

## Sealink International Berhad

### Beneficiary of Stronger OSV Demand

- **SEALINK's net profit turned positive in the last 2 quarters on the back of stronger revenue.**
- **The group could benefit from the stronger demand for Offshore Support Vehicles (OSV) from major O&G players.**
- **Meanwhile, the decrease in the supply of OSVs should provide support to the daily charter rates.**
- **Technically, SEALINK has experienced a breakout above RM0.18 and consolidated sideways. Monitor for a breakout, targeting RM0.23-0.24, with a LT target at RM0.25. Support is located around RM0.19-0.195, while cut loss is at RM0.185.**

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#### Company profile

Sealink Group is an Integrated Service Provider which builds, owns and operates a diverse fleet of offshore marine support vessels, serving mainly the global offshore oil and gas exploration and production industry..

#### SEALINK INTERNATIONAL BHD

Last Price (RM)	0.205
5 Day Change (%)	20.6
1 Day Range Percentile (%)	100.0
5 Day Range Percentile (%)	61.5
52Week Range Percentile (%)	70.3
Volatility 30D	113.1
EMA9, EMA20, EMA60 Trend	Uptrend
Price vs. EMA20 (%)	9.7
DMI DI+	37.0
DMI DI-	11.4
ADX	21.0
RSI 14D	46.9
RSI OB/OS	Negative
Price vs. Bollinger Band (%)	89.1

#### Bloomberg

#### Financial snapshot

FYE Dec	FY21	FY22	LTM
Revenue (RM m)	38.0	65.3	100.3
Net profit (RM m)	-65.4	-20.2	-6.2
Shares (m)	500.0	500.0	500.0
EPS (sen)	-13.1	-4.0	-1.0
DPS (sen)	0.0	0.0	0.0
P/E (x)	-1.6	-5.1	-
DY (%)	0.0	0.0	0.0

#### Bloomberg

LTM represents the trailing 12 months financial figures.

#### SEALINK daily: Sideways consolidation breakout



Bloomberg

### Trading Catalyst

- **SEALINK turned positive in the latest 2 quarters.** SEALINK has turned profitable in 2Q23 to RM7.3m vs a net loss of -RM7.5m and noticed a sequential improvement in 3Q23, registering a net profit of RM2.3m, on the back of revenue increase from RM30.3m (+41.0% YoY).
- **Stronger demand for Offshore Support Vehicles (OSV) from major O&G players.** Petronas has maintained a positive outlook from 2023-2025 and this should have positive spillover effects to sustain demand of OSVs for the maintenance activities of offshore facilities.
- **Decrease in the supply of OSVs should provide stronger near-term demand.** The market imbalance due to the decreasing supply of OSVs should position SEALINK to utilize more OSVs to meet the demand in the medium term, while also benefiting from the higher daily charge rates.



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Wednesday, 10 Jan, 2024

## Technical Outlook

- Share price had experienced a breakout above RM0.18, and is currently consolidating sideways around RM0.20-0.225 zone over the past 3 days, pending another breakout. As the technical readings are positive, we expect follow-through buying interest to be seen in the near term, targeting RM0.23-0.24, with a LT target at RM0.25. Support is set around RM0.19-0.195, with a cut loss set around RM0.185.

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As of **Wednesday, 10 Jan, 2024**, the analyst(s), Loui Low Ley Yee, whose name(s) appears on the front page, who prepared this report, has interest in the following securities covered in this report:

(a) nil.

### Glossary

Last Price (RM)	Last closing price
5 Day Change (%)	Percent change in price over the last five days. The formula is: [(Last Trade - Closing Price Five Days Ago) / Closing Price Five Days Ago] x 100.
1 Day Range Percentile (%)	Calculates the percentile value within the 1-day range
5 Day Range Percentile (%)	Calculates the percentile value within the 5-day range
52 Week Range Percentile (%)	Calculates the percentile value within the 52-week range
Volatility 30D	A measure of the risk of price moves for a security calculated from the standard deviation of day-to-day logarithmic historical price changes. The 30-day price volatility equals the annualised standard deviation of the relative price change for the 30 most recent trading days closing price, expressed as a percentage. If EMA9 is greater than EMA20 and EMA20 is greater than EMA60 it will be stated as Uptrend. If the EMA9 is lesser than EMA20 and the EMA20 is lesser than EMA60, it will be stated as Downtrend, otherwise Consolidation.
EMA9, EMA20, EMA60 Trend	Position of the price away from the EMA20 level
Price vs. EMA20 (%)	Positive directional movement.
DMI DI+	Negative directional movement.
DMI DI-	ADX is a moving average of the directional movement index.
ADX	If the average of 20 days closing price is greater than 20 days Median price, it will be stated Up.
Price Skew	If the average of 20 days closing price is lower than 20 days Median price, it will be stated Down.
RSI 14D	RSI measures the momentum of a security to determine whether it is in an overbought or oversold condition.
RSI OB/OS	If RSI 14 days is greater or equal to 70, it will be stated Overbought.
	If the RSI 14 days is greater or equal to 50, but lower than 70, it will be stated Positive.
	If the RSI 14 days is greater than 30, but lower than 50, it will be stated Negative.
	If the RSI 14 days is lower or equal to 30, it will be stated Oversold.
Price vs. Bollinger Band (%)	Position of the price compare to the Bollinger band in percentage



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