



DELEUM

INVESTOR BRIEFING

Q2 FY2024

26 August 2024

IR Adviser:



TABLE OF CONTENTS

- Corporate Profile
- Financial Highlights
- Growth Strategies
- Recent Developments
- Investment Merits
- Appendix



CORPORATE PROFILE



An Integrated Solutions Provider in Oil & Gas upstream (exploration and production) with 2 core business segments

POWER & MACHINERY

79%

- Provision of Gas Turbine Generator and Compressor packages, and after-sales support
- Provision of Printed Circuit Heat Exchanger, operational spares, and services
- Provision of Multi-Phase Pump solutions, after-sales services, and spares
- Supply, installation, repair, and maintenance of valves and flow regulators

OILFIELD INTEGRATED SERVICES

21%

- Slickline and Well Services
- Asset Integrated Solutions
- Chemical Research and Development
- Pumping Well Stimulation
- Sludge Treatment
- Solid Control Services
- Provision of low dust, environmentally friendly blasting technology for surface preparation
- Coating removal by controlled induction heating
- Passive fire protection services
- Integrated maintenance, construction and modification services
- Oil spillage combat equipment and services

Note: % contribution of 1H24 revenue

A PETRONAS Licensed Services Provider with presence throughout East and West Malaysia supported by staff strength of more than 800 employees



Overview

- Established in 1982
- Listed on the Main Market of Bursa Malaysia in 2007
- PETRONAS Licensed Service Provider

Our Business

- Evolved from a Product Oriented business to an Integrated Solutions provider.
- Focused on 2 core business segments :
 - Power and Machinery (“P&M”)
 - Oilfield Integrated Services (“OIS”)

Our Competencies

- Staff strength: 849 employees as of 30 June 2024
- First Training Well Facility commissioned at Asian Supply Base in Labuan, Malaysia



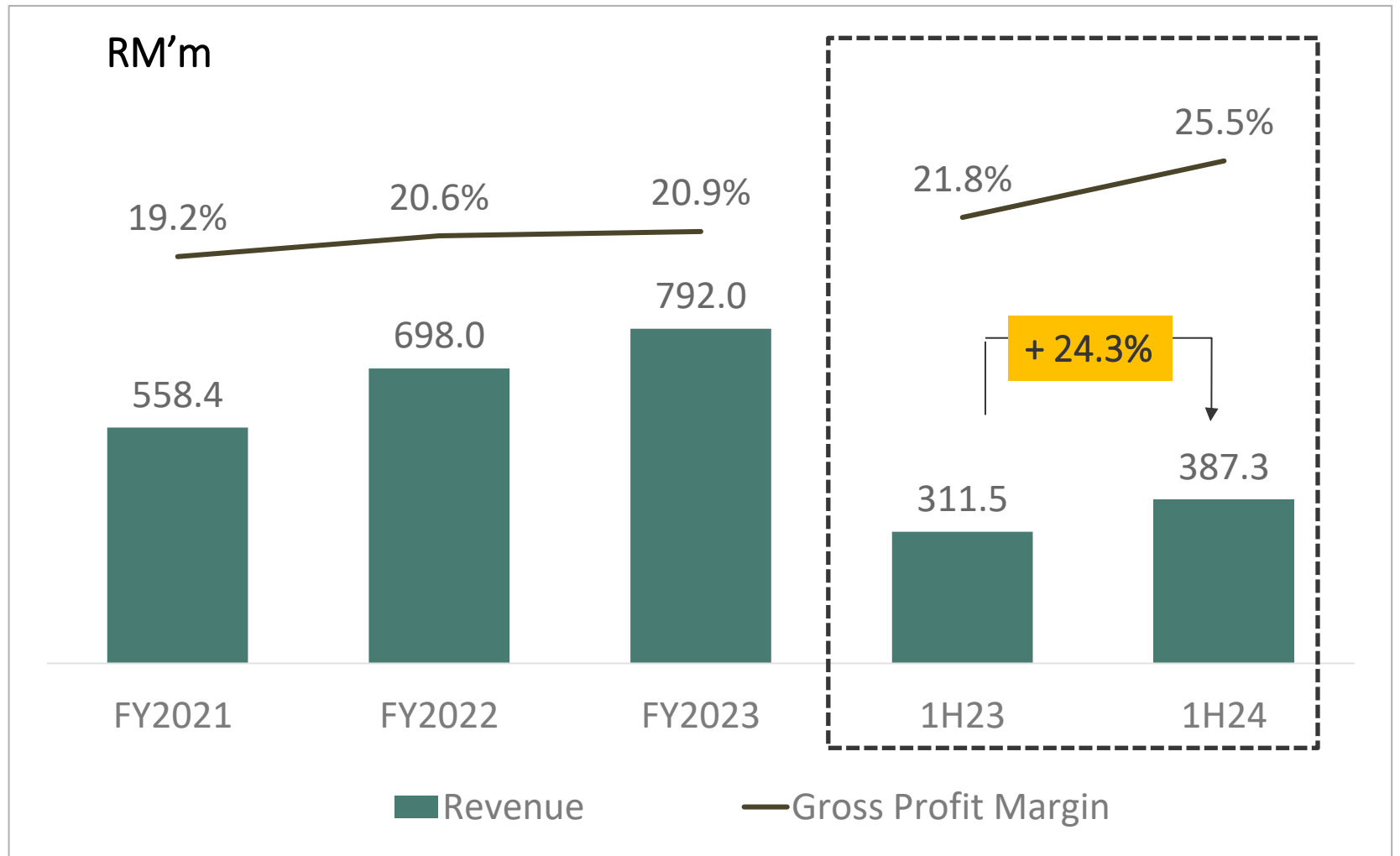
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FINANCIAL RESULTS 2Q24

