



LIANSON FLEET GROUP

(LFG MK EQUITY, LFG.KL)

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Company Report

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Rationale for report: Company Result

BUY
(Maintained)

Price RM2.00
Fair Value RM3.00
52-week High/Low RM2.25/RM0.70

Key Changes

Fair value ⇄
EPS ⇄

YE to Dec	FY24	FY25F	FY26F	FY27F
Revenue (RM mil)	235.8	285.7	388.3	435.3
Core net profit (RM mil)	45.7	71.2	100.4	117.6
FD Core EPS (sen)	7.3	5.9	8.3	9.7
FD Core EPS growth (%)	(592.2)	(19.8)	41.0	17.1
Consensus Net Profit (RM mil)	-	-	-	-
DPS (sen)	-	4.0	4.8	5.7
PE (x)	27.3	34.0	24.1	20.6
EV/EBITDA (x)	23.0	11.3	7.6	6.5
Div yield (%)	-	2.0	2.4	2.8
ROE (%)	11.2	11.8	12.6	13.7
Net Gearing (%)	26.2	nm	nm	nm

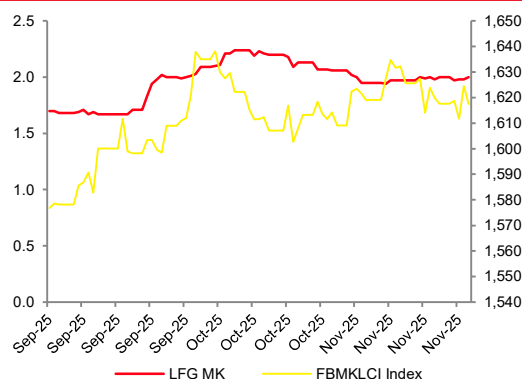
Stock and Financial Data

Shares Outstanding (million)	1,082.1
Market Cap (RMmil)	2,164.2
Book Value (RM/Share)	1.24
P/BV (x)	1.6
ROE (%)	11.2
Net Gearing (%)	26.2

Major Shareholders
Liannex Maritime (52.3%)
Yinson Offshore Services (16.8%)

Free Float 30.9
Avg Daily Value (RMmil) 5.9

Price performance	3mth	6mth	12mth
Absolute (%)	14.9	161.4	94.2
Relative (%)	12.8	146.7	92.6



Investment Highlights

LFG's 9M25 results mark the first visible proof-point of its structural pivot, validating our thesis that disciplined capital recycling and marine-transport expansion are reshaping the group's earnings base. 9MFY25 core earnings jumped four-fold YoY to RM45mil (9MFY24: RM9mi) showcased LFG's ability to sustain profitability even while reducing cyclical OSV exposure. This sets the foundation for a multi-segment earnings inflection in FY26F. We believe LFG is on track for >RM100m PBT by FY26F led by fleet diversification as all five bulk carriers come fully online. In parallel, the recent jack-up drilling JV with Petrovietnam Drilling (PVD) unlocks multi-year earnings runway potential beyond FY27F, extending LFG's growth visibility across marine, energy-services, and infrastructure verticals.

- **Maintain BUY at RM3**, pegged to our blended SOTP applying 8x PE for OSV, 9x PE for marine transport, 13x PE for energy services and 17x PE for ASEAN power-infrastructure optionality.
- **Within expectations, with recurring disposal gains as part of active asset recycling.** 9M25 core net profit of RM45mil came in after stripping RM18mil one-off largely disposal gains. Inclusive disposal gains, which is actively part of the ongoing asset recycling strategy, results are largely in line, came in 80% of our estimate.
- **Strong set of results with core earnings surge 4x** to RM45mil (from 9MFY24 of RM9mil) in tandem with higher 9M25 revenue, up +29% YoY. This is driven by higher OSV utilisation the maiden contribution from newly acquired bulk carriers and tug-barge units. The diversification provides more stable, charter-based income and cushioning OSV cyclical. Gross profit margin expanded to 35% from 23% in 9MFY24, reflecting improved efficiency and cost control. LFG declared 3Q25 DPS of 1sen (YTD: 3sen) reinstated from none in the previous year.
- **On track for >RM100m PBT by FY26F led by fleet diversification and recurring charters.** The current revenue mix (OSV 94% / Marine 6%) shows early but meaningful diversification, paving the way for an FY26 inflection when all five bulk carriers are fully deployed from only two currently. As of 30 September 2025, the Group's orderbook stood at RM498mil (23% of market cap), with 92% secured under long-term recurring contracts up to 8 years. We believe LFG is on track meeting our FY26F-FY27F earnings estimate and sustains re-rating momentum to energy-infra multiples, as more multi-segment income unfolds.

