

Yinson Holdings (YNS MK)

1HFY27 ER Results Addendum: Adjustments On Depreciation

Highlights

- **1HFY27 profit on ER basis by its FPSO subsidiary.** YP reveals new information, namely: a) an estimated US\$10m one-off financing costs for the early repayment of Agogo junior loan of US\$383m, b) US\$3m one-off incentive bonus for FPSO AN, and c) FPSO MQ weakened slightly by pending charter payment by Petrobras.
- **Operations on track, with active debt repayment ongoing,** as shown in the successful refinancing of FPSO Agogo into a US\$1.5b project bond. The Agogo project bond carries a lower coupon of 6.5% vs the other two bonds for Brazil FPSOs (8.5-8.9%). Potentially, two more new FPSOs may be secured. While our EBITDA forecasts are aligned, the ER depreciation was nearly 3-4x of IFRS equivalent, hence we cut our profit forecasts by up to 49%. Depreciation adjustment does not impact our valuation.
- **Retain BUY; target price: RM2.40.**

YP Results In IFRS And ER formats

Year to 31 Jan	IFRS		ER		Comments
(US\$m)	2QFY27	2QFY26	2QFY27	2QFY26	
Revenue	269	319	312	261	For comparison, figures stated for 2QFY27/2QFY26
EBIT	129	164	117	90	ER includes US\$2m/US\$71m non-recurring revenues
EBITDA	150	183	207	206	ER operating expenses were US\$75m/US\$41m
*Adjusted EBITDA	-	-	205	135	ER sales/admin (SG&A) expense: US\$34m/US\$25m
Finance costs	(95)	(115)	(102)	(99)	ER depreciation were US\$90m/US\$61m
Associates	20	14	-	-	Due to true-up of bond interest accruals from prior year
Pre-tax profit	69	75	15	46	AN ER EBITDA: US\$52.2m/US\$46.5m
Reported profit	52	66	(2)	37	MQ ER EBITDA: US\$42.7m/US\$33.8m
Reported PATAMI	47	61	(7)	32	AN ER profit: US\$12.8m/US\$4.6m
(US\$m)	1HFY27	1HFY26	1HFY27	1HFY26	For comparison, figures stated for 1HFY27/1HFY26
Revenue	519	575	609	497	ER includes US\$8m/US\$128m non-recurring revenues
EBIT	249	262	227	261	ER operating expenses: US\$143m/US\$78m
EBITDA	290	297	400	380	ER sales/admin (SG&A) expense: US\$75m/US\$53m
*Adjusted EBITDA	-	-	392	252	ER depreciation: US\$173m/US\$119m
Finance costs	(174)	(182)	(199)	(151)	IFRS depreciation: US\$41m/US\$34m
Associates	36	28	-	-	AN ER EBITDA: US\$94.7m/US\$90.8m
Pre-tax profit	140	132	38	110	MQ ER EBITDA: US\$89.4m/US\$75.1m
Reported profit	104	111	2	85	AN ER profit: US\$19.3m/US\$12.6m

Source: Yinson (YNS), Yinson Production (YP). UOB Kay Hian

Analysis

- **1HFY27 core profit recomputed on ER basis.** The FPSO subsidiary Yinson Production (YP) released 2QFY27 accounts and investor presentation last week. Alongside new Enterprise Reporting (ER) disclosure, we found additional information namely: a) one-off financing costs for the early repayment of Agogo junior loan of US\$383m, which we estimated to be US\$10m; b) FPSO Anna Nery (AN) had a one-off incentive bonus for a planned shutdown throughout 2QFY27; and c) FPSO Maria Quiteria's (MQ) performance was affected slightly by pending charter payment by Petrobras.