Growth in both P&M and OIS segments drives increase in PATANCI

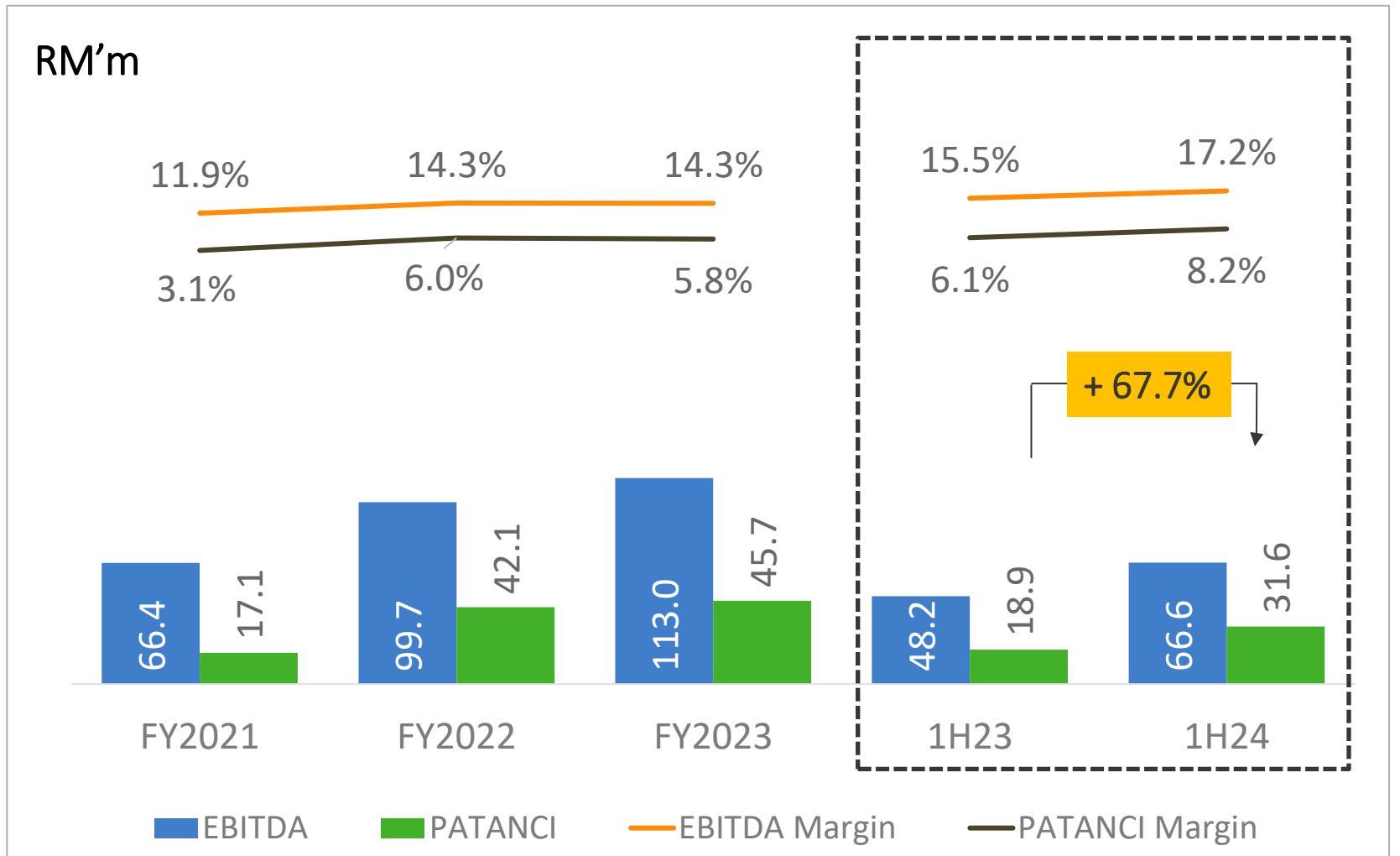


Revenue and Gross Margin



1H24 group revenue increased by 24.3% to RM387.3 million on stronger revenue contributions from the P&M and OIS segments.

EBITDA, PATANCI, and Margins

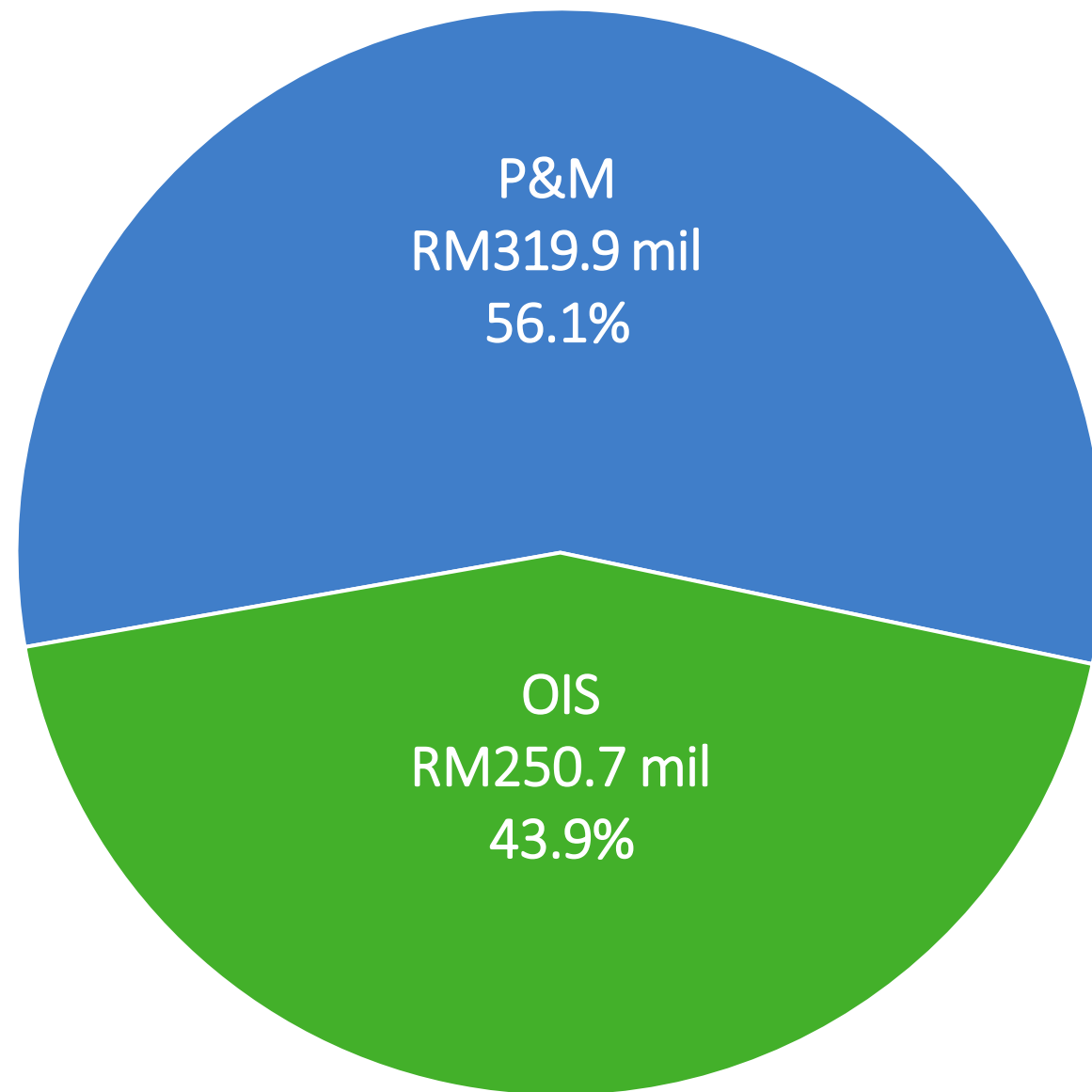


Group PATANCI grew 67.7% to RM31.6 million in 1H24, mainly due to better group profit achieved from the P&M and OIS segments coupled with net gain on foreign exchange, fair value gain on forward foreign currency exchange contracts and reversal of impairment made on its trade receivables

Healthy P&M and OIS orderbook in tandem with increased investment activities by oil majors



