruptions.

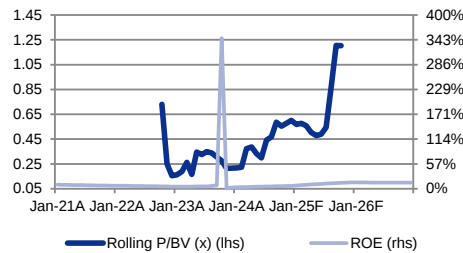
Implications

Positive emissions trends showcase the company's ability to adopt sustainable practices, aligning with its 2030 targets. Its rising emission intensity highlights the need to balance efficiency improvements with business growth. Its continued emphasis on employee training and stakeholder engagement will support resilience in the energy transition, in our view.

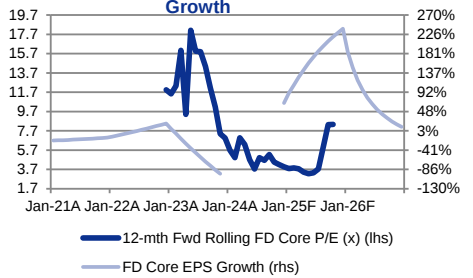
SOURCES: CGSI RESEARCH, LSEG

BY THE NUMBERS

P/BV vs ROE



12-mth Fwd FD Core P/E vs FD Core EPS Growth



Profit & Loss

(US\$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Net Revenues	31.41	43.84	49.43	53.47	55.05
Gross Profit	12.54	14.31	24.32	26.73	27.53
Operating EBITDA	19.38	28.07	18.10	18.51	19.09
Depreciation And Amortisation	-3.24	-4.70	-5.00	-5.11	-5.28
Operating EBIT	16.14	23.37	13.10	13.40	13.81
Financial Income/(Expense)	-1.00	-0.41	-0.28	-0.24	-0.23
Pretax Income/(Loss) from Assoc.	0.33	1.21	1.30	1.80	2.20
Non-Operating Income/(Expense)	0.00	0.00	0.00	0.00	0.00
Profit Before Tax (pre-EI)	15.47	24.16	14.12	14.96	15.78
Exceptional Items					
Pre-tax Profit	15.47	24.16	14.12	14.96	15.78
Taxation	-0.95	1.69	1.40	-0.75	-0.79
Exceptional Income - post-tax					
Profit After Tax	14.52	25.86	15.52	14.21	14.99
Minority Interests	0.01	-0.00	-0.01	-0.01	-0.01
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
Net Profit	14.52	25.85	15.51	14.21	14.98
Recurring Net Profit	0.78	3.74	12.65	14.21	14.98
Fully Diluted Recurring Net Profit	0.78	3.74	12.65	14.21	14.98

Cash Flow

(US\$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
EBITDA	19.38	28.07	18.10	18.51	19.09
Cash Flow from Invt. & Assoc.					
Change In Working Capital	2.05	8.82	-5.85	3.86	2.72
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	-11.75	-21.72	0.96	-0.13	-0.21
Net Interest (Paid)/Received	-0.68	-0.24	0.25	-0.11	-0.03
Tax Paid	-0.08	-0.17	0.14	-0.07	-0.08
Cashflow From Operations	8.92	14.76	13.61	22.05	21.50
Capex	-4.83	-19.77	-5.00	-5.00	-5.00
Disposals Of FAs/subsidiaries	0.00	0.00	0.00	0.00	0.00
Acq. Of Subsidiaries/investments	0.00	-0.01	0.00	0.00	0.00
Other Investing Cashflow	0.00	0.06	0.00	0.00	0.00
Cash Flow From Investing	-4.83	-19.72	-5.00	-5.00	-5.00
Debt Raised/(repaid)	0.00	-19.52	0.00	0.00	0.00
Proceeds From Issue Of Shares	0.00	16.97	0.00	0.00	0.00
Shares Repurchased	0.00	0.00	0.00	0.00	0.00
Dividends Paid	0.00	0.00	-0.54	-0.50	-0.66
Preferred Dividends					
Other Financing Cashflow	-3.15	-1.14	-0.39	-0.39	-0.39
Cash Flow From Financing	-3.15	-3.69	-0.94	-0.89	-1.06
Total Cash Generated	0.94	-8.65	7.67	16.16	15.44
Free Cashflow To Equity	4.09	-24.48	8.61	17.05	16.50
Free Cashflow To Firm	5.09	-4.55	8.89	17.29	16.74

