AmInvestment Bank

Company Report

24 Aug 2026

DAYANG ENTERPRISE

(DEHB MK EQUITY, DEHB.KL)

BUY (MAINTAINED)	Price: RM1.50 Target Price (% return): RM2.00 (43%) 52-week High/Low: RM2.08/RM1.48	**Oil & Gas** Rationale for report: Company Result

Conversion upswing ahead

We believe the Petronas-Petros resolution is nearing, with Carigali-Vestigo transition providing a positive signal that delayed activity shall resume. Dayang's sizeable RM4.7bil orderbook provides a solid base for recovery once work-order conversion improves. Beyond Malaysia, Dayang is bidding for over RM1bil of Saudi and USD300mil of Brunei work, while its new vessel will expand capacity from 2028. In the meantime, investors are paid to wait with attractive dividend yield of >9%.

- **Maintain BUY with a lower TP of RM2.00 (v. RM2.30 previously)**, pegged to an unchanged 10x PE. We remain positive on Dayang as a beneficiary of higher upstream capex and an eventual resolution of the Petronas-Petros, which would unlock further work in Sarawak. We retain our FY27F DPS forecast of 14sen (9% dividend yield).
- **Missed est.** Dayang's 1H26 core net profit of RM54.8mil (-17% YoY) missed our/Street FY26F estimates at only 24%/30%. While we had anticipated softer activity YoY, the slowdown was more severe than expected. Marine Charter PBT plunged 82% as 63.4%-owned Perdana swung to an RM8.4mil loss, while TMS PBT fell 30% on slower work-order conversion. Consequently, we cut FY26F/FY27F earnings by 50%/12%, adopting a more conservative conversion. Conversely, we raise FY28F by 4% as we expect vessel utilisation to improve.
- **A transition year, with more positives from FY27F.** Following the FY26 reset, we project core earnings to rebound by 102% in FY27F and 23% in FY28F, implying a 58% two-year CAGR over FY26–FY28F. This assumes TMS order-book conversion to rise by 12ppts to 16% in FY27F and Marine Charter utilisation to improve by 12ppts to 74%. While delayed approvals and work orders from the operational transition continue to weigh on activity, the transfer of Carigali assets to Vestigo should improve activity visibility once funding arrangements among the PACs are resolved.
- **International maintenance tenders offer further upside.** Dayang has received an invitation to bid (ITB) from a Saudi main contractor for a contract worth RM1bil, under a 50:50 local partnership, although discussions remain preliminary. In Brunei, its 50:50 JV with Petrokon Utama, formed on 27 May 2026, is tendering for a three-year MCM contract worth USD250mil and a one-year T&I scope worth USD50mil. Any contract award is expected no earlier than 2027.

YE to Dec	FY25	FY26F	FY27F	FY28F
Revenue (RM mil)	938.1	500.8	1,106.1	1,315.6
Core net profit (RM mil)	210.5	115.5	233.8	287.7
FD Core EPS (sen)	18.2	10.0	20.2	24.9
FD Core EPS growth (%)	(32.4)	(45.1)	102.4	23.1
Consensus Net Profit (RM mil)	-	-	-	-
DPS (sen)	14.0	14.0	14.0	14.0
PE (x)	8.3	15.0	7.4	6.0
EV/EBITDA (x)	3.6	6.7	3.3	2.6
Div yield (%)	9.3	9.3	9.3	9.3
ROE (%)	11.2	6.2	12.5	14.6
Net Gearing (%)	nm	nm	nm	nm

Source: Dayang Enterprise, AmInvestment Bank Bhd.

Analyst (s)

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Key Changes

Target Price:	⇓
EPS:	⇓

Stock and Financial Data

Shares Outstanding (million)	1,157.8
Market Cap (RMmil)	1,736.7
Book Value (RM/Share)	1.87
P/BV (x)	0.8
ROE (%)	11.2
Net Gearing (%)	-
Free Float	56.8
Avg Daily Value (RMmil)	4.6

Major Shareholders

Naim Holdings Berhad	(24.2%)
Employees Provident Fund of Malaysia	(12.1%)
Ling Suk Kiong	(6.8%)

Price performance	3mth	6mth	12mth
Absolute(%)	(19.4)	(24.6)	(14.3)
Relative(%)	(20.5)	(23.9)	(21.1)

Source: Dayang Enterprise, AmInvestment Bank Bhd.