Order book totaling RM570.5 million
as at 30 June 2024

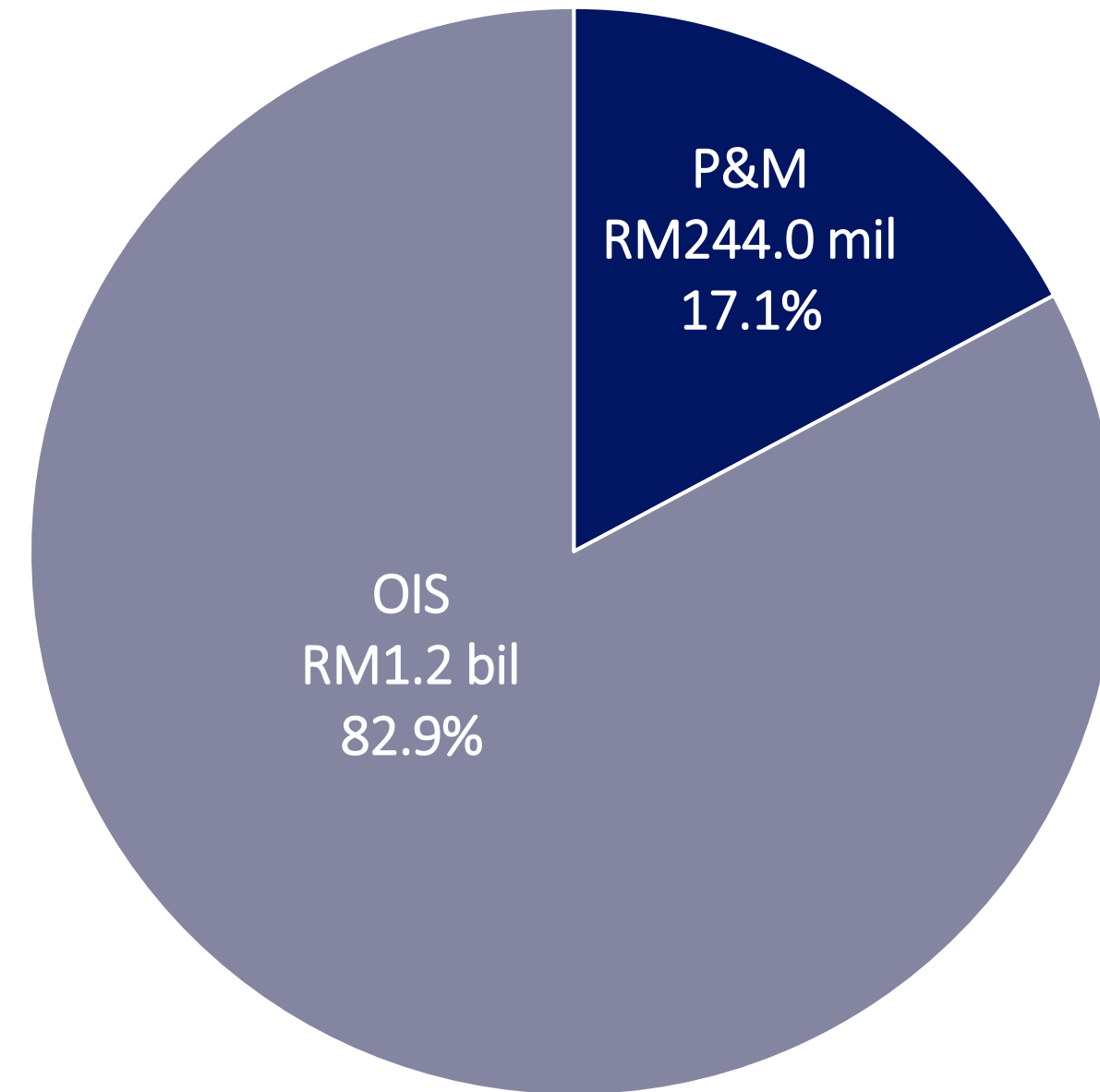


- Robust orderbook for P&M mainly from gas turbine after sales, with RM319.9 million of works to be delivered within 12 months.
- Healthy OIS orderbook driven by rising demand for slickline services, successful MCM project tenders, and growing chemical business momentum.

Actively tendering across all segments

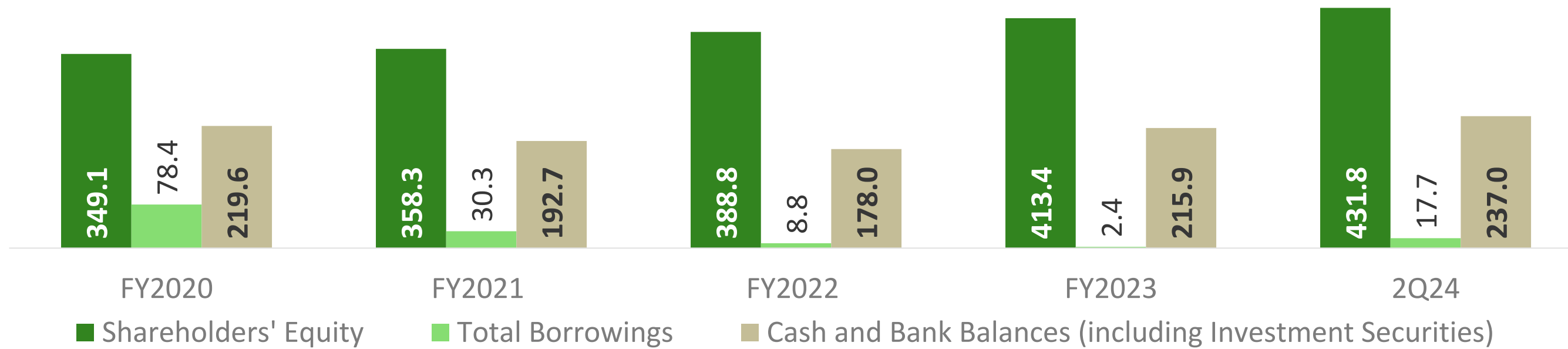


Tender book totaling RM1.4 billion
as at 30 June 2024



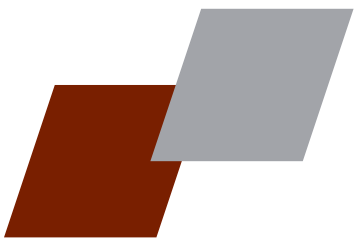
- Tenders pipeline remains strong.
- Higher demand from major clients for oilfield maintenance work to drive OIS wins.
- Aggressive tendering in the OIS segment, combined with a healthy tender book for the P&M segment, is set to drive the Group's continued growth.

Strong net cash position allowing Group to capture opportunities, M&A included, for future expansion

