



Headline : Deleum eyes RM1 billion jobs
 Media : The Star / Business
 Day/Date : 25 May 2012
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Deleum eyes RM1b jobs

Its order book stands at RM650m, will last through next five years

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KUALA LUMPUR: Deleum Bhd has submitted tenders for contracts worth a total of RM1bil since the third quarter of last year.

According to Deleum group managing director Nan Yusri Nan Rahimy, the jobs for which the company has bid are mainly local projects within its three core business areas – that is, power and machinery; oil-field services; and maintenance, repair and overhaul.

“Our current order book stands at RM650mil,” Nan Yusri told reporters after the company AGM yesterday.

These projects that the company already had in hand would likely last through 2018.

The company, which is involved

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– NAN YUSRI NAN RAHIMY

in the provision of specialised products and services to the oil and gas industry, had earlier been reported to be in the bidding process to provide specialty chemicals to the St Joseph enhanced oil recovery (EOR) project helmed by Shell in Sabah. The outcome of the tender was expected to be known by the second half of this year.

Besides that, industry observers believed Deleum was also eyeing for

several jobs in EOR fields within the country, such as the Angsi project in Terengganu.

Meanwhile, Nan Yusri revealed that Deleum had set aside RM20mil to RM25mil as capital expenditure (capex) for business expansion this year.

“We are looking for opportunities to expand in areas that can add value to our business,” he said.

Merger and acquisition (M&A) deals are in the cards, but Nan Yusri fell short of revealing any further details about it, except that the company’s M&A targets were those that complement its core business areas.

Deleum had a net cash balance of about RM70.6mil as at the end of March 2012. According to Nan Yusri, Deleum would put to good use its strong net cash position for M&As,

capex and building up its resources, among other things.

Alliance Research in its recent report argued that the company’s strong net cash position would easily enable its to grow organically or through M&A.

Deleum posted a higher net profit of RM10.02mil for the first quarter ended March 31, 2012, compared with a net profit of RM5.71mil in the previous corresponding period. Revenue, however, was lower at RM82.78mil, compared with RM128.44mil a year earlier.

The company had declared a dividend of nine sen per share for quarter under review.

Deleum shares gained five sen yesterday to close at RM2.57. That means the counter had risen by 99 sen, or 62.6%, year-to-date.