

24 March 2026

# Yinson Holdings

## Overly Discounted

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YINSON's FY26 results came slightly above our expectations due to lower-than-expected green energy losses. In FY26, core profit improved due to the maiden 6-month contribution from FPSO Agogo. We trim FY27F earnings slightly after book-keeping adjustments for the full year. As a result, our SoP-TP is trimmed to RM2.76 (from RM2.84). While admittedly FPSO award flows might not be immediate and losses from its green energy division, and increasing overhead costs are past concerns, we believe the company is trading at reasonable FY27F PER at 10.3x (similar to its 2-year average of 10.4x) given its potential to still monetise its FPSO assets in the near to medium-term. Maintain **OUTPERFORM** on the stock.

**FY26 profit slightly above expectation.** The core net profit of RM569m (adjusted for RM345m gain on disposal of assets, RM211m net impairments and RM20m EPCIC profits) was slightly above our expectation (107%) due to slightly lower than expected green energy losses but below consensus (81%). We avoid comparing to consensus profit due to its diverse mix of forecasts, with some projecting EPCIC earnings while others do not. Final DPS per share of RM0.01/share was declared, bringing cumulative FY25 DPS to RM0.05/share, within our expectations

**New FPSO contribution.** In FY26, its topline declined 29% YoY due to lower EPCIC revenue recognition as fewer work orders were recognised as the company is currently focusing on conversion on only its smaller Vietnam FPSO JV assets. YINSON's core net profit improved 29% due to the contribution of FPSO Agogo (2HFY26).

**QoQ profit surged.** In 4QFY26, a 35% decline in topline was reported due to slightly lower EPCIC revenue recognised for FPSO Agogo. Nevertheless, core profit surged 23% due to full quarter contribution from FPSO Agogo.

**Forecasts.** We trim FY27F earnings by 6% after housekeeping changes in finance cost after we adjust debt balance after full-year results' release.

**Valuations.** Correspondingly, we reduce our SoP-TP by 3% to RM2.76 from RM2.84 as a result of balance sheet adjustments. Note that our TP reflect a 5% premium given a 4-star ESG rating as appraised by us (see Page 5).

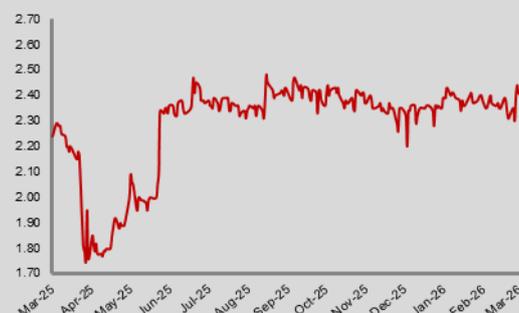
**Investment case.** We continue to favour YINSON due to: (i) a strong FPSO portfolio with recurring cash flows, (ii) its strong project execution track record which positions the company to benefit from strong structural demand for FPSO contractors anticipated in the coming years, and (iii) the group could seek to monetise its FPSO assets through a potential separate listing of its FPSO business in other international markets. Maintain **OUTPERFORM**.

**Risks to our call include:** (i) still significant overheads costs, (ii) regulatory risks and uncertain returns for RE investments that are mainly focused in emerging markets (i.e. South America, India) and (iii) project execution risks including cost overrun, delays and downtimes for FPSO assets.

# OUTPERFORM ↔

Price: **RM2.29**  
Target Price: **RM2.76** ↓

### Share Price Performance



KLCI	1,513.65
YTD KLCI chg	-7.8%
YTD stock price chg	-16.7%

### Stock Information

Shariah Compliant	No
Bloomberg Ticker	YNS MK Equity
Market Cap (RM m)	6,692.2
Shares Outstanding	2,922.4
52-week range (H)	2.53
52-week range (L)	1.73
3-mth avg daily vol:	2,629,807
Free Float	58%
Beta	1.2

### Major Shareholders

Yinson Legacy Sdn Bhd	21.2%
Employees Provident Fund	17.1%
KWAP	7.0%

### Summary Earnings Table

FY Jan (RM m)	2026A	2027F	2028F
Revenue	5440.0	5339.5	5428.9
EBIT	2426.2	2243.4	2285.3
PBT	1029.0	802.3	845.1
<b>Net Profit (NP)</b>	<b>683.0</b>	<b>666.3</b>	<b>710.2</b>
<b>Core Net Profit</b>	<b>569.0</b>	<b>666.3</b>	<b>710.2</b>
Consensus (NP)	-	586.5	644.5
Earnings Revision (%)	-	-5.9	-
Core EPS (sen)	17.8	20.9	22.3
CNP Growth (%)	29.0	17.1	6.6
DPS (sen)	5.0	6.3	6.7
BV/Share (RM)	1.6	1.7	1.7
Core PER (x)	12.8	11.0	10.3
Price/BV (x)	1.4	1.4	1.3
Net-gearing (x)	2.6	2.5	2.3
Dividend Yield (%)	2.2	2.7	2.9

