



DELEUM



INVESTOR BRIEFING FY2023

11 March 2024

**BUILDING
MOMENTUM**

IR Adviser:

AQUILAS
Creating Market Value

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CORPORATE PROFILE

An Integrated Solutions Provider in Oil & Gas upstream (exploration and production) with 3 core business segments...



Power & Machinery



84%

- Provision of gas turbine packages and aftersales support and services
- Provision of printed circuit heat exchanger and operational spares
- Provision of multi-phase pump solutions & submersible motors, after sales and spares
- Provision of thermal engineering products and solutions
- Supply, installation, repair and maintenance of valves and flow regulators

Oilfield Services



15%

- Slickline and Well Services (SWS)
- Asset Integrated Solutions (AIS)
- Specialty Chemical and Well Stimulation
- Solid Control Services

Integrated Corrosion Solution



1%

- 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 FY2023 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 3 core business segments :
 - Power and Machinery ("P&M")
 - Oilfield Services ("OS")
 - Integrated Corrosion Solution ("ICS")

Our Competencies

- Staff strength: 807 employees as of 31 December 2023
- First Training Well Facility commissioned at Asian Supply Base in Labuan, Malaysia



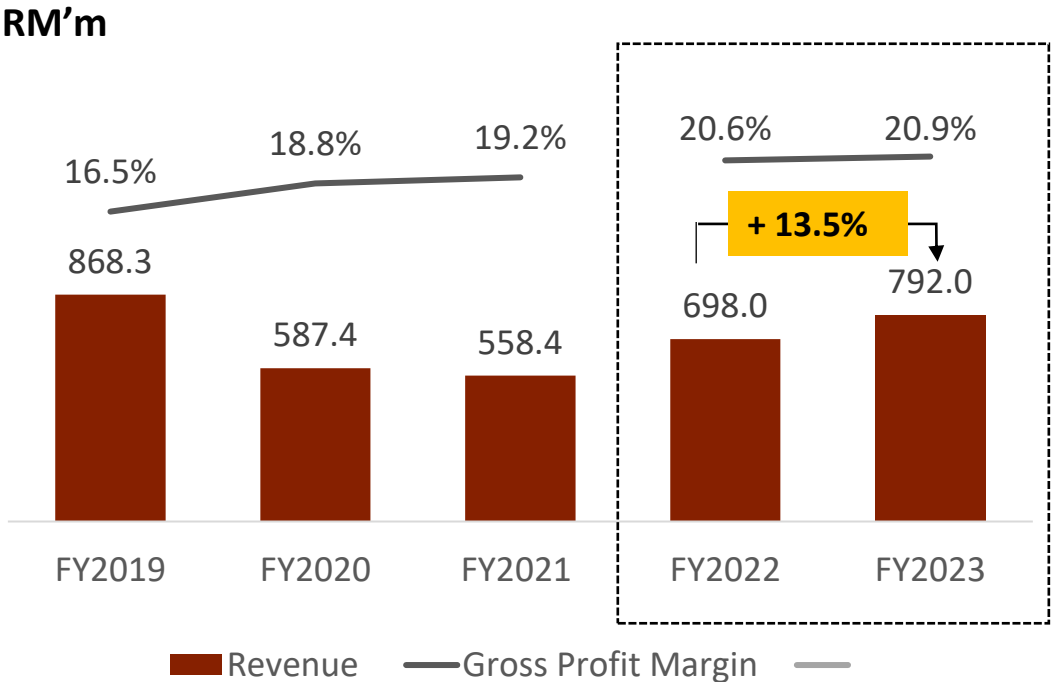


FINANCIAL RESULTS FY2023

Group revenue up in FY2023 on stronger contribution from P&M segment...

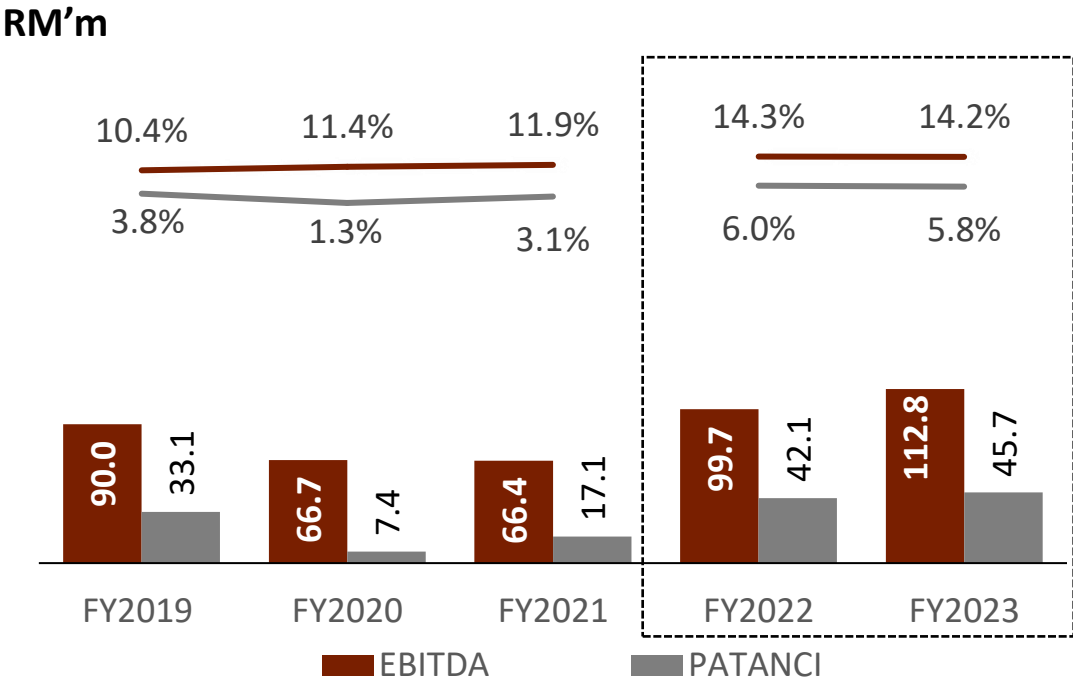


Revenue and Gross Margin



FY2023 Group Revenue increased by 13.5% to RM792.0 million on stronger revenue contribution from the P&M segment