Price Chart

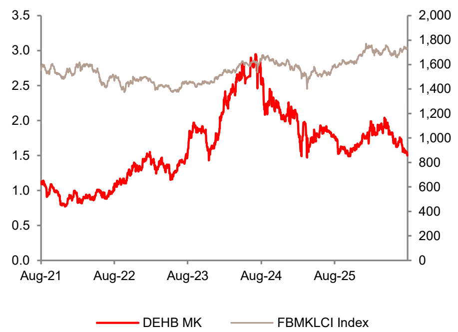

EXHIBIT 1. Changes in earnings

	FY26F			FY27F			FY28F		
RMmil	**Old**	**New**	**%**	**Old**	**New**	**%**	**Old**	**New**	**%**
Revenue	1066.1	500.8	-53%	1,225.5	1,106	-10%	1,244.9	1,316	6%
Earnings	230	115.5	-50%	266.6	233.8	-12%	277.8	287.7	4%
TMS revenue/OB conversion	15%	4%	-11.4ppt	22%	16%	-6.4ppt	28%	22%	-5.6ppt
Marine Charter Blended Utilisation	64%	62%	-2.0ppt	64%	74%	10.0ppt	64%	72%	8.0ppt

Source: Company, AmInvestment Bank Bhd.

EXHIBIT 2. 1H26 Earnings Summary

RM mil, YE 31 Dec	2Q25	1Q26	2Q26	QoQ %	YoY%	6M25	6M26	YoY%
Revenue	267.3	132.4	161.2	21.8	-39.7	421.2	293.5	-30.3
Cost of services	(151.5)	(81.7)	(96.5)	18.1	-36.3	(265.7)	(178.2)	-32.9
Gross profit	115.8	50.6	64.6	27.7	-44.2	155.4	115.3	-25.8
Other income	20.0	0.3	0.9	>100	-95.7	23.4	1.2	-95.0
Administrative expenses	(23.4)	(24.7)	(23.3)	-5.7	-0.6	(51.5)	(48.0)	-6.9
Other expenses	(0.0)	(1.6)	(0.1)	-92.0	<-100	(0.0)	(1.7)	<-100
Operating profit	112.4	24.7	42.1	70.6	-62.5	127.3	66.8	-47.5
Finance costs	(1.1)	(0.1)	(0.1)	-12.9	-89.2	(2.5)	(0.2)	-90.1
Finance income	5.1	4.8	4.8	1.5	-4.3	10.0	9.6	-3.6
Net finance income/(costs)	4.0	4.6	4.7	1.9	18.5	7.5	9.4	25.2
Profit before tax	116.4	29.3	46.8	59.7	-59.8	134.8	76.1	-43.5
Tax expense	(27.1)	(12.2)	(12.6)	3.0	-53.5	(39.9)	(24.8)	-37.8
PAT	89.3	17.1	34.2	>100	-61.7	94.9	51.3	-45.9
NCI	(12.6)	4.4	(1.4)	<-100	-89.1	(5.9)	3.1	>100
PATAMI	76.6	21.5	32.8	52.6	-57.2	89.0	54.4	-38.9
Eis	(19.6)	0.7	(0.2)	<-100	-98.7	(22.7)	0.4	>100
Core PATAMI	57.1	22.2	32.6	46.8	-42.9	66.3	54.8	-17.3
Ratios:								
Gross margin	43.3%	38.3%	40.1%	1.9ppt	-3.2ppt	36.9%	39.3%	2.4ppt
Operating margin	42.0%	18.6%	26.1%	7.5ppt	-15.9ppt	30.2%	22.8%	-7.5ppt
PBT margin	43.5%	22.2%	29.1%	6.9ppt	-14.5ppt	32.0%	25.9%	-6.1ppt
PAT margin	33.4%	12.9%	21.2%	8.3ppt	-12.2ppt	22.5%	17.5%	-5.0ppt
Core PATAMI	21.3%	16.8%	20.2%	3.4ppt	-1.1ppt	15.7%	18.7%	2.9ppt
ETR	23.3%	41.7%	26.9%	-14.8ppt	3.6ppt	29.6%	32.6%	3.0ppt

Source: Company, AmInvestment Bank Bhd.

EXHIBIT 3. Segmental breakdown

Total revenue	2Q25	1Q26	2Q26	QoQ %	YoY%	6M25	6M26	YoY%
Investment Holding	2	134	134	-0.5	>100	146	268	83.0
Offshore TMS	130	73	65	-11.2	-50.2	236	138	-41.6
Marine Charter	140	60	96	61.9	-30.9	188	156	-17.0
Equipment Rental	3	5	5	1.4	50.5	7	10	50.7
Total	275	272	300	10.3	8.9	577	572	-0.9
Elimination	(8)	(140)	(139)	-0.5	<-100	(156)	(278)	78.8
Consolidated	267	132	161	21.8	-39.7	421	294	-30.3