24 March 2026

Income Statement								
	4Q	3Q	Q-o-Q	4Q	Y-o-Y			Y-o-Y
FY Jan (RM m)	FY26	FY26		FY25		FY26	FY25	
Revenue	1,124.0	1,722.0	-34.7%	1,396.0	-19.5%	5,440.0	7,605.0	-28.5%
Direct expenses	(307.0)	(571.0)	-46.2%	(966.0)	-68.2%	(1,901.0)	(4,542.0)	-58.1%
<b>Gross profit</b>	<b>817.0</b>	<b>1,151.0</b>	<b>-29.0%</b>	<b>430.0</b>	<b>90.0%</b>	<b>3,539.0</b>	<b>3,063.0</b>	<b>15.5%</b>
Other operating income	103.0	74.0	39.2%	516.0	-80.0%	296.0	825.0	-64.1%
Administrative expenses	(245.0)	(455.0)	-46.2%	(241.0)	1.7%	(1,110.0)	(714.0)	55.5%
<b>Profit from operations</b>	<b>538.0</b>	<b>593.0</b>	<b>-9.3%</b>	<b>589.0</b>	<b>-8.7%</b>	<b>2,282.0</b>	<b>2,524.0</b>	<b>-9.6%</b>
Finance costs	(421.0)	(388.0)	8.5%	(476.0)	-11.6%	(1,695.0)	(1,736.0)	-2.4%
JV and associates	156.0	52.0	200.0%	12.0	1200.0%	328.0	21.0	1461.9%
<b>EI</b>	<b>50.0</b>	<b>94.0</b>	<b>-46.8%</b>	<b>8.0</b>	<b>525.0%</b>	<b>114.0</b>	<b>311.0</b>	<b>-63.3%</b>
<b>Profit before tax</b>	<b>323.0</b>	<b>351.0</b>	<b>-8.0%</b>	<b>133.0</b>	<b>142.9%</b>	<b>1,029.0</b>	<b>1,120.0</b>	<b>-8.1%</b>
Income tax expense	(72.0)	(106.0)	-32.1%	(61.0)	18.0%	(276.0)	(167.0)	65.3%
Non-controlling interests	(23.0)	(6.0)	283.3%	(29.0)	-20.7%	(70.0)	(201.0)	-65.2%
Net profit	228.0	239.0	-4.6%	65.0	250.8%	683.0	752.0	-9.2%
<b>Core Net profit</b>	<b>178.0</b>	<b>145.0</b>	<b>22.8%</b>	<b>138.0</b>	<b>29.0%</b>	<b>569.0</b>	<b>441.0</b>	<b>29.0%</b>
Gross margin	72.7%	66.8%		30.8%		65.1%	40.3%	
Operating margin	47.9%	34.4%		42.2%		41.9%	33.2%	
PBT margin	28.7%	20.4%		9.5%		18.9%	14.7%	
Net margin	20.3%	13.9%		4.7%		12.6%	9.9%	
Core net margin	15.8%	8.4%		9.9%		10.5%	5.8%	
Effective tax rate	22.3%	30.2%		45.9%		26.8%	14.9%	

Source: Company, Kenanga Research

24 March 2026

**YINSON'S Sum-of-Parts Valuation**

Division	RM m	Valuation Basis
FSO John Agyekum Kufour (74%)	2947.3	Based on discounting rate of 5%
FPSO Helang (100%)	2320.0	Based on discounting rate of 5%
FPSO Abigail-Joseph	2381.4	Based on discounting rate of 5%
FPSO Bien Dong (49%)	181.7	Based on discounting rate of 6%
FPSO Lam Son (49%)	179.3	Based on discounting rate of 6%
FPSO Anna Nery (75%)	6364.5	Based on discounting rate of 7%
FPSO Enuata(100%)	2719.2	Based on discounting rate of 7%
FPSO Maria Quitéria (100%)	6152.9	Based on discounting rate of 7%
FPSO Agogo	7229.9	Based on discounting rate of 9%
FSO Lac Da Vang	140.8	Based on discounting rate of 7.4%
Indian Solar	44.2	Based on discounting rate of 10%
ICON stake	529.5	Based on 10x FY26F consensus P/E
Net (debt)/ cash	(23,185.2)	
<b>Total</b>	<b>8369.1</b>	
Number of shares (m)	3188.2	
ESG premium / discount	5.0%	
<b>SoP value per share (RM)</b>	<b>2.76</b>	