EXHIBIT 1: FINANCIAL SUMMARY

RM mil, YE 31 Dec	3Q24	2Q25	3Q25	QoQ %	YoY%	9M24	9M25	YoY%
Revenue	71	65	82	27	16	158	204	29
Cost of sales	(39)	(42)	(52)	22	34	(122)	(132)	8
Gross profit	32	22	30	36	(5)	36	72	99
Other income	3	10	11	8	>100	5	21	>100
Administrative expenses	(9)	(7)	(8)	9	(13)	(26)	(22)	(16)
Impairment loss	0	(1)	0	(100)	n.a	0	(1)	n.a
Operating profit	26	23	33	41	29	16	71	>100
Finance costs	(2)	(4)	(3)	(20)	45	(9)	(9)	9
Share of loss of a joint venture	0	0	(0)	n.a	n.a	0	(0)	n.a
PBT	23	19	30	53	27	7	61	>100
Tax	(5)	(3)	(2)	(45)	(69)	(7)	(6)	(8)
PAT (continuous ops)	18	17	28	70	53	0	55	>100
MI	1	11	(4)	>100	>100	2	8	>100
PATMI	19	27	24	(11)	25	3	63	>100
Exceptionals	2	(5)	(12)	>100	>100	6	(18)	>100
core PATMI	21	23	12	(45)	(42)	9	45	>100

GPM	45%	34%	37%			23%	35%
OPM	36%	36%	40%			10%	35%
PBT	33%	30%	36%			4%	30%
PAT	26%	26%	34%			0%	27%
core PATMI	30%	35%	15%			6%	22%
ETR	-22%	-15%	-5%			-95%	-10%

Segmental Revenue	3Q24	2Q25	3Q25	QoQ %	YoY%	9M24	9M25	YoY%
Offshore support vessels	71	65	69	6	(2)	158	191	21
Marine Transportation	0	0	13	n.a	n.a	0	13	n.a
Total Revenue	71	65	82	27	16	158	204	29

Source: AmInvestment Bank

EXHIBIT 2: SOTP VALUATIONS

Segment	Metric	PAT	Valuation (RM mil)
OSV	8x PE × FY27F	77	614
Marine	9x PE × FY27F	41	368
Energy services	PV of (13x PE × earnings steady state) × 50%	552	950
Infra	17x PE × Avg PAT × 65%	141	1,554

Equity Value	3,486
(+) Cash (full conversion of warrants)	107
Adjusted Equity Value (post-conversion)	3,593