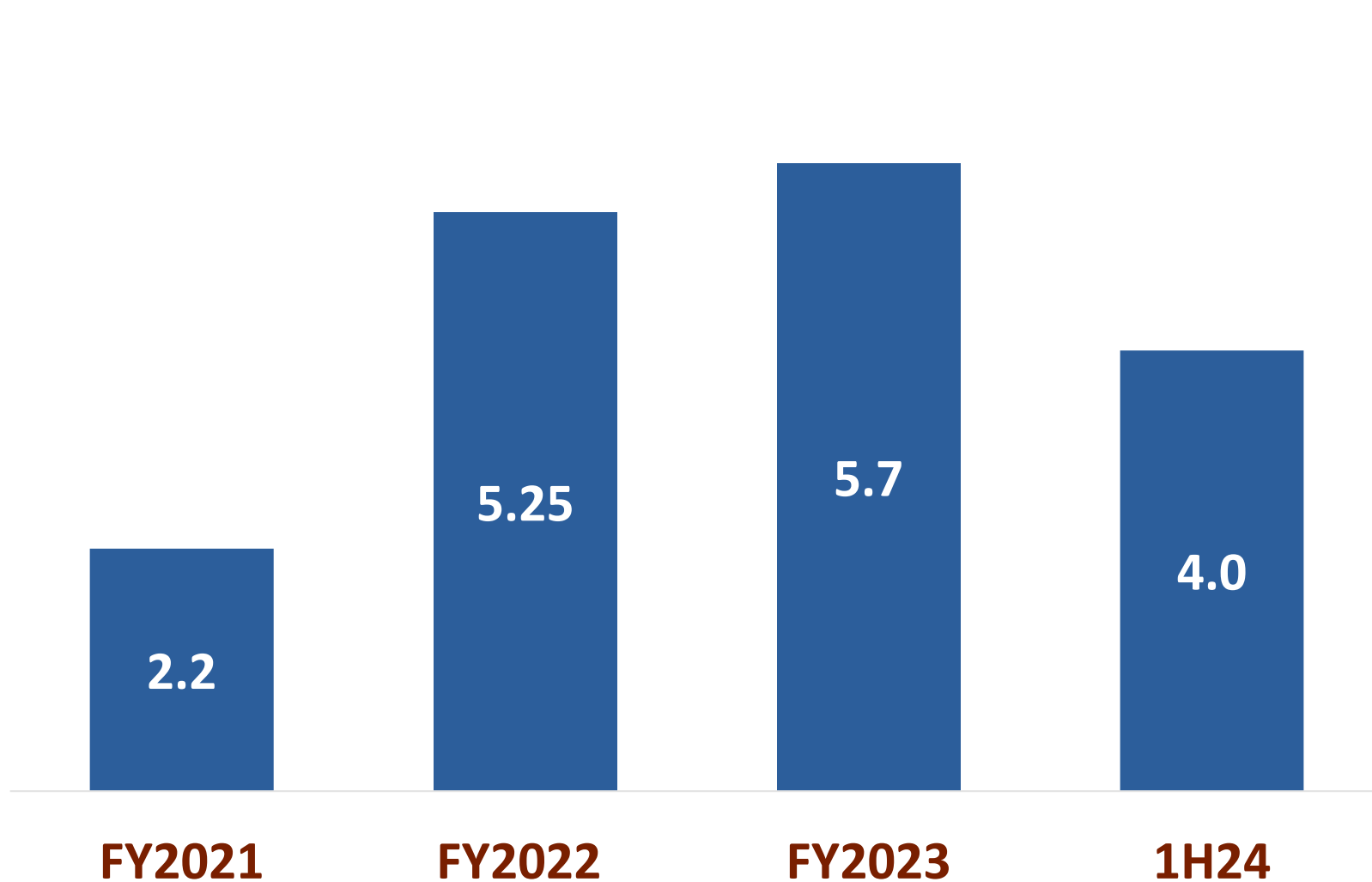


	FY2020 (RM'm)	FY2021 (RM'm)	FY2022 (RM'm)	FY2023 (RM'm)	2Q24 (RM'm)
Current Assets	426.4	413.0	536.4	460.9	537.3
Non-Current Assets	222.1	195.9	177.4	159.8	171.2
Current Liabilities	236.6	210.6	283.2	160.6	219.6
Non-Current Liabilities	41.5	19.6	16.0	13.6	19.3
Shareholders' Equity	349.1	358.3	388.8	413.4	431.8
Net Gearing	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

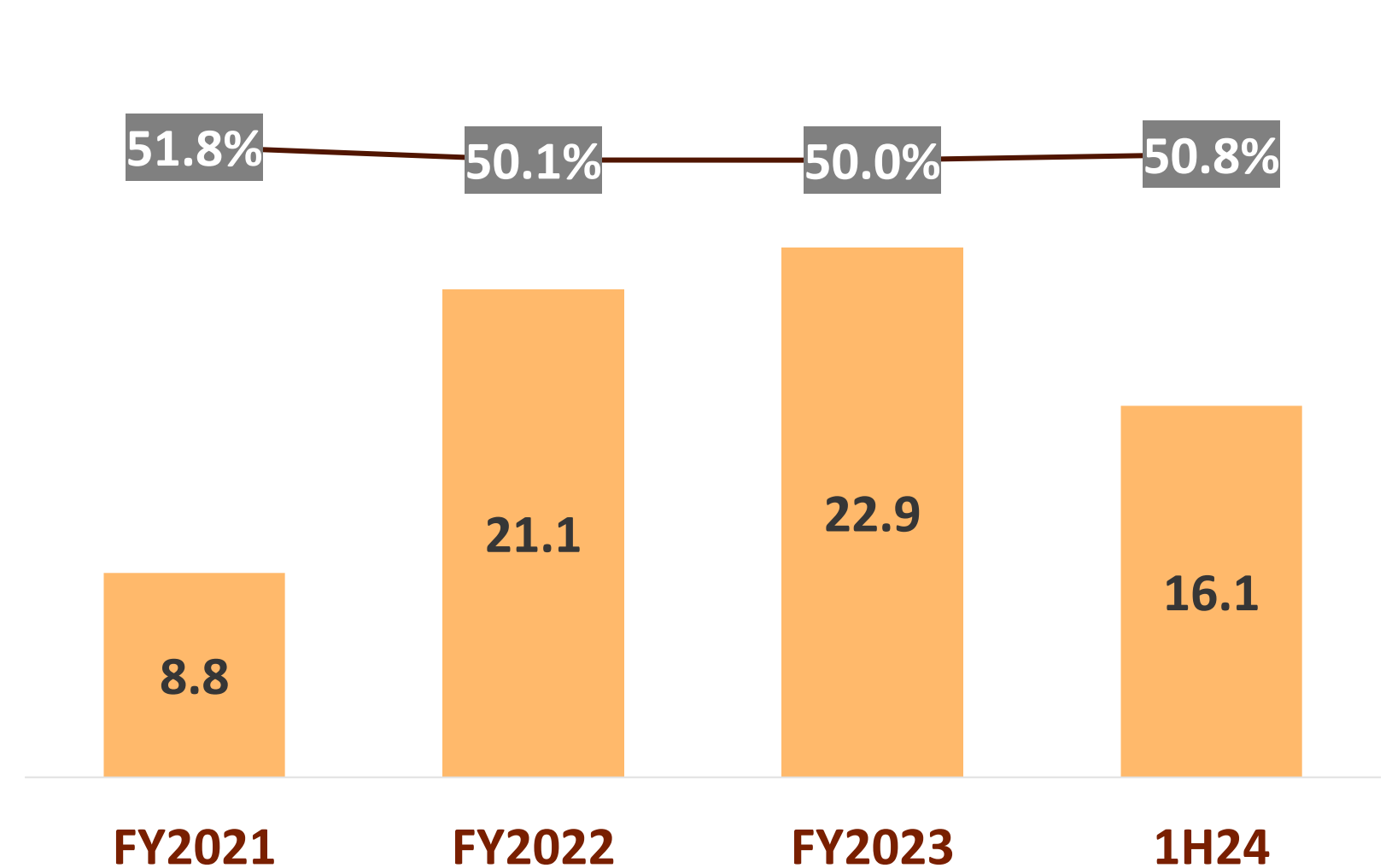
Continuing commitment to consistently reward shareholders



Dividend Per Share (sen)



Dividend Payout (RM'mil)



- Declared 1st interim dividend of 4.0 sen per share in respect of FY2024 on 21 August 2024
Ex-Date: 13 September 2024
Payment Date: 30 September 2024
- Deleum's dividend policy: 50% of annual net profit



GROWTH STRATEGIES



Operational Excellence

- Process Improvements
- ERP Implementation
- Talent Development
- Sustainability Focus

Expansion and Strategic Alliances

- Identifying Growth Opportunities
- Geographical Expansion
- Cash Optimisation

Innovation and Technology Infusion

- Innovation Drive
- Technology Infusion

Deleum's business foundation and commitment

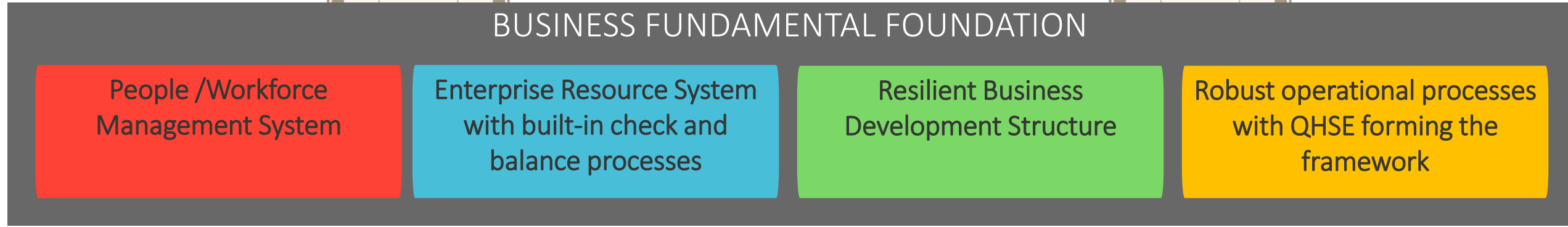


Vision

To be the Premier Malaysian Service Company in the Energy Industry and to grow our regional footprint