EBITDA, PATANCI and Margins



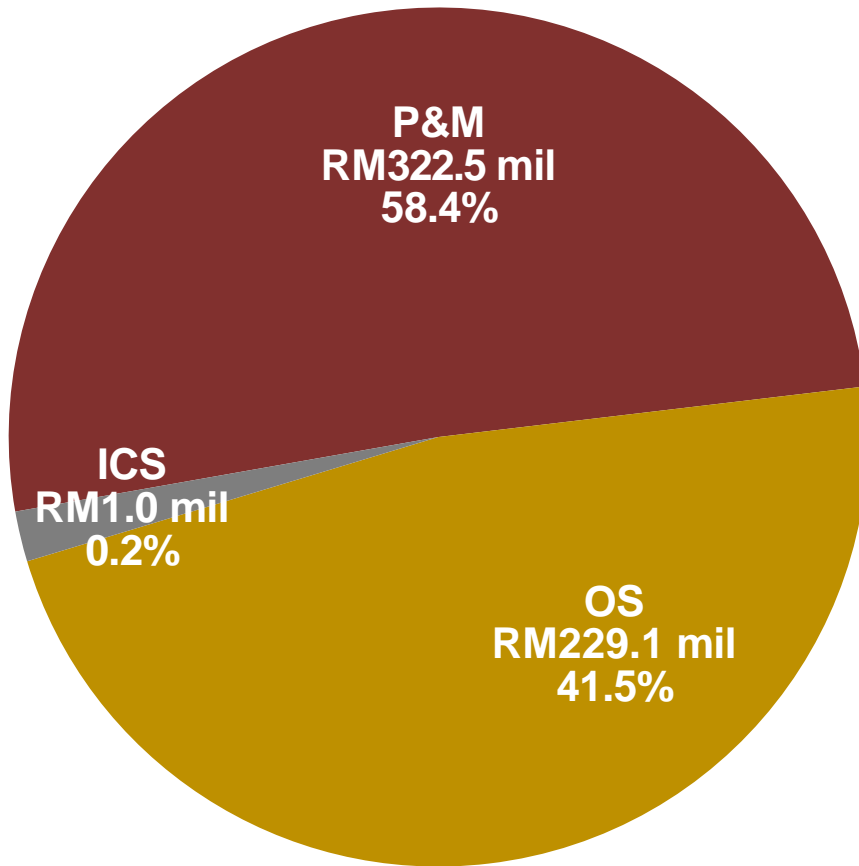
Group PATANCI grew 8.5% to RM45.7 million in FY2023, mainly due to improved operating profit in the P&M segment coupled with net gain on foreign exchange, and lower operating expenses incurred in the ICS segment

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



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Order book totaling RM552.6 million
as at 31 December 2023

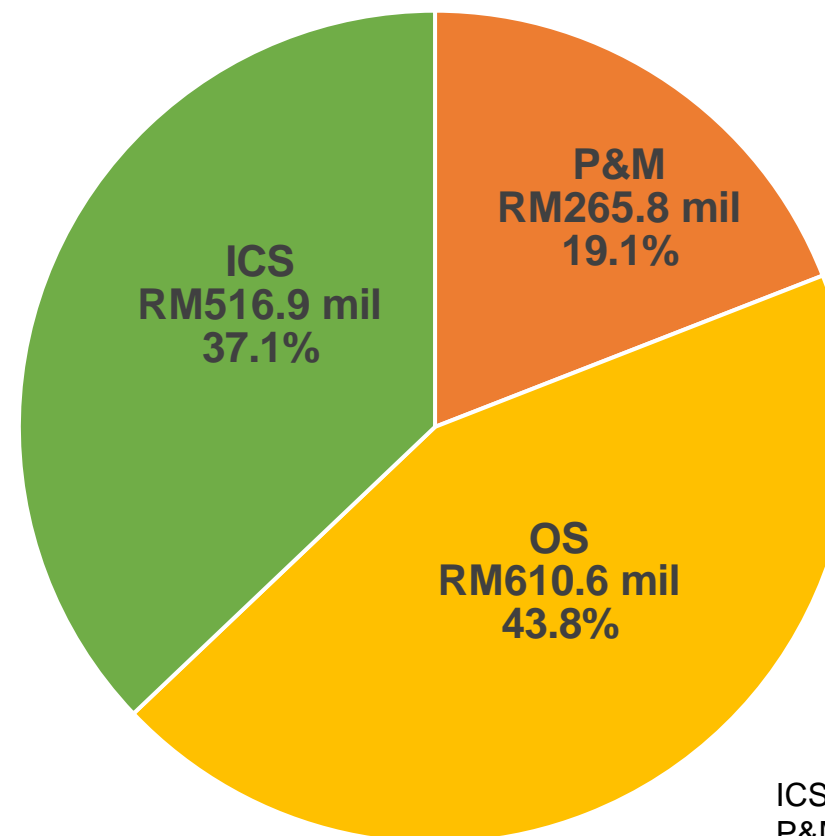


- Robust orderbook for P&M mainly from gas turbine after sales, with RM322.5 million of works to be delivered within 12 months
- Healthy OS orderbook due to increased demand in slickline orders and successful tenders in solid control contracts
- Depletion of ICS orderbook as a result of existing contracts expiry while tendering efforts are ongoing following the license renewal in Dec 2022

