

TMDE Surges 61% Pre-Market on Iran Crisis — But the IPO Math Tells a Different Story

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Key Data

- **Price:** \$1.71 (pre-market)
- **Change:** +61.36%
- **Volume:** 306.8K (prior session)
- **Float:** ~3.1M shares
- **Market Cap:** \$26.16M

TMDE’s pre-market price hit \$1.71, representing a 61.32% surge as geopolitical tensions in the Middle East drive energy stocks higher. But before traders pile into what looks like a momentum play, let’s unpack what’s actually happening here.

The Crisis Trade Setup

WTI crude climbed above \$84 per barrel Friday, putting oil on track for its biggest weekly gain since 2022, driven by an escalating U.S.-Israel-Iran war. The conflict has nearly halted shipping through the Strait of Hormuz, a chokepoint that normally moves about 20 million barrels of oil and petroleum products daily.

TMD Energy operates marine fuel bunkering services across Southeast Asia with a fleet of 15 vessels. In theory, shipping disruptions and higher oil prices should benefit marine fuel suppliers. The tape agrees — at least in pre-market.

But here’s where it gets educational: this isn’t your typical oil play benefiting from supply disruptions. TMD is essentially a logistics middleman with wafer-thin margins operating in one of the most volatile corners of the market.

The IPO Hangover Nobody’s Talking About

TMD priced its IPO at \$3.25 per share in April 2025, raising \$10.08 million in gross proceeds. The stock’s 52-week range spans from \$0.41 to \$6.27 — that’s a 15x spread for a company that went public less than a year ago.

Those kinds of swings aren’t momentum. They’re dilution and desperation.

For the six-month transition period ended June 30, 2025, TMD recorded revenue of \$276.3 million but saw a 22.7% year-over-year decline, with bunkering volumes falling 11.2% to 514,025 metric tons. The company posted a net loss of \$4.5 million compared to net income of \$1.1 million in the previous period.

That’s what we call the post-IPO reality check.

The Margin Trap

TMD's gross margin sits at just 2.3%, with an operating margin of 0.9% and net profit margin of 0.3%. The company generated negative \$28.0M in free cash flow during fiscal 2024, a -1023.9% change from the previous year.

Let's be clear about what this means: TMD is burning cash to generate almost no profit in a business model that depends entirely on commodity spreads and volume throughput. With a current ratio of 0.86, they're also walking a liquidity tightrope.

This isn't an oil crisis beneficiary — it's a working capital crunch waiting to happen when the geopolitical premium fades.

The Float Mechanics

The company granted underwriters a 45-day option to purchase up to 465,000 additional shares, and Straits Energy Resources Berhad maintains majority ownership at 66.39%. Institutional ownership shows just 89,748 shares held by seven institutions, with Citadel, XTX Topco, and UBS Group as the largest shareholders.

The public float is effectively tiny, which explains both the violent downside to \$0.41 and today's pre-market explosion. Low float plus crisis headlines equals mechanical buying that can reverse just as quickly.

What the Tape Is Really Saying

TMDE gained 37.56% Thursday and is up 606.98% year-to-date — but remember, it's measuring from a December bottom near \$0.41. The stock has fallen 67.48% from its highs over the last year.

That's not sustainable growth. That's post-IPO volatility in a name with no institutional following and a business model that generates almost no cash.

Trading This Setup

The geopolitical premium is real, but it's temporary. When Hormuz reopens or tensions de-escalate, energy stocks will give back these gains faster than they came. Key support sits at \$2.80, with resistance around \$3.50 — levels that matter more than today's pre-market spike.

If you're trading the crisis, understand you're betting on headlines, not fundamentals. TMD's negative pre-tax profit margin of -2% and price-to-sales ratio of 0.25 highlight ongoing struggles with profitability.

The real question isn't whether oil prices stay elevated — it's whether TMD can survive long enough to benefit from any sustained recovery in marine fuel demand.

Risk disclosure: Trading volatile small-cap stocks involves substantial risk of loss and may not be suitable for all investors.

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Summary

TMD Energy rocketed in pre-market trading as Middle East tensions spike oil prices, but beneath the geopolitical pop lies a classic post-IPO dilution story with razor-thin margins and troubling cash flow.

SINCE REPORT -38.6%

Data Box

Price \$1.71

Change +61.36%

Volume 306.8K

Float ~3.1M
Mkt cap \$26.16M

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