Mission

To Achieve Superior Growth and Returns for our Stakeholders and to be the Best in Class





SAFETY
UTAMAKAN KES

1014986

RECENT DEVELOPMENTS

Signing Heads of Agreement to undertake due diligence exercise on acquisition target in Indonesia



- On 4 March 2024, Deleum entered into Heads of Agreement (HOA) with five parties, namely OSA Industries Pte Ltd, PT OSA Industries Indonesia (OSAI), PT OSA Megah Indonesia (PT OSA Megah), as well as Ong Siow Aik (Singaporean), Erik Aristino and Fenty Herlinda (both Indonesian)
- All parties to collaborate in facilitating Deleum's due diligence on OSAI and PT OSA Megah, as well as to negotiate and finalise the definitive agreements for the proposed acquisition
- The HOA aims to strengthen P&M segment presence in Indonesia

Strategic partnerships to foster commitment towards innovation and sustainability



- Signed two separate agreements with **Paradigm Technology Services B.V** and **LatConnect 60 Ltd** during the Offshore Technology Conference Asia 2024 in February 2024
- The partnerships aim to strengthen technological capabilities and enhance sustainability in the OIS segment
- **First agreement with Paradigm Technology** is poised to revolutionize traditional slickline operations
- **Second agreement with LatConnect 60** will further enhance the existing relationship, as well as promote eMission60, a methane emissions monitoring solution leveraging satellite data analytics

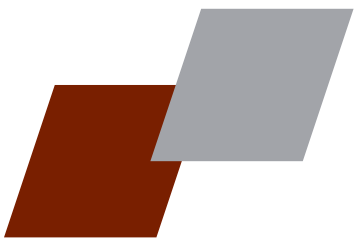


DELEUM



INVESTMENT MERITS

Niche leading player in upstream O&G services... low earnings multiple with high dividend yield point to price upside



Niche player in upstream O&G services with dominant positions in respective markets

To benefit from increased CAPEX and OPEX by oil majors

A member of FTSE4Good Bursa Malaysia Index and Shariah-compliant

Strong balance sheet with net cash position affords Group to undertake expansion plans

Robust RM570.5 million order book and RM1.4 billion tender book to undergird earnings growth

Consistent 50% dividend policy payout

3.3x EV/EBITDA yet to reflect Deleum's investment merits

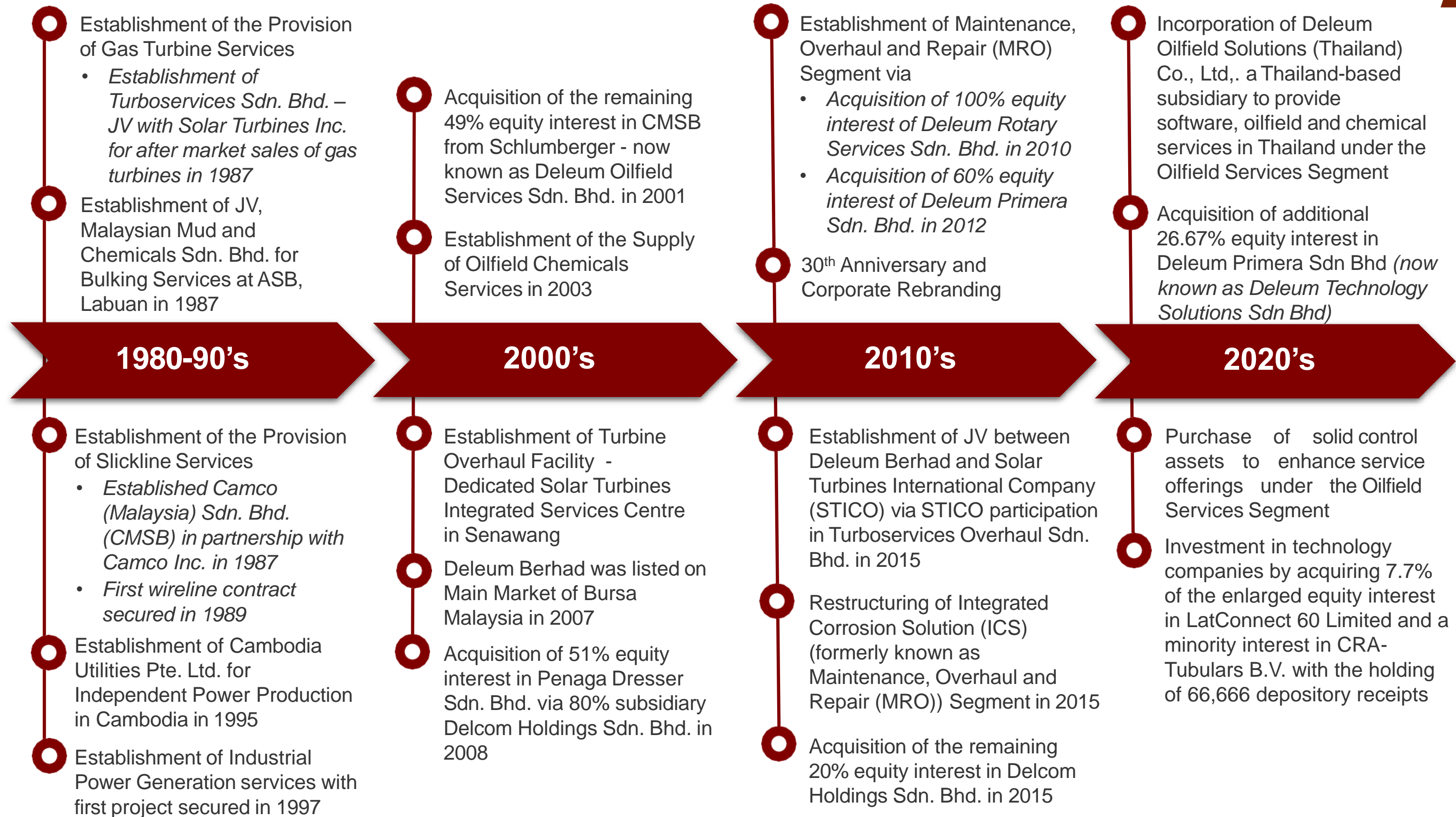
Valuations @ 21 August 2024	
Share Price (RM)	1.250
Market Cap (RM 'm)	501.9
P/E (ttm)	8.6
P/E (net of cash)	6.4
P/B	1.2
EV/EBITDA	3.27
Dividend Yield (FY2023)	4.56%





APPENDIX

Corporate Milestones



Board of Directors



Tan Sri Dato' Seri Shamsul Azhar bin Abbas
Independent Non-Executive Chairman

He joined Petroliam Nasional Berhad (PETRONAS) in 1975 and served in various capacities during his 40 years tenure with the organisation including his last held position as President and Chief Executive Officer of PETRONAS from 2010 to 2015.



Datuk Vivekananthan a/l M.V. Nathan
Non-Independent Non-Executive Deputy Chairman

Co-founder of Deleum Services Sdn Bhd. Vast experience in both upstream and downstream of the oil and gas industry across several countries within the Asean region.



Ramanrao bin Abdullah
Group Chief Executive Officer

He was appointed as Group Chief Executive Officer of Deleum on 1 July 2021 and appointed as Director to the Board on 9 July 2021. More than 25 years in the oil and gas industry.