ICS = Integrated Corrosion Solution
P&M = Power & Machinery
OS = Oilfield Services

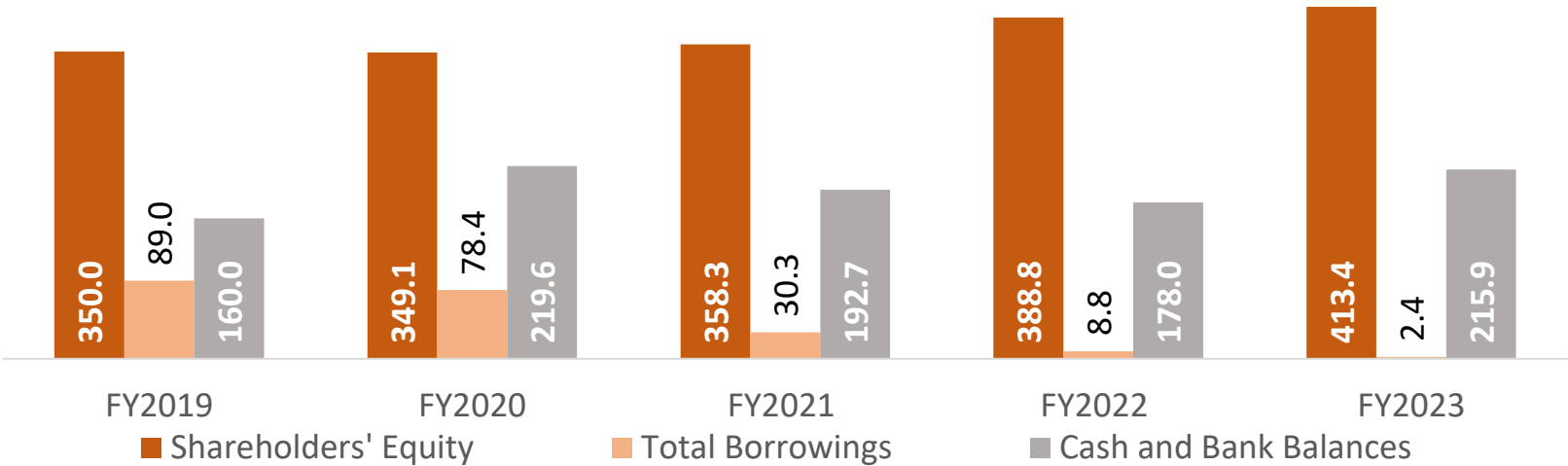
- Tenders pipeline remains strong
- Higher demand from major clients for oilfield maintenance work to drive OS wins
- Aggressively tendering for the ICS segment, leveraging the Petronas suspension lift

Tender book totaling RM1.4 billion
as at 31 December 2023



ICS = Integrated Corrosion Solution
P&M = Power & Machinery
OS = Oilfield Services

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

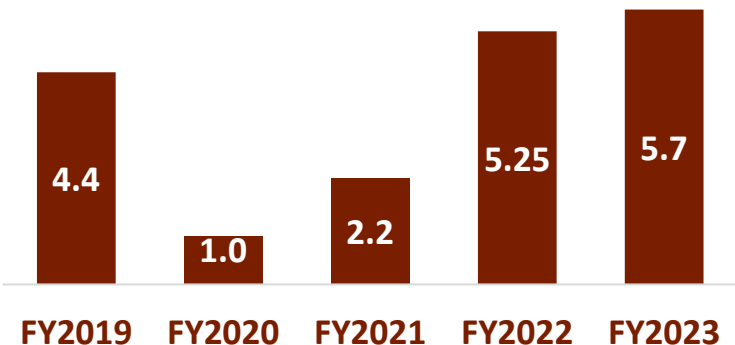


	FY2019 (RM'm)	FY2020 (RM'm)	FY2021 (RM'm)	FY2022 (RM'm)	FY2023 (RM'm)
Current Assets	474.7	426.4	413.0	536.4	460.9
Non-Current Assets	272.8	222.1	195.9	177.4	159.8
Current Liabilities	323.4	236.6	210.6	283.2	160.6
Non-Current Liabilities	45.6	41.5	19.6	16.0	13.6
Shareholders' Equity	350.0	349.1	358.3	388.8	413.4
Net Gearing	Net Cash	Net Cash	Net Cash	Net Cash	Net Cash

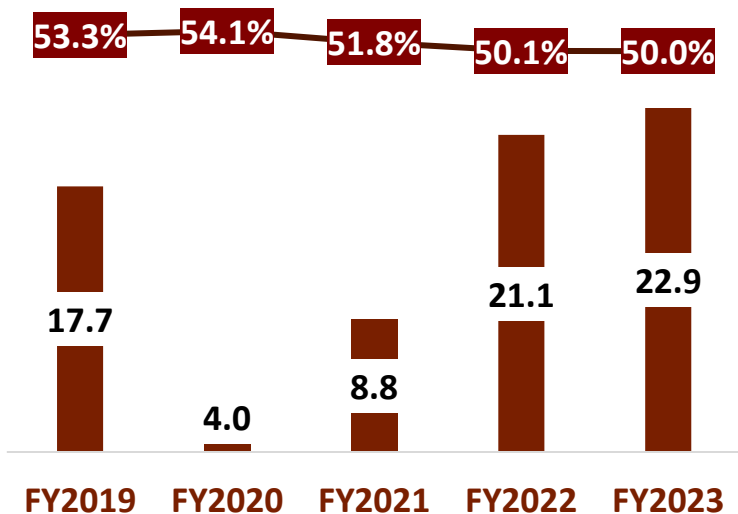
Maintains consistent 50% dividend payout policy...



