

22 August 2025

# Bintulu Port Holdings

## MLNG Complex on the Mend

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**BIPORT's 1HFY25 results met our expectation as we had already anticipated the scheduled plant shutdown (30 April to 29 May 2025) for major maintenance at the Petronas MLNG complex which, together with a higher effective tax rate, dragged its core net profit down by 26%. Meanwhile, operations at the MLNG complex has started to recover from June 2025 and expected to be fully restored by 4QFY25. We maintain our forecasts, our SoP-derived TP of RM5.15 and MARKET PERFORM call.**

BIPORT's 1HFY25 results came in within our expectation at 52% of our full-year forecast. We have sole coverage on the stock. Note that there was a scheduled major maintenance plant shutdown (30 April to 29 May 2025) at the Petronas MLNG complex which we have factored into our earlier forecasts. The operations at the MLNG complex have started to recover starting June 2025 and expected to be fully in operation by 4QFY25. It declared an interim NDPS of 3.0 sen, bringing total for 1HFY25 to 6.0 sen vs 7.0 sen in 1HFY24, as expected.

**YoY**, its 1HFY25 revenue fell 2% dragged by the weaker contribution from Bintulu Port (-4%) affected by the planned major maintenance shutdown at MLNG complex (30 April to 29 May 2025), partially offset by stronger Samalaju Industrial Port (+4%) on higher cargo volumes from key customers, i.e. **PMETAL (OP; TP: RM6.00)** and **OMH (non-rated)**. Its LNG cargo volume was weaker by 8.7%, dragged by the planned major maintenance shutdown at MLNG complex. On the other hand, its non-LNG segment (comprising dry bulk, break bulk, liquid bulk and containerised cargoes) was stronger (+3.3%) on more gateway cargoes from heavy industries in Samalaju Industrial Park (i.e. the import of alumina, coal and coke, the export of aluminium, manganese and quartz) amid the stabilising of ocean freight rates as global trade normalised on new trade routes due to prolonged middle-east crisis.

Its core net profit plunged 26% on higher effective tax rate at 30.0% vs. 23.4% in 1HFY24 due to losses at a subsidiary which could not be set off against taxable profits of other subsidiaries.

**QoQ**, its 2QFY25 revenue fell 3% due to weaker Bintulu Port (-12%), partially offset by stronger Samalaju Industrial Port (+32%), as mentioned above. Nevertheless, its core net profit rose 15% on lower effective tax rate at 21.4% vs. 38.3% in 1QFY25 due to lower profit from Bintulu Port as it typically recorded higher tax than Samalaju Port (Samalaju Port still have investment tax allowance).

**Forecasts.** Maintained

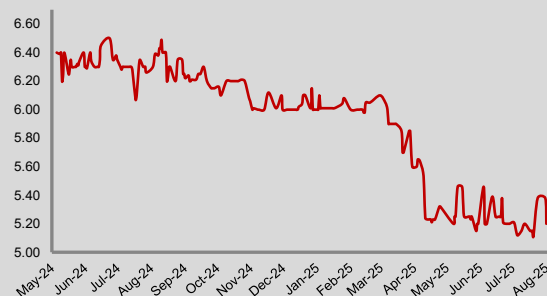
**Valuations.** Correspondingly, we also maintain our SoP-derived TP of RM5.15 (WACC: 5.5%; TG: 2%). There is no adjustment to our TP based on ESG given a 3-star rating as appraised by us (see Page 4).

**Outlook.** The LNG cargo throughput at Bintulu Port will remain stable with sustained demand from Japan and South Korea with expected stronger demand from China on trade diversion. Meanwhile, there has been a pick-up in inbound and outbound cargo volumes at Samalaju Industrial Port from its key customers, i.e. **PMETAL** and **OMH**.

## MARKET PERFORM ↔

Price: **RM5.20**  
Target Price: **RM5.15** ↔

### Share Price Performance



KLCI	1,592.87
YTD KLCI chg	-3.0%
YTD stock price chg	-13.3%

### Stock Information

Shariah Compliant	Yes
Bloomberg Ticker	BPH MK EQUITY
Market Cap (RM m)	2,392.0
Shares Outstanding	460.0
52-week range (H)	6.50
52-week range (L)	5.01
3-mth avg. daily vol.	5,838
Free Float	3%
Beta	0.3

### Major Shareholders

Petroleum Nasional Berhad	28.5%
State Financial Secretary	26.7%
Equisar Asset Sdn Bhd	15.0%

### Summary Earnings Table

FY Dec (RM m)	2024A	2025F	2026F
Revenue	828.3	847.9	930.7
EBIT	224.1	174.4	185.2
PBT	199.6	159.3	174.7
<b>Net Profit</b>	<b>153.5</b>	<b>117.9</b>	<b>129.3</b>
<b>Core Net Profit</b>	<b>150.9</b>	<b>117.9</b>	<b>129.3</b>
Consensus (NP)	-	-	-
Earnings Revision	-	-	-
Core EPS (sen)	32.8	25.6	28.1
Core EPS (%)	28.7	-21.9	9.7
NDPS (sen)	15.0	11.7	12.8
BVPS (RM)	4.17	4.31	4.46
PER (x)	15.9	20.3	18.5
PBV (x)	1.2	1.2	1.2
Net Gearing (x)	N.Cash	N.Cash	N.Cash
Net Div. Yield (%)	2.9	2.2	2.5

22 August 2025

We believe its key customers have an edge over their peers in the international market as their products have low-carbon footprint given their hydro power input.