SOURCES: CGSI RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

(US\$m)	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Total Cash And Equivalents	26.68	17.83	25.51	41.67	57.11
Total Debtors	32.91	29.07	27.85	27.88	25.27
Inventories	0.12	0.22	4.17	0.18	0.19
Total Other Current Assets	0.05	0.00	0.00	0.00	0.00
Total Current Assets	59.75	47.12	57.52	69.73	82.56
Fixed Assets	46.22	59.75	60.30	62.30	64.40
Total Investments	1.61	8.34	8.34	8.34	8.34
Intangible Assets	0.00	0.00	0.00	0.00	0.00
Total Other Non-Current Assets	0.55	0.55	0.55	0.55	0.55
Total Non-current Assets	48.38	68.64	69.19	71.19	73.29
Short-term Debt	2.02	0.00	0.00	0.00	0.00
Current Portion of Long-Term Debt					
Total Creditors	22.77	25.56	22.44	22.35	22.46
Other Current Liabilities	3.05	0.70	0.70	0.70	0.70
Total Current Liabilities	27.84	26.26	23.14	23.04	23.16
Total Long-term Debt	28.30	0.00	0.00	0.00	0.00
Hybrid Debt - Debt Component					
Total Other Non-Current Liabilities	11.55	7.11	6.16	6.92	7.41
Total Non-current Liabilities	39.85	7.11	6.16	6.92	7.41
Total Provisions	2.73	2.60	2.60	2.60	2.60
Total Liabilities	70.42	35.96	31.90	32.56	33.17
Shareholders' Equity	37.87	79.96	94.97	108.52	122.83
Minority Interests	-0.17	-0.16	-0.16	-0.15	-0.15
Total Equity	37.70	79.80	94.82	108.36	122.69

Key Ratios

	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Revenue Growth	(18.7%)	39.6%	12.7%	8.2%	3.0%
Operating EBITDA Growth	(94.4%)	44.9%	(35.5%)	2.3%	3.2%
Operating EBITDA Margin	61.7%	64.0%	36.6%	34.6%	34.7%
Net Cash Per Share (US\$)	(0.008)	0.013	0.019	0.031	0.042
BVPS (US\$)	0.084	0.059	0.070	0.080	0.090
Gross Interest Cover	16.22	56.58	46.69	55.99	58.86
Effective Tax Rate	6.14%	0.00%	0.00%	5.00%	5.00%
Net Dividend Payout Ratio	NA	2.10%	3.21%	4.67%	4.43%
Accounts Receivables Days	123.7	63.0	68.4	79.7	88.7
Inventory Days	2.68	2.06	31.88	29.73	2.46
Accounts Payables Days	146.7	63.9	82.6	55.7	54.2
ROIC (%)	36.0%	46.3%	22.7%	18.3%	19.3%
ROCE (%)	25.5%	30.6%	14.6%	12.9%	11.7%
Return On Average Assets	14.1%	23.5%	13.1%	10.8%	10.3%

Key Drivers

	Dec-23A	Dec-24A	Dec-25F	Dec-26F	Dec-27F
Ship management revenues (US\$m)	17.5	25.3	28.7	30.3	31.3
Shipyards revenues (US\$m)	13.9	18.5	20.7	23.2	23.7

SOURCES: CGSI RESEARCH, COMPANY REPORTS

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Add	70.6%	1.1%
Hold	20.5%	0.5%
Reduce	8.9%	0.5%

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