

**Company Name** : Alam Maritim Resources Berhad  
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## **Affin Hwang Sees More Upside For Alam Maritim**

KUALA LUMPUR: Affin Hwang Capital Research expects Alam Maritim to report better earnings in the second half of 2015 compared with the first half.

It said on Thursday the better performance would be driven by higher subsea/offshore installation & construction (OIC) work flows and higher usage of offshore vessels (OSV).

“Our 2015E core net profit forecast of RM46mil looks reasonable, but 2016/17E outlook is less certain, as most of its jobs in hand are short-term works. Maintain Buy on undemanding valuation of 0.5 times price-to-book, a historical low,” it said.

Affin Hwang Capital Research has a target price of 72 sen.

After a weak 1Q15 performance where core earnings fell by 55% on-year on lower vessel utilisation, Alam Maritim’s business outlook has improved on the back of higher work flows, in spite of a still challenging operating environment, it said.

The recently secured Petronas FLNG1 mooring system installation contract (RM49mil) and Chevron pipeline replacement contract (RM22mil) have bumped up Alam Maritim’s OIC order backlog to RM250mil.

Alam Maritim will carry out most of the contracted works in 2H15, including its largest OIC contract in hand - SK316 transportation and installation contract.

Alam Maritim is bidding for RM150mil worth of OIC works, including several packages of the Petronas FLNG1 project.

“We understand that Petronas’ FLNG1 transportation & installation works are divided into six packages. Alam Maritim has secured package 1 (RM49mil) and are actively bidding for the others,” it said.