Dividend Per Share (sen)



Dividend Payout (RM'mil)



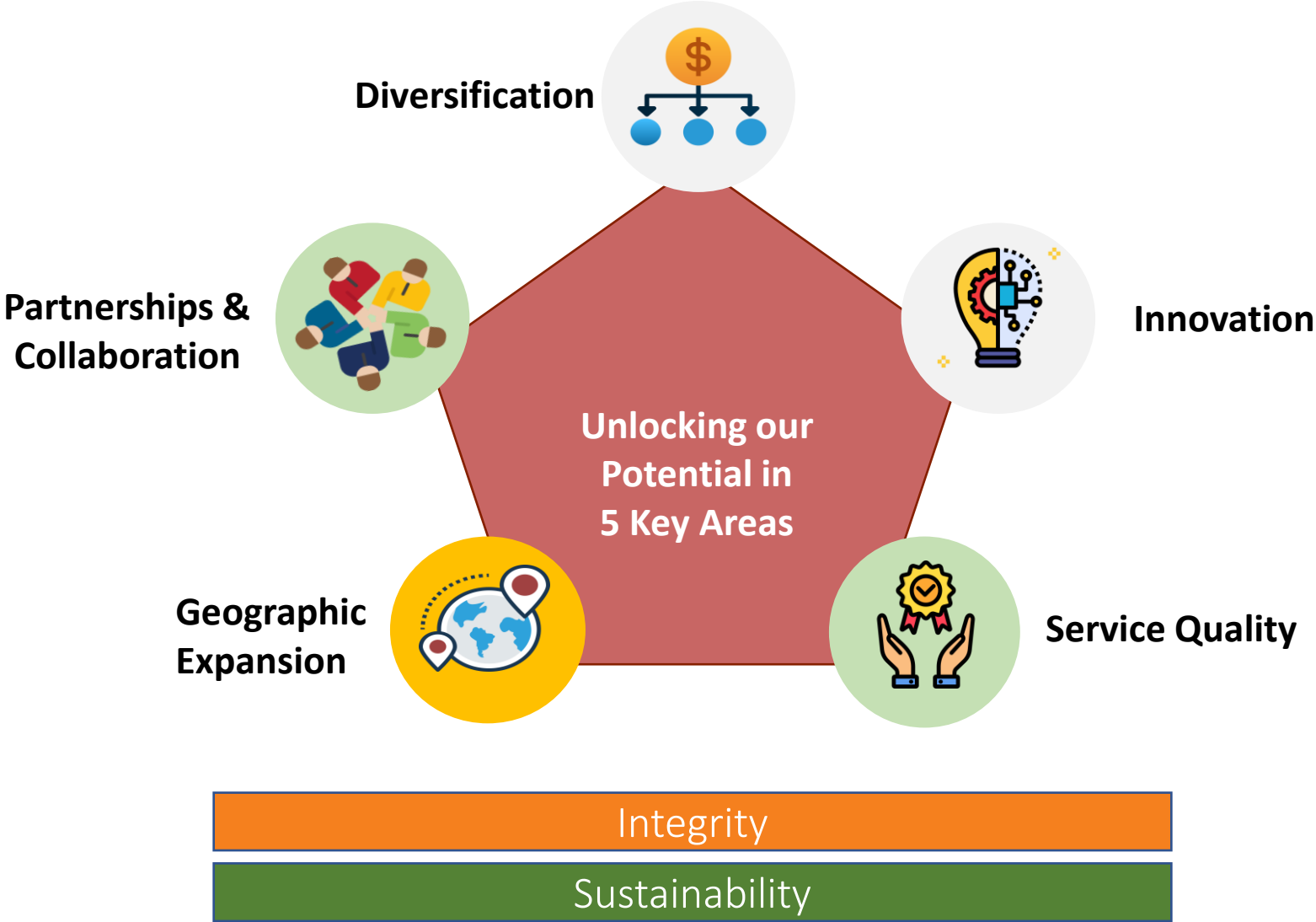
- Paid 1st interim single tier dividend of 2.0 sen/share in respect of FY2023 on 29 September 2023
- Declared a 2nd interim single tier dividend of 3.70 sen/share in respect of FY2023, payable on 29 March 2024

Deleum's Dividend Policy: 50% of annual net profit



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GROWTH STRATEGIES





RECENT DEVELOPMENTS

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



- 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 over a six month period 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
- The partnerships aim to strengthen technological capabilities and enhance sustainability in the OS 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 to promote eMission60, a methane emissions monitoring solution leveraging satellite data analytics



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 RM552.6 million order book and RM1.4 billion tender book to undergird earnings growth

Consistent 50% dividend policy payout

2.9x EV/EBITDA yet to reflect Deleum's investment merits

Valuations @ 5 March 2024

Share Price (RM)	1.270
Market Cap (RM 'm)	510.0
P/E (ttm)	11.2
P/E (net of cash)	6.4
P/B	1.2
EV/EBITDA	2.92
Dividend Yield (FY2023)	4.49%