Also, as it stands today, Western countries are still imposing outstanding sanctions on Russian aluminium (that makes up c.6% of world aluminium production) and hence will have to look for alternative sources of aluminium supply. Bintulu Port has commenced the handling of marine services for Sarawak Petchem's methanol division starting December 2024. Meanwhile, the setting up of the new Bintulu Port Authority Sarawak (BPAS) which is under the purview of Sarawak government is on track to be completed by end-FY25. Concurrently, Bintulu Port is under an interim lease agreement until Dec 2025 pending the completion of the handover of BPA control. Currently, the Bintulu Port (Dissolution) Bill 2024 has been passed by both House of Representatives and House of Senate before notification in Gazette. At the same time, the new Port Operation Agreement is being drafted. The operations of Bintulu Port by BIPORT will not be disrupted during the process of the Sarawak Government's port authority takeover from the Federal Government.

Its direct exposure to the US is around 1.2% of its 2024 total cargo throughput, which is small. BIPORT holds a view that, with China tariffs on US LNG, importing LNG from the US will incur higher cost for China importers which may result in reduced LNG demand from the US. Note that China's key LNG suppliers currently are Australia (34%), Qatar (23%), Russia (11%) and Malaysia (10%). Thus, the shortfall of LNG supply to China may be fulfilled by these key LNG suppliers.

**Investment case.** We continue to like BIPORT for: (i) its steady income stream from handling LNG cargoes for Malaysia LNG Sdn Bhd (that typically makes up close to 50% of its total profit), (ii) a potential step-up in earnings if Bintulu Port is granted a significant hike in its port tariffs under the new concession by CY26, and (iii) the tremendous growth potential of Samalaju Industrial Port backed by rising investment in heavy industries in Samalaju Industrial Park. Maintain **MARKET PERFORM**.

**Risks to our call include:** (i) inability of Bintulu Port to secure an adequate port tariff hike to offset escalating operating cost, within a new concession that we are expecting by CY26, and (ii) a global recession hurting heavy industries in Samalaju Industrial Park.

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22 August 2025

### Results Highlights

FYE Dec (RM m)	2QFY25	1QFY25	QoQ	2QFY24	YoY	1HFY25	1HFY24	YoY
<b>Revenue</b>	<b>194.8</b>	<b>201.7</b>	<b>-3%</b>	<b>197.0</b>	<b>-1%</b>	<b>396.5</b>	<b>406.0</b>	<b>-2%</b>
EBIT	47.0	51.4	-8%	58.3	-19%	98.4	123.2	-20%
Interest Income	9.4	9.3	1%	9.1	3%	18.6	17.9	4%
Interest Expenses	(14.2)	(14.6)	-2%	(15.7)	-9%	(28.8)	(31.5)	-8%
EI <sup>^</sup>	2.0	0.0		2.0		2.0	2.0	
PBT	44.2	46.0	-4%	52.6	-16%	90.2	110.5	-18%
Tax Expense	(9.4)	(17.7)		(12.7)		(27.1)	(25.9)	
<b>Net Profit (NP)</b>	<b>34.7</b>	<b>28.4</b>	<b>22%</b>	<b>39.8</b>	<b>-13%</b>	<b>63.1</b>	<b>84.6</b>	<b>-25%</b>
<b>Core Net Profit (CNP)</b>	<b>32.7</b>	<b>28.4</b>	<b>15%</b>	<b>37.8</b>	<b>-14%</b>	<b>61.1</b>	<b>82.5</b>	<b>-26%</b>
NDPS (sen)	3.0	3.0		3.0		6.0	7.0	
EBIT Margin	24.1%	25.5%		29.6%		24.8%	30.4%	
PBT Margin	22.7%	22.8%		26.7%		22.8%	27.2%	
CNP Margin	16.8%	14.1%		19.2%		15.4%	20.3%	
Effective Tax Rate	21.4%	38.3%		24.2%		30.0%	23.4%	

