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Deleum 2Q profit improves 7%, pays 2 sen dividend

By Chester Tay / theedgemarkets.com | August 19, 2015 : 7:42 PM MYT

KUALA LUMPUR (Aug 19): Deleum Bhd (Financial Dashboard) posted a net profit of RM17.09 million for its second quarter ended June 30, 2015 (2QFY15), up 7.2% from RM15.94 million a year ago, mainly supported by improved earnings in its integrated corrosion solution (ICS) business.

Hence, earnings per share advanced to 4.27 sen, from 3.98 sen.

The group also declared a first interim dividend of two sen per share, payable on Sept 25. Its stock will go ex-dividend on Sept 8.

In its filing to Bursa Malaysia, Deleum said both its power and machinery, and oilfield services businesses have seen their profit before tax decline 0.9% and 10.9%, respectively.

The group's ICS business, however, recorded a profit of RM1.05 million in 2QFY15, compared with a loss of RM436,000 in the same period last year.

Deleum's revenue in 2QFY15 also increased by 11.96% to RM181.94 million, from RM162.50 million in previous corresponding quarter.

Cumulatively, the group's first half of FY15 (1HFY15) net profit was largely flat at RM25.32 million, compared with RM25.69 million a year ago; though revenue increased 20.44% to RM317.80 million from RM263.86 million in 1HFY14.

For the remainder of FY15, Deleum said its operating environment is even more challenging as oil prices continue to slump and are not expected to recover anytime soon.

"Management continues to monitor the situation and had adopted measures to address the impact of lower oil prices through cost containment and moderating capital expenditure," the group pledged.

Deleum (fundamental: 1.3; valuation: 2.4)'s share price went up two sen or 2% to RM1.02 today, giving it a market capitalisation of RM400 million.