



Pacific Radiance Ltd

The revival is on track



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SINGAPORE | MARINE | 2H24 RESULTS

- FY24 adj. PATMI was below our expectations at 65% due to upfront expenses on the accommodation barge. Revenue met our expectations. The turnaround was evident with 2H24 adj. PATMI of S\$3mn (2H23:-S\$0.9mn). We expect a more significant recovery in FY25e when the accommodation barge becomes fully operational and the two CSVs are completed. A dividend of 0.05 cents was announced, the first after 9 years.
- 2H24 revenue jumped 64% YoY to S\$24.8mn, driven by the charter income from the workboat and AHTS. However, gross profit only grew 8% to S\$7.9mn due to additional costs in modification work on the accommodation barge.
- We maintain our FY25e earning forecast and BUY recommendation. The target price of S\$0.06 is maintained and pegged to the industry average of 8x PE. The turnaround will be driven by multiple factors: the full-year earnings contribution of three vessels (workboat, AHTS, accommodation barge), the completion and sale of two CTVs, the turnaround in associate Logindo, and growth in ship repair revenue. We believe the net cash balance sheet of S\$17.8mn will allow the company to expand its current fleet size.

Results at a glance

SGD '000	2H24	2H23	YoY	Comments
Revenue	24,787	15,121	63.9%	
- Shipyard	9,330	6,302	48.0%	More repair work.
- Ship Management	15,456	8,819	75.3%	
Gross profit	7,966	7,350	8.4%	
Operating exp.	-7,679	-7,456	3.0%	
Associate	1,053	156	n.m.	
PATMI	9,469	11,025	-14.1%	
Adj. PATMI	2,994	-921	n.m.	Adj. for associate write-back, tax credit, etc.
Gross Margins	32.1%	48.6%	-33.9%	Additional cost on accomodation barge.
DPS - Final (cts)	1.577	0.000	n.m.	

Source: Company, PSR

The Positive

+ Recovery in all divisions. PACRA enjoyed growth in all segments. Shipyard revenue growth of 48% YoY in 2H24 was supported by the 100 vessels in FY24 (FY23: 60). More OSVs are coming for repairs due to its faster turnaround time. Ship management growth came from charter income from the new workboat and AHTS. Listed Indonesian associate Logindo has become profitable by deploying vessels in higher charter rate territories. There was a S\$5.5mn writeback in 2H24 due to improved performance.

The Negative

- Weaker gross margins. Gross margins of 32% in 2H24 were weaker than expected. There were additional costs incurred for the deployment of the accommodation barge that secured a US\$31.6mn charter contract in the Middle East. Charter rates for all three vessels remain stable.

Outlook

There is good visibility in the earnings recovery. The three new vessels will contribute to growth in FY25e. The most significant contributor will be the accommodation barge only deployed in November 24. The two crew transfer vehicles (CTVs) are expected to be completed in 2H25e. Any sale will be a boost to earnings. We believe the stronger balance sheet will allow the company to expand its fleet size, especially with the support of other financial partners.

Maintain BUY with unchanged TP of S\$0.06

17 March 2025

BUY (Maintained)

CLOSING PRICE	SGD 0.045
FORECAST DIV	SGD 0.001
TARGET PRICE	SGD 0.060
TOTAL RETURN	34.4%

COMPANY DATA

Bloomberg CODE:	PACRA SP Equity
O/S SHARES (MN):	1,459
MARKET CAP (USD mn / SGD mn):	49 / 66
52 - WK HI/LO (SGD):	0.05 / 0.03
3M Average Daily T/O (mn):	1.84

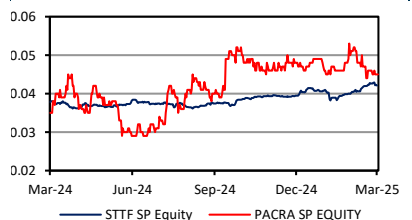
MAJOR SHAREHOLDERS

Pang Yoke Min	62.8%
Pang Kian Wei	3.1%

TOTAL PERFORMANCE (%)