Key Financials

Year to 31 Jan (RMm)	2025	2026	2027F	2028F	2029F
Net turnover	7,605	5,375	4,295	4,710	4,781
EBITDA	2,052	3,189	3,477	3,568	3,645
Operating profit	1,675	2,812	2,586	2,605	2,751
Net profit (rep./act.)	1,075	771	340	344	465
Net profit (adj.)	510	899	340	344	465
PE	14.3	8.1	21.4	21.2	15.7
P/B	1.3	1.5	1.5	1.5	1.5
EV/EBITDA	10.2	6.6	6.4	6.7	7.1
Dividend yield	1.4	2.3	2.3	2.3	2.3
Net margin	14.1	14.3	7.9	7.3	9.7
Net debt/(cash) to equity	176.4	150.1	163.7	185.5	206.3
Interest cover	1.2	1.8	2.0	2.0	2.1
ROE	18.2	11.6	5.2	5.3	7.1
Consensus net profit	-	-	867	946	1,011
UOBKH/Consensus (x)	-	-	0.39	0.36	0.45

Source: Yinson Group, Bloomberg, UOB Kay Hian

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BUY (Maintained)

Share Price	RM2.13
Target Price	RM2.40
Upside	+12.7%

Stock Data

Sector	Energy
Bloomberg ticker	YNS MK
Shares issued (m)	3,220.4
Market cap (RMm)	6,854.0
Market cap (US\$m)	1,670.8
3-mth avg daily t'over (US\$m)	3.9

Price Performance (%)

52-week high/low			RM2.48/RM1.71	
1mth	3mth	6mth	1yr	YTD
0.0	(5.2)	(5.3)	(11.3)	(9.8)

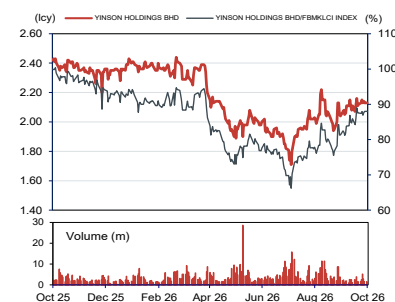
Major Shareholders (%)

Yinson Legacy	27.1
EPF	17.1

Balance Sheet Metrics

FY27 NAV/Share (RM)	1.50
FY27 Net Debt/Share (RM)	4.58

Price Chart



Source: Bloomberg

Company Description

One of the largest global Floating, Production, Storage and Offloading (FPSO) operators. Since 2025, its FPSO subsidiary Yinson Production (YP) began adopting Enterprise Reporting (ER), as a complementary disclosure to the statutory IFRS reporting that uses Finance Lease (FL) method. Under ER, YP adopted operating lease method and applied proportional consolidation based on YP's share in assets. ER profits include non-recurring revenues like progress milestone and bonus incentives for early delivery, whereas adjusted ER EBITDA excludes these items.

Monday, 19 October 2026

- FPSO AN earned additional income despite lower production.** Despite being an FPSO, the project recorded a 9.6% decline in average oil production in 2QFY27 to 42,000 boepd. This was due to a planned shutdown, and it earned from Petrobras a supplementary charter hire revenue related to scheduled maintenance activities. Also, the FPSO's commercial uptime, defined as actual revenues collected over budgeted revenue applicable for both charter and operation and maintenance (O&M) was 108% during the quarter, which implies a revenue of US\$5m. Given that FPSO AN is a JV project in which the company holds a 67% stake, we assume the one-off incentive bonus was around US\$3.3m (or RM14m).
- FPSO MQ: Commercial performance seems impacted by delayed payments.** To our negative surprise, Yinson Bergenia, the subsidiary owning FPSO MQ, recorded a loss in 2QFY27 on an ER basis. We noticed the technical uptime of this Brazil FPSO ranged at 99.0-99.5%. This is considered weak compared with FPSO AN and Yinson Holdings' (Yinson) other FPSO fleet since 2QFY26. Management explained that its request to Petrobras for outstanding payments (95% of charter and O&M during the planned shutdown) on 22 Dec 25 (or 4QFY26), was still pending by 30-50 days.
- Orderbook expanded by US\$0.6b to US\$19.5b.** The backlog of 74%-owned FPSO John Agyekum Kufuor (JAK) in Ghana was increased to US\$1.8b qoq, though there is no change to the firm expiry year of 2032. This relates to the modification project, which achieved completion in 2QFY27, as YP recorded a US\$39m "other assets" acquisition to represent capitalisation of FPSO JAK's modification works. Pending management's guidance, we believe FPSO JAK may likely earn a step-up in charter rate from 3QFY27 onwards, estimated at US\$250,000/day. Overall, YP's total backlog to net interest bearing debt coverage strengthened to 6x.
- Debt amortisation to improve further in stages.** We noticed US\$386m of FPSO Agogo's junior debt balloon (due FY29 for US\$436m) had been repaid early. FPSO Agogo had two more balloon payments outstanding which were US\$400m by FY30 and US\$391m by FY36. A FPSO Agogo refinancing was recently closed with another project bond, resulting in an even more enhanced debt amortisation profile, with annual debt repayments rarely exceeding US\$250m. Unlike FPSO AN and MQ's project bonds where the coupon rates were 8.5-8.9%, Agogo's US\$1.5b project bond carries coupon of 6.5%.

