



Deleum 3Q24 profit before tax increases 91.7% to RM48.6 million

- *Net profit more than doubles to RM25.1 million in 3Q24, achieving new record high quarterly net profit since listing*
- *Strong OIS segment growth supports record results; new contract wins strengthen future performance*

Kuala Lumpur, Malaysia, 25 November 2024 - Leading oil & gas (O&G) services provider Deleum Berhad's (Deleum, the Group, 迪隆, Bloomberg: DLUM MK) profit before tax (PBT) increased 91.7% to RM48.6 million in the third quarter ended 30 September 2024 (3Q24), from RM25.3 million previously.

Consequently, net profit for the Group more than doubled to RM25.1 million in 3Q24, from RM12.2 million in the same period last year, marking Deleum's highest quarterly net profit since its listing on Bursa Malaysia. The performance was due to the improved profit margin for the Power and Machinery (P&M) segment and the continued positive momentum of the Oilfield Integrated Services (OIS) segment.

Group revenue for 3Q24 increased by 11.3% to RM269.2 million from RM241.8 million in the previous year's corresponding quarter, driven by a 74.3% surge in OIS revenue to RM50.4 million, while P&M revenue sustained at RM218.7 million, 2.8% higher year-on-year.

The OIS segment has shown an upward trajectory throughout the year, with robust growth driven by increased activities across several key service areas, including slickline services, asset-integrated solutions, specialty chemicals and well stimulation, solid control services, as well as Maintenance, Construction, and Modification (MCM) projects.

The Group has recently been awarded two significant contracts for MCM projects, contributing to a major addition to the OIS segment's order book. These new wins are expected to not only enhance the segment's performance but also contribute to the Group's overall financial performance in the coming years.

For the nine months ended 30 September 2024 (9M24), the group net profit jumped 82.5% to RM56.7 million from RM31.1 million previously, on the back of revenue growing by 18.7% to RM656.5 million from RM553.3 million previously.

"We continue to see our financial performance driven by growth across both our segments, especially in the OIS segment. We are excited about the two new contract wins in the OIS segment, which we believe will propel the Group to further heights.

While we have seen progressive growth in the earlier quarters, we anticipate a weaker fourth quarter. However, we expect to finish the year strong.

With our focus to broaden our product lines and establish a strong regional presence in the industry, we continue to explore opportunities across our segments. Our goal is to deliver enhanced shareholders' returns."

Rao Abdullah
Group Chief Executive Officer, Deleum Berhad



Power and Machinery (P&M) Segment

In 3Q24, revenue from the P&M segment edged up by 2.8% to RM218.7 million from RM212.8 million in the previous year's corresponding quarter, largely due to higher sales in turbine parts and repairs, control and safety valves and flow regulator services, as well as retrofit projects. The growth contributed to an increase of 43.9% in PBT to RM44.9 million from RM31.2 million in the same period last year.

The segment maintained strong momentum throughout the nine months ended 30 September 2024 (9M24), with revenue climbing to RM524.8 million and PBT rising to RM97.3 million, as compared to RM465.7 million and RM64.9 million, respectively, in the previous year.

Oilfield Integrated Services (OIS) Segment

Building on the momentum from 2Q24, the OIS segment delivered strong performance in 3Q24, with revenue increasing by 74.3% to RM50.4 million from RM28.9 million in the prior year. This growth was driven by higher business activities in slickline services in East Malaysia, asset integrated solution services, specialty chemicals and well stimulation services, solid control services, as well as MCM projects. The stronger revenue in 3Q24 enabled the segment to achieve sequential profitability in both 2Q24 and 3Q24, which recorded a PBT of RM5.5 million from a loss of RM5.7 million in the same quarter last year.

For 9M24, the OIS segment's revenue grew by 50.6% to RM131.3 million from RM87.2 million in the previous year. Mirroring the quarterly results, the segment posted a PBT of RM9.0 million in 9M24, as compared to a loss of RM7.2 million in 9M23.

The Group's cash and bank balances, together with the placements of funds in investment securities, remained nearly unchanged at RM 210.4 million as at the end of the third quarter of 2024, compared to 31 December 2023. Shareholders' equity increased to RM440.9 million as at 30 September 2024 from RM413.4 million at the end of 2023. Currently, Deleum's order book remains robust at RM1.4 billion, with the majority of works and equipment scheduled for delivery within the next 24 months.



DELEUM

About Deleum Berhad (<https://www.deleum.com/>)

Deleum Berhad is an investment holding company and through its subsidiaries, provides a diverse range of supporting specialised products and services to the oil and gas industry, particularly in the exploration and production sector. Its range of products and services is distinguished according to its two core business segments - Power and Machinery and Oilfield Integrated Services. Deleum is listed on the Main Market of Bursa Malaysia.

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