Shares Outstanding (full warrants conversion)	1,212
Target Price (RM/share)	3.00

Current Market Price* (RM/share)	2.00
Upside/(Downside)	51%

Source: AmInvestment Bank

EXHIBIT 3: FINANCIAL DATA

Income Statement (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue	199.8	235.8	285.7	388.3	435.3
EBITDA	99.5	99.3	155.6	220.1	242.4
Depreciation/Amortisation	(54.6)	(58.9)	(71.9)	(98.6)	(98.6)
Operating income (EBIT)	44.9	40.4	83.6	121.4	143.8
Other income & associates	-	-	-	-	-
Net interest	(19.3)	(9.4)	(13.4)	(12.8)	(12.5)
Exceptional items	(12.8)	1.6	-	-	-
Pretax profit	12.8	32.6	70.2	108.7	131.3
Taxation	(6.2)	(6.4)	(16.9)	(26.1)	(31.5)
Minorities/pref dividends	(1.9)	17.9	17.9	17.9	17.9
Net profit	4.8	44.0	71.2	100.4	117.6
Core net profit	(8.1)	45.7	71.2	100.4	117.6
Balance Sheet (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Fixed assets	492.5	491.9	267.1	202.0	136.4
Intangible assets	-	-	-	-	-
Other long-term assets	18.1	55.7	55.7	55.7	55.7
Total non-current assets	510.5	547.6	322.8	257.7	192.1
Cash & equivalent	79.6	45.3	570.2	656.7	759.9
Stock	-	-	-	-	-
Trade debtors	48.3	97.7	118.3	160.8	180.3
Other current assets	88.3	10.2	10.2	11.0	11.2
Total current assets	216.2	153.1	698.8	828.4	951.5
Trade creditors	47.7	60.2	71.2	97.6	107.3
Short-term borrowings	248.8	35.2	35.2	35.2	35.2
Other current liabilities	29.3	3.0	3.0	3.0	3.0
Total current liabilities	325.9	98.5	109.5	135.9	145.6
Long-term borrowings	-	125.5	125.5	125.5	125.5
Other long-term liabilities	23.5	20.2	20.2	20.2	20.2
Total long-term liabilities	23.5	145.7	145.7	145.7	145.7
Shareholders' funds	345.3	439.9	767.7	823.7	889.3
Minority interests	32.0	16.6	(1.3)	(19.1)	(37.0)
BV/share (RM)	1.19	1.24	1.11	1.17	1.24
Cash Flow (RMmil, YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Pretax profit	12.8	32.6	70.2	108.7	131.3
Depreciation/Amortisation	54.6	58.9	71.9	98.6	98.6
Net change in working capital	71.5	103.9	142.2	207.3	229.9
Others	(57.6)	(132.4)	(168.7)	(250.2)	(271.4)
Cash flow from operations	81.2	63.0	115.6	164.3	188.4
Capital expenditure	(23.2)	(56.6)	(33.2)	(33.5)	(33.1)
Net investments & sale of fixed assets	3.5	12.2	186.0	-	-
Others	(3.6)	22.3	-	-	-
Cash flow from investing	(23.3)	(22.1)	152.8	(33.5)	(33.1)
Debt raised/(repaid)	(49.0)	(36.4)	-	-	-
Equity raised/(repaid)	0.4	0.2	180.9	-	-
Dividends paid	-	(27.1)	(31.5)	(44.4)	(52.0)
Others	(14.2)	(11.2)	107.1	-	-
Cash flow from financing	(62.9)	(74.5)	256.5	(44.4)	(52.0)
Net cash flow	(5.0)	(33.6)	525.0	86.4	103.3
Net cash/(debt) b/f	85.7	79.6	45.3	570.2	656.7
Net cash/(debt) c/f	79.6	45.3	570.2	656.7	759.9
Key Ratios (YE 31 Dec)	FY23	FY24	FY25F	FY26F	FY27F
Revenue growth (%)	3.3	18.0	21.2	35.9	12.1
EBITDA growth (%)	53.3	(0.3)	56.7	41.4	10.1
Pretax margin (%)	6.4	13.8	24.6	28.0	30.2
Net profit margin (%)	2.4	18.7	24.9	25.9	27.0
Interest cover (x)	2.3	4.3	6.2	9.5	11.5
Effective tax rate (%)	48.3	19.7	24.0	24.0	24.0
Dividend payout (%)	569.9	-	44.2	44.2	44.2
Debtors turnover (days)	96	113	138	131	143
Stock turnover (days)	-	-	-	-	-
Creditors turnover (days)	77	84	84	79	86

Source: Company, AmlInvestment Bank Bhd estimates

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