

Company Name : Keyfield International Berhad
Date : 22 April 2024
Source : The Edge Markets

Keyfield Is Best-Performing Main Market IPO Stock On Maiden Day Of Trading In Last Six Years



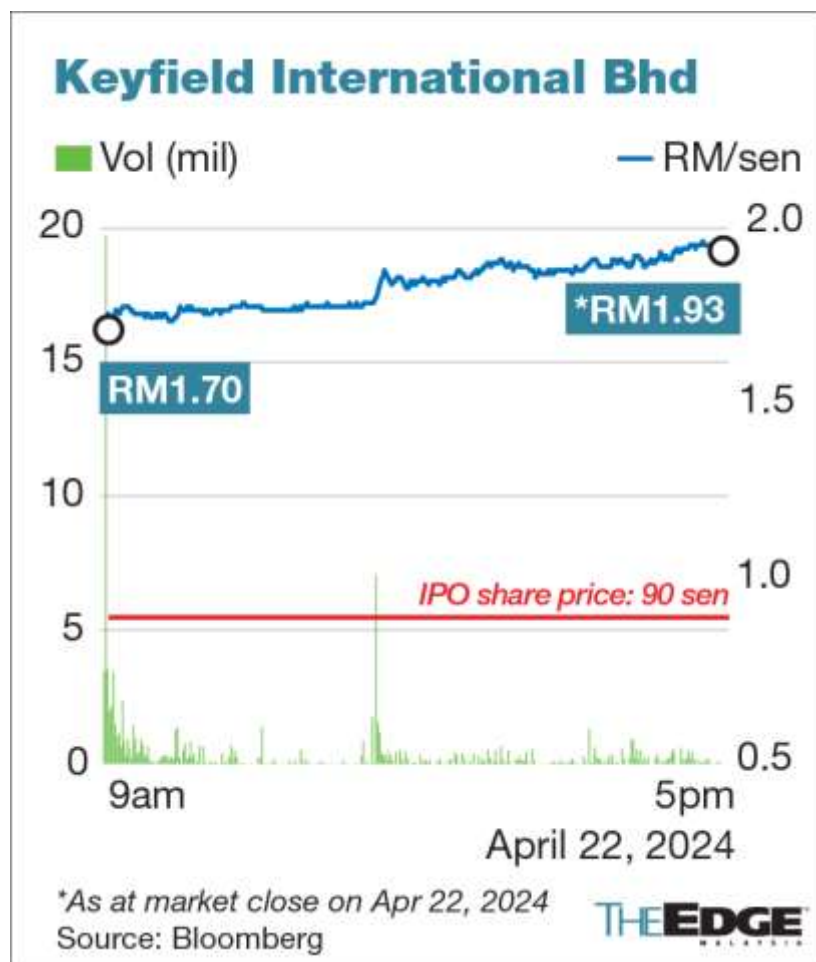
Keyfield International Bhd group chief executive officer Datuk Darren Kee Chit Huei is still very bullish on the outlook for accommodation vessels, particularly because of a shortage of suitable vessels, coupled with strong issuances of new work orders by the relevant oil companies, such as Petronas and the rest of the petroleum arrangement contractors. (Photo by Shahrill Basri/The Edge)

KUALA LUMPUR (April 22): Keyfield International Bhd made a robust debut on the Main Market of Bursa Malaysia on Monday with a closing price of RM1.93, a whopping 114.4% or RM1.03 higher than its initial public offering price (IPO) of 90 sen.

The impressive gain represents the best maiden day trading performance of a Main Market IPO stock over the last six years.

Prior to Keyfield's debut, UMediC Group Bhd's (UMC) maiden day gain of 71% was the best over the last six years, back when the stock was listed in 2019. The best-performing maiden day trading in 2023 was notched by Cape EMS Bhd, which recorded a 66.67% gain.

Last year, Cape EMS and Kumpulan Kitacon Bhd were the only two Main Market debutantes that recorded premiums on their maiden day. Kitacon saw a 10.29% premium over its IPO price of 68 sen.



In contrast, the other five companies faltered on their Main Market debut last year, including Radium Development Bhd, which saw a 23% decline in its first-day performance against its IPO price of 50 sen and CPE Technology Bhd, which fell 14.49% from its IPO price of RM1.07.

Prolintas Infra Business Trust, the first IPO company listed on the Main Market of Bursa Malaysia this year, saw a lukewarm debut as it recorded a 2.11% gain over its IPO price of 95 sen.