Segmental Revenue	2QFY25	1QFY25	QoQ	2QFY24	YoY	1HFY25	1HFY24	YoY
-Port Operation	184.5	192.3	-4%	186.9	-1%	376.8	385.4	-2%
-Bulking Services	10.3	9.4	9%	10.1	2%	19.7	20.6	-4%
-Others	0.0	0.0		(0.0)	-100%	0.0	(0.0)	
<b>Total Revenue</b>	<b>194.8</b>	<b>201.7</b>	<b>-3%</b>	<b>197.0</b>	<b>-1%</b>	<b>396.5</b>	<b>406.0</b>	<b>-2%</b>
<b>Revenue by Port</b>								
-Bintulu	136.8	156.2	-12%	146.0	-6%	293.0	304.7	-4%
-Samalaju Industrial	47.8	36.1	32%	40.8	17%	83.9	80.3	4%
-Adjustment	0.0	(0.0)		0.1	-99%	(0.0)	0.4	
<b>Port Operation</b>	<b>184.5</b>	<b>192.3</b>	<b>-4%</b>	<b>186.9</b>	<b>-1%</b>	<b>376.8</b>	<b>385.4</b>	<b>-2%</b>
<b>Segmental Profit</b>								
-Port Operation	41.1	47.5	-13%	51.4	-20%	88.6	108.1	-18%
-Bulking Services	2.3	2.2	6%	2.6	-11%	4.5	6.8	-33%
<b>Total Profit</b>	<b>44.2</b>	<b>46.0</b>	<b>-4%</b>	<b>52.6</b>	<b>-16%</b>	<b>90.2</b>	<b>110.5</b>	<b>-18%</b>

<sup>^</sup> Gain in derecognition ROU asset (tugboat which was under charter hire contract) and Gain on Investment

Source: Company, Kenanga Research

22 August 2025

## Peer Table Comparison

Name	Rating	Last Price (RM)	Target Price (RM)	Upside	Market Cap (RM m)	Shariah Compliant	Current FYE	Core EPS (sen)		Core EPS Growth		PER (x) - Core Earnings		PBV (x)	ROE	Net Div. (sen) 1-Yr. Fwd.	Net Div Yld 1-Yr. Fwd.
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.				
<b>Stocks Under Coverage</b>																	
BINTULU PORT HOLDINGS BHD	MP	5.20	5.15	-1.0%	2,392.0	Y	12/25	25.6	28.1	-21.9%	9.7%	20.3	18.5	1.2	6.0%	11.7	2.3%
POS MALAYSIA BHD	UP	0.270	0.150	-44.4%	211.4	Y	12/25	(20.8)	(18.5)	-184%	-189%	N.A.	N.A.	1.0	-64.6%	0.0	0.0%
SWIFT HAULAGE BHD	UP	0.420	0.320	-23.8%	373.7	Y	12/25	3.2	3.5	2.5%	8.9%	13.3	12.2	0.5	3.8%	1.6	3.8%
WESTPORTS HOLDINGS BHD	OP	5.70	6.00	5.3%	19,437.0	Y	12/25	27.9	32.2	5.9%	15.5%	20.4	17.7	4.8	24.2%	20.9	3.7%
<b>SECTOR AGGREGATE</b>					<b>21,677.9</b>					<b>-49.5%</b>	<b>-38.8%</b>	<b>18.0</b>	<b>16.1</b>	<b>1.9</b>	<b>-7.7%</b>		<b>2.4%</b>

Source: Kenanga Research

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**Stock ESG Ratings:**

	Criterion	Rating				
<b>GENERAL</b>	Earnings Sustainability & Quality	★	★	★		
	Community Investment	★	★	★	☆	
	Workers Safety & Wellbeing	★	★	★		
	Corporate Governance	★	★	★		
	Anti-Corruption Policy	★	★	★		
	Emissions Management	★	★	★		
<b>SPECIFIC</b>	Port Service Quality & Safety	★	★	★		
	Cybersecurity & Data Privacy	★	★	★	☆	
	Customer Experience	★	★	★		
	Supply Chain Management	★	★	★	☆	
	Energy Efficiency	★	★	★	☆	
	Effluent & Water Management	★	★	★		
<b>OVERALL</b>		★	★	★		

☆ denotes half-star  
 ★ -10% discount to TP  
 ★★ -5% discount to TP  
 ★★★ TP unchanged  
 ★★★★ +5% premium to TP  
 ★★★★★ +10% premium to TP

**Stock Ratings are defined as follows:**

**Stock Recommendations**

OUTPERFORM : A particular stock’s Expected Total Return is MORE than 10%  
 MARKET PERFORM : A particular stock’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERPERFORM : A particular stock’s Expected Total Return is LESS than -5%

**Sector Recommendations\*\*\***

OVERWEIGHT : A particular sector’s Expected Total Return is MORE than 10%  
 NEUTRAL : A particular sector’s Expected Total Return is WITHIN the range of -5% to 10%  
 UNDERWEIGHT : A particular sector’s Expected Total Return is LESS than -5%

**\*\*\*Sector recommendations are defined based on market capitalisation weighted average expected total return for stocks under our coverage.**

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