



Headline : Deleum bids for RM1 billion jobs
Media : The Edge Financial Daily
Day/Date : 25 May 2012
Page : 1
Links :

Deleum bids for RM1b jobs

Order book now stands at RM650m

by **Ben Shane Lim**
FD@bizedge.com

KUALA LUMPUR: Deleum Bhd, which provides specialised products and services to the oil and gas industry, is bidding for another RM1 billion worth of jobs on top of its existing order book of RM650 million.

Group managing director Nan Yusri Nan Rahimy said the company has submitted proposals since 3Q last year to secure more contracts in its three business segments — power and machinery, oilfield

services, and maintenance, repair and overhaul (MRO).

"Right now, we have secured contracts worth RM650 million. Some of these contracts will last until 2018," he told reporters after the company AGM yesterday.

Deleum posted a 1Q net profit of RM10 million or 10.02 sen a share, up 75.5% from the previous year although revenue fell 35.6% to RM82.77 million in the same period.

According to Nan Yusri, greater exploration and production activities encouraged by Petroliaam Nasional Bhd (Petronas) and the introduction of the risk service contract to develop marginal fields will spur

business opportunities in the oil and gas industry and further promote upstream activities in the country.

The group's power and machinery segment remains its largest revenue contributor, but Nan Yusri said the oilfield services and MRO segments will undergo major growth in the future.

"Our aim is to grow these (oilfield services and MRO) segments by increasing our market share".

He also noted that the group would focus on penetrating neighbouring markets in order to establish a regional presence by 2015.

"The time has come for growth, hence, for us to actively look for opportunities to expand either via

mergers and acquisitions or through strategic alliances, particularly those that are viable and synergistic to our core business," said Nan Yusri.

Deleum held RM81.64 million in cash as at March 31 against RM17 million in short-term borrowings and another RM8.5 million in long-term debt. The group's cash flow was strong with a net operating cash flow of RM22.75 million as at March 31.

Deleum closed five sen higher to RM2.57 yesterday, giving it a market capitalisation of RM258 million. The stock has gained over 60% YTD, and is trading at less than nine times FY11 earnings of RM29.03 million.