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05 NOV, 2026

‘Buy’ calls abound on Orkim

New Straits Times, Malaysia

Analysts: Orkim’s share price to rise by nearly 60pc

» PAGE 7

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TARGET PRICE OF UP TO RM1.26

‘Buy’ calls abound on Orkim

KUALA LUMPUR: Orkim Bhd’s earnings outlook has gained greater certainty following the extension of the shipping income tax exemption under the 2027 Budget, with analysts projecting potential share price upside of up to 57.5 per cent.

Apex Securities, which initiated coverage on the tanker operator with a “buy” call and a RM1.26 target price, said the extension removes a potential earnings overhang by keeping the tax incentive for shipping income.

The exemption was initially scheduled to lapse after the year of assessment 2026, potentially exposing a large portion of Orkim’s shipping earnings to the statutory tax rate of 24 per cent.

Apex Securities expects Orkim’s effective tax rate to remain at about one per cent, while RHB Investment Bank Bhd (RHB Research) estimates it about two per cent, subject to continued compliance with eligibility requirements.

RHB Research kept its “buy” call and RM1.14 target price, implying 46 per cent upside from the cited market price of 78 sen, alongside an estimated dividend yield of seven per cent.

The firm highlighted the early delivery of Orkim’s 21st vessel, *MT Orkim Jade*, as a positive development that could bring forward earnings contribution and improve revenue visibility.

RHB Research retained its recurring net profit forecasts of RM89 million, RM95 million, RM99 million for financial years 2026, 2027 and 2028.

Apex Securities said Orkim’s long-term charter arrangements also provided a buffer against elevated fuel costs amid the Middle East conflict.

Both research firms highlighted fleet renewal as another key driver.

Orkim plans to add five vessels between 2027 and 2029, while disposing of older vessels to improve fleet quality, operational efficiency and competitiveness.

The company remains on track to dispose of *Orkim Fortune* in the second half of 2026. This followed by the planned disposals of *Orkim Express* and *Orkim Harmony* in the first half of 2027, expected to fetch RM20.8 million and RM13.4 million, respectively.

Orkim Ruby is expected to be delivered in 2027. After accounting for the planned disposals and additions, Apex Securities expects fleet capacity to reach about 273,000 deadweight tonnes by end-2027.

RHB Research identified weaker refinery-product demand, lower charter rates, vessel maintenance and repair costs, piracy and geopolitical conflicts among the key risks.

Apex Securities also flagged customer concentration involving Petroliam Nasional Bhd and Shell plc, vessel utilisation and charter-rate risks, as well as delivery and funding risks linked to the fleet renewal programme.

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SUMMARIES

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KUALA LUMPUR: Orkim Bhd's earnings outlook has gained greater certainty following the extension of the shipping income tax exemption under the 2027 Budget, with analysts projecting potential share price upside of up to 57.5 per cent. Apex Securities, which initiated coverage on the tanker operator with a “buy” call and a RM1.

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