# Deleum Berhad (5132)

## Strong Net Cash with Growing Dividend

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**Deleum Berhad**

### Company profile

Through its subsidiaries, Deleum Berhad is principally involved in two key segments: Power & Machinery, which focuses on gas turbine services, and Oilfield Integrated Services, covering slickline operations, well services, MCM-HUC, specialty chemicals, and asset integrity solutions.



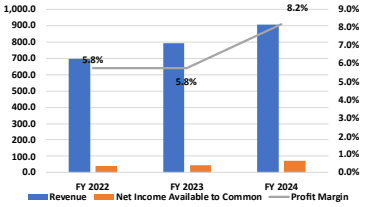

Bloomberg

### Technical Data

| | |
|---|---|
| Price | 1.56 |
| R1 | 1.75 |
| R2 | 1.80 |
| S1 | 1.44 |
| S2 | 1.42 |

M+ Research, Bloomberg

### Financial Snapshot




M+ Research, Bloomberg

## Technical Outlook

**Flag formation breakout.** Deleum experienced a flag pattern breakout, accompanied by healthy volume, forming a bullish engulfing candle. Also, it is hovering above the 30/60/120 EMAs—signalling bullish momentum. With RSI staying above the 50 level, we anticipate the price to test resistance at RM1.75–1.80, while the support is located around RM1.42-1.44. Cut loss is set below RM1.35.

## Trading Catalysts

**Power and Machinery segment continue to grow…** As the exclusive service provider for Solar Turbines in Malaysia, it provides Deleum with steady recurring income from maintenance work and planned engine change-outs are set to increase from 32 units in 2024 to 45 in 2025. Besides, PT OSA acquisition will add a profit guarantee of ~RM12m.

**…as well as Oilfield Integrated Services.** Deleum secured two Pan-Malaysia MCM and HUC packages worth ~RM900m over five years. To recap, the OIS segment's PBT turned positive to RM4.2m as compared to RM15.9m loss in FY23), driven by higher GP and a reversal of receivables impairment. Overall, Deleum's orderbook stood at RM1.6bn, which consists of works and equipment mostly to be delivered within the next 24 months.

**Strong cash, dividend king.** Deleum's net cash reached RM180.3m (RM0.45/share) as of end-2024, surpassing its 2019 level—which supports Deleum rewarding its shareholders, maintaining a >50% dividend payout policy since FY22. Do note that Deleum declared a record of RM37.3m in dividend for FY24, yielding c.6%.

## Peer Comparison

| Company | Price (RM) | Market Cap (RM'm) | P/E (x) | Forward P/E (x) | ROE (%) | NP Margin (%) | RSI | ST Trend | M+ Scoring Quality | M+ Scoring Momentum | M+ Scoring Combined |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **DELEUM** | **1.560** | **626.4** | **8.5** | **6.9** | **16.9** | **8.2** | **Positive bias** | **Up** | **B** | **A** | **A** |
| ARMADA | 0.515 | 3052.9 | 4.8 | 4.2 | 10.8 | 27.6 | Positive bias | Up | A | D | C |
| DAYANG | 1.850 | 2141.9 | 6.9 | 7.9 | 17.6 | 21.2 | Positive bias | Up | A | C | B |
| DIALOG | 1.770 | 9987.6 | 33.8 | 21.9 | 5.6 | 18.2 | Overbought | Up | D | D | D |
| HIBISCS | 1.540 | 1135.6 | 3.3 | 5.0 | 12.6 | 17.3 | Positive bias | Up | B | E | D |
| **Avg ex-DELEUM** | | **4079.5** | **12.2** | **9.7** | **11.7** | **21.1** | | | | | |

Source: M+, Bloomberg

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