Dato' Izham bin Mahmud
Non-Independent Non-Executive Director

Co-founder of Deleum Services Sdn Bhd. More than 30 years in the financial and banking sectors. Served in several other listed financial and non-financial companies/group.



Lee Yoke Khai
Senior Independent Non-Executive Director

Started his career with PricewaterhouseCoopers PLT in 1981. Was an Audit Partner from 1991 until retirement in 2018. Extensive experience within the audit profession in wide range of industrial and commercial operations in Malaysia and Australia.



Datuk Manharlal a/l Ratilal
Independent Non-Executive Director

He was the Executive Vice President & Group Chief Financial Officer, member of PETRONAS' Board, Executive Leadership Team and several PETRONAS' subsidiaries until retirement in 2018. Attached to RHB Investment Bank Berhad for 18 years prior to PETRONAS.



Datin Aisah Eden
Independent Non-Executive Director

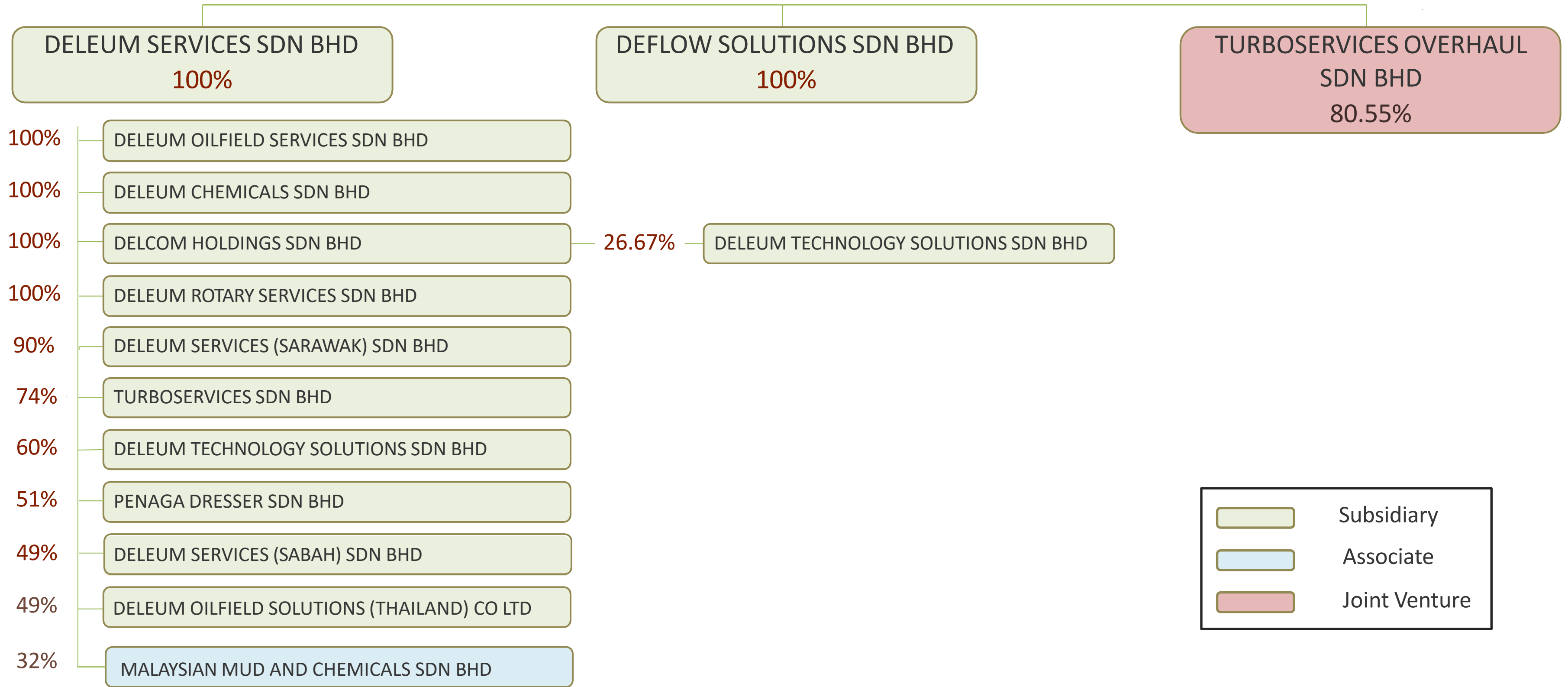
She has extensive corporate services experience covering a wide range of board, corporate-legal, strategic human resource, retail, shared services, sustainability and corporate social responsibility (CSR), government relations to managing brand and reputation.



Ainul Azhar bin Ainul Jamal
Independent Non-Executive Director

Throughout his 32-year career with Schlumberger, he served in various capacities culminating his appointment as the chairman and director of Schlumberger in Malaysia. He was appointed as the Non-Executive Director of Petroliam Nasional Berhad (PETRONAS) in 2018 and was the founding board member of Gentari until April 2023. With over 40 years of experience in the oil and gas industry, he currently serves as an Independent Non-Executive Director of Icon Offshore Berhad, and a director at Cetco Energy Services (Malaysia) Sdn Bhd and Danau Selasih Sdn Bhd.

GROUP CORPORATE STRUCTURE



	Subsidiary
	Associate
	Joint Venture

Celebrating Deleum's Triple Win at The Edge Malaysia Centurion Club Corporate Awards 2024



Deleum Berhad has recently achieved remarkable success at The Edge Malaysia Centurion Club Corporate Awards 2024, held on 26 July 2024.

Our dedication to excellence and sustainability was recognised with three prestigious awards:

- Highest Return On Equity Over Three Years
- Highest Growth in Profit After Tax Over Three Years
- Highest Returns to Shareholders Over Three Years

This recognition is a proud milestone for Deleum, showcasing our mission to achieving superior growth and returns for our stakeholders and striving to be the best in class