Thank You

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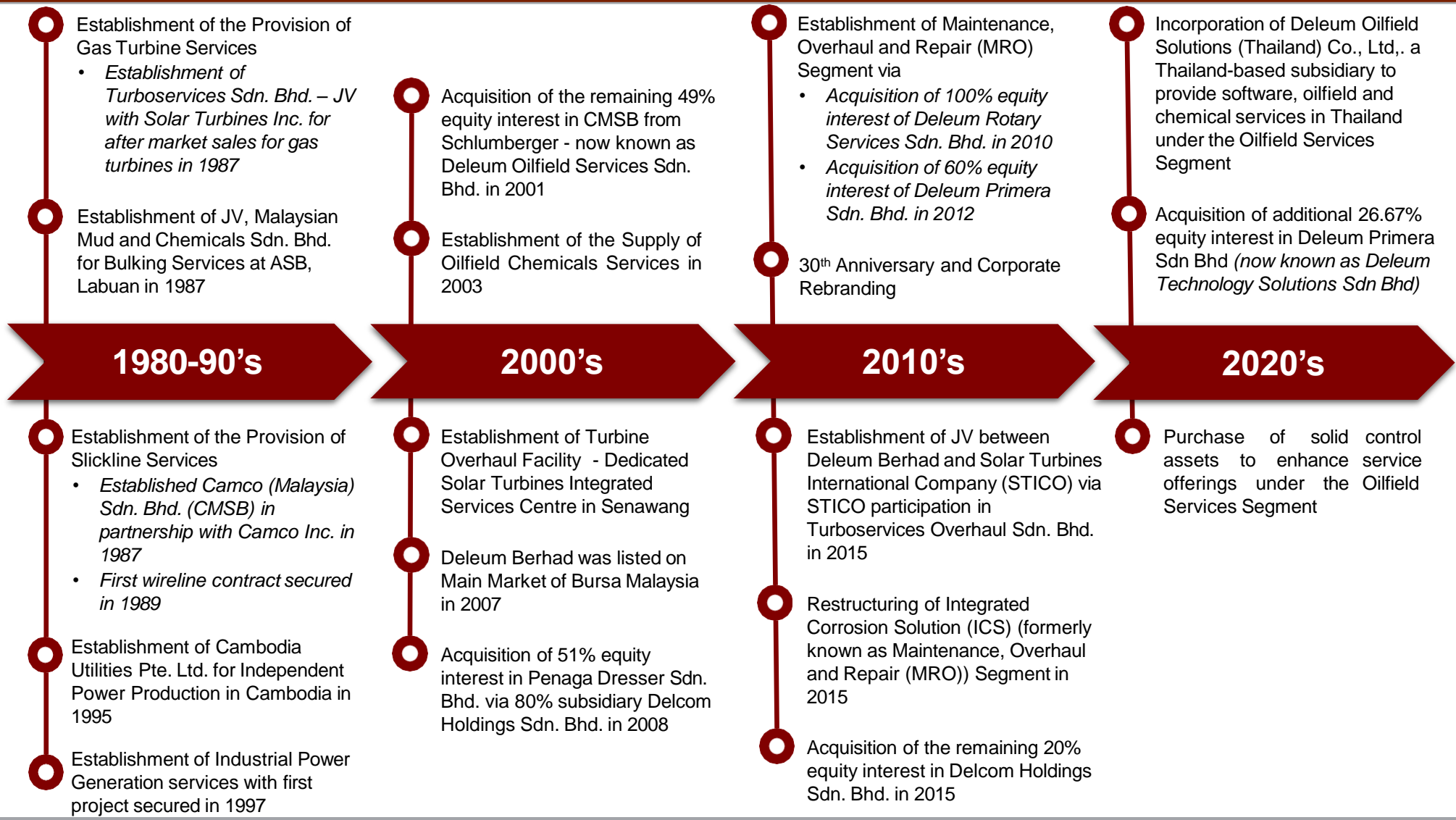
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APPENDIX