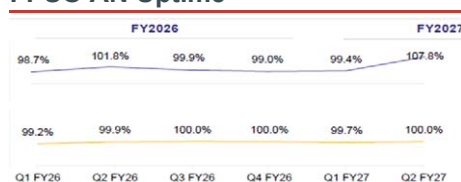
Valuation/Recommendation

- Maintain BUY with an SOTP-based target price of RM2.40.** Our SOTP valuation implies 24x FY27F PE (from 13x), to factor in a higher operating cost environment while FPSO capex funding remains challenging. We also retain key operational assumptions, like: a) a 10% discount on the Brazil FPSOs (MQ and AN), b) zero value for energy transition/non-O&G operations, and c) a potential 15% divestment of FPSO Agogo

Earnings Revision. Risk

- Cut 2027-29 earnings by 47%/49%/39% respectively.** Our ER-based EBITDA forecast is unchanged, but our earnings forecast is adjusted for higher depreciation in tandem with ER disclosure, which resulted in the earnings cuts. Depreciation changes do not affect our valuation.

FPSO AN Uptime*



*Top Line: Commercial Uptime

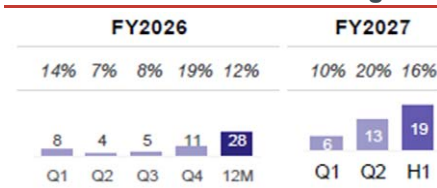
Source: YP

FPSO MQ Uptime



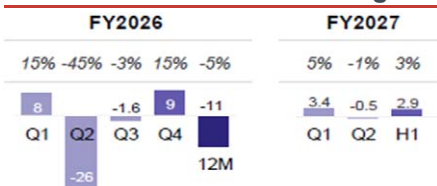
Note: Bottom Line: Technical Uptime

FPSO AN: ER Profit And Margins



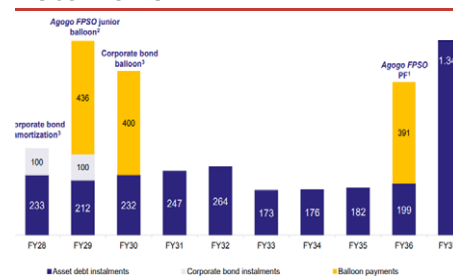
Source: YP

FPSO MQ: ER Profit And Margins



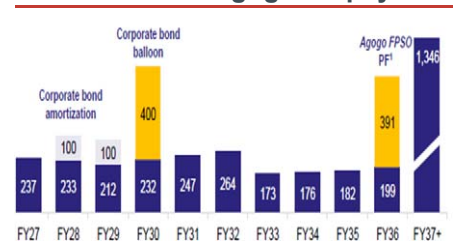
Source: YP

Debt Profile



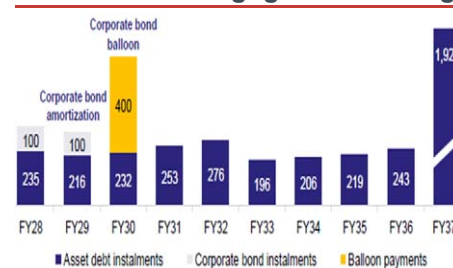
Source: YP

Debt Profile ex-Agogo Prepayment



Source: YP

Debt Profile ex-Agogo Refinancing



Source: YP

Profit & Loss

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Net turnover	5,375	4,295	4,710	4,781
EBITDA	3,189	3,477	3,568	3,645
Deprec. & amort.	377	445	482	447
EBIT	2,812	2,586	2,605	2,751
Total other non-operating income	-	0	0	0
Associate contributions	328	82	99	119
Net interest income/(expense)	(1,769)	(1,749)	(1,775)	(1,731)
Pre-tax profit	1,117	920	928	1,138
Tax	(276)	(296)	(308)	(389)
Minorities	(70)	(283)	(276)	(283)
Net profit	899	340	344	465

Cash Flow

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Operating	(412)	51	670	763
Pre-tax profit	1,029	920	928	1,138
Tax	(237)	(296)	(308)	(389)
