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Orkim expands tanker fleet as utilisation holds at 91pct

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Orkim Bhd, Malaysia's largest clean petroleum product tanker operator, is pressing ahead with fleet expansion and renewal as steady vessel utilisation and additional capacity support earnings growth.

KUALA LUMPUR: Orkim Bhd, Malaysia's largest clean petroleum product tanker operator, is pressing ahead with fleet expansion and renewal as steady vessel utilisation and additional capacity support earnings growth.

Chief executive officer Captain Cheah Sin Bi said newbuild vessels in the pipeline are expected to progressively increase fleet capacity while improving the quality and competitiveness of its vessel portfolio.

"Together with our established customer relationships and recurring contract arrangements, these investments provide a solid foundation for growth, as we remain focused on disciplined fleet deployment, operational efficiency and prudent capital management," he said in a statement.

The company will remain focused on disciplined fleet deployment, operational efficiency and prudent capital management, he added.

Orkim posted second-quarter net profit of RM22.91 million on revenue of RM87.34 million for the three months ended June 30, 2026, with gross profit margin at about 32 per cent.

The company, which was listed on Bursa Malaysia's Main Market in December last year, did not provide a year-on-year comparison for the quarter.

Sequentially, revenue was broadly unchanged from RM88.03 million, while net profit fell from RM24.11 million. Fleet utilisation eased slightly to 91 per cent from 92 per cent in the first quarter.

The fleet expanded to 19 vessels at end-June from 18 at end-2025, comprising 17 CPP and chemical-capable tankers and two liquefied petroleum gas (LPG) carriers.

The increase followed the May delivery of Orkim Garnet, a 2026-built IMO Type II tanker capable of carrying both CPP and chemical products. The vessel raised Orkim's total carrying capacity to 253,036 deadweight tonnes.

For the first half, revenue rose 14.9 per cent to RM175.4 million from RM152.7 million a year earlier, while pre-tax profit increased 5.8 per cent to RM47.1 million. Fleet utilisation remained at about 91 per cent.

The CPP segment continued to drive earnings, with revenue increasing 17.2 per cent to RM164.2 million on higher fleet capacity. Segment pre-tax profit rose 10 per cent to about RM45.6 million, as stronger contributions from the enlarged fleet more than offset higher depreciation, amortisation and financing costs.

Revenue in the LPG business dropped 11.4 per cent to RM11.1 million. Pre-tax profit was down 51.3 per cent to about RM1.5 million.

Orkim attributed the weaker LPG performance mainly to the scheduled dry-docking of an LPG vessel and the appreciation of the ringgit against the US dollar.

No dividend was declared for the quarter.

The company's fleet renewal programme is expected to remain a key growth driver as Orkim seeks to expand capacity while maintaining high utilisation and improving operational efficiency.