	1MTH	3MTH	YTD
COMPANY	(11.8)	(6.3)	(6.3)
STTF RETURN	(1.1)	0.6	1.9

PRICE VS. STTF



Source: Bloomberg, PSR

KEY FINANCIALS

Y/E Dec, USD (mn)	FY23	FY24	FY25e	FY26e
Revenue	31.4	43.8	65.2	74.3
EBITDA	4.0	3.7	10.8	6.6
Net Profit	14.5	25.9	7.7	8.1
Adj. net profit	0.4	2.3	7.7	8.1
EPS (SGD cents)	1.3	2.1	7.1	7.5
P/E (X)	35.2	21.4	6.3	6.0
Dividend Yield	0.0%	1.1%	1.3%	1.6%
ROE	n.m.	44.0%	9.2%	8.9%
ROA	13.3%	23.1%	6.4%	6.1%

Source: Company, PSR

VALUATION METHOD

8x PE Multiple FY25e + Logindo stake (20% disc.)

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Financials

Income Statement

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
Revenue	38.6	31.4	43.8	65.2	74.3
Gross profit	13.7	12.5	14.3	26.5	30.1
EBITDA	(20.8)	4.0	3.7	10.8	6.6
Depreciation & amortisation	(3.0)	(3.2)	(4.7)	(4.4)	(4.5)
EBIT	(17.1)	16.1	23.4	7.3	7.6
Net Finance Inc/(Exp)	(7.0)	(1.0)	(0.4)	(0.2)	(0.1)
Associates	1.6	0.3	1.2	0.5	0.5
Profit before tax	342.5	15.5	24.2	7.6	8.0
Taxation	0.4	(1.0)	1.7	0.1	0.1
Minority interest	(11.7)	0.0	0.0	-	-
PATMI	331.2	14.5	25.9	7.7	8.1
Exceptional	325.0	14.1	23.6	-	-
Adjusted PATMI	6.2	0.4	2.3	7.7	8.1

Per share data (SGD Cents)

Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
Adj. EPS	18.4	1.3	2.1	7.1	7.5
DPS	0.00	0.00	0.05	0.06	0.07
BVPS	0.07	0.11	0.07	0.08	0.09

Cash Flow

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
CFO					
Profit before tax	342.5	15.5	24.2	7.6	8.0
Adjustments	(334.9)	(8.5)	(17.8)	3.7	3.8
WC changes	(4.8)	2.1	8.8	(13.1)	(4.1)
Cash generated from ops	2.8	9.0	15.2	(1.7)	7.7
Tax paid	(0.9)	(0.1)	(0.4)	0.3	0.3
Cashflow from ops	1.9	8.9	14.8	(1.5)	8.0
CFI					
CAPEX, net	(1.4)	(4.8)	(19.8)	(3.0)	(3.0)
Others	3.8	-	0.0	-	-
Cashflow from investments	2.4	(4.8)	(19.7)	(3.0)	(3.0)
CFE					
Share issuance, net	0.7	-	17.0	-	-
Loans, net of repayments	-	-	(19.5)	4.5	3.4
Dividends	-	-	-	-	-
Others	1.8	(1.7)	(4.4)	4.5	6.0
Cashflow from financing	(2.3)	(3.2)	(3.7)	4.5	3.4
Net change in cash	2.0	0.9	(8.7)	0.0	8.4
CCE, end	23.6	26.7	17.8	17.8	26.2