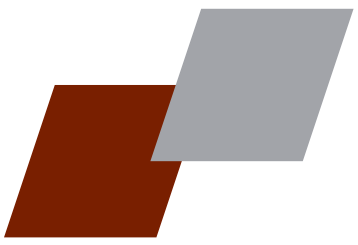


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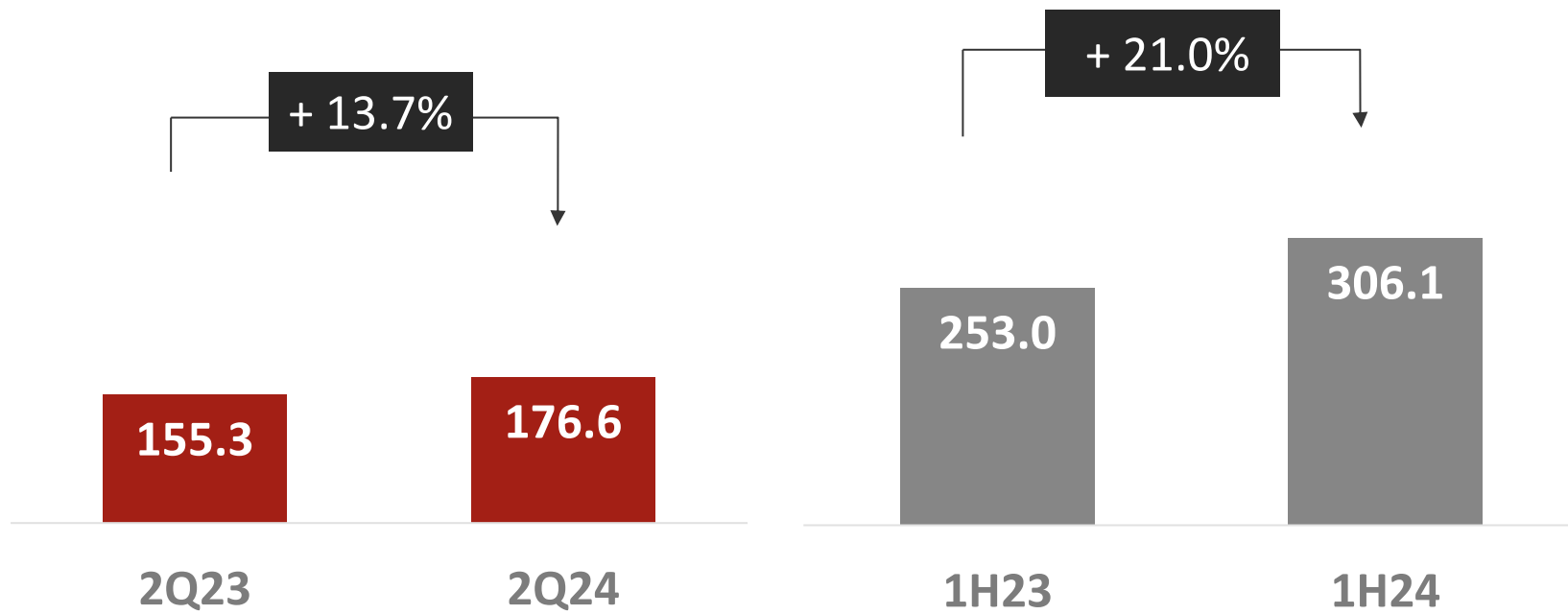


OPERATIONAL HIGHLIGHTS

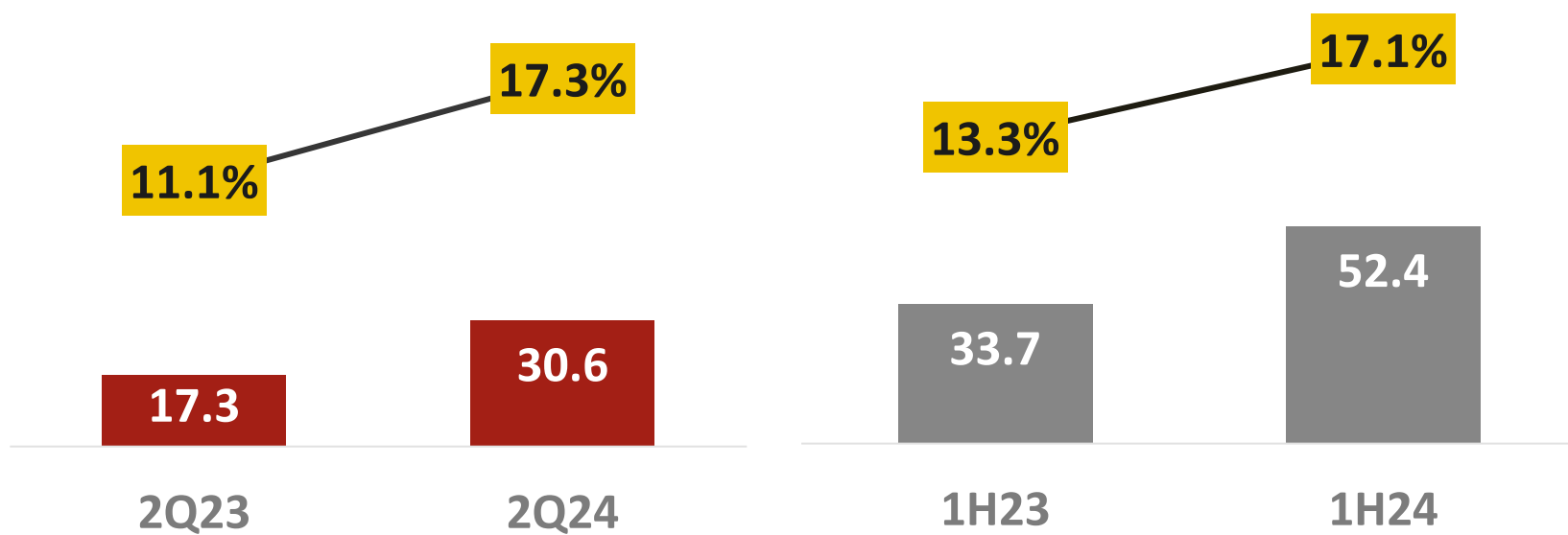
P&M sustains strong momentum in 2Q24...segment profit rising by 76.7%



P&M Revenue (RM'mil)

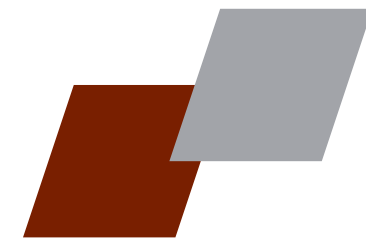


P&M Profit (RM'mil) & Margin (%)

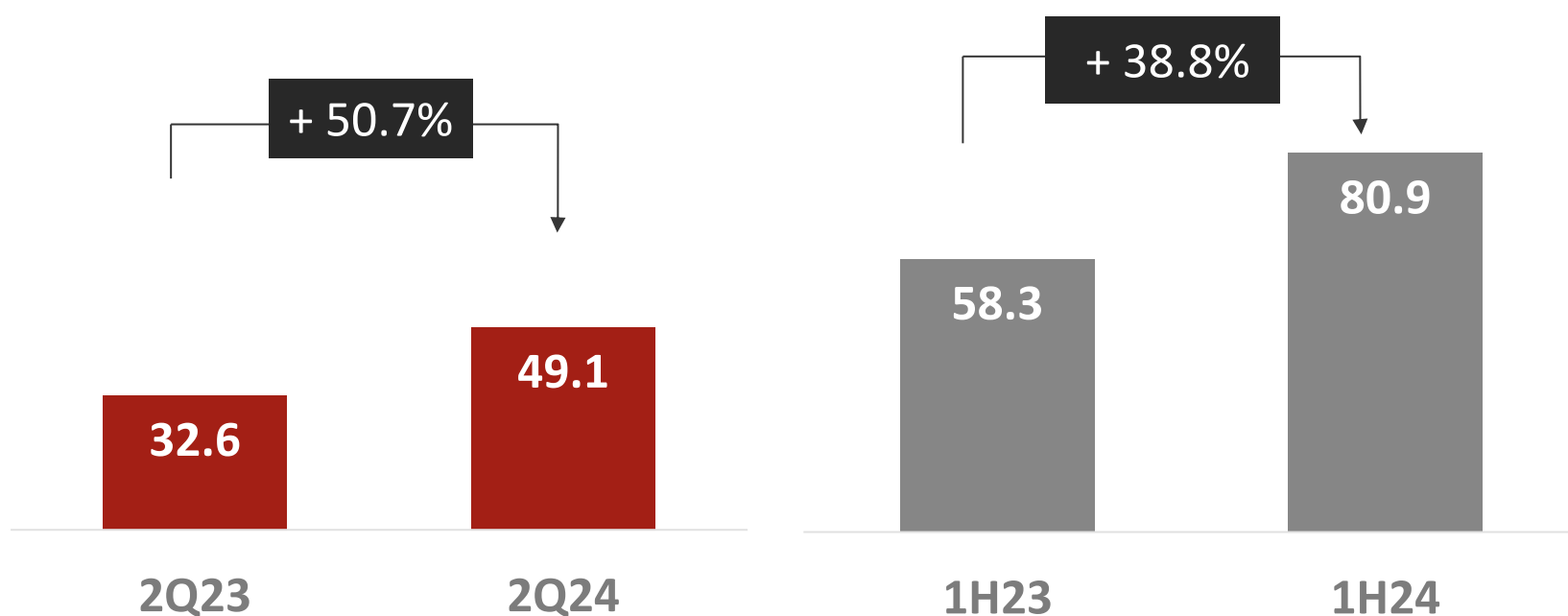


- 2Q24 revenue grew 13.7% to RM176.6 million mainly attributable to higher retrofit income, control and safety valves and flow regulator services, and commission income from mechanical and processes business.
- 2Q24 segment profit rose 76.7% mainly due to higher gross profit, increased foreign exchange gains, and higher gains on forward foreign currency exchange contracts.
- 1H24 segment revenue and profit increased by 21.0% and 55.7% respectively.