Tan Sri Dato' Seri Shamsul Azhar bin Abbas

Independent Non-Executive Chairman

He joined Petroliaam 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

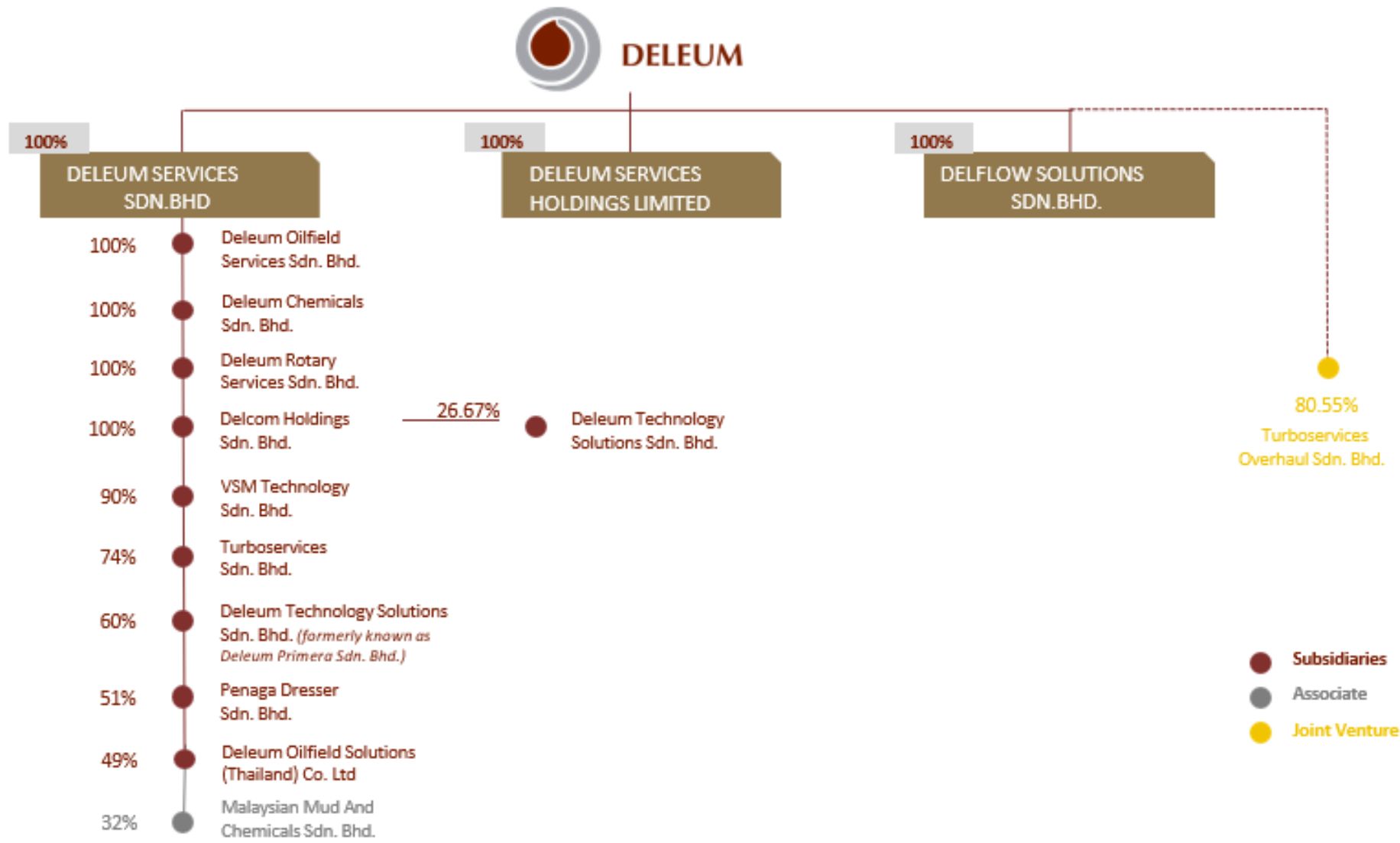
He was the Executive Vice President & Group Chief Financial Officer, member of PETRONAS' Board, Executive Leadership Team and several PETRONAS' subsidiaries until retirement in 2018. Attached to RHB Investment Bank Berhad for 18 years prior to PETRONAS.



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.





- Deleum has been honoured with the prestigious Gold Award in the Energy sector (Equities category) at The Edge Malaysia ESG Awards 2023, held on November 6, 2023.
- This achievement reflects our sustainability commitment towards 'Catalysing Prosperity', 'Protecting and Preserving the Environment', 'Helping People', and 'Embracing Good Governance'.



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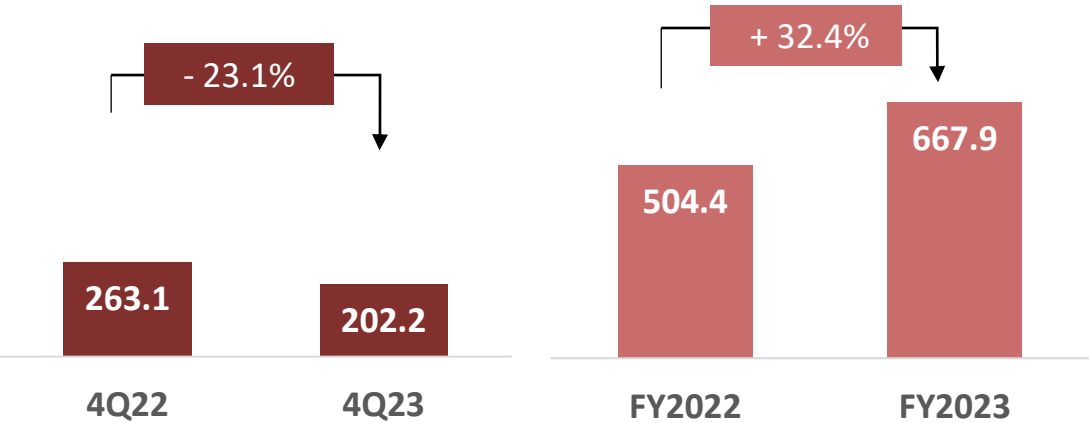


OPERATIONAL HIGHLIGHTS

P&M profit up driven by encouraging global capital spending from oil majors...

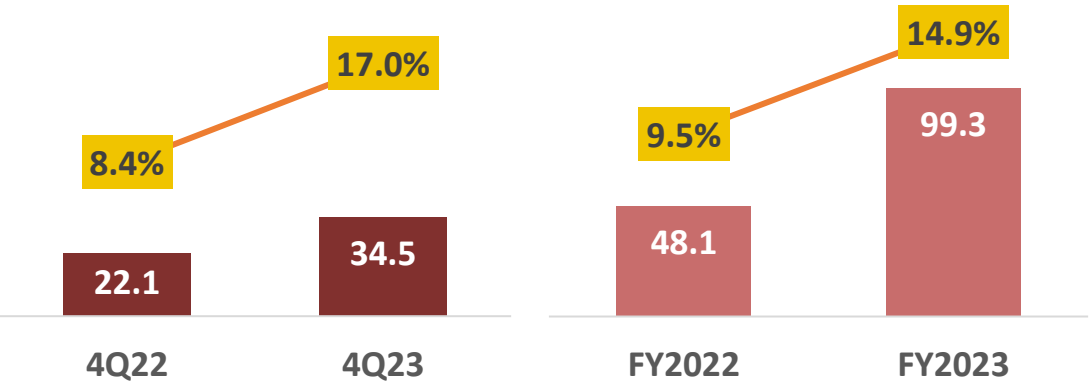


P&M Revenue (RM'mil)