Deprec. & amort.	377	891	963	894
Associates	(328)	(82)	(99)	(119)
Working capital changes	(2,934)	(1,381)	(814)	(761)
Other operating cashflows	1,681	(0)	0	0
Investing	(1,298)	(500)	(500)	(500)
Capex (growth)	(2,040)	(500)	(500)	(500)
Investments	112	0	0	0
Others	630	0	0	0
Financing	4,440	456	(1,741)	(1,534)
Dividend payments	(140)	(171)	(171)	(171)
Issue of shares	2,080	0	0	0
Proceeds from borrowings	3,892	(3,986)	(1,680)	(4,476)
Loan repayment	(1,205)	4,500	0	3,000
Others/interest paid	(187)	113	111	113
Net cash inflow (outflow)	2,730	7	(1,571)	(1,271)
Beginning cash & cash equivalent	2,679	4,528	4,535	2,965
Changes due to forex impact	(881)	0	0	0
Ending cash & cash equivalent	4,528	4,535	2,965	1,694

Balance Sheet

Year to 31 Jan (RMm)	2026	2027F	2028F	2029F
Fixed assets	3,396	3,764	4,060	4,425
Other LT assets	16,847	16,947	16,947	16,947
Cash/ST investment	4,528	4,535	2,965	1,694
Other current assets	2,851	2,274	3,735	5,181
Total assets	29,182	28,892	29,146	29,698
ST debt	779	303	379	231
Other current liabilities	2,589	2,230	2,609	2,847
LT debt	15,433	16,829	16,613	16,951
Other LT liabilities	337	284	298	298
Shareholders' equity	8,988	8,874	8,764	8,775
Minority interest	259	372	483	596
Total equity and liabilities	29,182	28,892	29,146	29,698

Key Metric

Year to 31 Jan (%)	2026	2027F	2028F	2029F
Profitability				
EBITDA margin	59.3	81.0	75.7	76.2
Pre-tax margin	20.8	31.8	29.9	33.2
Net margin	14.3	14.9	14.1	15.9
ROA	3.5	2.9	3.0	3.3
ROE	11.6	9.6	9.8	10.9
Growth				
Turnover	49.0	19.1	30.6	32.5
EBITDA	212.3	240.6	249.5	257.0
Pre-tax profit	56.0	90.6	96.9	121.3
Net profit	92.2	60.1	65.9	89.3
Net profit (adj.)	92.2	60.1	65.9	89.3
EPS	92.2	60.1	65.9	89.3
Leverage				
Debt to total capital	194.9	199.6	194.8	192.4
Debt to equity	200.5	207.7	204.8	204.3
Net debt/(cash) to equity	150.1	159.8	176.4	191.5
Interest cover (x)	1.8	2.0	2.0	2.1

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