Source: Company, Phillip Securities Research (Singapore) Estimates

Balance Sheet

Y/E Dec, USD mn	FY22	FY23	FY24	FY25e	FY26e
ASSETS					
Trade and other receivables	22.1	15.5	16.9	29.0	33.9
Cash	25.6	26.7	17.8	17.8	26.2
Inventories	0.2	0.1	0.2	0.5	0.5
Others	20.2	17.4	12.2	12.2	12.2
Total current assets	68.1	59.7	47.1	59.4	72.9
PPE	40.6	46.2	59.8	58.4	56.9
Others	1.8	2.2	8.9	9.4	9.9
Total non-current assets	42.5	48.4	68.6	67.8	66.8
Total Assets	110.5	108.1	115.8	127.2	139.7
LIABILITIES					
Accounts payable	12.1	3.1	7.2	6.5	7.4
Bank borrowings	-	2.0	-	-	-
Other payables	15.6	14.4	16.9	16.9	16.9
Others	13.9	8.4	2.1	2.1	2.1
Total current liabilities	41.6	27.8	26.3	25.5	26.4
Deferred tax liabilities	2.5	2.5	2.3	2.3	2.3
Long-term borrowings	29.8	28.3	-	4.5	7.9
Others	12.9	11.8	7.4	7.4	7.4
Total non-current liabilities	45.2	42.6	9.7	14.2	17.6
Total Liabilities	86.8	70.4	36.0	39.7	44.1
Equity					
Share capital	188.9	188.9	205.8	205.8	205.8
Shareholder Equity	23.7	37.7	79.8	87.5	95.6

Valuation Ratios

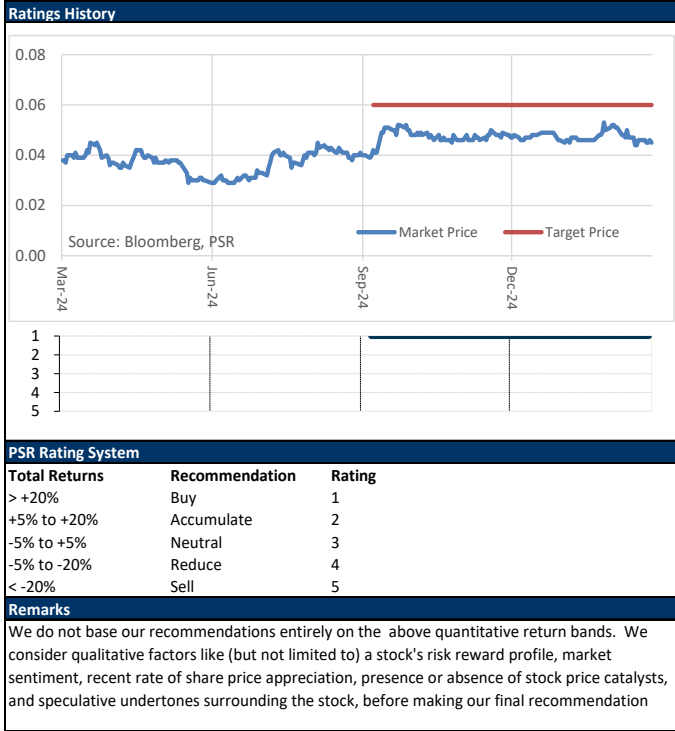
Y/E Dec	FY22	FY23	FY24	FY25e	FY26e
P/E (X)	2.4	35.2	21.4	6.3	6.0
P/B (X)	0.6	0.4	0.6	0.6	0.5
EV/EBITDA (X)	0.5	-2.9	8.4	2.9	3.4
Dividend Yield	0.0%	0.0%	1.1%	1.3%	1.6%

Growth & Margins

	FY22	FY23	FY24	FY25e	FY26e
Growth					
Revenue	-34.3%	-18.7%	39.6%	48.7%	14.0%
EBITDA	-42.6%	-119.3%	-8.1%	193.4%	-38.8%
EBIT	-35.2%	-194.5%	44.8%	-68.6%	4.0%
Net profit, adj.	-875.3%	-95.8%	78.1%	-70.1%	5.1%
Margins					
Gross margin	35.4%	39.9%	32.6%	40.7%	40.5%
EBITDA margin	-53.8%	12.8%	8.4%	16.6%	8.9%
EBIT margin	-44.2%	51.4%	53.3%	11.2%	10.3%
Net profit margin	887.8%	46.2%	59.0%	11.9%	10.9%

Key Ratios

	FY22	FY23	FY24	FY25e	FY26e
ROE	-206.1%	47.3%	44.0%	9.2%	8.9%
ROA	164.4%	13.3%	23.1%	6.4%	6.1%
Net Gearing	17.9%	9.7%	Net cash	Net cash	Net cash
Net Debt/EBITDA (X)	0.2	-0.9	4.8	1.2	2.8



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