- 4Q23 revenue declined 23.1% mainly attributable to the decrease in sales value and quantity of exchange engines delivered, sales of turbines parts and repairs and freight income
- 4Q23 segment profit rose 55.8% mainly due to higher gross profit achieved, higher gain on foreign exchange, as well as lower fair value loss on forward foreign currency exchange contracts

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

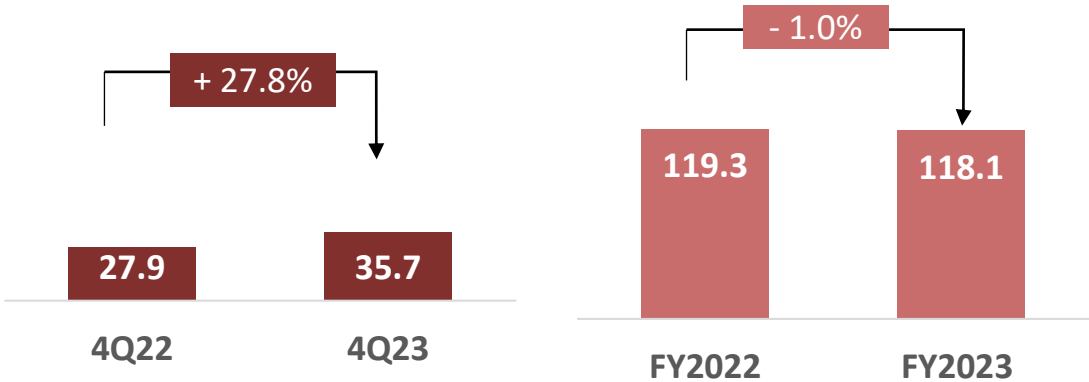


- Overall, FY2023 segment revenue and profit jumped 32.4% and 106.4% respectively

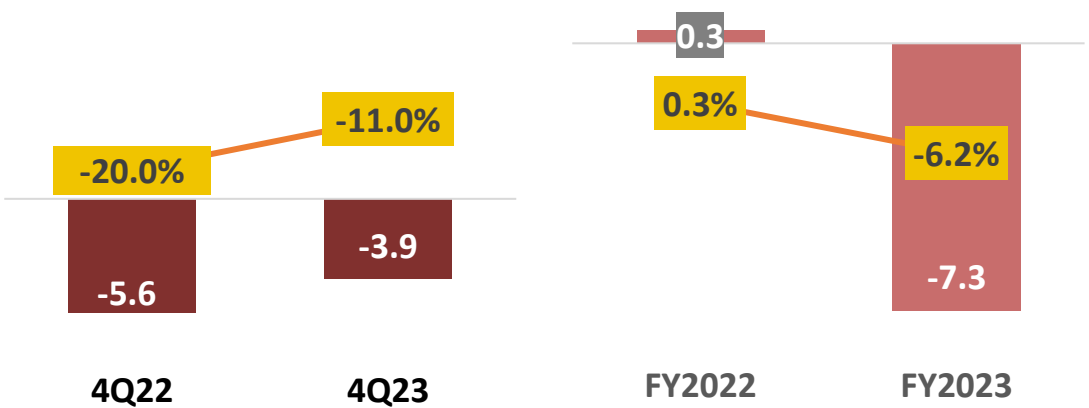
Lower OS segment revenue and profit in FY2023 due to lower activities in the slickline services... healthy OS orderbook for future growth in the segment



OS Revenue (RM'mil)



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

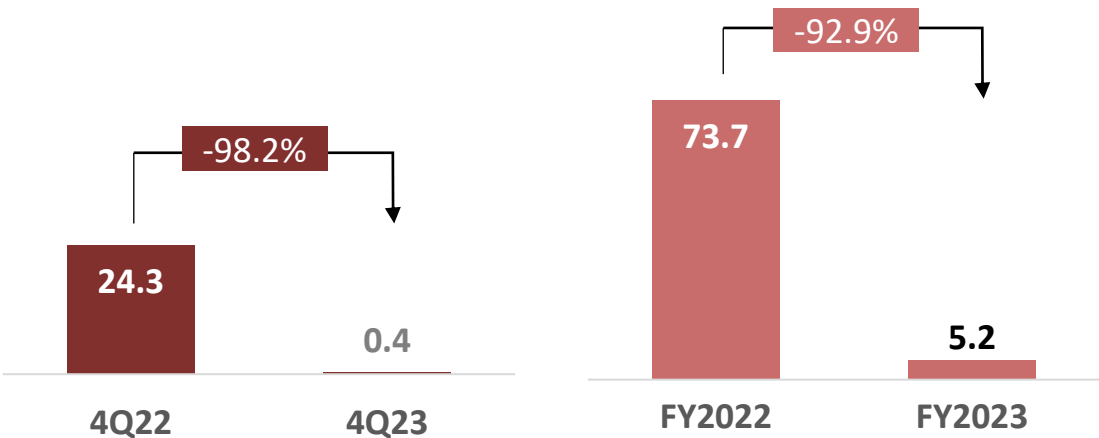


- 4Q23 revenue increased 27.8% yoy due to higher business activities in the slickline services, solid control services, specialty chemical and stimulation services and asset integrated solution services in West Malaysia
- 4Q23 segment reported a loss before tax of RM3.9 million, resulted from impairment made on trade receivables coupled with higher loss on foreign exchange and operating expenses
- Lower revenue and a loss before tax recorded in FY2023 mainly due to lower revenue achieved and higher other operating expenses incurred

ICS segment's FY2023 revenue declining due to lower maintenance activities from alternative blasting and painting job, as well as MCM projects...

