



Headline : Deleum's 4Q net profit falls 44% due to margin squeeze  
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## **Deleum's 4Q net profit falls 44% due to margin squeeze**

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KUALA LUMPUR (Feb 25): Deleum Bhd, whose share price climbed 9.4% to a nine-month high of RM1.28 today, announced that its net profit declined 44% to RM7.48 million for the fourth quarter ended Dec 31, 2018 (4QFY18) from RM13.46 million in the previous corresponding quarter due to weaker margins across all segments.

Nevertheless, the board declared a second interim dividend of 2.25 sen per share for the financial year ending Dec 31, 2018 (FY18), to be paid on March 22, according to the filing with the stock exchange this evening.

Earnings per share shrank to 1.87 sen in 4QFY18 from 3.36 sen a year ago.

The oil and gas player said revenue grew 18% to RM200.45 million versus RM169.85 million last year on higher revenue contributions across all segments with strong revenue growth booked by the Integrated Corrosion Solution segment mainly from its Maintenance, Construction and Modification project.

However, weaker margins dragged down quarterly net profit.

For FY18, the group's annual net profit fell 16% to RM27.17 million compared with RM32.28 million in the previous year, while revenue rose 17% to RM623.69 million from RM534.06 million a year ago.

Moving forward, the group said it will work on strengthening operational efficiencies and budget management in light of expected slower global growth and volatile oil prices.

Deleum has been on a climb since late last December. The stock has gained 37% from a low of 93 sen to RM1.28 today, for a market capitalisation of RM513.44 million.