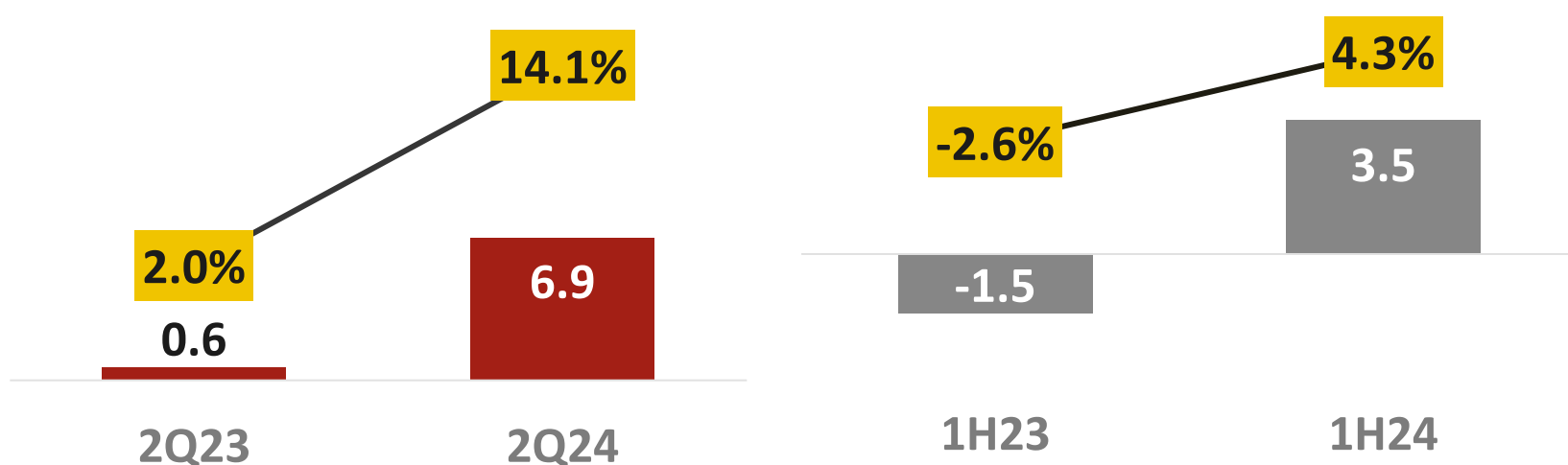
OIS profit up driven by encouraging global capital spending from oil majors



OIS Revenue (RM'mil)

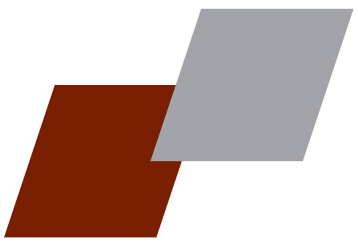


OIS Profit (RM'mil) & Margin (%)

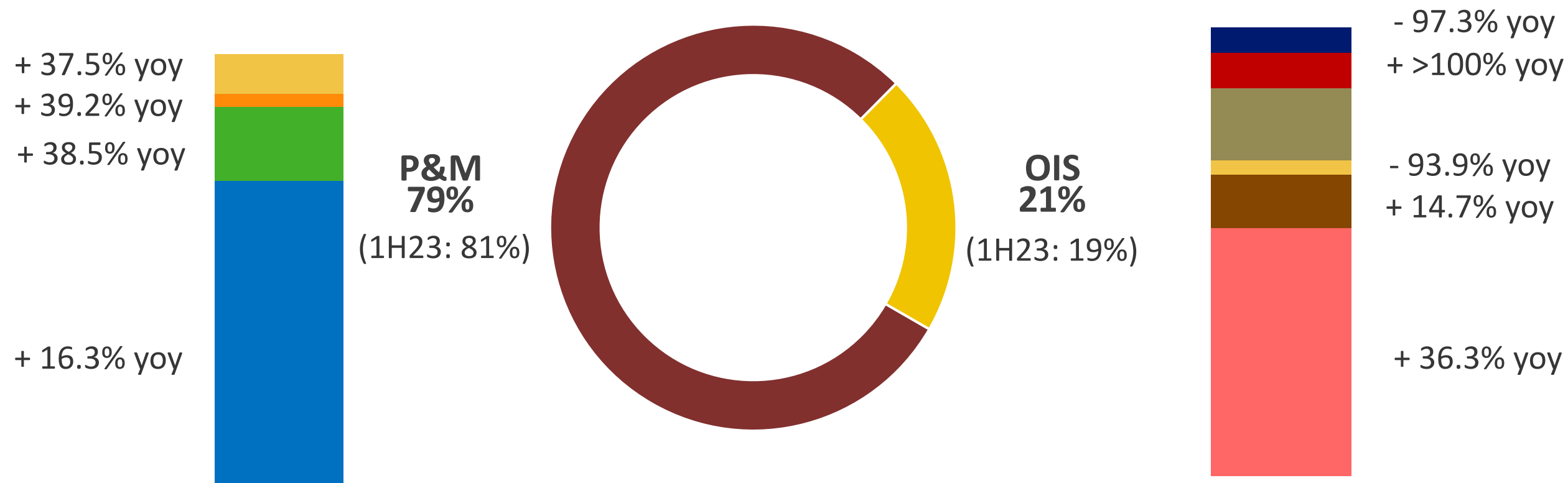


- 2Q24 segment revenue jumped 50.7% to RM49.1 million, driven by higher business activities from slickline services in East Malaysia, asset integrated solution services, specialty chemicals and well stimulations services, and solid control services.
- 2Q24 segment profit surged more than tenfold to RM6.9 million mainly due higher gross profit, as well as the reversal of impairment made on trade receivables.
- In tandem, 1H24 segment revenue increased by 38.8% to RM80.9 million. Meanwhile, segment profit saw a significant turnaround, rising to RM3.5 million from a loss of RM1.5 million in the previous year.

P&M remains main contributor to revenue...OIS gains momentum with increasing demand







Revenue Breakdown by Segment: 1H24









Notes: No changes (%) in solid control as it has no comparison yet

Power and Machinery

-  Principal based income services
-  Sale of gas turbine packages and after sales support and services
-  Commission based income services
-  Sale of valves and flow regulators and after sales support and services

Oilfield Integrated Services

-  Principal based income services
-  Provision of slickline equipment and services, well intervention etc.
-  Provision of specialty chemical and well stimulation
-  Provision of integrated corrosion and inspection services etc.
-  Provision of maintenance, construction and modification services
-  Provision of solid control services

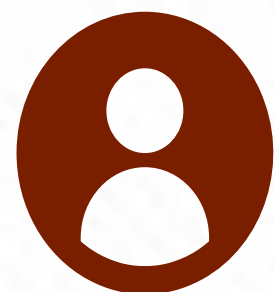


Q&A



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THANK YOU



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