

<News Analysis> Lifting long-term charters c.70%

What's New

- Secured OSV charters worth up to RM102.5m for one AHTS and one maintenance work vessel starting 1Q/2Q 2026
- Long-term charter coverage rises to 69% (from 62% previously), enhancing revenue visibility and recurring income base
- Improving utilisation outlook in 2026 amid buoyant regional offshore activity
- Maintain BUY and TP SGD1.60; further re-rating catalysts – charter of the two idling workboat and more newbuild orders

Nam Cheong secured OSV charter contracts worth up to RM102.5m covering one AHTS vessel (the cancelled Japanese offshore wind unit) chartered to Offshore Oil Engineering Co., Ltd. (a subsidiary of CNOOC) and one maintenance work vessel for a regional independent oil producer. Both contracts have firm tenures of up to two years commencing 2026, with extension options of up to one additional year. The AHTS vessel has already commenced operations in 1Q26, while the maintenance vessel is expected to begin in early 2Q26, supporting offshore oil and gas activities across Southeast Asia.

More re-rating catalysts ahead. The contract wins lift the proportion of Nam Cheong's fleet under long-term charters to 69% (25 out of 36 vessels), strengthening earnings visibility and underpinning a more stable recurring income base. We maintain our forecasts as the AHTS charter is included in 2026 utilisation projection though there could potentially be some upside as it will be working at non-monsoon region. Nonetheless, the charter contract is a positive reinforcement of buoyant O&G activities in the region. We look forward to charters of the two idling workboat (due to Sarawak Petros/Petronas gas dispute) and more newbuild contracts which will drive further re-rating of the stock. Maintain BUY and TP SGD1.60 (10x FY26 PE).

Analyst

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Key Financial Data (FY Dec)

Bloomberg Ticker	NCL SP
Sector	Energy
Share Price(SGD)	1.52
DBS Rating	BUY
12-mth Target Price (SGD)	1.60
Market Cap (USDbn)	0.3
3m Avg. Daily Val (USDmn)	3.5
Dividend yield (%)	na
Fwd. P/E (x)	7.5
P/Book (x)	2.3
ROE (%)	39.1

Closing Price as of 06/04/2026

Source: Twelve Data, DBS, Visible Alpha

Nam Cheong Limited Share Price



Source: Twelve Data

Target Price & Ratings History - Nam Cheong Limited (NCL_SP_Equity)



#	Date of Report	Closing Price	12-m Target Price	Rating
1	17 Nov'25	0.83	1.25	BUY
2	29 Jan'26	1.20	1.60	BUY

Source: DBS
Analyst: Pei Hwa Ho

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*Share price appreciation + dividends

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