Segment results	2Q25	1Q26	2Q26	QoQ %	YoY%	6M25	6M26	YoY%
Investment Holding	(0)	131	131	-0.3	>100	141	262	86.0
Offshore TMS	42	35	17	-52.3	-60.0	78	52	-33.2
Marine Charter	68	(15)	20	>100	-70.1	44	5	-89.0
Equipment Rental	0	3	3	3.2	>100	1	5	>100
Total	110	154	171	10.7	55.2	264	325	22.8
Elimination	2	(129)	(129)	-0.7	<-100	(137)	(258)	88.2
Consolidated	112	25	42	70.6	-62.5	127	67	-47.5

Profit before tax	2Q25	1Q26	2Q26	QoQ %	YoY%	6M25	6M26	YoY%
Investment Holding	(6)	126	126	0.2	>100	129	253	96.3
Offshore TMS	52	44	24	-44.4	-52.8	97	68	-30.0
Marine Charter	68	(14)	22	>100	-67.9	45	8	-82.4
Equipment Rental	1	3	3	4.3	>100	1	6	>100
Total	114	159	175	10.5	53.9	272	334	22.9
Elimination	2	(129)	(129)	-0.7	<-100	(137)	(258)	88.2
Consolidated	116	29	47	59.7	-59.8	135	76	-43.5

Source: Company, AmInvestment Bank Bhd.

EXHIBIT 4. Dayang's Outstanding Orderbook Info

Client	Contract Details	Period (Years)	Expiry	Ext. (Years)	Contract Value (RM mil)	Balance Contract Sum (RM mil)	YTD Conversion	Location	Update
AIF-Petronas	MCM	3	Dec-26	-	1,200	1,108	8%	Sarawak	Work-order issuance below umbrella. Will be dropped off after Dec-26 & farm-in into new MCM contract.
Petronas (A3)	MCM (SKA–Oil)	5	Sep-29	5	2,199	2,022	8%	Sarawak	
Petronas (A5)	MCM (SBA)	5	Sep-29	5	797	773	3%	Sabah	Work-order conversion has fallen significantly with only RM1 mil/month revenue vs. RM5mil/month typically. Negotiating to replace with Peninsular or exit Sabah.
Shell (B4)	MCM	5	Oct-29	5	1,000	819	18%	Sarawak	FY26 work order ended in Jul-26, to be resumed in Feb-27
Total					**5,196**	**4,722**			

Source: Company, AmInvestment Bank Bhd.

Valuation

We value Dayang using P/E as earnings are the clearest proxy for its brownfield recovery cycle and broadly consistent with how OGSE contractors are typically valued. This is because OGSE players earnings are mainly driven by contract execution, work order flow, utilisation and margins

EXHIBIT 5. Valuation Matrix

Target PE (x)	10
FY27F EPS	20.19
ESG premium	-
12-month target price	RM2.00 (v. RM2.30 previously)

Source: Company, AmInvestment Bank Bhd.

Company profile

Incorporated in 1980, Dayang Enterprise Holdings Bhd (Dayang) is an integrated offshore maintenance services provider for Malaysia's oil and gas industry. The Group is primarily involved in topside maintenance, hook-up and commissioning, marine chartering, fabrication, and minor modification works for offshore platforms.

Dayang's key exposure is to brownfield offshore assets, where operators continue to spend on maintenance, repair, production optimisation and life-extension works. Through 63.41%-owned subsidiary Perdana Petroleum, Dayang also has exposure to offshore support vessels, which support offshore maintenance and production activities.

Investment thesis

Earnings recovery from FY27. Core earnings are projected to rebound by 102% in FY27F and 23% in FY28F, implying a 58% two-year CAGR. This is underpinned by TMS order-book conversion improving from 4% to 16% and Marine Charter utilisation rising from 62% to 74% in FY27F.

Preferred brownfield recovery proxy. Dayang's RM4.7bil order book provides exposure to maintenance, HUC, minor modification and production-optimisation work. A resolution of the PETRONAS–PETROS negotiations and the proposed Carigali to Vestigo transition should release delayed activity, while international tenders in Saudi Arabia and Brunei provide additional upside. Its new vessel will further expand capacity from 2028.

Attractive dividend carry of 9%. Dayang's net cash position supports its working-capital requirements and dividend resilience. Our FY27F DPS forecast of 14 sen implies a yield of over 9%, providing investors with attractive carry while waiting for work-order conversion and earnings to recover.

Valuation Methodology

We value Dayang at 10x FY27F P/E, broadly in line with its 5-year average, to reflect its earnings recovery from normalising topside work orders, better Perdana utilisation and potential MCM & decom upside.

Risk factors

i) Lower-than-expected Petronas upstream capex or slower award momentum.

ii) Execution delays or weaker margins from offshore maintenance contracts.

iii) Lower vessel utilisation and charter rates under Perdana Petroleum.

iv) Adverse weather, operational disruptions, or project delays.

v) Weaker oil prices reducing operator appetite for brownfield spending.