Source: Company, Kenanga Research

24 March 2026

### 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)	Net Div Yld
								1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	2-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.	1-Yr. Fwd.
<b>Stocks Under Coverage</b>																	
BUMI ARMADA BHD	OP	0.330	0.410	24.2%	1,956.2	Y	12/2026	4.7	4.5	-14.8%	-3.7%	7.1	7.4	0.4	6.1%	95.0	287.9%
DAYANG ENTERPRISE HLDGS BHD	MP	1.80	2.45	36.1%	2,084.0	Y	12/2026	16.1	18.8	7.8%	17.0%	11.2	9.6	1.1	9.8%	11.0	6.1%
DIALOG GROUP BHD	OP	2.00	2.28	14.0%	11,285.4	Y	06/2026	10.4	11.4	31.4%	9.7%	19.2	17.5	1.8	9.9%	5.0	2.5%
LIANSON FLEET GROUP BHG	OP	1.91	2.40	25.7%	2,231.6	Y	12/2026	20.6	27.3	142.4%	32.3%	9.3	7.0	1.2	13.2%	400.0	209.4%
KEYFIELD INTERNATIONAL	MP	1.41	1.60	13.5%	1,137.9	Y	12/2026	14.7	16.0	7.5%	8.4%	9.6	8.8	1.4	15.1%	8.0	5.7%
MISC BHD	OP	8.33	8.60	3.2%	37,183.0	Y	12/2026	47.3	49.5	-0.4%	4.6%	17.6	16.8	1.1	6.2%	36.0	4.3%
PETRONAS CHEMICALS GROUP	OP	5.48	4.90	-10.6%	43,840.0	Y	12/2026	4.0	4.1	-48.7%	0.6%	135.6	134.8	1.2	0.9%	2.0	0.4%
PETRONAS DAGANGAN BHD	MP	21.84	21.20	-2.9%	21,697.0	Y	12/2026	116.9	116.5	5.7%	-0.4%	18.7	18.7	3.5	19.1%	94.0	4.3%
UZMA BHD	OP	0.400	0.700	75.0%	238.1	Y	06/2026	14.8	15.9	6.9%	7.5%	2.7	2.5	0.2	8.5%	0.0	0.0%
VELESTO ENERGY BHD	MP	0.330	0.320	-3.0%	2,717.7	Y	12/2026	2.2	2.6	3.7%	18.1%	15.0	12.7	1.1	7.5%	2.0	6.1%
WASCO BHD	OP	0.960	1.45	51.0%	743.3	Y	12/2026	1.8	2.0	-15.7%	6.4%	52.1	49.0	5.6	11.3%	6.0	6.3%
YINSON HOLDINGS BHD	OP	2.29	2.76	24.0%	6,692.2	N	01/2027	16.6	20.4	20.3%	22.3%	13.8	11.3	1.4	10.1%	6.0	2.6%
<b>SECTOR AGGREGATE</b>					<b>131,806.5</b>					<b>27.2%</b>	<b>6.5%</b>	<b>22.5</b>	<b>21.1</b>	<b>1.7</b>	<b>9.8%</b>		<b>44.6%</b>

Source: Kenanga Research

24 March 2026

**Stock ESG Ratings:**

**Sustainability-Related Opportunities**

- **Strategic Expansion in Renewables and Green Technologies:** Yinson is scaling its non-oil based business segments through its "30 by 30" strategy, which targets 30% of equity in such activities by 2030. As of FYE 2025, the Renewables division has a project pipeline of approximately 1.1 GW either in operation or under construction. This diversification is supported by a USD 1 billion investment from an international consortium to accelerate growth in this segment.
- **Low Carbon Solutions in Offshore Production:** The group is implementing "Zero Emission" concepts for its offshore assets. A primary example is the Agogo FPSO, which incorporates a post combustion carbon capture plant expected to be operational in 2025. Additionally, the acquisition of Stella Maris CCS through the "Low Carbon Ventures" business marks a move toward providing carbon capture and storage services to the broader industry.
- **Capital Optimization via Sustainable Finance:** Yinson has established a Sustainability Linked Financing Framework that connects its cost of debt to specific Sustainability Performance Targets (SPTs). Under its Sustainability Linked Sukuk Wakalah, coupon rates are subject to adjustments based on the group's ability to meet greenhouse gas (GHG) emission intensity reduction targets, creating a clear link between climate performance and financial obligations.

**Sustainability-Related Risks and Disclosure Gaps**

- **Financial Performance of Emerging Segments:** While the company is scaling its Renewables and Green Technologies divisions, these segments recorded losses in FYE 2025 of RM42m and RM194m respectively. These results were attributed to impairment losses and ongoing investment requirements. Investors should monitor the timeline for these segments to achieve independent financial sustainability as they transition from the investment phase.
- **Policy and Regulatory Transitions:** The group has introduced an internal carbon price for its production segment to prepare for potential future carbon taxation. While this serves as a strategic planning tool, the ultimate financial impact is dependent on the specific carbon pricing levels set by various jurisdictions and the pace of global energy transition policies, which remain external variables.
- **Operational and Nature Related Dependencies:** In its inaugural TNFD Report, Yinson identifies various dependencies on marine ecosystem services. While the company has initiated the LEAP (Locate, Evaluate, Assess, Prepare) assessment to evaluate these nature related issues, the quantitative financial modeling of these dependencies is an ongoing process that will require further data maturity to be fully integrated into financial planning.

**ESG Rating**

Criterion	Rating				
Emissions Reduction & Fuels Management	★	★	★	★	
Water Management Services	★	★	★		
Chemicals Management	★	★	★		
Ecological Impact Management	★	★	★		
Workforce Health & Safety	★	★	★	★	
Business Ethics & Payments Transparency	★	★	★		
Management of the Legal & Regulatory Environment	★	★	★		
Critical Incident Risk 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

24 March 2026

**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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