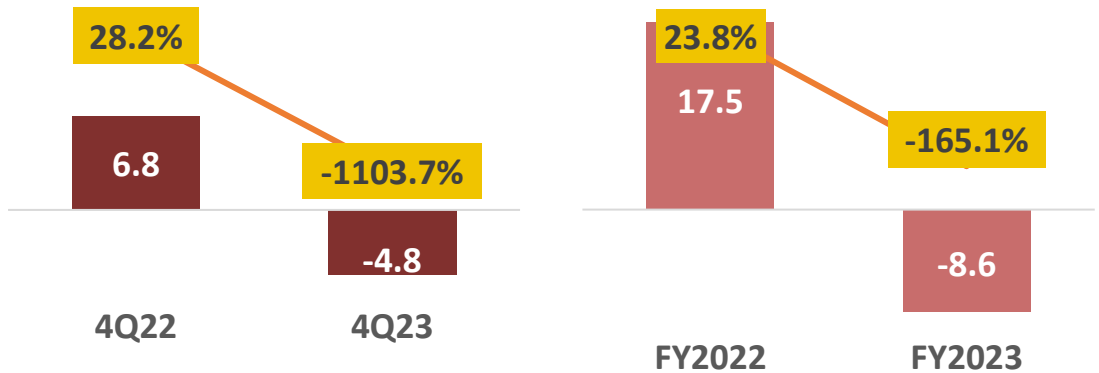


ICS Revenue (RM'mil)

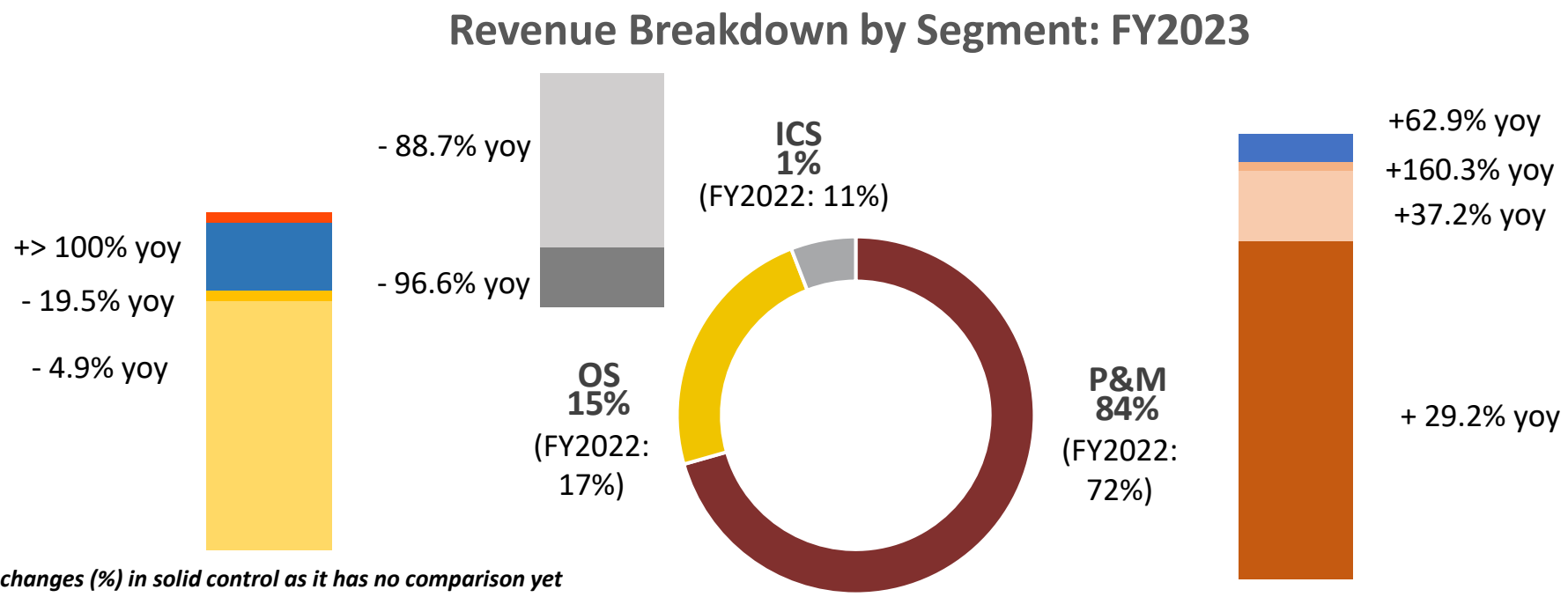


- 4Q23 revenue fell 98.2% to RM0.4 million due to lower maintenance activities from alternative blasting and painting job in Indonesia as well as its Maintenance, Construction, and Modification (MCM) projects
- Loss in the segment was mainly due to the lower revenue reported in the current quarter
- In tandem, FY2023 revenue decreased 92.9% to RM5.2 million, while the segment reported loss

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



P&M remains main contributor to revenue... Solid control begins to contribute to the OS segment



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

Power and Machinery	Oilfield Services	Integrated Corrosion Solution
<div>Principal based income services</div>	<div>Principal based income services</div>	<div>Provision of integrated corrosion and inspection services etc.</div>
<div>Sale of gas turbine packages and after sales support and services</div>	<div>Provision of slickline equipment and services, well intervention etc.</div>	<div>Provision of maintenance, construction and modification services</div>
<div>Commission based income services</div>	<div>Provision of specialty chemical and well stimulation</div>	
<div>Sale of valves and flow regulators and after sales support and services</div>	<div>Provision of solid control services</div>	