Financial Summary

Income Statement (RMmil)

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue	1,468.1	938.1	500.8	1,106.1	1,315.6
EBITDA	588.2	397.7	237.2	466.9	547.5
Depreciation/Amortisation	(89.8)	(90.1)	(86.8)	(95.1)	(102.7)
Operating income (EBIT)	498.4	307.6	150.4	371.8	444.8
Other income & associates	-	-	-	-	-
Net interest	5.2	16.6	11.8	9.0	11.8
Exceptional items	-	-	-	-	-
Pretax profit	**503.6**	**324.3**	**162.2**	**380.8**	**456.7**
Taxation	(139.0)	(92.6)	(46.7)	(109.7)	(131.6)
Minorities/pref dividends	(53.5)	(21.2)	-	(37.3)	(37.3)
Net profit	**311.1**	**210.5**	**115.5**	**233.8**	**287.7**
Core net profit	311.1	210.5	115.5	233.8	287.7

Balance Sheet (RMmil)

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Fixed assets	1,034.8	922.8	1,011.6	1,092.0	1,164.8
Intangible assets	418.3	418.3	418.3	418.3	418.3
Other long-term assets	3.7	-	-	-	-
Total non-current assets	**1,456.7**	**1,341.1**	**1,429.9**	**1,510.3**	**1,583.1**
Cash & equivalent	386.3	397.5	391.1	375.0	479.3
Stock	8.0	13.2	5.4	14.9	18.3
Trade debtors	516.0	292.3	243.6	311.1	334.4
Other current assets	361.6	416.3	416.3	416.3	416.3
Total current assets	**1,271.8**	**1,119.3**	**1,056.3**	**1,117.2**	**1,248.2**
Trade creditors	328.8	161.1	65.8	181.6	222.7
Short-term borrowings	114.4	35.8	91.5	80.6	69.3
Other current liabilities	44.4	25.1	25.1	25.1	25.1
Total current liabilities	**487.7**	**222.0**	**182.4**	**287.2**	**317.1**
Long-term borrowings	16.1	7.0	119.1	46.6	57.6
Other long-term liabilities	69.3	65.6	65.6	65.6	65.6
Total long-term liabilities	**85.4**	**72.7**	**184.7**	**112.2**	**123.2**
Shareholders' funds	**1,874.9**	**1,885.5**	**1,838.9**	**1,910.5**	**2,036.2**
Minority interests	280.5	280.2	280.2	317.5	354.8
BV/share (RM)	1.86	1.87	1.83	1.92	2.07

Cash Flow (RMmil)

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Pretax profit	503.6	324.3	162.2	380.8	456.7
Depreciation/Amortisation	89.8	90.1	86.8	95.1	102.7
Net change in working capital	(14.8)	65.6	(38.7)	38.8	14.4
Others	(130.4)	(116.3)	(46.7)	(109.7)	(131.6)
Cash flow from operations	**448.2**	**363.7**	**163.5**	**405.0**	**442.2**
Capital expenditure	(43.4)	(67.5)	(175.6)	(175.6)	(175.6)
Net investments & sale of fixed assets	-	-	-	-	-
Others	(77.5)	(12.5)	-	-	-
Cash flow from investing	**(120.9)**	**(80.0)**	**(175.6)**	**(175.6)**	**(175.6)**
Debt raised/(repaid)	(124.2)	(121.6)	167.7	(83.5)	(0.3)
Equity raised/(repaid)	-	-	-	-	-
Dividends paid	(69.5)	(162.1)	(162.1)	(162.1)	(162.1)
Others	(9.6)	(3.0)	-	-	-
Cash flow from financing	**(203.2)**	**(286.7)**	**5.6**	**(245.5)**	**(162.4)**
Net cash flow	**124.0**	**(3.0)**	**(6.4)**	**(16.1)**	**104.3**
Net cash/(debt) b/f	**271.9**	**386.3**	**365.3**	**358.9**	**342.8**
Net cash/(debt) c/f	**386.3**	**365.3**	**358.9**	**342.8**	**447.1**

Key Ratios

YE to Dec	FY24	FY25	FY26F	FY27F	FY28F
Revenue growth (%)	31.9	(36.1)	(46.6)	120.9	18.9
EBITDA growth (%)	35.9	(32.4)	(40.4)	96.9	17.3
Pretax margin (%)	34.3	34.6	32.4	34.4	34.7
Net profit margin (%)	21.2	22.4	23.1	21.1	21.9
Interest cover (x)	nm	nm	nm	nm	nm
Effective tax rate (%)	27.6	28.5	28.8	28.8	28.8
Dividend payout (%)	22.3	77.0	140.4	69.3	56.3
Debtors turnover (days)	119	157	195	92	90
Stock turnover (days)	2	4	7	3	5
Creditors turnover (days)	73	95	83	41	56

Source: Company, AmInvestment Bank Bhd.

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