Keyfield opened at RM1.70 and skyrocketed to RM1.95, before paring some gains and settling at RM1.93. Based on the closing of RM1.93, its market capitalisation expanded to RM1.54 billion.

Keyfield was the second-most actively traded counter on the local bourse with 108.82 million shares changing hands. Its trading volume is equivalent to 52.08% of its issued share capital of 208.96 million shares.

Keyfield's maiden-day performance also outperformed the other 10 market debutantes this year.

Before this, KJTS Group Bhd's first-day performance topped the list with an 85.19% gain on its debut after it closed at 50 sen, compared to its IPO price of 27 sen.

This was followed by Zantat Holdings Bhd, which recorded a 50% gain in its first-day performance from its IPO price of 25 sen, and HE Group Bhd, which chalked up a 16.07% gain from its IPO price of 28 sen.

IPO performance in Bursa Malaysia for 2024 so far					
Company	Board	Listing date	IPO price (RM)	1st day closing price (RM)	Changes (%) one-day
KJTS Group Bhd	ACE Market	Jan 26	0.270	0.500	85.19
Master Tec Group Bhd	ACE Market	Jan 29	0.390	0.360	-7.69
HE Group Bhd	ACE Market	Jan 30	0.280	0.325	16.07
TSA Group Bhd	ACE Market	Feb 2	0.550	0.575	4.55
Wentel Engineering Holdings Bhd	ACE Market	Feb 6	0.260	0.280	7.69
AGX Group Bhd	ACE Market	Feb 7	0.350	0.360	2.86
Alpha IVF Group Bhd	ACE Market	March 22	0.320	0.320	0.00
Prolintas Infra Business Trust	Main Market	March 25	0.950	0.970	2.11
Zantat Holdings Bhd	ACE Market	March 27	0.250	0.375	50.00
SBH Marine Holdings Bhd	ACE Market	Apr 8	0.220	0.255	15.9
Keyfield International Bhd	Main Market	Apr 20	0.90	1.93	114.44

Source: Bursa Malaysia

At the press conference after the successful listing, Keyfield group chief executive officer Datuk Darren Kee Chit Huei said despite tensions in the Middle East, Keyfield's work orders remain uninterrupted as its vessels predominantly operate in Southeast Asia.

"For now, all our revenue is derived from Malaysia, and some of it from the joint development area near Thailand. For now, I think the geopolitical risk in the Middle East does not have any direct impact on us because we operate 100% in this region," Kee Chit Huei said.

"In terms of direct work, there is no cancellation of work orders because all our clients, including Petroliam Nasional Bhd (Petronas) and Shell, run in this region — in Sabah, Sarawak, in Kemaman, Terengganu, as well as in the joint development area near Kelantan and Songkhla in Thailand," he added.

Outlook for accommodation vessels remains favourable on supply shortage, growing demand

Specialised in the chartering of accommodation vessels, Keyfield is bullish on its prospects.

Kee is still very bullish on the outlook for accommodation vessels, particularly due to a shortage of suitable vessels, coupled with strong issuances of new work orders by relevant oil companies, such as Petronas and other petroleum arrangement contractors.

"We are in this business, and we have been seeing more and more tenders being issued for the requirements of accommodation vessels."

"As we speak today, our vessels are fully chartered out, and we are still looking for suitable vessels to meet our growing work orders," he said.

Given this, the group is looking for more third-party vessels, and at acquiring vessels to meet the growing demand.

On top of that, Kee said the current high oil price is benefiting the group, given that the upward trajectory of oil prices will drive increased offshore activities.

Just this month, the Brent crude oil price soared above the US\$90 (RM430.52) mark per barrel for the first time since October last year, as the conflict in the Middle East escalated. Year to date, oil prices have gained 14%.

Keyfield owns 11 accommodation vessels and it also charters out third-party vessels. Of the 11 vessels it owns, three are on long-term tenure (for more than one year), while the remainder are on spot charter, ranging from two months to 10 months.

As at end-February, Keyfield's orderbook stood at RM662.6 million.

Its net profit for the fourth quarter ended Dec 31, 2023 (4QFY2023) rose 72.41% to RM22.12 million, compared with RM12.83 million for the same period a year earlier, driven by higher vessel utilisation and charter rates, Keyfield said in an exchange filing.

Revenue grew 76.82% year-on-year to RM119.53 million from RM67.6 million.

For the full FY2023, Keyfield's net profit more than doubled to RM105.48 million from RM48.88 million. Revenue jumped 82.24% to RM430.45 million from RM236.2 million.